

Pegasus Airlines

Operational results in 4Q25 were in line, while net profit beats expectations...

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Pegasus reported a net profit of €15mn in 4Q25, representing a 71% YoY decline, but above the market consensus expectation of €4mn (Şeker: €-15mn) (4Q24: €51mn). In 4Q25, the Company posted a net profit of €15mn, reflecting a 71% YoY decline, mainly due to weaker operating profitability stemming from rising cost pressures as well as a decline in other operating income and income from investment activities compared to the same period of the previous year. Despite a 18% YoY increase in ancillary revenues (4Q24: €281mn, 4Q25: €332mn), actions taken to support passenger demand put pressure on ticket prices. As a result, domestic scheduled revenues declined by 1% YoY in € terms, while international scheduled passenger revenues increased by 4% YoY in € terms. Accordingly, total revenues rose by 8% YoY to €814mn, slightly above the market consensus of €799mn and our estimate of €795mn. Pegasus' EBITDA reached €148mn in 4Q25, coming 3% above the market consensus of €144mn, while slightly 1% below our estimate of €150mn. The EBITDA margin stood at 18.1% in 4Q25.

KPIs remained strong in 4Q25 - Pegasus' total passenger traffic rose by 19% YoY to 11.3mn in 4Q25, supported by strong growth in both domestic and international passenger volumes compared to 4Q24. The Company's revenues increased by 8% YoY to €814mn (4Q24: €753mn). Domestic PAX yields surged by 14.7% YoY to TRY 1,116, while international yields declined by 15% YoY in € terms to €53. The PLF increased by 1.7pp YoY to 88.5% compared to 4Q24. Pegasus' total ASK increased by 20% YoY in 4Q25. Ancillary revenues/PAX declined slightly by 1% YoY to €29.3, while RASK decreased by 10% YoY to €4.03. Total CASK declined by 2% YoY to €3.90, mainly driven by lower maintenance and personnel unit costs (ex-fuel CASK: 4Q25: €2.69, 4Q24: €2.77). As a result, Pegasus generated €148mn EBITDA in 4Q25.

The Company's net debt reached €2.94bn at the end of 4Q25, representing a 7% YoY increase compared to year-end 2024. Pegasus has also hedged 61% of its projected jet fuel consumption for 2026. Meanwhile, the Company's net cash position declined to €597mn at the end of 4Q25 (year-end 2024: €827mn, 3Q25: €759mn).

OUTPERFORM
TP: TRY 345.30
Previous TP: TRY 345.30
Upside potential: 90%

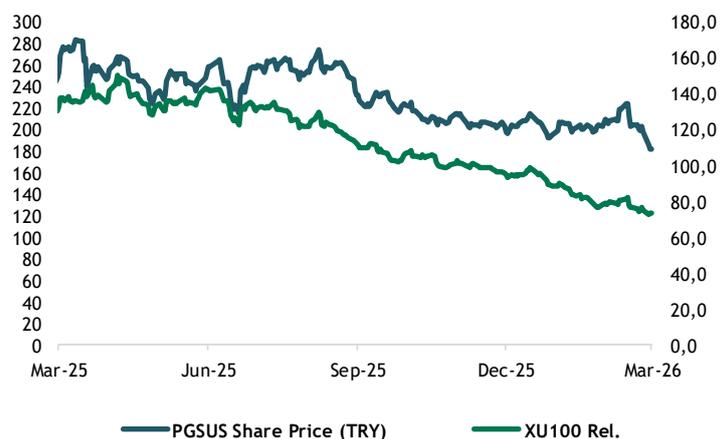
	TRY	US\$
Close	181,80	4,14
BIST 100	12.943	295
US\$/TRY (CB Bid Rate):	44	
52 Week High:	287,25	7,9
52 Week Low:	181,4	4,1
Bloomberg/Reuters Ticker:	PGSUS.TI / PGSUS.IS	

Number of Shares (Mn):	500,0	
	(TRY m)	(US\$ m)
Current Mcap :	90.900	2.071
Free Float Mcap :	39.087	891

	1 M	YoY	YtD
TRY Return (%):	-12,39	-27,79	-5,16
US\$ Return (%):	-13,34	-40,10	-7,39
BIST 100 Relative (%):	-5,97	-44,78	-17,49
Avg. Daily Vol. (TRY m):	3747		
Avg. Daily Vol. (US\$ m):	90,7		

Beta	0,95
Volatility (Stock)	0,36
Volatility (BIST 100)	0,25

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



We maintain our TP, & “Outperform” rating - Despite the YoY decline in net profit, the result came above expectations, while operational indicators remained strong. Therefore, we believe the 4Q25 results may have a neutral short-term impact on the stock performance. However, competition-driven pricing pressure and rising geopolitical risks remain key factors that may create volatility in the stock. Accordingly, we believe that short-term stock performance will remain sensitive to passenger demand sustainability, jet fuel price dynamics, and developments in global risk appetite. Refining our estimates and valuation, we maintain our 12M TP of TRY 345.30/sh for the carrier’s shares and our “Outperform” recommendation.

Risks - The downside risk to our TP and rating for the Company and the aviation sector in general would be another major pandemic, leading to a slower than expected recovery of air travel demand. Other main downside risks to demand would be geopolitical tension and natural disasters that are hazardous to air travel. Meanwhile, increasing competition may lead to lower yields, and higher than expected jet fuel prices and an unfavorable course of the €/US\$ may dent profitability.

Table 1: Summary P&L

€ mn	2024	2025	YoY	4Q24	4Q25	YoY	3Q25	QoQ
Revenues	3.126	3.414	9,2%	753	814	8,1%	1.103	-26,2%
Scheduled Flights	3.071	3.366	9,6%	741	803	8,4%	1.086	-26,0%
International	1.606	1.646	2,5%	365	378	3,6%	570	-33,7%
Domestic	405	445	9,9%	95	93	-1,4%	152	-38,7%
Service Revenue	1.060	1.275	20,3%	281	332	17,9%	363	-8,7%
Charter & Wetlease	42	37	-12,0%	6	6	3,5%	16	-63,5%
Other	13	12	-13,9%	6	5	-18,7%	1	294,8%
Gross Profit	694	581	-16,2%	127	77	-39,4%	327	-76,5%
<i>Gross Profit Margin</i>	22,2%	17,0%	-5.2 p.p.	16,9%	9,5%	-7.4 p.p.	29,6%	
Operating Profit	578	258	-55,3%	136	25	-81,3%	264	-90,4%
<i>EBIT Margin</i>	18,5%	7,6%	-10.9 p.p.	18,0%	3,1%	-14.9 p.p.	23,9%	
EBITDA	888	840	-5,4%	177	148	-17%	395	-62,7%
<i>EBITDA Margin</i>	28,4%	24,6%	-3.8 p.p.	23,5%	18,1%	-5.3 p.p.	35,8%	
Net Profit/Loss	361	301	-16,6%	51	15	-71%	227	-93,6%
<i>Net Profit Margin</i>	11,5%	8,8%	-2.7 p.p.	6,7%	1,8%	-5.0 p.p.	20,6%	

Source: Pegasus, Finnet, Seker Invest Research

Table 2: Operational Highlights

	%				%			
	2023	2024	2025	2025/2024	4Q23	4Q24	4Q25	4Q25/4Q24
TOTAL								
PAX (mn)	31,9	37,5	43,3	15,4%	8,1	9,5	11,3	19,1%
Seat (mn)	37,7	42,8	49,3	15,4%	9,5	11,0	12,8	16,7%
Load Factor	84,8%	87,7%	87,7%	0.0 pp	85,2%	86,7%	88,5%	1.7 pp
Cycle	187.071	206.048	234.270	13,7%	46.867	52.355	60.709	16,0%
PAX per Cycle	171	182	185	1,5%	173	182	186	2,7%
ASK (mn)	58.217	66.808	78.337	17,3%	14.608	16.766	20.192	20,4%
Domestic								
Scheduled PAX (mn)	12,0	14,1	15,6	10,6%	3,2	3,6	4,1	14,1%
Scheduled Seats (mn)	13,7	15,4	16,9	10,0%	3,6	4,0	4,4	10,8%
Load Factor	87,7%	91,4%	91,9%	0.6 pp	87,0%	90,0%	92,6%	2.7 pp
Cycle	68.748	74.275	79.128	6,5%	18.227	19.028	20.789	9,3%
PAX per Cycle	174	189	197	3,9%	174	189	197	4,5%
Scheduled ASK (mn)	10.052	11.400	12.920	13,3%	2.737	2.939	3.434	16,9%
Yield (TRY)	677	1.031	1.289	25,0%	743	973	1.116	14,7%
International								
Scheduled PAX (mn)	19,9	23,4	27,6	18,0%	5,0	5,9	7,2	21,0%
Scheduled Seats (mn)	24,0	27,4	32,4	18,3%	5,9	7,0	8,3	19,2%
Load Factor	83,1%	85,6%	85,4%	-0.2 pp	84,1%	84,9%	86,2%	1.3 pp
Cycle	118.323	131.773	155.142	17,7%	28.640	33.327	39.920	19,8%
PAX per Cycle	169	178	178	0,3%	173	178	179	1,0%
Scheduled ASK (mn)	48.165	55.409	65.295	17,8%	11.871	13.828	16.636	20,3%
Yield (€)	77	70	60	-14,3%	66,0	62,0	53,0	-15%
Ancillary Revenues per PAX (€)	25,4	28,3	29,5	4,2%	24,3	29,6	29,3	-1,0%
RASK (€¢)	4,59	4,68	4,36	-6,8%	4,17	4,49	4,03	-10,2%
CASK (€¢)	3,69	3,86	3,85	-0,3%	3,86	3,97	3,90	-1,8%
Non-fuel CASK (€¢)	2,26	2,55	2,69	5%	2,30	2,77	2,69	-2,9%

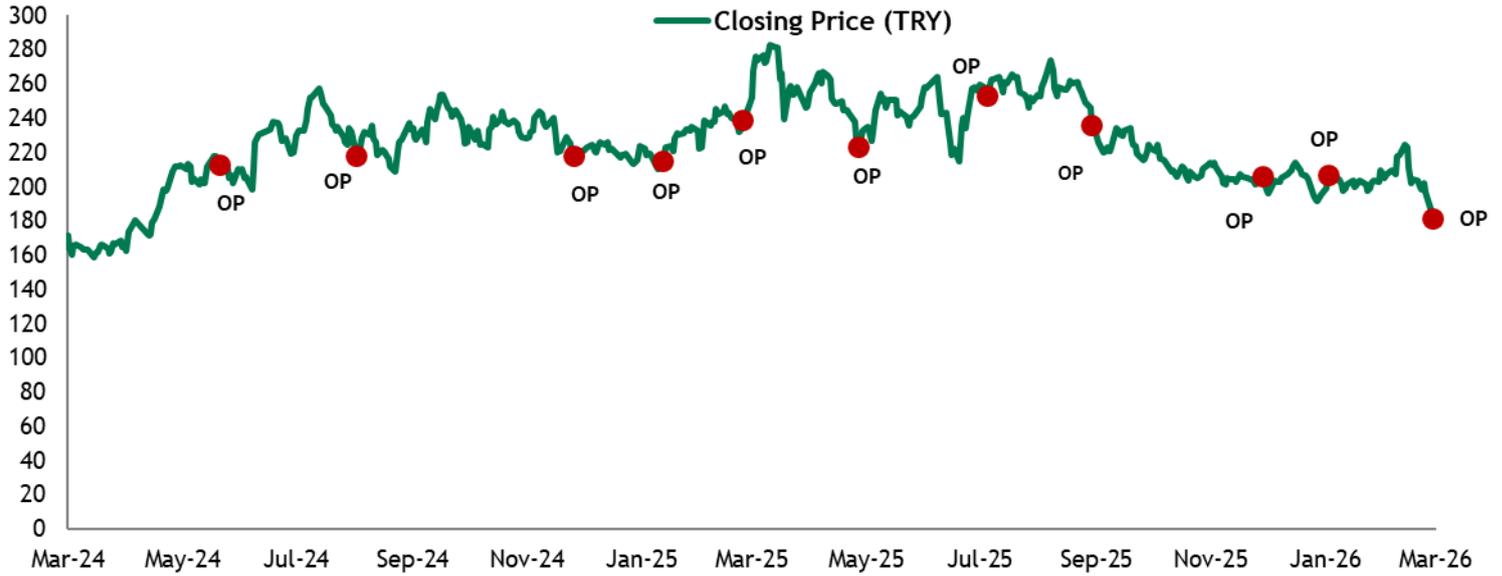
Source: Pegasus, Seker Invest Research

Table 3: Summary Financial Statements

BALANCE SHEET (€ mn)	12M24	12M25	% Chg
Cash and cash equivalents	1.259	1.087	-13,7%
Financial assets	302	337	11,6%
Trade receivables	73	73	0,0%
Other receivables	7	28	300,0%
Derivative financial instruments	4	0	N.M.
Inventories	42	46	9,5%
Prepaid expenses	202	206	2,0%
Current assets	1.896	1.788	-5,7%
Financial assets	126	138	9,5%
Other receivables	135	155	14,8%
Derivative financial instruments	0	0	N.M.
Investments accounted by using the equity method	21	21	0,0%
Property and equipment	471	513	8,9%
Intangible assets	24	40	66,7%
Right of use assets	4.172	4.377	4,9%
Prepaid expenses	446	687	54,0%
Deferred tax assets	427	410	-4,0%
Non-Current assets	5.822	6.341	8,9%
Short term borrowings	796	930	16,8%
Trade payables	216	288	33,3%
Passenger flight liabilities	334	334	0,0%
Short term provisions	88	91	3,4%
Current liabilities	1.506	1.752	16,3%
Long term borrowings	3.730	3.692	-1,0%
Deferred income	203	201	-1,0%
Long term provisions	239	164	-31,4%
Non-Current liabilities	4.173	4.062	-2,7%
Paid-in share capital	230	230	0,0%
Share premiums on capital stock	25	25	0,0%
Retained earnings	1.417	1.778	25,5%
Net loss for the period	361	301	-16,6%
SHAREHOLDERS' EQUITY	2.039	2.316	13,6%

Source: Pegasus, Seker Invest Research

Historical Recommendations and target prices



Date	Recommendation	Target Price (TRY)
9.05.2024	Outperform (OP)	259,84
13.08.2024	Outperform (OP)	302,00
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

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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