

Ford Otosan

Ford Otosan's 3Q25 financial results are assessed as slightly negative, as operating margins remained under pressure despite the company's net profitability coming in above expectations. Elevated production costs, a flat EUR/TL parity, and rising competitive pressures continue to limit margin expansion. On the other hand, the increase in export volumes, the rising share of electric vehicle production, and the ramp-up of the joint production line with Volkswagen stand out as key mid-term catalysts supporting profitability recovery. We continue to favor Ford Otosan's business model, supported by its export-driven structure and strong manufacturing base. We believe that ongoing electrification investments and new-generation commercial vehicle projects will continue to contribute positively in the upcoming periods. We maintain our 12-month target price of TL135 per share and "BUY" recommendation for Ford Otosan, as we view the company's long-term transformation process to be firmly on track.

In 3Q25, Ford Otosan posted a net profit slightly above expectations. The company reported a net profit of TL 8,401 million, exceeding the market consensus by 10%. Net profit increased 28% QoQ but declined 26% YoY. Revenue remained flat YoY at TL 189.6 billion, while EBITDA came in at TL 11.7 billion, down 9% YoY. Adjusted EBITDA stood at TL 14.0 billion (3Q24: TL 15.1 billion). The better-than-expected bottom line was mainly supported by a limited positive contribution from tax income and lower financial expenses.

FROTO largely maintained its 2025 guidance, while revising down its CAPEX outlook. The company raised its retail sales target from 90–100 thousand units to 110–120 thousand units, while the export sales target was revised down from 610–660 thousand units to 590–640 thousand units. The total sales volume target was kept unchanged at 700–760 thousand units. Ford Otosan continues to project high single-digit revenue growth and an adjusted EBITDA margin of 7–8% for 2025. The company revised its investment spending guidance downward to EUR 450–550 million (previously EUR 600–700 million). The growing share of electric vehicle production, volume expansion in European markets, and the ramp-up of the joint production line with Volkswagen are expected to support operating profitability in the medium term.

FROTO

BUY

Target Price

TL 135

Return potential

36%

Share Data

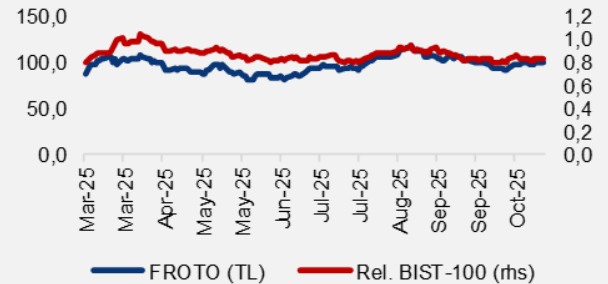
Ticker:	FROTO TI
Share price (as of 05.11.2025)	99,30
Share price (52 week range)	80 / 118
Market cap. (TL mn - USD mn)	348.454 - 8.289
# of shares (mn) & free float	3.509 - 18%
Foreign Ownership Rate	27.43%
Market	Star
Industry	Automotive

Avg. trading volume	1M	3M	12M
USD mn	36,7	35,6	33,2

Price performance	1M	3M	Y-t-D
TL	1%	-2%	8%
USD	-1%	-6%	-10%
Rel. to BIST-100	-1%	-3%	-3%

Forecasts (TL mn)	2023	2024	2025E
Revenues	745.936	746.300	837.470
EBITDA	77.346	50.006	50.547
Net Earnings	88.837	48.746	34.035

Valuation	2023	2024	2025E
P/E	3,9x	7,1x	10,2x
P/BV	2,6x	2,4x	2,0x
EV/EBITDA	5,6x	4,4x	3,6x



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Financial Statements

Balance Sheet	2023	2024	2025E
Cash	27.571	28.009	45.586
Accounts receivables	82.560	85.577	81.076
Inventory	53.155	50.095	72.908
Financial investments	0	0	0
Fixed assets	136.104	148.254	162.154
Other non-current assets	93.597	97.933	84.718
Total assets	392.987	409.868	446.442
Short-term financial loans	61.506	56.265	60.676
Accounts payables	95.192	82.971	88.531
Long-term financial loans	75.681	98.963	95.461
Other long-term payables	28.394	27.144	31.331
Non-current liabilities	260.774	265.343	275.999
Shareholders' equity	132.212	144.525	170.443
Paid in Capital	440	351	3.509
Other Equity	131.772	144.174	166.934
Total liabilities & equity	392.987	409.868	446.442
Net debt	109.617	127.219	110.550
Net working capital	40.523	52.701	65.453

Per share (TL)

EPS	25,32	13,89	9,70
BVPS	37,68	41,19	48,57
DPS	9,24	8,41	1,71

Ratios

Profitability			
ROE	79,0%	35,2%	21,6%
Net margin	11,9%	6,5%	4,1%
Asset turnover	2,1x	1,9x	2,0x
Leverage	3,2x	2,9x	2,7x
ROA	25,1%	12,1%	7,9%

Leverage

Financial debt/Total assets	35%	38%	35%
Net debt/Equity	0,83	0,88	0,65
Net debt/EBITDA	1,42	2,54	2,19

Income statement	2023	2024	2025E
Revenues	745.936	746.300	837.470
Gross profit	100.051	68.490	66.257
Operating expenses	-33.688	-31.920	-32.648
Operating profit	66.363	36.570	33.609
EBITDA	77.346	50.006	50.547
Other income, net	13.349	-214	6.777
Financial income, net	1.107	2.130	-12.866
Earnings before taxes	85.890	46.418	39.558
Tax expense	2.947	2.328	-5.523
Net earnings	88.837	48.746	34.035

Cashflow statement

EBITDA	77.346	50.006	50.547
Taxes on EBIT	2.947	2.328	-5.523
Capital expenditures	-56.456	-50.169	-31.648
Chg. in NWC	11.191	12.178	18.593
Free cashflows to firm	12.646	-10.012	-5.218

Growth & margins

Revenues	28%	0%	12%
EBITDA	34%	-35%	1%
Net earnings	77%	-45%	-30%
Gross margin	13,4%	9,2%	7,9%
Operating margin	8,9%	4,9%	4,0%
EBITDA margin	10,4%	6,7%	6,0%
Net margin	11,9%	6,5%	4,1%
Free cashflow margin	1,7%	-1,3%	-0,6%

Valuation

P/E	3,9x	7,1x	10,2x
P/BV	2,6x	2,4x	2,0x
EV/EBITDA	5,6x	4,4x	3,6x

Source: Company Data, Tacirler Investment

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

Important Disclosures

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