

August 11, 2025

Vestel Beyaz Eşya

Weak results amid increased costs and reduced demand

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Vestel Beyaz reported a loss of TRY 1,794mn in Q2 2025, according to its financials, adjusted for inflation (the impact of IAS-29). The decline in turnover due to weak demand and challenging market conditions, coupled with high raw material costs and operational expenses, resulted in an operating profit of TRY 107mn. Net other expenses of TRY 945mn, net financing expenses of TRY 1,824mn, and the decline in the gain on the monetary position also contributed to the loss position.

The Company's Q2 2025 sales revenues, including the impact of TAS-29, decreased by 16% compared to last year, to TRY 19,056mn. Demand declined in the domestic and export markets in Q2 2025. Difficulty in achieving domestic market price increases compared to last year, coupled with competitive dynamics in export markets, continued to pressure revenues. Exports accounted for 67% of the total revenue this quarter, compared to 71% in Q2 2024 and 64% in Q1 2025.

Operational profitability weakened due to the decline in sales revenues, as well as pressure on raw material and labor costs. The gross profit margin was 8% (Q2 2024: 10.1%). EBITDA, including the impact of TAS-29, decreased by 45% year-over-year to TRY 946mn, from TRY 1,708mn in Q2 2024. EBITDA margin was 5% (Q2 2024: 7.5%).

The net debt position increased. Net debt rose from TRY 15,624mn at the end of Q1 2025 to TRY 17,584mn at the end of Q2 2025/06. The net debt/EBITDA ratio rose from 3.3x to 4.4x due to weaker EBITDA generation and increased debt.

Contraction in demand and current challenges persist both domestically and on the export side. In the domestic market, high credit card fees and limited installment restrictions continue to pose risks to the demand outlook. On the export side, mounting pressure from Chinese manufacturers in Europe poses a downside risk to Vestel White Goods' sales.

Following the Q2 2025 financials, we are revise our 12-month target price from TRY 22.09 per share to TRY 17.00 due to the downward revision to our estimates. Our target price has a 58.3% potential, and we maintain our outperform rating.

OUTPERFORM
TP: TRY 17.00
Previous TP: TRY 22.09
Upside: 58.3%

	TRY	US\$	
Close	10,74	0,26	
BIST 100	10.973	271	
US\$/TRY (CB Bid Rate):	40,63		
52 Week High:	19,62	0,59	
52 Week Low:	8,69	0,22	
Bloomberg/Reuters Ticker:	VESBE.TI / VESBE.IS		
Number of Shares (Mn):	1.600,0		
	(TRY Mn)	(US\$ Mn)	
Current Mcap:	17.184	424	
Free Float Mcap:	3.265	81	
	1 M	YOY	YTD
TRY Return (%):	10,4	-46,2	-36,4
US\$ Return (%):	8,5	-55,6	-44,8
BIST 100 Relative (%):	0,6	-50,5	-43,0
Avg. Daily Vol. (TRY Mn):	69,62		
Avg. Daily Vol. (US\$ Mn):	1,92		
Beta	0,86		
Volatility (Stock)	0,32		
Volatility (BIST 100)	0,25		
Shareholder Structure	%		
Vestel Elektronik	77,33		
Free Float	22,67		
Total	100		

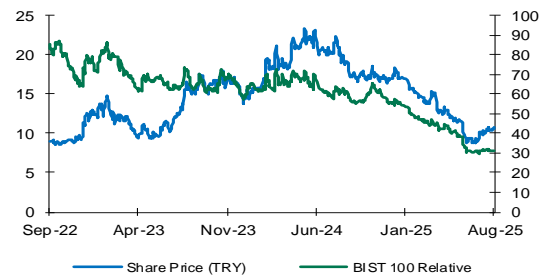


Figure 1: Financials

TRY Million	1H24	1H25	YoY	2Q24	2Q25	YoY
Revenues	43.134	35.902	-16,8%	22.677	19.056	-16,0%
Gross Profit	5.414	2.846	-47,4%	2.285	1.523	-33,4%
<i>Gross Profit Margin</i>	<i>12,6%</i>	<i>7,9%</i>		<i>10,1%</i>	<i>8,0%</i>	
EBIT	2.602	-9	N.M	924	108	-88,3%
<i>EBIT Margin</i>	<i>6,0%</i>	<i>0,0%</i>		<i>4,1%</i>	<i>0,6%</i>	
EBITDA	4.394	1.688	-61,6%	1.708	946	-44,6%
<i>EBITDA Margin</i>	<i>10,2%</i>	<i>4,7%</i>		<i>7,5%</i>	<i>5,0%</i>	
Net Profit	904	-2.869	N.M	1	-1.794	N.M
<i>Net Profit Margin</i>	<i>2,1%</i>	<i>-8,0%</i>		<i>0,0%</i>	<i>-9,4%</i>	

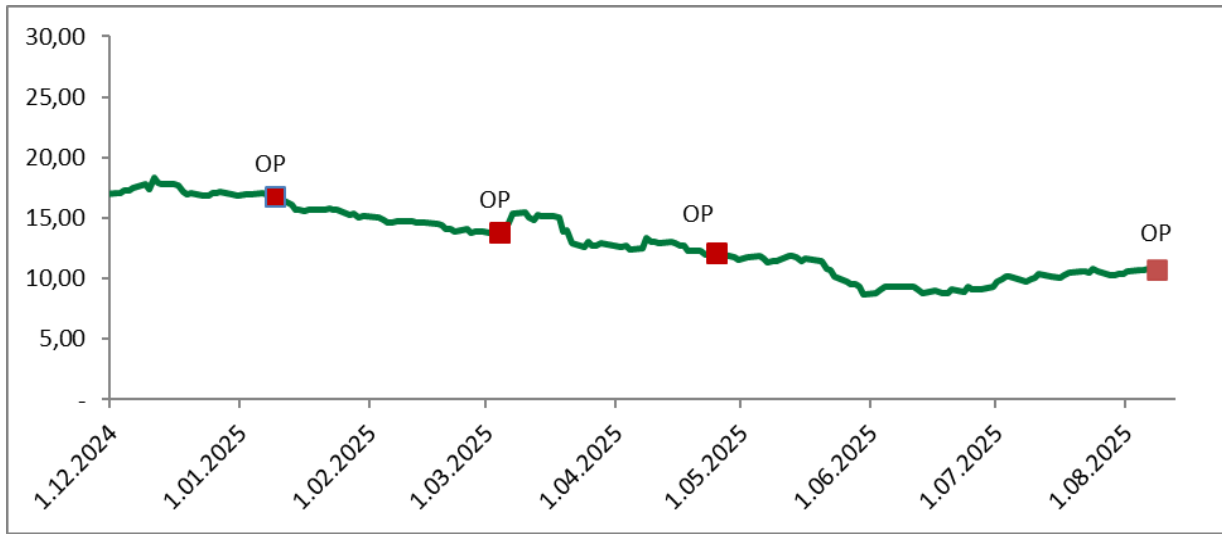
Source: Finnet, Şeker Invest

Figure 2: Key Financials

BALANCE SHEET (TRY Mn)	2024/12	2025/06	% Chg
PP&E	42.189	42.081	-0,3%
Intangibles	2.818	2.996	6,3%
Other Non-Current Assets	1.848	1.721	-6,9%
Trade Receivables	16.976	15.539	-8,5%
Cash&Equivalents	1.274	86	-93,3%
Other Current Assets	18.401	22.055	19,9%
Total Assets	83.505	84.479	1,2%
Long Term Debt	1.430	1.384	-3,2%
Other Non current liabilities	5.135	4.925	-4,1%
Short Term Debt	11.495	14.759	28,4%
Trade Payables	24.446	23.719	-3,0%
Other current liabilities	1.512	4.120	172,6%
Total Liabilities	44.018	48.906	11,1%
Total Equity	39.488	35.572	-9,9%
Total Equity&Liabilities	83.505	84.479	1,2%

INCOME STATEMENT (TRY Mn)	2024/06	2025/06	% Chg
Revenues	43.134	35.902	-16,8%
COGS	37.720	33.056	-12,4%
Gross Profit (Loss)	5.414	2.846	-47,4%
Operating Expenses	2.813	2.854	1,5%
Operating Profit/(Loss)	2.602	(9)	N.M.
Net Other Ope. Rev./(Exp.)	(1.066)	(1.552)	N.M.
Income/(Loss) from Investing Activities	-	-	N.M.
Financial Expenses	(3.343)	(3.120)	N.M.
Gains (losses) on net monetary positions	2.699	1.941	-28,1%
Profit Before Tax (Loss)	892	(2.739)	N.M.
Tax	12	(129)	N.M.
Net Profit (Loss)	904	(2.869)	N.M.
Minority Interest	-	-	N.M.
Majority Interest	904	(2.869)	N.M.

Historical Recommendations and Target Prices



Date	Rec	Target Price (TRY)
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
5-May-25	OUTPERFORM	22,09
11-Aug-25	OUTPERFORM	17,00

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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