

Tofas

Better-than-expected net profit in 1Q26...

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According to inflation accounting provisions (IAS-29), Tofas (TOASO.TI; OP) announced a net profit of TRY 2,989mn in 1Q26 (1Q25: TRY -184mn), standing 31% above the RT consensus average net profit expectation of TRY 2,279mn (Seker: TRY 1,949mn). The strong increase in revenues following the consolidation of Stellantis, solid gross profitability, the conversion of the monetary position loss from the same period last year into a gain of TRY 461mn, and the positive impact of net financial income were the factors contributing to the Company's strong net profit growth in 1Q26.

The Company printed a net sales revenue of TRY 95,110mn including the IAS-29 effect, up 200.3% YoY compared to 1Q25 (1Q25: TRY 31,675mn) (RT Cons.: TRY 92,784mn; Seker: TRY 92,664mn). Domestic sales volumes reached 76,789 units in 1Q26 (1Q25: 26,531 units; +189% YoY), supported by strong contributions from K0 Scudo sales and the Stellantis merger. Export volumes increased to 16,466 units (1Q25: 6,463 units; +155% YoY) driven by higher production of the K0 model. EBITDA rose by 160% YoY (including IAS-29 impact) to TRY 2,556mn (1Q25: TRY 984mn), exceeding expectations (Seker: TRY 2,519mn; Cons.: TRY 2,494mn). EBITDA margin slightly declined by 0.4pp YoY, declining from 3.1% in 1Q25 to 2.7% in 1Q26.

2026 guidance: Tofas expects the domestic light vehicle market to reach 1.2-1.3mn units (Previous: 1.3-1.4mn units) in 2026, while forecasting Tofaş-branded domestic retail sales of 320-350k units (Previous: 350-370k units). The Company anticipates exports of 70-80k units (Previous: 65-75k units). Planned CapEx for 2026 is projected at EUR 250mn, with total production volume expected to be 145-155k units (Previous: 140-150k units). Tofaş guides for a PBT margin of 3%-4% in 2026, while maintaining its 2028 PBT margin target of 5%-7%

We view positively the Company's financial structure supported by take-or-pay agreements and the brand strength generated by FCA. Alongside the long-term contribution potential of the K0 model, we believe that the light commercial and Combi versions of the K9 model, planned to be launched in 3Q26 for Stellantis brands and to be produced on a multi-energy platform, represent a positive catalyst supporting Tofaş's operational outlook. Furthermore, the strong contribution of PSA-branded vehicles following the transfer of Stellantis Otomotiv shares, together with continued investments, may have a positive medium- to long-term impact on the Company's shares. On the other hand, we consider news flow regarding Fiat's planned F2X launch in 3Q26 and F2U launch in 4Q26 to be key developments to monitor going forward. Given the strong PBT and net profit figures significantly exceeding expectations, we expect the market reaction to the announced 1Q26 results to be positive in the short to medium term. We revise up our target price to TRY 435.00, and maintain our "OUTPERFORM" recommendation.

"OUTPERFORM"

TP: TRY 435.00

Previous: TRY 402.00

Upside Potential: 46%

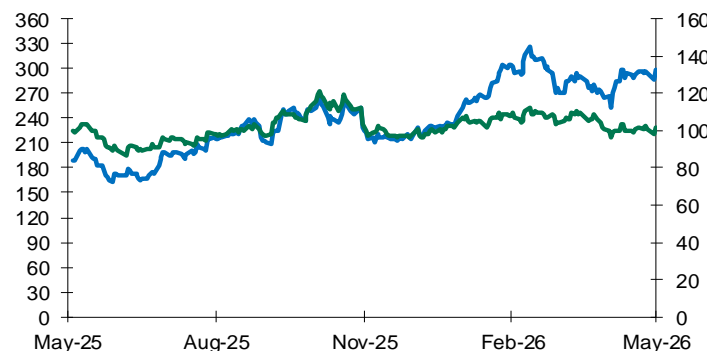
	TRY	US\$
Close	298,25	6,61
BIST 100	14.496	321
US\$/TRY (CB Bid Rate):	45,10	
52 Week High:	325,80	7,47
52 Week Low:	163,63	4,18
Bloomberg/Reuters Ticker:	TOASO.TI / TOASO.IS	

	500	(TRY Mn)	(US\$ Mn)
Number of Shares (Mn):			
Current Mcap :	149.125		45,1024
Free Float Mcap:	35.790		793

	1 M	YOY	YTD
TRY Return (%):	12,9	56,1	29,1
US\$ Return (%):	11,1	32,8	22,7
BIST 100 Relative (%):	0,7	-1,9	0,3
Avg. Daily Vol. (TL Mn):	1.254,4		
Avg. Daily Vol. (US\$ Mn):	30,1		

Beta (2 years, daily)	1,22
Volatility (Stock)	0,38
Volatility (BIST 100)	0,22

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: High level P&L

TRY Million	2024	2025	YoY	1Q25	1Q26	YoY
Revenues	173.225	351.483	102,9%	31.675	95.110	200,3%
Gross Profit	19.260	22.698	17,9%	1.961	7.132	263,7%
<i>Gross Profit Margin</i>	<i>11,1%</i>	<i>6,5%</i>		<i>6,2%</i>	<i>7,5%</i>	
EBIT	4.437	2.769	-37,6%	-1.256	1.200	N.M.
<i>EBIT Margin</i>	<i>2,6%</i>	<i>0,8%</i>		<i>N.M.</i>	<i>1,3%</i>	
EBITDA	13.366	11.001	-17,7%	984	2.556	159,8%
<i>EBITDA Margin</i>	<i>7,7%</i>	<i>3,1%</i>		<i>3,1%</i>	<i>2,7%</i>	
Net Profit	7.521	9.193	22,2%	-184	2.989	N.M.
<i>Net Profit Margin</i>	<i>4,3%</i>	<i>2,6%</i>		<i>N.M.</i>	<i>3,1%</i>	

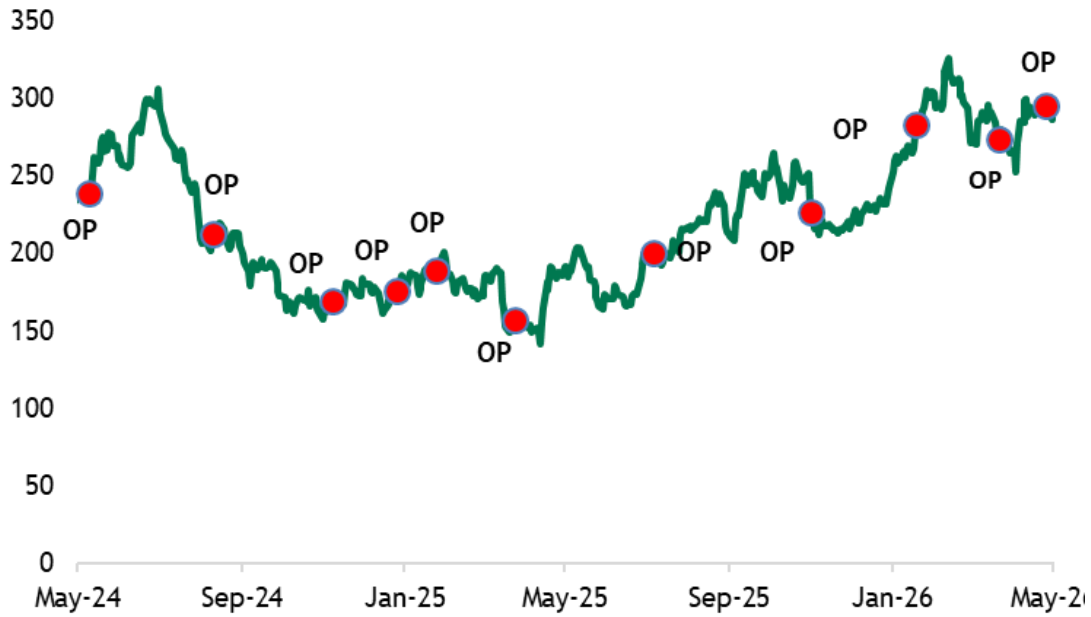
Source: Tofas, Seker Invest Research, Audit Reports

Table 2: Summary Financial Statements

	31.12.2025	31.03.2026	%
Current Assets			
Cash & Cash Equivalents	22.161	21.157	-4,5%
Inventories	18.548	33.234	79,2%
Trade Receivables	55.775	51.517	-7,6%
Receivables from Finance Sector Operations	34.154	34.398	0,7%
Other Current Assets	1.842	2.387	29,6%
Non-Current Assets			
Property, Plant & Equipment	23.840	24.644	3,4%
Intangible Assets	13.491	13.119	-2,8%
Receivables from Finance Sector Operations	9.715	8.711	-10,3%
Other Non-Current Assets	11.420	11.650	2,0%
Total Assets	190.946	200.817	5,2%
Current Liabilities			
Short-Term Financial Debt	17.885	25.114	40,4%
Trade Payables	47.758	53.941	12,9%
Deferred Revenues	5.409	4.838	-10,6%
Other Current Liabilities	6.846	7.031	2,7%
Non-Current Liabilities			
Long-Term Borrowings	41.172	44.259	7,5%
Long-Term Provisions	5.818	6.669	14,6%
Total Equity	66.058	58.965	-10,7%
Total Liabilities & Equity	190.946	200.817	5,2%

Source: Tofas, Seker Invest Research, Audit Reports

Table 3: Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
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
9-Jan-26	Outperform (OP)	338,50
10-Feb-26	Outperform (OP)	402,00
6-May-26	Outperform (OP)	435,00

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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