

Daily View

Good morning. After weak closings in the U.S. and European markets yesterday, futures are distinctly in positive territory this morning. We believe there are three main reasons for this: First, following the weak consumer confidence data released in the U.S. yesterday, expectations for a Fed rate cut have been moved forward by two months. However, we do not expect this shift to be permanent. Second, the approval of the budget plan in the U.S. House of Representatives, which paves the way for tax cuts. A reduction in corporate tax has been one of Donald Trump's most prominent promises ahead of the presidential elections. If this bill becomes law and corporate taxes are lowered, it will significantly support U.S. markets. The third factor is the agreement between Ukraine and the U.S. on the sharing of resources such as rare minerals, oil, and gas. Meanwhile, the weak trend continues in Borsa Istanbul. We do not believe this selling phase has fundamental economic reasons, nor do we expect it to be long-lasting. However, from a technical perspective, there is still some room for further softening below the 200-day exponential moving average. There may be attempts at a rebound today, but unless the BIST 100 index moves back above 9,600, the technical outlook will remain weak. Today's agenda is relatively quiet, with the U.S. market awaiting NVIDIA's earnings report in the evening. Additionally, U.S. GDP data will be released tomorrow, while on Friday, Turkey's GDP figures and the U.S. core personal consumption expenditures data will be in focus. Turkey's 5-year CDS starts the day at 255 basis points.

Macro and Politics

*** According to the results of the February Sectoral Inflation Expectations survey, inflation expectations for the next 12 months among market participants and the real sector continued to decline, albeit at a slower pace compared to January, while household expectations rose for the first time since September.** According to the February survey results, 12-month-ahead annual inflation expectations decreased by 0.1 points to 25.3% for market participants and by 1.9 points to 41.9% for real sector, while increased by 0.4 points to 59.2% for households. It's worth noting that the decrease in inflation expectations across all three economic agents accelerated significantly in January compared to the previous month. In February, the slowdown in the downward trend of inflation expectations among market participants and the real sector, alongside the increase in household expectations, can be attributed to the higher than expected inflation figures for January, which surpassed 5%, as well as the upward revision of the CBT's year-end inflation forecast. The elevated January CPI and the CBT's upward revision of its year-end forecast were largely influenced by the increase in medical examination copayments. Following the retroactive reduction of these copayments, published in the Official Gazette on Sunday, we expect the downward trend in inflation expectations to persist into March. However, it is important to note that while a downward trajectory is observed in both the real sector and household inflation expectations, the current levels still indicate a significantly elevated rate.

Sector and Company News

- **ASELS (Positive)** released 4Q24 net profit of TL8.7bn, exceeding market expectations by 32% (Tacirler Investment: TL6.415bn). Net profit increased 47% YoY in 4Q24, bringing FY24 net profit to TL15.3bn, up 45% YoY. The stronger-than-expected bottom line was supported by new contracts contributing to the total backlog and relatively effective cost management. 4Q24 net sales

amounted to TL55.7bn, in line with market expectations, reflecting a 12% YoY increase. Despite the 12% rise in sales, EBITDA grew 55% YoY to TL14.9bn (Tacirler Yatırım: TL14.7bn). As a result, the company improved its EBITDA margin from 21.8% in 2023 to 25.2% in 2024, reaching TL30.2bn in operational profitability. We view the better-than-expected 4Q24 financial results positively.

Following the 4Q24 results, the company also shared its 2025 guidance. For 2025, ASELS expects over 10% growth in consolidated revenues (2024: +13% in real terms) and an EBITDA margin exceeding 23% (2024: 25.2%). The company closed 2024 with TL20.6bn in capital expenditures and anticipates a similar level for 2025. Our 12-month TP per share for ASELS within our research coverage is TL107.60.

- **BORSK** announced its 4Q24 financial results, reporting a net profit of TL73mn. The announced net profit decreased by 64% QoQ and 50% YoY.
- **EGPRO** announced its 4Q24 financial results, reporting a net profit of TL174mn. The announced net profit declined by 5% QoQ. The limited net monetary loss adjustment due to inflation accounting supported the net profit.
- **HALKB (Slightly Positive)** reported Q4 2024 financial results with a net profit of TL3.88bn, surpassing the market expectation of TL3.65bn. For the full year, net profit rose by 49% year-on-year to TL15.1bn. Q4 net interest income increased by 32% quarter-on-quarter to TL8.7bn. For the full year 2024, interest income grew by 118% year-on-year to TL665bn, while interest expenses surged by 138% to TL626bn. The net profit-to-interest income ratio slightly declined year-on-year to 2.27%. Net fee and commission income stood at TL39bn, while net operating profit grew by 28% year-on-year to TL8.5bn. The net interest income-to-loans ratio was recorded at 2.63% for 2024. On the balance sheet, the bank increased its equity by 19% year-on-year, while return on equity (ROE) stood at 0.58%.
- **LYDYE** announced its 4Q24 financial results, reporting a net profit of TL914mn. The announced net profit was supported by a net income of TL1.23bn from investment activities.

- **HTTBT** announced that it will release its 4Q24 financial results on March 3.
- **HUBVC** decided to increase its paid-in capital by 200%, raising it from TL280mn to TL840mn.
- **INDES** announced that its share buyback program was terminated as of yesterday. Under the program, a total of 38.7 million shares were repurchased at an average price of TL5.66 per share.
- **INVEO** announced that it will release its 4Q24 financial results on February 27.
- **LILAK** announced that its application for an investment incentive certificate, amounting to TL858.3mn, for modernization investments in the production of sanitary papers has been approved.
- **RNPOL** announced that its Felahiye Land Solar Power Plant (GES) project in Kayseri has been completed and has started production, while the Karpuzsekisi GES project is in the acceptance phase. Additionally, the company took over a 3,000 kWe GES plant in Yozgat Yerköy, aiming to further meet its electricity needs. These steps will help the company expand its renewable energy investments and reduce operational costs.
- **SUNTK** announced that it has decided to invest USD250K in Mintgrams Technologies, a US-based software company.
- **TKFEN (Negative)** previously announced that its subsidiary, Tekfen İnşaat, had fully reflected the expected loss from its gas pipeline construction and installation project in Russia in its consolidated financial statements due to various adverse developments and that negotiations for compensation were ongoing. The company had also decided to pursue legal action for a claim worth approximately USD111.5mn. In the hearing held on February 25, the court verbally announced the rejection of the claims. The company stated that after the court issues its reasoned decision, it will appeal the ruling to a higher court.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
MERKO	"	MERKO	Buyback	56.272	13.84	1.18%
GEDİK		GEDİK	Buyback	200.000	6.74	0.28%
AHGAZ		AHGAZ	Buyback	795.406	20.15	1.70%
LKMNH		LKMNH	Buyback	95.000	18.98	0.42%
KRVGD		KRVGD	Buyback	100.000	2.23	1.49%
ORGE		ORGE	Buyback	20.000	74.25	1.26%

Important Disclosures

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