

Corporate Credit & Issue Rating

New Update

Sector: Holding

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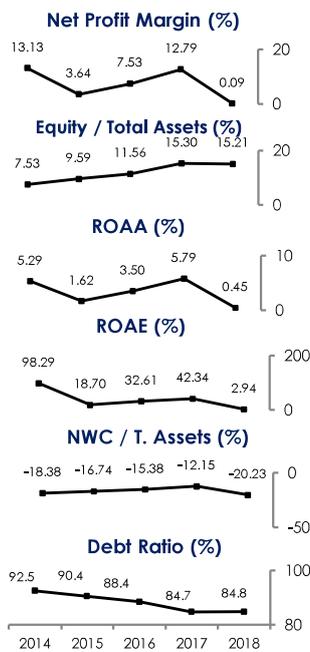
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RATINGS

		Long	Short	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Neg.	Neg.
		LC	Neg.	Neg.
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	Neg.	-
LC		Neg.	-	

* Affirmed by JCR on November 27, 2018



ÇALIK HOLDİNG A.Ş. And Its Subsidiaries

Company Overview

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	9,006,354	10,179,070	8,482,822	7,602,326	7,497,573
Total Assets (000 TRY)	47,381,528	38,394,433	29,852,748	22,104,524	17,386,123
Equity (000 TRY)	7,207,557	5,874,731	3,451,044	2,120,045	1,308,578
Net Profit (000 TRY)	10,608	1,667,349	665,025	263,788	788,405
Revenue (000 TRY)	11,262,136	13,035,460	8,826,731	7,246,569	6,006,530
Net Profit Margin (%)	0.09	12.79	7.53	3.64	13.13
ROAA (%)	0.45	5.79	3.50	1.62	5.29
ROAE (%)	2.94	42.34	32.61	18.70	98.29
Equity / Total Assets (%)	15.21	15.30	11.56	9.59	7.53
Net Working Capital/T. Assets (%)	-20.23	-12.15	-15.38	-16.74	-18.38
Debt Ratio (%)	84.79	84.70	88.44	90.41	92.47
Asset Growth Rate (%)	23.41	28.61	35.05	27.14	1.14

* Audited consolidated financial statements

Çalık Holding A.Ş. (hereinafter the Holding, the Group or the Company) was founded in 1997 with a statutory seat in İstanbul to ensure the management and coordination of the Ahmet Çalık's companies operating in the fields of energy, construction, textile, mining, telecom, banking & finance and digital under a single managerial structure. As of the report date, the utmost qualified shareholder, Mr. Ahmet ÇALIK, holds the control of 99.99% of the Company shares.

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 FYE2018, the Group had 115 subsidiaries, 16 affiliates and 30 joint ventures (FYE2017: 84 subsidiaries, 15 affiliates and 9 joint ventures). The Company employed a workforce of 19,321 as of December 31, 2018 (FYE2017: 18,632).

As of FYE2018, the sectors of energy, banking & finance and construction were the main revenue generating activity fields constituting 42.1%, 24%, and 16.8% (FYE2017: 36%, 15% and 38%) of the Holding's total revenue, respectively.

Strengths

- Efficient and sustainable field of activities resulting in a satisfactory gross profit margin
- High ability to create beneficial and collaborative partnerships
- Global awareness and reputation further improved and self-sufficiency gained in additional specialized projects requiring high know-how thanks to completion of prestigious projects on global scale
- Activity fields concentrated on strategic sectors, contributing positively to support level and overall risk exposure
- Proven track record in privatizations and efficient use of funding tools through its finance & banking activities
- Geographical and business diversification of principal activities
- Probable positive contribution of increased renewable energy power plant investments on future revenue and profit generation capacity

Constraints

- Further improvement needs in corporate governance practices despite the subsidiaries with adequate compliance level operating in the regulated markets
- Debt ratio displaying an improvement trend but standing at high side
- Net working capital shortfall leading to more demanding liquidity management together with the relieving effect of banking & finance sector activities and deferred revenues from energy and construction sectors
- Challenging market conditions requiring more cautious risk management and investment processes