

Astor Energy

Following Astor Enerji's 1Q26 results, we view the strong order inflow, details regarding capacity expansion investments, acceleration in exports, and particularly the company's expectations for the US market shared during the analyst meeting positively. While strong annual operational profitability was maintained in the first quarter, we observed a more normalized trend on a quarterly basis. ASTOR reported net income of TL 1,812mn in 1Q26, up 53% YoY, with net income coming in 9% below market expectations but 4% above our estimate. In line with the updated guidance shared by management during the analyst meeting, the contribution from new factory investments, the strong backlog outlook, and especially the growth potential in high value-added power transformers, we revise our medium- and long-term projections upward. In particular, we believe strong demand from the US market, accelerating export momentum, and ongoing capacity investments continue to support the company's growth story. Accordingly, we raise our 12-month target price for ASTOR to TL 405 from TL 257 while maintaining our BUY recommendation.

Operational performance remained strong on an annual basis.

Gross profit increased by 23% YoY to TL 3.5bn, while the gross margin reached 38%. The high share of power transformers in the product mix, cost discipline, and focus on higher-margin markets were the main factors supporting margins. In 1Q26, power transformers accounted for the largest share of total sales at 44%, followed by distribution transformers at 24% and switching products at 18%.

The export-driven growth story continues to strengthen.

In 1Q26, exports accounted for 45% of total sales, while the regional breakdown consisted of Europe with a 44% share, Africa with 25%, the Middle East and North Africa with 24%, and North America with 6%. As of 1Q26, the backlog reached USD 960mn, of which 76% consisted of power transformers and 72% was generated from international orders, supporting revenue visibility for 2026 and beyond.

ASTOR

BUY

Target Price **TL 405**
Return potential **29%**

Share Data

Ticker:	ASTOR TI		
Share price (as of 18.05.2026)	313,00		
Share price (52 week range)	81 / 340		
Market cap. (TL mn - USD mn)	312.374 - 6.873		
# of shares (mn) & free float	998 - 43%		
Foreign Ownership Rate	62.77%		
Market	Star		
Industry	Electrical Equipments		

Avg. trading volume	1M	3M	12M
USD mn	248,7	177,6	114,4

Price performance

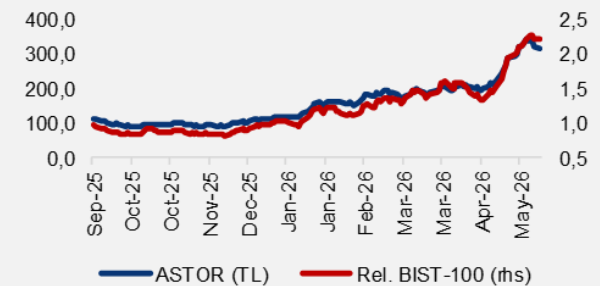
	1M	3M	Y-t-D
TL	59%	68%	168%
USD	57%	61%	152%
Rel. to BIST-100	65%	70%	115%

Forecasts (TL mn)

	2024	2026	2026E
Revenues	38.348	38.834	50.211
EBITDA	11.481	12.217	16.882
Net Earnings	7.238	8.439	9.893

Valuation

	2024	2026	2026E
P/E	43,2x	37,0x	31,6x
P/BV	10,4x	8,5x	6,7x
EV/EBITDA	25,3x	23,8x	17,2x



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Strategically, capacity expansion investments and the new factory project stand out as key focus areas. While Phase 1 and Phase 2 investments have been completed, the company started Phase 3 investments as of early 2026. Management targets completing the investment process by year-end and starting production at the new facility in early 2027. Following the new investment, total capacity is expected to reach approximately 102K MVA, with the additional capacity planned to be utilized mainly for export markets. In addition, investments in copper and aluminum conductor production, as well as inverter and energy storage systems, are also coming to the forefront within the new facility. Management also emphasized that the company continues to maintain a strong net cash position, investments are largely financed through internal resources, and long-term external financing alternatives are being evaluated under favorable conditions.

Key Highlights & Expectations

- Management stated that investments in energy infrastructure, data centers, and artificial intelligence applications are increasing energy demand, which continues to support strong order inflows particularly in the power transformer segment.
- The company maintained its approximately USD 1.1bn revenue target for 2026, while aiming to gradually increase the share of exports within total sales. Management also highlighted that revenue levels above USD 2bn are achievable in the medium term.
- Phase 3 investments started as of early 2026, while the new factory is planned to become operational in early 2027. Total capacity is expected to reach approximately 102K MVA.
- Management indicated that around 75% of the current order backlog consists of power transformers, while capacity utilization on the power transformer side for 2026 is already largely filled.
- New investments are expected to be utilized mainly for export markets, with a stronger contribution from the US market anticipated starting from 4Q26.
- Management expects EBITDA margins to remain around 35% over the next three years and stated that margins could stay above current levels.
- Total backlog reached approximately USD 1.72bn, while discussions regarding new customer acquisitions and large-scale orders are ongoing.
- Management emphasized that the company continues to maintain a strong balance sheet and net cash position, while ongoing investments are largely financed through internal resources. In addition, long-term and cost-efficient financing opportunities are also being evaluated to support the investment process.
- Management noted that expectations regarding inclusion in the MSCI Large Cap Index remain intact, while foreign investor interest continues to stay strong.

Table: Forward-Looking Financial Expectations

Revenue by Product Groups	2025						2026								
	Domestic		Export		Total		Domestic			Export			Total		
	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)	Revenue	Share (%)	Increase (%)	Revenue	Share (%)	Increase (%)	Revenue	Share (%)	Increase (%)
	Million														
Distribution Transformer	\$160	32%	\$61	19%	\$221	27%	\$185	35%	15%	\$110	19%	80%	\$295	27%	33%
Switching Products	\$114	23%	\$17	5%	\$131	16%	\$175	33%	53%	\$27	5%	59%	\$202	18%	54%
Power Transformer	\$139	28%	\$230	70%	\$369	45%	\$107	20%	-23%	\$415	73%	80%	\$522	48%	41%
Merchandise Sales & Other	\$82	17%	\$20	6%	\$102	12%	\$60	11%	-27%	\$15	3%	-25%	\$75	7%	-27%
Total	\$496	100%	\$328	100%	\$824	100%	\$527	100%	6%	\$567	100%	73%	\$1,094	100%	33%

Source: Company Data, Tacirler Investment

Financial Statements

Balance Sheet	2024	2025	2025E
Cash	6.724	1.404	5.544
Accounts receivables	9.426	12.938	18.431
Inventory	4.123	8.579	10.046
Financial investments	4.685	12.397	16.037
Fixed assets	11.146	12.680	15.386
Other non-current assets	8.257	7.900	7.775
Total assets	44.005	55.773	76.553
Short-term financial loans	2.749	5.080	6.014
Accounts payables	2.418	3.581	7.068
Long-term financial loans	55	0	4.724
Other long-term payables	7.658	8.790	10.490
Non-current liabilities	14.011	19.152	30.068
Shareholders' equity	29.994	36.622	46.485
Paid in Capital	1.098	998	998
Other Equity	28.896	35.624	45.487
Total liabilities & equity	44.005	55.773	76.553
Net debt	-3.920	3.677	5.194
Net working capital	11.132	17.936	21.408

Per share (TL)

EPS	7,25	8,46	9,91
BVPS	30,05	36,69	46,58
DPS	2,68	1,79	2,23

Ratios

Profitability

ROE	26,1%	25,3%	23,8%
Net margin	18,9%	21,7%	19,7%
Asset turnover	0,9x	0,8x	0,8x
Leverage	1,5x	1,5x	1,6x
ROA	17,4%	16,9%	15,0%

Leverage

Financial debt/Total assets	6%	9%	14%
Net debt/Equity	-0,13	0,10	0,11
Net debt/EBITDA	-0,34	0,30	0,31

Income statement	2024	2025	2026E
Revenues	38.348	38.834	50.211
Gross profit	13.262	14.349	19.778
Operating expenses	-3.025	-3.296	-4.335
Operating profit	11.401	10.237	11.053
EBITDA	11.481	12.217	16.882
Other income, net	-732	-294	-227
Financial income, net	-3.929	-8.526	-10.898
Earnings before taxes	6.730	8.575	7.759
Tax expense	-175	-136	-135
Net earnings	7.238	8.439	9.893

Cashflow statement

EBITDA	11.481	12.217	16.882
Taxes on EBIT	-1.322	-175	-136
Capital expenditures	-3.788	-3.451	-2.672
Chg. in NWC	1.952	-838	6.805
Free cashflows to firm	4.992	8.693	2.605

Growth & margins

Revenues	9%	1%	29%
EBITDA	-5%	6%	38%
Net earnings	-24%	17%	17%
Gross margin	34,6%	36,9%	39,4%
Operating margin	29,7%	26,4%	22,0%
EBITDA margin	29,9%	31,5%	33,6%
Net margin	18,9%	21,7%	19,7%
Free cashflow margin	13,0%	22,4%	5,2%

Valuation

P/E	43,2x	37,0x	31,6x
P/BV	10,4x	8,5x	6,7x
EV/EBITDA	25,3x	23,8x	17,2x

Source: Company Data, Tacirler Investment

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

** Figures in the table are adjusted for inflation.

Important Disclosures

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