Monthly Equity Strategy

August 2026

Research Team
+90 (212) 334 33 33
research@sekeryatirim.com

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

In July Global markets were primarily driven by the renewed escalation of tension between the U.S. and Iran, uncertainty surrounding energy flows through the Strait of Hormuz, the U.S. administration's new tariff measures, and monetary policy signals from major central banks. While oil prices remained highly volatile amid geopolitical developments, easing inflation and a slowing labor market in the U.S. continued to shape expectations regarding the Federal Reserve's future interest rate path.

The negotiation framework established by the temporary agreement reached between the U.S. and Iran in June could not be preserved in July. Following the failure of talks in Doha, President Trump announced on July 8 that the temporary agreement had ended, while the resumption of mutual attacks negatively affected energy shipments through the Strait of Hormuz and the Red Sea. A brief pause in hostilities during the final week of the month did lead to a pullback in oil prices. And yet, Iran's rejection of the proposal for joint administration of the Strait of Hormuz and the renewed attacks weakened the prospects of a lasting normalization.

Brent crude oil declined to around US$71 per barrel early in the month before surging above US$96 as tension intensified. Following the temporary pause in hostilities, prices fluctuated within the US$81-89 range in the final days of July. Energy price volatility continued to exert pressure on inflation expectations, and the U.S. decision to impose new tariffs ranging between 10% and 12.5% on 60 trading partners as of July 24 further increased uncertainty surrounding the global trade outlook. In its July update, the IMF lowered its 2026 global growth forecast to 3.0%, while noting that investments in artificial intelligence partially offset the adverse effects of geopolitical and trade tension on global growth.

In the U.S., nonfarm payrolls increased by 57k in June, while the unemployment rate rose to 4.2%. CPI rose by 0.4% MoM, with annual inflation easing to 3.5% and core inflation declining to 2.6%. While the data pointed to a gradual slowdown in the labor market and a notable moderation in price pressures, Fed Chairman Kevin Warsh remained reluctant to support premature monetary easing before inflation returns to the target. At its July 28–29 FOMC meeting, the Fed kept the policy rate unchanged at 3.50%–3.75%, in line with market expectations. The decision was approved by a 9–3 vote, with three members voting in favor of a 25-bps rate hike, highlighting increasing differences of opinion within the Committee regarding the inflation outlook. Warsh emphasized that there had been no softening of the Fed's inflation objective, reiterating that the 2% inflation target remains unchanged and that one favorable monthly reading was insufficient to confirm a lasting decline in price pressures. He also underlined that future policy decisions would remain data dependent. However, as Warsh refrained from signaling an imminent rate hike, markets interpreted his remarks as relatively dovish.

In Europe, the ECB left its three key policy rates unchanged at its July 23 meeting, in line with market expectations. Although headline inflation eased to 2.8% and core inflation to 2.4% in June, the assessment that the full impact of the energy shock had not yet been reflected in prices kept expectations of a potential rate hike at the September meeting alive. China's economy expanded by 4.3% YoY in the second quarter, indicating a further loss of momentum, while weak domestic demand and ongoing problems in the real estate sector strengthened expectations of additional policy support. At its July 30–31 meeting, the BoJ kept its policy rate unchanged at 1%, while the weak yen and energy costs made the Bank's communication particularly important.

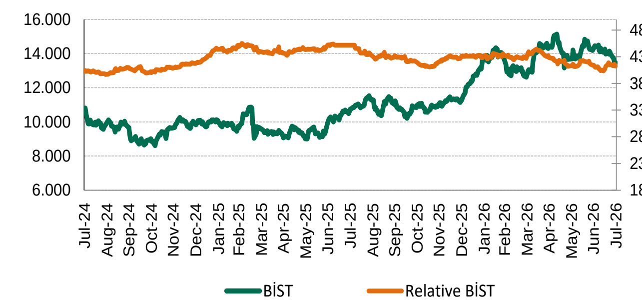
Domestically, Türkiye's CPI increased by 1.78% MoM and 31.75% YoY in July. While the continued decline in annual inflation supported the disinflation process, Manufacturing PMI fell to 47.1, signaling weaker business activity. The current account recorded a deficit of US$1.46bn in May, while the current account excluding gold and energy posted a surplus of US$3.63bn. Taking into account weaker external demand and deteriorating energy costs, the IMF revised its 2026 GDP growth forecast for Türkiye downward from 3.4% to 2.9%. According to the CBRT Market Participants Survey, year-end 2026 inflation expectations stood at 29.21%, while the 12-month ahead expectation was 23.95%.

At its July 23 MPC meeting, the CBRT kept the policy rate unchanged at 37%. The statement noted that the underlying trend of inflation eased modestly in June, a temporary increase was expected in July, and domestic demand, while slowing, continued to support the disinflation process. The Bank also highlighted the risks stemming from geopolitical developments through energy prices and reiterated that its tight monetary stance would be maintained until price stability is achieved. Fitch affirmed Türkiye's BB- sovereign credit rating with a Stable Outlook, while Moody's made no changes during its scheduled review. Expectations regarding second-quarter financial results of banking and industrial companies, together with the reserve outlook, remained key themes for BIST.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	13.458	-4,70%	19,5%
BIST - 100, USD	284	-6,3%	8,1%
MSCI Turkey	320.540	-2,9%	12,5%
MSCI EMEA	263	1,2%	1,3%
MSCI EM	1.666	-3,3%	18,6%
Benchmark Bond	41,82%	186bps	460bps
USD/TL	47,3452	1,65%	10,50%
EUR/TL	54,4841	2,63%	8,35%
P/E			
Banking	4,8		
Industrial	90,1		
Iron&Steel	110,3		
REIT	12,4		
Telecom	8,9		
2026E P/E	14,1		

*Close as of July 31, 2026

BIST &Portfolio



The CBRT's commitment to maintaining a tight monetary stance postponed rate-cut expectations to September…

Rating: BUY

In August, global markets will primarily focus on developments in U.S.–Iran relations, the normalization of energy flows through the Strait of Hormuz, the OPEC+ meeting, and the impact of new U.S. tariffs on global trade and inflation. In the U.S., July employment and inflation data, the FOMC meeting minutes, the second-quarter GDP revision, PCE inflation, and messages delivered at the Jackson Hole Symposium will be key determinants of interest rate expectations. In Europe, markets will monitor expectations regarding the ECB's September meeting, while in China, economic activity data and additional support measures will remain in focus. Investors will also closely follow the BoJ's communication regarding its normalization process. No major central bank meetings are scheduled for August.

Domestically, July inflation data to be released on August 3 and the CBRT's third Inflation Report of the year, scheduled for August 13, will constitute the main agenda items. As there will be no MPC meeting in August, the underlying inflation trend, energy costs, domestic demand, reserves, and liquidity conditions will be closely monitored in shaping expectations for the September 10 meeting. The impact of the 12.5% tariff imposed by the U.S. on imports from Türkiye, developments in the current account balance, and second-quarter financial results will also play an important role in domestic asset pricing.

The CBRT kept its policy rate unchanged at 37% at its July meeting. As there will be no MPC meeting in August, expectations for the first-rate cut have shifted to the September 10 meeting. Accordingly, the CBRT has maintained a more data-dependent and cautious monetary policy approach.

The BIST-100 Index displayed a volatile performance in July, driven by geopolitical developments, fluctuations in oil prices, the CBRT's policy decision, and expectations regarding second-quarter financial results. While the decline in annual inflation during the first week of the month supported buying interest, the renewed escalation in U.S.–Iran tension, the rebound in oil prices, and the postponement of rate-cut expectations increased selling pressure.

After testing 14,629.66 points on July 6, the BIST-100 Index gave back its gains and closed the month at 13,458.10 points, declining 4.7% compared to the end of June. Over the same period, the Industrial Index gained approximately 4.35%, while the Banking Index fell 16.46%, significantly underperforming. Concerns over delayed rate cuts and the impact of tight financial conditions on banking sector profitability were the primary drivers behind the weakness in banking stocks.

In August, the CBRT Inflation Report, energy prices, the 12.5% U.S. tariff on Turkish exports, and second-quarter financial results will be the main drivers of domestic markets. Should the inflation outlook continue to improve, oil prices decline further, and the strengthening trend in reserves persist, we believe that the BIST-100 Index could see stronger rebound buying. Nevertheless, given ongoing geopolitical uncertainties and the postponement of the rate-cut cycle to September, we expect market volatility to remain elevated and continue to favor a selective and gradual accumulation strategy from a medium- to long-term perspective. In light of these expectations, we maintain our BUY recommendation and our 12-month target of 16,500 for the BIST-100 Index, implying upside potential of 17% from current levels. The MSCI Turkey Index is trading at 8.16x 2026E P/E and 0.93x P/B, representing discounts of 30% and 52%, respectively, relative to the MSCI Emerging Markets Index. We make no changes to our model portfolio this month.

Key Market Risks

- An increased risk of regional spillover from ongoing conflicts, particularly in the Middle East,
- Geopolitical risks exerting upward pressure on global inflation through higher energy prices,
- Major central banks, particularly the Fed, ECB, and BoJ, adopting a more hawkish-than-expected monetary policy stance,
- The risk of the CBRT maintaining or further tightening its monetary stance should inflation expectations deteriorate,
- Domestic political developments increasing volatility in Turkish financial assets,
- Türkiye's potential removal from the MSCI Emerging Markets Index.

Model Portfolio

Top Picks	Close	Target	Pot.	MoM	Relative
AKBNK.TI	63,40	96,76	52,6%	-17,7%	-13,6%
ASELS.TI	342,25	495,00	44,6%	-0,8%	4,1%
GARAN.TI	123,40	182,99	48,3%	-10,6%	-6,2%
MGROS.TI	625,50	910,00	45,5%	-6,6%	-2,0%
SAHOL.TI	84,50	173,19	105,0%	-13,3%	-9,1%
TCELL.TI	99,95	150,00	50,1%	-6,9%	-2,3%
THYAO.TI	314,00	445,00	41,7%	-3,7%	1,1%
TUPRS.TI	295,25	355,76	20,5%	29,8%	36,2%
YKBNK.TI	32,76	51,10	56,0%	-18,4%	-14,4%
Monthly Return				-5,3%	-0,6%

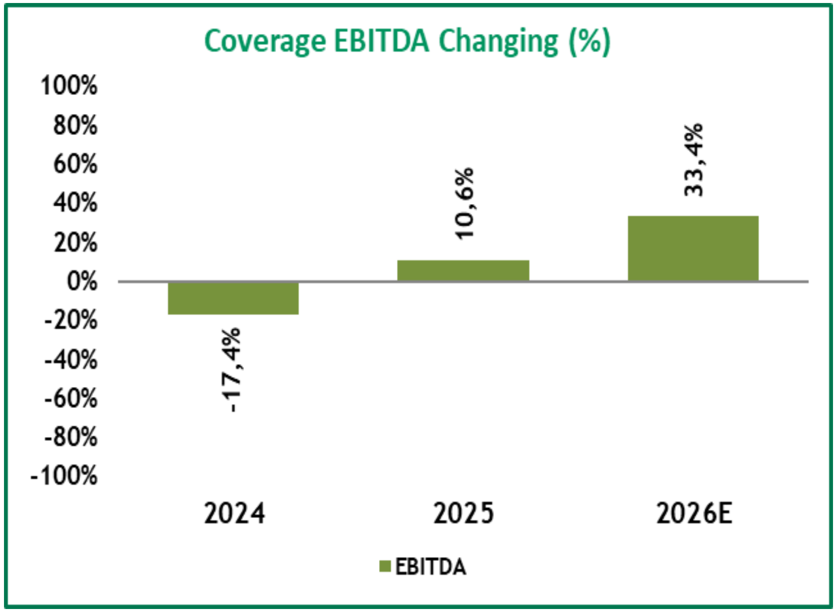
*Close as of July 31, 2026

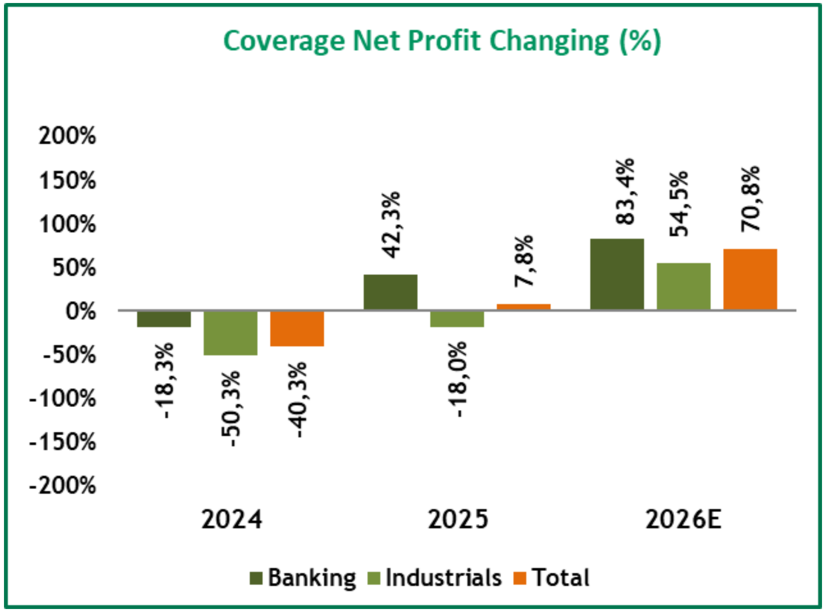
Add

Remove

Maintain
AKBNK
ASELS
CIMSA
FROTO
MGROS
SAHOL
TCELL
THYAO
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

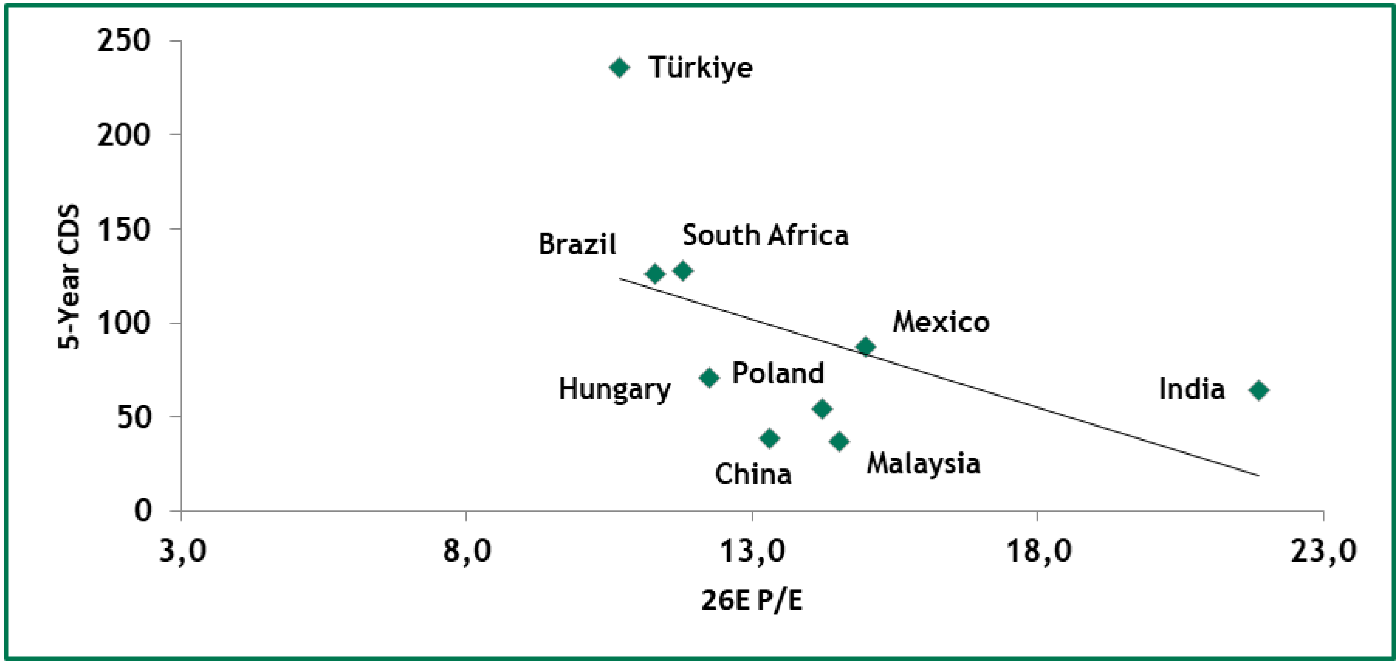
- The MSCI Türkiye Index has risen by 10.0% in absolute terms over the past 12 months. It has underperformed the MSCI EM by 21.8%, and the MSCI EMEA index by 0.8% during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	-2,9%	-10,0%	10,0%	12,5%
MSCI EM	-3,3%	4,1%	34,0%	18,6%
MSCI EMEA	1,2%	-1,1%	10,9%	1,3%
MSCI Eastern Europe	8,1%	8,4%	37,0%	20,5%
MSCI World	0,5%	4,0%	18,9%	9,4%

Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	-0,4%	15,6%	21,8%	5,5%
MSCI EMEA	4,3%	9,8%	0,8%	-9,9%
MSCI Eastern Europe	11,3%	20,4%	24,5%	7,2%
MSCI World	3,5%	15,5%	8,1%	-2,7%

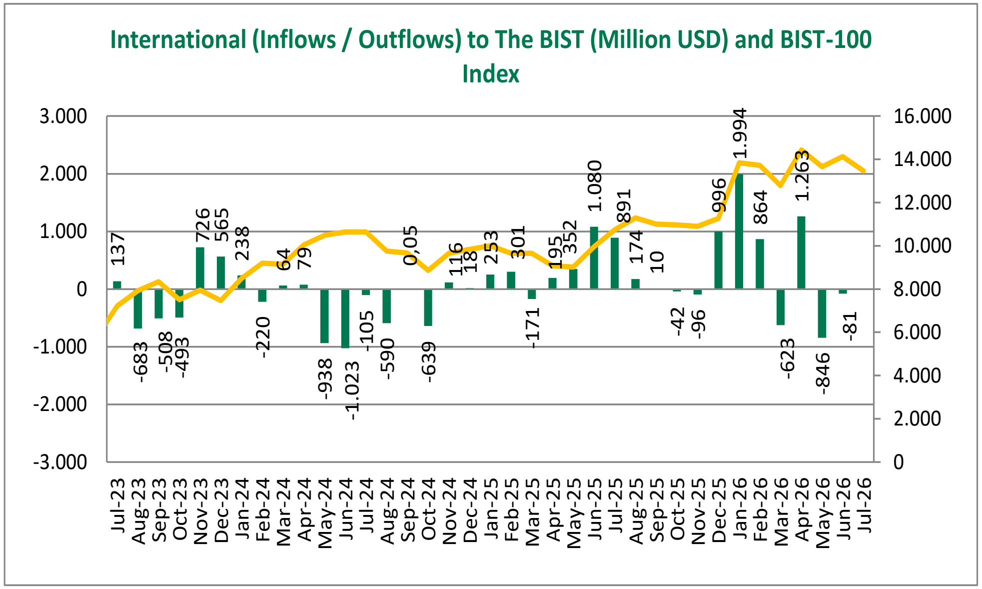
As of July 31, 2026

5-Year CDS

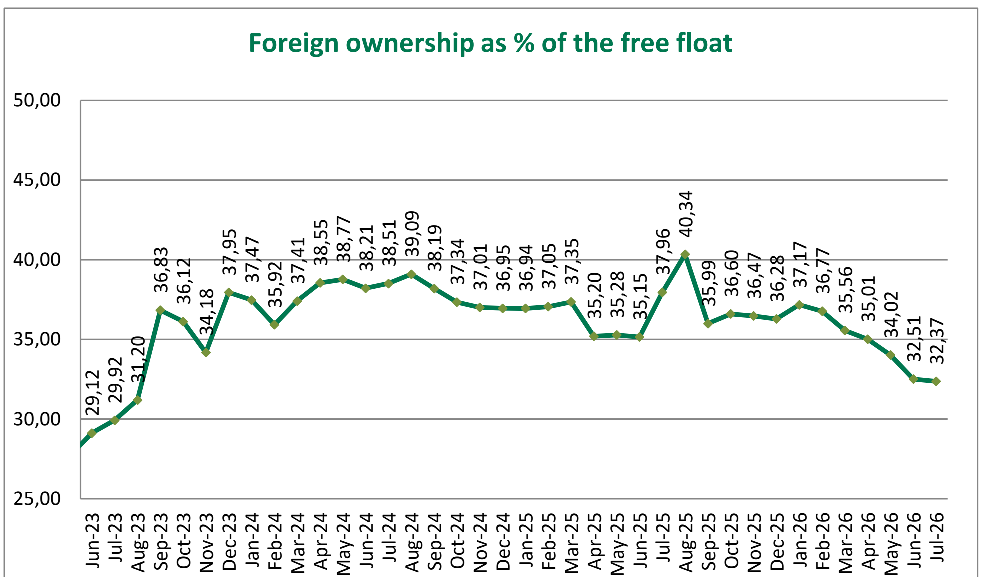


As of July 31, 2026

Int. flow and foreign ownership

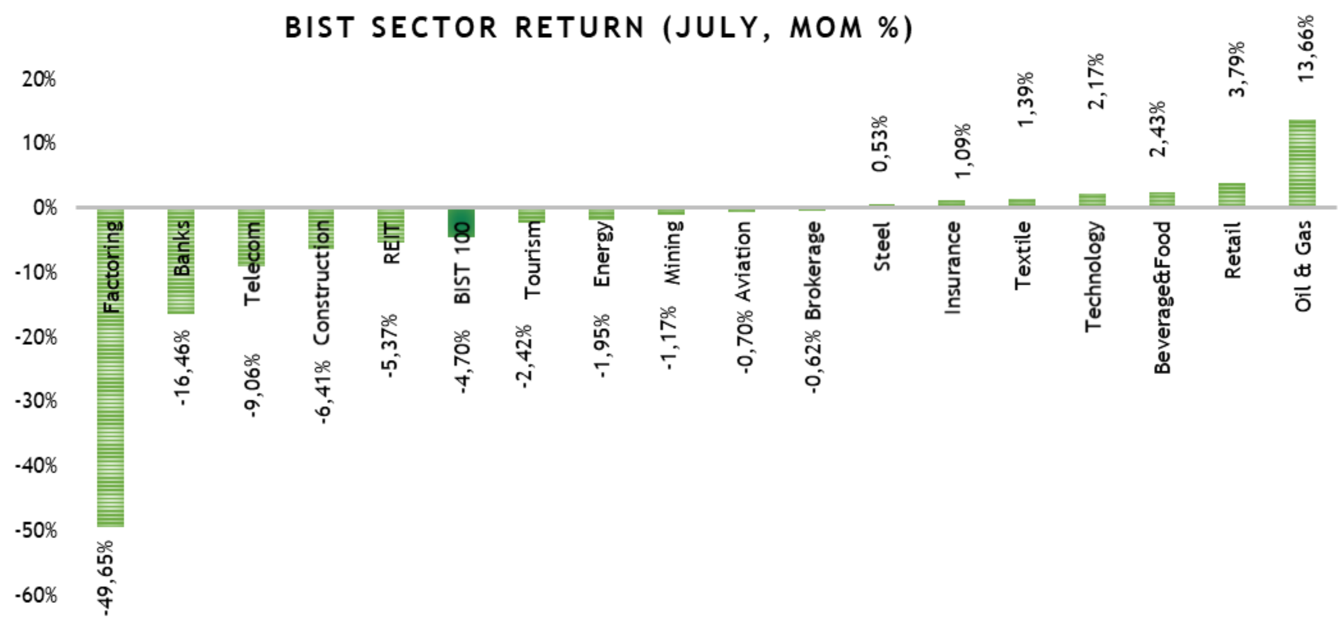


➢ Overall, in june 2026, foreign investors were net sellers of USD 81mn.



➢ Foreign ownership has decreased to 32.37% in July 2026.

Sector performances



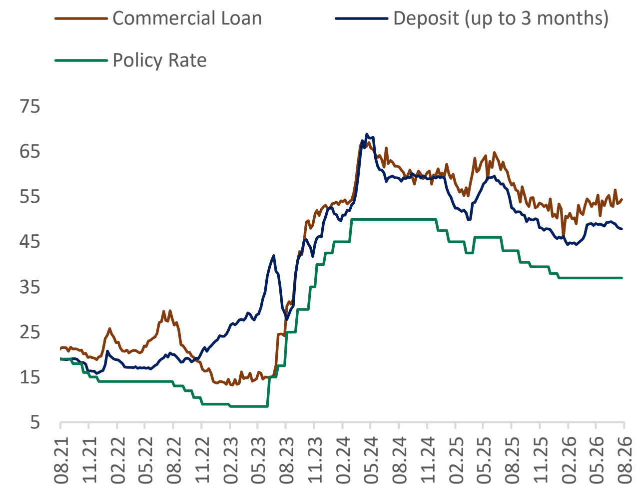
As of July 31, 2026

Macroeconomic Outlook

CBRT Rate Decision - July

At its meeting this month, the Central Bank of the Republic of Türkiye's Monetary Policy Committee (MPC) kept the policy rate unchanged at 37%, in line with market expectations. There were differing views in the market as to whether a modest cut might be on the cards. However, the rise in energy prices resulting from geopolitical developments ruled out this possibility. The details of the decision statement also highlighted the decline in the core inflation trend in June and a temporary rise in July. Consequently, the prospect of an interest rate cut has been postponed until the September meeting, even should positive developments occur. In this environment, where monetary policy is sufficiently tight, the downward impact of lagged effects on expectations will be observed. For this reason, the decision to conduct funding at the upper band to maintain flexibility and keep interest rates unchanged is appropriate. The improvement in the core inflation trend, albeit limited, has given the central bank some breathing space. However, as noted in the previous Monetary Policy Committee decision, the volatile and high trajectory of energy prices is heightening concerns about upward pressure on inflation. Furthermore, it has been noted that the weak trend in economic activity has become more pronounced, and it has been indicated that downward contributions to inflation will also come from this area. We believe that 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 not only heightened the risk of upward inflationary pressure via energy prices but has also prompted 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. The positive effects of the central bank's long-standing tight stance have been disrupted by supply-side global shocks. Consequently, the market 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 any short-term positive effects. Therefore, maintaining a cautious, tight stance is a prudent decision in order to assess the outcomes of the long-standing disinflationary policy. We forecast that, in an environment where global and domestic risks are contained, we will close the year at around 33 per cent following a total of 400 basis points of interest rate cuts. The pace of geopolitical developments and the impact of energy prices on the inflation outlook will be the most significant indicators influencing interest rate decisions. As the impact of energy prices on inflation becomes clearer, the duration of the tight monetary stance will be extended.

Policy, Loan and Deposit Rates (%)

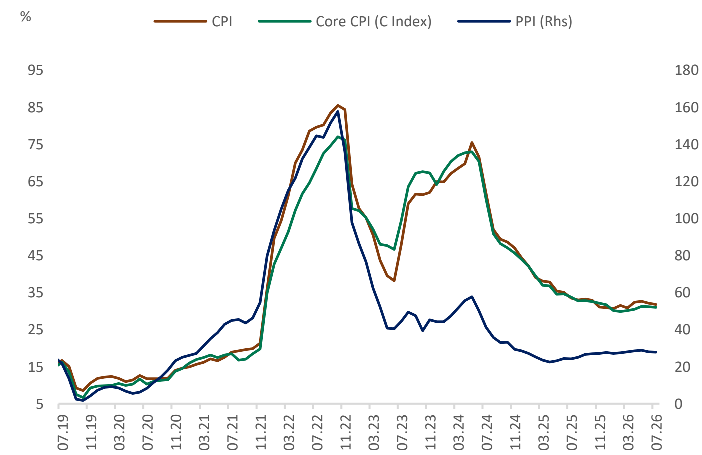


Macroeconomic Outlook

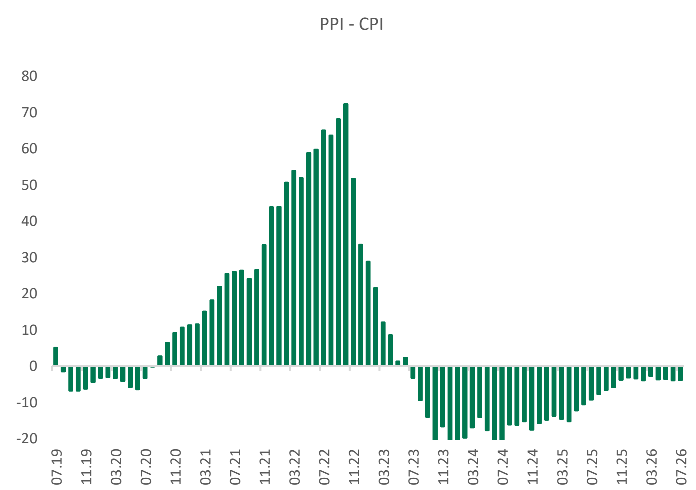
Inflation - July

The CPI rose by 1.78 per cent in July compared with the previous month, whilst annual inflation stood at 31.75 per cent (previously 32.11 per cent). The figures came in slightly below our expectations. The B index, our core inflation indicator, fell to 1.66 per cent month-on-month. These figures are in line with the CBRT's year-end forecasts. We can say that administered and guided prices made a significant contribution to inflation this month. This effect is evident in the core indices. Monthly inflation in the core indicators, which exclude administered/guided prices, stood at 1.39 per cent and diverged significantly from the headline figures. Looking at the dispersion index for July, 117 sub-indices recorded an increase whilst 50 sub-indices showed a decline. For the low-income group, price increases in the items that make up the vast majority of the consumption basket are deviating significantly upwards from 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 36.01 per cent year-on-year in July. Price stickiness is persisting due to adjustments made through fiscal policy. Of the annual inflation rate of 31.75, 19.32 percentage points stem from food, housing and transport. In the B index (core inflation), which is the Special Comprehensive CPI Indicator, monthly inflation stood at 1.66 per cent, whilst annual inflation stood at 30.98 per cent. Whilst monthly core inflation was 0.8 percentage points lower than headline inflation, annual inflation was higher due to base effects. The upward trend in energy prices observed in July pushed headline inflation higher through adjustments to administered/regulated prices. We can expect a situation where a slowdown in the underlying inflation trend will become more pronounced once supply shocks subside. The resurgence of the war and geopolitical tensions in July brought about another temporary shock, and interest rate cuts have been postponed for a while longer. We believe that, in an environment where tensions ease and negative supply shocks subside, the postponed interest rate cuts will be implemented aggressively. Real interest rates will continue their positive trend this year, as they have in recent years. However, according to our base scenario, the trajectory of real interest rates may move within a narrower band in the coming period. We forecast that inflation will close at 29 per cent and the policy rate at 33 per cent this year.

CPI, PPI and Core CPI (YoY %)



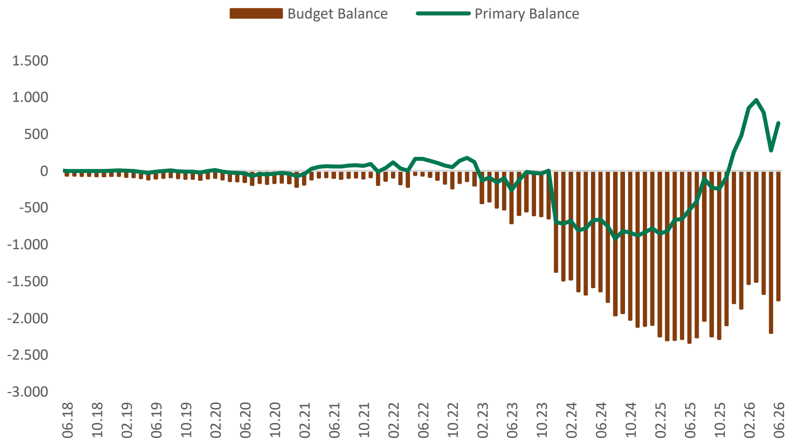
PPI - CPI Spread



Budget Balance - June

According to the central government budget figures for June published by the Ministry of Treasury and Finance, budget revenue stood at 1,509.6 billion TL, whilst budget expenditure amounted to 1,395.5 billion TL. During the same period, non-interest budget expenditure stood at 1,193.9 billion TL. Against this backdrop, the budget surplus amounted to 114.2 billion TL, whilst the non-interest balance recorded a surplus of 315.8 billion TL. The recovery this month from the significant decline in income tax revenue seen in the previous month had a positive impact on budget performance. Interest expenditure rose again to the 200 billion TL level in June. Interest payments from the budget in the first half of the year totaled 1.46 trillion TL. Almost the entirety of the projected budget deficit consists of interest expenditure, whilst the primary budget balance remains positive. When examining the details of expenditure items, personnel costs stood at 389 billion TL in June. As these items reflect the impact of inflation, the level of volatility is very low. Current transfers remained close to flat at 465 billion. This item has stabilized at around 500 billion. Capital expenditure rose to 110 billion TL this month. 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. Revenues from excise duty and VAT on imports have also recovered significantly this month. Reductions in funding and borrowing costs will lower interest expenditure, thereby easing budgetary performance in the coming period. 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 highly tight monetary policy and persistently high interest rates. The pressure exerted by geopolitical developments on inflation is also affecting fiscal policy via excise duty revenues. The end of the war and the decline in energy prices will also ease the pressure on the budget.

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

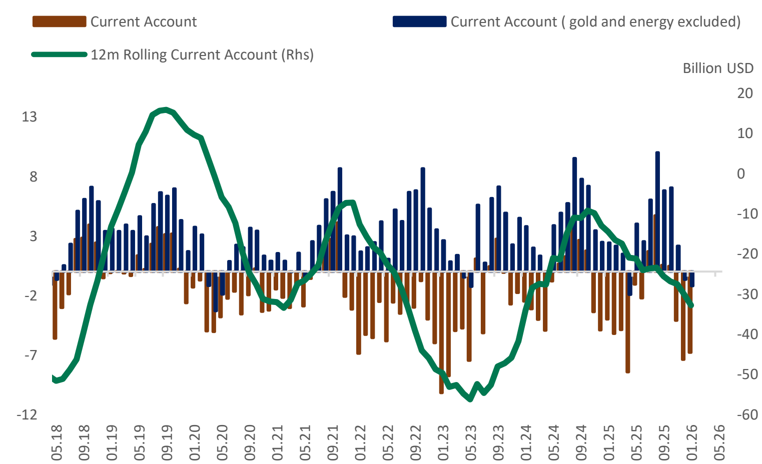


Macroeconomic Outlook

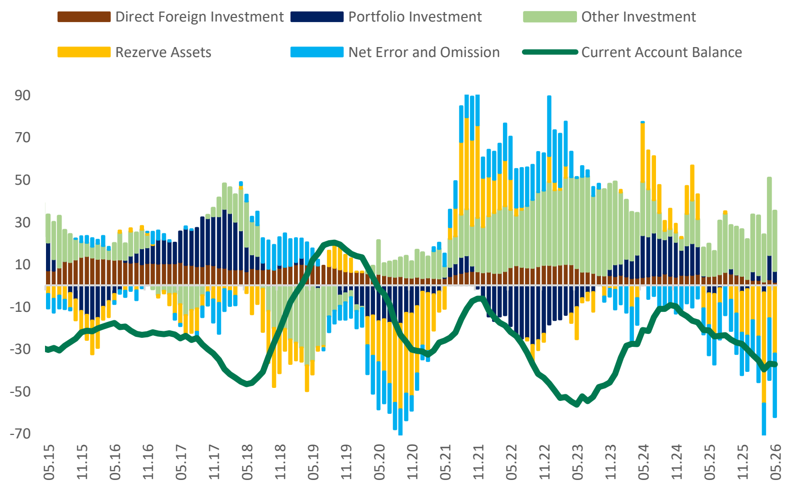
Balance of Payments - May

According to balance of payments statistics, the current account balance recorded a deficit of 1.46 billion US dollars in May, whilst the annualized current account deficit stood at 37.3 billion US dollars. Whilst the trade deficit slowed significantly, the positive momentum in the services balance accelerated due to seasonal effects. In May, reserves fell by 3.3 billion US dollars, whilst there was a net outflow of 3 billion US dollars in portfolio investments. Volatility in oil prices is putting pressure on the balance of payments. As a net energy importer, the positive impact of oil—which has fallen from its peak prices—on the current account deficit is undeniable. Examining the sub-components of the balance of payments developments, the trade deficit narrowed by approximately 2.5 billion US dollars compared with the previous month, standing at a deficit of 4.3 billion. We are entering a period where we will feel the positive impact of the spring and summer months on the services balance. In May, inflows from the services balance rose to 5.2 billion US dollars (up from 3.7 billion previously). Looking at the 12-month cumulative figures, the trade deficit stood at 74.4 billion US dollars and inflows from the services balance at 62.5 billion US dollars. Excluding gold and energy, the current account recorded a surplus of 3.6 billion US dollars this month. The trend in core indicators has turned positive once again. According to CBRT data, there has been a marked slowdown in domestic demand dynamics. This indicator will limit the increase in the current account deficit via foreign trade. Negative supply-side shocks have exerted significant pressure on the current account deficit. Whilst oil prices during the March–May period increased vulnerability, the ceasefire and the prospect of an end to the war brought positive effects in June. However, it appears that it will take time for geopolitical developments to transition to a phase of lasting peace. In this context, we believe that the upside risks to the current account deficit remain significant.

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



Finance of Current Account Deficit (Billion USD)

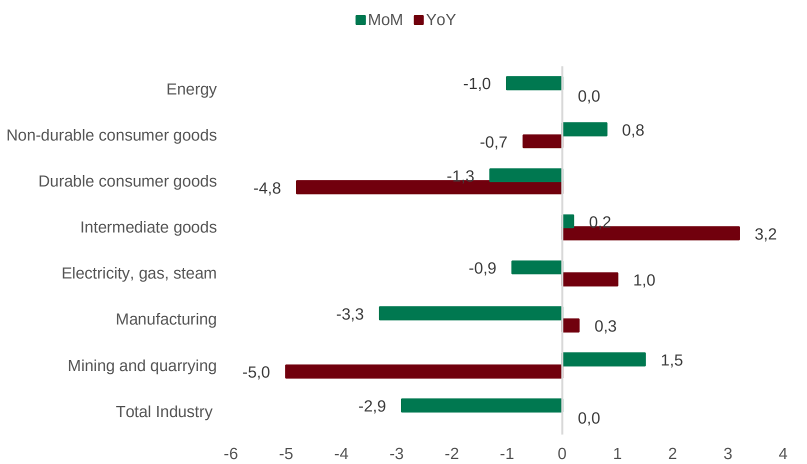


Macroeconomic Outlook

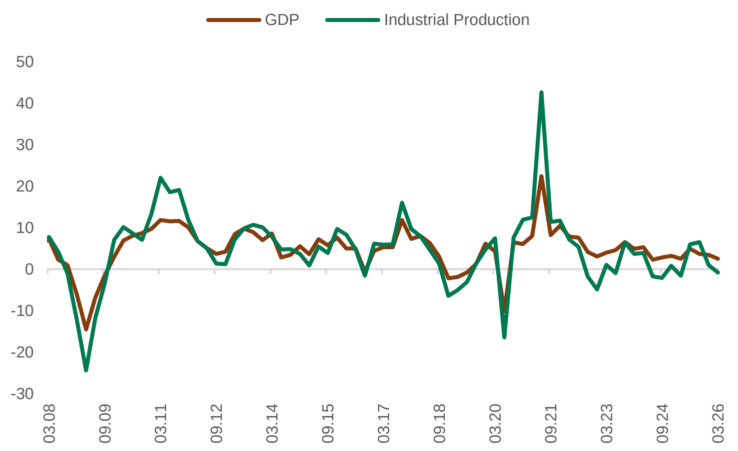
Industrial Production- May

According to industrial production index data, seasonally and calendar-adjusted production fell by 2.9 per cent in May compared with the previous month. Year-on-year production, however, remained flat at 0 per cent. Whilst GDP growth saw a modest pullback in the first quarter, industrial production had contracted. The marked slowdown in economic activity is noteworthy. As indicated in the CBRT's interest rate decision, there is a marked pullback in domestic demand. Whilst production and order indicators remain in contractionary territory, the slowdown in real economic activity continues. In particular, the shift towards tight monetary policy in developed countries is also leading to a slowdown in external demand. In May 2026, the mining and quarrying sector index fell by 5.0 per cent compared with the same month of the previous year, the manufacturing sector index rose by 0.3 per cent, and the electricity, gas, steam and air-conditioning production and distribution sector index rose by 1.0 per cent. In terms of monthly indicators, the mining and quarrying sector index rose by 1.5 per cent compared with the previous month, the manufacturing sector index fell by 3.3 per cent, and the electricity, gas, steam and air-conditioning production and distribution sector index fell by 0.9 per cent. In our baseline scenario at the start of the year, we had anticipated that economic activity and industrial companies would show a more positive performance from the first quarter onwards. However, the resurgence of geopolitical tensions is increasing uncertainty regarding the extent to which oil prices will drive up inflation. Although recent developments have delayed interest rate cuts, we believe that aggressive rate cuts will commence in the event of a ceasefire and the end of the war. 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 programme. In particular, we expect interest rate cuts by the Central Bank of the Republic of Turkey (TCMB) to make a positive contribution to domestic demand and orders, thereby triggering indicators of pent-up demand.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



Akbank (OP, 12M TP: TRY96.76) Upside:53%

Fees supported earnings; margin pressure persist

Akbank posted TRY 15.2bn net income in its 2Q26 bank-only financials (-20.7% QoQ, +36.6% YoY). The result came in line with the TRY 15.0bn market consensus, while exceeding our TRY 12.1bn estimate by 25.2%. The deviation from our forecast was driven primarily by the recovery in fee income.

Net interest income rose 4.9% QoQ to TRY 42.6bn, while swap costs increased 13.5% to TRY 18.1bn. Accordingly, swap-adjusted net interest income declined 0.7% QoQ to TRY 24.5bn, and the swap-adjusted net interest margin narrowed by 19bps to 3.04%. The contraction reflects a 403bps increase in the TRY time deposit cost to 38.3%, while the TRY loan yield remained flat at 31.5%. The only supportive item was CPI-linked securities income, up 39% QoQ to TRY 20.8bn. In this quarter, CPI linker valuation alone accounted for 2.58pps of the margin; excluding linkers, the swap-adjusted NIM fell to 0.47% from 1.28%.

Fee performance was the strongest aspect of the quarter. Net fee and commission income rose 13.6% QoQ and 32.8% YoY to TRY 34.3bn.

Operating expenses declined 1.3% QoQ to TRY 34.1bn (+32.4% YoY), following the one-off salary adjustment specific to the first quarter. Akbank's fee-to-opex coverage ratio improved to 100.6% from 87.3%.

Asset quality deteriorated moderately. The NPL ratio was flat at 3.84%; we would note, however, that this figure incorporates a 35bps improving effect from the sale of a TRY 7.5bn gross NPL portfolio for TRY 1.2bn during the quarter. Accordingly, the net cost of risk rose to 256bps from 205bps.

Akbank revised its 2026 year-end guidance downward: swap-adjusted NIM to 3.2-3.5% from 4%, ROE to 23-25% from the high 20s, FX loan growth to high single digits from above 10%, and the cost/income ratio from the low-40s to the high-40s. The remaining guidance items were left unchanged.

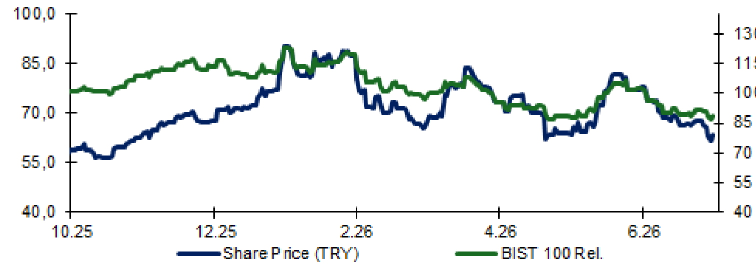
We maintain our 12-month target price of TRY 96.76/shr. and 'Outperform' recommendation for Akbank. Our target price implies 53% upside from current levels, and we maintain our "OUTPERFORM" recommendation. We model 69.2% earnings growth in 2026. The shares trade at 3.4x 2026E P/E and 0.85x P/BV, with an average ROE of 28.9%.

Mcap (TRYmn)	329.680	Beta (12M)	1,35
Mcap (USDmn)	6.966	Avr. Daily Vol. (TRYr	8.270
Close	63,40	Foreign Ownership i	41,5%
Last 12M High	90,60	Free Float (%)	52,0%
Last 12M Low	51,40	Weight	4,18%

Quick Facts (TRY Mn)	2024A	2025A	2026E	2027E
Net interest income	41.766	64.241	113.483	162.759
% Change, YoY	*-29,9%*	*53,8%*	*76,7%*	*43,4%*
Net fee income	69.162	114.402	154.159	197.808
% Change, YoY	*124,3%*	*65,4%*	*34,8%*	*28,3%*
Net income	42.366	57.247	96.888	143.459
% Change, YoY	*-36,3%*	*35,1%*	*69,2%*	*48,1%*

Ratios	2024A	2025A	2026E	2027E
NPL ratio	2,9%	3,7%	3,5%	3,4%
CoR (net) Exc. Currency	1,4%	2,3%	2,0%	1,6%
NIM (Swap adj.)	2,2%	2,5%	3,4%	3,7%
ROAA	2,0%	2,0%	2,6%	2,9%
ROAE	19,0%	21,5%	28,9%	30,6%

Multiples	2024A	2025A	2026E	2027E
P/E	8,0	5,8	3,4	2,3
P/BV	1,40	1,06	0,85	0,65



Return	1M	3M	6M	12M
TRY Return (%):	-14,8	-13,4	-20,0	1,1
US$ Return (%):	-16,3	-17,6	-26,7	-13,6
BIST-100 Relative (%):	-11,2	-9,3	-21,6	-22,1

Source: Bank financials, Seker Invest Research

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

Upside: 45%

Robust Growth in New Export Contracts and Backlog…

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.

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.

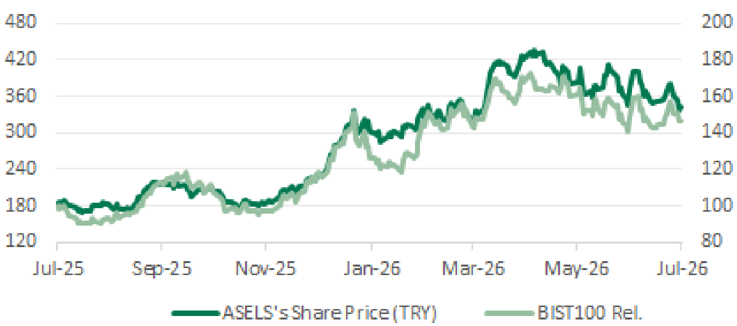
We maintain our 12-month target price of TRY 495.00/share and 'Outperform' recommendation for ASELSAN (ASELS.TI). Our target price implies a 45% upside potential relative to the closing price of the stock as of July 31, 2026.

Code	ASELS.TI	Close	342,25
MCAp (TRY m)	1.560.660	Last 12M High	450,00
MCAp (US$ m)	32.963	Last 12M Low	166,79
EV (TRY m)	1.582.744	Beta	0,93
EV (US$ m)	33.461	Avg. daily trading vol. (US$ m)	214,7
Free float (%)	26,00	Foreign ownership in FF (%)	50,8%

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	43,5
EV/EBITDA	13,6	11,5	22,6	24,5
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 (%):	-0,8	-18,6	47,7	83,3
US$ Return (%):	-2,4	-22,6	33,8	56,8
BIST-100 Relative (%):	4,1	-12,6	23,6	46,3



Source: PDP, Finnet, Seker Invest Research estimates

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

Cimsa (OP, 12M TP: TRY70.55) Upside: 57%

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.

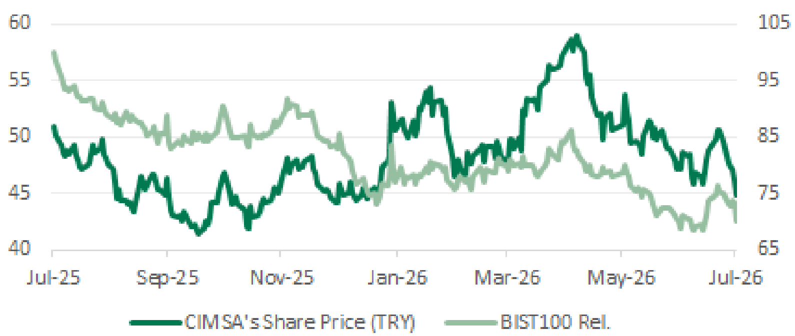
On the operational side, weak domestic demand conditions were evident, with domestic sales volume declining by 6.8% YoY. In contrast, international operations grew by 10.9%, and supported by the commissioning of the grey cement grinding facility in the US, consolidated sales volume increased by 2.0%. 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 (CIMSA.TI). Our target price implies a 57% upside potential relative to the closing price of the stock as of July 31, 2026.**

Code	CIMSA.TI	Close		44,84
MCAp (TRY m)	42.400	Last 12M High		60,00
MCAp (US$ m)	896	Last 12M Low		40,55
EV (TRY m)	65.776	Beta		1,06
EV (US$ m)	1.422	Avg. daily trading vol. (US$ m)		11,2
Free float (%)	45,00	Foreign ownership in FF (%)		9,6%
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%	2,1%
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	9,1
EV/EBITDA	8,2	11,4	7,3	6,0
EV/Sales	0,7	1,5	1,3	1,1
P/BV	1,5	1,8	1,2	1,2
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-4,8	-22,2	-2,1	-12,0
US$ Return (%):	-6,4	-26,0	-11,3	-24,7
BIST-100 Relative (%):	-0,1	-16,5	-18,1	-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: TRY182.99) Upside:48%
Strong fee income, downside risk to margin outlook

Garanti BBVA posted TRY 30.4bn net income in its 2Q26 bank-only financials (-8.8% QoQ, +7.3% YoY). The result exceeded our TRY 27.9bn estimate by 8.8%. The deviation from our forecast was driven primarily by strong growth in fee income and lower-than-expected operating expenses.

Net interest income declined 5.6% QoQ to TRY 57.4bn, while swap costs fell 5.0% to TRY 10.5bn. Accordingly, swap-adjusted net interest income declined 5.8% QoQ to TRY 46.9bn (+57.2% YoY), and the swap-adjusted net interest margin narrowed by 71bps to 5.05%. The contraction mainly reflects a 251bps increase in the TRY time deposit cost to 37.2%, while the TRY loan yield rose 109bps to 33.5%. The only supportive item was CPI-linked securities income, up 34.4% QoQ to TRY 8.1bn on valuation gains.

Fee performance was the strongest aspect of the quarter. Net fee and commission income rose 12.3% QoQ and 35.5% YoY to TRY 46.7bn.

Operating expenses declined 1.8% QoQ to TRY 47.7bn (+36.0% YoY), following the one-off salary adjustment specific to the first quarter. Garanti BBVA's fee-to-opex coverage ratio improved to 98.0% from 85.6%.

Asset quality deteriorated moderately. The NPL ratio rose to 4.08% from 3.69%. Accordingly, the quarterly net cost of risk rose to 325bps from 240bps. The bank attributed the increase to inflows from the unsecured loan portfolio and the expiry of the loan restructuring regulation.

Garanti BBVA left its 2026 year-end guidance unchanged: TRY loan growth (30-35%), FX loan growth (mid-single-digit), net cost of risk (2-2.5%, excluding the currency impact), net fee growth (30-35%) and operating expense growth (45-50%) were all reiterated as in line with expectations. The bank did, however, flag downside risk to swap-adjusted NIM (~75bps expansion) and average ROE (mid-single-digit positive in real terms).

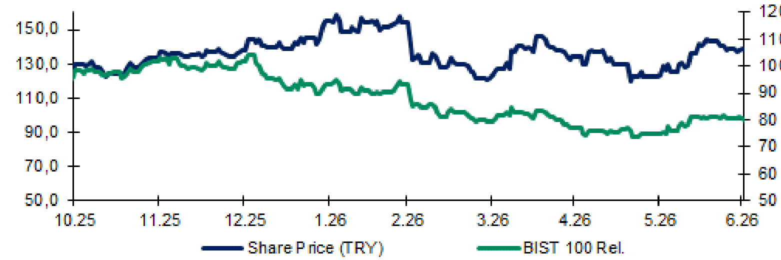
We maintain our 12-month target price of TRY 182.99/shr. and 'Outperform' recommendation for Garanti BBVA. Our target price implies 48% upside from current levels, and we maintain our "OUTPERFORM" recommendation. The shares trade at 3.5x 2026E P/E and 0.97P/BV, with an average ROE of 30.4%.

Mcap (TRYmn)	518.280	Beta (12M)	1,21
Mcap (USDmn)	10.951	Avr. Daily Vol. (TRYr	4.434
Close	123,40	Foreign Ownership i	4,0%
Last 12M High	163,11	Free Float (%)	14,0%
Last 12M Low	110,92	Weight	1,77%

Quick Facts (TRY Mn)	2024A	2025E	2026E	2027E
Net interest income	70.413	142.673	222.861	276.480
% Change, YoY	*1,2%*	*102,6%*	*56,2%*	*24,1%*
Net fee income	94.124	142.747	192.706	244.100
% Change, YoY	*130,9%*	*51,7%*	*35,0%*	*26,7%*
Net income	92.175	110.605	147.957	176.659
% Change, YoY	*5,5%*	*20,0%*	*33,8%*	*19,4%*

Ratios	2024A	2025E	2026E	2027E
NPL ratio	2,2%	3,5%	4,3%	3,6%
CoR (net) Exc. Currency	1,2%	2,1%	2,3%	2,0%
NIM (Swap adj.)	3,5%	4,9%	5,7%	5,4%
ROAA	4,0%	3,4%	3,4%	3,0%
ROAE	32,6%	29,1%	30,4%	28,4%

Multiples	2024A	2025E	2026E	2027E
P/E	5,7	5,4	3,5	2,9
P/BV	1,58	1,36	0,97	0,73



Return	1M	3M	6M	12M
TRY Return (%):	-8,0	-4,8	-16,7	-5,5
US$ Return (%):	-9,6	-9,5	-23,6	-19,1
BIST-100 Relative (%):	-3,4	0,9	-14,6	-26,6

Source: Bank financials, Seker Invest Research

Migros (OP, 12M TP: TRY910.00) Upside: 45%

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 July 31, 2026, the stock is trading at 2026E EV/EBITDA of 3.1x and 2026E P/E of 11.5x, implying 45% upside potential.

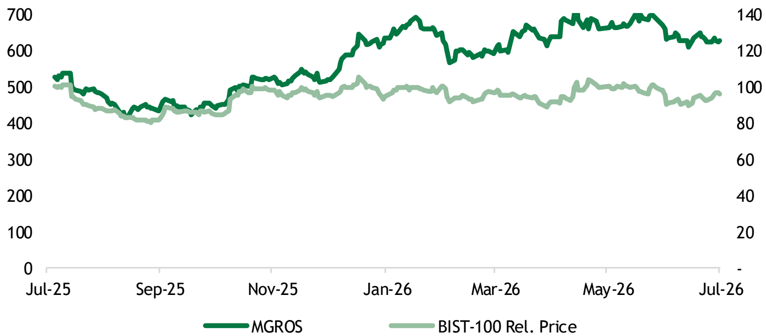
Despite high inflation and an increasingly competitive landscape, we view positively Migros' ability to expand its FMCG market share through a multi-channel growth strategy. We expect the increase in store count and associated sales area, along with the positive contribution from online channels, to 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	625,50
MCap (TRY mn)	113.249	Last 12M High	727,00
MCap (US$ mn)	2.392	Last 12M Low	409,72
EV (TRY mn)	120.853	Beta	0,91
EV (US$ mn)	2.563	Avg. Daily Trading Vol. (US$ m)	35,4
Free Float (%)	50,82	Foreign Ownership in FF (%)	40,77

Key Figures (TRY mn)	* 2023	* 2024	2025	2026E
Revenues	404.043	452.821	486.055	559.148
Growth (%)		*12,1%*	*7,3%*	*15,0%*
EBITDA	6.993	24.347	32.172	38.741
EBITDA Margin (%)		*5,4%*	*6,6%*	*6,9%*
Net Profit	19.818	9.772	7.615	9.863
EPS (TRY)	109,46	53,97	42,06	54,48
Dividend Yield (%)	1,1%	1,6%	1,3%	2,6%
Net Debt/EBITDA (x)	-0,81	-0,09	0,14	0,05
Net Debt/Equity (x)	-0,07	-0,03	0,05	0,02
ROAE (%)		11,6%	8,3%	9,9%
ROAA (%)		4,5%	3,2%	3,9%
Valuation Metrics	*** 2023**	*** 2024**	**2025**	**2026E**
P/E	5,7	11,6	14,9	11,5
EV/EBITDA	17,3	5,0	3,8	3,1
EV/Sales	0,3	0,3	0,2	0,2
P/BV	1,4	1,5	1,4	1,1
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-6,6	-1,8	20,6	21,1
US$ Return (%):	-8,1	-6,7	9,3	3,6
BIST-100 Relative (%):	-2,0	5,3	0,9	-3,4



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

** 2023 & 2024 & 2025 financials are Indexed according to 2026/06 with IAS-29.*

Sabanci Holding (OP, 12M TP: TRY173.19) Upside: 105%

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. Following the approval granted by the Competition Authority, the transaction was completed on 31 July 2026. After adjusting the agreed total enterprise value of USD 325mn for net debt and net working capital as of the closing date in accordance with the terms stipulated in the agreement, Sabancı Holding made a payment of USD 85.5mn to Yeni Mağazacılık A.Ş.

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. Following the approval granted by the Competition Board, 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.

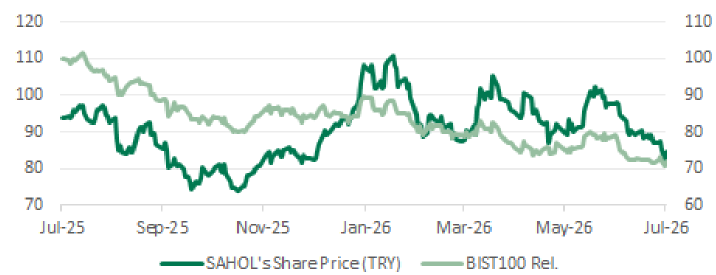
We maintain our 12-month target price of TRY 173.19/share and 'Outperform' recommendation for Sabancı Holding (SAHOL.TI). Our target price implies a 105% upside potential relative to the closing price of the stock as of July 31, 2026.

Code	SAHOL.TI	Close	84,50
MCAp (TRY m)	177.482	Last 12M High	113,18
MCAp (US$ m)	3.749	Last 12M Low	72,73
EV (TRY m)	443.506	Beta	1,30
EV (US$ m)	9.883	Avg. daily trading vol. (US$ m)	72,5
Free float (%)	51,00	Foreign ownership in FF (%)	26,6%

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%*
Consalidated 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 (%):	-13,3	-11,7	1,9	-10,0
US$ Return (%):	-14,7	-16,0	-7,7	-22,9
BIST-100 Relative (%):	-9,1	-5,2	-14,7	-28,1



Source: PDP, Finnet, Seker Invest Research estimates

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

Turkcell (OP, 12M TP: TRY150.00) Upside: 50%

Sustained Growth in Total Revenues…

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 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%).

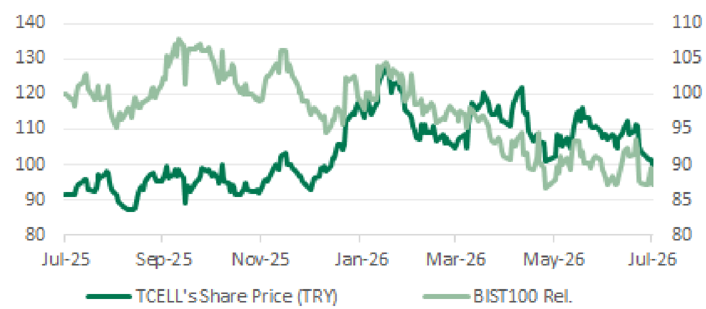
2026 guidance maintained. Turkcell continues to expect revenue growth of 5–7% and an EBITDA margin of 40–42% for 2026, while targeting an operational expenditure-to-revenue ratio of 25%. In addition, the Company expects revenue growth of 18–20% in its Data Center and Cloud business segment. **In line with our forecasts, we keep our 12-month target price for Turkcell (TCELL.TI) unchanged at TRY 150.00 per share. Based on the July 31, 2026 closing price, our target price implies a 50% upside potential, and we maintain our OUTPERFORM recommendation.**

Code	TCELL.TI	Close	99,95
MCAp (TRY m)	219.890	Last 12M High	129,60
MCAp (US$ m)	4.644	Last 12M Low	85,45
EV (TRY m)	306.427	Beta	0,98
EV (US$ m)	6.594	Avg. daily trading vol. (US$ m)	61,7
Free float (%)	44,00	Foreign ownership in FF (%)	45,9%

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%	3,09%	3,40%
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	9,0
EV/EBITDA	3,2	3,3	2,5	2,4
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 (%):	-6,9	-10,8	7,4	9,2
US$ Return (%):	-8,5	-15,3	-2,8	-6,6
BIST-100 Relative (%):	-2,3	-4,3	-10,2	-12,8



Source: PDP, Finnet, Seker 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: 20%

Despite the normalization in oil prices, product cracks and peak-season dynamics continue to support the investment thesis…

Globally, oil price volatility driven by geopolitical risks persists, while Brent oil prices saw a limited normalization in July. According to Tupras's August investor presentation, Brent declined by 2.5% MoM from USD 85.5 /bbl in June to USD 83.4 /bbl in July. Brent trading close to its five-year average indicates that the geopolitical risk premium created by the Israel/US-Iran tensions on oil prices has diminished significantly. Nevertheless, while OPEC+ decisions and the supply-demand outlook keep oil price volatility elevated, they increase the importance of product-level differentiation for refinery margins.

Following the normalization observed in June, product cracks strengthened markedly again in July. The diesel crack increased from USD 45.8 /bbl to USD 75.0 /bbl, the jet fuel crack from USD 42.1 /bbl to USD 64.1 /bbl, and the gasoline crack from USD 31.4 /bbl to USD 43.9 /bbl. The high-sulfur fuel oil crack improved slightly from –USD 12.5 /bbl to –USD 12.4 /bbl. In particular, middle-distillate cracks remaining significantly above historical averages strongly supports the net refining margin (NRM) outlook, considering Tupras's product mix.

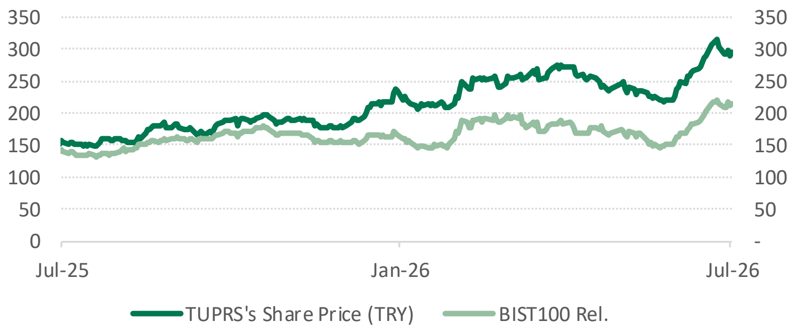
Heavy-light crude oil differentials normalized markedly in June and July following the exceptional movement observed in May due to geopolitical developments. The return of heavy crude oil to discounted levels is supportive of feedstock costs and the NRM outlook, considering Tupras's complex refinery structure and its ability to process lower-cost heavy crude oil. We believe that a widening in heavy crude oil discounts could create additional upside potential for NRM.

On the balance-sheet side, strong cash generation and the net cash position continue to support the company's financial flexibility. Tupras maintained its strong balance-sheet structure with TRY 74.7 bn net cash and -1.0x Net Debt/EBITDA as of end of 1Q26. The announced total TRY 33 bn gross dividend plan implies a dividend yield of approximately 5.8% based on the current market capitalization of TRY 568.9 bn. The first installment of TRY 20 bn was paid on March 16, 2026, while the remaining second installment of TRY 13 bn will be paid on September 30, 2026.

For 2026, a more balanced but sustainable margin environment is expected. Management guides for an NRM of USD 6–7 /bbl, a capacity utilization rate of 95–100%, sales volume of approximately 30 mn tons, and consolidated capital expenditures of approximately USD 700mn. The strong performance observed in middle-distillate and gasoline cracks in July, peak-season dynamics, and the company's product-margin and inventory-hedging policies support the profitability outlook. If current product cracks are sustained, we believe that the strong margin outlook has the potential to translate positively into the upcoming financial results..

In line with our expectations, we maintain our 12-month target price of TRY 355.76 per share for Tupras and reiterate our "OUTPERFORM" recommendation. Based on the latest closing price, our target price implies 20% upside potential. In view of our expectation of strong results in the upcoming earnings period, peak-season dynamics, and the potential for the strong performance in product cracks to translate positively into the financials, we continue to hold the stock in our model portfolio for another month. The company's strong cash generation, net cash position, and high dividend-paying capacity also support the investment thesis.

Code	TUPRS.TI	Close		295,25
MCAp (TRY m)	568.886	Last 12M High		320,25
MCAp (US$ m)	12.016	Last 12M Low		147,06
EV (TRY m)	494.180	Beta		0,52
EV (US$ m)	10.333	Avg. daily trading vol. (US$ m)		128,3
Free float (%)	49,00	Foreign ownership in FF (%)		36,9%
Key figures	**2023A***	**2024A***	**2025A***	**2026E**
Revenues	1.427.697	1.167.251	913.742	1.130.536
Growth		*-18,2%*	*-21,7%*	*23,7%*
EBITDA	200.140	73.032	68.306	141.524
EBITDA margin	*14,0%*	*6,3%*	*7,5%*	*12,5%*
Net profit	111.419	26.381	32.488	113.941
EPS	404,78	13,69	16,86	59,13
Dividend yield	14,9%	9,1%	5,8%	16,0%
Net debt /EBITDA	-0,65	-1,08	-0,92	-0,20
Net debt /Equity	-0,31	-0,19	-0,16	-0,06
ROAE		6,4%	8,1%	25,2%
ROAA		3,7%	5,0%	16,2%
Valuation metrics	**2023A***	**2024A***	**2025A***	**2026E**
P/E	5,1	14,9	10,9	5,0
EV/EBITDA	2,2	4,3	7,2	3,5
EV/Sales	0,1	0,2	0,3	0,4
P/BV	1,4	1,0	0,9	1,1
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	29,8	8,9	66,7	89,2
US$ Return (%):	27,7	3,6	51,0	61,9
BIST-100 Relative (%):	36,2	16,9	39,5	51,1



Source: PDP, Finnet, Seker 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: 42%

Growth Underpinned by Fleet Investments and Network Positioning…

➢ We maintain our 12-month target share price of **TRY 445.00/shr**, and our **"OUTPERFORM"** recommendation. Based on the closing price as of July 31, 2026, our target price implies 42% upside potential, while THY is trading at 2026E P/E and EV/EBITDA multiples of 4.57x and 5.02x, respectively.

➢ In June 2026, THY's total PAX declined by 1.6% YoY to 8.1mn, with int'l passengers rising 1.5% YoY to 5.2mn and domestic passengers decreasing 6.9% YoY to 2.9mn. The share of int'l passengers in total traffic reached 64.2%, while we view the 2.3 pp YoY increase in the PLF to 84.5% as positive from an operational performance perspective. The 11.6% YoY increase in cargo volume also continues to support the company's revenue mix.

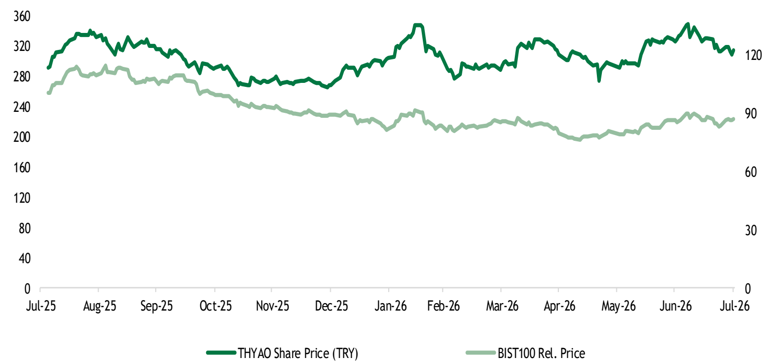
➢ We expect THY's fleet size to reach 566 aircraft in 2026 (THY: 570 aircraft, 2025: 516 aircraft). We view the gradual return of GTF-powered NEO aircraft throughout 2026 as an important catalyst. In addition, we expect the Air Europa investment to contribute positively to THY's growth potential across 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	314,00
MCAp (TRY mn)	433.320	Last 12M High	355,50
MCAp (US$ mn)	9.152	Last 12M Low	262,75
EV (TRY mn)	963.714	Beta	0,89
EV (US$ mn)	21.099	Avg. Daily Trading Vol. (US$ mn)	309,5
Free Float (%)	50,40	Foreign Ownership in FF (%)	21,53

Key Figures (USD mn)	2023	2024	2025	2026E
Revenues	20.942	22.669	24.096	27.388
Growth (%)	*13,7%*	*8,2%*	*6,3%*	*13,7%*
EBITDA	5.533	5.059	5.059	4.204
EBITDA Margin (%)	*26,4%*	*22,3%*	*21,0%*	*15,3%*
Net Profit	6.021	3.425	2.910	2.004
EPS	4,36	2,48	2,11	1,45
Dividend Yield	0,00%	2,41%	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	1,52	2,67	3,15	4,57
EV/EBITDA	3,81	4,17	4,17	5,02
EV/Sales	1,01	0,93	0,88	0,77
P/BV	0,59	0,47	0,43	0,39
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-3,68	1,87	16,95	10,15
US$ Return (%):	-5,25	-3,18	5,91	-5,74
BIST-100 Relative (%):	1,07	9,32	-2,14	-12,07



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

Yapi Kredi Bank (OP, 12M TP: TRY51.10) Stronger-Than-Expected Profitability

Upside: 56%

Yapı Kredi posted TRY 10.7bn net income in its 2Q26 bank-only financials, in line with both our estimate and the market median. The result implies a 47.2% decline QoQ and a 5.4% decline YoY.

Net interest income rose 1.2% QoQ to TRY 54.2bn, while swap costs increased 10.5% to TRY 33.6bn. Accordingly, swap-adjusted net interest income declined 11.1% QoQ to TRY 20.6bn (+101.5% YoY), and the swap-adjusted net interest margin narrowed by 50bps to 2.7%. The contraction mainly reflects a 131bps increase in the TRY time deposit cost, against a 66bps increase in the TRY loan yield. The only supportive item was CPI-linked securities income, up 24.2% QoQ to TRY 15.6bn on valuation changes; we calculate the contribution of CPI linker income to the quarterly margin change at 31bps.

Limited growth in fee income. Yapı Kredi's net fee and commission income rose 3.2% QoQ and 16.7% YoY to TRY 31.3bn. Operating expenses increased 5.4% QoQ (+34.3% YoY); within the breakdown, personnel expenses declined 0.7% while non-personnel expenses rose 8.9%. Accordingly, the bank's fee-to-opex coverage ratio declined to 87.7% from 89.5%.

Asset quality deteriorated moderately. The NPL ratio rose to 4.33% from 4.06%. Accordingly, the quarterly net cost of risk rose to 250bps.

Yapı Kredi left its 2026 year-end guidance unchanged: TRY loan growth (30%), FX loan growth (low single digits), swap-adjusted NIM improvement of ≥100bps, net fee growth (in line with inflation) and operating expense growth (≤35%) were all reiterated. The bank did, however, flag risk to its net cost of risk guidance (150-175bps). The average ROE guidance was maintained at the mid-to-high 20s, against a 1H26 print of 23.4%.

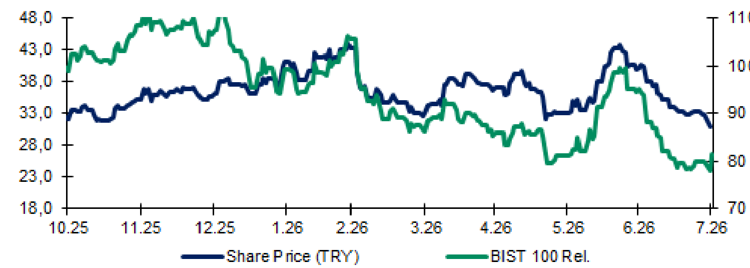
We maintain our 12-month target price of TRY 51.10/shr. and 'Outperform' recommendation for Yapi Kredi Bank. Our target price implies 56% upside from current levels, and we maintain our "OUTPERFORM" recommendation. The shares trade at 3.8x 2026E P/E and 0.84x P/BV, with an average ROE of 25.1%.

Mcap (TRYmn)	276.725	Beta (12M)	1,42
Mcap (USDmn)	5.847	Avr. Daily Vol. (TRYr	6.854
Close	32,76	Foreign Ownership i	19,7%
Last 12M High	44,50	Free Float (%)	39,0%
Last 12M Low	27,14	Weight	2,47%

Quick Facts (TRY Mn)	2024A	2025A	2026E	2027E
Net interest income	13.860	55.536	106.506	171.247
% Change, YoY	*-79,3%*	*300,7%*	*91,8%*	*60,8%*
Net fee income	73.097	110.297	138.928	174.399
% Change, YoY	*112,0%*	*50,9%*	*26,0%*	*25,5%*
Net income	29.017	47.090	72.255	116.376
% Change, YoY	*-57,3%*	*62,3%*	*53,4%*	*61,1%*

Ratios	2024A	2025A	2026E	2027E
NPL ratio	3,1%	3,8%	4,1%	4,6%
CoR (net) Exc. Currency	0,8%	2,2%	2,2%	1,9%
NIM (Swap adj.)	0,7%	2,3%	3,3%	3,9%
ROAA	1,4%	1,7%	1,9%	2,4%
ROAE	15,7%	21,1%	25,1%	31,3%

Multiples	2024A	2025A	2026E	2027E
P/E	8,9	6,5	3,8	2,4
P/BV	1,34	1,20	0,84	0,64



Return	1M	3M	6M	12M
TRY Return (%):	-22,8	-16,3	-24,5	-7,6
US$ Return (%):	-24,0	-20,4	-30,9	-20,9
BIST-100 Relative (%):	-18,0	-9,1	-21,4	-26,2

Source: Bank financials, Seker Invest Research

Recommendation List

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Recommendation List

August 3, 2026

BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	63,40	OP	96,76	329.680	503.152	52,6%	4,94	1,02
GARAN	123,40	OP	182,99	518.280	768.558	48,3%	4,29	1,06
HALKB	37,44	MP	48,80	268.998	350.617	30,3%	8,90	1,19
ISCTR	12,47	OP	23,16	311.750	578.999	85,7%	4,14	0,74
TSKB	10,94	OP	18,00	30.632	50.400	64,5%	2,86	0,61
VAKBN	29,22	OP	52,79	289.743	523.461	80,7%	4,45	0,87
YKBNK	32,76	OP	51,10	276.725	431.644	56,0%	5,00	0,97

HOLDING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AGHOL	35,50	OP	46,74	86.455	113.823	31,7%	24,07	0,68
KCHOL	196,90	OP	318,51	499.318	807.702	61,8%	20,48	0,70
SAHOL	84,50	OP	173,19	177.482	363.759	105,0%	22,30	0,46
TAVHL	271,75	OP	440,00	98.722	159.845	61,9%	18,72	1,20

INDUSTRIAL	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKCNS	237,00	OP	252,50	45.373	48.340	6,5%	71,63	1,67
AKSEN	94,15	OP	110,00	115.460	134.894	16,8%	31,25	1,80
ARCLK	97,25	OP	149,50	65.715	101.021	53,7%	-	0,85
ASELS	342,25	OP	495,00	1.560.660	2.257.200	44,6%	48,00	5,55
BIMAS	390,25	OP	482,50	468.300	579.002	23,6%	21,73	2,48
CCOLA	91,05	OP	103,40	254.765	289.322	13,6%	14,44	3,05
CIMSA	44,84	OP	70,55	42.400	66.712	57,3%	12,52	1,22
DOAS	190,40	OP	302,90	41.888	66.639	59,1%	14,15	0,62
EKGYO	17,91	OP	32,84	68.058	124.802	83,4%	24,58	0,47
EREGL	42,54	OP	42,24	297.780	295.710	-0,7%	634,56	1,01
FROTO	80,10	OP	149,30	281.079	523.900	86,4%	9,07	1,71
KRDMD	41,20	MP	45,00	32.145	35.109	9,2%	165,56	0,50
MGROS	625,50	OP	910,00	113.249	164.759	45,5%	16,70	1,28
OYAKC	20,30	OP	33,35	98.692	162.130	64,3%	13,05	1,42
PETKM	19,12	MP	18,91	48.458	47.935	-1,1%	-	0,71
PGSUS	153,00	OP	271,90	76.500	135.950	77,7%	8,87	0,66
SELEC	213,00	MP	140,00	132.273	86.942	-34,3%	114,33	3,84
SISE	41,74	OP	65,00	127.859	199.110	55,7%	12,63	0,50
TCELL	99,95	OP	150,00	219.890	330.000	50,1%	12,08	0,76
THYAO	314,00	OP	445,00	433.320	614.102	41,7%	3,33	0,45
TOASO	272,50	OP	435,00	136.250	217.500	59,6%	10,88	2,07
TTKOM	51,00	OP	90,00	178.500	315.000	76,5%	6,68	0,73
TUPRS	295,25	OP	355,76	568.886	685.470	20,5%	17,18	1,61
ULKER	86,30	OP	159,80	31.869	59.010	85,2%	9,65	0,65
VESBE	5,75	UR		9.200			-	0,24
ZOREN	2,33	MP	4,30	11.650	21.500	84,5%	-	0,19

Contacts

ŞEKER INVEST RESEARCH

Seker Yatirim Menkul Degerler A.S.
Buyukdere Cad. No:171 Metrocity
A Blok Kat 4-5 34330 SISLI /IST
Turkiye

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, Auto, Aviation, Beverage	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com
Başak Kamber	Glass, Defense, Food, Pharma., Telcos, Cons. Dur.	+90 (212) 334 33 33-251	bkamber@sekeryatirim.com
Muhammed Mücahid Yıldırım	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.tr
Osman Furkan Özdemir	Iron & Steel, Oil, Gas & Derivatives	+90 (212) 334 33 33-245	oozdemir@sekeryatirim.com

Economy & Politic

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
M. Kerim Culum	Trader	+90 (212) 334 33 33-316	kculum@sekeryatirim.com.tr

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