

# Selçuk Ecza Deposu

## Net loss in 2Q25

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Selçuk Ecza reported a net loss of TRY 321 million in 2Q25, including the impact of IAS-29 (2Q24: TRY 179 million net profit). Despite a 7% increase in sales revenue in 2Q25, weak operational performance, lower gross profit and EBITDA, and increased operational expenses resulted in a decrease in operating profit (2Q25: TRY 1,510 million, 2Q24: TRY 1,915 million). However, despite a decrease in net financial expenses and monetary position losses, tax expenses of TRY 213 million in this period, compared to tax income of TRY 838 million in 2Q24, were the factors contributing to the net loss.

Selçuk Ecza's net sales revenue increased by 7% year-over-year in 2Q25 to TRY 36,106 million. In the first six months of 2025, approximately 1.41 billion boxes of pharmaceuticals, totaling approximately 306.32 billion Turkish Lira, were sold in Turkey. Based on this data, the Company's market share was 37.34% in Turkish Lira (1Q25: 37.60%) and 37.35% in terms of units (1Q25: 37.34%). As you may recall, the reference Euro exchange rate was increased by 23.5% in October 2024. EBITDA, including the impact of TAS-29, decreased by 24% year-over-year to TRY 641 million in Q2 2025 (TRY 844 million in Q2 2024). Despite increased sales revenues, higher costs and operational expenses contributed to the decline in EBITDA. Gross margin was 7.6%, EBITDA margin was 1.8%, and net profit margin was -0.9% (2Q24: 8.3%, 2.5%, 0.5%).

The Presidential Decree published in the Official Gazette on August 16 announced that the Wholesaler Sales Price (DSF) ranges will be updated in line with the reference Euro exchange rate. This decision provides Selçuk Ecza with protection against gross margin erosion during update periods. Furthermore, we expect an increase in the periodic euro value used in pharmaceutical prices. Increasing pharmaceutical prices is expected to have a positive impact on the Company's sales revenues.

As a result, despite the company's strong revenue growth, weak operational performance contributed to its net loss announcement. While the company's cash flow remains strong, we expect this weak operational performance to negatively impact stock performance in the short term. Following the company's 2Q25 financial results, we are revise our 12-month per-share target price for SELEC from TRY 85.47 to per share TRY 110.00. Our target share price carries a 14.7% upside potential based on the current share price, and we revise our recommendation for the company from "OUTPERFORM" to "MARKETPERFORM."

## MARKETPERFORM

TP: TRY 110.00

Previous: TRY 85.47

Upside: 14.7%

	TRY	US\$
Close	95,90	2,35
BIST 100	10.930	268
US\$/TRY (CB Bid Rate):	40,8084	
52 Week High:	104,60	2,58
52 Week Low :	49,58	1,46
Bloomberg/Reuters Ticker:	SELEC.TI / SELEC.IS	

Number of Shares (Mn):	621	
	(TRY Mn)	(US\$ Mn)
Current Mcap :	59.554	1.462
Free Float Mcap:	8.933	219

	1 M	YOY	YTD
TRY Return (%):	-2,1	61,3	20,6
US\$ Return (%):	-3,4	32,9	4,3
BIST 100 Relative (%):	-7,1	44,9	8,5
Av g. Daily Vol. (TRY Mn):	132		
Av g. Daily Vol. (US\$ Mn):	3,6		

Beta	0,66
Volatility (Stock)	0,48
Volatility (BIST 100)	0,27

Shareholder Structure	%
Selçuk Ecza Holding A.Ş.	82,42
Other	17,58
Total	100,0

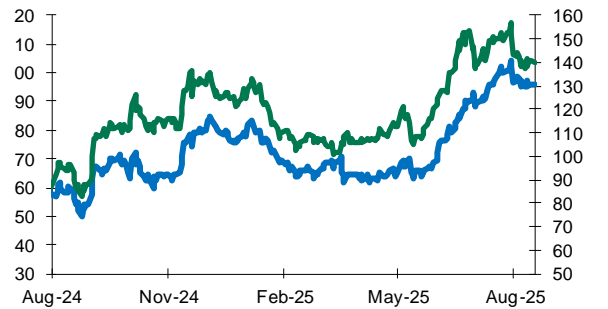


Figure 1: Financials (Including IAS-29 Effect)

TRY Million	1H24	1H25	YoY	2Q24	2Q25	YoY
<b>Revenues</b>	<b>74.527</b>	<b>75.848</b>	<b>1,8%</b>	<b>33.752</b>	<b>36.106</b>	<b>7,0%</b>
<b>Gross Profit</b>	<b>7.614</b>	<b>5.947</b>	<b>-21,9%</b>	<b>2.807</b>	<b>2.757</b>	<b>-1,8%</b>
<i>Gross Profit Margin</i>	<i>10,2%</i>	<i>7,8%</i>		<i>8,3%</i>	<i>7,6%</i>	
<b>EBIT</b>	<b>3.091</b>	<b>1.140</b>	<b>-63,1%</b>	<b>674</b>	<b>455</b>	<b>-32,5%</b>
<i>EBIT Margin</i>	<i>4,1%</i>	<i>1,5%</i>		<i>2,0%</i>	<i>1,3%</i>	
<b>EBITDA</b>	<b>3.436</b>	<b>1.511</b>	<b>-56,0%</b>	<b>844</b>	<b>641</b>	<b>-24,0%</b>
<i>EBITDA Margin</i>	<i>4,6%</i>	<i>2,0%</i>		<i>2,5%</i>	<i>1,8%</i>	
<b>Net Profit</b>	<b>542</b>	<b>-319</b>	<b>N.M.</b>	<b>179</b>	<b>-321</b>	<b>N.M.</b>
<i>Net Profit Margin</i>	<i>0,7%</i>	<i>-0,4%</i>		<i>0,5%</i>	<i>-0,9%</i>	

Source: Finnet, Şeker Invest

Figure 2: Key financials (Including IAS-29 Effect)

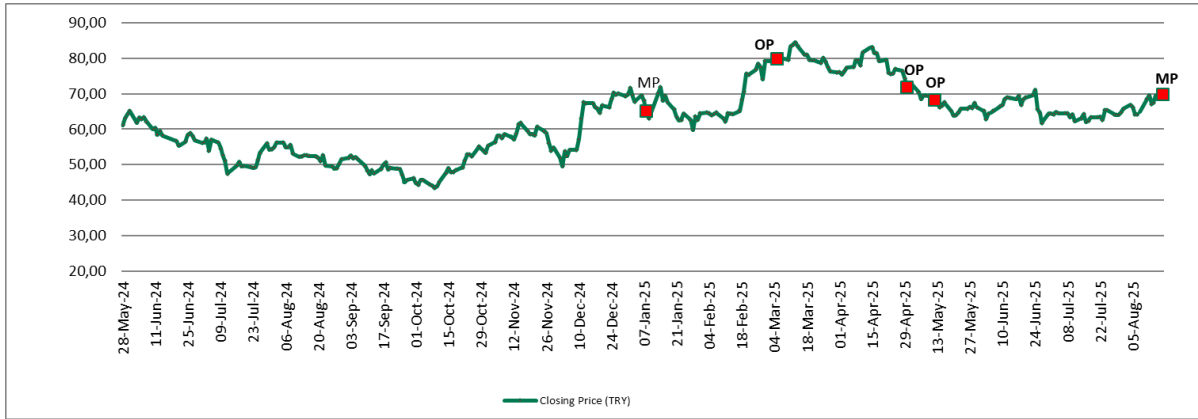
BALANCE SHEET (TRY Mn)	2024/12	2025/06	Change
PP&E	8.179	8.155	-0,3%
Intangibles	826	811	-1,9%
Other Non-Current Assets	2.070	2.139	3,3%
Trade Receivables	37.466	35.446	-5,4%
Cash&Equivalents	4.452	3.346	-24,9%
Other Current Assets	27.974	20.397	-27,1%
<b>Total Assets</b>	<b>80.967</b>	<b>70.294</b>	<b>-13,2%</b>

Long Term Debt	72	45	-37,8%
Other Non current liabilities	944	1.121	18,7%
Short Term Debt	8.659	1.868	-78,4%
Trade Payables	41.464	38.796	-6,4%
Other current liabilities	2.417	1.661	-31,3%
Total Liabilities	53.555	43.490	-18,8%
Total Equity	27.413	26.803	-2,2%
<b>Total Equity&amp;Liabilities</b>	<b>80.967</b>	<b>70.294</b>	<b>-13,2%</b>

INCOME STATEMENT (TRY Mn)	2024/06	2025/06	Change
Revenues	74.527	75.848	1,8%
COGS	66.913	69.900	4,5%
Gross Profit (Loss)	7.614	5.947	-21,9%
Operating Expenses	4.523	4.808	6,3%
Operating Profit/(Loss)	3.091	1.140	-63,1%
Net Other Ope. Rev./(Exp.)	9	(361)	N.M.
Net Investing Activities Gain/Loss	2.595	2.524	-3%
Financial Expenses	(1.390)	(745)	N.M.
Gains (losses) on net monetary positions	(3.412)	(2.194)	N.M.
<b>Profit Before Tax (Loss)</b>	<b>893</b>	<b>364</b>	<b>-59,2%</b>
Tax	(351)	(684)	N.M.
<b>Net Profit (Loss)</b>	<b>542</b>	<b>(319)</b>	<b>N.M.</b>
Majority Interest	542	(319)	N.M.

Source: Finnet, Şeker Invest

## Historical Recommendations and target prices



Date	Rec	Target Price (TRY)
7-Jan-25	Marketperform (MP)	92,00
3-Mar-25	Outperform (OP)	92,00
2-May-25	Outperform (OP)	85,47
13-May-25	Outperform (OP)	85,47
19-Aug-25	Marketperform (MP)	110,00

## Basis for 12m equity ratings

<b>Outperform:</b>	The total return is expected to exceed the return of the BIST 100 by more than 10%.
<b>Underperform:</b>	The total return is expected to fall below the return of the BIST 100 by more than 10%.
<b>Market Perform:</b>	The total return is expected to be in line with the return of the BIST 100.

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