

## Corporate Credit & Issue Rating

New  Update

Sector: Factoring

Publishing Date: 29/03/2019

### Analyst(s)

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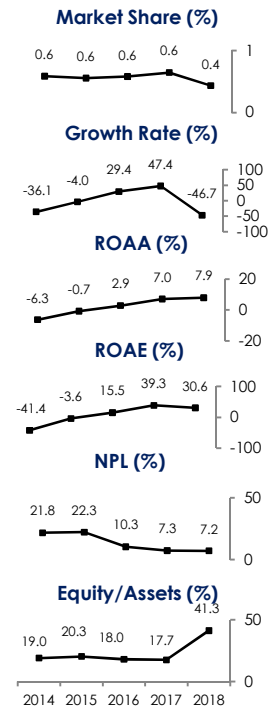
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### RATINGS

		Long	Short	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
Issue Rating	-	-		
National	Local Rating	A- (Trk)	A-1 (Trk)	
	Outlook	Positive	Positive	
	Issue Rating	A- (Trk)	A-1 (Trk)	
	Sponsor Support Stand-Alone	2	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
		LC	Negative	-

\*Affirmed by JCR on November 10, 2018



## Kent Faktoring A.Ş.

### Company Overview

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	28,613	74,938	54,307	50,997	66,578
Total Assets (000 TRY)	150,529	282,660	191,803	148,280	154,387
Equity (000 TRY)	62,132	50,028	34,553	30,095	29,283
Net Profit (000 TRY)	12,104	15,475	4,457	813	-12,923
Market Share (%)	0.34	0.85	0.72	0.56	0.71
ROAA (%)	7.93	7.01	2.95	-0.70	-6.28
ROAE (%)	30.63	39.33	15.51	-3.58	-41.41
Equity/Assets (%)	41.28	17.70	18.01	20.30	18.97
NPL (%)	7.17	7.33	10.34	22.26	21.83
Growth Rate (%)	-46.75	47.37	29.35	-3.96	-36.08

\* Audited financial statements

Kent Faktoring (Kent Faktoring or the Company) is a Süzer Group company operating in Turkish Faktoring market since 1997. The ultimate parent Süzer Group is a conglomerate operating in various sectors such as finance, energy, construction, real estate development and tourism.

Kent Faktoring is based in Istanbul, operating via its headquarters positioned in the city. The Company provides short-term factoring services to domestic firms via financing their trade receivables. While Kent Faktoring achieved a resilient growth in the previous years, the asset growth of the Company reversed in response to the adverse market conditions. The Company become an associate member of FCI in 2019, an international association of factoring and receivables finance industry

Kent Faktoring's principal shareholder is Mr. Ali Baran SÜZER who owns 99.99% of total shares. Mr. Süzer has holdings in Süzer Group (Süzer Holding A.Ş.) and serves as head of the finance group and vice president of the holding company's board. The Süzer Group is a conglomerate operating in various sectors such as finance, energy, construction, real estate development and tourism.

### Strengths

- Solid margin management performance in the previous year providing internal resource generation, despite recent tightening
- Considerably lower leverage, partly due to declining receivables and high capitalisation
- High provision coverage of impaired assets
- Shareholder and Group support in both financial and operational aspects
- Recent membership in FCI

### Constraints

- Sizable downscaling of loan-book, in response to adverse market conditions
- Pressure on the margins as the interest rates increase yet lending rates reversing course faster than borrowing rates
- Aggravating circumstances to exert adversities on debt-servicing capabilities of real sector accompanied by weakened demand and rising unemployment
- Significant competition in the Sector due to fragmented market structure