1Q25 Earnings Preview

It was a period of continued weakening in corporate earnings

Ak Investment Research Team
research@akyatirim.com.tr

- We expect mid-to-high single-digit earnings growth on average in banks and insurance companies for our coverage in 1Q25. On the non-financial side of the coverage, we calculate a cumulative annual nominal growth of 26% in net sales, an increase of 6% in EBITDA and yet a decrease of around 35% in net profit. Given the annual average CPI inflation at around 40% for the quarter, it seems that 1Q25 was a weak period for non-financial companies.

- **Financial conditions continue to remain adverse for manufacturing/export sectors:** In the first quarter of 2025, (i) TRY commercial loan rates were down by nearly 500bps both on a q/q and y/y basis and yet credit conditions remained tight. Meanwhile, TRY consumer loan rates showed a more limited eased q/q and remained almost same as in 1Q24, (ii) domestic currency continued to appreciate with only less than 20% retreat in TRY against the currency basket vs an average annual CPI inflation of around 40% in 1Q25. These continued to pressure sales volume and profitability especially in the manufacturing and export sectors. On the other hand, especially (i) the strengthening of the Euro/Dollar parity and (ii) the decline in Brent oil prices after mid-February will have a positive impact but probably from 2Q25 onwards in these sectors. On the other hand, food retailing thanks to demand inelasticity, telecom sector thanks to ongoing positive effects of subscription renewals and (selectively) the health services sector thanks to health tourism and growing patient numbers continued to differentiate positively. On the flip side, automobiles and durable consumer goods showed relatively weak performance due to demand conditions, refining and petrochemicals due to sesonality in demand and partly FX volatility-related losses, the iron/steel sector due to global market conditions, and the aviation sector due to the seasonal shift of busy Ramadan and Easter periods relative to previous year, the appreciation of the TRY and salary adjustments.

- **Very few positive picks:** After a generally challenging period, the number of companies that will differentiate positively in 1Q25 seems relatively low. However, in the food and beverage sector, **SOK** with its strong LfL growth and improving profit margins; in the healthcare sector **MLP Care** due to the increase of its patient numbers and **Selçuk Ecza** due to its market share expansion; and on the telecom side, **Turk Telekom** due to the ongoing positive effects of subscription renewals look relatively more attractive.

- **Those with relatively weak expectations:** The companies that we think will differentiate negatively in terms of financial results after a weak quarter are; **Arcelik, Tofas Oto, Ford Otosan, Turk Traktor** due to weak domestic demand and limited export contribution; **Turkish Airlines** and **TAV** due to the negative shift effect of busy Ramadan and Easter period together with the appreciation of the TRY and salary adjustments; **Tupras** and **Petkim** due to demand conditions, negative tax and FX volatilty effects; and **Coca-Cola İçecek** due to the ongoing margin pressures despite volume growth.

- **Widened core spread generally offset by declining CPI income and higher provisioning on a q/q basis.** We project covered banks' aggregate net profit to increase moderately by 5% q/q in 1Q25. General underlying factors in 1Q25 are (i) a solid increase in blended core spread by around 150-200bps q/q across the sector amidst ease of fundig costs after CBRT's total 500bps rate cuts in the late December and late January meetings, (ii) decline of banks' aggregate CPI linkers' income by more than 20% q/q due to fall of CPI proxy, (iii) decline of trading income in majority of banks especially with FX & interest rate volatility towards the end of the quarter, (iv) an increase of net loan provisioning costs sharply q/q with some speed-up of NPL formation especially in retail and micro SME segments (v) average high single digit q/q growth rates in both net fees and operating costs and (vi) an ease of effective tax rate across the sector with some weakening in core operating results.

- **We expect aggregate net profit for the companies in our coverage, which have not yet announced their results, to decline by 28% q/q in 1Q25.** Türkiye Sigorta announced a net profit of TRY4.5bn, up by strong 47% q/q. On the contrary, we believe that Anadolu Sigorta and Anadolu Hayat Emeklilik will experience a weakening in their profits due to the weak performance in stock performance in BIST and the increase in bond yields since mid-March. In addition, we expect the decrease in the discount rate applied to outstanding claims provisions in non-life companies from 35.0% to 32.5% in 1Q25 to have a negative impact.
- In terms of financial companies 1Q25 results, **Albaraka Turk** may get some tactical interest thanks to the potential release of its TRY7.3bn free provision as this would elevate its bottom line figure enourmously and yet with no sustained long term valuation effect**. In addition, Garanti Bankası** with its consistent success to keep its RoE at around 30% (despite no major jump in earnings) and **Turkiye Sigorta**, with stronger 1Q25 result than its peers may differentiate positively.
- **The 1Q25 reporting season has already begun.** Turkiye Sigorta was the first company in our coverage list that reported its results on April 21. Following this, **Akbank, Anadolu Sigorta** and **Anadolu Hayat** will announce their results on January 25; **Garanti, Yapi Kredi Bankasi** and **Aksigorta** will announce their results on January 28. The deadline for 1Q25 financial reporting was determined as May 12 for banks (solo-based) and non-financial companies.

BANKS

Ticker	Expected Release Date		1Q25E	1Q24	YoY	4Q24	QoQ	3M25	3M24	YoY	Preview Notes
Banks											
ALBRK	5-9 May	Equity	19,278	13,965	38.05%	18,429	4.61%	19,278	13,965	38.05%	We project Albaraka to generate a regular 1Q25 net profit of TRY850mn. However, the bottom line may be as high as almost TRY8.0bn, if the participation bank release full amount of its free provisions worth TRY7.3bn, the equivalent of 40% of its shareholders' equity, at end-2024. As you may recall, these free provisions were set aside in previous years to neutralize marking-to-market gains from real estates and subsidiaries. On the flip side, this action may be accompanied with the re-classification of its USD200mn Tier-1 debt out of SHE (currently held under SHE at a flat FX rate) offsetting any impact from free provision release to shareholders' equity.
		NII	948	718	31.93%	1,773	(46.56%)	948	718	31.93%	
		Net Income	850	614	38.36%	1,646	(48.40%)	850	614	38.36%	
GARAN	28-Apr	Equity	333,991	255,335	30.81%	329,926	1.23%	333,991	255,335	30.81%	Garanti Bank is likely to benefit less from the easing rate cycle in 1Q25 relative to its peers and yet its NIM should have remained more resilient after the recent interest rate volatility, thanks to the loan weight in its composition and shorter maturity gap than peers. We project around 40% q/q decline in its CPI linkers' income in 1Q25 amidst a reduction of its CPI proxy to 28%, down from 48.6% in 4Q24 and hence a moderate 40bps q/q increase in its NIM. Nevertheless, we also project around 10% q/q decline in 1Q25 net profit due to rise in provision costs (speed-up in NPL formation) and a decline in net fees / opex ratio q/q. On the positive side, we expect Garanti to continue to beat its peers in 1Q25 with a strong RoE at around 30%.
		NII	29,640	12,334	140.31%	24,884	19.11%	29,640	12,334	140.31%	
		Net Income	22,500	22,316	0.82%	25,241	(10.86%)	22,500	22,316	0.82%	
HALKB	12-May	Equity	160,917	133,093	20.91%	152,565	5.47%	160,917	133,093	20.91%	We expect Halkbank to differentiate itself from other banks in 1Q25 by increasing its CPI linkers' income by TYY6.5bn q/q on the back of a higher CPI proxy at 41% for the quarter. In addition, the bottom line was also supported by an ongoing release of exiting provision reserves (translating into further decline in coverage ratio). On the positive we project Halkbank to further improve its core NII (excl. CPI linkers' income but incl. swap costs), despite the figure still remains in negative. In addition, we project q/q growth in net fees to be lower than that in operating costs in 1Q25. Accordingly, q/q growth in 1Q25, based on our forecasts, mostly came from around TRY1.5bn dividend income (vs. nil in 4Q24) and around TRY0.5bn tax income (vs. TRY1.7bn tax expense in 4Q24).
		NII	15,842	39	n.m	5,365	195.28%	15,842	39	n.m	
		Net Income	6,100	4,818	26.62%	3,888	56.89%	6,100	4,818	26.62%	
ISCTR	5-9 May	Equity	332,900	274,992	21.06%	318,337	4.57%	332,900	274,992	21.06%	We expect Isbank's 1Q25 net profit to be flattish q/q at TRY11bn. As Isbank calculates its CPI linkers' income based on official inflation expectation surveys, its CPI proxy and thus CPI linkers' income remained stable q/q (unlike its peers). In addition, we expect a solid increase in its core loan/deposit spread and more than 100bps q/q increase in its NIM. However, we do not expect a strong growth in net fees and yet fortunately project some ease in its operating costs, since there will be an ease in HR costs after early retirement program and some cyclical factors. On the flip side, our flattish q/q 1Q25 net profit forecast also reflects the impact of rise in provision costs and decline in equity pick-up relative to the previous quarter.
		NII	10,886	869	n.m	1,339	713.24%	10,886	869	n.m	
		Net Income	11,000	14,048	(21.69%)	10,833	1.55%	11,000	14,048	(21.69%)	
TSKB	30-Apr	Equity	35,604	23,243	53.18%	32,479	9.62%	35,604	23,243	53.18%	We expect TSKB to release around TRY250mn from its free provision reserves and thus announce a 1Q25 net profit close to the 4Q24. TSKB differentiates stands out from other banks thanks to its FX heavily asset base and long-term natüre of its funding. Thus, we expect the easing rate cycle in 1Q25 to have a limited impact on the bank, while the recent interest rate volatility towards the end of the quarter to have a limited negative impact. We expect TSKB's CPI linkers' income in 1Q25 to be flattish q/q and differ from the tendency in other banks positively due to the accounting methodology. We also expect a slight q/q decrease in net fees, and a solid y/y increase in its dividend income. Fnally, we also expect its operating costs to remain flattish at the previous quarter level in 1Q25.
		NII	3,389	2,559	32.43%	3,475	(2.45%)	3,389	2,559	32.43%	
		Net Income	3,125	1,934	61.58%	3,099	0.84%	3,125	1,934	61.58%	
VAKBN	5-9 May	Equity	234,194	184,480	26.95%	219,194	6.84%	234,194	184,480	26.95%	Major themes in Vakifbank's 1Q25 results include (i) a halving of its CPI linkers' income due to decline of its CPI proxy to 23.6% from 48.6% in previous quarter and (ii) more than 100% q/q increase in its provision costs with almost 30% increase in its non-performing loans amidst speed-up in NPL formation in retail and micro SME segments. We expect Vakifbank to support its bottom line through some collections and release of some part of its free provisions worth TRY15.3bn, almost 7% of its shareholders' equity. As a result, we expect Vakifbank's 1Q25 net profit to increase by around 15% q/q in 1Q25.
		NII	21,279	7,506	183.48%	37,972	(43.96%)	21,279	7,506	183.48%	
		Net Income	15,000	12,023	24.76%	13,161	13.97%	15,000	12,023	24.76%	
YKBNK	28-Apr	Equity	202,054	180,583	11.89%	192,804	4.80%	202,054	180,583	11.89%	We expect Yapı Kredi to increase its 1Q25 net profit by over 30% q/q. However, we estimate its RoE to remain slightly below 20% vs its budget target at around 25% for FY2025. With the reduction of its CPI proxy to 30% (down from 48.6% in the previous quarter), we expect a very limited increase in its NIM. On the other hand, we project solid q/q growth in net fees and trading income to support the bottom line. On the other hand, some significant increase in operating costs and loan provisions will probably limit earnings growth.
		NII	10,932	5,433	101.20%	9,559	14.36%	10,932	5,433	101.20%	
		Net Income	9,250	10,302	(10.21%)	6,611	39.90%	9,250	10,302	(10.21%)	
TOTAL		**Equity**	**1,318,939**	**1,065,690**	**23.76%**	**1,263,735**	**4.37%**	**1,318,939**	**1,065,690**	**23.76%**	
		NII	**92,915**	**29,459**	**215.41%**	**84,366**	**10.13%**	**92,915**	**29,459**	**215.41%**	
		Net Income	**67,824**	**66,055**	**2.68%**	**64,480**	**5.19%**	**67,824**	**66,055**	**2.68%**	

INSURANCE

Ticker	Expected Release Date		1Q25E	1Q24	YoY	4Q24	QoQ	3M25E	3M24	YoY	Preview Notes
Insurance											
ANHYT	25-Apr	Equity	9,686	6,214	55.9%	9,676	0.1%	9,686	6,214	55.9%	Despite better results in both life and pension segments in 1Q25, our approx. 20 % q/q earnings decline for Anadolu Hayat is primarly due to lower financial income, stemming from the weak performance of BIST100 since mid-March.
		Net Income	1,010	962	5.0%	1,235	(18.2%)	1,010	962	5.0%	
ANSGR	25-Apr	Equity	30,593	17,250	77.4%	30,656	(0.2%)	30,593	17,250	77.4%	We anticipate Anadolu Sigorta's EPS to decline by around 36% on a quarterly basis in 1Q25. We expect the combined ratio to improve slightly on q/q, despite a TRY750mn negative impact of the discount rate adjustments (to 32.5% from 35.0%) on provision for outstanding claims. However, the main reason for our weak expectation is the lower financial income due to poor performance of the BIST100 since mid-March.
		Net Income	2,037	2,867	(28.9%)	2,999	(32.1%)	2,037	2,867	(28.9%)	
TOTAL		**Equity**	**40,279**	**23,464**	**71.7%**	**40,332**	**(0.1%)**	**40,279**	**23,464**	**71.7%**	
		Net Income	**3,047**	**3,828**	**(20.4%)**	**4,233**	**(28.0%)**	**3,047**	**3,828**	**(20.4%)**	

NON-FINANCIALS

Ticker	Functional Currency	Expected Release Date		1Q25E	1Q24 (as reported)	Y/Y Nominal	Y/Y Real	Preview Notes
AEFES	TRY	7-May	Net Sales	44,570	43,460	2.6%	--	Anadolu Efes will not fully consolidate Russian operations starting from this quarter until further clarification regarding the Russian operations. Exc Russia, we expect flattish beer volume, 23% beer group revenue growth along with 170bps beer group margin contraction y/y (pre-IAS 29).
			EBITDA	5,865	7,141	(17.9%)	--	
	w/o IAS 29		*Margin*	*13.2%*	*16.4%*	(3.27pt)	--	
			Net Income	242	1,686	(85.6%)	--	
			Margin	*0.5%*	*3.9%*	(3.34pt)	--	
AKSA	TRY	7-May	Net Sales	7,946	6,642	19.6%	(13.4%)	High interest rate environment pressuring demand, competition from Chinese products and cost pressures might have continued in 1Q25. Accordingly, we expect 45% y/y decline in EBITDA in real terms.
			EBITDA	954	1,263	(24.4%)	(45.3%)	
			Margin	*12.0%*	*19.0%*	(7.00pt)	(7.00pt)	
			Net Income	210	675	(68.9%)	(77.5%)	
			Margin	*2.6%*	*10.2%*	(7.52pt)	(7.52pt)	
ARCLK	TRY	25-Apr	Net Sales	113,000	72,265	56.4%	13.2%	In spite of weaker domestic sales, inorganic growth will lead to higher net sales over a year earlier. Favorable raw material prices will be supportive for EBITDA margin compared to previous quarter, while the margin will remain lower than the same period last year. Financial expenses will drag the bottomline down to the negative territory.
			EBITDA	6,100	5,711	6.8%	(22.7%)	
			Margin	*5.4%*	*7.9%*	(2.51pt)	(2.51pt)	
			Net Income	(650)	395	n.a.	n.m.	
			Margin	*(0.6%)*	*0.5%*	n.a.	n.a.	
ASELS	TRY	29-Apr	Net Sales	22,789	15,139	50.5%	9.0%	We expect deliveries to fasten and we pencil in c9% real top-line growth in 1Q25. We expect EBITDA margin to widen slightly on increase in efficiency.
			EBITDA	5,241	3,398	54.2%	11.7%	
			Margin	*23.0%*	*22.4%*	0.55pt	0.55pt	
			Net Income	1,987	1,404	41.5%	2.5%	
			Margin	*8.7%*	*9.3%*	(0.55pt)	(0.55pt)	
AVPGY	TRY	5-9 May	Net Sales	800	3,470	(76.9%)	(83.3%)	We expect a below inflation LfL growth in shopping mall turnovers. New lettings at Forum Trabzon should lift the overall turnover growth to a level slightly below inflation. Barter transaction in 1Q24 serves as a high base in y/y comparison. Inflation indexation impact on investment properties will support bottomline.
			EBITDA	584	2,995	(80.5%)	(85.9%)	
			Margin	*73.0%*	*86.3%*	(13.32pt)	(13.32pt)	
			Net Income	2,523	3,362	(24.9%)	(45.7%)	
			Margin	*315.4%*	*96.9%*	218.49pt	218.49pt	
BIMAS	TRY	8-May	Net Sales	145,618	100,296	45.2%	--	Although we expect the strongest q/q top-line growth and the lowest q/q margin contraction, Bim will likely deliver the slowest y/y top-line growth and highest margin preessure in food retail sector due to the very high base effects. Our net profit estimate includes competition Board Fine.
			EBITDA	9,820	7,660	28.2%	--	
	w/o IAS 29		*Margin*	*6.7%*	*7.6%*	(0.89pt)	--	
			Net Income	4,410	4,425	(0.3%)	--	
			Margin	*3.0%*	*4.4%*	(1.38pt)	--	
CCOLA	TRY	6-May	Net Sales	36,630	26,914	36.1%	--	Despite strong expected volume growth (+11% y/y) thanks to the price investments, we expect limited revenue growth (+36% y/y, pre-IAS 29)) due to the lackluster price actions and limited Fx conversion impact due to the real appreciation of TRY. In the seasonaly smaller guarter, we expect 420bps EBITDA margin contraction y/y.
			EBITDA	5,550	5,231	6.1%	--	
	w/o IAS 29		*Margin*	*15.2%*	*19.4%*	(4.28pt)	--	
			Net Income	290		n.a.	--	
			Margin	*0.8%*	-	n.a.	--	
DOAS	TRY	12-May	Net Sales	40,666	34,120	19.2%	(13.7%)	In 1Q25, sales volume excluding Skoda was up by 1% y/y. LV market share excluding Skoda was up by 91bps y/y. In 1Q25, we expect q/q price increase with newly introduced models and FX adjustment. However, we expect decline in pricing power to continue y/y. We expect 3pp y/y decline in EBITDA margin.
			EBITDA	4,077	4,421	(7.8%)	(33.2%)	
			Margin	*10.0%*	*13.0%*	(2.93pt)	(2.93pt)	
			Net Income	2,224	2,977	(25.3%)	(45.9%)	
			Margin	*5.5%*	*8.7%*	(3.26pt)	(3.26pt)	

Ticker	Functional Currency	Expected Release Date		1Q25E	1Q24 (as reported)	Y/Y Nominal	Y/Y Real	Preview Notes
ENTRA	TRY		Net Sales	707	651	8.6%	--	According to the EPIAS energy production values, IC Enterra's total production decreased by 9% y/y. Niksar, Kadincik and Bagistas HPPs generated 30% less energy compared to 1Q24. Other than these three, HPPs showed increased production with more favorable weather. Despite lower production, net sales increase came from Bagistas's FIT revenues (only covers 2025) and newly added Erzin-2 SPP's full capacity.
			EBITDA	544	507	7.3%	--	
	w/o IAS 29		*Margin*	*76.9%*	*77.9%*	(0.94pt)	--	
			Net Income	378	356	6.2%	--	
			Margin	*53.5%*	*54.7%*	(1.22pt)	--	
EREGL	USD	9-May	Net Sales	51,214	49,748	2.9%	--	Operating profitability will improve from the low seen in 4Q24, but will remain lower than a year earlier.
			EBITDA	3,378	7,597	(55.5%)	--	
	w/o IAS 29		*Margin*	*6.6%*	*15.3%*	(8.68pt)	--	
			Net Income	375	5,601	(93.3%)	--	
			Margin	*0.7%*	*11.3%*	(10.53pt)	--	
FROTO	TRY	29-Apr	Net Sales	155,049	124,189	24.8%	(9.6%)	We expect 4% y/y decline in total sales volume in 1Q25. We don't see a significant decline in Ford's pricing power. We expect 0.6pp y/y decline in EBITDA margin with ramp-up issues in Romania.
			EBITDA	11,629	10,093	15.2%	(16.6%)	
			Margin	*7.5%*	*8.1%*	(0.63pt)	(0.63pt)	
			Net Income	6,322	8,973	(29.5%)	(49.0%)	
			Margin	*4.1%*	*7.2%*	(3.15pt)	(3.15pt)	
GWIND	TRY	5-May	Net Sales	673	465	44.7%	--	According to the EPIAS energy production values, Galata Wind increased its production by 21% y/y. Taspinar Hybrid and Mersin WPPs were the top performers, increasing their productions y/y by 40% and 85% respectively.
			EBITDA	485	347	39.8%	--	
	w/o IAS 29		*Margin*	*72.1%*	*74.6%*	(2.56pt)	--	
			Net Income	458	315	45.3%	--	
			Margin	*68.0%*	*67.7%*	0.28pt	--	
INDES	TRY	2nd week of May	Net Sales	19,426	14,714	32.0%	(4.4%)	Despite contribution from new iphone model release, we expect top-line to contract by c4% y/y due to real appreciation of TRY. We expect NI margin to narrow on FX losses.
			EBITDA	874	593	47.4%	6.7%	
			Margin	*4.5%*	*4.0%*	0.47pt	0.47pt	
			Net Income	20	109	(81.7%)	(86.7%)	
			Margin	*0.1%*	*0.7%*	(0.64pt)	(0.64pt)	
KLKIM	TRY	5-9 May	Net Sales	1,720	1,439	19.5%	(13.4%)	Coupled with weaker sales volume in Türkiye and relatively weaker pricing environment will lead to a lower topline compared to the high base of the first quarter last year.On the positive side, the net cash continues to grow, which also bolsters financial incomes. All in all, we expect stronger financial income to compensate for weaker operational results year-on-year.
			EBITDA	355	372	(4.5%)	(30.8%)	
			Margin	*20.6%*	*25.8%*	(5.19pt)	(5.19pt)	
			Net Income	330	104	216.9%	129.5%	
			Margin	*19.2%*	*7.2%*	11.95pt	11.95pt	
KARDM	TRY	5-9 May	Net Sales	13,780	12,208	12.9%	(18.3%)	We expect the unfavorable sales mix and relatively higher cash costs to result in a weaker operational profitability over the previous year.
			EBITDA	940	1,428	(34.2%)	(52.3%)	
			Margin	*6.8%*	*11.7%*	(4.88pt)	(4.88pt)	
			Net Income	(254)	(832)	n.a.	n.m.	
			Margin	*(1.8%)*	*(6.8%)*	n.a.	n.a.	
LOGO	TRY		Net Sales	1,045	670	56.0%	12.9%	We expect top-line to grow by c13% mostly on price adjustments and new customer additions. Top-line growth to feed margins towards c40% levels together with better cost discipline. We add in c650mn of one-off non-cash gains related to accounting of Romania sell-off.
			EBITDA	418	225	85.8%	34.5%	
			Margin	*40.0%*	*33.6%*	6.42pt	6.42pt	
			Net Income	748	(46)	n.a.	n.m.	
			Margin	*71.6%*	*(6.9%)*	n.a.	n.a.	

Ticker	Functional Currency	Expected Release Date		1Q25E	1Q24 (as reported)	Y/Y Nominal	Y/Y Real	Preview Notes
MAVI	TRY	10-Jun	Net Sales	10,155	7,903	28.5%	--	The top-line growth and gross margin will likely be under pressure due to the very high base effect and low contribution of international operations due to the real appreciation of TRY. Opex margin will be also under pressure due to the operational deleveraging and personel cost pressures. Yet, overall the numbers are expected to be in-line with the Company guidance.
			EBITDA	2,130	2,204	(3.4%)	--	
	w/o IAS 29		*Margin*	*21.0%*	*27.9%*	(6.91pt)	--	
			Net Income	1,065	1,343	(20.7%)	--	
			Margin	*10.5%*	*17.0%*	(6.51pt)	--	
MEDTR	TRY	May	Net Sales	641	436	47.2%	6.6%	We expect 28% net sales growth in USD terms. Considering salary hike and real apreciation of TRY, we expect a significant decline in EBITDA margin. Considering the new capacity and recent upwards movement in FX, 1Q25 may mark the bottom performance in operational profitability.
			EBITDA	88	95	(7.4%)	(32.9%)	
			Margin	*13.7%*	*21.8%*	(8.09pt)	(8.09pt)	
			Net Income	36	11	239.5%	145.8%	
			Margin	*5.6%*	*2.4%*	3.18pt	3.18pt	
MGROS	TRY	7-May	Net Sales	78,535	51,371	52.9%	--	Expect the strongest y/y top-line growth in food retail sector driven by strongest LfL growth. However the margins will be under pressure due to the high base effects and relatively higher wage adjustment in the beginning of the year. We still see upside risk to the Management's conservative margin guidance for the full year.
			EBITDA	5,820	3,764	54.6%	--	
	w/o IAS 29		*Margin*	*7.4%*	*7.3%*	0.08pt	--	
			Net Income	705	597	18.1%	--	
			Margin	*0.9%*	*1.2%*	(0.26pt)	--	
MPARK	TRY	7-8 May	Net Sales	11,559	7,960	45.2%	5.1%	Despite high base impact we expect 5% real net sales growth driven by patient volume increase due to hospital acquisitions. We expect 0.7pp decline in EBITDA margin mainly due to higher doctor and personnel expenses.
			EBITDA	2,867	2,034	41.0%	2.1%	
			Margin	*24.8%*	*25.5%*	(0.75pt)	(0.75pt)	
			Net Income	961	683	40.7%	1.9%	
			Margin	*8.3%*	*8.6%*	(0.27pt)	(0.27pt)	
OTKAR	TRY	28-Apr	Net Sales	8,008	4,896	63.6%	18.4%	Despite real appreciation of TRY, we expect solid top-line growth of c18% y/y in real terms on brisk sales momentum. Volume growth of armored vehicle, midibus segment and addition of new pick-up model are the main drivers of solid top-line growth. We expect negative EBITDA on seasonality of operations, but we expect margin to improve from negative 12% to negative c5%. Due to leveraged balance sheet, interest expenses continue its pressure on NI margin.
			EBITDA	(373)	(590)	n.a.	n.m.	
			Margin	*(4.7%)*	*(12.1%)*	n.a.	n.a.	
			Net Income	(662)	(417)	n.a.	n.m.	
			Margin	*(8.3%)*	*(8.5%)*	n.a.	n.a.	
PETKM	TRY	8-May	Net Sales	18,223	16,568	10.0%	(20.4%)	Ethylene-naphtha spread averaged at USD274/ton in 1Q25, up by c55% y/y and q/q. Despite recovery in the spread, demand and pricing environment for final products remained weak. We expect negative EBITDA to prevail in 1Q25 albeit with a lower figure. Bottom-line is expected to be in negative territory despite a possible monetary gain.
			EBITDA	(353)	2	n.a.	n.m.	
			Margin	*(1.9%)*	*0.0%*	n.a.	n.a.	
			Net Income	(2,645)	871	n.a.	n.m.	
			Margin	*(14.5%)*	*5.3%*	n.a.	n.a.	
PGSUS	EUR	May	Net Sales	23,462	17,391	34.9%	--	Pegasus total seats increased by 13% y/y in 1Q25. Total PAX increased by 12% y/y in 1Q25, decreasing load factor by 1.1pp y/y. Despite low base impact we expect 1% y/y decline in ticket prices in EUR terms mainly due to Ramadan and Easter impact. We expect strong contribution from ancillary operations to continue in 1Q25. We expect 19% y/y increase in net sales in EUR terms. We expect 16% y/y increase in ex-fuel CASK mainly driven by salary hike and real apreciation of TRY. Considering significant decline in Brent and jet fuel cracks, we expect 14% y/y decline in fuel CASK.
			EBITDA	1,578	1,182	33.5%	--	
	w/o IAS 29		*Margin*	*6.7%*	*6.8%*	(0.07pt)	--	
			Net Income	(3,050)	(3,501)	n.a.	--	
			Margin	*(13.0%)*	*(20.1%)*	n.a.	--	
SOKM	TRY	12-May	Net Sales	54,290	36,079	50.5%	--	Although we expect lower q/q topline growth and higher q/q margin pressure compared to peers, in y/y terms, Şok will likely deliver strong top-line growth and best margin evolution due to the low base effects. Overall we do not see a major risk to the Management's bullish guidance.
			EBITDA	1,910	1,239	54.2%	--	
	w/o IAS 29		*Margin*	*3.5%*	*3.4%*	0.08pt	--	
			Net Income	(160)	(62)	n.a.	--	
			Margin	*(0.3%)*	*(0.2%)*	n.a.	--	

Ticker	Functional Currency	Expected Release Date		1Q25E	1Q24 (as reported)	Y/Y Nominal	Y/Y Real	Preview Notes
SELEC	TRY	May	Net Sales	41,969	27,851	50.7%	9.1%	In 2M25, market sales volume declined by 5% y/y mainly driven by imported drugs. In 2025, the company plans to increase market share via sales incentives to drugstores. Parallel to this strategy we expect 2pp y/y increase in market share in 1Q25. In October 2025, reference EUR rate hiked by 23.5%. In 4Q24, price intervals for regualted gross margins revised upwards for pharma warehouses. We expect 1pp y/y increase in EBITDA margin in 1Q25.
			EBITDA	3,064	1,770	73.1%	25.3%	
			Margin	*7.3%*	*6.4%*	0.94pt	0.94pt	
			Net Income	1,500	248	505.2%	338.2%	
			Margin	*3.6%*	*0.9%*	2.68pt	2.68pt	
TAVHL	EUR	24-Apr	Net Sales	13,510	10,763	25.5%	--	Total PAX increased by 4% y/y in 1Q25. 2025 guidance implies 3-13% y/y PAX growth. Ramadan and Easter negatively impacted PAX growth in 1Q25, we expect acceleration in PAX growth starting from April 2025. We expect strong contibution from Ankara and Georgia airports. We expect 11% y/y growth in net sales in EUR terms. Considering real appreciation of TRY and salary hike we expect 2pp y/y decline in EBITDA margin in 1Q25. Net income will be negatively impacted by the amortization of the remaining purchase price allocation from Antalya 1, which is a non-cash item.
			EBITDA	3,221	2,755	16.9%	--	
	w/o IAS 29		*Margin*	*23.8%*	*25.6%*	(1.76pt)	--	
			Net Income	(528)	298	n.a.	--	
			Margin	*(3.9%)*	*2.8%*	n.a.	--	
TCELL	TRY		Net Sales	47,627	30,822	54.5%	11.9%	We expect c12% y/y consolidated top-line growth driven mostly by price adjustments and upselling efforts. We expect user base to narrow by c0.8% q/q on mobile segment due to elevated competition. We expect EBITDA growth to outpace top-line growth thanks to operational leverage.
			EBITDA	20,479	13,688	49.6%	8.3%	
			Margin	*43.0%*	*44.4%*	(1.41pt)	(1.41pt)	
			Net Income	3,576	2,635	35.7%	(1.7%)	
			Margin	*7.5%*	*8.5%*	(1.04pt)	(1.04pt)	
THYAO	USD	28-Apr	Net Sales	178,241	147,238	21.1%	--	Both total ASK and RPK increased by 4% y/y in 1Q25. Load factor was flat y/y at 80.6%. Yield environment wasn't attractive in 1Q25 with Ramadan and Easter impact. We expect y/y flat RPK yield in 1Q25. Cargo volume was flat y/y mainly due to high base impact. We expect cargo yield to remain flat at the elevated levels. We expect 3% y/y increase in net sales in USD terms. We expect 13% y/y increase in ex-fuel CASK mainly driven by salary hike and real apreciation of TRY. Considering significant decline in Brent and jet fuel cracks, we expect 14% y/y decline in fuel CASK. THY recorded first severance payment regarding GTF engine issue in 3Q24. The details of the payment scheme is not announced publicly. We penciled in USD50mn payment for 1Q25.
			EBITDA	10,025	15,500	(35.3%)	--	
	w/o IAS 29		*Margin*	*5.6%*	*10.5%*	(4.90pt)	--	
			Net Income	1,541	6,931	(77.8%)	--	
			Margin	*0.9%*	*4.7%*	(3.84pt)	--	
TOASO	TRY	28-Apr	Net Sales	23,025	35,271	(34.7%)	(52.7%)	In 1Q25, we expect 49% y/y decline in sales volume. We expect better q/q pricing with newly introduced Scudo, sales mix and FX adjustment. We expect a significant decline in EBITDA margin with low CUR.
			EBITDA	311	4,539	(93.1%)	(95.0%)	
			Margin	*1.4%*	*12.9%*	(11.52pt)	(11.52pt)	
			Net Income	230	2,806	(91.8%)	(94.1%)	
			Margin	*1.0%*	*8.0%*	(6.96pt)	(6.96pt)	
TRGYO	TRY	5-9 May	Net Sales	1,700	1,308	30.0%	(5.9%)	We expect LfL recurring revenues to be flat y/y in real terms (excluding rental income from Torun Tower in 1Q24). Higher shared service costs (minimum wage increase & utilities hike) will weigh on operating profitability. On the positive side, solid net cash position will continue to generate substantial interest and FX income. The solid net monetary position will result in a net monetary loss in the quarter. Assuming an effective tax rate of 30%, we expect net income to be flat in nominal terms.
			EBITDA	1,150	980	17.3%	(15.0%)	
			Margin	*67.6%*	*74.9%*	(7.28pt)	(7.28pt)	
			Net Income	1,100	1,037	6.1%	(23.2%)	
			Margin	*64.7%*	*79.3%*	(14.55pt)	(14.55pt)	
TTKOM	TRY	7-May	Net Sales	45,442	27,910	62.8%	17.9%	We project top-line to grow by a solid c17% y/y. We expect FBB segment to grow a stunning 30% y/y on price optimizations. We expect mobile segment to grow by c24% on ARPU growth and user base growth. We observe that Türk Telekom is a beneficiary of elevated competition on mobile segment by growing its user base c5% y/y. We expect bottom-line to normalize on improved operational profitability and lower base in 1Q24 due to cTRY2bn deferred tax expense.
			EBITDA	17,984	9,610	87.1%	35.5%	
			Margin	*39.6%*	*34.4%*	5.14pt	5.14pt	
			Net Income	5,100	1,042	389.3%	254.3%	
			Margin	*11.2%*	*3.7%*	7.49pt	7.49pt	
TTRAK	TRY	24-Apr	Net Sales	12,798	16,595	(22.9%)	(44.2%)	In 1Q25, we expect 42% y/y decline in sales volume. We expect a significan decline in EBITDA margin with lower CUR and soft demand.
			EBITDA	819	3,091	(73.5%)	(80.8%)	
			Margin	*6.4%*	*18.6%*	(12.23pt)	(12.23pt)	
			Net Income	326	1,748	(81.4%)	(86.5%)	
			Margin	*2.5%*	*10.5%*	(7.99pt)	(7.99pt)	

Ticker	Functional Currency	Expected Release Date		1Q25E	1Q24 (as reported)	Y/Y Nominal	Y/Y Real	Preview Notes
TUPRS	TRY	29-Apr	Net Sales	176,353	165,475	6.6%	(22.8%)	In 1Q25, diesel, jet fuel and gasoline cracks averaged at USD17.3, USD14.5 and USD12.6 per barrel, declining 35-40% y/y. Tüpraş' RUP unit was shut down for maintenance in Mar-May 2024 period. Natural gas tariffs in Turkey were down by around 15% y/y and 5% q/q in USD terms. Crude differentials narrowed down in 1Q25 parallel to lower availability of Russian crude. We expect Tüpraş' EBITDA to decline by 26% in real terms (c15% in USD terms) y/y due to tighter heavy-light crude differentials and inventory gain differences. Bottom-line is expected to be pressured by weak EBITDA, seasonality, high effective tax rate, monetary losses and possible FX losses due to the FX volatility in Mar-25.
			EBITDA	9,722	9,462	2.8%	(25.6%)	
			Margin	*5.5%*	*5.7%*	(0.21pt)	(0.21pt)	
			Net Income	386	320	20.5%	(12.8%)	
			Margin	*0.2%*	*0.2%*	0.03pt	0.03pt	
ULKER	TRY	9-May	Net Sales	26,560	19,601	35.5%	(1.9%)	Expect high single digit volume contraction and real growth in pricing leading to slight top-line contraction in real terms due to the decreasing purchasing power and the real appreciation of TRY. Cost pressures and high base effect will likely lead to margin normalization. We foresee 140bps margin contraction y/y.
			EBITDA	5,110	4,042	26.4%	(8.5%)	
			Margin	*19.2%*	*20.6%*	(1.38pt)	(1.38pt)	
			Net Income	2,075	2,167	(4.3%)	(30.7%)	
			Margin	*7.8%*	*11.1%*	(3.24pt)	(3.24pt)	
TOTAL			**Net Sales**	**1,427,731**	**1,131,827**	**26.1%**		
			EBITDA	**142,366**	**134,349**	**6.0%**		
			Margin	***10.0%***	***11.9%***	**(1.90pt)**		
			Net Income	**31,169**	**48,260**	**(35.4%)**		
			Margin	***2.2%***	***4.3%***	**(2.08pt)**		

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