

Corporate Credit Rating

New Update

Sector: Holding

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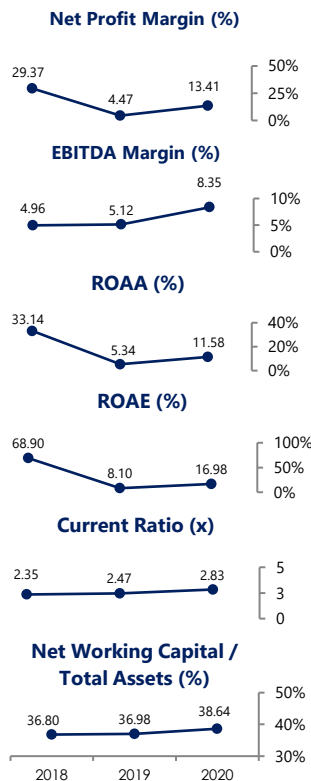
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RATINGS

		Long Term	Short Term
National	Local Rating	AAA (Trk)	A-1+ (Trk)
	Outlook	Stable	Stable
	Issue Rating	-	-
International	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	FC Stable LC Stable	Stable Stable
Sponsor Support	1	-	
Stand-Alone	A	-	
Sovereign*	Foreign Currency	BB	-
	Local Currency	BB	-
	Outlook	FC Stable LC Stable	- -

*Assigned by JCR on May 31, 2021



DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

JCR Eurasia Rating has evaluated the credit ratings of “Doğan Şirketler Grubu Holding A.Ş.” in an investment-grade category and upgraded the rating of “AAA(Trk)” on the Long-Term National Scale and assigned as “A-1+(Trk)” on the Short-Term National Scale with ‘Stable’ outlooks. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as ‘BB’ with ‘Stable’ outlooks.

Doğan Şirketler Grubu Holding A.Ş. (hereinafter “Doğan Holding” or “Group”), established in 1961 by Mr. Aydın Doğan and has been transformed into an investment holding in 1980. The main field of activity of the Group consists of electricity production, petroleum products retail, industry and trade, automotive trade and marketing, financing and investment, internet and entertainment and real estate investments. The Group sold a significant portion of its media and retail assets from the existing investment portfolio in FY2018 and simplified its core business sectors.

With over 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 3,564 people through 38 subsidiaries and 10 joint ventures under the its umbrella as of March 31, 2021. The major shareholders of Doğan Holding are Adilbey Holding A.Ş. (49.66%) and the Doğan Family (14.47%) as of March 31, 2021. Doğan Holding’s 35.87% shares are traded on the Borsa Istanbul under the ticker symbol DOHOL.

Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
<ul style="list-style-type: none"> Maintaining a large cash and liquid investment position, Group companies well positioned in region to take the advantage of high growth rates, Reliable dividend income stream through sector diversification of the investment portfolio, Foreign exchange linked cash flows generation providing natural hedge against the depreciation of Turkish Lira, Balanced revenue and product mix providing strong revenue and EBITDA generation, Advantages of owning subsidiaries with strong brand awareness and high market shares, High level of compliance regarding corporate governance implementations. 	<ul style="list-style-type: none"> Potential sectorial and geographic concentration risks in terms of exposure to Turkey-based institutions, Partial exposure to foreign currency position exerting pressure on profitability ratios, Concern on the Group companies’ revenue streams stemming from Covid-19 outbreak worsening macroeconomic environment.

Considering the aforementioned points, the Long-Term National Rating of the Group has been assigned as ‘AAA(Trk)’. The competitive advantage obtained through its diversified investment portfolio, maintaining a large cash and liquid investment position, strong revenue and EBITDA generation capacity have been evaluated as important indicators for the stability of the ratings and the outlooks for the Long and Short-Term National Ratings as “Stable”. The economic impact of Covid -19 outbreak on the Group, debt and equity level, cash flow and liquidity metrics, asset quality, net profit indicators and sectoral regulations are the priority issues to be followed by JCR Eurasia Rating in the upcoming period. The macroeconomic indicators at national and international markets, as well as market conditions and legal frame about the sector will be continued to be monitored.

The major shareholders of Doğan Holding are Adilbey Holding A.Ş. (49.66%) and the Doğan Family (14.47%) as of March 31, 2021. The shareholders of the Group have the willingness, comprehensive knowhow and experience to ensure long term liquidity and equity depending on the adequacy of their financial strength when required and to provide efficient operational support to “Doğan Holding”. In this scope, “Sponsor Support” category has been assigned as (1), which denotes the highest level.

Considering the Group’s balanced revenue and EBITDA generation capacity, strong cash and liquid investment position, diversified investment portfolio, strong market positions, profitability ratios and risk management practices and we, as JCR Eurasia Rating, state the opinion that the Group has reached the level of sufficient experience and facilities to manage the incurred risks on its balance sheet regardless of any assistance from the shareholders, if it preserves its current customer level, efficiency and existing macroeconomic level in the market. Within this context, the “Stand-Alone” grade of the Group has been assigned as (A) in the JCR Eurasia Rating notation system, indicating a high level.