

Equity / Large Cap. / Conglomerate

Anadolu Grubu Holding

28.06.2024

Price Target Revision

BUY

Upside Potential 59%

Based on our target price revisions on MGROS, CCOLA and AEFES, we increase our target price for AGHOL shares to TL555/share. The share of the beverage companies in Anadolu Grubu Holding's current NAV stands at 44%. Including MGROS, the share of these 3 assets in the NAV increases to 79%, which also build up 90% of our target NAV.

One can think of Anadolu Grubu Holding as an FMCG company with a slight exposure to auto business which created a strong dividend income for the Holding through ASUZU and Çelik Motor. The Holding has started to increase its dividend payments in the last two years and we expect higher dividend payments to continue in the mid-term due to high dividend income from the subsidiaries and declining solo net debt position. Holding will probably see a significant decline at the solo net debt position at the end of 2024, while there is a possibility that the group may stand on solo net cash in 2025 depending on the earnings momentum and dividend distribution of the subsidiaries. We do not expect the Holding to make a major investment or divestment in the mid-term while the subsidiaries' plans to expand will help the growth of the NAV.

Solo net debt position of the Holding stands at TL3.3bn as of end of 1Q24. We might see a significant decrease in the solo net debt position at the end of 2Q24 after the dividend proceeds. Holding's current discount to its NAV stands at 36% (38% including TOGG) compared to 1-year and 3-year average discounts of 38% and 32%, respectively. We still think that the Holding offers a tempting investment theme thanks to its widened NAV discount.

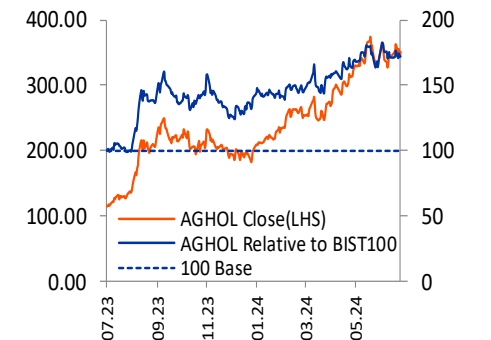
Stock Data	TL
Price	350.00
Target Price*	555.00
Prev.TP	352.13
Mcap (mn)	85,237
Float Mcap (mn)	32,186
Avg.Daily Volume (3M, mn)	231.3
No. of Shares Outstanding (mn)	244
Free Float (%)	38
Foreign Share (%)	20

*Latest rec.date: 28.06.2024

Price Perf. (%)	1 Mn	Ytd	12 Mn
TL	4.3	75.7	220.9
US\$	2.0	57.5	152.3
Rel.to BIST-100	4.3	22.9	73.0

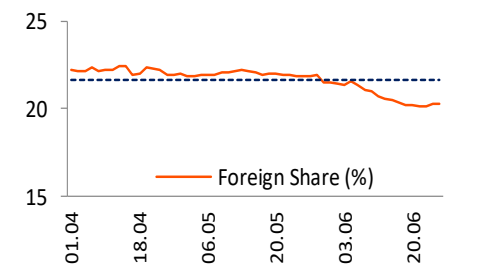
Multiples	2023	2024	2025
P/E	3.8	4.3	3.6
P/BV	1.2	1.2	1.1
EV/EBITDA	3.1	2.5	2.5

Price / Relative Price



52 Week Range (Close TL) 114.52 373.30

Foreign Share (%) Cur.(%) : 20.26



Ozgur Safak Acikalin

oacikalin@isyatirim.com.tr

+90 212 350 25 14

Chart: Net Sales Breakdown-2023

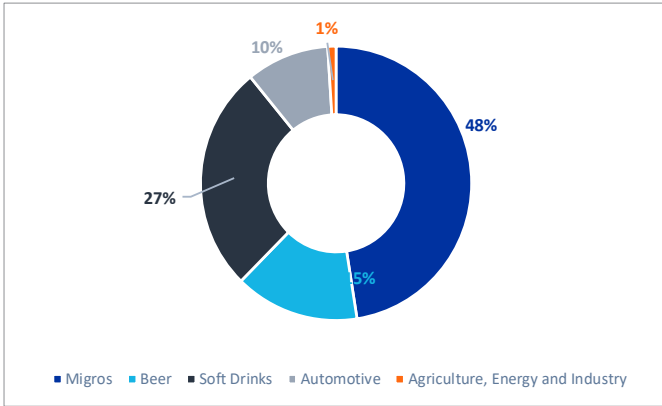


Chart: EBITDA Breakdown-2023

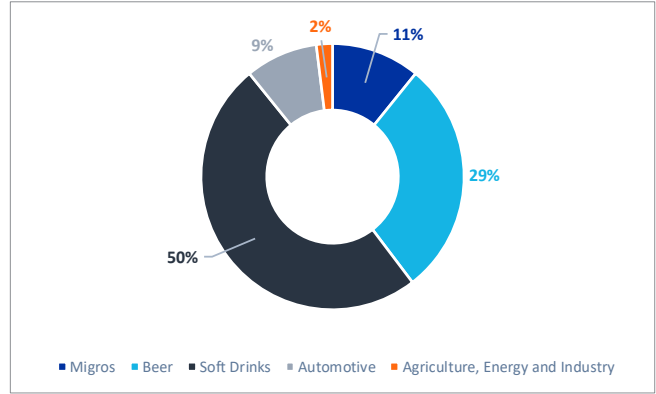


Chart: Share of International Net Sales

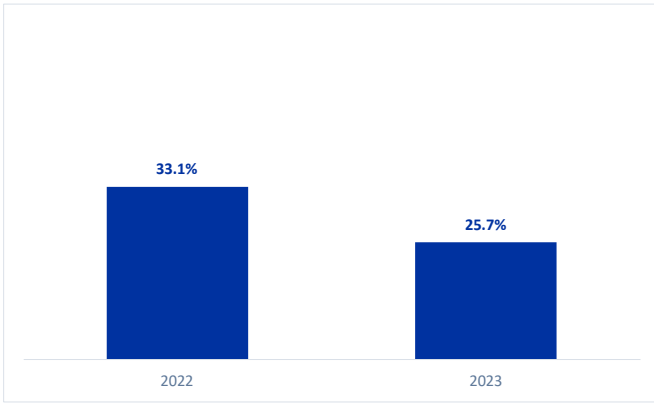


Chart: Share of EBITDA in International Operations

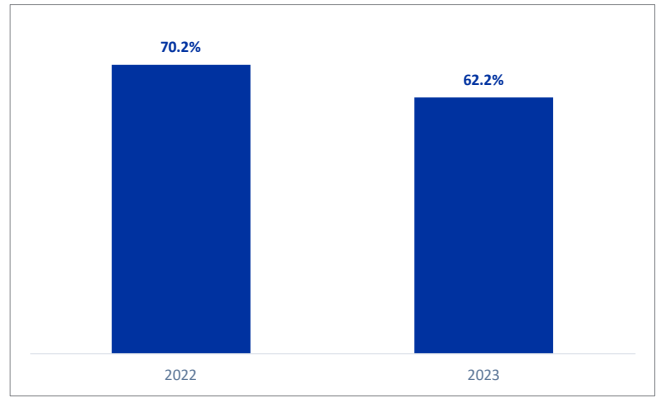


Chart: Share of International Net Profit

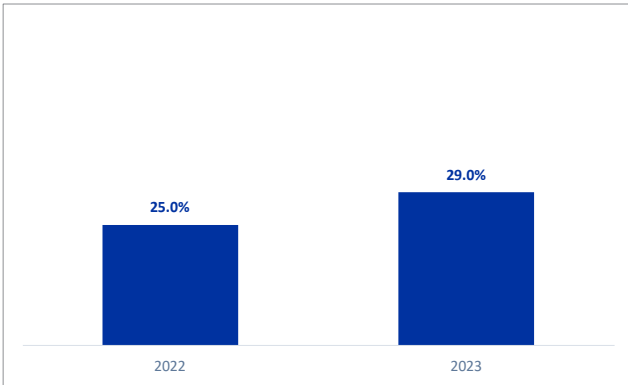


Chart: AGHOL NAV Breakdown

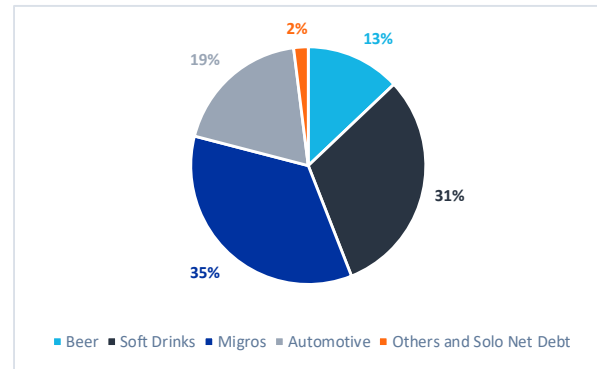


Table: 2022-2023 Consolidated Figures

Consolidated (TL mn)	2022	2023	Change
Net Sales	319,648	375,583	17.5%
Gross Profit	82,966	99,289	19.7%
EBITDA	32,572	36,119	10.9%
Net Income	37,015	49,263	33.1%
Net Income (attributable to parent)	15,639	19,638	25.6%
Net Income* (attr. To parent excl. One-off gains/expenses)	14,740	19,012	29.0%
Gross Profit Margin	26.0%	26.4%	
EBITDA Margin	10.2%	9.6%	
Net Income Margin (attr. To parent)	4.9%	5.2%	

Source: Company, IS Investment

Anadolu Grubu Holding

Shareholder Structure (%)

Ag Sınai Yatırım Ve Yönetim Anonim Şirketi	48.65
Diğer	44.28
Azımut Portföy Sky Serbest Özel Fon	7.07

Company Description

Anadolu Grubu Holding operates in beer, soft drinks, retail, agri-food, automotive and energy sectors. The Group is strategically transforming its portfolio in recent years, by increasing its footing in retail sector and divesting its non-core/non-controlling small assets. The Group now offers more retail oriented portfolio, having exposure to Anadolu Efes, Europe's 5th largest brewer; Coca-Cola İçecek, 7th largest Coca-Cola bottler and Migros, Turkey's leader supermarket retailer.

Income Statement (mn ₺)	2022A	2023A	2024E	2025E	2026E
Net Sales	319,648	375,583	408,332	425,370	447,961
Gross Profit (Loss)	82,966	99,289	117,660	122,888	129,010
Operating Expenses	65,918	79,476	82,860	84,839	88,295
Core Operating Profit	17,048	19,812	34,800	38,050	40,715
Non-operating Income (Exp.)	-3,595	-3,854	-10,256	-6,281	-5,296
Profit (Loss) from Subsidiaries	696	1,677	-154	11	10
Net Investment Income (Exp.)	589	1,062	633	584	567
Net Financial Income (Exp.)	29,456	40,870	29,414	30,675	28,393
PBT	44,193	59,569	54,437	63,039	64,389
Tax Expense (Income)	7,178	10,306	13,247	14,931	15,102
Minority Interests	21,632	29,624	23,682	27,659	28,337
Net Profit	15,639	19,638	17,509	20,449	20,951
Recurring Net Profit	15,639	19,638	17,509	20,449	20,951
NOPAT	9,869	9,506	21,553	23,119	25,613
EBITDA	30,918	34,217	42,829	42,849	45,881

Growth & Operating Perf.	2022A	2023A	2024E	2025E	2026E
Growth					
Net Sales	-	17.5%	8.7%	4.2%	5.3%
EBIT	-	16%	76%	9%	7%
EBITDA	-	11%	25%	0%	7%
Net Profit	-	26%	-11%	17%	2%
Operating Performance					
Gross Margin	26.0%	26.4%	28.8%	28.9%	28.8%
EBIT Margin	5.3%	5.3%	8.5%	8.9%	9.1%
EBITDA Margin	9.7%	9.1%	10.5%	10.1%	10.2%
Net Profit Margin	4.9%	5.2%	4.3%	4.8%	4.7%
ROE	-	33.2%	27.8%	31.2%	28.3%
ROA	-	5.1%	4.4%	4.9%	4.9%
ROIC	-	n.a	19.0%	9.9%	10.5%

Ratio Analysis	2022A	2023A	2024E	2025E	2026E
Adj. P / E (x)	4.8	3.8	4.3	3.6	3.6
EV / EBITDA (x)	3.5	3.1	2.5	2.5	2.3
EV / Sales (x)	0.3	0.3	0.3	0.3	0.2
P / B (x)	1.4	1.2	1.2	1.1	0.9
EPS (₺)	64.22	80.64	103.53	151.14	183.50
DPS (₺)	0.25	0.82	4.14	8.87	13.14
Dividend Yield	0.0%	0.0%	2.2%	4.8%	7.1%
Net Debt (Cash) (mn ₺)	28,146	21,938	35,692	34,450	27,540
Net Debt / EBITDA (x)	0.9	0.6	0.8	0.8	0.6
Net Debt / Equity (x)	0.2	0.1	0.2	0.2	0.1

Source: İS Investment

Balance Sheet (mn ₺)	2022A	2023A	2024E	2025E	2026E
Current Assets	133,801	146,843	173,371	180,729	183,256
Cash and Cash Equivalents	58,564	63,506	67,876	71,868	73,810
Short-Term Trade Receivables	14,980	18,445	19,311	20,131	20,412
Inventories	46,401	52,812	54,596	56,358	56,677
Other Current Assets	10,989	12,080	31,587	32,372	32,356
Long Term Assets	243,914	244,956	234,754	243,720	246,566
Trade Receivables	3	1	1	1	1
Investments with Equity Method	4,257	5,909	4,118	3,294	2,780
Tangible Fixed Assets	78,567	81,863	85,706	89,344	90,593
Intangible Fixed Assets	136,101	125,383	131,270	136,841	138,754
Other Long-Term Assets	8,889	13,046	13,658	14,238	14,437
Total Assets	377,715	391,799	408,124	424,449	429,822
Short Term Liabilities	128,310	140,182	157,566	158,843	149,010
Short-Term Financial Loans	35,528	37,523	42,915	43,263	40,585
Short-Term Trade Payables	70,856	73,651	84,234	84,916	79,660
Other Short-Term Liabilities	20,279	26,596	30,417	30,664	28,765
Long Term Liabilities	79,972	72,036	85,046	85,735	80,428
Long-Term Financial Loans	54,049	47,921	60,653	63,056	60,766
Other Long-Term Liabilities	25,609	23,416	24,391	22,677	19,660
Equity	169,432	179,581	165,413	179,772	200,291
Parent Shareholders Capital	53,965	64,410	61,752	69,184	78,630
Minority Interests	115,467	115,172	103,662	110,588	121,661
Total Liabilities & Equity	377,715	391,799	408,124	424,449	429,822

*Estimations and historical financial results are based on the purchasing power of the Turkish Lira as of the end of 2023. Companies subject to inflation accounting disclose their financial results indexed to the purchasing power at the end of the relevant period. Financial results can be indexed to the purchasing power at the end of the relevant year using the following coefficients based on our inflation forecasts.

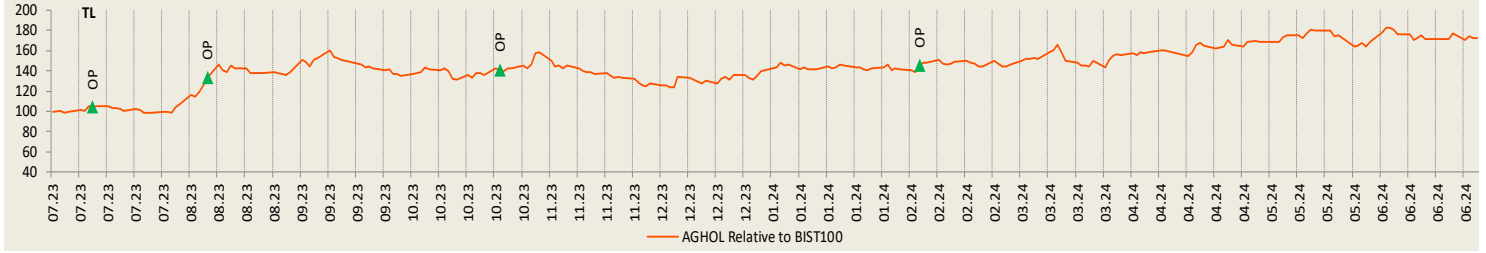
2024: 1.44

2025: 1.8

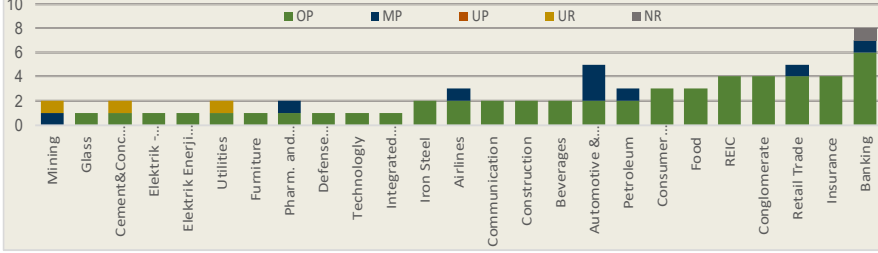
2026: 2.13

Anadolu Grubu Holding

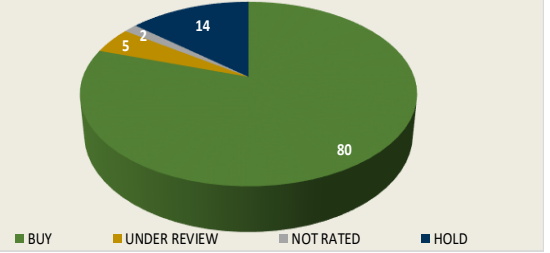
Relative to BIST 100 / Recommendations



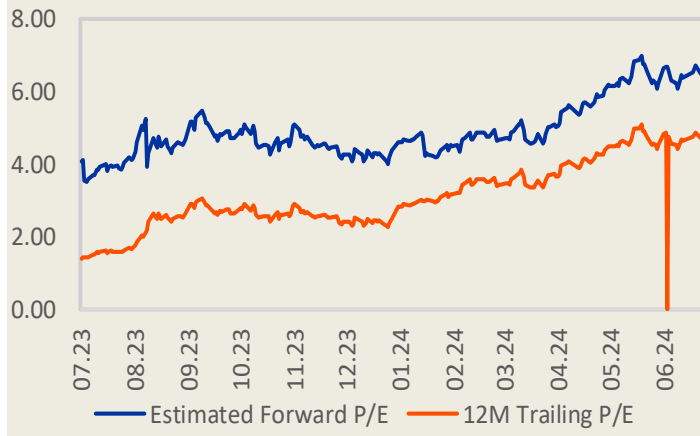
Number of Companies



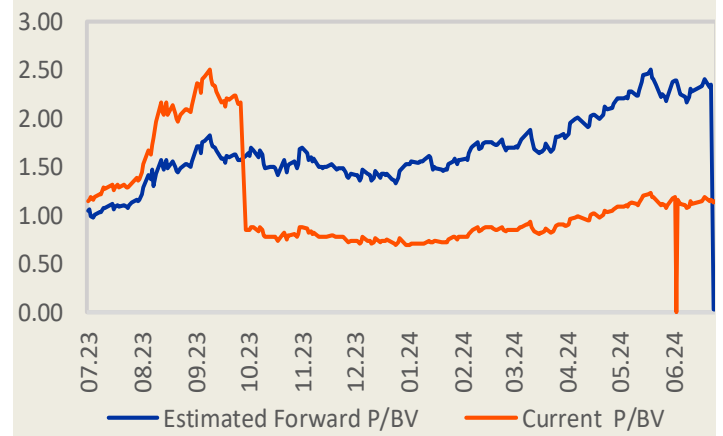
Rec. Breakdown for Coverage



Estimated Forward P/E & 12M Trailing P/E



Estimated Forward P/BV & Current P/BV



This report has been prepared by "İş Yatırım Menkul Değerler A.Ş." (İş Investment) solely for the information of clients of İş Investment. Opinions and estimates contained in this material are not under the scope of investment advisory services. Investment advisory services are given according to the investment advisory contract, signed between the intermediary institutions, portfolio management companies, investment banks and the clients. Opinions and recommendations contained in this report reflect the personal views of the analysts who supplied them. The investments discussed or recommended in this report may involve significant risk, may be illiquid and may not be suitable for all investors. Investors must make their decisions based on their specific investment objectives and financial positions and with the assistance of independent advisors, as they believe necessary.

The information presented in this report has been obtained from public institutions, such as Istanbul Stock Exchange (ISE), Capital Market Board of Turkey (CMB), Republic of Turkey, Prime Ministry State Institute of Statistics (SIS), Central Bank of the Republic of Turkey (CBT); various media institutions, and other sources believed to be reliable but no independent verification has been made, nor is its accuracy or completeness guaranteed.

All information in these pages remains the property of İş Investment and as such may not be disseminated, copied, altered or changed in any way, nor may this information be printed for distribution purposes or forwarded as electronic attachments without the prior written permission of İş Investment. (www.isinvestment.com)