

Corporate Credit & Issue Rating

New Update

Sector: Construction & Real Estate Development
 Publishing Date: 29/07/2020

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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	BB+	-
	Local Currency	BB+	-
	Outlook	FC Negative	-
		LC Negative	-

*Assigned by JCR on April 10, 2020

Rönesans Holding A.Ş.

Company Overview

Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000 USD)	9,016,407	8,266,575	8,071,041	6,403,811	5,546,778
Total Assets (000 TRY)	53,559,263	43,489,623	30,443,160	22,536,291	16,127,813
Equity (000 TRY)	16,021,073	14,014,803	8,636,377	7,334,345	5,505,982
Net Profit (000 TRY)	1,687,911	2,775,001	1,048,320	527,319	540,220
Sales (000 TRY)	30,530,029	24,685,046	15,379,851	10,238,658	5,500,463
Net Profit Margin (%)	5.53	11.24	6.82	5.15	9.82
ROAA (%)	8.21	9.42	5.07	3.64	8.20
ROAE (%)	26.52	30.74	16.83	10.95	24.01
Equity / Total Assets (%)	29.91	32.23	28.37	32.54	34.14
NWC / T. Assets (%)	9.48	5.00	3.45	3.93	4.69
Debt Ratio (%)	70.09	67.77	71.63	67.46	65.86
Asset Growth Rate (%)	23.15	42.86	35.09	39.74	40.79

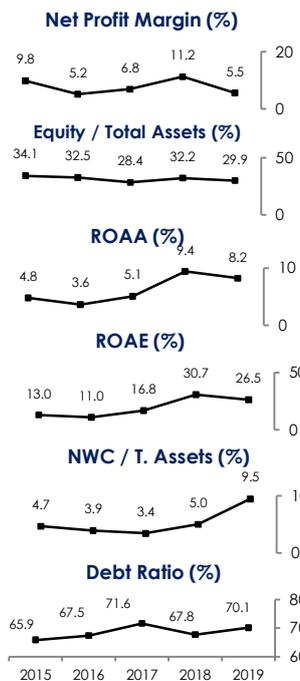
* Audited financial statements

Rönesans Holding, (referred to as Rönesans, the Holding, or the Group) is a construction and investment Group with activities in heavy industry, infrastructure & general building construction, 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 28 countries with a workforce of 55 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 7.2bn. As such Rönesans is a highly ranked international contractor, ranked 33rd in the ENR list globally and 9th 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 7,100. 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.

In this periodic review, the Long-Term National Rating of the Group is affirmed as “AA- (Trk)” with a “Stable” outlook.



Strengths

- Geographical diversification of the orderbook and wide range of construction projects including strategically important tenders
- Long-term financial and operational partnerships with major international financial institutions and global investors/contractors
- Steady revenue origination & backlog conversion performance with resilient profitability indicators
- Effective risk management and prudent financial management

Constraints

- Global pandemic disrupting supply chains, restricting trade and reducing investment appetite, particularly harmful for commercial real estate
- Inherent risk conditions in the emerging markets, stemming from both political and economic drivers
- Additional tax expenses incurred in leading Russian operations, due to a challenge by the Tax Authority