

Powering a Greener Economy

We maintain our coverage of Galata Wind with an “outperform” rating and increase our target price to TRY 49.10 (previous TRY 42.00) per share with an upside potential of 78%.

Galata Wind is a prominent renewable electricity producer based in Türkiye. The company was founded in 2006 and started electricity production in 2010, but significantly accelerated its expansion after Doğan Holding’s acquisition in 2012. Doğan Holding, established in 1959, has been publicly traded on the Istanbul Stock Exchange since 1993.

The company currently has an all-renewable installed capacity portfolio of 297.2 MW (56% wind, 32% wind + solar hybrid, 11% solar). The company's strategic growth plan projects an increase in total generating capacity to 582 MW by the end of 2026 and 1,092 MW by the end of 2030. These expansions will consist of wind turbines and solar panels, underscoring Galata Wind’s commitment to renewable energy. Investments will take place both in Türkiye and across Europe, positioning the company on a global scale.

In 2024, Türkiye's energy sector faced significant challenges, including electricity prices lagging the inflation rate. However, Galata Wind demonstrated stronger financial performance than most of its rivals, benefiting from its advantageous local feed-in-tariff (YEKDEM) position. YEKDEM is a government incentive program that allows renewable energy producers to sell electricity at a fixed dollar-denominated price. Currently, 44% of Galata Wind’s installed capacity benefits from YEKDEM. With the global transition to a greener economy, Galata Wind is strategically positioned to capitalize on its fully renewable energy production capabilities.

Galata Wind has underperformed the BIST index by 6.0% in the past year. Based on our USD based blended forward P/E and EV/EBITDA evaluation, the company currently has a discount of 25% from its global peers.

Key risk factors include regulatory and policy changes, financing and liquidity challenges, environmental and climate-related impacts, and electricity price volatility. The advancement of renewable technologies and increasing incentives present both opportunities and risks, as they enable more competitors to enter the industry. However, we believe Galata Wind holds a significant advantage due to its long-standing expertise in the energy sector and its low net debt compared to peers.

Galata Wind Enerji A.Ş.

78% Upside Potential

Listing Details and View

Bloomberg Ticker	GWIND TI
View	Outperform
Price per Share, TRY	27.66
Target Price per Share, TRY	49.10
Upside	78%
Free Float	29.96%
Market cap, TRY mln	14,936
Market cap, USD mln	410
BIST-100 Index Weight	0.00%
BIST All Shares Index Weight	0.12%
Foreign Share	7.99%
Pension Funds Share	21.21%
Mutual Funds Share	22.05%

Source: Matriks, Finnet, PhillipCapital Research

Market Data as of 04/03/2025

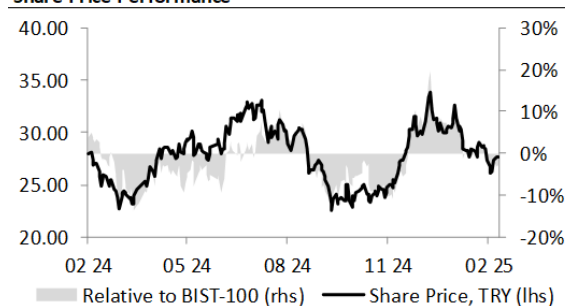
Key Financials, USD mln	2023	2024	2025E	2026E
Revenue	63	67	67	83
Revenue Growth	-12%	6%	0%	23%
Gross Profit	37	35	37	47
Gross Profit Margin	59%	52%	55%	57%
EBITDA	47	46	50	62
EBITDA Margin	76%	69%	75%	75%
Net Profit	21	24	22	27
Net Profit Margin	34%	35%	33%	33%
Net Debt	21	28	48	100
Net Debt / EBITDA	0.4	0.6	1.0	1.6
P/E	18.9	22.0	18.6	15.0
P/B	1.7	1.8	1.3	1.2
EV/EBITDA	8.9	11.8	8.7	7.0

Source: Company Data, PhillipCapital Research

Shareholder Structure	Shares (million)	Rate
Dogan Holding A.S	378	70.0%
Others	162	30.0%
Total	540	

Source: Company Data

Share Price Performance



Source: BIST, Finnet

	1m	3m	6m	1y
Nominal	-2.7%	5.9%	-8.7%	2.3%
Relative	-1.7%	3.6%	-6.8%	-6.0%
Trd. Vol. USD mln	1.4	2.6	2.3	3.2

Source: BIST, Finnet

Murat İbrahim ŞENCAN

murat.sencan@phillipcapital.com.tr

Makoto MITSUHASHI

makoto.mitsuhashi@phillipcapital.com.tr

Financials

Balance Sheet (USD Mn)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Cash and Cash Equivalents	5.2	37.3	39.3	40.0	39.1	33.4	42.3	38.2	36.1	34.1	33.6	28.3
Trade Receivables	4.7	6.2	5.5	6.8	8.4	11.2	14.9	18.4	18.7	18.6	18.5	17.5
Inventories	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.5	0.5	0.5	0.5	0.5
Fixed Assets	263.6	360.5	398.4	473.4	606.4	791.2	953.2	941.2	900.8	860.6	820.7	783.1
Other Assets	35.9	14.4	15.8	17.4	19.2	21.1	23.2	25.5	28.0	30.8	33.9	37.3
Total Assets	309.6	418.6	459.2	537.8	673.3	857.2	1034.0	1023.8	984.1	944.7	907.2	866.7
Financial Debt	26.1	64.8	87.2	139.7	245.1	392.7	525.8	464.0	381.5	298.2	214.1	129.0
Trade Payables	2.4	3.9	2.9	3.4	4.0	5.3	7.1	8.7	8.6	8.6	8.5	8.1
Other Liabilities	43.4	54.3	59.8	65.8	72.3	79.6	87.5	96.3	105.9	116.5	128.2	141.0
Total Liabilities	71.9	123.0	149.9	208.9	321.5	477.6	620.4	569.0	496.0	423.3	350.8	278.0
Shareholders Equity	237.7	295.5	309.3	328.9	351.8	379.6	413.6	454.8	488.1	521.4	556.4	588.7

Income Statement (USD Mn)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue	62.8	66.8	67.0	82.6	102.3	136.0	181.6	223.7	226.9	225.8	224.6	213.0
Revenue Growth	-12.40%	6.37%	0.23%	23.30%	23.92%	32.84%	33.56%	23.22%	1.41%	-0.50%	-0.50%	-5.18%
CoGS	25.5	31.7	30.5	35.9	42.0	55.7	74.4	90.6	89.6	89.2	88.7	84.1
Gross Profit	37.4	35.1	36.5	46.7	60.4	80.2	107.1	133.1	137.3	136.6	135.9	128.9
Gross Margin	59.5%	52.5%	54.5%	56.5%	59.0%	59.0%	59.0%	59.5%	60.5%	60.5%	60.5%	60.5%
Operating Expenses	3.0	6.4	3.3	3.7	4.6	6.1	8.2	10.1	10.2	10.2	10.1	9.6
Operating Expenses Growth	40%	112%	-48%	11%	24%	33%	34%	23%	1%	0%	-1%	-5%
EBIT	34.4	28.7	33.2	42.9	55.8	74.1	99.0	123.1	127.1	126.4	125.8	119.3
EBIT Margin	54.7%	42.9%	49.5%	52.0%	54.5%	54.5%	54.5%	55.0%	56.0%	56.0%	56.0%	56.0%
Other Operating Income/Expense	15.4	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Profit	49.8	31.8	33.2	42.9	55.8	74.1	99.0	123.1	127.1	126.4	125.8	119.3
Operating Margin	79.2%	47.6%	49.5%	52.0%	54.5%	54.5%	54.5%	55.0%	56.0%	56.0%	56.0%	56.0%
Financial Income/Expense	-12.1	-5.6	-3.8	-6.5	-12.4	-22.0	-32.8	-35.0	-29.8	-23.7	-17.5	-11.2
Other Income/Expense	-3.7	7.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax	34.0	34.0	29.3	36.4	43.3	52.1	66.2	88.1	97.3	102.8	108.3	108.1
Tax Rate	38%	31%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Tax Expense	12.9	10.4	7.3	9.1	10.8	13.0	16.5	22.0	24.3	25.7	27.1	27.0
Net Profit	21.1	23.6	22.0	27.3	32.5	39.1	49.6	66.0	73.0	77.1	81.2	81.1
Net Profit Margin	33.5%	35.3%	32.8%	33.1%	31.8%	28.8%	27.3%	29.5%	32.2%	34.1%	36.2%	38.1%
Depreciation	13.1	17.5	17.1	19.0	22.0	29.2	39.0	47.0	45.4	45.2	44.9	42.6
EBITDA	47.5	46.2	50.2	61.9	77.8	103.3	138.0	170.0	172.5	171.6	170.7	161.9
EBITDA Margin	75.6%	69.2%	75.0%	75.0%	76.0%	76.0%	76.0%	76.0%	76.0%	76.0%	76.0%	76.0%

Cash Flow Statement (USD Mn)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Cash Opening	36.5	2.7	37.0	39.3	40.0	39.1	33.4	42.3	38.2	36.1	34.1	33.6
Net Earnings	21.1	23.6	22.0	27.3	32.5	39.1	49.6	66.0	73.0	77.1	81.2	81.1
Adjustments to Net Earnings	33.7	24.6	18.8	20.9	24.2	32.2	42.9	51.7	49.9	49.7	49.4	46.9
Depreciation	13.1	17.5	17.1	19.0	22.0	29.2	39.0	47.0	45.4	45.2	44.9	42.6
Change in Working Capital	10.8	-5.4	-0.2	-0.8	-1.1	-1.5	-2.1	-2.0	-0.3	0.1	0.1	0.5
Cash Flow from Core Operations	65.6	42.8	40.5	47.4	55.6	69.7	90.5	115.7	122.5	126.8	130.7	128.5
Cash from Investment Operations	-69.7	-27.0	-55.0	-94.0	-155.0	-214.0	-201.0	-35.0	-5.0	-5.0	-5.0	-5.0
Change in Financial Debt	-3.2	37.1	25.0	55.0	108.0	150.0	135.0	-60.0	-80.0	-80.0	-80.0	-80.0
Dividends Paid	-17.8	-15.0	-8.3	-7.7	-9.6	-11.4	-15.6	-24.8	-39.6	-43.8	-46.2	-48.7
Rights Issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash from Other Financial Operation	-0.4	-1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash from Financial Operations	-21.5	20.1	16.7	47.3	98.4	138.6	119.4	-84.8	-119.6	-123.8	-126.2	-128.7
Total Cash Flow	-34.3	34.3	2.3	0.7	-0.9	-5.6	8.9	-4.1	-2.1	-2.0	-0.5	-5.3
Cash at the End of the Quarter	2.2	37.0	39.3	40.0	39.1	33.4	42.3	38.2	36.1	34.1	33.6	28.3

Ratio Analysis (USD Mn)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
P/E	18.9	22.0	18.6	15.0	12.6	10.5	8.3	6.2	5.6	5.3	5.0	5.1
EV/EBITDA	8.9	11.8	8.7	7.0	5.6	4.2	3.2	2.6	2.5	2.5	2.5	2.7
P/B	1.7	1.8	1.3	1.2	1.2	1.1	1.0	0.9	0.8	0.8	0.7	0.7
ROE	12.4%	8.8%	7.3%	8.6%	9.6%	10.7%	12.5%	15.2%	15.5%	15.3%	15.1%	14.2%
ROIC	10.0%	6.7%	7.0%	7.5%	7.5%	7.5%	8.3%	10.5%	11.4%	12.1%	12.8%	13.0%
Net Debt	20.9	27.5	47.9	99.7	206.0	359.3	483.4	425.8	345.3	264.1	180.5	100.6
Net Debt / EBITDA	0.4	0.6	1.0	1.6	2.6	3.5	3.5	2.5	2.0	1.5	1.1	0.6
Net Debt / Shareholders Equity	0.1	0.1	0.2	0.3	0.6	0.9	1.2	0.9	0.7	0.5	0.3	0.2
Dividend Yield	4.5%	2.9%	2.0%	1.9%	2.3%	2.8%	3.8%	6.1%	9.7%	10.7%	11.3%	11.9%

Source: Company Data, Finnet, PhillipCapital Research

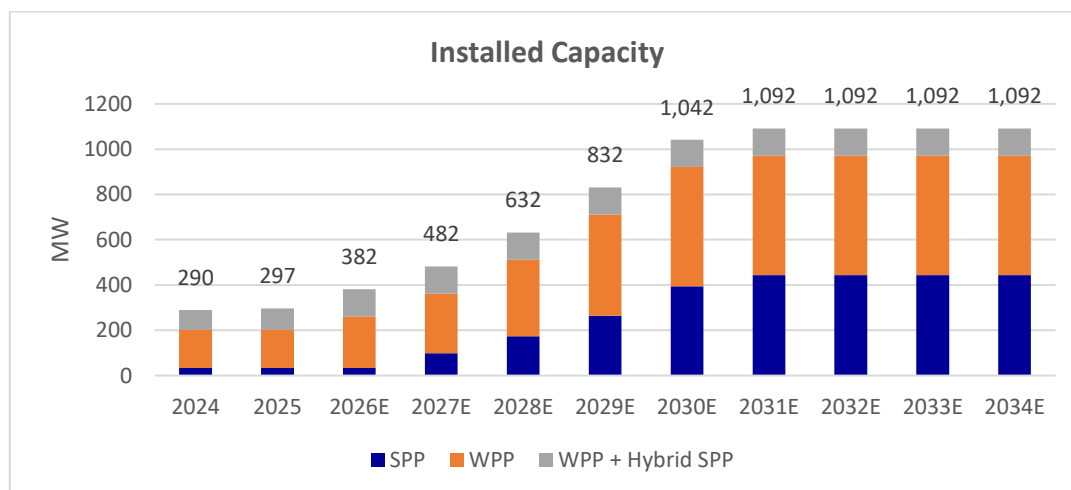
Operational Outlook

Installed Capacity

Galata Wind is planning to significantly increase its installed capacity over the next six years. We have incorporated the company’s announced capacity growth plan while accounting for potential investment delays to create adjusted projections for installed capacity.

In contrary to its competitors, Galata Wind is not just expanding its current portfolio, but it is expanding into new regions while investing in new technologies to maximize electricity production capacity. The company currently has two capacity expansion projects and new power plant investments both domestically and internationally. It is planning majority of its investments in Türkiye but also aiming to establish new solar power plant projects with a total capacity of 300 MW in Europe by the end of 2030. Additionally, the company has obtained licenses for 410 MW of new wind and solar power plant investments, which will include battery storage systems to enhance electricity production efficiency.

The chart below illustrates our expectation for Galata Wind’s capacity growth from 2025 to 2031.



The table below outlines our expectations for the installed capacity for each power plant of the company.

Installed Capacity (MW)

Plant Name	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Corum SPP	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
Erzurum SPP	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7
Mersin WPP	62.7	62.7	62.7	101.7	101.7	101.7	101.7	101.7	101.7	101.7	101.7	101.7
Sah WPP	105.0	105.0	105.0	111.8	111.8	111.8	111.8	111.8	111.8	111.8	111.8	111.8
Taspinar WPP + Hybrid SPP	67.2	88.4	95.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4
Alapinar WPP	0.0	0.0	0.0	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6
Europe SPP	0.0	0.0	0.0	0.0	50.0	100.0	150.0	250.0	300.0	300.0	300.0	300.0
Battery Storage SPP	0.0	0.0	0.0	0.0	15.0	40.0	80.0	110.0	110.0	110.0	110.0	110.0
Battery Storage WPP	0.0	0.0	0.0	0.0	35.0	110.0	220.0	300.0	300.0	300.0	300.0	300.0
Total (MW)	269.0	290.2	297.2	381.6	481.6	631.6	831.6	1,041.6	1,091.6	1,091.6	1,091.6	1,091.6

*Beginning of the year

Capacity Factor

There is a common misconception that size of the installed capacity is the most important indicator to measure a company’s value and long-term performance. However, various energy production sources and technologies result in vastly different capacity factors which results in varying electricity generation levels for the same amount of installed capacity. When we see the term “installed capacity”, what it really shows is the maximum power output a power plant can generate. Therefore, it is critical to take efficiency into account when forecasting the electricity production. This efficiency is called capacity factor.

Another crucial factor to take in account is that the capacity factor is not a fixed number. The efficiency of power plants falls over time which can be measured as yearly degradation. To obtain a more accurate estimate of capacity factors, yearly degradation must be incorporated into the calculations.

Below, you can find our complete capacity factor estimates for each power plant until 2034.

Capacity Factors

Plant Name	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Corum SPP	0.170	0.176	0.170	0.169	0.168	0.167	0.167	0.166	0.165	0.164	0.163	0.163
Erzurum SPP	0.171	0.173	0.180	0.179	0.178	0.177	0.176	0.176	0.175	0.174	0.173	0.172
Mersin WPP	0.350	0.398	0.400	0.425	0.423	0.421	0.419	0.417	0.414	0.412	0.410	0.408
Sah WPP	0.345	0.350	0.360	0.358	0.356	0.355	0.353	0.351	0.349	0.348	0.346	0.344
Taspinar WPP + Hybrid SPP	0.287	0.272	0.270	0.269	0.267	0.266	0.265	0.263	0.262	0.261	0.259	0.258
Alapinar WPP	0.000	0.000	0.000	0.400	0.398	0.396	0.394	0.392	0.390	0.388	0.386	0.384
Europe SPP	0.000	0.000	0.000	0.000	0.200	0.199	0.198	0.197	0.196	0.195	0.194	0.193
Battery Storage SPP	0.000	0.000	0.000	0.000	0.250	0.249	0.248	0.246	0.245	0.244	0.243	0.241
Battery Storage WPP	0.000	0.000	0.000	0.000	0.500	0.498	0.495	0.493	0.490	0.488	0.485	0.483
Average	0.264	0.274	0.276	0.300	0.305	0.303	0.302	0.300	0.299	0.297	0.296	0.294

We forecasted future capacity factors using electricity production efficiency data from the past five years for each of Galata Wind's power plants. The company has also provided guidance for some of its planned power plant projects. To estimate capacity factors, we analyzed historical data, incorporated company guidance, and applied our own projections based on advancements in renewable energy technologies.

The yearly degradation rate for each power plant was approximately 0.5%. However, we expect the company to achieve significant improvements in electricity production efficiency, particularly in 2026 and 2027, driven by investments in power plants with battery storage.

Electricity Production

Once capacity factors are estimated, forecasting electricity production becomes a straightforward process. Multiplying installed capacity with the capacity factor will give us average estimated electricity production per hour. Multiplying this number with 8760 (24 hours x 365 days) will form the estimated electricity generation for a given year.

$$\text{Electricity Generation} = \text{Installed Capacity} \times \text{Capacity Factor} \times 8760$$

The table below shows the electricity generation for each year.

Electricity Production (GWh)

Plant Name	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Corum SPP	14	15	14	14	14	14	14	14	14	14	13	13
Erzurum SPP	37	38	39	39	39	38	38	38	38	38	37	37
Mersin WPP	192	218	220	379	377	375	373	371	369	367	366	364
Sah WPP	317	322	331	351	349	347	346	344	342	340	339	337
Taspinar WPP + Hybrid SPP	169	219	226	283	282	281	279	278	276	275	274	272
Alapinar WPP	0	0	0	48	47	47	47	47	46	46	46	46
Europe SPP	0	0	0	0	88	174	260	431	515	513	510	507
Battery Storage SPP	0	0	0	0	33	87	173	237	236	235	234	233
Battery Storage WPP	0	0	0	0	153	479	954	1,294	1,288	1,281	1,275	1,269
Total (GWh)	729	812	829	1,113	1,381	1,843	2,484	3,054	3,125	3,109	3,094	3,078

The forecast data can show critical differences in the short-term due to vastly changing climate and environmental factors. However, over the long run (3 and more years) the forecast should be relatively accurate.

Revenue Estimation

In our revenue projections, we took electricity market price (PTF) fixed at 67 USD/MWh. Given the anticipated balanced growth between Türkiye’s expanding installed capacity and electricity consumption demand in the medium term, we expect PTF to sustain its current level. To calculate the estimated sales revenue until 2034, we also included YEKDEM tariffs and their expiry dates in our projections. Currently Galata Wind takes advantage of YEKDEM for its Çorum WPP, Erzurum WPP and Taşpınar WPP + HPP hybrid power plants.

You can find the average sales price in USD for each year and each power plant below.

Electricity Sales Price (USD/MWh)

Plant Name	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Corum SPP	133	133	133	133	133	67	67	67	67	67	67	67
Erzurum SPP	133	133	133	133	133	133	67	67	67	67	67	67
Mersin WPP	80	68	67	67	67	67	67	67	67	67	67	67
Sah WPP	80	68	67	67	67	67	67	67	67	67	67	67
Taspınar WPP + Hybrid SPP	94	94	94	73	73	73	73	73	67	67	67	67
Alapınar WPP	0	0	0	75	75	75	75	75	75	75	75	67
Europe SPP	0	0	0	0	67	67	67	67	67	67	67	67
Battery Storage SPP	0	0	0	0	67	67	67	67	67	67	67	67
Battery Storage WPP	0	0	0	0	75	75	75	75	75	75	75	67

Renewable electricity producers have two main revenue lines. Most of the revenue comes from the produced electricity, however it is also important to consider the effects of carbon certificates. We formed carbon certificate estimated based on each GWh electricity production. We took carbon certificates sales prices fixed at 4 USD per metric ton of CO₂ until 2034. Even though, the current carbon certificate prices in Türkiye are around 3 USD, this number is expected to rise significantly. 2024 prices of carbon certificates range between 40 – 130 USD in Europe. Based on Galata Wind’s historical data and new investments, we estimate that the company is likely to obtain 0.55 tones of carbon certificate per each MWh electricity produced.

The table below illustrates our revenue expectations from electricity generation and carbon certificates.

Estimated Revenues (USD Mn)

Plant Name	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Corum SPP	1.9	1.9	1.9	1.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Erzurum SPP	5.0	5.2	5.2	5.1	5.1	2.6	2.5	2.5	2.5	2.5	2.5
Mersin WPP	14.9	14.7	25.4	25.2	25.1	25.0	24.9	24.7	24.6	24.5	24.4
Sah WPP	21.9	22.2	23.5	23.4	23.3	23.2	23.0	22.9	22.8	22.7	22.6
Taspınar WPP + Hybrid SPP	20.6	21.2	20.7	20.6	20.5	20.4	20.3	18.5	18.4	18.3	18.2
Alapınar WPP	0.0	0.0	3.6	3.6	3.5	3.5	3.5	3.5	3.5	3.5	3.1
Europe SPP	0.0	0.0	0.0	5.9	11.7	17.4	28.9	34.5	34.3	34.2	34.0
Battery Storage SPP	0.0	0.0	0.0	2.2	5.8	11.6	15.9	15.8	15.7	15.7	15.6
Battery Storage WPP	0.0	0.0	0.0	11.5	36.0	71.5	97.1	96.6	96.1	95.6	85.0
Electricity Sales	64.3	65.2	80.1	99.3	131.9	176.1	217.0	220.0	218.9	217.8	206.2
Carbon Certificates Sales	0.0	1.8	2.4	3.0	4.1	5.5	6.7	6.9	6.8	6.8	6.8
Total Revenue	64.3	67.0	82.6	102.3	136.0	181.6	223.7	226.9	225.8	224.6	213.0

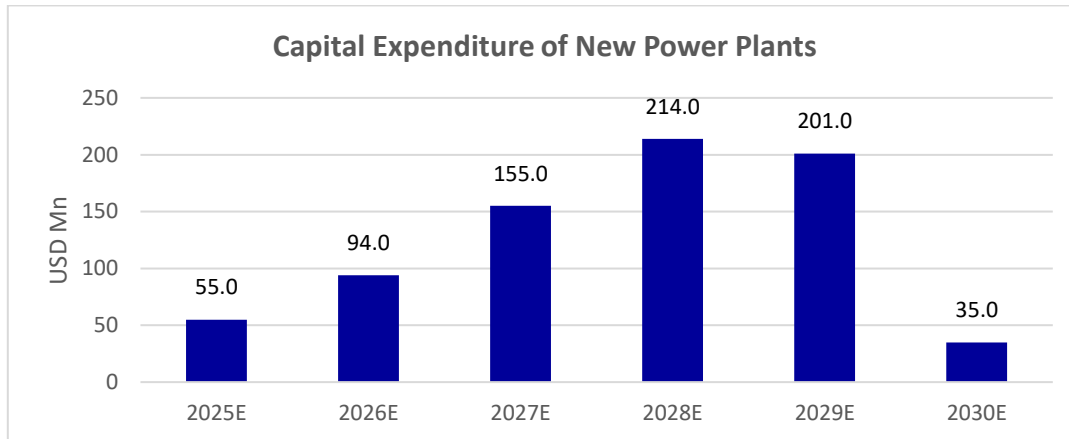
The table suggests that total sales will start falling after 2031. This is based on the assumption that Galata Wind will stop new renewable energy investments in 2031 and the existing power plants’ efficiency will fall over time even though the sale prices will be stable. However, the company’s potential continuation of energy investments after 2031 presents an upside risk in our valuation.

Capital Expenditure

The increasingly fast technological developments in renewable energy sources had significant effects on investment expenses. In order to have a realistic and relevant approach, we attempted to collect capex data from several electricity producers and other public sources to get prices for new investments.

Based on our findings, we believe new solar power plants will require an investment of \$700k per MW capacity. For the case of wind power plants, the capex for 1MW of installed capacity will be around \$1.1M. If the investment has a battery storage system, it will require an additional investment of \$200k per MW of installed capacity.

The graph below shows capex distribution for building new power plants.



Peer Comparison

Due to significant regulatory differences in electricity production across countries, we did not include a peer comparison in our valuation. However, we believe it is still important to consider Galata Wind’s position relative to its global peers. Based on our peer comparison, Galata Wind is trading at a 25% discount compared to similar renewable electricity producers

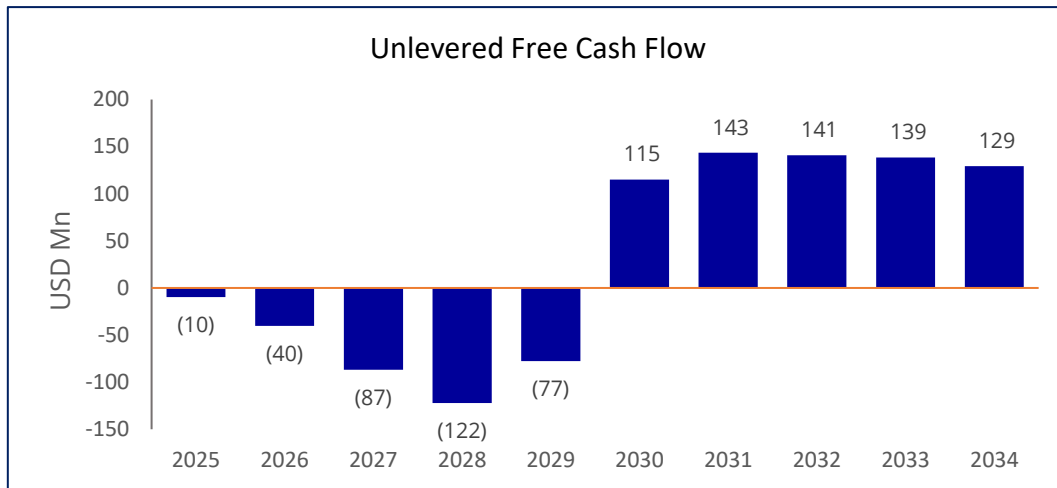
Company	Country	Market Cap (USD Mn)	P/E		EV/EBITDA	
			2025E	2026E	2025E	2026E
Absolute Clean Energy PCL	Thailand	389	12.6	7.0	8.4	5.4
Akfen Yenilenebilir Enerji AS	Türkiye	594	5.6	-	8.5	5.9
Audax Renovables SA	Spain	687	10.8	9.5	7.0	6.7
Brookfield Renewable Corp	Canada	9,249	-	-	11.7	10.9
Clearvise AG	Germany	135	-	-	10.3	8.5
Clearway Energy Inc	USA	5,165	62.6	37.2	12.9	11.9
EDP Renováveis SA	Spain	9,277	20.3	15.7	9.7	8.9
Encavis AG	Germany	2,949	28.9	26.5	14.2	12.7
Enefit Green Energy	Estonia	745	14.4	13.7	10.9	9.5
Polaris Renewable Energy Inc	Canada	187	26.3	11.5	4.9	4.6
RENOVA Inc	Japan	373	9.3	16.9	14.9	10.6
Serena Energia SA	Brazil	746	-	63.9	8.4	8.0
Average (Trimmed 10% - 90%)			21.2	22.4	10.2	8.6
GWIND			16.3	13.6	8.5	6.7
Premium / Discount			-23%	-39%	-17%	-22%

Valuation

The tables below show our unlevered free cash flow calculations and WACC calculation assumptions for Galata Wind until 2034. These calculations are based on the financial forecasts given in the prior pages.

Valuation (USD Mn)	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EBIT	28.7	33.2	42.9	55.8	74.1	99.0	123.1	127.1	126.4	125.8	119.3
Depreciation	17.5	17.1	19.0	22.0	29.2	39.0	47.0	45.4	45.2	44.9	42.6
EBITDA	46.2	50.2	61.9	77.8	103.3	138.0	170.0	172.5	171.6	170.7	161.9
Cash Taxes	10.4	7.3	9.1	10.8	13.0	16.5	22.0	24.3	25.7	27.1	27.0
Capital Expenditure	27.0	55.0	94.0	155.0	214.0	201.0	35.0	5.0	5.0	5.0	5.0
Change in Net Working Capital	-5.4	-0.2	-0.8	-1.1	-1.5	-2.1	-2.0	-0.3	0.1	0.1	0.5
Unlevered Free Cash Flow (FCFF)	3.4	-12.3	-41.9	-89.1	-125.2	-81.6	111.0	142.8	141.0	138.7	130.4
Discount Rate		0.110	0.105	0.098	0.092	0.088	0.092	0.096	0.101	0.107	0.113
Present Value of FCFF		-8.8	-32.9	-64.5	-83.1	-48.4	65.8	74.9	66.8	59.4	49.8

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	22.0%	29.8%	41.1%	50.9%	56.0%	50.5%	43.9%	36.4%	27.8%	18.0%
Weight of Equity	78.0%	70.2%	58.9%	49.1%	44.0%	49.5%	56.1%	63.6%	72.2%	82.0%
Debt / Equity	0.28	0.42	0.70	1.03	1.27	1.02	0.78	0.57	0.38	0.22
Beta	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Tax Rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Cost of Debt	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Cost of Equity	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
WACC	11.0%	10.5%	9.8%	9.2%	8.8%	9.2%	9.6%	10.1%	10.7%	11.3%



The main reasons for the upward revision in our target price are the improvement in operational margins and the change in our forecast for the debt/equity ratio in investments. We expect the company's EBITDA margin to increase after the reduction in TEİAŞ system usage and operation tariffs, which will be effective as of January 1, 2025.

The assumptions used in our valuation model are presented in the table below. The 12-month forward USD/TRY exchange rate forecast was determined based on the Central Bank surveys and our research team's expectations.

Assumptions	
Perpetual Growth Rate	1%
USDTRY (Current)	36.44
USDTRY 12M Estimate	44.00

Calculating Target Price (Mn USD)	
Enterprise Value	567
Cash (+)	37
Financial Investments (+)	3
Debt (-)	65
Fair Value	542
12M Target Market Cap	602
Shares Outstanding (Mn)	540

12 Month Target Price (USD)	1.12
12 Month Target Price (TL)	49.10
Current Price (USD)	0.76
Current Price (TL)	27.66
Upside Potential (TL)	78%

Cash, financial investments and debt as of 31.12.2024

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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