

Karsan Automotive

We attended Karsan Automotive's analyst meeting, where updated information on its current operations and future strategies was shared. During the meeting, management reiterated that Karsan's growth strategy is centered around electric mobility solutions, autonomous technologies, and alternative fuel systems. Increasing demand in the electric public transportation segment, expansion into global markets particularly Europe and the scaling up of Karsan-branded products stand out as the key pillars of the company's long-term growth story.

Main Topics of the Meeting

- In the automotive sector, the transformation that accelerated in the post-pandemic period has increased the importance of electrification, autonomous driving, and software-driven mobility solutions, while Karsan aims to capture this shift through its "Electric Evolution" strategy. Management highlights that the company is focusing on three core technology areas: electric, hydrogen, and autonomous mobility. The electrification journey, which began in 2019, has been gaining momentum each year, while the autonomous mobility segment stands out as one of the areas with the highest long-term growth potential.
- The company's business model is built around two main segments:** expanding Karsan-branded electric vehicles in global markets and contract manufacturing for global OEMs. Production of the Megane Sedan for Renault stands out in this context, with 51k units produced in 2025 against a contract capacity of approximately 55k units. On the electric vehicle side, Karsan-branded products have delivered strong growth in recent years. Electric vehicle sales increased from just 66 units in 2019 to 624 units in 2025. The accelerating electrification of public transportation in Europe, increasing urbanization, and emission reduction policies are the key drivers supporting demand for electric public transport. The company has currently reached a fleet of 2,130 electric buses across 27 countries and 3 continents.
- Karsan is Turkey's leading exporter in electric public transportation to Europe,** accounting for approximately 81% of total exports, while Europe remains its core market and growth opportunities in North America and the Far East are also being evaluated. The company's share in the European electric bus market increased from 4.5% in 2024 to around 5% in 2025, making it the 7th largest player, while it maintains market leadership in Romania and ranks second in Italy and third in both Portugal and France.

KARSN

Share Data

Ticker:	KARSN TI
Share price (as of September 9, 2024)	9,85
Share price (52 week range)	8,7 / 12,6
Market cap. (TL mn - USD mn)	8865,0 - 201,0
# of shares outstanding (mn)	900
Free Float	39%

Avg. trading volume	1M	3M	12M
USD mn	5,4	3,7	4,5

Price performance	1M	3M	Y-t-D
TL	-10%	4%	7%
USD	-11%	0%	4%
Rel. to BIST-100	0%	-9%	-7%

TL mn	2023	2024	2025
Revenues	14.028	14.224	16.599
EBITDA	920	1.552	2.729
Net Earnings	728	73	179
Net Debt	5.028	6.290	7.235

Valuation	2023	2024	2025
P/E	993,4x	12,9x	15,5x
P/BV	6,1x	4,5x	2,9x
EV/EBITDA	21,3x	29,5x	26,6x
EV/Sales	3,79x	2,04x	1,34x



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- In Turkey, growth in the electric bus segment continues, with a total of 69 electric vehicles delivered to the municipalities of Kahramanmaraş, Mersin, and Gaziantep in 2025. The e-JEST and e-ATAK models continue to see strong demand within the company's core product lineup, while the e-JEST model maintains its strong position particularly in the electric minibus segment across Europe.
- **Autonomous mobility holds a key position in the company's long-term strategy.** Having completed a total of 7 autonomous projects over the past three years, the company secured 9 new projects in 2025 alone. It was highlighted that autonomous vehicle technology is expected to drive a significant transformation, particularly in public transportation, and that autonomous vehicles to be delivered to the U.S. will provide service during the 2026 World Cup.
- On the hydrogen-powered vehicle side, the company announced that the first two hydrogen fuel cell buses developed in collaboration with Toyota have been sold. While hydrogen technology is still at an early stage due to high costs, it is considered a promising alternative technology in the long term.
- **On the financial performance side, the company largely achieved its 2025 targets,** delivering EUR330mn in revenue, EUR220mn in electric vehicle revenue, and EUR54mn EBITDA, in line with its initial guidance of EUR330–360mn, EUR200–250mn, and EUR50–55mn, respectively, while electric vehicle sales reached 624 units with nearly half realized in the final quarter. On a TL basis, revenue increased by 17% YoY to TL16.6bn, EBITDA rose by 76% to TL2.7bn, and net income came in at TL179mn, while on a EUR basis, revenue grew by 12% and EBITDA by 68%, with the EBITDA margin improving from 10.9% in 2024 to 16.4% in 2025.
- **Karsan-branded products are increasingly contributing to the company's revenue and profitability structure.** In 2025, 79% of total revenue and 85% of EBITDA were generated from Karsan-branded products, indicating that profitability is likely to improve further as scale increases in this segment.
- On the leverage side, the company's financial debt stands at TL8.8bn. Net debt/EBITDA declined from 3.73x in 2024 to 2.51x by the end of 2025, and stands at 2.65x when including investment loans used within the scope of partnerships. Of the total debt, 37% is denominated in EUR and 63% in TL, with approximately 83% of the debt being short-term. Management aims to shift towards a longer-term funding structure in 2026.
- **The increase in capacity utilization also supports operational growth,** rising from 69% in 2023 to 75% in 2024 and reaching 93% in 2025, driven by the contribution of Renault Megane production.
- **Looking at 2026 expectations,** the company targets EUR350–375mn in revenue, EUR250–275mn in electric vehicle revenue, and EUR60–65mn EBITDA, while electric vehicle sales are planned to reach 700 units. It was noted that there are already 450 firm orders for 2026, and growth in the European market along with autonomous projects to be launched in the U.S. are expected to support these targets.

Karsan Summary Tables

Balance Sheet	2023	2024	2025
Cash	2.165	1.542	1.526
Accounts receivables	4.022	5.984	5.408
Inventory	2.373	1.886	2.957
Other current assets	1.865	592	1.442
Current assets	10.424	10.004	11.333
Financial investments	462	68	71
Net fixed assets	5.108	5.366	5.280
Intangible assets	2.965	3.456	3.738
Other non-current assets	1.764	901	367
Non-current assets	10.298	9.790	9.456
Total assets	20.722	19.794	20.789
Short-term financial loans	5.756	5.945	7.300
Accounts payables	3.355	2.929	2.646
Other short-term payables	2.056	1.279	1.357
Current liabilities	11.167	10.153	11.302
Long-term financial loans	1.438	1.887	1.462
Other long-term payables	1.271	568	792
Non-current liabilities	2.708	2.455	2.253
Shareholders' equity	6.847	7.186	7.233
Parent company	6.784	7.186	7.233
Minorities	63	0	0
Total liabilities & equity	20.722	19.794	20.789
Net debt	5.028	6.290	7.235
Net working capital	2.848	4.254	5.804
Net working capital (Operating)	3.039	4.941	5.719
Invested Capital	10.921	13.076	14.822
Ratios			
Profitability			
ROE	9,7%	1,0%	2,5%
Net margin	5,2%	0,5%	1,1%
Asset turnover	0,6x	0,7x	0,8x
Leverage	3,2x	2,9x	2,8x
ROA	3,1%	0,4%	0,9%
ROIC	1,1%	5,6%	11,2%
Leverage			
Financial debt/Total assets	35%	40%	42%
Net debt/Equity	0,73	0,88	1,00
Net debt/EBITDA	5,46	4,05	2,65

Income statement	2023	2024	2025
Revenues	14.028	14.224	16.599
Gross profit	2.413	2.854	4.600
Operating expenses	2.203	2.017	2.639
Operating profit	210	837	1.960
EBITDA	920	1.552	2.729
Other income, net	1.814	481	764
Financial income, net	-2.531	-935	-2.331
Earnings before taxes	-506	386	401
Tax expense	-1.202	284	222
Net earnings - Parent	728	73	179
Cashflow statement			
EBITDA	920	1.552	2.729
Taxes on EBIT	500	615	1.084
Capital expenditures	200	0	0
Chg. in NWC	-4.897	1.406	1.550
Free cashflows to firm	5.118	-470	95
Growth & margins			
Revenues	41%	1%	17%
EBITDA	73%	69%	76%
Net earnings	-287%	-90%	147%
Gross margin	17,2%	20,1%	27,7%
Operating margin	1,5%	5,9%	11,8%
EBITDA margin	6,6%	10,9%	16,4%
Net margin	5,2%	0,5%	1,1%
Free cashflow margin	5,2%	0,5%	1,1%
Per share (TL)			
EPS	0,81	0,08	0,20
BVPS	7,61	7,98	8,04
DPS	0,00	0,00	0,00
Valuation			
P/E	993,4x	12,9x	15,5x
P/BV	6,13x	4,48x	2,90x
EV/EBITDA	21,3x	29,5x	26,6x
EV/Sales	3,79x	2,04x	1,34x

Source: Bloomberg, Tacirler Investment

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

Important Disclosures

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