

Turk Tractor

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

Turk Tractor reported its 4Q25 financial results with a net loss of TL 502mn, significantly below market expectations, and we view the results as negative. The market consensus had pointed to a net profit of TL 4mn, while our house estimate was a net profit of TL 201mn. In an environment where weak demand conditions and cost pressures continue to weigh on profitability, we revise our forecasts in line with updated expectations. We maintain our 12-month target price of TL 680 per share and reiterate our HOLD recommendation. The company had reported a net profit of TL 413mn in the same period last year and TL 296mn in the previous quarter. The net loss was mainly driven by weaker operational profitability and higher tax expenses.

In 4Q25, Turk Tractor generated net sales revenue of TL 12,909mn, with sales declining by 31% YoY while increasing by 10% QoQ. Net sales came in broadly in line with both market and our estimates, although weak domestic demand and limited pricing power continued to weigh on revenue performance on an annual basis. The company reported EBITDA of TL 743mn in 4Q25, coming in around 20% below market expectations. The EBITDA margin stood at 5.8%, declining by 4.2 pp YoY and 8.3 pp QoQ. Low-capacity utilization, the impact of fixed costs, and elevated raw material costs continued to exert pressure on operational margins.

Looking at full-year 2025, net sales declined by 38.6% YoY to TL 53.8bn, while EBITDA amounted to TL 5.0bn. Net profit came in at TL 455mn, marking a sharp decline of close to 94% compared to the previous year. This performance indicates that the margin normalization process continued throughout 2025, amid demand contraction and persistent cost pressures.

The contraction in both production and sales became more pronounced. In 2025, total tractor production declined by 41% YoY to 25,833 units, while total tractor sales amounted to 27,023 units. Domestic locally produced tractor sales fell by 50% YoY, domestic imported tractor sales declined by 44% YoY, and export volumes decreased by 12% YoY. Although exports proved relatively more resilient compared to the domestic market, the overall volume contraction continued to weigh on performance.

No meaningful recovery is anticipated in the 2026 outlook. Management guides for a Turkish tractor market size of 27,000–33,000 units, with domestic sales of 11,500–14,500 units and export sales of 11,000–13,500 units. Capex is planned at USD 75–100mn, while no dividend distribution is expected from 2025 earnings.

TTRAK

HOLD

Target Price

TL 680

Return potential

21%

Share Data

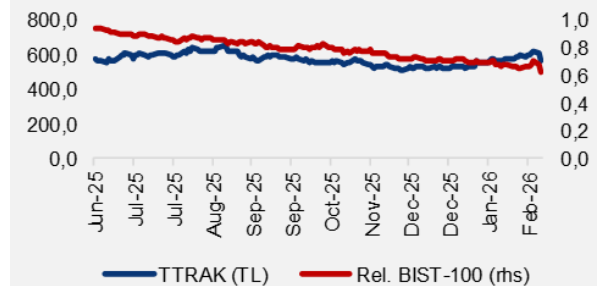
Ticker:	TTRAK TI
Share price (as of 10.02.2026)	561,00
Share price (52 week range)	512 / 805
Market cap. (TL mn - USD mn)	56.138 - 1.289
# of shares (mn) & free float	100 - 24%
Foreign Ownership Rate	26.85%
Market	Star
Industry	Automotive

Avg. trading volume	1M	3M	12M
USD mn	4,5	2,9	3,0

Price performance	1M	3M	Y-t-D
TL	2%	3%	8%
USD	1%	-1%	6%
Rel. to BIST-100	-10%	-20%	-12%

Forecasts (TL mn)	2024	2025	2026E
Revenues	87.658	53.837	57.394
EBITDA	12.851	4.956	5.668
Net Earnings	7.514	455	1.546

Valuation	2024	2025	2026E
P/E	7,5x	123,4x	36,3x
P/BV	2,5x	3,4x	3,1x
EV/EBITDA	5,4x	14,0x	12,3x



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Financial Statements

Balance Sheet	2024	2025	2026E	Income statement	2024	2025	2026E
Cash	8.631	6.709	8.860	Revenues	87.658	53.837	57.394
Accounts receivables	5.669	3.819	3.914	Gross profit	16.910	7.402	8.210
Inventory	12.754	9.446	8.658	Operating expenses	-6.489	-5.322	-5.563
Financial investments	39	70	77	Operating profit	10.421	2.081	2.647
Fixed assets	15.799	16.576	18.657	EBITDA	12.851	4.956	5.668
Other non-current assets	4.142	2.985	3.284	Other income, net	-436	38	-322
Total assets	47.034	39.606	43.449	Financial income, net	441	-1.132	-446
Short-term financial loans	10.148	12.664	13.178	Earnings before taxes	10.440	1.005	1.912
Accounts payables	9.662	4.814	5.436	Tax expense	-2.926	-551	-366
Long-term financial loans	2.669	2.859	3.995	Net earnings	7.514	455	1.546
Other long-term payables	2.345	2.554	2.580				
Non-current liabilities	24.825	22.891	25.189	Cashflow statement			
Shareholders' equity	22.209	16.715	18.260	EBITDA	12.851	4.956	5.668
Paid in Capital	100	100	100	Taxes on EBIT	-5.283	-2.926	-551
Other Equity	22.109	16.615	18.160	Capital expenditures	-3.229	-4.956	-3.461
Total liabilities & equity	47.034	39.606	43.449	Chg. in NWC	1.230	4.354	-309
Net debt	4.186	8.814	8.314				
Net working capital	8.760	8.451	7.136				
				Growth & margins			
Per share (TL)				Revenues	-21%	-39%	7%
EPS	75,09	4,55	15,45	EBITDA	-48%	-61%	14%
BVPS	221,94	167,04	182,48	Net earnings	-57%	-94%	240%
DPS	139,88	57,64	0,00				
				Gross margin	19,3%	13,7%	14,3%
Ratios				Operating margin	11,9%	3,9%	4,6%
Profitability				EBITDA margin	14,7%	9,2%	9,9%
ROE	29,3%	2,3%	8,8%	Net margin	8,6%	0,8%	2,7%
Net margin	8,6%	0,8%	2,7%	Free cashflow margin	0,0%	0,0%	0,0%
Asset turnover	1,6x	1,2x	1,4x				
Leverage	2,1x	2,2x	2,4x	Valuation			
ROA	13,9%	1,0%	3,7%	P/E	7,5x	123,4x	36,3x
				P/BV	2,5x	3,4x	3,1x
Leverage				EV/EBITDA	5,4x	14,0x	12,3x
Financial debt/Total assets	27%	39%	40%				
Net debt/Equity	0,19	0,53	0,46				
Net debt/EBITDA	0,33	1,78	1,47				

Source: Company Data, Tacirler Investment

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

Important Disclosures

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