Monthly Equity Strategy

May 2025

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Ongoing Tariff Concerns Continue to Undermine Risk Appetite…

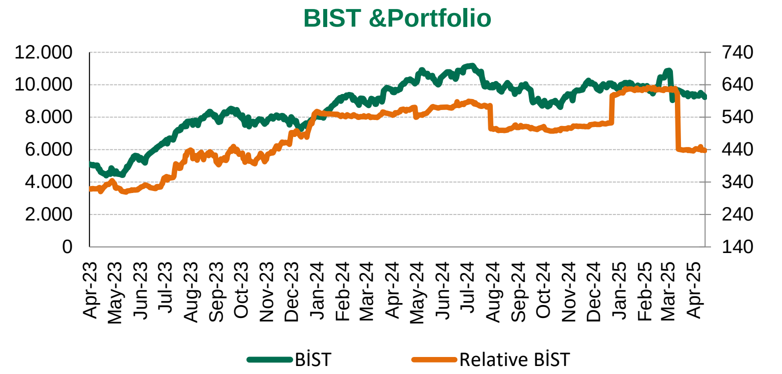
In April, President Trump maintained his aggressive stance on tariffs, announcing reciprocal tariff measures on April 2 targeting all countries exporting to the United States. In response, China raised its tariffs on the U.S. goods to 125%, prompting the U.S. to escalate its tariff rate to 145%. Meanwhile, tariffs on other countries were postponed for 90 days to allow for further negotiations. While statements suggesting that discussions with Japanese and the EU officials were progressing positively provided a degree of support to market sentiment, the lack of tangible dialogue with China — despite Trump expressing willingness to engage and refraining from further tariff escalation — limited any meaningful recovery in risk appetite. Beyond trade tensions, President Trump's implicit remarks hinting at the potential removal of Fed Chair Powell further contributed to the erosion in market confidence. The Fed, which is scheduled to meet on May 7, is not expected to take policy action until the inflationary impact of tariffs becomes clearer, hence maintaining its policy rate unchanged. The ECB, meanwhile, continued its rate-cutting cycle at its April 17 meeting. Ongoing uncertainty surrounding global tariffs has led markets to price in the possibility of one or two additional rate cuts in the remainder of the year.

Domestically, in response to escalating inflationary pressures, the CBRT raised its one-week repo policy rate from 42.5% to 46.0% at its April 17 meeting. The O/N lending rate was increased from 46.0% to 49.0%, while the O/N borrowing rate was raised from 41.0% to 44.5%. The CBRT also announced a return to weekly repo auctions, with funding to be provided at the 46% policy rate. Given the absence of an MPC meeting in May, the upcoming June and July meetings have become increasingly pivotal for policy guidance. Additionally, the CBRT is scheduled to release its second Inflation Report of the year on May 22. We believe that revisions to inflation forecasts in this report will provide critical insight into the Bank's forward-looking policy stance. In March, heightened FX volatility and the sharp depreciation in the TL led to an upward revision in inflation expectations. Nevertheless, the recent decline in oil prices — driven by tariff-related uncertainty and concerns over global growth — has introduced some downside risks to the inflation outlook.

In the coming period, global markets are expected to continue closely monitoring President Trump's actions, particularly regarding tariffs, trade negotiations with other nations, comments directed at the Fed, and peace talks with Russia. In parallel, macroeconomic data releases — especially from the U.S. — and statements from major central banks will remain in sharp focus.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	9.078	-6,02%	-7,7%
BIST - 100, USD	237	-7,5%	-15,1%
MSCI Turkey	250.613	-7,3%	-16,2%
MSCI EMEA	221	0,9%	8,0%
MSCI EM	1.113	1,0%	3,5%
Benchmark Bond	46,89%	-221bps	633bps
USD/TL	38,3684	1,60%	8,75%
EUR/TL	43,6361	7,21%	18,78%
P/E			
Banking	5,6		
Industrial	29,8		
Iron&Steel	37,7		
REIT	8,6		
Telecom	12,0		
2025E P/E	12,0		

*Close as of April 30, 2025



Rate Cut Expectations Deferred to the Second Half of the Year… Rating: BUY

On the domestic front, investors will be watching developments related to ongoing corruption investigations, the release of the CBRT's second Inflation Report on May 22, and macroeconomic indicators — particularly the April inflation data due on May 5 — as well as any additional steps taken within the scope of the disinflation process. On the geopolitical front, updates regarding the Russia-Ukraine conflict and developments in Syria and Gaza will also be monitored closely.

Driven by weakening risk sentiment amid global and local uncertainty, the BIST 100 Index traded in a volatile range between 9,643-9,050 throughout April, ultimately closing the month with a %6,02 decline at 9.078 points. The Industrial Index ended the month with a %4,29 loss, while the Banking Index underperformed with a %9,30 decline.

In response to volatility in TRY-based assets, the CBRT reinforced its hawkish stance with a policy rate hike at the April 17 meeting. Given the absence of a policy meeting in May, we expect the CBRT to maintain rates at the June meeting, subject to incoming data, and evaluate the potential for rate cuts in July if macro conditions allow.

The turbulence observed in both global and local markets during March has prompted upward revisions in year-end forecasts, particularly for inflation. Should a breakthrough be achieved in tariff negotiations and no further domestic instability occur, we anticipate a potential rebalancing phase to begin in Q3.

In light of these developments, we expect the BIST to maintain a volatile performance in the second quarter. However, we believe that any interim pullbacks will offer attractive entry points for medium-term investors.

Reflecting the upward revision in macro assumptions, we are lowering our 12-month target for the BIST-100 Index from 15,000 to 13,500. Despite the downward adjustment, our revised target still implies a 49% return potential, and thus we reiterate our Medium-to-Long-Term BUY recommendation. The MSCI Turkey Index is trading at 2025E 5.83x P/E and 0.77x P/BV multiples, reflecting a 53% and 54% discount to the MSCI Emerging Markets Index, respectively.

We make no changes to our model portfolio this month.

Main Market Risks

- An increasingly aggressive trade policy from President Trump, leading to further escalation of global tariff wars and reciprocal measures by other countries,
- Continued turbulence in TRY-based assets despite policy tightening, which may undermine macroeconomic expectations,
- Global growth slowing down while inflation becomes sticker than expected,
- Heightened geopolitical tensions, particularly regarding Israel-Palestine-Iran, and the Russia-Ukraine conflict.

Model Portfolio

Top Picks	Close	Target	Pot.	MoM	Relative
AKBNK.TI	48.50	82.47	70.0%	-7.2%	-1.2%
ASELS.TI	135.00	184.00	36.3%	12.6%	19.8%
CIMSA.TI	46.78	63.00	34.7%	-8.0%	-2.1%
FROTO.TI	885.50	1,430.00	61.5%	-15.0%	-9.5%
ISCTR.TI	10.30	20.07	94.8%	-16.0%	-10.6%
MGROS.TI	478.50	750.00	56.7%	-3.4%	2.8%
SAHOL.TI	73.25	146.24	99.7%	-9.6%	-3.8%
TCELL.TI	89.90	136.60	51.9%	-6.2%	-0.2%
THYAO.TI	284.25	495.50	74.3%	-8.6%	-2.8%
Ortalama				-6.8%	-0.9%

*Close as of April 30, 2025

Add

-

Remove

-

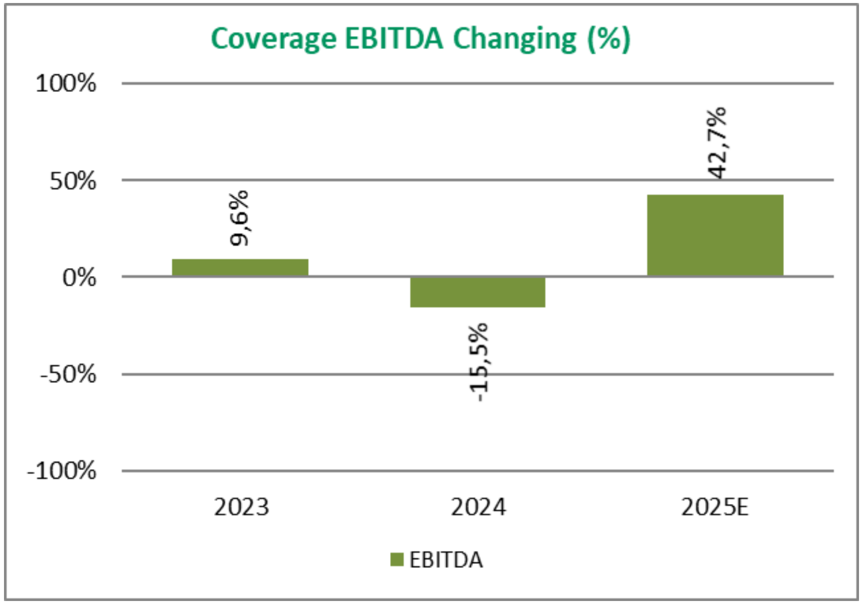
Maintain

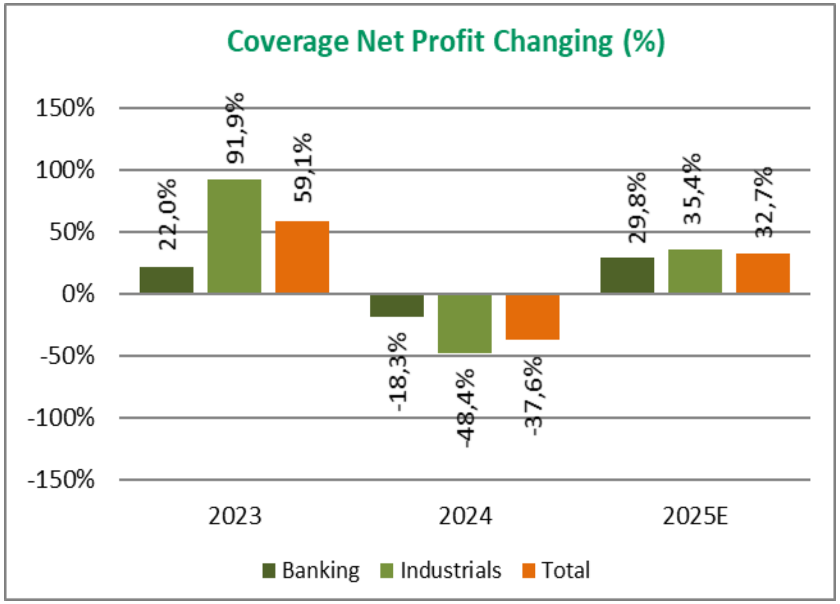
AKBNK
ASELS
CIMSA
FROTO
ISCTR
MGROS
SAHOL
TCELL
THYAO

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 35,4% and 42,7% YoY net income and EBITDA growth YoY, while we expect the banks' earnings to increase by 29,8% YoY.

Returns compared to peers

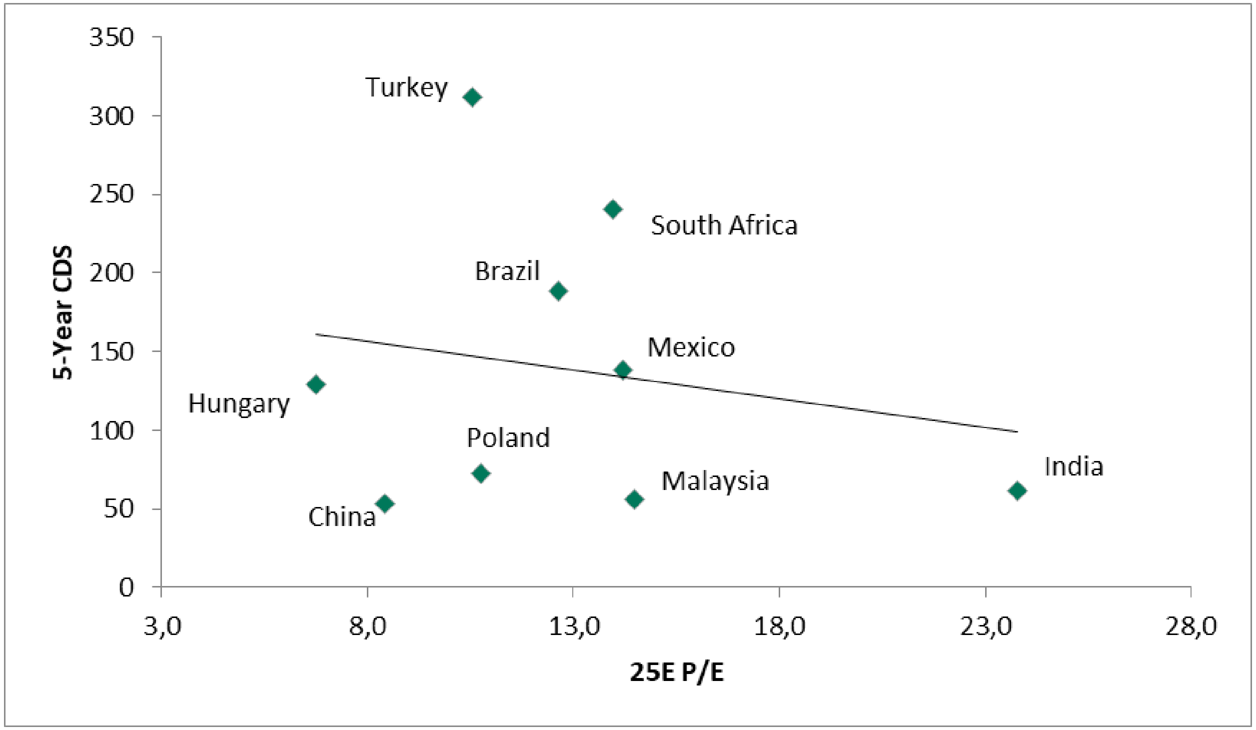
- The MSCI Turkiye Index has declined by 25.4% in absolute terms over the past 12 months. It has underperformed the MSCI EM, and the MSCI EMEA index by 42.6%, and 47.9%, respectively during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	-7,3%	-17,5%	-25,4%	-16,1%
MSCI EM	1,0%	1,8%	6,4%	3,4%
MSCI EMEA	0,9%	3,4%	10,4%	7,9%
MSCI Eastern Europe	5,6%	20,6%	24,0%	35,5%
MSCI World	0,7%	-4,7%	10,6%	-1,4%

Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	9,04%	23,4%	42,6%	23,3%
MSCI EMEA	8,8%	25,3%	47,9%	28,7%
MSCI Eastern Europe	14,0%	46,2%	66,2%	61,6%
MSCI World	8,7%	15,5%	48,2%	17,6%

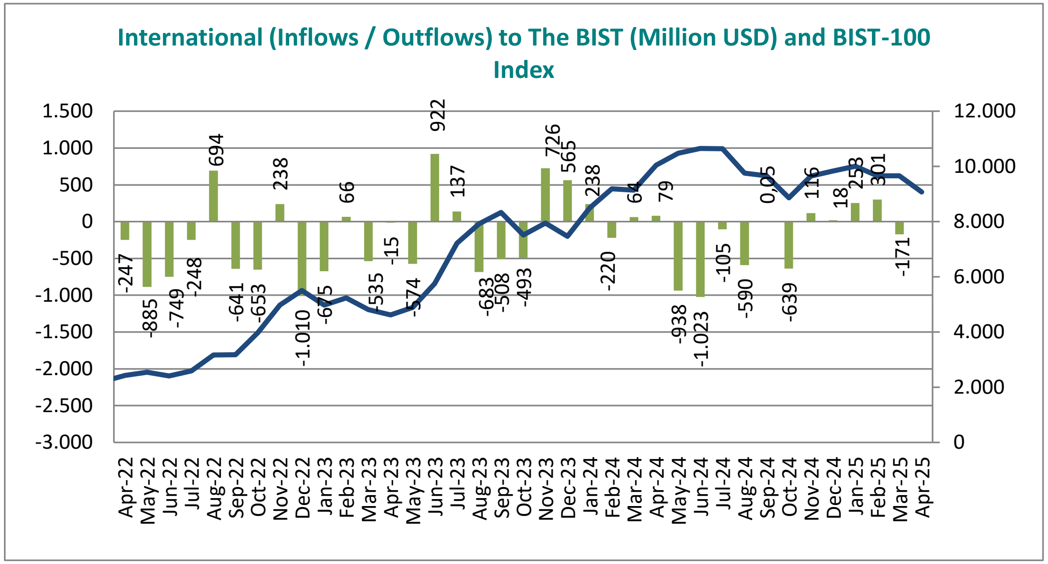
As of April 30, 2025

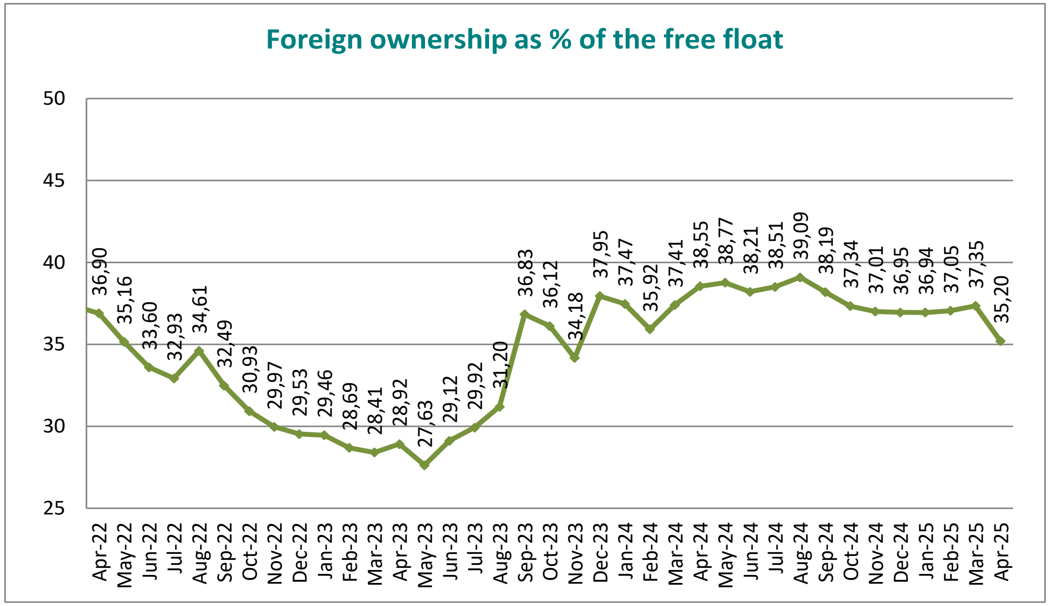
5-Year CDS



As of April 30, 2025

Int. flow and foreign ownership

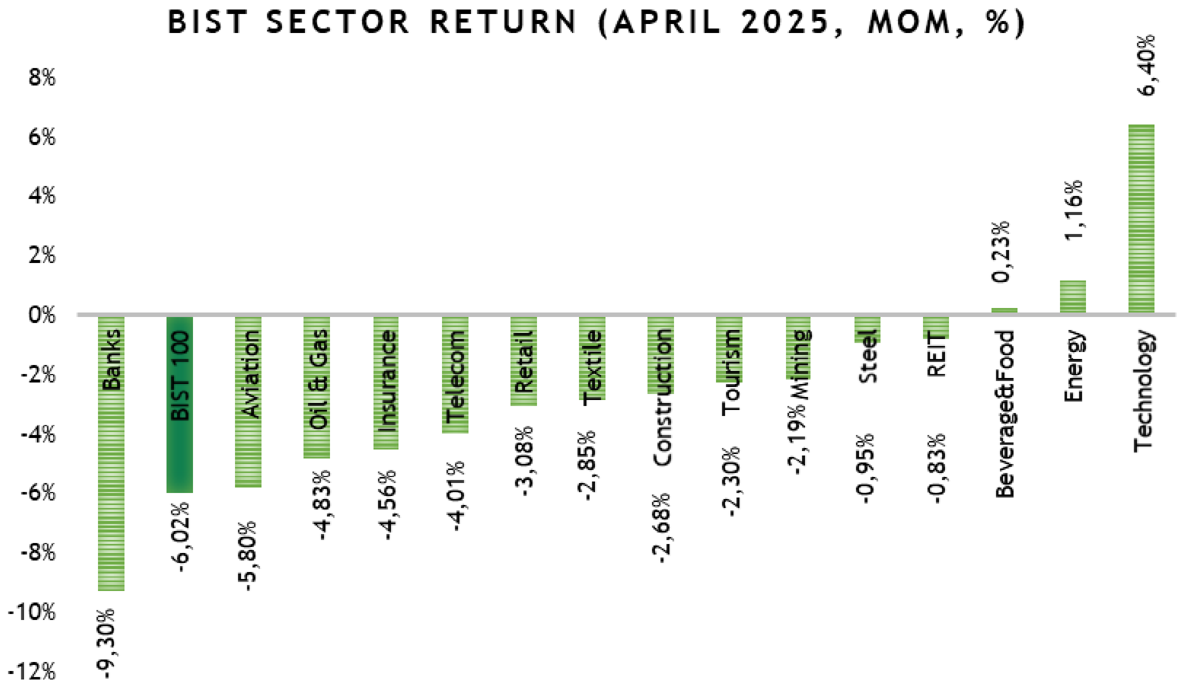




- In March 2025, foreign investors were net sellers at the BIST of USD 171mn.
- Foreign ownership has decreased to 35.20% in April 2025.

Şeker Invest

Sector performances



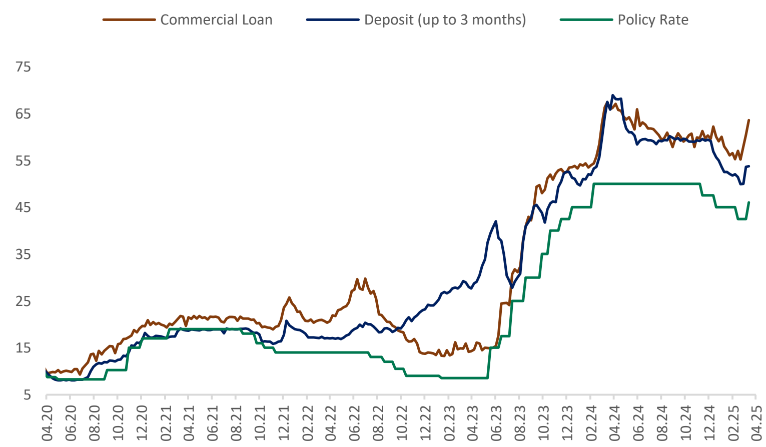
As of April 30, 2025

Macroeconomic Outlook

CBRT Rate Decision - April

Contrary to market expectations, the CBRT Monetary Policy Committee (MPC) raised the policy rate by 350 basis points to 46% at its meeting this month. Lending and borrowing interest rates were raised by 300 basis points to 49% and 44.5%, respectively. Significant changes were made in both interest rates and the policy statement. First and foremost, core goods inflation is expected to rise slightly due to global developments. As will be recalled, it was stated in previous texts that goods inflation had fallen back to targeted levels. Even if this effect is temporary, we will see inflationary pressure on core goods again. On the other hand, services inflation is expected to remain flat instead of declining. This can be considered as the second negative shock to the disinflation process. While the March MPC decision stated that domestic demand supported disinflation in the first quarter, today's MPC decision stated that “although demand lost momentum, its disinflationary effect weakened.” We understand that the disinflation path is shifting to a gradual outlook. On the global front, it was stated that the impact on the market of protectionist tendencies in trade was closely monitored without specifying the direction of the impact. Finally, it was emphasized that necessary steps were taken regarding liquidity management after the interim decision, and that liquidity tools will continue to be used effectively if necessary. While the rhetoric on loan and deposit developments was omitted from the text, we note a rather hawkish attitude displayed with the decision. Both the increase in goods inflation in April and the flattening of the decline in services inflation indicate that the decision depends on inflation developments. The weakening effect of domestic demand on disinflation in the first quarter suggests that the disinflation process and its targets may experience some delays. The uncertainty in global developments added to the local outlook has made a rate hike almost mandatory. When all these factors are evaluated together, we understand that the tight stance will be maintained decisively until the inflation targets are achieved.

Policy, Loan and Deposit Rates (%)

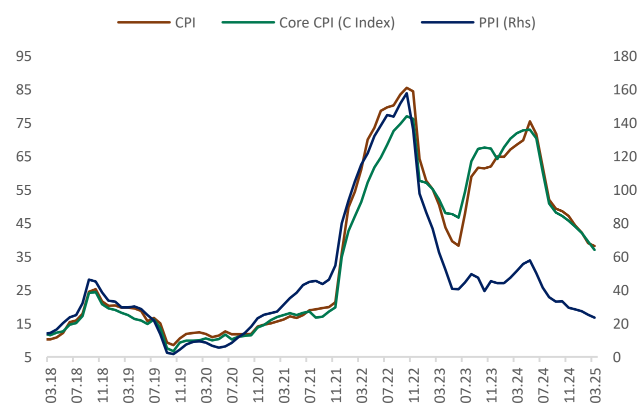


Macroeconomic Outlook

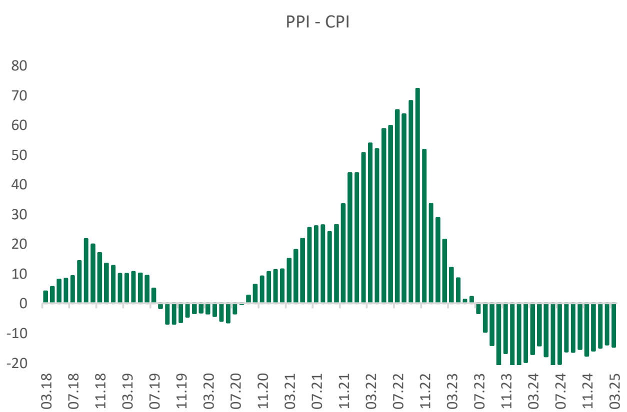
Inflation - March

CPI increased by 2.46% mom in March, while annual inflation was realized as 38.1%. Market expectations were that inflation would increase by 2.9% mom and 38.7% yoy. Despite our inflation forecast being below the market expectations, the realized figures were also below our forecasts. The average of food, housing, and transportation inflation, which has a weight of 55.5% in the index, rose by 41.46% yoy. In the same period, monthly inflation in the Special CPI Index B (core inflation) was realized as 1.3%, while annual inflation was realized as 37%. Food and non-alcoholic beverages (4.94%), alcoholic beverages and tobacco (9.96%), and education (4.68%) were the main items that triggered the March inflation rise. Education inflation was 23.84% in the first three months of the year, revealing the rigidity in services inflation. Food, transportation, and housing inflation suggests that inflation in core consumption expenditures is higher than the headline figures. On the other hand, core consumption items such as clothing and footwear have been falling for the past five months. We can describe this situation, which balances the price dynamics in the consumption basket, as limited when we consider the total effect. 2024 services inflation, which has been gradually declining from its 97% peak in April 2024, fell to 56.34% in March but still hovers around 20 percentage points above the headline figures. Producer prices, on the other hand, rose by 1.88% mom in March, while the annual change in PPI was realized as 23.5%. When we look at the sub-indices of PPI, annual changes in main industrial groups were realized as a 19.78% increase in intermediate goods, 32.91% increase in durable consumer goods, 30.89% increase in non-durable consumer goods, 16.98% increase in energy and 23.14% increase in capital goods. Considering the recent market developments, we think that inflation may come under pressure from exchange rates and administered prices. As a result of recent global and local developments, we are raising our year-end inflation forecast from 26.4% to 30%.

CPI, PPI and Core CPI (YoY %)



PPI - CPI Spread

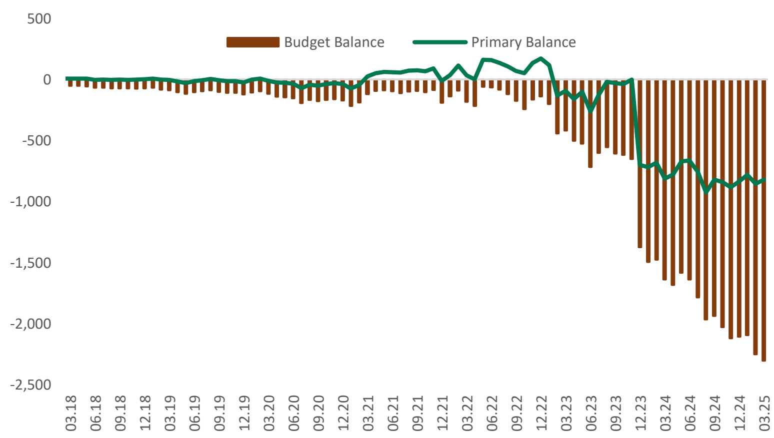


Macroeconomic Outlook

Budget Balance - March

According to the March central government budget data released by the Ministry of Treasury and Finance, budget revenues and budget expenditures were realized as 766.3 billion TRY and 1,027.7 billion TRY, respectively. In the same period, non-interest budget expenditures were realized as 866.5 billion TRY. Accordingly, the budget deficit was realized as 261.5 billion TRY while the primary balance posted a deficit of 100.2 billion TRY. We had shared our expectations of a limited recovery in the budget in our previous analyses. Although the realizations in March supported our expectations, some seasonal effects hampered the budget performance. The most important of these are ongoing expenditures for the purchase of goods and services despite the austerity measures. This item rose to 187 billion TRY in the first three months of the year (224 Q1 118 billion TRY). Transfers to the Electricity Generation Co. and BOTAŞ during the winter months were not made in March. On the other hand, 43 billion TRY of current transfers were made for the Eid bonus for pensioners. We are evolving towards a path where fiscal policy will become more important en route to price stability through 2025. Although monetary policy is tight enough, disinflation is not on target. This implies that public finance has an additional role to play. In particular, the additional contribution to inflation from public expenditures makes the job of monetary policy more difficult. Regulations coming from administered prices (such as the recent electricity hike) have a more permanent impact on price dynamics. If budget revenues are not increased (assuming expenditures are not cut at the targeted level), which means additional taxes, the budget deficit could spiral out of control. The changes in the pension system, the earthquake disaster and continued high inflation are the key factors limiting the budget recovery. We would like to remind readers that fiscal policy has not yet reached the desired level of tightness, and additional pressure on inflation may come from the budget deficit. We believe that it will take time for monetary policy alone to bring price stability in the current conjuncture and that fiscal policy should be emphasized. Global developments and the rising debt burden also trigger new risks both in terms of interest rates on borrowing instruments and the sustainability of public debt. The anchor of fiscal discipline will become even more important.

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

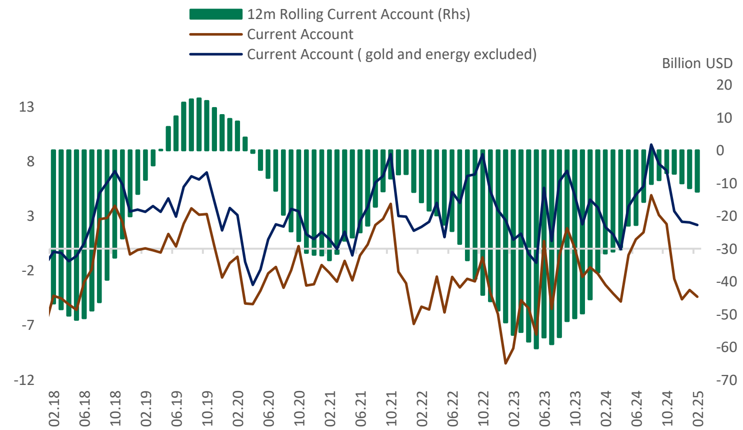


Macroeconomic Outlook

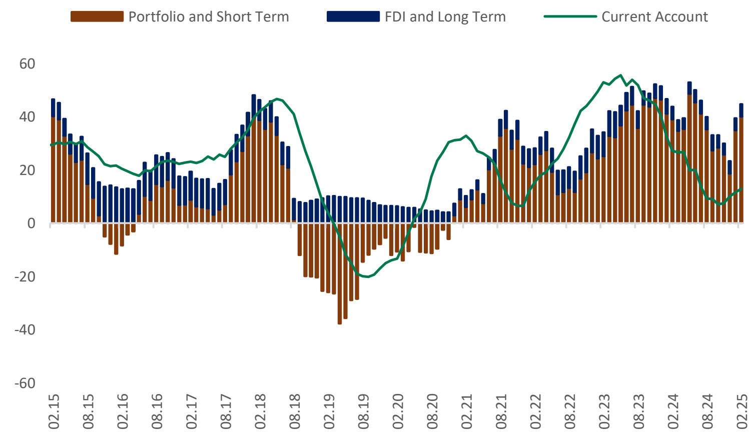
Balance of Payments - February

According to the latest balance of payments data, the current account balance posted a deficit of USD4,405 million in February. As a result, the twelve-month current account deficit was realized as USF12,837 million (previous USD11,762 million). The current account balance, which was slightly below our expectation, recorded a limited increase considering the trend for 2024. The current outlook supports our upward expectations for the current account deficit throughout 2025. We think that the impact of the recent global and local developments will be temporary. Especially if the pricing behavior in energy and commodity products lasts longer, the current account deficit may remain below our expectations. 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 5,730 million and the inflows from the services balance as USD 2,453 million. The twelve-month cumulative balance of payments-defined foreign trade deficit was realized as USD58.8 billion, while inflows from the services balance were realized as USD62 billion. The improvement in travel revenues decreased slightly compared to January and was realized as USD2,006 million. Services-driven inflows will gain momentum starting from the second quarter. The current account excluding gold and energy posted a surplus of USD2,158 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 more pronounced in 2025. Compared to global developments, the impact of domestic developments on the current account balance will remain limited throughout 2025. In particular, tariffs and new measures regarding global trade bring protectionism to the forefront both on a country and regional basis. This new production and trade model may have a significant impact on both growth and the balance of payments. In this context, the likelihood of a more positive outlook than the current account balance forecasts we made in December has increased. As the new trade and production model attempts to stabilize, it will create volatility in both real and financial markets, albeit for a short period of time.

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



Finance of Current Account Deficit (Billion USD)

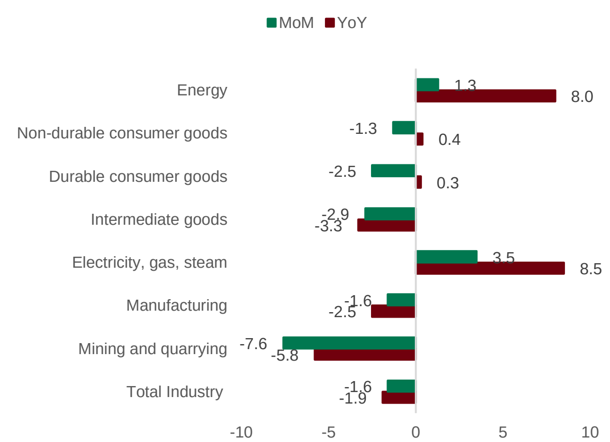


Macroeconomic Outlook

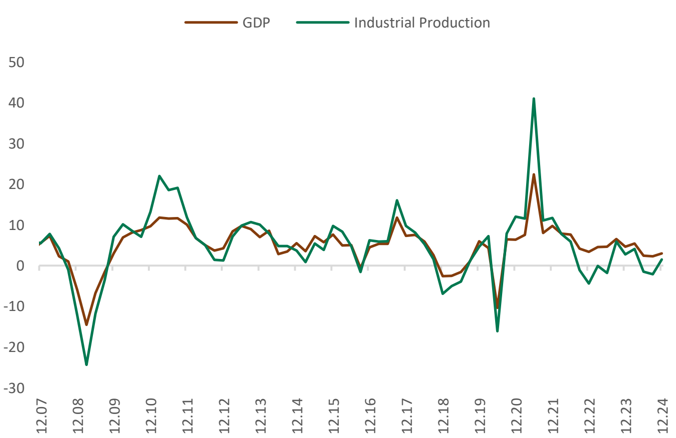
Industrial Production- February

According to industrial production index data, seasonally and calendar adjusted production decreased by 1.6% mom in February. Thus, annual production contracted by 1.9% (previous 1.2% increase). Our expectation for industrial production was for a moderate recovery and rebalancing after December data. Recent global and local developments have led to some revisions for the beginning of 2025. In production data, the manufacturing industry is an indicator that we consider as a threshold for sustainable and healthy production indicators. In February, the manufacturing industry contracted by 1.6% mom and 2.5% yoy. When we look at the general course of the data, we saw that the positive expectations in financial markets as of February were not reflected in real indicators at the same pace. The addition of political developments in the local market in March and concerns over global trade in April significantly changed our base scenario. In this context, we have added to our baseline scenario that interest rate cuts will be suspended for a while and the recovery in the real/industrial sector will be spread over time. This cooling in economic activity is the result of a policy choice and its long-term benefit will be to achieve sustainable inflation. The recent developments in global markets coupled with domestic political concerns have pushed the macro outlook slightly out of our forecast band. In particular, the escalation of trade war measures suggests that inflation may remain on the agenda for some time. 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 positively to the positive mood in Turkey, production data may improve beyond forecasts. While monetary tightness continues, liquidity arrangements to support production also continue. The privilege on commercial loan growth will also contribute to production activity. Although the measures taken by the CBRT to limit the impact of political developments on the economy were not sufficient, they were necessary. We estimate that this additional tightening may delay the recovery in the real economy by about a quarter

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



Akbank (OP, 12M TP: TRY82.47) Well-positioned balance sheet

Upside: 70%

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 19.96%. LDR on the TL side is at 83%, the lowest among private peers banks, which provides a cost optimization advantage.

Akbank posted TRY13,727mn net income (+48.8% QoQ and +4.1% YoY) in its 1Q25 bank-only results. For FY25E, the bank is targeting >30% ROAE (Seker: 22%). However, the latest reversal of the rate cut cycle is the main challange for NIM evoluation.

We model 33% YoY earnings growth for 2025E. Our new TP of TRY82.47 offers 70% upside. We also maintain our “Outperform” recommendation. The bank is trading at a 2025E P/E of 4.5x and P/BV of 0.92x with a ROAE of 22%.

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 92% in 1Q25.

Strong collection performance. The NPL ratio is 3.3%, the second highest among its peers. However, the weight of the Stage 2 loans is only 6.5% in 1Q25.

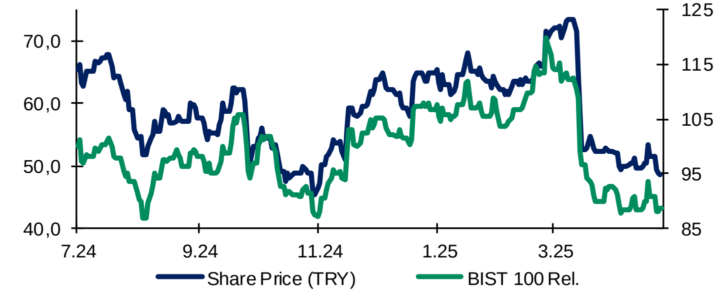
Upside and downside risks. Higher-than-expected asset quality worsening, and a worse-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	252.200	Beta (12M)	1,41
Mcap (USDmn)	6.573	Avr. Daily Vol. (TRYm)	5.134
Close	48,50	Foreign Ownership in FF	49,1%
Last 12M High	74,54	Free Float (%)	52,0%
Last 12M Low	45,11	Weight	5,14%

Quick Facts (TRY Mn)	2023A	2024A	2025E	2026E
Net interest income	63.547	65.045	84.921	112.851
% Change, YoY	*-17,3%*	*2,4%*	*30,6%*	*32,9%*
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	56.516	79.054
% Change, YoY	*10,8%*	*-36,3%*	*33,4%*	*39,9%*

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%	5,0%	3,9%
ROAA	4,6%	2,0%	1,9%	2,1%
ROAE	36,4%	18,8%	21,9%	26,1%

Multiples	2023A	2024A	2025E	2026E
P/E	2,9	8,0	4,5	3,2
P/BV	0,90	1,40	0,92	0,76



Return	1M	3M	6M	12M
TRY Return (%):	-6,3	-22,0	1,4	-13,0
US$ Return (%):	-7,8	-27,4	-9,7	-26,7
BIST-100 Relative (%):	-2,7	-14,9	-1,8	-3,1

Source: Bank financials, Seker Invest Research

Aselsan (OP, 12M TP: TRY 184.00)

Upside: 36%

Results slightly below expectations

ASELSAN achieved a net profit of TRY 2,275 million including TMS-29 effect in 1Q25, slightly below the market expectation of TRY 2,386 million and our expectation of TRY 2,442 million (1Q24: TRY 1,939 million). In 1Q25, the increase in net sales revenues, together with the increase in operating profit obtained as a result of successful operational management and the deferred tax income gained supported the net profit. However, the increasing net monetary position loss and net financial expense suppressed the net profit.

In 1Q25, Aselsan achieved a net sales revenue of TRY 22,791 million, up 9% YoY, slightly below our expectation of TRY 23,364 million and the market expectation of TRY 23,182 million. Deliveries for Air Defense Systems, Weapon Systems, Radar, Electronic Warfare, Electro-Optics, Naval Systems and Military Communication Systems were effective in the increase in sales revenues.

Including the TMS-29 effect, EBITDA was realized at TRY 5,142 million, up by 9,6% YoY in 1Q25, below the market expectation of TRY 5,514 million and our expectation of TRY 5,931 million. In 1Q25, profit margins increased as a result of increased operational efficiency. Gross profit margin was 29.9%, EBITDA margin was 22.6% and net profit margin was 10% in 1Q25. (1Q24: 28.9%, 22.4%, 9.3% respectively)

ASELSAN's total backlog rose to a historical record level of USD15 billion in 1Q25 (YE24: USD14 billion). The company received a total of USD1.5 billion in new orders in 1Q25 (2024: USD6.5 billion). The company provided USD372 million of the USD1.5 billion order size it received in 1Q25 from abroad (2024: USD1,017 million). (97% of the Company's total backlog were defensive and 3% were non-defense orders. As of 1Q25, 58% of of contracts in the backlog are denominated in USD, 29% in Euro and 13% in TRY.

The Company's net debt position increased to TRY 20,113mn in 1Q25 (YE24: TRY 17,527mn). Thus, the net debt/EBITDA ratio increased to 0.60x in 1Q25 (YE24: 0.53x). The Company maintains its position below the sector averages.

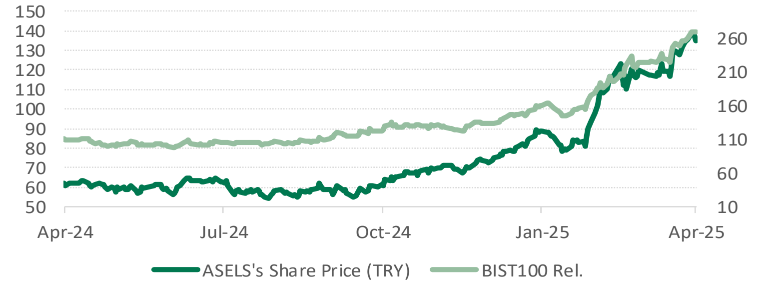
Dividend - The Company decided to distribute a gross dividend of TRY 0.2346491 and a net dividend of TRY 0.1994517 per share on November 25. Thus, a gross dividend of 0.17% according to the last closing price indicates efficiency.

The Company's 2025 expectations- Aselsan maintained its expectations for 2025. Accordingly, the Company predicts that net sales revenue growth will increase by over 10% in TL terms in 2025, including TMS 29. The Company aims for an EBITDA margin of over 23% in 2025, including TMS 29. The Company also plans to make an investment expense of TRY 20 billion and above in 2025, including TMS 29.

Aselsan started 2025 strongly. Focusing on operational efficiency in particular, the company showed a steady increase in both turnover and profitability indicators during this period. We expect the company to continue its strong growth focused on backlog orders and exports within the scope of its 2025 strategy. On the other hand, 3 major investments worth USD 616 million related to photon detectors, radars and air defense systems were included in the Project Based Investment Incentive scope by the Ministry of Industry and Technology. We like R&D and technology investments. We maintain our 12-month target price at TRY 184,0/shr. While our target price has a 36% upside potential, we maintain our Outperform rating for ASELS.

Code	ASELS.TI	Close	135,00
MCAp (TRY m)	615.600	Last 12M High	141,30
MCAp (US$ m)	16.044	Last 12M Low	54,01
EV (TRY m)	635.713	Beta	0,84
EV (US$ m)	16.577	Avg. daily trading vol. (US$ m)	82,9
Free float (%)	26,00	Foreign ownership in FF (%)	43,5%

Key figures	2022A*	2023A*	2024A*	2025E
Revenues	66.860	106.252	120.206	176.702
Growth		*58,9%*	*13,1%*	*47,0%*
EBITDA	14.040	23.140	30.234	52.439
EBITDA margin	*21,0%*	*21,8%*	*25,2%*	*29,7%*
Net profit	1.282	10.526	15.299	29.131
EPS	0,56	2,31	3,35	6,39
Dividend yield	0,4%	0,2%	0,1%	0,1%
Net debt /EBITDA	0,60	0,83	0,58	0,30
Net debt /Equity	0,11	0,15	0,11	0,08
ROAE		10,2%	10,9%	16,8%
ROAA		5,8%	6,3%	9,7%
Valuation metrics	**2022A***	**2023A***	**2024A***	**2025E**
P/E	480,2	58,5	40,2	21,1
EV/EBITDA	3,6	27,5	21,0	12,1
EV/Sales	0,8	6,0	5,3	3,6
P/BV	7,7	4,9	4,0	3,2
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	12,6	52,0	86,2	122,6
US$ Return (%):	11,3	41,5	70,9	87,6
BIST-100 Relative (%):	19,8	68,8	101,6	146,3



Source: PDP, Finnet, Seker Invest Research estimates

Cimsa (OP, 12M TP: TRY 63.00) Upside: 35%

Cimsa announced its 1Q results at the end of April

At the end of April, Cimsa has published its financial results, adjusted for inflation accounting by applying the IAS 29 "Financial Reporting in Hyperinflationary Economies" Standard. Accordingly, Cimsa has announced a net profit of TRY 271mn for the first quarter of 2025. The company posted a net profit of TRY 501mn in 1Q24. The negative impact of TRY 681mn from the price movements of Sabancı Holding shares held by Cimsa also caused a decline in Cimsa's net profit figure.

In 1Q25, Cimsa maintained its high capacity utilization and increased its consolidated sales volume organically by 1.4% YoY, supported by volume increases of 1% in Turkey and 2% in international markets. Including Mannok's sales volumes, consolidated sales volumes increased inorganically by 15% YoY. As a result, sales revenues increased by 21.1% YoY to TRY 8,905mn (1Q24: TRY 7,352mn).

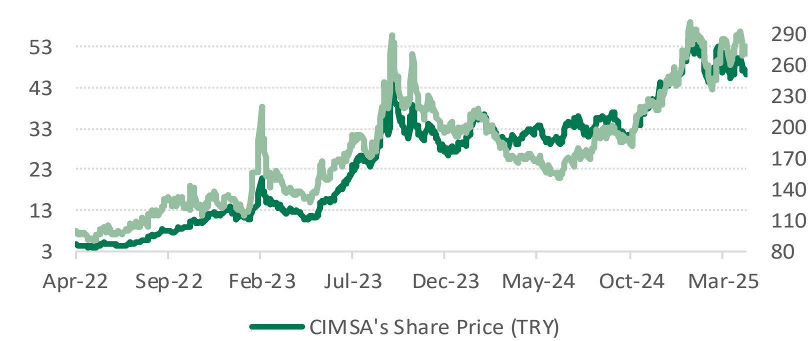
The company recorded a quarterly EBITDA of TRY 1,094mn in 1Q25 (1Q24: TRY 799mn). The quarterly EBITDA margin improved by 1.4pp YoY to 12.3% (1Q24: EBITDA margin: 10.9%).

As of April 30, 2025, CIMSA stock had lost 8.0% over the previous month. Regarding returns relative to the BIST 100, the stock had underperformed by 2.1% over the previous month.

We maintain our 12-month target price of **TRY 63.00**/share and '**Outperform**' recommendation for CIMSA. Our TP has 35% upside potential compared to the share closing price on April 30, 2025.

Code	CIMSA.TI	Close	46,78
MCAp (TRY m)	44.235	Last 12M High	56,69
MCAp (US$ m)	1.153	Last 12M Low	28,74
EV (TRY m)	62.378	Beta	1,02
EV (US$ m)	1.633	Avg. daily trading vol. (US$ m)	13,7
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	8.575
EBITDA margin	*10,2%*	*17,8%*	*18,1%*	*22,9%*
Net profit	5.887	3.596	2.688	5.117
EPS	43,58	3,80	2,84	5,41
Dividend yield	3,8%	4,7%	1,2%	2,3%
Net debt /EBITDA	0,59	0,64	2,71	0,46
Net debt /Equity	0,08	0,13	0,56	0,14
ROAE		14,5%	10,4%	19,2%
ROAA		6,5%	4,4%	6,7%
Valuation metrics	**2022A***	**2023A***	**2024A**	**2025E**
P/E	7,5	12,3	16,5	8,6
EV/EBITDA	1,7	11,8	12,3	7,3
EV/Sales	0,2	2,1	2,2	1,7
P/BV	2,8	1,7	1,8	1,6
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-8,0	-10,5	1,6	48,3
US$ Return (%):	-9,1	-16,7	-6,7	25,0
BIST-100 Relative (%):	-2,1	-0,6	10,1	64,1



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 1,430.00) Upside: 62%

We maintain our TP for Ford Otosan of **TRY 1,430.00/sh**, and our "**OUTPERFORM**" recommendation. Based on the April 30, 2025 closing price, Ford Otosan trades at 2025E 6.2x EV/EBITDA and 2025E P/E of 5.8x, indicating a potential return of 62%. 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 rose by 14.9% YoY in March 2025, reaching 5,791 units (March 2024: 5,040 units). During the January to March 2025 period, its retail sales of LCVs rose by 25.5% YoY, up from 8,244 units last year to 10,350 units this year. In March 2025, Ford Otosan's market share slightly declined by 0.4 pp YoY to 7.2% while in 3M25, it rose by 0.5 pp YoY to 7.9%.

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.

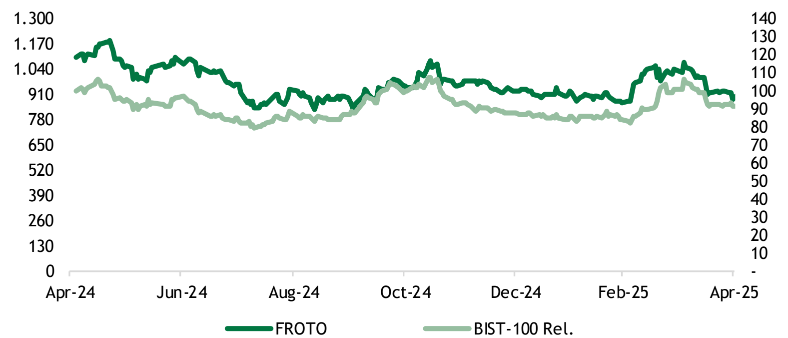
2025 expectations: Ford Otosan expects the domestic retail market to be in the range of 950,000 - 1,050,000 units. Ford Otosan's domestic retail volume expectation is in the range of 90,000 - 100,000 units. The company expects total export volumes to be in the range of 610,000 - 660,000 units (Romania: 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%.

Code	FROTO TI/FROTO IS	Close	885,50
MCap (TRY mn)	310.731	Last 12M High	1.211,27
MCap (US$ mn)	8.099	Last 12M Low	829,17
EV (TRY mn)	400.008	Beta	0,83
EV (US$ mn)	10.463	Avg. Daily Trading Vol. (US$ m)	32,0
Free Float (%)	20,31	Foreign Ownership in FF (%)	34,95

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%	1,8%	2,9%
Net Debt/EBITDA (x)	1,43	1,42	2,80	1,99
Net Debt/Equity (x)	0,90	0,83	0,88	0,92
ROAE (%)		90,5%	33,5%	39,7%
ROAA (%)		29,0%	11,5%	13,1%

Valuation Metrics	* 2022A	* 2023A	* 2024A	2025E
P/E	11,2	4,4	8,0	5,8
EV/EBITDA	12,5	6,5	10,0	6,2
EV/Sales	1,2	0,7	0,7	0,5
P/BV	4,2	2,0	3,2	2,3

Return	1M	3M	YtD	YoY
TRY Return (%):	-12,3	-1,8	-2,6	-18,7
US$ Return (%):	-13,7	-8,6	-10,5	-31,5
BIST-100 Relative (%):	-8,9	7,2	4,5	-9,5



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: TRY20.07) Upside: 95%
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 43% YoY earnings growth for 2025E. Our new target price of TRY20.07 has 95% upside potential. We maintain our "Outperform" recommendation. The stock is trading at 2025E 4.0x P/E and 0.72x P/B and ROTE of 19.3%. 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.

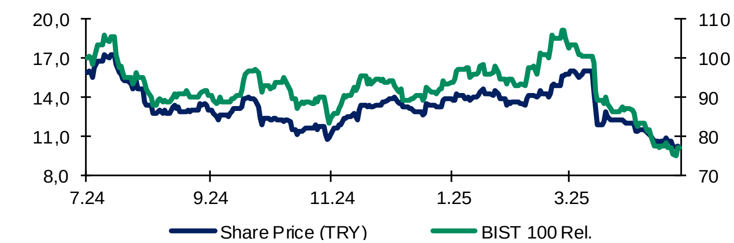
Upside and downside risks. Higher-than-expected asset quality worsening, and a lower-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	257.500	Beta (12M)	1,25
Mcap (USDmn)	6.711	Daily Volume (12M)	5.689
Close	10,30	Foreign Ownership in FF	27,0%
Last 12M High	17,51	Free Float (%)	31,0%
Last 12M Low	10,07	Weight	3,11%

Quick Facts (TRY Mn)	2023A	2024A	2025E	2026E
Net interest income	67.073	34.451	72.346	94.774
% Change, YoY	*-10,8%*	*-48,6%*	*110,0%*	*31,0%*
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	65.112	94.890
% Change, YoY	*17,4%*	*-37,0%*	*43,0%*	*45,7%*

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%	2,6%	2,7%
ROAA	3,7%	1,6%	2,2%	3,2%
ROTE	31,6%	15,6%	19,3%	24,4%

Multiples	2023A	2024A	2025E	2026E
P/E	3,2	5,7	4,0	2,7
P/BV	0,87	0,82	0,72	0,61



Return	1M	3M	6M	12M
TRY Return (%):	-15,1	-25,2	-11,3	-22,3
US$ Return (%):	-16,5	-30,3	-21,0	-34,6
BIST-100 Relative (%):	-11,8	-18,4	-14,1	-13,5

Source: Bank financials, Seker Invest Research

Migros (OP, 12M TP: TRY 750.00) Upside: 57%

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

We maintain our "Outperform" recommendation for Migros, with our updated 12M TP of TRY 750.00. As of the closing price on April 30, 2025, the stock is trading at 2025E EV/EBITDA of 4.3x and 2025E P/E of 8.3x, implying an upside potential of 57%.

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.

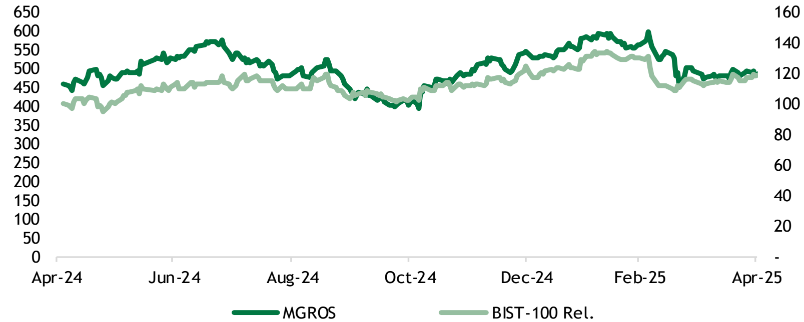
Downside risk for Migros - The rise in input costs due to inflationary pressures, & rising energy prices, are likely to create downside risks.

Code	MGROS TI / MGROS IS	Close	478,50
MCap (TRY mn)	86.634	Last 12M High	600,00
MCap (US$ mn)	2.258	Last 12M Low	394,48
EV (TRY mn)	85.184	Beta	0,93
EV (US$ mn)	2.217	Avg. Daily Trading Vol. (US$ m)	26,5
Free Float (%)	50,82	Foreign Ownership in FF (%)	29,72

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%	0,8%	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	6,6	4,7	13,1	8,3
EV/EBITDA	15,7	13,0	5,9	4,3
EV/Sales	0,4	0,2	0,3	0,2
P/BV	2,2	1,2	1,7	1,3

Return	1M	3M	YtD	YoY
TRY Return (%):	1,3	-16,5	-10,6	11,9
US$ Return (%):	-0,3	-22,2	-18,0	-5,7
BIST-100 Relative (%):	5,2	-8,8	-4,2	24,6



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 146.24) Upside: 100%

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.

The Holding's solo net cash position stood at TRY 12.4bn in 2024. Net Debt/EBITDA raito was 1.4x, well below the Holding's midterm target of a maximum of 2.0x.

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.

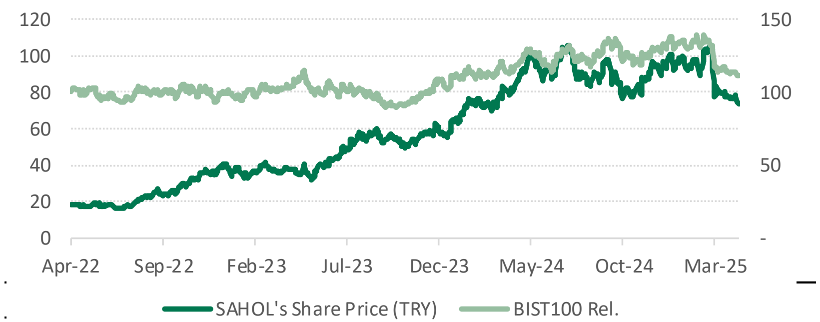
The Holding's 1Q25 financials will be announced on May 7, 2025.

Enerjisa Uretim'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 Uretim could be realized in the second half of 2025.

In line with the revisions to our macroeconomic forecasts and the risk-free interest rate used in our valuation, we have updated the target valuations of the Holding's subsidiaries. Accordingly, we are revising our target price for Sabancı Holding (SAHOL) from TRY 164.00 per share to TRY 146.24. As our target price carries 100% upside potential based on the closing price of April 30, 2025, we maintain our OUTPERFORM recommendation for the stock.

Code	SAHOL.TI	Close	74,15
MCAp (TRY m)	155.743	Last 12M High	107,04
MCAp (US$ m)	4.059	Last 12M Low	72,80
EV (TRY m)	249.761	Beta	1,14
EV (US$ m)	6.724	Avg. daily trading vol. (US$ m)	56,1
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		2,7	7,0	-10,1
EV/Sales		0,2	0,2	0,2
P/BV		0,7	0,5	0,5
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-9,6	-26,1	-20,9	-15,0
US$ Return (%):	-10,6	-31,2	-27,4	-28,3
BIST-100 Relative (%):	-3,8	-17,9	-14,3	-5,9



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 136.60) Upside: 52%

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.

Turkcell's 1Q25 financials will be announced on May 9, 2025.. While the mobile subscriber base remains flat in a competitive pricing environment, we believe that real growth in sales revenue continues, supported by strong ARPU growth. Accordingly, we expect sales revenue to reach TRY 46,822mn, marking a 15% YoY increase, and EBITDA to come in at TRY 19,824mn, implying a 42.3% EBITDA margin.

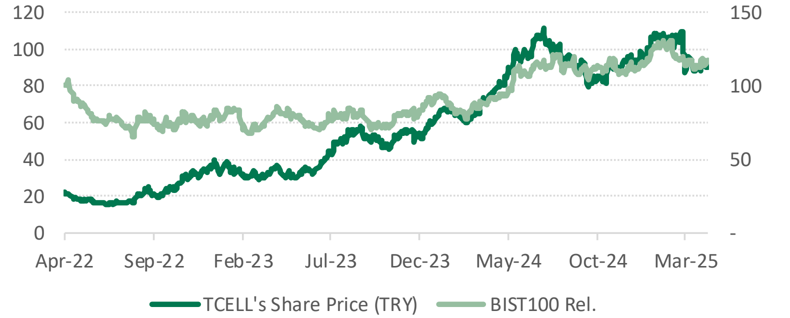
2025 guidance: Turkcell expects 7-9% growth in revenues in real terms and a 41-42% EBITDA margin. The company also expects approximately a 23% OPEX/sales ratio. In addition, the revenue of the Data Center-Cloud business line is expected to grow by 32-34%. *Expectations are based on the assumption that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

According to revisions to our macroeconomic estimates and risk-free rate using for valuation, we have revised our 12-month target price for TCELL from 148.48/share to 136.60/share. Our target price has 52% upside potential compared to the stock's closing price on April 30, 2025. We maintain our OUTPERFORM recommendation.

Code	TCELL.TI	Close	89,90
MCAp (TRY m)	197.780	Last 12M High	111,81
MCAp (US$ m)	5.155	Last 12M Low	77,87
EV (TRY m)	226.305	Beta	1,05
EV (US$ m)	5.963	Avg. daily trading vol. (US$ m)	67,5
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	20.944
EPS	4,52	8,24	10,11	9,52
Dividend yield	3,5%	6,6%	3,0%	2,9%
Net debt /EBITDA	1,04	0,58	0,41	0,22
Net debt /Equity	0,35	0,21	0,15	0,15
ROAE		10,8%	12,2%	12,7%
ROAA		5,2%	6,3%	6,5%
Valuation metrics	**2022***	**2023***	**2024**	**2025E**
P/E	19,9	10,9	8,9	9,4
EV/EBITDA	1,1	3,6	3,2	2,3
EV/Sales	0,4	1,5	1,4	1,0
P/BV	1,8	1,1	1,1	1,4
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-6,2	-16,3	-3,1	14,7
US$ Return (%):	-7,2	-22,1	-11,1	-3,3
BIST-100 Relative (%):	-0,2	-7,0	4,9	27,0



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: 74%

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 April 30, 2025, closing price—offering an attractive **74% upside potential**. THY is currently trading at 2025E P/E of 2.78x and 2025E EV/EBITDA of 3.23x.

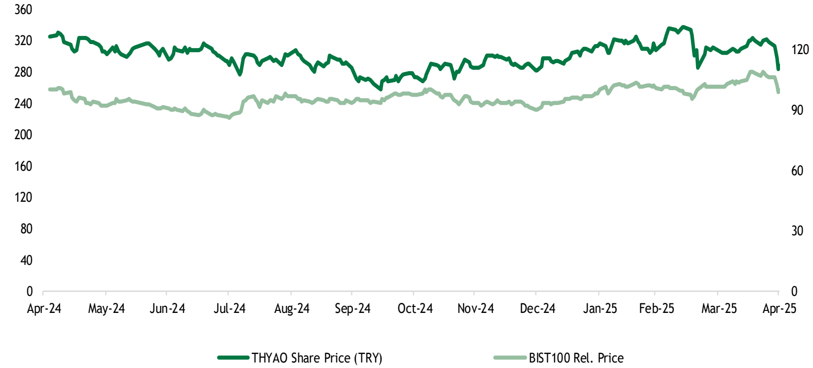
➢ **Cargo operations continue at a strong and steady pace -** THY's PAX rose by 0.3% YoY for March 2025. The rise was mainly due to increase of int'l passenger number when compared to March 2024. THY's total PAX in March 2025 was at 6.2mn. Meanwhile, in March 2025, the share of international PAX in total PAX was 67%. The total load factor declined by 2,3 pp at 77.5% in March 2025. The carrier's international PAX rose by 1.1% YoY to 4.13mn in March 2025; domestic PAX declined by 1.2% YoY to 2mn in March 2025. THY's cargo operations volume was flat, up 0.7% YoY in March 2025. THY's traffic figures for 3M25 indicates with a PAX increase of 2.3% YoY. THY's total PAX in 3M25 was at 18.9mn. The total load factor rose by 0,1 pp at 80.6% in 3M25. The carrier's international PAX rose by 4.4% YoY to 12.6mn in 3M25; domestic PAX declined by 1.7% YoY to 6,3mn in 3M25. THY's cargo operations volume was flat, up 0.2% YoY in 3M25.

➢ 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.

➢ **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	284,25
MCAp (TRY mn)	392.265	Last 12M High	339,50
MCAp (US$ mn)	10.224	Last 12M Low	257,50
EV (TRY mn)	721.038	Beta	0,96
EV (US$ mn)	18.929	Avg. Daily Trading Vol. (US$ mn)	255,9
Free Float (%)	50,48	Foreign Ownership in FF (%)	29,23

Key Figures (USD mn)	2022	2023	2024	2025E
Revenues	18.426	20.942	22.669	24.344
Growth (%)	*72,4%*	*13,7%*	*8,2%*	*7,4%*
EBITDA	4.947	5.533	5.059	5.869
EBITDA Margin (%)	*26,8%*	*26,4%*	*22,3%*	*24,1%*
Net Profit	2.725	6.021	3.425	3.671
EPS	1,97	4,36	2,48	2,66
Net Debt/EBITDA (x)	1,7	1,3	1,1	1,3
Net Debt/Equity (x)	0,9	0,5	0,3	0,3
ROAE	32,9%	47,6%	19,6%	17,5%
ROAA	9,5%	18,1%	9,1%	8,4%
Valuation Metrics	**2022**	**2023**	**2024**	**2025E**
P/E	3,75	1,70	2,99	2,78
EV/EBITDA	3,83	3,42	3,74	3,23
EV/Sales	1,03	0,90	0,84	0,78
P/BV	1,17	0,73	0,60	0,50
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-4,02	-7,65	4,18	-9,99
US$ Return (%):	-5,52	-14,02	-4,36	-24,20
BIST-100 Relative (%):	-0,31	0,76	11,69	0,21



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

Recommendations List

Recommendation List

May 2, 2025

BANKING	Close (TRY)	Rating	Old TP (TRY)	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	48,50	OP	96,62	82,47	252.200	428.846	70,0%	5,88	1,04
GARAN	102,70	OP	178,86	164,52	431.340	690.977	60,2%	4,53	1,27
HALKB	20,10	MP	22,88	21,45	144.414	154.148	6,7%	9,56	0,95
ISCTR	10,30	OP	21,47	20,07	257.500	501.715	94,8%	5,66	0,81
TSKB	10,46	OP	18,66	15,86	29.288	44.407	51,6%	2,59	0,83
VAKBN	20,72	MP	32,65	28,73	205.458	284.916	38,7%	5,09	0,94
YKBNK	22,76	OP	49,47	36,77	192.255	310.595	61,6%	6,38	0,93

HOLDING	Close (TRY)	Rating	Old TP (TRY)	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
KCHOL	137,70	OP	299,18	243,75	349.193	618.125	77,0%	-	0,61
SAHOL	73,25	OP	164,00	146,24	153.853	307.167	99,7%	-	0,54
TAVHL	228,50	OP	392,20	371,00	83.010	134.776	62,4%	18,36	1,32

INDUSTRIAL	Close (TRY)	Rating	Old TP (TRY)	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKCNS	140,10	OP	251,20	200,20	26.822	38.328	42,9%	17,96	1,26
AKSEN	31,10	OP	55,00	50,15	38.139	61.500	61,3%	19,00	0,94
ARCLK	113,70	OP	195,65	190,59	76.830	128.789	67,6%	-	1,08
ASELS	135,00	OP	114,00	184,00	615.600	839.060	36,3%	39,37	3,93
BIMAS	451,00	OP	766,10	722,00	273.847	438.395	60,1%	14,73	2,33
CCOLA	52,10	OP	78,30	75,00	145.780	209.847	43,9%	9,84	2,71
CIMSA	46,78	OP	67,20	63,00	44.235	59.576	34,7%	17,99	1,77
DOAS	195,50	OP	273,60	259,90	43.010	57.179	32,9%	5,66	0,78
EREGL	22,50	OP	35,77	31,03	157.500	217.208	37,9%	18,96	0,62
FROTO	885,50	OP	1.491,00	1.430,00	310.731	501.800	61,5%	9,43	2,49
KRDMD	23,22	OP	40,79	37,99	18.117	29.637	63,6%	-	0,51
MGROS	478,50	OP	794,50	750,00	86.634	135.790	56,7%	13,67	1,51
PETKM	16,15	MP	25,42	21,53	40.931	54.561	33,3%	-	0,70
PGSUS	222,90	OP	372,00	365,60	111.450	182.801	64,0%	8,39	1,49
SELEC	64,15	OP	92,00	85,47	39.837	53.078	33,2%	19,35	1,70
SISE	34,20	OP	54,00	50,00	104.762	153.160	46,2%	20,86	0,56
TCELL	89,90	OP	148,48	136,60	197.780	300.523	51,9%	8,41	1,06
THYAO	284,25	OP	495,50	495,50	392.265	683.795	74,3%	3,75	0,55
TOASO	200,00	OP	299,40	284,70	100.000	142.350	42,4%	82,93	2,22
TTKOM	52,50	OP	74,82	68,57	183.750	240.004	30,6%	21,73	1,26
TUPRS	124,70	OP	205,15	192,27	240.271	370.463	54,2%	13,37	0,85
VESBE	11,62	OP	26,64	22,09	18.592	35.344	90,1%	-	0,52
ZOREN	3,20	MP	5,40	4,20	16.000	21.000	31,3%	-	0,27

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