Earnings Update
Aviation Sector

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Pegasus Airlines

Better-than-expected financial results in 3Q26…

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Pegasus reported a net profit of €204.5mn in 3Q26, exceeding both the market consensus estimate of €157mn and our forecast of €158mn by approximately 30% (3Q25: €226.7mn net profit). Despite higher net financial expenses and weaker income from investing activities, the Company's bottom line was supported by improved operating profitability and lower deferred tax expenses. Ancillary revenues increased by 18% YoY to €429mn (3Q25: €363mn), while international and domestic scheduled passenger revenues grew by 20% and 15% YoY in EUR terms, respectively. Accordingly, total revenues rose by 19.1% YoY to €1,314mn, exceeding both the market consensus of €1,245mn and our estimate of €1,238mn. Pegasus reported EBITDA of €404mn in 3Q26, surpassing both the market consensus of €364mn and our forecast of €370mn (3Q25: €395mn), while its EBITDA margin narrowed to 30.7% from 35.9% in 3Q25.

Pegasus' domestic passenger traffic rose by 9% YoY in 3Q26, while int'l passenger growth moderated to 5% YoY, bringing total PAX to 13.1mn, up 7% YoY. Domestic PAX yields increased by 21% YoY to TRY 2,022, while int'l PAX yields rose by 14% YoY to €84. The Company's PLF declined by 1.0pp YoY to 88.2%, while total ASK rose by 6% YoY. Ancillary revenues/PAX reached €32.9 in 3Q26 (3Q25: €29.7), while RASK increased by 12% YoY to €¢5.57 (3Q25: €¢4.97). Meanwhile, total CASK rose by 25% YoY to €¢4.35 (3Q25: €¢3.72), primarily reflecting higher fuel CASK amid an approximately 85% increase in jet fuel prices, alongside elevated personnel CASK. Non-fuel CASK stood at €¢2.63 in 3Q26, compared with €¢2.58 in 3Q25.

The Company's net debt remained broadly flat compared with YE25 at €2.94bn as of end-3Q26, while its net cash position increased to €766mn from €697mn at YE25. Pegasus had hedged 67% of its projected jet fuel consumption for 2026.

We maintain our TP of TRY 271.90 & "Outperform" rating - We expect the 3Q26 results to have a positive near-term impact on the stock's performance, supported by the stronger-than-expected earnings delivery. Nevertheless, competitive pricing pressures and persistent geopolitical uncertainties remain key sources of potential share price volatility. Against this backdrop, we expect the stock's near-term performance to remain sensitive to passenger demand trends, developments in jet fuel prices, and shifts in global risk appetite.

OUTPERFORM
TP: TRY 271.90
Previous TP: TRY 271.90
Upside potential: 86%

	TRY	US$
Close	146,50	2,92
BIST 100	11.713	234
US$/TRY (CB Bid Rate):	50	
52 Week High:	226,1	5,2
52 Week Low:	115,0	2,3
Bloomberg/Reuters Ticker:	PGSUS.TI / PGSUS.IS	
Number of Shares (Mn):	500,0	

	(TRY m)	(US$ m)
Current Mcap :	73.250	1.462
Free Float Mcap :	31.498	629

	1 M	YoY	YtD
TRY Return (%):	9,00	-30,73	-23,58
US$ Return (%):	7,14	-41,74	-34,46
BIST 100 Relative (%):	14,15	-35,39	-26,52
Avg. Daily Vol. (TRY m):	2820		
Avg. Daily Vol. (US$ m):	63,5		

Beta	0,94
Volatility (Stock)	0,32
Volatility (BIST 100)	0,24

Shareholder Structure	%
Esas Holding	52,81
Sabancı Family Members	1,82
Free Float	45,37
Total	100

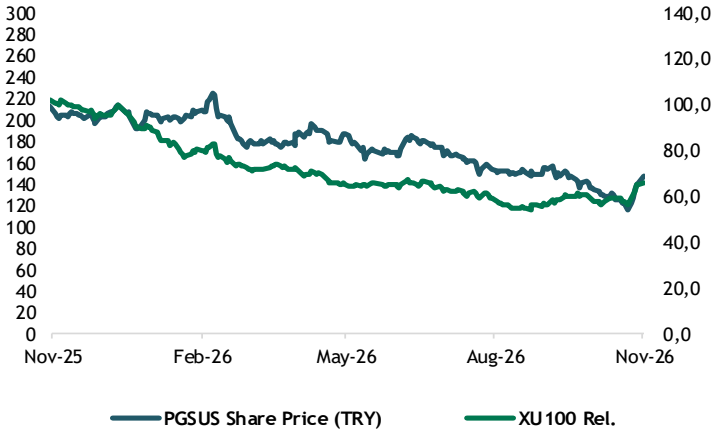


Table 1: Summary P&L

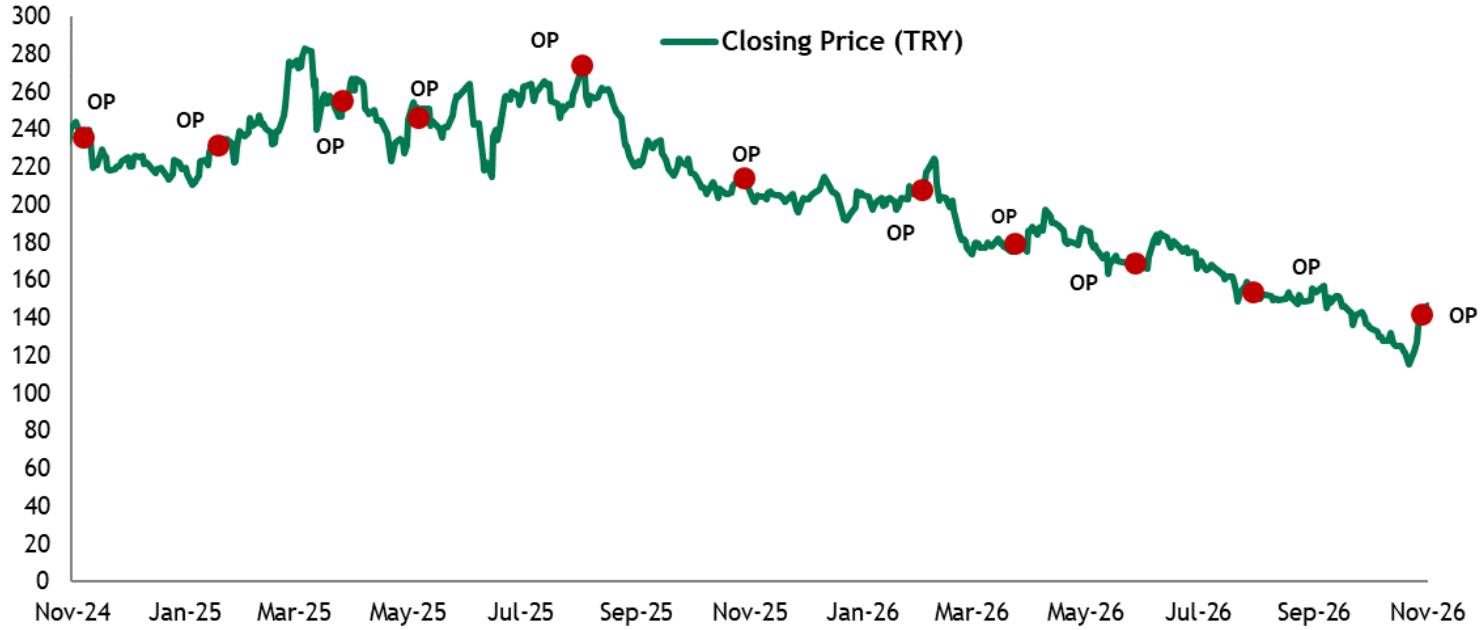
€ mn	9M25	9M26	YoY	3Q25	3Q26	YoY	2Q26	QoQ
Revenues	**2.601**	**2.821**	**8,5%**	**1.103**	**1.314**	**19,1%**	**865**	**51,9%**
Scheduled Flights	**2.563**	**2.774**	**8,3%**	**1.086**	**1.290**	**18,8%**	**848**	**52,2%**
International	**1.268**	**1.334**	**5,2%**	570	686	20,2%	392	74,9%
Domestic	**352**	**413**	**17,3%**	152	175	15,0%	145	21,1%
Service Revenue	**943**	**1.028**	**9,0%**	363	429	18,2%	311	38,0%
Charter & Wetlease	**31**	**33**	**6,2%**	16	20	25,3%	13	59,1%
Other	**7**	**13**	**88,8%**	1	4	244,8%	5	-14,8%
Gross Profit	**504**	**297**	**-41,0%**	**327**	**341**	**4,4%**	**18**	**1792,0%**
Gross Profit Margin	*19,4%*	*10,5%*	*-8.9 p.p.*	*29,6%*	*26,0%*	*-3.7 p.p.*	*2,1%*	
Operating Profit	**233**	**163**	**-30,3%**	**264**	**289**	**9,8%**	**-34**	**N.M.**
EBIT Margin	*9,0%*	*5,8%*	*-3.2 p.p.*	*23,9%*	*22,0%*	*-1.9 p.p.*	*-3,9%*	
EBITDA	**692**	**486**	**-29,8%**	**395**	**404**	**2,3%**	**80**	**405,0%**
EBITDA Margin	*26,6%*	*17,2%*	*-9.4 p.p.*	*35,8%*	*30,7%*	*-5.1 p.p.*	*9,3%*	
Net Profit/Loss	**287**	**-40**	**N.M.**	**227**	**205**	**-9,8%**	**-92**	**N.M.**
Net Profit Margin	*11,0%*	*-1,4%*	*-12.5 p.p.*	*20,6%*	*15,6%*	*-5.0 p.p.*	*-10,6%*	

Source: Pegasus, Finnet, Seker Invest Research

Table 2: Summary Financial Statements

BALANCE SHEET (€ mn)	2025	9M26	% Chg
Cash and cash equivalents	1.087	1.573	44,7%
Financial assets	337	236	-30,0%
Trade receivables	73	89	21,9%
Other receivables	59	16	-72,9%
Derivative financial instruments	0	83	N.M.
Inventories	46	52	13,0%
Prepaid expenses	206	146	-29,1%
Current assets	**1.819**	**2.216**	**21,8%**
Financial assets	138	254	84,1%
Other receivables	124	138	11,3%
Derivative financial instruments	0	13	N.M.
Investments accounted by using the equity method	21	24	14,3%
Property and equipment	513	558	8,8%
Intangible assets	40	40	0,0%
Right of use assets	4.377	4.472	2,2%
Prepaid expenses	687	784	14,1%
Deferred tax assets	410	381	-7,1%
Non-Current assets	**6.311**	**6.666**	**5,6%**
Short term borrowings	930	1.119	20,3%
Trade payables	288	389	35,1%
Passenger flight liabilities	334	359	7,5%
Short term provisions	84	80	-4,8%
Current liabilities	**1.745**	**2.166**	**24,1%**
Long term borrowings	3.692	3.976	7,7%
Deferred income	201	206	2,5%
Long term provisions	171	161	-5,8%
Non-Current liabilities	**4.069**	**4.343**	**6,7%**
Paid-in share capital	230	230	0,0%
Share premiums on capital stock	25	25	0,0%
Retained earnings	1.778	2.079	16,9%
Net loss for the period	301	-40	N.M.
SHAREHOLDERS' EQUITY	**2.316**	**2.373**	**2,5%**

Historical Recommendations and target prices



Date	Recommendation	Target Price (TRY)
12.11.2024	Outperform (OP)	328,00
7.01.2025	Outperform (OP)	361,20
5.03.2025	Outperform (OP)	372,00
2.05.2025	Outperform (OP)	365,60
9.05.2025	Outperform (OP)	365,60
13.08.2025	Outperform (OP)	365,60
10.11.2025	Outperform (OP)	365,60
9.01.2026	Outperform (OP)	345,30
5.03.2026	Outperform (OP)	345,30
11.05.2026	Outperform (OP)	271,90
13.08.2026	Outperform (OP)	271,90
10.11.2026	Outperform (OP)	271,90

Basis for 12m equity ratings

Outperform: The total return is expected to exceed the return of the BIST 100 by more than 10%.
Underperform: The total return is expected to fall below the return of the BIST 100 by more than 10%.
Market Perform: The total return is expected to be in line with the return of the BIST 100.

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