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Aselsan

Results above expectations

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ASELSAN exceeded the market's median estimate of TRY 3,075 million and our forecast of TRY 3,250 million in 3Q25, posting a consolidated net profit attributable to the parent company of TRY 4,765 million (3Q24: TRY 2,671 million), including the impact of IAS 29. The rise in net profit was supported by higher net sales revenues and improved operating profit driven by effective cost management, lower net financial expenses and reduced monetary position losses. In 3Q25, ASELSAN achieved net sales revenue of TRY 33,132 million – exceeding our forecast of TRY 32,780 million and the market's median expectation of TRY 32,300 million by 1.07% and 2.58%, respectively, marking a 14% year-on-year increase. Under the aselsaneXt program, launched at the start of 2024 to achieve long-term goals, ASELSAN continued to deliver positive results. During the period, revenue was mainly driven by deliveries in ÇELİKKÜBBE (Steel Dome), Radar, Electro-Optics, Electronic Warfare, Security, Naval, and Military Communication Systems.

Including the impact of IAS 29, EBITDA was at TRY 8,191 million – 3.7% above our and the market's median estimate of TRY 7,900 million (3Q24: TRY 6,565 million). EBITDA continued to strengthen on cost control, improved operational profitability, and the introduction of high value-added products. Supported also by digital transformation and process improvement initiatives, the EBITDA margin reached 24.72%. Meanwhile, a roughly 10% decline in general administrative expenses pushed the net profit margin up to 14.38% (3Q24: 9.19%). ASELSAN has successfully maintained its Book-to-Bill ratio at 2x for two consecutive years, a key indicator of growth momentum. The company further improved this ratio to 2.5x in the first nine months of 2025, continuing to outperform the industry average.

With USD 5.7 billion worth of new contracts in 9M25, ASELSAN's total backlog reached a record USD 17.9 billion (9M24: USD 12.6 billion). Pursuing its export-driven growth strategy, ASELSAN secured USD 1.45 billion of new orders from abroad during 9M25 (9M24: USD 535 million). As of 9M25, 98% of its backlog was defense-related and 2% was non-defense. Of the long-term backlog, 52% was denominated in USD, 40% in EUR, and 8% in TL.

The company's net debt decreased by 20% compared to 3Q24 to TRY 23,769 million. The Net Debt/EBITDA ratio fell to 0.53x in 9M25, down from 1.24x in the same period last year, keeping ASELSAN well below industry averages.

2025 outlook maintained: ASELSAN reaffirmed its 2025 guidance. Including the impact of IAS 29, the company expects net sales revenue growth to exceed 10% in TL terms, an EBITDA margin above 23%, and capital expenditures of TRY 20 billion or more for 2025.

R&D expenditures and investments in mass production continued to increase. R&D spending rose by 40% year-on-year, reaching USD 925 million. Alongside R&D, ASELSAN's capital investments aimed at strengthening its mass production infrastructure doubled compared to the same period last year, reaching USD 200 million.

OUTPERFORM
TP: TRY 240.00
Previous: TRY 240.00
Upside: 21.6%

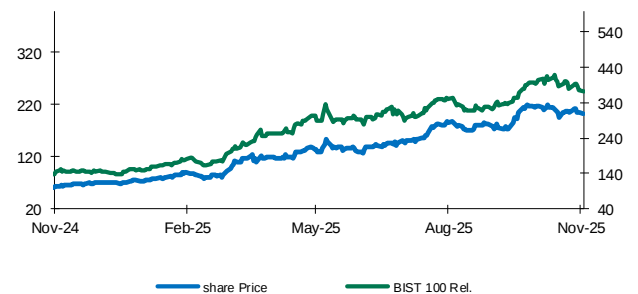
	TRY	US\$
Close	197,30	4,70
BIST 100	10.914	260
US\$/TRY (CB Bid Rate):	42,0042	
52 Week High:	219,20	5,28
52 Week Low:	63,45	1,85
Bloomberg/Reuters Ticker:	ASELS.TI / ASELS.IS	

Number of Shares (Mn):	4.560	
	(TRY Mn)	(US\$ Mn)
Current Mcap :	899.688	21.434
Free Float Mcap:	233.919	5.573

	1 M	YOY	YTD
TRY Return (%):	-9	211	172
US\$ Return (%):	-10	154	128
BIST 100 Relative (%):	-9	147	145
Avg. Daily Vol. (TRY Mn):	4555		
Avg. Daily Vol. (US\$ Mn):	117,7		

Beta	0,69
Volatility (Stock)	0,36
Volatility (BIST 100)	0,24

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



ASELSAN maintains a steady upward trend in both revenue and profitability indicators. The company's growing export-oriented order structure, effective financial management, strong cash flow, and rising investment expenditures are among the key factors supporting long-term sustainable growth. Moreover, the increase in R&D spending and investments in mass production are expected to further enhance ASELSAN's technological development and manufacturing capabilities, contributing significantly to its sustainable growth. Additionally, with the planned commissioning of new investments that will expand capacity in the production of ÇELİKKUBBE components, ASELSAN's global position in the defense industry is expected to strengthen further. In conclusion, since ASELSAN's financial results for 3Q25 exceeded expectations, we anticipate a positive market reaction. We maintain our target share price of TRY 240.00 and our "OUTPERFORM" recommendation for the company.

Figure 1: Financials

TRY Million	9M24	9M25	YoY	3Q24	3Q25	YoY
Revenues	80.931	90.873	12,3%	29.073	33.132	14,0%
Gross Profit	25.021	28.088	12,3%	8.456	9.610	13,7%
Gross Profit Margin	30,9%	30,9%		29,1%	29,0%	
EBIT	16.198	18.920	16,8%	5.626	6.857	21,9%
EBIT Margin	20,0%	20,8%		19,3%	20,7%	
EBITDA	19.189	22.668	18,1%	6.565	8.191	24,8%
EBITDA Margin	23,7%	24,9%		22,6%	24,7%	
Net Profit	8.187	11.651	42,3%	2.671	4.765	78,4%
Net Profit Margin	10,1%	12,8%		9,2%	14,4%	

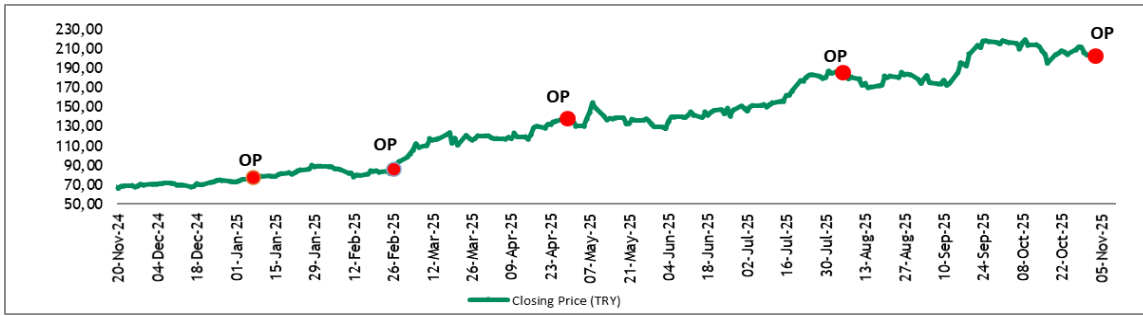
Source: Finnet, Seker Invest Research

Figure 2: Key Financials

BALANCE SHEET (TRY Mn)	2024/12	2025/09	% Chg
PP&E	46.922	50.663	8,0%
Intangibles	27.383	35.678	30,3%
Other Non-Current Assets	97.131	98.440	1,3%
Trade Receivables	35.566	28.902	-18,7%
Cash&Equivalents	20.868	14.438	-30,8%
Other Current Assets	76.671	96.199	25,5%
Total Assets	304.541	324.319	6,5%
Long Term Debt	12.200	1.211	-90,1%
Other Non current liabilities	27.532	37.063	34,6%
Short Term Debt	17.014	12.737	-25,1%
Trade Payables	24.786	21.588	-12,9%
Other current liabilities	45.702	64.098	40,3%
Total Liabilities	127.234	136.697	7,4%
Total Equity	177.307	187.622	5,8%
Total Equity&Liabilities	304.541	324.319	6,5%

INCOME STATEMENT (TRY Mn)	2024/09	2025/09	% Chg
Revenues	80.931	90.873	12,3%
COGS	55.910	62.785	12,3%
Gross Profit (Loss)	25.021	28.088	12,3%
Operating Expenses	8.823	9.168	3,9%
Operating Profit/(Loss)	16.198	18.920	16,8%
Net Other Ope. Rev./(Exp.)	2.954	7.354	148,9%
Income/(Loss) from Investing Activities	93	302	224,1%
Financial Expenses	(6.603)	(8.020)	N.M.
Gains (losses) on net monetary positions	(13.945)	(15.691)	N.M.
Profit Before Tax (Loss)	(1.335)	2.654	N.M.
Tax	9.433	8.934	-5,3%
Net Profit (Loss)	8.097	11.588	43,1%
Minority Interest	(89)	(63)	N.M.
Majority Interest	8.187	11.651	42,3%

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
6-Aug-25	Outperform (OP)	240,00
5-Nov-25	Outperform (OP)	240,00

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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