

# Pegasus Airlines

**Operational results in 2Q25 were in line, while net profit missed expectations...**

A. Can TUĞLU  
Equity Research Analyst  
atuglu@sekeryatirim.com

**Pegasus underperformed market expectations, reporting a net profit of €122mn in 2Q25, lower than the consensus estimate of €136mn, and our estimate of €135mn (2Q24: €112mn).** The YoY improvement in bottom-line performance was primarily driven by strong top-line growth, interest income from time deposits, and net financial income thanks to FX gains. On the downside, deferred tax expense, and FX losses from operating activities—booked under other operating expenses—acted as a drag on profitability. In 2Q25, Pegasus achieved a 11% YoY increase in int'l scheduled passenger revenue, a 17% YoY expansion in domestic scheduled revenue, and an impressive 21% YoY surge in ancillary revenue (2Q24: €262mn, 2Q25: €317mn). Consequently, Total revenue advanced by 15% YoY in EUR terms to €876mn, in line with the market consensus estimate of €878mn, and our estimate of €882mn. EBITDA stood at €254mn, slightly up the consensus estimates of €246mn (Seker: €248mn), with an EBITDA margin of 29.0%.

**KPIs continue to improve well thanks to the solid traffic performance** - The total number of PAX rose by 14% YoY to 10,7mn, driven by sustained demand this quarter. Pegasus' revenue increased by 15% YoY to €876mn (2Q24: €763mn). Additionally, domestic PAX yields surged by 36.8% YoY to TRY 1,320, while international yields decreased by 5.9% YoY to €64. The LF declined by 1.1 pp compared to 2Q24, reaching 86.4%. Total ASK grew by 17% YoY in 2Q25, with international ASK increasing by 19%. Ancillary revenues/PAX reached €29.7, up 6% YoY, while RASK slightly declined by 2% YoY to €44.1. Total CASK was flat, stood at €3.65, despite the negative impact of higher personnel unit costs (ex-fuel CASK: 2Q25: €2.57, 2Q24: €2.29, +12% YoY). Consequently, Pegasus achieved EBITDA of €254mn in 2Q25 (market consensus: €246mn, our estimate: €248mn).

As of 2Q25, the company's net debt slightly declined by 2%, at €2,70bn, compared to the end of 2024. Pegasus also hedged 62% of its projected jet fuel consumption for 2025 and 52% for 2026. The company's net cash position reached €693mn at the end of 2Q25 (end-2024: €827mn).

**OUTPERFORM**

**TP: TRY 365.60**

Previous TP: TRY 365.60

Upside potential: 36%

	TRY	US\$
Close	268,00	6,59
BIST 100	10.955	270
US\$/TRY (CB Bid Rate):	41	
52 Week High:	287,25	7,9
52 Week Low:	208,6	5,4
Bloomberg/Reuters Ticker:	PGSUS.TI / PGSUS.IS	

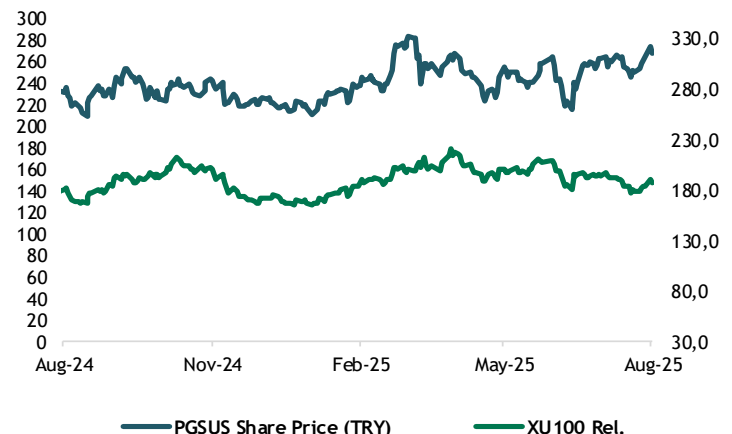
Number of Shares (Mn): 500,0

	(TRY m)	(US\$ m)
Current Mcap :	134.000	3.297
Free Float Mcap :	57.620	1.418

	1 M	YoY	YtD
TRY Return (%):	2,19	16,17	25,82
US\$ Return (%):	0,55	-4,34	9,07
BIST 100 Relative (%):	-3,37	4,23	12,91
Avg. Daily Vol. (TRY m):	2154		
Avg. Daily Vol. (US\$ m):	58,6		

Beta	1,01
Volatility (Stock)	0,38
Volatility (BIST 100)	0,25

Shareholder Structure	%
Esas Holding	52,81
Sabancı Family Members	1,82
Free Float	45,37
Total	100



**We maintain our TP, & “Outperform” rating** - Pegasus has revised its outlook for 2025. The Company targets a 14-16% increase (Previous: 12-14%) in ASK. Based on forecasts of soft yield and flattish LF, in line with macro and geopolitical developments, the company forecasts a “mid-single-digit decline” (Previous: “mid-single-digit increase”) for total CASK. Pegasus expects “low-single-digit growth in ancillary revenue/PAX” in 2025. Pegasus forecasts a low-single-digit decline for total CASK (Previous: mid-single-digit increase) and a low-single-digit increase for non-fuel CASK (Previous: high-single-digit increase). The company forecasts EBITDA margin of 26%-27% in 2025 (Previous: flat/slight increase vs. 2024). In terms of fleet expansion, Pegasus is set to receive 6 A321NEO aircraft in 2025, bringing its total fleet size to 127 aircraft by year-end. Furthermore, Pegasus projects a progressive increase in average seat capacity from 191 in 2021 to 228 by 2029. Given Pegasus’ robust operational performance and 2025 guidance, we expect the 2Q25 results to have a slightly negative short-term impact on stock performance due to lower than expected net profit figure. Refining our estimates and valuation, we maintain our 12M TP of TRY 365.60/sh for the carrier’s shares and our “Outperform” recommendation.

**Risks** - The downside risk to our TP and rating for the Company and the aviation sector in general would be another major pandemic, leading to a slower than expected recovery of air travel demand. Other main downside risks to demand would be geopolitical tension and natural disasters that are hazardous to air travel. Meanwhile, increasing competition may lead to lower yields, and higher than expected jet fuel prices and an unfavorable course of the €/US\$ may dent profitability.

Table 1: Summary P&amp;L

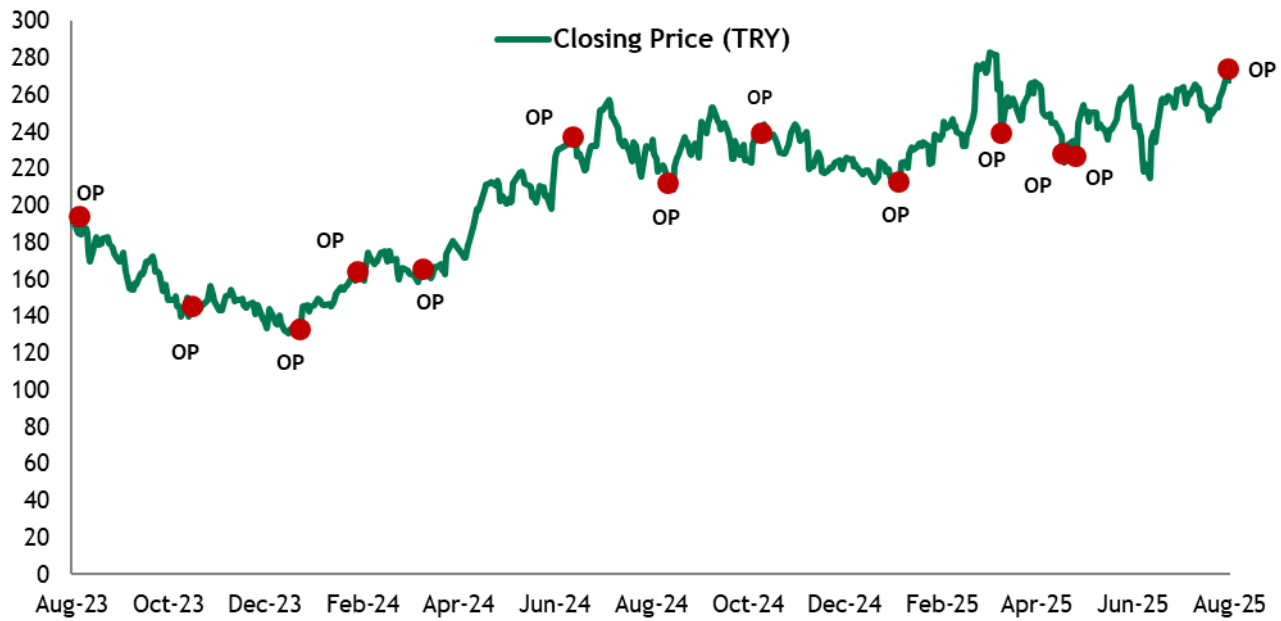
€ mn	2024/06K	2025/06K	YoY	2Q24	2Q25	YoY	1Q25	QoQ
Revenues	1.282	1.498	16,8%	763	876	14,8%	622	40,9%
Scheduled Flights	1.259	1.477	17,3%	747	862	15,3%	615	40,1%
International	634	697	10,1%	387	430	11,0%	268	60,5%
Domestic	166	200	20,6%	98	115	17,2%	85	34,6%
Service Revenue	460	580	25,9%	262	317	21,0%	262	21,0%
Charter & Wetlease	18	15	-14,1%	14	12	-13,5%	3	244,8%
Other	5	6	18,3%	3	3	0,8%	3	-16,3%
Gross Profit	174	180	3,7%	187	195	3,9%	-14	N.M.
Gross Profit Margin	13,6%	12,0%	-1.5 p.p.	24,5%	22,2%	-2.3 p.p.	-2,3%	
Operating Profit	112	-31	N.M.	148	64	-57,1%	-94	N.M.
EBIT Margin	8,7%	-2,0%	-10.8 p.p.	19,5%	7,3%	-12.2 p.p.	-15,2%	
EBITDA	268	297	10,8%	230	254	10%	42	499,1%
EBITDA Margin	20,9%	19,8%	-1.1 p.p.	30,1%	29,0%	-1.1 p.p.	6,8%	
Net Profit/Loss	9	60	561,7%	112	122	9%	-62	N.M.
Net Profit Margin	0,7%	4,0%	3.3 p.p.	14,7%	13,9%	-0.8 p.p.	-10,0%	

Source: Pegasus, Finnet, Şeker Invest Research

Table 2: Summary Financial Statements

BALANCE SHEET (€ mn)	12M24	6M25	% Chg
Cash and cash equivalents	1.259	849	-32,6%
Financial assets	302	326	7,9%
Trade receivables	73	105	43,8%
Other receivables	3	19	533,3%
Derivative financial instruments	4	0	N.M.
Inventories	42	42	0,0%
Prepaid expenses	202	220	8,9%
<b>Current assets</b>	<b>1.892</b>	<b>1.566</b>	<b>-17,2%</b>
Financial assets	126	139	10,3%
Other receivables	85	77	-9,4%
Derivative financial instruments	0	0	N.M.
Investments accounted by using the equity method	21	20	-4,8%
Property and equipment	471	507	7,6%
Intangible assets	24	31	29,2%
Right of use assets	4.172	4.162	-0,2%
Prepaid expenses	493	622	26,2%
Deferred tax assets	427	389	-8,9%
<b>Non-Current assets</b>	<b>5.819</b>	<b>5.947</b>	<b>2,2%</b>
Short term borrowings	796	566	-28,9%
Trade payables	216	303	40,3%
Passenger flight liabilities	334	394	18,0%
Short term provisions	64	63	-1,6%
<b>Current liabilities</b>	<b>1.482</b>	<b>1.470</b>	<b>-0,8%</b>
Long term borrowings	3.730	3.568	-4,3%
Deferred income	203	205	1,0%
Long term provisions	256	181	-29,3%
<b>Non-Current liabilities</b>	<b>4.190</b>	<b>3.957</b>	<b>-5,6%</b>
Paid-in share capital	230	230	0,0%
Share premiums on capital stock	25	25	0,0%
Retained earnings	1.417	1.778	25,5%
Net loss for the period	361	60	-83,4%
<b>SHAREHOLDERS' EQUITY</b>	<b>2.039</b>	<b>2.086</b>	<b>2,3%</b>

Source: Pegasus, Seker Invest Research



Date	Recommendation	Target Price (TRY)
15.08.2023	Outperform (OP)	261,89
9.11.2023	Outperform (OP)	261,89
16.01.2024	Outperform (OP)	253,70
5.03.2024	Outperform (OP)	259,84
9.05.2024	Outperform (OP)	259,84
13.08.2024	Outperform (OP)	302,00
12.11.2024	Outperform (OP)	328,00
7.01.2025	Outperform (OP)	361,20
5.03.2025	Outperform (OP)	372,00
2.05.2025	Outperform (OP)	365,60
9.05.2025	Outperform (OP)	365,60
13.08.2025	Outperform (OP)	365,60

## Basis for 12m equity ratings

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

## ŞEKER INVEST RESEARCH

Şeker Yatırım Menkul Değerler A.Ş.  
 Büyükdere Cad. No: 171 Metrocity  
 A Blok Kat 4-5 34330 SİSLİ /İST  
 TURKEY

TEL: +90 (212) 334 33 33  
 Fax: +90 (212) 334 33 34  
 E-mail: [research@sekeryatirim.com](mailto:research@sekeryatirim.com)  
 Web: <http://www.sekeryatirim.com/english/index.aspx>

For additional information, please contact:

Research

Kadir Tezeller	Head	+90 (212) 334 33 81	<a href="mailto:ktezeller@sekeryatirim.com">ktezeller@sekeryatirim.com</a>
Burak Demirbilek	Utilities	+90 (212) 334 33 33-128	<a href="mailto:bdemirbilek@sekeryatirim.com">bdemirbilek@sekeryatirim.com</a>
Engin Degirmenci	Cement	+90 (212) 334 33 33-201	<a href="mailto:edegirmenci@sekeryatirim.com">edegirmenci@sekeryatirim.com</a>
Atasav Can Tuglu	Food & Beverages, Automotive, Retail, Aviation	+90 (212) 334 33 33-334	<a href="mailto:atuglu@sekeryatirim.com.tr">atuglu@sekeryatirim.com.tr</a>
Basak Kamber	Glass, Pharmaceutical, Defense, Telcos, Cons. Dur.	+90 (212) 334 33 33	<a href="mailto:bkamber@sekeryatirim.com">bkamber@sekeryatirim.com</a>
Furkan Ozdemir	Iron & Steel, Oil, Gas, & Deriv.	+90 (212) 334 33 33-245	<a href="mailto:oozdemir@sekeryatirim.com">oozdemir@sekeryatirim.com</a>

Economy & Politics

Abdulkadir Dogan	Chief Economist	+90 (212) 334 91 04	<a href="mailto:adogan@sekeryatirim.com">adogan@sekeryatirim.com</a>
------------------	-----------------	---------------------	--

Institutional Sales

Batuhan Alpman	Head	+90 (212) 334 33 70	<a href="mailto:balpman@sekeryatirim.com">balpman@sekeryatirim.com</a>
Deniz Keskin	Trader	+90 (212) 334 33 36	<a href="mailto:dkeskin@sekeryatirim.com">dkeskin@sekeryatirim.com</a>
M. Kerim Culum	Trader	+90 (212) 334 33 33-316	<a href="mailto:kculum@sekeryatirim.com">kculum@sekeryatirim.com</a>

## DISCLAIMER

I, Atasav Can TUĞLU, hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest, Inc.). The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Invest. By accepting this document you agree to be bound by the foregoing limitations.

Copyright © 2025 Şeker Invest, Inc.