

Q1 2025 Earnings Release, 7 May 2025

Migros' unaudited consolidated financial statements were prepared in accordance with IAS 29 inflationary accounting principles.

Net Sales

TL **78,437**

million

+8.5%

y-o-y growth

EBITDA

TL **3,687**

million

4.7%

margin

Net Income

TL **1,032**

million

1.3%

margin

Total Equity

TL **64,443**

million

+9.0%

y-o-y growth

1Q 2025



Özgür Tort
Migros Group CEO



Migros delivered a resilient performance in the first quarter despite relatively weak consumer demand. We recorded high-single digit sales growth across all formats thanks to our price competitiveness, new store openings and omnichannel multi-format structure.

Migros' consolidated sales in 1Q25 grew by 8.5% year-on-year in real terms. The sales contribution of online channels in total sales reached 21.1% excluding tobacco and alcohol products.

According to recent market research, Migros gained market share in 1Q25 in both total FMCG and modern FMCG market retail sector. By the end of March 2025, Migros' market share in total FMCG market reached 10.2%.

Despite inflationary pressures on operational expenditures, mainly employee costs driven by wage hikes, we are on track to achieve our 2025 yearly targets. The Company recorded 4.7% EBITDA margin in the first quarter of 2025. Like last year, we expect the pressure on operational expenses to ease in the second half of 2025.

The expansion of both offline and online channels continued in the first three months of the year. With 56 new physical stores opened in 1Q25, Migros' store portfolio reached 3,642 as of 31 March 2025. The number of stores serving online reached 1,452 as of the end of 1Q25. Migros invested TL 1.6 billion in the first quarter of 2025.

Migros' core operations and ecosystem continue to grow. In March 2025, our new fintech subsidiary Moneypay Technology was established to provide corporate payment processing services.

Also, Migros recently introduced its new dedicated online channel for pet food and accessories, Petimo. Our expanding ecosystem is the key to our sustainable growth strategy.

In 2025, Migros will continue to focus on its core retail business through its subsidiaries and new initiatives.

While we continue our investments to enhance our operations, we are also committed to delivering value to our shareholders with a sustainable dividend distribution program.



Financial Highlights

<i>TL million</i>	1Q24	1Q25	Change
Net Sales	72,318	78,437	8.5%
Gross Profit	14,629	19,017	30.0%
<i>Gross Profit Margin</i>	%20.2	%24.2	
EBITDA	864	3,687	326.6%
<i>EBITDA Margin</i>	%1.2	%4.7	
Net Income	1,748	1,032	-41.0%
<i>Net Income Margin</i>	%2.4	%1.3	

Performance Highlights in 1Q25

- ❖ **Inflation-adjusted top-line growth** in line with the guidance
- ❖ Expansion program is on track with 56 new store openings
- ❖ **Market share gain** continued both in modern FMCG and total FMCG markets
- ❖ Increased sales contribution of online operations and their improved profitability levels

Key Financial & Operational Metrics

Market Share Evolution

According to Nielsen, Migros' market share in the first quarter of 2025 increased by **+70 bps** in total FMCG and **+50 bps** in modern FMCG markets. Growth focus on "omni channel & multi format" strategy as well as the Company's effective promo activities were the main drivers of market share gains. By the end of March 2025, Migros' market share reached **10.2%** in total FMCG market and **16.3%** in modern FMCG market.

Expansion Program

The expansion of both offline and online sales channels continued in the first three months of 2025. The Company opened 56 new stores in Q1 2025. The total number of stores reached 3,642 as of 31 March 2025. The total sales area grew by 5.0% year-on-year in Q1 2025. The Company maintains the store openings momentum with 18 new stores in April. Furthermore, the number of stores serving online rose from 1,137 to 1,452 year on year.

# of New Stores in 1Q25	
Migros (M, MM, MMM)	33
Migros Jet	15
Mion	2
Macrocenter	3
Macrokiosk	3
Total	56



Net Sales

In the first quarter of 2025, Migros' consolidated sales grew by 8.5% (*calendar-adjusted yearly growth rate of 9.7% excluding 1 additional day in 1Q24, Feb. 29*) year-on-year in real terms and reached TL 78.4 billion, in accordance with IAS 29 inflation accounting.

The contribution of space growth in consolidated sales growth was 5.0% in 1Q25. The remaining of the sales growth was driven by real like-for-like sales increase and traffic growth. In the first quarter of 2025, the basket size grew by 5.6% in real terms and the customer traffic increased by 0.5%* on a like for like basis. The like-for-like sales growth across all formats, the customer traffic gain, new store openings and competitive pricing strategy were the main drivers of the consolidated sales growth in the first quarter of the year. By the end of 1Q25, the contribution of online channels in total sales reached 21.1%, excluding tobacco and alcohol products.

* In 1Q24, February 29 was excluded from the calculations to provide a calendar-adjusted yearly growth rate.

Gross Profit

In 1Q25, the gross profit was recorded at TL 19,017 million, with IAS 29. The gross margin in the first quarter of 2025 was 24.2%. Despite the negative impact of inventory inflation adjustment, the gross profitability margin improved in 1Q25 mainly due to the impact of higher imputed interest expenses on term purchases related to high interest rates.

Excluding the impacts of imputed interest rate and inventory inflation adjustment, the gross profit margin in 1Q25 indicates 10 bps improvement from 22.3% to 22.4% in gross profitability with respect to 1Q24.

	1Q24	1Q25
Gross Profit	14,629	19,017
Gross Profit Margin	20.2%	24.2%
Impact on Gross Margin		
Imputed interest rate impact	390 bps	470 bps
Inventory inflation adj. impact	-600 bps	-290 bps
Net impact	-210 bps	+180 bps
Gross Profit Margin, excl. net impact	22.3%	22.4%

EBITDA

Migros reported a consolidated EBITDA of TL 3,687 million in the first quarter of 2025, with IAS 29. The EBITDA margin in 1Q25 increased to 4.7% from 1.2% in 1Q24. Despite the negative impact of inventory inflation adjustment, high due date charges were effective in the increase in EBITDA margin. The positive impact of imputed interest on EBITDA in 1Q25 was 80 bps higher compared to 1Q24.

On the other hand, the opex/sales ratio increased by 110 bps year-on-year in 1Q25, mainly due to increase in employee cost. The inflationary pressure on operational expenses is expected to ease in the second half of 2025, as last year.

	1Q24	1Q25
EBITDA	864	3,687
EBITDA Margin	1.2%	4.7%
Impact on EBITDA		
Imputed Interest Rate Impact	390 bps	470 bps
Inventory inflation adj. Impact	-600 bps	-290 bps
Net impact	-210 bps	+180 bps
Adjusted EBITDA Margin, excl. net impact	3.4%	2.8%

Financial Income/Expenses

Financial income in the first quarter of 2025 increased by 68% year-on-year in real terms and reached TL 1,644 million. The Company generated TL 1,561 million interest income on bank deposits in 1Q25, with %98 y-o-y growth.

The Company's financial expenses in 1Q25 rose by 30% to TL 2,460 million. Financial expenses mainly consist of credit card commissions as well as interest expense on lease liabilities.

<i>TL million</i>	1Q24	1Q25	Change
Financial Income	981	1,644	67.6%
<i>Interest income on bank deposits</i>	787	1,561	98.3%
<i>Foreign exchange gains</i>	194	83	-57.2%
Financial Expenses (-)	-1,887	-2,446	29.6%
<i>Credit card commission expenses</i>	-960	-1,278	33.1%
<i>Interest expense on lease liabilities</i>	-609	-1,025	68.3%
<i>Interest expense on bank borrowings</i>	-202	-59	-70.8%
<i>Other</i>	-116	-84	-27.6%
Financial Income/Expenses, net	-906	-802	-11.5%

Net Income

In the first quarter of 2025, Migros generated a net profit of TL 1,032 million, with IAS 29, corresponding to net profit margin of 1.3% (1Q24: 2.4%). The main reasons of the decrease in net profit margin in 1Q25 are the increase in the depreciation & amortization expenses, the rise in the personnel expenses and the impact of inflation accounting, which resulted in booking less monetary gains on assets in 1Q25 compared to 1Q24, as the average inflation in 1Q25 was lower than 1Q24's average inflation.

Net Cash Position

Migros continued to strengthen its net cash position. The Company's net cash increased by 6% year-on-year in real terms and reached 18.4 billion TL by the end of 1Q25. The financial debt (without IFRS 16) decreased by 51% year-on-year to TL 1,071 million at the end of March 2025.

Free Cash Flow Generation

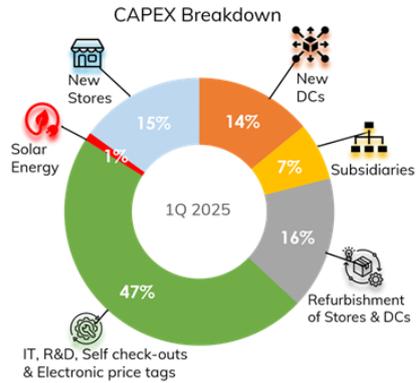
Migros recorded TL -3,225 million free cash flow in the first quarter of 2025. The year-on-year decrease in the free cash flow generation is mainly attributable to the calendar impact of TL 2.7 billion VAT receivables and other one-off balance sheet items amounting to TL 2.1 billion. The Company expects an improvement in the free cash flow in the coming quarters.

TL million	1Q24	1Q25	Change
Operating cash flows from cont. operations	6,575	-169	-102.6%
Cash flows from investing activities	-2,428	-1,633	-32.8%
Interest received	787	1,561	98.3%
Interest paid	-1,107	-1,383	24.9%
Repayment of lease liabilities	-1,032	-1,608	55.9%
Other	-82	6	-106.9%
Free Cash Flow	2,714	-3,225	-218.9%

Capital Expenditures

With IAS 29, the Company spent TL 1,587 million in capital expenditures in the first quarter of 2025. The capex to sales ratio stands at 2.0% as of 1Q25.

Besides new store openings and expansion in online channels, Migros invested in refurbishment of its existing stores, information technologies, self-checkouts, electronic shelf price tags, R&D and new distribution centers in 1Q25.



As part of the Company's energy sustainability investments, Migros' recently built solar plant in Kırşehir in central Anatolia, Türkiye which started electricity production in March 2025. The plant has an installed power of 34.4 MWp. This solar plant, together with the existing rooftop panels of some distribution centers covers 10% of Migros' yearly electricity consumption as of today. New solar plant investments are in the pipeline for 2025 to increase this ratio to 1/3 by the end of 2026.

Migros' Ecosystem: Subsidiaries & New Initiatives



Migros' ecosystem has been continuing to grow with new subsidiaries and initiatives.

Migros One, Migros' subsidiary for online grocery operations and meal delivery platform continues to expand in the first quarter of 2025. The number of orders in 1Q25 increased by 9% to 22.2 million. In the first quarter of 2025, GMV (Gross Merchandise Value) of Migros One grew by 19% year-on-year in real terms.

Being the fastest growing online food delivery platform in Türkiye, Migros Yemek continues its nationwide expansion and is present in every city. In the first quarter of 2025, the number of orders through Migros Yemek increased by 17% year on year. GMV of Migros Yemek grew by 59% year-on-year in real terms in 1Q25.

Migros' new online channel, **Petimo**, was introduced in 1Q25. This vertical will enhance the Company's sale of all kinds of pet food and accessories, as well as increase Migros app's traffic.

Paket Taxi, Migros' last mile solution, continued to expand its existing fleet with electric vehicles to support logistics of Migros' online operations. The number of Paket Taxi riders exceeded 7,500 and the vehicle fleet reached 700. Furthermore, Paket Taxi also provides delivery services to third-party restaurants.

Money pay, Migros' fintech subsidiary, which offers financial solutions for both B2C and B2B customer segments, has been growing its customer base significantly. In 1Q25, the total number of transactions increased by 191% year-on-year, from 7.0 million to 20.4 million. TPV (Total Payment Volume) of Money pay grew by 186% in real terms in 1Q25 with respect to 1Q24.

With Migros' "Money" loyalty program, Money pay aims to increase the volume of its payment intermediation through the various services and solutions, such as e-wallet, "Buy Now Pay Later" scheme, bill payment, money transfer and credit marketplace solutions.

In addition to B2C solutions, Money pay also expands its corporate customer network with "employee side benefit products" and offers payment services to corporations including Virtual POS and "Pay by link". As such, our subsidiary started to increase its TPV beyond Migros universe through these B2C solutions.

In March 2025, a new subsidiary titled "Money pay Finansal Teknoloji ve Yapay Zeka A.Ş." was established to provide corporate payment management services including third party distributor payment platform, supplier financing platform, etc. Migros, Money pay and AG Anadolu Grubu Holding A.Ş. own 55%, 10% and 20% of the new subsidiary, respectively.

MIGROS

Mimeda, Migros' retail media company that combines data, communication channels and advertising technology, continues to add new customers as well as new brands to its portfolio. The subsidiary will strive to add new customers and develop new collaborations.

Gurmepack, Migros' new investment, has bolstered the Company's packed ready-meal sales channels. Producing packed ready-to-eat meals at its facility in Istanbul, Gurmepack ready meals are available in approximately 700 Migros stores as well as its online channels. The yearly production capacity of Gurmepack reached 11 million units of packed meals.

Migen Enerji, energy solutions subsidiary of Migros, has a network of 73 electric vehicle charging stations across 23 cities. Additionally, the subsidiary was granted an "Electricity Supply License" in the end of 2024.



The category-specialized format **Macrokiosk** (offering mainly spirits, delicatessen & snacks, etc.) and the personal care format **Mion** also continue their geographical expansion. The number of Macrokiosk is 80 whereas Mion reached 102 stores in 29 cities.



Corporate News

- In February 2025, Migros' carbon reduction efforts in combating climate change received full validation from the Science Based Targets initiative (SBTi), one of the world's most respected authorities in this field. By validating the consistency and accuracy of its methodology for both its 2030 carbon emission reduction and 2050 net zero targets, Migros became the first food retailer in Türkiye to receive this global approval.
- Migros Group CEO Özgür Tort, was recently ranked 2nd in Fast Company Türkiye's "Sustainability Leaders of Türkiye" list in recognition of his leading role in Migros' sustainability practices. The list, which nominated leaders of Türkiye's top conglomerates, companies, banks and startups that make a difference in the field of sustainability, was determined by a comprehensive jury evaluation based on sustainability projects, goals and results.

Key Financials & Ratios

(without IAS 29 inflation accounting & unaudited)

1Q 2025

Net Sales

TL **76,599**
million

+49.2%
y-o-y growth

EBITDA

TL **5,777**
million

7.5%
margin

Net Income

TL **86**
million

0.1%
margin

Total Equity

TL **18,881**
million

+53.3%
y-o-y growth

Financial Highlights

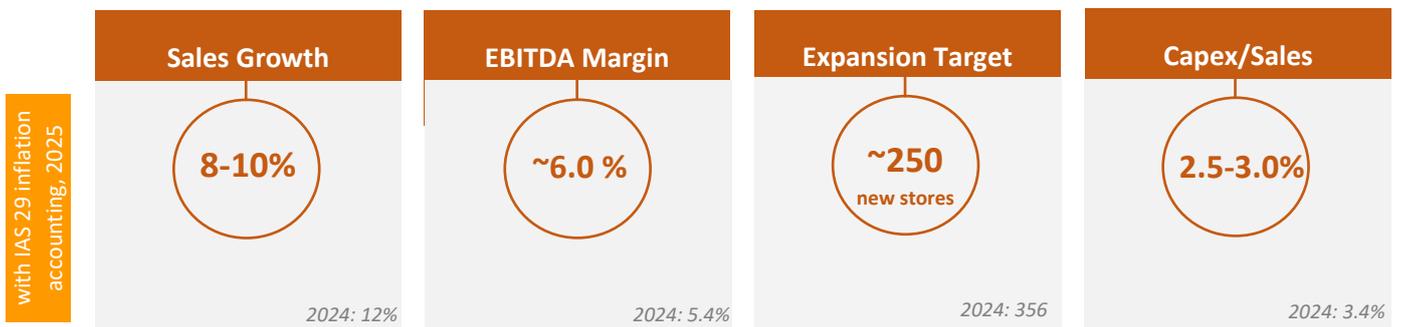
<i>TL million</i>	1Q24	1Q25	Change
Net Sales	51,330	76,599	49.2%
Gross Profit	13,449	20,756	54.3%
<i>Gross Profit Margin</i>	26.2%	27.1%	
EBITDA	3,737	5,777	54.6%
<i>EBITDA Margin</i>	7.3%	7.5%	
Net Income	597	86	-85.5%
<i>Net Income Margin</i>	1.2%	0.1%	

(without IAS 29 inflation accounting & unaudited)

2025 Guidance

Migros maintains its full year guidance for 2025. With IAS 29 inflationary accounting, Migros expects a consolidated revenue growth of **8-10%** in 2025. The consolidated EBITDA margin for 2025, with IAS 29, is targeted approximately **6.0%**. Migros plans to open **~ 250 new stores** this year and is committed to continuing its investment program. The capex to sales ratio in 2025 is expected to be **2.5-3.0%** with IAS 29.

Migros plans to hire more than 8,000 additional employees in 2025 to support its growing network.



Sustainability Targets



According to Migros Better Future Plan, the Company aims to reach net zero in its direct carbon emission by the year 2050 and reduce food waste by half by 2030 year-end. In line with the Company's medium/long-term sustainability and efficiency goals, Migros has been establishing its own solar power plants. One third of total energy consumption of Migros is targeted to be generated through the Company's own solar plants by 2026 year-end.



Migros Ticaret A.Ş.

Consolidated Income Statement

IAS 29 (Financial Reporting in Hyperinflationary Economies) implemented

<i>TL thousand</i>	1 January – 31 March	
	2024	2025
Revenue	72,318,474	78,436,533
Cost of Sales	-57,688,995	-59,419,358
Gross Profit	14,629,479	19,017,175
General administrative expenses	-1,528,723	-1,619,694
Marketing expenses	-14,763,807	-16,864,055
Other operating income	612,903	678,809
Other operating expenses	-3,479,678	-4,245,291
Operating Loss	-4,529,826	-3,033,056
Income from investment activities	2,577	-
Expenses from investment activities	-8,335	-7,314
Operating loss before financial expenses	-4,535,584	-3,040,370
Financial income	980,954	1,644,056
Financial expenses	-1,886,611	-2,445,806
Net monetary position gains	7,995,019	5,895,116
Net profit before tax from continuing operations	2,553,778	2,052,996
Income tax expense	-66,465	-54,513
Deferred tax expense / (income)	-781,839	-966,877
Profit from Continuing Operations	1,705,474	1,031,606
Net profit from discontinuing operations	42,971	-
Net Income for the period	1,748,445	1,031,606

Consolidated Balance Sheet

IAS 29 (Financial Reporting in Hyperinflationary Economies) implemented

<i>TL thousand</i>	audited 31 December 2024	Unaudited 31 March 2025
ASSETS		
Current assets:		
Cash and cash equivalents	24,790,967	19,432,912
Financial investments	23,690	2,154
Trade receivables	1,538,755	1,686,882
-Trade receivables from related parties	69,435	12,722
-Trade receivables from third parties	1,469,320	1,674,160
Other receivables	1,198,628	1,584,892
-Other receivables from third parties	1,198,628	1,584,892
Inventories	34,286,991	32,188,032
Prepaid expenses	1,427,782	1,760,646
Cari dönem vergisi ile ilgili varlıklar	169,289	340,007
Other current assets	63,644	99,096
Total current assets	63,499,746	57,114,070
Non-current assets:		
Financial investments	3,744,983	3,694,270
Other receivables	38,433	28,035
-Other receivables from third parties	38,433	28,035
Property, plant and equipment	35,575,974	35,760,193
Right of use assets	36,134,982	39,615,202
Intangible assets	24,360,182	24,356,098
-Goodwill	22,087,444	22,087,444
-Other intangible assets	2,272,738	2,268,654
Prepaid expenses	1,805,009	1,837,358
Total non-current assets	101,659,563	105,291,156
Total assets	165,159,309	162,405,226
LIABILITIES		
Current liabilities:		
Short term borrowings	710,778	494,195
-Bank loans	710,778	494,195
Short term portion of long term borrowings	4,598,056	4,708,503
-Bank loans	383,454	352,726
-Lease liabilities	4,214,602	4,355,777
Trade payables	63,515,858	57,251,705
-Trade payables to related parties	2,202,377	2,279,390
-Trade payables to third parties	61,313,481	54,972,315
Payables related to employee benefits	2,563,974	4,050,000
Other payables	2,828,759	1,286,109
-Other payables to third parties	2,828,759	1,286,109
Deferred income	1,915,024	2,047,335
Short term provisions	2,027,241	1,826,762
- Short term provisions for employee benefits	1,489,468	1,460,007
-Other short term provisions	537,773	366,755
Total current liabilities	78,159,690	71,664,609
Non-current liabilities:		
Long term borrowings	17,909,661	20,153,266
-Bank loans	235,737	224,103
-Lease liabilities	17,673,924	19,929,163
Other payables	28,677	32,422
-Other payables to third parties	28,677	32,422
Deferred income	232,948	97,254
Long term provisions	1,525,224	1,252,296
-Long term provisions for employee benefits	1,525,224	1,252,296
Deferred tax liabilities	3,816,352	4,762,247
Total non-current liabilities	23,512,862	26,297,485
Total liabilities	101,672,552	97,962,094
EQUITY		
Attributable to equity holders of parent	63,076,314	63,982,246
Share capital	181,054	181,054
Adjustment to share capital	3,715,782	3,715,782
Treasury shares	-948,272	-948,272
Other comprehensive income not to be classified to profit or loss	-549,892	-572,386
-Defined benefit plans re-measurement losses	-3,162,007	-3,162,007
-Revaluation fund of property, plant and equipment	2,612,115	2,589,621
Other accumulated comprehensive income to be classified to profit or loss	2,344,875	2,263,094
-Gains on financial assets measured at fair value through OCI	2,344,875	2,263,094
Dividend advances paid	-568,725	-568,725
Other capital reserves	1,904,666	1,935,690
Accumulated gains	50,019,115	56,994,846
Net income for the period	6,977,711	981,163
Non-controlling interest	410,443	460,886
Total equity	63,486,757	64,443,132
Total liabilities and equity	165,159,309	162,405,226

Consolidated Cash Flow

IAS 29 (Financial Reporting in Hyperinflationary Economies) implemented

<i>TL thousand</i>	1 Jan. - 31 March 2024	1 Jan. - 31 March 2025
Cash flows from operating activities:		
Net profit for the period	1,748,445	1,031,606
Adjustments related to reconciliation of net profit for the period	6,298,850	8,375,521
Adjustments for depreciation and amortization expenses	2,527,233	3,153,255
Adjustments for impairment on receivables	5,542	17,854
Adjustments for inventory provisions	-20,856	48,338
Adjustments for impairment on property, plant and equipment	8,335	7,314
Adjustments for provision for employee benefits	203,421	259,329
Adjustments for provision for litigation	46,099	39,772
Adjustments for other provisions	-71,684	-136,310
Adjustments for interest income	-787,221	-1,561,277
Adjustments for interest expense	1,770,645	2,362,288
Adjustments for deferred financing due to forward purchases expenses	3,396,147	4,122,914
Adjustments for unearned finance income from sales	-561,228	-435,852
Adjustments for unrealized foreign exchange losses related to bank borrowings	13,360	-
Adjustments for fair value losses arising from derivatives	19,362	-
Adjustments for income tax expense	848,304	1,021,390
Gain)/loss on sale of property plant and equipment	-2,577	-
Adjustments for monetary position gains	-1,096,032	-523,494
Changes in net working capital	2,458,351	-5,449,905
Adjustments for increase in trade receivables	-955,334	-121,103
Adjustments for decrease in inventories	3,568,399	2,050,621
Adjustments for increase in other receivables related with operations	-506,619	-839,712
Adjustments for decrease in trade payables	-4,356,531	-6,415,342
Adjustments for increase/decrease in other payables related with operations	4,708,436	-124,369
Cash flows from operating activities	10,505,646	3,957,222
Employee benefits paid	-470,375	-285,291
Interest received	562,107	410,268
Interest paid	-3,895,084	-3,971,725
Taxes paid	-47,412	-274,657
Other provisions paid	-80,118	-4,960
Net cash provided by operating activities	6,574,763	-169,143
Cash outflows from the purchase of tangible and intangible assets	-2,437,976	-1,587,009
Cash inflows from the sale of tangible and intangible assets	10,238	-
Cash outflows related to acquisitions to acquire control of subsidiaries	-	-45,500
Cash flows from investing activities	-2,427,738	-1,632,509
Cash outflows from repayments of borrowings	-705,441	-152,288
Interest received	787,221	1,561,277
Interest paid	-1,107,031	-1,382,538
Cash outflows from payments of lease liabilities	-1,031,593	-1,607,916
Cash flows from financing activities	-2,056,844	-1,581,465
Monetary loss on cash and cash equivalents	-2,263,486	-1,980,603
Effect of foreign currency translation differences on cash and cash equivalents	-82,067	5,665
Net decrease in cash and cash equivalents	-255,372	-5,358,055
Cash and cash equivalents at the beginning of the period	19,632,844	24,790,967
Cash and cash equivalents at the end of the period	19,377,472	19,432,912