Daily View

Good morning. While the Nasdaq Composite index lost 5.5% yesterday with sharp selling in technology companies in the U.S., other industrial and services companies could not remain indifferent to this selling, and the Dow Jones Industrial index lost 3.4% and the S&P 500 index 4.4%. Let us note that, with these serious losses, there has been a serious deterioration in the technical outlook of U.S. markets, which have dipped below main supports and important averages, and that if the selling continues, this could affect all global equity markets. This morning, U.S. futures are showing a mixed picture, but point to high volatility possibly continuing. European futures and Asian markets are also generally in negative territory. The BIST 100 Index, which rose 4.1% the day before, fell 1.3% yesterday with a pullback in line with the sharp selling abroad but more limited, ending the day at 11,333 points. The companies contributing to the index were THYAO, AKBNK, GARAN, TAVHL, YKBNK, while those with a negative impact on the index were ASELS, TUPRS, ASTOR, EREGL, KRDMD. Companies standing out with steady fund inflows over the past week were THYAO, YKBNK, GARAN, TAVHL, ISCTR, AKBNK, TTKOM, AEFES, MPARK, TRALT, CIMSA. The XBANK Banking index, on the other hand, rose 1.8% yesterday, continuing its positive divergence. We think this divergence will continue in the coming period. For the BIST 100 index, from a technical perspective, 11,200 can be monitored as the first support and 11,600 as the first resistance. Below 11,200, the 10,500 / 11,000 area will come back onto the agenda. If the selling abroad continues, this area may be tested once again. Above 11,600, the 12,000 / 12,300 band will be targeted. On today's agenda, the cash budget balance domestically and employment data in the U.S. stand out. Turkey's 5-year CDS premium starts the day at 249 basis points.

Macro and Politics

*** The Treasury and Finance Ministry will release October cash budget figures @ 17:30 local time.** The Treasury cash balance posted a deficit of TL467.2bn in September, alongside a primary deficit of TL193.3bn. Accordingly, the cumulative Treasury cash deficit reached TL1.9tn in Jan–Sep, while the primary balance registered a surplus of TL312.5bn over the same period. Meanwhile, the central government budget recorded a deficit of TL532.2bn in September, with a primary deficit of TL269.2bn. The cumulative budget deficit stood at TL1.8tn in Jan–Sep, corresponding to 67.8% of the full-year deficit target of TL2.7tn for 2026. The trailing 12-month budget deficit widened from TL2.2tn to TL2.4tn. October Treasury cash balance figures, due on Friday, November 6, will provide an early indication of the October central government budget balance, scheduled for release on November 16. We maintain our 2026 year-end budget deficit forecast at TL2.8tn (3.3% of GDP).

*** Foreign investors were net sellers of USD66.3mn in the equity and USD750.4mn in the bond market (excluding repo transactions), during the October 23–30 week.** Bond outflows reached their highest weekly level since the April 3 week, while foreigners' share in the total bond stock declined from 6.5% to 6.2%. Moreover, equity outflows extended into a fifth consecutive week, bringing cumulative net foreign sales over the period to USD693mn. Residents' FX deposits (excluding gold and adjusted for the EUR/USD parity effect) increased by USD748mn during the October 23–30 week, while their total FX deposits (including gold, adjusted for the price effect) rose by USD585mn. The CBT's gross reserves declined by USD4.1bn to USD158.1bn, net reserves fell by USD4.8bn to USD37.9bn and net reserves excluding swaps contracted by USD6.5bn to USD24.2bn. Based on our calculations, the decline in gold prices accounted for USD694mn of the weekly reduction in net reserves, while we estimate that the CBT conducted approximately USD5.9bn in FX sales to the market over the same period.

Sector and Company News

- **DOHOL** reported revenue of TL30.0bn, EBITDA of TL6.0bn and net profit of TL2.0bn in 3Q26. Net profit rose from TL165mn a year earlier, supported by stronger operations and investment income. Financing costs and tax expenses limited the improvement. We view the results positively, as the clear improvement in operating margins points to a strong quarter.

Following the results, we maintain our 12-month target price of TL34.40 and BUY recommendation. Our target price offers 96% upside from yesterday's close. For our detailed earnings analysis report: https://tacirler.com.tr/en/dogan-holding-dohol-3q26-financial-results--5122

- **KOTON** reported revenue of TL9.3bn, EBITDA of TL1.6bn and a loss of TL604mn in 3Q26. Revenue and the loss were close to expectations, while EBITDA exceeded our estimate by 8% and the market forecast by 9%. Weak domestic demand weighed on operating margins, while financing costs and lower monetary gains weighed on the bottom line. Management lowered its full-year real sales outlook from flat or low-single-digit growth to a low-single-digit decline. It also cut gross margin guidance from around 54% to 52% and EBITDA margin guidance, based on its own calculation, from 24% to 21%. The net financial debt/EBITDA target excluding lease liabilities was raised from 0.5x to 0.6x, while planned investment spending as a share of sales was lowered from 3.5% to 3.0%. The target for net new store openings remained unchanged at 5+. Accordingly, we lower our full-year EBITDA forecast from TL8.1bn to TL7.2bn and our 12-month target price from TL24.00 to TL21.00. We maintain our BUY recommendation, with our target price offering 143% upside from yesterday's close. For our detailed earnings analysis report: https://tacirler.com.tr/en/koton-koton-3q26-financial-results--5121

- **AKFYE** released its 3Q26 financial results with TL167mn net profit, above the market expectation of TL87mn. Net profit declined by 19% YoY and 82% QoQ.

- **FONET** released its 3Q26 financial results with TL99mn net profit. Net profit increased by 11% YoY and 18% QoQ.

- **FROTO**: We view Ford Otosan's 3Q26 financial results as slightly positive, driven by profitability exceeding our cautious estimates and a QoQ recovery. Reported net profit of TL8.35bn exceeded our estimate by 16% and the market expectation by 15%. Revenues declined by 5% YoY in real terms to TL233.8bn, broadly in line with our estimate, while EBITDA fell by 20% YoY to TL12.2bn but exceeded our expectation by 14%. Adjusted EBITDA declined by 17% YoY to TL15.2bn, exceeding our estimate of TL13.5bn by 12%, with the adjusted EBITDA margin reaching 6.5%. An 11% increase in export volumes offset a 51% contraction in domestic sales, keeping total sales volumes stable. However, the increasing share of lower-margin exports, pricing competition in the domestic market and FX depreciation lagging inflation weighed on profitability, with the EBITDA margin contracting by 1pp YoY to 5.2%. Net profit also declined by 23% YoY. Meanwhile, stronger exports, cost discipline and lower financing expenses supported the QoQ recovery, while Kocfinans contributed TL407mn to net profit. Despite the downward revision to domestic sales guidance, the company maintained its export and profitability expectations, suggesting that the challenging operating environment may be gradually approaching its end. Nevertheless, we believe a more pronounced improvement in domestic demand and profit margins is needed for a sustainable recovery. Ford Otosan has been a long-standing holding in our model portfolio, with a 12-month target price of TL132 per share and a BUY recommendation. We plan to share our updated forecasts and detailed assessment later today.

- **ISCTR** released its 3Q26 financial results with TL10,421mn net profit, 11% above the market expectation. Net profit declined by 27% YoY, while increasing by 8% QoQ.

- **MGROS** reported revenue of TL143.3bn, EBITDA of TL11.9bn and net profit of TL3.5bn in 3Q26. Revenue was in line with market expectations, while EBITDA and net profit exceeded expectations by 2% and 16%, respectively. Revenue grew by 3% year-on-year in real terms, while EBITDA declined by 2%. Management lowered its 2026 real sales growth guidance from 5–7% to 4–5%. Migros remains in our model portfolio with a target price of TL979.00, implying 116% upside from yesterday's close.

- **SASA** released its 3Q26 financial results with TL1,910mn net loss, compared to TL798mn net loss in the same period of last year and TL1.4bn net loss in the previous quarter.

- **SISE** reported revenue of TL66.3bn, EBITDA of TL3.5bn and a loss of TL295mn in 3Q26. Revenue was close to market expectations, while EBITDA fell 8% short. The loss, compared with an expected net profit of TL2.2bn, reflected weaker operating profitability, higher financing costs and a high tax expense. The gross margin declined from 30.4% a year earlier to 24.1%, while the EBITDA margin narrowed from 12.8% to 5.2%.

- **SOKM** reported revenue of TL93.0bn, EBITDA of TL4.8bn and net profit of TL989mn in 3Q26. Revenue was 1% below market expectations, while EBITDA and net profit were 3% and 2% above expectations, respectively. Revenue grew by 1% year-on-year, while EBITDA increased by 20%. The gross margin rose from 21.3% a year earlier to 22.2%, while the EBITDA margin improved from 4.4% to 5.2%.

- **TOASO** released its 3Q26 financial results with TL4,332mn net profit, 76% above the market expectation. Net profit increased by 176% YoY and 33% QoQ.

- **VAKBN** released its 3Q26 financial results with TL15,432mn net profit, 8% above the market expectation. Net profit increased by 30% YoY and 2% QoQ.

- **AKMGY** filed appeals against the dismissal decisions in two cases heard before the Istanbul 3rd Administrative Court.

- **ALCAR** announced that it will cease production at its Gebze Plant by the end of February 2027 as part of the termination of its Carrier-branded operations. The plant accounts for 13% of total sales, and the closure will result in 183 layoffs and approximately TL293mn in severance payments.

- **ALCTL** signed a new work order worth USD5.9mn.

- **ANSGR** reported an 18.5% YoY increase in gross premium production to TL88.6bn in January–October.

- **BORSK** announced that the transfer of Ada Seker's annual sugar quota of 99k tons was approved, increasing its quota-based capacity to 186.5k tons and annual production capacity following modernization to 250k tons.

- **CRDFA** announced that its Chairman of the Board was arrested as part of an ongoing investigation, while no legal ruling has been issued against the company and operations continue as usual.

- **DOAS** signed a letter of intent with Skoda Auto to undertake sales and after-sales services for Skoda passenger vehicles in Iraq.

- **EUPWR** announced that its 49%-owned affiliate signed a contract worth TL1.1bn.

- **GARAN** decided to participate in the capital increase of its subsidiary Garanti BBVA Leasing with a contribution of TL17bn.

- **GARAN** repurchased 2.7mn shares at an average price of TL140.8 per share, for a total consideration of TL378mn.

- **GENIL** announced that it had achieved TL20.5bn in sales revenues and TL3.7bn in EBITDA, fulfilling 76.1% and 81.3% of its respective 2026 annual targets. The gross profit margin of 27.5% and EBITDA margin of 17.8% were also above targeted levels.

- **GESAN** signed a contract worth USD2.5mn.

- **GLCVY** won the tender for Fibabanka's non-performing retail loan portfolio with a principal amount of TL445.7mn.

- **HUNER** plans to start its 15 MW energy storage project in Latvia in 2027, while financing negotiations are ongoing for the EUR6mn investment.

- **LIDER** will distribute a gross dividend of approximately TL0.04 per share today, implying a dividend yield of 0.5% based on the latest closing price.

- **MEKAG** signed a distribution agreement for the sale of its products in Syria.

- **RALYH** announced that its bonus capital increase application was removed from processing by the CMB due to legal uncertainties surrounding the process.

- **RAYSG** reported a 0.4% YoY decline in gross premium production to TL35.3bn in January–October.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LMKDC		LMKDC	Buyback	89.500	21.96	0.63%
GARAN		GARAN	Buyback	2.686.000	140.78	0.06%
YYLGD		YYLGD	Buyback	105.000	6.60	0.42%
AHGAZ		AHGAZ	Buyback	520.000	46.40	3.43%
ENERY		ENERY	Buyback	2.050.000	13.91	4.74%
SUWEN		SUWEN	Buyback	500.000	4.56	3.95%

Important Disclosures

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