



**JCR
Eurasia Rating,**

affirmed the ratings of
the consolidated structure
of

**‘Doğan Şirketler Grubu
Holding A.Ş. and
Its Cash Flows Relating
to the Prospective
Bond Issues**

as **‘AA (Trk)’** and
‘A-1+ (Trk)’ on the
Long and Short-Term
National Scales in the
periodic annual review
with **‘Stable’** outlooks.



Press Release

Istanbul – July 22, 2020

In the periodic annual review, **JCR Eurasia Rating** 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 affirmed the ratings as **“AA(Trk)/Stable”** on the Long Term National Scale and as **‘A-1+ / Stable’ (Trk)’** on the Short-Term National Scale. On the other hand, the Long Term International Foreign and Local Currency Ratings have been determined as **‘BB+/ 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. Aydın Doğan. The current asset portfolio operates mainly in the fields such as energy production and trade, petroleum products, industry and trade, automotive trade and marketing, financing and investment, real estate investments and internet, and entertainment. 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. Adopting a constant growth vision by investing in sectors with high growth potential, the Group employs 3250 people through its 40 subsidiaries and 8 joint ventures as of March 31,2020.

The Group responds to changing market dynamics and market expectations through its highly competitive, profitable and efficient subsidiaries. The Holding continued its growth in the sectors in which the Group's main activities took place in 2019, Fuel Retail and Electricity Production & Trade operations were the main contributors to its consolidated revenues. Regular increase in sales revenues and EBITDA level, capital base supported by internal equity generation, sector-based strong competitive position, low level of net debt and financing expense, diversity of funding, support of net working capital to the Group's ongoing growth and comprehensive corporate governance structure were effective in the affirmation of the rating on the Long Term National Scale as **‘AA (Trk)’** by JCR Eurasia Rating. On the other hand, limited income generating by sectors were considered as risk factors.

The economic shock impact of Covid -19 outbreak on the Group, effect of the exchange rate on the Group, cash flow level, EBITDA and net profit indicators will be monitored by JCR Eurasia Rating.

No separate rating report has been compiled as the resources likely to be obtained through prospective bond issuance will be carried in the Company's balance sheet and has been subject to analysis in the corporate credit rating report. A prospective 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 depending on the adequacy of their financial strength 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 affirmed as **(1)**. The Stand-Alone grade has been affirmed 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 senior chief analyst **Mr. Orkun İNAN**.

JCR EURASIA RATING

NOTES

		Long Term	Short Term	
International	Foreign Currency	BB+	B	
	Local Currency	BB+	B	
	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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