

Corporate Credit & Issue Rating

New Update

Sector: Factoring
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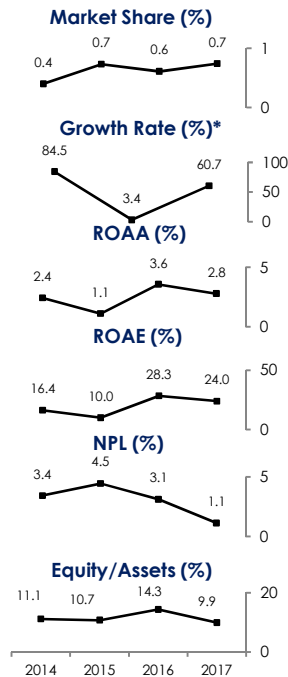
Analyst(s)

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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	BBB (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
	Issue Rating	BBB (Trk)	A-3 (Trk)
Sponsor Support	2	-	
Stand-Alone	B	-	
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC Negative	-
		LC Negative	-

*Assigned by JCR on August 14, 2018



* Growth rate in 2014 was 2,277% due to basis effect

Sümer Faktoring A.Ş.

Company Overview

Financial Data	2018/6**	2017*	2016*	2015*	2014*
Total Assets (000 USD)	77,122	85,810	57,037	67,028	45,565
Total Assets (000 TRY)	351,729	323,667	201,442	194,892	105,660
Equity (000 TRY)	36,366	32,135	28,881	20,897	11,770
Net Profit (000 TRY)	4,357	5,663	5,554	100	1,358
Market Share (%)	0.78	0.74	0.61	0.73	0.40
ROAA (%)	n.a	2.79	3.56	1.09	2.41
ROAE (%)	n.a	24.01	28.31	10.01	16.42
Equity/Assets (%)	10.34	9.93	14.34	10.72	11.14
NPL (%)	1.07	1.13	3.13	4.46	3.44
Growth Rate (%)	n.a	60.68	3.36	84.45	2,277.05

* Audited financial statements ** Figures per limited audit

Sümer Faktoring A.S. was founded in 1996 and acquired by Altınbaş Family, owner of one of the prominent conglomerates in Turkey, in 2014. The Company's shares are reorganized under ASV Holding A.S. Currently, the Company continues to operate under the Holding structure which comprises companies in both financial and non-financial sector.

Sümer Faktoring is based in Istanbul, with a head office and 3 branches, in addition to a branch in Ankara. Company's loan book and profitability displayed a positive trend following the acquisition.

Factoring Sector in Turkey is supervised by Banking Regulation and Supervision Agency (BRSA). As of 2Q2018, 60 companies with total assets exceeding TRY 45bn were active in the Sector.

Sümer Faktoring had a workforce of 46, as of 2Q2018. (FYE2017: 49).

Strengths

- Ability to maintain the interest margin in the rising interest rate environment
- Low impairment ratio with respect to average receivable balance and turnover
- Prudent financial management of liquidity and resources
- Transparent balance sheet supported with asset transfers
- Capital market instruments providing longer term borrowing options to facilitate liquidity profile
- Financial viability of the owner Group and competent management team

Constraints

- Significant economic challenges stemming from sharp currency depreciation and rising inflationary pressures, weighing on the corporates
- Increasing borrowing costs and downside credit risks, though the rates are preserving a reasonable spread
- Highly fragmented market profile and strong competitive forces in Turkish Factoring Sector
- Potential decline or deceleration in Sector and firm assets in response to the macroeconomic risk factors