

Corporate Credit & Issue Rating

New Update

Sector: Holding

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Chief Analyst

Orkun INAN

+90 212 352 56 73

orkun.inan@jcrer.com.tr

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 December 6, 2019

Gürüş Holding A.Ş. and Its Subsidiaries Company Overview

Financial Data	3Q2019*	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	3,640,816	3,437,686	3,703,679	3,297,373	3,276,880	2,326,660
Total Assets (000 TRY)	20,603,742	18,085,322	13,969,908	11,604,116	9,527,856	5,395,292
Equity (000 TRY)	4,269,791	3,592,801	4,147,346	3,845,031	3,714,622	2,460,240
Net Profit (000 TRY)	730,529	-316,243	174,872	-28,847	-47,356	60,277
Sales (000 TRY)	6,153,204	4,577,993	2,718,613	1,962,873	1,701,799	1,342,300
Net Profit Margin (%)	11.87	-6.91	6.43	-1.47	-2.78	4.49
ROAA (%)	n.a.	-2.45	2.03	-0.05	-0.35	0.60
ROAE (%)	n.a.	-10.16	6.5	-0.13	-0.84	1.29
Net Debt/EBITDA (x)	n.a.	6.09	6.59	7.91	6.34	6.48
Net Debt/Equity (x)	3.35	3.19	1.86	1.49	0.93	0.86
Equity / Total Assets (%)	20.72	19.87	29.69	33.14	38.99	45.60
NWC / T. Assets (%)	n.a.	-11.88	-0.66	4.42	7.10	5.49
Debt Ratio (%)	79.28	80.13	70.31	66.86	61.01	54.40
Asset Growth Rate (%)	13.92	29.46	20.39	21.79	76.60	34.79

*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 Germany, England, Belarus, Dubai, Libya, Ukraine, Kosovo and Saudi Arabia through its 5 subsidiaries, 20 affiliates and 22 indirect subsidiaries within the Group. Total workforce was approximately 8,000 as of September 30, 2019. 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. As an international player, Gürüş Holding gained benefits mainly from construction, high quality steel, energy sector and automotive.

The major shareholders of Gürüş Holding are Mr. Müşfik Hamdi Yamantürk (50%) and Mr. Tevfik Yamantürk (50%) as of September 30, 2019.

Strengths

- Long-term maturity structure of financial borrowings with increasing average maturity partly mitigating financial risk levels,
- Well positioned in region to take advantage of exciting growth through national and global spread, facilitating natural hedging against,
- Competitive advantages as an international& diversified sector structure providing strong presence,
- Predictability & consistency of construction, industry and energy sectors revenue streams through steady client base,
- Diverse client base underpinning revenue and EBITDA growth,
- Favorable financial leverage levels and hard currency dominated revenue structure offsetting FX risks,
- Large real estate portfolio with the potential for further development subject to improvement in market demand

Constraints

- EBITDA margins, despite notable improvement during 2018, not yet having converged to desired level considering CapEx,
- Significant increase in financing expenses in FY2018 on TRY based results due to FX losses and rising interest rates,
- Pressure exerted on net working capital levels due to CapEx,
- Revenues exposed to different country risk elements,

