Earnings Update
Aviation Industry

July 29, 2026

TAV Airports Holding

Better-than-expected results in 2Q26…

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

TAV Airports Holding has reported a 2Q26 net profit of €66.6mn, significantly above the market consensus of €34mn (above 95.9%) (Şeker: €34mn) (2Q25: €4.4mn net loss). The stronger-than-expected bottom-line performance was mainly driven by lower net financial expenses, a decline in deferred tax expenses and solid operating profitability.

EBITDA rose by 14% YoY in 2Q26… Despite weaker traffic in Georgia due to escalating geopolitical tension (excluding June) and flat growth in Almaty's domestic traffic owing to Pratt & Whitney engine-related disruptions, TAV's total passenger traffic reached 29.25mn in 2Q26, reflecting a limited 2% YoY decline (2Q25: 29.93mn), supported by the resilient performance of domestic operations. Meanwhile, the Group's total revenues increased by 14% YoY to €506.7mn in 2Q26 (2Q25: €445mn), exceeding both the market consensus (€473mn) and our estimate (€471mn). Revenue growth was mainly driven by higher revenues from Almaty on the back of international traffic growth and tariff increases, stronger BTA revenues, as well as higher passenger volumes and the new concession terms at Ankara Airport. TAV generated EBITDA of €167.2mn in 2Q26, up 14% YoY (2Q25: €146.6mn), outperforming both the market consensus (€155mn) and our estimate (€154mn). Supported by solid revenue growth, EBITDA increased by 14% YoY, while the EBITDA margin remained broadly flat YoY at 32.9%. Net debt stood at €1,833mn at the end of 2Q26, remaining broadly flat on an annual basis (1Q26: €1,824mn).

Forward Guidance: The Company expects net sales revenues in the range of €1.88bn-€1.98bn in 2026, while total PAX guidance has been revised to 112mn-118mn (previously: 116mn-123mn) and international PAX guidance to 72mn-77mn (previously: 78mn-83mn). TAV also revised its 2026 EBITDA guidance to €580mn-€630mn (previously: €590mn-€650mn). In addition, the Company expects 2026 CapEx to remain below €300mn (previously: below €330mn).

We maintain our 12M TP of "TRY 440.00/sh" and our "Outperform" rating - We view the operational and financial results announced after 2Q26 as positive. We continue to see the ongoing investments, which are expanding passenger terminal capacities and enabling the Company to accommodate higher passenger volumes, as a key long-term catalyst for TAV. Furthermore, the extension of the Tbilisi concession and the acquisition of the remaining 15% stake in Almaty Airport, bringing TAV's ownership to 100%, are expected to provide further long-term support to the Company's financial performance. However, we also note that any further escalation in geopolitical risks could continue to weigh on the stock's performance. Given the potential return offered by our target price, we reiterate our **"OUTPERFORM"** recommendation. Currently, TAV shares trade at a 64.2% discount compared to our target price.

OUTPERFORM
TP: TRY 440.00
Previous TP: 440.00
Upside potential: 64.2%

	TRY	US$
Close	268,00	5,67
BIST 100	13.688	289
US$/TRY (CB Bid Rate):	47	
52 Week High:	366,5558	8,4
52 Week Low:	219,5	5,2
Bloomberg/Reuters Ticker:	TAVHL.TI / TAVHL.IS	
Number of Shares (Mn):	363,3	

	(TRY m)	(US$ m)
Current Mcap :	97.359	2.059
Free Float Mcap :	46.733	988

	1 M	YoY	YtD
TRY Return (%):	-5,17	6,22	-9,54
US$ Return (%):	-6,85	-9,22	-17,97
BIST 100 Relative (%):	-1,11	-18,20	-25,58
Avg. Daily Vol. (TRY m):	803		
Avg. Daily Vol. (US$ m):	18,4		

Beta	0,86
Volatility (Stock)	0,38
Volatility (BIST 100)	0,23

Shareholder Structure	%
Aeroports de Paris SA (Groupe ADP)	46,12
Tepe İnşaat Sanayi A.Ş.	4,04
Free Float	49,84
Total	100

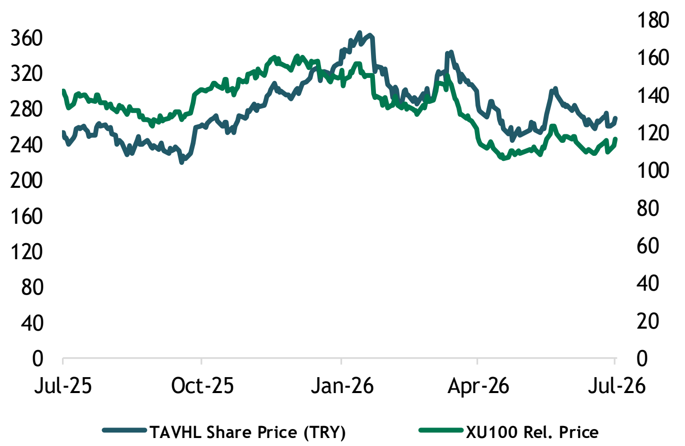


Table 1: Summary P&L

€ mn	Q2 2024	Q2 2025	Q2 2026	YoY, % Change
Revenues	411,4	445,0	506,7	13,9%
Aviation Income	159,8	163,8	197,2	20,4%
Ground Handling Income	93,1	103,0	121,6	18,1%
Commission from Sales of Duty Free Goods	18,6	23,4	25,2	7,9%
Catering Services Income	44,6	54,4	66,3	21,7%
Income from Lounge Services and Loyalty Card	0,9	1,0	3,2	217,3%
Other Operating Revenues	21,6	21,0	10,4	-50,6%
EBITDA	129,3	146,6	167,2	14,0%
EBITDA Margin	*31,4%*	*32,9%*	*33,0%*	*0.1 pp*
Net Profit*	72,1	-4,4	66,6	N.M.
Net Profit Margin	*17,5%*	*-1,0%*	*13,1%*	*14.1 pp*

Source: TAV Airports Holding, Seker Invest

** Attributable to the equity holders of the Company*

Table 2: Income Statement (€ mn)

Income Statement (€ m)	2Q24	2Q25	2Q26	26/25 YoY % Change
Total Revenue	**411,4**	**445,0**	**506,7**	**13,9%**
Aviation Income	159,8	163,8	197,2	20,4%
Ground Handling Income	93,1	103,0	121,6	18,1%
Commission from the Sale of Duty-Free Goods	18,6	23,4	25,2	7,9%
Catering Services Income	44,6	54,4	66,3	21,7%
Income from Car Parking Operations	7,2	6,5	7,5	15,1%
Area Allocation, Sublease and Advertising	13,0	19,6	20,1	2,9%
Area Allocation Income	*9,6*	*10,5*	*11,6*	*10,6%*
Rent Income from Sublease	*2,4*	*6,9*	*7,1*	*2,3%*
Advertising Income	*1,1*	*2,2*	*1,4*	*-33,0%*
Bus Services Income	4,2	3,5	4,3	20,2%
Income from Lounge Services, Loyalty Card & Prime Class	40,7	41,1	46,7	13,6%
Loyalty Card Income	*0,9*	*1,0*	*3,2*	*217,3%*
Prime Class Income	*39,8*	*40,1*	*43,5*	*8,5%*
Income from Lounge Services	*0,0*	*0,0*	*0,0*	
Software Sales	8,6	8,8	7,5	-14,7%
Other Operating Revenues	21,6	21,0	10,4	-50,6%
Security Services Income	*6,1*	*8,0*	*13,5*	*69,2%*
Retail Income	*0,0*	*0,0*	*0,0*	
Other Operating Revenue	*13,0*	*10,7*	*-5,3*	*N.M.*
Ticket Sales Income	*0,0*	*0,0*	*0,0*	
Operating Financial Revenue	*0,1*	*0,0*	*0,0*	
Utility and General Participation Income	*1,0*	*0,9*	*1,2*	*29,1%*
Hotel and Reservation Income	*1,4*	*1,4*	*1,0*	*-30,2%*
Operating Expenses	**-282,2**	**-300,4**	**-339,6**	**13,1%**
Cost of Catering Inventory Sold	-12,3	-14,9	-20,8	39,4%
Cost of Services Rendered	-45,3	-37,4	-62,8	68,0%
Construction Expenses	0,0	0,0	0,0	N.M.
Cost of Duty Free Inventory Sold	0,0	0,0	0,0	N.M.
Cost of Fuel	-63,9	-56,7	-69,2	22,0%
Personnel Expenses	-106,2	-125,4	-151,6	20,9%
Concession Rent Expenses	-0,3	-0,3	-0,4	12,5%
Other Operating Expenses	-54,1	-65,7	-34,9	-46,9%
Other Operating Income	0,1	2,0	0,1	-95,3%
EBITDA	**129,3**	**146,6**	**167,2**	**14,0%**
Depreciation and Amortization and Impairment Expenses	-38,9	-49,3	-51,9	5,1%
Equity Pick-up	11,7	-27,6	-0,6	N.M.
EBIT (Operating Profit)	**102,1**	**69,7**	**114,7**	**64,6%**
Net Interest Expense	-10,8	-17,4	-28,3	62,6%
Discount Expense	-7,8	-8,4	-9,6	14,3%
FX	-2,0	-18,6	0,4	N.M.
Other	-1,2	-0,4	-3,9	N.M.
Net Finance Income/Expense	**-21,8**	**-44,8**	**-41,4**	-7,7%
Monetary Position Gain	**2,4**	**0,2**	**2,6**	1568,2%
Tax Payable	-14,4	-9,0	-22,4	149,9%
Deferred Tax	7,5	-16,4	17,6	-207,5%
Income Tax Expense	**-6,9**	**-25,4**	**-4,8**	**N.M.**
Profit from Continuing Activities	**75,8**	**-0,3**	**71,2**	**N.M.**
Profit from Discontinued Operations	**0,0**	**0,0**	**0,0**	**N.M.**
Profit for the Period, Attributable to:				
Owners of the Company	**72,1**	**-4,4**	**66,6**	**N.M.**
Non-controlling Interest	-3,8	-4,1	-4,6	N.M.

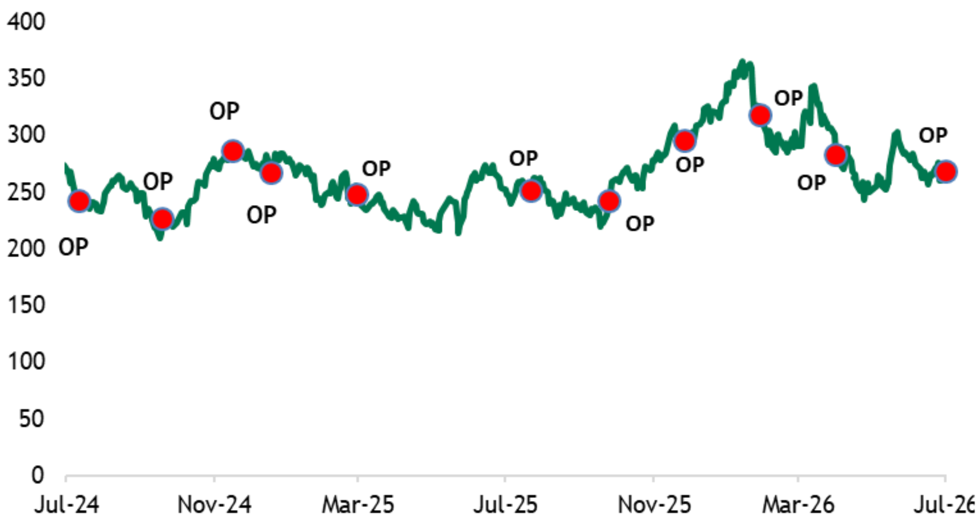
Source: TAV Airports Holding, Seker Invest

Table 3: Balance Sheet (€ m)

Balance Sheet (€ m)	6M24	6M25	6M26
TOTAL ASSETS	**4.898,6**	**4.901,6**	**5.007,5**
Total Current Assets	**986,1**	**847,2**	**896,1**
Cash and Cash Equivalents	513,7	305,3	307,6
Restricted Bank Balances	33,5	75,5	80,2
Trade Receivables	149,1	177,5	172,7
Due from Related Parties	17,3	24,2	35,1
Inventories	48,2	47,3	56,4
Financial Assets	59,7	58,8	0,3
Other Receivables and Current Assets	164,4	158,7	243,8
Total Noncurrent Assets	**3.911,6**	**4.053,6**	**4.110,7**
Noncurrent Trade Receivables	0,0	0,0	0,0
Noncurrent due from Related Parties	104,0	153,6	162,7
Equity Accounted Investees	738,0	665,7	573,0
Goodwill	220,6	213,6	215,7
Property and Equipment	808,7	689,3	796,2
Intangible Assets	23,1	33,8	31,3
Airport Operation Right	1.542,4	1.935,7	1.890,0
Right of Use Assets	121,4	182,3	198,8
Derivative Financial Instruments	54,9	33,0	33,9
Deferred Tax Asset	54,4	50,4	89,2
Other Non-Current Assets	243,9	96,2	119,9
TOTAL EQUITY AND LIABILITIES	**4.898,6**	**4.901,6**	**5.007,5**
Total Liabilities	**3.369,4**	**3.373,0**	**3.450,6**
Total Current Liabilities	**1.042,5**	**1.091,8**	**1.017,7**
Bank Overdraft	0,3	0,0	0,0
Loans and Borrowings	512,4	433,0	480,5
Trade Payables	80,4	80,8	89,8
Due to Related Parties	155,6	306,9	30,8
Derivative Financial Instruments	0,0	0,0	0,0
Current Tax Liabilities	9,1	10,3	14,2
Provisions	12,4	13,6	23,5
Other Liabilities	260,2	239,0	368,7
Deferred Income	12,1	8,1	10,2
Provision for Employee Benefit	0,0	0,0	0,0
Other Current Provisions	0,0	0,0	0,0
Total Noncurrent Liabilities	**2.326,9**	**2.281,2**	**2.432,1**
Long Term Borrowings	1.315,2	1.369,8	1.610,0
Trade Payables	0,0	0,0	0,0
Provision for Employee Benefit	22,8	28,1	45,8
Due to Related Parties	300,0	0,0	0,0
Derivative Financial Instruments	0,0	31,4	22,1
Other Liabilities	581,9	735,6	638,9
Deferred Tax Liabilities	85,5	92,1	92,0
Deferred Income	16,1	18,6	17,9
Liabilities from Equity Accounted Investees	5,2	5,7	5,3
EQUITY	**1.528,9**	**1.528,2**	**1.556,9**
Total Equity Attributable to Equity Holders	**1.511,1**	**1.511,4**	**1.544,5**
Share Capital	162,4	162,4	162,4
Share Premium	220,3	220,3	220,3
Translation Reserves	-82,3	-140,2	-100,4
Legal Reserves	122,0	122,0	122,0
Other Reserves	-74,3	-75,7	-136,7
Treasury Reserves	0,0	0,0	0,0
Cash Flow Hedge Reserve	47,0	43,6	52,5
Purchase of Shares of Entities Under Common Control	40,1	40,1	40,1
Retained Earnings	1.076,0	1.138,9	1.184,4
Profit/Loss for the Period	0,0	0,0	8,0
Minority Interest	**17,7**	**16,8**	**12,4**

Source: TAV Airports Holding, Seker Invest

Table 4: Historical Recommendations and Target Prices



Date	Recommendation	Target Price (TRY)
23-Jul-24	Outperform (OP)	355,00
24-Oct-24	Outperform (OP)	355,00
7-Jan-25	Outperform (OP)	392,20
19-Feb-25	Outperform (OP)	392,20
25-Apr-25	Outperform (OP)	371,00
30-Jul-25	Outperform (OP)	371,00
24-Oct-25	Outperform (OP)	384,00
9-Jan-26	Outperform (OP)	425,30
18-Feb-26	Outperform (OP)	440,00
28-Apr-26	Outperform (OP)	440,00
29-Jul-26	Outperform (OP)	440,00

Basis for 12m equity ratings

Outperform: The total return is expected to exceed the return of the BIST100 by more than 10%.
Underperform: The total return is expected to fall below the return of the BIST100 by more than 10%.
Market Perform: The total return is expected to be in line with the return of the BIST100.

ŞEKER INVEST RESEARCH

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

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

For additional information, please contact:

Research

Kadir Tezeller	**Head**	**+90 (212) 334 33 81**	ktezeller@sekeryatirim.com
Burak Demirbilek	**Utilities**	**+90 (212) 334 33 33-128**	bdemirbilek@sekeryatirim.com
Atasav Can Tuglu	**Retail, Automotive, Aviation, Beverages**	**+90 (212) 334 33 33-334**	atuglu@sekeryatirim.com.tr
Basak Kamber	**Glass, Pharm., Defense, Food, Telcos., Cons. Dur.**	**+90 (212) 334 33 33-245**	bkamber@sekeryatirim.com
M. Mucahid Yildirim	**Banking**	**+90 (212) 334 33 33-150**	myildirim@sekeryatirim.com
Yusuf Kemal Erdekli	**Cement, Conglomerates, Real Estate**	**+90 (212) 334 33 33-115**	yerdekli@sekeryatirim.com
O. Furkan Ozdemir	**Iron & Steel, Oil, Gas, & Derivatives**	**+90 (212) 334 33 33-245**	oozdemir@sekeryatirim.com

Economy & Politics

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

Institutional Sales

Deniz Keskin	**Trader**	**+90 (212) 334 33 36**	dkeskin@sekeryatirim.com
Kerim Culum	**Trader**	**+90 (212) 334 33 33-316**	kculum@sekeryatirim.com.tr

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