

GEN ILAC VE SAGLIK URUNLERI

Medicine & Health

Navigating the Dip...

Company Description

Founded in 1997 and headquartered in Çankaya, Turkey, GENIL, a pharmaceutical enterprise is focused on manufacturing and supplying products tailored for the treatment of rare diseases and disorders on a global scale. GENIL extends its product offerings across diverse medical domains, including neurology, endocrinology, nephrology, oncology, hematology, and pediatric care. An integral player in advancing healthcare solutions, the company has strategically entered into a collaborative and licensing agreement with Sulfateq BV. This partnership aims to develop and commercialize the innovative molecule SUL-238, positioning it as a unique and promising treatment for Alzheimer's disease and other neurodegenerative conditions.

Recent Performance

GENIL recorded revenue growth that surpassed inflation following a period of negative growth in the initial two quarters. The company maintained their margins, albeit below the sector median.

Moreover, the company holds a minimal level of debt, approximately 8.4% of total assets, with an improved Net Debt/EBITDA ratio at the 0.02x level over the year.

- **Revenue** reached TRY 2.4bn, reflecting the above inflation growth of 78% y/y.
- **EBITDA Margin** decreased to 12.8% compared to the previous quarters, amounting to TRY 302mn.
- **Net Profit** recorded TRY 316mn, marking 28.8% y/y growth. Net Margin decreased from 15% to 13.4% in the 3Q.

Relative Valuation

Relative valuation analysis among industry peers indicates a discount on most of the multiples except EV/EBITDA and P/E, aligning closely with the industry median at (17.14x vs 17.14x) and (14.07x vs 14.01x) respectively. Currently, the stock is trading slightly above the 3Y average on EV/EBITDA multiple, while P/E is trading below the 3Y average.

Summary

Overall, GENIL exhibits minimal revenue growth on TTM levels and operates with margins below the sector median. Moreover, the current multiples mainly EV/EBITDA and P/E align with the sector median, despite a poor performance in the initial two quarters, hinting at no significant upside potential.

| GENIL | 1/16/2024 |
|-----------------------|-----------|
| Gen ilaç | |
| Mcap (USD mn) | 472 |
| Mcap (TRY mn) | 14,196 |
| Share Price (TRY) | 47.32 |
| Avg. DT Vol. (TRY mn) | 111 |
| EV (TRY mn) | 14,215 |
| Free float | 23% |
| Latest Report | 2023/09 |
| Weekly Return | 2.29 |
| Monthly Return | -7.12 |
| YY Return | 4.30 |

| Highlights | 2022 | TTM |
|-------------------|--------|--------|
| Revenue, TRY mn | 5,445 | 5,577 |
| Revenue growth | 118% | 17% |
| EBITDA growth | 140% | 27% |
| Net Profit growth | 251% | 30% |
| EBITDA Margin | 13.8% | 14.9% |
| Net Profit Margin | 19.8% | 18.1% |
| ROA | 42.84% | 18.98% |
| ROE | 60.68% | 27.75% |

| Debt (TRY mn) | 2022 | 2023/09 |
|--------------------|-------|---------|
| Total Debt | 315 | 938 |
| Cash & Equivalents | 809 | 919 |
| Net Debt | -494 | 19 |
| Net Debt / EBITDA | -0.66 | 0.02 |

| Valuation Multiples | 2022 | TTM |
|---------------------|-------|-------|
| EV/Sales | 2.76 | 2.55 |
| EV/EBITDA | 20.02 | 17.14 |
| P/S | 2.85 | 2.55 |
| P/B | 5.56 | 1.78 |
| P/E | 14.38 | 14.07 |

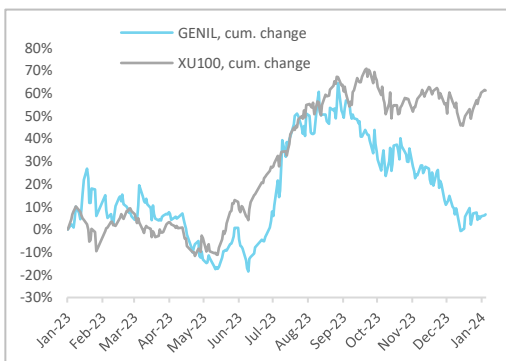
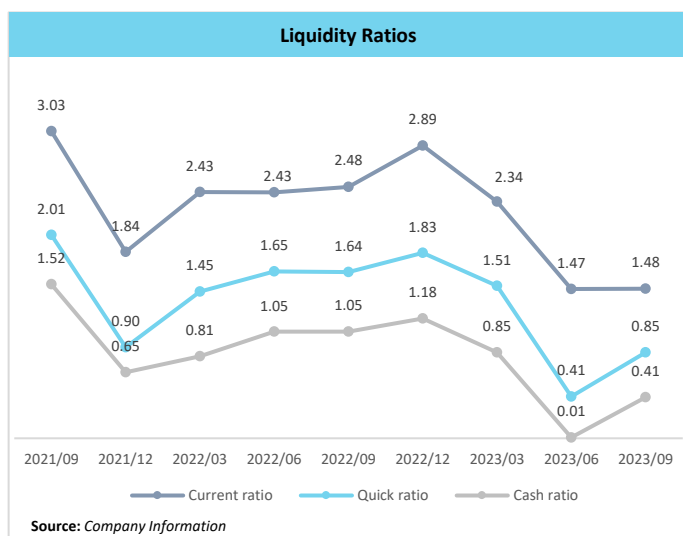
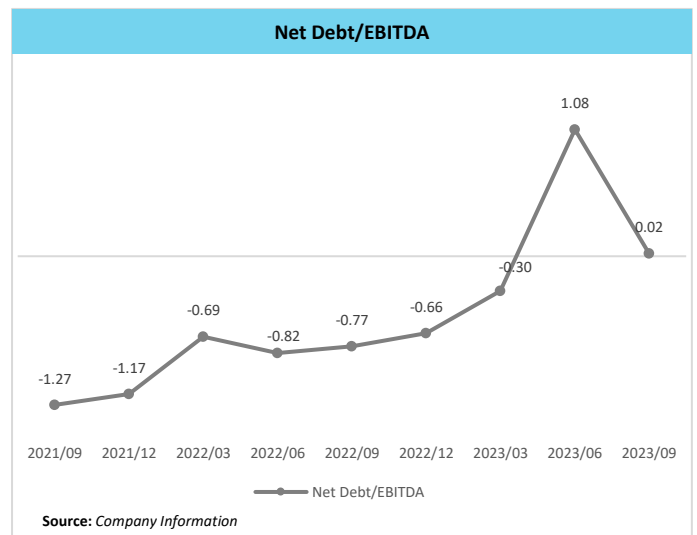
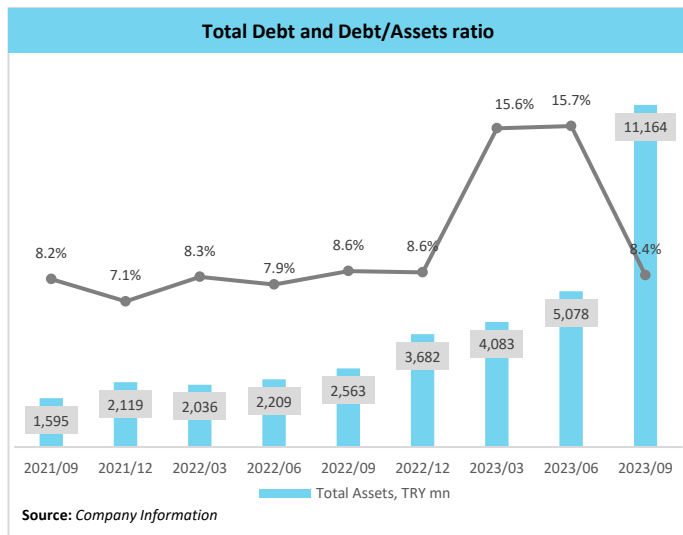
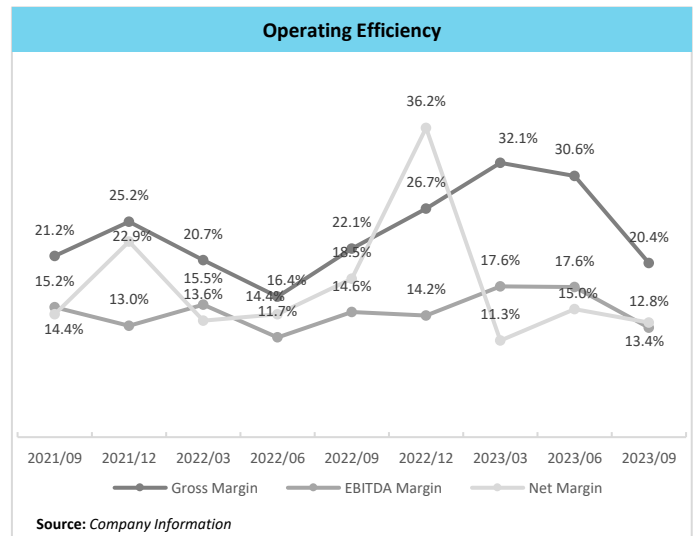
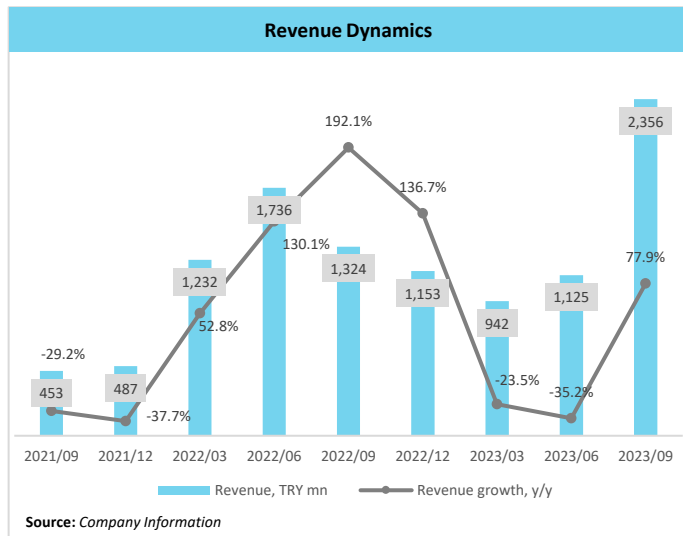


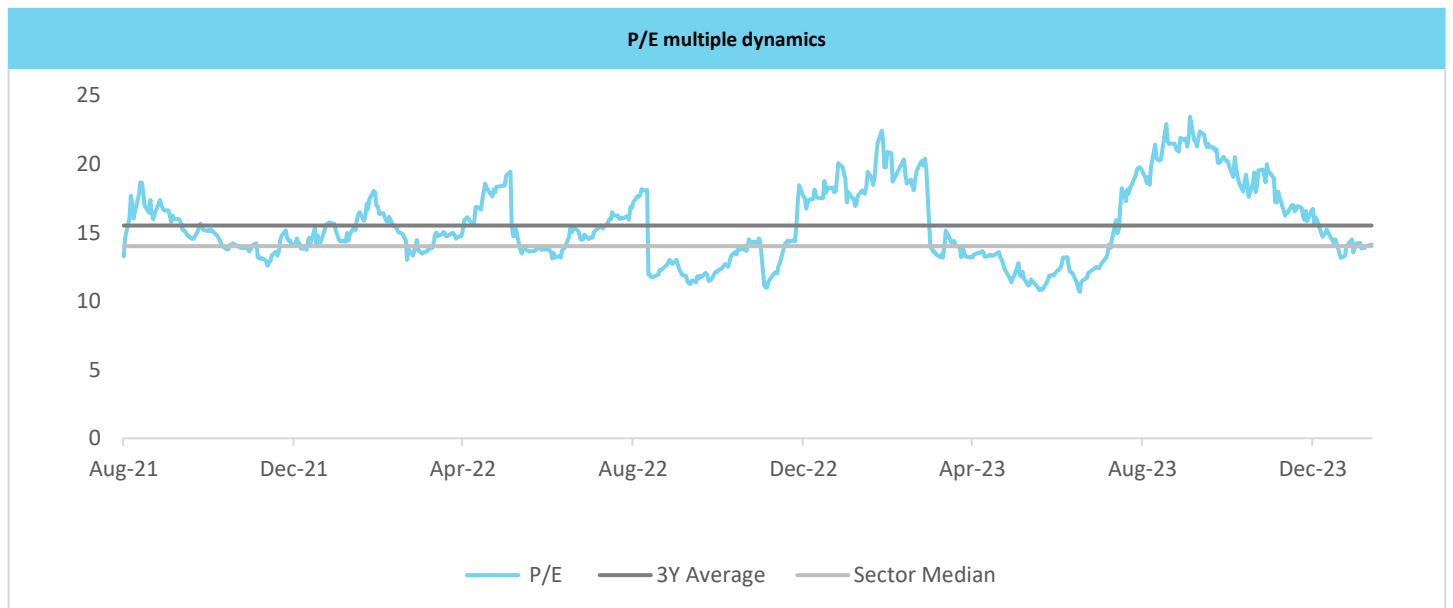
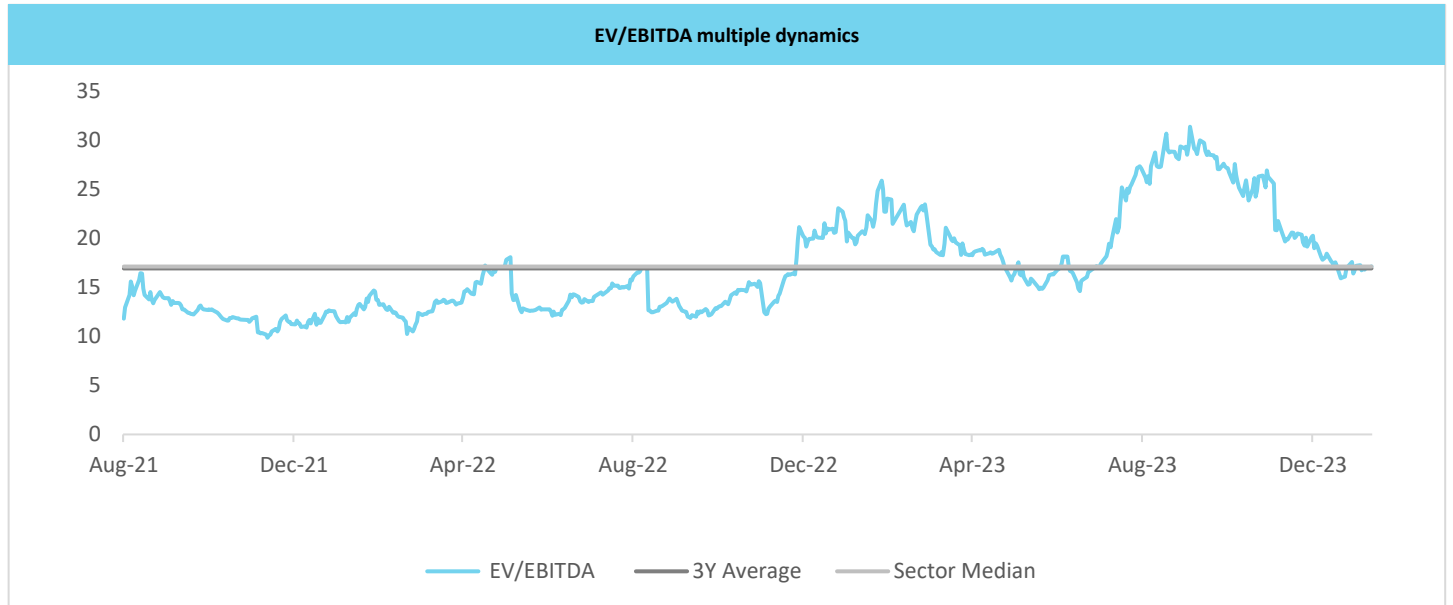
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A. Performance Graphs



B. Historical Valuation Multiples

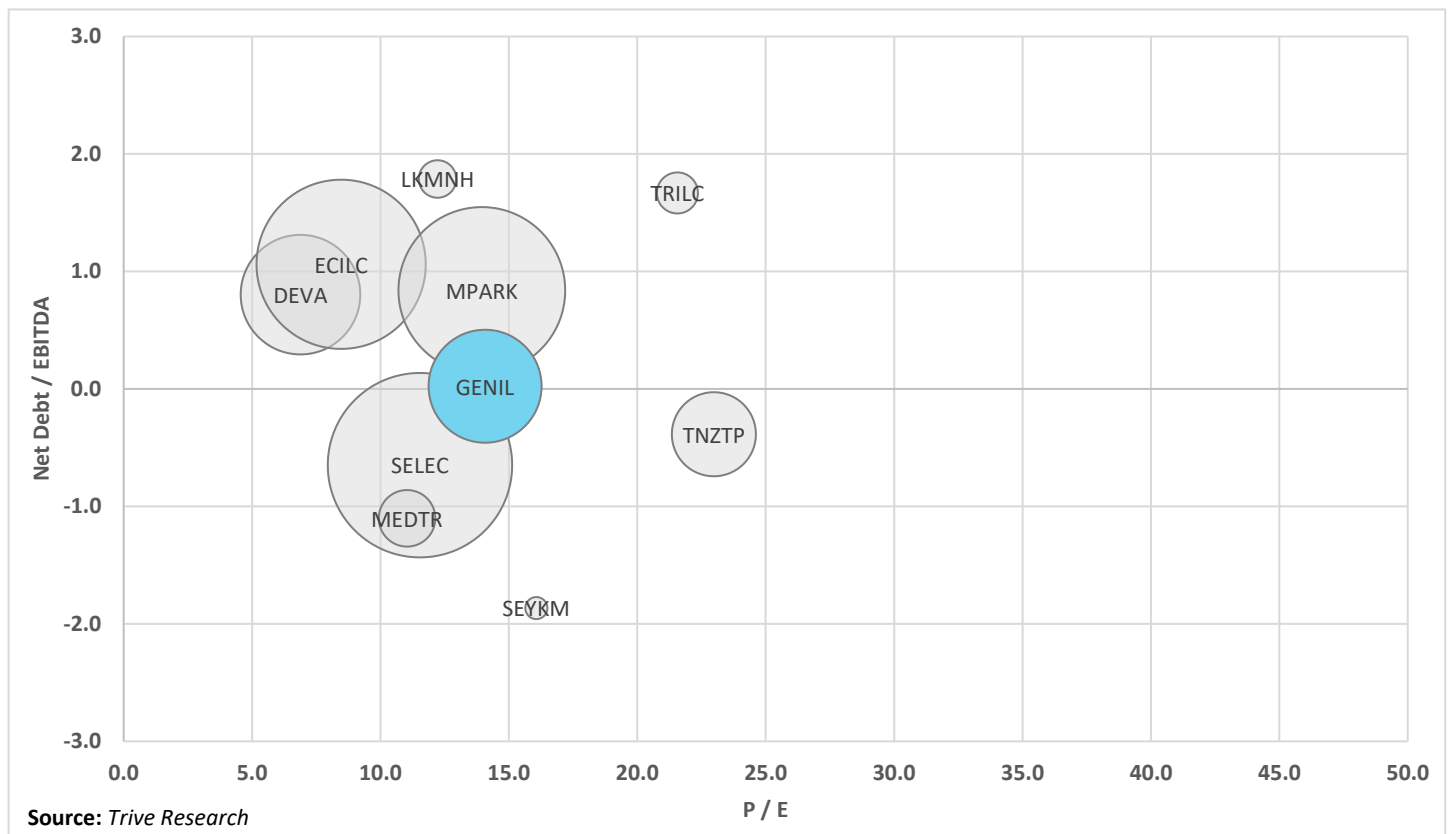
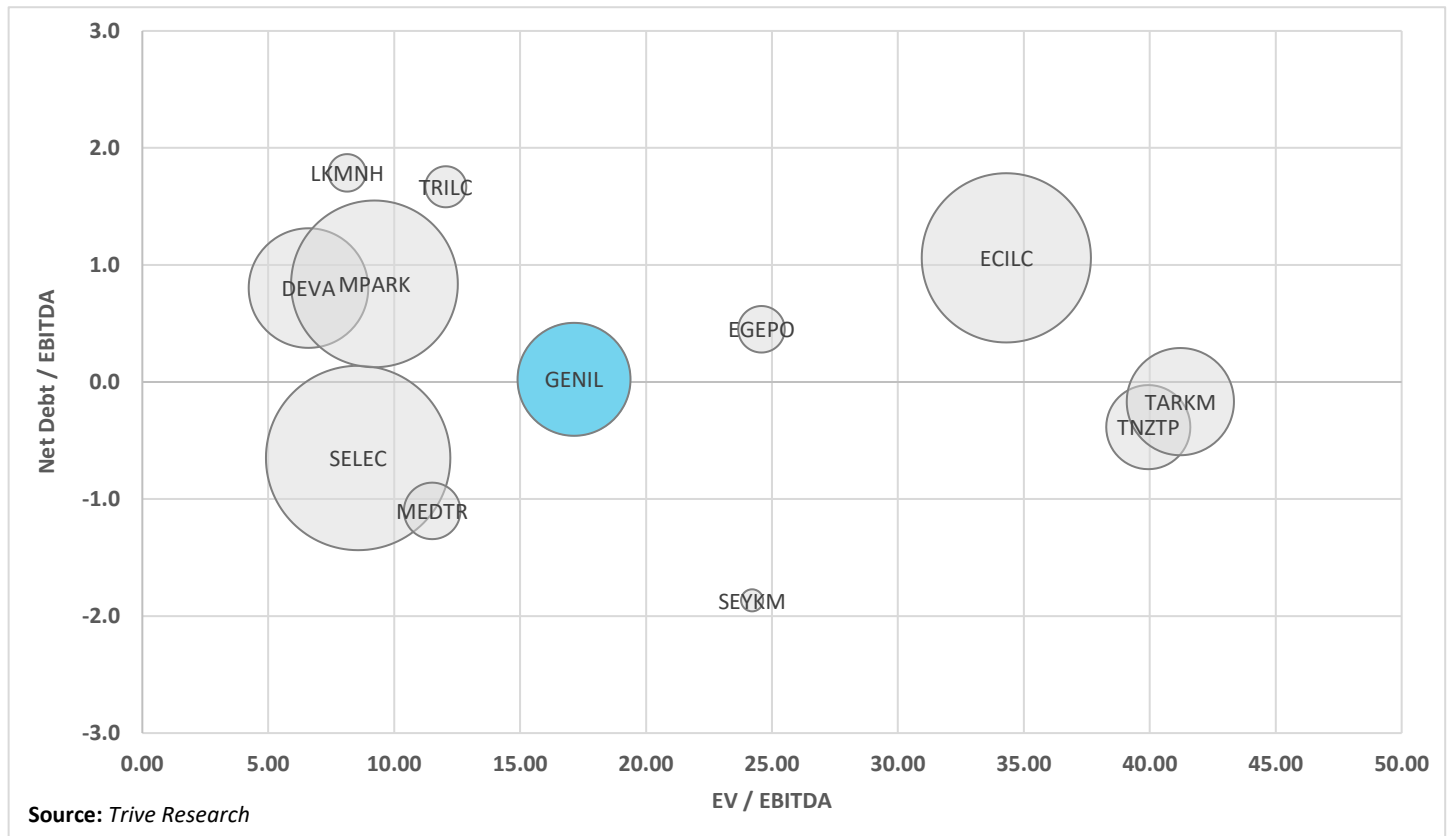


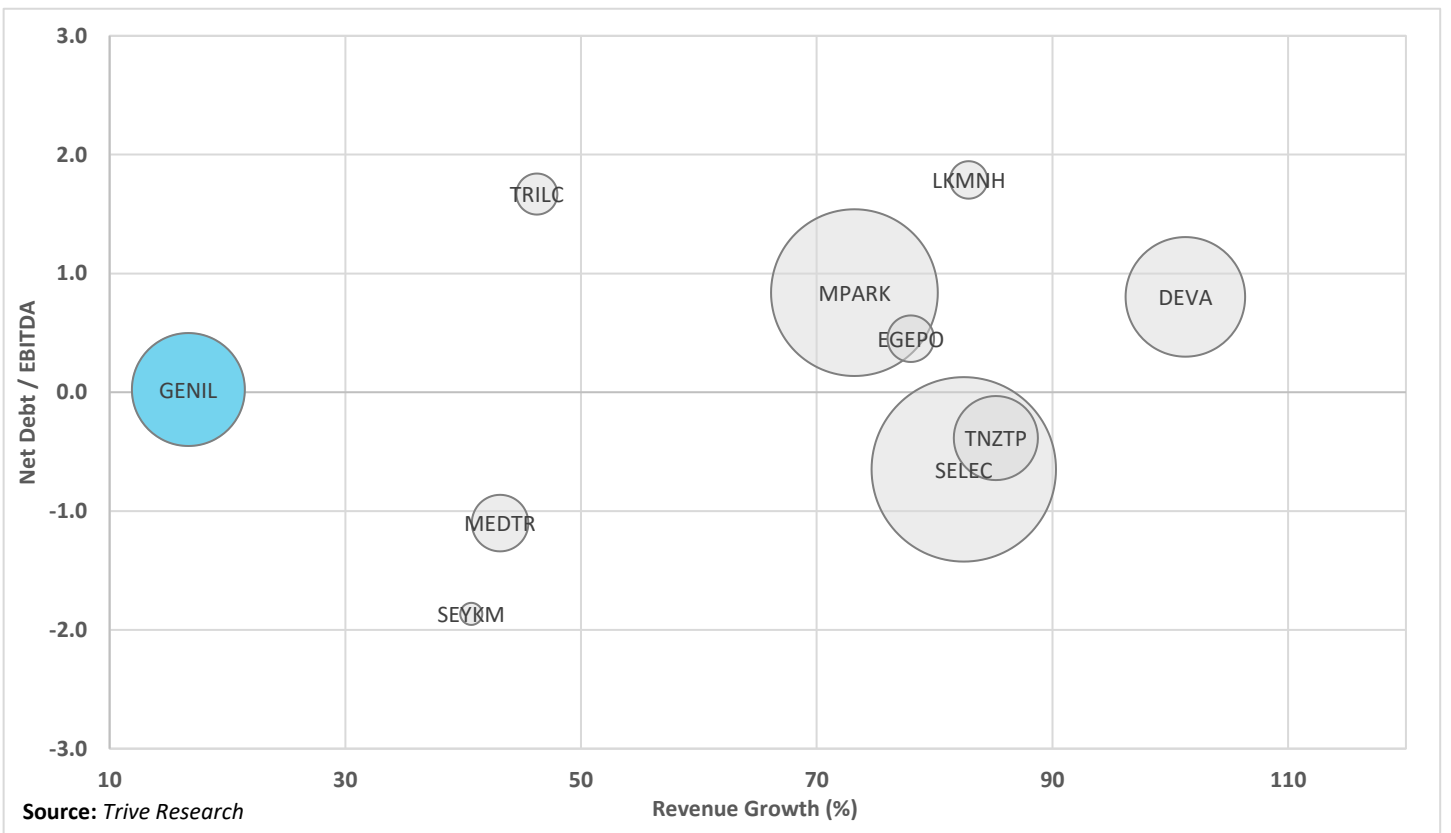
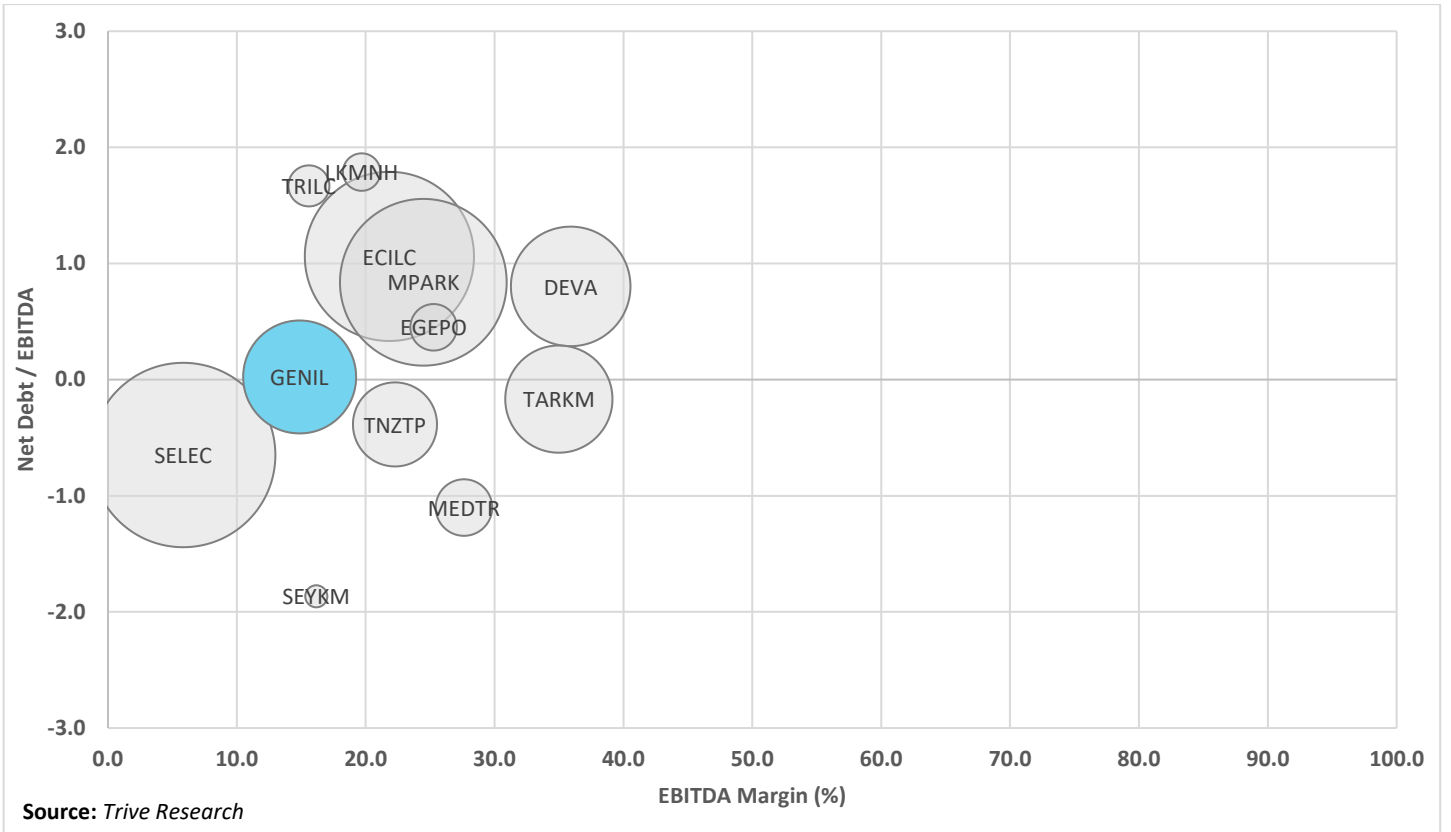
C. Relative Valuation

Source: Trive Analysis

| Company | Ticker | Country | Market Cap. (TRY mn.) | EV / Revenue | EV / EBITDA | P/B | P/S | P/E | EBITDA Margin (%) | Net Margin (%) | CAPEX / Revenue (%) | Net Debt / EBITDA | Revenue Growth (%) | ROA (%) | ROE (%) |
|--|--------|---------|-----------------------|--------------|-------------|-------|-------|--------|-------------------|----------------|---------------------|-------------------|--------------------|---------|---------|
| Medicine & Health Sector Median | | | | | | | | | | | | | | | |
| | | | | 3.55 | 17.14 | 3.68 | 3.85 | 14.01 | 20.76 | 24.33 | 9.74 | 0.24 | 73.20 | 18.78 | 32.74 |
| Domestic | | | | | | | | | | | | | | | |
| Deva Holding | DEVA | Turkey | 15,892 | 2.37 | 6.60 | 2.74 | 2.08 | 6.88 | 35.90 | 30.21 | 20.64 | 0.80 | 101.28 | 23.06 | 50.44 |
| Eczacıbaşı İlaç | ECILC | Turkey | 31,618 | 7.49 | 34.30 | 1.70 | 7.26 | 8.47 | 21.84 | 85.73 | 6.98 | 1.06 | 203.36 | 17.74 | 22.54 |
| Selçuk Ecz Deposu | SELEC | Turkey | 37,508 | 0.50 | 8.57 | 4.35 | 0.54 | 11.54 | 5.83 | 4.66 | 0.31 | -0.65 | 82.48 | 12.43 | 45.62 |
| Lokman Hekim Sağlık | LKMNH | Turkey | 1,638 | 1.60 | 8.13 | 4.52 | 1.25 | 12.22 | 19.68 | 10.22 | 9.13 | 1.79 | 82.90 | 12.39 | 45.33 |
| RTA Laboratuvarları | RTALB | Turkey | 1,512 | 27.17 | 0.00 | 1.66 | 28.77 | 6.06 | -30.30 | 474.59 | 51.65 | 5.27 | -74.13 | 29.91 | 35.70 |
| Seyitler Kimya | SEYKM | Turkey | 596 | 3.91 | 24.21 | 3.65 | 4.21 | 16.07 | 16.16 | 26.23 | 17.90 | -1.87 | 40.69 | 18.59 | 25.97 |
| MLP Sağlık | MPARK | Turkey | 30,706 | 2.26 | 9.22 | 12.28 | 2.05 | 13.95 | 24.47 | 14.70 | 7.39 | 0.84 | 73.20 | 23.40 | 110.35 |
| Türk İlaç Serum | TRILC | Turkey | 1,953 | 1.88 | 12.05 | 2.47 | 1.62 | 21.56 | 15.59 | 7.50 | 4.52 | 1.67 | 46.25 | 7.71 | 15.53 |
| Meditera Tıbbi Malzeme | MEDTR | Turkey | 3,644 | 3.18 | 11.51 | 3.71 | 3.48 | 11.03 | 27.62 | 31.56 | -1.43 | -1.10 | 43.13 | 29.00 | 38.58 |
| Gen İlaç | GENIL | Turkey | 14,196 | 2.55 | 17.14 | 1.78 | 2.55 | 14.07 | 14.87 | 18.09 | 8.80 | 0.02 | 16.68 | 18.98 | 27.75 |
| Nasmed Egepol | EGEPO | Turkey | 2,493 | 6.21 | 24.58 | 7.75 | 6.10 | 136.67 | 25.27 | 4.46 | 24.35 | 0.45 | 77.98 | 3.77 | 5.96 |
| Anatolia Tani Ve Biyoteki | ANGEN | Turkey | 2,900 | 15.59 | 312.89 | 3.56 | 17.71 | 23.66 | 4.98 | 74.86 | 56.07 | -42.46 | -54.48 | 14.25 | 15.15 |
| Tapdi Tınaztepe | TNZTP | Turkey | 7,936 | 8.89 | 39.94 | 5.85 | 8.98 | 22.98 | 22.27 | 39.08 | 112.96 | -0.39 | 85.20 | 20.50 | 29.77 |
| Tarkim Bitki Koruma | TARKM | Turkey | 12,810 | 14.42 | 41.21 | 11.41 | 14.48 | 64.53 | 34.99 | 22.44 | 10.35 | -0.17 | 0.00 | 26.06 | 45.33 |

D. Market Mapping (Bubble Charts)





E. Financial Summary

| | 2022/06 | 2022/09 | 2022/12 | 2023/03 | 2023/06 | 2023/09 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|
| Quarterly Operations (TRY mn) | | | | | | |
| Revenue | 1,736 | 1,324 | 1,153 | 942 | 1,125 | 2,356 |
| Gross Profit | 285 | 292 | 308 | 302 | 344 | 480 |
| EBITDA | 203 | 194 | 164 | 166 | 197 | 302 |
| Net Profit | 249 | 246 | 417 | 106 | 169 | 316 |
| Quarterly Margins | | | | | | |
| Gross Margin | 16.4% | 22.1% | 26.7% | 32.1% | 30.6% | 20.4% |
| EBITDA Margin | 11.7% | 14.6% | 14.2% | 17.6% | 17.6% | 12.8% |
| Net Profit Margin | 14.4% | 18.5% | 36.2% | 11.3% | 15.0% | 13.4% |
| Quarterly Growth, Q/Q | | | | | | |
| Revenue | 41.0% | -23.7% | -12.9% | -18.3% | 19.4% | 109.4% |
| Gross Profit | 11.9% | 2.4% | 5.5% | -1.9% | 13.7% | 39.7% |
| EBITDA | 6.0% | -4.4% | -15.4% | 1.4% | 18.8% | 52.8% |
| Net Profit | 48.4% | -1.6% | 69.9% | -74.5% | 58.4% | 87.6% |
| Quarterly Growth, Y/Y | | | | | | |
| Revenue | 130.1% | 192.1% | 136.7% | -23.5% | -35.2% | 77.9% |
| Gross Profit | 155.0% | 204.0% | 151.1% | 18.6% | 20.6% | 64.4% |
| EBITDA | 148.5% | 180.9% | 158.6% | -13.0% | -2.5% | 55.7% |
| Net Profit | 388.0% | 276.3% | 274.4% | -36.7% | -32.4% | 28.8% |
| Cumulative Operations (TRY mn) | | | | | | |
| Revenue | 2,968 | 4,292 | 5,445 | 942 | 2,067 | 4,424 |
| Gross Profit | 540 | 833 | 1,141 | 302 | 646 | 1,127 |
| EBITDA | 394 | 587 | 751 | 166 | 364 | 665 |
| Net Profit | 418 | 663 | 1,080 | 106 | 275 | 591 |
| Cumulative Margins | | | | | | |
| Gross Margin | 18.2% | 19.4% | 21.0% | 32.1% | 31.3% | 25.5% |
| EBITDA Margin | 13.3% | 13.7% | 13.8% | 17.6% | 17.6% | 15.0% |
| Net Profit Margin | 14.1% | 15.5% | 19.8% | 11.3% | 13.3% | 13.4% |
| Cumulative Growth, Y/Y | | | | | | |
| Revenue | 90.1% | 113.1% | 117.7% | -23.5% | -30.4% | 3.1% |
| Gross Profit | 127.6% | 149.6% | 150.0% | 18.6% | 19.6% | 35.3% |
| EBITDA | 117.4% | 134.9% | 139.7% | -13.0% | -7.6% | 13.3% |
| Net Profit | 211.3% | 232.6% | 247.6% | -36.7% | -34.1% | -10.8% |
| TTM Operations (TRY mn) | | | | | | |
| Revenue | 3,908 | 4,779 | 5,445 | 5,156 | 4,544 | 5,577 |
| Gross Profit | 759 | 955 | 1,141 | 1,188 | 1,247 | 1,435 |
| EBITDA | 526 | 651 | 751 | 727 | 721 | 829 |
| Net Profit | 594 | 775 | 1,080 | 1,019 | 938 | 1,009 |
| TTM Margins | | | | | | |
| Gross Margin | 19.4% | 20.0% | 21.0% | 23.1% | 27.4% | 25.7% |
| EBITDA Margin | 13.5% | 13.6% | 13.8% | 14.1% | 15.9% | 14.9% |
| Net Profit Margin | 15.2% | 16.2% | 19.8% | 19.8% | 20.6% | 18.1% |
| TTM Growth, Y/Y | | | | | | |
| Revenue | 31.0% | 70.9% | 117.7% | 76.1% | 16.3% | 16.7% |
| Gross Profit | 70.9% | 114.5% | 150.0% | 102.8% | 64.2% | 50.2% |
| EBITDA | 55.3% | 96.3% | 139.7% | 79.4% | 37.1% | 27.4% |
| Net Profit | 116.6% | 163.9% | 247.6% | 157.3% | 57.8% | 30.2% |
| Indebtedness | | | | | | |
| Short Term Debt | 148 | 194 | 235 | 558 | 721 | 870 |
| Long Term Debt | 28 | 27 | 80 | 78 | 77 | 68 |
| Total Debt | 176 | 221 | 315 | 637 | 798 | 938 |
| ST Debt / Total Debt | 84.2% | 87.9% | 74.6% | 87.7% | 90.3% | 92.8% |
| LT Debt / Total Debt | 15.8% | 12.1% | 25.4% | 12.3% | 9.7% | 7.2% |
| Total Assets | 2,209 | 2,563 | 3,682 | 4,083 | 5,078 | 11,164 |
| Total Debt / Total Assets | 7.9% | 8.6% | 8.6% | 15.6% | 15.7% | 8.4% |
| Cash & Cash Equivalents | 610 | 721 | 809 | 853 | 18 | 919 |
| Net Debt | -434 | -501 | -494 | -216 | 780 | 19 |
| Net Debt / EBITDA | -0.82 | -0.77 | -0.66 | -0.30 | 1.08 | 0.02 |

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