

## Corporate Credit Rating

New  Update

**Sector:** Construction Materials  
 Manufacturing

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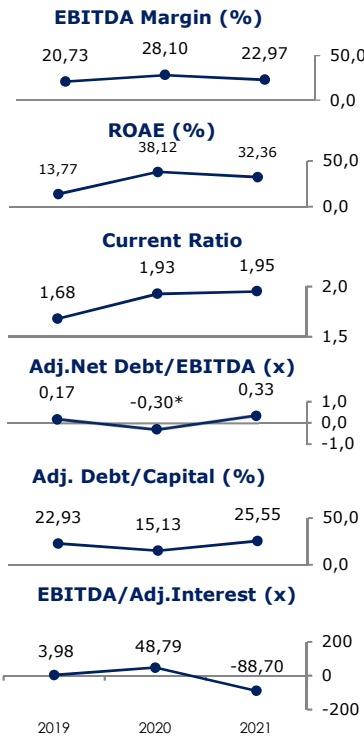
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R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	
	International FC ICR Outlooks	Negative	
	International LC ICR	BB	
	International LC ICR Outlooks	Negative	
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on Aug 18, 2021



\*Adj. Net Debt/EBITDA (x) figure of FYE2020 indicates a cash surplus

## Nuh Çimento Sanayi Anonim Şirketi

JCR Eurasia Rating has evaluated the consolidated structure of 'Nuh Çimento Sanayi Anonim Şirketi' in the high investment-level category and affirmed the Long-Term National Issuer Credit Rating at 'AA+ (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Negative' as parallel to the international ratings and outlooks of the Republic of Türkiye.

Nuh Çimento Sanayi Anonim Şirketi (referred to as 'the Company' or 'Nuh Çimento') was established in 1966 in Kocaeli. The Company and its subsidiaries were established to operate in the field of various types of cement, lime, ready mixed concrete, aerated concrete, electricity generation, transportation, real estate and movable management, import, export services and trade sectors. As of FYE2021, Nuh Çimento ranked in 268th place in the annual list of Turkey's Top 500 Industrial Enterprises compiled by the Istanbul Chamber of Industry. According to Turkish Exporters Assembly's survey's results of Türkiye's Top 1,000 Exporters, the Company ranked 122th in general ranking, it took the 3rd place in sector ranking (FYE2020: 99<sup>th</sup>, 3<sup>th</sup>). Nuh Çimento has 6.34 million tons cement and 4.67 million tons clinker production capacity per annum as of the report date and exports its production more than 50 countries through its port with an area of 57k m2. Nuh Çimento has been publicly traded on Borsa İstanbul since 2000 with "NUHCM" ticker with a public share ratio of 16.18% at FYE2021. As of 31 December 2021, the average number of employees of Nuh Çimento is 1248. (31 December 2020: 1205).

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

### Strengths

- Uptrend in revenues and satisfactory EBITDA generation capacity supported by quantity-based sales,
- Strong leverage profile due to low level of net debt/EBITDA multiplier and cash surplus position in the short-term,
- Robust equity base underpinned by net profits and retained earnings,
- Favorable liquidity profile guarding against immediate cash outflows,
- Significant level of export revenues offsetting the foreign currency risk to a certain extent,
- The proximity of the factory to the port facilitating access to foreign markets,
- Long lasting presence in the cement sector,
- High level of compliance with the corporate governance practices and international quality standards,

### Constraints

- FX based energy costs pressuring on profitability margins in specific conditions,
- Import dependency in terms of input purchases (coal in particular),
- Susceptibility of construction sector to macroeconomic conditions,
- Global recession and geopolitical risks stemming from the Russia-Ukraine tension increasing uncertainty and monetary tightening across the globe deteriorating growth projections.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed as 'AA+ (tr)'. The Company's uptrend in revenues and satisfactory EBITDA generation capacity, strong leverage profile, robust equity base, favorable liquidity profile, long track record in the sector and high level of compliance with the corporate governance practices along with susceptibility to imported input costs and geopolitical risks-driven uncertainties 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 determined as 'Stable'. The Company's operation process, cash flow and liquidity metrics, asset quality and profitability indicators 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.