

Aksa Energy

Defensive Growth with Secured EBITDA

We maintain our Outperform rating and revise our 12-month target price to TRY120.3/share, implying 39% upside potential. Despite the top-line contraction due to a 22% YoY decline in spot electricity prices in Türkiye, there was little YoY change in EBITDA in USD-terms, supported by new capacity additions in Ghana (130MW) and the completion of the combined-cycle conversion at the Tallimarjon NGPP (430MW) in 1Q26. At the bottom line, the Company delivered 20% YoY earnings growth in USD-terms in 1Q26, supported by lower financial expenses. The Company's total installed capacity has already reached 3,493MW as of June'26 – up by 10% QtD – while the Company targets to reach 4,042MW by the end of 2026 with 34% YoY capacity expansion. For 2027, another 18% capacity increase is also in the Company's growth plan. Accordingly, we forecast EBITDA to grow by 24% YoY in USD-terms in 2026 to reach USD392mn, followed by a further 48% growth in 2027 to reach to USD579mn thanks to full year contribution of c.1GW installed capacity expansion of this year. Consequently, the share of EBITDA secured through FX-based pass-through contracts is expected to reach 94% by 2026YE, up from 83% in 2025. In addition to the strong operational earnings momentum, declining net financial expenses thanks to FX-gains, we calculate 41% net income growth for 2026, followed by another 77% YoY for 2027 in USD-terms. Thanks to strong operational cash generation capability, throughout this investment cycle, the Company's net debt/EBITDA ratio is projected to decline from its peak of 4.0x in 2026 and the 3.5x in 2025 to 2.6x in 2029, remaining below the domestic peer average of 5.8x. In terms of valuation, the stock trades at 9.3x EV/EBITDA based on our 2026 estimates, implying an 11% discount to global peers while the multiple discount reaches 36% based on our 2027 forecasts. Along with its on-going growth prospects with 19% CAGR in installed capacity until 2028 – implying a 29% EBITDA CAGR in USD-terms with nearly 10bps EBITDA margin expansion between 2025-2028 on rising share of FX-based guaranteed EBITDA and earnings momentum in the near-term, we maintain our Outperform rating for the stock.

Installed capacity to reach 5GW by 2028: The Company's installed capacity had increased by 10% QtD as of June, and we expect further capacity additions to bring total installed capacity to 4,042MW by 2026YE, implying 34% YoY growth. As a result, we expect EBITDA to rise 24% YoY to USD392mn in FY26, with the share of FX-based guaranteed EBITDA increasing from 83% in 2025 to 94% in 2026 as new pass-through contracts enter force. Further capacity additions in 2027 and 2028 are expected to lift total installed capacity to over 5GW, implying a 19% CAGR from 2025. Accordingly, we project a 29% USD-based CAGR in EBITDA over the 2025–2028 period and consequently expect the Company's secured EBITDA share to reach 97% in 2028, supported by feed-in tariff mechanisms in domestic renewable plants and the continuation of pass-through contracts.

Bottom-line growth to continue: Helped by lower financial expenses, Aksa Energy achieved 20% YoY USD-based net income growth in 1Q26. Looking ahead, despite the ongoing capex cycle, we expect a YoY fall in net financial expenses in 2026, supported by FX gains from the Company's long FX position of USD58.6mn as of 1Q26. Combined with a strong operational performance, we forecast earnings of USD120mn in 2026, up 41% YoY and additional 77% YoY earnings growth, reaching USD212mn in 2027. Meanwhile, the Company's net debt/EBITDA ratio is projected to peak at 4.0x in 2026, still below the domestic peer average of 5.8x, before declining further to 2.6x by 2029.

Valuation discount to widen in 2027: The stock trades at a 9.3x EV/EBITDA based on our 2026 forecasts, declining to 6.3x in 2027, suggesting 11% and 36% discounts to its global peer group average, respectively. Additionally, the stock trades at a 33% discount to its domestic peer group average, based on its EV/MW multiple of 1.0x. With its strong earnings momentum, defensive business structure and attractive valuation, we highlight Aksa Energy as a compelling investment opportunity.

23 June 2026

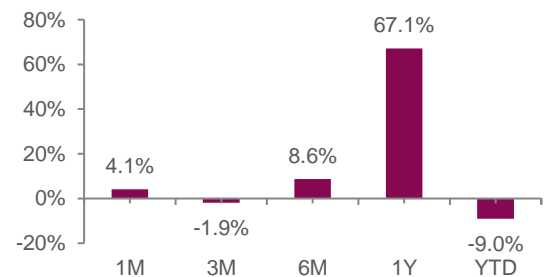
Outperform
(Maintained)

Close Price: TRY86.3
12M Target Price: TRY120.3
Upside Potential: 39%

Stock data

Bloomberg / Reuters	AKSEN TI / AKSEN.IS
Mcap (US\$m)	2,282
EV (US\$m)	3,498
Avg. Trd. Vol. (US\$m)	12.5
Free float	21%

Relative Performance to BIST100



Key Data (TRYmn)	2025	2025 R.	2026F	2026 R.	2027F
Revenues	42,385	55,539	52,630	64,738	88,466
Growth	2%		-5%		37%
EBITDA	13,518	17,713	20,231	24,885	35,338
Growth	37%		14%		42%
Net Profit	3,652	4,786	6,195	7,620	12,922
Growth	39%		29%		70%
P/E (x)	24.3		17.1		8.2
EV/EBITDA (x)	10.1		9.3		6.3
P/BV (x)	1.4		1.2		0.9
FCF yield (%)	n.m.		n.m.		n.m.
Div. yield (%)	0%		0%		0%

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Figure 1 – Summary financials & key metrics (TRYmn)

Income statement	2024	2025	R. 2025	2026F	R. 2026	2027F
Revenues	31,639	42,385	55,539	52,630	64,738	88,466
Gross profit	6,688	10,545	13,817	18,190	22,375	32,614
EBITDA	7,561	13,518	17,713	20,231	24,885	35,338
Depreciation	2,016	3,287	4,307	4,159	5,116	5,452
EBIT	5,161	8,757	11,475	14,914	18,345	27,858
Net other income	251	837	1,097	1,148	1,412	2,111
Income from investing activities	-107	1,466	1,921	1,048	1,288	1,659
Net financial income	-606	-3,545	-4,645	-4,360	-5,363	-5,037
Profit from associates	0	0	0	0	0	0
PBT	4,699	7,516	9,849	12,749	15,682	26,593
Taxes	-1,750	-3,166	-4,148	-5,370	-6,605	-11,200
Minority interest	941	698	915	1,184	1,457	2,470
Net income	2,007	3,652	4,786	6,195	7,620	12,922
Balance sheet	2024	2025	R. 2025	2026F	R. 2026	2027F
Current assets	14,814	19,991	26,195	16,979	20,885	28,258
Cash equivalents	1,054	6,520	8,543	608	748	883
Trade receivables	9,980	7,648	10,021	9,497	11,681	15,963
Inventories	1,378	2,224	2,914	2,406	2,959	3,901
Other current assets	2,402	3,599	4,716	4,469	5,497	7,511
Non-current assets	67,959	109,600	143,613	167,103	205,547	231,722
Tangibles	61,792	102,179	133,889	157,309	193,499	217,071
Intangibles	1,620	3,454	4,526	4,871	5,992	6,381
Other non-current assets	4,547	3,967	5,198	4,923	6,056	8,270
Total assets	82,774	129,590	169,807	184,083	226,432	259,980
Current liabilities	21,715	26,238	34,381	25,540	31,416	38,221
Short-term loans	13,335	19,765	25,898	18,280	22,486	26,328
Trade payables	6,230	4,363	5,718	4,720	5,805	7,654
Other current liabilities	2,150	2,110	2,765	2,541	3,125	4,239
Non-current liabilities	16,528	38,222	50,083	68,080	83,742	98,221
Long-term loans	14,832	34,659	45,415	63,656	78,301	90,786
Other non-current liabilities	1,695	3,562	4,668	4,423	5,441	7,435
Minority Interest	3,886	5,571	7,300	7,738	9,518	10,567
Shareholders' equity	44,531	65,131	85,343	90,462	111,274	123,538
Total liabilities and equity	82,774	129,590	169,807	184,083	226,432	259,980
Key metrics	2024	2025	R. 2025	2026F	R. 2026	2027F
Growth						
Revenue growth	-38%	2%		-5%		37%
EBITDA growth	-34%	37%		14%		42%
Net income growth	-75%	39%		29%		70%
Profitability						
Gross Margin	21.1%	24.9%	24.9%	34.6%	34.6%	36.9%
EBITDA margin	23.9%	31.9%	31.9%	38.4%	38.4%	39.9%
Net margin	6.3%	8.6%	8.6%	11.8%	11.8%	14.6%
Return on assets (ROA)	2.9%	3.1%		3.5%		5.3%
Return on equity (ROE)	5.1%	5.9%		7.0%		11.0%
Return on cap. emp. (ROCE)	2.8%	3.2%	3.2%	3.6%	3.6%	5.4%
Leverage						
Net Debt	27,113	47,904	62,770	81,328	100,038	116,231
Net debt / Equity	0.6	0.7	0.7	0.9	0.9	0.9
Net debt / EBITDA	3.6	3.5	3.5	4.0	4.0	3.3
EBIT Interest coverage	3.0	7.9	7.9	6.5	6.5	8.8
Efficiency						
Total asset turnover	0.4	0.3	0.3	0.3	0.3	0.3
Equity turnover	0.7	0.7	0.7	0.6	0.6	0.7
WC/Sales	16%	13%	13%	14%	14%	14%
Opex/Sales	4.8%	4.2%	4.2%	6.2%	6.2%	5.4%
Cash flow	2024	2025	R. 2025	2026F	R. 2026	2027F
EBITDA	7,561	13,518	17,713	20,231	26,509	35,338
Change in working capital	-2,985	-719	-942	546	715	3,724
Taxes	-1,750	-3,166	-4,148	-5,370	-7,036	-11,200
Capital expenditure	-18,536	-18,065	-23,671	-28,195	-36,945	-29,024
Adjustment	-33,334	29,136	38,177	0	0	0
FCFF	-6,003	-9,300	-12,187	-13,880	-18,187	-8,610
QNB Invest vs Consensus	2026F			2027F		
	Estimate	Cons.	Deviation	Estimate	Cons.	Deviation
Revenues	52,630	55,366	-4.94%	88,466	74,948	18.04%
EBITDA	20,231	20,634	-1.95%	35,338	31,668	11.59%
Net Income	6,195	6,242	-0.76%	12,922	8,971	44.04%

Source: QNBI Calculations

Valuation

We base our valuation on a combined approach using a 50-50 DCF model and peer analysis, arriving at a 12-month target price of TRY120.3 per share, implying 39% upside potential.

- The DCF model assumes a WACC at 8.5% while we apply a beta of 0.7x in line with its historical average, a risk-free rate of 7.5%, and an equity risk premium of 5.0%.
- We apply a 2.3% terminal growth rate based on the Turkish Ministry of Energy's long-term electricity demand forecasts and assume a constant corporate tax rate of 25% throughout the forecast period.
- In our peer analysis, we use forward-looking P/E and EV/EBITDA multiples, benchmarking Aksa Energy against a group of eleven international peers, using the group averages for comparison.

Figure 2 – DCF Tables

Valuation	Weights	USD mn
DCF	50%	2,189
Peers Analysis Implied Value	50%	3,528
12-Month Target Value (USDmn)		2,859
12-Month Target Price (USD)		2.3
12-Month Target Price (TRY)		120.3
Current Price /shr (TRY)		86.3
Upside Potential (%)		39%

Source: QNBI Estimates

Figure 3 – DCF Tables

USD mn	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
Revenues	1,020	1,451	1,595	1,626	1,663	1,702	1,741	1,782	1,823	1,865
Revenue Growth	3.1%	42.3%	10.0%	1.9%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
EBIT	311	490	575	599	623	640	656	673	691	708
EBITDA	392	579	670	692	715	732	749	766	784	802
EBITDA Margin	38.4%	39.9%	42.0%	42.6%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%
Taxes	-78	-123	-144	-150	-156	-160	-164	-168	-173	-177
Inc./dec. in W/C	-11	-61	-22	-5	-5	-5	-6	-6	-6	-6
Capex	-546	-476	-381	-108	-108	-108	-108	-108	-108	-108
FCF	-243	-80	123	430	447	459	472	485	498	512
WACC	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
PV of FCFs	1,673									
Terminal Growth Rate	2.3%									
Terminal Value	3,707									
PV of TV	1,634									
Value of Firm	3,307									
Net Debt	1,118									
Equity Value	2,189									

Source: QNBI Estimates

Figure 4 – Peer Analysis

Company Name	Ticker	P/E'26F (X)	P/E'27F (X)	EV/EBITDA'26F (X)	EV/EBITDA'27F (X)
ČEZ, a.s.	CEZ CP Equity	19.3	21.8	7.9	8.3
Enel S.p.A.	ENEL IM Equity	14.0	13.1	7.8	7.5
CLP Holdings Limited	2 HK Equity	16.4	16.0	9.9	9.6
EDP – Energias de Portugal, S.A.	EDP PL Equity	15.6	15.7	8.8	8.6
Iberdrola, S.A.	IBE SM Equity	20.2	19.0	12.8	12.3
Verbund AG	VER AV Equity	20.8	18.9	11.2	10.1
NextEra Energy, Inc.	NEE UN Equity	24.1	22.1	16.7	15.0
RWE AG	RWE GY Equity	23.1	19.2	10.5	8.9
Acciona Energía	ANE SM Equity	27.7	35.1	10.1	11.1
Huaneng Power International, Inc.	600011 CH Equity	10.1	9.7	8.5	7.8
Average		19.1	19.1	10.4	9.9
Aksa Energy		17.2	8.3	9.3	6.3
Premium/Discount		-10.0%	-56.7%	-10.7%	-36.4%

Source: QNBI Estimates

QNB Invest Rating System

We employ a relative scale in our rating system (i.e. Market **Outperform**, **Neutral**, **Underperform**) in order to better present relative value propositions and more actively pursue long vs. short ideas at the BIST. The relevant benchmark is the broader Turkish stock market, using the BIST-100 index as a basis. The ratings also incorporate a certain degree of relativity within the analyst's own stock coverage universe due to asymmetric return expectations among the industries under our BIST coverage. The rating system combines analysts' views on a stock relative to the sectors under coverage, and the sector call relative to the market, together providing a view on the stock relative to the market.

Individual ratings reflect the expected performance of the stock relative to the broader market over the next 6 to 12 months. The assessment of expected performance includes a function of near-term company fundamentals, industry outlook, confidence in earnings estimates and valuation, and other factors.

An essential element of our rating methodology involves benchmarking a 12-month expected return against the cost of equity. We set a required rate of return for each stock, calculated from our risk-free rate and equity risk premium assumptions. The price target for a stock represents the value that the stock is expected to reach or sustain over the performance horizon of 12 months, according to the view of the analyst.

We have separated the stocks under our coverage into two groups, mainly with respect to their liquidity (market cap, free float market cap and historical average daily trading volume) as small-cap stocks exhibit different risk/return characteristics to more-liquid large-caps. For the purposes of the relative stock rating, however, stocks within each group will be considered on an unweighted basis with regard to their market capitalization.

For a stock to be assigned an **Outperform** rating, the implied return *must* exceed the required rate of return by at least 5 percentage points over the next 12 months for our larger-cap stock coverage, or by 10 percentage points for the small-cap group. For a stock to be assigned an **Underperform** rating, the stock must be expected to underperform its required return by at least 5 percentage points over the next 12 months. Stocks between these bands will be classified as **Neutral**.

When the potential upside of an *average* stock in our coverage exceeds its required rate of return (i.e. the market upside exceeding the implied average cost of capital), a greater number of stocks would fall into the aforementioned Outperform (Buy) category, illustrating the significance of the "relative return" concept (*vis-à-vis* absolute return) in picking better investment ideas with a positive alpha. The same holds true when the potential upside of an *average* stock in our coverage falls short of its required rate of return.

In this regard, as a supplemental methodology, we rank the stocks in our coverage according to their notional target price with respect to their current market price, and then categorise the top group (approximately 40-50% of the companies under coverage) as Outperform, the next 40-50% as Neutral and the lowest 10-20% (and no less than 10%) as Underperform.

It should be noted that the expected returns on some stocks may at times fall outside the relevant ranges of the applicable respective rating category because of market price movements and/or other short-term volatility or trading patterns. Such interim deviations from specified ranges are permitted but becomes subject to review.

Also note that the analyst's short-term view may occasionally diverge from the stock's longer-term fundamental rating.

Outperform. We expect the stock to outperform the BIST-100 over the next 6 to 12 months.

Neutral (Market Perform). We expect the stock to broadly perform in line with the BIST-100 index over the next 6 to 12 months. (Although we would normally have a neutral assessment of stocks in this category, if a stock has gone through a period of market underperformance, it would be an indication that the stock may be expected to improve its performance relative to market averages in the coming period, and vice versa).

Underperform. We expect the stock to underperform the BIST-100 over the next 6 to 12 months.

N/R. Not Rated.

U/R. Under Review.

Analyst Certification

The following analysts hereby certify that the views expressed in this research report accurately reflect their own personal views regarding the securities and issuers referred to therein and that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report: **Can Alagöz, Eren Şarlak**.

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