

TAV Airports

We view TAV Airports' 3Q26 financial results as broadly positive, supported by an improvement in the EBITDA margin and stronger-than-expected net profit. The company reported a net profit of TRY 9,087 million, exceeding both our estimate of TRY 6.8 billion and the market consensus of TRY 7.3 billion. Revenues increased by 5% YoY in EUR terms to EUR 593.8 million, while rising by 21% YoY in TRY terms to TRY 32.6 billion. Although revenues came in 2.5% below our estimate, EBITDA exceeded our forecast by 7.7%, with the EBITDA margin improving by 2.3 percentage points YoY to 43.1%. Strong operational profitability was accompanied by lower net financial expenses and an improved contribution from associates, further supporting the bottom-line performance. On the other hand, revenue growth falling slightly short of our expectations and the company maintaining its cautious year-end guidance somewhat temper the positive impact of the strong profitability. Nevertheless, the diversified revenue structure, improving operating margins, and strengthening cash generation continue to underpin our positive view on the company. Against this backdrop, based on our updated estimates, we maintain our 12-month target price of TRY 430 per share and our BUY recommendation for TAV Airports.

Revenue diversification and a balanced cost structure supported margins. In the third quarter, food and beverage revenues increased by 17%, ground handling revenues by 10%, and duty-free commissions by 13% in EUR terms. Revenue growth of 16% at BTA, 9% at Havaş, and 19% at Ankara offset the 11% contraction at Almaty, which was driven by weaker fuel sales volumes. At Antalya, non-aeronautical revenues strengthened, supported by the expansion of commercial areas, while the 15% increase in personnel expenses was offset by lower fuel costs and other operating expenses. As a result, cash operating expenses remained broadly flat, while EBITDA grew by 11% in EUR terms, outpacing revenue growth.

We expect operational growth to continue under our updated forecasts. For 2026, we forecast revenues of TRY 104.7 billion, EBITDA of TRY 32.9 billion, and net profit attributable to the parent company of TRY 8.4 billion. Our 2027 estimates stand at TRY 135.3 billion, TRY 42.2 billion, and TRY 10.3 billion, respectively. We project EBITDA margins of 31.4% in 2026 and 31.2% in 2027, expecting revenue diversification and tariff adjustments to support growth, while financing costs and contributions from associates are likely to remain key determinants of bottom-line profitability.

TAVHL

BUY

Target Price

TL 430

Return potential

50%

Share Data

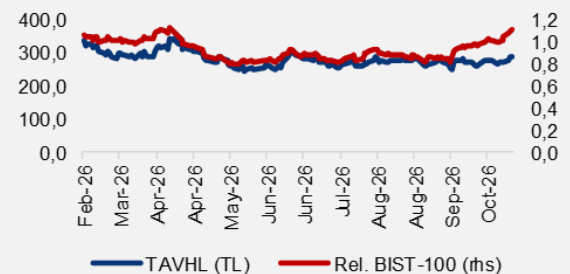
Ticker:	TAVHL
Share price (as of 21.10.2026)	287,00
Share price (52 week range)	233 / 362
Market cap. (TL mn - USD mn)	104.262 - 2.106
# of shares (mn) & free float	363 - 48%
Foreign Ownership Rate	40.89%
Market	Star
Industry	Aviation

Avg. trading volume	1M	3M	12M
USD mn	17,1	19,7	20,3

Price performance	1M	3M	Y-t-D
TL	3%	7%	-3%
USD	2%	2%	-16%
Rel. to BIST-100	19%	29%	-5%

Forecasts (TL mn)	2024	2025	2026E
Revenues	59.211	82.151	104.669
EBITDA	16.791	25.289	32.882
Net Earnings	6.558	2.816	8.408

Valuation	2024	2025	2026E
P/E	15,9x	37,0x	12,4x
P/BV	1,8x	1,3x	1,1x
EV/EBITDA	5,6x	4,4x	3,6x



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Projections

Balance Sheet	2024	2025	2026E
Cash	12.952	24.002	33.022
Accounts receivables	5.022	7.742	10.316
Inventory	1.643	2.861	3.451
Financial investments	5.656	5.048	6.592
Fixed assets	90.006	135.392	155.886
Other non-current assets	63.373	77.057	94.515
Total assets	178.652	252.102	303.781
Short-term financial loans	16.967	22.335	28.769
Accounts payables	3.489	4.855	4.486
Long-term financial loans	50.936	68.132	104.092
Other long-term payables	48.200	77.206	71.430
Non-current liabilities	119.592	172.528	208.777
Shareholders' equity	59.060	79.575	95.005
Paid in Capital	363	363	363
Other Equity	58.696	79.211	94.641
Total liabilities & equity	178.652	252.102	303.781
Net debt	54.951	66.465	99.839
Net working capital	3.176	5.748	9.280

Per share (EUR)

EPS	18,05	7,75	23,15
BVPS	162,57	219,04	261,52
DPS	1,44	0,35	0,39

Ratios

Profitability

ROE	12,5%	4,1%	9,6%
Net margin	11,1%	3,4%	8,0%
Asset turnover	0,4x	0,4x	0,4x
Leverage	3,2x	3,1x	3,2x
ROA	3,9%	1,3%	3,0%

Leverage

Financial debt/Total assets	38%	36%	44%
Net debt/Equity	0,93	0,84	1,05
Net debt/EBITDA	3,27	2,63	3,04

Income statement	2024	2025	2026E
Revenues	59.211	82.151	104.669
Gross profit	21.486	33.127	40.888
Operating expenses	-12.087	-16.797	-19.879
Operating profit	9.399	16.330	21.009
EBITDA	16.791	25.289	32.882
Other income, net	974	389	545
Financial income, net	-6.042	-10.435	-10.717
Investment income, net	2.084	2.339	1.909
Income from Equity pick-up	2.178	-2.438	-1.679
Earnings before taxes	8.594	6.186	11.066
Tax expense	-1.531	-2.635	-1.584
Net earnings	6.558	2.816	8.408

Cashflow statement

EBITDA	16.791	25.289	32.882
Taxes on EBIT	-26	-43	-54
Capital expenditures	-212	-250	-206
Chg. in NWC	29	13	52
Free cashflows to firm	138	167	253

Growth & margins

Revenues	72%	39%	27%
EBITDA	65%	51%	30%
Net earnings	-13%	-57%	199%
Gross margin	36,3%	40,3%	39,1%
Operating margin	15,9%	19,9%	20,1%
EBITDA margin	28,4%	30,8%	31,4%
Net margin	11,1%	3,4%	8,0%
Free cashflow margin	0,2%	0,2%	0,2%

Valuation

P/E	15,9x	37,0x	12,4x
P/BV	1,8x	1,3x	1,1x
EV/EBITDA	5,6x	4,4x	3,6x

Source: Company Data, Tacirler Investment

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

Important Disclosures

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