

Corporate Credit Rating

New Update

Sector: Construction Materials Manufacturing

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Team Leader

Elif Kirlangıç Keçeli

elif.keceli@jcrer.com.tr

+90 212 352 56 73

Analyst

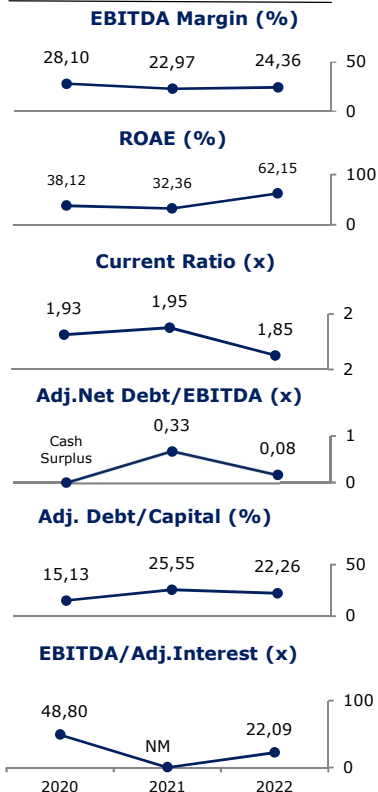
Orhan Kara

+90 212 352 56 73

orhan.kara@jcrer.com.tr

RATINGS		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	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

* Assigned by JCR on Aug 18, 2022



Nuh Çimento Sanayi Anonim Şirketi

JCR Eurasia Rating has evaluated the consolidated structure of 'Nuh Çimento Sanayi A.Ş.' in the investment grade category with very high credit quality 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 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 FYE2022, Nuh Çimento ranked in 183th place in the annual list of Türkiye'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 96th in general ranking, it took the 3rd place in sector ranking (FYE2021: 122th, 3th). Nuh Çimento has 5.77 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 17.31% at September 30, 2023. As of September 30, 2023, the average number of employees of Nuh Çimento is 1,433. (31 December 2022: 1,330).

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

Strengths

- Consistently improving revenue generation performance together with satisfactory EBITDA margins,
- Strong leverage profile underpinned by low level of net debt/EBITDA multiplier and cash surplus position in the short-term,
- High level of equity supported by the retained earnings and internal resource generation ability,
- Solid cash flow metrics supported by increasing FFO and CFO,
- Foreign currency indexed cash inflows providing natural hedge opportunity to a certain extent,
- The proximity of the factory to the port facilitating access to foreign markets,
- Expertise and long-time operating history in the industry,
- High level of compliance regarding corporate governance implementations and quality standards.

Constraints

- Foreign currency denominated energy costs may pressure on profit margins in a certain circumstance,
- Concentration risk on both supplier and customer sides as a nature of business relations,
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. The Company's uptrend in revenues and satisfactory EBITDA margins, 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 foreign currency denominated energy costs and global macroeconomic concerns have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings have been determined as 'Stable'. The Company's revenue and profitability performance, cash flow generations, liquidity and financial leverage level 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.