

04 October 2024

# Turk Telekom

## Model update

**Turk Telekom has outperformed the BIST-100 by 61% and Turkcell by 23% year-to-date, driven by expectations surrounding the renewal of the concession agreement and improvements in its financials, after a low base. The discount to international peers has also narrowed to 25%, based on a 2024E EV/EBITDA multiple of 3.8x. We continue to believe that the renewal of the concession agreement would help resolve uncertainty around infrastructure ownership, though it may also necessitate additional capital expenditure. After incorporating IAS29 financials and IH results, we have revised our target price to TL67 (previously TL38) and maintain our BUY rating.**

- IH24 performance and guidance:** Turk Telekom reported 8% revenue growth in IH24 (excluding fiber construction revenues), driven by a 15% y/y increase in mobile ARPU and a 5% y/y rise in fixed broadband ARPU. Management emphasized that the price increases in the mobile and fixed segments during 3Q are expected to accelerate real growth y/y amid declining inflation in 2H24. As a result, management maintained its 11-13% real revenue growth guidance (based on a year-end CPI of 42%), compared to our estimate of 10% revenue growth (with a 46% year-end CPI forecast). Additionally, we now project an EBITDA margin of 38.5% for 2024 (versus management's guidance of 36-38%). While we expect 27% EBITDA growth in real terms in 2024, we anticipate a modest 4.5% net margin and a net income of TL7.3bn for the full year, due to the still-elevated cost of debt (including hedging costs).
- Revision in Estimates:** We now forecast 18% higher revenues, a 180bp improvement in EBITDA margin and a 17% lower net income for 2024 compared to our prior estimates. We have lowered our net income expectations following the weaker-than-expected IH net income performance. It's worth noting that Turk Telekom maintained its net debt-to-EBITDA ratio at 1.2x in IH24.
- Discussions on the extension of the concession are expected to conclude soon:** In January 2023, Turk Telekom's Board of Directors applied to the Information and Communication Technologies Authority (ICTA) for the extension of the concession agreement, which includes fixed services (broadband and voice) and is set to expire on February 28, 2026. According to the latest statements made during the 2Q call, management anticipates ICTA's decision to be finalized by the end of 2024, with the concession likely to be extended for 25 years. Although the details of the new concession agreement are still uncertain, we believe the extension of the agreement might require expansion of the expansion of FTTH (fiber to the home) in Turkey and maintenance of high capex/sales ratio (25% operational capex/sales without IFRS 15-16 effects, based on our calculation).

Key forecasts	2022A	2023A	2024E	2025E	2026E
Revenue (USDm)	3,662	4,014	4,434	4,696	4,775
EBITDA (USDm)	1,459	1,343	1,708	1,832	1,877
Net income (USDm)	277	658	201	460	481
EPS (USD)	0.1	0.2	0.1	0.1	0.1
PE (x)	17.3	7.3	23.7	10.4	9.9
EV/EBITDA (x)	4.6	4.7	3.8	3.5	3.2

Source: Company data, UNLU & CO estimates

Recommendation: **BUY** Maintained

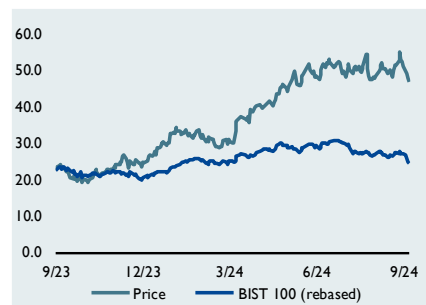
Target Price: **67** (Previously TL38)

\* Stock ratings are relative to the relevant country benchmark.<sup>1</sup> Target price is for 12 months  
Produced by: UNLU & CO

### Share data

RIC	TTKOM.IS
Sector	TMT
Price (03 Oct 2024)	TL 46.60
Market cap. (TLm)	163,100
Enterprise value (TLm)	214,101
Market cap. (USDm)	4,781
Enterprise value (USDm)	6,276
Avg. daily trade value (USDm)	21.51
Free float (%)	13

### Price relative to BIST 100



### Historical performance relative to BIST 100 (%)

Performance over	1M	3M	12M
Absolute (%)	-7.5	-6.9	93.4
Relative (%)	4.1	11.8	85.0

Source: BIST 100, UNLU & CO

The price relative chart measures performance against the Turkey BIST 100 which closed at 8,898 on 03 Oct 2024

### Research Analyst

**Ece Mandaci, CFA**

[ece.mandaci@unluco.com](mailto:ece.mandaci@unluco.com)

+90-212-367-3689

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Valuation metrics <sup>1,2</sup>	2022A	2023A	2024E	2025E	2026E	2027E
P/E (x)	17.3	7.3	23.7	10.4	9.9	9.5
EV/EBITDA (x)	4.6	4.7	3.8	3.5	3.2	3.0
EV/sales (x)	1.8	1.6	1.5	1.4	1.3	1.2
Dividend yield (%)	0.0	0.0	0.0	2.4	2.5	2.6

Ratio analysis	2022A	2023A	2024E	2025E	2026E	2027E
ROE (headline basis) (%)	12.8	18.3	5.0	10.7	10.4	10.5
ROIC (EBIT basis) (%)	-0.3	-10.2	3.2	7.0	7.2	7.8
Gross margin (%)	23.0	21.8	29.8	34.5	34.8	35.3
EBITDA margin (%)	39.8	33.5	38.5	39.0	39.3	39.8
EBIT margin (%)	2.1	-2.0	6.6	11.3	11.6	12.1
Net margin (%)	7.6	16.4	4.5	9.8	10.1	10.5
Net debt/EBITDA (x)	1.3	1.2	1.0	0.9	0.7	0.5
Interest coverage (to EBITDA) (x)	0.2	0.2	0.0	0.0	0.0	0.0

Profit and loss (USDm) <sup>1</sup>	2022A	2023A	2024E	2025E	2026E	2027E
Revenue	3,662	4,014	4,434	4,696	4,775	4,760
Growth (y/y)	-	10%	10%	6%	2%	0%
Gross profit	842	876	1,319	1,618	1,660	1,678
EBITDA	1,459	1,343	1,708	1,832	1,877	1,894
Growth (y/y)	-	-8%	27%	7%	2%	1%
EBIT	76	-79	293	531	554	576
Growth (y/y)	-	n.m.	n.m.	81%	4%	4%
Other income/expense	87	35	67	70	72	71
Financial income/expense & monetary gain/loss	226	216	-40	-19	-19	-19
Profit before tax	302	137	253	511	535	557
Tax	-25	521	-51	-51	-53	-56
Effective tax rate	8.4%	n.m.	20.3%	10.0%	10.0%	10.0%
Minorities	0	0	0	0	0	0
Net income	277	658	201	460	481	501
Growth (y/y)	-57%	138%	-69%	129%	5%	4%
Weighted number of shares (m)	3,500	3,500	3,500	3,500	3,500	3,500
Earnings per share (EPS) (USD)	0.08	0.19	0.06	0.13	0.14	0.14
Dividend per share (DPS) (USD) <sup>1</sup>	0.00	0.00	0.00	0.03	0.03	0.04
Dividend pay-out ratio	0%	0%	0%	25%	25%	25%
USD/TL average	16.6	23.7	33.1	40.8	48.9	56.9
USD/TL close	18.7	29.4	36.4	44.9	53.0	60.9
CPI end	64.3%	65.1%	46.0%	26.9%	15.0%	12.0%

Cash flow (USDm)	2024E	2025E	2026E	2027E	Balance sheet (USDm)	2024E	2025E	2026E	2027E
EBIT	293	531	554	576	Cash	413	550	900	1,265
Depreciation and amortization	1,438	1,301	1,323	1,318	Total current assets	1,709	1,898	2,261	2,623
Change in working capital	-251	-34	0	-4	Property, plant equipment	3,403	3,610	3,535	3,346
Taxes paid	-18	-32	-34	-38	Intangible fixed assets	1,859	1,980	1,947	1,826
Total capex	-1,312	-1,338	-1,356	-1,247	Total non-current assets	5,848	6,177	6,069	5,759
Capex/revenues (including IFRS 15&16)	-29.6%	-28.5%	-28.4%	-26.2%	<b>Total assets</b>	<b>7,557</b>	<b>8,075</b>	<b>8,330</b>	<b>8,382</b>
<b>Free cash flow</b>	<b>150</b>	<b>428</b>	<b>482</b>	<b>601</b>	Current liabilities	2,514	2,531	2,545	2,538
Free cash flow margin	3.4%	9.1%	10.1%	12.6%	Total non-current liabilities	1,003	1,019	1,024	1,023
Dividends paid	0.0	0.0	-97.5	-104.6	Total ordinary shareholders equity	4,040	4,525	4,761	4,822
<b>Net inc. (dec.) in net debt (USDm)</b>	<b>131</b>	<b>-138</b>	<b>-349</b>	<b>-365</b>	<b>Total equity and liability</b>	<b>7,557</b>	<b>8,075</b>	<b>8,330</b>	<b>8,382</b>
					Net working capital	190	223	223	227
					Net debt (cash)	1,729	1,591	1,242	877

Source: Company data, UNLU & CO estimates. <sup>1</sup>Financials for 2022-2024 are adjusted according to IAS29 accounting, with December 2024 as the base. USD-denominated financials for these years are divided by the projected USD/TL closing rate for 2024. From 2024 onward, our estimates rely directly on the USD/TL closing rate of those years.

Valuation metrics <sup>1,2</sup>	2022A	2023A	2024E	2025E	2026E	2027E
P/E (x)	17.3	7.3	23.7	10.4	9.9	9.5
EV/EBITDA (x)	4.6	4.7	3.8	3.5	3.2	3.0
EV/sales (x)	1.8	1.6	1.5	1.4	1.3	1.2
Dividend yield (%)	0.0	0.0	0.0	2.4	2.5	2.6

Ratio analysis	2022A	2023A	2024E	2025E	2026E	2027E
ROE (headline basis) (%)	12.8	18.3	5.0	10.7	10.4	10.5
ROIC (EBIT basis) (%)	-0.3	-10.2	3.2	7.0	7.2	7.8
Gross margin (%)	23.0	21.8	29.8	34.5	34.8	35.3
EBITDA margin (%)	39.8	33.5	38.5	39.0	39.3	39.8
EBIT margin (%)	2.1	-2.0	6.6	11.3	11.6	12.1
Net margin (%)	7.6	16.4	4.5	9.8	10.1	10.5
Net debt/EBITDA (x)	1.3	1.2	1.0	0.9	0.7	0.5
Interest coverage (to EBITDA) (x)	0.2	0.2	0.0	0.0	0.0	0.0

Profit and loss (TLm) <sup>1</sup>	2022A	2023A	2024E	2025E	2026E	2027E
Revenue	133,444	146,268	161,551	210,810	252,942	289,928
Real growth (y/y)	-	10%	10%	3%	4%	2%
Gross profit	30,680	31,928	48,078	72,634	87,909	102,213
EBITDA	53,145	48,943	62,242	82,216	99,406	115,391
Real growth (y/y)	-	-8%	27%	4%	5%	4%
EBIT	2,777	-2,869	10,672	23,822	29,341	35,081
Real growth (y/y)	-	n.m.	n.m.	76%	7%	7%
Other income/expense	3,182	1,265	2,423	3,162	3,794	4,349
Financial income/expense & monetary gain/loss	8,237	7,877	-1,464	-868	-1,024	-1,177
Profit before tax	11,013	5,008	9,208	22,954	28,318	33,904
Tax	-926	18,967	-1,872	-2,295	-2,832	-3,390
Effective tax rate	8.4%	n.m.	20.3%	10.0%	10.0%	10.0%
Minorities	0	0	0	0	0	0
Net income	10,089	23,975	7,335	20,659	25,486	30,514
Real growth (y/y)	-	138%	-69%	122%	7%	7%
Weighted number of shares (m)	3,500	3,500	3,500	3,500	3,500	3,500
Earnings per share (EPS) (TL)	2.88	6.85	2.10	5.90	7.28	8.72
Dividend per share (DPS) (TL) <sup>1</sup>	0.00	0.00	0.00	1.48	1.82	2.18
Dividend pay-out ratio	0%	0%	0%	25%	25%	25%

Cash flow (TLm)	2024E	2025E	2026E	2027E	Balance sheet (TLm)	2024E	2025E	2026E	2027E
EBIT	10,672	23,822	29,341	35,081	Cash	15,033	24,704	47,661	77,059
Depreciation and amortization	52,408	58,394	70,065	80,310	Total current assets	62,278	85,192	119,768	159,780
Change in working capital	-9,144	-1,506	-206	-501	Property, plant equipment	124,008	162,054	187,247	203,798
Taxes paid	-659	-1,434	-1,821	-2,290	Intangible fixed assets	67,727	88,889	103,107	111,243
Capex/revenues (including IFRS 15&16)	-47,819	-60,081	-71,836	-75,961	Total non-current assets	213,069	277,294	321,475	350,824
Capex/revenues	-29.6%	-28.5%	-28.4%	-26.2%	<b>Total assets</b>	<b>275,347</b>	<b>362,486</b>	<b>441,243</b>	<b>510,604</b>
<b>Free cash flow</b>	<b>5,458</b>	<b>19,196</b>	<b>25,543</b>	<b>36,639</b>	Current liabilities	91,605	113,632	134,823	154,586
Free cash flow margin	3.4%	9.1%	10.1%	12.6%	Total non-current liabilities	36,544	45,734	54,219	62,294
Dividends paid	0	0	-5,165	-6,371	Total ordinary shareholders equity	147,198	203,121	252,201	293,723
					<b>Total equity and liability</b>	<b>275,347</b>	<b>362,486</b>	<b>441,243</b>	<b>510,604</b>
					Net working capital	6,913	10,023	11,821	13,852
					Net debt (cash)	63,001	71,429	65,776	53,394

Source: Company data, UNLU & CO estimates. <sup>1</sup>Financials for 2022-2024 are adjusted according to IAS29 accounting, with December 2024 as the base. Estimates after 2024 are denominated in TL purchasing power as of the year-end of each respective year.

## Change to estimates

We now forecast 18% higher revenues, a 180bp improvement in EBITDA margin and a 17% lower net income for 2024 compared to our prior estimates. We have lowered our net income expectations following the weaker-than-expected 1H net income performance. These updated forecasts suggest a 27% real growth in EBITDA. We believe that the ongoing increase in ARPU will support real growth in revenues and EBITDA for 2H24.

On Turk Telekom's valuation, we use a blend of 70% DCF and 30% peer comparison analysis. This comparison is based on 2024E, and 2025E EV/EBITDA ratios value derived from the peer comparison.

Additionally, we have transitioned to a discounted cash flow analysis based on USD, incorporating a seven-year forecast period, a 2% terminal growth rate, and a 12.2% WACC (comprising a 7% risk-free rate, 6% equity risk premium, and 1.0x beta).

We view the continuation of macro headwinds, i.e., weaker-than-forecast growth in the subscriber base and contract pricing, and the volatility in TL as the main risk factors for the Turk Telekom.

**Figure 1: Change to estimates**

Turk Telekom	2023	Old Estimates		New Estimates		Difference	
		2024E	2025E	2024E	2025E	2024E	2025E
TL m							
Revenues	146,268	137,068	182,786	161,551	210,810	18%	15%
EBITDA	48,943	50,280	70,372	62,242	82,216	24%	17%
Net Income	23,975	8,792	18,712	7,335	20,659	-17%	10%
EBITDA Margin	33.5%	36.7%	38.5%	38.5%	39.0%	1.8pp	0.5pp
Net Margin	16.4%	6.4%	10.2%	4.5%	9.8%	-1.9pp	-0.4pp

Source: Company data and UNLU & Co estimates

**Figure 2: Peer comparison**

Company	Country	Mcap (USD mn)	EV/EBITDA		P/E		EBITDA CAGR 24-26E	Earnings CAGR 24-26E
			24E	25E	24E	25E		
Telefonica Brasil		17,040	4.7	4.2	16.6	13.3	5.8%	16.4%
Du- Emirates International Telco		8,404	n.m.	n.m.	14.0	13.8	2.4%	3.2%
Etihad Etisalat		10,401	6.7	6.1	14.9	13.0	6.4%	14.0%
Etisalat		43,565	7.1	6.8	14.6	13.9	4.5%	7.3%
<b>Magyar</b>		2,784	n.m.	n.m.	n.m.	n.m.	7.5%	19.8%
MTN		9,610	3.8	3.2	13.7	10.1	15.0%	47.5%
Oman Tel		1,909	n.m.	n.m.	8.9	8.2	2.8%	9.8%
Ooredoo Kuwait		1,771	n.m.	n.m.	8.3	7.7	3.4%	9.8%
Ooredoo QSC		10,237	4.2	3.9	10.0	10.4	1.4%	1.5%
<b>Orange Polska</b>		2,802	5.3	5.3	12.2	11.7	3.5%	11.7%
OTE		6,974	5.1	4.9	11.2	10.6	3.0%	2.7%
STC		57,416	8.3	8.0	16.4	15.4	4.8%	7.2%
Safaricom		4,661	4.2	3.7	8.0	7.1	10.0%	6.2%
<b>Telecom Egypt</b>		1,203	4.5	4.0	4.6	3.8	10.1%	20.5%
<b>Telkom</b>		767	2.8	2.2	6.9	6.6	1.7%	5.7%
Vodacom		12,721	5.0	4.7	11.5	10.5	7.1%	12.1%
ZAIN Kuwait		6,621	5.5	5.2	9.8	8.5	4.3%	15.5%
ZAIN KSA		2,600	6.1	5.7	22.4	16.6	5.6%	37.4%
<b>Median -EM</b>			5.1	4.8	11.5	10.5	5%	11%
Deutsche Telekom		144,248	6.9	6.2	14.4	13.1	6.2%	9.1%
Orange		29,902	4.8	4.6	9.7	8.8	4.5%	8.8%
KPN NA		15,555	7.8	7.6	16.8	15.2	2.9%	7.2%
Telenor		17,598	7.8	7.8	12.8	16.3	2.2%	-8.5%
Telecom Austria		6,344	4.0	3.7	9.3	8.4	3.2%	8.1%
Telefonica		27,192	4.9	4.9	13.5	12.8	0.2%	2.7%
Vodafone		25,399	4.6	4.1	10.0	8.5	2.8%	11.5%
Telecom Italia		6,075	4.2	4.3	n.m.	n.m.	1.1%	n.m.
Telia		12,561	6.6	6.2	20.4	17.0	4.5%	12.1%
Elisa		8,828	12.0	11.6	20.1	19.2	3.5%	4.6%
BT Group		18,815	4.0	3.9	7.6	7.5	1.6%	1.9%
AT&T		159,108	6.6	6.3	10.1	9.8	2.0%	2.4%
TELUS		24,839	8.4	8.0	22.8	20.9	4.4%	14.3%
Verizon		189,639	6.9	6.6	9.8	9.6	2.0%	3.5%
T-Mobile		242,784	10.1	9.7	22.6	19.1	6.5%	11.8%
<b>Median -Europe and US</b>			6.6	6.2	13.1	13.0	3.1%	7.6%
<b>Median -EM</b>			5.1	4.8	11.5	10.5	5%	11%
<b>Turk Telekom</b>	Turkey	4,781	3.8	3.5	23.7	10.4	5%	45%
<b>Premium / Discount to EM Peers</b>			-25%	-27%	106%	-1%		

Source: Bloomberg data and UNLU & Co estimates <sup>1</sup>Earnings CAGR in Turk Telekom is based on Profit Before Tax.

**Figure 3: Key forecasts**

TLm	2022	2023	2024E	2025E
<b>Revenues</b>	<b>133,444</b>	<b>146,268</b>	<b>161,551</b>	<b>210,810</b>
Fixed Voice	8,667	7,511	6,870	7,669
Fixed Broadband	40,350	41,049	44,934	58,853
Mobile	45,821	55,191	67,848	89,895
Corporate Data	8,342	9,447	10,352	13,659
TV, Int'l, Other, Elimination	20,559	23,586	24,314	31,802
Construction Revenue	9,705	9,483	7,231	8,932
<b>Real growth (y/y)</b>	<b>-</b>	<b>10%</b>	<b>10%</b>	<b>3%</b>
Fixed Voice	-	-13%	-9%	-12%
Fixed Broadband	-	2%	9%	3%
Mobile	-	20%	23%	4%
Corporate Data	-	13%	10%	4%
TV, Int'l, Other, Elimination	-	15%	3%	3%
IFRIC 12 Construction Revenue	-	-2%	-24%	3%
<b>EBITDA</b>	<b>53,145</b>	<b>48,943</b>	<b>62,242</b>	<b>82,216</b>
EBITDA margin	39.8%	33.5%	38.5%	39.0%
<b>Net Income</b>	<b>10,089</b>	<b>23,975</b>	<b>7,335</b>	<b>20,659</b>
Net margin	8%	16%	5%	10%
<b>Total Subscribers</b>	<b>51.3</b>	<b>51.4</b>	<b>51.9</b>	<b>53.3</b>
<b>Mobile Subscribers</b>	<b>25.5</b>	<b>26.2</b>	<b>27.0</b>	<b>27.8</b>
Post-Paid	16.9	18.6	19.1	19.6
Pre-Paid	8.6	7.7	8.0	8.3
<b>Fixed Broadband</b>	<b>14.8</b>	<b>15.2</b>	<b>15.3</b>	<b>15.8</b>
<b>Net Additions</b>	<b>0.9</b>	<b>0.0</b>	<b>0.5</b>	<b>1.3</b>
% change in Subscribers	6%	3%	3%	3%
Mobile	6%	3%	3%	3%
Fixed Broadband	4%	2%	1%	3%
<b>ARPU (USD)</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>
<b>Mobile (blended)</b>	<b>3.6</b>	<b>4.1</b>	<b>5.6</b>	<b>5.9</b>
yly growth	-	15%	38%	4%
<b>Fixed Broadband</b>	<b>5.4</b>	<b>5.3</b>	<b>6.7</b>	<b>7.0</b>
yly growth	-	-1%	26%	4%
<b>USD terms in millions</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>
Revenues	3,662	4,014	4,434	4,696
yly growth	39%	10%	10%	6%
EBITDA	1,459	1,343	1,708	1,832
yly growth	15%	-8%	27%	7%
Net Income	277	658	201	460
yly growth	-38%	138%	-69%	129%
<b>USD/TL end</b>	<b>18.7</b>	<b>29.4</b>	<b>36.4</b>	<b>44.9</b>
<b>USD/TL average</b>	<b>16.6</b>	<b>23.7</b>	<b>33.0</b>	<b>40.8</b>
<b>CPI end</b>	<b>64%</b>	<b>65%</b>	<b>46%</b>	<b>27%</b>

Source: Company data and UNLU & Co estimates

## 2Q24 Review

Turk Telekom announced TL1,419m net profit, slightly below expectations (Ünlü: TL1,736m; Cons: TL1,516m), EBITDA at TL12.8bn (Ünlü: TL12.3bn, Cons: TL12.2bn) and revenues at TL33bn (Ünlü: TL32bn, Cons: TL32bn) in its 2Q24 IAS29 based financials. A lower net income figure vs. our estimate stems from lower monetary gain, while EBITDA is slightly better than our estimate.

- In 2Q24, Turk Telekom recorded a 7% y/y real revenue growth, excluding fiber construction revenues (IFRIC-12). Mobile revenues, accounting for 45% of total revenue, increased by 20%, driven by a 15% rise in mobile ARPU. Fixed broadband revenues, which contribute 29% to total revenue, grew by 8%, supported by a 6% ARPU increase. However, fixed voice (4% of revenue), corporate data (6%), international (5%) and other (9%, device, interconnection sales) segments saw year-over-year declines of 16%, 3%, 13% and 14%, respectively, in 2Q24.

- Turk Telekom's EBITDA margin expanded by 550 basis points to 38.8%, thanks to contraction in network costs and equipment and technology costs. The mobile segment's EBITDA margin rose by 1,060bp y/y to 48%, while the fixed segment improved by 120 basis points to 30%.
- In addition to the 22% growth in EBITDA, Turk Telekom recorded lower financial expenses y/y, leading to an increase in net income from TL3.6bn net loss in 2Q23 to TL1.4bn net income in 2Q24.
- Net debt increased by 7% q/q to USD1.55bn, implying 1.2x net debt/EBITDA. Turk Telekom's short FX position declined to USD260m in 2Q24 from USD338m in 1Q24.
- Turk Telekom maintained its 2024 guidance, forecasting 11-13% real revenue growth (8% growth without IFRIC-12 in 1H24, Ünlü: 10% real growth), an EBITDA margin of 36-38% (37.8% in 1H24, Ünlü: 38.5%), and a capex-to-sales ratio of 27-28% (without IFRS-16).

**Figure 4: 2Q24 Review of Financials with IAS29**

TLm	2Q23	1Q24	2Q24	y/y	q/q	Estimates		Deviation vs.		6M23	6M24	y/y
						Ünlü	Cons	Ünlü	Cons			
Revenues	31,574	30,256	32,977	4%	9%	31,821	32,001	4%	3%	60,245	63,233	5%
EBITDA	10,519	11,114	12,795	22%	15%	12,287	12,161	4%	5%	19,565	23,909	22%
EBITDA margin	33.3%	36.7%	38.8%	5.5pp	2.1pp	38.6%	38.0%			32.5%	37.8%	5.3pp
Net profit	-3,623	1,130	1,419	-139%	26%	1,736	1,516	-18%	-6%	-2,280	2,549	-212%
Net margin	-11.5%	3.7%	4.3%	15.8pp	0.6pp	5.5%	4.7%			-3.8%	4.0%	7.8pp

Source: Company data, Unlu&Co estimates, Rasyonet survey

Companies Mentioned (Price as of 3 October 2024)  
 Company Name (TTKOM.IS, RATING BUY, TP TL67)

## Disclosure Appendix

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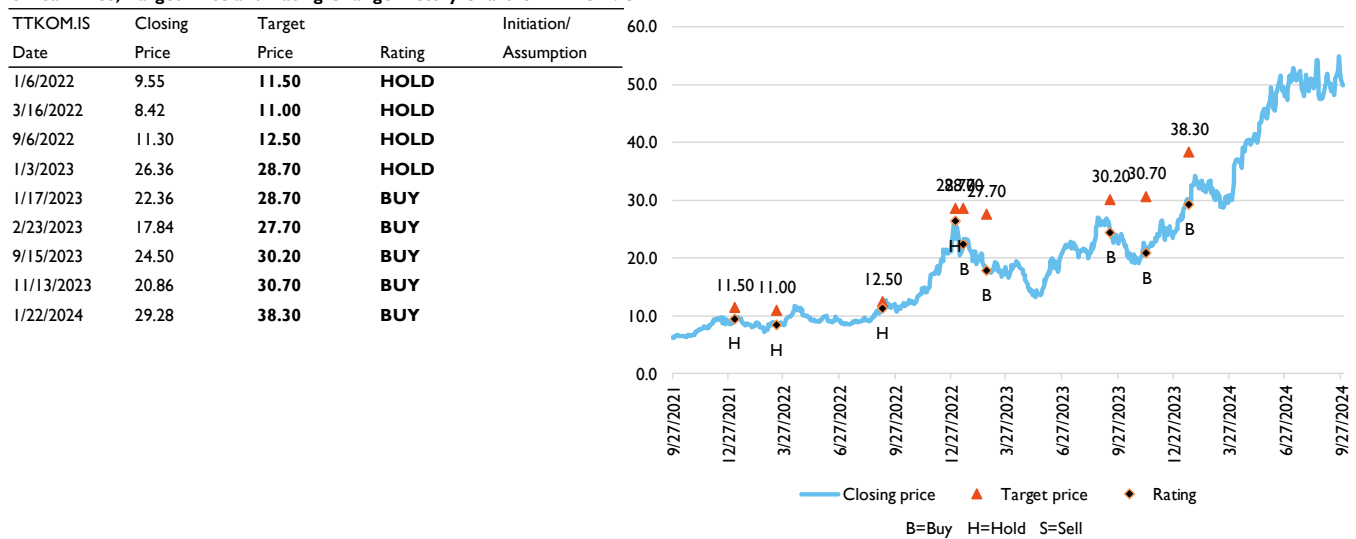
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**Methods:** We use blended value of DCF (70% weight) and International Peer Comparison (30% weight). WACC: 12.2%, RfR:7%, ERP: 6%, Beta: 1x

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