

## Coca Cola İçecek (CCI)

Coca Cola İçecek announced a net profit of 5.4 billion TL in its second-quarter results, exceeding expectations, with net profit increasing by 20% year-on-year. The company revised its 2024 outlook downwards, particularly due to the decrease in purchasing power in its Middle Eastern operations. Additionally, the company lowered its 2024 net sales revenue growth forecast to the low 30% range and updated its EBITDA margin expectations to reflect a slight decline or stability.

### Highlights

**Financial situation assessment...** Coca Cola İçecek announced a net profit of 5.408 million TL in its second-quarter results, exceeding expectations. Compared to the 2023/6 period, net profit increased by 5%, and in the 2Q24 period, it recorded a 20% increase compared to 2Q23. Net sales increased by 20% in 2Q24 compared to 2Q23, but declined by 3% in the 2024/6 period compared to 2023/6, remaining flat. Annual sales volume increased by 0.7%, while the six-month results showed a 1% contraction. An improvement in margins was observed, supported by a strong TL and commodity prices remaining at favorable levels. Operating expenses increased by 13.94%, which put pressure on operating profit. Nevertheless, operating profit and EBITDA showed a limited growth of 2%. During this period of expensive financing, finance expenses increased by 51.14%, putting pressure on net profit. The net finance expense/net sales ratio reached a historical peak of 5.7%. Net debt/EBITDA remained at 1.16. The debt-to-equity ratio dropped to 63%, while net debt stood at 21.2 million TL.

**2024 expectations and performance assessment...** The company revised its 2024 consolidated sales volume expectations downward, mainly due to the anticipated decline in purchasing power in its Middle Eastern operations. During the meeting, it was communicated that low-to-mid single-digit growth is expected in Turkish operations, while low single-digit contraction is expected in international operations. In light of this revised sales volume expectation and the impact of slowing price increases, the company updated its 2024 net sales revenue growth forecast to growth in the low 30% range (previous: low 40% range). Additionally, considering potentially worsening operating conditions, the company revised its EBITDA margin expectations from "in line with 2023" to "slight decline or flat" compared to the previous year. While we view the preserved consolidated sales volume growth and the observed increase in net profitability in 2Q24 positively, we believe that the downward revisions in future expectations will exert limited pressure on share performance. Nevertheless, we maintain our 12-month target price estimate of 88.82 TL.

### CCOLA

### BUY

Target Price TL88.82  
Return potential 42%

#### Share Data

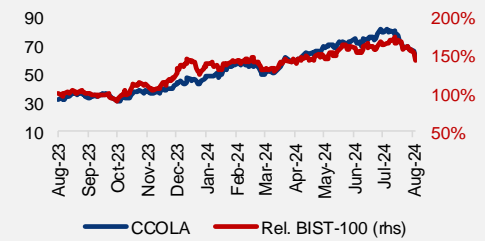
Ticker:	CCOLA TI
Share price (as of 20 August 2024)	62.40
Share price (52 week range)	30.9 / 81.6
Market cap. (TL mn - USD mn)	174,600 - 5,174
# of shares outstanding (mn)	2798.1
Free Float	25%

Avg. trading volume	1M	3M	12M
USD mn	14.9	15.8	14.1

Price performance	1M	3M	Y-t-D
TL	-21%	-9%	32%
USD	-23%	-13%	15%
Rel. to BIST-100	-12%	-2%	-1%

TL mn	2021	2022	2023
Revenues	21,930	93,190	101,042
EBITDA	4,593	16,024	17,918
Net Earnings	2,271	13,877	20,580
Net Debt	5,176	10,010	18,597

Valuation	2021	2022	2023
P/E	13.4x	13.2x	5.7x
P/BV	2.4x	2.4x	2.8x
EV/EBITDA	6.4x	6.9x	4.6x
EV/Sales	1.41x	1.43x	0.83x
Dividend Yield	3.4%	1.7%	1.0%



**Oğuzhan Kaymak**

+90 212 355 2604

[oguzhan.kaymak@tacirler.com.tr](mailto:oguzhan.kaymak@tacirler.com.tr)

**Ali Berk Coşkuntuna**

+90 212 355 2602

[berk.coskuntuna@tacirler.com.tr](mailto:berk.coskuntuna@tacirler.com.tr)

## Financials

(TL mln)	2023/2Q	2023/3Q	2023/4Q	2024/1Q	2024/2Q	Change (YoY)	Change (QoQ)
<b>Revenues</b>	39,315	31,734	30,480	29,519	36,600	-6.9%	24.0%
<b>EBITDA</b>	7,965	6,233	2,411	4,641	8,126	2.0%	75.1%
<b>Net Earnings</b>	4,501	4,327	12,830	2,944	5,408	20.2%	83.7%

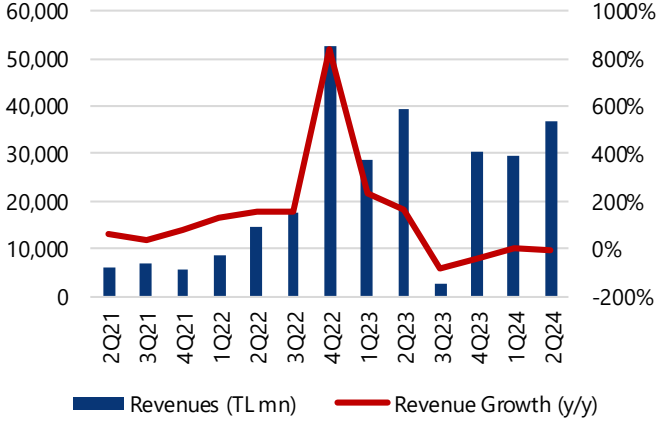
Balance Sheet	2019	2020	2021	2022	2023	Income statement	2019	2020	2021	2022	2023
Cash	2,933	4,684	4,215	24,336	27,604	<b>Revenues</b>	<b>12,008</b>	<b>14,391</b>	<b>21,930</b>	<b>93,190</b>	<b>101,042</b>
Accounts receivables	910	1,092	1,870	6,123	10,995	Gross profit	4,181	5,072	7,717	28,479	33,040
Inventory	872	1,041	2,501	11,193	16,194	Operating expenses	2,580	2,876	4,225	16,439	18,809
Other current assets	751	900	2,127	4,873	5,397	Operating profit	1,601	2,196	3,492	12,040	14,230
<b>Current assets</b>	<b>5,465</b>	<b>7,717</b>	<b>10,713</b>	<b>46,524</b>	<b>60,190</b>	<b>EBITDA</b>	<b>2,296</b>	<b>3,114</b>	<b>4,593</b>	<b>16,024</b>	<b>17,918</b>
Financial investments	0	0	0	0	0	Other income, net	-81	-137	-141	-109	218
Net fixed assets	6,899	7,344	12,003	33,678	43,950	Financial income, net	-335	-289	225	7,077	11,525
Intangible assets	2,174	2,464	7,427	20,006	24,074	Earnings before taxes	1,185	1,766	3,572	19,003	25,956
Other non-current assets	1,421	1,623	3,119	7,051	9,191	Tax expense	246	448	1,151	4,616	4,796
<b>Non-current assets</b>	<b>10,495</b>	<b>11,430</b>	<b>22,548</b>	<b>60,735</b>	<b>77,215</b>	<b>Net earnings - Parent</b>	<b>963</b>	<b>1,237</b>	<b>2,271</b>	<b>13,877</b>	<b>20,580</b>
<b>Total assets</b>	<b>15,960</b>	<b>19,147</b>	<b>33,262</b>	<b>107,259</b>	<b>137,406</b>	<b>Cashflow statement</b>					
Short-term financial loans	1,493	1,300	1,368	9,538	22,531	EBITDA	<b>2,296</b>	<b>3,114</b>	<b>4,593</b>	<b>16,024</b>	<b>17,918</b>
Accounts payables	1,481	1,837	3,957	13,650	23,196	Taxes on EBIT	332	557	1,126	2,924	2,629
Other short-term payables	562	1,186	2,158	5,197	6,048	Capital expenditures	741	643	1,080	5,224	5,905
<b>Current liabilities</b>	<b>3,536</b>	<b>4,323</b>	<b>7,483</b>	<b>28,385</b>	<b>51,775</b>	Chg. in NWC	13	-479	373	2,958	1
Long-term financial loans	3,998	4,861	8,023	24,808	23,670	<b>Free cashflows to firm</b>	<b>1,210</b>	<b>2,393</b>	<b>2,014</b>	<b>4,917</b>	<b>9,383</b>
Other long-term payables	1,056	1,227	2,786	6,917	5,886	<b>Growth &amp; margins</b>					
<b>Non-current liabilities</b>	<b>5,054</b>	<b>6,088</b>	<b>10,810</b>	<b>31,724</b>	<b>29,556</b>	Revenues	13%	20%	52%	325%	8%
<b>Shareholders' equity</b>	<b>7,369</b>	<b>8,737</b>	<b>14,970</b>	<b>47,150</b>	<b>56,074</b>	EBITDA	23%	36%	47%	249%	12%
Parent company	6,515	7,662	13,055	40,797	49,004	Net earnings	200%	28%	84%	511%	48%
Minorities	854	1,074	1,915	6,353	7,070	Gross margin	34.8%	35.2%	35.2%	30.6%	32.7%
<b>Total liabilities &amp; equity</b>	<b>15,960</b>	<b>19,147</b>	<b>33,262</b>	<b>107,259</b>	<b>137,406</b>	Operating margin	13.3%	15.3%	15.9%	12.9%	14.1%
Net debt	2,559	1,477	5,176	10,010	18,597	EBITDA margin	19.1%	21.6%	20.9%	17.2%	17.7%
Net working capital	489	10	383	3,342	3,342	Net margin	8.0%	8.6%	10.4%	14.9%	20.4%
Net working capital (Operatin	300	296	414	3,665	3,992	Free cashflow margin	8.0%	8.6%	10.4%	14.9%	20.4%
Invested Capital	9,563	9,818	19,813	57,025	71,366	<b>Per share (TL)</b>					
<b>Ratios</b>						EPS	0.34	0.44	0.81	4.96	7.35
<b>Profitability</b>						BVPS	2.63	3.12	5.35	16.85	20.04
ROE	14.0%	15.4%	19.2%	44.7%	39.9%	DPS	0.11	0.09	0.25	0.21	0.27
Net margin	8.0%	8.6%	10.4%	14.9%	20.4%	<b>Valuation</b>					
Asset turnover	0.8x	0.8x	0.8x	1.3x	0.8x	P/E	94.5x	10.5x	13.4x	13.2x	5.7x
Leverage	2.2x	2.2x	2.2x	2.3x	2.4x	P/BV	1.38x	1.66x	2.42x	2.44x	2.84x
ROA	6.4%	7.0%	8.7%	19.8%	16.8%	EV/EBITDA	5.7x	5.8x	6.4x	6.9x	4.6x
ROIC	13.9%	18.1%	18.9%	25.1%	17.7%	EV/Sales	1.02x	1.13x	1.41x	1.43x	0.83x
<b>Leverage</b>						Dividend Yield	3.6%	2.1%	3.4%	1.7%	1.0%
Financial debt/Total assets	34%	32%	28%	32%	34%	Free cashflow yield	14.6%	20.6%	9.7%	13.7%	12.2%
Net debt/Equity	0.35	0.17	0.35	0.21	0.33						
Net debt/EBITDA	1.11	0.47	1.13	0.62	1.04						

Source: Bloomberg, Tacirler Investment

\* All figures are stated in millions of TL unless otherwise stated.

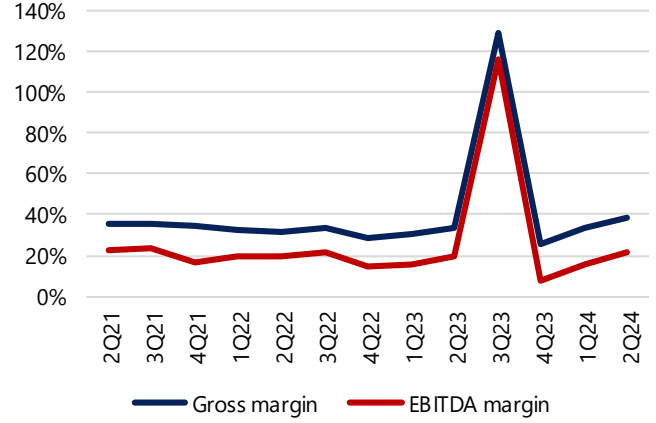
## Key Financial Indicators (Quarterly)

### Revenue trends



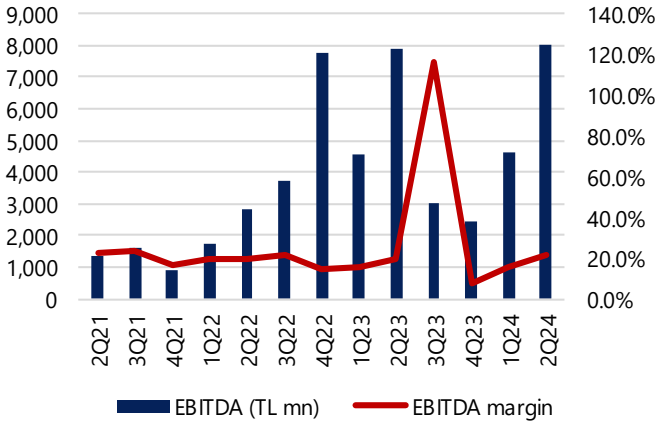
Source: Tacirler Investment

### Operating margin evolution



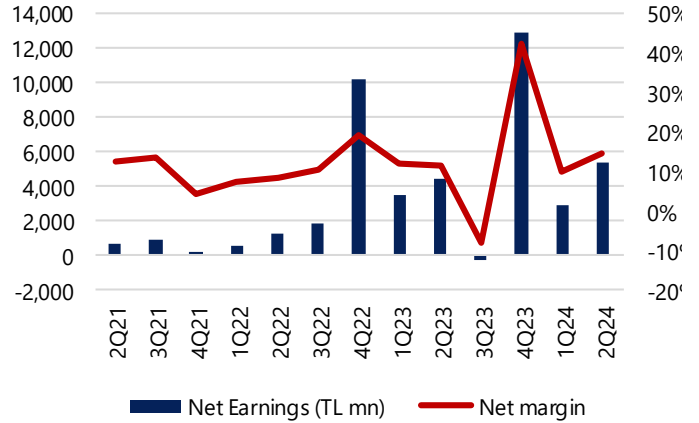
Source: Tacirler Investment

### EBITDA trends



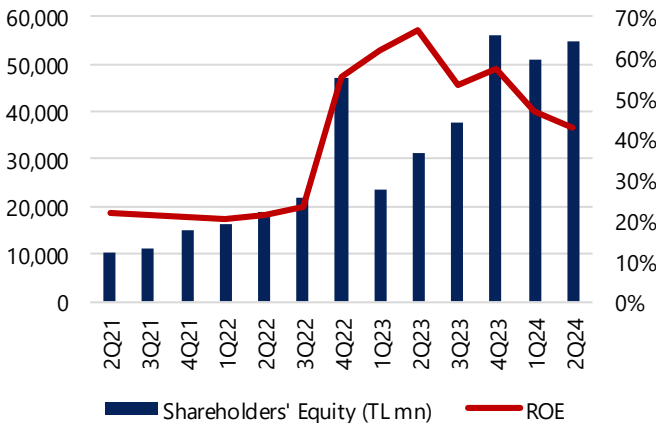
Source: Tacirler Investment

### Net earnings trends



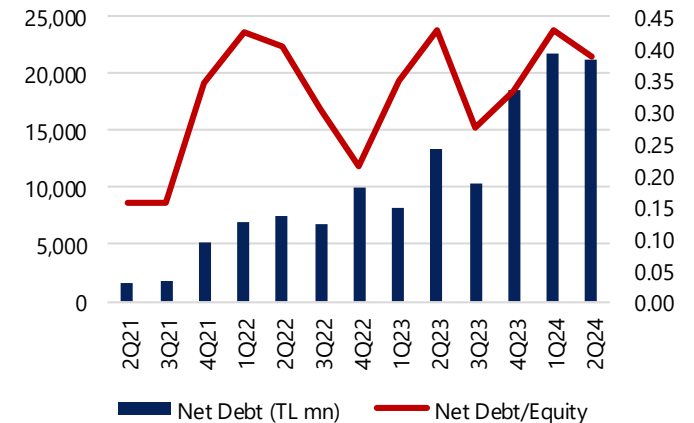
Source: Tacirler Investment

### Profitability trends



Source: Tacirler Investment

### Trends in financial leverage



Source: Tacirler Investment

## Yatırım Merkezlerimiz

## Genel Müdürlük

Nispetiye Cad. B-3 Blok Kat: 9 Akmerkez Etiler - İSTANBUL  
0 212 355 46 46

<b>Adana</b>	Cemal Paşa Mah. Gazipaşa Bul. Cemal Uğurlu Apt. Kat: 1 D: 4	(0 322) 457 77 55
<b>Akatlar İrtibat Bürosu</b>	Akat Mahallesi Meydan Caddesi B Blok No: 16 D: 8 (Eski No D: 10) Beşiktaş	(0 212) 355 46 46
<b>Ankara</b>	Remzi Oğuz Ank Mah. Tunalı Hilmi Cad. Yaprak Apt. No: 94 Kat: 2 D: 9 Kavaklıdere Çankaya	(0 312) 435 18 36
<b>Ankara - Çukurambar İrtibat Bürosu</b>	Kızılırmak Mah.Ufuk Üniversitesi Cad. Next Level Loft Ofis No: 4/65 Kat: 24 Söğütözü Çankaya	(0 312) 909 87 70
<b>Antalya</b>	Şirinyalı Mah. İsmet Gökşen Cad. Özden Apt. No:82/6 Muratpaşa	(0 242) 248 45 20
<b>Bakırköy</b>	İstanbul Cad. Bakırköy İş Merkezi No: 6 Kat: 4 D: 14 Bakırköy	(0 212) 570 52 59
<b>Bodrum İrtibat Bürosu</b>	Konaklı Mahallesi, Atatürk Bulvarı, Arbor-Abdullah Ünal Çabuk İş Merkezi No: 285/1-A6 Bodrum	(0 212) 355 46 46
<b>Bursa</b>	Konak Mah. Banş (120) Sokak , Ofis Artı Binası, Dış kapı No:3 Daire:33 Nilüfer-BURSA	(0 224) 225 64 10
<b>Çankaya İrtibat Bürosu</b>	Çankaya Mahallesi Cinnah Caddesi Cinnah Apartmanı No: 55 D: 7-8 Çankaya / ANKARA	(0 212) 355 46 46
<b>Denizli</b>	Urban İş Merkezi 2. Ticari Yol Daire 26 Kat: 6 Bayramyeri	(0 258) 265 87 85
<b>Erenköy</b>	Bağdat Cad. Çubukçu Apt. No: 333 Kat: 2 D: 4 Kadıköy	(0 216) 348 82 82
<b>Gaziantep</b>	İncilipinar Mah. Gazimuhtarpaşa Bul. Kepkepze Park İş Merkezi B Blok No: 18 Kat: 1 D: 5	(0 342) 232 35 35
<b>Girne</b>	Ziya Rızki Cad. Şehit Necati Gürkaya Sok. Kat: 1 D: 1 Girne - KKTC	(0 392) 815 14 55-0533 889 15 51
<b>İzmir</b>	Kültür Mahallesi, Cumhuriyet Bulvarı No:137 Cumhuriyet Apt. K:5 D:12 Konak – İzmir	(0 232) 445 01 61
<b>İzmir Karşıyaka Şube</b>	Yalı Mahallesi Ahmet Kemal Baysak Bulvarı No:42 D:11	(0 232) 241 19 24
<b>İzmir İrtibat Bürosu</b>	Şehit Nevres Bulvarı Eczacıbaşı Apartmanı No: 7 Kat: 2 Daire: 5 Pasaport Alsancak - Konak	(0 232) 241 24 50
<b>İzmit</b>	Hürriyet Cad. Kaya İşhanı No: 39/5 İzmit	(0 262) 323 11 33
<b>İzmit İrtibat Bürosu</b>	Ömerağa Mah. Alemdar Cad. İ. Kolaylı Apt. No: 8 Kat: 2 İzmit	(0 262) 260 01 01
<b>Karadeniz Ereğli</b>	Bağlık Mahallesi Karanfil Sokak No:16/A Karadeniz Ereğli – Zonguldak	(0 372) 316 40 50
<b>Kartal</b>	Üsküdar Cad. Cevat Kayacan Apt. No: 26 Kat: 4 D: 8 Kartal	(0 216) 306 22 71-306 22 06
<b>Kayseri</b>	Hunat Mah. Nuh Mehmet Baldöktü Sok. Gürcüoğlu Plaza No: 5 K: 3 D: 11 Melikgazi	(0 352) 221 08 68-222 82 51
<b>Marmaris İrtibat Bürosu</b>	Kemeraltı Mah. Orgeneral Mustafa Muğlalı Cad. Güven Apt. No: 22 D: 2 Marmaris	(0 252) 321 08 00
<b>Merkez Şube</b>	Akat Mahallesi Meydan Caddesi B Blok No: 16 D: 7 (Eski No D: 9) Beşiktaş	(0 212) 355 46 46
<b>Mersin</b>	İnönü Mah. 1401 Sok. No:32 Pozcu Evo Kat:2 No:10-11 Yenişehir Mersin	(0 324) 238 11 89
<b>Trabzon İrtibat Bürosu</b>	Kemerkaya Mahallesi Halkevi Cad. Mandıralı İş Merkezi No: 4 Daire: 4 Ortahisar	(0 462) 432 24 50

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