

## Corporate Credit & Issue Rating

☐ New ☒ Update

**Sector:** Holding

**Publishing Date:** 22/ 07/2020

**S. Chief Analyst**

Orkun INAN

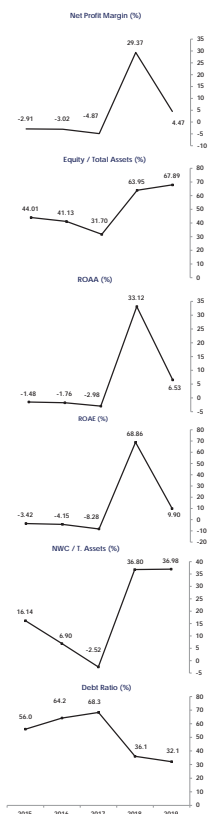
+90 212 352 56 73

orkun.inan@jcrer.com.tr

### RATINGS

		Long Term	Short Term
International	Foreign Currency	BB+	B
	Local Currency	BB+	B
	Outlook	FC Negative	Negative
	LC	Negative	Negative
National	Issue Rating	n.a.	n.a.
	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	BB+	-
	Local Currency	BB+	-
	Outlook	FC Negative	-
	LC	Negative	-

\*Assigned by JCR on April 10, 2020



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

Financial Data	1Q2020**	2019*	2018*	2017*	2016*	2015*
Total Assets (000,000 USD)	1,737	1,892	2,081	2,804	2,671	3,687
Total Assets (000,000 TRY)	11,316	11,241	10,950	10,578	9,401	7,869
Equity (000,000 TRY)	7,801	7,631	7,002	3,353	3,671	3,463
Net Profit (000,000 TRY)	307	593	3,567	-377	-234	-173
Sales (000,000 TRY)	2,405	13,277	12,146	7,739	7,755	5,951
ROAA (%)	n.a	6.53	33.12	-2.91	-1.71	-1.48
ROAE (%)	n.a	9.91	68.86	-8.28	-4.15	-3.42
Equity/T. Assets (%)	68.94	67.89	63.95	31.70	39.05	44.01
Net Working Capital / T. Assets (%)	38.55	36.98	36.80	-2.52	11.95	16.14
Debt Ratio (%)	31.06	32.11	36.05	68.30	60.95	55.99
Net Cash/ EBITDA (x)	-	2.95	2.91	-2.83	-1.01	1.90
Net Cash / Equity (x)	0.30	0.26	0.25	-0.47	-0.13	0.23
Asset Growth Rate (Annual) (%) *	0.67	2.66*	3.52*	12.51*	19.47*	14.42*

\* Audited Financial Statements, End of Year, \*\* Unaudited Financial Statement, First Quarter of Year,

**Doğan Şirketler Grubu Holding A.Ş.** (hereinafter “**Doğan Holding**” or the “**The Group**”), established in 1961 by Mr. Aydın Doğan and has been transformed into an investment holding in 1980. The Group has operations mainly in the energy production and trade, petroleum products, industry and trade, automotive trade and marketing, financing and investment, real estate investments and internet, and entertainment. The Group sold a significant portion of its media and retail assets from the existing investment portfolio and simplified its core business sectors.

With 60 years of activity history, the Group has established beneficial and collaborative partnerships with internationally well-known domestic and foreign institutions thanks to know-how and network presence. Doğan Holding employs approximately 3,250 people through 40 subsidiaries and 8 joint ventures under the its umbrella as of December 31, 2019.

The major shareholders of Doğan Holding are Adilbey Holding A.Ş. (49.66%) and the Doğan Family (14.47%) as of March 31, 2020. Doğan Holding's 35.87% shares are traded on the Borsa Istanbul under the ticker symbol DOHOL.IS. In the periodic annual review, the Long-Term National Rating of the Group is affirmed as “**AA (Trk)**” with a “**Stable**” outlook.

### Strengths

- Group companies well positioned in region to take advantage of high growth,
- Reliable dividend income stream through sector diversification of the investment portfolio,
- Foreign exchange linked cash flows generation providing natural hedge against the depreciation of the Turkish Lira
- Balanced revenue and product mix providing strong revenue and EBITDA generation,
- Maintaining a large cash and liquid investment position
- 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,
- Partial exposure to foreign currency position exerting pressure on profitability ratios,
- The geographic concentration in terms of exposure to Turkey-based institutions,
- Concern on the Group companies' asset quality and revenue streams stemming from Covid-19 outbreak worsening macroeconomic environment.