

Financial Analysis – 3Q25

November 7, 2025

TACİRLER
INVESTMENT

Koton

We view Koton's (KOTON) 3Q25 results as slightly negative. In 3Q, high campaign intensity and the need to balance pricing discipline put pressure on margins; however, thanks to effective inventory and cost management, domestic gross profitability remained strong. For the remainder of the year, management has revised its year-end revenue outlook under TMS 29 from "low single-digit growth" to "flat / slightly contracting". Our medium- to long-term investment thesis continues to be supported by international scale-up, improvements in the product/channel mix and a normalization in financial expenses. We maintain our 12-month target price at TL 27.00 and our BUY recommendation.

From a financial perspective, revenues reached TL 7.9bn in 3Q25, while EBITDA came in at TL 1.7bn, implying a 21% margin (Tacirler estimates: TL 7.5bn revenues and TL 1.7bn EBITDA). As of 9M25, revenues stand at TL 22.9bn with a gross margin of 55.1% and EBITDA of TL 4.5bn. A slight increase in the cost-to-sales ratio versus the same period of last year led to a modest narrowing in the gross margin to 57%; EBITDA declined by 22% YoY and 32% QoQ. The company recorded a net profit of TL 3mn in 3Q, while posting a net loss of TL 75mn for the nine-month period.

On the operational side, domestic store-based retail grew by 5.1% in real terms in the first nine months of the year, outperforming the sector. Internationally, USD-based growth reached 20% in 3Q and 9% in 9M, while like-for-like sales in the GCC region increased by around 14% in USD terms. International e-commerce grew by 33% in real terms in 9M. Supported by both the transition to real growth in the CIS region and the positive contribution from the GCC region, international sales through the store channel delivered real growth after four consecutive quarters of contraction.

In terms of the store network, the total number of stores reached 458 at the end of the quarter, and with openings after the reporting date the network has expanded to 461 stores. Omnichannel integration continued to accelerate, while the Koton Club membership base kept growing (up by 8.5 million).

Outlook. For the remainder of the year, management has revised its year-end revenue outlook under TMS 29 from "low single-digit growth" to "flat / slightly contracting". while maintaining its target of a gross margin above 50% and a full-year plan for double-digit net new store openings. Seasonality in 4Q, further international scale-up, and optimisation of the product/channel mix could support a gradual recovery in margins.

KOTON

BUY

Target Price
Return potential

27.00
50%

Share Data

Ticker:	KOTON TI
Share Price (06 November 2025)	18,01
Share price (52 week range)	14 / 22
Market cap. (TL mn - USD mn)	14.942 - 355
# of shares outstanding (mn)	830
Free Float	13%
Foreign Ownership Rate	0,4%
Market	Bist STAR
Industry	Retail

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

Price performance	1M	3M	Y-t-D
TL	5%	10%	-9%
USD	4%	6%	-24%
Rel. to BIST-100	2%	8%	-19%

TL mn	2024	2025T	2026T
Revenues	31.466	33.907	41.100
EBITDA	5.757	6.145	7.437
Net Earnings	-498	337	447

Valuation	2024	2025T	2026T
P/E	n.a.	44,3x	33,4x
P/BV	2,1x	1,8x	1,8x
EV/EBITDA	4,1x	3,7x	3,1x



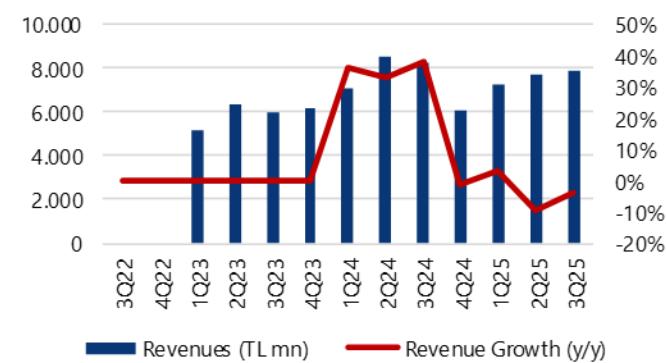
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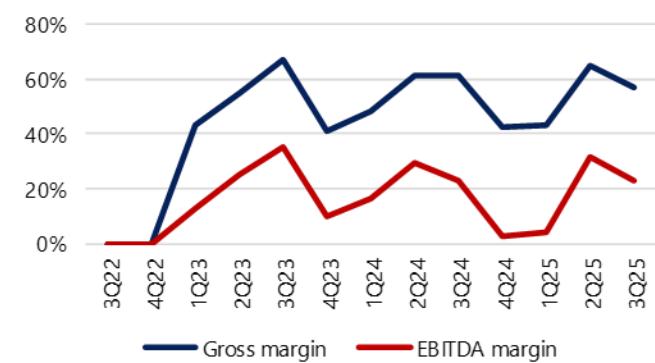
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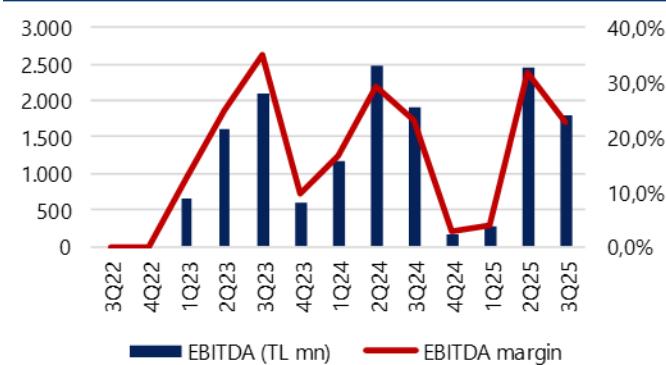
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Key Financial Indicators (Quarterly)**Revenue trends**

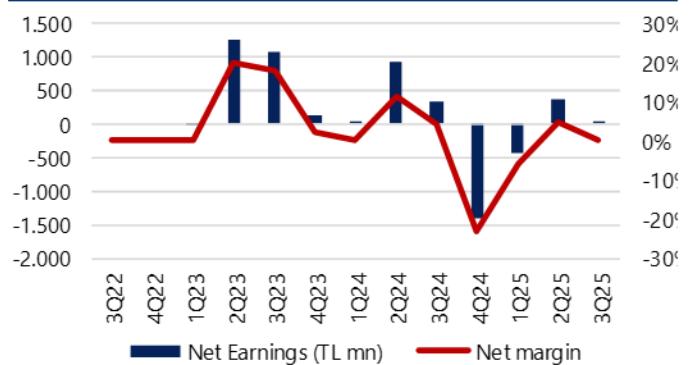
Source: Tacirler Investment

Operating margin evolution

Source: Tacirler Investment

EBITDA trends

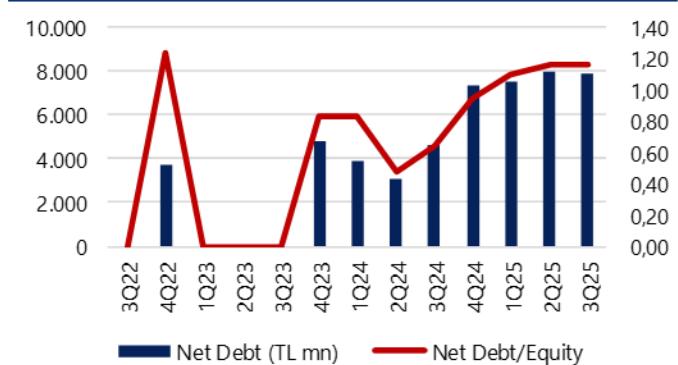
Source: Tacirler Investment

Net earnings trends

Source: Tacirler Investment

Profitability trends

Source: Tacirler Investment

Trends in financial leverage

Source: Tacirler Investment

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