Daily Bulletin

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Daily View

Good morning. Global markets are closely monitoring the ongoing negotiations aimed at ending the Russia–Ukraine war, with the participation of the U.S. and European countries. Although no concrete outcomes have been reached yet, messages suggesting a potential Putin–Zelensky meeting within the next two weeks are creating a moderate sense of optimism. Global equities opened the day on a mixed note: U.S. futures are slightly negative, European futures are mildly positive, while in Asia, major indices are trading with a mixed bias—some in positive territory, others in negative. Overall, global risk appetite appears balanced. In Borsa Istanbul, it is noteworthy that the index moved above 10,900 yesterday on rising volume. However, given the concentration of activity in only a few stocks and the limited capital inflows, we cannot yet speak of a broad-based optimism. Expectations of a rate cut from the CBRT and a second-quarter earnings season that has been relatively more favorable compared to previous quarters have carried the BIST 100 index from the 9,000 level toward the 11,000 range. Still, we believe further catalysts are needed for the index to decisively surpass these levels. Accordingly, the near-term resistance levels at 11,000–11,100 and 11,250 will likely depend on supportive new developments. On the longer horizon, however, valuation upgrades are continuing. Based on our bottom-up analysis of companies' target prices, our 12-month forward target for the BIST 100 index has risen above 14,500. That said, Borsa Istanbul may continue to struggle to gain momentum in the short term. In this process, the key support levels to watch are 10,800 and 10,500. Today's calendar is relatively quiet. Turkey's 5-year CDS premiums start the day at 270 basis points.

Macro and Politics

*** The Treasury will hold 4y TLREF & 5y fixed coupon bond auctions today.** The Treasury tapped the domestic markets to the tune of TL28.1bn (including non-competitive sales) via yesterday's 7y FRN bond auction. The bid – to – cover ratio was high at 9.61x, indicating robust demand, while the real compounded rate materialized at 22.14%. Accordingly, the total domestic borrowing for the month reached TL164.1bn. After today's double auctions, the Treasury will hold the direct sales of 1y USD-denominated bond & 1y USD-denominated lease certificate on August 21, Thursday, finalizing its domestic borrowing program for August. According to its three-month (August – October 2025) domestic borrowing program, the Treasury faces a hefty domestic redemption of TL339bn in August, while in return it plans to borrow TL440.8bn in total throughout the month, indicating a roll-over ratio of 130%.

***The Residential Property Price Index (RPPI) rose by 0.9% m/m and 32.8% y/y in July, reaching a level of 187.8.** Yet, in real terms, the index posted an annual decline of 0.5%. Although the annual real depreciation in housing prices has persisted uninterruptedly since February 2024, the pace of this depreciation has been moderating since October. Notably, the 0.5% year-on-year decline recorded in July marks the smallest real loss in value observed since February 2024. We believe that the recent annual increase in mortgaged home sales, despite mortgage rates remaining elevated above 40%, was partly driven by expectations of future price hikes, as real house prices—having been in decline for some time—have recently shown signs of stabilization. Looking ahead, we expect the annual change in real house prices to turn positive in the near term.

*** The short-term external debt stock in June materialized at USD168.2bn, down by 0.4% m/m.** In terms of short-term debt statistics, we believe that "debt stock on a remaining maturity basis," calculated based on the external debt maturing within 1 year or less regarding the original maturity, is rather critical, which is at USD220.3bn as of June 2025. Of this total, USD25bn is attributed to loans taken by resident banks and private sector affiliates from their branches and affiliates abroad. Stripping this amount from the total results in USD195.3bn. We also add 12-month forward-looking CAD expectations on this amount so as to reach Turkey's annual external financing need (EFN). Accordingly, we calculate EFN as of June 2025 around USD220bn.

Sector and Company News

- **AKSA (Negative)** reported a net loss of TL23mn in 2Q25, while the sector was expecting a net profit. Net sales contracted by 12% YoY to TL6.9bn, and EBITDA declined by 15% to TL1.1bn. Both figures came in below sector expectations.

- **ALARK** reported TL 2.3bn in revenue, negative TL 450mn EBITDA, and a net loss of TL 793mn in 2Q25. Both gross profit and operating margins were negative.

- **ASTOR (Slightly Negative)** announced a net profit of TL912mn in 2Q25, below sector expectations. Reported net profit grew 2% YoY but declined 5% QoQ. Net sales were TL6.9bn, slightly below sector expectations, flat YoY, and up 4% QoQ. EBITDA exceeded sector expectations at TL2.6bn, up 7% YoY and 38% QoQ.

- **EKGYO (Positive)** announced 2Q25 financial results with a net profit of TL5.3bn, representing 1,239% YoY growth. The reported net profit exceeded sector expectations by 123%. Net sales were TL23.8bn and EBITDA TL6.8bn, both well above sector expectations. In the first half of the year, the company achieved a net profit of TL9.4bn, up 567% YoY. Net sales rose 377% YoY to TL47.9bn. During this period, the company grew its equity by 65%, while the average ROE stood at 25%.

- **ENERY** announced 2Q25 financial results with a net profit of TL1.7bn, up 42% YoY and 9% QoQ. Net sales increased 47% YoY to TL5.3bn, but contracted 56% QoQ. EBITDA was TL970mn, showing significant contraction both YoY and QoQ.

- **EUPWR** reported a net profit of TL24mn in 2Q25, compared to a net loss of TL12mn in the same period last year. Net sales contracted 30% YoY to TL1.3bn, while EBITDA plummeted 79% YoY to TL84mn.

- **GESAN** announced a net profit of TL23mn in 2Q25, down significantly from TL692mn in the same period last year. Net sales grew 8% YoY to TL3.1bn, while EBITDA declined 3% YoY to TL415mn.

- **GRSEL** announced 2Q25 financial results with a net profit of TL492mn, up 43% YoY but down 20% QoQ. Net sales increased 12% YoY to TL2.4bn.

- **HEKTS (Negative)** announced 2Q25 financial results with a net loss of TL637mn, bringing total net loss in the first half of the year to TL1.2bn. Net sales declined by 5% YoY and 33% QoQ to TL1.5bn. Results came in below sector expectations.

- **IPEKE** reported a net loss of TL114mn in 2Q25, compared to a net profit of TL20mn in the same period last year. Net sales increased 7% YoY to TL3.1bn, while EBITDA rose 3% YoY to TL839mn.

- **KARSN** reported a net profit of TL 4.5 million in Q2 2025, compared to a net loss of TL 385 million in the same quarter last year. Revenue reached TL 3.5 billion, up 12% year-over-year. EBITDA was reported at TL 683 million, showing a 17% increase from the prior year. The EBITDA margin rose by 93 basis points year-over-year to 19%, while the gross margin improved by 419 basis points to 29.8%. Net debt increased by 20% quarter-over-quarter to TL 7.4 billion, with a net debt/EBITDA ratio of 5.3x.

- **KOZAA** announced 2Q25 financial results with a net profit of TL651mn. Net sales increased 7% YoY to TL3.1bn, and EBITDA grew 10% YoY to TL824mn.

- **MEGMT** reported a net profit of TL 718 million in Q2 2025, up 236% year-over-year and 334% quarter-over-quarter. Revenue reached TL 5.8 billion, marking a 26% increase compared to the same period last year. The company reported EBITDA of TL 299 million, reflecting a 12% decline year-over-year. Net debt rose by 36% on a quarterly basis to TL 3 billion, with the net debt/EBITDA ratio reaching 3.2x.

- **RALYH** reported TL 1.2bn in revenue, TL 208mn EBITDA, and TL 518mn net profit in 2Q25. The reduced impact of net monetary loss, along with higher investment income, supported the bottom line.

- **TEZOL** reported a net profit of TL 183 million in Q2 2025, up 89% year-over-year, compared to a net loss of TL 68 million in Q1 2025. Revenue stood at TL 1.3 billion, down 2% compared to the same quarter last year. EBITDA came in at TL 134 million, marking a 27% year-over-year decline. The EBITDA margin dropped by 350 basis points to 10%, while the gross margin decreased by 294 basis points to 14%. The company's net cash position rose by 149% quarter-over-quarter to TL 635 million.

- **ULKER (Neutral)** announced 2Q25 financial results with a net profit of TL722mn, above sector expectations but down 58% YoY and 72% QoQ. Net sales were in line with expectations, rising 12% YoY to TL23.1bn. EBITDA came in slightly above expectations at TL3.4bn, though it declined 15% YoY. Net debt increased from TL31.5bn to TL37.8bn, while equity grew 50% YoY in the first half. The average ROE was 23%.

- **VAKKO** reported TL 4.4bn in revenue, TL 288mn EBITDA, and a net loss of TL 33mn in 2Q25. EBIT came in at -TL 127mn. Both gross profit and operating margins weakened on a year-on-year and quarter-on-quarter basis.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	55.926	17.84	4.09%
VERTU		VERTU	Buyback	160.000	45.09	1.33%
GUBRF		GUBRF	Buyback	200.000	272.04	0.50%

Important Disclosures

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