

## Corporate Credit & Issue Rating

New  Update

Sector: Investment Holding  
 Publishing Date: 13/04/2018

### Analyst(s)

Abdurrahman Tutğaç  
 +90 212 352 56 73  
 Abdurrahman.tutgac@jcrer.com.tr

### RATINGS

|                 |                | Long    | Short    |        |
|-----------------|----------------|---------|----------|--------|
| International   | Foreign        | BBB-    | A-3      |        |
|                 | Local Currency | BBB-    | A-3      |        |
|                 | Outlook        | FC      | Stable   | Stable |
|                 |                | LC      | Stable   | Stable |
| Issue Rating    | -              | -       |          |        |
| National        | Local Rating   | A+(Trk) | A-1(Trk) |        |
|                 | Outlook        | Stable  | Stable   |        |
|                 | Issue Rating   | A+(Trk) | A-1(Trk) |        |
| Sponsor Support | Stand-Alone    | 2       | -        |        |
|                 | Stand-Alone    | B       | -        |        |
| Sovereign*      | Foreign        | BBB-    | -        |        |
|                 | Local Currency | BBB-    | -        |        |
|                 | Outlook        | FC      | Stable   | -      |
|                 |                | LC      | Stable   | -      |

\* Affirmed by JCR on November 10, 2017

## Gedik Yatırım Holding A.Ş.

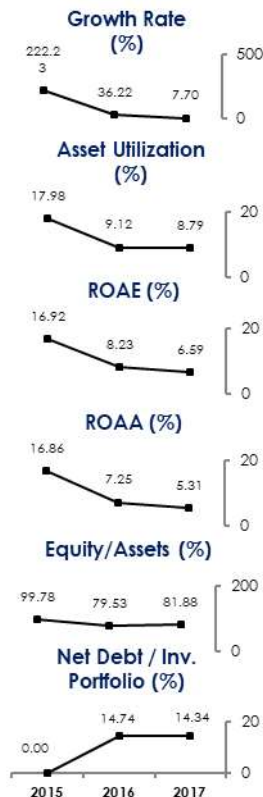
### Company Overview

| Financial Data                      | 2017*     | 2016*     | 2015*     |
|-------------------------------------|-----------|-----------|-----------|
| Total Assets (000 USD)              | 13,249.12 | 13,319.35 | 11,834.28 |
| Total Assets (000 TRY)              | 50,484.47 | 46,873.46 | 34,409.35 |
| Equity (000 TRY)                    | 41,136.29 | 37,279.66 | 34,335.06 |
| Net Profit (000 TRY)                | 2,933.62  | 2,947.96  | 3,716.55  |
| ROAA (%)                            | 5.31      | 7.25      | 16.86     |
| ROAE (%)                            | 6.59      | 8.23      | 16.92     |
| Asset Utilization Ratio (%)         | 8.79      | 9.12      | 17.98     |
| Equity/Assets (%)                   | 81.48     | 79.53     | 99.78     |
| Net Debt / Investment Portfolio (%) | 14.34     | 14.74     | 0.00      |
| Asset Growth Rate (%)               | 7.70      | 36.22     | 222.23    |

\* Audited financial statements

**Gedik Yatırım Holding A.Ş.** (the Holding) was established in 1998 under the name Gedik Yatırım Ortaklığı A.Ş. and transformed into an investment holding company in 2014. The Holding primarily focuses on private equity investments in innovative companies with the aim of capturing a competitive and technological edge and benefiting from these companies' sound growth and profitability prospects. Currently, the majority of the Holding's investment portfolio, 98%, are comprised Gedik Yatırım Menkul Değerler A.Ş. and Gedik Girişim Sermayesi Yatırım Ortaklığı A.Ş. as of FYE2017.

The Holding's investee companies have a sound track record in Turkey's capital market ecosystem. Gedik Yatırım has operated as a broadly authorized intermediary institution providing comprehensive capital market services for over 25 years. Gedik Girişim, a private equity investor, has a paid-in capital of TRY 20 million and chiefly invests in the initial phase of the information and technology companies and the asset management company Gedik Portföy provides services to individuals and institutions with assets under management of TRY 127.4mn as of FYE2017.



### Strengths

- Liquid assets comprised of quoted equity participations
- High level of capitalization and a very modest leverage
- No exposure to foreign currency risk
- Solid presence of the investee companies in Turkish capital markets
- High-investment grade note of Gedik Yatırım Menkul Değerler A.Ş., the Holding's strategic investment
- Hands on and experienced board with strong capital market insight
- Arm's-length relationship with investee companies

### Constraints

- Single asset concentration exposing the Holding to single sector risks
- Higher price volatility in the Turkish equity markets compared to the developed economies leading to higher revenue fluctuations
- Persistent headwinds in the medium term macroeconomic outlook despite significant incentives and growth figures
- Limited organizational base and the need for further improvement regarding the corporate governance best practices