Monthly Equity Strategy

April 2025

Research Team
+90 (212) 334 33 33
research@sekeryatirim.com

Tariff concerns have weakened risk appetite…

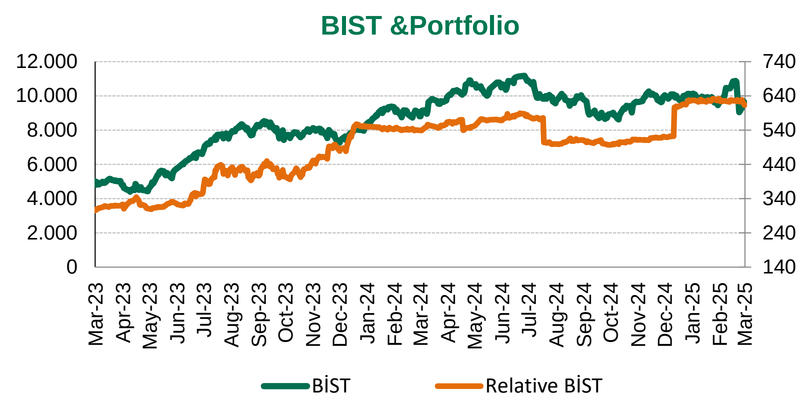
President Trump has imposed a 25% customs duty on steel and aluminum imports from all over the world, while announcing that reciprocity tariffs will be imposed on countries exporting to the US, starting on April 2. Later statements that certain countries may be granted tariff exemptions have supported risk appetite. Yet ongoing uncertainties have raised concerns over weak growth and high inflation in the US. On the other hand, as talks continue to end the Ukraine-Russia war, there have been developments on issues such as not attacking energy facilities and ensuring safe navigation in the Black Sea, but no agreement has yet been reached on establishing a ceasefire. In addition, Israel's violation of the ceasefire in Gaza, the US's airstrikes on the Houthis in Yemen, and Iran's warning against further support for the region are keeping geopolitical risks alive. On the macroeconomic side, the Fed kept interest rates constant in line with expectations at its March meeting, while revising growth estimates downward and inflation expectations upward in 2025 projections due to tariff effects. However, the expectation of two 25 basis point rate cuts for 2025, totaling 50 basis points, was maintained.

In Turkey, the arrests, including the Mayor of Istanbul Metropolitan Municipality (IMM), within the framework of corruption investigations launched in the Istanbul Metropolitan Municipality (IMM), certain district municipalities and a number of IMM affiliates, caused turbulence in the markets. The CBRT held an interim meeting and raised the overnight lending rate by 200bps to 46%. While the policy rate and the overnight borrowing rates were kept constant at 42.5% and 41%, it was announced that 1-W repo auctions were temporarily suspended. In addition, it was decided to issue liquidity notes with a maturity of up to 91 days in order to support the tight monetary stance. On the other hand, the CMB, which banned short selling transactions in the BIST equity markets until April 25, 2025, took steps to facilitate the buyback of companies' shares and to relax the equity ratio in credit capital market transactions. While the BIST announced measures to reduce volatility in the markets by reducing the order/transaction ratio in the equity market, the BRSA announced steps to facilitate the buyback of banks' shares. Minister Simsek's statement that all regulatory institutions would work in coordination to implement the economic program with determination and that the necessary measures were taken to reduce volatility supported the reduction of volatility in the markets.

We expect global markets to mostly follow Trump's steps in April, primarily tariffs and peace talks with Russia. In addition, developments among EU members, especially Germany, which have announced defense spending packages will be closely monitored. Besides, upcoming macro data in the US and global markets, as well as statements from the Fed and the ECB, which is expected to pause cuts, will be closely monitored.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	9.659	0,01%	-1,7%
BIST - 100, USD	256	-3,7%	-8,2%
MSCI Turkey	270.461	-6,7%	-9,5%
MSCI EMEA	219	2,1%	7,1%
MSCI EM	1.101	0,4%	2,4%
Benchmark Bond	49,10%	1,090bps	854bps
USD/TL	37,7656	3,81%	7,04%
EUR/TL	40,7019	7,61%	10,80%
P/E			
Banking	5,7		
Industrial	23,9		
Iron&Steel	18,9		
REIT	7,3		
Telecom	12,0		
2025E P/E	11,8		

*Close as of March 28, 2025



CBRT may pause the rate cuts… Rating: BUY

In the local markets, in addition to news flows regarding ongoing investigations, the interest rate decision to be announced by the CBRT on April 17, which raised the upper band of the interest rate corridor with its interim meeting, will also be closely monitored. On the other hand, macroeconomic data, especially the March inflation figures to be announced on April 3, and the steps to be taken regarding the disinflation process implemented will also hold the market's attention. International Rating Agency S&P's assessment of Turkey on April 25 will be another agenda item for the markets to follow. On the geopolitical side, the Russia-Ukraine war, and developments in Syria and Gaza will be monitored.

The BIST 100 index followed a rather volatile course in the 10,900-8,870 band in March amid local news flows and reduced risk appetite, increasing 0,01% MoM to 9.659,48 points. While the Industrial index rose 5,15% MoM, the Banking Index diverged negatively with a 16,68% decline.

Due to the recent turbulence the CBRT raised the upper band of the interest rate corridor by 200bps to 46% at its interim meeting on March 20, funding the market at this level by pausing weekly repo auctions. There seems to be a stronger chance of the Bank pausing rate cuts at its April meeting. However, the economy management believes that the impact of financial market volatility on macro data will be limited as a result of the proactively taken measures. If this is indeed the case and volatility remains limited, the expectations are that the rate cut process, which is the theme of this year, will continue, and that the real sector's access to funding will become easier. Otherwise, continued volatility in the markets may worsen expectations and prompt the CBRT to take additional measures by maintaining its tight stance. In this context, we think that in April the markets will focus on the nature of volatility in financial markets by following domestic news flows.

In light of these evaluations, we maintain our BUY recommendation for the BIST 100 index for the medium and long term, but we recommend investors to be cautious as the search for balancing in the markets will continue in the short term. The MSCI Turkey index 2025T is trading at a 48.9% and 47.3% discounts to the EM MSCI index with 6.38x and 0.89x P/E and P/BV ratios.

This month, we remove YKBNK from our model portfolio.

Main Market Risks

- President Trump's aggressive stance on tariffs affecting global trade and growth, and other countries responding in kind,
- Greater turbulence in domestic TL assets causing macro expectations to deteriorate,
- Global growth slowing down while inflation becomes stickier than expected,
- Geopolitical risks rising as ongoing tension, especially between Israel and Palestine and Russia and Ukraine, remain far from resolved.

Model Portfolio

Top Picks	Close	Target	Pot.	MoM	Relative
AKBNK.TI	52,25	96,62	84,9%	-20,6%	-20,6%
ASELS.TI	119,90	114,00	-4,9%	28,3%	28,3%
CIMSA.TI	51,50	67,20	30,5%	14,4%	14,4%
FROTO.TI	1.059,00	1.491,00	40,8%	20,0%	20,0%
ISCTR.TI	12,26	21,47	75,1%	-18,0%	-18,0%
MGROS.TI	495,25	794,50	60,4%	-11,9%	-11,9%
SAHOL.TI	84,05	164,00	95,1%	-13,2%	-13,2%
TCELL.TI	95,80	148,48	55,0%	-4,9%	-4,9%
THYAO.TI	311,00	495,50	59,3%	0,9%	0,9%
Average				-0,5%	-0,6%

*Close as of March 28, 2025

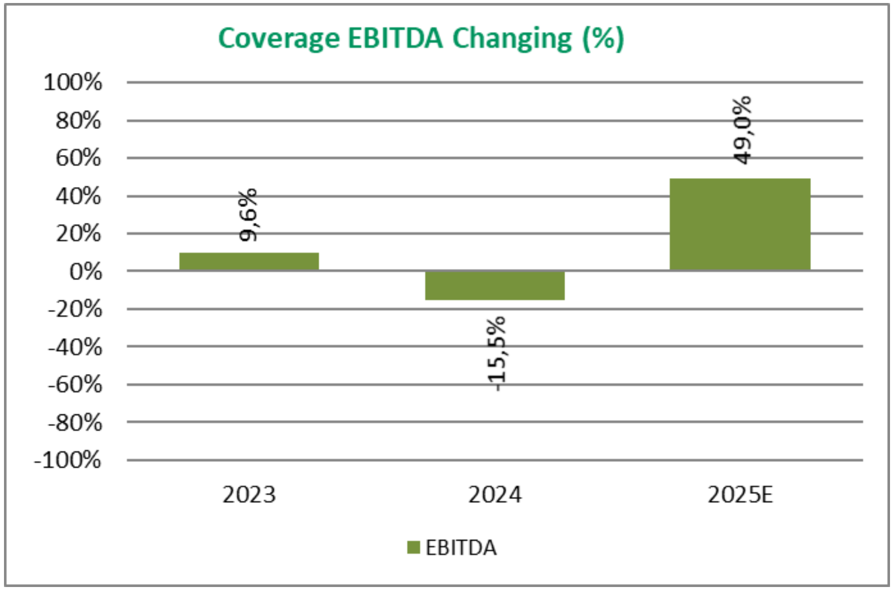
Add
-

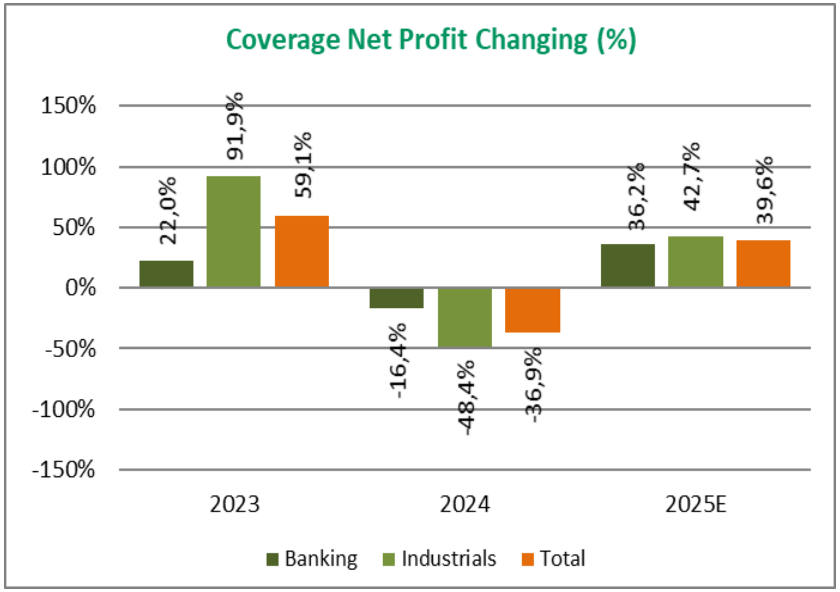
Remove
YKBNK

Maintain
AKBNK
ASELS
CIMSA
FROTO
ISCTR
MGROS
SAHOL
TCELL
THYAO

Favourite Sectors
Banks
Insurance
REIT
Construction-Cement
Food&Beverage
Iron-Steel
Main Metal Industry
Defense
Aviation
Food Retail
Telecommunication
Energy

This will be a year of recovery…





In 2025, with the expected rebound, industrials should deliver 42,7% and 49,0% YoY net income and EBITDA growth YoY, while we expect the banks' earnings to increase by 36,2% YoY.

Returns compared to peers

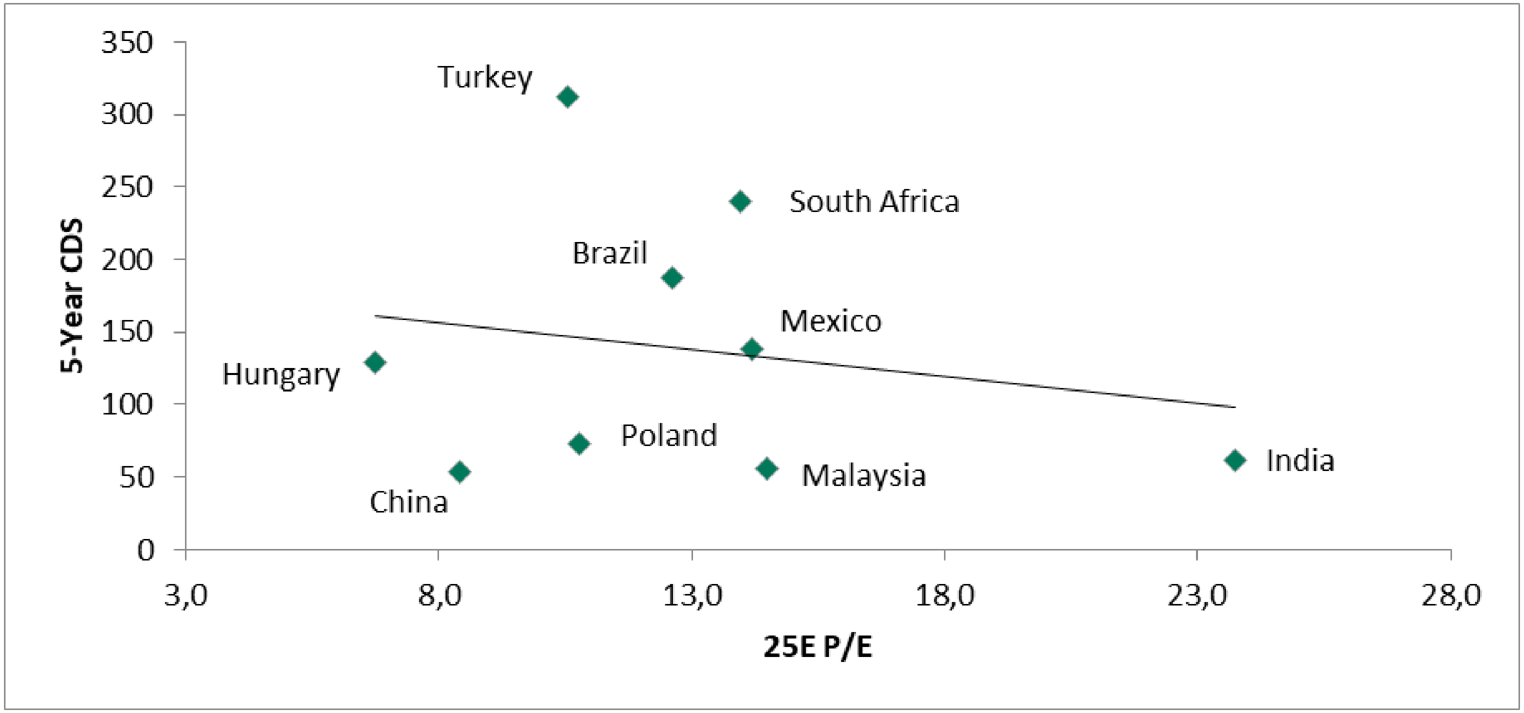
- The MSCI Turkiye Index has declined by 9.5% in absolute terms over the past 12 months. It has underperformed the MSCI EM, and the MSCI EMEA index by 16.7%, and 20.4%, respectively during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	-6,7%	-9,5%	-9,5%	-9,5%
MSCI EM	0,4%	2,4%	5,6%	2,3%
MSCI EMEA	2,1%	7,1%	8,9%	7,0%
MSCI Eastern Europe	7,5%	28,3%	18,7%	28,3%
MSCI World	-4,6%	-2,1%	5,6%	-2,1%

Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	7,60%	13,2%	16,7%	13,1%
MSCI EMEA	9,5%	18,4%	20,4%	18,2%
MSCI Eastern Europe	15,2%	41,8%	31,2%	41,8%
MSCI World	2,2%	8,2%	16,7%	8,1%

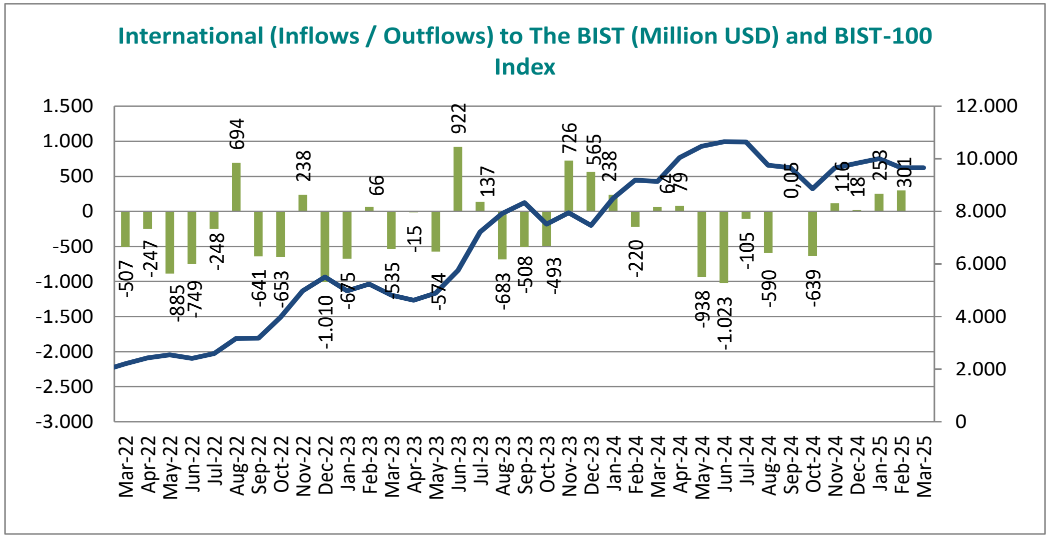
As of March 28, 2025

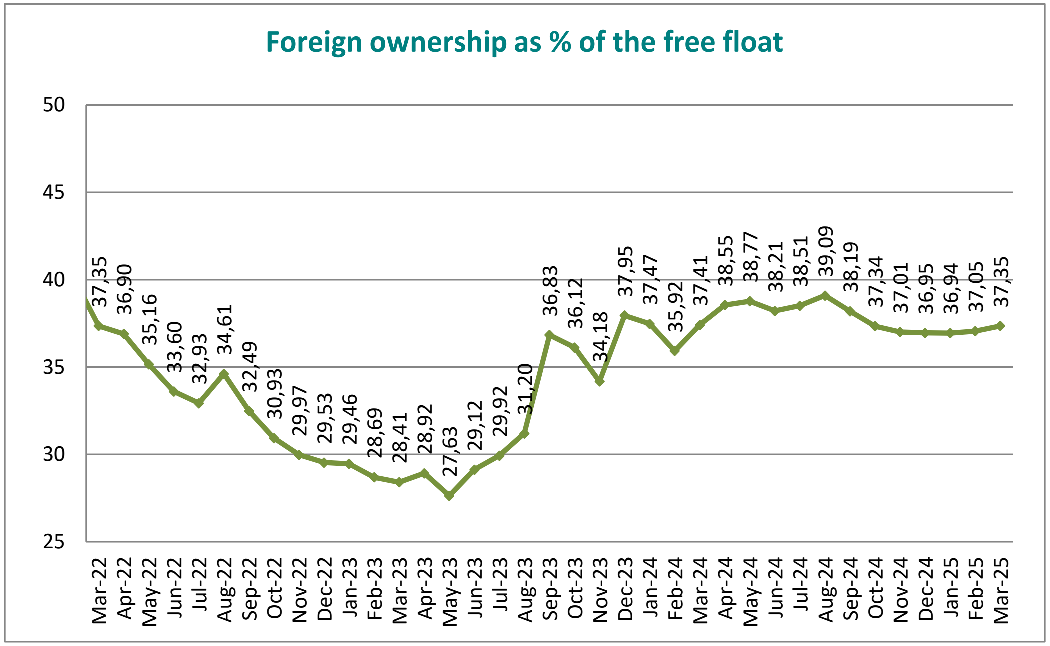
5-Year CDS



As of March 28, 2025

Int. flow and foreign ownership

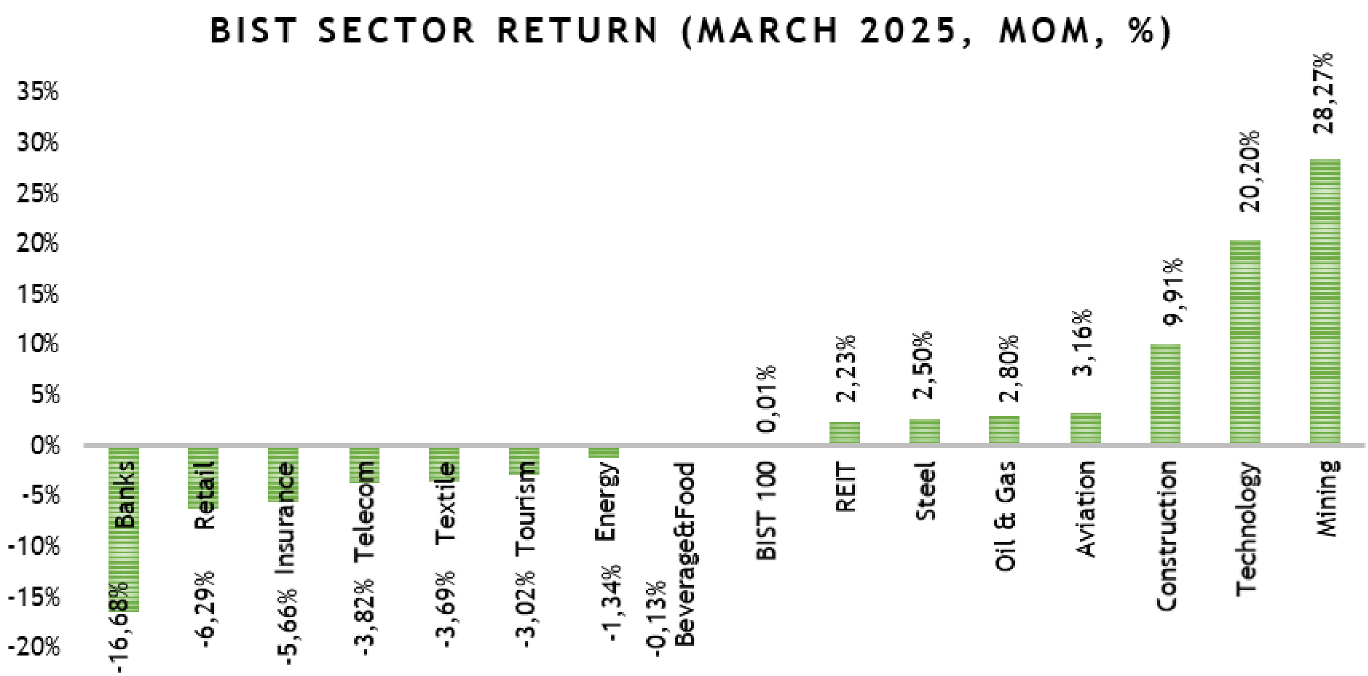




- In February 2025, foreign investors were net buyers at the BIST of USD 301mn.

- Foreign ownership has realized to 37.35% in March 2025.

Sector performances



As of March 28, 2025

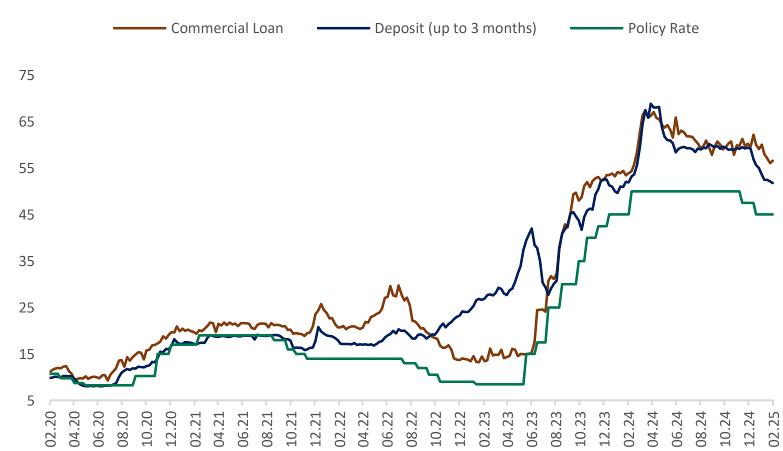
Macroeconomic Outlook

CBRT Rate Decision - March

The CBRT's Monetary Policy Committee (MPC) cut the policy rate by 250 basis points to 42.5% at this month's meeting, in line with expectations. The rhetoric, which was in line with the MPC text in the January rate decision, also included some additional emphases. Firstly, retrospective indexation was removed from the text, while it was emphasized that services inflation remained calm after the temporary increase in January. Core goods inflation remains relatively low compared to services inflation. The second important point is that although domestic demand was higher than projected in the last quarter, it is at levels consistent with disinflation. The policy text includes a close monitoring of the effects of the monetary policy stance on credit and deposit markets as well as domestic demand. Finally, it was stated that some additional measures have been taken in view of the developments in the credit growth rate and that these measures may be expanded if necessary. In a period when the interest rate cut cycle in monetary policy will continue, we believe that tightening steps will be implemented through complementary macro-prudential tools instead of the main policy instrument (policy rate). The importance of fiscal policy coordination is reiterated and the contribution of fiscal discipline to price stability is underlined. It is reemphasized that the policy rate will be adjusted in a way to ensure that inflation realizations, the underlying trend, and expectations support disinflation. Although inflation expectations have improved, they remain a risk factor. Despite the rate cut, it was declared in a general tone throughout the text that the tight stance would be maintained and price stability would not be compromised.

The Monetary Policy Committee has met to assess developments in financial markets on March 20, 2025. Having assessed the risks that these developments might pose to the inflation outlook, measures are being taken to support the tight monetary stance. Accordingly, the Committee has decided to raise the Central Bank's overnight lending rate to 46%. The Committee keeps the policy rate (one-week repo auction rate) unchanged at 42.5% and the Central Bank overnight borrowing rate unchanged at 41%. In addition, considering the developments in financial markets, it is decided to suspend one-week repo auctions for a while.

Policy, Loan and Deposit Rates (%)

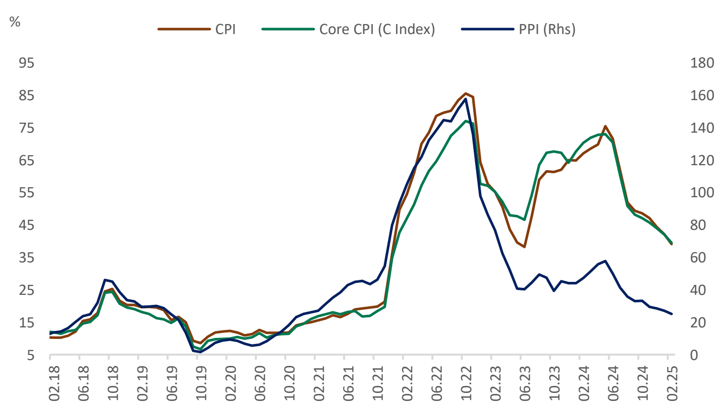


Macroeconomic Outlook

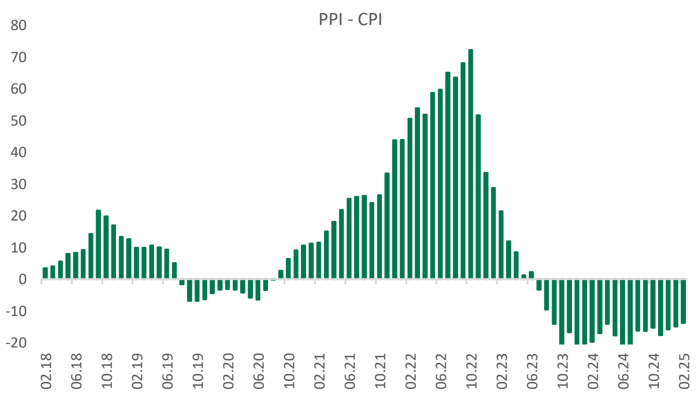
Inflation - February

CPI increased by 2.27% mom in February, while annual inflation was realized as 39.05%. Monthly inflation, which was well below the market and our expectations, slowed down the annual inflation significantly. The average of food, housing and transportation inflation, which has a 55.5% weight in the index, rose by 41.65% yoy. Considering the impact across income groups, the price increase in the core expenditure items of lower income groups still hovered above the headline inflation. In the same period, monthly inflation in the Special CPI Aggregate B index (core inflation) was realized as 2.32% while annual inflation was realized as 39.47%. Two items that significantly slowed down the inflation dynamics in February were clothing and footwear and health expenditures. The partial withdrawal of the contribution fees introduced in January led to a monthly decline of 4.38% in health expenditures, while the monthly decline in clothing and footwear was 5.06%. Producer prices, on the other hand, rose by 2.12% mom in February, while the annual change in PPI was realized as 25.21%. When we look at the sub-indices in PPI, annual changes in main industrial groups were realized as 21.16% increase in intermediate goods, 34.52% increase in durable consumer goods, 33.52% increase in non-durable consumer goods, 19.18% increase in energy and 24.16% increase in capital goods. We see that the long-lasting low course of monthly producer prices has revived. Considering the general course of inflation, services inflation continues to be the most important headline. After a gradual decline from its 97% peak in April 2024, services inflation fell to 59.78% in February. This level, which is well above the headline inflation, reveals the divergence between goods and services inflation. On the other hand, services items such as education, which still show monthly increases of 10%, indicate that disinflation in this area requires more effort and patience. After the inflation data, which fell well below expectations, the markets are now expecting a rate cut in March to be finalized. We expect the CBRT to maintain its cautious stance even if the interest rate cut continues and to pursue a monetary policy stance that favors the real interest rate. In this context, the first half of the year will be a critical period in terms of interest rate cuts and seeing the effects of the change in economic activity. We expect that the monetary policy stance will be adjusted according to these developments in the second half of the year.

CPI, PPI and Core CPI (YoY %)



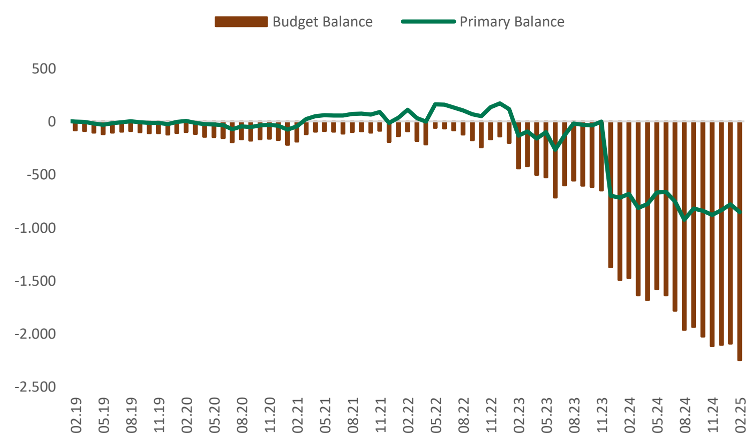
PPI - CPI Spread



Budget Balance - February

According to the February central government budget data released by the Ministry of Treasury and Finance, budget revenues and budget expenditures were realized as TRY 723.4 billion and TRY 1,033.5 billion, respectively. In the same period, non-interest budget expenditures were realized as TRY 893.8 billion. Accordingly, THE budget deficit was realized as TRY 310.1 billion while the primary balance posted a deficit of TRY 170.4 billion. The first thing that strikes the eye in February's figures is that austerity policies have fallen short of the desired level. Expenditures for the purchase of goods and services increased by TRY 14 billion compared to January. On the other hand, the monthly increase in capital expenditures is TRY 37 billion and TRY 26.5 billion in capital transfers. These increases were overshadowed by the TRY 12 billion in lending expenditures, which in turn was overshadowed by the calm course of personnel and current expenditures in February. Transfers to the Electricity Generation Co. amounted to TRY 22.9 billion in February (TRY 14.1 billion in the previous month). The coordination of monetary and fiscal policies in the fight against inflation was emphasized. We estimate that the contribution of monetary policy to disinflation has been limited and fiscal policy has a greater role to play. In particular, the additional contribution to inflation from public expenditures makes the job of monetary policy more difficult. Regulations from administered prices have a sticky effect on inflation. If budget revenues are not increased, which means additional taxes, the budget deficit could spiral out of control. On the other hand, these measures have the potential to create new inflationary pressure. It is a double dilemma and a vicious circle. The most reasonable way to control the budget without fueling inflation seems to be to cut expenditures. The changes in the pension system, the earthquake disaster and continued high inflation are the key items limiting the budget recovery. We remind readers that fiscal policy has yet to reach the desired level of tightness, and additional pressure on inflation may come from the budget deficit.

Budget and Primary Balance (12m rolling, Billion TRY)

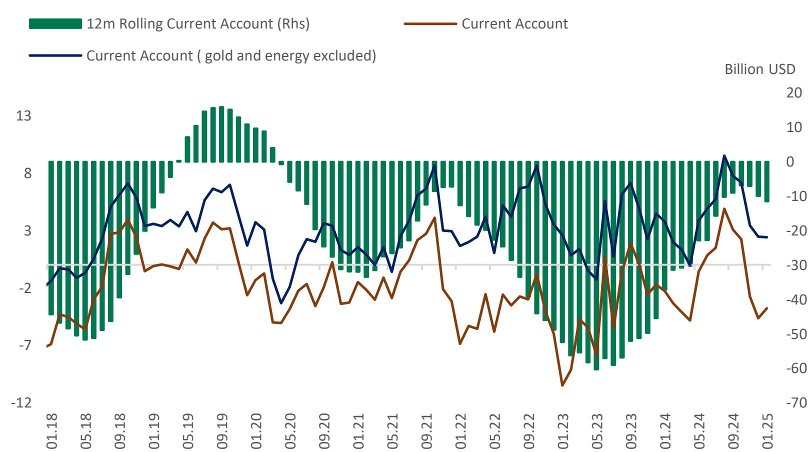


Macroeconomic Outlook

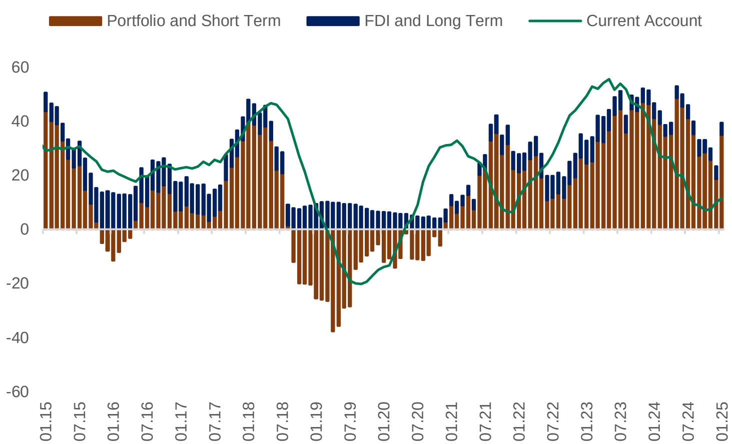
Balance of Payments - January

According to the balance of payments statistics, the current account balance posted a deficit of USD 3,795 million in January. As a result, the twelve-month current account deficit was realized as USD 11,541 million (previous USD 10,023 million). We had expected a current account deficit of USD 3.4 billion, above the market expectations (USD 3.25 billion deficit). The current account deficit, which exceeded our expectations, supports our expectation that economic activity will recover in 2025 led by import demand. When we look into the details of the realized current account balance, it was effective that the balance of payments-defined foreign trade deficit was realized as USD 5,558 million, and the inflows from the services balance at USD 3,082 million. The twelve-month cumulative balance of payments-defined foreign trade deficit was realized as USD 57.6 billion, while inflows from services balance came in at USD 61.9 billion. The improvement in travel revenues increased compared to December to USD 2,381 million. We expect the calm course in services and travel revenues to continue until April due to seasonal effects. The escalation of trade wars on a global scale keeps concerns over world trade volume alive. Nationalist and protectionist policies may trigger a global trade slowdown. In this context, the likelihood of a more positive outlook than the current account balance forecasts we made in December has increased. Although we expect a recovery in demand on the back of interest rate cuts in developed countries, it is worth noting that some risks remain alive. Although leading indicators for economic activity in Europe point to a gradual recovery, recent geopolitical risks are likely to slow this recovery. Concerns over the recovery in major trade markets are exacerbating downward pressure on both trade and growth figures in Turkey. The current account excluding gold and energy posted a surplus of USD 2,403 million this month. Gold imports remained strong, while downward pressure on energy prices boosted demand. Core current account indicators remain positive, and we expect the positive divergence from the headline current account balance to become even more pronounced in 2025.

Current Account (CA), Energy and Gold Excluded (CA), 12M Rolling CA (Billion USD)



Finance of Current Account Deficit (Billion USD)

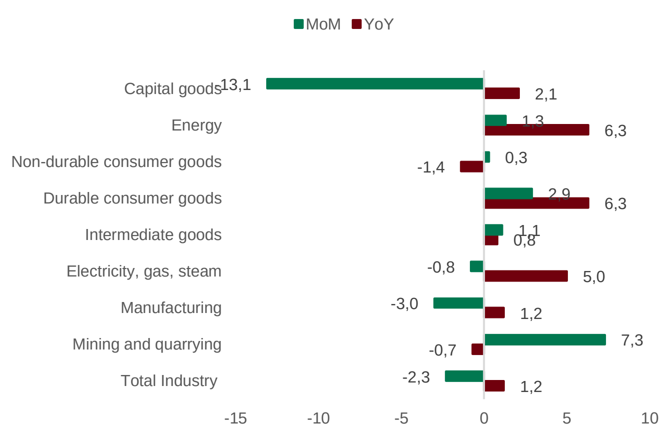


Macroeconomic Outlook

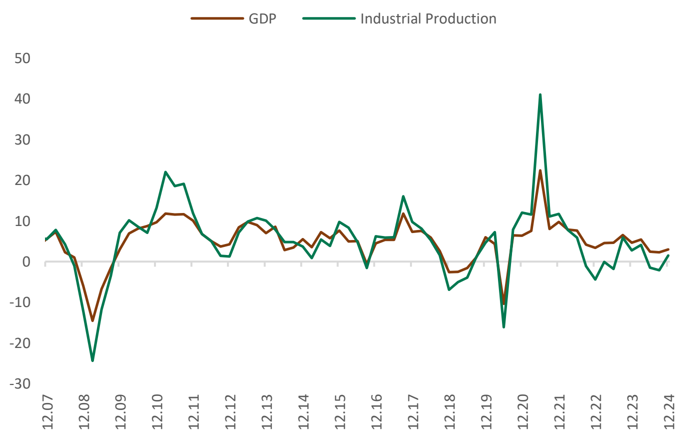
Industrial Production- January

According to industrial production (IP) index data, seasonally and calendar adjusted production fell by 2.3% mom in January. Thus, annual production growth declined to 1.2% (previous 7%). Our expectation for IP was for a moderate recovery and rebalancing following the December data. When we look at the actual figures, the monthly decline was led by the manufacturing industry. As an indicator, we consider the manufacturing industry a threshold for sustainable and healthy production indicators. In this context, we believe that January's slowdown will be an exception. In this sense, we can say that the data was in line with our expectations. Production indicators across the economy are below their potential levels and the output gap is in negative territory. This cooling in economic activity is the result of a policy choice, and its long-term benefit will be to achieve sustainable inflation. Taken together, 2025 is likely to be a year in which economic growth slows but industrial production recovers. Given the CBRT forecasts and the path of interest rate cuts, we expect the output gap to gradually improve after testing the lowest levels by the end of 2025., Sectors that have significantly felt the negative impact of the tight monetary stance since June 2023 will perform relatively better in this period. While the domestic market remains calm, recent developments in global markets have gone far beyond our forecasts. In particular, mounting trade wars indicate that inflation may remain on the agenda for a while. This is a sign that interest rate cuts may be shelved for a short period of time. On the other hand, if these developments are a temporary shock, the recovery trend in the markets will continue. If foreign demand also contributes to the positive mood in Turkey, production data may improve beyond forecasts. While monetary tightness continues, liquidity arrangements to support production do too. The privilege on commercial loan growth will also contribute to production activity.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



Akbank (OP, 12M TP: TRY96.62) Well-positioned balance sheet

Upside: 85%

Following its organic growth strategy, the bank stands out with its focus of increasing customer profitability in 2025 and is in a favorable position in maintaining the strong course in core banking revenues in a declining interest rate environment. We maintain our Outperform recommendation considering its solid capital structure, strategic TL loan growth focused on increasing the maturity structure, and high yielding private sector bonds weight.

Strong capital structure and advantage in cost optimization. The bank is a leader among its rival deposit banks with its strong CAR ratio of 21.1%. LDR on the TL side is at 83%, the lowest among private peers banks, which provides a cost optimization advantage.

Akbank posted TRY9,227mn net income (+2% QoQ) in its 4Q24 bank-only results. For FY25E, the bank is targeting >30% ROAE (Seker: 24%).

We model 48% YoY earnings growth (Bloomberg consensus 95%) for 2025E. Our TP of TRY96.62 offers 85% upside. We also maintain our “Outperform” recommendation. The bank is trading at a 2025E P/E of 4.3x and P/BV of 0.96x (1% discount to domestic peers) with a ROAE of 24%.

Favorable position in a lower rate environment with strong market share gains in mortgage loans. The bank is in leader position with a market share gain of 600 bps in mortgage loans in 2024. The share of CPI-indexed bonds in TL securities has been strategically reduced by 32 pp since record-high levels. The weight of high-yield private sector bonds in TL securities stands out. We anticipate strategic TL loan growth, proactive market share gains in FC loans, and extension of the maturity structure and support margins.

Striking improvement in Fee/OPEX coverage. Fee/OPEX ratio has significantly recovered and increased to 86%, slightly above the sector average of 79%.

Strong collection performance. Despite a strong NPL collection performance, the NPL ratio is 2.9%, the second highest among its peers. However, the weight of the Stage 2 loans is only 6.7%.

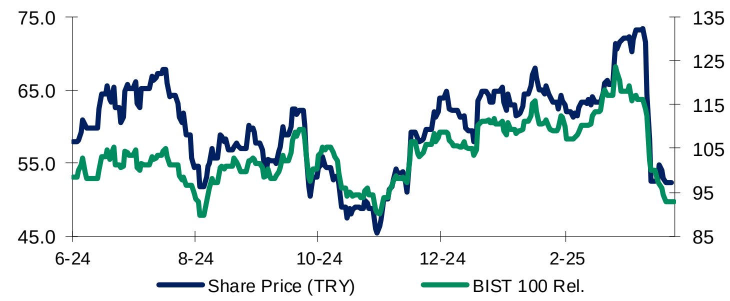
Upside and downside risks. Higher-than-expected asset quality worsening, and a worse-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	271,700	Beta (12M)	1.39
Mcap (USDmn)	7,163	Avr. Daily Vol. (TRYm)	4,985
Close	52.25	Foreign Ownership in FF	47.4%
Last 12M High	74.54	Free Float (%)	52.0%
Last 12M Low	44.80	Weight	5.13%

Quick Facts (TRY Mn)	2023A	2024A	2025E	2026E
Net interest income	63,547	65,045	88,659	115,278
% Change, YoY	*-17.3%*	*2.4%*	*36.3%*	*30.0%*
Net fee income	30,832	69,162	103,744	147,316
% Change, YoY	*198.9%*	*124.3%*	*50.0%*	*42.0%*
Net income	66,479	42,366	62,633	86,353
% Change, YoY	*10.8%*	*-36.3%*	*47.8%*	*37.9%*

Ratios	2023A	2024A	2025E	2026E
NPL ratio	2.4%	2.9%	3.4%	3.5%
CoR (net) Exc. Currency	1.1%	1.3%	2.1%	1.7%
NIM (Swap adj.)	5.5%	2.6%	5.2%	4.0%
ROAA	4.6%	2.0%	2.2%	2.3%
ROAE	36.4%	18.8%	24.0%	27.6%

Multiples	2023A	2024A	2025E	2026E
P/E	2.9	6.4	4.3	3.1
P/BV	0.90	1.13	0.96	0.79



Return	1M	3M	6M	12M
TRY Return (%):	-20.6	-19.4	-15.9	14.2
US$ Return (%):	-23.9	-25.2	-24.4	-3.2
BIST-100 Relative (%):	-20.6	-16.3	-14.9	7.3

Source: Bank financials, Seker Invest Research

Aselsan (OP, 12M TP: TRY 114.00) Upside: -4.9%
ASELSAN makes an investment move of 616 million dollars

ASELSAN achieved a parent company profit of TRY 8,772 million including TMS-29 impact in 4Q24, above the market expectation of TRY 6,637 million and our expectation of TRY 7,273 million (4Q23: TRY 5,973 million). In 4Q24, net profit was supported by operating profit of TRY 14,020 million and net financing income of TRY 56 million (4Q23: TRY-3,649 million) as a result of successful operational expense management.

In 4Q24, Aselsan achieved net sales revenue of TRY 55,683 million, up 12% YoY, slightly above our expectation of TRY 53,677 million and market expectation of TRY 53,371 million. High project deliveries and strong growth in export revenues were effective in the increase in sales revenues. **Including the TMS-29 effect, EBITDA was realized at TRY 14,936 million, slightly above the market expectation of TRY 13,017 million and our expectation of TRY 14,202 million.**

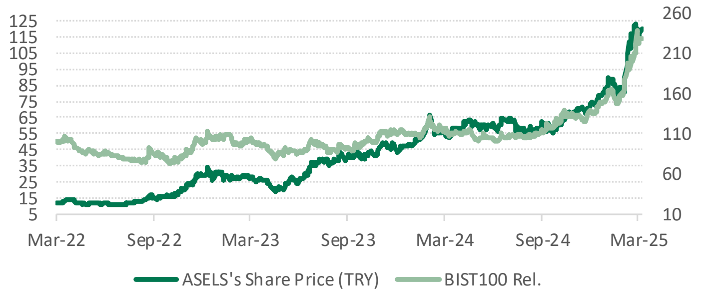
ASELSAN's total order amount rose to a historical record level of 14 billion dollars in YE24 (YE23: 10.9 billion dollars). The company received a total of 6.5 billion dollars of new orders in 2024 (2023: 5 billion dollars). The company provided 1,017 million dollars of the 6.5 billion dollars of order size it received in 2024 from abroad (2023: 601 million dollars). 97% of the company's total outstanding orders were defense orders, while 3% were non-defense orders. As of YS24, 56% of the company's long-term orders were in dollars, 29% in euros, and 15% in TRY.

ASELSAN's three investments were included in the super incentive scope-ASELSAN announced that three of its critical investments were included in the Project Based Investment Incentive (Super Incentive) by the Ministry of Industry and Technology. Within the scope of these projects with a total investment value of 616 million dollars, it is planned to create new employment for a total of 2,244 people, 1,672 of whom are qualified. In addition to financing these investments with its own resources, the company also plans to benefit from public incentives and appropriate financing models for large-scale investments. With these investments, ASELSAN will provide significant capacity increase in high-volume serial production of critical technologies whose export value per kilogram is well above the Turkish and defense industry average, and will create new R&D infrastructures. In these facilities, a significant portion of the radar, sensor, smart ammunition electronics and air defense technologies that constitute the ÇELİKKUBBE system, which is one of the most critical issues for our country's security, will be produced.

- Photon Detector and Nanotechnology Facility Investment
- Radar System Integration and Production Facility Investment
- Air Defense Systems Production and Test Facility and Smart Ammunition Production Facility Investment

As of March 28, 2025, ASELSAN shares have increased by 26.7% in the last month. When we look at it relatively; ASELSAN has outperformed the BIST 100 index by 27.6% in the last month.

Code	ASELS.TI	Close		119,90
MCAp (TRY m)	546.744	Last 12M High		125,70
MCAp (US$ m)	14.477	Last 12M Low		51,47
EV (TRY m)	562.669	Beta		0,86
EV (US$ m)	14.929	Avg. daily trading vol. (US$ m)		78,9
Free float (%)	26,00	Foreign ownership in FF (%)		37,5%
Key figures	**2022A***	**2023A***	**2024A***	**2025E**
Revenues	96.532	106.252	120.206	168.287
Growth		*10,1%*	*13,1%*	*40,0%*
EBITDA	20.271	23.140	30.234	44.260
EBITDA margin	*21,0%*	*21,8%*	*25,2%*	*26,3%*
Net profit	1.851	10.526	15.299	28.357
EPS	0,81	2,31	3,35	6,22
Dividend yield	0,4%	0,2%	0,3%	0,4%
Net debt /EBITDA	0,60	0,83	0,53	0,73
Net debt /Equity	0,11	0,15	0,11	0,23
ROAE		8,7%	11,5%	20,0%
ROAA		4,9%	6,6%	12,1%
Valuation metrics	**2022A***	**2023A***	**2024A***	**2025E**
P/E	295,4	51,9	35,7	19,3
EV/EBITDA	2,5	24,3	18,6	12,7
EV/Sales	0,5	5,3	4,7	3,3
P/BV	6,8	4,3	3,9	3,8
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	26,7	61,1	63,3	126,1
US$ Return (%):	21,5	49,8	51,6	92,9
BIST-100 Relative (%):	27,6	67,3	67,4	113,1



Source: PDP, Finnet, Seker Invest Research estimates

**2022 and 2023 financials are Indexed according to 2024 with IAS -29*

Cimsa (OP, 12M TP: TRY 67.20)

Upside: 32%

Solar power plant commissioned

Cimsa has announced the completion of the Solar Power Plant (SPP) facility at its Eskisehir plant. In April 2024, the company decided to install the SPP facility at the Eskisehir plant to help reduce its carbon footprint in line with its goal of achieving net-zero greenhouse gas emissions by 2050. The investment in the SPP facility, which has an installed capacity of 14.2 MWp DC and will generate approximately 19mn kwh of electricity annually, was completed and commissioned on March 18, 2025. In addition to reducing the energy costs of the Eskisehir plant, the commissioned SPP will also contribute positively to the carbon emission reduction targets set by the Science Based Targets Initiative (SBTi). The electricity generated by the new SPP facility is expected to cover 14% of the Eskisehir plant's total annual electricity consumption.

Cimsa has posted a net loss of TRY 482mn for the parent company in the last quarter of the year, compared to the profit expected by the market. It should be recalled that Cimsa recorded a tax expense of TRY 352m in 4Q24 despite a tax income of TRY 715m in 4Q23. Total net profit for 12M24 reached TRY 2,688mn (12M23: TRY 3,596mn).

Despite high capacity utilization and increased sales volumes, sales revenue increased slightly by 2.1% y-o-y to TRY 8,501mn in 4Q24 due to a weak contribution from exports and international operations (4Q23: TRY 8,327mn).

The company recorded a quarterly EBITDA of TRY 944mn in 4Q24 (4Q23: TRY 1.656mn). The quarterly EBITDA margin fell to 11.1% from 19.9% in 4Q24, with an 8.8pp y-o-y deterioration.

As of March 28, 2025, CIMSA stock had posted a return of 14.4% over the previous month. Regarding returns relative to the BIST 100, the stock had outperformed by 14.4% over the previous month.

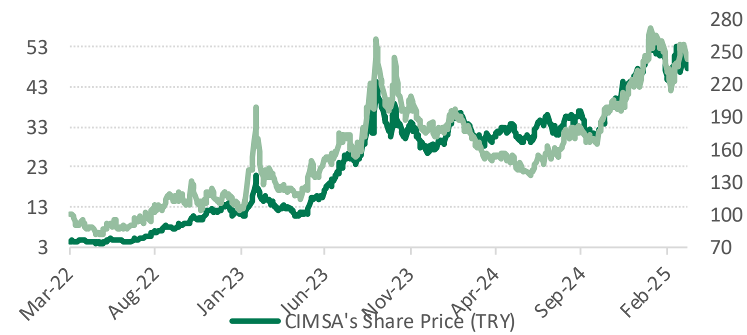
We maintain our 12-month target price of **TRY 67.20**/share and '**Outperform**' recommendation for CIMSA. Our TP has 32.1% upside potential compared to the share closing price on March 28, 2025.

Code	CIMSA.TI	Close	50,87
MCAp (TRY m)	48.698	Last 12M High	56,69
MCAp (US$ m)	1.289	Last 12M Low	28,14
EV (TRY m)	62.501	Beta	1,01
EV (US$ m)	1.681	Avg. daily trading vol. (US$ m)	13,1
Free float (%)	45,00	Foreign ownership in FF (%)	17,4%

Key figures	2022A*	2023A*	2024A	2025E
Revenues	30.060	29.604	28.151	37.444
Growth		*-1,5%*	*-4,9%*	*33,0%*
EBITDA	3.080	5.284	5.086	9.412
EBITDA margin	*10,2%*	*17,8%*	*18,1%*	*25,1%*
Net profit	5.887	3.596	2.688	8.178
EPS	43,58	3,80	2,84	8,65
Dividend yield	3,8%	4,7%	1,0%	4,0%
Net debt /EBITDA	0,59	0,64	2,71	0,83
Net debt /Equity	0,08	0,13	0,56	0,61
ROAE		14,5%	10,4%	43,4%
ROAA		6,5%	4,4%	15,5%

Valuation metrics	2022A*	2023A*	2024A	2025E
P/E	8,3	13,5	18,1	6,0
EV/EBITDA	1,7	11,8	12,3	6,6
EV/Sales	0,2	2,1	2,2	1,7
P/BV	3,1	1,8	2,0	3,8

Return	1M	3M	YtD	YoY
TRY Return (%):	14,4	10,8	10,5	68,5
US$ Return (%):	9,7	2,9	2,6	42,9
BIST-100 Relative (%):	14,4	15,0	12,5	58,4



Source: PDP, Finnet, Seker Invest Research estimates
**2022 and 2023 financials are Indexed according to 2024 with IAS -29*

Ford Otosan (OP, 12M TP: TRY 1,491.00) Upside: 41%

We maintain our TP for Ford Otosan of **TRY 1,491.00/sh**, and our "**OUTPERFORM**" recommendation. Based on the March 28, 2025 closing price, Ford Otosan trades at 2025E 7.3x EV/EBITDA and 2025E P/E of 7.0x, indicating a potential return of 41%. We are holding Ford Otosan into our model portfolio, driven by its robust story, and significant investment initiatives within the electrification period.

According to ADMA, Ford Otosan's LCV sales slightly declined by 2.3% YoY in February 2025, reaching 5,074 units (February 2024: 5,194 units). However, during the January to February 2025 period, its retail sales of LCVs rose by 14.7% YoY, up from 8,398 units last year to 9,633 units this year.

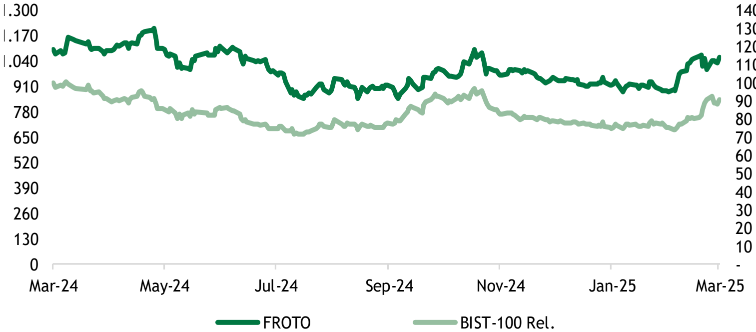
Ford Otosan's total production capacity has reached 746,000 units, with plans to exceed 900,000 units through electrification and the introduction of new models. We anticipate that Ford Otosan's planned investment programs will have a long-term positive impact on its stock, particularly as part of its electrification strategy. These investments are expected to support the company's export-driven business model and profitability-focused domestic strategy, enhancing both operational and financial performance. We also expect the favorable changes in the product mix and the benefits of cost-plus export agreements to have a meaningful impact on both sales volumes and profitability. Ford Otosan aims to offer electric options for all its models by 2025 as part of its electrification strategy. Additionally, the aging fleets in Europe and Turkiye, coupled with increasing maintenance costs and downtime, are driving the need for fleet and vehicle renewal. In this context, Ford Otosan's updated product portfolio and its diversified electric vehicle production position it well to meet the rising demand for fleet renewal. Furthermore, the introduction of the next-generation Custom model and the collaboration with Volkswagen for the production of the 1-ton medium commercial vehicle are expected to significantly bolster Ford Otosan's export volumes in 2025.

2025 expectations: Ford Otosan expects the domestic retail market to be in the range of 950,000 - 1,050,000 units. Ford Otosan's domestic retail volume expectation is in the range of 90,000 - 100,000 units. The company expects total export volumes to be in the range of 610,000 - 660,000 units (Romania: 200,000 - 220,000 units, Turkey: 410,000 - 440,000 units). The total sales volume expectation is 700,000 - 760,000 units. Ford Otosan's total production volume forecast for 2025 is 700,000 - 750,000 units (Romania: 240,000 - 260,000 units (2024: 251,000 units) and Turkey: 460,000 - 490,000 units). The 2025 CapEx target is EUR 750 - 850mn (General investments: EUR 130 - 150mn and Product investments: EUR 620 - 700mn). Ford Otosan also expects sales revenue to grow in the high single-digit range in 2025, while the EBITDA margin is expected to be between 7% - 8%.

We also commend Ford Otosan's consistent dividend distribution policy, which has been in place since 2004. Ford Otosan has announced plans to distribute a gross cash dividend for each share with a nominal value of TL 1.00, a gross dividend of TL 17.10 (net TL 14.5350). The proposed ex-dividend dates are April 04, 2025.

Code	FROTO TI/FROTO IS	Close	1.059,00
MCap (TRY mn)	371.614	Last 12M High	1.231,50
MCap (US$ mn)	9.840	Last 12M Low	843,02
EV (TRY mn)	473.040	Beta	0,82
EV (US$ mn)	12.715	Avg. Daily Trading Vol. (US$ m)	32,4
Free Float (%)	20,31	Foreign Ownership in FF (%)	35,06

Key Figures (TRY mn)	* 2022A	* 2023A	* 2024A	2025E
Revenues	322.556	594.705	594.995	825.303
Growth (%)		*84,4%*	*0,0%*	*38,7%*
EBITDA	31.981	61.665	39.868	64.816
EBITDA Margin (%)	*9,9%*	*10,4%*	*6,7%*	*7,9%*
Net Profit	27.730	70.826	38.864	53.208
EPS	79,02	201,84	110,75	151,63
Dividend Yield	8,1%	7,5%	1,5%	2,5%
Net Debt/EBITDA (x)	1,43	1,42	2,54	1,99
Net Debt/Equity (x)	0,90	0,83	0,88	0,92
ROAE (%)		90,5%	35,2%	41,5%
ROAA (%)		29,0%	12,1%	13,1%
Valuation Metrics	*** 2022A**	*** 2023A**	*** 2024A**	**2025E**
P/E	13,4	5,2	9,6	7,0
EV/EBITDA	14,8	7,7	11,9	7,3
EV/Sales	1,5	0,8	0,8	0,6
P/BV	5,0	2,4	3,8	2,7
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	20,0	10,8	13,0	-3,6
US$ Return (%):	15,0	2,9	4,9	-18,2
BIST-100 Relative (%):	20,0	15,0	15,0	-9,4



Source: PDP, Ford Otosan, Finnet, Seker Invest Research Estimates

**2023 and 2024 financials are Indexed according to 2024 with IAS -29*

Isbank (OP, 12M TP: TRY21.47) Upside: 75%
Outstanding cost management

We maintain our Outperform recommendation considering the bank's strong position in mortgage loan market share gains in 2024, strong demand deposit base, disciplined cost management, relatively low risk concentration in retail loans and favorable TL liquidity.

Favorable position in a lower rate environment with strong market share gains in mortgage loans. The bank is in a solid position with a 320bps market share gains in mortgage loans in 2024. We expect this strategy to extend the maturity structure of the balance sheet and support margins in a lower rate environment.

We model above-average 56% YoY earnings growth (Bloomberg consensus 88%) for 2025E. Our target price of TRY21.47 has 75% upside potential. We maintain our "Outperform" recommendation. The stock is trading at 2025E 4.3x P/E and 0.84x P/B (13% discount to peers) and ROTE of 20.9%. The bank management has announced its 2025 budget and is forecasting a ~30% ROTE with a 450 basis point improvement in margins.

Strong position in demand deposit base, favorable TL liquidity. The weight of demand deposits in total deposits is quite strong at 39.4%. On the liquidity side, the TL LDR is 85% and the second lowest among peers.

The extension of the average maturity in installment commercial loans is positive. 12.8% of the loans consist of commercial installment loans. The average maturity of this segment increased from 8 months to over 1 year in 2024. The strong growth in mortgage loans also provides an advantage in the falling interest rate environment.

Solid fee growth YoY. The annual increase is 115%, the third highest among peers. The fee coverage ratio of operating expenses is 78%, below the competitor average. The annual increase in operating expenses is 62%, the lowest level among private banks.

Relatively low risk concentration in retail loans. The NPL ratio is 2.1%, the lowest among peers. The weight of retail loans is 31%, also the lowest among competitors, and provides protection against possible asset quality deterioration. The Stage 3 coverage ratio is 73%, the best among peers.

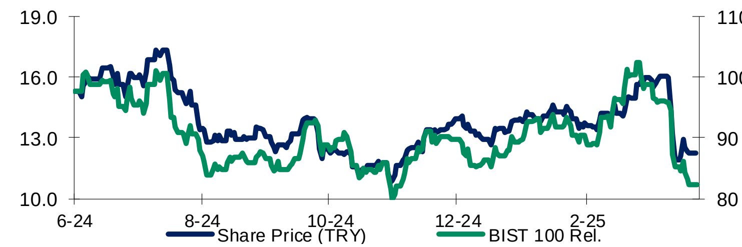
Upside and downside risks. Higher-than-expected asset quality worsening, and a lower-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	306,500	Beta (12M)	1.23
Mcap (USDmn)	8,080	Daily Volume (12M)	5,804
Close	12.26	Foreign Ownership in FF	24.5%
Last 12M High	17.51	Free Float (%)	31.0%
Last 12M Low	10.73	Weight	3.45%

Quick Facts (TRY Mn)	2023A	2024A	2025E	2026E
Net interest income	67,073	34,451	75,792	100,803
% Change, YoY	*-10.8%*	*-48.6%*	*120.0%*	*33.0%*
Net fee income	42,438	91,411	127,975	173,534
% Change, YoY	*162.8%*	*115.4%*	*40.0%*	*35.6%*
Net income	72,265	45,517	70,939	102,337
% Change, YoY	*17.4%*	*-37.0%*	*55.9%*	*44.3%*

Ratios	2023A	2024A	2025E	2026E
NPL ratio	2.1%	2.1%	2.9%	3.1%
CoR (Net)	1.0%	1.1%	2.4%	1.9%
NIM (Swap adj.)	3.7%	-0.7%	2.8%	2.9%
ROAA	3.7%	1.6%	2.4%	3.4%
ROTE	31.6%	15.6%	20.9%	25.7%

Multiples	2023A	2024A	2025E	2026E
P/E	3.2	6.7	4.3	3.0
P/BV	0.87	0.96	0.84	0.71



Return	1M	3M	6M	12M
TRY Return (%):	-18.0	-8.9	-12.0	13.7
US$ Return (%):	-21.4	-15.5	-20.9	-3.6
BIST-100 Relative (%):	-18.0	-5.5	-10.9	6.9

Source: Bank financials, Seker Invest Research

Migros (OP, 12M TP: TRY 794.50) Upside: 60%

We maintain our positive outlook on net cash position & market share development…

We maintain our "Outperform" recommendation for Migros, with our 12M TP of TRY 794.50. As of the closing price on March 28, 2025, the stock is trading at 2025E EV/EBITDA of 4.4x and 2025E P/E of 8.6x, implying an upside potential of 60%.

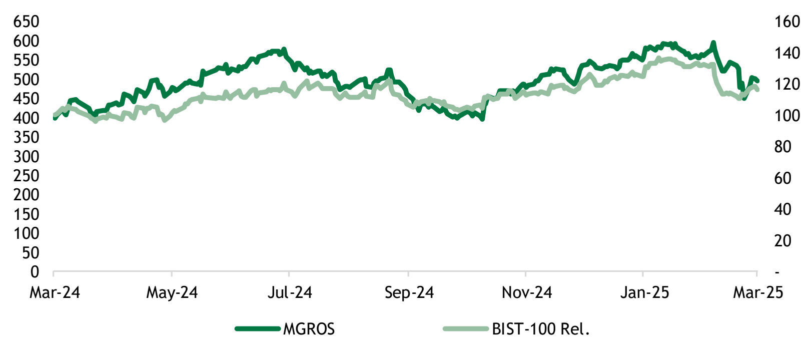
Considering the Company's FMCG market share trajectory; in the modern FMCG market, it had a 17.0% (2023: 16.2%) market share in 2024, and 9.8% (2023: 9.4%) of the total FMCG market thanks to price investments, and its omni & multi format growth strategy. In addition, its store number rose by 258 compared to 2023 to 3,621 stores in total in 2024. Sales area rose by 5.3% YoY. We note that with the significant growth opportunity in online channels, the Company has reached 81 cities through online operations. The potential rise in online operations and store growth will positively affect net sales and operational profitability in the medium-to-long term. With the rising number of stores & growth of sales area, solid growth in basket size, and the positive contribution of online sales channels, we maintain our positive outlook for Migros. Thanks to strong cash flow created by the operations, we maintain our positive outlook for Migros. The Company has no hard-currency exposure. At the end of 2024, the Company's total financial debt (Inc. IAS-29) was at TRY 1,208mn (2023: TRY 2,915mn). As of 4Q24, the Company succeeded to maintain its net cash position.

Migros has announced its 2025 guidance, expecting sales growth of 8-10%, incorporating IAS-29 inflation accounting effects. The company expects an EBITDA margin of approximately 6.0%. Additionally, Migros maintains its target of opening ~250 new stores by the end of 2025, while setting its capital expenditure-to-sales ratio forecast at 2.5%-3.0%. We appreciate the current strategy of boosting the private label portfolio and focusing on strategic store openings. Meanwhile, the Company has been able to increase its FMCG market share despite competitive market conditions in a high inflation environment. Moreover, we expect the business lines created by Migros with its various subsidiaries that use online channels effectively to increasingly contribute in the future.

Downside risk for Migros - The rise in input costs due to inflationary pressures, & rising energy prices, are likely to create downside risks.

Code	MGROS TI/MGROS IS	Close	495,25
MCap (TRY mn)	89.667	Last 12M High	600,00
MCap (US$ mn)	2.374	Last 12M Low	394,48
EV (TRY mn)	88.217	Beta	0,91
EV (US$ mn)	2.333	Avg. Daily Trading Vol. (US$ m)	26,7
Free Float (%)	50,82	Foreign Ownership in FF (%)	28,88

Key Figures (TRY mn)	* 2022A	* 2023A	* 2024A	2025E
Revenues	202.823	378.464	293.562	392.163
Growth (%)		*86,6%*	*-22,4%*	*33,6%*
EBITDA	5.430	6.550	14.528	20.010
EBITDA Margin (%)	*2,7%*	*1,7%*	*4,9%*	*5,1%*
Net Profit	13.196	18.404	6.638	10.472
EPS	72,88	101,65	36,66	57,84
Dividend Yield	1,6%	1,9%	0,7%	1,2%
Net Debt/EBITDA (x)	-0,27	-0,81	0,55	0,33
Net Debt/Equity (x)	-0,04	-0,07	0,15	0,10
ROAE (%)		32,1%	10,4%	18,0%
ROAA (%)		11,9%	3,3%	4,6%
Valuation Metrics	*** 2022A**	*** 2023A**	*** 2024A**	**2025E**
P/E	6,8	4,9	13,5	8,6
EV/EBITDA	16,2	13,5	6,1	4,4
EV/Sales	0,4	0,2	0,3	0,2
P/BV	2,3	1,2	1,7	1,4
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-11,9	-7,4	-9,5	23,9
US$ Return (%):	-15,5	-14,1	-15,9	5,1
BIST-100 Relative (%):	-11,9	-3,9	-7,9	16,5



Source: PDP, Migros, Finnet, Seker Invest Research Estimates

**2023 and 2024 financials are Indexed according to 2024 with IAS -29*

Sabanci Holding (OP, 12M TP: TRY 164.00) Upside: 95%

Sabanci Holding has booked a TRY 15,475mn consolidated loss in 2024 (2023: TRY 22,274mn net profit), according to inflation accounting provisions (IAS-29). The banking, digital and other segments with their loss positions contributed to the consolidated loss recording. Sabanci Holding printed TRY 906,986mn of revenues (including the banking) in 2024.

In 2024, the Holding recorded TRY 12,302mn EBITDA with a 58% decrease YoY. The Holding's solo net cash position has slightly increased to TRY 12,4bn from TRY 12.2bn at the end of 3Q24. Net Debt/EBITDA was 1.4x, well below the Holding's midterm target of a maximum 2.0x.

Sabancı Holding's net asset value is composed of 42% banking and financial services, 33% energy and climate technologies, 14% material technologies, 6% digital technologies and others, and 5% mobility solutions. Revenue-wise, 58% comes from banking and financial services, 20% from energy, 4% from mobility solutions, 7% from material technologies, 6% from digital services, and 5% from other segments.

Dividend: Sabanci Holding has paid a dividend of a gross TRY 3.00/share (net TRY 2.55/share). The yield is 3.7% according to the latest closing price.

By the way, At the 2024 Ordinary General Assembly Meeting dated 27 March 2025 Hayri CULHACI was elected Chair and Executive Director of Sabanci Holding.

2025 Expectations: We believe that the banking and financial services segment, which accounts for a significant 58% of the Holding's revenue, will be positively affected by interest rate cuts in 2025. However, due to its high cash position, it is expected to continue being negatively impacted by inflation accounting.

Enerjisa Üretim's IPO could materialize in 2025: In October, Bloomberg reported that Sabancı Holding, which holds an equal share in Enerjisa Üretim with German energy company E.ON SE, had authorized Citigroup, JPMorgan, and Morgan Stanley to oversee its public offering. The sale is expected to take place in the spring of 2025, with the timing of the public offering depending on international investor interest. Therefore, we believe the IPO of Enerjisa Üretim could be realized in the second half of 2025.

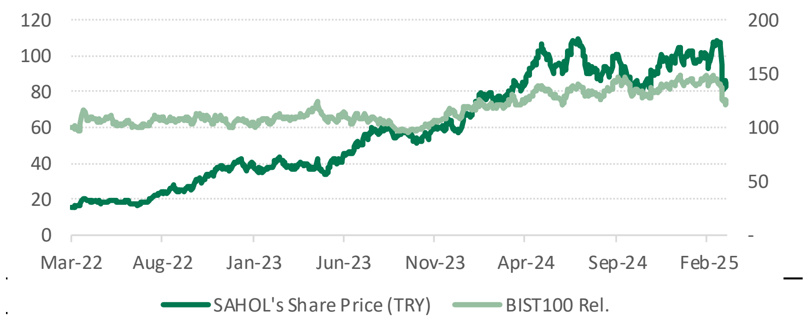
In line our expectations, we maintain our target price for Sabancı Holding (SAHOL) for TRY 164.00. As our target price carries 95% upside potential based on the closing price of March 28, 2025, we maintain our OUTPERFORM recommendation for the stock.

Code	SAHOL.TI	Close	84,05
MCAp (TRY m)	176.537	Last 12M High	111,00
MCAp (US$ m)	4.675	Last 12M Low	77,20
EV (TRY m)	270.555	Beta	1,16
EV (US$ m)	7.339	Avg. daily trading vol. (US$ m)	57,9
Free float (%)	51,00	Foreign ownership in FF (%)	39,5%

Key figures	2022*	2023*	2024
Revenues	178.442	197.812	195.093
Finance Sector Revenues	450.866	568.501	711.894
Total Revenues	629.308	766.313	906.986
Growth		*21,8%*	*18,4%*
Consalidated net profit	56.916	22.274	-15.475
EPS	27,89	10,92	-7,37
Dividend yield	5,0%	6,5%	2,7%
Net debt /Equity	0,08	0,10	0,33
ROAE		7,0%	-5,1%
ROAA		0,7%	-0,5%

Valuation metrics	0	2022*	2023*	2024
P/E		3,1	7,9	-11,4
EV/Sales		0,2	0,2	0,2
P/BV		0,8	0,6	0,6

Return	1M	3M	YtD	YoY
TRY Return (%):	-13,2	-16,1	-12,4	4,7
US$ Return (%):	-16,8	-22,2	-18,7	-11,2
BIST-100 Relative (%):	-13,2	-12,9	-10,9	-1,6



Source: PDP, Finnet, Seker Invest Research estimates

**2023, 2024 and 2023/09 financials are Indexed according to 2024 with IAS-29*

Turkcell (OP, 12M TP: TRY 148.48)

Upside: 55%

Due to the contract-based product structure, with price increases gradually being reflected to consumers, Turkcell continued to grow in real terms, even in the disinflationary process that started in 2024.

2024 performance: Turkcell achieved TRY 166,671mn of sales revenues on 7.8% yearly growth, in parallel with it's 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%.

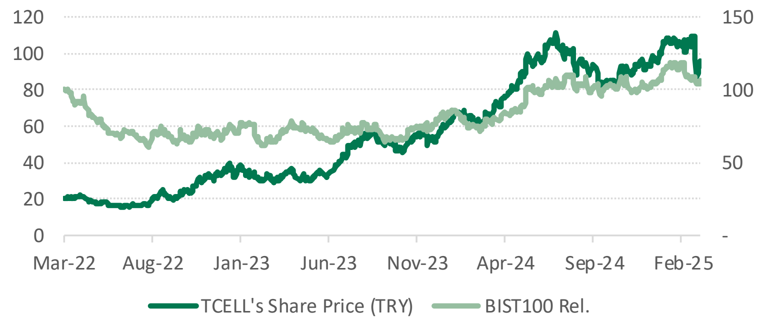
2025 guidance: Turkcell expects 7-9% growth in revenues in real terms and a 41-42% EBITDA margin. The company also expects approximately a 23% OPEX/sales ratio. In addition, the revenue of the Data Center-Cloud business line is expected to grow by 32-34%. *Expectations are based on the assumption that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

In 2025, considering the recent slowdown in mobile ARPU, we expect normalization in both ARPU and revenue growth, although real growth will continue due to the disinflationary process and competitive pricing environment. Alternative communication methods, such as e-SIM, pose a risk to the expansion of the mobile subscriber base. However, we believe the expanding postpaid subscriber base and success in upselling customers to higher packages can balance these risks.

In line with our expectations, we maintain our 12-month target price for TRY 148.48/share. As our target price carries a 55% return potential based on the closing price of March 28, 2025, we maintain our OUTPERFORM recommendation.

Code	TCELL.TI	Close	95,80
MCAp (TRY m)	210.760	Last 12M High	111,81
MCAp (US$ m)	5.581	Last 12M Low	63,42
EV (TRY m)	239.285	Beta	1,05
EV (US$ m)	6.389	Avg. daily trading vol. (US$ m)	68,5
Free float (%)	54,00	Foreign ownership in FF (%)	60,4%

Key figures	2022*	2023*	2024	2025E
Revenues	134.975	154.653	166.671	229.082
Growth		*14,6%*	*7,8%*	*37,4%*
EBITDA	52.854	63.349	69.802	98.505
EBITDA margin	*39,2%*	*41,0%*	*41,9%*	*43,0%*
Net profit	9.934	18.125	22.239	24.053
EPS	4,52	8,24	10,11	10,93
Dividend yield	3,5%	6,6%	2,8%	2,8%
Net debt /EBITDA	1,04	0,58	0,41	1,35
Net debt /Equity	0,35	0,21	0,15	26,48
ROAE		10,8%	12,2%	25,1%
ROAA		5,2%	12,5%	539,1%
Valuation metrics	**2022***	**2023***	**2024**	**2025E**
P/E	21,2	11,6	9,5	8,8
EV/EBITDA	1,1	3,8	3,4	2,4
EV/Sales	0,4	1,5	1,4	1,0
P/BV	1,9	1,2	1,1	42,0
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-4,9	1,9	3,2	44,4
US$ Return (%):	-8,8	-5,5	-4,1	22,5
BIST-100 Relative (%):	-4,9	5,7	5,1	35,8



Source: PDP, Finnet, Seker Invest Research estimates

**2023 and 2024 financials are Indexed according to 2024 with IAS -29*

Turkish Airlines (OP, 12M TP: TRY 495.50) Upside: 59%

Balanced Growth Through Operational Diversity…

➢ We maintain our target share price for Turkish Airlines (THYAO) **of TRY 495.50/sh**. Turkish Airlines presents a compelling growth trajectory, supported by its robust operational fleet structure and the planned addition of new aircraft over the coming years. We anticipate its cargo operations will continue to bolster the Company's operational and financial profile. Furthermore, the geographically diversified revenue base provides a natural hedge against FX volatility, underpinning revenue resilience. Consequently, we reiterate our **"OUTPERFORM"** recommendation, with our maintained target price—based on the March 28, 2025, closing price—offering an attractive **59% upside potential.** THY is currently trading at 2025E P/E of 3.43x and 2025E EV/EBITDA of 3.50x.

➢ **Cargo operations continue at a strong and steady pace -** THY's PAX contracted by 1.9% YoY for February 2025. The decline was mainly due to decrease of domestic passenger number when compared to February 2024. THY's total PAX in February 2025 was at 5.98mn. Meanwhile, in February 2025, the share of international PAX in total PAX was 66.6%. The total load factor rose by 0,6 pp at 81.9% in February 2025. The carrier's international PAX rose by 2.0% YoY to 4.0mn in February 2025; domestic PAX declined by 8.9% YoY to 2mn in February 2025. THY's cargo operations volume was flat, down 0.5% YoY in February 2025.

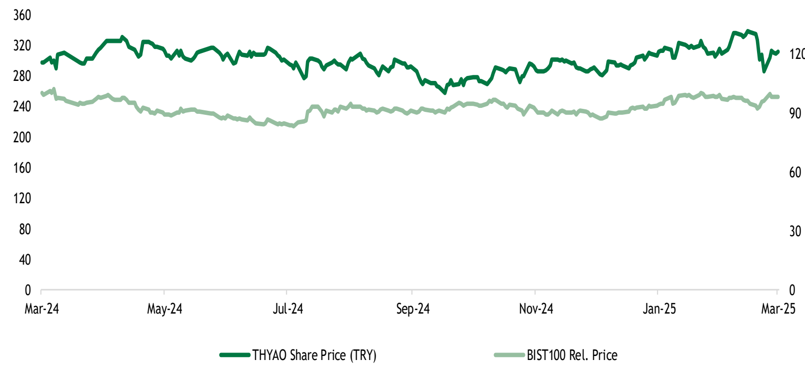
➢ The Company expects the number of aircraft under the THY brand to exceed 800 by 2033, while the number of passengers will exceed 170 million in 2033. THY predicts 6-8% YoY growth in passenger capacity, with total passenger exceeding 91 million. The company expects total revenue to rise by 6-8% YoY, with an EBITDAR margin in the range of 22-24%. Ex-fuel unit cost is projected to increase in the mid-to-single-digit range, while the fleet is expected to expand to 515-525 aircraft by the end of 2025.

➢ Turkish Airlines has announced to propose for distribution of dividend to shareholders in two equal installments. The payments are scheduled for June 16, 2025, and September 2, 2025. Accordingly, the Company has determined that the cash dividend per share with a nominal value of 1 TL will be paid in two installments, with each installment amounting to a gross 3.4420289 TL, making a total gross dividend of 6.8840578 TL per share. The proposed ex-dividend dates are June 16, 2025, and September 2, 2025.

➢ **Risks -** The major downside risks are slower than expected global growth, rising protectionism and geopolitical risk, i.e., lower than expected demand growth, higher-than expected capacity growth leading to lower yields, higher-than-expected jet fuel prices hurting demand and profitability, and an unfavorable course of US$/JPY and €/US$ rates.

Code	THYAO.TI/THYAO.IS	Close	311,00
MCAp (TRY mn)	429.180	Last 12M High	339,50
MCAp (US$ mn)	11.364	Last 12M Low	257,50
EV (TRY mn)	705.097	Beta	0,95
EV (US$ mn)	19.185	Avg. Daily Trading Vol. (US$ mn)	271,2
Free Float (%)	50,48	Foreign Ownership in FF (%)	27,26

Key Figures (USD mn)	2022	2023	2024	2025E
Revenues	18.426	20.942	22.669	24.283
Growth (%)	*72,4%*	*13,7%*	*8,2%*	*7,1%*
EBITDA	4.947	5.533	5.059	5.481
EBITDA Margin (%)	*26,8%*	*26,4%*	*22,3%*	*22,6%*
Net Profit	2.725	6.021	3.425	3.316
EPS	1,97	4,36	2,48	2,40
Net Debt/EBITDA (x)	1,7	1,3	1,1	1,4
Net Debt/Equity (x)	0,9	0,5	0,3	0,3
ROAE	32,9%	47,6%	19,6%	15,9%
ROAA	9,5%	18,1%	9,1%	7,6%
Valuation Metrics	**2022**	**2023**	**2024**	**2025E**
P/E	4,17	1,89	3,32	3,43
EV/EBITDA	3,88	3,47	3,79	3,50
EV/Sales	1,04	0,92	0,85	0,79
P/BV	1,17	0,73	0,59	0,51
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	0,89	6,96	10,68	4,45
US$ Return (%):	-3,28	-0,73	2,77	-11,43
BIST-100 Relative (%):	0,88	11,02	12,64	-1,82



Source: Turkish Airlines, PDP, Finnet, Seker Invest Research

Recommendations List

Şeker Invest

Recommendation List

April 2, 2025

BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	52,25	OP	96,62	271.700	502.401	84,9%	6,41	1,13
GARAN	118,00	OP	178,86	495.600	751.224	51,6%	5,38	1,50
HALKB	21,28	MP	22,88	152.892	164.417	7,5%	10,12	1,00
ISCTR	12,26	OP	21,47	306.500	536.761	75,1%	6,73	0,96
TSKB	11,00	OP	18,66	30.800	52.261	69,7%	3,04	0,95
VAKBN	23,96	MP	32,65	237.585	323.787	36,3%	5,88	1,08
YKBNK	24,04	OP	49,47	203.067	417.850	105,8%	7,00	1,05

HOLDING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
KCHOL	163,60	OP	299,18	414.873	758.698	82,9%	317,67	0,78
SAHOL	84,05	OP	164,00	176.537	344.463	95,1%	-	0,62
TAVHL	242,00	OP	392,20	87.914	142.479	62,1%	13,41	1,49

INDUSTRIAL	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKCNS	165,10	OP	251,20	31.608	48.091	52,2%	18,90	1,54
AKSEN	35,16	OP	55,00	43.118	67.450	56,4%	21,48	1,06
ARCLK	137,10	OP	195,65	92.642	132.209	42,7%	54,85	1,38
ASELS	119,90	OP	114,00	546.744	519.860	-4,9%	35,74	3,90
BIMAS	458,25	OP	766,10	278.249	465.176	67,2%	14,97	2,37
CCOLA	53,45	OP	78,30	149.557	219.079	46,5%	10,10	2,78
CIMSA	51,50	OP	67,20	48.698	63.544	30,5%	18,12	1,97
DOAS	229,10	OP	273,60	50.402	60.192	19,4%	6,64	0,92
EREGL	22,52	OP	35,77	157.640	250.408	58,8%	11,69	0,67
FROTO	1.059,00	OP	1.491,00	371.614	523.205	40,8%	9,56	3,23
KRDMD	29,32	OP	40,79	22.876	31.824	39,1%	-	0,65
MGROS	495,25	OP	794,50	89.667	143.847	60,4%	14,14	1,56
PETKM	17,07	MP	25,42	43.262	64.419	48,9%	-	0,74
PGSUS	257,75	OP	372,00	128.875	186.000	44,3%	9,70	1,72
SELEC	64,90	OP	92,00	40.303	57.132	41,8%	19,58	1,72
SISE	38,58	OP	54,00	118.179	165.420	40,0%	23,53	0,64
TCELL	95,80	OP	148,48	210.760	326.666	55,0%	8,96	1,13
THYAO	311,00	OP	495,50	429.180	683.795	59,3%	3,79	0,63
TOASO	179,30	OP	299,40	89.650	149.698	67,0%	17,17	1,90
TTKOM	49,10	OP	74,82	171.850	261.865	52,4%	20,32	1,18
TUPRS	138,00	OP	205,15	265.898	395.282	48,7%	14,52	0,94
VESBE	12,98	OP	26,64	20.768	42.619	105,2%	78,13	0,61
ZOREN	3,51	MP	5,40	17.550	27.000	53,8%	-	0,30

Contacts

ŞEKER INVEST RESEARCH

Seker Yatirim Menkul Degerler A.S.
Buyukdere Cad. No:171 Metrocity
A Blok Kat 4-5 34330 SISLI /IST
Turkiye

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,**	**+90 (212) 334 33 33-128**	bdemirbilek@sekeryatirim.com
Sevgi Onur	**Banking**	**+90 (212) 334 33 33-150**	sonur@sekeryatirim.com
Engin Degirmenci	**Cement**	**+90 (212) 334 33 33-201**	edegirmenci@sekeryatirim.com
Atasav 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&Derivative**	**+90 (212) 334 33 33-245**	euzun@sekeryatirim.com
Başak Kamber	**Glass, Defense, Pharmaceutical**	**+90 (212) 334 33 33-251**	bkamber@sekeryatirim.com

Economy & Politic

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

Institutional Sales

Batuhan Alpman	**Head**	**+90 (212) 334 91 01**	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.tr

DISCLAIMER

DISCLAIMER

This report has been prepared by Seker Yatirim Menkul Degerler A.S. (Seker Invest). The information and opinions contained herein have been obtained from and are based upon public sources that Seker 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. Seker 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 Seker Invest. By accepting this document you agree to be bound by the foregoing limitations.