

November 10, 2025

Sisecam

Competition Board fine reflected as an expense

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Şişecam reported a net profit of TRY 1,463 million in 3Q25, below both the market median expectation of TRY 1,732 million and our forecast of TRY 2,125 million (3Q24: TRY 1,153 million net profit). In this quarter, strengthened operational profitability driven by cost management and efficiency-enhancing measures, along with increased income from investment activities due to valuation gains on investment properties and gains from cash positions, were the main contributors supporting net profit. However, the Company reflected a Competition Authority fine of TRY 2,365 million under other operating expenses and recorded losses from the sale of tangible fixed assets, which negatively impacted net profit from investment activities. While lower interest expenses reduced financing costs, the decline in foreign exchange gains offset this positive effect and exerted pressure on net profit. Additionally, an increase in deferred tax expenses further added to the downward pressure on net profit.

In 3Q25, Şişecam generated net sales of TRY 53,940 million, representing a 5.6% year-on-year decline and coming in 2.28% and 2.90% below our forecast of TRY 55,200 million and the market median expectation of TRY 55,504 million, respectively. Despite challenging market conditions, the Architectural Glass segment demonstrated resilience; consolidated sales volumes rose 2% year-on-year, while sales revenue increased 4% to TRY 13,256 million. Domestic sales were supported by ongoing urban redevelopment activities in Turkey, posting 2% annual growth. Export sales volumes grew 12%, mainly due to new customer acquisitions. Consequently, Turkey-based operations were the largest contributor to consolidated sales, accounting for 61% of total consolidated sales volumes (3Q24: 60%) with a 3% year-on-year increase in sales volume. In the Industrial Glass segment, consolidated sales volume declined 3% year-on-year, yet sales revenue increased 10% to TRY 6,015 million. The Glassware segment recorded net sales of TRY 6 billion, reflecting a 7% year-on-year decline. International sales accounted for 56% of the segment's total revenue. The Glassware business faced challenges due to ongoing weak demand amid persistent market stagnation and low risk appetite, with consolidated sales volume falling 14% year-on-year. The Glass Packaging segment generated sales of TRY 13,636 million, remaining broadly flat year-on-year. Sales volume in the Glass Packaging business decreased 4% in 3Q25, primarily due to lower domestic sales in the alcoholic beverage category. Internationally, volume contraction was attributed to weak consumer confidence and adverse weather conditions during the summer season. The Chemicals segment recorded sales of TRY 10.6 billion, down 24% year-on-year. In 3Q25, Şişecam's consolidated soda ash production fell 13% year-on-year, reflecting planned maintenance activities at Mersin, Wyoming, and Bosnia facilities, as well as inventory optimization at the Bosnia plant.

Including the effect of TMS-29, EBITDA in 3Q25 rose 71.2% year-on-year to TRY 6,492 million, driven in part by higher depreciation from new investments coming online (3Q24: TRY 3,791 million). The reported EBITDA exceeded both our forecast of TRY 6,100 million and the market median expectation of TRY 6,139 million. In 3Q25, Şişecam's gross margin increased to 30.0%, while EBITDA margin reached 12.0% and net profit margin rose to 2.7% (3Q24: 22.8%, 6.6%, and 2.0%, respectively).

Net debt decreased... The Company's net debt fell from TRY 120,993 million at the end of June 2025 to TRY 114,112 million. The net debt/EBITDA ratio stood at 6.64x. We expect that, if the increase in EBITDA continues in the upcoming periods driven by cost and efficiency-enhancing measures, this ratio will continue to decline.

OUTPERFORM
TP: TRY 55.00
Previous: TRY 55.00
Upside: 52.8%

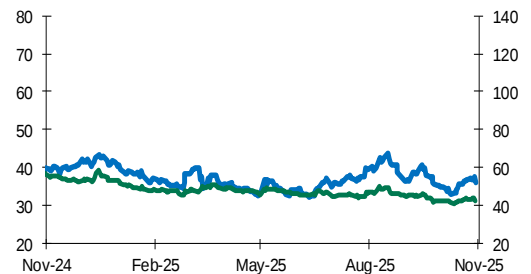
	TRY	US\$
Close	36,00	0,86
BIST 100	10.925	260
US\$/TRY (CB Bid Rate):	42,0490	
52 Week High:	43,68	1,24
52 Week Low:	32,08	0,79
Bloomberg/Reuters Ticker:	SISE.TI / SISE.IS	

Number of Shares (Mn):	3.063	
	(TRY Mn)	(US\$ Mn)
Current Mcap :	110.276	2.623
Free Float Mcap:	54.035	1.285

	1 M	YOY	YTD
TRY Return (%):	2	-8	-12
US\$ Return (%):	1	-26	-26
BIST 100 Relative (%):	1	-25	-20
Avg. Daily Vol. (TRY Mn):	1534		
Avg. Daily Vol. (US\$ Mn):	40,1		

Beta	1,01
Volatility (Stock)	0,33
Volatility (BIST 100)	0,26

Shareholder Structure	%
Türkiye İls Bankası	52,6
Other	38,1
Efes Holding	7,0
Share buyback	2,3
Total	100,0



Tarsus Investment Commissioned. The energy glass furnace and processing lines at the Tarsus facility were commissioned on September 19, 2025. With a total investment of EUR 200 million, Turkey's annual patterned glass production capacity has reached 396,000 tons, while energy glass processing capacity has reached 47 million m². Following the commissioning of the investment, strong domestic demand has been observed. Through this project, the Company aims to optimize resource utilization in Turkey's energy sector, contribute to the green transition process, and significantly reduce energy glass imports. Additionally, the flat glass furnace investment at the Tarsus production complex has a daily capacity of 1,200 tons. When considered together with other regional facilities, this investment is expected to offer high export potential for Turkey, thanks to its proximity to logistics routes and strategic location.

In summary, excluding the Competition Authority fine, the Company's net profit appears stronger. We view its operational performance, supported by effective cost management and efficiency improvements, positively. Furthermore, the commissioning of the Tarsus Energy Glass investment, one of the Company's high value-added projects, is expected to contribute positively to financial results in the upcoming periods. Accordingly, we assess the announced financial results as "positive." Following the 3Q25 financial results, we maintain our target price of TRY 55.00 per share and our "OUTPERFORM" recommendation. Based on the current share price, our target implies a potential upside of 52.8%.

Figure 1: Financials

TRY Million	9M24	9M25	YoY	3Q24	3Q25	YoY
Revenues	181.696	162.278	-10,7%	57.140	53.940	-5,6%
Gross Profit	41.569	45.102	8,5%	13.051	16.193	24,1%
<i>Gross Profit Margin</i>	<i>22,9%</i>	<i>27,8%</i>		<i>22,8%</i>	<i>30,0%</i>	
EBIT	-2.747	2.606	N.M.	-70	2.292	N.M.
<i>EBIT Margin</i>	<i>-1,5%</i>	<i>1,6%</i>		<i>-0,1%</i>	<i>4,3%</i>	
EBITDA	11.622	15.237	31,1%	3.791	6.492	71,2%
<i>EBITDA Margin</i>	<i>6,4%</i>	<i>9,4%</i>		<i>6,6%</i>	<i>12,0%</i>	
Net Profit	8.149	5.743	-29,5%	1.153	1.463	26,9%
<i>Net Profit Margin</i>	<i>4,5%</i>	<i>3,5%</i>		<i>2,0%</i>	<i>2,7%</i>	

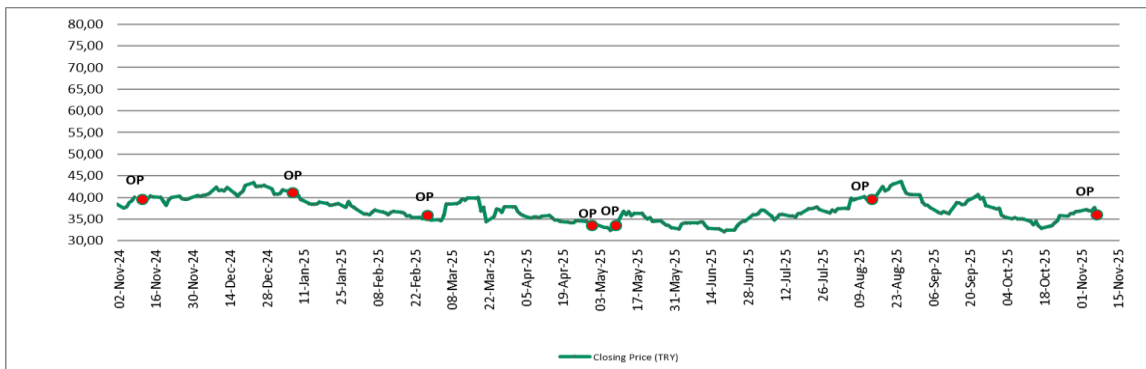
Source: Finnet, Şeker Invest Research

Figure 2: Key Financials

BALANCE SHEET (TRY Mn)	2024/12	2025/09	%Chg
PP&E	218.410	227.315	4,1%
Intangibles	61.217	60.204	-1,7%
Other Non-Current Assets	52.535	50.881	-3,1%
Trade Receivables	32.733	34.693	6,0%
Cash&Equivalents	67.305	42.353	-37,1%
Other Current Assets	68.300	64.048	-6,2%
Total Assets	500.500	479.492	-4,2%
Long Term Debt	121.958	88.925	-27,1%
Other Non current liabilities	17.702	21.622	22,1%
Short Term Debt	15.599	15.132	-3,0%
Trade Payables	30.466	24.031	-21,1%
Other current liabilities	53.742	73.959	37,6%
Total Liabilities	239.467	223.670	-6,6%
Total Equity	261.033	255.822	-2,0%
Total Equity&Liabilities	500.500	479.492	-4,2%
INCOME STATEMENT (TRY Mn)	2024/09	2025/09	%Chg
Revenues	181.696	162.278	-10,7%
COGS	140.127	117.175	-16,4%
Gross Profit (Loss)	41.569	45.102	8,5%
Operating Expenses	44.316	42.496	-4,1%
Operating Profit/(Loss)	(2.747)	2.606	N.M.
Net Other Ope. Rev./(Exp.)	998	1.344	34,7%
Income/(Loss) from Investing Activities	876	1.051	20,1%
Financial Expenses	(9.754)	(15.958)	N.M.
Gains (losses) on net monetary positions	16.881	19.261	14,1%
Profit Before Tax (Loss)	7.666	8.917	16,3%
Tax	964	(3.260)	N.M.
Net Profit (Loss)	8.630	5.657	-34,5%
Minority Interest	481	(86)	N.M.
Majority Interest	8.149	5.743	-29,5%

Source: Finnet, Şeker Invest

Historical Recommendations and target prices



Date	Recommendation	Target Price (TRY)
3-Jun-24	Outperform (OP)	78,70
5-Sep-24	Outperform (OP)	68,30
11-Nov-24	Outperform (OP)	68,30
7-Jan-25	Outperform (OP)	60,70
28-Feb-25	Outperform (OP)	54,00
2-May-25	Outperform (OP)	50,00
12-May-25	Outperform (OP)	50,00
18-Aug-25	Outperform (OP)	55,00
10-Nov-25	Outperform (OP)	55,00

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.

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