

# Investor Relations Presentation

## Q2 2015 Results

Updated: September 2015

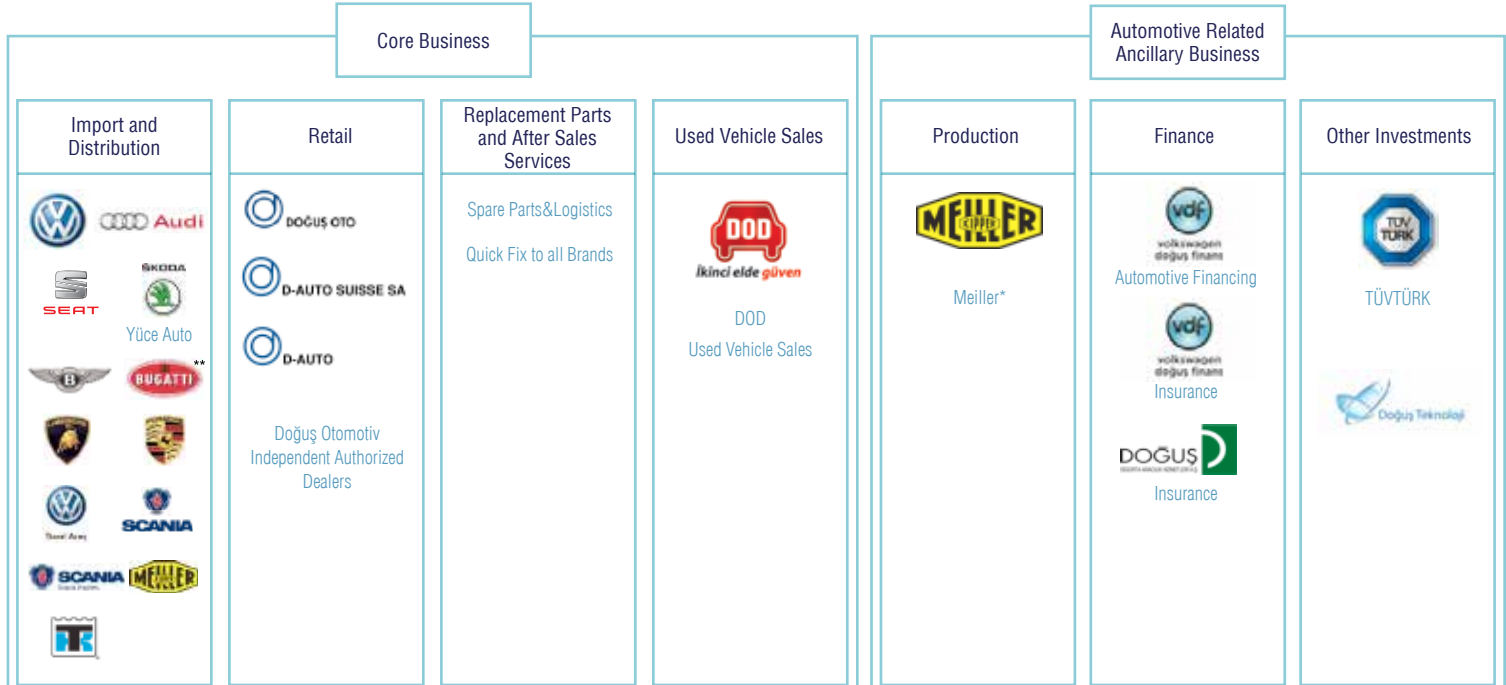


# Agenda

- Dođuş Otomotiv / Value Chain 2015
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

# Doğuş Otomotiv / Value Chain 2015

## Presence in Every Link of Automotive Value Chain



\*Subsidiaries

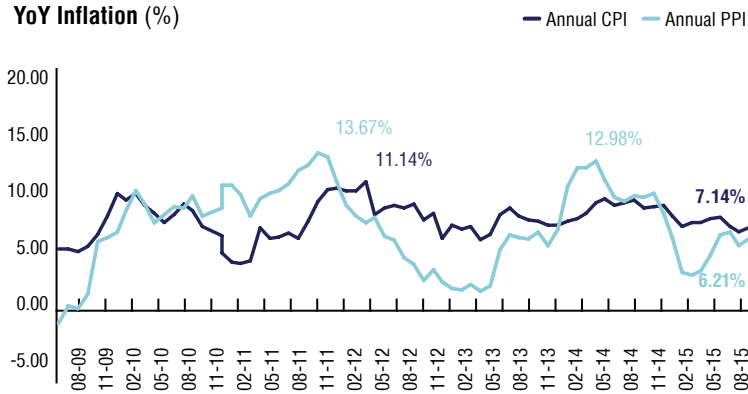
\*\*Representative Offices

# Macroeconomic Outlook

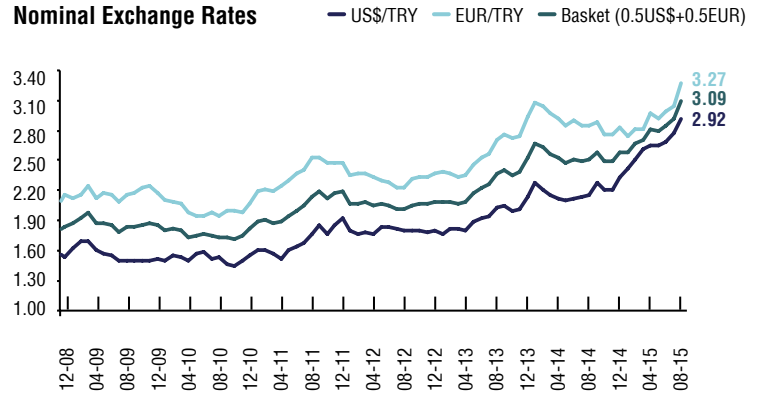


# Macroeconomic Indicators

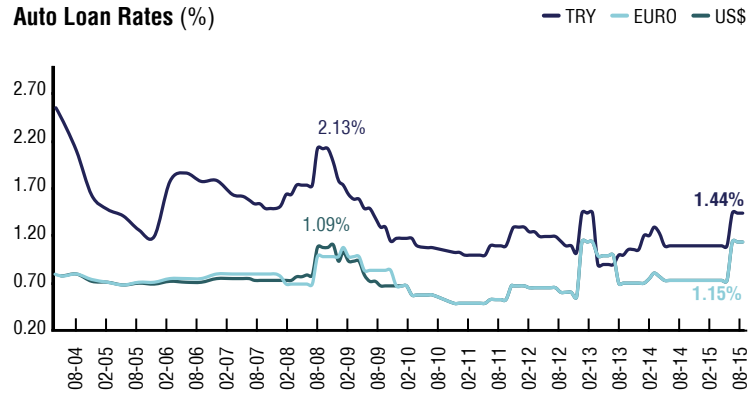
## YoY Inflation (%)



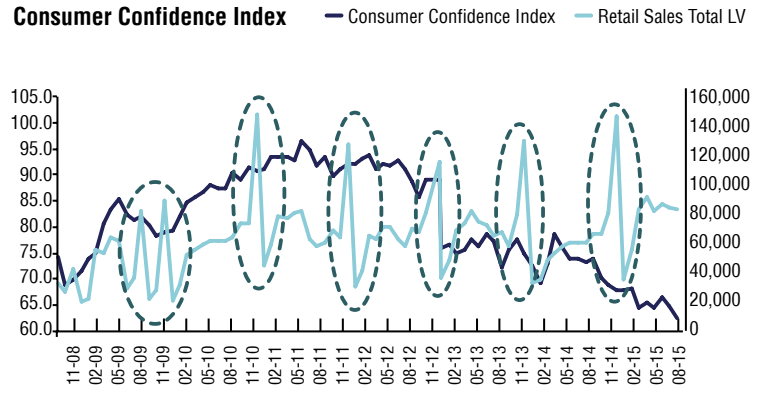
## Nominal Exchange Rates



## Auto Loan Rates (%)

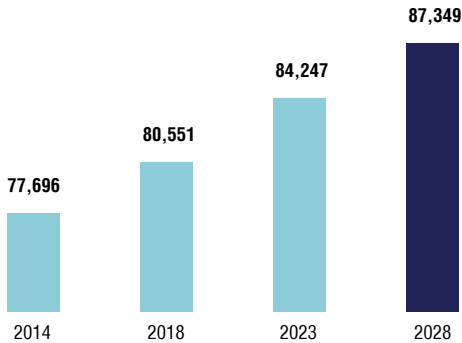


## Consumer Confidence Index

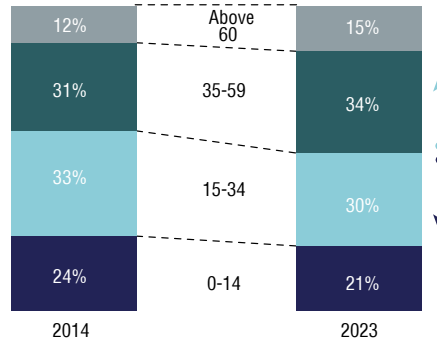


# Population & Demography

## Population Statistics ('000)

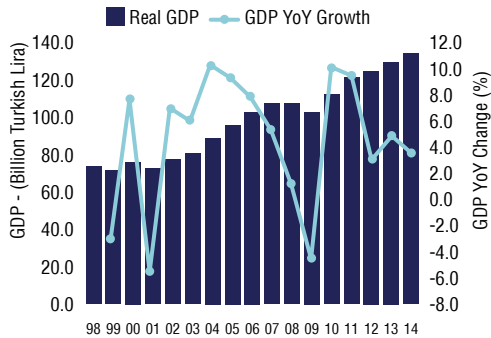


## Age Demography

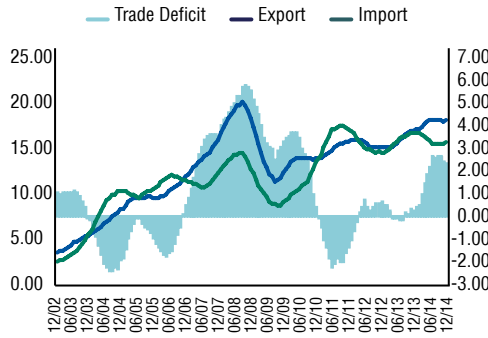


- Young population and fiscal reforms push the country towards stable and sustainable growth.
- Population is increasing on an average 1.5% each year.
- 64% of population will be between the age group 15 to 59 years.
- Share of people in the age group between 35 to 59 will increase by 3%.

## Economy



## Auto Industry Trade Balance (US\$ bn)



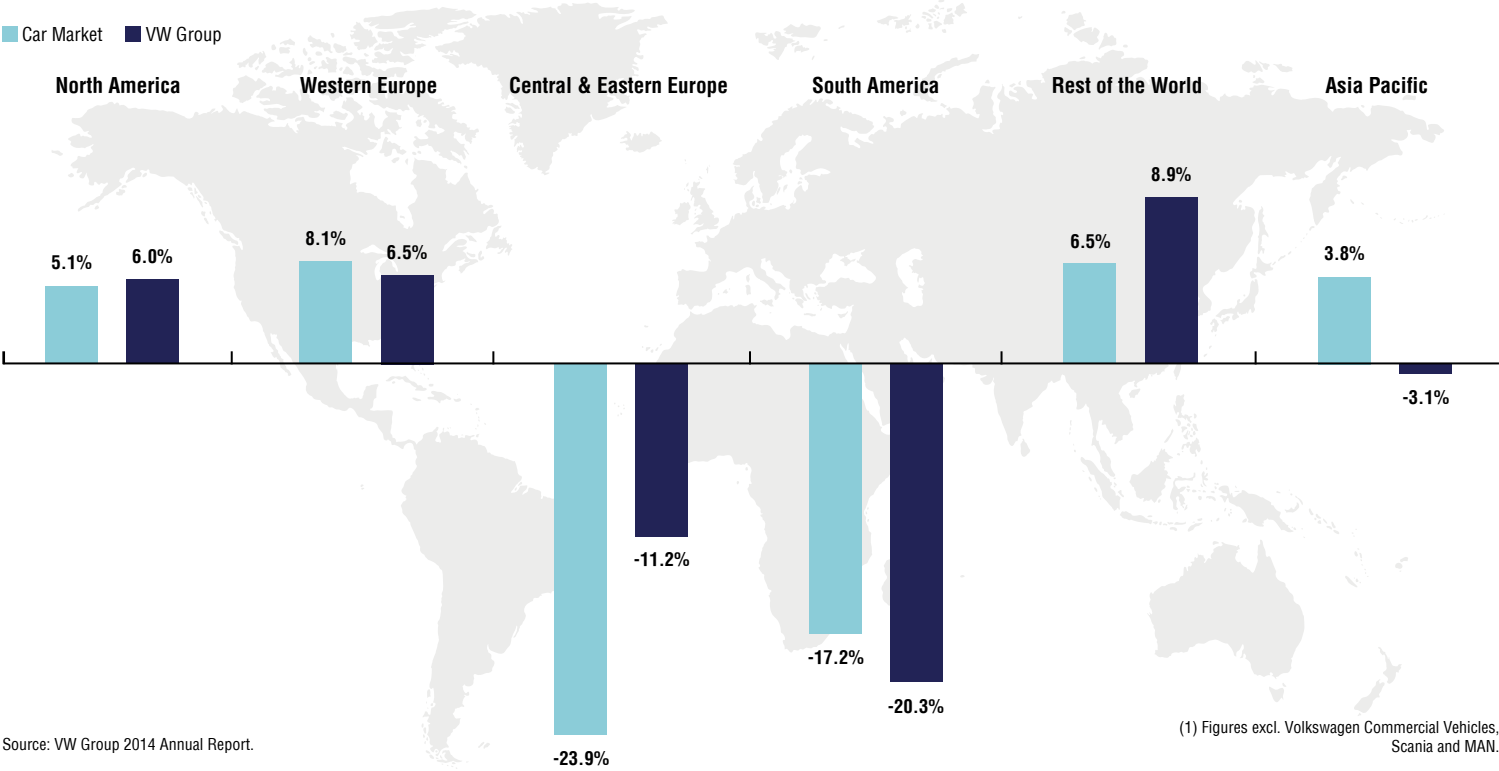
Note: All figures are rounded; the base years is 2009.  
Source: IMF, TurkStat, Frost Sullivan

# Automotive Market



# Development world car market vs. Volkswagen Group Car Deliveries to Customers<sup>(1)</sup> (Growth y-o-y in deliveries to customers, January to June 2015 vs. 2014)

World Car Market: 2.6% VW Group: -0.5%



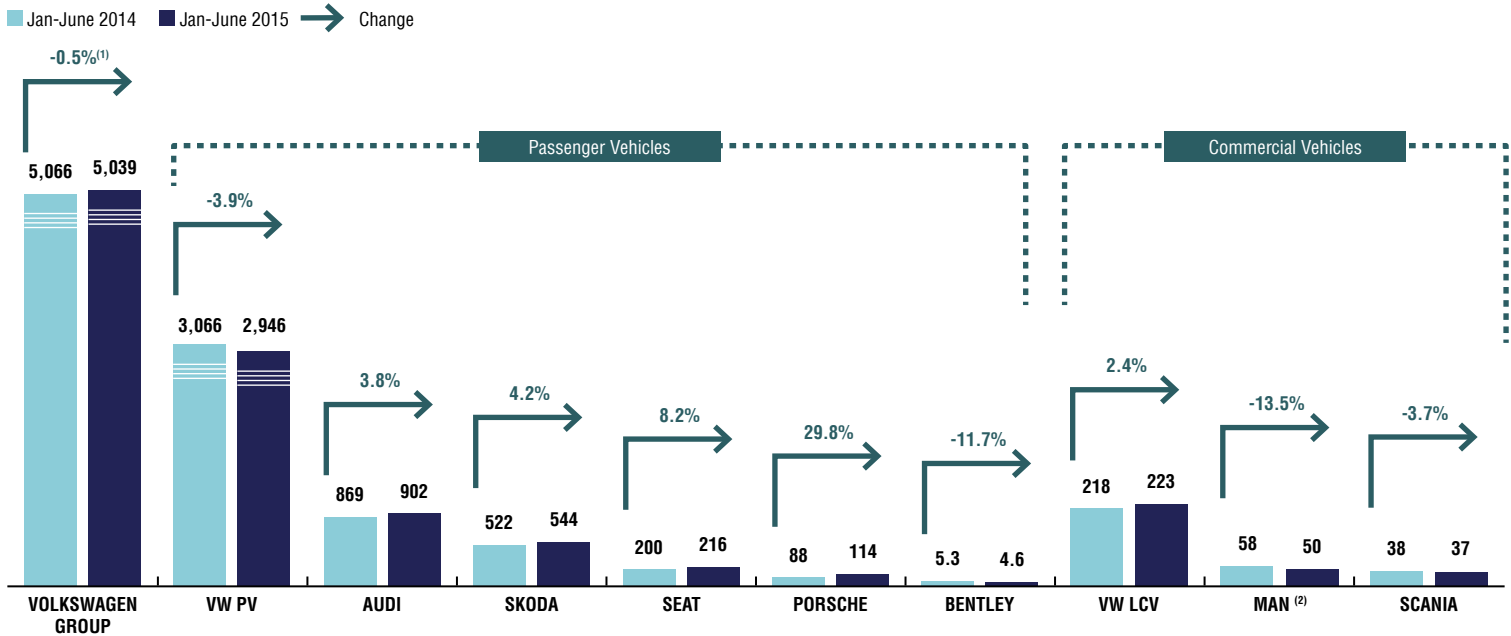
Source: VW Group 2014 Annual Report.

(1) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.



# Volkswagen Group

## DELIVERIES TO CUSTOMERS BY BRANDS (‘000 units)



(1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); 0.3% excl. Volkswagen Commercial Vehicles, Scania and MAN.

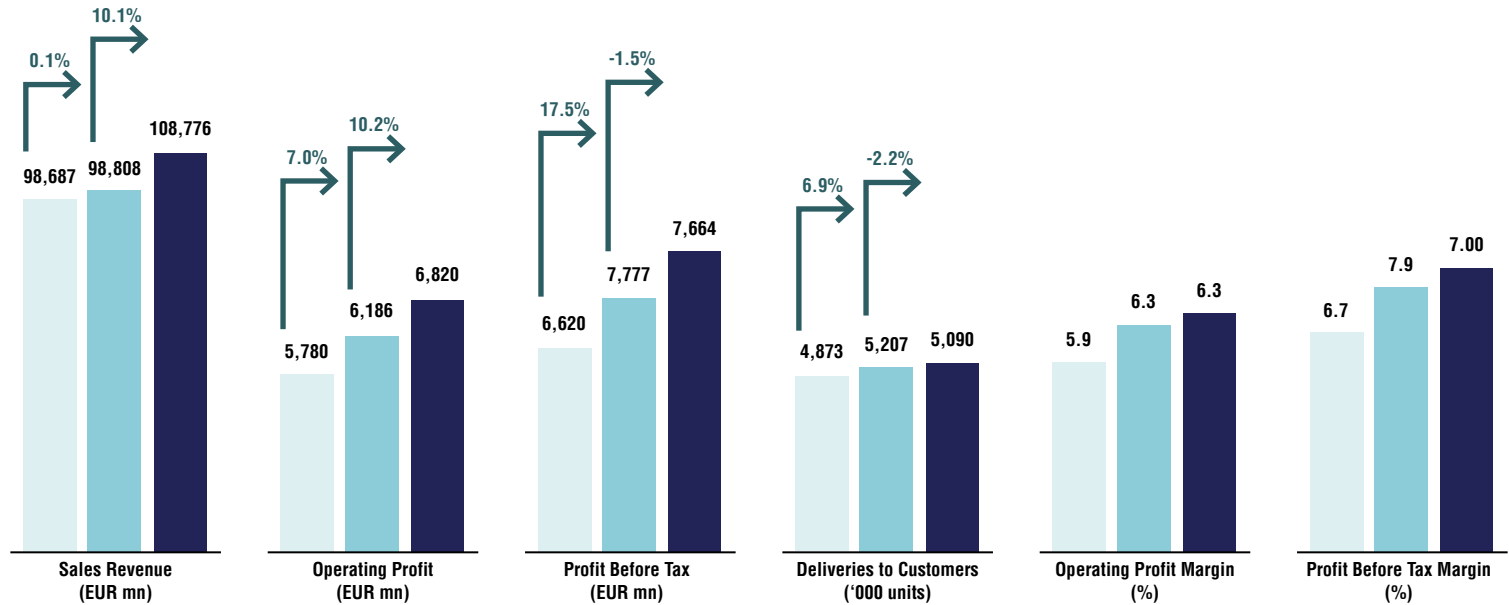
(2) MAN incl. MAN Latin America Trucks and Buses GVW>5t.

Source: VW Group 2014 Annual Report.

# Volkswagen Group

## FINANCIAL AND SALES PERFORMANCE (EUR mn)

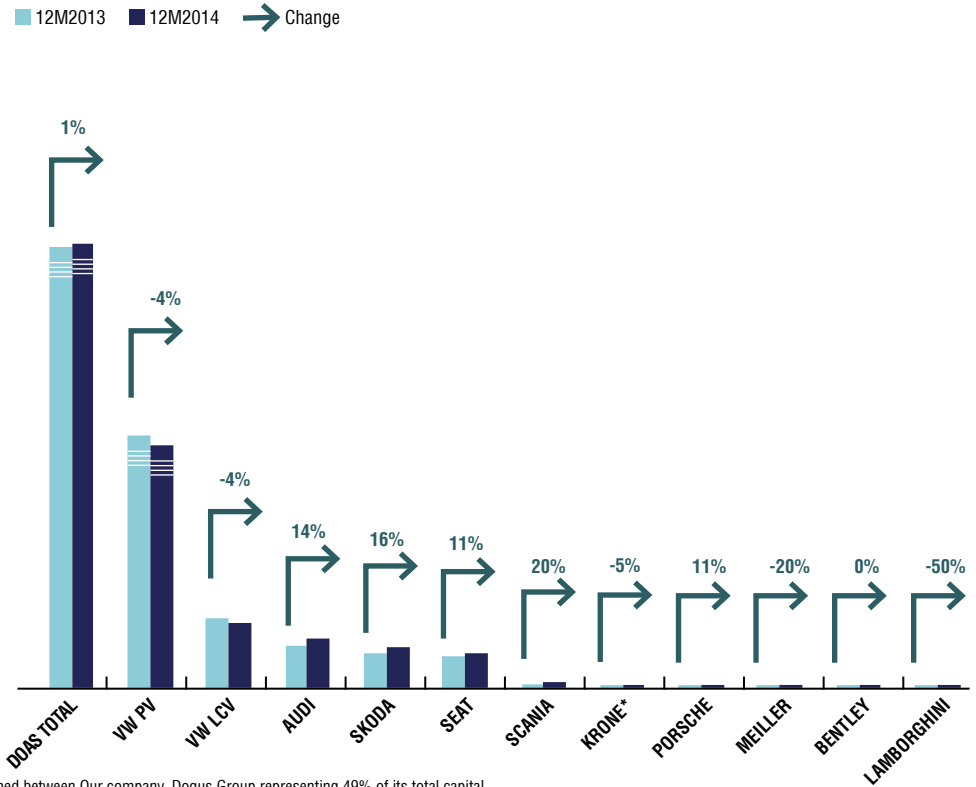
1H2013 1H2014 1H2015 → Change



Source: VW Group 2014 Annual Report.

# DOAS Wholesales Performance - 2014

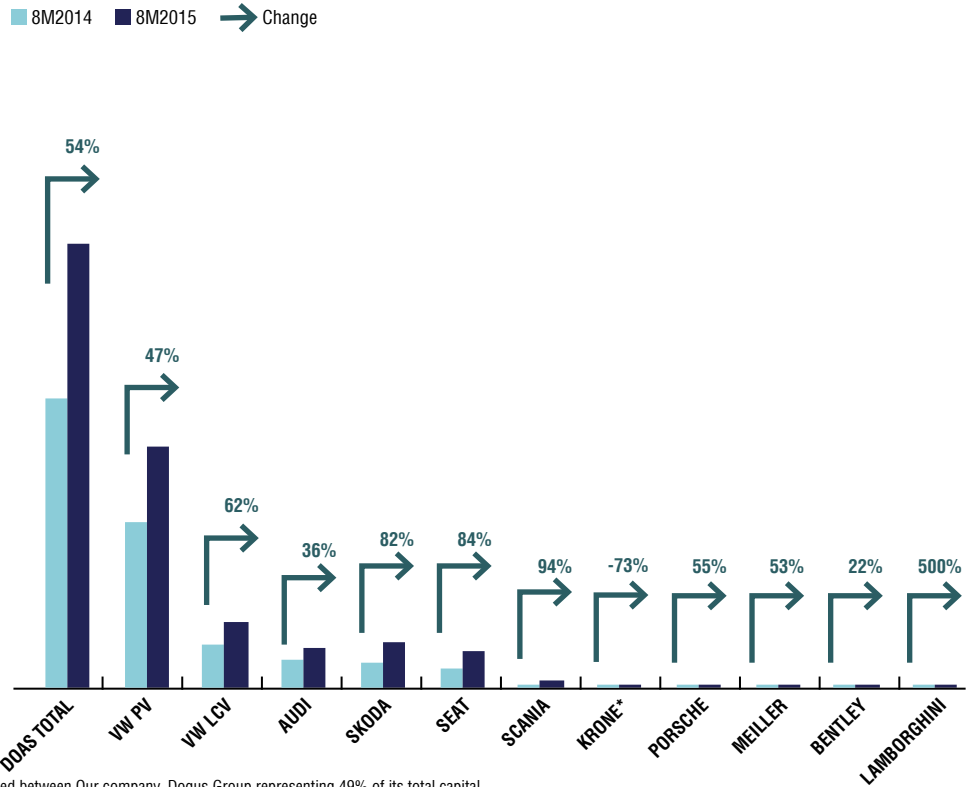
	12M2013	12M2014	Change
<b>DOAS TOTAL</b>	<b>155,056</b>	<b>155,995</b>	<b>1%</b>
VW PV	88,890	85,134	-4%
VW LCV	24,068	23,191	-4%
AUDI	15,025	17,070	14%
SKODA	12,362	14,397	16%
SEAT	11,334	12,540	11%
SCANIA	1,672	2,014	20%
KRONE	752	716	-5%
PORSCHE	542	601	11%
MEILLER	386	309	-20%
BENTLEY	21	21	0%
LAMBORGHINI	4	2	-50%



\*The sales agreement of Krone Doğuş Treyler Sanayi ve Ticaret A.Ş., which was signed between Our company, Dogus Group representing 49% of its total capital, and Fahrzeugwerk Bernard Krone GmbH on 29.01.2015, was finalized on 08.04.2015, after all permissions were received.

# DOAS Wholesales Performance - August 2015

	8M2014	8M2015	Change
<b>DOAS TOTAL</b>	<b>92,125</b>	<b>141,630</b>	<b>54%</b>
VW PV	52,701	77,397	47%
VW LCV	13,353	21,604	62%
AUDI	9,074	12,384	36%
SKODA	8,245	15,040	82%
SEAT	6,642	12,195	84%
SCANIA	1,040	2,020	94%
KRONE	523	143	-73%
PORSCHE	312	485	55%
MEILLER	225	345	53%
BENTLEY	9	11	22%
LAMBORGHINI	1	6	500%

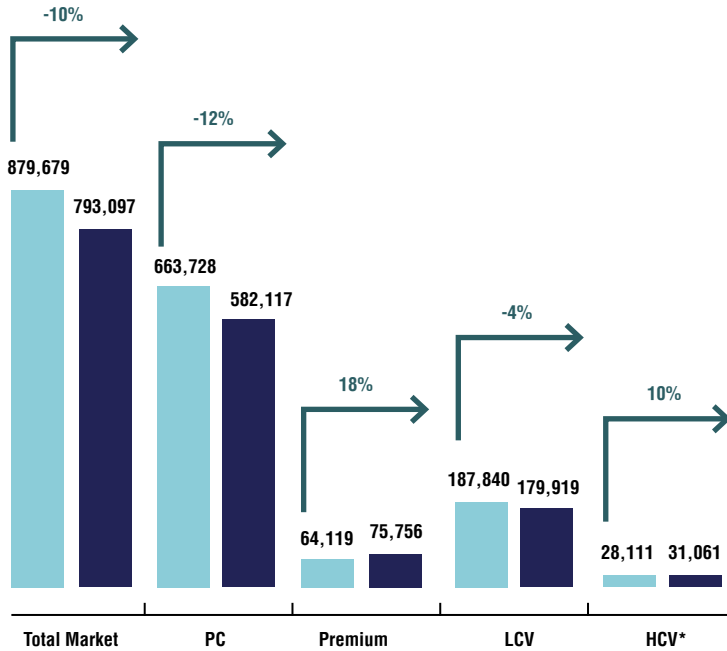


\*The sales agreement of Krone Doğuş Treyler Sanayi ve Ticaret A.Ş., which was signed between Our company, Dogus Group representing 49% of its total capital, and Fahrzeugwerk Bernard Krone GmbH on 29.01.2015, was finalized on 08.04.2015, after all permissions were received.

# Market Review - Wholesale - 2014

## MARKET

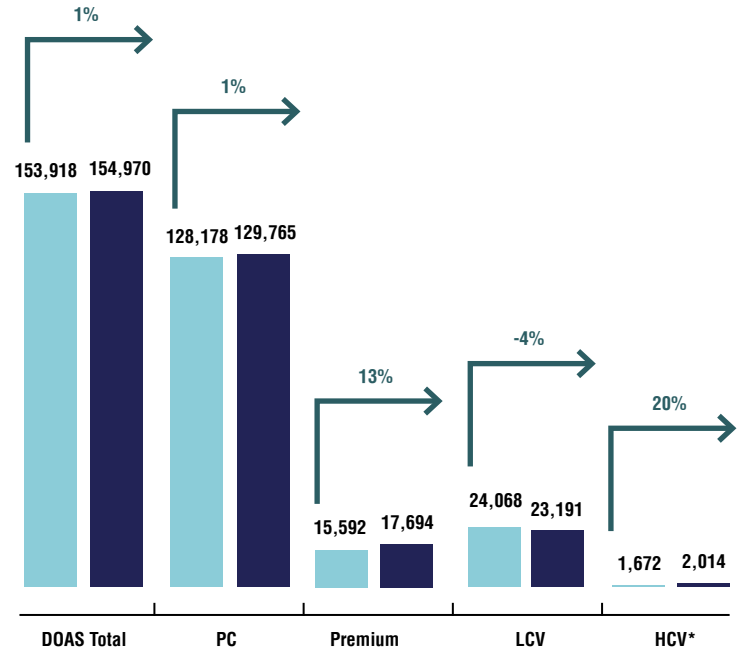
■ Dec 2013 ■ Dec 2014 → Change



\*Excluding Krone and Meiller

## DOAS

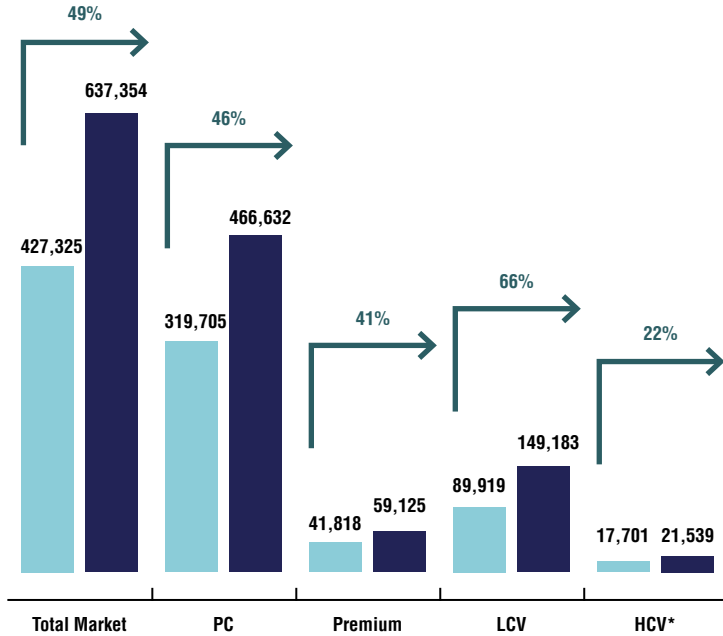
■ Dec 2013 ■ Dec 2014 → Change



# Market Review - Wholesale - August 2015

## MARKET

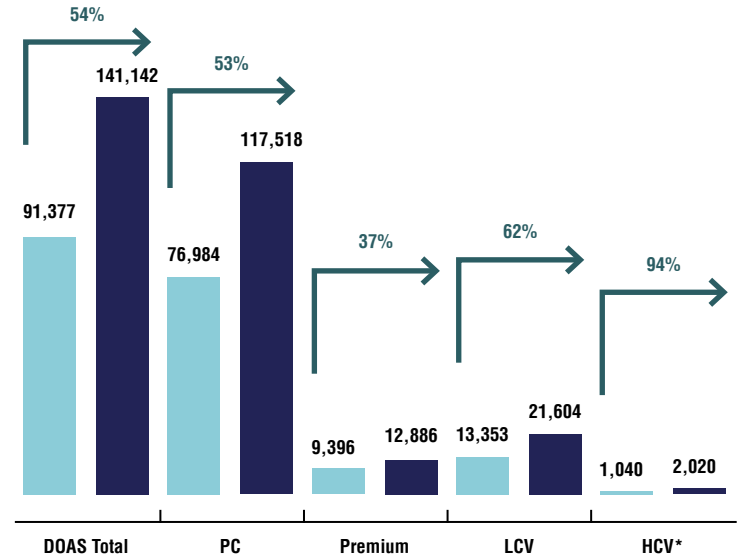
■ August 2014 ■ August 2015 → Change



\*Excluding Krone and Meiller

## DOAS

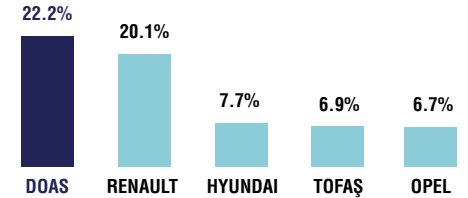
■ August 2014 ■ August 2015 → Change



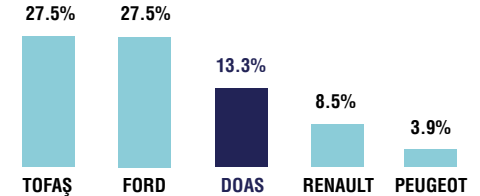
# Market Share - Retail - 2014

RETAIL MARKET	2012 YEAR END	2013 YEAR END	YTD DEC 13	YTD DEC 14	13/14 CHANGE	YTD DEC 2013/2014 CHANGE
<b>PASSENGER VEHICLE %</b>						
DOAS	17.4	19.3	19.2	22.2	2.9	3.0
RENAULT	18.1	18.9	18.9	20.1	1.2	1.2
HYUNDAI	7.8	7.2	7.2	7.7	0.5	0.4
TOFAŞ	8.2	7.8	7.7	6.9	-0.9	-0.8
FORD	8.5	8.8	8.4	6.7	-2.1	-1.7
OPEL	8.8	8.4	8.8	6.4	-2.1	-2.4
TOYOTA	5.7	5.4	5.4	5.8	0.4	0.4
PEUGEOT	2.6	3.5	3.5	2.9	-0.6	-0.6
OTHER	22.9	20.7	20.9	21.4	0.7	0.6
<b>LIGHT COMMERCIAL VEHICLE %</b>						
TOFAŞ	26.2	25.1	25.1	27.5	2.4	2.4
FORD	26.7	26.4	26.4	27.5	1.1	1.1
DOAS	11.8	12.6	12.6	13.3	0.7	0.7
RENAULT	7.4	10.1	10.1	8.5	-1.6	-1.6
PEUGEOT	6.8	5.8	5.8	3.9	-1.9	-1.9
TOYOTA	1.1	1.3	1.3	0.9	-0.4	-0.4
HYUNDAI	1.2	0.8	0.8	0.9	0.1	0.1
OPEL	0.3	0.1	0.2	0.0	-0.1	-0.2
OTHER	18.5	17.8	17.9	17.5	-0.3	-0.3
<b>LIGHT VEHICLE %</b>						
DOAS	15.8	17.8	17.8	20.1	2.3	2.3
RENAULT	15.2	17.0	17.0	17.4	0.4	0.4
TOFAŞ	13.3	11.5	11.6	11.7	0.2	0.2
FORD	13.7	12.7	12.7	11.3	-1.4	-1.4
HYUNDAI	5.9	5.8	5.8	6.1	0.3	0.2
OPEL	6.4	6.6	6.6	5.1	-1.5	-1.5
TOYOTA	4.4	4.5	4.5	4.7	0.2	0.2
PEUGEOT	3.8	4.0	4.0	3.1	-0.9	-0.9
OTHER	21.5	20.1	20.2	20.5	0.4	0.3

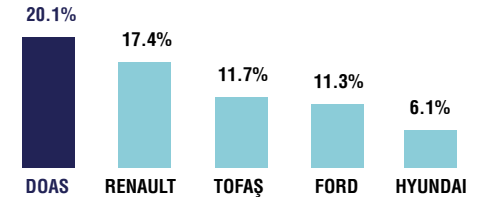
## PV TOP 5 DECEMBER 14



## LCV TOP 5 DECEMBER 14



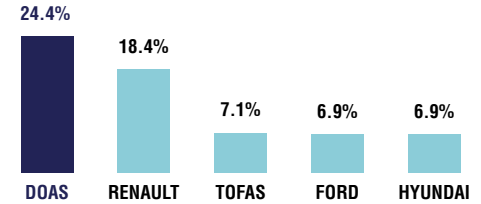
## LV TOP 5 DECEMBER 14



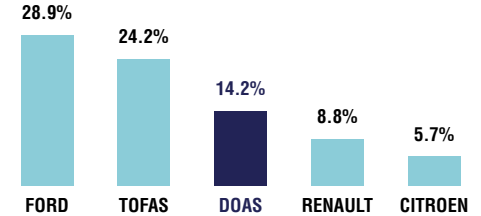
# Market Share - Retail - August 2015

RETAIL MARKET	2013 YEAR END	2014 YEAR END	YTD AUGUST 14	YTD AUGUST 15	14/15 CHANGE	YTD AUGUST 2014/2015 CHANGE
<b>PASSENGER VEHICLE %</b>						
DOAS	19.3	22.2	23.3	24.4	2.2	1.1
RENAULT	18.9	20.1	19.1	18.4	-1.7	-0.7
TOFAS	7.8	6.9	7.3	7.1	0.2	-0.2
FORD	8.8	6.35	6.8	6.9	0.6	0.1
HYUNDAI	7.2	7.7	7.6	6.9	-0.8	-0.7
TOYOTA	5.4	5.8	5.1	6.6	0.8	1.5
OPEL	8.4	6.7	6.5	6.1	-0.6	-0.4
BMW	3.1	4.5	4.3	4.3	-0.2	0.0
OTHER	21.1	19.9	20.0	19.4	-0.5	-0.6
<b>LIGHT COMMERCIAL VEHICLE %</b>						
FORD	26.4	27.47	23.9	28.9	1.4	5.0
TOFAŞ	25.1	27.5	27.4	24.2	-3.3	-3.3
DOAS	12.6	13.3	15.2	14.2	0.9	-1.0
RENAULT	10.1	8.5	9.0	8.8	0.3	-0.3
CITROEN	5.5	4.5	4.8	5.7	1.3	1.0
PEUGEOT	5.8	3.9	3.7	5.1	1.2	1.4
MERCEDES-BENZ	5.5	4.5	5.0	3.8	-0.7	-1.2
MITSUBISHI	2.0	2.4	2.4	2.0	-0.5	-0.4
OTHER	7.0	8.0	8.7	7.4	-0.6	-1.3
<b>LIGHT VEHICLE %</b>						
DOAS	17.8	20.1	21.5	21.9	1.8	0.4
RENAULT	17.0	17.4	16.9	16.1	-1.3	-0.8
FORD	12.7	11.3	10.6	12.3	0.9	1.7
TOFAŞ	11.5	11.7	11.7	11.2	-0.5	-0.5
HYUNDAI	5.8	6.1	6.1	5.4	-0.6	-0.7
TOYOTA	4.5	4.7	4.3	5.2	0.5	0.9
OPEL	6.6	5.1	5.1	4.6	-0.5	-0.5
PEUGEOT	4.0	3.1	3.2	3.8	0.6	0.6
OTHER	20.1	20.5	20.7	19.6	-0.9	-1.1

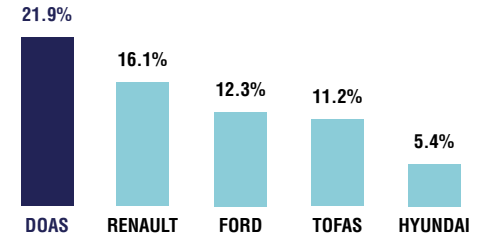
## PV TOP 5 AUGUST 15



## LCV TOP 5 AUGUST 15



## LV TOP 5 AUGUST 15





# Financial Performance



# Consolidated Income Statement

(TL mn, CMB)	30 Jun 15	30 Jun 14	Change (%)
Revenue	4,969	3,197	55%
Gross Profit	541	368	47%
Operational Expenses	-296	-240	23%
Selling and Marketing Expenses	-134	-102	31%
General Administrative Expenses	-140	-120	16%
Warranty Expenses, net	-31	-19	65%
Other Operating Expenses, net	8	1	644%
EBITDA	267	146	83%
EBIT	245	128	91%

Margins	30 Jun 15	30 Jun 14	Change (%)
Gross Margin	10.9%	11.5%	-5%
Opex/Sales	6.0%	7.5%	-21%
EBITDA Margin	5.4%	4.6%	18%
EBIT Margin	4.9%	4.0%	23%
Net Profit Margin	4.3%	3.5%	23%

# Consolidated Income Statement

(TL '000)	30 jun 15	Vertical Analysis	30 jun 14	Vertical Analysis	Change (%)
Revenue	4,969,151		3,196,751		55%
Direct cost of revenue	-4,428,219	-89%	-2,828,865	-88%	57%
<b>Gross profit</b>	<b>540,932</b>	<b>11%</b>	<b>367,886</b>	<b>12%</b>	<b>47%</b>
Selling, marketing and distribution expenses	-133,539	-3%	-101,916	-3%	31%
SG&A Expenses	-139,523	-3%	-120,258	-4%	16%
Warranty expenses	-31,015	-1%	-18,815	-1%	65%
Other operating incomes/losses, net	7,907	0%	1,063	0%	644%
<b>Results from operating activities</b>	<b>244,762</b>	<b>5%</b>	<b>127,960</b>	<b>4%</b>	<b>91%</b>
Income from Investing Activities	37,324		10,698		
<b>Income Loss from Associates</b>	<b>37,675</b>		<b>47,712</b>		<b>-21%</b>
Financial incomes/costs, net	-63,534		-57,170		11%
<b>Profit before income tax</b>	<b>256,227</b>	<b>5%</b>	<b>129,200</b>	<b>4%</b>	<b>98%</b>
Tax expense	-41,178		-16,866		144%
<b>Profit for the year</b>	<b>215,049</b>	<b>4%</b>	<b>112,334</b>	<b>4%</b>	<b>91%</b>

## → Direct cost of revenue

- The major negative impacts on Gross Profit and Direct Cost of Revenue compared to same period last year are as follows:
  - Dealer supports and sales campaigns were continued because of market share protection and decrease in EUR/TL parity.
  - Vehicle sales prices increases of OEM.
  - OEM related production limitation and model mix constraints.

## → Selling, marketing and distribution expenses

- 40% Increase in Distribution Expense
- 36% Increase in Advertisement Expenses

## → General Administration Expenses

- Increase in personnel expenses by 19%

Income/Loss from Associates	30 Jun 15 Cumulative	30 Jun 14 Cumulative
VDTF	6,926	13,652
Doğuş Sigorta	1,357	1,021
SKODA (Yüce Oto)	4,511	6,815
VDF Servis Holding	5,697	2,540
Leaseplan	-	16,044
TÜVTURK Group	19,132	9,674
Meiller-Doğuş	-188	-1,230
Krone-Doğuş	0	-2,057
Doğuş Technology	240	1,253
<b>Grand Total</b>	<b>37,675</b>	<b>47,712</b>

# Financing Costs

(TL mn, CMB)	30 Jun 2015	30 Jun 2014	(% Change)
Financing Costs	-63.53	-57.17	11%
Finance expenses, net	-61.11	-57.31	7%
Interest expense on borrowings	-59.1	-51.4	15%
Commission expenses on letters of guarantee	-1.5	-3.4	-57%
Other financial expenses	-0.5	-2.4	-78%
Foreign Exchange gain/loss, net*	-2.4	0.1	-1854%

\*arising from credit loans

CMB: Capital Market Boards of Turkey

# Consolidated Balance Sheet

(TL '000)	30 Jun 15	31 Dec 14
<b>ASSETS</b>	<b>3,879,454</b>	<b>2,827,257</b>
Cash and cash equivalents	33,055	40,621
Trade receivables	975,032	744,731
Inventories	1,350,911	569,259
Tangible and intangible non-current assets	592,653	558,170
Financial Investments	535,423	531,181
Investments in equity accounted investees	233,275	251,701
Other	159,105	131,594
<b>LIABILITIES</b>	<b>2,578,473</b>	<b>1,590,922</b>
Financial liabilities	1,535,416	1,075,943
Trade payables	917,275	357,159
Provisions	62,808	64,535
Other	62,974	93,285
<b>EQUITY</b>	<b>1,300,981</b>	<b>1,236,335</b>
<b>Investments in Equity Accounted Investees</b>	<b>30 Jun 15</b>	<b>31 Dec 14</b>
<b>Associates</b>		
VDF	99,829	92,904
Doğuş Sigorta	33,538	32,805
Yüce Auto (SKODA)	15,863	15,676
VDF Servis	26,285	20,589
Doğuş Teknoloji	4,591	4,351
<b>Joint Ventures</b>		
Krone-Doğuş	-	19,876
TÜVTURK North - South (Consolidated)	46,998	60,464
Meiller-Doğuş	6,171	5,036
<b>Total</b>	<b>233,275</b>	<b>251,701</b>
<b>Other</b>	<b>30 Jun 15</b>	<b>31 Dec 14</b>
Dividend payable	-	-
VAT payable	27,021	64,365
Income tax payable	6,086	5,312
Advances taken	16,308	7,300
Payables related to employee benefits	6,175	8,049
Deferred tax liabilities	2,583	3,691
Other	4,801	4,568

## → Inventories

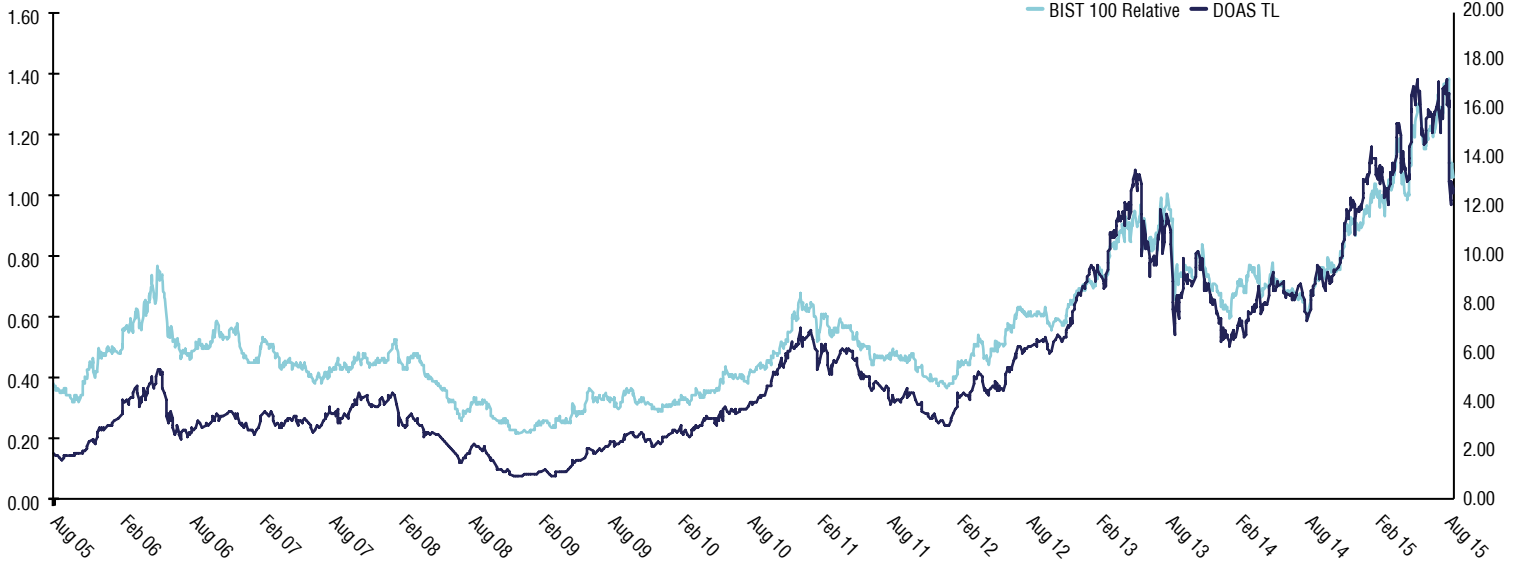
- Increase in goods in transit (vehicle)
  - 30 June 2015: 1.350.911 thousand TL
  - 31 December 2014: 569.259 thousand TL
- 1H2015 vehicle units was realized as 23.172 units. As 2015 model vehicles usually were purchased in February, inventory increased by 137%.

Other	30 Jun 15	31 Dec 14
Non-current assets held for sale	-	45,489
Investment property	20,429	20,636
Warranty claims and price difference receivables	30,685	18,749
Prepaid Expenses short-term	47,233	9,895
Advances Given	12,564	1,307
Receivables due to insurance claims	9,965	8,359
Deferred tax assets	6,918	6,287
Prepaid Expenses long-term	7,168	14,594
Advances given for property and equipment purchases	544	2,283
Other current assets	17,143	-
Other	6,456	3,995
<b>Provisions</b>	<b>30 Jun 15</b>	<b>31 Dec 14</b>
Warranty Provisions	30,696	33,541
Legal Provisions	14,288	14,614
Provision for unused vacation	4,921	4,576
Long-term provisions related to employee benefits	12,903	11,804

# Consolidated Balance Sheet

(Balance Sheet mn,TL)	30 Jun 15	31 Dec 14	(% Change)
Total Assets	3,879	2,827	37%
Total Equity	1,301	1,236	5%
Net working capital	202	-32	732%
Net cash position	-1,526	-1,060	-44%
CAPEX	50	115	-57%
Receivable Turnover (day)	36	35	-1%
Inventory Turnover (day)	56	30	-83%
Payable Turnover (day)	38	19	98%
Net Debt/EBITDA	2.8	2.8	-1%
ROA	5.5%	9.0%	-38%
ROE	16.5%	20.5%	-19%

# Stock Price History



## Shareholders Structure

	% Share	Amount (TL)
DOĞUŞ HOLDİNG AŞ.	35.21%	77,461,218
DOĞUŞ ARAŞTIRMA GEL. VE MÜŞ. HİZM.A.Ş.	30.29%	66,638,086
OTHER DOĞUŞ GROUP COMPANIES	0.00%	696
PUBLICLY TRADED	34.50%	75,900,000
TOTAL	100.00%	220,000,000

# Disclaimer

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