

Corporate Credit & Issue Rating

☒New ☐Update

Sector: Holding

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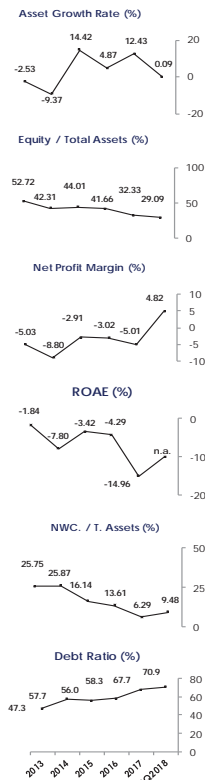
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RATINGS

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

*Affirmed by JCR on November 10, 2017



Doğan Şirketler Grubu Holding A.Ş. Company Overview

Financial Data	1Q2018**	2017*	2016*	2015*	2014*	2013*
Total Assets (000,000 TRY)	2,550	2,435	2,345	2,706	2,966	3,555
Total Assets (000,000 TRY)	10,070	9,279	8,253	7,869	6,877	7,588
Equity (000,000 TRY)	2,929	3,000	3,438	3,463	2,910	4,000
Net Profit (000,000 TRY)	-111	-525	-234	-173	-312	-166
Sales (000,000 TRY)	2,296	10,478	7,755	5,951	3,543	3,301
ROAA (%)	n.a.	-5.49	-1.84	-1.48	-3.73	-0.97
ROAE (%)	n.a.	-14.96	-4.29	-3.42	-7.80	-1.84
Equity/T. Assets (%)	29.09	32.33	41.66	44.01	42.31	52.72
Net Working Capital / T. Assets (%)	9.48	6.29	13.61	16.14	25.87	25.75
Debt Ratio (%)	70.91	67.67	58.34	55.99	57.69	47.28
Net Debt/ EBITDA(x)	n.a.	2.71	1.61	0.66	-0.37	-0.47
Net Debt/ Equity	0.55	0.55	0.23	0.07	-0.02	-0.03
Asset Growth Rate (Annual) (%)	0.09	12.43	4.87	14.42	-9.37	-2.53

* End of Year, ** First Quarter of Year, TRY2.28bn in assets and TRY1.80bn in liabilities recorded under "held for sales" items as of 1Q2018.

Doğan Şirketler Grubu Holding A.Ş. (hereinafter "**Doğan Holding**" or the "**The Group**" is a Turkey-based diversified holding company established in 1980. The Group is separated into four principal business units: energy and other sectors such as industry, foreign trade, vehicle sales, financial services, tourism) in Turkey and abroad through 22 direct companies within the Group. Total workforce was approximately 8,326 as of March 31, 2018.

The major shareholders of Doğan Holding are Adilbey Holding A.Ş. (49.32%) and the Doğan Family (14.41%) as of March 31, 2018. Doğan Holding's 36.27% shares are traded on the Borsa Istanbul under the ticker symbol DOHOLIS.

Strengths

- Persistent operating track record, effective market, and wide network enabling beneficial and collaborative partnerships and diversification of business units, contributing positively to its overall market risk exposure,
- Strong earnings and cash flow with capabilities in place to deliver future growth,
- Growing energy needs of Turkey ensuring strong demand for electricity production business, which promises further growth potential,
- Improved gross profit generation and EBITDA revenue thanks to expansion of operations despite large exposure to Turkey,
- Finance sector activities enabling ease of access to funding sources,
- Strong competitive positions and good growth prospects,
- High level of compliance regarding corporate governance implementations.

Constraints

- External financing to fund growth exerted significant pressure on the Group's profit generation in previous year,
- Improvement needed in financial risk indicators to correspond to its notching category,
- Growing perception of pressure in the markets through risks arising from the current social unrest and political instability on economic influences and global environment.