

BIM

Increase in net profit despite weak operational profitability in 2Q24...

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Bim reported a net profit of TRY 4,521mn in 2Q24, up 13% YoY, according to its financial results with IAS 29 inflation accounting applied (2Q23: TRY 3,992mn). Thanks to the 8% real growth in sales revenues, and solid gross profit, the increase in income from investment activities obtained from rent certificates & investment funds, deferred tax income of TRY 1,118mn, and the monetary gain of TRY 4,386mn recorded in this period, the Company recorded a net profit of TRY 4,521mn, up 13% YoY in 2Q24. The net profit margin rose by 0.2pp in 2Q24 compared to 2Q23, reaching 4.1%. The Company's EBITDA figure reached TRY 3,657mn in 2Q24, down 21% YoY. The Company announced a net sales revenue of TRY 109,253mn, up 8%, including IAS 29 effects (2Q23: TRY 101,500mn).

Excluding IAS 29, the Company achieved a net profit of TRY 4,150mn in 2Q24, up 46% (2Q23: TRY 2,845mn). The Company announced net sales revenue strongly, thanks to its solid store traffic (4Q22: 1.1%, 2Q23: -1.7%, 3Q23: 3.1%, 4Q23: 5.4%, 1Q24: 5.0%, 2Q24: 3.5%), and solid store openings trend in 2Q24. Net sales revenues reached TRY 107,380mn in 2Q24 on a rise of 86% YoY, due to greater basket size (2Q23: TRY 102,90, 2Q24: TRY 166,69) (+62.0%) and the positive effect of rising store number (number of stores at the end of 2Q23: 11,818 units, 2Q24: 13,124 - 284 new BIM Turkey store openings, 23 new BIM Morocco store openings, 16 new BIM Egypt store openings, and 10 new FILE store openings). Concluding this quarter with a 6.5% EBITDA margin (Exc. IAS-29), Bim registered improvement on the operational front based on "Basket Size" / "Like-for-like sales" (2Q23: TRY 57,618, 2Q24: TRY 96,624, on a 67.7% rise YoY). Duly, the Company printed TRY 6,951mn EBITDA on a YoY rise of 62% (Exc. IAS 29). The Company's cash position slightly declined in 2Q24 (TRY 4,697mn) compared to 2Q23 (TRY 4,814mn). Cash position including short-term financial assets, the Company's cash position as of the end of 2Q24 slightly declined by 3.1% on a quarterly basis, reaching approximately TRY 9,1bn.

Growth of the domestic and international store network continued strongly in 2Q24.

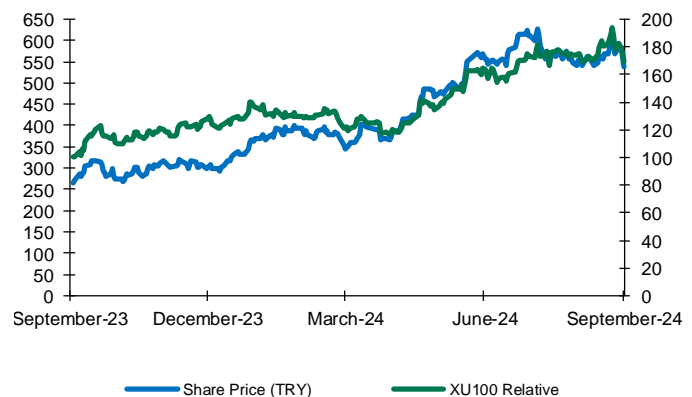
✓ Bim, which specifically rivals medium-sized markets with its FILE brand, has added 10 new FILE stores to its domestic store network in 2Q24 to reach a total of 254 FILE stores. The share of File stores in the Company's total sales revenues was 8% in 2Q24. Online sales are equal to 5% of File's total sales as of 2Q24. The company aims to open 40 FILE stores in 2024. In Moroccan operations, the Company continued its store openings in 2Q24, resulting in a total of 734 stores. The net sales revenues of Moroccan operations in 2Q24 reached TRY 4.5bn, and its share in EBITDA was 4% (exc. the IAS 29). The company aims to open +100 stores in Morocco in 2024. In Egypt, the Company has reached 381 stores in 2Q24. The net sales revenues of Egypt operations in 2Q24 reached TRY 625mn, and its share in EBITDA was 0.3% (excluding the IAS 29). The company aims to open +70 stores in Egypt in 2024.

“OUTPERFORM”

TP: TRY 680.00

Previous: TRY 660.80
Upside Potential: 26.3%

	TRY	US\$	
Close	538,50	15,79	
BIST 100	9.829	288	
US\$/TRY (CB Bid Rate):	34,16		
52 Week High:	625,50	19,03	
52 Week Low:	266,43	9,51	
Bloomberg/Reuters Ticker:	BIMAS.TI / BIMAS.IS		
Number of Shares (Mn):	607,2		
	(TRY Mn)	(US\$ Mn)	
Current Mcap:	326.977	9.589	
Free Float Mcap:	196.186	5.754	
	1M	YOY	YTD
TRY Return (%):	-0,2	98,2	79,7
US\$ Return (%):	-0,8	58,0	54,9
BIST 100 Relative (%):	-2,9	66,2	36,5
Avg. Daily Vol. (TRY Mn):	1.584,17		
Avg. Daily Vol. (US\$ Mn):	50,81		
Beta	0,94		
Volatility (Stock)	0,37		
Volatility (BIST 100)	0,26		
Shareholder Structure	%		
Merkez Bereket Gida	15,2		
Naspak Gida	11,5		
Others	1,7		
Free float	71,6		
Total	100,0		



2024 Expectations: The Company announced its 2024 guidance (exc. IAS 29). Bim expects sales growth of around 75% ($\pm 5\%$) in 2024. Bim's EBITDA margin expectation is around 7.5%-8.0%, including the IFRS-16. The Company expects the Capex to sales to be around 3.0% - 3.5%.

We slightly revise up our TP from **TRY 660.80/shr** to **TRY 680.00/shr**, and maintain our **“Outperform”** recommendation. In parallel with the maintenance of targeted EBITDA levels, overseas operations approaching maturity, rising growth appetite both domestically and internationally, and a successful business model we continue to favor Bim's shares. We appreciate *BIMAS shares as the Company is debt free, has no FX risk, and has a strong cash-flow to equity ratio.*

Table 1: Summary Financial Statement

BALANCE SHEET (TRY mn)	2023	6M24	Chg. %
Cash&Cash Equivalents	4.499	4.697	4,4%
Financial Investments	4.218	4.448	5,5%
Trade Receivables	20.113	19.694	-2,1%
Prepayments	2.616	4.578	75,0%
Inventories	34.087	37.431	9,8%
Other Current Assets	2.396	3.248	35,6%
Total Current Assets	67.929	74.096	9,1%
Financial Investments	5.505	5.505	0,0%
Tangible Assets	61.918	65.636	6,0%
Right of Use Assets (IFRS 16)	47.092	52.756	12,0%
Other Non-Current Assets	2.329	2.588	11,1%
Total Non-Current Assets	116.844	126.485	8,3%
TOTAL ASSETS	184.773	200.581	8,6%
Current Borrowings	5.811	6.637	14,2%
Trade Payables	56.311	60.209	6,9%
Current Tax Liabilities	1.746	875	-49,9%
Other Current Liabilities	3.580	10.843	202,9%
Total Current Liabilities	67.449	78.564	16,5%
Lease Liabilities	22.052	24.021	8,9%
Non-Current Provisions	1.496	1.141	-23,7%
Deferred Tax Liabilities	6.784	7.482	10,3%
Total Non-Current Liabilities	30.332	32.644	7,6%
TOTAL EQUITY	86.992	89.372	2,7%
TOTAL EQUITY & LIABILITIES	184.773	200.581	8,6%

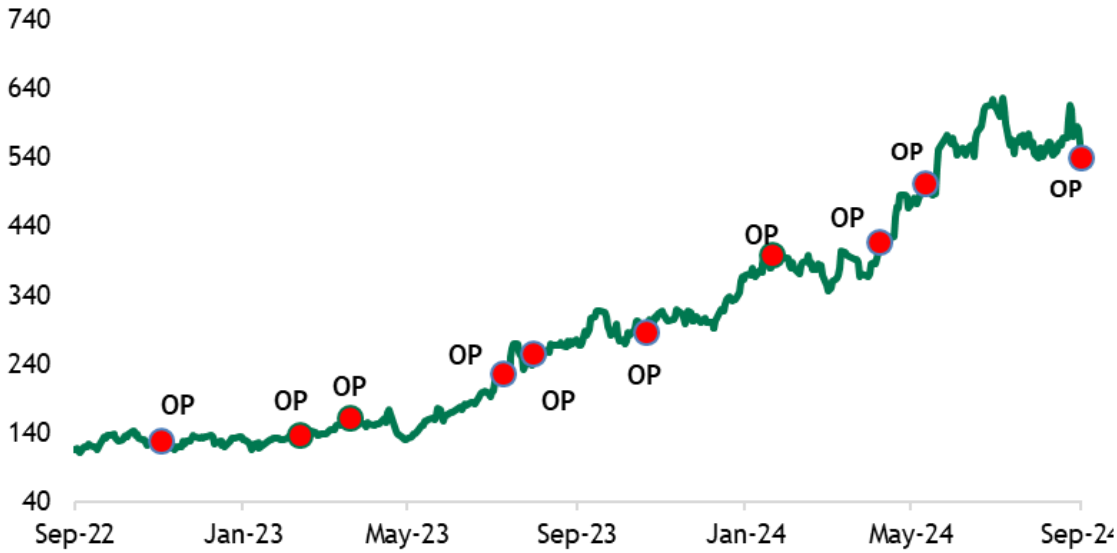
Source: Bim, Seker Invest - Research, Finnet, Audit Reports

Table 2: High level P&L

TRY Million	Including IAS 29			Excluding IAS 29		
	2Q23	2Q24	YoY	2Q23	2Q24	YoY
Revenues	101.500	109.253	7,6%	57.878	107.380	85,5%
Gross Profit	15.918	18.312	15,0%	10.694	21.332	99,5%
<i>Gross Profit Margin</i>	15,7%	16,8%	1,1 p.p.	18,5%	19,9%	1,4 p.p.
EBIT	864	-11	N.M.	3.239	4.973	53,5%
<i>EBIT Margin</i>	0,9%	0,0%		5,6%	4,6%	-1,0 p.p.
EBITDA	4.603	3.657	-20,6%	4.292	6.951	62,0%
<i>EBITDA Margin</i>	4,5%	3,3%	1,2 p.p.	7,4%	6,5%	-0,9 p.p.
Net Profit	3.992	4.521	13,3%	2.845	4.150	45,9%
<i>Net Profit Margin</i>	3,9%	4,1%	0,2 p.p.	4,9%	3,9%	-1,0 p.p.

Source: Bim, Seker Invest - Research, Finnet, Audit Reports

Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
9-Nov-22	Outperform (OP)	203,80
11-Jan-23	Outperform (OP)	203,80
14-Mar-23	Outperform (OP)	215,10
1-Aug-23	Outperform (OP)	307,42
18-Aug-23	Outperform (OP)	328,00
8-Nov-23	Outperform (OP)	431,40
16-Jan-24	Outperform (OP)	440,70
14-May-24	Outperform (OP)	525,60
13-Jun-24	Outperform (OP)	660,80
27-Sep-24	Outperform (OP)	680,00

Basis for 12m equity ratings

Outperform:	The total return is expected to exceed the return of the BIST100 by more than 10%.
Underperform:	The total return is expected to fall below the return of the BIST100 by more than 10%.
Market Perform:	The total return is expected to be in line with the return of the BIST100.

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