

MIRA INFORM REPORT

Report No. :	542896
Report Date :	05.12.2018

IDENTIFICATION DETAILS

Name :	ALBES DERICILIK VE TEKSTIL SANAYI TICARET A.S.
Formerly Known As :	ALBES DERICILIK SANAYI VE TICARET A.S
Registered Office :	Istanbul Deri OSB Kazlicesme Cad. No:43 P-7B Ozel Parsel Tuzla 34956 Istanbul
Country :	Turkey
Financials (as on) :	31.12.2016
Date of Incorporation :	26.10.1993
Com. Reg. No.:	7996-8
Legal Form :	Joint Stock Company
Line of Business :	Manufacture and trade of leather.
No. of Employees :	40

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

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NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Turkey	B1	B1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

TURKEY - ECONOMIC OVERVIEW

Turkey's largely free-market economy is driven by its industry and, increasingly, service sectors, although its traditional agriculture sector still accounts for about 25% of employment. The automotive, petrochemical, and electronics industries have risen in importance and surpassed the traditional textiles and clothing sectors within Turkey's export mix. However, the recent period of political stability and economic dynamism has given way to domestic uncertainty and security concerns, which are generating financial market volatility and weighing on Turkey's economic outlook.

Current government policies emphasize populist spending measures and credit breaks, while implementation of structural economic reforms has slowed. The government is playing a more active role in some strategic sectors and has used economic institutions and regulators to target political opponents, undermining private sector confidence in the judicial system. Between July 2016 and March 2017, three credit ratings agencies downgraded Turkey's sovereign credit ratings, citing concerns about the rule of law and the pace of economic reforms.

Turkey remains highly dependent on imported oil and gas but is pursuing energy relationships with a broader set of international partners and taking steps to increase use of domestic energy sources including renewables, nuclear, and coal. The joint Turkish-Azerbaijani Trans-Anatolian Natural Gas Pipeline is moving forward to increase transport of Caspian gas to Turkey and Europe, and when completed will help diversify Turkey's sources of imported gas.

After Turkey experienced a severe financial crisis in 2001, Ankara adopted financial and fiscal reforms as part of an IMF program. The reforms strengthened the country's economic fundamentals and ushered in an era of strong growth, averaging more than 6% annually until 2008. An aggressive privatization program also reduced state involvement in basic industry, banking, transport, power generation, and communication. Global economic conditions and tighter fiscal policy caused GDP to contract in 2009, but Turkey's well-regulated financial markets and banking system helped the country weather the global financial crisis, and GDP growth rebounded to around 9% in 2010 and 2011, as exports and investment recovered following the crisis.

The growth of Turkish GDP since 2016 has revealed the persistent underlying imbalances in the Turkish economy. In particular, Turkey's large current account deficit means it must rely on external investment inflows to finance growth, leaving the economy vulnerable to destabilizing shifts in investor confidence. Other troublesome trends include rising unemployment and inflation, which increased in 2017, given the Turkish lira's continuing depreciation against the dollar. Although government debt remains low at about 30% of GDP, bank and corporate borrowing has almost tripled as a percent of GDP during the past decade, outpacing its emerging-market peers and prompting investor concerns about its long-term sustainability.

2018 is a year in which risks increased in Turkey due to high devaluation and volatility of foreign exchange rate (EUR/TRY was 4.20 in January 2018 increased to 7.20 in August and now it is 6.07) So this devaluation caused a tremendous increase at inflation and created an uncertainty. There is a sharp decline at domestic demand and many companies are facing financial difficulty.

Source : CIA

COMPANY IDENTIFICATION

NAME	ALBES DERICILIK VE TEKSTIL SANAYI TICARET A.S.
HEAD OFFICE ADDRESS	Istanbul Deri OSB Kazlicesme Cad. No:43 P-7B Ozel Parsel Tuzla 34956 Istanbul / Turkey
PHONE NUMBER	90-216-394 24 25

LEGAL STATUS AND HISTORY

TAX OFFICE	Tuzla
TAX NO	0500021960
REGISTRATION NUMBER	7996-8
REGISTERED OFFICE	Istanbul Chamber of Commerce
COMMERCIAL REGISTRY	Istanbul Commercial Registry
DATE ESTABLISHED	26.10.1993
ESTABLISHMENT GAZETTE	01.11.1993/3395
DATE/NO	
LEGAL FORM	Joint Stock Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 14.000.000
HISTORY	Previous Name : Albes Dericilik Sanayi Ve Ticaret A.S. / Changed on : 27.03.2006/(Commercial Gazette Date /Number 31.03.2006 /6525) Previous Registered TL 12.000.000 / Changed on : Capital : 10.11.2017/(Commercial Gazette Date /Number 16.11.2017 /9453)

OWNERSHIP / MANAGEMENT

SHAREHOLDERS	Taner Bozdag	18 %
	Kemal Bozdag	18 %
	Hikmet Bozdag	18 %
	Feridun Bozdag	18 %
	Onder Bozdag	17 %
	Bulent Bozdag	11 %

SISTER COMPANIES

- DERISTIL DERI VE KONFEKSIYON SANAYI ISLETMELERI LTD. STI. (Origin: Turkey, Tax Number: 2930021798, Registration Number: 187240)

BOARD OF DIRECTORS Kemal Bozdog (Chairman)
Taner Bozdog (Member)
Onder Bozdog (Member)

OPERATIONS

BUSINESS ACTIVITIES Manufacture and trade of leather.

NACE CODE DC.19.10

NUMBER OF EMPLOYEES 40

NET SALES 7.212 TL Thousand (2015)
10.099 TL Thousand (2016)
6.648 TL Thousand (01.01-30.09.2017)

IMPORT COUNTRIES Switzerland
Belgium
Germany
Netherlands

MERCHANDISE IMPORTED Raw materials

EXPORT VALUE 491 TL Thousand (2015)
479 TL Thousand (2016)
318 TL Thousand (01.01-30.09.2017)

EXPORT COUNTRIES Israel
Germany
India
Iran

MERCHANDISE EXPORTED Leather

HEAD OFFICE ADDRESS Istanbul Deri OSB Kazlicesme Cad. No:43 P-7B Ozel Parsel Tuzla Istanbul / Turkey

BRANCHES Head Office/Production Plant : Istanbul Deri OSB Kazlicesme Cad. No:43 P-7B Ozel Parsel Tuzla Istanbul/Turkey

TREND OF BUSINESS There was an upwards trend in 2016. There appears a decline at business

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SIZE OF BUSINESS volume in nominal terms in the first 9 months of 2017. However, trend of business appears to be steady in the first 9 months of 2017 when compared to 2015.
Large

FINANCE

MAIN DEALING BANKS Akbank Tuzla Sanayi Branch
CREDIT FACILITIES The subject company is making use of credit facilities.
PAYMENT BEHAVIOUR Slow but Correct

KEY FINANCIAL ELEMENTS	(2015) TL Thousand	(2016) TL Thousand	(01.01- 30.09.2017) TL Thousand
Net Sales	7.212	10.099	6.648
Profit (Loss) Before Tax	515	1.016	418
Stockholders' Equity	14.132	17.291	
Total Assets	19.930	25.593	
Current Assets	11.080	14.578	
Non-Current Assets	8.850	11.015	
Current Liabilities	3.460	2.847	
Long-Term Liabilities	2.338	5.455	
Gross Profit (loss)	1.941	3.437	2.155
Operating Profit (loss)	724	2.245	1.025
Net Profit (loss)	401	860	418

COMMENT ON FINANCIAL POSITION

THE DETAILS OF THE CAPITAL INCREASE AFTER LAST BALANCE SHEET	Cash Part	47.922,20 TL
	Equity Part	1.952.077,80 TL
	Payment Due Date	10.11.2017

Capitalization High
Remarks on Capitalization There has been capital increase after the last balance sheet date. The capital increase is expected to have a slight positive effect on equity total since the last balance sheet date.

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Receivables From Shareholders has been deducted from stockholders' equity amount at our analysis.

Liquidity	Satisfactory
Profitability	High Operating Profitability in 2015 Good Net Profitability in 2015 High Operating Profitability in 2016 High Net Profitability in 2016 High Operating Profitability (01.01-30.09.2017) Good Net Profitability (01.01-30.09.2017)
Gap between average collection and payable periods	Unfavorable in 2016
General Financial Position	In Order

	Incr. in producers' price index	Average USD/TL	Average EUR/TL	Average GBP/ TL
(2015)	5,71 %	2,7230	3,0254	4,1661
(2016)	9,94 %	3,0292	3,3349	4,1006
(01.01-30.09.2017)	9,78 %	3,5731	3,9855	4,5746
(2017)	15,47 %	3,6337	4,1120	4,7059
(01.01-30.09.2018)	38,96 %	4,5878	5,4581	6,1749

FINANCIALS

BALANCE SHEETS

	31.12.2015 (Full Year) TL Thousand		31.12.2016 (Full Year) TL Thousand	
CURRENT ASSETS	11.080	0,56	14.578	0,57
Not Detailed Current Assets	0	0,00	0	0,00
Cash and Banks	271	0,01	39	0,00
Marketable Securities	0	0,00	0	0,00
Account Receivable	5.172	0,26	6.303	0,25
Other Receivable	455	0,02	1.435	0,06
Inventories	1.956	0,10	3.119	0,12
Advances Given	2.320	0,12	2.687	0,10
Accumulated Construction Expense	0	0,00	0	0,00
Other Current Assets	906	0,05	995	0,04
NON-CURRENT ASSETS	8.850	0,44	11.015	0,43
Not Detailed Non-Current Assets	0	0,00	0	0,00
Long-term Receivable	39	0,00	39	0,00
Financial Assets	83	0,00	83	0,00
Tangible Fixed Assets (net)	8.067	0,40	10.042	0,39

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Intangible Assets	241	0,01	241	0,01
Deferred Tax Assets	0	0,00	0	0,00
Other Non-Current Assets	420	0,02	610	0,02
TOTAL ASSETS	19.930	1,00	25.593	1,00
CURRENT LIABILITIES	3.460	0,17	2.847	0,11
Not Detailed Current Liabilities	0	0,00	0	0,00
Financial Loans	0	0,00	0	0,00
Accounts Payable	1.040	0,05	1.243	0,05
Loans from Shareholders	1.124	0,06	82	0,00
Other Short-term Payable	31	0,00	19	0,00
Advances from Customers	1.099	0,06	1.330	0,05
Accumulated Construction Income	0	0,00	0	0,00
Taxes Payable	149	0,01	173	0,01
Provisions	0	0,00	0	0,00
Other Current Liabilities	17	0,00	0	0,00
LONG-TERM LIABILITIES	2.338	0,12	5.455	0,21
Not Detailed Long-term Liabilities	0	0,00	0	0,00
Financial Loans	2.157	0,11	5.411	0,21
Securities Issued	0	0,00	0	0,00
Long-term Payable	0	0,00	0	0,00
Loans from Shareholders	0	0,00	0	0,00
Other Long-term Liabilities	181	0,01	44	0,00
Provisions	0	0,00	0	0,00
STOCKHOLDERS' EQUITY	14.132	0,71	17.291	0,68
Not Detailed Stockholders' Equity	0	0,00	0	0,00
Paid-in Capital	12.000	0,60	12.000	0,47
Cross Shareholding Adjustment of Capital	0	0,00	0	0,00
Inflation Adjustment of Capital	0	0,00	0	0,00
Equity of Consolidated Firms	0	0,00	0	0,00
Reserves	1.131	0,06	1.551	0,06
Revaluation Fund	600	0,03	2.880	0,11
Accumulated Losses(-)	0	0,00	0	0,00
Net Profit (loss)	401	0,02	860	0,03
TOTAL LIABILITIES AND EQUITY	19.930	1,00	25.593	1,00

INCOME STATEMENTS

	(2015) (Full Year) TL Thousand	(2016) (Full Year) TL Thousand	(01.01- 30.09.2017) (Interim Period) TL Thousand
Net Sales	7.212	10.099	6.648
Cost of Goods Sold	5.271	6.662	4.493
Gross Profit	1.941	3.437	2.155
Operating Expenses	1.217	1.192	1.130
Operating Profit	724	2.245	1.025
Other Income	181	1.006	133
Other Expenses	338	2.086	740

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Financial Expenses	52	0,01	149	0,01	0	0,00
Minority Interests	0	0,00	0	0,00	0	0,00
Profit (loss) of consolidated firms	0	0,00	0	0,00	0	0,00
Profit (loss) Before Tax	515	0,07	1.016	0,10	418	0,06
Tax Payable	114	0,02	156	0,02	0	0,00
Postponed Tax Gain	0	0,00	0	0,00	0	0,00
Net Profit (loss)	401	0,06	860	0,09	418	0,06

LAST FINANCIAL STATEMENT DETAILS

	TL Thousand
Cash	36
Banks	2
Doubtful Trade Receivables	0
Receivables From Shareholders (in Other Receivable)	1.402
Receivables From Personnel (in Other Receivable)	20
Other Miscellaneous Receivables (in Other Receivable)	13
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	94
Loss from Foreign Currency Exchange	429

REMARKS ON FINANCIAL STATEMENT The profit before tax of 2017 is TL 795.167.

FINANCIAL RATIOS

	(2015)	(2016)
LIQUIDITY RATIOS		
Current Ratio	3,20	5,12
Acid-Test Ratio	1,70	2,73
Cash Ratio	0,08	0,01
ASSET STRUCTURE RATIOS		
Inventory/Total Assets	0,10	0,12
Short-term	0,28	0,30
Receivable/Total Assets		
Tangible Assets/Total Assets	0,40	0,39
TURNOVER RATIOS		
Inventory Turnover	2,69	2,14
Stockholders' Equity Turnover	0,51	0,58
Asset Turnover	0,36	0,39
FINANCIAL STRUCTURE		
Stockholders' Equity/Total Assets	0,71	0,68
Current Liabilities/Total Assets	0,17	0,11
Financial Leverage	0,29	0,32
Gearing Percentage	0,41	0,48

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PROFITABILITY RATIOS		
Net Profit/Stockholders' Eq.	0,03	0,05
Operating Profit Margin	0,10	0,22
Net Profit Margin	0,06	0,09
Interest Cover	10,90	7,82
COLLECTION-PAYMENT		
Average Collection Period (days)	260,12	226,07
Average Payable Period (days)	71,03	67,17
WORKING CAPITAL	7620,00	11731,00

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.34
UK Pound	1	INR 89.64
Euro	1	INR 80.07
TRY	1	INR 13.14

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	KET

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)