

Target Price Revision: TRY 471,00 (Previous: TRY 403,50)

Astor Enerji

Outperforms

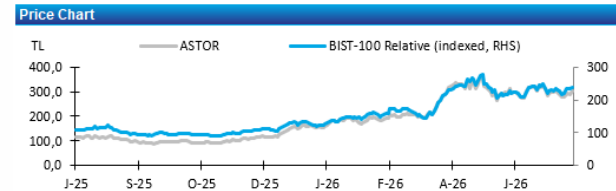
Strong Power-Transformer Orders Are Lifting Margins...

We are revising our target price for Astor Enerji from TRY 403.50 (which we set on 9 April 2026) to TRY 471.00, in line with our current assumptions and expectations. We maintain our "Outperform" recommendation. Our new target price implies an upside potential of approximately 56% from the current share price. The key factors supporting our target-price revision are Astor Enerji's strong order backlog in the power transformer segment, its sustainable EBITDA margin of approximately 35%, the economies of scale expected from ongoing capacity expansion, and the anticipated normalization of capital expenditures after 2027.

Our forward-looking revenue estimates... We expect the company's 2026 revenue to reach approximately USD 1.176 billion, broadly in line with our previous forecasts. From 2027 onward, we anticipate a significant acceleration in revenue growth as the new manufacturing facility's contribution to production increases. Based on our models, we estimate that the company's revenue will reach approximately USD 1.843 billion in 2027, USD 2.302 billion in 2028, and USD 2.541 billion in 2029. In the subsequent period, we expect annual revenue to stabilize at around USD 2.7 billion.

Margin outlook supports our valuation... A key pillar of our valuation is our expectation that Astor Enerji will be able to sustain its strong growth trajectory while maintaining its high profitability. We expect the company to operate with an EBITDA margin of approximately 35% over the medium term. The increasing share of high value-added power transformers in the sales mix, expanding production scale, and the operating leverage resulting from higher capacity utilization are the main factors supporting our margin outlook. While we expect sales growth in both distribution transformers and switchgear products to remain relatively modest and pricing to stay under pressure, we anticipate continued strength in the order backlog for power transformers. As higher value-added, higher-margin power transformers account for an increasing share of total sales, we expect the resulting improvement in the product mix to support consolidated profitability.

Share Data		
Bloomberg Ticker	ASTOR.IS	ASTOR TI
Sector		Electric Equipment
Last Close (TRY, 4-August-26)		302,75
12-Month Target Price (TRY)		471,00
Upside Potential (%)		56%
Previous Target Price (TRY)		403,50
Shares Outstanding (mn)		998
Market Capitalization (TRY mn)		205.788
Market Capitalization (USD mn)		4.616
3M Avg. Daily Volume (mn)		US\$224,6
52-Week Range (Low / High)	TL88,50 -	TL363,50



Price Performance	1M	3M	YTD	YoY
TL Nominal Returns	-5%	2%	159%	195%
BIST-100 Relative	0%	8%	113%	134%

Shareholder Structure	
Feridun Geçgel	37,3%
Enver Geçgel	20,0%
Free Float	42,8%

Valuation

USD mn	2021	2022	2023	2024	2025	2026/3	2026/9	2027	2028	2029	2030	2031	Terminal Period
Revenue	354	468	692	813	824	209	967	1.843	2.302	2.541	2.715	2.791	2.847
Growth %		32,2%	47,8%	17,5%	1,3%			56,7%	24,9%	10,4%	6,8%	2,8%	2,0%
EBITDA	95	123	237	244	259	68	343	645	806	889	950	977	996
EBITDA Margin %	26,7%	26,2%	34,3%	29,9%	31,5%	32,7%	35,5%	35,0%	35,0%	35,0%	35,0%	35,0%	35,0%
EBIT	87	118	224	217	234	60	319	589	748	834	899	929	971
Taxes						3,5	-41,4	-58,9	-74,8	-83,4	-89,9	-92,9	-242,8
D&A	8	4	13	26	25	8	32	56	58	55	52	48	25
Gross Cash Flow							374	586	731	806	860	884	753
Capital Expenditures	-21	-9	-75	-88	-17	-21	-234	-25	-25	-25	-25	-25	-25
Change in the Net Working Capital							7,5	233	161	84	61	27	20
Free Cash Flow							39	328	545	697	775	832	709
Year							0,375	1,25	2,25	3,25	4,25	5,25	
WACC							11,1%	10,6%	10,6%	10,6%	10,0%	10,0%	
Discount Factor							0,96	0,88	0,80	0,72	0,65	0,59	
Discounted Cash Flow (DCF)							37	289	434	502	507	495	
Terminal Value	9.580												
Terminal Growth Rate	2%												
Sum of DCF	2.263												
PV of Terminal Value	5.697												
Enterprise Value	7.960												
Net Financial Position	-228												
Target Equity Value	8.188												
Shares Outstanding (mn)	998												
Target Price (USD)	8,20												
Current Price (USD)	6,37												
Upside - USD	29%												
Estimated USD/TRY	57,44												
Target Price (TRY)	471,29												
Current Price (TRY)	302,75												
Upside - TRY	56%												

Theoretical revenue capacity to reach USD 3 billion... The company's new plant investment program is expected to be completed in 2027. With the final phase of the investment program becoming operational, the company's total theoretical revenue capacity is expected to increase to approximately USD 3 billion. The new facility is targeted to begin operations in 2027 with a capacity utilization rate of approximately 40%, with production ramping up gradually throughout the year and capacity utilization reaching around 80% by year-end. We therefore expect the facility's average capacity utilization rate for 2027 to be in the 60–65% range.

Margin improvement and cash generation... The company expects to significantly increase its export volumes due to margins on international sales being higher than those in the domestic market. We believe this will support a notable improvement in the company's EBITDA margin (which we expect to reach approximately 35%). On the capital expenditure side, no major investment spending is anticipated after 2027, and total maintenance capital expenditures are expected to amount to approximately USD 25 million. The combination of higher profitability, stronger sales growth, and lower capital expenditures is expected to enhance the company's future cash generation capacity.

We expect working capital requirements to normalize... According to our model, we assume net working capital will remain at approximately 35% of revenue over the coming years, while the effective tax rate is expected to be around 10%.

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