

Corporate Credit & Issue Rating

□ New ☒ Update

Sector: Construction & Real Estate Development
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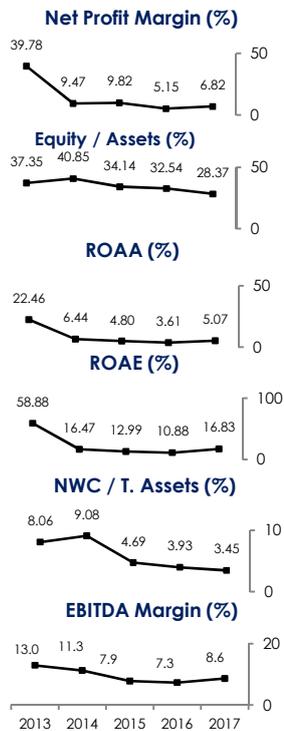
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RATINGS

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

*Assigned by JCR on August 14, 2018



Rönesans Holding A.Ş.

Company Overview

Financial Data	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	8,071,042	6,403,811	5,546,778	4,939,945	5,388,554
Total Assets (000 TRY)	30,443,160	22,536,291	16,127,813	11,455,238	11,500,790
Equity (000 TRY)	8,636,377	7,334,345	5,505,982	4,679,207	4,295,423
Net Profit (000 TRY)	1,048,320	527,319	540,220	619,497	1,782,397
Sales (000 TRY)	15,379,851	10,238,658	5,500,463	6,543,601	4,480,322
Net Profit Margin (%)	6.82	5.15	9.82	9.47	39.78
ROAA (%)	5.07	3.64	4.80	6.44	22.46
ROAE (%)	16.83	10.95	12.99	16.47	58.88
Equity / Total Assets (%)	28.37	32.54	34.14	40.85	37.35
Net Working Capital / T. Assets (%)	3.45	3.93	4.69	9.08	8.06
Debt Ratio (%)	71.63	67.46	65.86	59.15	62.65
Asset Growth Rate (%)	35.09	39.74	40.79	-0.40	66.82

* Audited financial statements

Rönesans Holding, (hereinafter Rönesans, the Holding, or the Group) dates back to 1993 when it was founded in Russia by Mr. Erman Ilıcak. The Group extended the size and scope of its operations in the following years, currently covering more than 20 countries. The Group engages in numerous construction and contracting projects, supported with organic and inorganic growth and acquisition of capabilities in various contracting works comprising heavy industry, infrastructure, real estate development, healthcare facilities and energy. The Group is owned by Ilıcak Family and IFC, which acquired a 5.25% stake in 2016.

Rönesans has operations in 23 countries, as a result of a growth path including of both organic expansion and acquisitions, particularly in the European construction & contracting market. This expansion phase has diversified the Group's initially larger exposure in the CIS region. The contracting projects are geographically diversified and with subgroups active in different regions such as infrastructure in Europe, heavy industries in Russia, Turkmenistan and Turkey and healthcare in Turkey.

The Group has several international partnerships in the form of business ventures, equity and funding facilities. Maintaining a project backlog of approx. USD 9bn, the Group is a leading international contractor (ENR 2017: 38th).

Rönesans has a workforce of approx. 44 thousand employees.

Strengths

- Diversified backlog and stable revenue generation from construction and real estate development segments,
- Financial and operational partnerships with prominent investment institutions and global construction groups, lending synergies
- Increasing exposure to Europe, counterbalancing sovereign risk factors
- Prudent financial management
- Proven track record as an international contractor

Constraints

- Exposure to emerging markets, prone to economic and political volatilities
- Potential downward risks in the real estate arm due challenges faced by tenants stemming from significant depreciation of TRY and potential revenue losses,
- Operational risks and specific expertise requirements of heavy industry and infrastructure segments