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**JCR
Eurasia Rating,**
reviewed and affirmed
**Rönesans Holding
A.Ş.'s and LCY
Bond Issuances'**
Long and Short Term
National Ratings of
**'AA- (Trk)' and
'A-1+ (Trk)',**
respectively with
"Stable" outlooks on
both ratings.

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RATINGS

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

Sector: Construction & Real Estate Development
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Press Release

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JCR Eurasia Rating, affirmed Rönesans Holding A.Ş.'s and Long Term National Credit Rating as 'AA- (Trk)' and Short Term National Credit Rating as 'A-1+ (Trk)' with 'Stable' outlooks on both ratings.

Rönesans Holding is an international construction-contracting & real estate development group with investments in energy sector, operating in 23 countries including CIS region, Turkey and Europe. The Group has a notable foothold in the aforementioned areas due to a combination of 25 years of operation and acquisitions, particularly in Europe. The Group's partnerships with global engineering and contracting companies and international investors grants Rönesans increased global exposure and technical expertise. Real estate development segment in Turkey and Russia, comprising commercial properties along with housing projects is joined with Turkey's largest healthcare PPP portfolio, with a total bed capacity in excess of 9,500. Energy investment are stable with a total operational electricity generation capacity of 165MW.

The Group's revenue base is shaped by the construction segment, stemming from a diversified project book in various countries. The projects are mainly located in Russia, Turkey, European countries and CIS region. The geographical base and segment-wise is expected to be diversified further with the completion of major development projects in next periods, particularly major healthcare PPP projects in Turkey and landmark real estate development projects in Russia. While the Group faces emerging market risks with respect to political and economic factors, potential risks are expected to be partly balanced with the European market. In Europe, Group's Ballast Nedam division continues the restructuring with the effect of legacy projects from previous periods still weighing on the financial performance. However, with in-group synergies and strict cost control, Ballast Nedam is expected to contribute to the consolidated financial figures in 2019 and onwards. Due to adverse market conditions in Turkey and global financial markets in general as developed economies finally execute monetary tightening, Rönesans Holding exerted strong control over the borrowings. The Group's cash buffer, held in hard currencies, shields Rönesans from sharp currency fluctuations and increasing interest rates, as the Group is positioned to pay-off costlier debt. Overall, Rönesans maintains its prudent financial management approach and strong access to funding sources including long-term, project financing facilities.

The Group's international business network, success in the areas of tendering, effective cost management and hit rate, strategic acquisitions and synergies created, diversified revenue sources encompassing multiple business lines and geographies, conservative financial management, sustainable cash flows, ability to raise long-term financing from global markets are the main pillars of the long-term National Rating affirmed as **"AA- (Trk) / Stable"**. On the other hand, Rönesans' exposure to emerging markets with majority of assets tied to projects in the aforementioned markets, pressurized macroeconomic outlook in domicile country Turkey and its effects on the real estate portfolio are evaluated as constraining factors. Group's international foreign and local currency ratings at the long-term might exceed the country ceiling, which is currently affirmed as **"BBB-"**. The Group's projections for the next periods, including strong revenue generation from investment arm, financial performance of European operations, backlog to revenue conversion trend and acquisition of new contracts will be continued to be monitored by **JCR-ER**.

Ilıcak Family are the primary shareholder of the Group and they are considered to have the willingness and the financial capacity to provide liquidity to the Group in case of need, accounting for size of the Group's ongoing and projected investments, its geographically extended business activity and enhanced employment generation capacity along with contracting services with value added projects. In this sense, the Company's Sponsor Support Grade is determined as **(2)** within the JCR Eurasia Rating scale, indicating an adequate level. The Holding's Stand- Alone Grade, which demonstrates the ability to meet its commitments and obligations through solely internally generated revenues without resorting to its shareholders for external support is determined as **(AB)** within JCR Eurasia Rating Scale, corresponding to a high service level.

For more information regarding the rating results, you may visit our internet site <http://www.jcrer.com.tr> or contact our analysts **Mr. Özgür Fuad ENGİN, CFA**.

JCR EURASIA RATING
Administrative Board