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Turkcell

Real growth continued in line with our expectation

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According to inflation accounting provisions (IAS-29), Turkcell announces TRY 3,082mn net profit for 1Q25 (1Q24: TRY 3,638mn, -15% YoY), slightly below our TRY 3,585mn estimate and the market's TRY 3,146mn expectation. While operational profitability strengthened YoY, TRY 8,170mn other income—primarily driven by FX gains— and TRY 2,440mn income from investing activities supported the bottom line. On the other hand, TRY 12,377mn of net financial expenses and TRY 3,460mn of tax expenses weighed on net profit. A TRY 959mn monetary gain was recorded in this quarter. The net profit margin was at 6.4% in 1Q25 (1Q24: 8.5%).

Turkcell booked net sales revenue of TRY 47,692mn (13% YoY) including the IAS-29 effect, in line with our TRY 46,822mn expectation and the market's TRY 46,797mn expectation. The total subscriber base rose by 300K YoY and remained flat QoQ at 43.1 million. ARPU (Average Revenue Per User) recorded real growth of 15.9% in the mobile and 17.7% in residential fiber segments, supported by gradual price adjustments. Revenue growth remained driven by a strong ARPU performance and solid subscriber base.

EBITDA came in at TRY 20,959mn, up 19% from TRY 17,614mn at 1Q24, including the IAS-29 effect. Our estimate was at TRY 19,824mn and the market's was at TRY 19,682mn. The EBITDA margin was realized at 43.7% (our estimate: 42.3%) in 1Q25 (1Q24: 41.4%).

Net debt increased: Turkcell's net debt position increased to TRY 36,834mn at the end of 2025/03 from TRY 31,395mn at the end of 2024.

2025 guidance maintained: 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 of inflation in 2025 at 30.5%.

Dividend: The Board of Directors has resolved to propose a gross cash dividend of TRY 3.6363636 (net TRY 3.0909091) per share from 2024 net profit, subject to shareholder approval at the Annual General Meeting. If approved, the dividend will be paid in two equal cash installments on June 20, 2025 and December 26, 2025. The General Assembly meeting will be held on May 15, 2025.

In line with the financial statements and our expectations, we maintain our 12-month target price for TCELL at 136.60/share and maintain our "OUTPERFORM" recommendation given the 48% return potential.

OUTPERFORM
TP: TRY 136.60
Previous TP: TRY 136.60
Upside potential: 48%

	TRY	US\$
Close	92,30	2,39
BIST 100	9.391	243
US\$/TRY(CB Bid Rate):	38,553	
52 Week High:	111,81	3,39
52 Week Low:	78,40	2,23
Bloomberg/Reuters Ticker:	TCELL.TI / TCELL.IS	

Number of Shares (Mn): 2.200

	(TRY Mn)	(US\$ Mn)
Current Mcap :	203.060	5.264
Free Float Mcap :	109.652	2.843

	1 M	YOY	YTD
TRY Return (%):	7,8	20,0	5,3
US\$ Return (%):	5,9	0,0	-3,7
BIST 100 Relative (%):	4,6	26,8	7,1
Avg. Daily Vol. (TRY Mn):	2.314,4		
Avg. Daily Vol. (US\$ Mn):	66,6		

Beta	0,96
Volatility (Stock)	0,35
Volatility (BIST 100)	0,25

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

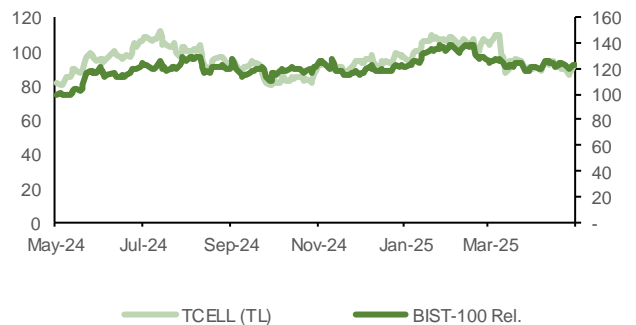


Figure 1: Financials (Including IAS-29)

TRY Million	1 Q24	1 Q25	YoY	4Q24	QoQ
Revenues	42.567	47.963	12,7%	42.641	12,5%
Gross Profit	9.173	13.623	48,5%	11.422	19,3%
<i>Gross Profit Margin</i>	21,6%	28,4%		26,8%	
EBIT	5.142	8.408	63,5%	5.648	48,9%
<i>EBIT Margin</i>	12,1%	17,5%		13,2%	
EBITDA	17.614	20.959	19,0%	19.478	7,6%
<i>EBITDA Margin</i>	41,4%	43,7%		45,7%	
Net Profit	3.638	3.082	-15,3%	24.190	-87,3%
<i>Net Profit Margin</i>	8,5%	6,4%		56,7%	

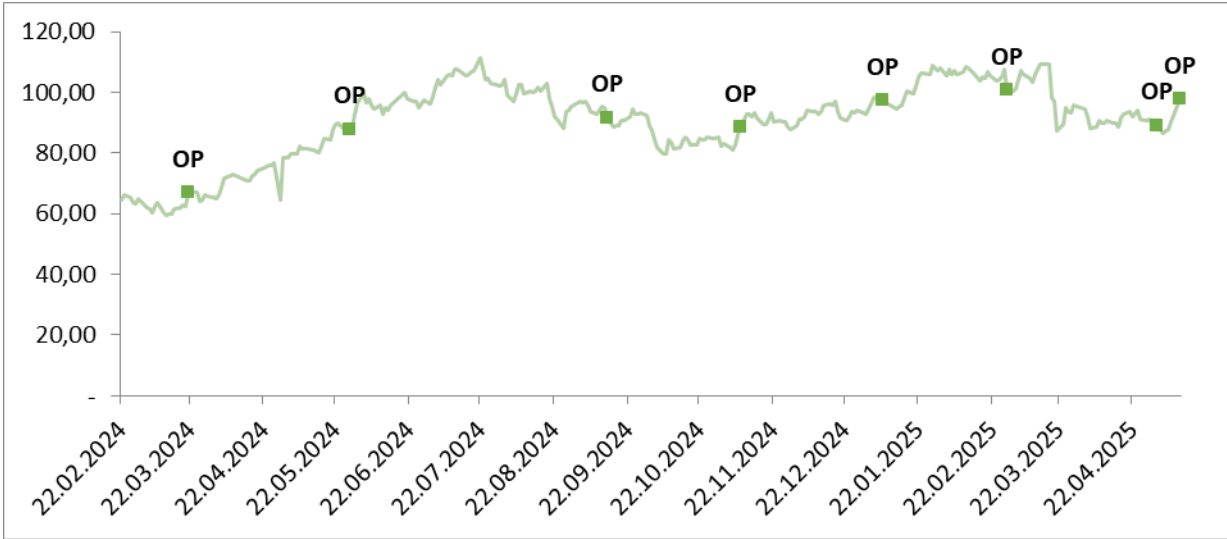
Source: Finnet, Seker Invest Research

Figure 2: Key financials (Including IAS-29)

BALANCE SHEET (TRY mn)	2024/12	2025/03	%Chg
PP&E	115.154	117.930	2%
Intangibles	90.111	89.670	0%
Other Non-Current Assets	48.521	51.670	6%
Trade Receivables	18.391	20.168	10%
Cash&Equivalents	75.871	108.421	43%
Other Current Assets	30.871	30.261	-2%
Total Assets	378.919	418.120	10%
Long Term Debt	57.712	94.765	64%
Other Non current liabilities	15.453	21.509	39%
Short Term Debt	74.924	72.283	-4%
Trade Payables	25.051	19.729	-21%
Total Liabilities	173.139	208.285	20%
Total Equity	205.781	209.835	2%
Total Equity&Liabilities	378.919	418.120	10%
INCOME STATEMENT (TRY mn)	2025/03	2025/03	%Chg
Net Sales	42.053	47.963	14%
COGS	(32.052)	(32.727)	2%
Gross Profit (Loss)	9.173	13.623	49%
Other Operating Inc./ (Exp.), net	4.316	8.170	89%
Operating Expenses	(4.031)	(5.215)	29%
Operating Profit/(Loss)	5.142	8.408	64%
Income / (expense) from investing activities & impairment (gains) in accordance with IFRS 9	1.777	2.634	48%
Monetary Gain / (Loss)	3.656	959	-74%
Financial Expenses	(9.551)	(12.377)	30%
Profit Before Tax (Loss)	4.708	6.542	39%
Tax	(1.824)	(3.460)	n.m.
Net Profit (Loss)	3.631	3.082	-15%
Attributable to owners of parent	3.638	3.082	-15%

Source: Finnet, PDP, Seker Invest Research

Historical Recommendations and target prices



8-Nov-23	Outperform (OP)	79.9
11-Jan-24	Outperform (OP)	87.05
21-Mar-24	Outperform (OP)	104.30
28-May-24	Outperform (OP)	116.50
13-Sep-24	Outperform (OP)	145.20
8-Nov-24	Outperform (OP)	145.20
7-Jan-25	Outperform (OP)	148.48
28-Feb-25	Outperform (OP)	148.48
2-May-25	Outperform (OP)	136.6
12-May-25	Outperform (OP)	136.6

Basis for 12m equity ratings

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

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