

April 30, 2025

Aselsan

Results slightly below expectations

Basak Kamber

Analyst

bkamber@sekeryatirim.com

ASELSAN achieved a net profit of TRY 2,275 million including TMS-29 effect in 1Q25, slightly below the market expectation of TRY 2,386 million and our expectation of TRY 2,442 million (1Q24: TRY 1,939 million). In 1Q25, the increase in net sales revenues, together with the increase in operating profit obtained as a result of successful operational management and the deferred tax income gained supported the net profit. However, the increasing net monetary position loss and net financial expense suppressed the net profit.

In 1Q25, Aselsan achieved a net sales revenue of TRY 22,791 million, up 9% YoY, slightly below our expectation of TRY 23,364 million and the market expectation of TRY 23,182 million. Deliveries for Air Defense Systems, Weapon Systems, Radar, Electronic Warfare, Electro-Optics, Naval Systems and Military Communication Systems were effective in the increase in sales revenues.

Including the TMS-29 effect, EBITDA was realized at TRY 5,142 million, up by 9,6% YoY in 1Q25, below the market expectation of TRY 5,514 million and our expectation of TRY 5,931 million. In 1Q25, profit margins increased as a result of increased operational efficiency. Gross profit margin was 29.9%, EBITDA margin was 22.6% and net profit margin was 10% in 1Q25. (1Q24: 28.9%, 22.4%, 9.3% respectively)

ASELSAN's total backlog rose to a historical record level of USD15 billion in 1Q25 (YE24: USD14 billion). The company received a total of USD1.5 billion in new orders in 1Q25 (2024: USD6.5 billion). The company provided USD372 million of the USD1.5 billion order size it received in 1Q25 from abroad (2024: USD1,017 million). (97% of the Company's total backlog were defensive and 3% were non-defense orders. As of 1Q25, 58% of contracts in the backlog are denominated in USD, 29% in Euro and 13% in TRY.

The Company's net debt position increased to TRY 20,113mn in 1Q25 (YE24: TRY 17,527mn). Thus, the net debt/EBITDA ratio increased to 0.60x in 1Q25 (YE24: 0.53x). The Company maintains its position below the sector averages.

Dividend - The Company decided to distribute a gross dividend of TRY 0.2346491 and a net dividend of TRY 0.1994517 per share on November 25. Thus, a gross dividend of 0.17% according to the last closing price indicates efficiency.

The Company's 2025 expectations- Aselsan maintained its expectations for 2025. Accordingly, the Company predicts that net sales revenue growth will increase by over 10% in TL terms in 2025, including TMS 29. The Company aims for an EBITDA margin of over 23% in 2025, including TMS 29. The Company also plans to make an investment expense of TRY 20 billion and above in 2025, including TMS 29.

Aselsan started 2025 strongly. Focusing on operational efficiency in particular, the company showed a steady increase in both turnover and profitability indicators during this period. We expect the company to continue its strong growth focused on backlog orders and exports within the scope of its 2025 strategy. On the other hand, 3 major investments worth USD 616 million related to photon detectors, radars and air defense systems were included in the Project Based Investment Incentive scope by the Ministry of Industry and Technology. We like R&D and technology investments. Therefore, after the changes we made in our macroeconomic forecasts and risk-free rate, we are revising our 12-month target price from TRY 114,0/shr to TRY 184,0/shr. While our target price has a 34% upside potential, we maintain our Outperform rating for ASELS.

OUTPERFORM
TP: TRY 184.00
Previous: TRY 114.00
Upside: %34

	TRY	US\$
Close	137,40	3,58
BIST 100	9.225	240
US\$/TRY (CB Bid Rate):	38,3672	
52 Week High:	138,60	3,62
52 Week Low:	54,41	1,61
Bloomberg/Reuters Ticker:	ASELS.TI / ASELS.IS	
Number of Shares (Mn):	4.560	
	(TRY Mn)	(US\$ Mn)
Current Mcap :	626.544	16.330
Free Float Mcap:	162.901	4.246
	1 M	YOY YTD
TRY Return (%):	15	122 90
US\$ Return (%):	13	88 74
BIST 100 Relative (%):	20	142 102
Avg. Daily Vol. (TRY Mn):	2905	
Avg. Daily Vol. (US\$ Mn):	82,8	
Beta	0,88	
Volatility (Stock)	0,36	
Volatility (BIST 100)	0,24	
Shareholder Structure	%	
Turkish Armed Forces Strengthening Foundation	74,20	
Other	25,80	
Total	100,1	

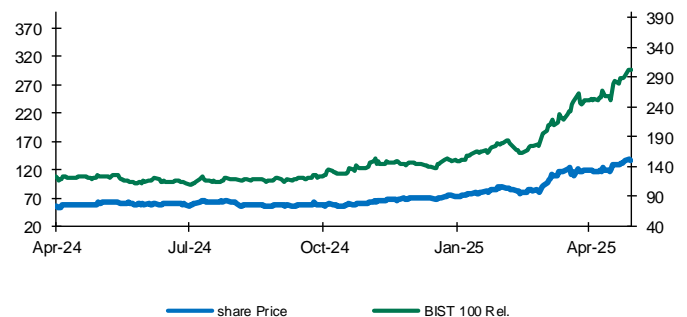


Figure 1: Financials

TRY Million	1Q24	1Q25	YoY
Revenues	20.908	22.791	9,0%
Gross Profit	6.050	6.821	12,8%
<i>Gross Profit Margin</i>	28,9%	29,9%	
EBIT	3.740	3.971	6,2%
<i>EBIT Margin</i>	17,9%	17,4%	
EBITDA	4.693	5.142	9,6%
<i>EBITDA Margin</i>	22,4%	22,6%	
Net Profit	1.939	2.275	17,3%
<i>Net Profit Margin</i>	9,3%	10,0%	

Source: Şeker Invest

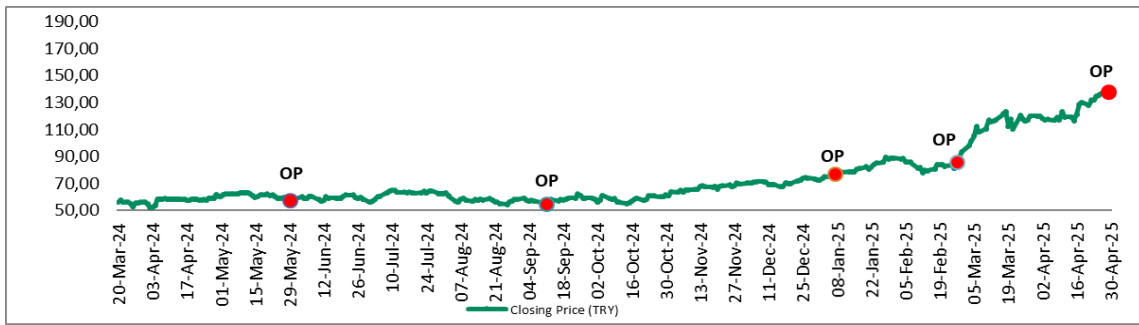
Figure 2: Key Financials

BALANCE SHEET (TRY Mn)	2024/12	2025/03	% Chg
PP&E	41.174	41.528	0,9%
Intangibles	24.028	26.372	9,8%
Other Non-Current Assets	85.231	90.485	6,2%
Trade Receivables	31.209	27.681	-11,3%
Cash&Equivalents	18.311	12.832	-29,9%
Other Current Assets	67.277	71.148	5,8%
Total Assets	267.230	270.046	1,1%
Long Term Debt	10.706	172	-98,4%
Other Non current liabilities	24.159	37.748	56,2%
Short Term Debt	14.930	6.037	-59,6%
Trade Payables	21.749	13.735	-36,8%
Other current liabilities	40.103	54.632	36,2%
Total Liabilities	111.646	112.324	0,6%
Total Equity	155.584	157.722	1,4%
Total Equity&Liabilities	267.230	270.046	1,1%

INCOME STATEMENT (TRY Mn)	2024/03	2025/03	% Chg
Revenues	20.908	22.791	9,0%
COGS	14.858	15.969	7,5%
Gross Profit (Loss)	6.050	6.821	12,8%
Operating Expenses	2.310	2.850	23,4%
Operating Profit/(Loss)	3.740	3.971	6,2%
Net Other Ope. Rev./ (Exp.)	2.450	3.435	40,2%
Income/(Loss) from Investing Activities	21	34	65,2%
Financial Expenses	(2.147)	(2.450)	N.M.
Gains (losses) on net monetary positions	(4.763)	(7.026)	N.M.
Profit Before Tax (Loss)	(736)	(2.136)	N.M.
Tax	2.447	4.269	74,4%
Net Profit (Loss)	1.711	2.133	24,7%
Minority Interest	(228)	(141)	N.M.
Majority Interest	1.939	2.275	17,3%

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
30-Apr-25	Outperform (OP)	184,00

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.

ŞEKER INVEST RESEARCH

Şeker Yatırım Menkul Değerler A.Ş.
 Büyükdere Cad. No:171 Metrocity
 A Blok Kat 4-5 34330 SİSLİ /İST
 TURKEY

TEL: +90 (212) 334 33 33
 Fax: +90 (212) 334 33 34
 E-mail: research@sekeryatirim.com
 Web: <http://www.sekeryatirim.com/english/index.aspx>

For additional information, please contact:

Research

Kadir Tezeller	Head	+90 (212) 334 33 81	ktezeller@sekeryatirim.com
Burak Demirbilek	Utilities, Pharmaceutical, Defense Industry	+90 (212) 334 33 33-128	bdemirbilek@sekeryatirim.com
Engin Degirmenci	Glass, Cement	+90 (212) 334 33 33-201	edegirmenci@sekeryatirim.com
A. Can Tuglu	Food & Bev., Retail, Auto, Aviation	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com.tr
Esra Uzun Ozbaskin	Telcos, Iron & Steel, Cons. Dur., Oil&Gas	+90 (212) 334 33 33-245	euzun@sekeryatirim.com
Basak Kamber	Defense Industry, Glass	+90 (212) 334 33 33	bkamber@sekeryatirim.com

Economy & Politics

Abdulkadir Dogan	Chief Economist	+90 (212) 334 91 04	adogan@sekeryatirim.com
------------------	-----------------	---------------------	--

Institutional Sales

Batuhan Alpman	Head	+90 (212) 334 33 70	balpman@sekeryatirim.com
Deniz Keskin	Trader	+90 (212) 334 33 36	dkeskin@sekeryatirim.com
M.Kerim Culum	Trader	+90 (212) 334 33 33-316	kculum@sekeryatirim.com.tr

DISCLAIMER

I, Basak Kamber hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by the Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest, Inc.) Research Team. The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Invest. By accepting this document you agree to be bound by the foregoing limitations.

Copyright © 2025 Şeker Invest