

# Coca-Cola Icecek

## Lower than expected bottom line in 1Q25...

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Coca Cola Icecek reported a consolidated net profit of TRY 1,275mn in 1Q25 (1Q24: TRY 3,751mn), marking a 66% YoY decline and coming in below both the RT consensus estimate of TRY 1,755mn and our forecast of TRY 1,728mn, based on inflation-adjusted (IAS 29) financials. Key drivers of the earnings miss included: i) A slight contraction in sales revenues, ii) A decline in gains from the net monetary position item (1Q25: TRY 2,251mn vs. 1Q24: TRY 3,504mn), iii) A 56% YoY increase in net financial expenses due to rising interest rates and higher borrowing levels (1Q25: TRY -2,473 million vs. 1Q24: TRY -1,581 million).

In 1Q25, CCI's consolidated sales volume expanded by 13.4% YoY to 387 million-unit cases (1Q24: 341 million-unit cases). In Turkey, sales volume grew by 8.4% YoY to 128 million UC, supported by Ramadan, promotional activity, and a consumer shift toward FC packages. Int'l operations recorded robust performance across all markets, with sales volume increasing 16.1% YoY to 259 million UC. On a consolidated basis, the share of IC packages declined by 200 bps YoY to 24.4%, as demand shifted toward FC packs during Ramadan.

CCI's consolidated net sales revenue contracted by 3.8% YoY to TRY 36,158mn, lagging both the market consensus forecast of TRY 35,340mn, and our forecast of TRY 35,148mn, negatively impacted by limited or postponed price increases in both Turkey and other markets. The consolidated GP margin fell by 282 bps YoY to 30.4% (1Q24: 33.2%) due to raw material cost pressures in Turkey, and the NSR decline. CCI's EBITDA declined by 29.1% YoY to TRY 4,283mn (1Q24: TRY 6,043mn), underperforming the RT market consensus estimate of TRY 4,591mn and our forecast of TRY 4,411mn. Consequently, the EBITDA margin contracted by 4.2 pp YoY to 11.8% in 1Q25.

As of 1Q25, CCI's net debt stood at USD 912mn, with a **Net Debt/EBITDA ratio** of 1.31x (2024: 1.02x). The company's FCF deteriorated to TRY -8.0bn in 1Q25, primarily due to elevated CapEx related to greenfield and production line investments.

**CCI's 2025 Expectations:** The Company maintained its 2025 guidance. CCI has incorporated its Bangladesh operations into its 2025 volume guidance, though it expects a limited impact on overall volume growth. The Company reaffirmed its strategic targets, forecasting mid-single-digit consolidated sales volume growth, low-to-mid-single-digit growth in Turkey, and mid-to-high-single-digit growth in international markets. Under TAS-29 inflation-adjusted reporting, CCI anticipates a flat EBITDA margin and mid-single-digit NSR/uc growth in 2025. Additionally, CCI plans to expand its production footprint by commissioning two new facilities in Iraq and Azerbaijan. Excluding TAS-29 effects, CCI expects low-twenties percentage growth in currency-neutral NSR/uc. However, inflationary pressures on costs and localized price adjustments aimed at maintaining affordability are likely to exert marginal pressure on the EBITDA margin.

**OUTPERFORM**  
**TP: TRY 75.00**

Previous: TRY 75.00

Upside: 47.5%

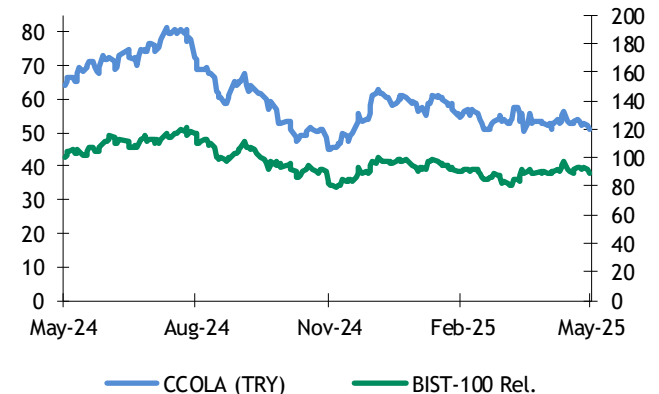
	TRY	US\$
Close	50,85	1,32
BIST 100	9.135	237
US\$/TRY (CB Bid Rate):	38,5259	
52 Week High:	81,59	2,47
52 Week Low:	45,12	1,32
Bloomberg/Reuters Ticker:	COLA.TI / COLA.IS	

Number of Shares (Mn):	2.798	
	(TRY Mn)	(US\$ Mn)
Current Mcap :	142.282	3.693
Free Float Mcap :	35.571	923

	1 M	YOY	YTD
TRY Return (%):	-3,6	-21,6	-15,2
US\$ Return (%):	-5,2	-34,3	-22,4
BIST 100 Relative (%):	-3,6	-21,6	-15,2
Avg. Daily Vol. (TRY Mn):	430,4		
Avg. Daily Vol. (US\$ Mn):	12,5		

Beta	0,70
Volatility (Stock)	0,39
Volatility (BIST 100)	0,25

Shareholder Structure	%
Anadolu Efes Biracılık	40,12
The Coca Cola Company	20,09
Other	10,14
Free Float	29,65
Total	100,00



Given the financial results in 1Q25, we expect the results to have a negative impact on stock performance. Nonetheless, we reiterate our 12-month target price of TRY “75.00/shr” and maintain our “OUTPERFORM” recommendation. The current share price of TRY 50.85 has upside potential of 47.5% according to the target share price.

**Figure 1: CCI's Consolidated Operations (1Q25)**

TRY Million	1Q24	1Q25	YoY
Volume (million uc)	341	387	13,4%
Unit Price (TL/uc)	110,3	93,48	-15,2%
Revenues	37.606	36.158	-3,8%
Gross Profit	12.498	10.998	-12,0%
Gross Profit Margin	33,2%	30,4%	
EBIT	4.366	2.616	-40,1%
EBIT Margin	11,6%	7,2%	
EBITDA	6.043	4.283	-29,1%
EBITDA Margin	16,1%	11,8%	
Net Profit	3.751	1.275	-66,0%
Net Profit Margin	10,0%	3,5%	

Source: Coca Cola Icecek (CCI), Seker Invest Research, Finnet

**Figure 2: CCI's Turkey Operations (1Q25)**

TRY Million	1Q24	1Q25	YoY
Volume (million uc)	118	128	8,4%
Unit Price (TRY/uc)	125,1	112,35	-10,2%
Revenues	14.758	14.369	-2,6%
Gross Profit	4.899	3.812	-22,2%
Gross Profit Margin	33,2%	26,5%	
EBIT	3	-1.209	N.M.
EBIT Margin	0,0%	N.M.	
EBITDA	828	-345	N.M.
EBITDA Margin	5,6%	N.M.	
Net Profit	2.304	591	-74,4%
Net Profit Margin	15,6%	4,1%	

Source: Coca Cola Icecek (CCI), Seker Invest Research, Finnet

**Figure 3: CCI's Int'l Operations (1Q25)**

TRY Million	1Q24	1Q25	YoY
Volume (million uc)	223	259	16,1%
Unit Price (TL/uc)	102,8	84,13	-18,1%
Revenues	22.917	21.789	-4,9%
Gross Profit	7.645	7.206	-5,7%
Gross Profit Margin	33,4%	33,1%	
EBIT	3.928	3.450	-12,2%
EBIT Margin	17,1%	15,8%	
EBITDA	4.949	4.422	-10,6%
EBITDA Margin	21,6%	20,3%	
Net Profit	2.518	2.150	-14,6%
Net Profit Margin	11,0%	9,9%	

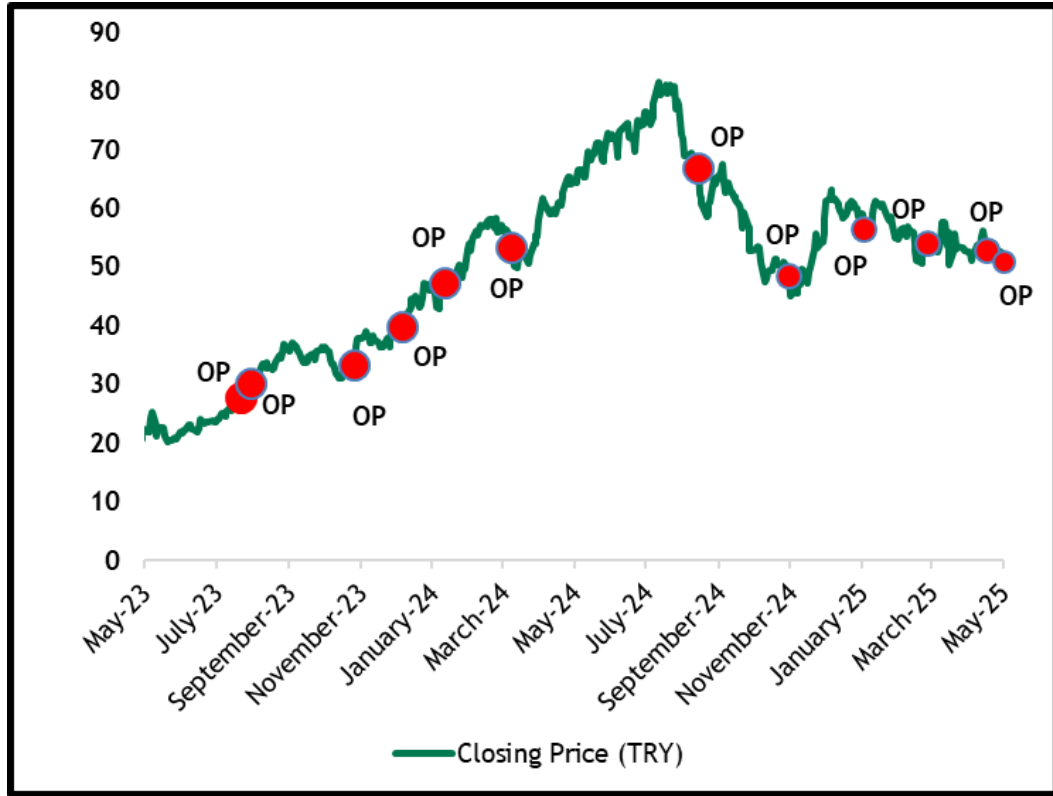
Source: Coca Cola Icecek (CCI), Seker Invest Research, Finnet

**Figure 4: Key Financials**

mn TRY	2024	31.03.2025
<b>Current Assets</b>	<b>66.871</b>	<b>73.009</b>
Cash and Cash Equivalents	25.594	21.852
Investments in Securities	105	254
Trade Receivables	14.230	24.180
Other Receivables	649	556
Derivative Financial Instruments	41	67
Inventories	16.929	17.019
Prepaid Expenses	4.042	4.284
Tax Related Current Assets	2.176	1.867
Other Current Assets	3.104	2.930
<b>Non-Current Assets</b>	<b>96.382</b>	<b>96.775</b>
Other Receivables	203	197
Property, Plant and Equipment	59.715	59.985
Goodwill	6.072	5.998
Intangible Assets	26.624	26.552
Right of Use Asset	791	697
Prepaid Expenses	1.809	2.229
Deferred Tax Asset	1.168	1.117
Derivative Financial Instruments	0	0
Other Non-Current Assets	0	0
<b>Total Assets</b>	<b>163.253</b>	<b>169.784</b>
<b>Current Liabilities</b>	<b>58.320</b>	<b>66.623</b>
Short-term Borrowings	16.676	20.168
Current Portion of Long-term Borrowings	6.884	6.643
Trade Payables	28.196	31.515
Payables Related to Employee Benefits	562	596
Other Payables	3.789	5.602
Derivative Financial Instruments	3	23
Deferred Income	463	357
Provision for Corporate Tax	603	689
Current Provisions	904	832
Other Current Liabilities	240	198
<b>Non-Current Liabilities</b>	<b>37.076</b>	<b>36.082</b>
Long-term Borrowings	29.843	29.344
Financial lease payables	688	484
Trade Payables	4	4
Provision for Employee Benefits	975	970
Deferred Tax Liability	5.567	5.280
Derivative Financial Instruments	0	0
Deferred Income	0	0
<b>Equity of the Parent</b>	<b>59.108</b>	<b>58.218</b>
Minority Interest	8.749	8.861
<b>Total Liabilities</b>	<b>163.253</b>	<b>169.784</b>

Source: Coca-Cola Icecek (CCI), Seker Invest Research, Finnet, Audit Reports

Figure 5: Historical Recommendations and Target Prices



Date	Rec	Target Price (TRY)
1-Aug-23	Outperform (OP)	35,97
8-Aug-23	Outperform (OP)	39,83
1-Nov-23	Outperform (OP)	47,30
16-Jan-24	Outperform (OP)	61,82
14-Mar-24	Outperform (OP)	73,64
23-May-24	Outperform (OP)	90,73
20-Aug-24	Outperform (OP)	90,73
5-Nov-24	Outperform (OP)	76,60
7-Jan-25	Outperform (OP)	78,30
5-Mar-25	Outperform (OP)	78,30
2-May-25	Outperform (OP)	75,00
7-May-25	Outperform (OP)	75,00

#### Basis for 12m equity ratings

<b>Outperform:</b>	The total return is expected to exceed the return of the BIST 100 by more than 10%.
<b>Underperform:</b>	The total return is expected to fall below the return of the BIST 100 by more than 10%.
<b>Market Perform:</b>	The total return is expected to be in line with the return of the BIST 100.

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