

# Tofas Fabrika

13/02/2025

## Review of 4Q24 Financials

**BUY**

**Upside Potential 101%**

### Actual vs Estimates

Weaker than expected 4Q24 results. On the contrary to net income expectations (Is Inv: TL785mn; Consensus: TL511mn), Tofas Fabrika reported net losses of TL121mn in 4Q24 compared to net profit of TL7.44bn in 4Q23. Worse than expected operating profit margins seem to be the primary reason behind deviation in our net income estimate. In-line with the market call of TL28.47bn but above our call of TL25.26bn, the Company generated TL27.73bn revenues in 4Q24, down by 45% YoY. Much lower than expectations (Is Inv: TL865mn; Consensus: TL547mn), EBITDA was realized at TL215mn in 4Q24, down by 97% YoY. For the full year of 2024, Tofas Fabrika posted net income of TL5.22bn, down by 76% YoY, EBITDA of TL9.28bn, down by 67% YoY and turnover of TL120bn, down by 35% YoY.

### Highlights of the Quarter

Top-line decline on lower sales volumes. Tofas' revenues contracted by 45% YoY in 4Q24 due to a 44% decline in sales volume mainly driven by phase in / phase-out of production models. The share of exports in total turnover fell to 14% in 4Q24 from 19% in 4Q23. The domestic market share of Tofas fell to 11.6% in 2024, down by 4.6ppt YoY, due to high competition with increasing share of imports, lack of revision in SCT (special consumption tax) brackets and discontinuation of MCV (Fiorino) production in 2024.

Poor margins. The company's gross margin fell remarkably by 11.3ppt to 5.9% in 4Q24 on the back intense competition in domestic market, poor CUR and negative impact of inflation accounting. Op-ex/sales rose to 9.7% in 4Q24 from 6.0% in 4Q23. EBITDA was realized at TL215mn in 4Q24, down by 97% YoY, registering a margin of 0.8% in 4Q24, down by 13.3ppt YoY.

Net cash position of TL18.8bn as of 2023-end turned to net debt position of TL8.1bn as of 2024-end on the back weak operating performance, capex of €138mn and worsening in WCR.

### Impact on Valuation & Outlook

Tofas Management expects domestic LV market to be in the range of 0.9mn and 1.1mn (Is Inv: 1.1mn) in 2025. The Company targets domestic retail sales of 110K-130K units (Is Inv: 133K) and export volume of 70K-90K units (Is Inv: 79K). Total sales volume guidance of 180K-220K units for 2025 implies 4% to 27% growth over 2024. Total production volume is guided as 150K-170K units implying CUR of 38%-43% in 2025 up from 35% in 2024. The Company budgets €150mn capex for 2025. Please recall that the Company had announced a total capex of €232mn for K0 project, €105mn of which was realized in 2024. Tofas guides PBT margin above 5% (Is Inv: 6.8%) for 2025 compared to 4.1% in 2024.

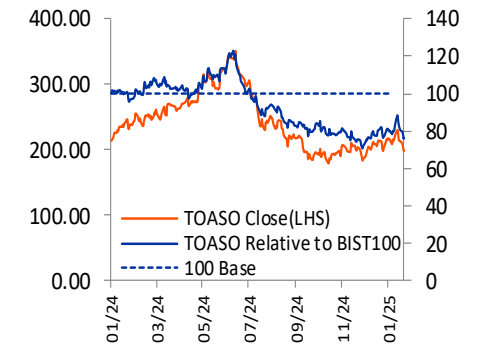
We believe the weak 4Q24 results have been reflected in the stock's price considering the stock's 8% underperformance to BIST-100 for the past one week. The Company will hold a webcast to review its 2024 financials at 17:00 Istanbul time today. Afterwards, we might revisit our estimates.

Stock Data	TL
Price	199.10
Target Price*	400.00
Prev.TP	400.00
Mcap (mn)	99,550
Float Mcap (mn)	23,992
Avg.Daily Volume (3M, mn)	1196.8
No. of Shares Outstanding (mn)	500
Free Float (%)	24
Foreign Share (%)	23

Price Perf. (%)	1 Mn	Ytd	12 Mn
TL	0.2	-2.9	-16.0
US\$	-1.5	-5.0	-28.5
Rel.to BIST-100	-0.2	-2.4	-22.7

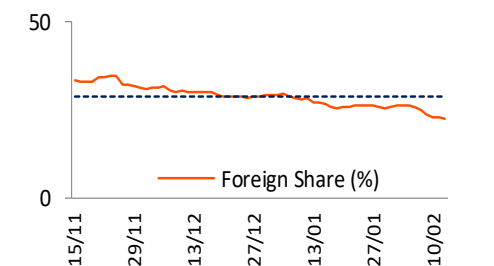
Multiples (\$)	2023	2024	2025
P/E	4.5	15.6	11.0
P/BV	1.8	2.1	2.1
EV/EBITDA	3.4	9.5	8.3

### Price / Relative Price



52 Week Range (Close TL) 179.80 350.50

Foreign Share (%) Cur.(%) : 22.83



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## Tofas Fabrika

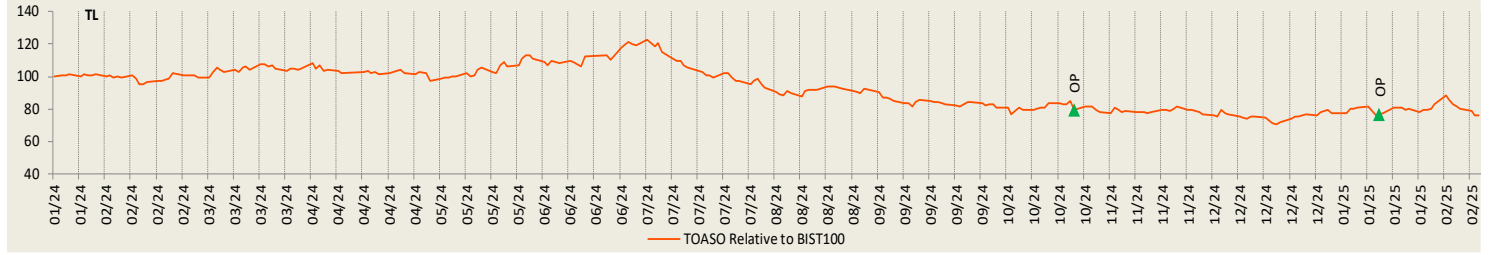
Shareholder Structure (%)		Company Description
Stellantis Europe Spa	37.86	Production , import and distribution of Fiat brand passenger cars, light commercial vehicles and spare parts.
Koç Holding Anonim Şirket	37.62	
Diğer	24.52	

## Financial Highlights

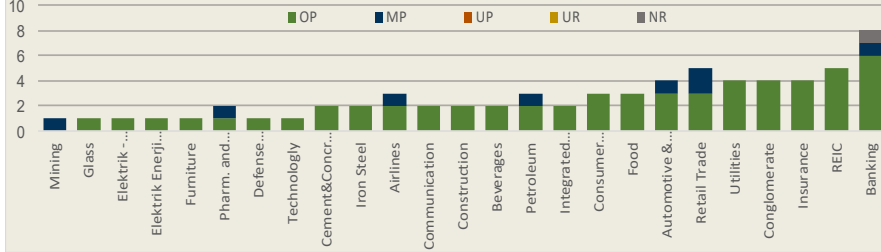
TL mn	IAS - 29								
	4Q24	4Q23	Change	Restated	3Q24	Change	2024	2023	Change
<b>Revenues</b>	<b>27,730</b>	<b>50,855</b>	<b>-45%</b>		<b>22,792</b>	<b>22%</b>	<b>120,267</b>	<b>184,229</b>	<b>-35%</b>
Export Revenues	3,759	9,492	-60%		1,334	182%	20,590	36,275	-43%
Share of Exports	14%	19%			6%		17%	20%	
<b>Gross Profit</b>	<b>1,648</b>	<b>8,749</b>	<b>-81%</b>		<b>1,423</b>	<b>16%</b>	<b>13,372</b>	<b>33,437</b>	<b>-60%</b>
<b>Gross Margin</b>	<b>5.9%</b>	<b>17.2%</b>	<b>-11.3ppt</b>		<b>6.2%</b>	<b>-0.3ppt</b>	<b>11.1%</b>	<b>18.1%</b>	<b>-7.0ppt</b>
<b>Op-ex</b>	<b>-2,702</b>	<b>-3,074</b>	<b>-12%</b>		<b>-2,550</b>	<b>6%</b>	<b>-10,291</b>	<b>-10,728</b>	<b>-4%</b>
<b>Op-ex/Sales</b>	<b>-9.7%</b>	<b>-6.0%</b>	<b>-3.7ppt</b>		<b>-11.2%</b>	<b>1.4ppt</b>	<b>-8.6%</b>	<b>-5.8%</b>	<b>-2.7ppt</b>
<b>EBIT</b>	<b>-1,054</b>	<b>5,675</b>	<b>-119%</b>		<b>-1,127</b>	<b>-6%</b>	<b>3,081</b>	<b>22,709</b>	<b>-86%</b>
<b>Depreciation</b>	<b>1,269</b>	<b>1,476</b>	<b>-14%</b>		<b>1,409</b>	<b>-10%</b>	<b>6,200</b>	<b>5,674</b>	<b>9%</b>
<b>EBITDA</b>	<b>215</b>	<b>7,151</b>	<b>-97%</b>		<b>282</b>	<b>-24%</b>	<b>9,280</b>	<b>28,383</b>	<b>-67%</b>
<b>EBITDA Margin</b>	<b>0.8%</b>	<b>14.1%</b>	<b>-13.3ppt</b>		<b>1.2%</b>	<b>-0.5ppt</b>	<b>7.7%</b>	<b>15.4%</b>	<b>-7.7ppt</b>
<b>Financial Inc, (Exp,), net</b>	<b>832</b>	<b>2,613</b>	<b>-68%</b>		<b>1,089</b>	<b>31%</b>	<b>5,190</b>	<b>9,358</b>	<b>-45%</b>
<b>Monetary Gain/Loss</b>	<b>-607</b>	<b>-407</b>	<b>n.m.</b>		<b>455</b>	<b>-175%</b>	<b>-4,817</b>	<b>-3,295</b>	<b>46%</b>
<b>PBT</b>	<b>-290</b>	<b>7,884</b>	<b>-104%</b>		<b>550</b>	<b>-153%</b>	<b>4,890</b>	<b>26,460</b>	<b>-82%</b>
<b>PBT Margin</b>	<b>-1.0%</b>	<b>15.5%</b>	<b>-16.5ppt</b>		<b>2.4%</b>	<b>-3.5ppt</b>	<b>4.1%</b>	<b>14.4%</b>	<b>-10.3ppt</b>
<b>Tax Inc./Exp,</b>	<b>169</b>	<b>-447</b>	<b>-138%</b>		<b>-219</b>	<b>-230%</b>	<b>331</b>	<b>-4,682</b>	<b>-107%</b>
<b>Net Income</b>	<b>-121</b>	<b>7,437</b>	<b>-102%</b>		<b>332</b>	<b>-136%</b>	<b>5,221</b>	<b>21,777</b>	<b>-76%</b>
<b>Net Margin</b>	<b>-0.4%</b>	<b>14.6%</b>	<b>-15.1ppt</b>		<b>1.5%</b>	<b>-1.9ppt</b>	<b>4.3%</b>	<b>11.8%</b>	<b>-7.5ppt</b>

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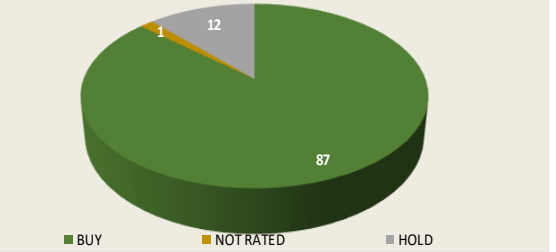
### Relative to BIST 100 / Recommendations



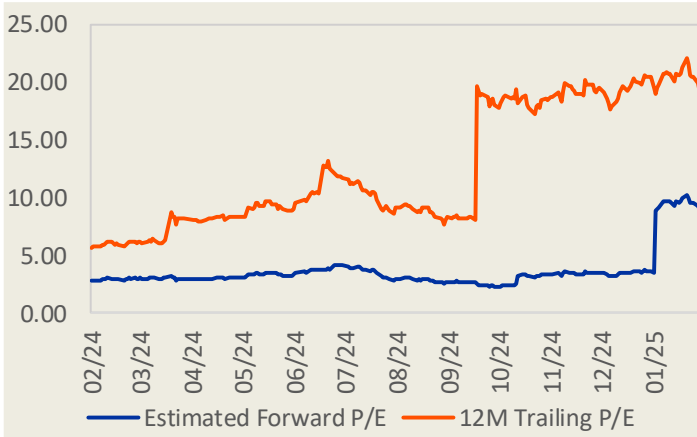
### Number of Companies



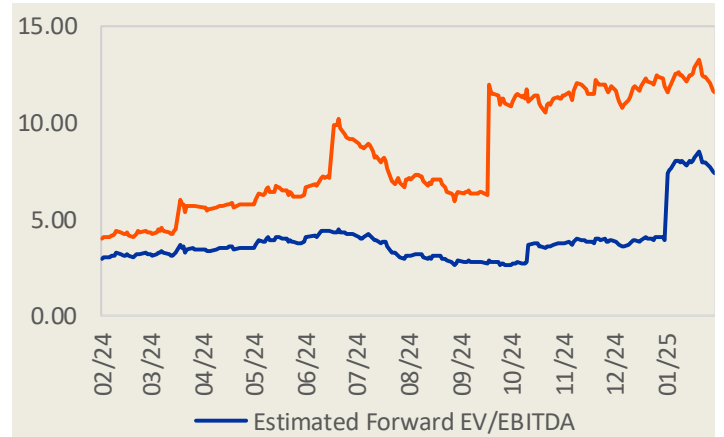
### Rec. Breakdown for Coverage



### Estimated Forward P/E & 12M Trailing P/E



### Estimated Forward EV/EBITDA & 12M Trailing EV/EBITDA



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