



**JCR
Eurasia Rating,**

affirmed

**Gedik Yatırım
Holding A.Ş.**

Long and Short Term
National Ratings of
'A+(Trk)'

and

'A-1 (Trk)',
respectively with
"Stable" outlooks on
both ratings.



RATINGS

	Long	Short	
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	Negative	Negative
	Issue Rating	-	-
National	National Rating	A+(Trk)	A-1(Trk)
	Outlook	Stable	Stable
	Issue Rating	A+(Trk)	A-1(Trk)
Sponsor Support	2	-	
Stand Alone	B	-	

Sector: Investment Holding
Report Date: 26/04/2018

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Press Release

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JCR Eurasia Rating, affirmed Gedik Yatırım Holding A.Ş. Long and Short Term National Ratings of **'A+(Trk)'** and **'A-1 (Trk)'**, respectively with **"Stable"** outlooks on both ratings. In addition, it affirmed the Long Term International Foreign and Local Currency Ratings at the country ceiling level of **'BBB-'**, along with a **'Negative'** outlook.

The Holding's investee companies have a sound track record in Turkey's capital market ecosystem and the Holding consolidates its presence in the Turkish capital markets through its strategic investments. The Holding's largest equity investment, Gedik Yatırım Menkul Değerler A.Ş., enjoys the leading position among non-bank owned intermediary institutions in terms of customer numbers, branch network, and equity trading volumes. Gedik Portföy And Marbaş Menkul Değerler A.Ş. are incorporated under Gedik Yatırım Menkul Değerler A.Ş. and has sound track record as intermediary companies.

Gedik Yatırım Holding A.Ş. (the Holding) was established in 1998 under the name Gedik Yatırım Ortaklığı A.Ş. and transformed into an investment holding company in 2014. The Holding primarily focuses on private equity investments in innovative companies with the aim of capturing a competitive and technological edge and benefiting from these companies' sound growth and profitability prospects. Currently, the majority of the Holding's investment portfolio are comprised Gedik Yatırım Menkul Değerler A.Ş.

Gedik Yatırım Holding's asset structure is overwhelmingly comprised of financial portfolio investments in line with its core business objectives. The Holding's profitability and equity structure are mainly affected by the developments in the fields of activity of the firms in its portfolio, their financial success and equity performance. JCR Eurasia Rating assigned **'AA(Trk)'** i.e. 'very high level investment grade' as the long-term national rating of Gedik Yatırım Menkul Değerler A.Ş., which is the main constituent of the investment portfolio of Gedik Yatırım Holding, and this was considered as a significant indicator of the asset quality of the Holding and fundamental determinant of its credit rating. Its diversified financial sources together with bond issuance, well-managed operational expenses in relation to its activities, effective risk management and proficient administrative team were other positive factors which were taken into account. On the other hand, the high share of Gedik Yatırım Menkul Değerler A.Ş. in its portfolio was deemed as a constraint regarding asset and industry concentration risks. Furthermore, the fact that revaluation gains of its portfolio generate profit but not cash inflows and the weakening liquidity structure due to the increase in short-term financial liabilities were viewed as other constraining factors on the short and long term credit ratings of the Holding.

On the other hand, taking into consideration the return on equity and assets, capitalization level, capability to access funding resources, asset size and composition and the possible effects of political and economic risks stemming from global and local factors on the balance sheet, the Company's Long Term International Foreign and Local Currency ratings are assigned at the country ceiling level of **"BBB-"**. The internal equity generation level, profitability indicators, capital adequacy base and liquidity ratios, asset quality, market share and sectoral developments are the principle metrics that will be monitored by JCR-ER in the upcoming period as factors that will be determining changes in the notations and outlook.

No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Holding's balance sheet and has been subject to analysis in the corporate credit rating report. The planned 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 both outstanding and prospective debt instruments and incorporate assessments until their maturities.

The Holding's utmost shareholder is Mr. Erhan Topaç has long-experience in capital markets. Additionally, listed investee companies' have significant track record in the market with wide organizational base and operations. In this context, the willingness to supply liquidity and equity within their financial capability when financial needs arise in the short or long-term perspective as well as providing operational support to the Holding are considered high. The Sponsor Support note of the Holding has been affirmed as **(2)**. The high-investment grade of the Gedik Yatırım Menkul Değerler A.Ş., quoted investee companies which provide high liquidity, moderate leverage, solid capitalization, prudent risk management and skilled and experienced Board demonstrate that the Holding has reached a certain level of self-sufficiency capacity. In this regard, Stand-Alone rating has been affirmed as **(B)**.

For more information, related with the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our head of group **Mr. Zeki Metin ÇOKTAN** and asst. analyst **Mr. Ersin KILIÇKAP**.

JCR EURASIA RATING Administrative Board