

Tofas

Weaker-than-expected financial results in 3Q25...

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According to inflation accounting provisions (IAS-29), Tofas (TOASO.TI; OP) announced a net profit of TL 1,208mn in 3Q25 (3Q24: TL 426mn), representing a 183.4% YoY increase but standing 32.2% below the RT consensus average net profit expectation of TRY 1,598mn (Şeker: TRY 1,628mn). While the strong rise in revenues due to the consolidation of Stellantis & increased net monetary position gains supported the bottom line, higher marketing expenses driving up OpEx, lower net finance income (3Q24: TRY 1,366mn; 3Q25: TRY 368mn), and deferred tax expenses exerted downward pressure on net profit in 3Q25.

The Company printed a net sales revenue of TRY 87,224mn including the IAS-29 effect, up 205.1% YoY compared to 3Q24 (3Q24: TRY 28,588mn), yet 3% below the consensus. Domestic sales volumes reached 86,977 units in 3Q25 (3Q24: 29,950 units, +190.4% YoY), supported by the positive contribution from K0 sales and the strong impact of the Stellantis merger. Export volumes rose to 9,760 units in 3Q25 (3Q24: 2,460 units, 297% YoY). EBITDA (IAS-29 adj.) increased by 404% YoY to TRY 1,785mn (3Q24: TRY 354mn) (Şeker: TRY 3,518mn, RT Avg.: TRY 3,043mn). EBITDA margin improved by 0.8 pp YoY, rising from 1.2% in 3Q24 to 2.0% in 3Q25.

Tofas has revised its 2025 guidance. The Company expects an 1.3mn-1.4mn units (Previous: 1.1mn-1.2mn units) domestic light vehicle market with Tofas-branded vehicle sales of 350k-370k units (Previous: 300k-330k units, including Stellantis impact). It anticipates export shipments of 50-60k units (Previous: 70k-80k units). Its CapEx target is at EUR 200mn (Previous: EUR 150mn). The Company expects a total production volume of between 130-1500k units (Previous: 150-160k units). The Company revised its 2025 PBT margin target from around -3% to +2%, while maintaining its 2028 PBT margin expectation in the 5-7% range.

We view positively Tofaş's financial resilience supported by take-or-pay contracts and the brand strength leveraged through FCA. Tofaş has started production of the new K0 LCV and Combi models for four brands in Türkiye, under a project targeting production of 1mn vehicles between 2024-2032. In parallel, the Company signed an agreement to export approximately 230k of these vehicles to the North American market. Furthermore, Tofaş announced that it had signed an agreement for the production of K9 LCV, and Combi models on a multi-energy platform in Türkiye, with an annual capacity of 150k units (inc. CKD exports) to be launched in 3Q26, 80% of which will serve the domestic market, totaling 660k units excluding CKD. We believe that both the completion of Stellantis Otomotiv's share transfer and the continuity of ongoing investments could have a medium- to long-term positive impact on the Company's shares. However, given that the 3Q25 results came in below expectations, we expect the short-term market reaction to be negative. We maintain our target price of TRY 284.70, and our "OUTPERFORM" recommendation.

"OUTPERFORM"

TP: TRY 284.70

Previous: TRY 284.70

Upside Potential: 6%

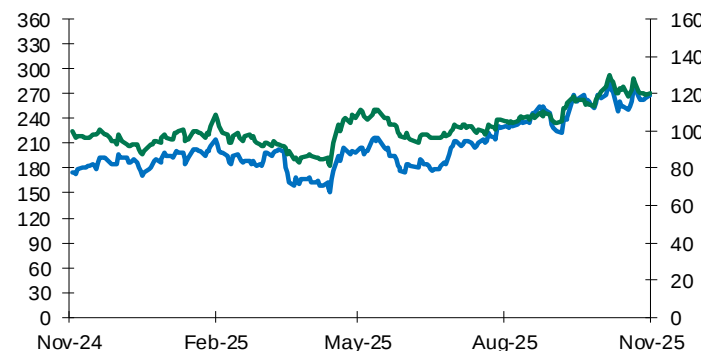
	TRY	US\$
Close	269,00	6,41
BIST 100	11.060	263
US\$/TRY (CB Bid Rate):	41,95	
52 Week High:	282,75	6,79
52 Week Low:	151,20	3,97
Bloomberg/Reuters Ticker:	TOASO.TI / TOASO.IS	

Number of Shares (Mn):	500	
	(TRY Mn)	(US\$ Mn)
Current Mcap :	134.500	41,9457
Free Float Mcap:	32.280	769

	1 M	YOY	YTD
TRY Return (%):	1,3	55,0	40,6
US\$ Return (%):	0,4	26,5	18,2
BIST 100 Relative (%):	-0,5	24,5	25,0
Avg. Daily Vol. (TL Mn):	1.433,0		
Avg. Daily Vol. (US\$ Mn):	37,6		

Beta (2 years, daily)	1,18
Volatility (Stock)	0,43
Volatility (BIST 100)	0,25

Shareholder Structure	%
Koc Holding	37,6
Fiat Auto S.p.A	37,9
Others	0,2
Free Float	24,3
Total	100,0



— Share Price (TRY) — BIST 100 Relative

Table 1: Summary Financial Statements

	30.09.2025	31.12.2024	%
Current Assets			
Cash & Cash Equivalents	18.820	24.832	-24,2%
Inventories	22.077	10.914	102,3%
Trade Receivables	41.645	26.196	59,0%
Receivables from Finance Sector Operations	16.835	15.390	9,4%
Other Current Assets	1.118	1.334	-16,2%
Non-Current Assets			
Propoerty, Plant & Equipment	18.614	18.168	2,5%
Intangible Assets	11.697	5.222	124,0%
Receivables from Finance Sector Operations	6.305	5.785	9,0%
Other Non-Current Assets	8.970	7.129	25,8%
Total Assets	146.078	114.969	27,1%
Current Liabilities			
Short-Term Borrowings	467	0	
Short-Term Portion of Long-Term Borrowings	14.544	13.718	6,0%
Trade Payables	40.961	14.226	187,9%
Other Current Liabilities	12.158	5.314	128,8%
Non-Current Liabilities			
Long-Term Borrowings	23.355	21.278	9,8%
Long-Term Provisions	1.799	1.353	33,0%
Total Equity	52.794	59.079	-10,6%
Total Liabilities & Equity	146.078	114.969	27,1%

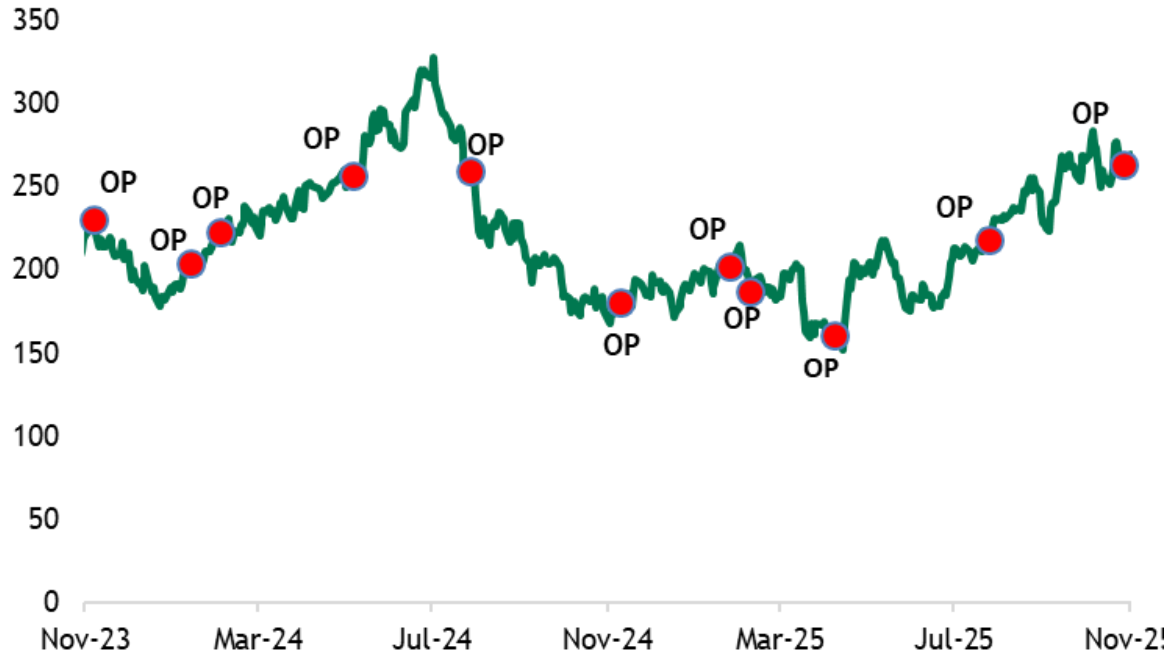
Source: Tofas, Seker Invest Research, Audit Reports

Table 2: High level P&L

TRY mn	IAS-29 Inc.					
	9M24	9AM5	%	3Q24	3Q25	%
Net Sales Revenue	116.068	189.459	63,2%	28.588	87.224	205,1%
Gross Profit	14.706	11.406	-22,4%	1.785	4.236	137,3%
<i>Gross Profit Margin (%)</i>	12,7%	6,0%	-6.6 p.p.	6,2%	4,9%	-1.4 p.p.
Operating Profit	5.187	-571	N.M.	-1.414	-166	N.M.
<i>Operating Profit Margin (%)</i>	4,5%	-0,3%	-4.8 p.p.	-4,9%	-0,2%	4.8 p.p.
EBITDA	11.371	5.182	-54,4%	354	1.785	404,0%
<i>EBITDA Margin (%)</i>	9,8%	2,7%	-7.1 p.p.	1,2%	2,0%	0.8 p.p.
Profit Before Tax	6.497	3.107	-52,2%	701	1.747	149,4%
<i>PBT Margin (%)</i>	5,6%	1,6%	-4.0 p.p.	2,5%	2,0%	-0.4 p.p.
Net Profit	6.701	2.931	-56,3%	426	1.208	183,4%
<i>Net Profit Margin (%)</i>	5,8%	1,5%	-4.2 p.p.	1,5%	1,4%	-0.1 p.p.

Source: Tofas, Seker Invest Research, Audit Reports

Table 3: Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
26-Oct-23	Outperform (OP)	395,60
16-Jan-24	Outperform (OP)	337,90
15-Feb-24	Outperform (OP)	387,00
22-May-24	Outperform (OP)	387,00
2-Aug-24	Outperform (OP)	387,00
5-Nov-24	Outperform (OP)	341,90
7-Jan-25	Outperform (OP)	299,40
13-Feb-25	Outperform (OP)	299,40
28-Apr-25	Outperform (OP)	284,70
29-Jul-25	Outperform (OP)	284,70
4-Nov-25	Outperform (OP)	284,70

Basis for 12m equity ratings

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

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