TACİRLER YATIRIM

Dogus Otomotiv

We view Dogus Otomotiv's 3Q26 financial results negatively, driven by weaker-than-expected operational profitability and a net loss against our net profit expectation. The company reported TL434mn net loss, compared to our estimate of TL1.1bn net profit and the market expectation of TL852mn net profit. Revenues declined by 35% YoY in real terms to TL49.3bn, while EBITDA of TL527mn came in below our estimate of TL2.4bn. As industry-wide demand and pricing pressures had a more pronounced impact on the company's profitability, we maintain a cautious outlook for a near-term recovery. Taking into account the gross dividend of TL15 per share distributed since our July report, which included a target price of TL245, and our updated financial forecasts, we lower our 12-month target price to TL188 per share while maintaining our BUY recommendation.

Declining sales volumes and pricing competition weighed on operational profitability. In 3Q26, wholesale sales including Skoda declined by 18% YoY to 37.4k units, while sales excluding Skoda fell by 25% to 26.5k units. Promotional campaigns and pricing pressures accompanying lower sales volumes led to a 4pp YoY contraction in the gross profit margin to 9.5%. Operating expenses failing to adjust at the same pace as declining revenues also pushed the EBITDA margin down from 7.4% to 1.1%. Although income from associates and monetary gains supported the bottom line, their contribution was insufficient to offset the deterioration in operational performance.

Challenging industry conditions reinforce our cautious outlook for the final quarter. Financing conditions, intense competition and the pace of inventory turnover remain key factors affecting the company's pricing power. While we view improved trade receivables collections as positive for cash flow, we do not yet consider this a sign of operational recovery. We expect promotional campaigns to support sales in the final quarter, while continued pricing pressures are likely to constrain profitability. Accordingly, although we forecast a modest recovery in margins, we do not expect a rapid normalization.

We expect a significant contraction in 2026, followed by a gradual recovery in 2027. In our updated forecasts, we expect revenues of TL235.9bn, EBITDA of TL9.6bn and net profit of TL2.2bn in 2026, with the EBITDA margin declining from 5.8% to 4.1%. For 2027, we forecast revenues to increase to TL246.3bn, EBITDA to TL11bn and net profit to TL2.7bn, with the EBITDA margin recovering to 4.5%. Reflecting the weaker operational outlook and our revised forecasts, we lower our dividend-adjusted target price from TL230 to TL188 per share. However, considering the company's strong brand portfolio, extensive sales and service network, and medium-term recovery potential, we maintain our BUY recommendation.

We view company's letter of intent with Volkswagen to explore passenger vehicle production opportunities in Türkiye as a development that could support long-term growth. As the agreement does not yet involve a finalized investment decision, we will closely monitor the process and assess its implications for our model as the scope and financial impact become clearer.

DOAS	BUY
Target Price	**TL 188**
Return potential	**51%**

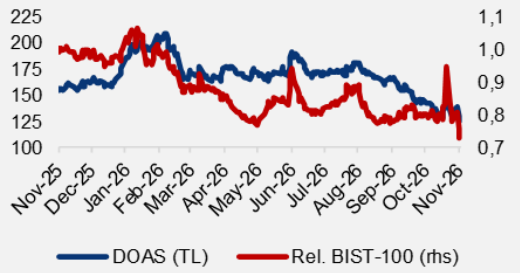
Share Data	
Ticker:	**DOAS TI**
Share price (as of 11.11.2026)	124,60
Share price (52 week range)	125 / 207
Market cap. (TL mn - USD mn)	27.412 - 547
# of shares (mn) & free float	220 - 39%
Foreign Ownership Rate	17.05%
Market	Star
Industry	Automotive

Avg. trading volume	**1M**	**3M**	**12M**
USD mn	4,3	3,4	5,1

Price performance	**1M**	**3M**	**Y-t-D**
TL	-14%	-30%	-23%
USD	-16%	-34%	-34%
Rel. to BIST-100	-9%	-18%	-25%

Forecasts (TL mn)	**2024**	**2025**	**2026E**
Revenues	306.526	317.980	235.904
EBITDA	27.240	18.296	9.644
Net Earnings	12.354	3.905	2.164

Valuation	**2024**	**2025**	**2026E**
P/E	2,2x	7,0x	12,7x
P/BV	0,3x	0,3x	0,4x
EV/EBITDA	2,2x	3,2x	6,2x



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Financial Statements

Balance Sheet	2024	2025	2026E
Cash	15.318	6.907	2.971
Accounts receivables	25.797	21.612	12.280
Inventory	25.076	37.458	47.026
Financial investments	0	0	0
Fixed assets	33.991	35.155	34.085
Other non-current assets	49.863	60.940	59.700
Total assets	**150.045**	**162.071**	**156.062**
Short-term financial loans	10.089	24.730	33.027
Accounts payables	23.326	23.812	28.674
Long-term financial loans	9.608	13.486	4.482
Other long-term payables	17.597	16.567	11.762
Non-current liabilities	**60.619**	**78.594**	**77.945**
Shareholders' equity	**89.426**	**83.477**	**78.117**
Paid in Capital	273	220	220
Other Equity	89.153	83.257	77.897
Total liabilities & equity	**150.045**	**162.071**	**156.062**
Net debt	4.379	31.309	34.538
Net working capital	27.547	35.258	30.631

Per share (TL)			
EPS	56,16	17,75	9,84
BVPS	406,48	379,44	355,08
DPS	97,23	40,32	33,89

Ratios			
Profitability			
ROE	13,8%	4,7%	2,7%
Net margin	4,0%	1,2%	0,9%
Asset turnover	2,0x	2,0x	1,5x
Leverage	1,7x	1,8x	2,0x
ROA	8,0%	2,5%	1,4%
Leverage			
Financial debt/Total assets	13%	24%	24%
Net debt/Equity	0,05	0,38	0,44
Net debt/EBITDA	0,16	1,71	3,58

Income statement	2024	2025	2026E
Revenues	**306.526**	**317.980**	**235.904**
Gross profit	49.195	39.688	26.581
Operating expenses	-25.541	-25.567	-21.130
Operating profit	23.653	14.121	5.452
EBITDA	**27.240**	**18.296**	**9.644**
Other income, net	2.778	184	131
Financial income, net	-5.292	-8.897	-2.823
Earnings before taxes	20.663	8.069	6.187
Tax expense	-8.226	-4.242	-4.079
Net earnings	**12.354**	**3.905**	**2.164**

Cashflow statement			
EBITDA	**27.240**	**18.296**	**9.644**
Taxes on EBIT	-5.913	-3.530	-1.363
Capital expenditures	-6.123	-3.974	-2.312
Chg. in NWC	-7.712	7.711	-4.626
Free cashflows to firm	**22.916**	**3.081**	**10.595**

Growth & margins			
Revenues	-13%	4%	-26%
EBITDA	-53%	-33%	-47%
Net earnings	-73%	-68%	-45%
Gross margin	16,0%	12,5%	11,3%
Operating margin	7,7%	4,4%	2,3%
EBITDA margin	8,9%	5,8%	4,1%
Net margin	4,0%	1,2%	0,9%
Free cashflow margin	7,5%	1,0%	4,5%

Valuation			
P/E	2,2x	7,0x	12,7x
P/BV	0,3x	0,3x	0,4x
EV/EBITDA	2,2x	3,2x	6,2x
EV/Sales	0,2x	0,2x	0,3x
Dividend Yield	62,8%	32,4%	24,1%

Source: Company Data, Tacirler Investment

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

**** Figures in the table are adjusted for inflation**

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