

August 14, 2025

Turkcell

Net profit exceeded expectations

Basak Kamber
Analyst
bkamber@sekeryatirim.com

Turkcell, based on its financials with inflation accounting (TMS-29 effect), announced a net profit of TRY 4,201 million in the 2Q25 period (2Q24: TRY 3,922 million), exceeding our expectation of TRY 3,400 million and the market expectation of TRY 3,294 million. Operational profitability strengthened compared to the previous year, while other revenues of TRY 10,714 million net, driven by exchange rate gains, supported the net income of TRY 2,378 million from investment activities and the lower net profit from tax provisions compared to the previous quarter. However, the net financial expense of TRY 15,455 million and the lower monetary position gains weighed on the net profit figure. The Company's net profit margin in 2Q25 was 7.92% (2Q24: 8.32%). **The Company's sales revenues, including the impact of TMS-29, increased by 12.5% year-over-year to TRY 53,022 million in 2Q25. Our expectation for net sales revenues was TRY 52,400 million, while the market expectation was TRY 52,012 million.** Strong ARPU performance, a growing postpaid subscriber base, and effective efforts to upgrade our customers to higher packages were instrumental in the increase in sales revenues. Turkcell Group subscribers increased by 0.7% year-over-year to 45.6 million in 2Q25, while Turkcell Turkey subscribers also increased by 0.7% to 43.5 million. Driven by ongoing price adjustments, ARPU (revenue per user) recorded 9.8% annual real growth in mobile and 17.5% in individual fiber. Revenues continued to grow thanks to the strong ARPU and subscriber base. **EBITDA, including the impact of TAS-29, reached TRY 23,394 million, a 13.1% increase compared to TRY 21,368 million in 2Q24, supported by the improvement in gross profit margin. EBITDA exceeded our expectation of TRY 21,900 million and the market expectation of TRY 21,894 million.** EBITDA margin was 44.1% in 2Q25 (45.3% in 2Q24). **Financing expense pressure continued.** The company's foreign exchange losses from loans and bonds issued totaled TRY 15,455 million, continuing to suppress net income. The company's net debt position increased by 24.3% from TRY 36.8 billion at the end of 1Q25 to TRY 45.8 billion at the end of 2Q25. The Net Debt/EBITDA ratio stood at 0.61x (1Q25: 0.51x) in the second quarter of the year.

2025 expectations remain intact: Turkcell expects to achieve revenue growth in the range of 7-9% and an EBITDA margin of 41-42% in 2025, while targeting a 24% operational expense-to-revenue ratio. Furthermore, the Data Center-Cloud business is expected to see revenue by 32-34%. (Expectations are based on the assumption of 30.5% inflation in 2025.)

Following the second quarter 2025 financials, we maintain our 12-month target price of 136.60 TL per share and our OUTPERFORM rating for TCELL stock. Our target price carries a 39.7% upside potential based on the closing price on August 13, 2025.

OUTPERFORM
TP: TRY 136.60
Previous TP: 136.60 TRY
Upside potential: 39.7%

| | TRY | US\$ |
|---------------------------|---------------------|------|
| Close | 97,75 | 2,40 |
| BIST 100 | 10.950 | 269 |
| US\$/TRY(CB Bid Rate): | 40,638 | |
| 52 Week High: | 109,11 | 3,01 |
| 52 Week Low: | 76,79 | 2,19 |
| Bloomberg/Reuters Ticker: | TCELL.TI / TCELL.IS | |

| | | |
|------------------------|----------|-----------|
| Number of Shares (Mn): | 2.200 | |
| | (TRY Mn) | (US\$ Mn) |
| Current Mcap : | 215.050 | 5.289 |
| Free Float Mcap : | 116.127 | 2.856 |

| | 1 M | YOY | YTD |
|----------------------------|---------|-------|------|
| TRY Return (%): | 5,8 | -0,4 | 7,5 |
| US\$ Return (%): | 4,1 | -17,9 | -6,7 |
| BIST 100 Relative (%): | 0,1 | -9,7 | -3,5 |
| Avg. Daily Vol. (TRY Mn): | 2.287,3 | | |
| Avg. Daily Vol. (US\$ Mn): | 62,7 | | |

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

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

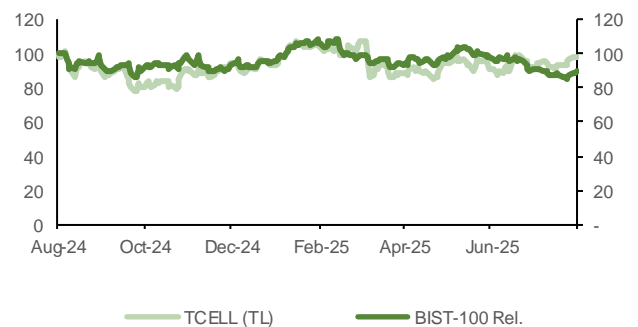


Figure 1: Financials (Including IAS-29)

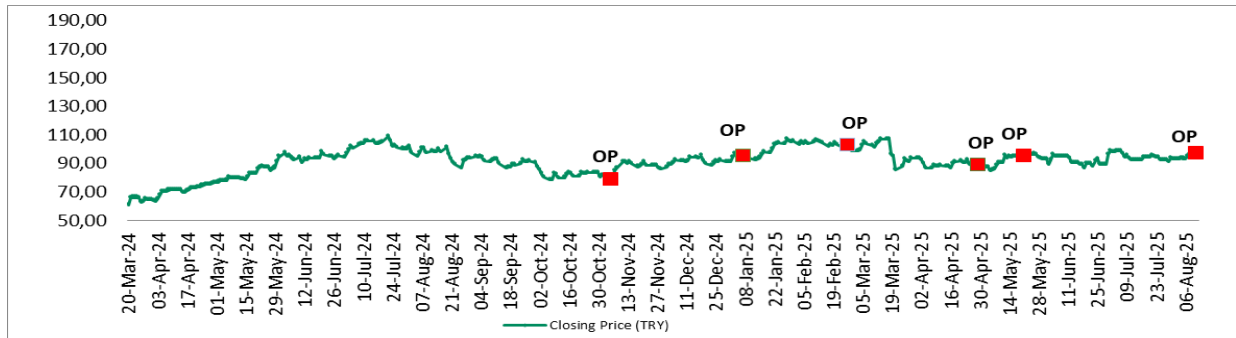
| TRY Million | 1H24 | 1H25 | YoY | 2Q24 | 2Q25 | YoY |
|----------------------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Revenues | 88.172 | 98.432 | 11,6% | 47.150 | 53.022 | 12,5% |
| Gross Profit | 21.051 | 28.884 | 37,2% | 11.326 | 14.443 | 27,5% |
| <i>Gross Profit Margin</i> | 23,9% | 29,3% | | 24,0% | 27,2% | |
| EBIT | 12.112 | 18.039 | 48,9% | 6.661 | 9.126 | 37,0% |
| <i>EBIT Margin</i> | 13,7% | 18,3% | | 14,1% | 17,2% | |
| EBITDA | 41.406 | 45.817 | 10,7% | 21.368 | 23.394 | 9,5% |
| <i>EBITDA Margin</i> | 47,0% | 46,5% | | 45,3% | 44,1% | |
| Net Profit | 7.779 | 7.468 | -4,0% | 3.922 | 4.201 | 7,1% |
| <i>Net Profit Margin</i> | 8,8% | 7,6% | | 8,3% | 7,9% | |

Figure 2: Key financials (Including IAS-29)

| BALANCE SHEET (TRY Mn) | 2024/12 | 2025/06 | % Chg |
|-------------------------------------|----------------|----------------|--------------|
| PP&E | 122.071 | 128.068 | 4,9% |
| Intangibles | 95.524 | 93.645 | -2,0% |
| Other Non-Current Assets | 51.436 | 61.752 | 20,1% |
| Trade Receivables | 19.496 | 21.773 | 11,7% |
| Cash&Equivalents | 80.428 | 116.601 | 45,0% |
| Other Current Assets | 32.725 | 35.543 | 8,6% |
| Total Assets | 401.680 | 457.382 | 13,9% |
| Long Term Debt | 61.178 | 113.421 | 85,4% |
| Other Non current liabilities | 16.381 | 21.605 | 31,9% |
| Short Term Debt | 21.680 | 15.915 | -26,6% |
| Trade Payables | 26.556 | 19.509 | -26,5% |
| Other current liabilities | 57.745 | 67.225 | 16,4% |
| Total Liabilities | 183.539 | 237.675 | 29,5% |
| Total Equity | 218.141 | 219.706 | 0,7% |
| Total Equity&Liabilities | 401.680 | 457.382 | 13,9% |

| INCOME STATEMENT (TRY Mn) | 2024/06 | 2025/06 | % Chg |
|--|--------------|---------------|--------------|
| Revenues | 88.172 | 98.432 | 11,6% |
| COGS | 68.308 | 71.490 | 4,7% |
| Gross Profit (Loss) | 19.865 | 26.942 | 35,6% |
| Operating Expenses | 8.938 | 10.845 | 21,3% |
| Operating Profit/(Loss) | 12.112 | 18.039 | 48,9% |
| Net Other Ope. Rev./(Exp.) | 6.989 | 19.376 | N.M. |
| Income/(Loss) from Investing Activities | 2.171 | 4.965 | 128,7% |
| Financial Expenses | (17.042) | (28.576) | N.M. |
| Gains (losses) on net monetary positions | 5.502 | 1.843 | -66,5% |
| Profit Before Tax (Loss) | 7.989 | 13.013 | 62,9% |
| Tax | (1.724) | (5.358) | N.M. |
| Net Profit (Loss) | 7.770 | 7.468 | -3,9% |
| Minority Interest | (10) | - | N.M. |
| Majority Interest | 7.779 | 7.468 | -4,0% |

Historical Recommendations and target prices



| | | |
|-----------|-----------------|--------|
| 8-Nov-23 | Outperform (OP) | 79.9 |
| 11-Jan-24 | Outperform (OP) | 87.05 |
| 21-Mar-24 | Outperform (OP) | 104.30 |
| 28-May-24 | Outperform (OP) | 116.50 |
| 13-Sep-24 | Outperform (OP) | 145.20 |
| 8-Nov-24 | Outperform (OP) | 145.20 |
| 7-Jan-25 | Outperform (OP) | 148.48 |
| 28-Feb-25 | Outperform (OP) | 148.48 |
| 2-May-25 | Outperform (OP) | 136.6 |
| 12-May-25 | Outperform (OP) | 136.6 |
| 14-Aug-25 | Outperform (OP) | 136.6 |

Basis for 12m equity ratings

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

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
 Web: <http://www.sekeryatirim.com/english/index.aspx>

For additional information, please contact:

Research

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

Economy & Politics

| | | | |
|------------------|-----------------|---------------------|--|
| Abdulkadir Dogan | Chief Economist | +90 (212) 334 91 04 | adogan@sekeryatirim.com |
|------------------|-----------------|---------------------|--|

Institutional Sales

| | | | |
|----------------|--------|-------------------------|--|
| Batuhan Alpman | Head | +90 (212) 334 33 70 | balpman@sekeryatirim.com |
| Deniz Keskin | Trader | +90 (212) 334 33 36 | dkeskin@sekeryatirim.com |
| Kerim Culum | Trader | +90 (212) 334 33 33-316 | kculum@sekeryatirim.com |

DISCLAIMER

I, Basak Kamber 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 the Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest, Inc.) Research Team. 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