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Vestel Beyaz Eşya

Weak results amid increased costs and reduced demand

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According to inflation accounting provisions (IAS-29), Vestel Beyaz has announced a TRY 64mn net loss for 4Q24 below our TRY 558mn loss expectations. (4Q23: TRY 1,360mn net profit). As a result of cost pressures TRY 177mn in main operating profit was booked. TRY 128mn other expenses and TRY 850mn net financial expenses were effective in the loss. With the addition of a TRY 638mn monetary gain and TRY 99mn of tax expenses, the loss position came in at TRY 64mn.

The company booked a net sales revenue of TRY 17,889mn including the IAS-29 effect, 16% down YoY. Our estimate was TRY 20.057mn. In 4Q24, demand outlook was weak both in the domestic and export markets. The share of exports was at 74% this quarter (74% in 4Q23 and 71% in 3Q24).

Difficulties in increasing prices, despite the rise in raw materials and low sale units, suppressed revenues and operational profitability. The gross margin was at 8.5% in 4Q24 (4Q23: 19.6%).

EBITDA came in at TRY 1,029mn, down 69% YoY, in parallel with our 1,066mn estimate, including the effect of IAS-29. The EBITDA margin was 5.7% in 4Q24 (4Q23: 15.4%).

The net debt position increased: The net debt position slightly rose to TRY 10,645mn at the end of 2024 from TRY 10,556mn at the end of 2024/09. The Net Debt/EBITDA ratio rose to 1.84x from 1.54x on weak EBITDA.

2024 Performance: Vestel Beyaz achieved TRY 75,327mn in revenues in 2024 on a 15% decrease compared to the previous year. EBITDA came in at TRY 5,784mn, down 49% YoY. The company printed a TRY 266mn net profit marking a 96% annual decrease.

- In line with the financial statements, we maintain our 12-month target price for VESBE of 26.44/share and maintain our "OUTPERFORM" recommendation given the 93% return potential.

OUTPERFORM
TP: TRY 26.44
Previous TP: TRY 26.44
Upside: 93%

	TRY	US\$	
Close	13,77	0,38	
BIST 100	9.904	272	
US\$/TRY (CB Bid Rate):	36,48		
52 Week High:	23,36	0,73	
52 Week Low:	13,77	0,38	
Bloomberg/Reuters Ticker:	VESBE.TI / VESBE.IS		
Number of Shares (Mn):	1.600,0		
	(TRY Mn)	(US\$ Mn)	
Current Mcap:	22.144	608	
Free Float Mcap:	4.207	116	
	1 M	YOY	YTD
TRY Return (%):	-6,9	-28,5	-18,3
US\$ Return (%):	-8,2	-38,7	-21,0
BIST 100 Relative (%):	-7,8	-35,7	-19,0
Avg. Daily Vol. (TRY Mn):	126,88		
Avg. Daily Vol. (US\$ Mn):	3,84		
Beta	0,78		
Volatility (Stock)	0,32		
Volatility (BIST 100)	0,23		
Shareholder Structure	%		
Vestel Elektronik	77,33		
Free Float	22,67		
Total	100		

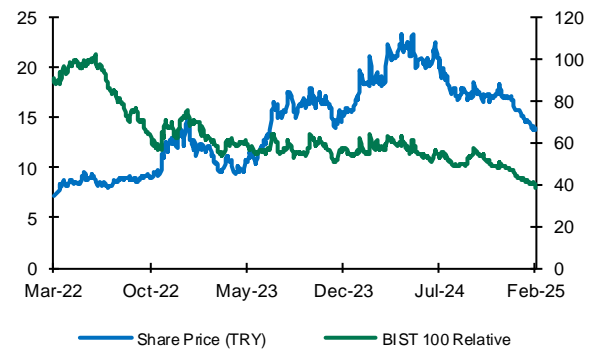


Figure 1: Financials (Including IAS-29)

TRY Million	YE23	YE24	YoY	4Q23	4Q24	YoY
Revenues	88.172	75.327	-14,6%	21.233	17.889	-15,7%
Gross Profit	14.402	7.908	-45,1%	4.169	1.514	-63,7%
<i>Gross Profit Margin</i>	<i>16,3%</i>	<i>10,5%</i>		<i>19,6%</i>	<i>8,5%</i>	
EBIT	8.577	2.735	-68,1%	2.806	177	-93,7%
<i>EBIT Margin</i>	<i>9,7%</i>	<i>3,6%</i>		<i>13,2%</i>	<i>1,0%</i>	
EBITDA	11.400	5.784	-49,3%	3.277	1.029	-68,6%
<i>EBITDA Margin</i>	<i>12,9%</i>	<i>7,7%</i>		<i>15,4%</i>	<i>5,7%</i>	
Net Profit	6.821	266	-96,1%	1.360	-64	-104,7%
<i>Net Profit Margin</i>	<i>7,7%</i>	<i>0,4%</i>		<i>6,4%</i>	<i>-0,4%</i>	

Source: Finnet, Seker Invest Research

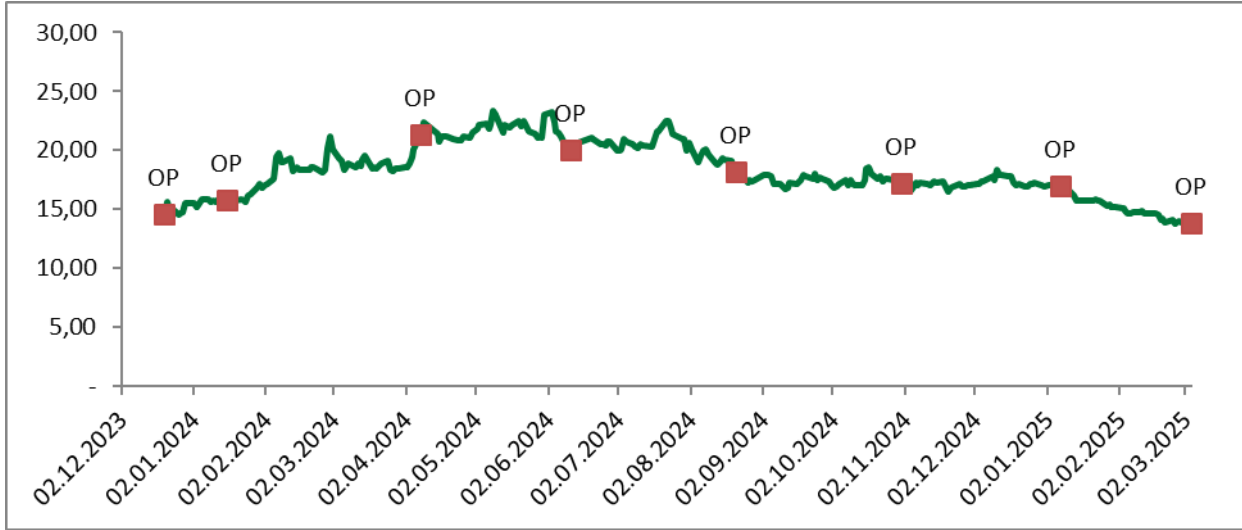
Figure 2: Key Financials

BALANCE SHEET (TRY Mn)	2023/12	2024/12	%
PP&E	31.158	36.159	16%
Intangibles	1.992	2.416	21%
Other Non-Current Assets	2.105	1.584	-25%
Trade Receivables	20.057	14.550	-27%
Cash&Equivalents	1.053	1.092	4%
Other Current Assets	17.143	15.771	-8%
Total Assets	73.509	71.572	-3%
Long Term Debt	1.942	1.226	-37%
Other Non current liabilities	3.996	4.401	10%
Short Term Debt	3.122	9.852	216%
Trade Payables	24.723	20.952	-15%
Other Current Liabilities	8.555	1.296	-85%
Total Liabilities	42.338	37.727	-11%
Total Equity	31.171	33.845	9%
Total Equity&Liabilities	73.509	71.572	-3%
INCOME STATEMENT (TRY Mn)	2023/12	2024/12	%
Net Sales	88.172	75.327	(15)
COGS	73.770	67.419	(9)
Gross Profit/(Loss)	14.402	7.908	(45)
Operating Expenses	5.825	5.173	(11)
Operating Profit/(Loss)	8.577	2.735	(68)
Net Other Operational Gain/(Loss)	(4.690)	(1.311)	N.M.
Income/(Loss) from Investing Activities	-	-	N.M.
Financial Income/(Expense)	(2.577)	(5.097)	N.M.
Monetary Gain / (Loss)	6.632	4.990	(25)
Share of profit of equity accounted investments	-	-	N.M.
Profit Before Tax (Loss)	7.942	133	(98)
Tax	1.121	(133)	N.M.
Net Profit/(Loss)	6.821	266	(96)
Minority Interest	-	-	N.M.
Parent Equity	6.821	266	(96,1)

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
7-Jan-25	OUTPERFORM	26,44
4-Mar-25	OUTPERFORM	26,44

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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