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PHILLIPCAPITAL RESEARCH
TURKİYE | COMPANY UPDATE REPORT
29.09.2026

Details	
Bloomberg Ticker	**GLRMK TI**
View	**Outperform**
Share Price, TRY	141.00
Target Price, TRY	**275.00**
Upside Potential	95.03%
Market Value, TRY mn	45,487
Market Value, USD mn	932
BIST-100 Index Weight	0.30%
BIST TUM Index Weight	0.23%

Source: Matriks, Finnet, PhillipCapital Research

Financial Forecasts (TRY mn)	2025	2026E	2027E
Revenue	45,533	57,834	71,519
EBITDA	6,099	7,981	10,013
EBITDA margin	13.4%	13.8%	14.0%
Net income	4,282	6,103	9,060
Net profit margin	9.4%	10.6%	12.7%

Market Ratios	2025	2026E	2027E
P/E	13.2	7.5	5.0
EV/EBITDA*	8.0	4.5	3.6

Source: PhillipCapital Research.
**EV/EBITDA multiple is calculated using net cash excluding PPP project loans.*

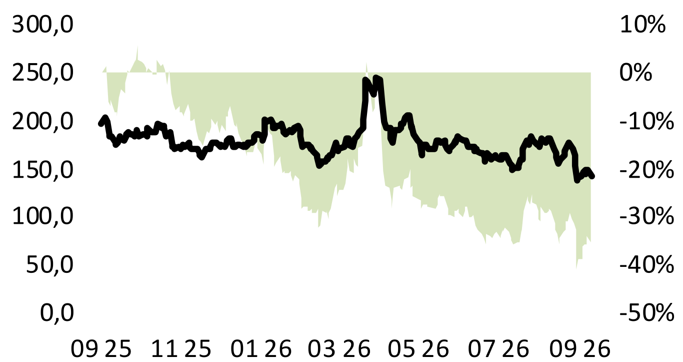
Shareholder Structure	%
Gülermak Emlak Yapı İnşaat Yatırım	47,3%
Gülermak Turizm İşletme Yatırım	25,4%
Other	21,8%
Pusula Asset Mgmt PBH Fund	5,5%

Source: Matriks

Share Price/Relative Performance

	1M	3M	6M	1Y
Nominal	-21,7%	-18,0%	-19,4%	-22,8%
Relative	-8,9%	-7,1%	-18,8%	-31,6%
Avg. Trading Volume, mn $	17,8	15,5	28,9	18,2

Source: BİST, Finnet



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Gülermak Ağır Sanayi (GLRMK)

Company Update Report

At our meeting with Gülermak, we reviewed the company's operations and future outlook. We believe the recent share price volatility driven by market conditions does not reflect the company's intrinsic value and is temporary. The key takeaways from the meeting are as follows.

In short, we do not expect any additions to the backlog in 2026, and we revise our year-end 2027 closing backlog estimate down to **EUR 5.0bn**. **Due to the changes in our backlog and macro assumptions, we lower our 12-month target price from TRY 285.50 to TRY 275.00.** The reason for no additions in the rest of this year is that, even if a tender is won, it will not be added to the backlog until the contract is signed (2Q26 backlog: EUR 4.8bn). Current operations continue as normal.

Tender pipeline: We estimate that the company needs to win contracts worth around EUR 2.0bn to reach this backlog level by year-end 2027. The country-by-country tender schedule supporting this target is as follows.

Türkiye: Gülermak aims to take part in the Istanbul Northern Railway Crossing Project (INRAIL), for which final bids will be received in October 2026. The total project cost is ~EUR 7bn. If successful, we expect this project to add **EUR 500 mn** to the backlog in 2027. Gülermak has built the metro line to Sabiha Gökçen Airport, one of the project's connection points. In addition, as **elections approach**, developments on metro tenders in particular may come to the fore from 2H27 onwards. It is worth noting that Gülermak's core expertise is tunnel excavation.

Poland: Port Polska (CPK) expects the total value of the tenders it plans to launch in 2027 to exceed EUR 5.5bn. Given Gülermak's track record in Poland and the consolidation of the market, we expect a backlog contribution of over **EUR 400 mn** from this region through partnerships.

Gulf countries: There are several tenders, each worth around EUR 3bn. A tender won through a partnership could add over **EUR 1bn** to the backlog. Gülermak previously completed the turnkey construction of the Dubai Expolink 2020 Metro project in this region. The Dubai Metro Gold Line tender is currently open in this market. That said, we assign a lower probability of success to this market, as it is not a core market like Türkiye and Poland.

Serbia and North Macedonia: Large railway modernisation projects stand out in these markets. Gülermak is already working on part of the Belgrade–Niš railway modernisation in Serbia and expects further wins in the railway segment in this market. Similarly, the company is building the Beljakovce–Kriva Palanka railway in North Macedonia. We expect new railway wins in these two markets to add around **EUR 300 mn** to the backlog.

Short-term volatility: We expect the approval of the private placement capital increase applied for in April, along with improving market conditions in the coming months, to ease the downward pressure on the stock. We believe the negative sentiment will fade as the main catalysts from the tender pipeline start to materialise from **1Q27** onwards.

The table below lists international tenders currently accepting bids and tenders we believe Gülermak could potentially bid for. This tender table has been prepared by PhillipCapital Research. It does not reflect any guidance from Gülermak and does not imply that the company will bid for these tenders.

Table: Tender Schedule

Status	Country	Project	Client	Next Step	Information	Estimated Size
Bids received	Poland	CPK airport tunnel + station	Port Polska (CPK)	Invitation to tender 4Q26; signing 1Q27	Port Polska – 4 consortia	> EUR 1 bn
Bids received	Poland	KDP Kotowice–Airport railway link	Port Polska (CPK)	Signing targeted by end-4Q27	Kolejowy Portal – 6 consortia in dialogue	> EUR 300 mn
Bids received	Poland	KDP Airport–Bolimów railway	Port Polska (CPK)	Shortlist announcement pending	Port Polska – tender notice	> EUR 250 mn
Open Tender	Poland	Gdów–Szczyrzyc (final section of Podłęże–Piekiełko, tunnel)	PKP PLK	-	PKP PLK – tender notice	~EUR 575 mn
Open Tender	Serbia	Belgrade–Niš Railway Section 3, remaining part	Infrastruktura železnice Srbije (IŽS)	Prequalification deadline: 2 October 2026	EBRD – tender notice 9738-IFT-53136	~EUR 500 mn
Open Tender	Turkiye	Istanbul Northern Railway Crossing (INRAIL)	Ministry of Transport and Infrastructure	Final bids due 14 October 2026	Official source	~EUR 7 bn
Open Tender	UAE	Dubai Metro Gold Line	RTA (Roads and Transport Authority)	Tender end-2026; contract 2027	Logistics Middle East – prequalification (RFQ)	~ EUR 8 bn
Tender Expected	Turkiye	Ankara M2 Koru–Yaşamkent and Koru–Bağlıca metro extension	Ankara Metropolitan Municipality	Municipality announced it would tender the project in July 2026.	ABB – official announcement	~ EUR 300 mn
Tender Expected	Saudi Arabia	Mecca Metro Lines B and C	RCMC (Royal Commission for Makkah City and Holy Sites)	Construction targeted to start at end-2027 .	MEED – design tender deadline	-
Tender Expected	Saudi Arabia	Jeddah Metro Blue Line	Jeddah Development Authority	-	Saudi Gazette – project relaunched	-
Tender Expected	Poland	S11 Jarocin–Ostrów Wielkopolski expressway	GDDKiA	End-2026 (environmental permit obtained)	wlkp24 – GDDKiA statement	-
Tender Expected	Poland	S11 Kórnik–Jarocin expressway	GDDKiA	After environmental permit; targeted for 2026	zwielkopolski24	-

Last updated: 28 September 2026.
Classifications and translations may contain errors.
The size of some tenders has not yet been finalised; PhillipCapital Research estimates are shown for these.

Assumption Updates

We update our opening and closing backlog assumptions as shown below. We revise our year-end 2027 closing backlog estimate from EUR 6.0bn to EUR 5.0bn, and keep annual new contract wins at around EUR 1.3bn in the following years (5% CAGR).

Backlog Bridge, Previous (EUR mn)	2025	2026E	2027E	2028E	2029E	2030E
Opening Backlog	**4.913**	**4.912**	**5.403**	**5.944**	**6.538**	**7.192**
Backlog Burn (Revenue)	903	982	1.081	1.189	1.308	1.438
New Contract Wins	902	1.474	1.621	1.783	1.961	2.157
Closing Backlog	**4.912**	**5.403**	**5.944**	**6.538**	**7.192**	**7.911**

Backlog Bridge, Revised (EUR mn)	2025	2026E	2027E	2028E	2029E	2030E
Opening Backlog	**4.913**	**4.912**	**3.930**	**5.014**	**5.265**	**5.528**
Backlog Burn (Revenue)	903	982	1.022	1.003	1.053	1.106
New Contract Wins	902	0	2.106	1.254	1.316	1.382
Closing Backlog	**4.912**	**3.930**	**5.014**	**5.265**	**5.528**	**5.804**

We revise the revenue items affected by the updates to our backlog bridge and macro assumptions as shown below.

Revenue Assumptions, Previous (EUR mn)	2025	2026E	2027E	2028E	2029E	2030E
Revenue	903	982	1.081	1.189	1.308	1.438
EBITDA	121	136	153	172	190	209

Revenue Assumptions, Revised (EUR mn)	2025	2026E	2027E	2028E	2029E	2030E
Revenue	903	982	1.022	1.003	1.053	1.106
EBITDA	121	136	143	140	147	155

12-Month Target Price Update

We revise our 12-month target price for Gülermak from **TRY 285.50** to **TRY 275.00**. The main reason for the revision is the decline in our free cash flow forecasts following the updates to our backlog and macro assumptions. However, the TRY 6.27bn raised through the capital increase strengthens the net cash position and partly offsets the decline in our DCF value.[1] In our relative valuation, we maintain our **9.0x EV/EBITDA** multiple assumption. Rolling our valuation forward and updating our EUR/TRY assumption limit the downward revision in our target price.

The PPP project loans of PPP Solutions Polska 2, Gülermak's wholly owned subsidiary, are recorded as liabilities on the consolidated balance sheet. Excluding these loans, the company has a net cash position of TRY 9.6 bn. Based on this adjusted balance, Gülermak trades at **4.5x 2026E EV/EBITDA**. We maintain our Outperform rating on Gülermak.

[1] In calculating the dilution effect, the private placement share price is assumed to be TRY 208. As a sensitivity, a share price of TRY 150 would lower our target price to **TRY 267**.

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