Monthly Equity Strategy

March 2025

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

Trump has started his term quickly…

Trump, who took office on January 20, made a rapid start to tariff updates by imposing a 25% customs duty on all steel and aluminum imports worldwide, while initiating an investigation to apply reciprocal tariffs to all countries exporting to the US, increasing growth and inflation concerns in the US and global economy, while weakening risk appetite. On the other hand, Trump, who also made a rapid start to geopolitical disputes, announced his plan to evacuate Gaza and hand it over to US control for the construction of a tourism center. And immediately after starting peace talks with Russia to end the Russia-Ukraine war without the participation of Europe and Ukraine, reduced inflationary pressures on energy prices, but caused increased tension in the transatlantic alliance. These moves from Trump caused the Fed, which was monitoring developments, to postpone interest rate cuts, strengthening expectations that there would be only one cut in 2025

Locally, January inflation that printed above expectations and the heating-up political environment caused weakness in risk appetite. The higher participation fee in health services, which had led January inflation to print above expectations, was withdrawn in February. We expect the positive contribution that this development will make to inflation to strengthen the CBRT's hand in continuing rate cuts at its March meeting.

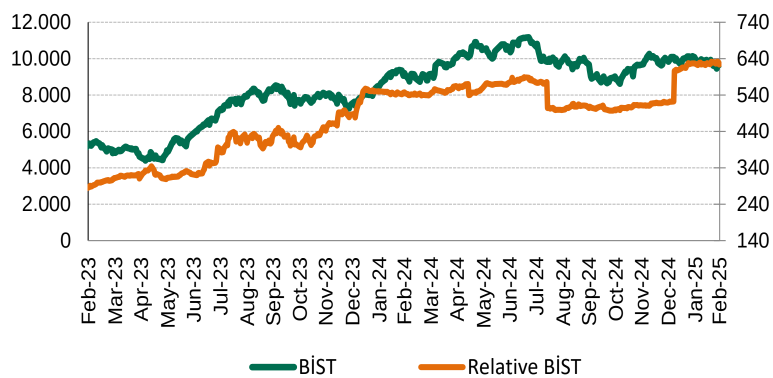
We believe that global markets will primarily follow Trump's moves in March, especially regarding tariffs and the peace talks he is conducting with Russia. In addition, we think that the focus will be on upcoming macro data in the US and global markets, and the statements of the Fed, which is not expected to make any changes to interest rates. Meanwhile, the ECB, which continued to cut rates in January, and the BoE, which made cuts in February, are expected to continue reducing interest rates depending on inflation data.

Locally, in addition to the developments on escalating political tension, the CBRT interest rate decision to be announced on March 6 will be closely monitored. The macro data to be announced and the steps to be taken regarding the disinflation process will also be on the market's radar. On the geopolitical side, the Russia-Ukraine war, and developments in Syria and Gaza will be monitored.

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	9.659	-3,46%	-1,7%
BIST - 100, USD	265	-5,1%	-4,7%
MSCI Turkey	289.915	-4,6%	-3,0%
MSCI EMEA	214	0,4%	4,9%
MSCI EM	1.097	0,4%	2,0%
Benchmark Bond	38,20%	4bps	-236bps
USD/TL	36,3812	1,73%	3,12%
EUR/TL	37,8234	1,82%	2,96%
P/E			
Banking	6,6		
Industrial	10,6		
Iron&Steel	11,9		
REIT	3,9		
Telecom	5,5		
2025E P/E	6,3		

*Close as of February 28, 2025

BIST &Portfolio



CBRT will continue to cut rates… Rating: BUY

The BIST 100 index, which followed a fluctuating course in the 9,983-9,422 band, closed the month with a 3.46% decrease at 9,658.72 points in February amid the heated political environment and lower risk appetite due to Trump's policies on the global stage. While the industrial index fell 3.99% MoM, the Banking Index continued its positive divergence with a 1.45% increase.

We maintain our expectation that the CBRT will continue to cut rates throughout the year, depending on inflation data, and that risk appetite for risky assets will increase in 2025. On the other hand, the tension created by Trump's policies, the rise in global risk perception, and the loss of momentum caused by the renewed local political environment are delaying an improvement in risk appetite.

However, in the absence of a major deterioration in inflation developments, we believe that the CBRT will continue to cut rates and that, even if the Fed's monetary easing cycle slows down due to Trump uncertainty, expectations that major central banks will continue to ease monetary policy throughout 2025 will continue to support risk appetite. In addition, if Trump reduces geopolitical risk such as the Russia-Ukraine conflict, the decline in energy prices will contribute to the global disinflationary process, which will also support risk appetite.

Under the assumption that the rise political tension in the local market will not dent consumer confidence, the improving macro data is expected to support domestic demand and cause a gradual recovery in the real sector, with fiscal policy also contributing to the disinflation process. In line with these developments, the continuation of rating agencies' upgrades in the second half of the year will also attract foreign interest to the BIST.

We maintain our 12M target of 15,000 points for the BIST 100 and our BUY recommendation due to the potential for a 50% return. The MSCI Turkey Index 2025T is traded at a 45.5% and 46.6% discount to the EM MSCI index with 6.67x and 0.87x P/E and P/BV ratios.

We make no changes to our model portfolio this month.

Main Market Risks

- US President Trump's aggressive stance on tariffs affecting global trade and growth, and other countries responding,
- Despite disinflationary policies implemented domestically, the expected decline in inflation not occurring,
- The upward trend in global inflation seen in recent months continuing and inflation becoming more sticky than expected,
- Geopolitical risk rising as ongoing tension, especially between Israel and Palestine and Russia and Ukraine, are seen as far from resolved.

Model Portfolio

Top Picks	Close	Target	Pot.	MoM	Relative
AKBNK.TI	67,30	96,62	43,6%	3,8%	7,5%
ASELS.TI	93,45	114,00	22,0%	5,4%	9,1%
FROTO.TI	882,50	1.491,00	69,0%	-5,1%	-1,7%
ISCTR.TI	15,17	21,47	41,5%	7,1%	11,0%
MGROS.TI	562,00	794,50	41,4%	-3,9%	-0,5%
SAHOL.TI	96,80	164,00	69,4%	-3,1%	0,4%
TCELL.TI	100,70	148,48	47,4%	-6,8%	-3,5%
THYAO.TI	308,25	495,50	60,7%	-2,8%	0,7%
YKBNK.TI	29,40	49,47	68,3%	-4,3%	-0,9%
Average				-2,3%	1,2%

*Close as of February 28, 2025

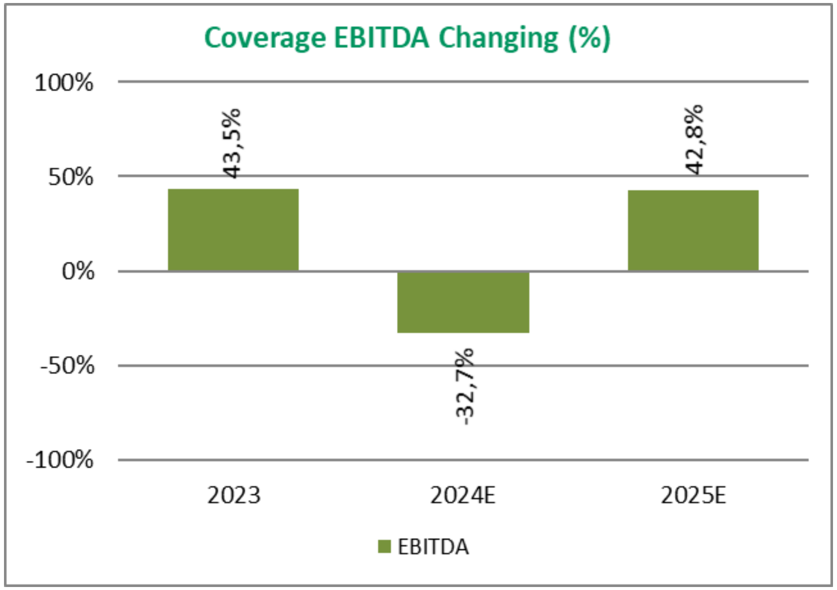
Add
-

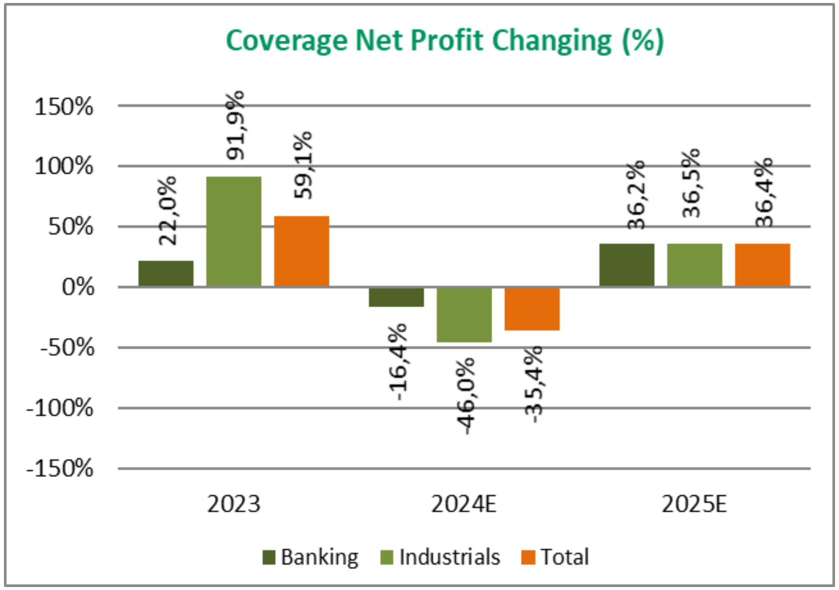
Remove
-

Maintain
AKBNK
ASELS
CIMSA
FROTO
ISCTR
MGROS
SAHOL
TCELL
THYAO
YKBNK

Favourite Sectors
Banks
Insurance
REIT
Construction-Cement
Food&Beverage
Iron-Steel
Main Metal Industry
Defense
Aviation
Food Retail
Telecommunication
Energy

This will be a year of recovery…





In 2024, we expect the earnings and EBITDA of the industrials we follow to decline by 46,0% and 32.7% YoY. For banks earnings should decline by 16,4%.

In 2025, with the expected rebound, industrials should deliver 36,5% and 42,8% YoY net income and EBITDA growth YoY, while we expect the banks' earnings to increase by 36,2% YoY.

Returns compared to peers

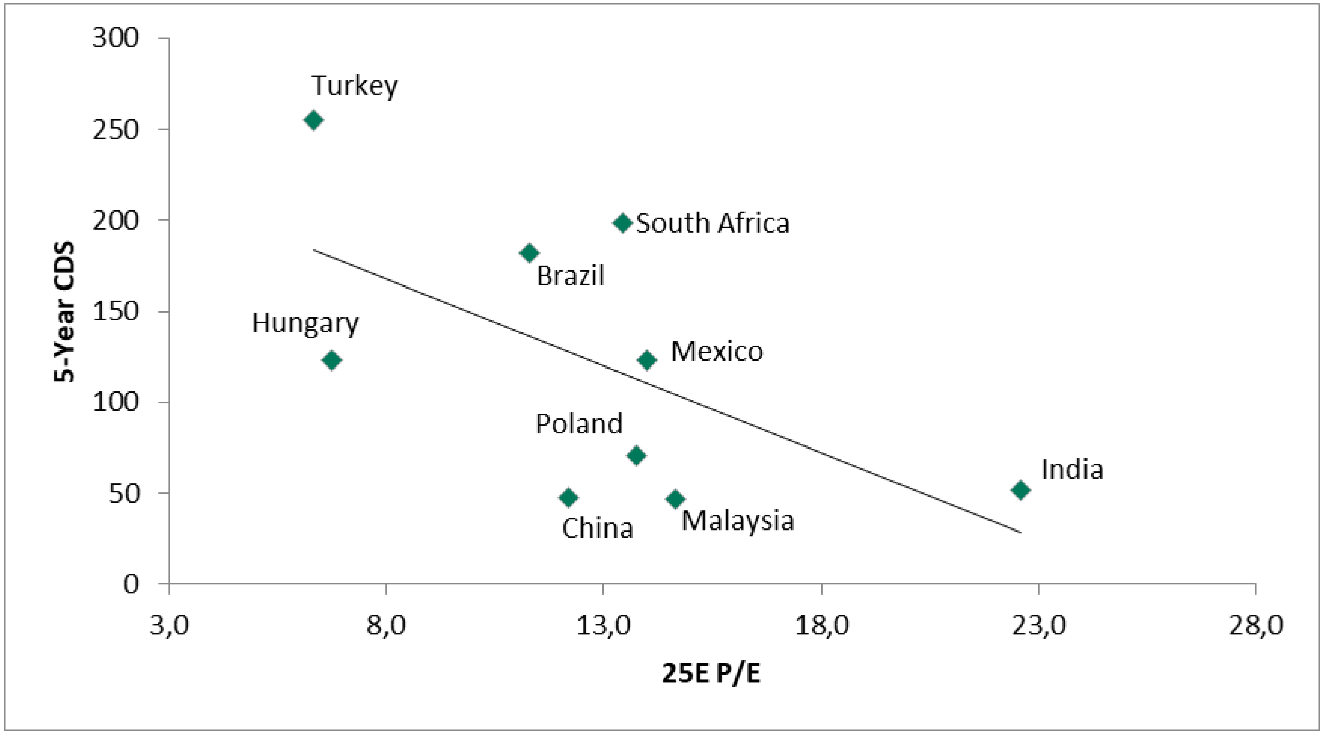
- The MSCI Turkiye Index has declined by 2.7% in absolute terms over the past 12 months. It has underperformed the MSCI EM, and the MSCI EMEA index by 10.5%, and 9.0%, respectively during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	-4,6%	-3,4%	-2,7%	1,7%
MSCI EM	0,4%	1,7%	7,5%	1,6%
MSCI EMEA	0,4%	5,7%	6,1%	4,4%
MSCI Eastern Europe	6,2%	18,5%	10,6%	12,4%
MSCI World	-0,8%	-0,1%	14,0%	3,5%

Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	5,17%	5,3%	10,5%	-0,1%
MSCI EMEA	5,2%	9,5%	9,0%	2,7%
MSCI Eastern Europe	11,3%	22,7%	13,7%	10,6%
MSCI World	3,9%	3,4%	17,2%	1,8%

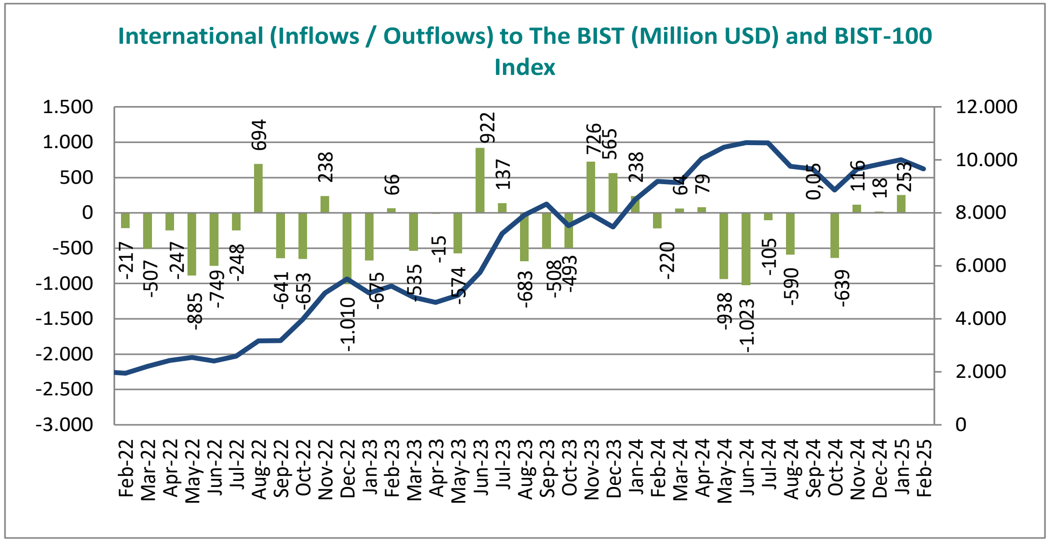
As of February 28, 2025

5-Year CDS

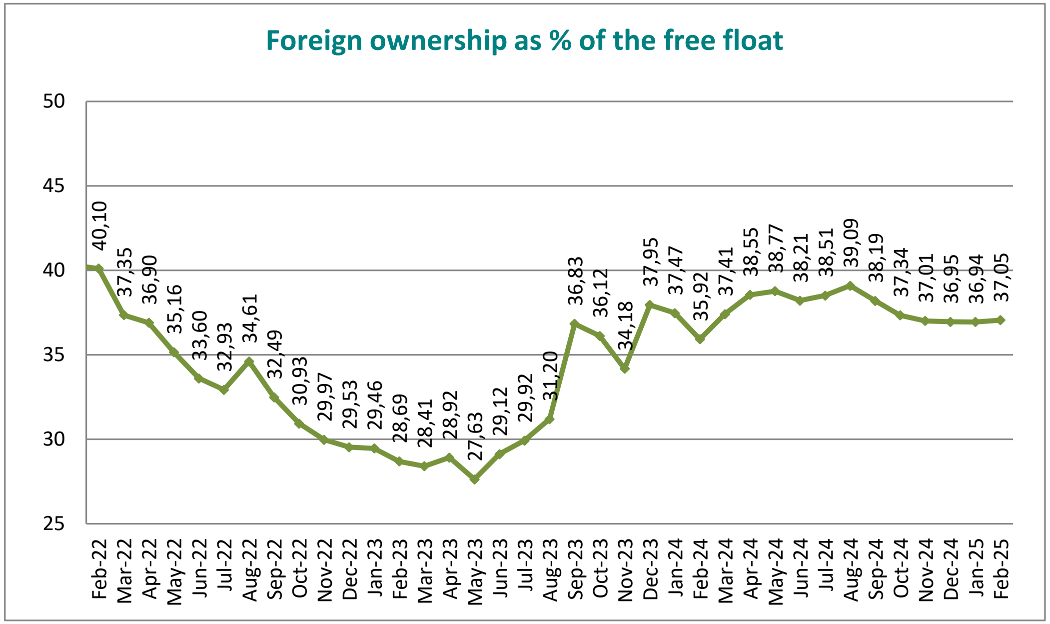


As of February 28, 2025

Int. flow and foreign ownership

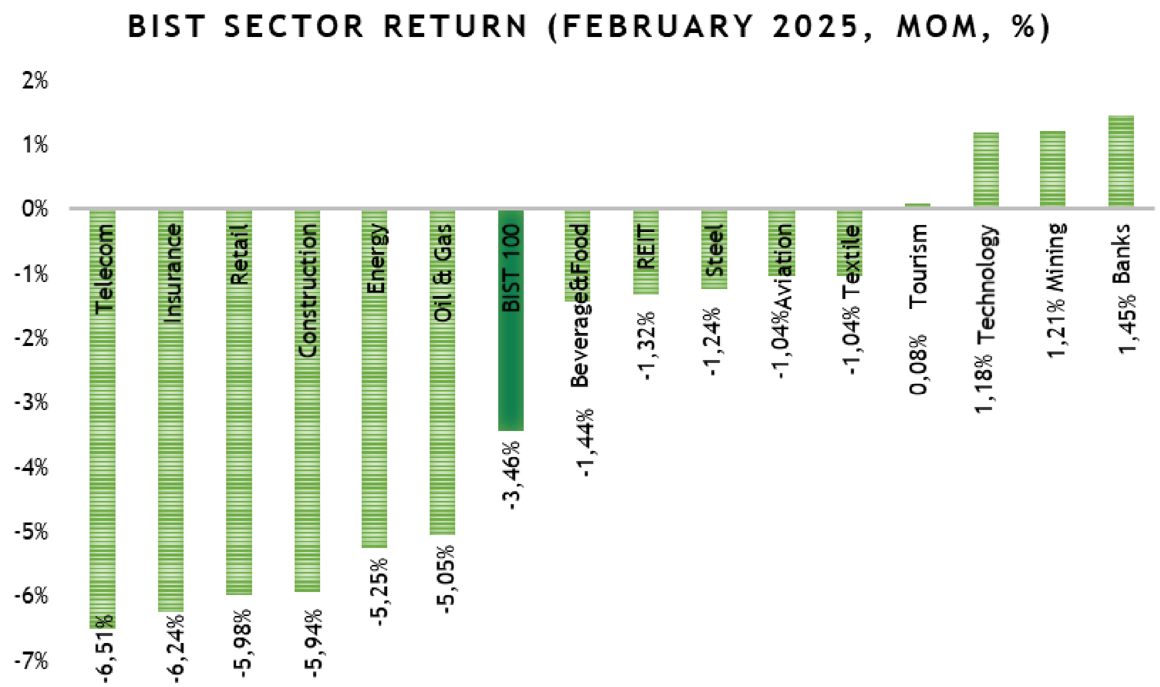


➢ In January 2025, foreign investors were net buyers at the BIST of USD 253mn.



➢ Foreign ownership has realized to 37.05% in February 2025.

Sector performances



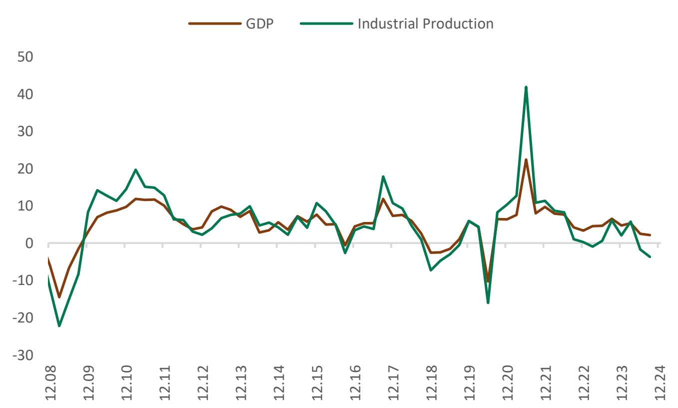
As of February 28, 2025

Macroeconomic Outlook

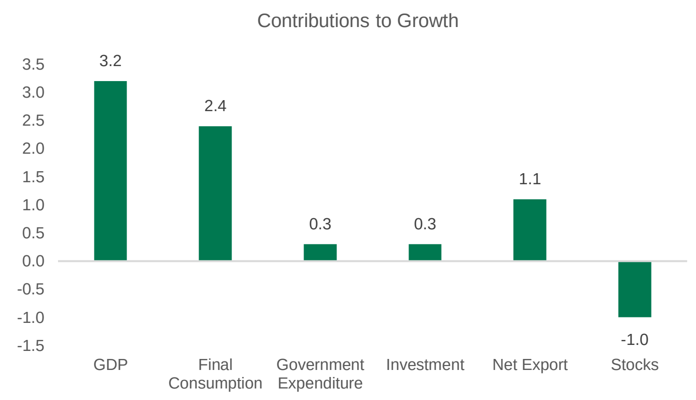
GDP/2024-Q4

According to the growth data released by Turkstat, the Turkish economy grew by 3% yoy in the last quarter of 2024. The seasonally- and calendar-adjusted GDP chained volume index increased by 1.7% qoq. The calendar adjusted GDP chained volume index increased by 3.1% in the fourth quarter of 2024 compared to the same quarter of the previous year. According to the production method, GDP at current prices increased by 63.5% in 2024 compared to the previous year to TRY 43 trillion 410 billion 514 million. GDP per capita was calculated as TRY 507 thousand 615 at current prices and 15 thousand 463 in USD terms in 2024. While the share of labor payments in Gross Value Added at current prices was 32.5% last year, this ratio became 37.9% in 2024. The share of net operating surplus/mixed income, at 47%, fell to 42.2%. When the activities that make up GDP are analyzed; in 2024, as a chained volume index compared to the previous year; construction sector total value added increased by 9.3%, taxes on products minus subsidies by 7.7%, financial and insurance activities by 4.9%, agriculture by 3.9%, information and communication activities by 3.4%, services by 3.1%, real estate activities by 2.4%, public administration, education, human health and social work activities by 1.8%, professional, administrative and support service activities by 1.4%, other service activities by 1.2% and industry by 0.5%. Calendar-adjusted data came in at 3.1%, in line with our expectations. Considering the year-end realizations, two points stand out. First, the monetary tightening cooled economic activity and held back growth and inflation. The other important point is that the calm course of the exchange rate pushed dollar-denominated per capita income to a historic high. Despite inflation-driven growth in economic activity and income, the rise in the exchange rate lagged far behind inflation, making a significant positive contribution to purchasing power and per capita income. Despite the buoyancy in sectors such as construction, finance and services, the slowdown in industrial production is a reflection of recent monetary policy actions. The fact that the gap in this decoupling has widened at these levels shows that we are far from the target values.

Graph 1: Growth and Industrial Production (YoY %)



Graph 2: Growth and Contribution (%)

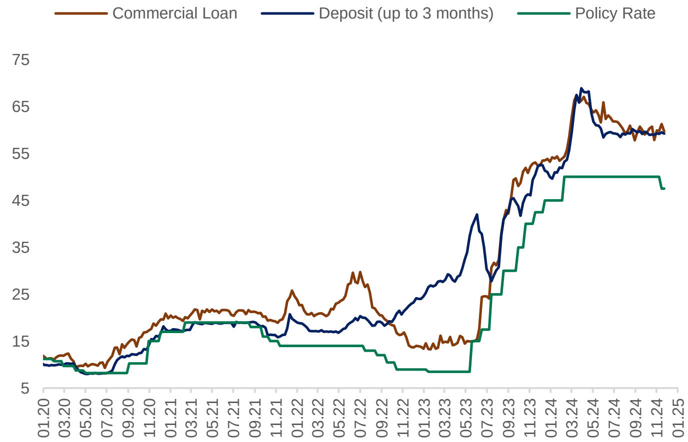


Macroeconomic Outlook

CBRT Rate Decision - January

The CBRT's Monetary Policy Committee (MPC) cut the policy rate by 250 basis points to 45% at this month's meeting, in line with expectations. The CBRT opted for a tone in the policy statement matching December's, with some minor changes. Chief among these was the emphasis on services inflation and the ongoing inflation rigidity due to backward indexation. Core goods inflation, on the other hand, remains low. Another important change was made in the closely monitored indicator for the monetary policy stance. For a long time, the threshold for a tight monetary stance had been "until monthly inflation has been permanently and significantly reduced." In the new text, this has been changed to "permanent disinflation and price stability." From this point of view, we understand that interest rates can be cut even in periods of high monthly volatility and that the general trend will be taken into account. The last important change is that additional measures may be taken to sterilize liquidity. In this context, we expect a period in which macroprudential policies will be used more effectively. Apart from these fundamental changes, the policy text contains similar emphasis to the previous text. The importance of the coordination of fiscal policy is reiterated and the contribution of fiscal discipline to price stability is underlined. It is reemphasized that the policy rate will be adjusted so as to ensure that inflation realizations, the underlying trend and expectations support disinflation. Although inflation expectations have improved, they remain a risk factor. In case of a deterioration in the inflation outlook, it was reemphasized that monetary policy tools would be used effectively instead of monetary tightening. We observe that the overall tone of the decision text was in line with December's message. Despite the rate cut, it was declared that the tight stance would be maintained and price stability would not be compromised. The verbal guidance mechanism was actively transformed into a monetary policy tool and it was reiterated that the policy rate would be adjusted to the extent required by disinflation. Moreover, it was stated that decisions would be taken on a meeting-by-meeting basis, and it was emphasized that price pressures caused by unexpected developments would be evaluated at each meeting. Accordingly, we expect the rate cuts to continue gradually as long as the underlying trend of inflation remains intact.

Policy, Loan and Deposit Rates (%)

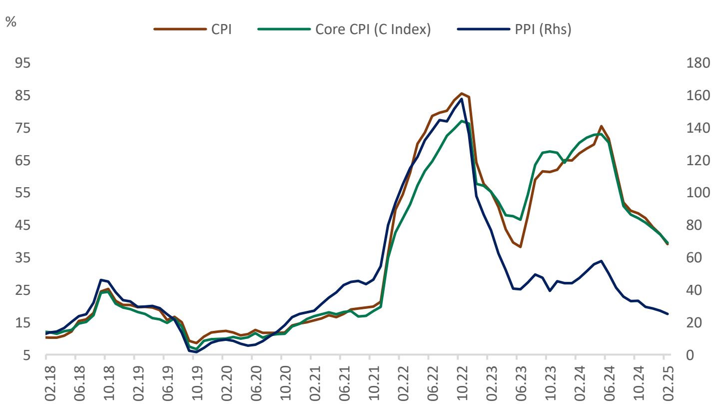


Macroeconomic Outlook

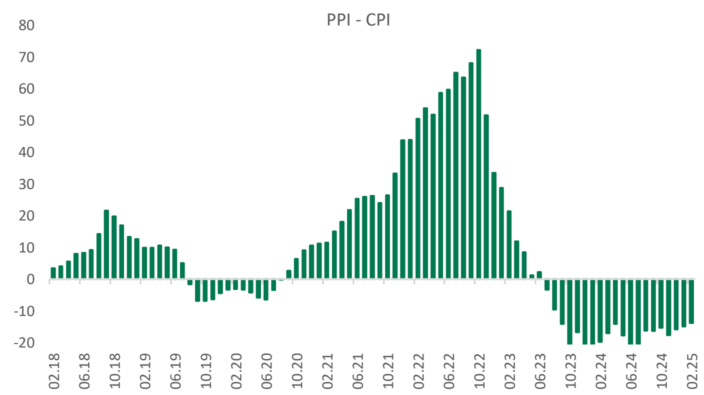
Inflation - February

CPI increased by 2.27% mom in February, while annual inflation was realized as 39.05%. Monthly inflation, which was well below the market and our expectations, slowed down the annual inflation significantly. The average of food, housing and transportation inflation, which has a 55.5% weight in the index, rose by 41.65% yoy. Considering the impact across income groups, the price increase in the core expenditure items of lower income groups still hovered above the headline inflation. In the same period, monthly inflation in the Special CPI Aggregate B index (core inflation) was realized as 2.32% while annual inflation was realized as 39.47%. Two items that significantly slowed down the inflation dynamics in February were clothing and footwear and health expenditures. The partial withdrawal of the contribution fees introduced in January led to a monthly decline of 4.38% in health expenditures, while the monthly decline in clothing and footwear was 5.06%. Producer prices, on the other hand, rose by 2.12% mom in February, while the annual change in PPI was realized as 25.21%. When we look at the sub-indices in PPI, annual changes in main industrial groups were realized as 21.16% increase in intermediate goods, 34.52% increase in durable consumer goods, 33.52% increase in non-durable consumer goods, 19.18% increase in energy and 24.16% increase in capital goods. We see that the long-lasting low course of monthly producer prices has revived. Considering the general course of inflation, services inflation continues to be the most important headline. After a gradual decline from its 97% peak in April 2024, services inflation fell to 59.78% in February. This level, which is well above the headline inflation, reveals the divergence between goods and services inflation. On the other hand, services items such as education, which still show monthly increases of 10%, indicate that disinflation in this area requires more effort and patience. After the inflation data, which fell well below expectations, the markets are now expecting a rate cut in March to be finalized. We expect the CBRT to maintain its cautious stance even if the interest rate cut continues and to pursue a monetary policy stance that favors the real interest rate. In this context, the first half of the year will be a critical period in terms of interest rate cuts and seeing the effects of the change in economic activity. We expect that the monetary policy stance will be adjusted according to these developments in the second half of the year.

CPI, PPI and Core CPI (YoY %)



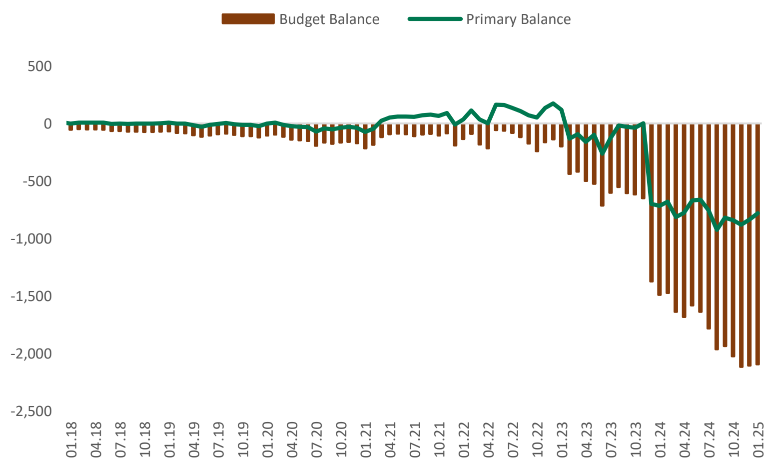
PPI - CPI Spread



Budget Balance - January

According to the January central government budget data released by the Ministry of Treasury and Finance, budget revenues and budget expenditures were realized as 917 billion TRY and 1,056.3 billion TRY, respectively. In the same period, non-interest budget expenditures were realized as 893.3 billion TRY. Accordingly, the budget deficit was realized as 139.3 billion TRY, while the primary balance posted a surplus of 23.8 billion TRY. Considering the year-end realizations in budget performance, the long-lasting inflationary pressure and weak fiscal measures have brought about historic highs in the budget deficit. With the new year, the importance of fiscal support to monetary policy has increased and the burden on fiscal policy has become critical. In the January budget details, transfers to the Electricity Generation Co. amounted to 14.2 billion TRY (15.3 billion in the previous month and TRY 213.7 billion throughout 2024). Transfers to BOTAŞ amounted to TRY 35 billion (TRY29 billion in the previous month and TRY66 billion for 2024) due to the winter season. An analysis of the annual growth performance of expenditure items shows that they generally lagged behind inflation. However, public austerity items such as procurement of goods and services increased by 71% yoy, above the average. In this context, especially the reflection of fiscal measures on the figures has become essential in terms of expectations management. The change in the pension system, the earthquake disaster and continued high inflation are the most important items limiting the budget recovery. The most important transformation that can reverse the rigidity in expenditure items will come from the revenues policy. The rigidity in budget expenditures despite the adjustments in tax collection and the increasing expenditures despite the measures taken have evolved into a chronic budget deficit. The twelve-month cumulative budget deficit is TL 2.1 trillion, about nine times the average of the last decade. We would like to remind that the desired level of tightness in fiscal policy has yet to be achieved and additional pressure on inflation may come from the budget deficit. The coordination of monetary and fiscal policy, which is referenced in the inflation report and monetary policy texts, has become an indispensable prerequisite for price stability.

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

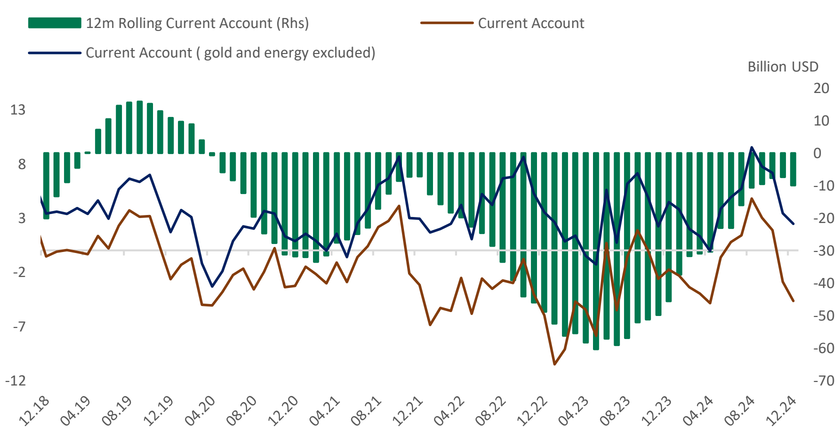


Macroeconomic Outlook

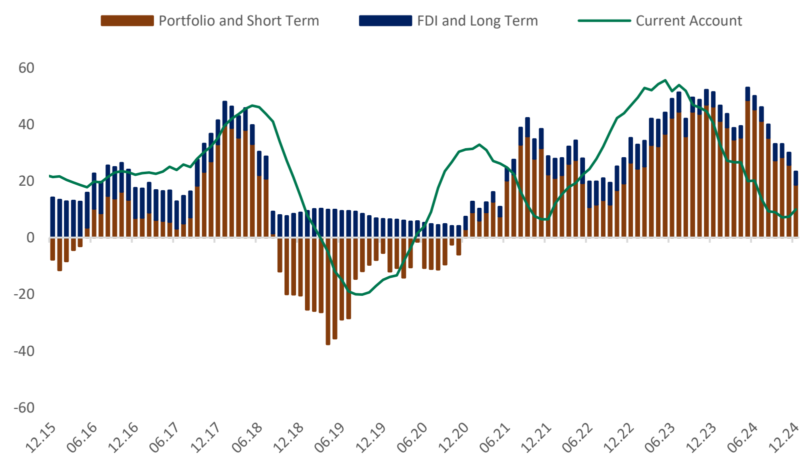
Balance of Payments - December

According to the balance of payments statistics, the current account balance posted a surplus of USD 4,650 million in December. As a result, the twelve-month current account deficit for 2024 was realized as USD 9,973 million (previous USD 7,033 million). We had expected a current account deficit of USD 4.25 billion, above market expectations (USD 4 billion deficit). The current account balance, which realized above both market and our expectations, declined to 2021 levels when the year as a whole is evaluated. This was mainly driven by the balance of payments-defined foreign trade deficit of USD 6,243 million and services inflows of USD 3,148 million. Twelve-month cumulative balance of payments-defined foreign trade deficit became USD 56.3 billion, while inflows from the balance of services were realized as USD 62 billion. Travel revenues continued to improve, albeit at a slower pace, and were realized as USD 2,142 million. With the winter season, we expect the balance of services inflows to recede. In addition, the revival in economic activity due to interest rate cuts will trigger a foreign trade deficit through import demand. Geopolitical risks and tariffs and taxes imposed by the new US administration are also putting pressure on global trade. Although we expect a recovery in demand with interest rate cuts in developed countries, it is worth noting that some risks remain. For external demand, we closely monitor the interest rate cuts and economic activity here. As of 2025, we continue to expect a revival in economic activity following the interest rate cuts and a decline in the current account balance through import demand. The current account excluding gold and energy posted a surplus of USD 2,466 million this month. Gold imports remained strong, while downward pressure on energy prices boosted demand. The current account deficit, which tested historical highs due to the change in monetary policy scissors, fell below the target values throughout 2024. If the pace of interest rate cuts continues to depend on the inflation outlook, we believe that the balance of payments will stabilize at levels that ensure financial stability.

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



Finance of Current Account Deficit (Billion USD)

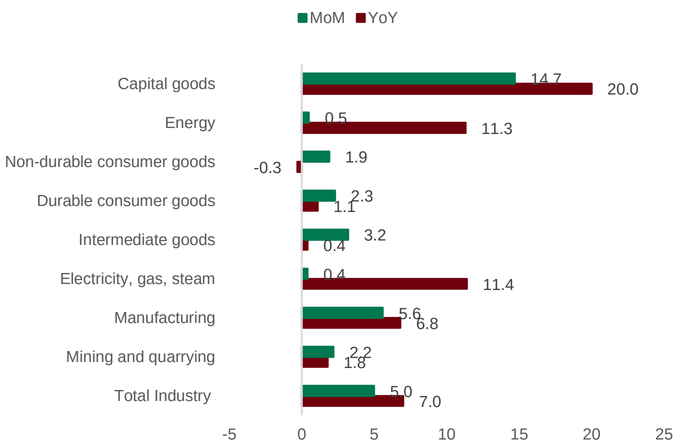


Macroeconomic Outlook

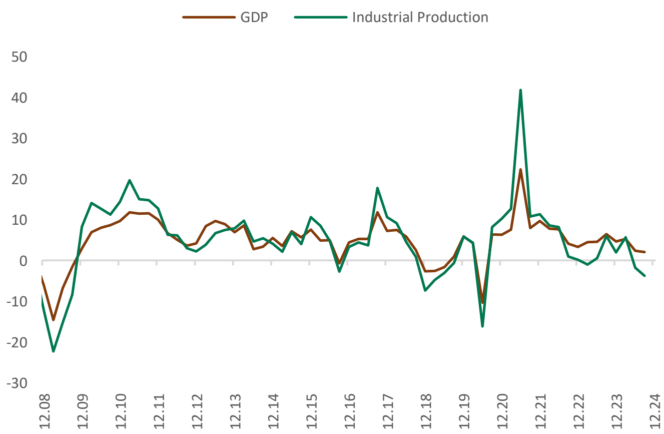
Industrial Production- December

According to industrial production index data, seasonally- and calendar-adjusted production increased by 5% mom in December. Thus, annual production growth was realized as 7% (previous 1.6%). Our expectation for Industrial Production was for a recovery in the monthly data and a strong base effect in the annual data. Especially with the pricing of the interest rate cuts that started in December and the expectations channel coming into play, we are entering a period where the long-standing negative outlook in production will be reversed. In this sense, we can say that the data was in line with our expectations. The output gap in production activity had reached negative levels as a result of the ongoing tight monetary policy in the fight against inflation. Considering the CBRT forecasts and the path of interest rate cuts, we estimate that the output gap will gradually improve after testing the lowest levels by the end of 2025. Therefore, even if production and growth recover slightly with interest rate cuts, it will take time to return to pre-2023 levels. This policy choice is a consequence of the decisive fight against inflation. On the other hand, we can say that there will be a positive divergence especially in sectors that feel the tight monetary stance in a significantly negative way. 2024 was a period in which industrial production decoupled relatively negatively from GDP data. In 2025, we expect a calm course in growth and a limited recovery in industrial production. While domestic indicators have started to recover, the outlook for trading partners remains negative. If foreign demand also contributes positively to the positive mood at home, production data may improve beyond forecasts. We anticipate that this cycle will reverse as of the first months of 2025, and that we will enter a period in which the industry decouples positively with the revival in economic activity. If the interest rate cut cycle of the CBRT continues in line with market expectations, the production and industrial sectors will experience a significant recovery in profit margins and sales volumes. The negative shock to all these positive expectations is the US tax and tariff regulations. This development, which weakens both inflation and foreign demand, has the potential to disrupt global trade.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



Akbank (OP, 12M TP: TRY96.62) Well-positioned balance sheet

Upside: 44%

Following its organic growth strategy, the bank stands out with its focus of increasing customer profitability in 2025 and is in a favorable position in maintaining the strong course in core banking revenues in a declining interest rate environment. We maintain our Outperform recommendation considering its solid capital structure, strategic TL loan growth focused on increasing the maturity structure, and high yielding private sector bonds weight.

Strong capital structure and advantage in cost optimization. The bank is a leader among its rival deposit banks with its strong CAR ratio of 21.1%. LDR on the TL side is at 83%, the lowest among private peers banks, which provides a cost optimization advantage.

Akbank posted TRY9,227mn net income (+2% QoQ) in its 4Q24 bank-only results. For FY25E, the bank is targeting >30% ROAE (Seker: 24%).

We model 48% YoY earnings growth (Bloomberg consensus 107%) for 2025E. Our TP of TRY96.62 offers 44% upside. We also maintain our “Outperform” recommendation. The bank is trading at a 2025E P/E of 5.6x and P/BV of 1.24x (12% premium to domestic peers) with a ROAE of 24%.

Favorable position in a lower rate environment with strong market share gains in mortgage loans. The bank is in leader position with a market share gain of 600 bps in mortgage loans in 2024. The share of CPI-indexed bonds in TL securities has been strategically reduced by 32 pp since record hifg levels. The weight of high-yield private sector bonds in TL securities stands out. We anticipate strategic TL loan growth, proactive market share gains in FC loans, and extension of the maturity structure and support margins.

Striking improvement in Fee/OPEX coverage. Fee/OPEX ratio has significantly recovered and increased to 86%, slightly above the sector average of 79%.

Strong collection performance. Despite a strong NPL collection performance, the NPL ratio is 2.9%, the second highest among its peers. However, the weight of the Stage 2 loans is only 6.7%.

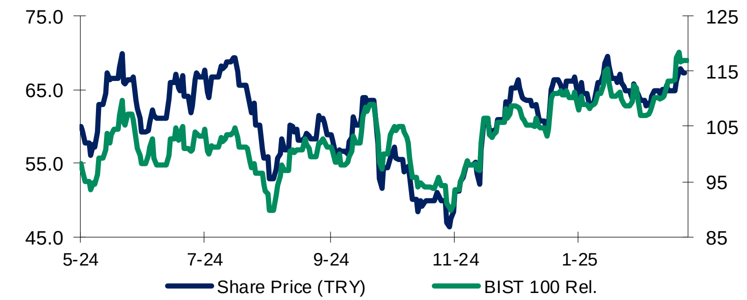
Upside and downside risks. Higher-than-expected asset quality worsening, and a worse-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	349,960	Beta (12M)	1.51
Mcap (USDmn)	9,623	Avr. Daily Vol. (TRYm)	4,560
Close	67.30	Foreign Ownership in FF	49.1%
Last 12M High	74.00	Free Float (%)	52.0%
Last 12M Low	36.42	Weight	7.08%

Quick Facts (TRY Mn)	2023A	2024A	2025E	2026E
Net interest income	63,547	65,045	88,659	115,278
% Change, YoY	*-17.3%*	*2.4%*	*36.3%*	*30.0%*
Net fee income	30,832	69,162	103,744	147,316
% Change, YoY	*198.9%*	*124.3%*	*50.0%*	*42.0%*
Net income	66,479	42,366	62,633	86,353
% Change, YoY	*10.8%*	*-36.3%*	*47.8%*	*37.9%*

Ratios	2023A	2024A	2025E	2026E
NPL ratio	2.4%	2.9%	3.4%	3.5%
CoR (net) Exc. Currency	1.1%	1.3%	2.1%	1.7%
NIM (Swap adj.)	5.5%	2.6%	5.2%	4.0%
ROAA	4.6%	2.0%	2.2%	2.3%
ROAE	36.4%	18.8%	24.0%	27.6%

Multiples	2023A	2024A	2025E	2026E
P/E	2.9	9.1	5.6	4.1
P/BV	0.90	1.60	1.24	1.02



Return	1M	3M	6M	12M
TRY Return (%):	16.0	16.7	21.4	91.6
US$ Return (%):	14.0	11.1	13.2	64.1
BIST-100 Relative (%):	13.1	14.4	21.4	73.8

Source: Bank financials, Seker Invest Research

Aselsan (OP, 12M TP: TRY 114.00) Upside: 22%
Successful Results

ASELSAN achieved a parent company profit of TRY 8,772 million including TMS-29 impact in 4Q24, above the market expectation of TRY 6,637 million and our expectation of TRY 7,273 million (4Q23: TRY 5,973 million). In 4Q24, net profit was supported by operating profit of TRY 14,020 million and net financing income of TRY 56 million (4Q23: TRY-3,649 million) as a result of successful operational expense management.

In 4Q24, Aselsan achieved net sales revenue of TRY 55,683 million, up 12% YoY, slightly above our expectation of TRY 53,677 million and market expectation of TRY 53,371 million. High project deliveries and strong growth in export revenues were effective in the increase in sales revenues. **Including the TMS-29 effect, EBITDA was realized at TRY 14,936 million, slightly above the market expectation of TRY 13,017 million and our expectation of TRY 14,202 million.**

ASELSAN's profit margins increased due to its revenue generation exceeding its costs in 4Q24. Gross profit margin increased by 6.1 points annually at 32.7%, EBITDA margin increased by 7.5 points annually at 26.8% and net profit margin increased by 3.8 points annually at 15.8%.

ASELSAN's total order amount rose to a historical record level of 14 billion dollars in YE24 (YE23: 10.9 billion dollars). The company received a total of 6.5 billion dollars of new orders in 2024 (2023: 5 billion dollars). The company provided 1,017 million dollars of the 6.5 billion dollars of order size it received in 2024 from abroad (2023: 601 million dollars). 97% of the company's total outstanding orders were defense orders, while 3% were non-defense orders. As of YS24, 56% of the company's long-term orders were in dollars, 29% in euros, and 15% in TRY.

The company's net debt position decreased to TRY 15,925 million in YE24 (YE23: TRY 19,241 million). Thus, the net debt/EBITDA ratio was realized at 0.53x in YE24 (YE23: 0.83x). Aselsan does not have a debt rollover problem.

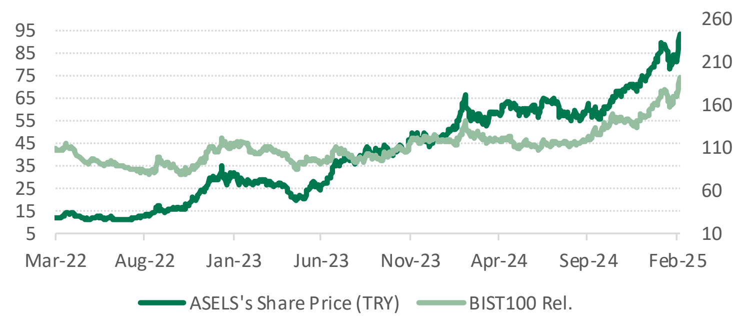
2024 results - The company achieved a net sales revenue of TRY 120,206 million in 2024, an increase of 13.1% annually. In 2024, EBITDA increased by 30.7% annually to TRY 30,234 million, while the EBITDA margin was realized at 25.2%, against the company's margin expectation of 22% and above. Total investment expenditure was realized at TRY 21 billion, against the expectation of TRY 14 billion.

The company's 2025 expectations - Aselsan also announced its expectations for 2025. Accordingly, the company predicted that net sales revenue growth would increase by over 10% in TRY terms in 2025, including TMS 29. The company announced that it aims to achieve an EBITDA margin of 23% in 2025, including TMS 29. The company also plans to make a total investment expenditure of TRY 20 billion and above in 2025, including TMS 29.

Our 2025 expectations - With the revision we made to our sales revenue and EBITDA estimates in line with Aselsan's 2025 expectations, we expect it to complete 2025 with a net sales revenue of TRY 168,287 million and an EBITDA figure of TRY 44,260 million. We expect the EBITDA margin to be above 26%, including TMS 29.

According to ASELSAN's closing share price on February 28, 2025, our target price has the potential to yield 22%. **As of February 28, 2025, ASELSAN shares have increased by 6% in the last month. When we look at it relatively; ASELSAN has outperformed the BIST 100 index by 7.2% in the last month.**

Code	ASELS.TI	Close		93,45
MCAp (TRY m)	426.132	Last 12M High		98,70
MCAp (US$ m)	11.713	Last 12M Low		51,47
EV (TRY m)	442.057	Beta		0,88
EV (US$ m)	12.164	Avg. daily trading vol. (US$ m)		69,1
Free float (%)	26,00	Foreign ownership in FF (%)		31,9%
Key figures	**2022A***	**2023A***	**2024A***	**2025E**
Revenues	96.532	106.252	120.206	168.287
Growth		*10,1%*	*13,1%*	*40,0%*
EBITDA	20.271	23.140	30.234	44.260
EBITDA margin	*21,0%*	*21,8%*	*25,2%*	*26,3%*
Net profit	1.851	10.526	15.299	28.357
EPS	0,81	2,31	3,35	6,22
Dividend yield	0,4%	0,2%	0,4%	0,5%
Net debt /EBITDA	0,60	0,83	0,53	0,73
Net debt /Equity	0,11	0,15	0,11	0,23
ROAE		8,7%	11,5%	20,0%
ROAA		4,9%	6,6%	12,1%
Valuation metrics	**2022A***	**2023A***	**2024A***	**2025E**
P/E	230,2	40,5	27,9	15,0
EV/EBITDA	2,5	19,1	14,6	10,0
EV/Sales	0,5	4,2	3,7	2,6
P/BV	5,3	3,4	3,0	3,0
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	11,2	39,8	35,4	66,1
US$ Return (%):	9,4	33,2	31,1	42,3
BIST-100 Relative (%):	8,4	37,0	32,7	50,7



Source: PDP, Finnet, Seker Invest Research estimates

2022 and 2023 financials are Indexed according to 2024 with IAS -29

Cimsa (OP, 12M TP: TRY 67.20) Upside: 49%

Transformation into a global building materials company

Cimsa has posted a net loss of TRY 482mn for the parent company in the last quarter of the year, compared to the profit expected by the market. The company had announced a net profit of TRY 1,724mn in 4Q23. It should be recalled that Cimsa recorded a tax expense of TRY 352m in 4Q24 despite a tax income of TRY 715m in 4Q23. Our net profit forecast was TRY 860mn, while the market's average net profit expectation was TRY 819mn. Total net profit for 12M24 reached TRY 2,688mn (12M23: TRY 3,596mn).

Despite high capacity utilization and increased sales volumes, sales revenue increased slightly by 2.1% y-o-y to TRY 8,501mn in 4Q24 due to a weak contribution from exports and international operations (4Q23: TRY 8,327mn) (Seker Invest: TRY 5,265mn, average market expectation: TRY 6,169mn).

The company recorded a quarterly EBITDA of TRY 944mn in 4Q24 (4Q23: TRY 1.656mn). The quarterly EBITDA margin fell to 11.1% from 19.9% in 4Q24, with an 8.8pp y-o-y deterioration. Our EBITDA estimate had been TRY 1.529mn, while the average market expectation was TRY 1.286mn.

Cimsa has announced the Board of Directors' decision to distribute a gross cash dividend of 63.45237% (TRY 0.6345237/share) starting from April 02, 2025, from its activities of 2024. The cash dividend amount, to be submitted for approval at the General Assembly on March 27, 2025, indicates a gross dividend yield of 1.34% according to the Cimsa stock closing price on February 27, 2025.

As of February 28, 2025, CIMSA stock had lost 19.6% over the previous month. Regarding returns relative to the BIST 100, the stock had underperformed by 15.8% over the previous month.

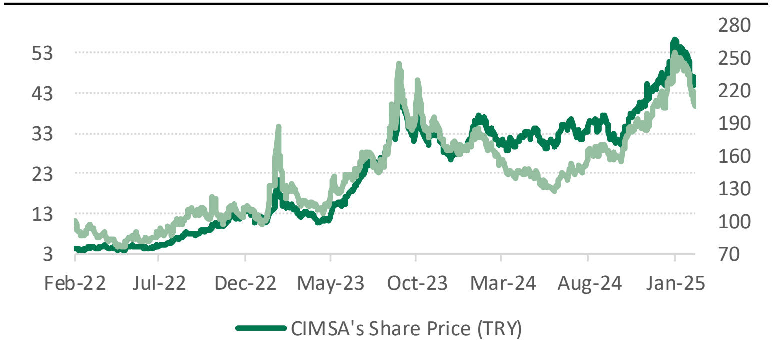
We maintain our 12-month target price of **TRY 67.20/share** and '**Outperform**' recommendation for CIMSA. Our TP has 49.3% upside potential compared to the share closing price on February 28, 2025.

Code	CIMSA.TI	Close	45,02
MCAp (TRY m)	42.571	Last 12M High	57,40
MCAp (US$ m)	1.170	Last 12M Low	28,50
EV (TRY m)	56.373	Beta	1,02
EV (US$ m)	1.561	Avg. daily trading vol. (US$ m)	12,3
Free float (%)	45,00	Foreign ownership in FF (%)	17,4%

Key figures	2022*	2023*	2024	2025E
Revenues	30.060	29.604	28.151	37.444
Growth		*-1,5%*	*-4,9%*	*33,0%*
EBITDA	3.080	5.284	5.086	9.412
EBITDA margin	*10,2%*	*17,8%*	*18,1%*	*25,1%*
Net profit	5.887	3.596	2.688	8.178
EPS	43,58	3,80	2,84	8,65
Dividend yield	3,8%	4,7%	1,2%	4,6%
Net debt / EBITDA	0,59	0,64	2,71	0,83
Net debt / Equity	0,08	0,13	0,56	0,61
ROAE		14,5%	10,4%	43,4%
ROAA		6,5%	4,4%	15,5%

Valuation metrics	2022*	2023*	2024	2025E
P/E	7,2	11,8	15,8	5,2
EV/EBITDA	1,7	10,7	11,1	6,0
EV/Sales	0,2	1,9	2,0	1,5
P/BV	2,7	1,6	1,7	3,3

Return	1M	3M	YtD	YoY
TRY Return (%):	-15,5	13,6	-2,4	35,1
US$ Return (%):	-16,9	8,2	-5,5	15,7
BIST-100 Relative (%):	-17,6	11,4	-4,3	22,6



Source: PDP, Finnet, Seker Invest Research estimates
**2022 and 2023 financials are Indexed according to 2024 with IAS -29*

Ford Otosan (OP, 12M TP: TRY 1,491.00) Upside: 69%

We maintain our TP for Ford Otosan of TRY 1,491.00/sh, and our "OUTPERFORM" recommendation. Based on the February 28, 2025 closing price, Ford Otosan trades at 2025E 6.3x EV/EBITDA and 2025E P/E of 5.8x, indicating a potential return of 69%. We are incorporating Ford Otosan into our model portfolio, driven by its robust story, and significant investment initiatives within the electrification period.

According to ADMA, Ford Otosan's LCV sales surged by 42.3% YoY in January 2025, reaching 4,559 units (January 2024: 3,204 units). In terms of market share, Ford Otosan's market share in January 2025 rose by 1.1 pp YoY to 9.0%.

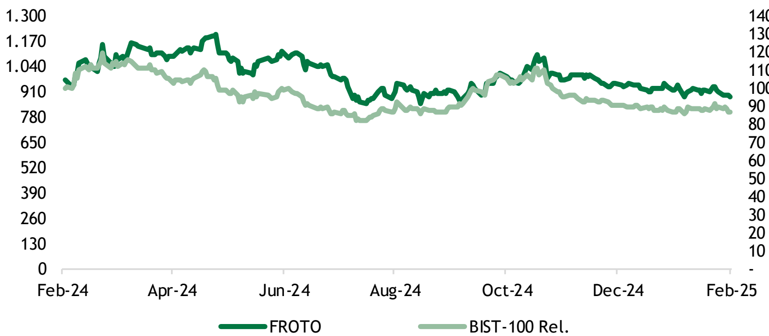
Ford Otosan's total production capacity has reached 746,000 units, with plans to exceed 900,000 units through electrification and the introduction of new models. We anticipate that Ford Otosan's planned investment programs will have a long-term positive impact on its stock, particularly as part of its electrification strategy. These investments are expected to support the company's export-driven business model and profitability-focused domestic strategy, enhancing both operational and financial performance. We also expect the favorable changes in the product mix and the benefits of cost-plus export agreements to have a meaningful impact on both sales volumes and profitability. Ford Otosan aims to offer electric options for all its models by 2025 as part of its electrification strategy. Additionally, the aging fleets in Europe and Turkiye, coupled with increasing maintenance costs and downtime, are driving the need for fleet and vehicle renewal. In this context, Ford Otosan's updated product portfolio and its diversified electric vehicle production position it well to meet the rising demand for fleet renewal. Furthermore, the introduction of the next-generation Custom model and the collaboration with Volkswagen for the production of the 1-ton medium commercial vehicle are expected to significantly bolster Ford Otosan's export volumes in 2025.

2025 expectations: Ford Otosan expects the domestic retail market to be in the range of 950,000 - 1,050,000 units. Ford Otosan's domestic retail volume expectation is in the range of 90,000 - 100,000 units. The company expects total export volumes to be in the range of 610,000 - 660,000 units (Romania: 200,000 - 220,000 units, Turkey: 410,000 - 440,000 units). The total sales volume expectation is 700,000 - 760,000 units. Ford Otosan's total production volume forecast for 2025 is 700,000 - 750,000 units (Romania: 240,000 - 260,000 units (2024: 251,000 units) and Turkey: 460,000 - 490,000 units). The 2025 CapEx target is EUR 750 - 850mn (General investments: EUR 130 - 150mn and Product investments: EUR 620 - 700mn). Ford Otosan also expects sales revenue to grow in the high single-digit range in 2025, while the EBITDA margin is expected to be between 7% - 8%.

We also commend Ford Otosan's consistent dividend distribution policy, which has been in place since 2004. Ford Otosan has announced plans to distribute a gross cash dividend for each share with a nominal value of TL 1.00, a gross dividend of TL 17.10 (net TL 14.5350). Based on the last closing price on February 28, 2025, the cash dividend per share corresponds to a gross dividend yield of 1.9%. The proposed ex-dividend dates are April 04, 2025.

Code	FROTO TI/FROTO IS	Close	882,50
MCap (TRY mn)	309.678	Last 12M High	1.231,50
MCap (US$ mn)	8.512	Last 12M Low	843,02
EV (TRY mn)	411.105	Beta	0,88
EV (US$ mn)	11.387	Avg. Daily Trading Vol. (US$ m)	32,7
Free Float (%)	20,31	Foreign Ownership in FF (%)	35,54

Key Figures (TRY mn)	* 2022A	* 2023A	* 2024A	2025E
Revenues	322.556	594.705	594.995	825.303
Growth (%)		*84,4%*	*0,0%*	*38,7%*
EBITDA	31.981	61.665	39.868	64.816
EBITDA Margin (%)	*9,9%*	*10,4%*	*6,7%*	*7,9%*
Net Profit	27.730	70.826	38.864	53.208
EPS	79,02	201,84	110,75	151,63
Dividend Yield	8,1%	7,5%	1,8%	3,0%
Net Debt/EBITDA (x)	1,43	1,42	2,54	1,99
Net Debt/Equity (x)	0,90	0,83	0,88	0,92
ROAE (%)		90,5%	35,2%	41,5%
ROAA (%)		29,0%	12,1%	13,1%
Valuation Metrics	*** 2022A**	*** 2023A**	*** 2024A**	**2025E**
P/E	11,2	4,4	8,0	5,8
EV/EBITDA	12,9	6,7	10,3	6,3
EV/Sales	1,3	0,7	0,7	0,5
P/BV	4,2	2,0	3,1	2,3
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-4,0	-8,8	-5,8	-10,3
US$ Return (%):	-5,8	-13,3	-8,8	-23,3
BIST-100 Relative (%):	0,6	-9,0	-4,1	-15,8



Source: PDP, Ford Otosan, Finnet, Seker Invest Research Estimates

**2023 and 2024 financials are Indexed according to 2024 with IAS -29*

Isbank (OP, 12M TP: TRY21.47)
Outstanding cost management

Upside: 42%

We maintain our Outperform recommendation considering the bank's strong position in mortgage loan market share gains in 2024, strong demand deposit base, disciplined cost management, relatively low risk concentration in retail loans and favorable TL liquidity.

Favorable position in a lower rate environment with strong market share gains in mortgage loans. The bank is in a solid position with a 320bps market share gains in mortgage loans in 2024. We expect this strategy to extend the maturity structure of the balance sheet and support margins in a lower rate environment.

We model above-average 56% YoY earnings growth (Bloomberg consensus 90%) for 2025E. Our target price of TRY21.47 has 42% upside potential. We maintain our "Outperform" recommendation. The stock is trading at 2025E 5.3x P/E and 1.05x P/B (5% discount to peers) and ROTE of 20.9%. The bank management has announced its 2025 budget and is forecasting a ~30% ROTE with a 450 basis point improvement in margins.

Strong position in demand deposit base, favorable TL liquidity. The weight of demand deposits in total deposits is quite strong at 39.4%. On the liquidity side, the TL LDR is 85% and the second lowest among peers.

The extension of the average maturity in installment commercial loans is positive. 12.8% of the loans consist of commercial installment loans. The average maturity of this segment increased from 8 months to over 1 year in 2024. The strong growth in mortgage loans also provides an advantage in the falling interest rate environment.

Solid fee growth YoY. The annual increase is 115%, the third highest among peers. The fee coverage ratio of operating expenses is 78%, below the competitor average. The annual increase in operating expenses is 62%, the lowest level among private banks.

Relatively low risk concentration in retail loans. The NPL ratio is 2.1%, the lowest among peers. The weight of retail loans is 31%, also the lowest among competitors, and provides protection against possible asset quality deterioration. The Stage 3 coverage ratio is 73%, the best among peers.

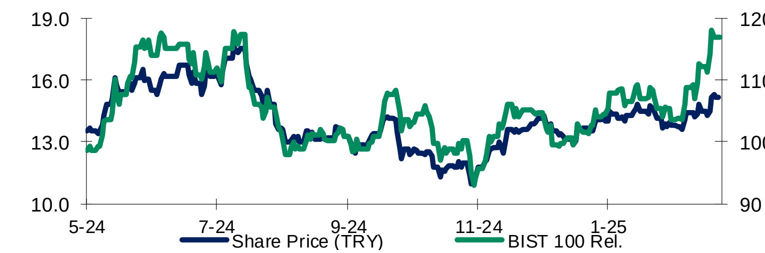
Upside and downside risks. Higher-than-expected asset quality worsening, and a lower-than-expected easing in funding costs are the main downside risks.

Mcap (TRYmn)	379,250	Beta (12M)	1.30
Mcap (USDmn)	10,429	Daily Volume (12M)	5,468
Close	15.17	Foreign Ownership in FF	27.0%
Last 12M High	17.77	Free Float (%)	31.0%
Last 12M Low	9.55	Weight	4.48%

Quick Facts (TRY Mn)	2023A	2024A	2025E	2026E
Net interest income	67,073	34,451	75,792	100,803
% Change, YoY	*-10.8%*	*-48.6%*	*120.0%*	*33.0%*
Net fee income	42,438	91,411	127,975	172,766
% Change, YoY	*162.8%*	*115.4%*	*40.0%*	*35.0%*
Net income	72,265	45,517	70,939	102,337
% Change, YoY	*17.4%*	*-37.0%*	*55.8%*	*44.3%*

Ratios	2023A	2024A	2025E	2026E
NPL ratio	2.1%	2.1%	2.9%	3.1%
CoR (Net)	1.0%	1.0%	2.4%	1.9%
NIM (Swap adj.)	3.7%	-0.7%	2.8%	2.4%
ROAA	3.7%	1.6%	1.9%	2.1%
ROTE	31.6%	15.6%	21.0%	25.3%

Multiples	2023A	2024A	2025E	2026E
P/E	3.2	9.0	5.3	3.7
P/BV	0.87	1.28	1.05	0.84



Return	1M	3M	6M	12M
TRY Return (%):	19.6	17.7	19.4	56.3
US$ Return (%):	17.5	12.0	11.3	33.9
BIST-100 Relative (%):	16.6	15.3	19.3	41.9

Source: Bank financials, Seker Invest Research

Migros (OP, 12M TP: TRY 794.50) Upside: 41%

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

We maintain our "Outperform" recommendation for Migros, with our 12M TP of TRY 794.50. As of the closing price on February 28, 2025, the stock is trading at 2025E EV/EBITDA of 4.9x and 2025E P/E of 9.7x, implying an upside potential of 41%.

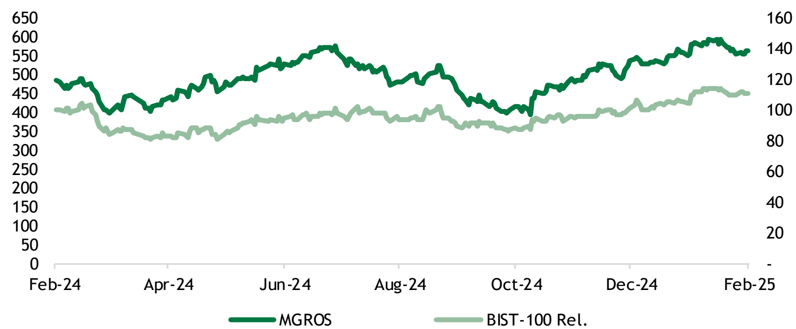
Considering the Company's FMCG market share trajectory; in the modern FMCG market, it had a 16.9% (9M23: 16.3%) market share in 9M24, and 9.8% (9M23: 9.4%) of the total FMCG market thanks to price investments, and its omni & multi format growth strategy. We note that with the significant growth opportunity in online channels, the Company has reached 81 cities through online operations. The potential rise in online operations and store growth will positively affect net sales and operational profitability in the medium-to-long term. With the rising number of stores & growth of sales area, solid growth in customer traffic & basket size, and the positive contribution of online sales channels, we maintain our positive outlook for Migros. Thanks to strong cash flow created by the operations, we maintain our positive outlook for Migros. The Company has no hard-currency exposure. At the end of 9M24, the Company's total financial debt (Inc. IAS-29) was at TRY 1,585mn (9M23: TRY 4,015mn). As of 3Q24, the Company succeeded to maintain its net cash position.

Migros expects the net sales growth estimate of 10-12% (Inc. IAS 29), and it expects its EBITDA margin around 5.0%. At the same time, it targets opening new stores to ~350 overall by the end of 2024, and plans for TRY 8,000mn of investment expenditure. The Company also expects its net sales growth estimate of +76-78% (Exc. IAS 29), and it expects its EBITDA margin growth estimate of ~9.0%. We appreciate the current strategy of boosting the private label portfolio and focusing on strategic store openings. Meanwhile, the Company has been able to increase its FMCG market share despite competitive market conditions in a high inflation environment. Moreover, we expect the business lines created by Migros with its various subsidiaries that use online channels effectively to increasingly contribute in the future.

2024&2025 Expectations: We forecast approximately TRY 293,6bn of revenues for Migros in 2024, while estimating TRY 392.2bn of revenues for 2025. We anticipate an EBITDA of TRY 14,5bn for 2024, climbing to TRY 20bn in 2025. We expect the Company to close 2024 with a TRY 6.6bn net profit, rising to a net profit of TRY 10.5bn for 2025. **Downside risk for Migros –** The rise in input costs due to inflationary pressures, & rising energy prices, are likely to create downside risks.

Code	MGROS TI / MGROS IS	Close	562,00
MCap (TRY mn)	101.752	Last 12M High	600,00
MCap (US$ mn)	2.797	Last 12M Low	394,48
EV (TRY mn)	97.335	Beta	0,92
EV (US$ mn)	2.667	Avg. Daily Trading Vol. (US$ m)	24,4
Free Float (%)	50,82	Foreign Ownership in FF (%)	35,04

Key Figures (TRY mn)	* 2022A	* 2023A	2024E	2025E
Revenues	202.823	262.299	293.562	392.163
Growth (%)		*29,3%*	*11,9%*	*33,6%*
EBITDA	5.430	4.650	14.528	20.010
EBITDA Margin (%)	*2,7%*	*1,8%*	*4,9%*	*5,1%*
Net Profit	13.196	12.747	6.638	10.472
EPS	72,88	70,40	36,66	57,84
Dividend Yield	1,6%	1,9%	0,7%	1,0%
Net Debt/EBITDA (x)	0,53	1,15	0,55	0,33
Net Debt/Equity (x)	0,07	0,10	0,15	0,10
ROAE (%)		27,8%	12,8%	18,0%
ROAA (%)		10,2%	4,7%	6,6%
Valuation Metrics	*** 2022A**	*** 2023A**	**2024E**	**2025E**
P/E	7,7	8,0	15,3	9,7
EV/EBITDA	17,9	20,9	6,7	4,9
EV/Sales	0,5	0,4	0,3	0,2
P/BV	2,6	2,0	2,0	1,6
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	1,4	17,2	2,7	20,7
US$ Return (%):	-0,6	11,4	-0,5	3,1
BIST-100 Relative (%):	6,2	17,0	4,6	13,2



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

**2023 and 2024 financials are Indexed according to 2024 with IAS-29*

Sabanci Holding (OP, 12M TP: TRY 164.00) Upside: 69%

The high banking share within NAD may continue to support the stock performance in 2025.

Sabancı Holding generated a revenue of TRY 144,057mn in 9A24. However, due to negative impacts from the banking segment and the other segment, the company reported a consolidated loss of TRY 11,826mn.

Sabancı Holding's net asset value is composed of 42% banking and financial services, 33% energy and climate technologies, 14% material technologies, 6% digital technologies and others, and 5% mobility solutions. Revenue-wise, 58% comes from banking and financial services, 20% from energy, 4% from mobility solutions, 7% from material technologies, 6% from digital services, and 5% from other segments.

2025 Expectations: We believe that the banking and financial services segment, which accounts for a significant 58% of the Holding's revenue, will be positively affected by interest rate cuts in 2025. However, due to its high cash position, it is expected to continue being negatively impacted by inflation accounting.

Enerjisa Üretim's IPO could materialize in 2025: In October, Bloomberg reported that Sabancı Holding, which holds an equal share in Enerjisa Üretim with German energy company E.ON SE, had authorized Citigroup, JPMorgan, and Morgan Stanley to oversee its public offering. The sale is expected to take place in the spring of 2025, with the timing of the public offering depending on international investor interest. Therefore, we believe the IPO of Enerjisa Üretim could be realized in the second half of 2025.

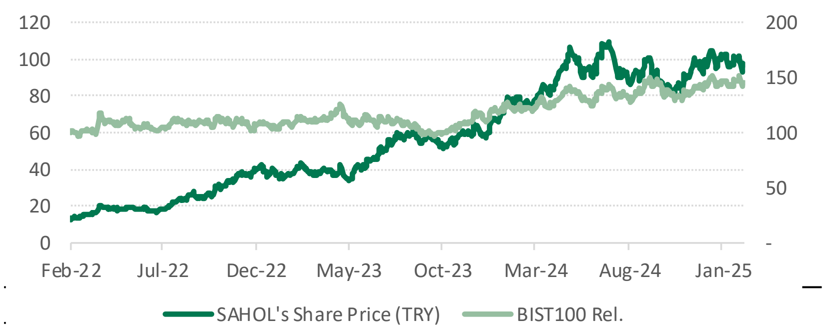
In line our expectations, we maintain our target price for Sabancı Holding (SAHOL) for TRY 164.00. As our target price carries 69% upside potential based on the closing price of February 28, 2025, we maintain our OUTPERFORM recommendation for the stock.

Code	SAHOL.TI	Close	96,80
MCAp (TRY m)	203.316	Last 12M High	111,00
MCAp (US$ m)	5.589	Last 12M Low	72,41
EV (TRY m)	262.071	Beta	1,13
EV (US$ m)	7.310	Avg. daily trading vol. (US$ m)	56,3
Free float (%)	51,00	Foreign ownership in FF (%)	39,5%

Key figures	2022*	2023*	2023/09*	2024/09
Revenues	178.442	197.812	147.779	144.057
Finance Sector Revenues	450.866	568.501	405.452	520.668
Total Revenues	629.308	766.313	553.230	664.725
Growth		*10,9%*		*-2,5%*
Consalidated net profit	56.916	22.274	2.918	-11.826
EPS	27,89	10,92	1,43	-5,63
Dividend yield	5,0%	6,5%		
Net debt /Equity	0,08	0,10		0,21
ROAE		7,3%		
ROAA		0,7%		

Valuation metrics	2022*	2023*	2023/09*	2024/09
P/E	3,6	9,1		27,0
EV/Sales	0,2	1,3		1,8
P/BV	0,9	0,7		0,7

Return	1M	3M	YtD	YoY
TRY Return (%):	-6,0	6,1	0,8	25,3
US$ Return (%):	-7,8	0,9	-2,3	7,1
BIST-100 Relative (%):	-1,5	5,9	2,6	17,6



Source: PDP, Finnet, Seker Invest Research estimates

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

Turkcell (OP, 12M TP: TRY 148.48) Upside: 47%

Due to the contract-based product structure, with price increases gradually being reflected to consumers, Turkcell continued to grow in real terms, even in the disinflationary process that started in 2024.

2024 performance: Turkcell achieved TRY 166,671mn of sales revenues on 7.8% yearly growth, in parallel with it's 7% expectation. EBITDA was at TRY 69,802mn, and the EBITDA margin was at 41.9% (expected: approximately 42%). The OPEX/sales ratio was realized at 22.8%, in line with the expectation of approximately 23%.

2025 guidance: Turkcell expects 7-9% growth in revenues in real terms and a 41-42% EBITDA margin. The company also expects approximately a 23% OPEX/sales ratio. In addition, the revenue of the Data Center-Cloud business line is expected to grow by 32-34%. *Expectations are based on the assumption that inflation in 2025 will be at 30.5%.*

In 2025, considering the recent slowdown in mobile ARPU, we expect normalization in both ARPU and revenue growth, although real growth will continue due to the disinflationary process and competitive pricing environment. Alternative communication methods, such as e-SIM, pose a risk to the expansion of the mobile subscriber base. However, we believe the expanding postpaid subscriber base and success in upselling customers to higher packages can balance these risks.

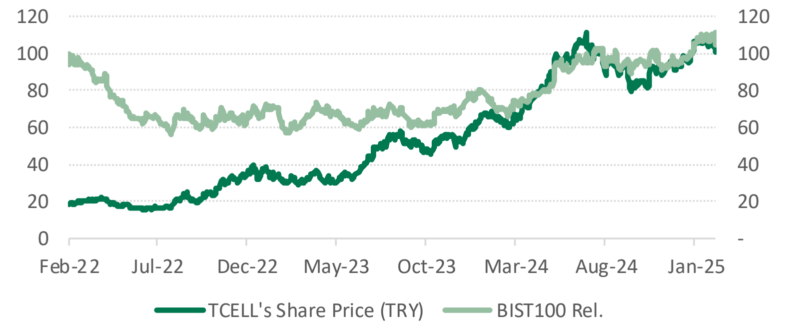
In line with our expectations, we maintain our 12-month target price for TRY 148.48/share. As our target price carries a 47% return potential based on the closing price of February 28, 2025, we maintain our OUTPERFORM recommendation.

Code	TCELL.TI	Close	100,70
MCAp (TRY m)	221.540	Last 12M High	111,81
MCAp (US$ m)	6.089	Last 12M Low	59,10
EV (TRY m)	250.065	Beta	1,03
EV (US$ m)	6.898	Avg. daily trading vol. (US$ m)	64,2
Free float (%)	54,00	Foreign ownership in FF (%)	60,4%

Key figures	2022*	2023*	2024	2025E
Revenues	134.975	154.653	166.671	229.082
Growth		*14,6%*	*7,8%*	*37,4%*
EBITDA	52.854	63.349	69.802	98.505
EBITDA margin	*39,2%*	*41,0%*	*41,9%*	*43,0%*
Net profit	9.934	18.125	22.239	24.053
EPS	4,52	8,24	10,11	10,93
Dividend yield	3,5%	6,6%	2,6%	2,6%
Net debt /EBITDA	1,04	0,58	0,41	1,35
Net debt /Equity	0,35	0,21	0,15	26,48
ROAE		10,8%	12,2%	25,1%
ROAA		5,2%	12,5%	539,1%

Valuation metrics	2022*	2023*	2024	2025E
P/E	22,3	12,2	10,0	9,2
EV/EBITDA	1,1	3,9	3,6	2,5
EV/Sales	0,4	1,6	1,5	1,1
P/BV	2,0	1,3	1,2	44,1

Return	1M	3M	YtD	YoY
TRY Return (%):	-7,5	13,7	8,5	58,9
US$ Return (%):	-9,3	8,1	5,1	35,8
BIST-100 Relative (%):	-3,1	13,5	10,4	49,1



Source: PDP, Finnet, Seker Invest Research estimates

**2023 and 2024 financials are Indexed according to 2024 with IAS -29*

Turkish Airlines (OP, 12M TP: TRY 495.50) Upside: 61%

Balanced Growth Through Operational Diversity…

➢ We maintain our target share price for Turkish Airlines (THYAO) **of TRY 495.50/sh**. Turkish Airlines presents a compelling growth trajectory, supported by its robust operational fleet structure and the planned addition of new aircraft over the coming years. We anticipate its cargo operations will continue to bolster the Company's operational and financial profile. Furthermore, the geographically diversified revenue base provides a natural hedge against FX volatility, underpinning revenue resilience. Consequently, we reiterate our **"OUTPERFORM"** recommendation, with our maintained target price—based on the February 28, 2025, closing price—offering an attractive **61% upside potential**. THY is currently trading at 2025E P/E of 3.53x and 2025E EV/EBITDA of 3.56x.

➢ **Cargo operations continue at a strong and steady pace -** THY's PAX rose by 8.2% YoY for January 2025. The rise was mainly due to both increase of domestic & int'l passenger number when compared to January 2024. THY's total PAX in January 2025 was at 6.77mn. Meanwhile, in January 2025, the share of international PAX in total PAX was 66.1%. The total load factor rose by 2,1 pp at 82.4% in January 2025. The carrier's international PAX rose by 10.0% YoY to 4.5mn in January 2025; domestic PAX increased by 4.9% YoY to 2.3mn in January 2025. THY's cargo operations volume was flat in January 2025.

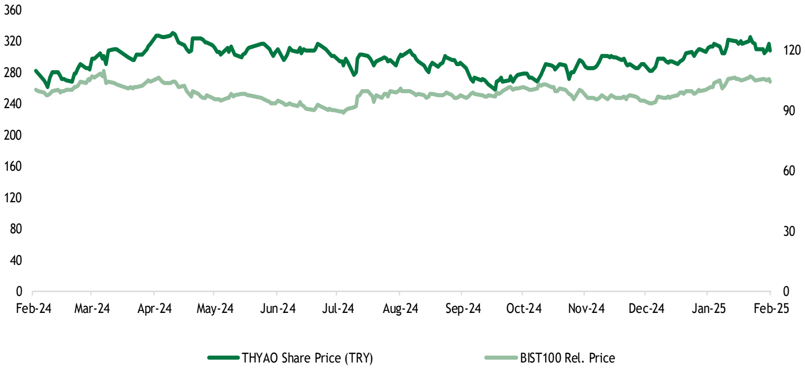
➢ The Company expects the number of aircraft under the THY brand to exceed 800 by 2033, while the number of passengers will exceed 170 million in 2033. THY predicts 6-8% YoY growth in passenger capacity, with total passenger exceeding 91 million. The company expects total revenue to rise by 6-8% YoY, with an EBITDAR margin in the range of 22-24%. Ex-fuel unit cost is projected to increase in the mid-to-single-digit range, while the fleet is expected to expand to 515-525 aircraft by the end of 2025.

➢ Turkish Airlines has announced to propose for distribution of dividend to shareholders in two equal installments at the Ordinary General Assembly Meeting. The payments are scheduled for June 16, 2025, and September 2, 2025. Accordingly, the Company has determined that the cash dividend per share with a nominal value of 1 TL will be paid in two installments, with each installment amounting to a gross 3.4420289 TL, making a total gross dividend of 6.8840578 TL per share. Based on the last closing price on February 28, 2025, the cash dividend per share corresponds to a gross dividend yield of 2.2% and a payout ratio of 8.38%. The proposed ex-dividend dates are June 16, 2025, and September 2, 2025.

➢ **Risks -** The major downside risks are slower than expected global growth, rising protectionism and geopolitical risk, i.e., lower than expected demand growth, higher-than expected capacity growth leading to lower yields, higher-than-expected jet fuel prices hurting demand and profitability, and an unfavorable course of US$/JPY and €/US$ rates.

Code	THYAO.TI/THYAO.IS	Close	308,25
MCAp (TRY mn)	425.385	Last 12M High	332,00
MCAp (US$ mn)	11.692	Last 12M Low	257,50
EV (TRY mn)	701.302	Beta	0,96
EV (US$ mn)	19.513	Avg. Daily Trading Vol. (US$ mn)	268,2
Free Float (%)	50,48	Foreign Ownership in FF (%)	30,17

Key Figures (USD mn)	2022	2023	2024	2025E
Revenues	18.426	20.942	22.669	24.283
Growth (%)	*72,4%*	*13,7%*	*8,2%*	*7,1%*
EBITDA	4.947	5.533	5.059	5.481
EBITDA Margin (%)	*26,8%*	*26,4%*	*22,3%*	*22,6%*
Net Profit	2.725	6.021	3.425	3.316
EPS	1,97	4,36	2,48	2,40
Net Debt/EBITDA (x)	1,7	1,3	1,1	1,4
Net Debt/Equity (x)	0,9	0,5	0,3	0,3
ROAE	32,9%	47,6%	19,6%	15,9%
ROAA	9,5%	18,1%	9,1%	7,6%
Valuation Metrics	**2022**	**2023**	**2024**	**2025E**
P/E	4,29	1,94	3,41	3,53
EV/EBITDA	3,94	3,53	3,86	3,56
EV/Sales	1,06	0,93	0,86	0,80
P/BV	1,17	0,73	0,59	0,51
Return	**1M**	**3M**	**YtD**	**YoY**
TRY Return (%):	-1,12	7,31	9,70	11,68
US$ Return (%):	-3,04	2,02	6,25	-4,57
BIST-100 Relative (%):	3,62	7,10	11,65	4,79



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

Yapi Kredi Bank (OP, 12M TP: TRY49.47) Upside: 68%
Solid demand deposit base

We maintain our Outperform recommendation considering its solid position in demand deposit market share gain in the last year, widespread customer base reaching 16.5mn, customer penetration, prudent cost management policy, strong coverage ratios.

Yapi Kredi Bank posted TRY6,611mn net income (+32% QoQ) in its 4Q24 results. For FY25E, the bank is targeting rather cautious mid-20%s ROTE.

We model the highest earnings growth for Yapi Kredi Bank for 2025E at a solid 79% YoY (Bloomberg consensus 87%). Our target price of TRY49.47 offers 68% upside. We maintain our “Outperform” recommendation. The stock is trading at 2025E 4.8x P/E and 1.01x P/BV multiples (9% discount to peers) with ROAE of 24%.

Solid demand deposit base. The bank is in a strong position among private banks with its market share gain in demand deposits in the past 1 year. The weight of demand deposits is 45%, the best-in-class among peers and provides an advantage in deposit pricing. The widespread customer base, which has reached 16.5 million, is also an important advantage. However, the TRY LDR is 102%, a rather stretched level and the highest among peers.

Prudent cost management policy. The Fee to OPEX coverage is strong at 95%, well above the sector average of 79%. With the increase in customer penetration and the number of transactions, the support of payment systems to fee income is positive. Costs rose only 67% YoY in 2024 with the prudent cost management policy, well behind the private banks average.

Total coverage ratio is 3.8%, the highest among private banks. The NPL ratio is 3.1% with new additions in unsecured retail loans, also the highest. However, collections on commercial loans are strong and coverage for consumer loans has increased significantly in 2024.

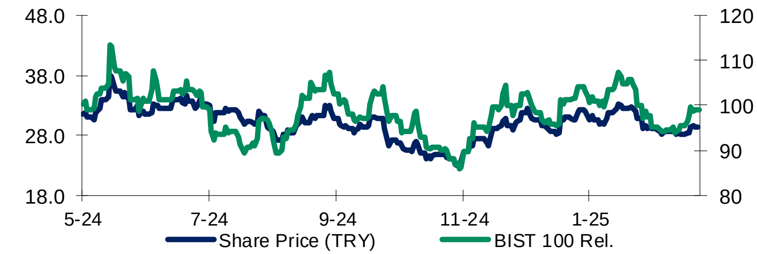
Upside and downside risks. A better-than-expected course of funding costs is the main positive trigger. A worse-than-expected asset quality deterioration is the main downside risk.

Mcap (TRYmn)	248,343	Beta (12M)	1.45
Mcap (USDmn)	6,829	Daily Volume (12M)	4,905
Close	29.40	Foreign Ownership in	31.9%
Last 12M High	39.46	Free Float (%)	39.0%
Last 12M Low	19.97	Weight	3.7%

Quick Facts (TRY Mn)	2023A	2024A	2025E	2026E
Net interest income	72,902	75,914	94,892	111,972
% Change, YoY	*-5.3%*	*4.1%*	*25.0%*	*18.0%*
Net fee income	34,482	73,097	98,682	126,312
% Change, YoY	*144.0%*	*112.0%*	*35.0%*	*28.0%*
Net income	68,009	29,017	51,912	80,580
% Change, YoY	*1238.9%*	*-57.3%*	*78.9%*	*55.2%*

Ratios	2023A	2024A	2025E	2026E
NPL ratio	3.0%	3.1%	3.6%	3.4%
CoR (Net) (Exc. currency)	0.1%	0.6%	1.9%	1.4%
NIM (Swap adjusted)	6.2%	0.9%	3.9%	3.1%
ROAA	4.8%	1.4%	1.9%	2.3%
ROAE	44.6%	15.6%	23.7%	29.5%

Multiples	2023A	2024A	2025E	2026E
P/E	2.4	9.3	4.8	3.1
P/BV	0.92	1.39	1.01	0.82



Return	1M	3M	6M	12M
TRY Return (%):	9.2	5.4	-2.3	47.5
US$ Return (%):	7.3	0.3	-8.9	26.3
BIST-100 Relative (%):	6.5	3.3	-2.3	33.8

Source: Bank financials, Seker Invest Research

Recommendations List

Şeker Invest

Recommendation List March 3, 2025

BANKING	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV
AKBNK	67,30	OP	96,62	349.960	502.401	43,6%	8,26	1,46
GARAN	128,70	OP	178,86	540.540	751.224	39,0%	5,86	1,64
HALKB	19,62	MP	22,88	140.965	164.417	16,6%	9,33	0,92
ISCTR	15,17	OP	21,47	379.250	536.761	41,5%	8,33	1,19
TSKB	12,35	OP	18,66	34.580	52.261	51,1%	3,41	1,06
VAKBN	25,90	MP	32,65	256.822	323.787	26,1%	6,36	1,17
YKBNK	29,40	OP	49,47	248.343	417.850	68,3%	8,56	1,29
HOLDING	**Close (TRY)**	**Rating**	**TP (TRY)**	**Mcap TRY mn**	**Target Mcap TRY mn**	**Upside Potential**	**P/E**	**P/BV**
KCHOL	152,40	OP	299,18	386.471	758.698	96,3%	295,92	0,73
SAHOL	96,80	OP	164,00	203.316	344.463	69,4%	28,70	0,74
TAVHL	249,40	OP	392,20	90.602	142.479	57,3%	13,82	1,53
INDUSTRIAL	**Close (TRY)**	**Rating**	**TP (TRY)**	**Mcap TRY mn**	**Target Mcap TRY mn**	**Upside Potential**	**P/E**	**P/BV**
AKCNS	172,00	OP	251,20	32.929	48.091	46,0%	19,69	1,60
AKSEN	35,34	OP	55,00	43.339	67.450	55,6%	8,34	1,13
ARCLK	127,60	OP	195,65	86.223	132.209	53,3%	51,05	1,28
ASELS	93,45	OP	114,00	426.132	519.860	22,0%	27,85	3,04
BIMAS	506,00	OP	766,10	307.243	465.176	51,4%	14,27	3,05
CCOLA	53,25	OP	78,30	148.998	219.079	47,0%	7,38	2,78
CIMSA	45,02	OP	67,20	42.571	63.544	49,3%	15,84	1,72
DOAS	173,00	OP	273,60	38.060	60.192	58,2%	5,01	0,69
EREGL	22,32	OP	35,77	156.240	250.408	60,3%	11,59	0,66
FROTO	882,50	OP	1.491,00	309.678	523.205	69,0%	7,97	2,69
KRDMD	27,70	OP	40,79	21.612	31.824	47,2%	13,22	0,65
MGROS	562,00	OP	794,50	101.752	143.847	41,4%	16,00	1,88
PETKM	16,32	MP	25,42	41.361	64.419	55,7%	2,13	0,67
PGSUS	239,00	OP	361,20	119.500	180.600	51,1%	5,15	1,59
SELEC	65,60	OP	92,00	40.738	57.132	40,2%	19,79	1,73
SISE	35,46	OP	54,00	108.622	165.420	52,3%	21,63	0,58
TCELL	100,70	OP	148,48	221.540	326.666	47,5%	9,42	1,18
THYAO	308,25	OP	495,50	425.385	683.795	60,7%	3,75	0,63
TOASO	195,00	OP	299,40	97.500	149.698	53,5%	18,67	2,07
TTKOM	48,20	OP	74,82	168.700	261.865	55,2%	6,57	1,25
TUPRS	129,00	OP	205,15	248.557	395.282	59,0%	13,57	0,88
VESBE	13,93	OP	26,64	22.288	42.619	91,2%	14,02	0,78
ZOREN	3,77	MP	5,40	18.850	27.000	43,2%	1,31	0,32

Contacts

ŞEKER INVEST RESEARCH

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

TEL:+90 (212) 334 33 33
Fax:+90 (212) 334 33 34
E-mail:research@sekeryatirim.com
Web: http://www.sekeryatirim.com/english/index.aspx

For additional information, please contact:

Research

Kadir Tezeller	**Head**	**+90 (212) 334 33 81**	ktezeller@sekeryatirim.com
Burak Demirbilek	**Utilities,**	**+90 (212) 334 33 33-128**	bdemirbilek@sekeryatirim.com
Sevgi Onur	**Banking**	**+90 (212) 334 33 33-150**	sonur@sekeryatirim.com
Engin Degirmenci	**Cement**	**+90 (212) 334 33 33-201**	edegirmenci@sekeryatirim.com
Atasav Can Tuglu	**Food & Bev., Retail, Auto, Aviation**	**+90 (212) 334 33 33-334**	atuglu@sekeryatirim.com
Esra Uzun Ozbaskin	**Telcos, Iron & Steel, Cons. Dur., Oil&Derivative**	**+90 (212) 334 33 33-245**	euzun@sekeryatirim.com
Başak Kamber	**Glass, Defense, Pharmaceutical**	**+90 (212) 334 33 33-251**	bkamber@sekeryatirim.com

Economy & Politic

Abdulkadir Dogan	**Chief Economist**	**+90 (212) 334 91 04**	adogan@sekeryatirim.com

Institutional Sales

Batuhan Alpman	**Head**	**+90 (212) 334 91 01**	balpman@sekeryatirim.com
Deniz Keskin	**Trader**	**+90 (212) 334 33 36**	dkeskin@sekeryatirim.com
M. Kerim Culum	**Trader**	**+90 (212) 334 33 33-316**	kculum@sekeryatirim.com.tr

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