Equity / Large Cap. / Construction

5.03.2026

Enka Insaat

BUY

Review of 4Q25 Financials and Target Price Revision

Upside Potential 27%

Actual vs Estimates

Solid 4Q25 results. Broadly in line with estimates, Enka reported a net profit of TL9.9bn (IS Investment: TL9.3bn, Consensus: TL10.2bn) in 4Q25, up by 35% YoY. The YoY bottom-line growth was primarily driven by solid top-line growth, reversal from net financial expenses in 4Q24 to net financial income in 4Q25 and the recognition of TL0.6bn in deferred tax income in 4Q25, compared to a deferred tax expense of TL1.9bn recorded in 4Q24. Despite a 16% YoY decline, net income from investing activities contributed TL5.1bn to the bottom line in 4Q25. The deviation from our net income estimate was mainly due to lower-than-expected tax expenses. Enka generated TL47.5bn net revenues in 4Q25, (IS Investment: TL45.8bn, Consensus: TL45.8bn), representing a 50% YoY growth. Consolidated EBITDA increased by 21% YoY, reaching TL10.0bn in 4Q25 (IS Investment: TL9.8bn; Consensus: TL9.6bn), reflecting an EBITDA margin of 20.9% and a 5.0 ppt YoY margin contraction.

Comment. Despite robust YoY top-line growth, we do not expect a significant market reaction as consolidated EBITDA and net income did not deviate significantly from expectations, and the backlog remained flattish QoQ.

Highlights of the Quarter

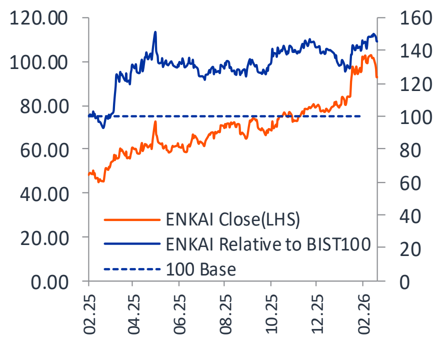
Consolidated revenues reached $1,139mn in 4Q25, up by 22.6% YoY in USD terms. In 4Q25, the contracting segment's revenues were $776mn, representing a 21.5% YoY growth in USD terms and bringing 12M25 revenues to $2,604mn, up by 21.3% YoY. Energy segment's revenues were realized at $185mn, recording a 24.8% YoY increase but a 33.0% QoQ decrease in 4Q25. On the other hand, the real estate segment maintained its high occupancy rates, with revenues reaching $107mn, up by 31.6% YoY. It should be noted that the contribution of the Park House office building in the UK to the real estate segment financials commenced in 4Q25, following its acquisition in October; the property has an area of approximately 18,000 square meters. The trade segment recorded revenues of $72mn, in line with 3Q25.

Stock Data	TL
Price	93.05
Target Price*	118.00
Prev.TP	101.17
Mcap (mn)	558,300
Float Mcap (mn)	46,171
Avg.Daily Volume (3M, mn)	1048.6
No. of Shares Outstanding (mn)	6,000
Free Float (%)	8
Foreign Share (%)	29

Price Perf. (%)	1 Mn	Ytd	12 Mn
TL	-4.9	19.2	104.2
US$	-6.1	16.4	69.4
Rel.to BIST-100	1.7	3.7	56.2

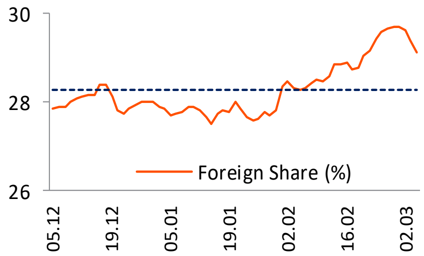
Multiples	2025	2026	2027
P/E	15.4	11.7	8.8
P/BV	1.5	1.3	1.0
EV/EBITDA	10.2	7.1	5.2

Price / Relative Price



3M Range (Close TL)	77.25	103.00

Foreign Share (%)	Cur.(%) :	29.13



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Consolidated EBITDA margin contracted by 5.0 ppt YoY. In the contracting segment, EBITDA declined by 2.0% YoY to $149mn in 4Q25, with the segment's margin contracting by 4.6 ppt. This YoY margin compression was primarily driven by the initial stages of new projects acquired during the year, which exerted downward pressure on profitability. The energy and real estate segments reported EBITDA of $14mn and $64mn, with margins of 7.7% and 60.1%, respectively. Meanwhile, the trade segment recorded an EBITDA of $18mn, reflecting an EBITDA margin of 24.7% in 4Q25.

Backlog. Backlog size of the construction segment stands at $8.8bn as of 4Q25-end, compared to $8.7bn as of 3Q25-end and $5.8bn as of 4Q24-end. The new contract awards reached $5.5bn in 2025, up by 83.5% YoY, representing a book-to-bill ratio of 2.1x for 2025.

Net cash position. As of end-4Q25, the Holding had a net cash position (including long-term financial investments) of $5.56bn, compared to $5.79bn at end-3Q25, representing 43.8% of Enka's current market capitalization. Excluding long-term financial investments, the net cash position stood at $5.0bn at end-4Q25, compared to $3.5bn at end-3Q25.

Valuation. Following a 104% surge in the stock price over the past year, we increase our TP for ENKAI to TL118/share from previous TL101/share, representing a 27% upside potential and maintain our BUY recommendation for ENKAI. Our target price revision is mainly driven by i) rolling forward the DCF, ii) revision of our forward revenue forecasts and iii) updated macro estimates. In 2025, Enka secured $5.5bn in new orders, significantly above the $3.0bn figure for 2024, and closed the year with a backlog of $8.8bn. We believe the backlog size will support revenue growth in the coming years. In the contracting segment, we forecast that the Company will receive $4.3bn in new orders and close 2026 with a backlog of $9.9bn. In the contracting segment, our revenue growth and EBITDA growth expectations for 2026 are 22.7% and 23.7%, respectively.

Financial Highlights

4Q25 EARNINGS RESULTS!

	12 Month Period					Quarterly	Cons.	IS Inv.
TL mn	2025	2024	YoY Δ	4Q25	4Q24	YoY Δ	4Q25E	4Q25E
Revenues	156,507	100,541	56%	47,541	31,696	50%	45,818	45,818
Gross Profit	37,070	25,292	47%	10,891	8,713	25%		
Gross Margin	23.7%	25.2%	-1.5ppt	22.9%	27.5%	-4.6ppt		
Op-ex	-8,590	-6,524	32%	-2,506	-1,750	43%		
Op-ex/Sales	-5.5%	-6.5%	1.0ppt	-5.3%	-5.5%	0.3ppt		
EBIT	28,480	18,768	52%	8,385	6,962	20%		
EBITDA	33,944	22,991	48%	9,954	8,209	21%	9,580	9,793
EBITDA Margin	21.7%	22.9%	-1.2ppt	20.9%	25.9%	-5.0ppt	20.9%	21.4%
Inc. (Exp.) from Investing Activities, net	21,087	17,227	22%	5,065	6,013	-0.2ppt		
Financial Inc. (Exp.), net	1,739	-11	n.m.	392	-331	n.m.		
Monetary Gain/Loss	-1,567	-1,610	-3%	-562	-611	-8%		
PBT	50,143	34,918	44%	13,120	12,213	7%		
PBT Margin	32.0%	34.7%	-2.7ppt	27.6%	38.5%	-10.9ppt		
Tax Inc./Exp.	-11,498	-8,769	31%	-2,284	-4,179	-45%		
Net Income	36,183	24,691	47%	9,906	7,330	35%	10,211	9,300
Net Margin	23.1%	24.6%	-1.4ppt	20.8%	23.1%	-2.3ppt	22.3%	20.3%

Source: Is Investment & Enka İnşaat

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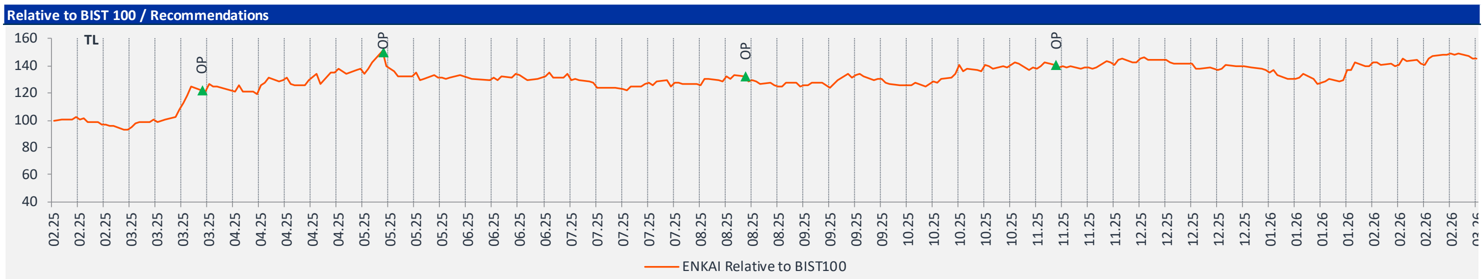
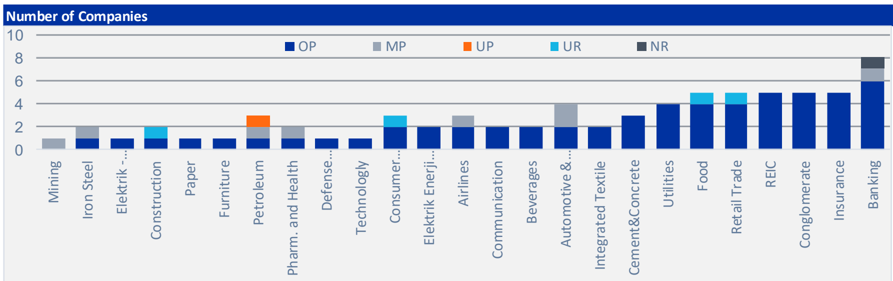
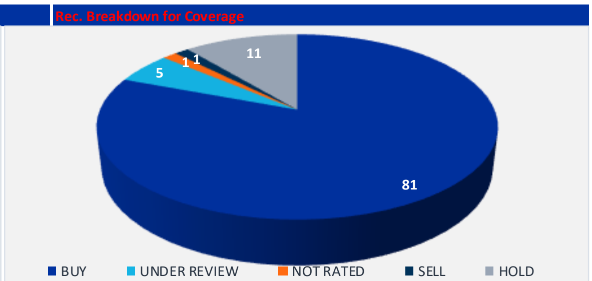
Relative to BIST 100 / Recommendations



Number of Companies



Rec. Breakdown for Coverage



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