



Türk Telekom 2025 Q3 Financial & Operational Results Conference Call

Wednesday, November 5th, 2025, 17:00 (TR Time)

Conductors:

Mr. Ümit Önal - Member of the Board

Mr. Ebubekir Şahin – Chief Executive Officer

Mr. Ömer Karademir – Chief Financial Officer

Ms. Gülsen Ayaz - Investor Relations & Sustainability Director

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 2025 Q3 Financial & Operational Results. We are here with the management team and today's speakers are Member of the Board, Ümit Önal, CEO, Ebubekir Şahin and 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. Ümit Önal Member of the Board. Sir, you may now proceed.

ÖNAL Ü: Hello everyone, welcome to our 2025 Third Quarter Results Conference Call. Thank you for joining us today. Before we begin our quarterly presentation, I would like to take a brief moment to share a few personal words.

Following my recent appointment as the Head of Cyber Security Directorate under Turkish presidency, I have transitioned from my executive role as the CEO of Türk Telekom, while continuing to serve as a member of the Board of Directors. I am pleased to introduce our new CEO, Mr. Ebubekir Şahin, who assumed his role on October 24th. I have full confidence that under his leadership, Türk Telekom will continue to flourish.

With that, I would now like to hand over the call to our CEO for his remarks, before I return to take you through our third quarter results.

ŞAHİN E: Thank you very much, Mr. Ümit Bey. It is a great honor to take on the role of CEO at such an important stage of Türk Telekom's journey. I would like to begin by expressing my sincere gratitude to Mr. Ümit Önal for his leadership and continued contribution as a member of our Board.

Türk Telekom today stands on strong foundations built on transparency, accountability and consistent delivery. As we move forward, we will continue to build on this strength, maintaining an open dialogue with the investment community and driving sustainable growth across all our businesses.

I am pleased to meet you all on this occasion. With that, I would now hand the call back to Mr. Ümit Önal, who will deservedly walk you through the third quarter development and also I would like to thank him for the good inheritance he has left.

ÖNAL Ü: Thank you, Ebubekir Bey. First, I would like to take you through some important achievements that marked the period.

Starting with concession renewal on slide number three. I am sure most of you are familiar with this slide as we had the opportunity to engage with you through our webcast and subsequent meetings to discuss this important milestone in detail.

To recap briefly, the renewed concession extends our right to operate and develop Türkiye's fixed telecom network until 2050 under flexible and manageable financial terms, providing long-term visibility and continuity for our business. The total contract value is USD 2.5 billion plus VAT, payable over a 10-year period,

enabling a balanced cash flow planning over the coming decade. We have also committed to an investment plan of USD17 billion through 2050 in areas covered by the agreement. The plan incorporates built-in flexibility that allows us to maintain our financial discipline. Beyond its financial framework, this agreement reinforces Türk Telekom's leadership position in fixed-line services and enables us to accelerate growth in verticals, including AI, IoT, cybersecurity, data centres, and digital platforms, whilst continuing to further capitalise on Türkiye's fibre transformation.

On slide number four, 2030 targets. Our priority will continue to be FTTH conversion investments, an area that we have been monetising effectively. Having completed most of the copper to fibre transformation, we now aim to significantly expand the share of FTTH connections in our network, targeting 37 million homes by 2030, with FTTH penetration rising to around 76% and fibre subscribers reaching 17 million.

By 2030, through accelerated FTTH transformation, we aim to meet the growing demand for high-speed connectivity, enabling a seven-fold increase in average speeds of our customer base from 86 Mbps to 570 Mbps. This transformation will not only enhance network efficiency and customer experience, but also help contain churn and strengthen ARPU growth potential.

On slide number 5, let's look into where we are with the 5G process. We achieved strong results in the recent 5G auction, securing valuable spectrum that will carry our mobile business into the next phase of growth. We acquired key spectrum blocks

in both the 700 MHz and 3.5 GHz bands, with a total spectrum fee of USD1.1 million plus VAT, payable in three equal installments in January 2026, December 2026, and May 2027.

Following the auction, we became the operator with the highest capacity per subscriber in 3.5 GHz frequency, and in our overall capacity, expanding our total spectrum portfolio to 315 MHz. With 56% of our LTE-base stations fibre-connected, we are well ahead of global 2030 benchmarks.

Our pioneering 5G pilot tests across healthcare, agriculture, transport, sports, and tourism have showcased our network capabilities and our ability to effectively implement next generation technologies.

Slide number 6, financial and operational overview. Consolidated revenues increased by 11% to TRY 60 billion. Excluding the IFRIC 12 accounting impact, revenue growth was 9%. Once again, 22% of EBITDA growth YoY was well ahead of the revenue growth, pushing the EBITDA to TRY 27 billion, along with a solid 410 bps margin expansion YoY to 45%. Net profit for the period came in at TRY 10 billion. Capex excluding license fees and solar investments stood at TRY 18 billion. Unlevered free cash flow grew by 14% to TRY 6 billion. Net leverage improved to 0.6x.

Slide number 7, net subscriber additions. Our total subscriber base reached 56.2 million with 2 million net additions QoQ. Excluding the 178K lost in the fixed voice segment, quarterly net additions were 2.2 million.

Both mobile and fixed internet enjoyed strong demand from individual customers during high season, but the mobile additions were further supported by the corporate segment. Fixed broadband base remained flat around 15.5 million. Subscriber dynamics were mostly shaped by pricing and seasonality in the FBB market. We gained 15K net subscribers in the third quarter thanks to the 71K net additions in retail segment, more than offsetting the losses in wholesale segment in the aftermath of July price revisions. Subscriber activities strengthened QoQ amid a robust back-to-school period with net additions exceeding Q2 levels. Activations were strong across both retail and wholesale segments. Despite intensified re-contracting volumes and pricing actions, monthly retail churn averaged 1.2%.

Mobile segment added 2.3 million subscribers on net basis in its historic high performance, pushing up the total base to 30.8 million. Activation volume reached its historically highest quarterly level. This was mostly driven by the postpaid segment, but prepaid acquisitions also came higher compared to same period last year and our expectation. Churn volume, on the other hand, was parallel to same period last year and our expectations.

Mobile net additions were further supported by 1.5 million of M2M additions by the corporate segment. Subscriber growth remained on a strong track with 776K net additions excluding M2M. While postpaid segment added 2.1 million subscribers, prepaid segment posted 208K net additions, marking its best performance since Q3'22.

Slide number eight, fixed broadband performance. We introduced the first price revisions in the wholesale segment starting from July 1st. Subsequent to that, we adjusted the retail segment prices for the second time in July for new acquisitions and in August for existing customers.

Most players in the market followed our price adjustments to varying degrees. Still, price parities stayed distant but less so compared to prior quarters. Both re-contracting and upselling volumes scored higher QoQ and YoY.

ARPU growth remained strong at 13% YoY in Q3, despite last year's exceptional 21% base. The combination of solid upsell and sustained re-contracting performance along with successful price implementation enabled us to maintain double-digit growth. We expect the robust ARPU trajectory to continue in Q4.

Average package speed of our subscriber base increased by 50% YoY to 86 Mbps, while average speed in retail base reached 94 Mbps with 54% growth. 58% of our subscribers now use 50 Mbps and above packages compared to 44% a year ago.

Moving on to mobile performance, slide number nine. Expectedly, competitive environment remained unchanged from previous quarter. MNP market where we reclaimed our long-standing net port leadership after a pause in Q2 maintained its historic high volume in the high season. That said, we introduced the second price revision of the year in August, which has been followed by competition.

Given that December tends to be the month where promotional activity peaks, we do not expect a major shift in competitive landscape in the final quarter of the year. Postpaid segment recorded 2.1 million net additions in the third quarter. With that, LTM postpaid net additions surpassed 4 million in total.

The ratio of postpaid subscribers in total portfolio rose to 78% from 74% a year ago. Excluding M2M, postpaid base added 569K subscribers, marking a strong underlying trend in the segment. Mobile ARPU increased 2% YoY over last year's strong 17% base. Obviously, M2M additions had some dilutive impact at the blended level. Excluding M2M, ARPU growth depicted a healthy growth of 8%, thanks to successfully managed pricing and churn, as well as higher re-contracting and upsell volumes YoY. Excluding M2M, postpaid ARPU was also on a robust trend with 10% growth YoY.

On slide number 10, let's take a look at the full year outlook. We were pleased to see first half's robust performance running into the second half in our main businesses. We keep our operating revenue growth and capex intensity guidance unchanged at 10% and 29%, respectively.

As of the first nine months, we are looking into nearly 13% operating revenue growth. Although this points to some upside risk to our 10% growth forecast, we prefer a cautious stance against Q4 inflation outlook. We stick to our capex intensity guidance, as we tend to see an accelerated spending in final quarters.

9-month EBITDA margin has once again surpassed our revised guidance for 41%, thanks mainly to strong operational performance. We now revise our FY'25 EBITDA margin guidance up to 41.5% taking into account better than expected Q3 performance and our expectation of a contained opex in the final quarter.

Before I finish, it has been an immense privilege to lead Türk Telekom, I must say, a company that stands at the heart of Türkiye's digital transformation whilst adhering to create sustainable growth at all times. I take great pride in having been part of this journey. One that saw us strengthen our balance sheet, accelerate fibre transformation, renew the fixed line concession agreement until 2050, and kick-start the 5G era. These milestones have laid a strong foundation for the next phase of growth and innovation.

I would like to express my sincere gratitude to all our investors and analysts for your continued engagement, feedback and trust in Türk Telekom. Your insights have been invaluable in helping us move to the company forward.

Thank you. Ömer, the floor is yours now.

KARADEMİR Ö:

Thank you, Ümit Bey. Good morning, and good afternoon, everyone. We are now on slide 12. In Q3, consolidated revenues grew 11% YoY to nearly TRY 60 billion, compared to TRY 54 billion in the same period of last year. As a result, total revenues for the 9-month period reached TRY 166 billion, up 14% annually. Excluding the IFRIC-12 accounting impact, Q3 revenue was TRY

55 billion, up 9% YoY, including increases of 14% in fixed broadband, 13% in mobile, 21% in TV and 31% in corporate data, as well as contractions of 1% in fixed voice, 40% in international and 14% in other segments.

Fixed internet and mobile have continued to lead growth, together making 78% of operating revenue in the quarter. The two lines of business made the largest contribution to growth, with more than TRY 5 billion higher revenues in total YoY. The strong performance was maintained, thanks to seasonal support, ongoing subscriber growth, multiple pricing actions and robust re-contracting and upselling performance.

The strong pick-up in corporate data can largely be explained by the contribution from repricing of contracts and strong growth in certain verticals such as data centres & cloud, cybersecurity and managed services.

ICT solutions revenue strongly bounced in Q3 from a slow pace of project revenues in the first half, but still fell short of last year's figure in the same period due to a significantly high base. The sizeable jump QoQ is largely attributable to new projects secured. We expect strong performance in ICT solutions revenue to continue into final quarter. In our international business, the decline is largely owing to contracting voice revenue.

Moving on to EBITDA, direct costs fell 2% YoY with interconnection cost, and equipment & technology sales costcoming down 42% and 4%, whilst tax and cost of bad debt going up 11% and 8%, respectively. Decline in interconnection

cost was driven by contracting international revenue, whereas drop in equipment & technology sales cost was driven by last year's high base, similar to the revenue side of this line item.

Annual increase in commercial cost moderated from last quarter to 11%. Other costs remained flat YoY. Within other costs, network expense dropped 3% YoY and personnel cost rose merely by 2% under the impact of inflation accounting. Another quarter of successfully contained cost base led opex to sales ratio down from 59% in the same period last year and 58% in the prior quarter to 55%; the lowest level over the comparable 11-quarter period of inflation accounting as operational leverage continued.

22% of EBITDA growth YoY was lifted EBITDA to TRY 27 billion from TRY 22 billion a year ago along with robust 410 bps margin expansion YoY and 270 bps QoQ to 45%. Excluding the IFRIC 12 accounting impact, EBITDA margin was close to 48%. As such, 9-month EBITDA margin surpassed 42%, whilst cumulative EBITDA rose to TRY 70 billion with a sizable 23% increase from last year. Operating profit grew 46% YoY to TRY 16 billion in Q3, bringing the 9-month total to TRY 37 billion, up 63% YoY.

Coming to the bottom line, TRY 6 billion of net financial expense was nearly 30% lower both annually and quarterly. Annual trend can largely be explained by a 25% increase in USDTRY and EURTRY rates on average, behind inflation in the same period. Lower interest rates and hedging costs also helped. The quarterly change in exchange rates was about 5% on average, again behind quarterly inflation. Additionally, the impact of volatility in financial markets, which was triggered in March, has subsided

quickly, leading to lower market interest rates and hedging costs on QoQ basis also. Hence, expectedly, the net financial expense in Q3 proved more favorable compared to Q2.

We recorded TRY 3.5 billion of tax expense, in total largely driven by current taxes. In a normalising trend, effective tax rate receded to 26% from 33% a quarter ago. As a result, we recorded TRY 10 billion net income for the period, up more than 150% YoY, thanks largely to significantly improved operational performance and lower net financial expense. With that, net income exceeded TRY 21 billion in the 9-month period, up nearly 70% YoY.

Moving on to slide number 13, capex spending excluding license fees and solar investments was TRY 18 billion, higher QoQ as pace of investments picked-up in line with our expectation. As such, 9-month capex on the same basis reached TRY 40 billion, taking the cumulative capex intensity to 24%.

Moving on to slide number 14, debt profile, cash and cash equivalents of which 25% is FX-based, totaled TRY 14.5 billion. The FX exposure included US dollar equivalents of 1.9 billion of FX-denominated debt, 1.4 billion of total hedge position and close to 90 million of hard currency cash.

Net debt/EBITDA fell to 0.6 from 1.0 a year ago and 0.7 a quarter ago. We have been consciously deleveraging our balance sheet for some time in order to comfortably accommodate the upcoming multiple investments. Obviously, that has helped us immensely to successfully raise a comprehensive and efficient financing package in a short period of time.

To elaborate on that, we are now on slide number 15. We have recently demonstrated a remarkable capacity to access a wide range of funding sources, enabling us to deliver on our major strategic commitments, notably the fixed line concession renewal and the 5G spectrum acquisition through our solid positioning in our business robust financial power and long-standing relationship with key stakeholders.

In September-October 2025, we successfully executed a comprehensive USD 1.8 billion financing program, securing the long-term and cost-efficient funding from a wide range of global sources. The package includes four long-term credit facilities, totalling USD 610 million equivalent, a USD 600 million 7-year green eurobond and a USD 600 million 5-year Sukuk. With an average maturity of five years, these transactions further enhance our liquidity position and extend our debt maturity profile. On the loans side, we obtained highly competitive long-term facilities backed by leading international financial institutions. The facilities reflect continued confidence of global lenders, in Türk Telekom's fundamentals and disciplined balance sheet management.

On the capital market side, we achieved two landmark issuances, reaffirming our strong market access and broad investor appeal. The USD 600 million green eurobond priced at 6.95%. More than 3x oversubscribed, our debut green issuances attracted more than 100 global investors. With more than 60% allocation to accounts with a strong focus on ESG, the deal expanded our green financing portfolio to USD 1.1 billion, the largest in the Turkish

telecom sector. Shortly after, we issued a USD 600 million five-year Sukuk at 6.50%, marking a historic place for the transaction as the first international corporate Sukuk out of Türkiye.

The Sukuk was met with more than 3x demand, led by Gulf-based institutional investors. The deal achieved the tightest yield for a Turkish corporate since 2022 and for Türk Telekom since its debut in international debt capital markets, once again proving our ability to raise large scale funding at attractive terms.

Through these transactions, we secured the resources to fund majority of our commitments for the announced long-term investments of which the payment plan is shown on the table at the bottom. Following the completion of the legal process, we expect to see the accounting impact of the renewed concession agreement in our Q4'25 financial statements along with the mentioned financing transactions.

Finally, on slide number 16, we recorded USD 410 million short FX position as of Q3. Excluding the ineffective portion of the hedge portfolio, namely the PCCS contracts, our short position was USD 450 million.

Finally, we generated close to TRY 6 billion of unlevered free cash flow, which carried the 9-month figure to TRY 22 billion. This concludes my presentation. We can open up the Q&A session.

OPERATOR:

The first question comes from the line of Singh Maddy with HSBC. Please go ahead.

SINGH M: Yes, hi. Thank you a lot for taking my question. My first question is on your margin performance. It looks very strong during the quarter. Incrementally, it looks like almost all of your QoQ growth in revenues, are basically translated to EBITDA. So, if you could explain the cost dynamics and why the margins are so strong during this quarter, that will be very good. And is that the sustainable level we should think about going forward? That's the first question.

The second question is on your recent concession wins. Just wondering how the depreciation and amortisation charges will be treated for D&A expenses going forward? Will you be looking at the entire length of concession or is there a straight line method? If you could just talk about the annual number we should think about for D&A going forward, that will be on account of the 5G and the concession. That will be great.

My third question is on your dividend policies, given that your margins in Q3 now are very strong for the full year. You are now guiding for more than 40% margin. Does that trigger a dividend event going forward, if at all? So, if you could talk about that. So, there are three questions. I'll get back in the queue for more. Thank you.

AYAZ G: Hi, Maddy. Thank you for the questions. On your first question, EBITDA margin, traditionally we have got the highest season in the third quarter in our mobile and fixed businesses, the reason being the summer months and the back to school season. So, we generally generate the highest margins in the third quarter.

So, this was the case and in line with our expectation in the third quarter. And generally speaking, the fourth quarter is the lowest season and that is why we are incorporating that into account for the fourth quarter and guiding for a 41.5% margin relative to our performance in the 9-month period of 42.2%.

Is this a sustainable level? I mean, this is really a good question because we have been enhancing our margin over the last two years since 2023 to be more specific by nine points. So, that's a huge margin improvement. So, for the next year, our aim is going to be to sustain these margins. And for the longer term, of course, We're looking for improvements to operational leverage or efficiencies or transformation. So, that would be the answer to the EBITDA question.

The second question, how we are going to account for the concession is, we did say that we will take it into our books in the fourth quarter. So, what's going to happen is the fee, that is USD 2.5 billion, is going to be discounted to today's value when we take it into the books. And then it will be written as capex. And then throughout the lifetime of the concession agreement, which is until 2050, it will be amortised on a straight-line basis. Have I answered your questions?

SINGH M: Correct. Will the same thing could be done for 5G as well?

AYAZ G: For 5G accounting, you mean?

SINGH M: Yes, the D&A charges for the 5G?

AYAZ G: Yes, it will be more or less the same. So, the amount that we are going to pay for the 5G is 1.1 billion. So, I don't know, I mean, if it's going to be the fourth quarter or the third quarter of 2026. But when we take it into our books, it's going to be the similar methodology. So, it's going to be recorded as capex and it will be amortised throughout its lifetime, which is 2042.

ÖNAL Ü: Allow me to answer your dividend-related question. First of all 2025 is not finalised yet and we haven't seen the fourth quarter yet. So, first, we need to see the year-end results. Once we complete 2025, the Board of Directors, to which I am a member too, is going to make a decision to propose to the General Assembly for the dividends, or if the dividends to be paid.

We should definitely keep in mind one thing. The upcoming period includes our annual investment expenditures as well as the fixed line concession and the 5G frequency payments. In this regard, 2026 is particularly noteworthy in terms of looking like accumulation of payments.

Of course, the final decisions will be made and taken by our main shareholders. However, as in previous years, when making a dividend decision, our Board of Directors will consider our company's debt repayment profile, cash flow requirements, investment needs and financial & operational sustainability in the coming period. Thank you very much.

SINGH M: Should I ask two more questions or should I go back to the queue?

AYAZ G: I think that's fine. If you have any questions, we can take them now.

SINGH M: Okay, great. I will be very quick. If you could just give details of any price hikes you have taken in the third quarter in mobile and fixed side? And the second question is on the hyperinflationary accounting. There were some talks about Türkiye coming out of it. So in that scenario, hyperinflationary accounting is ended, what impact do you think will have on Türk Telekom's earnings and outlook? Thank you.

AYAZ G: Thank you again for the questions. On the hyperinflationary accounting, the methodology and the discussion is at the first place for the legal accounts, not for the IFRS accounts, which is all the CMB accounts. So, it is early to say that it's going to be abolished for the Capital Markets Board reporting. Therefore, for the time being, it would be reasonable to assume that we will continue as is.

And on the price hikes, yes, I mean, there were several price hikes in the third quarter. To recap, we did the first price hike in the wholesale FBB segment. It was, I think, along the lines of 49%. And that was followed by the second price increase in the retail segment, which was about 13% on average. And following that, these are for the new acquisitions. And following that, we did the usual thing with a 1-month lag and we increased the prices also for the existing customer base in retail segment in August. And that was around the same levels.

And in mobile, there was also the second price hike of the year in August. And I think it was around 10%. So, I mean, it would be reasonable to say that for the time being, I mean, we are more or less done with the price increases for this year and we are preparing our budget for the next year for, I mean, all of the KPIs and price increases.

SINGH M: That is very, very helpful. Thank you. Thank you very much.

OPERATOR: The next question comes from the line of Demirtaş Cemal with Ata Invest. Please go ahead.

DEMİRTAŞ C: Thank you for the presentation and congratulations for very good results. First of all, I would like to thank Ümit Bey for very good performance during his time. Sincerely, I really appreciate from the investor perspective.

And I'm trying to be objective as much as I can. Just I want to point out that. And I wish the best to Mr. Ebubekir Şahin. And I think it will be good for him to just get your experience when you are in the Board. So, it will be definitely support for him. And I wish you the best for your term. I think it's going to be a challenging, but very interesting time. And I think most of the uncertainties ended at least in terms of the regulatory side. So, I wish you the best at all.

My question is about, the first one is about the short-term performance. In third quarter, you had very good performance. And could we see some upside risk to your estimates? Or is there any specific reason for your being very cautious about the fourth

quarter? Or just being, you know, just conservative? That's my first question.

And the second question, I think for the following years, we will need driven with more guidance from you, you know, because this investment period time. And at least for 2026, could you mention anything about the capex/net sales ratio? Or net debt/EBITDA limits you will have during 2026 or 2027?

And the third one is about the financing side. And from the previous quarters, each quarter, we had difficulty to understand the high level of FX and hedge cost, even if there was stability in the currency side. But with this quarter, we see real improvements, I don't know if there was specific in this quarter or more stability after a very volatile second quarter. So, could you give us some hints about the fourth quarter? If the currency level continues like this, and the interest rates coming down slowly, could we assume a similar level of financial expenses? Thank you for all.

ÖNAL Ü:

Allow me to start. And I'll leave it to my friends to add upon. First of all, I would like to thank you for your nice words. I mean, I have been working as the CEO of this company for over 6 years. And also, I have been a part of the member of the Board of Directors for 3 years. Within this process, we have always carried the responsibility of abiding by the corporate governance principles. And we have always had this transparent communication with you.

As of 24th of October, Ebubekir Şahin has taken over the CEO position. You know, it's like carrying the flag. From now on, he's going to be carrying this flag, just like we have been doing so far, and I'm sure he's going to raise it even higher. And as you have said, I will continue as the Member of the Board of Directors, and I will be giving the best of my support. We know that, as you said, we have actually left behind a very important milestone, and uncertainty is behind. And now we have also caught a very important momentum, and I believe Mr. Ebubekir Şahin is going to add better and more successful performances, which will be sustainable for the company, and then I will continue to answer your questions.

I believe it would be reasonable to evaluate our 2025 operating revenue growth expectations by considering the base effects that emerged last year and the course of inflation. We have recently seen some volatility in inflation with negative surprises in September and slightly positive surprises in October.

As you know, our 2025 inflation forecast is 29%, but we will be closely monitoring the last 2 months of data. Therefore, while our 9-month real operational growth was 12.7%, we chose to maintain our 2025 guidance at 10%.

If we see a positive trend in inflation over the last two months, we run the risk of exceeding our 10% guidance. However, if inflation exceeds expectations, we believe our forecast is well-protected and does not pose any downside risk.

My friends will continue to answer your questions. Thank you for that question.

KARADEMİR Ö: For your financial expenses question, I'm going to report that. You know the financial expenses consist of the interest payments and hedging costs. As we have discussed in the second quarter investor call, we have stated that for the second quarter, the volatility in the markets impacted our hedging costs. But we are not expecting that to continue and we expect it to decline in the third quarter. So that's why our hedging costs declined for the Q3. And also, the interest payments declined with the help of the disinflation program of the Central Bank. In addition to that, lastly, our total debt is declining. So, the leverage ratio came to 0.6 at the moment. Thank you.

OPERATOR: Mr. Demirtaş, have you finished with your questions?

DEMİRTAŞ C: There was one question about the 2026 net debt/EBITDA and capex/net sales ratio. Where should that ratio be standing? Just a rough picture or indication.

KARADEMİR Ö: Thank you. For the leverage ratio, our expectation for the next year, we have stated several times in quarter calls. We said that in our operations, we don't need to borrow, we don't need additional financing since our operation generates cash. So that's why our leverage declined to 0.6 at the moment.

But for the upcoming 5G and concession payments, the leverage ratio, unsurprisingly, will increase. But we can say that it will not reach to a level, let's say, too close to 2.5x. But we can say that it will make its peak in 2026, but it's going to decline since our

payments will be done. And with the help of its operations, we are expecting it will be well below 2.5x. And after its peak, it's going to decline in the year 2027.

For the capex/revenues, we can expect, since we are in the time of big investment periods for 5G and concession, so we can expect similar levels of this year's capex intensity ratio for the next year, maybe next couple of years for our mainly FTTH conversion and 5G rollout. But we can expect it will decline to its historic average levels in the coming period. Thank you.

OPERATOR: Thank you. The next question comes from the line of Bystrova Evgeniya with Barclays. Please go ahead.

BYSTROVA E: Yes, hello. Thank you very much for the presentation and congratulations on the results and also on the changes within the team and all the best of luck. I have just maybe one follow-up question regarding your revenues outlook or revenue growth outlook. Do you think, I mean, this year it has been very great 10% and looks like you're on track to achieve that. So, I was wondering how sustainable is this level of revenue growth going forward maybe for next year and after that given the concession extension and the 5G. Thank you.

AYAZ G: Thank you, Evgeniya. I think we are going through a relatively high growth period over the last couple of years because part of that was driven by the recovery from high inflationary period. So 2024 and 2025 have been great. We have to expect some normalisation for the next year. But you're right. We have got new drivers now that we should be working on strategising. These

are the securing of the concession agreement and securing a successful result in the 5G auction as well.

So, we haven't finalised our budget yet. It needs a few more rounds to be completed and we will be sharing our guidance together with the fourth quarter results. But I can tell you that we will hopefully, I mean, maintain a momentum in this business because unless an exogenous factor comes into the play, we have to be, I mean, building on this momentum.

And therefore, we are hopeful and we are optimistic that we will be sharing a nice real growth together with you in the guidance. So that's all I can say at the moment. But hopefully we will not, I mean, keep you in the dark for too long. Thank you.

BYSTROVA E: Thank you.

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

AYAZ G: Thank you, everyone, for joining us today. We'll see you next time. Thank you. Have a nice day. Bye-bye.