

Corporate Credit & Issue Rating

New Update

Sector: Telecommunication
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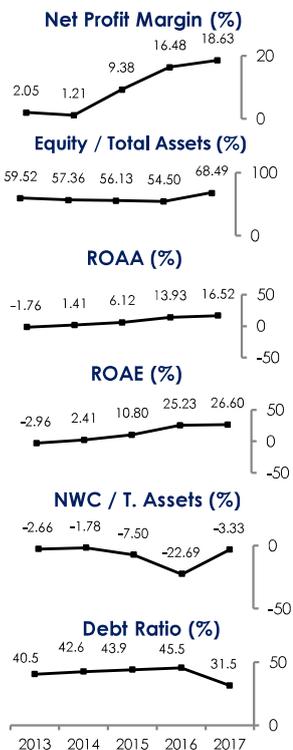
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RATINGS

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

* Affirmed by JCR on November 10, 2017



Superonline İletişim Hizmetleri A.Ş.

Company Overview

Financial Data	2017	2016	2015	2014	2013
Total Assets (000 USD)	1,277,069	1,147,720	1,094,238	1,136,218	1,035,467
Total Assets (000 TRY)	4,816,975	4,039,056	3,181,607	2,634,776	2,209,998
Equity (000 TRY)	3,299,170	2,201,194	1,785,934	1,511,211	1,315,328
Net Profit (000 TRY)	598,030	400,226	161,185	15,141	18,994
Sales (000 TRY)	3,209,957	2,428,516	1,718,890	1,252,514	925,233
Net Profit Margin (%)	18.63	16.48	9.38	1.21	2.05
ROAA (%)	16.52	13.93	6.12	1.41	-1.76
ROAE (%)	26.60	25.23	10.80	2.41	-2.96
Equity / Total Assets (%)	68.49	54.50	56.13	57.36	59.52
Net Working Capital / T. Assets (%)	-3.33	-22.69	-7.50	-1.78	-2.66
Debt Ratio (%)	31.51	45.50	43.87	42.64	40.48
Asset Growth Rate (%)	19.26	26.95	20.75	19.22	n.a

Superonline İletişim Hizmetleri A.Ş. (referred to as 'the Company' or 'Turkcell Superonline') commenced its operations in 2004 to provide electronic communication, internet services and data transfer services. The Company is fully authorized by ICTA (The Information and Communication Technologies Authority) of Turkey in the fields of ISP, infrastructure operation, fixed telephony, satellite communication, mobile virtual network and broadcasting services. Turkcell Superonline has 40.2 thousand km of fiber backbone covering 79 major cities of Turkey. Besides, Turkcell Superonline has 11 border crossings in total with 5 border crossings to Europe. The Company can offer various diversity options to Europe, middle-east, CIS and Arabian Peninsula. Turkcell Superonline aims to be "the most preferred service provider of choice", which the company management believes can only be achieved by building and owning an independent network in the given market conditions.

Turkcell Superonline is the member and 100% subsidiary of Turkcell Group, which is the pioneer of GSM-based mobile communication in Turkey and founded in February 1994. Turkcell, operating in 8 countries, is the only Turkish company listed on both Borsa İstanbul and on New York Stock Exchanges (NYSE) since 2000.

Strengths

- Strong internal resource generation capacity
- Low dependency to external resources and substantial equity level
- Nationwide well-known brand: 'Turkcell Superonline'
- Solid market share among alternative operators together with pioneering in fiber technology
- Growth potential of fixed broadband connection market
- Positive value added by sole shareholder, Turkcell Group

Constraints

- Potential growth of mobile internet market via 5G technology and possible drawbacks in fixed broadband market
- Increasing tension and conflicts in the local political environment, together with negatively impacted cost of funding and investments
- Strict regulatory environment that may affect business strategies