

Action Summary – 30 April 2025 – Analyst: Theodore R. O'Neill – MRT reports 2024 results.

- **2H24 Top line, adjusted EBITDA and non-GAAP EPS beat.** On April 29th, MRT reported 2H24 revenue and non-GAAP EPS of 10.3MM and a loss of \$0.27, respectively. We had anticipated revenue of \$8.2MM and a non-GAAP EPS loss of \$0.35. There was no consensus. The \$0.08 favorable variance to non-GAAP EPS was due to higher sales and lower operating expenses, partially offset by lower margins and higher non-operating expenses (see Figure 2). GAAP EPS was a loss of \$0.87, and this is primarily due to a level of stock comp that we didn't foresee in our model. Stock comp represented approximately \$0.60 of EPS.
- **Maintaining financial guidance for 2025.** For 2025, Marti reaffirmed it expects to report \$34MM in revenue, up 2.1X and adjusted EBITDA of \$3MM, up \$22.3MM from a loss of \$19.3MM. The change in revenue and EBITDA dynamics are the result of a strategic shift from creating, executing and growing its ride-hailing network and platform to monetizing it, which began in October 2024.
- **Targeting continued platform growth in 2025.** The company has reaffirmed it is guiding to 2.15MM unique ride hailing riders by the end of June 2025 and 310K registered ride hailing drivers.
- **Attractive Valuation.** The shares currently trade at a level below our discounted future earnings price target model, and we see a similar discount to peers. When we compare MRT to companies in a similar business, the valuation ranges from below average to average. We don't believe this is the right comparison because MRT is growing ~10X faster than its peers. If we compare MRT to companies with a more similar growth profile, the shares are valued significantly below average. If it were to trade at \$7, its 2026 Market Cap/Sales multiple would be ~4.5x, which would still be below average. This broadly confirms our view that, along with our discounted earnings model, the shares are undervalued.

4/29 price: US\$ 3.09	Market cap: \$185M	2026 Market Cap/Sales: 1.93x	2026 EV / Sales: 2.57x
Shares outstanding: 60MM	Insider ownership: ~65%	3-mo. avg. trading volume: <100,000	Dividend/Yield: NA/NA

GAAP estimates (EPS in \$ – Revenue in \$Million)

Period	EPS	Revenue	Op Margin
1H23A	(\$0.39)	\$9.5	NMF
2H23A	(\$0.34)	\$10.5	NMF
FY23A	(\$0.67)	\$20.0	NMF
1H24A	(\$0.38)	\$8.4	NMF
2H24A	(\$0.87)	\$10.3	NMF
FY24A	(\$1.25)	\$18.7	NMF
1H25E	(\$0.22)	\$12.0	(84.5%)
2H25E	(\$0.12)	\$22.0	(20.2%)
FY25E	(\$0.34)	\$34.0	(42.9%)
1H26E	(\$0.01)	\$38.0	7.0%
2H26E	\$0.09	\$56.0	15.2%
FY26E	\$0.08	\$94.0	11.9%

Note: December ending year. Numbers may not add due to rounding. See our full model at the back of this report.

Cash balance (in \$millions)

• 2023A	• \$19.4
• 2024A	• \$5.1
• 2025E	• \$8.6
• 2026E	• \$5.7

LT Debt (in \$millions)

• 2023A	• \$54.8
• 2024A	• \$70.1
• 2025E	• \$85.0
• 2026E	• \$70.0

Adj. EBITDA (in \$millions)

• 2023A	• (\$17.7)
• 2024A	• (\$19.3)
• 2025E	• \$2.5
• 2026E	• \$27.2

Risks/Valuation

- Risks include competition, regulatory issues, foreign currency exchange, and business execution.
- Our USD\$7.00 target is derived using a discounted future earnings model.

Company description: Founded in 2018, Marti Technologies is Türkiye's leading mobility app, offering multiple transportation services to its riders. Marti operates a ride-hailing service that matches riders with car, motorcycle, and taxi drivers, and operates a large fleet of rental e-mopeds, e-bikes, and e-scooters. All of Marti's offerings are serviced by proprietary software systems and IoT infrastructure.

Figure 1 – Marti Technologies, Inc. – One-Year Trading snapshot



Source: FactSet

Half Yearly Results

Top line adjusted EBITDA and non-GAAP EPS beat. MRT reported 2H24 revenue and non-GAAP EPS of 10.3MM and a loss of \$0.27, respectively. We had anticipated revenue of \$8.2MM and a non-GAAP EPS loss of \$0.35. There was no consensus. The \$0.08 favorable variance to non-GAAP EPS was due to higher sales and lower operating expenses, partially offset by lower margins and higher non-operating expenses (see Figure 2). GAAP EPS was a loss of \$0.87 and this is primarily due to a level of stock comp that we didn't foresee in our model. Stock comp represented approximately \$0.60 of EPS.

Figure 2 – Marti Technologies, Inc. – Half-Yearly Variance Analysis (\$000)

	2024	GAAP		2024	Non-GAAP	
		2HE	2HA		2HA	
			Better/(worse) than forecast		Better/(worse) than forecast	
Income Statement						
Total Revenue	\$8,191	\$10,251	\$2,060	\$10,251	\$2,060	
Total cost of revenue	9,500	11,663	(2,163)	11,663	(2,163)	
Total Gross Profit	(1,309)	(1,411)	(102)	(1,411)	(102)	
Operating expenses:						
General and administrative	\$9,100	\$40,195	(31,095)	\$4,517	4,583	
Selling and marketing	6,500	2,886	3,614	2,886	2,614	
R&D	700	1,352	(652)	1,352	(652)	
Other oper.(income)/expense	600	1,247	(647)	1,247	(647)	
Total Expenses	\$16,900	\$45,680	(28,780)	\$10,002	5,898	
Earnings (loss) from Operations	(18,209)	(47,091)	(28,882)	(11,413)	5,796	
Total Other income/(expense)	(3,650)	(4,921)	(1,271)	(4,921)	(1,271)	
Earnings before taxes	(21,859)	(52,013)	(30,153)	(16,335)	4,525	
Tax expense/(benefit)	0	0	0	1	1	
Net income	(21,859)	(52,013)	(30,153)	(16,336)	4,524	
EPS	(\$0.37)	(\$0.87)	(\$0.50)	(\$0.27)	\$0.08	
non-GAAP	(\$0.35)	(\$0.27)	\$0.08			
Diluted common shares	59,000	60,000		60,000		
Adjusted EBITDA	(\$10,859)	(\$7,946)	\$2,913			

Source: Company filings and Litchfield Hills Research LLC

Financial Estimates and Guidance

The company has provided annual guidance for 2025. It has guided for revenue of \$34MM, positive free cash flow and adjusted EBITDA of \$3.0MM for a ~\$22.3MM YoY improvement.

The company has multiple levers for growth, any of which could result in a doubling of revenue in short order. Our forecast for 2026 is for another near doubling of revenue, but that may prove conservative.

Valuation Methodology

We believe MRT is undervalued, and we support that belief with an absolute and relative valuation. To determine our price target, we use a discounted future earnings model. The following valuation techniques are being used:

- 1) The discounted value of all future earnings was used for our price target (see Figure 3)
- 2) Valuation relative to peers (see Figure 4)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of \$7 is based on a discounted earnings model. For valuation purposes, we sum up all future earnings discounted at 9%, which we feel adequately addresses the risk.

We assume the company reaches GAAP breakeven in 2H26, exhibits strong topline growth for several years and then we slow growth until it eventually grows at the rate of global GDP. Our valuation model is shown in Figure 3 below. Note, this model understates future new products and growth through acquisitions and probably understates the tax benefits, but offsetting that, the earnings never have a down year. The implied share price is \$6.93, which we round to \$7.00.

Figure 3 – Marti Technologies, Inc. – Price Target Calculation

Discounted Earnings		\$6.93
Year 1 is	Forecast	Discounted
2025	EPS	EPS
1	(0.34)	(\$0.34)
2	0.08	\$0.07
3	0.15	\$0.12
4	0.30	\$0.21
5	0.40	\$0.26
Terminal Value		\$6.61

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

Figure 4 is a summary of our MRT peer comparison. When we compare MRT to companies in a similar business (upper table), the valuation ranges from below average to average. We believe this is a weak comparison because MRT is growing significantly faster than its peers. If we compare MRT to companies with a more similar growth profile (lower table), the shares are valued significantly below average. We feel our \$7 price target is reasonable when looking at companies with similar growth profiles. If it were to trade at \$7, its Market Cap/Sales multiple would be ~4.5x, which would still be below average. This broadly confirms our view that, along with our discounted earnings model, the shares are undervalued.

Figure 4 – Marti Technologies, Inc. – Comp Tables

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2026 Consensus Estimates		
					Market Cap / Sales	EV /Sales	Revenue Growth Rate
UBER-US	Uber Technologies Inc	\$78.33	163,808	172,066	2.89	3.05	14%
DASH-US	DoorDash, Inc.	\$187.88	79,615	80,462	5.32	5.07	18%
DIDIY-US	DiDi Global Inc.	\$4.25	20,003	13,733	0.59	0.50	9%
GRAB	Grab Holdings Limited	\$4.76	19,393	14,600	4.96	3.51	17%
CART-US	Maplebear Inc.	\$39.92	10,480	10,254	2.60	2.54	9%
LYFT-US	Lyft, Inc.	\$12.26	5,157	4,489	0.73	0.61	12%
AVERAGE					2.85	2.55	
MRT-US	Marti Technologies Inc Class A	\$3.16	181	241	1.93	2.57	176%
MRT-US Premium/(Discount) to peers:					-32%	1%	

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2026 Consensus Estimates		
					Market Cap / Sales	EV /Sales	Revenue Growth Rate
PLTR-US	Palantir Technologies Inc.	\$114.65	268,895	290,444	57.19	58.73	27%
CRWD-US	CrowdStrike Holdings, Inc.	\$423.08	104,870	106,511	18.35	17.52	22%
APP-US	AppLovin Corp.	\$284.98	96,427	100,850	14.26	15.07	21%
CDNS-US	Cadence Design Systems	\$285.74	78,382	79,437	14.23	14.15	12%
FIVN-US	Five9, Inc.	\$25.12	1,915	2,221	1.54	1.69	10%
038620-KR	WIZ CORP, Inc.	\$0.52	38	26			
AVERAGE					21.12	21.43	
MRT-US	Marti Technologies Inc Class A	\$3.16	181	241	1.93	2.57	176%
MRT-US Premium/(Discount) to peers:					-91%	-88%	

Source: Litchfield Hills Research LLC and FactSet

Figure 5 – Marti Technologies, Inc. – Income Statement (US\$000)

December year-end	2023A Year	2024A		2024A Year	2025E		2025E Year	2026E		2026E Year
		1H24A	2H24A		1H25E	2H25E		1H26E	2H26E	
Total revenue	\$20,030	\$8,409	\$10,251	\$18,660	\$12,000	\$22,000	\$34,000	\$38,000	\$56,000	\$94,000
<i>Growth</i>	-20%			-7%	43%	115%	82%	217%	155%	176%
Cost of Goods	24,085	9,886	11,663	21,549	6,840	12,540	19,380	21,280	31,360	52,640
Gross Profit	(4,055)	(1,478)	(1,411)	(2,889)	5,160	9,460	14,620	16,720	24,640	41,360
Gross Margin	-20.2%	-17.6%	-13.8%	-15.5%	43.0%	43.0%	43.0%	44.0%	44.0%	44.0%
General and administrative	\$15,130	\$9,053	\$40,195	\$49,249	\$9,000	\$8,500	\$17,500	\$8,500	\$8,500	\$17,000
% of total revenue	76%	108%	392%	264%	75%	39%	51%	22%	15%	18%
Selling and marketing	\$7,348	\$6,462	\$2,886	\$9,348	\$5,000	\$4,000	\$9,000	\$4,000	\$6,000	\$10,000
% of total revenue	37%	77%	28%	50%	42%	18%	26%	11%	11%	11%
R&D	\$1,955	\$611	\$1,352	\$1,963	\$700	\$700	\$1,400	\$800	\$800	\$1,600
% of total revenue	9.8%	7.3%	13.2%	10.5%	5.8%	3.2%	4.1%	2.1%	1.4%	1.7%
Other oper.(income)/expense	<u>\$212</u>	<u>\$615</u>	<u>\$1,247</u>	<u>\$1,862</u>	<u>\$600</u>	<u>\$700</u>	<u>\$1,300</u>	<u>\$750</u>	<u>\$850</u>	<u>\$1,600</u>
% of total revenue	1.1%	7.3%	12.2%	10.0%	5.0%	3.2%	3.8%	2.0%	1.5%	1.7%
Total Operating Expenses	24,645	16,741	45,680	62,421	15,300	13,900	29,200	14,050	16,150	30,200
Operating Income	(28,700)	(18,219)	(47,091)	(65,310)	(10,140)	(4,440)	(14,580)	2,670	8,490	11,160
Operating Margin	-143.3%	-216.7%	-459.4%	-350.0%	-84.5%	-20.2%	-42.9%	7.0%	15.2%	11.9%
Adjusted EBITDA	(17,692)	(11,328)	(7,946)	(19,274)	(1,640)	4,160	2,520	10,670	16,490	27,160
Total Other Items	(3,211)	(3,650)	(4,921)	(8,572)	(3,000)	(3,000)	(6,000)	(3,000)	(3,000)	(6,000)
Pre-Tax Income	(31,911)	(21,869)	(52,013)	(73,882)	(13,140)	(7,440)	(20,580)	(330)	5,490	5,160
Pre-Tax Margin	-159.3%	-260.1%	-507.4%	-395.9%	-109.5%	-33.8%	-60.5%	-0.9%	9.8%	5.5%
Taxes (benefit)	0	0	0	0	0	0	0	0	0	0
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income (loss)	(33,815)	(21,869)	(52,013)	(73,882)	(13,140)	(7,440)	(20,580)	(330)	5,490	5,160
Net Margin	-168.8%	-260.1%	-507.4%	-395.9%	-109.5%	-33.8%	-60.5%	-0.9%	9.8%	5.5%
EPS, as reported	(0.67)	(0.38)	(0.87)	(1.25)	(0.22)	(0.12)	(0.34)	(0.01)	0.09	0.08
Diluted Shares Outstanding	50,578	57,819	60,000	58,909	60,000	60,000	60,000	62,000	62,000	62,000

Source: Company reports and Litchfield Hills Research LLC

Figure 6 – Marti Technologies, Inc. – Balance Sheet (US\$000)

	FY2026E	FY2025E	FY2024A	FY2023A
Current Assets				
Cash and S.T.I.	\$5,701	\$8,591	\$5,148	\$19,424
Trade receivables	600	400	204	188
Inventories	1,500	1,800	2,030	2,612
Other assets	4,500	4,000	4,035	3,471
Total Current Assets	12,301	14,791	11,417	25,696
Net PP&E	3,000	4,000	5,493	13,531
Goodwill & Intangibles	600	600	590	184
Other non-current assets	2,500	2,500	2,878	800
Total Assets	\$18,401	\$21,891	\$20,378	\$40,211
Current Liabilities				
Trade payables	\$3,400	\$3,000	\$1,651	\$2,796
Other payables and accruals	\$3,500	\$3,000	\$2,787	\$2,295
Short term debt	\$5,000	\$5,000	\$4,556	\$10,448
Deferred revenue	\$2,000	\$1,800	\$1,845	\$1,550
Other current liabilities	\$350	\$300	\$484	\$413
Total current liabilities	14,250	13,100	11,323	17,502
Long-term liabilities, net	70,000	85,000	70,119	54,803
Other Liabilities	1,200	1,000	378	604
Total Liabilities	85,450	99,100	81,820	72,909
Stockholders' Equity				
Preferred stock	0	0	0	0
Share Capital	417	417	6	6
Additional paid-in-capital	95,000	90,000	85,598	40,461
Retained earnings	(154,908)	(160,068)	(139,488)	(65,606)
Cum. Other comp and treasury stock	(7,558)	(7,558)	(7,558)	(7,558)
Total stockholders' equity	(67,049)	(77,209)	(61,442)	(32,698)
Total Liabilities and equity	\$18,401	\$21,891	\$20,378	\$40,211

Source: Company reports and Litchfield Hills Research LLC

Figure 7 – Marti Technologies, Inc. – Cash Flow (US\$'000)

	FY26E	FY25E	FY24A	FY23A
Net Income	\$5,160	(\$20,580)	(\$73,882)	(\$33,815)
Trade receivables	(200)	(196)	(16)	187
Inventories	300	230	582	720
Other assets	(500)	35	(564)	2,779
Net PP&E	1,000	1,493	8,038	5,891
Goodwill & Intangibles	0	(10)	(406)	(24)
Other non-current	0	378	(2,078)	41
Trade payables	400	1,349	(1,145)	(777)
Short term debt	0	444	(5,892)	3,154
Other payables and accruals	500	213	492	777
Deferred revenue	200	(45)	295	222
Other current liabilities	50	(184)	71	(1,740)
Long-term liabilities, net	(15,000)	14,881	15,316	38,423
Other Liabilities	200	622	(226)	(428)
Preferred stock	0	0	0	0
Share Capital	0	411	0	1
Additional paid-in-capital	5,000	4,402	45,137	(13,875)
Cum. trans. adj. and treasury stock	0	(0)	0	0
Other	0	0	0	131,697
Total Cash Flow	(\$2,890)	\$3,443	(\$14,276)	\$8,926

Source: Litchfield Hills Research LLC

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Marti Technologies, Inc.

MRT - Rating-Buy – US\$7 PT

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