TACİRLER YATIRIM

TAV Airports

We view TAV Airports' 2Q26 results positively overall, supported by growth in revenue and EBITDA as well as net income exceeding expectations. The company reported net income of TRY 3,518 million in 2Q26, above both our estimate of TRY 1.4 billion and the market consensus of TRY 1.7 billion. Revenue increased by 37% YoY to TRY 26.7 billion, while both revenue and EBITDA grew by 14% YoY in EUR terms. The better-than-expected net income was driven by operating performance coming in slightly above our forecast, TAV Antalya returning to a positive contribution, a decline in losses from equity-accounted investments, lower FX translation expenses and deferred tax income. On the other hand, the downward revisions to passenger traffic and EBITDA guidance partially limit the positive impact of the results. In a period of heightened geopolitical risks, effective cost management and resilient operating performance stand out. Accordingly, we maintain our 12-month target price of TRY 430 per share and our BUY recommendation for TAV Airports.

Revenue growth was supported by contributions from different business lines. The company's revenue increased by 14% YoY in EUR terms to EUR 506.7 million in 2Q26. Aviation revenue rose by 20%, food and beverage revenue by 22%, lounge revenue by 14% and ground handling revenue by 6%. On an operational basis, Almaty's revenue increased by 30%, supported by international traffic and tariff hikes, while Ankara's revenue grew by 25% on the back of passenger growth and the new concession terms, and BTA's revenue rose by 18% with the contribution of new operations in Antalya. The gradual opening of new commercial areas and stores in Antalya supported food and beverage and duty-free revenue per passenger, while contributions from different revenue streams enabled total revenue growth to outpace traffic growth.

The divergence between domestic and international passenger traffic continued. Total passenger traffic increased by 1% YoY to 48.2 million in the first half, with domestic passengers rising by 5% while international passengers declined by 1%. Weakness in Antalya and Georgia weighed on overall traffic, whereas Ankara, Izmir and North Macedonia delivered strong performances.

Management revised its 2026 guidance downward in line with the weaker traffic outlook. Total passenger guidance was lowered from 116–123 million to 112–118 million, international passenger guidance from 78–83 million to 72–77 million and EBITDA guidance from EUR 590–650 million to EUR 580–630 million. In contrast, the decision to maintain revenue guidance at EUR 1.88–1.98 billion indicates that tariff increases and non-aviation revenues are expected to largely offset the weakness in passenger traffic. Capex guidance was also revised down from below EUR 330 million to below EUR 300 million.

TAVHL	BUY
Target Price	TL 430
Return potential	60%

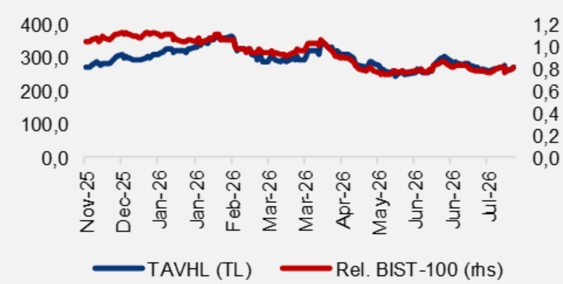
Share Data	
Ticker:	TAVHL
Share price (as of 28.07.2026)	268,00
Share price (52 week range)	220 / 364
Market cap. (TL mn - USD mn)	97.359 - 2.059
# of shares (mn) & free float	363 - 48%
Foreign Ownership Rate	47.07%
Market	Star
Industry	Aviation

Avg. trading volume	1M	3M	12M
USD mn	18,2	22,1	20,1

Price performance	1M	3M	Y-t-D
TL	-5%	-5%	-10%
USD	-7%	-10%	-18%
Rel. to BIST-100	-1%	-1%	-26%

Forecasts (TL mn)	2024	2025	2026
Revenues	59.211	82.151	105.470
EBITDA	16.791	25.289	31.916
Net Earnings	6.558	2.816	6.451

Valuation	2024	2025	2026
P/E	14,8x	34,6x	15,1x
P/BV	1,6x	1,2x	1,1x
EV/EBITDA	5,8x	4,3x	3,5x



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Projections

Balance Sheet	2024	2025	2026E
Cash	12.952	24.002	20.193
Accounts receivables	5.022	7.742	10.316
Inventory	1.643	2.861	3.919
Financial investments	5.656	5.048	5.408
Fixed assets	90.006	135.392	156.034
Other non-current assets	63.373	77.057	92.785
Total assets	**178.652**	**252.102**	**288.655**
Short-term financial loans	16.967	22.335	26.887
Accounts payables	3.489	4.855	5.094
Long-term financial loans	50.936	68.132	96.023
Other long-term payables	48.200	77.206	72.737
Non-current liabilities	**119.592**	**172.528**	**200.742**
Shareholders' equity	**59.060**	**79.575**	**87.913**
Paid in Capital	363	363	363
Other Equity	58.696	79.211	87.550
Total liabilities & equity	**178.652**	**252.102**	**288.655**
Net debt	54.951	66.465	102.717
Net working capital	3.176	5.748	9.140

Income statement	2024	2025	2026E
Revenues	**59.211**	**82.151**	**105.470**
Gross profit	21.486	33.127	39.722
Operating expenses	-12.087	-16.797	-19.473
Operating profit	9.399	16.330	20.248
EBITDA	**16.791**	**25.289**	**31.916**
Other income, net	974	389	475
Financial income, net	-6.042	-10.435	-12.165
Investment income, net	2.084	2.339	2.218
Income from Equity pick-up	2.178	-2.438	-1.644
Earnings before taxes	8.594	6.186	9.133
Tax expense	-1.531	-2.635	-1.850
Net earnings	**6.558**	**2.816**	**6.451**

Cashflow statement			
EBITDA	**16.791**	**25.289**	**31.916**
Taxes on EBIT	-26	-43	-54
Capital expenditures	-212	-250	-206
Chg. in NWC	29	13	52
Free cashflows to firm	**138**	**167**	**253**

Per share (EUR)			
EPS	18,05	7,75	17,76
BVPS	162,57	219,04	242,00
DPS	1,44	0,35	3,64

Growth & margins			
Revenues	72%	39%	28%
EBITDA	65%	51%	26%
Net earnings	-13%	-57%	129%
Gross margin	36,3%	40,3%	37,7%
Operating margin	15,9%	19,9%	19,2%
EBITDA margin	28,4%	30,8%	30,3%
Net margin	11,1%	3,4%	6,1%
Free cashflow margin	0,2%	0,2%	0,2%

Ratios			
Profitability			
ROE	12,5%	4,1%	7,7%
Net margin	11,1%	3,4%	6,1%
Asset turnover	0,4x	0,4x	0,4x
Leverage	3,2x	3,1x	3,2x
ROA	3,9%	1,3%	2,4%
Leverage			
Financial debt/Total assets	38%	36%	43%
Net debt/Equity	0,93	0,84	1,17
Net debt/EBITDA	3,27	2,63	3,22

Valuation			
P/E	14,8x	34,6x	15,1x
P/BV	1,6x	1,2x	1,1x
EV/EBITDA	5,8x	4,3x	3,5x

Source: Company Data, Tacirler Investment

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

Important Disclosures

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