

iŖ GYO



**IS REAL ESTATE  
INVESTMENT COMPANY  
30.09.2018**

- Established in 1999, by the strategic partnership of Isbank.

As of 30.09.2018;

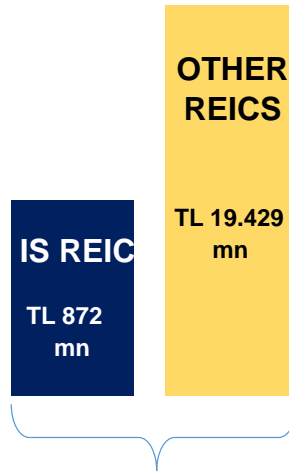
- ✓ Total asset size; **TL5.158 mn.**
- ✓ Mcap **TL872 mn** representing 4,3% of the sector.



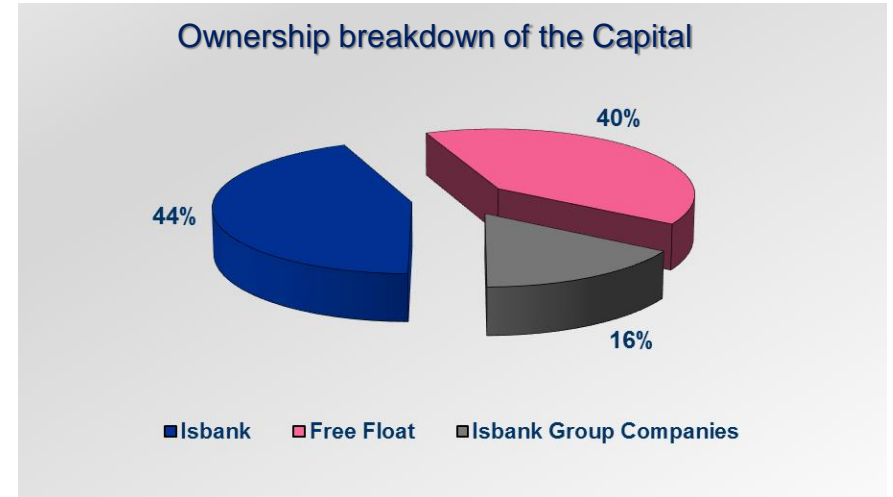
**Corporate Governance Rating**

**SAHA 94.76 (9,48)**

**SECTOR MCAP**



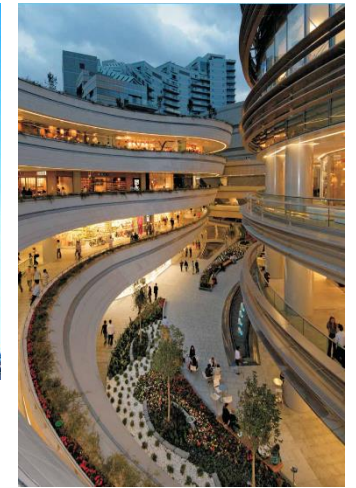
**Sector Mcap**  
**TL 20.301 mn**



# WHY ISGYO?



- **Diversified real estate portfolio**
  - *Balanced exposure in office, retail and residential sector*
  - *Office 54%, retail 24% and projects 9%*
- **Solid rental income and real estate projects supporting rental income**
  - *~TL 210 mn annual rental income*
- **Financially strong tenants & long-term leases**
  - *53% of the rental income comes from İş Group*
  - *Average duration of the lease contracts longer than 5 years*
- **Strong shareholder structure**



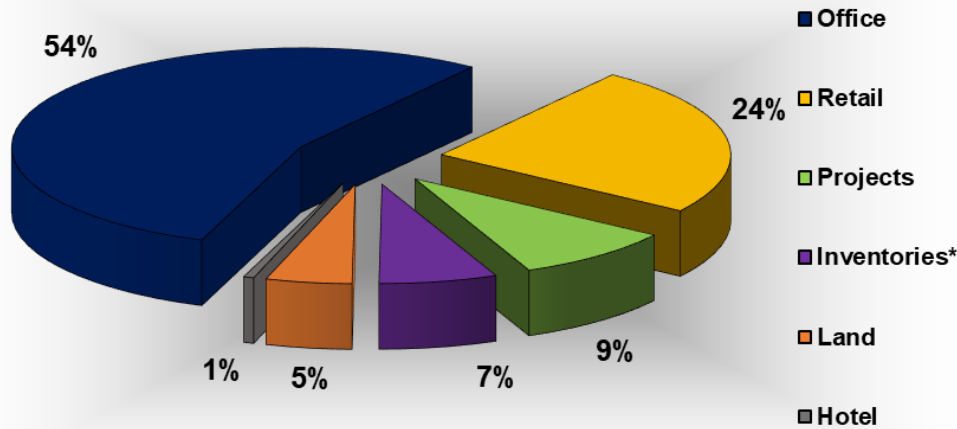
# ISGYO PORTFOLIO



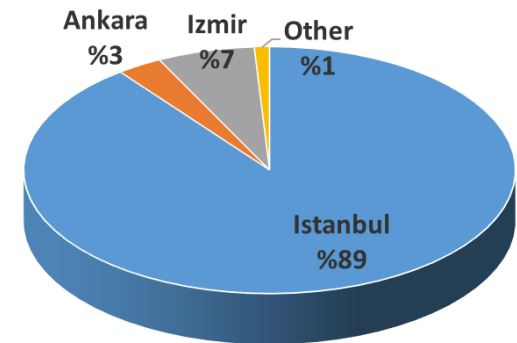
# Real Estate Portfolio Breakdown



| Real Estate Portfolio | TL mn        |
|-----------------------|--------------|
| Office                | 2.447        |
| Retail                | 1.100        |
| Projects              | 404          |
| Inventories*          | 296          |
| Land                  | 216          |
| Hotel                 | 26           |
| <b>TOTAL</b>          | <b>4.489</b> |



\*Inventories include offices and residential units on sale in Ege Perla and residential units on sale in Manzara Adalar.

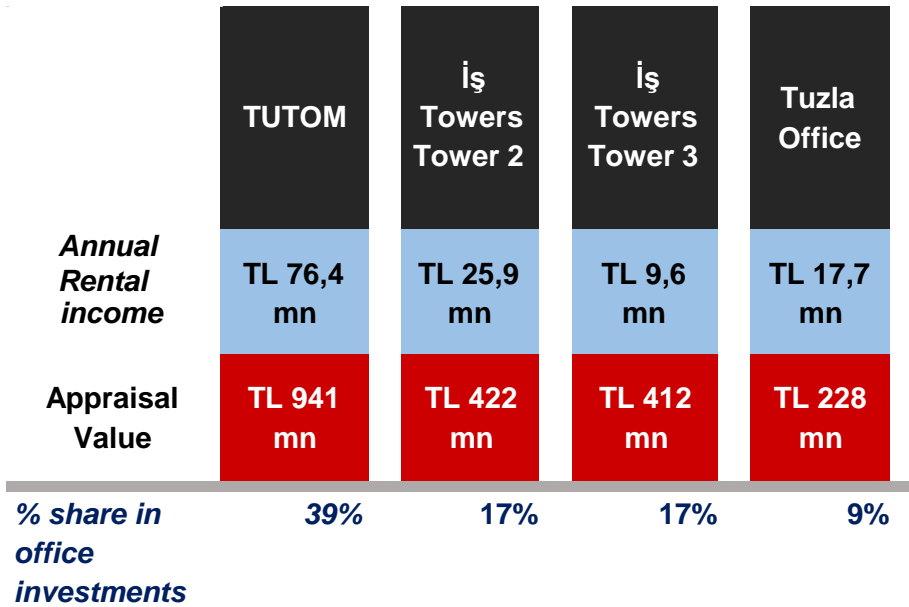


# RENT GENERATING ASSETS





# Office Portfolio



- ✓ Represent 82% of the total office investments. (TL 2.003 mn)
- ✓ Represent 91% of the total office rental income. (TL 130 mn)

| Other Offices              | Appraisal values |
|----------------------------|------------------|
| Kartal Office Building (*) | TL 151 mn        |
| Ankara İş Kulesi           | TL 135 mn        |
| Maslak Office Building     | TL 108 mn        |
| Office Lamartine           | TL 51 mn         |

| Office Investments    | TL Mn |
|-----------------------|-------|
| Total Appraisal Value | 2.447 |
| Total Rental Income   | 142   |

(\*) Completed in Q2, 2018.

# Technology & Operation Center(TUTOM) and Tuzla Şişecam Office



## TUTOM

**Investment model:** Turnkey Project

**Total area:** 184.650 sqm

**Tenant:** ISBANK

**Annual rental income:** TL76,4 mn

**Duration:** 25 years

## Tuzla Şişecam Office

**Annual rental income:** TL17,7 mn

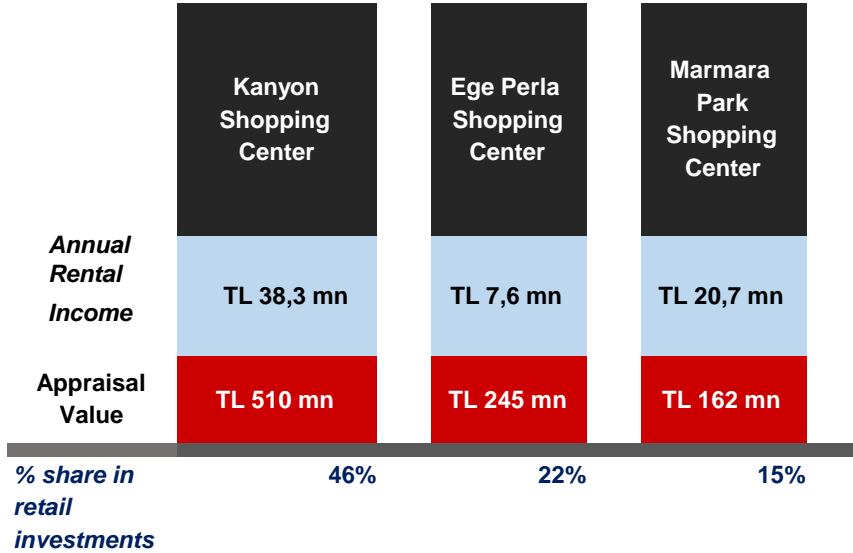
**Tenant:** SISECAM



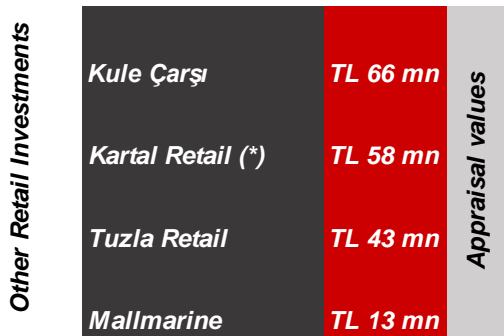
*Tuzla Operation Center Project is the winner of "Sign of the City Award, 2015" for "Best Office".*



# Retail Portfolio



- ✓ Represent 83% of the total retail investments. (TL 917 mn)
- ✓ Represent 91% of the total retail rental income. (TL 67 mn)
- ✓ Kanyon represents 52% of the total retail rental income.



(\*) Completed in Q2, 2018.

| Retail Investments    | TL Mn |
|-----------------------|-------|
| Total Appraisal Value | 1.100 |
| Total Rental Income   | 73    |

# PROJECTS UNDER DEVELOPMENT



# İstanbul Residential Project



**Location :** Topkapı, Istanbul

**Investment model:** A joint venture between İŞ GYO and NEF (50-50%)

**Total development cost\* :** TL1,2 bn

**Total saleable area\*:** ≈ 250.000 sqm



Designed by

**PERKINS+WILL**



## Income Projection

**Total sales revenues\* :** TL 1,6 bn

*(\*)Total figures, İSGYO has 50% share.*

**Number of units ≈ 2.724\*\***

**Presales ratio: 97%**

*(\*\*)As of 30.09.2018, 1.637 residential units were delivered in the stages 1&2. Construction work still continues for the stages 3&4.*

# Istanbul Financial Center Project (IFC)

**Location :** Atasehir, Istanbul

**Project type :** A mixed use project (office & commercial)

**Estimated development cost:** TL270-280 mn

**Estimated saleable/leasable area :**  $\approx$  33.000 sqm



## Income Projection

**Estimated rental Income :** TL 45-50 mn

\*Designed by



# PIPELINE PROJECTS





**Location :** Kadikoy, Istanbul

**Acquisition date:** December, 2016

**Project Land Area:** 8.293 sqm

**Investment Model:** ISGYO has 45% share in the project

**Project type:** Hotel and commercial area







**Location :** Tuzla, Istanbul

**Acquisition date:** January, 2016

**Project Land Area:** 53.460 sqm

(\* ) *The project has been postponed due to the current conjuncture.*

# DIVIDEND PAYOUT



- ISGYO's policy(\*): **“dividend must be at least 30% of the total distributable income in the form of cash or bonus share”**.
- ✓ In the last 13 year period, except for only 2006, ISGYO distributed cash dividend to shareholders.
- ✓ ISGYO trades on BIST Dividend Index and BIST Dividend-25 Index.

| Cash Dividend TL, mn                       | 2013  | 2014  | 2015  | 2016  | 2017  |
|--|-------|-------|-------|-------|-------|
| <b>Period Income according to IFRS</b>     | 247,9 | 328,4 | 555,9 | 420,5 | 179,9 |
| <b>Period Income according to LR**</b>     | 99,3  | 71,3  | 131,5 | 155,2 | 221,8 |
| <b>Cash Dividend</b>                       | 31,5  | 47,6  | 52,2  | 63,8  | 68,5  |
| <b>Dividend per share</b>                  | 0,05  | 0,07  | 0,07  | 0,075 | 0,075 |
| <b>Cash Dividend/ Period Income (LR**)</b> | 32%   | 67%   | 40%   | 41%   | 31%   |

(\*)If the Company decides to distribute profits.

(\*\*) LR: Legal records

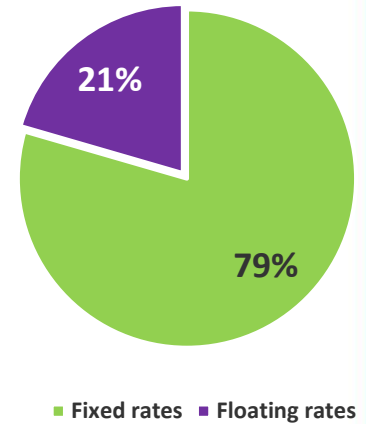
# DEBT & CASH POSITION



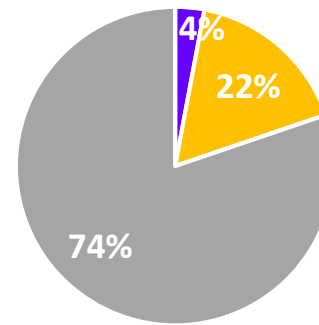
## Debt & Cash Position

| Bank Loans   | Outstanding Loan Original Amount TL mn | Date of the loan    | Maturity         | Outstanding Loan TL mn |
|--------------|--|---------------------|------------------|------------------------|
| Euro loan    | 7,3 €                                  | Dec. 2010           | 10 year          | 51                     |
| Dolar Loan   | \$50,2                                 | Oct. 2013           | 10 year          | 300                    |
| TL Loans     | 502,1                                  | Dec. 2013-May. 2017 | 6 months-6 years | 502,1                  |
| <b>Total</b> |  |                     |                  | <b>853,1</b>           |

| Bonds        | Original Amount | Date of the Issue            | Maturity |
|--------------|-----------------|------------------------------|----------|
| Bonds        | 500             | Apr.-Oct.2016/<br>March 2018 | 3 years  |
| <b>Total</b> | <b>500</b>      |                              |          |



|                             |              |
|-----------------------------|--------------|
| Cash, TL mn                 | 37           |
| Total Financial Debt, TL mn | 1.353        |
| <b>Net Debt, TL mn</b>      | <b>1.316</b> |
| Total Financial Debt/Assets | 25%          |
| Net fx position, TL mn      | -63,6        |
| Net fx position/ Assets     | 1,2%         |



■ Euro ■ Dolar ■ TL

|   |   |
|---|---|
| Short Term National Rating:<br><b>(TR) A1+</b><br>Outlook: Stable | Long Term National Rating:<br><b>(TR) AA</b><br>Outlook: Stable |
|---|---|





| TL, mn                        | 30.09.2018     | 31.12.2017     | % Change    |
|-------------------------------|----------------|----------------|-------------|
| <b>ASSETS</b>                 | <b>5.158,2</b> | <b>5.311,9</b> | <b>-3%</b>  |
| <i>Current Assets</i>         | <i>968,1</i>   | <i>968,0</i>   | <i>0%</i>   |
| <i>Long-term Assets</i>       | <i>4.190,2</i> | <i>4.344,0</i> | <i>-4%</i>  |
| <b>LIABILITIES</b>            | <b>5.158,2</b> | <b>5.311,9</b> | <b>-3%</b>  |
| <i>Short-term Liabilities</i> | <i>1.096,6</i> | <i>873,3</i>   | <i>26%</i>  |
| <i>Long-term Liabilities</i>  | <i>757,7</i>   | <i>1.158,0</i> | <i>-35%</i> |
| <i>Shareholders' Equity</i>   | <i>3.304,0</i> | <i>3.280,6</i> | <i>1%</i>   |

### Of the total Liabilities (Short&Long Term):

- the amount regarding the financial liabilities constitutes the 73%,
- the amount regarding advances received from presales of the units in Manzara Adalar Project and İstanbul Project constitutes the 22%.



# Income Statement

| Financials (TL, mn)                               | Jan.-Sep. 2018 | Jan.-Sep. 2017 |
|---|----------------|----------------|
| <b>Sales Revenue</b>                              | 986,6          | 369,5          |
| Cost of Sales                                     | -773,5         | -229,5         |
| <b>Gross Profit/Losses</b>                        | 213,1          | 140,0          |
| <i>General Administrative Expenses</i>            | -18,8          | -16,3          |
| <i>Marketing, Sales and Distribution Expenses</i> | -14,5          | -9,6           |
| <i>Other Operating Income</i>                     | 9,9            | 55,6           |
| <i>Other Operating Expense</i>                    | -11,3          | -48,8          |
| <b>EBIT</b>                                       | 178,4          | 120,9          |
| <b>Net Finance Expense</b>                        | -87,4          | -28,7          |
| <b>Net Period Income</b>                          | 91,9           | 93,0           |
| <b>Gross Margin</b>                               | 22%            | 38%            |
| <b>EBIT Margin</b>                                | 18%            | 33%            |
| <b>Net Margin</b>                                 | 9%             | 25%            |



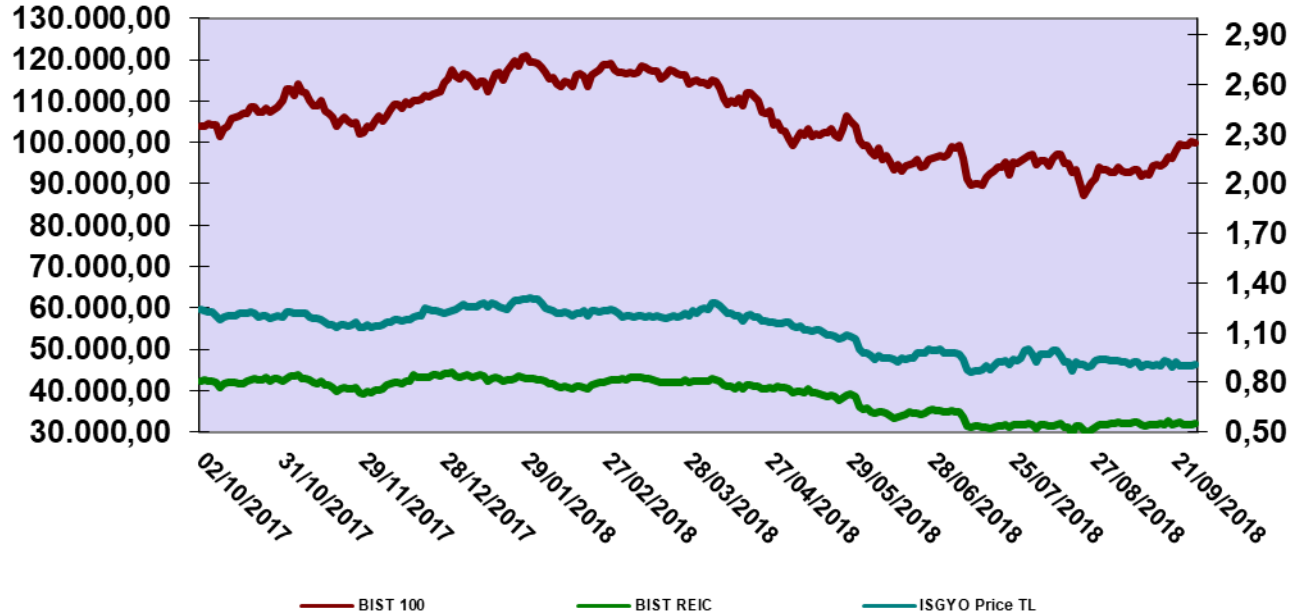


# STOCK PERFORMANCE





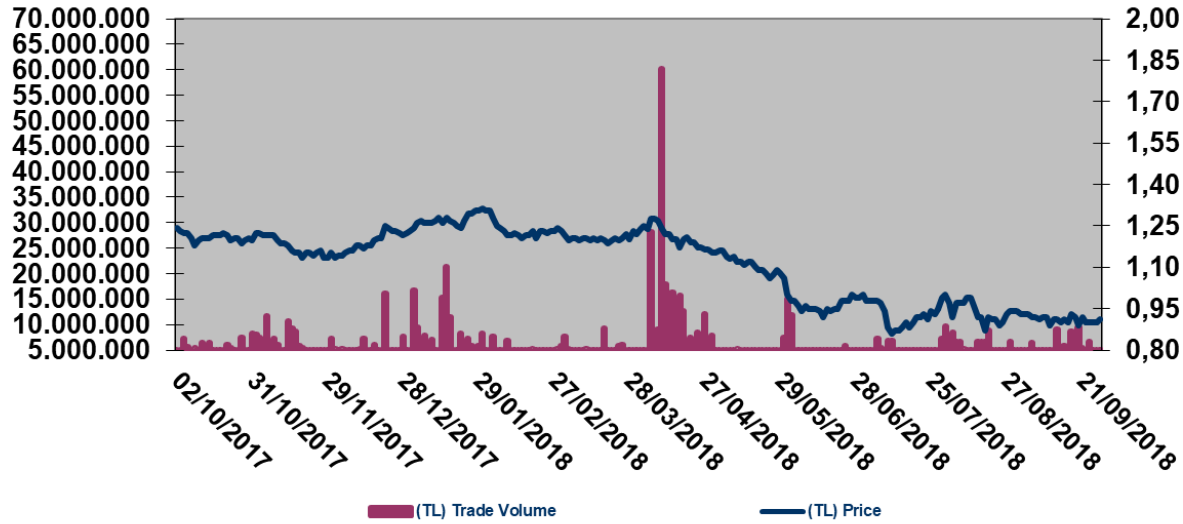
## BIST 100 - BIST REIC Index & ISGYO Price



| Stock price & index performance |              |
|---------------------------------|--------------|
| %                               | Year to date |
| BIST 100                        | -13,3        |
| XGMYO                           | -27,6        |
| ISGYO                           | -25,6        |



### Price - Trade Volume



|              | Average Daily Trade Volume |
|--------------|----------------------------|
| <b>ISGYO</b> |                            |
| 2017         | TL 5,2 mn                  |
| 2018         | TL 5,3 mn                  |

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