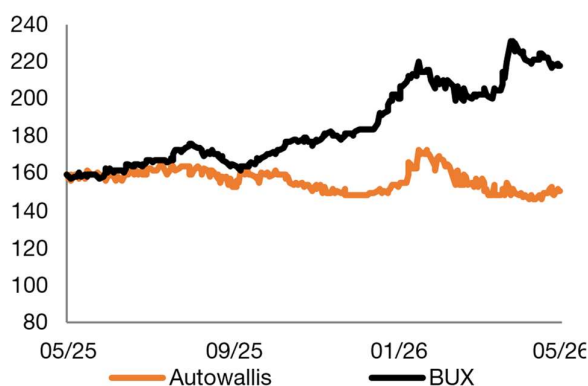


AutoWallis

Rating: BUY

Target price (12-m): HUF 180

HUF million	25/Q1	26/Q1	Change (%)
Revenue	107,262	104,827	-2.3%
EBITDA	3,260	3,688	13.1%
EBIT	1,548	1,724	11.4%
Net profit	646	-509	-178.8%
EPS	1.21	-0.95	-178.5%
Gross margin	17.3%	20.1%	280bps
EBITDA margin	3.0%	3.5%	48bps
EBIT margin	1.4%	1.6%	20bps
PBT margin	1.0%	0.0%	-94bps
No. of vehicles sold	11,814	11,602	-1.8%



Share price close as of 21/05/2026	HUF 149	Bloomberg	AUTOWALL HB
Number of diluted shares [mn]	539.5	Reuters	AUTW.BU
Market capitalization [HUF bn/EUR mn]	81.2/225.5	Free float	27.05%
Daily turnover 12M [HUF mn/EUR ths]	21.7/56	52-week range	HUF 143.0 – 177

Q1 profit swings to net loss on FX and JV headwinds

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We reiterate our Buy rating on AutoWallis following our model update, with an updated TP of HUF 180. Our new TP implies a 20% upside potential to the current level. We believe the expanded portfolio should support AW's long-term growth potential and the increasing share of retail business could underpin the improvement of margin levels. Based on our estimates AutoWallis currently trades at 14.6x/10.8x P/E ratio for '26/'27.

Q1/26 Earnings Review

- AutoWallis delivered Q1 2026 group revenue of HUF 104.8bn (-2.3% YoY), with EBITDA rising 13.2% to HUF 3.7bn and an EBITDA margin expanding to 3.5% from 3.0%, while net profit swung to a loss of HUF 509m versus a gain of HUF 639m last year. Net loss was dragged by adverse FX movements and a deteriorating contribution from joint ventures. The **Distribution BU** saw revenue decline 9.9% to HUF 44.2bn, largely attributable to a one-off base effect from fire-damaged vehicle sales in Q1 2025, while adjusting for that volumes were roughly flat. Opel posted a strong +17% revenue increase offset by meaningful declines in KGM and Isuzu as Chinese brand competition intensified. The **Retail BU** was the clear operational bright spot, showing revenue growth of 4% to HUF 58.3bn,

driven by 7% volume growth with particularly strong outperformance in Slovenia (+24%) and Czech Republic (+13%), while EBITDA held stable at HUF 1.5bn. **Mobility Services** continued its expansion trajectory, with revenue up 23% to HUF 2.4bn on the back of fleet size growth of 5.4% and a 12.2% increase in rental days, though EBITDA margin compressed slightly to 27.3% from 29.8% due to seasonality and higher loss provisions in the rent-a-car division. Management attributes the net loss primarily to two non-operating headwinds, negative swing from FX on HUF denominated liabilities, and a deterioration in JV contributions, driven by XPENG launch costs and material losses from the Romanian Nissan operation, with no meaningful recovery expected at Nissan for the remainder of the year. On the strategic front, AutoWallis signed an import agreement with Geely Auto for Austria and secured XPENG import rights in Romania, with launch expected in early summer 2026, reflecting the group's continued push to diversify its brand portfolio toward Chinese EV manufacturers. Balance sheet leverage ticked up modestly, with net debt/EBITDA (gross) rising to 4.61x from 4.52x at year-end 2025 due to a temporary inventory build in the wholesale segment, though management emphasizes that liquidity remains sound with over HUF 19bn in cash on hand and equity-to-assets ratio at approximately 28%. The management frames the current period as one of intentional investment, as new brand introductions carrying upfront costs, with operating efficiency improvements and KGM's repositioning campaign expected to deliver meaningful benefits from Q2 2026 onwards.

- **Key positives:** (1) EBITDA grew 13.2% despite a revenue decline, with margin expanding to 3.5%; (2) Retail segment outperformed across all geographies; (3) Mobility Services delivered strong top-line growth.
- **Key negatives:** (1) The group swung to a net loss, with the bottom line severely impacted by FX losses and a near-HUF 600m deterioration in JV contributions; (2) KGM volumes collapsed under Chinese brand competition; (3) Net leverage ticked up to 4.61x EBITDA and the balance sheet absorbed a meaningful working capital build.

Revised estimates

- We updated our forecast for AutoWallis and set our new TP at HUF 180, implying 20% upside potential and set our recommendation to BUY. This quarter's weakness was mainly driven by upfront cost related to new brand acquisitions which is expected to dissipate in the upcoming quarters. We believe the expanded portfolio should support AW's long-term growth potential and increasing share of retail business could underpin the improvement of margin levels.
- We expect revenues to grow by ca. 6.6% this year and at a 5% CAGR until 2030. We forecast gross margin to reach 18.8% by the end of 2026 and steadily increase over 19% thereafter, based on growing share of higher margin retail segment in car deliveries. We estimate EBIT to reach HUF 12bn this year, up by 9% compared to last year and forecast ca. 15% CAGR until 2030 due to improving margin levels. We forecast an EPS of HUF 10.2 and 13.7 for '26 and '27. The significant improvement is based on the stabilization of profit earned from equity accounted investees. Based on our EPS forecast AutoWallis currently trades at 14.6x/10.8x P/E ratio for '26/'27.

FCFF MODEL [HUF MILLION]

Valuation - (HUF mn)	2026F	2027F	2028F	2029F	2030F	TY
NOPAT	9,409	10,848	12,715	14,679	16,330	
+ D&A	8,139	8,618	9,075	9,459	9,862	
+/- WC	-5,256	-4,346	-4,149	-3,478	-3,663	
- CAPEX	-9,360	-9,911	-9,983	-9,932	-9,862	
FCFF	2,932	5,209	7,658	10,728	12,667	13,047
WACC	9.3%	9.4%	9.4%	9.4%	9.5%	
DCF	2,682	4,355	5,848	7,481	8,053	127,936
LT growth	3.0%					
EV	156,354					
- Net Debt	-68,511					
Associates	2,492					
Equity Value	90,335					
No. of shares (mn)	539					
Liquidity discount	10%					
Fair value / share	151					
12-m TP	180					

Source: Concorde Research

QUARTERLY RESULTS [HUF MILLION]

[HUF mn - except per share]	2025				2026	Change
	Q1	Q2	Q3	Q4	Q1	Y-o-Y
P&L						
Revenues	107,262	128,155	117,805	124,210	104,827	-2.3%
EBITDA	3,260	4,843	4,505	6,244	3,688	13.1%
EBIT	1,548	2,996	2,391	4,125	1,724	11.4%
PBT	1,044	2,564	1,822	2,662	33	-96.8%
Net income (parent)	646	1,805	1,133	2,128	-509	-178.8%
Comprehensive income	324	1,784	938	1,877	-639	-297.2%
EPS	1.21	3.38	2.12	3.99	-0.95	-178.5%
Group Margins						
Gross margin	17.3%	16.8%	17.8%	20.6%	20.1%	280bps
EBITDA margin	3.0%	3.8%	3.8%	5.0%	3.5%	48bps
EBIT margin	1.4%	2.3%	2.0%	3.3%	1.6%	20bps
PBT margin	1.0%	2.0%	1.5%	2.1%	0.0%	-94bps
Distribution BU						
Revenues	49,018	62,848	56,680	63,363	44,151	-9.9%
EBITDA	1,016	1,719	1,134	3,301	1,406	38.4%
PBT	818	1,759	882	2,354	287	-64.9%
EBITDA margin	2.1%	2.7%	2.0%	5.2%	3.2%	111bps
PBT margin	1.7%	2.8%	1.6%	3.7%	0.7%	-102bps
No. of new vehicles sold	8,145	10,454	9,325	10,748	7,676	-5.8%
Retail and Services BU						
Revenues	56,284	62,796	57,950	58,378	58,257	3.5%
EBITDA	1,525	2,039	1,905	1,744	1,522	-0.2%
PBT	451	760	626	292	2	-99.6%
EBITDA margin	2.7%	3.2%	3.3%	3.0%	2.6%	-10bps
PBT margin	0.8%	1.2%	1.1%	0.5%	0.0%	-80bps
No. of new vehicles sold	2,731	3,118	2,867	2,921	3,001	9.9%
No. of used vehicles sold	938	928	900	971	925	-1.4%
Total no. of vehicles sold	3,669	4,046	3,767	3,892	3,926	7.0%
Service hours	80,308	80,282	72,152	77,404	81,762	1.8%
Mobility						
Revenues	1,960	2,511	3,175	2,469	2,419	23.4%
EBITDA	719	1,085	1,466	1,199	760	5.7%
PBT	-225	45	314	16	-256	13.8%
EBITDA margin	36.7%	43.2%	46.2%	48.6%	31.4%	-527bps
PBT margin	-11.5%	1.8%	9.9%	0.6%	-10.6%	90bps
Fleet size (rental)	3,776	3,888	4,032	4,037	3,981	5.4%
Rents (units)	89,271	103,087	107,625	100,235	95,659	7.2%
Rental days	43,515	56,306	83,612	56,221	48,824	12.2%

Source: AutoWallis, Concorde Research

APPENDIX

Indicators	2025	2026F	2027F	2028F	2029F	2030F
EPS	10.7	10.2	13.7	17.7	21.7	25.8
BVPS	120.9	131.1	144.8	162.5	184.3	210.1
CFPS	7.1	5.4	9.7	14.2	19.9	23.5
P/E	13.9x	14.6x	10.8x	8.4x	6.9x	5.8x
EV/EBITDA	7.9x	7.4x	6.6x	5.7x	4.8x	4.1x
P/BV	1.2x	1.1x	1.0x	0.9x	0.8x	0.7x
P/S	0.2x	0.2x	0.1x	0.1x	0.1x	0.1x
P/CF	20.9x	27.4x	15.4x	10.5x	7.5x	6.3x
ROE	9.0%	8.1%	10.0%	11.5%	12.5%	13.1%
ROA	2.2%	2.4%	3.1%	3.7%	4.3%	4.9%
ROIC	5.8%	6.6%	7.3%	8.2%	9.2%	9.9%
Gross margin	18.1%	18.8%	18.9%	19.0%	19.2%	19.3%
EBITDA margin	3.9%	4.0%	4.2%	4.5%	4.8%	5.0%
EBIT margin	2.3%	2.4%	2.6%	2.9%	3.2%	3.4%
PBT margin	1.7%	1.4%	1.8%	2.2%	2.5%	2.9%
Balance Sheet	2025	2026F	2027F	2028F	2029F	2030F
Assets						
PP&E	38,715	39,203	39,720	40,083	40,273	40,273
Operating lease assets	6,388	6,510	6,639	6,730	6,777	6,777
ROU assets	11,252	11,557	11,880	12,107	12,226	12,226
Inventories	75,127	79,442	84,116	88,578	92,319	96,258
Other inventories	257	257	257	257	257	257
Trade receivables	25,521	27,874	29,514	31,080	32,393	33,775
Cash and equivalents	16,004	14,104	16,297	20,892	28,537	34,089
Total assets	222,439	231,460	242,497	255,471	269,932	282,138
Equity	65,208	70,720	78,135	87,688	99,401	113,319
Liabilities						
Bonds	16,332	17,140	16,480	15,820	15,160	9,860
LT loans	16,475	16,475	16,475	16,475	16,475	16,475
ST loans	3,365	3,365	3,365	3,365	3,365	3,365
Inventory financing loans	11,417	11,158	11,812	12,437	12,961	13,512
Trade payables	32,037	33,449	35,417	37,296	38,871	40,530
Equity and liabilities	222,439	231,460	242,497	255,471	269,932	282,138
Income Statement	2025	2026F	2027F	2028F	2029F	2030F
Revenues	477,432	508,707	538,636	567,212	591,165	616,389
OPEX	-459,627	-488,688	-516,298	-542,026	-563,081	-585,789
Depreciation	-7,666	-8,139	-8,618	-9,075	-9,459	-9,862
Other income / expenses	921	183	187	191	194	197
Operating profit	11,060	12,063	13,908	16,301	18,819	20,935
EBITDA	18,852	20,203	22,526	25,376	28,278	30,798
Financial profit	-3,154	-4,497	-4,650	-4,554	-4,302	-3,592
Profit before taxes	8,092	7,066	9,507	12,247	15,017	17,844
Taxes	-2,375	-1,555	-2,092	-2,694	-3,304	-3,926
Profit after tax	5,717	5,512	7,416	9,552	11,713	13,918
Comprehensive income	4,923	5,512	7,416	9,552	11,713	13,918
Cash Flow Statement	2025	2026F	2027F	2028F	2029F	2030F
Cash Flow from Operation*	266,518	10,747	16,048	18,485	21,434	23,145
Cash Flow from Investing	-9,676	-9,360	-9,911	-9,983	-9,932	-9,862
Cash Flow from Financing*	-265,212	-3,286	-3,943	-3,907	-3,857	-7,731
Opening Cash	24,422	16,004	14,104	16,297	20,892	28,537
Change in Cash	-8,418	-1,900	2,193	4,595	7,645	5,552
Closing Cash	16,004	14,104	16,297	20,892	28,537	34,089

Source: AutoWallis, Concorde Research

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Buy	Total return is expected to exceed 20% in the next 12 months
Accumulate	Total return is expected to be in the range of 10-20%
Neutral	Total return is expected to be in the range of 10%-(-10%)
Reduce	Total return is expected to be in the range of -10-(-20%)
Sell	Total return is expected to be lower than -20%
Under Revision	The stock is put Under Revision if covering analyst considers new information may change the valuation materially and if this may take more time.
Coverage in transition	Coverage in transition rating is assigned to a stock if there is a change in analyst.

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Valuations and risks:

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