

## Corporate Credit & Issue Rating

New  Update

Sector: Construction & Real Estate Development  
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### RATINGS

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

\*Affirmed by JCR on November 27, 2018

## Rönesans Holding A.Ş.

### Company Overview

Financial Data	2019/6**	2018*	2017*	2016*	2015*
Total Assets (000 USD)	9,271,890	8,463,909	8,071,041	6,403,811	5,546,778
Total Assets (000 TRY)	53,360,656	44,527,779	30,443,160	22,536,291	16,127,813
Equity (000 TRY)	15,128,208	14,165,410	8,636,377	7,334,345	5,505,982
Net Profit (000 TRY)	942,448	2,784,554	1,048,320	527,319	540,220
Sales (000 TRY)	14,008,562	23,825,682	15,379,851	10,238,658	5,500,463
Net Profit Margin (%)	6.73	11.69	6.82	5.15	9.82
ROAA (%)	n.a	9.26	5.07	3.64	8.20
ROAE (%)	n.a	30.44	16.83	10.95	24.01
Equity / Total Assets (%)	28.35	31.81	28.37	32.54	34.14
NWC / T. Assets (%)	3.85	4.65	3.45	3.93	4.69
Debt Ratio (%)	71.65	68.19	71.63	67.46	65.86
Asset Growth Rate (%)	n.a	46.27	35.09	39.74	40.79

\* Audited financial statements \*\* Interim financial statements

Rönesans Holding, (referred to as Rönesans, the Holding, or the Group) is a major entity comprising operations and investments in construction, contracting, real estate development, healthcare projects and energy generation. The origins of the Group dates back to 1993 when it was founded in Russia by Mr. Erman Ilıcak. Since then, the size and scope of its operations have increased substantially with the Group having operations in 23 countries with a workforce of 45 thousand employees.

In the construction segment, Rönesans operates in heavy industry, infrastructure, general construction. Powered by organic business origination and M&As, construction segment has a backlog of approx. USD 9bn. As such Rönesans is a highly ranked international contractor, ranked 33<sup>rd</sup> in the ENR list globally and 9<sup>th</sup> in Europe.

Investment arm, maintaining real estate development and concessions, have operations in Turkey, Russia and the Netherlands. Healthcare projects carried out in Public-Private Partnership (PPP) model are a prominent investment of concession division in Turkey with a total bed capacity of 9,500. Income generating real estate portfolio in located in Turkey and Russia.

The Group is owned by Ilıcak Family and IFC, which acquired a 5.25% stake in 2016.

### Strengths

- Strong revenue growth supported with increasing profitability indicators
- Geographical diversification of the orderbook and wide range of construction projects including strategically important tenders
- Established financial and operational partnerships with major international financial institutions and global investors/contractors
- Effective risk management and prudent financial management
- Steady project backlog

### Constraints

- Inherent risk conditions in the emerging markets, stemming from both political and economic drivers
- Growing headwinds in the global economic outlook
- Increasing complexity of operations with the inclusion of heavy industry and infrastructure segments, necessitating significant supervision and thorough planning

