

04/08/2025

Investment gains were supportive

Combined ratio remained high; investment gains soared

Anadolu Sigorta posted 2Q25 net income of TL2,959mn (+31% q/q, +15% y/y), below both our estimate (TL3,688mn) and market consensus (TL3,156mn). Technical line, albeit in the red, was more supportive of results this quarter due to lower claims paid. Combined ratio went down to 109% in 2Q from 111% in 1Q. Investment income, on the other hand, rose by 18% q/q from 1Q lows due to weak stock market returns. Trailing ROE remained q/q flat at 36% in 2Q yet down from 46% in 2Q. We expect 15% earnings growth from ANSGR in 2025 with a ROE of 36%.

Investment portfolio keeps growing

Anadolu Sigorta has a diversified investment portfolio of TL63.9bn as of 2Q vs TL58.5bn as of 1Q25. We expect its portfolio size to reach TL78bn till 25YE.

FY25E earnings revised; OP maintained

Anadolu Sigorta trades at 26E P/BV of 1.0x and 3.2x P/E, while 26E ROE stands at 35%. We revised our 25E earnings estimate downwards by 10% to TL12.5bn post 2Q results as we lifted our 25E combined ratio forecast by 2ppt to 108%. We maintain our "Outperform" recommendation for the stock.

ANSGR - 2Q25 Earnings Review					
TLmn	2Q24	1Q25	2Q25	ΔQ/Q	ΔY/Y
Gross premiums	15,083	23,192	21,277	-8%	41%
Technical income	-192	-1,367	-1,335	-2%	597%
Net income	2,571	2,256	2,959	31%	15%
Net claims paid (%)	-59	-66	-61	5.3	-1.7
Net expense (%)	-27	-30	-31	-1.5	-3.5
Combined ratio (%)	-102	-111	-109	1.9	-6.7
Premium retention (%)	73	77	75	-2.6	1.9
Trailing ROE (%)	46	36	36	0.0	-10.3

* Changes are in pp for ratios

ANSGR TI / ANSGR.IS

Current Rating	Outperform		
Expected Market Reaction	↓	Slightly Negative	
Analyst Action	↓	Neg. Estimate Revision	
Price	TL99.35	Mcap (mnTL)	49,675
Target Price	TL146.50	Mcap (mn\$)	1,224
Upside	47%	Prev. Target Price	TL146.50
High /Low 30Day	01.5 / 79.8	Free Float	35%

BB 2025FY Consensus

Estimate Revisions	1W	4W	3M
EPS	0.0%	0.0%	-8.1%
# of Buy/Hold/Sell	5/1/0	6/1/0	5/1/0
Rel Perf. XU030	1.9%	-2.9%	-6.2%
ADV (USDmn)	5.4	4.9	4.6

OYAK vs BB consensus
(25E TLmn)

	OYAK	Cons.	% Diff
NI	12,493	12,964	-4%

Multiples & Ratios
(OYAK Est)

	2024	2025E	2026E
P/E	4.57x	3.98x	3.22x
P/B	1.62x	1.28x	0.98x
RoE	48.5%	36.0%	34.6%
(TLmn)	2024	2025E	2026E
Net income	10,878	12,493	15,445
Equity	30,656	38,787	50,469

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Rating Methodology

Oyak Securities assigns recommendations to each stock according to the following criteria:

Price target for a stock represents the value analyst expects the stock to reach during our performance horizon, which is 12 months. For stocks with an OUTPERFORM recommendation, target return must exceed the EMR by at least 40% over the next 12 months. For a stock to be classified as UNDERPERFORM, the stock must be expected to underperform the EMR more than 25% over the next 12 months. Stocks that an analyst expects to perform parallel to the EMR within a band of +40%/-25% are rated as MARKETPERFORM. Oyak Securities analysts review their recommendations under continuous screening. Nevertheless, at times, target return of a stock may be allowed to move outside our rating intervals as a result of share price fluctuations. Under such circumstances, the analyst may choose not to change his/her recommendation.