



JCR

Eurasia Rating,

by assessing

‘Doğan Şirketler Grubu Holding A.Ş. and its Planned Bond Issue

has assigned the Long Term National Note at

‘AA- (Trk)’ with

‘Positive’ outlook, the

Short Term National Note at **‘A-1 (Trk)’** while

assigning **‘BBB-’** for its

Long Term International FC and LC ratings as well

as **‘Stable’** outlooks for the notes.



NOTES

		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating	-	-	
National	Local Rating	AA- (Trk)	A-1 (Trk)	
	Outlook	Positive	Stable	
	Issue Rating	AA- (Trk)	A-1 (Trk)	
Sponsor Support		1	-	
Stand-Alone		AB	-	

Sector : Holding

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Press Release

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JCR Eurasia Rating, by assessing **Doğan Şirketler Grubu Holding A.Ş.’** in an investment and international category, has assigned the Long Term National Note at **‘AA- (Trk)’** with a **‘Positive’** outlook and the Short Term National Note at **‘A-1 (Trk)’** with a **‘Stable’** outlook. The Long Term International Foreign and Local Currency ratings were also assigned at **‘BBB-’**. Other notes and details of the ratings are given in the left-hand column.

The foundation of the Doğan Şirketler Grubu Holding A.Ş. was laid with the establishment of the first company in the automotive sector in 1961 by Mr. Aydın Doğan. The Holding has been serving the energy sector, media, industry, automotive, real estate marketing, tourism and financial services historically. The Holding sold a significant portion of its media and entire retail assets from the existing investment portfolio and simplified its core business sectors in 2018. With 60 years of activity history and industry experience, the Holding has established beneficial and collaborative partnerships with internationally well-known domestic and foreign institutions. Doğan Holding, whose 36.27% shares are open to the public, employs 8,326 people through 4 joint ventures and 18 direct subsidiaries under the its umbrella as of March 31, 2018.

Thanks to a focus on efficiency and intra-group synergy, Doğan Group has achieved sustainable growth in cash flows through the contribution of investments in the last 3 years. Asset and equity levels, business volume, asset-liability composition, and regular cash flow are sufficient to meet Doğan Group’s risks. The rapid increase in EBITDA generation provided by the energy segment that also makes up the significant portion of the consolidated revenues and other business fields, its competitive advantage in the sectors in which it operates, improvement in asset quality and profitability via reduced financing costs through the sale of media assets, diversity of funding, the reduction of pressure on the predictable cash flow generation capacity, level of institutionalization and the lowered effect of risk concentration stemming from spreading of Doğan Group activities via different sectors were effective in the assignation of the rating on the Long Term National scale as **‘AA- (Trk)’** with **‘Positive’** outlook by JCR Eurasia Rating. The Company’s International FC notch has been restricted with the Turkey’s sovereign ratings as **‘BBB-’**. The lack of internal equity creation capacity due to the negative profit generation by the past financing expenses were the main component of pressure on equity.

JCR Eurasia Rating will monitor the Holding’s debt structure, financial results due to foreign currency movements, cash flow level and equity level, EBITDA and net profit indicators, and macroeconomic developments in national and international markets.

No separate rating report has been compiled as the resources obtained from a possible bond issue will be carried in the Company’s balance sheet and has been subject to analysis in the corporate credit rating report. A possible bond issue carries no difference in comparison to the Company’s other liabilities with respect to its legal standing and collateralisation. As such, the notations outlined in the corporate credit rating report also reflect the issue rating but do not cover any structured finance instruments. Issue ratings are assigned for prospective debt instruments and incorporate assessments until their maturities.

It is considered that the major controlling shareholder, Doğan Family has the willingness and experience to the ensure long term liquidity and equity within their financial capability when required and to provide efficient operational support to Doğan Şirketler Grubu Holding A.Ş. In this regard, the Company’s Sponsor Support grade has been assigned as (1). The Stand-Alone grade has been assigned as (AB) considering the ability of the Company to manage its undertaken incurred risks based on its own and current capitalization.

For more information regarding the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our chief analyst **Mr. Orkun İNAN**.

JCR EURASIA RATING
Administrative Board