Earnings Update
Iron - Steel Industry

March 12, 2026

Kardemir

Net loss came in below expectations…

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Kardemir reported a TRY 683mn net loss in 4Q25 based on inflation-adjusted financials under IAS 29. The reported net loss came significantly below both our estimate of a TRY 779mn net profit and the market consensus estimate of a TRY 175mn net profit. Despite strong operational profitability, the deviation was mainly driven by a 95.5% YoY increase in tax expenses, which rose to TRY 857mn (4Q24: TRY 438mn), while higher financial expenses also weighed on the bottom line.

Net sales revenues declined by 2.8% YoY to TRY 16,420mn in 4Q25. The reported net sales figure came 21% below our estimate, while exceeding the market consensus by 2% (4Q24: TRY 16,900mn). We believe the relatively weaker revenue performance was mainly driven by volatile steel prices and only a limited recovery in demand conditions.

Kardemir reported EBITDA of TRY 2,362mn in 4Q25 (4Q24: TRY 1,345mn). The reported EBITDA came 51.7% above our estimate of TRY 1,557mn and 16.9% higher than the market consensus estimate of TRY 2,021mn. We believe the strong operational performance was mainly supported by relatively balanced raw material costs and improvements in product mix.
Operationally, we believe Kardemir maintained relatively stable capacity utilization rates throughout the year, supported by its integrated production structure. In particular, the increasing share of value-added products in total sales appears to have supported operational profitability even under the current demand environment.
Macro and sector outlook… Throughout 2025, Chinese oversupply and the slowdown in global economic activity continued to shape pricing dynamics in global steel markets. Meanwhile, relatively stable raw material costs and improvements in product mix provided some support to operational margins of steel producers. In Türkiye, infrastructure investments and early signs of recovery in certain sectors appear to be supporting domestic demand.
Following the 4Q25 financial results, we maintain our 12-month target price at TRY 30.91 per share. Accordingly, we maintain our "MARKET PERFORM" recommendation for Kardemir (D).

MARKET PERFORM
TP: 30,91 TL
Previous TP:30,91 TL

	TRY	US$	
Close	30,92	0,70	
BIST 100	13.200	300	
US$/TRY (CB Bid Rate):	44,08		
52 Week High:	33,86	0,92	
52 Week Low:	21,74	0,55	
Bloomberg/Reuters Ticker:	KRDMD.TI /KRDMD.IS		
Number of Shares (Mn):	780,2		
	(TRY Mn)	(US$ Mn)	
Current Mcap:	24.125	548	
Free Float Mcap:	21.471	488	
	1 M	YOY	YTD
TRY Return (%):	-0,5	-3,4	22,4
US$ Return (%):	-1,5	-19,9	19,3
BIST 100 Relative (%):	3,9	-23,6	4,4
Avg. Daily Vol. (TRY Mn):	1.504,01		
Avg. Daily Vol. (US$ Mn):	36,75		
Beta	1,23		
Volatility (Stock)	0,42		
Volatility (BIST 100)	0,25		
Shareholder Structure	%		
Kardemir Group A	21,1		
Kardemir Group B	10,5		
Kardemir Group D	68,4		
Total	100,0		

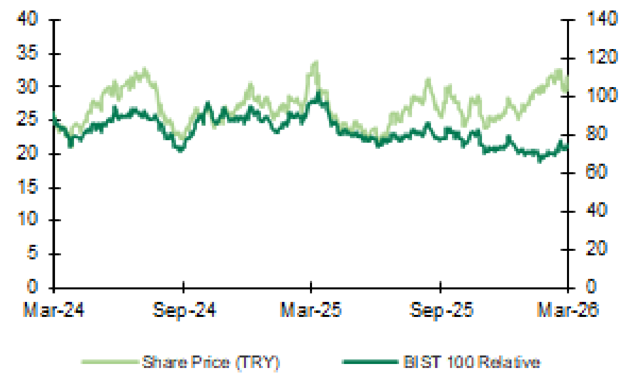


Figure 1: Financials (Including IAS -29)

TRY Million	12M24	12M25	YoY	4Q24	4Q25	YoY
Revenues	**73.954**	**66.719**	**-9,8%**	**16.900**	**16.420**	**-2,8%**
Gross Profit	**3.996**	**5.186**	**29,8%**	**1.041**	**1.910**	**83,4%**
Gross Profit Margin	*5,4%*	*7,8%*		*6,2%*	*11,6%*	
EBIT	**2.548**	**3.709**	**45,6%**	**653**	**1.530**	**134,4%**
EBIT Margin	*3,4%*	*5,6%*		*3,9%*	*9,3%*	
EBITDA	**5.481**	**6.834**	**24,7%**	**1.345**	**2.362**	**75,6%**
EBITDA Margin	*7,4%*	*10,2%*		*8,0%*	*14,4%*	
Net Profit	**-3.968**	**-1.680**	**-57,7%**	**154**	**-683**	**N.M.**
Net Profit Margin	*-5,4%*	*-2,5%*		*0,9%*	*-4,2%*	

Source: Finnet, Seker Invest Research

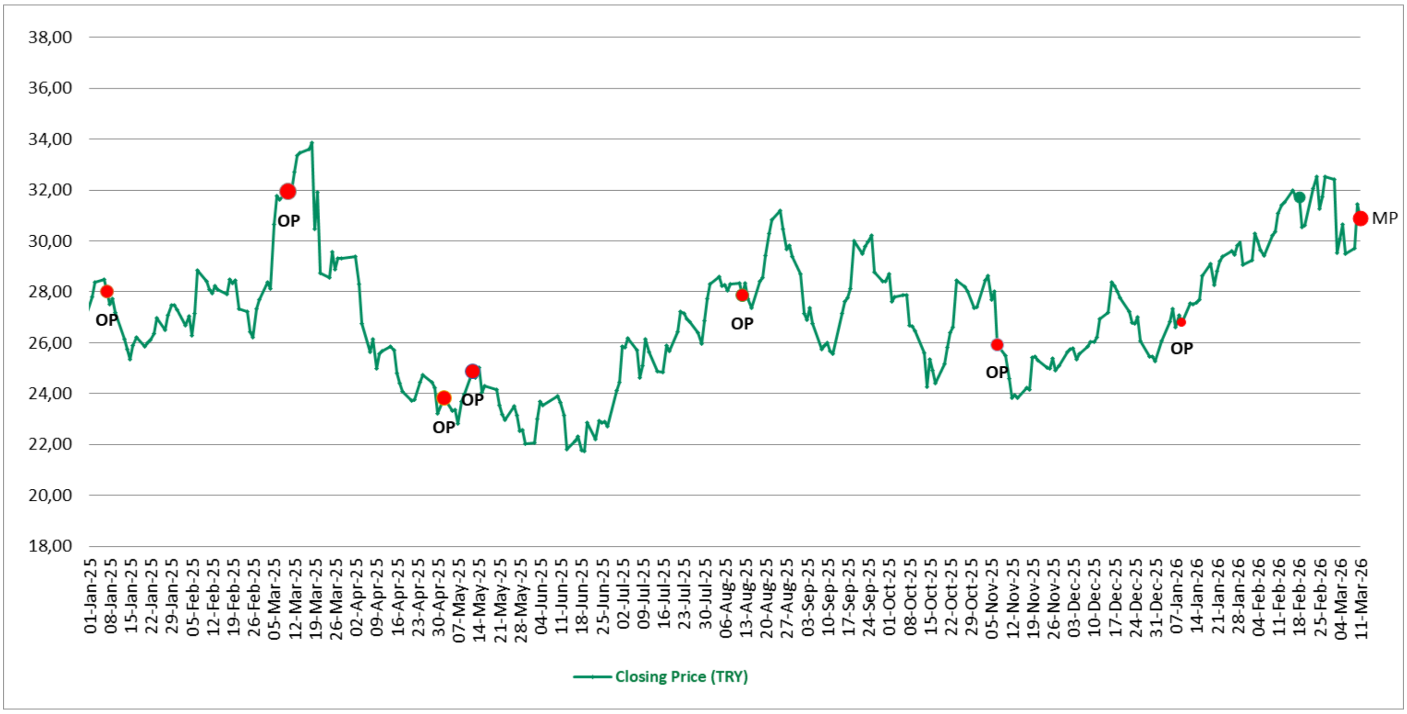
Figure 2: Key Financials (Including IAS-29)

BALANCE SHEET (TRY Mn)	2024/12K	2025/12K	Chg%
PP&E	65.314	89.389	37
Intangibles	342	358	5
Other Non-Current Assets	681	728	7
Trade Receivables	6.180	7.817	26
Cash&Equivalents	3.658	2.656	(27)
Other Current Assets	31.115	26.098	(16)
Total Assets	107.291	127.045	18
Long Term Debt	433	2.133	393
Other Non current liabilities	8.128	14.528	79
Short Term Debt	5.667	6.581	16
Trade Payables	20.242	13.823	(32)
Other Current Liabilities	5.495	5.327	(3)
Total Liabilities	39.966	42.392	6
Total Equity	67.325	84.653	26
Total Equity&Liabilities	107.291	127.045	18

INCOME STATEMENT (TRY Mn)	2024/12K	2025/12K	Chg%
Net Sales	73.954	66.719	(10)
COGS	69.958	61.533	(12)
Gross Profit / (Loss)	3.996	5.186	30
Operating Expenses	1.448	1.477	2
Operating Profit / (Loss)	(1.388)	1.223	N.M.
Net Other Operational Gain / (Loss)	(3.936)	(2.486)	N.M.
Income / (Loss) from Investing Activities	31	(432)	N.M.
Financial Income / (Expense)	(1.409)	(2.110)	N.M.
Monetary Gain / Loss	818	1.290	58
Share of profit of equity accounted investments	86	69	(20)
Profit Before Tax (Loss)	**(1.862)**	**40**	**N.M.**
Tax	2.106	1.719	(18)
Net Profit/(Loss)	**(3.968)**	**(1.680)**	**N.M.**
Minority Interest	0	0	(30)
Parent Equity	(3.968)	(1.680)	N.M.

KRDMD *Source: Finnet, Seker Invest*

Historical Recommendations and Target Price



Date	Recommendation	Target Price (TRY)
7-Jan-25	Outperform (OP)	40,78
10-Mar-25	Outperform (OP)	40,78
2-May-25	Outperform (OP)	37,98
12-May-25	Outperform (OP)	37,98
12-Aug-25	Outperform (OP)	37,98
7-Nov-25	Market Perform (MP)	30,35
9-Jan-26	Market Perform (MP)	30,91
11-Mar-26	Market Perform (MP)	30,91

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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