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

## Astor Enerji — Outperforms

### *Strong Power-Transformer Orders Are Lifting Margins…*

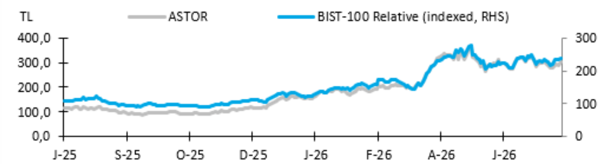
**We are revising our target price for Astor Enerji from TRY 403.50 (which we set on 9 April 2026) to TRY 471.00, in line with our current assumptions and expectations. We maintain our "Outperform" recommendation. Our new target price implies an upside potential of approximately 56% from the current 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. <u>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.</u> 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 Chart**




| 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% |

**Bulls Yatırım Research Team**
research@bullsyatirim.com

# 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 | -68 | -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%.

**Bulls Yatırım Research Team**
research@bullsyatirim.com

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