

Corporate Governance Rating

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Publication Date: 29/07/2020

Sector: Household Appliances

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Ratings

Overall Score	8.54	AAA(Trk)/a (Stable)
Shareholders	8.25	AA(Trk)/bbb (Stable)
Public Disclosure & Transparency	8.83	AAA(Trk)/a (Stable)
Stakeholders	8.42	AA(Trk)/bbb (Stable)
Board of Directors	8.59	AAA(Trk)/a (Stable)

Company Profile

Trade Name	İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.
Address	Merkez Mah.29 Ekim Cad. İhlas Plaza No:11 B/21 Yenibosna Bahçelievler/İSTANBUL
Chairman	Mr. Sedat KURUCAN
CEO	Mr. Assoc. Prof. Dr. Ömer KAMBER
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Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000 USD)	79,919	51,869	68,931	72,959	95,127
Total Assets (000 TRY)	474,734	272,877	260,001	256,756	276,592
Equity (000 TRY)	395,754	190,995	184,339	185,498	210,296
Net Profit (000 TRY)	42,861	6,829	-861	-720	12,477
Sales (000 TRY)	227,185	192,847	140,953	108,725	116,227
Net Profit Margin (%)	18.87	3.54	-0.61	-0.66	10.74
ROAA (%)	13.66	2.98	-0.58	0.16	4.15
ROAE (%)	17.41	4.22	-0.81	0.22	5.40
Equity / Total Assets (%)	83.36	69.99	70.90	72.25	76.03
Net Working Cpt. / T. Assets (%)	48.79	48.08	47.42	55.54	59.51
Debt Ratio (%)	16.64	30.01	29.10	27.75	23.97
Asset Growth Rate (%)	73.97	4.95	1.26	-7.17	12.53

* End of Year Consolidated Audit Reports

Company Overview

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş. (IHEVA or the Company) was incorporated on December 5, 1975 under the name of Hizmet Gazetecilik ve Matbaacılık Ltd. and began operating under its current name on July 5, 1995. The Company produces cleaning robots, water purification systems, vacuum cleaners and water heaters at the facility covering 12,900 m² within the Beylikdüzü organized industrial zone. Products are sold on the domestic market through İhlas Pazarlama A.Ş.'s widespread distribution channels and are exported to over 60 countries, including those of the European Union and Turkic Republics.

The separate, specialist-managed Shareholder Relations Unit conducts shareholder relations, organizes General Assembly meetings and is responsible for public disclosures.

Company shares have been listed on the BIST under the code of IHEVA since September 26, 1996 and are included in the BIST 100 Index. 52.09% of shares are publicly traded as of 1Q2020. The Company's equity stood at TL389mn, and asset size and sales reached TL484mn and TL72mn as of March 31, 2020, respectively.

The Board of Directors is composed of 7 members, 3 of which are independent, five members are non-executive. Additionally, Audit, Corporate Governance and Risk Committees have been established within the Board and are chaired by independent board members.

Strengths

- Improved working environment for the employees
- A female member on the Board
- An effective and transparent website in Turkish
- Existence of innovative and technological research and development center
- Pioneering practices in environmental sustainability with activities carried out within the scope of environmental protection and participation in various social responsibility projects

Constraints

- The vote of privileged shareholders in determining the Board of Directors
- Absence of regulations in the articles of incorporation for the invitation of stakeholders and the media to the General Meeting
- Lack of Directors Liability Insurance for the members of the Board of Directors and senior executives.