TAV Airports – TAVHL

TAV Airports Holding is the leading airport operator in Turkey as per the DHMI 2016 passenger statistics including transfer passengers. TAV Airports is currently operating Istanbul Atatürk Airport, Ankara Esenboğa, Izmir Adnan Menderes Airport, Antalya Gazipasa Airport and Milas-Bodrum Airport in Turkey, Tbilisi and Batumi Airports in Georgia. Additionally Monastir Habib Bourguiba International Airport and Enfidha Airport in Tunisia, and Skopje Alexander, the Great Airport and Ohrid St Paul the Apostle International Airport in Macedonia are other airports operated by TAV. TAV Airports also operates duty free, food and beverage and other commercial areas at Riga Airport in Latvia. The holding operates the Madinah Airport of Saudi Arabia by second half of 2012 and Zagreb Airport of Croatia by end of 2013. TAV Airports operates in other branches of airport operations as well, such as duty free sales, food and beverage services, ground handling services, information technologies, and security and operation services. TAV Airports reported net income of EUR102m in 3Q17, operationally, 3Q17 EBITDA of EUR189. TAV posted the strongest set of results in 3Q17, backed by solid recovery in the domestic aviation market and higher contribution from international operations. Strong traffic recovery, deleveraging and attractive dividend yield – we see value in TAV despite the uncertainties. We assume operations cease at Istanbul Ataturk Airport at end-2019 and anticipate new airport deals until the end of period. TAVHL's target share price coming from NAV methodology. 12-month target price is derived as 24.00 TRY which gives 27% upside potential and rates the stock as Buy.

THY – THYAO

Established in 1933, Turkish Airlines' main fields of activity are all types of domestic and international passenger and cargo air transportation. As for the shareholding structure of the Company; 50.88% are publicly traded and 49.12% by the Prime Ministry Privatization Administration. Turkish Airlines flies to 264 destinations; 45 domestic and 219 international. Turkish Airlines ("THY") is Turkey's largest airline by far with about 330 aircraft in its fleet at YE16 and has close to 40% market share in Turkey. It is also the third largest airline in Europe by number of passengers offering scheduled services.Turkey has a number of JVs which provide services such as ground handling, catering and fuel supplies while contributing THY's earnings through equity pick-up. Fuel cost, the largest cost item, constitutes 35-40% of the company's total expenses .Oil Prices declined by 50-60% to $63/bbl from $115/bbl within last two,three years therefore its a great benefit for the company.In addition to that, excessive support by the government for the completion of new airport and further capacity growth with 3rd airport project are possible for Turkish Airlines.Based on solid demand recovery and active capacity management, load factor (LF) rose an impressive 567bp y-y to 84.1% in August 2017.Based on cash flow estimates, debt is likely to become less of a concern.EBITDA forecast is raising by 42%/22% for 2017/2018, respectively because of higher demand and load factor assumptions and also better yield forecasts, attributable to active capacity management and a return of aviation demand. Estimation of EBITDA is doubling in USD terms to USD1.7b in 2017 followed by 8% more growth in 2018. 40% upside potential is available based on valuation,DCF. EBITDA will double in 2017 to USD1.7b and rise another 8% in 2018.

ODAS – ODAS

This is a vertically integrated group of companies operating in the fields of energy and mining. Odaş established in 2010.Total assest was 414.068 M TRY. Revenue was 171.676 M TRY in 2016. Although their profit margin was -1,82 at the end of the 2016 ,the firm increase profit margin to 9,66 % end of the third quarter 2017. Consolidated EBITDA of company was realized at 60.1 millions TRL in Q2-2016 year end which was the highest EBITDA level of ODAS
The company's application to the Capital Markets Board pertaining increase in our paid-in capital of 47,600,180 TRL ,where each share of such capital has a par value of 1(one) TRL, by 88,149,820 TRL to 135,750,000 TRL has been approved by Board's Resolution at Q2-2017
In 2015, the company signed the loan and guarantee contracts with the Consortium of Yapı Kredi Bankası A.Ş and Halk Bankası AŞ ("Creditors") amounting to 116 Million Euros repayable in total 8 years, including a grace period of the first three years.
JCR Eurasia Rating has evaluated the consolidated structure of Odaş Elektrik Üretim Sanayi Ticaret A.Ş. within the scope of periodic review and upgraded its Long Term National Rating to 'BBB (Trk)/Stable' on the Long Term National Scale and affirmed its Long Term International Foreign and Local Currency Ratings as 'BBB-/Stable
In parallel with ODAŞ Group's long-term strategic plans developed within the framework of its vertically integrated business model, the base-load local coal fired thermal power plant with an installed capacity of 340 MWm/330 MWe, will start its operations soon.

NETAS- NETAS

Netas was established in 1967 who provides innovative and creative solutions regarding to IT and communication solutions in local and international markets. Netas declares its shares' distribution in their web site as 36.95% traded on Istanbul Stock Exchange (BIST) and its major partners include ZTE Cooperatief U.A. ("ZTE") and the Turkish Armed Forces Foundation with 48.05% and with 15% shares, respectively.
Netas's compound annual growth rate (CAGR) is about 25% in turnover because of company solutions on broadband, cyber security, cloud computing, business applications and big data. The company also provides consulting services and after sales service to many countries worldwide such as Bangladesh, Pakistan and Nepal in Asia-Pacific; Azerbaijan, Turkmenistan, Uzbekistan and Kazakhstan in Turkic Republics; Tunisia, Algeria and Morocco in North Africa and also Saudi Arabia.
Within the scope of financial results of Q3 2017 orders booked TL 609 million in 9-month period in 2017, orders have increased by 35%. Orders received recorded at TL 701 million, has increased by 10% in 9-month period in 2017 by comparing to 2016 results and has reached to TL 688 million. The revenue has increase to 688 million at the end of Q3 2017 with the increase of cost of sales to 612 million. By comparing last years' results, it can be said that 5% increase is observed thanks to investment(expansion) to international market and enterprise segment.
In addition to Netas' continuing projects with Aselsan, Roketsan and other big companies; the number of public safety projects has increased by 73% at the end of Q3 2017. The revenue has increased total 130% but considering decline in Government projects and declining Telco, revenues resulted as 37% decrease in consolidated revenue. As a result, public segment's revenue had decreased to 32% in 9-month period of 2017 from 54%.
In 9-month period of 20107, NETAS signed new contracts with major enterprises in General Industry and continuing projects in Finance sector so enterprise segment's revenue was

increased to 27% in 9-month period in 2017 thanks to ongoing IGA project and other finance sector projects.
Netas have new orders of Algerian Ministry of Defense considering its current contract signed in 2017, new international orders from Turkmenistan and Kazakhstan provided positive impact on financial results that is increased to 367% in 9 Month period 2017 by comparing to last year's result at the same period. Thanks to the contribution of Sonatrach project, ongoing ATM Mobilis project and most recent project for Algerian Ministry of Defense, total revenue for international markets increased to 238% and reached to TL163 million in 9 month period in 2017.

FENER- FENER

Fenerbahçe Futbol A.S. operates a football club in Turkey. The company was founded in 1907 and is based in Istanbul, Turkey. Fenerbahçe Futbol A.S. is a subsidiary of Fenerbahçe S.K. Shares are publicly traded in BIST 100 since 2004. Since it is a football club, share performances & revenue generation is mainly correlated with sportive success. And Fenerbahce is one of the biggest / successful clubs of Turkey. Due to past success history, club has almost 15 Millions supporters & club store selling revenues also creates big revenue stream to the club.
Club could not achieve sportive success in recent two years. Also share prices are effected from those performances & share prices are declined %13,7 in recent year. This frustration among supporters & members brings up management's impotencies. And club members would be relieved if the current management changed and leave the management position to someone with more professional background.
In recent financial congress of Fenerbahce, Mr. Ali KOÇ announced his candidacy of the president seat of Fenerbahce for the upcoming elections of 2018. This announcement well appreciacted among the crowds due to trust of his professional carrier who is being the vice president of the biggest group (Koç Holding) of Turkey. Due to his notoriety almost everyone expects him to win by landslide. Due to that announcement there is a positive feeling about club's future. General belief among members is; "club will shape up and his arrival will lift the club to it's glorious days and to prosperity". Our belief is also correlated with this positive expectation. Share prices will rally up to upcoming elections.