Financial Analysis – 3Q26
November 6, 2026

TACİRLER INVESTMENT

Koton

Koton reported revenue of TL9.3bn, EBITDA of TL1.6bn and a net loss of TL604mn in 3Q26. Revenue and the net loss were close to expectations, while EBITDA exceeded our estimate by 8% and the market forecast by 9%. Weak domestic demand weighed on operating margins. Although financing costs declined from TL1.0bn a year earlier to TL791mn, lower monetary gains weighed on net earnings. Management lowered its full-year real sales outlook from flat or low-single-digit growth to a low-single-digit decline. It also cut gross margin guidance from around 54% to 52% and EBITDA margin guidance, based on its own calculation, from 24% to 21%. The net financial debt/EBITDA target excluding lease liabilities was raised from 0.5x to 0.6x, while investment spending guidance as a share of sales was lowered from 3.5% to 3.0%. The target for net new store openings remained unchanged at 5+. Accordingly, we lower our full-year EBITDA forecast from TL8.1bn to TL7.2bn and our 12-month target price from TL24.00 to TL21.00. We maintain our BUY recommendation, with our target price implying 143% upside from yesterday's close.

Weak domestic demand weighs on sales… Consolidated revenue fell by 9% year-on-year in real terms in the third quarter. Sales in Türkiye declined by 12%, while international sales fell by a more modest 3%. Four net store openings during the quarter brought the total store count to 468.

Profitability under pressure, cash flow remains positive… The gross margin declined from 56.8% a year earlier to 55.0%. EBITDA fell by 24% year-on-year to TL1.6bn, while the EBITDA margin narrowed from 20.9% to 17.4%. However, the company generated TL198mn in free cash flow during the quarter. We view the 18% year-on-year decline in inventories in real terms at end-September and continued cash generation despite weak demand as positives. Net debt/EBITDA excluding lease liabilities stood at 0.6x, based on the company's calculation.

Our forecasts… Our updated 2026 forecasts stand at TL42.3bn in revenue, TL7.2bn in EBITDA and a net loss of TL1.1bn. Lower sales and profitability expectations are the main reasons for our target price reduction. The company will hold a conference call to discuss its third-quarter results today at 11:00 a.m. Türkiye time.

KOTON	BUY
Target Price	**TL 21**
Return potential	**143%**

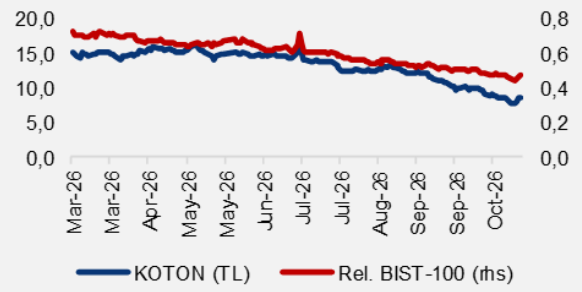
Share Data	
Ticker:	**KOTON**
Share price (as of 05.11.2026)	8,63
Share price (52 week range)	08 / 19
Market cap. (TL mn - USD mn)	7.160 - 143
# of shares (mn) & free float	830 - 16%
Market	Star
Industry	Retail

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	0,2	0,4	1,0

Price performance	**1M**	**3M**	**Y-t-D**
TL	-15%	-31%	-45%
USD	-16%	-35%	-53%
Rel. to BIST-100	-7%	-17%	-45%

Forecasts (TL mn)	**2024**	**2025**	**2026E**
Revenues	40.821	40.867	42.313
EBITDA	7.468	7.800	7.203
Net Earnings	-643	-1.192	-1.057

Valuation	**2024**	**2025**	**2026E**
P/E	n.a.	n.a.	n.a.
P/BV	0,7x	0,8x	1,0x
EV/EBITDA	3,2x	3,0x	2,6x



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Financials

Balance Sheet	2024	2025	2026E
Cash	952	1.794	1.931
Accounts receivables	2.897	1.833	2.448
Inventory	12.981	11.546	13.311
Financial investments	0	0	0
Fixed assets	4.128	4.450	4.035
Other non-current assets	10.522	10.417	10.417
Total assets	**31.480**	**30.040**	**32.142**
Short-term financial loans	7.478	8.512	9.828
Accounts payables	8.463	7.710	8.703
Long-term financial loans	3.017	2.949	3.405
Other long-term payables	2.473	2.542	2.936
Non-current liabilities	**21.431**	**21.713**	**24.872**
Shareholders' equity	**10.049**	**8.327**	**7.270**
Paid in Capital	830	830	830
Other Equity	9.219	7.498	6.441
Total liabilities & equity	**31.480**	**30.040**	**32.142**
Net debt	9.543	9.667	11.302
Net working capital	7.415	5.669	7.056

Per share (EUR)			
EPS	-0,77	-1,44	-1,27
BVPS	12,11	10,04	8,76
DPS	0,00	0,00	0,00

Ratios			
Profitability			
ROE	-6,6%	-13,0%	-13,6%
Net margin	-1,6%	-2,9%	-2,5%
Asset turnover	1,4x	1,3x	1,4x
Leverage	3,1x	3,3x	4,0x
ROA	-2,1%	-3,9%	-3,4%
Leverage			
Financial debt/Total assets	33%	38%	41%
Net debt/Equity	0,95	1,16	1,55
Net debt/EBITDA	1,28	1,24	1,57

Income statement	2024	2025	2026E
Revenues	**40.821**	**40.867**	**42.313**
Gross profit	21.976	22.126	22.015
Operating expenses	-18.815	-19.219	-19.899
Operating profit	3.161	2.907	2.116
EBITDA	**7.468**	**7.800**	**7.203**
Other income, net	-2.969	-806	-1.040
Financial income, net	-1.080	-3.418	-2.323
Earnings before taxes	-896	-1.312	-1.247
Tax expense	253	121	190
Net earnings	**-643**	**-1.192**	**-1.057**

Cashflow statement			
EBITDA	**7.468**	**7.800**	**7.203**
Taxes on EBIT	-790	-727	-529
Capital expenditures	-1.316	-1.363	-1.481
Chg. in NWC	540	-1.745	1.387

Growth & margins			
Revenues	1%	0%	4%
EBITDA	-15%	4%	-8%
Net earnings	n.a.	n.a.	n.a.
Gross margin	53,8%	54,1%	52,0%
Operating margin	7,7%	7,1%	5,0%
EBITDA margin	18,3%	19,1%	17,0%
Net margin	n.a.	n.a.	-2,5%

Valuation			
P/E	n.a.	n.a.	n.a.
P/BV	0,7x	0,8x	1,0x
EV/EBITDA	2,2x	2,1x	2,3x

Source: Company Data, Tacirler Investment
** All figures are stated in millions of TRY unless otherwise stated.*
***Figures in the table are adjusted for inflation.*

Revised Estimates

		Old	New	Δ
mn TL	2025A	2026E	2026E	2026E
Net Sales	**40.867**	**42.639**	**42.313**	**-0,8%**
EBITDA	**7.800**	**8.095**	**7.203**	**-11,0%**
EBITDA Margin	19,1%	19,0%	17,0%	-2,0%
Net Income	**-1.198**	**18**	**-1.057**	**-**
Net Income Margin	-	0,0%	-	-

Source: Tacirler Yatırım Research, Rasyonet, Matriks

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