TACİRLER YATIRIM

Tab Gıda

We assess TAB Gıda's 2Q26 financial results as Slightly Positive, as the stronger-than-expected operating performance and solid sequential margin recovery were partly offset by the year-on-year weakening in cash flow generation. The company reported net income of TL1,514mn in 2Q26, exceeding the market median expectation of TL1,167mn by 30% and our estimate of TL1,150mn by 32%. Net sales came in at TL16,243mn, 3% above the market consensus and 5% above our forecast, while EBITDA reached TL3,652mn, exceeding the market expectation by 5% and our estimate by 6%. In real terms, net sales increased by 10.6% y/y, EBITDA by 9.9% y/y and net income by 1% y/y. The EBITDA margin remained broadly flat on an annual basis at 22.5%, while improving by 5.5pp compared to the previous quarter. In addition to the strong operating performance, income generated from investing activities also contributed to the better-than-expected net income. Following the 2Q26 results, we maintain our BUY recommendation and 12-month target price of TL411 per share for TAB Gıda.

Higher customer traffic and the continued expansion of the restaurant network supported revenue growth. During the second quarter, the total number of transactions increased by 10% y/y to 72.8mn, while delivery orders rose by 24% y/y to 18.1mn. The company opened 40 new restaurants during the quarter and 78 restaurants in total during the first half of the year, bringing its total restaurant count to 2,100. As half of the new openings were launched under the franchise model, the company's growth strategy was supported by lower capital requirements. TAB Gıda also completed the renovation of 35 restaurants during the same period. In an environment where consumer price sensitivity remained elevated, value-oriented products, promotional campaigns and new product launches supported both customer traffic and the average transaction value.

Operational profitability remained strong, although the deterioration in cash flow generation limited the positive impact of the results. Gross profit increased by 7.5% y/y to TL2,960mn, while the gross margin declined by 0.5pp to 18.2%. Despite the 9.9% annual increase in EBITDA, the broadly stable EBITDA margin indicates that cost pressures were successfully offset by operating leverage. However, cash generated from operating activities declined by 26% y/y and free cash flow fell by 38% y/y. In addition, based on our calculation including lease liabilities, the company moved into a net debt position, which weighed on the balance sheet outlook. On the other hand, the absence of foreign currency-denominated financial debt and the company's TL9.4bn cash position continue to support its financial flexibility.,

Management maintained its 2026 guidance. TAB Gıda continues to expect approximately 10% growth in its restaurant network, 8–10% real revenue growth and a broadly flat EBITDA margin for the full year. The disciplined expansion of the restaurant network during the first half, the double-digit increase in customer traffic and the growing contribution of digital channels support the company's year-end targets. We view the increase in the share of digital sales within system sales to 56%, delivery sales to 31% and kiosk sales to 20% as positive in terms of both customer experience and operational efficiency. Nevertheless, continued pressure on consumers' purchasing power and rising input costs, particularly in protein categories, remain the key risks to profitability in the second half of the year.

TABGD	**BUY**
Target Price	**TL 411**
Return potential	**61%**

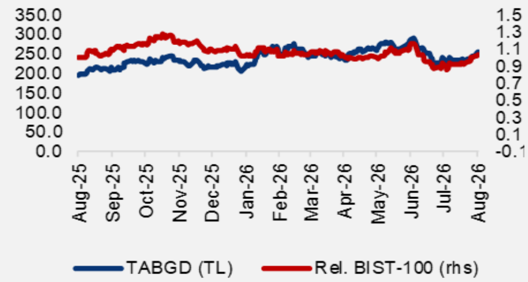
Share Data	
Ticker:	**TABGD TI**
Share price (as of 05.08.2026)	254.50
Share price (52 week range)	195.3 / 289.0
Market cap. (TL mn - USD mn)	66498.8 - 1400.3
# of shares (mn) & free float	261.3 - 30%
Foreign Ownership Rate	47.53%
Market	Star
Industry	Retail

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	5.9	5.4	4.9

Price performance	**1M**	**3M**	**Y-t-D**
TL	6%	-2%	24%
USD	4%	-7%	12%
Rel. to BIST-100	11%	3%	2%

Forecasts (TL mn)	**2024**	**2025**	**2026E**
Revenues	49,338	56,096	61,706
EBITDA	10,699	11,449	13,562
Net Earnings	2,947	3,094	4,179

Valuation	**2024**	**2025**	**2026E**
P/E	22.6x	21.5x	15.9x
P/BV	2.7x	2.5x	2.3x
EV/EBITDA	6.2x	5.8x	4.9x



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Financial Statements

Balance Sheet	2024	2025	2026E
Cash	6,505	4,145	9,483
Accounts receivables	2,189	3,062	3,368
Inventory	606	736	808
Financial investments	2,794	3,469	3,816
Fixed assets	14,882	17,083	15,966
Other non-current assets	10,564	14,668	16,135
Total assets	37,542	43,163	49,575
Short-term financial loans	2,166	2,885	3,843
Accounts payables	3,026	4,383	4,810
Long-term financial loans	3,488	4,673	6,261
Other long-term payables	4,441	4,987	5,486
Non-current liabilities	**13,122**	**16,928**	**20,399**
Shareholders' equity	**24,420**	**26,235**	**29,176**
Paid in Capital	**308**	**261**	**261**
Other Equity	24,112	25,973	28,915
Total liabilities & equity	**37,542**	**43,163**	**49,575**
Net debt	-850	3,414	621
Net working capital	-230	-585	-634

Per share (TL)			
EPS	11.28	11.84	15.99
BVPS	93.46	100.40	111.66
DPS	-1.00	-4.79	-4.74

Ratios			
Profitability			
ROE	5.4%	12.2%	15.1%
Net margin	6.0%	5.5%	6.8%
Asset turnover	0.2x	1.4x	1.3x
Leverage	3.8x	1.6x	1.7x
ROA	1.4%	7.7%	9.0%

Leverage			
Financial debt/Total assets	15%	18%	20%
Net debt/Equity	-0.03	0.13	0.02
Net debt/EBITDA	-0.08	0.30	0.05

Income statement	2024	2025	2026E
Revenues	**49,338**	**56,096**	**61,706**
Gross Profit	8,616	9,096	10,129
Operating expenses	-4,016	-4,317	-4,522
Operating profit	4,600	4,779	5,607
EBITDA	**10,699**	**11,449**	**13,562**
Other income, net	-252	-677	-1,077
Financial income, net	-2,913	-1,431	-1,922
Earnings before taxes	4,435	4,768	5,581
Tax expense	-1,488	-1,673	-1,402
Net earnings	**2,947**	**3,094**	**4,179**

Cashflow statement			
EBITDA	**10,699**	**11,449**	**13,562**
Taxes on EBIT	-1,488	-1,673	-1,402
Capital expenditures	-4,806	-5,135	-5,554
Chg. in NWC	948	-354	-49
Free cashflows to firm	**3,456**	**4,996**	**6,656**

Growth & margins			
Revenues	-88%	14%	10%
EBITDA	-67%	7%	18%
Net earnings	-86%	5%	35%
Gross margin	17.5%	16.2%	16.4%
Operating margin	9.3%	8.5%	9.1%
EBITDA margin	21.7%	20.4%	22.0%
Net margin	6.0%	5.5%	6.8%
Free cashflow margin	7.0%	8.9%	10.8%

Valuation			
P/E	22.6x	21.5x	15.9x
P/BV	2.7x	2.5x	2.3x
EV/EBITDA	6.2x	5.8x	4.9x

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.

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