

October 31, 2024

# Vestel Beyaz Eşya

Demand is beginning to recover in export markets

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According to inflation accounting provisions (IAS-29), Vestel Beyaz (VESBE.TI; OP) has announced a TRY 418mn net loss for 3Q24. (3Q23: TRY 3,131mn net profit). As a result of cost pressures and high operational expenses, a limited main operating profit of TRY 55mn was booked. Despite recording a net financial expense of TRY 1,300mn, the loss position was mitigated by a monetary gain of TRY 804mn and tax income of TRY 23mn.

The company booked a net sales revenue of TRY 19,260mn including the IAS-29 effect, 9% down YoY. On the other hand, sales revenue increased by 5% quarterly, thanks to improvements in export markets. In the domestic market, demand contracted due to the effects of tight monetary policy and a high base effect. With recovery in export markets and contraction in the domestic market, the share of exports rose to 71% this quarter, compared to 67% in 3Q23 and 65% in 2Q24.

The rise in raw materials and logistics costs suppressed operational profitability. The gross margin was at 8.6% in 3Q24 (3Q23: 21%).

EBITDA came in at TRY 931mn, down 76% YoY, including the effect of IAS-29. The EBITDA margin was 4.8% in 3Q24 (3Q23: 18%).

**The net debt position increased:** The net debt position rose to TRY 10,556mn for 2024/09 from TRY 6,047mn at the end of 2024/06. The Net Debt/EBITDA ratio rose to 1.54x from 0.59x.

We expect domestic demand to continue contracting due to the high base effect and the impact of tight monetary policy. On the global front, we expect demand for white goods to continue recovering, especially as interest rate cuts accelerate in the primary export market of Europe-UK.

- In line with the financial statements, we maintain our 12-month target price for VESBE of 30.55/share and maintain our "OUTPERFORM" recommendation given the 76% return potential.

**OUTPERFORM**  
TP: TRY 30.55  
Previous TP: TRY 30.55  
Upside: 76%

	TRY	US\$	
Close	17,38	0,51	
BIST 100	9.007	263	
US\$/TRY (CB Bid Rate):	34,27		
52 Week High:	23,36	0,73	
52 Week Low:	13,87	0,48	
Bloomberg/Reuters Ticker:	VESBE.TI / VESBE.IS		
Number of Shares (Mn):	1.600,0		
	(TRY Mn)	(US\$ Mn)	
Current Mcap:	27.808	813	
Free Float Mcap:	5.284	154	
	1 M	YOY	YTD
TRY Return (%):	0,3	3,9	12,2
US\$ Return (%):	0,1	-14,5	-3,5
BIST 100 Relative (%):	7,7	-11,0	-6,9
Avg. Daily Vol. (TRY Mn):	194,21		
Avg. Daily Vol. (US\$ Mn):	6,19		
Beta	0,89		
Volatility (Stock)	0,39		
Volatility (BIST 100)	0,24		
Shareholder Structure	%		
Vestel Elektronik	77,33		
Free Float	22,67		
Total	100		

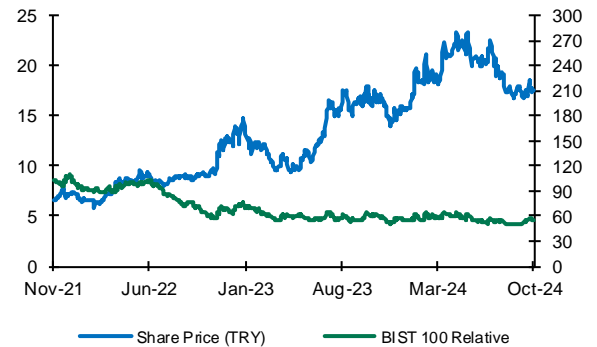


Figure 1: Financials (Including IAS-29)

TRY Million	9M23	9M24	YoY	3Q23	3Q24	YoY
<b>Revenues</b>	<b>62.990</b>	<b>54.049</b>	<b>-14,2%</b>	<b>21.171</b>	<b>19.260</b>	<b>-9,0%</b>
<b>Gross Profit</b>	<b>9.629</b>	<b>6.017</b>	<b>-37,5%</b>	<b>4.446</b>	<b>1.650</b>	<b>-62,9%</b>
Gross Profit Margin	15,3%	11,1%		21,0%	8,6%	
<b>EBIT</b>	<b>5.430</b>	<b>2.407</b>	<b>-55,7%</b>	<b>3.181</b>	<b>309</b>	<b>-90,3%</b>
EBIT Margin	8,6%	4,5%		15,0%	1,6%	
<b>EBITDA</b>	<b>7.644</b>	<b>4.474</b>	<b>-41,5%</b>	<b>3.812</b>	<b>931</b>	<b>-75,6%</b>
EBITDA Margin	12,1%	8,3%		18,0%	4,8%	
<b>Net Profit</b>	<b>5.139</b>	<b>311</b>	<b>-94,0%</b>	<b>3.131</b>	<b>-418</b>	<b>-113,4%</b>
Net Profit Margin	8,2%	0,6%		14,8%	-2,2%	

Source: Finnet, Seker Invest Research

Figure 2: Key Financials

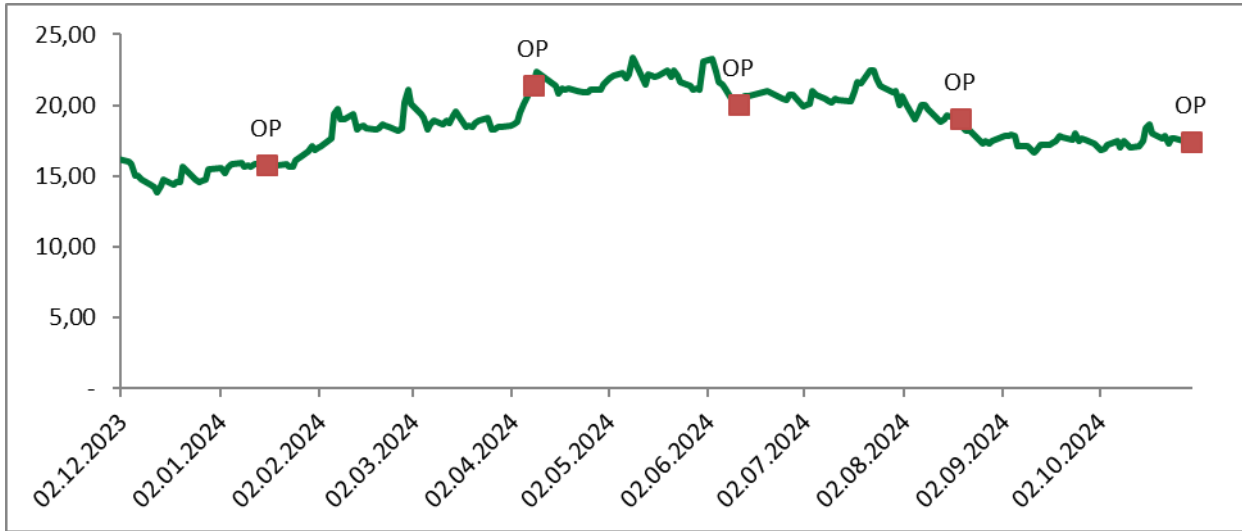
BALANCE SHEET (TRY Mn)	2023/12K	2024/09	%
PP&E	29.320	29.693	1%
Intangibles	1.875	2.479	32%
Other Non-Current Assets	1.981	1.975	0%
Trade Receivables	18.874	16.317	-14%
Cash&Equivalents	991	207	-79%
Other Current Assets	16.132	15.789	-2%
<b>Total Assets</b>	<b>69.172</b>	<b>66.461</b>	<b>-4%</b>
Long Term Debt	1.827	1.289	-29%
Other Non current liabilities	3.760	3.430	-9%
Short Term Debt	2.938	8.789	199%
Trade Payables	23.264	22.031	-5%
Other Current Liabilities	8.051	2.423	-70%
Total Liabilities	39.840	37.961	-5%
Total Equity	29.332	28.499	-3%
<b>Total Equity&amp;Liabilities</b>	<b>69.172</b>	<b>66.461</b>	<b>-4%</b>

INCOME STATEMENT (TRY Mn)	2023/12K	2023/09	2024/09	%
Net Sales	61.070	62.990	54.049	(14)
COGS	51.095	53.361	48.032	(10)
Gross Profit/(Loss)	9.975	9.629	6.017	(38)
Operating Expenses	4.035	4.198	3.610	(14)
Operating Profit/(Loss)	5.940	5.430	2.407	(56)
Net Other Operational Gain/(Loss)	(3.249)	(2.171)	(1.113)	N.M.
Income/(Loss) from Investing Activities	-	-	-	N.M.
Financial Income/(Expense)	(1.785)	(1.480)	(3.996)	N.M.
Monetary Gain / (Loss)	6.241	4.990	2.981	(40)
Share of profit of equity accounted investments	-	-	-	N.M.
<b>Profit Before Tax (Loss)</b>	<b>5.501</b>	<b>6.769</b>	<b>278</b>	<b>(96)</b>
Tax	776	1.630	(33)	N.M.
<b>Net Profit/(Loss)</b>	<b>4.724</b>	<b>5.139</b>	<b>311</b>	<b>(94)</b>
Minority Interest	-	-	-	N.M.
Parent Equity	4.724	5.139	311	(94,0)

VESBE

Source: Seker Invest

## Historical Recommendations and Target Prices



Date	Rec	Target Price (TRY)
21-Dec-23	OUTPERFORM	26,00
16-Jan-24	OUTPERFORM	26,00
8-Apr-24	OUTPERFORM	30,55
11-Jun-24	OUTPERFORM	30,55
19-Aug-24	OUTPERFORM	30,55
31-Oct-24	OUTPERFORM	30,55

VESBE

## Basis for 12m Equity Ratings

**Outperform:** The total return is expected to exceed the return of the BIST 100 by more than 10%.

**Underperform:** The total return is expected to fall below the return of the BIST 100 by more than 10%.

**Market Perform:** The total return is expected to be in line with the return of the BIST 100.

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