MAVI

Volume recovery supports a gradual earnings inflection

23 September 2026

Gross-margin resilience and cash conversion underpin the recovery

We revise our target price to TL63.20/share from TL69.00 and reiterate our "Outperform" call for MAVI. 2Q26 showed that the franchise can protect profitability even when real demand is subdued: IAS29 revenue was broadly flat at TL12.6bn, EBITDA increased 2.4% to TL2.0bn and the margin expanded 42bp, while net income of TL263mn was held back by a 53% effective tax rate. Management cut 2026 real revenue guidance to a low-single-digit decline-to-flat from 5% ±1% growth, but retained its 18.0% ±0.5% EBITDA-margin, net-cash, capex and store-opening targets. We now forecast 2026E revenue of TL61.9bn, EBITDA of TL11.3bn and net income of TL2.9bn, rising to TL81.7bn, TL15.0bn and TL3.9bn in 2027E. Positive transaction and volume growth in 2Q26, resilient cash conversion and encouraging early-3Q operating performance prints support the recovery case, although opex inflation and taxation delay a cleaner earnings inflection.

Transactions and volumes provide the first demand signal

Türkiye like-for-like sales declined only 0.6% in real terms in 2Q26 as transactions rose 3.5% and the real basket contracted 3.9%. Like-for-like volume grew 5.8%, while total Türkiye retail volume including new space increased 7.3%. Mavi added 682,000 customers in 1H26 and maintained an active Kartus base of 6.2mn. This customer reach, combined with its above-20% denim market share and broader lifestyle assortment, gives the company a credible platform to convert improving traffic into repeat purchases as discretionary demand normalizes.

Margin resilience is visible; operating leverage is the next test

The 2Q26 IAS29 gross margin expanded 246bp to 52.8%, supporting a 42bp increase in EBITDA margin to 15.6%. On Mavi's definition, EBITDA reached TL2.1bn and the margin improved 70bp to 16.4%; however, opex excluding depreciation rose by around 200bp relative to sales. We forecast EBITDA margins of 18.2% in 2026E and 18.4% in 2027E. August Türkiye retail and online sales grew 25% and 30% nominally, respectively, while retail sales rose 24% in the first two weeks of September. Sustained real growth and better cost absorption through the autumn/winter season are now the key tests.

Cash generation and valuation provide downside support

Mavi trades at 10.4x P/E and 2.4x EV/EBITDA for 2026E, falling to 7.8x and 1.8x in 2027E—discounts of 40% and 76% to 2027E peer medians. 1H net cash excluding IFRS 16 was TL6.66bn; operating cash flow reached TL4.22bn and cash conversion 90%. The TL1bn buyback and 4.3% 2026E dividend yield support returns. Key risks are weak real demand, opex inflation, taxation, larger-store inventory needs and overseas losses.

TL mn	2025	2026E	2027E	2028E
Revenues	47.729	61.947	81.719	105.912
EBITDA	8.841	11.274	15.036	19.594
Net Income	2.294	2.944	3.926	7.027
Gross Margin	51,0%	48,7%	49,9%	50,7%
EBITDA margin	18,5%	18,2%	18,4%	18,5%
Net Income Margin	4,8%	4,8%	4,8%	6,6%
P/E (x)	13,1	10,4	7,8	4,4
P/BV (x)	1,9	1,9	1,7	1,5
EV/EBITDA (x)	2,9	2,4	1,8	1,4
EV/Sales (x)	0,5	0,4	0,3	0,3
ROE	14,4%	18,2%	22,4%	34,2%
FCFF Yield	5,6%	4,5%	7,1%	21,3%
Dividend Yield	3,1%	4,3%	4,7%	8,5%

Source: Company Financials, Gedik Investment Research, Rasyonet

OUTPERFORM

Factsheet

Stock Data

Sector	Apparel Retail
Bloomberg / Reuters code	MAVI.TI / MAVI.IS
Price (TL/share)	38,50
Target Price (TL/share)	63,20
Potential Return	64%
52-week range (TL)	34,30-48,17
Market cap (TLmn)	30.589
Enterprise Value (TLmn)	27.403
Floating market cap (TLmn)	22.330
Paid-in capital	795
Effective free float	73%
Foreign ownership (% of free float)	
Current	51,31%
3 months ago	46,01%

Volume - Period	1W	1M	3M	1Y
Avg-Number of Shares traded (000)	15.318	7.465	5.050	7.553
Avg-Volume (TLmn)	562	276	192	304
Price range (TL/share)	34,30-38,50	34,30-38,62	34,30-41,42	34,30-48,17

Performance	1M	3M	6M	12M
Absolute	1%	-6%	-9%	7%
Relative to BIST100	11%	5%	-10%	-7%

Shareholder Structure	Share in Capital(%)
SEYHAN AKARLILAR	9,06
FATMA ELİF AKARLILAR	9,06
HAYRİYE FETHİYE AKARLILAR	9,06
Others	72,82

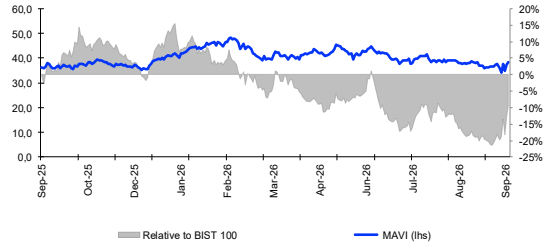
Company Description

Mavi Giyim's main business is the design, manufacture, import, export and wholesale and retail sale of ready-made clothing and textile products made from all types of fabric, under the Mavi and Mavi Jeans brands. The articles of association also allow a wide range of other activities, including accessories, textile machinery and chemicals, leather goods, gift items, and food and restaurant operations, as well as having products made by subcontractors. The company may also make public disclosures in line with capital markets regulations, set up partnerships, buy and sell shares, and take part in tenders.

Reply

Stock Performance

Source: Gedik Yatırım



** The report is prepared as of 22 September 2026*

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Please refer to disclaimer & disclosures on the back page of this report.

Investment thesis

Mavi offers exposure to a gradual recovery in Turkish apparel spending through a leading denim franchise, an expanding lifestyle assortment and a strong net-cash balance sheet. The 2Q26 results strengthened the quality of the thesis rather than the near-term top-line outlook: transactions and volumes returned to growth, gross margin expanded and cash conversion improved, but real revenue remained flat, opex inflation persisted and the effective tax rate stayed elevated. Management's guidance cut confirms that a broad-based demand recovery is taking longer than expected. Our forecasts therefore rely on disciplined pricing, traffic-led growth, store productivity and only modest EBITDA-margin expansion, with a clearer earnings recovery expected in 2027.

1. Brand strength extends beyond the denim category

Mavi reported a denim market share above 20% and 65% top-of-mind awareness in Türkiye in 2025. Denim represented 37% of sales and lifestyle categories 63%, broadening the addressable wardrobe. The 2Q26 volume recovery across all categories supports this diversification. Profitability is broadly balanced across categories, so mix is not a stand-alone margin driver; the test remains whether brand strength can sustain full-price sales and traffic through a promotional market.

2. Customer data and stores provide multiple routes to growth

Mavi added 682,000 customers in 1H26 and maintained 6.2mn active Kartus members. It ended July with 360 Türkiye stores and approximately 201,000 square meters of selling space after four openings, four closures, seven expansions and 14 upgrades in the half. By mid-September, openings and upgrades had advanced further, and management indicated that Türkiye openings could exceed the full-year plan. Larger formats, renovations and digital engagement should support productivity and availability, but they also require upfront capex and structurally higher inventory.

3. Türkiye traffic remains the main earnings driver

Türkiye generated 91% of 2Q26 revenue. Like-for-like transactions increased 3.5%, like-for-like volume rose 5.8% and total Türkiye retail volume including new space grew 7.3%, despite a 0.6% real decline in like-for-like sales. Early-3Q nominal trading was encouraging, but the absence of disclosed real growth means it is not yet a full demand inflection. International revenue grew 2.6% at constant currency in 2Q26, with the US business up 24% y/y, offering longer-term optionality; expansion costs and store ramp-up still limit the near-term earnings contribution.

4. Local sourcing helps responsiveness but does not remove cost pressure

Mavi uses an outsourced production model and sourced approximately 88% of units locally in 2025, supporting replenishment speed and reducing long-distance supply complexity. Its 'one-plus-one' sourcing approach provides an international back-up for local suppliers, and management expects the transfer of production from a closing fabric supplier to be orderly. The 2Q26 gross margin increased 246bp to 52.8%, but opex excluding depreciation rose by around 200bp relative to sales. Higher-than-planned energy and general inflation, together with the autumn/winter shift toward outerwear, make cost absorption the main margin risk in 2H26.

5. Cash generation supports investment and shareholder returns

1H operating cash flow rose to TL4.22bn from TL2.99bn and cash conversion reached 90%, while net working capital fell to 5.1% of trailing sales from 8.0%. Net cash excluding IFRS 16 remained strong at TL6.66bn after the dividend payment and investment programme. We forecast capex at 6% of revenue in 2026E and 5.5% thereafter. Our DPS estimates are TL1.67, TL1.83 and TL3.27 for 2026–28E. The new TL1bn buyback programme adds support, while leases remain an economic cash commitment in our DCF.

6. Recovery in sales and earnings can narrow the valuation discount

Management now expects 2026 IAS29 revenue to decline at a low-single-digit rate or remain flat, versus its previous 5% ±1% real-growth guidance. It retained the 18.0% ±0.5% EBITDA-margin target, a net-cash position, capex at 6% of sales and its store investment plan. We forecast revenue of TL61.9bn, TL81.7bn and TL105.9bn in 2026–28E; EBITDA of TL11.3bn, TL15.0bn and TL19.6bn; and net income of TL2.9bn, TL3.9bn and TL7.0bn. EBITDA margin expands only modestly from 18.2% in 2026E to 18.5% in 2028E. Delivery depends on sustaining transaction growth, converting larger stores into productivity gains and preventing opex inflation from absorbing gross-margin progress.

2Q26 Earnings Review

Mavi reported 2Q26 IAS29 revenue of TL12,553mn, EBITDA of TL1,962mn and net income of TL263mn. Revenue declined 0.4% y/y in real terms, EBITDA rose 2.4% y/y and attributable net income fell 13.6% y/y. Both revenue and EBITDA were in line with consensus, while net income missed by 18.5%, mainly reflecting the 53% effective tax rate and the continuing drag from IAS29. On the company-reported definition, EBITDA was TL2,065mn with a 16.4% margin, up 70bps y/y.

2026 revenue guidance was revised down: Management changed its IAS29 revenue outlook from 5% ±1% real growth to a low-single-digit decline to flat, citing the updated inflation assumption. It maintained the 18.0% ±0.5% EBITDA margin target, a net cash position, capex at 6% of sales, and its store targets of 15 net openings, 15 expansions and 30 upgrades in Türkiye plus six openings in North America.

Early 3Q26 operating prints remain positive in nominal terms: Türkiye retail sales increased 25% y/y and online sales rose 30% in August. Retail sales grew 24% in the first two weeks of September, with back-to-school momentum lifting growth to 42% in the second week. These indicators support sequential demand improvement, although management did not disclose the corresponding real growth or volume figures.

Domestic volumes recovered despite subdued real sales: In 2Q26, Türkiye like-for-like sales rose 31.3% nominally but declined 0.6% in real terms. Transactions increased 3.5%, the real basket contracted 3.9%, like-for-like volume grew 5.8%, and total Türkiye retail volume including new space increased 7.3%. Consolidated revenue comprised 71% retail, 20% wholesale and 9% e-commerce, while Türkiye generated 91% of sales. International revenue grew 2.6% y/y at constant currency, and the US business expanded 24% y/y in 2Q26. Against a more promotional digital market, Türkiye online sales remained under pressure, although online volume increased 8% y/y. International mavi.com grew 15.5% in 2Q26 and 13% in H1 at constant currency.

Gross margin gains were partly absorbed by opex inflation: IAS29 gross margin expanded 246bps y/y to 52.8% in 2Q26, while EBITDA margin rose 42bps to 15.6%. On the company definition, gross-margin improvement was offset by a 200bps increase in opex/sales excluding depreciation, as the cost base grew faster than the largely flat real top line.

Pre-IAS29 figures show healthy nominal growth but softer operating leverage: 2Q26 revenue increased 32% y/y to TL12.3bn and company EBITDA rose 26% to TL2.4bn. However, the EBITDA margin narrowed to 19.5% from 20.4%. EBITDA excluding IFRS16 increased 18% to TL1.7bn, with the margin declining to 13.9% from 15.5%. Pre-IAS29 gross margin improved 80bps to 55.9%.

Tax and IAS29 kept the bottom line under pressure: Profit before tax more than doubled y/y in 2Q26, but the effective tax rate jumped to 53% from 6%, reflecting the absence of inflation accounting in statutory financials. The IAS29 net monetary loss was TL115mn versus TL71mn a year earlier. Consequently, attributable net income was TL263mn and the net margin eased 32bps to 2.1%, despite the improvement in pre-tax profit.

Store investment remains on plan: Mavi ended July with 360 retail stores in Türkiye after four openings and four closures in H1. Seven stores were expanded and 14 were upgraded during the half, while four new US stores were opened. H1 capex declined to TL1.33bn, equivalent to 5.1% of sales versus 6.1% a year earlier. By mid-September, Türkiye operations had recorded seven openings, five closures, seven expansions and 19 upgrades YTD.

Cash generation and working-capital discipline were clear positives: H1 operating cash flow increased to TL4.22bn from TL2.99bn and cash conversion reached 90%. Net working capital fell to 5.1% of LTM sales from 8.0%. IAS29 inventory was 7% lower y/y, while management described operational stock levels as 7% higher, mainly fresh Fall/Winter product for larger stores. Net cash excluding IFRS16 remained strong at TL6.66bn.

We view 2Q26 as operationally positive but not yet a clean earnings inflection. Gross-margin expansion, renewed transaction and volume growth, strong cash conversion and the new TL1bn buyback programme are the main positives. The revenue-guidance cut, broadly flat real sales, opex inflation, the persistently high tax burden and the net-income miss are the key negatives.

Valuation

Our TL-based DCF yields enterprise value of TL34.84bn and equity value of TL38.02bn after adding TL3.19bn of net cash; on 794.512mn shares, current fair value is TL47.86/share. Rolling this value forward at the 32.06% 2027E cost of equity supports our rounded TL63.20 target, implying 64.2% upside from TL38.50. The risk-free rate declines from 33.17% in 2026E to 26.46% in 2027E and 18.0% terminally; with a 5.0% ERP and 1.12 beta, CoE is 38.77%, 32.06% and 23.60%, respectively. WACC declines from 35.05% to 28.03% and 21.72%. Our effective tax rate assumptions are 47% in 2026E, 50% in 2027E and 25% thereafter; terminal growth is 15%. Terminal cash flows represent approximately 57% of enterprise value. To keep IFRS 16 treatment internally consistent, FCFF deducts lease reinvestment—ROU asset change plus lease depreciation—while net cash and trading multiples are quoted excluding IFRS 16 where stated. FCFF rises from TL1.05bn in 2026E to TL1.70bn in 2027E.

Exhibit 1: DCF Valuation

TLmn	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenues	**47.729**	**61.947**	**81.719**	**105.912**	**127.287**	**148.179**	**169.039**	**192.820**	**219.928**	**250.824**	**286.034**
Growth%	-5,2%	29,8%	31,9%	29,6%	20,2%	16,4%	14,1%	14,1%	14,1%	14,0%	14,0%
EBITDA	**8.841**	**11.274**	**15.036**	**19.594**	**22.975**	**26.042**	**29.349**	**33.105**	**37.312**	**42.056**	**47.386**
Growth%	-3,5%	27,5%	33,4%	30,3%	17,3%	13,3%	12,7%	12,8%	12,7%	12,7%	12,7%
EBITDA Margin	**18,5%**	**18,2%**	**18,4%**	**18,5%**	**18,1%**	**17,6%**	**17,4%**	**17,2%**	**17,0%**	**16,8%**	**16,6%**
EBIT	5.404	7.478	10.852	14.983	17.918	20.519	23.318	26.519	30.120	34.203	38.809
Unlevered Taxes	-1.351	-3.515	-5.426	-3.746	-4.479	-5.130	-5.830	-6.630	-7.530	-8.551	-9.702
Effective Tax Rate	25%	47%	50%	25%	25%	25%	25%	25%	25%	25%	25%
NOPAT	**4.053**	**3.963**	**5.426**	**11.237**	**13.438**	**15.390**	**17.489**	**19.889**	**22.590**	**25.652**	**29.107**
NOPAT Margin	8,5%	6,4%	6,6%	10,6%	10,6%	10,4%	10,3%	10,3%	10,3%	10,2%	10,2%
Capital Expenditure	-2.558	-3.717	-4.495	-5.825	-7.001	-8.150	-9.297	-10.605	-12.096	-13.795	-15.732
Depreciation	3.437	3.797	4.184	4.610	5.058	5.523	6.031	6.586	7.192	7.854	8.576
Lease Reinvestment (ROU Change + Lease D&A)	3.353	2.907	3.307	3.769	4.248	4.760	5.358	6.027	6.773	7.605	8.533
Change in Net WC	344	87	108	1.068	934	919	2.996	1.337	1.523	1.737	1.979
Free Cash Flow Firm	**1.235**	**1.048**	**1.700**	**5.186**	**6.313**	**7.083**	**5.869**	**8.506**	**9.390**	**10.369**	**11.440**
WACC	45,9%	35,0%	28,0%	28,4%	27,4%	26,4%	24,6%	22,8%	21,8%	21,8%	21,7%
Discount Factor	1,00	0,74	0,58	0,45	0,35	0,28	0,22	0,18	0,15	0,12	0,10
DCF	**1.235**	**776**	**983**	**2.337**	**2.233**	**1.981**	**1.317**	**1.555**	**1.409**	**1.278**	**1.158**

Sum of DCF	15.027
Terminal Growth Rate	15,0%
Terminal Value	195.670
PV of Terminal Value	19.811
Enterprise Value	**34.839**
Net Debt (cash)	-3.186
Equity Value	**38.025**
Fair Value Per Share	47,86
Target Price Per share	**63,20**
Price per share	38,50
Upside	**64%**

Valuation sensitivity

The matrix varies terminal WACC by ±100bp around 21.72% and terminal growth by ±100bp around 15%. Interim cash flows and discount factors are unchanged. This isolates terminal-value sensitivity; a change across the entire WACC path would have a broader valuation impact.

Exhibit 2: DCF target-price matrix (TL/share)

Terminal WACC	g: 14%	g: 15%	g: 16%
20.72%	62.90	68.96	77.56
21.72%	58.70	63.20	69.30
22.72%	55.42	58.94	63.50

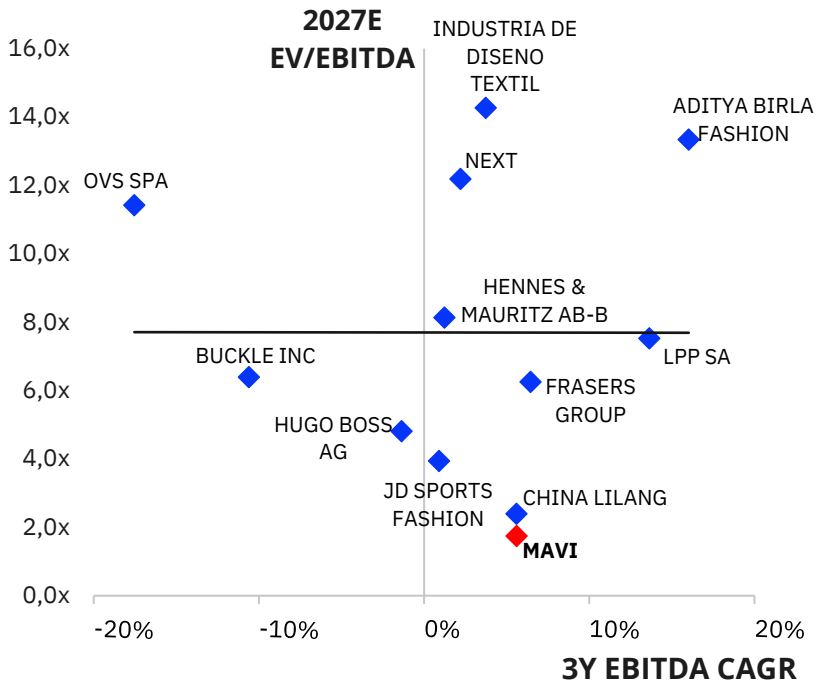
MAVI vs Global Peers

Mavi trades at 1.8x 2027E EV/EBITDA and 7.8x P/E, versus peer medians of 7.5x and 13.0x—discounts of 76% and 40%. Its 18.4% EBITDA margin is slightly above the 17.8% median. Türkiye exposure and IAS29 warrant a discount; sustained traffic, cash conversion and delivery of the earnings recovery could support a re-rating.

Exhibit 3: MAVI vs Global Peers

Company	Origin	Market Capitalisation (USDmn)	EV/EBITDA 2026E	EV/EBITDA 2027E	P/E 2026E	P/E 2027E	2025-2028 EBITDA CAGR*	2027E EBITDA Margin
JD SPORTS FASHION	Britain	5.368	3,9x	3,9x	7,2x	7,6x	*1%*	*14,7%*
OVS SPA	Italy	1.685	12,8x	11,4x	15,7x	14,1x	*-18%*	*12,4%*
INDUSTRIA DE DISENO TEXTIL	Spain	208.618	15,5x	14,3x	28,9x	26,0x	*4%*	*28,1%*
HUGO BOSS AG	Germany	3.084	5,1x	4,8x	14,5x	11,9x	*-1%*	*17,4%*
FRASERS GROUP	Britain	4.828	6,5x	6,2x	8,3x	7,8x	*6%*	*16,7%*
LPP SA	Poland	10.670	9,5x	7,5x	21,5x	15,6x	*14%*	*21,4%*
CHINA LILANG	China	448	2,6x	2,4x	5,7x	5,3x	*6%*	*19,3%*
NEXT	Britain	25.125	13,2x	12,2x	20,9x	18,9x	*2%*	*22,0%*
HENNES & MAURITZ AB-B	Sweden	28.907	8,4x	8,1x	21,5x	20,2x	*1%*	*17,8%*
ADITYA BIRLA FASHION	India	680	17,3x	13,3x	-	-	*16%*	*8,2%*
BUCKLE INC	United States	2.200	6,8x	6,4x	10,6x	10,0x	*-11%*	*17,8%*
Median			**8,4x**	**7,5x**	**15,1x**	**13,0x**	**2,2%**	**17,8%**
Mavi	***Turkey***	**628**	**2,4x**	**1,8x**	**10,4x**	**7,8x**	***5,6%***	***18,4%***
Premium/(Discount) to Peers			*-72%*	*-76%*	*-31%*	*-40%*		

*Real Growth



Source: Gedik Research, Bloomberg

Catalysts

A sustained improvement in real like-for-like sales and transactions is the clearest catalyst. Further triggers are delivery—or a positive surprise—on the Türkiye opening plan, productivity gains from larger stores, opex growth below sales and delivery of the 18% EBITDA-margin guidance through autumn/winter. The TL1bn buyback, lower taxation and improving US productivity would add support. August and early-September trading is encouraging, but 3Q26 must confirm real growth.

Risks

Domestic demand remains the largest sensitivity because Türkiye contributes approximately 91% of sales. Weak purchasing power, aggressive promotions or adverse seasonal weather could reduce traffic and the full-price mix. Wage, rent, energy and supplier inflation may absorb gross-margin gains, particularly as outerwear increases in autumn/winter. Larger stores require more inventory; slower turns or weaker productivity would raise working-capital needs and reduce cash conversion. Expansion and renovation spending may also deliver slower returns than forecast; capex above our 6% of sales assumption for 2026E and 5.5% thereafter would weigh on free cash flow.

Earnings and valuation risks include high taxation, overseas losses, supplier concentration and interest rates above our assumptions. IAS29 affects comparisons, tax and monetary items. IFRS16 requires consistent treatment of lease reinvestment, net cash and enterprise value; higher lease additions would reduce FCFF. The DCF depends on 15% terminal growth and WACC declining from 35.05% in 2026E to 21.72% terminally; terminal cash flows are about 57% of enterprise value. Weaker sales, margins or a higher required return would reduce fair value.

Exhibit 5: Financials

Income Statement (TLmn)	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenues	47.729	61.947	81.719	105.912	127.287	148.179	169.039	192.820	219.928	250.824	286.034
COGS	23.391	31.796	40.957	52.165	62.273	72.092	81.993	93.223	106.015	120.556	137.102
Gross Profit	24.338	30.150	40.761	53.747	65.014	76.086	87.046	99.598	113.913	130.268	148.933
Operating Expenses	-18.934	-22.673	-29.909	-38.764	-47.096	-55.567	-63.728	-73.079	-83.793	-96.066	-110.123
Operating Income	5.404	7.478	10.852	14.983	17.918	20.519	23.318	26.519	30.120	34.203	38.809
EBITDA	8.841	11.274	15.036	19.594	22.975	26.042	29.349	33.105	37.312	42.056	47.386
Other non-operating income, net	240	312	412	533	641	746	851	971	1.108	1.263	1.440
Financial income, net	-2.153	-1.585	-2.523	-5.044	-4.711	-4.827	-3.310	-3.787	-4.311	-4.908	-5.588
Taxes Paid	-1.439	-2.770	-4.165	-2.485	-3.302	-3.923	-5.002	-5.683	-6.452	-7.324	-8.305
Reported Net Income	2.294	2.944	3.926	7.027	9.337	11.094	14.145	16.070	18.246	20.710	23.486
Reported EPS	2,89	3,71	4,94	8,84	11,75	13,96	17,80	20,23	22,96	26,07	29,56
DPS	1,17	1,67	1,83	3,27	4,35	5,17	6,59	7,48	8,50	9,64	10,94

Growth	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Sales	-5,2%	29,8%	31,9%	29,6%	20,2%	16,4%	14,1%	14,1%	14,1%	14,0%	14,0%
EBITDA	-3,5%	27,5%	33,4%	30,3%	17,3%	13,3%	12,7%	12,8%	12,7%	12,7%	12,7%
Net Income	-35,6%	28,4%	33,3%	79,0%	32,9%	18,8%	27,5%	13,6%	13,5%	13,5%	13,4%

Balance Sheet (TLmn)	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Cash & Marketable Securities	9.723	9.863	10.361	11.611	13.110	15.057	16.357	19.400	22.929	27.025	31.775
Accounts Receivables	3.252	4.752	6.269	8.125	9.765	11.367	12.967	14.792	16.871	19.241	21.942
Inventory	6.691	8.438	10.075	13.029	15.676	18.238	22.893	26.110	29.782	33.965	38.734
Plant, Property & Equipment, net	4.632	4.956	6.537	8.473	10.183	11.854	13.523	15.426	17.594	20.066	22.883
Intangible Assets	2.119	2.761	3.433	4.130	4.130	4.130	4.130	4.130	4.130	4.130	4.130
Other Assets	4.427	4.997	5.889	6.924	7.926	8.976	10.110	11.385	12.817	14.425	16.229
Total Assets	30.843	35.767	42.565	52.291	60.789	69.622	79.980	91.242	104.124	118.852	135.692
Financial Loans	1.446	2.263	3.305	4.795	5.690	6.752	8.035	9.576	11.416	13.612	16.242
Account Payables	6.457	9.589	12.594	16.286	19.594	22.798	26.014	29.670	33.844	38.597	44.016
Other Liabilities	455	591	778	1.005	1.201	1.392	1.583	1.801	2.049	2.332	2.654
Total Liabilities	14.918	19.551	24.959	31.703	36.913	42.205	47.749	54.111	61.435	69.858	79.554
Shareholders' Equity	15.875	16.161	17.545	20.519	23.801	27.336	32.142	37.033	42.582	48.878	56.012
Minority Interest	51	56	62	68	75	82	89	97	106	116	127
Net Debt / (Cash)	(4.638)	(3.871)	(3.087)	(2.568)	(2.873)	(3.422)	(3.083)	(4.205)	(5.479)	(6.926)	(8.562)
Net Debt / (Cash) IFRS-16 exc	(7.822)	(7.227)	(6.613)	(6.280)	(6.787)	(7.557)	(7.460)	(8.845)	(10.408)	(12.172)	(14.153)

Cash Flow Summary (TLmn)	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Profit Before Tax	3.447	5.893	8.330	9.939	13.207	15.692	20.008	22.732	25.809	29.294	33.222
Depreciation	3.437	3.797	4.184	4.610	5.058	5.523	6.031	6.586	7.192	7.854	8.576
Change in WCR	344	87	108	1.068	934	919	2.996	1.337	1.523	1.737	1.979
Taxes	-1.439	-2.770	-4.165	-2.485	-3.302	-3.923	-5.002	-5.683	-6.452	-7.324	-8.305
CAPEX	-2.558	-3.717	-4.495	-5.825	-7.001	-8.150	-9.297	-10.605	-12.096	-13.795	-15.732
Dividend Paid	-931	-1.329	-1.453	-2.600	-3.455	-4.105	-5.234	-5.946	-6.751	-7.663	-8.690
Rights Issue	0	0	0	0	0	0	0	0	0	0	0
Δ in borrowing	1.219	817	1.042	1.490	895	1.062	1.283	1.541	1.840	2.196	2.630
Total cash in/out	-2.068	-2.637	-3.054	-4.948	-4.838	-5.073	-9.485	-6.919	-7.536	-8.203	-8.930
Cash accumulation during the	1.451	140	498	1.250	1.500	1.947	1.300	3.043	3.529	4.096	4.749
Free Cash Flow	1.235	1.048	1.700	5.186	6.313	7.083	5.869	8.506	9.390	10.369	11.440

Ratios	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
ROE	14,4%	18,2%	22,4%	34,2%	39,2%	40,6%	44,0%	43,4%	42,8%	42,4%	41,9%
EBITDA Margin	18,5%	18,2%	18,4%	18,5%	18,1%	17,6%	17,4%	17,2%	17,0%	16,8%	16,6%
Net Margin	4,8%	4,8%	4,8%	6,6%	7,3%	7,5%	8,4%	8,3%	8,3%	8,3%	8,2%
Net Debt/Equity (x)*	-0,5	-0,4	-0,4	-0,3	-0,3	-0,3	-0,2	-0,2	-0,2	-0,2	-0,3
Net Debt/EBITDA (x)*	-0,9	-0,6	-0,4	-0,3	-0,3	-0,3	-0,3	-0,3	-0,3	-0,3	-0,3
ST borrowing/T. Borrowings	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Equity/Total Assets	51,5%	45,2%	41,2%	39,2%	39,2%	39,3%	40,2%	40,6%	40,9%	41,1%	41,3%
Current Ratio (x)	1,6	1,4	1,3	1,2	1,2	1,2	1,2	1,3	1,3	1,3	1,3
Pay-out Ratio	26%	58%	37%	37%	37%	37%	37%	37%	37%	37%	37%

** IFRS 16 excluded*

Source: Gedik Research, Company Filings & Presentations

VALUATION & RATING METHODOLOGY:

Valuation tools employed most frequently are Discounted Cash Flow (DCF) and International Peer Comparison, though other metrics such as Historical Relative Valuation and Replacement Value are also used wherever appropriate. Gedik Investment analysts set the target values with a medium-term investment horizon and calculate the potential return of each stock via using only one tool or more than one tool, assigning different weights for each. Our rating system includes the following recommendations: **OUTPERFORM**, **MARKETPERFORM** and **UNDERPERFORM**. The ratings are determined as follows:

OUTPERFORM: If total return of the stock is expected to exceed BIST100 by more than 20%.

MARKETPERFORM: If total return of the stock is expected to perform in-line with BIST100 within a range of +20/-20%.

UNDERPERFORM: If total return of the stock is expected to be below BIST100 by more than 20%.

Rating Methodology	Pot. Excess Return (PER)
OUTPERFORM	PER > +20%
MARKETPERFORM	-20% <= PER <= +20%
UNDERPERFORM	PER < -20%

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