Erdemir

Net Profit Prints Above Expectations…

Osman Furkan Ozdemir
Analyst
oozdemir@sekeryatirim.com

Erdemir's net profit increased by 239% YoY to TRY 2,210mn in 3Q26 (3Q25: TRY 651mn). Reported net profit was 56% above our TRY 1,417mn estimate and 13% above the market median estimate of TRY 1,954mn. The positive deviation in net profit was driven by the tax line. The Company recorded TRY 163mn of current tax expense and TRY 128mn of deferred tax income in the quarter, bringing total tax expense to TRY 36mn, well below our TRY 742mn estimate. Moreover, the application of a 12.5% corporate tax rate to manufacturing earnings from 2027 onwards is an important factor that will support net profitability going forward.

Erdemir's EBITDA increased by 68% YoY and 21% QoQ to TRY 7,977mn in 3Q26 (3Q25: TRY 4,737mn; 2Q26: TRY 6,582mn). Reported EBITDA was 5% below our TRY 8,392mn estimate and 3% below the market median estimate of TRY 8,226mn. The EBITDA margin rose by 2.2pp YoY and 1.1pp QoQ to 11.2%. EBITDA per ton, as disclosed in the Company's investor presentation, increased from USD 75 in 2Q26 to USD 100 in 3Q26 (3Q25: USD 68), indicating that the operational recovery gained momentum.

Erdemir's net sales increased by 35% YoY and 10% QoQ to TRY 71,291mn in 3Q26 (3Q25: TRY 52,958mn; 2Q26: TRY 64,883mn). Net sales were 3% above our TRY 69,151mn estimate and 2% above the market median estimate of TRY 70,027mn. USD-denominated sales revenue increased by 15% YoY and 5% QoQ to USD 1,498mn, while sales volume rose by 11% YoY and 1% QoQ to 2.15mn tons. While volume remained flat on a quarterly basis, the increase in USD revenue was driven by the improvement in revenue per ton. Gross profit increased by 69% YoY and 20% QoQ to TRY 7,037mn, with the gross margin standing at 9.9% (3Q25: 7.9%; 2Q26: 9.1%). The operating expenses-to-sales ratio declined from 4.8% in 2Q26 to 4.5%.

OUTPERFORM
TP: 42,24 TL
Previous TP: 42,24 TL
Upside: %20

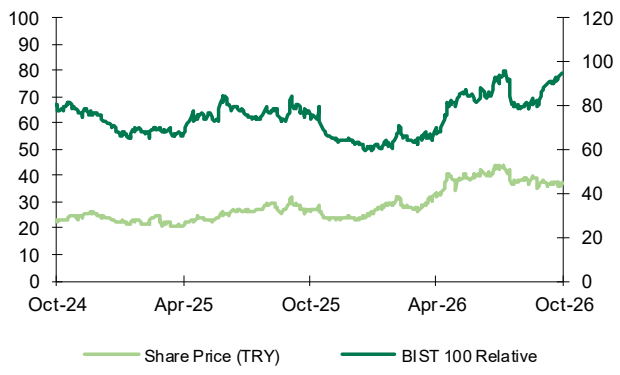
	TRY	US$
Close	35,10	0,71
BIST 100	11.220	226
US$/TRY (CB Bid Rate):	49,63	
52 Week High:	44,20	0,94
52 Week Low:	23,32	0,54
Bloomberg/Reuters Ticker:	EREGL.TI / EREGL.IS	

Number of Shares (Mn):	7.000,0	
	(TRY Mn)	**(US$ Mn)**
Current Mcap:	245.700	4.960
Free Float Mcap:	117.936	2.381

	1 M	YOY	YTD
TRY Return (%):	-7,2	32,6	49,4
US$ Return (%):	-8,7	12,1	29,3
BIST 100 Relative (%):	9,2	24,6	49,9
Avg. Daily Vol. (TRY Mn):	5.238,14		
Avg. Daily Vol. (US$ Mn):	116,25		

Beta	1,00
Volatility (Stock)	0,38
Volatility (BIST 100)	0,24

Shareholder Structure	%
Ataer Holding	49,54
Free Float	46,49
Erdemir's own shares	3,97
Total	100,00



Working capital-driven increase in net debt… The Company's net debt rose from USD 817mn at end-2Q26 to USD 1,002mn at end-3Q26. The main reason for the quarterly increase was the higher working capital requirement. Net working capital increased from USD 1,106mn at end-2Q26 to USD 1,267mn. .

Operational outlook… Liquid steel production increased by 9% YoY and 4% QoQ to 2.40mn tons in 3Q26. Finished product sales volume rose by 11% YoY and 1% QoQ to 2.15mn tons. The share of exports in total sales stood at 14.6% in 3Q26, slightly above 13.7% in 2Q26 but below 19.2% in the same period last year. The concentration of sales in the domestic market continues. We expect the increase in coking coal and scrap prices to put some pressure on per-ton profitability in 4Q26 with a lag through inventory costs. Nevertheless, we expect EBITDA per ton to remain well above 2Q26 levels.

Sector outlook… Türkiye's crude steel production increased by 6.8% YoY to 26.6mn tons in the first eight months of the year, while global crude steel production maintained its weak trend and declined by 1.2% YoY in August. We expect domestic demand growth to continue supporting Erdemir's sales volumes. However, elevated import levels, weak global pricing and rising raw material costs remain the key risks that could limit the pace of margin expansion.

The 3Q26 results indicate that the operational recovery gained strength with the marked improvement in per-ton profitability, while the tax line made a significant contribution to the strong increase in net profit. The sharp pullback in the share price following the results does not change our assessment of the Company's medium-term outlook. Accordingly, we maintain our TRY 42.24 target price for Erdemir. Based on the latest closing price, our target price offers 20% upside; therefore, we reiterate our "Outperform" recommendation on the stock.

Figure 1: Financials

TRY Million	9M25	9M26	YoY	3Q25	3Q26	YoY
Revenues	**147.915**	**195.859**	**32,4%**	**52.958**	**71.291**	**34,6%**
Gross Profit	**11.838**	**17.721**	**49,7%**	**4.171**	**7.037**	**68,7%**
Gross Profit Margin	*8,0%*	*9,0%*		*7,9%*	*9,9%*	
EBIT	**5.047**	**8.737**	**73,1%**	**1.767**	**3.836**	**117,1%**
EBIT Margin	*3,4%*	*4,5%*		*3,3%*	*5,4%*	
EBITDA	**12.998**	**20.378**	**56,8%**	**4.737**	**7.977**	**68,4%**
EBITDA Margin	*8,8%*	*10,4%*		*8,9%*	*11,2%*	
Net Profit	**2.384**	**11.143**	**367,4%**	**651**	**2.210**	**239,5%**
Net Profit Margin	*1,6%*	*5,7%*		*1,2%*	*3,1%*	

Source: Finnet, Seker Invest Research

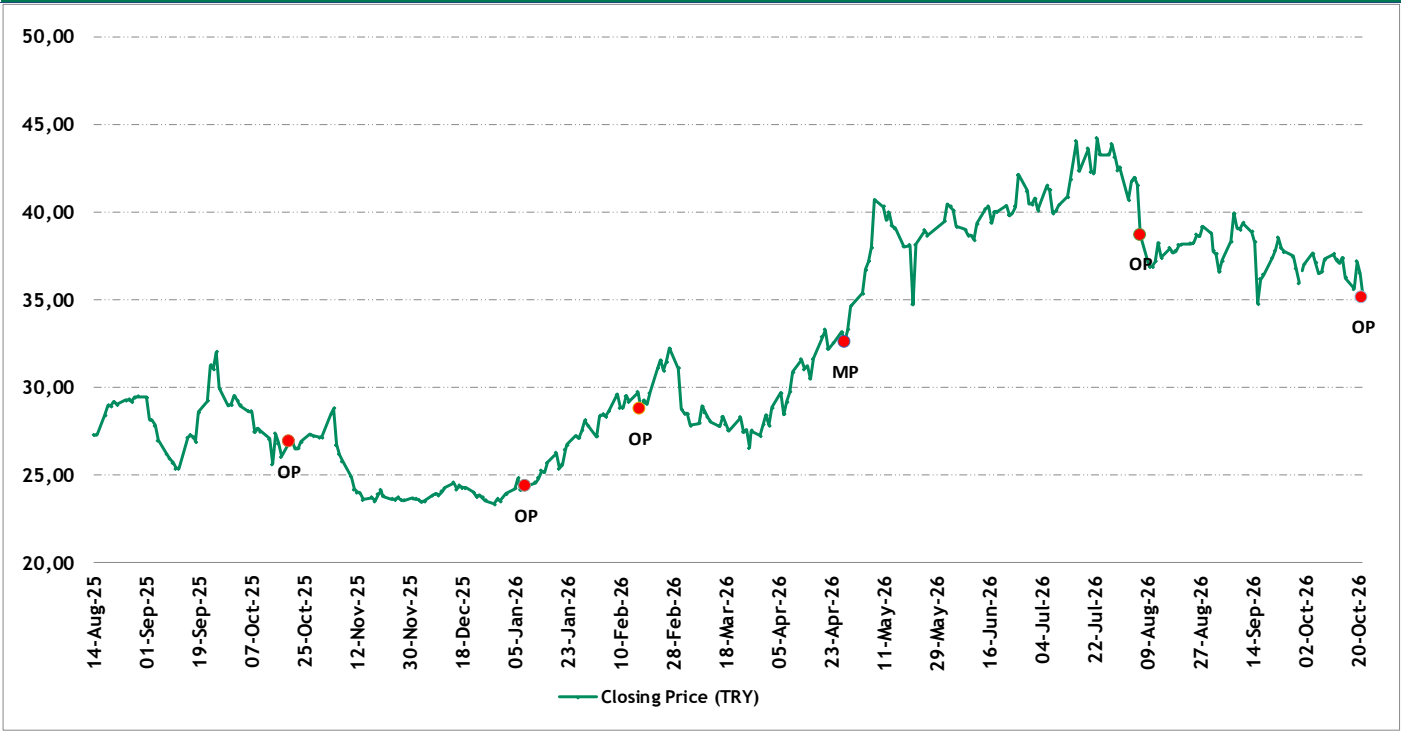
Figure 2: Key Financials

BALANCE SHEET (TRY Mn)	2024/12K	2025/12K	2025/09K	2026/09K	Chg%
PP&E	206.913	277.300	263.528	323.185	23
Intangibles	9.343	11.075	10.695	12.252	15
Other Non-Current Assets	26.047	19.529	19.578	19.929	2
Trade Receivables	26.464	27.448	26.581	27.675	4
Cash&Equivalents	55.260	115.477	97.706	112.158	15
Other Current Assets	101.132	107.703	105.559	129.837	23
Total Assets	**425.159**	**558.531**	**523.646**	**625.035**	**19**
Long Term Debt	84.577	118.324	111.816	90.593	(19)
Other Non current liabilities	19.869	26.014	20.482	21.129	3
Short Term Debt	26.268	23.952	20.900	17.341	(17)
Trade Payables	30.023	68.762	59.863	84.143	41
Other Current Liabilities	19.997	24.199	21.721	64.100	195
Total Liabilities	180.735	261.251	234.782	277.305	18
Total Equity	244.424	297.280	288.865	347.730	20
Total Equity&Liabilities	**425.159**	**558.531**	**523.646**	**625.035**	**19**

INCOME STATEMENT (TRY Mn)	2024/12K	2025/12K	2025/09K	2026/09K	Chg%
Net Sales	204.060	208.910	147.915	195.859	32
COGS	184.055	190.345	136.077	178.137	31
Gross Profit/(Loss)	20.005	18.565	11.838	17.721	50
Operating Expenses	7.750	9.409	6.792	8.984	32
Operating Profit/(Loss)	12.255	9.156	5.047	8.737	73
Net Other Operational Gain/(Loss)	8.801	796	878	765	(13)
Income/(Loss) from Investing Activities	245	913	573	(2.117)	N.M.
Financial Income/(Expense)	(7.454)	(8.168)	(6.805)	(7.252)	N.M.
Monetary Gain/Loss	(530)	876	689	2.133	210
Share of profit of equity accounted investments	205	107	80	287	258
Profit Before Tax (Loss)	**13.522**	**3.680**	**462**	**2.552**	**453**
Tax	(671)	2.986	(2.055)	(8.959)	N.M.
Net Profit/(Loss)	**14.193**	**694**	**2.516**	**11.511**	**357**
Minority Interest	712	183	132	367	178
Parent Equity	13.481	512	2.384	11.143	367,4

EREGL *Source: Finnet, Seker Invest*

Historical Recommendations and Target Price



Date	Rec	Target Price (TRY)
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
7-Aug-26	Outperform (OP)	42,24
22-Oct-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**	**+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

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