

## Turk Traktor

**Weak demand conditions and ongoing cost pressures continue to constrain profitability.**

**We evaluate Turk Traktor's 1Q26 financial results as negative, driven by a net loss close to market expectations but above our estimate, a sharp contraction in the domestic market, and continued weakness in operational profitability. The company reported a net loss of TL 1,276mn in 1Q26, compared to our estimate of TL 654mn and the market median expectation of TL 1,190mn loss. While net sales and operational performance were broadly in line with our expectations, they continued to show a weak trend on a YoY basis. Following the 1Q26 results, we revise our 12-month target price for TTRAK to TL 595 from TL 680, factoring in weak domestic demand, pressure on operational margins, and downward revisions to 2026 expectations, and we maintain our Hold recommendation given the limited upside potential.**

**Domestic market contraction stands out.** In 1Q26, net sales declined by 40% YoY to TL 10.1bn. Domestic revenues decreased by 58% YoY to TL 7.3bn, while international revenues increased by 26% YoY to TL 4.8bn, supported by a recovery in export volumes. Total tractor sales volumes fell by 42% YoY to 4,471 units, mainly driven by a 68% decline in domestic tractor sales to 1,637 units and a 52% decline in domestic imported tractor sales to 34 units. On the export side, volumes increased by 14% YoY to 2,800 units, showing relatively resilient performance. However, the recovery in exports remained insufficient to offset the pressure from the sharp contraction in the domestic market on revenues and profitability.

**Pressure on operational margins continued.** Gross profit declined by 68% YoY to TL 663mn due to weak volumes and limited pricing, while the gross margin fell by 6pp to 6.6%. EBITDA remained quite limited at TL 26mn, with the EBITDA margin declining by 7.5pp YoY to 0.3%. While the weak operational profitability trend persisted, higher financial expenses continued to weigh on the net loss.

**Management revised down its 2026 guidance to reflect the slowdown in the domestic market.** The expected size of the Turkish tractor market was lowered to 20,000–26,000 units from 27,000–33,000 units, while the domestic tractor sales forecast was reduced to 8,000–10,000 units from 11,500–14,500 units. The export tractor sales outlook was maintained at 11,000–13,500 units, while the capex expectation was revised down to USD 60–70mn from USD 75–100mn. In line with the updated outlook, we revise our 2026 estimates to 9,000 units for domestic sales and 12,400 units for exports, implying total tractor sales of 21,400 units.

### TTRAK

**HOLD**

Target Price

TL 595

Return potential

34%

#### Share Data

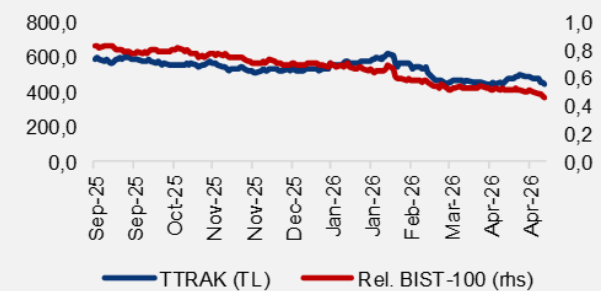
Ticker:	TTRAK TI
Share price (as of 30.04.2026)	444,00
Share price (52 week range)	440 / 646
Market cap. (TL mn - USD mn)	44.430 - 988
# of shares (mn) & free float	100 - 24%
Foreign Ownership Rate	22.36%
Market	Star
Industry	Automotive

Avg. trading volume	1M	3M	12M
USD mn	1,8	3,3	2,8

<b>Price performance</b>	<b>1M</b>	<b>3M</b>	<b>Y-t-D</b>
TL	0%	-25%	-15%
USD	-1%	-28%	-19%
Rel. to BIST-100	-13%	-28%	-33%

<b>Forecasts (TL mn)</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>
Revenues	96.459	59.243	55.077
EBITDA	14.141	5.453	3.858
Net Earnings	8.268	500	-882

<b>Valuation</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>
P/E	5,4x	88,8x	n.m.
P/BV	1,8x	2,4x	2,5x
EV/EBITDA	3,8x	9,8x	13,9x



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## Financial Statements

Balance Sheet	2024	2025	2026E
Cash	9.498	7.382	6.730
Accounts receivables	6.238	4.203	4.828
Inventory	14.034	10.394	12.160
Financial investments	43	77	84
Fixed assets	17.386	18.240	19.479
Other non-current assets	4.558	3.285	4.062
<b>Total assets</b>	<b>51.756</b>	<b>43.581</b>	<b>47.344</b>
Short-term financial loans	11.167	13.935	15.723
Accounts payables	10.633	5.297	9.033
Long-term financial loans	2.937	3.146	1.514
Other long-term payables	2.581	2.810	3.590
<b>Non-current liabilities</b>	<b>27.317</b>	<b>25.188</b>	<b>29.860</b>
<b>Shareholders' equity</b>	<b>24.439</b>	<b>18.392</b>	<b>17.484</b>
Paid in Capital	110	100	100
Other Equity	24.329	18.292	17.384
<b>Total liabilities &amp; equity</b>	<b>51.756</b>	<b>43.581</b>	<b>47.344</b>
Net debt	4.606	9.698	10.506
Net working capital	9.640	9.300	7.955

## Per share (TL)

EPS	82,63	5,00	-8,82
BVPS	244,23	183,80	174,73
DPS	153,92	63,43	0,00

## Ratios

Profitability			
ROE	29,3%	2,3%	-4,9%
Net margin	8,6%	0,8%	-1,6%
Asset turnover	1,6x	1,2x	1,2x
Leverage	2,1x	2,2x	2,5x
ROA	13,9%	1,0%	-1,9%

## Leverage

Financial debt/Total assets	27%	39%	36%
Net debt/Equity	0,19	0,53	0,60
Net debt/EBITDA	0,33	1,78	2,72

Income statement	2024	2025	2026E
<b>Revenues</b>	<b>96.459</b>	<b>59.243</b>	<b>55.077</b>
Gross profit	18.608	8.146	6.521
Operating expenses	-7.140	-5.856	-5.931
Operating profit	11.468	2.290	590
<b>EBITDA</b>	<b>14.141</b>	<b>5.453</b>	<b>3.858</b>
Other income, net	-480	42	-13
Financial income, net	485	-1.246	-1.392
Earnings before taxes	11.488	1.106	-788
Tax expense	-3.220	-606	-95
<b>Net earnings</b>	<b>8.268</b>	<b>500</b>	<b>-882</b>

## Cashflow statement

EBITDA	14.141	5.453	3.858
Taxes on EBIT	-5.813	-3.220	-606
Capital expenditures	-3.553	-5.453	-3.809
Chg. in NWC	1.353	4.791	-340

## Growth &amp; margins

Revenues	-21%	-39%	-7%
EBITDA	-48%	-61%	-29%
Net earnings	-57%	-94%	-276%
Gross margin	19,3%	13,7%	11,8%
Operating margin	11,9%	3,9%	1,1%
EBITDA margin	14,7%	9,2%	7,0%
Net margin	8,6%	0,8%	-1,6%
Free cashflow margin	0,0%	0,0%	0,0%

## Valuation

P/E	5,4x	88,8x	n.m.
P/BV	1,8x	2,4x	2,5x
EV/EBITDA	3,8x	9,8x	13,9x

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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