

Monthly Equity Strategy

October 2026

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

Rate hikes, energy prices and developments in the domestic fund market weakened risk appetite...

In September, the main focus of global markets was on the impact of the conflicts in the Middle East on energy supply, the inflation outlook in the U.S. and Europe, and the monetary policy decisions of major central banks. Increasing constraints at energy supply points in the Middle East and the failure of negotiations to yield results have been driving oil and refined product prices higher. The Fed, ECB and BoJ's rate hikes in September amid inflation concerns strengthened expectations that global financial conditions could remain tight for longer than previously anticipated. In Türkiye, although the CBRT kept its policy rate unchanged, developments in the investment fund market led to increased selling pressure in the equity market due to tightening liquidity conditions.

The stalemate in U.S. - Iran negotiations and rising security risks in the region continued to affect energy markets in September. Expectations that negotiations would resume ahead of the U.S. midterm elections in November and that energy supply from the Middle East would normalize have weakened. The Fed, ECB and BoJ each raised their benchmark interest rates by 25 bps at their September meetings, while signaling that the possibility of further tightening would remain dependent on inflation data. Meanwhile, rising bond yields in the U.S. are increasing governments' debt rollover costs, while also weighing on risk appetite given their potential impact on corporate borrowing, mortgage rates, asset valuations and emerging markets.

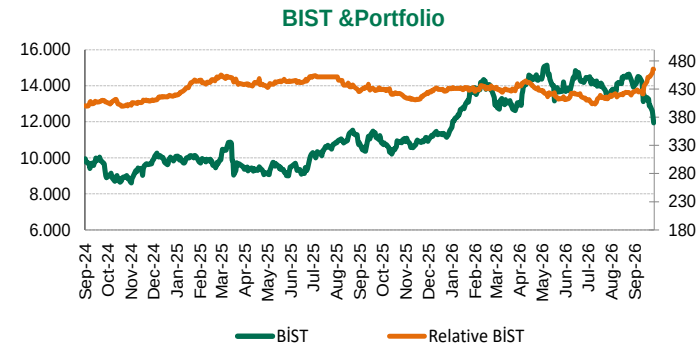
In Türkiye, CPI increased by 1.84% MoM and 31.51% YoY in August, slightly below expectations. Despite the limited decline in annual inflation, elevated energy costs and persistent services inflation continued in August. At its MPC meeting on September 10, the CBRT kept the one-week repo auction rate unchanged at 37%, the O/N lending rate at 40%, and the O/N borrowing rate at 35.5%. While the CBRT stated that weakness in domestic demand was limiting the underlying trend of inflation, it emphasized that elevated energy prices posed upside risks and reiterated that it stood ready to tighten monetary policy in the event of a significant and persistent deterioration in the inflation outlook. Persistent inflation expectations and recent developments in the fund market have increased the importance of inflation data in determining the timing of a potential rate cut.

In October, global markets will focus on developments regarding energy and maritime transportation in the Middle East, as well as September employment and inflation data in the U.S. and the monetary policy decisions of major central banks. In the U.S., employment data to be released on October 2, CPI data on October 14, the preliminary third-quarter GDP growth estimate on October 29, and September PCE inflation will be closely monitored. The Fed's meeting on October 27-28 will be instrumental in shaping expectations regarding the future course of monetary policy. The ECB's meeting on October 28-29, the BoJ's meeting on October 29-30, and activity indicators to be released in China will also be important for global risk appetite. Should energy prices remain elevated, expectations for rate cuts could be pushed further out, while rising bond yields could exert pressure on equity markets.

Domestically, September inflation data to be released on October 5, S&P Global's sovereign credit rating review for Türkiye on October 16, and the CBRT's MPC meeting on October 22 will be the key items on the agenda. In addition, August current account balance and industrial production data, developments in reserves, the impact of fund liquidations on markets, and initial expectations regarding third-quarter corporate earnings will be closely monitored in determining the direction of domestic asset prices.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	11.947	-16,65%	6,1%
BIST - 100, USD	244	-17,9%	-7,1%
MSCI Turkey	314.567	-9,1%	10,4%
MSCI EMEA	264	-4,9%	1,9%
MSCI EM	1.705	-0,8%	21,4%
Benchmark Bond	40,06%	13bps	284bps
USD/TL	48,9303	1,57%	14,20%
EUR/TL	55,5567	-0,55%	10,48%
P/E			
Banking	5,0		
Industrial	31,2		
Iron&Steel	29,3		
REIT	13,6		
Telecom	8,8		
BIST-100	11,1		

*Close as of September 30, 2026



Inflation data, the CBRT’s interest rate decision and developments in the fund market will be in focus in October...

Rating: **BUY**

The CBRT’s decision to keep the policy rate unchanged at 37% in September and its emphasis on energy price-related risks in the decision statement suggest that its cautious stance will continue ahead of the October meeting. Oil prices, inflation expectations and the persistence of the slowdown in domestic demand will be influential in the Bank’s interest rate decision. A convincing improvement in the underlying trend of inflation could create greater room for rate cuts; however, if energy-driven pressures spill over into prices and expectations, the current degree of monetary tightness could be maintained for longer.

In September, in addition to negative developments in global markets, selling pressure triggered by developments related to investment funds in the domestic market led to sharp volatility in the index, with the index declining below the 12,000 points and erasing a large portion of its Ytd gains. Public institutions, primarily the CBRT, CMB and Borsa Istanbul, announced measures in a coordinated and interactive manner to prevent the risks from spreading.

The BIST-100 Index ended September at 11,947, down 16.65% for the month. On a sectoral basis, the BIST Industrial Index declined by 22.0% in September, while the Banking Index positively diverged with a relatively limited decline of 5.64%.

In October, the direction of domestic equities will be determined by inflation, S&P’s rating decision and the CBRT’s interest rate decision, as well as developments regarding fund liquidations and flows arising from index changes. We believe that an easing in oil prices, stabilization in the reserve outlook and a slowdown in fund market-driven selling could trigger a rebound in the BIST-100. Conversely, persistently elevated energy prices, a deterioration in inflation expectations or continued liquidity-driven selling could limit the recovery. Against this backdrop, we maintain our selective and gradual buying approach toward companies with high liquidity, strong balance sheets and predictable cash flows.

In light of these expectations, while maintaining our 12-month BIST-100 target of 16,500 points and our BUY recommendation, we advise investors to remain cautious due to potential short-term volatility stemming from the risks outlined above. Based on the September 30 closing level, our target implies an upside potential of approximately 38%.

The MSCI Turkey Index is trading at 2026E P/E and P/BV multiples of 8.54x and 1.08x, respectively, representing discounts of 25% and 45% to the MSCI EM Index.

This month, we are making a change to our banking recommendations in our model portfolio, removing YKBNK and replacing it with VAKBN.

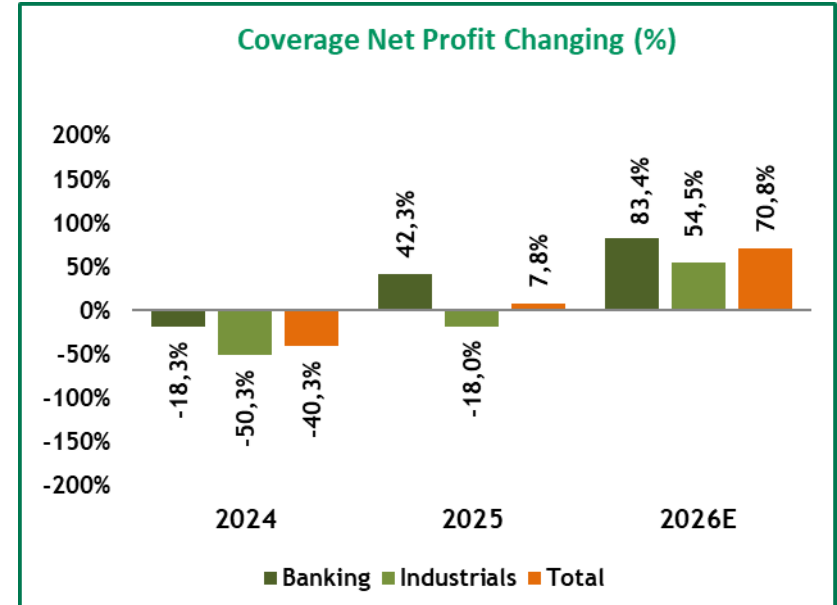
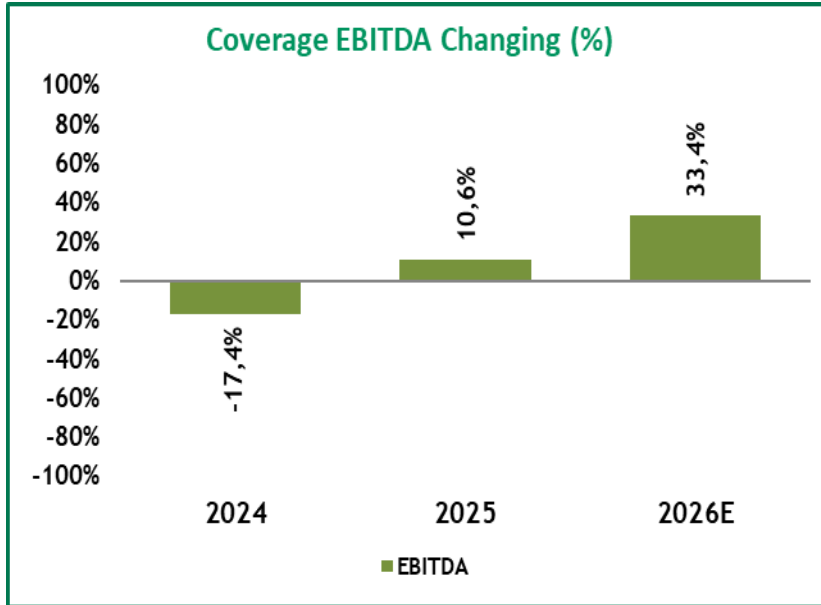
Key Market Risks

- An escalation of the conflicts in the Middle East and a halt in energy shipments through the Strait of Hormuz and the Red Sea routes,
- The Fed, ECB and BoJ maintaining tight monetary policies for longer than expected,
- A persistent deterioration in domestic inflation expectations and further tightening by the CBRT,
- An increase in the impact of developments in the fund market on financial markets,
- Türkiye’s removal from the MSCI Emerging Markets Index.

Model Portfolio					
Top Picks	Close	TP	Pot.	MoM	Relative
AKBNK.TI	67,00	96,76	44,4%	-6,8%	11,9%
ASELS.TI	336,50	495,00	47,1%	-12,9%	4,5%
CIMSA.TI	41,68	70,55	69,3%	-6,7%	11,9%
EKGYO.TI	18,44	32,84	78,1%	-7,8%	10,6%
GARAN.TI	122,90	182,99	48,9%	-6,1%	12,6%
MGROS.TI	504,50	910,00	80,4%	-5,4%	13,5%
SAHOL.TI	84,80	172,63	103,6%	-9,0%	9,2%
TCELL.TI	96,10	150,00	56,1%	1,1%	21,3%
THYAO.TI	283,25	445,00	57,1%	-6,3%	12,4%
VAKBN.TI	32,26	46,39	43,8%	0,0%	0,0%
Monthly Return				-6,0%	10,8%

*Close as of September 30, 2026

Add VAKBN	Remove YKBNK	Maintain AKBNK ASELS CIMSA EKGYO FROTO MGROS SAHOL TCELL THYAO
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.

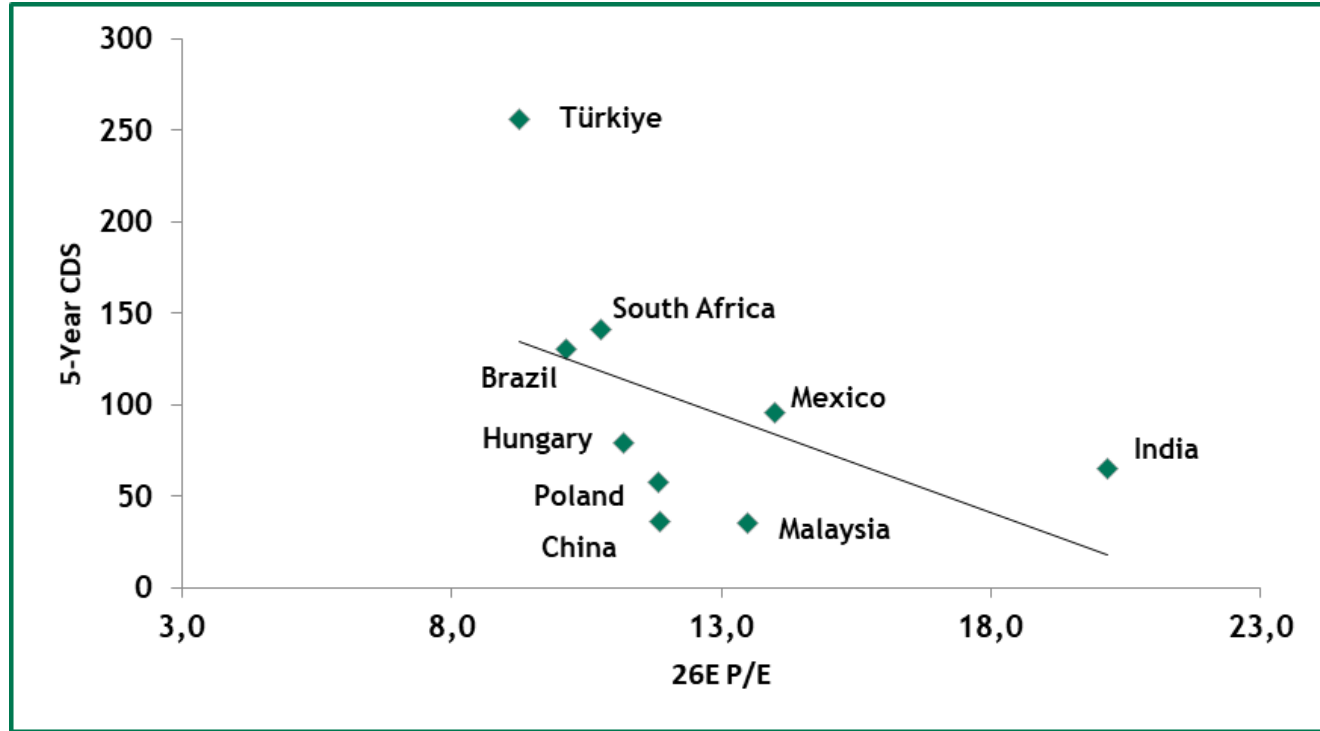
Returns compared to peers

- The MSCI Türkiye Index has risen by 6.0% in absolute terms over the past 12 months. It has underperformed the MSCI EM by 19.4%, and outperformed the MSCI EMEA index by 0.5% during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	-9,1%	-4,7%	6,0%	10,4%
MSCI EM	-0,8%	-1,0%	26,7%	21,4%
MSCI EMEA	-4,9%	1,8%	5,5%	1,9%
MSCI Eastern Europe	-1,5%	10,1%	40,6%	22,8%
MSCI World	-1,3%	1,6%	13,8%	10,7%
Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	9,1%	3,9%	19,4%	10,0%
MSCI EMEA	4,7%	6,9%	-0,5%	-7,7%
MSCI Eastern Europe	8,5%	15,6%	32,6%	11,2%
MSCI World	8,6%	6,6%	7,4%	0,3%

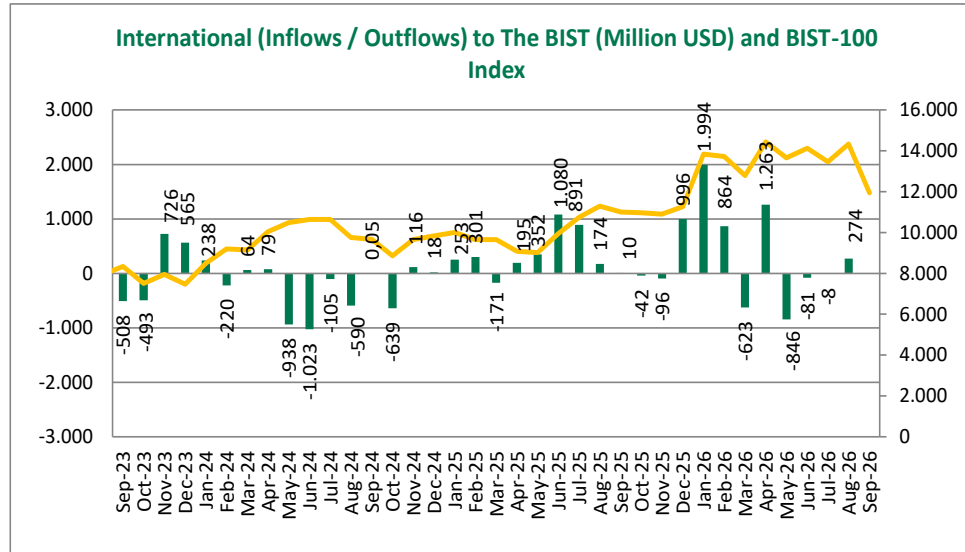
As of September 30, 2026

5-Year CDS

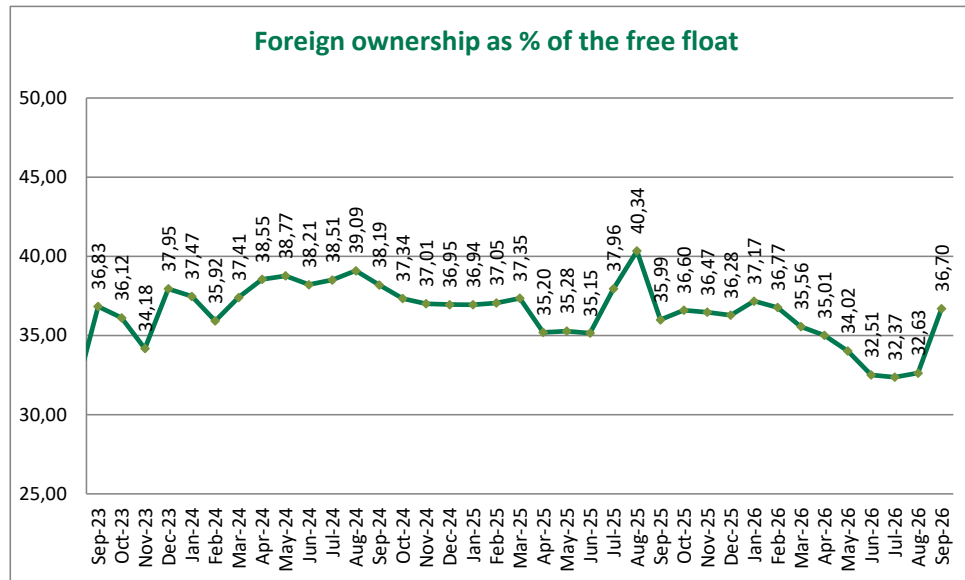


As of September 30, 2026

Int. flow and foreign ownership

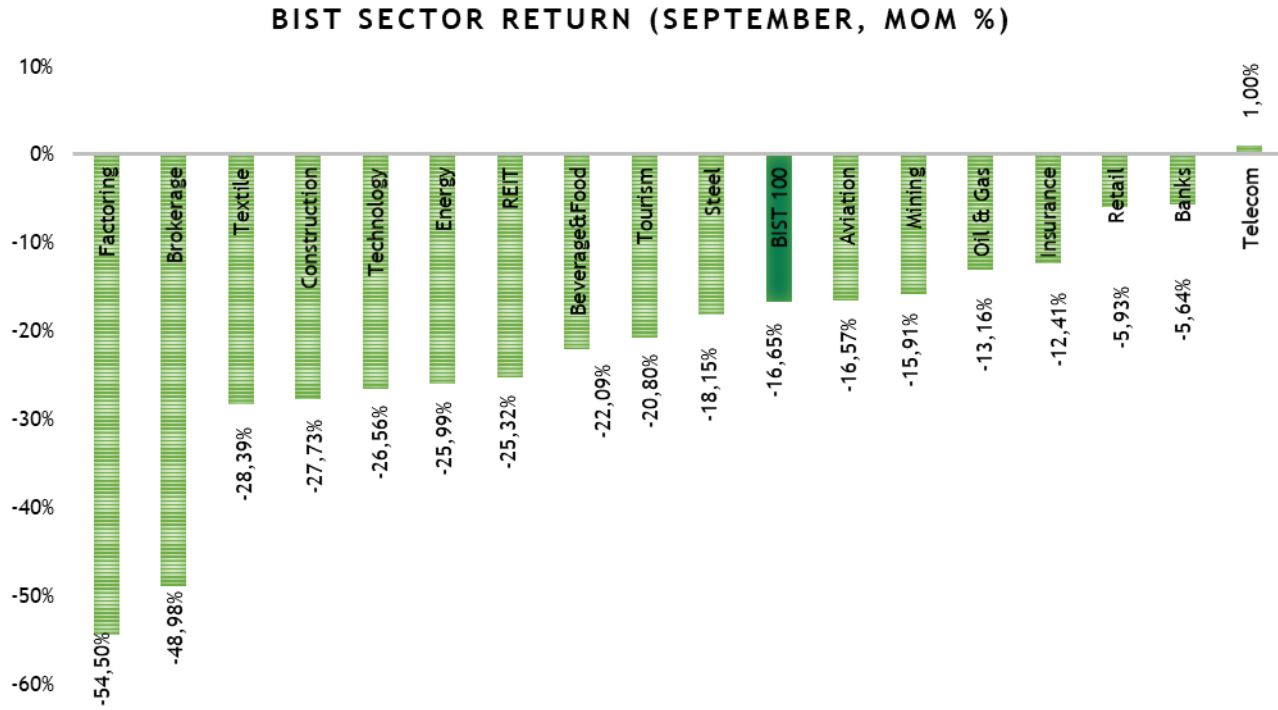


➤ Overall, in august 2026, foreign investors were net buyers of USD 274mn.



➤ Foreign ownership has realized to 36.70% in September 2026.

Sector performances



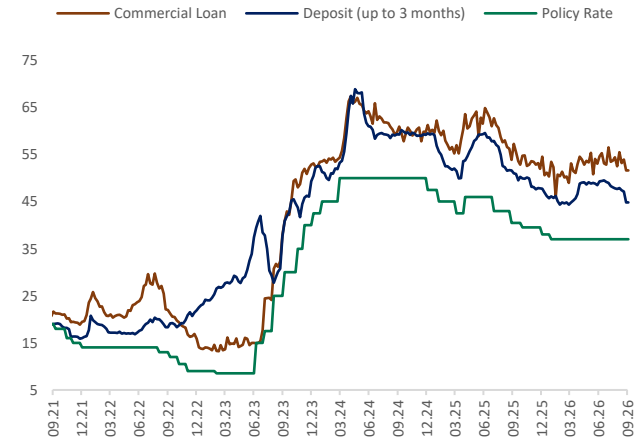
As of September 30, 2026

Macroeconomic Outlook

CBRT Rate Decision - September

At its meeting this month, the Central Bank of the Republic of Türkiye's Monetary Policy Committee (MPC) kept the policy rate steady at 37%, in line with market expectations. Prior to this decision, a number of measures were taken as part of the normalization process. Due to geopolitical tension, repo auctions were suspended at the beginning of March, and the market had begun to be funded at the upper band of the corridor, 40%. In August, as tensions eased and the underlying trend in inflation moderated, repo auctions resumed and the market began to be funded at the policy rate of 37%. This can, in fact, be regarded as an implicit interest rate cut. Alongside this development—which we might interpret as a fine-tuning of liquidity conditions—a 300 basis point easing took place. The fact that this was reflected in lending and deposit rates has provided the market with some relief. Looking at the details of today's decision, we observe a 'wait-and-see' policy that confirms recent developments. Rather than forward-looking messages of interest rate cuts, we can say that the rationale behind the 300 basis point implicit cut is evident between the lines. The first message is that realized inflation and leading indicators point to a decline in the underlying trend. The second is that the inflationary effects of economic activity and supply shocks have remained limited. When these two factors are assessed together, the CBRT is effectively explaining to the market the developments that took place leading up to the decision and the rationale behind the implicit interest rate cut. To understand why the policy rate was not cut, one needs to look at the upward revision of the forecast level in the latest inflation report and the assumptions regarding oil prices. Whilst the CBRT's assumption regarding oil prices was consistent with actual developments in July-August, it deviated upwards by approximately 10 per cent in September. If energy prices remain at this level, there will be upward pressure of approximately 1-2 percentage points on the CBRT's forecasts. We therefore believe that the CBRT's message to the market was: 'A 300-basis-point implicit cut is sufficient for now; to consider further cuts, we need to see the extent of volatility in the energy market and the new equilibrium levels.' Although core trend indicators, excluding energy prices, have eased, supply shocks may exert an upward influence on headline inflation and expectations. In this environment, where monetary policy is sufficiently tight, the downward impact of lagged effects on the expectations channel will be observed. The positive effects of the central bank's long-standing tight stance have been disrupted by supply-side global shocks. Therefore, maintaining a cautiously tight stance is a sound decision in order to assess the outcomes of the prolonged disinflationary policy. From the policymakers' perspective, the negative consequences of an early interest rate cut may outweigh any short-term positive effects. Should there be sharp fluctuations in oil prices, the most reasonable scenario appears to be maintaining sufficiently tight conditions and awaiting a de-escalation in geopolitical tension, rather than entering a period of uncertainty characterized by tightening followed by cuts, as seen in March.

Policy, Loan and Deposit Rates (%)

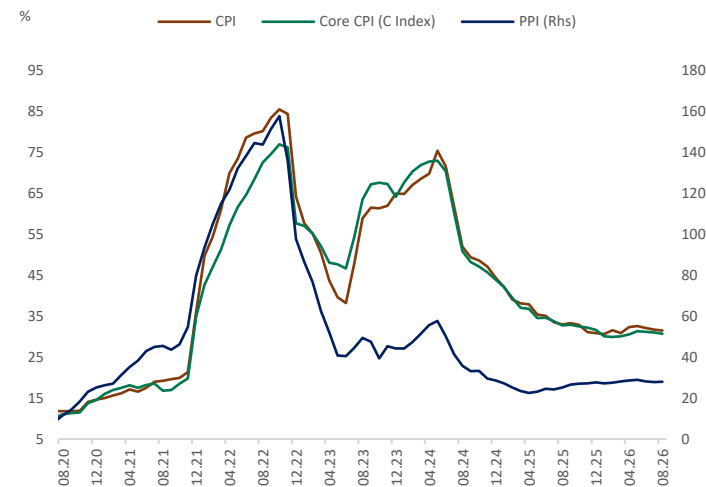


Macroeconomic Outlook

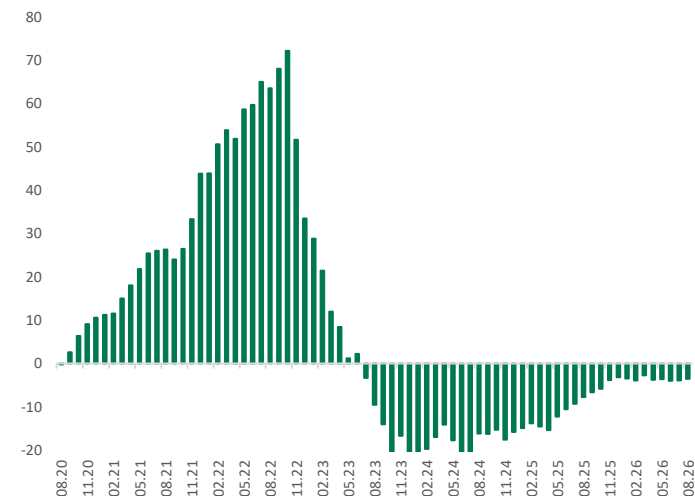
Inflation - August

Whilst the CPI rose by 1.84% in August compared with the previous month, annual inflation stood at 31.51% (previously 31.75%). We can say that the data was in line with our expectations. However, the external shock caused by energy prices in the transport sector exceeded our expectations. Although there was a moderation in monthly inflation compared with the previous month, the pressure exerted by supply shocks on price dynamics persists. We can say that once this effect returns to its trend seen at the start of the year, there will be a marked decline in the underlying trend of inflation. Alongside external shocks, tax adjustments stemming from administered/guided prices domestically continue to create rigidity in prices. This month, we also observed a marked rise in core inflation indicators—such as education, IT and housing—where the impact of energy and tax factors remains weak. Consequently, headline and core inflation were at the same level. Looking at the dispersion index for August, 134 sub-indices recorded an increase whilst 35 sub-indices showed a decrease. The monthly changes in the three main expenditure groups with the highest weightings were as follows: a 0.22% increase in food and non-alcoholic beverages, a 4.82% increase in transport, and a 2.26% increase in housing. The contributions of these main groups to the monthly change were 0.06 points for food and non-alcoholic beverages, 0.82 points for transport and 0.27 points for housing. This index, calculated using the average inflation rate for food, housing and transport - which account for 52.46% of the CPI - rose by 35.50% year-on-year in July. In the B index, which is the Special Scope CPI indicator, monthly inflation stood at 1.84%, whilst annual inflation stood at 30.68%. Whilst the monthly trend was the same for both the headline and core indicators, core inflation remained lower on an annual basis due to base effects. We entered the final days of August and the month of September against a backdrop of renewed geopolitical tensions. In this context, unless these tensions ease, we can expect inflation to remain sluggish throughout September. Under an optimistic scenario, it is possible that the anticipated decline in the underlying trend will be delayed until the final quarter. In this context, we anticipate that the central bank will prioritize normalization and then begin cautious interest rate cuts without compromising its hawkish stance. The return to repo auctions as part of normalization, and the market's resumption of funding via the policy rate, can be regarded as an implicit cut. We expect this to be followed by policy rate cuts from September onwards. Although external shocks to oil prices may delay the scale and timing of interest rate cuts, our expectation of a total cut of 200 basis points by the end of the year remains unchanged.

CPI, PPI and Core CPI (YoY %)



PPI - CPI Spread

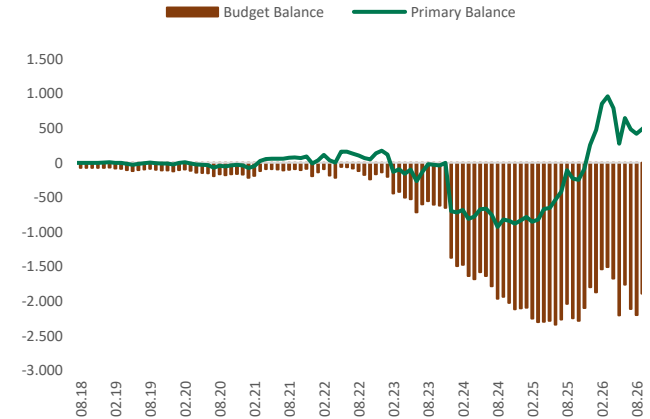


Macroeconomic Outlook

Budget Balance - August

According to central government budget data, budget revenue stood at 1,654.9 billion TL, whilst budget expenditure amounted to 1,642 billion TL. During the same period, non-interest budget expenditure totaled 1,144.5 billion TL. Based on these figures, the budget recorded a surplus of 12.9 billion TL and the non-interest balance showed a surplus of 209.9 billion TL. In August, the most significant factor driving the budget surplus was corporation tax, whilst expenditure items continued to trend almost flat. Current transfers resulted in expenditure of 600 billion TL due to a base effect, whilst tax revenues were sufficient to offset this increase. The rise in staff costs resulting from the inflation adjustment was an expected effect. Following this adjustment, we can state that staff costs will stabilize at around 450 billion TL. However, when interest expenditure is excluded—with the exception of January and July—it has stabilized at an average level of 200 billion TL. When adjusted for the impact of interest rates, the performance of the core budget balance is consistent with the fiscal discipline anchor. In this context, we can say that the anchoring of inflation expectations and the decline in interest expenditure have been a prerequisite for the performance of the budget balance. The point we wish to emphasize here is that there has been no deterioration in fiscal policy regarding tax collection or expenditure policies. However, the inflationary impact created by monetary policy—which increases expenditure by at least as much as inflation and generates high interest expenditure due to borrowing costs—is triggering the budget deficit. 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 follow a flat trend. Despite a limited decline in tax revenues, there has been a broad-based improvement in revenue performance throughout the year. Assuming that the disinflation process continues resolutely in the second half of the year, several possibilities come to the fore. Foremost among these are the adjustments to administered/guided prices, as highlighted in the latest inflation report. Regulations in areas that influence tax revenues—such as healthcare, transport and fuel—reflect the lagged effects of inflation. It is clear that this will have a positive impact on budget performance. The second possibility is that inflation will remain within the 28-30% range by year-end, with no significant improvement from current levels. This effect necessitates that both monetary and fiscal policy maintain a tight stance for some time to come. The final and least likely scenario is a shift towards an ‘election economy’ and a one-off easing of fiscal policy. In this case, a marked rise in personnel and pension expenditure would be observed. To finance this, price increases and tax adjustments across expenditure categories may be introduced. Once these temporary effects are factored out, we maintain our baseline scenario that the budget will converge towards the fiscal discipline benchmark in the 2027-2028 period, in line with the decline in inflation.

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

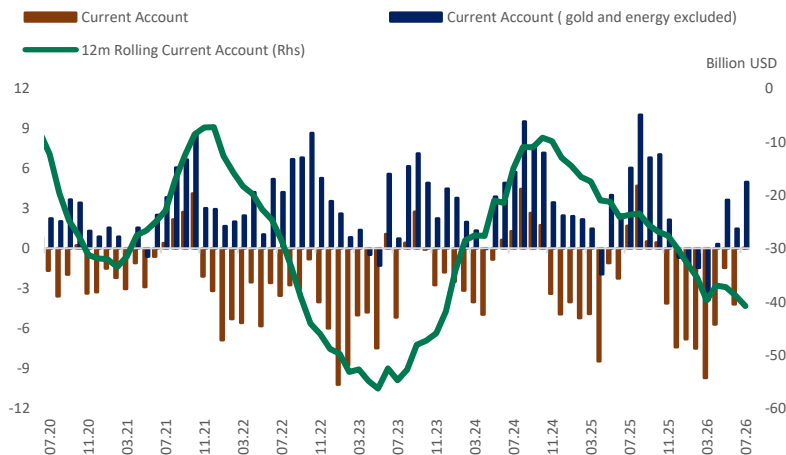


Macroeconomic Outlook

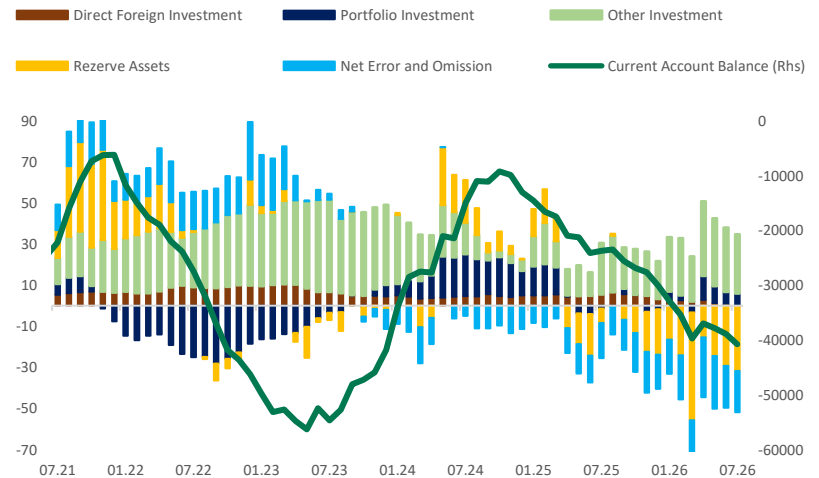
Balance of Payments - July

According to balance of payments statistics, the current account balance for July recorded a surplus of 36 million US dollars. As a result, the twelve-month current account deficit stood at 40,786 million US dollars. The return to a current account surplus after a long period is a result of the marked increase in the services balance. This can be attributed to the summer season effect on travel receipts. On the other hand, there has been a modest decline in the trade deficit due to a slowdown in import demand. Upon examining the sub-components of the balance of payments, the trade deficit has fallen to 5.6 billion. The slowdown in domestic demand and a significant contribution to inflation will also stem from these components. Seasonal effects in the services balance remain strong, with inflows in July amounting to 8.2 billion US dollars. Looking at the 12-month cumulative figures, the trade deficit stands at 77.1 billion and inflows from the services balance at 63.5 billion US dollars. The current account balance, excluding gold and energy, recorded a surplus of 4,972 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 robustness of the balance of payments. In particular, a reduction in volatility in the items that create vulnerability will ensure the continuation of this trend. This month, portfolio investments saw inflows of 5.8 billion, whilst foreign direct investment recorded only a modest inflow of 514 million. For the first time in a long while, the 12-month cumulative figures show outflows in foreign direct investment. Reserves have fallen by 31.5 billion over the last twelve months, whilst net errors and omissions recorded outflows of 20 billion USD. Assuming that the worst of the geopolitical developments is behind us, the lagged effects on the trade deficit will continue to diminish. Under current policies, we are maintaining our forecast for the current account deficit at the end of 2026 at 45 billion USD.

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



Finance of Current Account Deficit (Billion USD)

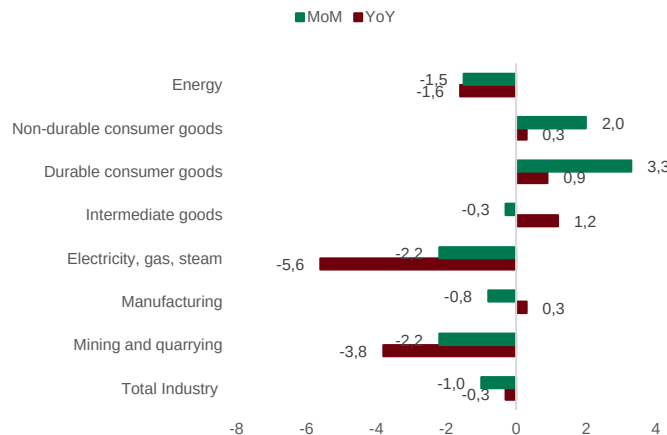


Macroeconomic Outlook

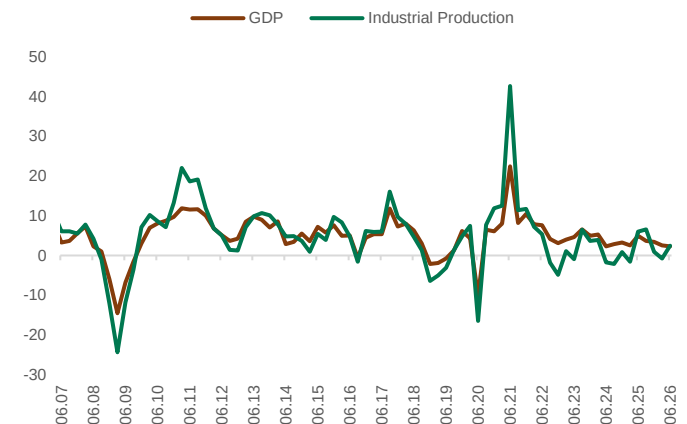
Industrial Production - July

According to industrial production index data, seasonally and calendar-adjusted production fell by 1 per cent in July compared with the previous month. With this figure, annual production contracted by 0.3 per cent. We had expected a modest recovery in July for industrial production, which has continued its volatile but subdued trend. The actual figures, however, suggest that we have, on the contrary, started the third quarter in a negative climate in terms of production. In particular, there is a marked divergence between production data and the manufacturing sector on the one hand, and the services and agriculture sectors on the other. Whilst economic activity remains buoyant in the services sector—where we see the clearest reflection of inflation—agriculture is still recovering from last year’s frost damage. However, when considering both its contribution to growth and its prolonged near-flat trajectory, there is a negative divergence in industrial production. We have highlighted the local and global dynamics of this in our previous reports. With the tight stance in domestic monetary policy and expectations, compounded by global uncertainty and geopolitical tension, the expected recovery in industrial production is not materializing. 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. We observed this in the details of the second-quarter growth data as well. Ensuring that the economy, which is growing led by the services sector, shifts onto a healthy and sustainable path is also crucial for the labor market. Employment growth in production-oriented sectors not only creates added value but also contributes to the disinflation process. Whilst our baseline scenario for 2026 industrial production at the start of the year was disrupted by global shocks, we believe this will be implemented, albeit with a delay, from the final quarter onwards. Neither are the targeted developments in the underlying trend of inflation in place for the CBRT to begin cutting interest rates, nor do developments in the global commodities market support this scenario. Under our scenario, in which cautious interest rate cuts will be introduced from October onwards, we forecast that 2027 will support growth through a production-led recovery. Industrial production and pent-up demand across sectors will gradually pick up from September onwards.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



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

Fees supported earnings; margin pressure persist

Upside:44%

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.

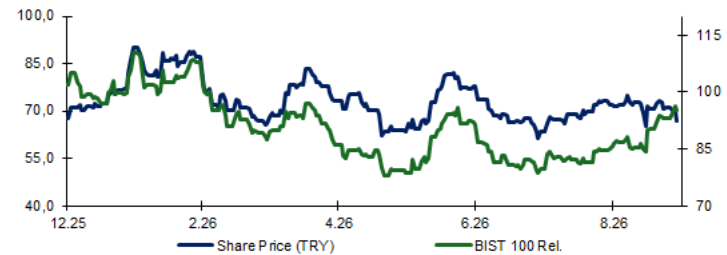
We maintain our 12-month target price of TRY 96.76/shr. and 'Outperform' recommendation for Akbank. Our target price implies 44% upside from current levels, and we maintain our "OUTPERFORM" recommendation. We model 69.2% earnings growth in 2026. The shares trade at 3.6x 2026E P/E and 0.90x P/BV, with an average ROE of 28.9%.

Mcap (TRYmn)	348.400	Beta (12M)	1,35
Mcap (USDmn)	7.123	Avr. Daily Vol. (TRYm)	9.187
Close	67,00	Foreign Ownership in FF	40,7%
Last 12M High	90,60	Free Float (%)	52,0%
Last 12M Low	51,40	Weight	4,93%

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	6,1	3,6	2,4
P/BV	1,40	1,12	0,90	0,69



Return	1M	3M	6M	12M
TRY Return (%):	-6,8	-13,0	1,5	10,3
US\$ Return (%):	-8,4	-17,2	-7,9	-6,4
BIST-100 Relative (%):	11,9	2,9	8,7	1,7

Source: Bank financials, Şeker Invest Research

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

Upside: 47%

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.

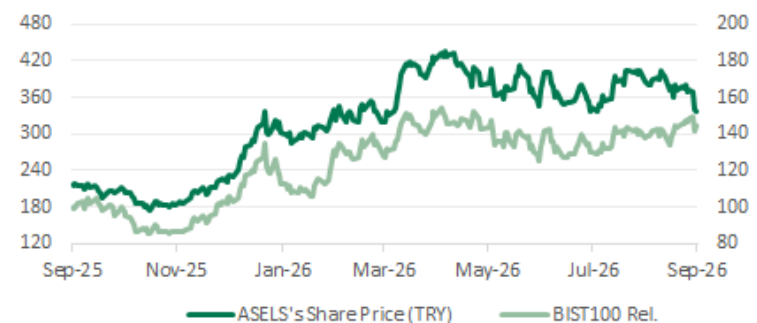
The 2Q26 results showed that order growth continues to translate into financial performance. Net sales, EBITDA and net income attributable to the parent increased by 32.6%, 32.2% and 61.3% YoY, respectively. The EBITDA margin remained strong at 27.0%, while net income exceeded both our estimate and the 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 47% upside potential based on the September 30, 2026 closing price.

Code	ASELS.TI	Close	336,50	
MCAp (TRY m)	1.534.440	Last 12M High	450,00	
MCAp (US\$ m)	31.360	Last 12M Low	171,28	
EV (TRY m)	1.568.264	Beta	0,93	
EV (US\$ m)	32.086	Avg. daily trading vol. (US\$ m)	237,2	
Free float (%)	26,00	Foreign ownership in FF (%)	51,0%	
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%	0,06%	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%	13,4%
ROAA		6,6%	8,0%	7,7%
Valuation metrics	2023A*	2024A*	2025A*	2026E
P/E	28,1	21,6	35,3	42,8
EV/EBITDA	13,6	11,5	22,6	24,2
EV/Sales	1,4	1,9	5,0	6,2
P/BV	2,3	2,4	4,2	5,4
Return	1M	3M	YtD	YoY
TRY Return (%)	-16,7	-2,5	45,2	56,7
US\$ Return (%)	-18,2	-7,2	27,3	33,0
BIST-100 Relative (%)	2,1	15,3	36,9	44,4



Source: PDP, Finnet, Şeker Invest Research estimates

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

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

Upside: 69%

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.

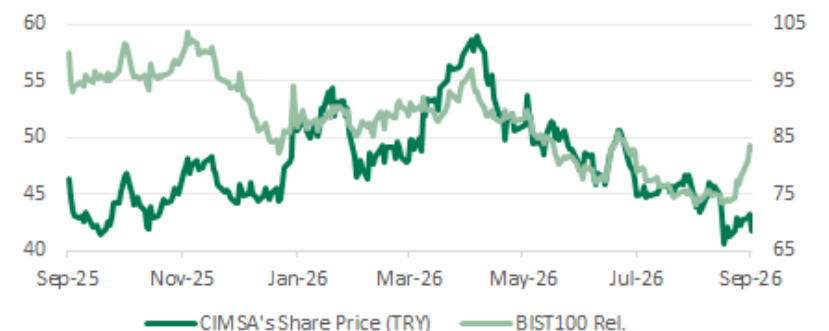
The 2Q26 results confirmed the benefits of international diversification and cost discipline. Domestic sales volume contracted by 6.8%, while international volume increased by 7.8% with support from the U.S. grey cement grinding facility, leading to 0.9% consolidated volume growth. Despite a 9.7% decline 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 (CIMS.TI). Our target price implies 69% upside potential based on the September 30, 2026 closing price.

Code	CIMSATI	Close	41,68	
MCAp (TRY m)	39.412	Last 12M High	60,00	
MCAp (US\$ m)	805	Last 12M Low	39,42	
EV (TRY m)	65.666	Beta	1,02	
EV (US\$ m)	1.369	Avg. daily trading vol. (US\$ m)	10,2	
Free float (%)	45,00	Foreign ownership in FF (%)	9,7%	
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%	2,3%
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	8,5
EV/EBITDA	8,2	11,4	6,8	6,0
EV/Sales	0,7	1,4	1,2	1,1
P/BV	1,5	1,8	1,1	1,1
Return	1M	3M	YtD	YoY
TRY Return (%):	-10,6	-11,5	-9,0	-10,1
US\$ Return (%):	-12,2	-15,8	-20,2	-23,8
BIST-100 Relative (%):	9,5	4,6	-14,2	-17,2



Source: PDP, Finnet, Şeker 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: 78%

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 78% upside potential based on the September 30, 2026 closing price.

Code	EKGYO.TI	Close	18,44	
MCAp (TRY m)	70.072	Last 12M High	26,36	
MCAp (US\$ m)	1.432	Last 12M Low	17,13	
EV (TRY m)	92.117	Beta	1,21	
EV (US\$ m)	1.905	Avg. daily trading vol. (US\$ m)	67,6	
Free float (%)	51,00	Foreign ownership in FF (%)	12,3%	
Key figures	2024*	2025*	2025/06*	2026/06
Revenues	49.169	117.559	63.268	53.301
Growth		139,1%		-15,8%
EBITDA	7.432	25.893	16.914	11.907
EBITDA margin	15,1%	22,0%	26,7%	22,3%
Net profit	20.342	7.068	12.464	2.358
EPS	5,35	1,86		
Dividend yield	2,9%	2,9%		
Net debt /EBITDA	0,95	1,38		
Net debt /Equity	0,05	0,23	0,11	0,34
ROAE	14,8%	4,7%		
ROAA	6,9%	2,0%		
Valuation metrics	2024*	2025*	2025/06*	2026/06
P/E	4,0	16,2	3,3	-
EV/EBITDA	11,8	6,3	5,2	7,6
EV/Sales	1,8	1,7	1,1	1,9
P/BV	0,5	0,6	0,6	0,5
Return	1M	3M	YtD	YoY
TRY Return (%)	-10,6	-10,8	-7,2	-4,5
US\$ Return (%)	-12,2	-15,1	-18,7	-19,0
BIST-100 Relative (%)	9,6	5,4	-12,5	-12,0



Source: PDP, Finnet, Şeker Invest Research estimates

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

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

Strong fee income, downside risk to margin outlook

Upside:49%

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).

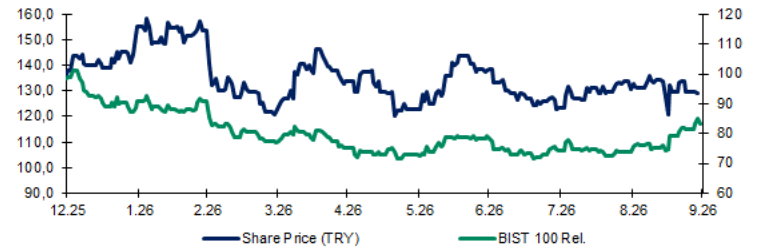
We maintain our 12-month target price of TRY 182.99/shr. and 'Outperform' recommendation for Garanti BBVA. Our target price implies 49% upside from current levels, and we maintain our "OUTPERFORM" recommendation. The shares trade at 3.5x 2026E P/E and 0.97P/BV, with an average ROE of 30.4%.

Mcap (TRYmn)	516.180	Beta (12M)	1,19
Mcap (USDmn)	10.553	Avr. Daily Vol. (TRYm)	4.562
Close	122,90	Foreign Ownership in FF	3,6%
Last 12M High	163,11	Free Float (%)	14,0%
Last 12M Low	110,92	Weight	1,97%

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 (%)	-6,1	-10,9	1,1	-8,5
US\$ Return (%)	-7,7	-15,2	-8,3	-22,4
BIST-100 Relative (%)	12,6	5,3	8,2	-15,7

Source: Bank financials, Şeker Invest Research

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

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

Upside: 80%

We maintain our target price for Migros of TRY 910.00/shr, and our “OUTPERFORM” recommendation. As of the closing price on September 30, 2026, the stock is trading at 2026E EV/EBITDA of 2.5x and 2026E P/E of 9.3x, implying 80% 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.

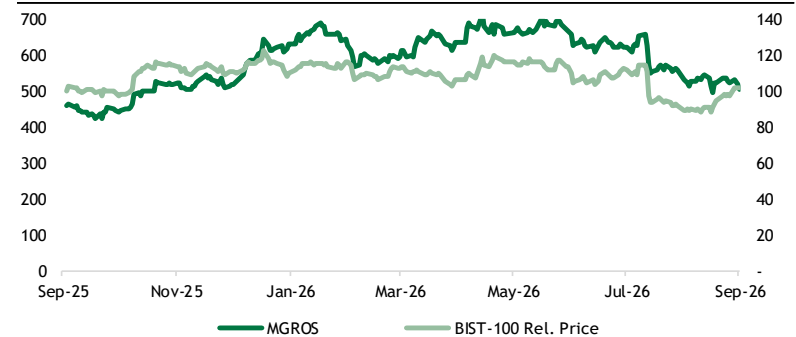
Strong FCF generation, real sales growth, and total financial debt levels that remain significantly lower compared to previous years underpin our constructive view on the Company. In addition, efficiency-enhancing initiatives have driven improvements in gross profitability despite price discounts, which 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	504,50
MCap (TRY mn)	91.342	Last 12M High	727,00
MCap (US\$ mn)	1.867	Last 12M Low	415,39
EV (TRY mn)	97.792	Beta	0,87
EV (US\$ mn)	2.005	Avg. Daily Trading Vol. (US\$ m)	37,4
Free Float (%)	50,82	Foreign Ownership in FF (%)	34,94

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 (%)	1,4%	1,9%	1,6%	3,2%
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	4,6	9,3	12,0	9,3
EV / EBITDA	14,0	4,0	3,0	2,5
EV / Sales	0,2	0,2	0,2	0,2
P / BV	1,1	1,2	1,1	0,9
Return	1M	3M	YtD	YoY
TRY Return (%)	-9,6	-24,6	-2,7	15,0
US\$ Return (%)	-11,2	-28,3	-14,7	-2,5
BIST-100 Relative (%)	10,8	-10,9	-8,3	6,0



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

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

Sabancı Holding (OP, 12M TP: TRY172.63)

Upside: 104%

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.

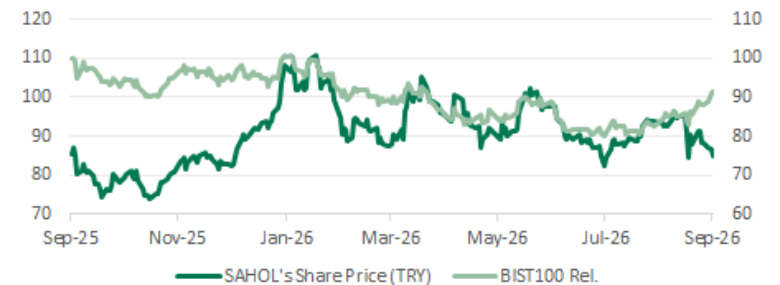
The Akçansa and CarrefourSA exits accelerated portfolio simplification. The sale of the 39.72% stake in Akçansa for USD 427.9mn generated cash, while the CarrefourSA exit was completed after the reporting period. Our calculated solo net cash of USD 672.44mn following the transactions provides flexibility 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 104% upside potential based on the September 30, 2026 closing price.

Code	SAHOL.TI	Close	84,80	
MCAp (TRY m)	178.112	Last 12M High	113,18	
MCAp (US\$ m)	3.640	Last 12M Low	72,73	
EV (TRY m)	472.074	Beta	1,23	
EV (US\$ m)	9.952	Avg. daily trading vol. (US\$ m)	74,2	
Free float (%)	51,00	Foreign ownership in FF (%)	26,5%	
Key figures (TRY m)				
	2024*	2025*	2025/06*	2026/06
Net Sales	300.713	289.967	143.614	135.128
Finance Sector Revenues	1.097.301	1.090.910	555.554	492.046
Total Revenues	1.398.014	1.380.877	699.169	627.174
Growth		-1,2%		-10,3%
Consolidated net profit	-23.852	4.467	-1.803	14.500
EPS	-11,36	2,13		
Dividend yield	2,7%	1,6%		
Net debt /Equity	0,33	0,67	0,40	0,70
ROAE	-5,1%	1,0%		
ROAA	-0,5%	0,1%		
Valuation metrics				
	2024*	2025*	2025/06*	2026/06
P/E	0,0	46,6	0,0	10,4
EV /Sales	0,3	0,4	0,3	0,4
P/BV	0,7	0,5	0,6	0,5
Return				
	1M	3M	YtD	YoY
TRY Return (%)	-9,5	-13,0	2,3	-0,7
US\$ Return (%)	-11,1	-17,2	-10,4	-15,8
BIST-100 Relative (%)	11,0	2,8	-3,6	-8,5



Source: PDP, Finnet, Şeker Invest Research estimates

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

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

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 56% upside potential based on the September 30, 2026 closing price.

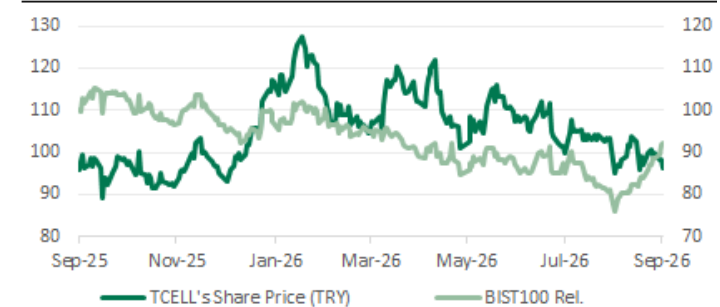
Upside: 56%

Code	TCELL.TI	Close	96,10
MCAp (TRY m)	211.420	Last 12M High	129,60
MCAp (US\$ m)	4.321	Last 12M Low	88,34
EV (TRY m)	308.281	Beta	0,97
EV (US\$ m)	6.401	Avg. daily trading vol. (US\$ m)	61,4
Free float (%)	39,00	Foreign ownership in FF (%)	46,9%

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%	3,22%	3,54%
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	8,7
EV/EBITDA	3,2	3,3	2,5	2,4
EV/Sales	0,7	1,0	1,0	1,0
P/BV	1,0	1,1	0,8	0,6

Return	1M	3M	Ytd	YoY
TRY Return (%)	-7,1	-10,5	3,2	0,1
US\$ Return (%)	-8,8	-14,8	-9,5	-15,1
BIST-100 Relative (%)	13,8	5,8	-2,7	-7,8



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: 57%

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 September 30, 2026, our target price implies 57% upside potential, while THY is trading at 2026E P/E and EV/EBITDA multiples of 3.99x and 5.07x, respectively.

➤ In August 2026, THY's total PAX rose by 5.6% YoY to 10mn, with int'l passengers rising 5% YoY to 6.4mn and domestic passengers increasing 6.8% YoY to 3.6mn. The share of int'l passengers in total traffic reached 64%, while we view the 1.3 pp YoY increase in the PLF to 88% as positive from an operational performance perspective. The 6.1% 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.

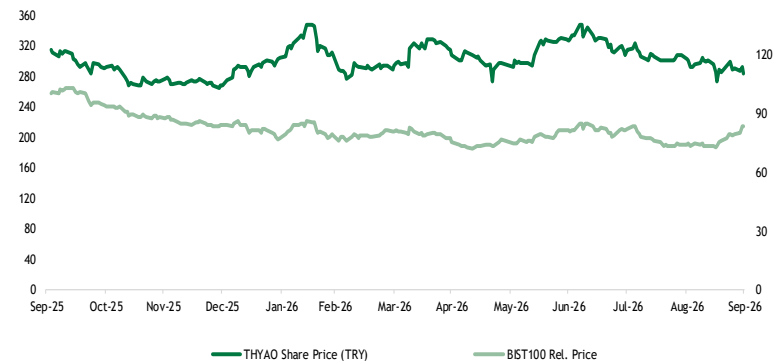
➤ **Risks** - Delays in aircraft deliveries, slowing global growth, natural disasters, geopolitical risks, increased global competition, and fluctuations in jet fuel prices.

Code	THYAO.TI/THYAO.IS	Close	283,25
MCAP (TRY mn)	390.885	Last 12M High	355,50
MCAP (US\$ mn)	7.989	Last 12M Low	258,25
EV (TRY mn)	1.011.263	Beta	0,83
EV (US\$ mn)	21.309	Avg. Daily Trading Vol. (US\$ mn)	313,0
Free Float (%)	50,40	Foreign Ownership in FF (%)	20,48

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%	2,77%	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	1,33	2,33	2,75	3,99
EV/EBITDA	3,85	4,21	4,21	5,07
EV/Sales	1,02	0,94	0,88	0,78
P/BV	0,51	0,41	0,37	0,34

Return	1M	3M	Ytd	YoY
TRY Return (%)	-7,89	-13,11	5,49	-10,08
US\$ Return (%)	-9,52	-17,30	-7,56	-23,71
BIST-100 Relative (%)	12,89	2,70	-0,56	-17,12



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

VakıfBank (OP, 12M TP: TRY46.39) Adding VakıfBank to our model portfolio

Upside: 44%

We expect VakıfBank's net income to rise markedly in 2H26 versus 1H26. Our estimates point to net income of TRY66.7bn in 2H26, up from TRY30.1bn in 1H26, implying a 122% half-on-half increase. The main driver is the expected convergence of the bank's CPI-linker valuation assumption towards realised inflation in the second half of the year. Against this backdrop, we are adding VakıfBank to our model portfolio.

VakıfBank reported 2Q26 solo net income of TRY15,077mn (+0.3% QoQ, +50.3% YoY), 6% above both our estimate and the market median. The beat was mainly driven by an effective tax rate of 19.9%, versus our 27% assumption; the bank also reversed the full TRY8,000mn of free provisions set aside in previous years.

Margin pressure intensified. Swap-adjusted net interest income declined 12.5% QoQ to TRY42,401mn, and the swap-adjusted NIM contracted from 3.80% to 3.18%. The squeeze stemmed from a 202bp increase in the cost of TL time deposits, while TL loan yields rose by only 9bp.

CPI-linkers hold a reserve of unrecognised interest income. In 1H26, the bank valued its CPI-linked securities using an October-on-October inflation assumption of 20.9%, compared with our expectation of 29-30%. The gap corresponds to roughly TRY13.0bn of interest income not yet recognised as of 1H26. We expect the valuation assumption to be raised in 3Q26 and adjusted to realised October-on-October inflation at year-end, providing significant support to 2H26 profitability.

Fee performance remained strong, while asset quality continues to deteriorate gradually. Net fees and commissions grew 15.6% QoQ and 27.5% YoY in 1H26. The NPL ratio rose from 3.12% to 3.35%, while net cost of risk declined from 155bp to 128bp (cumulative: 141bp).

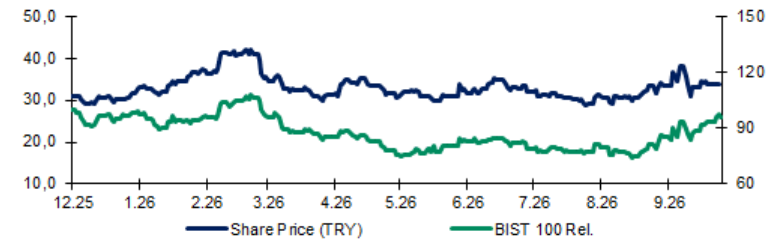
We maintain our 12-month target price of TRY46.39 and our "OUTPERFORM" rating on VakıfBank. Our target price implies 44% upside based on the 30 September 2026 close. VakıfBank trades at 2026E P/E of 3.3x and P/BV of 0.8x, with an average ROE of 26.8%.

Mcap (TRYmn)	319.888	Beta (12M)	1,16
Mcap (USDmn)	6.540	Avr. Daily Vol. (TRYr)	1.623
Close	32,26	Foreign Ownership i	0,6%
Last 12M High	43,06	Free Float (%)	6,0%
Last 12M Low	21,38	Weight	0,52%

Quick Facts (TRY Mn)	2024A	2025E	2026E	2027E
Net interest income	68.704	138.550	241.702	320.243
% Change, YoY	66,1%	101,7%	74,5%	32,5%
Net fee income	46.474	72.693	92.699	121.814
% Change, YoY	80,5%	56,4%	27,5%	31,4%
Net income	40.375	70.050	96.807	121.735
% Change, YoY	61,2%	73,5%	38,2%	25,8%

Ratios	2024A	2025E	2026E	2027E
NPL ratio	1,8%	2,9%	3,6%	3,7%
CoR (net) Exc. Currency	2,3%	1,3%	1,5%	1,5%
NIM (Swap adj.)	2,4%	3,3%	4,3%	4,3%
ROAA	1,2%	1,5%	1,6%	1,5%
ROAE	20,9%	27,3%	26,8%	25,4%

Multiples	2024A	2025E	2026E	2027E
P/E	5,7	4,3	3,3	2,6
P/BV	1,1	0,9	0,8	0,6



Return	1M	3M	6M	12M
TRY Return (%):	1,6	-1,4	7,5	26,0
US\$ Return (%):	-0,1	-6,2	-2,4	6,9
BIST-100 Relative (%):	21,9	16,5	15,1	16,2

Source: Bank financials, Şeker Invest Research

Recommendation List

Şeker Invest								
Recommendation List							October 1, 2026	
BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	67,00	OP	96,76	348.400	503.152	44,4%	5,22	1,07
GARAN	122,90	OP	182,99	516.180	768.558	48,9%	4,28	1,06
HALKB	44,10	MP	46,38	316.849	333.230	5,2%	9,84	1,35
ISCTR	12,20	OP	21,57	305.000	539.249	76,8%	4,51	0,67
TSKB	9,64	OP	18,00	26.992	50.400	86,7%	2,52	0,54
VAKBN	32,26	OP	46,39	319.888	460.000	43,8%	4,56	0,91
YKBNK	34,04	OP	51,10	287.538	431.644	50,1%	5,19	1,00
INSURANCE	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
TURSG	5,40	OP	9,20	108.000	184.000	70,4%	4,59	1,77
HOLDING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AGHOL	31,48	OP	46,74	76.665	113.823	48,5%	17,72	0,58
KCHOL	208,40	OP	318,51	528.481	807.702	52,8%	15,51	0,67
SAHOL	84,80	OP	172,63	178.112	362.597	103,6%	8,86	0,42
TAVHL	261,25	OP	440,00	94.907	159.845	68,4%	18,00	1,16
INDUSTRIAL	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKCNS	205,00	OP	277,00	39.247	53.031	35,1%	72,95	1,38
AKSEN	72,90	OP	110,00	89.400	134.894	50,9%	29,42	1,30
ARCLK	80,70	OP	149,50	54.531	101.021	85,3%	-	0,70
ASELS	336,50	OP	495,00	1.534.440	2.257.200	47,1%	42,71	5,00
BIMAS	418,50	OP	496,00	502.200	595.200	18,5%	19,15	2,49
CCOLA	77,45	OP	122,00	216.711	341.371	57,5%	11,11	2,37
CIMSA	41,68	OP	70,55	39.412	66.712	69,3%	10,40	1,05
DOAS	144,20	OP	302,90	31.724	66.639	110,1%	16,75	0,43
EKGYO	18,44	OP	32,84	70.072	124.802	78,1%	-	0,45
EREGL	35,94	OP	42,24	251.580	295.710	17,5%	32,62	0,79
FROTO	73,55	OP	130,00	258.094	456.188	76,8%	9,50	1,44
KRDMD	43,98	MP	45,00	34.314	35.109	2,3%	10,82	0,46
MGROS	504,50	OP	910,00	91.342	164.759	80,4%	15,93	0,98
OYAKC	20,20	OP	33,35	98.205	162.130	65,1%	15,89	1,29
PETKM	18,91	MP	18,91	47.926	47.935	0,0%	-	0,64
PGSUS	136,10	OP	271,90	68.050	135.950	99,8%	-	0,60
SELEC	91,90	UR	-	57.070	-	-	25,66	1,54
SISE	36,70	OP	65,00	112.420	199.110	77,1%	11,26	0,42
TCELL	96,10	OP	150,00	211.420	330.000	56,1%	11,79	0,68
THYAO	283,25	OP	445,00	390.885	614.102	57,1%	3,49	0,38
TOASO	262,00	OP	435,00	131.000	217.500	66,0%	10,46	1,99
TTKOM	51,55	OP	90,00	180.425	315.000	74,6%	6,81	0,68
TUPRS	376,25	OP	395,00	724.957	761.085	5,0%	10,74	1,59
ULKER	83,45	OP	159,80	30.816	59.010	91,5%	8,50	0,60
VESBE	3,94	UR	-	6.304	-	-	-	0,15
ZOREN	1,87	UR	-	9.350	-	-	-	0,15
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Contacts



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
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Institutional Sales

Deniz Keskin	Trader	+90 (212) 334 33 36	dkeskin@sekeryatirim.com
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