

TAB Gıda Sanayi ve Ticaret A.Ş.

We attended Tab Gıda's analyst meeting to evaluate the company's 3Q24 financial results, current operations, and future outlook. Despite the economic slowdown, Tab Gıda recorded revenue growth in the first nine months of 2024. The company achieved TL22.9bln in revenue with a real increase of 1.9%; excluding the application of IAS 29, net sales grew by 67% to TL20.3bln. Gross profit stood at TL4.0bln, while adjusted EBITDA was recorded at TL4.9bln. Although the company revised its year-end revenue forecast downward to TL28bln, it maintained its EBITDA margin expectation at 21%. Tab Gıda continues its operational performance in line with new restaurant openings and growth targets for 2024.

Highlights

Financial Status Assessment... In the first nine months of 2024, Tab Gıda reached TL22.9bln in revenue with a 1.9% real increase according to IAS 29; without IAS 29 application, net sales grew by 67% to TL20.3bln. Gross profit was recorded at TL4.0bln, rising to TL4.3bln with a 65% increase without IAS 29. Adjusted EBITDA showed 3.5% real growth, reaching TL4.9bln, or TL4.3bln with a 69% increase excluding IAS 29. System-wide sales rose by 64% to TL30.1bln. In the third quarter, revenue was TL8.0bln under IAS 29, or TL7.7bln with a 51% increase without IAS 29. Gross profit was TL1.5bln with IAS 29, and TL1.7bln, a 53% increase, without it. Adjusted EBITDA grew by 1.7% in real terms to TL1.8bln or reached TL1.7bln with a 64% increase without IAS 29. System-wide sales rose by 47% to TL11.7bln excluding IAS 29. Pre-tax profit increased by 160% in Q3 to TL1.3bln, while net profit rose by 115% to TL1.2bln. By the end of the first nine months, pre-tax profit grew by 192% to TL3.4bln, and net profit increased by 110% to TL3.2bln. Total cash reached TL5.5bln, while financial debt remained at TL42mln. A dividend payment of TL146.5mln was made in July. With no foreign currency debt and domestic sourcing, the company's exposure to currency risk is limited.

Revised 2024 Expectations... Due to the economic slowdown and reduced consumer purchasing power, the company revised its year-end revenue expectation down from TL30bln to TL28bln. Despite this adjustment in revenue expectations, the EBITDA margin expectation remained steady at 21%. Operationally, the target of 200 store openings by Q2 was maintained, with 76 new restaurants opened in Q3, totaling 182 new restaurants in the nine-month period. Additionally, 121 franchise restaurants were opened as of the end of September.

TABGD

Share Data

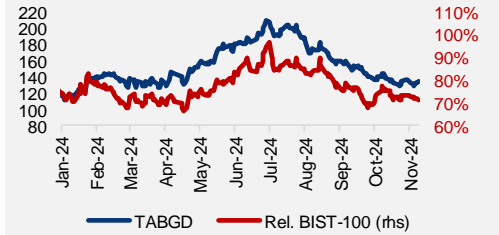
Ticker:	TABGD TL		
Share price (as of 08 November 2024)	135.00		
Share price (52 week range)	98.7 / 209.0		
Market cap. (TL mn - USD mn)	35,274 - 1,030		
# of shares outstanding (mn)	261.3		
Free Float	20%		

Avg. trading volume	1M	3M	12M
USD mn	3.2	4.2	8.1

Price performance	1M	3M	Y-t-D
TL	-7%	-23%	16%
USD	-7%	-24%	-1%
Rel. to BIST-100	-8%	-15%	-6%

TL mn	2021	2022	2023
Revenues	3,834	16,612	19,988
EBITDA	419	2,286	4,233
Net Earnings	-130	1,853	2,458
Net Debt	1,258	4,411	-2,466

Valuation	2021	2022	2023
P/E			1.5x
P/BV			3.2x
EV/EBITDA			1.5x
EV/Sales			0.22x
Dividend Yield			n.a.



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Summary

(TL mln)	2023/3Q	2023/4Q	2024/1Q	2024/2Q	2024/3Q	Change (YoY)	Change (QoQ)
Revenues	8,345	-2,500	6,697	7,528	8,015	-4.0%	6.5%
EBITDA	1,927	-403	955	1,836	1,976	2.5%	7.7%
Net Earnings	797	-658	157	769	540	-32.3%	-29.8%

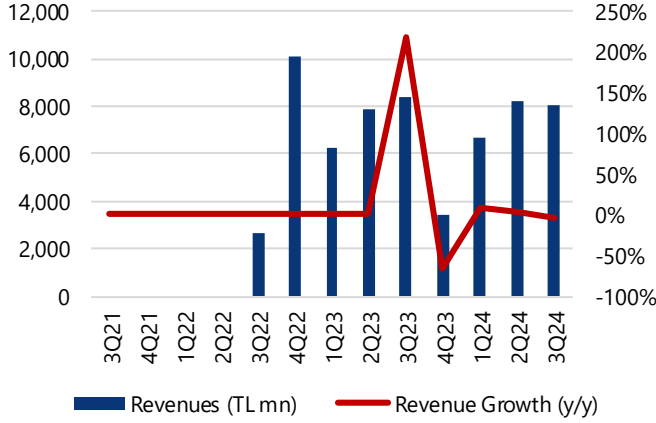
Balance Sheet	2021	2022	2023	Income statement	2021	2022	2023
Cash	29	280	5,360	Revenues	3,834	16,612	19,988
Accounts receivables	213	563	883	Gross profit	615	1,630	3,395
Inventory	82	243	383	Operating expenses	325	1,367	1,605
Other current assets	99	293	1,163	Operating profit	290	263	1,790
Current assets	423	1,378	7,789	EBITDA	419	2,286	4,233
Financial investments	0	0	0	Other income, net	61	245	316
Net fixed assets	1,386	4,572	7,101	Financial income, net	-504	1,467	603
Intangible assets	98	543	794	Earnings before taxes	-153	1,975	2,709
Other non-current assets	837	4,771	4,884	Tax expense	-22	122	251
Non-current assets	2,321	9,886	12,779	Net earnings - Parent	-130	1,853	2,458
Total assets	2,744	11,264	20,568	Cashflow statement			
Short-term financial loans	701	2,295	1,069	EBITDA	419	2,286	4,233
Accounts payables	637	1,637	2,034	Taxes on EBIT	42	16	166
Other short-term payables	193	650	1,147	Capital expenditures	146	1,075	1,428
Current liabilities	1,531	4,583	4,250	Chg. in NWC	10	-753	437
Long-term financial loans	586	2,396	1,824	Free cashflows to firm	220	1,948	2,202
Other long-term payables	754	1,050	1,343	Growth & margins			
Non-current liabilities	1,340	3,445	3,167	Revenues	77%	333%	20%
Shareholders' equity	-128	3,236	13,151	EBITDA	513%	446%	85%
Parent company	-128	3,236	13,151	Net earnings	-58%	-1520%	33%
Minorities	0	0	0	Gross margin	16.0%	9.8%	17.0%
Total liabilities & equity	2,744	11,264	20,568	Operating margin	7.6%	1.6%	9.0%
Net debt	1,258	4,411	-2,466	EBITDA margin	10.9%	13.8%	21.2%
Net working capital	-436	-1,189	-752	Net margin	-3.4%	11.2%	12.3%
Net working capital (Operatin	-342	-832	-768	Free cashflow margin	-3.4%	11.2%	12.3%
Invested Capital	1,047	3,926	7,143	Per share (TL)			
Ratios				EPS	-0.50	7.09	9.41
Profitability				BVPS	-0.49	12.38	50.33
ROE	52.3%	119.3%	30.0%	DPS	0.00	0.00	0.00
Net margin	-3.4%	11.2%	12.3%	Valuation			
Asset turnover	1.6x	2.4x	1.3x	P/E			1.5x
Leverage	-9.6x	4.5x	1.9x	P/BV			3.2x
ROA	-5.4%	26.5%	15.4%	EV/EBITDA			1.5x
ROIC	30.6%	8.5%	25.9%	EV/Sales			0.2x
Leverage				Dividend Yield			n.a.
Financial debt/Total assets	47%	42%	14%	Free cashflow yield			n.a.
Net debt/Equity	-9.86	1.36	-0.19				
Net debt/EBITDA	3.01	1.93	-0.58				

Source: Bloomberg, Tacirler Investment

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

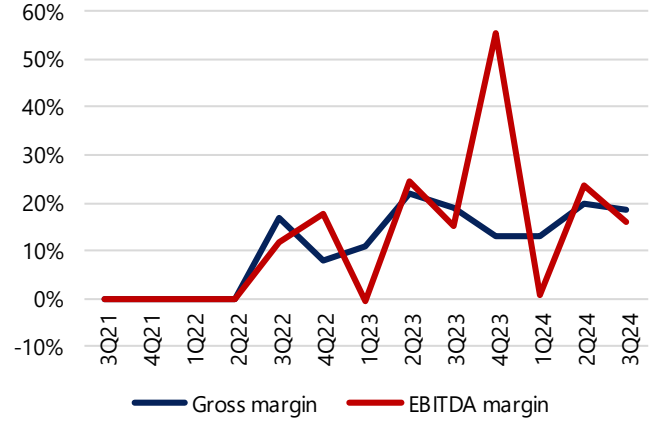
Key Financial Indicators (Quarterly)

Revenue trends



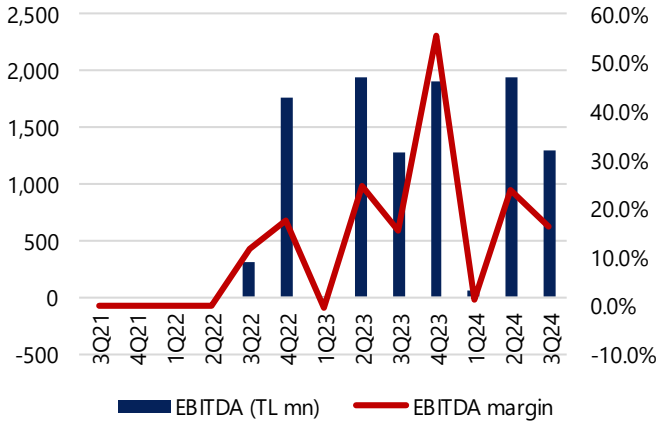
Source: Tacirler Investment

Operating margin evolution



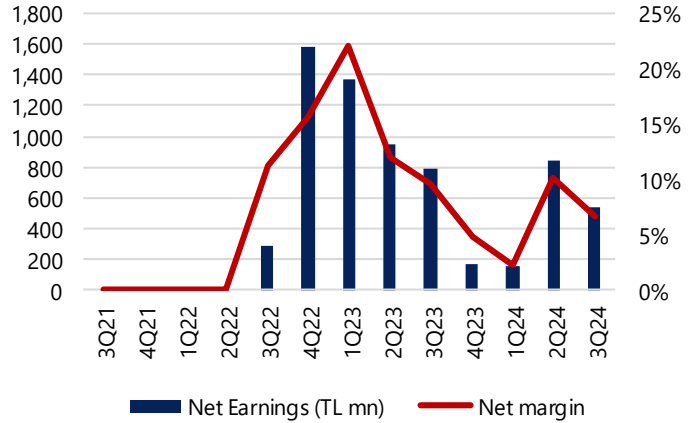
Source: Tacirler Investment

EBITDA trends



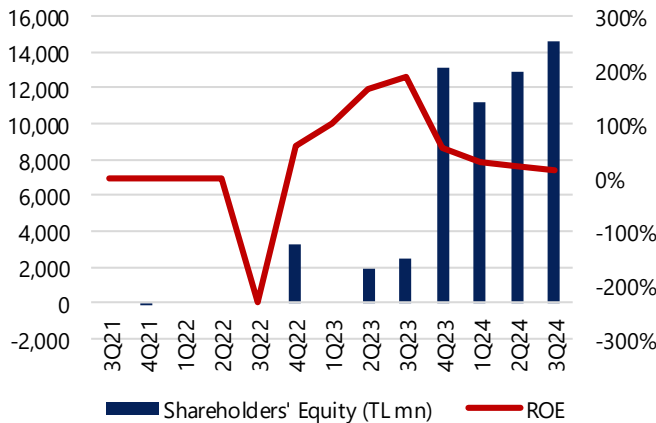
Source: Tacirler Investment

Net earnings trends



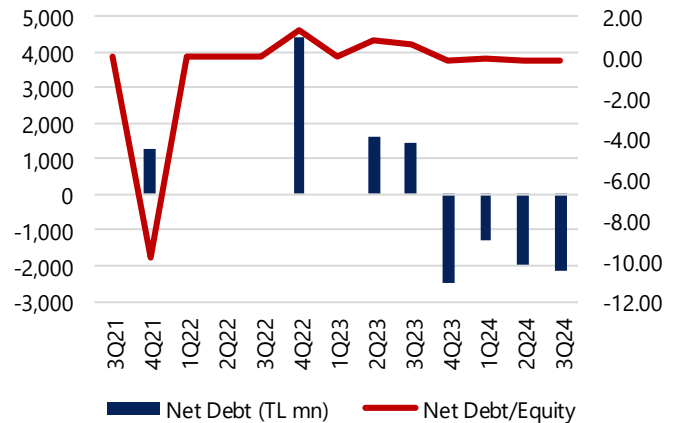
Source: Tacirler Investment

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

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

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