SCOPE | Ratings

Opus Global Nyrt.

Investment Holding Company, Hungary

Issuer
BB
Outlook
Stable
Senior unsecured debt
BBB-

Lead Analyst
Zurab Zedelashvili
+49 69 6677389-47
z.zedelashvili@scoperatings.com

Related methodologies

General Corporate Rating Methodology, 14 Feb 2025

Investment Holding Companies Rating Methodology, 16 May 2025

Table of content

Rating composition

Business risk profile		
Competitive position	BB-	**BB-**
Financial risk profile		
Credit metrics	BBB-	**BBB-**
Liquidity	0 notches	
Standalone credit assessment		**BB**
Supplementary rating drivers		
Governance & structure	0 notches	**0 notches**
Parent/government support	0 notches	
Peer context	0 notches	
Issuer rating		**BB**

Key metrics

			Scope estimates	
Scope credit ratios*	**2023**	**2024**	**2025E**	**2026E**
Total cost cover	3.2x	2.0x	1.9x	1.8x
Loan/value (LTV)	37%	34%	32%	29%
Liquidity	>200%	>200%	>200%	>200%

Rating sensitivities

The upside scenario for the ratings and Outlook is:

- Improved business risk particularly with regard to concentration risks related to dividend income. However, Scope does not foresee any material changes in this regard in the short-to-medium term.

The downside scenario for the ratings and Outlook is:

- Total cost cover to be sustained below 1.0x.

**All credit metrics refer to Scope-adjusted figures.*

1. Key rating drivers

Positive rating drivers	Negative rating drivers
• Conservative buy-and-build strategy • Consistently strong total cost cover, though constrained by significant dividend payouts • Improving portfolio diversification by asset value • Growth potential of core assets positively impacting leverage	• Continued high income concentration • Low geographic diversification • Non-liquid asset portfolio • Significant guarantees to portfolio companies, mitigated by decreasing financial liabilities

2. Rating Outlook

The **Stable Outlook** incorporates a broadly unchanged investment portfolio over the next two years, a focus on streamlining and developing the existing portfolio, no major cash outflows (other than the already started share buyback programme of HUF 8bn over the next two years and dividend payments to shareholders) as well as total cost cover significantly above 1.0x.

3. Corporate profile

Opus Global Nyrt is a Hungarian investment holding company. It is among the top entities on the Hungarian stock exchange, with a market capitalisation of about HUF 400bn (roughly EUR 1,000m).

We consider Opus an investment holding company due to its portfolio approach to generating income, i.e. not all portfolio companies are fully owned. Although the portfolio companies tend to be more integrated with the others operating in their sector, the holding company still provides some centralised services and funding.

Buy-and-hold investment holding company

The group's investment philosophy is a long-term buy-and-build approach. It identifies undervalued targets and creates value through the tight operational control of portfolio companies, mainly by holding a majority stake. Opus targets companies in four sectors: industrial, food processing, energy and tourism. In the last two years, Opus has executed large transactions, mainly in energy, a division which was already earmarked for transition from fossil fuels into renewable energy and distribution.

The table below shows a snapshot of Opus' portfolio by segment.

Industrial As of 2024: HUF 286bn sales, HUF 30bn reported EBITDA (down 25% YoY), about 10% EBITDA margin	**Food processing** As of 2024: HUF 107bn sales, HUF 13bn reported EBITDA (down 31.5% YoY), 12% EBITDA margin	**Energy** As of 2024: HUF 221bn sales, HUF 35bn reported EBITDA (up 56% YoY), 16% EBITDA margin	**Tourism** As of 2024: HUF 47bn sales, HUF 10bn reported EBITDA (up 58% YoY), 20% EBITDA margin
Meszaros es Meszaros Zrt. (51% owned directly) R-Kord Kft. (51% direct) RM International Zrt (51% indirect)	KALL Ingredients Kft. (74% owned directly) Viresol Kft. (53% direct at end-2022, up to 84% at end-2023)	Opus Titasz (50% directly owned) Opus Tigaz (49.57% indirect) OPTESZ OPUS Zrt. (49.99% indirect and direct)	Hunguest Zrt. (99.99% owned directly) BALATONTOURIST Camping Kft. and BALATONTOURIST Kft. (99.99% indirect)

4. Rating history

Date	Rating action/monitoring review	Issuer rating & Outlook
30 Jul 2025	Affirmation	BB/Stable
31 Jul 2024	Affirmation	BB/Stable
3 Aug 2023	Affirmation	BB/Stable
28 Feb 2023	Monitoring review	BB/Stable
29 Mar 2022	Affirmation	BB/Stable
1 Apr 2021	Affirmation	BB/Stable

5. Financial overview (financial data in HUF m)

			Scope estimates	
Scope credit ratios	**2023**	**2024**	**2025E**	**2026E**
Total cost cover	3.2x	2.0x	1.9x	1.8x
LTV	37%	34%	32%	29%
Liquidity	>200%	>200%	>200%	>200%
Recurring cash income				
Recurring dividends from shareholdings	9,740	20,999	21,200	21,500
Interest received from shareholder loans	714	828	1150	1208
Interest received on deposits	1,365	890	700	700
Management and service fees	1,801	1,943	2,040	2,142
Recurring cash income	**13,620**	**24,660**	**25,090**	**25,550**
Total costs				
Operating cost	2,233	2,864	2,922	2,980
Interest paid	2,049	2,049	2,049	2,049
Tax paid	-	-	-	-
Dividends distributed	-	6,728	8,000	9,000
Total costs	**4,282**	**11,641**	**12,971**	**14,029**
Gross asset value				
Gross asset value	**293,616**	**290,423**	**300,423**	**309,423**
Debt				
Reported financial debt	71,258	70,162	70,163	66,264
less: cash and cash equivalents	-11,385	-12,998	-14,059	-13,207
add: other items (guarantees)	55,530	40,563	38,763	37,763
Debt	**115,403**	**97,727**	**94,868**	**90,820**

6. Environmental, social and governance (ESG) profile[1]

Environment	Social	Governance
Resource management (e.g. raw materials consumption, carbon emissions, fuel efficiency)	Labour management	Management and supervision (supervisory boards and key person risk)
Efficiencies (e.g. in production)	Health and safety (e.g. staff and customers)	Clarity and transparency (clarity, quality and timeliness of financial disclosures, ability to communicate)
Product innovation (e.g. transition costs, substitution of products and services, green buildings, clean technology, renewables)	Clients and supply chain (geographical/product diversification)	Corporate structure (complexity)
Physical risks (e.g. business/asset vulnerability, diversification)	Regulatory and reputational risks	Stakeholder management (shareholder payouts and respect for creditor interests)

ESG factors: credit-positive credit-negative credit-neutral

ESG considerations are credit-neutral.

[1] These evaluations are not mutually exclusive or exhaustive as ESG factors may overlap and evolve over time. We only consider ESG factors that are credit-relevant, i.e. those that have a discernible, material impact on the rated entity's cash flow and, by extension, its credit quality.

7. Business risk profile: BB-

Business risk profile: BB-

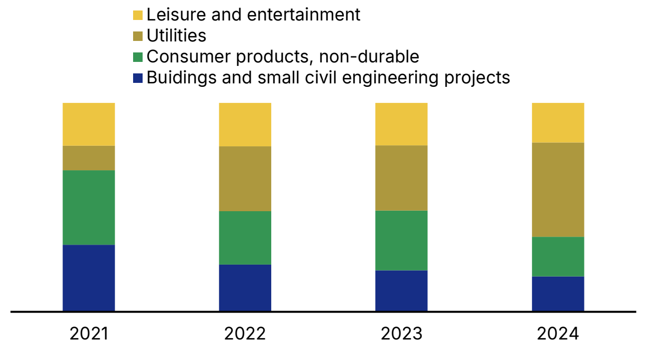
The weighted average industry portfolio risk, portfolio's diversification and investment philosophy are credit-supportive but concerns around the portfolio's sustainability and liquidity constrain the assessment.

Mix of low correlated sectors

Opus' exposure to four distinct, relatively non-cyclical, low-correlated sectors continue to support its business risk profile. Most of these industries have low or medium cyclicality.

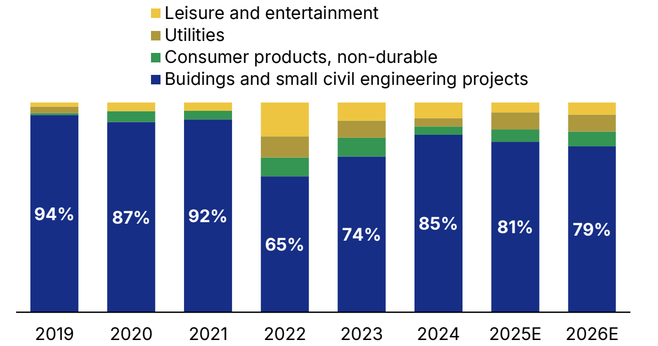
The four industries are now more evenly represented after investments in energy and tourism companies. Most of the portfolio companies have significant growth potential, confirmed by valuation reports, either due to a high order backlog (Meszaros es Meszaros) or regulated energy infrastructure (Tigaz, Titasz).

Figure 1: Weighted average industry portfolio risk based on gross asset value



Source: Opus, Scope

Figure 2: Weighted average industry portfolio risk based on income



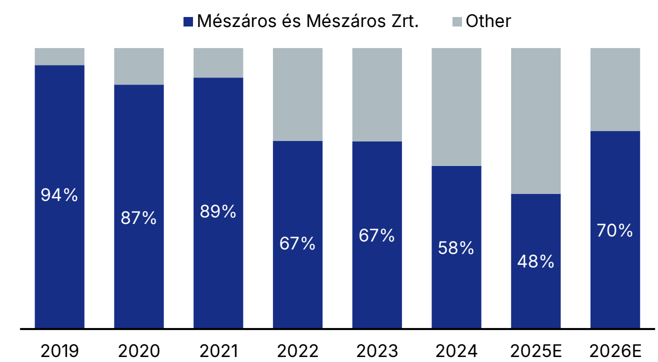
Source: Opus, Scope

Opus' weighted average industry portfolio risk improved in 2024, driven by an increased share of utility assets, which rose to over 40% of total gross asset value, up from 31% in 2023.

Portfolio sustainability is credit-negative, however, due to high concentration risk in terms of recurring income as most of the non-industrial divisions are so far unable to pay dividends. This also applies to the main tourism holding, Hunguest, despite significant progress in sales and EBITDA margin in the past years. Consequently, core holding Meszaros es Meszaros accounted for 90% of dividend income in 2024, compounding this risk.

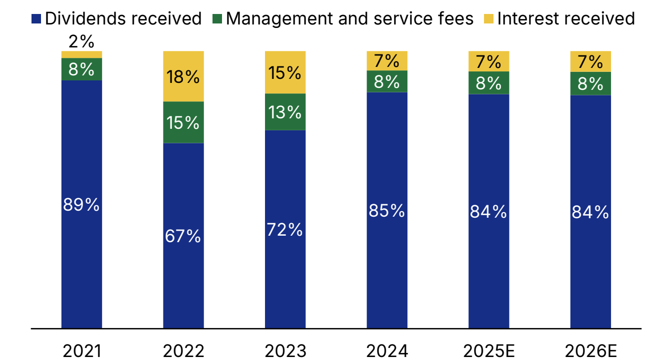
We expect that the portfolio income will remain dependent on dividends from Meszaros es Meszaros in the short-to-medium term despite the positive operating trends achieved in most portfolio companies.

Figure 3: Cash income breakdown from top core holdings



Source: Opus, Scope estimates

Figure 4: Income breakdown



Source: Opus, Scope estimates

Recent acquisitions in the energy segment have resulted in more balanced sector diversification. Three years ago, the industrial and food processing segments dominated asset value.

Geographical diversification is still limited, with the Hungarian market dominant. The dividend-paying undertakings generate most of their revenues in Hungary (especially the energy and industry divisions) and are therefore exposed to the country's economic cycle and have limited ability to offset a downturn. However, the food processing segment, which accounts for 30% of gross asset value, is largely international, serving major multinational customers such as Coca Cola and Haribo. This partially mitigates concentration risk.

Gross asset value concentration is modest. The top three holdings (Meszaros es Meszaros, Tigaz and Hunguest) are well balanced and accounted for around 59% of gross asset value at YE 2024 (58% at YE 2023).

Asset fungibility is a weakness in the assessment given that Opus only owns unlisted investments. However, this has so far presented no impediment to extracting disposal proceeds.

A buy-and-build investment strategy is credit-positive for an investment holding company. Opus also conducts this approach conservatively and for the long term, focusing on growing net asset value by exercising active operational control over holdings. Opus ultimately seeks to generate dividend income from all subsidiaries in the medium term, though only a few do so at present. Opus' strategy to this end is to increase its provision of services to subsidiaries, as seen in the Viresol minority buyout, and centralise certain functions at holding company level.

After recent portfolio streamlining, Opus management reiterated its buy-and-build approach, although it remains open to opportunistic transactions as seen with Viresol and Hunguest. Its portfolio streamlining included selling the entire stake (99.93%) in Wamsler SE and spinning off from Csabatáj Zrt.

Opus' long-term approach is evident in two key aspects. The first aspect is its aim to increase the share of majority-owned holdings in its portfolio (e.g. as seen by the capital increase in Viresol in 2024). While direct holdings have so far not been achieved for the two energy utilities, Opus was still able to gain control of them through its owner and his network. The second is Opus' active role on the boards of its holdings, participating in their decision-making and influencing dividend policies.

8. Financial risk profile: BBB-

Opus' financial risk profile is constrained by the moderate leverage, although its total cost cover remains credit-supportive.

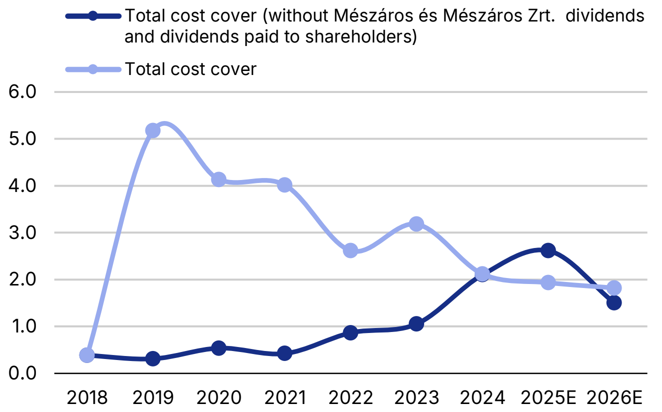
Strong recurring cash income base

Management is committed to maintaining total cost cover far above the rating downgrade trigger of 1x. The metric is further safeguarded by the possible waiving of own dividend payments, as confirmed by management. Opus is also maintaining a significant cash cushion to: i) develop its undertakings; and ii) make new investments, though only in its four existing industries.

Significant shareholder remuneration affects total cost cover

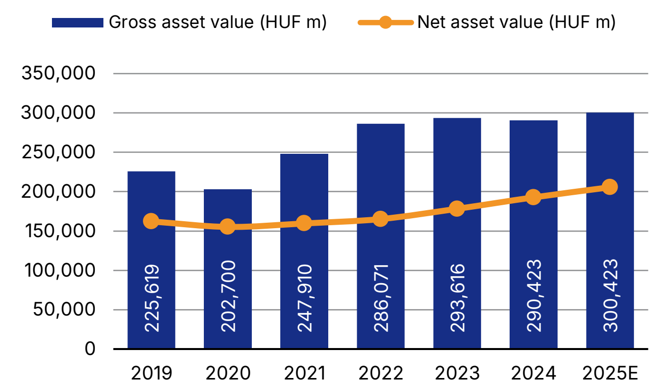
As expected, total cost cover declined in 2024 to 2.0x in 2024 from 3.2x in 2023, primarily due to a more shareholder-focused financial policy while cash inflows and other holding costs remained unchanged.

Figure 5: Total cost cover well above downgrade trigger



Source: Opus, Scope estimates

Figure 6: LTV stretched but stable



Source: Opus, Scope estimates

Stable total cost cover expected

For the next few years, we forecast total cost cover to remain at around 2.0x, supported by: i) the relative stability of management and service fees; ii) increasing interest received on shareholder loans; and iii) fixed interest payments on the outstanding bonds. However, most dividends from the construction segment (paid in 2025) raises concerns regarding the company's ability to sustainably pay dividends based on operating performance. The new policy to pay out significant dividends to Opus shareholders will also continue to put total cost cover under pressure.

The sensitivity analysis below shows that even when excluding 70% of dividend income from Meszaros es Meszaros in 2026, total cost cover will remain above 1.0x, all else being equal.

Table 1: Sensitivity analyses on total cost cover

Total cost in 2026 HUFm change in % of dividends paid to shareholder		Total cash income in FY 2026 HUF m, change in % of 'core holding' dividends received										
		25,550	23,750	21,950	20,150	18,350	16,550	14,750	12,950	11,150	9,350	7,550
		0%	-10%	-20%	-30%	-40%	-50%	-60%	-70%	-80%	-90%	-100%
10,429	-40%	2.4x	2.3x	2.1x	1.9x	1.8x	1.6x	1.4x	1.2x	1.1x	0.9x	0.7x
11,329	-30%	2.3x	2.1x	1.9x	1.8x	1.6x	1.5x	1.3x	1.1x	1.0x	0.8x	0.7x
12,229	-20%	2.1x	1.9x	1.8x	1.6x	1.5x	1.4x	1.2x	1.1x	0.9x	0.8x	0.6x
13,129	-10%	1.9x	1.8x	1.7x	1.5x	1.4x	1.3x	1.1x	1.0x	0.8x	0.7x	0.6x
14,029	0%	1.8x	1.7x	1.6x	1.4x	1.3x	1.2x	1.1x	0.9x	0.8x	0.7x	0.5x
14,929	10%	1.7x	1.6x	1.5x	1.3x	1.2x	1.1x	1.0x	0.9x	0.7x	0.6x	0.5x
15,829	20%	1.6x	1.5x	1.4x	1.3x	1.2x	1.0x	0.9x	0.8x	0.7x	0.6x	0.5x
16,729	30%	1.5x	1.4x	1.3x	1.2x	1.1x	1.0x	0.9x	0.8x	0.7x	0.6x	0.5x

Source: Opus, Scope estimates

High portfolio volatility

Opus' loan/value (LTV) ratio has been hovering around 40%, except in 2020 when it was affected by strong cash generation. LTVs have been decreasing steadily thanks to organic and inorganic growth over recent years. As of YE 2024 the ratio was a comfortable 34% (39% as of YE 2023). The decrease compared to the previous year is due to growing portfolio value and a decrease in surety guarantees provided to portfolio companies. We expect LTV to decline gradually, especially once bond amortisation starts in 2026 and surety guarantees decrease.

Opus continues to provide annual valuation reports of core holdings, which allows us to use market values for our assessment. This is contrast to other Hungarian investment holding company peers, whose ratings have generally been constrained by the limited visibility regarding net asset values. Nevertheless, our assessment remains conservative to exclude potential market value volatility, and we take gross asset value as per the balance sheet.

Based on our sensitivity analysis, market value would have to fall by 30% before breaching an LTV of 50% (with debt constant).

Table 2: Sensitivity analyses on LTV ratio (2024)

			Portfolio value HUFm							
			319,465	304,944	290,423	261,381	232,338	203,296	174,254	145,211
		change in %	10%	5%	0%	-10%	-20%	-30%	-40%	-50%
Debt HUFm	97,727	0%	31%	32%	34%	37%	42%	48%	56%	67%
	102,613	5%	32%	34%	35%	39%	44%	50%	59%	71%
	107,500	10%	34%	35%	37%	41%	46%	53%	62%	74%
	112,386	15%	35%	37%	39%	43%	48%	55%	64%	77%
	117,272	20%	37%	38%	40%	45%	50%	58%	67%	81%
	122,159	25%	38%	40%	42%	47%	53%	60%	70%	84%
	127,045	30%	40%	42%	44%	49%	55%	62%	73%	87%
	131,931	35%	41%	43%	45%	50%	57%	65%	76%	91%

Source: Opus, Scope estimates

Volatility has not been an issue in Opus' recent history given that its investments are unlisted.

Adequate liquidity

We assess liquidity as adequate. Liquidity management remains very conservative. Ample cash is kept on the balance sheet and there is no bank debt after a low 2021 exposure was repaid in 2022. In addition, given the comfortable total cost cover of above 1.0x, Opus does not have to cover operating costs through the absorption of debt or the disposal of assets, further protecting liquidity. Bond amortisation starts in 2026.

Table 3: Liquidity sources and uses (in HUF m)

	2024	2025E	2026E
Unrestricted cash (t-1)	11,385	12,998	14,059
Open committed credit lines (t-1)	0	0	0
Free operating cash flow (t)	16,115	19,860	20,049
Short-term debt (t-1)	42	38	3,939
Liquidity	**>200%**	**>200%**	**>200%**

Source: Opus, Scope estimates

Large headroom to rating-related covenant

Opus' senior unsecured bonds issued under the Hungarian National Bank's Bond Funding for Growth Scheme have a covenant requiring the accelerated repayment of the outstanding nominal debt amount (HUF 67.7bn) if the debt rating of the bonds stays below B+ for more than two years (grace period) or drops below B- (accelerated repayment within 90 days). Such a development could adversely affect the company's liquidity profile. The rating headroom to entering the grace period is five notches. We therefore see no significant risk of the rating-related covenant being triggered.

9. Supplementary rating drivers: +/-0 notches

The ratings are unaffected by supplementary rating drivers.

In terms of governance, Opus is directly and indirectly controlled by Lorinc Meszaros, Hungary's richest individual. He has no direct management or supervisory board representation in Opus.

10. Debt rating

Senior unsecured debt rating: BBB-

The senior unsecured debt rating has been affirmed at BBB-, including the HUF 28.6bn (ISIN HU0000359278) and HUF 39.0bn (ISIN HU0000360409) bonds, two notches above the issuer rating, reflecting superior recovery prospects.

We performed a recovery assessment for the senior unsecured debt category. For this assessment, we constructed a hypothetical default scenario, derived a liquidation value and compared it with senior unsecured debt (namely the company's two bonds) in order to determine the recovery rate. For Opus, we calculated a superior recovery of the senior unsecured debt positions, mainly supported by very little secured bank debt ranking ahead, and the comparatively high market value of portfolio companies. Even discounting this value by 50% and adding guarantees and suretyships of about HUF 40bn, senior unsecured debt is likely to be recovered.

Our assessment assumes no cross-default clauses in the portfolio companies' debt documentation.

Scope Ratings GmbH

Lennéstraße 5, D-10785 Berlin
Phone: +49 30 27891-0
Fax: +49 30 27891-100
info@scoperatings.com

Scope Ratings UK Limited

52 Grosvenor Gardens
London SW1W 0AU
Phone: +44 20 7824 5180
info@scoperatings.com

Bloomberg: RESP SCOP
Scope contacts
scoperatings.com

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