

February 28, 2025

Turkcell

Results compatible with expectations

Esra UZUN OZBASKIN
Analyst
euzun@sekeryatirim.com

According to inflation accounting provisions (IAS-29), Turkcell (TCELL.TI; OP) announces TRY 1,680mn net profit for 4Q24 (4Q23: TRY 24,190mn, -93% YoY), below our TRY 2,930mn estimate and the market's TRY 3,840mn expectation. While operational profitability decreased quarterly, it remains strong compared to the previous year. TRY 2,937mn of net financial expenses and a TRY 487mn monetary loss suppressed the net profit. The company saw TRY 2,235mn of other income and a TRY 955mn tax expense. The net profit margin was 3.9% in 4Q24.

Turkcell booked net sales revenue of TRY 44,894mn (14% YoY) including the IAS-29 effect, compared to our TRY 44,011mn expectation and the market's TRY 43,343mn expectation.

Since unused line closures occurred in the fourth quarter, mobile subscribers led by prepaid mobile decreased in line with our expectations (420k). Approximately 300k mobile subscribers were gained in 2024.

While there was no increase in mobile due to competitive policies in the 4Q24 period, ARPU (revenue per user) recorded 13% annual real growth in mobile due to the effect of price adjustments that continued to be reflected gradually.

EBITDA came in at TRY 17,697mn, up 10% from TRY 16,075mn at 4Q23, including the IAS-29 effect. Our estimate was at TRY 17,857 and the market's was at TRY 17,529mn. The EBITDA margin realized at 39.4% in 4Q24 (4Q23: 40.6%).

Net debt increased: The cash position has decreased due to the dividend payment of TRY 6.3bn in December 2024. Thus, Turkcell's net debt position increased to TRY 28,525mn at the end of 2024 from TRY 19,038mn at the end of 2024/09.

2024 performance: Turkcell achieved TRY 166,671mn of sales revenues on 7.8% yearly growth, in parallel with its 7% expectation. EBITDA was at TRY 69,802mn, and the EBITDA margin was at 41.9% (expected: approximately 42%). The OPEX/sales ratio was realized at 22.8%, in line with the expectation of approximately 23%.

2025 guidance: Turkcell expects 7-9% growth in revenues in real terms and a 41-42% EBITDA margin. The company also expects approximately a 23% OPEX/sales ratio. In addition, the revenue of the Data Center-Cloud business line is expected to grow by 32-34%. Expectations are based on the assumption that inflation in 2025 will be at 30.5%.

In line with the financial statements and our expectations, we maintain our 12-month target price for TCELL at 148.48/share and maintain our "OUTPERFORM" recommendation given the 38% return potential.

OUTPERFORM
TP: TRY 148.48
Previous TP: TRY 148.48
Upside potential: 38%

	TRY	US\$
Close	107,70	2,96
BIST 100	9,741	268
US\$/TRY(CB Bid Rate):	36,372	
52 Week High:	111,81	3,39
52 Week Low:	59,10	1,85
Bloomberg/Reuters Ticker:	TCELL.TI / TCELL.IS	

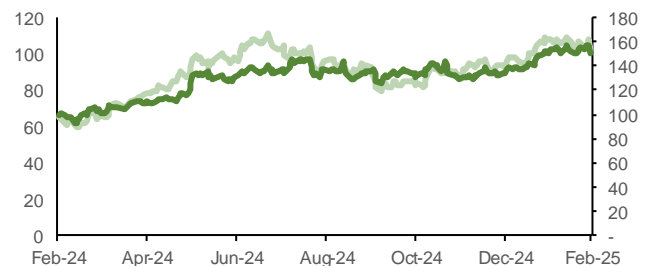
Number of Shares (Mn): 2.200

	(TRY Mn)	(US\$ Mn)
Current Mcap :	236.940	6.516
Free Float Mcap :	127.948	3.518

	1 M	YOY	YTD
TRY Return (%):	-5,0	62,1	10,7
US\$ Return (%):	-6,6	38,7	7,4
BIST 100 Relative (%):	-1,9	51,6	12,3
Avg. Daily Vol. (TRY Mn):	2.148,0		
Avg. Daily Vol. (US\$ Mn):	63,8		

Beta	0,96
Volatility (Stock)	0,32
Volatility (BIST 100)	0,23

Shareholder Structure	%
TWF	26,2
IMTIS Holdings	19,8
Other (publicly traded)	54,0
Total	100,0



TCELL (TL) BIST-100 Rel.

Figure 1: Financials (Including IAS-29)

TRY Million	YE23	YE24	YoY	4Q23	4Q24	YoY
Revenues	154.653	166.671	7,8%	39.568	44.894	13,5%
Gross Profit	32.771	41.129	25,5%	7.113	11.422	60,6%
<i>Gross Profit Margin</i>	<i>21,2%</i>	<i>24,7%</i>		<i>18,0%</i>	<i>25,4%</i>	
EBIT	19.616	23.260	18,6%	3.358	5.648	68,2%
<i>EBIT Margin</i>	<i>12,7%</i>	<i>14,0%</i>		<i>8,5%</i>	<i>12,6%</i>	
EBITDA	63.349	69.802	10,2%	16.075	17.697	10,1%
<i>EBITDA Margin</i>	<i>41,0%</i>	<i>41,9%</i>		<i>40,6%</i>	<i>39,4%</i>	
Net Profit	18.125	23.523	29,8%	24.190	1.680	-93,1%
<i>Net Profit Margin</i>	<i>11,7%</i>	<i>14,1%</i>		<i>61,1%</i>	<i>3,7%</i>	

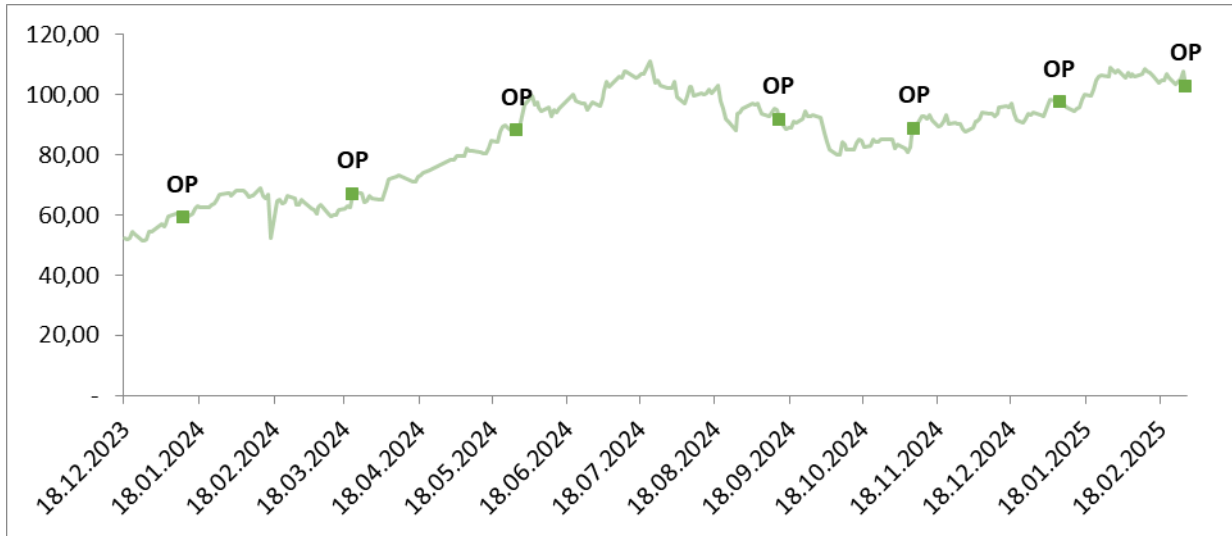
Source: Finnet, Seker Invest Research

Figure 2: Key financials (Including IAS-29)

BALANCE SHEET (TRY mn)	2023/12	2024/12	%Chg	
PP&E	96.229	104.626	9%	
Intangibles	84.478	81.872	-3%	
Other Non-Current Assets	27.974	44.085	58%	
Trade Receivables	16.022	16.710	4%	
Cash&Equivalents	72.159	68.934	-4%	
Other Current Assets	59.875	28.049	-53%	
Total Assets	356.736	344.276	-3%	
Long Term Debt	83.663	52.435	-37%	
Other Non current liabilities	13.245	14.040	6%	
Short Term Debt	62.882	68.074	8%	
Trade Payables	20.464	22.760	11%	
Total Liabilities	180.255	157.309	-13%	
Total Equity	176.481	186.967	6%	
Total Equity&Liabilities	356.736	344.276	-3%	
INCOME STATEMENT (TRY mn)	2022/12	2023/12	2024/12	%Chg
Net Sales	93.487	154.653	166.671	8%
COGS	(80.361)	(118.737)	(120.434)	1%
Gross Profit (Loss)	11.806	32.771	41.129	26%
Other Operating Inc./ (Exp.), net	12.975	14.454	12.163	-16%
Operating Expenses	(7.172)	(13.156)	(17.869)	36%
Operating Profit/(Loss)	4.634	19.616	23.260	19%
Income / (expense) from investing activities & impairment (gains) in accordance w ith IFRS 9	3.865	11.799	4.905	-58%
Monetary Gain / (Loss)	7.767	5.511	5.851	6%
Financial Expenses	(25.268)	(42.172)	(25.021)	-41%
Profit Before Tax (Loss)	3.251	8.499	15.953	88%
Tax	2.785	6.751	(4.866)	n.m.
Net Profit (Loss)	6.879	18.094	23.515	30%
Attributable to ow ners of parent	6.880	18.125	23.523	30%

Source: Finnet, PDP, Seker Invest Research

Historical Recommendations and target prices



1-Aug-23	Outperform (OP)	71.96
18-Aug-23	Outperform (OP)	71.96
8-Nov-23	Outperform (OP)	79.9
11-Jan-24	Outperform (OP)	87.05
21-Mar-24	Outperform (OP)	104.30
28-May-24	Outperform (OP)	116.50
13-Sep-24	Outperform (OP)	145.20
8-Nov-24	Outperform (OP)	145.20
7-Jan-25	Outperform (OP)	148.48
28-Feb-25	Outperform (OP)	148.48

Basis for 12m equity ratings

Outperform:	The total return is expected to exceed the return of the BIST 100 by more than 10%.
Underperform:	The total return is expected to fall below the return of the BIST 100 by more than 10%.
Market Perform:	The total return is expected to be in line with the return of the BIST 100.

ŞEKER INVEST RESEARCH

Şeker Yatırım Menkul Değerler A.Ş.
 Büyükdere Cad. No:171 Metrocity
 A Blok Kat 4-5 34330 SİSLİ /İST
 TURKEY

TEL: +90 (212) 334 33 33
 Fax: +90 (212) 334 33 34
 E-mail: research@sekeryatirim.com
 Web: <http://www.sekeryatirim.com/english/index.aspx>

For additional information, please contact:

Research

Kadir Tezeller	Head	+90 (212) 334 33 81	ktezeller@sekeryatirim.com
Burak Demirbilek	Utilities, Pharmaceutical, Defense Industry	+90 (212) 334 33 33-128	bdemirbilek@sekeryatirim.com
Sevgi Onur	Banks	+90 (212) 334 33 33-150	sonur@sekeryatirim.com
Engin Degirmenci	Cement	+90 (212) 334 33 33-201	edegirmenci@sekeryatirim.com
A. Can Tuglu	Food & Bev., Retail, Auto, Aviation	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com
Esra Uzun Ozbaskin	Telcos, Iron & Steel, Cons. Dur., Oil&Gas	+90 (212) 334 33 33-245	euzun@sekeryatirim.com
Basak Kamber	Glass	+90 (212) 334 33 33	bkamber@sekeryatirim.com

Economy & Politics

Abdulkadir Dogan	Economist	+90 (212) 334 91 04	adogan@sekeryatirim.com
------------------	-----------	---------------------	--

Institutional Sales

Batuhan Alpman	Head	+90 (212) 334 33 70	balpman@sekeryatirim.com
Deniz Keskin	Trader	+90 (212) 334 33 36	dkeskin@sekeryatirim.com
M. Kerim Culum	Trader	+90 (212) 334 33 33-316	kculum@sekeryatirim.com

DISCLAIMER

I, Esra UZUN OZBASKIN hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by the Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest, Inc.) Research Team. The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Invest. By accepting this document you agree to be bound by the foregoing limitations.

Copyright © 2025 Şeker Invest