

Turkcell

Results are positive

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Turkcell reported a net profit of TRY 3,594mn in 4Q25, representing a 63.4% YoY increase (4Q24: TRY 2,199mn). The reported net profit came above our estimate of TRY 2,864mn, while it was slightly below the market median expectation of TRY 3,752mn. The increase in net profit was mainly driven by the improvement in operating profitability thanks to effective operational cost management. In addition, the increase in net other income and gains from investment activities also supported the bottom line during the period.

Turkcell generated net sales revenues of TRY 62,820mn in 4Q25, marking a 6.9% YoY increase. The reported revenues came in line with our estimate of TRY 62,698mn and slightly above the market median expectation of TRY 62,110mn. Revenue growth was primarily supported by strong ARPU growth driven by segment-based price adjustments and upselling customers to higher-tier packages, along with one of the highest postpaid net subscriber additions in the company's history. Double-digit ARPU growth was recorded in both mobile and fixed segments, accompanied by a notable increase in the postpaid subscriber base. In 4Q25, the company achieved 2.4 million postpaid mobile net additions, the highest level in the past 26 years, bringing the postpaid subscriber ratio to 81%. During the same period, 119 thousand Turkcell Fiber subscribers were added, while total net fiber subscriber additions reached 190 thousand, including wholesale operations. Despite competitive pressures, strong ARPU growth continued; mobile ARPU (excluding M2M) increased by 10.6% in 2025 and individual fiber ARPU grew by 15.4%, while in 4Q25 mobile ARPU increased by 5.4% and individual fiber ARPU by 10.3%.

Including the effects of IAS 29 inflation accounting, EBITDA increased by 10.8% YoY to TRY 25,792mn in 4Q25, supported by strong revenue growth. The reported EBITDA came above both our estimate of TRY 24,776mn and the market median expectation of TRY 24,496mn. The EBITDA margin reached 43.3% in 4Q25 (4Q24: 41.7%).

The company's net debt position declined. Net debt, which stood at TRY 20.7bn as of September 2025, decreased to TRY 14.9bn by FY25. Accordingly, the Net Debt/EBITDA ratio declined to 0.14x as of 2025.

2025 performance: In 2025, excluding IFRIC 12 effects, the company increased its revenues by 10.1% YoY to TRY 229.0bn, in line with its -10% revenue growth guidance. The increase in revenues was mainly driven by strong ARPU growth resulting from segment-based price adjustments and upselling strategies, as well as one of the highest postpaid net subscriber additions in the company's history. The EBITDA margin reached 45.8%, exceeding the company's guidance range of 42-43%.

2026 outlook: Turkcell expects revenue growth of 5-7% and an EBITDA margin of 40-42% in 2026, while targeting operating expenses to revenue ratio of around 25%. In addition, the Data Center and Cloud business segment is expected to deliver revenue growth of 18-20%. These projections are based on the assumption that inflation will be around 23% in 2026.

OUTPERFORM
TP: TRY 140.00
 Previous TP: TRY 140.00
 Upside: 27.6%

	TRY	US\$
Close	109,70	2,50
BIST 100	13.079	298
US\$/TRY(CB Bid Rate):	43,893	
52 Week High:	129,60	2,97
52 Week Low:	81,29	2,07
Bloomberg/Reuters Ticker:	TCELL.TI / TCELL.IS	

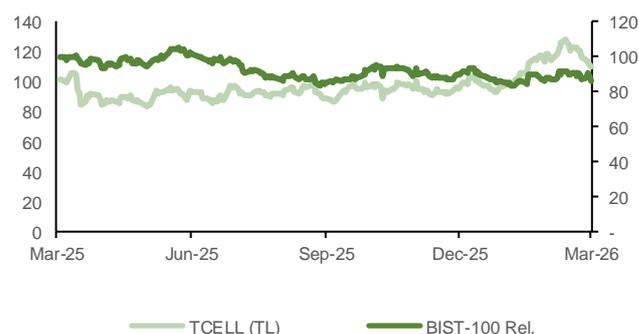
Number of Shares (Mn): 2.200

	(TRY Mn)	(US\$ Mn)
Current Mcap :	241.340	5.496
Free Float Mcap :	106.190	2.418

	1 M	YOY	YTD
TRY Return (%):	-5,5	9,3	17,8
US\$ Return (%):	-6,5	-9,5	15,0
BIST 100 Relative (%):	-1,8	-14,9	1,5
Avg. Daily Vol. (TRY Mn):	2.698,0		
Avg. Daily Vol. (US\$ Mn):	66,0		

Beta	0,96
Volatility (Stock)	0,35
Volatility (BIST 100)	0,25

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



Conclusion: Overall, Turkcell's 4Q25 financial results indicate a strong operational performance. Supported by robust ARPU growth, strong postpaid subscriber additions and disciplined cost management, the company delivered a performance above expectations in both revenues and EBITDA. Although net profit came slightly below market expectations, the strong YoY growth reflects the improvement in operational profitability. Double-digit ARPU growth and solid subscriber gains in both mobile and fixed segments continue to support the company's revenue generation capacity. In addition, the decline in net debt and the Net Debt/EBITDA ratio falling to a very low level of 0.14x confirm the company's strong cash generation capability and solid balance sheet structure.

In this context, we expect Turkcell to continue supporting its operational performance in the medium to long term, driven by its strong subscriber base, pricing power and disciplined cost management. Following the 4Q25 results, we maintain our target price of TRY 140.00 and our "OUTPERFORM" recommendation. Our target price implies an upside potential of 27.6% based on the current share price.

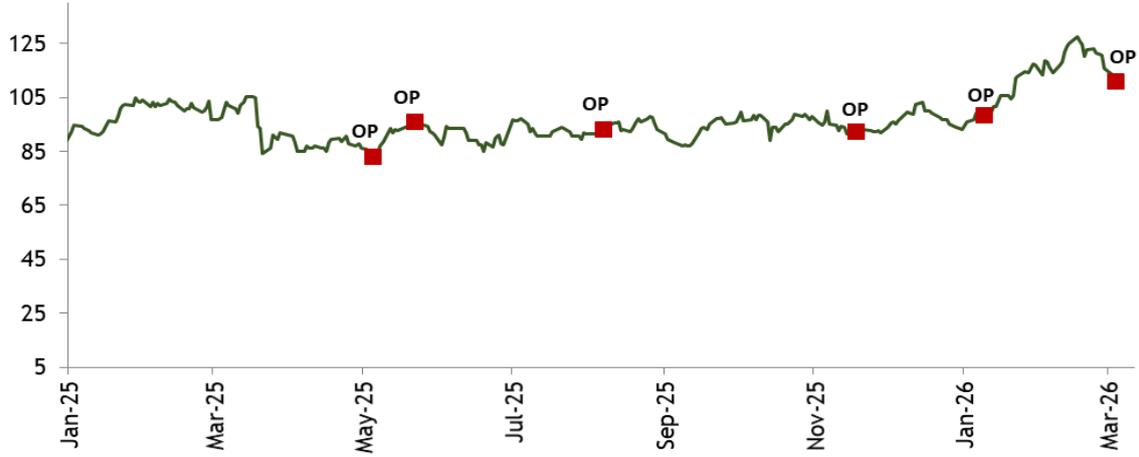
Figure 1: Financials (Including IAS-29 Effect)

TRY Million	YE24	YE25	YoY	4Q24	4Q25	YoY
Revenues	207.928	229.014	10,1%	55.814	59.505	6,6%
Gross Profit	53.834	68.346	27,0%	14.951	17.770	18,9%
<i>Gross Profit Margin</i>	25,9%	29,8%		26,8%	29,9%	
EBIT	30.446	41.517	36,4%	7.393	10.087	36,4%
<i>EBIT Margin</i>	14,6%	18,1%		13,2%	17,0%	
EBITDA	92.523	104.867	13,3%	23.276	25.792	10,8%
<i>EBITDA Margin</i>	44,5%	45,8%		41,7%	43,3%	
Net Profit	30.790	17.604	-42,8%	2.199	3.594	63,4%
<i>Net Profit Margin</i>	14,8%	7,7%		3,9%	6,0%	

Figure 2: Key financials (Including IAS-29 Effect)

BALANCE SHEET (TRY Mn)	2024/12	2025/12	% Chg
PP&E	136.947	157.350	14,9%
Intangibles	107.165	104.980	-2,0%
Other Non-Current Assets	57.704	81.615	41,4%
Trade Receivables	21.872	23.913	9,3%
Cash&Equivalents	90.230	91.828	1,8%
Other Current Assets	36.713	40.887	11,4%
Total Assets	450.630	500.573	11,1%
Long Term Debt	68.634	122.733	78,8%
Other Non current liabilities	18.377	26.516	44,3%
Short Term Debt	24.321	13.460	-44,7%
Trade Payables	29.792	33.133	11,2%
Other current liabilities	64.782	45.397	-29,9%
Total Liabilities	205.906	241.240	17,2%
Total Equity	244.725	259.333	6,0%
Total Equity&Liabilities	450.630	500.573	11,1%
INCOME STATEMENT (TRY Mn)	2024/12	2025/12	% Chg
Revenues	207.928	229.014	10,1%
COGS	157.639	164.717	4,5%
Gross Profit (Loss)	50.289	64.298	27,9%
Operating Expenses	23.389	26.829	14,7%
Operating Profit/(Loss)	30.446	41.517	36,4%
Net Other Ope. Rev./(Exp.)	15.921	31.919	100%
Income/(Loss) from Investing Activities	5.083	10.266	101,9%
Financial Expenses	(32.750)	(49.182)	N.M.
Gains (losses) on net monetary positions	7.658	1.598	-79%
Profit Before Tax (Loss)	20.881	31.190	49,4%
Tax	(6.369)	(13.399)	N.M.
Net Profit (Loss)	30.779	17.604	-42,8%
Minority Interest	(11)	-	N.M.
Majority Interest	30.790	17.604	-42,8%

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
9-Jan-26	Outperform (OP)	140.00
6-Mar-26	Outperform (OP)	140.00

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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