

Akcansa

Fall in energy costs partially limits pressure on gross margin

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Akcansa's first quarter financial results have been adjusted for inflation accounting by applying the IAS 29 "Financial Reporting in Hyper-inflationary Economies" Standard. The financial statements in question and all comparative amounts from previous periods have been adjusted according to changes in the general purchasing power of the Turkish Lira per IAS 29. Unless otherwise stated, data adjusted per these principles has been used in this note.

Akcansa has recorded a net loss of TRY 177mn in the first quarter of this year. In 1Q24, the net profit was TRY 2mn. The announced figure was higher than our net loss estimate of TRY 35mn and the average market expectation of a net loss of TRY 11mn. The decline in sales volume was the main reason for the drop in net profit.

Unfavorable weather conditions, the Eid holiday and low demand in Akcansa's core regions led to a decline in sales volumes. As a result, cement and ready-mix concrete sales volumes decreased by 14% and 29% respectively. As a result, 1Q25 revenues of TRY 4,297mn were achieved, in line with our forecast of TRY 4,356mn and the market average revenue expectation of TRY 4,395mn. Revenues declined by 28.3% YoY.

In 1Q25, EBITDA was realized at TRY 186mn, while the EBITDA margin contracted by 6.5pp YoY to 4.3%. Our EBITDA estimate was TRY 306mn and the average market EBITDA expectation was TRY 320mn. Unfavorable market conditions, including cost increases due to inflation, put pressure on the EBITDA performance. Stagnation in domestic pricing and higher labor costs led to negative price-cost development. However, the reduction in energy costs partially limited pressure on the gross margin.

OUTPERFORM
TP: TRY 200.20
Previous TP: TRY 251.20
Upside: 32.8%

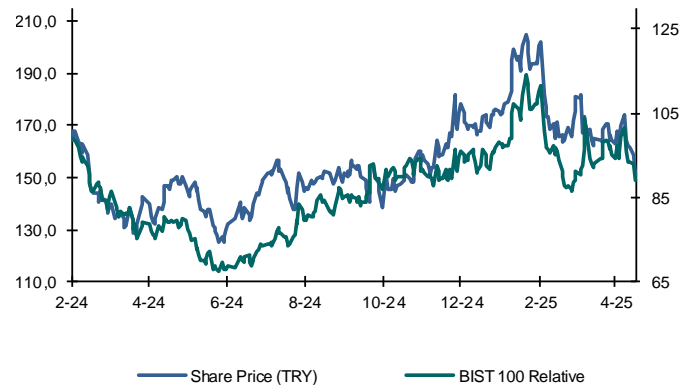
	TRY	US\$
Close	150,80	3,93
BIST 100	9.225	240
US\$/TRY (CB Bid Rate):	38,44	
52 Week High:	204,45	5,69
52 Week Low:	125,14	3,88
Bloomberg/Reuters Ticker:	AKCNS.TI / AKCNS.IS	

Number of Shares (Mn):	191	
	(TRY Mn)	(US\$ Mn)
Current Mcap	28.870	751
Free Float Mcap	5.485	143

	1 M	YOY	YTD
TRY Return (%):	-8,7	2,8	-13,2
US\$ Return (%):	-9,7	-13,1	-20,3
BIST 100 Relative (%):	-4,4	12,3	-7,5
Avg. Daily Vol. (TRY Mn):	101,7		
Avg. Daily Vol. (US\$ Mn):	2,9		

Beta	0,66
Volatility (Stock)	0,41
Volatility (BIST 100)	0,27

Shareholder Structure	%
Sabancı Holding	39,7
HeidelbergCement AG	39,7
Free Float and others	20,6
Total	100,0



The Company's stock had lost 21.0% over the previous three months. In terms of returns relative to the BIST100, the stock had underperformed the Index by 13.7% 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 Akcansa downwards from TRY 251.20/share to **TRY 200.20/share**. However, we maintain our '**Outperform**' recommendation, as our target price implies 32.8% upside potential as of April 29, 2025.

Figure 1: Financials

TRY Million	2023	2024	YoY	1Q24	1Q25	YoY
Revenues	27.034	21.614	-20,0%	5.993	4.297	-28,3%
Gross Profit	5.743	3.605	-37,2%	600	178	-70,4%
<i>Gross Profit Margin</i>	<i>21,2%</i>	<i>16,7%</i>		<i>10,0%</i>	<i>4,1%</i>	
EBIT	4.498	2.590	-42,4%	306	-171	-155,8%
<i>EBIT Margin</i>	<i>16,6%</i>	<i>12,0%</i>		<i>5,1%</i>	<i>-4,0%</i>	
EBITDA	5.674	3.859	-32,0%	649	186	-71,3%
<i>EBITDA Margin</i>	<i>21,0%</i>	<i>17,9%</i>		<i>10,8%</i>	<i>4,3%</i>	
Net Profit	3.424	1.673	-51,1%	2	-177	N.M.
<i>Net Profit Margin</i>	<i>12,7%</i>	<i>7,7%</i>		<i>0,0%</i>	<i>-4,1%</i>	

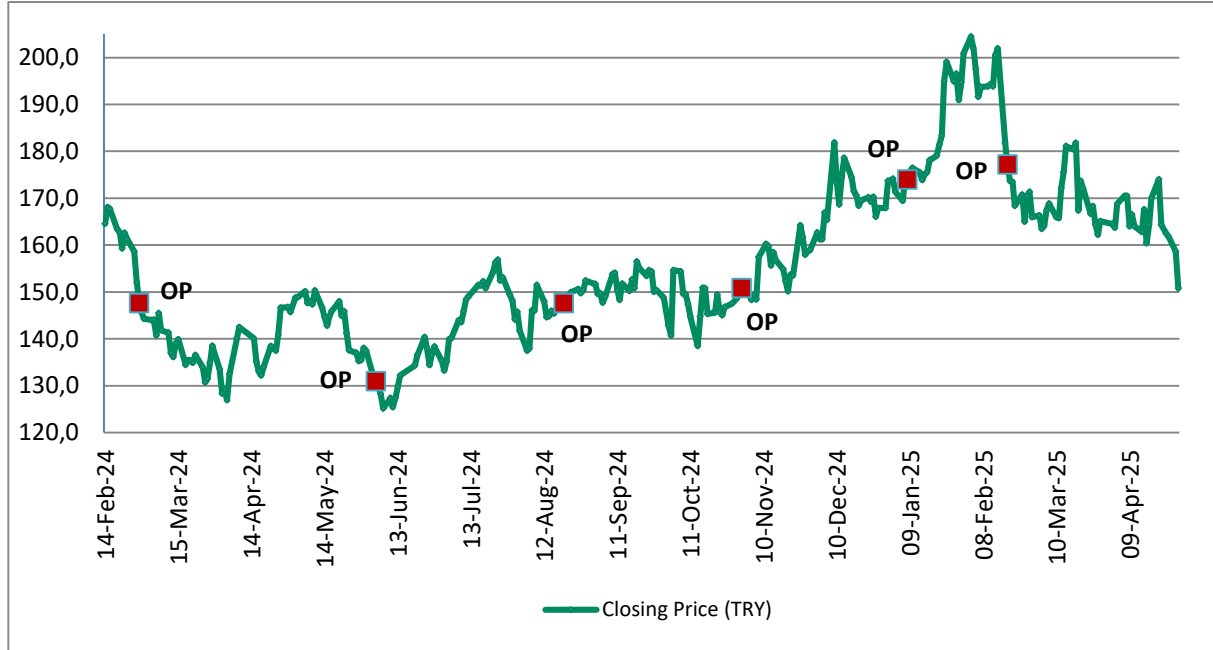
Figure 2: Key financials

BALANCE SHEET (TRY Mn)	2024/12	2025/03	%Chg
PP&E	10.434	10.325	(1,0)
Intangibles	3.304	3.296	N.M
Other Non-Current Assets	5.568	5.640	1,3
Trade Receivables	3.761	3.251	(13,6)
Cash&Equivalents	4.963	3.662	(26,2)
Other Current Assets	3.226	3.792	17,6
Total Assets	31.255	29.966	(4,1)
Long Term Debt	328	363	10,5
Other Non current liabilities	851	960	12,8
Short Term Debt	3.322	3.618	8,9
Other Short Term Payables	4.131	3.762	(8,9)
Total Liabilities	8.632	8.703	0,8
Total Equity	22.623	21.263	(6,0)
Total Equity&Liabilities	31.255	29.966	(4,1)

INCOME STATEMENT (TRY Mn)	2024/03	2025/03	%Chg
Net Sales	5.993	4.297	(28,3)
COGS	5.393	4.120	(23,6)
Gross Profit (Loss)	600	178	(70,4)
Operating Expenses	293	348	18,7
Operating Profit/(Loss)	306	(171)	(155,8)
Net Other Ope. Rev./(Exp.)	(128)	(45)	N.M.
Financial Expenses	24	138	480,9
Gain / (Loss) From Inv. Activities	2	56	N.M.
Gains (Losses) On Net Monetary Position	(51)	(48)	N.M.
Profit Before Tax (Loss)	153	(70)	N.M.
Tax	151	107	(28,7)
Net Profit (Loss)	2	(177)	N.M.
Parent Company	2	-177	N.M.

Source: Şeker Invest

Historical Recommendations and target prices



Date	Rec	Target Price (TRY)
16-Jan-24	Outperform (OP)	210,60
27-Feb-24	Outperform (OP)	210,60
3-Jun-24	Outperform (OP)	210,60
19-Aug-24	Outperform (OP)	210,60
31-Oct-24	Outperform (OP)	210,60
7-Jan-25	Outperform (OP)	251,20
17-Feb-25	Outperform (OP)	251,20

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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