2025 OUTLOOK
'ANOTHER YEAR of RIDDLES'

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Another year of riddles

We are having a tough start to 2025 in the shadow of many uncertainties
In a summary,

i) US: Global economic and political consequences of the policies to be followed in the US during the Trump era are far from being measurable, and this may put the valuations under pressure which are still optimistic in our view. Monetary policies of Fed, which have narrowed room for further easening, might be balanced with the expected easening steps in financial policies in US. Also, relations of USA to the rest will be the most important market topic of 2025. Interest in new technologies such as blockchain infrastructures, artificial intelligence, etc. will continue to increase in 2025.

ii) In Europe, budget and foreign policy uncertainties that have reached a political impasse, especially in Germany and France, the leading countries of the region, will be monitored closely. In addition, relations with Russia and support for growth will be closely watched.

iii) Asia: The unexpected decline in stability of South Korea, a model country in Asia for many years, and the implications of this for the ongoing process will be discussed. As the country continues to develop, if preferences for reducing its weight of around 10% in global emerging markets portfolios gain traction, this could have a positive impact on other developing assets. In China, the impact of the fiscal incentives introduced in 2024 on economic growth and financial stability is being closely monitored, with expectations that these incentives will be maintained in 2025.

iv) Middle East: We are starting 2025 with an agenda in which the deep-rooted problems awaiting solutions in the Middle East continue to diversify. The restructuring process of Syria, which includes risks of disintegration, Israel's operations in the region and the policies to be followed by surrounding countries, and the extent to which commodity prices, especially energy and precious metals, will be affected by the developments in the region will be followed by the markets.

v) In Türkiye, in addition to monitoring the historical processes taking place in our nearby geography, we will be keeping a close eye on the early election discussions, the ongoing disinflation process in parallel with the new constitutional debates, the decelerating growth performance, and the effects of the expected steps in both monetary and fiscal policies in 2025.

In terms of markets, 2025 begins with a positive outlook on the attractive potential offered by stock market valuations, despite the prevailing uncertainties and risks. While double-digit return expectations continue for US and European stock market indices in terms of dollars, euros, or sterling, real returns are still expected on the stock markets in Asia, with potentials of 10-25% on the basis of local currencies.

At Borsa Istanbul, our BIST 100 index target, which we calculated inductively based on company-based valuations, points to 13,900. It should be noted that this target is sensitive to the path of rate cuts from the CBRT. A series of rapid cuts would affect market rates and growth, which could carry our index target around 15.000.

in 2025, may your bow be clear, your rudder be steady,
and the wind be at your ease !

Global Outlook

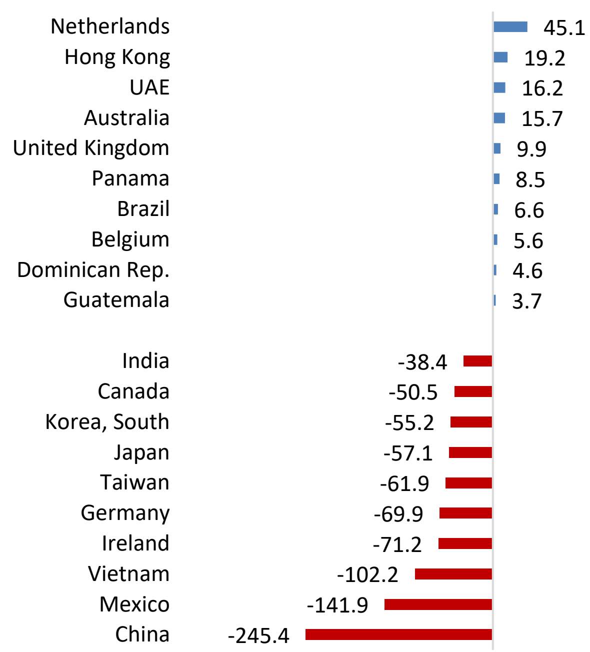
Global Outlook

Trump 2.0 era in the USA

Global economies are starting 2025 with growing concerns about another round of tariff-driven trade wars in the wake of the US election victory in which Trump and the Republicans won the presidency and control of Congress. The countries at the bottom of the chart on the right, where the USA has a high foreign trade deficit, will be the first candidates exposed to this war. While restrictions on products and services imported from these countries, especially China, will create a more inward-looking economy in the USA, while the supply shortages that may occur in the first place will have inflationary consequences. In addition, other countries that supply intermediate products from countries with which the USA is in direct conflict may experience deterioration in their trade relations with the USA and contractions in their trade volumes. The policies expected to be followed during the Trump era in the USA, which is the world's i) largest economy, ii) largest consumer and iii) most important customer, will have significant effects on global trade balances.

In the period known as "**Trumponomics**," which refers to the economic policies likely to be followed during Trump's second presidency, it is anticipated that monetary policies will be less accommodating and fiscal policies will be more expansionary as inflationary pressures increase in the USA. It remains to be seen how the Federal Reserve's reluctance to implement monetary policies to bolster employment and growth will impact the U.S. economy, which represents one-quarter of the global economic landscape. Additionally, it will be interesting to observe how the Trump administration will navigate the potential challenges posed by these economic dynamics.

USA, foreign trade balances by countries (top / bottom 10, first 10 months of 2024, bln$)



Source: census.org

While rate cut expectations from the Fed are decreasing, the expectation of a decrease in the tax burden on corporations is pushing up company valuations and targets for US stock market indices***. For this reason, despite the intense concerns about the Trump 2.0 era, the recently updated forecasts for Wall Street indices show that expectations for double-digit returns in dollar terms have increased; We see that targets for record levels of 7,000 and above for 2025 are frequently shared for the S&P 500 index, which is about to complete 2024 with just over 6,000.***

The potential impact of the Trump era on the money and commodity markets, in a nutshell, may increase the upward pressure on the dollar, which represents almost 60% of the global reserve base, and therefore the risks to emerging market assets and currencies may become more evident. Finally, as Trump officially takes over the administration on January 20, uncertainty factors may start to be priced in more. In this case, **valuation multiples above historical averages, which have been ignored for some time, will become more visible and their continuity will be questioned. While we do not expect this questioning to lead to strong selling pressure in US equity markets, we will see some days where investors' patience will be tested as to when US corporate taxes will be cut and to what extent this will support valuations.**

From a sector perspective, technology, electric vehicles and related sub-industries, commercial activities for domestic consumption, logistics, retail, financial services that support spending through cards or other facilities, traditional energy producers, and media companies could be winners in the Trump 2.0 era. In addition, in a more closed economy, U.S. small and mid-cap companies could benefit. As a result, the Russell 2000 index, which represents the last 8% of the Russell 3000, the broad index of the US stock market, could outperform the major US indices such as the S&P 500 and the Dow Jones Industrial Average.

Global Outlook

Winter can last long in Europe

For Europe, it seems that the Trump 2.0 era will come by some difficulties. We are in the verge of a period in which European companies may face some obstacles in supplying products from China in the 2025 - 2028 period, when more restrictive policies are expected to be implemented against the global circulation of Chinese products compared to the 2017 - 2021 period. In addition, in Europe, which is still experiencing difficulties in energy imports from Russia, the increasing political uncertainties in Germany and France, the leading countries of the region, will also have a negative impact on the performance of the regional economies.

While growth expectations for European economies have generally been revised downwards, we believe that the European Central Bank has a more favourable room for action and a greater scope for easing than the Federal Reserve, supported by low inflation. However, we are cautious about the extent to which this situation will support European stock markets. Although European stock markets have more reasonable rates based on multipliers, the valuation-based potential returns are higher than those of US stock markets. Nevertheless, a year of serious obstacles is awaiting markets to unlock this potential.

In terms of figures, the 12-month target index values we received from Bloomberg indicate that potential returns are predicted to be approximately 15% for the German DAX index and around 17% for the CAC 40, the FTSE 100, and the Euro Stoxx 50 index.

Another risk that we think has not yet been included in these valuations is global climate change, sustainability, etc. in Europe. The high budgets allocated to these areas are likely to increase during the Trump 2.0 period. The increase in such non-profit or efficiency-oriented (or partial) expenses may also stand out as another factor that may put some pressure on company valuations.

Risks and opportunities coexist in Asia

The most significant shift in thinking that will define 2025 is the resurgence of trade tensions between the United States and China. However, this situation is not perceived as a significant direct pressure on China. Given that China has already achieved relatively low growth rates in light of its population growth, demographic change, urbanization rate, and increasing social needs, there has been a long-standing focus on inward-looking incentives and efforts to revitalize the economy. While the announced incentives may not have a significant immediate impact, we anticipate that the combined effect of these measures, spanning various sectors including consumption, financial relief, commodity producers, and real estate debt reduction, will provide a substantial boost to growth in 2025. The total size of these incentives is estimated to be approximately 2 trillion dollars. In examining the outlook for other Asian economies, we anticipate that the Trump 2.0 era may offer opportunities for Taiwan, Singapore, Australia, the Philippines, Indonesia, and Malaysia to emerge as alternative producers of Chinese products. Japan, which is entering a period of monetary tightening, may experience a period of weakness as it transitions away from a market economy driven by the US.

Emerging markets will decouple

Increasing risks on the global economic outlook in 2025, the increase in the strong dollar theme and the expectation that the Fed may remain more reluctant to reduce interest rates point to an unpleasant period for developing economies. However, expectations of an end to regional wars could give Central and Eastern Europe a breath of fresh air and increase the regional and global integration of the economies of Hungary, Romania, Belarus, Ukraine and Russia.

We think that the restructuring process of North African countries will continue in 2025, and that the ongoing reforms in South Africa will increase the share of global funds in the country by supporting the growth potential and rating increase expectations.

In the Central and Latin America region, Argentina, which is in the process of leaving long-term economic difficulties behind, and Mexico, which is on its way to overcoming social stagnation, will be the focus of investors in 2025. However, let us also remind you that Mexico is more vulnerable to the tariff-oriented policies to be followed in the USA.

Macro Outlook

Macro Outlook

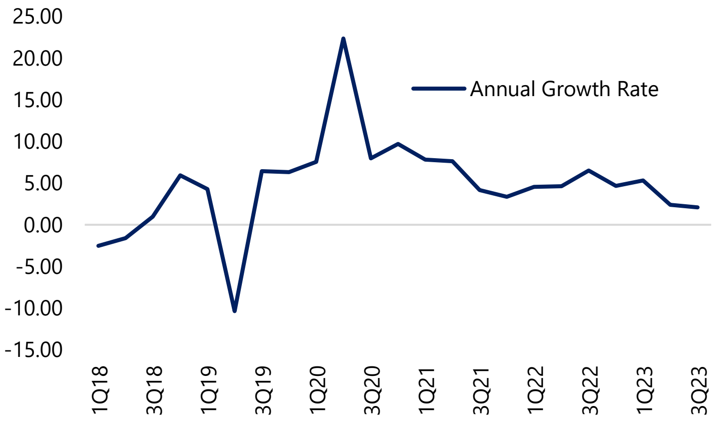
Economic Growth

We expect annual growth to gain some momentum starting in the second quarter of 2025, following a relatively subdued period. Since the adoption of tight monetary policy, supply-side pressures have persisted, while the demand-side inertia continues due to factors such as (i) distorted pricing behavior, (ii) worsening income distribution, (iii) the wealth effect of high interest rates, and (iv) sustained front-loaded demand driven by elevated inflation expectations. Addressing the perceptions of economic agents, who have endured prolonged high inflation and adjusted their pricing behavior accordingly remains a major challenge in the battle against inflation. The recent data exhibited a palpable slowdown in the economy, yet we believe the cooling is not yet sufficient to sustain the disinflation to the desired extent.

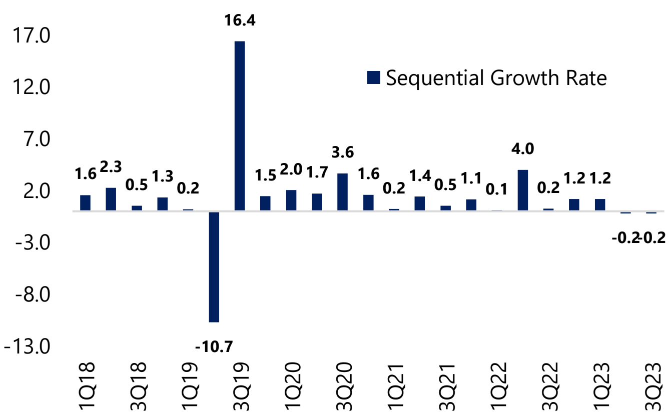
Scrutinizing the latest signal from leading indicators: Istanbul Chamber of Industry (ICI) Türkiye Manufacturing PMI increased from 45.8 in November to 48.3, albeit remaining below the 50-threshold for the eighth consecutive month, thereby signaling ongoing contraction. Meanwhile, Bloomberg HT Consumer Confidence Index rose by 4.9% m/m in November, reaching 72, indicating a sustained increase in consumption trends. Moreover, the seasonally adjusted Real Sector Confidence Index (RSCI) also ameliorated, rising from 102.2 to 103.4 in November, marking the highest level since April. Additionally, we observed moderate rises in credit card spending and loan activity.

In 3Q24, the Turkish economy contracted by 0.2% on a sequential basis, with the 2Q24 q/q data also revised downward to a 0.2% decline, signifying a technical recession. While we currently lack sufficient data, the leading indicators so far suggest a slightly more optimistic activity outlook for the last quarter compared to the previous one. Although the rising propensity to consume in the final months of the year plays a crucial role, we believe that front-loaded demand amid a decelerating disinflation process is the driving force behind the relatively vivid activity signals for the latest quarter. Accordingly, the evident rise in consumption in recent months raises the likelihood of positive quarterly growth in 4Q24. Nonetheless, we anticipate that stringent financial conditions will place additional strain on the industrial sector, with annual GDP growth expected to decelerate further over the next two quarters.

GDP Growth Rate(%)



Source: TURKSTAT, Tacirler Investment



Source: TURKSTAT, Tacirler Investment

Correspondingly, we project GDP growth to conclude 2024 at around 2.9%, with a further slowdown to 2.6% by the end of 2025. Based on the CBRT's output gap estimates, we expect the lagged impacts of tight monetary policy to continue to be felt until 2Q25. However, in the second half of 2025, we anticipate a modest rebound in activity, driven by easing inflation and the delayed impact of imminent rate cuts. Accordingly, growth, which we expect to decelerate to 2.9% in 2024, is projected in our baseline scenario to show a pronounced divergence between the first and second halves of 2025, ultimately closing the year at a subdued 2.6%, indicating a further decline from the previous year. Our forecasts are based on the assumptions that there will be no significant easing in financial conditions after the onset of rate cuts, that monetary and fiscal policies will be coordinated, and that the relatively weak performance in industrial sector activity will remain influential for a longer period.

Macro Outlook

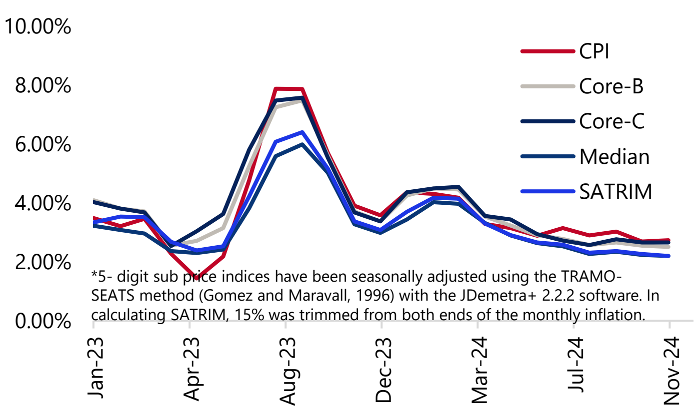
Price Dynamics

We anticipate that 2025 will pose greater challenges in combating inflation compared to 2024. Starting at 65% in 2024, the annual CPI peaked at 75% in May before declining during the summer months. Due to a favorable base effect of nearly 20ppts in the summer, the CPI fell below 50% by September, and we expect it to end the year slightly above 45%. It is important to note that the underlying trend in monthly inflation has not yet aligned with the Central Bank's (CBRT) target of slightly below 1.5% for 4Q24. We believe that achieving this target in the coming year remains unlikely.

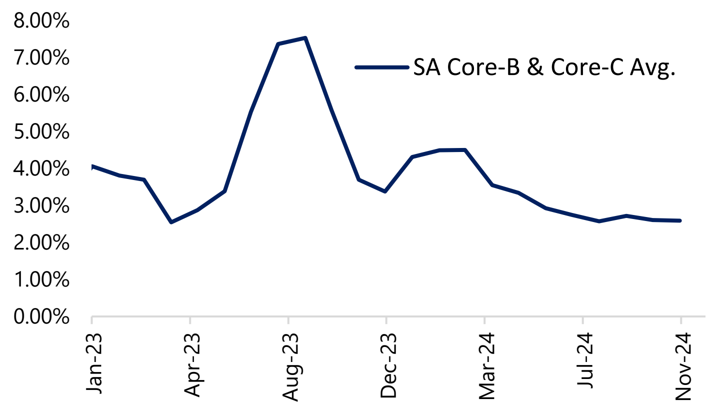
Food inflation remains persistent, while inflation excluding food has been trending downward. Although the CBRT highlights that the upsurge in food prices is relatively beyond the domain of monetary policy, the government's response in the near term continues to be ambiguous. Accordingly, we expect food price inflation to continue constraining overall disinflation, resulting in more limited inflationary gains in 2025 compared to official forecasts.

We project that the underlying trend of inflation will remain above expectations in the fourth quarter of 2024, averaging 2.7%. As per our 2025 forecasts: We expect seasonally adjusted monthly CPI (SA monthly inflation change, 3MMA) to average 2.55% in 1Q25, 2.12% in 2Q25, and 1.93% in 3Q25, with a further convergence towards 1.8% in the final quarter.

Underlying Inflation* *(SA, m/m chg., 3MMA)*



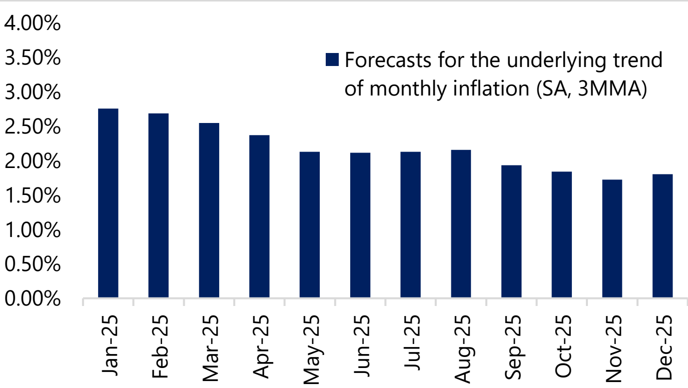
Source: TURKSTAT, Tacirler Investment



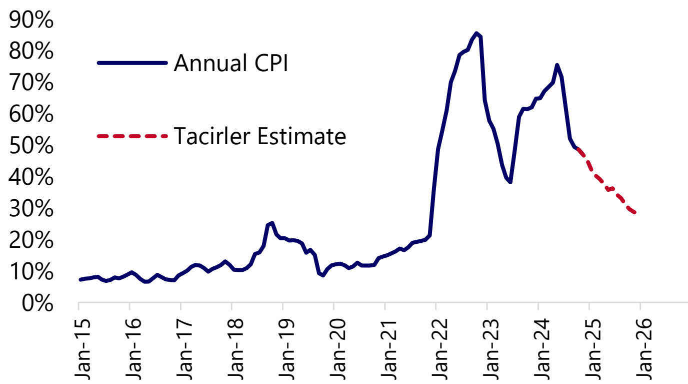
Source: TURKSTAT, Tacirler Investment

After closing 2024 slightly above 45%, we project the annual CPI to gradually decline to 39.2% by the end of 1Q25, 36.2% by the end of 2Q25, 31.2% by the end of 3Q25, and finish 2025 at 28%, <u>with upside risks attached</u>. Our projections are based on the assumptions of: (i) enhanced coordination between monetary and fiscal policies, with corresponding wage and administered price & tax adjustments; (ii) a continued tight monetary policy, maintaining a positive real interest rate within an optimal range; and (iii) sustained real appreciation of the Turkish lira.

Inflation Forecasts



Source: TURKSTAT, Tacirler Investment



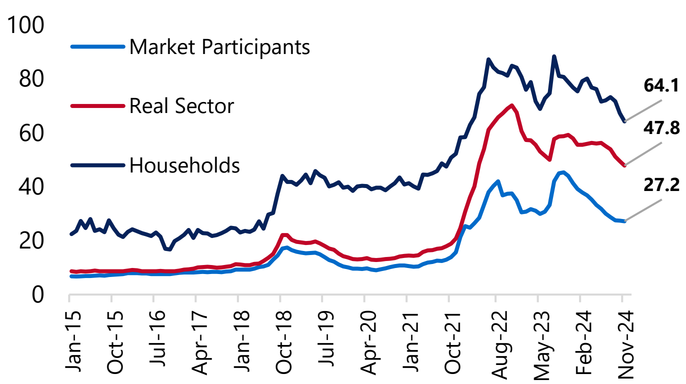
Source: TURKSTAT, Tacirler Investment

Macro Outlook

Monetary Policy

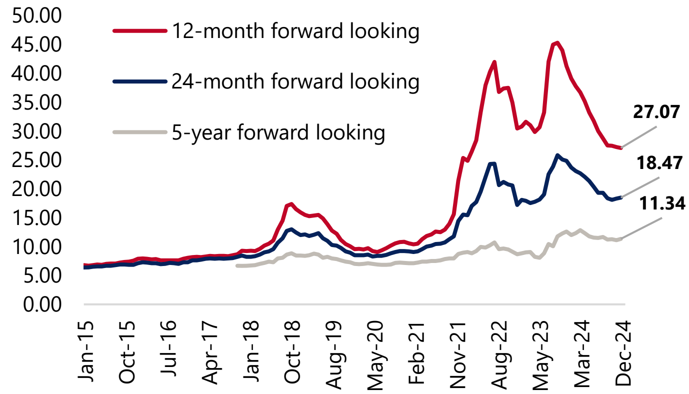
We anticipate the Central Bank (CBRT) to initiate rate cuts with a 150bps reduction in December. Although we are still at the early stages of the disinflation process and expectations have not yet fully anchored, the recent messages conveyed by the CBRT reveals that the progress achieved so far is deemed sufficient to start rate cuts. Governor Karahan cited recently that the upsurge in prices of fresh fruits and vegetables is relatively beyond the domain of monetary policy, as food inflation excluding fresh fruits and vegetables remained lower. He further emphasized that even additional monetary tightening would have limited impact in addressing such price increases. Hence, we infer that elevated food prices are not considered a barrier to rate cuts. Additionally, November meeting notes underlined improvements in inflation expectations and pricing behavior, although both continue to pose a risk to the disinflation process. Governor Karahan has previously clarified that they prioritize the «trajectory» of inflation expectations over their current level. Consequently, we interpret the recent messages as signals of an imminent, albeit cautious, rate cut as early as December.

Sectoral Inflation Expectations *(12-month ahead, %)*



Source: TURKSTAT, CBRT, Tacirler Investment

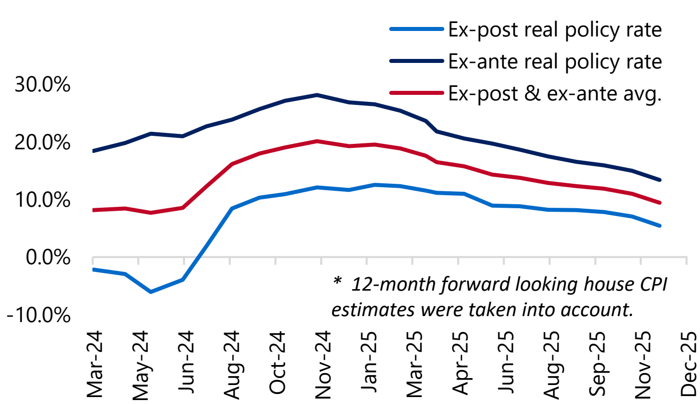
Market Participants Survey Inflation Expectations *(%)*



Source: CBRT, Tacirler Investment

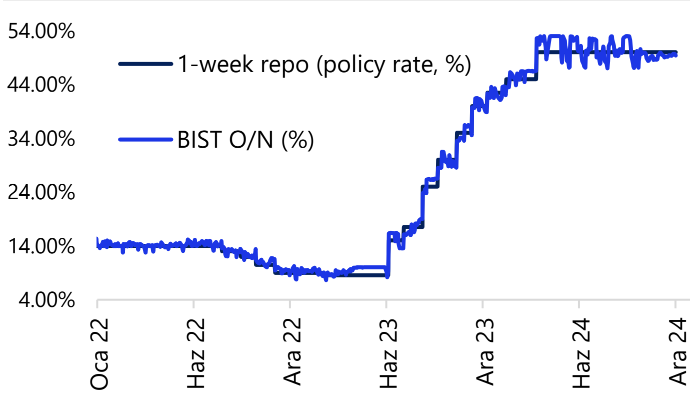
We expect the CBRT to adopt a cautious approach to the rate cut process, and viewing the imminent reductions as calibrated adjustments aimed at avoiding further effective tightening. Drawing from Governor Karahan's remarks, we infer that maintaining a specific range of real policy rates will remain a key priority. Following the 150bps rate cut anticipated in December, we project a gradual easing cycle throughout 2025, with the policy rate ending the year at 30%. In formulating our 2025 policy rate forecast, we assume that ex-post and ex-ante real policy rates, as well as their average, will consistently remain above a certain threshold. Additionally, we note that CBRT's net OMO funding has remained in negative territory since mid-September, with excess liquidity reaching approximately TL600bn as of December. Hence, we anticipate that the forthcoming rate cuts will be offset by reinforced macroprudential measures.

Real Policy Rate Forecasts* *(%)*



Source: CBRT, Tacirler Investment

Policy Rate & BIST O/N Rate *(%)*



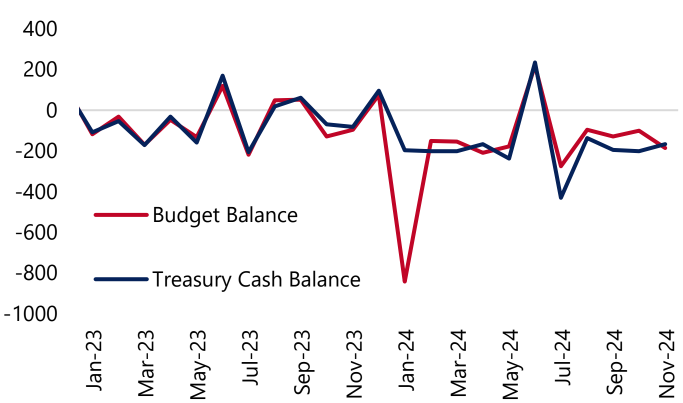
Source: CBRT, Tacirler Investment

Macro Outlook

Fiscal Dynamics

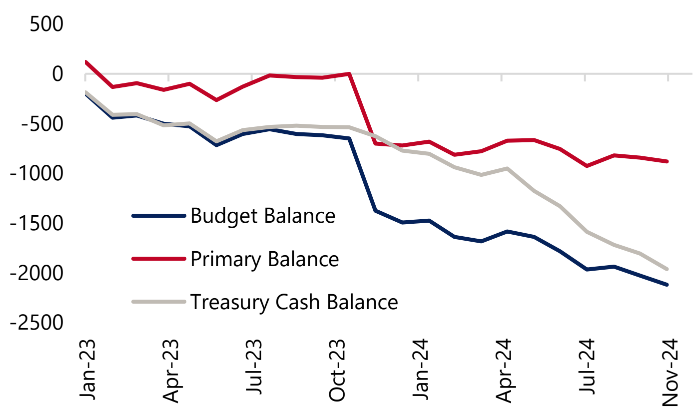
We expect the budget deficit in both 2024 and 2025 to remain below official forecasts. Recent data indicates a budget deficit of TL1.28tn and a primary deficit of TL81.7bn for the Jan – Nov period. Over the same period, the cash balance recorded a deficit of TL1.76tn, reflecting a persistent divergence between accrual-based and cash budget outcomes. While cash-based performance is likely to remain weak, we foresee non-tax revenues and interest expenditures emerging as the key drivers of fiscal performance in the months ahead.

Budget Balance & Treasury Cash Realizations *(TLbn)*



Source: Ministry of Treasury and Finance, Tacirler Investmet

Budget Indicators *(12m trailing, TLbn)*



Source: Ministry of Treasury and Finance, Tacirler Investmet

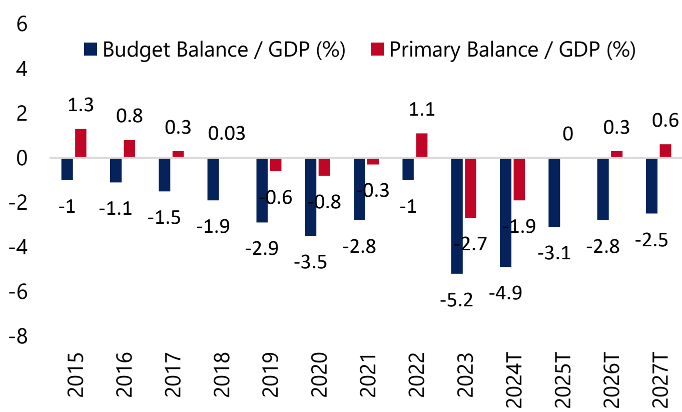
Considering the seasonal impacts on budget dynamics, we project a deficit of approximately TL640bn in December, bringing the 2024 budget deficit to TL1.9bn (4.3% of GDP), slightly below the 2024 Medium-Term Economic Program (MTEP) projection of TL2.15tn (4.9% of GDP). With a significant portion of the approximately TL1tn in earthquake-related expenditures for 2024 expected to be accrued in the final quarter, we anticipate a substantial widening of the budget deficit in December, similar to last year, narrowing the gap with the MTEP projections.

Budget Realizations *(TLbn)*

	Jan - Nov 24	2024 Budget Projection	Realization Rate
Revenues	7,793.3	8,437.10	92.4%
Taxes	6,597.1	7,407.71	89.1%
Non-tax revenues	1,196.2	1,029.39	116.20%
Expenditures	9,070.2	11,089.04	81.80%
Interest Payments	1,195.2	1,254.00	95.30%
Primary Expenditures	7,875.0	9,835.04	80.10%
Primary Balance	-81.7	-1,397.94	5.80%
Budget Balance	-1,276.9	-2,651.94	48.20%

Source: Ministry of Treasury and Finance, Tacirler Investmet

MTEP Budget Estimates



Source: Presidency of Strategy and Budget, Tacirler Investment

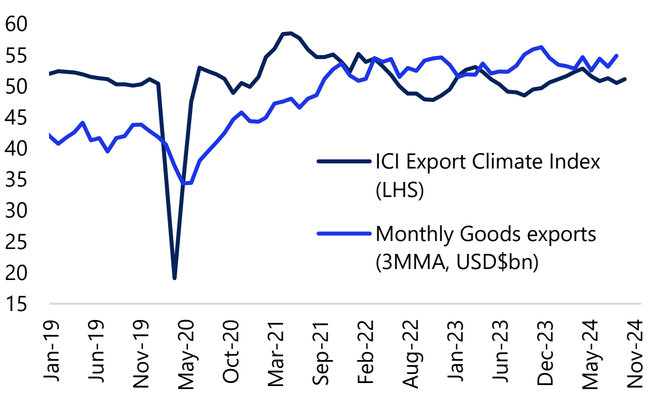
We project the 2025 budget deficit at TL1.61tn (2.7% of GDP), remaining marginally below the official forecast of TL1.9tn (3.1% of GDP). In 2025, a year likely to present greater challenges in addressing inflation, we believe the effectiveness of fiscal policy will depend on enhanced coordination and the successful execution of fiscal consolidation, crucial for balancing inflation and growth. While the demand-side inertia in inflation dynamics persists, it is essential that fiscal policy remains agile and finely calibrated.

Macro Outlook

External Balance

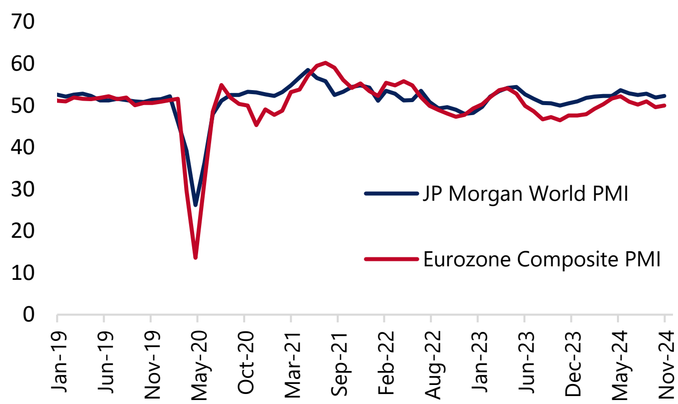
The rebalancing of domestic demand and relatively low energy prices have bolstered current account performance, despite persistent tepid demand conditions in key export markets. In 2024, the annual current account deficit dropped to single digits for the first time since 2021, driven by demand-side dynamics. Along with the contribution from moderating domestic demand, the decline in gold imports and a relatively stable energy prices have also played a crucial role. The foreign trade deficit narrowed significantly, primarily due to an evident decline in imports, while export performance has yet to exhibit a palpable progress. Similarly, the net export contribution to growth stemmed mainly from the contraction in imports. We assess that the stagnant export performance is mainly attributed to subdued demand in key export markets rather than the real appreciation of TL.

ICI Export Climate Index & Exports



Source: Istanbul Chamber of Industry (ICI), S&P Global, Tacirler Investment

Global PMI Outlook

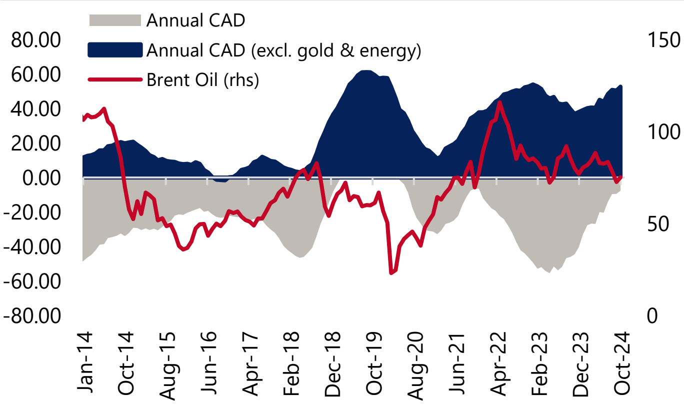


Source: Bloomberg, Tacirler Investment

No significant recovery in external demand is expected in the near term. The Trump 2.0 era in the US, characterized by tariffs and protectionist trade policies, is likely to adversely affect growth across European economies. Although the impact of interest rate cuts by central banks in advanced economies is expected to become evident by mid-2025, Trump's pressures on Europe are undermining positive expectations. Furthermore, political uncertainties in Germany and France are further clouding economic activity. As a result, we anticipate weak growth dynamics in our key export markets will persist for the time being.

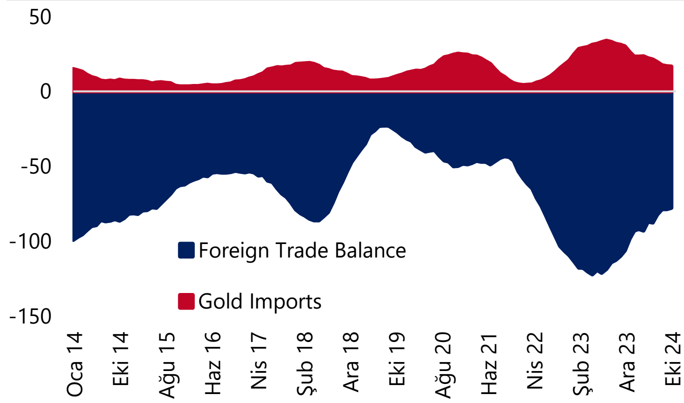
We expect the current account balance to revert to a deficit in the last two months of the year, with the annual deficit slightly widening. We project a 2024 current account deficit of approximately USD9bn (0.7% of GDP), excluding any potential revisions, and a deficit of around USD15bn (1% of GDP) for 2025. Our forecasts are based on the assumption of no disruptions in energy prices and the continuation of low levels of gold imports.

Current Account Balance *(annual, US$bn)*



Source: CBRT, Bloomberg, Tacirler Investment

Foreign Trade Balance & Gold Imports *(annual US$bn)*



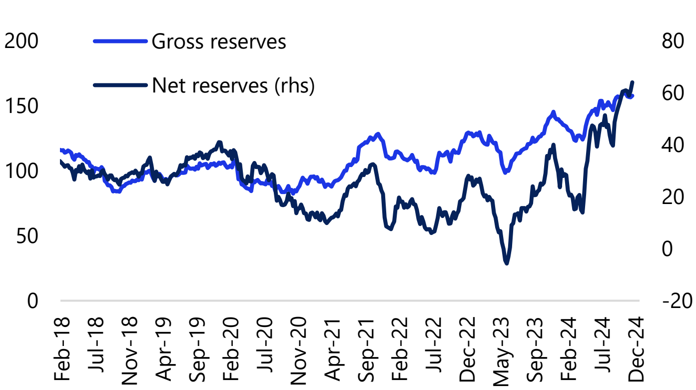
Source: TURKSTAT, Tacirler Investment

Macro Outlook

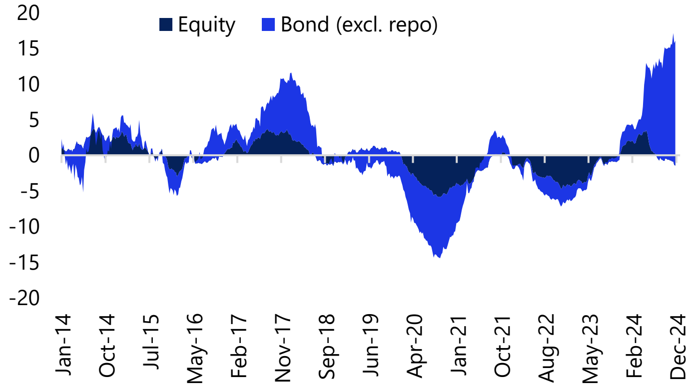
External Financing

Amid growing confidence in the Turkish lira, 2024 witnessed a notable increase in official reserves. TL inflows were key to the reserve accumulation process, while the decline in residents' FX deposits also played a pivotal role, with a reduction of over USD20bn since the March 31 elections. The CBRT's gross reserves surpassed USD159bn in November, setting a new record, while net FX reserves exceeded USD60bn, the highest level since 2010. With the continued decline in FX-protected deposits, we anticipate enhanced effectiveness in monetary policy and reserve management.

CBRT International Reserves & Foreign Portfolio Flows *(US$bn)*



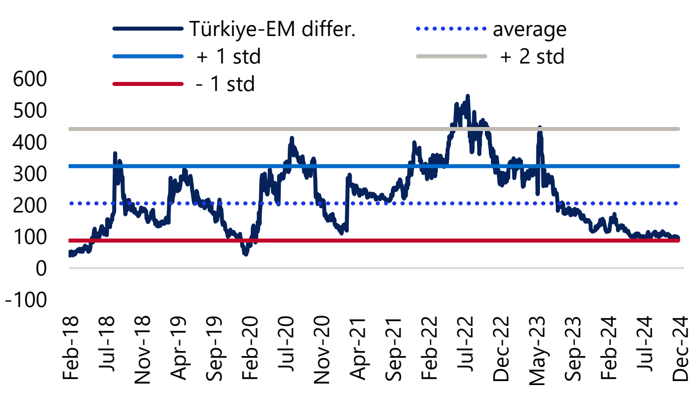
Source: CBRT, Tacirler Investment



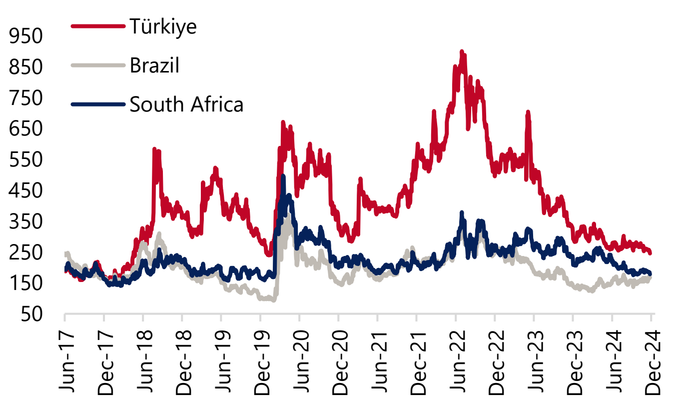
Source: CBRT, Tacirler Investment

In 2024, credit rating agencies S&P and Fitch upgraded Türkiye's sovereign rating by two notches, while Moody's raised it by one notch. Concurrently, Türkiye 5-year CDS spread narrowed from 330bps to below 250bps, and the Türkiye – EM CDS spread contracted from 150bps towards below 100bps. The amelioration of Türkiye's international reputation has been reflected in external financing costs as the Treasury, which issued USD13bn in international bond markets in 2024, experienced a reduction in borrowing costs to 6.55% during the sukuk issuance in November, compared to prior years. For 2025, we expect the Treasury's external financing plan of USD11bn to benefit from prevailing declines in international financing costs, supported by enhanced investor sentiment.

Türkiye & EM CDS Comparison *(bps)*



Source: Bloomberg, Tacirler Investment



Source: Bloomberg, Tacirler Investment

As of the end of 2024, S&P and Fitch assess Türkiye's credit rating as three notches below investment grade, while Moody's evaluates it four notches lower. In their most recent reviews, S&P and Fitch assigned a "stable" outlook, whereas Moody's maintained a "positive" outlook. Hence, we expect Moody's to raise Türkiye's rating by one notch in its first 2025 review, followed by a shift to a "stable" outlook. We believe credit rating agencies will adopt a cautious wait-and-see stance following the adjustments to the minimum wage and administered price & tax adjustments.

Macro Forecasts

	2022	2023	2024E	2025E
Economic Activity				
Nominal GDP *(TL tn)*	15	26.5	43.7	60.4
Nominal GDP *(USD tn)*	0.9	1.12	1.33	1.50
GDP real growth	5.5%	5.1%	2.9%	2.6%
External Balance				
Current Account Balance *(USD bn)*	-49.1	-45.2	-9	-15
Current Account Balance / GDP	-5.4%	-4.1%	-0.7%	-1.0%
Fiscal Dynamics				
Budget Balance *(TL tn)*	-0.14	-1.38	-1.9	-1.61
Budget Balance / GDP	-1.0%	-5.2%	-4.3%	-2.7%
Prices				
CPI *(eop)*	64.3%	64.8%	45.4%	28%
CPI *(average)*	72%	53.4%	60%	34.7%
One-week repo rate *(simple, eop)*	9%	42.5%	48.5%	30%
USD/TRY *(eop)*	18.7	29.5	35.3	45
USD/TRY *(average)*	16.6	23.8	32.9	40.1
EUR/TRY *(eop)*	20	32.7	37.0	47.2
EUR/TRY *(average)*	17.4	25.8	35.6	42.1

Source: CBRT, Treasury and Finance Ministry, TURSTAT, Tacirler Investment

Model Portfolio and Strategy

Model Portfolio and Strategy

Tacirler Investment Model Portfolio

Our Model Portfolio, which we launched in June 2023, has generated a **159% nominal return** in TRY over the past year and a half, outperforming the BIST 100 index, which has increased by 79% in TRY during this period. **Accordingly, Model Portfolio's index relative performance indicates a 44% positive return.**

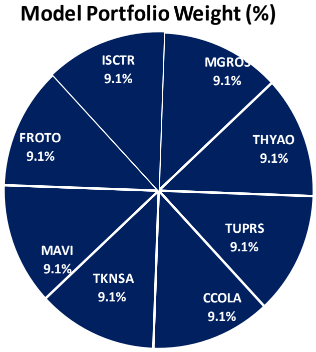
While adding **İş Bankası, Yapı Kredi Bank, TAV Airports** and **Turkcell** to our Model Portfolio that we reviewed and reallocated as we are heading into 2025; we are removing **Lider Factoring** from our Model Portföy. **Turkish Airlines, Coca Cola İçecek, Ford Otomotiv, Mavi Giyim, Migros, Teknosa and Tüpraş** remain. We would also like to point out that we will follow the companies in our Model Portfolio and their performance with equal weight by this report.

Company Name	Ticker	Last Price (TL)	12m Target Price (TL)	Return (%)	Upside Potantial (%)	Inclussion Date
Migros	**MGROS**	**₺487.50**	**₺705.00**	**174%**	**45%**	**June 6, 2023**
Türk Hava Yolları	**THYAO**	**₺286.00**	**₺428.00**	**74%**	**50%**	**June 6, 2023**
Tüpraş	**TUPRS**	**₺143.30**	**₺208.10**	**135%**	**45%**	**June 6, 2023**
Coca Cola	**CCOLA**	**₺58.75**	**₺84.00**	**62%**	**43%**	**November 27, 2023**
Teknosa	**TKNSA**	**₺39.40**	**₺48.00**	**14%**	**22%**	**December 12, 2024**
Mavi Giyim	**MAVI**	**₺82.30**	**₺147.00**	**-17%**	**79%**	**August 27, 2024**
Ford Otosan	**FROTO**	**₺930.50**	**₺1,412.00**	**4%**	**52%**	**August 28, 2024**
İşbank (C)	**ISCTR**	**₺12.85**	**₺19.80**	**0%**	**54%**	**December 24, 2024**
Yapı Kredi	**YKBNK**	**₺28.24**	**₺42.80**	**0%**	**52%**	**December 24, 2024**
Tav Havalimanları	**TAVHL**	**₺281.50**	**₺396.00**	**0%**	**41%**	**December 24, 2024**
Turkcell	**TCELL**	**₺90.70**	**₺156.30**	**0%**	**72%**	**December 24, 2024**

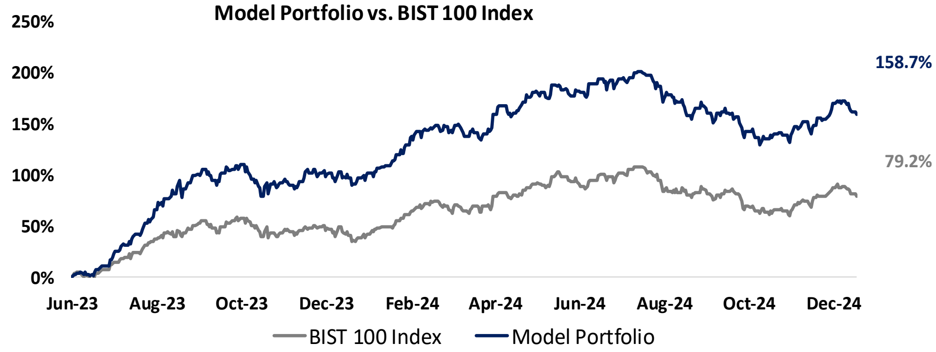
MP Performance, Inception to date (%)	159%
BIST 100 Index Performance (%)	79%
MP / BIST 100 Relative Return (%)	**44%**
MP Performance, Last 12m (%)	32%
BIST 100 Index Performance (%)	27%
MP / BIST 100 Relative Return (%)	**3%**
MP Perfromance, 2024 (%)	32%
BIST 100 Index Performance (%)	29%
MP / BIST 100 Relative Return (%)	**2%**

**MP: Tacirler Model Portfolio / u.r.: Under Review*

Model Portfolio Weight (%)



Model Portfolio vs. BIST 100 Index



Model Portfolio and Strategy

Our BIST 100 index target is 13,900

While there are currently 26 companies in our coverage that we follow with valuation models, there are 22 more companies that we follow with a plan to include them in 2025. The companies we make valuation constitute 53% of the BIST 100 index and 61% of the BIST 30 index. Our BIST 100 index target, which we calculated based on the target values of these companies and their potential impact on the index, points to a level of 13,900 in the 12-month term and a 45% return potential on an index basis. This potential is above the 28% annual CPI rate we expect for the end of 2025, and close to the rates we found in our simulations of the average net TL denominated deposit returns that can be achieved in 2025. On the other hand, the average potential return of the companies for which we rate 'outperformers' is 48% and above the potential index return, and finally the average potential return of our Model Portfolio is 50%.

We would like to point out that our BIST 100 index target is sensitive to the path of the rate cuts from the CBRT that we expect in 2025. A high-paced series of cuts that affect growth could carry our index target around 15 thousand. In this case, while the return potential on an index basis will approach 56%, the average return potential of the companies for which we foresee above-index returns will approach 65% and will be significantly above both expected inflation and average net deposit returns in TRY. We find the probability of this scenario to come true is high, therefore we think that 2025 will be a year of real return for Borsa Istanbul and that the investors base will expand again.

Short selling for BIST 50 stocks may be implemented by 'uptick rule'

The Capital Markets Board (CMB) announced in its Weekly Bulletin dated December 5th. that the short selling ban for BIST-50 companies has been lifted, effective from January 2nd, 2025. **It has not been announced yet, but we think that the 'uptick rule' may also be valid in short selling transactions with the decision of the Stock Exchange management.** This will prevent the acceleration of sales in the stock markets in case of a possible negative newsflow. However, even without the uptick rule, we think that BIST will remain resistant to possible selling pressures with current valuations and multiples. In addition, lifting the ban of short selling in BIST will also support the interest of foreign investors, who operate globally and may carry out short selling transactions in many other countries' stock exchanges. We expect a positive impact on BIST's liquidity and transaction volume in 2025.

BIST 50 Companies whose Short Selling Ban will be removed as of January 2, 2025

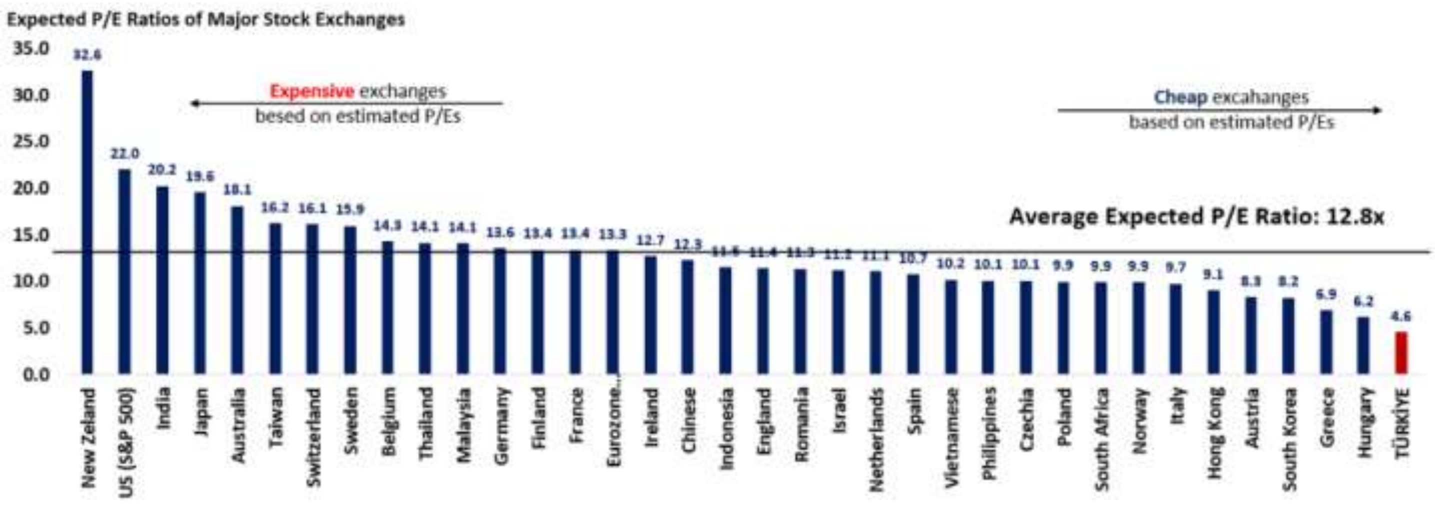
1	AEFES	Anadolu Efes	21	HEKTS	Hektaş	41	THYAO	Turkish Airlines
2	AKBNK	Akbank	22	ISCTR	İş Bank (C)	42	TKFEN	Tekfen Holding
3	ALARK	Alarko Holding	23	KCHOL	Koç Holding	43	TOASO	Tofaş Automotive
4	ARCLK	Arçelik	24	KONTR	Kontrolmatik	44	TTKOM	Türk Telecom
5	ASELS	Aselsan	25	KOZAL	Koza Gold	45	TUPRS	Tüpraş
6	ASTOR	Astor Energy	26	KRDMD	Kardemir (D)	46	ULKER	Ülker
7	BIMAS	Bim Birleşik Mağazalar	27	MAVI	Mavi Giyim	47	VAKBN	Vakıfbank
8	BRSAN	Borusan Pipe	28	MGROS	Migros	48	VESTL	Vestel
9	CCOLA	Coca Cola Beverage	29	MIATK	Mia Technology	49	YKBNK	Yapı & Kredi Bank
10	CIMSA	Cimsa Cement	30	ODAS	Odaş Electric	50	ZOREN	Zorlu Energy
11	DOAS	Doğuş Automotive	31	OYAKC	Oyak Cement			
12	DOHOL	Doğan Holding	32	PETKM	Petkim			
13	EKGYO	Emlak REIT	33	PGSUS	Pegasus Airlines			
14	ENJSA	Enerjisa Energy	34	REEDR	Reeder Technology			
15	ENKAI	Enka Construction	35	SAHOL	Sabancı Holding			
16	EREGL	Erdemir	36	SASA	Sasa			
17	FROTO	Ford Otosan	37	SISE	Şişe Glass			
18	GARAN	Garanti Bank	38	SOKM	Şok Marketler Ticaret			
19	GUBRF	Gübre Factory	39	TAVHL	Tav Airports			
20	HALKB	Halk Bank	40	TCELL	Turkcell			

** Companies included in BIST 50 index are periodically updated by BIST management.*

Model Portfolio and Strategy

BIST and multiple comparisons

In the chart below, you may see the estimated P/E ratios of selected countries. Borsa Istanbul has the lowest multiple globally, with an estimated P/E multiple of 4.6x. Due to inflation accounting, the profits that companies can make in the future and the multipliers calculated on these profits need to be handled carefully than in the past. However, since the expected easing in inflation and inflation accounting effects will decrease by 2025, it will be more meaningful and efficient to compare the multiples of Turkish companies on a global scale. The chart below will not change much if we adjust the multiples and Turkish companies will continue to attract attention with their low financial multiples and high discounts.



Source: Bloomberg, Tacirler Investment Research

In the first chart below, you may see the estimated P/E ratios of the BIST 100 index and MSCI EM index since 2006. BIST 100 index, which was traded at almost the same multiples as MSCI EM until 2014, diverged continuously negatively in the following period. Currently, BIST's discount to EM has reached 64% (second chart). This rate is close to the highest discount rates for the period examined, and we expect it to approach the average discount rate of 33% in the future. Factors such as an increase in our credit scores, our exit from the FATF's Gray List, the continuation of the disinflation process and the calming of geopolitical risks in our nearby geography will support Turkish companies to be traded with higher multiples and lower discounts. We believe that this will have an upward impact to the BIST 100 index.

Source: Bloomberg, Tacirler Investment Research

Source: Bloomberg, Tacirler Investment Research

Research Coverage And Sectors Outlook

Banks

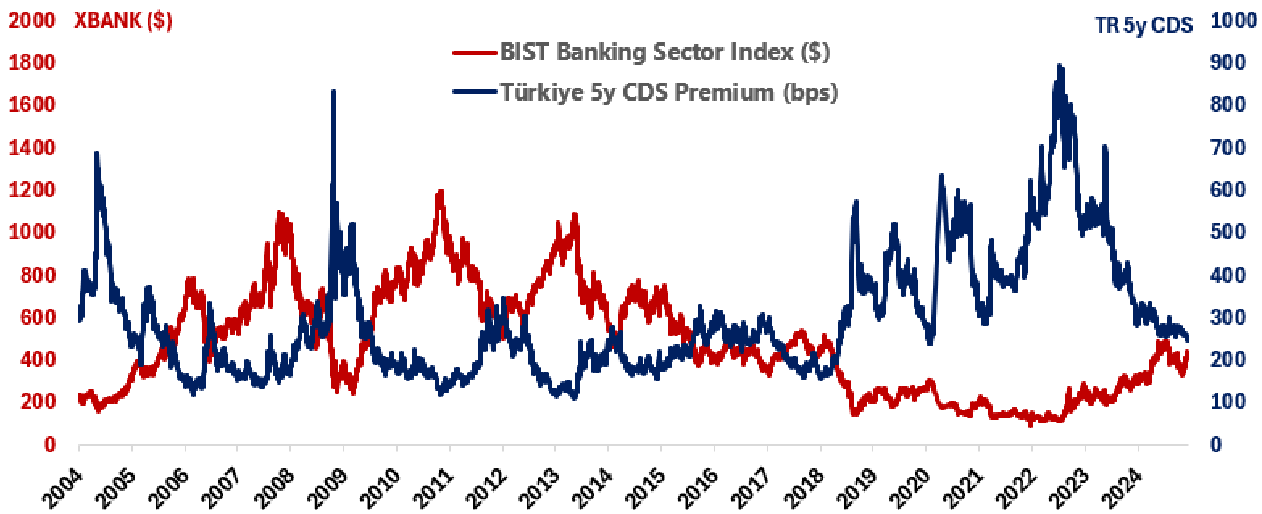
XBANK Index (Borsa Istanbul Banking Sector Index), which started 2024 strongly, increased by 85% on TL basis and 70% on dollar basis in the first four months of 2024 and XBANK outperformed BIST 100 index by 27% at the same period. Banks maintained their performance relative to the main index at a flat rate until the end of the year, but they lost power on nominal basis in due to the narrowing margins and weak growth after July. In the period after November, interest rate cut expectations from the CBRT Monetary Policy Committee (PPK) supported banks again.

Interest rate cuts from the MPC and the decline in Türkiye's risk premium in 2025 will continue to support banks, and the recovery in margins may be more evident in the second half of the year. According to our estimates based on banks' shareholders equity growth rates and valuation multiples, we calculate the 12-month target index value of 18,920 for the XBANK Index, that indicates a potential of 38% compared to the current value. We expect **ISCTR, YKBNK, TSKB and ALBRK** to outperform the XBANK Index in 2025.

Bank	*Last P.	Target P.	Upside (%)	Rating
AKBNK	59.30	78.50	32%	HOLD
ISCTR	12.85	19.80	54%	BUY
YKBNK	28.24	42.80	52%	BUY
GARAN	125.40	147.90	18%	HOLD
VAKBN	22.70	26.20	15%	HOLD
TSKB	12.01	16.80	40%	BUY
HALKB	16.07	18.10	13%	HOLD
ALBRK	6.12	8.50	39%	BUY
SKBNK	4.74	6.10	29%	HOLD

** As of 12/23/2024*

The chart below shows the relationship between the XBANK Index in dollar terms and Türkiye 5y CDS premiums. In the period between 2004 and 2018, the inverse correlation between banks and CDS premiums is clearly visible. We think that this relationship is normalizing again with the normalization process in monetary policies that kicked off in 2023, which may continue in 2025. **It is possible that Türkiye's 5-year CDS premiums may decline to around 200 basis points as the improvement in risk perception regarding Türkiye, whose credit scores have increased, has been removed from the FATF's Gray List, and whose disinflation process continues.** This will be another factor supporting the sector's shares due to the expectation of improvement in banks' external costs. XBANK Index would trend towards around $450 in 2025, under these conditions occured.



Source: Bloomberg, Tacirler Investment Research

Automotive

Following record-breaking years, normalization is expected in the Turkish and Global Automotive Market, with a promising 2025 outlook...

The global automotive market faced challenges in 2024 due to economic fluctuations and supply chain disruptions, causing difficulties in the industry. Demand stagnation and global economic slowdown impacted the sector's trajectory. However, export opportunities in Europe and China helped mitigate some of the stagnation. Turkish automotive exports achieved a positive performance in 2024, despite limited domestic sales. Particularly, exports to Europe accounted for 57% of Türkiye's total automotive exports, proving to be a crucial driver for the sector. The Turkish market witnessed a 34% growth in production in 2024. However, employment in the automotive sector is not expected to rise significantly in 2025 due to reduced domestic sales.

In 2025, we expect a breakthrough in Türkiye’s electric vehicle production and exports... In 2025, Türkiye aims for a 9.8-10% growth in automotive exports, driven mainly by developments in Europe’s green transformation policies and environmental regulations. Turkish companies are expected to increase competitiveness and demand in critical markets, primarily in the electric vehicle segment. Brands like TOGG will play a leading role in achieving this goal. The sector’s target includes increased electric vehicle exports to Europe in 2025. It is anticipated that the domestic market will expand by 16-18%, supported by incentives. This growth is expected to strengthen Türkiye’s production, exports, and competitiveness on the global stage.

The outlook for export-focused automotive companies is mixed...The sector’s major markets, such as the Eurozone and Europe, continue to face recession concerns, declining demand, and deglobalization policies. These factors impact regional demand. Turkish companies, which are key suppliers to European automakers, face challenges from this environment. However, exports to emerging markets such as the US, China, and North Africa are promising. Notably, the performance of Turkish companies such as FROTO and TOASO is expected to remain solid due to their investments and competitive advantages.

Automotive sales are expected to close 2024 with a 13% decline after record-breaking 2023 levels... In January-October 2024, Türkiye’s total passenger and commercial vehicle sales declined by 13% to 1,068,260 units. Passenger car sales fell by 16.8% year-on-year to 845,350 units, while light commercial vehicle sales dropped by 9.4% to 222,370 units. December sales are expected to reflect seasonal increases, leading to a full-year total of approximately 1 million units—a significant decline compared to 2023’s 1.22 million units.

Normalization persist in the second-hand automotive market... As of September 2024, Türkiye's second-hand automotive market shrank by 6.1%, declining to 7,779,756 units. The second-hand passenger and commercial vehicle market contracted by 7.3%, falling to 6,639,457 units, with the passenger car market leading at 77.1% share and 5,118,939 units. Meanwhile, the pickup truck market accounted for 17.7% share with 1,175,043 units. In 2025, we anticipate a revival in the second-hand automotive market due to expected interest rate cuts and improvements in credit conditions. Additionally, the average vehicle age in Türkiye remains high, reaching 14.1 years as of 2024. Specifically, the average age of passenger cars stands at 14.1, while light commercial vehicles average 13.6 years. This trend indicates that users prefer to keep their vehicles for longer periods. However, due to rising maintenance costs and safety issues with older vehicles, demand for new vehicles is expected to remain strong.

Regulatory changes and environmental shifts continue in the automotive sector...
In 2025, global environmental targets and emission regulations will lead to increased costs and green-focused investments. While production incentives support the sector, uncertainties regarding financing and affordability persist. This transformation is expected to cause some disruptions in local production while strengthening the sector's long-term sustainability and competitiveness.

Aviation

As of the first 11 months of 2024, we are concluding a strong year for aviation. Despite increasing geopolitical risks in neighboring regions, the 11-month period saw significant growth in passenger traffic and tourism. With additional capacity expected to come online, we anticipate continued strong growth in the aviation sector in 2025. Particularly in 2025, with the stabilization of geopolitical risks, we expect a more predictable year for oil prices. As a result, operational profitability in the aviation sector is likely to improve throughout 2025.

In the first 11 months of 2024, **PGSUS** emerged as the company with the highest passenger traffic growth, increasing by 17% compared to the same period the previous year. Meanwhile, **TAVHL** managed to grow its passenger numbers by 12% year-on-year. During this period, **THYAO** achieved a 2% growth in passenger traffic compared to the same period last year. However, the high base effect from a very strong 2023 in passenger traffic created a headwind for **THYAO**. On the other hand, in the cargo segment, **THYAO** successfully increased the cargo tonnage carried by 22% year-on-year during the first 11 months of 2024.

For 2025, we anticipate continued growth in passenger traffic for **PGSUS**, **TAVHL**, and **THYAO**. Additionally, we expect the growth in **THYAO**'s cargo operations to contribute more significantly to its consolidated revenues.

Telecommunication

In the telecommunications sector, the theme for 2024 and 2025 has been the indirect impact of high inflation, which has now entered a declining trend, due to the sector's business model. During the peak inflation period of 2023, telecommunications companies experienced weak revenue growth throughout the year because customers typically committed to contracts of one year or longer. However, we observe that the high inflation period of 2023 has started to support the revenue of telecommunications companies as of 2024.

The continuation of the downward trend in inflation within the framework of tight monetary policies enables telecommunications companies to maintain growth above the current inflation rate through indirect inflationary effects.

In 2025, with the continuation of tight monetary policies, we expect a predictable environment of declining inflation to positively impact the profitability of telecommunications companies. Additionally, given that the majority of capital expenditures are made in foreign currency while most revenues are in TL, a strong TL environment will also positively influence telecommunications companies operationally.

In the telecommunications sector, we highlight **TCELL** and **TTKOM**, and we anticipate that while they continue to grow their subscriber base, ARPU growth will also persist.

White Goods

We expect an improvement in demand and margins in 2025 compared to a weak 2024. In the year we are leaving behind, low demand, cost pressures brought by high inflation, and the negative impact of the TL's real appreciation on exports have limited companies' performance. Particularly in 2024, when the high-interest rate environment persisted, financing expenses were the main pressure point on net profit for companies operating in the white goods sector. With the acceleration of the interest rate-cutting cycle, factors such as the decline in borrowing costs are expected to gradually ease the pressure on net profits.

In the first 10 months of the year, domestic white goods sales recorded a 7% growth, while the export market experienced a 4% contraction. For the remaining two months of the year, we expect a continuation of the decline in sales volumes, with some recovery in domestic sales and stability on the export side. With the normalization of the interest rate environment and the acceleration of the disinflationary process in 2025, we anticipate an improvement in the outlook for the white goods sector and a positive impact on company margins. However, we expect the recovery to gain momentum starting from the second half of the year. On the export front, the European Central Bank's initiation of its rate-cutting cycle and China's industrial support policies are likely to support the white goods sector, presenting a more positive outlook for 2025.

In 2025, the main growth drivers for **ARCLK** are expected to be the restructuring of Whirlpool operations, the recovery process in the European market, and the increasing presence in Africa with the Egypt facility, contributing to revenues. On the other hand, for **VESBE**, which derives 70% of its revenue from exports, the initiation of interest rate cuts in the European and UK markets is expected to drive white goods demand, while growth strategies in the mobility sector offer significant opportunities.

Retail

In 2023, the food retail sector recorded strong revenue and profitability growth driven by operating leverage and high food inflation, entering 2024 with a positive outlook. However, as the year progressed, a gradual normalization in gross profit margins was observed. This was primarily due to the fading advantage of favorable stock costs achieved through advance payments to suppliers. Additionally, the slowdown in consumption and a shift in consumer preference toward more affordable products, particularly impacting discount retailers like BIM with a high share of private label products, could put pressure on product mix and accelerate margin normalization. For Migros and ŞOK, their competitive strategies are expected to shape their performance in the sector. Overall, we anticipate broad-based normalization in gross profit margins as competition intensifies.

In the essential consumer goods segment, Coca-Cola İçecek and Ülker reached peak levels in gross profit margins thanks to strong pricing and product mix advantages in a high-inflation environment. However, as inflation slows in 2024, tightening consumption is expected, requiring these companies to balance volume growth with limited price increases. Product and packaging innovations are anticipated to be critical factors supporting profitability during this period. In international markets, Coca-Cola İçecek may continue to face pressure on consolidated volumes due to weak consumption environments in markets like Pakistan.

In the food retail sector, traffic growth, basket size increases, and a strong pace of store openings are expected to continue driving robust revenue growth. The widespread adoption of private label products, changes in consumer spending patterns, and recovery in tourism are among the factors making the sector attractive.

BIMAS is expected to benefit from the consumer trade-down trend due to its high share of private label products, although this may accelerate margin normalization. The performances of **MGROS and SOKM** will depend on their competitive strategies in the market. Store expansion and operational efficiency will be critical factors for these companies. **CCOLA** aims to maintain volumes through its domestic pricing strategy, but weak international markets like Pakistan may exert pressure on overall volumes.

The apparel retail sector experienced robust growth in 2022 and 2023, driven by increased demand in the post-COVID inflationary environment. However, measures taken to combat inflation and tight monetary policies implemented in the second half of 2023 led to a slowdown in domestic demand, negatively impacting the sector. This resulted in profit-taking and price corrections in sector stocks, which had surged rapidly during the first half of the year.

We believe the sector has growth potential in 2025, supported by a recovery in domestic demand and exports, as well as the easing of cost pressures. For the future of the sector, key factors such as strong brand recognition, accessibility, expansion in e-commerce, and effective cost management will play a critical role.

In this context, **MAVI** stands out as a leading company in the sector with its sustainable growth strategy and operational success. Similarly, **SUWEN** distinguishes itself with its increasing number of stores, growing market share, and strong performance in the women's lingerie segment. At the same time, **DESA** emerges as another prominent company in the sector, driven by its export-focused growth strategy in leather products, strong brand recognition, and high value-added product portfolio.

Cement and Real Estate Investment Trust (REIT)

In the second half of 2023, the implementation of tight monetary policy led to an increase in housing loan interest rates and a decline in credit usage. The measures taken by economic management as part of efforts to combat inflation reduced domestic demand and negatively impacted home purchases for investment purposes. In parallel with these developments, the housing sector exhibited weak performance on the supply side in the first half of 2024. Housing sales contracted by 3.7% during this period, although signs of recovery emerged starting in July, culminating in the strongest monthly sales figures of the year in October. Total housing sales in 2024 increased by 11.9% year-on-year, reaching 1,112,374 units. However, mortgage-backed housing sales fell by 31.9% to 113,405 units during the same period.

There was also a significant decline in foreign investment, with housing sales to foreigners dropping by 37.2% to 19,218 units, mainly due to the Turkish Lira remaining strong against other currencies. Housing prices showed a marked increase due to rising construction costs and housing inflation. The share of new housing sales remained limited at 32.2%, while expectations of recovery in the sector increased with urban transformation projects and the reconstruction of earthquake-affected areas. In 2025, with the expected impact of interest rate cuts and the approval of the urban transformation law by the Turkish Parliament, an improvement in domestic demand is anticipated to continue.

In the cement sector, domestic market growth reached 19.1% in 2023, while exports contracted by 18.8%. In the first half of 2024, domestic sales grew by 17.2% year-on-year, driven by low base effects following the earthquake, and total cement production increased by 10.2%. However, exports declined by 17.6% due to reduced shipments to Israel. Following a regime change in Syria, the anticipated acceleration of reconstruction efforts is expected to drive significant cement demand in the region. Companies such as **OYAK Cement**, **Limak Cement**, and partially **Çimsa**, which benefit from their proximity to the region, have emerged as key players. These companies are currently operating at high capacity to meet demand. However, the impact of this demand surge is more likely to manifest through price increases rather than volume growth.

In 2025, operational margins are expected to benefit from declining energy and fuel costs. A recovery in construction activity is also anticipated, supported by the interest rate reduction process. Companies that effectively manage logistics processes and maintain open export channels are likely to perform well in 2025.

Technology

The technology retail sector holds growth potential in 2025, driven by expectations of a recovery in domestic demand and increasing investments focused on digital transformation.

Despite rising prices in the consumer electronics and white goods segments due to high inflation throughout 2023, the sector has demonstrated strong performance, supported by its ability to reflect these costs in product prices and the fundamental need for technology products.

While the ongoing tight monetary policies and efforts to curb domestic demand as of 2024 pose short-term challenges for the sector, factors such as digitalization, the growth of e-commerce channels, and the demand for innovative products help maintain resilience against contractions. Moreover, the short renewal cycles of technological products support demand in segments such as smartphones, laptops, and white goods. The rapid increase in the share of e-commerce within the sector offers significant growth opportunities for companies investing in digital sales channels. Additionally, rising demand for energy-efficient products as part of sustainability investments and the shift in consumer preferences toward eco-friendly technologies create new revenue streams for companies.

In this context, **TKNSA** stands out as one of the leading companies in the sector with its strong brand recognition, efficient cost management, and extensive sales network. Through its digital transformation investments and customer-focused strategies, the company is well-positioned to capture growth opportunities in the evolving market landscape.

The software sector holds significant growth potential in both domestic and international markets in 2025, driven by accelerating digital transformation, increasing demand for cloud-based solutions, and technological advancements in areas such as artificial intelligence and data analytics.

The widespread adoption of remote working models, digitalization of corporate processes, rising cybersecurity needs, and the growing demand for software-based automation solutions support the sector's long-term demand dynamics. Although high inflation and tight monetary policies may exert short-term pressure on domestic demand, software companies demonstrate resilience to these challenges through scalable business models, subscription-based revenue streams, and flexible cost management strategies.

Moreover, rising incentives and funding for digital transformation projects in international markets, particularly within the European Union, significantly enhance the export potential of domestic software companies.

In this context, **LOGO**, a leading company in enterprise software solutions such as enterprise resource planning (ERP), business analytics, human resource management, accounting, and financial applications, stands out with its user-friendly platforms, cloud-based product portfolio, strong R&D capabilities, and extensive customer network. LOGO’s flexible business model, subscription-based services, and strategies for expanding into international markets boost its long-term growth potential. Additionally, its integrated solutions offered during a period of accelerated digitalization support sustainable revenue growth.

Coca-Cola İçecek

In light of our updated macroeconomic and microeconomic forecasts, we revise our estimates and target price for Coca-Cola, which is included in our coverage and model portfolio. Based on the company's focus on profitable sales channels, expanding brand and product portfolio, diversified international operations, and macroeconomic expectations for the upcoming period, we maintain our "BUY" recommendation with a revised 12-month target price of TL84 per share. For the 2025E period, the company is trading at 5.5x P/E and 4.2x EV/EBITDA multiples.

Sustainable Growth Continues Despite Challenges… Coca-Cola stands out with its flexible business model, diversified brand portfolio, inflation-aligned pricing adjustments, and growth strategy in international operations. In 2024, the strong performance of its Türkiye operations contributed a stabilizing effect to its consolidated financials, while weaknesses in international operations and rising financing costs pressured profitability. Key growth-limiting factors included increased competition in Uzbekistan, economic contraction in Pakistan, and geopolitical uncertainties in the MENA region.

The company's product and geographic diversity, along with its strong international operations, highlight its ability to sustain growth despite macroeconomic challenges. The increasing share of smaller packaging formats and a diversified product portfolio have supported stable growth despite weakened purchasing power. Following the complete acquisition of Anadolu Etap İçecek in 2024, the company is expected to benefit from enhanced fruit juice concentrate procurement and sustainable supply chain practices.

Key drivers supporting the company's positive outlook include: **i)** The continued positive impact of Türkiye operations on profitability, **ii)** Growth opportunities in specific markets such as Azerbaijan, Iraq, and Kazakhstan, **iii)** Macroeconomic recovery and the potential rebound in consumer demand.

Risks…The main risks faced by the company include persistent competition and economic weakness in key markets such as Pakistan and Uzbekistan, the potential for resistance in consumer demand to limit volume and revenue growth, and ongoing geopolitical uncertainties in the MENA region. Additionally, the contraction in international operations and rising financing costs may pose challenges to the company's operational and financial performance.

CCOLA — BUY

Target Price	**TL 84.00**
Return potential	**43%**

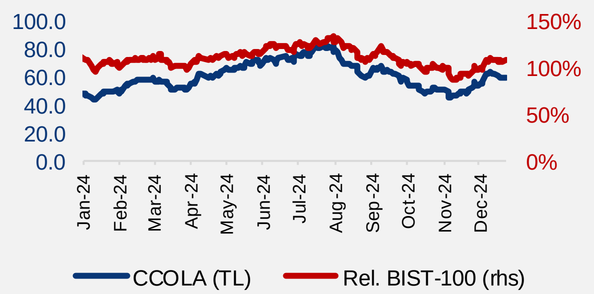
Share Data	
Ticker:	**CCOLA TI**
Share price (as of 23.12.2024)	58.75
Share price (52 week range)	42.9 / 81.6
Market cap. (TL mn - USD mn)	164,387 - 4,683
# of shares (mn) & free float	2798.1 - 25%
Foreign Ownership Rate	78.8%
Market	BIST STAR
Industry	Beverages and Soft Drinks

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	16.2	14.2	13.9

Price performance	**1M**	**3M**	**Y-t-D**
TL	18%	-3%	24%
USD	16%	-6%	4%
Rel. to BIST-100	17%	0%	-4%

Forecasts (TL mn)	**2023**	**2024E**	**2025E**
Revenues	101,042	148,766	188,485
EBITDA	17,918	29,125	38,074
Net Earnings	20,580	20,410	30,129

Valuation	**2023**	**2024E**	**2025E**
P/E	8.0x	8.1x	5.5x
P/BV	4.2x	2.8x	1.9x
EV/EBITDA	10.0x	6.1x	4.2x



Coca Cola İçecek – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	21,755	24,642	45,488
Accounts receivables	9,070	20,611	25,252
Inventory	12,983	19,956	24,985
Financial investments	376	1,447	1,885
Fixed assets	59,180	69,316	78,776
Other non-current assets	6,795	14,468	16,964
Total assets	**110,158**	**150,440**	**193,349**
Short-term financial loans	18,063	18,425	19,162
Accounts payables	18,596	35,515	44,947
Long-term financial loans	18,976	19,925	20,722
Other long-term payables	9,567	16,879	20,733
Non-current liabilities	**28,544**	**36,804**	**41,455**
Shareholders' equity	**39,287**	**59,697**	**87,785**
Paid in Capital	254	254	254
Total liabilities & equity	**110,158**	**150,440**	**193,349**
Net debt	15,285	13,707	-5,604
Net working capital	3,456	5,052	5,290

Per share (TL)			
EPS	7.35	7.29	10.77
BVPS	14.04	21.33	31.37
DPS	0.39	0.84	0.73

Ratios			
Profitability			
ROE	69.2%	41.2%	40.9%
Net margin	20.4%	13.7%	16.0%
Asset turnover	1.2x	1.1x	1.1x
Leverage	2.8x	2.6x	2.3x
ROA	24.4%	15.7%	17.5%
Leverage			
Financial debt/Total assets	34%	25%	21%
Net debt/Equity	0.39	0.23	-0.06
Net debt/EBITDA	0.85	0.47	-0.15

Income statement	2023	2024E	2025E
Revenues	**101,042**	**148,766**	**188,485**
Gross profit	33,040	53,732	67,855
Operating expenses	-18,809	-30,226	-37,697
Operating profit	14,230	23,506	30,158
EBITDA	**17,918**	**29,125**	**38,074**
Other income, net	245	788	1,286
Financial income, net	11,525	5,199	9,047
Earnings before taxes	25,973	29,091	39,982
Tax expense	-4,796	-8,680	-9,853
Net earnings	**20,580**	**20,410**	**30,129**

Cashflow statement			
EBITDA	**17,918**	**29,125**	**38,074**
Taxes on EBIT	-4,796	-8,680	-9,853
Capital expenditures	-5,905	-13,824	-15,079
Chg. in NWC	1,161	1,596	238
Free cashflows to firm	**6,056**	**5,025**	**12,905**

Growth & margins			
Revenues	89%	47%	27%
EBITDA	77%	63%	31%
Net earnings	375%	-1%	48%
Gross margin	32.7%	36.1%	36.0%
Operating margin	14.1%	15.8%	16.0%
EBITDA margin	17.7%	19.6%	20.2%
Net margin	20.4%	13.7%	16.0%
Free cashflow margin	6.0%	3.4%	6.8%

Valuation			
P/E	8.0x	8.1x	5.5x
P/BV	4.2x	2.8x	1.9x
EV/EBITDA	10.0x	6.1x	4.2x
EV/Sales	1.8x	1.2x	0.8x
Dividend Yield	0.7%	1.4%	1.2%
Free cashflow yield	3.7%	3.1%	7.9%

Source: Company Data, Tacirler Investment

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

Ford Otosan

We are raising our 12-month target price for Ford Otosan from TL1,292 to TL1,412 per share and maintaining our BUY recommendation. The key catalysts supporting our BUY recommendation are: i) the increase in production capacity, ii) the launch of new models, and iii) the positive impact of interest rate cuts on export demand. The company is trading at 6.0x 2025E P/E and 6.8x EV/EBITDA multiples.

Following normalization, our recovery expectations remain. The entry of Chinese vehicles into Turkish and European markets has put pressure on the automotive sector. Chinese brands, focused on car production, compete with Ford Otosan, which specializes in light commercial vehicles. Beginning in Q1 2025, we expect Ford Otosan to gain positive momentum, surpassing profitability ratios that have underperformed. FROTO's partnership with Ford Motor Company and export contracts in euros provide a hedge against currency fluctuations. However, Ford's European performance, particularly in the UK and Germany, depends on macroeconomic conditions. Amid global inflationary pressures, we expect central banks to continue gradually cutting interest rates, boosting demand and revitalizing economies.

Striking Momentum in Production Capacity... Ford Otosan, with operations in Türkiye and Romania, holds a 45% share in Türkiye's automotive production, positioning itself as the sector leader. The company reached a production capacity of 746,500 units in 2023, having increased its capacity by incorporating the Ford Romania facilities in 2022. Romania operations contributed 190,964 units to production in 2023, and with the new generation Courier production, this contribution increased by 28.7% in the first half of 2024. The Eskişehir plant also increased its capacity by 20% in the last quarter of 2023, reaching 22,500 units. The company aims for a production target of 650,000 to 700,000 units in 2024, with plans to exceed 900,000 units by 2025. With an 84% capacity utilization rate at all of its facilities in 9A24, FROTO is expected to reduce this rate to 83% in 2025, then gradually increase it to 86% by 2033.

The new product range will provide a strong contribution to the company's current strategic structure. FROTO's transition to electric vehicle production has put pressure on profitability and increased inventory levels due to delays in the production and launch of certain models in the past. The company plans to begin production of the fully electric E-Courier in the first quarter of 2025, along with the launch of the E-Truck model, and the release of electric versions of the Courier and Puma models in the same period. By the end of the year, production of VW commercial vehicles, in addition to Ford models, is targeted to commence for the first time.

Risks: i) The entry of Chinese vehicles into the domestic and European markets, intensifying competition. ii) The interest rate cut cycle progressing more slowly than expected.

FROTO — BUY

Target Price	**TL 1.412**
Return potential	**52%**

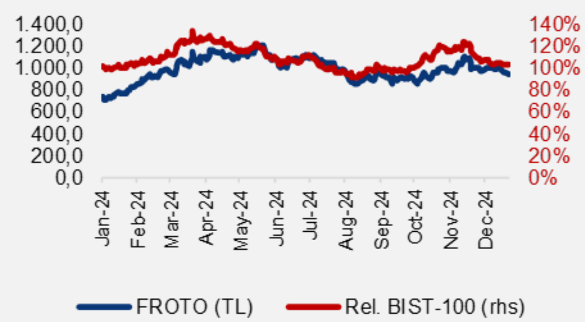
Share Data	
Ticker:	**FROTO TI**
Share price (as of 23.12.2024)	930,50
Share price (52 week range)	692 / 1.205
Market cap. (TL mn - USD mn)	326.522 - 9.301
# of shares (mn) & free float	351 - 18%
Foreign Ownership Rate	33,30%
Market	BIST STAR
Industry	Automotive

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	29,3	32,2	31,9

Price performance	1M	3M	Y-t-D
TL	-7%	3%	32%
USD	-9%	0%	11%
Rel. to BIST-100	-8%	6%	3%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	411.906	568.163	772.448
EBITDA	42.710	44.493	67.212
Net Earnings	49.056	36.466	54.432

Valuation	2023	2024E	2025E
P/E	6,7x	9,0x	6,0x
P/BV	3,3x	2,9x	2,4x
EV/EBITDA	9,6x	9,5x	6,8x



Ford Otosan – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	20.684	41.946	58.168
Accounts receivables	61.938	69.024	79.156
Inventory	39.878	54.430	62.401
Financial investments	0	0	0
Fixed assets	102.108	117.079	153.170
Other non-current assets	70.218	77.115	88.682
Total assets	**294.826**	**359.594**	**441.577**
Short-term financial loans	46.143	60.150	92.694
Accounts payables	71.415	85.246	89.136
Long-term financial loans	56.777	77.034	94.150
Other long-term payables	21.302	24.452	26.897
Non-current liabilities	**78.080**	**101.486**	**121.047**
Shareholders' equity	**99.188**	**112.711**	**138.700**
Paid in Capital	351	351	351
Total liabilities & equity	**294.826**	**359.594**	**441.577**
Net debt	82.237	95.239	128.675
Net working capital	30.401	38.208	52.420

Per share (TL)			
EPS	139,80	103,92	155,12
BVPS	282,66	321,20	395,26
DPS	-52,50	-111,84	-81,06

Ratios			
Profitability			
ROE	65,3%	34,4%	43,3%
Net margin	11,9%	6,4%	7,0%
Asset turnover	1,8x	1,7x	1,9x
Leverage	3,1x	3,1x	3,2x
ROA	20,9%	11,1%	13,6%
Leverage			
Financial debt/Total assets	35%	38%	42%
Net debt/Equity	0,83	0,84	0,93
Net debt/EBITDA	1,93	2,14	1,91

Income statement	2023	2024E	2025E
Revenues	**411.906**	**568.163**	**772.448**
Gross profit	55.248	57.895	85.438
Operating expenses	-18.602	-24.866	-33.703
Operating profit	36.646	33.028	51.736
EBITDA	**42.710**	**44.493**	**67.212**
Other income, net	7.371	1.382	1.857
Financial income, net	611	1.050	909
Earnings before taxes	47.428	39.541	58.078
Tax expense	1.627	-3.076	-3.646
Net earnings	**49.056**	**36.466**	**54.432**

Cashflow statement			
EBITDA	**42.710**	**44.493**	**67.212**
Taxes on EBIT	1.257	-960	-1.504
Capital expenditures	-31.175	-31.143	-41.568
Chg. in NWC	14.204	7.806	14.213
Free cashflows to firm	**-1.411**	**4.583**	**9.927**

Growth & margins			
Revenues	28%	38%	36%
EBITDA	34%	4%	51%
Net earnings	77%	-26%	49%
Gross margin	13,4%	10,2%	11,1%
Operating margin	8,9%	5,8%	6,7%
EBITDA margin	10,4%	7,8%	8,7%
Net margin	11,9%	6,4%	7,0%
Free cashflow margin	-0,3%	0,8%	1,3%

Valuation			
P/E	6,7x	9,0x	6,0x
P/BV	3,3x	2,9x	2,4x
EV/EBITDA	9,6x	9,5x	6,8x
EV/Sales	1,0x	0,7x	0,6x
Dividend Yield	-5,6%	-12,0%	-8,7%
Free cashflow yield	-0,4%	1,4%	3,0%

Source: Company Data, Tacirler Investment

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

Mavi Giyim

We maintain our 12-month target price for Mavi Giyim at 147.00 TL per share. Our target price implies a 79% upside potential, and we reiterate our BUY recommendation while keeping Mavi in our model portfolio. The key catalysts for the company remain: i) Strong performance in domestic retail and a broad target audience, ii) Dynamic pricing strategy and effective inventory management, iii) Expansion in sales areas and new store openings, and iv) A robust net cash position. Based on our 2025E forecasts, Mavi is trading at a P/E multiple of 5.5x.

Strong Position in the Mid-Premium Segment… Mavi has established itself as one of Türkiye's strongest mid-premium casual apparel brands. Its flexible supply chain, supported by domestic production and cost advantages, provides a significant competitive edge. Since the pandemic, Mavi has demonstrated effective risk management by leveraging efficient inventory management and the ability to quickly adapt to sudden changes in production, orders, and supply chain uncertainties. Mavi's broad product range and balanced pricing strategy ensure its growth objectives remain sustainable, exceeding inflation levels. The company has increased the share of premium-segment products in its domestic market, further solidifying its market position. As of 9M24, lifestyle products accounted for 62% of Türkiye's retail revenues, while denim products contributed 38%. With the addition of ten new stores in 9M24, Mavi's domestic store count reached 345. Additionally, the sales area of ten stores was expanded, bringing the total retail space to 182.7 thousand square meters. The average store size was recorded at 529 sqm. We project that Mavi's average store size will increase to 536 sqm by 2025 and to 585 sqm by 2030.

Financial Performance… Mavi reported sales revenue of 23,072 million TL in the 9M24 period. On a quarterly basis, the company achieved sales revenue of 9,270 million TL in 3Q24. The impact of the disinflationary process continued to weigh on gross profit margins. Actions taken to combat inflation resulted in weaker consumer demand, while rising production costs and a decline in disposable income further pressured margins. However, Mavi's strong brand strategy, consistent communication, and dynamic product pricing positioning helped the company navigate through uncertainties. The company announced a downward revision of its year-end 2024 targets due to the Economic slowdown.

2024 and 2025 Expectations… The company has revised its guidance for 2024 as follows: i) The total consolidated sales growth expectation of 70% (±5%) has been adjusted to 60%+, ii) EBITDA margin expectations of 20% (±0.5%) excluding TFRS16 and 23.5% (±0.5%) including TFRS16 have been revised to 18.5%+ (excluding TFRS16) and 22.0%+ (including TFRS16), respectively, iii) The expectation of net 15 store openings and 10 store expansions in Türkiye's retail operations has been revised to 17 net new stores and 15 store expansions, v) The capital expenditures to consolidated sales ratio has been revised from 5% to 4%. The company maintained its guidance for its net cash position. In the first half of 2025, high interest rates are expected to increase the cost of credit card transactions, leading to elevated financial expenses. However, the positive impact of planned measures and improving demand conditions in the domestic market are anticipated to support Mavi's operational performance, which is expected to remain robust.

MAVI	**BUY**
Target Price	**TL 147**
Return potential	**79%**

Share Data	
Ticker:	**MAVI TI**
Share price (as of 23.12.2024)	82,30
Share price (52 week range)	51 / 136
Market cap. (TL mn - USD mn)	32694,2 - 931,3
# of shares (mn) & free float	397 - 73%
Foreign Ownership Rate	43.99%
Market	BIST STAR
Industry	Retail

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	12,9	9,7	10,7

Price performance	1M	3M	Y-t-D
TL	6%	-10%	44%
USD	5%	-13%	21%
Rel. to BIST-100	6%	-8%	12%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	26.293	44.158	59.941
EBITDA	4.854	8.177	11.283
Net Earnings	1.757	4.267	5.904

Valuation	2023	2024E	2025E
P/E	18,6x	7,7x	5,5x
P/BV	3,7x	2,9x	1,9x
EV/EBITDA	6,1x	3,3x	2,0x

Mavi Giyim – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	6.359	8.008	14.297
Accounts receivables	1.719	2.653	3.182
Inventory	4.728	7.241	5.833
Financial investments	82	102	113
Fixed assets	2.016	1.887	2.038
Other non-current assets	3.301	6.024	6.626
Total assets	**18.205**	**25.915**	**32.089**
Short-term financial loans	1.837	1.648	2.697
Accounts payables	4.451	7.021	6.059
Long-term financial loans	1.217	1.006	1.199
Other long-term payables	1.965	4.933	4.982
Non-current liabilities	**3.182**	**5.939**	**6.181**
Shareholders' equity	**8.735**	**11.310**	**17.153**
Paid in Capital	199	397	397
Other Equity	5.320	8.536	10.913
Total liabilities & equity	**18.205**	**25.918**	**32.090**
Net debt	-3.304	-5.354	-10.401
Net working capital	1.996	2.873	2.956

Per share (TL)			
EPS	4,42	10,74	14,86
BVPS	21,99	28,47	43,18
DPS	-1,08	0,00	0,00

Ratios			
Profitability			
ROE	24,8%	42,6%	41,5%
Net margin	6,7%	9,7%	9,8%
Asset turnover	1,6x	2,0x	2,1x
Leverage	2,4x	2,2x	2,0x
ROA	10,5%	19,3%	20,4%
Leverage			
Financial debt/Total assets	17%	10%	12%
Net debt/Equity	-0,38	-0,47	-0,61
Net debt/EBITDA	-0,68	-0,65	-0,92

Income statement	2023	2024E	2025E
Revenues	**26.293**	**44.158**	**59.941**
Gross profit	12.674	22.329	30.364
Operating expenses	-9.430	-15.439	-21.118
Operating profit	3.244	6.891	9.246
EBITDA	**4.854**	**8.177**	**11.283**
Other income, net	205	354	328
Financial income, net	-810	-1.308	-1.565
Earnings before taxes	2.669	5.964	8.028
Tax expense	-913	-1.697	-2.124
Net earnings	**1.757**	**4.267**	**5.904**

Cashflow statement			
EBITDA	**4.854**	**8.177**	**11.283**
Taxes on EBIT	-913	-1.697	-2.124
Capital expenditures	-585	-1.288	-1.918
Chg. in NWC	1.135	1.177	84
Free cashflows to firm	**2.221**	**4.015**	**7.157**

Growth & margins			
Revenues	25%	68%	36%
EBITDA	16%	68%	38%
Net earnings	-9%	143%	38%
Gross margin	48,2%	50,6%	50,7%
Operating margin	12,3%	15,6%	15,4%
EBITDA margin	18,5%	18,5%	18,8%
Net margin	6,7%	9,7%	9,8%
Free cashflow margin	8,4%	9,1%	11,9%

Valuation			
P/E	18,6x	7,7x	5,5x
P/BV	3,7x	2,9x	1,9x
EV/EBITDA	6,1x	3,3x	2,0x
EV/Sales	1,1x	0,6x	0,4x
Dividend Yield	-1,3%	0,0%	0,0%
Free cashflow yield	6,8%	12,3%	21,9%

Source: Company Data, Tacirler Investment

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

Migros

We have raised our 12-month target price for Migros, which is included in our coverage and model portfolio, from TL616 to TL705 per share, while maintaining our "BUY" recommendation. Based on the company's expanding online business volume, diversified customer base, and macroeconomic expectations for the upcoming period, our 2025E forecasts indicate that Migros is trading at 10.6x P/E and 4.6x EV/EBITDA multiples.

Corporate Strategies Contributing to Operations… Migros demonstrated strong performance in 2024, supported by growth in e-commerce channels and an increase in store count. The company raised its share in the modern FMCG market to 16.9% (9M23: 16.3%) and its share in the total FMCG market to 9.8% (9M23: 9.4%). With 345 new store openings in the first nine months of the year, Migros expanded its total store count to 3,550. Its competitive pricing strategy and rapid store openings have enabled it to approach the growth pace of discount retailers. The gross profit margin was recorded at 24.1%, EBITDA margin at 7.6%, and net profit margin at 4.2%. Additionally, the company reached a net cash position of TL21bn and made capital expenditures of TL6bn during the first nine months of the year.

We expect Migros to continue attracting a broad customer base, ranging from low-income to middle- and high-income groups, through its competitive pricing and customer expansion strategies. Macroeconomic trends in a disinflationary environment are also anticipated to support Migros' growth in 2025. The slowdown in inflation and shifting consumer behavior towards online sales are expected to bolster operational margins. Moreover, the diminishing negative inflationary impact on inventories is likely to have a positive effect on margins.

Key growth catalysts for the company's future outlook include: **i)** The increasing market share of organized retail and growth in online sales, **ii)** An enhanced competitive position and pricing strategy within the FMCG market, **iii)** Consumer preference for affordable products and an expanding customer base.

Risks…Key risks faced by the company include the potential adverse impact of the anticipated minimum wage increases in 2025 on operational margins and the possible decline in operational efficiency due to high turnover rates in the sector. Variations in personnel costs stemming from collective bargaining agreements and rising producer prices could exert pressure on the company's margins. Additionally, prolonged price competition, if it materializes, may challenge the sustainability of margins and the generation of free cash flow.

MGROS — BUY

Target Price	**TL 705.00**
Return potential	**45%**

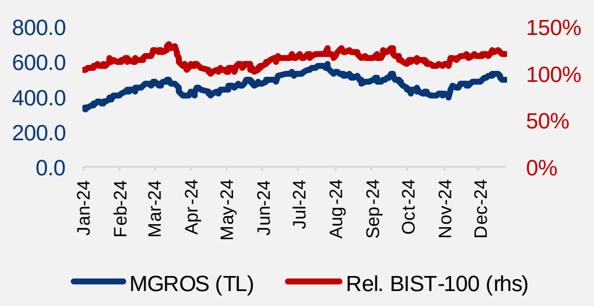
Share Data	
Ticker:	**MGROS TI**
Share price (as of 23.12.2024)	487.50
Share price (52 week range)	321.6 / 577.8
Market cap. (TL mn - USD mn)	88,264 - 2,514
# of shares (mn) & free float	181.1 - 51%
Foreign Ownership Rate	26.9%
Market	BIST STAR
Industry	Retail

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	20.9	23.3	24.4

Price performance	**1M**	**3M**	**Y-t-D**
TL	5%	-1%	49%
USD	3%	-4%	25%
Rel. to BIST-100	4%	2%	15%

Forecasts (TL mn)	**2023**	**2024E**	**2025E**
Revenues	181,674	277,146	399,536
EBITDA	3,221	11,841	13,357
Net Earnings	8,829	8,437	8,322

Valuation	**2023**	**2024E**	**2025E**
P/E	10.0x	10.5x	10.6x
P/BV	1.8x	1.5x	1.4x
EV/EBITDA	26.5x	6.1x	4.6x



Migros – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	16,785	36,310	49,441
Accounts receivables	3,419	1,511	2,178
Inventory	29,792	33,748	53,569
Financial investments	628	4	4
Fixed assets	47,642	48,024	48,828
Other non-current assets	26,900	30,632	51,940
Total assets	**125,167**	**150,230**	**205,959**
Short-term financial loans	4,047	4,919	6,001
Accounts payables	50,799	61,497	98,356
Long-term financial loans	9,906	14,947	17,189
Other long-term payables	11,161	11,487	19,977
Non-current liabilities	**21,067**	**26,434**	**37,166**
Shareholders' equity	**48,943**	**57,380**	**64,436**
Paid in Capital	181	181	181
Total liabilities & equity	**125,167**	**150,230**	**205,959**
Net debt	-2,833	-16,445	-26,251
Net working capital	-17,587	-26,238	-42,609

Income statement	2023	2024E	2025E
Revenues	**181,674**	**277,146**	**399,536**
Gross profit	34,003	53,336	79,001
Operating expenses	-36,983	-50,280	-77,630
Operating profit	-2,980	3,056	1,371
EBITDA	**3,221**	**11,841**	**13,357**
Other income, net	-3,630	-11,049	-7,843
Financial income, net	17,050	17,679	15,092
Earnings before taxes	10,792	10,338	9,419
Tax expense	-1,887	-1,901	-1,097
Net earnings	**8,829**	**8,437**	**8,322**

Cashflow statement			
EBITDA	**3,221**	**11,841**	**13,357**
Taxes on EBIT	-1,887	-1,901	-1,097
Capital expenditures	-5,094	-6,583	-9,589
Chg. in NWC	-3,326	-8,651	-16,371
Free cashflows to firm	**-434**	**12,007**	**19,043**

Growth & margins			
Revenues	29%	53%	44%
EBITDA	-14%	268%	13%
Net earnings	-3%	-4%	-1%
Gross margin	18.7%	19.2%	19.8%
Operating margin	-1.6%	1.1%	0.3%
EBITDA margin	1.8%	4.3%	3.3%
Net margin	4.9%	3.0%	2.1%
Free cashflow margin	-0.2%	4.3%	4.8%

Per share (TL)			
EPS	48.76	46.60	45.96
BVPS	270.32	316.92	355.89
DPS	3.67	7.75	6.99

Ratios			
Profitability			
ROE	23.1%	15.9%	13.7%
Net margin	4.9%	3.0%	2.1%
Asset turnover	1.8x	2.0x	2.2x
Leverage	2.7x	2.6x	2.9x
ROA	8.5%	6.1%	4.7%
Leverage			
Financial debt/Total assets	11%	13%	11%
Net debt/Equity	-0.06	-0.29	-0.41
Net debt/EBITDA	-0.88	-1.39	-1.97

Valuation			
P/E	10.0x	10.5x	10.6x
P/BV	1.8x	1.5x	1.4x
EV/EBITDA	26.5x	6.1x	4.6x
EV/Sales	0.5x	0.3x	0.2x
Dividend Yield	0.8%	1.6%	1.4%
Free cashflow yield	-0.5%	13.6%	21.6%

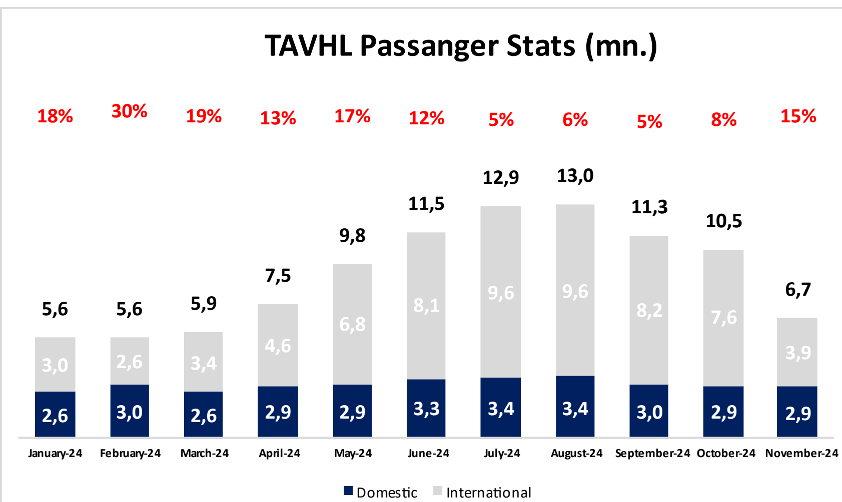
Source: Company Data, Tacirler Investment

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

TAV Airports

We are initiating coverage of TAV Airports with a 12-month target price of 399.00 TL and a Buy recommendation, offering a 42% upside potential. The key themes of our valuation are: i) increasing passenger traffic, ii) rising share of international passengers, and iii) new capacities coming into operation. In our estimates, TAV Airports is trading at a 11.4x P/E multiple for 2024E and a 9.2x P/E multiple for 2025E.

Steady growth in passenger traffic continues… In the first 11 months of 2024, the number of passengers served increased by 12% year-on-year, reaching 100.3 million. During this period, domestic passenger traffic rose 10% year-on-year to 32.9 million, while international passenger traffic grew 12% to 67.5 million. With the strong growth in passenger traffic in 2024, we expect this trend to continue with the capacity expansion and modernization investments planned for Antalya Airport, which is expected to become operational by the end of Q1 2025, and Ankara Esenboğa Airport, scheduled for Q2 2025. During our valuation period, we anticipate a CAGR of 6% in passenger traffic.



Growth in ancillary revenues will continue to support consolidated revenue… In addition to aviation revenues, ancillary revenues such as ground handling services, food and beverage services, prime class and lounge revenues, and duty-free shop revenues are expected to continue supporting revenue growth in the upcoming periods. In 2025, we estimate that 58% of TAV Airports' revenues will come from non-aviation revenues. During our valuation period, we anticipate non-aviation revenues to grow by 40% in 2025 and achieve a CAGR of 18% throughout the valuation period.

TAVHL — BUY

Target Price	**TL 396**
Return potential	**41%**

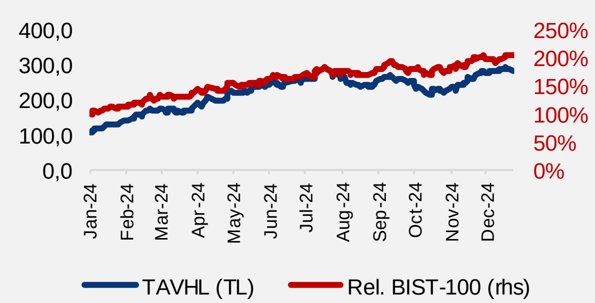
Share Data	
Ticker:	**TAVHL TI**
Share price (as of 23.12.2024)	281,50
Share price (52 week range)	103 / 292
Market cap. (TL mn - USD mn)	102263,7 - 2913,0
# of shares (mn) & free float	363 - 48%
Foreign Ownership Rate	48,72%
Market	BIST STAR
Industry	Aviaton

Avg. trading volume	1M	3M	12M
USD mn	13,4	13,8	17,8

Price performance	1M	3M	Y-t-D
TL	4%	11%	162%
USD	2%	8%	120%
Rel. to BIST-100	3%	14%	103%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	34.433	58.927	73.761
EBITDA	10.435	18.816	23.558
Net Earnings	7.530	9.645	12.293

Valuation	2023	2024E	2025E
P/E	13,6x	10,6x	8,3x
P/BV	2,2x	1,8x	1,5x
EV/EBITDA	13,7x	8,7x	6,4x



TAV Airports - Summary

(mn TL)	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Revenues	**34.433**	**58.927**	**73.761**	**91.217**	**111.651**	**136.258**	**166.006**	**203.123**	**249.356**	**307.487**	**380.768**
Growth%	88,1%	71,1%	25,2%	23,7%	22,4%	22,0%	21,8%	22,4%	22,8%	23,3%	23,8%
EBITDA	**10.435**	**18.816**	**23.558**	**30.304**	**38.073**	**46.604**	**56.983**	**70.731**	**88.284**	**110.054**	**138.090**
Growth%	82,2%	80,3%	25,2%	28,6%	25,6%	22,4%	22,3%	24,1%	24,8%	24,7%	25,5%
EBITDA Margin	30,3%	31,9%	31,9%	33,2%	34,1%	34,2%	34,3%	34,8%	35,4%	35,8%	36,3%
Taxes Paid on EBIT	-642	-1.276	-1.679	-2.127	-2.763	-3.614	-4.728	-6.160	-7.940	-10.219	-13.139
CAPEX	-5.462	-5.893	-5.163	-5.473	-6.699	-8.175	-9.960	-12.187	-14.961	-18.449	-22.846
Change in Net Working Capital	897	-164	491	139	3	-161	-515	-872	-1.450	-2.202	-3.260
Free Cash Flow from Operations	**4.717**	**11.811**	**16.225**	**22.566**	**28.608**	**34.976**	**42.810**	**53.256**	**66.832**	**83.587**	**105.365**
FCFF Margin	13,7%	20,0%	22,0%	24,7%	25,6%	25,7%	25,8%	26,2%	26,8%	27,2%	27,7%
WACC		22,9%	24,8%	25,0%	25,2%	25,5%	25,7%	25,9%	26,0%	26,1%	26,2%
DCF		**9.609**	**10.422**	**11.557**	**11.661**	**11.220**	**10.843**	**10.629**	**10.514**	**10.344**	**10.252**

Terminal growth rate	5,0%
Terminal Value	467.085
PV of Terminal Value	45.446
PV of FCFF	107.051
PV of Terminal Value	45.446
Enterprise Value	152.497
Latest Net Debt	40.777
Equity Value	**111.720**
# of shares outstanding	**363**
Fair Value per share (12 Month FWD)	396,00
Current share price	281,50
Upside / (Downside)	41%

TAV Airports – Summary 2

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	17.554	14.590	45.773
Accounts receivables	3.936	4.964	5.708
Inventory	1.101	1.774	1.633
Financial investments	5.885	10.071	12.606
Fixed assets	74.029	92.960	75.294
Other non-current assets	52.321	63.476	71.977
Total assets	**154.827**	**187.834**	**212.991**
Short-term financial loans	17.342	20.500	32.736
Accounts payables	2.351	4.216	4.328
Long-term financial loans	40.863	55.304	60.854
Other long-term payables	47.806	50.339	45.305
Non-current liabilities	**88.669**	**105.643**	**106.159**
Shareholders' equity	**45.969**	**57.475**	**69.767**
Paid in Capital	363	363	363
Total liabilities & equity	**154.827**	**187.834**	**212.991**
Net debt	40.651	61.214	47.817
Net working capital	2.686	2.522	3.013

Per share (TL)			
EPS	20,73	26,55	33,84
BVPS	126,54	158,21	192,05
DPS	0,00	0,00	0,00

Ratios			
Profitability			
ROE	21,8%	18,6%	19,3%
Net margin	21,9%	16,4%	16,7%
Asset turnover	0,3x	0,3x	0,4x
Leverage	3,5x	3,3x	3,2x
ROA	6,3%	5,6%	6,1%
Leverage			
Financial debt/Total assets	38%	40%	44%
Net debt/Equity	0,88	1,07	0,69
Net debt/EBITDA	3,90	3,25	2,03

Income statement	2023	2024E	2025E
Revenues	**34.433**	**58.927**	**73.761**
Gross profit	13.290	23.800	31.635
Operating expenses	6.777	10.854	14.604
Operating profit	6.513	12.946	17.031
EBITDA	**10.435**	**18.816**	**23.558**
Other income, net	-10	441	941
Financial income, net	-3.455	-7.268	-8.046
Earnings before taxes	8.459	9.922	13.971
Tax expense	-676	-276	-1.679
Net earnings	**7.530**	**9.645**	**12.293**

Cashflow statement			
EBITDA	**10.435**	**18.816**	**23.558**
Taxes on EBIT	-642	-1.276	-1.679
Capital expenditures	-5.462	-5.893	-5.163
Chg. in NWC	897	-164	491
Free cashflows to firm	**3.433**	**11.811**	**16.225**

Growth & margins			
Revenues	88%	71%	25%
EBITDA	82%	80%	25%
Net earnings	297%	28%	27%
Gross margin	38,6%	40,4%	42,9%
Operating margin	18,9%	22,0%	23,1%
EBITDA margin	30,3%	31,9%	31,9%
Net margin	21,9%	16,4%	16,7%
Free cashflow margin	10,0%	20,0%	22,0%

Valuation			
P/E	13,6x	10,6x	8,3x
P/BV	2,2x	1,8x	1,5x
EV/EBITDA	13,7x	8,7x	6,4x
EV/Sales	4,2x	2,8x	2,0x
Dividend Yield	0,0%	0,0%	0,0%
Free cashflow yield	3,4%	11,5%	15,9%

Source: Company Data, Tacirler Investment

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

Turkcell

Turkcell has achieved operational success with its recent pricing strategy, and we anticipate that, in the coming periods, the commitments will indirectly support the balance sheet due to the high inflation of previous years. We initiate coverage of TCELL with a 12-month target price of 127.00 TL and a Buy recommendation, offering a 36% upside potential.

We expect the lagged effect of inflation from commitments to continue its positive contribution in the upcoming periods… We anticipate that Turkcell will benefit positively from normalized inflation conditions in the future due to its business model, which is predominantly based on committed contracts. In 2025, the indirect impact of past high inflation on revenue through commitments is expected to support the company's profitability.

We expect the ARPU and CPI gap to gain positive momentum in favor of ARPU in 2025… As of Q3 2024, thanks to the addition of 515,000 postpaid subscribers, price adjustments, and the successful migration of customers to higher-tier packages, real Mobile ARPU grew by 7% YoY, while real Fiber ARPU grew by 15% YoY. During our valuation period, we expect Mobile ARPU to achieve a CAGR of 31% and Fiber ARPU to achieve a CAGR of 36%. For 2025, we forecast inflation to continue its downward trend in line with expectations, while Turkcell's Fiber and Mobile ARPU growth will continue to grow in real terms.

Improvement in EBITDA margin and real revenue growth… In Q3 2024, Turkcell achieved revenue of TL 40.2 billion, representing a 7% real growth in sales compared to the same period of the previous year. In the Techfin segment, Paycell revenues grew by 20%, while Financell revenues increased by 38%. The cost of sales remained flat at TL 18 billion compared to the same period last year. EBITDA increased by 10% YoY, reaching TL 17.8 billion, while the EBITDA margin improved from 42.8% to 44.2%. During our valuation period, we expect the average EBITDA margin to be around 39.5%.

Debt declined with the sale of Ukrainian subsidiaries… On September 9, 2024, Turkcell announced through its KAP disclosure the sale of its entire shares in Lifecell LLC, LLC Global Bilgi, and LLC Ukrtower in Ukraine for USD 524.3 million. As of Q3 2024, the company's Net Debt/EBITDA ratio declined to 0.1x. By the end of the period, the company held a net long FX position of USD 228 million.

Risks: i) Competitive pricing environment, **ii)** High inflation, **ii)** Sudden changes in exchange rates.

TCELL — BUY

Target Price	**TL 156,30**
Return potential	**72%**

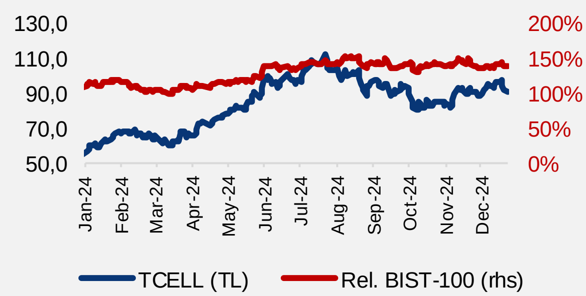
Share Data	
Ticker:	**TCELL TI**
Share price (as of 23.12.2024)	90,70
Share price (52 week range)	51 / 111
Market cap. (TL mn - USD mn)	199540,0 - 5683,8
# of shares (mn) & free float	2.200 - 54%
Foreign Ownership Rate	26,84%
Market	BIST STAR
Industry	Telecommunication

Avg. trading volume	1M	3M	12M
USD mn	57,4	59,5	63,9

Price performance	1M	3M	Y-t-D
TL	0%	-1%	67%
USD	-1%	-4%	40%
Rel. to BIST-100	0%	1%	29%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	107.116	171.724	248.461
EBITDA	49.231	77.526	105.207
Net Earnings	15.740	56.543	51.608

Valuation	2023	2024E	2025E
P/E	12,7x	3,5x	3,9x
P/BV	1,2x	1,0x	0,8x
EV/EBITDA	5,0x	3,2x	2,7x



Turkcell - Summary

(mn TL)	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Revenues	**107.116**	**171.724**	**248.461**	**333.612**	**435.049**	**549.253**	**685.968**	**855.246**	**1.070.467**	**1.345.273**	**1.697.734**
Growth%	14,6%	60,3%	44,7%	34,3%	30,4%	26,3%	24,9%	24,7%	25,2%	25,7%	26,2%
EBITDA	**49.231**	**77.526**	**105.207**	**136.467**	**172.436**	**211.453**	**259.129**	**319.285**	**397.465**	**497.712**	**627.521**
Growth%	19,6%	57,5%	35,7%	29,7%	26,4%	22,6%	22,5%	23,2%	24,5%	25,2%	26,1%
EBITDA Margin	46,0%	45,1%	42,3%	40,9%	39,6%	38,5%	37,8%	37,3%	37,1%	37,0%	37,0%
Taxes Paid on EBIT	-2.147	-4.196	-6.241	-8.391	-11.012	-13.975	-17.573	-22.053	-27.812	-35.037	-44.330
CAPEX	-29.165	-42.931	-57.146	-76.731	-100.061	-126.328	-157.773	-196.707	-246.207	-309.413	-390.479
Change in Net Working Capital	-2.161	6.190	2.523	1.846	2.216	2.516	3.032	3.776	4.825	6.192	7.981
Free Cash Flow from Operations	**20.080**	**24.208**	**39.298**	**49.499**	**59.147**	**68.634**	**80.751**	**96.749**	**118.621**	**147.071**	**184.730**
FCFF Margin	18,7%	14,1%	15,8%	14,8%	13,6%	12,5%	11,8%	11,3%	11,1%	10,9%	10,9%
WACC		25,0%	25,0%	25,2%	25,4%	25,8%	26,0%	26,1%	26,3%	26,4%	26,5%
DCF		**19.366**	**25.145**	**25.198**	**23.911**	**21.800**	**20.211**	**19.043**	**18.343**	**17.860**	**17.612**

Terminal growth rate	5,0%
Terminal Value	810.410
PV of Terminal Value	77.264
PV of FCFF	208.489
PV of Terminal Value	77.264
Enterprise Value	285.754
Latest Net Debt	19.038
Equity Value	**266.715**
# of shares outstanding	**2200**
Fair Value per share (12m-fwd)	156,30
Current share price	90,70
Upside / (Downside)	72%

Turkcell – Summary 2

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	67.901	68.791	34.915
Accounts receivables	15.076	16.250	27.909
Inventory	734	670	1.684
Financial investments	12.051	10.000	10.000
Fixed assets	169.491	146.879	189.382
Other non-current assets	70.435	112.918	163.377
Total assets	**335.688**	**355.508**	**427.267**
Short-term financial loans	35.511	37.158	42.158
Accounts payables	19.257	14.176	24.326
Long-term financial loans	78.727	77.480	82.480
Other long-term payables	36.126	34.807	34.807
Non-current liabilities	**114.852**	**112.287**	**117.287**
Shareholders' equity	**166.086**	**191.889**	**243.497**
Paid in Capital	2.200	2.200	2.200
Total liabilities & equity	**335.688**	**355.508**	**427.267**
Net debt	46.336	45.846	89.722
Net working capital	-3.446	2.744	5.267

Per share (TL)			
EPS	7,15	25,70	23,46
BVPS	75,49	87,22	110,68
DPS	0,00	0,00	0,00

Ratios			
Profitability			
ROE	11,4%	31,6%	23,7%
Net margin	14,7%	32,9%	20,8%
Asset turnover	0,4x	0,5x	0,6x
Leverage	2,1x	1,9x	1,8x
ROA	5,5%	16,4%	13,2%
Leverage			
Financial debt/Total assets	34%	32%	29%
Net debt/Equity	0,28	0,24	0,37
Net debt/EBITDA	0,94	0,59	0,85

Income statement	2023	2024E	2025E
Revenues	**107.116**	**171.724**	**248.461**
Gross profit	24.876	45.747	67.432
Operating expenses	-9.112	-14.940	-21.617
Operating profit	33.988	60.687	89.049
EBITDA	**49.231**	**77.526**	**105.207**
Other income, net	10.011	9.460	10.460
Financial income, net	-25.392	8.951	-12.423
Earnings before taxes	27.296	81.432	89.852
Tax expense	4.676	5.000	5.000
Net earnings	**15.740**	**56.543**	**51.608**

Cashflow statement			
EBITDA	**49.231**	**77.526**	**105.207**
Taxes on EBIT	-2.147	-4.196	-6.241
Capital expenditures	-29.165	-42.931	-57.146
Chg. in NWC	-2.161	6.190	2.523
Free cashflows to firm	**20.080**	**24.208**	**39.298**

Growth & margins			
Revenues	15%	60%	45%
EBITDA	20%	57%	36%
Net earnings	78%	259%	-9%
Gross margin	23,2%	26,6%	27,1%
Operating margin	31,7%	35,3%	35,8%
EBITDA margin	46,0%	45,1%	42,3%
Net margin	14,7%	32,9%	20,8%
Free cashflow margin	18,7%	14,1%	15,8%

Valuation			
P/E	12,7x	3,5x	3,9x
P/BV	1,2x	1,0x	0,8x
EV/EBITDA	5,0x	3,2x	2,7x
EV/Sales	2,3x	1,4x	1,2x
Dividend Yield	0,0%	0,0%	0,0%
Free cashflow yield	10,1%	12,1%	19,7%

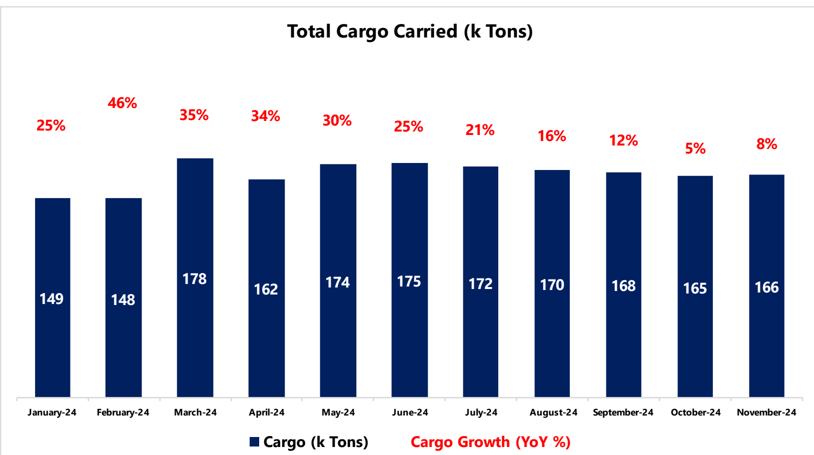
Source: Company Data, Tacirler Investment

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

Turkish Airlines

Turkish Airlines has increased its average daily flight numbers and currently holds the position as the airline with the highest traffic in Europe, with an 8% growth compared to 2019. We maintain our "Buy" recommendation for THYAO with a target price of 428 TL and continue to include it in our Model Portfolio. In our valuation, Turkish Airlines is trading at a 3.6x P/E multiple for our 2024E estimates and a 2.7x P/E multiple for our 2025E estimates.

Strong momentum in cargo growth… In the first 11 months of 2024, the cargo tonnage carried increased by 22% compared to the same period of the previous year, reaching 1.83 million tons. While the average cargo growth in the first six months of 2024 was at 32%, the third quarter of 2023 saw some normalization due to the increasing base effect. However, the company's future targets anticipate cargo operations to reach 3.9 million tons annually by 2033. By the end of 2023, cargo operations had achieved 1.66 million tons, and we expect an annual compound growth rate of 8% in tonnage.



Slightly above record levels in passenger traffic during the first 11 months of 2024… In the first 11 months of 2024, the number of passengers carried increased by 2% compared to the previous year, reaching 78.6 million. During this period, the number of passengers carried domestically remained flat at 28.4 million, while international passenger traffic rose by 3%, reaching 46 million people. During our assessment period, the annual passenger growth rate stood at 6%.

THYAO — BUY

Target Price	**TL 428**
Return potential	**50%**

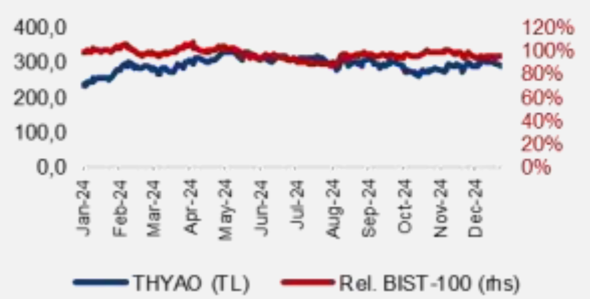
Share Data	
Ticker:	**THYAO TI**
Share price (as of 23.12.2024)	286,00
Share price (52 week range)	222 / 330
Market cap. (TL mn - USD mn)	394680,0 - 11242,4
# of shares (mn) & free float	1.380 - 50%
Foreign Ownership Rate	24,53%
Market	BIST STAR
Industry	Aviation

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	249,0	215,8	255,4

Price performance	1M	3M	Y-t-D
TL	2%	-3%	25%
USD	0%	-6%	5%
Rel. to BIST-100	2%	-1%	-3%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	505.953	751.493	1.023.729
EBITDA	128.564	190.250	259.505
Net Earnings	81.995	110.216	147.554

Valuation	2023	2024E	2025E
P/E	4,8x	3,6x	2,7x
P/BV	1,1x	0,8x	0,6x
EV/EBITDA	5,3x	3,5x	2,5x



Turkish Airlines - Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	76.096	135.622	177.625
Accounts receivables	19.354	26.766	38.705
Inventory	8.833	17.903	29.759
Financial investments	133.114	181.336	237.686
Fixed assets	150.933	124.236	103.766
Other non-current assets	548.711	578.560	646.012
Total assets	**937.042**	**1.064.424**	**1.233.554**
Short-term financial loans	93.450	131.287	168.609
Accounts payables	18.928	17.903	19.839
Long-term financial loans	272.428	272.428	272.428
Other long-term payables	196.467	176.820	159.138
Non-current liabilities	**468.895**	**449.248**	**431.566**
Shareholders' equity	**355.769**	**465.985**	**613.539**
Paid in Capital	129	168	222
Total liabilities & equity	**937.042**	**1.064.424**	**1.233.554**
Net debt	289.782	268.093	263.412
Net working capital	9.259	26.766	48.625

Per share (TL)			
EPS	59,42	79,87	106,92
BVPS	257,80	337,67	444,59
DPS	0,00	0,00	0,00

Ratios			
Profitability			
ROE	40,5%	26,8%	27,3%
Net margin	16,2%	14,7%	14,4%
Asset turnover	0,9x	0,8x	0,9x
Leverage	2,9x	2,4x	2,1x
ROA	14,1%	11,0%	12,8%
Leverage			
Financial debt/Total assets	39%	38%	36%
Net debt/Equity	0,81	0,58	0,43
Net debt/EBITDA	2,25	1,41	1,02

Income statement	2022	2023	2024E	2025E
Revenues	**311.169**	**505.953**	**751.493**	**1.023.729**
Gross profit	75.641	128.620	206.929	299.603
Operating expenses	-27.910	-53.707	-72.293	-98.146
Operating profit	103.551	182.327	279.222	397.749
EBITDA	**78.684**	**128.564**	**190.250**	**259.505**
Other income, net	1.080	7.112	9.737	9.358
Financial income, net	-4.764	-4.053	-5.265	-20.475
Earnings before taxes	107.223	211.429	297.522	401.906
Tax expense	-3.971	-22.019	-42.720	-58.059
Net earnings	**47.432**	**81.995**	**110.216**	**147.554**

Cashflow statement				
EBITDA	**78.684**	**128.564**	**190.250**	**259.505**
Taxes on EBIT	-4.296	-5.993	-20.195	-30.057
Capital expenditures	-15.274	-18.373	-27.047	-35.143
Chg. in NWC	333	6.970	17.506	21.859
Free cashflows to firm	**58.781**	**97.228**	**125.501**	**172.445**

Growth & margins				
Revenues	220%	63%	49%	36%
EBITDA	182%	63%	48%	36%
Net earnings	478%	73%	34%	34%
Gross margin	24,3%	25,4%	27,5%	29,3%
Operating margin	33,3%	36,0%	37,2%	38,9%
EBITDA margin	25,3%	25,4%	25,3%	25,3%
Net margin	15,2%	16,2%	14,7%	14,4%
Free cashflow margin	18,9%	19,2%	16,7%	16,8%

Valuation				
P/E	8,3x	4,8x	3,6x	2,7x
P/BV	8,1x	1,1x	0,8x	0,6x
EV/EBITDA	6,6x	5,3x	3,5x	2,5x
EV/Sales	1,7x	1,4x	0,9x	0,6x
Dividend Yield	0,0%	0,0%	0,0%	0,0%
Free cashflow yield	14,9%	24,6%	31,8%	43,7%

Source: Company Data, Tacirler Investment

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

Teknosa

We maintain our target price for Teknosa at 48.00 TL per share, reflecting a 22% upside potential. We reiterate our BUY recommendation and continue to include the company in our model portfolio. Key catalysts driving our valuation include: i) Teknosa's established and strong position in the sector, ii) Efficiency gains through its ongoing digital transformation journey, and iii) Value creation potential from İklimsa and complementary products and services.

An Established and Resilient Player in the Sector… Teknosa holds a prominent position in Türkiye's rapidly growing technology market, leveraging its extensive store network, teknosa.com, and mobile platforms. Alongside its retail and e-commerce operations, Teknosa also plays a significant role in the climate control sector through its İklimsa brand. We believe Teknosa presents an attractive investment opportunity due to its brand value, widespread presence, diverse product range, and dynamic structure, even in a normalized demand environment. Under its transformation strategy, Teknosa is strengthening its omnichannel structure with customer-focused new concept stores, marketplace platforms, and digital projects. Its e-commerce operations enhance both customer experience and sales performance. Despite short-term demand pressures, we expect rising demand for electronic devices in the medium to long term. Teknosa is well-positioned to outperform the market with its multichannel structure. The ongoing digital transformation and acceleration of marketplace contributions will further support Teknosa's growth. We anticipate that Teknosa will sustain above-market growth by benefiting from its multichannel operations and efforts to improve in-store customer experiences. In particular, the online channel is expected to remain a key growth driver for the company.

Improvement in Operational Profitability and 2025 Expectations… Benefiting from its multichannel strategy, main product categories, and air-conditioner sales, Teknosa achieved real growth of 5% year-on-year in the first nine months of 2024, reaching a revenue of 47.4 billion TL. Alongside this growth, the company is implementing new measures to enhance cost control and improve cash management. As a result, net working capital has improved on an annual basis, and Teknosa's net cash position reached 1.8 billion TL as of September 2024. The company continues its strategic investments, with 73% of the 596 million TL capital expenditures in the first nine months of 2024 allocated to IT and efficiency projects. For the full year 2024, we forecast revenue to grow 46% year-on-year to 65.5 billion TL, with EBITDA reaching 2.3 billion TL. In the first half of 2025, the high interest rate environment is expected to continue pressuring net profit due to elevated financing costs. However, with the measures being implemented, we anticipate Teknosa will close 2025 with a positive net profit. Supported by growing demand for electronic devices, the company's operations are expected to remain robust in 2025, with revenue projected to grow 26% year-on-year to 83 billion TL. We included Teknosa in our model portfolio on December 12, and we maintain our 12-month target price of 48.00 TL per share, keeping the company in our portfolio.

TKNSA — BUY

Target Price	**TL 48**
Return potential	**22%**

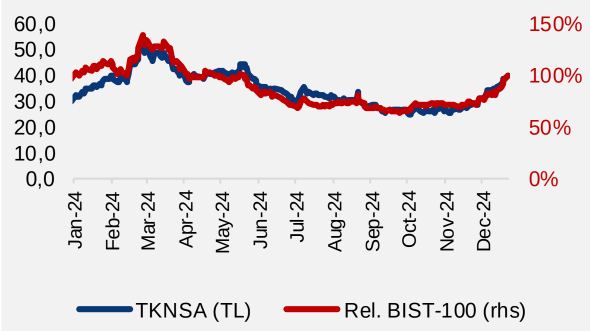
Share Data	
Ticker:	**TKNSA TI**
Share price (as of 23.12.2024)	39,40
Share price (52 week range)	24 / 53
Market cap. (TL mn - USD mn)	7919,4 - 225,6
# of shares (mn) & free float	201 - 50%
Foreign Ownership Rate	3,69%
Market	BIST STAR
Industry	Retail

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	2,8	2,1	3,1

Price performance	1M	3M	Y-t-D
TL	38%	49%	33%
USD	36%	45%	11%
Rel. to BIST-100	37%	53%	3%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	47.322	65.462	82.802
EBITDA	1.038	2.283	3.097
Net Earnings	750	-1.366	61

Valuation	2023	2024E	2025E
P/E	10,6x	n.a.	128,8x
P/BV	2,3x	3,8x	3,7x
EV/EBITDA	5,7x	3,8x	2,7x



Teknosa – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	3.721	1.089	1.517
Accounts receivables	1.266	1.202	1.588
Inventory	11.362	11.722	12.537
Financial investments	0	0	0
Fixed assets	1.356	1.623	1.199
Other non-current assets	2.254	2.367	2.485
Total assets	**19.958**	**18.002**	**19.326**
Short-term financial loans	1.134	1.190	1.250
Accounts payables	13.469	13.100	14.011
Long-term financial loans	592	622	653
Other long-term payables	1.276	986	1.247
Non-current liabilities	**1.868**	**1.608**	**1.900**
Shareholders' equity	**3.488**	**2.104**	**2.165**
Paid in Capital	201	201	201
Other Equity	1.641	3.287	1.903
Total liabilities & equity	**19.958**	**18.002**	**19.326**
Net debt	-1.995	723	386
Net working capital	-842	-176	114

Per share (TL)			
EPS	3,73	-6,79	0,31
BVPS	17,35	10,47	10,77
DPS	0,00	0,00	0,00

Ratios			
Profitability			
ROE	28,1%	-48,8%	2,9%
Net margin	1,6%	-2,1%	0,1%
Asset turnover	3,1x	3,4x	4,4x
Leverage	5,8x	6,8x	8,7x
ROA	4,8%	-7,2%	0,3%
Leverage			
Financial debt/Total assets	9%	10%	10%
Net debt/Equity	-0,57	0,34	0,18
Net debt/EBITDA	-1,92	0,32	0,12

Income statement	2023	2024E	2025E
Revenues	**47.322**	**65.462**	**82.802**
Gross profit	5.045	7.758	9.896
Operating expenses	-4.803	-7.106	-8.717
Operating profit	242	653	1.179
EBITDA	**1.038**	**2.283**	**3.097**
Other income, net	-1.266	-2.851	-3.166
Financial income, net	1.752	461	1.855
Earnings before taxes	1.055	-1.697	82
Tax expense	-305	331	-20
Net earnings	**750**	**-1.366**	**61**

Cashflow statement			
EBITDA	**1.038**	**2.283**	**3.097**
Taxes on EBIT	-60	-163	-259
Capital expenditures	-578	-953	-1.206
Chg. in NWC	287	665	290
Free cashflows to firm	**112**	**501**	**1.341**

Growth & margins			
Revenues	45%	38%	26%
EBITDA	1558%	120%	36%
Net earnings	43%	-282%	-105%
Gross margin	10,7%	11,9%	12,0%
Operating margin	0,5%	1,0%	1,4%
EBITDA margin	2,2%	3,5%	3,7%
Net margin	1,6%	-2,1%	0,1%
Free cashflow margin	0,2%	0,8%	1,6%

Valuation			
P/E	10,6x	n.a.	128,8x
P/BV	2,3x	3,8x	3,7x
EV/EBITDA	5,7x	3,8x	2,7x
EV/Sales	0,1x	0,1x	0,1x
Dividend Yield	0,0%	0,0%	0,0%
Free cashflow yield	1,4%	6,3%	16,9%

Source: Company Data, Tacirler Investment

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

Tüpraş

We maintain our target price for Tüpraş at 208.10 TL per share, reflecting a 43% upside potential. We reiterate our BUY recommendation and continue to include Tüpraş in our model portfolio. Key catalysts supporting the outlook include: A recovery in middle distillate product margins since the third quarter, Sustained strong domestic demand for refinery products, and Robust operational cash flow, which remains a critical driver for the company's positive future prospects.

Financial Results Exceeding Expectations… Tüpraş, operating four refineries in Izmit, Izmir, Kirikkale, and Batman with a total annual crude oil processing capacity of 30 million tons, is the 7th largest refinery company in Europe and one of the most comprehensive complex refineries in the Mediterranean region. In 3Q24, the company reported a net profit of 7.7 billion TL, representing a 22% year-on-year decline. The drop in net profit was primarily driven by narrowing crude oil price differentials and declining refinery product margins. However, the completion of the RUP maintenance during the quarter led to improved energy efficiency, boosting the capacity utilization rate to 101%, the highest level since 2019. This operational efficiency highlights Tüpraş's resilience in maintaining strong performance despite margin pressures.

Capacity Utilization at Multi-Year Highs… Tüpraş achieved record-high capacity utilization rates, which supported operational profitability despite weakening product margins compared to the previous quarter. The company's net cash position stood at $3 billion, driven by strong EBITDA and effective working capital management. In September and October, Tüpraş distributed 23 billion TL in dividends, aligning with its target of an average 80% dividend payout ratio, bringing total dividend payments in 2024 to 43 billion TL. Tüpraş experienced a positive operational season as global demand increased quarter-on-quarter. Demand for middle distillates and gasoline has returned to pre-Covid levels, surpassing the demand seen during the same period last year. While middle distillate product margins declined year-on-year due to higher inventory levels linked to high capacity utilization and a slower growth in demand, the YKFO product margin remained strong, supported by supply constraints. These dynamics highlight Tüpraş's ability to sustain profitability through efficient operations and robust market positioning.

Tüpraş has maintained its year-end 2024 guidance… Which includes: 26 million tons of production, 30 million tons of sales, An average capacity utilization rate of 85-90%, and $400 million in capital expenditures. The company's product margin expectation is $12/bbl. While Tüpraş exports part of its production, its costs are largely denominated in foreign currencies, reducing its exposure to currency fluctuations. Meanwhile, its domestic operations remain robust. Since the third quarter, the recovery in middle distillate product margins and sustained high domestic demand for refinery products, despite macroeconomic challenges, continue to drive strong operational cash flow. Looking ahead, we expect improving demand and rising product margins to support further profitability growth. We maintain our target price of 208.10 TL per share, reflecting a 43% upside potential, reiterate our BUY recommendation, and continue to include Tüpraş in our model portfolio.

TUPRS — BUY

Target Price	**208.1**
Return potential	**43%**

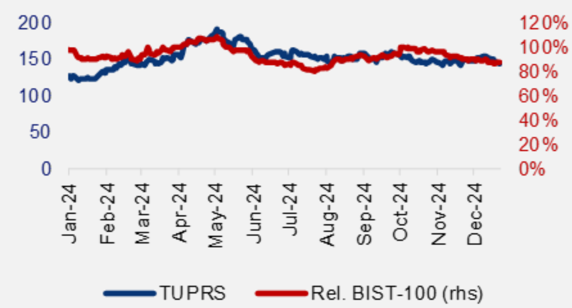
Share Data	
Ticker:	**TUPRS TI**
Share Price (23 December 2024)	145.50
Share price (52 week range)	120.8 / 189.7
Market cap. (TL mn - USD mn)	280,349 - 7,996
# of shares outstanding (mn)	1926.8
Free Float	49%
Market	BIST STAR
Industry	Energy

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	69.1	72.7	101.5

Price performance	**1M**	**3M**	**Y-t-D**
TL	3%	-6%	16%
USD	1%	-9%	-2%
Rel. to BIST-100	-4%	-4%	-11%

TL mn	**2021**	**2022**	**2023**
Revenues	152,492	916,751	686,529
EBITDA	13,396	103,202	96,240
Net Earnings	3,495	61,314	53,577

Valuation	**2021**	**2022**	**2023**
P/E	-0.5x	11.3x	3.7x
P/BV	2.4x	3.4x	2.9x
EV/EBITDA	27.2x	4.4x	1.6x



Tüpraş – Financial Summary

Balance Sheet	2021	2022	2023
Cash	21.176	82.008	133.175
Accounts receivables	13.797	35.290	54.941
Inventory	23.758	59.453	60.409
Other current assets	7.785	20.759	24.757
Current assets	**66.515**	**197.510**	**273.282**
Financial investments	2.156	7.701	11.743
Net fixed assets	28.316	128.588	181.834
Intangible assets	562	2.807	5.778
Other non-current assets	8.707	11.094	25.689
Non-current assets	**39.742**	**150.191**	**225.044**
Total assets	**106.257**	**347.700**	**498.326**
Short-term financial loans	11.628	19.764	40.715
Accounts payables	43.837	86.839	133.083
Other short-term payables	9.363	23.401	37.153
Current liabilities	**64.829**	**130.004**	**210.951**
Long-term financial loans	21.565	35.055	7.279
Other long-term payables	782	3.230	4.380
Non-current liabilities	**22.347**	**38.284**	**11.659**
Shareholders' equity	**19.081**	**179.413**	**275.715**
Parent company	18.809	177.884	272.757
Minorities	272	1.528	2.958
Total liabilities & equity	**106.257**	**347.700**	**498.326**
Net debt	12.017	-27.190	-85.181
Net working capital	-7.861	5.262	-30.130
Net working capital (Operating)	-6.283	7.904	-17.733
Invested Capital	21.017	136.657	157.482

Ratios	2021	2022	2023
Profitability			
ROE	21,8%	61,8%	23,5%
Net margin	2,3%	6,7%	7,8%
Asset turnover	1,8x	4,0x	1,6x
Leverage	5,3x	2,3x	1,9x
ROA	4,1%	27,0%	12,7%
ROIC	56,6%	98,4%	49,1%
Leverage			
Financial debt/Total assets	31%	16%	10%
Net debt/Equity	0,63	-0,15	-0,31
Net debt/EBITDA	0,90	-0,26	-0,89

Income statement	2021	2022	2023
Revenues	**152.492**	**916.751**	**686.529**
Gross profit	15.860	113.080	109.732
Operating expenses	3.318	16.159	19.556
Operating profit	12.542	96.921	90.177
EBITDA	**13.396**	**103.202**	**96.240**
Other income, net	-11.658	-28.216	-16.467
Financial income, net	881	-181	-16.941
Earnings before taxes	2.358	68.508	57.820
Tax expense	-1.255	6.963	3.948
Net earnings - Parent	**3.495**	**61.314**	**53.577**

Cashflow statement	2021	2022	2023
EBITDA	**13.396**	**103.202**	**96.240**
Taxes on EBIT	-6.674	9.851	6.158
Capital expenditures	1.201	4.283	12.384
Chg. in NWC	1.408	13.123	-35.392
Free cashflows to firm	**17.460**	**75.945**	**113.090**

Growth & margins	2021	2022	2023
Revenues	141%	501%	-25%
EBITDA	2611%	670%	-7%
Net earnings	-240%	1654%	-13%
Gross margin	10,4%	12,3%	16,0%
Operating margin	8,2%	10,6%	13,1%
EBITDA margin	8,8%	11,3%	14,0%
Net margin	2,3%	6,7%	7,8%
Free cashflow margin	2,3%	6,7%	7,8%

Per share (TL)	2021	2022	2023
EPS	1,81	31,82	27,81
BVPS	9,90	93,11	143,10
DPS	0,01	0,04	17,77

Valuation	2021	2022	2023
P/E	-0,5x	11,3x	3,7x
P/BV	2,4x	3,4x	2,9x
EV/EBITDA	27,2x	4,4x	1,6x
EV/Sales	0,5x	0,4x	0,2x
Dividend Yield	0%	0%	17%
Free cashflow yield	62%	99%	55%

Source: Bloomberg, Tacirler Investment

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

Anadolu Efes Biracılık ve Malt Sanayi

Türkiye operations, supported by strong demand and effective pricing strategies, have enabled Anadolu Efes to deliver solid performance despite challenging macroeconomic conditions. Developments in its Russia-Ukraine operations will play a critical role in shaping the company's future outlook. While volume growth is expected to decelerate and margin contraction is anticipated to remain limited in the second half of the year, the support provided by the AB-InBev agreement for operations in Russia stands out as a significant catalyst.

Stable Growth Continues… Anadolu Efes has achieved notable growth in beer group volumes, averaging approximately 9% over the past five quarters, driven by reduced consumption impacts from the Russia-Ukraine war and strong demand in Türkiye. With a 9.3% YoY volume increase in the first half of 2024, the company has delivered robust performance, revising its annual volume growth forecast from slight growth to mid-single-digit growth. However, due to high base effects and weakening purchasing power, volumes are expected to remain flat year-over-year for the remainder of the year in both Türkiye and international operations. The company raised its beer group sales growth forecast in local currency terms from low 20% to low 30%. Considering the 36.7% growth achieved in the first half, some slowdown is expected in the second half, primarily driven by volume, while pricing strength is projected to remain intact. Notably, Q3 results have supported this outlook.

Strategic Developments Take Center Stage… Anadolu Efes will acquire AB-InBev's stake in its Russian operations, while AB-InBev will take over Anadolu Efes' stake in the Ukrainian operations. This transaction resolves a previously unresolved issue due to regulatory restrictions in Russia. With the resolution of this matter, the uncertainty surrounding it has ended.

Risks… The company faces potential risks in 2025, particularly in its Russian operations, where cost pressures and declining purchasing power could lead to contraction in domestic demand. Additionally, normalization in growth and profitability due to high base effects may limit significant price movements despite overall positive performance. These factors could temper excitement around the company's stock performance.

AEFES

under review

Target Price
Return potential

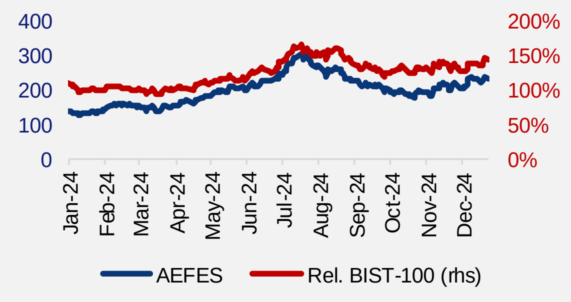
Share Data	
Ticker:	**AEFES TI**
Share Price (23 December 2024)	229.50
Share price (52 week range)	123.3 / 301.8
Market cap. (TL mn - USD mn)	135,888 - 3,871
# of shares outstanding (mn)	592.1
Free Float	32%
Market	BIST STAR
Industry	Food

Avg. trading volume	1M	3M	12M
USD mn	26.1	22.1	22.5

Price performance	1M	3M	Y-t-D
TL	8%	12%	69%
USD	6%	9%	42%
Rel. to BIST-100	7%	15%	31%

TL mn	2021	2022	2023
Revenues	39,284	155,060	159,877
Net Earnings	1,068	15,384	22,129
Net Debt	10,912	21,444	25,251

Valuation	2021	2022	2023
P/E	12.9x	17.3x	3.5x
P/BV	1.1x	1.0x	1.5x
EV/EBITDA	3.7x	3.8x	2.2x



Anadolu Efes Biracılık ve Malt Sanayi – Financial Summary

Balance Sheet	2021	2022	2023
Cash	10,334	40,580	56,583
Accounts receivables	5,117	12,990	20,896
Inventory	5,903	23,546	33,799
Other current assets	3,310	8,711	11,170
Current assets	**24,664**	**85,826**	**122,448**
Financial investments	1	453	15
Net fixed assets	21,297	56,948	78,276
Intangible assets	30,162	101,263	126,968
Other non-current assets	9,389	23,754	32,629
Non-current assets	**60,849**	**182,418**	**237,888**
Total assets	**85,513**	**268,245**	**360,336**
Short-term financial loans	6,475	19,674	32,428
Accounts payables	12,634	33,009	44,914
Other short-term payables	5,412	16,576	29,304
Current liabilities	**24,521**	**69,259**	**106,647**
Long-term financial loans	14,772	42,350	49,406
Other long-term payables	6,887	21,910	27,831
Non-current liabilities	**21,659**	**64,260**	**77,237**
Shareholders' equity	**39,332**	**134,725**	**176,452**
Parent company	18,715	64,533	87,708
Minorities	20,617	70,193	88,744
Total liabilities & equity	**85,513**	**268,245**	**360,336**
Net debt	10,912	21,444	25,251
Net working capital	-3,717	-4,338	-8,353
Net working capital (Operating)	-1,614	3,527	9,781
Invested Capital	47,742	153,873	196,890

Ratios	2021	2022	2023
Profitability			
ROE	3.3%	17.7%	14.2%
Net margin	2.7%	9.9%	13.8%
Asset turnover	0.6x	0.9x	0.5x
Leverage	2.1x	2.0x	2.0x
ROA	1.6%	8.7%	7.0%
ROIC	8.6%	13.3%	8.9%
Leverage			
Financial debt/Total assets	25%	23%	23%
Net debt/Equity	0.28	0.16	0.14
Net debt/EBITDA	1.69	0.85	0.93

Income statement	2021	2022	2023
Revenues	**39,284**	**155,060**	**159,877**
Gross profit	14,142	53,556	59,000
Operating expenses	10,094	36,839	39,526
Operating profit	4,048	16,716	19,474
EBITDA	**6,447**	**25,328**	**27,045**
Other income, net	805	8	561
Financial income, net	-508	12,652	21,561
Earnings before taxes	3,803	29,822	41,453
Tax expense	1,436	6,818	7,911
Net earnings - Parent	**1,068**	**15,384**	**22,129**
Cashflow statement			
EBITDA	**6,447**	**25,328**	**27,045**
Taxes on EBIT	1,528	3,822	3,717
Capital expenditures	2,725	8,322	10,223
Chg. in NWC	-1,318	-622	-4,015
Free cashflows to firm	**3,513**	**13,806**	**17,121**
Growth & margins			
Revenues	47%	295%	3%
EBITDA	36%	293%	7%
Net earnings	30%	1340%	44%
Gross margin	36.0%	34.5%	36.9%
Operating margin	10.3%	10.8%	12.2%
EBITDA margin	16.4%	16.3%	16.9%
Net margin	2.7%	9.9%	13.8%
Free cashflow margin	2.7%	9.9%	13.8%

Per share (TL)	2021	2022	2023
EPS	1.80	25.98	37.37
BVPS	66.43	227.54	298.01
DPS	1.93	1.85	2.13
Valuation			
P/E	12.9x	17.3x	3.5x
P/BV	1.1x	1.0x	1.5x
EV/EBITDA	3.7x	3.8x	2.2x
EV/Sales	0.6x	0.6x	0.4x
Dividend Yield	8%	5%	3%
Free cashflow yield	25%	62%	34%

Source: Bloomberg, Tacirler Investment

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

Arçelik

We maintain our 12-month target price for ARCLK at TRY 206.60 and continue to recommend a BUY rating with an outperform expectation. The key reasons for our recommendation are as follows: i) Sales Growth Driven by Whirlpool Operations Acquisition: The acquisition of Whirlpool operations is expected to contribute significantly to sales growth. ii) One-Off Costs from Acquired Operations Affecting 2024 Operational Profitability: While one-off costs from these acquisitions are expected to affect operational profitability in 2024, a gradual recovery is anticipated in 2025.iii) Signs of Increased Global Demand for Home Appliances: Positive signals regarding global home appliance demand reinforce our BUY recommendation. According to our 2025 projections, ARCLK is trading at a 41.1x P/E ratio.

Global Outlook and improvement in home appliance demand… We expect that the start of interest rate cuts in global markets, alongside similar measures in the domestic market, will provide a significant boost to the home appliance sector, which has faced recent challenges. Additionally, the anticipated reduction in risk premiums in Turkish equities in 2025 is expected to further contribute to sector recovery and growth. These developments are expected to enhance Arçelik's risk/return potential, strengthening the company's appeal in its growth and recovery phase.

Financial forecasts and margin improvement…We anticipate that the impact of the merger will decrease by Q1 2025, and improvements in consolidated operational profitability driven by Whirlpool operations are expected. Arçelik's consolidated EBITDA margin is projected to decline from 7.9% in 2024 to 5.8%. However, we forecast that cost control measures and the integration of Whirlpool operations will reduce the margin pressure over the medium to long term. We expect the EBITDA margin to average 8.5% over the next five years and reach 10% by 2030. Further improvements in cost optimization and product innovation are expected to bring margins back to previous levels post-2025. The company is also aiming to restructure its European operations to increase operating margins and generate EUR 300 million in savings over the next five years. Our projections show that Arçelik's EBITDA will grow from EUR 582 million in 2024 to EUR 1.1 billion in 2027, with an annual compound growth rate (CAGR) of 18.2%.

Risks: i) Ongoing credit tightening and a prolonged high-interest-rate environment may continue to pressure demand, ii) A longer-than-expected recovery in Whirlpool's operational margins, iii) Delayed effects of interest rate cuts on global demand. Despite these risks, we believe Arçelik's growth potential and strategic steps will support strong long-term performance.

ARCLK — BUY

Target Price	**TL 206,60**
Return potential	**48%**

Share Data

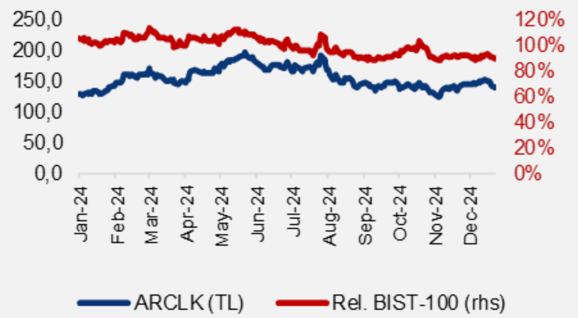
Ticker:	**ARCLK TI**
Share price (as of 23.12.2024)	139,40
Share price (52 week range)	124 / 195
Market cap. (TL mn - USD mn)	94.197 - 2.683
# of shares (mn) & free float	676 - 15%
Foreign Ownership Rate	14,51%
Market	BIST STAR
Industry	White Goods

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	8,2	8,1	13,8

Price performance	**1M**	**3M**	**Y-t-D**
TL	-2%	-4%	8%
USD	-4%	-7%	-9%
Rel. to BIST-100	-3%	-2%	-16%

Forecasts (TL mn)	**2023**	**2024E**	**2025E**
Revenues	257.104	410.376	529.386
EBITDA	20.331	23.758	42.446
Net Earnings	7.667	-8.000	2.290

Valuation	**2023**	**2024E**	**2025E**
P/E	12,3x	-11,8x	41,1x
P/BV	1,3x	1,3x	1,3x
EV/EBITDA	8,2x	8,3x	5,2x



Arçelik – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	66.289	34.536	33.435
Accounts receivables	90.375	106.106	126.730
Inventory	64.464	87.722	92.989
Financial investments	0	0	0
Fixed assets	87.617	120.282	132.310
Other non-current assets	41.963	61.218	64.279
Total assets	**350.707**	**409.862**	**449.742**
Short-term financial loans	78.050	55.593	61.153
Accounts payables	73.643	102.301	117.513
Long-term financial loans	60.405	82.652	97.530
Other long-term payables	57.687	97.066	99.007
Non-current liabilities	**118.092**	**179.718**	**196.537**
Shareholders' equity	**72.237**	**72.249**	**74.539**
Paid in Capital	676	676	676
Total liabilities & equity	**350.707**	**409.862**	**449.742**
Net debt	72.166	103.710	125.247
Net working capital	81.196	91.526	102.205

Per share (TL)			
EPS	11,35	-11,84	3,39
BVPS	106,90	106,92	110,31
DPS	-4,78	0,00	0,00

Ratios			
Profitability			
ROE	12,3%	-11,1%	3,1%
Net margin	3,0%	-1,9%	0,4%
Asset turnover	0,9x	1,1x	1,2x
Leverage	4,7x	5,3x	5,9x
ROA	2,6%	-2,1%	0,5%
Leverage			
Financial debt/Total assets	39%	34%	35%
Net debt/Equity	1,00	1,44	1,68
Net debt/EBITDA	3,55	4,37	2,95

Income statement	2023	2024E	2025E
Revenues	**257.104**	**410.376**	**529.386**
Gross profit	75.378	114.186	156.409
Operating expenses	-63.762	-107.342	-140.167
Operating profit	11.616	6.844	16.243
EBITDA	**20.331**	**23.758**	**42.446**
Other income, net	-1.458	-5.856	-4.817
Financial income, net	-2.466	-13.382	-12.423
Earnings before taxes	7.158	-11.675	-135
Tax expense	1.237	1.955	2.917
Net earnings	**7.667**	**-8.000**	**2.290**

Cashflow statement			
EBITDA	**20.331**	**23.758**	**42.446**
Taxes on EBIT	-929	-1.711	-4.061
Capital expenditures	-13.145	-14.267	-16.940
Chg. in NWC	25.335	10.330	10.679
Free cashflows to firm	**-19.078**	**-2.550**	**10.765**

Growth & margins			
Revenues	0%	60%	29%
EBITDA	25%	17%	79%
Net earnings	22%	-204%	-129%
Gross margin	29,3%	27,8%	29,5%
Operating margin	4,5%	1,7%	3,1%
EBITDA margin	7,9%	5,8%	8,0%
Net margin	3,0%	-1,9%	0,4%
Free cashflow margin	-7,4%	-0,6%	2,0%

Valuation			
P/E	12,3x	-11,8x	41,1x
P/BV	1,3x	1,3x	1,3x
EV/EBITDA	8,2x	8,3x	5,2x
EV/Sales	0,6x	0,5x	0,4x
Dividend Yield	-3,4%	0,0%	0,0%
Free cashflow yield	-20,3%	-2,7%	11,4%

Source: Company Data, Tacirler Investment

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

Aselsan

The historical level of total workload amount will be supported by new contract acquisitions, and the increase in global defense industry spending, coupled with geopolitical risks, will serve as significant catalysts for the company's growth in 2025, alongside Türkiye's efforts to enhance its defense industry capabilities.

Backlog orders will continue to rise with new projects... The upward trend in backlog orders is continuing... ASELSAN has reached a total backlog of 12.6 billion USD in 2024, after signing new contracts worth 5 billion USD. 95% of these orders are defense-related, with 49% denominated in dollars, 33% in euros, and 18% in Turkish lira. The fact that 68% of costs are in Turkish lira supports the company's cost control against fluctuations in exchange rates. As part of its export-focused growth strategy, ASELSAN's international contracts in the first nine months of 2024 have increased by 52% compared to the same period last year. It is expected that the company's new order intake will approach the levels seen in 2023, indicating that strong growth potential continues.

ASELSAN's strength in the defense industry and its strategic projects will continue to grow exponentially... In 2025, Türkiye's defense industry budget is projected to reach a total of 1.61 trillion TRY, with 913.9 billion TRY allocated for defense expenditures and 694.5 billion TRY for internal security. These budget increases will positively contribute to ASELSAN's operational revenues, while the company's high value-added projects in the defense sector will support profitability performance. ASELSAN maintains its leadership position in the sector, benefiting from its strong domestic market presence and the increased focus on defense industry R&D initiatives outlined in the Medium-Term Program (2025-2027). The program's support for high value-added local production policies will continue to accelerate ASELSAN's strategic projects. Under the leadership of the Defense Industry Executive Committee, ASELSAN aims to integrate air defense systems, such as GÖKDEMİR, HİSAR-A+, SİPER, GÖKER, HİSAR-O+, and GÖKBERK, through the "ÇELİK KUBBE" (Steel Dome) Project to establish a comprehensive defense network covering Türkiye's airspace. In addition to weapon systems, the Steel Dome project will include radar and electro-optical sensors that accurately track, detect, and classify targets. ASELSAN's significant role in this project is anticipated to positively impact the company's backlog. Furthermore, the increase in the government's defense budget provides a major advantage for ASELSAN. With its advanced supply chain, cutting-edge technological solutions, and highly skilled workforce, ASELSAN continues to make a name for itself not only in Türkiye's defense industry but also on the global stage.

Risks: i) The limited gains from exchange rate fluctuations and the strong performance of the Turkish lira creating pressure on foreign exchange income, ii) Potential reductions in the defense industry budget due to possible slowdowns in global economic activity.

ASELS

under review

Target Price
Return potential

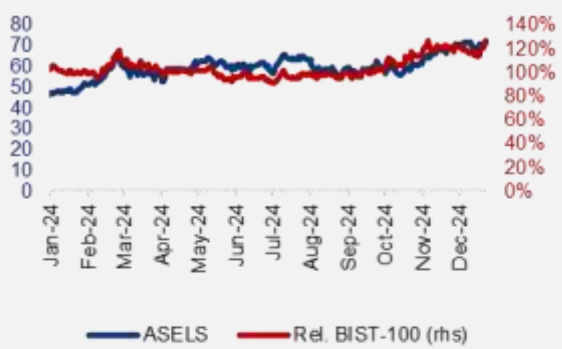
Share Data	
Ticker:	**ASELS TI**
Share Price (23 December 2024)	72,05
Share price (52 week range)	43 / 72
Market cap. (TL mn - USD mn)	328548,0 - 9358,6
# of shares outstanding (mn)	4.560
Free Float	26%
Market	BIST STAR
Industry	Defence

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	56,7	61,8	64,8

Price performance	1M	3M	Y-t-D
TL	5%	22%	60%
USD	3%	18%	35%
Rel. to BIST-100	5%	25%	25%

TL mn	2021	2022	2023
Revenues	20.139	66.860	73.593
EBITDA	5.502	14.040	16.027
Net Earnings	7.131	1.282	7.290

Valuation	2021	2022	2023
P/E	8,2x	8,7x	-217,7x
P/BV	2,0x	2,4x	3,4x
EV/EBITDA	9,8x	11,9x	10,7x



Aselsan – Financial Summary

Balance Sheet	2021	2022	2023
Cash	2.492	9.371	8.980
Accounts receivables	9.803	24.532	27.978
Inventory	7.639	27.648	43.715
Other current assets	3.241	11.368	18.347
Current assets	**23.175**	**72.918**	**99.020**
Financial investments	2.369	8.425	9.209
Net fixed assets	3.432	18.455	32.239
Intangible assets	2.268	9.131	16.504
Other non-current assets	15.170	35.874	47.602
Non-current assets	**23.238**	**71.884**	**105.555**
Total assets	**46.413**	**144.803**	**204.576**
Short-term financial loans	5.070	16.088	25.553
Accounts payables	6.039	16.107	20.194
Other short-term payables	5.640	19.470	22.425
Current liabilities	**16.750**	**51.666**	**68.173**
Long-term financial loans	333	1.763	1.535
Other long-term payables	3.495	10.568	14.794
Non-current liabilities	**3.828**	**12.331**	**16.329**
Shareholders' equity	**25.835**	**80.806**	**120.074**
Parent company	25.563	79.851	118.621
Minorities	272	955	1.453
Total liabilities & equity	**46.413**	**144.803**	**204.576**
Net debt	2.911	8.480	18.107
Net working capital	9.003	27.970	47.420
Net working capital (Operating)	11.403	36.073	51.498
Invested Capital	14.703	55.556	96.164

Income statement	2021	2022	2023
Revenues	**20.139**	**66.860**	**73.593**
Gross profit	6.649	17.833	20.105
Operating expenses	1.579	6.239	7.480
Operating profit	5.070	11.594	12.625
EBITDA	**5.502**	**14.040**	**16.027**
Other income, net	4.359	6.376	12.383
Financial income, net	-2.230	-18.915	-17.797
Earnings before taxes	7.196	-912	7.210
Tax expense	69	-2.102	-165
Net earnings - Parent	**7.131**	**1.282**	**7.290**

Cashflow statement			
EBITDA	**5.502**	**14.040**	**16.027**
Taxes on EBIT	49	26.710	-288
Capital expenditures	3.433	12.049	12.140
Chg. in NWC	2.821	18.967	19.450
Free cashflows to firm	**-801**	**-43.686**	**-15.274**

Growth & margins			
Revenues	25%	232%	10%
EBITDA	40%	155%	14%
Net earnings	60%	-82%	469%
Gross margin	33,0%	26,7%	27,3%
Operating margin	25,2%	17,3%	17,2%
EBITDA margin	27,3%	21,0%	21,8%
Net margin	35,4%	1,9%	9,9%
Free cashflow margin	35,4%	1,9%	9,9%

Ratios			
Profitability			
ROE	32,5%	2,4%	7,3%
Net margin	35,4%	1,9%	9,9%
Asset turnover	0,5x	0,7x	0,4x
Leverage	1,8x	1,8x	1,7x
ROA	17,7%	1,3%	4,2%
ROIC	32,7%	26,4%	13,3%
Leverage			
Financial debt/Total assets	12%	12%	13%
Net debt/Equity	0,11	0,10	0,15
Net debt/EBITDA	0,53	0,60	1,13

Per share (TL)			
EPS	1,56	0,28	1,60
BVPS	5,67	17,72	26,33
DPS	0,09	0,10	0,09

Valuation			
P/E	8,2x	8,7x	-217,7x
P/BV	2,0x	2,4x	3,4x
EV/EBITDA	9,8x	11,9x	10,7x
EV/Sales	2,4x	3,2x	2,4x
Dividend Yield	1%	1%	0%
Free cashflow yield	-2%	-66%	-10%

Source: Bloomberg, Tacirler Investment

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

Aygaz

Aygaz reported 58 billion TL in sales revenue, 1.1 billion TL EBITDA, and 1.3 billion TL net profit for the 9M24 period. We have analyzed the company's financial results, current operations, and future outlook. Looking ahead, we expect Aygaz to: Expand its reach through new LPG investments in additional countries, Improve its packaged delivery operations, and Maintain its strong balance sheet structure. These factors position Aygaz to sustain its operational and financial strength in the upcoming years.

A Strong Player in Its Sector... Aygaz operates across the LPG supply chain, including procurement, storage, filling, production, and sales of LPG-powered appliances. The company serves all 81 provinces in Türkiye with 1,830 autogas stations and 2,182 cylinder gas dealers. Every day, Aygaz delivers to approximately 40,000 households and provides fuel to over 240,000 vehicles through Aygaz-branded stations. Its main strategies include: i) strengthening its position in the LPG and natural gas business in Türkiye, ii) expanding internationally through LPG investments in developed and emerging markets, and iii) exploring opportunities in adjacent business areas with a focus on sustainability and energy transition. Aygaz holds a leading position in Türkiye's LPG distribution sector and is ranked as the world's 2nd largest company in the autogas market and Europe's 4th largest in the household LPG market. The company also adds value to its supply chain with its own fleet of four LPG tankers, featuring a total carrying capacity of 67,000 cubic meters and an average age of 15 years.

Ongoing International Investments... In addition to its domestic operations, Aygaz continues to expand its international investments. The company has entered Bangladesh, one of the world's fastest-growing LPG markets, with a 14% CAGR from 2018–2023. In Chittagong, Aygaz has increased its spherical tank count to six, raising its storage capacity to 16,000 tons, and has commissioned a second filling line. For its Dhaka facility, necessary legal permits have been obtained, and construction is ongoing, with operations expected to begin in the second quarter of 2025. By the third quarter of 2024, Aygaz had established a network of 168 dealers and ~12,000 sales points in the region. Bulk LPG and autogas sales have also commenced. During the January–September period, the company achieved total sales of 85,000 tons and announced plans to further increase LPG investments in both Turkish and international markets. While high base effects led to some normalization in LPG demand throughout the year, the company's diversified business model, including package delivery services and international operations, positively contributed to its performance. Additionally, dividends received from Tüpraş have bolstered the company's balance sheet.

2024 and 2025 Expectations... Aygaz continues to develop new business models focused on alternative energy sources and products. Looking ahead, the company anticipates entering new markets in Bangladesh and Asia, which will enhance its trading capabilities. Rising LPG demand is expected to positively impact profitability, while the growth in package delivery volumes will contribute further. Furthermore, dividends from Tüpraş are expected to support Aygaz's strong balance sheet structure.

AYGAZ *under review*

Target Price	
Return potential	

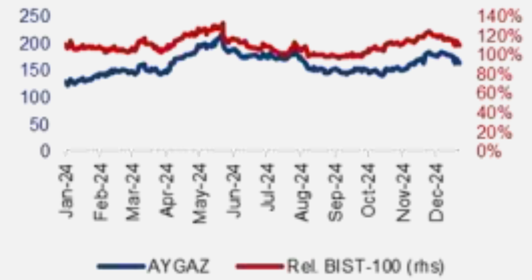
Share Data	
Ticker:	**AYGAZ TI**
Share Price (23 December 2024)	169.20
Share price (52 week range)	115.7 / 221.4
Market cap. (TL mn - USD mn)	37,190 - 1,061
# of shares outstanding (mn)	219.8
Free Float	24%
Market	BIST STAR
Industry	Energy

Avg. trading volume	1M	3M	12M
USD mn	1.5	1.7	2.5

Price performance	1M	3M	Y-t-D
TL	4%	13%	31%
USD	2%	10%	10%
Rel. to BIST-100	-4%	15%	1%

TL mn	2021	2022	2023
Revenues	15,893	71,288	64,835
EBITDA	705	1,029	1,165
Net Earnings	670	6,848	5,954

Valuation	2021	2022	2023
P/E	-52.6x	10.0x	3.6x
P/BV	2.2x	3.4x	2.3x
EV/EBITDA	11.2x	17.3x	19.8x



Aygaz – Financial Summary

Balance Sheet	2021	2022	2023
Cash	1.693	3.069	4.784
Accounts receivables	1.065	4.051	5.454
Inventory	1.433	3.849	2.697
Other current assets	446	1.335	846
Current assets	**4.638**	**12.304**	**13.781**
Financial investments	2.623	28.135	41.569
Net fixed assets	772	4.487	5.954
Intangible assets	33	177	328
Other non-current assets	268	669	1.120
Non-current assets	**3.696**	**33.467**	**48.971**
Total assets	**8.333**	**45.771**	**62.752**
Short-term financial loans	1.067	4.596	2.890
Accounts payables	2.122	6.608	7.110
Other short-term payables	680	1.263	2.276
Current liabilities	**3.869**	**12.466**	**12.276**
Long-term financial loans	1.486	1.335	127
Other long-term payables	259	1.110	729
Non-current liabilities	**1.745**	**2.444**	**856**
Shareholders' equity	**2.719**	**30.861**	**49.621**
Parent company	2.698	30.599	49.140
Minorities	21	262	481
Total liabilities & equity	**8.333**	**45.771**	**62.752**
Net debt	859	2.861	-1.768
Net working capital	142	1.364	-389
Net working capital (Operating)	376	1.292	1.040
Invested Capital	946	6.028	5.892

Ratios			
Profitability			
ROE	26,6%	40,8%	14,8%
Net margin	4,2%	9,6%	9,2%
Asset turnover	2,3x	2,6x	1,2x
Leverage	2,7x	1,6x	1,3x
ROA	9,8%	25,3%	11,0%
ROIC	51,7%	-0,6%	4,7%
Leverage			
Financial debt/Total assets	31%	13%	5%
Net debt/Equity	0,32	0,09	-0,04
Net debt/EBITDA	1,22	2,78	-1,52

Income statement	2021	2022	2023
Revenues	**15.893**	**71.288**	**64.835**
Gross profit	1.438	3.858	4.963
Operating expenses	916	3.885	4.613
Operating profit	522	-27	350
EBITDA	**705**	**1.029**	**1.165**
Other income, net	-85	78	166
Financial income, net	-163	280	-139
Earnings before taxes	697	6.494	5.466
Tax expense	70	-31	-75
Net earnings - Parent	**670**	**6.848**	**5.954**

Cashflow statement			
EBITDA	**705**	**1.029**	**1.165**
Taxes on EBIT	53	0	-5
Capital expenditures	174	577	584
Chg. in NWC	194	1.222	-1.754
Free cashflows to firm	**285**	**-771**	**2.340**

Growth & margins			
Revenues	57%	349%	-9%
EBITDA	69%	46%	13%
Net earnings	-2792%	922%	-13%
Gross margin	9,0%	5,4%	7,7%
Operating margin	3,3%	0,0%	0,5%
EBITDA margin	4,4%	1,4%	1,8%
Net margin	4,2%	9,6%	9,2%
Free cashflow margin	4,2%	9,6%	9,2%

Per share (TL)			
EPS	3,05	31,16	27,09
BVPS	12,37	140,40	225,75
DPS	0,68	0,68	1,00

Valuation			
P/E	-52,6x	10,0x	3,6x
P/BV	2,2x	3,4x	2,3x
EV/EBITDA	11,2x	17,3x	19,8x
EV/Sales	0,5x	0,6x	0,3x
Dividend Yield	3%	1%	1%
Free cashflow yield	6%	-7%	10%

Source: Bloomberg, Tacirler Investment

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

BİM Birleşik Mağazalar

In light of our updated macroeconomic and microeconomic forecasts, we revise our estimates and target price for BİM, which is under our coverage. Based on the company's strong operational performance, supportive sector dynamics, and macroeconomic expectations for the upcoming period, we maintain our "BUY" recommendation with a revised 12-month target price of TL693 per share. For the 2025E period, the company is trading at 9.2x P/E and 8.6x EV/EBITDA multiples.

Supportive Macro Outlook Drives Positive Impact…BİM achieved robust financial results in the first nine months of 2024, driven by high food inflation and operating leverage. A positive trend in operational cash flow and improvements in EBITDA margins contributed to its favorable outlook. In Türkiye, the company opened 253 new stores, including 18 under the FİLE brand, bringing the total net store count to 11,952. With new store openings in Morocco and Egypt, the total number of stores increased to 13,377. BİM achieved real revenue growth exceeding 10% through the rising share of organized trade and contributions from online sales channels. Operational margins were preserved through cost control, efficient inventory management, and capacity expansions. However, rising producer prices and minimum wage increases exerted pressure on margins in the first half of the year.

We anticipate that macro trends will continue to support the food retail sector, with the 2025 minimum wage increase expected to positively impact sustained demand. Despite potential sector-wide variations in personnel costs due to high turnover rates and collective bargaining agreements, increased purchasing power in lower-income groups may positively influence demand. Additionally, higher foot traffic, basket size growth, and the expansion of online sales channels are likely to support the company's operational leverage advantage.

Key Catalysts Driving Growth: **i)** The rising share of organized trade and a shift in consumer preference toward affordable products, **ii)** Positive effects of macroeconomic recovery and disinflation on margins, **iii)** The supportive role of online sales channels and international operations in driving growth.

Risks…The primary risks faced by the company include the potential adverse impact of anticipated minimum wage increases in 2025 on operational margins and the potential decline in operational efficiency due to high turnover rates within the sector. Rising producer prices and challenges in cost control could create additional pressure on maintaining operational margins. Furthermore, collective bargaining agreements and varying personnel costs within the sector could have fluctuating effects on competitive dynamics. On the demand side, a further weakening of purchasing power among low-income groups could pose a constraint on the sector's growth..

BIMAS — BUY

Target Price	**TL 693.00**
Return potential	**41%**

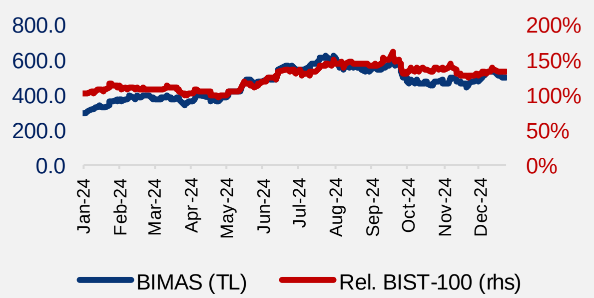
Share Data	
Ticker:	**BIMAS TI**
Share price (as of 23.12.2024)	491.00
Share price (52 week range)	286.6 / 615.5
Market cap. (TL mn - USD mn)	298,135 - 8,492
# of shares (mn) & free float	607.2 - 60%
Foreign Ownership Rate	48.0%
Market	BIST STAR
Industry	Retail

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	57.8	71.2	62.3

Price performance	1M	3M	Y-t-D
TL	6%	-15%	66%
USD	4%	-17%	40%
Rel. to BIST-100	5%	-12%	29%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	328,442	551,295	778,700
EBITDA	13,751	22,987	35,587
Net Earnings	15,441	20,660	32,509

Valuation	2023	2024E	2025E
P/E	19.3x	14.4x	9.2x
P/BV	4.3x	3.3x	2.5x
EV/EBITDA	23.0x	13.8x	8.6x



BİM Birleşik Mağazalar – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	3,607	3,632	16,015
Accounts receivables	16,460	27,924	37,335
Inventory	27,328	55,527	75,710
Financial investments	3,382	6,370	10,123
Fixed assets	49,822	60,882	63,889
Other non-current assets	47,535	80,688	109,018
Total assets	**148,133**	**235,023**	**312,090**
Short-term financial loans	4,659	4,705	4,752
Accounts payables	45,145	99,156	137,169
Long-term financial loans	17,679	18,033	18,393
Other long-term payables	10,909	23,357	31,148
Non-current liabilities	**28,588**	**41,390**	**49,541**
Shareholders' equity	**69,112**	**89,772**	**120,628**
Paid in Capital	607	607	607
Total liabilities & equity	**148,133**	**235,023**	**312,090**
Net debt	18,731	19,106	7,131
Net working capital	-1,357	-15,705	-24,124

Per share (TL)			
EPS	25.43	34.02	53.54
BVPS	113.82	147.85	198.66
DPS	5.75	2.14	2.72

Ratios			
Profitability			
ROE	32.7%	26.0%	30.9%
Net margin	4.7%	3.7%	4.2%
Asset turnover	3.1x	2.9x	2.8x
Leverage	2.3x	2.4x	2.6x
ROA	14.5%	10.8%	11.9%
Leverage			
Financial debt/Total assets	15%	10%	7%
Net debt/Equity	0.27	0.21	0.06
Net debt/EBITDA	1.36	0.83	0.20

Income statement	2023	2024E	2025E
Revenues	**328,442**	**551,295**	**778,700**
Gross profit	51,683	89,861	128,486
Operating expenses	-48,324	-82,556	-114,703
Operating profit	3,359	7,305	13,783
EBITDA	**13,751**	**22,987**	**35,587**
Other income, net	601	-141	-380
Financial income, net	17,236	19,335	22,193
Earnings before taxes	22,045	28,812	38,711
Tax expense	-6,599	-8,153	-6,202
Net earnings	**15,441**	**20,660**	**32,509**

Cashflow statement			
EBITDA	**13,751**	**22,987**	**35,587**
Taxes on EBIT	-6,599	-8,153	-6,202
Capital expenditures	-9,765	-21,453	-18,689
Chg. in NWC	1,517	-14,349	-8,419
Free cashflows to firm	**-4,131**	**7,730**	**19,114**

Growth & margins			
Revenues	122%	68%	41%
EBITDA	16%	67%	55%
Net earnings	89%	34%	57%
Gross margin	15.7%	16.3%	16.5%
Operating margin	1.0%	1.3%	1.8%
EBITDA margin	4.2%	4.2%	4.6%
Net margin	4.7%	3.7%	4.2%
Free cashflow margin	-1.3%	1.4%	2.5%

Valuation			
P/E	19.3x	14.4x	9.2x
P/BV	4.3x	3.3x	2.5x
EV/EBITDA	23.0x	13.8x	8.6x
EV/Sales	1.0x	0.6x	0.4x
Dividend Yield	1.2%	0.4%	0.6%
Free cashflow yield	-1.4%	2.6%	6.4%

Source: Company Data, Tacirler Investment

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

Brisa Bridgestone

After a challenging year for the global tire industry in 2024, we expect an improvement in revenue generation through demand growth in the upcoming periods, along with margin recovery as costs are brought under control. For BRISA, which has performed better than the market and gained market share in the Original Equipment (OE) channel, we anticipate the continuation of potential recovery.

Global tire market recovery has begun. Despite stagnation in the OE (Original Equipment) market, global tire demand gained momentum in the first nine months of 2024, with a 4% annual growth in the replacement market. This growth rate stands out as a significant improvement compared to the negative compound annual growth rate (CAGR) of the previous five years. The European market saw an 11% year-on-year growth in September, driven by sales of winter and all-season tires, and the growth rate reached 7% in the first nine months of the year. Despite a negative divergence in the European market in 2024, with the onset of the interest rate cut cycle and the creation of a low base effect, we expect recovery to start in 2025, leading to significant improvement.

Company's investment areas will Bear fruit in the future. Brisa has focused on three main investment areas to guide the moebility transformation: mobility solutions, tire-focused solutions, and tire developments. Under mobility solutions, new business lines such as OtoPratik and ProPratik are being developed to expand electric vehicle services and the e-charging network. With the Arvento platform, the goal is to become a leading choice in fleet management. Tire-focused solutions aim to increase return on investment through digitalization and end-to-end fleet management, while advanced telematics and analytics technologies are being used to create digital connectivity. Additionally, new-generation tires offering premium performance for electric vehicles are being developed to meet future needs.

Weak 9-month results… Brisa reported sales revenue of 23.986 million TRY, an EBITDA of 2.9 billion TRY, and net profit of 2.2 billion TRY in the first nine months of the year. In the last quarter, despite a 17% contraction in the market, total sales volume decreased by 3%, with domestic sales down 8% and export sales up by 5%. The tire replacement channel experienced a 10% contraction, while sales costs decreased by 5%. Operational expenses decreased by 3%, and the EBITDA margin stood at 10.1%. In the final month of the year, we expect incremental revenue generation from the mandatory use of winter tires and improvements in the EBITDA margin.

BRISA

under review

Target Price
Return potential

Share Data	
Ticker:	**BRISA TI**
Share Price (23 December 2024)	86,00
Share price (52 week range)	71 / 148
Market cap. (TL mn - USD mn)	26240,1 - 747,4
# of shares outstanding (mn)	305
Free Float	10%
Market	BIST STAR
Industry	Tire and Rubber

Avg. trading volume	1M	3M	12M
USD mn	1,0	0,9	1,4

Price performance	1M	3M	Y-t-D
TL	-10%	-11%	14%
USD	-12%	-13%	-4%
Rel. to BIST-100	-11%	-8%	-11%

TL mn	2021	2022	2023
Revenues	6.634	26.863	26.498
EBITDA	1.483	4.103	4.273
Net Earnings	1.004	2.557	4.029

Valuation	2021	2022	2023
P/E	11,7x	8,7x	7,3x
P/BV	4,9x	4,7x	5,5x
EV/EBITDA	8,5x	7,2x	4,9x

Brisa Bridgestone – Financial Summary

Balance Sheet	2021	2022	2023
Cash	3.479	8.048	19.639
Accounts receivables	1.043	3.954	5.188
Inventory	1.109	4.045	4.467
Other current assets	253	505	635
Current assets	**5.884**	**16.552**	**29.929**
Financial investments	0	0	0
Net fixed assets	2.017	11.632	16.588
Intangible assets	126	806	1.229
Other non-current assets	2.262	3.767	2.604
Non-current assets	**4.405**	**16.205**	**20.420**
Total assets	**10.289**	**32.757**	**50.350**
Short-term financial loans	2.067	8.458	13.273
Accounts payables	2.807	7.210	8.734
Other short-term payables	214	822	1.484
Current liabilities	**5.088**	**16.490**	**23.491**
Long-term financial loans	2.724	2.796	7.937
Other long-term payables	169	1.854	654
Non-current liabilities	**2.892**	**4.650**	**8.591**
Shareholders' equity	**2.309**	**11.617**	**18.268**
Parent company	2.309	11.527	18.164
Minorities	0	89	103
Total liabilities & equity	**10.289**	**32.757**	**50.350**
Net debt	1.311	3.206	1.572
Net working capital	-616	472	73
Net working capital (Operating)	-655	789	921
Invested Capital	1.527	12.910	17.890

Income statement	2021	2022	2023
Revenues	**6.634**	**26.863**	**26.498**
Gross profit	2.016	5.954	6.499
Operating expenses	769	3.241	3.700
Operating profit	1.247	2.713	2.799
EBITDA	**1.483**	**4.103**	**4.273**
Other income, net	-604	-1.019	-173
Financial income, net	243	1.172	706
Earnings before taxes	885	2.866	3.332
Tax expense	-119	308	-684
Net earnings - Parent	**1.004**	**2.557**	**4.029**

Cashflow statement			
EBITDA	**1.483**	**4.103**	**4.273**
Taxes on EBIT	-168	292	-574
Capital expenditures	438	1.550	1.338
Chg. in NWC	-682	1.088	-399
Free cashflows to firm	**1.895**	**1.173**	**3.907**

Growth & margins			
Revenues	57%	305%	-1%
EBITDA	57%	177%	4%
Net earnings	90%	155%	58%
Gross margin	30,4%	22,2%	24,5%
Operating margin	18,8%	10,1%	10,6%
EBITDA margin	22,4%	15,3%	16,1%
Net margin	15,1%	9,5%	15,2%
Free cashflow margin	15,1%	9,5%	15,2%

Ratios			
Profitability			
ROE	53,6%	36,7%	27,0%
Net margin	15,1%	9,5%	15,2%
Asset turnover	0,8x	1,2x	0,6x
Leverage	4,4x	3,1x	2,8x
ROA	12,3%	11,9%	9,7%
ROIC	56,5%	30,1%	14,5%
Leverage			
Financial debt/Total assets	47%	34%	42%
Net debt/Equity	0,57	0,28	0,09
Net debt/EBITDA	0,88	0,78	0,37

Per share (TL)			
EPS	3,29	8,38	13,20
BVPS	7,57	38,07	59,87
DPS	0,81	2,03	3,60

Valuation			
P/E	11,7x	8,7x	7,3x
P/BV	4,9x	4,7x	5,5x
EV/EBITDA	8,5x	7,2x	4,9x
EV/Sales	2,0x	1,6x	0,8x
Dividend Yield	3%	5%	6%
Free cashflow yield	25%	10%	20%

Source: Bloomberg, Tacirler Investment

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

Desa Deri

We revise our 12-month target price for Desa Deri to 32.00 TL per share. Our target price indicates a 57% upside potential, and we maintain our BUY recommendation. We appreciate the company's flexible business model, which meets increasing domestic demand through new store openings and ramps up production in export markets when demand rises. We expect Desa to enhance its operational profitability in the upcoming period as cost-related pressures ease. Desa is trading at a 2025E P/E multiple of 9.6x based on our forecasts.

Revenue in Foreign Currency and Diversified Business Model… In recent years, the global leather industry has been shaped by an emphasis on quality, design, and sustainable resource utilization. Competing with international brands requires product innovation and rapid collection cycles, while Türkiye’s historical expertise in leather production, coupled with its cost/quality advantage, provides Desa with significant competitive strength. While Desa continues its operations as a leather and leather goods manufacturer in Türkiye, it also operates in Italy. To produce "Made in Italy" products, Desa established an R&D and production facility spanning 2,000 square meters, which commenced operations in May 2023. The company manufactures women’s and men’s apparel, bags, and accessories, offering these products through both wholesale and retail channels. Desa’s operations across Türkiye encompass a total of 111 stores with a retail space of 14,789 square meters. Additionally, its joint venture with Samsonite, one of the world’s largest travel product brands, established in 2007 with a 40%-60% partnership structure, has significantly contributed to Desa’s international profile.

Financial Performance and Demand Outlook… Desa reported sales revenue of 2,074 million TL in the 9M24 period, while gross profitability contracted both on an annual and quarterly basis due to cost pressures. The company’s net profit for the same period was 285 million TL, in line with the previous year, supported by investment income. During this period, the company announced that it prioritized order-based procurement by reducing long-term purchases, diversified its product range to improve inventory turnover, and broadened its customer portfolio, taking into account exchange rate fluctuations. As of 9M24, Desa’s net cash position stood at 1,140 million TL. In line with the 21.3% year-on-year decline in Türkiye's leather and leather products exports during the first nine months of the year, Desa also experienced a decrease in capacity utilization rates. Demand for leather products surged significantly post-Covid; however, since mid-2023, the sector has entered a normalization phase.

Successful Cost Management and New Export Opportunities… Despite the contraction in demand throughout the year, Desa has maintained its position within the industry. Approaching the end of 2024, the company faced a challenging year marked by high global inflation and a slowdown in external demand. Nevertheless, Desa continued its investments during this period. As part of its growth strategies, Desa aims to expand its customer network in existing markets and enter new markets to boost exports. Additionally, the company’s growth strategy in online sales channels remains on track. We continue to appreciate Desa's business model and anticipate that easing cost pressures in the upcoming period will enhance the company’s profitability.

DESA	BUY
Target Price	TL 32
Return potential	57%

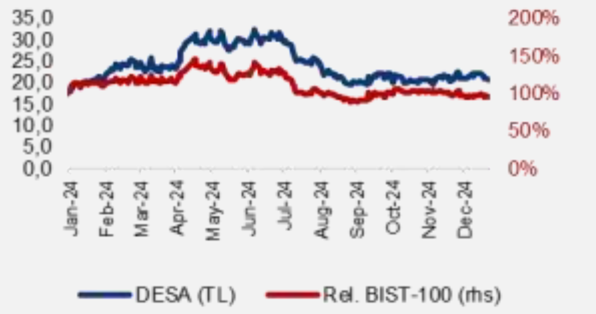
Share Data	
Ticker:	DESA TI
Share price (as of 23.12.2024)	20,40
Share price (52 week range)	17 / 32
Market cap. (TL mn - USD mn)	4998,0 - 142,4
# of shares (mn) & free float	245 - 22%
Foreign Ownership Rate	10,26%
Market	BIST STAR
Industry	Textiles, Apparel and Leather

Avg. trading volume	1M	3M	12M
USD mn	0,6	0,4	0,8

Price performance	1M	3M	Y-t-D
TL	0%	-6%	18%
USD	-2%	-9%	-1%
Rel. to BIST-100	-1%	-4%	-8%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	2.449	2.701	3.747
EBITDA	805	800	1.105
Net Earnings	496	359	520

Valuation	2023	2024E	2025E
P/E	10,1x	13,9x	9,6x
P/BV	2,3x	1,9x	1,6x
EV/EBITDA	5,4x	6,5x	4,4x



Desa Deri – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	887	134	491
Accounts receivables	279	277	381
Inventory	322	541	702
Financial investments	443	1.348	1.375
Fixed assets	567	596	602
Other non-current assets	1.020	1.050	1.102
Total assets	**3.519**	**3.946**	**4.654**
Short-term financial loans	127	167	175
Accounts payables	566	699	834
Long-term financial loans	145	175	183
Other long-term payables	475	319	429
Non-current liabilities	**619**	**493**	**613**
Shareholders' equity	**2.206**	**2.587**	**3.106**
Paid in Capital	245	245	245
Other Equity	1.054	1.961	2.342
Total liabilities & equity	**3.519**	**3.946**	**4.727**
Net debt	-615	207	-133
Net working capital	35	118	250

Per share (TL)			
EPS	2,02	1,47	2,12
BVPS	9,00	10,56	12,68
DPS	0,00	0,00	0,00

Ratios			
Profitability			
ROE	30,0%	15,0%	18,3%
Net margin	20,3%	13,3%	13,9%
Asset turnover	0,8x	0,7x	0,9x
Leverage	1,8x	1,6x	1,5x
ROA	16,9%	9,6%	12,1%
Leverage			
Financial debt/Total assets	8%	9%	8%
Net debt/Equity	-0,28	0,08	-0,04
Net debt/EBITDA	-0,76	0,26	-0,12

Income statement	2023	2024E	2025E
Revenues	**2.449**	**2.701**	**3.747**
Gross profit	1.217	1.506	2.091
Operating expenses	-698	-1.051	-1.450
Operating profit	519	455	640
EBITDA	**805**	**800**	**1.105**
Other income, net	100	73	79
Financial income, net	-100	-175	-235
Earnings before taxes	632	528	693
Tax expense	-136	-169	-173
Net earnings	**496**	**359**	**520**

Cashflow statement			
EBITDA	805	800	1.105
Taxes on EBIT	-130	-114	-160
Capital expenditures	-45	-58	-53
Chg. in NWC	-59	84	132
Free cashflows to firm	**688**	**545**	**761**

Growth & margins			
Revenues	-4%	10%	39%
EBITDA	4%	-1%	38%
Net earnings	152%	-28%	45%
Gross margin	49,7%	55,7%	55,8%
Operating margin	21,2%	16,8%	17,1%
EBITDA margin	32,8%	29,6%	29,5%
Net margin	20,3%	13,3%	13,9%
Free cashflow margin	28,1%	20,2%	20,3%

Valuation			
P/E	10,1x	13,9x	9,6x
P/BV	2,3x	1,9x	1,6x
EV/EBITDA	5,4x	6,5x	4,4x
EV/Sales	1,8x	1,9x	1,3x
Dividend Yield	0,0%	0,0%	0,0%
Free cashflow yield	13,8%	10,9%	15,2%

Source: Company Data, Tacirler Investment

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

Doğuş Otomotiv

Our 12-month valuation for Doğuş Otomotiv (DOAS) indicates a target price of 253.00 TRY, implying a 31% upside potential, and we maintain our HOLD recommendation. We expect the stock to deliver a return in line with the index. The main reasons for maintaining our HOLD recommendation are: i) increased competition in the domestic market, ii) lower-than-expected contribution from subsidiaries. For 2025, DOAS is trading at a P/E ratio of 4.7x and an EV/EBITDA ratio of 3.1x.

Chinese-origin vehicles could further increase their market share in 2025. Chinese car brands view Türkiye as a strategic bridge to enter the European market. Therefore, brands like BYD plan significant investments in Türkiye. For instance, BYD announced its plan to establish a production facility in Manisa with a $1 billion investment, aiming to begin production in 2026. Brands like Chery, MG, and Skywell have entered the market quickly with aggressive pricing strategies and advanced electric vehicle technologies. The market share of Chinese brands in Türkiye has already surpassed 10%, and we expect this figure to rise further in 2025. This trend creates strong competition for domestic producers and other foreign brands. The potential for Chinese brands to reduce costs and especially engage in price competition could change the dynamics of the sector.

Doğuş Otomotiv's contributions from subsidiaries to net income continue to fall short of expectations. In the first nine months of 2024, the net income contribution from subsidiaries was limited to 1,028 million TRY, showing a significant decline compared to 4,039 million TRY in the same period of 2023. In particular, in Q3 2024, a net loss of 822 million TRY was recorded from subsidiaries. This negative performance in subsidiary profitability is mainly due to weak results from VDF companies and Yüce Oto. VDF Servis's high equity structure has made the effects of inflation accounting more prominent, while VDF Finans's higher-than-market interest rates led to low credit penetration. Additionally, the stagnation in the used car market negatively impacted VDF Filo's operations, with rising inventory costs being one of the key reasons. As a result of these combined factors, profitability from subsidiaries significantly weakened, negatively affecting net income. With the start of the interest rate cut cycle in 2025, we expect demand to improve in the domestic market, leading to a recovery in the company’s profitability margins.

DOAS's established/leading market position stands out in overcoming challenges... In November, the company increased its sales by 31.6% year-on-year, reaching 19,553 units. We expect this positive trend to continue in December, with total automotive sales closing the year at around 1.2 million units, and DOAS's market share rising to 16.2%.

DOAS — HOLD

Target Price	**TL 253**
Return potential	**31%**

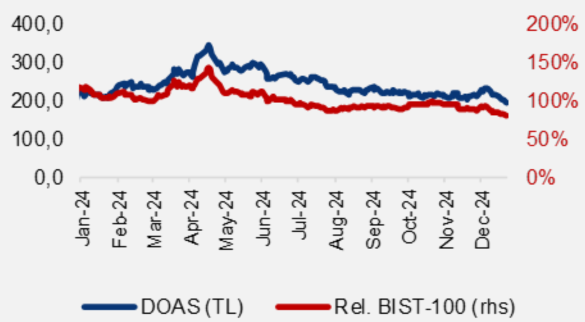
Share Data	
Ticker:	**DOAS TI**
Share price (as of 23.12.2024)	193,70
Share price (52 week range)	192 / 343
Market cap. (TL mn - USD mn)	42614,0 - 1213,8
# of shares (mn) & free float	220 - 39%
Foreign Ownership Rate	15,73%
Market	BIST STAR
Industry	Automotive

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	14,5	9,6	14,7

Price performance	**1M**	**3M**	**Y-t-D**
TL	-8%	-11%	-12%
USD	-9%	-14%	-26%
Rel. to BIST-100	-8%	-9%	-32%

Forecasts (TL mn)	**2023**	**2024E**	**2025E**
Revenues	149.245	159.153	199.929
EBITDA	24.676	14.320	19.389
Net Earnings	19.622	5.857	8.990

Valuation	**2023**	**2024E**	**2025E**
P/E	2,2x	7,3x	4,7x
P/BV	0,8x	0,8x	0,7x
EV/EBITDA	1,9x	4,0x	3,1x



Doğuş Otomotiv – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	10.385	1.216	-653
Accounts receivables	17.498	10.587	12.175
Inventory	14.469	20.445	25.683
Financial investments	1.709	338	270
Fixed assets	16.632	17.508	19.576
Other non-current assets	31.511	37.814	47.267
Total assets	**92.204**	**87.907**	**104.319**
Short-term financial loans	6.242	9.660	10.143
Accounts payables	11.577	14.031	16.837
Long-term financial loans	8.404	6.720	7.191
Other long-term payables	9.130	5.454	6.000
Non-current liabilities	**17.534**	**12.175**	**13.191**
Shareholders' equity	**56.163**	**51.227**	**63.145**
Paid in Capital	220	220	220
Total liabilities & equity	**92.204**	**87.907**	**104.319**
Net debt	4.262	15.165	17.987
Net working capital	20.390	17.001	21.021

Per share (TL)			
EPS	89,19	26,62	40,86
BVPS	255,29	232,85	287,02
DPS	-30,19	44,60	13,31

Ratios			
Profitability			
ROE	44,9%	10,9%	15,7%
Net margin	13,1%	3,7%	4,5%
Asset turnover	2,1x	1,8x	2,1x
Leverage	1,6x	1,7x	1,7x
ROA	27,7%	6,5%	9,4%
Leverage			
Financial debt/Total assets	16%	19%	17%
Net debt/Equity	0,08	0,30	0,28
Net debt/EBITDA	0,17	1,06	0,93

Income statement	2023	2024E	2025E
Revenues	**149.245**	**159.153**	**199.929**
Gross profit	32.130	24.817	33.449
Operating expenses	-8.669	-12.556	-17.140
Operating profit	23.461	12.261	16.309
EBITDA	**24.676**	**14.320**	**19.389**
Other income, net	3.170	1.776	1.631
Financial income, net	-5.303	-2.679	-4.998
Earnings before taxes	25.880	9.991	11.351
Tax expense	-6.118	-4.089	-2.292
Net earnings	**19.622**	**5.857**	**8.990**

Cashflow statement			
EBITDA	**24.676**	**14.320**	**19.389**
Taxes on EBIT	-1.877	-3.065	-4.077
Capital expenditures	-770	-3.270	-4.128
Chg. in NWC	-13.804	-3.389	4.020
Free cashflows to firm	**35.834**	**11.374**	**7.164**

Growth & margins			
Revenues	69%	7%	26%
EBITDA	82%	-42%	35%
Net earnings	26%	-70%	53%
Gross margin	21,5%	15,6%	16,7%
Operating margin	15,7%	7,7%	8,2%
EBITDA margin	16,5%	9,0%	9,7%
Net margin	13,1%	3,7%	4,5%
Free cashflow margin	24,0%	7,1%	3,6%

Valuation			
P/E	2,2x	7,3x	4,7x
P/BV	0,8x	0,8x	0,7x
EV/EBITDA	1,9x	4,0x	3,1x
EV/Sales	0,3x	0,4x	0,3x
Dividend Yield	-15,6%	23,0%	6,9%
Free cashflow yield	84,1%	26,7%	16,8%

Source: Company Data, Tacirler Investment

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

Emlak Konut GYO

Emlak Konut REIT possesses significant potential for sustained long-term growth, driven by its strategic investments, robust land portfolio, and focus on urban transformation projects. In 2025, the anticipated impact of interest rate cuts and the acceleration of urban transformation projects are expected to support the company's positive differentiation in the sector. Additionally, international projects and collaborations in Saudi Arabia are projected to contribute positively to the company's revenues.

Strong Projects Supported by a Favorable Macroeconomic Outlook… Emlak Konut Real Estate Investment Trust (REIT) continues to maintain its leadership position in the sector. By implementing its Revenue Sharing Model (RSM) and Turnkey Model, the company minimizes risks while maximizing its revenue potential. With activities concentrated in strategic regions such as Istanbul, Ankara, Izmir, and Antalya, Emlak Konut continues to advance its vision of creating modern urban spaces and sustainable living environments. As of Q3 2024, the company has recorded significant growth in total assets and equity, along with strong growth in net profit. The appreciation of its land portfolio value establishes a solid foundation for future projects. Urban transformation initiatives and the reconstruction of earthquake-affected areas have broadened the company's operational scope and revenue streams. For 2025, the cautious expansionary policies of global central banks and the anticipated commencement of domestic interest rate cuts are expected to stimulate housing demand. Concurrently, an increase in construction activity is forecasted with the acceleration of urban transformation projects. Government measures to address housing needs in earthquake-affected regions present significant opportunities for Emlak Konut. The company's target of delivering 450,000 housing units positions it as a critical player in Türkiye's urban transformation process, supporting its growth momentum. Furthermore, international projects and agreements signed in Saudi Arabia bolster Emlak Konut's overseas growth potential and contribute to its cash flow, forming key drivers of the company's success.

Risks… i) Potential delays in the interest rate cut cycle in 2025, **ii)** Adverse effects of high interest rates on housing loan demand, **iii)** Deterioration in macroeconomic conditions, **iv)** Delays or cost increases in urban transformation projects.

EKGYO

under review

Target Price
Return potential

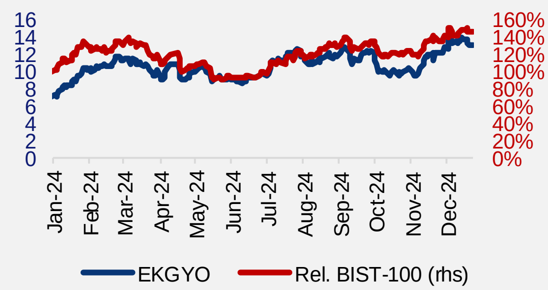
Share Data	
Ticker:	**EKGYO TI**
Share Price (23 December 2024)	12.86
Share price (52 week range)	6.8 / 13.7
Market cap. (TL mn - USD mn)	48,868 - 1,392
# of shares outstanding (mn)	3800.0
Free Float	51%
Market	BIST STAR
Industry	REIT

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	81.4	66.4	66.2

Price performance	**1M**	**3M**	**Y-t-D**
TL	6%	6%	87%
USD	4%	3%	57%
Rel. to BIST-100	5%	9%	45%

TL mn	**2021**	**2022**	**2023**
Revenues	5,736	20,518	27,901
Net Earnings	1,434	1,317	-3,814
Net Debt	983	-9	-14,752

Valuation	**2021**	**2022**	**2023**
P/E	7.1x	7.2x	0.1x
P/BV	0.5x	0.8x	1.3x
EV/EBITDA	10.5x	6.5x	8.4x



Emlak Konut GYO – Financial Summary

Balance Sheet	2021	2022	2023
Cash	3,635	9,897	20,731
Accounts receivables	2,678	5,158	10,338
Inventory	17,562	87,826	112,416
Other current assets	1,710	6,287	7,181
Current assets	**25,585**	**109,168**	**150,666**
Financial investments	0	0	0
Net fixed assets	78	396	561
Intangible assets	3	13	9
Other non-current assets	4,963	11,705	12,927
Non-current assets	**5,045**	**12,114**	**13,497**
Total assets	**30,629**	**121,282**	**164,163**
Short-term financial loans	2,710	4,820	4,263
Accounts payables	1,976	4,769	5,200
Other short-term payables	8,045	43,758	72,521
Current liabilities	**12,731**	**53,347**	**81,984**
Long-term financial loans	1,907	5,068	1,716
Other long-term payables	114	265	917
Non-current liabilities	**2,021**	**5,333**	**2,633**
Shareholders' equity	**15,877**	**62,602**	**79,546**
Parent company	15,877	62,602	79,546
Minorities	0	0	0
Total liabilities & equity	**30,629**	**121,282**	**164,163**
Net debt	983	-9	-14,752
Net working capital	11,929	50,744	52,214
Net working capital (Operating)	18,264	88,215	117,554
Invested Capital	12,010	51,153	52,784

Ratios	2021	2022	2023
Profitability			
ROE	9.4%	3.4%	-5.4%
Net margin	25.0%	6.4%	-13.7%
Asset turnover	0.2x	0.3x	0.2x
Leverage	1.9x	1.9x	2.0x
ROA	4.9%	1.7%	-2.7%
ROIC	11.3%	8.3%	7.3%
Leverage			
Financial debt/Total assets	15%	8%	4%
Net debt/Equity	0.06	0.00	-0.19
Net debt/EBITDA	0.56	0.00	-3.05

Income statement	2021	2022	2023
Revenues	**5,736**	**20,518**	**27,901**
Gross profit	2,205	5,126	8,343
Operating expenses	476	1,833	3,584
Operating profit	1,729	3,293	4,759
EBITDA	**1,755**	**3,353**	**4,837**
Other income, net	89	2,219	-947
Financial income, net	-384	-4,194	-7,626
Earnings before taxes	1,434	1,317	-3,814
Tax expense	0	0	0
Net earnings - Parent	**1,434**	**1,317**	**-3,814**

Cashflow statement	2021	2022	2023
EBITDA	**1,755**	**3,353**	**4,837**
Taxes on EBIT	0	0	0
Capital expenditures	15	-54	37
Chg. in NWC	-480	38,814	1,471
Free cashflows to firm	**2,219**	**-35,408**	**3,329**

Growth & margins	2021	2022	2023
Revenues	27%	258%	36%
EBITDA	128%	91%	44%
Net earnings	67%	-8%	-389%
Gross margin	38.4%	25.0%	29.9%
Operating margin	30.1%	16.1%	17.1%
EBITDA margin	30.6%	16.3%	17.3%
Net margin	25.0%	6.4%	-13.7%
Free cashflow margin	25.0%	6.4%	-13.7%

Per share (TL)	2021	2022	2023
EPS	0.38	0.35	-1.00
BVPS	4.18	16.47	20.93
DPS	0.02	0.10	0.24

Valuation	2021	2022	2023
P/E	7.1x	7.2x	0.1x
P/BV	0.5x	0.8x	1.3x
EV/EBITDA	10.5x	6.5x	8.4x
EV/Sales	2.0x	2.3x	1.5x
Dividend Yield	1%	3%	3%
Free cashflow yield	28%	-253%	12%

Source: Bloomberg, Tacirler Investment

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

Karsan Otomotiv

Karsan reported 5.8 billion TL in revenue, 195million TL EBITDA, and a net loss of 841million TL for the 9A24 period. We assessed the company's financial results, current operations, and future outlook.

The financial performance for the first nine months of the year was weak. The company reported a net loss compared to the same period last year. In the last quarter, domestic sales decreased by 19%, and international sales fell by 42%. Increased costs, rising financing expenses, and a declining net monetary position contribution were the main reasons for the company's net loss. Operational profitability also remained weak compared to the same period last year. We expect the company to finish the year under these pressures. Additionally, considering that deliveries are typically concentrated in the second and third quarters, we anticipate a potential rise in receivables during this period and challenges in collections due to the Christmas and New Year holidays.

The export footprint continues to grow. Türkiye reached a record high of $2.31 billion in bus, minibus, and midi-bus exports in the first 11 months of 2024. We expect the increase in export volumes to continue into 2025. Karsan made its first export to the Netherlands with 2 autonomous e-ATAK buses, which will be delivered by the end of the year. These vehicles aim to pioneer driverless public transportation in airport transfers. The autonomous e-ATAK model is also set to start operations in Arbon, one of Switzerland's historic cities, next year. Furthermore, the company management expects to operate in the US market with the JEST model, predicting that JEST will create its own market in the US. In North America, they have a total of 133 e-JEST models. Additionally, Karsan has been the market leader for the past four years in European electric minibuses and midi-buses, with a 24% market share in the e-ATAK model and a 29% market share in the e-JEST. They predict that the European market, which had 6,000 electric vehicles in 2023, will reach 30,000 by 2030. The company's new acquisitions and targets will contribute positively to its future outlook.

In 2025, Karsan is expected to make a significant impact in the autonomous and electric vehicle market. The company maintained its leadership in electric and autonomous vehicles in the first quarter of 2024. In 2023, it rose to 6th place with a 5.9% share in the European electric public transport market, reaching a total of 968 electric vehicles across 23 countries. With the e-JEST and e-ATAK models, Karsan has registered 85% of Türkiye-made electric vehicles in Europe. In autonomous vehicle projects, the company has accumulated 90,000 kilometers of driving experience and transported 30,000 passengers across markets such as the US, Norway, Switzerland, and Japan. Through a partnership with Toyota on hydrogen fuel cell technology, Karsan aims to launch the e-ATA HYDROGEN model in 2025. In line with sustainability efforts, Karsan has switched to using 100% renewable energy in production with Enerjisa. Following its expansion in Europe, Karsan continues to increase its global presence with entries into North America and Japan markets.

KARSN *under review*

Target Price
Return potential

Share Data	
Ticker:	**KARSN TI**
Share Price (23 December 2024)	12,22
Share price (52 week range)	08 / 19
Market cap. (TL mn - USD mn)	10.998 - 313
# of shares outstanding (mn)	900
Free Float	39%
Market	BIST STAR
Industry	Automotive

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	9,5	12,5	19,9

Price performance	**1M**	**3M**	**Y-t-D**
TL	-5%	-31%	43%
USD	-7%	-33%	20%
Rel. to BIST-100	-6%	-29%	11%

TL mn	**2021**	**2022**	**2023**
Revenues	2.069	5.264	7.548
EBITDA	403	282	719
Net Earnings	99	-206	637

Valuation	**2021**	**2022**	**2023**
P/E	1098,0x	993,4x	-19,8x
P/BV	5,1x	6,1x	4,5x
EV/EBITDA	14,7x	21,3x	29,5x

Karsan Otomotiv – Financial Summary

Balance Sheet	2021	2022	2023
Cash	312	314	1.556
Accounts receivables	998	3.345	3.146
Inventory	314	1.847	1.706
Other current assets	302	1.268	1.425
Current assets	**1.925**	**6.773**	**7.834**
Financial investments	145	343	332
Net fixed assets	764	3.520	3.863
Intangible assets	347	2.162	1.941
Other non-current assets	556	1.316	1.345
Non-current assets	**1.812**	**7.341**	**7.481**
Total assets	**3.737**	**14.114**	**15.315**
Short-term financial loans	1.480	5.064	4.138
Accounts payables	479	1.974	2.550
Other short-term payables	178	387	1.426
Current liabilities	**2.137**	**7.425**	**8.114**
Long-term financial loans	523	1.356	1.034
Other long-term payables	83	1.039	977
Non-current liabilities	**606**	**2.395**	**2.010**
Shareholders' equity	**994**	**4.294**	**5.190**
Parent company	990	4.232	5.145
Minorities	4	62	45
Total liabilities & equity	**3.737**	**14.114**	**15.315**
Net debt	1.691	6.106	3.615
Net working capital	956	4.098	2.301
Net working capital (Operating)	833	3.218	2.302
Invested Capital	2.067	9.780	8.105

Ratios			
Profitability			
ROE	11,5%	-7,8%	13,4%
Net margin	4,8%	-3,9%	8,4%
Asset turnover	0,6x	0,6x	0,5x
Leverage	3,7x	3,4x	3,1x
ROA	3,1%	-2,3%	4,3%
ROIC	13,1%	-1,8%	3,6%
Leverage			
Financial debt/Total assets	54%	45%	34%
Net debt/Equity	1,70	1,42	0,70
Net debt/EBITDA	4,20	21,68	5,03

Income statement	2021	2022	2023
Revenues	**2.069**	**5.264**	**7.548**
Gross profit	574	727	1.568
Operating expenses	250	859	1.166
Operating profit	324	-131	402
EBITDA	**403**	**282**	**719**
Other income, net	453	799	1.002
Financial income, net	-724	-906	-1.615
Earnings before taxes	54	-239	-211
Tax expense	-55	-72	-831
Net earnings - Parent	**99**	**-206**	**637**

Cashflow statement			
EBITDA	**403**	**282**	**719**
Taxes on EBIT	-331	-40	1.584
Capital expenditures	155	450	451
Chg. in NWC	-109	3.142	-1.797
Free cashflows to firm	**688**	**-3.271**	**481**

Growth & margins			
Revenues	33%	154%	43%
EBITDA	5%	-30%	155%
Net earnings	387%	-308%	-409%
Gross margin	27,7%	13,8%	20,8%
Operating margin	15,7%	-2,5%	5,3%
EBITDA margin	19,5%	5,3%	9,5%
Net margin	4,8%	-3,9%	8,4%
Free cashflow margin	4,8%	-3,9%	8,4%

Per share (TL)			
EPS	0,11	-0,23	0,71
BVPS	1,10	4,77	5,77
DPS	0,00	0,00	0,00

Valuation			
P/E	1098,0x	993,4x	-19,8x
P/BV	5,1x	6,1x	4,5x
EV/EBITDA	14,7x	21,3x	29,5x
EV/Sales	3,3x	3,8x	2,0x
Dividend Yield	0%	0%	0%
Free cashflow yield	19%	-50%	5%

Source: Bloomberg, Tacirler Investment

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

Lider Factoring

We revise our 12-mn target price for Lider Faktoring to TL3.70 per share, reflecting a limited upside potential of 21%. Consequently, we downgrade our recommendation from BUY to HOLD and remove the stock from our model portfolio due to its relatively weak price performance. While the economic environment during 9M24 was supportive of the factoring sector, LIDFA's profitability fell short of expectations, failing to deliver the anticipated stock performance. Key factors behind the weaker-than-expected results include: i) elevated financing and operating expenses during the inflationary period, which weighed on operating profitability despite strong revenue growth momentum, and ii) weaker contribution from other operating income, a sharp rise in provisions for non-performing receivables, and a higher tax burden, all of which compressed the net profit margin.

Margins were under pressure in 9M24… During the first nine months of the year, the monetary tightening process increased companies' need for financing while strengthening demand for the factoring sector, seen as an alternative source of funding. Consequently, the strong financing demand drove Lider Factoring's operating revenues up by 172% YoY to TL2.2bn. Despite the momentum in operating revenues, higher interest rates led to an unexpectedly sharp rise in credit and borrowing costs. This increase in financing expenses caused the gross profit margin to contract from 28% to 15% YoY during the 9-month period. Additionally, the impact of one-off income diminished in line with the parallel performance of other operating income, while the heavy tax burden further pressured the net profit margin. In 9M24, the company's nominal net profit rose by 12% YoY to TL457mn, whereas the net profit margin declined significantly from 51% to 21%

2025 outlook remains in line with expectations… We anticipate core operating revenues, which reached TL2.2bn in the 9M24 period, to total TL3.1bn by year-end and to grow by 50% YoY to TL4.7bn in 2025. While the improvement in core revenues is expected to continue, the upward trend in financing expenses will likely sustain pressure on the gross profit margin. We project the company to close 2024 with a 57% YoY increase in gross profit, reaching TL956mn, and to achieve TL1.1bn in 2025, reflecting a 16% YoY growth. Following a net profit of TL457mn in 9M24, we estimate a TL165mn net profit for the fourth quarter, bringing the total net profit for 2024 to TL622mn. For 2025, we forecast net profit to grow by 7.8%, reaching TL671mn.

Risks: i) a sudden decline in financing demand due to economic conditions, and ii) potential macroeconomic changes that could pressure return on equity are identified as the key risks in our valuation.

Rating	**HOLD**
Target Price	**TL 3,70**
Return potential	**21%**

Share Data	
Ticker:	**LIDFA TI**
Share price (as of 23.12.2024)	3,05
Share price (52 week range)	2,71 / 4,37
Market cap. (TL mn - USD mn)	1.703 - 48,5
# of shares (mn) & free float	558 - 40%
Foreign Ownership Rate	0,00%
Market	Main
Industry	Factoring

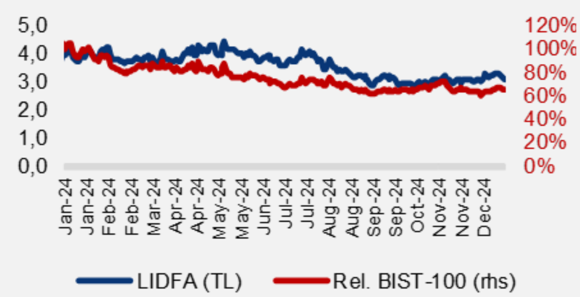
Avg. trading volume	**1M**	**3M**	**12M**
USD mn	1,1	0,8	1,1

Price performance	**1M**	**3M**	**Y-t-D**
TL	0%	-2%	-18%
USD	-2%	-5%	-31%
Rel. to BIST-100	0%	1%	-36%

Forecasts (TL mn)	**2023**	**2024T**	**2025T**
Operating Income	1.267	3.112	4.661
Net Operating Profit	322	412	248
Net Earnings	566	622	671

Valuation	**2023**	**2024T**	**2025T**
P/E	2,8x	2,9x	2,7x

Balance Sheet	**2023**	**2024T**	**2025T**
Total Assets	4.340	7.850	11.645
Total Liabilities	1.110	1.656	1.902



Lider Factoring – Financial Summary

Bilanço	2020	2021	2022	2023	2024E	2025E
Cash and equivalents	20	10	34	66	224	305
Factoring receivables	737	1.008	1.796	3.477	6.269	8.539
Non-performing loans	29	30	18	17	25	34
Expected loss provisions	-29	-30	-17	-17	-26	-35
Tangible fixed assets	60	67	176	247	370	504
Total assets	**945**	**1.231**	**2.283**	**4.340**	**7.850**	**11.645**
Credits	710	918	1.480	2.347	4.797	6.534
Factoring debts	2	2	2	3	4	4
Payables from rental transactions	44	28	107	227	317	431
Securities issued (net)	0	47	101	460	480	654
Debt and expense provisions	9	9	22	24	44	60
Liabilities	**768**	**1.014**	**1.777**	**3.230**	**6.194**	**9.742**
Shareholders' equity	**176**	**216**	**506**	**1.110**	**1.656**	**1.902**
Paid in Capital	90	90	135	254	558	558
Profit Reserves	86	126	371	856	1.098	1.344
Total liabilities & equity	**945**	**1.231**	**2.283**	**4.340**	**7.850**	**11.645**

Income statement	2020	2021	2022	2023	2024E	2025E
Operating income	144	223	509	1.267	3.112	4.661
Financing expenses	-124	-168	-304	-658	-2.155	-3.552
Gross profit	19	55	206	609	956	1.109
Core operating expenses	-51	-56	-115	-286	-545	-861
Gross operating profit	-31	0	91	322	412	248
Net operating profit	-3	-19	0	0	-3	-13
Other operating expense	7	50	282	813	899	1.014
Tax expense	0	-12	-75	-247	-277	-343
Net earnings	**6**	**38**	**207**	**566**	**622**	**671**

Source: Company Data, Tacirler Investment

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

Logo Yazılım

Logo Yazılım reported 3.6 billion TL in sales revenue, 1.3 billion TL EBITDA, and 318 million TL net profit for the 9M24 period. We have evaluated the company's financial results, current operations, and future outlook. Logo Yazılım stands out with its strong revenue growth, an increasing share of recurring revenues, and robust customer acquisition. These factors highlight the company's ability to maintain a solid growth trajectory and strengthen its market position.

A Strong Player in Its Sector… Operating in the enterprise software applications market, Logo Yazılım serves as a key solution provider for numerous SMEs and companies in Türkiye with its broad product portfolio tailored to various industries. The company also has subsidiaries such as Total Soft in Romania and Logo Infosoft in India. The high share of recurring net sales in the company's revenue mix contributes to the sustainability of its income and operating margins. While expanding its existing customer base through strong new customer acquisitions, Logo maintains profitability alongside revenue growth. We believe that in the upcoming period, the company will enhance its profitability, driven by strong sector demand, new customer acquisitions, and easing cost pressures, further solidifying its strong position in the market.

Operations Remain Strong… In 9M24, Logo Yazılım reported a net profit of 318 million TL. During the same period, the company achieved revenue of 3,648 million TL and EBITDA of 1,333 million TL, representing annual increases of 19% and 24%, respectively. Revenue and EBITDA growth were supported by the recovery of Romanian operations, price adjustments in July, and the transition to SaaS. Recurring revenues increased from 67% of consolidated revenues in 9M23 to 70% in 9M24. The EBITDA margin improved year-over-year, while the net cash position grew by 10% compared to the previous quarter. Despite macroeconomic challenges, the company gained 7,000 new customers in the EAS and e-Services segments during 9M24. Effective cost control resulted in operating expense growth remaining below inflation.

2024 and 2025 Expectations… Management has maintained its 2024 year-end guidance, projecting 34% revenue growth and 15% EBITDA growth for Logo TR post-TMS29, while expecting 11% revenue growth in Euro terms and a 24% EBITDA margin for its Romanian operations. Avramos Holding, which holds a 20% stake in the Romanian subsidiary, will increase its stake in Total Soft in two phases, raising it to 30% in 2025 and 85% by the end of 2027 through a total payment of €15.1 million to Logo. Under the same agreement, Logo will make a €9 million capital injection into Total Soft and cancel the €10.5 million put option liability currently classified on its balance sheet. In the coming period, cost pressures are expected to ease, contributing to a gradual recovery in profitability margins. We expect the company to continue growing above inflation, driven by its strategic goals to increase the share of recurring revenue, reduce costs, and enhance customer experience. Additionally, increasing demand for digital transformation and cloud technologies is expected to positively contribute to Logo Yazılım's growth trajectory.

LOGO

under review

Target Price
Return potential

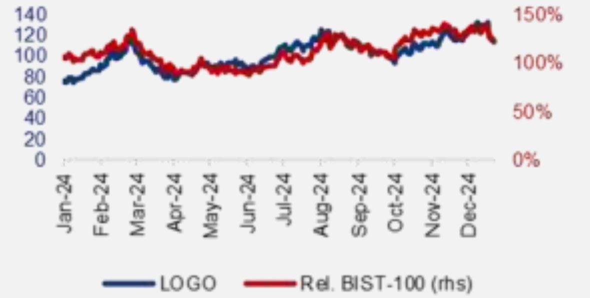
Share Data	
Ticker:	**LOGO TI**
Share Price (23 December 2024)	116.74
Share price (52 week range)	68.6 / 132.3
Market cap. (TL mn - USD mn)	11,090 - 316
# of shares outstanding (mn)	100.0
Free Float	65%
Market	BIST STAR
Industry	Technology

Avg. trading volume	1M	3M	12M
USD mn	1.5	1.4	2.2

Price performance	1M	3M	Y-t-D
TL	2%	13%	57%
USD	0%	9%	32%
Rel. to BIST-100	-5%	15%	21%

TL mn	2021	2022	2023
Revenues	767	2,887	2,975
EBITDA	286	1,041	726
Net Earnings	265	319	140

Valuation	2021	2022	2023
P/E	26.5x	15.1x	32.7x
P/BV	6.9x	5.6x	5.0x
EV/EBITDA	18.5x	12.9x	5.9x



Logo Yazılım – Financial Summary

Balance Sheet	2021	2022	2023
Cash	433	1.055	1.046
Accounts receivables	334	638	1.108
Inventory	6	14	49
Other current assets	23	82	126
Current assets	**796**	**1.789**	**2.330**
Financial investments	184	636	1.092
Net fixed assets	21	212	386
Intangible assets	432	1.433	2.296
Other non-current assets	374	831	1.154
Non-current assets	**1.011**	**3.111**	**4.929**
Total assets	**1.807**	**4.901**	**7.259**
Short-term financial loans	94	101	139
Accounts payables	82	237	382
Other short-term payables	567	1.652	2.990
Current liabilities	**742**	**1.989**	**3.512**
Long-term financial loans	173	317	335
Other long-term payables	59	148	283
Non-current liabilities	**232**	**466**	**619**
Shareholders' equity	**834**	**2.446**	**3.129**
Parent company	759	2.267	2.867
Minorities	74	179	262
Total liabilities & equity	**1.807**	**4.901**	**7.259**
Net debt	-167	-637	-571
Net working capital	-285	-1.154	-2.089
Net working capital (Operating)	258	415	775
Invested Capital	168	491	594

Ratios	2021	2022	2023
Profitability			
ROE	38,6%	19,4%	5,0%
Net margin	34,5%	11,0%	4,7%
Asset turnover	0,5x	0,9x	0,5x
Leverage	2,1x	2,0x	2,2x
ROA	18,2%	9,5%	2,3%
ROIC	102,0%	173,4%	50,5%
Leverage			
Financial debt/Total assets	15%	9%	7%
Net debt/Equity	-0,20	-0,26	-0,18
Net debt/EBITDA	-0,58	-0,61	-0,79

Income statement	2021	2022	2023
Revenues	**767**	**2.887**	**2.975**
Gross profit	624	2.282	2.425
Operating expenses	417	1.569	2.083
Operating profit	207	713	342
EBITDA	**286**	**1.041**	**726**
Other income, net	16	119	69
Financial income, net	77	-433	-211
Earnings before taxes	300	390	188
Tax expense	23	57	58
Net earnings - Parent	**265**	**319**	**140**

Cashflow statement	2021	2022	2023
EBITDA	**286**	**1.041**	**726**
Taxes on EBIT	16	105	105
Capital expenditures	140	495	678
Chg. in NWC	-156	-869	-934
Free cashflows to firm	**287**	**1.311**	**878**

Growth & margins	2021	2022	2023
Revenues	41%	277%	3%
EBITDA	62%	264%	-30%
Net earnings	131%	20%	-56%
Gross margin	81,4%	79,0%	81,5%
Operating margin	27,0%	24,7%	11,5%
EBITDA margin	37,3%	36,1%	24,4%
Net margin	34,5%	11,0%	4,7%
Free cashflow margin	34,5%	11,0%	4,7%

Per share (TL)	2021	2022	2023
EPS	2,65	3,19	1,40
BVPS	8,34	24,46	31,29
DPS	0,30	0,90	1,50

Valuation	2021	2022	2023
P/E	26,5x	15,1x	32,7x
P/BV	6,9x	5,6x	5,0x
EV/EBITDA	18,5x	12,9x	5,9x
EV/Sales	6,4x	4,9x	2,1x
Dividend Yield	1%	2%	2%
Free cashflow yield	7%	28%	13%

Source: Bloomberg, Tacirler Investment

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

MLP Care

MLP Care continues to operate as the largest hospital group in Türkiye with 35 hospitals and over 6,300 bed capacity. Last week, we removed MLP Care from our model portfolio with a 48% nominal return, but we continue to cover the company. We revise our recommendation from Buy to Hold with a target price of 469.20 TL.

MLP Care continued to expand its hospital portfolio in the first 9 months of 2024 with 4 new hospitals domestically and 2 internationally… As of the end of 2023, MLP Care operated 29 hospitals. In the first 9 months of 2024, it added 6 new hospitals: domestically in Istanbul, Kocaeli, Ankara, and Izmir, and internationally in Kosovo and Dubai, increasing the total number of hospitals from 29 to 35. With the JCI accreditation of Medical Park Pendik Hospital, the number of JCI-accredited hospitals reached 7. Along with new hospitals, the bed capacity grew from 5,700 at the end of 2023 to 6,300, representing a 10% increase. In 2024, we expect MLP Care to continue increasing its bed capacity through new hospital acquisitions and activating idle floors in existing hospitals.

Strong revenue growth achieved in the first 9 months of 2024… In the first 9 months of 2024, revenue grew by 26% year-on-year, reaching TL 27.6 billion. During this period, domestic patient revenue increased by 32% to TL 23.8 billion, driven by both an increase in patient numbers and average prices. Inpatient revenues rose by 28%, while outpatient revenues grew by 36%. Foreign medical tourism revenue declined by 7% year-on-year due to a drop in patient numbers and a relatively stable USD/TRY exchange rate compared to rising domestic unit prices. Other ancillary business revenues, supported by management consultancy income from university hospitals, grew by 34%, reaching TL 745 million. In 2025, we expect the share of current healthcare expenditures in GDP to continue increasing.

We expect the strong EBITDA margin to be maintained through effective cost and inventory management… In the first 9 months of 2024, the ratio of material costs to revenue decreased by 86 basis points, reaching 13.2%, due to effective inventory management. Personnel expenses as a percentage of total revenue remained flat compared to the same period of the previous year. With relatively lower service expenses, the ratio of other expenses to revenue decreased by 249 basis points to 9.6%. The ratio of doctor expenses to total revenue, however, increased by 140 basis points to 25%.In the first 9 months of 2024, the EBITDA margin stood at 25.7%, and we estimate a margin of 25.2% for 2025. Over our valuation period, we project the average EBITDA margin to remain around 24.6%.

MPARK BUY

Target Price	**TL 475,60**
Return potential	**26%**

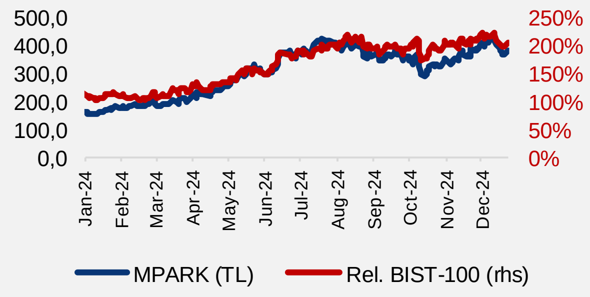
Share Data	
Ticker:	**MPARK TI**
Share price (as of 23.12.2024)	376,00
Share price (52 week range)	146 / 421
Market cap. (TL mn - USD mn)	71820,6 - 2045,8
# of shares (mn) & free float	191 - 27%
Foreign Ownership Rate	26,84%
Market	BIST STAR
Industry	Healthcare

Avg. trading volume	1M	3M	12M
USD mn	5,0	4,9	5,7

Price performance	1M	3M	Y-t-D
TL	-2%	4%	132%
USD	-4%	0%	94%
Rel. to BIST-100	-3%	6%	80%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	22.449	38.554	55.232
EBITDA	5.784	9.916	13.891
Net Earnings	4.530	4.922	6.252

Valuation	2023	2024E	2025E
P/E	15,9x	14,6x	11,5x
P/BV	4,2x	3,2x	2,5x
EV/EBITDA	13,2x	7,6x	5,0x



MLP Care - Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	3.821	5.491	14.490
Accounts receivables	4.969	7.035	8.474
Inventory	1.463	1.352	2.717
Financial investments	0	100	100
Fixed assets	10.660	16.252	16.233
Other non-current assets	17.693	17.670	25.313
Total assets	**38.605**	**47.899**	**67.328**
Short-term financial loans	4.161	5.245	7.514
Accounts payables	5.546	7.208	11.034
Long-term financial loans	4.067	3.307	5.290
Other long-term payables	7.316	9.512	13.626
Non-current liabilities	**11.383**	**12.819**	**18.917**
Shareholders' equity	**17.220**	**22.627**	**28.879**
Paid in Capital	208	208	208
Total liabilities & equity	**38.605**	**47.899**	**67.328**
Net debt	4.406	3.061	-1.686
Net working capital	885	1.178	157

Per share (TL)			
EPS	23,71	25,77	32,73
BVPS	90,15	118,46	151,19
DPS	0,00	0,00	0,00

Ratios			
Profitability			
ROE	33,4%	24,7%	24,3%
Net margin	20,2%	12,8%	11,3%
Asset turnover	0,7x	0,9x	1,0x
Leverage	2,3x	2,2x	2,2x
ROA	14,8%	11,4%	10,9%
Leverage			
Financial debt/Total assets	21%	18%	19%
Net debt/Equity	0,26	0,14	-0,06
Net debt/EBITDA	0,76	0,31	-0,12

Income statement	2022	2023	2024E	2025E
Revenues	**18.903**	**22.449**	**38.554**	**55.232**
Gross profit	4.887	6.430	10.748	15.156
Operating expenses	-1.869	-2.189	-3.502	-4.718
Operating profit	6.757	8.619	14.250	19.874
EBITDA	**4.280**	**5.784**	**9.916**	**13.891**
Other income, net	-43	130	104	148
Financial income, net	982	1.386	-784	-2.762
Earnings before taxes	8.519	10.203	13.647	17.371
Tax expense	111	-1.077	-1.521	-1.484
Net earnings	**4.742**	**4.530**	**4.922**	**6.252**

Cashflow statement				
EBITDA	**4.280**	**5.784**	**9.916**	**13.891**
Taxes on EBIT	-200	-281	-480	-692
Capital expenditures	-1.095	-1.365	-1.851	-2.651
Chg. in NWC	-176	-653	292	-1.021
Free cashflows to firm	**3.160**	**4.790**	**7.292**	**11.568**

Growth & margins				
Revenues	226%	19%	72%	43%
EBITDA	216%	35%	71%	40%
Net earnings	1533%	-4%	9%	27%
Gross margin	25,9%	28,6%	27,9%	27,4%
Operating margin	35,7%	38,4%	37,0%	36,0%
EBITDA margin	22,6%	25,8%	25,7%	25,1%
Net margin	25,1%	20,2%	12,8%	11,3%
Free cashflow margin	16,7%	21,3%	18,9%	20,9%

Valuation				
P/E	15,1x	15,9x	14,6x	11,5x
P/BV	7,3x	4,2x	3,2x	2,5x
EV/EBITDA	17,7x	13,2x	7,6x	5,0x
EV/Sales	4,0x	3,4x	1,9x	1,3x
Dividend Yield	0,0%	0,0%	0,0%	0,0%
Free cashflow yield	4,4%	6,7%	10,2%	16,1%

Source: Company Data, Tacirler Investment

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

Petkim

Petkim reported 57 billion TL in sales revenue and a 127 million TL loss for the 9M24 period. We have assessed the company's financial results, current operations, and future outlook.

A Strong Player in the Petrochemical Industry… Petkim, Türkiye's only integrated petrochemical complex, plays a vital role in the country's industrial sector by producing raw materials with a portfolio of over 50 petrochemical products. Petkim's products serve as key inputs for industries such as construction, agriculture, automotive, electronics, packaging, and textiles. However, Petkim reported a net loss of 127 million TL in the first nine months of 2024, impacted by weak product margins and planned and unplanned maintenance. EBITDA declined primarily due to negative price changes, stock effects, and efficiency issues. While no significant recovery is expected in the sector during the fourth quarter, 2025 is also anticipated to present similar challenges. Although the ethylene-naphtha spread, a key indicator of operational profitability, has occasionally improved, it remains inconsistent. Nonetheless, the completion of maintenance activities is expected to positively affect capacity utilization rates and sales.

Operations Remain in Line with Last Year… According to inflation-adjusted data, Petkim's sales revenue declined by 8% year-over-year to 57 billion TL in 9M24. Total sales volume stood at 461,000 tons, while production volume decreased to 522,000 tons compared to the same period last year. Capacity utilization rates fell across all groups. The ethylene-naphtha price spread improved to $217/ton in 3Q24 (2Q24: $142/ton), reaching the 5-year average. However, no significant improvement was observed in the Platts index, which decreased by 1% compared to the previous quarter. Petkim's third-quarter results were pressured by low product margins and maintenance at the STAR Refinery, leading to year-over-year and quarter-over-quarter declines.

Petrochemical Industry Outlook and Expectations… The downturn in the petrochemical sector continued into the third quarter of 2024, driven by heightened geopolitical tensions and economic uncertainties. The Russia-Ukraine war and conflicts in the Middle East have caused volatility in global energy prices, while OPEC+ postponed its plans to increase supply due to production disruptions in Libya. In Türkiye, capacity utilization rates in the plastics processing sector have declined, with high financing costs further deepening the contraction. Since 2022, weak economic activity, increased competition from China's exports, new capacities added in the U.S. and China, and accumulated stock levels have kept sector profitability under pressure. While global interest rate cuts raise hopes for recovery, their effects are expected to materialize gradually. Recently, Petkim announced plans for a "Master Plan" project, including the establishment of new process units and modernization of its existing aromatics complex. It would be prudent to wait for further details on the project.

PETKM

under review

Target Price
Return potential

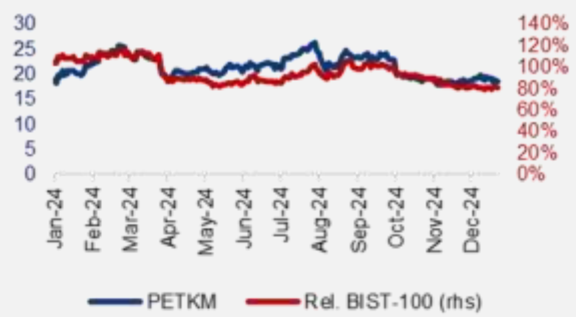
Share Data	
Ticker:	**PETKM TI**
Share Price (23 December 2024)	18.61
Share price (52 week range)	17.1 / 26.0
Market cap. (TL mn - USD mn)	47,165 - 1,345
# of shares outstanding (mn)	2534.4
Free Float	47%
Market	BIST STAR
Industry	Petrochemical

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	27.2	27.0	42.9

Price performance	1M	3M	Y-t-D
TL	9%	-21%	2%
USD	7%	-24%	-14%
Rel. to BIST-100	1%	-20%	-21%

TL mn	2021	2022	2023
Revenues	28,716	97,857	60,441
EBITDA	6,090	568	-2,121
Net Earnings	5,452	-1,281	7,390

Valuation	2021	2022	2023
P/E	9.6x	4.5x	n.a.
P/BV	1.9x	1.9x	2.1x
EV/EBITDA	8.0x	6.7x	21.4x



Petkim – Financial Summary

Balance Sheet	2021	2022	2023
Cash	3.714	23.774	5.894
Accounts receivables	5.107	7.802	10.252
Inventory	3.540	7.627	8.343
Other current assets	7.263	17.928	3.136
Current assets	**19.623**	**57.131**	**27.626**
Financial investments	9	66	32.734
Net fixed assets	7.303	34.992	43.936
Intangible assets	91	360	425
Other non-current assets	3.401	10.688	25.420
Non-current assets	**10.805**	**46.106**	**102.515**
Total assets	**30.428**	**103.237**	**130.141**
Short-term financial loans	2.877	42.390	22.914
Accounts payables	3.836	7.262	11.218
Other short-term payables	943	1.787	2.214
Current liabilities	**7.655**	**51.439**	**36.346**
Long-term financial loans	9.224	4.938	18.513
Other long-term payables	830	2.321	5.466
Non-current liabilities	**10.054**	**7.260**	**23.979**
Shareholders' equity	**12.719**	**44.538**	**69.816**
Parent company	12.722	44.480	69.476
Minorities	-3	58	340
Total liabilities & equity	**30.428**	**103.237**	**130.141**
Net debt	8.387	23.555	35.533
Net working capital	11.131	24.308	8.299
Net working capital (Operating)	4.811	8.167	7.377
Invested Capital	18.525	59.660	52.660
Ratios			
Profitability			
ROE	53,8%	-4,5%	12,9%
Net margin	19,0%	-1,3%	12,2%
Asset turnover	1,1x	1,5x	0,5x
Leverage	2,5x	2,3x	2,0x
ROA	21,6%	-1,9%	6,3%
ROIC	30,8%	-5,8%	-9,1%
Leverage			
Financial debt/Total assets	40%	46%	32%
Net debt/Equity	0,66	0,53	0,51
Net debt/EBITDA	1,38	41,46	-16,75

Income statement	2021	2022	2023
Revenues	**28.716**	**97.857**	**60.441**
Gross profit	6.417	607	-2.328
Operating expenses	867	3.445	4.051
Operating profit	5.550	-2.838	-6.379
EBITDA	**6.090**	**568**	**-2.121**
Other income, net	1.761	4.094	8.297
Financial income, net	-658	-5.141	-2.565
Earnings before taxes	6.652	-3.885	9.277
Tax expense	1.136	-2.543	1.864
Net earnings - Parent	**5.452**	**-1.281**	**7.390**
Cashflow statement			
EBITDA	**6.090**	**568**	**-2.121**
Taxes on EBIT	947	-1.858	-1.282
Capital expenditures	1.086	7.147	2.507
Chg. in NWC	6.281	13.177	-16.009
Free cashflows to firm	**-2.225**	**-17.898**	**12.662**
Growth & margins			
Revenues	137%	241%	-38%
EBITDA	236%	-91%	-473%
Net earnings	401%	-123%	-677%
Gross margin	22,3%	0,6%	-3,9%
Operating margin	19,3%	-2,9%	-10,6%
EBITDA margin	21,2%	0,6%	-3,5%
Net margin	19,0%	-1,3%	12,2%
Free cashflow margin	19,0%	-1,3%	12,2%
Per share (TL)			
EPS	2,15	-0,51	2,92
BVPS	5,02	17,57	27,55
DPS	0,00	0,00	0,00
Valuation			
P/E	9,6x	4,5x	-7,4x
P/BV	1,9x	1,9x	2,1x
EV/EBITDA	8,0x	6,7x	21,4x
EV/Sales	1,4x	1,1x	0,7x
Dividend Yield	0%	0%	0%
Free cashflow yield	-14%	-62%	29%

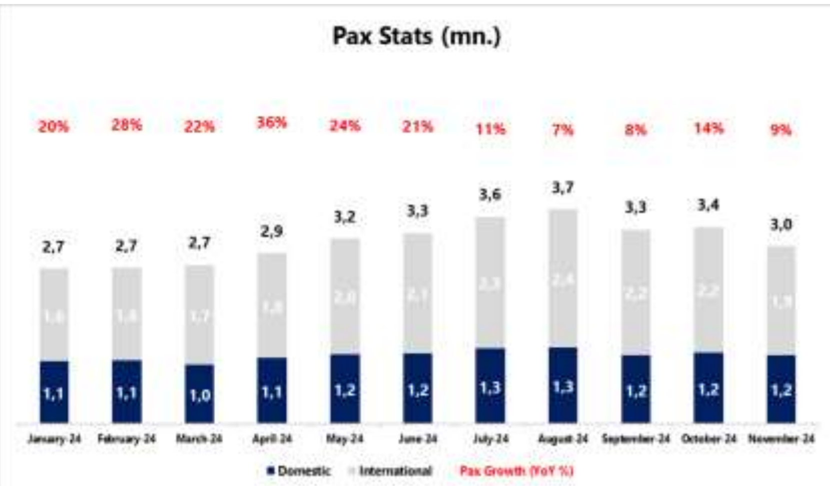
Source: Bloomberg, Tacirler Investment

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

Pegasus Airlines

Pegasus Airlines is increasing passenger traffic both domestically and internationally with Türkiye's youngest fleet and a growing number of destinations.

Strong growth in both domestic and international passenger traffic continues… In the first 11 months of 2024, the number of passengers carried increased by 17% year-on-year, reaching 34.4 million. During this period, domestic passenger traffic rose 17% to 12.9 million, while international passenger traffic also grew 17%, reaching 21.5 million. Additionally, Available Seat Kilometers (ASK) increased by 15%. We expect passenger growth to continue in both domestic and international markets in 2025.



Steady Efficiency Gains with Increasing Load Factor and Expanding Fleet… Pegasus Airlines operates the youngest fleet in Türkiye, with an average aircraft age of 4.5 years, positioning itself among the global low-cost carriers. By the end of 2024, the fleet is expected to reach 118 aircraft, with a high concentration of A321neo and A320neo models, supporting profitability. As of Q3 2024, A320neo and A321neo aircraft accounted for 87% of Pegasus's fleet. By 2029, at least 52 additional A321neo aircraft are expected to be delivered, with at least 9 A321neo deliveries scheduled for 2025.In the first 11 months of 2024, the load factor rose 300 basis points year-on-year, reaching 87.9%. With higher efficiency driven by fuel-efficient aircraft that reduce CASK (Cost per Available Seat Kilometer), we expect high load factors to continue in 2025, positively impacting operational profitability.

PGSUS

under review

Target Price
Return potential

Share Data	
Ticker:	**PGSUS TI**
Share Price (23 December 2024)	221,30
Share price (52 week range)	131 / 257
Market cap. (TL mn - USD mn)	110650,0 - 3155,8
# of shares outstanding (mn)	500
Free Float	43%
Market	Star
Industry	Aviation

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	70,4	54,7	59,7

Price performance	1M	3M	Y-t-D
TL	1%	-13%	67%
USD	-1%	-15%	40%
Rel. to BIST-100	-6%	-11%	28%

TL mn	2021	2022	2023
Revenues	10.664	42.732	70.532
Net Earnings	-1.972	7.100	20.908
Net Debt	29.124	48.180	84.905

Valuation	2021	2022	2023
P/E	-4,3x	-3,6x	10,3x
EV/Sales	4,83x	3,38x	2,47x
Dividend Yield	0,0%	0,0%	0,0%

Pegasus – Summary

Balance Sheet	2021	2022	2023
Cash	7.542	12.820	34.613
Accounts receivables	337	1.175	1.669
Inventory	141	502	1.075
Other current assets	4.666	6.221	10.644
Current assets	**12.687**	**20.717**	**48.002**
Financial investments	2.340	4.643	2.277
Net fixed assets	1.855	3.515	10.378
Intangible assets	184	287	644
Other non-current assets	35.897	66.641	140.656
Non-current assets	**40.276**	**75.086**	**153.954**
Total assets	**52.963**	**95.803**	**201.955**
Short-term financial loans	7.768	9.887	18.625
Accounts payables	1.890	3.931	6.526
Other short-term payables	3.021	6.943	12.033
Current liabilities	**12.679**	**20.760**	**37.184**
Long-term financial loans	28.898	51.113	100.894
Other long-term payables	4.516	5.885	9.208
Non-current liabilities	**33.414**	**56.999**	**110.102**
Shareholders' equity	**6.870**	**18.045**	**54.669**
Parent company	6.870	18.045	54.669
Minorities	0	0	0
Total liabilities & equity	**52.963**	**95.803**	**201.955**
Net debt	29.124	48.180	84.905
Net working capital	233	-2.975	-5.171
Net working capital (Operating)	-1.412	-2.254	-3.782
Invested Capital	2.272	826	5.851

Income statement	2021	2022	2023
Revenues	**10.664**	**42.732**	**70.532**
Gross profit	118	11.577	16.818
Operating expenses	663	1.943	2.996
Operating profit	-545	9.634	13.823
EBITDA	**2.271**	**14.099**	**21.626**
Other income, net	-36	491	608
Financial income, net	-1.486	-3.525	-4.336
Earnings before taxes	-2.057	6.619	10.115
Tax expense	-84	-481	-10.793
Net earnings - Parent	**-1.972**	**7.100**	**20.908**

Cashflow statement			
EBITDA	**2.271**	**14.099**	**21.626**
Taxes on EBIT	-22	-700	-14.749
Capital expenditures	-36	-461	-266
Chg. in NWC	1.089	-3.209	-2.195
Free cashflows to firm	**1.240**	**18.470**	**38.836**

Growth & margins			
Revenues	122%	301%	65%
EBITDA	372%	521%	53%
Net earnings	0%	-460%	194%
Gross margin	1,1%	27,1%	23,8%
Operating margin	-5,1%	22,5%	19,6%
EBITDA margin	21,3%	33,0%	30,7%
Net margin	-18,5%	16,6%	29,6%
Free cashflow margin	-18,5%	16,6%	29,6%

Ratios			
Profitability			
ROE	-32,2%	57,0%	57,5%
Net margin	-18,5%	16,6%	29,6%
Asset turnover	0,3x	0,6x	0,5x
Leverage	6,7x	6,0x	4,1x
ROA	-4,8%	9,5%	14,0%
ROIC	-29,5%	497,5%	331,2%
Leverage			
Financial debt/Total assets	69%	64%	59%
Net debt/Equity	4,24	2,67	1,55
Net debt/EBITDA	12,83	3,42	3,93

Per share (TL)			
EPS	-3,94	14,20	41,82
BVPS	13,74	36,09	109,34
DPS	0,00	0,00	0,00

Valuation			
P/E	-4,3x	-3,6x	10,3x
P/BV	1,6x	2,7x	3,2x
EV/EBITDA	64,4x	15,8x	7,6x
EV/Sales	4,8x	3,4x	2,5x
Dividend Yield	0%	0%	0%
Free cashflow yield	15%	87%	60%

Source: Bloomberg, Tacirler Investment

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

Sasa Polyester

The forecast for global fiber production to continue growing in 2025, with production reaching 124 million tons in 2023 and expected to rise to 160 million tons by 2030, supports the positive outlook. With polyester holding a 57% share of total fiber production, we expect SASA, which leads the market, to make a significant contribution to the sector by reducing imports with the launch of its 1.7 million-ton annual PTA facility in Türkiye.

The launch of the PTA facility will be a key catalyst for the SASA… SASA's newly established PTA production facility in Adana, with an annual capacity of 1.75 million tons and an investment of USD 1.5 billion, aims to reduce foreign dependency and meet the raw material needs for polyester production. The facility, which will be environmentally friendly and operate using INVISTA technology, is expected to start operations between the end of 2024 and early 2025, contributing to closing the current account deficit. Additionally, by utilizing gases generated during energy production, the plant will meet its electricity needs and reduce greenhouse gas emissions by 65% compared to traditional PTA plants. The opening of this facility is expected to have a positive impact on the company's financials in the medium to long term. Furthermore, the new facility is anticipated to alleviate cost pressures, leading to a positive contribution to EBITDA. Additionally, any potential U.S. embargo or additional tariffs on China would provide an advantage for SASA, as it will produce its own raw materials.

Demand recovery expected in 2025… According to research, the polyester fiber market is expected to reach USD 125.01 billion in 2025 and grow at a CAGR of 5.9% from 2025 to 2030, reaching USD 166.54 billion by 2030. Particularly, stimulus measures in China have provided a cost advantage for the country's polyester and fiber producers, who account for 72% of global fiber production. Given that 30-33% of SASA's revenues come from synthetic and polyester fibers, although the dependency on imported raw materials will be eliminated after the PTA facility is operational, we expect these subsidies to reduce overall costs in the global market.

Gradual financial recovery expected in 2025… SASA achieved a net profit of TRY 17.2 billion in the first nine months of the year, reflecting a 97% increase compared to the same period last year. Although sales decreased during this period, there was a 1.1% quarter-on-quarter increase despite global challenges. Operational profitability has shown signs of recovery. These results suggest that SASA's financials are signaling recovery in the upcoming periods.

Risks: i) PTA facility may take longer to become operational than anticipated. ii) Global recovery in fiber and polyester demand may take longer than expected.

SASA

under review

Target Price

Return potential

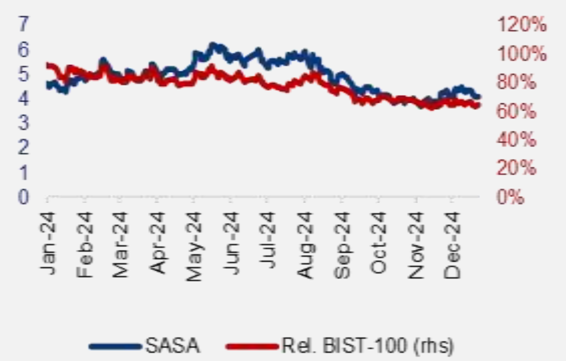
Share Data	
Ticker:	**SASA TI**
Share Price (23 December 2024)	4,05
Share price (52 week range)	04 / 06
Market cap. (TL mn - USD mn)	177.453 - 5.055
# of shares outstanding (mn)	43.816
Free Float	23%
Market	BIST STAR
Industry	Defence

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	65,7	50,6	60,5

Price performance	1M	3M	Y-t-D
TL	-3%	-9%	-11%
USD	-5%	-11%	-25%
Rel. to BIST-100	-4%	-6%	-31%

TL mn	2021	2022	2023
Revenues	14.645	61.835	46.317
EBITDA	3.354	11.541	7.912
Net Earnings	697	22.754	18.192

Valuation	2021	2022	2023
P/E	112,6x	43,9x	16,3x
P/BV	10,8x	16,3x	13,2x
EV/EBITDA	30,0x	28,7x	29,8x



Sasa Polyester – Financial Summary

Balance Sheet	2021	2022	2023
Cash	2.174	1.414	7.148
Accounts receivables	2.218	5.956	14.618
Inventory	3.903	15.025	15.462
Other current assets	689	1.844	1.876
Current assets	**8.984**	**24.239**	**39.105**
Financial investments	0	0	0
Net fixed assets	8.701	51.674	113.337
Intangible assets	4	22	486
Other non-current assets	4.505	24.039	53.301
Non-current assets	**13.210**	**75.735**	**167.125**
Total assets	**22.194**	**99.974**	**206.229**
Short-term financial loans	3.207	27.368	31.275
Accounts payables	3.959	12.371	11.745
Other short-term payables	1.986	3.709	4.820
Current liabilities	**9.152**	**43.449**	**47.840**
Long-term financial loans	8.792	15.722	57.489
Other long-term payables	88	277	11.444
Non-current liabilities	**8.880**	**16.000**	**68.933**
Shareholders' equity	**4.163**	**40.526**	**89.457**
Parent company	4.163	40.526	89.457
Minorities	0	0	0
Total liabilities & equity	**22.194**	**99.974**	**206.229**
Net debt	9.825	41.676	81.616
Net working capital	866	6.744	15.392
Net working capital (Operating)	2.163	8.610	18.336
Invested Capital	9.571	58.440	129.216

Ratios	2021	2022	2023
Profitability			
ROE	19,8%	101,8%	28,0%
Net margin	4,8%	36,8%	39,3%
Asset turnover	0,9x	1,0x	0,3x
Leverage	4,7x	2,7x	2,4x
ROA	4,2%	37,3%	11,9%
ROIC	31,5%	24,5%	5,7%
Leverage			
Financial debt/Total assets	54%	43%	43%
Net debt/Equity	2,36	1,03	0,91
Net debt/EBITDA	2,93	3,61	10,32

Income statement	2021	2022	2023
Revenues	**14.645**	**61.835**	**46.317**
Gross profit	3.703	12.963	8.705
Operating expenses	592	2.551	1.969
Operating profit	3.111	10.412	6.737
EBITDA	**3.354**	**11.541**	**7.912**
Other income, net	-568	-149	-725
Financial income, net	-3.731	1.350	-5.889
Earnings before taxes	-1.188	11.613	122
Tax expense	-1.885	-11.141	-18.070
Net earnings - Parent	**697**	**22.754**	**18.192**

Cashflow statement	2021	2022	2023
EBITDA	**3.354**	**11.541**	**7.912**
Taxes on EBIT	4.937	-9.988	-997.048
Capital expenditures	2.494	18.618	23.033
Chg. in NWC	500	5.878	8.648
Free cashflows to firm	**-4.577**	**-2.968**	**973.279**

Growth & margins	2021	2022	2023
Revenues	191%	322%	-25%
EBITDA	225%	244%	-31%
Net earnings	123%	3163%	-20%
Gross margin	25,3%	21,0%	18,8%
Operating margin	21,2%	16,8%	14,5%
EBITDA margin	22,9%	18,7%	17,1%
Net margin	4,8%	36,8%	39,3%
Free cashflow margin	4,8%	36,8%	39,3%

Per share (TL)	2021	2022	2023
EPS	0,02	0,52	0,42
BVPS	0,10	0,92	2,04
DPS	0,00	0,00	0,00

Valuation	2021	2022	2023
P/E	112,6x	43,9x	16,3x
P/BV	10,8x	16,3x	13,2x
EV/EBITDA	30,0x	28,7x	29,8x
EV/Sales	6,1x	6,7x	5,1x
Dividend Yield	0%	0%	0%
Free cashflow yield	-13%	-2%	374%

Source: Bloomberg, Tacirler Investment

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

Şok Marketler

Challenging macroeconomic conditions, increasing cost pressures, and intense competition are shaping ŞOK's transition strategy with its ŞOK 2.0 store model. The success of this strategy will critically depend on the sustainability of growth in customer traffic and basket size. The Q4 2024 results and Q1 2025 will be key in determining the success of the company's operational transformation and clarifying future expectations. ŞOK's ability to combine the accessibility of BİM with the service model of Migros could provide a competitive edge. However, the risks posed by cost pressures and competitive dynamics require close monitoring.

New Company Strategy: ŞOK 2.0 Offers Service Diversity… In the first nine months of 2024, ŞOK increased its total revenue by 4% YoY, driven by the impact of TMS29, but fell short of operational expectations, reporting an EBITDA loss of TL 1.656 million. Reduced purchasing power, increasing market stagnation, intense competition, high employee turnover, and rising cost pressures negatively affected the company's performance.

During this period, ŞOK opened 236 new stores while discontinuing operations at underperforming locations, bringing the total store count to 10,961. The company's strategy has shifted from expanding store numbers to focusing on larger-format ŞOK 2.0 stores offering a wider variety of products and services. This new model aims to increase customer traffic and basket size. However, as competition with strong rivals like Migros intensifies, ŞOK's ability to merge the accessibility of BİM with Migros' service diversity will be critical for long-term performance.

Risks…The company faces challenges from rising energy, personnel, and logistics costs, which could put further pressure on operational margins. The cost burden of minimum wage increases anticipated in 2025 poses a significant risk. High employee turnover in the sector may lead to declines in operational efficiency and service quality. Additionally, ŞOK may find it challenging to sustain competitiveness with the ŞOK 2.0 model against BİM's price-focused strategy and Migros' diverse service offerings.

SOKM

under review

Target Price
Return potential

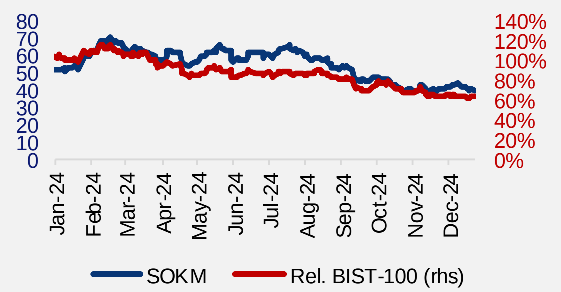
Share Data	
Ticker:	**SOKM TI**
Share Price (23 December 2024)	39.58
Share price (52 week range)	37.7 / 70.0
Market cap. (TL mn - USD mn)	23,482 - 669
# of shares outstanding (mn)	593.3
Free Float	51%
Market	BIST STAR
Industry	Retail

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	8.8	9.3	13.5

Price performance	1M	3M	Y-t-D
TL	-1%	-12%	-23%
USD	-3%	-14%	-36%
Rel. to BIST-100	-2%	-9%	-40%

TL mn	2021	2022	2023
Revenues	28,412	112,385	132,976
Net Earnings	324	6,954	4,446
Net Debt	1,666	5,630	2,841

Valuation	2021	2022	2023
P/E	-23.6x	16.9x	4.3x
P/BV	34.8x	12.1x	6.4x
EV/EBITDA	4.1x	3.9x	5.6x



Şok Marketler – Financial Summary

Balance Sheet	2021	2022	2023
Cash	1,344	1,416	5,723
Accounts receivables	100	200	191
Inventory	2,849	15,715	24,945
Other current assets	77	2,721	3,674
Current assets	**4,370**	**20,052**	**34,534**
Financial investments	0	0	0
Net fixed assets	1,829	9,353	13,133
Intangible assets	125	845	1,332
Other non-current assets	3,412	16,538	23,443
Non-current assets	**5,365**	**26,736**	**37,908**
Total assets	**9,735**	**46,788**	**72,441**
Short-term financial loans	959	2,413	2,993
Accounts payables	5,321	18,504	26,674
Other short-term payables	785	1,793	3,713
Current liabilities	**7,066**	**22,711**	**33,381**
Long-term financial loans	2,051	4,632	5,571
Other long-term payables	122	1,594	6,235
Non-current liabilities	**2,173**	**6,226**	**11,806**
Shareholders' equity	**496**	**17,851**	**27,255**
Parent company	501	17,851	27,255
Minorities	-5	0	0
Total liabilities & equity	**9,735**	**46,788**	**72,441**
Net debt	1,666	5,630	2,841
Net working capital	-3,081	-1,662	-1,577
Net working capital (Operating)	-2,372	-2,590	-1,538
Invested Capital	-1,127	8,536	12,888

Ratios	2021	2022	2023
Profitability			
ROE	86.5%	75.8%	19.7%
Net margin	1.1%	6.2%	3.3%
Asset turnover	3.2x	4.0x	2.2x
Leverage	23.3x	3.1x	2.6x
ROA	3.7%	24.6%	7.5%
ROIC	-119.1%	22.8%	-5.5%
Leverage			
Financial debt/Total assets	31%	15%	12%
Net debt/Equity	3.36	0.32	0.10
Net debt/EBITDA	0.64	1.12	0.74

Income statement	2021	2022	2023
Revenues	**28,412**	**112,385**	**132,976**
Gross profit	6,644	22,752	26,169
Operating expenses	4,856	21,697	26,905
Operating profit	1,788	1,055	-737
EBITDA	**2,622**	**5,035**	**3,860**
Other income, net	-689	-884	-198
Financial income, net	-799	7,076	6,832
Earnings before taxes	301	7,247	5,898
Tax expense	-18	293	1,452
Net earnings - Parent	**324**	**6,954**	**4,446**

Cashflow statement	2021	2022	2023
EBITDA	**2,622**	**5,035**	**3,860**
Taxes on EBIT	-107	43	-181
Capital expenditures	794	3,237	2,095
Chg. in NWC	-340	1,419	85
Free cashflows to firm	**2,276**	**337**	**1,861**

Growth & margins	2021	2022	2023
Revenues	33%	296%	18%
EBITDA	25%	92%	-23%
Net earnings	19%	2044%	-36%
Gross margin	23.4%	20.2%	19.7%
Operating margin	6.3%	0.9%	-0.6%
EBITDA margin	9.2%	4.5%	2.9%
Net margin	1.1%	6.2%	3.3%
Free cashflow margin	1.1%	6.2%	3.3%

Per share (TL)	2021	2022	2023
EPS	0.55	11.72	7.49
BVPS	0.84	30.09	45.94
DPS	0.13	0.00	0.51

Valuation	2021	2022	2023
P/E	-23.6x	16.9x	4.3x
P/BV	34.8x	12.1x	6.4x
EV/EBITDA	4.1x	3.9x	5.6x
EV/Sales	0.4x	0.4x	0.2x
Dividend Yield	1%	0%	1%
Free cashflow yield	30%	3%	7%

Source: Bloomberg, Tacirler Investment

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

Suwen Tekstil

We initiate coverage on Suwen Tekstil with a 12-month target price of 39.00 TL per share, representing a 39% upside potential, and assign a BUY recommendation. Key catalysts driving our valuation include: i) The company's target of reaching 300-350 stores by 2028, ii) Its growing e-commerce operations, and iii) An expanding customer base alongside a broadening product range. Based on our 2025E forecasts, Suwen is trading at a P/E multiple of 12,7x.

A strong player in its sector… Operating in the women's lingerie sector, Suwen was established in 2003 and laid the foundation for its growth journey in 2007 by opening its first store under its own brand. The company strengthened its capital structure and enhanced its corporate visibility through its IPO in April 2022, positioning itself as a significant player in Türkiye's women's lingerie, homewear, and beachwear (KIEP) market. Suwen primarily collaborates with local manufacturers for its production, enabling rapid collection cycles in the market while maintaining effective cost control through this flexible supply model. This approach provides Suwen with a notable competitive advantage. Supported by its expanding domestic store network and a strengthening e-commerce channel, Suwen also aims to enhance its brand awareness internationally by expanding its presence in export markets.

Expanding product range and increasing e-commerce share… In recent years, Suwen has consistently expanded its product portfolio and supported its balanced pricing strategy with new store openings, achieving growth above inflation rates. Initially focusing on lingerie, Suwen has strategically diversified its product portfolio to include homewear, beachwear, socks and accessories, as well as cosmetics and perfumes. This comprehensive product range allows the company to address various customer needs, increasing its market share potential. During the 9M24 period, Suwen achieved 19% growth in domestic retail sales (adjusted for inflation) and 40% growth in e-commerce sales. In the same period, the number of invoices in e-commerce increased by 27%, while the average invoice value rose by 83%.

Store openings and sales area… In recent years, Suwen has rapidly expanded its store count and total sales area. The company has also increased the average sales area per store. As of November 30, Suwen operates 193 stores, including 175 in 49 provinces in Türkiye, 9 franchise stores abroad, 2 stores in Cyprus, and 7 stores in Romania. Domestically, the company aims to open 20-25 stores annually, targeting 300 stores within the next five years, while planning to reach 110-120 stores internationally. We believe that similar growth rates in Suwen's sales network and revenue can be sustained in the medium to long term. In 9M24, Suwen's domestic gross sales area reached 21,619 square meters, with the sales area per store increasing from 102 square meters in 2020 to 119 square meters by the end of 2023. We consider Suwen an attractive investment opportunity, supported by its store openings, online channel growth, and expanding product range. We believe Suwen's operational performance will remain strong, driven by increasing domestic demand conditions and easing cost pressures.

SUWEN — BUY

Target Price	**TL 39**
Return potential	**39%**

Share Data

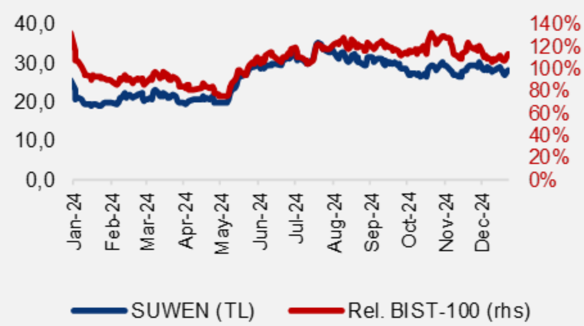
Ticker:	**SUWEN TI**
Share price (as of 23.12.2024)	28,10
Share price (52 week range)	19 / 35
Market cap. (TL mn - USD mn)	6294,4 - 179,3
# of shares (mn) & free float	224 - 61%
Foreign Ownership Rate	4,11%
Market	BIST STAR
Industry	Retail

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	1,1	1,3	1,2

Price performance	**1M**	**3M**	**Y-t-D**
TL	-4%	-5%	10%
USD	-6%	-7%	-8%
Rel. to BIST-100	-5%	-2%	-14%

Forecasts (TL mn)	**2023**	**2024E**	**2025E**
Revenues	2.504	4.662	6.233
EBITDA	546	1.057	1.405
Net Earnings	196	346	497

Valuation	**2023**	**2024E**	**2025E**
P/E	32,2x	18,2x	12,7x
P/BV	5,6x	4,5x	3,3x
EV/EBITDA	11,9x	6,5x	4,8x



Risks

Key risk factors that could limit Suwen's growth and profitability performance in the coming period include:
i) A potential decline in consumer appetite for apparel products.
ii) Intense competition within the e-commerce and marketplace platforms.

Suwen Tekstil – Financial Tables

We calculate our 12-month target price for Suwen Tekstil as TL 39.00 per share based on our Discounted Cash Flow (DCF) model, incorporating cash flow projections for the 2024–2033 period. Our target price implies a 39% upside potential. The weighted average cost of capital (WACC) we calculated for the projection period stands at 24%.

TL mn	2023	2024E	2025E	2026E	2027E	2028E
Revenues	**2.504**	**4.662**	**6.233**	**8.298**	**11.008**	**13.393**
Growth %	25,0%	86,2%	33,7%	33,1%	32,6%	21,7%
EBITDA	**546**	**1.057**	**1.405**	**1.861**	**2.463**	**2.984**
Growth %	16,0%	93,5%	33,0%	32,5%	32,3%	21,2%
EBITDA Margin %	21,8%	22,7%	22,5%	22,4%	22,4%	22,3%
Taxes paid on EBIT	-143	-142	-164	-220	-294	-361
CAPEX	-135	-113	-145	-184	-233	-271
Change in Net Working Capital	221	522	474	449	567	452
Free cash flow from operations	**129**	**280**	**594**	**969**	**1.315**	**1.833**
FCFF Margin %	5,2%	6,0%	9,5%	11,7%	11,9%	13,7%
WACC		23,4%	23,6%	23,6%	23,7%	23,9%
DCF		**227**	**389**	**513**	**561**	**628**

Terminal growth rate	5%
Terminal Value	21.381
PV of Terminal Value	**2.344**
PV of FCFF	5.110
Enterprise Value	**7.454**
Equity Value	**6.983**
Target Market Cap	**8.888**
# shares of outsanding	224
Fair value per share (12-mth fwd)	**39,00**
Current share price	28,10
Upside / (Downside)	**39%**

Suwen Tekstil – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	250	79	326
Accounts receivables	58	95	88
Inventory	677	1.236	1.691
Financial investments	0	0	0
Fixed assets	311	410	430
Other non-current assets	694	712	726
Total assets	**1.990**	**2.531**	**3.261**
Short-term financial loans	248	436	552
Accounts payables	180	255	229
Long-term financial loans	225	205	274
Other long-term payables	210	221	296
Non-current liabilities	**435**	**426**	**570**
Shareholders' equity	**1.126**	**1.413**	**1.910**
Paid in Capital	224	224	224
Other Equity	632	902	1.189
Total liabilities & equity	**1.990**	**2.531**	**3.261**
Net debt	223	563	501
Net working capital	554	1.076	1.550

Per share (TL)			
EPS	0,87	1,54	2,22
BVPS	5,03	6,31	8,53
DPS	-0,16	0,00	0,00

Ratios			
Profitability			
ROE	21,6%	27,3%	29,9%
Net margin	7,8%	7,4%	8,0%
Asset turnover	1,5x	2,1x	2,2x
Leverage	1,8x	1,8x	1,7x
ROA	11,7%	15,3%	17,2%

Leverage			
Financial debt/Total assets	24%	25%	25%
Net debt/Equity	0,20	0,40	0,26
Net debt/EBITDA	0,41	0,53	0,36

Income statement	2023	2024E	2025E
Revenues	**2.504**	**4.662**	**6.233**
Gross profit	1.298	2.406	3.219
Operating expenses	-1.053	-1.837	-2.450
Operating profit	245	568	769
EBITDA	**546**	**1.057**	**1.405**
Other income, net	-13	43	51
Financial income, net	102	-140	-185
Earnings before taxes	338	488	660
Tax expense	-143	-142	-164
Net earnings	**196**	**346**	**497**

Cashflow statement			
EBITDA	**546**	**1.057**	**1.405**
Taxes on EBIT	-61	-142	-192
Capital expenditures	-135	-113	-184
Chg. in NWC	221	522	474
Free cashflows to firm	**129**	**280**	**554**

Growth & margins			
Revenues	42%	86%	34%
EBITDA	32%	93%	33%
Net earnings	-14%	77%	44%
Gross margin	51,8%	51,6%	51,7%
Operating margin	9,8%	12,2%	12,3%
EBITDA margin	21,8%	22,7%	22,5%
Net margin	7,8%	7,4%	8,0%
Free cashflow margin	5,2%	6,0%	8,9%

Valuation			
P/E	32,2x	18,2x	12,7x
P/BV	5,6x	4,5x	3,3x
EV/EBITDA	11,9x	6,5x	4,8x
EV/Sales	2,6x	1,5x	1,1x
Dividend Yield	-0,6%	0,0%	0,0%
Free cashflow yield	2,0%	4,4%	8,8%

Source: Company Data, Tacirler Investment

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

Torunlar GYO

Torunlar REIT enhances its position in the sector with a strong asset portfolio, a focus on mixed-use projects, and an expanding scope of operations. Key factors supporting the company's growth potential include urban transformation projects, momentum in rental income, and sustained interest from foreign investors.

Excess Cash Supports New Projects and Investment Opportunities… Torunlar Real Estate Investment Trust (REIT) stands out with its extensive portfolio of retail, residential, office, and hotel investments. The company is recognized for its mixed-use projects and high-yield investments, continuing its developments in strategic regions such as Istanbul, Bursa, Antalya, Samsun, and Ankara. As of Q3 2024, Torunlar REIT supported its operational income with a recovery in rental revenues from shopping centers. The post-pandemic revival in the retail sector has brought rental income closer to pre-pandemic levels, positively impacting the company's cash flow. However, short-term value losses from real estate sales, such as those at Torun Tower, temporarily affected financial performance. Despite this, improvements in the net debt position and the accumulation of excess cash have reinforced the company's financial strength.

Investments in Smart City and Environmental Projects… The company's innovative urban transformation projects, expanding operational areas, recovery in rental revenues from shopping centers, and diversification into tourism and logistics investments are positive developments supporting growth.

Risks… i) Potential delays in the interest rate cut cycle and the negative impact of high interest rates on housing loan demand in 2025, **ii)** Macroeconomic instability could pose challenges.

TRGYO

under review

Target Price
Return potential

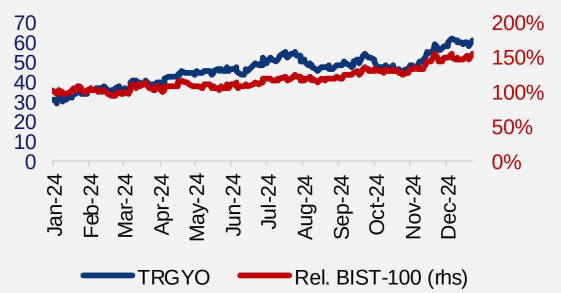
Share Data	
Ticker:	**TRGYO TI**
Share Price (23 December 2024)	60.00
Share price (52 week range)	27.0 / 61.5
Market cap. (TL mn - USD mn)	60,000 - 1,709
# of shares outstanding (mn)	1000.0
Free Float	21%
Market	BIST STAR
Industry	REIT

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	2.4	2.5	3.1

Price performance	1M	3M	Y-t-D
TL	3%	12%	98%
USD	2%	9%	66%
Rel. to BIST-100	3%	15%	53%

TL mn	2021	2022	2023
Revenues	1,456	5,177	4,858
Net Earnings	5,746	16,883	13,320
Net Debt	4,796	5,741	404

Valuation	2021	2022	2023
P/E	9.1x	2.5x	1.5x
P/BV	0.4x	0.7x	0.7x
EV/EBITDA	12.2x	10.3x	7.1x



Torunlar GYO – Financial Summary

Balance Sheet	2021	2022	2023
Cash	242	1,517	4,548
Accounts receivables	108	825	1,901
Inventory	545	3,466	3,808
Other current assets	210	210	482
Current assets	**1,105**	**6,019**	**10,739**
Financial investments	516	1,626	3,160
Net fixed assets	33	69	65
Intangible assets	2	2	1
Other non-current assets	18,246	60,705	95,505
Non-current assets	**18,796**	**62,401**	**98,732**
Total assets	**19,901**	**68,420**	**109,471**
Short-term financial loans	2,460	2,978	2,256
Accounts payables	85	190	448
Other short-term payables	254	463	490
Current liabilities	**2,799**	**3,630**	**3,194**
Long-term financial loans	2,578	4,280	2,695
Other long-term payables	2	1,277	5,416
Non-current liabilities	**2,581**	**5,556**	**8,111**
Shareholders' equity	**14,522**	**59,234**	**98,165**
Parent company	14,522	59,234	98,165
Minorities	0	0	0
Total liabilities & equity	**19,901**	**68,420**	**109,471**
Net debt	4,796	5,741	404
Net working capital	524	3,850	5,253
Net working capital (Operating)	568	4,102	5,261
Invested Capital	559	3,920	5,320

Ratios	2021	2022	2023
Profitability			
ROE	49.3%	45.8%	16.9%
Net margin	394.5%	326.1%	274.2%
Asset turnover	0.1x	0.1x	0.1x
Leverage	1.4x	1.2x	1.1x
ROA	34.2%	38.2%	15.0%
ROIC	125.3%	115.6%	57.8%
Leverage			
Financial debt/Total assets	25%	11%	5%
Net debt/Equity	0.33	0.10	0.00
Net debt/EBITDA	4.42	1.76	0.12

Income statement	2021	2022	2023
Revenues	**1,456**	**5,177**	**4,858**
Gross profit	1,170	3,667	3,685
Operating expenses	120	430	344
Operating profit	1,049	3,237	3,340
EBITDA	**1,085**	**3,260**	**3,363**
Other income, net	5,885	10,409	8,486
Financial income, net	-1,332	2,890	864
Earnings before taxes	5,746	16,883	13,320
Tax expense	0	0	0
Net earnings - Parent	**5,746**	**16,883**	**13,320**

Cashflow statement			
EBITDA	**1,085**	**3,260**	**3,363**
Taxes on EBIT	0	0	0
Capital expenditures	27	1	0
Chg. in NWC	-212	3,326	1,403
Free cashflows to firm	**1,271**	**-66**	**1,959**

Growth & margins			
Revenues	32%	255%	-6%
EBITDA	82%	200%	3%
Net earnings	1856%	194%	-21%
Gross margin	80.3%	70.8%	75.8%
Operating margin	72.1%	62.5%	68.8%
EBITDA margin	74.5%	63.0%	69.2%
Net margin	394.5%	326.1%	274.2%
Free cashflow margin	394.5%	326.1%	274.2%

Per share (TL)			
EPS	5.75	16.88	13.32
BVPS	14.52	59.23	98.17
DPS	0.00	0.00	0.20

Valuation			
P/E	9.1x	2.5x	1.5x
P/BV	0.4x	0.7x	0.7x
EV/EBITDA	12.2x	10.3x	7.1x
EV/Sales	7.2x	7.5x	4.8x
Dividend Yield	0%	0%	1%
Free cashflow yield	34%	-1%	9%

Source: Bloomberg, Tacirler Investment

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

Türk Traktör

We revise our target price for Türk Traktör (TTRAK) from 995 TRY to 888.30 TRY and maintain our "HOLD" recommendation. For 2025, TTRAK is trading at a P/E ratio of 15.6x and an EV/EBITDA multiple of 4.4x.

After record years, normalization continues. The company produced 41,167 tractors in the first 11 months of 2024, marking a 12.9% decline compared to the same period last year. During the same period, total tractor sales decreased by 13.7%. With the data from the last month of the year, we expect the company to close 2024 with 44,650 units produced, reflecting a 13% drop compared to the previous year. Total sales are projected to reach 44,140 units, indicating a 13.3% decrease year-on-year. In 2025, we anticipate a slight improvement in demand due to the start of the interest rate reduction cycle, but we expect contraction in the Turkish tractor market to continue during the first half of the year.

In 2025, we expect a slow recovery in the Turkish tractor market. We forecast a 3% contraction in the market, a 3% decrease in the company's domestic sales, and a 1% increase in export volume. Rising agricultural input costs and high interest rates are pressuring demand by making access to credit more difficult. In 2024, the decline in purchasing power and tight monetary policies have further deepened these effects. Although the subsidized tractor loan from Ziraat Bank, with an interest rate of 24.6%, remains attractive compared to market rates, the share of Turkish Tractor sales financed through these loans dropped from 69% in 2023 to 23% in the first nine months of 2024, indicating the bank's more selective lending approach. In the first half of 2025, access to favorable credit for farmers will remain limited; however, we expect a gradual recovery in demand from the second half of the year. The new support model from the Ministry of Agriculture and Forestry, offering incentives for strategic products and crop rotation to ÇKS-registered producers, will help promote planned production and the use of local seeds.

In export markets, the start of an interest rate cut cycle may lead to gradual increases in sales. TTRAK exports 80% of its total exports to North America and Europe, and it was observed that the tight monetary policies implemented in these regions in 2024 have led to a demand contraction. In the first 11 months of the year, the company's exports decreased by 23.2% year-over-year, falling to 12,002 units. With sales in the last months of the year, we estimate that the company will complete 2024 with 12,550 units in exports. However, if monetary policies loosen in these markets, we expect a gradual recovery in export volumes for TTRAK in 2025.

Risks: i) Demand may remain weaker for longer than expected. ii) Agricultural input prices may not improve at the anticipated pace.

TTRAK — HOLD

Target Price	**TL 888,30**
Return potential	**28%**

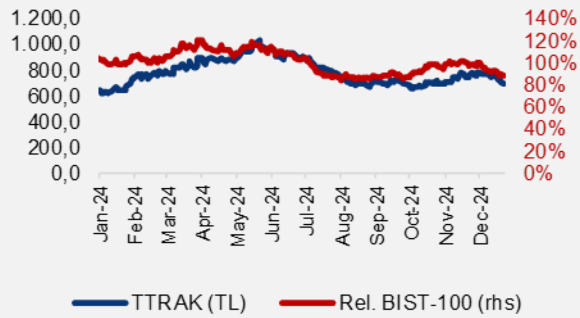
Share Data	
Ticker:	**TTRAK TI**
Share price (as of 23.12.2024)	693,50
Share price (52 week range)	599 / 1.025
Market cap. (TL mn - USD mn)	69.396 - 1.977
# of shares (mn) & free float	100 - 24%
Foreign Ownership Rate	23,28%
Market	BIST STAR
Industry	Automotive

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	5,7	6,1	8,0

Price performance	1M	3M	Y-t-D
TL	-7%	-1%	8%
USD	-9%	-4%	-10%
Rel. to BIST-100	-8%	2%	-16%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	56.739	65.916	85.980
EBITDA	12.829	12.068	11.105
Net Earnings	9.064	6.536	4.451

Valuation	2023	2024E	2025E
P/E	7,7x	10,6x	15,6x
P/BV	3,3x	3,1x	3,0x
EV/EBITDA	4,2x	5,3x	4,4x



Türk Traktör – Financial Summary

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	16.753	6.426	22.640
Accounts receivables	3.282	6.553	6.413
Inventory	11.814	13.491	7.904
Financial investments	114	27	30
Fixed assets	9.383	10.979	6.974
Other non-current assets	2.749	3.339	3.673
Total assets	**44.095**	**40.816**	**47.634**
Short-term financial loans	470	470	470
Accounts payables	11.929	9.666	14.602
Long-term financial loans	1.109	1.109	1.863
Other long-term payables	3.382	1.904	1.923
Non-current liabilities	**4.491**	**3.014**	**3.787**
Shareholders' equity	**20.920**	**22.335**	**22.865**
Paid in Capital	100	100	100
Total liabilities & equity	**44.095**	**40.816**	**47.634**
Net debt	-15.175	-4.847	-20.307
Net working capital	3.168	10.378	-285

Per share (TL)			
EPS	90,58	65,31	44,48
BVPS	209,06	223,20	228,50
DPS	-31,43	-63,41	-39,19

Ratios			
Profitability			
ROE	60,1%	30,2%	19,7%
Net margin	16,0%	9,9%	5,2%
Asset turnover	1,6x	1,6x	1,9x
Leverage	2,3x	2,0x	2,0x
ROA	25,9%	15,4%	10,1%
Leverage			
Financial debt/Total assets	4%	4%	5%
Net debt/Equity	-0,73	-0,22	-0,89
Net debt/EBITDA	-1,18	-0,40	-1,83

Income statement	2023	2024E	2025E
Revenues	**56.739**	**65.916**	**85.980**
Gross profit	15.140	14.979	13.856
Operating expenses	-368	-1.292	-3.059
Operating profit	12.013	10.193	8.726
EBITDA	**12.829**	**12.068**	**11.105**
Other income, net	-706	-1.130	-1.522
Financial income, net	813	-370	-1.045
Earnings before taxes	11.791	8.713	6.194
Tax expense	-2.726	-2.177	-1.743
Net earnings	**9.064**	**6.536**	**4.451**

Cashflow statement			
EBITDA	**12.829**	**12.068**	**11.105**
Taxes on EBIT	-932	-2.548	-2.181
Capital expenditures	-1.726	-3.246	-3.267
Chg. in NWC	1.487	7.210	-10.663
Free cashflows to firm	**8.684**	**-937**	**16.319**

Growth & margins			
Revenues	37%	16%	30%
EBITDA	161%	-6%	-8%
Net earnings	110%	-28%	-32%
Gross margin	26,7%	22,7%	16,1%
Operating margin	21,2%	15,5%	10,1%
EBITDA margin	22,6%	18,3%	12,9%
Net margin	16,0%	9,9%	5,2%
Free cashflow margin	15,3%	-1,4%	19,0%

Valuation			
P/E	7,7x	10,6x	15,6x
P/BV	3,3x	3,1x	3,0x
EV/EBITDA	4,2x	5,3x	4,4x
EV/Sales	1,0x	1,0x	0,6x
Dividend Yield	-4,5%	-9,1%	-5,7%
Free cashflow yield	12,5%	-1,4%	23,5%

Source: Company Data, Tacirler Investment

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

Ülker Bisküvi Sanayi

While product price adjustments for 2025 are expected to support EBITDA margins, we believe challenges in implementation and competitive dynamics warrant close monitoring. The Q4 2024 results and Q1 2025 will be critical in assessing Ülker's future performance and its positioning within the competitive landscape. Performance during this period will provide clearer insights into the company's growth outlook and its ability to recover margins.

Cost Pressures Persist Despite Effective Cost Management… Ülker has demonstrated strong performance in the Turkish market and diversified operations in international markets during 2024. However, regional fluctuations in revenue and profitability were observed. While revenue and EBITDA in Türkiye increased by 7% and 5%, respectively, declines were recorded in international markets. Notably, North Africa showed significant growth in revenue and EBITDA (+60% and +55%, respectively), painting a positive picture, while declines in Central Asia and Turkish exports stood out as weak points. The company has employed hedge transactions to manage cost pressures stemming from rising cocoa prices, economic slowdown, and contraction in the domestic market. With hedge coverage reaching up to 95% for inputs such as cocoa, palm oil, and nuts, Ülker has taken proactive measures to control costs. However, this protection—excluding sugar—was insufficient to fully offset the impact of rising input costs. By year-end 2024, the targeted EBITDA margin of 18.5% was revised downward to 18.2%, and the net sales forecast was adjusted from TL85bn to TL80bn.Ülker's broad product portfolio has partially mitigated the negative impact of rising costs on margins. New products contributed 13% to revenue growth in Türkiye, 7% in international markets, and 10% overall, underscoring the importance of diversification. However, the strong Turkish lira negatively impacted exports, and the expiration of government subsidies in Kazakhstan posed additional challenges to international operations.

Strengths and Weaknesses…Strengths include a diversified product portfolio and revenue contribution from new products, continued strong performance in North Africa, efforts to mitigate cost pressures through high hedge coverage for raw materials, and anticipated EBITDA margin improvement from 2025 price updates in long-term contracts. Weaknesses include the cost-inflating effects of economic slowdown, the negative impact of the strong Turkish lira on exports, declining demand in regions such as Central Asia and Kazakhstan, and competitive pressures in Europe.

Risks…Ülker is managing challenges through its diversified operations and product portfolio despite cost pressures and contraction in the domestic market. However, downward revisions to year-end 2024 targets and weaknesses in international markets increase uncertainty regarding the company's performance.

ULKER

under review

Target Price
Return potential

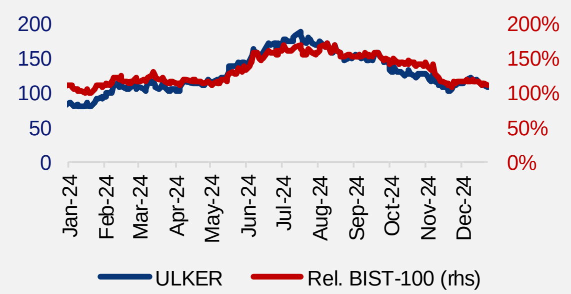
Share Data	
Ticker:	**ULKER TI**
Share Price (23 December 2024)	105.80
Share price (52 week range)	72.8 / 187.3
Market cap. (TL mn - USD mn)	39,069 - 1,113
# of shares outstanding (mn)	369.3
Free Float	39%
Market	BIST STAR
Industry	Food

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	21.3	18.1	23.3

Price performance	1M	3M	Y-t-D
TL	2%	-30%	29%
USD	1%	-32%	8%
Rel. to BIST-100	2%	-28%	0%

TL mn	2021	2022	2023
Revenues	12,537	51,981	55,836
Net Earnings	-464	985	3,379
Net Debt	8,757	23,538	25,680

Valuation	2021	2022	2023
P/E	6.1x	-3.4x	5.9x
P/BV	1.4x	2.6x	3.1x
EV/EBITDA	5.1x	5.6x	4.2x



Ülker Bisküvi Sanayi – Financial Summary

Balance Sheet	2021	2022	2023
Cash	9,420	15,596	15,843
Accounts receivables	4,688	12,174	16,394
Inventory	3,218	8,516	11,400
Other current assets	1,439	5,487	6,613
Current assets	**18,765**	**41,773**	**50,251**
Financial investments	1,878	4,428	5,448
Net fixed assets	3,641	14,703	22,110
Intangible assets	651	1,480	1,929
Other non-current assets	1,308	3,765	3,938
Non-current assets	**7,479**	**24,376**	**33,425**
Total assets	**26,244**	**66,149**	**83,676**
Short-term financial loans	2,863	18,787	7,419
Accounts payables	2,270	6,857	10,373
Other short-term payables	1,001	2,183	3,195
Current liabilities	**6,134**	**27,826**	**20,987**
Long-term financial loans	15,314	20,348	34,104
Other long-term payables	482	2,332	1,681
Non-current liabilities	**15,796**	**22,680**	**35,786**
Shareholders' equity	**4,314**	**15,643**	**26,903**
Parent company	2,987	12,036	24,416
Minorities	1,327	3,607	2,487
Total liabilities & equity	**26,244**	**66,149**	**83,676**
Net debt	8,757	23,538	25,680
Net working capital	6,074	17,138	20,840
Net working capital (Operating)	5,636	13,834	17,421
Invested Capital	10,366	33,321	44,879

Income statement	2021	2022	2023
Revenues	**12,537**	**51,981**	**55,836**
Gross profit	3,612	11,328	16,177
Operating expenses	1,514	5,793	6,760
Operating profit	2,098	5,535	9,416
EBITDA	**2,328**	**6,703**	**10,601**
Other income, net	6,297	6,087	8,781
Financial income, net	-8,466	-10,249	-13,421
Earnings before taxes	-71	1,373	4,777
Tax expense	92	-57	554
Net earnings - Parent	**-464**	**985**	**3,379**

Cashflow statement	2021	2022	2023
EBITDA	**2,328**	**6,703**	**10,601**
Taxes on EBIT	-2,734	-228	1,093
Capital expenditures	465	1,146	1,111
Chg. in NWC	656	11,064	3,702
Free cashflows to firm	**3,941**	**-5,279**	**4,695**

Growth & margins	2021	2022	2023
Revenues	29%	315%	7%
EBITDA	21%	188%	58%
Net earnings	-143%	-312%	243%
Gross margin	28.8%	21.8%	29.0%
Operating margin	16.7%	10.6%	16.9%
EBITDA margin	18.6%	12.9%	19.0%
Net margin	-3.7%	1.9%	6.1%
Free cashflow margin	-3.7%	1.9%	6.1%

Ratios	2021	2022	2023
Profitability			
ROE	-8.3%	9.9%	15.9%
Net margin	-3.7%	1.9%	6.1%
Asset turnover	0.5x	1.1x	0.7x
Leverage	4.1x	4.6x	3.5x
ROA	-2.0%	2.1%	4.5%
ROIC	17.7%	20.3%	19.3%
Leverage			
Financial debt/Total assets	69%	59%	50%
Net debt/Equity	2.03	1.50	0.95
Net debt/EBITDA	3.76	3.51	2.42

Per share (TL)	2021	2022	2023
EPS	-1.26	2.67	9.15
BVPS	11.68	42.36	72.85
DPS	0.75	0.00	0.00

Valuation	2021	2022	2023
P/E	6.1x	-3.4x	5.9x
P/BV	1.4x	2.6x	3.1x
EV/EBITDA	5.1x	5.6x	4.2x
EV/Sales	1.0x	1.1x	0.7x
Dividend Yield	4%	0%	0%
Free cashflow yield	55%	-77%	25%

Source: Bloomberg, Tacirler Investment

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

Vestel Beyaz Eşya

Domestic inflationary pressures continue to negatively affect demand. Along with the high base effect, the decline in purchasing power, the prolonged impact of tight monetary policy, and installment restrictions are expected to keep domestic demand weak until the first half of 2025. On the export side, however, we believe that the start of interest rate cuts will accelerate the recovery.

Improvements in demand are expected starting from the first half of 2025. According to data from the Turkish Household Appliance Manufacturers' Association, wholesale home appliance sales in Türkiye, covering six major product groups, continued to decline in the third quarter, following a contraction that began in the second quarter due to tightening financial conditions. As a result, the total industry sales decreased by 9% (3Q23: +18% growth). Consequently, wholesale sales growth in the first nine months of the year stood at 4%. The global interest rate cuts, coupled with the Central Bank's signal of interest rate reductions starting in December, are expected to provide significant support to the struggling home appliance sector. Additionally, anticipated improvements in risk premiums in the Turkish stock market in 2025 are expected to act as a critical catalyst for sector recovery and growth. We believe that in a disinflationary environment, demand from households will gradually increase, and the home appliance replacement cycle will accelerate. VESBE, which derives 70% of its revenue from exports, expects an increase in home appliance demand in its main export markets, especially Europe and the UK, following early interest rate cuts, and expects Vestel Beyaz Eşya to benefit from this positive impact.

After weak 9M24 financials, a recovery is expected in 2025. The company achieved a net profit of TRY 311 million in the first nine months of the year. Due to the continued high interest rate environment in the final quarter, the increase in financing costs will remain a pressure factor on net profit. On the operational profitability side, the rise in raw material and logistics costs during the same period also put pressure on operational profitability. We expect a recovery in operational profitability in parallel with macroeconomic developments in the coming periods, and a gradual decline in costs. We expect these developments to positively impact the company's 2025 financials.

Risks: i) A global recovery in demand taking longer than expected, ii) A prolonged recovery in profit margins and increased global competition.

Advantages: i) Acceleration of the home appliance replacement cycle, ii) Increased demand for green technology (environmentally friendly products), iii) Growth trends in the European and Middle Eastern home appliance markets.

VESBE

under review

Target Price
Return potential

Share Data

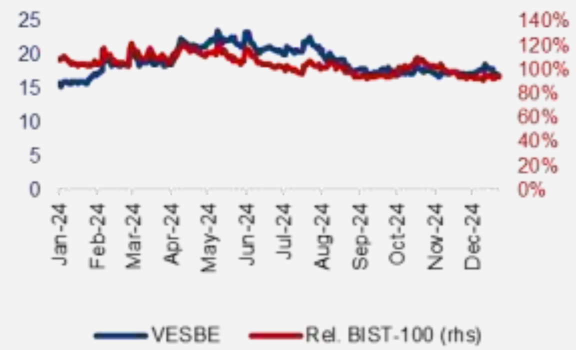
Ticker:	**VESBE TI**
Share Price (23 December 2024)	16,93
Share price (52 week range)	15 / 23
Market cap. (TL mn - USD mn)	27.088 - 772
# of shares outstanding (mn)	1.600
Free Float	19%
Market	BIST STAR
Industry	Defence

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	3,6	2,4	3,4

Price performance	**1M**	**3M**	**Y-t-D**
TL	0%	-4%	9%
USD	-2%	-6%	-8%
Rel. to BIST-100	-1%	-1%	-15%

TL mn	**2021**	**2022**	**2023**
Revenues	16.178	59.583	61.070
EBITDA	2.488	2.879	7.896
Net Earnings	1.519	212	4.724

Valuation	**2021**	**2022**	**2023**
P/E	6,8x	8,3x	31,7x
P/BV	2,8x	2,9x	2,9x
EV/EBITDA	5,5x	5,9x	7,2x



Vestel Beyaz Eşya – Financial Summary

Balance Sheet	2021	2022	2023
Cash	113	1.020	1.003
Accounts receivables	5.154	14.223	18.874
Inventory	2.649	7.604	9.830
Other current assets	2.205	5.500	6.290
Current assets	**10.121**	**28.347**	**35.997**
Financial investments	0	0	0
Net fixed assets	3.275	15.191	29.320
Intangible assets	272	1.045	1.875
Other non-current assets	522	1.207	1.981
Non-current assets	**4.069**	**17.444**	**33.175**
Total assets	**14.189**	**45.790**	**69.172**
Short-term financial loans	935	10.118	4.486
Accounts payables	5.843	17.512	23.264
Other short-term payables	1.784	2.735	6.502
Current liabilities	**8.562**	**30.365**	**34.252**
Long-term financial loans	399	127	2.176
Other long-term payables	335	1.744	3.411
Non-current liabilities	**735**	**1.871**	**5.588**
Shareholders' equity	**4.893**	**13.554**	**29.332**
Parent company	4.893	13.554	29.332
Minorities	0	0	0
Total liabilities & equity	**14.189**	**45.790**	**69.172**
Net debt	1.222	9.225	5.659
Net working capital	2.381	7.080	5.227
Net working capital (Operating)	1.960	4.315	5.440
Invested Capital	5.928	23.316	36.422

Income statement	2021	2022	2023
Revenues	**16.178**	**59.583**	**61.070**
Gross profit	2.565	5.801	9.975
Operating expenses	461	4.907	4.035
Operating profit	2.104	895	5.940
EBITDA	**2.488**	**2.879**	**7.896**
Other income, net	-257	-2.346	-3.249
Financial income, net	-630	1.918	2.809
Earnings before taxes	1.217	466	5.501
Tax expense	-302	254	776
Net earnings - Parent	**1.519**	**212**	**4.724**

Cashflow statement			
EBITDA	**2.488**	**2.879**	**7.896**
Taxes on EBIT	-522	488	838
Capital expenditures	728	6.226	4.036
Chg. in NWC	206	4.699	-1.853
Free cashflows to firm	**2.076**	**-8.534**	**4.874**

Growth & margins			
Revenues	72%	268%	2%
EBITDA	36%	16%	174%
Net earnings	14%	-86%	2131%
Gross margin	15,9%	9,7%	16,3%
Operating margin	13,0%	1,5%	9,7%
EBITDA margin	15,4%	4,8%	12,9%
Net margin	9,4%	0,4%	7,7%
Free cashflow margin	9,4%	0,4%	7,7%

Ratios			
Profitability			
ROE	36,8%	2,3%	22,0%
Net margin	9,4%	0,4%	7,7%
Asset turnover	1,4x	2,0x	1,1x
Leverage	2,7x	3,3x	2,7x
ROA	13,5%	0,7%	8,2%
ROIC	32,0%	4,9%	15,9%
Leverage			
Financial debt/Total assets	9%	22%	10%
Net debt/Equity	0,25	0,68	0,19
Net debt/EBITDA	0,49	3,20	0,72

Per share (TL)			
EPS	0,95	0,13	2,95
BVPS	3,06	8,47	18,33
DPS	0,50	0,44	0,22

Valuation			
P/E	6,8x	8,3x	31,7x
P/BV	2,8x	2,9x	2,9x
EV/EBITDA	5,5x	5,9x	7,2x
EV/Sales	1,0x	0,9x	0,4x
Dividend Yield	8%	5%	2%
Free cashflow yield	21%	-58%	22%

Source: Bloomberg, Tacirler Investment

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

--- Tacirler Investment Research Coverage---

December 24, 2024

Banks	Company Name	Last Price (TL)	Target Price (TL)	Upside Potential (%)	Reccom.	Market Cap. (mn TL)	Market Cap. (mn $)	Free Float (%)	Avg. Volume (3m, mnTL)
AKBNK	Akbank	59.30	78.50	32%	HOLD	308,360	8,784	52%	4,404
YKBNK	Yapi Kredi Bank	28.24	42.80	52%	BUY	238,545	6,795	39%	5,394
GARAN	Garanti Bank	125.40	147.90	18%	HOLD	526,680	15,002	14%	2,641
ISCTR	Isbank	12.85	19.80	54%	BUY	321,250	9,151	31%	5,472
TSKB	T.S.K.B.	12.01	16.80	40%	BUY	33,628	958	39%	270
HALKB	Halk Bank	16.07	18.10	13%	HOLD	115,459	3,289	9%	682
VAKBN	Vakifbank	22.70	26.20	15%	HOLD	225,091	6,412	6%	624
ALBRK	Albaraka Turk	6.12	8.50	39%	BUY	15,300	436	38%	69
SKBNK	Şekerbank	4.74	6.10	29%	HOLD	11,850	338	48%	291

Conglomerates	Company Name	Last Price (TL)	Target Price (TL)	Upside Potential (%)	Reccom.	Market Cap. (mn TL)	Market Cap. (mn $)	Free Float (%)	Avg. Volume (3m, mnTL)
KCHOL	Koç Holding	180.50	under review	-	-	457,730	13,038	22%	3,007
SAHOL	Sabancı Holding	92.00	under review	-	-	193,235	5,504	51%	1,629
DOHOL	Doğan Holding	15.25	under review	-	-	39,909	1,137	36%	336
TKFEN	Tekfen Holding	71.15	under review	-	-	26,326	750	48%	444

Telecomunication	Company Name	Last Price (TL)	Target Price (TL)	Upside Potential (%)	Reccom.	Market Cap. (mn TL)	Market Cap. (mn $)	Free Float (%)	Avg. Volume (3m, mnTL)
TCELL	Turkcell	90.70	156.30	72%	BUY	199,540	5,684	54%	2,014
TTKOM	Turk Telekom	44.24	under review	-	-	154,840	4,411	13%	894

Automotive	Company Name	Last Price (TL)	Target Price (TL)	Upside Potential (%)	Reccom.	Market Cap. (mn TL)	Market Cap. (mn $)	Free Float (%)	Avg. Volume (3m, mnTL)
FROTO	Ford Otosan	930.50	1412.00	52%	BUY	326,522	9,301	18%	1,094
DOAS	Doğuş Automotive	193.70	253.00	31%	HOLD	42,614	1,214	39%	325
TTRAK	Türk Tractor	693.50	888.30	28%	HOLD	69,396	1,977	24%	206
TOASO	Tofas Automobile	190.70	under review	-	-	95,350	2,716	24%	893
KARSN	Karsan Automotive	12.22	under review	-	-	10,998	313	39%	415

Aviation	Company Name	Last Price (TL)	Target Price (TL)	Upside Potential (%)	Reccom.	Market Cap. (mn TL)	Market Cap. (mn $)	Free Float (%)	Avg. Volume (3m, mnTL)
THYAO	Turkish Airlines	286.00	428.00	50%	BUY	394,680	11,242	50%	7,246
PGSUS	Pegasus Airlines	217.30	under review	-	-	108,650	3,095	43%	1,855
TAVHL	Tav Airports	281.50	396.00	41%	BUY	102,264	2,913	48%	464

Retail	Company Name	Last Price (TL)	Target Price (TL)	Upside Potential (%)	Reccom.	Market Cap. (mn TL)	Market Cap. (mn $)	Free Float (%)	Avg. Volume (3m, mnTL)
MGROS	Migros	487.50	705.00	45%	BUY	88,264	2,514	51%	789
BIMAS	Bim Birleşik Mağazala	491.00	693.00	41%	BUY	298,135	8,492	60%	2,416
SOKM	Şok Markets	39.58	under review	-	-	23,482	669	51%	312

Others	Company Name	Last Price (TL)	Target Price (TL)	Upside Potential (%)	Reccom.	Market Cap. (mn TL)	Market Cap. (mn $)	Free Float (%)	Avg. Volume (3m, mnTL)
AEFES	Anadolu Efes	229.50	under review	-	-	135,888	3,871	32%	749
ARCLK	Arçelik	139.40	206.60	48%	BUY	94,197	2,683	15%	274
ASELS	Aselsan	72.05	under review	-	-	328,548	9,359	26%	2,051
AYGAZ	Aygaz	162.50	under review	-	-	35,718	1,017	24%	58
BRISA	Brisa	86.00	under review	-	-	26,240	747	10%	30
CCOLA	Coca Cola Beverage	58.75	84.00	43%	BUY	164,387	4,683	25%	483
DESA	Desa	20.40	32.00	57%	BUY	4,998	142	22%	15
EKGYO	Emlak REIT	12.86	under review	-	-	48,868	1,392	51%	2,247
LIDFA	Lider Factoring	3.05	3.70	21%	HOLD	1,703	49	41%	25
LOGO	Logo	112.60	under review	-	-	10,697	305	64%	49
MAVI	Mavi Giyim	82.30	147.00	79%	BUY	32,694	931	73%	329
MPARK	MLP Care	376.00	475.60	26%	HOLD	71,821	2,046	27%	167
OYAKC	Oyak Cement F.	22.84	under review	-	-	111,040	3,163	24%	342
PETKM	Petkim	18.34	under review	-	-	46,481	1,324	47%	899
SASA	Sasa	4.05	under review	-	-	177,453	5,055	23%	1,702
SUWEN	Suwen Textile	28.10	39.00	39%	BUY	6,294	179	61%	43
TKNSA	Teknosa	39.40	48.00	22%	BUY	7,919	226	50%	73
TRGYO	Torunlar REIT	60.00	under review	-	-	60,000	1,709	21%	86
TUPRS	Tupras	143.30	208.10	45%	BUY	276,110	7,865	49%	2,397
ULKER	Ülker	105.80	under review	-	-	39,069	1,113	39%	618
VESBE	Vestel White Goods	16.93	under review	-	-	27,088	772	19%	80
YATAS	Yatas	26.02	under review	-	-	3,898	111	54%	30

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Stock ratings are based on absolute return potential of the stock, which is defined as the percentage change in target price from the current share price. All recommendations and target prices are set with a 12-month horizon. Target prices are set by using one or more of the following methodologies: DCF, Net Asset Valuation, sum of the parts model and multiple comparison.

Rating Definition

Buy: The stock is expected to generate a return of more than or equal to 30% in TL terms.

Hold: The stock is expected to generate a return of less than 30% in TL terms.

Sell: The stock is expected to generate a negative return within the forecast horizon.

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