

## MIRA INFORM REPORT

Report No. :	518735
Report Date :	11.07.2018

### IDENTIFICATION DETAILS

Name :	DAG HOLZMANN BAU SANAYI TICARET A.S.
Registered Office :	Mimarsinan Organize Sanayi Bolgesi 19. Cad. No:58 Melikgazi 38165 Kayseri
Country :	Turkey
Financials (as on) :	31.12.2017
Date of Incorporation :	15.06.2007
Com. Reg. No.:	31016
Legal Form :	Joint Stock Company
Line of Business :	Trade of pvc profile.
No. of Employees :	2

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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 :	No Complaints
Litigation :	Clear

### NOTES :

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

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Turkey	B2	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

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**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.

Source : CIA

## **COMPANY IDENTIFICATION**

NAME	DAG HOLZMANN BAU SANAYI TICARET A.S.
HEAD OFFICE ADDRESS	Mimarsinan Organize Sanayi Bolgesi 19. Cad. No:58 Melikgazi 38165 Kayseri / Turkey
PHONE NUMBER	90-352-294 34 44
FAX NUMBER	90-352-294 28 28
WEB-ADDRESS	www.agholzmann.com.tr

## **LEGAL STATUS AND HISTORY**

TAX OFFICE	Erciyes
TAX NO	0090564738
REGISTRATION NUMBER	31016
REGISTERED OFFICE	Kayseri Chamber of Commerce
COMMERCIAL REGISTRY	Kayseri Commercial Registry
DATE ESTABLISHED	15.06.2007
ESTABLISHMENT GAZETTE DATE/NO	29.06.2007/6841
LEGAL FORM	Joint Stock Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 3.460.000
PAID-IN CAPITAL	TL 3.460.000
HISTORY	Previous Name : Agaclipen Plastik Yapi Elemanlari Sanayi ve Ticaret A.S. / Changed on : 22.11.2010/(Commercial Gazette Date /Number 03.12.2010 /7700)

## **OWNERSHIP / MANAGEMENT**

SHAREHOLDERS	Kismet Esen	80 %
	Hulya Esen	20 %
BOARD OF DIRECTORS	Hulya Esen ( Chairman	

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## **OPERATIONS**

BUSINESS ACTIVITIES	Trade of pvc profile.	
	We are informed by the shareholder Hulya Esen that the subject was dealing with manufacturing of pvc door and window but it stopped manufacturing activity in 2016.	
NACE CODE	G .51.54	
SECTOR	Commerce	
NUMBER OF EMPLOYEES	2	
NET SALES	2.177 TL Thousand	(2016)
	2.827 TL Thousand	(2017)
CAPACITY	None	
PRODUCTION	None	
IMPORT VALUE	0 TL	(2016)
	0 TL	(2017)
	0 TL	(01.01-30.06.2018)
EXPORT VALUE	1.276 TL Thousand	(2016)
	1.074 TL Thousand	(2017)
EXPORT COUNTRIES	Pakistan Algeria	
MERCHANDISE EXPORTED	Pvc profile	
HEAD OFFICE ADDRESS	Mimarsinan Organize Sanayi Bolgesi 19. Cad. No:58 Melikgazi Kayseri / Turkey	
TREND OF BUSINESS	There was an upwards trend in 2017.	
SIZE OF BUSINESS	Upper-Medium	

## **FINANCE**

MAIN DEALING BANKS Albaraka Turk Katilim Bankasi Sivas Caddesi Branch

CREDIT FACILITIES The subject company is making use of credit facilities.

PAYMENT BEHAVIOUR No Complaints.

KEY FINANCIAL ELEMENTS	(2016)	(2017)
	TL Thousand	TL Thousand
Net Sales	2.177	2.827
Profit (Loss) Before Tax	6	62
Stockholders' Equity	3.445	3.493
Total Assets	7.938	9.308
Current Assets	5.969	7.474
Non-Current Assets	1.969	1.834
Current Liabilities	2.177	1.399
Long-Term Liabilities	2.316	4.416
Gross Profit (loss)	66	330
Operating Profit (loss)	-87	175
Net Profit (loss)	-3	48

## **COMMENT ON FINANCIAL POSITION**

Capitalization	Satisfactory As of 31.12.2017
Liquidity	Satisfactory As of 31.12.2017
Remarks On Liquidity	The unfavorable gap between average collection and average payable period has an adverse effect on liquidity.
Profitability	Operating Loss in 2016 Net Loss in 2016 Good Operating Profitability in 2017 Low Net Profitability in 2017
Gap between average collection and payable periods	Unfavorable in 2017
General Financial Position	Fair

## **CREDIT OPINION WITHOUT OBLIGATION**

Incr. in producers' Average USD/TL Average EUR/TL Average GBP/ TL  
price index

( 2016 )	9,94 %	3,0292	3,3349	4,1006
( 2017 )	15,47 %	3,6337	4,1120	4,7059
( 01.01-30.06.2018 )	15,52 %	4,0582	4,8864	5,5548

## **BALANCE SHEETS**

	31.12.2016 ( Full Year ) TL Thousand		31.12.2017 ( Full Year ) TL Thousand	
CURRENT ASSETS	5.969	0,75	7.474	0,80
Not Detailed Current Assets	0	0,00	0	0,00
Cash and Banks	268	0,03	22	0,00
Marketable Securities	0	0,00	0	0,00
Account Receivable	3.032	0,38	4.745	0,51
Other Receivable	109	0,01	103	0,01
Inventories	1.058	0,13	1.261	0,14
Advances Given	1.391	0,18	1.235	0,13
Accumulated Construction Expense	0	0,00	0	0,00
Other Current Assets	111	0,01	108	0,01
NON-CURRENT ASSETS	1.969	0,25	1.834	0,20
Not Detailed Non-Current Assets	0	0,00	0	0,00
Long-term Receivable	0	0,00	0	0,00
Financial Assets	0	0,00	0	0,00
Tangible Fixed Assets (net)	1.826	0,23	1.697	0,18
Intangible Assets	0	0,00	0	0,00
Deferred Tax Assets	0	0,00	0	0,00
Other Non-Current Assets	143	0,02	137	0,01
TOTAL ASSETS	7.938	1,00	9.308	1,00
CURRENT LIABILITIES	2.177	0,27	1.399	0,15
Not Detailed Current Liabilities	0	0,00	0	0,00
Financial Loans	201	0,03	340	0,04
Accounts Payable	1.771	0,22	680	0,07
Loans from Shareholders	0	0,00	0	0,00
Other Short-term Payable	6	0,00	23	0,00
Advances from Customers	124	0,02	297	0,03
Accumulated Construction Income	0	0,00	0	0,00
Taxes Payable	75	0,01	59	0,01
Provisions	0	0,00	0	0,00
Other Current Liabilities	0	0,00	0	0,00
LONG-TERM LIABILITIES	2.316	0,29	4.416	0,47
Not Detailed Long-term Liabilities	0	0,00	0	0,00
Financial Loans	2.250	0,28	1.911	0,21
Securities Issued	0	0,00	0	0,00
Long-term Payable	66	0,01	66	0,01
Loans from Shareholders	0	0,00	0	0,00
Other Long-term Liabilities	0	0,00	2.439	0,26
Provisions	0	0,00	0	0,00

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**DAG HOLZMANN BAU SANAYI TICARET A.S. - 518735**

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STOCKHOLDERS' EQUITY	3.445	0,43	3.493	0,38
Not Detailed Stockholders' Equity	0	0,00	0	0,00
Paid-in Capital	3.460	0,44	3.460	0,37
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	55	0,01	55	0,01
Revaluation Fund	0	0,00	0	0,00
Accumulated Losses(-)	-67	-0,01	-70	-0,01
Net Profit (loss)	-3	0,00	48	0,01
TOTAL LIABILITIES AND EQUITY	7.938	1,00	9.308	1,00

**INCOME STATEMENTS**

	(2016) ( Full Year ) TL Thousand		(2017) ( Full Year ) TL Thousand	
Net Sales	2.177	1,00	2.827	1,00
Cost of Goods Sold	2.111	0,97	2.497	0,88
Gross Profit	66	0,03	330	0,12
Operating Expenses	153	0,07	155	0,05
Operating Profit	-87	-0,04	175	0,06
Other Income	229	0,11	108	0,04
Other Expenses	83	0,04	107	0,04
Financial Expenses	53	0,02	114	0,04
Minority Interests	0	0,00	0	0,00
Profit (loss) of consolidated firms	0	0,00	0	0,00
Profit (loss) Before Tax	6	0,00	62	0,02
Tax Payable	9	0,00	14	0,00
Postponed Tax Gain	0	0,00	0	0,00
Net Profit (loss)	-3	0,00	48	0,02

**LAST FINANCIAL STATEMENT DETAILS**

	TL Thousand
Cash	4
Banks	18
Doubtful Trade Receivables	0
Receivables From Personnel (in Other Receivable)	21
Other Miscellaneous Receivables (in Other Receivable)	82
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	41

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## **FINANCIAL RATIOS**

	(2016)	(2017)
<b>LIQUIDITY RATIOS</b>		
Current Ratio	2,74	5,34
Acid-Test Ratio	1,57	3,48
Cash Ratio	0,12	0,02
<b>ASSET STRUCTURE RATIOS</b>		
Inventory/Total Assets	0,13	0,14
Short-term Receivable/Total Assets	0,40	0,52
Tangible Assets/Total Assets	0,23	0,18
<b>TURNOVER RATIOS</b>		
Inventory Turnover	2,00	1,98
Stockholders' Equity Turnover	0,63	0,81
Asset Turnover	0,27	0,30
<b>FINANCIAL STRUCTURE</b>		
Stockholders' Equity/Total Assets	0,43	0,38
Current Liabilities/Total Assets	0,27	0,15
Financial Leverage	0,57	0,62
Gearing Percentage	1,30	1,66
<b>PROFITABILITY RATIOS</b>		
Net Profit/Stockholders' Eq.	0,00	0,01
Operating Profit Margin	-0,04	0,06
Net Profit Margin	0,00	0,02
Interest Cover	1,11	1,54
<b>COLLECTION-PAYMENT</b>		
Average Collection Period (days)	501,39	604,24
Average Payable Period (days)	313,27	107,55
<b>WORKING CAPITAL</b>	3792,00	6075,00

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.79
UK Pound	1	INR 91.11
Euro	1	INR 80.78
TRY	1	INR 14.60

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

**INFORMATION DETAILS**

Analysis Done by :	VIV
Report Prepared by :	TRU

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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)