

**Corporate Credit Rating**
**Non-Financial Sector**
**Holding**

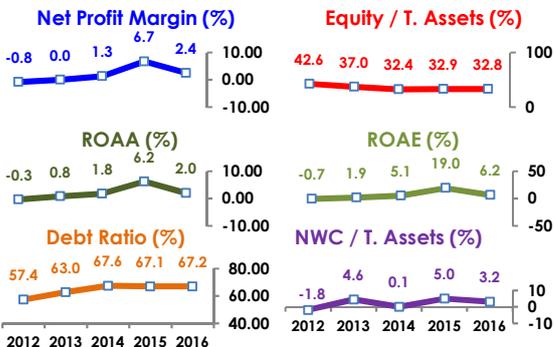
ittifak HOLDING		Long Term	Short Term
International	Foreign Currency	BB+	B
	Local Currency	BBB-	A-3
	Outlook	Stable	Stable
	Issue Rating	-	-
National	Local Rating	BBB- (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
	Issue Rating	-	-
Sponsor Support		4	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC Stable LC Stable	-

\*Assigned by Japan Credit Rating Agency, JCR on October 11 2016

İTTİFAK HOLDING A.Ş.					
Financial Data	2017/6**	2016*	2015*	2014*	2013*
Total Assets (000 USD)	458,683	433,025	449,880	482,487	469,383
Total Assets (000 TRY)	1,608,647	1,523,901	1,308,072	1,118,839	1,001,804
Equity (000 TRY)	356,885	500,106	429,881	362,200	370,889
Net Profit (000 TRY)	2,690	24,401	64,966	12,370	-145
Sales (000 TRY)	528,769	1,015,522	972,694	967,756	993,360
Net Profit Margin (%)	0.5	2.40	6.68	1.28	-0.01
ROAA (%)	n.a.	2.04	6.21	1.77	0.76
ROAE (%)	n.a.	6.20	19.01	5.12	1.91
Equity / T. Assets (%)	31.05	32.82	32.86	32.37	37.02
NWC / T. Assets (%)	2.66	3.23	5.05	0.14	4.61
Debt Ratio (%)	68.95	67.18	67.14	67.63	62.98
Asset Growth Rate (%)	5.56	16.50	16.91	11.68	17.04

\*End of year \*\* End of quarter

**Company Overview**

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İttifak Holding A.Ş. (hereinafter named the Holding, the Group), is a Konya based conglomerate incorporated in 1993. The Group's foundation traces back to 1988 as a crowdfunded venture investing in various sectors. As of date, the Group owns several companies operating in retail, construction, manufacturing, food industry, livestock, egg fuel distribution, information technologies, automobile leasing, real estate management and services. The majority of the Group's revenues are generated by retail, construction, pasta and machinery manufacture segments.

The Group has a portfolio of nationally and/or internationally recognized brands manufacturing business, spearheaded by flour, semolina and pasta producer Selva Gıda, and milling, bandsaw, feeding and steel construction machinery manufacturer İmas Makina are represented by "Selva", "Millerall", "Cuterall" and "Steral" brands, respectively. Both companies target export markets with the latter generating majority of its revenues abroad. Adese retail chain, a prominent player particularly in the Anatolian market represents the retail segment of the Group and accounts for the largest share in revenues. Group's construction company, Seha İnşaat has experience in real estate development and contracting works and is currently focused on large scale real estate projects most prominent being the "Zermeram" project in Konya. Food industry investments, in addition to established pasta & flour line, continues to undergo investment and growth in livestock breeding, poultry & eggs with "Selet" brand.

At the end of 2Q2017, İttifak Holding employed a staff of 3,330, on average, and had 18 subsidiaries, all of which were consolidated, in various fields.

**Strengths**

- Projects to enhance operational efficiency via consolidation of manufacturing facilities and elimination of redundancies
- Construction know-how comprising experience in core business segments and construction and contracting know how with a track record including shopping malls, residences, office complexes, schools, mosques and social housing units
- Resilient regional influence of the retail chain stores particularly in the Anatolia under the "Adese" brand
- Export capacity, broad product range of in flour, semolina and pasta products marketed with "Selva" & technical and organizational capacity in manufacturing and overseas distribution of bandsaw and milling machines with "Cuterall", "Millerall" and "Vital" brand
- Large scale real estate development projects based in Konya and Istanbul, cementing the position of the Group's construction segment
- Positive supervisory support of senior management team

**Constraints**

- Noteworthy share of non-cash revenue items such as valuation gains, affecting the earnings quality, liquidity needs and external funding requirements
- Compressed net profit margin and limited internal resource generation capacity, after adjusting for the fair value gains, while further recovery of the profitability expected upon successful completion of the construction projects
- The residue of the uncollected receivables stemming from the sale of shares of the Group which were acquired through the Holding's IPO by its subsidiaries to a third party, despite of a delayed payment period in excess of 3 years, increasing the impaired receivables levels
- Enduring political and economic uncertainties in the wake of turmoil in the Middle East, tensions with the neighboring countries and anticipated monetary tightening of the US Fed

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