

Enerjisa Enerji held an investor and analyst meeting yesterday. Our key takeaway is that the company remains well-positioned in the currently volatile macroeconomic environment, supported by its resilient, predictable, and inflation-protected income structure. Demographics, electrification, and aging grids stand out as the main growth drivers for the business. That said, we maintain our Marketperform rating on the shares, as our valuation suggests an upside potential of 32%.

Distribution Segment: The Core Earnings Driver. As of 2024, 82% of Enerjisa's operational earnings stem from the distribution segment. Enerjisa commands a 25% market share in electricity distribution, backed by a regulated asset base (RAB) of approximately TL60bn and over 12 million connection points. The aging grid infrastructure (with an average age of ~30 years), growing electricity demand, and expansion in renewables and EV charging stations point to a strong investment need in Turkey's electricity infrastructure. These investments translate directly into higher operational earnings for distribution companies. The current regulatory WACC of 12.3% is not expected to be revised down in the next regulatory period (2026–2030).

Growth Potential in Retail and Customer Solutions. Retail sales and customer solutions accounted for 10% and 8%, respectively, of Enerjisa's operational earnings in 2024. The company holds a 22% market share in retail, serving around 11 million customers, with annual sales of 50 TWh and 115 million invoices. Growth in this segment is primarily driven by electrification and favorable demographics. Meanwhile, the customer solutions segment benefits from increasing renewable capacity, energy efficiency initiatives, demand for green energy, and e-mobility trends.

Inflation-Protected Earnings & Predictable Cash Flow. The majority of Enerjisa's earnings are tied to inflation-adjusted RAB, ensuring stable margins amid macroeconomic fluctuations. A transparent regulatory framework—comprising WACC-based income, customer tariffs, and quality-based incentives—provides further visibility. As a result, the predictable, regulated cash flow supports a low leverage ratio (1.1x Net Debt/Operational Earnings in 2024) and enables a minimum 80% dividend payout from underlying net income.

2025 Guidance Signals Continued Growth. Based on the presentation following the release of 4Q24 results, Enerjisa is guiding for TL52-57mn operational earnings (2024: TL41.2bn), TL5-6bn underlying net income (2024: TL4.2bn), TL21-24bn investments (2024: TL15.5bn) and TL80-90bn RAB (2024: TL59bn) in 2025, with at least 80% of underlying net income to be distributed as dividends. These figures imply 2.0-2.2x EV/Operational Earnings and 11.7-14.0x Price/Underlying Net Income multiples as well as a dividend yield of 5.7-6.8% at current market capitalisation.

TL mn	2023	2024	2025E	2026E	2027E
Revenues	243,516	190,585	247,761	309,701	371,641
Operational Earnings	38,894	41,160	55,987	69,984	83,981
Underlying Net Income	4,861	4,226	5,863	7,422	8,864
Gross Margin	15.2%	22.4%	21.2%	21.2%	21.2%
Operational Earnings M.	16.0%	21.6%	22.6%	22.6%	22.6%
Underlying Net Inc. M.	2.0%	2.2%	2.4%	2.4%	2.4%
P/E (x)	9.7	16.8	11.9	9.4	7.9
P/BV (x)	0.6	1.0	1.0	1.0	1.1
EV/Operational Earn. (x)	2.3	2.8	2.0	1.6	1.4
ROE	5.8%	5.7%	8.2%	10.8%	13.3%
Dividend Yield	4.9%	3.9%	4.1%	5.7%	7.2%

Multiples for 2023 and 2024 are calculated using the avg. Mcap.

MARKETPERFORM

Factsheet

Stock Data	
Sector	ENERGY
Bloomberg / Reuters code	ENJSA.TI / ENJSA.IS
Price (TL/share)	59.20
Target Price (TL/share)	78.24
Potential Return	32%
52-week range (TL)	53-71
Market cap (TLmn)	69,919
Enterprise Value (TLmn)	115,244
Floating market cap (TLmn)	13,984
Paid-in capital	1,181
Effective free float	20%
Foreign ownership (% of free float)	
Current	18.64%
3 months ago	19.31%

Volume - Period	1W	1M	3M	1Y
Avg-Number of Shares traded (000)	4,654	6,129	5,043	4,370
Avg-Volume (000 TL)	289,538	365,638	306,837	269,929
Price range (TL/share)	59-64	55-67	55-67	53-71

Performance	1M	3M	6M	12M
Absolute	-12%	-2%	6%	0%
Relative to BIST100	3%	5%	3%	3%

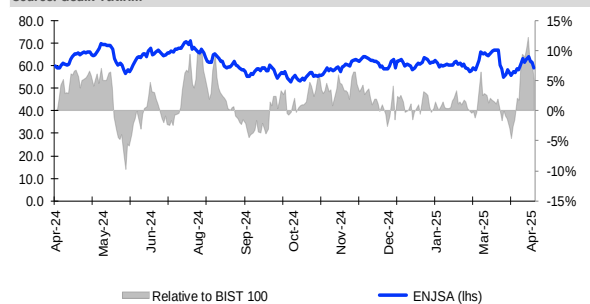
Shareholder Structure	Share in Capital(%)
E.ON INTERNATIONAL PARTICIPATIONS N.V.	40.00
HACI ÖMER SABANCI HOLDİNG ANONİM ŞİRKETİ	40.00
Others	20.00

Company Description

To participate in and manage companies engaged in the distribution of electricity, retail sales, and other related activities, along with other matters stated in the Articles of Association.

Stock Performance

Source: Gedik Yatırım



* The report is prepared as of 16 April 2025

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Income Statement (TLmn)	2024	2025E	2026E	2027E
Revenues	190,585	247,761	309,701	371,641
COGS	-147,860	-195,175	-243,969	-292,763
Gross Profit	42,724	52,585	65,732	78,878
Operating Expenses	-16,219	-21,085	-26,356	-31,627
Other Operating Income/Expense, net	1,093	1,421	1,776	2,131
Operating Income	27,599	32,922	41,152	49,382
Operational Earnings	41,160	55,987	69,984	83,981
Financial income, net	-20,262	-21,275	-22,339	-23,456
Taxes Paid	-7,596	-7,596	-14,352	-20,598
Underlying Net Income	4,226	5,863	7,422	8,864
DPS	2.87	3.98	5.04	6.02

Growth	2024	2025E	2026E	2027E
Sales	-21.7%	30.0%	25.0%	20.0%
Operational Earnings	5.8%	36.0%	25.0%	20.0%
Underlying Net Income	-13.1%	38.7%	26.6%	19.4%

Balance Sheet (TLmn)	2024	2025E	2026E	2027E
Cash & Marketable Securities	9,488	11,796	16,201	23,315
Accounts Receivables	20,452	26,588	34,564	44,934
Inventory	3,854	5,010	6,513	8,467
Plant, Property & Equipment, net	9,955	12,941	16,824	21,871
Intangible Assets	46,325	60,223	78,289	101,776
Other Assets	89,678	95,956	102,673	109,860
Total Assets	179,752	212,514	255,064	310,223
Financial Loans	53,951	70,136	91,178	118,531
Account Payables	19,850	25,805	33,546	43,610
Other Liabilities	31,496	40,944	53,228	69,196
Shareholders' Equity	74,456	75,629	77,113	78,886
Net Debt / (Cash)	44,463	60,481	75,601	90,721

Ratios	2024	2025E	2026E	2027E
ROE	5.7%	7.8%	9.6%	11.2%
Operational Earnings M.	21.6%	22.6%	22.6%	22.6%
Underlying Net Income Margin	2.2%	2.4%	2.4%	2.4%
Net debt/Equity (x)	0.6	0.8	1.0	1.2
Net debt/EBITDA (x)	1.1	1.1	1.1	1.1
Equity/Total Assets	41.4%	35.6%	30.2%	25.4%
Pay-out Ratio	80%	80%	80%	80%

Source: Gedik Investment estimates

VALUATION & RATING METHODOLOGY:

Valuation tools employed most frequently are Discounted Cash Flow (DCF) and International Peer Comparison, though other metrics such as Dividend Discount, Historical Relative Valuation, and Replacement Value are also used wherever appropriate. Gedik Investment analysts set the target values with a 12-month investment horizon and calculate the potential return of each stock via using only one tool or more than one tool, assigning different weights for each. Our 12-month company rating system includes the following recommendations: **OUTPERFORM**, **MARKETPERFORM** and **UNDERPERFORM**. The ratings are determined as follows:

OUTPERFORM: If 12-month total return of the stock is expected to exceed BIST-100 by more than 20%.

MARKETPERFORM: If 12-month total return of the stock is expected to perform in-line with BIST-100 within a range of +20/-20%.

UNDERPERFORM: If 12-month total return of the stock is expected to be below BIST-100 by more than 20%.

Rating Methodology	Pot. Excess Return (PER)
OUTPERFORM	PER > +20%
MARKETPERFORM	-20% <= PER <= +20%
UNDERPERFORM	PER < -20%

Gedik Investment analysts rate the stocks under the views of potential catalysts, triggers, risks and consider the developments at the market, sector and related companies. Gedik Investment analysts screen their ratings on a continuous basis; however, they may choose not to alter their recommendation if the potential return of a stock overflows our rating ranges due to fluctuations in the share price.

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