

Ford Otosan

Net profit exceeded expectations in 3Q25...

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According to inflation-adjusted financials (IAS-29), Ford Otosan (FROTO.TI; OP) reported a net profit of TRY 8,401mn in 3Q25, which was 9.5% above our estimate of TRY 7,672mn and 9% above the market consensus of TRY 7,708mn, representing a 26.4% YoY decline (3Q24: TRY 11,413mn)

- The limited decline in OpEx supported operational profitability, while nearly 50% YoY drop in net financial expenses (3Q24: TRY -6,805mn; 3Q25: TRY -3,436mn) thanks to higher FX gains and lower interest expenses also contributed positively to the bottom line.
- A significant increase in tax expenses, a lower net monetary gain compared to last year (3Q24: TRY 7,104mn; 3Q25: TRY 2,989mn), and declining gross profitability due to cost pressures and a competitive pricing environment were the main factors behind the 26.4% YoY contraction in net profit.

Ford Otosan's total sales volume rose by 5% YoY to 168,998 units in 3Q25 (3Q24: 161,290 units). Driven by front-loaded demand due to SCT hike, and aggressive sales campaigns amid price competition, domestic sales increased by 15% YoY to 29,685 units (3Q24: 25,789). Domestic sales revenue rose 1% YoY to TRY 39,944mn (3Q24: TRY 39,418mn), reflecting the competitive pricing landscape and product mix. Meanwhile, export volumes increased by 3% YoY to 139,313 units (3Q24: 135,501), though export revenues remained flat at TRY 149,640mn (3Q24: TRY 149,500mn) due to weak demand in Europe. Overall, the Company delivered TRY 189,584mn in total sales revenue in 3Q25 (3Q24: TRY 188,918mn), broadly in line with both our forecast of TRY 184,233mn and the market consensus of TRY 185,258mn.

Ford Otosan reported EBITDA of TRY 11,730mn in 3Q25, marking a 9.5% YoY decline, broadly in line with our estimate of TRY 11,491mn and the market consensus of TRY 11,509mn. EBITDA margin decreased by 0.7pp YoY to 6.2% in 3Q25. Gross profit declined 13% YoY, with the gross margin contracting by 1.3pp to 4%, pressured by a higher share of EV production, FX-driven cost increases in imported models, competitive pricing, and rising CoGS. Adjusted EBITDA stood at TRY 13,306mn, representing a 4% YoY decline (Şeker: TRY 12,680mn; Consensus: TRY 12,857mn), with an adjusted EBITDA margin of 7.0% (down 0.3pp YoY).

2025 expectations: Ford Otosan revised up its domestic retail market expectation to be in the range of 1.3mn - 1.4mn units (Previous: 1,050k - 1,150k units). Ford Otosan's domestic retail volume expectation is in the range of 110k - 120k units (Previous: 90k-100k units). Due to weakening European demand driven by macroeconomic headwinds, the company lowered its export and production volume forecasts. The company expects total export volumes to be in the range of 590k - 640k units (Previous: 610k-640k units) (Romania: 200k - 220k units, Türkiye: 390k - 420k units (Previous: 410k-440k units)). The total sales volume expectation is maintained at 700k - 760k units. Ford Otosan's total production volume forecast for 2025 is 680k - 730k units (Previous: 700k-750k units) (Romania: 240k - 260k units, Türkiye: 440k - 470k units (Previous: 460k-490k units)). The 2025 CapEx target is EUR 450 - 550mn (Previous: EUR 750-850mn) (General investments: EUR 130 - 150mn and Product investments: EUR 320 - 400mn). Ford Otosan also expects sales revenue to grow in the high single-digit range in 2025, while the EBITDA margin is expected to be between 7% - 8%.

“OUTPERFORM”

TP: TRY 143.00

Previous: TRY 143.00

Upside Potential: 44%

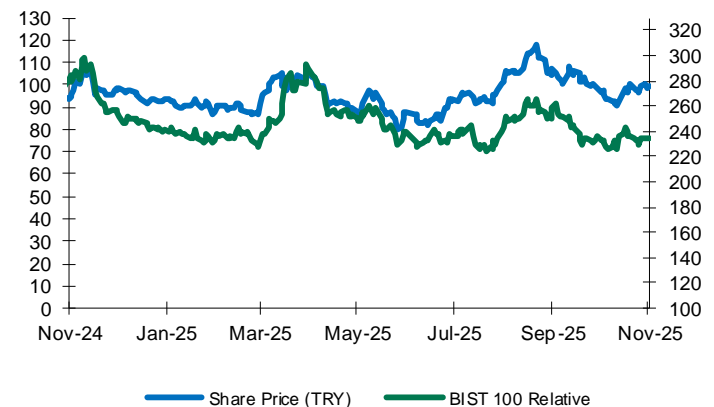
	TRY	US\$
Close	99,30	2,36
BIST 100	10.970	261
US\$/TRY (CB Bid Rate):	42,01	
52 Week High:	118,30	3,16
52 Week Low:	80,15	2,05
Bloomberg/Reuters Ticker:	FROTO.TI / FROTO.IS	

Number of Shares (Mn):	3.509	
	(TRY Mn)	(US\$ Mn)
Current Mcap :	348.454	8.295
Free Float Mcap:	62.722	1.492

	1 M	YOY	YTD
TRY Return (%):	0,5	4,9	7,7
US\$ Return (%):	-0,6	-14,4	-9,6
BIST 100 Relative (%):	-0,5	-17,6	-3,4
Avg. Daily Vol. (TL Mn):	1.269,4		
Avg. Daily Vol. (US\$ Mn):	33,2		

Beta (2 years, daily)	0,97
Volatility (Stock)	0,33
Volatility (BIST 100)	0,25

Shareholder Structure	%
Koc Holding	38,7
Ford Deutschland Holding GmbH	41,0
Free Float	17,9
Others	2,4
Total	100,0



Given that 3Q25 financial results were broadly in line with expectations, with the 9% above earnings beat, we expect a slightly positive short-term market reaction, yet remain cautious on export volumes amid European macro headwinds. We maintain our target price of **TRY 143.00**, and our “**OUTPERFORM**” recommendation, implying a 44% upside potential. We still appreciate its export structure; however, we note that macroeconomic challenges in Europe could continue to weigh on export volumes in line with guidance. We anticipate positive product mix and pricing discipline to contribute to both sales volume and profitability.

Table 1: High Level P&L

TRY Million	9M24	9M25	YoY	3Q24	3Q25	YoY
Revenues	539.396	582.361	8,0%	188.918	189.584	0,4%
Gross Profit	53.670	48.750	-9,2%	17.898	15.634	-12,7%
<i>Gross Profit Margin</i>	<i>10,0%</i>	<i>8,4%</i>		<i>9,5%</i>	<i>8,2%</i>	
EBIT	29.130	24.357	-16,4%	9.424	7.590	-19,5%
<i>EBIT Margin</i>	<i>5,4%</i>	<i>4,2%</i>		<i>5,0%</i>	<i>4,0%</i>	
EBITDA	39.091	36.740	-6,0%	12.955	11.730	-9,5%
<i>EBITDA Margin</i>	<i>7,2%</i>	<i>6,3%</i>		<i>6,9%</i>	<i>6,2%</i>	
Net Profit	34.211	22.364	-34,6%	11.413	8.401	-26,4%
<i>Net Profit Margin</i>	<i>6,3%</i>	<i>3,8%</i>		<i>6,0%</i>	<i>4,4%</i>	

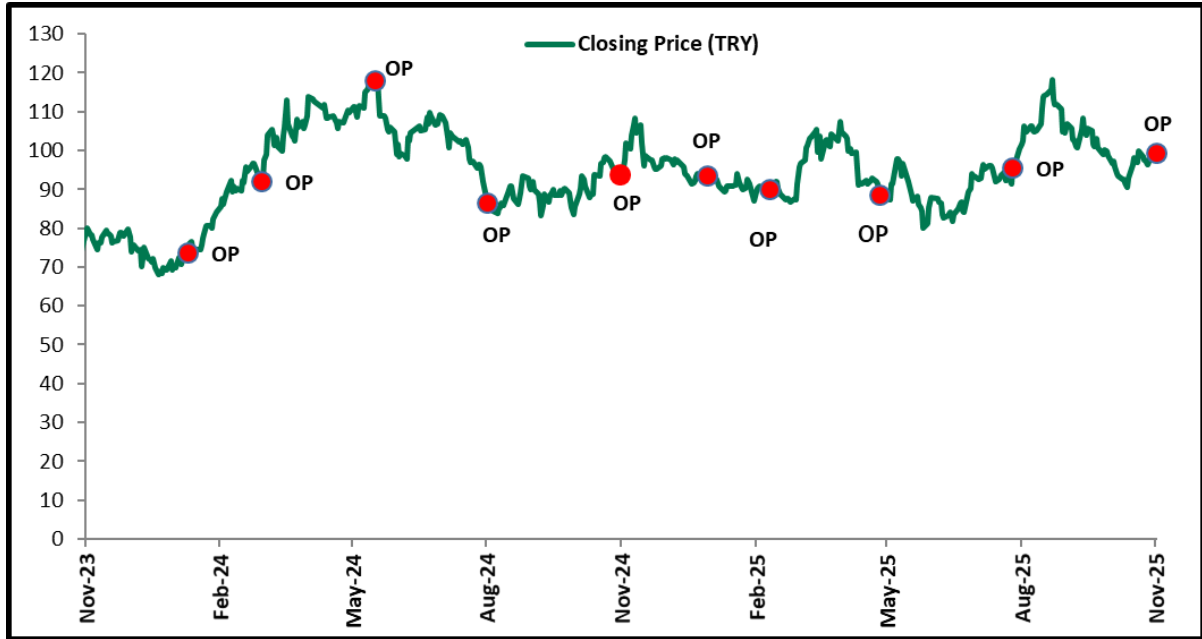
Source: Ford Otosan, Seker Invest - Research, Finnet, Audit Reports

Table 2: Summary Financial Statements

TRY mn	Inc. IAS-29		
	12M24	9M25	YoY %
Current Assets	193.122	210.050	8,8%
Property, Plant, and Equipment, Net	122.021	127.893	4,8%
Total Assets	409.868	428.410	4,5%
Current Liabilities	154.782	161.817	4,5%
Total Liabilities	265.343	269.638	1,6%
Shareholders' Equity	144.525	158.772	9,9%

Source: Ford Otosan, Seker Invest - Research, Finnet, Audit Reports

Historical recommendations and target prices



Date	Recommendation	Target Price (TRY)
16-Jan-24	Outperform (OP)	115,40
6-Mar-24	Outperform (OP)	132,00
22-May-24	Outperform (OP)	132,00
7-Aug-24	Outperform (OP)	132,00
6-Nov-24	Outperform (OP)	132,00
7-Jan-25	Outperform (OP)	149,10
17-Feb-25	Outperform (OP)	149,10
30-Apr-25	Outperform (OP)	143,00
31-Jul-25	Outperform (OP)	143,00
6-Nov-25	Outperform (OP)	143,00

Basis for 12m equity ratings

Outperform:	The total return is expected to exceed the return of the BIST100 by more than 10%.
Underperform:	The total return is expected to fall below the return of the BIST100 by more than 10%.
Market Perform:	The total return is expected to be in line with the return of the BIST100.

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