

## Corporate Credit & Issue Rating

☐ New ☒ Update

**Sector:** Holding

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## RATINGS

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

\* Affirmed by JCR on November 27, 2018

## Doğan Şirketler Grubu Holding A.Ş. Company Overview

Financial Data	1Q2019*	2018*	2017*	2016*	2015*	2014*
Total Assets (000,000 USD)	2,077	2,081	2,804	2,671	2,706	2,966
Total Assets (000,000 TRY)	11,951	10,950	10,578	9,401	7,869	6,877
Equity (000,000 TRY)	7,158	7,002	3,353	3,671	3,463	2,910
Net Profit (000,000 TRY)	215	3,567	-377	-234	-173	-312
Sales (000,000 TRY)	3,057	12,146	7,739	7,755	5,951	3,543
ROAA (%)	n.a	33.12	-2.91	-1.71	-1.48	-3.73
ROAE (%)	n.a	33.12	-2.91	-1.71	-3.42	-7.80
Equity/T. Assets (%)	59.89	63.95	31.70	39.05	44.01	42.31
Net Working Capital / T. Assets (%)	32.58	36.80	-2.52	11.95	16.14	25.87
Debt Ratio (%)	40.11	36.05	68.30	60.95	55.99	57.69
Net Cash/ EBITDA(x)	n.a	2.20	-2.96	-1.61	-0.66	0.37
Net Cash / Equity	-0.15	0.19	-0.49	-0.21	-0.07	0.02
Asset Growth Rate (Annual) (%)	9.14**	3.52*	12.51*	19.47*	14.42*	-9.37*

\* End of Year, \*\* First Quarter of Year,

**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 three principal business units: petroleum products retail, electricity generation and trading, and other sectors such as finance & investment, industry, internet & entertainment, automotive, tourism, real estate investments and foreign trade, husbandry sectors in Turkey and abroad through 22 companies within the Group. Total workforce was approximately 3,243 as of March 31, 2019.

The major shareholders of Doğan Holding are Adilbey Holding A.Ş. (49.66%) and the Doğan Family (14.41%) as of March 31, 2019. Doğan Holding’s 35.87% shares are traded on the Borsa Istanbul under the ticker symbol DOHOLIS.

### Strengths

- Group companies well positioned to take advantages of exciting growth through diversification of business units,
- Notable increase in gross margin mainly driven by focusing on higher margin products driving the rise in profitability indicators,
- Maintenance of strong revenue and EBITDA growth throughout FY20187 and the 1Q2019 with a focus on cost-control along with low levels of financial leverage,
- Strengthened overall cash balance and liquidity level,
- Improvement in the ratios of Net Cash to Equity and Net Cash to Ebitda,
- Advantages of owning subsidiaries with strong brand awareness and high market share,
- High level of compliance regarding corporate governance implementations.

### Constraints

- Sectorial concentration still lacking granularity despite strengthened revenue diversification,
- In the face of the slowdown in domestic demand effecting negatively the sector outlook where the Group has operations,
- Potential negative impact of economic volatility and persistent high interest rates on financing expenses in the upcoming period.

