Financial Analysis – 3Q25

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ASELSAN

We view ASELSAN's 3Q25 results as neutral. The company maintained a solid operational performance; however, the stock has already largely priced in these positive expectations. Although the bottom line came in above expectations, current valuation levels suggest only limited short-term upside potential. We continue to favor ASELSAN's business model and keep the company under close coverage. With its leading position in the defense industry, strong order backlog, and export-oriented growth strategy, we maintain our 12-month target price of TL220 per share and reiterate our "HOLD" recommendation. The robust backlog and ongoing large-scale platform projects are expected to continue supporting revenue growth in the coming periods.

ASELSAN delivered a stronger-than-expected bottom line in 3Q25, posting a net profit of TL4,765mn, above both the market consensus of TL3,075mn and our estimate of TL3,194mn. The earnings beat was mainly driven by a notable decline in financial expenses. Net profit increased by 78% YoY and 11% QoQ.Revenues rose 14% YoY to TL33.1bn, while EBITDA grew 25% YoY to TL8.2bn, bringing the EBITDA margin to 24.7%, up 214bps year-on-year. The company maintained a sustainable growth trend on the operational side, with strong cash generation and effective cost management further supporting profitability performance.

While maintaining its year-end projections, growth momentum continues. Following its 3Q25 financial results, the company reaffirmed its 2025 year-end guidance, targeting a real revenue growth of over 10%, an EBITDA margin above 23%, and investment expenditures exceeding TL20 billion. In the first nine months, the company achieved a real revenue growth of 12.3% under inflation accounting. During the same period, new orders surged by 76% to USD 5.7 billion, while export contracts rose 171% YoY to USD 1.45 billion. Investments reached USD 200 million, and R&D expenditures increased by 40% YoY.

Backlog reached an all-time high. ASELSAN's backlog rose to USD 17.9 billion, marking a new record level. Among the new contracts signed in the third quarter were air defense, radar, and command-control system supply agreements with international customers, as well as air defense and AI-driven urban security projects signed with the Presidency of Defense Industries. The continued strong demand for ASELSAN's products in both domestic and international markets further supports the company's long-term growth outlook.

ASELS **HOLD**

Target Price	**TL 220**
Return potential	**12%**

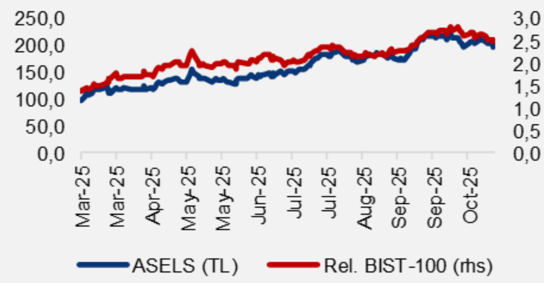
Share Data	
Ticker:	**ASELS TI**
Share price (as of 04.11.2025)	197,30
Share price (52 week range)	98 / 219
Market cap. (TL mn - USD mn)	899.688 - 21.419
# of shares (mn) & free float	4.560 - 26%
Foreign Ownership Rate	48.7%
Market	Star
Industry	Defence Industry

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	137,9	135,6	138,7

Price performance	1M	3M	Y-t-D
TL	-9%	5%	172%
USD	-10%	1%	129%
Rel. to BIST-100	-9%	4%	145%

Forecasts (TL mn)	2023	2024	2025E
Revenues	133.272	150.773	175.276
EBITDA	29.024	37.923	45.113
Net Earnings	13.203	19.189	25.306

Valuation	2023	2024	2025E
P/E	68,1x	46,9x	35,6x
P/BV	5,7x	5,1x	4,5x
EV/EBITDA	14,9x	11,3x	9,4x
EV/Sales	6,9x	6,1x	5,3x



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Financial Statements

Balance Sheet	2023	2024	2025E
Cash	11.970	20.868	15.888
Accounts receivables	37.293	35.566	32.374
Inventory	58.269	54.527	69.660
Financial investments	0	0	0
Fixed assets	64.972	74.305	89.794
Other non-current assets	100.182	119.275	133.020
Total assets	**272.687**	**304.541**	**340.737**
Short-term financial loans	34.061	28.643	36.255
Accounts payables	26.918	24.786	24.698
Long-term financial loans	2.046	12.200	1.332
Other long-term payables	51.548	62.935	78.441
Non-current liabilities	**114.572**	**128.564**	**140.726**
Shareholders' equity	**158.115**	**175.977**	**200.011**
Paid in Capital	5.720	4.560	4.560
Other Equity	152.395	171.417	195.451
Total liabilities & equity	**272.687**	**304.541**	**340.737**
Net debt	24.136	19.975	21.699
Net working capital	68.644	65.307	77.336

Per share (TL)			
EPS	2,90	4,21	5,55
BVPS	34,67	38,59	43,86
DPS	0,09	0,05	0,07

Ratios			
Profitability			
ROE	8,7%	11,5%	13,5%
Net margin	9,9%	12,7%	14,4%
Asset turnover	0,5x	0,5x	0,5x
Leverage	1,8x	1,7x	1,7x
ROA	4,9%	6,6%	7,8%
Leverage			
Financial debt/Total assets	13%	13%	11%
Net debt/Equity	0,15	0,11	0,11
Net debt/EBITDA	0,83	0,53	0,48

Income statement	2023	2024	2025E
Revenues	**133.272**	**150.773**	**175.276**
Gross profit	36.409	47.862	54.705
Operating expenses	-13.546	-14.078	-14.830
Operating profit	22.863	33.784	39.875
EBITDA	**29.024**	**37.923**	**45.113**
Other income, net	22.363	478	5.206
Financial income, net	-32.229	-23.928	-27.961
Earnings before taxes	13.056	10.368	17.150
Tax expense	298	8.726	7.917
Net earnings	**13.203**	**19.189**	**25.306**

Cashflow statement			
EBITDA	**29.024**	**37.923**	**45.113**
Taxes on EBIT	298	8.726	7.917
Capital expenditures	-21.984	-25.882	-30.623
Chg. in NWC	3.318	-3.337	4.529
Free cashflows to firm	**4.020**	**24.104**	**17.878**

Growth & margins			
Revenues	10%	13%	16%
EBITDA	14%	31%	19%
Net earnings	469%	45%	32%
Gross margin	27,3%	31,7%	31,2%
Operating margin	17,2%	22,4%	22,7%
EBITDA margin	21,8%	25,2%	25,7%
Net margin	9,9%	12,7%	14,4%
Free cashflow margin	3,0%	16,0%	10,2%

Valuation			
P/E	68,1x	46,9x	35,6x
P/BV	5,7x	5,1x	4,5x
EV/EBITDA	14,9x	11,3x	9,4x
EV/Sales	6,9x	6,1x	5,3x
Dividend Yield	0,0%	0,0%	0,0%
Free cashflow yield	0,4%	2,7%	2,0%

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

Important Disclosures

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