

TAV Airports Holding

24/04/2025

Review of 1Q25 Financials

BUY

Upside Potential 71%

Actual vs Estimates

Negative surprise on 1Q25 bottom-line mostly due to non-cash items. Worse than our call and market call net loss estimate of €14mn, TAV Airport recorded €46mn net losses in 1Q25 compared to net income of €9mn in 1Q24, mostly affected by non-cash items in low season. Despite higher revenues and EBITDA, red bottom-line was mainly attributable to higher net losses from subsidiaries, increase in financial expenses due to higher f-x losses (f-x loss of €14.1mn in 1Q25 versus f-x gain of €0.6mn in 1Q24), increase in depreciation expenses and higher tax expenses (deferred tax expense of €9.4mn). Larger subsidiary losses in 1Q25 were mainly related to deferred tax losses in Antalya Airport due to higher €/TL vs PPI effect on non-current assets. Above estimates, TAV generated €379mn revenues in 1Q25, up by 18% YoY. In-line with estimates, EBITDA came in at €90mn in 1Q25, up by 5% YoY.

Highlights of the Quarter

Revenue growth is on track. Price increases, the increase in spending per passenger, new commercial areas in Almaty and new TAV Tech project in Qatar were the primary drivers for the 18% top-line growth in 1Q25. On the other hand, commission from sales of duty -free goods, catering services income, prime class income and software class income were the largest contributors to revenue growth in 1Q25. Duty free spending per pax grew to €8.9 in 1Q25 from €8.5 in 1Q24.

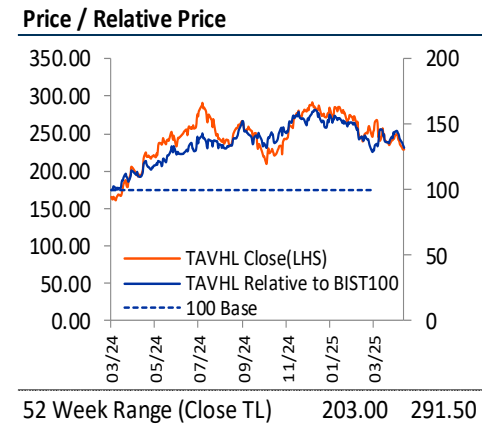
Strong TL and higher contribution of low margin projects led to margin contraction. Cash op-ex climbed to €288mn in 1Q25 from €235mn in 1Q24, up by 23% YoY, mainly due to larger contribution of lower margin TAV Tech project, recovery of previously written off assets in 1Q24 and TL inflation above the deprecation in TL against €. Personnel expenses (+27%) due to a 7% increase in headcount and TL inflation, services rendered (+61%) mainly due to the new TAV Tech project and catering COGS (+26%) due to BTA and Almaty and maintenance expenses (+25%) were the outliers in cash op-ex in 1Q25. As a result, EBITDA margin declined to 23.8% in 1Q25 from 25.1% in 1Q24.

Net debt position slightly rose to €1795mn as of 1Q25end from €1788mn as of 1Q24-end and €1723mn as of 2024-end.

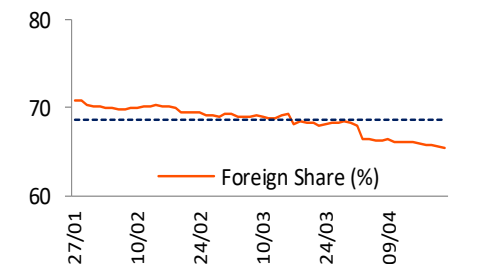
Stock Data	TL
Price	229.10
Target Price*	391.50
Prev.TP	391.50
Mcap (mn)	83,228
Float Mcap (mn)	40,956
Avg.Daily Volume (3M, mn)	627.3
No. of Shares Outstanding (mn)	363
Free Float (%)	49
Foreign Share (%)	65

Price Perf. (%)	1 Mn	Ytd	12 Mn
TL	-10.9	-16.4	15.1
US\$	-11.6	-22.9	-2.3
Rel.to BIST-100	-8.8	-13.4	17.9

Multiples	2024	2025	2026
P/E	11.5	10.6	8.0
P/BV	1.3	1.0	0.8
EV/EBITDA	7.6	5.8	4.4



Foreign Share (%) Cur.(%) : 65.48



Esra Şirinel

esirinel@isyatirim.com.tr

+90 212 350 25 72

Impact on Valuation & Outlook

No revision in guidance. The Company maintains its previous guidance of total passenger of 110 - 120mn (Is Inv: 116mn), consolidated revenues of €1.75-1.85bn (Is Inv: €1.90bn) and EBITDA of €520-590mn (Is Inv: €572mn) for 2025. The Company continues to expect a net income figure for 2025 not to exceed than 2024 due to higher amortization costs and higher interest expenses from completed investments, higher rent amortization from Ankara, BTA Antalya and TAV OS new NY lounge, and negative impact of strong TL on net income of TGS and ATU. The company guides €200-220mn capex including additional €300mn investment for Almaty Airport to spread out over 5 years between 2025 and 2029. The previous Net Debt /EBITDA target for 2025 remained at 2.5x and 3.0x.

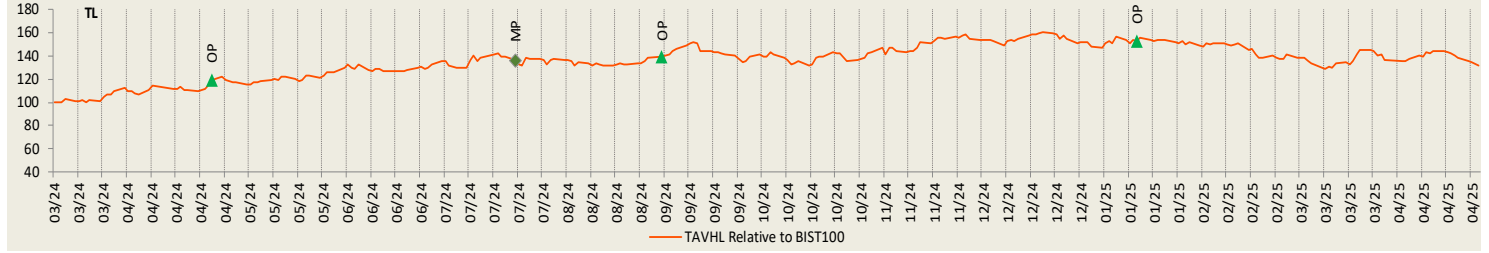
Maintained BUY. We maintain our BUY recommendation for TAVHL share with our PT of TL391.50/share offering hefty upside potential.

Financial Highlights

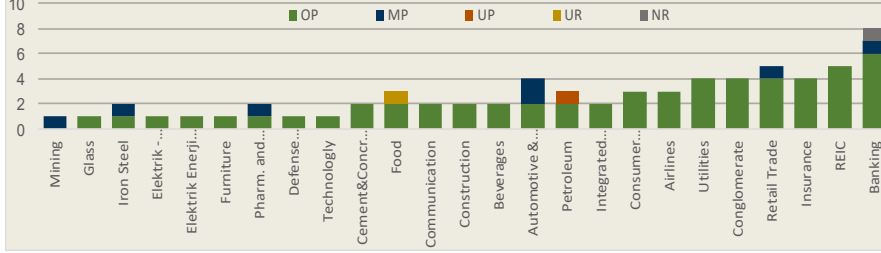
€ mn	IS Inv.		Cons.				
	1Q25	1Q25E	1Q25E	1Q24	Change	4Q24	Change
Pax number	17.8			17.1	4%	23.4	-24%
Revenues	379	359	359	321	18%	428	-12%
EBITDA	90	90	90	86	5%	78	15%
EBITDA Margin	23.8%	25.1%	25.1%	26.8%	-3.0ppt	18.2%	5.6ppt
Equity Accounted Investees	-37			-5	576%	17	n.m.
Net Financial Inc./Exp.	-42			-35	20%	-4	898%
Net Monetary Position Gain	1			4	-75%	2	-53%
PBT	-23			19	n.m	5	-525%
Tax	-21			-8	151%	-4	441%
Net Profit After Minority	-46	-14	-14	9	n.m	-2	n.m.
Net Margin	-12.0%	-3.8%	-3.9%	2.8%	-14.8ppt	-0.4%	-11.6ppt
Net Debt Position	1,795			1,788	0%	1,723	4%

TAV Airports Holding

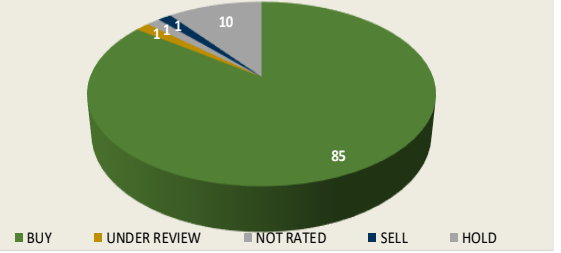
Relative to BIST 100 / Recommendations



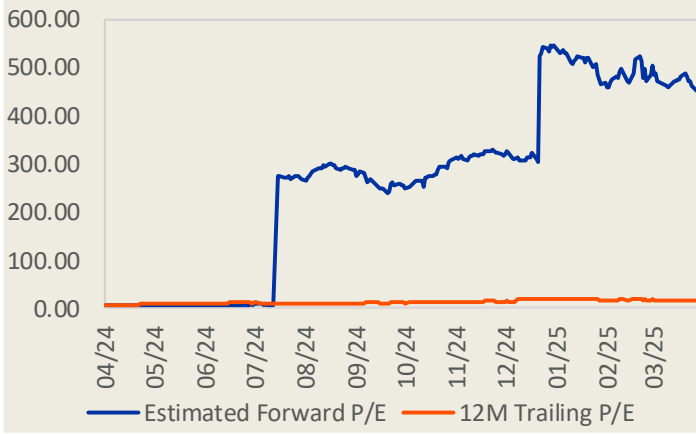
Number of Companies



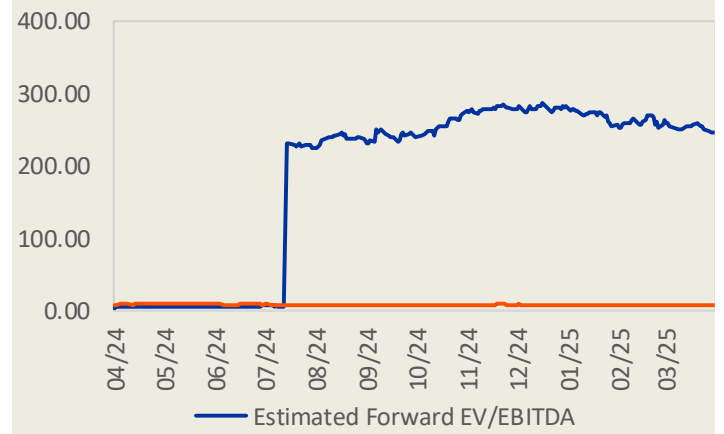
Rec. Breakdown for Coverage



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



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



This report has been prepared by "İş Yatırım Menkul Değerler A.Ş." (İş Investment) solely for the information of clients of İş Investment. Opinions and estimates contained in this material are not under the scope of investment advisory services. Investment advisory services are given according to the investment advisory contract, signed between the intermediary institutions, portfolio management companies, investment banks and the clients. Opinions and recommendations contained in this report reflect the personal views of the analysts who supplied them. The investments discussed or recommended in this report may involve significant risk, may be illiquid and may not be suitable for all investors. Investors must make their decisions based on their specific investment objectives and financial positions and with the assistance of independent advisors, as they believe necessary.

The information presented in this report has been obtained from public institutions, such as Istanbul Stock Exchange (ISE), Capital Market Board of Turkey (CMB), Republic of Turkey, Prime Ministry State Institute of Statistics (SIS), Central Bank of the Republic of Turkey (CBT); various media institutions, and other sources believed to be reliable but no independent verification has been made, nor is its accuracy or completeness guaranteed.

All information in these pages remains the property of İş Investment and as such may not be disseminated, copied, altered or changed in any way, nor may this information be printed for distribution purposes or forwarded as electronic attachments without the prior written permission of İş Investment. (www.isinvestment.com)