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Aselsan

Successful Results

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ASELSAN achieved a parent company profit of TRY 8,772 million including TMS-29 effect in 4Q24, above the market expectation of TRY 6,637 million and our expectation of TRY 7,273 million (4Q23: TRY 5,973 million). In 4Q24, net profit was supported by successful operational expense management, which resulted in an operating profit of TRY 14,020 million and net financing income of TRY 56 million (4Q23: TRY-3,649 million).

In 4Q24, ASELSAN achieved a net sales revenue of TRY 55,683 million, up 12% YoY, slightly above our expectation of TRY 53,677 million and the market expectation of TRY 53,371 million. High project deliveries and strong growth in export revenues were effective in the increased sales revenues.

Including the TMS-29 effect, EBITDA was realized at TRY 14,936 million, slightly above the market expectation of TRY 13,017 million and above our TRY 14,202 million expectation. ASELSAN's profit margins increased due to its turnover exceeding its costs in 4Q24. The gross profit margin increased by 6.1 points annually to 32.7%, the EBITDA margin increased by 7.5 points annually to 26.8% and net profit margin increased by 3.8 points annually to 15.8%. ASELSAN's total order amount increased to a historical record level of USD 14 billion in YS24 (YS23: USD 10.9 billion). The company received a total of USD 6.5 billion in new orders in 2024, a historical record level (2023: USD 5 billion). The company provided USD 1,017 million of its USD 6.5 billion order volume in 2024 from abroad (2023: USD 601 million). 97% of the company's total outstanding orders were defense, while 3% were non-defense orders. As of YS24, 56% of the company's long-term orders were in dollars, 29% in euros, and 15% in TL.

The company's net debt position decreased to TRY15,925 million in YS24 (YS23: TRY19,241 million). Thus, the net debt/EBITDA ratio was 0.53x in YS24 (YS23: 0.83x). Aselsan has no debt rollover problem

2024 results -The company achieved a net sales revenue of TRY 120,206 million in 2024, on an increase of 13.1% annually. In 2024, EBITDA increased by 30.7% annually to TRY 30,234 million, while then EBITDA margin was realized at 25.2%, against the company's margin expectation of 22% and above. Total investment expenditure was realized at TRY 21 billion, against the expectation of TRY 14 billion.

The company's 2025 expectations - Aselsan also announced its expectations for 2025. Accordingly, it predicted that net sales revenue would increase by over 10% in TL terms in 2025, including TMS 29. The company announced that it aims for an EBITDA margin of over 23% in 2025, including TMS 29. The company also plans for total investment expenditure of TRY 20 billion and above in 2025, including TMS 29.

We find Aselsan's 2024 financials successful. We expect to see a positive impact of particularly successful operational management and improvement in the net debt position on share price performance. We also predict that the strong course in backlog orders and export revenues may positively affect the share price performance in the upcoming period. Therefore, in line with Aselsan's expectations for 2025, we revise our 12-month target price for Aselsan from TRY 102.0 to TRY 114.0, and we maintain our "BUY" recommendation.

OUTPERFORM
TP: TRY 114.00
Previous: TRY 102.00
Upside: %41

	TRY	US\$
Close	81,00	2,23
BIST 100	9.452	260
US\$/TRY (CB Bid Rate):	36,3875	
52 Week High:	89,65	2,51
52 Week Low:	52,36	1,61
Bloomberg/Reuters Ticker:	ASELS.TI / ASELS.IS	

	Number of Shares (Mn):	4.560
	(TRY Mn)	(US\$ Mn)
Current Mcap :	369.360	10.159
Free Float Mcap:	96.034	2.641

	1 M	YOY	YTD
TRY Return (%):	-5	28	12
US\$ Return (%):	-7	9	8
BIST 100 Relative (%):	2	27	16
Avg. Daily Vol. (TRY Mn):	2287		
Avg. Daily Vol. (US\$ Mn):	68,2		

Beta	0,94
Volatility (Stock)	0,36
Volatility (BIST 100)	0,24

Shareholder Structure	%
Turkish Armed Forces Strengthening Foundation	74,20
Other	25,80
Total	100,1

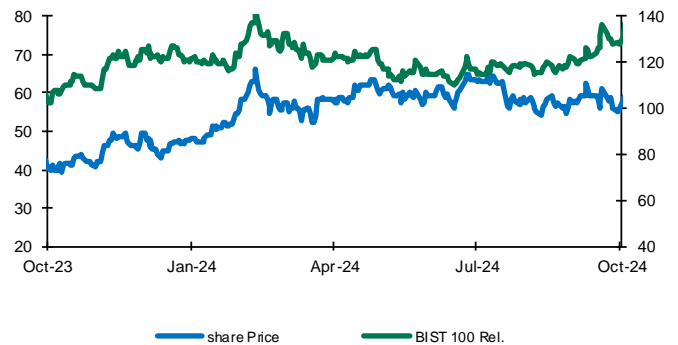


Figure 1: Financials

TRY Million	YE23	YE24	YoY	4Q23	4Q24	YoY
Revenues	106.252	120.206	13,1%	49.862	55.683	11,7%
Gross Profit	29.028	38.158	31,5%	13.247	18.210	37,5%
Gross Profit Margin	27,3%	31,7%		26,6%	32,7%	
EBIT	18.228	26.935	47,8%	7.986	14.021	75,6%
EBIT Margin	17,2%	22,4%		16,0%	25,2%	
EBITDA	23.140	30.234	30,7%	9.629	14.936	55,1%
EBITDA Margin	21,8%	25,2%		19,3%	26,8%	
Net Profit	10.526	15.299	45,3%	5.973	8.772	46,9%
Net Profit Margin	9,9%	12,7%		12,0%	15,8%	

Source: Şeker Invest

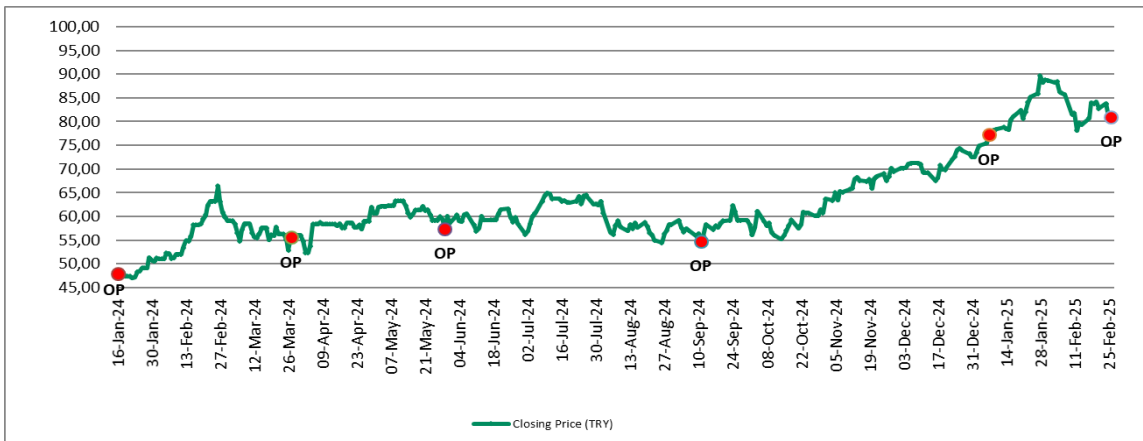
Figure 2: Key Financials

BALANCE SHEET (TRY Mn)	2023/12	2024/12	% Chg
PP&E	34.261	37.409	9,2%
Intangibles	17.539	21.831	24,5%
Other Non-Current Assets	60.374	77.438	28,3%
Trade Receivables	29.732	28.355	-4,6%
Cash&Equivalents	9.543	16.637	74,3%
Other Current Assets	65.953	61.126	-7,3%
Total Assets	217.403	242.798	11,7%
Long Term Debt	1.631	9.727	496,4%
Other Non current liabilities	15.722	21.950	39,6%
Short Term Debt	16.880	13.565	-19,6%
Trade Payables	21.461	19.761	-7,9%
Other current liabilities	34.107	36.436	6,8%
Total Liabilities	89.800	101.438	13,0%
Total Equity	127.603	141.359	10,8%
Total Equity&Liabilities	217.403	242.798	11,7%

INCOME STATEMENT (TRY Mn)	2023/12	2024/12	% Chg
Revenues	106.252	120.206	13,1%
COGS	77.225	82.047	6,2%
Gross Profit (Loss)	29.028	38.158	31,5%
Operating Expenses	10.800	11.224	3,9%
Operating Profit/(Loss)	18.228	26.935	47,8%
Net Other Ope. Rev./(Exp.)	17.829	381	-97,9%
Income/(Loss) from Investing Activities	50	85	71,8%
Financial Expenses	(11.048)	(5.207)	-52,9%
Gains (losses) on net monetary positions	(14.647)	(13.869)	-5,3%
Profit Before Tax (Loss)	10.409	8.266	-20,6%
Tax	(238)	(6.957)	N.M.
Net Profit (Loss)	10.647	15.223	0%
Minority Interest	121	(76)	N.M.
Majority Interest	10.526	15.299	45,3%

Source: Şeker Invest

Historical Recommendations and target prices



Date	Recommendation	Target Price (TRY)
16-Jan-24	Outperform (OP)	62,50
27-Mar-24	Outperform (OP)	62,50
29-May-24	Outperform (OP)	72,00
11-Sep-24	Outperform (OP)	72,00
7-Jan-25	Outperform (OP)	102,00
26-Feb-25	Outperform (OP)	114,00

Basis for 12m equity ratings

Outperform:	The total return is expected to exceed the return of the BIST 100 by more than 10%.
Underperform:	The total return is expected to fall below the return of the BIST 100 by more than 10%.
Market Perform:	The total return is expected to be in line with the return of the BIST 100.

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