



DESA Strengthens Profitability in 2025: Net Profit Surges 35% to Reach TRY 581 Million

DESA, one of Turkey's leading leather brands with over half a century of experience in manufacturing, retail, and exports, has announced its financial results for the year 2025. Maintaining its operational efficiency despite challenging market conditions, the company concluded a demanding year with a strong profitability performance, increasing its net profit by 35%. By the end of 2025, DESA's net cash position reached USD 42.64 million.

Strong Profitability, Solid Margins, and an Improving Net Cash Position

DESA's consolidated sales revenue for 2025 realized at TRY 3.82 billion. Despite a contraction in demand across foreign markets, domestic economic challenges, and a significant decline in tourist shopping, the company successfully maintained its revenue and delivered a stronger profitability performance compared to the previous year.

Thanks to its vertically integrated business model extending from production to retail, DESA managed to sustain its operational efficiency even in a year marked by mounting cost pressures. The company's gross profit margin stood at 58.6%, reflecting its strong pricing power and brand value.

Company management emphasized that DESA continues to enhance its competitive strength in the sector through its omnichannel sales strategy, export-oriented growth approach, and high-value-added product portfolio. Controlled expense growth and an efficiency-driven channel expansion strategy reflected positively on the financial results.

The company's EBITDA rose to TRY 1.20 billion by the end of 2025, recording a 7.5% increase compared to the same period last year. Driven by effective operational and balance sheet management under challenging market conditions, the EBITDA Margin improved from 28.6% to 31.4%.

On the net profit front, DESA exhibited a stronger performance supported by the contribution of financial income, driving its net income for the period from TRY 429 million in 2024 to TRY 581 million in 2025—a 35.3% increase. Consequently, the company's Net Profit Margin climbed from 11.0% to 15.2%.

Entering 2025—a year characterized by tight and challenging access to liquidity—with a net cash position of USD 39.5 million, DESA successfully improved its cash standing through efficient operations and a prudent cash management strategy, achieving a net cash surplus of USD 42.64 million.

Concluding 2025 with an approximate 7% growth on a unit volume basis, DESA sustained its operational expansion despite a contracting global luxury market, thanks to its production efficiency and diversified sales channels. Supported by increased customer traffic across its retail and digital platforms, the company further solidified its market share.

DESA

Share Gains in Retail and E-Commerce, Transformation in Exports

For DESA, 2025 was defined by robust growth and market share gains in the domestic market. DESA-branded retail sales surged by 34%, while the e-commerce channel recorded an impressive 74.9% growth. Consequently, the share of digital channels within DESA-branded domestic sales reached the 17% mark.

On the export front, the company underwent a significant transformation as its investment in Italy reached an 81-person workforce and began operating at full capacity. Despite challenging and contracting market conditions, DESA successfully doubled the number of clients contributing more than 10% to its total revenue, thereby establishing a strong client portfolio poised to drive export growth in 2026.

Capitalizing on positive market signals and an expanding client base, DESA stood out positively within its industry. In a year when labor-intensive sectors generally faced employment contractions, the company increased its total workforce by 10%, driven largely by strategic hiring in the final quarter.

Positive Outlook for 2026

Commenting on the 2025 financial results, **DESA CEO Burak Çelet** stated:

“We concluded 2025 with an approximate 7% growth in unit volume, thereby successfully expanding our market share. We maintain our target of profitable and sustainable growth for 2026. The addition of new clients to our export portfolio, coupled with signals indicating a renewed expansion in luxury segment demand, establishes a positive foundation for the new year—despite regional geopolitical developments and global uncertainties.

Thanks to our net cash surplus of USD 42.6 million, we hold a robust financial position. This financial strength will significantly enhance our ability to manage potential risks and capitalize on emerging opportunities in 2026.”

While maintaining strong unit-based growth targets across retail and online channels, DESA aims to sustain the high profitability achieved in 2025 and deliver an above-inflation growth performance in the upcoming period.

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DESA Hakkında

Established in 1972, DESA has achieved tremendous success as the leading producer of leather and leather products in Turkey. With its unique business model which is entirely vertically integrated, DESA is the leading exporter of leather products to Italy, accounting for 70% of Turkey's leather product exports to the country. Managing retail operations with 115 stores nationwide, DESA produces and sells both wholesale and retail leather clothing for both men and women, leather bags and leather accessories. The brand also operates e-commerce through desa.com.tr and 1972desa.com and delivers DESA-branded products to European consumers in 5 countries through the Zalando platform. Serving international customers with its refined elegance under the brand 1972 DESA, the brand brings its leather clothing products to customers in more than 100 international sales points. As a publicly traded company listed on the Borsa Istanbul since May 2004, DESA operates with a leather production facility in Çorlu, Tekirdağ and two factories in Düzce and Sefaköy, Istanbul. The R&D and production facility in Italy which DESA started investing in 2022, recently entered operation.

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