

April 29, 2026

Erdemir

**Operational recovery continues;
EBITDA in line with our expectations...**

Osman Furkan Özdemir
Analyst
oozdemir@sekeryatirim.com

Erdemir reported a net profit of TL 384mn in 1Q26, representing a 10% YoY decline. The reported figure came in 5% above our estimate of TL 366mn and 28% above the market median expectation of TL 300mn. The company had reported a net profit of TL 426mn in the same period last year. Despite the improvement in operational profitability, elevated financial expenses and deferred tax charges continued to weigh on the bottom line. Net financial expenses amounted to TL 2,329mn in 1Q26 (1Q25: TL 2,279mn), while the company recorded a deferred tax expense of TL 324mn (compared to a deferred tax income of TL 148mn in 1Q25).

Erdemir's net sales increased by 11.5% YoY to TL 59,685mn in 1Q26 (1Q25: TL 53,545mn). Revenues came in 6% below our estimate of TL 63,168mn but 2% above the market median expectation of TL 58,522mn. The underperformance versus our estimate was mainly driven by ongoing pricing pressure, while the YoY growth was largely supported by volume recovery. The competitive environment, shaped by global oversupply and aggressive import pricing, continues to weigh on pricing dynamics.

The company's EBITDA rose by 41% YoY to TL 5,820mn in 1Q26 (1Q25: TL 4,127mn). The reported EBITDA was broadly in line with our estimate of TL 5,787mn (+0.6%) but came in 3.3% below the market median expectation of TL 6,020mn. The EBITDA margin improved by 2.1pp YoY to 9.8%. Margin expansion was driven by higher sales volumes and operating leverage, while relatively stable raw material costs also supported profitability. EBITDA per ton increased from USD 71 in 4Q25 to USD 73 in 1Q26, indicating continued quarterly recovery. However, the improvement in operational profitability translated only partially into bottom-line performance.

Improvement in net debt position- The company's net debt declined from TL 42.8bn at the end of 2025 to TL 31.4bn as of 1Q26, while the net debt/EBITDA ratio improved from 2.1x at year-end 2025 to 1.4x in 1Q26.

OUTPERFORM
TP: 42,24 TL
Previous TP: 32,47 TL
Upside: %28

	TRY	US\$
Close	32,98	0,73
BIST 100	14.329	319
US\$/TRY (CB Bid Rate):	45,05	
52 Week High:	33,72	0,78
52 Week Low:	22,29	0,55
Bloomberg/Reuters Ticker:	EREGL.TI / EREGL.IS	

	7.000,0 (TRY Mn) (US\$ Mn)
Number of Shares (Mn):	
Current Mcap:	230.860 5.134
Free Float Mcap:	110.813 2.464

	1 M	YOY	YTD
TRY Return (%):	18,2	45,3	38,5
US\$ Return (%):	16,5	23,6	32,1
BIST 100 Relative (%):	4,8	-5,7	8,8
Avg. Daily Vol. (TRY Mn):	4.964,35		
Avg. Daily Vol. (US\$ Mn):	118,78		

Beta	0,98
Volatility (Stock)	0,35
Volatility (BIST 100)	0,23

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



Operational outlook... Total steel sales volumes increased by 12% YoY to approximately 2.12mn tons in 1Q26, while declining slightly on a quarterly basis. Liquid steel production reached 2.35mn tons, and crude steel capacity utilization rose to a strong level of 96% (1Q25: 79%). The increase in capacity utilization and volume recovery points to improving operational efficiency. According to management commentary, the recovery in demand is expected to become more visible in the second and third quarters.

Sector outlook... Global steel markets continue to face pressure from oversupply and aggressive export pricing at the start of 2026. Low-priced supply, particularly from China, continues to set a lower benchmark for global prices, intensifying competition in import-sensitive markets such as Turkey. Recent signs of stabilization in HRC prices and improving order flows support a more constructive outlook for the second and third quarters. Meanwhile, rising geopolitical tensions, particularly the US-Iran developments, have increased volatility in energy prices and pose upside risks to production costs. In this environment, we continue to expect margin recovery to be gradual and spread over time.

In light of the 1Q26 results and our expectations of a more visible recovery in demand and operational profitability in the coming quarters, we revise our target price to TL 42.24 (from TL 32.47). Our target price implies a 28% upside from current levels, and supported by our expectation that the operational recovery will become more visible in the coming quarters, we upgrade our recommendation from “Market Perform” to “Outperform”.

Figure 1: Financials

TRY Million	1Q25	1Q26	YoY	4Q25	QoQ
Revenues	53.545	59.685	11,5%	60.995	-2,1%
Gross Profit	3.801	4.806	26,4%	6.726	-28,6%
<i>Gross Profit Margin</i>	7,1%	8,1%		11,0%	
EBIT	1.759	2.144	21,9%	4.109	-47,8%
<i>EBIT Margin</i>	3,3%	3,6%		6,7%	
EBITDA	4.127	5.820	41,0%	7.453	-21,9%
<i>EBITDA Margin</i>	7,7%	9,8%		12,2%	
Net Profit	426	384	-10,0%	-1.872	N.A.
<i>Net Profit Margin</i>	0,8%	0,6%		-3,1%	

Source: Finnet, Seker Invest Research

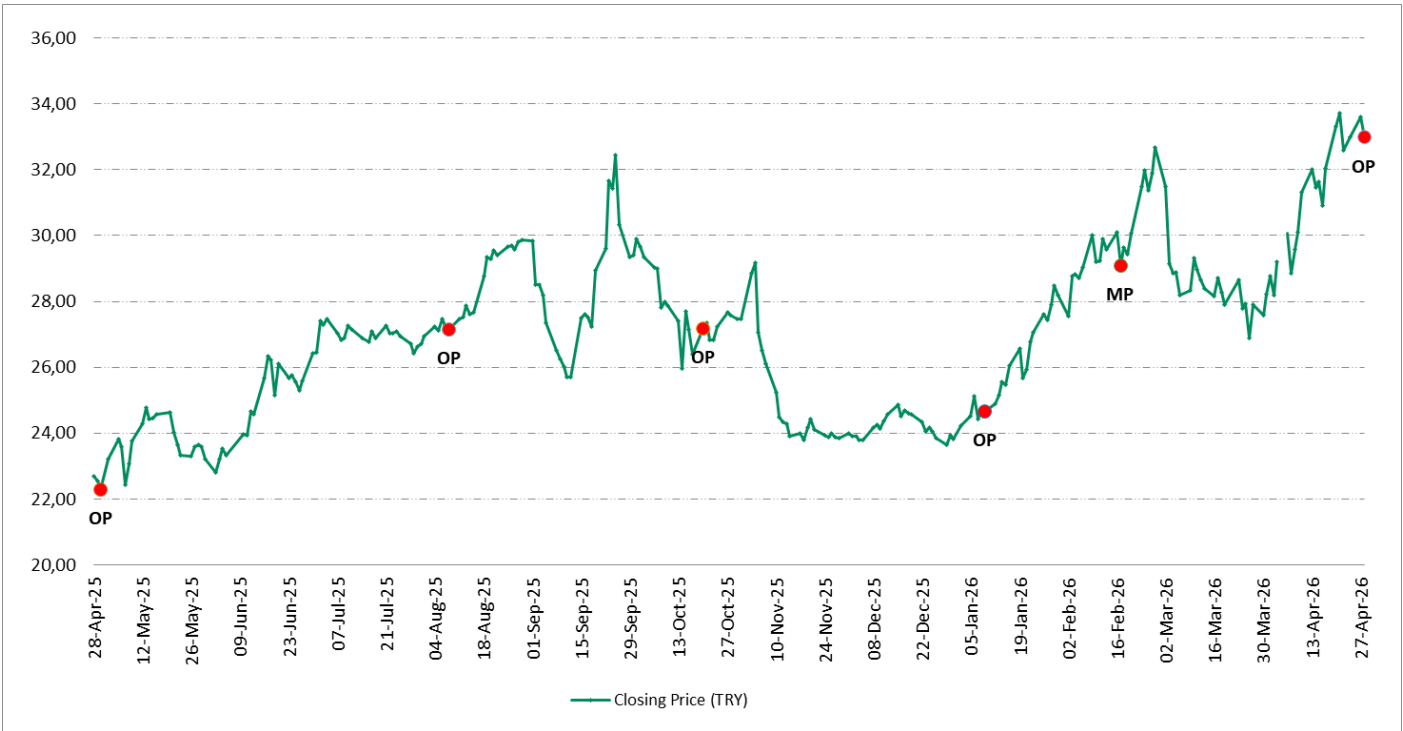
Figure 2: Key Financials

BALANCE SHEET (TRY Mn)	2024/12K	2025/12K	2025/03K	2026/03K	Chg%
PP&E	206.913	277.300	231.404	291.730	26
Intangibles	9.343	11.075	9.879	11.357	15
Other Non-Current Assets	26.047	19.529	22.661	16.608	(27)
Trade Receivables	26.464	27.448	25.745	27.036	5
Cash&Equivalents	55.260	115.477	70.389	123.933	76
Other Current Assets	101.132	107.703	94.763	106.082	12
Total Assets	425.159	558.531	454.841	576.746	27
Long Term Debt	84.577	118.324	100.407	117.595	17
Other Non current liabilities	19.869	26.014	21.030	27.703	32
Short Term Debt	26.268	23.952	15.493	19.203	24
Trade Payables	30.023	68.762	32.417	75.072	132
Other Current Liabilities	19.997	24.199	24.932	32.324	30
Total Liabilities	180.735	261.251	194.280	271.898	40
Total Equity	244.424	297.280	260.561	304.848	17
Total Equity&Liabilities	425.159	558.531	454.841	576.746	27
INCOME STATEMENT (TRY Mn)	2024/12K	2025/12K	2025/03K	2026/03K	Chg%
Net Sales	204.060	208.910	53.545	59.685	11
COGS	184.055	190.345	49.743	54.879	10
Gross Profit/(Loss)	20.005	18.565	3.801	4.806	26
Operating Expenses	7.750	9.409	2.042	2.662	30
Operating Profit/(Loss)	12.255	9.156	1.759	2.144	22
Net Other Operational Gain/(Loss)	8.801	796	138	283	105
Income/(Loss) from Investing Activities	245	913	528	9	(98)
Financial Income/(Expense)	(7.454)	(8.168)	(2.279)	(2.329)	N.M.
Monetary Gain/Loss	(530)	876	262	727	178
Share of profit of equity accounted investments	205	107	14	63	352
Profit Before Tax (Loss)	13.522	3.680	422	896	113
Tax	(671)	2.986	(26)	491	N.M.
Net Profit/(Loss)	14.193	694	448	406	(9)
Minority Interest	712	183	22	22	2
Parent Equity	13.481	512	426	384	(10,0)

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	Market Perform (MP)	32,47
28-Apr-26	Outperform (OP)	42,24

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, Pharmaceutical, Banks	+90 (212) 334 33 33-128	bdemirbilek@sekeryatirim.com
A. Can Tuglu	Food & Bev., Retail, Auto, Aviation	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com
Başak Kamber	Glass, Defense Industry, Telecoms, Cons. Dur.	+90 (212) 334 33 33-	bkamber@sekeryatirim.com
Yusuf Kemal Erdekli	Cement, Conglomerates, Real Estate	+90 (212) 334 33 33-115	yerdekli@sekeryatirim.com
M. Mucahid Yıldırım	Banks	+90 (212) 334 33 33-150	myildirim@sekeryatirim.com
O. Furkan Ozdemir	Iron & Steel, Oil & Gas	+90 (212) 334 33 33-245	oozdemir@sekeryatirim.com

Economy & Politics

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

Institutional Sales

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

DISCLAIMER

I, Osman Furkan Ozdemir, hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest). The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Invest. By accepting this document you agree to be bound by the foregoing limitations.

Copyright © 2026 Şeker Invest