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Cimsa

Visible improvement in sales volumes had a limited impact on profitability

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The 1Q25 results and all comparatives include the effects of business combinations (related to the acquisition of shares in Sabancı Building Solutions BV) and the effects of inflation accounting (applying IAS 29 "Financial Reporting in Hyper-inflationary Economies"). Unless otherwise stated, data adjusted per these principles has been used in this note.

Cimsa has announced a net profit of TRY 271mn for the first quarter of 2025. While the figure was in line with our net profit forecast of TRY 305mn, it fell short of the market's average net profit expectation of TRY 634mn. The company posted a net profit of TRY 501mn in 1Q24. The negative impact of TRY 681mn from the price movements of Sabancı Holding shares held by Cimsa also caused a decline in Cimsa's net profit figure.

In 1Q25, Cimsa maintained its high capacity utilization and increased its consolidated sales volume organically by 1.4% YoY, supported by volume increases of 1% in Turkey and 2% in international markets. Including Mannok's sales volumes, consolidated sales volumes increased inorganically by 15% YoY. As a result, sales revenues increased by 21.1% YoY to TRY 8,905mn (1Q24: TRY 7,352mn) (Şeker Yatırım: TRY 7,271mn, average market sales expectation TRY 8,355mn).

The company recorded a quarterly EBITDA of TRY 1,094mn in 1Q25 (1Q24: TRY 799mn). The quarterly EBITDA margin improved by 1.4pp YoY to 12.3% (1Q24: EBITDA margin: 10.9%). Our EBITDA estimate for this quarter was TRY 969mn, while the average market expectation was TRY 1,200mn.

OUTPERFORM
TP: TRY 63.00
Previous TP: TRY 67.20
Upside: 36.5%

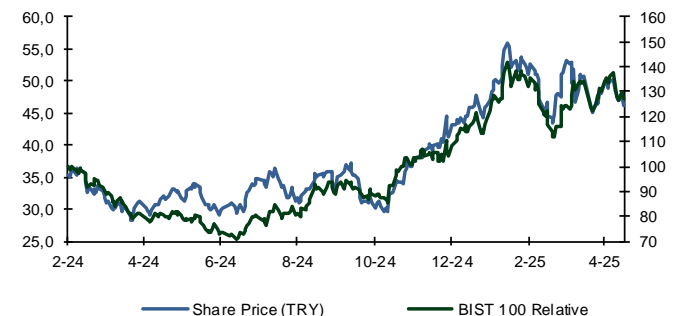
	TRY	US\$
Close	46,16	1,20
BIST 100	9.225	240
US\$/TRY (CB Bid Rate):	38,37	
52 Week High:	55,80	1,56
52 Week Low:	28,98	0,86
Bloomberg/Reuters Ticker:	CIMS.TI / CIMS.IS	

	946	
Number of Shares (Mn):	(TRY Mn)	(US\$ Mn)
Current Mcap:	43.648	1.138
Free Float Mcap:	19.642	512

	1 M	YOY	YTD
TRY Return (%):	-9,3	44,5	0,3
US\$ Return (%):	-10,3	22,2	-7,9
BIST 100 Relative (%):	-5,0	58,0	6,9
Avg. Daily Vol. (TRY Mn):	479,0		
Avg. Daily Vol. (US\$ Mn):	13,7		

Beta	1,01
Volatility (Stock)	0,45
Volatility (BIST 100)	0,27

Shareholder Structure	%
Sabancı Holding	54,5
Akcansa	9,0
Free Float and others	36,5
Total	100,0



CIMSA stock had lost 13.0% over the previous three months. In terms of returns relative to the BIST100, the stock had underperformed by 4.9% over the previous three months.

We have revised our macro forecasts and updated our company expectations. Duly, we revise our 12-month target price for Cimsa downwards from TRY 67.20/share to TRY 63.00/share. However, we maintain our 'Outperform' recommendation, as our target price implies 36.5% upside potential as of April 29, 2025.

Figure 1: Financials

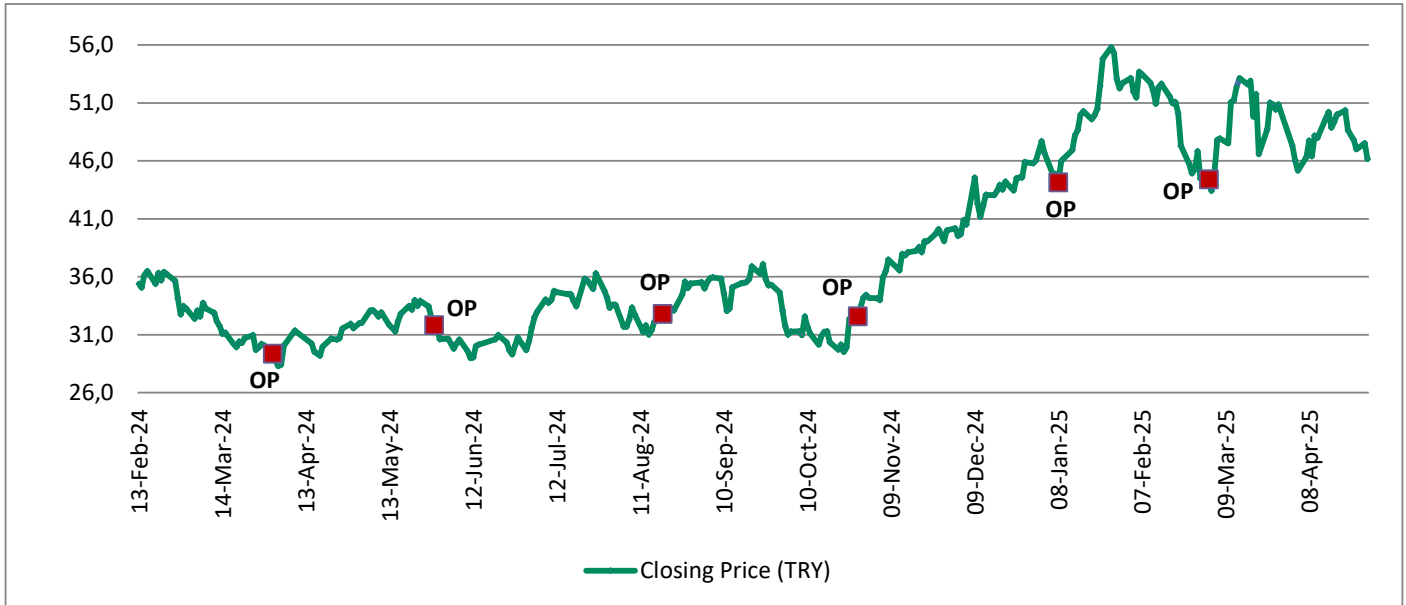
TRY Million	2023	2024	YoY	1Q24	1Q25	YoY
Revenues	29.604	28.151	-4,9%	7.352	8.905	21,1%
Gross Profit	5.818	6.044	3,9%	979	1.374	40,4%
<i>Gross Profit Margin</i>	<i>19,7%</i>	<i>21,5%</i>		<i>13,3%</i>	<i>15,4%</i>	
EBIT	3.640	3.127	-14,1%	266	344	29,1%
<i>EBIT Margin</i>	<i>12,3%</i>	<i>11,1%</i>		<i>3,6%</i>	<i>3,9%</i>	
EBITDA	5.284	5.086	-3,7%	799	1.094	37,0%
<i>EBITDA Margin</i>	<i>17,8%</i>	<i>18,1%</i>		<i>10,9%</i>	<i>12,3%</i>	
Net Profit	3.596	2.688	-25,3%	501	271	-45,8%
<i>Net Profit Margin</i>	<i>12,1%</i>	<i>9,5%</i>		<i>6,8%</i>	<i>3,0%</i>	

Figure 2: Key financials

BALANCE SHEET (TRY Mn)	2024/12	2025/03	%Chg
PP&E	30.938	30.228	(2,3)
Intangibles	15.178	14.094	(7,1)
Other Non-Current Assets	7.069	6.730	(4,8)
Trade Receivables	6.227	6.549	5,2
Cash&Equivalents	8.461	4.939	(41,6)
Other Current Assets	6.534	7.360	12,6
Total Assets	74.407	69.900	(6,1)
Long Term Debt	8.386	18.335	118,6
Other Non current liabilities	3.534	3.264	(7,7)
Short Term Debt	15.267	4.747	(68,9)
Trade Payables	7.315	5.999	(18,0)
Total Liabilities	39.146	37.791	(3,5)
Total Equity	35.261	32.109	(8,9)
Total Equity&Liabilities	74.407	69.900	(6,1)
INCOME STATEMENT (TRY Mn)	2024/03	2025/03	%Chg
Net Sales	7.352	8.905	21,1
COGS	6.373	7.530	18,2
Gross Profit (Loss)	979	1.374	40,4
Operating Expenses	713	1.031	44,7
Operating Profit/(Loss)	266	344	29,1
Net Other Ope. Rev./(Exp.)	232	332	43,6
Financial Expenses	(272)	(313)	N.M.
Gains (Losses) On Net Monetary Positi	125	722	480,0
Net Investment Activities Profit/(Loss)	348	(581)	(267,3)
Profit(Loss) From Invst. Val. under Equ	-	-	N.M.
Profit Before Tax (Loss)	698	504	(27,8)
Tax	150	159	5,4
Net Profit (Loss)	501	271	(45,8)

Source : Şeker Invest

Historical Recommendations and Target Prices



Date	Rec	Target Price (TRY)
16-Jan-24	Outperform (OP)	41,94
29-Mar-24	Outperform (OP)	41,94
28-May-24	Outperform (OP)	41,94
16-Aug-24	Outperform (OP)	41,94
25-Oct-24	Outperform (OP)	41,94
7-Jan-25	Outperform (OP)	67,20
28-Feb-25	Outperform (OP)	67,20

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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