
Monthly Equity Strategy

July 2026

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The U.S-Iran agreement and monetary policy messages shaped market direction in June...

In June, the main agenda items for global markets were geopolitical developments originating from the Middle East, volatility in energy prices and monetary policy actions by major central banks. While the ongoing tension on the U.S.-Iran front in the first half of the month and supply concerns related to the Strait of Hormuz continued to exert upward pressure on oil prices, volatility in energy prices was closely monitored in terms of the global inflation outlook and monetary policy expectations.

The most important development of the month was President Trump's announcement on June 14 that an agreement had been reached with Iran, aimed at ending the war and normalizing commercial transit through the Strait of Hormuz. The agreement was evaluated within the framework of halting hostilities, reopening maritime traffic and initiating a negotiation process for a final settlement. However, the fact that issues related to the nuclear program, the permanent lifting of sanctions and regional proxy forces were left to subsequent talks indicated that the agreement provided a fragile ceasefire framework rather than a permanent normalization. Indeed, the continuation of disagreements after June 14 regarding nuclear inspections and the conditions for passage through Hormuz showed that geopolitical risks had not been fully eliminated. The short-lived reciprocal attacks around the Gulf in the final part of the month, followed by the prospect of new talks in Doha, also confirmed the fragility of the process.

Oil prices displayed high volatility throughout June in parallel with news flow on the U.S.-Iran front. Oil prices, which remained elevated in the first half of the month due to conflict risk and Hormuz-related supply concerns, declined significantly in the second half of the month as agreement-related news and diplomatic contacts gained momentum. While Brent oil prices retreating toward the USD72-74/bbl range by month-end provided short-term relief for markets, uncertainties regarding Hormuz passage conditions and nuclear inspections kept energy-driven inflation risks on the agenda.

On the global monetary policy front, the Fed's first meeting under new Chair Kevin Warsh, who took over after Powell, stood out. At its June 16-17 meeting, the Fed kept the policy rate unchanged at 3.50%-3.75%. The unanimous decision indicated that there was broad near-term consensus within the Committee regarding the current level of interest rates. However, the real importance of the meeting lay in Warsh's communication style and the messages he delivered regarding the Fed's new policy approach. Warsh emphasized that inflation remained above target and that it would not be appropriate to signal early easing before price stability was achieved. He also indicated that the Fed could move toward a framework with less forward guidance and a faster response to incoming data.

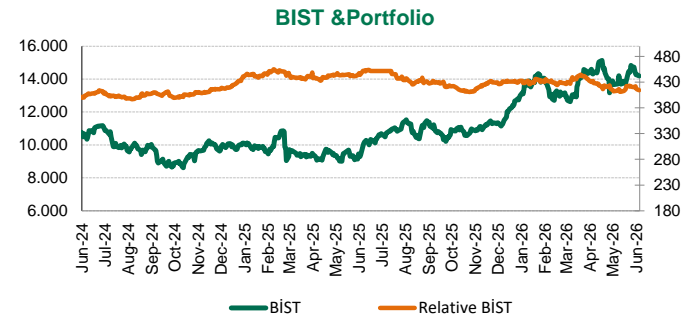
In Europe, the impact of energy prices on the inflation outlook and downside risks to the growth outlook came to the fore. The ECB's decision to raise rates at its June meeting for the first time since September 2023 showed that a cautious stance in the fight against inflation was being maintained. On the other hand, the decline in oil prices in the second half of the month supported expectations that the ECB could act in a more data-dependent manner at its July meeting. In Asia, expectations for stimulus in China remained on the agenda, while the BoJ raised its policy rate to 1.00%, in line with expectations, bringing it to the highest level in the last 30 years.

Domestically, the CBRT's rate decision, May inflation data, the reserve outlook and news flow regarding domestic political developments were in focus for markets in June. CPI increased by 1.71% MoM and 32.61% YoY in May, coming in slightly above market expectations. Nevertheless, the marked slowdown in monthly inflation compared to April partially supported the outlook for the disinflation process. The continued elevated level of annual inflation, however, led the CBRT to maintain its cautious stance.

At its MPC meeting on June 11, the CBRT kept the policy rate unchanged at 37%. In the decision statement, the CBRT noted that the underlying trend of inflation declined somewhat in May, while emphasizing that geopolitical developments continued to pose risks to the inflation outlook through the energy price channel. The CBRT maintained its message that the tight stance would be preserved until a lasting improvement is achieved in inflation expectations and pricing behavior.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	14.122	3,36%	25,4%
BIST - 100, USD	303	1,3%	15,4%
MSCI Turkey	330.195	1,3%	15,8%
MSCI EMEA	259	-3,3%	0,0%
MSCI EM	1.723	-1,7%	22,7%
Benchmark Bond	39,96%	-378bps	274bps
USD/TL	46,5747	2,07%	8,70%
EUR/TL	53,0866	-0,07%	5,57%
P/E			
Banking	5,7		
Industrial	93,7		
Iron&Steel	120,8		
REIT	12,4		
Telecom	10,0		
2026E P/E	15,4		

*Close as of June 30, 2026



The CBRT is expected to maintain its tight stance at its July meeting...

Rating: BUY

In July, global markets will focus on the implementation process of the U.S.-Iran agreement, whether energy flows through the Strait of Hormuz normalize, the course of oil prices and monetary policy actions by central banks. Inflation, employment and growth data to be released in the U.S., together with the Fed meeting on July 28-29, will be decisive for global risk appetite. Considering the Fed's messages under Warsh pointing to less forward guidance and a more data-dependent policy stance, the impact of July data releases on expectations regarding the rate path may increase. In Europe, the ECB meeting on July 23, economic activity indicators in China and the BoJ's messages regarding its normalization process in Japan will be closely monitored.

Domestically, the June inflation data to be released in the first week of July and the CBRT's MPC meeting on July 23 will be among the main agenda items for markets. The underlying trend of inflation, the impact of the decline in energy prices on costs, the domestic demand outlook, reserve dynamics and liquidity conditions will be decisive for monetary policy expectations. In addition, expectations regarding the NATO meetings, which are expected to begin in Ankara on July 7 with the participation of President Trump, as well as Fitch's Türkiye sovereign rating review on July 17 and Moody's review on July 24, will have an impact on the market.

The CBRT's decision to keep the policy rate unchanged at 37% in June postponed rate cut expectations to July and beyond. Due to the elevated level of annual inflation, geopolitical risks and domestic political uncertainties, the CBRT is expected to maintain its cautious stance at its July meeting as well. On the other hand, the decline in oil prices, the slowdown in domestic demand and a potential favorable realization in June inflation may support expectations for rate cuts in the second half of the year.

The BIST-100 Index displayed a volatile outlook in June, driven by geopolitical developments, central bank guidance and domestic news flow. In the middle of the month, the U.S.-Iran agreement, the pullback in oil prices and the recovery in global risk appetite supported buying interest, while uncertainties regarding the implementation of the U.S.-Iran agreement and profit-taking triggered by MSCI's transparency warning on Türkiye limited gains toward month-end.

The BIST-100 Index tested 14,876.07 points on June 19. However, after giving back part of its gains due to occasional increases in geopolitical risks, strengthened expectations that the CBRT would not rush into rate cuts and accelerated selling pressure driven by MSCI's criticism of Türkiye, the BIST-100 Index completed June at 14,121.83 points, up 3.36% for the month. Sectoral divergence stood out during the month, with the Industrial Index declining by 2.10%, while the Banking Index positively diverged with a 15.92% increase.

Within the framework of the pullback in oil prices, the CBRT's tight stance and expectations that the rate-cut cycle could restart in the second half of the year, we expect the BIST-100 Index to display a volatile nature in July, while preserving its upside reaction potential. Should the ceasefire in the Middle East become permanent, energy flows through Hormuz normalize and June inflation support the disinflation process, we maintain our gradual buying view from a medium and long-term perspective. In light of these expectations, we maintain our 12-month target of 16,500 points for the BIST-100 Index and our BUY recommendation, as our target implies 17% upside potential compared to the current index level. The MSCI Türkiye Index is trading at 2026E P/E and P/BV multiples of 10.79x and 1.16x, respectively, implying 40% and 54% discounts to the MSCI EM Index.

This month, we are adding GARAN and THYAO to our model portfolio and removing FROTO.

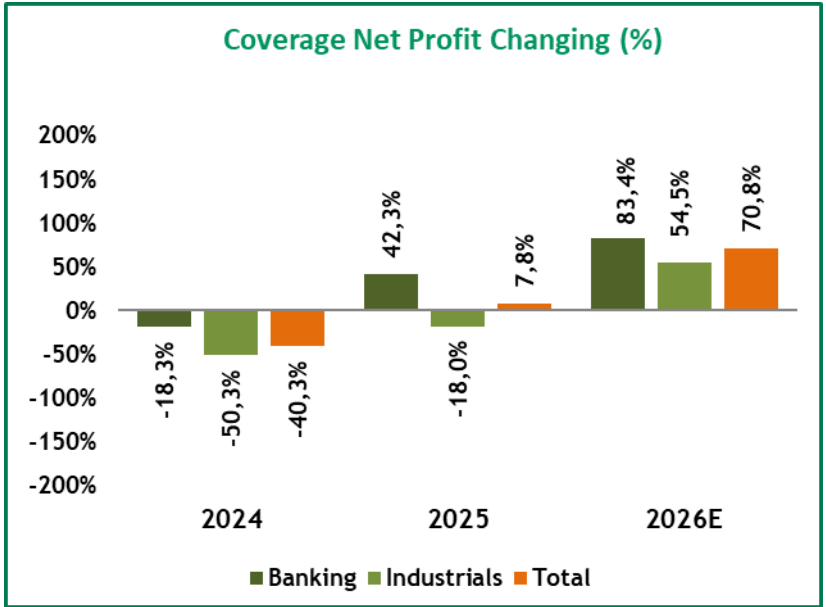
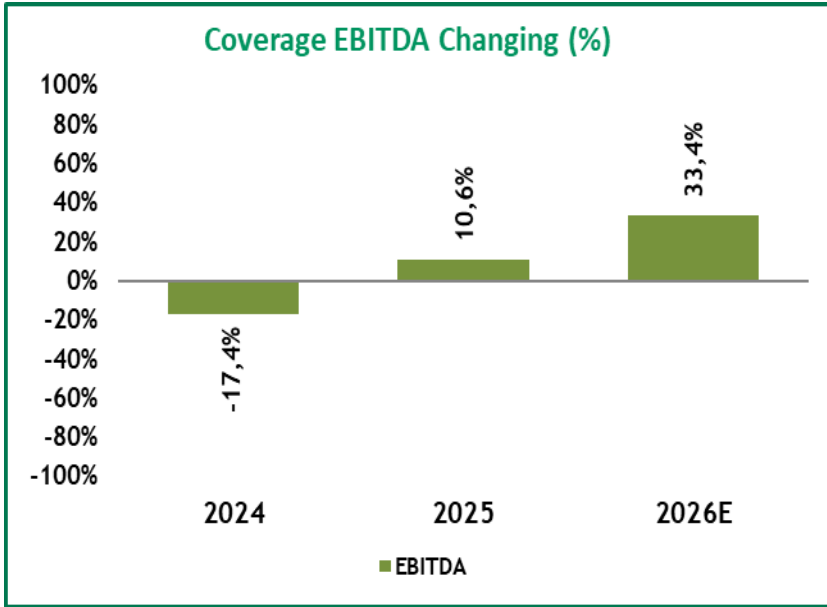
Main Market Risks

- A renewed increase in the risk of regional spillover from conflicts in crisis regions, particularly the Middle East,
- Geopolitical risks negatively affecting global inflation through energy prices,
- Major central banks, particularly the Fed, ECB and BoJ, delivering tighter-than-expected monetary policy signals,
- The risk that the CBRT may further tighten its stance in the event of a deterioration in inflation expectations,
- News flow regarding domestic political developments increasing volatility in TRY-denominated assets,
- Türkiye being removed from the MSCI Emerging Markets Index.

Model Portfolio					
Top Picks	Close	Target	Pot.	MoM	Relative
AKBNK.TI	77,00	108,10	40,4%	20,3%	16,4%
ASELS.TI	345,00	495,00	43,5%	-9,3%	-12,2%
CIMSA.TI	47,10	70,55	49,8%	-7,0%	-10,0%
GARAN.TI	138,00	200,02	44,9%	0,0%	0,0%
MGROS.TI	669,50	910,00	35,9%	1,6%	-1,7%
SAHOL.TI	97,50	173,19	77,6%	6,0%	2,5%
TCELL.TI	107,40	150,00	39,7%	6,3%	2,9%
THYAO.TI	326,00	445,00	36,5%	0,0%	0,0%
TUPRS.TI	227,50	355,76	56,4%	-3,7%	-6,8%
YKBNK.TI	40,14	58,30	45,2%	21,0%	17,1%
Monthly Return				3,5%	0,8%

*Close as of June 30, 2026

Add GARAN THYAO	Remove FROTO	Maintain AKBNK ASELS CIMSA MGROS SAHOL TCELL TUPRS YKBNK
Favourite Sectors Food&Beverage Defense Food Retail Energy Telecommunication Construction-Cement Aviation Banks Insurance REIT Main Metal Industry Iron-Steel		



In 2026E, industrials should deliver 54.5% and 33.4% YoY net income and EBITDA growth YoY, while we expect the banks’ earnings to increase by 83,4% YoY.

Returns compared to peers

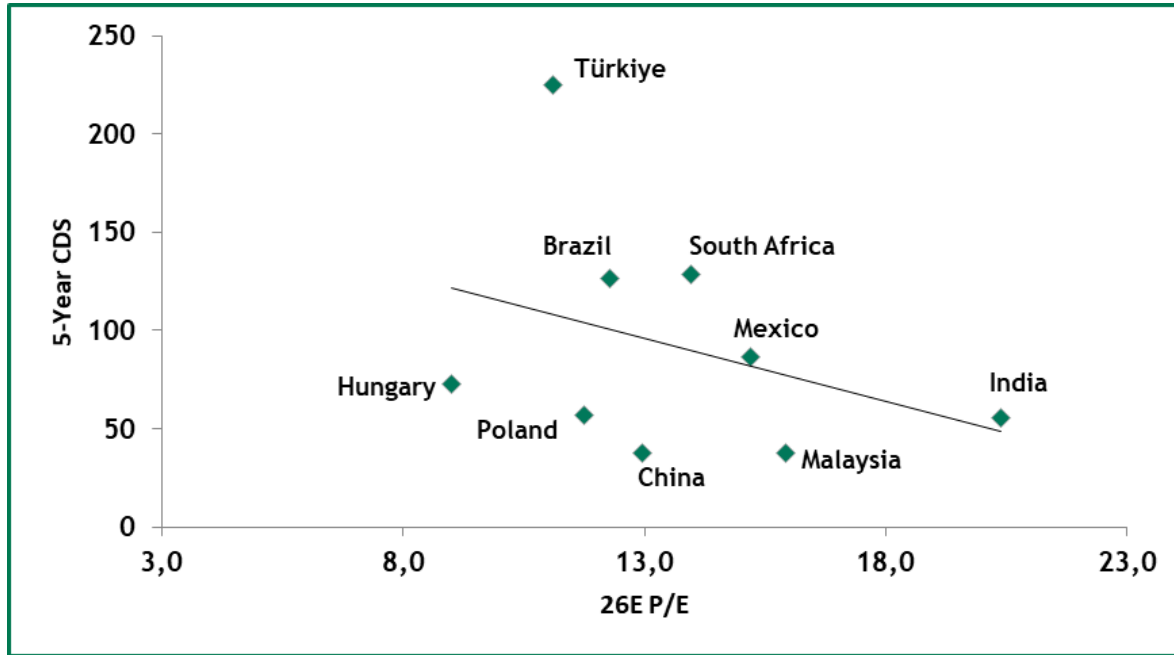
- The MSCI Türkiye Index has risen by 19.8% in absolute terms over the past 12 months. It has underperformed the MSCI EM by 17.6%, and outperformed the MSCI EMEA index by 6.6% during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	1,3%	2,9%	19,8%	15,8%
MSCI EM	-1,7%	23,3%	40,9%	22,7%
MSCI EMEA	-3,3%	0,9%	11,9%	0,0%
MSCI Eastern Europe	-4,3%	10,8%	27,9%	11,5%
MSCI World	-0,8%	13,3%	19,8%	8,9%

Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	-2,9%	19,9%	17,6%	5,9%
MSCI EMEA	-4,5%	-1,9%	-6,6%	-13,6%
MSCI Eastern Europe	-5,5%	7,7%	6,8%	-3,8%
MSCI World	-2,0%	10,1%	0,1%	-6,0%

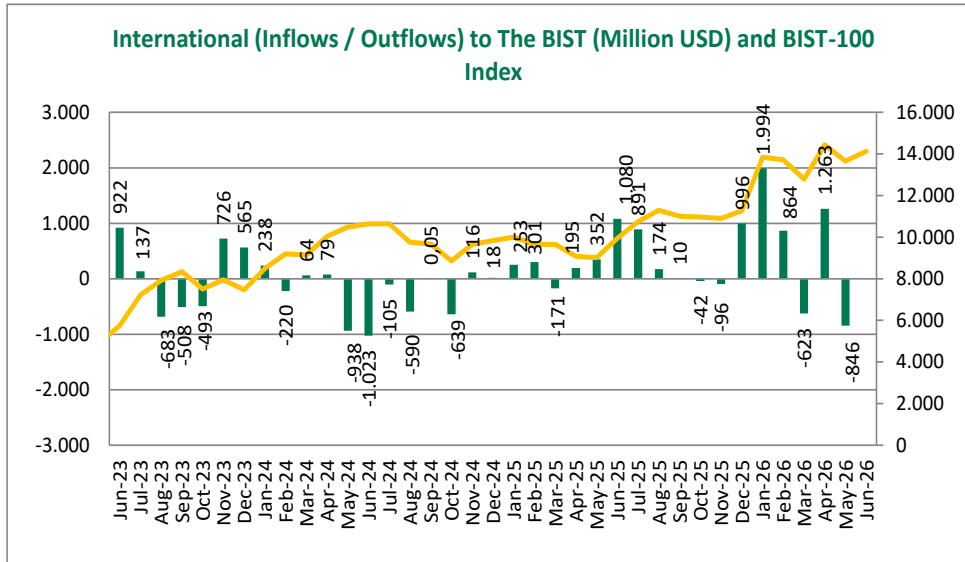
As of June 30, 2026

5-Year CDS

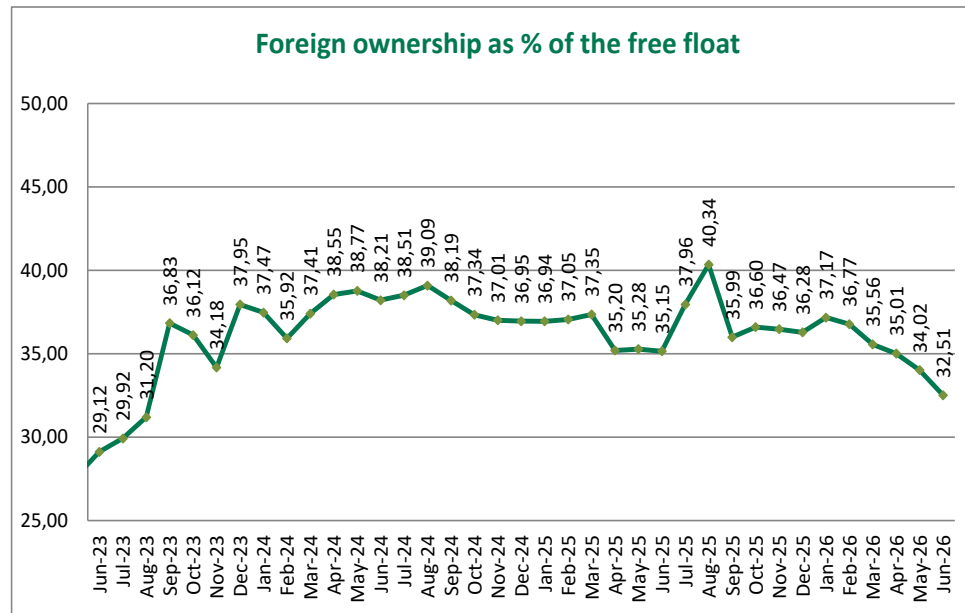


As of June 30, 2026

Int. flow and foreign ownership

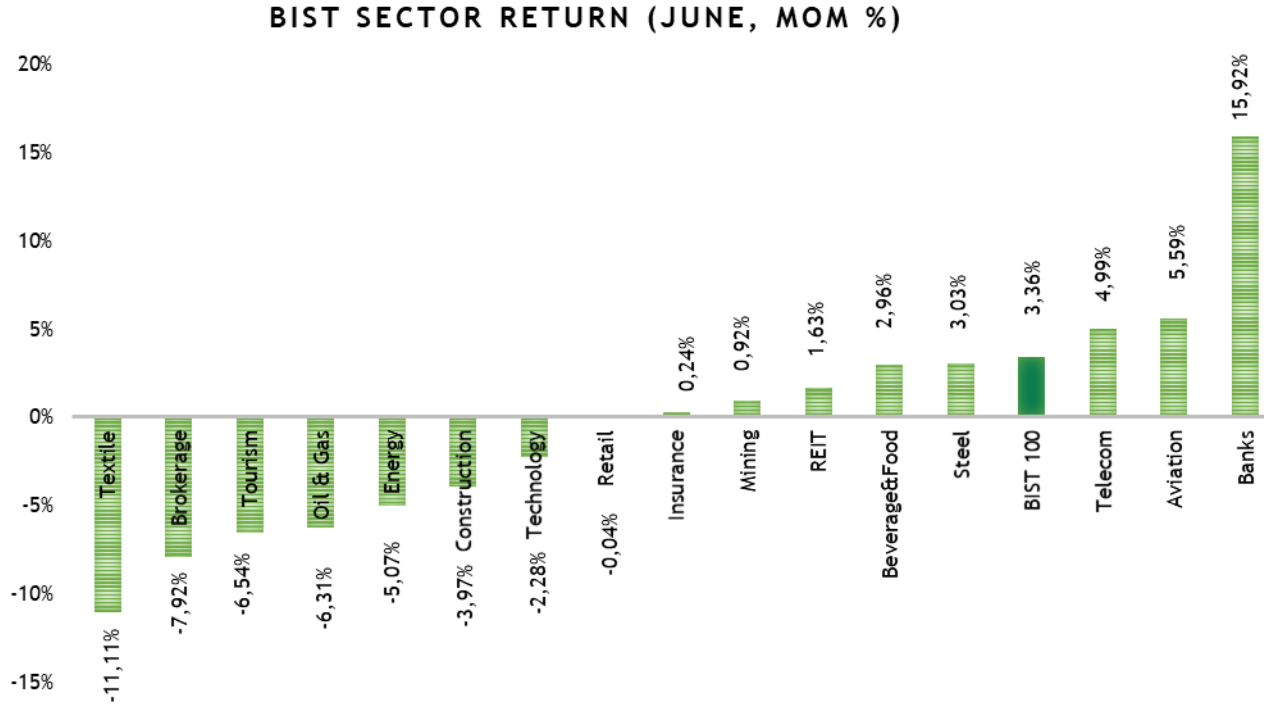


➤ Overall, in May 2026, foreign investors were net sellers of USD 846mn.



➤ Foreign ownership has decreased to 32.51% in June 2026.

Sector performances



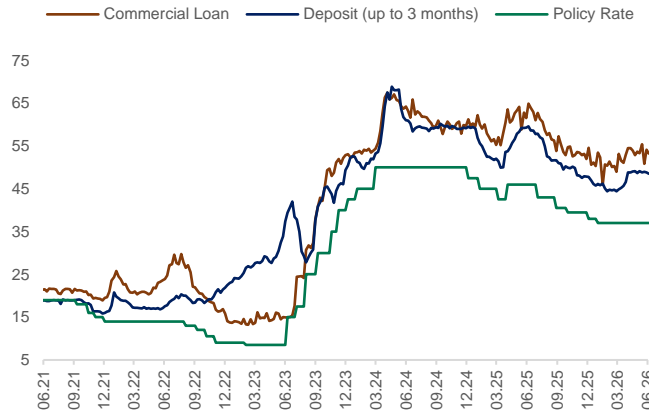
As of June 30, 2026

Macroeconomic Outlook

CBRT Rate Decision - June

At its meeting this month, the CBRT Monetary Policy Committee (MPC) kept the policy rate steady at 37%, in line with market expectations. The decision announced was in line with both market and our own expectations. Although limited, there were also market expectations that the policy rate would be raised to 40%. However, the decline in the core inflation trend has shown that this option is not necessary. Under current conditions, the fact that market funding is being conducted at the upper band is already being interpreted as a sufficiently tight monetary policy and an implicit interest rate hike. In this environment where monetary policy is sufficiently tight, the downward impact of lagged effects on expectations will be observed. Therefore, maintaining flexibility by conducting funding at the upper band and keeping interest rates steady is a sound decision. The improvement in the underlying trend of inflation, albeit limited, has eased the central bank's position. However, the persistence of geopolitical risks has increased uncertainty regarding interest rate cuts. The most notable aspect of this month's Monetary Policy Committee decision was the volatile and high trajectory of energy prices resulting from geopolitical developments. The inflation outlook, which has been pushed upwards via the cost channel, is set to ease somewhat due to the weakening of economic activity and the slowdown in growth. We believe the CBRT's wait-and-see policy is appropriate for assessing the direction and magnitude of this net effect. The renewed escalation of tensions in the Middle East has increased the risk of upward inflationary pressure via energy prices, whilst also leading central banks to tighten policy once again. We anticipate that this situation, which has strengthened the likelihood of interest rate hikes, will remain on the markets' agenda for some time, albeit to a limited extent. Although price movements in the oil market continue at elevated levels, we observe futures market pricing that suggests the war will end in the medium term. The positive effects of the central bank's long-standing tight stance have been disrupted by supply-side global shocks. Consequently, the market-driven tightening and expectations of interest rate cuts have been postponed for the time being. However, from the perspective of policymakers, the negative consequences of an early interest rate cut could outweigh the short-term positive effects. Consequently, maintaining a cautious, tight stance to assess the outcomes of the long-standing disinflation policy is a prudent decision. We anticipate closing the year at around 33 per cent, with a total of 400 basis points of interest rate cuts, in an environment where global and domestic risks are contained.

Policy, Loan and Deposit Rates (%)

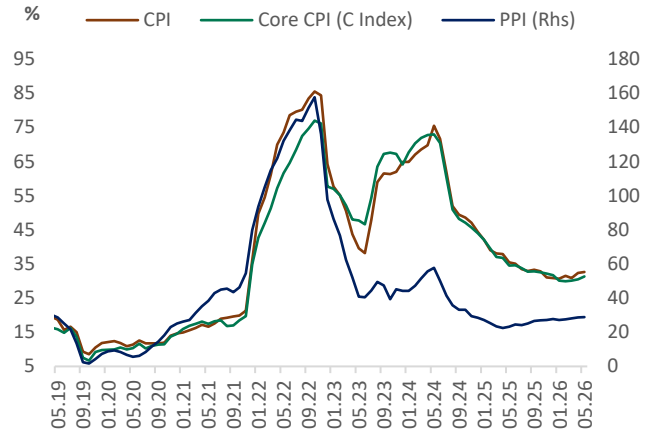


Macroeconomic Outlook

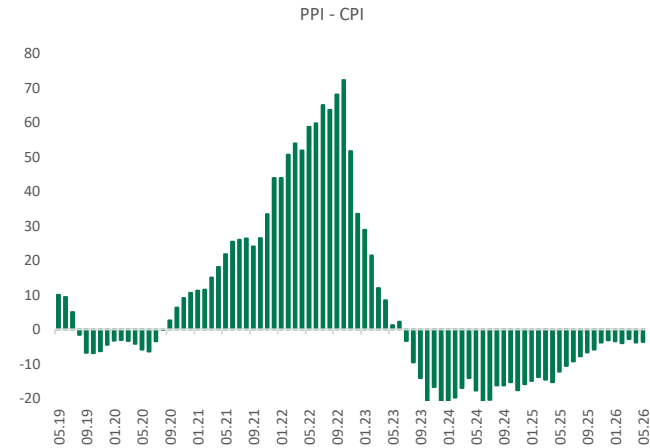
Inflation - May

While the CPI rose by 1.71 per cent in May compared with the previous month, annual inflation stood at 32.61 per cent (previously 32.37 per cent). Given current developments, not only have the rising sub-indices become more entrenched, but the basket affecting households is also exceeding headline inflation. This index, calculated using the average inflation rate for food, housing and transport—which account for 52.46 per cent of the CPI—rose by 37.01 per cent year-on-year in May. The inflation felt in core expenditure categories is diverging significantly upwards from the headline figures. The shifts in price dynamics in May can be summarized as follows. Whilst food and non-alcoholic beverages saw a fall of 0.48 per cent in May, this pulled monthly inflation down by 0.12 percentage points. Clothing and footwear, having made up for the low trend seen throughout 2025, rose by 11.29 per cent month-on-month. This month, the clothing and footwear category contributed 0.75 percentage points to monthly inflation. However, annual inflation remains at a low level of 14.08 per cent. Transport, with a monthly increase of 2.03 per cent, contributed 0.35 percentage points to inflation this month, and annual inflation stands at 34.29 per cent. The high trend in energy prices is clearly reflected in administered/regulated prices through these categories. Although housing inflation has begun to decline this month, it remains above headline inflation. Rising by 2.28 per cent month-on-month, housing contributed 0.27 percentage points to monthly inflation and 6.07 percentage points to annual inflation. Of the 32.61 per cent annual inflation rate, 20.3 percentage points stem from the food, housing and transport categories. In the B index (core inflation), which is the Special Scope CPI indicator, monthly inflation stood at 2.87 per cent, whilst annual inflation reached 31.3 per cent. When assessed on an annual basis, the pace of disinflation in the core indicators is better than the headline figures. Disinflation is in a better state when temporary items such as food and energy are excluded. In particular, if food and energy shocks are steered onto a more stable path using appropriate methods, it will be possible to achieve the results of monetary policy more effectively. Taking into account the updates to the central bank’s year-end forecasts in the latest inflation report, we believe a cautious approach will be adopted regarding interest rate cuts until inflation falls below the 30 per cent level. We forecast that oil prices will stabilize at levels of 75-80 US dollars per barrel by the end of the year. Under this assumption, we forecast that inflation will rise to the 26-30 per cent range and close at 28 per cent by the end of the year. We would like to emphasize that these forecasts are valid provided that current geopolitical tensions are resolved through negotiations rather than on the battlefield, and that the tight monetary policy stance is maintained.

CPI, PPI and Core CPI (YoY %)



PPI - CPI Spread

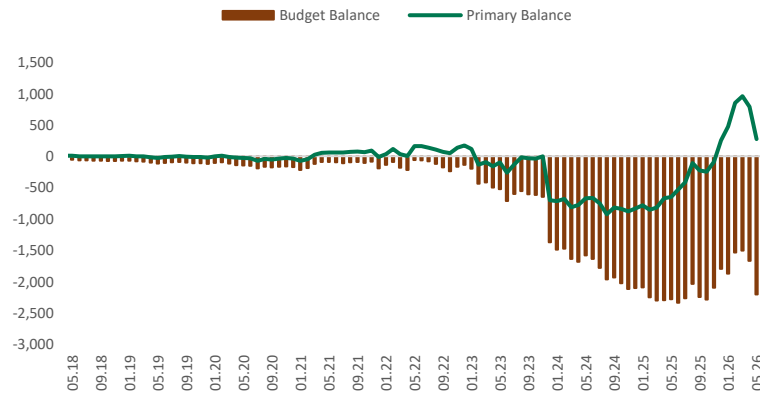


Macroeconomic Outlook

Budget Balance - May

According to the central government budget figures for May published by the Ministry of Treasury and Finance, budget revenue stood at 1,086.2 billion TL, whilst budget expenditure amounted to 1,384.4 billion TL. During the same period, non-interest budget expenditure stood at 1,255.5 billion TL. Based on these figures, the budget deficit stood at 298.2 billion TL, whilst the non-interest balance recorded a deficit of 169.3 billion TL. Income tax, which averaged 298 billion TL in the first four months of the year, fell to 91 billion TL this month. When adjusted for this effect, we can say that budget performance is breaking even. Interest expenditure also fell to 128 billion lira this month. However, when viewed as the total for the first five months, interest payments from the budget amount to 1.26 trillion TL, which is a very high level. Almost the entirety of the budget deficit is attributable to interest expenditure, whilst the primary budget balance remains positive. When we examine the details of expenditure items, personnel costs stand at 407 billion TL, a level comparable to that of April. As these items reflect the impact of inflation, the level of volatility is very low. Interest expenditure recorded a sharp fall to 128 billion lira in May, but when viewed in total, it remains at a very high level. Current transfers are close to flat at 524 billion. This item has stabilized at around the 500 billion mark. This month, 25 billion was transferred to BOTAŞ and 24 billion to public banks. In addition, 58 billion was transferred to pensioners this month as part of the holiday bonus scheme. There are no notable changes in capital transfers, lending or capital expenditure. Although the tight fiscal stance is keeping the primary budget balance under control, the high level of borrowing costs is dragging down the overall budget balance. The main reason for this is the high rate of inflation and the fact that disinflation has not yet fallen to the targeted levels. As noted in the latest inflation report, inflation, which is now following a path consistent with forecasts, will contribute to both fiscal discipline and price stability. It is clear that the positive sentiment arising from geopolitical developments will generate renewed momentum in excise duty revenues. Furthermore, interest rate cuts to be implemented during the remainder of the year will have a more positive impact on budget performance in 2027-2028. The primary priority to be addressed on the fiscal policy front is the pressure exerted by interest expenditure on the budget and fiscal discipline. This is due to the fact that monetary policy remains quite tight and interest rates are high. In summary, positive developments on the inflation front will first lead to an easing of monetary policy and subsequently have a positive impact on budget performance on the fiscal policy front.

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

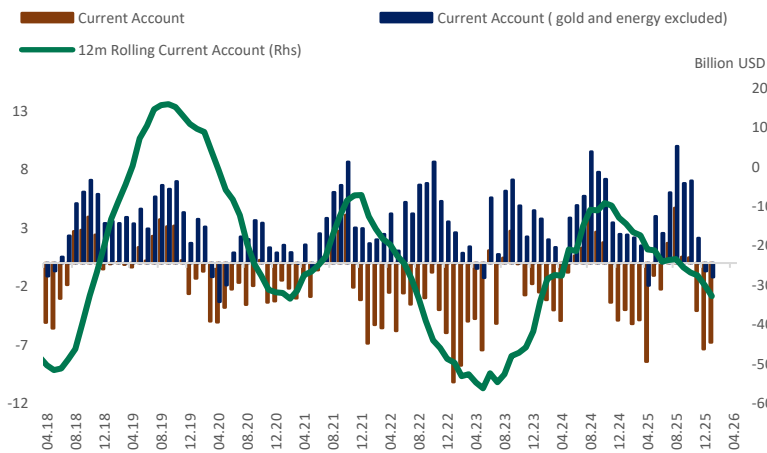


Macroeconomic Outlook

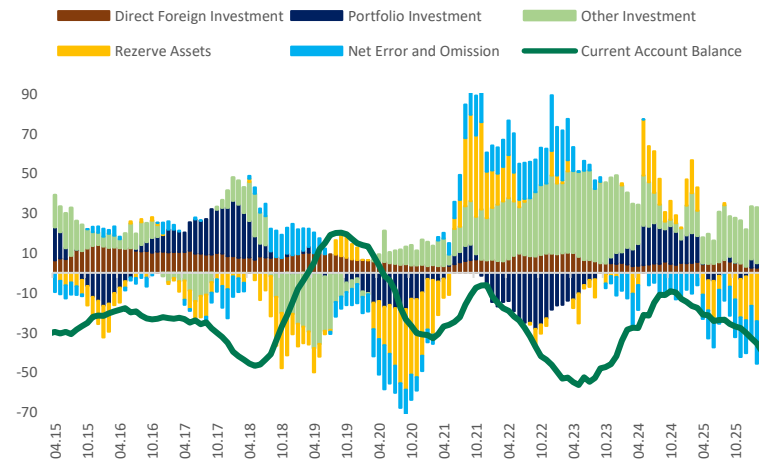
Balance of Payments - April

According to balance of payments statistics, the current account balance recorded a deficit of 5.7 billion US dollars in April, whilst the annualised current account deficit stood at 37 billion US dollars. Seasonal positive effects came into play in the services balance, whilst the trade deficit continued its steady trend. In April, reserves rose by 12 billion US dollars, whilst there was a net inflow of 4 billion US dollars in portfolio investments. The monthly current account deficit figures, which recorded a slight decline in April compared with March, were significantly influenced by falling energy prices. In particular, as a net energy importer, the impact of oil—which has fallen from its peak prices—on the current account deficit is undeniable. When examining the sub-components of the balance of payments, the trade deficit fell by approximately 3 billion US dollars compared to the previous month, standing at 6.8 billion. We are entering a period where we will feel the positive impact of the spring and summer months on the services balance. In April, inflows from the services balance rose to 3.7 billion US dollars (from 2.6 billion previously). Looking at the 12-month cumulative figures, the trade deficit stood at 74.8 billion US dollars and inflows from the services balance at 62.8 billion US dollars. Excluding gold and energy, the current account recorded a surplus of 319 million US dollars this month. The deterioration in the core indicator, which had persisted in previous months, has turned positive this month. Although first-quarter growth figures and net domestic demand experienced a limited decline, we observed a marked rise in imports due to price effects independent of demand. During the same period, the current account deficit rose sharply as inflows in the services balance remained weak due to the impact of the winter season. However, considering the actual figures for April and the domestic and global economic climate in June, the current account deficit may close the year at levels that do not pose a risk of fragility. This will be the combined effect of the easing in oil prices and tight monetary policy.

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



Finance of Current Account Deficit (Billion USD)

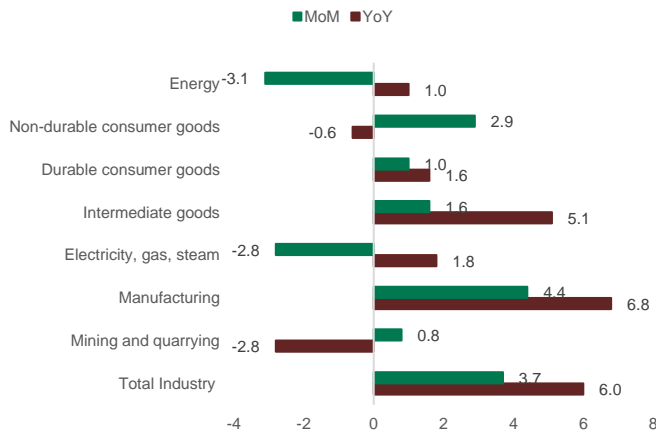


Macroeconomic Outlook

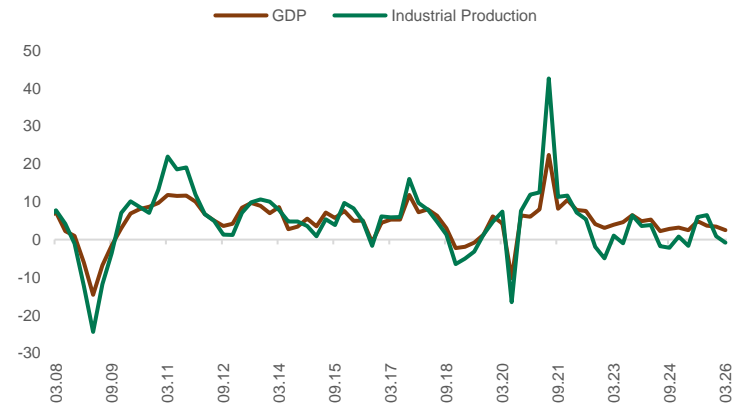
Industrial Production- April

According to industrial production index data, seasonally and calendar-adjusted production rose by 3.7 per cent in April compared with the previous month. Year-on-year production grew by 6 per cent. Production, which had contracted by approximately 4 per cent in April last year, gained momentum to grow by 6 per cent year-on-year due to the base effect. Whilst GDP growth saw a modest slowdown in the first quarter, industrial production had contracted. The economy’s shift away from production-led growth towards services-led growth is bringing with it both demand and price shocks. Whilst domestic demand and consumption are currently the drivers of growth, starting the second quarter on a positive note led by production will accelerate disinflation in price dynamics. Although it is still difficult to make a forecast for the second quarter as a whole, it is important that the current momentum continues, however modestly. Whilst tight monetary policy has a positive impact on services such as finance and insurance, its most pronounced negative effect is felt on production indicators. Negative supply shocks had created cost pressures on production indicators, particularly via the commodities market. This has both exerted upward pressure on inflation and prompted central banks to take further measures. However, the easing of tensions in the Middle East and the sharp fall in oil prices could reinvigorate production across all global economies. In our baseline scenario at the start of the year, we anticipated that economic activity and industrial companies would show a more positive performance from the first quarter onwards. Although the high trajectory of oil prices has deviated upwards from our forecasts, the pace of the price correction has accelerated. Consequently, a year-on-year average price stabilizing at \$75-80 per barrel will bring inflation below the 30 per cent level in the third quarter. Under this scenario, we expect the Central Bank of the Republic of Türkiye (TCMB) to have more room for maneuver regarding interest rate cuts, with scope for a reduction of approximately 400 basis points by the end of the year. Provided there is no unforeseen additional shock to inflation, we forecast a year-end close at around 28 per cent, in line with the TCMB’s projections. Positive developments abroad, particularly in production and orders, will support growth through industrial production. As this effect is production-led, its impact on inflation is also quite limited. In this context, we believe that the positive impact on industrial production resulting from improved expectations, both domestically and globally, will make a significant contribution to the disinflation program.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



Akbank (OP, 12M TP: TRY108.10)

Cost and Margin Dynamics Remain a Headwind

Upside:40%

Akbank has reported TRY 19.179 billion in net income in its 1Q26 standalone financial results (QoQ: +4.6%, YoY: +40%). The reported figure was broadly in line with our estimate of TRY 19.095 billion and the market consensus.

The bank's growth in net interest income and the strong increase in trading income supported profitability, while higher operating expenses and the contraction in fee and commission income were the main factors weighing on performance.

Net interest income increased by 12% QoQ, while swap costs rose by 17% over the same period. Accordingly, swap-adjusted net interest income grew by 9.4% QoQ to TRY 24.7 billion. Swap-adjusted NIM improved by 10 bps to 3.23% in the quarter; however, the 10% decline in CPI-linked securities income and higher swap costs limited the improvement in margins.

Net fee and commission income, despite its strong underlying trend, declined by 7.2% QoQ to TRY 30.158 billion, while increasing by 33% YoY. The Bank's operating expenses increased by 19.4% QoQ to TRY 34.5 billion, mainly driven by seasonally higher personnel costs in the first quarter. As a result, the fee-to-cost ratio declined to 87.3% from 112%.

Asset quality remained broadly stable, with the NPL ratio increasing by a limited 14 bps to 3.8%, while expected credit loss provisions increased by 19% QoQ to TRY 9.5 billion. Accordingly, the net cost of risk (including FX impact) was in at 207bps.

Other income was supported by a strong increase in trading income (more than doubling) to TRY 10.967 billion, which more than offset a modest decline in equity-accounted income.

Akbank has maintained its FY26 guidance. As previously communicated, the bank expects 30% TRY loan growth, 10% FX loan growth, a 4% swap-adjusted NIM, 30% growth in fee and commission income, and 30% growth in operating expenses.

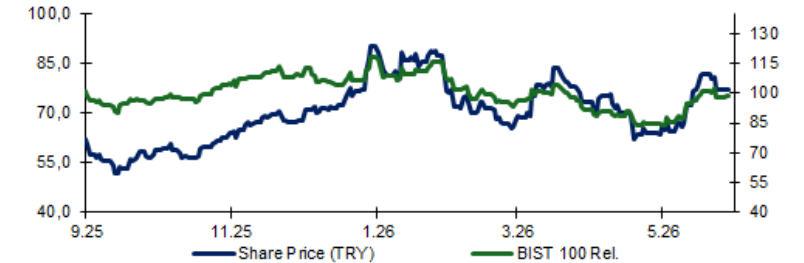
We keep our target price unchanged at TRY 108.10, implying 69% upside from current levels, and reiterate our "OUTPERFORM" recommendation. We model 40% earnings growth for 2026. The stock is trading at 4.0x 2026E P/E and 1.04x P/B, with an average ROE of around 30%.

Mcap (TRYmn)	400.400	Beta (12M)	1,37
Mcap (USDmn)	8.601	Avr. Daily Vol. (TRYr)	8.031
Close	77,00	Foreign Ownership i	46,4%
Last 12M High	90,60	Free Float (%)	52,0%
Last 12M Low	51,40	Weight	4,74%

Quick Facts (TRY Mn)	2024A	2025A	2026E	2027E
Net interest income	41.766	64.241	145.536	218.744
% Change, YoY	-29,9%	53,8%	126,5%	50,3%
Net fee income	69.162	114.402	152.921	193.153
% Change, YoY	124,3%	65,4%	33,7%	26,3%
Net income	42.366	57.247	100.449	161.032
% Change, YoY	-36,3%	35,1%	75,5%	60,3%

Ratios	2024A	2025A	2026E	2027E
NPL ratio	2,9%	3,7%	3,7%	3,5%
CoR (net) Exc. Currency	1,4%	2,3%	2,4%	1,1%
NIM (Swap adj.)	2,2%	2,5%	4,2%	4,9%
ROAA	2,0%	2,0%	2,6%	3,2%
ROAE	19,0%	21,5%	30,0%	33,1%

Multiples	2024A	2025A	2026E	2027E
P/E	8,0	7,0	4,0	2,5
P/BV	1,40	1,29	1,04	0,77



Return	1M	3M	6M	12M
TRY Return (%):	20,3	16,7	13,9	16,5
US\$ Return (%):	17,9	11,2	4,8	-0,5
BIST-100 Relative (%):	16,4	5,7	-9,2	-17,9

Source: Bank financials, Şeker Invest Research

Aselsan (OP, 12M TP: TRY495.00)

Upside: 43%

Net Profit Above Expectations

Aselsan reported a net income of TRY 5,539 million in 1Q26 (including TMS-29 effects), marking a strong year-on-year increase of 86.1% (1Q25: TRY 2,977 million). Net income came in above both the market median expectation of TRY 4,667 million and our estimate of TRY 4,375 million. The company strengthened its operational performance in 1Q26, supported by robust revenue growth and improved EBITDA profitability. Notably, deferred tax income was the primary driver behind the increase in net profit. In addition, the decline in financial expenses and monetary position losses also contributed positively to profitability. Aselsan's net sales revenues increased by 15% year-on-year to TRY 34,306 million in 1Q26. The reported figure was in line with our estimate of TRY 33,950 million and the market median expectation of TRY 34,150 million. Revenue generation in the first quarter was mainly driven by Steel Dome (ÇELİKKUBBE), Radar, Electronic Warfare, Military Communications, AI-Supported Urban Security, Electro-Optics, and Guided Munitions Systems.

EBITDA (including TMS-29 effects) rose by 28.3% year-on-year to TRY 8,633 million (1Q25: TRY 6,730 million), slightly exceeding both our estimate and the market consensus of TRY 8,487 million. The company improved its EBITDA margin to 25.16% in 1Q26 (1Q25: 22.56%), while reducing general administrative expenses by 3% through efficiency measures. Meanwhile, the book-to-bill ratio, an important growth indicator, stood at 1.6 in 1Q26 (1Q25: 2.3).

The company reached historical highs in new export contracts and backlog. Global demand for Aselsan's products and systems continued to expand. New export contracts signed in 1Q26 increased by 69% year-on-year to USD 629 million (1Q25: USD 372 million). The backlog also rose by 39% year-on-year to USD 20.7 billion (1Q25: USD 15 billion). As of 2025, 97% of total backlog consists of defense-related orders, while 3% comes from non-defense segments. In terms of currency composition, long-term orders consist of 51% USD, 43% EUR, and 6% TRY.

Despite a quarterly increase, net debt improved on an annual basis. Net debt, which stood at TRY 15,373 million as of 2025 year-end, increased by 44% to TRY 22,084 million by the end of 1Q26. However, on a year-on-year basis, net debt declined by 16%. Accordingly, the Net Debt/EBITDA ratio improved to 0.41x in 1Q26 from 0.60x in 1Q25.

2026 guidance maintained: The company expects net sales revenue growth of above 10% in TRY terms (including TMS-29 effects) in 2026. It also targets an EBITDA margin above 24% for the year. Additionally, Aselsan plans to execute capital expenditures of TRY 50 billion or more (including TMS-29 effects) in 2026.

We maintain our 12-month target price of TRY 495.00/share and 'Outperform' recommendation for ASELSAN. Our target price implies a 43% upside potential relative to the closing price of the stock as of June 30, 2026.

Code	ASELS.TI	Close	345,00	
MCAp (TRY m)	1.573.200	Last 12M High	450,00	
MCAp (US\$ m)	33.778	Last 12M Low	145,31	
EV (TRY m)	1.595.284	Beta	0,92	
EV (US\$ m)	34.275	Avg. daily trading vol. (US\$ m)	197,7	
Free float (%)	26,00	Foreign ownership in FF (%)	52,4%	
Key figures	2023A*	2024A*	2025A*	2026E
Revenues	153.042	173.140	198.566	252.500
Growth		13,1%	14,7%	27,2%
EBITDA	33.330	43.548	52.082	64.700
EBITDA margin	21,8%	25,2%	26,2%	25,6%
Net profit	15.161	22.036	32.957	35.850
EPS	3,32	4,83	7,23	7,86
Dividend yield	0,18%	0,14%	0,06%	0,11%
Net debt /EBITDA	0,8	0,5	0,3	0,2
Net debt /Equity	0,15	0,11	0,06	0,05
ROAE		11,5%	13,8%	13,8%
ROAA		6,6%	8,0%	7,9%
Valuation metrics	2023A*	2024A*	2025A*	2026E
P/E	28,1	21,6	35,3	43,9
EV/EBITDA	13,6	11,5	22,6	24,7
EV/Sales	1,5	2,0	5,4	6,3
P/BV	2,3	2,4	4,2	5,6
Return	1M	3M	YtD	YoY
TRY Return (%)	-9,3	7,6	48,9	129,1
US\$ Return (%)	-11,2	2,4	37,1	95,5
BIST-100 Relative (%)	-12,2	-3,8	18,7	61,4



Source: PDP, Finnet, Şeker Invest Research estimates

*2023, 2024 and 2025 financials are indexed according to 2026/03 with IAS -29.

Cimsa (OP, 12M TP: TRY70.55)

Upside: 50%

Resilient Operating Performance amid Strong International Operations...

Çimsa reported a net profit of TRY 641mn in 1Q26, exceeding both our estimate of TRY 527mn and the market consensus. Net profit increased by 80.4% YoY, while the net profit margin improved by 2.5pp to 5.5%. The rise in net profit was mainly driven by higher monetary gains and a decline in financial expenses.

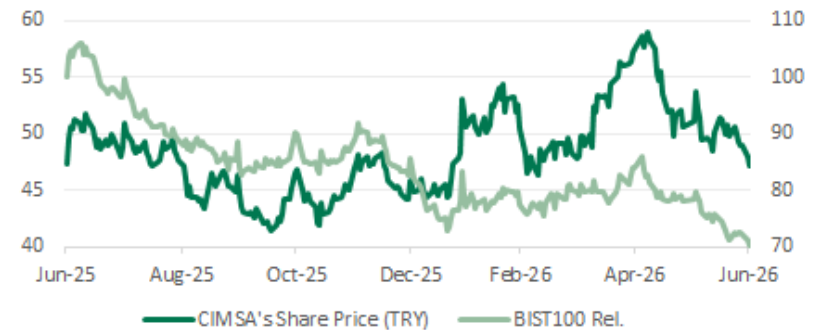
On the operational side, weak domestic demand conditions were evident, with domestic sales volume declining by 6.8% YoY. In contrast, international operations grew by 10.9%, and supported by the commissioning of the grey cement grinding facility in the US, consolidated sales volume increased by 2.0%. Net sales revenues remained flat at TRY 11,632mn, while gross profit declined to TRY 1,670mn, with the gross margin contracting by 1.1pp to 14.4%.

EBITDA increased by 2.7% YoY to TRY 1,470mn, supported by operational efficiency improvements, higher alternative fuel usage, and renewable energy investments. The EBITDA margin improved by 0.4pp to 12.6%. The Company's alternative fuel usage rates reached 25% in Türkiye, 31% in Buñol, and 77% in Mannok, supporting the cost structure. As of 1Q26, the Company's consolidated net debt rose to TRY 23,376mn, with a Net Debt/EBITDA ratio of 2.82x. The working capital to sales ratio remained stable at 15%, while the capex-to-sales ratio fell to 4.6%, indicating normalization in the investment cycle.

In the first quarter, despite weak domestic demand, the Company maintained its operational profitability, supported by international operations and efficiency-driven strategies. The slight weakening in gross profitability and the contraction in domestic demand stand out as key factors to monitor in the short term.

We expect Çimsa to generate TRY 59,817mn in revenue, TRY 10,946mn in EBITDA, and TRY 4,658mn in net profit in 2026. **We maintain our 12-month target price of TRY 70.55/share and 'Outperform' recommendation for Çimsa (CIMS.TI). Our target price implies a 50% upside potential relative to the closing price of the stock as of June 30, 2026.**

Code	CIMS.TI	Close			
MCAp (TRY m)	44.537	Last 12M High	47,10		
MCAp (US\$ m)	956	Last 12M Low	60,00		
EV (TRY m)	67.913	Beta	40,55		
EV (US\$ m)	1.483	Avg. daily trading vol. (US\$ m)	1,08		
Free float (%)	45,00	Foreign ownership in FF (%)	11,4		
			9,7%		
Key figures		2023A*	2024A*	2025A*	2026E
Revenues		42.641	40.547	50.517	59.817
Growth			-4,9%	24,6%	18,4%
EBITDA		7.611	7.326	9.065	10.946
EBITDA margin		17,8%	18,1%	17,9%	18,3%
Net profit		5.180	3.871	3.414	4.658
EPS		38,35	4,09	3,61	4,93
Dividend yield		3,2%	1,2%	1,4%	2,0%
Net debt /EBITDA		0,64	2,71	2,36	2,29
Net debt /Equity		0,13	0,56	0,59	0,72
ROAE			10,4%	9,5%	13,0%
ROAA			4,4%	3,4%	4,6%
Valuation metrics		2023A*	2024A*	2025A*	2026E
P/E		11,1	16,4	12,9	9,6
EV/EBITDA		8,2	11,4	7,5	6,2
EV/Sales		0,7	1,5	1,3	1,1
P/BV		1,5	1,8	1,2	1,3
Return		1M	3M	YtD	YoY
TRY Return (%)		-7,0	-1,6	2,9	-0,4
US\$ Return (%)		-9,0	-6,4	-5,3	-14,9
BIST-100 Relative (%)		-10,0	-12,0	-18,0	-29,8



Source: PDP, Finnet, Şeker Invest Research estimates
 *2023, 2024 and 2025 financials are Indexed according to 2026/03 with IAS-29.

Garanti BBVA (OP, 12M TP: TRY108.10) Adding Garanti Bank to Our Model Portfolio

Upside:45%

Garanti BBVA has reported a net profit of TRY 33,316 million in its 1Q26 standalone financial results (QoQ: +25%, YoY: +32%). The reported net income was 7% above our estimate and 8% above the market consensus.

While the broad-based increase across Garanti's revenue lines supported profitability, the modest rise in operating expenses and expected credit loss provisions on the cost side partially capped net income growth.

Net interest income increased by 7% QoQ, despite a 47.5% decline in CPI-linked securities income due to the use of a 23% inflation assumption in valuation. On the funding side, swap costs rose by 5.4% QoQ; however, swap-adjusted net interest income still grew by 7.6% QoQ to TRY 49.7 billion. Accordingly, the bank's net interest margin improved by 5 bps to 5.75%.

Net fee and commission income posted a modest 2.6% QoQ increase, supported by payment systems revenues. On the cost side, operating expenses rose by 3% over the same period. As a result, the bank's fee income-to-operating expenses ratio edged down slightly to 85.6%.

On the asset quality front, the bank's NPL ratio increased modestly to 3.7% from 3.5%, while the coverage ratio declined to 96% from 99%. Expected credit loss provisions edged down to TRY 14,175 million. Accordingly, the cost of risk (including FX impact) improved to 240 bps (4Q25: 263 bps). On the capital side, the CET1 ratio declined to 14.1% and the total capital adequacy ratio to 18.8% (4Q25: 16.6% and 21.9%).

Garanti BBVA largely maintained its 2026 guidance, while highlighting downside risks to the swap-adjusted net interest margin. The bank expects TL loan growth of 30-35% and FX loan growth of 5-7%. On asset quality, the cost of risk is projected to be in the 2-2.5% range, while the +75 bps expansion target for the swap-adjusted NIM is preserved. Meanwhile, the bank guides for 30-35% growth in net fee and commission income, alongside a 45-50% increase in operating expenses.

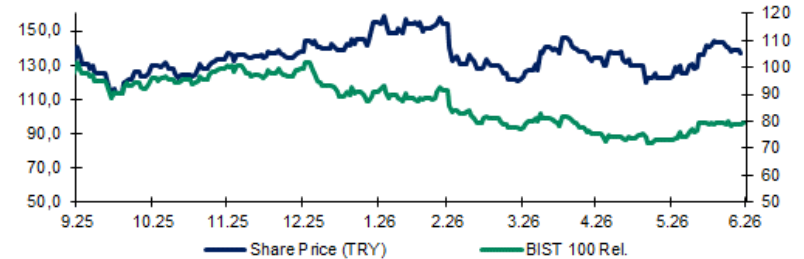
We keep our target price unchanged at TRY 200.02, implying 45% upside from current levels, and reiterate our "OUTPERFORM" recommendation. We model 39% earnings growth for 2026. The stock is trading at 3.8x 2026E P/E and 1.09x P/B, with an average ROE of around 31,4%.

Mcap (TRYmn)	579.600	Beta (12M)	1,25
Mcap (USDmn)	12.450	Avr. Daily Vol. (TRYr)	4.446
Close	138,00	Foreign Ownership i	4,3%
Last 12M High	163,11	Free Float (%)	14,0%
Last 12M Low	110,92	Weight	1,85%

Quick Facts (TRY Mn)	2024A	2025E	2026E	2027E
Net interest income	70.413	142.673	238.799	328.642
% Change, YoY	1,2%	102,6%	67,4%	37,6%
Net fee income	94.124	142.747	189.913	246.813
% Change, YoY	130,9%	51,7%	33,0%	30,0%
Net income	92.175	110.605	153.350	184.747
% Change, YoY	5,5%	20,0%	38,6%	20,5%

Ratios	2024A	2025E	2026E	2027E
NPL ratio	2,2%	3,5%	3,6%	3,1%
CoR (net) Exc. Currency	1,2%	2,1%	2,1%	2,5%
NIM (Swap adj.)	3,5%	4,9%	6,1%	6,3%
ROAA	4,0%	3,4%	3,5%	3,2%
ROAE	32,6%	29,1%	31,4%	29,9%

Multiples	2024A	2025E	2026E	2027E
P/E	5,7	5,2	3,8	3,1
P/BV	1,58	1,30	1,09	0,81



Return	1M	3M	6M	12M
TRY Return (%):	12,3	13,5	0,1	6,4
US\$ Return (%):	10,1	8,2	-7,9	-9,2
BIST-100 Relative (%):	8,6	2,8	-20,2	-25,1

Source: Bank financials, Seker Invest Research

Migros (OP, 12M TP: TRY910.00)

Upside: 36%

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

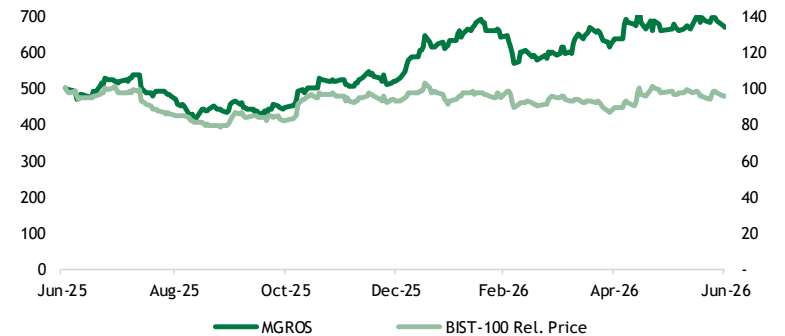
We maintain our target price for Migros of **TRY 910.00/shr**, and our **“OUTPERFORM”** recommendation. As of the closing price on June 30, 2026, the stock is trading at 2026E EV/EBITDA of 3.5x and 2026E P/E of 12.0x, implying 36% upside potential.

Despite high inflation and an increasingly competitive landscape, we view positively Migros’ ability to expand its FMCG market share through a multi-channel growth strategy. We expect the increase in store count and associated sales area, along with the positive contribution from online channels, to continue supporting net sales in 2026.

Strong FCF generation, real sales growth, and total financial debt levels that remain significantly lower compared to previous years underpin our constructive view on the Company. In addition, efficiency-enhancing initiatives have driven improvements in gross profitability despite price discounts, which we believe can support a more favorable medium-to-long-term margin outlook. Furthermore, stronger LfL sales and basket growth relative to peers differentiate Migros, while low but positive customer traffic should continue to support basket size expansion.

Migros targets real CAGR in sales revenue of 5-7% for 2026 and high-single-digit levels for the 2027-2030 period. The Company guides for 180-200 store openings in 2026, while planning annual selling space growth of 2.5-3.5% in each year between 2027-2030. For 2026, EBITDA and adjusted EBITDA margins are expected to come in at 6-7% and 4-5%, respectively, while management targets at least a 100bps margin improvement by 2030 compared to 2025. Meanwhile, the share of online sales in total sales is projected to rise from 21% in 2025 to 27.5% by 2030, while RoIC is also expected to trend higher, supported by improving profitability and the contribution of increasingly asset-light initiatives.

Code	MGROS TI/MGROS IS	Close	669,50	
MCap (TRY mn)	121.216	Last 12M High	727,00	
MCap (US\$ mn)	2.603	Last 12M Low	409,72	
EV (TRY mn)	128.820	Beta	0,96	
EV (US\$ mn)	2.774	Avg. Daily Trading Vol. (US\$ m)	34,4	
Free Float (%)	50,82	Foreign Ownership in FF (%)	39,50	
Key Figures (TRY mn)				
	* 2023	* 2024	2025	2026E
Revenues	343.111	384.534	412.756	539.191
Growth (%)	12,1%	12,1%	7,3%	30,6%
EBITDA	5.939	20.676	27.320	36.940
EBITDA Margin (%)		5,4%	6,6%	6,9%
Net Profit	16.830	8.298	6.467	10.065
EPS (TRY)	92,95	45,83	35,72	55,59
Dividend Yield (%)	1,0%	1,5%	1,2%	2,5%
Net Debt/EBITDA (x)		-0,09	0,14	0,05
Net Debt/Equity (x)		-0,03	0,05	0,02
ROAE (%)	28,1%	11,6%	8,3%	12,0%
ROAA (%)	10,3%	4,5%	3,2%	4,4%
Valuation Metrics				
	* 2023	* 2024	2025	2026E
P/E	7,2	14,6	18,7	12,0
EV/EBITDA	21,7	6,2	4,7	3,5
EV/Sales	0,4	0,3	0,3	0,2
P/BV	1,8	1,6	1,5	1,4
Return				
	1M	3M	YtD	YoY
TRY Return (%)	1,6	13,4	29,1	37,2
US\$ Return (%)	-0,6	7,9	18,9	17,1
BIST-100 Relative (%)	-1,7	1,4	3,0	-3,3



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

* 2023 & 2024 & 2025 financials are Indexed according to 2026/03 with IAS-29.

Sabancı Holding (OP, 12M TP: TRY173.19)

Upside: 78%

Strategic Transformation in the Holding Portfolio: A New Phase Driven by Divestments...

On April 17, 2026, Sabancı Holding announced reaching an agreement with Yeni Mağazacılık A.Ş. for the sale and transfer of all its shares in Carrefoursa, representing 57.12% of the company's capital (with a nominal value of TRY 72,988,465.33), based on a total company valuation of USD 325mn. Within this scope, the consideration attributable to the Holding amounts to USD 185.64mn. (Final consideration amount for the transaction will be determined based on net debt and related financial adjustments at closing.)

In its material disclosure dated January 28, 2026, the Company announced that it had received a binding offer for the sale of its shares in Akçansa, representing 39.72% of the capital, based on a company valuation of USD 1.1bn, subject to net debt and cash adjustments. Under the existing shareholders' agreement, the other controlling shareholder, Heidelberg Materials AG, exercised its right of first refusal and notified the Company on April 17, 2026 that it would acquire the shares based on the submitted offer. The transaction was completed on June 18, 2026, and the relevant shares were transferred to Heidelberg Materials AG for a total consideration of USD 427.9 million. The Company stated that the full transaction consideration was received in cash upfront.

In an interview with Bloomberg HT on April 21, 2026, Holding CEO Kıvanç Zaimler stated that the primary objective of the ongoing strategic transformation is to increase Net Asset Value (NAV) and improve return on equity (ROE) by 120-150 basis points. Emphasizing a disciplined capital allocation strategy toward high-return areas, Zaimler noted that potential new investments will focus on business lines that enhance portfolio resilience, increase the share of foreign currency revenues, and are Türkiye-based but export-oriented and globally integrated.

As of the current outlook, approximately 85% of the Holding's Net Asset Value is derived from Türkiye. In terms of revenue composition, around 80% of total revenues are generated in Turkish Lira. Within the scope of the ongoing strategic transformation, the Holding aims to strengthen the share of foreign currency-denominated revenues and enhance the portfolio's resilience against macroeconomic volatility.

In the first half of 2026, we expect the banking and financial services segment—accounting for a significant share of Sabancı Holding's revenues—to be mildly negatively impacted by the delay in the expected rate-cutting cycle in Türkiye, due to rising geopolitical risks stemming from the Middle East. On the other hand, we believe that completed divestments and potential new investments point to 2026 being a pivotal year of strategic transformation for the Holding's portfolio.

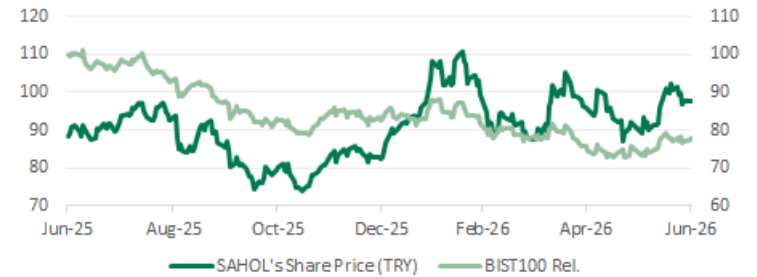
We maintain our 12-month target price of TRY 173.19/share and 'Outperform' recommendation for Sabancı Holding (SAHOL.TI). Our target price implies a 78% upside potential relative to the closing price of the stock as of June 30, 2026.

Code	SAHOL.TI	Close	97,50
MCAp (TRY m)	204.787	Last 12M High	113,18
MCAp (US\$ m)	4.397	Last 12M Low	72,73
EV (TRY m)	477.114	Beta	1,27
EV (US\$ m)	10.531	Avg. daily trading vol. (US\$ m)	72,8
Free float (%)	51,00	Foreign ownership in FF (%)	28,5%

Key figures (TRY m)	2023*	2024*	2025*
Revenues	284.923	281.005	270.963
Finance Sector Revenues	818.852	1.025.386	1.019.414
Total Revenues	1.103.775	1.306.391	1.290.377
Growth		18,4%	-1,2%
Consolidated net profit	32.082	-22.289	4.174
EPS	15,27	-10,61	1,99
Dividend yield	4,5%	2,7%	1,6%
Net debt /Equity	0,10	0,33	0,67
ROAE	7,0%	-5,1%	1,0%
ROAA	0,7%	-0,5%	0,1%

Valuation metrics	2023*	2024*	2025*
P/E	8,0	0,0	46,6
EV/Sales	0,2	0,3	0,4
P/BV	0,6	0,7	0,5

Return	1M	3M	YtD	YoY
TRY Return (%)	6,0	11,4	17,6	10,5
US\$ Return (%)	3,7	6,0	8,3	-5,7
BIST-100 Relative (%)	2,5	-0,4	-6,2	-22,2



Source: PDP, Finnet, Şeker Invest Research estimates

*2023, 2024 and 2025 financials are Indexed according to 2026/03 with IAS -29.

Turkcell (OP, 12M TP: TRY150.00)

Upside: 40%

Turkcell reported TRY 4,634mn net income in 1Q26, marking a 14.9% YoY increase (1Q25: TRY 4,033mn). The reported net income came in line with our estimate of TRY 4,554mn and above the market median expectation of TRY 4,252mn. Despite the higher tax burden and the decline in other operating income during the quarter, net profit was supported by higher monetary gains recorded following the capitalization of the 5G license, as well as the improving contribution from TOGG.

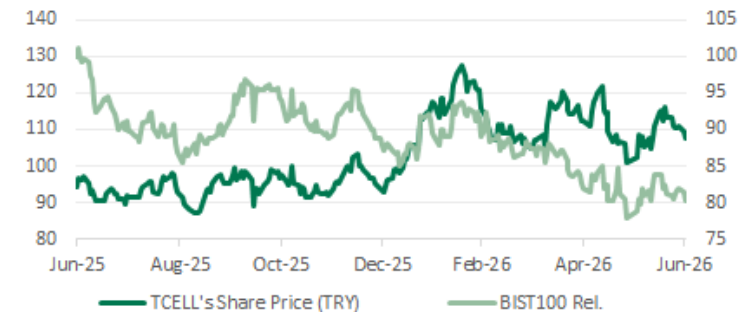
Turkcell generated TRY 68,377mn net sales revenues in 1Q26, representing an 8.9% YoY increase. Reported net sales revenues came in slightly above both our estimate of TRY 66,900mn and the market median expectation of TRY 67,273mn. Total revenues recorded steady growth, mainly driven by strong corporate segment performance. Rising hardware revenues together with continued growth in the data center and cloud business segments were the main contributors to revenue growth. Meanwhile, Paycell continued to support Group revenues. Supported by its ongoing postpaid and fiber-focused strategy, the Company maintained strong subscriber performance and increased the share of postpaid subscribers to 81% with 661 thousand net postpaid mobile subscriber additions. Including wholesale operations, Turkcell achieved 36 thousand net fiber subscriber additions, while Superbox subscriber gains accelerated with 38 thousand net additions. In addition, 138 thousand new fiber home passings were added during 1Q26, bringing the total number of fiber home passings to 6.5 million, while fiber ARPU growth reached 9.7% YoY. Corporate revenues posted a strong 34% YoY growth, largely supported by a 64% increase in Digital Business Services revenues. This performance was mainly driven by higher hardware revenues associated with the successful deployment of large-scale projects, while Data Center and Cloud revenues also increased by 21% YoY. On the consumer segment side, growth remained relatively limited at 2.6%. While the expansion in the postpaid subscriber base and strong fixed ARPU performance supported growth, mobile ARPU (excluding M2M) remained broadly flat during the quarter due to the highly competitive pricing environment observed last year and the ongoing high inflation backdrop. Looking at the Company's total subscriber base, it increased by 642 thousand in the first quarter of 2026 to reach 44.5 million, supported by segment-based offerings tailored to customers. The 661 thousand net additions in the postpaid segment marked the strongest total net mobile subscriber gain of the last 14 quarters, while the share of postpaid subscribers in the total mobile subscriber base increased to 81%, exceeding 32 million subscribers.

EBITDA including TMS-29 impact increased by 3.2% YoY to TRY 28,300mn in 1Q26. The reported EBITDA came in slightly above both our estimate of TRY 27,350mn and the market median expectation of TRY 27,582mn. EBITDA margin stood at 41.4% in 1Q26 (1Q25: 43.7%).

The Company's net debt position increased. Net debt, which stood at TRY 16,383mn at FY25-end, increased to TRY 48,827mn as of 1Q26, while the Net Debt/EBITDA ratio was realized at 0.42x.

2026 guidance maintained. Turkcell continues to expect revenue growth of 5-7% and an EBITDA margin of 40-42% for 2026, while targeting an operational expenditure-to-revenue ratio of 25%. In addition, the Company expects revenue growth of 18-20% in its Data Center and Cloud business segment. In line with our forecasts, we keep our 12-month target price for Turkcell (TCELL) unchanged at TRY 150.00 per share. Based on the June 30, 2026 closing price, our target price implies a 40% upside potential, and we maintain our OUTPERFORM recommendation.

Code	TCELL.TI	Close	107,40	
MCAp (TRY m)	236.280	Last 12M High	129,60	
MCAp (US\$ m)	5.073	Last 12M Low	85,45	
EV (TRY m)	322.817	Beta	1,01	
EV (US\$ m)	7.022	Avg. daily trading vol. (US\$ m)	61,9	
Free float (%)	44,00	Foreign ownership in FF (%)	44,1%	
Key figures	2023A*	2024A*	2025A*	2026E
Revenues	214.120	228.808	252.012	320.250
Growth		6,9%	10,1%	27,1%
EBITDA	97.852	101.814	115.398	130.380
EBITDA margin	45,7%	44,5%	45,8%	40,7%
Net profit	26.107	33.882	19.372	24.300
EPS	11,87	15,40	8,81	11,05
Dividend yield	1,65%	2,77%	2,88%	3,17%
Net debt /EBITDA	0,54	0,40	0,25	0,20
Net debt /Equity	0,21	0,15	0,10	0,07
ROAE		12,9%	7,0%	7,0%
ROAA		6,7%	3,7%	3,8%
Valuation metrics	2023A*	2024A*	2025A*	2026E
P/E	9,8	8,7	11,6	9,7
EV/EBITDA	3,2	3,3	2,5	2,5
EV/Sales	0,7	1,1	1,0	1,0
P/BV	1,0	1,1	0,8	0,6
Return	1M	3M	YTD	YoY
TRY Return (%)	6,3	2,7	15,4	13,8
US\$ Return (%)	4,0	-2,3	6,2	-2,9
BIST-100 Relative (%)	2,9	-8,2	-8,0	-19,8



Source: PDP, Finnet, Şeker Invest Research estimates

*2023, 2024 and 2025 financials are indexed according to 2026/03 with IAS -29.

Tupras (OP, 12M TP: TRY 355.76)

Upside: 56%

Product margins and high season effect continue to support the investment thesis despite normalization in oil prices...

On the global front, oil price volatility driven by geopolitical risks continues, while Brent crude prices recorded a notable normalization in June. According to Tupras's July investor presentation, Brent crude declined from USD 107.6/bbl in May to USD 85.5/bbl in June, in line with its 5-year average. This indicates that the geopolitical risk premium observed in oil prices in previous months has been largely priced out, while increasing the importance of product-based differentiation for refining margins.

According to the company's July investor presentation, the normalization trend from peak levels continued in middle distillate margins. Diesel margins declined from USD 47.6/bbl in May to USD 45.8/bbl in June, while jet fuel margins fell from USD 48.6/bbl to USD 42.1/bbl. Despite this, these margins remaining above historical averages continue to support Tupras's net refining margin (NRM) outlook, considering the company's product slate. Gasoline margins, on the other hand, maintained their strong performance at USD 31.4/bbl in June.

On the other hand, although the heavy-light crude spread normalized following the extraordinary widening observed in May, Tupras's complex refinery structure continues to remain supportive in terms of crude optimization. The recovery in fuel oil margins also stands out as a positive development for the product margin composition. In this context, despite the decline in Brent prices, we believe that product margins and developments in crude spreads continue to preserve a supportive outlook for refining profitability.

On the balance sheet side, strong cash generation and net cash position continue to support the company's financial flexibility. The announced total dividend plan of TRY 33bn implies a dividend yield of approximately 7.5% based on the current market capitalization. The first tranche of TRY 20bn was paid on March 16, 2026, while the remaining TRY 13bn is planned to be distributed on September 30, 2026.

For 2026, we expect a more balanced yet sustainable margin environment. Company guidance points to an NRM of USD 6-7/bbl, a capacity utilization rate of 95-100%, and total sales volume of around 30 million tons. Although middle distillate margins have normalized, their continued positioning above historical averages, the strong outlook in gasoline margins, and the high season effect indicate that supportive factors for the NRM outlook remain in place. In this context, we believe the company's product margin and inventory hedge policies continue to support profitability against increased commodity price volatility.

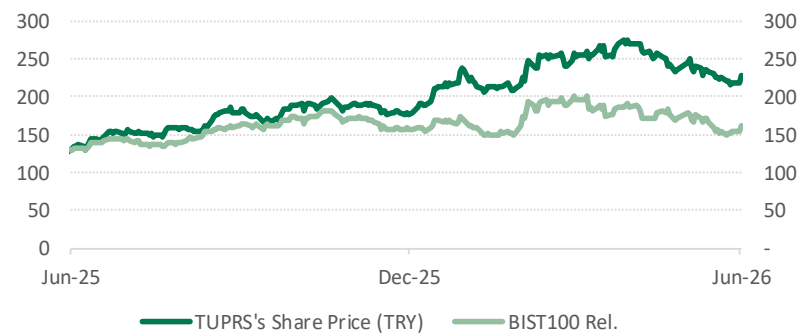
In line with our expectations, we maintain our 12-month target price for Tupras at TRY 355.76 and reiterate our **OUTPERFORM** recommendation. Following the recent pullback in the share price, our target price implies approximately 56% upside potential from current levels. The stock remains in our model portfolio, supported by its strong cash generation, high dividend-paying capacity, high season effect, and the potential reflection of the margin outlook on financials.

Code	TUPRS.TI	Close	227,50
MCAp (TRY m)	438.346	Last 12M High	279,50
MCAp (US\$ m)	9.412	Last 12M Low	129,69
EV (TRY m)	363.640	Beta	0,53
EV (US\$ m)	7.729	Avg. daily trading vol. (US\$ m)	121,9
Free float (%)	49,00	Foreign ownership in FF (%)	33,2%

Key figures	2023A*	2024A*	2025A*	2026E
Revenues	1.427.697	1.167.251	913.742	1.100.525
<i>Growth</i>		-18,2%	-21,7%	20,4%
EBITDA	200.140	73.032	68.306	130.097
<i>EBITDA margin</i>	14,0%	6,3%	7,5%	11,8%
Net profit	111.419	26.381	32.488	95.401
EPS	404,78	13,69	16,86	49,51
Dividend yield	14,9%	9,1%	7,5%	17,4%
Net debt /EBITDA	-0,65	-1,08	-0,92	-0,22
Net debt /Equity	-0,31	-0,19	-0,16	-0,06
ROAE		6,4%	8,1%	21,5%
ROAA		3,7%	5,0%	13,6%

Valuation metrics	2023A*	2024A*	2025A*	2026E
P/E	5,1	14,9	10,9	4,6
EV/EBITDA	2,2	4,3	5,3	2,8
EV/Sales	0,1	0,2	0,3	0,3
P/BV	1,4	1,0	0,9	0,9

Return	1M	3M	YtD	YoY
TRY Return (%)	-3,7	-7,9	28,4	75,9
US\$ Return (%)	-5,8	-12,4	18,2	50,2
BIST-100 Relative (%)	-6,8	-17,6	2,4	23,9



Source: PDP, Finnet, Şeker Invest Research estimates
 *2023, 2024 and 2025 financials are Indexed according to 2026/03 with IAS-29.

Turkish Airlines (OP, 12M TP: TRY 445.00)

Upside: 37%

Growth Underpinned by Fleet Investments and Network Positioning...

➤ Following the easing of geopolitical risks and the pullback in oil prices, we believe the risk/reward balance in Turkish Airlines may once again become attractive, and we are re-including the stock in our model portfolio. We maintain our 12-month target share price of **TRY 445.00/shr**, and our **"OUTPERFORM"** recommendation. Based on the closing price as of June 30, 2026, our target price implies 37% upside potential, while THY is trading at 2026E P/E and EV/EBITDA multiples of 4.82x and 5.14x, respectively.

➤ In May 2026, THY increased its PAX by 3.7% YoY to 7.9mn, with int'l passengers rising 3.5% YoY to 5.1mn and domestic passengers increasing 4.1% YoY to 2.8mn. The share of int'l passengers in total traffic reached 64.6%, while we view the 2.9 pp YoY increase in the PLF to 84% as positive from an operational performance perspective. The 8.6% YoY increase in cargo volume also continues to support the company's revenue mix.

➤ We expect THY's fleet size to reach 566 aircraft in 2026 (THY: 570 aircraft, 2025: 516 aircraft). We view the gradual return of GTF-powered NEO aircraft throughout 2026 as an important catalyst. In addition, we expect the Air Europa investment to contribute positively to THY's growth potential across the Latin America-Europe-Türkiye axis by supporting network expansion and creating both passenger and cargo synergies.

➤ We believe 2026 will be a year in which a strong demand backdrop and significant cost pressures balance each other out for THY, while volatility is likely to remain elevated. We estimate that Middle East-related geopolitical risks, airspace restrictions and exceptionally high jet fuel prices may put meaningful pressure on margins in the short term. That said, we believe the company's extensive international network, agile capacity management, strong position in cargo operations and resilient premium/long-haul demand will continue to support profitability. Within this framework, we see the main downside risks as a longer-than-expected persistence of elevated fuel costs and regional operational disruptions. Conversely, we believe upside potential could strengthen in the event of a normalization in oil prices, the preservation of market share gains from Gulf capacity shortages and continued strong momentum on the Asia-cargo route.

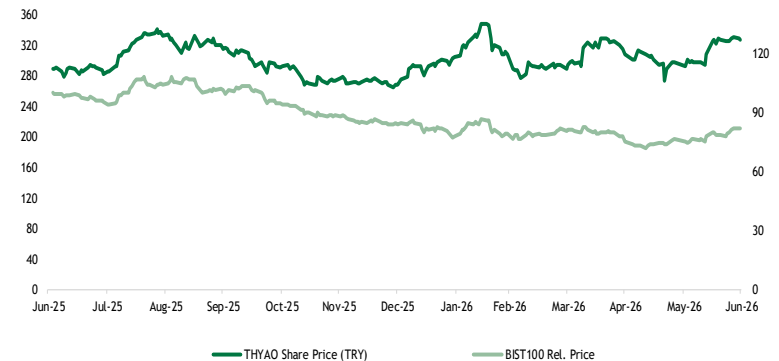
➤ **Risks** - Delays in aircraft deliveries, slowing global growth, natural disasters, geopolitical risks, increased global competition, and fluctuations in jet fuel prices.

Code	THYAO.TI/THYAO.IS	Close	326.00
MCAp (TRY mn)	449,880	Last 12M High	352,50
MCAp (US\$ mn)	9,659	Last 12M Low	262,75
EV (TRY mn)	980,274	Beta	0,91
EV (US\$ mn)	21,606	Avg. Daily Trading Vol. (US\$ mn)	295,2
Free Float (%)	50,40	Foreign Ownership in FF (%)	20,36

Key Figures (USD mn)	2023	2024	2025	2026E
Revenues	20,942	22,669	24,096	27,385
Growth (%)	13,7%	8,2%	6,3%	13,6%
EBITDA	5,533	5,059	5,059	4,204
EBITDA Margin (%)	26,4%	22,3%	21,0%	15,4%
Net Profit	6,021	3,425	2,910	2,003
EPS	4,36	2,48	2,11	1,45
Dividend Yield	0,00%	2,29%	0,00%	0,00%
Net Debt/EBITDA (x)	1,3	1,1	1,6	2,4
Net Debt/Equity (x)	0,5	0,3	0,4	0,4
ROAE	47,6%	19,6%	14,3%	9,0%
ROAA	18,1%	9,1%	6,7%	4,1%

Valuation Metrics	2023	2024	2025	2026E
P/E	1,60	2,82	3,32	4,82
EV/EBITDA	3,90	4,27	4,27	5,14
EV/Sales	1,03	0,95	0,90	0,79
P/BV	0,62	0,50	0,45	0,41

Return	1M	3M	YtD	YoY
TRY Return (%)	9,86	12,90	21,42	16,18
US\$ Return (%)	7,49	7,40	11,78	-0,82
BIST-100 Relative (%)	6,29	0,94	-3,18	-18,16



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

Yapı Kredi Bank (OP, 12M TP: TRY58.30) Stronger-Than-Expected Profitability

Upside: 45%

Yapı Kredi Bank has reported a net income of TRY 20.3bn in its 1Q26 solo financial results, exceeding both our estimate and the market consensus. The reported net income implies a 119% QoQ and 78% YoY increase.

The strong increase in net interest income and the rise in trading income were the main drivers of the Bank's earnings growth, while the limited increase in expected credit loss provisions and the decline in operating expenses provided additional support to profitability.

Net interest income increased by 13% QoQ, while swap costs rose by 7.6% over the same period. Accordingly, swap-adjusted net interest income grew by 20.5% QoQ to TRY 23.1bn. The swap-adjusted net interest margin improved by 40bps QoQ to 3.21%, despite the decline in CPI-linked securities income.

Net fee and commission income declined slightly by 0.9% QoQ to TRY 30.3bn in 1Q26, while recording a 33.1% YoY increase.

On the cost side, operating expenses declined by 5% QoQ, while increasing by 35% YoY. Accordingly, the Bank's fee income to operating expenses ratio improved to 89.5%.

On the asset quality side, Yapı Kredi's NPL ratio increased by 25bps to 4.06%, while expected credit loss provisions rose by a limited 4.6% QoQ to TRY 9.47bn. Accordingly, the Bank's FX-adjusted net cost of risk declined by 13bps to 204bps.

Yapı Kredi maintained its 2026 guidance. The Bank expects TL loan growth of 30%+, while FX loan growth is projected to be in the low single digits. On the margin side, an improvement of over 100bps is expected in 2026.

In addition, the Bank expects fee income to grow in line with inflation, while targeting operating expense growth of 35% or below. Lastly, the cost of risk is expected to be in the range of 150-175bps.

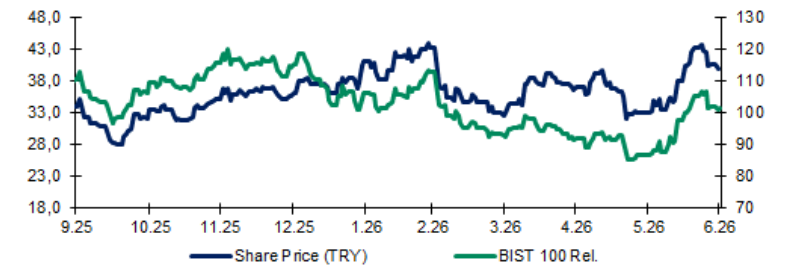
We maintain our 12-month target price of TRY 58.30, which implies a 45% upside from current levels, and reiterate our "Outperform" recommendation. Yapı Kredi Bank is trading at 4.2x 2026E P/E and 1.02x P/B, with an average ROE of 27.6%.

Mcap (TRYmn)	339.065	Beta (12M)	1,44
Mcap (USDmn)	7.283	Avr. Daily Vol. (TRYr)	6.619
Close	40,14	Foreign Ownership i	29,9%
Last 12M High	44,50	Free Float (%)	39,0%
Last 12M Low	27,14	Weight	3,01%

Quick Facts (TRY Mn)	2024A	2025A	2026E	2027E
Net interest income	13.860	55.536	120.096	208.940
% Change, YoY	-79,3%	300,7%	116,2%	74,0%
Net fee income	73.097	110.297	143.239	178.199
% Change, YoY	112,0%	50,9%	29,9%	24,4%
Net income	29.017	47.090	80.295	148.422
% Change, YoY	-57,3%	62,3%	70,5%	84,8%

Ratios	2024A	2025A	2026E	2027E
NPL ratio	3,1%	3,8%	3,9%	3,6%
CoR (net) Exc. Currency	0,8%	2,2%	2,7%	1,5%
NIM (Swap adj.)	0,7%	2,3%	3,6%	4,7%
ROAA	1,4%	1,7%	2,1%	3,0%
ROAE	15,7%	21,1%	27,6%	37,8%


Multiples	2024A	2025A	2026E	2027E
P/E	8,9	6,5	4,2	2,3
P/BV	1,34	1,20	1,02	0,72



Return	1M	3M	6M	12M
TRY Return (%):	21,0	21,6	10,8	26,6
US\$ Return (%):	18,6	15,9	2,0	8,1
BIST-100 Relative (%):	17,1	10,1	-11,6	-10,8

Source: Bank financials, Seker Invest Research

Recommendation List

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Recommendation List								
July 1, 2026								
BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	77,00	OP	108,10	400.400	562.120	40,4%	6,39	1,32
GARAN	138,00	OP	200,02	579.600	840.084	44,9%	4,89	1,28
HALKB	42,94	MP	48,80	308.514	350.617	13,6%	10,20	1,36
ISCTR	14,81	OP	23,16	370.250	578.999	56,4%	4,91	0,88
TSKB	11,88	OP	20,06	33.264	56.168	68,9%	2,98	0,72
VAKBN	32,72	OP	52,79	324.449	523.461	61,3%	4,99	0,98
YKBNK	40,14	OP	58,30	339.065	492.463	45,2%	6,06	1,25
HOLDING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AGHOL	34,58	OP	46,74	84.214	113.823	35,2%	23,45	0,67
KCHOL	193,50	OP	318,51	490.696	807.702	64,6%	20,13	0,69
SAHOL	97,50	OP	173,19	204.787	363.759	77,6%	25,73	0,54
TAVHL	282,25	OP	440,00	102.536	159.845	55,9%	65,56	1,33
INDUSTRIAL	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKCNS	227,70	OP	252,50	43.592	48.340	10,9%	68,82	1,60
AKSEN	81,25	OP	110,00	99.640	134.894	35,4%	26,96	1,55
ARCLK	99,35	OP	149,50	67.134	101.021	50,5%	-	0,92
ASELS	345,00	OP	495,00	1.573.200	2.257.200	43,5%	48,39	5,60
BIMAS	365,25	OP	482,50	438.300	579.002	32,1%	20,34	2,32
CCOLA	83,05	OP	103,40	232.380	289.322	24,5%	13,17	2,79
CIMSA	47,10	OP	70,55	44.537	66.712	49,8%	13,15	1,28
DOAS	179,30	OP	302,90	39.446	66.639	68,9%	13,33	0,58
EREGL	40,48	OP	42,24	283.360	295.710	4,4%	603,83	0,96
FROTO	84,55	OP	149,30	296.694	523.900	76,6%	9,57	1,80
KRDMD	39,80	MP	45,00	31.053	35.109	13,1%	159,93	0,49
MGROS	669,50	OP	910,00	121.216	164.759	35,9%	17,88	1,37
OYAKC	20,50	OP	33,35	99.664	162.130	62,7%	13,18	1,44
PETKM	19,11	MP	18,91	48.432	47.935	-1,0%	-	0,71
PGSUS	175,10	OP	271,90	87.550	135.950	55,3%	10,15	0,76
SELEC	209,70	MP	140,00	130.224	86.942	-33,2%	112,56	3,78
SISE	44,30	OP	65,00	135.700	199.110	46,7%	13,41	0,53
TCELL	107,40	OP	150,00	236.280	330.000	39,7%	12,98	0,81
THYAO	326,00	OP	445,00	449.880	614.102	36,5%	3,46	0,47
TOASO	308,00	OP	435,00	154.000	217.500	41,2%	13,36	2,61
TTKOM	61,40	OP	90,00	214.900	315.000	46,6%	8,04	0,88
TUPRS	227,50	OP	355,76	438.346	685.470	56,4%	13,24	1,24
ULKER	99,30	OP	159,80	36.669	59.010	60,9%	11,11	0,75
VESBE	6,66	UR	-	10.656	-	-	-	0,27
ZOREN	2,76	MP	4,30	13.800	21.500	55,8%	-	0,23

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