Monthly Equity Strategy

September 2026

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Geopolitical developments, global inflation outlook and central bank expectations shaped markets in August…

The main items on the global markets agenda in August were the conflict between the U.S. and Iran, diplomatic efforts to normalize energy shipments through the Strait of Hormuz, U.S. tariff policies toward its trading partners and expectations regarding the September monetary policy decisions of major central banks. While energy prices remained highly volatile due to geopolitical developments, uncertainty surrounding the interest rate outlook persisted as the PCE inflation measure closely monitored by the Fed remained elevated, despite weakening conditions in the U.S. labor market and a decline in consumer inflation. Meanwhile, artificial intelligence investments and the strong financial results of technology companies were among the main factors supporting global equity markets.

Tensions between the U.S. and Iran, which escalated again in July, continued in August, while diplomatic efforts to restore regular maritime traffic through the Strait of Hormuz gained momentum. Talks between Iran and Oman failed to produce a result in the first part of the month, and the U.S. decision to intensify economic sanctions against Iran weakened the prospect of direct negotiations between the parties. Following the Qatari Prime Minister's visit to Tehran in the final week of the month, Iran agreed to determine the conditions required to restore normal maritime traffic through the strait, while Iran and Oman reached an agreement in principle on establishing a joint maritime transit corridor. Nevertheless, vessel traffic through the Strait of Hormuz remained at only around 5–15% of pre-war levels, indicating that risks to energy supply persisted.

In the U.S., nonfarm payrolls declined by 23k in July, while the unemployment rate fell to 4.1%, supported by a decrease in the labor force participation rate. CPI increased by 0.1% MoM, while annual inflation declined to 3.4% and core inflation fell to 2.5%. In contrast, the PCE, the Fed's preferred inflation gauge, rose by 3.7% YoY, while core PCE increased by 3.3%, indicating that price pressures had not completely subsided. The 0.6% monthly decline in retail sales in July also signaled a slowdown in consumption. No FOMC meeting was held in August. Speaking at the Jackson Hole symposium, Fed Chair Kevin Warsh emphasized that inflation was not slowing at a sufficiently convincing pace and stated that the Fed would continue to act decisively until price stability was achieved. Delivering hawkish messages in his speech, Warsh stressed that the Fed needed to be confident that underlying inflation was moving clearly and at an adequate pace toward the 2% target, otherwise further measures would be required. The probability of a Fed rate hike in September, which had stood at around 30–35% ahead of Jackson Hole, increased to approximately 60% following Warsh's remarks.

In Europe, headline inflation rose to 2.9% in July, while core inflation stood at 2.5%. The Euro Zone's 0.4% economic growth in the second quarter and the resilience of economic activity strengthened expectations that the ECB could raise interest rates again at its September meeting. The minutes of the ECB's July meeting also highlighted the possibility of further tightening if sufficient improvement in the inflation outlook was not achieved. In China, industrial production increased by 4.5% YoY in July, while retail sales rose by 0.6%, both falling short of expectations. The 6.7% contraction in fixed asset investment heightened concerns over domestic demand and the real estate sector. In Japan, Tokyo core inflation rose to 1.8% in August, while tightening signals from the BoJ kept the possibility of another interest rate hike at the September meeting on the agenda.

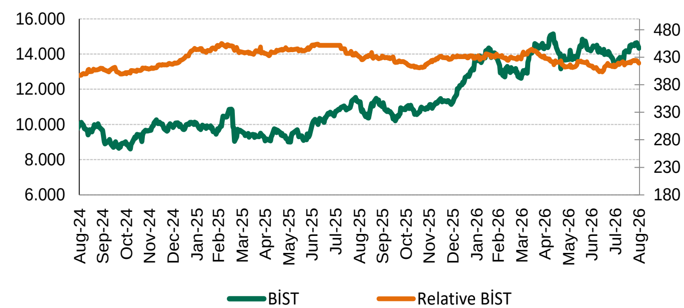
In Türkiye, CPI rose by 1.78% MoM and 31.75% YoY in July, while the gradual decline in annual inflation indicated that the disinflation process remained on track. Although the Manufacturing PMI rose from 47.1 to 47.7 in July, it remained below the threshold level of 50, indicating that weak operating conditions in the manufacturing sector persisted. The current account recorded a deficit of USD 4.19 billion in June, while the current account balance excluding gold and energy posted a surplus of USD 1.46 billion. The consumer confidence index stood at 90.8 in August. According to second-quarter GDP data released on August 31, the Turkish economy expanded by 2.3% YoY in the second quarter. Meanwhile, the CMB published new regulations concerning the operation of investment funds, introducing new limitations regarding the capital requirements of portfolio management companies and off-exchange share sales above certain thresholds.

Although no MPC meeting was held in August, the CBRT's third Inflation Report of the year, published on August 13, was a key development for the monetary policy outlook. The CBRT raised its 2026 year-end inflation forecast from 26% to 28%, while keeping its interim target unchanged at 24%, and announced year-end inflation targets of 15% and 9% for 2027 and 2028, respectively. Governor Fatih Karahan drew attention to the slowdown in the disinflation process and reiterated that the necessary degree of monetary tightness would be maintained until price stability was achieved. In the CBRT Survey of Market Participants, the 2026 year-end inflation expectation increased from 29.21% to 29.43%, while the 12-month-ahead expectation declined from 23.95% to 23.69%. The recovery in reserves also continued, with total reserves rising to USD 188.4 billion and net reserves excluding swaps increasing to USD 55.9 billion in the week ending August 21.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	14.334	6,51%	27,3%
BIST - 100, USD	298	4,7%	13,2%
MSCI Turkey	346.188	8,0%	21,5%
MSCI EMEA	278	5,7%	7,1%
MSCI EM	1.719	3,2%	22,4%
Benchmark Bond	39,93%	-212bps	271bps
USD/TL	48,1745	1,75%	12,44%
EUR/TL	55,8652	2,53%	11,10%
P/E			
Banking	5,2		
Industrial	40,2		
Iron&Steel	35,0		
REIT	17,0		
Telecom	8,7		
2026E P/E	13,8		

*Close as of August 31, 2026

BIST &Portfolio



The CBRT resumed its weekly repo auctions, while expectations regarding the September meeting moved into focus…

Rating: BUY

In September, global markets will focus on developments regarding geopolitical risks stemming from the U.S.-Iran conflict and the Russia-Ukraine war, central bank meetings and the U.S. tariff disputes with its trading partners. Following the release of August employment and inflation data in the U.S., the FOMC meeting scheduled for September 15-16 will be decisive for monetary policy expectations. In Europe, the ECB's September 9-10 meeting and its guidance regarding a potential interest rate hike will be closely monitored, alongside the BoJ's September 17-18 meeting and economic activity data from China. The outlook for energy prices and the decisions to be taken by major central banks within the same month indicate that September could be volatile in terms of global risk appetite.

In Türkiye, the August inflation data to be released on September 3 and the CBRT's MPC meeting on September 10 will constitute the main items on the market agenda. The underlying trend of inflation, the pass-through of energy costs to domestic prices, the outlook for domestic demand and the trajectory of reserves will be decisive for the CBRT's interest rate decision. July current account data, industrial production, labor market indicators and reserve developments will also be closely monitored in terms of their impact on domestic asset prices.

The CBRT did not hold a MPC meeting in August, and the policy rate remained unchanged at 37%. Nevertheless, on August 23, the Bank decided to resume one-week repo auctions, which had been suspended since March 1, as part of its Turkish lira liquidity management framework. Accordingly, market funding began to be provided once again at the 37% policy rate, instead of the 40% overnight lending rate. While this move was regarded as a signal of normalization in the operational framework of monetary policy, it also supported expectations of an interest rate cut in September. However, the upward revision to the 2026 year-end inflation forecast in the third Inflation Report of the year and the continued volatility in energy prices will require the CBRT to maintain a cautious approach. Against this backdrop, August inflation, the underlying trend of inflation and developments in liquidity conditions will be decisive for the interest rate decision at the September 10 meeting.

The BIST 100 Index ended August at 14,334, posting a monthly gain of 6.51%. On a sectoral basis, the BIST Industrial Index rose by 8.33% in August, while the banking index increased by 8.73%.

In September, inflation data, the CBRT's interest rate decision, the reserve outlook, energy prices and news flow regarding the Strait of Hormuz will be decisive for the direction of domestic markets. We believe that the positive outlook for the BIST-100 Index could be maintained if the decline in inflation continues, oil prices trend downward and reserve accumulation persists. Nevertheless, potential profit-taking following the strong performance in August, an increase in geopolitical uncertainty and the possibility that the CBRT will maintain its tight monetary policy stance could heighten short-term volatility. Against this backdrop, we maintain our selective and gradual buying view for the medium- and long-term outlook.

In light of these expectations, we maintain our 12-month target of 16,500 points for the BIST-100 Index. As of the August 31 close, our target implies an upside potential of approximately 15%, while we maintain our BUY recommendation.

The MSCI Turkey Index is trading at 2026E P/E and P/BV multiples of 8.74x and 1.02x, respectively, representing discounts of 24% and 54% to the MSCI Emerging Markets Index. In our latest update dated August 24, we revised our model portfolio by removing TUPRS and adding EKGYO. Following this change, we make no further revisions to our model portfolio this month and maintain its current composition.

Key Market Risks

•An increase in the risk of conflicts spreading across the regions affected by crises, particularly in the Middle East,
•The risk that geopolitical developments adversely affect global inflation through energy prices,
•More hawkish-than-expected monetary policy signals from major central banks, particularly the Fed, ECB and BoJ,
•The risk that the CBRT further tightens its monetary policy stance in the event of a deterioration in inflation expectations,
•Increased volatility in Turkish lira-denominated assets due to news flow regarding domestic political developments,
•Türkiye's removal from the MSCI Emerging Markets Index.

Model Portfolio

Top Picks	Close	TP	Pot.	MoM	Relative
AKBNK.TI	71,85	96,76	34,7%	13,3%	6,4%
ASELS.TI	386,25	495,00	28,2%	12,9%	6,0%
CIMSA.TI	44,68	70,55	57,9%	-0,4%	-6,4%
EKGYO.TI	20,00	32,84	64,2%	11,7%	4,8%
GARAN.TI	130,90	182,99	39,8%	6,1%	-0,4%
MGROS.TI	533,50	910,00	70,6%	-14,7%	-19,9%
SAHOL.TI	93,20	172,63	85,2%	10,3%	3,6%
TCELL.TI	95,05	150,00	57,8%	-4,9%	-10,7%
THYAO.TI	302,25	445,00	47,2%	-3,7%	-9,6%
YKBNK.TI	36,52	51,10	39,9%	11,5%	4,7%
Monthly Return				4,2%	-2,2%

*Close as of August 31, 2026

Add

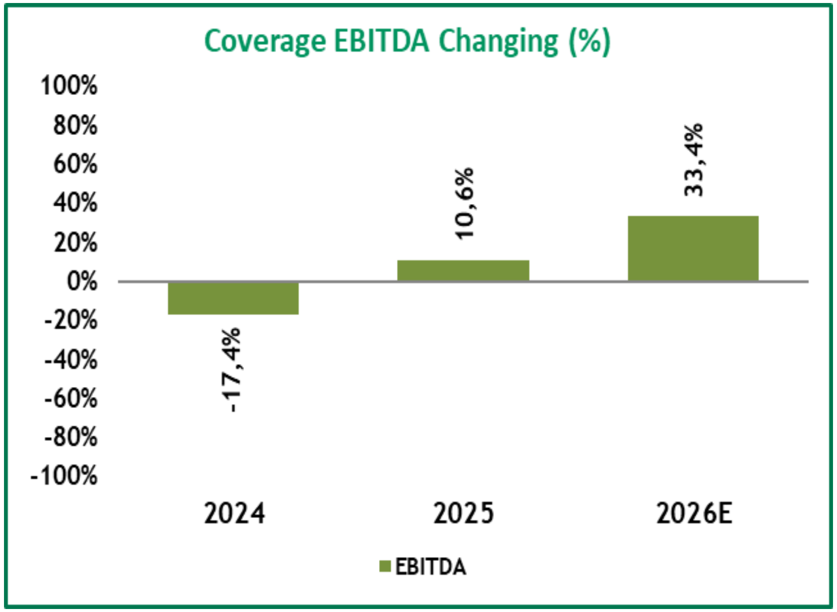
Remove

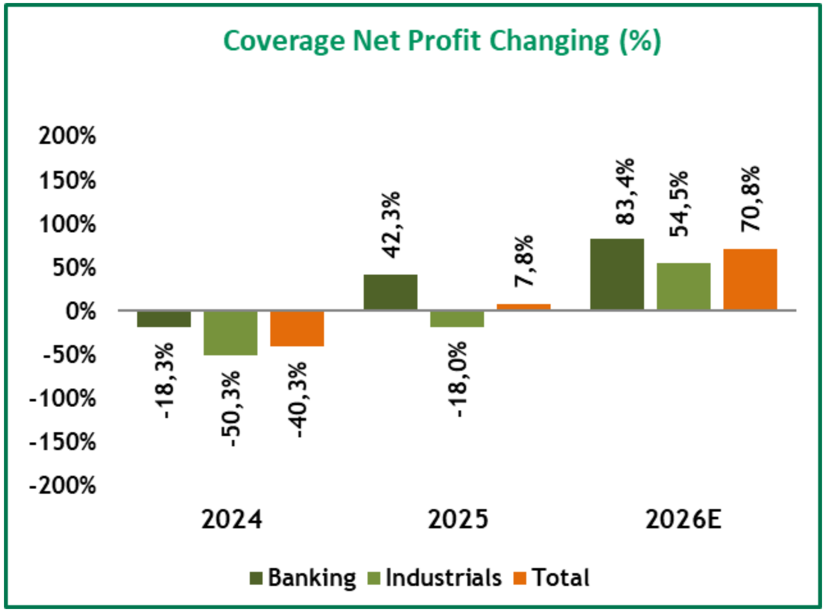
Maintain

AKBNK
ASELS
CIMSA
EKGYO
FROTO
MGROS
SAHOL
TCELL
THYAO
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.

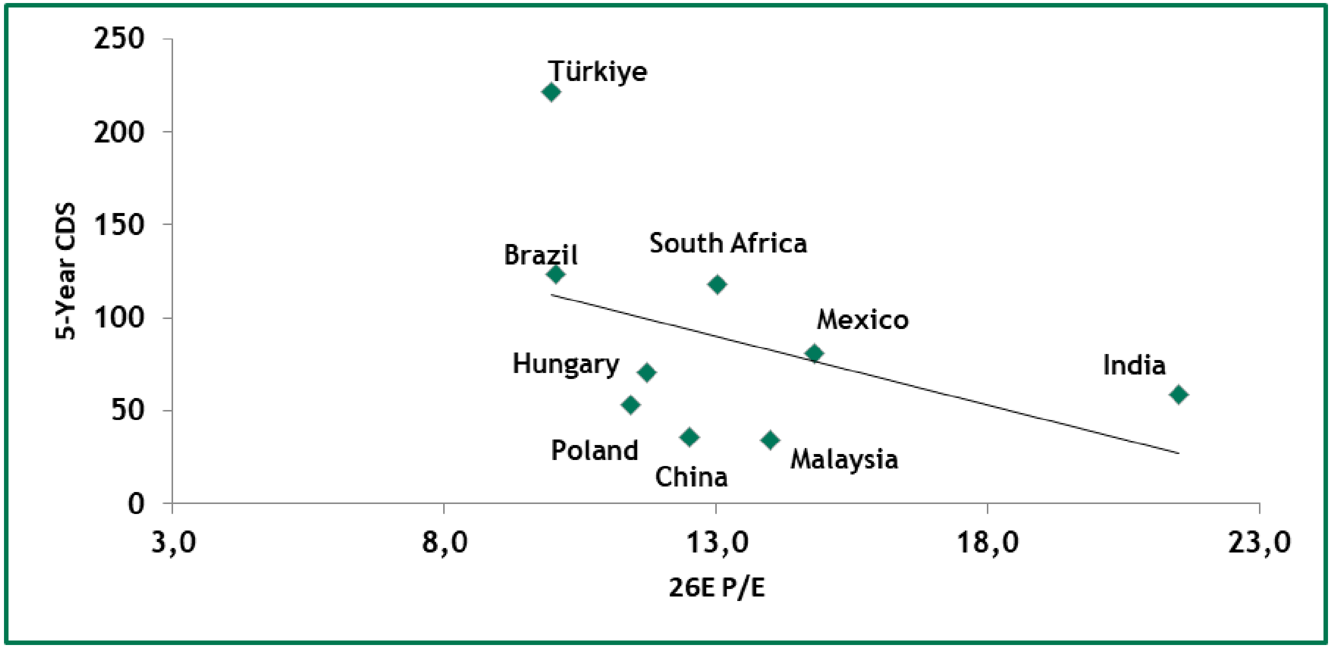
Returns compared to peers

- The MSCI Türkiye Index has risen by 15.9% in absolute terms over the past 12 months. It has underperformed the MSCI EM by 17.9%, and the MSCI EMEA index by 0.8% during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	8,0%	6,2%	15,9%	21,5%
MSCI EM	3,2%	-1,9%	36,6%	22,4%
MSCI EMEA	5,7%	3,5%	16,8%	7,1%
MSCI Eastern Europe	3,4%	6,9%	44,0%	24,6%
MSCI World	2,5%	2,1%	18,9%	12,1%
Relative to MSCI Turkey	**1m**	**3m**	**12m**	**YtD**
MSCI EM	-4,4%	-7,6%	17,9%	0,8%
MSCI EMEA	-2,1%	-2,5%	0,8%	-11,8%
MSCI Eastern Europe	-4,3%	0,7%	24,3%	2,6%
MSCI World	-5,1%	-3,8%	2,6%	-7,7%

As of August 31, 2026

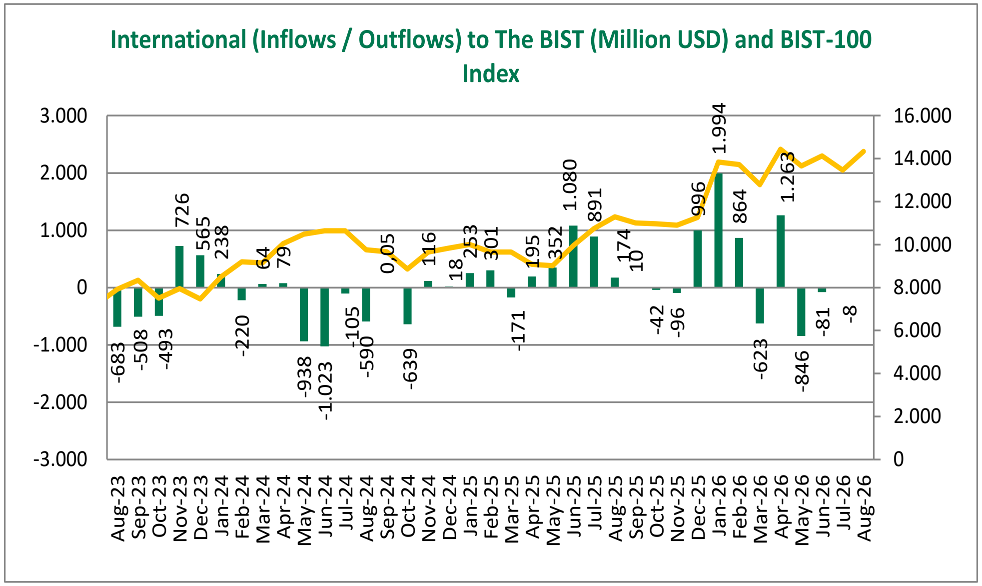
5-Year CDS

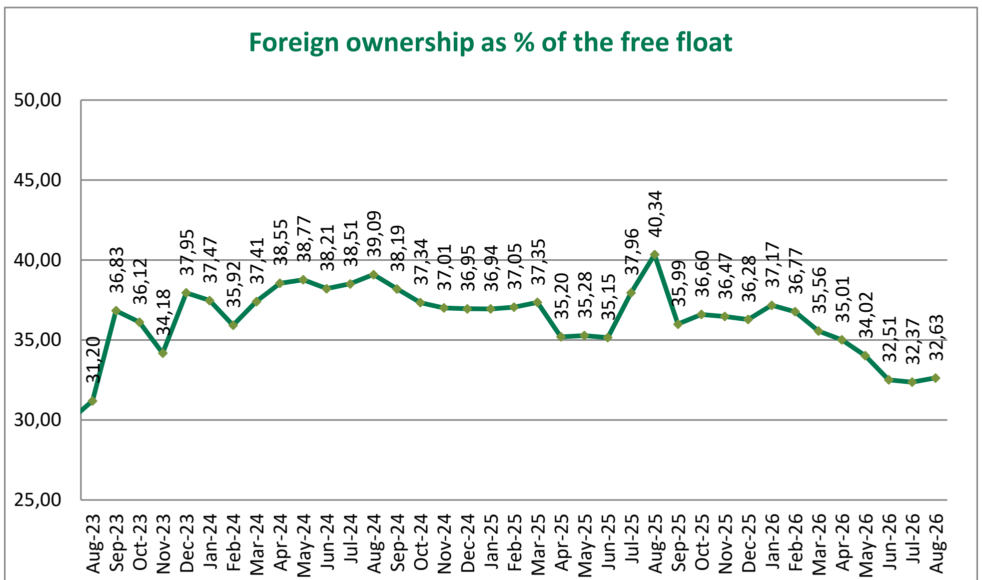


As of August 31, 2026

Şeker Invest

Int. flow and foreign ownership

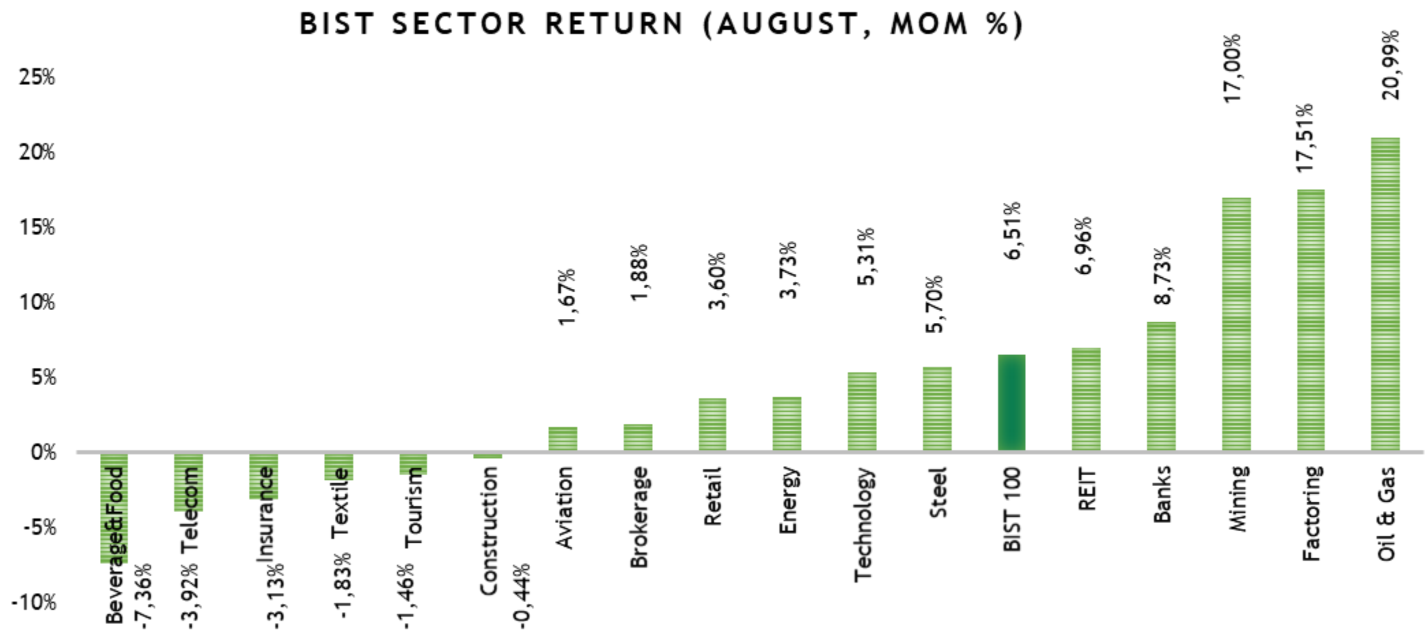




- Overall, in july 2026, foreign investors were net sellers of USD 8mn.

- Foreign ownership has realized to 32.63% in August 2026.

Sector performances



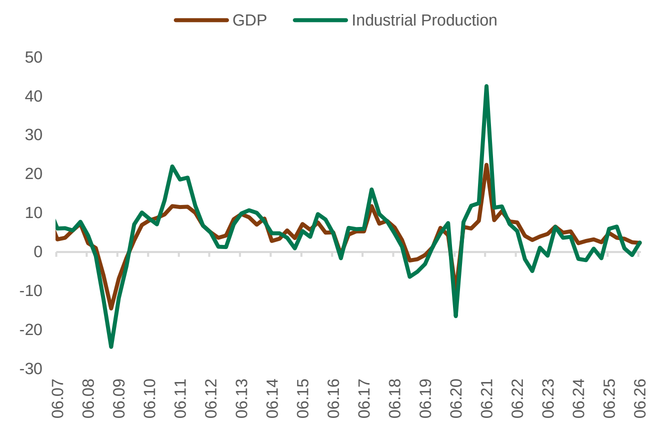
As of August 31, 2026

Macroeconomic Outlook

GDP/2026-Q2

The Turkish economy grew by 2.3 % in the second quarter of the year compared with the same period of the previous year. The seasonally and calendar-adjusted chained volume index of GDP rose by 1.1 % compared with the previous quarter. The calendar-adjusted chained volume index of GDP rose by 2.3 % in the second quarter of 2026 compared with the same quarter of the previous year. The GDP estimate based on the production method rose by 36.0 % at current prices in the second quarter of 2026 compared with the same quarter of last year, reaching TRY 19 trillion 869 billion 747 million. The second-quarter GDP figure, at current prices and in US dollars, stood at USD 438 billion 347 million. When examining the activities that make up GDP, the chained volume index for the second quarter of 2026 compared with the previous year showed the following changes: the agriculture, forestry and fishing sector increased by 13.3 %; information and communication activities by 8.6 %; public administration, education, human health and social work activities by 4.0 %; taxes on products less subsidies by 3.3 %, other service activities by 3.2 %, the manufacturing sector by 2.4 %, financial and insurance activities by 2.1 %, real estate activities by 2.1 %, professional, administrative and support service activities by 2.0 %, and trade, transport, accommodation and food services by 0.5 %. The construction sector, however, fell by 1.9 %. Final consumption expenditure by resident households rose by 3.5 % in the second quarter of 2026 compared with the same quarter of the previous year, as measured by the chained volume index. Final consumption expenditure by the government fell by 1.8 %, whilst gross fixed capital formation rose by 0.6 %. Exports of goods and services fell by 3.4 % in the second quarter of 2026 compared with the same quarter of the previous year, as measured by the chained volume index, whilst imports fell by 6.4 %. Looking at the sub-components of growth, final consumption expenditure contributed 2.3 percentage points to growth in the second quarter and remains the key driver of growth. Government expenditure had a negative downward impact on growth of -0.2 percentage points. Public finances are following a path that acts as a drag on growth whilst contributing to disinflation. In this area, budget dynamics are consistent with monetary policy when interest expenditure is excluded. The contribution to growth from investment expenditure stands at 0.2 percentage points, and we are observing a composition that is far from investment-led growth. This area is the most critical indicator for sustainable growth and continues to trend at a low level. There was a marked decline in foreign trade figures in the second quarter. Both exports and imports have contracted. However, as the contraction in imports exceeded that of exports, net exports appear to have made a positive contribution to growth. Finally, inventories exerted a downward pull on growth of -0.5 percentage points. A notable detail in the expenditure-based GDP calculation is that a cooling-off and slowdown are evident across almost all expenditure categories. This is the result of policies aimed at reining in demand-side inflationary pressures, in line with the tight monetary stance. We expect this cooling-off to continue gradually until the end of the year.

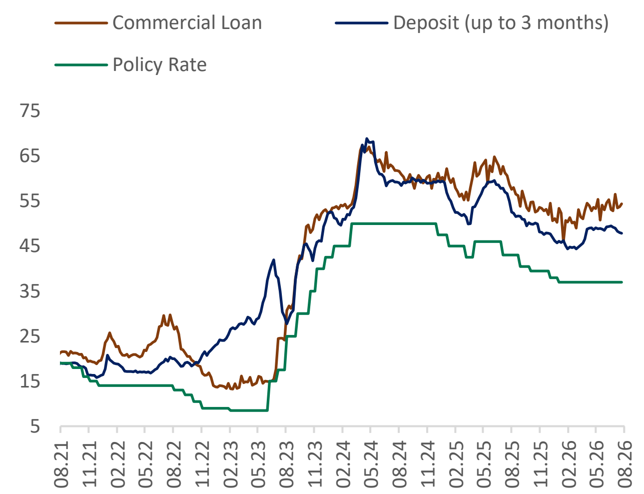
Growth and Industrial Production (YoY %)



CBRT Rate Decision - July

At its meeting in July, 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 (%)

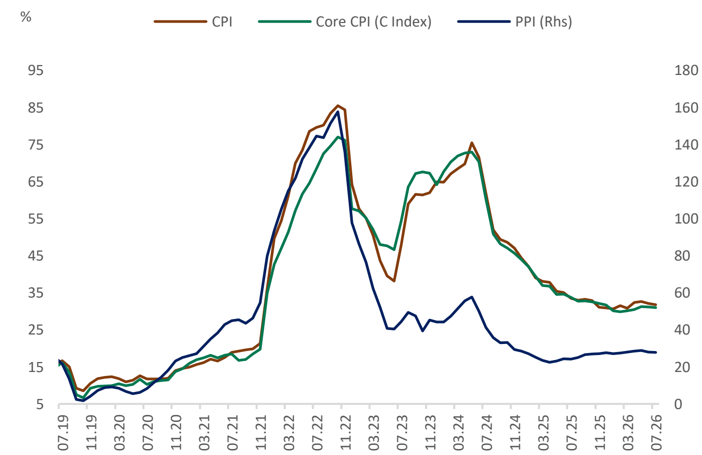


Macroeconomic Outlook

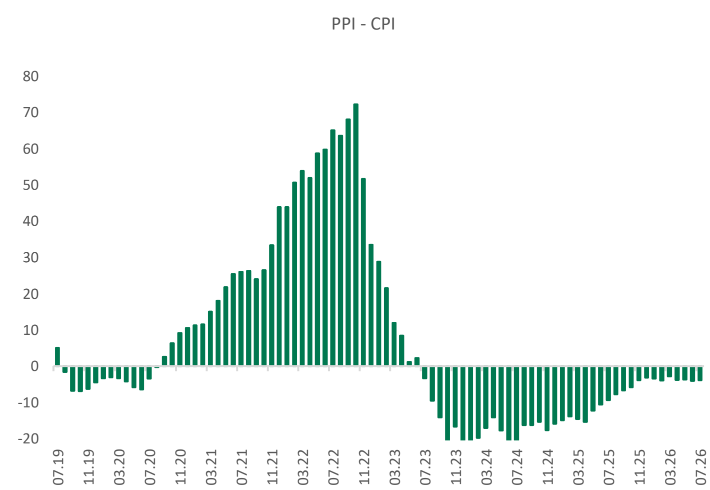
Inflation - July

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 %)



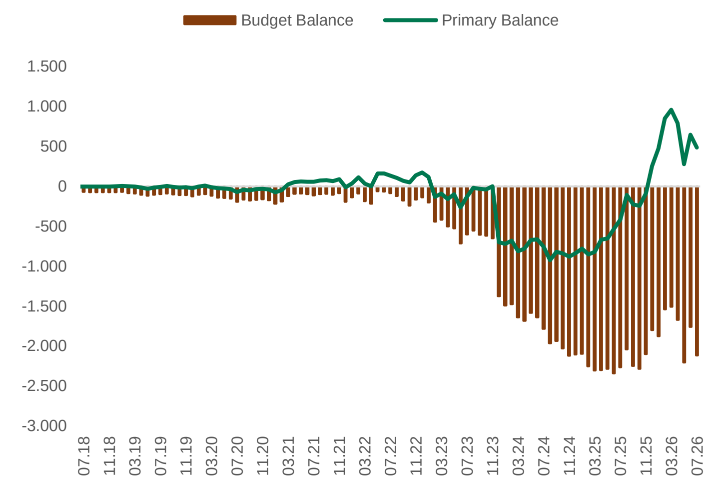
PPI - CPI Spread



Budget Balance - July

According to the central government budget figures for July published by the Ministry of Treasury and Finance, budget revenue stood at TRY1,412.4 billion, whilst budget expenditure amounted to TRY1,790.5 billion. During the same period, non-interest budget expenditure totaled TRY1,463.7 billion. Based on these figures, the budget deficit stood at TRY378.1 billion, whilst the non-interest balance recorded a deficit of TRY51.3 billion. The impact of adjustments made on both the revenue and expenditure sides in July is noteworthy. The increase in staff costs resulting from the inflation adjustment was an expected effect. Following this adjustment, we can say that staff costs are set to stabilize at around TRY450 billion. However, whilst interest expenditure averaged around TRY200 billion, excluding January, it rose to TRY326 billion in July. Furthermore, current transfers, which had stabilized at around TRY500 billion in the first six months of the year, rose to TRY611 billion in July. Finally, capital transfers have doubled from the average level in the first half of the year, rising to approximately TRY150 billion. Owing to this July figure, personnel costs (TRY55 billion), current transfers (TRY110 billion), interest (TRY125 billion) and capital transfers (TRY75 billion) experienced an additional increase totaling TRY365 billion. When adjusted for these effects, we can say that core budget indicators remain in good shape. The point to emphasize here is that there has been no deterioration in fiscal policy, either in tax collection or expenditure policies. However, the inflationary impact created by monetary policy is triggering the budget deficit, both by increasing expenditure at least as much as inflation and by generating high interest expenditure due to borrowing costs. Therefore, as we have highlighted in our previous reports, positive developments in monetary policy and the disinflation process will also bring about improvements in fiscal policy. Revenue policy and collection continue to trend sideways. Despite a limited decline in tax revenues, there has been an improvement in revenue performance spread across the year as a whole. Consequently, the fundamental improvement that will restore fiscal discipline to the budget will result from improvements in expenditure items. Once these temporary effects are factored out, we maintain our base scenario that the budget will converge towards the fiscal discipline benchmark during the 2027–2028 period, in line with the decline in inflation.

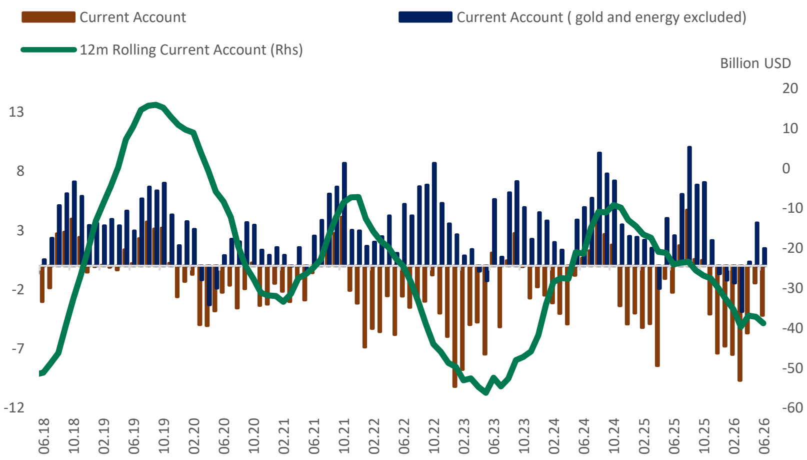
Budget and Primary Balance (12m rolling, Billion TRY)



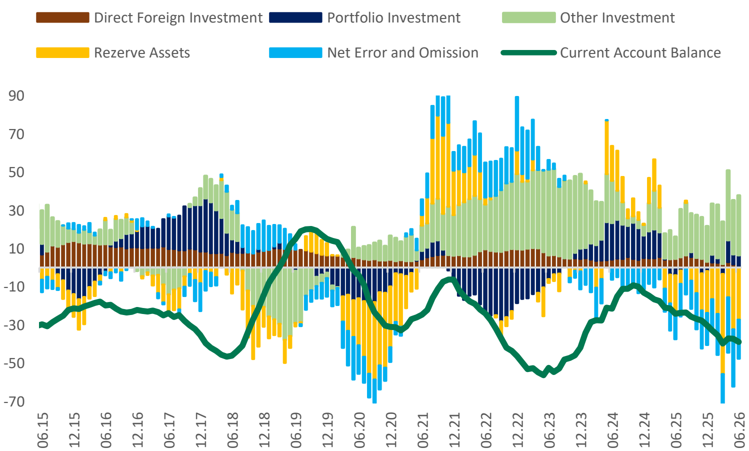
Balance of Payments - June

According to balance of payments statistics, the current account balance for June recorded a deficit of 4,194 million US dollars. As a result, the twelve-month current account deficit stood at 38,888 million US dollars. Our forecast for the current account deficit was 4.8 billion US dollars, which was below market expectations (a deficit of 4.95 billion US dollars). The current account deficit, which came in below our own forecasts, indicates that the impact of rising energy prices on the balance of payments was not as high as had been feared. Furthermore, revisions to the net errors and omissions and the financial account, introduced with the June data, highlight the improvement in the quality of current account financing. When examining the components of the balance of payments, the trade deficit has risen to 8.5 billion US dollars. Here, we see the pressure exerted by rising oil prices on imports. Seasonal effects in the services balance remain strong, with inflows in June standing at 6.9 billion US dollars. Looking at the 12-month cumulative figures, the trade deficit stands at 76.5 billion US dollars, whilst inflows from the services balance amount to 63.7 billion US dollars. The current account balance, excluding gold and energy, recorded a surplus of 1,462 million US dollars this month. The continued positive trend in the core balance, when adjusted for volatility in gold and energy prices, points to the resilience of the balance of payments. In particular, a reduction in volatility in the items causing vulnerability will ensure the continuation of this trend. However, persistently high import prices are increasing the pressure on the trade deficit. We expect this effect to be offset, albeit to a limited extent, by a weakening in domestic demand. Assuming that the worst of the geopolitical developments is behind us, the lagged effects on the trade deficit will continue to diminish. Under the current framework, we maintain our year-end 2026 current account deficit forecast at USD45 billion.

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



Finance of Current Account Deficit (Billion USD)

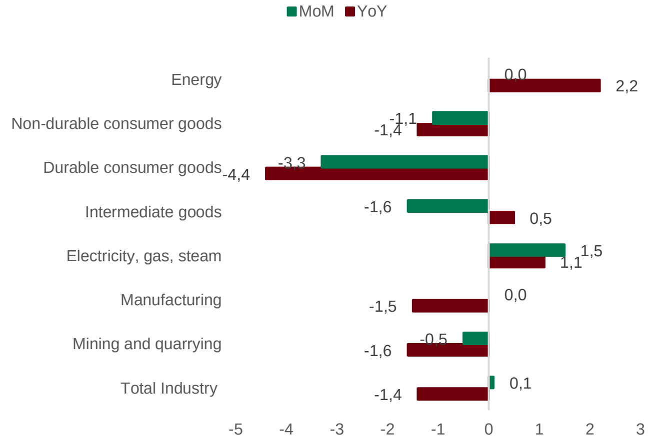


Macroeconomic Outlook

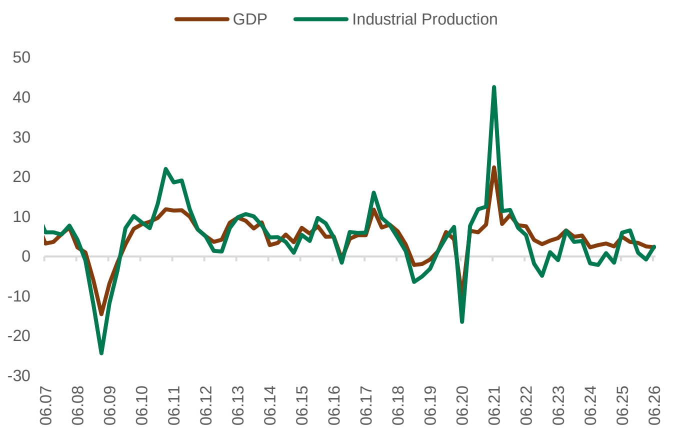
Industrial Production - June

According to industrial production index data, seasonally and calendar-adjusted production rose by 0.1 per cent in June compared with the previous month. Year-on-year production, however, contracted by 1.4 per cent. Our expectation for June was for a modest recovery in monthly production and a shift to positive territory in annual production. The actual figures, however, indicate that the slowdown in production has fallen short of expectations. In particular, a negative atmosphere has prevailed for some time in sectors we monitor closely—such as the manufacturing industry and durable consumer goods—which form the cornerstone of long-term growth and the labor market. As highlighted in the Central Bank of the Republic of Turkey (TCMB) reports, the slowdown in economic activity continues to be reflected gradually in real economic indicators, albeit with a lag, on both the production and demand sides. In the first quarter, we observed that production diverged negatively from growth. Although growth data is not yet available, leading indicators suggest that, whilst there has been a slowdown in growth, the positive trend continues. When assessed alongside the situation in actual industrial production, we observe that the negative divergence in production continued in the first half of the year. In this context, once price movements in sectors driving growth—such as services, finance and housing—are brought under control, we may see a limited easing of monetary policy and a shift towards production-led growth. Although the primary priority remains the continuation of a negative output gap until inflation is brought under control, developments in the composition of growth are leading to marked divergences in real economic indicators. In this context, the final quarter of the year and beyond will mark a period in which industry- and production-oriented sectors and companies will begin to outperform in the financial markets.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



Akbank (OP, 12M TP: TRY96.76) Upside:35%

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.

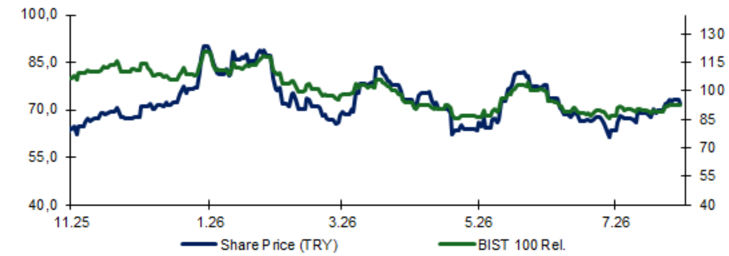
We maintain our 12-month target price of TRY 96.76/shr. and 'Outperform' recommendation for Akbank. Our target price implies 35% upside from current levels, and we maintain our "OUTPERFORM" recommendation. We model 69.2% earnings growth in 2026. The shares trade at 3.9x 2026E P/E and 0.96x P/BV, with an average ROE of 28.9%.

Mcap (TRYmn)	373.620	Beta (12M)	1,36
Mcap (USDmn)	7.772	Avr. Daily Vol. (TRYm)	8.859
Close	71,85	Foreign Ownership in FF	41,9%
Last 12M High	90,60	Free Float (%)	52,0%
Last 12M Low	51,40	Weight	4,37%

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	6,5	3,9	2,6
P/BV	1,40	1,20	0,96	0,74



Return	1M	3M	6M	12M
TRY Return (%):	13,3	12,3	-17,7	8,6
US$ Return (%):	11,6	6,6	-25,1	-7,4
BIST-100 Relative (%):	6,4	7,0	-21,3	-14,4

Source: Bank financials, Seker Invest Research

Aselsan (OP, 12M TP: TRY495.00) Upside: 28%

A strong backlog and export-led growth provide high visibility...

Our model-portfolio investment case for ASELSAN rests on its exposure to structural growth in defense spending, a strong backlog and expanding presence in export markets. The Company's broad product portfolio and advanced technological capabilities enable it to benefit from rising domestic requirements as well as higher global defense spending. Long-term contracts strengthen revenue visibility, while the growing export contribution supports a more balanced growth profile.

Order indicators continue to support our investment thesis. New contracts signed in 1H26 rose by 72% YoY to USD 4.9bn, while the backlog climbed 45% to USD 23.2bn. The 2.5x book-to-bill ratio indicates that new orders continue to exceed deliveries. International sales surging by 152.6% to TRY 10,183mn in 2Q26 also confirmed ASELSAN's strengthening position in global markets.

The 2Q26 results showed that order growth continues to translate into financial performance. Net sales, EBITDA and net income attributable to the parent increased by 32.6%, 32.2% and 61.3% YoY, respectively. The EBITDA margin remained strong at 27.0%, while net income exceeded both our estimate and the market median. Lower finance expenses and a sharp decline in the net monetary position loss also supported earnings.

The first-half performance points to a strong outlook against the 2026 targets. For 2026, Management guides for more than 10% real sales growth and an EBITDA margin above 24% under IAS 29. The 25% real growth and 26.3% EBITDA margin achieved in 1H26 provide comfortable headroom. Planned capital expenditure of at least TRY 50bn should support capacity and long-term growth.

Balance-sheet leverage remains controlled despite the intensive investment cycle. Net Debt/EBITDA of 0.55x provides financial flexibility for the investment programme. Nevertheless, higher capital expenditure and working-capital requirements should be monitored from a cash-flow perspective.

The strong backlog, accelerating exports and first-half performance above the 2026 targets support growth visibility. We maintain our 12-month target price of TRY 495.00 per share and reiterate our OUTPERFORM recommendation for Aselsan (ASELS.TI). Our target price implies 28% upside potential based on the August 31, 2026 closing price.

Code	ASELS.TI	Close	386,25
MCAp (TRY m)	1.761.300	Last 12M High	450,00
MCAp (US$ m)	36.561	Last 12M Low	168,49
EV (TRY m)	1.795.124	Beta	0,94
EV (US$ m)	37.287	Avg. daily trading vol. (US$ m)	230,0
Free float (%)	26,00	Foreign ownership in FF (%)	52,5%

Key figures	2023A*	2024A*	2025A*	2026E
Revenues	163.776	185.283	212.492	252.500
Growth		*13,1%*	*14,7%*	*18,8%*
EBITDA	35.668	46.602	55.735	64.700
EBITDA margin	*21,8%*	*25,2%*	*26,2%*	*25,6%*
Net profit	16.224	23.581	35.269	35.850
EPS	3,56	5,17	7,73	7,86
Dividend yield	0,18%	0,14%	0,05%	0,09%
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%	13,4%
ROAA		6,6%	8,0%	7,7%

Valuation metrics	2023A*	2024A*	2025A*	2026E
P/E	28,1	21,6	35,3	49,1
EV/EBITDA	13,6	11,5	22,6	27,7
EV/Sales	1,4	1,9	5,0	7,1
P/BV	2,3	2,4	4,2	6,2

Return	1M	3M	YtD	YoY
TRY Return (%):	12,9	1,6	66,7	111,0
US$ Return (%):	11,1	-3,7	48,6	79,8
BIST-100 Relative (%):	6,0	-3,2	31,0	66,2

Source: PDP, Finnet, Seker Invest Research estimates

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

Cimsa (OP, 12M TP: TRY70.55) Upside: 58%

International growth and cost discipline support the margin outlook...

Our model-portfolio investment case for Çimsa is built on geographical diversification through international operations, a focus on value-added products and cost efficiency. The new U.S. grey cement grinding facility and the Mannok and Buñol operations mitigate domestic demand volatility and provide a more balanced growth profile. Investments in alternative fuels and renewable energy also strengthen resilience against energy costs and support the medium-term margin outlook.

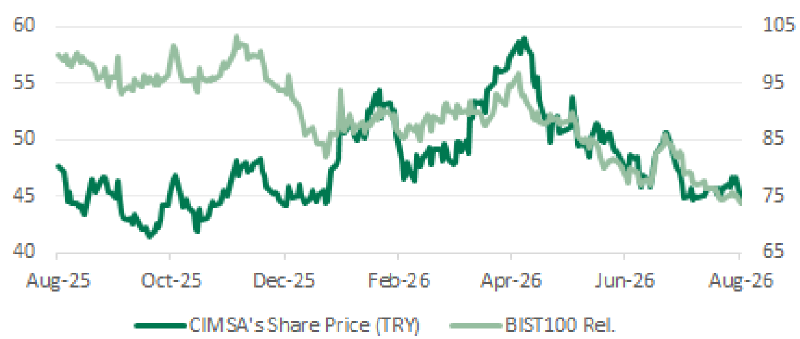
The 2Q26 results confirmed the benefits of international diversification and cost discipline. Domestic sales volume contracted by 6.8%, while international volume increased by 7.8% with support from the U.S. grey cement grinding facility, leading to 0.9% consolidated volume growth. Despite a 9.7% decline in net sales, a 13% reduction in operating expenses lifted the EBITDA margin by 1.5pp to 20.2%.

Net income exceeded expectations with support from lower finance expenses. In 2Q26, net income attributable to the parent increased by 40.3% to TRY 1,329mn, while EBITDA of TRY 2,619mn came in slightly above expectations. A higher net monetary gain and lower net finance expenses supported bottom-line profitability.

We expect the international operations to support our 2026 forecasts. We project TRY 59,817mn in sales, TRY 10,946mn in EBITDA and TRY 4,658mn in net income for 2026. The decline in Net Debt/EBITDA from 2.82x to 2.54x is positive; however, negative operating cash flow of TRY 1,592mn in 1H26 and the lower cash balance should be monitored.

Geographical diversification, cost efficiency and the value-added product mix provide protection against weak domestic demand. We maintain our 12-month target price of TRY 70.55 per share and reiterate our OUTPERFORM recommendation for Çimsa (CIMSA.TI). Our target price implies 58% upside potential based on the August 31, 2026 closing price.

Code	CIMSA.TI	Close		44,68
MCAp (TRY m)	42.249	Last 12M High		60,00
MCAp (US$ m)	877	Last 12M Low		40,55
EV (TRY m)	68.503	Beta		1,03
EV (US$ m)	1.441	Avg. daily trading vol. (US$ m)		10,8
Free float (%)	45,00	Foreign ownership in FF (%)		9,8%
Key figures	**2023A***	**2024A***	**2025A***	**2026E**
Revenues	45.632	43.391	54.060	59.817
Growth		*-4,9%*	*24,6%*	*10,6%*
EBITDA	8.144	7.840	9.701	10.946
EBITDA margin	*17,8%*	*18,1%*	*17,9%*	*18,3%*
Net profit	5.543	4.143	3.653	4.658
EPS	41,04	4,38	3,86	4,93
Dividend yield	3,2%	1,2%	1,4%	2,2%
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%	12,6%
ROAA		4,4%	3,4%	4,4%
Valuation metrics	**2023A***	**2024A***	**2025A***	**2026E**
P/E	11,1	16,4	12,0	9,1
EV/EBITDA	8,2	11,4	7,1	6,3
EV/Sales	0,7	1,4	1,2	1,1
P/BV	1,5	1,8	1,1	1,2
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-0,4	-11,8	-2,4	-6,3
US$ Return (%):	-1,9	-16,4	-13,0	-20,1
BIST-100 Relative (%):	-6,4	-15,9	-23,3	-26,2



Source: PDP, Finnet, Seker Invest Research estimates
**2023, 2024 and 2025 financials are indexed according to 2026/06 with IAS-29.*

Emlak Konut (OP, 12M TP: TRY32.84) Upside: 64%

Rate normalization and a strong asset base offer value-unlocking potential...

We added Emlak Konut to our model portfolio on August 24, 2026 due to its high sensitivity to interest-rate normalization and attractive risk-return profile. We expect a gradual decline in interest rates alongside disinflation to improve housing finance conditions and release pent-up demand. The Company's extensive land and project portfolio, development capacity and strategic relationship with TOKİ enhance its ability to benefit from a potential recovery in housing demand.

The strong asset base and wide NAV discount form the second pillar of our investment case. The untendered land portfolio of 5.61mn sqm, with an appraised value of TRY 128.07bn, supports long-term value creation. Minimum guaranteed Company-share revenue of TRY 131.52bn from ongoing Revenue-Sharing projects also strengthens medium-term revenue visibility.

Presales indicate a stronger operating picture than the reported financials. Emlak Konut generated TRY 50.7bn of total presales including land sales in 1H26, reaching 34.9% of its TRY 145.45bn full-year target. The Company targets TRY 135.25bn of independent-unit presales, 7,801 unit sales and TRY 13.1bn in net income for 2026. Although only 18% of the net income target was achieved in 1H26, the sales and delivery schedule is expected to be second-half weighted.

The weakness in 2Q26 profitability does not undermine the investment case. Net income declined by 87.2%, while the EBITDA margin fell to 20.0%. The higher share of low-margin direct land sales, rising finance expenses and the recognition of presales as revenue upon delivery under IFRS 15 were the main drivers. Project deliveries in the second half will be critical for translating strong presales into reported earnings.

Higher leverage and a prolonged high-rate environment are the principal risks. Net financial debt increased to TRY 63,405mn, while the USD 650mn five-year sukuk extended debt maturity and diversified funding sources. Lower interest rates, a narrowing NAV discount, new project launches and urban transformation activity are the main catalysts.

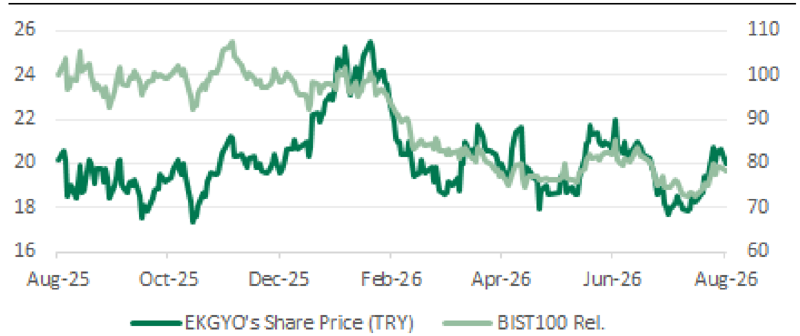
We believe sensitivity to rate normalization, the strong land portfolio and presales visibility offer value-unlocking potential. We maintain our TRY 32.84 target price and OUTPERFORM recommendation for Emlak Konut (EKGYO.TI). Our target price implies 64% upside potential based on the August 31, 2026 closing price.

Code	EKGYO.TI	Close	20,00
MCAp (TRY m)	76.000	Last 12M High	26,36
MCAp (US$ m)	1.578	Last 12M Low	17,13
EV (TRY m)	98.045	Beta	1,24
EV (US$ m)	2.051	Avg. daily trading vol. (US$ m)	70,0
Free float (%)	51,00	Foreign ownership in FF (%)	18,2%

Key figures	2023A*	2024A*	2025A*
Revenues	63.416	49.169	117.559
Growth		*-22,5%*	*139,1%*
EBITDA	10.263	7.432	25.893
EBITDA margin	*16,2%*	*15,1%*	*22,0%*
Net profit	-9.067	20.342	7.068
EPS	-2,39	5,35	1,86
Dividend yield	0,0%	2,9%	2,9%
Net debt /EBITDA	-2,46	0,95	1,38
Net debt /Equity	-0,20	0,05	0,23
ROAE		14,8%	4,7%
ROAA		6,9%	2,0%

Valuation metrics	2023A*	2024A*	2025A*
P/E	0,0	4,0	11,0
EV/EBITDA	3,3	11,8	3,8
EV/Sales	0,2	1,2	1,3
P/BV	0,4	0,5	0,5

Return	1M	3M	YtD	YoY
TRY Return (%):	11,7	7,7	0,7	-0,6
US$ Return (%):	9,9	2,1	-10,3	-15,3
BIST-100 Relative (%):	4,8	2,7	-20,9	-21,7



Source: PDP, Finnet, Seker Invest Research estimates
[*]2023, 2024 and 2025 financials are indexed according to 2026/06 with IAS-29.

Garanti BBVA (OP, 12M TP: TRY182.99) Upside:40%
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).

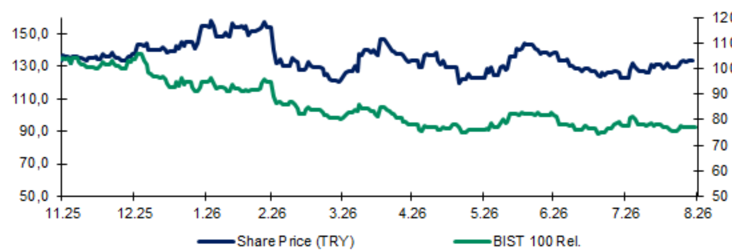
We maintain our 12-month target price of TRY 182.99/shr. and 'Outperform' recommendation for Garanti BBVA. Our target price implies 40% upside from current levels, and we maintain our "OUTPERFORM" recommendation. The shares trade at 3.7x 2026E P/E and 1.03P/BV, with an average ROE of 30.4%.

Mcap (TRYmn)	549.780	Beta (12M)	1,20
Mcap (USDmn)	11.436	Avr. Daily Vol. (TRYm)	4.601
Close	130,90	Foreign Ownership in FF	4,2%
Last 12M High	163,11	Free Float (%)	14,0%
Last 12M Low	110,92	Weight	1,73%

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	3,7	3,1
P/BV	1,58	1,36	1,03	0,77



Return	1M	3M	6M	12M
TRY Return (%):	6,1	6,5	-14,9	-5,5
US$ Return (%):	4,4	1,1	-22,5	-19,4
BIST-100 Relative (%):	-0,4	1,5	-18,6	-25,6

Source: Bank financials, Seker Invest Research

Migros (OP, 12M TP: TRY910.00) Upside: 71%

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 August 31, 2026, the stock is trading at 2026E EV/EBITDA of 2.7x and 2026E P/E of 9.8x, implying 71% upside potential.

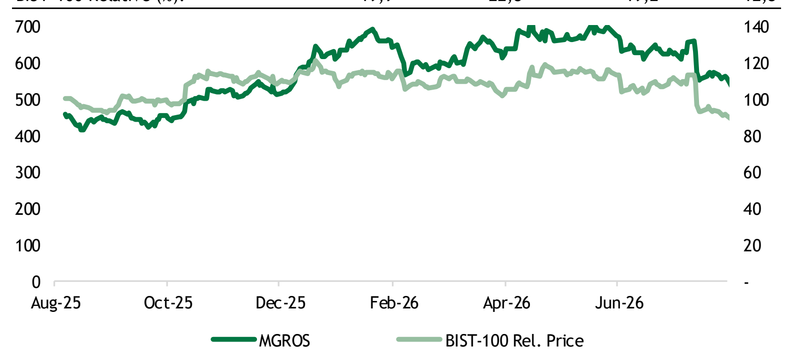
Despite high inflation and an increasingly competitive landscape, we view positively Migros' ability to expand its FMCG market share through a multi-channel growth strategy. We expect the increase in store count and associated sales area, along with the positive contribution from online channels, to 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	533,50
MCap (TRY mn)	96.592	Last 12M High	727,00
MCap (US$ mn)	2.005	Last 12M Low	409,72
EV (TRY mn)	103.043	Beta	0,89
EV (US$ mn)	2.144	Avg. Daily Trading Vol. (US$ m)	36,9
Free Float (%)	50,82	Foreign Ownership in FF (%)	36,08

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 (%)	1,3%	1,8%	1,5%	3,1%
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	4,9	9,9	12,7	9,8
EV/EBITDA	14,7	4,2	3,2	2,7
EV/Sales	0,3	0,2	0,2	0,2
P/BV	1,2	1,3	1,2	0,9
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-14,7	-19,0	2,9	11,4
US$ Return (%):	-16,0	-23,3	-8,3	-5,1
BIST-100 Relative (%):	-19,9	-22,8	-19,2	-12,3



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: TRY172.63) Upside: 85%

Portfolio transformation and a wide NAV discount strengthen value-unlocking potential...

Our model-portfolio investment case for Sabancı Holding rests on its wide NAV discount, diversified portfolio and ongoing strategic transformation. The Holding aims to allocate capital to higher-return businesses with greater FX-linked revenues and increase return on equity by 120-150bp. We believe this strategy can improve portfolio quality and resilience against domestic macroeconomic volatility.

The Akçansa and CarrefourSA exits accelerated portfolio simplification. The sale of the 39.72% stake in Akçansa for USD 427.9mn generated cash, while the CarrefourSA exit was completed after the reporting period. Our calculated solo net cash of USD 672.44mn following the transactions provides flexibility for new investments and capital allocation. The deployment of these funds will be a key catalyst for the investment case.

The 2Q26 results pointed to an operating recovery in addition to the one-off disposal gain. Although consolidated revenues contracted by 9.4% in real terms, EBITDA increased by 25.9%; banking and non-banking EBITDA grew by 28.9% and 11.6%, respectively. Net income attributable to the parent reached TRY 14,160mn and significantly exceeded the market median, supported by the Akçansa disposal gain. The recovery in banking and strong material-technologies performance also supported the results.

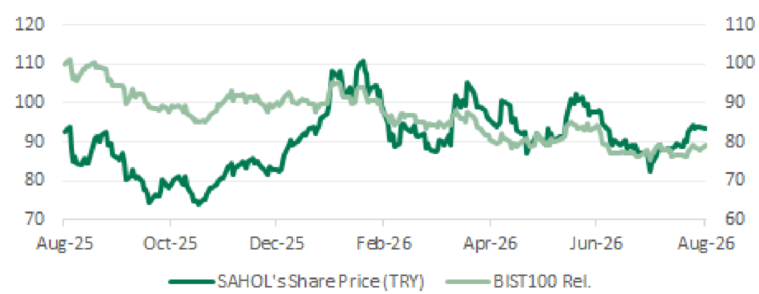
We view 2026 as a strategic transformation year for the Holding's portfolio. Based on the updated portfolio and subsidiary valuations, we calculate target NAV of USD 10,867mn and solo net cash of USD 672.44mn. We apply a 30% discount to target NAV. Returns on new investments, a sustained banking recovery and a potential narrowing in the holding discount will be key drivers of share performance.

We believe portfolio transformation and the strong solo cash position support value-unlocking potential. Capital-allocation and execution risks in new investments, as well as possible delays in the rate-cutting cycle, should be monitored. We maintain our TRY 172.63 target price and OUTPERFORM recommendation for Sabancı Holding (SAHOL.TI). Our target price implies 85% upside potential based on the August 31, 2026 closing price.

Code	SAHOL.TI	Close	93,20
MCAp (TRY m)	195.755	Last 12M High	113,18
MCAp (US$ m)	4.063	Last 12M Low	72,73
EV (TRY m)	468.082	Beta	1,29
EV (US$ m)	10.375	Avg. daily trading vol. (US$ m)	73,7
Free float (%)	51,00	Foreign ownership in FF (%)	26,8%

Key figures (TRY m)	2023*	2024*	2025*
Net Sales	304.906	300.713	289.967
Finance Sector Revenues	876.281	1.097.301	1.090.910
Total Revenues	1.181.187	1.398.014	1.380.877
Growth		*18,4%*	*-1,2%*
Consalidated net profit	34.333	-23.852	4.467
EPS	16,35	-11,36	2,13
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 (%):	10,3	1,3	12,4	0,5
US$ Return (%):	8,6	-4,0	0,2	-14,3
BIST-100 Relative (%):	3,6	-3,4	-11,7	-20,8



Source: PDP, Finnet, Seker Invest Research estimates

**2023, 2024 and 2025 financials are indexed according to 2026/06 with IAS -29.*

Turkcell (OP, 12M TP: TRY150.00) Upside: 58%

A strong subscriber base, digital growth and 5G investments support the medium-term outlook...

Our model-portfolio investment case for Turkcell rests on its recurring revenue model, high-quality subscriber base, 5G investments and growth in non-telecom digital businesses. A high postpaid share and low churn support revenue resilience, while rising data usage, fiber, Data Center & Cloud, Digital Business Services and Techfin broaden the medium-term growth opportunity. We also expect 5G investments to support long-term data monetization through higher capacity and service quality.

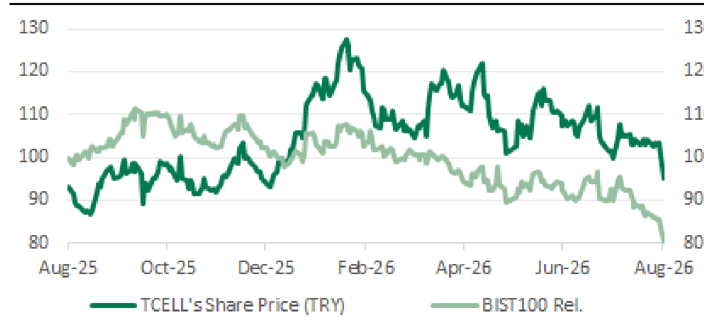
Subscriber indicators and digital businesses continue to support the investment thesis. The total subscriber base reached 44.8mn in 2Q26, while mobile subscribers exceeded 40mn for the first time. Postpaid subscribers increased by 8% and mobile churn improved to 1.6%. Digital Business Services revenues rose by 33.1%, Paycell revenues by 21.9% and Paycell transaction volume by 67.3%.

The 2Q26 financials showed continued growth, but also the near-term cost of the 5G transition. Revenues increased by 2.5% to TRY 71,775mn, while EBITDA declined by 1.7% and the EBITDA margin stood at 42.3%. Net income of TRY 5,235mn was significantly above expectations. A 3.9% real decline in mobile ARPU excluding M2M, together with higher sales, marketing and depreciation expenses, constrained margins.

Maintained 2026 guidance supports the operating outlook. Despite raising its year-end inflation assumption to 28%, management continues to guide for 5-7% real revenue growth, a 40-42% EBITDA margin and operational capex at approximately 25% of revenues. Net Debt/EBITDA of 0.36x provides financial flexibility during the intensive 5G investment cycle.

We believe the strong subscriber structure, digital revenue growth and maintained full-year guidance support Turkcell's defensive growth profile. Real mobile ARPU contraction, 5G-related margin pressure and higher net debt remain the main items to monitor. We maintain our 12-month target price of TRY 150.00 per share and reiterate our OUTPERFORM recommendation for Turkcell (TCELL.TI). Our target price implies 58% upside potential based on the August 31, 2026 closing price.

Code	TCELL.TI	Close		95,05
MCAp (TRY m)	209.110	Last 12M High		129,60
MCAp (US$ m)	4.341	Last 12M Low		85,45
EV (TRY m)	305.971	Beta		0,99
EV (US$ m)	6.420	Avg. daily trading vol. (US$ m)		61,7
Free float (%)	44,00	Foreign ownership in FF (%)		46,3%
Key figures	**2023A***	**2024A***	**2025A***	**2026E**
Revenues	229.137	244.855	269.687	320.250
Growth		*6,9%*	*10,1%*	*18,7%*
EBITDA	104.714	108.955	123.491	130.380
EBITDA margin	*45,7%*	*44,5%*	*45,8%*	*40,7%*
Net profit	27.938	36.259	20.730	24.300
EPS	12,70	16,48	9,42	11,05
Dividend yield	1,65%	2,77%	3,25%	3,58%
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%	6,8%
ROAA		6,7%	3,7%	3,7%
Valuation metrics	**2023A***	**2024A***	**2025A***	**2026E**
P/E	9,8	8,7	11,6	8,6
EV/EBITDA	3,2	3,3	2,5	2,3
EV/Sales	0,7	1,0	1,0	1,0
P/BV	1,0	1,1	0,8	0,5
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-4,9	-5,9	2,1	2,1
US$ Return (%):	-6,4	-10,8	-9,0	-12,9
BIST-100 Relative (%):	-10,7	-10,3	-19,8	-19,6



Source: PDP, Finnet, Şeker Invest Research estimates

**2023, 2024 and 2025 financials are indexed according to 2026/06 with IAS -29.*

Turkish Airlines (OP, 12M TP: TRY 445.00) Upside: 47%

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 August 31, 2026, our target price implies 47% upside potential, while THY is trading at 2026E P/E and EV/EBITDA multiples of 4.32x and 5.23x, respectively.

➢ In July 2026, THY's total PAX rose by 4.6% YoY to 9.5mn, with int'l passengers rising 4.5% YoY to 6mn and domestic passengers increasing 4.8% YoY to 3.4mn. The share of int'l passengers in total traffic reached 63.2%, while we view the 1 pp YoY increase in the PLF to 86.5% as positive from an operational performance perspective. The 4.9% YoY increase in cargo volume also continues to support the company's revenue mix.

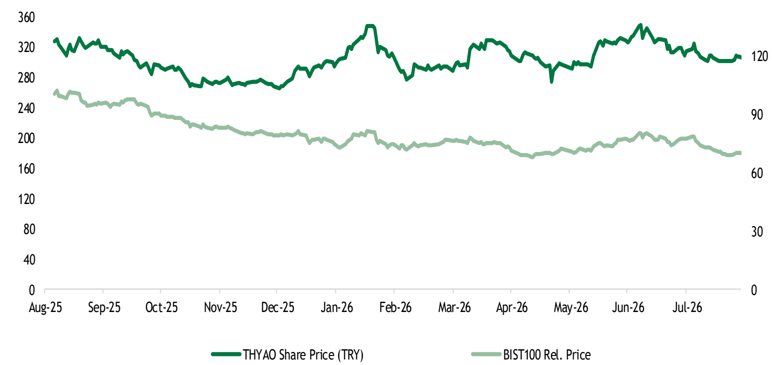
➢ We expect THY's fleet size to reach 566 aircraft in 2026 (THY: 570 aircraft, 2025: 516 aircraft). We view the gradual return of GTF-powered NEO aircraft throughout 2026 as an important catalyst. In addition, we expect the Air Europa investment to contribute positively to THY's growth potential across 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	302,25
MCAp (TRY mn)	417.105	Last 12M High	355,50
MCAp (US$ mn)	8.658	Last 12M Low	262,75
EV (TRY mn)	1.037.483	Beta	0,87
EV (US$ mn)	21.978	Avg. Daily Trading Vol. (US$ mn)	314,4
Free Float (%)	50,40	Foreign Ownership in FF (%)	19,55

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%	2,55%	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	1,44	2,53	2,98	4,32
EV/EBITDA	3,97	4,34	4,34	5,23
EV/Sales	1,05	0,97	0,91	0,80
P/BV	0,56	0,45	0,40	0,37
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-3,74	1,85	12,57	-8,85
US$ Return (%):	-5,24	-3,49	0,37	-22,31
BIST-100 Relative (%):	-9,62	-2,92	-11,56	-28,22



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

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

Upside: 40%

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%.

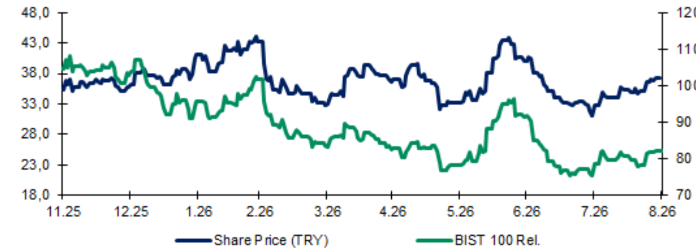
We maintain our 12-month target price of TRY 51.10/shr. and 'Outperform' recommendation for Yapi Kredi Bank. Our target price implies 40% upside from current levels, and we maintain our "OUTPERFORM" recommendation. The shares trade at 4.3x 2026E P/E and 0.94x P/BV, with an average ROE of 25.1%.

Mcap (TRYmn)	308.486	Beta (12M)	1,42
Mcap (USDmn)	6.417	Avr. Daily Vol. (TRYm)	7.108
Close	36,52	Foreign Ownership in FF	20,6%
Last 12M High	44,50	Free Float (%)	39,0%
Last 12M Low	27,14	Weight	2,71%

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	4,3	2,7
P/BV	1,34	1,20	0,94	0,72



Return	1M	3M	6M	12M
TRY Return (%):	11,5	10,1	-15,7	11,1
US$ Return (%):	9,7	4,5	-23,2	-5,3
BIST-100 Relative (%):	4,7	5,0	-19,3	-12,5

Source: Bank financials, Seker Invest Research

Recommendation List

Şeker Invest

Recommendation List — September 1, 2026

BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	71,85	OP	96,76	373.620	503.152	34,7%	5,60	1,15
GARAN	130,90	OP	182,99	549.780	768.558	39,8%	4,55	1,13
HALKB	42,18	MP	46,38	303.054	333.230	10,0%	9,41	1,29
ISCTR	12,64	OP	21,57	316.000	539.249	70,6%	4,67	0,70
TSKB	10,93	OP	18,00	30.604	50.400	64,7%	2,85	0,61
VAKBN	31,74	OP	46,39	314.731	460.000	46,2%	4,49	0,89
YKBNK	36,52	OP	51,10	308.486	431.644	39,9%	5,57	1,08

HOLDING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AGHOL	32,00	OP	46,74	77.931	113.823	46,1%	18,01	0,59
KCHOL	214,90	OP	318,51	544.964	807.702	48,2%	16,00	0,69
SAHOL	93,20	OP	172,63	195.755	362.597	85,2%	9,74	0,47
TAVHL	265,00	OP	440,00	96.270	159.845	66,0%	18,25	1,17

INDUSTRIAL	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKCNS	241,40	OP	277,00	46.215	53.031	14,7%	85,90	1,62
AKSEN	79,40	OP	110,00	97.371	134.894	38,5%	32,04	1,42
ARCLK	90,65	OP	149,50	61.255	101.021	64,9%	-	0,79
ASELS	386,25	OP	495,00	1.761.300	2.257.200	28,2%	49,02	5,74
BIMAS	405,50	OP	496,00	486.600	595.200	22,3%	18,56	2,42
CCOLA	75,20	OP	122,00	210.416	341.371	62,2%	10,79	2,30
CIMSA	44,68	OP	70,55	42.249	66.712	57,9%	11,15	1,13
DOAS	163,80	OP	302,90	36.036	66.639	84,9%	19,02	0,48
EKGYO	20,00	OP	32,84	76.000	124.802	64,2%	-	0,49
EREGL	38,78	OP	42,24	271.460	295.710	8,9%	35,20	0,85
FROTO	76,95	OP	130,00	270.025	456.188	68,9%	9,94	1,51
KRDMD	47,38	MP	45,00	36.967	35.109	-5,0%	11,66	0,50
MGROS	533,50	OP	910,00	96.592	164.759	70,6%	16,85	1,04
OYAKC	22,48	OP	33,35	109.290	162.130	48,3%	17,69	1,43
PETKM	20,06	MP	18,91	50.840	47.935	-5,7%	-	0,68
PGSUS	147,00	OP	271,90	73.500	135.950	85,0%	-	0,65
SELEC	333,50	MP	190,00	207.104	117.990	-43,0%	93,13	5,58
SISE	39,62	OP	65,00	121.365	199.110	64,1%	12,16	0,45
TCELL	95,05	OP	150,00	209.110	330.000	57,8%	11,66	0,68
THYAO	302,25	OP	445,00	417.105	614.102	47,2%	3,72	0,41
TOASO	271,25	OP	435,00	135.625	217.500	60,4%	10,83	2,06
TTKOM	51,10	OP	90,00	178.850	315.000	76,1%	6,75	0,67
TUPRS	400,25	OP	395,00	771.200	761.085	-1,3%	11,43	1,69
ULKER	89,95	OP	159,80	33.216	59.010	77,7%	9,16	0,65
VESBE	5,35	UR		8.560			-	0,21
ZOREN	2,32	MP	4,30	11.600	21.500	85,3%	-	0,18

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