

# Monthly Equity Strategy

## September 2025

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## Fed Rate Cut Expectations Rise...

In August, significant developments emerged regarding the bottlenecks affecting global risk appetite. At the beginning of the month, the release of weaker-than-expected US nonfarm payrolls data, alongside sharp downward revisions to the previous two months, strengthened expectations that the Fed—having kept rates unchanged in June—would begin cutting rates in September. While markets anticipate that FOMC members will assess tariff impacts as non-persistent for inflation, concerns over a slowdown in the labor market have led investors to price in a rate cut decision at the September meeting. Following the US decision to give Russia a deadline for peace talks, the Trump-Putin summit held in Alaska on August 15, as well as a subsequent meeting attended by Zelensky and several EU leaders, boosted global risk appetite. Moreover, the possibility of a future Putin-Zelensky summit with Trump's participation further supported sentiment. Meanwhile, since April 2, tariffs have been a persistent market theme. Progress in trade agreements with China, the EU, the UK, and Japan, combined with President Trump's decree in August to impose tariffs ranging from 15% to 50% on countries without agreements, has brought greater clarity. This reduction in uncertainty has had a positive impact on risk appetite.

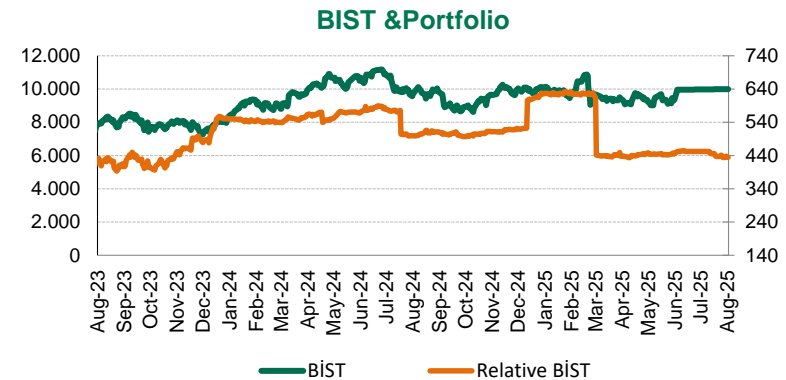
At its July meeting, the CBRT reduced the policy rate from 46% to 43%, resuming its rate-cutting cycle. In the third Inflation Report of the year, published on August 14, the CBRT kept its end-2025 inflation forecast unchanged at 24% while revising its end-2026 forecast upward from 12% to 16%. Narrowing its forecast bands, the CBRT projected 25-29% for 2025 and 13-19% for 2026. Following the report, confidence strengthened in the CBRT's ability to use both monetary transmission mechanisms and macroprudential tools effectively to steer inflation closer to the target path. The CBRT emphasized its data-dependent decision-making and, absent a deterioration in the inflation outlook, is expected to continue cutting rates, likely ending the year with a policy rate around 35%.

Globally, the main agenda items are expected to be the Russia-Ukraine peace talks and incoming macroeconomic data, particularly inflation and labor market figures, ahead of the Fed's September 16-17 meeting. Among major central banks meeting in September, the Fed is expected to begin cutting rates, the ECB to keep rates on hold, and the Bank of Japan to lean toward a rate hike. In addition, new steps by President Trump regarding tariffs, which are becoming clearer, will continue to shape risk sentiment.

In Turkey, key focus points will be the August inflation data to be released on September 3, the CBRT's September 11 policy meeting and its forward guidance, as well as potential headlines from corruption investigations and geopolitical risks stemming from Russia-Ukraine and the Middle East.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	11.288	5,07%	14,8%
BIST - 100, USD	276	4,0%	-1,1%
MSCI Turkey	298.764	2,5%	-0,1%
MSCI EMEA	238	0,4%	16,4%
MSCI EM	1.258	1,2%	17,0%
Benchmark Bond	38,93%	-115bps	-163bps
USD/TL	40,9441	1,06%	16,05%
EUR/TL	47,7841	3,04%	30,07%
P/E			
Banking	6,9		
Industrial	118,8		
Iron&Steel	49,2		
REIT	9,8		
Telecom	11,9		
2025E P/E	17,2		

\*Close as of August 29, 2025



## CBRT Expected to Continue Rate Cuts in September...

**Rating: BUY**

Starting August with positive momentum driven by expectations of further CBRT easing, the BIST 100 Index maintained its upward trend throughout the month, closing at a new record high in TL terms with a 5.07% gain at 11,288.05 points. The Industrial Index rose 7.50% while the Banking Index underperformed with a 0.73% gain.

With the July meeting marking the beginning of a rate-cutting cycle, we expect the CBRT to continue lowering rates in September and the remaining meetings of the year in line with declining inflation. The termination of FX-protected deposits (KKM), the planned removal of the short-selling ban on Borsa Istanbul, and the release of the three-year Medium-Term Program in early September are expected to support markets. Additionally, a September Fed rate cut, positive news from Russia-Ukraine peace talks, and declining oil prices should accelerate fund inflows into emerging markets and further strengthen TL-denominated assets.

If the Fed begins cutting rates, geopolitical conditions improve, tariff-related uncertainties diminish, and no new domestic shocks occur, Turkey's ongoing easing cycle is likely to initiate a new rebalancing period in the third quarter. This would first benefit the banking sector, followed by the broader real economy.

Accordingly, we expect the positive momentum seen in July and August to continue in September. We maintain our 12-month BIST100 Index target of 13,500 points, implying a 20% upside potential, and reiterate our BUY recommendation.

The MSCI Turkey Index currently trades at a 2025E P/E of 8.45x and P/BV of 0.94x, representing a 41% and 49.5% 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

- Escalation of armed conflicts in regions such as Russia-Ukraine and the Middle East,
- Higher-than-expected inflation prints delaying Fed rate cuts,
- Renewed escalation of trade tensions should President Trump make new tariff-related statements despite ongoing agreements,
- A disruption in the CBRT's easing cycle should the expected decline in inflation fail to materialize.

### Model Portfolio

Top Picks	Close	Target	Pot.	MoM	Relative
AKBNK.TI	68,25	82,47	20,8%	1,1%	-3,8%
ASELS.TI	183,30	240,00	30,9%	-2,0%	-6,7%
CIMSA.TI	48,40	63,00	30,2%	-6,5%	-11,0%
FROTO.TI	111,70	143,00	28,0%	17,4%	11,7%
ISCTR.TI	15,05	20,07	33,3%	1,6%	-3,3%
MGROS.TI	485,75	750,00	54,4%	-7,3%	-11,8%
SAHOL.TI	94,20	146,24	55,2%	-1,2%	-6,0%
TCELL.TI	94,80	136,60	44,1%	1,7%	-3,2%
THYAO.TI	335,00	495,50	47,9%	16,3%	10,7%
Average				2,3%	-2,6%

\*Close as of August 29, 2025

Add

Remove

Maintain

AKBNK

ASELS

CIMSA

FROTO

ISCTR

MGROS

SAHOL

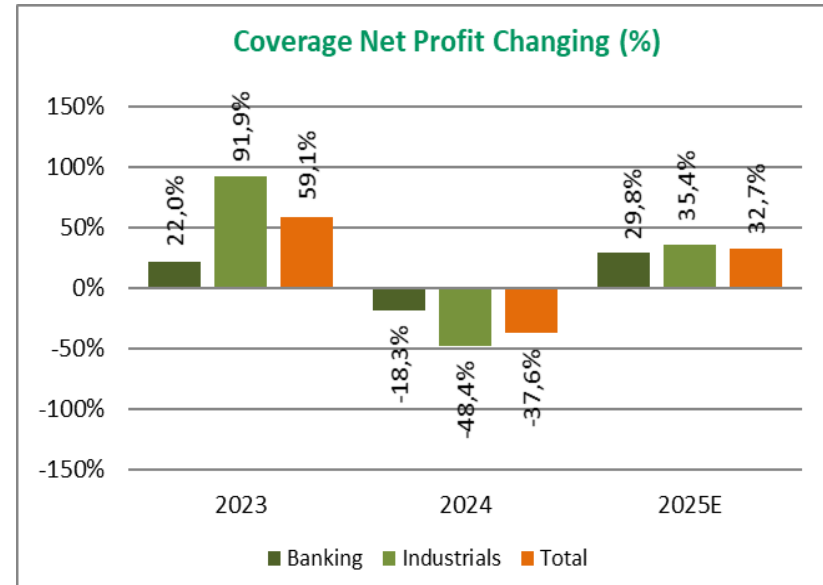
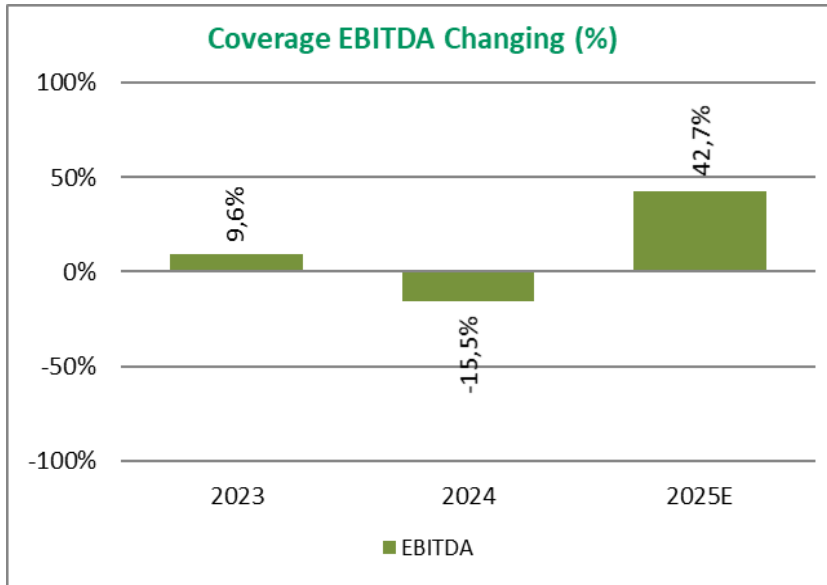
TCELL

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 Türkiye Index has declined by 5.5% in absolute terms over the past 12 months. It has underperformed the MSCI EM, and the MSCI EMEA index by 21.0%, and 20.2%, respectively during same period.

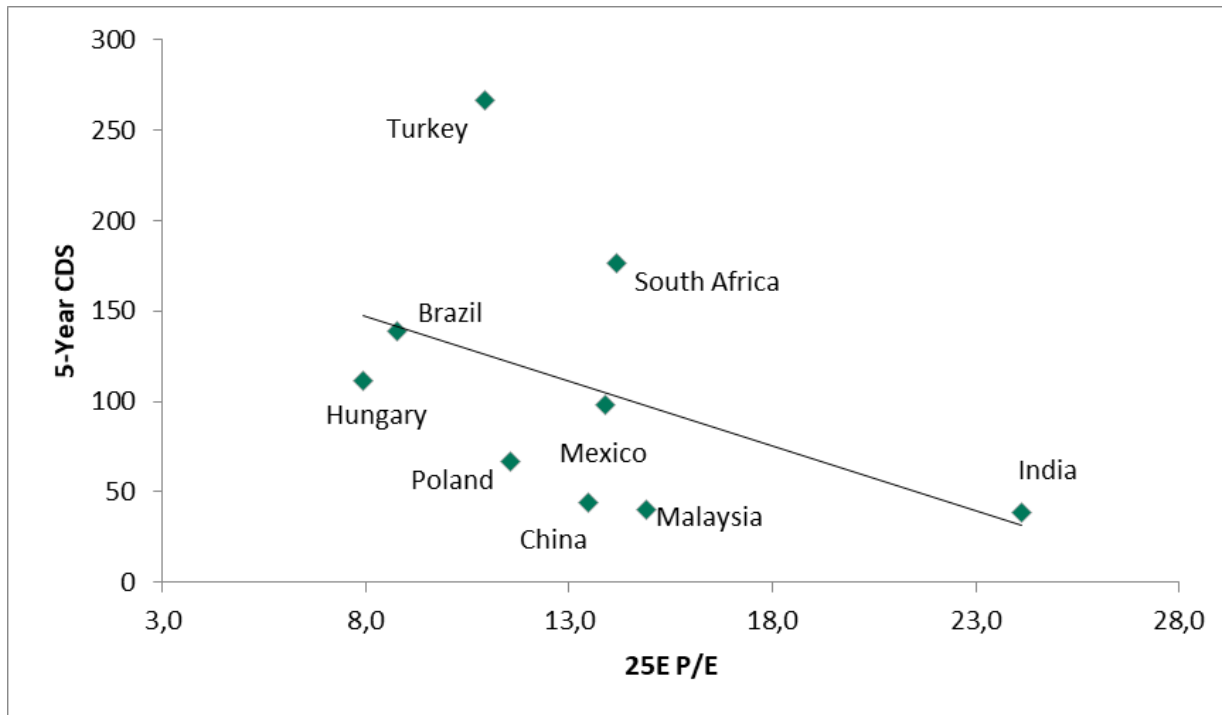
Absolute Change	1m	3m	12m	YtD
MSCI Turkey	2,5%	20,1%	-5,5%	0,0%
MSCI EM	1,2%	8,7%	14,4%	16,9%
MSCI EMEA	0,4%	6,9%	13,6%	16,3%
MSCI Eastern Europe	-1,7%	4,9%	30,0%	45,3%
MSCI World	2,5%	8,1%	14,1%	12,7%

Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	-1,28%	-9,4%	21,0%	16,9%
MSCI EMEA	-2,1%	-11,0%	20,2%	16,3%
MSCI Eastern Europe	-4,1%	-12,6%	37,6%	45,3%
MSCI World	0,0%	-9,9%	20,7%	12,7%

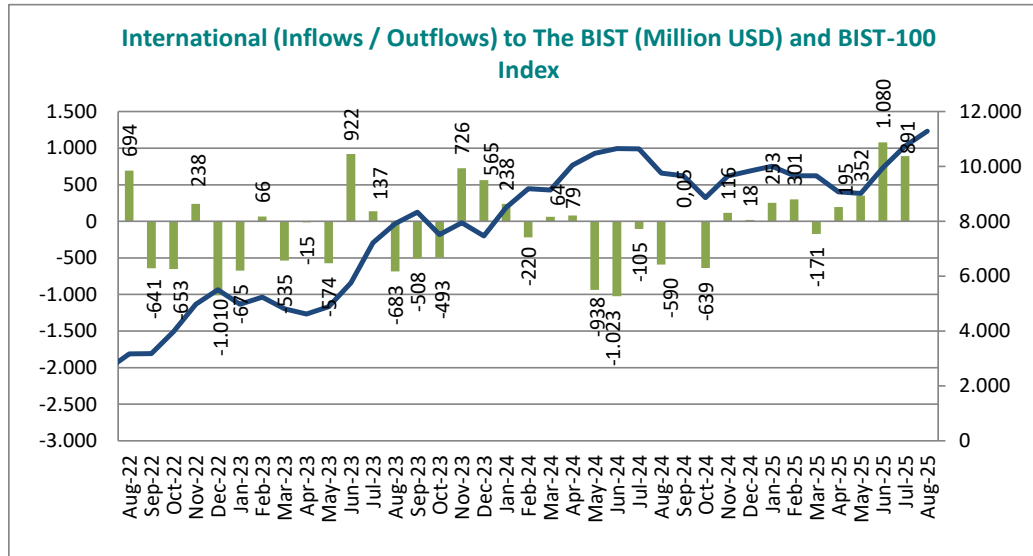
As of August 29, 2025

# 5-Year CDS

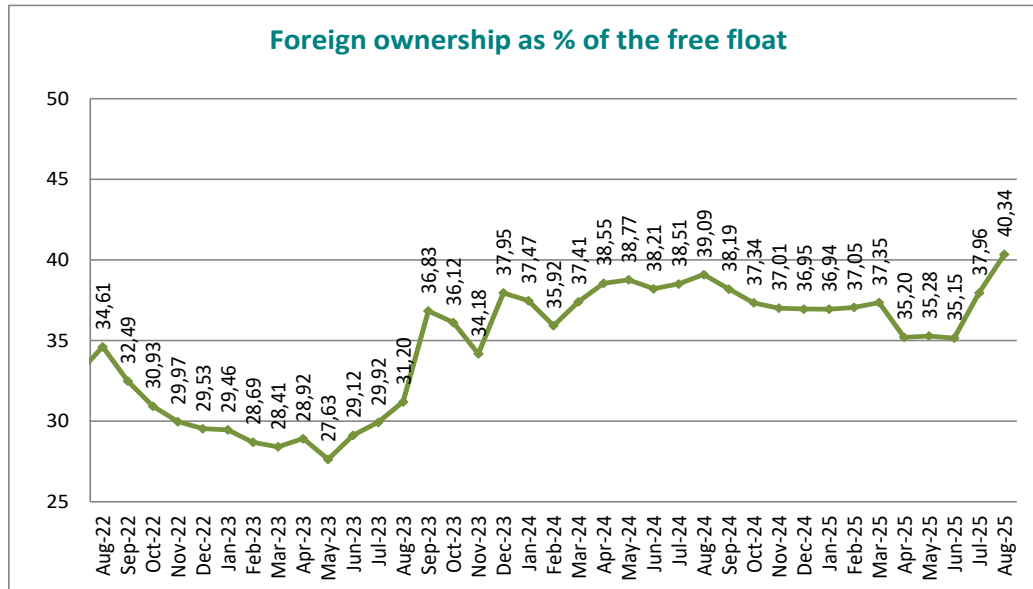


As of August 29, 2025

# Int. flow and foreign ownership

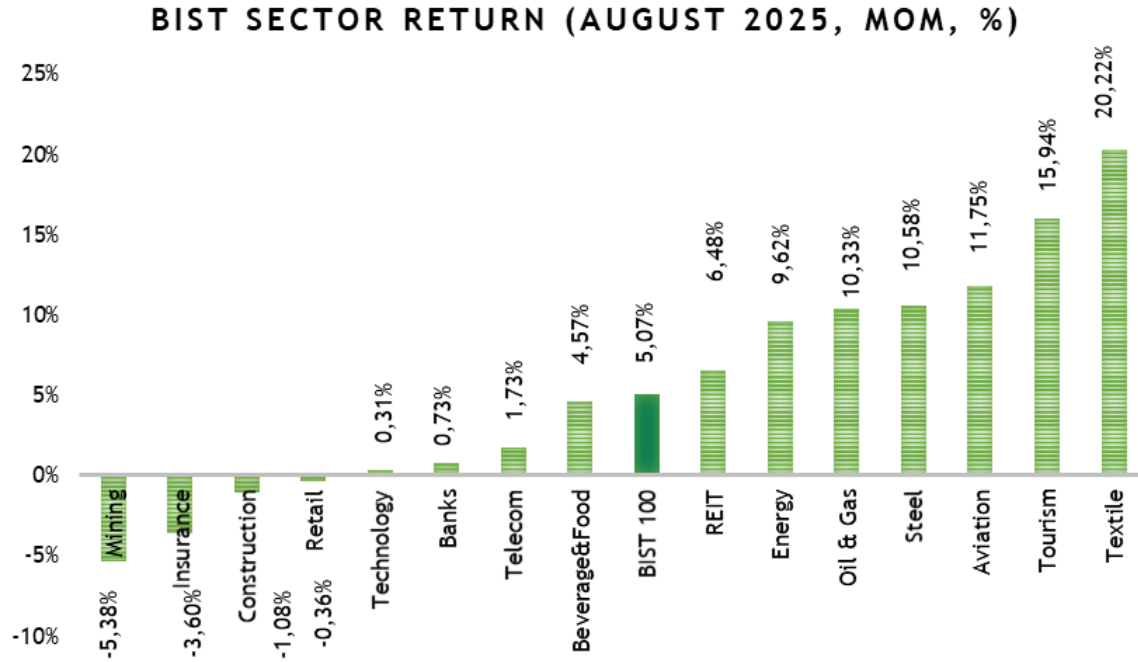


➤ In July 2025, foreign investors were net buyers at the BIST of USD 891mn.



➤ Foreign ownership has realized to 40.34% in August 2025.

## Sector performances



As of August 29, 2025

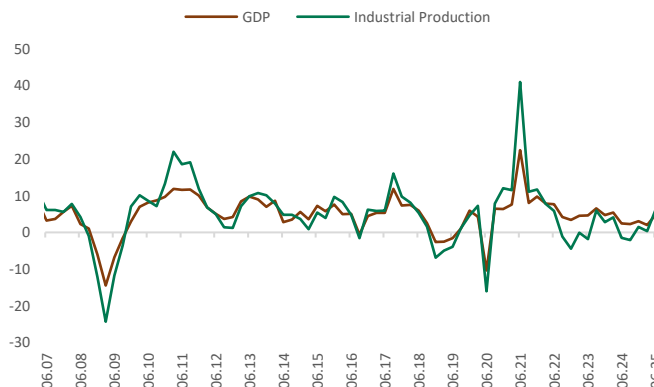


# Macroeconomic Outlook

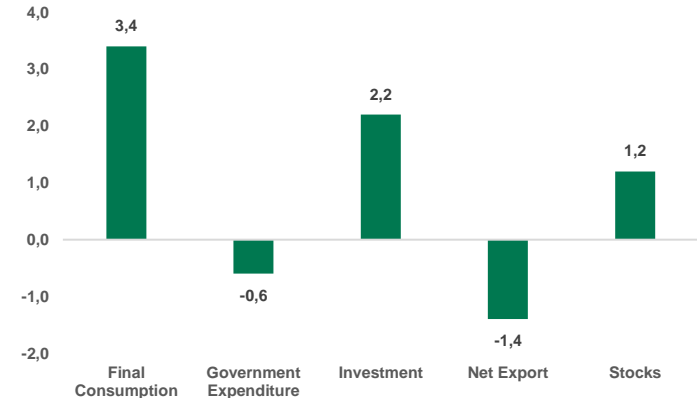
## GDP/2025-Q2

Turkish economy grew by 4.8% in the second quarter of the year compared to the same period last year. The seasonally and calendar-adjusted chained volume index of GDP increased by 1.6% compared to the previous quarter. The calendar-adjusted chained volume index of GDP increased by 4.6% in the second quarter of 2025 compared to the same quarter of the previous year. The Gross Domestic Product estimate based on the production method increased by 43.7% at current prices in the second quarter of 2025 compared to the same quarter of the previous year, reaching TL 14 trillion 578 billion 556 million. The second quarter value of GDP was 377 billion 622 million in US dollars at current prices. The share of labor compensation in Gross Value Added at current prices was 38.8% in the second quarter of last year, while this rate was 38.4% in 2025. The share of net operating surplus/mixed income was 39.5%, while it was 40.2%. When the activities that make up GDP are examined, in the second quarter of 2025, compared to the previous year, as a chained volume index; the total value added of the construction sector was 10.9%, information and communication activities 7.1%, the industrial sector by 6.1%, trade, transportation, accommodation, and food services by 5.6%, professional, administrative, and support services by 5.4%, taxes on products minus subsidies by 3.0%, financial and insurance activities by 2.6%, real estate activities by 2.6%, and other service activities by 2.1%. The agriculture sector decreased by 3.5%, while public administration, education, human health, and social services activities decreased by 1.2%. The demand composition of economic activity appears to have slowed. In particular, the contribution from production and industrial activity has improved significantly. The contribution from supply and production can be seen as non-inflationary growth. Otherwise, we are entering an economic spiral of consumption-driven growth that creates demand and inflation. The process of coordination in fiscal policy continues. Public spending has slowed down noticeably and contributed to the disinflation process. In our budget reports, we highlighted the improvement in non-interest budget items. The actual figures confirm this. The lagged effects of monetary policy have begun to be felt on inflation, and we have reached figures that are more positive than market expectations. This effect will continue, albeit at a declining pace, in growth and the output gap. We believe that the output gap will remain in negative territory until the end of 2026 and that the transition to positive territory will be achieved as inflation adjusts to target levels.

Graph 1: Growth and Industrial Production (YoY %)



Graph 2: Growth and Contribution (%)

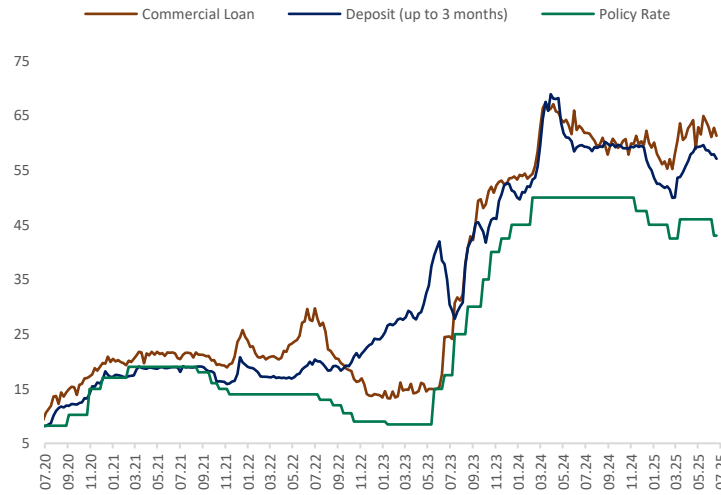


# Macroeconomic Outlook

## CBRT Rate Decision - July

The Central Bank of the Republic of Turkey (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.

Policy, Loan and Deposit Rates (%)

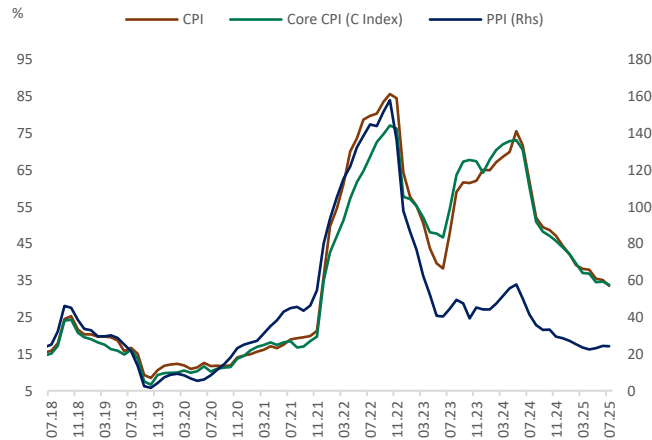


# Macroeconomic Outlook

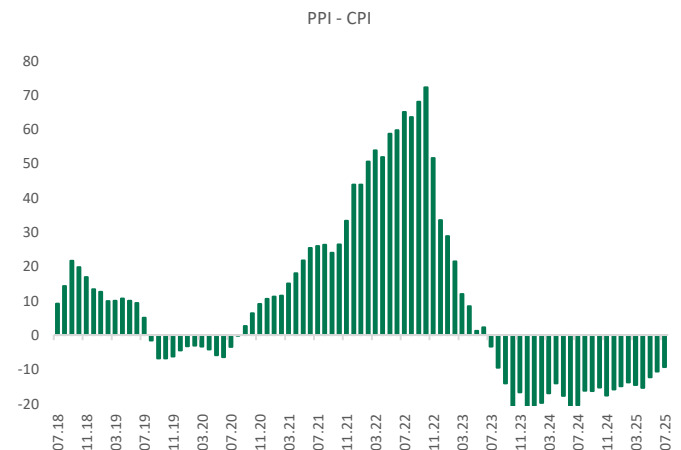
## Inflation - July

CPI rose by 2.06% in July compared to the previous month, while annual inflation stood at 33.52% (previously 35.05%). Market expectations were for inflation to increase by 2.4% monthly and 34.05% annually (Şeker Invest expectations were for a 2.5% monthly increase and 34.12% annually). The positive inflation figures, which exceeded both market and our expectations, are stimulating risk appetite. The average inflation rate for food, housing, and transportation, which account for 55.52% of the index, rose by 36.9% annually. Annual inflation in basic expenditure items is above headline figures. During the same period, the monthly inflation rate for the B index (core inflation), which is the Special Scope CPI Indicator, was 1.82%, while the annual inflation rate was 33.77%. We had expected that upward pressure from administered/guided prices in July would cause a temporary rise in inflation. This pressure was clearly felt in the rise in alcoholic beverages and tobacco and housing prices (5.69% and 5.78% monthly, respectively). When these items are excluded, the slowdown in inflation is clearly evident. Monthly inflation increased at varying rates in all categories except clothing and footwear. When their contributions to the annual inflation rate of 33.52% are evaluated, housing, food, and transportation contribute a total of 20.5 points. We can say that the pressure on inflation from demand has been largely brought under control. However, both the pressure from public finances and supply-side price levels are well above the target figures. Despite a marked improvement in service inflation, the annual rate of 48.54% is causing a deviation from the price stability target. Inflation will remain close to flat in the 30-35% range until the end of the year. The inertia and base effect formed at these levels are likely to persist until 2026. After the interest rate cut in June, the CBRT's interest rate map could change direction depending on inflation developments. Inflation in July, which came in below expectations, calmed concerns in financial markets. Unless there is an external shock to the disinflation path, risk appetite will remain strong until the end of the year.

CPI, PPI and Core CPI (YoY %)



PPI - CPI Spread

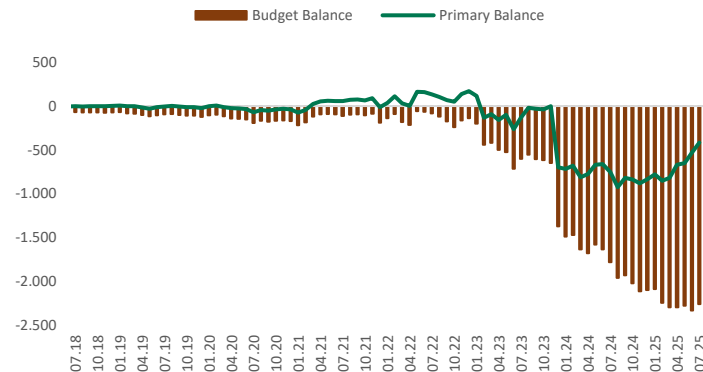


# Macroeconomic Outlook

## Budget Balance - July

According to the central government budget data for July published by the Ministry of Treasury and Finance, budget revenues amounted to TRY 1,096.9 billion and budget expenditures amounted to TRY 1,120.8 billion. During the same period, non-interest budget expenditures amounted to TRY 986.2 billion. With these figures, the budget deficit was TR Y23.9 billion, while the non-interest balance showed a surplus of TRY 110.7 billion. In June, interest payments created an additional pressure of approximately TRY 300 billion on the budget. While these figures declined to TRY 130 billion, current transfers fell below TRY 400 billion for the first time in a long while. The budget deficit declined significantly as the strong recovery in income tax was added to the decline in expenditures. In July, TRY 16.3 billion and TRY 22 billion in current transfers were made to Electricity Generation Inc. and BOTAŞ, respectively. In the January-July period, a total of 221.7 billion TL in transfers were made to BOTAŞ and Electricity Generation Inc. If we calculate that total interest expenses amounted to TRY 1.25 trillion during the same period, it is clear that interest and transfers to public institutions constitute a serious burden on the budget. Excluding these, the budget performance is quite good in terms of core revenue-expenditure balance. 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. Achieving fiscal discipline without price stability seems very difficult. A decline in funding and borrowing interest rates will ease 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. In the remainder of the year, the decline in borrowing rates and risk premiums will ease the interest burden on the budget. While these reductions will be reflected in the 2026-2027 fiscal outlook, they are of critical importance in terms of expectation management. We believe that public finances and monetary policy will have entered a more stable phase by the fourth quarter of 2025. Market players 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. The latest inflation report and developments also underscore that monetary policy has reached the end of its range of action and that fiscal policy has serious responsibilities within the scope of coordination.

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

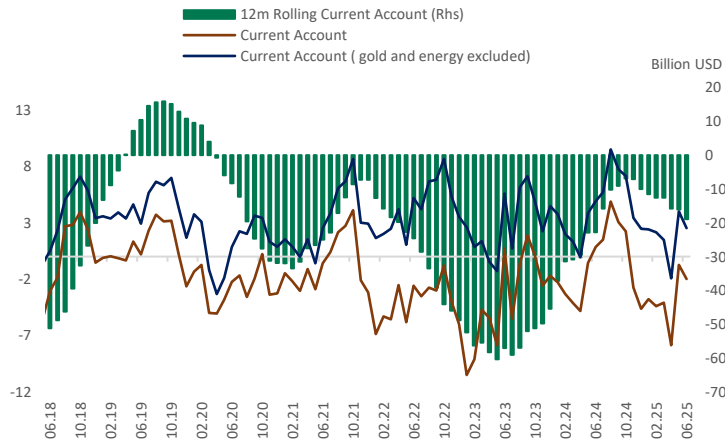


# Macroeconomic Outlook

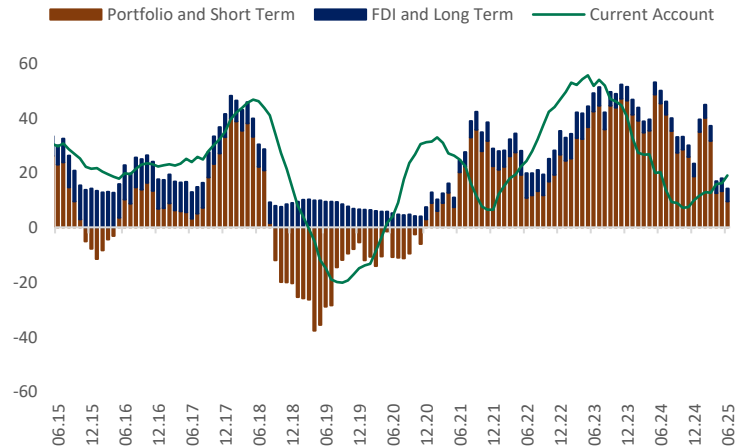
## Balance of Payments - June

According to balance of payments statistics, the current account balance for June showed a deficit of USD 2,006 million. As a result, the 12-month current account deficit stood at USD 18,926 million (previous: USD 16,091 million). Our expectation was for a current account deficit of USD 1.32 billion, below market expectations (USD 1.45 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, along with interest rate cuts, formed our base scenario for the current account balance. With the strengthening of interest rate cut expectations, brought-forward demand is putting pressure on the current account deficit, led by the trade balance. The current account balance may deteriorate beyond our base scenario. The CBRT is closely monitoring developments in the global outlook and risk appetite. Although fluctuations in energy prices increase risks to the current account balance and inflation, we can say that we have entered a calmer period compared to the March-April period. The CBRT, which began cutting interest rates in July, albeit with a delay, is maintaining its cautious stance on monetary policy. Looking at the details of the current account balance, the trade deficit defined by the balance of payments amounted to USD 6,476 million, while inflows from the services balance amounted to USD 5,989 million. The 12-month cumulative trade deficit under the balance of payments definition stood at USD 63.3 billion, while inflows from the services balance reached USD 62.1 billion. We expect inflows from the services balance to gain momentum starting from the summer months. The current account balance excluding gold and energy recorded a surplus of USD 2.579 billion this month. This indicator, which we can refer to as the core current account balance, has returned to its normal trend after the unusual deterioration in April. The more negative outlook for tariff negotiations compared to the period before March is increasing pressure 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)**

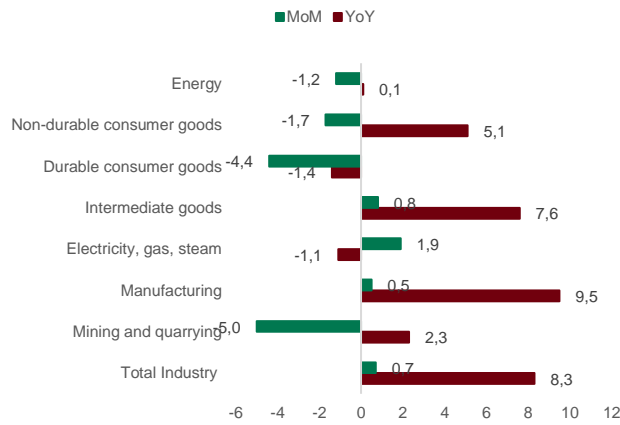


# Macroeconomic Outlook

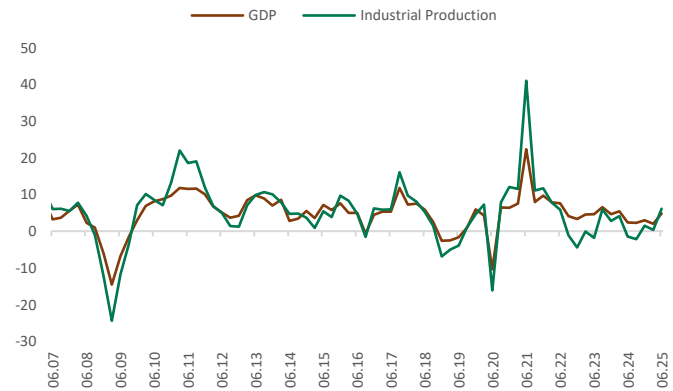
## Industrial Production- June

According to industrial production index data, seasonally and calendar-adjusted production increased by 0.7% in June compared to the previous month. Thus, annual production rose by 8.3% (previously 5%). Since the beginning of the year, our base scenario for industrial production data has been for a strong recovery accompanied by interest rate cuts. Although local and global developments in the March-April period disrupted this expectation, the momentum of production remains strong. In the same baseline scenario, we expected the recovery in production data to become more pronounced in the second quarter of the year. Due to the impact of these external shocks, we have revised our expectations for production data by one quarter. Given the current outlook, monthly data continues to fluctuate and remain flat. However, positive stability is an indication that the worst is behind us in terms of production. On the other hand, annual data has risen steadily since February due to base effects, reaching 8%. If the monthly data remains flat, we believe that we are testing the peak levels of the annual data. The annual data for industrial production is at the 10-year average of 5%. The negative outlook in the output gap was a result of tight monetary policy. For the rest of the year, we expect a calm monthly trend and a negative output gap in annual production. The interest rate cuts that began in July have had a tolerable effect on companies' financing costs. We expect this outlook to prevail for the rest of the year, and companies with high TL debt burdens to be positively affected by this process. As developments in monetary policy will indirectly impact on industrial production expectations, we expect the momentum in production data to remain on a positive trajectory, with interest rate cuts expected to continue until the end of the year.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



# Akbank (OP, 12M TP: TRY82.47)

## Net profit in Q2 was in line with expectations

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, 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.

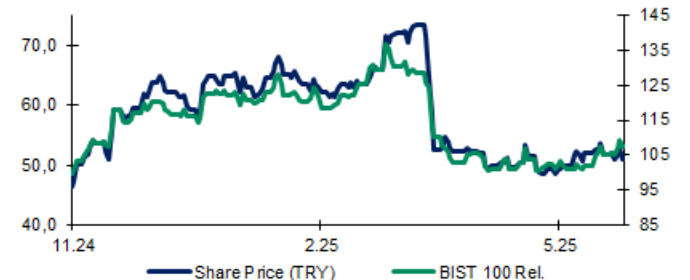
**Upside and downside risks-** Higher-than-expected asset quality worsening, and a worse-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	354.900	Beta (12M)	1,36
Mcap (USDmn)	8.662	Avr. Daily Vol. (TRYm)	5.522
Close	68,25	Foreign Ownership in FF	46,5%
Last 12M High	74,54	Free Float (%)	52,0%
Last 12M Low	45,11	Weight	5,56%

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 (%):	1,6	29,3	3,7	19,7
US\$ Return (%):	0,4	23,0	-8,0	-0,8
BIST-100 Relative (%):	-5,6	5,0	-11,3	4,3

Source: Bank financials, Şeker Invest Research



# Aselsan (OP, 12M TP: TRY 240.00) Results above expectations...

Upside: 30.9%

ASELSAN reported a net profit of TRY 3,993 million in 2Q 2025. This figure was 32% higher than the market median expectation of TRY 3,019 million (2Q 2024: TRY 3,075 million). The increase in net sales revenues in 2Q 2025, along with the rise in operating profit and deferred tax income resulting from successful operational management, supported the net profit figure. However, the increase in net financial expenses due to mounting exchange rate losses, coupled with the loss of net monetary position, were factors that suppressed profitability.

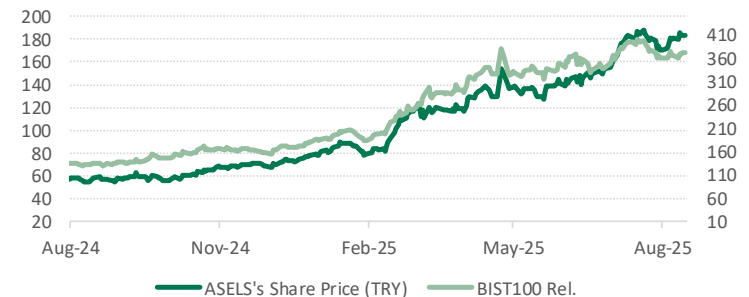
In 2Q 2025, Aselsan's net sales revenues, including the TMS-29 impact, were realized at TRY 29,550 million, above the market median expectation (Expectation: TRY 28,645 million). The Company achieved a net sales revenue of TRY 29,550 million, with a 13.3% increase year-on-year. Deliveries for Air Defense, Electronic Warfare, Electro-Optics, Radar, Avionics, Security and Weapon Systems were influential in the increased sales revenues. EBITDA, including the TMS-29 impact, was realized at TRY 8,016 million, above the market median expectation (Expectation: TRY 6,999 million). In 2Q 2025, EBITDA continued to strengthen thanks to increased operational profitability and turnover growth resulting from cost control. The gross profit margin was 33.7%, the EBITDA margin was 27.1% and the net profit margin was 13.5%. (2Q24, respectively: 34.5%, 26.0%, 11.8%). ASELSAN's total order value reached a record high of USD16 billion in the first half of the year (1H24: USD12.3 billion). The Company received a total of USD2.8 billion in new orders in 1H25 (1H24: USD2.6 billion). Steadfastly pursuing its export-focused growth strategy, the company secured USD1.3 million of the USD2.8 billion order value received in 1H25 from abroad (1H24: USD365 million). As of 1H25, 97% of the Company's total outstanding orders were defense-related, while 3% were non-defense orders. As of 1H25, 56% of the Company's long-term orders were in dollars, 33% in euros, and 11% in Turkish lira.

**The Company maintains its expectations for 2025.** Accordingly, Aselsan 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. It also plans for an investment of TRY 20 billion and above in 2025, including TMS 29.

We anticipate that the Steel Dome air defense system, Siper Product, Turan System, and Gökdeniz and Gökür defense missile systems will contribute to the company's revenue following the IDEF 2025 Fair. Furthermore, we anticipate that the company's total R&D share will continue to increase and that we assess its high export potential positively, while also expecting this positive trend to continue due to the increasing share of defense spending in countries' total budgets stemming from geopolitical developments.

We maintain our 12-month target price at TRY 240,0/shr. While our target price has a 30.9% upside potential, we maintain our Outperform rating for ASELS.

Code	ASELS.TI	Close	183,30	
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 (%)	48,67%	
Key figures	2022A*	2023A*	2024	2025E
Revenues	112.626	123.969	140.248	176.702
<i>Growth</i>		10,1%	13,1%	26,0%
EBITDA	23.650	26.998	35.275	52.439
<i>EBITDA margin</i>	21,0%	21,8%	25,2%	29,7%
Net profit	2.159	12.281	17.850	29.131
EPS	0,95	2,69	3,91	6,39
Dividend yield	0,25%	0,18%	0,14%	0,11%
Net debt / EBITDA	0,36	0,71	0,50	0,30
Net debt / Equity	0,06	0,13	0,11	0,08
		8,7%	11,5%	16,3%
ROAA		4,9%	6,6%	9,5%
Valuation metrics	2022A*	2023A*	2024	2025E
P/E	378,6	66,6	45,8	28,1
EV/EBITDA	2,1	31,0	23,7	16,0
EV/Sales	0,4	6,8	6,0	4,7
P/BV	6,1	5,6	5,0	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, Şeker Invest Research estimates

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



## Cimsa (OP, 12M TP: TRY 63.00)

Despite the noticeable improvement in sales volume in 2Q, margins narrowed.

Upside: 30.2%

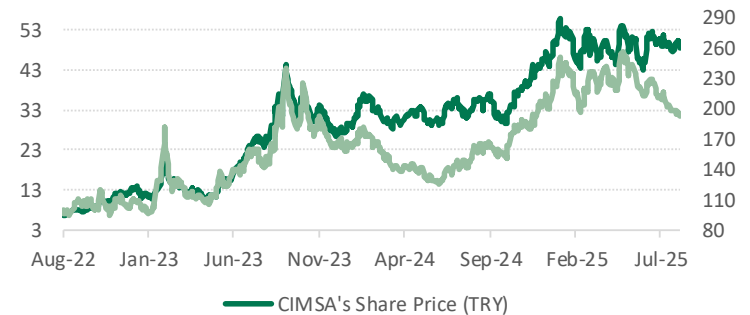
Cimsa published its restated financial results in accordance with inflation accounting, applying TMS 29 'Financial Reporting in Hyperinflationary Economies' in the first week of August.

Cimsa has announced a net profit of TRY 717mn for 2Q25. The company had posted a net profit of TRY 1,725mn in 2Q24. Cimsa's net profit declined due to an increase in net financing expenses, a decrease in monetary gains, and lower income from Sabancı Holding shares compared to last year. Thanks to organic growth in sales volumes and Mannok's contribution, sales revenues increased by 40.0% YoY in 2Q25 to TRY 10,895mn. (2Q24: TRY 7,782mn). In 2Q25, Cimsa maintained high capacity utilization rates and increased its consolidated sales volume by 46.6% YoY. This was supported by a 24.1% increase in sales in Turkey and a 76.7% increase in international markets (including Mannok). Excluding Mannok's sales volumes, the increase in consolidated sales volume was 32.1% YoY. The company generated a quarterly EBITDA of TRY 2,029mn in 2Q25, (2Q24: TRY 1,927mn). The quarterly EBITDA margin narrowed by 6.2pp YoY to 18.6%, due to last year's high base effect and the impact of price increases on cost items (2Q24 EBITDA margin: 24.8%).

As of August 29, 2025, CIMSА stock had lost 0.8% over the previous month. Regarding returns relative to the BIST 100, the stock had underperformed by 7.9% over the previous month.

We maintain our 12-month target price of **TRY 63.00/share** and 'Outperform' recommendation for CIMSА. Our TP has 30.2% upside potential compared to the share closing price on August 29, 2025.

Code	CIMSA.TI	Close	48,40	
MCAp (TRY m)	45.767	Last 12M High	56,69	
MCAp (US\$ m)	1.118	Last 12M Low	29,24	
EV (TRY m)	66.527	Beta	1,03	
EV (US\$ m)	1.640	Avg. daily trading vol. (US\$ m)	14,4	
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	7,8	12,7	17,0	8,9
EV/EBITDA	1,7	12,6	13,1	7,8
EV/Sales	0,2	2,2	2,4	1,8
P/BV	2,9	1,7	1,8	1,6
Return	1M	3M	YtD	YoY
TRY Return (%):	-0,8	1,9	5,2	36,7
US\$ Return (%):	-2,0	-3,1	-9,6	13,3
BIST-100 Relative (%):	-7,9	-17,2	-8,4	19,0



Source: PDP, Finnet, Şeker Invest Research estimates

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

# Ford Otosan (OP, 12M TP: TRY 143.00)

Upside: 28%

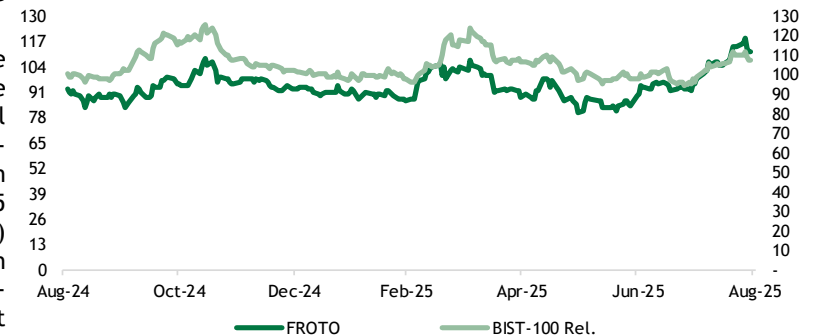
We maintain our TP for Ford Otosan of **TRY 143.00/sh**, and our **“OUTPERFORM”** recommendation. Based on the August 29, 2025 closing price, Ford Otosan trades at 2025E 7.4x EV/EBITDA and 2025E P/E of 8.8x, indicating a potential return of 28%. We are holding Ford Otosan into our model portfolio, driven by its robust story, and significant investment initiatives within the electrification period.

According to ADMA, Ford Otosan's LCV sales rose by 20.2% YoY in July 2025, reaching 7,204 units (July 2024: 5,994 units). During the January to July 2025 period, its retail sales of LCVs rose by 14.6% YoY, up from 35,682 units last year to 40,887 units this year. In June 2025, Ford Otosan's market share slightly increase to 9.0% while in 7M25, it was flat, to 7.9%.

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 Türkiye, 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	111,70
MCap (TRY mn)	391.966	Last 12M High		118,30
MCap (US\$ mn)	9.573	Last 12M Low		78,85
EV (TRY mn)	482.596	Beta		0,86
EV (US\$ mn)	11.854	Avg. Daily Trading Vol. (US\$ m)		31,1
Free Float (%)	20,31	Foreign Ownership in FF (%)		38,02
<b>Key Figures (TRY mn)</b>				
	<b>* 2022A</b>	<b>* 2023A</b>	<b>* 2024A</b>	<b>2025E</b>
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%	1,5%	2,3%
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%
<b>Valuation Metrics</b>				
	<b>* 2022A</b>	<b>* 2023A</b>	<b>* 2024A</b>	<b>2025E</b>
P/E	14,1	5,5	10,1	8,8
EV/EBITDA	15,1	7,8	12,1	7,4
EV/Sales	1,5	0,8	0,8	0,6
P/BV	5,3	2,6	4,0	2,9
<b>Return</b>				
	<b>1M</b>	<b>3M</b>	<b>YtD</b>	<b>YoY</b>
TRY Return (%)	22,1	32,3	21,2	19,5
US\$ Return (%)	20,6	25,9	4,2	-1,0
BIST-100 Relative (%)	13,4	7,5	5,6	4,1



Source: PDP, Ford Otosan, Finnet, Şeker Invest Research Estimates

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

# Isbank (OP, 12M TP: TRY20.07) Outstanding cost management

Upside: 33%

We maintain our **BUY** recommendation on Isbank, supported by its strong demand deposit base, rising fee and commission income, effective cost management, and better-than-expected net profit.

Isbank announced a solo net profit of TRY 17,372 million in 2Q25 up 40% QoQ and 15% YoY. The strong contribution came mainly from subsidiaries, with income from this line increasing 54% QoQ and 18% YoY. The bank's average ROE stood at 20.2% in 2Q25. Reported earnings were 29% above the market consensus.

**NIM under pressure from higher funding costs.** Despite a 12% QoQ decline in swap costs, higher deposit funding expenses led to an 18% QoQ contraction in swap-adjusted net interest income. As a result, the swap-adjusted NIM narrowed by 40 bps to 1.2%.

**Strong fee growth.** Net fee and commission income delivered robust growth, rising 21.5% QoQ and 52% YoY, driven by payment systems and loan growth.

**Effective cost management.** Operating expenses increased moderately, up 9.6% QoQ and 36% YoY.

**Sound asset quality compared to peers.** The NPL ratio stood at 2.5% in 2Q25, while net NPL formation rate declined to 1.66%. Stage 3 coverage ratio stood at 66%, and net CoR (including currency impact) decreased by 33 bps to 176 bps.

We model above %83 YoY earnings growth for 2025E. Our 12-month target price of TRY20.07 has 33% upside potential. We maintain our "Outperform" recommendation. The stock is trading at 2025E P/E of 4.5x, P/B of 0.95x, with an average ROE of 23.4%.

The bank revised its year-end guidance, the swap-adjusted NIM forecast has been revised downward from +450 bps increase to +350 bps relative to end-2024. ROE guidance has been lowered from 30% to 25%.

Mcap (TRYmn)	376.250	Beta (12M)	1,22
Mcap (USDmn)	9.183	Daily Volume (12M)	5.672
Close	15,05	Foreign Ownership in FF	26,0%
Last 12M High	16,36	Free Float (%)	31,0%
Last 12M Low	10,07	Weight	3,52%

Quick Facts (TRY Mn)	2023A	2024A	2025E	2026E
Net interest income	67.073	34.451	104.282	166.539
% Change, YoY	-10,8%	-48,6%	202,7%	59,7%
Net fee income	42.438	91.411	124.319	157.885
% Change, YoY	162,8%	115,4%	36,0%	27,0%
Net income	72.265	45.517	83.543	138.937
% Change, YoY	17,4%	-37,0%	83,5%	66,3%

Ratios	2023A	2024A	2025E	2026E
NPL ratio	2,1%	2,1%	2,9%	3,1%
CoR (Net)	1,0%	1,1%	2,9%	2,4%
NIM (Swap adj.)	3,7%	-0,7%	4,0%	5,1%
ROAA	3,7%	1,6%	2,8%	4,7%
ROTE	31,6%	15,6%	23,4%	30,3%

Multiples	2023A	2024A	2025E	2026E
P/E	3,2	7,4	4,5	2,7
P/BV	0,87	1,06	0,95	0,72



Return	1M	3M	6M	12M
TRY Return (%):	5,2	37,2	0,7	15,5
US\$ Return (%):	3,9	30,5	-10,6	-4,2
BIST-100 Relative (%):	-2,3	11,5	-13,9	0,6

Source: Bank financials, Seker Invest Research

# Migros (OP, 12M TP: TRY 750.00)

Upside: 54%

We maintain our positive outlook on net cash position & market share development...

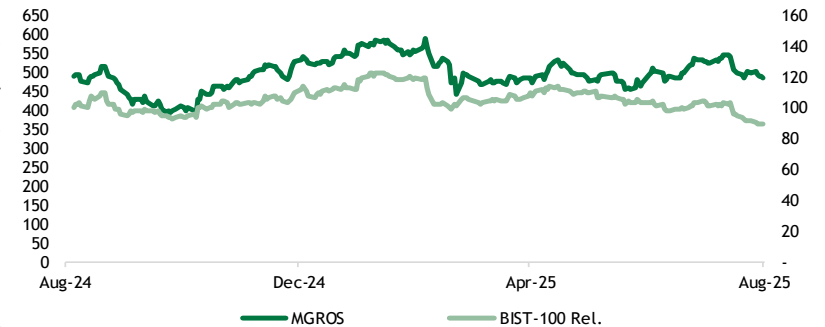
We maintain our “Outperform” recommendation for Migros, with our 12M TP of TRY 750.00. As of the closing price on August 29, 2025, the stock is trading at 2025E EV/EBITDA of 4.7x and 2025E P/E of 8.4x, implying an upside potential of 54%.

**Considering the Company’s FMCG market share trajectory;** in the modern FMCG market, it had a 16.8% (1H24: 16.2%) market share in 1H25, and 10.2% (1H24: 9.6%) of the total FMCG market thanks to price investments, and its omni & multi format growth strategy. In addition, its store number rose by 193 compared to 1H24 to 3,683 stores in total in 1H25. Sales area rose by 3.7% 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 2Q25, the Company’s total financial debt (Inc. IAS-29) was at TRY 665mn (2Q24: TRY 2,074mn). As of 2Q25, the Company’s FCF improved from TRY -3,419mn in 1Q25 to TRY 4,111mn.

Migros expects sales growth of 8-10%, incorporating IAS-29 inflation accounting effects in 2025E. 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	485,75	
MCap (TRY mn)	87.947	Last 12M High	591,72	
MCap (US\$ mn)	2.148	Last 12M Low	389,03	
EV (TRY mn)	93.321	Beta	0,89	
EV (US\$ mn)	2.283	Avg. Daily Trading Vol. (US\$ m)	25,0	
Free Float (%)	50,82	Foreign Ownership in FF (%)	32,42	
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%	0,8%	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	6,7	6,9	13,9	8,4
EV / EBITDA	17,2	20,6	5,9	4,7
EV / Sales	0,5	0,4	0,3	0,2
P/BV	2,2	1,2	1,7	1,4
Return	1M	3M	Y tD	Y oY
TRY Return (%)	-8,2	-0,2	-10,0	2,3
US\$ Return (%)	-9,3	-5,0	-22,6	-15,2
BIST-100 Relative (%)	-14,7	-18,9	-21,6	-10,9



Source: PDP, Migros, Finnet, Şeker Invest Research Estimates

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

## Sabancı Holding (OP, 12M TP: TRY 146.24 )

Upside: 52%

Sabancı Holding (SAHOL.TI; OP) announced a consolidated net profit of TRY 1,751mn in 2Q25 under inflation accounting (IAS 29), compared to a loss of TRY 2,450mn in 2Q24. Sabancı Holding's net loss as of 1H25 was realized at TRY 1,365mn (1H24: TRY 10,305mn TL net loss). In 2Q25, Sabancı Holding generated sales revenue of TRY 357,041mn (up 3.7% YoY), including banking operations. The company's EBITDA reached TRY 36,182mn in 2Q25, on a 4.4% YoY increase. Non-bank EBITDA margin expansion, particularly driven by financial services and energy segments, passed largely through to the bottom-line with some support from lower monetary losses despite increased financial expenses, amid prevailing high borrowing cost conditions in Türkiye.

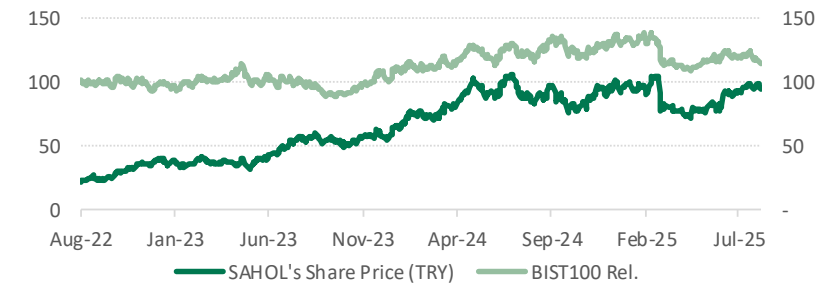
The Holding's solo net cash position has increased to TRY 13.3bn from TRY 12.4bn at the end of 2024 thanks to received dividend payments. Net Debt/EBITDA was 1.7x, well below the Holding's midterm target of a maximum 2.0x.

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, 60% comes from banking and financial services, 20% from energy, 0,6% from mobility solutions, 9% from material technologies, 0,4% from digital services, and 10% from other segments.

**2025 Expectations:** We believe that the banking and financial services segment, which accounts for a significant 60% 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 52% upside potential based on the closing price of August 28, 2025, we maintain our **OUTPERFORM** recommendation for the stock.

Code	SAHOL.TI	Close	95,95	
MCap (TRY m)	201.531	Last 12M High	105,98	
MCap (US\$ m)	4.919	Last 12M Low	71,70	
EV (TRY m)	328.258	Beta	1,14	
EV (US\$ m)	8.107	Avg. daily trading vol. (US\$ m)	56,1	
Free float (%)	51,00	Foreign ownership in FF (%)	38,7%	
Key figures	2023*	2024 *	2024/06	2025/06
Revenues	230.796	227.623	112.436	108.709
Finance Sector Revenues	663.293	830.594	183.250	199.880
Total Revenues	894.089	1.058.217	295.686	308.589
Growth		18,4%		4,4%
Consolidated net profit	25.988	18.000	-10.306	-1.365
EPS	12,74	8,82	-5,05	-0,65
Dividend yield	3,0%	3,2%		
Net debt /Equity	0,10	0,02		0,40
ROAE	7,4%	5,4%		8,3%
ROAA	0,7%	0,5%		0,8%
Valuation metrics	2023*	2024 *	2024/06	2025/06
P/E	7,8	11,2		7,5
EV/Sales	1,4	1,4		1,5
P/BV	0,5	0,6		0,6
Return	1M	3M	YtD	YoY
TRY Return (%):	3,1	21,6	1,8	11,0
US\$ Return (%):	1,8	15,7	-12,5	-8,0
BIST-100 Relative (%):	-4,2	-1,2	-11,4	-3,3



Source: PDP, Finnet, Şeker Invest Research estimates

\*2023, 2024 financials are Indexed according to 1H25 with IAS -29



# Turkcell (OP, 12M TP: TRY 136.60 )

Upside: 44.1%

## Net profit exceeded expectations in 2Q25

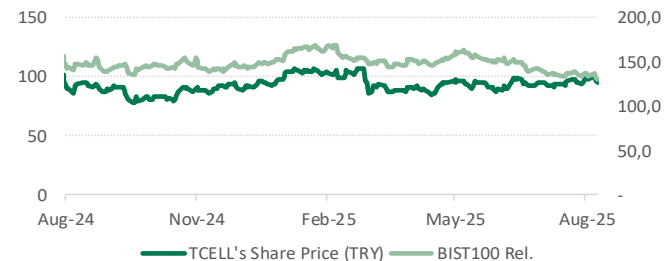
Turkcell, based on its financials with inflation accounting (TMS-29 effect), announced a net profit of TRY 4,201 million in the 2Q25 period (2Q24: TRY 3,922 million), exceeding our expectation of TRY 3,400 million and the market expectation of TRY 3,294 million. Operational profitability strengthened 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).**

**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.)

**In line with our expectations, we maintain our 12-month target price for TCELL at 136.60/share. Our target price has 44.1% upside potential compared to the stock's closing price on August 29, 2025. We maintain our OUTPERFORM recommendation.**

Code	TCELL.TI	Close	94,80	
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 (%)	60,7%	
Key figures	2022A*	2023A*	2024	2025E
Revenues	151.953	173.443	185.341	229.082
Growth		14,1%	6,9%	23,6%
EBITDA	67.092	79.263	82.472	98.505
EBITDA margin	44,2%	45,7%	44,5%	43,0%
Net profit	11.590	21.147	27.446	20.944
EPS	7,61	13,88	10,11	9,52
Dividend yield	2,4%	1,6%	2,8%	3,39%
Net debt / EBITDA	0,57	0,46	0,38	0,22
Net debt / Equity	0,21	0,18	0,14	0,15
ROAE		10,8%	12,9%	11,6%
ROAA		5,2%	6,7%	6,2%
Valuation metrics	2022A*	2023A*	2024	2025E
P/E	17,3	9,5	7,3	9,6
EV/EBITDA	0,9	3,0	2,9	2,4
EV/Sales	0,4	1,4	1,3	1,0
P/BV	1,1	1,0	0,9	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, Şeker Invest Research estimates

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

# Turkish Airlines (OP, 12M TP: TRY 495.50)

Upside: 48%

## 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 August 29, 2025, closing price—offering an attractive **48% upside potential**. THY is currently trading at 2025E P/E of 4.04x and 2025E EV/EBITDA of 3.84x.

➤ THY's PAX rose by 8.4% YoY for July 2025. The rise was mainly due to increase of both int'l and domestic passenger number when compared to July 2024. THY's total PAX in July 2025 was at 9.03mn. Meanwhile, in July 2025, the share of international PAX in total PAX was 62.7%. The total load factor rose by 0,2 pp at 85.5% in July 2025. The carrier's international PAX rose by 8.7% YoY to 5.66mn in July 2025; domestic PAX also rose by 7.8% YoY to 3.4mn in July 2025. THY's cargo operations volume was up 11.2% YoY in July 2025. THY's traffic figures for 7M25 indicates with a PAX increase of 4.7% YoY. THY's total PAX in 7M25 was at 51.24mn. The total load factor rose by 0,6 pp at 82.1% in 7M25. The carrier's international PAX rose by 6.8% YoY to 33mn in 7M25; domestic PAX rose by 1.1% YoY to 18,2mn in 7M25. THY's cargo operations volume was up 4.4% YoY in 7M25.

➤ 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 7-8% 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 520-525 aircraft by the end of 2025.

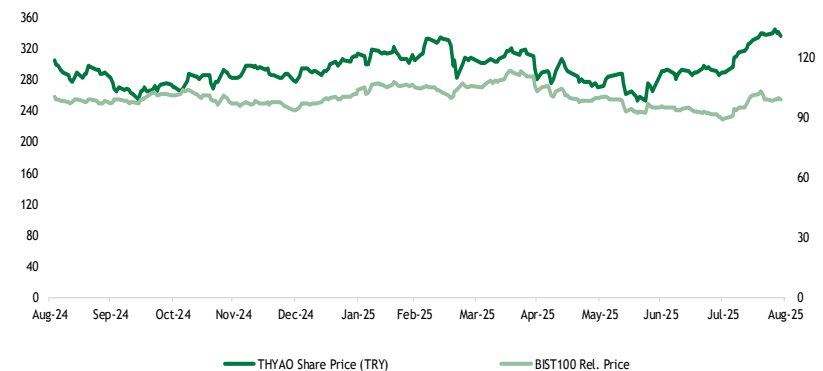
➤ **Risks** - The major downside risks are slower than expected global growth, rising protectionism and geopolitical risk, i.e., lower than expected demand growth, higher-than expected capacity growth leading to lower yields, higher-than-expected jet fuel prices hurting demand and profitability, and an unfavorable course of US\$/JPY and €/US\$ rates.

Code	THYAO.TI/THYAO.IS	Close	335,00
MCap (TRY mn)	462.300	Last 12M High	346,25
MCap (US\$ mn)	11.291	Last 12M Low	249,20
EV (TRY mn)	797.541	Beta	0,94
EV (US\$ mn)	19.727	Avg. Daily Trading Vol. (US\$ mn)	232,1
Free Float (%)	50,48	Foreign Ownership in FF (%)	31,88

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	4,14	1,88	3,30	4,04
EV/EBITDA	3,99	3,57	3,90	3,84
EV/Sales	1,07	0,94	0,87	0,81
P/BV	1,17	0,73	0,60	0,52

Return	1M	3M	YtD	YoY
TRY Return (%)	17,44	21,88	20,79	12,95
US\$ Return (%)	16,00	15,95	3,84	-6,37
BIST-100 Relative (%)	9,11	-0,98	5,20	-1,60



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

# Recommendations List

Şeker Invest								
Recommendation List							September 1, 2025	
BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	68,25	OP	82,47	354.900	428.846	20,8%	8,23	1,37
GARAN	144,10	OP	164,52	605.220	690.977	14,2%	6,00	1,60
HALKB	26,76	MP	21,45	192.265	154.148	-19,8%	10,18	1,14
ISCTR	15,05	OP	20,07	376.250	501.715	33,3%	8,15	1,04
TSKB	14,51	OP	15,86	40.628	44.407	9,3%	3,33	1,03
VAKBN	28,80	MP	28,73	285.579	284.916	-0,2%	5,57	1,16
YKBNK	32,88	OP	36,77	277.739	310.595	11,8%	8,08	1,25
HOLDING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
KCHOL	183,30	OP	243,75	464.830	618.125	33,0%	-	0,78
SAHOL	94,20	OP	146,24	197.855	307.167	55,2%	-	0,62
TAVHL	253,50	OP	371,00	92.092	134.776	46,3%	50,54	1,31
INDUSTRIAL	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKCNS	135,80	OP	200,20	25.999	38.328	47,4%	31,20	1,17
AKSEN	38,60	OP	55,00	47.337	67.450	42,5%	35,81	0,97
ARCLK	137,00	OP	185,00	92.575	125.010	35,0%	-	1,34
ASELS	183,30	OP	240,00	835.848	1.094.400	30,9%	50,43	4,95
BIMAS	530,00	OP	730,66	318.000	438.395	37,9%	25,72	2,35
CCOLA	49,30	OP	75,00	137.945	209.847	52,1%	13,88	2,21
CIMSA	48,40	OP	63,00	45.767	59.576	30,2%	31,86	1,58
DOAS	189,10	OP	259,90	41.602	57.179	37,4%	12,73	0,69
EREGL	29,86	OP	39,70	209.020	277.908	33,0%	39,98	0,78
FROTO	111,70	OP	143,00	391.966	501.800	28,0%	12,79	2,79
KRDMD	29,40	OP	37,98	22.939	29.630	29,2%	-	0,56
MGROS	485,75	OP	750,00	87.947	135.790	54,4%	17,49	1,32
PETKM	20,00	MP	21,53	50.688	54.561	7,6%	-	0,78
PGSUS	249,00	OP	365,60	124.500	182.801	46,8%	8,14	1,28
SELEC	86,60	MP	110,00	53.779	68.310	27,0%	44,89	2,01
SISE	40,70	OP	55,00	124.673	168.470	35,1%	49,95	0,57
TCELL	94,80	OP	136,60	208.560	300.523	44,1%	8,99	0,95
THYAO	335,00	OP	495,50	462.300	683.795	47,9%	4,57	0,61
TOASO	250,25	OP	284,70	125.125	142.350	13,8%	128,03	2,59
TTKOM	55,55	OP	72,50	194.425	253.744	30,5%	18,08	1,08
TUPRS	172,20	OP	237,80	331.794	458.185	38,1%	16,53	1,08
ULKER	113,40	OP	170,00	41.876	62.778	49,9%	7,21	1,16
VESBE	13,42	OP	17,00	21.472	27.204	26,7%	-	0,60
ZOREN	3,80	MP	4,20	19.000	21.000	10,5%	-	0,30
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