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## AEFES (OP) 2Q24 Financial Results – Slightly Negative

2Q24	Announced	Consensus	Garanti
Net Sales (TLmn)	<b>60,508</b>	64,613	66,738
EBITDA (TLmn)	<b>12,144</b>	11,158	13,572
EBITDA Margin (%)	<b>20.1%</b>	17.3%	20.3%
Net Profit (TLmn)	<b>3,955</b>	5,438	5,078

### Net Profit Below Consensus

- AEFES disclosed a net profit of TL3,955mn for 2Q24, below the market expectation of TL5,438mn (GS: TL5,078mn).
- The company's sales revenues also below the expectations, respectively down 5% yoy and up 28% qoq mainly thanks of seasonally effect. Revenue came in at TL60,508mn.
- AEFES registered an EBITDA of TL12,144mn in 2Q24, with an EBITDA margin of 20.1%. The market expectation had been for a 17.3% EBITDA margin and TL11,158mn EBITDA. On an annual basis, there was 7% decrease in EBITDA and a 0.4pp contraction in the EBITDA margin on a consolidated basis. The EBITDA margin expanded by 8.2pp compared to the previous quarter, thanks of high season.
- Beer Group's EBITDA (company calculation) decreased by 19.5% to TL 4,356mn in 2Q24, with a margin contraction of 3.8pp compared to the same period of the previous year, marking it at 18.5%. International beer operations, however, recorded higher operational expenses primarily due to increased transportation costs in Russia, combined with softer gross profitability, led to a decline in margin.
- Beer Group's net income was TL 2,368mn in 2Q24 compared to TL 4,102mn a year ago. The decline in the bottom line is attributable to higher interest expenses in Türkiye, driven by increased borrowing costs, and heightened FX losses recorded from hard currency cash held in Russia as a result of stronger RUB against hard currencies during in 2Q versus previous quarter.
- The beer group net debt/EBITDA (BNRI) ratio was realized at -0.01x (LT92mn net cash) as of 6M24.

### 2024 Guidance Revised

- Consolidated sales volume growth is expected to be at low-single digit (previously: grow by low-to-mid single digit)
- Consolidated net sales revenue growth is expected to be at low-thirties on FX-neutral basis (no change)
- Consolidated EBITDA (BNRI) Margin is expected to decline around 1.0pp (no change)

### We expect a slightly negative market reaction

- Considering whole results and revised guidance, we expect a slightly negative impact on the share price. Following the results announced by CCOLA yesterday, we highlighted that AEFES shares priced -4.2%.
- We maintain our **Outperform (OP)** recommendation for AEFES with a new target price of **TL332.1** (Önceki: 293.8TL).
- The company will hold an analyst meeting today at 16:00 pm local time.

Anadolu Efes Biracilik Summary Financials (mn TL)						Change		Change
	2Q23	1Q24	2Q24	6M23	6M24	2Q24/2Q23	2Q24/1Q24	6M24/6M23
<b>Net Sales</b>	<b>63,737</b>	<b>47,223</b>	<b>60,508</b>	<b>108,652</b>	<b>107,731</b>	<b>-5%</b>	<b>28%</b>	<b>-1%</b>
Cost Of Sales	-39,371	-30,311	-35,735	-69,011	-66,046	n.m.	n.m.	n.m.
Gross Profit	24,366	16,911	24,774	39,641	41,685	2%	46%	5%
Operating Profit	10,452	3,172	9,646	13,978	12,817	-8%	204%	-8%
<b>EBITDA</b>	<b>13,072</b>	<b>5,587</b>	<b>12,144</b>	<b>19,237</b>	<b>17,934</b>	<b>-7%</b>	<b>117%</b>	<b>-7%</b>
Net Other Inc./Exp	-265	-229	440	-445	210.4	n.m.	n.m.	n.m.
Income from Invest. Act.	674	24	-3	709	20	n.m.	n.m.	-97%
Financial Inc./Exp.(net)	2,629	3,693	-1,265	6,901	2,427	n.m.	n.m.	-65%
<b>PBT</b>	<b>13,416</b>	<b>6,647</b>	<b>8,825</b>	<b>20,966</b>	<b>15,472</b>	<b>-34%</b>	<b>33%</b>	<b>-26%</b>
Tax	-4,011	-1,070	-1,978	-5,939	-3,048	n.m.	n.m.	n.m.
Minority Interests	3,443	2,173	2,891	5,786	5,064	-16%	33%	-12%
<b>Net Income</b>	<b>5,962</b>	<b>3,404</b>	<b>3,955</b>	<b>9,241</b>	<b>7,360</b>	<b>-34%</b>	<b>16%</b>	<b>-20%</b>
Net Cash	-17,616	-29,077	-21,957	-17,616	-21,957			
Working Capital	-9,301	-14,223	-13,870	-9,301	-13,870			
Shareholders Equity	73,822	146,610	158,075	73,822	158,075			
<b>Ratios</b>						0 pp		
Gross Margin	38.2%	35.8%	40.9%	36.5%	38.7%	2.7 pp	5.1 pp	2.2 pp
Operating Margin	16.4%	6.7%	15.9%	12.9%	11.9%	-0.5 pp	9.2 pp	-1 pp
<b>EBITDA Margin</b>	<b>20.5%</b>	<b>11.8%</b>	<b>20.1%</b>	<b>17.7%</b>	<b>16.6%</b>	<b>-0.4 pp</b>	<b>8.2 pp</b>	<b>-1.1 pp</b>
Net Profit Margin	9.4%	7.2%	6.5%	8.5%	6.8%	-2.8 pp	-0.7 pp	-1.7 pp

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