

Corporate Credit & Issue Rating
Updated
HOLDING
[Human and Veterinary Pharmaceuticals]

		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	A (Trk)	A-1 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	A (Trk)	A-1(Trk)	
	Sponsor Support	2	-	
Stand Alone		B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

DEVA HOLDİNG A.Ş.						
Financial Data	1Q2017**	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	303,547	289,136	341,502	385,326	388,015	406,872
Total Assets (000 TRY)	1,104,486	1,017,527	992,952	893,532	826,627	723,256
Equity (000 TRY)	533,693	512,848	453,112	411,909	43,050	378,630
Net Profit (000 TRY)	20,904	60,331	47,619	8,702	24,589	34,243
Sales (000 TRY)	219,168	688,456	576,380	467,940	418,391	419,510
ROAA (%)	n.m.	7.16	5.48	0.59	3.11	5.93
ROAE (%)	n.m.	14.9	11.95	1.24	6.17	11.4
Net Debt/ EBITDA(X)	n.m.	2.34	3.04	4.85	3.39	2.66
Net Debt / Equity(X)	0.70	0.68	0.86	0.86	0.73	0.67
EBIT Interest Coverage (X)	1.47	1.28	1.13	0.58	0.79	0.98
Equity / Total Assets (%)	48.32	50.4	45.63	46.1	48.76	52.35
Net Working Capital / T. Assets (%)	22.56	20.07	1.24	16.8	21.39	11.14
Debt Ratio (%)	51.68	49.6	54.37	53.9	51.24	47.65
Asset Growth Rate (%)	8.55	2.47	11.13	8.09	14.29	8.56

*End of Year, **The First Quarter of Year

Company Overview

*Affirmed by Japan Credit Rating Agency on October 7, 2016

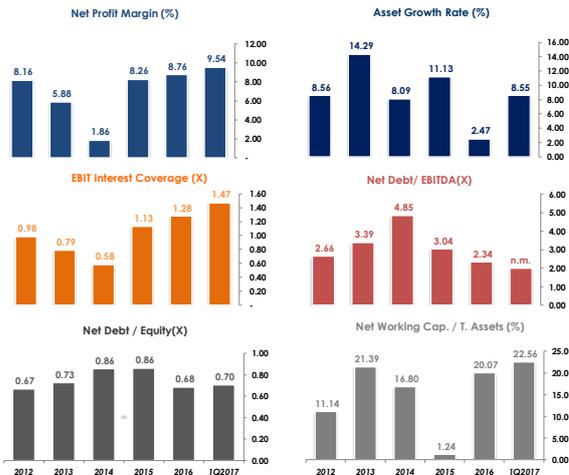
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"Deva Holding A.Ş.", (hereinafter referred to as 'Deva Holding' or Group'), a subsidiary of Eastpharma S.A.R.L., is one of the leading pharmaceutical companies in Turkey, operating in the field of human medicines and pharmaceutical raw materials in the national and international markets through its 4 subsidiaries (Devatis Ltd, Devatis GmbH, Devatis AG, Devatis Inc.)

The Group, having 3 production facilities in Turkey including, Çerkezköy I- II, and Kartepe production plants, has an annual production capacity of 515 million boxes. The Group's product portfolio comprises 415 licensed products in 13 therapeutic fields in over 44 countries including Switzerland, Germany, the Netherlands, and the United Kingdom. According to IMS Health free market box data, Deva Holding ranked 2nd and 8th with the market shares of 6.2% and 2.8% on box-basis in volume and TL respectively, in 2016.

The Group is headquartered in Istanbul and had an average staff number of 1,981 together with its subsidiaries as of March 31, 2017 (2016:1,874). The major qualifying shareholder of the Holding was Eastpharma S.A.R.L. (82.20%) and the others (17.80%). Public trading began on the Borsa Istanbul (BİST) under the ticker symbol "DEVA" since 1986.


Strengths

- Net profitability indicators settling at a solid path enhancing the internal equity generation capacity,
- Low level of net debt levels and loan structure converted to long-term,
- Sustained asset and business volume growth expected to continue as indicated by currently large backlog value,
- Resilient and predictable cash flows and revenue streams,
- Product diversification providing the Group to mitigate the effect of the government's cost-containment measures and regulatory risk,
- High growth potential in the pharmaceutical sector due to increase in senior and infant population, increasing access to healthcare services, lagging behind major OECD countries in healthcare expenditure per capita,
- As an institution subject to Capital Market Law, improved transparency with regard to corporate governance compliance.

Constraints

- The depreciation of the TL versus the U.S. dollar and Euro pressuring profitability ratios due to foreign exchange-based costs,
- Pharmaceutical industry facing price erosion due to the reference pricing system,
- Weak consumer spending and stiff price-based competition driving pressure on margins,
- The realization of the export potential depending on the license permits to be obtained from the target markets,
- Concurrent political upheavals in international and domestic level resulting in excessively embedded discounts of political risks in the domestic markets.

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"Global Knowledge supported by Local Experience"