

iŞ GYO



IS REAL ESTATE INVESTMENT COMPANY

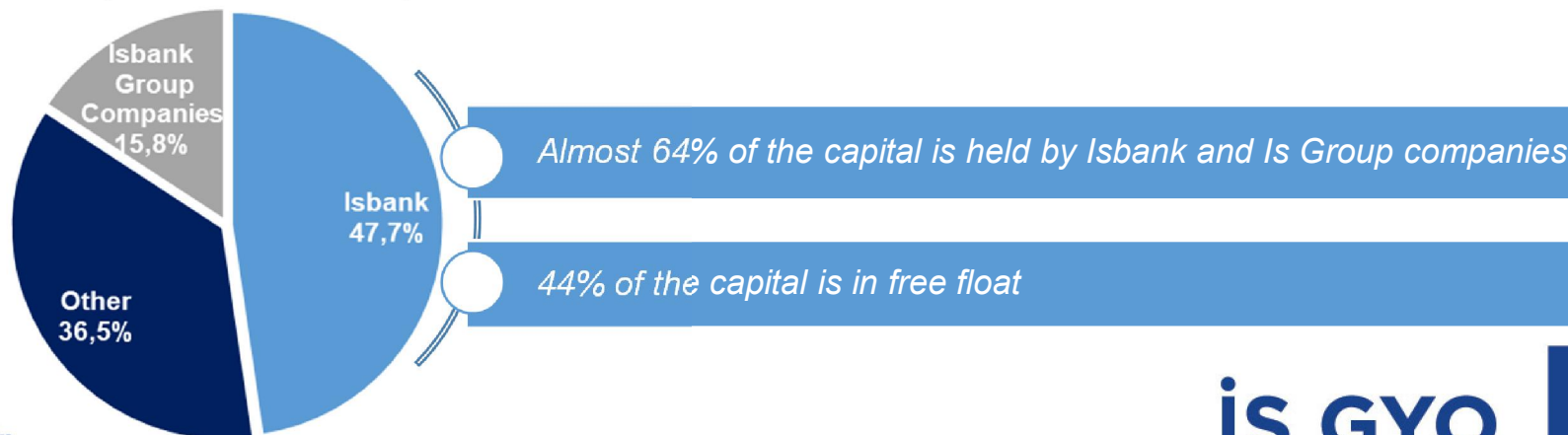
Investor Presentation

30.06.2019

IS REIC was established in 1999, by the strategic partnership of Isbank.

• Mcap	TL 968 mn	Total Mcap size of the sector is TL 17 bn.
• Asset Size	TL 5.150 mn	
• Equity Size	TL 3.538 mn	
• Real Estate Portfolio	TL 4.837 mn	
• Rental Portfolio Size	TL 3.938 mn	
• Estimated Annual Rental Income	TL 235 mn	

Ownership Breakdown of the Capital



Why IS REIC?

- ✓ **Diversified real estate portfolio**
 - *Balanced exposure in office, retail and residential sector*
 - *Office 57%, retail 24% and projects 8%*

- ✓ **Solid & growing rental income**
 - *~TL 120 mn rental income for 1H-2019.*

- ✓ **Financially strong tenants & long-term leases**
 - *57% of the rental income comes from İş Group*
 - *Average duration of the lease contracts longer than 5 years*

- ✓ **Low foreign currency debt & fx short position**
 - *20% of the total debt in foreign currency*
 - *Fx short position ~1% of the total assets*

- ✓ **Strong shareholder structure**



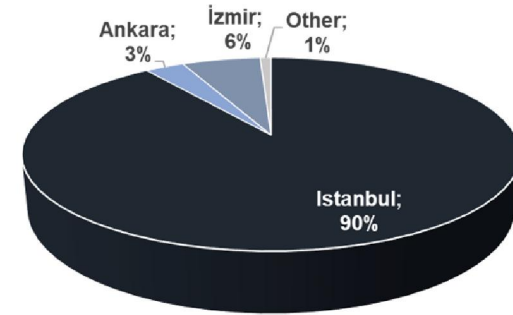
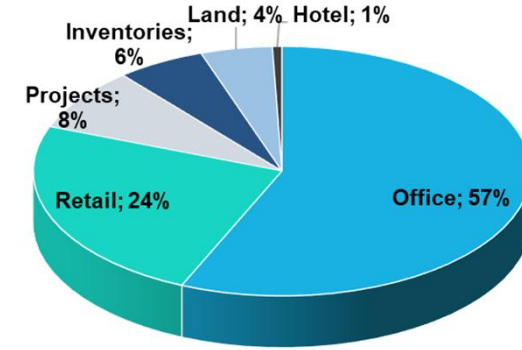
ISGYO PORTFOLIO

Real Estate Portfolio Breakdown

Real Estate Portfolio Value

	mn TL	
Office	2.737	57%
Retail	1.171	24%
Hotel	30	1%
TOTAL	3.938	81%
Projects	394	8%
Inventories	279	6%
Land	226	4%
TOTAL	4.837	100%

Rental Portfolio



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

**10% of the real estate portfolio is in residential.



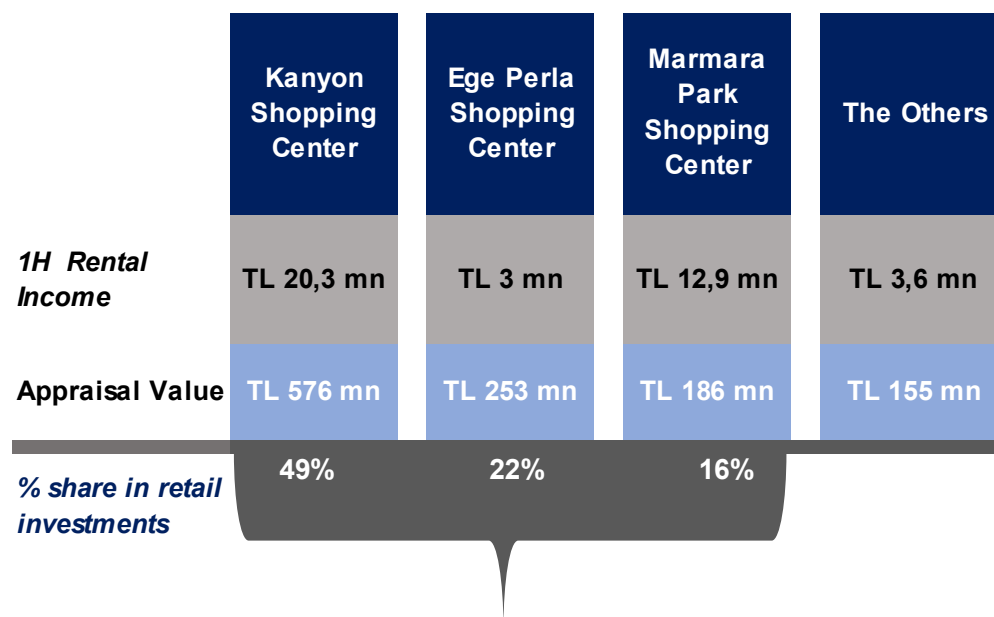
RENTAL PORTFOLIO

Office Portfolio

	TUTOM	İş Towers Tower 2	İş Towers Tower 3	Tuzla Office	Ankara İş Tower Kartal Office Maslak Office Office Lamartine
1H Rental Income	TL 46,5 mn	TL 12,2 mn	TL 3,8 mn	TL 11,9 mn	TL 4,6 mn
Appraisal Value	TL 1.077 mn	TL 455 mn	TL 445 mn	TL 261 mn	TL 500 mn
% share in office investments	39%	17%	16%	10%	

- ✓ Represent 82% of the total office investments. (TL 2.238 mn)
- ✓ Represent 94% of the total office rental income. (TL 74,4 mn)

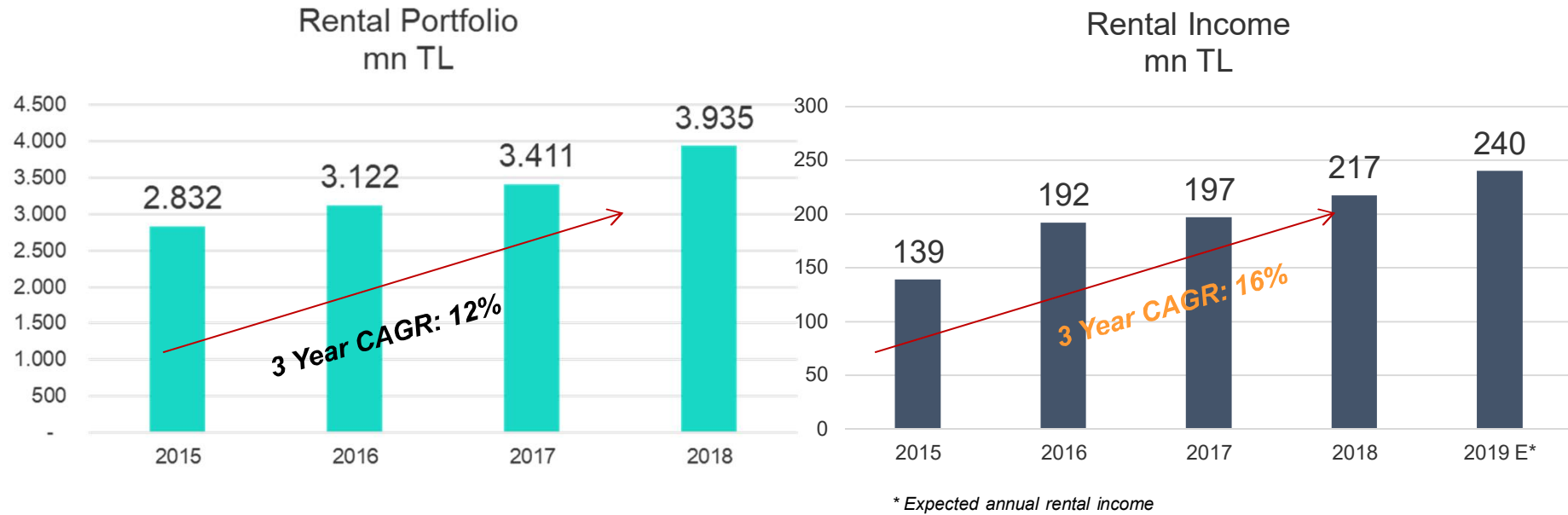
Office Portfolio	TL, mn
Appraisal Value	2.737
1H Rental Income	79



- ✓ Represent 87% of the total retail investments. (TL 1.015 mn)
- ✓ Represent 91% of the total retail rental income. (TL 36 mn)
- ✓ Kanyon represents 51% of the total retail rental income.

Retail Portfolio	TL, mn
Appraisal Value	1.171
1H Rental Income	40

Growth of the Rental Portfolio & Income



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

Number of units: 2.724**

Presales ratio: 99%

()Total figures, İSGYO has 50% share. Finance cost not included in the development cost.*

*(**)As of 30.06.2019, 1.926 residential units were delivered in the stages 1-2&3. Construction work still continues for the stage 4.*

Istanbul Financial Center Project (IFC)

Location : Atasehir, Istanbul

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

Estimated saleable/leasable area : \approx 33.000 sqm



*Designed by



(*) Excluding finance cost.

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Income Projection

Estimated development cost: TL320 mn*

Estimated rental Income : TL 45-50 mn



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PLANNED PROJECTS

➤ Kadıköy Hotel Project



Location : Kadikoy, Istanbul

Project Type: Hotel and commercial area

Acquisition Date: December, 2016

Land Area: 8.293 sqm

Investment Model: ISGYO has 45% share in the project

➤ Tuzla Residential Project



Location : Tuzla, Istanbul

Acquisition date: January, 2016

Land Area: 53.460 sqm

The project has been postponed due to the current conjuncture.

DIVIDEND PAYOUT

- **According to the Dividend Policy, if the Company decides to distribute profits;**

“dividend must be at least 30% of the total distributable income in the form of cash or bonus share”.

- ✓ In the last 15 year period, except for 2006 & 2018, 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	2018
Period Income according to IFRS	247,9	328,4	555,9	420,5	179,9	341,6
Period Income according to LR*	99,3	71,3	131,5	155,2	221,8	127,7
Cash Dividend	31,5	47,6	52,2	63,8	68,5	-
Dividend per share	0,05	0,07	0,07	0,075	0,075	-
Cash Dividend/ Period Income (LR*)	32%	67%	40%	41%	31%	-

* Legal Records(LR)

FINANCIALS & FINANCIAL RATIOS

Balance Sheet & Income Statement

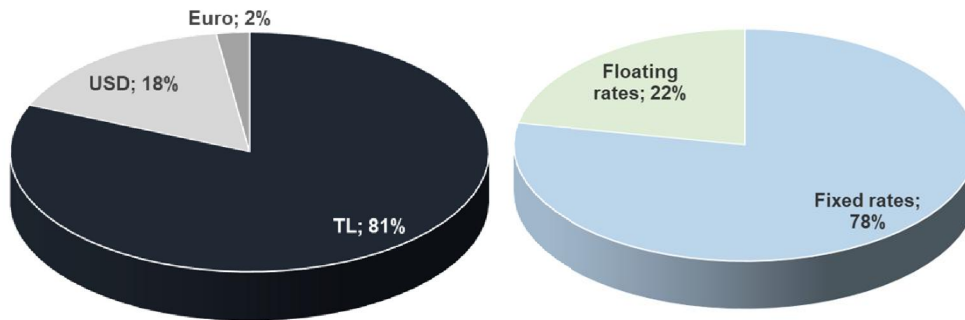
TL, mn	30.06.2019	TL, mn	30.06.2019
ASSETS	5.150,0	LIABILITIES	5.150,0
<i>Current Assets</i>	724,7	<i>Short-term Liabilities</i>	1.019,9
<i>Long-term Assets</i>	4.425,4	<i>Long-term Liabilities</i>	591,7
		<i>Shareholders' Equity</i>	3.538,4

INCOME STATEMENT (TL, mn)	Jan.-June 2019	Jan.-June 2018	Jan.-Dec. 2018
<i>Sales Revenue</i>	248,5	749,7	1.098,3
<i>Cost of Sales</i>	-131,0	-600,6	-837,5
Gross Profit/Losses	117,5	149,0	260,8
EBIT	100,1	124,0	479,8
<i>Net Finance Expense</i>	-119,5	-29,7	-139,5
Net Period Income/Loss	-18,5	95,1	341,6
<i>Gross Margin</i>	47%	20%	24%
<i>EBIT Margin</i>	40%	17%	44%
Net Margin	n.m.	13%	31%

Financial Debt & Cash Position

Bank Loans	Outstanding Loan Original Amount (TL mn)	Date to Maturity	Outstanding Loan TL mn
Euro loan	4,9 €	1 year	31,8
Dolar Loan	\$40,4	4 years	232,3
TL Loans	487,2	1 year-3 years	487,2
Total			751,2

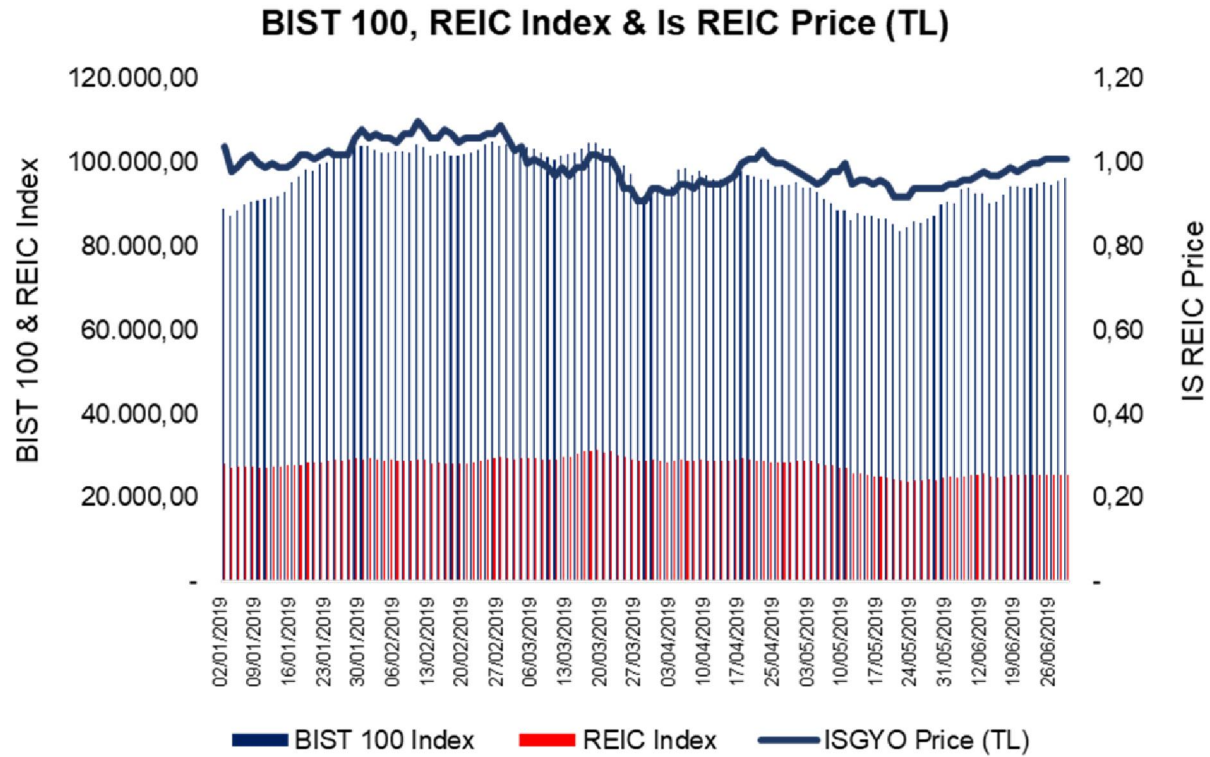
Bonds & Bills	Original Amount (mn TL)
Total	592,5



Cash, TL mn	17,3 TL
Total Financial Debt, TL mn	1.343,7 TL
Net Debt, TL mn	1.326,4 TL
Total Financial Debt/Assets	26%
Net fx position, TL mn	-35,6 TL
Net fx position/ Assets	1%

STOCK PERFORMANCE

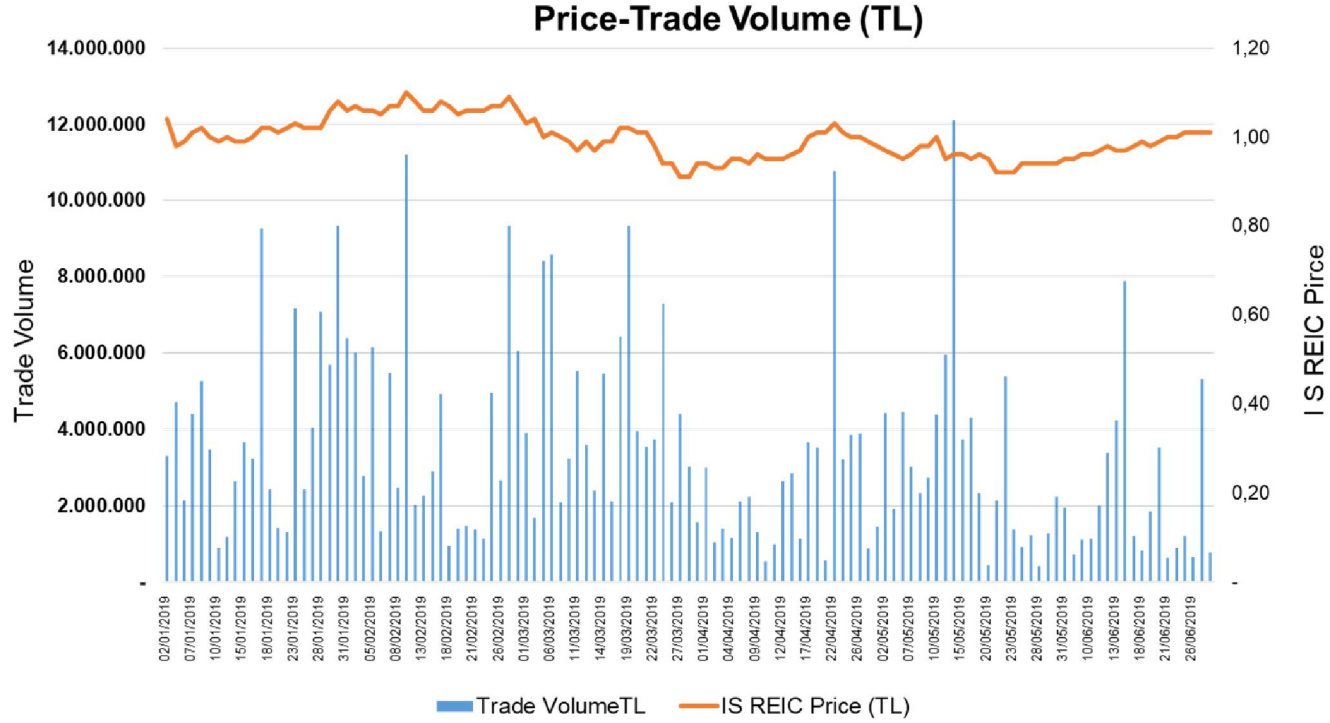
Stock Price vs. Index Performance



Stock Price & Index Performance (%)

	2019 Jan-June	2018
BIST 100	5,7	-20,9
XGMYO	-10,1	-35,5
ISGYO	-6,5	-11,7

Trade Volume



2019 **ISGYO**

P/BV 0,27

Avr. Trade Volume TL 3,4 mn

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