

## Turkcell

Turkcell announced its 4Q25 financial results, posting TL 62,819mn in net sales, TL 25,792mn in EBITDA, and TL 3,594mn in net profit. The reported figures came in around 1% and 5% above market expectations on the revenue and EBITDA lines, respectively, while net profit was approximately 4% below consensus. Overall, the results point to a broadly in-line picture. We view the results as neutral. Accordingly, we maintain our 12-month target price of TL 148 for TCELL, continue to include the stock in our model portfolio, and reiterate our BUY recommendation. Our target price implies a 38% upside potential from the last closing price.

**While the operational outlook remained solid, net profit was affected by base effects and tax items...** Turkcell's 2025 financials indicated that the strong operational trend remained intact, with revenues rising 11% year-on-year to TL 241.5bn and EBITDA increasing 13% year-on-year to TL 104.8bn, while the EBITDA margin improved by 1ppt to 43.4%. In the final quarter as well, revenue and EBITDA coming in above expectations suggest that pricing discipline in the core telecom business and the strategy of migrating subscribers to higher-tier packages remained effective. In 4Q25, mobile ARPU growth stood at 5%, while individual fiber ARPU growth was recorded at 10%. On the other hand, net profit declined 43% year-on-year to TL 17.6bn due to the high base created by the one-off gain from the disposal of Ukrainian assets in 2024, rising tax expenses, and the weakening contribution from monetary gains. Therefore, the decline in net profit was driven by non-operating items rather than the operating business.

**The strong balance sheet provides flexibility ahead of a more investment-intensive period...** As of year-end 2025, cash stood at TL 91.8bn, while financial debt amounted to TL 158.6bn. Company-defined net debt, including financial assets, was calculated at TL 14.9bn. The net debt/EBITDA ratio remaining at a very low level of 0.14x provides the company with an advantage ahead of a period of elevated investment spending. We expect this ratio to gradually approach 1x in 2026 due to license payments and rising capital expenditures.

**On the strategic front, the 5G, data center/cloud story and 2026 guidance support the medium-term outlook...** Turkcell's acquisition of 160 MHz of spectrum rights for USD 1.2bn during 2025, bringing its total spectrum share to around 42%, strengthens its leadership position in mobile ahead of the 5G transition process set to begin on April 1. Meanwhile, the strategic partnership with Google Cloud makes the growth story in data center and cloud services more visible. In 4Q25, digital business services revenues increased 30% year-on-year to TL 7.4bn, while data center and cloud revenues rose 32% year-on-year to TL 1.36bn. On the techfin side, Paycell maintained segment growth with a 41% increase in revenues, while total transaction volume reached TL 51.2bn. For 2026, the company guides for 5%-7% revenue growth, 18%-20% growth in data center and cloud revenues, an EBITDA margin of 40%-42%, and an operating capex-to-sales ratio of around 25%. The share of strategic investment items within total capex is expected to rise to 20% in 2026, with this transformation set to be shaped by investments in data centers, renewable energy, and 5G.

## TCELL

## BUY

**Target Price** TL 148  
**Return potential** 38%

### Share Data

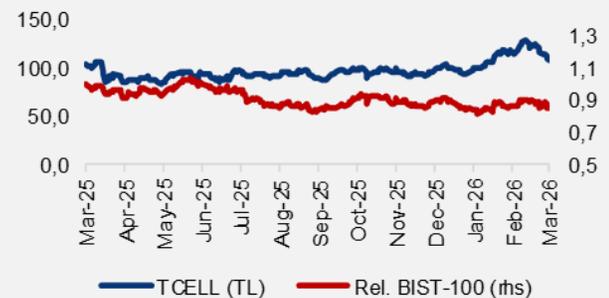
<b>Ticker:</b>	TCELL TI
<b>Share price (as of 06.03.2026)</b>	107,50
<b>Share price (52 week range)</b>	83 / 128
<b>Market cap. (TL mn - USD mn)</b>	236500,0 - 5386,6
<b># of shares (mn) &amp; free float</b>	2.200 - 44%
<b>Foreign Ownership Rate</b>	44,22%
<b>Market</b>	Star
<b>Industry</b>	Telecommunications

<b>Avg. trading volume</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
USD mn	77,7	74,2	67,2

<b>Price performance</b>	<b>1M</b>	<b>3M</b>	<b>Y-t-D</b>
TL	-6%	12%	15%
USD	-7%	8%	13%
Rel. to BIST-100	-1%	-4%	2%

<b>Forecasts (TL mn)</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>
Revenues	218.160	241.471	318.476
EBITDA	92.523	104.867	131.333
Net Earnings	32.127	19.033	18.007

<b>Valuation</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>
P/E	7,4x	12,4x	13,1x
P/BV	1,0x	0,9x	0,9x
EV/EBITDA	3,0x	2,6x	2,1x



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## Financial Statements

<b>Balance Sheet</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>
Cash	90.230	91.828	118.239
Accounts receivables	21.872	23.913	43.627
Inventory	883	898	1.581
Financial investments	9.007	14.159	14.159
Fixed assets	243.341	261.559	313.870
Other non-current assets	85.298	108.216	128.202
<b>Total assets</b>	<b>450.630</b>	<b>500.573</b>	<b>619.679</b>
Short-term financial loans	67.940	35.916	98.728
Accounts payables	29.792	32.614	39.221
Long-term financial loans	68.634	122.733	159.238
Other long-term payables	39.540	49.976	50.476
<b>Non-current liabilities</b>	<b>205.906</b>	<b>241.240</b>	<b>347.662</b>
<b>Shareholders' equity</b>	<b>244.725</b>	<b>259.333</b>	<b>272.017</b>
Paid in Capital	2.200	2.200	2.200
Other Equity	242.525	257.133	269.817
<b>Total liabilities &amp; equity</b>	<b>450.630</b>	<b>500.573</b>	<b>619.679</b>
Net debt	37.337	52.662	125.567
Net working capital	-7.037	-7.803	5.988

### Per share (TL)

EPS	14,60	8,65	8,19
BVPS	111,24	117,88	123,64
DPS	4,35	4,08	4,09

### Ratios

#### Profitability

ROE	13,1%	7,6%	6,8%
Net margin	14,7%	7,9%	5,7%
Asset turnover	0,5x	0,5x	0,6x
Leverage	1,8x	1,9x	2,1x
ROA	7,1%	4,0%	3,2%

#### Leverage

Financial debt/Total assets	30%	32%	42%
Net debt/Equity	0,15	0,20	0,46
Net debt/EBITDA	0,40	0,50	0,96

<b>Income statement</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>
<b>Revenues</b>	<b>218.160</b>	<b>241.471</b>	<b>318.476</b>
Gross profit	53.834	68.346	87.581
Operating expenses	-23.389	-26.829	-35.226
Operating profit	30.446	41.517	52.355
<b>EBITDA</b>	<b>92.523</b>	<b>104.867</b>	<b>131.333</b>
Other income, net	15.921	31.919	27.104
Financial income, net	-25.093	-47.584	-62.103
Earnings before taxes	22.218	32.619	25.271
Tax expense	-6.369	-13.399	-7.076
<b>Net earnings</b>	<b>32.127</b>	<b>19.033</b>	<b>18.007</b>

### Cashflow statement

EBITDA	<b>92.523</b>	<b>104.867</b>	<b>131.333</b>
Taxes on EBIT	-6.369	-13.399	-7.076
Capital expenditures	-64.166	-70.961	-90.766
Chg. in NWC	-2.244	-766	13.791
<b>Free cashflows to firm</b>	<b>24.232</b>	<b>21.274</b>	<b>19.700</b>

### Growth & margins

Revenues	8%	11%	32%
EBITDA	4%	13%	25%
Net earnings	25%	-41%	-5%
Gross margin	24,7%	28,3%	27,5%
Operating margin	14,0%	17,2%	16,4%
EBITDA margin	42,4%	43,4%	41,2%
Net margin	14,7%	7,9%	5,7%
Free cashflow margin	11,1%	8,8%	6,2%

### Valuation

P/E	7,4x	12,4x	13,1x
P/BV	1,0x	0,9x	0,9x
EV/EBITDA	3,0x	2,6x	2,1x

Source: Company Data, Tacirler Investment

\* All figures are stated in millions of TL unless otherwise stated.

## Important Disclosures

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