

Corporate Credit Rating & Issue Rating

Non-Food and Non-Electronics Retail Group

[Department and Mono Stores]

		Long Term	Short Term	
<b>BOYNERGRUP</b>				
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 -3 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB (Trk)	A -3 (Trk)	
Sponsor Support		2	-	
Stand Alone		B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.						
Financial Data	1H2017**	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	1,201,968	1,275,961	1,404,264	1,753,420	1,828,719	598,158
Total Assets (000 TRY)	4,227,080	4,490,363	4,083,037	4,066,007	3,903,035	1,063,286
Equity (000 TRY)	54,493	133,004	616,533	133,830	361,500	-3,448
Net Profit (000 TRY)	-162,092	-469,779	-381,613	-225,889	428,593	-62,826
Sales (000 TRY)	1,909,967	3,444,203	3,397,977	3,160,414	1,901,596	597,910
Net Profit Margin (%)	N.M.	-13.64	-11.23	-7.15	22.54	-10.51
ROAA (%)	N.M.	-10.74	-9.45	-5.55	17.46	-5.36
ROAE (%)	N.M.	-122.8	-102.65	-89.24	242.22	-40.83
Equity / Total Assets (%)	1.29	2.96	15.1	3.29	9.26	-0.32
NWC /T. Assets (%)	-5.88	-14.01	-11.33	-32.9	-14.11	-10.2
Debt Ratio (%)	98.71	97.04	84.9	96.71	90.74	100.32
Asset Growth Rate (%)	-5.86	9.98	0.42	4.18	267.07	-15

\*End - Year; \*\* First Half-Year

Company Overview

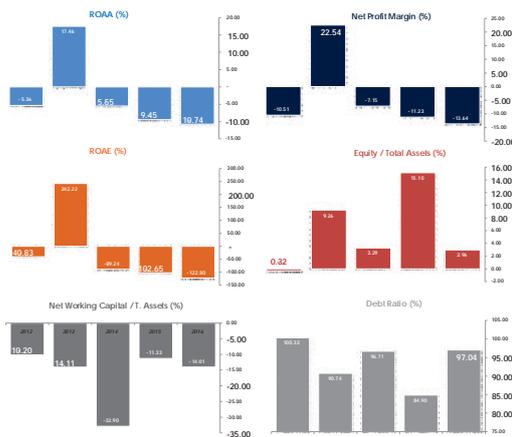
"Boyner Perakende ve Tekstil Yatirimlari A.Ş.", (hereinafter referred to as 'Boyner Perakende', 'the Group' or 'the Company'), is a Turkey-based Company, the leading listed non-food and non-electronics retail group in Turkey and is engaged in the operation department and mono brand stores. Formerly known as Altinyildiz Mensucat ve Konfeksiyon Fabrikalari AS, the Company was founded in 1952 by the Boyner family.

The Boyner Perakende operates 365 stores through its own mono brands Beymen Club, Network, Altinyildiz, Que, Divarese, along with department stores Boyner and Beymen, has a sizeable net sales area of 358k sqm with its total 114 department stores/multi brand stores, 192 single category stores/speciality stores, 59 outlet stores, employing approximately 9,000 personnel with its 12 subsidiaries, 4 affiliates as of June 30, 2017.

The major qualifying shareholders of the Company's shares are Boyner Holding A.Ş., Mayhoola for Investments LLC and IPO holding 42.80%, 42.68% and 14.52%, respectively as of June 30, 2017.

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

Chief Analyst: Orkun İNAN/ +90 212 352 56 73  
orkuni@jcrer.com.tr



Strengths

- Long operating track record, effective market and personalized experience and wide network all enabling high ability to create beneficial and collaborative partnerships and to diversify its business mix, contributing positively to its overall market risk exposure,
- Efficiently managed balance sheet with respect to asset quality and funding structure,
- Prestigious and reputable brand granting robustness to market sensitivities,
- Enabling ease of access to funding sources and use of sophisticated financing tools
- Gaining a competitive edge through rapid development of online sales channels,
- Experienced and well-functioning management team with an emphasis on adoption of corporate governance best practices

Constraints

- Net profitability indicators settling at an insufficient path squeezing the internal equity generation capacity,
- Notable dependence on external resource use and sensitivity to foreign currency liabilities, increasing financing expenses and pressuring profitability,
- Deterioration in the net debt-to-EBITDA and debt-to-equity,
- Highly competitive, volatile and challenging market conditions,
- Geopolitical and economic concerns along with persisting regional tensions harboring uncertainties and wielding pressure on business prospects

Publication Date: September 29, 2017

"Global Knowledge supported by Local Experience"