

We held a meeting with Balsu Gıda's top management recently. BALSU was founded in 1979 and today, with its Ordu and Hendek facilities, has a processing capacity of 77.7 tons of in-shell hazelnuts, making it Turkey's largest and the world's second largest hazelnut company. BALSU began trading on the stock exchange on February 20, 2025, at a price of TL 17.57 per share, corresponding to a market capitalization of TL 17,567 mn (US\$ 498 mn). We expect the company's 4Q25 and 1Q26 profitability to be positively affected from the rapidly rising hazelnut prices due to drought and frost. Additionally, we anticipate that the hazelnut plant investment in Chile and the activated carbon project (please see the next page) will contribute positively to financials in the long term. At the IPO, valuation multiples indicated 10.5x EV/EBITDA and 55.3x P/E multiples. Based on the last 12 month financial data, the shares currently trade at 68x P/E and 15x EV/EBITDA.

**2025 has been an exceptional year for the hazelnut sector...** Turkey is by far the global leader in hazelnut production, accounting for 60–75% of total output. In the 2025/2026 season, production stood at 453 thousand tons, while the five-year average for hazelnut production has been 695 thousand tons. Hazelnut exports amounted to US\$ 2.6 bn in 2024, but declined by 5% YoY to US\$ 1.5 bn in the first eight months of 2025. Balsu's processing capacity is 77.7 thousand tons of in-shell and 50.7 thousand tons of kernel hazelnuts, corresponding to an estimated 13% share of Turkey's kernel hazelnut production. Approximately 85–90% of hazelnuts are used in industrial production, mainly in chocolate and confectionery, making it a key input for the global food industry. In Turkey, hazelnut prices are announced annually by TMO (Turkish Grain Board). Normally, market prices remain close to TMO's reference levels; however, **in 2025, due to frost damage in April and drought, market prices surged above TL 300/kg, well above TMO's announced level of TL 190/kg.**

**High hazelnut prices might not be sustainable in the long term...** Due to the high volatility of hazelnut prices, making forecasts is quite difficult; however, it is likely that the rising prices will normalize (decline) over the next 2–3 years. Statistically occurring roughly once in a decade, severe frost damage and drought created challenging conditions at the start of the 2025 season. The frost event in April, combined with drought and high temperatures in the Western Black Sea region, caused significant yield losses of around 300 thousand tons. As a result, the crop declined to 450 thousand tons (2024: 750 thousand tons). Particularly in major production areas such as Samsun, Ordu, and Giresun, kernel conversion yields fell from 50% to 39–40%. This supply-side shortage directly impacted prices, while low stock levels further fueled the sharp price increase. In-shell hazelnut prices, which stood at TL 125/kg last year, reached TL 320 this season. Starting at TL 260 in the market (above TMO's TL 190/kg floor price), prices rose by 60% within three weeks due to producer stockpiling behavior, surpassing TL 300/kg. Farmers' collective action this time had a pronounced impact on price dynamics. On a global scale, there is an estimated 20% shortfall in nut supply. Given hazelnuts' relatively low demand elasticity compared to substitutes, industrial demand has not declined significantly, amplifying the impact of supply shortages on prices.

#### Not Rated

##### Factsheet

##### Stock Data

Stock Data	
Sector	FOOD
Bloomberg / Reuters code	BALSU.TI / BALSU.IS
Price (TL/share)	24,28
52-week range (TL)	13,80-27,64
Market cap (TL mn)	26,999
Enterprise Value (TL mn)	34,626
Floating market cap (TL mn)	6,750
Paid-in capital (TL mn)	1,112
Effective free float	25%
Foreign ownership (% of free float)	
Current	52,6
3 months ago	44,8

Volume - Period	1W	1M	3M	1Y
Avg-Number of Shares traded (000)	9.449	11.438	14.549	17.101
Avg-Volume (000 TL)	219.102	284.414	337.701	347.016
Price range (TL/share)	21,70-24,28	21,70-27,64	18,15-27,64	13,80-27,64

Performance	1M	3M	6M	12M
Absolute	-1%	21%	46%	n.a
Relative to BIST100	-2%	1%	43%	n.a

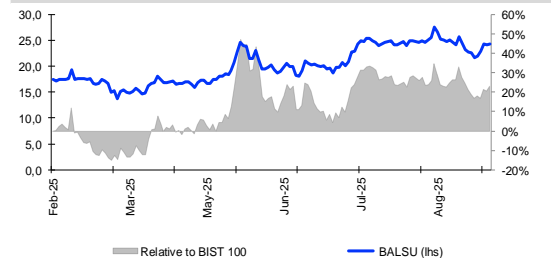
Shareholder Structure	Share in Capital (%)
CZ HOLDİNG ANONİM ŞİRKETİ	75,00
MEDEF PORTFÖY ÇINAR HİSSE SENEDİ SERBEST (TL) FON (HİSSE)	6,99
Sharebuyback	0,28
Others	17,72

##### Company Description

BALSU GIDA SANAYİ VE TİCARET A.Ş. was established to engage in the production and trade of all kinds of foodstuffs, including hazelnuts, chocolate, and confectionery; the Company's main field of activity is the purchase of hazelnuts in shell and kernel, their sale in shell and kernel, cracking, cleaning, calibrating according to size, packaging according to different needs, or processing with thermal and different physical processes and selling hazelnuts as semi-finished products to the food industry.

##### Stock Performance

Source: Gedik Yatırım



\* The report is prepared as of 18 September 2025

**Berk Berensel**

**Assistant Specialist**

berk.berensel@gedik.com  
+90 216 453 00 00

**Umut Öztürk**

**Manager**

umut.ozturk@gedik.com  
+90 212 385 42 00

## Balsu Gıda

Balsu Gıda is Turkey's first publicly listed hazelnut company and, with a processing capacity of 77,700 tons of in-shell and 50,700 tons of kernel hazelnuts, is the largest player in Turkey and the second largest globally. The company operates production facilities in Ordu and Hendek, serving a wide customer base, primarily global chocolate manufacturers. Due to the seasonality of the harvest, financial results are reported on a July–June special fiscal year basis. As of June 30, 2025, trailing twelve-month net sales declined by 14% y/y to TL 17bn. The export share, which was 51% last year, decreased to 43% this year. The majority of exports are directed to Europe, with Luxembourg, Germany, Poland, and Austria being the major destinations. EBITDA was down by 10% y/y to TL 1.9 bn, while the EBITDA margin improved from 10.5% to 11.1% this year. Anticipating the April frost damage, the company lifted its inventories to TL 6.2 bn. However, the higher working capital tied up in inventories negatively impacted cash flows. Net debt rose by 32% q/q to TL 7.6bn due to the financing of inventories. Despite the negative effect of higher inventories on cash flow and net debt, we expect rising hazelnut prices to support operating profitability in 4Q25 and 1Q26. Moreover, thanks to its elevated inventory levels, the company will likely face fewer supply disruptions compared to peers, positioning Balsu as a more reliable supplier in the coming periods.

## Investments

The company's growth strategy focuses on both geographic diversification and sustainability. In this context, it is pursuing two key investments:

**1. Chile Investment:** A new integrated facility in Chile, with an investment of US\$ 13 mn, is planned to become operational in 2Q26, adding 20,000 tons of additional capacity. This project is expected to provide year-round production advantages by leveraging different harvest seasons, reducing seasonality effects, and contributing approximately US\$ 3 mn to consolidated EBITDA.

**2. Hendex Activated Carbon Investment:** Through its hazelnut shell to activated carbon plant, the company aims to transform processing byproducts into value-added products. Hazelnut shells will be converted into activated carbon, which is widely used as a filtering element across multiple industries. Since this project reduces Turkey's import dependency on activated carbon, the company has received an investment incentive, with assumptions in the IPO prospectus projecting a consolidated effective tax rate of below 1% until 2031. While the cost of hazelnut shells is approximately US\$ 0.12/kg, activated carbon sells for around US\$ 3/kg. Although the production process involves an around 80% material loss, energy generation during the process makes the project highly value accretive. To date, US\$ 10 mn has been invested, with a total commitment of US\$ 57 mn. Based on the IPO prospectus, the expected EBITDA contribution is as follows: 2025 – US\$ 4 mn, 2026 – US\$ 21 mn, and 2027 – US\$ 40 mn. Considering the company's current consolidated EBITDA of around US\$ 45–50 mn, this investment might have a positive impact on profitability according to the data on IPO prospectus.

## Financials &amp; Ratios

Income Statement (TL mn)	01.07-30.06.2023	01.07-30.06.2024	01.07-30.06.2025
<b>Revenues</b>	<b>12.346</b>	<b>20.269</b>	<b>17.393</b>
COGS	-11.178	-17.405	-14.703
<b>Gross Profit</b>	<b>1.168</b>	<b>2.864</b>	<b>2.690</b>
Operating Expenses	-768	-859	-895
Other Exp./Inc. from Operating Act.	148	-18	124
<b>Operating Profit</b>	<b>547</b>	<b>1.987</b>	<b>1.919</b>
Other Expense / Income	-11	11	73
<b>Net Monetary Gain/Loss</b>	<b>228</b>	<b>1.315</b>	<b>1.085</b>
Financial Expense / Income	-884	-2.175	-2.404
<b>Profit Before Tax</b>	<b>-120</b>	<b>1.138</b>	<b>673</b>
Tax	-48	404	-198
<b>Net Income</b>	<b>-168</b>	<b>1.542</b>	<b>475</b>
Non-controlling interest	0	0	0
<b>Net Income after Minority</b>	<b>-168</b>	<b>1.542</b>	<b>475</b>
Earnings Per Share	-0,17	1,39	0,43

<b>D&amp;A</b>	<b>184</b>	<b>127</b>	<b>130</b>
<b>EBITDA</b>	<b>584</b>	<b>2.132</b>	<b>1.925</b>

Balance Sheet (TL mn)	01.07-30.06.2023	01.07-30.06.2024	01.07-30.06.2025
<b>Cash &amp; Marketable Securities</b>	<b>504</b>	<b>490</b>	<b>523</b>
Accounts Receivables	649	1.234	3.565
<b>Inventory</b>	<b>2.473</b>	<b>3.302</b>	<b>6.193</b>
Tangible Fixed Asset	1.555	1.997	2.688
<b>Intangible Assets</b>	<b>55</b>	<b>38</b>	<b>20</b>
Other Assets	616	970	1.493
<b>Total Assets</b>	<b>5.852</b>	<b>8.031</b>	<b>14.481</b>
Short Term Debt	3.945	3.954	7.295
<b>Trade Payables</b>	<b>831</b>	<b>1.398</b>	<b>999</b>
Long Term Debt	268	401	1.162
<b>Other Liabilities</b>	<b>535</b>	<b>501</b>	<b>753</b>
Total Liabilities	5.579	6.254	10.209
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>
Shareholders' Equity	273	1.776	4.272
<b>Net Debt / (Cash)</b>	<b>3.656</b>	<b>3.830</b>	<b>7.622</b>

Growth	01.07-30.06.2023	01.07-30.06.2024	01.07-30.06.2025
<b>Net Sales</b>		<b>64%</b>	<b>-14%</b>
EBITDA		265%	-10%
<b>Net Income</b>		<b>-1016%</b>	<b>-69%</b>

Ratios	01.07-30.06.2023	01.07-30.06.2024	01.07-30.06.2025
<b>ROE</b>	<b>-62%</b>	<b>87%</b>	<b>11%</b>
EBITDA Margin	4,7%	10,5%	11,1%
<b>Net Income Margin</b>	<b>-1%</b>	<b>8%</b>	<b>3%</b>
Net Debt/EBITDA	6,26	1,80	3,96
<b>ST Borrowing/T. Borrowings</b>	<b>94%</b>	<b>91%</b>	<b>86%</b>
Equity/Total Assets	5%	22%	29%
Current Ratio	1,03	1,11	0,99

Source: Company Financials, Gedik Investment Research, Rasyonet

**VALUATION & RATING METHODOLOGY:**

Valuation tools employed most frequently are Discounted Cash Flow (DCF) and International Peer Comparison, though other metrics such as Dividend Discount, Historical Relative Valuation, and Replacement Value are also used wherever appropriate. Gedik Investment analysts set the target values with a 12-month 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 12-month company rating system includes the following recommendations: **OUTPERFORM**, **MARKETPERFORM** and **UNDERPERFORM**. The ratings are determined as follows:

**OUTPERFORM:** If 12-month total return of the stock is expected to exceed BIST-100 by more than 20%.

**MARKETPERFORM:** If 12-month total return of the stock is expected to perform in-line with BIST-100 within a range of +20/-20%.

**UNDERPERFORM:** If 12-month total return of the stock is expected to be below BIST-100 by more than 20%.

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

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# GedikInvestment

**Gedik Yatırım Menkul Değerler A.Ş.**

Pasco Plaza Maltepe, Altayçeşme Mahallesi, Çamlı Sokak No:21, İstanbul, Turkey

Phone: +90 216 453 00 00 / Fax: +90 216 377 11 36

[sales@gedik.com](mailto:sales@gedik.com), [research@gedik.com](mailto:research@gedik.com)

[www.gedik.com](http://www.gedik.com)