

# Ford Otosan

## Better than expected net profit in 4Q24...

### A. Can TUĞLU

Equity Research Analyst  
atuglu@sekeryatirim.com

According to inflation-adjusted financials (IAS-29), Ford Otosan (FROTO.TI; OP) reported a net profit of TRY 11,589mn in 4Q24, exceeding both our estimate of TRY 10,028mn and the RT market consensus of TRY 8,871mn, despite a 57.1% YoY decline (4Q23: TRY 26,997mn). The limited positive impact of a 4.6% YoY increase in gross profit, the strong improvement in operational profitability due to a decrease in OpEx, the positive effects of a 51.5% YoY decrease in net financial expenses and a 63.5% YoY decline in deferred tax expenses, and the monetary position gain of TRY 4,795mn in 4Q24 were the main contributing factors to net profit in 4Q24. The flat EUR/TRY FX rate, the decline in monetary position gains (4Q23: TRY 14,572mn, 4Q24: TRY 4,795mn), and the cost increases due to competitive pricing conditions and inflationary pressures were the main factors that weighed on net profit in 4Q24.

Ford Otosan's total sales volume increased by 24% YoY to 190,334 units in 4Q24 (4Q23: 153,631 units). Despite the competitive pricing environment in the market, domestic sales revenue grew by 10% YoY to TRY 43,937mn (4Q23: TRY 39,901mn) in 4Q24, supported by the strong contribution of the Ford Courier in LCV sales and the YoY increases of 4% in PC sales and 18% in MCV sales. Domestic sales volume increased by 42% YoY to 39,430 units (4Q23: 27,780 units) in 4Q24, driven by the strong sales performance of Ford Courier models and the increase in PC & MCV sales. The company's export volume rose by 20% YoY to 150,904 units in 4Q24 (4Q23: 125,851 units). Despite the flat FX rate, Ford Otosan's export revenue grew by 4% YoY to TRY 121,019mn (4Q23: TRY 116,043mn) in 4Q24, supported by the positive impact of the product mix, the contribution of the Craiova Factory's export volumes, and the acceleration of overseas shipments of newly launched products. As a result, the company achieved total revenue of TRY 164,956mn in 4Q24, which is in line with our estimate of TRY 167,503mn and the RT market consensus of TRY 165,255mn, representing a 6% YoY increase.

Ford Otosan reported EBITDA of TRY 8,702mn in 4Q24, marking a 35.4% YoY increase, but falling below our estimate of TRY 11,469mn and the market consensus of TRY 11,486mn. Despite the rise in CoGs, the company's GP margin remained stable at 7.2% in 4Q24. The EBITDA margin improved by 1.2 pp YoY, reaching 5.3% in 4Q24 (4Q23: 4.1%).

**2025 expectations:** Along with its 4Q24 financial results, Ford Otosan also announced its 2025 guidance. Accordingly, the company expects the domestic retail market to be in the range of 950,000 - 1,050,000 units. Ford Otosan's domestic retail volume expectation is in the range of 90,000 - 100,000 units (2024: 114,000 units). The company expects total export volumes to be in the range of 610,000 - 660,000 units (2024: 546,000 units) (Romania: 200,000 - 220,000 units (2024: 216,000 units), Turkey: 410,000 - 440,000 units (2024: 330,000 units)). The total sales volume expectation is 700,000 - 760,000 units (2024: 661,000 units). Ford Otosan's total production volume forecast for 2025 is 700,000 - 750,000 units (2024: 633,000 units) (Romania: 240,000 - 260,000 units (2024: 251,000 units) and Turkey: 460,000 - 490,000 units (2024: 382,000 units)). The 2025 CapEx target is EUR 750 - 850mn (2024: EUR 7399mn) (General investments: EUR 130 - 150mn (2024: EUR 128mn) and Product investments: EUR 620 - 700mn (2024: EUR 611mn)). Ford Otosan also expects sales revenue to grow in the high single-digit range in 2025, while the EBITDA margin is expected to be between 7% - 8%.

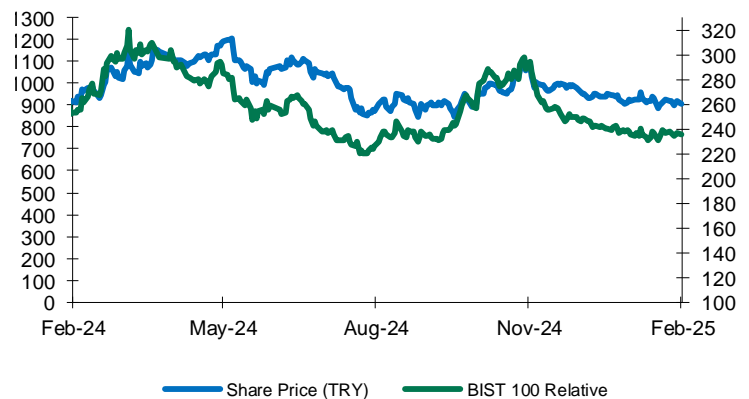
**"OUTPERFORM"**

**TP: TRY 1,491**

Previous: TRY 1,491

Upside Potential: 64%

	TRY	US\$	
Close	907,50	25,10	
BIST 100	9.836	272	
US\$/TRY (CB Bid Rate):	36,13		
52 Week High:	1.204,88	37,51	
52 Week Low:	847,46	24,62	
Bloomberg/Reuters Ticker:	FROTO.TI / FROTO.IS		
Number of Shares (Mn):	351		
	(TRY Mn)	(US\$ Mn)	
Current Mcap :	318.451	8.815	
Free Float Mcap:	57.321	1.586	
	1 M	YOY	YTD
TRY Return (%):	-1,6	-1,1	-3,1
US\$ Return (%):	-3,5	-15,9	-5,5
BIST 100 Relative (%):	-0,2	-7,0	-3,2
Avg. Daily Vol. (TL Mn):	1.090,6		
Avg. Daily Vol. (US\$ Mn):	32,7		
Beta (2 years, daily)	0,82		
Volatility (Stock)	0,32		
Volatility (BIST 100)	0,22		
Shareholder Structure	%		
Koc Holding	38,7		
Ford Deutschland Holding Gmbh	41,0		
Free Float	17,9		
Others	2,4		
Total	100,0		



We maintain our **TP** of **“TRY 1,491.00” per share**, and our recommendation of **“Outperform”** for Ford Otosan shares. We think that the market to react neutral to the results in the short term. We still appreciate its export structure, and positive product mix and pricing discipline to contribute to both sales volume and profitability.

Table 1: High Level P&amp;L

TRY mn	Inc. IAS-29				
	12M23	12M24	4Q23	4Q24	YoY %
Net Sales Revenues	594.705	594.995	155.944	164.956	5,8%
Export	435.487	456.908	116.043	121.019	4,3%
Domestic	159.218	138.087	39.901	43.937	10,1%
Gross Profit	79.766	54.604	11.300	11.815	4,6%
Gross Profit Margin (%)	13,4%	9,2%	12,4%	10,6%	-1,7%
Operating Profit	52.909	29.156	4.671	5.931	27,0%
Net Finance Expense	-21.581	-20.992	-8.775	-4.257	-51,5%
Profit Before Tax	68.477	37.007	16.427	8.377	-49,0%
PBT Margin (%)	11,5%	6,2%	9,0%	8,0%	-1,1%
Net Profit	70.826	38.864	26.997	11.589	-57,1%
Net Profit Margin (%)	11,9%	6,5%	7,2%	7,2%	0,0%
Depreciation & Amortization	8.756	10.712	1.755	2.771	57,9%
EBITDA	61.665	39.868	6.425	8.702	35,4%
EBITDA Margin (%)	10,4%	6,7%	10,7%	9,1%	-1,6%
Capital Expenditures	47.497	33.214	22.711	8.410	-63,0%

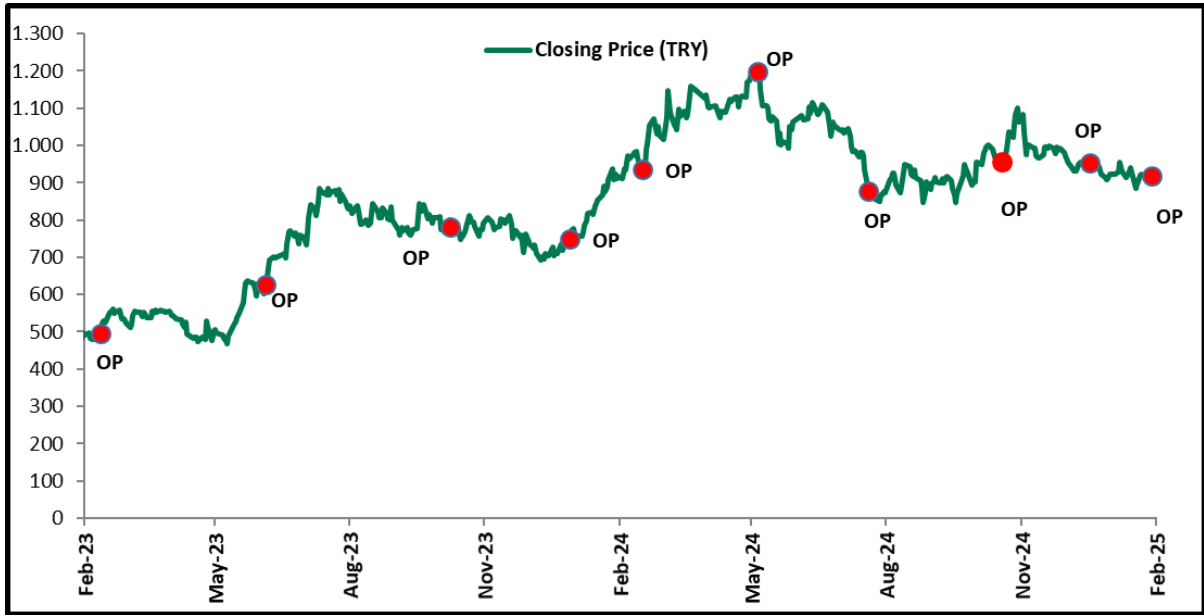
Source: Ford Otosan, Seker Invest - Research, Finnet, Audit Reports

Table2: Summary Financial Statements

TRY mn	Inc. IAS-29		
	12M23	12M24	YoY %
Current Assets	148.595	153.968	3,6%
Property, Plant, and Equipment, Net	82.581	97.282	17,8%
<b>Total Assets</b>	<b>313.313</b>	<b>326.770</b>	<b>4,3%</b>
Current Liabilities	135.910	123.401	-9,2%
<b>Total Liabilities</b>	<b>207.905</b>	<b>211.547</b>	<b>1,8%</b>
<b>Shareholders' Equity</b>	<b>105.408</b>	<b>115.223</b>	<b>9,3%</b>

Source: Ford Otosan, Seker Invest - Research, Finnet, Audit Reports

## Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
9-Feb-23	Outperform (OP)	625,70
28-Jul-23	Outperform (OP)	1.125,00
26-Oct-23	Outperform (OP)	1.208,00
16-Jan-24	Outperform (OP)	1.154,00
6-Mar-24	Outperform (OP)	1.320,00
22-May-24	Outperform (OP)	1.320,00
7-Aug-24	Outperform (OP)	1.320,00
6-Nov-24	Outperform (OP)	1.320,00
7-Jan-25	Outperform (OP)	1.491,00
17-Feb-25	Outperform (OP)	1.491,00

## Basis for 12m equity ratings

<b>Outperform:</b>	The total return is expected to exceed the return of the BIST100 by more than 10%.
<b>Underperform:</b>	The total return is expected to fall below the return of the BIST100 by more than 10%.
<b>Market Perform:</b>	The total return is expected to be in line with the return of the BIST100.

## ŞEKER INVEST RESEARCH

Seker Yatırım Menkul Değerler A.Ş.  
 Büyükdere Cad. No: 171 Metrocity  
 A Blok Kat 4-5 34330 SİSLİ /İST  
 TURKEY

TEL: +90 (212) 334 33 33  
 Fax: +90 (212) 334 33 34  
 E-mail: [research@sekeryatirim.com](mailto:research@sekeryatirim.com)  
 Web: <http://www.sekeryatirim.com/english/index.aspx>

For additional information, please contact:

#### Research

Kadir Tezeller	Head	+90 (212) 334 33 81	<a href="mailto:ktezeller@sekeryatirim.com">ktezeller@sekeryatirim.com</a>
Burak Demirbilek	Utilities	+90 (212) 334 33 33-128	<a href="mailto:bdemirbilek@sekeryatirim.com">bdemirbilek@sekeryatirim.com</a>
Sevgi Onur	Banks	+90 (212) 334 33 33-150	<a href="mailto:sonur@sekeryatirim.com">sonur@sekeryatirim.com</a>
Engin Degirmenci	Cement	+90 (212) 334 33 33-201	<a href="mailto:edegirmenci@sekeryatirim.com">edegirmenci@sekeryatirim.com</a>
Atasav Can Tuglu	Food & Beverages, Automotive, Retail, Aviation	+90 (212) 334 33 33-334	<a href="mailto:atuglu@sekeryatirim.com.tr">atuglu@sekeryatirim.com.tr</a>
Esra Uzun Ozbaskin	Telcos, Iron & Steel, Cons. Dur., Oil & Deriv.	+90 (212) 334 33 33-245	<a href="mailto:ezun@sekeryatirim.com">ezun@sekeryatirim.com</a>
Basak Kamber	Glass, Pharmaceutical, Defense	+90 (212) 334 33 33-245	<a href="mailto:bkamber@sekeryatirim.com">bkamber@sekeryatirim.com</a>

#### Economy & Politics

Abdulkadir Dogan	Chief Economist	+90 (212) 334 91 04	<a href="mailto:adogan@sekeryatirim.com">adogan@sekeryatirim.com</a>
------------------	-----------------	---------------------	--

#### Institutional Sales

Batuhan Alpman	Head	+90 (212) 334 33 70	<a href="mailto:balpman@sekeryatirim.com">balpman@sekeryatirim.com</a>
Deniz Keskin	Trader	+90 (212) 334 33 36	<a href="mailto:dkeskin@sekeryatirim.com">dkeskin@sekeryatirim.com</a>
M. Kerim Culum	Trader	+90 (212) 334 33 33-316	<a href="mailto:kculum@sekeryatirim.com">kculum@sekeryatirim.com</a>

## DISCLAIMER

I, A. Can TUGLU, hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by the Seker Yatırım Menkul Değerler A.Ş. (Seker Invest, Inc.) Research Team. The information and opinions contained herein have been obtained from and are based upon public sources that Seker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Seker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Seker Invest. By accepting this document you agree to be bound by the foregoing limitations.

Copyright © 2025 Seker Invest, Inc.