

ASELSAN

We view ASELSAN's 3Q26 financial results positively, driven by stronger-than-expected net profit and robust operational performance. The company reported TL11.2bn net profit in the third quarter, exceeding our estimate of TL9.1bn by around 23%. Revenues increased by 35% YoY in real terms to TL58.1bn, while EBITDA rose by 51% to TL16bn, with the EBITDA margin improving by 2.9pp to 27.6%. ASELSAN's third-quarter performance further strengthens our positive view on the company, which we have highlighted in our previous reports as a standout in the defense industry due to its strong growth story. Based on the increasing backlog and our updated financial forecasts, we raise our 12-month target price from TL452 to TL480 per share. However, as the expected upside potential is broadly in line with our index return expectations, we maintain our HOLD recommendation.

Strong revenue growth is accompanied by improving operational margins. In 3Q26, revenues came in around 5% above the market expectation, while EBITDA exceeded the market expectation by 11%. The 1.7pp YoY improvement in the gross profit margin to 30.7%, together with the expansion in the EBITDA margin, indicates that growth is supported by stronger operational profitability. In addition to robust operational performance, tax income also contributed to the 82% YoY increase in net profit. Accordingly, we believe the positive aspects of the results extend beyond the earnings beat, with revenue growth and margin improvement also supporting financial performance.

Our 2026 and 2027 forecasts indicate that growth will continue with strong operational profitability. We expect ASELSAN to end 2026 with around TL274bn in revenues, TL74.2bn in EBITDA and TL44.8bn in net profit. For 2027, we forecast TL375.2bn in revenues, TL103.3bn in EBITDA and TL61bn in net profit. These estimates imply an improvement in the EBITDA margin from 27.1% in 2026 to 27.5% in 2027. We expect the growing backlog and ongoing capacity investments to support revenue growth, while operational profitability remains at strong levels. Although we maintain a positive view on the company's medium- to long-term growth outlook, we believe the upside potential offered by our TL480 target price is broadly in line with our index return expectations. Accordingly, we reiterate our HOLD recommendation.

ASELS

HOLD

Target Price

TL 480

Return potential

41%

Share Data

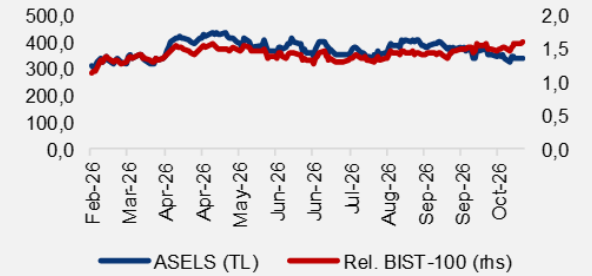
Ticker:	ASELS TI
Share price (as of 27.10.2026)	340,75
Share price (52 week range)	176 / 434
Market cap. (TL mn - USD mn)	1.553.820 - 31.264
# of shares (mn) & free float	4.560 - 26%
Foreign Ownership Rate	45.75%
Market	Star
Industry	Defence Industry

Avg. trading volume	1M	3M	12M
USD mn	267,2	261,8	254,4

Price performance	1M	3M	Y-t-D
TL	-8%	-5%	47%
USD	-10%	-10%	27%
Rel. to BIST-100	6%	17%	49%

Forecasts (TL mn)	2024	2025	2026E
Revenues	195.600	224.324	273.994
EBITDA	49.197	58.838	74.235
Net Earnings	24.894	37.232	44.843

Valuation	2024	2025	2026E
P/E	62,4x	41,7x	34,7x
P/BV	6,8x	5,0x	4,4x
EV/EBITDA	32,8x	27,4x	21,7x



Oğuzhan Kaymak

+90 212 355 2604

oguzhan.kaymak@tacirler.com.tr

Financial Statements

Balance Sheet	2024	2025	2026E
Cash	27.072	36.159	46.438
Accounts receivables	46.140	48.309	52.066
Inventory	70.738	91.572	103.662
Financial investments	0	0	0
Fixed assets	96.311	126.730	185.762
Other non-current assets	154.822	233.762	246.230
Total assets	395.083	536.532	634.158
Short-term financial loans	37.158	47.275	72.183
Accounts payables	32.155	47.196	45.196
Long-term financial loans	15.827	6.251	20.802
Other long-term payables	81.647	124.485	142.630
Non-current liabilities	166.787	225.207	280.811
Shareholders' equity	228.296	311.325	353.347
Paid in Capital	5.669	4.560	4.560
Other Equity	222.627	306.765	348.787
Total liabilities & equity	395.083	536.532	634.158
Net debt	25.913	17.367	46.547
Net working capital	84.723	92.685	110.532

Per share (TL)			
EPS	5,46	8,17	9,83
BVPS	50,06	68,27	77,49
DPS	0,06	0,00	0,00

Ratios

Profitability			
ROE	11,5%	13,8%	13,5%
Net margin	12,7%	16,6%	16,4%
Asset turnover	0,5x	0,5x	0,5x
Leverage	1,7x	1,7x	1,8x
ROA	6,6%	8,0%	7,7%

Leverage

Financial debt/Total assets	13%	10%	15%
Net debt/Equity	0,11	0,06	0,13
Net debt/EBITDA	0,53	0,30	0,63

Income statement	2024	2025	2026E
Revenues	195.600	224.324	273.994
Gross profit	62.092	71.392	87.522
Operating expenses	-18.263	-19.451	-23.472
Operating profit	43.828	51.940	64.050
EBITDA	49.197	58.838	74.235
Other income, net	620	9.156	9.731
Financial income, net	-31.042	-29.051	-26.284
Earnings before taxes	13.450	32.808	49.292
Tax expense	11.320	4.385	-4.522
Net earnings	24.894	37.232	44.843

Cashflow statement

EBITDA	49.197	58.838	74.235
Taxes on EBIT	387	11.320	4.385
Capital expenditures	-28.521	-33.577	-46.840
Chg. in NWC	4.305	-4.330	7.961
Free cashflows to firm	5.215	31.271	8.421

Growth & margins

Revenues	13%	15%	22%
EBITDA	31%	20%	26%
Net earnings	45%	50%	20%
Gross margin	31,7%	31,8%	31,9%
Operating margin	22,4%	23,2%	23,4%
EBITDA margin	25,2%	26,2%	27,1%
Net margin	12,7%	16,6%	16,4%
Free cashflow margin	2,7%	13,9%	3,1%

Valuation

P/E	62,4x	41,7x	34,7x
P/BV	6,8x	5,0x	4,4x
EV/EBITDA	32,8x	27,4x	21,7x

Source: Rasyonet, Tacirler Investment

* All figures are stated in millions of TL unless otherwise stated.

** Figures in the table are adjusted for inflation.

Important Disclosures

Disclaimer

This document was produced by Tacirler Yatırım Menkul Değerler A.Ş. ("Tacirler Investment"), solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient.

This document does not constitute an offer of, or an invitation by or on behalf of Tacirler Investment to any person to buy or sell any security. The information contained herein has been obtained from published information and other sources which Tacirler Investment considers to be reliable. Tacirler Investment does not accept any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document.

Recipients of this document are urged to base their investment decisions upon their own appropriate investigations that they deem necessary and they should make their own independent decisions as to whether an investment or instrument is proper or appropriate based on their own individual judgment and their risk-tolerance. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and Tacirler Investment accepts no liability for any such loss or consequence. Not all investment strategies are appropriate at all times, and past performance is not necessarily a guide to future performance.

Tacirler Investment may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or their derivative securities thereon either on their own account or on behalf of their clients.

Tacirler Investment may perform or seek to perform securities, investment banking or other services for such issuer or its affiliates presented in this document.