

Corporate Credit & Issue Rating

New Update

Sector: Holding

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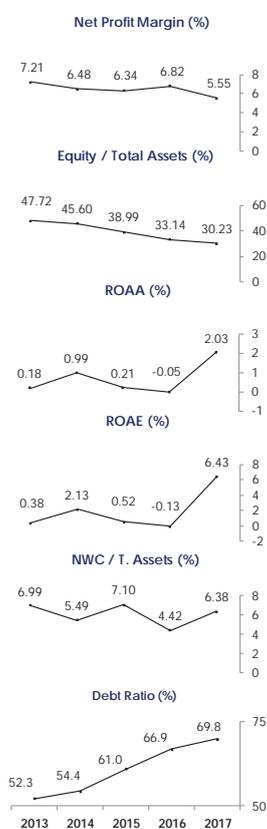
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RATINGS

		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
	Issue Rating	n.a.	n.a.	
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	Negative	-
LC		Negative	-	

*Assigned by JCR on August 14, 2018



Gürüş Holding A.Ş. and Its Subsidiaries Company Overview

Financial Data	3Q2018**	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	2,793,028	3,712,332	3,297,373	3,276,880	2,326,660	1,875,473
Total Assets (000 TRY)	16,730,798	14,002,547	11,604,116	9,527,856	5,395,292	4,002,823
Equity (000 TRY)	4,713,511	4,232,465	3,845,031	3,714,622	2,460,240	1,909,987
Net Profit (000 TRY)	555,425	174,872	-28,847	37,448	78,609	17,498
Sales (000 TRY)	5,156,754	2,718,613	1,962,873	1,701,799	1,342,300	814,739
Net Profit Margin (%)	10.77	6.43	-1.47	2.20	5.86	2.15
ROAA (%)	n.a.	2.03	-0.05	0.21	0.99	0.18
ROAE (%)	n.a.	6.43	-0.13	0.52	2.13	0.38
Net Debt/EBITDA (x)	n.m.	5.55	6.82	6.34	6.48	7.21
Net Debt/Equity (x)	2.29	1.53	1.28	0.93	0.86	0.69
Equity / Total Assets (%)	28.17	30.23	33.14	38.99	45.60	47.72
Net Working Capital / T. Assets (%)	2.75	6.38	4.42	7.10	5.49	6.99
Debt Ratio (%)	71.83	69.77	66.86	61.01	54.40	52.28
Asset Growth Rate (%)	19.48	20.67	21.79	76.60	34.79	n.a.

*End of Year, **Third Quarter of Year- Unaudited

Gürüş Holding A.Ş. and Its Subsidiaries (hereinafter “**Gürüş Holding**” or the “**The Group**”) is a Turkey-based diversified holding company established in 1958 within the structure of GÜRİŞ Kollektif Şirketi and was transformed to Holding structure in 1975. The Group is engaged in the principal business units: high-quality steel, construction, energy, automotive and import/export/manufacture in Turkey and Dubai, Libya, Ukraine, Kosovo and Saudi Arabia through its 6 subsidiaries, 20 affiliates and 22 indirect subsidiaries within the Group. Total workforce was approximately 8,000 as of September 30, 2018. The Group has mainly focused in the construction activities such as tunnels, thermal power plants, rail transportation systems, dams, pipelines, water treatment plants, ports, highways, buildings, natural gas and petrochemical facilities.

The major shareholders of Gürüş Holding are Mr. Müşfik Hamdi Yamantürk (50%) and Mr. Tevfik Yamantürk (50%) as of September 30, 2018.

Strengths

- Group companies well positioned in region to take advantage of exciting growth through national and global spread, facilitating natural hedging against,
- Strong presence and experience in construction, industry and energy sectors providing further increase in market share,
- Robust diversified revenue stream and considerable increasing EBITDA generation supporting the margins,
- Considerable increasing EBITDA generation supporting the margins thanks to operate at full capacity,
- Strong earnings and cash flow with capabilities in place to deliver future growth,
- Expected significant capital injections in the near term,
- Growing energy needs of Turkey ensuring strong demand for electricity production business, which promises further growth potential.

Constraints

- In the face of the slowdown in domestic demand effecting negatively the sector outlook where the Group has operations,
- Revenues exposed to different country risk elements,
- Ongoing market volatility at the domestic and global level along with political uncertainty, weakened TL and higher interest rates pressure on borrowing costs.