Şeker Invest

August 7, 2026

OYAK Cement

Revenue, EBITDA and Net Income Beat Expectations; Improvement in Operating Margins Stands Out…

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OYAK Cement has reported net income of TRY 2,084mn in 2Q26 under inflation-adjusted consolidated financials. The reported net income came in well above both our expectation of TRY 1,515mn and the market median expectation of TRY 1,524mn. The Company had posted net income of TRY 3,383mn in the same quarter of last year. Accordingly, net income declined by 38.4% YoY, while the net income margin contracted by 7.3pp to 13.4%.

The YoY decline in net income was driven by the significant increase in tax expense. Net finance income rose from TRY 38mn in the same period of last year to TRY 466mn, supported by lower finance expenses, while net income from investing activities declined from TRY 600mn to TRY 226mn. The monetary loss increased from TRY 260mn to TRY 325mn. As a result, profit before tax increased by 0.8% YoY to TRY 2,980mn. Net income declined YoY as the TRY 427mn tax benefit recorded last year was replaced by a TRY 896mn tax expense in 2Q26.

Net sales declined by 4.8% YoY to TRY 15,596mn in 2Q26. Reported net sales came in above both our expectation of TRY 14,985mn and the market median expectation of TRY 15,143mn. Cement sales volume increased by 5% YoY and export volume rose by 28%, while exports accounted for 10% of total sales. **Despite the recovery in volumes, the decline in revenue in real terms indicates that pressure on pricing and product mix persisted.**

On a segment basis, cement revenues increased by 0.6% YoY to TRY 10,372mn, while ready-mix concrete revenues declined by 13.9% to TRY 5,224mn. The gross margin in the cement segment increased from 35.1% to 37.9%, while the gross margin in the ready-mix concrete segment declined from 3.3% to 0.9%. Accordingly, the improvement in consolidated profitability was mainly driven by the cement operations, while the weak performance in ready-mix concrete continued.

OUTPERFORM
TP: TRY 33.35
Previous TP: TRY 33.35
Upside: 61.9%

	TRY	US$
Close	20,60	0,43
BIST 100	13.799	290
US$/TRY (CB Bid Rate):	47,4881	
52 Week High:	27,62	0,64
52 Week Low:	19,25	0,42
Bloomberg/Reuters Ticker:	OYAKC.TI/OYAKC.IS	

Number of Shares (Mn):		4.862
	(TRY Mn)	(US$ Mn)
Current Mcap:	100.150	2.108
Free Float Mcap:	24.036	506

	1 M	YOY	YTD
TRY Return (%):	0,2	-8,2	-10,6
US$ Return (%):	-1,6	-21,5	-19,3
BIST 100 Relative (%):	4,7	-27,5	-27,0
Avg. Daily Vol. (TRY Mn):	363,2	568,5	491,2
Avg. Daily Vol. (US$ Mn):	7,7	13,2	11,0

Beta	0,90
Volatility (Stock)	0,31
Volatility (BIST 100)	0,23

Shareholder Structure	%
TCC OYAK AMSTERDAM HOLDINGS B.V.	80,05
OTHER	19,95
Total	100,00

Consolidated gross profit increased by 4.1% YoY to TRY 3,975mn, while the gross margin expanded by 2.2pp to 25.5%. The faster decline in cost of sales relative to revenue, effective petcoke cost management, the high level of alternative fuel usage and the contribution from the Beypazarı solar power plant supported gross profitability. On the operating expense side, general administrative expenses increased by 10.1% YoY, marketing expenses by 12.3% and R&D expenses by 10.7%.

Operating profit increased by 1.0% YoY to TRY 2,587mn, while the operating margin expanded by 1.0pp to 16.6%. EBITDA rose by 4.1% YoY to TRY 3,831mn. Reported EBITDA came in above both our expectation of TRY 3,593mn and the market median expectation of TRY 3,562mn. The EBITDA margin increased by 2.1pp YoY to 24.6%.

On the balance sheet side, the Company had a net cash position of TRY 10,753mn as of June 30, 2026. The Company generated TRY 1,566mn of operating cash flow in the first half of the year, while a TRY 3,508mn cash outflow from working capital limited operating cash generation. During the same period, cash outflows for purchases of property, plant and equipment and intangible assets amounted to TRY 3,494mn. While the strong net cash position continued to support finance income, elevated capital expenditures and working capital requirements remain key factors to monitor in terms of cash flow.

The 115 MW Beypazarı solar power plant, commissioned in April, generated approximately 51 thousand MWh of electricity through the end of June and met around 30% of the average electricity demand of the Ünye, Bolu and Ankara plants and the İskenderun facility. The alternative fuel usage rate stood at 27.3% in the first half of the year, while the Company expects it to increase to 29.7% by year-end. We expect these investments to continue supporting energy costs and operating margins.

Overall, we view OYAK Cement's 2Q26 results as positive. Revenue, EBITDA and net income exceeding expectations, stronger margins in the cement operations, the improvement in net finance income and the solid net cash position supported the positive view. Weak profitability in the ready-mix concrete segment, real pricing pressure, working capital-related cash outflows and the tax impact that led to a YoY decline in net income were the main limiting factors. Looking ahead, sales prices, the performance of the ready-mix concrete segment, the cost contribution from the Beypazarı solar power plant and cash flow will be closely monitored.

We maintain our 12-month target price for OYAK Cement (OYAKC.TI) at TRY 33.35 per share and reiterate our OUTPERFORM recommendation. Based on the closing share price on 6 August 2026, our target price implies 61.9% upside potential.

Table 1: Summary Income Statement (including TAS 29 effects)

TRY Million	1H25	1H26	YoY	2Q25	2Q26	YoY
Revenues	**30.876**	**27.057**	**-12,4%**	**16.375**	**15.596**	**-4,8%**
Gross Profit	**7.552**	**6.427**	**-14,9%**	**3.818**	**3.975**	**4,1%**
Gross Profit Margin	*24,5%*	*23,8%*	*-0,7 pp*	*23,3%*	*25,5%*	*+2,2 pp*
EBIT	**5.299**	**4.063**	**-23,3%**	**2.561**	**2.587**	**1,0%**
EBIT Margin	*17,2%*	*15,0%*	*-2,1 pp*	*15,6%*	*16,6%*	*+1,0 pp*
EBITDA	**7.317**	**6.384**	**-12,7%**	**3.680**	**3.831**	**4,1%**
EBITDA Margin	*23,7%*	*23,6%*	*-0,1 pp*	*22,5%*	*24,6%*	*+2,1 pp*
Net Profit	**4.778**	**2.194**	**-54,1%**	**3.383**	**2.084**	**-38,4%**
Net Profit Margin	*15,5%*	*8,1%*	*-7,4 pp*	*20,7%*	*13,4%*	*-7,3 pp*

Source: *PDP, Finnet, Şeker Invest Research*

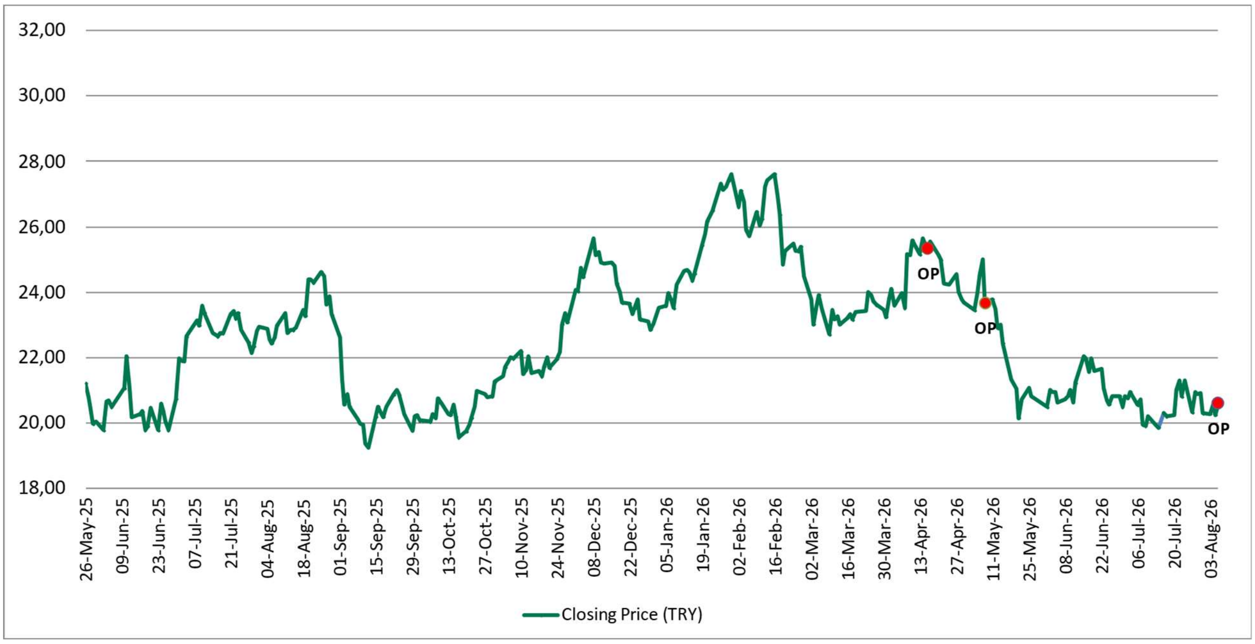
Table 2: Key Financial Tables (including TAS 29 effects)

BALANCE SHEET (TRY Mn)	2025/12	2026/06	Change %
PP&E	41.759	43.374	3,9%
Intangibles	8.872	8.972	1,1%
Other Non-Current Assets	5.517	3.957	-28,3%
Trade Receivables	10.478	11.498	9,7%
Cash&Equivalents	16.274	12.230	-24,8%
Other Current Assets	11.657	13.221	13,4%
Total Assets	**94.558**	**93.252**	**-1,4%**
Long Term Debt	1.664	203	-87,8%
Other Non current liabilities	1.654	1.791	8,3%
Short Term Debt	0	0	N.M.
Trade Payables	8.766	7.067	-19,4%
Other current liabilities	8.342	8.025	-3,8%
Total Liabilities	20.426	17.086	-16,4%
Total Equity	74.133	76.167	2,7%
Total Equity&Liabilities	**94.558**	**93.252**	**-1,4%**

INCOME STATEMENT (TRY Mn)	2025/06	2026/06	Change %
Revenues	30.876	27.057	-12,4%
COGS	23.324	20.630	-11,6%
Gross Profit/(Loss)	7.552	6.427	-14,9%
Operating Expenses	2.253	2.364	4,9%
Operating Profit/(Loss)	5.299	4.063	-23,3%
Net Other Ope. Rev./(Exp.)	234	225	-3,9%
Net Investing Activities Gain/(Loss)	941	367	-61,0%
Financial Income/(Expense)	232	997	329,9%
Gains (losses) on net monetary positions	-1.346	-1.223	N.M.
Profit Before Tax (Loss)	**5.360**	**4.428**	**-17,4%**
Tax	-582	-2.234	N.M.
Net Profit (Loss)	**4.778**	**2.194**	**-54,1%**
Minority Interest	0	0	N.M.
Majority Interest	**4.778**	**2.194**	**-54,1%**

Source: *PDP, Finnet, Şeker Invest Research*

Figure 1: Historical Recommendations and Target Prices



Date	Rec	Target Price (TRY)
16-Apr-26	Outperform (OP)	33,35
8-May-26	Outperform (OP)	33,35
6-Aug-26	Outperform (OP)	33,35

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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