Monthly Equity Strategy

November 2026

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Elevated Energy Prices and Developments in the Fund Market Weighed on Risk Appetite, While the CBRT Resumed Rate Cuts…

In October, the global market agenda was dominated by the impact of the conflicts in the Middle East on energy supply and inflation, monetary policy decisions by major central banks, and the approaching U.S. midterm elections. Persistently elevated energy prices kept concerns alive that the final stage of the fight against inflation could take longer than previously anticipated. While the Fed and ECB kept policy rates unchanged at their October meetings, the CBRT lowered its policy rate by 100 bps following the decline in September inflation. Meanwhile, the liquidation process of investment funds and MSCI's announcements regarding Türkiye continued to fuel concerns over liquidity conditions and investor confidence in the domestic equity market.

Despite diplomatic efforts between the U.S. and Iran, the absence of a lasting agreement and security risks surrounding energy transportation kept oil prices elevated throughout October. Energy prices at current levels are simultaneously exerting pressure on inflation, current account balances, and economic growth in oil-importing economies. We believe that whether diplomatic efforts yield tangible results in November will be a key determinant of the direction of global risk appetite.

Economic data released in the U.S. during October indicated that economic activity remained resilient, although energy-driven inflationary pressures intensified. At its October 27–28 meeting, the Fed maintained its policy rate within the 3.75–4.00% range. The decision, adopted by a 10–2 vote, with two members calling for a 25-bps rate hike, suggests that the possibility of further monetary tightening remains on the table. The ECB and BoJ also kept their policy rates unchanged.

On October 15, MSCI announced that it had suspended index changes related to the Turkish market until further notice. MSCI made no changes to Türkiye's classification within the EM Index. However, while acknowledging the regulatory measures recently introduced in Türkiye, MSCI stated that additional time and tangible progress would be required to assess whether structural market issues had been adequately addressed, indicating that it would continue monitoring developments through June 2027.

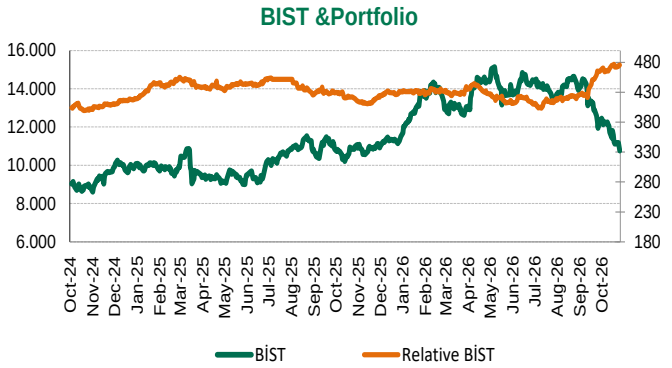
On the domestic front, September CPI increased by a below-consensus 1.84% m/m, bringing annual inflation down to 29.73%. At its October 22 MPC meeting, the CBRT reduced the one-week repo auction rate from 37% to 36%. The Bank noted that recent data confirmed a decline in the underlying trend of inflation and that domestic demand remained subdued, while highlighting the upside risks to the inflation outlook stemming from elevated energy prices.

In November, global markets will focus on the November 3 U.S. midterm elections, diplomatic and military developments in the Middle East, and inflation and employment data. The potential implications of the composition of Congress for taxation, public spending, trade, and foreign policy will be closely monitored across bond and equity markets. Key U.S. data releases include October employment figures on November 6, CPI on November 10, PPI on November 13, the publication of the Fed meeting minutes on November 18, and the second estimate of third-quarter GDP growth alongside October PCE data on November 25. With no scheduled Fed policy meeting in November, we expect these releases to shape market expectations ahead of the December 8–9 meeting.

Domestically, alongside developments surrounding fund liquidation processes, the key items on the November agenda will include October inflation data on November 3, September industrial production figures on November 10, and the year's final Inflation Report on November 12. There is no scheduled MPC meeting in November, with the next policy rate decision due on December 10. Accordingly, the forecasts presented in the Inflation Report, assumptions regarding energy prices, and monetary policy communication will be particularly important in shaping expectations for the final rate decision of the year. September current account data, the Financial Stability Report scheduled for November 27, the 2027 budget discussions, and third-quarter corporate earnings results will also be closely monitored in domestic market pricing.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	10.760	-9,94%	-4,5%
BIST - 100, USD	216	-11,5%	-17,8%
MSCI Turkey	283.540	-9,9%	-0,5%
MSCI EMEA	253	-4,4%	-2,6%
MSCI EM	1.567	-8,1%	11,6%
Benchmark Bond	39,62%	-44bps	240bps
USD/TL	49,7747	1,73%	16,17%
EUR/TL	55,7149	0,28%	10,80%
P/E			
Banking	4,7		
Industrial	25,5		
Iron&Steel	21,3		
REIT	11,0		
Telecom	8,1		
BIST-100	10,0		

*Close as of October 30, 2026



Inflation Report and Fund Liquidations to Take Center Stage in Domestic Markets in November…

Rating: BUY

The CBRT's resumption of rate cuts in October points to the potential for a gradual improvement in financing conditions, provided that disinflation continues. Nevertheless, energy costs and the persistence of inflation expectations warrant maintaining a cautious approach to the pace of monetary easing. In November's inflation release, services inflation, core indicators, and the diffusion of price increases will be key considerations alongside the headline figure. A sustained improvement in the underlying inflation trend could create room for another rate cut in December, while the transmission of energy- and exchange rate-driven pressures into inflation expectations could constrain this room for maneuver.

Developments in the fund market remained one of the key issues affecting the equity market in October. With its October 27 announcement, the CMB clarified the payment principles applicable to certain funds undergoing liquidation. While we view the establishment of clear rules governing the process positively in terms of reducing uncertainty, the pace at which fund assets are converted into cash, the payment schedule, and the asset classes to which investors allocate the returned liquidity remain important considerations.

The BIST-100 Index ended October at 11,760 points, declining by 9.94% over the month. At the sector level, the BIST Industrial Index fell by 16.82% in October, while the Banking Index relatively outperformed with a more limited decline of 5.15%.

In November, we expect the direction of domestic equities to be shaped by inflation developments and CBRT communication, alongside the progress of fund liquidations, MSCI-related developments, the reserve outlook, and third-quarter financial results. A sustained easing in energy prices, diminishing selling pressure stemming from the fund market, and improving inflation expectations could support a recovery in the BIST-100. Conversely, persistently elevated oil prices or corporate earnings falling short of expectations could limit potential upside. Against this backdrop, we maintain our selective and gradual long-term accumulation strategy, favoring companies with high liquidity, strong balance sheets, limited debt refinancing risks, and predictable cash flows.

In light of these expectations, we maintain our 12-month BIST-100 Index target of 16,500 points and our BUY recommendation. Nevertheless, given the potential for near-term volatility stemming from the aforementioned risks, we advise investors to remain cautious. Based on the October 30 closing level, our target implies an upside potential of approximately 53%.

The MSCI Turkey Index is trading at 2026E P/E and P/BV multiples of 7.37x and 0.94x, respectively, representing discounts of 29% and 53% to the MSCI Emerging Markets Index.

We are making no changes to our model portfolio this month.

Key Market Risks

•An escalation of the conflicts in the Middle East and a disruption of energy shipments through the Strait of Hormuz and the Red Sea shipping routes,

•The Fed, ECB, and BoJ maintaining restrictive monetary policies for longer than expected,

•A sustained deterioration in domestic inflation expectations, prompting the CBRT to adopt a tighter monetary policy stance,

•An intensification of the impact of developments in the fund market on financial markets,

•Türkiye's exclusion from the MSCI Emerging Markets Index.

Model Portfolio

Top Picks	Close	TP	Pot.	MoM	Relative
AKBNK.TI	60,90	92,13	51,3%	-9,1%	0,9%
ASELS.TI	347,00	495,00	42,7%	3,1%	14,5%
CIMSA.TI	38,96	70,55	81,1%	-6,5%	3,8%
EKGYO.TI	16,19	32,84	102,8%	-12,2%	-2,5%
GARAN.TI	125,20	169,20	35,1%	1,9%	13,1%
MGROS.TI	413,50	910,00	120,1%	-18,0%	-9,0%
SAHOL.TI	81,10	172,63	112,9%	-4,4%	6,2%
TCELL.TI	90,10	150,00	66,5%	-6,2%	4,1%
THYAO.TI	242,20	445,00	83,7%	-14,5%	-5,1%
VAKBN.TI	28,88	46,39	60,6%	-10,5%	-0,6%
Monthly Return				-7,6%	2,5%

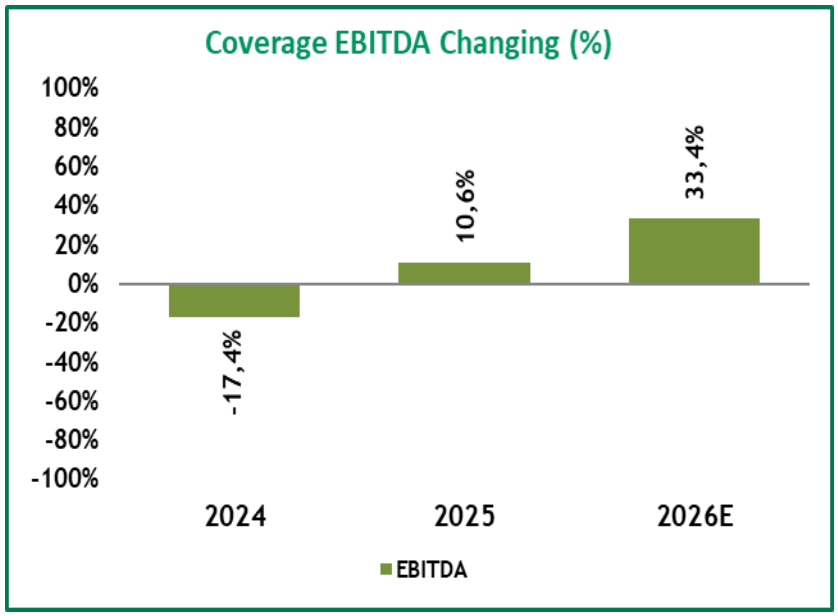
*Close as of October 30, 2026

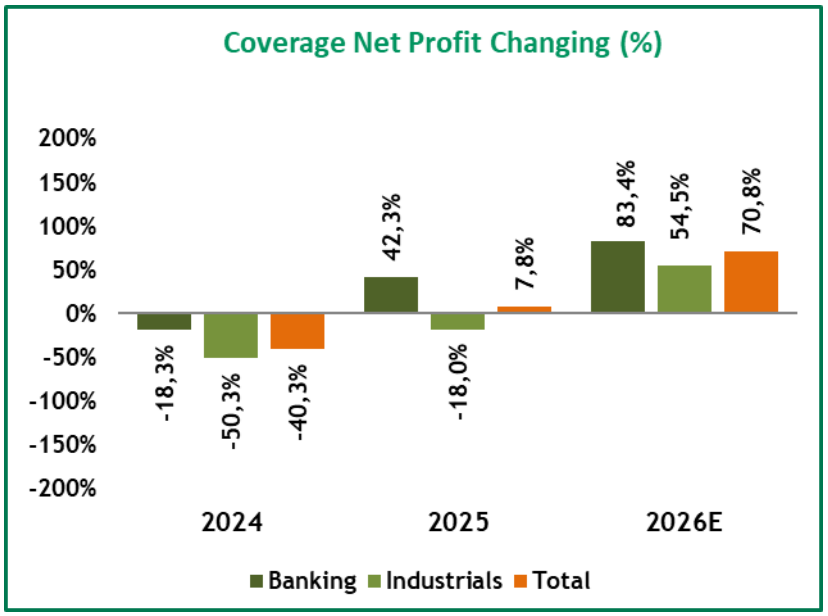
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Remove
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Maintain
AKBNK
ASELS
CIMSA
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MGROS
SAHOL
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VAKBN

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

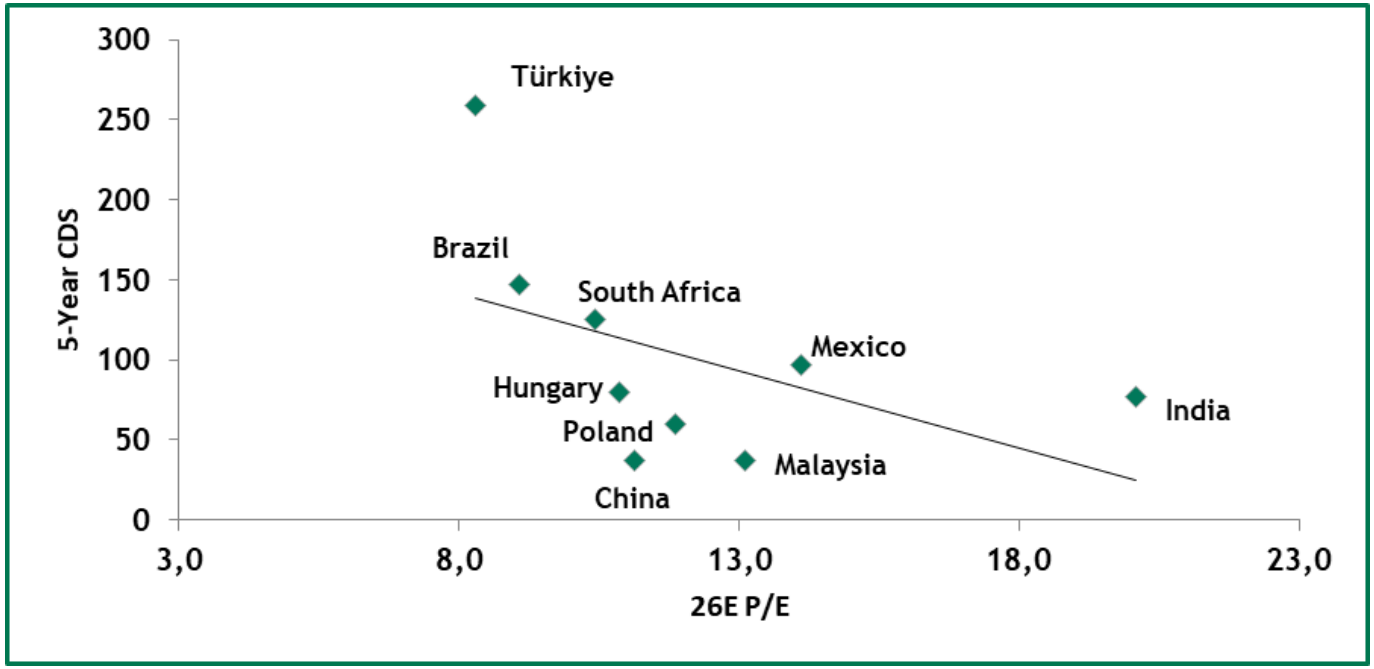
- The MSCI Türkiye Index has declined by 0.6% in absolute terms over the past 12 months. It has underperformed the MSCI EM and the MSCI EMEA indexes by 12.5%, & 0.5%, respectively, during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	-9,9%	-11,5%	-0,6%	-0,5%
MSCI EM	-8,1%	-6,0%	11,8%	11,6%
MSCI EMEA	-4,4%	-3,8%	-0,1%	-2,6%
MSCI Eastern Europe	-2,6%	-0,8%	30,4%	19,5%
MSCI World	-0,8%	0,3%	10,7%	9,8%

Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	1,9%	6,3%	12,5%	12,1%
MSCI EMEA	6,1%	8,8%	0,5%	-2,1%
MSCI Eastern Europe	8,0%	12,1%	31,2%	20,2%
MSCI World	10,0%	13,4%	11,4%	10,3%

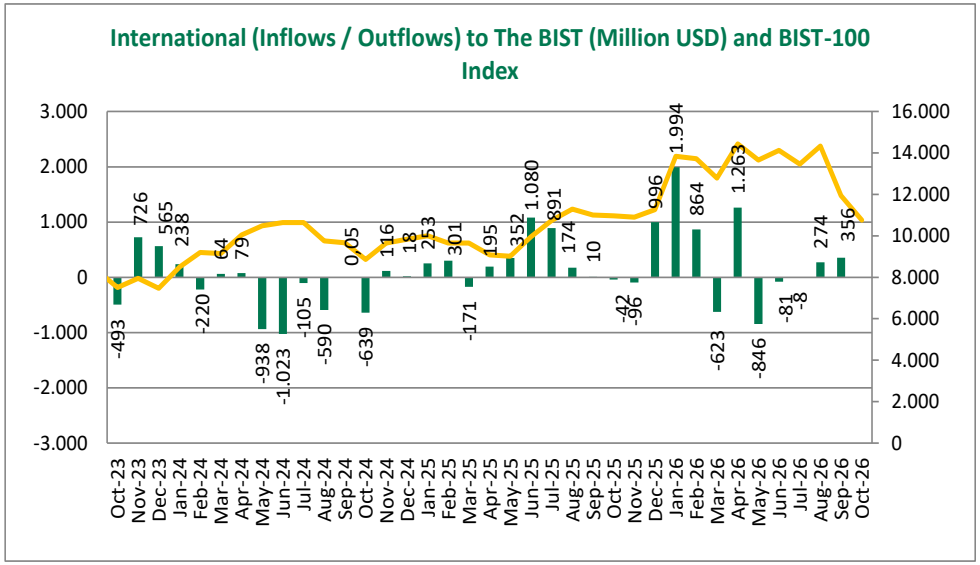
As of October 30, 2026

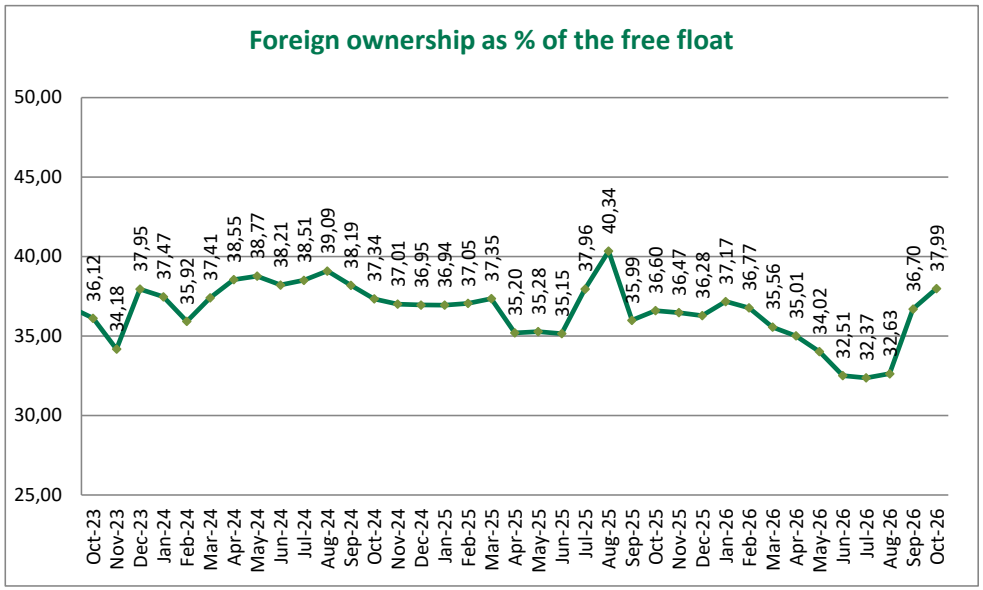
5-Year CDS



As of October 30, 2026

Int. flow and foreign ownership

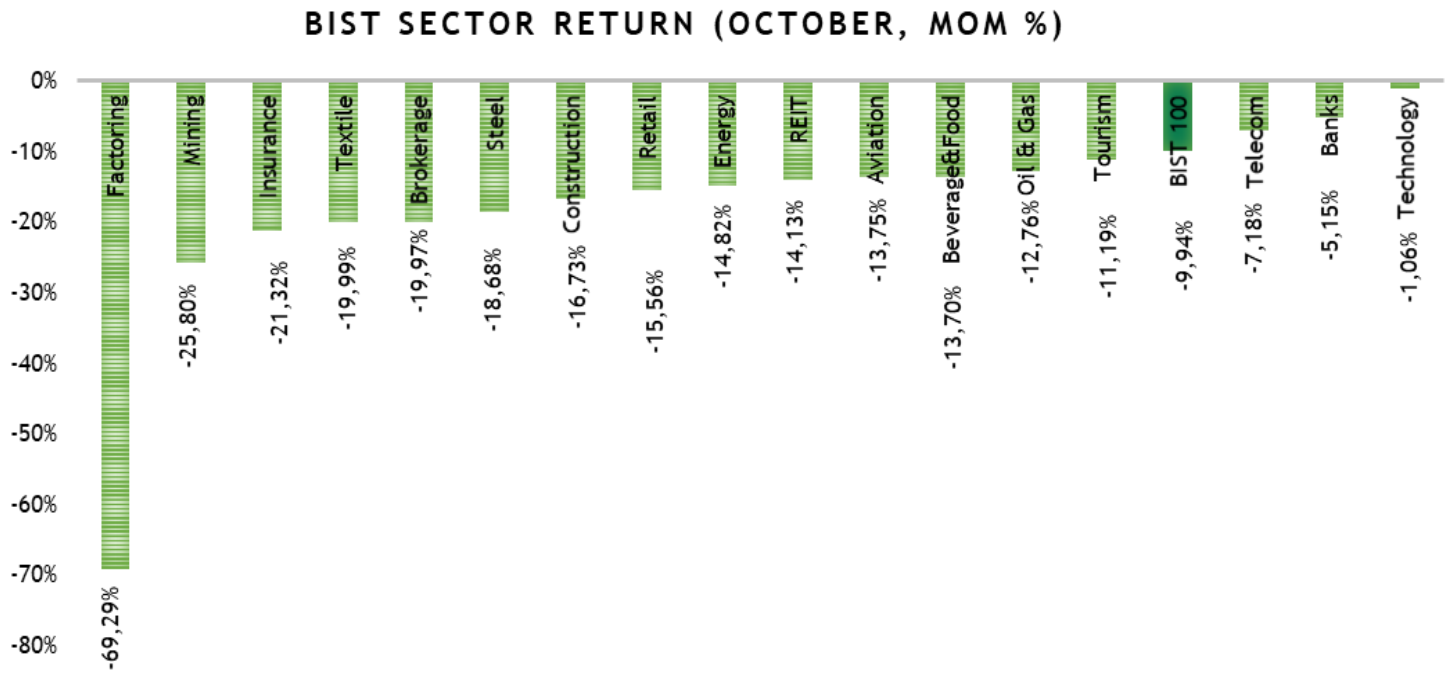




- Overall, in September 2026, foreign investors were net buyers of USD 356mn.

- Foreign ownership has realized to 37.99% in October 2026.

Sector performances



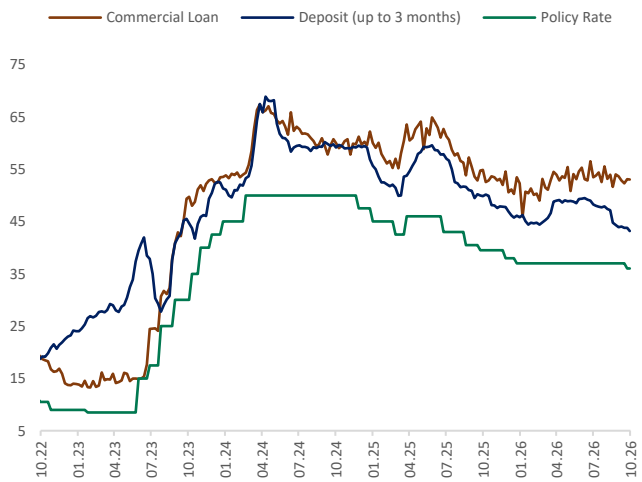
As of October 30, 2026

Macroeconomic Outlook

CBRT Rate Decision - October

At its meeting this month, the Central Bank of the Republic of Turkey's Monetary Policy Committee (MPC) cut the policy rate by 100 basis points to 36%, in line with expectations. Both the market and we had anticipated a 100-basis-point cut in interest rates. We have noted some minor changes compared with previous policy statements. Foremost amongst these is the reinforcement, with the word 'confirm', of the statement regarding the decline in actual inflation and its underlying trend. Secondly, attention was drawn to the persistence of risks by noting that geopolitical developments 'remain dynamic'. Finally, the phrase 'the magnitude and timing of my steps' was preferred over 'monetary policy decisions', signaling a less hawkish stance regarding the future policy stance. Looking at the details, the primary objective of the tight monetary policy stance was to achieve a clear and sustained improvement in the inflation outlook. The intermediate target selected here was the core inflation trend. Having risen to around 2.5% in May 2026, the core inflation trend had fallen to around 1.72% by September 2026. Furthermore, as far as we can gather from today's decision, leading indicators suggest that this trend is continuing. The 'confirmation' that inflation dynamics are proceeding along a path consistent with the CBRT's forecasts indicates that a clear and sustained decline has been achieved. The continued volatility in oil prices and geopolitical risks may be the key reason why the rate cut was limited to 100 basis points. At present, oil prices—which are approximately 25% above the CBRT's forecasts—are both keeping risks alive and increasing uncertainty. Whilst the impact of external shocks on domestic prices remains limited due to weak domestic demand, an early rate cut could transform this limited effect into greater momentum. From the policymakers' perspective, the negative consequences of an early rate cut may outweigh its short-term positive effects. For this reason, a cautious rate cut has been implemented. Finally, by prioritizing the magnitude and timing of measures over monetary policy decisions, we see that the cycle of rate cuts has resumed, with the size of these cuts being indexed to certain indicators. Should these indicators deteriorate, the cuts could be halted; indeed, if the deterioration becomes persistent, policy could even be tightened further. We can therefore interpret the CBRT's decision as indicating that significant and lasting progress has been made towards a clear downward trend, that the market is currently too tight relative to current indicator expectations, and that a modest interest rate cut would be appropriate.

Policy, Loan and Deposit Rates (%)

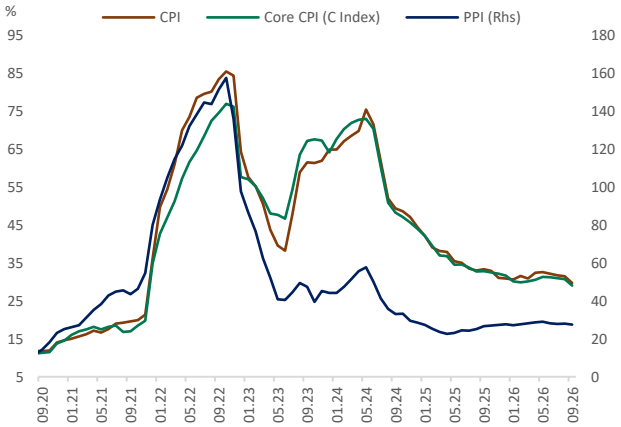


Macroeconomic Outlook

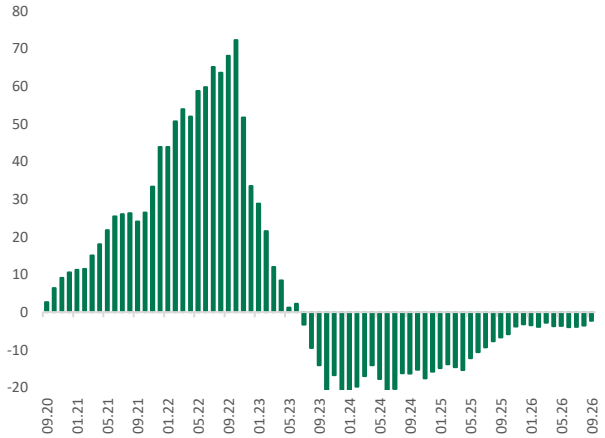
Inflation - September

Whilst the CPI rose by 1.84% in September compared with the previous month, annual inflation stood at 29.73% (previously 31.51%). The negative trend observed this month in food inflation was the key factor triggering the slowdown in inflation. The slowdown is also ongoing in the services sector. However, education inflation jumped into double figures in September with the start of the academic year (month-on-month 14.19%). Despite the adjustments made to education and rent, current levels remain very high. Since the start of the year, education inflation has risen to 47.88%. Services inflation stood at 2.15% month-on-month and 37.66% year-on-year in September. The trends in education and transport are being offset by sectors such as entertainment and restaurant services. Looking at the dispersion index for September, 133 sub-indices recorded an increase whilst 35 showed a decrease. The monthly changes in the three main expenditure groups with the highest weightings were as follows: a decrease of 0.20% in food and non-alcoholic beverages, an increase of 2.79% in transport, and an increase of 2.71% in housing. The contributions of these main groups to the monthly change were -0.05 percentage points for food and non-alcoholic beverages, 0.49 percentage points for transport and 0.33 percentage 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 32.68% year-on-year in September. Developments in price dynamics this month can be summarized as follows. Alcoholic beverages and tobacco followed a steady trend, with a monthly increase of 0.88%, pushing up monthly inflation by 0.02 percentage points. Transport saw a 2.79-point increase, pushing up monthly inflation by 0.49 percentage points. Housing inflation rose by 2.71%, contributing 0.33 percentage points to monthly inflation. Education was the category with the highest increase this month, rising by 14.19% month-on-month and contributing 0.30 percentage points to inflation. Whilst demand-driven inflation has slowed significantly, the decline in inflation driven by services and costs is proceeding at a slower pace. Of the annual inflation rate of 29.73%, 17.53 percentage points stem from the food, housing and transport categories. There is a 3-point difference between headline inflation and the basic necessities that make up the bulk of the consumer basket. In the B index (core inflation), which is the Special Comprehensive CPI Indicator, monthly inflation stood at 2.01%, whilst annual inflation came in at 29%. Although core inflation has declined due to base effects and the exclusion of volatile items, it remains at a high level of around 2%. We believe that the key precondition for the “significant and sustained decline in inflation” emphasized by the CBRT in its Monetary Policy Committee decisions has largely been met. However, the extent to which this decline is sustainable will depend on both domestic demand and global developments. However, assuming that demand is under control, we believe that the condition for the decline to be sustainable depends particularly on geopolitical developments. In this context, whilst an interest rate cut in October is almost certain, the magnitude of the cut will depend on developments in the energy market and the trend in October inflation as indicated by leading indicators.

CPI, PPI and Core CPI (YoY %)



PPI - CPI Spread

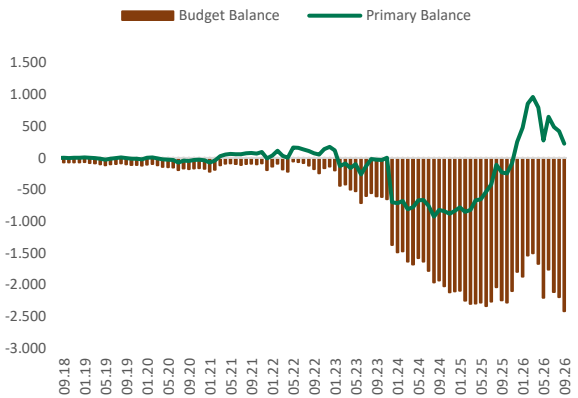


Macroeconomic Outlook

Budget Balance - September

According to the central government budget figures for September published by the Ministry of Treasury and Finance, budget revenue stood at TRY 1,253.2 billion, whilst budget expenditure amounted to TRY 1,785.4 billion. During the same period, non-interest budget expenditure totaled TRY 1,522.4 billion. Based on these figures, the budget recorded a deficit of TRY 532.2 billion and the non-interest balance a deficit of TRY 269.2 billion. Following a recovery in the previous month driven by corporation tax collections, the deficit rose significantly once this seasonal effect subsided. The sharp deterioration in the non-interest balance also indicates that the underlying trend in budget performance remains negative. In particular, the solidification of interest payments at TRY 200 billion and above can be viewed as a negative spillover effect on fiscal policy stemming from monetary policy and the inflation outlook. The current transfers item, meanwhile, rose markedly this month, reaching TRY 679 billion. Transfers to households, the individual pension scheme and funds increased by approximately TRY 50 billion. Unless a tax collection policy is implemented to finance the increases in personnel expenditure and current transfers, the budget deficit appears set to become entrenched at these levels. However, when interest expenditure is excluded for January and July, it has stabilized at an average of TRY 200 billion. There has been no significant increase in capital expenditure or transfers. When viewed on a twelve-month cumulative basis, the non-interest balance has entered a downward trend but remains positive. The key point to note here is that, despite the recent deterioration, core budget indicators remain above the break-even level. From this, we understand that improvements in inflation expectations and borrowing rates will alleviate the pressure on the budget. 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. If we consider the macroeconomic balances as a whole, the deviation from equilibrium on the monetary policy side is having a negative impact on fiscal policy via the budget. Improvements during the disinflation process will contribute to fiscal discipline by restoring the balance of public finances. Revenue policy and collection continue to trend sideways. As there was no corporate tax collection this month, revenues have fallen to the TRY 1.2 trillion level (TRY 1.6 trillion the previous month and an annual average of TRY 1.3 trillion). In expenditure items, however, the impact of inflation is clearly being felt. Furthermore, seasonal payments or transfers are triggering a negative trend in the budget, albeit temporarily. A budget deficit of TRY 1.84 trillion has been recorded since the start of the year, with a 12-month cumulative deficit of TRY 2.4 trillion. In September 2025, these figures stood at TRY 1.2 trillion and TRY 2.3 trillion respectively. When viewed on an annual basis, a marked increase above the inflation rate is evident. This indicates that, even when adjusted for price effects, there are structural negative trends in the budget. The fact that the funding rate is expected to fluctuate within a range of 37-25 per cent over the next 12 months, coupled with inflation expectations remaining above 20 per cent, suggests that the target for fiscal discipline in the budget will not be achieved until the end of 2027. Any improvement in external shocks to monetary policy would bring this process forward.

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

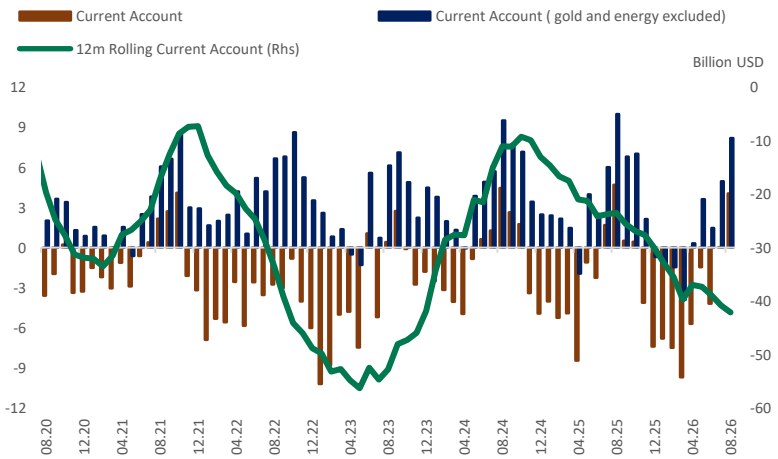


Macroeconomic Outlook

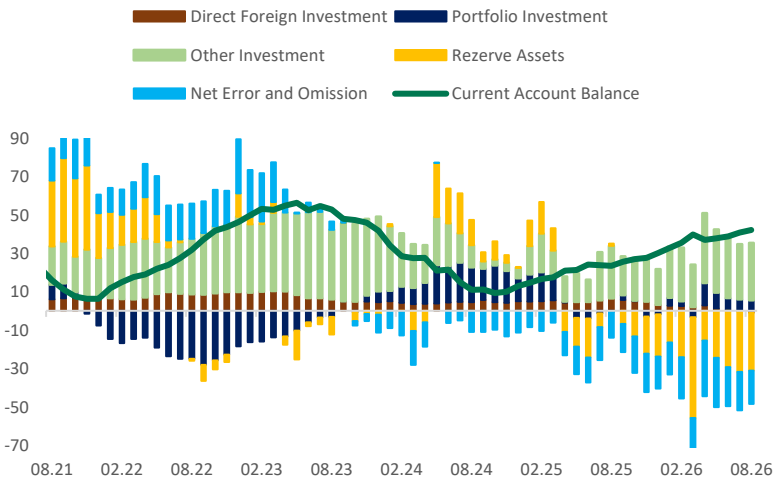
Balance of Payments - August

According to balance of payments statistics, the current account balance for August recorded a surplus of 4,053 million US dollars. As a result, the twelve-month current account deficit stood at 42,103 million US dollars. We had forecast a current account surplus of 3.9 billion US dollars, which was above market expectations (a surplus of 3.5 billion US dollars). We can say that the data came in line with our forecast. Seasonal factors triggered the current account surplus in August. A sharp decline in the trade deficit and a recovery in inflows from the services balance became evident. Upon examining the breakdown of balance of payments developments, the trade deficit fell to 3.7 billion in August. The slowdown in import demand continues to reflect the impact of monetary policy. Seasonal effects in the services balance remain strong, and inflows in August rose to 9.7 billion US dollars. Looking at the 12-month cumulative figures, the trade deficit stood at 78.4 billion US dollars and inflows from the services balance at 63.9 billion US dollars. The current account balance, excluding gold and energy, recorded a surplus of 8,205 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. However, in the financing structure of the balance of payments, the share of long-term borrowing and limited portfolio inflows via deposits has been increasing recently, rather than direct investment. Whilst a current account deficit at a sustainable and manageable level does not pose a risk to the balance of payments, we believe that the main vulnerability may stem from the financing structure. Meanwhile, the slowdown in domestic demand continues to be reflected in imports and the trade deficit. The rebalancing of economic activity continues to evolve towards a path of macroeconomic stability consistent with growth, a narrowing of the current account deficit and the disinflation process.

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



Finance of Current Account Deficit (Billion USD)

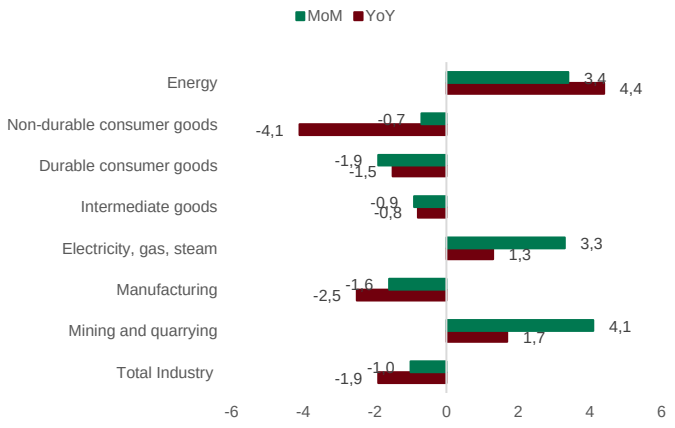


Macroeconomic Outlook

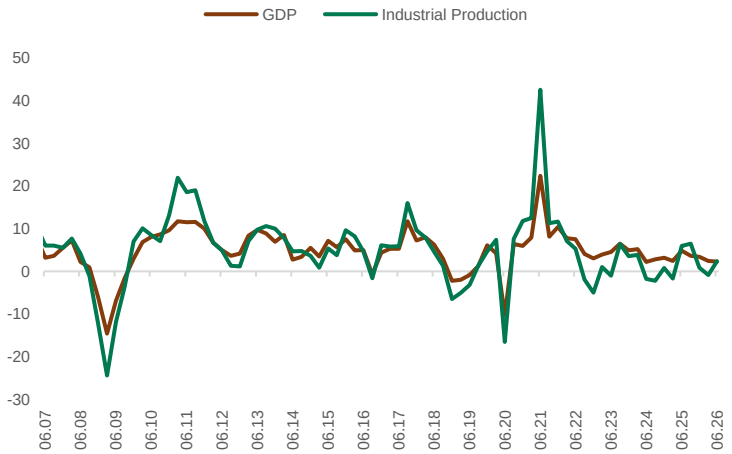
Industrial Production - August

According to industrial production index data, seasonally and calendar-adjusted production fell by 1 per cent in August compared with the previous month. Year-on-year production contracted by 1.9 per cent due to base effects. With production figures almost identical to those for July, this suggests that the contraction is stabilizing. The slowdown in industrial production began after April and became pronounced as of the third quarter. We are feeling the effects of the slowdown in economic activity on the real sector to a significant extent. In addition to the tightening of monetary policy, the slowdown in global demand and cost pressures are having a profound impact on production figures. The contraction in the manufacturing sector and intermediate goods, meanwhile, indicates that the negative sentiment persists in those areas of the economy that create employment and underpin sustainable growth. In an economy growing led by services and, to some extent, agriculture, industrial production continues to diverge negatively. Whilst economic activity remains buoyant in the services sector – where we see the clearest reflection of inflation – the agricultural sector is still recovering from last year's frost damage. The objective of monetary policy to foster a disinflationary process by slowing economic activity and demand poses a risk in terms of employment and sustainable growth. We have previously highlighted the local and global dynamics of this in our reports. Domestically, the negative trend in the expectations channel, in particular, is weighing on order and production activity. Whilst rising financing costs continue to put pressure on balance sheets, cash flow is failing to recover to the expected extent. 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. A closer examination of the composition of growth, rather than the slowdown itself, reveals the extent to which monetary policy is affecting production. The transition of an economy growing primarily through the services sector 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 disinflationary process. On the other hand, whilst wage increases in the services sector contribute to growth, they have a structure that fuels inflation, albeit to a limited extent. Anchoring expectations is crucial to breaking this cycle. In this environment, where the dynamics fueling economic activity are closely tied to the future stance of monetary policy, verbal guidance from the CBRT will be a lifeline for the manufacturing sector.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



Akbank (OP, 12M TP: TRY92.13) Upside:51%

NIM troghts; cost of risk declines

Akbank posted TRY 11.6bn net income in its 3Q26 bank-only financials (-23.7% QoQ, -17.5% YoY). The result was broadly in line with our TRY 11.64bn estimate and slightly below the TRY 11.82bn consensus average. Excluding the TRY 1.7bn provision set aside for a Competition Board penalty, net income came in at TRY 13.3bn.

Net interest income fell 9.3% QoQ to TRY 38.6bn, while swap costs rose 17.5% to TRY 21.2bn. Accordingly, swap-adjusted net interest income declined 29.0% QoQ to TRY 17.4bn, and the swap-adjusted net interest margin contracted by 101bps to 2.03%. CPI-linked securities income fell 16.9% to TRY 17.3bn, partly reflecting the cut in the Oct-Oct CPI assumption from 30% to 29.5%. The TRY loan yield eased to 31.37% from 31.51%, while the TRY time deposit cost rose to 38.37% from 38.28%. Management stated that 3Q26 marked the trough in margins and that weekly NIM has recovered markedly since end-September.

Fee income lagged costs. Net fee and commission income rose 1.7% QoQ to TRY 34.8bn, as payment system fees softened on slowing consumer demand. Operating expenses increased 6.4% QoQ and 32% YoY to TRY 36.3bn, lowering the fee-to-opex coverage ratio to 96.1% from 100.6%. Income from subsidiaries rose 9.4% to TRY 4.5bn.

Asset quality deteriorated further, yet cost of risk declined. The NPL ratio rose by 16bps to 4.00% despite NPL sales during the quarter. Supported by collections, however, the net cost of risk fell to 181bps from 256bps, or to 149bps excluding the penalty provision. The cumulative net cost of risk eased to 2.00% from 2.31%. The bank noted that a provisioning model update had a 20bps positive impact on 9M26 cost of risk, and that excluding this effect, cost of risk remains in line with its 200bps full-year guidance.

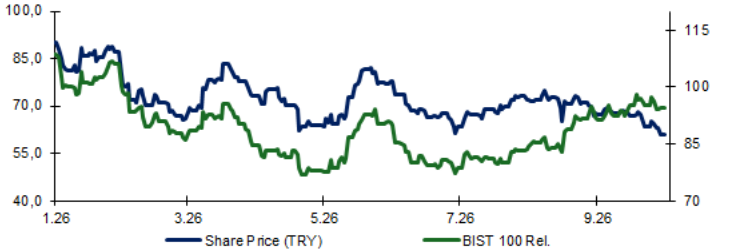
We view the 3Q26 financials as "Neutral", given in-line earnings but weak margins. With this report, we switch our valuation methodology for Akbank from the Gordon growth model to a residual income model, which we believe better captures the gradual convergence of ROE toward its sustainable level during disinflation. **Our 12-month target price to TRY 92.13. Our target price implies 51% upside from current levels, and we maintain our "OUTPERFORM" recommendation. The shares trade at 5.1x 2026E P/E and 0.91x P/BV, with an ROE of 19.2%.**

Mcap (TRYmn)	316.680	Beta (12M)	1,27
Mcap (USDmn)	6.372	Avr. Daily Vol. (TRYm)	9.328
Close	60,90	Foreign Ownership in FF	38,3%
Last 12M High	90,60	Free Float (%)	52,0%
Last 12M Low	55,04	Weight	4,98%

Quick Facts (TRY Mn)	2024A	2025A	2026E	2027E
Net interest income	41.766	64.241	92.098	141.955
% Change, YoY	*-29,9%*	*53,8%*	*43,4%*	*54,1%*
Net fee income	69.162	114.402	136.042	170.053
% Change, YoY	*124,3%*	*65,4%*	*18,9%*	*25,0%*
Net income	42.366	57.247	62.064	101.511
% Change, YoY	*-36,3%*	*35,1%*	*8,4%*	*63,6%*

Ratios	2024A	2025A	2026E	2027E
NPL ratio	2,9%	3,7%	4,3%	3,5%
CoR (net) Exc. Currency	1,4%	2,3%	2,0%	1,8%
NIM (Swap adj.)	2,2%	2,5%	2,8%	3,3%
ROAA	2,0%	2,0%	1,7%	2,2%
ROAE	19,0%	21,5%	19,2%	25,8%

Multiples	2024A	2025A	2026E	2027E
P/E	8,0	5,5	5,1	3,1
P/BV	1,40	1,02	0,91	0,71



Return	1M	3M	6M	12M
TRY Return (%):	-10,1	-4,3	-17,1	11,0
US$ Return (%):	-11,8	-8,9	-25,0	-6,4
BIST-100 Relative (%):	1,4	17,4	6,5	8,1

Source: Bank financials, Seker Invest Research

Aselsan (OP, 12M TP: TRY495.00) Upside: 43%

Growth outlook strengthened by record order backlog and capacity investments...

Our decision to maintain ASELSAN in our model portfolio is primarily driven by its potential to benefit from structural growth in the defense industry, strong order backlog and increasing presence in export markets. The Company's broad product portfolio and technological capabilities enable it to capitalize on both domestic and global defense demand, while long-term contracts and growing exports support revenue visibility.

Record order intake continues to strengthen our investment thesis. ASELSAN signed new contracts worth USD 14.0bn in 9M26, of which USD 9.1bn was secured in the third quarter alone. **Order backlog increased by USD 7.5bn QoQ to USD 30.7bn, while the book-to-bill ratio rose to 4.4x from 2.5x in the same period last year.** New export contracts increased by 34% to USD 1.9bn, while international sales surged by 307% YoY to TRY 10,807mn in 3Q26.

Strong order backlog and export growth continue to translate into solid financial performance. In 9M26, net sales increased by 28% in real terms to TRY 151,486mn, EBITDA rose by 38% to TRY 40,555mn, and net income attributable to the parent company grew by 75.1% to TRY 26,471mn. The EBITDA margin improved by 1.9 pp to 26.8%, while net income of TRY 11,227mn reported in 3Q26 exceeded both our estimate of TRY 9,255mn and the market median expectation of TRY 8,964mn.

Nine-month performance supports the Company's 2026 guidance. Against its targets of over 10% real revenue growth and an FX-adjusted EBITDA margin above 24%, ASELSAN achieved 28% real revenue growth and a reported EBITDA margin of 26.8% in 9M26. Infrastructure investments reaching USD 684mn and the commissioning of the first phase of the Oğulbey Technology Base are expected to support the conversion of the growing order backlog into deliveries.

The intensive investment program continues to weigh on cash flow. Net financial debt increased to TRY 55,163mn from TRY 17,367mn at end-2025, while operating cash flow amounted to TRY 22,998mn in 9M26, with elevated capital expenditures pushing free cash flow into negative territory. Nevertheless, we expect capacity expansion to support long-term growth.

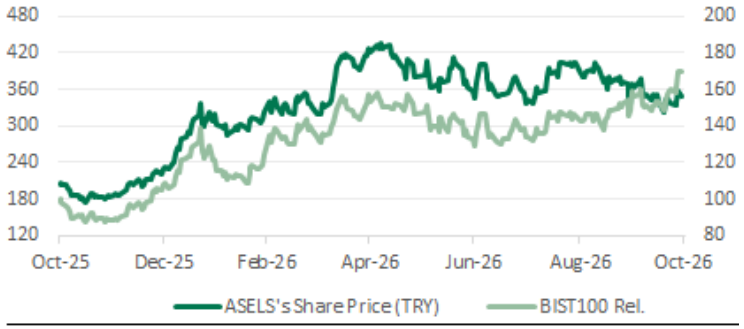
Record order backlog, accelerating exports, and strong operating profitability continue to underpin ASELSAN's medium- to long-term growth visibility. We maintain our 12-month target price of TRY 495.00 and our OUTPERFORM recommendation for ASELSAN (ASELS.TI). Our target price implies 43% upside potential based on the closing share price as of October 30, 2026.

Code	ASELS.TI	Close	347,00
MCAp (TRY m)	1.582.320	Last 12M High	450,00
MCAp (US$ m)	31.790	Last 12M Low	171,28
EV (TRY m)	1.637.483	Beta	0,91
EV (US$ m)	32.917	Avg. daily trading vol. (US$ m)	247,6
Free float (%)	26,00	Foreign ownership in FF (%)	47,5%

Key figures	2023A*	2024A*	2025A*	2026E
Revenues	172.896	195.600	224.324	252.500
Growth		*13,1%*	*14,7%*	*12,6%*
EBITDA	37.654	49.198	58.838	64.700
EBITDA margin	*21,8%*	*25,2%*	*26,2%*	*25,6%*
Net profit	17.128	24.894	37.232	35.850
EPS	3,76	5,46	8,17	7,86
Dividend yield	0,18%	0,14%	0,06%	0,10%
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%	12,7%
ROAA		6,6%	8,0%	7,3%

Valuation metrics	2023A*	2024A*	2025A*	2026E
P/E	28,1	21,6	35,3	44,1
EV/EBITDA	13,6	11,5	22,6	25,3
EV/Sales	1,3	1,8	4,8	6,5
P/BV	2,3	2,4	4,2	5,2

Return	1M	3M	YtD	YoY
TRY Return (%):	3,1	2,8	49,8	68,9
US$ Return (%):	1,5	-2,1	29,2	42,3
BIST-100 Relative (%):	14,5	27,0	56,7	70,1



Source: PDP, Finnet, Seker Invest Research estimates

**2023, 2024 and 2025 financials are Indexed according to 2026/09 with IAS -29.*

Cimsa (OP, 12M TP: TRY70.55) Upside: 81%

Strong contributions from international operations support the growth outlook...

Our model-portfolio investment case for Çimsa is built on its growing geographical diversification through international operations, focus on value-added products, and cost efficiency. The grey cement grinding facility in the US, together with the Mannok and Buñol operations, supports a more balanced growth profile by mitigating the impact of weak domestic demand. Investments in alternative fuels and renewable energy also enhance resilience against energy costs.

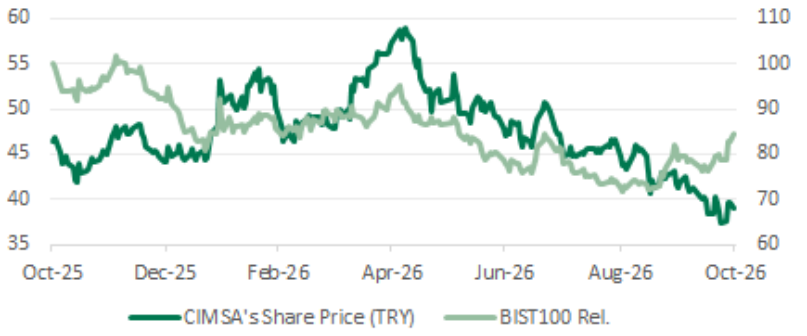
3Q26 results confirmed the contribution of international operations to growth while highlighting cost pressures. Domestic sales volumes declined by 10.9% YoY, while international volumes increased by 13.3%, supported by the US facility, driving a 1.0% increase in consolidated volumes. Net sales rose by 2.3% YoY in real terms to TRY 14,917mn, supported by favorable pricing conditions. However, higher petcoke costs and operating expenses led to a 1.7% decline in EBITDA to TRY 3,031mn, while EBITDA margin contracted by 0.8pp to 20.3%. Meanwhile, supported by high alternative fuel utilization, the 9M26 EBITDA margin improved by 0.3pp to 17.8%.

Net income growth was primarily driven by non-operating items. Net income attributable to the parent company increased by 7.7% YoY to TRY 1,773mn in 3Q26, coming in slightly below our estimate and slightly above the market median expectation. Lower financing and tax expenses, along with a one-off gain from the sale of a ready-mix concrete plant, supported net income, while lower net monetary position gains and the negative impact of Sabancı Holding shares limited profitability.

Declining indebtedness and normalizing capital expenditures support the financial outlook. Net debt decreased from TRY 24,571mn at end-June to TRY 23,966mn at end-September, while the Net Debt/EBITDA ratio improved from 2.54x to 2.36x. The net CAPEX-to-sales ratio declined to 5.7% in 9M26.

International growth, the value-added product mix, and alternative fuel utilization are expected to support the medium- to long-term outlook. Despite margin pressures and weak cash generation, we view declining indebtedness and normalizing investments positively. We maintain our 12-month target price of TRY 70.55/share for Çimsa (CIMSA.TI) and our OUTPERFORM recommendation. Our target price implies an upside potential of 81% based on the closing share price as of October 30, 2026.

Code	CIMSA.TI	Close			38,96
MCAp (TRY m)	36.840	Last 12M High			60,00
MCAp (US$ m)	740	Last 12M Low			36,58
EV (TRY m)	62.675	Beta			0,98
EV (US$ m)	1.268	Avg. daily trading vol. (US$ m)			9,6
Free float (%)	36,00	Foreign ownership in FF (%)			8,3%
Key figures	**2023A***	**2024A***	**2025A***	**2026E**	
Revenues	48.173	45.807	57.070	59.817	
Growth		*-4,9%*	*24,6%*	*4,8%*	
EBITDA	8.598	8.277	10.242	10.946	
EBITDA margin	*17,8%*	*18,1%*	*17,9%*	*18,3%*	
Net profit	5.852	4.374	3.857	4.658	
EPS	43,32	4,63	4,08	4,93	
Dividend yield	3,2%	1,2%	1,4%	2,5%	
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%	12,2%	
ROAA		4,4%	3,4%	4,3%	
Valuation metrics	**2023A***	**2024A***	**2025A***	**2026E**	
P/E	11,1	16,4	11,4	7,9	
EV/EBITDA	8,2	11,4	6,1	5,7	
EV/Sales	0,6	1,4	1,2	1,0	
P/BV	1,5	1,8	1,1	1,0	
Return	**1M**	**3M**	**YtD**	**YoY**	
TRY Return (%):	-6,5	-15,7	-14,9	-16,1	
US$ Return (%):	-8,0	-19,8	-26,6	-29,4	
BIST-100 Relative (%):	3,8	4,1	-11,0	-15,5	



Source: PDP, Finnet, Seker Invest Research estimates
**2023, 2024 and 2025 financials are indexed according to 2026/09 with IAS-29.*

Emlak Konut (OP, 12M TP: TRY32.84) Upside: 103%

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.

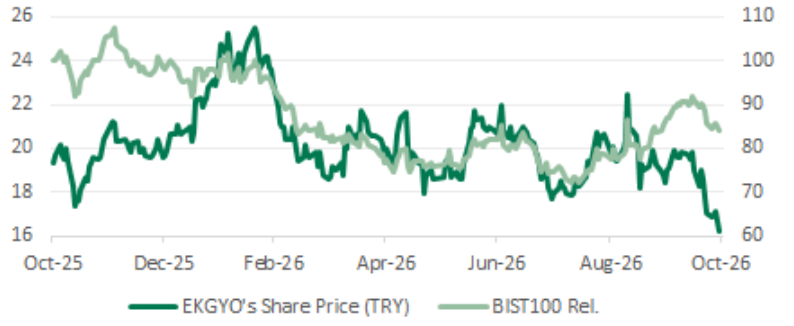
Presales indicate a stronger operating picture than the reported financials. Emlak Konut generated TRY 50.7bn of total presales including land sales in 1H26, reaching 34.9% of its TRY 145.45bn full-year target. The Company targets TRY 135.25bn of independent-unit presales, 7,801 unit sales and TRY 13.1bn 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 103% upside potential based on the October 30, 2026 closing price.

Code	EKGYO.TI	Close		16,19
MCAp (TRY m)	61.522	Last 12M High		26,36
MCAp (US$ m)	1.236	Last 12M Low		16,11
EV (TRY m)	83.567	Beta		1,21
EV (US$ m)	1.709	Avg. daily trading vol. (US$ m)		62,8
Free float (%)	51,00	Foreign ownership in FF (%)		12,6%
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 (%):	-12,2	-8,7	-18,5	-16,4
US$ Return (%):	-13,6	-13,1	-29,7	-29,6
BIST-100 Relative (%):	-2,5	12,8	-14,7	-15,8



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

Garanti BBVA (OP, 12M TP: TRY169.20) Upside:35%
Stronger margin, rising cost of risk

Garanti BBVA has reported a bank-only net profit of TRY 33.5bn in 3Q26, up 10% QoQ and above both our estimate (TRY 32.7bn) and the market consensus (TRY 32.1bn). 9M26 net profit rose 16% YoY to TRY 97.2bn, with an average ROE of 27.2% and an average ROA of 3.1%. The beat came from a strong recovery in net interest income.

Swap-adjusted net interest income rose 26% QoQ to TRY 58.9bn, and the swap-adjusted quarterly NIM widened from 5.14% to 5.90%. Income from CPI-linkers increased 15% to TRY 9.3bn, partly reflecting the upward revision of the valuation assumption from 27% to 29%, while swap costs rose 49% to TRY 15.7bn. The 9M26 swap-adjusted NIM stood at 5.6%, up 96bps YoY.

Net fees and commissions grew 7% QoQ and 36% YoY in 9M26. Payment systems accounted for 67.5% of fee income in 9M26. Operating expenses increased 9% QoQ to TRY 52.1bn. Cost growth of 39% YoY in 9M26 came in below the bank's guidance of 45-50%. As a result, fees covered 96% of operating expenses.

Cost of risk came in above our expectations. Net CoR rose from 3.25% in 2Q26 to 4.01% in 3Q26 (363bps on the bank's definition, excluding currency impact), bringing the 9M26 cumulative net CoR to 3.27%. The NPL ratio rose from 4.1% to 4.5%, and the share of Stage 2 loans increased to 16.3%. Stage 3 coverage stood at 62.6% and total coverage at 4.2%.

TL loans grew 9% QoQ, while TL deposits declined. TL performing loans reached TRY 2,047bn (+27% YTD). The TL loan-to-deposit ratio rose from 92.1% to 103.8%.

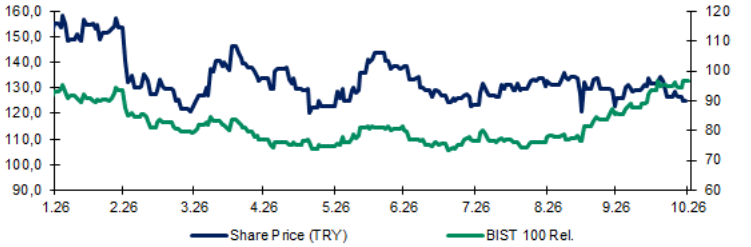
Garanti BBVA kept its 2026 year-end guidance unchanged. Net CoR excluding currency impact stood at 2.6% in 9M26, slightly above the 2.0-2.5% guidance. Our previous estimates were built in line with the bank's guidance; however, the longer-than-expected period of high interest rates is delaying the decline in deposit costs, while the rise in NPLs keeps provisions elevated. **Accordingly, we revise our 2026 and 2027 net profit estimates to TRY 128.0bn and TRY 159.5bn, respectively. As with Akbank, we are switching our valuation methodology for Garanti BBVA from the Gordon growth model to a residual income (RI) model. With the updated earnings estimates and the move to the RI model, our 12-month target price comes to TRY 169.20 (previously TRY 182.99). We maintain our Outperform rating, with 35% upside potential.** The stock trades at 4.1x 2026E P/E, 0.95x P/BV and a 26.1% ROE.

Mcap (TRYmn)	525.840	Beta (12M)	1,10
Mcap (USDmn)	10.580	Avr. Daily Vol. (TRYm)	4.391
Close	125,20	Foreign Ownership in FF	3,9%
Last 12M High	163,11	Free Float (%)	14,0%
Last 12M Low	116,90	Weight	2,18%

Quick Facts (TRY Mn)	2024A	2025A	2026E	2027E
Net interest income	70.413	142.673	216.112	277.952
% Change, YoY	*1,2%*	*102,6%*	*51,5%*	*28,6%*
Net fee income	94.124	142.747	191.818	242.144
% Change, YoY	*130,9%*	*51,7%*	*34,4%*	*26,2%*
Net income	92.175	110.605	127.987	159.454
% Change, YoY	*5,5%*	*20,0%*	*15,7%*	*24,6%*

Ratios	2024A	2025A	2026E	2027E
NPL ratio	2,2%	3,5%	4,5%	3,2%
CoR (net) Exc. Currency	1,2%	2,1%	3,2%	2,7%
NIM (Swap adj.)	3,5%	4,9%	5,6%	5,5%
ROAA	4,0%	3,4%	2,9%	2,8%
ROAE	32,6%	29,1%	26,1%	26,1%

Multiples	2024A	2025A	2026E	2027E
P/E	5,7	5,4	4,1	3,3
P/BV	1,58	1,36	0,95	0,77



Return	1M	3M	6M	12M
TRY Return (%):	-2,1	-0,5	-5,9	3,0
US$ Return (%):	-3,9	-5,4	-14,9	-13,2
BIST-100 Relative (%):	10,4	21,9	20,8	0,3

Source: Bank financials, Seker Invest Research

Migros (OP, 12M TP: TRY910.00) Upside: 120%

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 October 30, 2026, the stock is trading at 2026E EV/EBITDA of 2.1x and 2026E P/E of 7.6x, implying 120% 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.

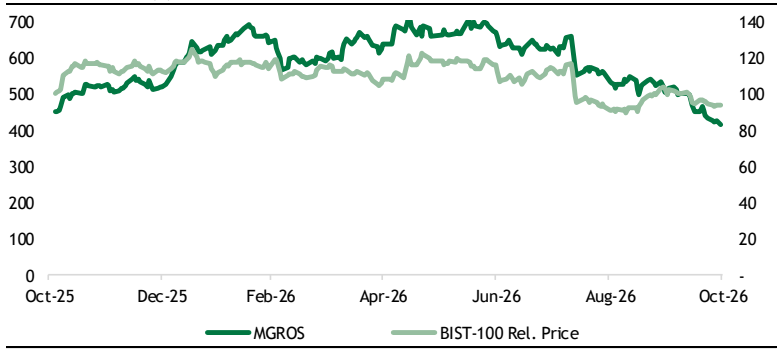
Migros targets real CAGR in sales revenue of 5-7% for 2026 and high-single-digit levels for the 2027-2030 period. The Company guides for 180-200 store openings in 2026, while planning annual selling space growth of 2.5-3.5% in each year between 2027-2030. For 2026, EBITDA and adjusted EBITDA margins 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	413,50
MCap (TRY mn)	74.866	Last 12M High	727,00
MCap (US$ mn)	1.504	Last 12M Low	413,50
EV (TRY mn)	81.316	Beta	0,87
EV (US$ mn)	1.643	Avg. Daily Trading Vol. (US$ m)	37,4
Free Float (%)	46,22	Foreign Ownership in FF (%)	35,95

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 (%)	1,7%	2,4%	2,0%	4,0%
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	3,8	7,7	9,8	7,6
EV/EBITDA	11,6	3,3	2,5	2,1
EV/Sales	0,2	0,2	0,2	0,1
P/BV	0,9	1,0	0,9	0,7

Return	1M	3M	YtD	YoY
TRY Return (%):	-18,0	-33,6	-20,2	-6,1
US$ Return (%):	-19,3	-36,8	-31,2	-20,9
BIST-100 Relative (%):	-9,0	-18,0	-16,5	-5,5



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: 113%

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.

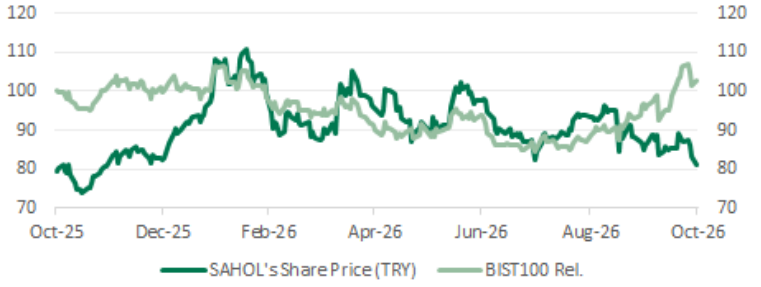
The Akçansa and CarrefourSA exits accelerated portfolio simplification. The sale of the 39.72% stake in Akçansa for USD 427.9mn generated cash, while the CarrefourSA exit was completed after the reporting period. Our calculated solo net cash of USD 672.44mn following the transactions provides flexibility 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 113% upside potential based on the October 30, 2026 closing price.

Code	SAHOL.TI	Close		81,10
MCAp (TRY m)	170.340	Last 12M High		113,18
MCAp (US$ m)	3.422	Last 12M Low		72,73
EV (TRY m)	464.303	Beta		1,22
EV (US$ m)	9.734	Avg. daily trading vol. (US$ m)		73,6
Free float (%)	51,00	Foreign ownership in FF (%)		25,7%
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%*
Consalidated 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 (%):	-4,4	-1,5	-2,2	1,9
US$ Return (%):	-5,9	-6,2	-15,6	-14,1
BIST-100 Relative (%):	6,2	21,7	2,4	2,7



Source: PDP, Finnet, Seker Invest Research estimates

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

Turkcell (OP, 12M TP: TRY150.00) Upside: 66%

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.

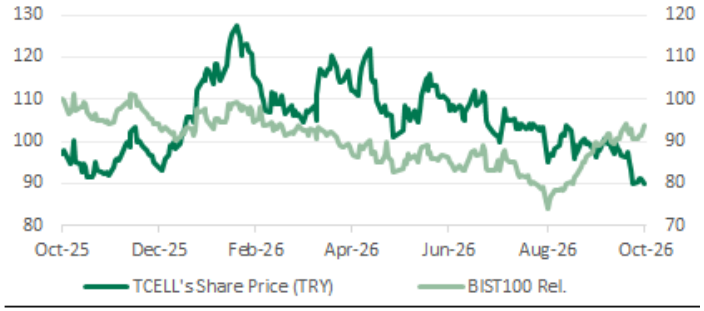
We believe the strong subscriber structure, digital revenue growth and maintained full-year guidance support Turkcell's defensive growth profile. Real mobile ARPU contraction, 5G-related margin pressure and higher net debt remain the main items to monitor. We maintain our 12-month target price of TRY 150.00 per share and reiterate our OUTPERFORM recommendation for Turkcell (TCELL.TI). Our target price implies 66% upside potential based on the October 30, 2026 closing price.

Code	TCELL.TI	Close	90,10
MCAp (TRY m)	198.220	Last 12M High	129,60
MCAp (US$ m)	3.982	Last 12M Low	84,85
EV (TRY m)	295.081	Beta	0,96
EV (US$ m)	6.062	Avg. daily trading vol. (US$ m)	58,1
Free float (%)	39,00	Foreign ownership in FF (%)	47,6%

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%	3,43%	3,77%
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	8,2
EV/EBITDA	3,2	3,3	2,5	2,3
EV/Sales	0,7	1,0	1,0	0,9
P/BV	1,0	1,1	0,8	0,5

Return	1M	3M	YtD	YoY
TRY Return (%):	-6,2	-11,2	-3,2	-7,0
US$ Return (%):	-7,7	-15,5	-16,5	-21,7
BIST-100 Relative (%):	4,1	9,7	1,3	-6,4



Source: PDP, Finnet, Seker 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: 84%

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 October 30, 2026, our target price implies 84% upside potential, while THY is trading at 2026E P/E and EV/EBITDA multiples of 3.33x and 4.97x, respectively.

➢ In September 2026, THY's total PAX rose by 3.6% YoY to 9mn, with int'l passengers rising 4.8% YoY to 5.9mn and domestic passengers increasing 1.5% YoY to 3.1mn. The share of int'l passengers in total traffic reached 65.6%, while we view the 2.2 pp YoY increase in the PLF to 86.8% as positive from an operational performance perspective. The 13% 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.

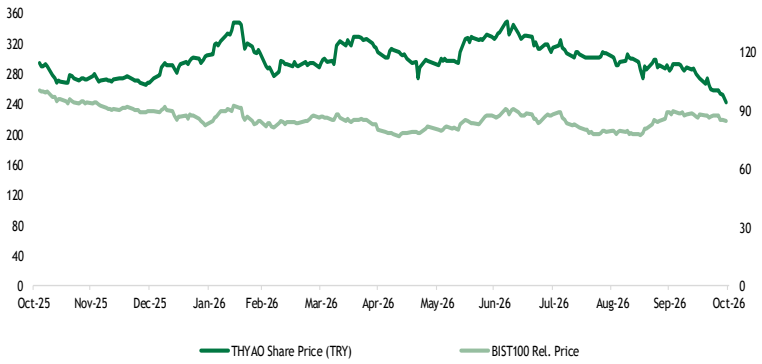
➢ **Risks -** Delays in aircraft deliveries, slowing global growth, natural disasters, geopolitical risks, increased global competition, and fluctuations in jet fuel prices.

Code	THYAO.TI/THYAO.IS	Close	242,20
MCAp (TRY mn)	334.236	Last 12M High	355,50
MCAp (US$ mn)	6.715	Last 12M Low	242,20
EV (TRY mn)	954.614	Beta	0,83
EV (US$ mn)	20.035	Avg. Daily Trading Vol. (US$ mn)	302,2
Free Float (%)	50,32	Foreign Ownership in FF (%)	20,42

Key Figures (USD mn)	2023	2024	2025	2026E
Revenues	20.942	22.669	24.096	28.370
Growth (%)	*13,7%*	*8,2%*	*6,3%*	*17,7%*
EBITDA	5.533	5.059	5.059	4.031
EBITDA Margin (%)	*26,4%*	*22,3%*	*21,0%*	*14,2%*
Net Profit	6.021	3.425	2.910	2.015
EPS	4,36	2,48	2,11	1,46
Dividend Yield	0,00%	3,29%	0,00%	0,00%
Net Debt/EBITDA (x)	1,3	1,1	1,6	2,5
Net Debt/Equity (x)	0,5	0,3	0,4	0,4
ROAE	47,6%	19,6%	14,3%	9,2%
ROAA	18,1%	9,1%	6,7%	4,1%

Valuation Metrics	2023	2024	2025	2026E
P/E	1,12	1,96	2,31	3,33
EV/EBITDA	3,62	3,96	3,96	4,97
EV/Sales	0,96	0,88	0,83	0,71
P/BV	0,43	0,35	0,31	0,31

Return	1M	3M	YtD	YoY
TRY Return (%):	-14,49	-21,43	-9,80	-16,48
US$ Return (%):	-15,85	-25,21	-22,21	-29,64
BIST-100 Relative (%):	-5,05	-2,93	-5,59	-15,88



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

VakıfBank (OP, 12M TP: TRY46.39) Upside: 61%
Adding VakıfBank to our model portfolio

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).

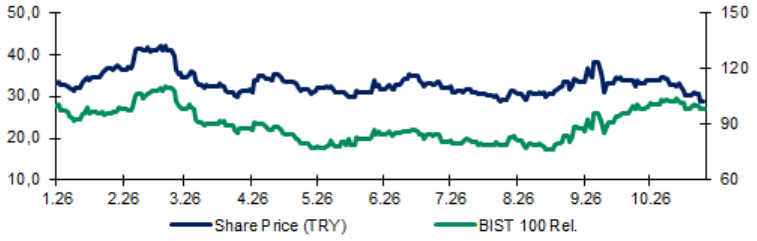
We maintain our 12-month target price of TRY46.39 and our "OUTPERFORM" rating on VakıfBank. Our target price implies 61% upside based on the 30 October 2026 close. VakıfBank trades at 2026E P/E of 4.3x and P/BV of 0.9x, with an average ROE of 21.1%.

Mcap (TRYmn)	286.372	Beta (12M)	1,12
Mcap (USDmn)	5.762	Avr. Daily Vol. (TRYr	1.615
Close	28,88	Foreign Ownership i	0,6%
Last 12M High	43,06	Free Float (%)	6,0%
Last 12M Low	22,98	Weight	0,55%

Quick Facts (TRY Mn)	2024A	2025A	2026E	2027E
Net interest income	68.704	138.550	233.210	311.005
% Change, YoY	*66,1%*	*101,7%*	*68,3%*	*33,4%*
Net fee income	46.474	72.693	93.656	119.319
% Change, YoY	*80,5%*	*56,4%*	*28,8%*	*27,4%*
Net income	40.375	70.050	86.457	116.075
% Change, YoY	*61,2%*	*73,5%*	*23,4%*	*34,3%*

Ratios	2024A	2025A	2026E	2027E
NPL ratio	1,8%	2,9%	3,6%	3,7%
CoR (net) Exc. Currency	2,3%	1,3%	1,8%	1,5%
NIM (Swap adj.)	2,4%	3,3%	4,2%	4,3%
ROAA	1,2%	1,5%	1,5%	1,5%
ROAE	20,9%	27,3%	24,2%	24,9%

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



Return	1M	3M	6M	12M
TRY Return (%):	0,3	8,9	-4,2	43,4
US$ Return (%):	-1,5	3,5	-13,4	21,1
BIST-100 Relative (%):	12,9	29,9	17,6	27,4

Source: Bank financials, Seker Invest Research

Recommendation List

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Recommendation List — November 2, 2026

BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	60,90	OP	92,13	316.680	479.076	51,3%	4,92	0,96
GARAN	125,20	OP	169,20	525.840	710.640	35,1%	4,25	1,01
HALKB	39,60	MP	46,38	284.517	333.230	17,1%	8,84	1,21
ISCTR	11,65	OP	21,57	291.250	539.249	85,2%	4,30	0,64
TSKB	8,94	OP	19,84	25.032	55.552	121,9%	2,36	0,47
VAKBN	28,88	OP	46,39	286.372	460.000	60,6%	4,09	0,81
YKBNK	33,96	OP	51,10	286.862	431.644	50,5%	5,18	1,00
INSURANCE	**Close (TRY)**	**Rating**	**TP (TRY)**	**Mcap TRY mn**	**Target Mcap TRY mn**	**Upside Potential**	**P/E**	**P/BV**
TURSG	3,29	OP	9,20	65.800	184.000	179,6%	2,80	1,08
HOLDING	**Close (TRY)**	**Rating**	**TP (TRY)**	**Mcap TRY mn**	**Target Mcap TRY mn**	**Upside Potential**	**P/E**	**P/BV**
AGHOL	25,02	OP	46,74	60.932	113.823	86,8%	14,08	0,46
KCHOL	192,80	OP	318,51	488.921	807.702	65,2%	14,35	0,62
SAHOL	81,10	OP	172,63	170.340	362.597	112,9%	8,48	0,41
TAVHL	250,00	OP	440,00	90.820	159.845	76,0%	10,80	0,94
INDUSTRIAL	**Close (TRY)**	**Rating**	**TP (TRY)**	**Mcap TRY mn**	**Target Mcap TRY mn**	**Upside Potential**	**P/E**	**P/BV**
AKCNS	176,10	OP	295,00	33.714	56.477	67,5%	43,73	1,11
AKSEN	60,60	OP	110,00	74.316	134.894	81,5%	24,46	1,08
ARCLK	67,95	OP	111,00	45.916	75.005	63,4%	-	0,63
ASELS	347,00	OP	495,00	1.582.320	2.257.200	42,7%	38,31	4,72
BIMAS	347,50	OP	496,00	417.000	595.200	42,7%	15,90	2,07
CCOLA	73,10	OP	122,00	204.540	341.371	66,9%	10,48	2,23
CIMSA	38,96	OP	70,55	36.840	66.712	81,1%	9,32	0,90
DOAS	149,20	OP	302,90	32.824	66.639	103,0%	17,33	0,44
EKGYO	16,19	OP	32,84	61.522	124.802	102,9%	-	0,40
EREGL	29,66	OP	42,24	207.620	295.710	42,4%	22,39	0,62
FROTO	65,45	OP	130,00	229.671	456.188	98,6%	8,45	1,28
KRDMD	36,16	MP	45,00	28.213	35.109	24,4%	8,90	0,38
MGROS	413,50	OP	910,00	74.866	164.759	120,1%	13,06	0,81
OYAKC	17,88	OP	33,35	86.926	162.130	86,5%	14,07	1,14
PETKM	16,24	MP	18,91	41.159	47.935	16,5%	-	0,55
PGSUS	115,00	OP	271,90	57.500	135.950	136,4%	-	0,51
SISE	32,04	OP	65,00	98.145	199.110	102,9%	9,83	0,36
TCELL	90,10	OP	150,00	198.220	330.000	66,5%	11,05	0,64
THYAO	242,20	OP	445,00	334.236	614.102	83,7%	2,98	0,33
TOASO	211,20	OP	435,00	105.600	217.500	106,0%	8,43	1,61
TTKOM	46,16	OP	90,00	161.560	315.000	95,0%	6,10	0,61
TUPRS	343,50	OP	395,00	661.854	761.085	15,0%	9,81	1,45
ULKER	74,30	OP	159,80	27.437	59.010	115,1%	7,57	0,54
VESBE	2,81	UR		4.496			-	0,11
ZOREN	1,13	UR		5.650			-	0,09

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