

ASTOR Energy

We attended the analyst meeting held for Astor Energy (ASTOR), where updated information on the company's current operations was provided, along with an assessment of its future outlook.

Main Topics of the Meeting

Astor Energy: The company operates in the production and sales of power equipment, primarily transformers and switching products. Following inflation accounting adjustments, Astor recorded revenue of TL26.6bn in 2024, corresponding to approximately USD782mn. On a consolidated basis, the company generated TL9.3bn EBITDA, highlighting its strong operational profitability with a 30% margin. As of the first half of 2025, Astor maintained TL4.7bn in cash and equivalents and a net cash position of around TL7bn, underscoring its robust balance sheet.

Astor Energy continues to hold its position as Turkey's largest transformer manufacturer and remains the sector leader. Having completed its IPO in 2023, the company was swiftly included in the BIST Dividend and BIST Corporate Governance indices, solidifying its status as one of the fastest-growing industrial companies in Turkey.

Current Outlook

- The investment initiated in 2024, which will provide a 100% capacity increase across all product groups, is progressing as planned. With the commissioning of the new plant in 2026, production volumes are expected to expand significantly.
- Currently, ASTOR manufactures distribution and power transformers as well as switching products under a single roof. Once the new facility becomes operational, the existing plants will focus solely on transformer production, while the other product groups will be relocated to the new site.
- In addition, the facility houses a rooftop solar power plant with an installed capacity of 8.5 MW, aiming to meet the entirety of its electricity needs internally.
- In terms of sales distribution, power transformers hold the largest share at 38%, followed by distribution transformers at 31% and switching products at 19%. Power transformers remain the company's strategic focus, as they generate higher added value and contribute positively to margins.
- During the first half of 2025, exports rose to 50% of total sales. Among export markets, EU countries account for the largest share at 40%, followed by the Middle East and North Africa with 25% and the United Kingdom with 10%.
- The U.S. market stands out as a key strategic growth target, expected to provide significant opportunities given strong demand and higher profit margins.

ASTOR

Share Data

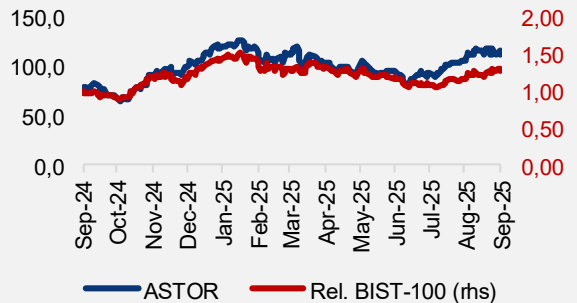
Ticker:	ASTOR TI
Share price (as of September 9, 2024)	111,20
Share price (52 week range)	64 / 126
Market cap. (TL mn - USD mn)	110977,6 - 2692,9
# of shares outstanding (mn)	998
Free Float	28%

Avg. trading volume	1M	3M	12M
USD mn	33,6	28,6	34,1

Price performance	1M	3M	Y-t-D
TL	9%	22%	2%
USD	8%	16%	-12%
Rel. to BIST-100	13%	11%	-5%

TL mn	2022	2023	2024
Revenues	23.219	28.493	31.063
EBITDA	6.091	9.765	9.300
Net Earnings	3.437	7.746	5.863
Net Debt	2.138	-3.260	-6.971

Valuation	2022	2023	2024
P/E	0,0x	35,7x	15,6x
P/BV	0,0x	13,5x	7,1x
EV/EBITDA	0,0x	16,0x	10,0x
EV/Sales	0,00x	4,49x	3,33x



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- Strategically, the company aims to strengthen its export footprint while maintaining a solid market share domestically. The total backlog stands at USD769mn, with 60% comprising international orders and 40% domestic.
- With the commissioning of the new plant, production of insulated copper and aluminum conductors as well as inverters is planned, which is expected to provide both cost advantages and greater supply chain security. In addition, investments in Energy Storage Systems (ESS) will support renewable energy integration and enhance production efficiency.
- Significant progress has also been made in test laboratory investments. Although orders were placed for a 600 kV lightning impulse test system, commissioning has not yet taken place since delivery could not be completed in the first half of 2025. Once delivered, lightning impulse testing capabilities will be added, and the laboratory is expected to operate at full capacity starting from the third quarter of 2025.
- In addition, testing equipment compliant with NEMA standards and 60 Hz frequency levels has been acquired, strengthening the company's infrastructure particularly for the U.S. market. In line with increasing international demand, technical studies and bidding processes are also underway for the establishment of a new test laboratory.
- In line with its goal of enhancing global brand recognition, Astor completed the application process for the Turquality Support Program, which was officially announced by the Ministry of Trade on December 13, 2024. The second phase of the program, the Development Roadmap, was prepared under the consultancy of KPMG and submitted to the Ministry on June 13, receiving approval. Within this roadmap, the application process for Iraq, one of the designated target countries, has already been initiated.
- Overall, with its capacity expansion through the new factory investment, solid backlog, strong balance sheet, low leverage, and growing share of exports, Astor Energy aims to sustain its growth momentum both domestically and across global markets.

About company

- **ASTOR:** Astor Energy operates in the production and sales of power equipment, primarily transformers and switching products. As Turkey's largest transformer manufacturer, the company maintains its strong position in the domestic market while exporting to more than 100 countries worldwide. In the first half of 2025, exports accounted for 50% of total sales, with the product mix consisting of 38% power transformers, 31% distribution transformers, and 19% switching products.
- With ongoing investments in Ankara, production capacity is planned to double by 2026, supported by the construction of a new factory, a conductor manufacturing facility, and energy storage systems. In addition, the company holds an EPDK license for operating an electric vehicle charging network and currently provides services through 595 stations across Turkey.

Financial structure

- **ASTOR:** In 2Q25, net sales declined by 0.4% YoY to TL6.94bn, while the company generated TL2.55bn EBITDA, achieving a strong margin of 36.7%. In the first half of the year, sales contracted by 12% to TL13.6bn, mainly due to rising competition and pricing pressure. Net profit came in at TL912mn in 2Q25, bringing total net profit for 1H25 to TL1.9bn. Despite temporary pressure on free cash flow during the quarter, the company's robust net cash position of TL6.9bn continues to support its investment capacity and financial flexibility.

Expectations

- Astor Energy exceeded its 2023 revenue target of USD540mn by delivering USD575mn. In 2024, revenue came in at USD755mn versus the USD826mn target. Looking ahead, growth momentum is expected to accelerate again with capacity expansion and the commissioning of the new plant.
- The company has set revenue targets of USD940mn for 2025 and USD1,223mn for 2026. This growth is expected to be driven particularly by power transformers and switching products, while the strong upward trend in exports stands out as the main catalyst.
- From a product breakdown perspective, power transformers remain the most critical segment for profitability due to their high value-added structure, projected to account for 38% of total sales in 2025 and 34% in 2026.
- Distribution transformers are expected to maintain a balanced share in the 30–34% range, while switching products are projected to capture a stronger share from 2026 onwards.
- On the export side, the company targets USD600mn in 2026, representing 33% growth.

Table: Forward-Looking Financial Expectations

Revenue by Product Groups	2025									2026								
	Total			Domestic			Overseas			Total			Domestic			Overseas		
	Revenue	Share (%)	Increase (%)	Revenue	Share (%)	Increase (%)	Revenue	Share (%)	Increase (%)	Revenue	Share (%)	Increase (%)	Revenue	Share (%)	Increase (%)	Revenue	Share (%)	Increase (%)
Distribution Transformer	\$320	34%	32%	\$157	32%	-5%	\$163	36%	111%	\$410	34%	28%	\$185	30%	18%	\$226	38%	38%
Switching Products	\$174	19%	39%	\$148	30%	29%	\$26	6%	161%	\$265	22%	52%	\$212	34%	43%	\$53	9%	104%
Power Transformer	\$356	38%	19%	\$111	23%	-11%	\$245	54%	41%	\$410	34%	15%	\$123	20%	11%	\$287	48%	17%
Merchandise Sales & Other	\$90	10%	62%	\$74	15%	67%	\$16	4%	45%	\$138	11%	53%	\$104	17%	41%	\$34	6%	113%
Total	\$940	100%	30%	\$490	100%	9%	\$450	100%	66%	\$1,223	100%	30%	\$624	100%	27%	\$600	100%	33%

Source: Company Data, Tacirler Investment

ASTOR Summary Tables

Balance Sheet	2022	2023	2024
Cash	1.430	5.192	9.242
Accounts receivables	7.156	9.987	7.636
Inventory	3.587	2.547	3.340
Other current assets	2.193	4.230	4.420
Current assets	14.366	21.957	24.638
Financial investments	95	436	1.087
Net fixed assets	3.756	4.963	6.611
Intangible assets	908	2.213	2.418
Other non-current assets	770	2.023	892
Non-current assets	5.529	9.635	11.009
Total assets	19.895	31.591	35.646
Short-term financial loans	3.126	1.789	2.227
Accounts payables	2.628	2.839	1.959
Other short-term payables	2.382	6.155	7.062
Current liabilities	8.136	10.783	11.248
Long-term financial loans	443	143	44
Other long-term payables	56	48	57
Non-current liabilities	498	192	102
Shareholders' equity	11.261	20.617	24.297
Parent company	11.261	20.617	24.297
Minorities	0	0	0
Total liabilities & equity	19.895	31.591	35.646
Net debt	2.138	-3.260	-6.971
Net working capital	7.926	7.770	6.374
Net working capital (Operating)	8.114	9.696	9.017
Invested Capital	12.590	14.946	15.403
Ratios			
Profitability			
ROE	42,3%	48,6%	0,0%
Net margin	14,8%	27,2%	#DIV/0!
Asset turnover	1,3x	1,1x	0,0x
Leverage	2,1x	1,6x	1,5x
ROA	20,0%	30,1%	#DIV/0!
ROIC	43,0%	53,7%	0,0%
Leverage			
Financial debt/Total assets	18%	6%	6%
Net debt/Equity	0,19	-0,16	-0,29
Net debt/EBITDA	0,35	-0,33	-0,75

Source: Bloomberg, Tacirler Investment

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

Income statement	2022	2023	2024
Revenues	23.219	28.493	31.063
Gross profit	7.050	10.911	10.743
Operating expenses	1.181	1.676	2.450
Operating profit	5.870	9.235	8.293
EBITDA	6.091	9.765	9.300
Other income, net	619	517	894
Financial income, net	-2.643	-935	-3.183
Earnings before taxes	3.846	8.817	6.004
Tax expense	409	1.071	142
Net earnings - Parent	3.437	7.746	5.863
Cashflow statement			
EBITDA	6.091	9.765	9.300
Taxes on EBIT	624	1.122	195
Capital expenditures	274	2.630	0
Chg. in NWC	1.550	-156	-1.396
Free cashflows to firm	3.643	6.169	10.500
Growth & margins			
Revenues	61%	23%	9%
EBITDA	58%	60%	-5%
Net earnings	46%	125%	-24%
Gross margin	30,4%	38,3%	34,6%
Operating margin	25,3%	32,4%	26,7%
EBITDA margin	26,2%	34,3%	29,9%
Net margin	14,8%	27,2%	18,9%
Free cashflow margin	14,8%	27,2%	18,9%
Per share (TL)			
EPS	3,44	7,76	5,87
BVPS	11,28	20,66	24,35
DPS	0,00	0,53	1,32
Valuation			
P/E	0,0x	35,7x	15,6x
P/BV	0,00x	13,54x	7,07x
EV/EBITDA	0,0x	16,0x	10,0x
EV/Sales	0,00x	4,49x	3,33x

Important Disclosures

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