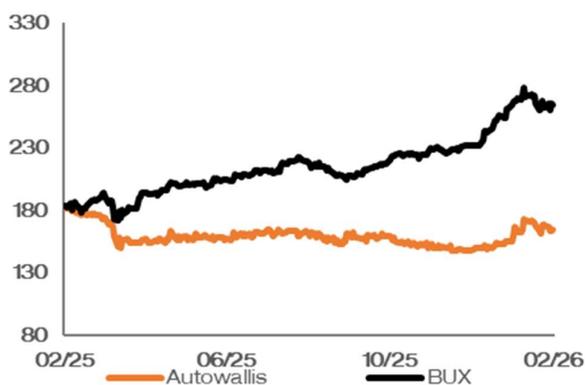


AutoWallis

Rating: Under Revision (prev. Buy)

Target price (12-m): Under Revision (prev. HUF 200)

HUF million	24/Q4	25/Q4	Change (%)
Revenue	107,214	124,210	15.9%
EBITDA	6,156	6,244	1.4%
EBIT	4,506	4,125	-8.5%
Net profit	2,222	2,128	-4.2%
EPS	4.16	3.99	-4.0%
Gross margin	19.3%	20.6%	123bps
EBITDA margin	5.7%	5.0%	-71bps
EBIT margin	4.2%	3.3%	-88bps
PBT margin	2.6%	2.1%	-44bps
No. of vehicles sold	12,040	14,640	21.6%



Share price close as of 27/02/2026	HUF 165	Bloomberg	AUTOWALL HB
Number of diluted shares [mn]	539.5	Reuters	AUTW.BU
Market capitalization [HUF bn/EUR mn]	88.5/235.3	Free float	27.05%
Daily turnover 12M [HUF mn/EUR ths]	21.2/53.8	52-week range	HUF 140.0 – 184

Downbeat results, bumpy road ahead

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- Summary:** We place our TP and rating Under Revision on AutoWallis as we are reassessing our investment case and estimates based on recent developments and the FY25 earnings. AutoWallis posted downbeat FY, and slightly more encouraging Q4 results today morning. Results are in line with what we saw in the first three quarters: Top-line growth remains great, driven by both organic and inorganic expansion, while profitability is still sluggish. FY revenues overachieved our expectations by 3% and came in at HUF 477.4bn (+20% YoY). EBITDA came in at HUF 18.9bn (-6.6% YoY), however, EBIT fell by more than 20% on the year as it came in at just HUF 11.1bn. Q4 revenues reached HUF 124.2bn (+15.9% YoY). Quarterly EBITDA increased 1.4%, while EBIT decreased by -8.5% YoY to HUF 4.1bn. Annual EPS came in well below our estimates at HUF 10.7, down -16.5% on the year.
- Key positives:** (1) Top-line growth came in above our estimates; (2) Retail profitability remains solid besides strong growth; (3) Mobility became profitable on a before taxes basis.
- Key negatives:** (1) Increased expenses, especially material and personnel costs weigh on profitability; (2) Distribution continues underperformance; (3) Cash outflow for the full year.

- **Opinion:** The results are disappointing, with EPS materially below our expectations. While top-line growth remains strong, margin erosion drove the earnings miss and led to a YoY decline in profit. We recognize that part of the margin pressure may be transitory and are due to industry disruption, investments in growth and support, as well as to one-off items, however, last year's performance is clearly lagging management's 2028 targets. Stable gross margin is an important positive, as the company is able to generate profitability from the core business, however, cost control and the related revenue trajectory should become a key talking point in the coming quarters. According to the management, increased costs are nearly fully driven by acquisitions and are to be followed by enlarged revenues. Our view is that synergies should materialize soon despite the weak industry specific factors. **Nevertheless, the management once again emphasized that current results are cyclical and the 2028 strategic guidance is not under immense threat, therefore we remain cautiously optimistic about a turnaround in profitability. We place our TP and rating Under Revision, as we are reassessing our estimates based on recent developments and the FY25 earnings.**

Consolidated financial and operational highlights

[HUF mn - except per share]	2024		2025		Change (Q4)	Change (FY)
	Q4	FY	Q4	FY	Y-o-Y	Y-o-Y
P&L						
Revenues	107,214	398,460	124,210	477,432	15.9%	19.8%
EBITDA	6,156	20,175	6,244	18,852	1.4%	-6.6%
EBIT	4,506	14,370	4,125	11,060	-8.5%	-23.0%
PBT	2,773	9,097	2,662	8,092	-4.0%	-11.0%
Net income (parent)	2,222	6,827	2,128	5,712	-4.2%	-16.3%
Comprehensive income	2,525	7,480	1,877	4,923	-25.7%	-34.2%
EPS	4.16	12.81	3.99	10.70	-4.0%	-16.5%
Group Margins						
Gross margin	19.3%	17.9%	20.6%	18.1%	123bps	22bps
EBITDA margin	5.7%	5.1%	5.0%	3.9%	-71bps	-111bps
EBIT margin	4.2%	3.6%	3.3%	2.3%	-88bps	-129bps
PBT margin	2.6%	2.3%	2.1%	1.7%	-44bps	-59bps
Distribution BU						
Revenues	57,606	218,922	63,363	231,909	10.0%	5.9%
EBITDA	3,853	11,663	3,301	7,170	-14.3%	-38.5%
PBT	2,786	7,455	2,354	5,813	-15.5%	-22.0%
EBITDA margin	6.7%	5.3%	5.2%	3.1%	-148bps	-224bps
PBT margin	4.8%	3.4%	3.7%	2.5%	-112bps	-90bps
No. of new vehicles sold	8,951	36,196	10,748	38,672	20.1%	6.8%
Retail and Services BU						
Revenues	47,523	171,113	58,378	235,408	22.8%	37.6%
EBITDA	1,499	4,934	1,744	7,213	16.3%	46.2%
PBT	527	1,724	292	2,129	-44.6%	23.5%
EBITDA margin	3.2%	2.9%	3.0%	3.1%	-17bps	18bps
PBT margin	1.1%	1.0%	0.5%	0.9%	-61bps	-10bps
No. of new vehicles sold	2,441	9,637	2,921	11,637	19.7%	20.8%
No. of used vehicles sold	648	2,553	971	3,737	49.8%	46.4%
Total no. of vehicles sold	3,089	12,190	3,892	15,374	26.0%	26.1%
Service hours	56,449	210,249	77,404	310,146	37.1%	47.5%
Mobility						
Revenues	2,085	8,425	2,469	10,115	18.4%	20.1%
EBITDA	804	3,578	1,199	4,469	49.1%	24.9%
PBT	-95	-82	16	150	-116.8%	-282.9%
EBITDA margin	38.6%	42.5%	48.6%	44.2%	1000bps	171bps
PBT margin	-4.6%	-1.0%	0.6%	1.5%	520bps	246bps
Fleet size (rental)	3,830	3,830	4,037	4,037	5.4%	5.4%
Rents (units)	92,586	376,225	100,235	400,218	8.3%	6.4%
Rental days	45,763	202,805	56,221	239,654	22.9%	18.2%

Source: AutoWallis reports, Concorde Research

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Rating	Trigger
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.

Securities prices:

Prices are taken as of the previous day's close on the home market unless otherwise stated.

Valuations and risks:

Analysis of specific risks to set stock target prices highlighted in our investment case(s) are outlined throughout the report. For details of methodologies used to determine our price targets and risks related to the achievement of the targets referred to in the main body of the report or at [Rating Methodology](https://www.con.hu/wp-content/uploads/2016/04/Methodology_concorde_research.pdf?tstamp=201710021038) on our website. (https://www.con.hu/wp-content/uploads/2016/04/Methodology_concorde_research.pdf?tstamp=201710021038)

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