

Investor Relations Presentation

Q3 2016 Results

Updated: February 2017



DOĞUŞ
OTOMOTİV



DOĞUŞ

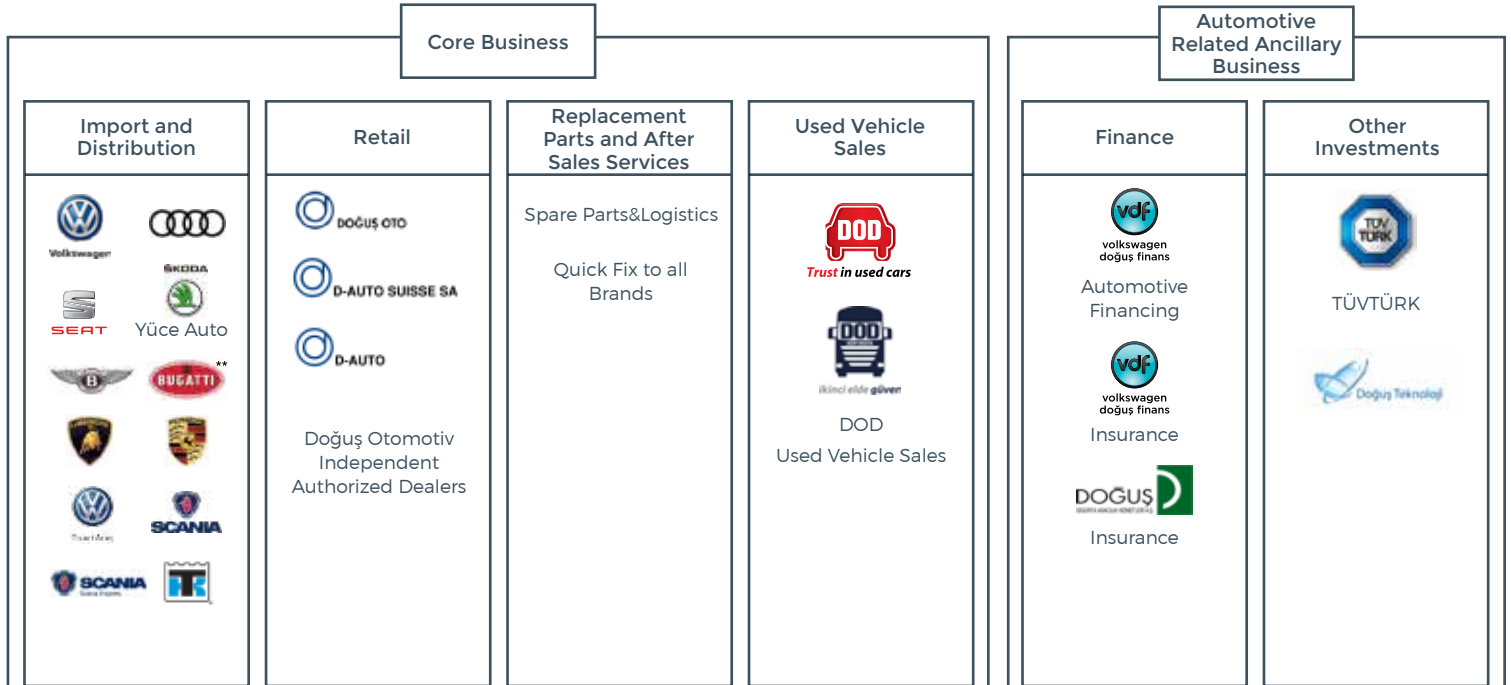


Agenda

- Doğu Otomotiv / Value Chain 2017
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

Doğuş Otomotiv / Value Chain 2017

Presence in Every Link of The Automotive Value Chain



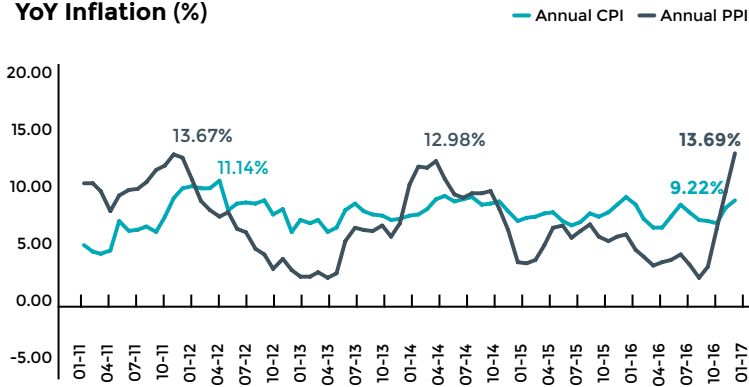
*Subsidiaries
**Representative Offices

Macroeconomic Outlook

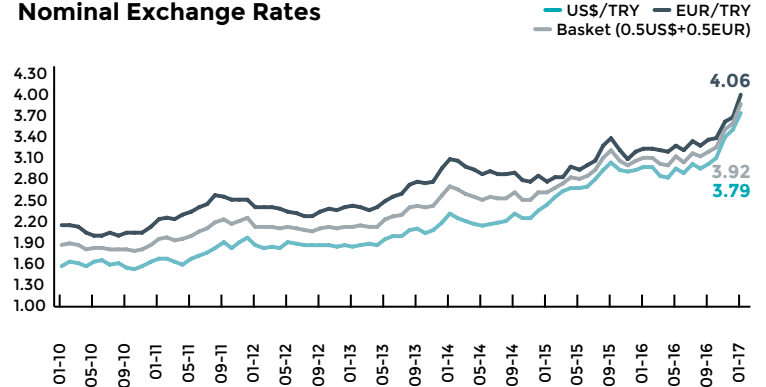


Macroeconomic Indicators

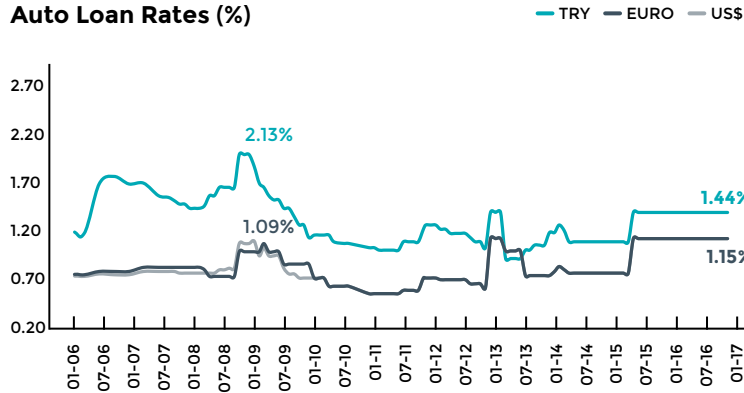
YoY Inflation (%)



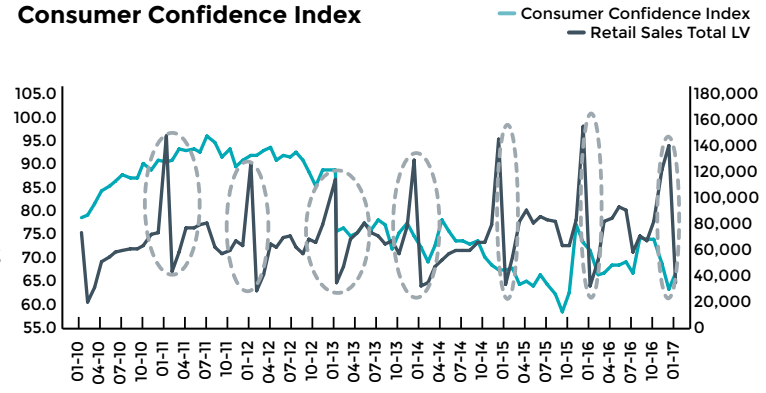
Nominal Exchange Rates



Auto Loan Rates (%)

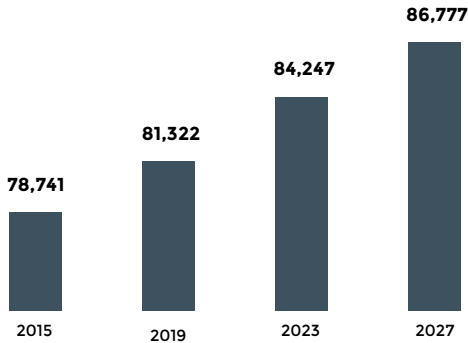


Consumer Confidence Index

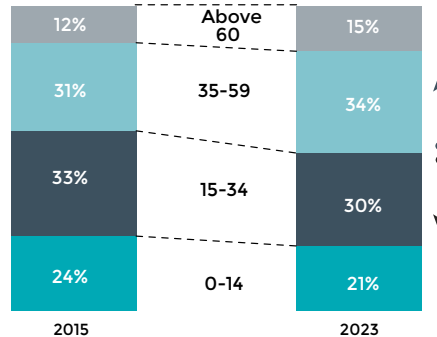


Population & Demography

Population Statistics ('000)



Age Demography

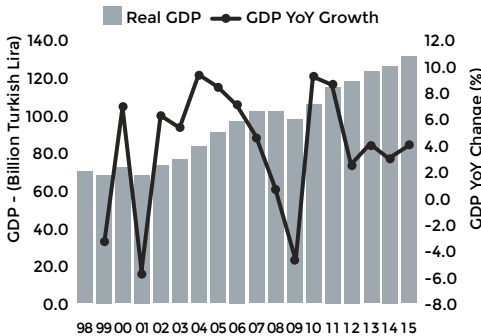


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

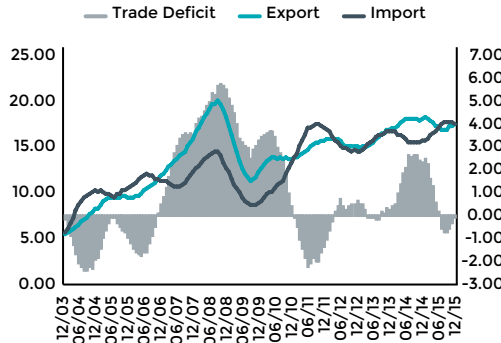
→ Population is increasing on an average 1.5% each year.

→ 64% of population will be between the age group 15 to 59 years.

Economy



Auto Industry Trade Balance (US\$ bn)



→ Share of people in the age group between 35 to 59 will increase by 3%.

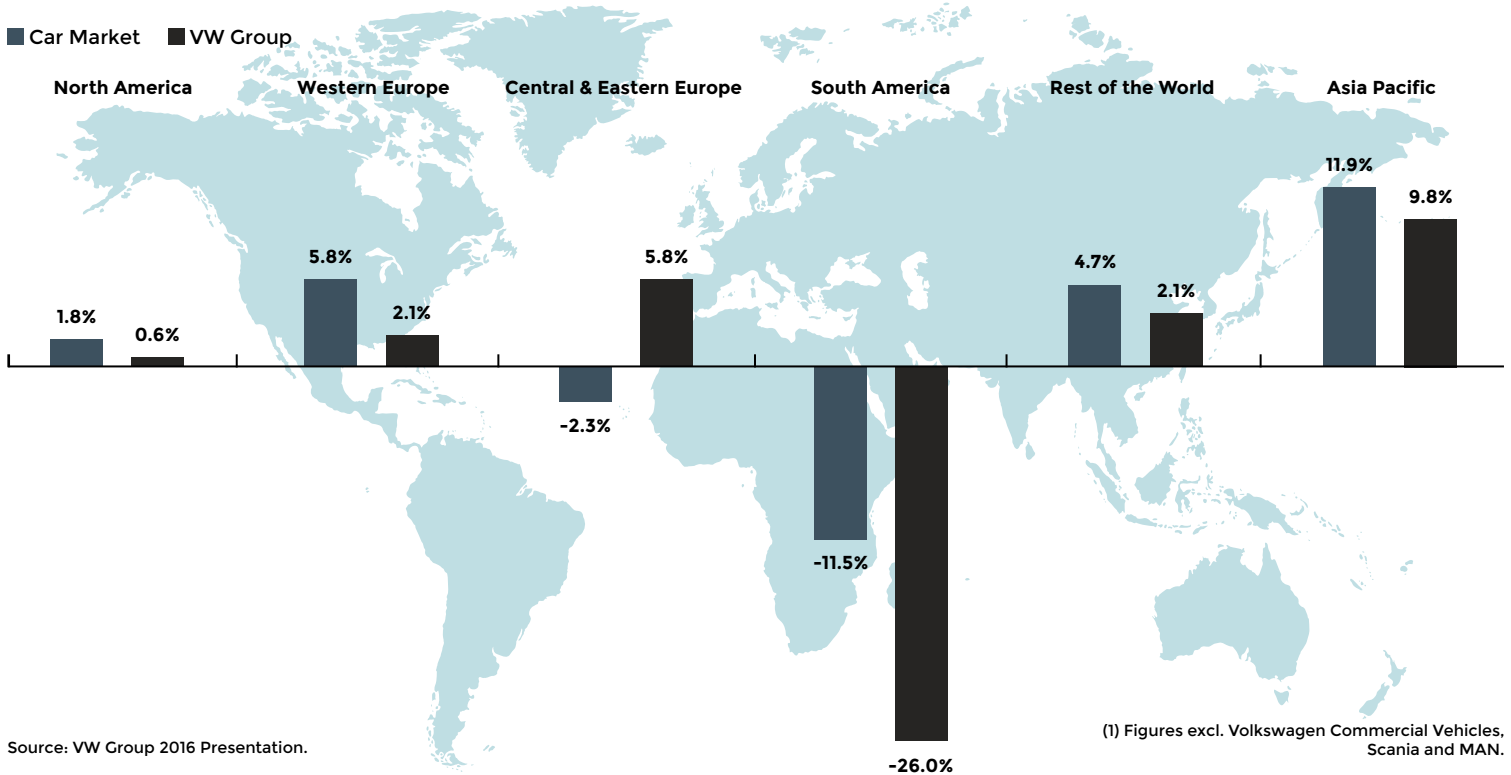
Note: All figures are rounded; the base years is 2009.
Source: IMF, TurkStat, Frost Sullivan

Automotive Market



Development world car market vs. Volkswagen Group Car Deliveries to Customers ⁽¹⁾

(Growth y-o-y in deliveries to customers, January to December 2016 vs. 2015)



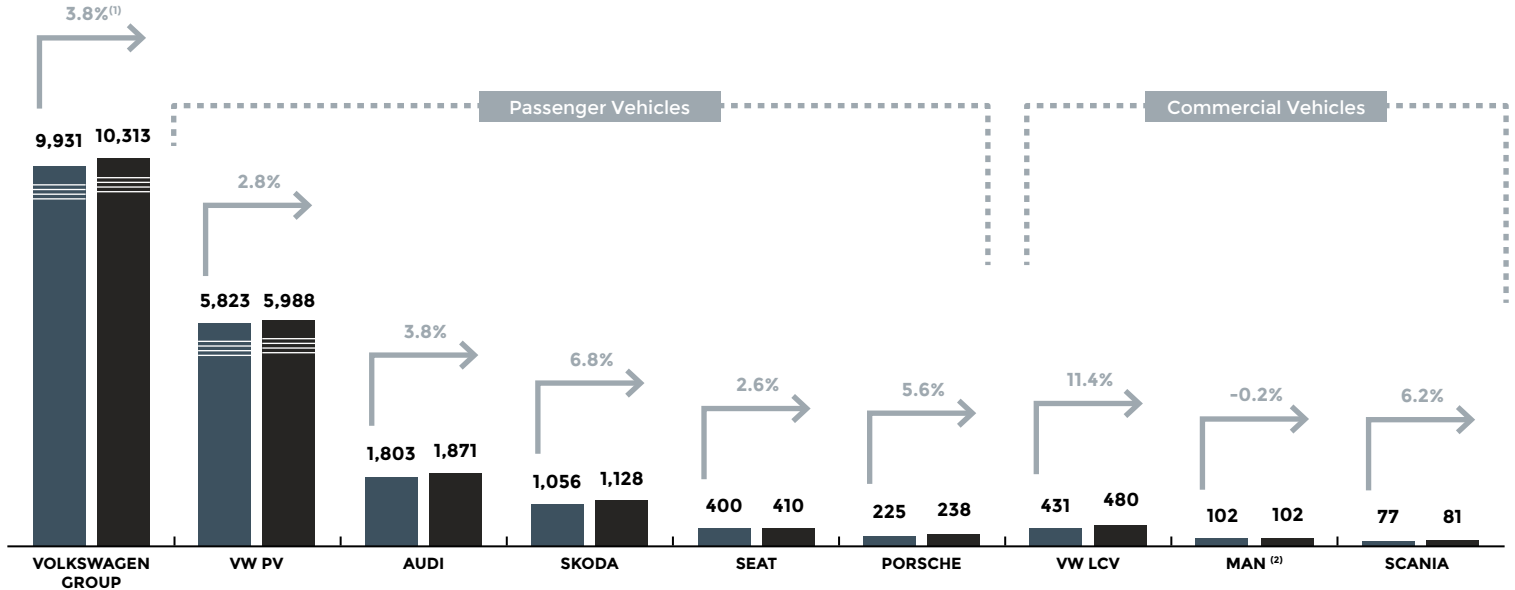
Source: VW Group 2016 Presentation.

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

Volkswagen Group

DELIVERIES TO CUSTOMERS BY BRANDS (‘000 units)

■ Jan-Dec 2015 ■ Jan-Dec 2016 → Change



(1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); +3.5% excl. Volkswagen Commercial Vehicles, Scania and MAN.

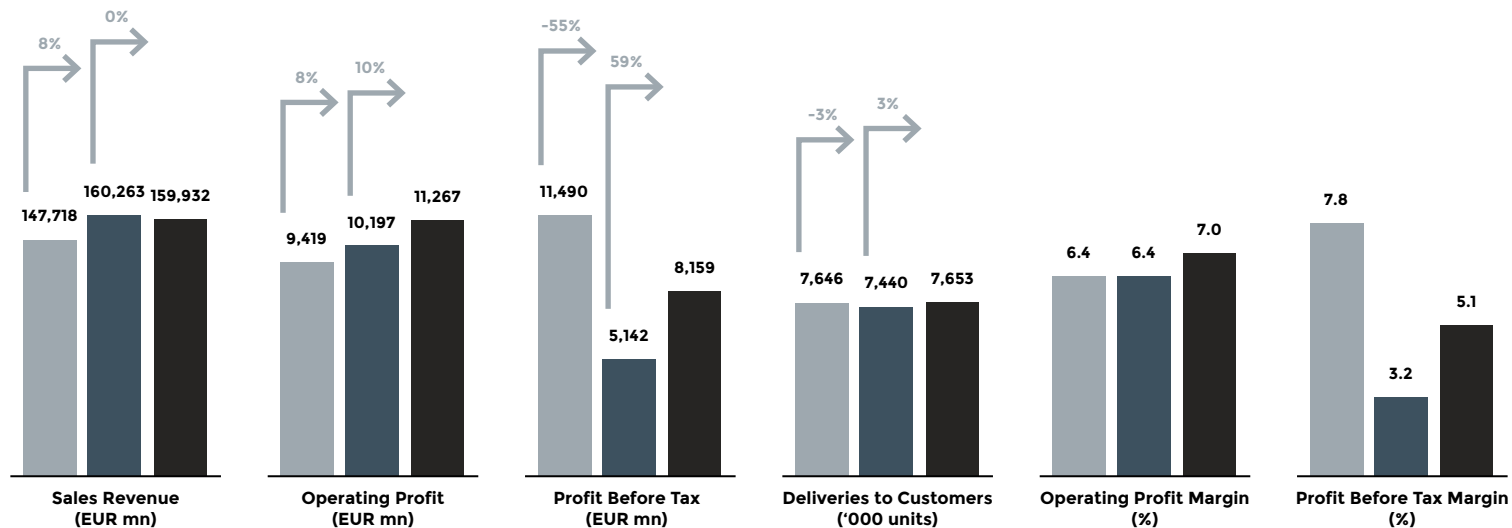
(2) MAN incl. MAN Latin America Trucks and Buses GVW>5t.

Source: VW Group 2016 Presentation.

Volkswagen Group

FINANCIAL AND SALES PERFORMANCE (EUR mn)

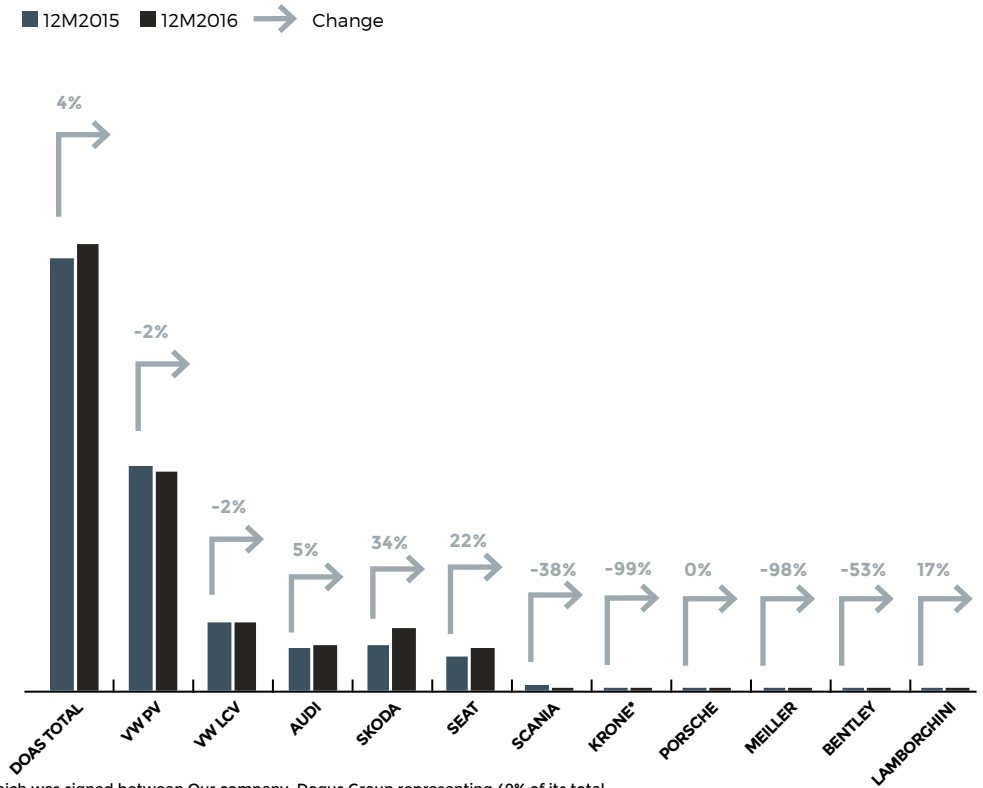
■ 3Q2014 ■ 3Q2015 ■ 3Q2016 → Change



Source: VW Group 2Q2016 Annual Report.

DOAS Wholesales Performance - 2016

	12M2015	12M2016	Change
DOAS TOTAL	205,593	213,185	4%
VW PV	106,677	104,410	-2%
VW LCV	33,411	32,733	-2%
AUDI	21,100	22,105	5%
SKODA	22,435	30,004	34%
SEAT	17,212	20,976	22%
SCANIA	3,291	2,050	-38%
KRONE	158	2	-99%
PORSCHE	877	881	0%
MEILLER	407	8	-98%
BENTLEY	19	9	-53%
LAMBORGHINI	6	7	17%

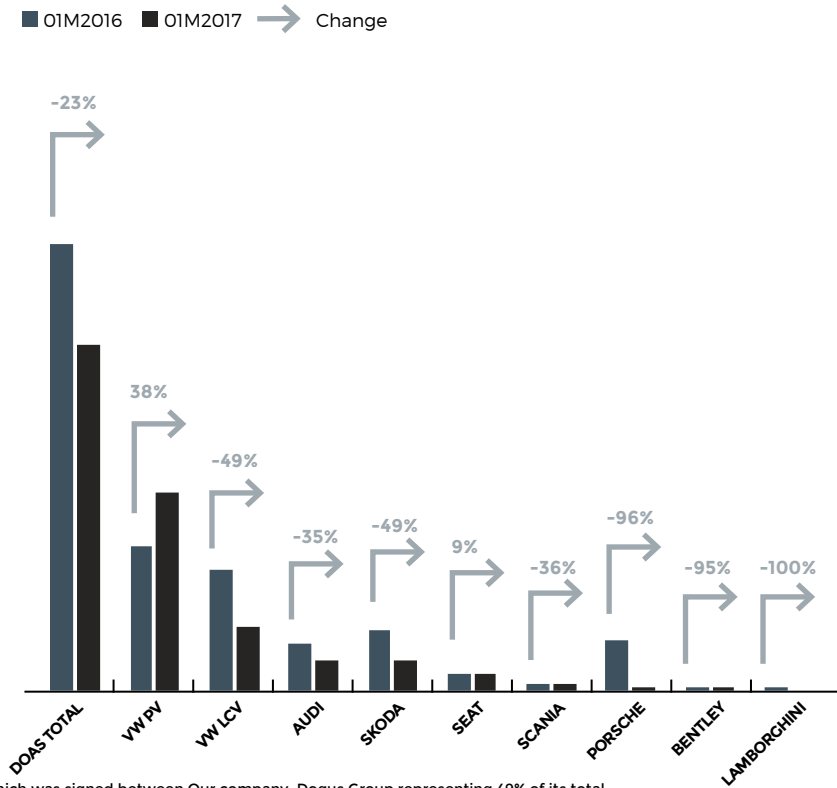


*The sales agreement of Krone Doğuş Treyler Sanayi ve Ticaret A.Ş., which was signed between Our company, Dogus Group representing 49% of its total capital, and Fahrzeugwerk Bernard Krone GmbH on 29.01.2015, was finalized after all permissions were received.

DOAS Wholesales Performance - January 2017

	01M2016	01M2017	Change
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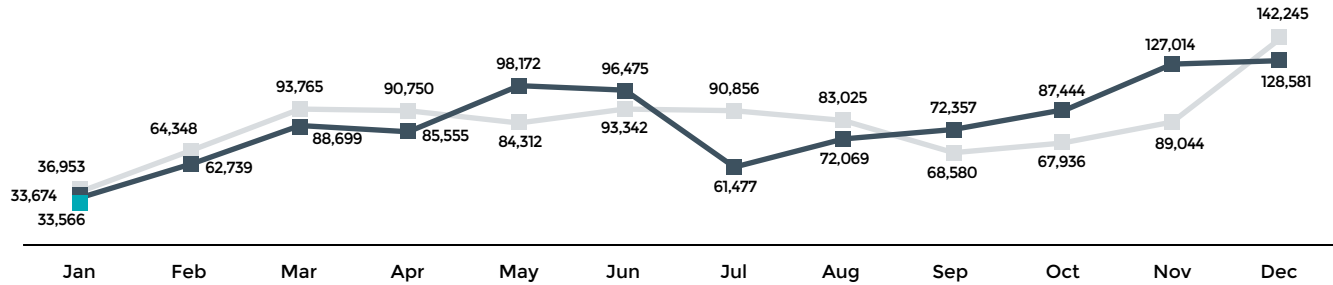
DOAS TOTAL	7,761	5,994	-23%
VW PV	2,508	3,456	38%
VW LCV	2,116	1,071	-49%
AUDI	780	508	-35%
SKODA	1,052	537	-49%
SEAT	275	300	9%
SCANIA	128	82	-36%
PORSCHE	877	39	-96%
BENTLEY	19	1	-95%
LAMBORGHINI	6	0	-100%



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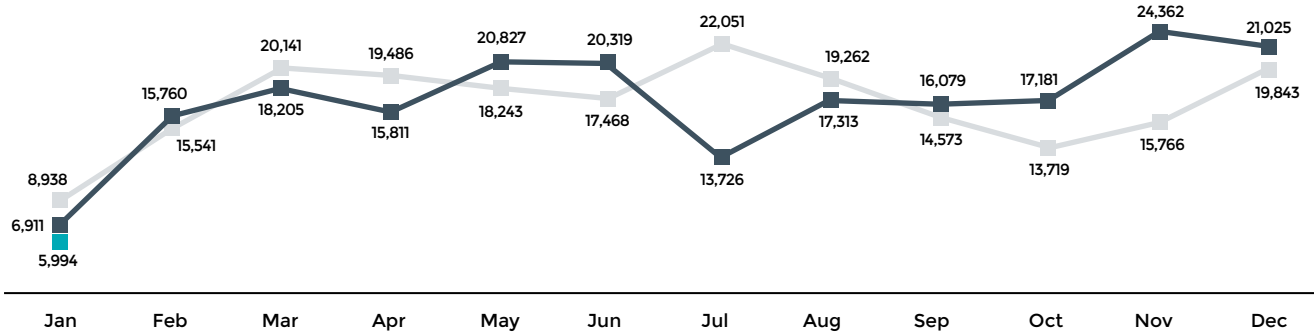
Wholesale Market Monthly Sales

2015 2016 2017



DOAS Monthly Sales

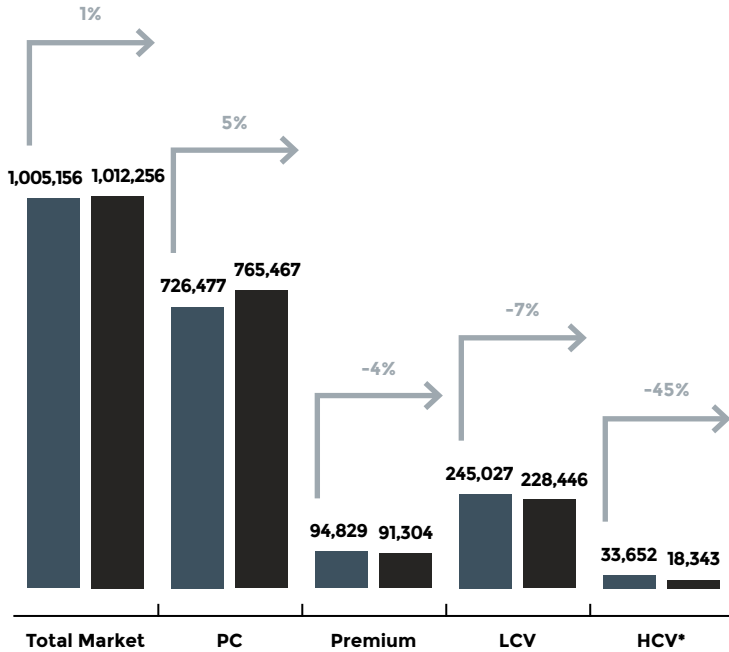
2015 2016 2017



Market Review - Wholesale - 2016

MARKET

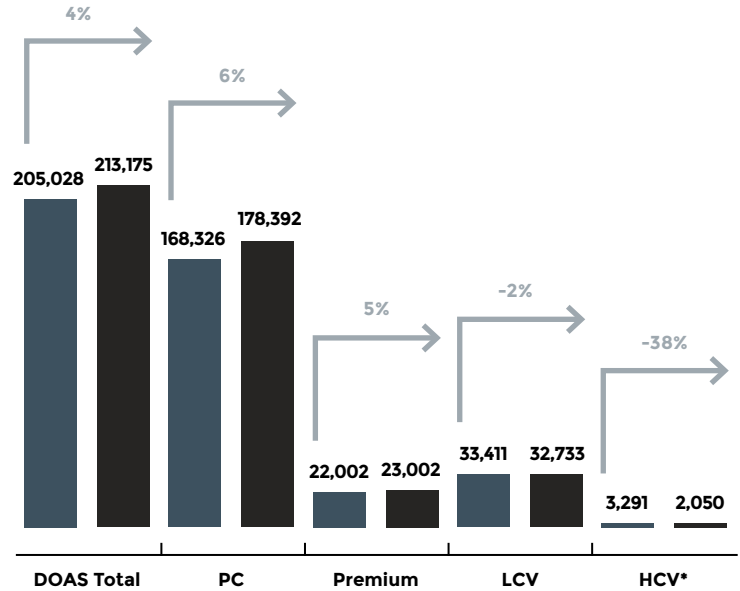
■ December 2015 ■ December 2016 → Change



*Excluding Krone and Meiller

DOAS

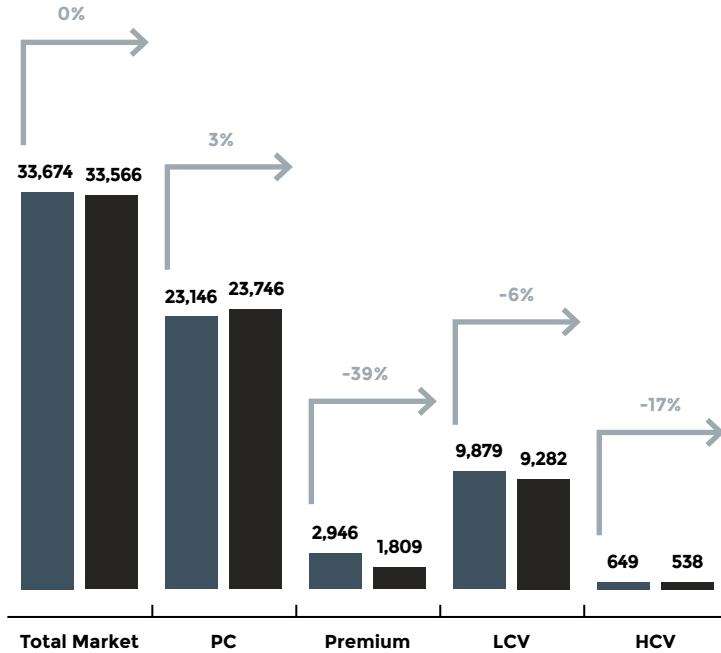
■ December 2015 ■ December 2016 → Change



Market Review - Wholesale - January 2017

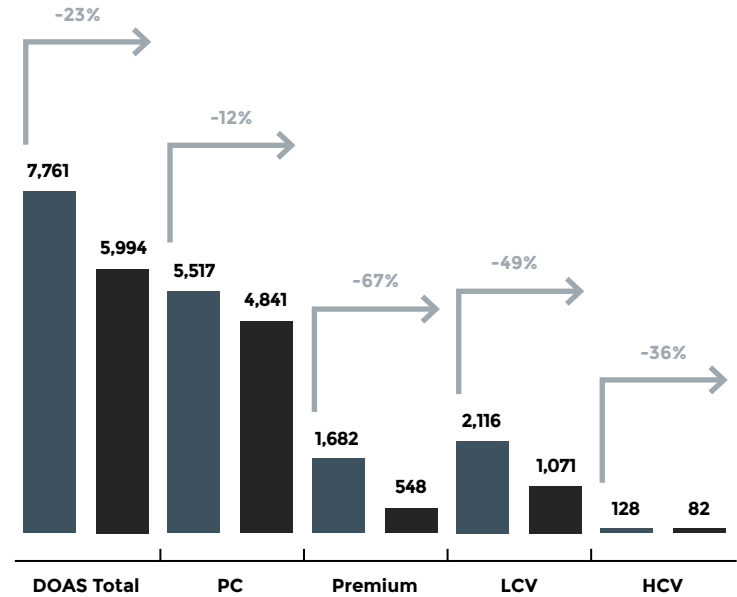
MARKET

■ January 2016 ■ January 2017 → Change



DOAS

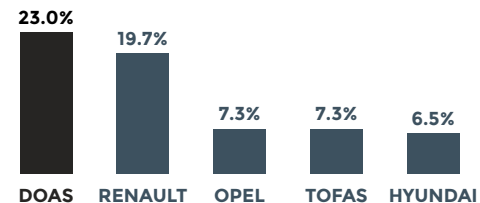
■ January 2016 ■ January 2017 → Change



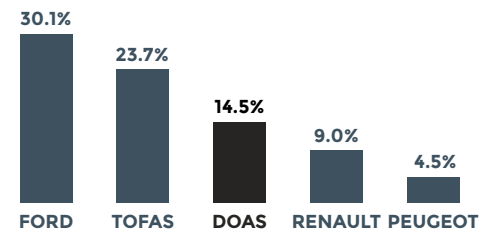
Market Share - Retail - 2016

RETAIL MARKET	2014 YEAR END	2015 YEAR END	2016 YEAR END	2014 YEAR END/ 2015 YEAR END CHANGE	2015 YEAR END/ 2016 YEAR END CHANGE
PASSENGER VEHICLE %					
DOAS	22.2	23.1	23.0	0.9	-0.1
RENAULT	20.1	19.2	19.7	-0.9	0.5
OPEL	6.7	6.5	7.3	-0.2	0.9
TOFAS	7.2	7.1	7.3	-0.1	0.2
HYUNDAI	7.7	6.9	6.5	-0.7	-0.4
TOYOTA	5.8	6.6	6.2	0.8	-0.4
FORD	6.4	6.5	5.5	0.2	-1.0
MERCEDES-BENZ	3.9	4.2	4.3	0.3	0.1
OTHER	20.1	19.9	20.2	-0.2	0.3
LIGHT COMMERCIAL VEHICLE %					
FORD	27.5	29.5	30.1	2.0	0.6
TOFAŞ	27.5	25.6	23.7	-1.9	-1.9
DOAS	13.3	13.1	14.5	-0.3	1.4
RENAULT	8.5	9.6	9.0	1.1	-0.5
PEUGEOT	3.9	4.8	4.5	0.9	-0.3
CITROEN	4.5	4.9	3.7	0.4	-1.2
MERCEDES-BENZ	4.5	3.5	3.6	-1.0	0.1
TOYOTA	0.9	1.2	2.5	0.3	1.3
OTHER	9.5	7.9	8.5	-1.6	0.6
LIGHT VEHICLE %					
DOAS	20.1	20.6	21.0	0.5	0.5
RENAULT	17.4	16.8	17.2	-0.6	0.4
FORD	11.3	12.3	11.1	0.9	-1.1
TOFAŞ	12.0	11.8	11.1	-0.2	-0.7
OPEL	5.1	4.9	5.6	-0.3	0.8
TOYOTA	4.7	5.3	5.4	0.6	0.1
HYUNDAI	6.1	5.4	5.3	-0.7	-0.1
MERCEDES-BENZ	4.1	4.0	4.1	0.0	0.1
OTHER	19.3	19.2	19.1	-0.1	0.0

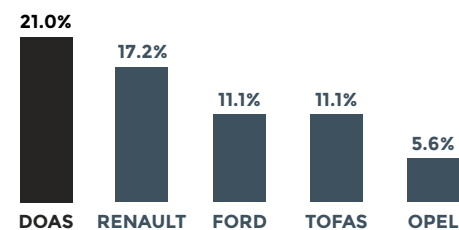
PV TOP 5 DECEMBER 16



LCV TOP 5 DECEMBER 16



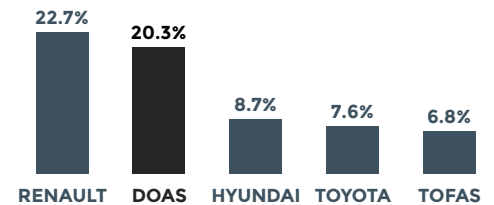
LV TOP 5 DECEMBER 16



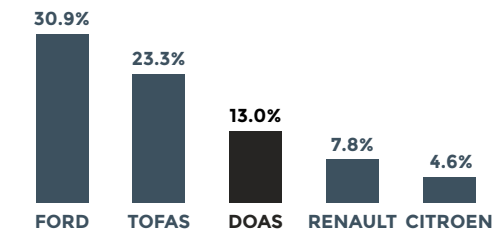
Market Share - Retail - January 2017

RETAIL MARKET	2015 YEAR END	2016 YEAR END	JAN 2016	JAN 2017	JAN 2017/ 2016 YEAR END CHANGE	JAN 2017/ JAN 2016 CHANGE
PASSENGER VEHICLE %						
RENAULT	19.2	19.7	22.7	22.7	3.0	0.0
DOGUS OTOMOTİV	23.1	23.0	21.3	20.3	-2.7	-1.0
HYUNDAI	6.9	6.5	9.6	8.7	2.1	-0.9
TOYOTA	6.6	6.2	6.2	7.6	1.3	1.4
TOFAS	7.1	7.3	7.4	6.8	-0.5	-0.6
OPEL	6.5	7.3	5.4	6.1	-1.2	0.7
FORD	6.5	5.5	5.7	6.0	0.5	0.3
HONDA	2.2	2.7	3.2	5.1	2.4	2.0
OTHER	21.9	21.8	18.6	16.8	-5.0	-1.8
LIGHT COMMERCIAL VEHICLE %						
FORD	29.5	30.1	26.2	30.9	0.8	4.7
TOFAS	25.6	23.7	23.7	23.3	-0.4	-0.4
DOGUS OTOMOTİV	13.1	14.5	18.6	13.0	-1.4	-5.5
RENAULT	9.6	9.0	7.2	7.8	-1.2	0.7
CITROEN	4.9	3.7	2.7	4.6	0.9	1.9
TOYOTA	1.2	2.5	0.4	3.7	1.2	3.3
MERCEDES-BENZ	3.5	3.6	3.9	3.6	0.0	-0.3
KIA	1.7	1.7	1.7	2.0	0.3	0.3
OTHER	11.0	11.2	15.9	11.1	-0.2	-4.8
LIGHT VEHICLE %						
RENAULT	16.8	17.2	18.3	18.6	1.4	0.4
DOGUS OTOMOTİV	20.6	21.0	20.5	18.3	-2.7	-2.2
FORD	12.3	11.1	11.5	12.8	1.6	1.3
TOFAS	11.8	11.1	12.1	11.3	0.2	-0.8
HYUNDAI	5.4	5.3	7.0	6.7	1.4	-0.4
TOYOTA	5.3	5.4	4.5	6.5	1.1	2.0
OPEL	4.9	5.6	3.9	4.5	-1.2	0.6
NISSAN	2.7	3.3	3.0	3.7	0.5	0.8
OTHER	19.2	19.1	17.8	19.0	-0.2	1.2

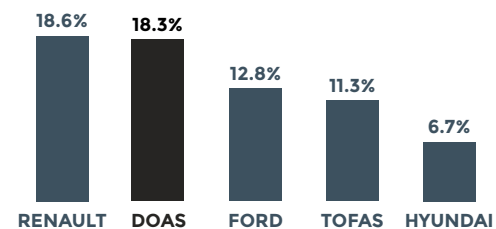
PV TOP 5 JANUARY 17



LCV TOP 5 JANUARY 17



LV TOP 5 JANUARY 17



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	30 Sep 16	30 Sep 15	Change (%)
Revenue	7,961	7,958	0%
Gross Profit	810	824	-2%
Operational Expenses	-536	-435	23%
Selling and Marketing Expenses	-232	-202	15%
General Administrative Expenses	-279	-213	31%
Warranty Expenses, net	-61	-51	21%
Other Operating Expenses, net	36	31	17%
EBITDA	321	424	-24%
EBIT	274	390	-30%

Margins	30 Sep 16	30 Sep 15	Change (%)
Gross Margin	10.2%	10.4%	-2%
Opex/Sales	6.7%	5.5%	23%
EBITDA Margin	4.0%	5.3%	-24%
EBIT Margin	3.4%	4.9%	-30%
Net Profit Margin	1.8%	3.7%	-52%

Consolidated Income Statement

(TL '000)	30 Sep 16	Vertical Analysis	30 Sep 15	Vertical Analysis	Change (%)
Revenue	7,961,137		7,958,385		0%
Direct cost of revenue	-7,151,472	-90%	-7,133,976	-90%	0%
Gross profit	809,665	10%	824,409	10%	-2%
Selling, marketing and distribution expenses	-231,546	-3%	-201,996	-3%	15%
SG&A Expenses	-279,492	-4%	-212,770	-3%	31%
Warranty expenses	-60,875	-1%	-50,513	-1%	21%
Other operating incomes/losses, net	35,754	0%	30,601	0%	17%
Results from operating activities	273,506	3%	389,731	5%	-30%
Income from Investing Activities	9,259		37,324		
Income Loss from Associates	74,549		54,638		36%
Financial incomes/costs, net	-196,018		-124,680		57%
Profit before income tax	161,296	2%	357,013	4%	-55%
Tax expense	-18,737		-59,677		-69%
Profit for the year	142,559	2%	297,336	4%	-52%

→ Impacts on revenue and direct cost of revenue:

- *Increased EUR/TL volatility in 9M16.
- FOB prices increased in some PC models.
- Suspension of sales of Jetta and Caddy models in October 2015 affected due to "Dieselgate".
- OEM related production limitation and model mix constraints

→ Selling, marketing and distribution expenses

- 13% Increase in Advertisement Expenses

→ General Administration Expenses

- Increase in personnel expenses by 27%

Income/Loss from Associates 30 Sep 16 Cumulative 30 Sep 15 Cumulative

VDF	34,615	11,834
Doğuş Sigorta	911	1,686
SKODA (Yüce Oto)	7,901	6,328
VDF Servis Holding	9,393	9,048
TÜVTURK Group	22,332	26,100
Meiller-Doğuş	-767	-731
Doğuş Technology	164	373
Grand Total	74,549	54,638

Financing Costs

(TL mn, CMB)	30 Sep 2016	30 Sep 2015	Change (%)
Financing Costs	-196.01	-124.68	57%
Finance expenses, net	-195.67	-120.34	63%
Interest expense on borrowings	-191.30	-117.25	63%
Commission expenses on letters of guarantee	-2.55	-2.27	13%
Other financial expenses	-1.82	-0.83	120%
Foreign Exchange gain/loss, net*	-0.34	-4.34	-92%

*arising from credit loans

CMB: Capital Market Boards of Turkey

Consolidated Balance Sheet

(TL '000)	30 Sep 16	31 Dec 15
ASSETS	4,958,553	3,979,903
Cash and cash equivalents	60,724	71,870
Trade receivables	758,397	1,103,939
Inventories	2,414,148	1,214,122
Tangible and intangible non-current assets	764,522	684,891
Financial Investments	517,333	511,815
Investments in equity accounted investees	279,836	239,010
Other	163,593	154,256
LIABILITIES	3,877,050	2,617,020
Financial liabilities	2,709,309	1,941,124
Trade payables	1,027,108	509,411
Provisions	75,965	68,920
Other	64,668	97,565
EQUITY	1,081,503	1,362,883

Investments in Equity Accounted Investees	30 Sep 16	31 Dec 15
Associates		
VDF	119,896	85,281
Doğuş Sigorta	32,780	32,709
Yüce Auto (SKODA)	22,002	17,298
VDF Servis	42,245	32,852
Doğuş Teknoloji	6,067	4,523
Joint Ventures		
TÜVTURK North - South (Consolidated)	51,620	60,354
Meiller-Doğuş	5,226	5,993
Total	279,836	239,010

Other	30 Sep 16	31 Dec 15
VAT payable	16,779	61,501
Income tax payable	16,213	3,166
Deferred income	20,596	13,604
Payables related to employee benefits	8,172	13,894
Deferred tax liabilities	214	2,625
Other	2,694	2,775

Provisions	30 Sep 16	31 Dec 15
Warranty Provisions	39,478	35,617
Legal Provisions	15,826	14,173
Provision for unused vacation	5,714	5,193
Long-term provisions related to employee benefits	14,947	13,937

Inventories:

- Increase in goods in transit (vehicle)
- 30 September 2016: 2.414.148K TL
- 31 December 2015: 1.214.122K TL
- Number of vehicles increased from 14.426 units to 35.105 units as of 30.09.2016.

Trade Payables:

Trade Payables; of the company increased by 102% compared to 31.12.2015. The main reason for the rise is the increase in payables to OEM due to the increase in the amount of inventory in 9M16.

Financial liabilities:

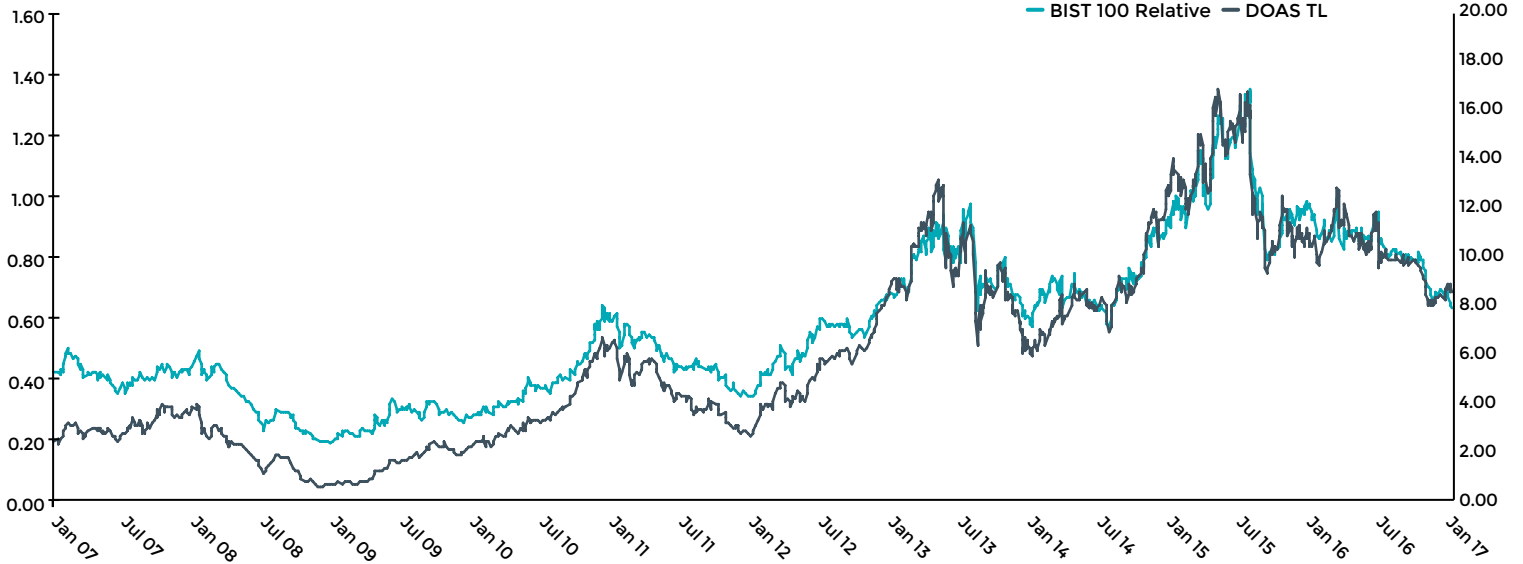
Cost of debt for the short term loans increased by 1 basis points in 9M16 compared to 9M15.

Other	30 Sep 16	31 Dec 15
Investment property	19,912	20,222
Warranty claims and price difference receivables	32,337	28,072
Prepaid Expenses short-term	36,197	15,749
Advances Given	6,327	3,449
Receivables due to insurance claims	10,057	9,459
Deferred tax assets	21,328	5,662
Advances given for property and equipment purchases	18,181	28,090
Prepaid Expenses long-term	5,841	721
Deferred tax	339	20,403
Current income tax assets	528	15,984
Other	12,546	6,445

Consolidated Balance Sheet

(Balance Sheet mn,TL)	30 Sep 16	31 Dec 15	Change (%)
Total Assets	4,959	3,980	25%
Total Equity	1,082	1,363	-21%
Net working capital	-489	236	-308%
Net cash position	-2,677	-1,902	-41%
CAPEX	147	169	-13%
Receivable Turnover (day)	26	37	-30%
Inventory Turnover (day)	92	45	104%
Payable Turnover (day)	39	19	107%
Net Debt/EBITDA	6.2	3.7	68%
ROA	2.9%	7.6%	-62%
ROE	13.2%	22.2%	-41%

Stock Price History



Shareholders Structure

	% Share	Amount (TL)
DOĞUŞ HOLDİNG A.Ş.	35.21%	77,461,622
DOĞUŞ ARAŞTIRMA GEL. VE MÜŞ. HİZM. A.Ş.	30.29%	66,638,086
DOĞUŞ SİGORTA ARACILIK HİZMETLERİ A.Ş.	0.00%	292
PUBLICLY TRADED	34.50%	75,900,000
TOTAL	100.00%	220,000,000

Disclaimer

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