

Ford Otosan

We assess the 4Q25 financial results as neutral, with Ford Otosan reporting a net profit of TL 10,649mn, exceeding both market consensus and our house estimate (Market: TL 9.1bn, Tacirler: TL 9.3bn). Net sales increased by 3% YoY and 13% QoQ to TL 223.1bn, while EBITDA reached TL 13.8bn and adjusted EBITDA stood at TL 17.6bn. Excluding one-off items, operational profitability was broadly in line with our expectations. In line with our updated macro assumptions and 2026 forecasts, we raise our 12-month target price to TL 155 per share from TL 140 and maintain our BUY recommendation, while noting that dividend expectations may continue to support positive share price performance in the near term.

Turkish automotive market expanded by 10% in 2025, reaching approximately 1.4 million units and setting a new record. Ford Otosan maintained its strong position in the commercial vehicle segment, sustaining its leadership with an 83% share in total domestic commercial vehicle production and an 87% share in commercial vehicle exports. The increase in electric vehicle production and the ongoing shift in product mix continue to provide meaningful support for the medium term profitability outlook.

Strong cash flow generation and declining leverage stood out. The company generated approximately TL 81bn in free cash flow in 2025 delivering a solid performance. Net Debt/EBITDA declined to 1.9x, indicating a continued improvement in leverage relative to operational profitability.

We expect a limited margin recovery in 2026. Management guides for the Turkish automotive market to reach 1.3–1.4 million units, while Ford Otosan's total sales volumes are projected at 670–730 thousand units and total production at 690–740 thousand units. The company expects high single-digit revenue growth and an adjusted EBITDA margin in the range of 7–8%, with total capex planned at EUR 300–400mn.

According to our projections we expect Ford Otosan to reach TL 1.105tn in revenues in 2026, implying 7.4% real growth and 33.1% nominal growth. Having closed 2025 with an EBITDA margin of 6.27% and EBITDA of TL 52.1bn, we forecast the company to increase its margin to 6.44% in 2026, generating TL 71.3bn in EBITDA. Our adjusted EBITDA margin expectation stands at approximately 7.6%. On the bottom line, we expect net profit, which came in at around TL 34bn with a margin of nearly 4% in 2025, to reach TL 50.5bn in 2026 with a 4.56% margin, pointing to a gradual improvement in profitability in line with margin expansion.

FROTO

BUY

Target Price
Return potential

TL 155
29%

Share Data

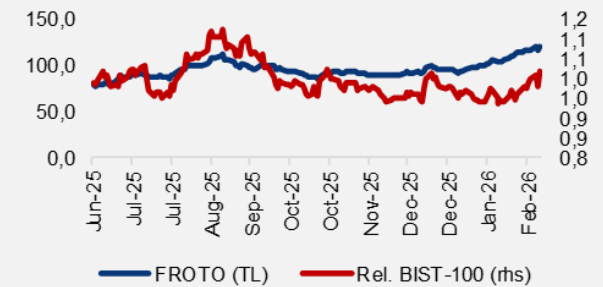
Ticker:	FROTO TI
Share price (as of 11.02.2026)	120,20
Share price (52 week range)	75 / 120
Market cap. (TL mn - USD mn)	421.794 - 9.682
# of shares (mn) & free float	3.509 - 18%
Foreign Ownership Rate	36.13%
Market	Star
Industry	Automotive

Avg. trading volume	1M	3M	12M
USD mn	56,5	41,6	37,1

Price performance	1M	3M	Y-t-D
TL	22%	36%	30%
USD	20%	31%	28%
Rel. to BIST-100	8%	4%	6%

Forecasts (TL mn)	2024	2025	2026E
Revenues	778.801	830.828	1.105.954
EBITDA	52.184	52.105	71.258
Net Earnings	50.869	33.986	50.464

Valuation	2024	2025	2026E
P/E	8,3x	12,4x	8,4x
P/BV	2,8x	2,7x	2,0x
EV/EBITDA	10,0x	10,0x	7,3x



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Financial Statements

Balance Sheet	2024	2025	2026E	Income statement	2024	2025	2026E
Cash	29.228	63.974	110.781	Revenues	778.801	830.828	1.105.954
Accounts receivables	89.303	88.853	104.227	Gross profit	71.473	69.384	94.356
Inventory	57.576	49.331	60.836	Operating expenses	-33.311	-34.484	-45.143
Financial investments	0	0	0	Operating profit	38.162	34.900	49.213
Fixed assets	154.710	167.588	196.055	EBITDA	52.184	52.105	71.258
Other non-current assets	96.898	81.034	101.830	Other income, net	-224	7.704	6.889
Total assets	427.716	450.780	573.729	Financial income, net	2.223	-15.072	-10.942
Short-term financial loans	58.715	63.345	78.099	Earnings before taxes	48.440	39.467	59.699
Accounts payables	86.584	102.458	145.247	Tax expense	2.430	-5.481	-9.234
Long-term financial loans	103.273	99.823	104.732	Net earnings	50.869	33.986	50.464
Other long-term payables	28.327	29.134	39.165				
Non-current liabilities	276.898	294.760	367.244	Cashflow statement			
Shareholders' equity	150.818	156.021	206.485	EBITDA	52.184	52.105	71.258
Paid in Capital	351	3.509	3.509	Taxes on EBIT	2.430	-5.481	-9.234
Other Equity	150.467	152.512	202.976	Capital expenditures	-52.354	-29.739	-34.082
Total liabilities & equity	427.716	450.780	573.729	Chg. in NWC	18.007	-24.569	-15.708
Net debt	132.759	99.194	72.051				
Net working capital	60.295	35.726	19.816				
				Growth & margins			
Per share (TL)				Revenues	0%	7%	33%
EPS	14,50	9,69	14,38	EBITDA	-35%	0%	37%
BVPS	42,98	44,46	58,84	Net earnings	-45%	-33%	48%
DPS	8,78	8,14	9,79				
				Gross margin	9,2%	8,4%	8,5%
Ratios				Operating margin	4,9%	4,2%	4,4%
Profitability				EBITDA margin	6,7%	6,3%	6,4%
ROE	35,2%	22,2%	27,8%	Net margin	6,5%	4,1%	4,6%
Net margin	6,5%	4,1%	4,6%	Free cashflow margin	0,0%	0,0%	0,0%
Asset turnover	1,9x	1,9x	2,2x				
Leverage	2,9x	2,9x	2,8x	Valuation			
ROA	12,1%	7,7%	9,9%	P/E	8,3x	12,4x	8,4x
				P/BV	2,8x	2,7x	2,0x
Leverage				EV/EBITDA	10,0x	10,0x	7,3x
Financial debt/Total assets	38%	36%	32%				
Net debt/Equity	0,88	0,64	0,35				
Net debt/EBITDA	2,54	1,90	1,01				

Source: Company Data, Tacirler Investment

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

Important Disclosures

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