

TürkTraktör

TürkTraktör A.Ş.

**TürkTraktör FY 2025 Financial Results
Conference Call**

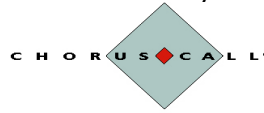
Tuesday, 10th February 2026, at 11:00 (TR Time)

Conductors:

Mr. Matthieu Séjourné, Company Leader

Mr. Özgür Ergun, Business Leader - Financial Affairs

Conference Call Conducted by Chorus Call Hellas



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OPERATOR: Ladies and Gentlemen, thank you for standing by. I am Vasileios, your Chorus Call operator. Welcome and thank you for joining the TürkTraktör Conference Call and Live Webcast to present and discuss the Full Year 2025 Financial Results. At this time, I would like to turn the conference over to Mr. Matthieu Séjourné, and Mr. Özgür Ergun Business Leader -Financial Affairs.

Mr. Séjourné you may now proceed.

SÉJOURNÉ M: Thank you very much. Good morning to everybody. I would like to start with the disclaimer ahead of the presentation. With the Capital Market Board of Turkey bulletin dated 28th December 2023, number 2023/81, CMB announced that issuers and Capital Market Institutions shall prepare their annual financial statements ending on 31st December 2023 or later in accordance with IAS 29 inflationary accounting provision.

Accordingly, this presentation on 2024 Financial Results contains the Company financial information prepared according to Turkish Accounting/Financial Reporting Standard by application of the IAS 29 inflation accounting provision in accordance with CMB's decision dated 28th of December 2023.

This presentation does contain forward-looking statements and figures that reflect the Company Management's current view with respect to certain future events based on the base case assumption. Although it is believed that the expectations reflected in these statements are reasonable under current conditions, they may be affected by a variety of

variables and changes in underlying assumptions that could cause actual results to differ.

Neither TürkTraktör nor any of its Directors, Managers, Employees, nor any person shall have any liability whatsoever for any loss arising from the use of this presentation.

Let me go through the agenda of the day. We will go first through an overview of the local market dynamics on 2025. We will share with you also what happened on the global market for the same period. Then we'll go through our business results, and I will leave the floor for the final section of Financial Results to Özgür Bey.

We are going to give you an overview of the local market for the following five different items: the agriculture production and rainfall trend, the input cost and product price, the support program, consumer financing, and Stage 5 transition. The year of 2025 has been quite challenging in many of these areas based on the Turkish economic situation and the sectorial also condition. So, I'll go through the different items.

Let's look at the Turkish agriculture sectors. Turkey is still a strong agriculture economy; it is the 7th biggest in the world and the first in Europe. And the share in the GDP as of the Third Quarter 2025 is 5%, despite a reduction on Q3 of 12% year-over-year of the GDP. It has an important social side for its share of employment, with 14% of the workforce working in the agriculture sector.

You can see that we have been having sectorial conditions that were quite challenging in 2025. If you look at the rainfall, they were much down compared to the year -- the previous year and the normal, by 29% compared to the same period year-over-year and 26% below the seasonal normal. So, there has been a lack of water for agriculture operations.

On top of that, Turkey has been facing in April a frost that has been affecting the production on certain crops, especially the fruits. You can see the production of agriculture products in 2025 versus 2024. So, you've seen we have been facing a 9% decrease year-over-year on all the grain and crops.

Vegetable was flat because farmers have been able, if touched by the frost, to replant and grow newly vegetables, but the fruit has been the most impacting, by close to 31% decrease year-over-year, knowing that fruit also are a good crop when it comes to financial income for the farmers.

If we look at the cost and the price, you would see that they have been moving quite accordingly between the PPI and the API. I would say, aligned with the general inflation we have been facing in the Turkish economy, slightly above if we look at what we've got at the end of the year for the production price, which was at 36% versus 31% for the inflation. And we've got the data in November for the input price at 34.24%. But I would say everything was aligned with the economic trend of the Turkish economy.

In terms of subsidies, we know that our industry is highly dependent on the support they're getting from the government. I recall that those subsidy payments and all the investment support are excluding the support that are given to farmers on loans when they purchase agriculture tractor products.

If we look at the growth, they were let's say aligned with the inflation as well year-over-year from 2024 to 2025. And we see also for 2026 another increase aligned with the inflation, especially when it comes to the subsidy payment. The agriculture investment has been redimensioned but slightly below the inflation level for next year, after a good increase from 2024 to 2025.

As I was mentioning on top of those subsidies, there is the interest rate and the support of the Ziraat Bankası that is offering loans to the farmers at really advantageous condition because they've got 50% subsidies on the locally produced tractor when it comes to the interest rate that is applied to their product.

But we have seen a slowdown that we already mentioned to you starting in 2024, as the regulation has been more restrictive starting from Q2 2024, and we haven't been seeing any ease in 2025. You would see that there is a big difference also between 2024 and 2025.

In 2024, the commercial banks have been taking the opportunity to enter in the tractor loan business, but we've seen a slowdown all over 2025. And you can see that on Ziraat Bankası it was shy of 20% in both years,

so there hasn't been any improvement year-over-year on Ziraat Bankası loan award.

Let's look at the global tractor market and the export. While Turkey has been facing, let's say, a slowdown as you can see here of 36% year-over-year, from 64,000 to slightly above 40,000, 40,498 to be precise, in 2025. We will go also in the detail of those markets through our business performance because as you would recall, 2025 has been also a transition year in term of emission for Turkey.

The production of Stage 3 tractors was stopped at the end of December 2024, but 2025 was still a sell-out period for those tractors. If we look at the rest of the world, outside of India, that has been facing slight important growth and for the first time of its history going above a million tractor sales on the year. All the other markets have been contracting, some more than others.

We see China minus 13% year-over-year, Pakistan 30%, linked to a lack of subsidies from the government that they will renew for 2026. North America and Europe have been also contracting, North America contracting more than Europe, close to a 10% decrease, and Europe was at 3%.

If we look at the export of Turkey and TürkTraktör, so you see that there has been a reduction of about 10% on the export overall from 17,000 to 15,300 in Turkey, and TürkTraktör faced the same decrease from 12,500 to 11,000 tractors. The share of TürkTraktör in the

export is, let's say, flat, 72%-73%, if we compare 2024 and 2025.

So, there is no change about the destination of our products; 80% of our exports were made in North American and European markets. This reduction is not only linked to the reduction of the market I was mentioning before, it was also some destocking that was done at the dealer side on those markets.

Let's go through the business results. So, as I was mentioning, the market was above 42,000 in 2025. And it has been -- sorry, that's the production. The market was 42,800. The production was kind of aligned with, even if there has been exports. So, the production has been 42,800 units, down from a 72,600 in 2024.

And you've seen the production of TürkTraktör went down from 43,600 to 25,833. So, we had a contraction of 41% year-over-year in terms of production, driven by this 10% decrease on the export, but mainly driven by the domestic market condition. In terms of share, we are flat year-over-year at 60% from 2024 to 2025.

The market, so the tractor market as I was mentioning, 40,500 was the end of 2025. I have to mention that around 25% of those sales have been made by Tier 3 or Stage 3 tractors. So, the Stage 5 market, where we have been actively playing, was 30,000. And the market overall went down from 63,546 to 40,500, and you see the sales that have been reducing. So, we've been losing market share if we consider the whole market.

On the following slide you will see our performance if we look only at the Stage 5 product. As you know, we are reporting in IAS 29, so we've been careful in managing our inventory, so the decision the Company to not stock inventory of Stage 3 tractors, which are high cost in term of asset revaluation during the IAS 29 period. We have been producing Stage 5 to sell according to the demand, which hasn't been the case of other players in the market.

New Holland has been for 19 years in a row, keeping its leadership in the market as the first position. Case IH has been our brand suffering a bit more because we've been applying the same rules of selling Stage 5, and we went from a second position to a sixth position in the market. But we are hopeful that this year will be a more even market with only Stage 5 sold in the market; we will be able to recover our position and to improve again the position of Case IH in the market.

That's what I was mentioning; so the Stage 5 transition year has been, I would say, disturbing our market, our performance. So, as an overall, we've done 38.4% of market share in 2025 if we look at the whole market. But when we look at Stage 5 only market, we've been in our I would say standard market share, which is close to 50% market share, with 40% for New Holland and close to 10 for Case IH.

There has been also a lot of sales last year of model year 2024 even as Stage 5, which has been disturbing also the price position and the price realization on the market. So, as we said, the locally produced tractor

market decreased by 50%, the import decreased by 44%, and our tractor export decreased by 12% year-over-year.

So, that's the overall performance of TürkTraktör year-over-year, so as I was saying, it has been a really challenging year. We've been keeping our leadership for 19 consecutive years and we've got a wide range of product which is fully emission for both New Holland and Case IH.

Construction equipment side, we've seen also some headwinds on our sales. We've been selling 705 units versus 811, 13% decrease. The main contributor has been the reduction of TLB sales, while we have been growing our market when it comes to crawler excavators, and we are trying to keep our market share when it comes to wheel loaders.

So, the biggest market change has been on the TLB when it comes to the volume, linked to also a slowdown of the demand and the availability of funds from the contractors or the end customers, which has been making this market more competitive.

In agriculture equipment, online with the reduction of the market there has been also a decrease. Combined sales was only 14% from 158 to 136. We've been also adjusting inventory. We had a large inventory after the 2023-2024, let's say, difference and slowdown in the market, and this has been totally resolved during the year in order to make sure that we start 2026 in a

proper situation and healthy situation when it comes to inventory.

We still also selling our equipment product, and we will see later on let's say the performance financially of this equipment. We haven't stopped our movement to offer advanced technology to the farmer to farm more cleverly. So, our machine are connected through TT Connect. We are offering different system for the guidance, from manual to auto-guidance through in-house solution and also with some partner.

Our digital application "Tarlam Cepte" reached close to 200,000 users at the end of 2025. And we have been partnering with Augmenta for variable rate and other application because we do believe that more efficient farming practice will be key to the sustainability of the farming industry and the financial health of the Turkish farmer. When it comes to autonomous vehicle, electric vehicle, we are testing them extensively with end customer.

We want to make customer develop solution. We have had some positive feedback. We will let you know when it comes commercial because we want to make sure before investing into a full production of those product that there is an acceptance of the customers and there is a potential for us to sell and profitability on this specific product.

As a last point from my section is the 2026 expectation. So, we're still expecting a challenging year. We're expecting the market to be flat year-over-year with the Stage 5 as was mentioned. So, with a market industry

estimated between 27,000 and 33,000 unit, we are planning to recover market share. As I was mentioning, we close below 40, at 38.4%.

But this year we've got a target to recover our market share because we will be on a more even competition environment, not disturbed by the Stage 5 transition, especially to have the -- I would say, the second quarter onward. And we're still committed to our investment in order to develop our portfolio, strengthen our industrial tools to make TürkTraktör sustainable and more competitive in the future year.

For the export market sorry, I forgot to mention we're expecting at least the same level as this year. We are hopefully looking for an improvement year-over-year with an expectation of North America and Europe after a de-stocking and a reduction of the market to increase a bit the tech rate of those tractors. Thank you very much. Özgür Ergun, I leave you the floor for the Financial Results.

ÖZGÜR E:

Thank you, Matthieu Séjourné. Dear investors, dear analysts, welcome to our meeting again. Good day to you all. I'll take you through the 2025 Financial Results. So, let's get in with the highlights. This has been most briefed by Matthew Bey in the previous section. As a recap, what I would say is this year's fundamental in domestic market dynamic is the Stage 3 versus Stage 5 concept for us, the imperfect competition that we joined.

And the as you may see compared to 36% of market decrease, we our volume decreased by 50%. But we

also focused on protecting our profitability in addition to responding to this competition. And secondly, the export market is shrunk by 12% based on the global shrinkage in the industry.

What we can see forward about this, looking forward about the market dynamic is this is a cyclical business. So, we see five to six years of cycle among this industry. And it's going down and up and we are now similar with the market dynamics of 2018 and 2019, which has been the previous down cycle period. And we are now around those years' volumes.

So, market share, this has been detailed, explained so I'll skip this one, but we keep on our 19th years of leadership in the industry. We talked about Stage 5, so I'll not get into details again. I'll touch about the investment a little bit.

So, in terms of our sustainability, which is also a very important element of our way of working, we completed our electricity investment with the Sivas power plant and the rooftops of the existing plant.

And currently, in 2025, TürkTraktör produced all the electricity, 100% matching with its consumption. And also we completed our cabin investment of the tractors, which is a EUR29 million investment which also reached up to 10,000 cabin production in 2025.

Moving on to next block, TT Finance. Financing is a very important element of our business. As you know, starting from May 2024 when Ziraat Bank decreased the subventions, we immediately substitute the need of financing with TürkTraktör Finance, and throughout the

year 2024, we utilized our TürkTraktör Finance more than 50% of penetration.

In 2025, this has been decreased to 19.6%. What we try to make is, we subvent all finance institutions and dealers on financing as well. So, we changed our strategy a little bit and we found all the finance institutions. This is why it is decreasing, but this does not mean we don't have TT Finance outside. So, we utilize TT Finance and others in 2025.

And lastly, profitability section, as this has been a very tough year for us, which is one of the toughest years, you see that our EBITDA margin is still 9.2% and PBT margin is 1.9%, which are still on the positive side. And lastly for our shareholders, in 2025 we paid TRY4.85 billion dividend to our shareholders. Again, this is because of the powerful cash position of the Company.

Okay. Moving on the forward, we present you this summary financials in two blocks. Mainly on the first block you see the Full Year results and in the bottom line blocks you'll see the quarter four results. I'll just touch the Full Year results. The others are on your hand so you can see them or read them in the presentation.

So, as you may see, our sales figures decreased 39% compared to previous year, mostly driven with the unit decrease. And our EBITDA decreased by 61% and the amount is almost TRY5 billion, which is 9.2% margin.

And when we move on to PBT. We have an amount slightly higher than TRY1 billion, which is almost 2% of the sales figures. And in net income, you'll see TRY455 million positive amount. You may probably notice that

the tax amount is increased when we are moving from PBT to net income.

I assume most of the attendees of this meeting have been well aware of there is a deviation between the statutory reporting and the TFRS reporting in terms of the inflation implementation. So, in quarter four, we have a one-time hit coming from this non-inflationary accounting tax books implementation. So, this is why we have a gap more than the anticipated amount between PBT and net income.

Proceeding to next slide, if we mention some of the key performance indicators, as you may see the EBITDA, we have a 5% decrease compared to 2024, mostly coming from the gross profit margin. And in operating expenses, we also made progress in terms of year-on-year absolute spending, but this has not been sufficient for the decrease of the GP level.

When we look at the average net working capital over sales, this has been increased year-on-year, but if you look at the last quarter you'll see better figures. So, we actually took many actions, especially regarding to inventory, as Matthieu bey mentioned in the previous sections of the presentation. So, this is the yearly average, so this has been -- you see a worse figure than the existing year-end figure.

On capex, we keep on our investment, although compared to sales you see a slight decrease. But in the absolute terms, it's increasing. And one of the good elements, we are still generating cash. So, compared

to last year, we got 2.8 billion free cash flow generated from the operations.

And net financial debt, this has been increased around TRY4.6 billion, and you know that we already paid 4.85 billion of dividend, which is one of the main indicators, elements of the debt increase. And you know that we also announced that within the current General Assembly, we are not going to take a decision on the dividend payment.

I'll not get into details of the financials, but you'll see all the details that I briefed the highlights in this slide. So, I think that's it. If you have any questions, you can connect to our Investor Relations team. And I believe now we can move on to Q&A section if you have any questions. Thanks for listening.

OPERATOR: Ladies and Gentlemen, there are no questions at this time. I will now turn the conference over to Management for any closing comments. Thank you.

SÉJOURNÉ M: Yeah, we think there is one question. We are just checking if this person is going to ask a question or not, and then we will close if there is no question. Sorry for that. No. Okay. All right.

So dear investors, as we've been sharing, we will -- we enter 2026 after 2025 we're expecting still a challenging year, but you know also our sector and our industry is really linked to the weather condition. So, we will keep in touch with you with the different update.

Next time will be after the closure of the first quarter, and we will update you about the situation of our

industry and our business on a regular basis as we are doing. Thank you very much for your attendance.

ÖZGÜR E: Thank you very much.