

Daily View

Good morning. Global stock markets are starting the new week on a positive note. Following the data released in the U.S. on Friday, rebound buying emerged, while in Asia, new stimulus messages from China this morning have also fueled buying activity. Borsa Istanbul saw a nearly 1% decline on Friday; however, as we mentioned on Friday morning, the closing of arbitrage positions also played a role in this sell-off. Despite the overall capital outflow from the index, we observe that foreign investors were more active on the buying side on Friday. The BIST 100 index continues to hold above its 200-day exponential moving average, which hovers around the 9,600 level. Today, we expect a rebound in BIST. The 9,600 / 9,620 range serves as the initial support zone, while the 9,750 / 9,780 range can be monitored as the first resistance area. On today's agenda, Turkey's February inflation data stands out. With a monthly increase of around 3%, annual CPI is expected to decline from 42% to around 40%. Externally, manufacturing PMI data from Europe and the U.S., along with inflation and growth-related indicators, will be closely watched. Later in the week, key events include the CBRT and ECB interest rate decisions, as well as U.S. employment data. The CBRT is expected to cut the policy rate by 250 basis points on Thursday, bringing it down to 42.5%. Meanwhile, Turkey's 5-year credit default swaps (CDS) start the day at 254 basis points.

Macro and Politics

*** The CBT, taking into account recent developments in foreign currency loans, has decided to support its tight monetary stance through changes in the loan growth-based reserve requirement practice.** Accordingly, the monthly growth limit for foreign currency loans has been reduced from 1% to 0.5% and the scope of foreign currency loans exempted from the growth limit has been narrowed. Total loan growth continues to rise, led by FX loans, thereby amplifying the exchange rate risk borne by the real sector. Meanwhile, domestic demand has been strengthening since the last quarter of 2024, and preliminary data for the first quarter of this year also indicate a continuation of this positive trend in economic activity. Thus, the current growth trajectory remains a headwind to the disinflation process. As a result, we interpret the CBT's latest tightening move as a measure that not only mitigates the real sector's FX risk but also helps rebalance demand dynamics.

***TURKSTAT will release the February inflation figures today @10:00 local time.** We anticipate a 3.1% m/m CPI rise, which would result in an annual CPI of 40.2%, down from the previous month's 42.1%. According to a survey conducted by ForInvest (previously known as Foreks), the market consensus estimates a 3% m/m CPI rise, which is broadly in line with our house forecast. We project that annual CPI inflation will decline towards 40% in February, with a further drop to below 39% in March. As such, we maintain our forecast for a 250bps rate cut in March.

*** Istanbul Chamber of Industry (ICI) Turkey February Manufacturing PMI will be announced @ 10:00 local time.** ICI Turkey Manufacturing PMI declined to 48 in January from 49.1 in the previous month, following a two-month increase. Remaining below the 50-threshold for the tenth consecutive month, the index continued to signal contraction. The accompanying report highlighted that contractions in production, new orders, and employment accelerated in January, while inflationary pressures intensified. Leading indicators generally exhibited a weak trend in January. However, preliminary data for February so far suggest a renewed improvement in activity. Following the January PMI data, which indicated a further slowdown in production, we will continue to assess first-quarter activity signals with today's release of the February figures.

*** Turkey's economy grew by 3% y/y and 1.7% q/q in 4Q24, exceeding market expectations.** Our house forecast, as well as the median market expectation based on the ForInvest survey, had pointed to an annual growth rate of 2.8%. Meanwhile, the annual growth rate for the third quarter was revised to 2.2% from 2.1%, while the sequential contraction was adjusted to -0.1% from -0.2%. With the Turkish economy recovering from a technical recession after two consecutive quarters of contraction, the full-year 2024 GDP growth rate came in at 3.2%, surpassing the market consensus, which had been around 3%. Our baseline scenario for this year suggests that after a decline in annual growth in the first quarter of 2025, activity will begin to recover from the second quarter onwards, with GDP growth for the year to be 2.6%, yet with upside risks attached. The preliminary data received so far indicates that the weakening in growth we anticipated in the first quarter may not occur to the extent we had predicted. So, we believe there are upside risks to our 2025YE GDP house forecast.

***The adjusted unemployment rate dropped merely to 8.4% from 8.5% in January, yet the broad-based unemployment calculations remained higher.** The rate of composite measure of labor underutilization – including time related underemployment, potential labor force and unemployment— rose slightly to 28.1% from 28%, remaining near its highest levels in the past 4 years. The combined rate of time-related underemployment and unemployment climbed to 18.8% from 18.4% while the combined rate of unemployment and potential labor force edged down to 18.9% from 19.3%. We expect growth dynamics to gain some momentum starting in the second half of 2025 after a stagnant period, although we forecast GDP growth for 2025 to be lower than in 2024, at 2.6%. As a result, we expect the high levels of composite measure of labor underutilization to sustain its rising tendency.

Sector and Company News

- **BOSSA** announced its 4Q24 financial results with a net profit of TL76mn. The company had posted a net profit of TL320mn in the same period last year and TL91mn in the previous quarter. During the same period, the company's revenue declined by 13% year-on-year and 2% quarter-on-quarter, reaching TL1.56bn. Due to rising costs in 4Q, the gross profit margin declined by 6.3 percentage points, while the EBITDA margin fell by 7.9 percentage points due to increased operating expenses, reaching 4.8%. Looking at the full year, Bossa recorded a net profit of TL542mn in 2024 (2023 net profit: TL1.66bn).
- **CELHA** announced its 4Q24 financial results with a net profit of TL31mn. The announced net profit contracted by 75% y/y. In the previous quarter, the company had reported a net loss of TL127mn.
- **DOAS (Slightly Positive)** Annual Net Profit Declines Despite Surpassing Expectations. DOAS reported a net profit of TL1,250mn in 4Q24, marking a 74% YoY decrease. This figure exceeded our institution's expectation of TL554mn and the market consensus of TL637mn. The positive contribution of increased volumes and related pricing to operating revenues during the last

quarter played a key role in the net profit surpassing expectations. Additionally, the return to a positive contribution from subsidiaries in the final quarter and the controlled impact of one-off expenses also supported net profitability. Although the net profit for the last quarter showed a significant improvement compared to TL298mn recorded in the previous quarter, it remained weak on a YoY basis. Net sales in 4Q24 reached TL60.2 billion, reflecting an 8% real increase year-on-year and exceeding our expectations. Despite the real growth in revenue, operational performance was affected by increased expenses and higher costs. EBITDA for 4Q24 amounted to TL2,780 million, representing a 33% YoY decline but an 18% increase compared to the previous quarter. While the annual contraction continued, the better-than-expected profitability in the last quarter leads us to interpret the results as slightly positive. We maintain our "HOLD" recommendation for DOAS with a 12-month TP of TL253.00 per share.

- **DOFER** announced its 4Q24 financial results with a net loss of TL27mn. The company had reported a net loss of TL17mn in the previous quarter and a net loss of TL44mn in the same period last year.
- **EGEEN** reported Q4 2024 financial results with a net profit of TL169mn, representing an 11% increase quarter-on-quarter and a 180% increase year-on-year. For the full year 2024, net profit declined by 15% compared to 2023, totaling TL853mn. The reported net profit was impacted by a TL94mn monetary loss. Gross profit stood at TL1.3bn, marking a 26% annual decline, with a gross profit margin of 27%. The company recorded TL205mn EBITDA in Q4, reflecting an 18% quarter-on-quarter decline, with an EBITDA margin of 19.1%. The company achieved a profit margin of 15.7% in Q4, with an asset turnover ratio of 0.13 and a financial leverage ratio of 1.4. Return on equity (ROE) was recorded at 2.8%. Net working capital decreased by 145.9% quarter-on-quarter to TL133mn, while CAPEX expenditures rose by 217.3% to TL102mn.
- **GLCVY** announced its 4Q24 financial results with a net profit of TL325mn. The announced net profit increased by 13% q/q, but contracted by 7% y/y.
- **HATSN** announced its 4Q24 financial results, reporting a net profit of TL4mn. The company had reported a net profit of TL811mn in the previous quarter and a net profit of TL896mn in the same period last year.

- **HLGYO** reported Q4 2024 financial results with a net profit of TL282mn, bringing full-year net profit to TL1.2bn, reflecting a 67% year-on-year decline. During this period, the company increased its equity by 8%, while return on equity (ROE) stood at 4.1%.
- **JANTS** announced its 4Q24 financial results with a net profit of TL29mn. The announced net profit increased by 163% q/q, while the company's revenue contracted by 7%. During 4Q24, the company's net profit margin stood at 2.3%.
- **KORDS (Negative)** posted a net loss of TL826mn in 4Q24, compared to a net profit of TL180mn in 4Q23 and a net loss of TL262mn in the previous quarter. The consensus estimates were for a net profit. The deviation from market estimates was primarily due to pressures on operational profitability, increased provisions for debt, and tax expenses. We interpret the company's 4Q24 financial results as negative.
- **MEGAP** announced its 4Q24 financial results, reporting a net profit of TL376mn. The announced net profit increased by 282% q/q and 477% y/y.
- **SELEC (Positive)** announced its 4Q24 financial results, reporting a net profit of TL1.38bn. Operationally strong results were supported by investment income. However, TL944mn in financial expenses, TL240mn in net monetary loss due to inflation accounting, and TL680mn in tax expenses created pressure on the results.
- **TCKRC** announced its 4Q24 financial results with a net loss of TL55mn. The company had reported a net profit of TL105mn in the previous quarter and a net loss of TL144mn in the same period last year.
- **AKSA** announced that its subsidiary, Epsilon Kompozit, will increase its capital from TL26.5mn to TL326.5mn.
- **ANSGR** announced the initiation of necessary procedures to increase its paid-in capital from TL500mn to TL2bn through a 300% bonus issue.

- **BTCIM** reported that its previously submitted application for an increase in the registered capital ceiling has been approved by the CMB.
- **CVKMD** signed a mineral ore sales contract worth TL66.2mn. The contract value corresponds to 2% of its 12-month revenue.
- **DOHOL** announced that it will release its 4Q24 financial statements on March 4.
- **GSDHO**'s subsidiary, GSD Varlık Yönetimi, announced that it won the auction for two commercial/SME portfolios with a principal value of TL319mn by submitting the highest bid.
- **HTTBT** announced that it signed a distribution agreement with Pegasus for the use of Crane ADS on February 28, 2025.
- **IMASM** signed a contract worth USD2mn. The contract value corresponds to 3% of its 12-month USD-denominated revenue.
- **KFEIN** announced that it has signed a work order worth TL19mn with a telecommunications company for Mobile Access MS services.
- **MIATK** announced that its contract with Nilüfer Municipality has been terminated. Meanwhile, negotiations with the Bursa Metropolitan Municipality Transportation Department for a system installation project are ongoing.
- **PETKM** announced that a supplementary protocol has been signed to revise the Operating Agreement between its subsidiary Petlim Limancılık and SOCAR Aliğa Port Management in line with updated revenue expectations.
- **PGSUS**' 49.4% owned subsidiary, Pegasus Uçuş Eğitim Merkezi A.Ş. (PUEM), was deregistered from the trade registry as of February 27, 2025, following the completion of the liquidation process.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GEDIK		GEDIK	Buyback	84.157	6.85	0.31%
AHGAZ		AHGAZ	Buyback	550.000	19.88	1.80%
LKMNH		LKMNH	Buyback	50.348	18.86	0.51%
MERKO		MERKO	Buyback	303.000	14.10	1.83%
KRVGD		KRVGD	Buyback	100.000	2.13	1.54%

Important Disclosures

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