

## Corporate Credit Rating

New  Update

**Sector:** REIT

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BBB-	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BBB-	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024

## RÖNESANS GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ

JCR Eurasia Rating, has evaluated "Rönesans Gayrimenkul Yatırım Anonim Şirketi" in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating from 'A (tr)' to 'A+ (tr)' and affirmed the Short-Term National Issuer Credit Rating at 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed at 'BBB-/Stable'.

**Rönesans Gayrimenkul Yatırım Anonim Şirketi** ("RGY" or "the Company" or "the Group") was established in 2006 in Ankara and ultimate parent company of the Company is Rönesans Holding A.Ş. ("Rönesans Holding"). The Company and its subsidiaries operate in development and management of shopping centers, office buildings and other commercial real estate projects. The portfolio of RGY consists of 9 shopping malls, 3 mixed projects including shopping malls, 1 office, 1 shopping mall project and 2 land plots as of 1H2024.

As of December 9, 2014, Euro Efes S.a.r.l ("Euro Efes") acquired 9.8% shares of RGY by capital increase. Euro Efes is under indirect control of GIC Real Estate Pte. Ltd. of Singapore's wealth fund. As of February 25, 2015, Euro Efes acquired an additional 11.6% shares of RGY by capital increase as well. As of July 13, 2023, Euro Efes has transferred all its rights and shares to Euro Cube Private Limited ("Euro Cube") which is another subsidiary of GIC. The Company's main controlling shareholder is Rönesans Varlık ve Proje Yatırımları A.Ş. ("Rönesans Varlık") with 68.12% share. The remaining shares belong to Euro Cube (17.84%), Kamil Yanıkömeroğlu (2.16%), Murat Özgümüş (1.80%) and publicly traded (10.08%) as of 1H2024.

RGY's shares have been listed on Istanbul Stock Exchange under the ticker "RGYAS" since April 2024. The Company's stock is traded on the BIST All Shares, BIST All-100, BIST Services, BIST Stars, BIST Ankara, BIST IPO, BIST 500.

As of June 30, 2024, the Company has 302 employees (December 31, 2023: 316).

Key rating drivers, as strengths and constraints, are provided below.

### Strengths

### Constraints

- Improvement in the loan-to-value (LTV) ratio through obtained fund following the IPO,
- Ongoing deleveraging despite high net debt/EBITDA,
- High and increasing occupancy rate and number of visitors in the analyzed years,
- Moderate cash flow metrics in FY2023,
- Brand recognition of the Rönesans Group, along with GIC's engagement as a shareholder, as well as longstanding experience in the sector,
- Compliance with the corporate governance practices as a publicly listed company.
- Deceleration in domestic demand causing a reduction in the growth rate of individual credit card balances,
- Low level of paid-in capital, and the high share of revaluation gains in equity composition, considering the amounts conveyed through net profit,
- Exposure to high exchange rate risk mainly due to FX financial liabilities,
- Possible adverse impacts of the growing trend toward online shopping as digitalization accelerates.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised from 'A (tr)' to 'A+ (tr)'. The Company's real estate portfolio, decreasing loan-to-value ratio, satisfactory level of occupancy rates, brand recognition, shareholder structure, ongoing deleveraging and moderate cash flow metrics as well as currency mismatch and inorganic composition of the equity have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are affirmed as 'Stable'. The Company's equity structure, financial indebtedness level, net asset revaluations of the real estate portfolio, FX position and IPO's effect on cash management and compliance to corporate governance practices will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

