# Ulker Biskuvi

## Net Profit Below Expectations; Operational Outlook Remains Weak…

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**OUTPERFORM**
**TP: 159,80 TRY**
Previous TP: 159,80 TRY
Upside: %104

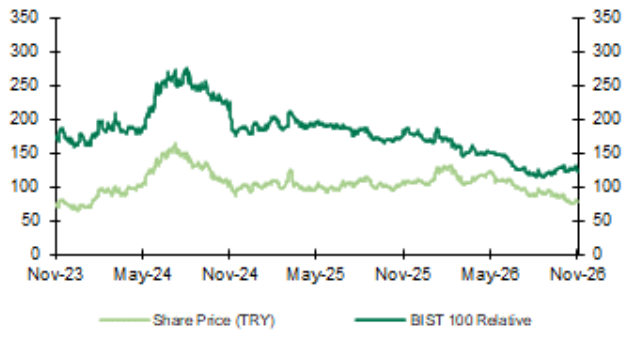
**Ulker reported a net loss of TRY 546mn in 3Q26, including the impact of TAS 29 (3Q25: TRY 1,385mn net profit). The result came in below our net profit estimate of TRY 1,275mn and the market median estimate of TRY 125mn.** In addition to weaker operating profitability, the net loss was driven by a 34.5% YoY decline in income from investing activities to TRY 2,196mn and lower net monetary gains. The Company's net sales declined 12.2% YoY to TRY 28,947mn, coming in 8.5% below our estimate but 1.6% above the market median. EBITDA decreased 59.1% YoY to TRY 2,395mn, falling 22.7% short of our estimate while exceeding the market median by 4.3%. The EBITDA margin contracted by 947bp YoY to 8.3% (3Q25: 17.7%). The margin contraction was driven by increasing promotional intensity, pricing pressures and the recognition of high-cost cocoa inventories in expenses under inflation accounting. The Company revised its FY26 EBITDA margin guidance downward from 13.5% (±1.5pp) to 9-11%. We maintain our 12-month target price of TRY 159.80 per share for Ulker. Our target price implies **104%** upside from the last closing price, while we reiterate our **"Outperform"** recommendation on the stock

| | TRY | US$ |
|---|---|---|
| Close | 78,35 | 1,56 |
| BIST 100 | 11.713 | 234 |
| US$/TRY (CB Bid Rate): | 50,18 | |
| 52 Week High: | 132,28 | 3,04 |
| 52 Week Low: | 74,30 | 1,49 |
| Bloomberg/Reuters Ticker: | ULKER.TI /ULKER.IS | |
| Number of Shares (Mn): | 369,3 | |
| | (TRY Mn) | (US$ Mn) |
| Current Mcap: | 28.933 | 578 |
| Free Float Mcap: | 12.730 | 254 |

| | 1 M | YOY | YTD |
|---|---|---|---|
| TRY Return (%): | -11,0 | -28,1 | -23,7 |
| US$ Return (%): | -12,5 | -39,5 | -34,6 |
| BIST 100 Relative (%): | -6,8 | -32,9 | -26,7 |
| Avg. Daily Vol. (TRY Mn): | 652,35 | | |
| Avg. Daily Vol. (US$ Mn): | 14,50 | | |

| | |
|---|---|
| Beta | 1,01 |
| Volatility (Stock) | 0,33 |
| Volatility (BIST 100) | 0,25 |

| Shareholder Structure | % |
|---|---|
| PLADIS FOODS LIMITED | 47,23 |
| Other | 52,77 |
| Total | 100,00 |




**Operational Developments and Sector Outlook...** By geographical segment, net sales from Türkiye operations declined 12.1% YoY to TRY 19,614mn in 3Q26, while international net sales decreased 12.4% YoY. Despite a 1.6% YoY increase in sales volume in Turkey, intensifying promotional activity and pricing pressures weighed on operating profitability. The EBITDA margin in Türkiye contracted by 970bp YoY to 10.0%, while the international EBITDA margin declined to 4.7% from 13.7%. In international operations, geopolitical developments in the Middle East affected demand and costs, while intensifying competition in Central Asia put additional pressure on margins. On a consolidated basis, the negative impact of TAS 29 on the EBITDA margin increased to 3.2pp in 3Q26 (3Q25: 1.6pp).

**Balance Sheet, Cash Flow and Leverage…** The Company's reported net debt/EBITDA ratio increased to 1.45x as of September 2026 from 0.97x at end-2025, mainly reflecting weaker LTM EBITDA performance. The fact that 71% of financial liabilities are long-term is supportive of the debt maturity profile, while 69% of the Company's open FX position is hedged through derivative financial instruments. Cash flow from operating activities turned positive at TRY 2,937mn in 9M26 (9M25: TRY -3,069mn).

**Overall Assessment…** We view the 3Q26 financial results negatively. Although net sales and EBITDA were broadly in line with market expectations, both fell below our estimates, while the Company reported a net loss contrary to expectations. In particular, the 350bp downward revision to the midpoint of the FY26 EBITDA margin guidance suggests that profitability will remain under pressure in the final quarter of the year. We expect a gradual recovery in operating margins in 2027 as the impact of high-cost cocoa inventories fades, although increasing promotional intensity in Türkiye and competition in international markets could limit the pace of recovery. While we view the Company's ability to maintain its market leadership, positive operating cash flow and long-term debt structure favorably, we will continue to closely monitor weakening operating profitability and rising leverage ratios.

## Figure 1: Financials (Including IAS -29)

| TRY Million | 9M25 | 9M26 | YoY | 3Q25 | 3Q26 | YoY |
|---|---|---|---|---|---|---|
| **Revenues** | **104.987** | **95.748** | **-8,8%** | **32.966** | **28.947** | **-12,2%** |
| **Gross Profit** | **31.728** | **23.842** | **-24,9%** | **9.639** | **6.167** | **-36,0%** |
| *Gross Profit Margin* | *30,2%* | *24,9%* | | *29,2%* | *21,3%* | |
| **EBIT** | **16.361** | **8.290** | **-49,3%** | **5.037** | **1.440** | **-71,4%** |
| *EBIT Margin* | *15,6%* | *8,7%* | | *15,3%* | *5,0%* | |
| **EBITDA** | **18.659** | **11.147** | **-40,3%** | **5.848** | **2.395** | **-59,1%** |
| *EBITDA Margin* | *17,8%* | *11,6%* | | *17,7%* | *8,3%* | |
| **Net Profit** | **5.959** | **2.709** | **-54,5%** | **1.385** | **-546** | **-139,4%** |
| *Net Profit Margin* | *5,7%* | *2,8%* | | *4,2%* | *-1,9%* | |

*Source: Finnet, Seker Invest Research*

## Figure 2: Key Financials (Including IAS-29)

| BALANCE SHEET (TRY Mn) | 2025/12K | 2026/09K | Chg% |
|---|---|---|---|
| PP&E | 38.950 | 37.362 | (4) |
| Intangibles | 6.163 | 5.627 | (9) |
| Other Non-Current Assets | 7.051 | 7.704 | 9 |
| Trade Receivables | 36.450 | 35.673 | (2) |
| Cash&Equivalents | 28.989 | 22.088 | (24) |
| Other Current Assets | 40.114 | 42.173 | 5 |
| **Total Assets** | **157.717** | **150.627** | **(4)** |
| Long Term Debt | 49.488 | 47.212 | (5) |
| Other Non current liabilities | 7.327 | 7.762 | 6 |
| Short Term Debt | 21.802 | 19.453 | (11) |
| Trade Payables | 17.661 | 14.992 | (15) |
| Other Current Liabilities | 4.408 | 4.834 | 10 |
| Total Liabilities | 100.686 | 94.252 | (6) |
| Total Equity | 57.031 | 56.375 | (1) |
| **Total Equity&Liabilities** | **157.717** | **150.627** | **(4)** |

*Source: Finnet, Seker Invest*

| INCOME STATEMENT (TRY Mn) | 2025/09K | 2026/09K | Chg% |
|---|---|---|---|
| Net Sales | 104.987 | 95.748 | (9) |
| COGS | 73.258 | 71.905 | (2) |
| Gross Profit/(Loss) | 31.728 | 23.842 | (25) |
| Operating Expenses | 15.367 | 15.553 | 1 |
| Operating Profit/(Loss) | 17.322 | 9.271 | (46) |
| Net Other Operational Gain/(Loss) | 961 | 982 | 2 |
| Income/(Loss) from Investing Activities | 11.827 | 5.505 | (53) |
| Financial Income/(Expense) | (23.416) | (13.012) | N.M. |
| Monetary Gain/Loss | 3.181 | 3.342 | 5 |
| Share of profit of equity accounted investments | - | - | N.M. |
| **Profit Before Tax (Loss)** | **8.913** | **5.106** | **(43)** |
| Tax | 2.615 | 2.092 | (20) |
| **Net Profit/(Loss)** | **6.299** | **3.014** | **(52)** |
| Minority Interest | 339 | 304 | (10) |
| Parent Equity | 5.959 | 2.709 | (54,5) |

*ULKER* *Source: Finnet, Seker Invest*

## Historical Recommendations and Target Price




| Date | Recommendation | Target Price (TRY) |
|---|---|---|
| 3-Jun-25 | Outperform (OP) | 170,00 |
| 19-Aug-25 | Outperform (OP) | 170,00 |
| 10-Nov-25 | Outperform (OP) | 170,00 |
| 9-Jan-26 | Outperform (OP) | 159,80 |
| 11-Mar-26 | Outperform (OP) | 159,80 |
| 12-May-26 | Outperform (OP) | 159,80 |
| 18-Aug-26 | Outperform (OP) | 159,80 |
| 9-Nov-26 | Outperform (OP) | 159,80 |

## 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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