

Corporate Credit Rating

☐ New ☒ Update

Sector: Aerospace & Defense Industry

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Team Leader

Sami Aksu

+90 212 352 56 73

sami.aksu@jcrer.com.tr

Senior Analyst

Rümeysa Dolas

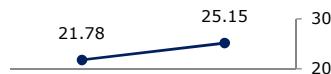
+90 212 352 56 73

rumeysa.dolas@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

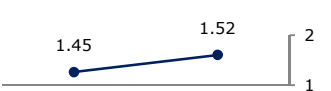
EBITDA Margin (%)



Net Profit Margin (%)



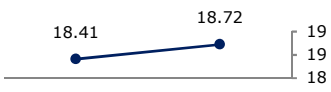
Current Ratio (x)



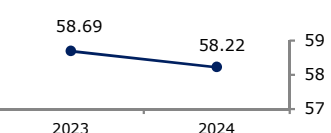
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



Equity / Tot. Assets (%)



ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated the consolidated structure of "Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi" in the highest investment level category and affirmed the Long-Term National Issuer Credit Rating at 'AAA (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Aselsan Elektronik Sanayi ve Ticaret A.Ş. ("Aselsan" or "the Company" or "the Group" with its subsidiaries) was established for the purpose of performing for all types of organizations, enterprises and consumers; all sorts of research, development, engineering, production, test, assembly, integration and sales services, provisioning of after sales services, merchandising, having merchandise; in relation to various software, device, system tools, equipment and platforms within the scope of electrical, electronics, microwave, electro-optics, guidance, computer, informatics, cryptography, security, mechanics, chemistry and similar subjects within the field of land, air, sea and space appliances; and for the purpose of conducting all kinds of undertakings and activities within the scope of project engineering, consultancy, servicing, training, contracting, construction, publishing, commercial, administration of business enterprise and internet services. The Company was established at the end of 1975 and started its production activities in Ankara Macunköy facilities at the beginning of 1979.

The main shareholder of the Company is the Turkish Armed Forces Foundation ("TAFF"), which holds 74.20% of its capital. TAFF was established on June 17, 1987 with the Law 3388 with the objective of enhancing the warfare capabilities of the Turkish Armed Forces by developing the national defense industry. The Company is registered in the Capital Markets Board ("CMB") and its shares have been traded in Borsa İstanbul A.Ş. ("BİST") since 1990. Aselsan's shares are 25.80% publicly held as of 31 March 2025 (December 31, 2024: 25.80%). The average number of employees stood at 13,232 as of 31 March 2025 (December 31, 2024: 12,034). Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Consistent revenue growth and rising export share, along with recently acquired large-scale projects contributing substantial backlog,
- Satisfactory profitability metrics with upward trajectory, along with correspondingly improved and solid levels of leverage indicators,
- Focus on projects and/or products that have strategic importance for the country, requiring technical know-how, benefiting from a supportive legal framework and access to government incentives,
- Trade receivables primarily originating from government institutions and related parties contributing positively to asset quality and mitigating collection risk,
- A robust and stable equity structure supported by retained earnings, capital adjustments and share premiums,
- Positive operational cash flow metrics, despite the erosion in free operating cash flow (FOCF) due to capital expenditures, in line with the sector nature in reviewed periods,
- Partnership framework that reinforces market presence and strategic continuity,
- High compliance with Corporate Governance Practices.

Constraints

- Long duration of projects and long cash conversion cycle days inherent to the nature of the business,
- The need for highly qualified personnel as a key cost driver in operating expenditures.

The Company's audited financials reflect inflation adjustments under IAS 29, applied in line with changes in the Turkish Lira's purchasing power. Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. Aselsan's long track record, strategic position in the sector, sustainable revenues together with sufficient backlog value, technological R&D investments have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are affirmed at 'Stable'. The Company's revenue and cash generation capacity and cost management capability, indebtedness level and impact of regional tensions on demand or international relations will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.