Financial Analysis – 2Q26
August 12, 2026

TACİRLER INVESTMENT

Migros

Migros reported 2Q26 sales revenue of TL 124,399mn, broadly in line with expectations, while EBITDA came in 17% below consensus at TL 5,307mn. On the bottom line, the company posted a net loss of TL 699mn versus consensus expectations of TL 407mn net profit (2Q25: TL 371mn net profit; 1Q26: TL 1,710mn net profit). Sales increased by 3% YoY and 6% QoQ, while intensified promotional activity and higher distribution center personnel costs led to a 20% YoY decline in EBITDA, with the EBITDA margin contracting by 1.2pp to 4.3%. The net loss was mainly driven by gross margin compression and higher net financial expenses. We assess the results as slightly negative due to the weaker-than-expected EBITDA and net loss; however, strong free cash flow generation, the TL 31.8bn net cash position excluding IFRS 16, and unchanged year-end guidance limit the downside. Accordingly, we revise our 12-month target price for MGROS from TL 1,039 to TL 979, while maintaining our "BUY" recommendation and keeping the stock in our model portfolio.

Real sales growth was mainly driven by store network expansion, while like-for-like growth remained broadly flat; weak demand and a delayed summer season limited growth… In 2Q26, sales increased by 2.7% in real terms, with store network expansion contributing 2.3pp to growth, while like-for-like sales growth declined to -0.1% from 3.1% in 1Q26. Supported by online channels, basket growth remained positive at +0.7%, while customer traffic declined by 0.8%. The later end of the school calendar weighed on seasonal store performance in June, shifting part of the demand into July. Excluding tobacco and alcohol, the share of online channels in total sales increased from 20.7% to 23.1%. Reported total FMCG market share edged down slightly from 9.8% to 9.7% as of June 2026. Migros opened 64 new stores in 2Q26, including seven Macrocenter stores, bringing the total store count to 3,830.

The contraction in the EBITDA margin was driven by intensified promotional activity and higher distribution center personnel costs… Gross margin declined by 120bps YoY from 23.9% to 22.7% in 2Q26, while the EBITDA margin decreased from 5.4% to 4.3%. Excluding the impact of interest on deferred purchases and inventory inflation adjustments, gross margin contracted by 60bps, while adjusted EBITDA margin declined by 50bps from 3.3% to 2.8%. The transition of distribution center employees to direct payroll increased warehouse-related costs, while the ratio of operating expenses excluding depreciation and amortization to sales remained flat at 18.4%, confirming continued cost discipline.

Strong cash generation and the net cash position excluding IFRS 16 continued to support the balance sheet… Net financial expenses increased to TL 1,580mn in 2Q26 from TL 1,365mn in 2Q25, mainly due to lower deposit interest income and FX gains, despite a decline in credit card commission expenses. Nevertheless, the company generated TL 4,522mn of free cash flow in 2Q26 and TL 5,766mn in 1H26, while its net cash position increased by 12% in real terms to TL 31.8bn. Migros maintained its year-end guidance, targeting 5-7% sales growth including IAS 29 effects, with performance expected to be closer to the lower end of the range, an EBITDA margin of 6-7%, and a capex-to-sales ratio of 2.5-3.0%. The increasing contribution from Migros One, where gross merchandise value grew by 21% in real terms, and MoneyPay, where total payment volume increased by 105% in real terms, with both businesses beginning to contribute positively to profitability, supports the medium-term outlook.

MGROS	BUY
Target Price	**TL 979**
Return potential	**77%**

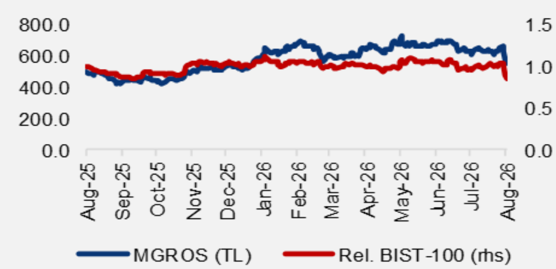
Share Data	
Ticker:	**MGROS TI**
Share price (as of 13.08.2026)	552.00
Share price (52 week range)	416.1 / 724.0
Market cap. (TL mn - USD mn)	99941.9 - 2095.8
# of shares (mn) & free float	181.1 - 51%
Foreign Ownership Rate	39.63%
Market	Star
Industry	Retail

Avg. trading volume	1M	3M	12M
USD mn	40.2	32.8	39.6

Price performance	1M	3M	Y-t-D
TL	-12%	-21%	6%
USD	-13%	-25%	-4%
Rel. to BIST-100	-12%	-19%	-15%

Forecasts (TL mn)	2024	2025	2026E
Revenues	452,821	486,056	555,370
EBITDA	24,347	32,173	36,789
Net Earnings	9,772	7,616	5,401

Valuation	2024	2025	2026E
P/E	10.2x	13.1x	18.5x
P/BV	1.1x	1.1x	1.0x
EV/EBITDA	4.4x	3.3x	2.9x



Deniz Altıay
+90 212 355 2604
deniz.altiay@tacirler.com.tr

Berk Demirpolat
+90 212 355 2602
berk.demirpolat@tacirler.com.tr

Balance Sheet	2024	2025	2026E
Cash	34,718	32,718	32,499
Accounts receivables	2,155	2,953	3,375
Inventory	48,017	48,565	55,454
Financial investments	33	149	164
Fixed assets	53,005	61,030	64,081
Other non-current assets	93,367	101,387	112,367
Total assets	231,295	246,801	267,939
Short-term financial loans	7,435	7,210	8,238
Accounts payables	88,950	93,998	109,633
Long-term financial loans	25,081	30,239	29,205
Other long-term payables	21,495	22,285	24,281
Non-current liabilities	**142,961**	**153,732**	**171,358**
Shareholders' equity	**88,334**	**93,069**	**96,581**
Paid in Capital	**213**	**181**	**181**
Other Equity	88,121	92,888	96,400
Total liabilities & equity	**231,295**	**246,801**	**267,939**
Net debt	-2,202	4,731	4,945
Net working capital	-38,778	-42,480	-50,805

Per share (TL)			
EPS	53.97	42.06	29.83
BVPS	487.89	514.04	533.43
DPS	-17.14	-13.39	-10.44

Ratios			
Profitability			
ROE	11.3%	8.4%	5.7%
Net margin	2.2%	1.6%	1.0%
Asset turnover	1.5x	2.0x	2.2x
Leverage	3.5x	2.6x	2.7x
ROA	3.3%	3.2%	2.1%
Leverage			
Financial debt/Total assets	14%	15%	14%
Net debt/Equity	-0.02	0.05	0.05
Net debt/EBITDA	-0.09	0.15	0.13

Income statement	2024	2025	2026E
Revenues	**452,821**	**486,056**	**555,370**
Gross Profit	104,554	118,167	135,296
Operating expenses	-95,586	-104,918	-120,992
Operating profit	8,968	13,248	14,304
EBITDA	**24,347**	**32,173**	**36,789**
Other income, net	-23,574	-22,966	-28,829
Financial income, net	26,432	20,577	22,401
Earnings before taxes	12,242	10,964	7,995
Tax expense	-2,163	-2,964	-2,321
Net earnings	**9,772**	**7,616**	**5,401**

Cashflow statement			
EBITDA	**24,347**	**32,173**	**36,789**
Taxes on EBIT	-937	-3,312	-3,576
Capital expenditures	-4,081	-16,070	-17,806
Chg. in NWC	569	-3,701	-8,325
Free cashflows to firm	**3,171**	**16,491**	**23,732**

Growth & margins			
Revenues	11%	7%	14%
EBITDA	-25%	32%	14%
Net earnings	-54%	-22%	-29%
Gross margin	23.1%	24.3%	24.4%
Operating margin	2.0%	2.7%	2.6%
EBITDA margin	5.4%	6.6%	6.6%
Net margin	2.2%	1.6%	1.0%
Free cashflow margin	0.7%	3.4%	4.3%

Valuation			
P/E	10.2x	13.1x	18.5x
P/BV	1.1x	1.1x	1.0x
EV/EBITDA	4.4x	3.3x	2.9x

Source: Company Data, Tacirler Investment

** All figures are stated in millions of TL unless otherwise stated.*

**The figures in the table have been adjusted for inflation.

Team

Tacirler Investment
Research and Content Management

Serhan Yenigün
Head of Research
serhan.yenigun@tacirler.com.tr

Oğuzhan Kaymak
All coverage and content management
oguzhan.kaymak@tacirler.com.tr

Anıl Deniz Altıay
Communication Services, Healthcare, Insurance & Global Markets
deniz.altiay@tacirler.com.tr

Ömer Tarman
REIT, Cement, Database administrator
omer.tarman@tacirler.com.tr

Ekin Çınar
Economist
ekin.akbas@tacirler.com.tr

Özgür Tosun
Conglomerates, retail (apparel and electronics), and refining
ozgur.tosun@tacirler.com.tr

Berk Demirpolat
Consumer Durables, White Goods, Food & Beverage
berk.demirpolat@tacirler.com.tr

Disclaimer

This document was produced by Tacirler Yatırım Menkul Değerler A.Ş. ("Tacirler Investment"), solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient.

This document does not constitute an offer of, or an invitation by or on behalf of Tacirler Investment to any person to buy or sell any security. The information contained herein has been obtained from published information and other sources which Tacirler Investment considers to be reliable. Tacirler Investment does not accept any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document.

Recipients of this document are urged to base their investment decisions upon their own appropriate investigations that they deem necessary and they should make their own independent decisions as to whether an investment or instrument is proper or appropriate based on their own individual judgment and their risk-tolerance. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and Tacirler Investment accepts no liability for any such loss or consequence. Not all investment strategies are appropriate at all times, and past performance is not necessarily a guide to future performance.

Tacirler Investment may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or their derivative securities thereon either on their own account or on behalf of their clients.

Tacirler Investment may perform or seek to perform securities, investment banking or other services for such issuer or its affiliates presented in this document.