

BIM

Decrease in net profit along with weak operational profitability in 3Q24...

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Bim reported a net profit of TRY 4,351mn in 3Q24, down 42.6% YoY, according to its financial results with IAS 29 inflation accounting applied (3Q23: TRY 7,576mn). Despite achieving an 8.9% real growth in sales revenue and a modest increase in gross profitability, along with higher income from investment activities derived from rent certificates & investment funds, a recorded monetary gain of TRY 5,561mn this quarter, and a YoY decline in tax expenses, the Company reported a net profit of TRY 4,351mn in 3Q24, marking a 43% YoY decline. Elevated operating expenses, increased other expenses from main operations, a drop-in core operating profitability, and rising net financial expenses (3Q24: TRY -1,176mn, 3Q23: TRY -793.4mn), coupled with a decrease in monetary gains compared to 3Q23, weighed on the Company's profitability this quarter. The net profit margin contracted by 2.5 pp YoY to 4.3% in 3Q24. EBITDA came in at TR 5,434mn in 3Q24, representing a 31% YoY contraction. In terms of sales revenue, the Company recorded net sales of TRY 125,938mn, reflecting a real growth of 8.9% YoY including the impact of IAS 29 adjustments (3Q23: TRY 115,690mn).

Excluding IAS 29, the Company achieved a net profit of TRY 5,308mn in 3Q24, up 38% (3Q23: TRY 3,849mn). Net sales revenues reached TRY 123,575mn in 3Q24 on a rise of 66% YoY, due to greater basket size (3Q23: TRY 117,48, 3Q24: TRY 181,38) (+54.4%) and the positive effect of rising store number (number of stores at the end of 3Q23: 12,046 units, 3Q24: 13,377 - 197 new BIM Turkey store openings, 25 new BIM Morocco store openings, 18 new BIM Egypt store openings, and 18 new FILE store openings). Concluding this quarter with a 7.5% EBITDA margin (Exc. IAS-29), Bim registered improvement on the operational front based on "Basket Size" / "Like-for-like sales" (3Q23: TRY 68,803, 3Q24: TRY 103,024, on a 49.7% rise YoY). Duly, the Company printed TRY 9,250mn EBITDA on a YoY rise of 39% (Exc. IAS 29). The Company's cash position declined in 3Q24 (TRY 2,849mn) compared to 3Q23 (TRY 4,697mn). Cash position including short-term financial assets, the Company's cash position as of the end of 3Q24 strongly rose by 112.8% on a quarterly basis, reaching approximately TRY 19,5bn.

Growth of the domestic and international store network continued strongly in 3Q24. Bim, which specifically rivals medium-sized markets with its FILE brand, has added 18 new FILE stores to its domestic store network in 3Q24 to reach a total of 272 FILE stores. The share of File stores in the Company's total sales revenues was 8% in 3Q24. Online sales are equal to 5.3% of File's total sales as of 3Q24. In Moroccan operations, the Company continued its store openings in 3Q24, resulting in a total of 759 stores. The net sales revenues of Moroccan operations in 3Q24 reached TRY 5.3bn, and its share in EBITDA was 4.3% (exc. the IAS 29). In Egypt, the Company has reached 394 stores in 3Q24. The net sales revenues of Egypt operations in 3Q24 reached TRY 752mn, and its share in EBITDA was 0.3% (excluding the IAS 29).

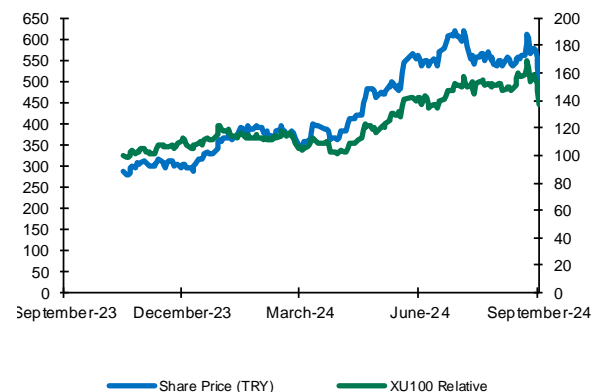
"OUTPERFORM"

TP: TRY 743.00

Previous: TRY 680.00

Upside Potential: 51.3%

	TRY	US\$	
Close	491,00	14,32	
BIST 100	9.277	271	
US\$/TRY (CB Bid Rate):	34,35		
52 Week High:	620,33	18,88	
52 Week Low:	277,93	9,71	
Bloomberg/Reuters Ticker:	BIMAS.TI / BIMAS.IS		
Number of Shares (Mn):	607,2		
	(TRY Mn)	(US\$ Mn)	
Current Mcap:	298.135	8.695	
Free Float Mcap:	178.881	5.217	
	1M	YOY	YTD
TRY Return (%):	5,4	70,8	65,2
US\$ Return (%):	5,0	42,0	41,7
BIST 100 Relative (%):	0,8	43,1	33,0
Avg. Daily Vol. (TRY Mn):	1.690,11		
Avg. Daily Vol. (US\$ Mn):	52,27		
Beta	0,95		
Volatility (Stock)	0,37		
Volatility (BIST 100)	0,24		
Shareholder Structure	%		
Merkez Bereket Gida	15,2		
Naspak Gida	11,5		
Others	1,7		
Free float	71,6		
Total	100,0		



2024 Expectations: The Company announced its 2024 guidance (exc. IAS 29). Bim expects sales growth of around 75% (±5%) in 2024. Bim's EBITDA margin expectation is around 7.5%-8.0%, including the IFRS-16. The Company expects the Capex to sales to be around 3.0% - 3.5%. We revise up our TP from **TRY 680.00/shr** to **TRY 743.00/shr**, and maintain our **"Outperform"** recommendation. In parallel with the maintenance of targeted EBITDA levels, overseas operations approaching maturity, rising growth appetite both domestically and internationally, and a successful business model we continue to favor Bim's shares. We appreciate *BIMAS shares as the Company is debt free, has no FX risk, and has a strong cash-flow to equity ratio.*

Table 1: Summary Financial Statement

BALANCE SHEET (TRY mn)	2023	9M24	Chg. %
Cash&Cash Equivalents	4.900	2.849	-41,9%
Financial Investments	4.594	16.615	261,7%
Trade Receivables	21.908	22.826	4,2%
Prepayments	2.849	3.099	8,8%
Inventories	37.128	36.363	-2,1%
Other Current Assets	2.610	1.912	-26,7%
Total Current Assets	73.988	83.664	13,1%
Financial Investments	5.996	5.996	0,0%
Tangible Assets	67.440	72.990	8,2%
Right of Use Assets (IFRS 16)	51.292	58.653	14,4%
Other Non-Current Assets	2.537	2.642	4,1%
Total Non-Current Assets	127.266	140.281	10,2%
TOTAL ASSETS	201.254	223.945	11,3%
Current Borrowings	6.330	7.487	18,3%
Trade Payables	61.334	68.462	11,6%
Current Tax Liabilities	1.902	1.542	-18,9%
Other Current Liabilities	3.900	8.758	124,6%
Total Current Liabilities	73.465	86.250	17,4%
Lease Liabilities	24.019	26.426	10,0%
Non-Current Provisions	1.629	1.038	-36,3%
Deferred Tax Liabilities	7.389	8.551	15,7%
Total Non-Current Liabilities	33.037	36.014	9,0%
TOTAL EQUITY	94.751	101.681	7,3%
TOTAL EQUITY & LIABILITIES	201.254	223.945	11,3%

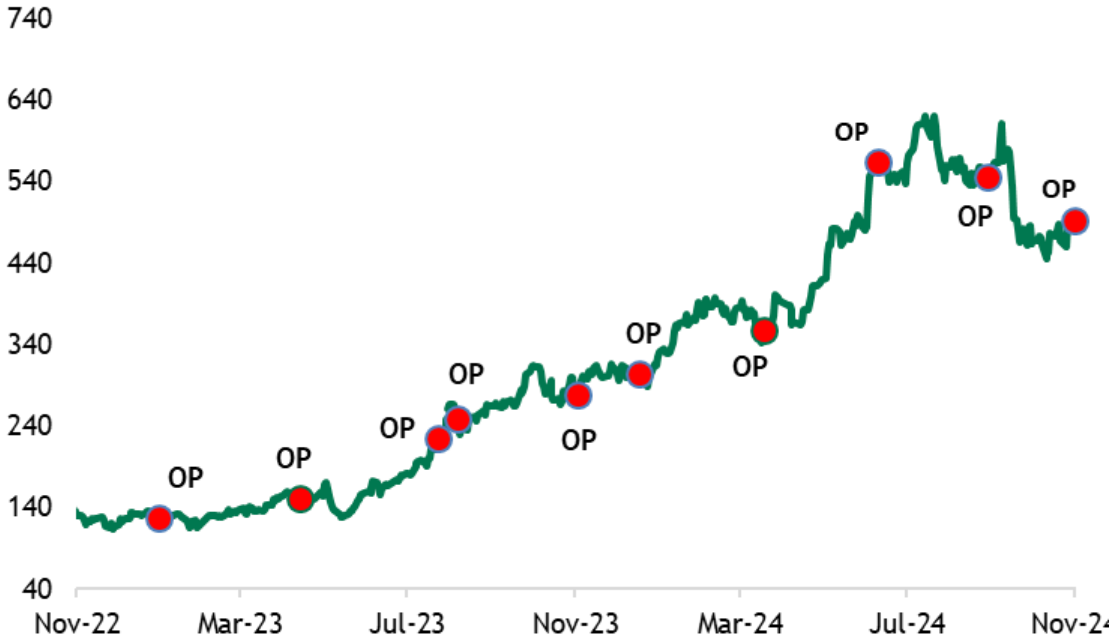
Source: Bim, Seker Invest - Research, Finnet, Audit Reports

Table 2: High level P&L

TRY Million	Including IAS 29			Excluding IAS 29		
	3Q23	3Q24	YoY	3Q23	3Q24	YoY
Revenues	115.690	125.938	8,9%	74.406	123.575	66,1%
Gross Profit	21.704	22.317	2,8%	15.571	25.736	65,3%
Gross Profit Margin	18,8%	17,7%	-1,1 p.p.	20,9%	20,8%	-0,1 p.p.
EBIT	4.223	1.348	-68,1%	5.423	6.942	28,0%
EBIT Margin	3,6%	1,1%	-2,5 p.p.	7,3%	5,6%	-1,7 p.p.
EBITDA	7.885	5.434	-31,1%	6.672	9.250	38,6%
EBITDA Margin	6,8%	4,3%	-2,5 p.p.	9,0%	7,5%	-1,5 p.p.
Net Profit	7.576	4.351	-42,6%	3.849	5.308	37,9%
Net Profit Margin	6,5%	3,5%	-2,0 p.p.	5,2%	4,3%	-0,9 p.p.

Source: Bim, Seker Invest - Research, Finnet, Audit Reports

Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
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11-Jan-23	Outperform (OP)	203,80
14-Mar-23	Outperform (OP)	215,10
1-Aug-23	Outperform (OP)	307,42
18-Aug-23	Outperform (OP)	328,00
8-Nov-23	Outperform (OP)	431,40
16-Jan-24	Outperform (OP)	440,70
14-May-24	Outperform (OP)	525,60
13-Jun-24	Outperform (OP)	660,80
27-Sep-24	Outperform (OP)	680,00
12-Nov-24	Outperform (OP)	743,00

Basis for 12m equity ratings

Outperform:	The total return is expected to exceed the return of the BIST100 by more than 10%.
Underperform:	The total return is expected to fall below the return of the BIST100 by more than 10%.
Market Perform:	The total return is expected to be in line with the return of the BIST100.

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