Daily View

Good morning. Global markets are maintaining a positive tone, supported by optimism over the potential reopening of the Strait of Hormuz and the decline in oil prices. However, selling pressure in semiconductor stocks is limiting gains in equity markets. In the U.S., the Dow Jones Industrial Average reached another record high yesterday, while the Nasdaq declined as technology stocks came under pressure. U.S. equity futures are showing a similar pattern this morning. European futures are trading higher, while Asian markets are presenting a mixed performance. On Borsa Istanbul, the BIST 100 moved towards the 13,800 level shortly after the opening yesterday but later retreated to as low as 13,560 before closing at 13,703 points, up a modest 0.1% on the day. The biggest positive contributors to the index were TUPRS, KCHOL, ASTOR, KTLEV, and TRALT, while ODINE, THYAO, ASELS, BIMAS, and TCELL weighed most heavily on performance. Over the past week, KCHOL, ASTOR, TTKOM, MGROS, SAHOL, FROTO, SISE, and VAKBN have stood out with consistent fund inflows. Among the recently announced 2Q26 earnings results, LOGO, KCHOL, and TTKOM have been the most notable performers. From a technical perspective, the BIST 100 has intermediate support levels at 13,560 and 13,380, while the 13,000–13,200 range remains the primary support zone. On the upside, 13,800 and 14,000 are the key resistance levels. Today's economic calendar includes the CBRT's international reserves and weekly foreign investor flow data domestically, alongside Eurozone retail sales and U.S. initial jobless claims. Based on the CBRT's analytical balance sheet, we estimate that net international reserves increased by USD 2.7 billion to USD 53.7 billion, while gross reserves rose by USD 1.6 billion to USD 164.2 billion. Finally, Türkiye's 5-year CDS spread begins the day at 229 basis points. CDS premiums have been trending lower for some time, and a continued decline in oil prices could support further tightening in sovereign risk premiums.

Macro and Politics

*** The CBT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the July 24 – 31 period at 14:30 local time today.** Based on our calculations using the CBT's analytical balance sheet, we estimate that the CBT's net FX reserves increased by USD2.7bn to USD53.7bn, while gross FX reserves rose by USD1.6bn to USD164.2bn, in the week of July 17–24. We expect today's official reserve data to confirm a reserve build broadly consistent with our analytical balance sheet-based estimates. To recall the previous week's data: Foreign buying activity remained muted in the equity market during the July 17 – 24 period, with net purchases totaling only USD38.9mn, while the bond market recorded a strong USD805.5mn net foreign inflow excluding repo transactions. Moreover, foreign investors' share of the total bond stock increased from 6.8% to 7% during the July 17 – 24 period, reaching its highest level since the week of March 6. During the same period, residents' FX deposits, excluding gold and adjusted for the EUR/USD parity effect, increased by USD2.2bn, while their total FX deposits, including gold and adjusted for valuation effects, increased by USD2.4bn during the July 17 – 24 period. According to the CBT's official reserve data, gross FX reserves fell by USD8.0bn to USD149.2bn during the June 19 – 26 week, while net FX reserves declined by USD6.6bn to USD45.3bn. We believe the decline in reserves was largely driven by the correction in gold prices observed over the same period. As of June 26, gold accounts for 63.6% of the CBT's gross FX reserves. Over the same period, the swap stock decreased by USD2.7bn to USD16.7bn, while net reserves excluding swaps deteriorated by USD3.9bn, falling to USD30.7bn.

Sector and Company News

- **KCHOL** posted a net profit of TL 19.7bn in 2Q26. The result came in roughly 46% above the TL 13.6bn market consensus and rose 93% year-on-year. Tüpraş was the main driver of the beat. Strong product margins lifted the energy segment's first-half contribution to more than four times last year's level. The non-energy side of the results, however, looks more cautious. Demand and profitability pressure persisted in automotive, while the recovery in consumer durables was largely driven by one-off gains. Downward revisions across the group — Ford Otosan and Arçelik cutting revenue guidance, Tofaş and TürkTraktör lowering market forecasts — reinforce this view. **We view the quarter positively given the significant beat at the bottom line. We continue to like the company on the back of its strong holding-only balance sheet and net cash position, along with a NAV discount running above historical levels, and we maintain our 12-month target price of TL 337.00 and our BUY rating. Our target price implies roughly 64% upside to yesterday's close.**
  See our full 2Q26 review here: https://tacirler.com.tr/en/koc-holding-kchol-2q26-financial-results--4667

- **LILAK** announced TL 3,858 million in revenue, TL 642 million in EBITDA and TL 484 million in net profit in 2Q26. While revenue and EBITDA came in broadly in line with and slightly below expectations, the entire beat in net profit stemmed from a non-operational item. Following the remeasurement of deferred taxes in line with the 12.5% corporate tax rate to be applied to manufacturing earnings from 2027 onwards, TL 308 million of deferred tax income was booked in the quarter's net profit. Revenue contracted 9.7% y/y while EBITDA declined 24%; the EBITDA margin fell 302 basis points to 16.6%. The main driver was the real pressure on export-weighted revenues under TAS 29, as FX-based selling prices remained flat and FX rates rose less than inflation; the rise in the opex/net sales ratio also weighed on the margin. Total sales tonnage reached 52.6 thousand tons, up 6.3% y/y and 9.0% q/q; converting volume grew 13.5%, converting exports rose 35.4% and capacity utilization climbed to 92%. Guidance for the EBITDA margin and capex was revised downwards. While the sales volume growth target was maintained at 7-10%, the EBITDA margin guidance was lowered from >20% to >19% and the adjusted EBITDA margin guidance from >22% to >21%; the capex target was cut from $50 million to $40 million. **We assess the results as neutral.**

- **LOGO** posted TL1.7bn revenue, TL729mn EBITDA and TL370mn net income in 2Q26. Market consensus stood at TL1.7bn revenue, TL729mn EBITDA and TL365mn net income, respectively. Accordingly, revenue and EBITDA were in line with consensus, while net income came in slightly above expectations. Revenue and EBITDA both grew 2% y/y, with operating margins preserved. The share of recurring revenues in total billings came in at 86%. The company left its 2026 year-end guidance unchanged.

- **MPARK** announced TL 16,736 million in revenue, TL 4,807 million in EBITDA and TL 1,368 million in net profit attributable to the parent in 2Q26; the results came in 2%, 3% and 18% above our estimates of TL 16,372 million in revenue, TL 4,688 million in EBITDA and TL 1,159 million in net profit, respectively. While the quarter was broadly in line with our estimates on the operational side, the deviation in net profit stemmed from non-operating items. Revenue rose 6.7% to TL 16,736 million from TL 15,682 million in 2Q25; the main drivers of growth were domestic patient revenue, up 7.0% on higher patient volumes and average outpatient prices, and other ancillary businesses, up 65.5% on rising management consultancy revenues. Outpatient revenue grew 9.6% while inpatient revenue posted more limited growth of 4.6%. In contrast, foreign health tourism revenue contracted 7.5%, as the USD/TL rate lagged domestic price increases despite an 8% rise in the number of foreign patients. EBITDA rose 25.6% to TL 4,807 million while the EBITDA margin improved by 432 basis points to 28.7% from 24.4%; the margin expansion was driven by personnel expenses, down 328 basis points on efficiency initiatives, and material expenses, down 154 basis points on patient mix and effective inventory management, while doctor expenses rose 128 basis points. Net profit was flat y/y at TL 1,368 million (2Q25: TL 1,380 million); the beat versus our estimate was driven by monetary gains, which rose 65.4% to TL 1,094 million on inflation accounting, and a 24.2% decline in tax expenses, while net interest expense increased 39.9%. On the balance sheet side, although net debt rose y/y, the net debt/EBITDA ratio stood at 0.7x thanks to EBITDA growth. We expect the 20.1% increase in the TMA's Private Medical Practice (ÖHU) coefficients in July 2026 to support pricing positively in the second half. **We assess the results as slightly positive.**

- **PETKM** posted TL36.4bn revenue, TL3.4bn EBITDA and TL4.1bn net income in 2Q26. Market consensus stood at TL36.8bn revenue, TL3.1bn EBITDA and TL3.8bn net income, respectively. Accordingly, revenue was in line with expectations, while EBITDA and net income came in above consensus.

- **TKNSA** posted TL22.6bn revenue, TL742mn EBITDA and a TL986mn net loss in 2Q26. Revenue was in line with our TL22.6bn estimate, while EBITDA came in slightly above our TL680mn estimate. The net loss, on the other hand, was wider than our TL749mn estimate. On an annual basis, revenue declined 3% and EBITDA fell 37%, with the EBITDA margin down to 3.3% from 5.1% a year earlier. **Accordingly, we see Teknosa's 2Q26 results as a quarter in which revenue was in line with our estimate, operational profitability came in slightly above our forecast despite gross margin pressure, and the net loss was wider than we expected on financial expenses; overall, we view the results as slightly negative.** The company will hold a conference call today at 15:00 local time.

- **TTKOM** announced TL 72,806 million in revenue, TL 28,453 million in EBITDA and TL 5,962 million in net profit in 2Q26. Revenue came in 3% above expectations while EBITDA fell 4% short; net profit exceeded expectations by 21%. Revenue growth was 9.3% y/y; however, excluding the IFRIC 12 accounting impact, growth stood at around 5.6%. The same item also pulled the EBITDA margin down by 170 basis points to 40.4% (43.3% excluding IFRIC 12); the company largely attributes the margin contraction to rising low-margin IFRIC 12 revenues in line with increased fiber infrastructure investments. The rise in the opex/net sales ratio from 57.8% to 59.6% also weighed on the margin. The beat in net profit stemmed from monetary gains, which rose 225% to TL 16.2 billion, while net profit declined 7.4% y/y and 47% q/q. On the operational side, fixed broadband ARPU grew 15.2% while mobile ARPU contracted 5.9%; with 539 thousand net mobile subscriber additions in the quarter, the total subscriber base reached 57.6 million. The company revised its 2026 guidance: the revenue growth expectation excluding IFRIC 12 was lowered from the 8-9% range to the lower end of the range at 8%, while the capex/revenue ratio was revised to the upper end of the 33-34% range at 34%. The EBITDA margin guidance was maintained at 41-42%. **We assess the results as neutral.**

- **TABGD** reported net income of TL1.5bn in 2Q26. Net income came in approximately 30% above both the market consensus and our estimate of TL1.1bn. Net income increased by 1% y/y and 530% q/q. Net sales reached TL16.2bn, 3% above both the market consensus and our estimate of TL15.8bn, rising by 11% y/y and 15% q/q. EBITDA amounted to TL3.6bn, 5% above both the market consensus and our estimate. EBITDA increased by 10% y/y and 53% q/q. The EBITDA margin remained broadly flat y/y at 22.5%, while improving by 5.5pp q/q. The company maintained its 2026 guidance. **We reiterate our BUY recommendation and TL411 target price for TABGD, which is under our research coverage. Despite the stronger-than-expected operating results and the robust sequential recovery in margins, we assess the financial results as Slightly Positive, due to the shift from a net cash position to net debt and the decline in free cash flow.**

- **DESA** announced that it has decided to establish "Nuera Biofabrikasyon Sanayi ve Ticaret A.Ş." as a wholly-owned subsidiary. The new company will operate in the research, development, production and commercialisation of biomaterials; its share capital has been set at TL40mn, fully committed by Desa.

- **KLRHO** announced that it has established Kiler Construction Company, a wholly-owned subsidiary with SAR500,000 in share capital, based in Riyadh, Saudi Arabia, with the aim of expanding its international operations and increasing its effectiveness in international projects.

- **SOKM** announced that the increase of its registered capital ceiling from TL 1.8 billion to TL 3 billion, together with a five-year extension of its validity period to cover 2026–2030, was registered on 5 August 2026.

- **MPARK** announced that it signed a liquidity provider agreement with Ak Yatırım to prevent potential liquidity issues in its shares from adversely affecting investors. The activities are planned to begin following the necessary approval from Borsa İstanbul.

- **EBEBK** released its July 2026 visitor data. The number of visitors to its stores in Türkiye rose 14.5% y/y to 4.97mn in July and 11.8% y/y to 34.14mn in the seven-month period. Visits to ebebek.com came in at 11.01mn in July, up 7.6% y/y, and at 85.14mn in the seven-month period, up 4.8% y/y.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
BORSK		BORSK	Buyback	300.000	5.64	0.66%
AHGAZ		AHGAZ	Buyback	227.463	31.90	2.81%
ENERY		ENERY	Buyback	600.000	8.46	4.04%
AKSGY		AKSGY	Buyback	835.500	9.73	0.08%
TEZOL		TEZOL	Buyback	50.000	9.63	0.41%

Important Disclosures

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