

MIGROS

Better than expected net profit driven by robust 3Q25 financial results...

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Migros has announced a net profit of TRY 3,949mn for 3Q25, including IAS-29 (3Q24: TRY 4,208mn), significantly above both the RT estimate of TRY 1,913mn and our estimate of TRY 2,083mn. Although the increase in net financing expenses along with a rise in interest expenses on term purchases suppressed net profit, strong operating profitability and monetary gains supported the net profit performance in 3Q25.

The Company saw 7.7% YoY top-line growth (Inc. IAS 29) and TRY 106,883mn of net sales in 3Q25 (3Q24: TRY 99,287mn) (RT Avg.: TRY 106,236mn, Seker: TRY 106,045mn). Revenue growth was driven by real like-for-like basket size and traffic growth in stores, along with the positive contribution from online channels (share of total sales exc. tobacco & alcohol in 9M25: 20.4%). The rise in number of online stores (3Q24: 1,289; 3Q25: 1,881) and the strong performance of seasonal stores further supported sales growth in 3Q25. Considering the Company's FMCG market share development; in the modern FMCG market, it had a 16.8% (9M24: 16.2%) market share in 9M25, and 10.1% (9M24: 9.5%) of the total FMCG market thanks to effective promotional activities and its omni & multi format growth strategy, bringing its total store count to 3,730 as of 9M25.

The Company announced an EBITDA (Inc. IAS 29) of TRY 9,412mn in 3Q25 (3Q24: TRY 7,577mn), well above both the RT average of TRY 7,727mn and our estimate of TRY 7,866mn. The EBITDA margin increased by 1.2pp YoY to 8.8%, mainly due to the lower impact of inventory inflation adjustments, while the GP margin improved to 25.1% (3Q24: 24.4%) thanks to the declining impact of imputed interest expenses on term purchases related to interest rates.

The Company has no hard-currency exposure. At the end of 3Q25, the Company's total financial debt (Inc. IAS-29) was at TRY 1,445mn, declined by 30% YoY. The net cash position (excluding IFRS-16) rose by 4% YoY to TRY 29,637mn, while the FCF decreased to TRY 7,653mn due to one-off cash inflows from two asset divestitures in 3Q24 (exc., +19% YoY).

2025 expectations: Migros expects sales growth of 6-7% (Previous: 6-7%), incorporating IAS-29 inflation accounting effects. The company expects an EBITDA margin of approximately 6.5% (Previous: 6%). Migros maintains its target of opening ~250 new stores by the end of 2025, while setting its capital expenditure-to-sales ratio forecast at 2.5%-3.0%.

We argue that the positive contribution of sales revenue growth & online activities to provide Migros to obtain net profit going forward. We appreciate the current strategy of boosting the private label portfolio and focusing on sustained store openings. The Company has been able to increase its FMCG market share despite competitive market conditions in a high inflation environment. Moreover; we think that the business lines created by Migros with its various subsidiaries, which can use online channels effectively, will increasingly continue to contribute in the future. We slightly revise up our target share price to **TRY 780.00**, and maintain our "Outperform" recommendation.

“OUTPERFORM”

TP: TRY 780.00

Previous: TRY 750.00

Upside Potential: 65.9%

	TRY	US\$	
Close	470,25	11,19	
BIST 100	11.073	263	
US\$/TRY (CB Bid Rate):	42,12		
52 Week High:	587,28	16,30	
52 Week Low:	422,00	10,24	
Bloomberg/Reuters Ticker:	MGROS.TI / MGROS.IS		
Number of Shares (Mn):	181,1		
	(TRY Mn)	(US\$ Mn)	
Current Mcap:	85.141	2.025	
Free Float Mcap:	43.422	1.033	
	1M	YOY	YTD
TRY Return (%):	1,6	9,6	-12,8
US\$ Return (%):	0,3	-10,6	-27,0
BIST 100 Relative (%):	-1,5	-12,3	-22,6
Avg. Daily Vol. (TRY Mn):	1.000,93		
Avg. Daily Vol. (US\$ Mn):	26,21		
Beta	0,89		
Volatility (Stock)	0,32		
Volatility (BIST 100)	0,25		
Shareholder Structure	%		
MH Perakendecilik	49,2		
Migros Ticaret A.Ş.	1,6		
Other	49,2		
Total	100,0		

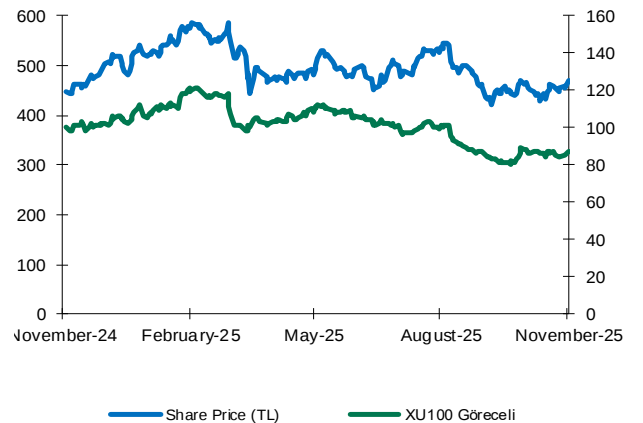


Table 1: Summary Financial Statement

BALANCE SHEET (TRY mn) (Inc. IAS-29)	2024	9M25	%
Current Assets	72.366	70.271	-2,9%
Non-current Assets	115.853	125.127	8,0%
Total Assets	188.219	195.398	3,8%
Current Liabilities	89.072	87.034	-2,3%
Non-current Liabilities	26.796	31.957	19,3%
Total Liabilities	115.868	118.991	2,7%
Equity	72.351	76.406	5,6%
Total Liabilities & Equity	188.219	195.398	3,8%

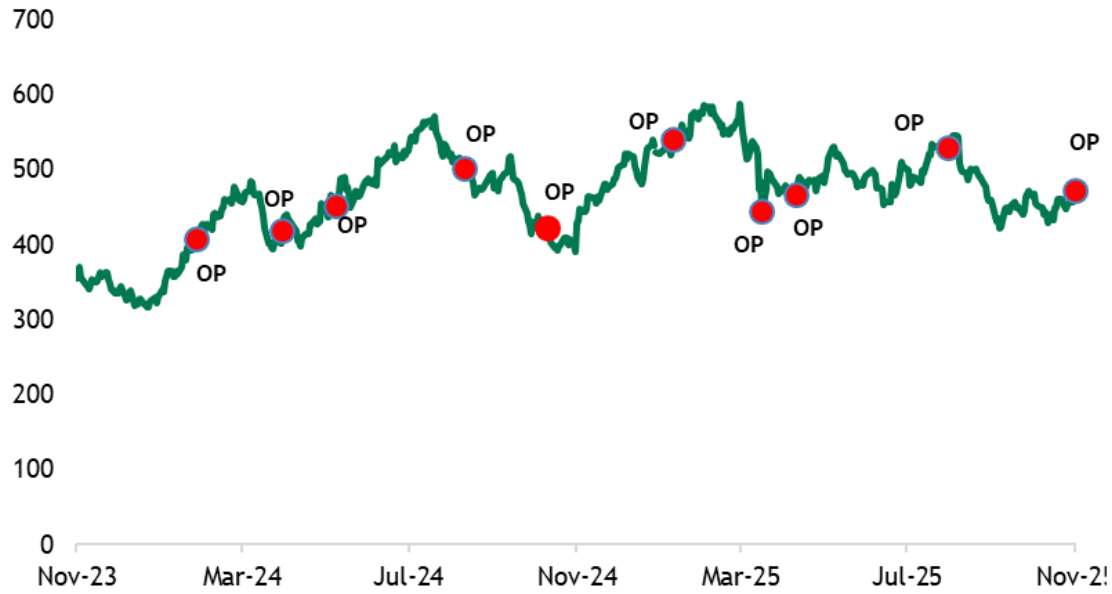
Source: Migros, Seker Invest - Research, Finnet, Audit Reports

Table 2: High level P&L

TRY Million	9M24	9M25	YoY	3Q24	3Q25	YoY
Revenues	274.985	294.848	7,2%	99.287	106.883	7,7%
Gross Profit	62.284	72.047	15,7%	24.245	26.856	10,8%
<i>Gross Profit Margin</i>	22,7%	24,4%		24,4%	25,1%	
EBIT	4.605	7.657	66,3%	4.561	5.363	17,6%
<i>EBIT Margin</i>	1,7%	2,6%		4,6%	5,0%	
EBITDA	13.438	18.984	41,3%	7.577	9.412	24,2%
<i>EBITDA Margin</i>	4,9%	6,4%		7,6%	8,8%	
Net Profit	7.039	5.369	-23,7%	4.208	3.949	-6,1%
<i>Net Profit Margin</i>	2,6%	1,8%		4,2%	3,7%	

Source: Migros, Seker Invest - Research, Finnet, Audit Reports

Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
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16-Jan-24	Outperform (OP)	518,80
19-Mar-24	Outperform (OP)	595,00
24-May-24	Outperform (OP)	595,00
21-Aug-24	Outperform (OP)	685,00
5-Nov-24	Outperform (OP)	685,00
7-Jan-25	Outperform (OP)	794,50
6-Mar-25	Outperform (OP)	794,50
2-May-25	Outperform (OP)	750,00
9-May-25	Outperform (OP)	750,00
13-Aug-25	Outperform (OP)	750,00
7-Nov-25	Outperform (OP)	780,00

Basis for 12m equity ratings

Outperform:	The total return is expected to exceed the return of the BIST100 by more than 10%.
Underperform:	The total return is expected to fall below the return of the BIST100 by more than 10%.
Market Perform:	The total return is expected to be in line with the return of the BIST100.

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