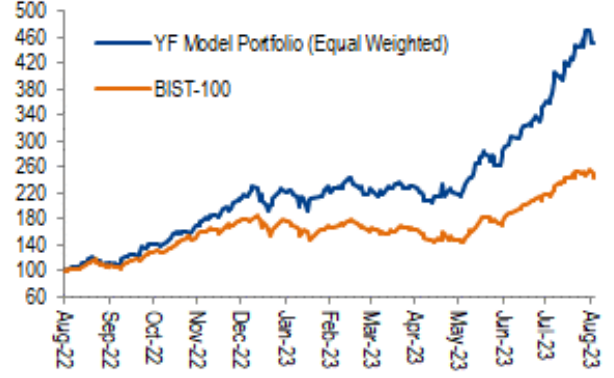
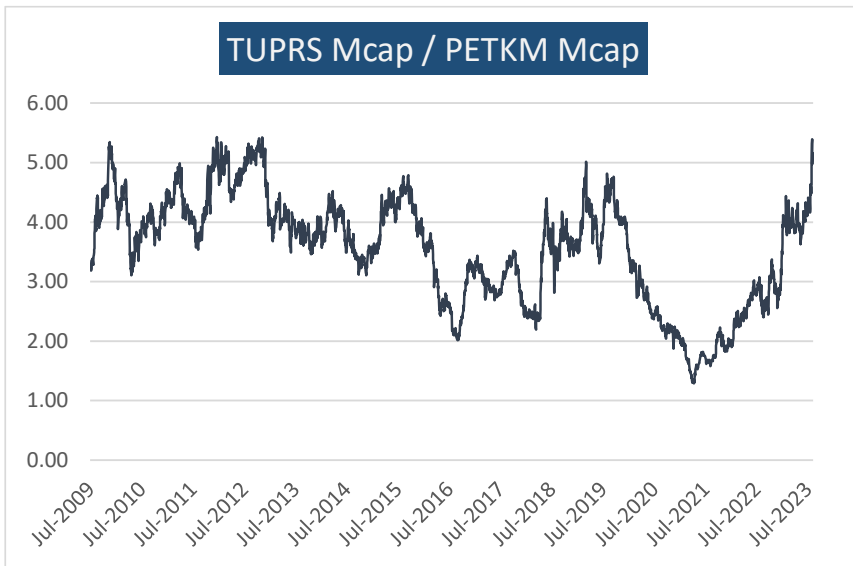


## Adding PETKM, Removing TUPRS

**Replacing TUPRS with PETKM.** TUPRS delivered another strong performance in 2023, outperforming Turkish market by 33% YTD. Refining margins jumped during summer period and this should lead to decent Q3 numbers. However, global demand outlook looks fragile for the rest of 2023 and beyond. TUPRS also outperformed global peers recently thanks to the second dividend announcement (5.9% dividend yield to be paid out in September 2023), which left limited upside potential in the shares, in our view. We are taking profit after having the stock in our model portfolio for around 2 years and realizing 8x gain (c.160% in USD terms). TUPRS trades at 8.2x P/E and 4.4x EV/EBITDA on our 2024 estimates. We are adding PETKM to replace TUPRS. While outlook for petrochemical margins remains poor, that is largely reflected in valuations since TUPRS/PETKM ratio (Mcap) rose to 5.2x now vs. 10-year average of 3.2x and 2-year average of 2.9x. PETKM would keep offering us some form of exposure to refining margins as the company expects to finalize acquisition of 12.0% indirect stake in Star refinery in Q4. If refining margins remain strong, PETKM could realize TL2.5-3.0bn earnings contribution from Star Refinery per annum (assuming equity pick-up accounting). We also think completion of acquisition could accelerate synergy creation and trigger a potential turnaround in PETKM. The stock trades at 6.7x EV/EBITDA and 6.6x P/E on our 2024 estimates and we see 31% upside to out TP of TL24.50/share.



**Our Model Portfolio is up 101.3% year-to-date vs. BIST100 return of 36.0% in the same period.**



## YF Research Model Portfolio

	Stocks		Price			Market Cap.		Return since inclusion	
	Company	Ticker	Current	Target	Upside	TLmn	US\$mn	Relative	Absolute
<b>Added</b>	Petkim	PETKM	18.70	24.50	31%	47,393	1,749		
<b>Removed</b>	Tupras	TUPRS	127.00	140.00	10%	244,703	9,032	71%	813%
Maintained	Yapi Ve Kredi Bankasi	YKBNK	16.85	18.40	9%	142,333	5,253	14%	15%
Maintained	Akcansa	AKCNS	140.40	202.00	44%	26,879	992	21%	22%
Maintained	Sabanci Holding	SAHOL	58.75	95.00	62%	119,874	4,424	5%	44%
Maintained	Turkcell	TCELL	56.00	85.00	52%	123,200	4,547	17%	44%
Maintained	Kardemir (D)	KRDMD	23.80	35.00	47%	18,569	685	-4%	38%
Maintained	Pegasus Hava Tasimaciligi	PGSUS	827.30	1255.00	52%	84,633	3,124	122%	730%
Maintained	Koc Holding	KCHOL	136.30	197.00	45%	345,643	12,757	32%	619%

\* Close prices as of August 24, 2023.

## Yatırım Finansman Research - Model Portfolio Performance

Company	Stocks	Ticker	Price (TL)			Market Cap. (million)		Inclusion	Return since Inclusion	
			Last	Target	Upside	TL	US\$		Date	Relative
Akcansa		AKCNS	140.40	202.00	44%	26,879	992	04-Aug-23	21%	22%
Sabanci Holding		SAHOL	58.75	95.00	62%	119,874	4,424	21-Dec-22	5%	44%
Kardemir (D)		KRDMD	23.80	35.00	47%	18,569	685	27-Jan-23	-4%	38%
Turkcell		TCELL	56.00	85.00	52%	123,200	4,547	05-Jul-23	17%	44%
Tupras		TUPRS	127.00	140.00	10%	244,703	9,032	22-Dec-20	71%	813%
Yapi Ve Kredi Bankasi		YKBNK	16.85	18.40	9%	142,333	5,253	07-Aug-23	14%	15%
Koc Holding		KCHOL	136.30	197.00	45%	345,643	12,757	09-Jul-21	32%	619%
Pegasus Hava Tasimaciligi		PGSUS	827.30	1255.00	52%	84,633	3,124	08-Dec-21	122%	730%
<b>Model Portfolio Performance - Equally Weighted</b>										
Model Portfolio return since the last rebalance*										10.3%
BIST100 return since last rebalance*										1.2%
<b>Model Portfolio Relative return since the last rebalance*</b>										<b>8.9%</b>
Model Portfolio Return Year-to-date										101.3%
BIST100 Return Year-to-Date										36.0%
<b>Model Portfolio Relative Performance Year-to-date</b>										<b>48.1%</b>

\*Since the last re-balance on Aug 7 2023.

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