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Emlak Konut

Strong Presales Remain Supportive, While Revenue Mix and Finance Costs Weigh on Earnings

Yusuf Kemal Erdekli
Analyst
yerdekli@sekeryatirim.com

Emlak Konut has reported net income attributable to the parent of TRY 1,010mn in 2Q26, based on its inflation-adjusted consolidated financial results. The Company had reported net income of TRY 7,907mn in the same period last year, implying an 87.2% YoY decline. The sharp contraction in net income was driven by weaker operating profitability, higher net finance expenses, a decline in the net monetary position gain and elevated tax expenses.

Consolidated revenues declined by 2.1% YoY to TRY 30,707mn in 2Q26. The revenue mix changed markedly, with total land sale revenues increasing by 50.4% YoY to TRY 17,006mn, while revenues from residential and commercial unit sales declined by 48.5% to TRY 9,032mn. In particular, direct land sale revenues increased from TRY 2,322mn to TRY 8,240mn, while the related cost of sales reached TRY 8,807mn, weighing on profitability in this line. Revenues generated under the revenue-sharing model in return for land sales stood at TRY 8,765mn, broadly in line with TRY 8,982mn in the same period last year. Reflecting the change in the revenue mix, gross profit declined by 26.5% YoY to TRY 8,549mn, while the gross margin contracted from 37.1% to 27.8%.

EBITDA declined by 37.3% YoY to TRY 6,155mn in 2Q26. The EBITDA margin contracted by 11.3pp YoY from 31.3% to 20.0%. In addition to the sharp contraction in the gross margin, higher general administrative and marketing expenses also weighed on operating margins.

Higher finance expenses added to the pressure on net income. Based on netting finance income and expenses reported in the financial statements, net finance expense increased to TRY 4,283mn in 2Q26 from TRY 2,994mn in 2Q25. During the same period, the net monetary position gain declined to TRY 112mn from TRY 1,695mn, while profit before tax fell to TRY 2,781mn from TRY 9,511mn. The increase in tax expense to TRY 1,772mn from TRY 1,603mn further amplified the decline in net income.

On the operational side, presales remained strong despite the weakness in the financial results. In 1H26, the Company generated TRY 45.2bn of presales excluding VAT across 2,598 independent units corresponding to 353.9 thousand m² of saleable area, while total sales value including land sales reached TRY 50.7bn. The average sales price per square meter for independent units rose to TRY 127,652, standing 20.4% above the 2025 average. As presales are not recognized in the income statement at the signing date and revenues are recorded upon delivery under IFRS 15, there is a timing difference between the strong current sales performance and the financial results reported for the period.

OUTPERFORM
TP: TRY 32.84
Previous TP: TRY 32.84
Upside potential: 79.5%

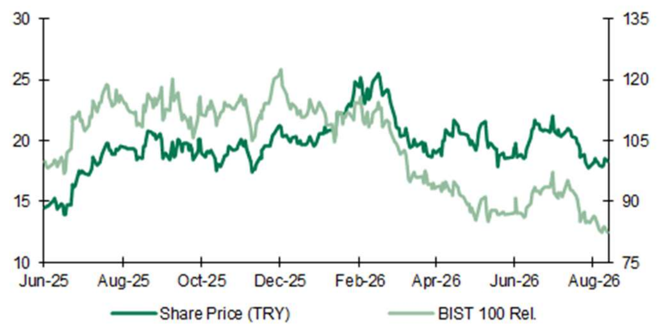
	TRY	US$
Close	18,30	0,38
BIST 100	14.172	297
US$/TRY (CB Bid Rate):	47,69	
52 Week High:	25,49	0,58
52 Week Low:	17,40	0,37
Bloomberg/Reuters Ticker:	EKGYO.TI/EKGYO.IS	

Number of Shares (Mn):		3.800
	(TRY Mn)	(US$ Mn)
Current Mcap:	69.540	1.457
Free Float Mcap:	35.465	743

	1 M	YOY	YTD
TRY Return (%):	-12,9	-0,7	-7,9
US$ Return (%):	-14,4	-15,3	-17,2
BIST 100 Relative (%):	-13,5	-24,1	-26,8
Avg. Daily Vol. (TRY Mn):	2684,3	3089,3	2820,7
Avg. Daily Vol. (US$ Mn):	56,8	71,3	63,1

Beta	1,30
Volatility (Stock)	0,41
Volatility (BIST 100)	0,23

Shareholder Structure	%
HOUSING DEVELOPMENT ADMINISTRATION OF THE REPUBLIC OF TÜRKİYE (TOKİ)	49,34
OTHER	50,66
Total	100,00



On the project development side, the Company continued to maintain a high level of activity, with the 11 revenue-sharing tenders concluded as of the reporting date representing total expected sales revenue of TRY 234.8bn and a minimum guaranteed Company share of TRY 95.4bn.

The Company maintained its 2026 targets of TRY 135.25bn in independent unit presales and 7,801 unit sales, with 33.4% and 33.3% of these targets achieved, respectively, in 1H26. Including land sales, 34.9% of the TRY 145.45bn total presales target was reached. Meanwhile, 1H26 net income corresponded to 18% of the full-year net income target of TRY 13.1bn. Management views the current sales performance as seasonally in line with expectations, given that the sales launch calendar is weighted toward the second half of the year.

On the balance sheet side, the cash position strengthened, while financial indebtedness also increased significantly. Cash and cash equivalents rose to TRY 40,621mn from TRY 17,374mn at YE25, while total financial debt increased to TRY 104,026mn from TRY 64,261mn and net financial debt rose to TRY 63,405mn from TRY 46,887mn. In 1H26, the Company recorded net cash outflow from operating activities of TRY 13,954mn, while financing activities generated net cash inflow of TRY 39,546mn. Inventories increased by 4.1% to TRY 298,486mn.

On the financing side, the USD 650mn five-year international sukuk issuance completed in May was a positive development in terms of extending the debt maturity profile and diversifying funding sources. The issuance, priced at a 7.75% profit rate, attracted USD 1.85bn of demand, corresponding to approximately 2.8x the issue size.

We assess the results as slightly negative. The sharp decline in net income, the 11.3pp contraction in the EBITDA margin, higher net finance expenses and increased net debt outweighed the support from strong presales. Yet, a sizeable project development pipeline, maintained year-end sales targets and the long-term outlook were supported by net asset value. Given that the recognition of strong current-period presales in the income statement depends on the delivery schedule, an acceleration in project deliveries and an improvement in the revenue mix in the second half will be key determinants of operating profitability.

We maintain our 12-month target price for Emlak Konut (EKGYO.TI) at TRY 32.84 per share and reiterate our OUTPERFORM recommendation. Based on the closing share price on 14 August 2026, our target price implies 79.5% upside potential.

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

TRY Million	1H25	1H26	Yıllık	2Q25	2Q26	Yıllık
Revenues	63.268	53.301	-15,8%	31.367	30.707	-2,1%
Gross Profit	19.986	16.113	-19,4%	11.638	8.549	-26,5%
Gross Profit Margin	*31,6%*	*30,2%*	*-1,4 pp*	*37,1%*	*27,8%*	*-9,3 pp*
EBIT	16.695	11.566	-30,7%	9.680	5.991	-38,1%
EBIT Margin	*26,4%*	*21,7%*	*-4,7 pp*	*30,9%*	*19,5%*	*-11,4 pp*
EBITDA	16.914	11.907	-29,6%	9.820	6.155	-37,3%
EBITDA Margin	*26,7%*	*22,3%*	*-4,4 pp*	*31,3%*	*20,0%*	*-11,3 pp*
Net Profit	12.464	2.358	-81,1%	7.907	1.010	-87,2%
Net Profit Margin	*19,7%*	*4,4%*	*-15,3 pp*	*25,2%*	*3,3%*	*-21,9 pp*

Source: *Finnet, Şeker Invest Research*

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

BALANCE SHEET (TRY Mn)	**2025/12**	**2026/06**	**Change %**
PP&E	3.140	2.909	-7,4%
Intangibles	261	279	6,8%
Other Non-Current Assets	34.872	27.813	-20,2%
Trade Receivables	42.472	53.033	24,9%
Cash&Equivalents	17.374	40.621	133,8%
Inventories	286.671	298.486	4,1%
Other Current Assets	9.930	16.873	69,9%
Total Assets	**394.719**	**440.013**	**11,5%**
	0	0	
Long Term Debt	31.065	61.775	98,9%
Other Non current liabilities	27.438	30.604	11,5%
Short Term Debt	24.822	30.804	24,1%
Trade Payables	39.444	34.796	-11,8%
Deferred Income	103.472	113.618	9,8%
Other current liabilities	15.733	15.580	-1,0%
Total Liabilities	241.975	287.177	18,7%
Total Equity	152.745	152.836	0,1%
Total Equity&Liabilities	**394.719**	**440.013**	**11,5%**

INCOME STATEMENT (TRY Mn)	**2025/06**	**2026/06**	**Change %**
Revenues	63.268	53.301	-15,8%
COGS	43.282	37.188	-14,1%
Gross Profit/(Loss)	19.986	16.113	-19,4%
Operating Expenses	3.291	4.548	38,2%
Operating Profit/(Loss)	16.695	11.566	-30,7%
Net Other Ope. Rev./(Exp.)	5.713	3.282	-42,6%
Net Investing Activities Gain/(Loss)	0,00	152	N.M.
Financial Income/(Expense)	1.052	4.308	309,7%
Gains (losses) on net monetary positions	1.903	5.049	165,2%
Profit Before Tax (Loss)	17.190	9.237	**-46,3%**
Tax	4.726	6.879	45,5%
Net Profit (Loss)	12.464	2.358	**-81,1%**
Minority Interest	0	0	N.M.
Majority Interest	12.464	2.358	**-81,1%**

Source: *Finnet, Şeker Invest Research*

Figure 1: Historical Recommendations and Target Prices

Date	Rec	Target Price (TRY)
29-Jul-26	Outperform (OP)	32,84
17-Aug-26	Outperform (OP)	32,84

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	+90 (212) 334 33 33-128	bdemirbilek@sekeryatirim.com
Atasav Can Tuglu	Retail, Automotive, Aviation, Beverages	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com.tr
Basak Kamber	Glass, Pharm., Defense, Food, Telcos., Cons. Dur.	+90 (212) 334 33 33-251	bkamber@sekeryatirim.com
M. Mucahid Yildirim	Banking	+90 (212) 334 33 33-150	myildirim@sekeryatirim.com
Yusuf Kemal Erdekli	Cement, Conglomerates, Real Estate	+90 (212) 334 33 33-115	yerdekli@sekeryatirim.com
O. Furkan Ozdemir	Iron & Steel, Oil, Gas, & Derivatives	+90 (212) 334 33 33-245	oozdemir@sekeryatirim.com

Economy & Politics

Abdulkadir Dogan	Chief 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

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