

Dogus Otomotiv

We evaluate Dogus Otomotiv's 1Q26 financial results as neutral overall, as the company delivered results in line with our expectations despite continued annual weakness in both operational performance and net profitability. The company reported net income of TL 574mn in 1Q26, in line with our estimate, while net income declined by 24% YoY. Net sales revenues decreased by 10% YoY to TL 49.6bn, mainly pressured by contraction in the passenger vehicle segment, changes in product mix, and pricing dynamics. EBITDA declined by 16% YoY to TL 3.2bn, while the EBITDA margin decreased from 6.8% to 6.4%. On the other hand, total wholesale volumes increased by 8% YoY to 32.4K units, while the relatively resilient performance in Volkswagen passenger vehicles and light commercial vehicles partially offset the operational pressure. Following the recent weak share price performance and financial results broadly in line with our expectations, we revise our 12-month target price to TL 255 from TL 278 in line with our updated projections for the coming quarters, while maintaining our Buy recommendation given the current upside potential.

The slowdown in the overall automotive market and cautious consumer sentiment continued to weigh on the company's operations in the first quarter. In particular, while pressure persisted across the passenger vehicle segment industry-wide, DOAS managed to increase its total sales volumes YoY; however, the higher share of lower-margin segments and pricing pressure limited revenue growth and operational profitability. Gross margin declined by 2.9pp YoY to 13.3%, while the elevated ratio of operating expenses to sales continued to pressure operational margins. Nevertheless, 22% YoY growth in Volkswagen Passenger Vehicles and a 6% increase in VW Commercial Vehicles indicate that the company maintained relatively strong momentum in its core brands.

Management expects the domestic automotive market to reach approximately 1.2 million units in 2026, while forecasting total sales volumes excluding Skoda at around 117K units. The company remains focused on maintaining the balance between profitability and market share throughout the year, while 2026 capex is expected to amount to approximately TL 5.2bn. On the other hand, the company's solid balance sheet and strong cash generation capacity continue to support its high dividend potential, with a total dividend distribution of TL 6.6bn planned for 2026. We believe the company's strong brand portfolio, extensive distributor network, and balanced operational structure continue to support its medium-term outlook.

DOAS

BUY

Target Price TL 255
Return potential 38%

Share Data

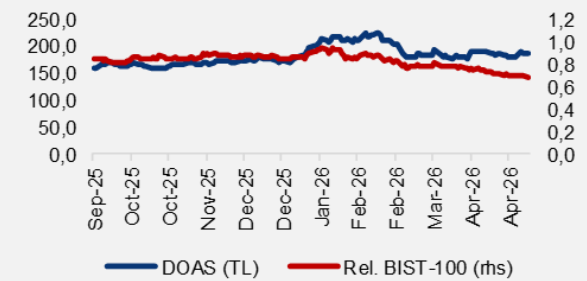
Ticker:	DOAS TI
Share price (as of 11.05.2026)	184,60
Share price (52 week range)	154 / 224
Market cap. (TL mn - USD mn)	40.612 - 897
# of shares (mn) & free float	220 - 39%
Foreign Ownership Rate	17.19%
Market	Star
Industry	Automotive

Avg. trading volume	1M	3M	12M
USD mn	7,7	9,4	9,7

Price performance	1M	3M	Y-t-D
TL	-2%	-15%	6%
USD	-4%	-19%	0%
Rel. to BIST-100	-9%	-23%	-21%

Forecasts (TL mn)	2024	2025	2026E
Revenues	271.324	281.462	272.630
EBITDA	24.112	16.195	15.011
Net Earnings	10.935	3.456	6.605

Valuation	2024	2025	2026E
P/E	3,7x	11,7x	6,1x
P/BV	0,5x	0,5x	0,5x
EV/EBITDA	2,9x	4,3x	4,6x



Oğuzhan Kaymak

+90 212 355 2604

oguzhan.kaymak@tacirler.com.tr

Financial Statements

Balance Sheet	2024	2025	2025E
Cash	13.559	6.114	3.251
Accounts receivables	22.834	19.130	18.675
Inventory	22.196	33.156	58.503
Financial investments	0	0	0
Fixed assets	30.087	31.118	35.669
Other non-current assets	44.136	53.941	54.017
Total assets	132.813	143.458	170.115
Short-term financial loans	8.930	21.890	26.423
Accounts payables	20.647	21.077	37.504
Long-term financial loans	8.504	11.937	10.270
Other long-term payables	15.576	14.664	22.075
Non-current liabilities	53.657	69.568	96.272
Shareholders' equity	79.156	73.890	73.843
Paid in Capital	242	220	220
Other Equity	78.914	73.670	73.623
Total liabilities & equity	132.813	143.458	170.115
Net debt	3.876	27.713	33.442
Net working capital	24.384	31.209	39.674

Per share (TL)

EPS	49,71	15,71	30,02
BVPS	359,80	335,86	335,65
DPS	86,06	35,69	30,00

Ratios

Profitability

ROE	13,2%	4,5%	8,9%
Net margin	4,0%	1,2%	2,4%
Asset turnover	2,0x	2,0x	1,7x
Leverage	1,7x	1,8x	2,1x
ROA	8,0%	2,5%	4,2%

Leverage

Financial debt/Total assets	13%	24%	22%
Net debt/Equity	0,05	0,38	0,45
Net debt/EBITDA	0,16	1,71	2,23

Income statement	2024	2025	2026E
Revenues	271.324	281.462	272.630
Gross profit	43.545	35.130	31.007
Operating expenses	-22.608	-22.631	-20.074
Operating profit	20.937	12.499	10.933
EBITDA	24.112	16.195	15.011
Other income, net	2.459	162	1.751
Financial income, net	-4.685	-7.876	-3.806
Earnings before taxes	18.290	7.142	11.509
Tax expense	-7.282	-3.755	-4.904
Net earnings	10.935	3.456	6.605

Cashflow statement

EBITDA	24.112	16.195	15.011
Taxes on EBIT	-12.723	-7.282	-3.755
Capital expenditures	-1.600	-5.420	-3.518
Chg. in NWC	17.513	-6.826	6.825
Free cashflows to firm	19.480	18.237	2.097

Growth & margins

Revenues	-13%	4%	-3%
EBITDA	-53%	-33%	-7%
Net earnings	-73%	-68%	91%
Gross margin	16,0%	12,5%	11,4%
Operating margin	7,7%	4,4%	4,0%
EBITDA margin	8,9%	5,8%	5,5%
Net margin	4,0%	1,2%	2,4%
Free cashflow margin	7,2%	6,5%	0,8%

Valuation

P/E	3,7x	11,7x	6,1x
P/BV	0,5x	0,5x	0,5x
EV/EBITDA	2,9x	4,3x	4,6x

Source: Company Data, Tacirler Investment

* All figures are stated in millions of TL unless otherwise stated.

** Figures in the table are adjusted for inflation

Important Disclosures

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