

# Ford Otosan

## Financial results in line with expectations in 1Q26...

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According to inflation-adjusted financials (IAS-29), Ford Otosan (FROTO.TI; OP) reported a net profit of TRY 5,499mn in 1Q26, which was 2.1% above our estimate of TRY 5,383mn and 5.6% above the market consensus of TRY 5,207mn, representing a 35.2% YoY decline (1Q25: TRY 8,489mn).

- Lower net financial expenses, supported by the positive impact of a 26% YoY decline in FX losses, and a 14% YoY increase in net monetary position gains were the key factors supporting net income this quarter.
- The contraction in gross profitability due to increasing cost pressures and raw material price increases, the decline in net income from investing activities driven by lower FX gains, and around TRY 2.2bn deferred tax expense led to a 35% YoY decline in the Company's net income.

Ford Otosan's total sales volume contracted by 3% YoY to 160,902 units in 1Q26 (1Q25: 165,280 units). Domestic volumes declined by 18% YoY to 20,608 units (1Q25: 25,241 units), mainly due to the weakness in PC sales performance following the termination of the Ford Focus model, intensifying competitive market conditions, demand postponed due to the Ramadan effect, and uncertainties stemming from geopolitical developments. Domestic revenues declined by 22% YoY in 1Q26 to TRY 31,753mn (1Q25: TRY 40,522mn), driven by the competitive pricing environment in the market and lower domestic sales volumes. The Company's export volumes remained flat YoY in 1Q26 at 140,294 units (1Q25: 140,039 units). With the limited positive impact of the increase in EUR/TRY and flat export volumes, the Company's export revenues declined by 5% YoY in 1Q26 to TRY 160,690mn (1Q25: TRY 170,041mn). As a result, the Company generated TRY 192,443mn in revenues in 1Q26 (1Q25: TRY 210,563mn), slightly above our estimate of TRY 185,465mn and the market average estimate of TRY 188,229mn.

Ford Otosan reported EBITDA of TRY 9,594mn, down 27.1% YoY, broadly in line with the consensus of TRY 9,446mn (Şeker: TRY 9,810mn) (1Q25: TRY 13,159mn). The Company's gross profit declined by 27% YoY in 1Q26, while its gross margin contracted by 1.7 pp to 6.9%. EBITDA margin declined by 1.2 pp compared to 1Q25 and stood at 5.0% in 1Q26. The Company's adjusted EBITDA decreased by 28% YoY in 1Q26 to TRY 11,729mn (Şeker: TRY 10,880mn, market average: TRY 11,426mn), while adjusted EBITDA margin contracted by 1.7 pp to 6.1%.

**2026 expectations:** Ford Otosan expects the domestic retail market to reach 1.3-1.4mn units in 2026, while forecasting domestic retail sales of 90-100k units. The Company guides for export volumes of 580-630k units (Romania: 190-210k; Türkiye: 390-420k). Total sales volume is projected at 670-730k units, while total production is expected to reach 690-740k units (Romania: 230-250k; Türkiye: 460-490k). Planned CapEx for 2026 is EUR 300-400mn (General investments: EUR 80-100mn; Product Related Investments: EUR 220-300mn). Ford Otosan revised its 2026 revenue growth guidance from high single-digit growth to flat, while maintaining its adjusted EBITDA margin guidance at 7%-8%.

**“OUTPERFORM”**  
TP: TRY 149.30  
Previous: TRY 149.30  
Upside Potential: 52%

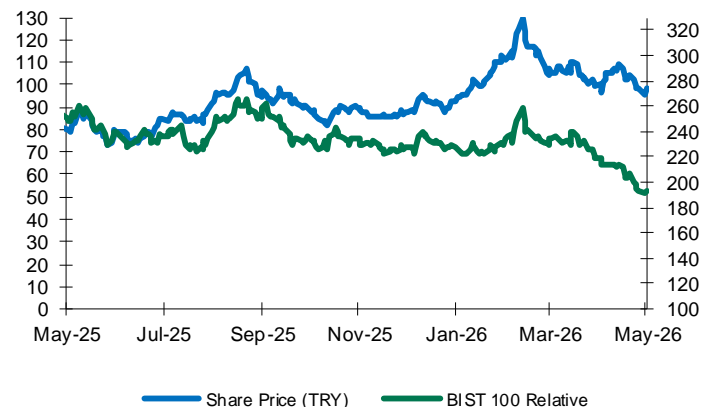
	TRY	US\$
Close	98,05	2,17
BIST 100	14.496	321
US\$/TRY (CB Bid Rate):	45,10	
52 Week High:	129,84	2,98
52 Week Low:	72,72	1,86
Bloomberg/Reuters Ticker:	FROTO.TI / FROTO.IS	

	(TRY Mn)	(US\$ Mn)
Number of Shares (Mn):	3.509	
Current Mcap :	344.067	7.629
Free Float Mcap:	61.932	1.372

	1 M	YOY	YTD
TRY Return (%):	-1,6	22,5	9,5
US\$ Return (%):	-3,1	4,2	4,0
BIST 100 Relative (%):	-12,1	-23,0	-15,0
Avg. Daily Vol. (TL Mn):	1.524,5		
Avg. Daily Vol. (US\$ Mn):	36,2		

Beta (2 years, daily)	0,80
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
<b>Total</b>	<b>100,0</b>



Given that 1Q26 financial results were broadly in line with expectations, we expect a neutral short-term market reaction, yet remain cautious on export volumes amid European macro headwinds. We maintain our target price of **TRY 149.30**, and our “**OUTPERFORM**” recommendation, implying a 52% upside potential. We still appreciate its export structure; however, we note that macroeconomic challenges in Europe and geopolitical tensions could continue to weigh on export volumes in line with guidance. We anticipate positive product mix and pricing discipline to contribute to both sales volume and profitability.

Table 1: High Level P&amp;L

TRY Million	2024	2025	YoY	1Q25	1Q26	YoY
<b>Revenues</b>	<b>856.994</b>	<b>914.245</b>	<b>6,7%</b>	<b>210.563</b>	<b>192.443</b>	<b>-8,6%</b>
<b>Gross Profit</b>	<b>78.649</b>	<b>76.350</b>	<b>-2,9%</b>	<b>18.198</b>	<b>13.297</b>	<b>-26,9%</b>
<i>Gross Profit Margin</i>	<i>9,2%</i>	<i>8,4%</i>		<i>8,6%</i>	<i>6,9%</i>	
<b>EBIT</b>	<b>41.994</b>	<b>38.404</b>	<b>-8,5%</b>	<b>8.570</b>	<b>4.468</b>	<b>-47,9%</b>
<i>EBIT Margin</i>	<i>4,9%</i>	<i>4,2%</i>		<i>4,1%</i>	<i>2,3%</i>	
<b>EBITDA</b>	<b>57.423</b>	<b>57.337</b>	<b>-0,2%</b>	<b>13.159</b>	<b>9.594</b>	<b>-27,1%</b>
<i>EBITDA Margin</i>	<i>6,7%</i>	<i>6,3%</i>		<i>6,2%</i>	<i>5,0%</i>	
<b>Net Profit</b>	<b>55.977</b>	<b>37.398</b>	<b>-33,2%</b>	<b>8.489</b>	<b>5.499</b>	<b>-35,2%</b>
<i>Net Profit Margin</i>	<i>6,5%</i>	<i>4,1%</i>		<i>4,0%</i>	<i>2,9%</i>	

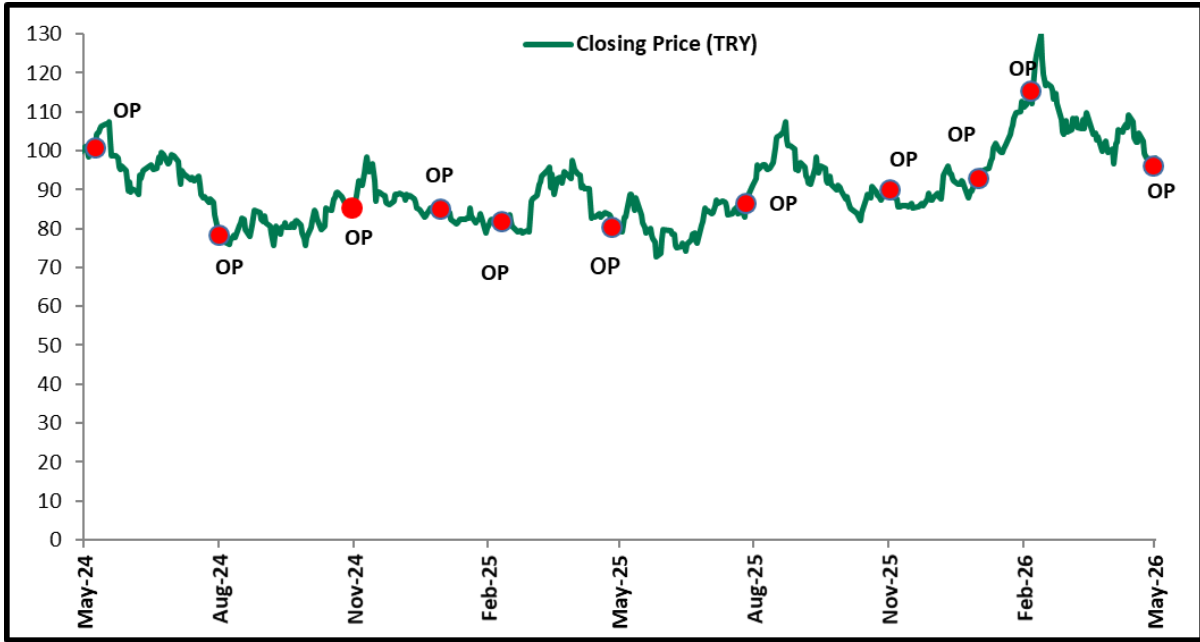
Source: Ford Otosan, Seker Invest - Research, Finnet, Audit Reports

Table 2: Summary Financial Statements

TRY mn	Inc. IAS-29		
	2025	3M26	YoY %
<b>Current Assets</b>	<b>245.892</b>	<b>219.730</b>	<b>-10,6%</b>
Cash & Cash Eq.	70.397	56.688	-19,5%
Trade Receivables	97.774	74.466	-23,8%
Other Receivables due from Related Parties	4.791	4.445	-7,2%
Inventories	54.284	67.903	25,1%
Other Current Assets	18.390	15.403	-16,2%
<b>Fixed Assets</b>	<b>250.147</b>	<b>238.848</b>	<b>-4,5%</b>
Financial Investments	731	731	0,0%
Tangible Assets	150.934	146.755	-2,8%
Intangible Assets	34.843	33.776	-3,1%
Other Receivables due from Related Parties	23.639	20.723	-12,3%
Deferred Tax Assets	26.802	24.955	-6,9%
<b>TOTAL ASSETS</b>	<b>496.039</b>	<b>458.578</b>	<b>-7,6%</b>
<b>Short-Term Liabilities</b>	<b>198.758</b>	<b>174.688</b>	<b>-12,1%</b>
Short - Term Financial Debt	69.704	54.782	-21,4%
Trade Payables	112.745	101.359	-10,1%
Other Short -Term Liabilities	16.309	18.547	13,7%
<b>Long-Term Liabilities</b>	<b>125.596</b>	<b>119.455</b>	<b>-4,9%</b>
Long - Term Financial Debt	109.845	108.344	-1,4%
Other Long -Term Liabilities	15.750	11.110	-29,5%
<b>Shareholders' Equity</b>	<b>171.685</b>	<b>164.436</b>	<b>-4,2%</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDER EQUITY</b>	<b>496.039</b>	<b>458.578</b>	<b>-7,6%</b>

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

## Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
22-May-24	Outperform (OP)	132,00
7-Aug-24	Outperform (OP)	132,00
6-Nov-24	Outperform (OP)	132,00
7-Jan-25	Outperform (OP)	149,10
17-Feb-25	Outperform (OP)	149,10
30-Apr-25	Outperform (OP)	143,00
31-Jul-25	Outperform (OP)	143,00
6-Nov-25	Outperform (OP)	143,00
9-Jan-26	Outperform (OP)	143,00
10-Feb-26	Outperform (OP)	149,30
6-May-26	Outperform (OP)	149,30

## 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.

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