

MIGROS

Better than expected net profit driven by robust 1Q26 financial results...

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Migros has announced a net profit of TRY 1,598mn for 1Q26, including IAS-29 (1Q25: TRY 1,284mn), above both the RT estimate of TRY 609mn and our estimate of TRY 652mn. Although net financial expenses, and deferred tax expenses weighed on net income, the increase in monetary gains was supportive of net income in 1Q26.

The Company saw 6.4% YoY top-line growth (Inc. IAS 29) and TRY 109,237mn of net sales in 1Q26 (1Q25: TRY 102,646mn) (RT Avg.: TRY 108,839mn, Seker: TRY 106,125mn). Revenue growth was driven by real like-for-like basket size in stores, along with the positive contribution from online channels (share of total sales exc. tobacco & alcohol in 3M26: 23.5%). The rise in number of online stores (1Q25: 1,452; 1Q26: 2,520) further supported sales growth in 1Q26. **Considering the Company's FMCG market share development;** in the modern FMCG market, it had a 15.2% (1Q25: 15.2%) market share in 1Q26, and 9.9% (1Q25: 9.9%) of the total FMCG market thanks to its omni & multi format growth strategy, bringing its total store count to 3,812 as of end-1Q26.

The Company announced an EBITDA (Inc. IAS 29) of TRY 5,290mn in 1Q26 (1Q25: TRY 4,825mn), above both the RT average of TRY 4,783mn and our estimate of TRY 4,623mn. The EBITDA margin increased by 0.1pp YoY to 4.8%, while the GP margin was at 23.6% (1Q25: 24.2%) due to the increasing impact of imputed interest expenses on term purchases related to interest rates.

The Company has no hard-currency exposure. At the end of 1Q26, the Company's total financial debt (Inc. IAS-29) was at TRY 795mn. The net cash position (excluding IFRS-16) rose by 17% YoY to TRY 28,142mn, while the FCF also rose to TRY 1,163mn.

2026 expectations: Migros expects revenue growth of 5-7%, incorporating IAS-29 inflation accounting effects. The company expects an EBITDA margin of approximately 6-7%. Migros plans to open 180-200 new stores by the end of 2026, 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 revise up our target share price to **TRY 910.00**, and maintain our "Outperform" recommendation.

"OUTPERFORM"
TP: TRY 910.00
Previous: TRY 885.00
Upside Potential: 41.4%

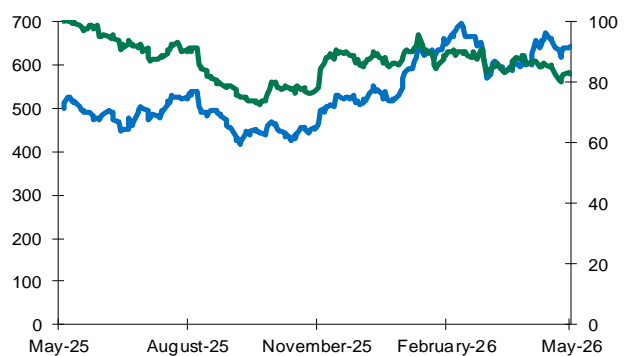
	TRY	US\$
Close	643,50	14,26
BIST 100	14.496	321
US\$/TRY (CB Bid Rate):	45,22	
52 Week High:	695,00	15,93
52 Week Low:	418,94	10,17
Bloomberg/Reuters Ticker:	MGROS.TI / MGROS.IS	

	(TRY Mn)	(US\$ Mn)
Number of Shares (Mn):	181,1	
Current Mcap:	116.508	2.581
Free Float Mcap:	59.419	1.317

	1M	YOY	YTD
TRY Return (%):	7,1	31,7	23,3
US\$ Return (%):	5,4	12,1	17,1
BIST 100 Relative (%):	-4,4	-17,2	-4,2
Avg. Daily Vol. (TRY Mn):	1.377,25		
Avg. Daily Vol. (US\$ Mn):	32,51		

Beta	0,96
Volatility (Stock)	0,31
Volatility (BIST 100)	0,23

Shareholder Structure	%
MH Perakendecilik	49,2
Migros Ticaret A.Ş.	1,6
Other	49,2
Total	100,0



— Share Price (TL)

— XU100 Rel.

Table 1: Summary Financial Statement

BALANCE SHEET (TRY mn) (Inc. IAS-29)	2025	3M26	%
Current Assets	83.917	79.482	-5,3%
Non-current Assets	146.708	150.196	2,4%
Total Assets	230.625	229.678	-0,4%
Current Liabilities	105.924	99.420	-6,1%
Non-current Liabilities	36.766	41.057	11,7%
Total Liabilities	142.689	140.477	-1,6%
Equity	87.936	89.201	1,4%
Total Liabilities & Equity	230.625	229.678	-0,4%

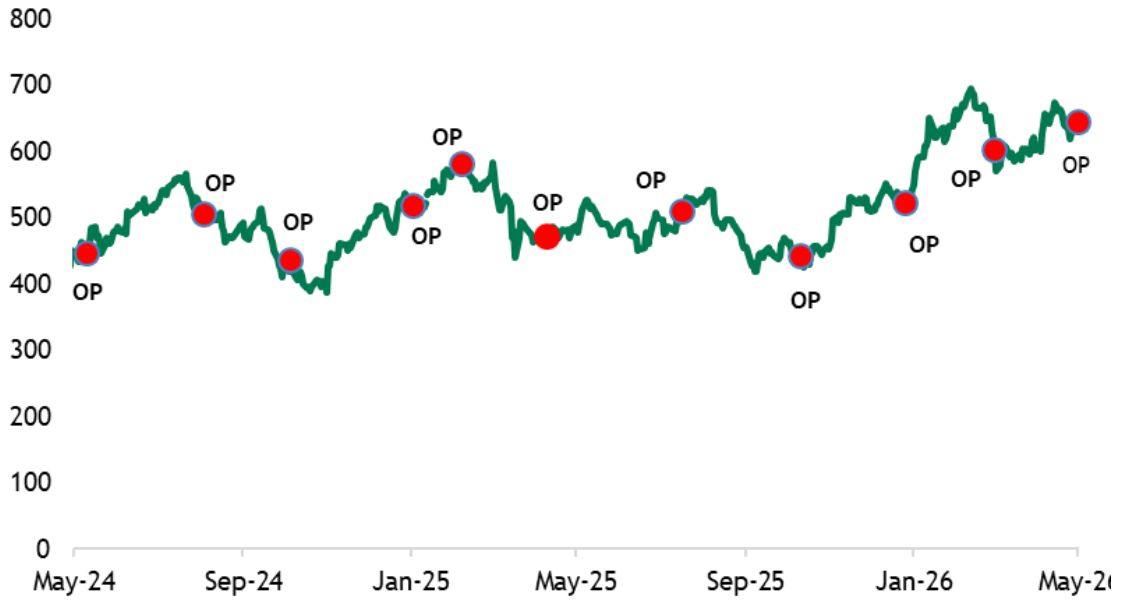
Source: Migros, Seker Invest - Research, Finnet, Audit Reports

Table 2: High level P&L

TRY Million	2024	2025	YoY	1Q25	1Q26	YoY
Revenues	423.142	454.198	7,3%	102.646	109.237	6,4%
Gross Profit	97.701	110.422	13,0%	24.887	25.735	3,4%
<i>Gross Profit Margin</i>	<i>23,1%</i>	<i>24,3%</i>		<i>24,2%</i>	<i>23,6%</i>	
EBIT	8.380	12.379	47,7%	698	237	-66,1%
<i>EBIT Margin</i>	<i>2,0%</i>	<i>2,7%</i>		<i>0,7%</i>	<i>0,2%</i>	
EBITDA	22.751	30.063	32,1%	4.825	5.290	9,6%
<i>EBITDA Margin</i>	<i>5,4%</i>	<i>6,6%</i>		<i>4,7%</i>	<i>4,8%</i>	
Net Profit	9.131	7.116	-22,1%	1.284	1.598	24,4%
<i>Net Profit Margin</i>	<i>2,2%</i>	<i>1,6%</i>		<i>1,3%</i>	<i>1,5%</i>	

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

Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
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
9-Jan-26	Outperform (OP)	850,00
5-Mar-26	Outperform (OP)	885,00
5-May-26	Outperform (OP)	910,00

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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