

Analyst Meeting Note

January 29, 2025

TACIRLER
INVESTMENT

Emlak Konut GYO

We attended the analyst meeting where Emlak Konut GYO shared its "2024 pre-sales results and 2025 strategic targets." In summary, the company continues its growth process, focusing on strategic investments, a strong land portfolio, and urban transformation projects. In 2025, with the impact of interest rate cuts and the acceleration of urban transformation projects, we expect the sector to continue its relative positive differentiation.

Key Takeaways from the Meeting

2024 Sales Report... Emlak Konut Real Estate Investment Trust (EKGYO) continues to maintain its leading position in the sector. The company delivered 2,998 independent units following 86 tenders, which doubled compared to the previous year. Strengthening its financial structure through a TL7.6bn sukuk issuance, EKGYO achieved TL51bn in pre-sales and land sales revenue. Notable projects driving these sales include Arnavutköy, Fikirtepe, and Çınarköy. The TL44.9bn profit generated from ongoing revenue-sharing model projects underscores the high profitability of the company's developments. Additionally, the company's 5 million sqm land stock and unauctioned land stock with an appraisal value of TL58.2bn create significant potential for future projects. EKGYO's inventory of 20,322 independent units with a total value of TL279bn offers strong cash flow potential for both current and future periods. However, it is important to note that cash flow will remain a key determinant. Throughout the year, the company generated TL4.7bn in profit from the sale of 200,000 sqm of land, while investing TL22.6bn in acquiring 1.4 million sqm of land. Given this strong performance, we believe EKGYO is on track to meet its TL4.2bn net profit target for 2024.

New Business Relations in Saudi Arabia... Saudi Arabia is undertaking a major urban development initiative with a goal of constructing 450,000 housing units by 2030. Within this framework, Emlak Konut GYO will officially commence operations in the region as of February. Currently, Saudi Arabia is developing projects across three different regions, with Emlak Konut GYO initially focusing exclusively on Riyadh. The company's primary objective is to contribute to project development processes. At present, Emlak Konut GYO is actively involved in a project comprising 1,000 independent units. Leveraging the experience gained from this initiative, the company holds potential for expanding into larger and more strategic investments in the future.

2025 Sales Targets... Under its ongoing and planned projects, Emlak Konut GYO aims to achieve TL75bn in sales revenue from approximately 7,522 independent units and 856,000 sqm of gross sales area. For land sales, the company targets a TL5bn sales value for around 280,000 sqm of land. EKGYO has set an asset size target of TL245bn. As a result of these activities, the company's net profit is expected to reach around TL12bn. Additionally, the company plans to list its subsidiary, Emlak Planlama ve Proje Geliştirme AŞ (EPP), through an IPO in 4Q25 or 1Q26. In terms of dividend policy, the company intends to maintain its previous approach in 2025 and align with regulatory frameworks in 2026. Furthermore, its subsidiary EKA is expected to become Turkey's largest charging station network in the coming years. Finally, regarding the reconstruction of Syria, the company considers 2025 too early to take concrete steps but continues to monitor project development potential. Any developments in this area could impact the company's stock performance in the future.

EKGYO

under review

Target Price
Return potential

Share Data

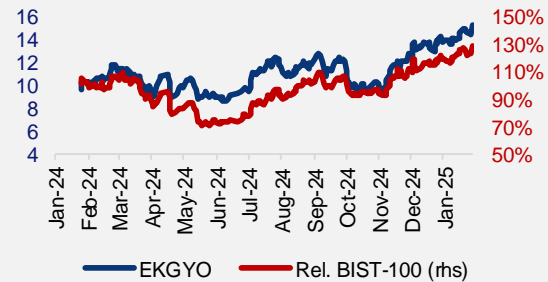
Ticker:	EKGYO TI		
Share Price (28 January 2025)	15.19		
Share price (52 week range)	8.5 / 15.2		
Market cap. (TL mn - USD mn)	57,722 - 1,617		
# of shares outstanding (mn)	3,800		
Free Float	51%		
Market	BIST STAR		
Industry	REIT		

Avg. trading volume	1M	3M	12M
USD mn	83.0	78.7	68.0

Price performance	1M	3M	Y-t-D
TL	9%	50%	12%
USD	7%	43%	10%
Rel. to BIST-100	7%	32%	8%

TL mn	2021	2022	2023
Revenues	5,736	20,518	27,901
Net Earnings	1,434	1,317	-3,814
Net Debt	983	-9	-14,752

Valuation	2021	2022	2023
P/E	7.1x	7.2x	-
P/BV	0.5x	0.8x	1.3x
EV/EBITDA	10.5x	6.5x	8.4x
Dividend Yield	1.0%	2.8%	3.1%



Serhan Yenigün
+90 212 355 2622
serhan.yenigun@tacirler.com.tr

Ali Berk Coşkuntuna
+90 212 355 2602
berk.coskuntuna@tacirler.com.tr

Emlak Konut GYO – Financial Summary

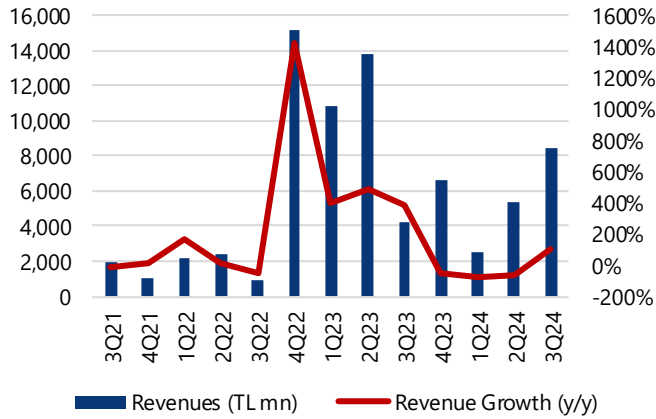
Balance Sheet	2021	2022	2023	Income statement	2021	2022	2023
Cash	3,635	9,897	20,731	Revenues	5,736	20,518	27,901
Accounts receivables	2,678	5,158	10,338	Gross profit	2,205	5,126	8,343
Inventory	17,562	87,826	112,416	Operating expenses	476	1,833	3,584
Other current assets	1,710	6,287	7,181	Operating profit	1,729	3,293	4,759
Current assets	25,585	109,168	150,666	EBITDA	1,755	3,353	4,837
Financial investments	0	0	0	Other income, net	89	2,219	-947
Net fixed assets	78	396	561	Financial income, net	-384	-4,194	-7,626
Intangible assets	3	13	9	Earnings before taxes	1,434	1,317	-3,814
Other non-current assets	4,963	11,705	12,927	Tax expense	0	0	0
Non-current assets	5,045	12,114	13,497	Net earnings - Parent	1,434	1,317	-3,814
Total assets	30,629	121,282	164,163	Cashflow statement			
Short-term financial loans	2,710	4,820	4,263	EBITDA	1,755	3,353	4,837
Accounts payables	1,976	4,769	5,200	Taxes on EBIT	0	0	0
Other short-term payables	8,045	43,758	72,521	Capital expenditures	15	-54	37
Current liabilities	12,731	53,347	81,984	Chg. in NWC	-480	38,814	1,471
Long-term financial loans	1,907	5,068	1,716	Free cashflows to firm	2,219	-35,408	3,329
Other long-term payables	114	265	917	Growth & margins			
Non-current liabilities	2,021	5,333	2,633	Revenues	27%	258%	36%
Shareholders' equity	15,877	62,602	79,546	EBITDA	128%	91%	44%
Parent company	15,877	62,602	79,546	Net earnings	67%	-8%	-389%
Minorities	0	0	0	Gross margin	38.4%	25.0%	29.9%
Total liabilities & equity	30,629	121,282	164,163	Operating margin	30.1%	16.1%	17.1%
Net debt	983	-9	-14,752	EBITDA margin	30.6%	16.3%	17.3%
Net working capital	11,929	50,744	52,214	Net margin	25.0%	6.4%	-13.7%
Net working capital (Operating)	18,264	88,215	117,554	Free cashflow margin	25.0%	6.4%	-13.7%
Invested Capital	12,010	51,153	52,784	Per share (TL)			
Ratios				EPS	0.38	0.35	-1.00
Profitability				BVPS	4.18	16.47	20.93
ROE	9.4%	3.4%	-5.4%	DPS	0.02	0.10	0.24
Net margin	25.0%	6.4%	-13.7%	Valuation			
Asset turnover	0.2x	0.3x	0.2x	P/E	7.1x	7.2x	0.1x
Leverage	1.9x	1.9x	2.0x	P/BV	0.5x	0.8x	1.3x
ROA	4.9%	1.7%	-2.7%	EV/EBITDA	10.5x	6.5x	8.4x
ROIC	11.3%	8.3%	7.3%	EV/Sales	2.0x	2.3x	1.5x
Leverage				Dividend Yield	1%	3%	3%
Financial debt/Total assets	15%	8%	4%	Free cashflow yield	28%	-253%	12%
Net debt/Equity	0.06	0.00	-0.19				
Net debt/EBITDA	0.56	0.00	-3.05				

Source: Bloomberg, Tacirler Investment

* All figures are stated in millions of TL unless otherwise stated.

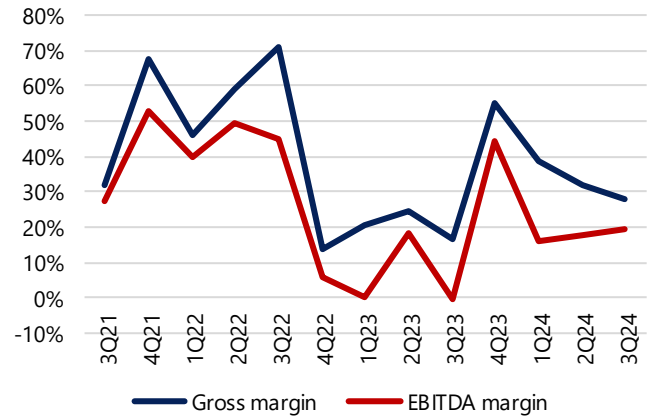
Emlak Konut GYO – Financial Summary

Revenue trends



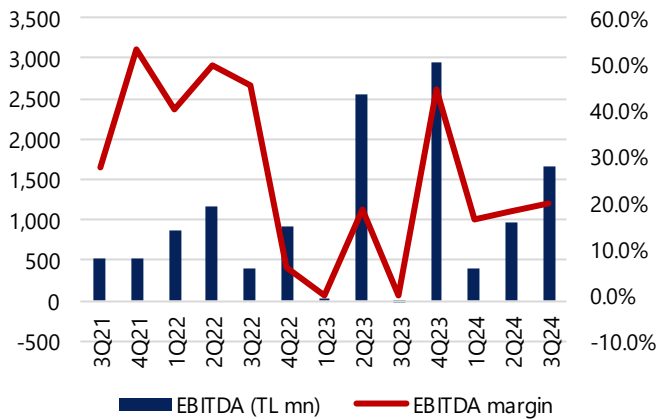
Source: Tacirler Investment

Operating margin evolution



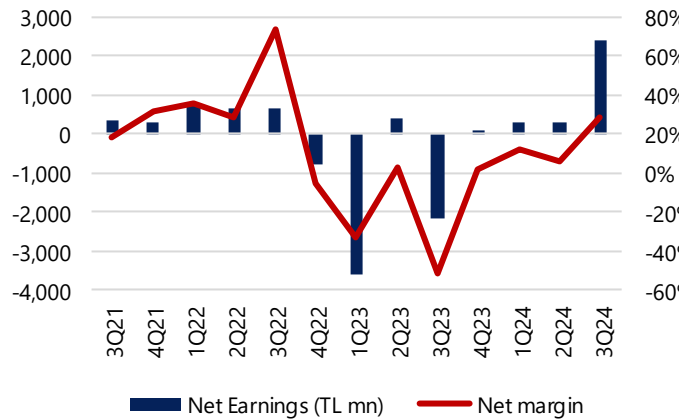
Source: Tacirler Investment

EBITDA trends



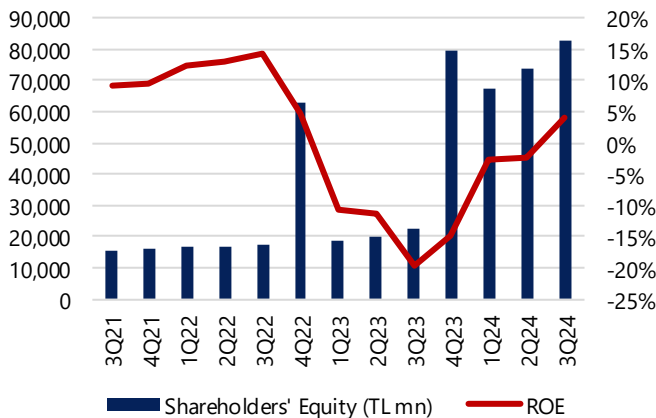
Source: Tacirler Investment

Net earnings trends



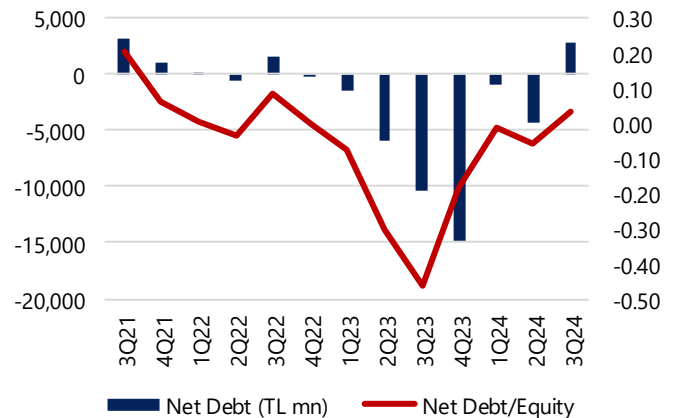
Source: Tacirler Investment

Profitability trends



Source: Tacirler Investment

Trends in financial leverage



Source: Tacirler Investment

Yatırım Merkezlerimiz

Genel Müdürlük

Nispetiye Cad. B-3 Blok Kat: 9 Akmerkez Etiler - İSTANBUL
0 212 355 46 46

Adana	Cemal Paşa Mah. Gazipaşa Bul. Cemal Uğurlu Apt. Kat: 1 D: 4	(0 322) 457 77 55
Akatlar İrtibat Bürosu	Akat Mahallesi Meydan Caddesi B Blok No: 16 D: 8 (Eski No D: 10) Beşiktaş	(0 212) 355 46 46
Alsancak	Şehit Nevres Bulvarı Eczacıbaşı Apartmanı No: 7 Kat: 2 Daire: 5 Pasaport Alsancak - Konak	(0 232) 241 24 50
Ankara	Remzi Oğuz Arık Mah. Tunalı Hilmi Cad. Yaprak Apt. No: 94 Kat: 2 D: 9 Kavaklıdere Çankaya	(0 312) 435 18 36
Antalya	Şirinyalı Mah. İsmet Gökşen Cad. Özden Apt. No:82/6 Muratpaşa	(0 242) 248 45 20
Bakırköy	İstanbul Cad. Bakırköy İş Merkezi No: 6 Kat: 4 D: 14 Bakırköy	(0 212) 570 52 59
Bodrum	Konacık Mahallesi, Atatürk Bulvarı, Arbor-Abdullah Ünal Çabuk İş Merkezi No: 285/1-A6 Bodrum	(0 212) 355 46 46
Bursa	Konak Mah. Barış (120) Sokak , Ofis Artı Binası, Dış kapı No:3 Daire:33 Nilüfer-BURSA	(0 224) 225 64 10
Çankaya	Çankaya Mahallesi Cinnah Caddesi Cinnah Apartmanı No: 55 D: 7-8 Çankaya / ANKARA	(0 212) 355 46 46
Çukurambar	Kızılırmak Mah.Ufuk Üniversitesi Cad. Next Level Loft Ofis No: 4/65 Kat: 24 Söğütözü Çankaya	(0 312) 909 87 70
Denizli	Urhan İş Merkezi 2. Ticari Yol Daire 26 Kat: 6 Bayramyeri	(0 258) 265 87 85
Erenköy	Bağdat Cad. Çubukçu Apt. No: 333 Kat: 2 D: 4 Kadıköy	(0 216) 348 82 82
Gaziantep	İncilipinar Mah. Gazimuhtarpaşa Bul. Kepkepzade Park İş Merkezi B Blok No: 18 Kat: 1 D: 5	(0 342) 232 35 35
Girne	Ziya Rızki Cad. Şehit Necati Gürkaya Sok. Kat: 1 D: 1 Gime - KKTC	(0 392) 815 14 55-0533 889 15 51
İzmir	Kültür Mahallesi, Cumhuriyet Bulvarı No:137 Cumhuriyet Apt. K:5 D:12 Konak - İzmir	(0 232) 445 01 61
İzmit	Hürriyet Cad. Kaya İşhanı No: 39/5 İzmit	(0 262) 323 11 33
İzmit İrtibat Bürosu	Ömerağa Mah. Alemdar Cad. İ. Kolaylı Apt. No: 8 Kat: 2 İzmit	(0 262) 260 01 01
Karadeniz Ereğli	Bağlık Mahallesi Karanfil Sokak No:16/A Karadeniz Ereğli - Zonguldak	(0 372) 316 40 50
Karşıyaka	Yalı Mahallesi Ahmet Kemal Baysak Bulvarı No:42 D:11	(0 232) 241 19 24
Kartal	Üsküdar Cad. Cevat Kayacan Apt. No: 26 Kat: 4 D: 8 Kartal	(0 216) 306 22 71-306 22 06
Kayseri	Hunat Mah. Nuh Mehmet Baldöktü Sok. Gürcüoğlu Plaza No: 5 K: 3 D: 11 Melikgazi	(0 352) 221 08 68-222 82 51
Marmaris İrtibat Bürosu	Kemeraltı Mah. Orgeneral Mustafa Muğlalı Cad. Güven Apt. No: 22 D: 2 Marmaris	(0 252) 321 08 00
Merkez Şube	Akat Mahallesi Meydan Caddesi B Blok No: 16 D: 7 (Eski No D: 9) Beşiktaş	(0 212) 355 46 46
Mersin	İnönü Mah. 1401 Sok. No:32 Pozcu Evo Kat:2 No:10-11 Yenişehir Mersin	(0 324) 238 11 89
Trabzon İrtibat Bürosu	Kemer kaya Mahallesi Halkevi Cad. Mandıralı İş Merkezi No: 4 Daire: 4 Ortahisar	(0 462) 432 24 50

Important Disclosures

Rating Methodology

Stock ratings are based on absolute return potential of the stock, which is defined as the percentage change in target price from the current share price. All recommendations and target prices are set with a 12-month horizon. Target prices are set by using one or more of the following methodologies: DCF, Net Asset Valuation, sum of the parts model and multiple comparison.

Rating Definition

Buy: The stock is expected to generate a return of more than or equal to 30% in TL terms.

Hold: The stock is expected to generate a return of less than 30% in TL terms.

Sell: The stock is expected to generate a negative return within the forecast horizon.

Disclaimer

This document was produced by Tacirler Yatırım Menkul Değerler A.Ş. ("Tacirler Investment"), solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient.

This document does not constitute an offer of, or an invitation by or on behalf of Tacirler Investment to any person to buy or sell any security. The information contained herein has been obtained from published information and other sources which Tacirler Investment considers to be reliable. Tacirler Investment does not accept any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document.

Recipients of this document are urged to base their investment decisions upon their own appropriate investigations that they deem necessary and they should make their own independent decisions as to whether an investment or instrument is proper or appropriate based on their own individual judgment and their risk-tolerance. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and Tacirler Investment accepts no liability for any such loss or consequence. Not all investment strategies are appropriate at all times, and past performance is not necessarily a guide to future performance.

Tacirler Investment may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or their derivative securities thereon either on their own account or on behalf of their clients.

Tacirler Investment may perform or seek to perform securities, investment banking or other services for such issuer or its affiliates presented in this document.

Financial Relationship Disclosure in Requirement of Conflict of Interest Policy: Lider Faktoring A.Ş. and Tacirler Yatırım Menkul Değerler A.Ş. has established business relationships and provided income in the past.