Financial Analysis – 3Q25
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Tav Airports

TAV Airports delivered a strong operational performance in the third quarter of the year. Revenue growth was driven by increased passenger traffic and the high season, while effective cost management supported a significant recovery in profitability. With third-quarter net income exceeding our expectations and margins showing improvement, we view the 3Q25 results as positive. Following the strong summer season, we raise our 12-month target price for TAVHL shares from TL360.00 to TL385.00. We believe the company's ongoing capacity expansion investments continue to support its long-term growth potential, and we maintain our "Buy" recommendation, keeping TAVHL in our model portfolio.

Traffic growth supported revenue expansion. The company reported a net profit of TL5,954 million in 3Q25, which was 18% above both our estimate and the market consensus of TL5,043 million. Net profit increased 56% year-on-year, marking a return to profitability after posting a net loss of TL192 million in the previous quarter. Driven by the summer season, the strong passenger traffic, higher share of international routes, and improvement in unit revenues supported both top-line growth and profitability performance.

Operational performance was in line with expectations but showed a clear recovery trend. TAV Airports increased its revenues by 47% YoY in nominal terms to TL26.9 billion in 3Q25. The strong tourism season, the contribution from the new Ankara concession, BTA's Antalya operations, and new commercial areas in Almaty supported the company's top-line growth. Thanks to effective cost management, the increase in cash operating expenses remained below revenue growth, leading to a 65% YoY rise in EBITDA to TL11 billion. As a result, the EBITDA margin improved to 40.8% (3Q24: 38.6%, 2Q25: 32.5%). This margin expansion reflects the strong operating leverage and signals a solid operational momentum consistent with the company's 2025 targets.

Growth potential remains intact in the revised guidance. TAV Airports maintained its 2025 targets for revenue (EUR 1.75–1.85 billion), passenger traffic (110–120 million), international passengers (75–83 million), and EBITDA (EUR 520–590 million), while raising its CAPEX guidance from EUR 140–160 million to EUR 220–240 million. The company attributed this increase primarily to the acceleration of the Almaty Airport investment program. Despite the higher investment plan, the net debt/EBITDA ratio was kept unchanged at 2.5–3.0x, highlighting that the company continues to maintain balance sheet discipline.

Net profit came in above expectations. TAV Airports reported a net profit of EUR 125 million in 3Q25, marking a 21% year-on-year increase. The improvement in operational performance and the decline in non-cash tax expenses compared to the second quarter supported the bottom line. Over the first nine months of the year, the company recorded a total of EUR 103 million in non-cash items, mainly stemming from deferred tax, foreign exchange differences, and interest rate swaps.

Rating	BUY
Target Price	TL 385
Return potential	53%

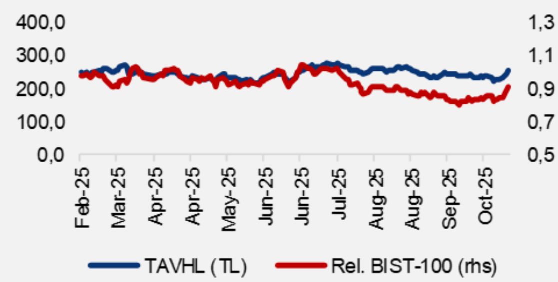
Share Data	
Ticker:	TAVHL
Share price (as of 23.10.2025)	251,50
Share price (52 week range)	215 / 292
Market cap. (TL mn - USD mn)	91.365 - 2.180
# of shares (mn) & free float	363 - 48%
Foreign Ownership Rate	50.29%
Market	Star
Industry	Aviation

Avg. trading volume	1M	3M	12M
USD mn	13,9	15,2	17,6

Price performance	1M	3M	Y-t-D
TL	4%	-5%	-8%
USD	3%	-8%	-23%
Rel. to BIST-100	11%	-5%	-15%

Forecasts (TL mn)	2023	2024	2025E
Revenues	1.339	1.668	1.830
EBITDA	396	473	573
Net Earnings	293	185	70

Valuation	2023	2024	2025E
P/E	6,4x	10,2x	26,9x
P/BV	1,3x	1,2x	1,1x
EV/EBITDA	1,4x	1,1x	0,9x



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Valuation

We value TAV Airports using the discounted cash flow (DCF) method, with our forecasts denominated in the company's functional currency, euro (EUR). Based on this approach, we calculate a 12-month target price of EUR6.83 per share. Using our average EUR/TRY exchange rate estimate of 56,38 for the next 12 months, this corresponds to a target price of TL385.00 per share.

Our target price implies a 54% upside potential. In our model, we forecast TAV's revenue to grow at an average annual rate of 6.1% over the valuation period (2025E–2034E), with an average EBITDA margin of 28.2%.

The valuation model assumes a 2% terminal growth rate, 5.2% equity risk premium, 5.5% market risk premium, and a beta of 0.94 for the stock. We discount TAV's free cash flows over the 10-year projection period using a 11.03% WACC. In our model, approximately 57% of the firm value is derived from the present value of projected cash flows, with the remaining portion coming from the terminal value.

(mln EUR)	2024	2025T	2026T	2027T	2028T	2029T	2030T	2031T	2032T	2033T	2034T
Revenues	**1.668**	**1.830**	**1.996**	**2.157**	**2.313**	**2.463**	**2.602**	**2.728**	**2.839**	**2.929**	**3.003**
Growth%	24,6%	9,8%	9,1%	8,1%	7,3%	6,5%	5,7%	4,9%	4,1%	3,2%	2,6%
EBITDA	**491**	**573**	**608**	**636**	**659**	**685**	**713**	**740**	**762**	**780**	**801**
Growth%	21,1%	16,6%	6,1%	4,6%	3,8%	3,9%	4,1%	3,7%	3,0%	2,4%	2,7%
EBITDA Margin	29,5%	31,3%	30,5%	29,5%	28,5%	27,8%	27,4%	27,1%	26,8%	26,6%	26,7%
Taxes paid on EBIT	-43	-77	-57	-69	-71	-77	-81	-84	-86	-87	-89
CAPEX	-250	-196	-218	-237	-255	-273	-285	-297	-306	-313	-321
Change in Net Working Capital	14	-58	26	28	25	24	24	25	26	26	23
Free cash flow from operations	**185**	**359**	**307**	**302**	**308**	**311**	**323**	**334**	**344**	**355**	**369**
FCFF Margin	11,1%	19,6%	15,4%	14,0%	13,3%	12,6%	12,4%	12,2%	12,1%	12,1%	12,3%
WACC		11,4%	11,3%	11,1%	11,0%	10,9%	10,9%	10,9%	10,9%	10,9%	10,9%
DFC		**322**	**248**	**220**	**203**	**185**	**173**	**162**	**151**	**140**	**131**

Terminal growth rate	2%
Terminal Value	4.145
PV of Terminal Value	**1.472**
PV of FCFF	1.935
Enterprise Value	**3.406**
Latest Net Debt	1.223
Equity Value	**2.183**
# of shares outstanding (mn)	363
Fair Value per share EUR (12-mth fwd)	**6,83**
Current share price EUR	5,18
Fair Value per share TL (12-mth fwd)	**385,00**
Current share price TL	251,50
Upside / (Downside)	**53%**

Source: Tacirler Investment

Projections

Balance Sheet	2023	2024	2025E
Cash	539	353	355
Accounts receivables	121	137	157
Inventory	34	45	46
Financial investments	181	154	169
Fixed assets	2.273	2.450	2.937
Other non-current assets	1.606	1.725	1.622
Total assets	**4.753**	**4.863**	**5.288**
Short-term financial loans	532	462	466
Accounts payables	72	95	105
Long-term financial loans	1.254	1.387	1.520
Other long-term payables	1.483	1.312	1.561
Non-current liabilities	**3.342**	**3.255**	**3.651**
Shareholders' equity	**1.411**	**1.608**	**1.636**
Paid in Capital	11	10	7
Other Equity	1.400	1.598	1.629
Total liabilities & equity	**4.753**	**4.863**	**5.288**
Net debt	1.248	1.496	1.630
Net working capital	82	86	98

Per share (EUR)			
EPS	0,81	0,51	0,19
BVPS	3,88	4,43	4,50
DPS	0,00	0,00	0,00

Ratios			
Profitability			
ROE	22,7%	12,2%	4,3%
Net margin	21,9%	11,1%	3,8%
Asset turnover	0,3x	0,3x	0,4x
Leverage	3,5x	3,2x	3,1x
ROA	6,5%	3,8%	1,4%
Leverage			
Financial debt/Total assets	38%	38%	38%
Net debt/Equity	0,88	0,93	1,00
Net debt/EBITDA	3,15	3,16	2,84

Income statement	2023	2024	2025E
Revenues	**1.339**	**1.668**	**1.830**
Gross profit	517	605	686
Operating expenses	-263	-340	-359
Operating profit	253	265	326
EBITDA	**396**	**473**	**573**
Other income, net	0	27	5
Financial income, net	-134	-170	-200
Earnings before taxes	329	242	166
Tax expense	-26	-43	-79
Net earnings	**293**	**185**	**70**

Cashflow statement			
EBITDA	**396**	**473**	**573**
Taxes on EBIT	-26	-43	-77
Capital expenditures	-212	-250	-196
Chg. in NWC	35	14	-58
Free cashflows to firm	**132**	**185**	**359**

Growth & margins			
Revenues	27%	25%	10%
EBITDA	25%	19%	21%
Net earnings	168%	-37%	-62%
Gross margin	38,6%	36,3%	37,5%
Operating margin	18,9%	15,9%	17,8%
EBITDA margin	29,6%	28,4%	31,3%
Net margin	21,9%	11,1%	3,8%
Free cashflow margin	9,9%	11,1%	19,6%

Valuation			
P/E	6,4x	10,2x	26,9x
P/BV	1,3x	1,2x	1,1x
EV/EBITDA	1,4x	1,1x	0,9x

Source: Company Data, Tacirler Investment

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

Important Disclosures

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