

The Underpriced Powerhouse

We initiate our coverage of Girişim Elektrik with an “outperform” rating and a target price of 99.00 TRY per share with an upside potential of 113%.

Founded in 1999, Girişim Elektrik has established itself as Türkiye’s one of prestigious EPC contractors in the energy infrastructure sector. Over the years, it specialized in transformer substations, transmission lines, and renewable energy installations, and built a formidable track record with state-owned institutions, particularly TEIAS, from which it consistently wins high-voltage substation tenders. The firm’s **80% tender win rate and experience across more than 80 countries** highlights its operational credibility.

Girişim’s vertically integrated structure, anchored by Europower Enerji, enables the group to design, manufacture, and deliver energy infrastructure projects largely through internal sourcing. This reduces costs while speeding up project delivery times, which in the long run improves pricing power and sets Girişim apart as an independent, end-to-end provider in its sector.

Financially, the company has achieved an astonishing **ROIC with an average of 40% over the past five years**, while maintaining **net debt / EBITDA ratio lower than 0.7** throughout this growth cycle. USD based revenue has **grown at a 36% CAGR from 2020 to 2024**, and further acceleration is likely in the next three years as new investments contribute to top line growth. Even under conservative assumptions, we forecast continued expansion driven by global transformer demand and Türkiye’s progressive energy transition targets for a greener economy.

GESAN has outperformed the BIST 100 index by 1.3% in the past year. Based on our USD-based blended forward P/E and EV/EBITDA evaluation, the company currently has an average **discount of 75% compared to its global peers.**

However, there are still important risk factors to consider. Girişim Elektrik’s high net working capital requirements, largely due to its EPC business model, limit operational cash flow despite strong earnings. The company’s exposure to commodity price volatility and foreign exchange risk, especially in TRY-based contracts with low hedging, poses potential pressure on profitability. Additionally, delays or changes in public tender policies could impact project flow and revenue growth.

In spite of its strong financials, superior market position, and proven execution capabilities, GESAN trades at one of the highest discounts in the BIST 100 index, offering a combination of growth, profitability, and undervaluation to its investors.

Girişim Elektrik

113% Upside Potential

Listing Details and View

Bloomberg Ticker	GESAN TI
Rating	Outperform
Price per Share, TRY	46.50
Target Price per Share, TRY	99.00
Upside	113%
Free Float	30.79%
Market cap, TRY mln	21,390
Market cap, USD mln	535
BIST-100 Index Weight	0.22%
BIST All Shares Index Weight	0.16%
Foreign Share	9.35%
Pension Funds Share	1.99%
Mutual Funds Share	7.63%

Source: Matriks, Finnet, PhillipCapital Research
Market Data as of 15/07/2025

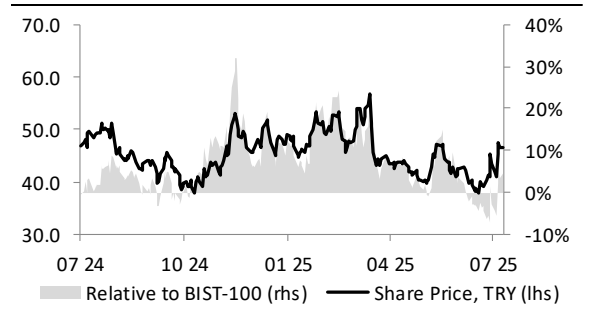
Key Financials, USD mln	2023	2024	2025E	2026E
Revenue	354	430	608	789
Revenue Growth	39%	21%	41%	30%
Gross Profit	129	118	170	237
Gross Profit Margin	36%	27%	28%	30%
EBITDA	117	93	139	199
EBITDA Margin	33%	22%	23%	25%
Net Profit	36	43	98	138
Net Profit Margin	10%	10%	16%	18%
Net Debt	-29	6	1	-57
Net Debt / EBITDA	-0.2	0.1	0.0	-0.3
P/E	28.6	14.3	5.4	3.8
P/B	3.6	1.6	1.1	0.9
EV/EBITDA	9.3	7.8	4.7	3.3

Source: Company Data, PhillipCapital Research

Shareholder Structure	Shares (million)	Ratio
Muhittin Behiç Harmanlı	184	40.0%
Ali Gökhan Öztürk	93	20.2%
Ramin Malek	25	5.4%
Others	158	34.4%
Total	460	

Source: Company Data

Share Price Performance



Source: BIST, Finnet

	1m	3m	6m	1y
Nominal	15.6%	9.0%	-3.5%	-6.4%
Relative	5.7%	-1.2%	-5.9%	1.3%
Trd. Vol. USD mln	5.9	4.9	6.3	6.8

Source: BIST, Finnet

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Europower-ing Girişim's Future

We initiate our coverage of Europower Enerji with an "outperform" rating and a target price of 48.00 TRY per share with an upside potential of 56%.

As the industrial engine behind Girişim Elektrik's EPC dominance, Europower is evolving into a global player in the switchgear and transformer markets. It is a prime example of a Turkish industrial firm combining engineering excellence, geographical advantage, and technological innovation – all the tools needed to expand in a rapidly growing global industry.

Europower is the group's core manufacturer, producing a wide range of critical equipment used in electricity transmission and distribution. Products include medium and low voltage switchgear systems, SCADA-integrated substations, solar panels. This year, the company has started producing oil filled measurement transformers and will start manufacturing high-voltage and power transformer segments by the end of 2025, while scaling its distribution transformer manufacturing capacity.

A key advantage of Europower's model lies in its **synergistic launch strategy**: nearly all new product lines begin with internal demand from Girişim's EPC projects, **enabling rapid market entry and reducing initial commercial risk**. As capacity scales, the company begins selling these products externally, diversifying its revenue base while benefiting from existing relationships with TEİAŞ and large contractors. With **new factories like EP World (550 kV power transformers) and Euromek (instrument transformers)** commencing operations, Europower is moving into higher-margin, higher-entry-barrier segments with global demand and long lead times.

The company's export ratio has increased from 11% in 2020 to 25% in 2024, and management targets 40%+ in the medium term. As global electricity demand rises, fueled by renewables, electrification, and AI-driven data center loads, international demand for Europower's products is expected to accelerate, especially given the industry-wide supply bottlenecks and 6-12 month transformer delivery times worldwide.

Europower has outperformed the BIST 100 index by 4.2% in the past year. Based on our USD-based blended forward P/E and EV/EBITDA evaluation, the company currently has an **average discount of 48% compared to its global peers**.

Europower faces typical challenges tied to the ramp-up of new production lines. Its growing reliance on raw materials and supply chain logistics increases cost vulnerability and operational delays. While diversification is underway, the company remains dependent on Girişim and TEİAŞ as its major customers.

Europower Enerji

56% Upside Potential

Listing Details and View

Bloomberg Ticker	EUPWR TI
Rating	Outperform
Price per Share, TRY	30.80
Target Price per Share, TRY	48.00
Upside	56%
Free Float	30.22%
Market cap, TRY mln	20,328
Market cap, USD mln	508
BIST-100 Index Weight	0.20%
BIST All Shares Index Weight	0.15%
Foreign Share	10.33%
Pension Funds Share	7.96%
Mutual Funds Share	5.87%

Source: Matriks, Finnet, PhillipCapital Research

Market Data as of 15/07/2025

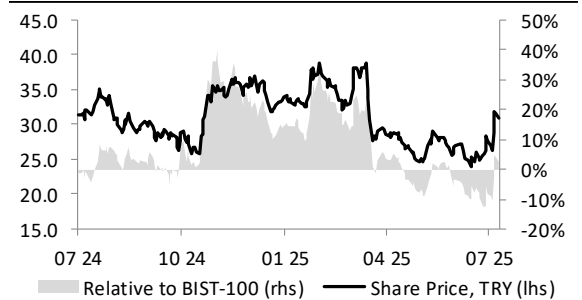
Key Financials, USD mln	2023	2024	2025E	2026E
Revenue	219	233	317	413
Revenue Growth	71%	6%	36%	30%
Gross Profit	56	58	73	103
Gross Profit Margin	26%	25%	23%	25%
EBITDA	50	43	59	87
EBITDA Margin	23%	18%	19%	21%
Net Profit	31	8	39	58
Net Profit Margin	14%	4%	12%	14%
Net Debt	-45	-10	3	-11
Net Debt / EBITDA	-0.9	-0.2	0.0	-0.1
P/E	39.4	73.2	12.9	8.6
P/B	6.7	2.7	1.9	1.5
EV/EBITDA	23.1	14.4	8.9	6.0

Source: Company Data, PhillipCapital Research

Shareholder Structure	Shares (million)	Ratio
Girişim Elektrik Taah Tıç ve San AŞ	348	52.7%
Muhittin Behiç Harmanlı	51	7.7%
Others	262	39.6%
Total	660	

Source: Company Data

Share Price Performance



Source: BIST, Finnet

	1m	3m	6m	1y
Nominal	23.5%	9.6%	-8.6%	-3.7%
Relative	12.9%	-0.6%	-10.9%	4.2%
Trd. Vol. USD mln	5.8	4.5	5.6	7.0

Source: BIST, Finnet

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Financials - Girişim Elektrik

Balance Sheet (USD Mn)	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Assets								
Current Assets	223.8	380.7	428.0	576.7	754.3	886.8	943.2	1,005.7
Cash and Cash Equivalents	30.4	68.5	32.1	22.0	76.9	51.8	56.6	64.3
Trade Receivables	53.0	73.6	97.7	132.2	169.0	208.3	220.8	234.0
Contract Assets	80.8	135.4	189.8	250.4	299.8	369.5	391.7	415.2
Inventories	37.1	63.2	74.5	113.7	135.1	166.6	178.1	190.3
Other	22.4	40.0	33.9	58.3	73.5	90.6	96.1	101.8
Non-Current Assets	79.6	136.6	184.7	231.9	270.8	275.8	277.9	277.9
Fixed Assets	74.6	130.0	167.9	215.0	254.0	259.0	261.1	261.1
Other	5.0	6.5	16.8	16.8	16.8	16.8	16.8	16.8
Total Assets	303.4	517.3	612.7	808.6	1,025.1	1,162.6	1,221.1	1,283.6
Liabilities								
Current Liabilities	146.2	188.2	178.2	282.7	362.1	441.8	469.9	499.8
Short-Term Debt	29.9	23.9	22.2	13.5	11.8	10.0	8.3	6.6
Trade Payables	44.2	61.7	59.1	101.4	132.4	163.2	174.5	186.5
Other	72.0	102.7	96.9	167.8	217.9	268.6	287.1	306.8
Non-Current Liabilities	28.5	39.5	49.0	42.7	41.5	40.2	38.9	37.7
Long-Term Debt	14.3	15.8	16.1	9.8	8.6	7.3	6.0	4.8
Other	14.2	23.7	32.9	32.9	32.9	32.9	32.9	32.9
Total Liabilities	174.7	227.7	227.2	325.5	403.5	482.0	508.8	537.5
Shareholders Equity	128.7	289.6	385.5	483.1	621.6	680.6	712.3	746.1

Income Statement (USD Mn)	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Revenue	255.2	354.4	429.7	608.0	788.5	972.0	1,030.3	1,092.1
Revenue Growth	84.2%	38.8%	21.3%	41.5%	29.7%	23.3%	6.0%	6.0%
Cost of Goods Sold	172.5	225.2	311.8	437.8	552.0	680.4	727.3	777.2
Gross Profit	82.7	129.1	117.9	170.2	236.6	291.6	303.0	314.9
Gross Margin	32.4%	36.4%	27.4%	28.0%	30.0%	30.0%	29.4%	28.8%
Operating Expenses	10.4	18.7	32.9	42.6	51.3	58.3	61.8	65.5
Operating Expenses Growth	29.6%	80.6%	75.8%	29.4%	20.4%	13.8%	6.0%	6.0%
EBIT	72.4	110.4	85.1	127.7	185.3	233.3	241.2	249.4
EBIT Margin	28.4%	31.2%	19.8%	21.0%	23.5%	24.0%	23.4%	22.8%
Other Operating Income/Expense	-3.5	-23.3	-9.8	0.0	0.0	0.0	0.0	0.0
Operating Profit	68.8	87.1	75.2	127.7	185.3	233.3	241.2	249.4
Operating Margin	27.0%	24.6%	17.5%	21.0%	23.5%	24.0%	23.4%	22.8%
Financial Income/Expense	-13.3	-4.7	-6.7	-0.9	-0.6	2.3	1.3	1.8
Other Income/Expense	0.0	-55.2	-37.3	0.0	0.0	0.0	0.0	0.0
Profit Before Tax	56.8	55.2	64.9	126.8	184.7	235.6	242.5	251.2
Tax Rate	20%	34%	34%	23%	25%	25%	25%	25%
Tax Expense	11.4	18.8	21.9	29.2	46.2	58.9	60.6	62.8
Net Profit	45.5	36.4	43.0	97.7	138.5	176.7	181.9	188.4
Net Profit Margin	17.8%	10.3%	10.0%	16.1%	17.6%	18.2%	17.7%	17.3%
Depreciation	2.3	6.9	8.3	11.6	13.8	16.8	17.5	18.2
EBITDA	74.7	117.3	93.3	139.2	199.1	250.1	258.7	267.6
EBITDA Margin	29.3%	33.1%	21.7%	22.9%	25.3%	25.7%	25.1%	24.5%

Cash Flow Statement (USD Mn)	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Cash Opening	8.9	31.7	25.1	32.1	22.0	76.9	51.8	56.6
Net Earnings	45.5	36.4	43.0	97.7	138.5	176.7	181.9	188.4
Cash Flow from Core Operations	26.6	-52.8	0.8	63.6	110.7	117.4	177.6	183.5
Adjustments to Net Earnings	24.6	18.4	-6.8	11.6	13.8	16.8	17.5	18.2
Depreciation	2.3	6.9	8.3	11.6	13.8	16.8	17.5	18.2
Change in Working Capital	43.4	107.6	35.4	45.6	41.6	76.1	21.8	23.0
Cash from Investment Operations	-9.9	-18.0	-15.4	-58.7	-52.7	-21.9	-19.6	-18.2
Cash from Financial Operations	12.4	71.2	15.9	-15.0	-3.0	-120.7	-153.2	-157.6
Change in Financial Debt	19.7	8.7	2.4	-15.0	-3.0	-3.0	-3.0	-3.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0	-117.7	-150.2	-154.6
Total Cash Flow	25.4	-10.8	-12.2	-10.1	54.9	-25.2	4.8	7.7
Cash at the End of the Quarter	34.3	20.8	32.1	22.0	76.9	51.8	56.6	64.3

Ratio Analysis (USD Mn)	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
P/E	32.2	28.6	14.3	5.4	3.8	3.0	2.9	2.8
EV/EBITDA	20.0	9.3	7.8	4.7	3.3	2.6	2.6	2.5
P/B	11.4	3.6	1.6	1.1	0.9	0.8	0.7	0.7
ROE	44.3%	17.4%	12.8%	22.5%	25.1%	27.1%	26.1%	25.8%
ROIC	45.2%	41.1%	19.6%	21.9%	26.5%	28.9%	27.5%	27.4%
NWC / Sales	30.2%	41.7%	55.8%	47.0%	41.5%	41.5%	41.3%	41.0%
Current Ratio	1.5	2.0	2.4	2.0	2.1	2.0	2.0	2.0
Net Debt	13.9	-28.9	6.2	1.3	-56.6	-34.5	-42.3	-53.0
Net Debt / EBITDA	0.2	-0.2	0.1	0.0	-0.3	-0.1	-0.2	-0.2
Net Debt / Shareholders Equity	0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	22.1%	28.2%	29.1%

Source: Company Data, Fintel, PhillipCapital Research

Financials - Europower Enerji

Balance Sheet (USD Mn)	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Assets								
Current Assets	69.5	201.7	211.6	239.9	289.1	339.2	358.5	378.8
Cash and Cash Equivalents	3.8	60.9	27.5	10.4	20.5	40.8	41.8	42.7
Trade Receivables	23.8	28.4	49.5	54.3	72.8	89.8	95.2	100.9
Contract Assets	26.8	42.4	58.6	70.6	90.2	89.6	94.9	100.6
Inventories	8.4	50.1	62.5	81.2	78.0	86.2	91.7	97.6
Other	6.6	19.8	13.5	23.5	27.6	32.9	34.9	36.9
Non-Current Assets	29.2	77.8	119.8	159.8	189.8	189.8	190.0	190.0
Fixed Assets	28.1	76.5	110.8	150.8	180.8	180.8	181.1	181.1
Other	1.1	1.2	9.0	9.0	9.0	9.0	9.0	9.0
Total Assets	98.7	279.4	331.4	399.7	478.9	529.0	548.5	568.8
Liabilities								
Current Liabilities	43.0	80.1	72.5	105.2	128.0	147.3	155.7	164.7
Short-Term Debt	7.6	7.5	5.3	3.8	2.9	2.1	1.2	0.3
Trade Payables	24.6	46.8	36.4	60.5	78.4	99.0	105.4	112.1
Other	10.9	25.8	30.8	40.8	46.6	46.2	49.1	52.3
Non-Current Liabilities	10.3	19.4	29.5	26.0	23.8	21.7	19.6	17.5
Long-Term Debt	4.6	7.9	12.7	9.2	7.0	4.9	2.8	0.7
Other	5.6	11.5	16.8	16.8	16.8	16.8	16.8	16.8
Total Liabilities	53.3	99.6	102.0	131.2	151.8	169.0	175.3	182.2
Shareholders Equity	45.4	179.9	229.4	268.5	327.0	360.0	373.2	386.6
Income Statement (USD Mn)								
Revenue	127.9	219.1	232.6	316.8	412.8	504.0	534.2	566.3
Revenue Growth	88.3%	71.33%	6.17%	36.22%	30.30%	22.09%	6.00%	6.00%
Cost of Goods Sold	93.2	162.6	174.7	243.9	309.6	362.9	386.1	410.9
Gross Profit	34.7	56.4	57.8	72.9	103.2	141.1	148.1	155.4
Gross Margin	27.1%	25.8%	24.9%	23.0%	25.0%	28.0%	27.7%	27.4%
Operating Expenses	5.9	10.6	21.2	22.2	26.8	30.2	29.4	31.1
Operating Expenses Growth	48%	80%	100%	5%	21%	13%	-3%	6%
EBIT	28.8	45.8	36.7	50.7	76.4	110.9	118.7	124.3
EBIT Margin	22.5%	20.9%	15.8%	16.0%	18.5%	22.0%	22.2%	21.9%
Other Operating Income/Expense	0.1	-11.3	-1.2	0.0	0.0	0.0	0.0	0.0
Operating Profit	28.9	34.6	35.5	50.7	76.4	110.9	118.7	124.3
Operating Margin	22.6%	15.8%	15.3%	16.0%	18.5%	22.0%	22.2%	21.9%
Financial Income/Expense	-2.1	5.5	-4.5	0.1	-0.4	0.3	1.6	1.9
Other Income/Expense	0.0	-26.6	-23.5	0.0	0.0	0.0	0.0	0.0
Profit Before Tax	26.7	40.6	17.4	50.8	76.0	111.2	120.3	126.2
Tax Rate	15%	24%	51%	23%	23%	23%	25%	25%
Tax Expense	4.0	9.8	8.9	11.7	17.5	25.6	30.1	31.5
Net Profit	22.7	30.8	8.5	39.1	58.5	85.6	90.2	94.6
Net Profit Margin	17.8%	14.0%	3.7%	12.4%	14.2%	17.0%	16.9%	16.7%
Depreciation	1.9	4.6	5.9	7.9	10.3	12.6	13.1	13.6
EBITDA	30.7	50.5	42.5	58.6	86.7	123.5	131.8	137.9
EBITDA Margin	24.0%	23.0%	18.3%	18.5%	21.0%	24.5%	24.7%	24.4%
Cash Flow Statement (USD Mn)								
Cash Opening	1.0	3.9	18.7	27.5	10.4	20.5	40.8	41.8
Net Earnings	22.7	30.8	8.5	39.1	58.5	85.6	90.2	94.6
Cash Flow from Core Operations	3.0	-34.9	18.0	35.7	53.5	88.6	94.4	98.8
Adjustments to Net Earnings	8.0	7.6	9.9	7.9	10.3	12.6	13.1	13.6
Depreciation	1.9	4.6	5.9	7.9	10.3	12.6	13.1	13.6
Change in Working Capital	27.7	73.2	0.4	11.3	15.3	9.7	9.0	9.5
Cash from Investment Operations	-7.0	-32.1	-20.7	-47.9	-40.3	-12.6	-13.4	-13.6
Cash from Financial Operations	8.7	92.0	-0.8	-5.0	-3.0	-55.6	-80.1	-84.2
Change in Financial Debt	9.6	9.0	4.5	-5.0	-3.0	-3.0	-3.0	-3.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0	-52.6	-77.1	-81.2
Total Cash Flow	3.2	11.6	-10.3	-17.2	10.2	20.3	1.0	0.9
Cash at the End of the Quarter	4.2	15.5	27.5	10.4	20.5	40.8	41.8	42.7
Ratio Analysis (USD Mn)								
P/E	-	39.4	73.2	12.9	8.6	5.9	5.6	5.3
EV/EBITDA	-	23.1	14.4	8.9	6.0	4.2	3.9	3.8
P/B	-	6.7	2.7	1.9	1.5	1.4	1.4	1.3
ROE	68.9%	27.3%	4.1%	15.7%	19.6%	24.9%	24.6%	24.9%
ROIC	40.1%	25.6%	12.5%	14.0%	18.1%	25.5%	26.5%	27.0%
NWC / Sales	23.7%	31.1%	50.3%	40.5%	34.8%	30.4%	30.4%	30.3%
Current Ratio	1.6	2.5	2.9	2.3	2.3	2.3	2.3	2.3
Net Debt	8.4	-45.5	-9.5	2.6	-10.5	-33.8	-37.8	-41.7
Net Debt / EBITDA	0.3	-0.9	-0.2	0.0	-0.1	-0.3	-0.3	-0.3
Net Debt / Shareholders Equity	0.2	-0.3	-0.0	0.0	-0.0	-0.1	-0.1	-0.1
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	10.4%	15.2%	16.1%

Source: Company Data, Finnet, PhillipCapital Research

Company Overview

Understanding Girişim Elektrik and Europower

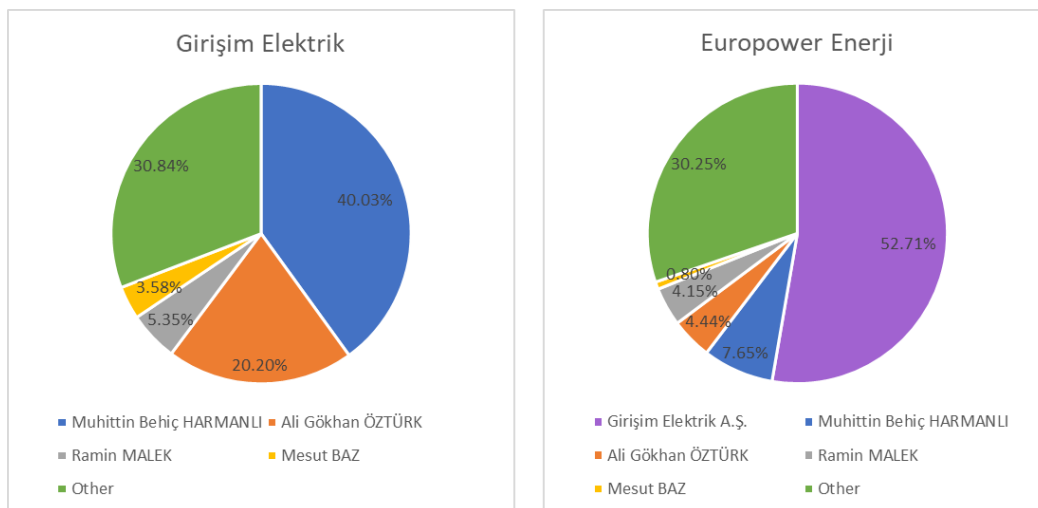
Girişim Elektrik, founded in 1999 and going public in 2021, has become an established EPC contractor in Türkiye’s power infrastructure sector. The company has become an expert in high-voltage infrastructure projects, with a focus on turnkey transformer substations, medium-voltage switchgear systems, and renewable energy installations. Girişim has built a diverse track record working across Europe, Middle East, and Africa, and continues to maintain this momentum with new global project wins and strategic investments.

Europower Enerji, a subsidiary of Girişim, serves as the group’s industrial foundation. Europower, founded in 2008, has scaled into one of Türkiye’s popular electrical equipment manufacturers. The company designs and produces a wide range of low, medium, and high-voltage systems, including modular substations, metal-clad switchgear, and distribution transformers. The company went public in April 2023 to scale up faster with new investments, supported by a global demand in the energy infrastructure sector.

As of 1Q25, Girişim group employs 1,828 people in total, more than a twofold jump from the 760 employees in 1Q21, right before its IPO. More than 250 of these workers are skilled engineers. The company operates 10 production facilities and exports to more than 80 countries in 5 different continents. The company sets high financial goals for the future and greatly strives to expand its position in the transformer market. This has allowed them to keep a consisting growth in the sector, and we expect this expansion to continue in the long run.

Shareholder & Management Structure

The company is actively managed by the founders. The largest shareholder, Behic Harmanli, is an electrical engineering graduate (1982) from Istanbul Technical University. The second largest shareholder, Gokhan Ozturk, is another electrical engineer who obtained a degree (1992) from Middle East Technical University. Third largest shareholder Ramin Malek, is also an electrical engineer graduate (1991) from Middle East Technical University. Finally, the fourth largest shareholder, Mesut Baz, has experience in financial markets and tender electrical projects. All of these partners possess a strong education and career background that enabled them to build one of the leading EPC contractors in Türkiye.



The current board of Girişim Elektrik consists of 5 members, and there are 13 senior executives in the company. The founders’ partnership has pushed the company to form a corporate governance structure at an early stage, which enabled Girişim to keep its organization in control during a high-paced growth period.

Group Companies

As of 2025, Girişim Elektrik financials are consolidated under five primary companies: Girişim Elektrik (solo), Europower Enerji, Peak PV, EP World, and Euromek. Each entity holds a distinct role within the group's vertically integrated operations.

➤ Girişim Elektrik (GESAN Solo)

Girişim Elektrik is the engineering, procurement, and construction (EPC) arm of the group. It delivers turnkey energy infrastructure operations such as transformer substations, transmission lines, renewable power plants, and electrification projects. Alongside this, Girişim provides project design, management, automation & SCADA, and testing services. Girişim is one of the main contractors for the Turkish Electricity Transmission Company (TEIAS).

➤ Europower Enerji (52.7% owned by GESAN)

Europower is the manufacturing powerhouse of the group and produces a wide range of equipment used in the generation, transmission, and distribution of electricity. However, Europower also joins tender projects of TEIAS as a contractor due to certain regulations. Its core product lines include, distribution transformers, medium voltage (MV) and low voltage (LV) switchgears, modular concrete and sheet metal substations, metal-clad panels, and SCADA-integrated control systems. In recent years, the company expanded into high-voltage (HV) segments and now offers primary and secondary GIS units, measurement transformers, and mobile transformer stations. Europower's production is backed by a TURKAK-accredited high-voltage test laboratory capable of conducting type tests up to 245 kV, which meets international technical standards for both domestic and export markets.

➤ Peak PV (60% owned by EUPWR)

Peak PV is the group's dedicated solar panel manufacturer with a 1 GW capacity solar panel factory in Ankara. The facility, fully owned by the group, produces high-efficiency monocrystalline bifacial PV modules rated at 550W and 650W. These panels are primarily used in Girişim Elektrik's EPC solar projects. Peak PV's vertical integration improves project cost efficiency, delivery speed, and local content ratios, creating key advantages in both public and private sector solar investments. The company is equipped to support domestic demand and expand into international markets with high-quality, utility-scale solar modules.

➤ Europower World (100% owned by EUPWR)

EP World is on track to become a significant player in the high-voltage power transformer manufacturing sector. Established to address the growing global demand for high-capacity transformers, the factory is designed to produce oil type power transformers up to 550 kV and 330 MVA. The facility that is currently under construction is expected to commence operations in the second half of 2025. Europower World aims to serve both domestic and international markets, focusing on regions such as Europe and North America, where the demand for high-voltage transformers is rapidly increasing.

➤ Euromek (60% owned by EUPWR)

Euromek Elektrik was established to produce oil-insulated medium and high-voltage instrument transformers. The factory for this subsidiary was recently completed and started operations at the beginning of 2025. Euromek manufactures a full range of current transformers as well as capacitive and inductive voltage transformers, with voltage classes up to 420 kV and product capabilities extending to 550 kV BIL. In addition to transformers, Euromek will also produce bushings and capacitors, critical components for high-voltage substations and transmission systems.

Factories and Products & Services

Girişim currently operates 10 factories with an additional factory under construction. All of these manufacturing facilities are located in Ankara, Türkiye. The table below summarizes each factory with its main purpose and total closed factory area. The company that is under construction is F block, which is built for EP World high voltage power transformers.

Block	Purpose	Area (m ²)
A Block	Medium Voltage Metal-Clad production, R&D center, Accredited HV Test Lab	7,925
B Block	High Voltage equipment production and administrative offices	5,129
C Block	Epoxy plant, CT/VT production, MV breaker/disconnector/modular cell and concrete kiosk manufacturing	16,666
E1 & E2 Block	LV panels, control cabinets, RMU, GIS production and mechanical production lines	13,010
D Block	Power transformer factory and administrative offices (expanded capacity)	8,591
F Block	Under construction HV power transformer factory for Europower World	14,500
G1 & G2 Block	Solar panel production, SunJunior inverter systems, EV chargers (AddMore), solar mounting systems	29,000
H Block	Oil-type distribution transformers including UL-certified models	23,314
I Block	HV instrument transformers, bushings, capacitors	4,534

As a group company, Girişim provides engineering and project design, turnkey construction projects, marketing & sales, special distributorships, manufacturing, and testing services. The following table summarizes the main lines of products that is manufactured by Europower.

For most of the products manufactured by Europower, the first customer is Girişim. This enables a fast entrance into the market for products of Europower. As the production capacity matures, Europower starts selling its products to other contractors which helps in diversification of the consumer base. This system greatly benefits Europower in entering product markets with existing entrance barriers.

The group has also launched a new service based on the ESCO (Energy Service Company) model. Under this model, the company covers the capital expenditure required to install solar panels for its clients at no upfront cost. A contract is signed with the customer, who then pays the company based on a predetermined electricity price. As commercial businesses in Türkiye face significantly higher electricity bills compared to residential users, this arrangement is particularly attractive for business owners. It is also more profitable for Girişim, as the sales price in these contracts exceeds YEKDEM tariffs and spot market electricity prices.

Products

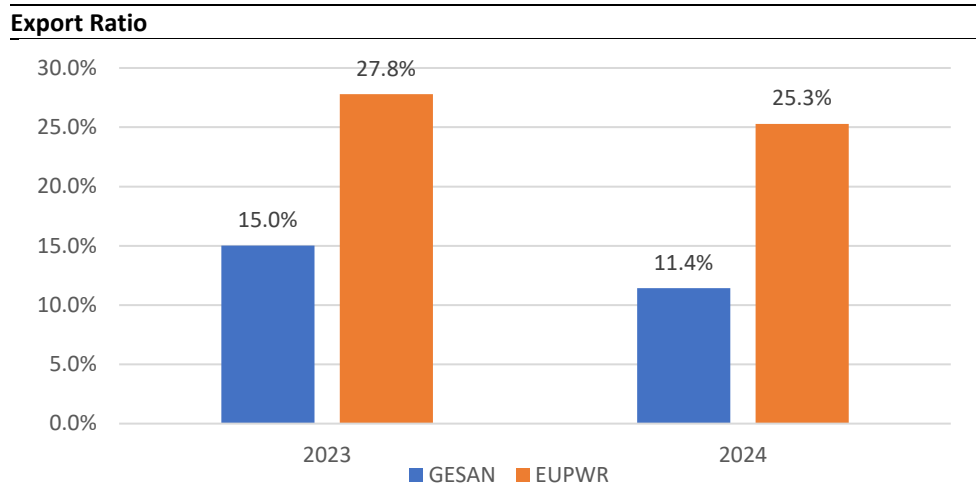
Low Voltage Panels and Systems
Medium Voltage Switchgear and Components
High Voltage Switchgear Products
Distribution and Power Transformers
Kiosks and Transformer Substations
Power Compensation Systems
Railway Switchgear Products and Systems
Euro SunJunior (Inverter System)
AddMore EV Charging Units
Solar PV Panel
MV Current and Voltage Transformers
Silicone and Epoxy Insulators
Instrument Transformers
Powerbank Storage Systems
MV Secondary and Primary GIS (RMU)
Solar Power Plant Mounting Structures

Customers and Export Ratio

Girişim Group's main customer is Turkish Electricity Transmission Company (TEIAS). The company is estimated to have an 80% success rate in getting substation tender projects from TEIAS. However, even if Girişim fails to get a tender, it is likely that the competitor contractor will purchase their products from Europower. As a group, the company greatly benefits from the expansion of Türkiye's electricity grid development and expansion.

We estimate that TEIAS makes up 35% of Girişim Elektrik's current consolidated EPC contract size. The rest of the contracts are diversified among large domestic and international private and public firms. Even though 35% might seem like a high number, the company also generates income through the sales of products it manufactures to other contractors. We also expect the diversity of Girişim's customer base to continue increasing in the following years with the expansion of Europower and high demand for its products on a global scale.

Additionally, both Girişim and Europower are expected to increase their export ratios in the coming years. The table below shows the export ratio for 2023 and 2024 of both companies. **Europower targets 40% export ratio in the long run.**



Source: Company Data

Industry Outlook

Domestic Outlook

Türkiye’s power transmission and substation equipment sector are entering a structurally expansive phase, backed by a strong government-led infrastructure push. Both Girişim and Europower stand to benefit from this trend due to their specialization in medium and high voltage transformer systems, switchgear, and substation EPC services. On the demand side, the need for power transformers and grid equipment is intensifying, driven by both load growth and the ongoing transition toward renewable energy. The Turkish Energy Ministry estimates that annual electricity demand could reach 510 TWh in 2030, representing a 54% increase from 2023, following the 300% increase over the past two decades. As the Ministry aims to increase installed wind and solar capacity to 120 GW by 2035, the need to modernize transmission infrastructure has become an utmost priority.

The domestic transformer and substation market is currently experiencing a capacity strain, effectively creating a bottleneck that favors companies like Europower and Girişim that already have TEİAŞ certification and a track record in turnkey public tenders. Their position as approved suppliers to TEİAŞ, which is executing an unprecedented investment plan through 2028, underpins a relatively stable revenue pipeline in a volatile macroeconomic environment.

Türkiye is undertaking a significant overhaul of its power infrastructure to accommodate the growing demand for electricity and the integration of renewable energy sources. By 2035, the country plans to expand its alternating current (AC) transmission network from 75,414 km to 90,500 km and introduce 14,700 km of high-voltage direct current (HVDC) lines. Additionally, the number of transformers is set to increase from 788 to 942, and 40 new converter stations will be established. These developments aim to boost Türkiye’s power export capacity from 2.3 GW to 6.75 GW, enhancing grid flexibility and reliability.

On the renewable integration front, Türkiye’s energy strategy emphasizes connecting new wind and solar installations to the grid as quickly as possible. This has created increasing demand for step-up transformers, mobile substations, and fast-deployment EPC capabilities. Girişim, with its substation contracting expertise, and Europower, as a core manufacturer of switchgear and transformer systems, are directly aligned with this need. Moreover, the policy emphasis on localization in public tenders provides a competitive edge to domestic manufacturers over foreign OEMs, further strengthening their market position.

Türkiye is aggressively pursuing renewable energy targets, aiming to quadruple its installed wind and solar capacity to 120 GW by 2035, up from 30 GW in 2024. To support this growth, the government has introduced the Renewable Energy Resources Area (YEKA) scheme, facilitating competitive auctions for renewable energy projects. Türkiye will need \$80 billion of public and private investments in order to achieve this goal. In 2024, tenders for 1.2 GW of wind and 800 MW of solar power were launched. Additionally, regulatory changes now allow existing wind and solar power plants to establish electricity storage units, further incentivizing investment in renewable power generation.

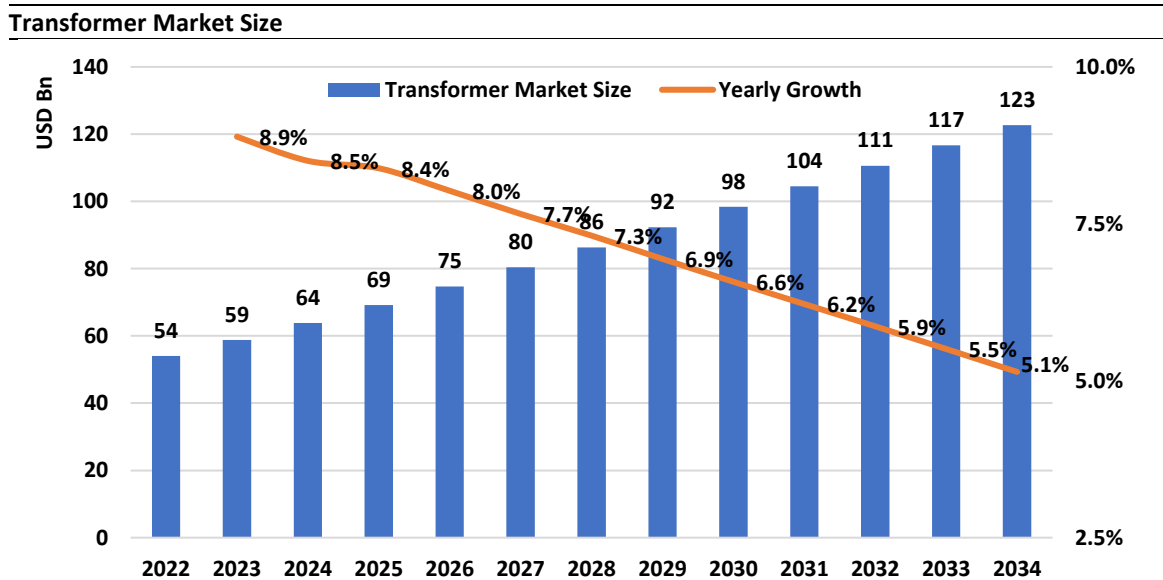
Additionally, the Turkish government has unveiled a \$30 billion incentive package targeting high-tech sectors, including renewable energy. This includes \$2.5 billion in grants for solar cell facilities with up to 15 GW capacity and \$1.7 billion for manufacturing critical wind energy components. Furthermore, a \$1 billion program, supported by the World Bank, has been initiated to accelerate the market transition for distributed energy in Türkiye. This program focuses on expanding the market for distributed solar energy and piloting battery storage systems, aligning with Türkiye’s National Energy Plan.

The anticipated expansion in renewable energy capacity and grid infrastructure necessitates a significant increase in the production of transformers and related equipment. Türkiye’s plan to add 90,000 MW of new renewable capacity by 2035 will require substantial investments in grid modernization, including the deployment of advanced transformers and switchgear.

Moreover, the focus on reducing dependency on imported energy sources and increasing the share of domestic resources in electricity production to 59.4% by 2025 further underscores the strategic importance of local manufacturers like Girişim and Europower in achieving energy security and sustainability goals.

Global Outlook

The global transformer market size is expected to grow with a CAGR of 6.6% from 2025 to 2034. Currently half of the transformer market consists of distribution transformers. However, the market share of power transformers is expected to grow at a faster pace, which is expected to greatly benefit Europower’s new investments.



Additionally, Europower has increased its export ratio from 11% in 2020 to 25% in 2024, and is striving to transition to a more international customer base by strengthening its global presence. International energy storage markets are experiencing intense capacity shortages. Global players are reporting order backlogs, due to overlapping demand from utility investments and private-sector industrial expansion. Transformer lead waiting times can reach up to 6–12 months in many cases, especially for customized units.

The main reason for this capacity strain is the significant growth in global electricity demand, propelled by factors such as industrial decarbonization, the proliferation of electric vehicles (EVs), and the expansion of data centers. The International Energy Agency (IEA) reported a 4.3% increase in electricity demand in 2024, marking the largest absolute growth on record, excluding post-recession recoveries. Compared to the global economic expansion of 3.2% in 2024, the quicker uptick in electricity demand growth lays a favorable groundwork for Girişim Elektrik and Europower. This surge in demand is attributed to increased use of electricity-intensive appliances, a shift towards electricity-intensive manufacturing, and the growing power requirements of digitalization and artificial intelligence.

The integration of AI and the rise of data centers are transforming electricity consumption patterns. S&P Global Commodity Insights anticipates that power demand for data centers will grow between 10-15% per year through 2030, potentially accounting for up to 5% of total global power demand by that time. This trend underscores the necessity for smart grid technologies and advanced energy management systems to ensure grid stability and efficiency.

Renewable energy sources are set to dominate new power generation capacity additions. S&P Global projects that renewables will capture nearly 90% of all new power generation capacity globally by 2035, with solar and wind leading the charge. Electricity storage capacity is expected to expand by 30% annually during this period, highlighting the critical role of energy storage systems (ESS) in balancing the intermittency of renewables. The global energy storage market is poised for significant growth, with annual additions projected to reach 137 GW (442 GWh) by 2030.

Geopolitical dynamics are influencing energy markets, with countries seeking to diversify energy sources and enhance energy security. The ongoing war in Eastern Europe and energy sanctions on Russia have prompted European nations to reduce dependence on Russian gas, turning to alternative suppliers like Norway, the U.S., Qatar, and Algeria. This shift presents opportunities for companies involved in energy infrastructure development and cross-border energy projects.

Operational Outlook

Resilient Competitive Advantage

The significant increase in TEİAŞ's investments toward a greener and more efficient electricity transmission and distribution system directly benefits qualified electrical contractors in Türkiye. Among them, Girişim Elektrik stands out as the largest contractor of TEİAŞ, gaining substantial advantage from this position. The company has a compelling track record in public tenders and is expected to maintain this momentum in the medium term.

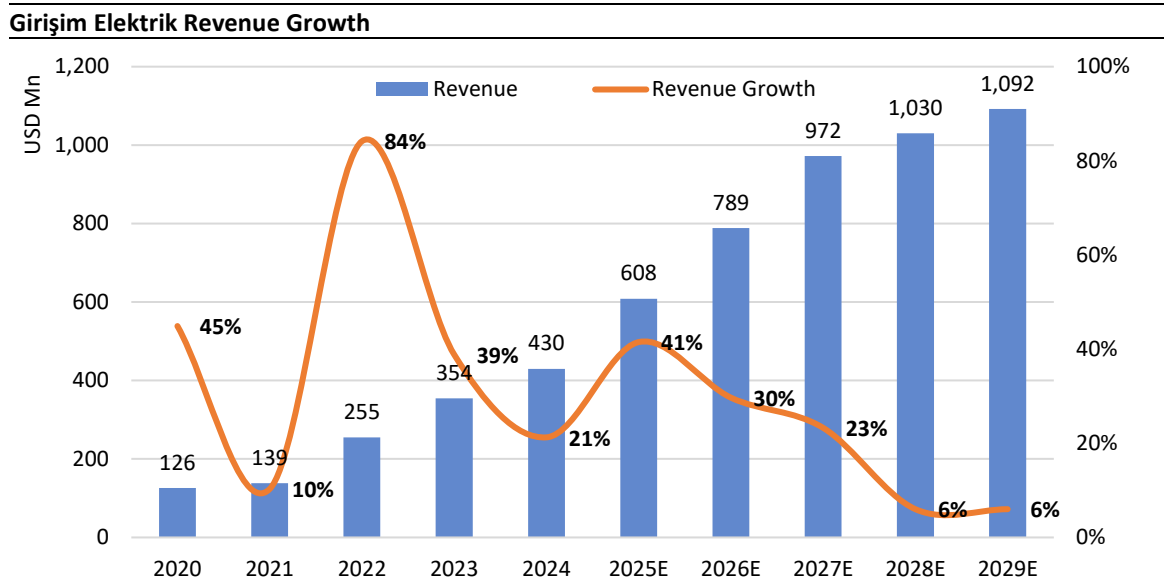
Girişim has demonstrated exceptional success in vertically expanding its operations. Much of its manufacturing growth has come through Europower, producing equipment initially intended for internal use. This vertical integration has allowed the company to reduce procurement costs and gain a pricing advantage over its competitors. This strategy has been easier for Girişim to execute due to its deep engineering expertise and longstanding know-how in the transformer industry. While the sector demands high capital investment, the real barrier to entry lies in the requirement for technical credibility and industry experience, advantages that Girişim and Europower have cultivated over decades, limiting competition.

Moreover, most of Europower's sub-product lines are launched to meet the internal demand of Girişim's EPC projects, enabling a smoother market entry with reduced commercial risk. These products benefit from a built-in customer base, giving them a head start that typical new entrants lack. A recent example is EP World. While Girişim currently relies on external suppliers for high-voltage power transformers, it plans to internalize this procurement through its investment in EP World. With a ready customer in place, EP World is positioned to achieve quicker return on its initial investment. As operations scale, the subsidiary is expected to broaden its client base and expand sales globally.

Rapidly Growing Revenue

Girişim Elektrik has achieved a fascinating growth in its revenue the past 5 years. The company’s revenue grew from \$126M in 2020 to \$430M in 2024, indicating a compound annual growth rate (CAGR) of 36%. We expect this rapid growth to continue until 2026 due to two large new investments, EP World and Euromek.

Euromek started its operations at the beginning of 2025, and it is expected to significantly add to this year’s revenue. EP World will start its operations in the last quarter of 2025, but it is expected to boost the revenue mostly in 2026. We believe that Girişim can achieve a revenue growth of 41% in 2025, 30% in 2026, and 23% in 2027. After this year, we forecasted that the company’s revenue growth will be stable at 6% from 2027 to 2030 and it will stabilize around 4% until 2034. This is a very conservative growth number given the global CAGR estimations that varies between 6 – 9% until 2035 for the transformer sector.



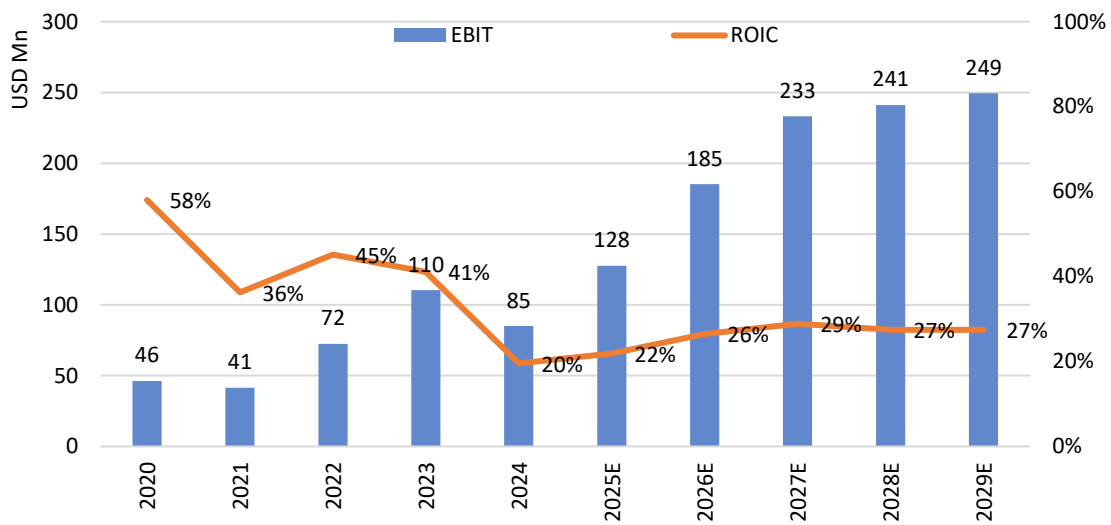
As of 1Q25, total active EPC contracts made under Girişim Elektrik and Europower is at \$386M (TRY 14.6B). About 44.2% of these contracts are USD based, 41.2% TRY based, and 14.6% EUR based. However, the contract sizes that based in TRY are adjusted based on expenses and commodity prices, creating a hedging mechanism in the company’s operations. Majority of these projects have a short construction period with most of them expected to be completed in 2025. Note that \$386M includes only domestic construction contracts and do not include foreign projects or products manufactured by Europower.

An Astonishing Return on Capital and High Profitability

What is more exciting than the rapid growth of revenue is the incredible return on invested capital (ROIC) the company has achieved. From 2020 to 2024, Girişim Elektrik’s average ROIC was at 40%. This high ROIC has allowed the company to continue its growth through its own equity rather than depending on excessive debt.

In the chart below, you can see that there was a drop in ROIC during 2024. This drop was mainly caused by profitability falling due to fast effects of real effective exchange rate of Turkish Lira and inflation accounting. We believe that this is a temporary period but a similar situation will occur in 2025 with a ROIC of 22%. After 2026, we forecast that the company will keep its long term ROIC average around 27%. The increase in ROIC will be driven by increased profit margins due to investments in power transformer industry. This is still below the historical 40% ROIC of Girişim due to our conservative approach in forecasting profitability and effects of inflation accounting. Similarly, many industrial companies in Türkiye suffered from a fast decrease in ROIC since inflation accounting has inflated the book value of fixed assets.

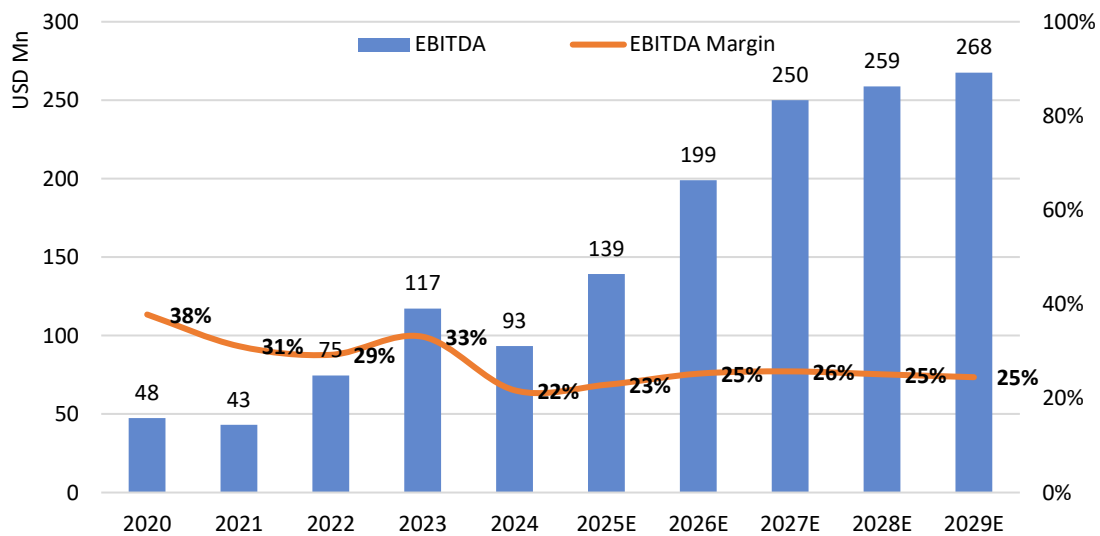
Girişim Elektrik EBIT & ROIC



Source: Company Data and PhillipCapital Research

The chart below shows the growth of EBITDA for Girişim Elektrik and how its margin changed over time. We believe that 2025 will obtain an EBITDA margin slightly better than the previous year, but the margin will increase in 2026 with power transformer business boosting the profitability.

Girişim Elektrik EBITDA



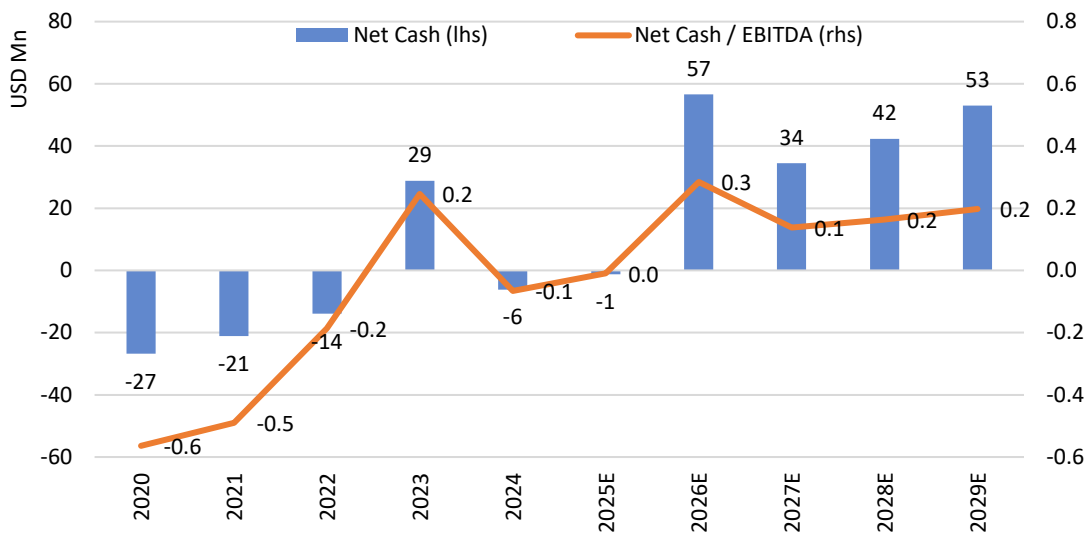
Source: Company Data and PhillipCapital Research

Even though Girişim had an average margin of 30.6% in the past 5 years, we prefer to stay overly conservative with EBITDA margin with a long-term average of 24%. We believe that profitability of the transformer and switchgear industry will continue to be high; however, a slight decrease in margins is possible with growing competition.

Low Debt and High Cash Driven Growth

As mentioned previously, Girişim Elektrik has been able to continue its expansion mostly through cash generated from its highly profitable business model. The company kept its net debt / EBITDA ratio below 0.7 since 2020 and had a net cash position at the end of 2023. Due to two large investments in 2024, EP World and Euromek, the company took on a very small net debt position. However, we expect Girişim Elektrik to reach a net cash position again in 2026 and continue to grow its cash position. In the long run, the high cash generation will allow the company either further expand its business or distribute high dividends to its investors. Since the investment plans after 2026 are unclear, we assumed that the company will be more likely to distribute dividends in our forecast.

Girişim Elektrik Net Cash



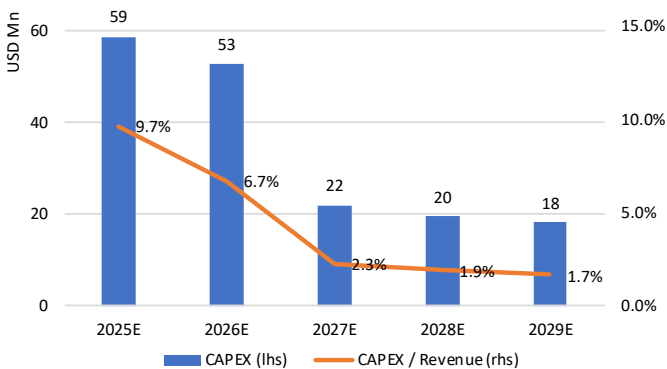
Source: Company Data and PhillipCapital Research

Investments to Come

The investments mentioned above, that will largely drive the growth of revenue in 2025 and 2026, will require new capital expenditures from the company. The tables below outline our estimated CapEx for the next 5 years.

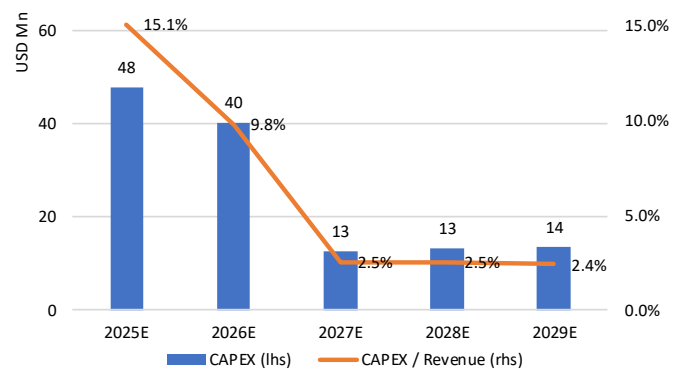
We preferred to stay modest in our expectations of new investments for Girişim and Europower. Since the company has only announced the official investments for 2025 and 2026, we made a conservative approach that new factory investments will stop and the company will only have capital expenditures for maintenance reasons only. We were also cautious with the long-term maintenance capex and took a guess above the historical average.

GESAN Capital Expenditure



Source: PhillipCapital Research

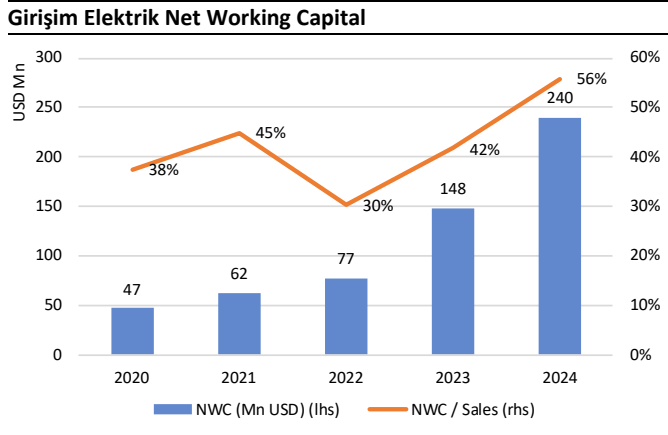
EUPWR Capital Expenditure



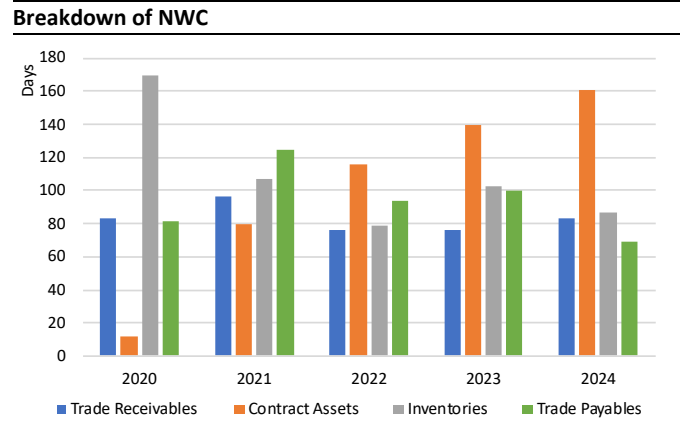
Source: PhillipCapital Research

Watch out for the High NWC!

It's all fun and games until you measure the net working capital (NWC) for Girişim Elektrik. The nature of its contracting business results in a significantly high NWC to sales ratio. The first chart below shows the NWC and NWC / sales ratio for the past 5 years. The second table below shows the main contributors of the NWC with outstanding days for each component.



Source: Company Data and PhillipCapital Research

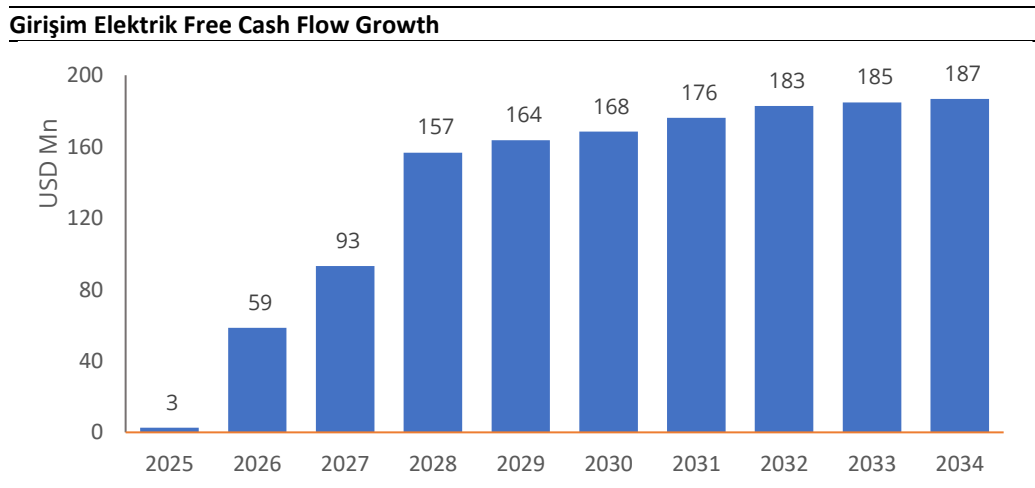


Source: Company Data and PhillipCapital Research

The NWC / sales ratio averaged at 42% for the past 5 years. During our estimations, we calculated that the NWC / sales ratio will fall to 47% in 2025 and stay mostly flat around 41% in the long run. We calculated NWC by subtracting current liabilities excluding short term debt from current assets excluding cash and financial investments. The high NWC / sales ratio greatly affects the free cash flow generated by the company, which is why it's critical to correctly calculate it.

Charging Free Cash Flow

Girişim Elektrik has greatly focused on growing its business during the past decade, which is why the company has not distributed any dividends yet. We calculated that free cash flow will be minimal in 2025 and slight improve in 2026 due to large capex and change in net working capital during this growth period. The company will start a high free cash flow generation in 2027, which we expect to steadily grow until 2034.



Source: PhillipCapital Research

Key Risk Factors

➤ Supply Chain Bottleneck

According to the IEA, approximately 1.5 million km of new transmission lines have been built globally in the last decade; however, inadequate transmission has hindered effective electrification. In 2024, the IEA recorded 1,650 GW of solar and wind projects in advanced stages of development that have yet to be connected to the grid. Meanwhile, prices and procurement times for essential components like power transformers and cables have nearly doubled over the past four years. This escalation presents significant hurdles for grid developers, including companies like Girişim Elektrik and Europower, which rely on these components for infrastructure projects. Supply chain bottlenecks have led to prolonged lead times for critical equipment, causing delays in project execution. Such delays can result in increased costs and potential penalties, affecting the financial stability of these companies.

➤ Commodity Price Fluctuations

Girişim and Europower's reliance on copper, steel, silver, aluminum, and epoxy exposes it to a potential squeeze in margins, especially considering the companies' lack of a hedging strategy. The companies are vulnerable to short-term spikes, especially if input prices rise after bid submission but before procurement. These possible price surges could either hurt the companies' profitability if they absorb the costs, or dampen demand if they pass the cost on to their customers.

➤ Currency Fluctuations

FX-based risks may arise from exchange rate fluctuations in transactions involving different currencies that may occur between the companies' foreign sales, goods purchases, and domestic sales operations. In the case of foreign currency-denominated purchases and sales made in local currency, there may be risks to their profitability. As of today, this risk has not yet surfaced; however, in the coming years, purchasing goods at high exchange rates and making sales at low exchange rates could lead to a decline in the companies' sales, especially taking into account the managements' push into increasing their export ratios.

➤ Strategic Mitigation Measures

To navigate these challenges, Girişim and Europower have adopted multiple risk-diminishing strategies. Europower works with at least two approved suppliers for each raw material and consumable, to avoid dependence on a single supplier. The firm's enterprise resource planning (ERP) system notifies the company when its inventory reaches a designated minimum level, while this minimum level is higher for raw materials and consumables that can only be imported from abroad, such as epoxy. Currently, no contracts have been signed to hedge the exchange rate risk in foreign currency transactions, but the firms actively follow macroeconomic developments and have acknowledged that hedging may be considered in the upcoming periods.

Peer Comparison

Based on our peer comparison, GESAN currently trades at an 80% discount based on a blended forward P/E ratio and a 70% discount based on a blended forward EV/EBITDA.

Company	Country	Market Cap (USD Mn)	P/E		EV/EBITDA	
			2025E	2026E	2025E	2026E
Quanta Services Inc	United States	57,285	37.4	32.7	22.3	20.2
Kec International Ltd	India	2,709	23.4	17.1	12.8	10.3
Mastec Inc	United States	13,565	28.4	23.9	13.6	11.9
Pc1 Group Jsc	Vietnam	314	12.6	9.7	7.1	6.6
Skipper Ltd	India	675	26.2	21.2	12.4	10.1
Hd Hyundai Electric Co Ltd	South Korea	12,644	25.9	21.3	17.5	14.6
Average (Trimmed 10% - 90%)			25.6	21.0	14.3	12.3
GESAN		532	5.4	3.8	4.7	3.3
Premium / Discount			-79%	-82%	-67%	-73%

For the case of EUPWR, the company currently trades at a 49% discount based on a blended forward P/E ratio and a 47% discount based on a blended forward EV/EBITDA.

Company	Country	Market Cap (USD Mn)	P/E		EV/EBITDA	
			2025E	2026E	2025E	2026E
Astor Transformator Enerji	Türkiye	2,288	-	-	-	-
Nexans Sa	France	5,716	15.4	14.0	7.0	6.6
Abb Ag-Bearer	Switzerland	-	-	-	-	-
Schneider Electric Se	France	151,354	25.3	22.6	16.1	14.8
Eaton Corp Plc	Ireland	141,694	30.2	26.7	23.1	20.8
China Xd Electric Co Ltd-A	China	4,511	20.4	16.0	11.4	9.2
Hd Hyundai Electric Co Ltd	South Korea	12,644	25.9	21.3	17.5	14.6
Powell Industries Inc	United States	2,548	14.9	15.2	9.9	9.4
Elsweddy Electric Co	Egypt	3,285	10.5	8.9	4.6	4.3
General Electric	United States	282,241	47.1	40.6	30.2	27.2
Weg Sa	Brazil	29,965	23.9	20.9	17.3	15.3
Shihlin Electric & Engineer	Taiwan	3,300	24.1	20.9	-	-
Average (Trimmed 10% - 90%)			22.5	19.5	14.6	12.9
EUPWR		506	12.9	8.6	8.9	6.0
Premium / Discount			-43%	-56%	-39%	-54%

Even though we prefer to not include peer valuation in our model, we still believe in the importance of peer comparison. The large discount factors further support our claim that both GESAN and EUPWR are significantly undervalued. Just as our DCF model suggests, the discount of GESAN is at a much greater ratio than EUPWR.

Valuation

The tables below display our WACC assumptions and unlevered free cash flow calculations until 2034 for Girişim and Europower.

Girişim Elektrik

WACC Assumptions	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Risk Free Rate	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Equity Risk Premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Weight of Debt	4.6%	3.2%	2.5%	2.0%	1.5%	1.1%	1.0%	1.0%	0.9%	0.9%
Weight of Equity	95.4%	96.8%	97.5%	98.0%	98.5%	98.9%	99.0%	99.0%	99.1%	99.1%
Debt / Equity	4.8%	3.3%	2.5%	2.0%	1.5%	1.1%	1.0%	1.0%	0.9%	0.9%
Beta	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tax Rate	23.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Cost of Debt	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Cost of Equity	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
WACC	12.7%	12.8%	12.8%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%

Valuation (USD Mn)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EBIT	127.7	185.3	233.3	241.2	249.4	257.8	264.0	267.6	271.4	275.1
Depreciation	11.6	13.8	16.8	17.5	18.2	18.9	19.5	19.8	20.2	20.6
EBITDA	139.2	199.1	250.1	258.7	267.6	276.7	283.4	287.5	291.6	295.7
Cash Taxes	29.2	46.2	58.9	60.6	62.8	65.1	66.7	67.8	68.9	70.1
Capital Expenditure	58.7	52.7	21.9	19.6	18.2	18.9	19.5	19.8	20.2	20.6
Change in Net Working Capital	45.6	41.6	76.1	21.8	23.0	24.3	21.0	17.1	17.7	18.3
Unlevered Free Cash Flow (FCFF)	5.8	58.6	93.2	156.7	163.5	168.4	176.2	182.8	184.7	186.6
Discount Rate	12.7%	12.8%	12.8%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
Present Value of FCFF	2.4	46.1	65.0	96.8	89.5	81.6	75.6	69.4	62.1	55.6

Europower Enerji

WACC Assumptions	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Risk Free Rate	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Equity Risk Premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Weight of Debt	4.6%	3.0%	1.9%	1.1%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Weight of Equity	95.4%	97.0%	98.1%	98.9%	99.7%	99.8%	99.8%	99.8%	99.8%	99.8%
Debt / Equity	4.8%	3.1%	1.9%	1.1%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Beta	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tax Rate	23.0%	23.0%	23.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Cost of Debt	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Cost of Equity	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
WACC	12.7%	12.8%	12.9%	12.9%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%

Valuation (USD Mn)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EBIT	50.7	76.4	110.9	118.7	124.3	130.1	134.9	139.9	145.1	150.4
Depreciation	7.9	10.3	12.6	13.1	13.6	14.1	14.6	15.0	15.4	15.9
EBITDA	58.6	86.7	123.5	131.8	137.9	144.3	149.5	154.9	160.5	166.3
Cash Taxes	11.7	17.5	25.6	30.1	31.5	33.0	34.3	35.6	37.0	38.4
Capital Expenditure	47.9	40.3	12.6	13.4	13.6	14.1	14.6	15.0	15.4	15.9
Change in Net Working Capital	11.3	15.3	9.7	9.0	9.5	10.0	8.8	9.2	9.7	10.2
Unlevered Free Cash Flow (FCFF)	-12.3	13.6	75.6	79.4	83.3	87.0	91.8	95.1	98.4	101.9
Discount Rate	12.7%	12.8%	12.9%	12.9%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Present Value of FCFF	-5.0	10.7	52.7	49.0	45.5	42.1	39.3	36.0	33.0	30.2

The assumptions used in our valuation model are presented in the tables below. The 12-month forward USD/TRY exchange rate forecast was determined based on the Central Bank surveys and our research team's expectations. We took perpetual growth rate at a very conservative rate of 2% even though transformer market and renewable energy sector growth is expected to grow much faster than this.

Girişim Elektrik (GESAN)

Assumptions	
Perpetual Growth Rate	2%
USDTRY (Current)	40.21
USDTRY 12M Target	47.00

Calculating Target Price (Mn USD)	
Enterprise Value	1,162
Cash and Cash Equivalents (+)	36
Debt (-)	50
Minority Interest (-)	284
Fair Value	864
12 Month Target Market Cap	974
Shares Outstanding (Mn)	460

Current Price (USD)	1.16
Current Price (TL)	46.50
12 Month Target Price (USD)	2.12
12 Month Target Price (TL)	99.00
Upside Potential (TL)	113%

Europower Enerji (EUPWR)

Assumptions	
Perpetual Growth Rate	2%
USDTRY (Current)	40.21
USDTRY 12M Target	47.00

Calculating Target Price (Mn USD)	
Enterprise Value	614
Cash and Cash Equivalents (+)	23
Debt (-)	20
Minority Interest (-)	16
Fair Value	600
12 Month Target Market Cap	677
Shares Outstanding (Mn)	660

Current Price (USD)	0.77
Current Price (TL)	30.80
12 Month Target Price (USD)	1.03
12 Month Target Price (TL)	48.00
Upside Potential (TL)	56%

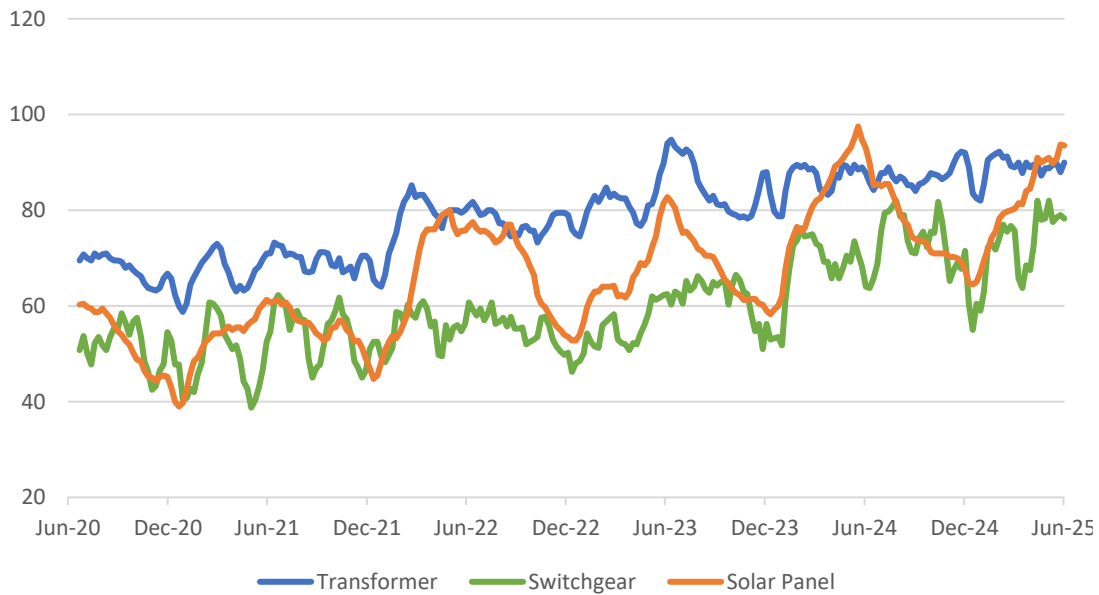
Cash, financial investments and debt as of 31.03.2025

We applied USD based discounted cash flow valuation both for GESAN and EUPWR since revenue generation and cost of goods sold is mostly linked hard currency. Our risk-free rate is fixed at 7.5%, which gives an additional upside potential if US 10-year bond rate and Türkiye CDS scores fall in the coming years. Our long-term WACC for Girişim averages at 12.9%, which is slightly higher than usual WACC in most other publicly traded stocks in Türkiye. This due to almost zero debt and high cash driven growth of Girişim. Our overly cautious and conservative approach still gives an incredible upside potential for both Girişim and Europower, further proving how deeply undervalued both stocks are.

Popularity and Interest

Finally, for some reason we thought adding a Google Trends chart could be interesting, but to avoid controversy we added this part at the end as a bonus. Google Trends is an objective approach to measure how hot a topic is, which can essentially give an idea on the demand and growth of the related market to it. In our case we chose “transformer”, “switchgear”, and “solar panel” as our key topics. Our initial search of “transformer” was misleading due to the movie “transformers”. That is why we decided it is better to be more specific and searched how these topics were trending under the “Energy & Utilities” category. The data once again shows that there is a rapidly growing interest in all these three topics. We also found it amusing that interest in solar panels peak during June.

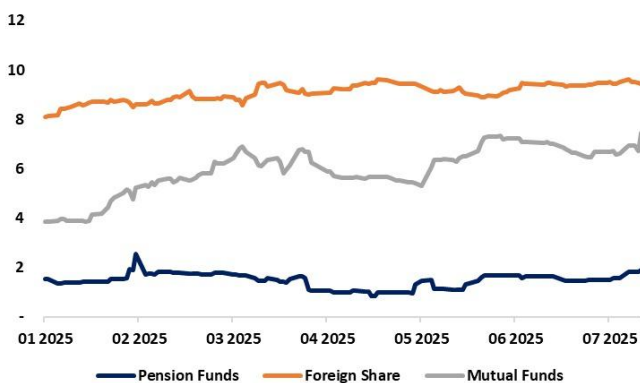
Google Trends - Interest Over Time in “Energy & Utilities” Category



Source: Google Trends

Finally, the tables below provide information on how the interest of different investor groups for GESAN and EUPWR has changed since the beginning of 2025. Even though the share of funds and foreign investors are relatively low, there is an increasing interest in both companies from these investor groups.

GESAN Ownership Share of Funds and Foreign Investors



Source: Matriks and PhillipCapital Research

EUPWR Ownership Share of Funds and Foreign Investors



Source: Matriks and PhillipCapital Research

Methodology

The target value of a stock represents the value that the analyst expects to be reached at the end of our 12-month performance period.

Outperform (OP)

If this decision is made for a company, it indicates that better returns are expected for the stock compared to the index in the medium and long term. However, this decision does not guarantee that the stock will rise or outperform the index. Any changes in market conditions, developments in the macroeconomy, global economic developments, or news about the company after the report is published can change this decision.

In-Line with Index (IL)

If the decision of "In-Line with Index" is made for the relevant stock, there can be various reasons for this. This decision may have been made if the company's recent data and future estimates do not show significant differences compared to the past. The stock price of the company may be at levels close to what it should be in terms of valuations. Making an "In-Line with Index" decision for a stock does not mean that the stock will not move up or down. Generally, this decision indicates that in the medium and long term, a return similar to the index is expected for the stock. However, every new piece of news and change in market conditions can alter this decision.

Underperform (UP)

If the decision of "Underperform" is made for a stock, it indicates that weaker returns are expected in the medium and long term compared to the index. Even if the "Underperform" decision has been made for a stock, short-term price increases for the stock or short-term technical indicators giving a buy signal are possible. In some cases, even if returns are not expected from the stock in the medium and long term, short-term "Outperform" or "In-Line with Index" returns can be achieved when there is significant news, temporary profit increase news, or developments that will lead to a positive short-term price trend.

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