

# DESA

## **DESA Announces TRY 111.5 Million Consolidated Net Profit in the Q1 of 2026 and Maintains Its Strong Balance Sheet Structure**

DESA, Turkey's leading leather and luxury fashion brand, has shared its financial results for the first quarter of 2026 with the public. During a period marked by cyclical contraction in the global luxury consumption market and domestic economic pressures, the company increased its gross profit margin by 3.3 basis points compared to the same period last year, reaching 56.8%. DESA also continued to maintain its strong balance sheet structure with a net cash position of TRY 1.841 billion.

### **Base Effect in Wholesale Channel Sales**

DESA's total consolidated sales revenues in the first three months of 2026 were realized as TRY 949 million. Despite the strong growth recorded in DESA's branded retail and e-commerce channels, the company's total consolidated revenues contracted by 4.4% in the first quarter due to the base effect in the wholesale channel created by one-off, high-volume corporate wholesale sales in the first quarter of last year.

Excluding the impact of these one-off sales, the company's first-quarter revenue growth reached 9.7% compared to the same period in 2025.

### **Strong Growth in DESA Branded Retail and E-Commerce Channels**

DESA branded retail and e-commerce channels recorded growth of 53% and 98%, respectively, in Turkish Lira terms compared to the same period last year. According to inflation-adjusted data, these two channels achieved a total real growth of 24.7%.

This performance, achieved during a period when domestic demand was generally under pressure, supported DESA's strong expectations regarding its domestic retail operations. The sales volume in the company's branded retail and e-commerce channels increased by 26.5% in the first quarter of the year. The fact that the growth was mainly driven by an increase in sales volume rather than price increases strengthened the positive outlook for the upcoming period.

### **Strong Profitability, Solid Margins, and High Net Cash Position**

During a period when the world's leading luxury brands experienced global contraction and economic difficulties persisted in the domestic market, the company increased its gross profit by 1.6% compared to the same period last year to TRY 539 million, while recording a 3.3 basis point improvement in its gross profit margin.

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The increase in the gross profit margin was once again an indicator of DESA's high value-added product mix, effective cost management, and strong pricing capability.

While EBITDA declined by 9% year-on-year due to the base effect of one-off corporate sales in the first quarter of last year, it recorded a growth of 15.7% when excluding this effect. DESA maintained its strong operational performance in the first quarter of the year, achieving a 29.7% EBITDA margin and an 11.7% net profit margin.

Sustaining its efficiency-oriented approach despite challenging economic conditions and rising operational expenses, the company maintained its net cash position, reporting it at USD 41.5 million at the end of the first quarter.

## **Transformation in Exports and Strengthening Market Dynamics**

DESA realized its export revenues at the same level as the first quarter of last year in US dollar terms. Thanks to its diversified customer portfolio and strong demand from global brands, the company gave positive signals that a stronger growth momentum will be achieved in this sales channel in the upcoming quarters compared to 2025.

On the other hand, although US dollar-based export revenues were realized at the same level as last year, the fact that the USD/TRY exchange rate increased by approximately 50% less compared to the same period last year negatively affected sales revenues in TRY terms.

## **Decision to Distribute a Total of TRY 115 Million in Dividends from the 2025 Profit**

Commenting In line with the decision taken at the company's 2025 Ordinary General Assembly, shareholders approved the distribution of a total net dividend of TRY 115 million from the net distributable profit for the 2025 period. The dividend payments will be made in three installments:

TRY 35 million net on September 30

2026, TRY 40 million net on October 30, 2026

TRY 40 million net on November 30, 2026.

A total net dividend of TRY 115 million will be distributed to shareholders as profit share.

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## About DESA

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](http://desa.com.tr) and [1972desa.com](http://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.

## **For Further Information:**

### **Investor Relations**

**E-mail: [investor.relations@desa.com.tr](mailto:investor.relations@desa.com.tr)**

**[yatirimci.iliskileri@desa.com.tr](mailto:yatirimci.iliskileri@desa.com.tr)**

**Web Site: [www.desa.com.tr](http://www.desa.com.tr)**

**[www.1972desa.com](http://www.1972desa.com)**

**[www.desainternazionale.it](http://www.desainternazionale.it)**