

February 13, 2025

# Erdemir

EBITDA per ton at its lowest level of the past eight quarters

Esra Uzun Ozbaskin

Analyst

euzun@sekeryatirim.com

**Erdemir reported a net profit of TRY 2,694mn (4Q23: TRY 7,901mn, -66% YoY) in 4Q24.** Our estimate was for a net profit of TRY 2,600mn, and the market's was TRY 2,753mn. In this quarter, Erdemir achieved TRY 120mn EBIT due to increased operational expenses and costs. A USD 155mn (TRY 5,140mn) advance fee from insurance in the context of the earthquake of February 6, 2023 supported the net profit. While the company printed TRY 1,545mn of net financial expenses, a TRY 143mn monetary loss and TRY 657mn tax expenses were booked.

**In 4Q24, Erdemir printed TRY 55,113mn of revenues (+18% YoY), somewhat above our TRY 49,111mn estimate and the market's TRY 50,319mn call.** In 4Q24, the company recorded a 2,192k ton sales volume, above our 2,083k ton expectation (4Q23: 2,119k tons). Therefore, the strongest sales volume of the year was achieved.

**The Company booked TRY 2,641mn of EBITDA, below our TRY 3,308mn estimate and the market's TRY 2,967mn estimate.** EBITDA per ton was at USD 35, below our USD 47 estimate, marking the lowest level of the past eight quarters.

**Net debt...** The Company's net debt position slightly decreased to TRY 64,442mn from TRY 68,599mn at the end of 3Q24. The Net Debt/EBITDA ratio rose to 3.06x from 2.55x with the effect of weaker EBITDA.

**2024 Results:** The company achieved TRY 204,060mn in sales revenues with a 38% increase YoY and 8,051k ton sales volume. EBITDA per ton was USD 80 which was below 2022 and 2023 levels of USD 207 and USD 97, respectively. In 2024, the company booked a TRY 13,481mn net profit.

	2022/12	2023/12	2024/12	2025E
P/E	9,10	40,61	12,15	7,76
P/BV	1,38	0,86	0,67	0,63
EV/EBITDA	8,56	13,44	10,82	6,21
EV/Sales	1,79	1,54	1,12	0,82
Net Sales (TRY Mn)	127.783	147.900	204.060	277.292
Net Profit (TRY Mn)	18.005	4.033	13.481	21.119
EPS (TRY)	5,14	1,15	1,93	3,02

**OUTPERFORM**  
**TP: TRY 35.77**  
Previous TP: TRY 35.77  
Upside: 53%

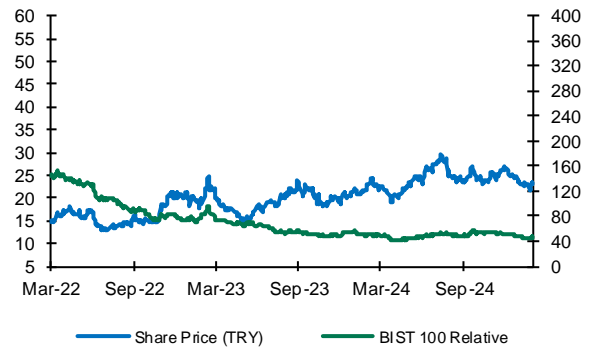
	TRY	US\$
Close	23,40	0,65
BIST 100	9.780	271
US\$/TRY (CB Bid Rate):	36,09	
52 Week High:	53,55	0,90
52 Week Low:	26,74	0,59
Bloomberg/Reuters Ticker:	EREGL.TI / EREGL.IS	

Number of Shares (Mn):	7.000,0	(TRY Mn)	(US\$ Mn)
Current Mcap:	163.800		4.547
Free Float Mcap:	78.624		2.182

	1 M	YOY	YTD
TRY Return (%):	-1,6	2,1	-4,1
US\$ Return (%):	-3,4	-13,1	-6,1
BIST 100 Relative (%):	-0,3	-4,2	-3,6
Avg. Daily Vol. (TRY Mn):	5.316,74		
Avg. Daily Vol. (US\$ Mn):	160,70		

Beta	1,10
Volatility (Stock)	0,32
Volatility (BIST 100)	0,23

Shareholder Structure	%
Ataer Holding	49,3
Free Float	47,2
Erdemir's own shares	3,6
Total	100,0



**2025 Expectations:** With the global economic recovery expected in the second half of the year, we anticipate better financial results supported by product prices. On the other hand, the expected resurgence of “trade wars” may lead to fluctuations in both product and raw material prices. In summary, we forecast sales tonnage to improve to 8.2 million tons in 2025. We expect total sales revenue of TRY 277,292mn and EBITDA of TRY 36,749mn, resulting in an EBITDA per ton of \$106.

**In line with the 4Q24 financial results and our expectations, we maintain our 12-month target price for Erdemir of TRY 35.77/share.** We also maintain our “OUTPERFORM” recommendation as our target price represents 53% upside potential compared to the closing price on February 12, 2025.

**Figure 1: Financials**

TRY Million	12M23	12M24	YoY	4Q23	4Q24	YoY	3Q24	QoQ
<b>Revenues</b>	<b>147.900</b>	<b>204.060</b>	<b>38,0%</b>	<b>46.889</b>	<b>55.113</b>	<b>17,5%</b>	<b>48.729</b>	<b>13,1%</b>
<b>Gross Profit</b>	<b>15.657</b>	<b>20.005</b>	<b>27,8%</b>	<b>6.083</b>	<b>2.410</b>	<b>-60,4%</b>	<b>4.329</b>	<b>-44,3%</b>
<i>Gross Profit Margin</i>	<i>10,6%</i>	<i>9,8%</i>		<i>13,0%</i>	<i>4,4%</i>		<i>8,9%</i>	
<b>EBIT</b>	<b>11.616</b>	<b>12.255</b>	<b>5,5%</b>	<b>4.792</b>	<b>120</b>	<b>-97,5%</b>	<b>2.341</b>	<b>-94,9%</b>
<i>EBIT Margin</i>	<i>7,9%</i>	<i>6,0%</i>		<i>10,2%</i>	<i>0,2%</i>		<i>4,8%</i>	
<b>EBITDA</b>	<b>16.989</b>	<b>21.092</b>	<b>24,2%</b>	<b>6.547</b>	<b>2.641</b>	<b>-59,7%</b>	<b>4.546</b>	<b>-41,9%</b>
<i>EBITDA Margin</i>	<i>11,5%</i>	<i>10,3%</i>		<i>14,0%</i>	<i>4,8%</i>		<i>9,3%</i>	
<b>Net Profit</b>	<b>4.033</b>	<b>13.481</b>	<b>234,3%</b>	<b>7.901</b>	<b>2.694</b>	<b>-65,9%</b>	<b>801</b>	<b>236,5%</b>
<i>Net Profit Margin</i>	<i>2,7%</i>	<i>6,6%</i>		<i>16,8%</i>	<i>4,9%</i>		<i>1,6%</i>	

Source: Finnet, Seker Invest Research

Figure 2: Key financials

BALANCE SHEET (TRY Mn)	2022/12	2023/12	2024/12	Chg%
PP&E	80.716	147.415	206.913	40
Intangibles	5.305	8.106	9.343	15
Other Non-Current Assets	8.217	19.994	26.047	30
Trade Receivables	15.602	20.353	26.464	30
Cash&Equivalents	15.186	24.073	55.260	130
Other Current Assets	49.868	90.092	101.132	12
<b>Total Assets</b>	<b>174.894</b>	<b>310.033</b>	<b>425.159</b>	<b>37</b>
Long Term Debt	8.408	10.980	84.577	670
Other Non current liabilities	11.914	18.233	19.869	9
Short Term Debt	18.629	46.035	26.268	(43)
Trade Payables	11.228	23.427	30.023	28
Other Current Liabilities	6.052	19.830	19.997	1
Total Liabilities	56.231	118.504	180.735	53
Total Equity	118.662	191.529	244.424	28
<b>Total Equity&amp;Liabilities</b>	<b>174.894</b>	<b>310.033</b>	<b>425.159</b>	<b>37</b>
<b>INCOME STATEMENT (TRY Mn)</b>				
Net Sales	127.783	147.900	204.060	38
COGS	102.244	132.243	184.055	39
Gross Profit/(Loss)	25.539	15.657	20.005	28
Operating Expenses	2.378	4.041	7.750	92
Operating Profit/(Loss)	23.161	10.201	12.255	20
Net Other Operational Gain/(Loss)	409	3.134	8.801	181
Income/(Loss) from Investing Activities	9	(185)	245	N.M.
Financial Income/(Expense)	(1.539)	(5.082)	(7.454)	N.M.
Share of profit of equity accounted investments	73	78	205	161
<b>Profit Before Tax (Loss)</b>	<b>22.112</b>	<b>8.837</b>	<b>13.522</b>	<b>53</b>
Tax	3.459	4.508	(671)	N.M.
<b>Net Profit/(Loss)</b>	<b>18.653</b>	<b>4.329</b>	<b>14.193</b>	<b>228</b>
Minority Interest	648	296	712	140
Parent Equity	18.005	4.033	13.481	234,3

EREGL

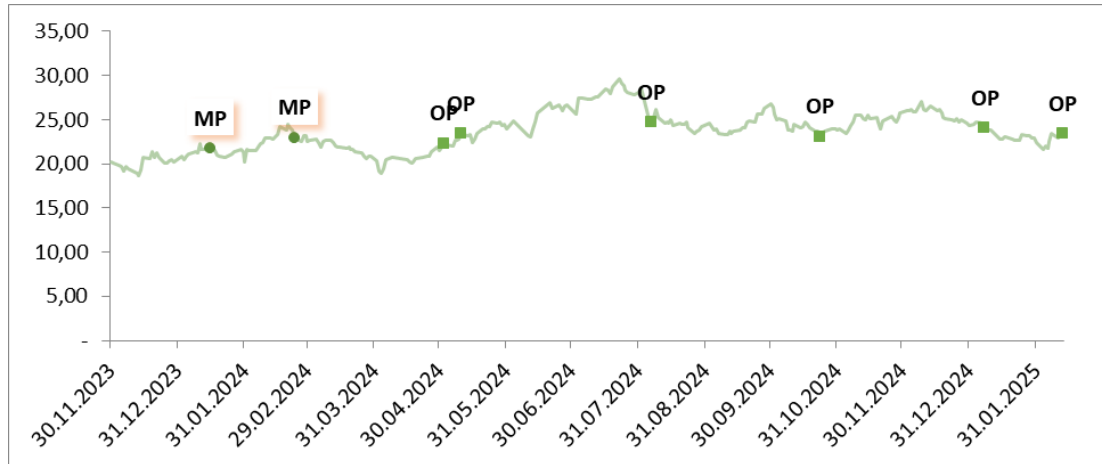
Source: Finnet, Şeker Invest

Figure 3: Key ratios

KEY RATIOS	2022/12	2023/12	2024/12
ROAE	22,5%	2,1%	6,2%
ROAA	15,5%	1,3%	3,7%
Gross Profit Margin	20,0%	10,6%	9,8%
Net Profit Margin	14,1%	2,7%	6,6%
EBITDA Margin	20,9%	11,5%	10,3%
T.Fin. Debt/Equity	7,1%	5,7%	34,6%

EREGL

### Historical Recommendations and target prices



Date	Rec	Target Price (TRY)
1-Aug-23	Outperform (OP)	24,47
9-Aug-23	Outperform (OP)	24,47
27-Oct-23	Outperform (OP)	24,47
15-Jan-24	Market Perform (MP)	28,07
23-Feb-24	Market Perform (MP)	28,07
2-May-24	Outperform (OP)	28,07
10-May-24	Outperform (OP)	28,07
6-Aug-24	Outperform (OP)	33,42
23-Oct-24	Outperform (OP)	33,42
7-Jan-25	Outperform (OP)	35,77
13-Feb-25	Outperform (OP)	35,77

EREGL

### 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.

## ŞEKER INVEST RESEARCH

Şeker Yatırım Menkul Değerler A.Ş.  
 Büyükdere Cad. No:171 Metrocity  
 A Blok Kat 4-5 34330 SİSLİ /İST  
 TURKEY

TEL: +90 (212) 334 33 33  
 Fax: +90 (212) 334 33 34  
 E-mail: [research@sekeryatirim.com](mailto:research@sekeryatirim.com)  
 Web: <http://www.sekeryatirim.com/english/index.aspx>

For additional information, please contact:

Research

Kadir Tezeller	Head	+90 (212) 334 33 81	<a href="mailto:ktezeller@sekeryatirim.com">ktezeller@sekeryatirim.com</a>
Burak Demirbilek	Utilities, Pharmaceutical, Defense Industry	+90 (212) 334 33 33-128	<a href="mailto:bdemirbilek@sekeryatirim.com">bdemirbilek@sekeryatirim.com</a>
Sevgi Onur	Banks	+90 (212) 334 33 33-150	<a href="mailto:sonur@sekeryatirim.com">sonur@sekeryatirim.com</a>
Engin Degirmenci	Cement	+90 (212) 334 33 33-201	<a href="mailto:edegirmenci@sekeryatirim.com">edegirmenci@sekeryatirim.com</a>
A. Can Tuglu	Food & Bev., Retail, Auto, Aviation	+90 (212) 334 33 33-334	<a href="mailto:atuglu@sekeryatirim.com">atuglu@sekeryatirim.com</a>
Esra Uzun Ozbaskin	Telcos, Iron & Steel, Cons. Dur., Oil&Gas	+90 (212) 334 33 33-245	<a href="mailto:euzun@sekeryatirim.com">euzun@sekeryatirim.com</a>
Basak Kamber	Glass	+90 (212) 334 33 33-228	<a href="mailto:bkamber@sekeryatirim.com">bkamber@sekeryatirim.com</a>

Economy & Politics

Abdulkadir Dogan	Economist	+90 (212) 334 91 04	<a href="mailto:adogan@sekeryatirim.com">adogan@sekeryatirim.com</a>
------------------	-----------	---------------------	--

Institutional Sales

Batuhan Alpman	Head	+90 (212) 334 91 01	<a href="mailto:balpman@sekeryatirim.com">balpman@sekeryatirim.com</a>
Deniz Keskin	Trader	+90 (212) 334 33 36	<a href="mailto:dkeskin@sekeryatirim.com">dkeskin@sekeryatirim.com</a>
M. Kerim Culum	Trader	+90 (212) 334 33 33-316	<a href="mailto:kculum@sekeryatirim.com.tr">kculum@sekeryatirim.com.tr</a>

## DISCLAIMER

*I, Esra Uzun Ozbaskin, hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.*

*This report has been prepared by Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest). The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Invest. By accepting this document you agree to be bound by the foregoing limitations.*

Copyright © 2025 Şeker Invest