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Erdemir

Operational recovery continues; EBITDA above expectations...

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Erdemir reported a net loss of TL 1,872mn in 4Q25. This figure came in 34% better than the market median expectation of a TL 2,832mn net loss, while exceeding our expectation of a TL 1,370mn net loss by 37% (i.e., higher loss). The company had reported a net profit of TL 2,694mn in the same period last year. The pressure on the bottom line was mainly driven by high tax expenses recorded during the quarter, particularly the increase in deferred tax charges.

Erdemir's net sales increased by 11% YoY to TL 60,995mn in 4Q25 (4Q24: TL 55,113mn). Revenues came in 3% above our estimate of TL 59,279mn and 5% above the market median expectation of TL 58,372mn. The outperformance was driven by a 15% quarter-on-quarter increase in sales volumes; however, the limited 2% year-on-year volume growth indicates that weak pricing conditions persist amid global oversupply and aggressive export pricing.

The company's EBITDA rose by 182% YoY to TL 7,453mn in 4Q25 (4Q24: TL 2,641mn). 4Q25 EBITDA came in 31.7% above our estimate of TL 5,660mn and 32.1% above the market median expectation of TL 5,641mn. EBITDA margin expanded by 7.4pp YoY to 12.2%. The upside surprise was driven by stronger-than-expected gross profit and higher quarter-on-quarter volumes. Easing raw material cost pressure also supported margins. Although pricing conditions remain weak due to global oversupply, normalization from cyclical lows and volume-driven operating leverage lifted profitability. EBITDA per ton increased from USD 68 in 3Q25 to USD 71 in 4Q25 (4Q24: USD 39), signaling continued quarterly recovery.

Operational outlook... Total steel sales volumes increased by 15% QoQ to 2.23mn tons in 4Q25, while growing by a modest 2% YoY. Steel production reached 2.21mn tons in 4Q25, and capacity utilization averaged 85% for the year (2024: 89%). The company recorded USD 775mn in capital expenditures in 2025, marking the lowest investment level of the past two years. A more disciplined investment pace combined with stronger operating cash generation supported balance sheet improvement.

MARKET PERFORM
TP: 32,47 TL
Previous TP: 32,47 TL
Upside: %12

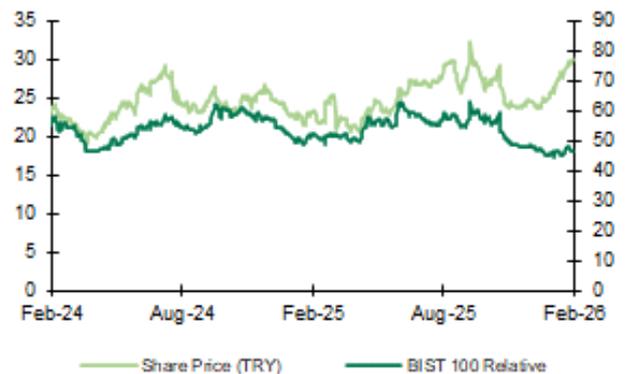
	TRY	US\$
Close	29,10	0,67
BIST 100	14.227	326
US\$/TRY (CB Bid Rate):	43,73	
52 Week High:	32,44	0,78
52 Week Low:	20,76	0,54
Bloomberg/Reuters Ticker:	EREGL.TI / EREGL.IS	

	7.000,0 (TRY Mn)	(US\$ Mn)
Number of Shares (Mn):		
Current Mcap:	203.700	4.666
Free Float Mcap:	97.776	2.240

	1 M	YOY	YTD
TRY Return (%):	11,7	24,9	22,2
US\$ Return (%):	10,3	3,3	20,0
BIST 100 Relative (%):	-0,6	-13,7	-3,3
Avg. Daily Vol. (TRY Mn):	4.787,69		
Avg. Daily Vol. (US\$ Mn):	118,23		

Beta	0,95
Volatility (Stock)	0,36
Volatility (BIST 100)	0,25

Shareholder Structure	%
Ataer Holding	49,5
Free Float	46,5
Erdemir's own shares	4,0
Total	100,0



Significant improvement in net debt... Supported by stronger operating cash flow and disciplined capex, net debt declined from USD 1,840mn at year-end 2024 to USD 963mn at year-end 2025. In line with this improvement, net debt/EBITDA fell from 2.85x to 1.92x, indicating a meaningful recovery in leverage metrics.

Following the 4Q25 financial results, we maintain our 12-month target price at TL 32.47 per share. While our target price implies 12% upside from the latest closing price, we downgrade our recommendation from “Outperform” to “Market Perform” due to the limited upside potential.

Figure 1: Financials

TRY Million	YE24	YE25	YoY	4Q24	4Q25	YoY
Revenues	204.060	208.910	2,4%	55.113	60.995	10,7%
Gross Profit	20.005	18.565	-7,2%	2.410	6.726	179,1%
<i>Gross Profit Margin</i>	<i>9,8%</i>	<i>8,9%</i>		<i>4,4%</i>	<i>11,0%</i>	
EBIT	12.255	9.156	-25,3%	120	4.109	3320,8%
<i>EBIT Margin</i>	<i>6,0%</i>	<i>4,4%</i>		<i>0,2%</i>	<i>6,7%</i>	
EBITDA	21.092	20.451	-3,0%	2.641	7.453	182,2%
<i>EBITDA Margin</i>	<i>10,3%</i>	<i>9,8%</i>		<i>4,8%</i>	<i>12,2%</i>	
Net Profit	13.481	512	-96,2%	2.694	-1.872	NA
<i>Net Profit Margin</i>	<i>6,6%</i>	<i>0,2%</i>		<i>4,9%</i>	<i>-3,1%</i>	

Source: Finnet, Seker Invest Research

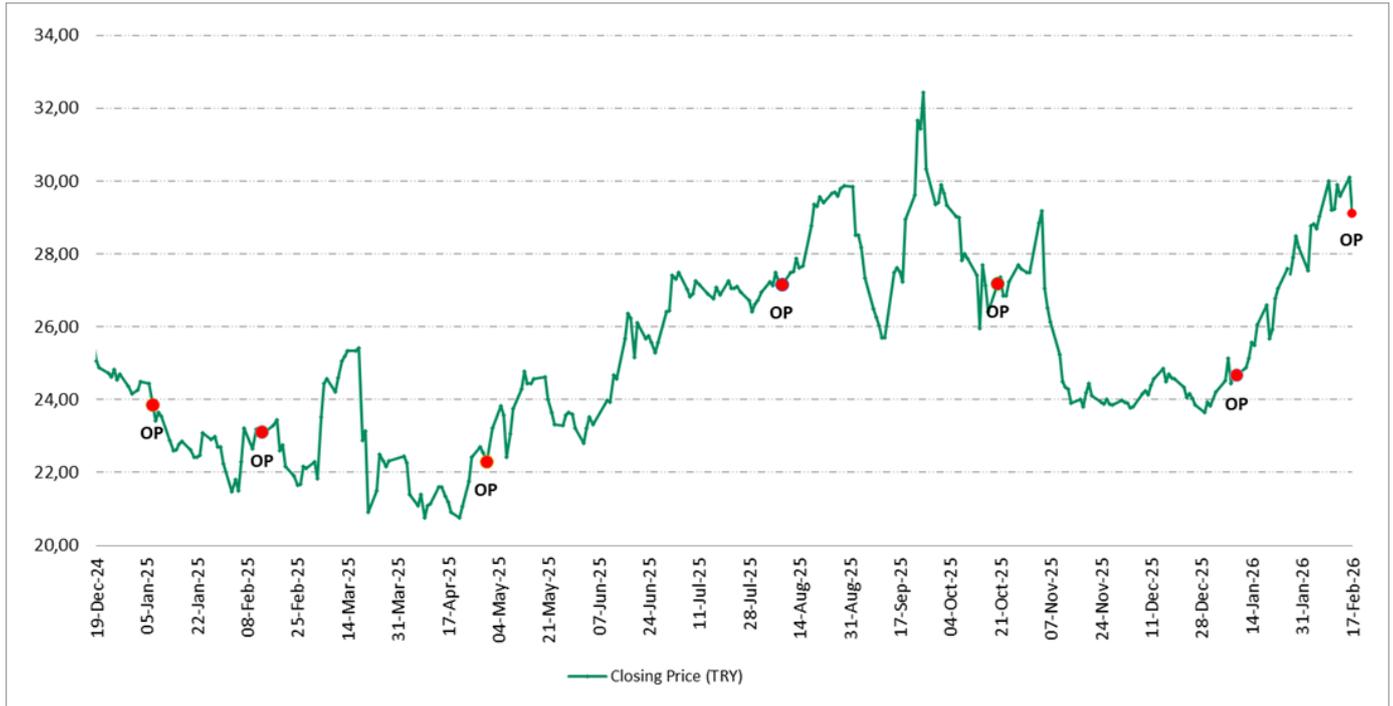
Figure 2: Key Financials

BALANCE SHEET (TRY Mn)	2023/12K	2024/12K	2025/12K	Chg%
PP&E	147.415	206.913	277.300	34
Intangibles	8.106	9.343	11.075	19
Other Non-Current Assets	19.994	26.047	19.529	(25)
Trade Receivables	20.353	26.464	27.448	4
Cash&Equivalents	24.073	55.260	115.477	109
Other Current Assets	90.092	101.132	107.703	6
Total Assets	310.033	425.159	558.531	31
Long Term Debt	10.980	84.577	118.324	40
Other Non current liabilities	18.233	19.869	26.014	31
Short Term Debt	46.035	26.268	23.952	(9)
Trade Payables	23.427	30.023	68.762	129
Other Current Liabilities	19.830	19.997	24.199	21
Total Liabilities	118.504	180.735	261.251	45
Total Equity	191.529	244.424	297.280	22
Total Equity&Liabilities	310.033	425.159	558.531	31
INCOME STATEMENT (TRY Mn)	2023/12K	2024/12K	2025/12K	Chg%
Net Sales	147.900	204.060	208.910	2
COGS	133.658	184.055	190.345	3
Gross Profit/(Loss)	14.242	20.005	18.565	(7)
Operating Expenses	4.041	7.750	9.409	21
Operating Profit/(Loss)	10.201	12.255	9.156	(25)
Net Other Operational Gain/(Loss)	3.134	8.801	796	(91)
Income/(Loss) from Investing Activities	(185)	245	913	272
Financial Income/(Expense)	(5.082)	(7.454)	(8.168)	N.M.
Monetary Gain/Loss	(723)	(530)	876	N.M.
Share of profit of equity accounted investments	78	205	107	(48)
Profit Before Tax (Loss)	8.837	13.522	3.680	(73)
Tax	4.508	(671)	2.986	N.M.
Net Profit/(Loss)	4.329	14.193	694	(95)
Minority Interest	296	712	183	(74)
Parent Equity	4.033	13.481	512	(96,2)

EREGL

Source: Finnet, Şeker Invest

Historical Recommendations and Target Price



Date	Rec	Target Price (TRY)
2-May-24	Outperform (OP)	28,07
10-May-24	Outperform (OP)	28,07
6-Aug-24	Outperform (OP)	33,42
23-Oct-24	Outperform (OP)	33,42
7-Jan-25	Outperform (OP)	35,77
13-Feb-25	Outperform (OP)	35,77
30-Apr-25	Outperform (OP)	31,03
8-Aug-25	Outperform (OP)	39,70
20-Oct-25	Outperform (OP)	39,70
9-Jan-26	Outperform (OP)	32,47
17-Feb-26	Outperform (OP)	32,47

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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