Earnings Update
**Automotive**
July 30, 2026

# Tofas

## Financial results in line with expectations in 2Q26…

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**“OUTPERFORM”**
**TP: TRY 435.00**
**Previous: TRY 435.00**
**Upside Potential: 60%**

**According to inflation accounting provisions (IAS-29), Tofas (TOASO.TI; OP) announced a net profit of TRY 3,092mn in 2Q26 (2Q25: TRY 2,313mn), broadly in line with the RT consensus average net profit expectation of TRY 3,063mn (Seker: TRY 3,079mn).** Higher net monetary gains, positive net financial income, and profitability generated from financial services operations were the main drivers behind the YoY increase in net profit.

**The Company printed a net sales revenue of TRY 100,016mn including the IAS-29 effect, up 9% YoY compared to 2Q25 (2Q25: TRY 91,737mn) (RT Cons.: TRY 102,990mn; Seker: TRY 102,097mn).** Domestic sales volumes reached 75,979 units in 2Q26 (2Q25: 71,928 units; +6% YoY), supported by contributions from K0 Scudo sales and modest growth in passenger vehicle sales. Export sales volumes more than doubled to 22,913 units (2Q25: 10,913 units, +110% YoY), mainly driven by increased production of the K0 model. IAS-29 adjusted EBITDA declined 33% YoY to TRY 2,098mn (2Q25: TRY 3,123mn), below both our estimate (TRY 2,193 million) and the market consensus (TRY 2,253 million). Accordingly, the EBITDA margin contracted by 1.3 pp to 2.1% in 2Q26, down from 3.4% in 2Q25.

**2026 guidance:** Tofas expects the domestic light vehicle market to reach 1.2-1.3mn units in 2026, while forecasting Tofaş-branded domestic retail sales of 300-320k units (Previous: 320-350k units). The Company anticipates exports of 75-85k units (Previous: 70-80k units). Planned CapEx for 2026 is projected at EUR 250mn, with total production volume expected to be 145-155k 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. We expect the market reaction to the announced 2Q26 results to be neutral in the short to medium term. We maintain our target price to TRY 435.00, and our “OUTPERFORM” recommendation.

| | TRY | US$ |
|---|---|---|
| **Close** | 271,75 | 5,74 |
| **BIST 100** | 13.502 | 285 |
| **US$/TRY (CB Bid Rate):** | 47,27 | |
| **52 Week High:** | 345,00 | 7,47 |
| **52 Week Low:** | 208,34 | 5,02 |
| **Bloomberg/Reuters Ticker:** | TOASO.TI / TOASO.IS | |

| | | |
|---|---|---|
| **Number of Shares (Mn):** | 500 | |
| | **(TRY Mn)** | **(US$ Mn)** |
| **Current Mcap :** | 135.875 | 47,2744 |
| **Free Float Mcap:** | 32.610 | 689 |

| | 1 M | YOY | YTD |
|---|---|---|---|
| **TRY Return (%):** | -13,3 | 35,7 | 17,6 |
| **US$ Return (%):** | -14,9 | 16,2 | 6,6 |
| **BIST 100 Relative (%):** | -8,9 | 5,4 | -1,9 |
| **Avg. Daily Vol. (TL Mn):** | 1.201,0 | | |
| **Avg. Daily Vol. (US$ Mn):** | 27,8 | | |

| | |
|---|---|
| **Beta (2 years, daily)** | 1,18 |
| **Volatility (Stock)** | 0,38 |
| **Volatility (BIST 100)** | 0,23 |

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

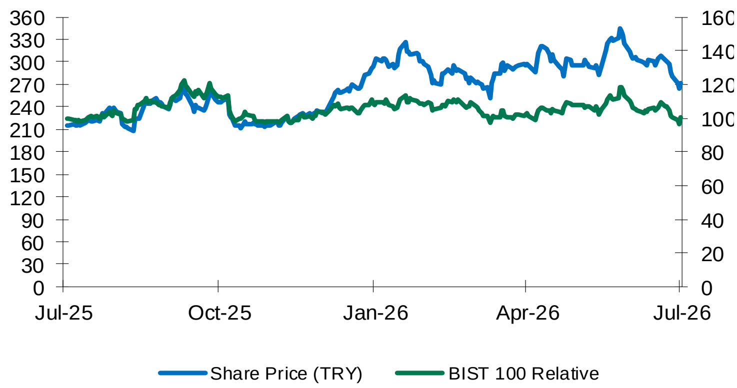


Table 1: High level P&L

| TRY Million | 6M25 | 6M26 | YoY | 2Q25 | 2Q26 | YoY |
|---|---|---|---|---|---|---|
| **Revenues** | **125.633** | **201.797** | **60,6%** | **91.737** | **100.016** | **9,0%** |
| **Gross Profit** | **8.810** | **14.284** | **62,1%** | **6.711** | **6.652** | **-0,9%** |
| *Gross Profit Margin* | *7,0%* | *7,1%* | | *7,3%* | *6,7%* | |
| **EBIT** | **-498** | **1.850** | **N.M.** | **847** | **566** | **-33,1%** |
| *EBIT Margin* | *-0,4%* | *0,9%* | | *0,9%* | *0,6%* | |
| **EBITDA** | **4.175** | **4.833** | **15,7%** | **3.123** | **2.098** | **-32,8%** |
| *EBITDA Margin* | *3,3%* | *2,4%* | | *3,4%* | *2,1%* | |
| **Net Profit** | **2.117** | **6.291** | **197,2%** | **2.313** | **3.092** | **33,7%** |
| *Net Profit Margin* | *1,7%* | *3,1%* | | *2,5%* | *3,1%* | |

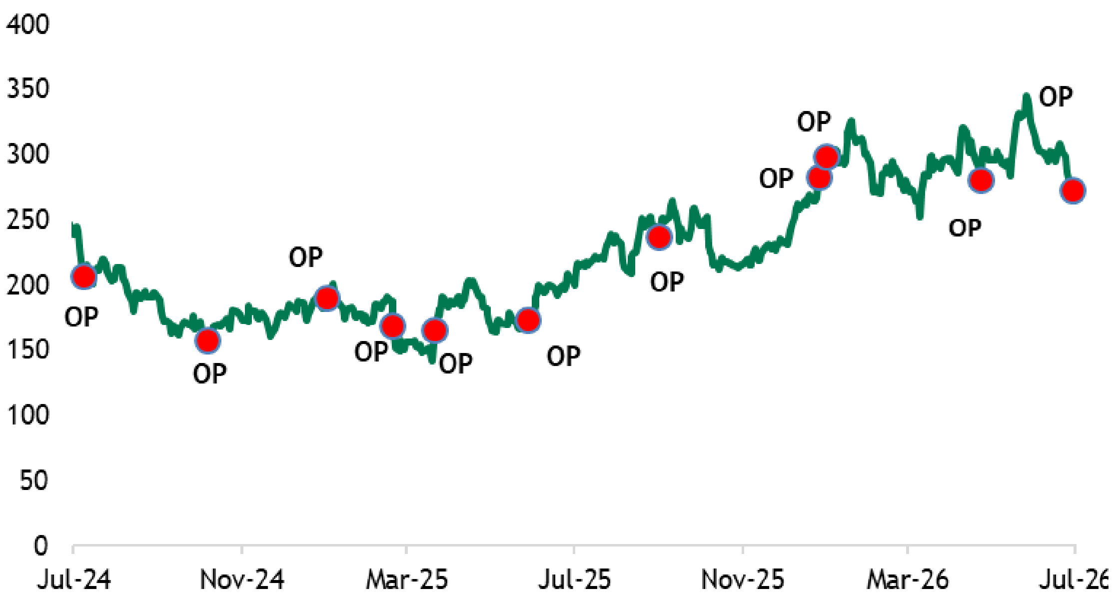
**Source: Tofas**, Seker Invest Research, Audit Reports

Table 2: Summary Financial Statements

| | 31.12.2025 | 30.06.2026 | % |
|---|---|---|---|
| **Current Assets** | | | |
| Cash & Cash Equivalents | 23.715 | 11.231 | -52,6% |
| Inventories | 19.849 | 43.397 | 118,6% |
| Trade Receivables | 59.687 | 58.307 | -2,3% |
| Receivables from Finance Sector Operations | 36.550 | 36.419 | -0,4% |
| Other Current Assets | 1.971 | 2.939 | 49,1% |
| **Non-Current Assets** | | | |
| Propoerty, Plant & Equipment | 25.935 | 27.994 | 7,9% |
| Intangible Assets | 14.437 | 13.674 | -5,3% |
| Receivables from Finance Sector Operations | 10.396 | 8.955 | -13,9% |
| Other Non-Current Assets | 11.799 | 12.897 | 9,3% |
| **Total Assets** | **204.339** | **215.813** | 5,6% |
| **Current Liabilities** | | | |
| Short-Term Financial Debt | 19.140 | 29.574 | 54,5% |
| Trade Payables | 51.108 | 59.198 | 15,8% |
| Deferred Revenues | 5.788 | 5.867 | 1,4% |
| Other Current Liabilities | 7.325 | 6.668 | -9,0% |
| **Non-Current Liabilities** | | | |
| Long-Term Borrowings | 44.059 | 40.791 | -7,4% |
| Long-Term Provisions | 6.225 | 6.610 | 6,2% |
| Total Equity | 70.692 | 65.741 | -7,0% |
| **Total Liabilities & Equity** | **204.339** | **215.813** | 5,6% |

**Source: Tofas**, Seker Invest Research, Audit Reports

**Table 3: Historical recommendations and target prices**




| Date | Recommendation | Target Price (TRY) |
|---|---|---|
| 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 |
| 30-Jul-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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