



**GRATA**  
INTERNATIONAL

# CORPORATE AND M&A

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2021

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# CORPORATE M&A DURING PANDEMIC IN TURKEY

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# HOW IS TURKISH ECONOMY EFFECTED?

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- Unemployment 13.4%
- Youth unemployment 26.9%
- Inflation 17.14%
- Increased interest rates – 19% and more
- State spent foreign currency reserves



# SOLUTIONS AND MEASURES

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- Tax restructuring for outstanding tax debts
- Decreased VAT and withholding rates
- Financial support to retail shops, restaurants, barbers, butchers, etc.
- Loans through the Small and Medium Industry Development Organization, the Union of Chambers and Commodity Exchanges, the Turkish Eximbank, the Loan Security Fund
- Support to tourism sector (VAT decrease, extension of rent payment to the state, no annual fees for tourism agencies)





# SOLUTIONS AND MEASURES

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- Employment termination ban
- Employer's right to send the employee on unpaid leave (government support)
- Short working allowance (salary support and social security premium support)
- Regulation on remote working



# SOME BAD NEWS???

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- Corporate tax rate 20%
- Increased to 22% between 2018-2020
- Increased to 25% for 2021
- 23% for 2022

# OUTCOME OF COVID-19

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- Expensive financing in Turkish Lira
- Foreign currency financing. More difficult and unpredictable

COMPANIES' CASH FLOW?

NEED FOR FINANCING?



# INEVITABLE OUTCOME

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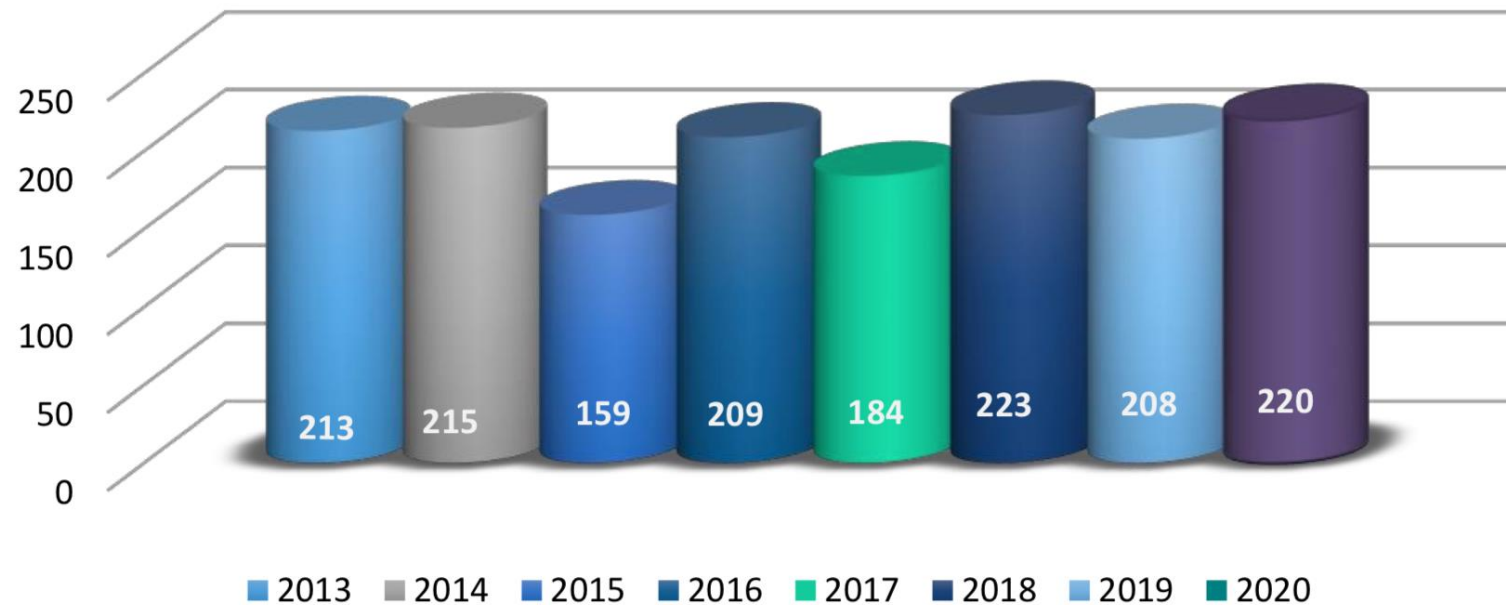
- \* CHEAPER COMPANIES
- \* INCREASE ON ALTERNATIVE FINANCING TOOLS  
(VENTURE CAPITAL FUNDS, REAL ESTATE FUNDS – NO TAX)
- \* MORE MERGERS & ACQUISITIONS
- \* MORE IPOs





# OUTCOME OF COVID-19

NUMBER OF M&As – Competition Board only

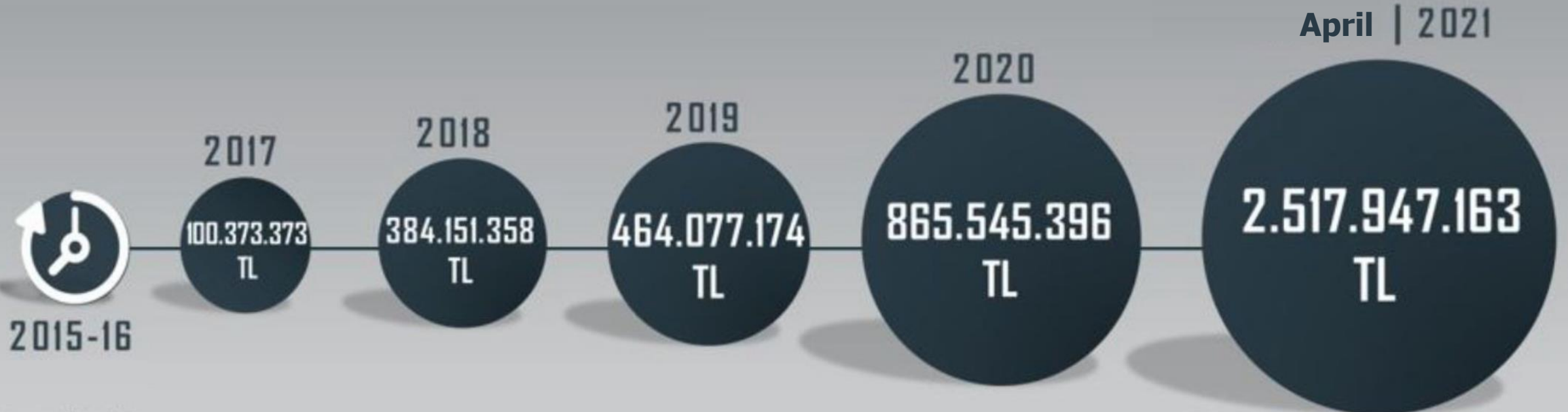


# OUTCOME OF COVID-19

## Only in Turkey

Origin	2020		2019	
	Number of Transactions	Value (TL)	Number of Transactions	Value
Turkish-Turkish	30	6.631.892.716	38	6.246.173.185
Turkish-Foreign	38	21.846.365.156	46	19.029.103.364
Foreign-Foreign	7	713.853.465	7	17.587.439.750
<b>Total</b>	<b>75</b>	<b>29.192.111.337</b>	<b>91</b>	<b>42.862.716.299</b>

# OUTCOME OF COVID-19



Example

Re-Pie Portfolio Management A.S.

April 2020: TL 578.616.945



# OUTCOME OF COVID-19

## Other examples

	April 2020	April 2021
	Managed Portfolio Value (TL)	Managed Portfolio Value (TL)
Qinvest Portfolio	1.825.160.459	2.644.081.098
Hedef Portfolio	387.124.946	2.282.500.226
Azimut Portfolio	12.670.490.783	28.363.196.915

# OUTCOME OF COVID-19

## IPOs

2020		
Number of IPOs	Offered Value (TL)	Demand (TL)
8	+ 450 million	+ 6.4 billion

## Q1 - 2021

- \* 13 completed IPO
- \* +40 expected IPOs in 2021
- \* Over 700.000 new investors in 2020
- \* Istanbul Stock Exchange  
(5<sup>th</sup> largest stock market in terms of return to investors)







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# THANK YOU!

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**QUESTIONS?**