DESA Posts TRY 305 Million Net Profit in the First Nine Months of 2026, Backed by Its Strong Financial Structure

With over half a century of experience in manufacturing, retail and exports, DESA, one of Türkiye's leading leather and luxury fashion brands, has announced its nine-month financial results for 2026. Continuing to grow with Türkiye's only vertically integrated business model and its multi-channel sales strategy, DESA kept consolidated sales revenue steady at TRY 3.65 billion in the first nine months of 2026 and reached a net profit of TRY 305 million. DESA also maintained its strong net cash position of TRY 1.81 billion, which sets it apart positively from its competitors in the market.

Store Network Expansion and Strong Export Momentum

Continuing to strengthen its retail network with qualified and strategic locations, DESA increased its total number of stores to 112. In the period ahead, DESA aims to further expand its global footprint and market presence by growing its store network through the franchise model, particularly in international markets.

Despite the challenging conditions in the global luxury consumption and retail market, DESA continued to increase its effectiveness in international markets and its value-added production capacity. DESA grew its consolidated exports by 16.8% in USD terms compared to the first nine months of 2025. Export sales, which gained notable momentum in the third quarter of 2026, increased by 33.4% compared to the same quarter of the previous year.

Marked Recovery in EBITDA in the Third Quarter

DESA preserved its pricing power by raising its gross profit margin from 56.3% to 57% in the first nine months of the year. The Company achieved EBITDA of TRY 919 million and an EBITDA margin of 25.2% in the first nine months of 2026. While cost inflation, exchange rate developments, rent expenses and employee bonus payments put pressure on EBITDA in the first half of the year, the recovery in operating profitability became evident in the third quarter: the quarterly EBITDA margin rose from 20.5% in the second quarter to 26.6%.

Contribution from Samsonite JV Up 61%

The profit contribution from the Samsonite JV, which DESA reflects in its financial results under the equity method, increased by 61% compared to the same period of the previous year, reaching TRY 19.3 million in the first nine months of 2026. This strong performance demonstrated that the financial contribution from the Company's strategic partnerships continues to grow.

Strategic Investment in the Technology of the Future: Nuera A.Ş. Established

Taking its investments in sustainability and biotechnology to a new stage, DESA completed the incorporation of its wholly owned subsidiary, “Nuera Sürdürülebilir Biyofabrikasyon Teknolojileri Sanayi ve Ticaret A.Ş.”, on August 11, 2026, with the aim of researching, developing, producing and commercializing next-generation biomaterials. Following the reporting period, the signing process of the license agreement for next-generation material technologies was also successfully completed.

In this context, DESA aims to focus on the production and commercialization of LUNAFORM™, a next-generation biomaterial developed by GOZEN using bacterial cellulose fermentation technology, bringing its deep-rooted leather craftsmanship and production experience together with innovative material technologies.

TRY 115 Million Dividend

In line with the resolution of DESA’s General Assembly, the first two installments of the net TRY 115 million dividend payable from the 2025 net distributable profit, amounting to net TRY 35 million and net TRY 40 million, have been paid. The third installment of net TRY 40 million will be paid on November 30, 2026.

CEO Burak Çelet: “We Are Focusing on Global Growth with Our Export Momentum and Strong Balance Sheet”

Evaluating the results, DESA CEO Burak Çelet said: “In a challenging period in which cost inflation and exchange rate developments put pressure on profitability, thanks to our disciplined financial management and strong cash position, we completed the first nine months of 2026 with a net profit of TRY 305 million. The marked recovery at the operating level in the third quarter compared to the second quarter is reflected in our EBITDA margin. The 33.4% increase in our exports in USD terms in the third quarter is a clear indication of our competitiveness among global luxury brands, together with our production facility in Italy.

While we continue our production preparations for rising export orders, we aim to expand our retail network, which has reached 112 stores domestically, abroad through the franchise model.

With the signing of the license agreement between our newly established subsidiary Nuera and Gözen, we have taken a pioneering step for our sector in biomaterials to a concrete stage. Confident in our strong balance sheet, we will maintain our operational efficiency and continue to work resolutely to create long-term, sustainable value for our investors.”

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 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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