

Corporate Credit Rating

New Update

Sector: Construction Materials
 Manufacturing

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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	Stable	-
	International LC ICR	BB	-
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

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/Stable' 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 FYE2023, Nuh Çimento ranked in 205th 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 141th in general ranking, it took the 4th place in sector ranking (FYE2022: 96th, 3th). Nuh Çimento has 5.7 million tons cement and 4.6 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 18.78% at September 30, 2024. As of September 30, 2024, the average number of employees of Nuh Çimento is 1,487. (31 December 2023: 1,425).

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

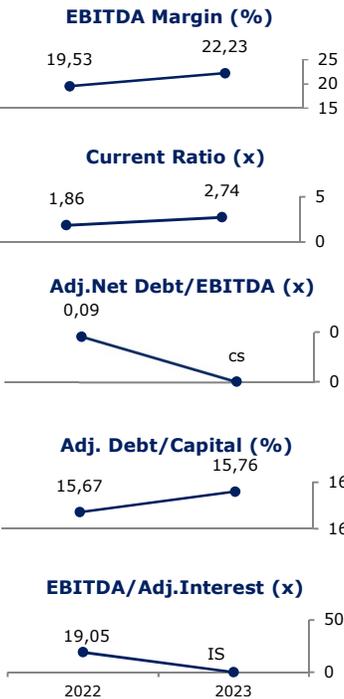
Strengths

- Improvement in EBITDA generation and key profit margins in 2023 though slight decrease in 9M2024 compared to same period of the previous year,
- Robust leverage and coverage metrics along with cash surplus position in 2023,
- Strong equity level backed by retained earnings and net profits,
- Sound liquidity profile supported by increased cash flow metrics,
- Mitigating currency risk through considerable level of export revenue stream,
- The proximity of the factory to the port facilitating access to foreign markets,
- Long-lasting presence and experience in the sector,
- Compatibility with the corporate governance practices.

Constraints

- Fluctuating energy costs, resulting volatility on profitability margins in the sector,
- Competitive market structure of the cement sector,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. The Company's improvement in EBITDA generation and key profit margins, robust leverage and coverage metrics, strong equity base, favorable liquidity profile, long track record in the sector and compatibility 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.



CS: Cash Surplus
 IS: Interest Surplus