

“ JCR Eurasia Rating, upgraded the ratings of the consolidated structure of **‘Doğan Şirketler Grubu Holding A.Ş. and Its Cash Flows Relating to the Prospective Bond Issues** to **‘AA(Trk)’** on the Long-Term and **‘A-1+ (Trk)’** on the Short-Term National Scales and affirmed ratings of **‘BBB’** on the Long Term International Foreign Currency Scale in the periodic annual review. ”

## Press Release Istanbul – July 22, 2019

JCR Eurasia Rating has evaluated the consolidated structure of **“Doğan Şirketler Grubu Holding A.Ş.”** and the **“Cash Flows Relating to the Prospective Bond Issues”** in a high-level investment-grade category and has upgraded the ratings on the Long Term National Scale to **“AA(Trk)/Stable”** on the Long Term National Scale and the Short-Term National Note at **‘A-1+ / Stable’ (Trk)**. The ratings on the Long Term International Foreign and Local Currency Scales have been affirmed at **“BBB/Negative”**. 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. Aydin Doğan. The Holding is active in many sectors such as electricity generation and trade, fuel sales and distribution, industry, real estate and automotive marketing, tourism and financial services. 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 35.87% shares are open to the public, employs 3,243 people through 4 joint ventures and 18 direct subsidiaries under the its umbrella as of March 31,2019.

A significant portion of the sales revenue of Doğan Şirketler Grubu Holding A.Ş. comes from fuel retail and electricity generation and trade investments. The financial performance and the developments in the sectors of subsidiaries of Holding closely affect the profitability and equity structure of the Group. The Group, which determines the efficiency-oriented strategy, supported the profitability level via improvement asset quality and decreased financial expenses, maintained its growth in sales revenues and EBITDA and strengthened its internal equity. Net cash position, relatively low level of financial debt level compared to total assets, increased cash flow capability to payment of debt, sector-based strong competitive position, expectation of supporting sales revenue and profitability through investments that completed in the previous periods and planned to be realized in the following periods and the level of institutionalization constituted the principle reasons underlying the upward revision of the Group’s Long Term National Rating to **“AA(Trk)”** by JCR Eurasia Rating. The Company’s International FC notch has been restricted with the Turkey’s sovereign ratings as **“BBB”**.

On the other hand, the concentration of investments mainly in electricity generation and trade, fuel sales and distribution were considered as a limiting factor in terms of asset and sector concentrations. 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

### NOTES

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

**Sector** : Holding  
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