

Corporate Credit Rating (Annual Review)

Foreign Trade (Export)

		Long Term	Short Term	
International	Foreign currency	BBB-	A-3	
	Local currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating	n.a.	n.a.		
National	Local Rating	BBB+ (Trk)	A-2 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BB+ (Trk)	B (Trk)	
Sponsor Support		3	-	
Stand Alone		BC	-	
Sovereign*	Foreign currency	BBB-	-	
	Local currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Affirmed by Japan Credit Rating Agency, JCR on October 07, 2016

Senior Chief Analyst: Gökhan IYIGUN/+90 212 352 56 74
gokhan.iyigun@jcrer.com.tr

TGS Dış Ticaret A.Ş.					
Financial Data	Sept.2016	2015*	2014*	2013*	2012*
Total Assets (000 USD)	508,764	309,405	222,001	320,684	301,306
Total Assets (000 TRY)	1,526,497	899,627	514,799	683,185	535,602
Total Assets (Adjusted) (000 TRY)	52,812	37,216	40,926	77,038	47,827
Equity (000 TRY)	26,628	24,342	21,980	20,697	20,952
Net Profit (000 TRY)	2,288	2,371	2,290	871	3,112
Principal Activity Revenue (000 TRY)	7,020	12,876	6,640	5,056	12,091
Net Profit Margin (%)	32.59	18.42	34.49	17.23	25.74
ROAA (%)	6.45	8.60	4.98	1.79	9.46
ROAE (%)	11.49	14.52	13.77	5.38	34.11
Equity / Total Assets (Adjusted) (%)	50.42	65.41	53.71	26.87	43.81
Net Working Cap. / T. Liabilities (%)	n.a.	115.76	80.17	36.51	97.17
Leverage Ratio (%)	49.58	34.59	46.29	71.84	49.43
Asset Growth Rate (Adjusted) (%)	45.65	-9.06	-46.88	61.07	41.85

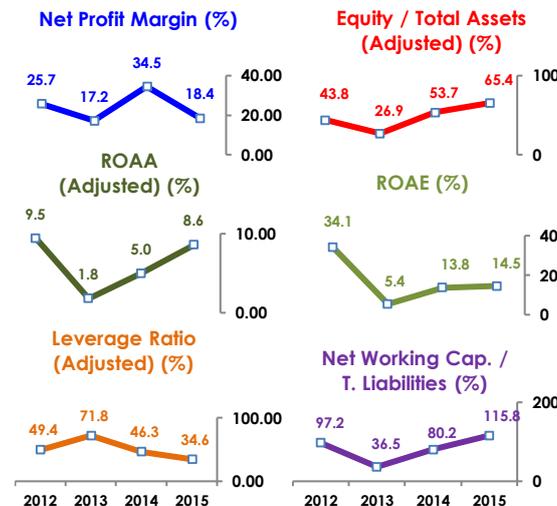
*End of year

Overview

TGS Dış Ticaret A.Ş. (hereafter, TGS or the Company) is one of 53 'Foreign Trade Capital Company' (FTCC) companies annually approved by the Turkish Foreign Trade Undersecretaries in 2016. The Company was established and became operational in 1999 under the statute of 'Sectoral Foreign Trade Company' (SFTC) and gained FTCC status, in 2004. The Company's activity field is to intermediate as an 'agent exporter' with the status of 'class A certificated person' in the export of goods of manufacturers and suppliers. The Company shares have been publicly traded on the Borsa İstanbul (BIST) Second National Market since June 2012 under the code TGSAS and had a free-float rate of 43.57% as of 3Q2016.

The Company ranked 10th in the '2015 Largest Exporters' list of the Turkish Exporters Assembly (TIM) with a 2015 year-end export volume of USD 1,0004mn. In addition, it maintained its leading position in the exports ranking of the 'ready-made clothing' sector achieved in 2012 by continuously improving export volume since 2009.

The Company carries out its activities through its headquarters and the Aegean Regional Office established in February 2015 as of the report date. The Company had a subsidiary, **TGS Kumaş Ürünleri Pazarlama A.Ş.**, with a 99% stake consolidated in its audit reports.



Strengths

- Quite a long operating history and the cofounder's experience in the textile sector that weights most in its export volume, contributing to market efficiency and recognition
- Comparatively high equity level and low debt ratio within the considerations of adjusted financials, lowering the risk level and enabling room for future growth
- High transparency and compliance levels with corporate governance principles as its publicly traded company status
- Negligible levels of credit and foreign risks exposures due to the nature of activity mostly composed of intermediating to exports
- Awarded export volume achieved through the management approach of implementing best practices in the sector and the diversified services
- Improved export volume and profit generation capacity despite the volatile market conditions and suppressed exports across the country

Constraints

- Sector specific issue of comparatively low revenue generation capacity due to the nature of activity based on commission and interest revenue
- Sector related issue of probable delays in collection of VAT returns leading to more challenging liquidity management and need for improvement in available funding sources
- High concentration of textile and apparel sectors in the Company's export volume together with their relatively high effects in case of sectors-specific positive or negative developments
- Sector wide issue of high dependence level of operating volume to export regime, relations between countries, changes and volatility in global and domestic economies which are all highly sensitive and volatile

Publication Date: December 23, 2016

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