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Cimsa

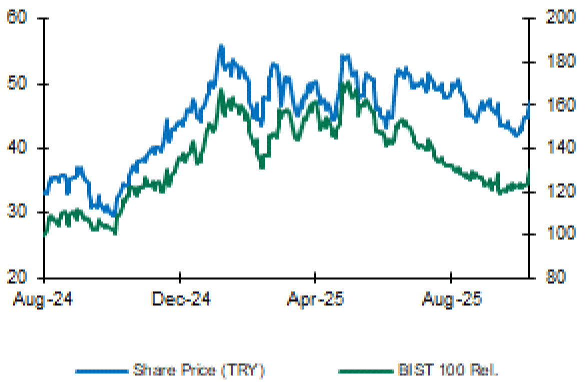
Net profit outperforms expectations

Yusuf Kemal Erdekli
Analyst
yerdekli@sekeryatirim.com

OUTPERFORM
TP: TRY 63.00
Previous TP: TRY 63.00
Upside: 32.6%

	TRY	US$	
Close	47,52	1,13	
BIST 100	10.972	262	
US$/TRY (CB Bid Rate):	41,8922		
52 Week High:	55,80	1,57	
52 Week Low:	33,98	0,99	
Bloomberg/Reuters Ticker:	CIMSA.TI / CIMSA.IS		
Number of Shares (Mn):	945,59		
	(TRY Mn)	(US$ Mn)	
Current Mcap :	44.934	1.072	
Free Float Mcap:	20.221	483	
	1 M	YOY	YTD
TRY Return (%):	0,9	38,0	3,2
US$ Return (%):	-0,1	12,7	-13,2
BIST 100 Relative (%):	1,3	11,5	-7,5
Avg. Daily Vol. (TRY Mn):	570,84		
Avg. Daily Vol. (US$ Mn):	15,10		
Beta	0,95		
Volatility (Stock)	0,68		
Volatility (BIST 100)	0,38		

Shareholder Structure	%
Hacı Ömer Sabancı Holding	54,54
Akçansa Çimento	8,98
Diğer	36,48
Total	100,00



Cimsa has reported a consolidated 3Q25 net profit attributable to the parent of TRY 1,269mn. The announced net profit exceeded both the Şeker Investment estimate of TRY 1,132mn and the market median expectation of TRY 976mn. The company had reported a net profit of TRY 1,551mn in the same period of last year. Accordingly, net profit declined by 18.2% YoY, while the net margin decreased by 8.3pps YoY to 11.3% from 19.6%.

The main factors behind the decline in net profitability were the relatively limited contribution of exports and international operations to consolidated revenues — as the rise in FX rates remained below annual inflation despite organic growth in sales volumes — and a TRY 256mn negative impact arising from the valuation of Sabancı Holding shares held by the company.

Çimsa's consolidated net sales revenue increased by 42.3% YoY in 3Q25 to TRY 11,240mn (3Q24: TRY 7,902mn), supported by the inorganic contribution of Mannok. Our estimate for the quarter was TRY 10,667mn, while the market median expectation stood at TRY 11,272mn.

The company maintained its high capacity utilization rate in 3Q25, achieving a 30.1% YoY increase in consolidated sales volume, supported by 0.6% growth in domestic markets and 88.2% growth in international markets (including Mannok). Excluding Mannok's volumes, Çimsa's consolidated sales volume grew organically by 17.5% YoY.

3Q25 gross profit rose by 2.8% YoY to TRY 2,429mn (3Q24: TRY 2,363mn), yet the gross profit margin contracted by 8.3pps YoY to 21.6% from 29.9%.

Çimsa generated consolidated EBITDA of TRY 2,377mn in 3Q25 (3Q24: TRY 2,214mn), marking a 7.4% YoY increase. The EBITDA margin, however, narrowed by 6.9pps YoY to 21.1% (3Q24: 28.0%).

Our EBITDA estimate for the quarter was TRY 2,220mn, while the market median stood at TRY 2,485mn.

In line with its sustainability and profitability goals, the company continued to implement proactive cost management and accelerated actions to increase its alternative fuel utilization rate. In the first nine months of the year, Çimsa used alternative fuels at rates of 17% in domestic plants, 30% in the Buñol plant abroad, and 67% in the Mannok plant, thereby supporting both cost efficiency and sustainability targets.

Thanks to its strategic borrowing approach and effective FX risk management, Çimsa reduced its net financial expenses by TRY 162mn YoY to TRY 389mn in 3Q25 (3Q24: TRY 550mn).

As of September 30, 2025, the company's consolidated net debt stood at TRY 20,074mn, corresponding to a leverage ratio of 2.65x. Of the total financial debt of TRY 26,673mn, TRY 6,425mn was short-term and TRY 20,248mn was long-term.

Important events after the reporting period: Within the Sabancı Holding Materials Technologies Group, a transfer agreement signed on October 1, 2025 resulted in Kratos Construction Solutions — previously operating under Kordsa Teknik Tekstil A.Ş. — being incorporated into Afyon Çimento San. T.A.Ş., Çimsa's 51%-owned subsidiary. This marks another step in Çimsa's transformation into a global building materials company. Additionally, a KAP disclosure dated October 13, 2025 announced the successful commissioning of a grey cement grinding plant with an annual capacity of approximately 600 thousand tons under Çimsa Americas, the company's indirect subsidiary operating in Houston, USA, upon completion of trial production.

CIMSA shares have declined by 8.2% over the past three months, underperforming the BIST 100 Index by 10.1% over the same period.

- **We maintain our 12-month target price for CIMSA at TRY 63.00 per share. Based on the closing price as of October 31, 2025, this implies an upside potential of 32.6%; therefore, we reiterate our "OUTPERFORM" recommendation.**

(The 3Q25 results and all comparatives include the effects of business combinations (related to the acquisition of shares in Sabanci Building Solutions BV) and the effects of inflation accounting (applying IAS 29 "Financial Reporting in Hyper-inflationary Economies"). Unless otherwise stated, data adjusted per these principles has been used in this note.)

Figure 1: Financials (Including IAS-29)

TRY Million	9M24	9M25	YoY	3Q23	3Q24	YoY	2Q25	QoQ
Revenues	24.646	33.101	34,3%	7.902	11.240	42,3%	10.895	3,2%
Gross Profit	5.846	6.464	10,6%	2.363	2.429	2,8%	2.297	5,7%
Gross Profit Margin	*23,7%*	*19,5%*		*29,9%*	*21,6%*		*21,1%*	
EBIT	3.659	3.239	-11,5%	1.723	1.533	-11,0%	1.223	25,4%
EBIT Margin	*14,8%*	*9,8%*		*21,8%*	*13,6%*		*11,2%*	
EBITDA	5.196	5.805	11,7%	2.214	2.377	7,4%	2.089	13,8%
EBITDA Margin	*21,1%*	*17,5%*		*28,0%*	*21,1%*		*19,2%*	
Net Profit	3.976	2.349	-40,9%	1.551	1.269	-18,2%	717	76,9%
Net Profit Margin	*16,1%*	*7,1%*		19,6%	*11,3%*		*6,6%*	

Source: Finnet, Şeker Invest Research

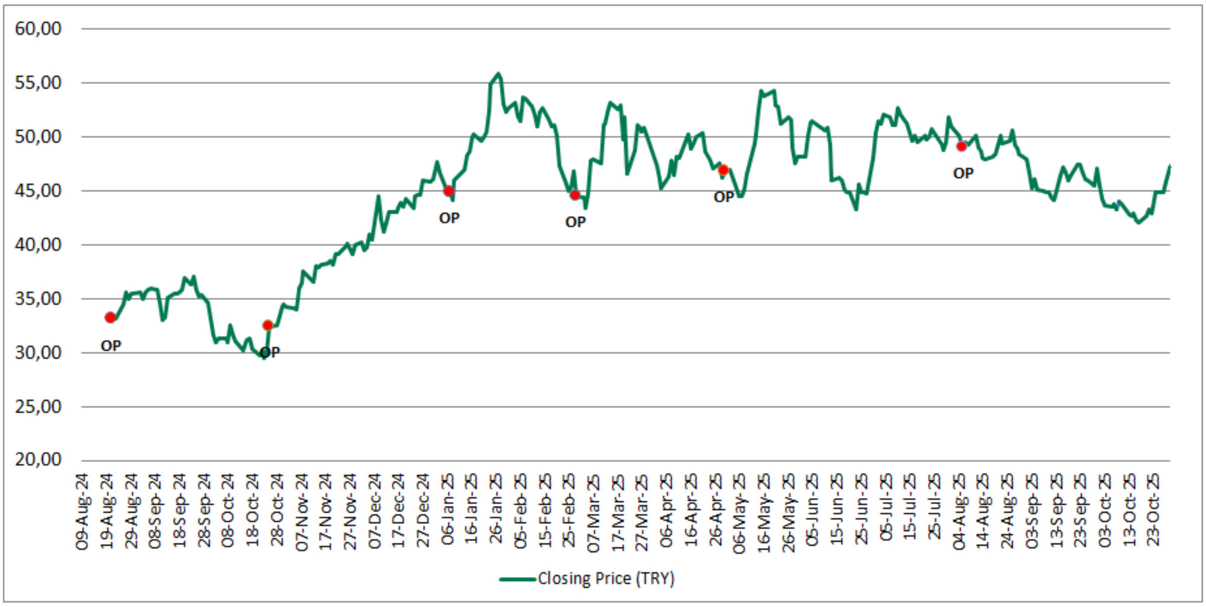
Figure 2: Key financials (Including IAS-29)

BALANCE SHEET (TRY Mn)	2023/12	2024/12	2024/09	2025/09	% Change
PP&E	22.421	35.257	22.044	39.687	80,0
Intangibles	7.745	17.297	6.518	17.649	170,8
Other Non-Current Assets	7.806	8.056	6.001	6.481	8,0
Trade Receivables	3.385	7.097	4.031	8.403	108,5
Cash&Equivalents	9.106	9.642	19.867	5.400	(72,8)
Other Current Assets	4.959	7.446	4.025	7.733	92,1
Total Assets	**55.421**	**84.796**	**62.486**	**85.354**	36,6
Long Term Debt	7.275	9.557	6.043	20.248	235,1
Other Non current liabilities	1.496	4.028	1.599	5.174	223,7
Short Term Debt	3.618	8.924	9.392	4.036	(57,0)
Trade Payables	4.619	8.336	3.635	6.528	79,6
Other current liabilities	4.580	13.767	10.149	7.660	(24,5)
Total Liabilities	21.587	44.612	30.818	43.647	41,6
Total Equity	33.834	40.184	31.668	41.707	31,7
Total Equity&Liabilities	**55.421**	**84.796**	**62.486**	**85.354**	36,6

INCOME STATEMENT (TRY Mn)	2023/12	2024/12	2024/09	2025/09	% Değişim
Revenues	29.604	28.151	24.646	33.101	34,3
COGS	23.787	22.106	18.801	26.637	41,7
Gross Profit/(Loss)	5.818	6.044	5.846	6.464	10,6
Operating Expenses	2.177	2.917	2.187	3.225	47,5
Operating Profit/(Loss)	3.640	3.127	3.659	3.239	(11,5)
Net Other Ope. Rev./(Exp.)	1.218	419	702	380	(45,9)
Net Investing Activities Gain/(Loss)	600	187	608	(816)	N.M.
Financial Income/(Expense)	(1.846)	(1.082)	(1.142)	(1.215)	6,4
Gains (losses) on net monetary positions	566	1.253	1.202	1.833	52,5
Profit Before Tax (Loss)	**4.241**	**3.905**	**5.029**	**3.421**	(32,0)
Tax	204	(850)	(624)	(645)	3,4
Net Profit (Loss)	**4.445**	**3.054**	**4.405**	**2.776**	(37,0)
Minority Interest	848	366	428	427	(0,3)
Majority Interest	3.596	2.688	3.976	2.349	(40,9)

Source: Finnet, Şeker Invest Research

Historical Recommendations and Target Prices



Date	Rec	Target Price (TRY)
28-May-24	Outperform (OP)	41,94
16-Aug-24	Outperform (OP)	41,94
25-Oct-24	Outperform (OP)	41,94
7-Jan-25	Outperform (OP)	67,20
28-Feb-25	Outperform (OP)	67,20
30-Apr-25	Outperform (OP)	63,00
6-Aug-25	Outperform (OP)	63,00

Basis for 12m equity ratings

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

ŞEKER INVEST RESEARCH

Şeker Yatırım Menkul Değerler A.Ş.
Buyukdere Cad. No: 171 Metrocity
A Blok Kat 4-5 34330 SİSLİ /IST
TURKEY

TEL: +90 (212) 334 33 33
Fax: +90 (212) 334 33 34
E-mail: research@sekeryatirim.com
Web: http://www.sekeryatirim.com/english/index.aspx

For additional information, please contact:

Research

Kadir Tezeller	Head	+90 (212) 334 33 81	ktezeller@sekeryatirim.com
Burak Demirbilek	Utilities	+90 (212) 334 33 33-128	bdemirbilek@sekeryatirim.com
Atasav Can Tuglu	Retail, Automotive, Aviation, Beverages	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com.tr
Basak Kamber	Glass, Pharm., Defense, Food, Telcos., Cons. Dur.	+90 (212) 334 33 33-245	bkamber@sekeryatirim.com
M. Mucahid Yildirim	Banking	+90 (212) 334 33 33-150	myildirim@sekeryatirim.com
Yusuf Kemal Erdekli	Cement, Conglomerates, Real Estate	+90 (212) 334 33 33-115	yerdekli@sekeryatirim.com
O. Furkan Ozdemir	Iron & Steel, Oil, Gas, & Derivatives	+90 (212) 334 33 33-245	oozdemir@sekeryatirim.com

Economy & Politics

Abdulkadir Dogan	Chief Economist	+90 (212) 334 91 04	adogan@sekeryatirim.com

Institutional Sales

Deniz Keskin	Trader	+90 (212) 334 33 36	dkeskin@sekeryatirim.com
Kerim Culum	Trader	+90 (212) 334 33 33-316	kculum@sekeryatirim.com.tr

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