

## MIRA INFORM REPORT

Report No. :	528786
Report Date :	10.09.2018

### IDENTIFICATION DETAILS

Name :	ATCI MAKINA SANAYI VE TICARET A.S.
Formerly Known As :	ATCI MAKINA SANAYI VE TICARET LTD. STI.
Registered Office :	600 Evler Mah. Orta Olcekli Sanayi Sitesi 1369. Sok. No:15 Bandirma 10200 Balikesir
Country :	Turkey
Financials (as on) :	31.12.2017
Date of Incorporation :	18.09.1997
Com. Reg. No.:	7690
Legal Form :	Joint Stock Company
Line of Business :	Manufacture and Trade of Machinery For Food Sector.
No. of Employees :	38

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but correct
Litigation :	Clear

### NOTES :

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Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Turkey	B2	B1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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## TURKEY - ECONOMIC OVERVIEW

Turkey's largely free-market economy is driven by its industry and, increasingly, service sectors, although its traditional agriculture sector still accounts for about 25% of employment. The automotive, petrochemical, and electronics industries have risen in importance and surpassed the traditional textiles and clothing sectors within Turkey's export mix. However, the recent period of political stability and economic dynamism has given way to domestic uncertainty and security concerns, which are generating financial market volatility and weighing on Turkey's economic outlook.

Current government policies emphasize populist spending measures and credit breaks, while implementation of structural economic reforms has slowed. The government is playing a more active role in some strategic sectors and has used economic institutions and regulators to target political opponents, undermining private sector confidence in the judicial system. Between July 2016 and March 2017, three credit ratings agencies downgraded Turkey's sovereign credit ratings, citing concerns about the rule of law and the pace of economic reforms.

Turkey remains highly dependent on imported oil and gas but is pursuing energy relationships with a broader set of international partners and taking steps to increase use of domestic energy sources including renewables, nuclear, and coal. The joint Turkish-Azerbaijani Trans-Anatolian Natural Gas Pipeline is moving forward to increase transport of Caspian gas to Turkey and Europe, and when completed will help diversify Turkey's sources of imported gas.

After Turkey experienced a severe financial crisis in 2001, Ankara adopted financial and fiscal reforms as part of an IMF program. The reforms strengthened the country's economic fundamentals and ushered in an era of strong growth, averaging more than 6% annually until 2008. An aggressive privatization program also reduced state involvement in basic industry, banking, transport, power generation, and communication. Global economic conditions and tighter fiscal policy caused GDP to contract in 2009, but Turkey's well-regulated financial markets and banking system helped the country weather the global financial crisis, and GDP growth rebounded to around 9% in 2010 and 2011, as exports and investment recovered following the crisis.

The growth of Turkish GDP since 2016 has revealed the persistent underlying imbalances in the Turkish economy. In particular, Turkey's large current account deficit means it must rely on external investment inflows to finance growth, leaving the economy vulnerable to destabilizing shifts in investor confidence. Other troublesome trends include rising unemployment and inflation, which increased in 2017, given the Turkish lira's continuing depreciation against the dollar. Although government debt remains low at about 30% of GDP, bank and corporate borrowing has almost tripled as a percent of GDP during the past decade, outpacing its emerging-market peers and prompting investor concerns about its long-term sustainability.

Source : CIA

## **COMPANY IDENTIFICATION**

NAME	ATCI MAKINA SANAYI VE TICARET A.S.
HEAD OFFICE ADDRESS	600 Evler Mah. Orta Olcekli Sanayi Sitesi 1369. Sok. No:15 Bandirma 10200 Balikesir / Turkey
PHONE NUMBER	90-266-721 21 66
FAX NUMBER	90-266-721 21 67
WEB-ADDRESS	www.atcimakina.com.tr
E-MAIL	info@atcimakina.com.tr

## **LEGAL STATUS AND HISTORY**

NOTES ON LEGAL STATUS AND HISTORY	Change at tax no.
TAX OFFICE	Bandirma
TAX NO	0990541300
REGISTRATION NUMBER	7690
REGISTERED OFFICE	Bandirma Chamber of Commerce
COMMERCIAL REGISTRY	Bandirma Commercial Registry
DATE ESTABLISHED	18.09.1997
ESTABLISHMENT GAZETTE DATE/NO	24.09.1997/4383
LEGAL FORM	Joint Stock Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 750.000
PAID-IN CAPITAL	TL 750.000
HISTORY	Previous Legal Type : Limited Company / Changed on : 07.09.2015/(Commercial Gazette Date /Number 14.09.2015 /8905) Previous Name : Atci Makina Sanayi ve Ticaret Ltd. Sti. / Changed on : 07.09.2015/(Commercial Gazette Date /Number 14.09.2015 /8905) Previous Registered Capital : TL 20.000 / Changed on : 29.03.2010/(Commercial Gazette Date

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Previous Tax No : /Number 06.04.2010 /7537)  
0990064131 / Changed on :  
07.09.2015/(Commercial Gazette Date  
/Number 14.09.2015 /8905)

## **OWNERSHIP / MANAGEMENT**

SHAREHOLDERS	Vahit Atci	90 %
	Yuksel Atci	5 %
	Mert Atci	5 %
BOARD OF DIRECTORS	Vahit Atci ( Chairman )	
	Yuksel Atci ( Member )	

## **OPERATIONS**

BUSINESS ACTIVITIES	Manufacture and trade of machinery for food sector.		
NACE CODE	DK.29.53		
SECTOR	Machinery		
NUMBER OF EMPLOYEES	38		
NET SALES	8.040 TL Thousand	(2015)	
	7.360 TL Thousand	(2016)	
	7.806 TL Thousand	(2017)	
	3.122 TL Thousand	(01.01-30.06.2018)	
EXPORT VALUE	129.048 TL	(2016)	
	6.204 TL	(2017)	
	16.537 TL	(01.01-30.06.2018)	
EXPORT COUNTRIES	Azerbaijan		
MERCHANDISE EXPORTED	Machinery		
HEAD OFFICE ADDRESS	600 Evler Mah. Orta Olcekli Sanayi Sitesi 1369. Sok. No:15 Bandirma Balikesir / Turkey		

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BRANCHES	Head Office/Production Plant : 600 Evler Mah. Orta Olcekli Sanayi Sitesi 1369. Sok. No:15 Bandirma Balikesir/Turkey ( 4.000 sqm )
TREND OF BUSINESS	There was a decline at business volume in nominal terms in 2016. There was a slowdown at business volume in real terms in 2017. There appears a decline at business volume in nominal terms in the first 6 months of 2018.
SIZE OF BUSINESS	Lower-Medium

## **FINANCE**

MAIN DEALING BANKS	T. Garanti Bankasi Bandirma Branch Akbank Sanayi Branch T. Halk Bankasi 17 Eylul Bandirma Branch
CREDIT FACILITIES	The subject company is making use of credit facilities.
PAYMENT BEHAVIOUR	Slow but correct

KEY FINANCIAL ELEMENTS	(2015) TL Thousand	(2016) TL Thousand	(2017) TL Thousand	(01.01- 30.06.2018) TL Thousand
Net Sales	8.040	7.360	7.806	3.122
Profit (Loss) Before Tax	717	283	456	-102
Stockholders' Equity	1.351	1.558	1.903	
Total Assets	3.644	3.517	3.955	
Current Assets	3.021	2.414	2.965	
Non-Current Assets	623	1.103	990	
Current Liabilities	2.293	1.959	2.052	
Gross Profit (loss)	1.414	1.489	1.815	706
Operating Profit (loss)	705	343	578	93
Net Profit (loss)	621	206	345	-102

## **COMMENT ON FINANCIAL POSITION**

Capitalization	In Order
Remarks on Capitalization	The loss at the last period is expected to have a negative effect on equity total since the last balance sheet date.
Liquidity	Good As of 31.12.2017
Profitability	Good Operating Profitability in 2015 High Net Profitability in 2015 In Order Operating Profitability in 2016 Fair Net Profitability in 2016 Good Operating Profitability in 2017 Good Net Profitability in 2017 Fair Operating Profitability (01.01-30.06.2018) Net Loss (01.01-30.06.2018)
Gap between average collection and payable periods	Favorable in 2017
General Financial Position	In Order

## **CREDIT OPINION WITHOUT OBLIGATION**

	Incr. producers' price index	in Average USD/TL	Average EUR/TL	Average GBP/ TL
( 2015 )	5,71 %	2,7230	3,0254	4,1661
( 2016 )	9,94 %	3,0292	3,3349	4,1006
( 2017 )	15,47 %	3,6337	4,1120	4,7059
( 01.01-30.06.2018 )	15,52 %	4,0582	4,8864	5,5548
( 01.01-31.08.2018 )	25,32 %	4,4308	5,2909	5,9889

## **BALANCE SHEETS**

	31.12.2015 ( Full Year ) TL Thousand		31.12.2016 ( Full Year ) TL Thousand		31.12.2017 ( Full Year ) TL Thousand	
CURRENT ASSETS	3.021	0,83	2.414	0,69	2.965	0,75
Not Detailed Current Assets	0	0,00	0	0,00	0	0,00
Cash and Banks	952	0,26	516	0,15	971	0,25
Marketable Securities	0	0,00	0	0,00	0	0,00

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**ATCI MAKINA SANAYI VE TICARET A.S. - 528786**

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Account Receivable	1.715	0,47	1.512	0,43	1.492	0,38
Other Receivable	223	0,06	85	0,02	86	0,02
Inventories	82	0,02	187	0,05	124	0,03
Advances Given	8	0,00	17	0,00	59	0,01
Accumulated Construction Expense	0	0,00	0	0,00	0	0,00
Other Current Assets	41	0,01	97	0,03	233	0,06
NON-CURRENT ASSETS	623	0,17	1.103	0,31	990	0,25
Not Detailed Non-Current Assets	0	0,00	0	0,00	0	0,00
Long-term Receivable	2	0,00	2	0,00	2	0,00
Financial Assets	0	0,00	0	0,00	0	0,00
Tangible Fixed Assets (net)	614	0,17	1.008	0,29	987	0,25
Intangible Assets	7	0,00	8	0,00	1	0,00
Deferred Tax Assets	0	0,00	0	0,00	0	0,00
Other Non-Current Assets	0	0,00	85	0,02	0	0,00
TOTAL ASSETS	3.644	1,00	3.517	1,00	3.955	1,00
CURRENT LIABILITIES	2.293	0,63	1.959	0,56	2.052	0,52
Not Detailed Current Liabilities	0	0,00	0	0,00	0	0,00
Financial Loans	0	0,00	400	0,11	238	0,06
Accounts Payable	2.055	0,56	1.015	0,29	1.569	0,40
Loans from Shareholders	0	0,00	0	0,00	0	0,00
Other Short-term Payable	39	0,01	104	0,03	54	0,01
Advances from Customers	47	0,01	234	0,07	0	0,00
Accumulated Construction Income	0	0,00	0	0,00	0	0,00
Taxes Payable	152	0,04	203	0,06	190	0,05
Provisions	0	0,00	0	0,00	0	0,00
Other Current Liabilities	0	0,00	3	0,00	1	0,00
LONG-TERM LIABILITIES	0	0,00	0	0,00	0	0,00
Not Detailed Long-term Liabilities	0	0,00	0	0,00	0	0,00
Financial Loans	0	0,00	0	0,00	0	0,00
Securities Issued	0	0,00	0	0,00	0	0,00
Long-term Payable	0	0,00	0	0,00	0	0,00
Loans from Shareholders	0	0,00	0	0,00	0	0,00
Other Long-term Liabilities	0	0,00	0	0,00	0	0,00
Provisions	0	0,00	0	0,00	0	0,00
STOCKHOLDERS' EQUITY	1.351	0,37	1.558	0,44	1.903	0,48
Not Detailed Stockholders' Equity	0	0,00	0	0,00	0	0,00
Paid-in Capital	750	0,21	750	0,21	750	0,19
Cross Shareholding Adjustment of Capital	0	0,00	0	0,00	0	0,00
Inflation Adjustment of Capital	0	0,00	0	0,00	0	0,00
Equity of Consolidated Firms	0	0,00	0	0,00	0	0,00
Reserves	639	0,18	1.261	0,36	1.467	0,37
Revaluation Fund	0	0,00	0	0,00	0	0,00
Accumulated Losses(-)	-659	-0,18	-659	-0,19	-659	-0,17
Net Profit (loss)	621	0,17	206	0,06	345	0,09
TOTAL LIABILITIES AND EQUITY	3.644	1,00	3.517	1,00	3.955	1,00

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## **INCOME STATEMENTS**

	(2015) ( Full Year ) TL Thousand	(2016) ( Full Year ) TL Thousand	(2017) ( Full Year ) TL Thousand	(01.01-30.06.2018) ( Interim Period ) TL Thousand
Net Sales	8.040	1,00 7.360	1,00 7.806	1,00 3.122
Cost of Goods Sold	6.626	0,82 5.871	0,80 5.991	0,77 2.416
Gross Profit	1.414	0,18 1.489	0,20 1.815	0,23 706
Operating Expenses	709	0,09 1.146	0,16 1.237	0,16 613
Operating Profit	705	0,09 343	0,05 578	0,07 93
Other Income	50	0,01 198	0,03 3	0,00 0
Other Expenses	14	0,00 236	0,03 100	0,01 186
Financial Expenses	24	0,00 22	0,00 25	0,00 9
Minority Interests	0	0,00 0	0,00 0	0,00 0
Profit (loss) of consolidated firms	0	0,00 0	0,00 0	0,00 0
Profit (loss) Before Tax	717	0,09 283	0,04 456	0,06 -102
Tax Payable	96	0,01 77	0,01 111	0,01 0
Postponed Tax Gain	0	0,00 0	0,00 0	0,00 0
Net Profit (loss)	621	0,08 206	0,03 345	0,04 -102
				0,03

## **LAST FINANCIAL STATEMENT DETAILS**

	TL Thousand
Cash	842
Banks	129
Doubtful Trade Receivables	0
Other Miscellaneous Receivables (in Other Receivable)	86
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	16
Other Extraordinary Expenses and Losses	136

## **FINANCIAL RATIOS**

	(2015)	(2016)	(2017)
LIQUIDITY RATIOS			
Current Ratio	1,32	1,23	1,44

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Acid-Test Ratio	1,26	1,08	1,24
Cash Ratio	0,42	0,26	0,47
<b>ASSET STRUCTURE RATIOS</b>			
Inventory/Total Assets	0,02	0,05	0,03
Short-term	0,53	0,45	0,40
Receivable/Total Assets			
Tangible Assets/Total Assets	0,17	0,29	0,25
<b>TURNOVER RATIOS</b>			
Inventory Turnover	80,80	31,40	48,31
Stockholders' Equity Turnover	5,95	4,72	4,10
Asset Turnover	2,21	2,09	1,97
<b>FINANCIAL STRUCTURE</b>			
Stockholders' Equity/Total Assets	0,37	0,44	0,48
Current Liabilities/Total Assets	0,63	0,56	0,52
Financial Leverage	0,63	0,56	0,52
Gearing Percentage	1,70	1,26	1,08
<b>PROFITABILITY RATIOS</b>			
Net Profit/Stockholders' Eq.	0,46	0,13	0,18
Operating Profit Margin	0,09	0,05	0,07
Net Profit Margin	0,08	0,03	0,04
Interest Cover	30,88	13,86	19,24
<b>COLLECTION-PAYMENT</b>			
Average Collection Period (days)	76,88	74,05	68,90
Average Payable Period (days)	111,65	62,24	94,28
WORKING CAPITAL	728,00	455,00	913,00

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.90
UK Pound	1	INR 93.04
Euro	1	INR 83.67
TL	1	INR 11.26

**Note :** Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

Analysis Done by :	NIS
Report Prepared by :	TPT

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)