

YEO Teknoloji Enerji ve Endüstri

Outperform

A Rising Player in the Global Energy Transition

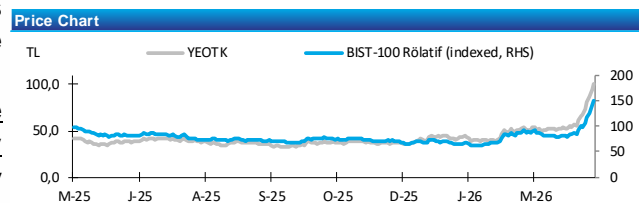
We are initiating coverage of YEO Teknoloji with an Outperform rating and adding it to our research coverage. We set our 12-month target price at TL 173.50, implying approximately 73% upside from the current share price. We regard YEO Teknoloji's recently commissioned 5 GWh annual capacity energy storage manufacturing facility in Tuzla as a critical milestone in its growth strategy. The battery systems to be produced through the Reap-Great Power partnership will be marketed primarily in Turkey and Europe, as well as in Asian and African markets — supporting the company's ambition to emerge as a leading technology and solution provider in the global energy transition.

A New Growth Phase in Energy Storage with Reap Battery... We believe the Reap Battery investment plays a pivotal role in the company's growth strategy within energy storage systems. Mass production of lithium-ion-based energy storage systems has commenced at the manufacturing facility in Tuzla, Istanbul, which is targeted to reach an annual capacity of 5 GWh. The fact that these systems are slated for use in the 500 MWh project in Azerbaijan and in energy investments in Romania underscores the operational scale of the facility. We also take a positive view of the company's partnership with Great Power — a BNEF Tier-1-listed manufacturer — in terms of technology transfer and access to global markets. Furthermore, the planned 10 GWh battery cell investment under the HIT-30 program supports YEO's objective of building a more vertically integrated battery ecosystem.

Energy Storage Systems Operations... The global acceleration of renewable energy investments, coupled with rising demand for energy storage systems, makes the company's positioning in this space increasingly strategic. YEO's investments within its energy storage ecosystem extend beyond battery manufacturing to include cathode technologies, membrane technologies, energy management software, and battery optimization solutions - reinforcing its ambition to establish a more integrated presence across the sector. By consolidating EPC, manufacturing, software, and operational capabilities under a single roof in energy storage, YEO differentiates itself from traditional EPC contractors and is transitioning toward a higher value-added, energy technology-focused business model.

Renewable Energy Dominates the Backlog... As of 31 March 2026, YEO's backlog of USD 528.8 mn consists predominantly of renewable energy plants, power transmission and distribution infrastructure, and energy storage systems. We view this composition positively, as it reflects the company's focus on high-growth-potential areas. The company's active project pipeline across diverse geographies - including Europe, Central Asia, Africa, and the Middle East — also contributes to revenue base diversification. Among these, Uzbekistan's national grid modernization project, solar energy investments in Romania, and hybrid solar-plus-storage projects stand out as key engagements supporting the company's expanding international project capacity.

Share Data		
Bloomberg Ticker	YEOTK.IS	YEOTK TI
Sector	SCIENTIFIC AND TECHNICAL ACTIVITIES	
Last Close (TRY, 13-May-26)		100,00
12-Month Target Price (TRY)		173,50
Upside Potential (%)		73%
Shares Outstanding (mn)		355
Market Capitalization (TRY mn)		35.500
Market Capitalization (US\$ mn)		783
3M Avg. Daily Volume (mn)		US\$16,6
52-Week Range (Low / High)	TRY 32,6	TRY 100



Price Performance	1A	3A	YTD	YoY
TRY Nominal Returns	92%	143%	174%	140%
BIST-100 Relative	85%	129%	111%	60%

Financials (USD mn)	2023	2024	2025	2026T
Revenue	261	232	391	557
% growth		-11%	69%	42%
EBITDA	46	64	74	97
% EBITDA Margin		28%	19%	17%

Shareholder Structure	
Orhan Yıldız	13,9%
Tolunay Yıldız	13,9%
Özbeş Yıldız	13,9%
Sinan Karahan	6,4%
Yasin Düve	6,4%
Barış Esen	6,4%
Other	2,9%
Halka Açık	36,3%

Valuation


- The DCF valuation yields a target price of TL 173.50, implying 73% upside potential.
- Given that YEO Teknoloji's revenues are FX-denominated, a USD-based discounted cash flow approach was used in the valuation. The analysis applies a WACC derived from a risk-free rate of 8.0%, an equity risk premium of 5.5%, and a beta of 1.0.


USD mn	2022	2023	2024	2025	2026/3	2026/9	2027	2028	2029	2030	2031	Terminal Period
Revenue	100	261	232	391	94	463	767	955	1.134	1.245	1.308	1.337
Growth %		160,5%	-11,3%	68,5%			37,6%	24,5%	18,8%	9,8%	5,0%	2,2%
EBITDA	18	46	64	74	36	61	142	181	217	242	254	260
EBITDA Margin %	17,5%	17,8%	27,4%	19,0%	38,4%	13,1%	18,5%	19,0%	19,1%	19,4%	19,4%	19,4%
EBIT	17	45	60	70	35	58	137	175	209	233	243	213
Taxes						-15	-34	-44	-52	-58	-61	-53
D&A	0	1	4	4	1	2	5	6	8	9	11	47
Gross Cash Flow						46	108	138	165	184	193	207
Capital Expenditures	-6	-48	-13	-67	-44	-23	-25	-32	-37	-41	-43	-44
Change in Net Working Capital						92	73	65	62	39	22	10
Free Cash Flow						(68)	10	41	65	103	129	152
Year						0,38	1,25	2,25	3,25	4,25	5,25	
WACC						10,4%	10,4%	10,4%	10,4%	10,4%	10,4%	
Discount Factor						0,96	0,88	0,80	0,73	0,66	0,59	
Discounted Cash Flow (DCF)						(66)	9	33	47	68	76	
Terminal Value	1.858											
Terminal Growth Rate	2,2%											
Sum of DCF	167											
PV of Terminal Value	1.106											
Enterprise Value	1.273											
Net Financial Position	144											
Target Equity Value	1.129											
Shares Outstanding (mn)	355											
Target Price (USD)	3,18											
Current Price (USD)	2,20											
Upside - USD	45%											
Estimated USD/TL	54,56											
Target Price (TL)	173,50											
Current Price (TL)	100,00											
Upside - TL	73%											


- We expect the company to deliver strong revenue growth in the coming period, supported by rising global energy demand and growth in its core operating sector. We also view the new battery plant - particularly as it reaches high capacity utilization rates during the 2026-2027 period - as one of the key catalysts underpinning our growth projections. Accordingly, we forecast total revenue to reach USD 557 mn in 2026 and USD 767 mn in 2027.
- On the profitability side, we expect the company to generate an EBITDA margin of approximately 19% over the coming periods, broadly in line with its normalized historical average margins. For 2026, we forecast an EBITDA margin of 17.4% and EBITDA of USD 97 mn, with a gradual improvement anticipated in 2027 and 2028.
- On the financial position front, in addition to the standard net debt calculation, we have also incorporated equity investments in subsidiaries and cash-equivalent short-term assets arising from related-party operations, as reflected in the company's most recent balance sheet. On this basis, the company's total net financial position is calculated at approximately USD 144 mn.
- Considering the company's international revenue profile - with export sales accounting for approximately 51.8% of total sales in 2025 - the recently announced tax incentives for Turkish exporters could serve as an additional supportive factor for the company's future financial position and may bring the effective tax rate lower. However, to maintain a conservative stance in our model, we have applied a 25% tax rate, in line with general market expectations.


Company Overview



- 

Founded in Istanbul in 2004, YEO Teknoloji provides turnkey solutions across the energy and industrial sectors, covering electrification, automation, engineering, construction, installation, and commissioning. The company operates in areas including renewable energy plants, substations, and power transmission and distribution infrastructure.
- 


Group operations are managed under four main segments: system integration, energy storage systems, renewable energy investments, and technology investments. This structure supports YEO's strategic objective of evolving from a pure EPC contractor into a broader energy technologies platform.
- 

YEO Teknoloji has completed projects in more than 30 countries to date and held a backlog of USD 528.8 mn as of 31 March 2026. The fact that ongoing work is concentrated in renewable energy plants, power transmission and distribution infrastructure, and energy storage systems reinforces the company's energy transition-focused growth strategy.
- 


The company's wholly-owned subsidiary, CALL Enerji, operates within the renewable energy investments segment. Under the CALL Enerji umbrella, the portfolio includes hybrid solar-plus-storage projects and hydroelectric plants in Turkey, a 100 MW solar PV plant currently in the licensing process in Bulgaria, the Kazaroho and Utambalila projects in Tanzania, and a 60 MWp solar PV investment in Zambia.

- 

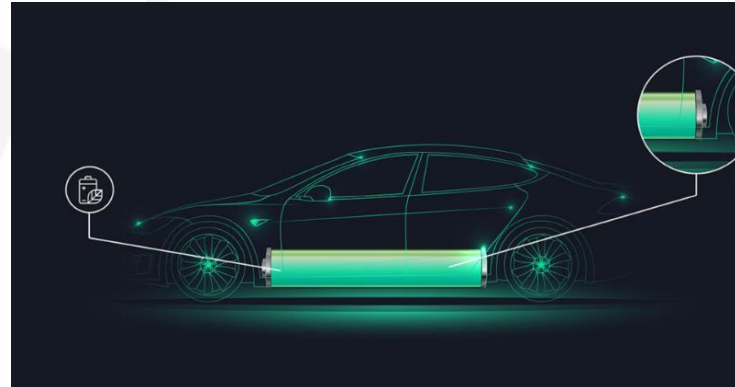
YEO's 51%-owned subsidiary, DEFIC Globe Enerji, plays a significant role in solar energy investments across Europe, particularly in Romania and Italy. DEFIC Globe manages a solar PV portfolio with a total installed capacity of 750 MW, with operational facilities in Romania and Italy strengthening the company's international renewable energy asset base.

- 

Reap Battery is one of YEO's flagship investments in the energy storage systems space. Located in Tuzla, Istanbul, the production line - recently scaled up to an annual capacity of 5 GWh — manufactures lithium-ion-based energy storage systems. The facility is expected to supply products for a 500 MWh energy storage project in Azerbaijan and for energy investments in Romania.

- 

The company's battery ecosystem extends well beyond manufacturing. NiCAT Batarya focuses on cathode active material (CAM) development; ION Membran produces membranes used in battery and hydrogen technologies; BrandIT develops industrial IoT and facility management software; and Cbernet provides cybersecurity solutions for industrial control systems (ICS) and operational technology (OT).



Disclaimer

The investment information, commentary, and recommendations contained herein are based on the personal views of those providing such commentary and recommendations and have been prepared within the scope of financial information and general investment advice; they do not in any way constitute investment advisory services. Investment advisory services are provided on a personalized basis by authorized institutions, taking into account each individual's risk and return preferences. The investment information, commentary, and recommendations contained herein do not fall within the scope of investment advisory services. Investment advisory services are provided within the framework of an investment advisory agreement to be signed between brokerage firms, portfolio management companies, or non-deposit-taking banks and their clients. The commentary and recommendations contained herein are based on the personal views of those providing them. These views may not be suitable for your financial situation or for your risk and return preferences. For this reason, making investment decisions based solely on the information provided herein may not produce results aligned with your expectations. The commentary and recommendations contained herein are general in nature. These recommendations may not be suitable for your financial situation or for your risk and return preferences. For this reason, making investment decisions based solely on the information provided herein may not produce results aligned with your expectations.

Should investment advisory services be requested, the investor must have signed an Investment Advisory Agreement with Bulls Yatırım Menkul Değerler A.Ş., completed the Suitability Test, and had their risk group determined. All information, commentary, and recommendations contained in this report may not be aligned with the risk group identified through the appropriateness test or with your return expectations. Accordingly, making investment decisions based solely on the information provided herein — without your risk group having been determined through the appropriateness test — may not produce results aligned with your objectives, knowledge, and experience.

This report does not contain any commitment regarding the achievement of a specific return within any given period, and the commentary and recommendations herein may be subject to change over time due to evolving market conditions. The prices and values of the investment instruments referenced in this report may move contrary to investors' interests, and as a result, investors may face the risk of losing their principal. Past performance data contained in this report should not be considered a guarantee of future results.

All information and opinions contained in this report have been obtained by Bulls Yatırım Menkul Değerler A.Ş. from current and reliable sources for the purpose of informing investors; however, Bulls Yatırım Menkul Değerler A.Ş. does not warrant that such information is accurate or complete. Neither Bulls Yatırım Menkul Değerler A.Ş. nor its employees may be held liable for any direct or indirect damages arising from the commentary in these reports, from any inaccuracy or incompleteness of information, and/or from updates thereto.

This report, in whole or in part, may not be reproduced, published, disclosed to third parties, or stored for future use without the prior written consent of Bulls Yatırım Menkul Değerler A.Ş.