

# Kofola ČeskoSlovensko

## Beating FY guidance

### Buy

Price	12.02.25	<b>CZK 425</b>
12m target		<b>CZK 402</b>
Upside to TP		<b>-5.4%</b>
Dividend		<b>CZK 19.1</b>
Total return		<b>-0.9%</b>

**Sector stance**  
Neutral

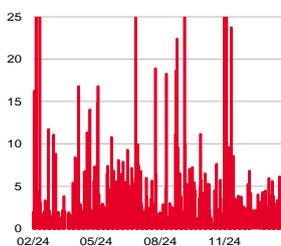
**Investment type**  
High dividend yield  
Acquisition growth

**1 year performance**



Source: Bloomberg

**Trading volume (in ths of shares)**



Source: Bloomberg

**Share data**

RIC	KOFOL.PR	Bloom	KOFOL	CP
52-week range			265-425	
Market cap. (CZKb)			9.5	
Market cap. (EURn)			378	
Free float (%)			27	
Performance (%)	1m	3m	12m	
Share	4.9	23.2	54.0	
Rel. PX Index	-2.5	5.9	16.2	

Source: Bloomberg

**The latest analysis and report:**

[https://bit.ly/Kofola\\_Analysis\\_202409](https://bit.ly/Kofola_Analysis_202409)

[https://bit.ly/Kofola\\_2Q24\\_EN](https://bit.ly/Kofola_2Q24_EN)

[https://bit.ly/Kofola\\_advDVD25\\_EN](https://bit.ly/Kofola_advDVD25_EN)

[https://bit.ly/Kofola\\_3Q24\\_EN](https://bit.ly/Kofola_3Q24_EN)

**Kofola: 4Q24 estimates**

CZKbn	4Q23	e4Q24	y/y	2023	e2024	y/y
Revenues	2,070	<b>2,598</b>	25.5%	8,690	<b>11,231</b>	29.2%
EBITDA	116	<b>236</b>	103%	1,253	<b>1,841</b>	46.7%
margin	5.6%	<b>9.1%</b>	3.5pps	14.4%	<b>16.4%</b>	2.0pps

Source: Kofola, Economic & Strategy Research, Komerční banka

**Announcement date: Monday, February 17, 2025, at 5pm**

**Kofola will only publish selected financial information (sales and EBITDA) and probably also a forecast for 2025. With the contribution of the acquired companies, especially the brewery group, we estimate 4Q24 EBITDA growth of +103% yoy to CZK236m. This is based on sales of CZK2.6bn (+25.5% yoy). Kofola will exceed its FY guidance on both EBITDA and total revenues.**

According to the latest 3Q24 results presentation, revenues grew +13% yoy in October and volumes were up +3% yoy including new acquisitions. **Total sales for 4Q24 are expected to grow +25.5% yoy to CZK2.6bn** according to our model. We expect sweetener and PET prices to decline in the last quarter of last year. We also expect an increase in sales, general and administrative expenses. **We estimate 4Q24 EBITDA to reach CZK236m. This represents a growth of +103% yoy.** The high growth is due to acquisitions (mainly MIXA VENDING and Pivovary CZ) and a decline in raw material prices.

**FY guidance exceeded:** Kofola is expected to report full-year **EBITDA of CZK1.84bn**, which we estimate to be +46.7% yoy growth. We estimate total **revenues at CZK11.2bn, or +29.2% yoy growth. Kofola thus exceeds its full-year EBITDA and revenue targets of CZK1.8bn. Revenue growth of +25% yoy** is expected.

The **proposal for a dividend on 2024 profits is unlikely to be announced** yet. Note that in addition to the standard dividend of **CZK13.50**, Kofola paid an advance dividend for **2024 of CZK7.50 last year**. Given the significant increase in earnings, **we expect Kofola to increase its dividend policy (CZK13.50 per share annually). We estimate that Kofola will pay a dividend of CZK19.10 for 2024.**

Kofola is also expected to provide **guidance for 2025. In our model, we estimate EBITDA to reach CZK2bn and revenues to reach CZK11.5bn, representing +6% yoy growth.**



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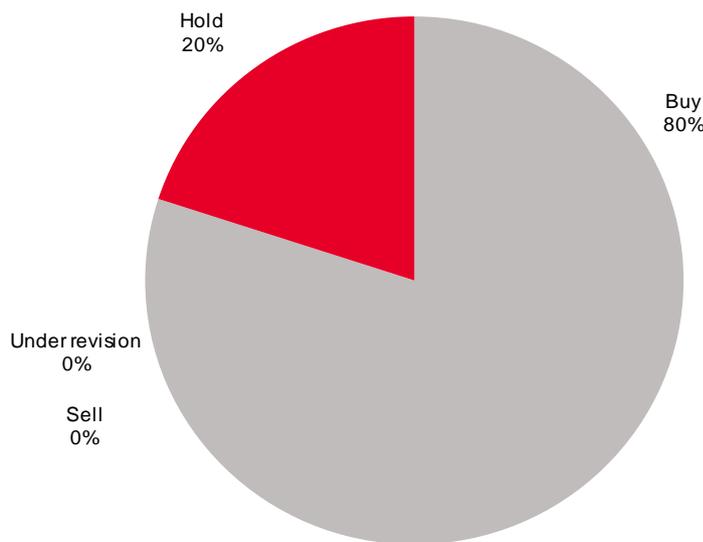
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The main methods KB is using for setting target price for stocks are discounted free cash flow analysis and sector comparison. Other methods may also be used if deemed appropriate by the analyst (e.g. sum of parts valuation, discounted dividend valuation, discount / premium to NAV). Target price is set for the time period of 12 months. KB is using three grades of investment recommendation: buy, hold and sell. The recommendation is set for the time period of the next 3-6 months. The most important factor for setting the recommendation is the difference between actual market price and target price calculated by KB equity research. The recommendation also reflects other factors the analyst expects to influence the stock and market in the time period of 3-6 months after its publication. The target price substantially above current price does not automatically mean a buy recommendation for the 3-6 months following the first period of 3-6 months since publication of the recommendation. Valuation methods and factors key for setting the recommendation are explained in the text of each analysis.

The chart below shows the structure of grades of valid investment recommendations of equity research of KB Economic & Strategy Research (8 recommendations).

**Investment recommendations of KB equity research**



Source: Economic & Strategy Research, Komerční banka

**KB Equity Research ratings on a 12 month period**

**BUY:** absolute total shareholder return forecast of 15% or more over a 12 month period.

**HOLD:** absolute total shareholder return forecast between 0% and +15% over a 12 month period.

**SELL:** absolute total shareholder return forecast below 0% over a 12 month period.

Total shareholder return means forecast share price appreciation plus all forecast cash dividend income, including income from special dividends, paid during the 12 month period. Ratings are determined by the ranges described above at the time of the initiation of coverage or a change in rating (subject to limited management discretion). At other times, ratings may fall outside of these ranges because of market price movements and/or other short term volatility or trading patterns. Such interim deviations from specified ranges will be permitted but will become subject to review by research management.

**Overview of recommendations published by KB and relationships with particular issuers**

	CEZ	Colt CZ Group SE	Kofola	MONETA Money Bank	Philip Morris CR	Avast	O2 CR
<b>Overview of last investment research and recommendations related to stocks of particular issuers</b>							
Recommendation	Hold	Buy	Buy	Buy	Buy	End of coverage	End of coverage
Target price	CZK923	CZK921	CZK402	CZK143.3	CZK17,041		
Date	15.11.2024	09.02.2024	03.09.2024	16.01.2025	21.03.2024	07.09.2022	25.02.2022
Price on the day of the publication	CZK907	CZK574	CZK299	CZK128.8	CZK15,400	CZK205.1	CZK270
Investment horizon	12 months	12 months	12 months	12 months	12 months		
Author	B. Trampota	B. Trampota	B. Trampota	B. Trampota	B. Trampota		
<b>Overview of investment researches and recommendations</b>							
Recommendation	Buy	Buy	Buy	In revision	Hold	Buy	Buy
Target Price	CZK1,034	CZK652	CZK313	In revision	CZK18,349	GBp600	CZK362
Date	07.09.2023	16.12.2022	29.05.2023	25.07.2024	03.03.2023	11.02.2021	26.03.2021
Recommendation	Buy	Buy	Buy	Buy	Buy	Buy	Buy
Target Price	CZK1,393	CZK645	CZK381	CZK104.6	CZK18,183	GBp466	CZK293
Date	07.06.2022	17.01.2022	12.05.2022	05.09.2022	11.02.2022	30.08.2019	08.01.2020
Recommendation	In revision	In revision	In revision	Buy	Buy	In revision	Buy
Target Price	In revision	In revision	In revision	CZK104.6	CZK16,512	In revision	CZK298
Date	10.05.2022	31.03.2021	15.02.2022	05.09.2022	20.11.2020	14.08.2019	12.12.2018
Recommendation	Buy	Buy	Buy	Buy	Buy	Buy	Hold
Target Price	CZK905	CZK357	CZK367	CZK109.7	CZK18,308	GBp342	CZK270
Date	10.12.2021	27.11.2020	12.01.2021	31.08.2021	03.12.2018	15.06.2018	18.08.2017
Valuation methods	DFCF	DFCF	DFCF	DFCF DDM ERM	DDM	DFCF	DFCF DDM
Frequency of rec. (per year)	once	once	once	once	once	once	once
Direct or indirect share (5% or more) of the issuer of the registered capital of KB	no	no	no	no	no	no	no
Other significant financial interest of KB and/or its linked persons in the issuer	no	no	no	no	no	no	no
KB direct or indirect share (0.5% or more) of the registered capital of the issuer.	no	no	no	no	no	no	no
Author's direct or indirect share (0.5% or more) of the registered capital of the issuer.	no	no	no	no	no	no	no
Signific. fin. interest in the issuer of the persons partic. in elaboration of inv. research and rec.	no	no	no	no	no	no	no
<b>Relationships of Komerční banka with particular issuers</b>							
KB Management or co- management of public offerings in the past 12 month	no	yes	no	no	no	no	no
Agreements or contractual relations for providing investment services with the issuer	KB can have concluded agreements with the issuer for providing investment services. This information is protected by bank secret and could not be disclosed.						
Agreement with the issuer on production and dissemination of the research	no	no	no	no	no	no	no
KB market making for common stocks of the issuer	no	no	no	no	no	no	no

Note: DFCF – Discounted free cash flow model, DDM – Discounted dividend model, ERM – Excess return model  
Source: Economic & Strategy Research, Komerční banka