

## ASELSAN

### National Power ASELSAN Ready for the Future

We include ASELSAN in our coverage with a 12-month target price of 107.60 TL, offering a 38% upside potential, and assign a "BUY" recommendation. The main catalysts driving our valuation are: (i) the maintenance of record-high total backlog levels through new contract acquisitions, and (ii) the increase in global defense spending driven by geopolitical risks, reinforcing ASELSAN's competitive edge and position in global defense markets. Based on our 2025 forecasts, ASELSAN is trading at a P/E multiple of 19.4x and an EV/EBITDA multiple of 8.9x.

**Record-high backlog expected to expand further in 2025 with new projects...** The upward trend in backlog growth continues. With the signing of 5 billion USD in new contracts in 2024, ASELSAN reached a total backlog value of 12.6 USD billion according to its latest financials. Of this backlog, 49% is denominated in USD, 33% in EUR, and 18% in TRY. The fact that 68% of costs are in TRY supports the company's cost management against currency fluctuations. Furthermore, momentum in military equipment and strategic projects, bolstered by export agreements signed with international clients, will continue to drive a strong growth trend in the backlog. This dynamic represents a critical milestone in ASELSAN's growth strategies. In line with its export-oriented growth strategy, the company achieved a 52% year-over-year increase in international contracts in the first nine months of 2024. New order intake is projected to align with 2023 levels, highlighting the company's robust growth potential. We estimate that ASELSAN will close 2024 with approximately 13 billion USD in backlog orders. According to our projections, the company's EBITDA is expected to grow from 855 million USD in 2024 to 1.3 billion USD in 2027, with a compound annual growth rate (CAGR) of 12.7% over this period.

**ASELSAN's global defense presence and competitive strength to gain momentum through strategic projects...** The 2025 procurement budget for equipment and materials allocated to the Gendarmerie, Ministry of National Defense, and General Directorate of Security has been set at 9.2 billion USD (approximately 385.7 billion TL). Budget increases are expected to positively contribute to ASELSAN's operating revenues, while its high-value-added defense industry projects will support profitability performance. With its strong position in the domestic market and the increasing emphasis on defense industry R&D initiatives under the Medium-Term Program (2025-2027), ASELSAN is poised to maintain its leadership in the sector.

### ASELS

### BUY

**Target Price** TL 107,6  
**Return potential** 38%

#### Share Data

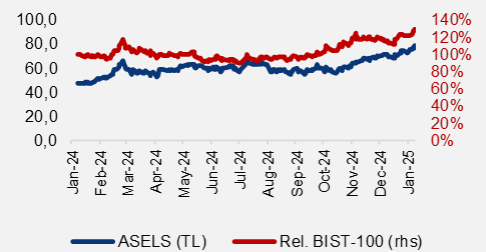
Ticker:	ASELS TI
Share price (as of 09.01.2025)	78,20
Share price (52 week range)	47 / 78
Market cap. (TL mn - USD mn)	356.592 - 10.104
# of shares (mn) & free float	4.560 - 26%
Foreign Ownership Rate	31,90%
Market	BIST STAR
Industry	Defence

Avg. trading volume	1M	3M	12M
USD mn	55,6	60,5	62,2

Price performance	1M	3M	Y-t-D
TL	10%	33%	8%
USD	8%	29%	8%
Rel. to BIST-100	13%	22%	6%

Forecasts (TL mn)	2023	2024E	2025E
Revenues	73.593	117.686	166.958
EBITDA	16.027	28.604	43.771
Net Earnings	7.290	12.354	18.357

Valuation	2023	2024E	2025E
P/E	48,9x	28,9x	19,4x
P/BV	3,0x	7,7x	5,7x
EV/EBITDA	24,2x	13,6x	8,9x



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The program's support for high value-added domestic production policies will continue to accelerate ASELSAN's strategic projects. The Iron Dome Project is expected to be included among the decisions of the Defense Industry Executive Committee. To date, R&D and mass production agreements have been signed for low, medium, and long-range air defense systems. The Iron Dome Project provides a comprehensive structure encompassing all these layers and includes a higher number of air defense systems. The project aims to integrate systems such as GÖKDEMİR, HİSAR-A+, SİPER, GÖKER, HİSAR-O+, and GÖKBERK to establish an extensive defense network that fully covers Türkiye's airspace.

In this context, ASELSAN is anticipated to play a significant role in the project, contributing positively to its order backlog. Additionally, increases in the national defense budget provide a significant advantage for ASELSAN. With its supply network, advanced technological solutions, and qualified workforce, ASELSAN continues to strengthen its position not only in the Turkish defense industry but also on the global stage.

To enhance international competitiveness and infrastructure in the defense sector, Turkish companies actively benefit from R&D projects, tax incentives, and production investments. In addition to public support, Industrial Participation/Offset programs aimed at expanding the local defense industry contribute to improving companies' capabilities and strengthening their positions in the sector. ASELSAN has achieved significant success in R&D efforts by leveraging its engineering-based specialized workforce, maintaining its leadership in the industry. Furthermore, the company's ability to benefit from tax exemptions valid until December 31, 2028, and advantageous financing options provides a robust mechanism to support its strategic growth objectives. These developments stand as foundational elements enabling Turkish defense companies to secure a more solid position in global markets.

**ASELSAN, trading at a discount compared to its global peers, stands out in the sector with its strong profitability indicators.** Based on ASELSAN's 2025E earnings estimates, the stock is trading at 8.9x EV/EBITDA and 19.4x P/E multiples. These multiples indicate an average discount of 35.6% and 2.5%, respectively, compared to global peers. ASELSAN's 2025E EBITDA margin ranks among the highest in terms of profitability across its global competitors, supported by over 80% of its backlog denominated in foreign currencies and Türkiye's growing influence in the global defense industry.

**ASELSAN Continues to Demonstrate Strong Financial Performance with Higher EBITDA Margins Supported by a Value-Added Sales Mix.** ASELSAN has sustained its impressive financial performance by improving its EBITDA margin above historical averages, driven by a higher value-added sales mix. The company is expected to close the year with an EBITDA margin of 24.3%, supported by a robust order portfolio, capitalized investments, and higher-value sales. This figure surpasses the 10-year average EBITDA margin of 21.1%. However, despite its foreign currency-generating structure, ASELSAN remains exposed to the adverse effects of a strong Turkish lira (TRY) and high inflation due to its predominantly TRY-based expenditure structure.

For Q4 2024, the company is projected to maintain this trend, achieving a gross profit margin of 31.5% and an OPEX/Sales ratio of 10% for the full year. The margin improvement driven by the transformation in the sales mix is expected to become more evident, supported by factors such as the contractual nature of the majority of R&D expenses (customer-funded) and increasing export revenues. These developments are anticipated to bolster the company's sustainable profitability. Furthermore, the acceleration in collections during ASELSAN's last quarter is expected to contribute to a moderate improvement in the company's net debt position. Additionally, during our valuation period, we anticipate a gradual increase in ASELSAN's cash flow. These developments are likely to support the company's financial performance and enhance its financial flexibility.

**The capital expenditure (CAPEX) to revenue ratio is expected to normalize moderately over time.** ASELSAN utilizes its revenues to strengthen mass production infrastructure and advance R&D activities. As capacity expansions are completed and advanced technologies are integrated effectively, investments are anticipated to stabilize at a more balanced level. ASELSAN has significantly invested in both tangible and intangible assets in recent years, acquiring modern equipment for advanced technologies, expanding facility capacity, and strengthening production infrastructure. A substantial portion of its CAPEX consists of intangible assets, primarily R&D expenses, of which 80% is funded by customers (government) and 20% by equity. These expenses are categorized as either contractual or non-contractual, with the costs of contractual projects recorded under the 620 account and equity-funded projects under the 630 accounts in the income statement.

The company aims to address growing global defense demands through projects such as enhancing radar system integration and production automation capacity, adding new platforms to its defense technology facilities, and advancing photon detectors and nanotechnology capabilities. In 2024, CAPEX as a percentage of revenue is expected to be 12.3%, with a gradual decline to 7.2% in subsequent years.

**Risks:** Key risks to our valuation include i) limited earnings from currency gains and pressure on foreign exchange income due to a strong TRY, and ii) potential reductions in defense budgets resulting from geopolitical and economic developments.

## Investment Theme

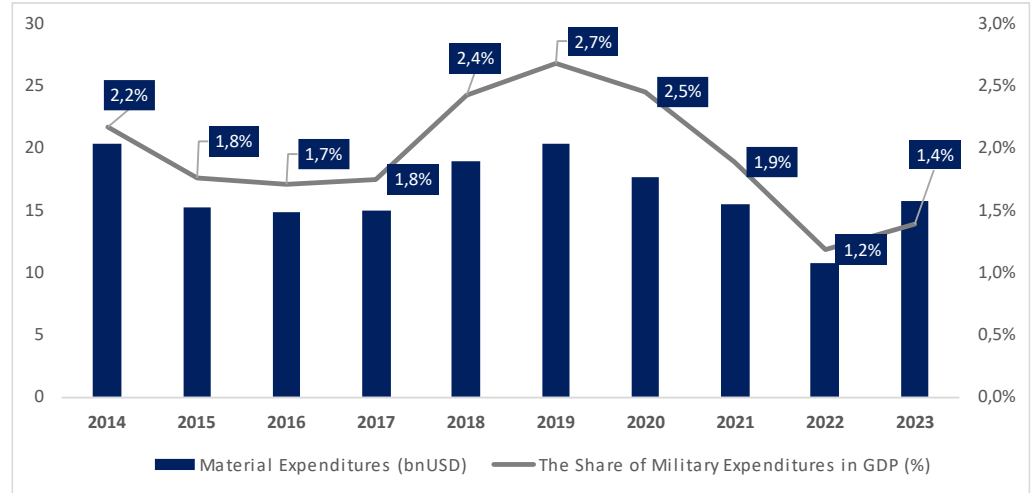
### **ASELSAN's Product Range and Role in the Defense Industry**

As one of the leading players in the global defense industry, ASELSAN offers a wide range of products in Türkiye, spanning military and civilian communication systems, avionics and radar technologies, electronic warfare systems, urban security, and railway signaling solutions. The company also plays a significant role in the design, development, production, integration, modernization, and after-sales services of various systems, including fire control, command and control, surface platform solutions, security, transportation, energy, and guidance systems. With a diversified and long-term high-volume order portfolio, ASELSAN continues its operations as a sustainable industry leader. Additionally, ASELSAN has undertaken a significant organizational transformation to further strengthen its leadership in the defense industry and its pioneering position in technology development. As part of this initiative, the Microelectronics, Guidance, and Electro-Optics (MGEO) Sector Presidency was restructured into two separate units: the "Avionics and Guidance Systems Sector Presidency" and the "Microelectronics and Electro-Optics Sector Presidency." This change aims to support the company's growth strategies, enhance its focus on advanced technologies, and elevate its capacity to develop innovative solutions on a global scale.

### **The Impact of Geopolitical Tensions on Defense Expenditures**

Global geopolitical crises, such as the Russia-Ukraine and Israel-Palestine conflicts, have led to a significant increase in defense spending, particularly in countries located near border regions. NATO's goal of encouraging member states to allocate more than 2% of their GDP to defense budgets has further accelerated this spending trend. Notably, countries like Poland allocate over 4% of their GDP to defense, while Türkiye's defense budget is set at 1.6 trillion TRY. By 2025, Türkiye's defense and internal security budget is projected to exceed NATO's 2% GDP benchmark. Furthermore, in 2024, 23 NATO member states met the target of allocating at least 2% of their GDP to defense, compared to just three member states in 2014. Over the past decade, collective defense investments in European member states and Canada have steadily increased, rising from 1.43% of their combined GDP in 2014 to 2.02% in 2024.

In the defense industry, significant advancements are anticipated in areas such as artificial intelligence, autonomous systems, cybersecurity, and space technologies, as preparations against next-generation threats accelerate. The Turkish defense industry aims for 7.3 billion USD in exports by 2025, excluding the services sector, while also targeting an increase in domestic production rates to 82% and expanding employment opportunities. These projections reflect NATO countries' efforts to enhance deterrence and respond more effectively to security threats with modernized capabilities. As the owner of NATO's second-largest army, Türkiye's increasing defense investments not only support ASELSAN's growth but also further solidify the company's critical role in the defense sector.

**Table:** The Share of Military Expenditures in Türkiye's Total GDP

**Source:** TÜİK, Tacirler Investment Research

### The “Steel Dome” Project: Gradual Contribution to ASELSAN’s Core Revenues

Türkiye has accelerated efforts to implement the “Steel Dome” project, a significant initiative in the defense industry. The project aims to protect civilians and critical infrastructure from short-range rocket, missile, and unmanned aerial vehicle (UAV) attacks. Prioritizing domestic technologies, the project holds strategic importance in enhancing Türkiye’s security and regional deterrence. Finalized during the Defense Industry Executive Committee (SSİK) meeting chaired by the Presidency, the project will integrate air defense systems such as KORKUT, HİSAR-A+, SİPER, and GÖKBERK under ASELSAN’s leadership into a cohesive model. Advanced radar and electro-optical sensors will play a crucial role in detecting, classifying, and tracking targets with precision.

The Steel Dome project is designed to provide significant financial contributions to ASELSAN’s performance over the years. The company is projected to achieve a 42% revenue growth in 2025, reaching 166.9 billion TL, with a backlog of 13.6 billion USD in orders. This nationally significant project will strengthen ASELSAN’s position in the defense sector, supported by the serial production of its existing products.

### **ASELSAN's Global Achievements**

ASELSAN demonstrated its international success in 2023 by advancing from 47th to 42nd place in the global defense companies ranking prepared by Defense News, further solidifying its global position. The company aims to climb to 30th place in this ranking by 2030. To achieve this goal, ASELSAN is focusing on investments in projects such as Photon Detectors, Nanotechnology, EO FLIR systems, the Defense System Technologies Production and Test Center, and Radar System Integration. These initiatives are expected to create significant value in the coming years, positively impacting ASELSAN's annual revenue growth and playing a critical role in realizing its long-term objectives.

### **NATO Policies and the Role of the United States**

The re-election of Donald Trump as the President of the United States could have profound effects on NATO's future and the defense policies of its member states. During his previous term, Trump criticized NATO heavily, emphasizing the need for member states to increase their defense spending. He particularly pointed out that many European countries failed to meet the 2% of GDP defense spending target and questioned the U.S.'s role within the alliance. If Trump assumes office again in January, the pressure on NATO member countries to increase their defense budgets is likely to intensify, with reports suggesting Trump's intention to raise the spending target to 5%.

This could result in significant increases in defense budgets, especially for NATO members with large militaries like Türkiye, which hosts the alliance's second-largest army. Increased investments in defense are expected to create new opportunities for leading defense companies like ASELSAN, supporting sectoral growth. Furthermore, Trump's skepticism about NATO's functionality may further highlight the need for member countries to strengthen their own defense capacities. This dynamic could boost demand in the defense industry, reinforcing the strategic importance of companies like ASELSAN.

**Table:** High-Value Contracts Signed as of 2024

Customer	Project Title	Agreement Amount	Delivery Years
Ministry of National Defense	Procurement of Defense Equipment	556,5 mn USD	
TAIS Joint Venture and STM Partnership	Combat Systems and Operational Payloads for MILGEM 9-12 Ships	458 mn USD	
Presidency of Defense Industries	City Security Systems	353,8 mn USD	End of 2027
TUSAŞ	Avionics, Communication, Radar, Electro-Optics, Electronic Warfare, Navigation, and Guidance Systems	329 mn USD	2024-2028
Presidency of Defense Industries	Guidance Kits	316,6 mn USD + 1,2 mlr TL	2025-2028
DEARSAN-DESAN-ÖZATA	Procurement for Marine Platforms	210,1 mn EUR	2025-2029
Presidency of Defense Industries	Air Defense Radar Systems	170,9mn USD + 1,9 mlr TL	2026-2031
Presidency of Defense Industries	Public Safety Communication Procurement	139,2mn USD	2025-2028
Presidency of Defense Industries	Air Defense Radar Systems	135,1 mn EUR+ 1,6 mlr TL	2026-2029
ROKETSAN	Missile Subsystems and Seeker Head Production	20,1 USD + 45 mn EUR +476,3 mn TL	2024-2028
TUSAŞ	Space and Defense Technologies	110 mn USD	
Presidency of Defense Industries	Electronic Warfare Systems	109,7 mn USD	
Presidency of Defense Industries	Oil and Natural Gas Pipeline Security	105,5 mn USD	2025-2028
Baykar	Friend or Foe Identification, Satellite Communication, Radio, and Swarm UAV Electro-Optical Systems	95,1 mn USD	
Presidency of Defense Industries	Submarine Torpedo Defense, Air Command Control, and City Security Systems Procurement	94,5mn USD	2025-2029
Presidency of Defense Industries	Short-Range Air Defense Systems	82 mn EUR	2024-2027
ROKETSAN	Missile Subcomponents and Targeting Heads Production	84 mn USD	
HAVELSAN-TUSAŞ	Friend or Foe Identification, Satellite Communication, Radio, and Swarm UAV Electro-Optical Systems	84 mn USD	
International Customer	General Defense Systems	79 mn USD	
HAVELSAN	Air and Friend or Foe Identification Technologies	68 mn USD	
ROKETSAN	Missile Subcomponents for Air Security	64 mn USD	
TUSAŞ	Avionics Suite for Air Platforms, Radar Systems, Friend or Foe Identification System	60,3mnUSD	2025-2028
A Member Country of the Organization of Turkic States	Electro-Optic and Communication Systems	58,6mn USD	
STM	Electronic Warfare, Radar, Friend or Foe Identification, and Remote-Controlled Weapon Systems	58,6 mn USD	
TCDD Taşımacılık A.Ş.	Signaling Solutions Integrated onto Land Vehicles	56 mn USD	2026-2028
TUSAŞ	Power Systems for Air Vehicles, Integration, and Mass Production	55 mn USD	
International Customer	Ground Weapon Systems	50,8mn USD	

**Source:** ASELSAN, Tacirler Investment Research

\*50 million USD and above

## Peer Comparison

When compared to its global peers, ASELSAN's 2025 estimated EV/EBITDA ratio stands at 8.9, significantly below the industry average of 13.76. This indicates that ASELSAN trades at approximately a 35.6% discount relative to its international counterparts.

**Table:** Peer Comparison Analysis

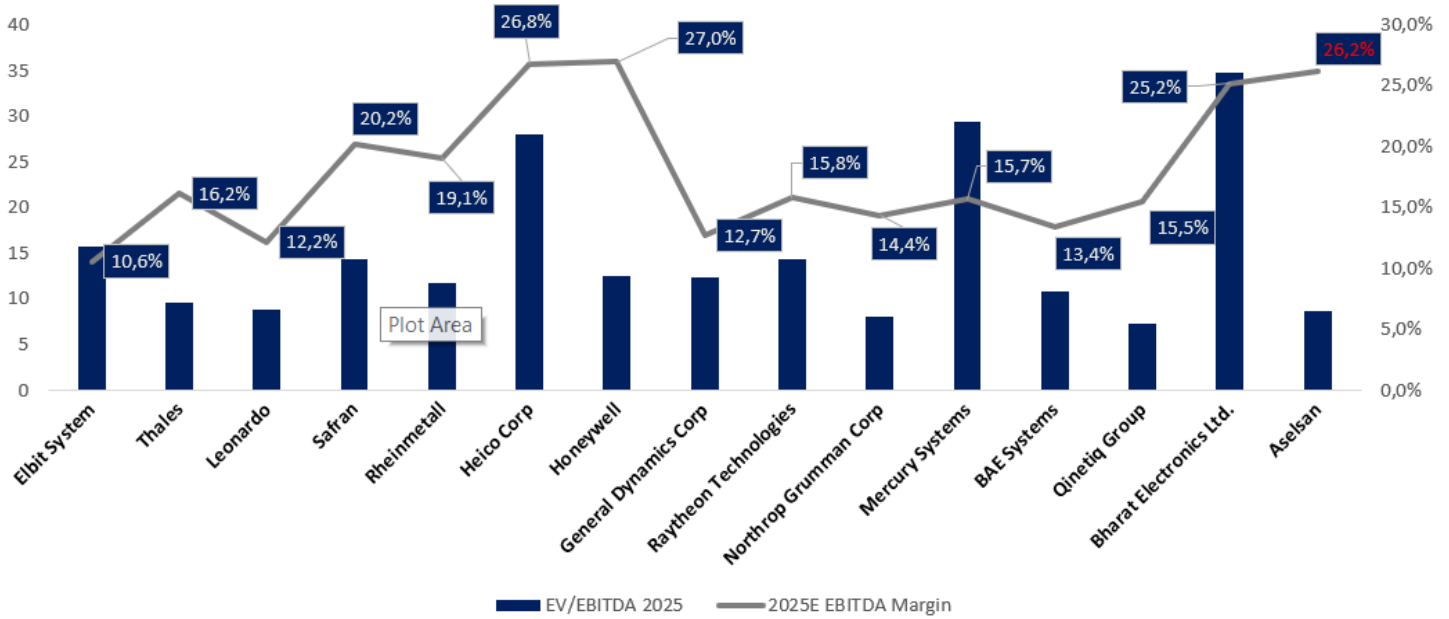
Peer Companies	Ticker	Mcap (bnUSD)	P/E 2025	EV/EBITDA 2025
<b>Middle East</b>				
Elbit System	ESLT US	11,7	27,91	16,7
Arabian Military Industries	SAMI			
<b>Europe</b>				
Thales	HO FP	29,5	14,71	9,6
Leonardo	LDO IM	15,2	15,31	8,8
Safran	SAF FP	89,9	25,93	14,5
Rheinmetall	RHM GR	28,1	20,62	11,8
<b>USA</b>				
Heico Corp	HEI US	29,0	55,92	28,1
Honeywell	HON US	149	20,71	15,35
General Dynamics Corp	GD US	73	16,40	12,51
Raytheon Technologies	RTX US	156	19,22	14,39
Northrop Grumman Corp	NOC US	68,0	16,61	13,12
Mercury Systems	MRCY US	2,5	143,37	29,91
<b>United Kingdom</b>				
BAE Systems	BAE LN	45	15,20	10,56
Qinetiq Group	QQ LN	2,9	12,95	7,77
<b>India</b>				
Bharat Electronics Ltd.	BHE IN	25,03	44,86	34,21
<b>Median</b>			<b>19,92</b>	<b>13,76</b>
<b>Türkiye</b>				
Aselsan	ASELS TI	9,35	<b>19,43</b>	<b>8,86</b>
<b>Discount/Premium</b>			<b>-2,5%</b>	<b>-35,6%</b>

Source: Bloomberg, Tacirler Investment Research

\*ASELSAN multiples are calculated based on our estimates.

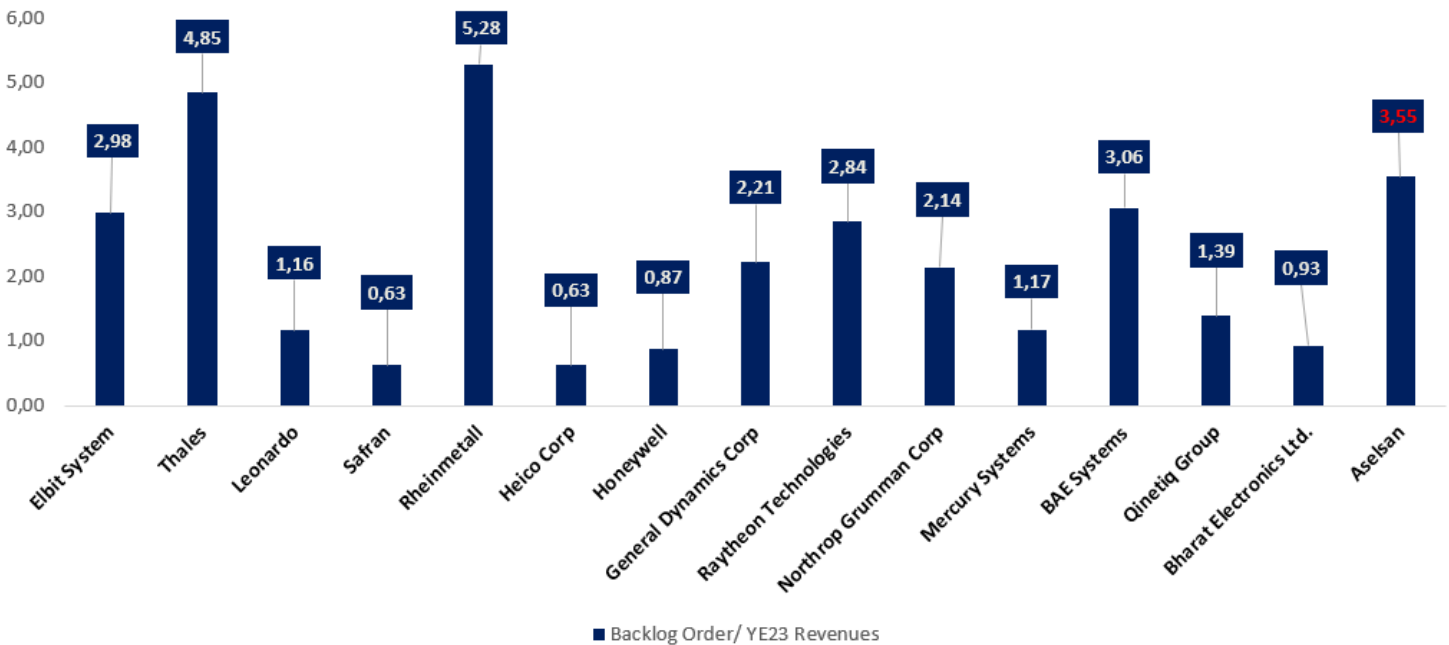


**Table: EV/EBITDA and EBITDA Margin: ASELSAN vs. Peer Companies**



Source: Company Data, Tacirler Investment Research

**Table: Peer Companies 2023 Backlog Orders / Net Sales Comparison**



Source: Company Data, Tacirler Investment Research

## Valuation – DCF

In our valuation analysis for ASELSAN, we applied a weighting of 70% Discounted Cash Flow (DCF) and 30% Peer Company Analysis methods. Based on our DCF model, which includes cash flow projections for the 2024–2033 period, we calculated a 12-month target price of TL100.0 per share for ASELSAN. Additionally, the sector's average 2025E EV/EBITDA multiple was determined to be 13.76, while ASELSAN was calculated to be trading at a 35.6% discount compared to its international peers. Accordingly, by assigning weights of 70% to DCF and 30% to the peer analysis results, we modeled a target price of TL107.60 per share for ASELSAN. This target price indicates a 38% upside potential compared to the company's latest closing price. For the projection period, we calculated a Weighted Average Cost of Capital (WACC) of 25.5%.

TL mn	2024E	2025E	2026E	2027E
<b>Revenues</b>	<b>117.686</b>	<b>166.958</b>	<b>221.147</b>	<b>274.256</b>
Growth %	59,9%	41,9%	32,5%	24,0%
<b>EBITDA</b>	<b>28.604</b>	<b>43.771</b>	<b>60.150</b>	<b>75.019</b>
Growth %	78,5%	53,0%	37,4%	24,7%
EBITDA Margin %	24,3%	26,2%	27,2%	27,4%
Taxes	0	0	0	0
CAPEX	-14.397	-21.705	-25.432	-30.168
Change in Net Working Capital	4.666	11.552	15.577	12.530
<b>Free cash flow from operations</b>	<b>9.541</b>	<b>10.515</b>	<b>19.141</b>	<b>32.321</b>
FCFF Margin %	8,1%	6,3%	8,7%	11,8%
WACC	26,6%	25,7%	24,8%	24,9%
<b>DFC</b>	<b>7.539</b>	<b>6.649</b>	<b>9.852</b>	<b>13.284</b>
Terminal Growth Rate	11,0%			
Terminal Value	1.498.293			
<b>PV of Terminal Value</b>	<b>225.246</b>			
PV of FCFF	149.103			
<b>Enterprise Value</b>	<b>374.349</b>			
Net Debt	29.788			
Minority Interest	1.386			
Participations	1.153			
<b>Equity Value</b>	<b>344.328</b>			
# of shares outstanding	4.560			
<b>Fair Value per share (12 mth-fwd)</b>	<b>100,0</b>			
<b>Peer Analysis</b>				
Median EV/EBITDA of peer companies	13,76			
<b>Discount/Premium</b>	<b>-35,6%</b>			
2025E EBITDA	43.771			
<b>Stock Valuation Based on EV/EBITDA</b>	<b>125,5</b>			
70-30 DCF and relative valuation				
<b>Fair Value per share (12 Month FWD)</b>	<b>107,6</b>			
Current Share Price	78,20			
<b>Return Potential</b>	<b>38%</b>			

## Projections

Balance Sheet (TLmn)	2023	2024E	2025E
Cash	8.980	12.196	19.840
Accounts receivables	27.978	32.160	41.168
Inventory	43.715	52.374	62.467
Financial investments	0	0	0
Fixed assets	48.743	56.174	66.518
Other non-current assets	75.159	79.794	87.773
<b>Total assets</b>	<b>204.576</b>	<b>232.698</b>	<b>277.766</b>
Short-term financial loans	25.553	35.841	49.177
Accounts payables	20.194	28.369	35.919
Long-term financial loans	1.535	5.869	8.348
Other long-term payables	37.220	116.363	122.181
<b>Non-current liabilities</b>	<b>38.754</b>	<b>122.232</b>	<b>130.529</b>
<b>Shareholders' equity</b>	<b>118.621</b>	<b>46.256</b>	<b>62.142</b>
Paid in Capital	4.560	4.560	4.560
<b>Total liabilities &amp; equity</b>	<b>204.576</b>	<b>232.698</b>	<b>277.766</b>
Net debt	18.107	29.514	37.685
Net working capital	51.498	56.165	67.716

### Per share (TL)

EPS	1,60	2,71	4,03
BVPS	26,01	10,14	13,63
DPS	-0,05	-0,24	-0,54

### Ratios

#### Profitability

ROE	7,3%	15,0%	33,9%
Net margin	9,9%	10,5%	11,0%
Asset turnover	0,4x	0,5x	0,7x
Leverage	1,8x	2,7x	4,7x
ROA	4,2%	5,7%	7,2%

#### Leverage

Financial debt/Total assets	13%	18%	21%
Net debt/Equity	0,15	0,64	0,61
Net debt/EBITDA	1,13	1,03	0,86

Income statement	2023	2024E	2025E
<b>Revenues</b>	<b>73.593</b>	<b>117.686</b>	<b>166.958</b>
Gross profit	20.105	37.043	52.956
Operating expenses	-7.480	-11.900	-15.060
Operating profit	12	0	0
<b>EBITDA</b>	<b>16.027</b>	<b>28.604</b>	<b>43.771</b>
Other income, net	12.349	2.793	835
Financial income, net	-17.797	-23.778	-24.265
Earnings before taxes	7.210	4.213	14.406
Tax expense	165	8.390	4.322
<b>Net earnings</b>	<b>7.290</b>	<b>12.354</b>	<b>18.357</b>

### Cashflow statement

EBITDA	<b>16.027</b>	<b>28.604</b>	<b>43.771</b>
Taxes on EBIT	-1.263	0	0
Capital expenditures	-12.140	-14.397	-21.705
Chg. in NWC	15.425	4.666	11.552
<b>Free cashflows to firm</b>	<b>-12.800</b>	<b>9.541</b>	<b>10.515</b>

### Growth & margins

Revenues	10%	60%	42%
EBITDA	14%	78%	53%
Net earnings	469%	69%	49%
Gross margin	27,3%	31,5%	31,7%
Operating margin	0,0%	0,0%	0,0%
EBITDA margin	21,8%	24,3%	26,2%
Net margin	9,9%	10,5%	11,0%
Free cashflow margin	-17,4%	8,1%	6,3%

### Valuation

P/E	48,9x	28,9x	19,4x
P/BV	3,0x	7,7x	5,7x
EV/EBITDA	24,2x	13,6x	8,9x
EV/Sales	5,1x	3,3x	2,4x
Dividend Yield	-0,1%	-0,3%	-0,7%
Free cashflow yield	-3,6%	2,7%	2,9%

Source: Company Data, Tacirler Investment

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

# Important Disclosures

## Rating Methodology

Stock ratings are based on absolute return potential of the stock, which is defined as the percentage change in target price from the current share price. All recommendations and target prices are set with a 12-month horizon. Target prices are set by using one or more of the following methodologies: DCF, Net Asset Valuation, sum of the parts model and multiple comparison.

## Rating Definition

**Buy:** The stock is expected to generate a return of more than or equal to 30% in TL terms.

**Hold:** The stock is expected to generate a return of less than 30% in TL terms.

**Sell:** The stock is expected to generate a negative return within the forecast horizon.

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