

Turk Traktor

TTRAK 3Q26 results indicate that weak domestic demand continues to weigh on financial performance despite better-than-expected operational profitability and a narrower net loss. The company reported TL83mn net loss, below our estimate of TL256mn and the market expectation of TL175mn net loss. Revenues declined by 20% YoY to TL11.7bn, while EBITDA of TL935mn exceeded our estimate by 25% and the market expectation by 31%. The QoQ improvement in margins, positive free cash flow and maintained year-end guidance suggest that there has been no further deterioration in the company's already challenging outlook. However, we believe these developments are not yet sufficient to signal a sustainable recovery. In our updated forecasts, we consider 2027 a stabilization year and 2028 a recovery year, while our expectation that profitability normalization will take time is the main driver of our target price revision. Accordingly, we lower our 12-month target price from TL570 to TL530 per share and reiterate our HOLD recommendation.

Despite the improvement in operational margins, YoY profitability remains under pressure. In 3Q26, revenues declined by 14% QoQ, while EBITDA increased by 56% to TL935mn. The improvement in the EBITDA margin from 4.4% to 8.0% is positive, indicating stronger operational profitability despite lower revenues. However, the 54% YoY decline in EBITDA and the margin remaining 6.1pp below the same period of last year highlight the continued impact of weak sales volumes.

Improved cash generation and maintained guidance support the outlook. Despite the net loss, positive free cash flow and lower working capital requirements contributed to a decline in net debt to TL7.9bn. While we view this improvement positively, we believe stronger operating earnings are necessary for a sustainable easing of balance sheet pressures. The company maintained its 2026 guidance of 21–26k units for the total tractor market, 8.5–10k units for domestic sales, 11–13.5k units for exports and USD60–70mn in capex.

We expect stabilization in 2027, followed by a more pronounced recovery in 2028. In our updated forecasts, we expect the company to end 2026 with TL49.8bn in revenues, TL2bn in EBITDA and TL912mn net loss. For 2027, we forecast TL60.3bn in revenues, TL4.5bn in EBITDA and TL257mn net profit. Despite the EBITDA margin improving from 4% to 7.5%, the net profit margin remaining limited at around 0.4% indicates that the anticipated stabilization will translate into profitability gradually. We expect a more pronounced recovery in 2028, supported primarily by easing financing conditions, improving agricultural incomes and the realization of deferred replacement demand.

TTRAK

HOLD

Target Price
Return potential

TL 530
55%

Share Data

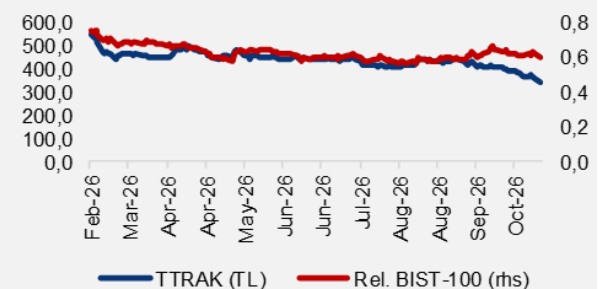
Ticker:	TTRAK TI
Share price (as of 26.10.2026)	342,00
Share price (52 week range)	342 / 619
Market cap. (TL mn - USD mn)	34.223 - 689
# of shares (mn) & free float	100 - 24%
Foreign Ownership Rate	22.86%
Market	Star
Industry	Automotive

Avg. trading volume	1M	3M	12M
USD mn	0,8	1,0	1,7

Price performance	1M	3M	Y-t-D
TL	-16%	-17%	-34%
USD	-17%	-21%	-43%
Rel. to BIST-100	-3%	4%	-34%

Forecasts (TL mn)	2024	2025	2026E
Revenues	108.974	66.929	49.781
EBITDA	15.976	6.161	2.047
Net Earnings	9.341	565	-912

Valuation	2024	2025	2026E
P/E	3,7x	60,5x	n.m.
P/BV	1,2x	1,6x	1,7x
EV/EBITDA	2,6x	6,8x	20,5x



Oğuzhan Kaymak
+90 212 355 2604

oguzhan.kaymak@tacirler.com.tr

Financial Statements

Balance Sheet	2024	2025	2026E
Cash	10.730	8.340	5.817
Accounts receivables	7.048	4.748	3.827
Inventory	15.855	11.743	10.731
Financial investments	48	87	95
Fixed assets	19.641	20.607	20.166
Other non-current assets	5.149	3.711	3.477
Total assets	58.471	49.236	44.114
Short-term financial loans	12.616	15.743	11.959
Accounts payables	12.012	5.985	7.998
Long-term financial loans	3.318	3.554	1.358
Other long-term payables	2.916	3.175	2.981
Non-current liabilities	30.862	28.457	24.296
Shareholders' equity	27.610	20.779	19.818
Paid in Capital	124	100	100
Other Equity	27.485	20.679	19.718
Total liabilities & equity	58.471	49.236	44.114
Net debt	5.204	10.957	7.500
Net working capital	10.890	10.506	6.560
Per share (TL)			
EPS	93,35	5,65	-9,12
BVPS	275,91	207,65	198,05
DPS	173,89	71,66	0,00
Ratios			
Profitability			
ROE	29,3%	2,3%	-4,5%
Net margin	8,6%	0,8%	-1,8%
Asset turnover	1,6x	1,2x	1,1x
Leverage	2,1x	2,2x	2,3x
ROA	13,9%	1,0%	-2,0%
Leverage			
Financial debt/Total assets	27%	39%	30%
Net debt/Equity	0,19	0,53	0,38
Net debt/EBITDA	0,33	1,78	3,66

Income statement	2024	2025	2026E
Revenues	108.974	66.929	49.781
Gross profit	21.022	9.202	4.591
Operating expenses	-8.066	-6.616	-5.940
Operating profit	12.955	2.587	-1.349
EBITDA	15.976	6.161	2.047
Other income, net	-543	47	389
Financial income, net	548	-1.408	-986
Earnings before taxes	12.979	1.250	-1.935
Tax expense	-3.638	-684	1.022
Net earnings	9.341	565	-912

Cashflow statement	2024	2025	2026E
EBITDA	15.976	6.161	2.047
Taxes on EBIT	-6.567	-3.638	-684
Capital expenditures	-4.015	-6.161	-4.303
Chg. in NWC	1.529	5.413	-384

Growth & margins	2024	2025	2026E
Revenues	-21%	-39%	-26%
EBITDA	-48%	-61%	-67%
Net earnings	-57%	-94%	-261%
Gross margin	19,3%	13,7%	9,2%
Operating margin	11,9%	3,9%	-2,7%
EBITDA margin	14,7%	9,2%	4,1%
Net margin	8,6%	0,8%	-1,8%
Free cashflow margin	0,0%	0,0%	0,0%

Valuation	2024	2025	2026E
P/E	3,7x	60,5x	n.m.
P/BV	1,2x	1,6x	1,7x
EV/EBITDA	2,6x	6,8x	20,5x

Source: Company Data, Tacirler Investment

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

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

Important Disclosures

Disclaimer

This document was produced by Tacirler Yatırım Menkul Değerler A.Ş. ("Tacirler Investment"), solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient.

This document does not constitute an offer of, or an invitation by or on behalf of Tacirler Investment to any person to buy or sell any security. The information contained herein has been obtained from published information and other sources which Tacirler Investment considers to be reliable. Tacirler Investment does not accept any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document.

Recipients of this document are urged to base their investment decisions upon their own appropriate investigations that they deem necessary and they should make their own independent decisions as to whether an investment or instrument is proper or appropriate based on their own individual judgment and their risk-tolerance. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and Tacirler Investment accepts no liability for any such loss or consequence. Not all investment strategies are appropriate at all times, and past performance is not necessarily a guide to future performance.

Tacirler Investment may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or their derivative securities thereon either on their own account or on behalf of their clients.

Tacirler Investment may perform or seek to perform securities, investment banking or other services for such issuer or its affiliates presented in this document.