Financial Analysis – 4Q25
February 25, 2026

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ASELSAN

We evaluate ASELSAN's 4Q25 results positively, driven by slightly better-than-expected operational performance and stronger-than-forecast net profitability. Following the 4Q25 results, we revise our forward estimates upward, raise our 12-month target price to TL420 from TL240, and upgrade our recommendation to BUY from HOLD. The record-high backlog of USD20.4bn, increasing export contracts, and ongoing capacity expansion investments continue to underpin the company's medium and long-term growth outlook.

Operational performance remained strong in 4Q25, while net profitability exceeded our expectations. Revenues increased by 17% YoY to TL85.6bn, and EBITDA came in at TL23.7bn, slightly above our forecast. The EBITDA margin improved to 27.7%, marking both annual and quarterly expansion. Net profit reached TL17.8bn, exceeding our estimate by 47%, and rose by 55% YoY and 258% QoQ. The strong bottom-line performance was mainly supported by higher income from investment activities and a positive contribution from monetary gains.

ASELSAN closed 2025 with solid real growth, improving margins and accelerating order momentum. The company generated TL180.4bn in revenue, TL47.3bn in EBITDA, and TL29.9bn in net profit, with the EBITDA margin rising to 26.2% and the net profit margin reaching 16.6%. Operational efficiency initiatives, disciplined cost management, and the transformation steps implemented under the aselsanext program supported profitability, while economies of scale became more evident. During the same period, new order intake increased by 46% to USD9.6bn, while the backlog expanded by 46% to a record USD20.4bn. The book-to-bill ratio improved to 2.2x, confirming growth visibility and sustainability. Strong growth in export contracts and rising international deliveries indicate a more balanced and increasingly FX based revenue mix.

We expect double digit growth and sustained margin strength in 2026. Management guides for real revenue growth of above 10%, an EBITDA margin exceeding 24%, and CAPEX of more than TL50bn for the year. Considering the record high backlog, rising export exposure, and ongoing investments, we anticipate growth momentum to continue into 2026 and beyond. In addition, elevated global defense spending and persistent geopolitical risks stand out as supportive macro drivers, underpinning order flow both domestically and in export markets.

ASELS — BUY

Target Price	**TL 420**
Return potential	**36%**

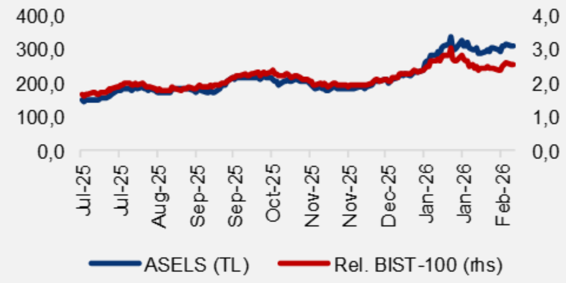
Share Data	
Ticker:	**ASELS TI**
Share price (as of 24.02.2026)	309,00
Share price (52 week range)	81 / 337
Market cap. (TL mn - USD mn)	1.409.040 - 32.186
# of shares (mn) & free float	4.560 - 26%
Foreign Ownership Rate	51,09%
Market	Star
Industry	Defence Industry

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	332,7	261,2	181,9

Price performance	1M	3M	Y-t-D
TL	3%	68%	33%
USD	1%	62%	31%
Rel. to BIST-100	-5%	30%	7%

Forecasts (TL mn)	2024	2025	2026E
Revenues	157.340	180.445	253.793
EBITDA	39.574	47.329	49.716
Net Earnings	20.025	29.950	30.918

Valuation	2024	2025	2026E
P/E	70,4x	47,0x	45,6x
P/BV	7,7x	5,6x	4,9x
EV/EBITDA	36,0x	30,1x	28,6x



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Financial Statements

Balance Sheet	2024	2025	2025E
Cash	21.777	29.086	30.933
Accounts receivables	37.115	38.860	43.243
Inventory	56.901	73.661	79.285
Financial investments	0	0	0
Fixed assets	77.472	101.942	134.815
Other non-current assets	124.538	188.039	241.874
Total assets	**317.803**	**431.587**	**530.150**
Short-term financial loans	29.890	38.028	49.847
Accounts payables	25.865	37.965	48.452
Long-term financial loans	12.732	5.028	7.362
Other long-term payables	65.676	100.136	135.914
Non-current liabilities	**134.162**	**181.157**	**241.576**
Shareholders' equity	**183.640**	**250.430**	**288.575**
Paid in Capital	4.560	4.560	4.560
Other Equity	179.080	245.870	284.015
Total liabilities & equity	**317.803**	**431.587**	**530.150**
Net debt	20.845	13.970	26.276
Net working capital	68.151	74.556	74.076

Per share (TL)			
EPS	4,39	6,57	6,78
BVPS	40,27	54,92	63,28
DPS	0,05	0,00	0,00

Ratios			
Profitability			
ROE	11,5%	13,8%	11,5%
Net margin	12,7%	16,6%	12,2%
Asset turnover	0,5x	0,5x	0,5x
Leverage	1,7x	1,7x	1,8x
ROA	6,6%	8,0%	6,4%
Leverage			
Financial debt/Total assets	13%	10%	11%
Net debt/Equity	0,11	0,06	0,09
Net debt/EBITDA	0,53	0,30	0,53

Income statement	2024	2025	2026E
Revenues	**157.340**	**180.445**	**253.793**
Gross profit	49.946	57.427	60.818
Operating expenses	-14.691	-15.647	-17.018
Operating profit	35.255	41.780	43.800
EBITDA	**39.574**	**47.329**	**49.716**
Other income, net	499	7.365	8.264
Financial income, net	-24.970	-23.368	-24.455
Earnings before taxes	10.819	26.391	28.283
Tax expense	9.106	3.527	2.531
Net earnings	**20.025**	**29.950**	**30.918**

Cashflow statement			
EBITDA	**39.574**	**47.329**	**49.716**
Taxes on EBIT	311	9.106	3.527
Capital expenditures	-22.942	-27.009	-37.678
Chg. in NWC	3.463	-3.483	6.405
Free cashflows to firm	**4.195**	**25.154**	**6.773**

Growth & margins			
Revenues	13%	15%	41%
EBITDA	31%	20%	5%
Net earnings	45%	50%	3%
Gross margin	31,7%	31,8%	24,0%
Operating margin	22,4%	23,2%	17,3%
EBITDA margin	25,2%	26,2%	19,6%
Net margin	12,7%	16,6%	12,2%
Free cashflow margin	2,7%	13,9%	2,7%

Valuation			
P/E	70,4x	47,0x	45,6x
P/BV	7,7x	5,6x	4,9x
EV/EBITDA	36,0x	30,1x	28,6x

Source: Company Data, Tacirler Investment
** All figures are stated in millions of TL unless otherwise stated.*

Important Disclosures

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