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Turkcell

Results parallel to expectations

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In 3Q25, Turkcell recorded a net profit of TRY 5,398 million, marking a 71.6% year-on-year decline (3Q24: TRY 19,035 million). This figure was 7.4% above our estimate of TRY 5,800 million and 6.5% above the market median expectation of TRY 5,066 million. The sharp fall in net profit was mainly due to the high base effect from a one-off gain related to the sale of the company's Ukrainian operations in 3Q24. In addition, monetary position losses and high net financing expenses also contributed to the decrease. In 3Q25, net sales revenue was at TRY 59,536 million, on an 11.2% year-on-year rise and in line with our estimate (TRY 59,200 million) and the market median expectation (TRY 59,019 million). This growth was primarily driven by strong ARPU expansion, an expanding subscriber base, successful upselling strategies, and the solid Techfin performance. Consumer segment revenues, at 76% of Turkcell Türkiye's revenues, rose by 10.8% year-on-year, supported by price adjustments, increased postpaid subscribers, and continued upselling initiatives. Corporate revenues rose 17.1% year-on-year, driven by Data Center and Cloud Services plus price optimization in the mobile business line. The Data Center and Cloud segment again saw robust growth, up 50.6% year-on-year in the quarter.

Double-digit ARPU growth was achieved in both mobile and fixed segments. Despite the competitive market environment, subscriber gains continued in the quarter. Turkcell added 569 thousand net postpaid mobile subscribers in 3Q25, bringing 12-month net additions to 2 million, and pushing the total mobile subscriber base above 39 million. The share of postpaid subscribers, which is significant due to its higher revenue contribution, rose by 4.6 percentage points year-on-year to 79%. Through an AI-driven micro-segmentation approach, the company continued to successfully migrate customers to higher-tier plans. As a result of this, along with postpaid growth and price adjustments across segments, Mobile Blended ARPU (excluding M2M) grew 11.9% year-on-year. In the fixed segment, Turkcell recorded a net gain of 33 thousand fiber subscribers.

EBITDA incl. the TMS-29 impact was in line with expectations, at TRY 26,519 million, up 21.4% year-on-year (Company estimate: TRY 26,200 million; market median: TRY 25,920 million). The EBITDA margin was 44.5% in 3Q25 (3Q24: 40.8%).

The company's net debt position improved, declining from TRY 27,274 million at end-2Q24 to TRY 19,855 million as of 30 September 2025. The Net Debt/EBITDA ratio stood at 0.20x.

2025 guidance revised upward. The company raised its revenue growth outlook from 7-9% to around 10%, and its EBITDA margin guidance from 41-42% to 42-43%. Supported by strong revenue performance, the ratio of operational CapEx to revenues was lowered from 24% to 23%. In addition, the revenue growth expectation for the Data Center and Cloud segment was revised from 32-34% to around 43%. (These forecasts are based on an assumption of 32% inflation for 2025.)

Overall, 3Q25 financial results were broadly in line with expectations, with net profit exceeding estimates by 6.5%. Despite competitive pressures, effective management and strong operational performance led the company to revise its 2025 guidance upward. Although the upcoming 5G auction may temporarily increase leverage, we believe this will not pose a significant long-term risk given Turkcell's strong and sustainable financial structure. Therefore, we expect the announced results to have a slightly positive impact on the share price. Following the 3Q25 results, we maintain our "OUTPERFORM" recommendation and target share price of TRY 136.60, implying an upside potential of 33.9% from the current level.

OUTPERFORM
TP: TRY 136.60
 Previous TP: TRY 136.60
 Upside potential: 33.9%

	TRY	US\$
Close	102,00	2,43
BIST 100	11.073	263
US\$/TRY(CB Bid Rate):	42,036	
52 Week High:	109,11	3,00
52 Week Low:	81,21	2,11
Bloomberg/Reuters Ticker:	TCELL.TI / TCELL.IS	

Number of Shares (Mn): 2.200

	(TRY Mn)	(US\$ Mn)
Current Mcap :	224.400	5.337
Free Float Mcap :	98.736	2.348

	1 M	YOY	YTD
TRY Return (%):	3,2	26,2	12,2
US\$ Return (%):	2,2	2,6	-5,8
BIST 100 Relative (%):	0,1	1,0	-0,4
Avg. Daily Vol. (TRY Mn):	2.486,9		
Avg. Daily Vol. (US\$ Mn):	65,1		

Beta	0,96
Volatility (Stock)	0,34
Volatility (BIST 100)	0,25

Shareholder Structure	%
TWF	26,2
IMTIS Holdings	19,8
Other (publicly traded)	54,0
Total	100,0

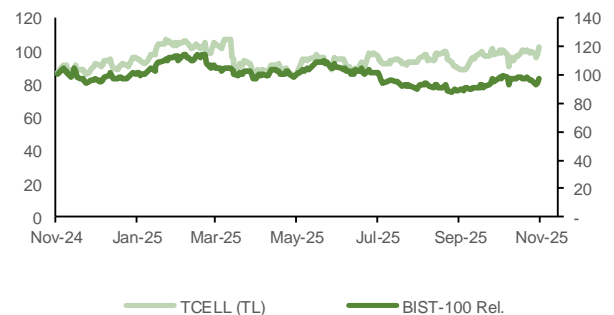


Figure 1: Financials (Including IAS-29)

TRY Million	9M24	9M25	YoY	3Q24	3Q25	YoY
Revenues	145.765	162.435	11,4%	50.976	56.616	11,1%
Gross Profit	37.261	48.465	30,1%	14.630	17.414	19,0%
<i>Gross Profit Margin</i>	<i>25,6%</i>	<i>29,8%</i>		<i>28,7%</i>	<i>30,8%</i>	
EBIT	22.091	30.119	36,3%	9.069	10.727	18,3%
<i>EBIT Margin</i>	<i>15,2%</i>	<i>18,5%</i>		<i>17,8%</i>	<i>18,9%</i>	
EBITDA	66.357	75.775	14,2%	21.843	26.519	21,4%
<i>EBITDA Margin</i>	<i>45,5%</i>	<i>46,6%</i>		<i>42,8%</i>	<i>46,8%</i>	
Net Profit	27.398	13.426	-51,0%	19.035	5.398	-71,6%
<i>Net Profit Margin</i>	<i>18,8%</i>	<i>8,3%</i>		<i>37,3%</i>	<i>9,5%</i>	

Source: Finnet, Seker Invest Research

Figure 2: Key financials (Including IAS-29)

BALANCE SHEET (TRY Mn)	2024/12	2025/09	% Chg
PP&E	131.232	139.965	6,7%
Intangibles	102.692	98.779	-3,8%
Other Non-Current Assets	55.295	66.768	20,7%
Trade Receivables	20.959	23.176	10,6%
Cash&Equivalents	86.464	122.347	41,5%
Other Current Assets	35.181	40.385	14,8%
Total Assets	431.823	491.419	13,8%
Long Term Debt	65.769	118.622	80,4%
Other Non current liabilities	17.610	23.801	35,2%
Short Term Debt	23.306	16.722	-28,3%
Trade Payables	28.548	19.680	-31,1%
Other current liabilities	62.078	69.565	12,1%
Total Liabilities	197.312	248.390	25,9%
Total Equity	234.511	243.029	3,6%
Total Equity&Liabilities	431.823	491.419	13,8%
INCOME STATEMENT (TRY Mn)	2024/09	2025/09	% Chg
Revenues	145.765	162.435	11,4%
COGS	110.853	116.766	5,3%
Gross Profit (Loss)	34.912	45.669	30,8%
Operating Expenses	15.170	18.346	20,9%
Operating Profit/(Loss)	22.091	30.119	36,3%
Net Other Ope. Rev./(Exp.)	12.453	25.388	103,9%
Income/(Loss) from Investing Activities	4.041	7.462	84,6%
Financial Expenses	(27.700)	(38.923)	N.M.
Gains (losses) on net monetary positions	7.949	1.626	-79,6%
Profit Before Tax (Loss)	15.726	22.063	40,3%
Tax	(4.905)	(8.449)	N.M.
Net Profit (Loss)	27.387	13.426	-51,0%
Majority Interest	27.398	13.426	-51,0%

Historical Recommendations and target prices



8-Nov-23	Outperform (OP)	79.9
11-Jan-24	Outperform (OP)	87.05
21-Mar-24	Outperform (OP)	104.30
28-May-24	Outperform (OP)	116.50
13-Sep-24	Outperform (OP)	145.20
8-Nov-24	Outperform (OP)	145.20
7-Jan-25	Outperform (OP)	148.48
28-Feb-25	Outperform (OP)	148.48
2-May-25	Outperform (OP)	136.6
12-May-25	Outperform (OP)	136.6
14-Aug-25	Outperform (OP)	136.6
7-Nov-25	Outperform (OP)	136.6

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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