Monthly Equity Strategy

July 2025

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Heightened Geopolitical Risks Trigger Volatility Across Markets…

Following Israel's attack on Iran on June 13, geopolitical tensions in the Middle East escalated significantly, peaking with the United States' strike on Iran's nuclear facilities on June 22. However, Iran's retaliatory attacks on U.S. military bases in Qatar and Iraq on June 23 did not prompt a direct response from the U.S. Instead, the U.S. called for a ceasefire between Israel and Iran, easing market concerns. With the ceasefire in place, the risk of disruption to the Strait of Hormuz—which facilitates nearly 20% of global energy supply—was eliminated, thereby alleviating upward pressure on energy prices. In the aftermath of these developments, concerns over global growth and inflation have eased, which is expected to boost investor appetite for higher-risk assets. At the same time, we anticipate that the topic of trade tariffs—overshadowed recently by geopolitical tensions—will reemerge as a key market driver. Following the U.S.' trade agreement with the UK and a preliminary deal with China, investor focus will shift to how negotiations unfold with other major trading partners such as the EU, Japan, and South Korea. Beyond tariffs, ongoing geopolitical issues—most notably the Russia-Ukraine war and lingering tensions in the Middle East despite the ceasefire—will continue to be closely monitored. During its June 18 meeting, the Fed left interest rates unchanged, citing continued uncertainty over trade tariffs. As of now, market pricing reflects expectations of two rate cuts by the Fed before year-end.

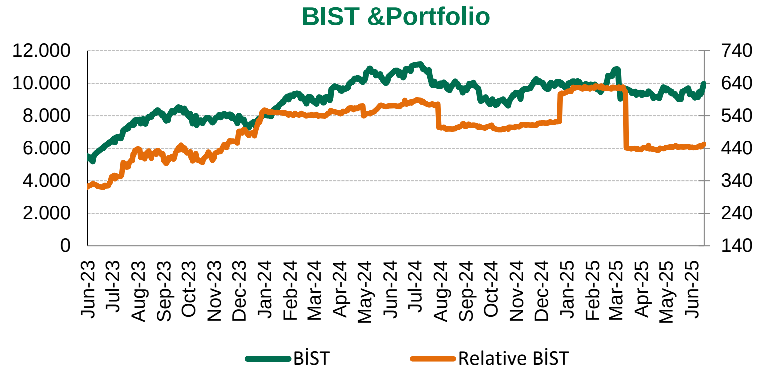
Domestically, the CBRT kept its policy rate unchanged at 46% at its June 19 meeting, while maintaining the lower and upper bounds of the interest rate corridor at 44.5% and 49%, respectively. That said, the CBRT, which had been funding the market at an average rate of 49%, lowered its average funding rate to 46% as of June 13. In the absence of a renewed external or domestic shock, we expect the CBRT to initiate a rate-cut cycle at its July meeting, following the regional ceasefire.

In July, we anticipate that global markets will focus primarily on the progress of U.S. trade negotiations, as well as developments stemming from the Russia-Ukraine and Middle East conflicts. In addition, upcoming macroeconomic data releases—particularly from the U.S., EU, and China—and key policy guidance from major central banks will be closely tracked by investors.

On the domestic front, in addition to potential news flow from ongoing irregularity investigations, macroeconomic indicators—especially the June inflation print to be released on July 3—will shape market expectations regarding the CBRT's policy stance at its July 24 meeting. The central bank's forward guidance, along with actions taken in support of the disinflationary process, will be key focal points. Meanwhile, geopolitical developments regarding the Israel-Iran and Russia-Ukraine conflicts, as well as statements from President Trump, will be watched closely. Furthermore, credit rating reviews by Moody's and Fitch are scheduled for July 25. While an outright upgrade appears unlikely, any forward-looking commentary will carry significant weight for market sentiment.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	9.949	10,30%	1,2%
BIST - 100, USD	250	8,4%	-10,2%
MSCI Turkey	275.697	10,8%	-7,8%
MSCI EMEA	232	4,2%	13,5%
MSCI EM	1.223	5,7%	13,7%
Benchmark Bond	40,13%	-393bps	-43bps
USD/TL	39,7408	1,74%	12,64%
EUR/TL	46,6074	5,28%	26,87%
P/E			
Banking	6,8		
Industrial	35,8		
Iron&Steel	42,4		
REIT	8,7		
Telecom	12,6		

*Close as of June 30, 2025



CBRT Expected to Begin Rate Cuts in July…

Rating: BUY

The BIST-100 Index began June with positive momentum driven by expectations of a CBRT rate cut. However, the rally lost steam mid-month as geopolitical risks intensified following Israel's military action against Iran, resulting in sharp market sell-offs. BIST 100 Index, which fell to the 9,000 level during the month, increased by 10.30% in June to 9,948.51 points due to the ceasefire in the Middle East. The industrials index closed the month with a 5.11% gain, while the banking index outperformed with a 27.26% rise.

Despite strengthening rate-cut expectations following a significantly lower-than-expected May inflation print, the CBRT chose to hold rates steady, citing concerns over potential pressure on energy prices stemming from Middle East tensions. Nevertheless, the central bank has continued to enhance the effectiveness of the monetary transmission mechanism through various macroprudential measures. Provided there are no meaningful deviations in monthly inflation and that no new internal or external shocks materialize, we expect the CBRT to resume its easing cycle in July.

Assuming the current geopolitical backdrop does not deteriorate further, meaningful progress is made on trade tariff negotiations, and domestic market volatility remains contained, we believe the CBRT's policy easing will mark the beginning of a rebalancing phase in the economy during Q3. This phase is expected to support the banking sector first, followed by broader gains in the real economy.

In line with the above dynamics, we expect a gradual recovery in risk appetite starting from July and project a positive trajectory for the BIST-100 Index throughout the month.

Based on our forward-looking analysis, we maintain our 12-month target for the BIST-100 Index at 13,500, which implies a 36% upside potential from current levels. Accordingly, we reiterate our "BUY" recommendation.

The MSCI Turkey Index currently trades at a 2025E P/E of 8.06x and P/BV of 1.02x, representing a 41% and 42% discount, respectively, compared to the MSCI EM Index—underscoring the relative undervaluation of Turkish equities.

We make no changes to our model portfolio this month.

Main Market Risks

- A breakdown of the Middle East ceasefire and the resurgence of large-scale conflict,
- Failure of key nations to reach trade agreements with the U.S., escalating into a broader trade war that pushes the global economy toward recession,
- In Turkey, despite policy measures, inflation failing to decline meaningfully, resulting in a sharp deterioration in inflation expectations,
- Stagflation risks globally, where inflation proves more persistent amid slowing growth,
- Widening geopolitical conflicts, particularly between Israel-Iran and Russia-Ukraine.

Model Portfolio

Top Picks	Close	Target	Pot.	MoM	Relative
AKBNK.TI	68,20	82,47	20,9%	33,9%	21,4%
ASELS.TI	150,80	184,00	22,0%	16,4%	5,5%
FROTO.TI	89,25	143,00	60,2%	11,4%	1,0%
ISCTR.TI	13,35	20,07	50,3%	24,2%	12,6%
MGROS.TI	494,75	750,00	51,6%	3,7%	-6,0%
SAHOL.TI	89,65	146,24	63,1%	16,0%	5,1%
TCELL.TI	96,15	136,60	42,1%	3,5%	-6,2%
THYAO.TI	283,50	495,50	74,8%	5,1%	-4,7%
Average				12,6%	2,1%

*Close as of June 30, 2025

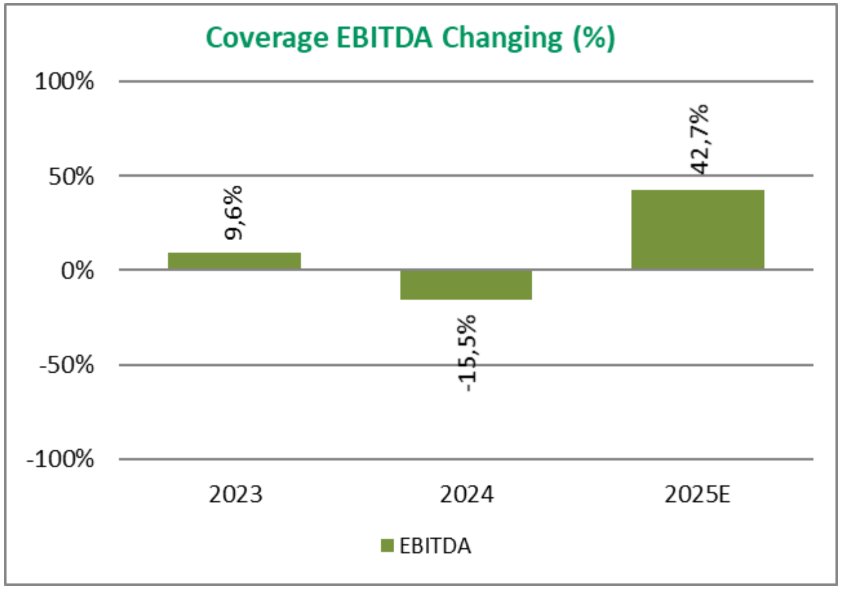
Add
-

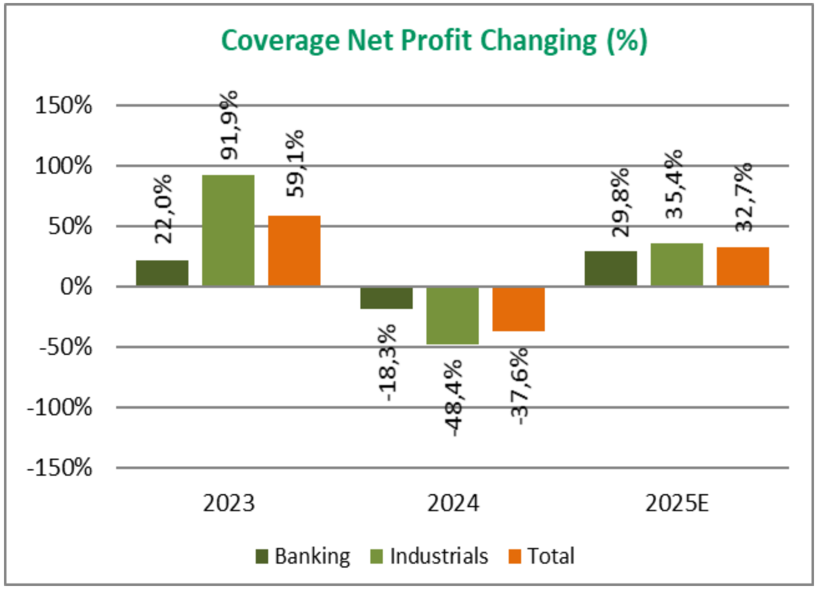
Remove
-

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

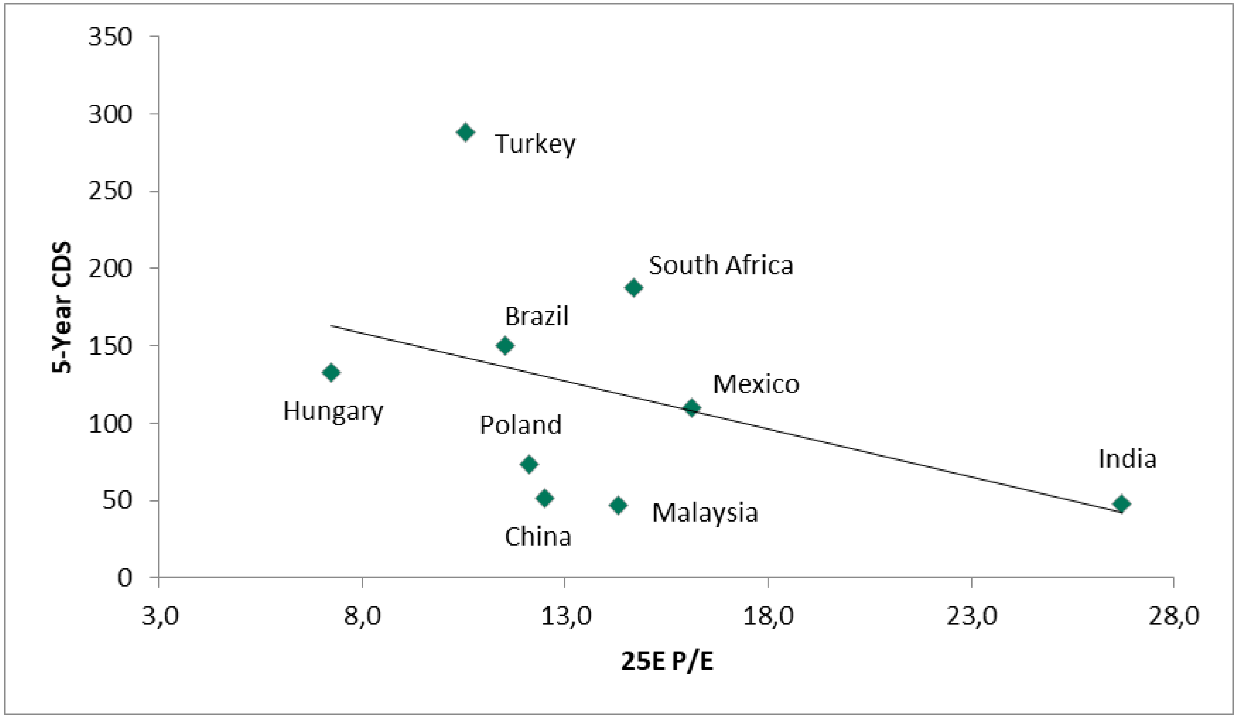
- The MSCI Turkiye Index has declined by 22.8% in absolute terms over the past 12 months. It has underperformed the MSCI EM, and the MSCI EMEA index by 45.8%, and 49.0%, respectively during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	10,8%	1,9%	-22,8%	-7,8%
MSCI EM	5,7%	11,0%	12,6%	13,6%
MSCI EMEA	4,2%	5,9%	15,1%	13,4%
MSCI Eastern Europe	5,8%	14,2%	30,2%	46,5%
MSCI World	4,2%	11,0%	14,7%	8,6%

Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	-4,64%	8,9%	45,8%	23,1%
MSCI EMEA	-5,9%	3,9%	49,0%	22,9%
MSCI Eastern Europe	-4,5%	12,0%	68,7%	58,8%
MSCI World	-5,9%	8,9%	48,5%	17,7%

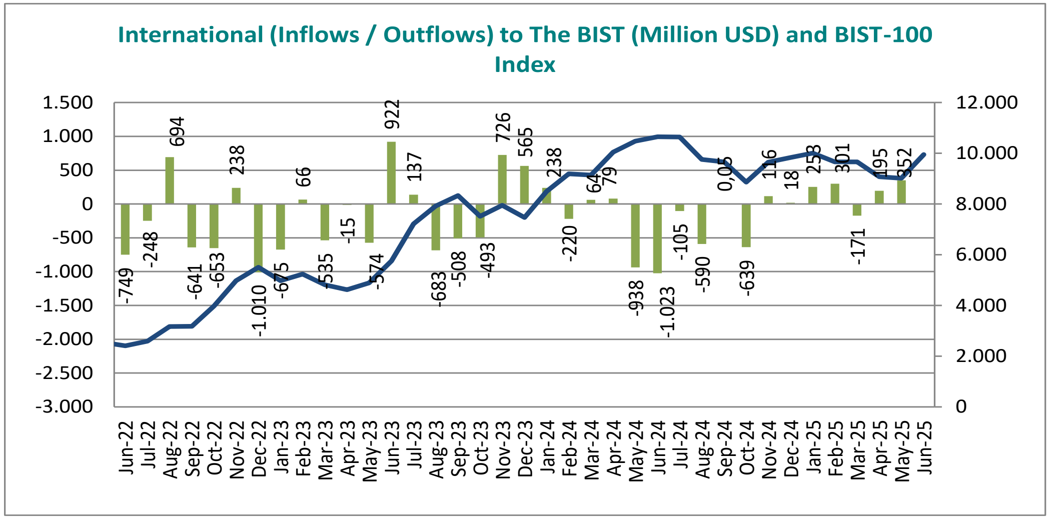
As of June 30, 2025

5-Year CDS

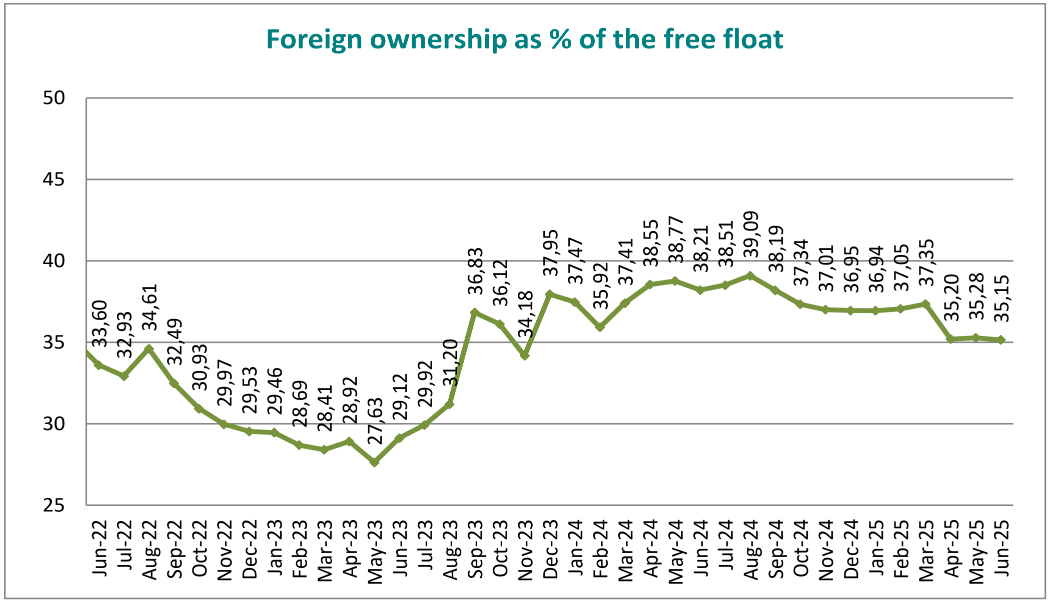


As of June 30, 2025

Int. flow and foreign ownership

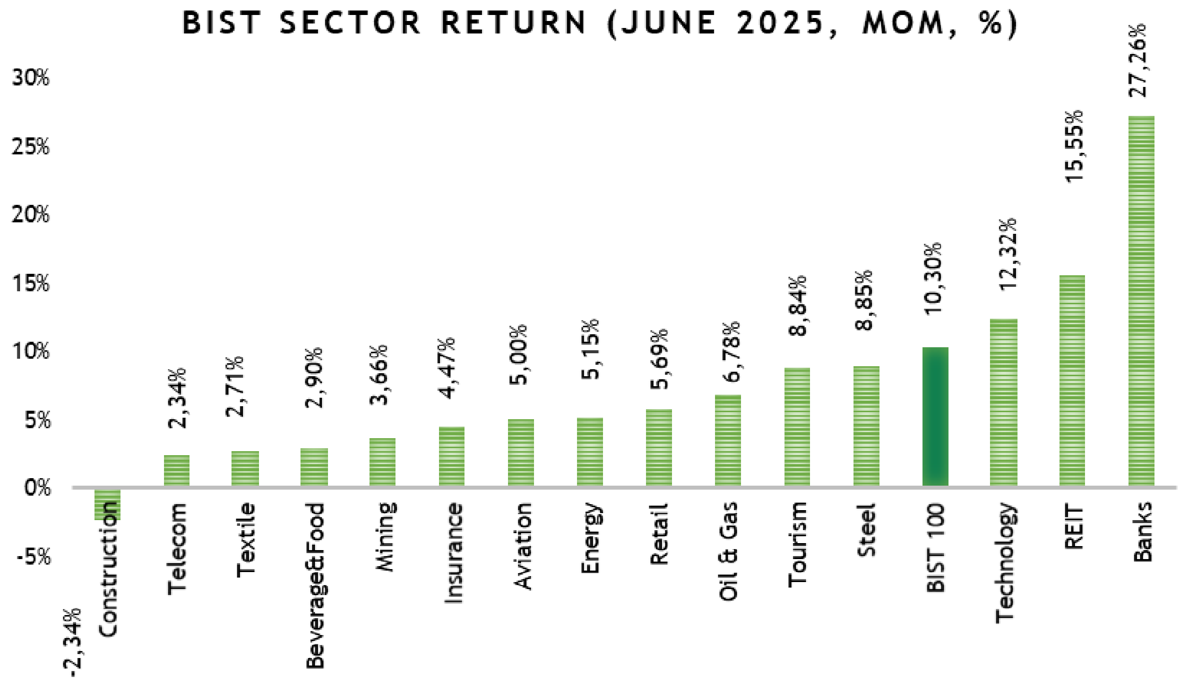


- In May 2025, foreign investors were net buyers at the BIST of USD 352mn.



- Foreign ownership has realized to 35.15% in June 2025.

Sector performances



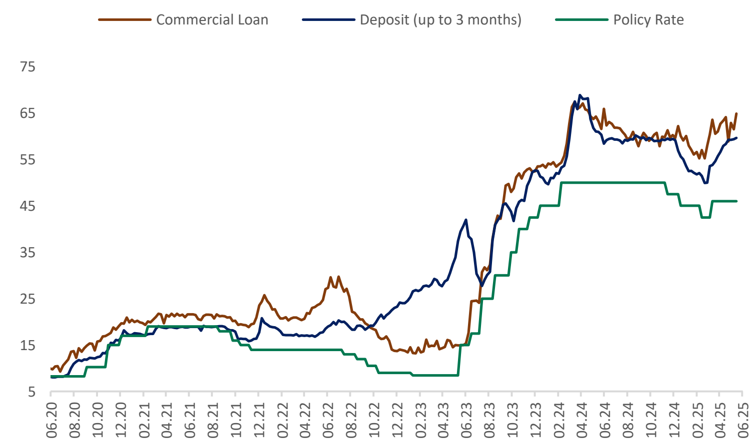
As of June 30, 2025

Macroeconomic Outlook

CBRT Rate Decision - June

At its meeting this month, the Central Bank of the Republic of Turkey (CBRT) Monetary Policy Committee (MPC) kept the policy rate unchanged at 46%, in line with market expectations. The general market expectation was for a possible reduction in the lending rate, which is the upper band of the corridor. By keeping both the policy rate and the corridor width unchanged, the CBRT chose to send a cautious message to the market. Although some changes were made to the decision text, we see that the general tone remains consistent with the April decision. The main change relates to the slowdown in domestic demand in the second quarter. The decline in the output gap indicates that the cooling of the economy will become more pronounced. The second point concerns increasing protectionist measures, downward risks in global trade, and geopolitical developments. Negotiations on tariffs have yet to achieve the desired progress, and uncertainty continues. In addition, the current state of tension between Israel and Iran and the rhetoric of the parties escalating the tension could trigger a new wave of inflation, particularly in commodities. The CBRT has maintained its cautious stance, stating that it is closely monitoring all these processes and assessing their potential impact on inflation. Although market expectations for a rate cut were not met, it is understood that the disinflation process will continue with determination. The relatively tight monetary policy and relatively high real interest rates have significantly slowed down demand-pull inflation. The CBRT's decision to keep interest rates unchanged at this meeting is intended to test the persistence of external shocks and their impact on domestic macroeconomic indicators. Although the impact on financial markets is negative, we consider this to be an appropriate decision in the fight against inflation. Policymakers, unwilling to risk the damage that an early and untimely interest rate cut could cause, opt instead to buy time until a new equilibrium is achieved. Taking all these developments into account, the CBRT wanted to gain time in the fight against inflation and see the contributions that the latest tightening has made/will make to disinflation. This is because the positive contributions of tightening may weaken due to local and global developments. The CBRT did not want to act without seeing this clear effect.

Policy, Loan and Deposit Rates (%)

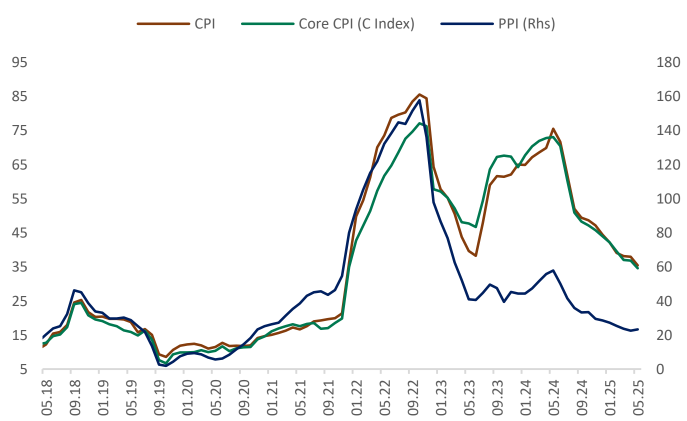


Macroeconomic Outlook

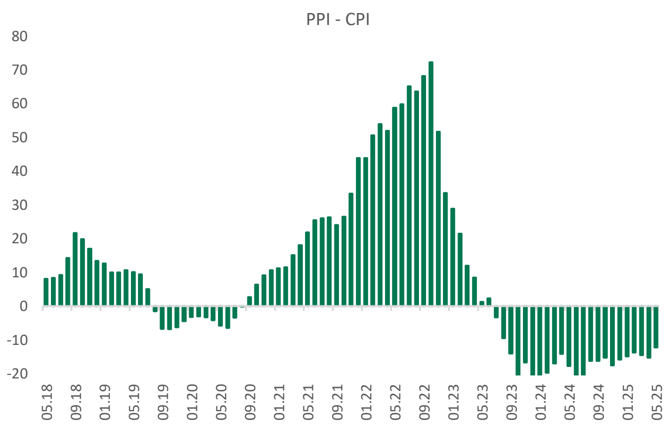
Inflation - May

The CPI rose by 1.53% in May compared to the previous month, while annual inflation stood at 35.41%. We are seeing a sharper decline in inflation than expected. The average inflation rate for food, housing, and transportation, which accounts for 55.2% of the index, rose by 40.05% annually. During the same period, the monthly inflation rate for the B index (core inflation), which is the Special Scope CPI Indicator, was 2.25%, while the annual inflation rate was 34.81%. Several points stand out in the May figures. First among these is the monthly decline in prices for food and non-alcoholic beverages. This rate, which fell to 0.71%, has also brought annual inflation down to 32.87%. However, monthly increases of 2.99% and annual increases of 67.43% in housing prices appear to have limited the strong decline in the basket (housing index weight is 15.22%). In transportation, despite a monthly increase (2.66%), the annual level remains at 24.59%, balancing the impact of housing in the basket. We have previously noted in our reports that price developments in May and June are of critical importance for the CBRT's monetary policy stance. The institution, which implemented additional tightening in April, has tied the extent and timing of interest rate cuts for the remainder of the year to the inflation outlook. Looking at the actual figures, market expectations for an interest rate cut in June have strengthened, and the CBRT's hand has been eased. We can also see this in the pricing behavior of financial markets. Early interest rate cuts could bring about a soft landing, but they may also disrupt the process of disinflation. In this case, the most reasonable scenario appears to be rolling back the additional tightening of monetary policy that occurred in March to pre-March levels. This would both manage three-month demand-driven inflation and send a message that the market is prepared to use all available tools in the face of upward risks. This would reassure the market and buy time in the fight against inflation. In the other two scenarios (an interest rate cut exceeding expectations or a delay in the cut), we would either need to exercise greater patience in the fight against inflation or face a sharp decline in growth. Both scenarios contain outcomes that the market would not welcome. We expect that the CBRT will revert to its March monetary policy by June and proceed with a focus on inflation.

CPI, PPI and Core CPI (YoY %)



PPI - CPI Spread

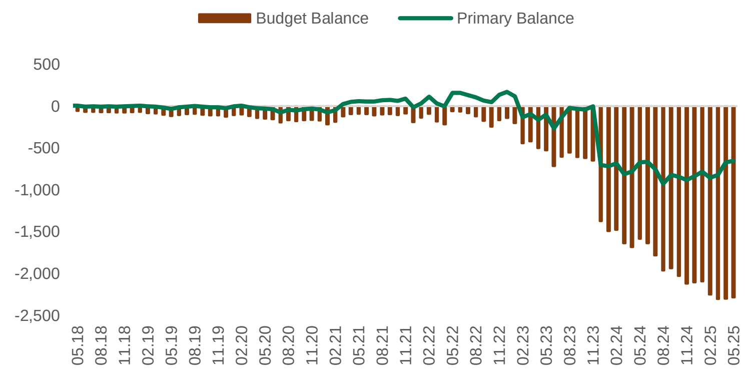


Macroeconomic Outlook

Budget Balance - May

According to the central government budget data for May published by the Ministry of Treasury and Finance, budget revenues amounted to TL1,324.9 billion and budget expenditures amounted to TL1,089.7 billion. During the same period, non-interest budget expenditures amounted to TL978.6 billion. With these figures, the budget surplus was TL235.2 billion, while the non-interest balance posted a surplus of TL 346.4 billion. We were expecting a seasonal recovery in the budget during the May period, led by corporate tax revenues. The decline in interest expenditures also eased pressure on the budget. While the average interest expense for the first four months of the year was 180 billion lira, it declined to 111 billion lira in May. Current transfers and personnel expenses remained relatively flat. In April, 18.8 billion lira and 34.4 billion lira in current transfers were made to Elektrik Üretim A.Ş. and BOTAŞ, respectively. While economic and financial transfers were withdrawn, this recovery was balanced by SGK transfers. Due to holiday bonuses, 57.6 billion lira was transferred from the budget in May. Despite a total of 110.9 billion lira in transfers to public enterprises and SGK, the budget outlook is positive. The main reason for this is the collection of approximately 470 billion lira in corporate taxes. When adjusted for seasonal effects, the budget continues to show a limited negative outlook. Following the additional tightening of monetary policy in April, the room for maneuver has narrowed considerably. Any further tightening at this stage could lead to sharper declines in the growth-employment-production cycle. This indicates that additional tasks will fall to public finances. In particular, the additional contribution that public spending will make to inflation is complicating the task of monetary policy. If budget revenues are not increased (assuming that spending is not cut to the targeted level), which means additional taxes, the budget deficit could spiral out of control. Inflation and changes in the pension system have caused permanent damage to the budget. It will take time for fiscal discipline in the budget to converge to its historical average. We remind readers that the desired level of tightness in fiscal policy has yet to be achieved and that the budget deficit may put additional pressure on inflation. Positive developments in the inflation outlook in May have strengthened the possibility of an interest rate cut. It would be appropriate to limit the upward pressure on inflation from monetary policy in the second half of the year through fiscal policy. The positive effect on long-term interest rates of a budget performance consistent with medium-term program targets will also ease monetary policy.

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

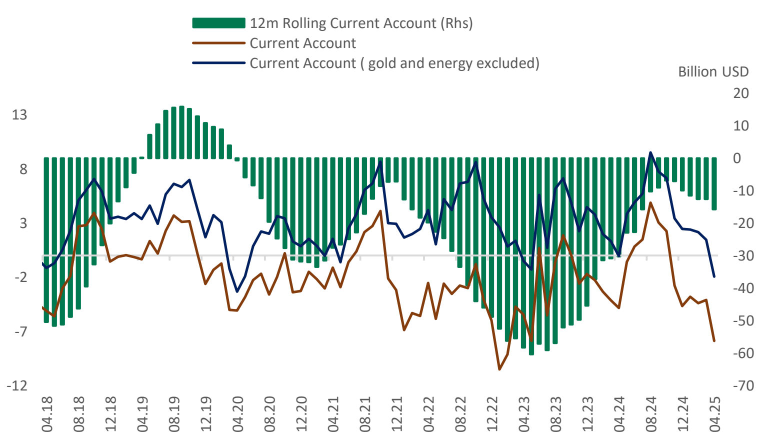


Macroeconomic Outlook

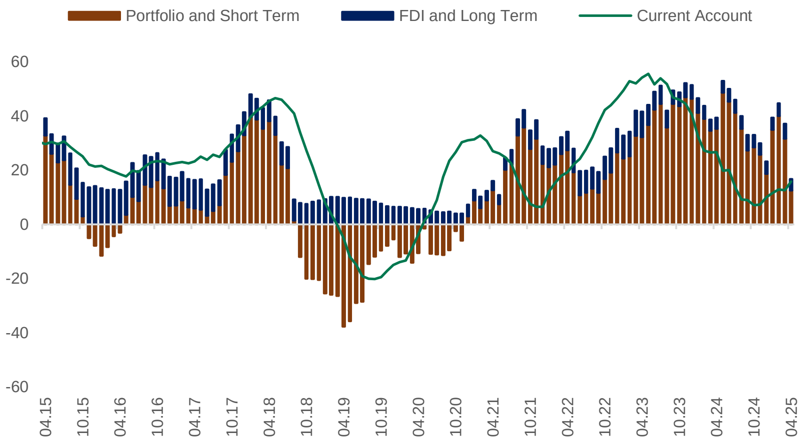
Balance of Payments - April

According to balance of payments statistics, the current account balance for April showed a deficit of USD 7,864 million. As a result, the 12-month current account deficit stood at US$15,815 million (previous: USD 12,780 million). Our expectation was for a current account deficit of USD 7.3 billion, which was below market expectations (USD 7.5 billion deficit). There is a deterioration above both the market's and our expectations. We had anticipated a more negative outlook for the current account deficit compared to 2024, particularly in the second half of 2025. The recovery of domestic economic activity led by import demand, alongside interest rate cuts, formed the basis of our baseline scenario for the current account balance. Despite the high interest rate environment, the actual figures indicate that we may experience a current account deficit exceeding our expectations once interest rate cuts are implemented. The current outlook could delay our year-start projections by a quarter. The CBRT is closely monitoring developments in the global outlook and risk appetite. In this period of heightened geopolitical risk, the Bank will take into account the potential shocks to both inflation and the payments balance from energy prices. May inflation figures are hinting at interest rate cuts. If the slowdown in inflation is accompanied by a global environment of peace and risk appetite, we may see more aggressive interest rate cuts as of June. Looking into the details of the current account balance, the balance of payments-defined trade deficit of USD 9,891 million and inflows from the services balance of USD 3,903 million were effective. The 12-month cumulative trade deficit defined by the balance of payments was USD 60.3 billion, while inflows from the services balance reached USD 62 billion. We expect inflows from the services balance to gain momentum starting in the summer months. The current account balance, excluding gold and energy, showed a deficit of USD 1,938 million this month. While the strong trend in gold imports continues, downward pressure on energy prices is increasing demand. Core current account balance indicators also deteriorated beyond expectations for the first time in 23 months as of April. If tariff and new measures related to global trade are resolved through negotiations, markets will see relief. However, a limited negative process is expected to impact the balance of payments.

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



Finance of Current Account Deficit (Billion USD)

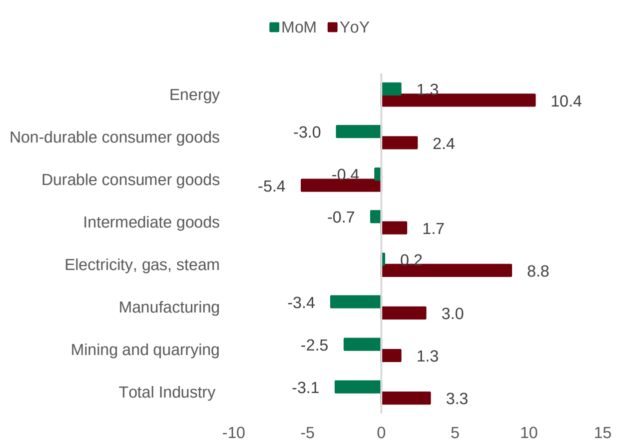


Macroeconomic Outlook

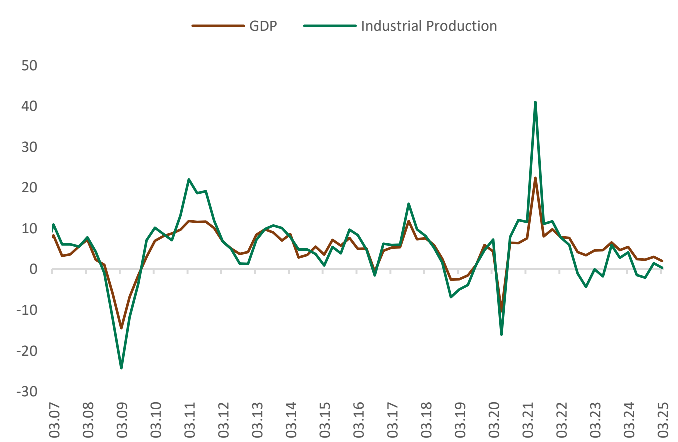
Industrial Production- April

According to industrial production index data, seasonally and calendar-adjusted production fell by 3.1% in April compared to the previous month. Thus, annual production rose by 3.3% (previously 2.5%). We had predicted a decline in April following the limited recovery seen in March. The monthly data shows a sharper slowdown than we had expected. The annual data is flat due to the base effect. In April, the additional tightening of monetary policy, resulting from political developments, increased downward pressure on production and industrial data. We had expected the recovery to become more pronounced in the second quarter of the year. Political developments in March and global economic trends have led us to revise our expectations. The biggest change in our base scenario is that we had to postpone our expectation that industrial and manufacturing companies would outperform by one quarter in the second half of the year. We view this as a process that will be applied across all stages of production data. The most significant effects of the monetary and fiscal policies implemented on economic activity are likely to be evident in 2025. As we mentioned in our previous reports, we believe that monthly recoveries reached their peak in March. For the remainder of the year, we expect a steady monthly trend and a negative output gap in annual production. We anticipate that financing costs will have a significant restrictive impact on companies and sectors with high debt burdens until the end of the year. The most positive development in this negative outlook is the strengthening of market expectations for interest rate cuts following the May inflation figures. A limited interest rate cut in June will give the market some breathing room. Domestic political and economic developments have brought some risks to the macro-financial outlook in the second quarter. Our expectation of gradual interest rate cuts from the beginning until the end of the year has also been disrupted. The increase in the policy interest rate following the CBRT's move to widen the interest rate corridor upward has weakened expectations for production momentum. However, the high level of interest rates will inevitably put additional pressure on the real sector in terms of both production and financing. The pressure on sectors and companies with high financing costs will continue for some time.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



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

Upside: 21%

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 TP of TRY82.47/shr offers 21% upside. We also maintain our "Outperform" recommendation. The bank is trading at a 2025E P/E of 6.3x and P/BV of 1.29x with a ROAE of 21,9%.

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.

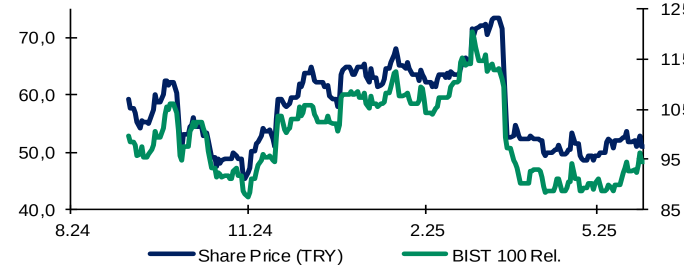
Upside and downside risks. Higher-than-expected asset quality worsening, and a worse-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	354.640	Beta (12M)	1,38
Mcap (USDmn)	8.923	Avr. Daily Vol. (TRYm)	5.264
Close	68,20	Foreign Ownership in FF	46,5%
Last 12M High	74,54	Free Float (%)	52,0%
Last 12M Low	45,11	Weight	6,39%

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	6,3	4,5
P/BV	0,90	1,40	1,29	1,07



Return	1M	3M	6M	12M
TRY Return (%):	33,9	30,5	7,5	8,9
US$ Return (%):	31,4	24,6	-4,7	-10,0
BIST-100 Relative (%):	21,4	26,7	6,2	16,5

Source: Bank financials, Seker Invest Research

Aselsan (OP, 12M TP: TRY 184.00) Upside: 22%

We continue to like the export-oriented growth structure...

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 0.13% according to the last closing price indicates efficiency.

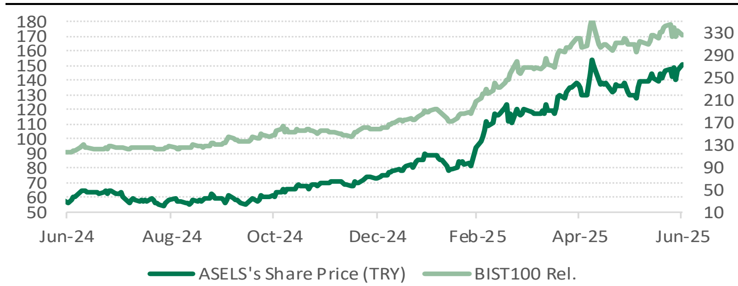
The Company's 2025 expectations- Aselsan maintained its expectations for 2025. Accordingly, the Company predicts that net sales revenue growth will increase by over 10% in TL terms in 2025, including TMS 29. The Company aims for an EBITDA margin of over 23% in 2025, including TMS 29. The Company also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

NATO members have agreed to increase annual defense spending to 5% of GDP by 2035. At the recent NATO summit, which is also important for Turkey, the main agenda item for the 32 alliance member countries was to increase war industry spending. Within this framework, the current target of 2% of gross domestic product (GDP) in 2014 will be increased to 5%.

We maintain our 12-month target price at TRY 184,0/shr. While our target price has a 22% upside potential, we maintain our Outperform rating for ASELS.

Code	ASELS.TI	Close	150,80
MCAp (TRY m)	687.648	Last 12M High	158,50
MCAp (US$ m)	17.303	Last 12M Low	54,01
EV (TRY m)	707.761	Beta	0,83
EV (US$ m)	17.836	Avg. daily trading vol. (US$ m)	91,9
Free float (%)	26,00	Foreign ownership in FF (%)	47,15%

Key figures	2022A*	2023A*	2024	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	0,37%	0,22%	0,07%	0,13%
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***	**2024**	**2025E**
P/E	536,4	65,3	44,9	23,6
EV/EBITDA	3,6	30,6	23,4	13,5
EV/Sales	0,8	6,7	5,9	4,0
P/BV	8,6	5,5	4,5	3,6
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	16,4	25,8	108,0	157,8
US$ Return (%):	14,2	20,0	84,3	113,0
BIST-100 Relative (%):	5,5	22,1	105,5	175,9



Source: PDP, Finnet, Seker Invest Research estimates

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

Cimsa (OP, 12M TP: TRY 63.00) Upside: 31.3%

We maintain our “Outperform” recommendation

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).

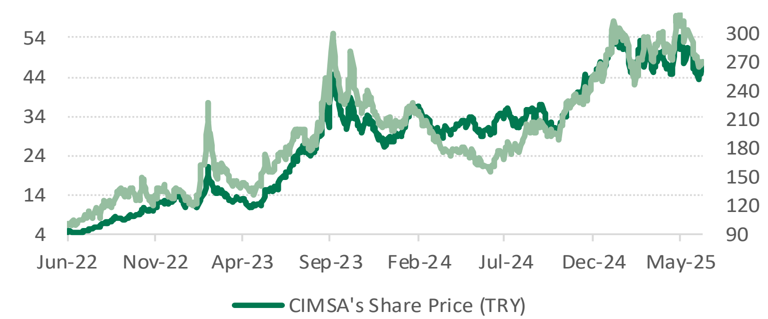
The company recorded a quarterly EBITDA of TRY 1,094mn in 1Q25 (1Q24: TRY 799mn). The quarterly EBITDA margin improved by 1.4pp YoY to 12.3% (1Q24: EBITDA margin: 10.9%).

As of June 30, 2025, CIMSA stock had lost 0.4% over the previous month. Regarding returns relative to the BIST 100, the stock had underperformed by 9.7% over the previous month.

We maintain our 12-month target price of **TRY 63.00**/share and '**Outperform**' recommendation for CIMSA. Our TP has 31.3% upside potential compared to the share closing price on June 30, 2025.

Code	CIMSA.TI	Close	48,00
MCAp (TRY m)	45.388	Last 12M High	56,69
MCAp (US$ m)	1.142	Last 12M Low	29,24
EV (TRY m)	63.532	Beta	1,03
EV (US$ m)	1.623	Avg. daily trading vol. (US$ m)	14,2
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%	1,1%	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	7,7	12,6	16,9	8,9
EV/EBITDA	1,7	12,0	12,5	7,4
EV/Sales	0,2	2,1	2,3	1,7
P/BV	2,9	1,7	1,8	1,6
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-0,4	-5,6	4,3	56,1
US$ Return (%):	-2,2	-9,9	-7,6	29,0
BIST-100 Relative (%):	-9,7	-8,4	3,1	67,0



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 143.00) Upside: 60%

We maintain our TP for Ford Otosan of **TRY 143.00/sh**, and our "**OUTPERFORM**" recommendation. Based on the June 30, 2025 closing price, Ford Otosan trades at 2025E 6.2x EV/EBITDA and 2025E P/E of 5.9x, indicating a potential return of 60%. We are holding Ford Otosan into our model portfolio, driven by its robust story, and significant investment initiatives within the electrification period.

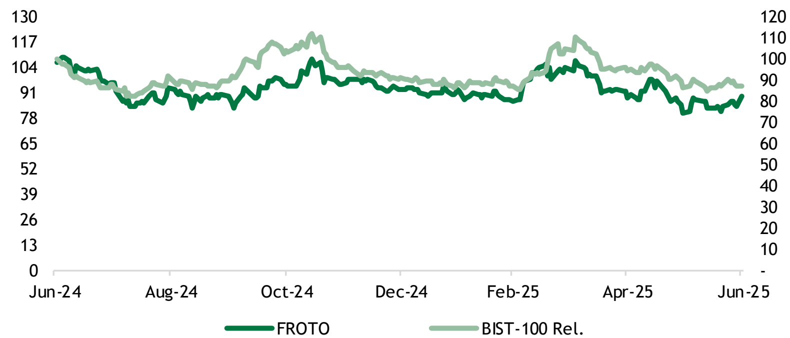
According to ADMA, Ford Otosan's LCV sales declined by 6.3% YoY in May 2025, reaching 6,072 units (May 2024: 6,479 units). During the January to May 2025 period, its retail sales of LCVs rose by 9.1% YoY, up from 24,557 units last year to 26,801 units this year. In May 2025, Ford Otosan's market share declined by 1.4 pp YoY to 7.6% while in 5M25, it declined by 0.1 pp YoY to 7.8%.

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	89,25
MCap (TRY mn)	313.187	Last 12M High	110,94
MCap (US$ mn)	7.881	Last 12M Low	78,85
EV (TRY mn)	402.464	Beta	0,84
EV (US$ mn)	10.245	Avg. Daily Trading Vol. (US$ m)	30,3
Free Float (%)	20,31	Foreign Ownership in FF (%)	32,66

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	11,3	4,4	8,1	5,9
EV/EBITDA	12,6	6,5	10,1	6,2
EV/Sales	1,2	0,7	0,7	0,5
P/BV	4,2	2,1	3,2	2,3
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	11,4	-14,3	-3,2	-18,1
US$ Return (%):	9,3	-18,2	-14,2	-32,3
BIST-100 Relative (%):	1,0	-16,8	-4,3	-12,4



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: TRY20.07) Upside: 50%
Outstanding cost management

We maintain our BUY recommendation, considering the bank's strong demand deposit base, increasing fee and commission income, effective cost management, relatively low risk concentration in retail loans, and favorable TL liquidity.

Is Bank announced a solo net profit of TRY 12,418 million in 1Q25. While the bank's net profit declined by 12% YoY, quarterly net profit growth was recorded at around 15%.

The bank management maintained 2025 budget. The bank 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 41.8% as of 1Q25.

Fee and commission income remained strong. Supported by loan growth, new customer acquisition, and contributions from the payment system, commission income grew by 39.2% YOY and 3% QoQ as of 1Q25. The ratio of fee and commission income to operating expenses was 85.5% in 1Q25.

Effective cost management Operating expenses decreased by 4.7% compared to the previous quarter but increased by 23.6% YoY due to personnel expenses.

Relatively low risk concentration in retail loans. The NPL ratio increased by 30 bps QoQ to 2.4% in 1Q25. The share of retail loans and credit cards is 31%, the lowest among peers, which provides protection against potential deterioration in asset quality. Stage 3 coverage ratio decreased by 190 bps to 70.6% in 1Q25. The Stage 2 loan ratio slightly increased to 9.3% in 1Q25 from 9.1% in the previous quarter.

We model above-average 43% YoY earnings growth for 2025E. Our target price of TRY20.07 has 50% upside potential. We maintain our "Outperform" recommendation. The stock is trading at 2025E 5.1x P/E and 0.93x P/BV and ROTE of 19.3%.

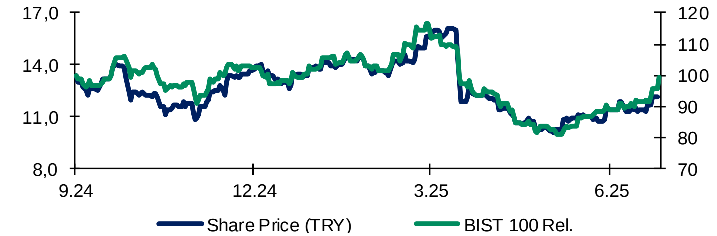
Upside and downside risks. Higher-than-expected asset quality worsening, and a lower-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	333.750	Beta (12M)	1,23
Mcap (USDmn)	8.398	Daily Volume (12M)	5.526
Close	13,35	Foreign Ownership in FF	26,0%
Last 12M High	17,51	Free Float (%)	31,0%
Last 12M Low	10,07	Weight	3,58%

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	7,4	5,1	3,5
P/BV	0,87	1,06	0,93	0,79



Return	1M	3M	6M	12M
TRY Return (%):	24,2	8,9	0,1	-14,5
US$ Return (%):	21,9	3,9	-11,3	-29,4
BIST-100 Relative (%):	12,6	5,7	-1,1	-8,5

Source: Bank financials, Seker Invest Research

Migros (OP, 12M TP: TRY 750.00) Upside: 52%

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 750.00. As of the closing price on June 30, 2025, the stock is trading at 2025E EV/EBITDA of 4.8x and 2025E P/E of 8.6x, implying an upside potential of 52%.

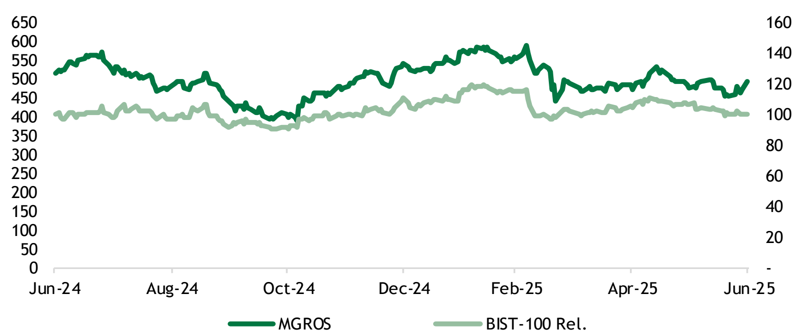
Considering the Company's FMCG market share trajectory; in the modern FMCG market, it had a 16.3% (1Q24: 15.8%) market share in 1Q25, and 10.2% (1Q24: 9.5%) of the total FMCG market thanks to price investments, and its omni & multi format growth strategy. In addition, its store number rose by 256 compared to 1Q24 to 3,642 stores in total in 1Q25. Sales area rose by 5.0% 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 1Q25, the Company's total financial debt (Inc. IAS-29) was at TRY 1,071mn (1Q24: TRY 2,182mn).

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	494,75
MCap (TRY mn)	89.577	Last 12M High	591,72
MCap (US$ mn)	2.254	Last 12M Low	389,03
EV (TRY mn)	95.478	Beta	0,92
EV (US$ mn)	2.410	Avg. Daily Trading Vol. (US$ m)	24,7
Free Float (%)	50,82	Foreign Ownership in FF (%)	33,32

Key Figures (TRY mn)	* 2022A	* 2023A	* 2024A	2025E
Revenues	202.823	262.132	293.780	392.163
Growth (%)		*29,2%*	*12,1%*	*33,5%*
EBITDA	5.430	4.537	15.796	20.010
EBITDA Margin (%)	*2,7%*	*1,7%*	*5,4%*	*5,1%*
Net Profit	13.196	12.747	6.340	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	-1,17	0,51	0,33
Net Debt/Equity (x)	-0,04	-0,07	0,15	0,10
ROAE (%)		22,2%	10,0%	18,0%
ROAA (%)		8,2%	3,1%	4,6%
Valuation Metrics	*** 2022A**	*** 2023A**	*** 2024A**	**2025E**
P/E	6,8	7,0	14,1	8,6
EV/EBITDA	17,6	21,0	6,0	4,8
EV/Sales	0,5	0,4	0,3	0,2
P/BV	2,3	1,2	1,7	1,4
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	3,7	1,3	-8,3	-4,7
US$ Return (%):	1,8	-3,3	-18,7	-21,3
BIST-100 Relative (%):	-6,0	-1,6	-9,4	2,0



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: 63%

Sabanci Holding has booked a TRY 2,940mn consolidated loss in 1Q25 (1Q24: TRY 7,411mn net loss), according to inflation accounting provisions (IAS-29). The loss positions of all segments except for material technologies contributed to the consolidated loss. Sabanci Holding printed TRY 250,615mn of revenues (including banking) in 1Q25. In 1Q25, the Holding recorded TRY 21,394mn EBITDA on a 24% decrease YoY.

The Holding's solo net cash position has increased to TRY 18.4bn from TRY 12.4bn at the end of 2024 thanks to received dividend payments. Net Debt/EBITDA was 1.6x, well below the Holding's midterm target of a maximum 2.0x.

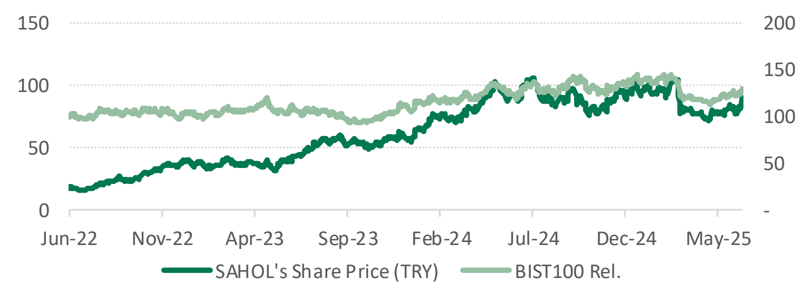
Sabancı Holding's net asset value is composed of 42% banking and financial services, 33% energy and climate technologies, 14% material technologies, 6% digital technologies and others, and 5% mobility solutions. Revenue-wise, 58% comes from banking and financial services, 20% from energy, 4% from mobility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

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.

In line with our expectations, we maintain our 12-month target price for Sabancı Holding (SAHOL) at TRY 146.24/share. As our target price carries 63% upside potential based on the closing price of June 30, 2025, we maintain our OUTPERFORM recommendation for the stock.

Code	SAHOL.TI	Close	89,65
MCAp (TRY m)	188.299	Last 12M High	107,04
MCAp (US$ m)	4.738	Last 12M Low	71,70
EV (TRY m)	206.897	Beta	1,14
EV (US$ m)	5.231	Avg. daily trading vol. (US$ m)	54,1
Free float (%)	51,00	Foreign ownership in FF (%)	36,1%

Key figures	2023*	2024 *	2024/03	2025/03
Revenues	217.718	214.725	53.968	50.735
Finance Sector Revenues	625.710	783.531	183.250	199.880
Total Revenues	843.428	998.257	237.218	250.615
Growth		*18,4%*		*5,6%*
Consalidated net profit	24.515	16.980	-7.411	-2.940
EPS	12,01	8,32	-3,63	-1,40
Dividend yield	2,9%	3,0%		
Net debt /Equity	0,10	0,02		0,06
ROAE	7,4%	5,4%		7,1%
ROAA	0,7%	0,5%		0,6%
Valuation metrics	**2023***	**2024 ***	**2024/03**	**2025/03**
P/E	7,7	11,1		8,8
EV/Sales	1,0	1,0		1,0
P/BV	0,5	0,6		0,6
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	16,0	10,6	-3,2	-3,7
US$ Return (%):	13,9	5,6	-14,2	-20,4
BIST-100 Relative (%):	5,1	7,4	-4,3	3,1



Source: PDP, Finnet, Seker Invest Research estimates

**2023, 2024 financials are Indexed according to 1Q25 with IAS -29*

Turkcell (OP, 12M TP: TRY 136.60) Upside: 42,1%

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.

According to inflation accounting provisions (IAS-29), Turkcell announces TRY 3,082mn net profit for 1Q25 (1Q24: TRY 3,638mn, -15% YoY). Turkcell booked net sales revenue of TRY 47,692mn (13% YoY) including the IAS-29 effect. 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. The EBITDA margin was realized at 43.7% in 1Q25 (1Q24: 41.4%).

Dividend: Turkcell is to pay a gross dividend of TRY 3.6363636 (net TRY 3.0909091) per share from 2024 net profit. Net TL 1.5454545 was paid on June 20, 2025, and the remaining 2nd installment will be paid in cash to shareholders on December 26, 2025.

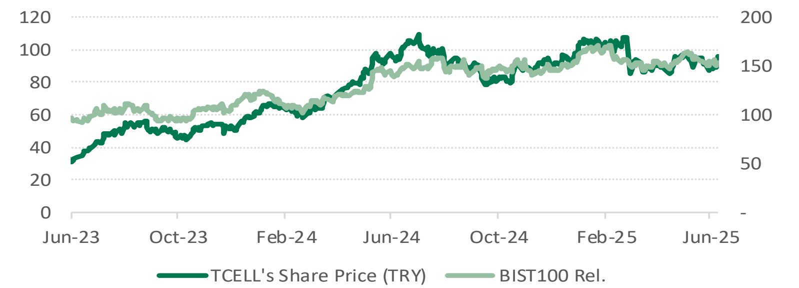
2025 guidance: Turkcell expects 7-9% growth in revenues in real terms and a 41-42% EBITDA margin. The company also expects approximately a 23% OPEX/sales ratio. In addition, the revenue of the Data Center-Cloud business line is expected to grow by 32-34%. *Expectations are based on the assumption that 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 TCELL at 136.60/share. Our target price has 42,1% upside potential compared to the stock's closing price on June 30, 2025. We maintain our OUTPERFORM recommendation.

Code	TCELL.TI	Close	96,15
MCAp (TRY m)	211.530	Last 12M High	109,51
MCAp (US$ m)	5.323	Last 12M Low	76,79
EV (TRY m)	248.364	Beta	1,05
EV (US$ m)	6.298	Avg. daily trading vol. (US$ m)	62,4
Free float (%)	54,00	Foreign ownership in FF (%)	66,4%

Key figures	2022A*	2023A*	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%	2,8%	2,7%
Net debt /EBITDA	1,04	0,58	0,45	0,22
Net debt /Equity	0,35	0,21	0,15	0,15
ROAE		10,8%	11,6%	12,0%
ROAA		5,2%	6,0%	6,2%
Valuation metrics	**2022A***	**2023A***	**2024**	**2025E**
P/E	21,3	11,7	9,5	10,1
EV/EBITDA	1,1	3,9	3,6	2,5
EV/Sales	0,4	1,6	1,5	1,1
P/BV	1,9	1,2	1,0	1,5
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	3,5	2,5	5,8	0,6
US$ Return (%):	1,6	-2,2	-6,2	-16,8
BIST-100 Relative (%):	-6,2	-0,5	4,5	7,7



Source: PDP, Finnet, Seker Invest Research estimates

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

Seker Invest

Turkish Airlines (OP, 12M TP: TRY 495.50) Upside: 75%

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 June 30, 2025, closing price—offering an attractive **75% upside potential**. THY is currently trading at 2025E P/E of 2.68x and 2025E EV/EBITDA of 3.16x.

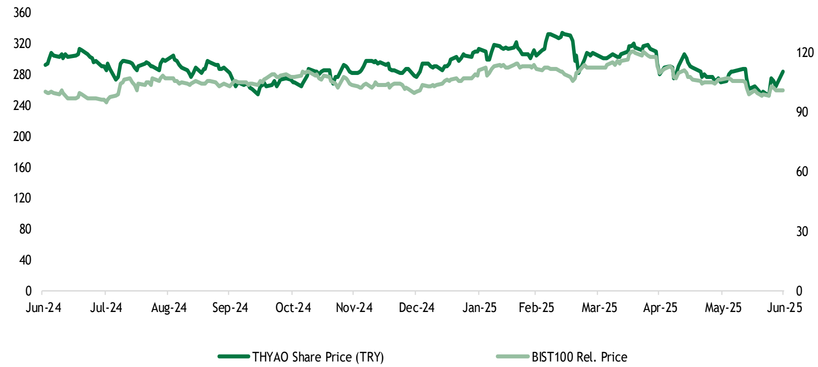
➢ THY's PAX rose by 5.1% YoY for May 2025. The rise was mainly due to increase of int'l passenger number when compared to May 2024. THY's total PAX in May 2025 was at 7.6mn. Meanwhile, in May 2025, the share of international PAX in total PAX was 64.3%. The total load factor rose by 1,3 pp at 81.1% in May 2025. The carrier's international PAX rose by 7.0% YoY to 4.9mn in May 2025; domestic PAX slightly rose by 1.8% YoY to 2.73mn in May 2025. THY's cargo operations volume was up 5.1% YoY in May 2025. THY's traffic figures for 5M25 indicates with a PAX increase of 3.7% YoY. THY's total PAX in 5M25 was at 34mn. The total load factor rose by 0,8 pp at 81.2% in 5M25. The carrier's international PAX rose by 6.7% YoY to 22.3mn in 5M25; domestic PAX declined by 1.7% YoY to 11,7mn in 5M25. THY's cargo operations volume was slightly up 2.7% YoY in 5M25.

➢ 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	283,50
MCAp (TRY mn)	391.230	Last 12M High	335,07
MCAp (US$ mn)	9.845	Last 12M Low	249,20
EV (TRY mn)	720.003	Beta	0,97
EV (US$ mn)	18.550	Avg. Daily Trading Vol. (US$ mn)	238,3
Free Float (%)	50,48	Foreign Ownership in FF (%)	30,37

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	3,61	1,64	2,87	2,68
EV/EBITDA	3,75	3,35	3,67	3,16
EV/Sales	1,01	0,89	0,82	0,76
P/BV	1,17	0,73	0,60	0,50
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	5,12	-7,64	2,22	-6,96
US$ Return (%):	3,22	-11,84	-9,40	-23,12
BIST-100 Relative (%):	-4,69	-10,32	1,01	-0,42



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

Recommendations List

Recommendation List

July 1, 2025

BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	68,20	OP	82,47	354.640	428.846	20,9%	8,26	1,46
GARAN	135,00	OP	164,52	567.000	690.977	21,9%	5,96	1,67
HALKB	24,32	MP	21,45	174.734	154.148	-11,8%	10,08	1,10
ISCTR	13,35	OP	20,07	333.750	501.715	50,3%	7,60	1,02
TSKB	12,48	OP	15,86	34.944	44.407	27,1%	3,09	0,99
VAKBN	26,46	MP	28,73	262.375	284.916	8,6%	5,42	1,13
YKBNK	31,70	OP	36,77	267.772	310.595	16,0%	8,89	1,30

HOLDING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
KCHOL	154,00	OP	243,75	390.528	618.125	58,3%	-	0,68
SAHOL	89,65	OP	146,24	188.299	307.167	63,1%	-	0,64
TAVHL	264,50	OP	371,00	96.088	134.776	40,3%	21,25	1,53

INDUSTRIAL	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKCNS	132,80	OP	200,20	25.424	38.328	50,8%	17,02	1,20
AKSEN	33,34	OP	50,15	40.886	61.500	50,4%	29,14	0,90
ARCLK	122,50	OP	190,59	82.777	128.789	55,6%	-	1,16
ASELS	150,80	OP	184,00	687.648	839.060	22,0%	43,98	4,39
BIMAS	494,75	OP	730,66	296.850	438.395	47,7%	18,63	2,25
CCOLA	49,20	OP	75,00	137.665	209.847	52,4%	11,16	2,36
CIMSA	48,00	OP	63,00	45.388	59.576	31,3%	18,46	1,82
DOAS	174,20	OP	259,90	38.324	57.179	49,2%	9,44	0,70
EREGL	26,66	OP	31,03	186.620	217.208	16,4%	22,47	0,74
FROTO	89,25	OP	143,00	313.187	501.800	60,2%	9,50	2,51
KRDMD	24,12	OP	37,99	18.819	29.637	57,5%	-	0,50
MGROS	494,75	OP	750,00	89.577	135.790	51,6%	15,98	1,40
PETKM	17,21	MP	21,53	43.617	54.561	25,1%	-	0,73
PGSUS	257,00	OP	365,60	128.500	182.801	42,3%	9,08	1,60
SELEC	90,40	OP	85,47	56.138	53.078	-5,5%	32,67	2,17
SISE	36,04	OP	50,00	110.398	153.160	38,7%	35,81	0,54
TCELL	96,15	OP	136,60	211.530	300.523	42,1%	9,21	1,01
THYAO	283,50	OP	495,50	391.230	683.795	74,8%	3,74	0,55
TOASO	196,20	OP	284,70	98.100	142.350	45,1%	81,36	2,18
TTKOM	58,85	OP	68,57	205.975	240.004	16,5%	20,49	1,25
TUPRS	140,00	OP	192,27	269.751	370.463	37,3%	15,01	0,96
ULKER	105,60	OP	170,00	38.996	62.778	61,0%	5,72	1,06
VESBE	9,41	OP	22,09	15.056	35.344	134,7%	-	0,42
ZOREN	3,04	MP	4,20	15.200	21.000	38,2%	-	0,24

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