

## Corporate Governance Rating

This Revised Report has been prepared by JCR-ER in compliance to the regulations of Capital Markets Board of Turkey

**Publication Date:** 29/07/2019

**Sector:** Household Appliances

## İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

### Ratings

Overall Score	<b>8.51</b>	AAA(Trk)/a (Stable)
Shareholders	<b>8.25</b>	AA(Trk)/bbb (Stable)
Public Disclosure & Transparency	<b>8.74</b>	AAA(Trk)/a (Stable)
Stakeholders	<b>8.40</b>	AA(Trk)/bbb (Stable)
Board of Directors	<b>8.59</b>	AAA(Trk)/a (Stable)

### Company Profile

<b>Trade Name</b>	İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.
<b>Address</b>	Merkez Mah.29 Ekim Cad. İhlas Plaza No:11 B/21 Yenibosna Bahçelievler/İSTANBUL
<b>Chairman</b>	Mr. Sedat KURUCAN
<b>CEO</b>	Mr. Dr. Ömer KAMBER
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### Analyst

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Financial Data	2018*	2017*	2016*	2015*	2014*
<b>Total Assets (000 USD)</b>	51,869	68,931	72,959	95,127	105,993
<b>Total Assets (000 TRY)</b>	272,877	260,001	256,756	276,592	245,786
<b>Equity (000 TRY)</b>	190,995	184,339	185,498	210,296	191,299
<b>Net Profit (000 TRY)</b>	6,829	-861	-720	12,477	11,329
<b>Sales (000 TRY)</b>	192,847	140,953	108,725	116,227	98,139
<b>Net Profit Margin (%)</b>	3.54	-0.61	-0.66	10.74	11.54
<b>ROAA (%)</b>	2.98	-0.58	0.16	4.15	5.27
<b>ROAE (%)</b>	4.22	-0.81	0.22	5.40	7.16
<b>Equity / Total Assets (%)</b>	69.99	70.90	72.25	76.03	77.83
<b>Net Working Cpt. / T. Assets (%)</b>	48.08	47.42	55.54	59.51	57.61
<b>Debt Ratio (%)</b>	30.01	29.10	27.75	23.97	22.17
<b>Asset Growth Rate (%)</b>	4.95	1.26	-7.17	12.53	-8.04

\*The End of Year

### Company Overview

**İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş. (İHEVA or the Company)** was incorporated on December 5, 1975 under the name of Hizmet Gazetecilik ve Matbaacılık Ltd. and began operating under its current name on July 5, 1995. The Company produces cleaning robots, water purification systems, vacuum cleaners and water heaters at the facility covering 12,900 m2 within the Beylikdüzü organized industrial zone. Products are sold on the domestic market through İhlas Pazarlama A.Ş.'s widespread distribution channels and are exported to over 60 countries, including those of the European Union and Turkic Republics.

The separate, specialist-managed Shareholder Relations Unit conducts shareholder relations, organizes General Assembly meetings and is responsible for public disclosures.

Company shares have been listed on the BIST under the code of İHEVA since September 26, 1996 and are included in the BIST 100 Index. 77,97% of shares are publicly traded as of June 2019. The Company's equity stood at TL197mn, and asset size and sales reached TL277mn and TL50mn as of March 31, 2019, respectively.

The Board of Directors is composed of 7 members, 3 of which are independent, five members are non-executive. Additionally, Audit, Corporate Governance and Risk Committees have been established within the Board and are chaired by independent board members.

### Strengths

- Comfortable, safe and healthy working environment
- A female member existing in the Board
- An effective transparency platform in Turkish through the Company's website
- Innovative and technological research and development center
- Increase in the environmental protection activities

### Constraints

- The vote of privileged shareholders in determining the Board of Directors
- Absence of regulations in the articles of incorporation for the invitation of stakeholders and the media to the General Meeting
- No liability insurance for board members and top managers