

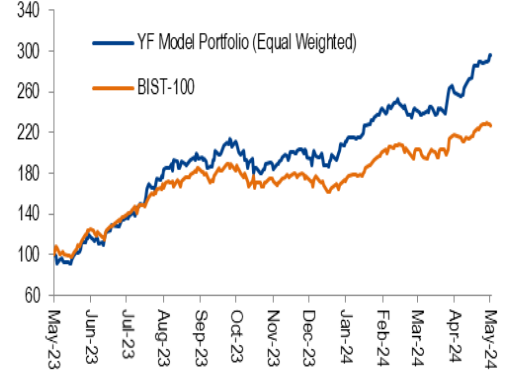
Removing TOASO, Adding TRCAS

May 13, 2024

Removing TOASO. We are removing TOASO as competition is intensifying in Turkish automotive market amid a slowing demand environment. TOASO remains our preferred pick among autos, but we decided to take profit with a more cautious view towards the sector. The stock delivered 33% nominal and 3% relative performance since its addition to our portfolio in Jan'2024.

Adding TRCAS. We like TRCAS as the company offers a unique exposure to mobility retail via its 30% ownership in Shell-Turcas JV, which we expect to deliver strong earnings growth in FX terms in a strong Turkish Lira environment. Valuation of Turcas implies 69% discount to our estimate of NAV and we note that after inflation accounting TRCAS is trading at 0.65x 2024E BV, which represents an attractive entry level. We expect Q1'24 results to improve vs Q4'23 thanks to the uptrend in fuel prices supporting margins via inventory gains in Shell-Turcas. Turcas is also about to turn to net cash position this year as it is set to receive a total of c.USD17mn by the end of 1H'2024 from Shell-Turcas (including preferred and regular dividends). Overall, we think the discount to NAV should narrow for TRCAS (which could be fast in the event of a catalyst like an asset sale). We see 96% upside potential to our PT of TL49.0/share, which incorporates 40% conglomerate discount to our target NAV.

Our Model Portfolio is up 53.2% year-to-date vs. BIST100 return of 36.8% in the same period.



	Stocks		Price			Market Cap.		Return since inclusion	
	Company	Ticker	Current	Target	Upside	TLmn	US\$mn	Relative	Absolute
Removing	Tofas Otomobil Fab.	TOASO	272.75	345.00	26%	136,375	4,241	3%	33%
Adding	Turcas Petrol	TRCAS	24.96	49.00	96%	6,380	198		
Maintained	Tekfen Holding	TKFEN	53.80	80.00	49%	19,906	619	17%	24%
Maintained	Eregli Demir Celik	EREGL	46.84	65.00	39%	163,940	5,099	-18%	6%
Maintained	Tav Havalimanlari	TAVHL	221.30	245.00	11%	80,394	2,500	46%	89%
Maintained	Migros	MGROS	481.75	623.00	29%	87,223	2,713	4%	35%
Maintained	T. Vakiflar Bankasi	VAKBN	21.76	28.00	29%	215,770	6,711	13%	47%
Maintained	Enka Insaat	ENKAI	39.62	52.50	33%	237,720	7,393	-12%	14%
Maintained	Aydem Yenilenebilir Enerji	AYDEM	30.30	45.00	49%	21,362	664	-12%	1%
Maintained	Turkcell	TCELL	84.00	95.00	13%	184,800	5,747	32%	120%
Maintained	Turk Telekom	TTKOM	41.52	47.00	13%	145,320	4,520	43%	91%
Maintained	Petkim	PETKM	20.16	33.00	64%	51,094	1,589	-21%	5%
Maintained	Pegasus Hava Tasimaciligi	PGSUS	1001.00	1345.00	34%	102,402	3,185	97%	905%

* Close prices as of May 10, 2024.

Yatırım Finansman Research - Model Portfolio Performance

Company	Stocks	Ticker	Price (TL)			Market Cap. (million)		Inclusion Date	Return since Inclusion	
			Last	Target	Upside	TL	US\$		Relative	Absolute
Eregli Demir Celik		EREGL	46.84	65.00	39%	163,940	5,099	10-Jan-24	-18%	6%
Tav Havalimanlari		TAVHL	221.30	245.00	11%	80,394	2,500	10-Jan-24	46%	89%
Migros		MGROS	481.75	623.00	29%	87,223	2,713	10-Jan-24	4%	35%
T. Vakiflar Bankasi		VAKBN	21.76	28.00	29%	215,770	6,711	10-Jan-24	13%	47%
Tofas Otomobil Fab.		TOASO	272.75	345.00	26%	136,375	4,241	10-Jan-24	3%	33%
Enka Insaat		ENKAI	39.62	52.50	33%	237,720	7,393	10-Jan-24	-12%	14%
Aydem Yenilenebilir Enerji		AYDEM	30.30	45.00	49%	21,362	664	20-Mar-24	-12%	1%
Turkcell		TCELL	84.00	95.00	13%	184,800	5,747	05-Jul-23	32%	120%
Turk Telekom		TTKOM	41.52	47.00	13%	145,320	4,520	15-Nov-23	43%	91%
Petkim		PETKM	20.16	33.00	64%	51,094	1,589	25-Aug-23	-21%	5%
Tekfen Holding		TKFEN	53.80	80.00	49%	19,906	619	19-Apr-24	17%	24%
Pegasus Hava Tasimaciligi		PGSUS	1001.00	1345.00	34%	102,402	3,185	08-Dec-21	97%	905%

Model Portfolio Performance - Equally Weighted

Model Portfolio return since the last rebalance*	15.1%
BIST100 return since last rebalance*	7.3%
Model Portfolio Relative return since the last rebalance*	7.2%
Model Portfolio Return Year-to-date	53.2%
BIST100 Return Year-to-Date	36.8%
Model Portfolio Relative Performance Year-to-date	12.0%

*Since the last re-balance on Apr 19, 2024. ** TOASO TP includes dividend estimate

Meclis - i Mebusan Caddesi No: 81 Fındıklı
Beyoğlu/ İstanbul 34427
TURKEY

Tel: +90 (212) 312 69 00 / [Genel / Public](#)
Fax: +90 (212) 282 15 50
- 51
Bloomberg: YATF
www.yf.com.tr

Levent Durusoy	Executive Vice President	levent.durusoy@yf.com.tr	+90 (212) 334 98 33
Institutional Sales			
Burak Demircioğlu	Head of Sales & Trading	burak.demircioglu@yf.com.tr	+90 (212) 334 98 42
Levent Mutlu	Trading Director	levent.mutlu@yf.com.tr	+90 (212) 334 98 40
Nil Tola	Sales Trader	nil.tola@yf.com.tr	+90 (212) 334 98 51
İlkay Demirci	Sales Trader	ilkay.demirci@yf.com.tr	+90 (212) 334 98 45
Mehmet Ali Sukuşu	Senior Settlements Officer	mehmetali.sukusu@yf.com.tr	+90 (212) 317 68 42
Equity Research			
Serhat Kaya	Research Manager	serhat.kaya@yf.com.tr	+90 (212) 334 98 36
Emre Duman	Research Analyst	emre.duman@yf.com.tr	+90 (212) 334 98 58
M. Kemal Karaköse	Research Analyst	mkemal.karakose@yf.com.tr	+90 (212) 317 69 00
Alp Derya	Research Analyst	alp.derya@yf.com.tr	+90 (212) 334 98 64
Macroeconomic Research			
Erol Gürçan	Chief Economist	erol.gurcan@yf.com.tr	+90 (212) 317 98 37

© 2024 YF Securities. All rights reserved

Yatırım Finansman Menkul Değerler (YF Securities) research refrains from rating parent companies (TSKB and İsbank) to avoid any potential conflicts of interest between YF Securities and rated companies, in connection with, but not limited to, loan agreements or business deals.

YF Securities, its clients and employees may hold a position in the rated securities and may perform investment banking or other services for the covered companies. Strict limitations on trading apply for analysts; it is prohibited for analysts to trade equities on a daily basis, and any trading of equities by analysts, may only be conducted through the brokerage services provided by YF Securities.

Companies under the coverage of YF Securities are rated on the basis of their expected performance relative to the BIST index. The following ratings are used to accurately reflect analysts' research and opinions regarding their coverage:

OutPerform: Rated for stocks which YF Securities expects to outperform the BIST-100 index over a 12-month horizon.

MarketPerform: Rated for stocks, which YF Securities expects to perform in line with the expected BIST-100 return over a 12-month horizon.

UnderPerform: Rated for stocks, which YF Securities expects to underperform the BIST-100 index over a 12-month horizon.

The information on this document is provided by Yatırım Finansman (YF) Securities Inc. and it is not to be construed as an offer or solicitation for the purchase or sale of any financial instrument or the provision of an offer to provide investment services. The investments discussed or recommended in this report may involve significant risk, may be illiquid and may not be suitable for all investors. Therefore, making decisions with respect to the information in this report may cause inappropriate results. All prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any form of reproduction, dissemination, copying, disclosure, modification, distribution and/or publication of information, opinions and comments provided on this document is strictly prohibited. The information presented in this report has been obtained from sources believed to be reliable. (YF) Securities Inc. cannot be held responsible for any errors or omissions or for results obtained from the use of such information.

