Solid Foundations, Strong Future

43% Upside Potential

We favor OYAK Çimento for its widespread and high-capacity production network, financial structure, and strong shareholder structure. Our 12-month target price for the stock is TL 30.70, indicating a 43% return potential. We maintain our outperform recommendation for the stock, which we added to our model portfolio on September 23, 2025.

Formed through the merger of well-established entities in Turkey's cement sector, OYAK Çimento is positioned as the country's largest producer with an installed capacity of 24 million tons. Over the years, the company has been a key supplier supplier role in major infrastructure projects of both the public and private sectors, establishing a stable track record in the Turkish market through its production network spanning 6 geographical regions and distribution system covering 7 regions. The company has developed a strong export network and global presence through its partnership with Taiwan-based TCC Group Holdings and the operations of CIMPOR, the umbrella brand of the sister companies, across Europe and Africa, which has significantly enhanced operational capacity.

OYAK Çimento's vertically integrated structure, which also includes OYAK Beton, enables the group to manage the value chain extending to the end consumer largely with its own resources. This structure supports sales volumes by creating a strong and widespread sales channel for the cement produced and provides the company with operational resilience.

From a financial perspectivethe company maintains its strong profitability capacity. As of Q3 2025, the Company has a net cash position of TL 12,180 million. According to inflation-adjusted financials, the company achieved a compound annual growth rate (CAGR) of 8.1% in revenues for the 2022–2024 period, and We project the company to grow at a 17.9% CAGR during 2025–2030. We anticipate that Turkey's urban transformation agenda and public-driven infrastructure investments will particularly support the growth trend. In addition to this domestic-focused base scenario, we note a catalyst that could create 'upside' potential in the long term, although we have not yet incorporated it into our valuation model. Should geopolitical stability be achieved in nearby geographies (such as Syria and Ukraine) and comprehensive reconstruction processes commence, the company's extensive nationwide logistics network and strong financial structure have the potential to create an additional growth opportunity for participation in these new markets.

OYAK Çimento stands out with its strong balance sheet, leading position in the sector, and global advantages brought by the TCC partnership. Despite current and temporary pressures on profitability, the company's long-term strategic positioning and market consolidation potential offer investors a positive outlook in terms of growth, operational efficiency, and value.

Listing Details and View	
Bloomberg Ticker	**OYAKC TI**
Rating	**Outperform**
Price per Share, TRY	21,42
Target Price per Share, TRY	**30,70**
Upside	43,3%
Free Float	19,9%
Market Cap, TRY mln	104.137
Market Cap, USD mln	2.465
BIST-100 Index Weight	0,7%
BIST All Shares Index Weight	0,4%
Foreign Share	4,7%
Pension Funds Share	0,9%
Mutual Funds Share	1,3%

Source: Matriks, PhillipCapital Research
Price & Market Cap. as of 18-Nov

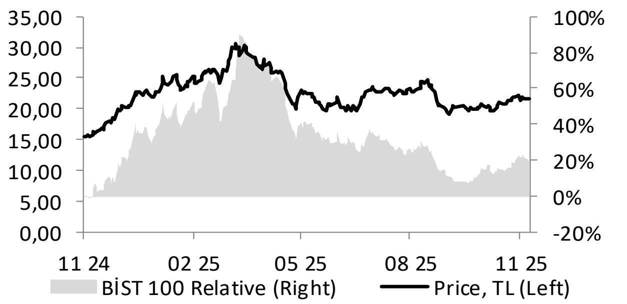
Key Financials, USD mln	2024E	2025E	2026E	2027E
Revenues	55.729	57.741	69.361	81.260
Revenue Growth	0,2%	3,6%	20,1%	17,2%
Gross Profit	15844	15590	19074	22753
Gross Margin	28,4%	27,0%	27,5%	28,0%
Operating Profit	12692	11895	14913	18284
EBITDA	15984	14923	18357	22216
EBITDA Margin	28,7%	25,8%	26,5%	27,3%
Net Profit	8990	8739	11731	14798
Net Profit Growth	-38,9%	-2,8%	34,2%	26,1%
Net Profit Margin	16,1%	15,1%	16,9%	18,2%
Net Debt	-10.293	-12.283	-14.855	-18.926
Net Debt / EBITDA	-0,6	-0,8	-0,8	-0,9
P/E	11,7	12,0	9,0	7,2
EV/EBITDA	6,5	6,2	5,0	4,0

Source: Company Data, PhillipCapital Research

Shareholder Structure	Shares (million)	Rate (%)
TCC OYAK Amsterdam Holdings B.V.	3.891	80,05%
Other	969	19,95%
Total	**4.860**	

Source: Finnet

Share Price Performance



Source: BIST, Finnet

	1m	3m	6m	1y
Nominal	9,5%	-8,7%	-5,2%	35,5%
Relative	4,2%	-7,0%	-14,6%	18,7%
Trd. Vol. USD mln	17,7	17,0	16,1	16,5

Source: BIST, Finnet

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Financial Summary - (mn TL)

Financials (mn TL)	2024	2025T	2026T	2027T
Revenue	55.729	57.741	69.361	81.260
Revenue Growth	0,2%	3,6%	20,1%	17,2%
Gross Profit	15.844	15.590	19074	22.753
Gross Profit Margin	28,4%	27,0%	27,5%	28,0%
Operating Profit	12.692	11.895	14913	18.284
EBITDA	15.984	14.923	18.357	22.216
EBITDA Growth		-6,6%	23,0%	21,0%
EBITDA Margin	28,7%	25,8%	26,5%	27,3%
Profit Before Tax	13.969	11.652	15641	19.730
Tax Expense	4.979	2.913	3910	4.933
Net Profit	8.990	8.739	11731	14.798
Net Profit Growth		-2,8%	34,2%	26,1%
Net Profit Margin	16,1%	15,1%	16,9%	18,2%
Net Debt	-10.293	-12.283	-14.855	-18.926
Working Capital	9.134	9.512	10.493	11.481
P/E	14,6	12,03	8,96	7,2
EV/EBITDA	8,4	6,17	4,98	4,0
Return on Equity	12%	14%	17%	20%

Source: Finnet, PhillipCapital Research

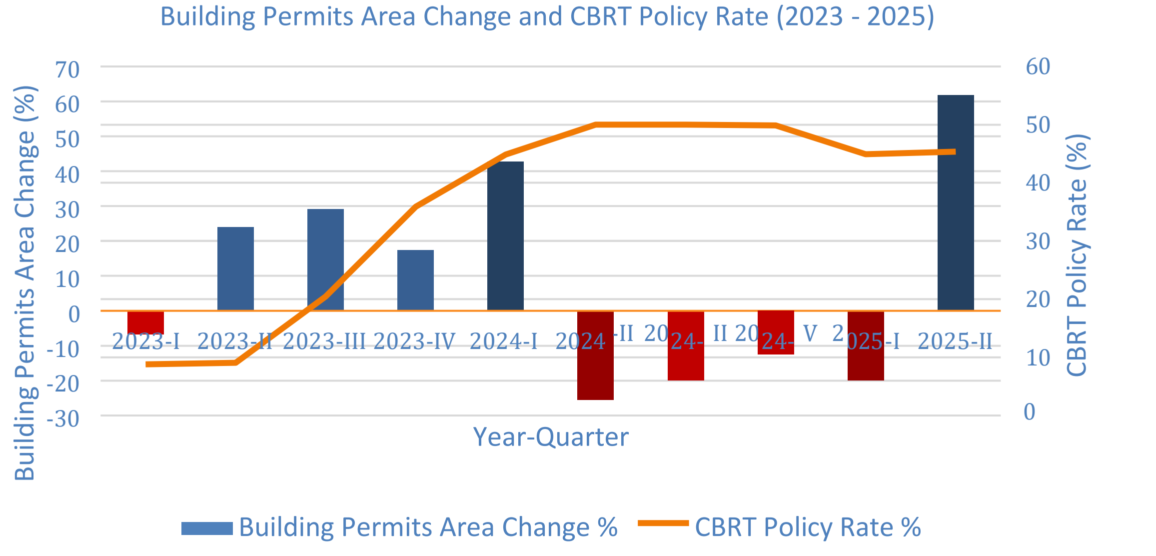
Balance Sheet (mn TL)	2024	2025T	2026T	2027T
Current Assets	28.403	36.277	43.207	51.241
Cash and Cash Equivalents	7.968	11.471	13.958	18.006
Short-Term Trade Receivables	8.703	9.338	10.837	12.362
Inventories	8.042	8.408	9.756	11.190
Other Current Assets	172	221	266	306
Non-Current Assets	42.386	45.770	48.451	51.075
Total Assets	70.788	82.047	91.658	102.317
Short-Term Liabilities	12.030	14.743	17.472	20.068
Long-Term Liabilities	1.535	4.837	5.854	6.518
Equity (Parent Company)	57.223	62.466	68.332	75.731
Paid-in Capital	4.862	4.862	4.862	4.862
Net Profit/Loss (Parent Company)	8.990	8.739	11.731	14.798
Total Liabilities and Equity	70.788	82.047	91.658	102.317

Source: Finnet, PhillipCapital Research

Sector Outlook

Macroeconomic Framework:

One of the most important factors that will determine the fate of the construction sector in the 2026-2028 period is the path that the CBRT's monetary policy will follow. The CBRT's decision to cut the policy rate from 46% to 43% in July 2025, to 40.5% in September 2025, and to 39.5% in October 2025, following a prolonged tightening period, has been an important signal for the markets in terms of policy direction



Source: TURKSTAT, CBRT

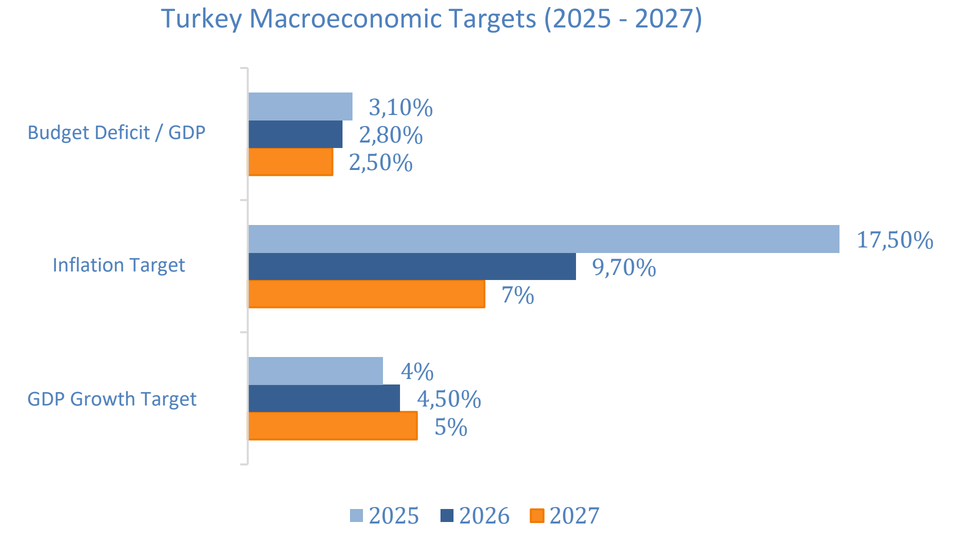
However, as stated in the Monetary Policy Committee decision texts, it has been emphasized that the tight stance will be maintained until price stability is achieved and that the steps to be taken will be cautious. This indicates that the decline in credit costs will be slow and gradual due to the sensitivity of the disinflation process. This approach is also consistent with the government's inflation targets set in the current MTP of 16% for year-end 2026, 9% for 2027, and 8% for 2028.

This macroeconomic framework suggests that the revival of private sector demand will take time. Beyond interest rates, the persistently high construction cost increases and general inflation over the years have created an affordability gap for potential homebuyers. Even if credit costs decline, housing prices have reached unaffordable levels for many households. Therefore, rather than a sudden rebound in the private housing sector, a gradual recovery should be expected as inflation is brought under control and interest rates decline to more predictable levels. The strength of public-driven demand will provide an important buffer for the sector during this slow recovery process in the private sector.

Government Economic Projections (MTP 2026-2028)

The government's Medium-Term Program covering the 2026-2028 period contains critical indicators for the future of the cement sector, including items such as public expenditure priorities and urban transformation. The MTP provides the most reliable official roadmap regarding expected GDP growth, inflation path, and public expenditure priorities.

The program foresees a gradual acceleration for the Turkish economy: GDP growth is targeted at 4.0% in 2025, 4.5% in 2026, and 5.0% in 2027. A growing economy is a fundamental prerequisite for a healthy construction sector. However, the program also prioritizes fiscal discipline. The budget deficit-to-GDP ratio is targeted to decline from 3.5% in 2026 to 2.8% by the end of the program period.



Source: MTP 2025 - 2027

In this regard, it appears that the growth of public investment expenditures outside priority areas such as urban transformation will be constrained.

Another important objective of the MTP is export-oriented growth. Exports are targeted to increase from $282 billion in 2026 to $308.5 billion by the end of 2028.

Domestic Market: Searching for a New Balance

There are two fundamental dynamics that we believe will shape cement sector demand during the period from the second half of 2025 to the end of 2026. When evaluating these dynamics, it is necessary to consider Turkey's macroeconomic rebalancing process, the scale of the post-earthquake reconstruction program, and changes in private sector investment tendencies.

- On one hand, the comprehensive reconstruction program launched following the February 2023 earthquake disaster creates a strong and guaranteed demand base for the sector. Indeed, the TL 584 billion allocation for the earthquake region in the 2025 budget confirms that public investments will strongly support demand over the next 1.5-2 years.
- On the other hand, there is the disinflation program and monetary tightening policies conducted under the leadership of the Central Bank of the Republic of Turkey (CBRT). These policies are suppressing private sector's new residential and commercial construction investments, particularly through high interest rates.

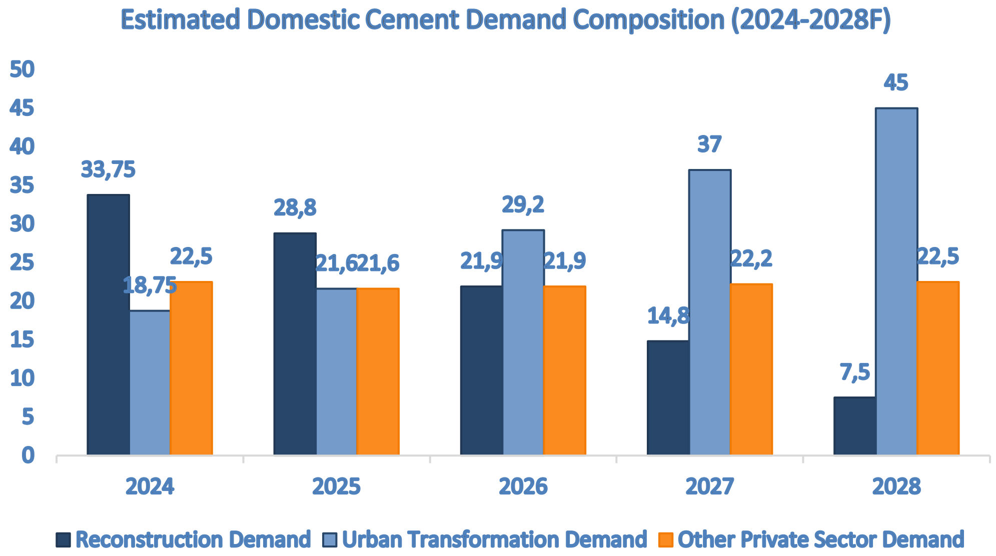
Accordingly, the market has divided into two distinct customer segments: the public sector with high price sensitivity but guaranteed volume, and the private sector with restricted credit access and relatively weak demand.

During this period, companies with the logistical capacity to serve large-scale public projects and strong institutional relationships are gaining a distinct advantage over competitors dependent on smaller-scale private contractors.

Therefore, we believe in the remainder of 2025 and 2026, the sector will have to manage the balance between public-driven demand and private sector demand that remains sluggish due to credit constraints.

Demand Dynamics

Beyond the urgent reconstruction activities in the earthquake zone, the government's urban transformation agenda is expected to be the sector's next significant and long-term domestic demand driver for the 2026-2028 period.



Source: TURSTAT

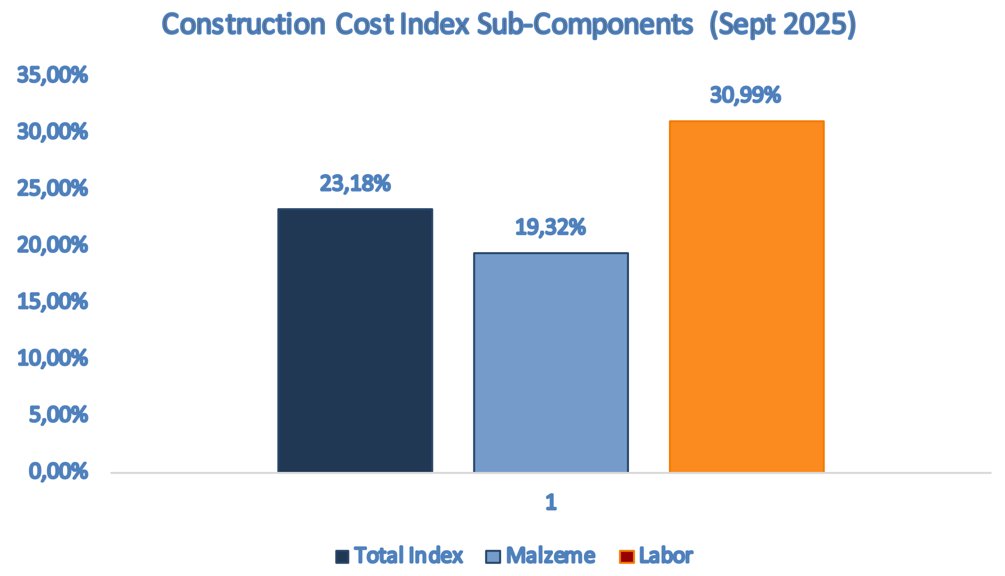
This agenda encompasses not only the renewal of risky building stock but also making cities more resilient against climate change and disasters.

The TL 136.5 billion allocation to the Urban Transformation Directorate in the Ministry of Environment, Urbanization and Climate Change budget demonstrates that this issue is one of the government's priorities. This strategy is also supported by the 2026-2028 Medium-Term Program (MTP). The MTP states that priority will be given to completing ongoing public service buildings, while new service building projects will only be permitted in urgent and highly necessary cases. This indicates that public construction expenditures will be channeled toward more priority areas with higher social benefits, such as urban transformation, rather than general administrative buildings.

The expansion of urban transformation projects will change not only the volume of demand for the sector but also the nature of demand. While post-earthquake reconstruction activities are generally concentrated in destroyed areas, urban transformation will take place within the existing urban layout. This will create significant logistical challenges and opportunities for cement producers. Deliveries to urban areas with heavy traffic and limited storage space will require more complex delivery schedules. This new operational model will provide a competitive advantage to producers with ready-mix concrete plants located close to city centers or whose distribution networks have the flexibility to manage such complex logistics.

Cost and Profitability Pressures

Looking at the sector's micro-level performance, a contraction in profit margins is observed in the first 9 months of 2025 despite strong sales volumes. The average EBITDA margin of publicly traded cement companies across the sector has declined from 17.7% at the beginning of the year to 15.3%, a decrease of approximately 2.7 points. The primary reason for this contraction can be attributed to price increases being insufficient against high inflation.



Source: TURKSTAT

This cost pressure is also consistent with macroeconomic data. The Construction Cost Index, which directly affects the construction sector, increased by 23.18% annually in September 2025. Within the sub-components of this index, while the material index rose by 19.32%, the increase in the labor index materialized at a much higher rate of 30.99%.

The primary reason why the sector struggles to pass on all of these costs to end-product prices despite the high increases seen in the Construction Cost Index is the shift in the demand structure of the market. The tight monetary policy and high financing costs implemented during the 2024-2025 period have significantly slowed private sector demand (particularly residential and commercial projects).

This situation has shifted the main engine of total demand in the sector largely to public-driven projects (earthquake zone reconstruction and urban transformation). The weakness in private sector demand has led to increased competition among producers for existing projects, which has limited overall pricing power and pressured profit margins.

However, the gradual monetary policy easing process that began to be observed as of 2025 has the potential to change these dynamics. With the normalization of financing costs during the 2026-2027 period, a revival in private sector demand could place the pricing environment on a rational basis and alleviate this pressure on margins.

Global Markets and Export Strategy

Export Performance and the Necessity of Market Diversification

The export performance of the Turkish cement sector has shown a significant recovery in 2025 following the contraction experienced in 2024. While total exports contracted by 2.2% during the 11-month period of 2024, the 13% decline in final product (cement) exports with higher added value and the 41% increase in intermediate product (clinker) exports with lower added value during this period were noteworthy. However, this trend has begun to reverse with 2025. Indeed, according to Turkish cement sector data, cement exports increased by 14.9% on a volume basis in the first seven months of the year compared to the same period of the previous year.

Despite this positive picture, the sector faces significant challenges on the export front. The foremost of these is the cost pressure that will be created by the EU's Carbon Border Adjustment Mechanism (CBAM), which will become fully operational in 2026. This situation necessitates the urgent diversification of the sector's export markets. In this context, the USA emerges as the most important alternative market. Although the outlook for the US construction market is complex, despite the expected decline in industrial and manufacturing construction in 2025, there are strong growth projections extending into the 2026-2027 period in segments such as data centers, power infrastructure, and public engineering projects. Close monitoring of these trends is of vital importance for the future of the sector's international competitiveness.

Strategic Challenge: Carbon Border Adjustment Mechanism (CBAM)

The most critical long-term factor facing the sector is CBAM, designed within the framework of the European Green Deal. This mechanism, which will transform from a reporting obligation into a full-fledged financial obligation starting January 1, 2026, will require Turkish companies exporting cement to the EU to purchase CBAM certificates corresponding to the embedded carbon emissions contained in the products they sell.

The price of certificates will be indexed to the weekly average auction price of EU Emissions Trading System (ETS) allowances. This mechanism will cover both direct emissions from the production process and indirect emissions from the production of consumed electricity. CBAM also contains a significant opportunity within itself. The mechanism allows for any carbon price paid in the country of origin to be deducted from the CBAM cost to be paid to the EU. This creates a strong incentive for Turkey to implement its own national emissions trading system or a carbon tax. If Turkey establishes its own carbon pricing mechanism, this revenue will remain in Turkey and can be used to finance the country's green transition projects. Otherwise, the carbon cost paid by Turkish companies will mean a direct wealth transfer to the EU treasury.

The Turkish cement sector faces two regulatory pressures that will fundamentally affect its operational and financial future: the European Union's Carbon Border Adjustment Mechanism (CBAM) and Turkey's emerging national Emissions Trading System (ETS). These two mechanisms will reshape the competitive dynamics in the sector by directly converting carbon emissions into a cost item.

Competitive Advantage in the Context of Carbon Regulations (ETS and CBAM)

CBAM, which began its transitional period with reporting obligations on October 1, 2023, is a system where financial obligations will come into effect as of January 1, 2026. From this date onwards, companies exporting cement to the EU from countries like Turkey will be required to purchase CBAM certificates equivalent to the carbon emissions contained in the products they produce. The price of these certificates will be indexed to carbon prices in the EU ETS. However, if a price is paid for emissions under an ETS to be established in Turkey, this price is envisaged to be deducted from the CBAM cost to be paid to the EU. This makes the establishment of Turkey's own ETS a strategic necessity

Company Outlook

OYAK Çimento, the capacity leader of the Turkish cement sector, has initiated a new era in the sector through the ultimate consolidation of six well-established and local cement producers under one roof in 2023. Following the initial alliance formed in May 2020 by the publicly traded companies Adana Çimento, Aslan Çimento, Bolu Çimento, Denizli Çimento, Mardin Çimento, and Ünye Çimento, their subsequent merger under Mardin Çimento, and the eventual consolidation under the title OYAK Çimento Fabrikaları A.Ş. following a name change, the company has attained the position of cement producer with the largest capacity and most widespread distribution network throughout Turkey.
As part of its vertical integration strategy, with the incorporation of OYAK Beton, a 100% subsidiary of the company, on December 31, 2020, OYAK Çimento strengthened its supply chain extending to the end consumer and established a stable demand base for its cement production. Thus, the company manages the production chain from clinker to concrete under one roof, ensuring operational efficiency and supporting its own internal demand.

This consolidated structure positions the company's industrial infrastructure as one of the most important players in the domestic market. The production network, consisting of 7 integrated plants and 3 grinding facilities, reaches a cement production capacity of 24 million tons, equivalent to approximately 20% of Turkey's total capacity. In addition to this scale, its broad product portfolio, which complements the standard grey cement range with high-value-added white cement and various specialty products, supports the company's ability to effectively respond to the market's evolving demands.

OYAK Çimento, whose main focus is the domestic market within its current strategy, also exports to numerous countries. At the foundation of this global expansion lies the partnership established by OYAK in 2018 with TCC Group Holdings (TCC), one of the Far East's largest cement producers. At the end of 2023, OYAK Group and TCC took the partnership a step further in line with sustainable growth objectives and reached an agreement to increase TCC's stake in OYAK Çimento. Within this scope, approximately $740 million in foreign investment was brought into the country, and TCC rose to the position of main shareholder of OYAK Çimento. Having become a subsidiary of TCC, one of the world's largest cement producers, OYAK Çimento thus gained access to comprehensive knowledge transfer and relatively low-cost financing opportunities as part of an international company. As part of this global integration, TCC Group Holdings' European brand Cimpor and its operational presence in West Africa, particularly its strategic terminals in the UK, Portugal, and France, provide a strong export channel for OYAK Çimento Fabrikaları that reaches directly to end consumers. It is important to emphasize that following this partnership and share transfer with TCC, there has been no change in the company's management team; the existing senior management continues uninterruptedly in their positions, ensuring the determined implementation of company strategies.

OYAK Çimento has focused on both maintaining its market leadership and continuing its environmentally conscious and efficiency-oriented growth by structuring its future vision around the axis of sustainability and technological transformation. The company became the first cement company in Turkey to commit to Net-Zero, validated by the Science Based Targets initiative (SBTi) in 2023. In this direction, concrete steps are being taken to reduce carbon emissions and increase alternative fuel usage.

OYAK Çimento's decarbonization strategy is built on two fundamental pillars to manage financial obligations arising from both the national Emissions Trading System (ETS) and the European Union's Carbon Border Adjustment Mechanism (CBAM): Alternative fuel usage and renewable energy production.

Having increased its thermal substitution rate (alternative fuel usage rate) from 6% to 28.6% over the last 7 years, OYAK Çimento is significantly above the 2024 Turkey sector average of 12%. There is substantial alternative fuel usage particularly at the Aslan (60.3%), Ankara (53.2%), and Bolu (32.4%) plants. Considering that it took Europe 20 years to reach a 30% rate, the company's progress in this area is significant. The company aims to increase this rate to 58% by 2030. Additionally, it has developed calcined clay integration projects for the production of low-clinker-content cement by establishing the world's first cement plants with calcined clay integration.

Energy Efficiency and Self-Consumption Investments: On the energy side, which is the second pillar of decarbonization, the company's renewable energy usage rate stood at 7.3% as of September 2025. OYAK Çimento aims to increase this rate to 70% by 2030. In line with this target, both waste heat recovery (WHR) and solar power plant (SPP) projects come to the forefront:

Waste Heat Recovery (WHR): The 13.5 MW capacity waste heat recovery project at Adana, Mardin, and Ankara facilities is expected to be commissioned gradually during 2026.

- **Solar Power Plant (SPP):** One of the most strategic steps is the 115 MW Solar Power Plant project under construction in Ankara Beypazarı. Expected to be commissioned in the first quarter of 2026, this facility is targeted to generate approximately 180,000 MW of electricity annually. This production will meet 70% of the electricity needs of the company's Ankara and Ünye plants and will provide a carbon emission reduction of approximately 81,000 tons alone.

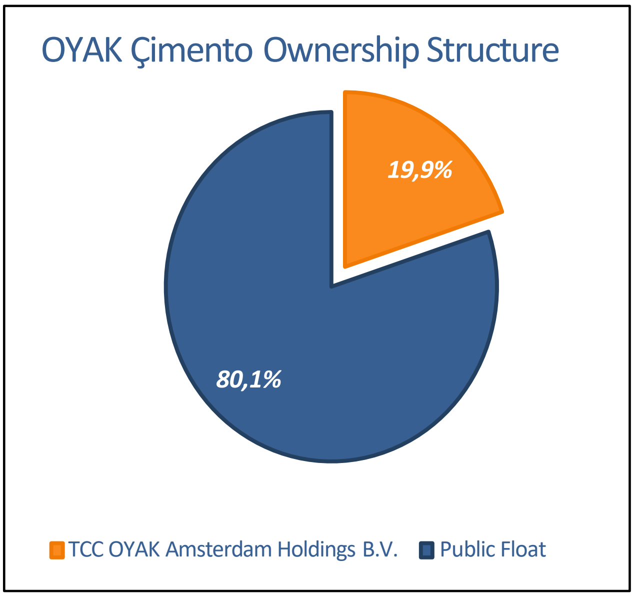
Upon completion of these projects, the company's sustainable energy usage rate is expected to increase from 7% to 30% levels.

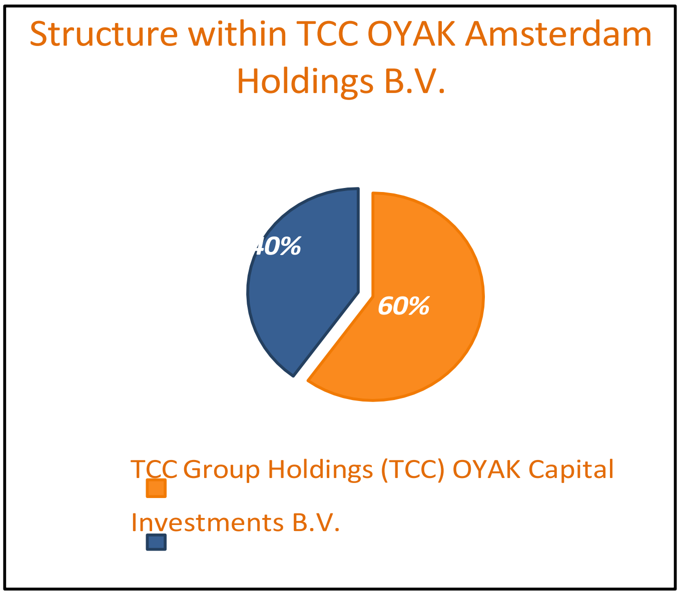
This technological transformation vision is supported by pioneering digitalization projects called 'OYAK Çimento 4.0'. These projects aim to increase energy efficiency and quality through industrial digitalization. The first of these projects, the Machine Health Monitoring Project conducted in collaboration with FİZİX, aims to reduce maintenance costs, downtime, and carbon emissions through automatic fault detection with over 10,600 sensors. This system, commissioned at the Ankara plant, is planned to become operational at all locations including Ünye and Denizli by year-end. The concurrently executed Automation Upgrade Project updates existing systems to enable seamless data transfer to digital platforms, and this project is also expected to be completed at all facilities by year-end.

This forward-looking holistic sustainability and efficiency strategy facilitates adaptation to new climate regulations such as the European Union's carbon border mechanism while also supporting the company's financial performance. Indeed, with its efficient production structure, the contribution of high alternative fuel usage and digitalization steps, OYAK Çimento achieved a 29.8% EBITDA margin in the third quarter of 2025, capturing profitability well above the average of its domestic peers.

Ownership Structure and Management Team

OYAK Çimento operates with a strong domestic-foreign partnership structure. As of last year, while 19.95% of shares are publicly traded, the remaining 80.05% stake is owned by TCC Group and OYAK. Looking at the distribution in this partnership, TCC Group holds approximately 60% and OYAK holds approximately 40%. Therefore, the company's total capital structure can be summarized as: TCC Group 48%, OYAK 32%, and public float 20%. This structure brings together OYAK's financial strength with TCC's global experience.





Source: Company Presentation

The Board of Directors consists of 10 members, four of whom are independent, with different areas of expertise:

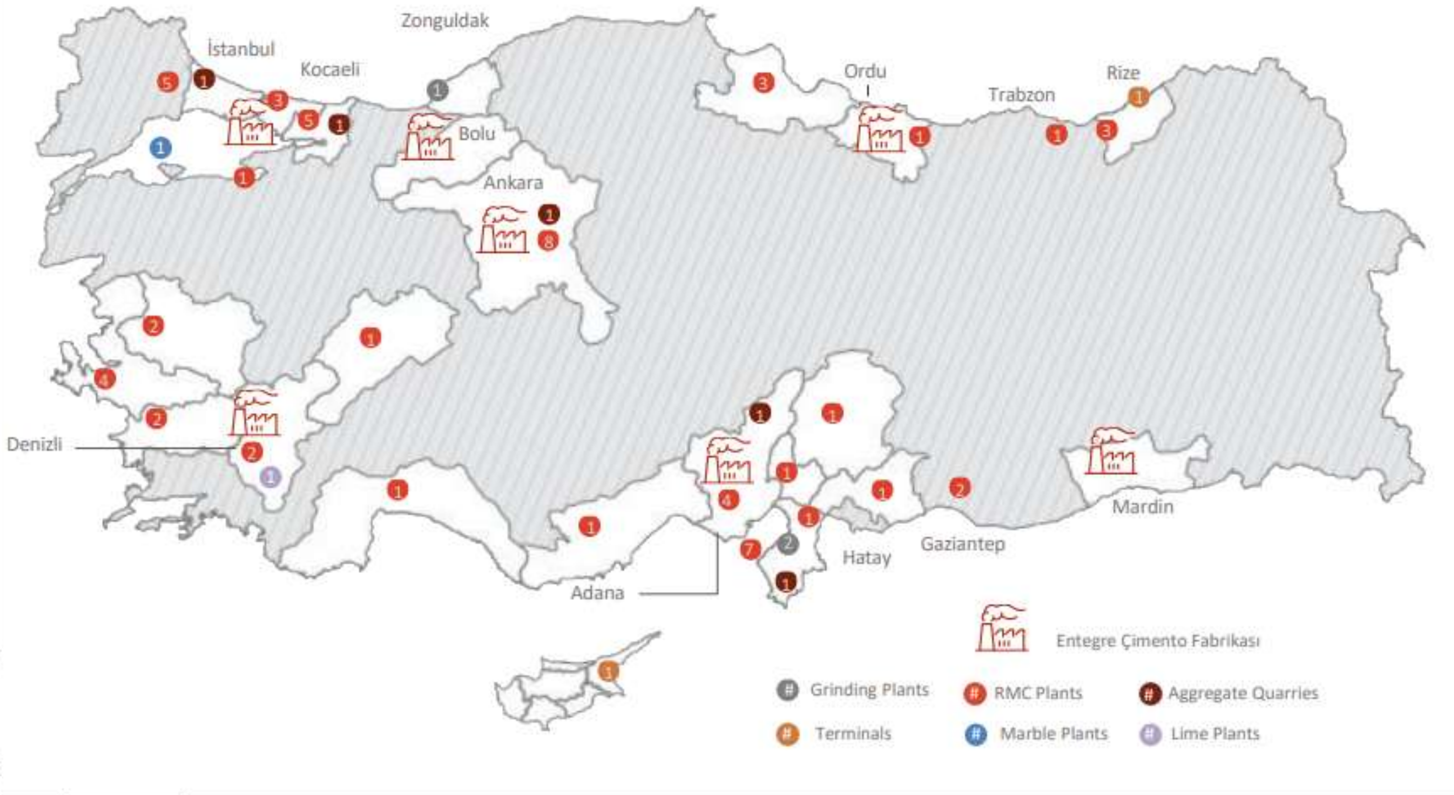
- **Suat Çalbıyık-Chairman of the Board of Directors.** Graduated from METU Electrical-Electronics Engineering (1986).

- **Murat İdris Sela- Board Member and General Manager.** Graduated from Gazi University Industrial Engineering (1992).

The company's executive team consists of six senior managers under the leadership of 1) General Manager Murat İdris Sela.

2)Finance Country Director Ali Onur Aygün, 3) Sales and Supply Chain Country Director Ozan Erinçkan, 4) Industrial Operations Country Director Kadir Serdar Mehter, 5) Concrete and Aggregate Operations Country Director Erhan Turan, and 6) Human Resources Director Eda Güzeldemir Demiray are responsible for the company's daily operations. These managers have previously held various positions at domestic and foreign cement companies operating in the sector.

Plants and Strategic Assets



Source: Company Presentation

As of 2025, OYAK Çimento maintains its capacity and market leadership in the Turkish cement sector. The Group operates in every region with 7 integrated cement plants and 3 grinding-packaging facilities across the country, possessing an annual cement production capacity of 24 million tons. This integrated structure includes 60 ready-mix concrete plants, 5 aggregate quarries, 1 lime production facility, 1 marble production facility, and 2 ports with 3 terminals through its vertical integration strategy, making OYAK Çimento one of the leading producers in Turkey in terms of capacity. These 7 integrated plants (Adana, Bolu, Ankara, Aslan, Ünye, Mardin, and Denizli) spread across 6 different provinces of Turkey meet the market demand of their respective regions while providing advantages in both domestic and export markets through their logistical capabilities.

Although OYAK Çimento's 7 integrated plants show differences in terms of technological level and modernization, the group is in a continuous investment cycle overall. While historical facilities such as Aslan Çimento may have higher maintenance and modernization capital expenditure (CAPEX) requirements to maintain operational efficiency, investments focused on sustainability and energy efficiency such as Refuse Derived Fuel (RDF) usage and Waste Heat Recovery (WHR) are prioritized across the group. Below, the capacity, product range, and strategic position of each plant are evaluated in detail.

➢ Adana Cement Plant

Adana Cement Plant

Adana Cement, the Group's main production base in the Mediterranean Region, has a production capacity of approximately 3.0 million tons of clinker and 3.5 million tons of grey and white cement. In white cement production, it ranks as the third-largest producer globally after Çimsa with a capacity of 1 million tons. The facility primarily focuses on supply to the earthquake zone and large infrastructure projects in the region. Its proximity to Mersin and İskenderun ports provides significant logistical advantages in both domestic market distribution and export operations. The slag grinding facility located in İskenderun is also one of the group's important assets. Due to its geographical location, with the İskenderun grinding facility and Adana Cement, it has a strategic position in the potential reconstruction process of the Gaza region in Palestine.

➢ Aslan Cement Plant

Aslan Cement Plant

Operating in the Marmara Region, Aslan Cement, Turkey's first plant established in 1910, continues production with a capacity of approximately 1.8 million tons of clinker and 3.3 million tons of cement. With its location in Kocaeli (Darıca), serving the Istanbul and Thrace markets, the facility's most strategic asset is its own Darıca Port. This port, with a vessel handling capacity of up to 50,000 DWT, is an important competitive advantage supporting OYAK Çimento's export capability.

➢ Bolu Cement Plant

Bolu Cement Plantı

Serving the Marmara and Western Black Sea regions, Bolu Cement has an important position with a capacity of approximately 1.4 million tons of clinker and 2.5 million tons of cement, particularly due to its proximity to Istanbul. The facility stands out with its capability to produce qualified cements requiring high strength. In this context, in addition to the special type cement with a 100-year service life developed and produced for the Marmaray project, cement supply was also provided for the Istanbul Third Bridge and Istanbul Airport projects. With its modern specialty and qualified products and highway connections, Bolu Cement is preferred in industrial facilities and large infrastructure investments. Additionally, slag sales are also made with the slag grinding facility at the plant.

➢ Mardin Cement Plant

Mardin Cement Plant

Mardin Cement, with a capacity of approximately 1.85 million tons of clinker and 2.7 million tons of cement, is one of the largest integrated facilities in the Southeastern Anatolia Region. The plant supports the construction sector in the region and post-earthquake reconstruction activities with its strong production infrastructure. Although the facility's main focus is currently meeting regional domestic demand, due to its location, it has significant export potential toward the Syrian and Iraqi markets in the future.

➢ Denizli Cement Plant

Denizli Cement Plant

Denizli Cement is the group's grey cement facility with a capacity of approximately 1.65 million tons of clinker and 3.0 million tons of cement. Due to its location, it meets demand in the Aegean Region and is a supplier of important infrastructure investments carried out in the region such as high-speed rail and highway projects. Lime production and sales are also conducted at the facility. For export operations, it primarily uses İzmir and Aliağa ports in the Aegean Region.

➢ Ünye Cement Plant

Ünye Cement Plant

Ünye Cement, the largest integrated cement facility in the Black Sea Region, holds a central position in the group's export strategy with a capacity of approximately 1.6 million tons of clinker and 2.75 million tons of cement. The most important advantage of the facility, located on the seashore in Ordu province, is its private port, whose operating rights belong to the group. Through this port, effective and cost-advantageous access is provided to European markets via the Black Sea, primarily to the company's terminal in Romania. Due to its location, the facility has strategic importance for Ukraine's potential reconstruction process and supply to countries on the Black Sea coast.

Port and Logistics Infrastructure

OYAK Çimento's logistics infrastructure is supported by two owned port facilities located in Marmara and the Black Sea.

➢ Aslan (Darıca) Port

Aslan (Darıca) Port

Located in the Marmara Region, this port has a water depth (draft) of 13 meters and can serve vessels up to 82,000 DWT. The port's daily loading/unloading capacity is approximately 10,000 tons and allows for bulk or bagged (big-bag/sling bag) loading.

➢ Ünye Port

Ünye Port

This port on the Black Sea has a water depth of 8 meters, can accommodate 3 vessels up to 25,000 DWT simultaneously, and has a cargo handling capacity ranging from 3,000-5,000 tons per vessel per day. As a significant recent development, the Company acquired the operating rights of Ünye Port from Ordu Metropolitan Municipality in October 2024.

In addition to these two ports, within the scope of OYAK group synergy, Erdemir and İsdemir ports can also be used by the company. This provides the company with operational flexibility to ship with larger tonnage (Capesize) vessels without draft restrictions. This owned and utilized port infrastructure offers the potential to benefit from economies of scale and reduce unit freight costs by enabling the use of larger volume vessels.

Product Segment

OYAK Çimento's revenues basically consist of two main segments: Cement and Ready-Mixed Concrete. According to 2024 financial results, approximately 66% of total sales revenues were derived from Cement and 34% from Ready-Mixed Concrete operations.

The Cement segment is the main driver of turnover and profitability. This segment contains product groups that differ according to their usage purpose and technological characteristics:

- **Grey Cement (Mainstream Products):** The volumetric foundation of the portfolio consists of grey cement types such as Portland and Portland Composite Cement, which are widely used in standard construction projects. These products demonstrate stable demand through residential, infrastructure, and commercial building projects and are the backbone of the company's market leadership and sales volume.
- **White Cement and Specialty Products (High Value-Added):** In addition to standard products, the company focuses on niche markets offering higher profitability margins. White Cement, developed especially for aesthetic and decorative applications, stands out as a higher value-added product. Along with this, specific engineering solutions such as Sulfate-Resistant Cement for infrastructure projects exposed to sulfate effects and API Well Cement for the energy sector are elements that diversify the company's product mix and profitability.

OYAK Cement Product Portfolio

Domestic Market Customer Structure and Vertical Integration

OYAK Çimento's customer portfolio in Turkey's domestic market displays a diversified structure through intra-group consumption, private sector contractors conducting large-scale public tenders, and the local dealership network. In the second half of 2025 and beyond, when the sector enters a stable but moderate growth path where large-scale public-sourced projects (infrastructure, reconstruction, etc.) are predominantly the demand driver, the company is expected to be positioned accordingly.

The company's incorporation of ready-mixed concrete operations will serve as an important buffer against future demand fluctuations. As of the third quarter of 2025, the ready-mixed concrete segment constitutes approximately 39.5% of consolidated turnover and maintains this weight steadily.

This structure has two fundamental advantages for the company:

- **Market Penetration and Customer Access:** The company's ready-mixed concrete operations function as a strategic market penetration tool supporting direct access to end consumers and the project market as part of the vertical integration strategy. This structure enables OYAK Çimento to position its products more effectively in the market.
- **Strong Risk Management and Collateral Structure:** The company follows a cautious policy that differentiates from its peers in the sector in financial risk management. As of the third quarter of 2025, 97% of receivables in the cement segment and 92% in the ready-mixed concrete segment are collateralized. At the consolidated level, 95% of total receivables are supported by a strong collateral structure. The close monitoring processes conducted by the credit department at banking standards secure the company's cash flow cycle and balance sheet health.

Although the profit margins of the ready-mixed concrete segment are low, it provides guaranteed sales volume and financial stability, and especially during periods of uncertainty, it indirectly supports the profitability of the cement segment.

The current conjuncture in which the sector finds itself presents potential market consolidation opportunities for OYAK Çimento.

There are two main factors feeding this potential:

- **Market Conditions:** High financing costs and moderate demand environment create pressure on small and medium-sized cement producers with weaker financial structures. This situation may create acquisition opportunities for a buyer with high capital strength like OYAK Çimento within the next 1-2 years.
- **TCC and CIMPOR Synergy:** TCC's global-scale financing access and international experience in mergers & acquisitions, along with CIMPOR, one of Europe's most recognized brands and a market and capacity leader in its region, position OYAK Çimento as a significant candidate in possible consolidation scenarios in the sector.

A well-managed consolidation process can transform Turkey's fragmented cement market into a more rational structure with fewer players. As market share grows, the company gains not only economies of scale but also pricing power and the capacity to set market standards in the long term. OYAK Çimento's widespread network across the country facilitates capturing growth opportunities in every region and efficiently integrating possible acquisitions.

Export Performance and Strategy

In addition to its strong domestic market position, OYAK Çimento is also increasing its effectiveness in global markets. The company's export performance plays a balancing role in turnover and profitability, especially during periods when domestic demand slows. The export revenue of TL 4.55 billion obtained in 2024 constituted 10.24% of the company's consolidated turnover of TL 44.43 billion. In the third quarter of 2025, the share of exports in total revenues climbed above 11% and reached one of the highest levels in recent years, strengthening the company's foreign exchange-based revenue generation capacity.

Strategic Contributions of TCC and Cimpor Partnership Structure

OYAK Çimento's partnership structure, reshaped in 2024, has moved the company's position from a regional player to a globally operating structure. As of March 2024, the main 80.05% stake of the company is under the control of TCC OYAK Amsterdam Holdings B.V., a subsidiary of 60% TCC and 40% OYAK. This new positioning has made OYAK

Çimento an integral part of TCC's international operations network while also creating significant operational synergy with Portugal-based Cimpor, representing the group's strength in Europe and West Africa.

This partnership has opened an important door for OYAK Çimento to access European markets. Through Cimpor's terminals in Bristol (UK), Rouen (France), Viana do Castelo (Portugal), and Mangalia (Romania), products can be stored at points much closer to final markets. This structure creates a significant operational advantage by reducing both freight costs and delivery times.

The company's positioning within a global group generates meaningful benefits in terms of operational efficiency and technology transfer. Particularly in areas requiring high capital and technology such as reducing carbon emissions and sustainability, the knowledge accumulation of TCC and Cimpor supports OYAK Çimento's long-term competitiveness. Additionally, there is potential for group synergies to create positive effects on the cost structure in areas such as economies of scale in raw material and fuel procurement, freight optimization, and increasing fleet utilization rates.

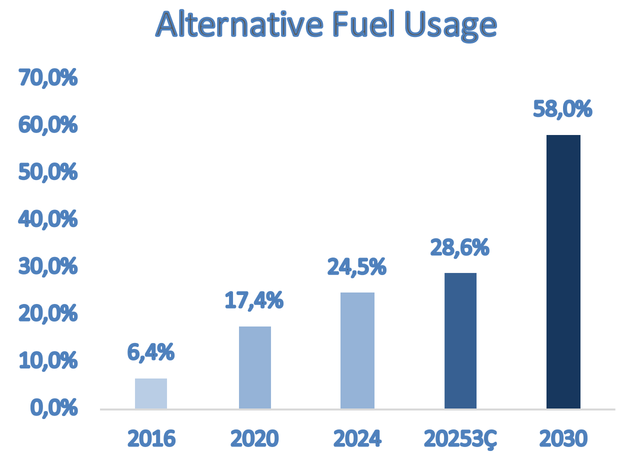
In summary, the TCC and Cimpor partnership structure offers multifaceted strategic contributions to OYAK Çimento's export activities. Through expanding market access, efficient logistics networks, shared technical/operational knowledge, and strengthened financial structure, the company has increased its competitiveness in the international arena. These partnership synergies will play a critical role in OYAK Çimento's sustainable increase in export volume and profitability in the coming period.

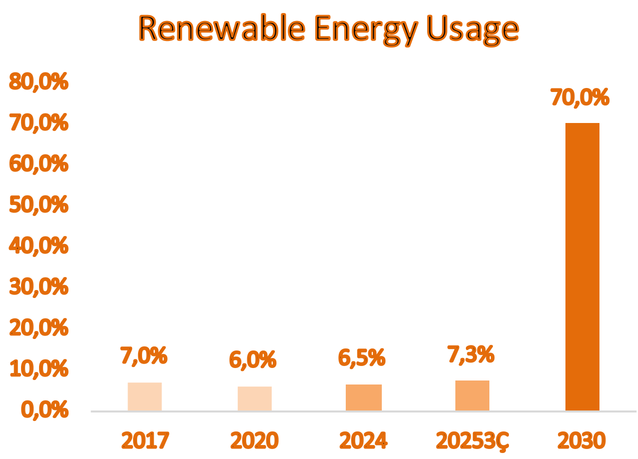
OYAK Çimento's Carbon Performance and Strategic Position

Within this regulatory framework, the most important metric that will determine a cement company's competitiveness will be the amount of CO_2 emissions it produces per ton. OYAK Çimento has emerged as one of the positive differentiators within the sector through the steps it has taken.

Alternative Fuel Usage and Solar Power Plant Project: OYAK Çimento's decarbonization strategy is built on two fundamental pillars to manage financial obligations arising from both the national Emissions Trading System (ETS) and the European Union's Carbon Border Adjustment Mechanism (CBAM): **Alternative fuel usage and renewable energy production.**

1. **Sector Leadership in Thermal Substitution Rate:** The company has made significant progress in substituting fossil fuels with refuse-derived fuel (RDF). The thermal substitution rate, which was only 6% in 2016, has risen to 28.6% as of the third quarter of 2025, significantly above the 12% average in 2024. Considering that it took Europe 20 years to reach a 30% rate, the company's rapid progress in this area is remarkable. The company's 2030 target is to raise this rate to 58%.
2. **Energy Efficiency and Self-Consumption Investments:** On the energy side, which is the second pillar of decarbonization, both waste heat recovery (WHR) and solar energy projects (SPP) stand out:
    - **Waste Heat Recovery (WHR):** In addition to investments at Adana, Mardin, and Ankara facilities, the new 13.5 MW waste heat recovery project to be commissioned gradually in 2026 is expected to provide annual production of 57,340 MW.
    - **Solar Power Plant (SPP):** One of the most strategic steps is the 115 MW Solar Power Plant project under construction in Ankara Beypazarı. Expected to be commissioned in the first quarter of 2026, this facility is targeted to generate approximately 180,000 MW of electricity annually. This production will meet 70% of the electricity needs of the company's Ankara and Ünye plants and will provide a carbon emission reduction of approximately 81,000 tons alone.





Source: Company Presentation

Low-Clinker Production and Net-Zero Commitment: The vast majority of emissions in cement production originate from clinker production. The company aims to reduce the clinker ratio in cement from 81% to 73% by 2030.

Rising carbon costs in the future are expected to create a "differentiation" in the sector. Companies that are late to invest in low-emission and efficient production technologies will both face additional costs in the domestic ETS system and lose their competitiveness in export markets due to CBAM.

In contrast, OYAK Çimento is entering this process more prepared thanks to the sustainability investments it has made. The company's:

1. *Alternative fuel usage rate above the sector average,*
2. *Efficiency projects such as waste heat recovery (WHR),*
3. *Solar Power Plant investments,*
4. *Global technology and knowledge accumulation accessible through TCC partnership,*

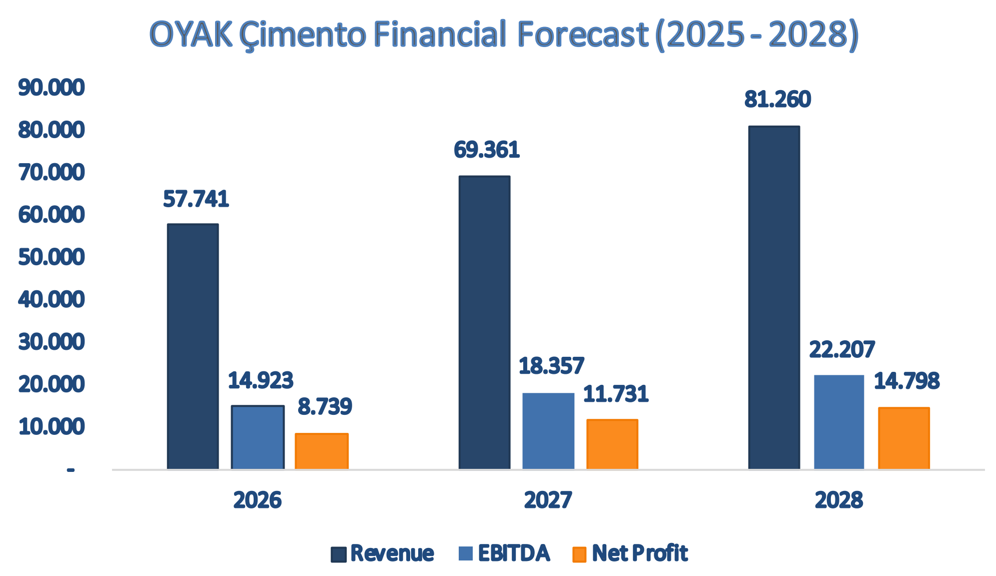
Have the potential to provide the company with a competitive advantage both in adapting to the ETS to be implemented in Turkey and in managing CBAM obligations in the EU market.

Operational Outlook

OYAK Çimento's revenue and profitability trajectory should be examined in two distinct periods: **the 2025-2026 Reconstruction-Focused Volume Growth Period and the Post-2027 Urban Transformation and Profitability-Focused New Normal.**

Sales Revenues: A Two-Act Growth Story

Our forecasts projecting revenue growth of 3.5% for 2025 and 20.0% for 2026 are based on the divergence of volume and pricing dynamics in different periods



Resource: PhillipCapital Research

1. Act I (2025-2026): Volume-Led Growth

During this period, the main driver of revenue growth is the stable and high volume provided by reconstruction activities in the earthquake zone. The enormous resources allocated to this area from the 2025 budget create a demand base for the sector independent of economic conditions. OYAK Çimento will naturally capture the largest share of this demand with its market-leading position and strong logistics network in the region. However, the recipient of this demand is largely contractor firms winning public tenders. The price sensitivity brought by tender competition and the cost pressure created by contractors necessitate the company keeping its price increases largely limited to cost inflation. Therefore, during this period, revenue is supported by record-level tonnages, but real price increases remain limited.

Act II (2027 and Beyond): The Return of Pricing Power

Starting from 2027, with the slowdown of reconstruction projects, the demand driver will evolve toward the urban transformation agenda spreading across the country. This shift will fundamentally differentiate the customer structure. On the demand side, while the weight of public tenders decreases, a more fragmented customer structure consisting of thousands of private contractors and project developers will come to the forefront. This fragmented structure will enable market leaders like OYAK Çimento to reclaim their pricing power. During this period, while volume growth follows a more moderate course parallel to GDP growth, revenue increase will be supported by real price increases and value-added product sales. The potential consolidation moves the company plans during this period could further strengthen this pricing power by increasing market share

EBITDA Margin: Recovery Under Pressure and Structural Expansion

- We forecast that the EBITDA margin, which stood at 26% during the 9-month period of 2025, will recover to 26%-28% by year-end and will stabilize at 27-30% levels in the medium term. This margin development is fully consistent with the two-act growth story described above

- **2026: Recovery Through Cost Management**

The margin contractions experienced in the first half of 2025 were a result of inflationary pressure in the cement sector's multi-component cost structure outpacing price increases. This pressure was concentrated in main cost items such as (1) Energy and Fuel (fluctuations in imported coal/petcoke prices), (2) Raw Materials and Logistics (clinker, mineral additive procurement, and transportation), and (3) Labor.

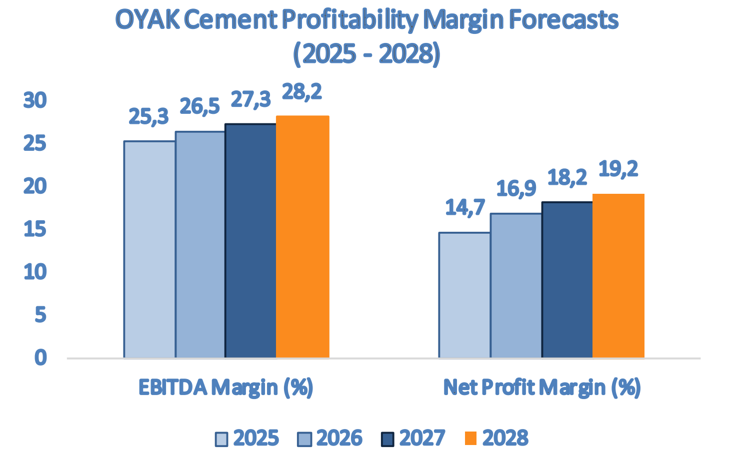
The main source of the margin recovery to be seen in the second half of the year and in 2026-2027 will be normalization on the cost side and operational efficiency, rather than strong pricing.

- In particular, the expected easing in energy costs in international markets, the company's increase in alternative fuel usage (RDF), and internal efficiency measures such as technological efficiency achieved through digitalization steps like 'OYAK Çimento 4.0' will enable margins to gradually recover by offsetting the pricing pressure created by increased competition in infrastructure and reconstruction projects.

- **2027 and Beyond: Profitability-Focused New Normal**

The structural settlement of EBITDA margin at 27-30% and above can be expected during this period. The fundamental dynamics behind this are:

- **Increasing Pricing Power:** The fragmented customer structure focused on urban transformation will enable the company to apply a more profitable product and pricing mix.
- **Operational Maturity** Structural reduction in cost per ton to be achieved with the full commissioning of sustainability and efficiency-focused investments (WHR, RDF increase).
- **Carbon Mix Advantage:** With Turkey's ETS system coming into operation, OYAK Çimento, which has lower-emission production than the sector average, will have the potential to gain cost advantage over competitors or generate revenue from carbon quotas.



Resource: PhillipCapital Research

Capital Expenditures (CAPEX): Focus on Efficiency and Sustainability

The company's capital expenditure to sales ratio has followed a volatile course in the 5.5% - 9.8% range during the 2020-2023 period. In 2024, this ratio rose to the 12.3% level as the company accelerated its sustainability and energy efficiency projects (particularly the 115 MW Solar Power Plant investment in Ankara).

Throughout the forecast period, we expect the capital expenditure to sales ratio to maintain its elevated course compared to the 2020-2023 period due to the continuation of these large-scale and strategic projects (WHR, increasing alternative fuel usage, and digitalization). These investments reflect the company's strategic focus shifting from large capacity increases to making existing operations more efficient and sustainable and preparing the company for potential future carbon costs.

Key Risk Factors

➢ Energy Costs and Commodity Price Fluctuations

Cement production is by nature an extremely energy-intensive process, and OYAK Çimento's profitability is particularly sensitive to fluctuations in coal, petcoke, and electricity prices. These fossil fuels used in clinker production kilns constitute a significant portion of total costs. A sudden increase in the prices of these commodities due to geopolitical developments or supply-demand imbalances in international markets can directly pressure the company's profit margins if costs cannot be immediately passed on to customer prices; if passed on, it carries the risk of weakening demand in the domestic market.

➢ Foreign Exchange Rate Fluctuations

OYAK Çimento's financial structure is exposed to foreign exchange rate movements on both the revenue and expense sides. The company conducts export activities constituting 10.2% of total revenues in 2024 and more than 9.8% in Q3'25, and therefore a portion of its revenues is in foreign currency. However, the cost of main energy items such as imported coal and petcoke used in production is also foreign currency-based. Although this situation creates a partial natural hedge mechanism, sharp fluctuations in the exchange rate pose risks. Particularly during periods when the Turkish Lira depreciates, although export revenues increase on a TL basis, energy costs also rise at the same rate, limiting this advantage. Timing differences between raw material purchases made during periods of high exchange rates and export sales made during periods of low exchange rates can negatively affect profitability.

➢ Environmental Regulations and Carbon Costs

The most critical risk factor in international markets is decarbonization policies. In particular, the Carbon Border Adjustment Mechanism (CBAM) implemented by the European Union poses a significant cost risk for large exporters like OYAK Çimento. This mechanism aims to tax carbon emissions arising during the production process of products exported to the EU. Due to the carbon-intensive nature of the cement sector, this regulation will directly affect the company's export competitiveness and profitability in the future. Companies that do not invest in low-carbon production technologies and alternative fuel usage may face serious additional costs and market share losses.

➢ Strategic Measures Taken

OYAK Çimento implements various operational and financial measures to limit the impact of risks. To reduce volatility in energy costs and lower its carbon footprint, the usage rate of Refuse-Derived Fuel (RDF) in production processes is being increased, thereby partially reducing dependence on fossil fuels. In addition to existing Waste Heat Recovery (WHR) facilities, large-scale renewable energy investments such as the 115 MW capacity Solar Power Plant (SPP) project under construction in Ankara Beypazarı aim to meet a significant portion of electricity needs through in-house production. On the supply side, both energy and other raw material items are diversified in terms of suppliers and sources, which limits the impact of possible supply disruptions.

Moreover, the international asset structure of Cimpor, which operates under the TCC umbrella, and the established strategic partnership partially reduce the company's dependence on the economic conditions of a single market.

Valuation

In our valuation study, we adopted a TRY-based approach based on inflation-adjusted financials. Due to the capital-intensive nature of the cement sector and the company's stable cash flow profile, we preferred to achieve a more balanced result with 50% discounted cash flow (DCF) and 50% peer comparison method. Within this methodology framework, we determined target market values of TRY 143,03 billion from the DCF method and TRY 157,26 billion from the multiples analysis. Using these assigned weights, our final target market value for the company was determined as TRY 150,143 million and target share price of TRY 30.70

Valuation method	Value	Weight	Weighted value
DCF (million TL)	142.645	50%	71.322
Multiples Analysis (million TL)	157.257	50%	78.629
12-Month Target Market Value (mn TL)			149.951
12-Month Target Price (TL)			30,7
Current Price (TL)			21,62
12-Month Return Potential			**42%**

Source: PhillipCapital Research

Multiples Analysis

Our multiples analysis shows that OYAKC is trading at approximately 19% discount on forward P/E multiple and 36% discount on EV/EBITDA multiple.

			P/E		EV/EBITDA	
Company	**Country**	**MCap (mn USD)**	**2025E**	**2026E**	**2025E**	**2026E**
Asıa Cement Corp	Taiwan	4.213	12,2	10,9	11,2	10,8
Cementır Holdıng Nv	Italy	2.882	12,5	11,6	6,1	5,8
Cıments Du Maroc	Marocco	2.999	20,3	16,6	11,0	8,7
Gcc Sab De Cv	Mexico	3.302	11,5	10,4	6,5	5,8
Jk Lakshmı Cement Ltd	India	1.176	21,7	17,4	10,3	8,6
Saudı Cement	UAE	1.530	16,0	12,8	8,8	8,3
Semen Indonesıa Persero Tbk	Endonesia	1.083	36,3	22,9	5,6	5,2
Sıam Cement Pcl/The	Tailand	7.045	13,9	19,6	12,8	11,1
Star Cement Ltd	India	1.088	27,8	23,0	11,7	10,3
West Chına Cement Ltd	China	2.130	11,2	9,4	7,0	6,0
Median			14,9	14,7	9,6	8,4
OYAKC		**2.494**	**12,0**	**9,0**	**6,2**	**5,0**
Premium/ (Discount)			**-19%**	**-39%**	**-36%**	**-41%**

Source: PhillipCapital Research

We consider multiples analysis as a useful complementary tool to see the company's global positioning and compare it with international peers.

Discounted Cash Flow Analysis

The tables below show our free cash flow calculations and WACC assumptions for Oyak Çimento through 2034.

In our DCF model, free cash flows (FCF) expected to be generated during the forecast period have been calculated. These cash flows and the terminal value calculated with the 5.50% terminal growth rate, which is one of our model's fundamental assumptions, have been discounted to their present values using the long-term weighted average cost of capital (WACC) we calculated for OYAK Çimento. The sum of discounted free cash flows and discounted terminal value has been used to reach the company's Enterprise Value.

The WACC rate used in our model is approximately 36.7%. This relatively high rate reflects the current country risk premium and the capital-intensive nature of the cement sector.

Valuation (mn TL)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Sales Revenues	57.741	69.361	81.260	94.716	111.831	128.792	149.200	173.125	204.854	243.670
EBIT	11.895	14.913	18.284	22.258	26.280	30.266	35.062	40.857	48.550	57.994
EBITDA	15.085	18.679	22.635	27.215	32.210	37.175	42.941	49.688	58.508	69.901
Working Capital Change	377	982	988	1.548	1.938	1.769	1.949	1.058	1.978	2.167
Capital Expenditures	5.659	5.757	5.851	6.062	9.729	9.788	9.698	9.522	11.267	19.494
Tax Expenses	2.974	3.728	4.571	5.565	6.570	7.567	8.766	10.214	12.138	14.498
Free Cash Flow	6.075	8.212	11.225	14.041	13.973	18.051	22.528	28.894	33.125	33.741
Discount Rate	1,04	1,36	1,65	1,94	2,37	2,92	3,59	4,42	5,45	6,71
Discounted Cash Flows	5.831	6.026	6.796	7.250	5.898	6.183	6.268	6.531	6.081	5.028

	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Risk-free rate	33%	28%	23%	20%	20%	20%	20%	20%	20%	20%
Equity Risk Premium	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Debt Weight	7%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Equity Weight	93%	92%	92%	92%	92%	92%	92%	92%	92%	92%
Debt/ Equity	8%	9%	9%	9%	9%	9%	9%	9%	9%	9%
Beta	0,85	0,85	0,85	0,85	0,85	0,85	0,85	0,85	0,85	0,85
Tax Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Cost of Debt	40%	30%	25%	20%	15%	15%	15%	15%	15%	15%
Cost of Equity	37%	32%	27%	24%	24%	24%	24%	24%	24%	24%
WACC	37%	31%	27%	23%	23%	23%	23%	23%	23%	23%

DCF Present Value		**61.892**
Terminal Growth Rate		5,5%
Present Value of Terminal Value		30.006
Enterprise Value		95,118
(-) Net Debt	-	12.033
Market Capitalization		107,151
12-month Target MCap		142.645

Report Methodology

A stock's target price represents the value the analyst expects it to reach at the end of our performance period of 12 months.

Outperform (OP)

If this decision has been made for a company, it indicates that better returns are expected in the stock relative to the index in the medium and long term. Of course, this decision does not guarantee that the stock will rise or provide returns above the index. Any change in economic conditions that may occur after the report is published, developments in the macroeconomy, developments in world economies, or news about the company may change this decision

Market Perform (MP)

If a "Market Perform" decision has been made for the relevant stock, there may be various reasons. If the company's latest data indicates that future forecasts will not show significant differences compared to the past, this decision may have been made. The stock price of the company may be at levels close to the price it should be in terms of valuations. The fact that a "Market Perform" decision has been made for a stock does not mean that this stock will not move downward or upward. Generally, it indicates that returns parallel to the index are expected in these stocks in the medium and long term. However, each new piece of news or change in economic conditions can change this decision.

Underperform (UP)

If an "Underperform" decision has been made for a stock, it indicates that weaker returns are expected relative to the index in the medium and long term. Even if an "Underperform" decision has been made, it is possible that the relevant stock may experience short-term reactive rallies or its technical indicators may have given short-term buy signals. In some cases, even if returns are not actually expected from the stock in the medium and long term, when there is important news, temporary profit increase news, or developments that will cause the price to follow a positive course in the short term, short-term "Outperform" or "Market Perform" returns can be achieved.

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