



**Türk Telekom FY25 & Q4 Financial & Operational Results
Conference Call**

Thursday, March 5th, 2026, 17:00 (TR Time)

Conductors:

Mr. Ömer Karademir – Chief Financial Officer

Conference Call Conducted by Chorus Call Hellas



CHORUS CALL HELLAS
PROVIDER OF TELECONFERENCING SERVICES

TEL: +30 210 94 27 300

FAX: + 30 210 94 27 330

Web: www.choruscall.com

OPERATOR: Ladies and Gentlemen, thank you for standing by. I am Konstantinos, your Chorus Call operator.

Welcome and thank you for joining the Türk Telekom conference call and live webcast to present and discuss the FY25 & Q4 Financial & Operational Results. We are here with the Management team and today's speaker is CFO, Ömer Karademir. Before starting, I kindly remind you to review the disclaimer on the earnings presentation.

Now, I would like to turn the conference over to Mr. Ömer Karademir CFO. Sir, you may now proceed.

KARADEMİR Ö: Hello, everyone. Welcome to our 2025 Fourth Quarter and Year-end Results Conference Call. Thank you for joining us today. Global Markets in Q4'25 were shaped by U.S. tariffs and countermeasures from China and other countries. The Fed delivered a limited 25 basis points cut in December, signalling a cautious easing path for 2026. The military operation launched by the U.S. and Israel against Iran in late February, introduced upside risk to energy supply and oil prices, adding further risk to the 2026 global inflation outlook.

On the domestic front, disinflation has gained momentum in 2025. The CBRT cut its policy rate by 100 basis points in October and 150 basis points in December, bringing it down to 38%. In December, monthly CPI came in at 0.9% with annual inflation falling to 30.9%, the lowest level of the year. In February 2026, annual inflation stood at 31.5%, in line with expectations. 2026 year-end inflation expectation in the February 2026 Survey of Market Participants stood at 24.1%, while CBRT revised its forecast range, upwards from 13-19% to 15-21%.

We closed another challenging year with a set of outstanding results. While fixed internet and mobile both delivered robust KPIs beyond our expectations, all areas of operation nicely supported a healthy set of consolidated financials. Stiff competition in the mobile market around mid-year eased toward year-end. Price parities in fixed broadband market, which has remained distant throughout 2024 evolved in favour of our retail arm in 2025 and particularly in second half of the year.

Data consumption moved with routine seasonality and stayed strong, once again confirming robust consumer demand. Fixed subscribers opted for higher speeds.

Now starting with annual financial and operational overview on slide number 3. Consolidated revenues increased by more than 14% to TRY 242 billion. Excluding the IFRIC 12 accounting impact, revenue growth was 11.5%. Once again, 20% YoY EBITDA growth was well ahead of the revenue growth, pushing the EBITDA to TRY 99 billion, along with a solid 200 basis points margin expansion YoY to 41%. Net profit for the period more than doubled to TRY 23 billion. CAPEX, excluding license fees and solar investments, stood at TRY 70 billion. Unlevered free cash flow grew by 12% to TRY 26 billion. Net leverage improved to 0.6x.

Moving onto slide number 4, for quarterly performance. Consolidated revenues exceeded TRY 69 billion with more than 16% YoY increase. Excluding the IFRIC 12 accounting impact, revenue growth was well above 8%. Consolidated EBITDA expanded 12% annually to TRY 26 billion, with a 140 basis points decline in EBITDA margin to 38%. CAPEX spending expectedly accelerated in the final quarter to TRY 28 billion.

Slide number 5, net subscriber additions. Our total subscriber base reached 56.6 million, with 392K net additions QoQ.

Excluding the 224K loss in the fixed voice segment, quarterly net additions were 617K. Fixed broadband subscribers declined by 30K QoQ to 15.4 million.

The completion of price updates by other ISPs in the aftermath of our wholesale price revision, the extension of the back-to-school season into November and acceleration in our brownfield fibre investments drove Q4 retail activation performance to its highest quarterly level since Q4'20. Q4 churn increased modestly both QoQ and YoY under the impact of accelerating contract expirations since the second half of the year. In the wholesale segment, churn came in higher than anticipated, leading to a contraction in the total fixed broadband subscriber base.

Mobile segment added 682K subscribers on a net basis, exceeding our expectations and pushing up the total base to 31.5 million. Activation volume remained higher compared to our expectation and 4th quarter of last year. This was mostly driven by the postpaid segment. Churn volume, on the other hand, was slightly higher compared to same period last year as well.

Mobile net additions were further supported by 964K of M2M additions by the corporate segment. Subscriber growth remained on a strong track with 287K net postpaid additions excluding M2M. While postpaid segment added 1.2 million subscribers, prepaid segment posted 570K net loss.

Slide number 6, fixed broadband performance. We had already introduced two retail price revisions for new acquisitions in March and July, coupled with the wholesale revision effective from 1st of July. Subsequently, we adjusted the retail segment prices for existing customers in May and August. We didn't take a pricing action in the last quarter. Most players in the market followed our price adjustments particularly in the second half of 2025,

following the wholesale revision. As a result, price parities evolved in favour of our retail activations.

Both re-contracting and upselling volumes scored higher QoQ and YoY. ARPU growth remained strong at 18% YoY in Q4, despite last year's high base of 19%. The combination of solid upsell and sustained re-contracting performance along with successful price implementation enabled us to maintain high growth. We expect the robust ARPU trajectory to continue in 2026.

Average package speed of our subscriber base increased by 56% YoY to 98 Mbps, while average speed in retail base reached 107 Mbps with 59% growth. 63% of our subscribers now use 50 Mbps and above packages compared to 48% a year ago.

Moving onto mobile performance, slide number 7. The competition was stiff starting from the end of the first quarter until the year-end when compared to the previous year. The MNP market size, which reached a historical high in the second quarter with significant YoY and QoQ growth, maintained its high level for the remainder of the year.

While offers reached their mid-year competitive levels in the first half of the last quarter, more rational market conditions prevailed in the second half. Price revisions were made in January, August and December 2025. In addition, relatively more attractive regional offers were discontinued in December. We have taken another pricing action in January 2026.

Postpaid segment recorded 4.7 million net additions in 2025. With that, full-year net additions surpassed 4.1 million in total. The ratio of postpaid subscribers in total portfolio rose to 80% from 75% a year ago. Excluding M2M, postpaid base added 287K subscribers, implying a healthy underlying trend in the segment.

In Q4'25, mobile ARPU declined by 8.5% YoY over last year's strong 20% base. Obviously, M2M additions had some dilutive impact at the blended level. Excluding M2M, ARPU remained flat in YoY terms. In 2025, excluding M2M, postpaid ARPU was also on a robust trend with 12% growth YoY.

On slide number 8, let's take a look at our past year performance vs our guidance. We delivered a strong performance in the final quarter and pleasantly closed 2025 in line with our full-year guidance. Our flagship business, fixed internet and mobile both presented strong results throughout the year. 11.5% operating revenue growth compared favourably to our expectations as we had formed our 10% growth guidance under the assumption of 29% year-end CPI versus realised 30.9%. ICT solutions and international transit interconnection revenues accelerated in the final quarter and came in ahead of our expectations, contributing to the outperformance of our revenue guidance.

EBITDA margin stood at 41%. Slightly below our guidance by 50 basis points. The slightly lower-than-expected EBITDA margin was influenced by lower margin effects IFRIC-12, ICT projects and transit voice interconnection revenues exceeding expectations in the last quarter of the year. 28.8% CAPEX intensity ratio stood in line with our guidance of 29%.

Now, moving onto 2026 outlook on slide number 9. When forming our guidance, we assumed 22% inflation rate by year-end. Accordingly, we expect our operating revenue to grow in the range of 8-9%, along with continued subscriber base expansion, pricing actions and robust upselling performance.

Our 41-42% EBITDA margin guidance implies room for further margin expansion, thanks to strong revenue momentum in major business lines and the positive impact of operational leverage.

Finally, we expect the CAPEX intensity to increase to 33-34% due to higher 5G rollout investments. Note that this CAPEX intensity does not include solar investment nor any license and concession payments. We also expect the volume of FTTH conversions to remain at its elevated level. This is an area of investment that we can monetise in a reasonably quick period of time and that significantly improves customer experience and customer retention.

We are now on slide number 11, financial performance. Consolidated revenues increased by 16.2% to TRY 69.3 billion from TRY 59.7 billion in the same period of the past year. Fixed broadband, mobile and corporate data led growth. IFRIC 12 revenues rose strongly in the quarter, driven by the acceleration in fibre investments. Excluding the IFRIC 12 accounting impact, Q4'25 revenues reached TRY 58.6 billion, up 8.4% YoY, including increases of 18.8% in fixed broadband, 5.3% in mobile, 17.9% in TV and 26.5% in corporate data, while fixed voice, international and other revenues declined by 1.4%, 26.9% and 4.1%, respectively.

Fixed internet and mobile revenues together accounted for 76% of operating revenue. The two lines of business made the largest contribution to growth with TRY 4.4 billion higher revenues in total YoY. Corporate data, ICT solutions and equipment sales added a further TRY 1.1 billion, while call centre and international revenues declined by a combined TRY 1.3 billion.

ICT solutions staged a strong recovery in the second half of the year, following a slow pace of project revenues in the first half. Supported by newly secured projects, ICT solutions revenue grew both QoQ and YoY despite last year's high base. The decline in call centre revenue was driven by project completions in line with

our expectations, while contraction in our international business was largely owing to declining voice revenues.

Moving onto EBITDA. Direct costs fell 5.1% YoY. The decline in interconnection cost was driven by contracting international revenues, while the drop in equipment and technology sales cost was driven by last year's high base. The reflection of retrospective regulatory change as well as developments in operating conditions and macroeconomic environment into the methodology had a positive impact on bad debt expense.

Commercial costs and other costs rose 43.5% and 10.9% YoY respectively. The increase in commercial cost was driven by higher spending across sales & marketing and advertising line items. Within other cost, network expense increased 5.4% YoY. The 8.7% YoY decline in personnel costs can be explained by the high base created by the wage revision introduced in Q4'24 and the reduction in headcount at our call centre subsidiary due to project completions in the second half of 2025.

Excluding the IFRIC-12 accounting impact, opex to sales ratio declined from 58% in Q4'24 to 57%, pointing to continued improvement in operational leverage. Consolidated EBITDA increased by 12.1% YoY to TRY 26.4 billion, while the EBITDA margin contracted by 140 basis points YoY to 38%, driven by growth in lower margin revenue items. Excluding IFRIC-12 accounting impact, the EBITDA margin expanded by 60 basis points YoY to 42.9%.

Coming to the bottom line. Net financial expenses declined by 21% YoY and 19% QoQ, supported by interest income from the proceeds of our green bond and sukuk issuances in international markets during the period. The decline was also supported by USDTRY increase of 3% QoQ and 21% YoY, remaining below

inflation as well as declining interest rates. In Q4, a total tax expense of TRY 10.4 billion was recorded largely consisting of deferred tax expense and the effective tax rate was 94%. The application of inflation accounting in statutory financial statements has ended as of 2025-end. Accordingly, the cancellation of the statutory inflation accounting effects reflected in the 2025/9-month consolidated financial statements in the last quarter of 2025, resulted in a one-off significant adjustment effect in the deferred tax item. Part of this effect was mitigated by the deferred tax income resulting from the revaluation of fixed assets permitted by legislation. We assess that the deferred tax expense recorded in 2025 will have a very limited impact on near-term cash flows with the total effect spread over an extended time horizon.

Despite the higher deferred tax expense driven by one-off items and lower monetary gain, we recorded net income for the period compared with TRY 2 billion net loss in Q4'24. Annual net income reached TRY 23 billion despite recording tax expense of TRY 20.9 billion, marking a strong YoY increase of 107.6%.

Moving to slide number 12. CAPEX spending accelerated in the final quarter and reached TRY 70 billion for the full year. As usual, fixed line CAPEX, most importantly the fibre access and core network investments, took the lion share in total with 51% weight. 23% of spending went to mobile while another 15% went to IT and project investments and the rest to other investments.

Moving onto slide number 13, debt profile. Cash and cash equivalents, of which 7% is FX-based, totalled TRY 67 billion. The FX exposure included U.S. dollar equivalents of 3.1 billion of FX-denominated debt, 2.9 billion of total hedge position and 106 million of hard currency cash. FX protected time deposit balance entirely finished as of April.

Net debt to EBITDA fell to 0.6x from 0.8x a year ago. We have been consciously deleveraging our balance sheet for some time now in order to comfortably accommodate the upcoming multiple investments, including the 5G tender and rollout, renewal of the fixed line concession agreement and the fiberisation of Northern Cyprus. At this point, we believe we stand financially fit and sound to attract several financing options for these critical technology transformation projects, including but not limited to debt issuances in the form of sukuk, green or sustainable instruments and ECA loans.

In January, we paid the first instalment of the 5G license, which is USD 365 million plus USD 219 million VAT. In the first quarter of 2026, we will have paid the VAT amount for the concession extension worth of USD 500 million.

We are now on slide number 14. We recorded a USD 100 million short FX position as of year-end. Finally, we generated TRY 3 billion of unlevered free cash flow in Q4 compared to TRY 6 billion in Q3 and TRY 9 billion in the same quarter of last year. The annual decline can be explained by last year's high base boosted by the collection of remaining insurance coverage for the 2023 earthquakes. The quarterly decline may be explained by the acceleration of fibre investments in line with seasonality.

This concludes my presentation. We can open up the Q&A session.

OPERATOR: Ladies and gentlemen, there are no audio questions at this time. I will now turn the conference over to Türk Telekom Management for any closing comments. Thank you.

KARADEMİR Ö: Thank you all for joining us today. Have a good day.