

Tat Gıda

Analyst Meeting Note

Notes from Tat Gıda's Analyst Meeting held in Istanbul on October 24, 2025 (Friday)...

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Financial Overview and General Evaluation: Tat Gıda's management emphasized that 2025 has been shaped by a focus on cost discipline and operational efficiency. The third-quarter results reflected a continued improvement in profitability, supported by lower operating expenses and effective cost control. Net loss narrowed significantly from TRY 727 mn in 3Q24 to TRY 52 mn, while net financial debt declined from TRY 3.85 bn to TRY 3.21 bn. The company's liquidity ratio improved to 0.13, signaling a healthier balance sheet position.

Production Process and Facility Structure: Tat Gıda operates three production facilities located in Mustafakemalpaşa and Karacabey (Bursa) and Torbalı (İzmir), covering a total production area of 740 thousand square meters. To enhance operational efficiency and market reach in Europe, the company established Tat Europe BV in the Netherlands, aiming to strengthen its export network and streamline regional logistics.

Supply Chain, Agricultural Operations and Contract Farming Structure: Management stated that Tat Gıda's ratio of contract farmers in tomato procurement exceeds the sector average. The company also sources part of its raw-material needs through in-house agricultural operations, in which the 2025 harvest season was delayed by around two weeks due to water scarcity driven by climate change. Holding approximately 16% market share in Turkey's processed-tomato segment, Tat Gıda offset the 16% YoY decline in processed volume through effective inventory management. The 13% drop in tomato and paste output was partly compensated by higher production in pickles and other categories, preserving product-mix diversity.

Production and Sales Volumes: In 3Q25, production volume fell 4% YoY to 87,116 tons, while sales volume decreased 5.8% to 32,790 tons. The decline in exports was mainly attributable to global price pressures in tomato paste and sauce products. Export revenues dropped 29% YoY in TRY terms to TRY 452 mn, and 28% YoY in USD terms to USD 10.7 mn. For 9M25, export revenues stood at TRY 1.5 bn (TRY 2.48 bn in 9M24). The 39% decline in export sales was partly offset by an 11% increase in domestic sales. Management attributed the export weakness to intensified competition from Chinese producers, while domestic growth was supported by new agreements with discount retailers and limited price increases.

Profitability and Cost Management: The company's gross profit margin expanded by 3.7 pp QoQ to 17%, reflecting effective cost management. In 9M25, EBITDA reached TRY 490 mn, corresponding to an 8.5% margin (3% in 9M24). A 37% reduction in general administrative expenses and a 26% decline in marketing expenses further supported operating profitability. Although lower financial expenses and reduced monetary gains had a mixed effect on net income, the overall results confirmed a solid improvement in operational performance.

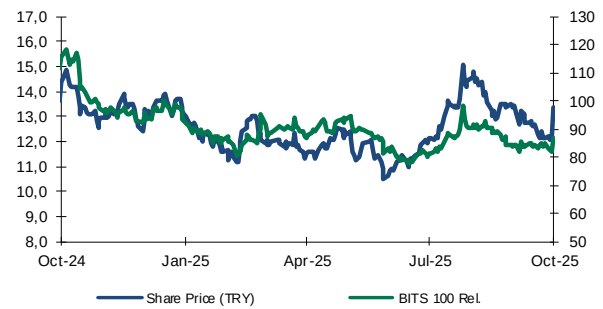
	TRY	US\$
Close	13,33	0,32
BIST 100	10.942	261
US\$/TRY(CB Bid Rate):	41,8427	
52 Week High:	15,05	0,43
52 Week Low:	10,51	0,27
Bloomberg/Reuters Ticker:	TATGD.TI / TATGD.IS	

Number of Shares (Mn):	244,8	
	(TRY Mn)	(US\$ Mn)
Current Mcap:	3.263	78
Free Float Mcap:	1.338	32

	1 M	YOY	YTD
TRY Return (%):	-0,3	-7,2	-0,2
US\$ Return (%):	-1,6	-24,2	-16,1
BIST 100 Relative (%):	3,6	-24,7	-10,4
Avg. Daily Vol. (TRY Mn):	26,60		
Avg. Daily Vol. (US\$ Mn):	0,70		

Beta	0,68
Volatility (Stock)	0,32
Volatility (BIST 100)	0,25

Shareholder Structure	%
Memişoğlu Tarım Ürünleri Tic. Ltd. Şt	51,93
Temel Ticaret ve Yatırım A.Ş.	3,26
Kagome Co. Ltd.	2,07
Sumitomo Corporation	0,85
Other	1,04
Free Float	40,85
Total	100



Sustainability and Investments: Under its sustainability initiatives, Tat Gıda commissioned a 2.3 MWp solar power plant in Manisa and continues the construction of a 9.9 MWp facility in Afyonkarahisar. Upon completion, the company will cover 97% of its energy consumption from renewable sources (up from 19.5%). The total investment cost amounts to approximately USD 4.9 mn, financed through long-term green loan facilities.

Management Outlook and Expectations: Management projects sales volumes of 140,972 tons for 2025 and 150,858 tons for 2026. Net sales revenue is expected to reach TRY 8.4 bn in 2025 and TRY 10.1 bn in 2026. The company guides for an EBITDA margin of 5-8% in 2025, rising to 11-14% in 2026. These projections are based on an assumption of around 25% CPI, while management noted that before the application of inflation accounting (IAS 29), EBITDA margins historically stood around 15%, in line with the current medium-term outlook.

General Evaluation and Analyst Comment: Tat Gıda delivered a strong recovery in operational profitability in 2025, driven by tight cost control and disciplined inventory management. While the export market remains challenging, resilient domestic sales, product diversification, and efficiency-focused investments have mitigated the impact. The company's solar energy projects and contract farming structure support a positive medium-term outlook for sustainable growth and margin stability.

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