Monthly Equity Strategy

August 2025

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Tariff Issues Becoming Clearer…

As the effective date of President Trump's tariffs - August 1st - approaches, tariff agreements between the U.S. and its key trade partners are being announced one after another. Following the initial agreement with the UK in June, an agreement was also reached with China during talks held in Geneva. In July, deals were subsequently struck with the Philippines, Vietnam, Indonesia, Japan, and the EU. The fact that the agreed tariff rates came in below initially proposed levels has had a positive impact on global risk appetite. However, since the new rates are still slightly higher than the previous ones, a temporary upward pressure on inflation is expected.

On the other hand, the clarification of tariff terms supports market expectations that the Fed may resume rate cuts after incorporating the inflationary effects into its forecasts. As expected, the Fed held interest rates steady at its July meeting. In the post-meeting statement, it was emphasized that the current tightening stance would be maintained until the impact of tariffs on the U.S. economy—currently showing positive momentum—becomes more evident. As it stands, markets are pricing in two Fed rate cuts before the end of the year. The ECB, which had paused after eight consecutive rate cuts, also kept policy rates unchanged at its July meeting. Meanwhile, although geopolitical risks that heavily influenced markets in June and early July have somewhat receded into the background in the second half of the month, ongoing conflicts between Russia and Ukraine, as well as in the Middle East, continue to exert pressure on markets.

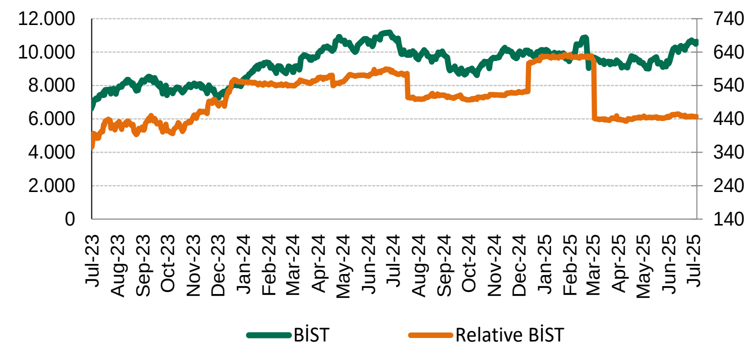
In Turkey, the CBRT partially reversed the tightening measures implemented after the financial volatility experienced in March. This decision came in response to lower-than-expected inflation data for May and June. At its July meeting, the CBRT reduced the policy rate from 46% to 43%, delivering a 300-basis-point cut—above the market expectation of 250 basis points. The CBRT maintained the asymmetric interest rate corridor and reiterated a hawkish tone in its meeting notes, stating that no compromise would be made on tight monetary policy until a sustained improvement in inflation is achieved. Although adjustments to regulated prices and VAT-SCT rates in July are expected to lead to a temporary rise in monthly inflation, the CBRT does not foresee a deterioration in the underlying inflation trend. Accordingly, we anticipate that the CBRT will continue with rate cuts at its upcoming meetings for the remainder of the year. As mentioned in the statement, the size of the rate cuts will depend on incoming data, and we project that the policy rate could fall to around 35% by year-end.

We expect global markets to remain focused on tariff-related developments. As tariffs become clearer, reduced uncertainty could support risk appetite. However, detailed announcements about tariff implementations may also introduce volatility. Aside from tariffs, markets will likely keep a close eye on rate expectations from major central banks, such as the Fed and the ECB. In August, only the BoE is scheduled to hold a monetary policy meeting.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	10.743	7,99%	9,3%
BIST - 100, USD	265	5,9%	-4,8%
MSCI Turkey	291.105	5,6%	-2,6%
MSCI EMEA	237	2,4%	16,2%
MSCI EM	1.243	1,7%	15,6%
Benchmark Bond	40,08%	-5bps	-48bps
USD/TL	40,5128	1,94%	14,83%
EUR/TL	46,3740	-0,50%	26,24%
P/E			
BIST - 100	7,6		
Banking	7,0		
Industrial	51,6		
Iron&Steel	45,1		
REIT	9,8		
Telecom	12,0		

*Close as of July 31, 2025

BIST &Portfolio



CBRT Expected to Begin Rate Cuts in July…

Rating: BUY

Domestically, markets will closely monitor the inflation data to be released on August 4 and the CBRT's third Inflation Report of the year, scheduled for August 14. Additionally, potential developments related to ongoing corruption investigations and geopolitical events—particularly those involving Russia, Ukraine, and Syria—will remain in focus.

Starting July with positive momentum driven by expectations of rate cuts by the CBRT, the BIST-100 Index sustained its upward trajectory throughout the month, ending July with a 7.99% gain at 10,743.20. The industrials index rose by 10.45%, while the banking index underperformed with a 4.76% gain.

We expect the CBRT to continue with rate cuts at its remaining three meetings, in line with further easing in inflation. In July, credit rating agency Moody's upgraded Turkey's credit rating from "B1" to "Ba3," which is expected to positively impact Turkey's risk premium. Furthermore, the recent improvement in Turkey's relations with the U.S. and EU is anticipated to provide medium- to long-term support to the current economic program.

Provided there is no deterioration in geopolitical conditions, tariff uncertainties are resolved, and no domestic shock emerges, we believe the CBRT's continued easing may trigger a new phase of economic rebalancing in Q3, first benefiting the banking sector and subsequently the broader real economy.

In light of these dynamics, we anticipate that the gradual shift towards risk assets, which began in July, will continue into August. Despite potential volatility, we foresee the BIST index maintaining a positive trend overall.

In line with our current assessment, we maintain our "Buy" recommendation for the BIST-100 Index, with a 12-month target of 13,500, implying a 26% upside potential. The MSCI Turkey Index trades at 8.06x 2025E P/E and 1.02x P/BV, representing discounts of 41% and 42%, respectively, compared to the MSCI Emerging Markets Index.

We make no changes to our model portfolio this month.

Main Market Risks

- Escalation and regional spread of geopolitical tension, particularly in the Middle East and the Russia-Ukraine conflict,
- Failure to make progress on finalized tariff agreements, potentially reigniting trade wars and triggering a global recession,
- A potential halt to the CBRT's easing cycle if inflation fails to decline as anticipated and inflation expectations deteriorate significantly,

Model Portfolio

Top Picks	Close	Target	Pot.	MoM	Relative
AKBNK.TI	67,50	82,47	22,2%	-1,0%	-8,3%
ASELS.TI	187,00	184,00	-1,6%	24,0%	14,8%
CIMSA.TI	51,75	63,00	21,7%	7,8%	-0,2%
FROTO.TI	95,15	143,00	50,3%	6,6%	-1,3%
ISCTR.TI	14,82	20,07	35,4%	11,0%	2,8%
MGROS.TI	524,00	750,00	43,1%	5,9%	-1,9%
SAHOL.TI	95,35	146,24	53,4%	6,4%	-1,5%
TCELL.TI	93,25	136,60	46,5%	-3,0%	-10,2%
THYAO.TI	288,00	495,50	72,0%	1,6%	-5,9%
Average				6,6%	-1,3%

*Close as of July 31, 2025

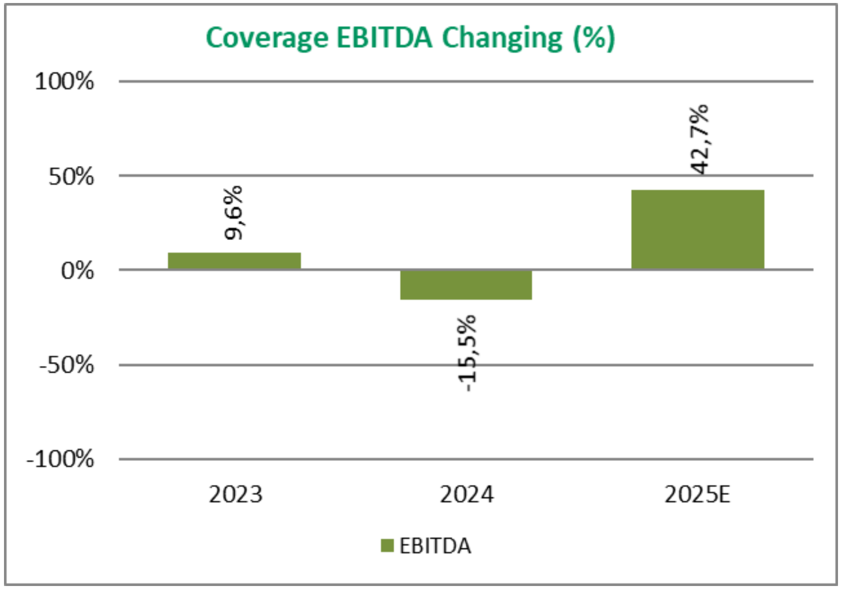
Add
-

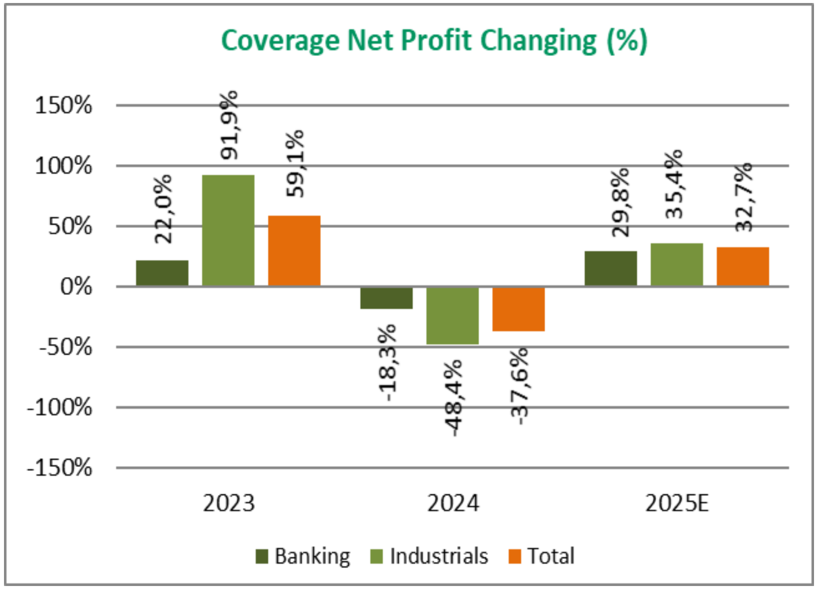
Remove
-

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

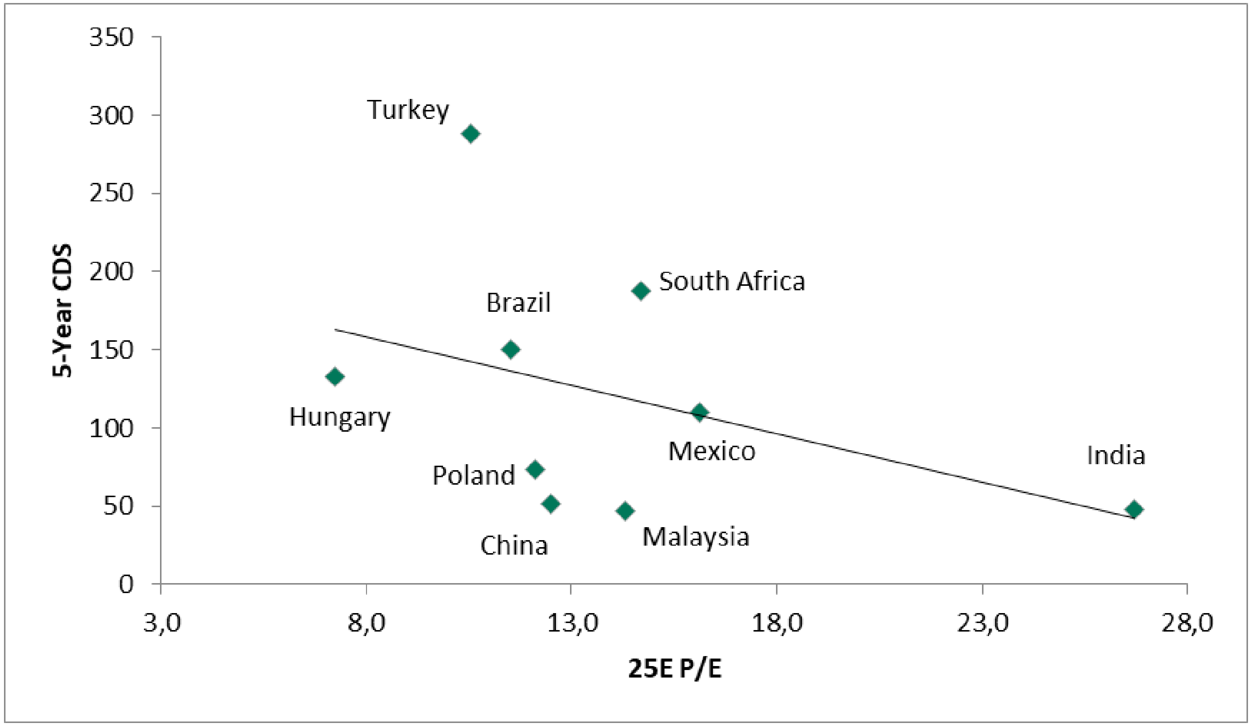
- The MSCI Turkiye Index has declined by 22.8% in absolute terms over the past 12 months. It has underperformed the MSCI EM, and the MSCI EMEA index by 45.8%, and 49.0%, respectively during same period.

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%

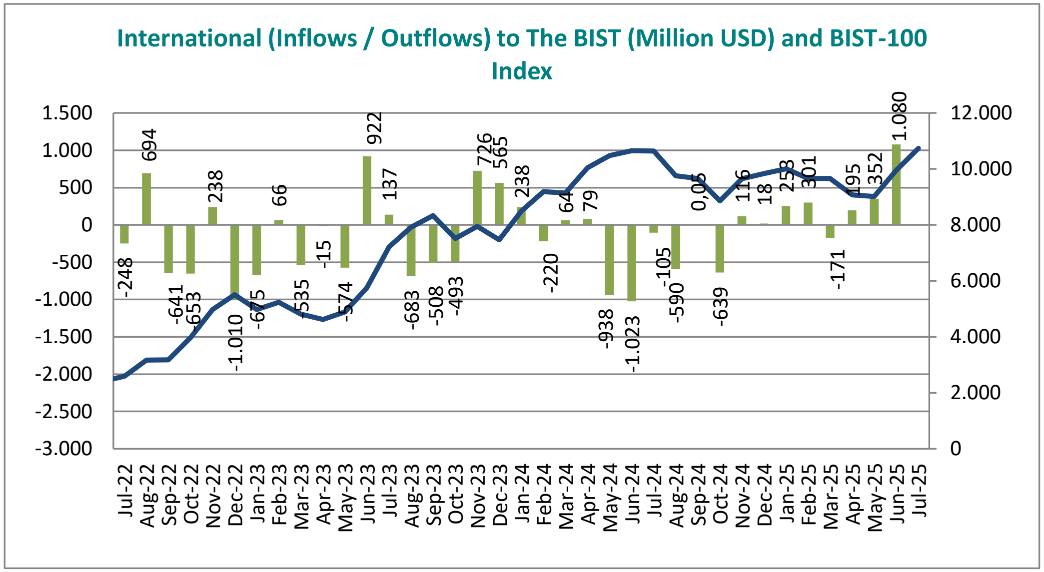
As of July 31, 2025

5-Year CDS

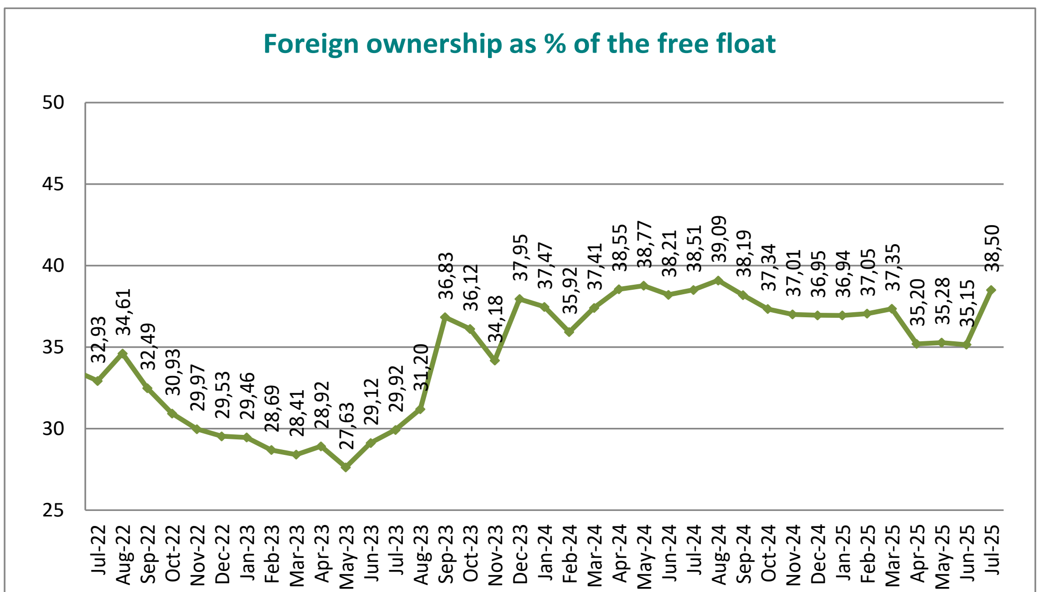


As of July 31, 2025

Int. flow and foreign ownership

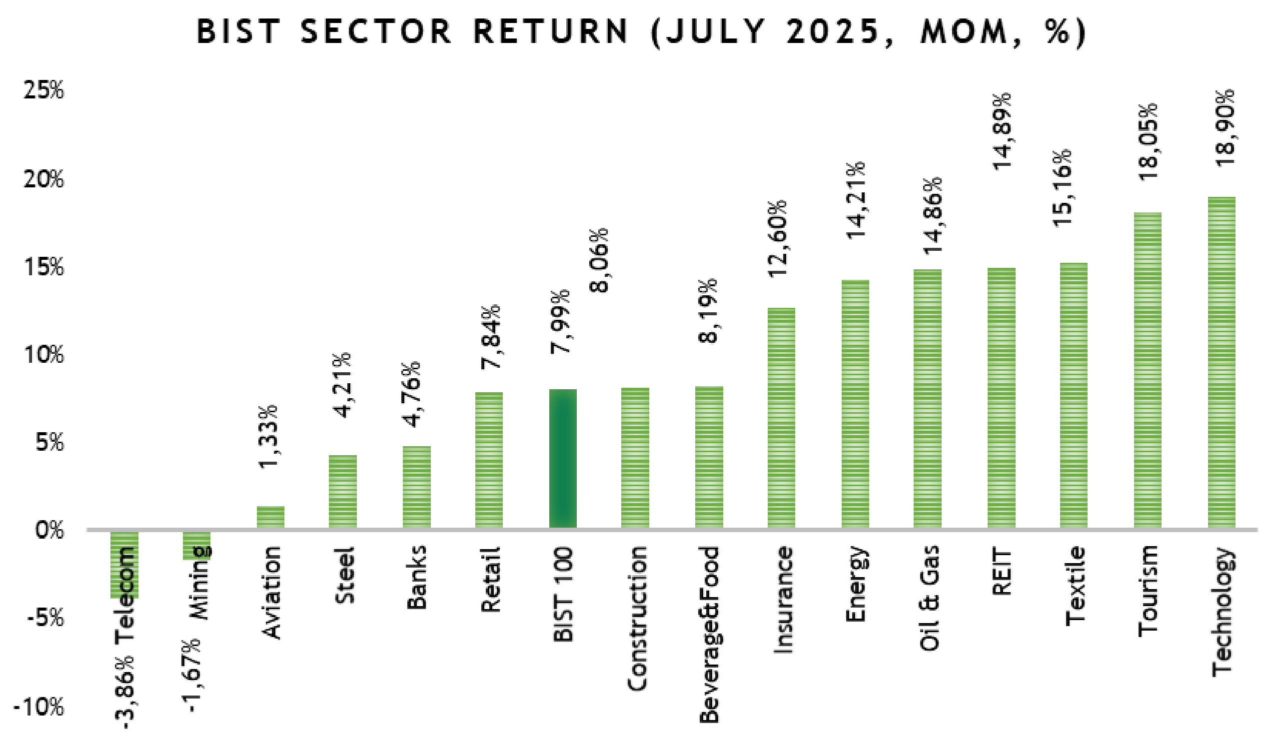


➢ In June 2025, foreign investors were net buyers at the BIST of USD 1.080mn.



➢ Foreign ownership increased to 38.50% in July 2025.

Sector performances



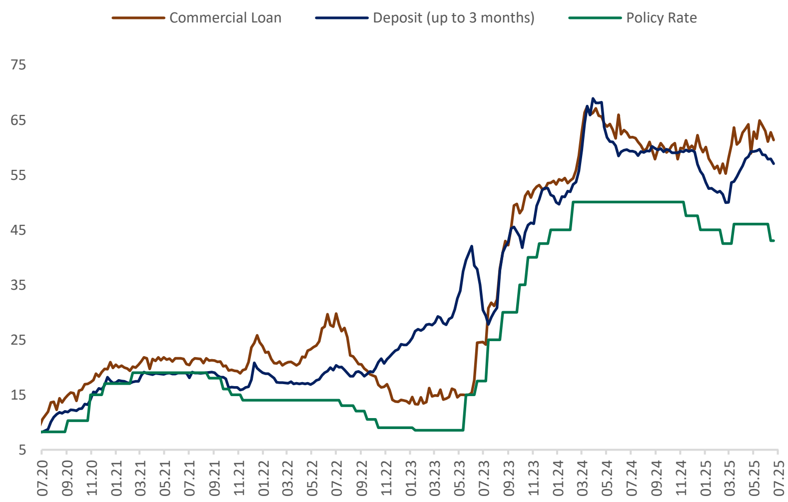
As of July 31, 2025

Macroeconomic Outlook

CBRT Rate Decision - July

The Central Bank of the Republic of Türkiye (CBRT) Monetary Policy Committee (MPC) cut the policy rate by 300 basis points above market expectations to 43% at its meeting this month. Market expectations were for a 250-basis-point cut. At Seker Invest, our expectation was for a 350-basis-point cut. With this decision, the CBRT opted for the middle ground, avoiding both hawkish and dovish decisions. However, looking at the text as a whole, while a cautious cut in the policy rate was preferred, a hawkish tone was adopted in terms of monetary policy stance. The main reason for the CBRT's more cautious stance on the cut, given its forecast of a temporary rise in July inflation, is that disinflation in price dynamics is far from the target level. Prices, which slowed more than expected in May and June, appear to be showing a temporary rise in July. The CBRT has refrained from taking drastic steps without seeing how temporary this effect will be. On the other hand, its emphasis on expectations and pricing behavior still being a risk factor indicates that expectation management is not at the desired level, rather than current inflation. Global trade uncertainties, combined with domestic developments, led to a cautious rate cut. However, the start of the rate cut cycle had a positive impact on financial markets. The statement that the tight stance will continue with determination until price stability is achieved limited the positive impact. Recent political and economic uncertainties at both the local and global levels are weakening the predictability of monetary policy. In this regard, we consider the cautious interest rate cut to be an appropriate decision. The fact that interest rate cuts will be inflation-focused and meeting-based indicates that the cautious stance will continue. Uncertainty in global markets may temporarily disrupt the CBRT's disinflation targets. We want to emphasize that improvements in this area may lead to interest rate cuts exceeding expectations

Policy, Loan and Deposit Rates (%)

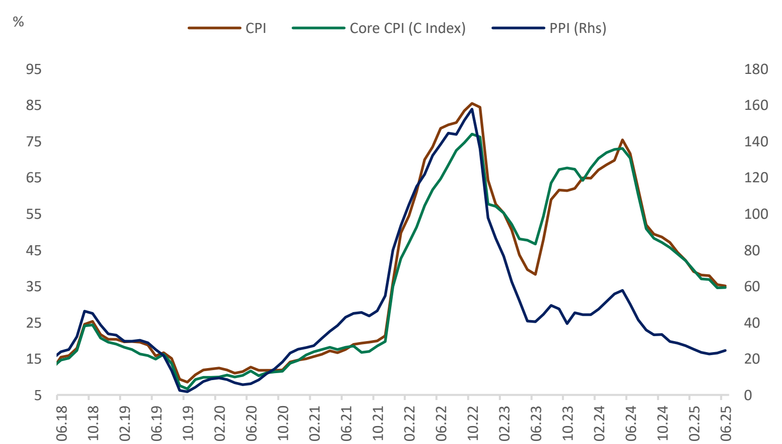


Macroeconomic Outlook

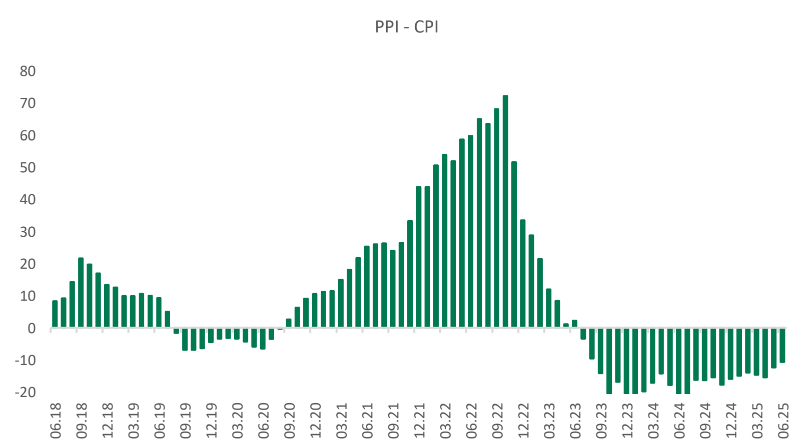
Inflation - June

The CPI rose by 1.37% in June compared to the previous month, while annual inflation stood at 35.05% (down from 35.41% previously). Following May's inflation figures, we see a significant decline below expectations in June's figures as well. The average inflation rate for food, housing, and transportation, which accounts for 55.52% of the index, increased by 39.2% annually. During the same period, the monthly inflation rate for the B index (core inflation), which is the Special Scope CPI Indicator, was 1.76%, while the annual inflation rate was 34.62%. Examining the details for June, we find it useful to highlight a few key points. First, there was a monthly decrease of 0.27% in food and non-alcoholic beverages, as well as clothing and footwear. All other main items showed an increase. The monthly increase in housing, education, and certain other service sectors was significantly higher than the headline figures (housing, 2.62%, and education, 4.48%, for example). When evaluating their contribution to annual inflation, housing, food, and transportation collectively account for 21.3 percentage points. In these three categories, the monthly trend in areas other than food is significantly above the targeted levels. While food inflation seems to have been resolved, the rigidity in other categories is hindering the disinflation process. In our previous reports, we stated that the real struggle against inflation would be in breaking inertia in the 30-40% band. Indeed, annual inflation is flat at these levels. However, despite the inertia in inflation, year-end forecasts and the general trend point to a limited improvement. We had noted that price developments in May and June would be critical for the CBRT's monetary policy stance. The actual figures indicate that interest rate cuts will begin by the July meeting, provided there are no shocks in the meantime. This is because real interest rates in the market point to significant tightening and slowdown. The slowdown in economic activity indicates that a cautious interest rate cut is warranted.

CPI, PPI and Core CPI (YoY %)



PPI - CPI Spread

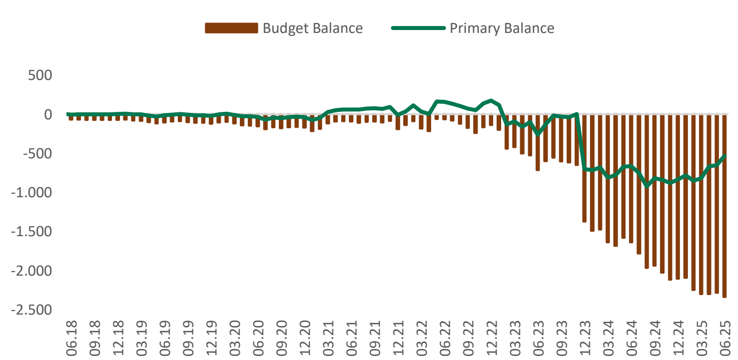


Macroeconomic Outlook

Budget Balance - June

According to the central government budget data for June published by the Ministry of Treasury and Finance, budget revenues amounted to TRY909.4 billion, while budget expenditures reached TRY1,239.6 billion. During the same period, non-interest budget expenditures amounted to TRY 963.9 billion. With these figures, the budget deficit was TRY330.2 billion, while the non-interest balance showed a surplus of TRY54.5 billion. Basic expenditures (excluding interest) showed a parallel trend with revenues, and the budget continued to recover in annual indicators. However, when interest expenditures are included in the overall picture, we are far from the targeted budget deficit. Interest payments of TRY277 billion on government domestic debt securities in June created negative pressure on the budget balance. With the May effect of corporate tax also disappearing, the budget deficit rose again to TRY300 billion levels. In the first six months of the year, an average of TRY185 billion and a total of TRY1.1 trillion in interest expenses were paid. Current transfers and personnel expenses remained almost unchanged from the previous month. In June, TRY18.2 billion in current transfers were made to Electricity Generation Inc. In the first six months of the year, a total of TRY183.3 billion in transfers were made to BOTAŞ and Electricity Generation Inc. We see the disruptive effect of inflation on both monetary and fiscal policy in the budget figures. The high level of borrowing interest rates is increasing the interest burden on the budget. Even if all revenues cover non-interest expenditures and the budget breaks even, cumulative interest payments remain at a very high level. It seems very difficult to achieve fiscal discipline without price stability. A decline in funding and borrowing rates would alleviate the interest burden on the budget. Additionally, in line with the decline in inflation, personnel expenses and public expenditures will stabilize at a more moderate level. Considering the inflation figures for May and June, we will enter a cautious and inflation-focused interest rate reduction cycle starting in July. Although these reductions will be reflected in the 2026-2027 fiscal outlook, they are of critical importance in terms of expectation management. We believe that both public finances and monetary policy will enter a more stable phase by the end of 2025. Although it will take time to reach the 2010-2020 budget performance, we believe that the necessary measures will be taken on the fiscal policy side. Market players who are expecting improvements in indicators such as production and investment are focused on a low inflation-low interest rate cycle supported by economic and political stability. We estimate that we will enter this period as of July.

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

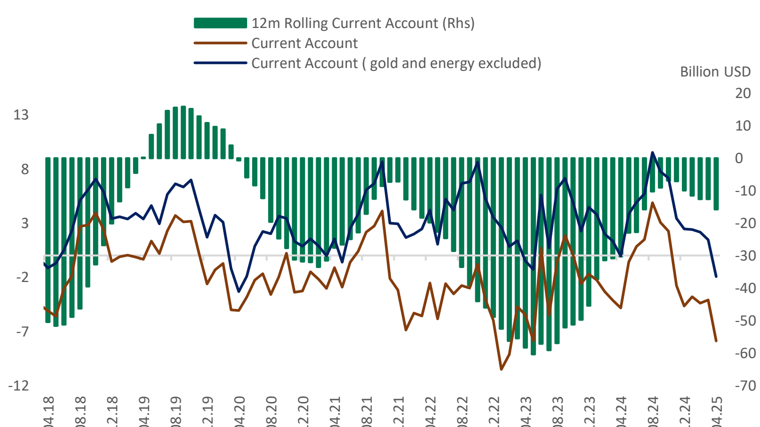


Macroeconomic Outlook

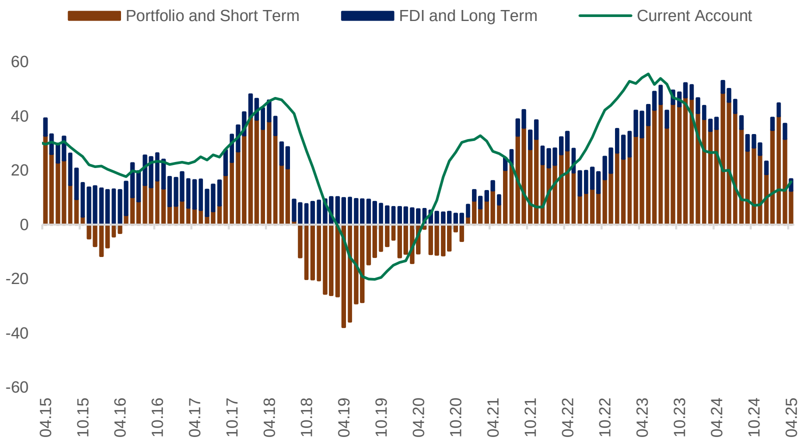
Balance of Payments - May

According to balance of payments statistics, the current account balance for May showed a deficit of US$684 million. As a result, the 12-month current account deficit stood at US$16,039 million (previous: US$15,946 million). We had anticipated a more negative outlook for the current account deficit compared to 2024, particularly a deterioration in the second half of 2025. The recovery of domestic economic activity, led by import demand, along with interest rate cuts, formed 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 that exceeds our expectations when interest rates are cut. The current outlook may delay our year-end projection by one quarter. The CBRT is closely monitoring developments in the global outlook and risk appetite. In this period of heightened geopolitical risks, it will take into account the potential shocks to both inflation and the balance of payments from energy prices. May inflation figures are hinting at interest rate cuts. If the slowdown in inflation is accompanied by a global peace environment and risk appetite, we may see more aggressive interest rate cuts as of June. Looking at the details of the current account balance, the current account deficit of USD 4,804 million and inflows from the services balance of USD 5,635 million were effective. The 12-month cumulative trade deficit defined by the balance of payments was 61 billion US dollars, while inflows from the services balance reached 62 billion US dollars. 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 surplus of 4.068 million US dollars this month. While the strong trend in gold imports continues, downward pressure on energy prices is increasing demand. Core current account balance indicators have offset the temporary deterioration in April and returned to surplus. If tariffs and new measures related to global trade are resolved through negotiations, there will be relief in the markets. However, we expect a limited negative impact on the balance of payments.

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



Finance of Current Account Deficit (Billion USD)

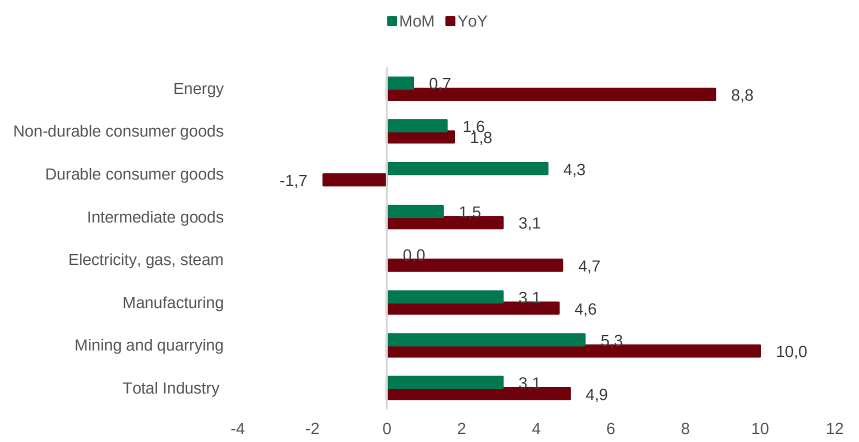


Macroeconomic Outlook

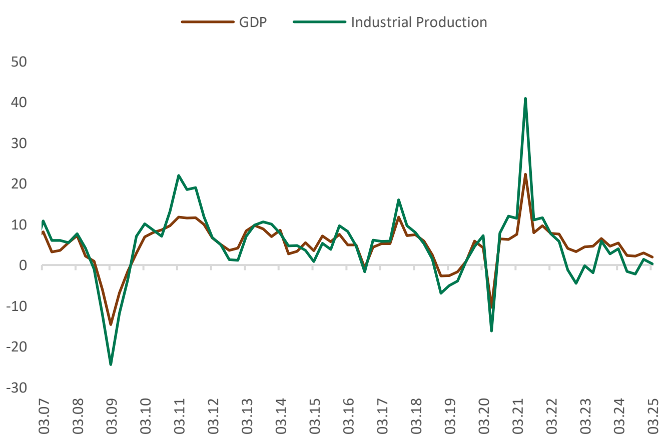
Industrial Production- May

According to industrial production index data, seasonally and calendar-adjusted production increased by 3.1% in May compared to the previous month. Thus, annual production rose by 4.9% (previously 3.1%). The limited recovery in production indicators during the March-April period gained momentum in May. The course of monetary policy and inflation developments continues to be reflected in production data gradually. We had expected the recovery to become more pronounced in the second quarter of the year. The political developments in March and the global economic outlook 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 see this as a process that will spread across all stages of production data. The most significant effects of the monetary and fiscal policies implemented on economic activity may be seen in 2025. As we mentioned in our previous reports, we believe that monthly recoveries peaked 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 expectations for interest rate cuts in the market following the May-June inflation figures. Domestic political and economic developments brought some risks in terms of the macro-financial outlook in the second quarter. Our expectation of gradual interest rate cuts from the beginning of the year 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 weakened expectations for production momentum. However, the high 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. We will see the continuation of the interest rate cut made in July and its significant positive impact on industrial companies for the remainder of the year.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



Akbank (OP, 12M TP: TRY82.47) Upside: 22%
Net profit in Q2 was in line with expectations

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, growth performance in fee and commission income,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 20.32%. LDR on the TL side is at 82%, the lowest among private peers banks, which provides a cost optimization advantage.

Akbank posted TRY11,125mn net income (-19% QoQ and +1.8% YoY) in its 2Q25 bank-only results. The announced net profit figure was in line with the market average expectation of TRY11,104 million.

Amid the tighter-than-expected monetary policy stance of the economic authorities, the bank has revised its full-year 2025 expectations: RoE guidance has been lowered from >30% to >25% (1H25 actual: 20.1%). TL loan growth guidance remains unchanged at above 30%. The FX loan growth (in USD) expectation has been reduced from high-teens to mid-single-digit levels. The swap-adjusted NIM forecast has been revised downward from ~5% to 3-3.5%. Net fees and commission growth guidance has been increased to ~60% (previously: +40%, 1H25 actual: +59.8%). The cost/income ratio is revised to the high 40s (previously: low 40s, 1H25 actual: 59.8%). Net total CoC is maintained at 150-200 bps, and the NPL ratio is guided to remain at around ~3.5%.

We model 33% YoY earnings growth for 2025E- Our TP of TRY82.47/shr offers 22% upside. We also maintain our “Outperform” recommendation. The bank is trading at a 2025E P/E of 6.2x and P/BV of 1.27x 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 96% in 1H25 (1Q25:92% - YE24:86%). The Bank's net fee and commission market share also increased to 17.2% as of 1H25 (1H24: 16.4%).

Strong collection performance. The NPL ratio is 3.4% in Q2 (1Q25:3.3%), while the weight of the Stage 2 loans is only 5.3% in 2Q25.

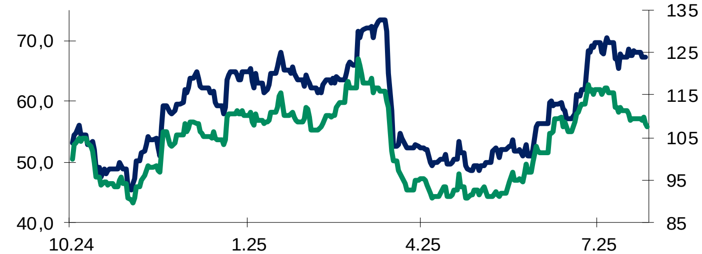
Upside and downside risks. Higher-than-expected asset quality worsening, and a worse-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	351.000	Beta (12M)	1,35
Mcap (USDmn)	8.667	Avr. Daily Vol. (TRYm)	5.411
Close	67,50	Foreign Ownership in FF	47,5%
Last 12M High	74,54	Free Float (%)	52,0%
Last 12M Low	45,11	Weight	5,81%

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	6,2	4,4
P/BV	0,90	1,40	1,27	1,06



Return	1M	3M	6M	12M
TRY Return (%):	-1,0	39,2	6,4	11,5
US$ Return (%):	-2,9	31,8	-6,1	-9,1
BIST-100 Relative (%):	-8,3	17,6	-0,9	10,4

Source: Bank financials, Seker Invest Research

Aselsan (OP, 12M TP: TRY 184.00) Upside: -1.6%

ASELSAN continues ıts steady growth…

The resilience and growth potential of defense industry stocks against geopolitical risks are supported by global defense spending. We believe that the continued increase in budgets allocated to the defense industry, as long as geopolitical tensions persist, and the positive impact this has on the sector, has positively impacted share prices. ASELSAN rose to prominence in the first half of the year, particularly due to risk fluctuations stemming from the tariff agenda in the US and the escalating geopolitical tensions following the conflict between Iran and Israel.

ASELSAN introduced the new systems included in the Steel Dome at IDEF 2025. ASELSAN introduced the EJDERHA, GÖKTAN, KORAL 200, TURAN, and GÜRZ Air Defense Systems at the 17th International Defense Industry Fair (IDEF 2025). GÖKTAN, introduced as part of ASELSAN's Land-Based Precision Strike Systems, ensures precise target hits from all directions. One of the products on display, the KORAL 200, is heralding a new era in electronic warfare. Able to neutralize enemy air defense systems, KORAL ensures effective air operations during attacks. EJDERHA, a Next-Generation Anti-UAV System, can neutralize mini/micro UAVs as well as drones with microwaves. ASELSAN also introduced the TURAN System, which provides uninterrupted communication in the tactical field, to attendees at the fair. TURAN provides all the communication services required by units in the tactical field during their operations with an integrated system solution. The GÜRZ Unmanned Air Defense System is a very short-range air defense system capable of reaching a defined location via remote control via a remote command station or with the artificial intelligence it contains.

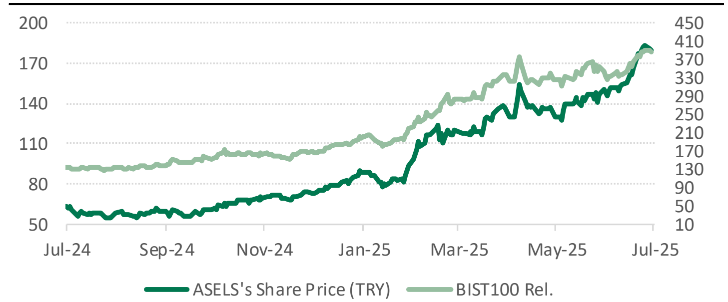
The Company's 2025 expectations- Aselsan maintained its expectations for 2025. Accordingly, the Company predicts that net sales revenue growth will increase by over 10% in TL terms in 2025, including TMS 29. The Company aims for an EBITDA margin of over 23% in 2025, including TMS 29. The Company also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

Code	ASELS.TI	Close	187,00
MCAp (TRY m)	817.608	Last 12M High	187,70
MCAp (US$ m)	20.188	Last 12M Low	54,01
EV (TRY m)	837.721	Beta	0,83
EV (US$ m)	20.721	Avg. daily trading vol. (US$ m)	96,6
Free float (%)	26,00	Foreign ownership in FF (%)	48,7%

Key figures	2022A*	2023A*	2024	2025E
Revenues	106.245	116.944	132.301	176.702
Growth		*10,1%*	*13,1%*	*33,6%*
EBITDA	22.310	25.468	33.276	52.439
EBITDA margin	*21,0%*	*21,8%*	*25,2%*	*29,7%*
Net profit	2.037	11.585	16.838	29.131
EPS	0,89	2,54	3,69	6,39
Dividend yield	0,25%	0,22%	0,28%	0,11%
Net debt /EBITDA	0,38	0,76	0,53	0,30
Net debt /Equity	0,11	0,15	0,11	0,08
ROAE		11,3%	12,0%	16,8%
ROAA		6,4%	6,9%	9,7%
Valuation metrics	**2022A***	**2023A***	**2024**	**2025E**
P/E	401,4	70,6	48,6	28,1
EV/EBITDA	2,3	32,9	25,2	16,0
EV/Sales	0,5	7,2	6,3	4,7
P/BV	10,2	6,5	5,3	4,2
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	22,4	30,5	147,3	186,4
US$ Return (%):	20,1	23,7	115,2	133,3
BIST-100 Relative (%):	9,8	14,8	131,8	193,2



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: 21.7%

2Q results will be announced in the first week of August.

In the first week of August, Cimsa will publish its restated financial results in accordance with the TMS 29 'Financial Reporting in Hyperinflationary Economies' standard, applying inflation accounting.

We estimate that the company will generate sales revenue of TRY 9,985mn and EBITDA of TRY 2,075mn this quarter, resulting in a net profit of TRY 883mn. The median market expectation is that Cimsa will have achieved sales revenue of TRY 10,496mn, EBITDA of TRY 2,060mn and a net profit of TRY 781mn in 2Q25. Based on data adjusted for inflation, we estimate that Cimsa's sales revenue may have increased by approximately 28% YoY in the second quarter. In line with our sales revenue growth forecast, we anticipate a modest improvement in the EBITDA margin.

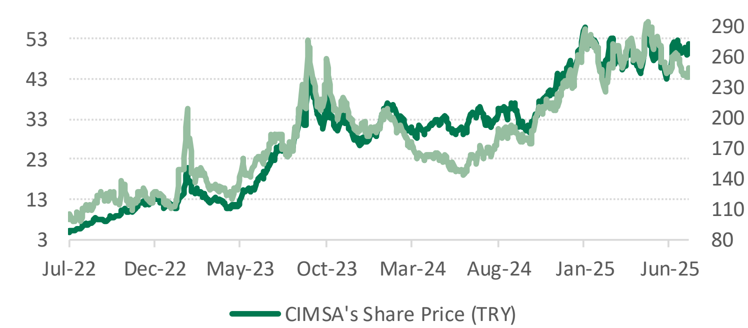
Cimsa reported a net profit of TRY 271mn in 1Q25. Sales revenues increased by 21.1% compared to the same quarter last year, reaching TRY 8.905mn (1Q24: TRY 7,352mn). The company generated an EBITDA of TRY 1,094mn (1Q24: TRY 799mn). The EBITDA margin improved by 1.4 pp YoY, reaching 12.3% (1Q24: 10.9%).

As of July 31, 2025, CIMSA stock had posted a return of 7.8% over the previous month. Regarding returns relative to the BIST 100, the stock had underperformed by 0.2% over the previous month.

We maintain our 12-month target price of **TRY 63.00**/share and '**Outperform**' recommendation for CIMSA. Our TP has 21.7% upside potential compared to the share closing price on July 31, 2025.

Code	CIMSA.TI	Close	51,75
MCAp (TRY m)	48.934	Last 12M High	56,69
MCAp (US$ m)	1.208	Last 12M Low	29,24
EV (TRY m)	67.078	Beta	1,05
EV (US$ m)	1.688	Avg. daily trading vol. (US$ m)	14,3
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%	1,0%	2,1%
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	8,3	13,6	18,2	9,6
EV/EBITDA	1,7	12,7	13,2	7,8
EV/Sales	0,2	2,3	2,4	1,8
P/BV	3,1	1,8	2,0	1,7
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	7,8	10,6	12,4	55,4
US$ Return (%):	5,8	4,8	-2,2	26,7
BIST-100 Relative (%):	-0,2	-6,5	2,9	53,9



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: 50%

We maintain our TP for Ford Otosan of **TRY 143.00/sh**, and our "**OUTPERFORM**" recommendation. Based on the July 31, 2025 closing price, Ford Otosan trades at 2025E 6.5x EV/EBITDA and 2025E P/E of 7.5x, indicating a potential return of 50%. We are holding Ford Otosan into our model portfolio, driven by its robust story, and significant investment initiatives within the electrification period.

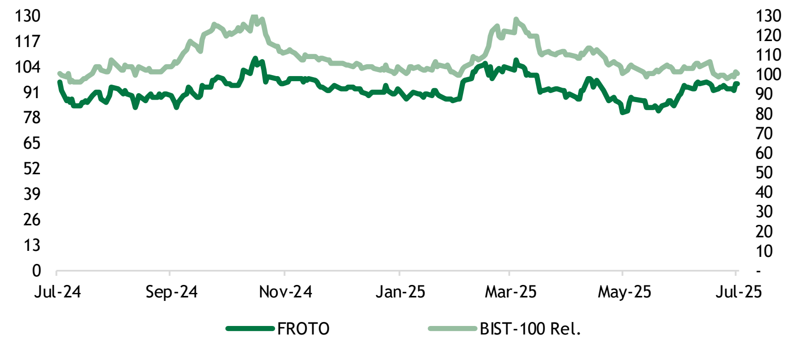
According to ADMA, Ford Otosan's LCV sales rose by 34.1% YoY in June 2025, reaching 6,882 units (June 2024: 5,131 units). During the January to June 2025 period, its retail sales of LCVs rose by 13.5% YoY, up from 29,688 units last year to 33,683 units this year. In terms of market share, Ford Otosan's market share was flat, at 7.2% in June 2025 while Ford Otosan's market share declined by 0.1 pp YoY to 7.7% in 6M25.

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 1,050,000 - 1,150,000 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 600 - 700mn (General investments: EUR 130 - 150mn and Product investments: EUR 470 - 550mn). 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	95,15
MCap (TRY mn)	333.891	Last 12M High	109,30
MCap (US$ mn)	8.242	Last 12M Low	78,85
EV (TRY mn)	424.520	Beta	0,84
EV (US$ mn)	10.522	Avg. Daily Trading Vol. (US$ m)	30,9
Free Float (%)	20,31	Foreign Ownership in FF (%)	35,46

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	44.639
EPS	79,02	201,84	110,75	127,21
Dividend Yield	8,1%	7,5%	1,7%	2,7%
Net Debt/EBITDA (x)	1,43	1,42	2,97	1,99
Net Debt/Equity (x)	0,90	0,83	0,88	0,92
ROAE (%)		90,5%	32,4%	32,4%
ROAA (%)		29,0%	11,2%	11,0%
Valuation Metrics	*** 2022A**	*** 2023A**	*** 2024A**	**2025E**
P/E	12,0	4,7	8,6	7,5
EV/EBITDA	13,3	6,9	10,6	6,5
EV/Sales	1,3	0,7	0,7	0,5
P/BV	4,5	2,2	3,4	2,4
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	6,6	7,5	3,2	-1,3
US$ Return (%):	4,6	1,8	-10,2	-19,5
BIST-100 Relative (%):	-1,3	-9,2	-5,5	-2,3



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: 35%
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 35% upside potential. We maintain our "Outperform" recommendation. The stock is trading at 2025E 5.7x P/E and 1.04x P/BV and ROTE of 19.3%.

The average solo net profit expectation for Is Bank for 2Q25 is TRY13,413 million, indicating a quarterly increase of 7.7% and a yearly decline in net profit of 11.5%."

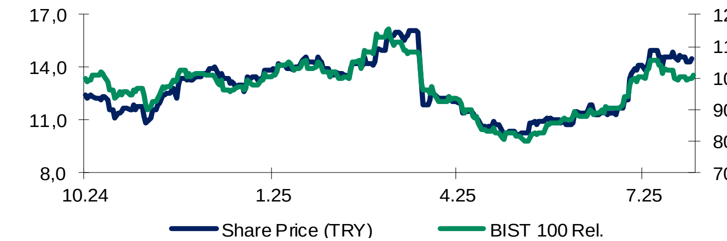
Upside and downside risks. Higher-than-expected asset quality worsening, and a lower-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	370.500	Beta (12M)	1,22
Mcap (USDmn)	9.148	Daily Volume (12M)	5.667
Close	14,82	Foreign Ownership in FF	24,9%
Last 12M High	16,36	Free Float (%)	31,0%
Last 12M Low	10,07	Weight	3,65%

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	5,7	3,9
P/BV	0,87	1,06	1,04	0,88



Return	1M	3M	6M	12M
TRY Return (%):	11,0	43,9	6,2	0,3
US$ Return (%):	8,9	36,3	-6,3	-18,2
BIST-100 Relative (%):	2,8	21,6	-1,1	-0,7

Source: Bank financials, Seker Invest Research

Migros (OP, 12M TP: TRY 750.00) Upside: 43%

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 July 31, 2025, the stock is trading at 2025E EV/EBITDA of 5.0x and 2025E P/E of 9.1x, implying an upside potential of 43%.

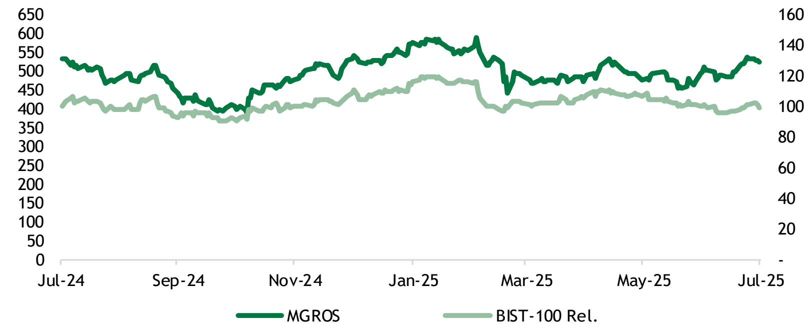
Considering the Company's FMCG market share trajectory; in the modern FMCG market, it had a 16.3% (1Q24: 15.8%) market share in 1Q25, and 10.2% (1Q24: 9.5%) of the total FMCG market thanks to price investments, and its omni & multi format growth strategy. In addition, its store number rose by 256 compared 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	524,00
MCap (TRY mn)	94.872	Last 12M High	591,72
MCap (US$ mn)	2.342	Last 12M Low	389,03
EV (TRY mn)	100.774	Beta	0,92
EV (US$ mn)	2.498	Avg. Daily Trading Vol. (US$ m)	24,4
Free Float (%)	50,82	Foreign Ownership in FF (%)	34,89

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%	1,1%
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	7,2	7,4	15,0	9,1
EV/EBITDA	18,6	22,2	6,4	5,0
EV/Sales	0,5	0,4	0,3	0,3
P/BV	2,4	1,3	1,8	1,5
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	5,9	11,0	-2,9	1,4
US$ Return (%):	3,9	5,2	-15,5	-17,3
BIST-100 Relative (%):	-1,9	-6,2	-11,1	0,4



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: 53%

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.

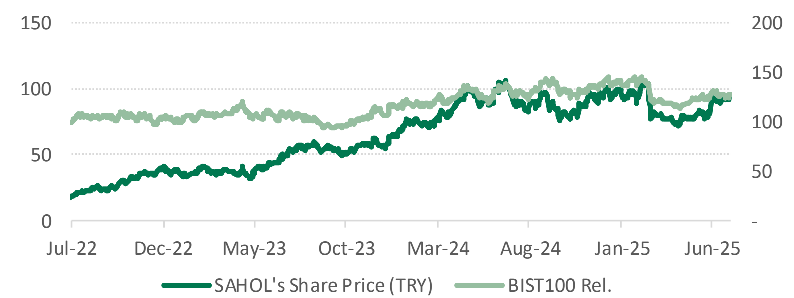
Sabancı Holding's net asset value is composed of 42% banking and financial services, 33% energy and climate technologies, 14% material technologies, 6% digital technologies and others, and 5% mobility solutions. Revenue-wise, 58% comes from banking and financial services, 20% from energy, 4% from mobility 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 53% upside potential based on the closing price of July 31, 2025, we maintain our OUTPERFORM recommendation for the stock.

Code	SAHOL.TI	Close	95,35
MCAp (TRY m)	200.271	Last 12M High	105,98
MCAp (US$ m)	4.943	Last 12M Low	71,70
EV (TRY m)	218.869	Beta	1,13
EV (US$ m)	5.436	Avg. daily trading vol. (US$ m)	55,5
Free float (%)	51,00	Foreign ownership in FF (%)	38,6%

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%*
Consolidated 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	8,2	11,8		9,3
EV/Sales	1,0	1,0		1,0
P/BV	0,6	0,6		0,7
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	6,4	30,2	3,0	-0,5
US$ Return (%):	4,4	23,3	-10,4	-18,8
BIST-100 Relative (%):	-1,5	10,0	-5,8	-1,4



Source: PDP, Finnet, Seker Invest Research estimates

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

Turkish Airlines (OP, 12M TP: TRY 495.50) Upside: 72%

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 July 31, 2025, closing price—offering an attractive **72% upside potential**. THY is currently trading at 2025E P/E of 3.51x and 2025E EV/EBITDA of 3.60x.

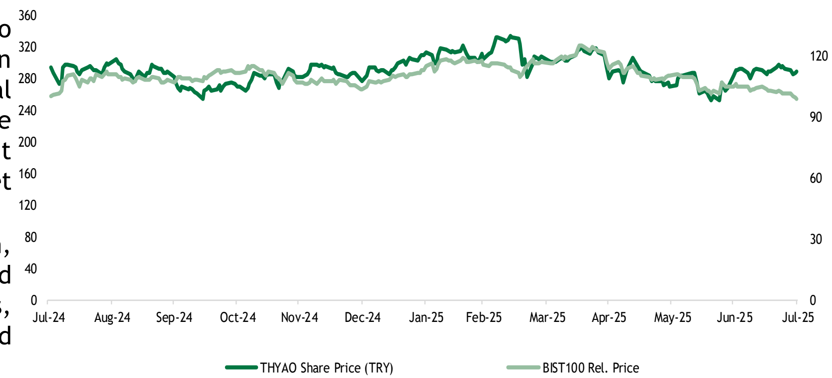
➢ THY's PAX rose by 4.9% YoY for June 2025. The rise was mainly due to increase of both int'l and domestic passenger number when compared to June 2024. THY's total PAX in June 2025 was at 8.23mn. Meanwhile, in June 2025, the share of international PAX in total PAX was 61.3%. The total load factor slightly declined by 0,3 pp at 82.2% in June 2025. The carrier's international PAX rose by 4.7% YoY to 5.05mn in June 2025; domestic PAX also rose by 5.2% YoY to 3.2mn in June 2025. THY's cargo operations volume was up 3.1% YoY in June 2025. THY's traffic figures for 6M25 indicates with a PAX increase of 3.9% YoY. THY's total PAX in 6M25 was at 42,2mn. The total load factor rose by 0,6 pp at 81.4% in 6M25. The carrier's international PAX rose by 6.4% YoY to 27.34mn in 6M25; domestic PAX slightly declined by 0.3% YoY to 14,9mn in 6M25. THY's cargo operations volume was up 3.2% YoY in 6M25.

➢ 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	288,00
MCAp (TRY mn)	397.440	Last 12M High	335,07
MCAp (US$ mn)	9.810	Last 12M Low	249,20
EV (TRY mn)	726.213	Beta	0,96
EV (US$ mn)	18.516	Avg. Daily Trading Vol. (US$ mn)	232,2
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	24.390
Growth (%)	*72,4%*	*13,7%*	*8,2%*	*7,6%*
EBITDA	4.947	5.533	5.059	5.142
EBITDA Margin (%)	*26,8%*	*26,4%*	*22,3%*	*21,1%*
Net Profit	2.725	6.021	3.425	2.796
EPS	1,97	4,36	2,48	2,03
Net Debt/EBITDA (x)	1,7	1,3	1,1	1,5
Net Debt/Equity (x)	0,9	0,5	0,3	0,4
ROAE	32,9%	47,6%	19,6%	13,6%
ROAA	9,5%	18,1%	9,1%	6,4%
Valuation Metrics	**2022**	**2023**	**2024**	**2025E**
P/E	3,60	1,63	2,86	3,51
EV/EBITDA	3,74	3,35	3,66	3,60
EV/Sales	1,00	0,88	0,82	0,76
P/BV	1,17	0,73	0,60	0,52
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	1,59	2,66	3,85	0,88
US$ Return (%):	-0,31	-2,75	-9,68	-17,72
BIST-100 Relative (%):	-5,93	-13,25	-4,98	-0,10



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

Turkcell (OP, 12M TP: TRY 136.60) Upside: 46.5%

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.

Despite ongoing competition in the mobile market in Q1 2025, we expect double-digit real growth to continue, supported by ARPU growth and subscriber acquisitions. We expect revenue to reach TRY 52,400 million in Q1 2025, EBITDA to reach TRY 21,900 million, and net profit to reach TRY 3,400 million. The company will disclose its financials for Q1 2025 on August 13, 2025, after the Borsa Istanbul session closes.

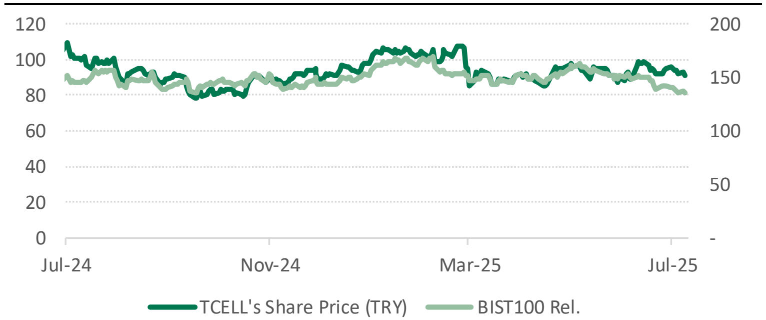
2025 guidance: Turkcell expects 7-9% growth in revenues in real terms and a 41-42% EBITDA margin. The company also expects approximately a 23% OPEX/sales ratio. In addition, the revenue of the Data Center-Cloud business line is expected to grow by 32-34%. *Expectations are based on the assumption that 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 46,5% upside potential compared to the stock's closing price on July 31, 2025. We maintain our OUTPERFORM recommendation.

Code	TCELL.TI	Close	93,25
MCAp (TRY m)	200.420	Last 12M High	109,11
MCAp (US$ m)	4.949	Last 12M Low	76,79
EV (TRY m)	237.254	Beta	1,05
EV (US$ m)	5.924	Avg. daily trading vol. (US$ m)	62,1
Free float (%)	54,00	Foreign ownership in FF (%)	66,8%

Key figures	2022A*	2023A*	2024	2025E
Revenues	143.344	163.615	174.839	229.082
Growth		*14,1%*	*6,9%*	*31,0%*
EBITDA	63.290	74.771	77.799	98.505
EBITDA margin	*44,2%*	*45,7%*	*44,5%*	*43,0%*
Net profit	10.933	19.949	25.890	20.944
EPS	4,97	9,07	11,77	9,34
Dividend yield	2,44%	4,58%	3,33%	3,31%
Net debt /EBITDA	0,60	0,49	0,09	0,22
Net debt /Equity	0,35	0,21	0,15	0,15
ROAE		14,0%	13,5%	11,0%
ROAA		6,7%	7,0%	5,9%
Valuation metrics	**2022A***	**2023A***	**2024**	**2025E**
P/E	18,3	10,0	7,7	9,6
EV/EBITDA	0,9	3,2	3,0	2,4
EV/Sales	0,4	1,5	1,4	1,0
P/BV	1,8	1,1	1,0	1,4
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	2,0	1,9	0,2	-9,2
US$ Return (%):	0,1	-3,4	-12,8	-26,0
BIST-100 Relative (%):	-8,5	-10,4	-6,1	-7,0



Source: PDP, Finnet, Seker Invest Research estimates

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

Recommendations List

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Recommendation List

August 1, 2025

BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	67,50	OP	82,47	351.000	428.846	22,2%	8,14	1,36
GARAN	142,80	OP	164,52	599.760	690.977	15,2%	5,94	1,59
HALKB	28,08	MP	21,45	201.749	154.148	-23,6%	11,64	1,28
ISCTR	14,82	OP	20,07	370.500	501.715	35,4%	8,44	1,13
TSKB	13,77	OP	15,86	38.556	44.407	15,2%	3,16	0,98
VAKBN	28,82	MP	28,73	285.777	284.916	-0,3%	5,91	1,23
YKBNK	33,66	OP	36,77	284.328	310.595	9,2%	8,27	1,28
HOLDING	**Close (TRY)**	**Rating**	**TP (TRY)**	**Mcap TRY mn**	**Target Mcap TRY mn**	**Upside Potential**	**P/E**	**P/BV**
KCHOL	179,30	OP	243,75	454.687	618.125	35,9%	-	0,76
SAHOL	95,35	OP	146,24	200.271	307.167	53,4%	-	0,68
TAVHL	245,80	OP	371,00	89.295	134.776	50,9%	49,00	1,27
INDUSTRIAL	**Close (TRY)**	**Rating**	**TP (TRY)**	**Mcap TRY mn**	**Target Mcap TRY mn**	**Upside Potential**	**P/E**	**P/BV**
AKCNS	142,60	OP	200,20	27.300	38.328	40,4%	18,28	1,28
AKSEN	39,84	OP	50,15	48.857	61.500	25,9%	34,82	1,08
ARCLK	125,10	OP	185,00	84.534	125.009	47,9%	-	1,23
ASELS	187,00	OP	184,00	852.720	839.060	-1,6%	54,54	5,44
BIMAS	530,50	OP	730,66	318.300	438.395	37,7%	19,97	2,41
CCOLA	50,80	OP	75,00	142.142	209.847	47,6%	11,52	2,44
CIMSA	51,75	OP	63,00	48.934	59.576	21,7%	19,90	1,96
DOAS	184,30	OP	259,90	40.546	57.179	41,0%	9,99	0,74
EREGL	26,72	OP	31,03	187.040	217.208	16,1%	22,52	0,74
FROTO	95,15	OP	143,00	333.891	501.800	50,3%	10,90	2,38
KRDMD	27,72	OP	37,99	21.628	29.637	37,0%	-	0,57
MGROS	524,00	OP	750,00	94.872	135.790	43,1%	16,92	1,48
PETKM	17,10	MP	21,53	43.338	54.561	25,9%	-	0,72
PGSUS	252,00	OP	365,60	126.000	182.801	45,1%	8,90	1,57
SELEC	102,30	OP	85,47	63.528	53.078	-16,4%	36,97	2,46
SISE	36,76	OP	50,00	112.604	153.160	36,0%	36,52	0,55
TCELL	93,25	OP	136,60	205.150	300.523	46,5%	8,93	0,98
THYAO	288,00	OP	495,50	397.440	683.795	72,0%	3,80	0,55
TOASO	230,80	OP	284,70	115.400	142.350	23,4%	118,08	2,39
TTKOM	54,45	OP	68,57	190.575	240.004	25,9%	18,95	1,15
TUPRS	168,90	OP	237,80	325.436	458.183	40,8%	16,21	1,06
ULKER	109,60	OP	170,00	40.473	62.778	55,1%	5,93	1,10
VESBE	10,43	OP	22,09	16.688	35.344	111,8%	-	0,46
ZOREN	3,36	MP	4,20	16.800	21.000	25,0%	-	0,27

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