Earnings Update
Automotive

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Tofas

Better-than-expected financial results in 3Q26…

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Tofaş (TOASO.TI; OP) reported a net profit of TRY 4,332mn in 3Q26 under IAS-29, up 176.3% YoY, significantly exceeding both our estimate and the market consensus (Şeker: TRY 2,307mn; Consensus: TRY 2,480mn; 3Q25: TRY 1,568mn). The substantial improvement in bottom-line profitability was primarily driven by stronger gross profitability and a recovery in operating performance, supported by relatively contained OpEx. Net financial income and monetary gains provided additional support to earnings. Net sales declined 28.9% YoY to TRY 80,504mn, broadly in line with expectations (Şeker: TRY 81,682mn; Consensus: TRY 82,185mn), while GP increased 40.6% YoY to TRY 7,728mn, lifting the gross margin by 4.7pp YoY to 9.6%. Operating profit rose sharply to TRY 2,507mn from TRY 303mn in 3Q25. EBITDA increased 5.0% YoY to TRY 2,432mn, outperforming both our estimate and the market consensus (Şeker: TRY 1,813mn; Consensus: TRY 1,885mn), while the EBITDA margin expanded by 1.0pp YoY to 3.0%.

Tofaş's total sales volume declined by 25.9% YoY to 71,692 units in 3Q26 (3Q25: 96,805 units), primarily reflecting a pronounced contraction in domestic volumes. Domestic sales volume fell 37.9% YoY to 54,091 units, driven by a 48.6% decline in PC sales and an 18.0% decrease in LCV sales. Conversely, export volumes surged 80.4% YoY to 17,601 units, supported by robust LCV shipments, partially offsetting the weakness in domestic demand. Domestic sales revenues contracted 38.0% YoY to TRY 62,308mn, while export revenues increased 69.5% YoY to TRY 17,461mn.

2026 guidance: Tofaş has revised its 2026 domestic PC and LCV market forecast downward to 1.10-1.15mn units (previously: 1.10-1.20mn units), while lowering its domestic vehicle sales guidance to 270-290k units (previously: 300-320k units). The Company has also reduced its export volume guidance to 70-80k units (previously 75-85k units) and its production target to 135-145k units (previously 145-155k units). Meanwhile, its 2026 CapEx guidance remains unchanged at EUR250mn. Despite the downward revisions to volume expectations, Tofaş has raised its 2026 PBT margin guidance to approximately 4% (previously 3-4%), while maintaining its medium-term 2028 PBT margin target of 5-7%, which we view positively

We view positively 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 3Q26 results to be positive in the short to medium term. We maintain our target price to TRY 435.00, and our "OUTPERFORM" recommendation.

"OUTPERFORM"
TP: TRY 435.00
Previous: TRY 435.00
Upside Potential: 95%

	TRY	US$
Close	222,70	4,46
BIST 100	11.333	227
US$/TRY (CB Bid Rate):	49,92	
52 Week High:	345,00	7,47
52 Week Low:	211,20	4,24
Bloomberg/Reuters Ticker:	TOASO.TI / TOASO.IS	

Number of Shares (Mn):	500	
	(TRY Mn)	**(US$ Mn)**
Current Mcap :	111.350	49,9239
Free Float Mcap:	26.724	535

	1 M	YOY	YTD
TRY Return (%):	-15,9	-1,3	-3,6
US$ Return (%):	-17,5	-17,0	-17,3
BIST 100 Relative (%):	-7,6	-4,5	-4,2
Avg. Daily Vol. (TL Mn):	1.062,8		
Avg. Daily Vol. (US$ Mn):	23,5		

Beta (2 years, daily)	0,98
Volatility (Stock)	0,39
Volatility (BIST 100)	0,24

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

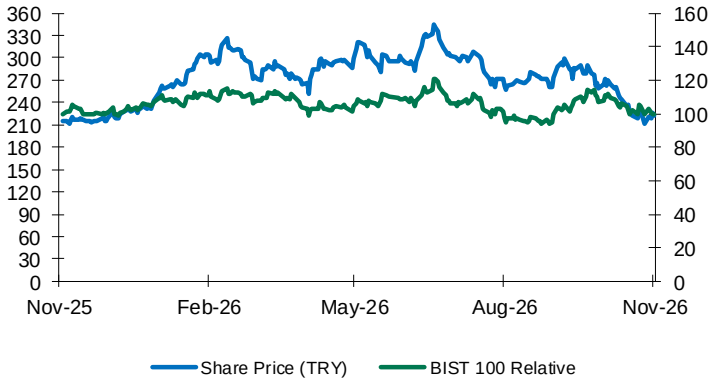


Table 1: High level P&L

TRY Million	9M25	9M26	YoY	3Q25	3Q26	YoY
Revenues	**245.789**	**293.541**	**19,4%**	**113.158**	**80.504**	**-28,9%**
Gross Profit	**14.797**	**22.807**	**54,1%**	**5.496**	**7.728**	**40,6%**
Gross Profit Margin	*6,0%*	*7,8%*		*4,9%*	*9,6%*	4,7%
EBIT	**-741**	**3.518**	**-574,9%**	**-215**	**1.564**	**-826,4%**
EBIT Margin	*-0,3%*	*1,2%*		*-0,2%*	*1,9%*	2,1%
EBITDA	**6.723**	**7.534**	**12,1%**	**2.315**	**2.432**	**5,0%**
EBITDA Margin	*2,7%*	*2,6%*		*2,0%*	*3,0%*	1,0%
Net Profit	**3.802**	**10.973**	**188,6%**	**1.568**	**4.332**	**176,3%**
Net Profit Margin	*1,5%*	*3,7%*		*1,4%*	*5,4%*	

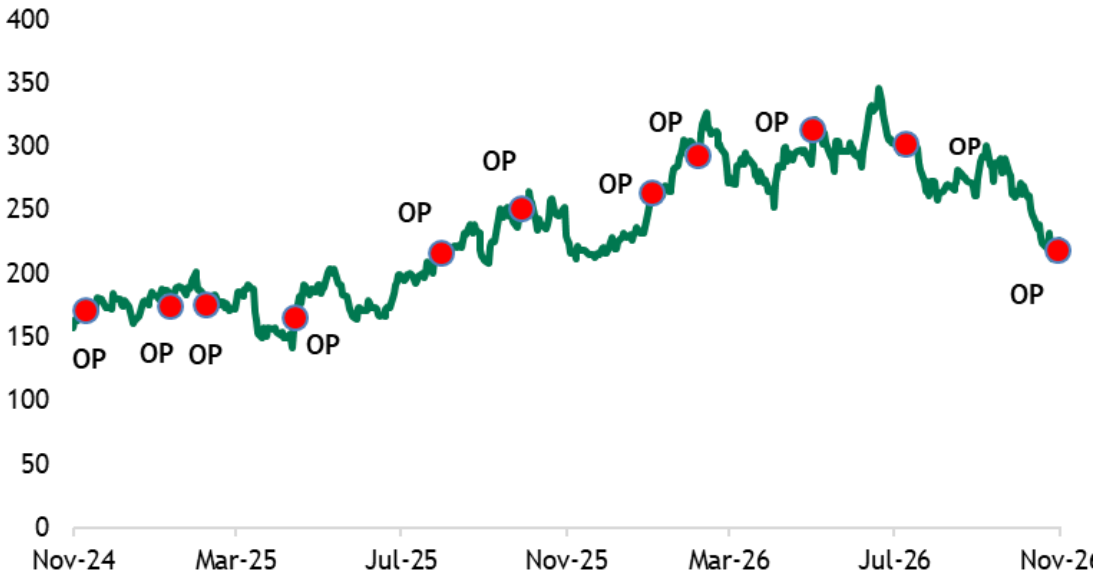
Source: Tofas, Seker Invest Research, Audit Reports

Table 2: Summary Financial Statements

	31.12.2025	30.09.2026	%
Current Assets			
Cash & Cash Equivalents	25.036	18.285	-27,0%
Inventories	20.954	33.514	59,9%
Trade Receivables	63.011	50.908	-19,2%
Receivables from Finance Sector Operations	38.585	34.595	-10,3%
Other Current Assets	2.083	2.189	5,1%
Non-Current Assets			
Propoerty, Plant & Equipment	26.933	31.999	18,8%
Intangible Assets	15.241	14.874	-2,4%
Receivables from Finance Sector Operations	10.975	8.656	-21,1%
Other Non-Current Assets	12.902	17.178	33,1%
Total Assets	**215.720**	**212.199**	-1,6%
Current Liabilities			
Short-Term Financial Debt	20.206	32.438	60,5%
Trade Payables	53.955	49.751	-7,8%
Deferred Revenues	6.111	5.509	-9,9%
Other Current Liabilities	7.733	7.630	-1,3%
Non-Current Liabilities			
Long-Term Borrowings	46.514	37.203	-20,0%
Long-Term Provisions	6.572	6.887	4,8%
Total Equity	74.629	72.781	-2,5%
Total Liabilities & Equity	**215.720**	**212.199**	-1,6%

Source: Tofas, Seker Invest Research, Audit Reports

Table 3: Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
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
6-Nov-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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