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# Türk Telekom

## Results above expectations

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According to inflation-adjusted financials (IAS 29 impact), Türk Telekom recorded a net profit of TRY 10,243 million in 3Q25 (3Q24: TRY 3,976 million). The market's median expectation was TRY 5,973 million, while our estimate was TRY 6,800 million. The significantly higher-than-expected net profit was driven by improved operational profitability, supported by revenue growth alongside effective cost and expense control. In addition, lower interest rates and reduced hedge costs helped decrease net financial expenses, further supporting profitability.

Including the IAS 29 impact, the net sales revenue came in above our forecast of TRY 56,600 million and the market's median estimate of TRY 56,537 million, rising 11% year-on-year to TRY 59,522 million (3Q24: TRY 53,788 million). Growth was once again led by fixed broadband, mobile, and corporate data segments. Excluding the IFRIC 12 accounting impact, 3Q25 revenues increased 9% year-on-year to TRY 55.1 billion. By segment, fixed broadband grew 14.3%, mobile 13.2%, TV 20.7%, and corporate data 30.7%, while fixed voice, international, and other revenues declined by 1.3%, 40.4%, and 14.2%, respectively. The total subscriber base reached 56.2 million in 3Q25, with a net quarterly addition of 2 million subscribers. Excluding the 178,000 decline in fixed voice subscribers, quarterly net additions amounted to 2.2 million. Strong demand from individual customers continued to support both mobile and fixed broadband segments, while growth in the mobile segment was further boosted by the corporate segment. Accordingly, in 9M2025, total net subscriber additions exceeded 3 million, and over 3.5 million excluding fixed voice. Although ARPU growth showed a normalization trend in line with expectations due to the high base of the prior year, it remained strong. The 14.3% year-on-year increase in fixed broadband revenue was driven by 1.4% average subscriber base growth and 12.6% ARPU growth. Meanwhile, the 13.2% increase in mobile revenue was mainly supported by 10.9% average subscriber base growth and 2% ARPU growth; excluding M2M, ARPU growth stood at 7.8%.

Operational profitability strengthened thanks to effective cost and expense control. Including the IAS 29 impact, EBITDA exceeded both our estimate of TRY 24,500 million and the market's median forecast of TRY 23,872 million, rising 22.7% year-on-year to TRY 26,641 million. The EBITDA margin reached 44.76% (3Q24: 40.38%).

The company's net debt position declined. As of September 30, net debt stood at TRY 56.9 billion (vs. TRY 60.5 billion in June 2025), while the Net Debt/EBITDA ratio fell to 0.64x as of 3Q25.

The company revised its 2025 consolidated financial guidance. While it maintained its forecasts for 10% consolidated revenue growth (excluding IFRIC 12) and capital expenditures at 29% of sales, the EBITDA margin forecast was revised upward to 41.5% from 41%, reflecting the stronger-than-expected performance during 9M2025. The company's projections assume a year-end inflation rate of 29% for 2025.

In this quarter, subscriber dynamics were shaped by pricing actions and seasonality in fixed broadband, and by continued intense competition in the mobile market. The mobile segment experienced a solid summer season, while fixed broadband benefited from a strong back-to-school period. Mobile continued to deliver robust net subscriber additions, and fixed broadband sustained strong ARPU growth, supported by pricing actions taken in July and August (wholesale and new customer retail tariffs in July, existing customer retail tariffs in August). Given that 3Q25 financial results exceeded expectations, we expect a positive market reaction. We maintain our target share price of TRY 72.50 and our "OUTPERFORM" recommendation.

**OUTPERFORM**  
TP: TRY 72.50  
Previous TP: TRY 72.50  
Upside potential: 45%

	TRY	US\$
Close	50,00	1,19
BIST 100	10.914	260
US\$/TRY(CB Bid Rate):	42,004	
52 Week High:	62,80	1,62
52 Week Low:	43,14	1,13
Bloomberg/Reuters Ticker:	TTKOM.TI / TTKOM.IS	

Number of Shares (Mn): 3.500

	(TRY Mn)	(US\$ Mn)
Current Mcap :	175.000	4.166
Free Float Mcap :	22.750	542

	1 M	YOY	YTD
TRY Return (%):	-2,3	5,2	15,0
US\$ Return (%):	-3,5	-14,1	-3,4
BIST 100 Relative (%):	-2,8	-16,5	3,6
Avg. Daily Vol. (TRY Mn):	1.146,3		
Avg. Daily Vol. (US\$ Mn):	30,1		

Beta	1,00
Volatility (Stock)	0,38
Volatility (BIST 100)	0,25

Shareholder Structure	%
Turkish Wealth Fund	61,7
Turkish Treasury	25,0
Free Float	13,3
Total	100,0

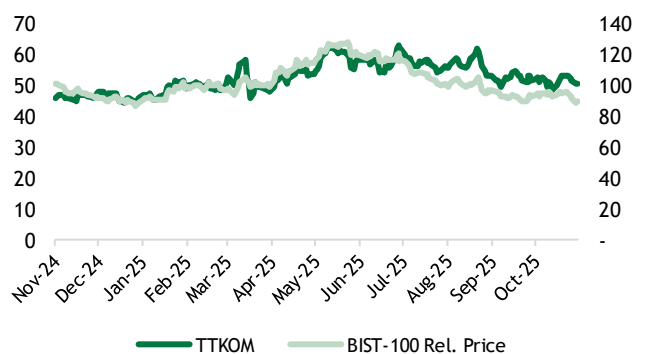


Figure 1: Financials (Including IAS-29)

TRY Million	9M24	9M25	YoY	3Q24	3Q25	YoY
<b>Revenues</b>	<b>145.591</b>	<b>165.695</b>	<b>13,8%</b>	<b>53.788</b>	<b>59.522</b>	<b>10,7%</b>
<b>Gross Profit</b>	<b>54.992</b>	<b>70.627</b>	<b>28,4%</b>	<b>22.329</b>	<b>26.665</b>	<b>19,4%</b>
<i>Gross Profit Margin</i>	<i>37,8%</i>	<i>42,6%</i>		<i>41,5%</i>	<i>44,8%</i>	
<b>EBIT</b>	<b>21.479</b>	<b>36.741</b>	<b>71,1%</b>	<b>10.566</b>	<b>15.716</b>	<b>48,7%</b>
<i>EBIT Margin</i>	<i>14,8%</i>	<i>22,2%</i>		<i>19,6%</i>	<i>26,4%</i>	
<b>EBITDA</b>	<b>55.328</b>	<b>69.574</b>	<b>25,7%</b>	<b>21.720</b>	<b>26.641</b>	<b>22,7%</b>
<i>EBITDA Margin</i>	<i>38,0%</i>	<i>42,0%</i>		<i>40,4%</i>	<i>44,8%</i>	
<b>Net Profit</b>	<b>12.595</b>	<b>21.333</b>	<b>69,4%</b>	<b>3.976</b>	<b>10.243</b>	<b>157,6%</b>
<i>Net Profit Margin</i>	<i>8,7%</i>	<i>12,9%</i>		<i>7,4%</i>	<i>17,2%</i>	

Source: Finnet, Seker Invest Research

Figure 2: Key financials (Including IAS-29)

BALANCE SHEET (TRY Mn)	2024/12	2025/09	% Chg
PP&E	142.507	153.792	7,9%
Intangibles	105.603	112.510	6,5%
Other Non-Current Assets	16.278	16.057	-1,4%
Trade Receivables	27.416	29.935	9,2%
Cash&Equivalents	9.448	14.525	53,7%
Other Current Assets	37.731	19.845	-47,4%
<b>Total Assets</b>	<b>338.982</b>	<b>346.664</b>	<b>2,3%</b>
Long Term Debt	55.071	52.430	-4,8%
Other Non current liabilities	19.648	24.176	23,0%
Short Term Debt	15.081	2.694	-82,1%
Trade Payables	27.498	28.775	4,6%
Other current liabilities	38.443	35.900	-6,6%
Total Liabilities	155.740	143.975	-7,6%
Total Equity	183.242	202.689	10,6%
<b>Total Equity&amp;Liabilities</b>	<b>338.982</b>	<b>346.664</b>	<b>2,3%</b>

INCOME STATEMENT (TRY Mn)	2024/09	2025/09	% Chg
Revenues	145.591	165.695	13,8%
COGS	90.599	95.069	4,9%
Gross Profit (Loss)	54.992	70.627	28,4%
Operating Expenses	33.512	33.886	1,1%
Operating Profit/(Loss)	21.479	36.741	71,1%
Net Other Ope. Rev./ (Exp.)	(472)	(2.161)	N.M.
Income/(Loss) from Investing Activities	3.875	1.236	-68,1%
Financial Expenses	(27.493)	(18.356)	N.M.
Gains (losses) on net monetary positions	24.807	14.725	-40,6%
<b>Profit Before Tax (Loss)</b>	<b>21.674</b>	<b>31.440</b>	<b>45,1%</b>
Tax	(9.079)	(10.108)	N.M.
<b>Net Profit (Loss)</b>	<b>12.595</b>	<b>21.333</b>	<b>69,4%</b>
Majority Interest	12.595	21.333	69,4%

## Historical Recommendations and target prices



Date	Rec	Target Price (TRY)
7-Nov-23	Outperform (OP)	31.58
16-Jan-24	Outperform (OP)	41.12
18-Apr-24	Market Perform (MP)	41.12
6-Jun-24	Market Perform (MP)	56.78
17-Sep-24	Outperform (OP)	69.05
7-Nov-24	Outperform (OP)	69.05
7-Jan-25	Outperform (OP)	74.82
11-Mar-25	Outperform (OP)	74.82
2-May-25	Outperform (OP)	68.57
8-May-25	Outperform (OP)	68.57
14-Aug-25	Outperform (OP)	72.50
5-Nov-25	Outperform (OP)	72.50

## Basis for 12m equity ratings

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

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