

# Financial Analysis – 4Q24

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TACİRLER  
YATIRIM

## Coca-Cola İçecek

CCOLA announced its 4Q24 financial results with a net loss of TL351 million, significantly below the market expectation of TL2,182 million and our own estimate. The pressure on gross profitability from its Turkey operations and the contraction in operational margins impacted the results. We view the results as slightly negative. However, we find the company's forward-looking guidance and the strategic process shared during the investor meeting positive. Accordingly, we revise our 12-month target price for CCOLA from TL84.00 to TL80.00 while maintaining our 'BUY' recommendation. Based on our target price, which implies a 46% upside potential, the company is trading at 6.8x P/E and 5.5x EV/EBITDA multiples in line with our 2025 estimates.

### Key Highlights

**4Q24 net income fell short of expectations...** In 4Q24, according to inflation-adjusted financials, the company reported a net loss of TL351 million, contrary to the market expectation of TL2,182 million net profit (4Q23: TL6,286 million). The significant year-over-year decline in net monetary position gain (4Q23: TL5,990 million → 4Q24: TL1,533 million), an 8.4% annual contraction in net sales revenue, the increase in operating expenses, and the rise in net financial expenses (4Q23: -TL1,782 million → 4Q24: -TL2,027 million) pressured operational profitability, contributing to the reported loss.

**Positive developments in Turkey & International operations...** In Turkey operations, strong growth was recorded with an 18% volume increase, and revenues rose by 42% YoY, reaching TL10.9 billion (a 17% increase in USD terms). Net sales revenue per unit case (NSR/UC) increased by 20% YoY to TL105. However, weak pricing and pressure from raw material costs negatively impacted profitability. In international operations, volume growth remained limited at 1.4%, while revenues increased by 16% YoY, reaching TL14.8 billion. In Pakistan, volumes grew by 4.8% after six consecutive quarters of decline. Although NSR/UC fell by 6% YoY to USD2.6, it showed a quarterly recovery, reaching the second-highest level in historical terms. Despite an improvement in the gross profit margin, the increase in operating expenses put pressure on profitability. **Overall, while volume growth in Turkey was strong, profitability remained weak. On the international side, volume growth was limited, but operational profitability remained relatively more resilient.**

**2025 Outlook...** The company projects growth in volume, net sales revenue, and profitability in line with its financial expectations for 2025. On a consolidated basis, mid-single-digit volume growth is targeted, with low-to-mid-single-digit growth expected in Turkey operations and mid-to-high-single-digit growth in international operations. Regarding net sales revenue per unit case (NSR/UC) growth, the company anticipates FX-neutral growth in the low-20s range before IAS 29 adjustments and mid-single-digit growth after IAS 29 adjustments. On the EBIT side, a slight margin contraction is expected before IAS 29 adjustments, while the EBITDA margin is projected to remain flat post-IAS 29. **These expectations for 2025 align with the company's previous guidance and indicate a balanced growth strategy, supported by a diminishing impact of inflation on operational margins.**

## CCOLA

## BUY

Target Price TL 80.00  
Return potential 46%

### Share Data

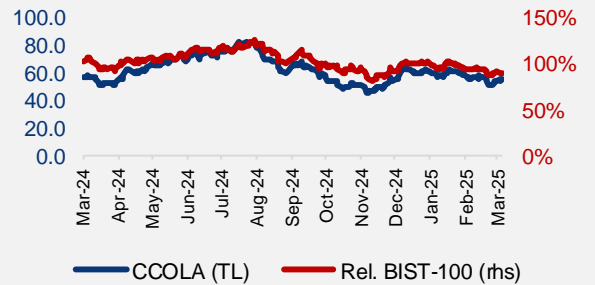
Ticker: CCOLA TI  
Share price (as of 05.03.2025) 54.85  
Share price (52 week range) 45.1 / 81.6  
Market cap. (TL mn - USD mn) 153,475 - 4,220  
# of shares (mn) & free float 2798.1 - 25%  
Foreign Ownership Rate 80.5%  
Market BIST STAR  
Industry Beverages and Soft Drinks

Avg. trading volume 1M 3M 12M  
USD mn 9.8 10.8 12.8

Price performance 1M 3M Y-t-D  
TL 0% -6% -9%  
USD -1% -10% -11%  
Rel. to BIST-100 -5% -8% -12%

Forecasts (TL mn) 2024 2025E 2026E  
Revenues 137,683 165,220 198,264  
EBITDA 24,143 31,722 43,023  
Net Earnings 14,896 22,672 28,048

Valuation 2024 2025E 2026E  
P/E 10.3x 6.8x 5.5x  
P/BV 2.9x 2.1x 1.6x  
EV/EBITDA 7.4x 5.5x 3.8x



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## Projections

We are updating our estimates...

We value CCOLA using the discounted cash flow method and calculate our 12-month forward target price as TL80.00 per share. Our target price implies a 46% upside potential based on the last closing price.

(TL mn)	2024	2025E	2026E	2027E	2028E	2029E
<b>Revenues</b>	<b>137,683</b>	<b>165,220</b>	<b>198,264</b>	<b>235,934</b>	<b>278,402</b>	<b>314,594</b>
Growth%	-5.6%	20.0%	20.0%	19.0%	18.0%	13.0%
<b>EBITDA</b>	<b>24,143</b>	<b>31,722</b>	<b>43,023</b>	<b>52,259</b>	<b>61,248</b>	<b>68,582</b>
Growth%	-6.7%	31.4%	35.6%	21.5%	17.2%	12.0%
<i>EBITDA Margin</i>	17.5%	19.2%	21.7%	22.2%	22.0%	21.8%
Taxes paid on EBIT	-5,051	-7,891	-10,890	-12,543	-13,408	-13,062
CAPEX	-12,255	-13,218	-13,878	-14,864	-16,704	-18,876
Change in Net Working Capital	-1,524	-2,357	477	301	340	290
<b>Free cash flow from operations</b>	<b>8,361</b>	<b>12,971</b>	<b>17,778</b>	<b>24,551</b>	<b>30,797</b>	<b>36,354</b>
FCFF Margin	6.1%	7.9%	9.0%	10.4%	11.1%	11.6%
WACC		22%	22%	22%	22%	21%
<b>DFC</b>		<b>10,589</b>	<b>11,890</b>	<b>13,532</b>	<b>14,057</b>	<b>13,828</b>
Terminal growth rate	5%					
PV of Terminal Value	92,267					
PV of FCFF	116,267					
<b>Enterprise Value</b>	<b>208,533</b>					
Latest Net Debt	25,795					
Minority Interest	7,949					
<b>Equity Value</b>	<b>174,885</b>					
# of shares outstanding (mn)	2798					
<b>Fair Value per share (12-mth fwd)</b>	<b>80.00</b>					
Current share price	54.85					
<b>Upside / (Downside)</b>	<b>46%</b>					

## CCOLA – Summary

Balance Sheet (TLmn)	2024	2025E	2026E
Cash	23,254	31,328	45,301
Accounts receivables	13,703	14,938	17,925
Inventory	15,381	17,654	20,858
Financial investments	96	1,652	1,983
Fixed assets	83,962	91,403	98,342
Other non-current assets	11,931	14,870	19,826
<b>Total assets</b>	<b>148,327</b>	<b>171,844</b>	<b>204,236</b>
Short-term financial loans	21,406	23,118	24,968
Accounts payables	25,618	31,482	37,198
Long-term financial loans	27,739	29,126	30,582
Other long-term payables	11,911	14,870	15,861
<b>Non-current liabilities</b>	<b>39,650</b>	<b>43,995</b>	<b>46,443</b>
<b>Shareholders' equity</b>	<b>53,704</b>	<b>73,248</b>	<b>95,628</b>
Paid in Capital	2,798	2,798	2,798
<b>Total liabilities &amp; equity</b>	<b>148,327</b>	<b>171,844</b>	<b>204,236</b>
Net debt	25,891	20,916	10,248
Net working capital	3,466	1,109	1,586

## Per share (TL)

EPS	5.32	8.10	10.02
BVPS	19.19	26.18	34.18
DPS	0.88	1.12	2.03

## Ratios

## Profitability

ROE	27.0%	35.7%	33.2%
Net margin	10.8%	13.7%	14.1%
Asset turnover	0.9x	1.0x	1.1x
Leverage	2.8x	2.5x	2.2x
ROA	9.7%	14.2%	14.9%

## Leverage

Financial debt/Total assets	33%	30%	27%
Net debt/Equity	0.48	0.29	0.11
Net debt/EBITDA	1.07	0.66	0.24

Income statement	2024	2025E	2026E
<b>Revenues</b>	<b>137,683</b>	<b>165,220</b>	<b>198,264</b>
Gross profit	48,590	57,827	71,375
Operating expenses	-30,224	-33,044	-37,868
Operating profit	18,366	24,783	33,507
<b>EBITDA</b>	<b>24,143</b>	<b>31,722</b>	<b>43,023</b>
Other income, net	519	582	582
Financial income, net	1,136	5,287	4,957
Earnings before taxes	19,947	30,562	38,938
Tax expense	-5,051	-7,891	-10,890
<b>Net earnings</b>	<b>14,896</b>	<b>22,672</b>	<b>28,048</b>

## Cashflow statement

EBITDA	<b>24,143</b>	<b>31,722</b>	<b>43,023</b>
Taxes on EBIT	-5,051	-7,891	-10,890
Capital expenditures	-12,255	-13,218	-13,878
Chg. in NWC	-1,524	-2,357	477
<b>Free cashflows to firm</b>	<b>8,361</b>	<b>12,971</b>	<b>17,778</b>

## Growth &amp; margins

Revenues	-6%	20%	20%
EBITDA	-7%	31%	36%
Net earnings	-50%	52%	24%
Gross margin	35.3%	35.0%	36.0%
Operating margin	13.3%	15.0%	16.9%
EBITDA margin	17.5%	19.2%	21.7%
Net margin	10.8%	13.7%	14.1%
Free cashflow margin	6.1%	7.9%	9.0%

## Valuation

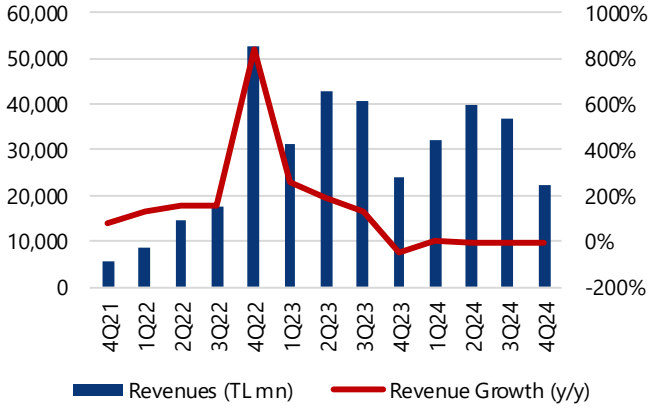
P/E	10.3x	6.8x	5.5x
P/BV	2.9x	2.1x	1.6x
EV/EBITDA	7.4x	5.5x	3.8x
EV/Sales	1.3x	1.1x	0.8x
Dividend Yield	1.6%	2.0%	3.7%
Free cashflow yield	5.4%	8.5%	11.6%

Source: Company Data, Tacirler Investment

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

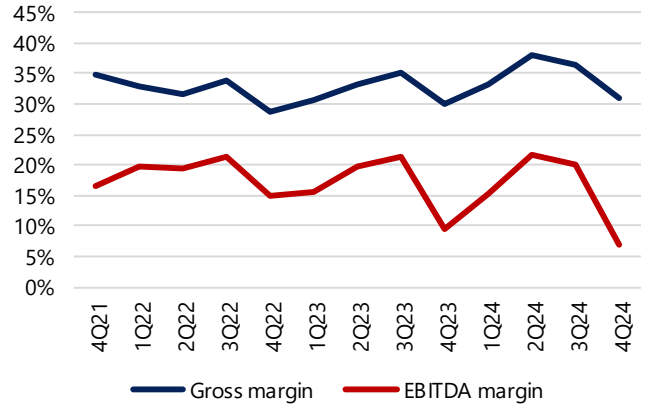
Key Financial Indicators (Quarterly)

Revenue trends



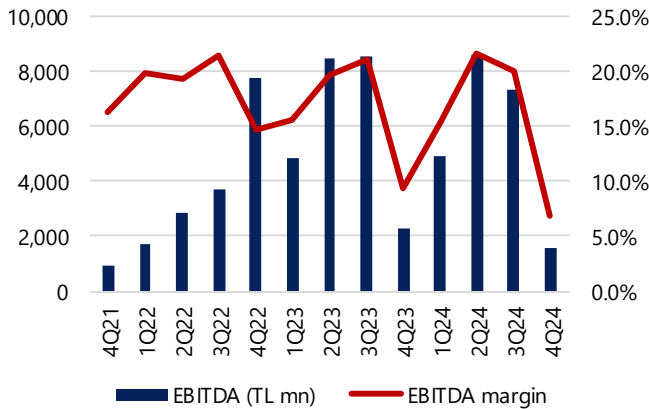
Source: Tacirler Investment

Operating margin evolution



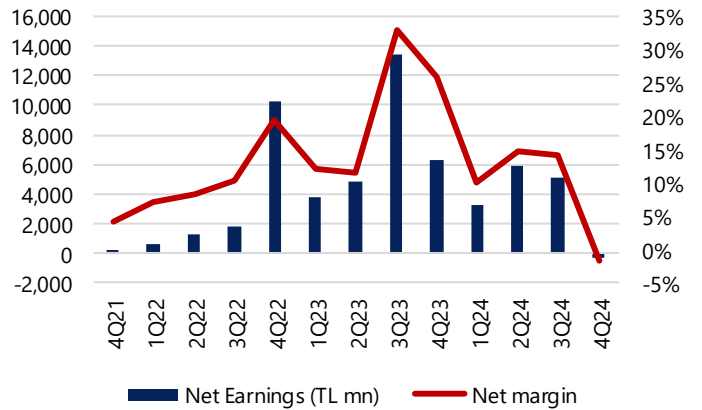
Source: Tacirler Investment

EBITDA trends



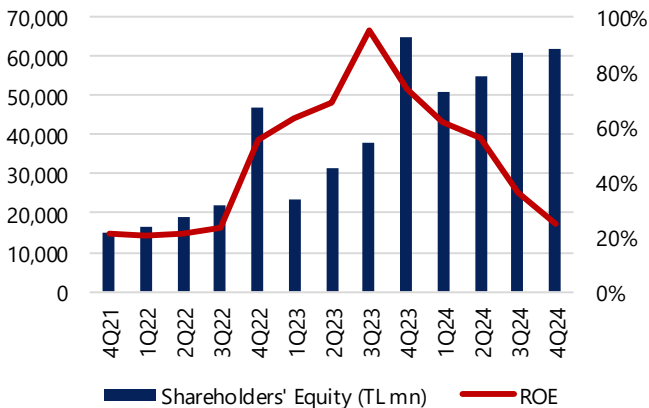
Source: Tacirler Investment

Net earnings trends



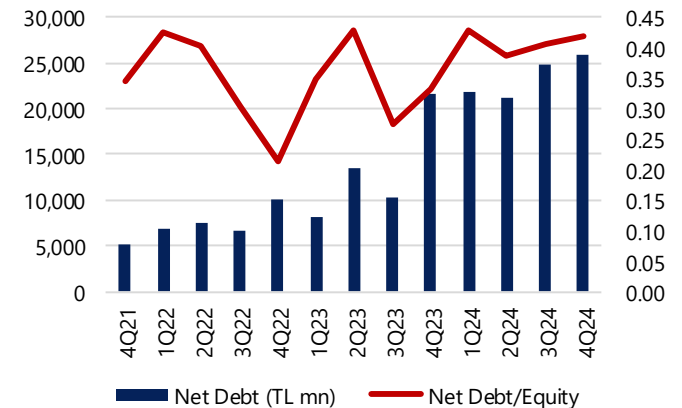
Source: Tacirler Investment

Profitability trends



Source: Tacirler Investment

Trends in financial leverage



Source: Tacirler Investment

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