

# Pegasus Airlines

09/05/2025

## Review of 1Q25 Financials

**BUY**

**Upside Potential 45%**

### Actual vs Estimates

Better than expected 1Q25 financials. Better than net loss estimates (Is Investment: €85mn; Consensus: €72mn), Pegasus Airlines reported €62mn net losses in 1Q25 lower than net losses of €104mn in 1Q24. Net fx net of €16.6mn in 1Q25 versus net fx losses of €22.2mn in 1Q24 was the main reason for the decline in net losses on yearly basis. Slightly above expectations, the Airline generated €622mn revenues in 1Q25 compared to €519mn in 1Q24. Beating estimates (Is Inv. & Consensus: €32mn), EBITDA was realized at €42mn in 1Q25 compared to €39mn in 1Q24.

### Highlights of the Quarter

Robust top-line growth thanks to strong pax traffic along with higher ancillary per pax. International pax traffic grew to 5.67mn in 1Q25, up by 18% YoY, driven by 16% ASK growth and PLF of 86.1% down by 1.1ppt YoY. Domestic pax traffic surged to 3.3mn in 1Q25, up by 4% compared to 1Q24, on the back of 4% increase in domestic ASK and 0.6ppt decline in PLF to 89.6%. In 1Q25, Pegasus Airlines allocated 82.3% of its total ASK of 16.12bn to international routes above 80.6% in 1Q24. Pegasus Airlines' total revenues grew to €622mn in 1Q25, up by 20% YoY, thanks to passenger traffic growth and higher ancillary per pax. Domestic yields expanded to TL975 in 1Q25, up by 37% YoY. On the other hand, international pax yields declined to €47.2in 1Q25, down by 8% YoY, due to increase in competition getting closer to pre-pandemic level of €45 in 1Q19. Ancillary revenue per pax rose to €29.1 in 1Q24, up by 18% YoY. RASK surged by 5% YoY to €3.86 in 1Q25.

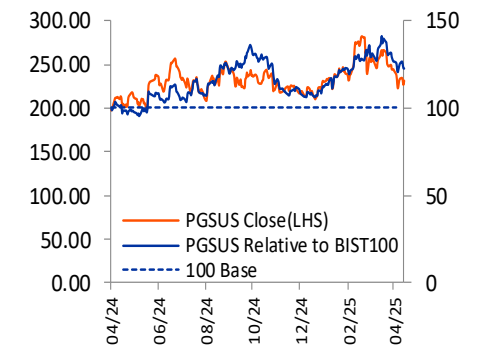
Lower jet fuel expenses partially offset the increase in ex fuel costs. Holding the lions' share at 29% in total expenses, jet fuel expenses dropped by 2% YoY (in € terms) in 1Q25. The 2nd largest expense with 22% in total expenses, personnel expenses increased by 22% YoY (in € terms) on wage inflation and 10% increase in headcount. In 1Q25, ex-fuel CASK increased to €2.98 in 1Q24, up by 16% YoY, driven by higher personnel expenses resulting from wage inflation and real appreciation in TL. Total CASK increased by 6% to €4.20 in 1Q25 compared to 1Q24 on decline in jet fuel prices. EBITDA was realized at €42mn in 1Q25, up by 10% YoY, registering 6.8% margin in 1Q25 down from 7.4% in 1Q24.

Stock Data	TL
Price	231.50
Target Price*	335.00
Prev.TP	335.00
Mcap (mn)	115,750
Float Mcap (mn)	53,592
Avg.Daily Volume (3M, mn)	1983.4
No. of Shares Outstanding (mn)	500
Free Float (%)	46
Foreign Share (%)	33

Price Perf. (%)	1 Mn	Ytd	12 Mn
TL	-11.0	8.7	9.5
US\$	-12.4	-0.5	-8.5
Rel.to BIST-100	-9.7	15.2	21.0

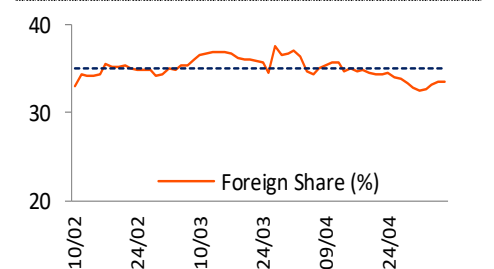
Multiples	2024	2025	2026
P/E	8.7	8.0	5.0
P/BV	1.5	1.0	0.8
EV/EBITDA	7.6	5.4	3.9

### Price / Relative Price



52 Week Range (Close TL) 198.40 282.75

Foreign Share (%) Cur.(%) : 33.49



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## Pegasus Airlines

Company Description	Shareholder Structure (%)	
Pegasus is the second airline which offers scheduled flights and it could be defined as low cost carrier in Turkey.	Esas Holding A.Ş. Diğer	56.66 43.34

### Impact on Valuation and Outlook

No revision in 2025 guidance: Pegasus Airlines maintained its ASK growth guidance of 12%-14% for 2025. By adding 9 A321neo, the fleet size is planned to reach 127 aircraft at the end of 2025. The Airline continues to expect “mid-single digit increase” in RASK driven by flat/slightly higher load factor and “high-single digit increase” in ancillary revenue /passenger. The Airline anticipates its ex-fuel CASK to “increase by high single digit” and total CASK to “increase by mid-single digit YoY” in 2025, based on the benign outlook for fuel prices. All in all, the Company expects its EBITDA margin to be ‘flat or slightly higher YoY’ in 2025.

The Company will hold a webcast at 15:30 today to review its 1Q25FY performance. We expect to some positive market reaction to Pegasus Airlines’ better than expected 1Q25 financials.

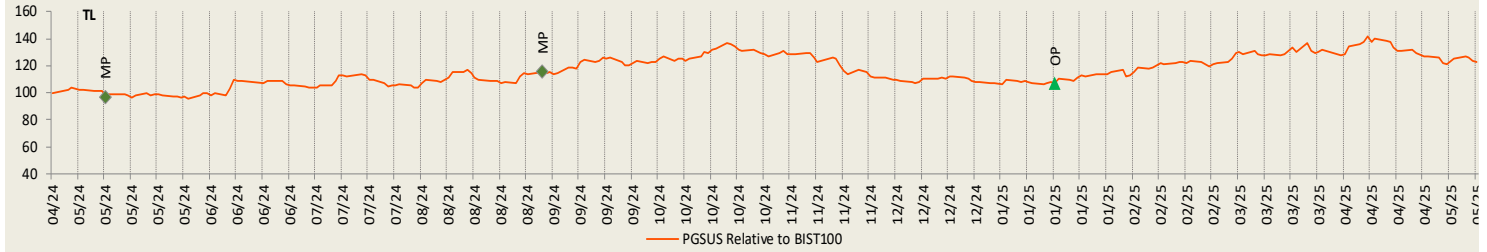
### Financial Highlights

€ milyon	1Q25	1Q24	Change	Is Invest	Consensus
<b>Total Pax Traffic (mn)</b>	9.0	8.1	12%		
<b>Total ASK (bn)</b>	16.1	14.2	14%		
<b>PLF</b>	86.1%	87.2%	-1.1ppt		
<b>Revenues</b>	622	519	20%	600	607
<b>Operating Expenses</b>	676	563	20%		
<b>EBIT</b>	-55	-45	23%		
<b>EBITDA</b>	42	39	10%	32	32
<b>EBITDA Margin</b>	6.8%	7.4%	-0.6ppt		
<b>PBT</b>	-68	-107	-36%		
<b>Tax</b>	6	4	69%		
<b>Net Income</b>	-62	-103	-40%	-85	-72
<b>RASK (€)</b>	3.86	3.66	5%		
<b>CASK (€)</b>	4.20	3.97	6%		
<b>Ex-fuel CASK (€)</b>	2.98	2.56	16%		
<b>Ancillary Revenue Per Pax (€)</b>	29.06	24.54	18%		

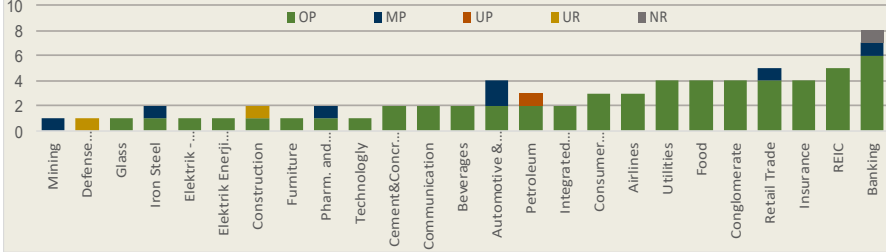
*EBITDA : Core EBIT + Depreciation + 55% of short term lease expenses*

## Pegasus Airlines

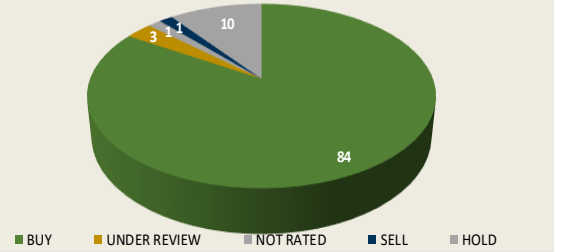
### Relative to BIST 100 / Recommendations



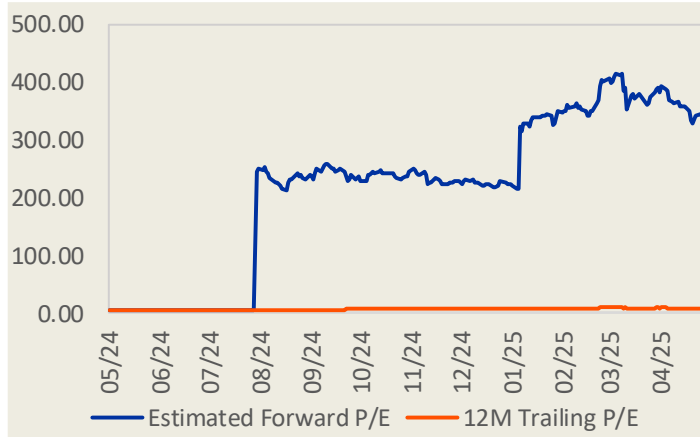
### Number of Companies



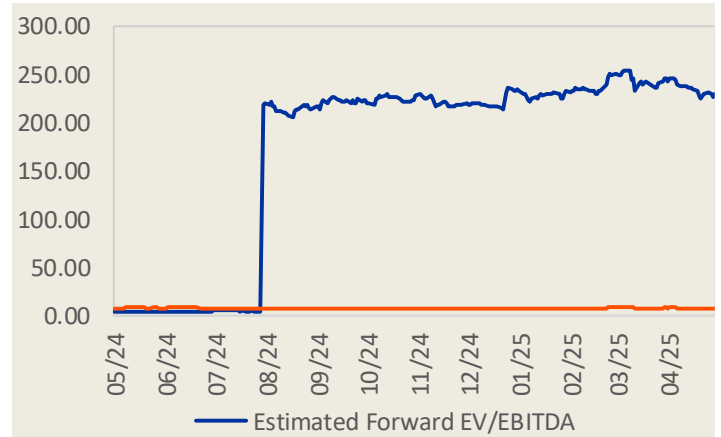
### Rec. Breakdown for Coverage



### Estimated Forward P/E & 12M Trailing P/E



### Estimated Forward EV/EBITDA & 12M Trailing EV/EBITDA



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