

## MIRA INFORM REPORT

|               |            |
|---------------|------------|
| Report No. :  | 538992     |
| Report Date : | 12.11.2018 |

### IDENTIFICATION DETAILS

|                         |   |
|-------------------------|---|
| Name :                  | SIMFER IC VE DIS TICARET A.S.   |
| Formerly Known As :     | <ul style="list-style-type: none"> <li>• SIMFER IC VE DIS TICARET LTD. STI.</li> <li>• FER IC VE DIS TICARET LTD. STI.</li> </ul> |
| Registered Office :     | Tekstilkent Koza Plaza B Blok K:6 No:708 Esenler 34235 Istanbul   |
| Country :               | Turkey  |
| Date of Incorporation : | 12.12.2003  |
| Com. Reg. No.:          | 510973  |
| Legal Form :            | Joint Stock Company   |
| Line of Business :      | Wholesale Trade of Durable Consumer Goods, Non-Durable Consumer Goods and White Goods.  |
| No. of Employees :      | 83  |

### RATING & COMMENTS

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

|                        |          |
|------------------------|----------|
| <b>MIRA's Rating :</b> | <b>A</b> |
|------------------------|----------|

| 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            |

### 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<br>(30.06.2018) | Current Rating<br>(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.

Source : CIA

## ***COMPANY IDENTIFICATION***

|                     |   |
|---------------------|---|
| NAME                | SIMFER IC VE DIS TICARET A.S.   |
| HEAD OFFICE ADDRESS | Tekstil Kent Koza Plaza B Blok K:6 No:708 Esenler 34235 Istanbul / Turkey |
| PHONE NUMBER        | 90-212-438 26 38  |
| FAX NUMBER          | 90-212-438 26 37  |

## ***LEGAL STATUS AND HISTORY***

|                                   |  |
|-----------------------------------|--|
| NOTES ON LEGAL STATUS AND HISTORY | Change at tax no.  |
| TAX OFFICE                        | Marmara Kurumlar   |
| TAX NO                            | 7700417143   |
| REGISTRATION NUMBER               | 510973   |
| REGISTERED OFFICE                 | Istanbul Chamber of Commerce   |
| COMMERCIAL REGISTRY               | Istanbul Commercial Registry   |
| DATE ESTABLISHED                  | 12.12.2003   |
| ESTABLISHMENT GAZETTE DATE/NO     | 17.12.2003/5948  |
| LEGAL FORM                        | Joint Stock Company  |
| TYPE OF COMPANY                   | Private  |
| REGISTERED CAPITAL                | TL 10.000.000  |
| PAID-IN CAPITAL                   | TL 10.000.000  |
| HISTORY                           | Previous Legal Type : Limited Company / Changed on : 31.01.2014/(Commercial Gazette Date /Number 06.02.2014 /8502)<br>Previous Name : Fer Ic ve Dis Ticaret Ltd. Sti. / Changed on : 18.11.2011/(Commercial Gazette Date /Number 24.11.2011 /7947)<br>Previous Name : Simfer Ic ve Dis Ticaret Ltd. Sti. / Changed on : 31.01.2014/(Commercial Gazette Date /Number 06.02.2014 /8502)<br>Previous Registered TL 310.000 / Changed on : |

|                               |                           |              |      |
|-------------------------------|---------------------------|--------------|------|
| Capital :                     | 16.12.2008/(Commercial    | Gazette      | Date |
|                               | /Number 19.12.2008 /7210) |              |      |
| Previous Registered Capital : | TL 1.600.000 /            | Changed on : |      |
|                               | 24.07.2017/(Commercial    | Gazette      | Date |
|                               | /Number 28.07.2017 /9377) |              |      |
| Previous Tax No :             | 3850385023 /              | Changed on : |      |
|                               | 31.01.2014/(Commercial    | Gazette      | Date |
|                               | /Number 06.02.2014 /8502) |              |      |

## **OWNERSHIP / MANAGEMENT**

|              |                  |      |
|--------------|------------------|------|
| SHAREHOLDERS | Ibrahim Ustaoglu | 50 % |
|              | Mustafa Ustaoglu | 50 % |

GROUP SIMFER GROUP OF COMPANIES

### SISTER COMPANIES

- HOBI GAYRIMENKUL YATIRIM VE GELISTIRME A.S. ( Origin: Turkey, Tax Number: 4630395980, Registration Number: 558749 )
- SER DAYANIKLI TUKETIM MALLARI IC VE DIS TICARET SANAYI A.S. ( Origin: Turkey, Tax Number: 7610517929, Registration Number: 437064 )
- SERSIM DAYANIKLI TUKETIM MALLARI KOLLEKTIF SIRKETI- IBRAHIM VE MUSTAFA USTAOGU ( Origin: Turkey, Tax Number: 7630588068, Registration Number: 38520 )
- SIMFER DAYANIKLI TUKETIM MAMULLERI TICARET VE SANAYI A.S. ( Origin: Turkey, Tax Number: 7700033092, Registration Number: 439918 )
- SIMFER IC VE DIS TICARET PAZARLAMA A.S. ( Origin: Turkey, Tax Number: 7700033139, Registration Number: 439955 )
- TUREV GAYRIMENKUL GELISTIRME A.S. ( Origin: Turkey, Tax Number: 8750357309, Registration Number: 729914 )
- YEDITEPE GAYRIMENKUL YATIRIM A.S. ( Origin: Turkey, Tax Number: 9040805160, Registration Number: 920045 )

|                    |                                    |
|--------------------|------------------------------------|
| BOARD OF DIRECTORS | Mustafa Ustaoglu ( Chairman )      |
|                    | Ibrahim Ustaoglu ( Vice-Chairman ) |

## **OPERATIONS**

|                     |  |
|---------------------|--|
| BUSINESS ACTIVITIES | Wholesale trade of durable consumer goods, non-durable consumer goods and white goods. |
|---------------------|--|

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|                                   |  |
|-----------------------------------|--|
| NACE CODE                         | G .51.90   |
| ISIC Code                         | 4690   |
| SECTOR                            | Commerce   |
| NUMBER OF EMPLOYEES               | 83   |
| NET SALES                         | 196.376 TL Thousand (2013)<br>235.624 TL Thousand (2014)<br>265.072 TL Thousand (2015)<br>278.214 TL Thousand (2016)<br>366.124 TL Thousand (2017)<br>246.560 TL Thousand (01.01-30.06.2018) |
| NOTES ON NET SALES                | The sales figures are declared by the company. There is no certification for these figures.  |
| REMARKS ON CAPACITY               | None   |
| REMARKS ON PRODUCTION             | None   |
| EXPORT COUNTRIES                  | Qatar<br>Saudi Arabia<br>Libya<br>Tanzania<br>European Countries<br>Far East Countries<br>Mozambique   |
| MERCHANDISE EXPORTED              | Durable consumer goods<br>Non-durable consumer goods   |
| HEAD OFFICE ADDRESS               | Tekstilkent Koza Plaza B Blok K:6 No:708 Esenler Istanbul / Turkey ( owned ) ( 700 sqm )   |
| BRANCHES                          | Branch Office: Kayseri Serbest Bolgesi (Free Zone) 12. Cad. No:1 Kayseri/Turkey  |
| GENERAL INFORMATION ON OPERATIONS | The firm has a high market potential.  |
| NOTES ON INVESTMENTS              | None   |
| TREND OF BUSINESS                 | There was a slowdown at business volume in real terms in 2016. There was an upwards trend in 2017. Trend of business appears to be steady in the first 6 months of 2018.                     |

## **FINANCE**

MAIN DEALING BANKS T. Is Bankasi Kayseri Branch  
T. Garanti Bankasi Sirinevler Branch

PAYMENT BEHAVIOUR Slow but correct

| KEY FINANCIAL ELEMENTS                               | (2014)<br>TL<br>Thousand | (2015)<br>TL<br>Thousand | (2016)<br>TL<br>Thousand | (2017)<br>TL<br>Thousand | (01.01-<br>30.06.2018)<br>TL<br>Thousand |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--|
| Net Sales Profit (Loss) Before Tax Net Profit (loss) | 235.624                  | 265.072                  | 278.214                  | 366.124                  | 246.560                                  |
|  | 1.196                    | 1.053                    | 1.049                    | 1.360                    |  |
|  |                          |                          |                          |                          | 851                                      |

REMARKS ON KEY FINANCIAL ELEMENTS Key financial figures of 01.01.-30.06.2018 are declared by the company. There is no certification for these figures.

## **COMMENT ON FINANCIAL POSITION**

General Financial Position The firm is profitable.

The firm has a high amount of capital. The liability of the shareholders is limited to the capital.

## **CREDIT OPINION WITHOUT OBLIGATION**

|          | Incr. producers' price index | in Average USD/TL | Average EUR/TL | Average GBP/ TL |
|----------|------------------------------|-------------------|----------------|-----------------|
| ( 2013 ) | 6,97 %                       | 1,9179            | 2,5530         | 3,0178          |
| ( 2014 ) | 6,36 %                       | 2,1891            | 2,8989         | 3,6060          |
| ( 2015 ) | 5,71 %                       | 2,7230            | 3,0254         | 4,1661          |
| ( 2016 ) | 9,94 %                       | 3,0292            | 3,3349         | 4,1006          |
| ( 2017 ) | 15,47 %                      | 3,6337            | 4,1120         | 4,7059          |

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|                     |         |        |        |        |
|---------------------|---------|--------|--------|--------|
| ( 01.01-30.06.2018) | 15,52 % | 4,0582 | 4,8864 | 5,5548 |
| ( 01.01-30.09.2018) | 38,96 % | 4,5878 | 5,4581 | 6,1749 |

**FOREIGN EXCHANGE RATES**

| Currency  | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1    | INR 72.73     |
| UK Pound  | 1    | INR 94.87     |
| Euro      | 1    | INR 82.52     |
| TL        | 1    | INR 13.27     |

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

**INFORMATION DETAILS**

|                             |     |
|-----------------------------|-----|
| <b>Analysis Done by :</b>   | PRI |
| <b>Report Prepared by :</b> | TPT |

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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)