

## Corporate Credit & Issue Rating

New  Update

Sector: Holding

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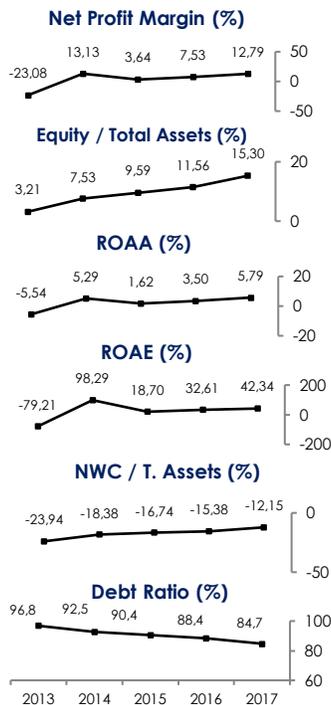
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### RATINGS

		Long	Short	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating	BBB-	A-3		
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	-	

\*Affirmed by JCR on November 10, 2017



## ÇALIK HOLDING A.Ş. And Its Subsidiaries

### Company Overview

Financial Data	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	10,179,069	8,482,824	7,602,325	7,497,574	8,054,579
Total Assets (000 TRY)	38,394,433	29,852,748	22,104,524	17,386,123	17,190,888
Equity (000 TRY)	5,874,731	3,451,044	2,120,045	1,308,578	551,872
Net Profit (000 TRY)	1,667,349	665,025	263,788	788,405	-893,940
Revenue (000 TRY)	13,035,460	8,826,731	7,246,569	6,006,530	3,872,725
Net Profit Margin (%)	12.79	7.53	3.64	13.13	-23.08
ROAA (%)	5.79	3.50	1.62	5.29	-5.54
ROAE (%)	42.34	32.61	18.70	98.29	-79.21
Equity / Total Assets (%)	15.30	11.56	9.59	7.53	3.21
Net Working Capital/T. Assets (%)	-12.15	-15.38	-16.74	-18.38	-23.94
Debt Ratio (%)	84.70	88.44	90.41	92.47	96.79
Asset Growth Rate (%)	28.61	35.05	27.14	1.14	25.19

\* Audited consolidated financial statements

Çalık Holding A.Ş. (hereinafter the Holding, the Group or the Company) was established in İstanbul in 1997 to ensure the management and coordination of the Ahmet Çalık's companies operations in the fields of textile, construction & real estate, energy, banking & finance, telecommunication, and mining, under a single managerial structure. As of the report date, Mr. Ahmet ÇALIK is the utmost qualified shareholder of the Holding with a 99.99% stake.

The Holding is one of the most prominent conglomerates in Turkey and nearby neighboring countries, particularly Turkmenistan and Albania, via its operations in 22 countries in the Middle East, Central Asia, Europe, and North Africa. As of FYE2017, the Group had 84 subsidiaries, 15 affiliates and 9 joint ventures. The Company employed a workforce of 18,632 as of December 31, 2017 (FYE2016: 21,063).

As of FYE2017, the sectors of construction, energy and banking were the main revenue generating activity fields constituting 38%, 36%, and 15% of the Holding's total revenue, respectively. The Company's long term national grade was upgraded one notch to 'A (Trk)' with a 'Stable' outlook within the considerations of continuing improvement in asset size, equity level, debt ratio, revenue generation capacity and profitability indicators both in USD and TRY terms.

### Strengths

- Ongoing improvement in financial performance indicators
- Improved ability to create beneficial and collaborative partnerships
- Diversified operating fields and investment portfolio
- Ease of access to funding sources and use of sophisticated financing tools
- Field of activities concentrated on strategic leading sectors with comparatively high support level
- Track record in privatizations
- Ongoing geographical diversification of operating fields
- Advantages of owning subsidiaries with strong brand awareness and high market share

### Constraints

- The need for further improvement in corporate governance practices
- Improving but still at high side debt ratio
- Demanding liquidity management through continuing net working capital shortfall despite improvement
- Short FX position, decreased but still restraining profitability indicators
- Increasing interest and foreign exchange rates environment leading to more challenging risk management processes