

Corporate Governance Rating

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Publication Date: 29/07/2020

Sector: Holding

İHLAS HOLDİNG A.Ş.

Ratings

Overall Score	8.48	AA(Trk)/bbb (Stable)
Shareholders	8.19	AA(Trk)/bbb (Stable)
Public Disclosure & Transparency	8.74	AAA(Trk)/a (Stable)
Stakeholders	8.26	AA(Trk)/bbb (Stable)
Board of Directors	8.59	AAA(Trk)/a (Stable)

Company Profile

Trade Name	İHLAS HOLDİNG A.Ş.
Address	Merkez Mah.29 Ekim Cad. İhlas Plaza No:11 B/21 Yenibosna Bahçelievler/İSTANBUL
Chairman	Mr. A. Mücahid ÖREN
CEO	Mr. A. Mücahid ÖREN
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Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000 USD)	513,467	470,642	717,877	706,233	965,034
Total Assets (000 TRY)	3,050,094	2,475,999	2,707,762	2,485,376	2,805,934
Equity (000 TRY)	1,242,289	813,609	828,322	788,461	740,743
Net Profit (000 TRY)	5,262	-32,602	35,215	60,538	-86,061
Sales (000 TRY)	715,883	1,273,608	712,388	1,082,076	409,473
Net Profit Margin (%)	0.74	-2.56	4.94	5.59	-21.02
ROAA (%)	1.34	-0.57	1.08	3.22	-3.40
ROAE (%)	3.60	-1.81	3.47	11.16	-12.14
Equity / Total Assets (%)	40.73	32.86	30.59	31.72	26.40
Net Working Capital/T.Assets(%)	34.84	25.41	22.05	23.64	30.15
Debt Ratio (%)	59.27	67.14	69.41	68.28	73.60
Asset Growth Rate (%)	23.19	-8.56	8.95	-11.42	5.41

*End of Year Consolidated Audit Reports

Company Overview

İHLAS HOLDİNG A.Ş. (Holding or Company) with its roots dating back to the Türkiye Newspaper established in 1970, acquired its holding status in 1993. The shares of the Company began trading on BİST (Borsa Istanbul) through an IPO in 1994. As a managing company of a conglomerate of 28 companies (5 of them publicly traded including the Holding itself) operating in many distinct fields, the Holding maintains also the activities in the fields of education, health and construction within its own structure.

Of the paid-in capital of the Company in a nominal value of TL790 million, shares representing 86,37% are publicly traded. The largest qualifying shareholders of İhlas Holding are Mr. A. Mücahid ÖREN and Ms. Ayşe Dilvin ÖREN, who currently owns the Group's privileged shares. Investor Relations Department conducts and coordinates corporate governance activities by its staff of 1 manager and 3 specialists. The general meetings have been organized by this department in compliance with the principles.

4 members of the 11-member Board bear the attributes of independence. 5 members execute managerial functions while the other 6 are non-executives. Audit, Corporate Governance and Risk Committees composed of independent members exist within the Board.

Strengths

- More functional and effective human resources department with recent improvements
- Notable progress in the field of corporate sustainability
- Significant investments in the digitalization of management processes
- Strong staff commitment considering the long job tenure

Constraints

- Absence of female member in the Board and top management
- The privilege on the B group shares to determine majority of board members
- Absence of liability insurance for board members and top managers