

Investor Relations Presentation

Q1 2017 Results

Updated: July 2017

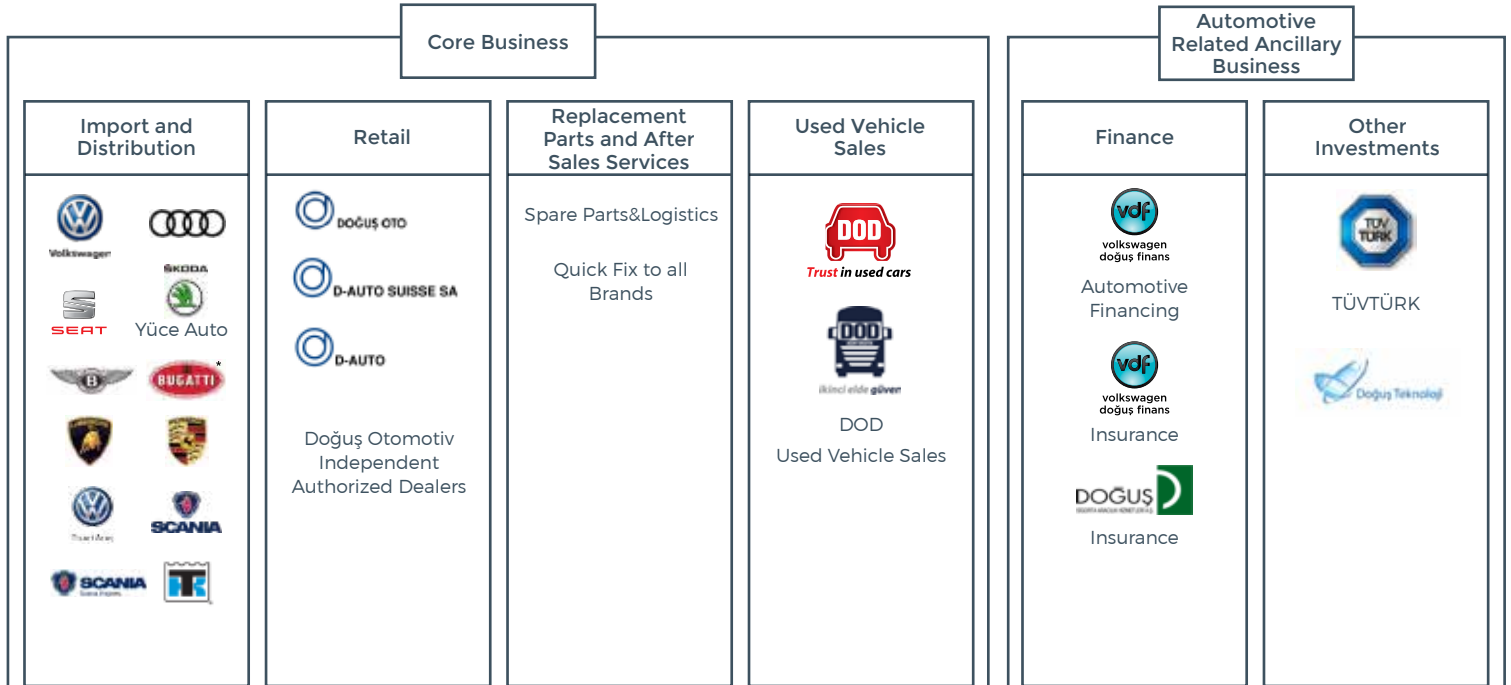


Agenda

- 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



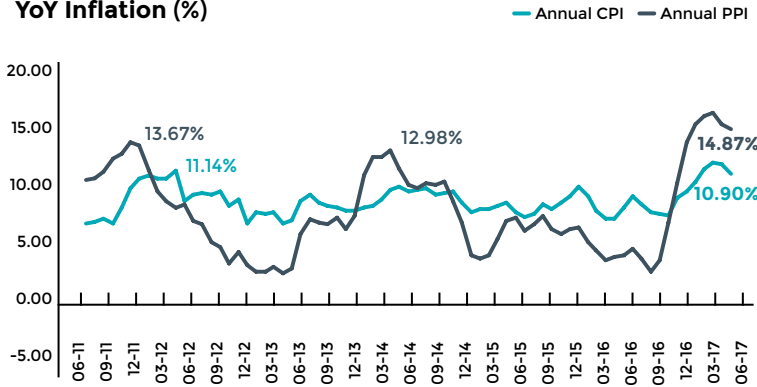
*Representative Offices

Macroeconomic Outlook

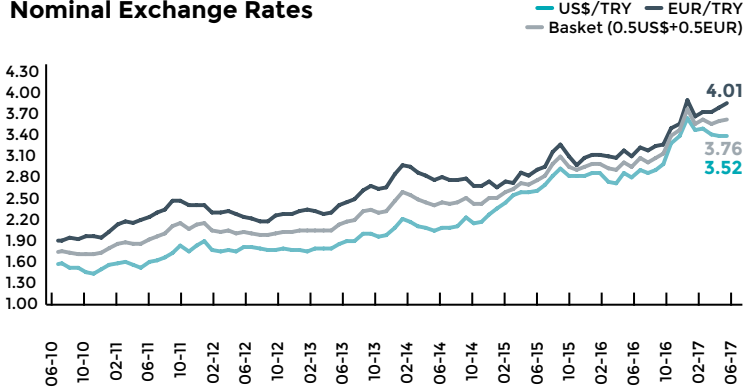


Macroeconomic Indicators

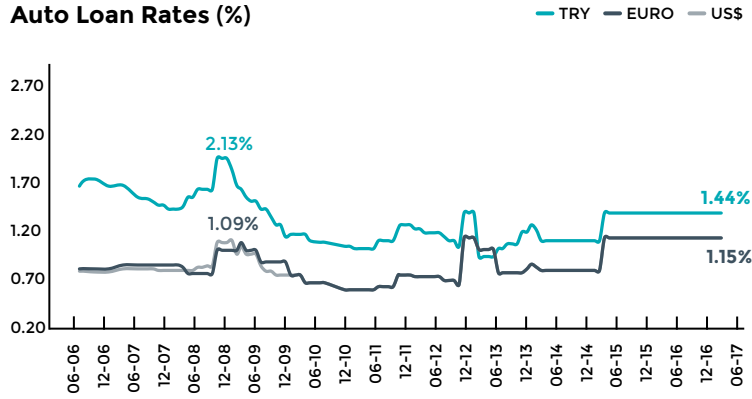
YoY Inflation (%)



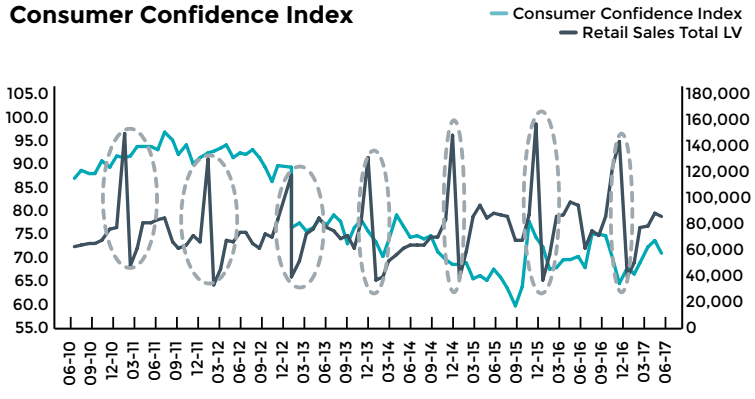
Nominal Exchange Rates



Auto Loan Rates (%)

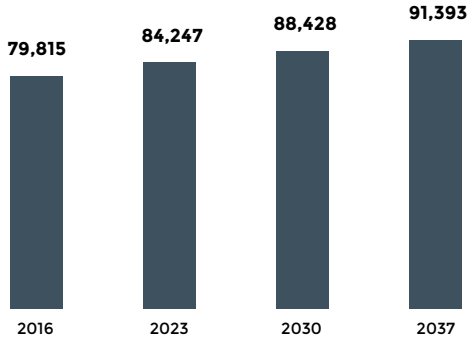


Consumer Confidence Index

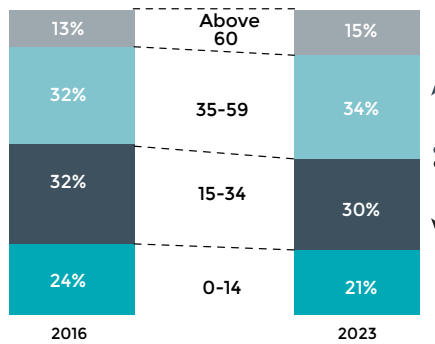


Population & Demography

Population Statistics ('000)



Age Demography

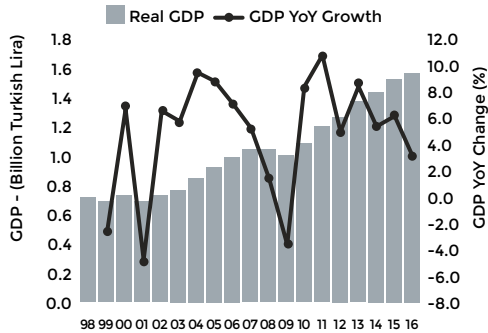


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

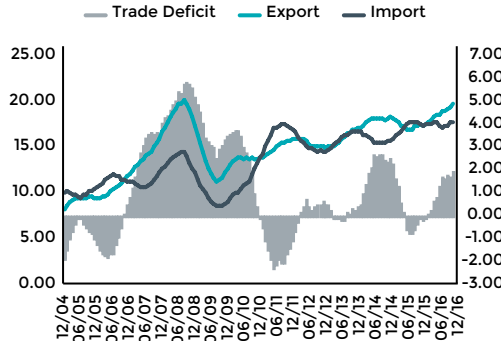
→ Population is increasing on an average 1.4% each year since 2007.

→ 64% of population will be between the age group of 15 to 59 years by 2023.

Economy



Auto Industry Trade Balance (US\$ bn)



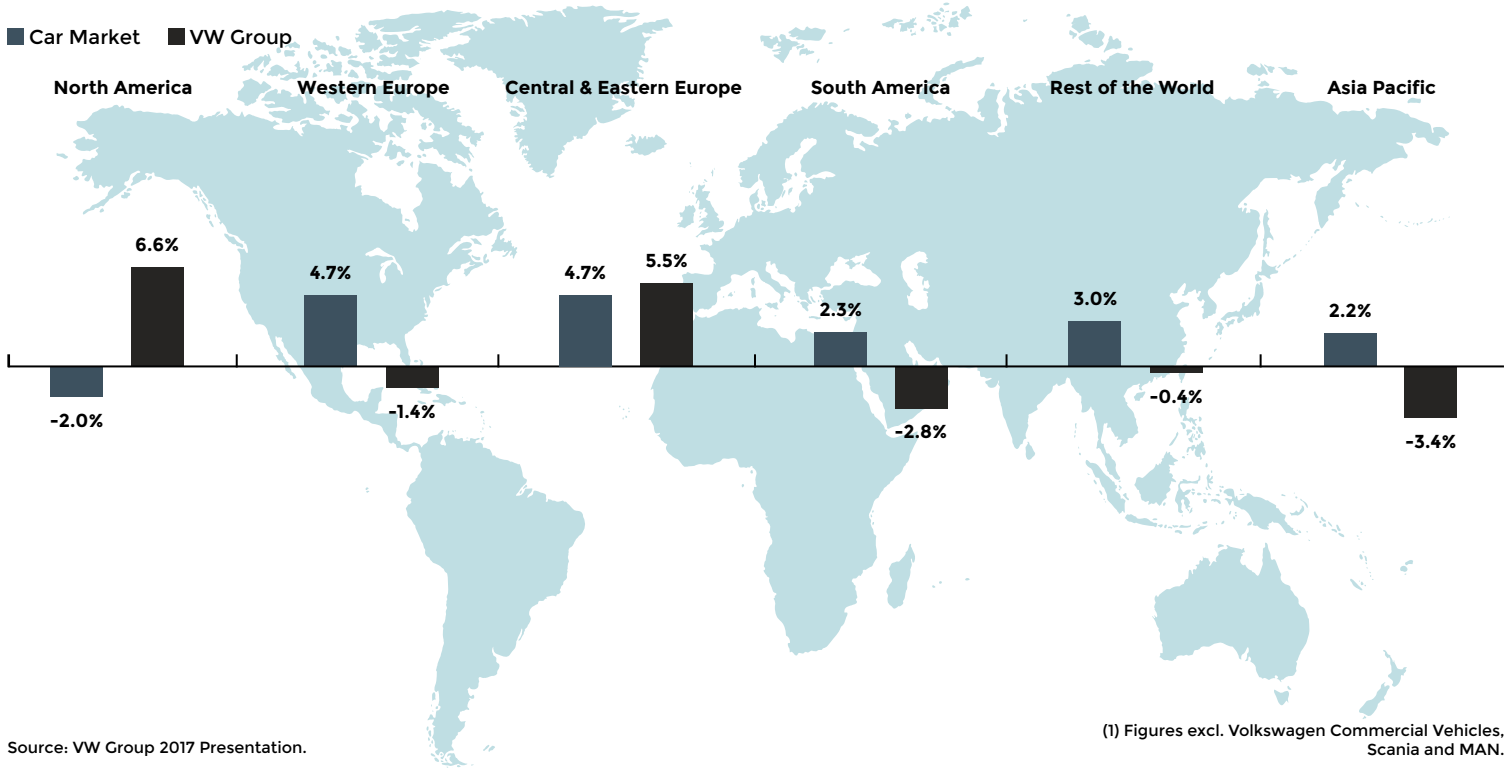
→ Share of people in the age group between 35 to 59 will increase by 2% from 2016 to 2023.

Note: All figures are rounded.
Source: TurkStat

Automotive Market



Development world car market vs. Volkswagen Group Car Deliveries to Customers ⁽¹⁾ (Growth y-o-y in deliveries to customers, January to May 2017 vs. 2016)

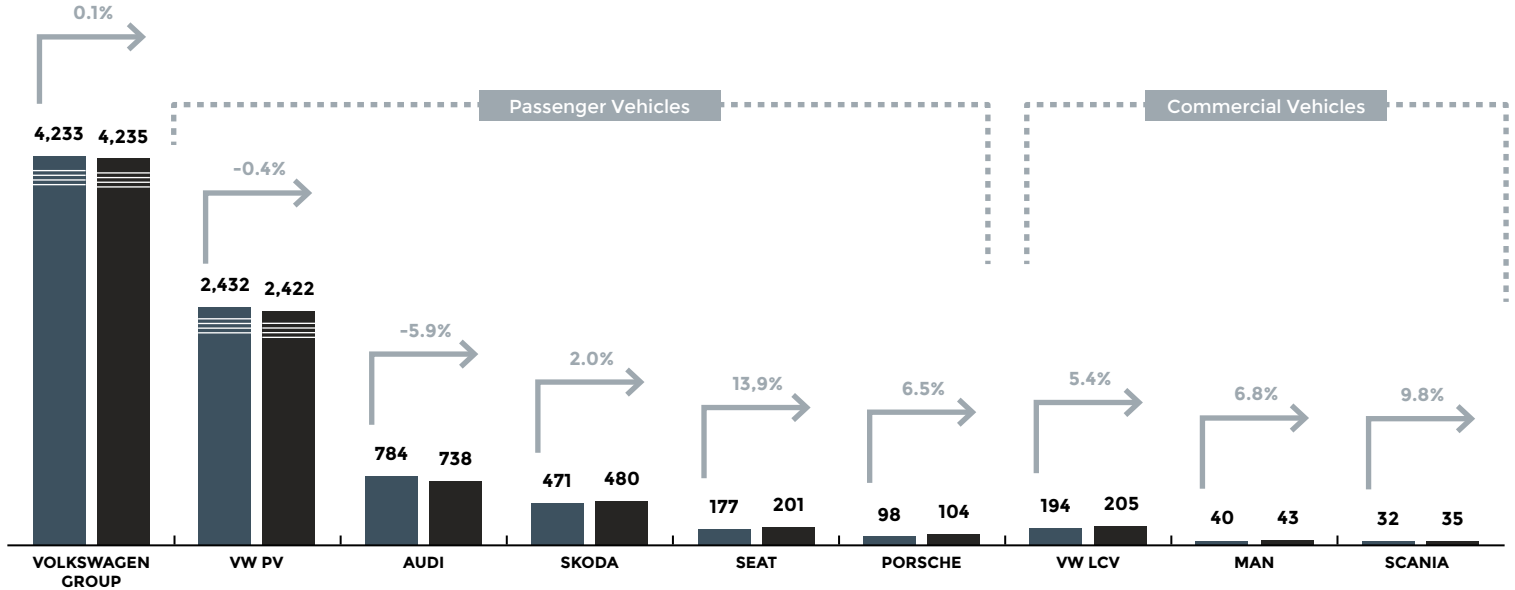


Source: VW Group 2017 Presentation.

Volkswagen Group

DELIVERIES TO CUSTOMERS BY BRANDS (‘000 units)

■ Jan-May 2016 ■ Jan-May 2017 → Change



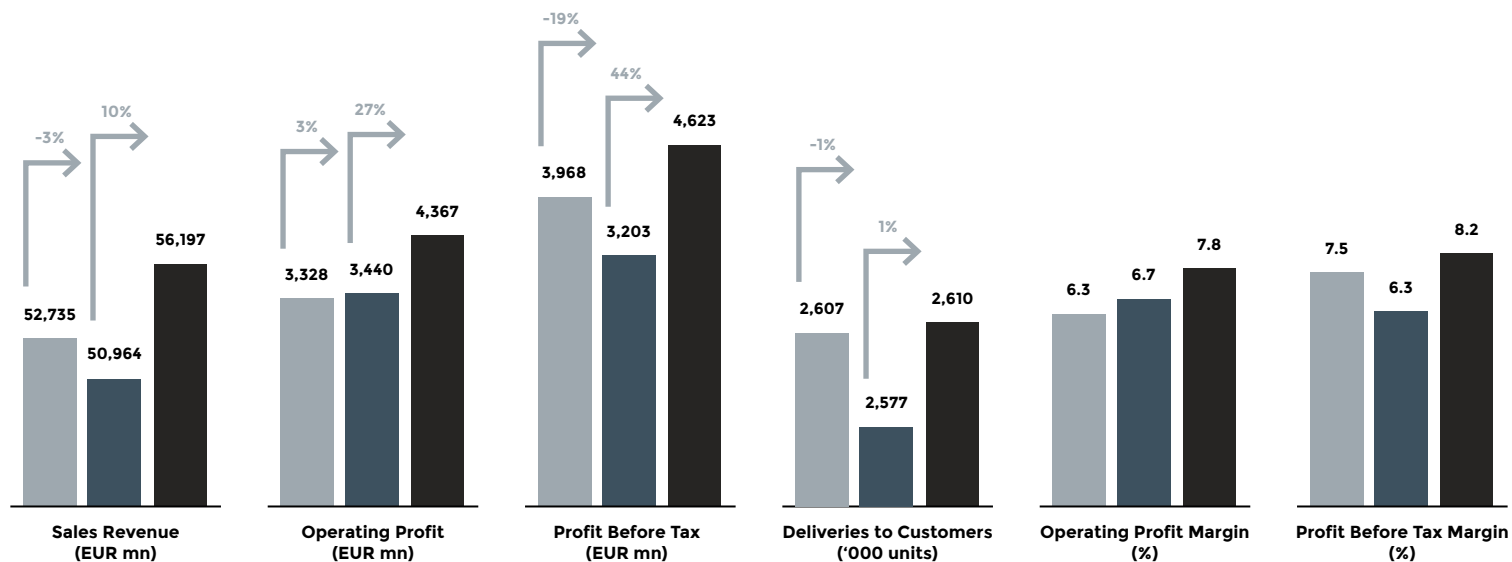
*inc. Commercial Vehicles, MAN and Scania

Source: VW Group 2017 Presentation.

Volkswagen Group

FINANCIAL AND SALES PERFORMANCE (EUR mn)

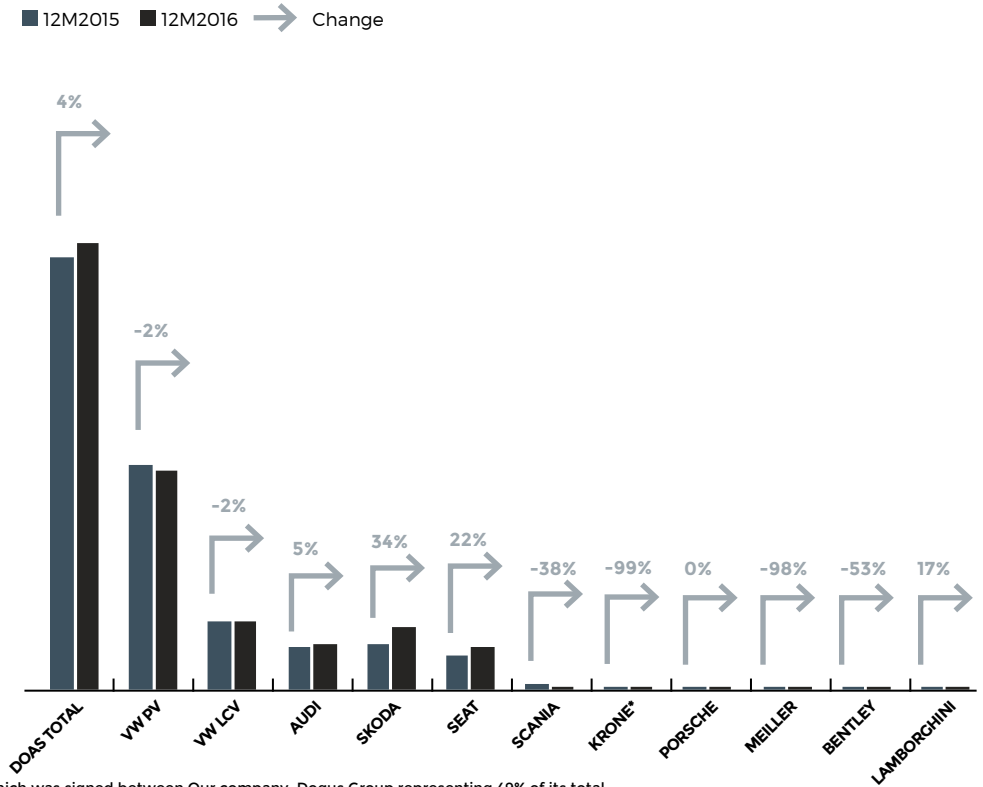
■ 1Q 2015 ■ 1Q 2016 ■ 1Q 2017 → Change



Source: VW Group 2016 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%

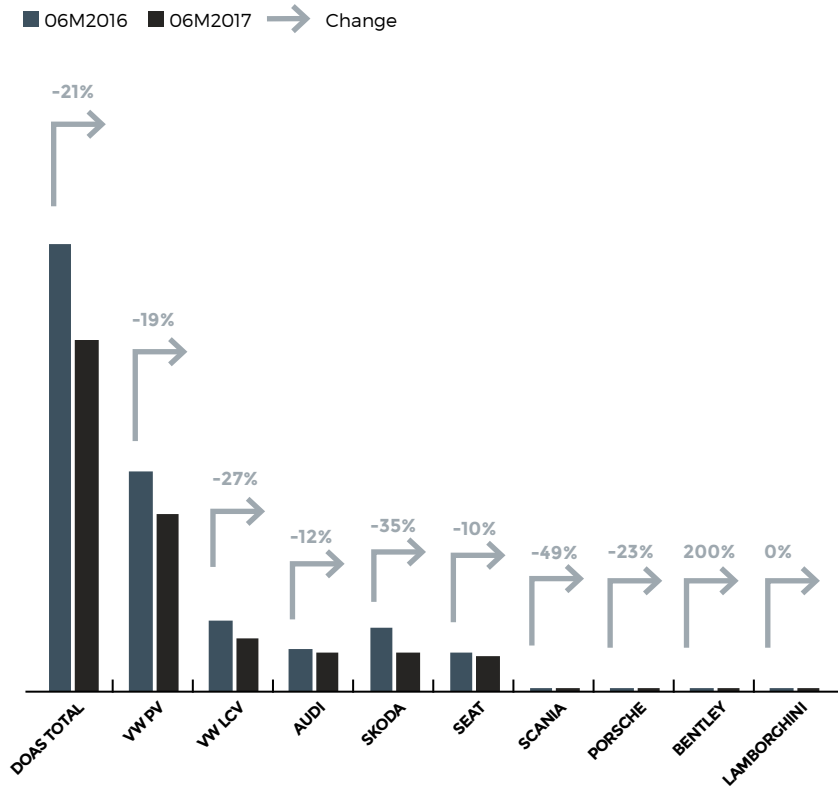


*The sales agreement of Krone Doğuş Treylar Sanayi ve Ticaret A.Ş., which was signed between Our company, Dogus Group representing 49% of its total capital, and Fahrzeugwerk Bernard Krone GmbH on 29.01.2015, was finalized after all permissions were received.

DOAS Wholesales Performance - June 2017

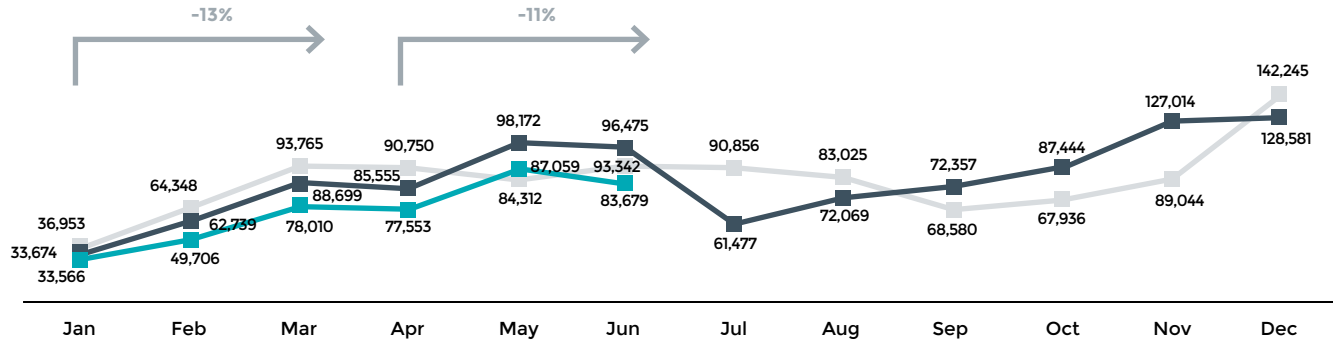
	06M2016	06M2017	Change
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DOAS TOTAL	97,833	76,812	-21%
VW PV	47,910	38,834	-19%
VW LCV	15,946	11,562	-27%
AUDI	9,572	8,410	-12%
SKODA	13,847	8,993	-35%
SEAT	8,953	8,087	-10%
SCANIA	1,230	631	-49%
PORSCHE	370	286	-23%
BENTLEY	2	6	200%
LAMBORGHINI	3	3	0%



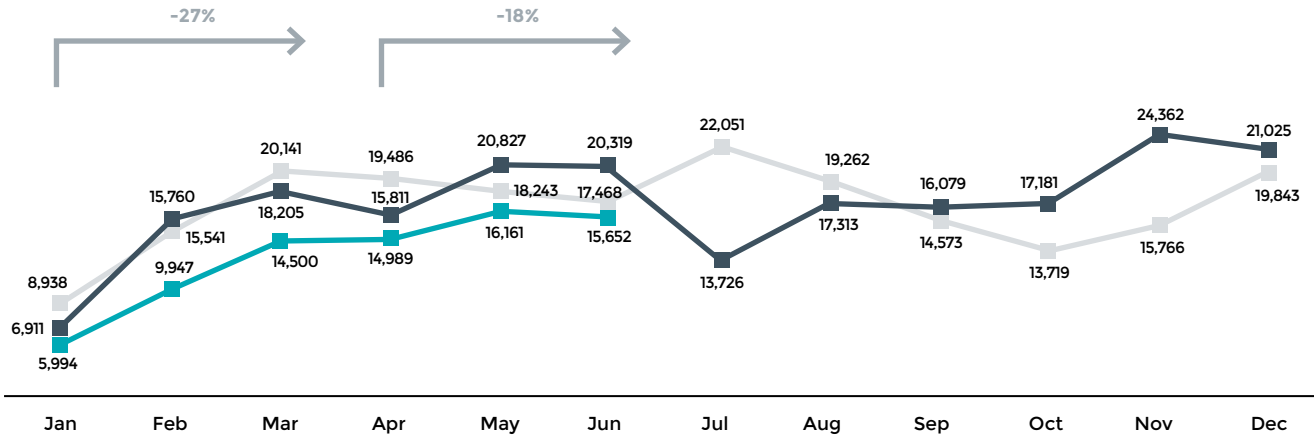
Wholesale Market Monthly Sales

2015 2016 2017



DOAS Monthly Sales

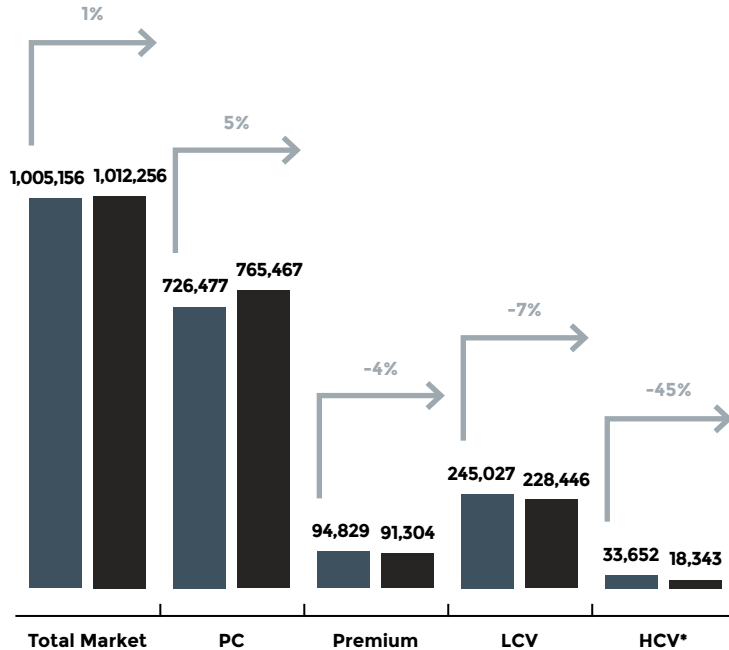
2015 2016 2017



Market Review - Wholesale - 2016

MARKET

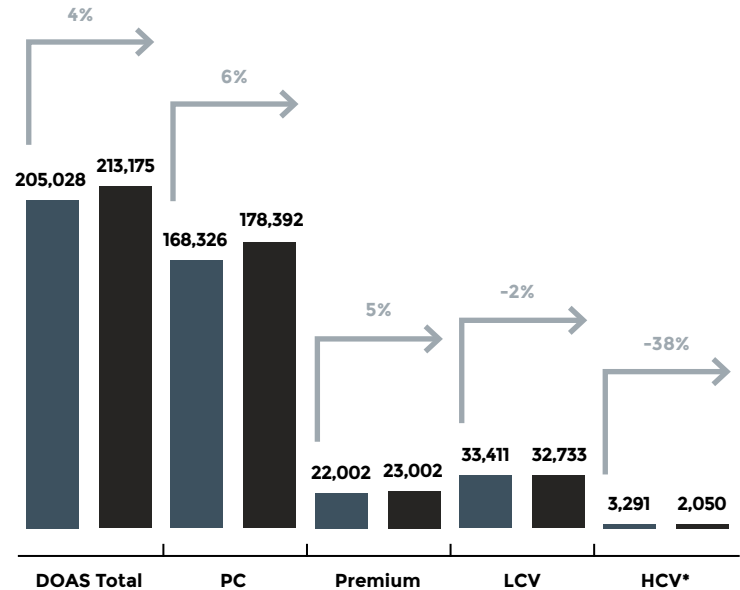
■ December 2015 ■ December 2016 → Change



*Excluding Krone and Meiller

DOAS

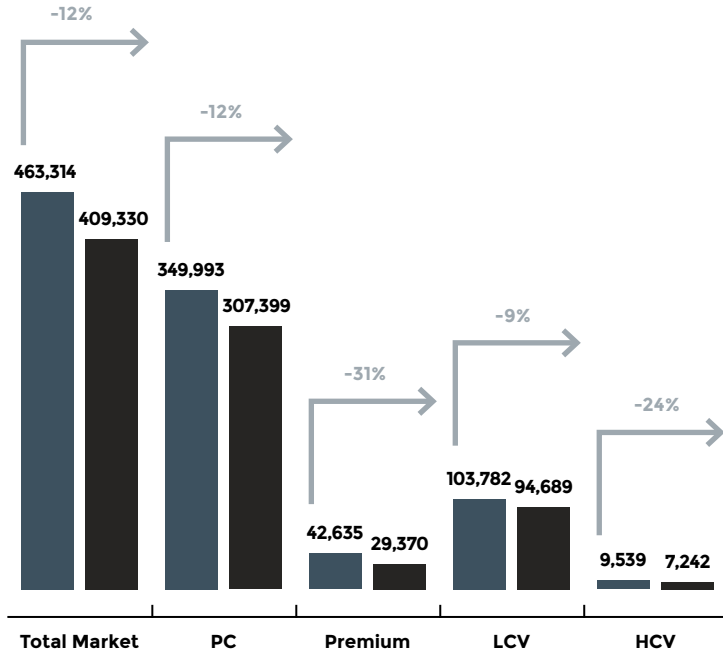
■ December 2015 ■ December 2016 → Change



Market Review - Wholesale - June 2017

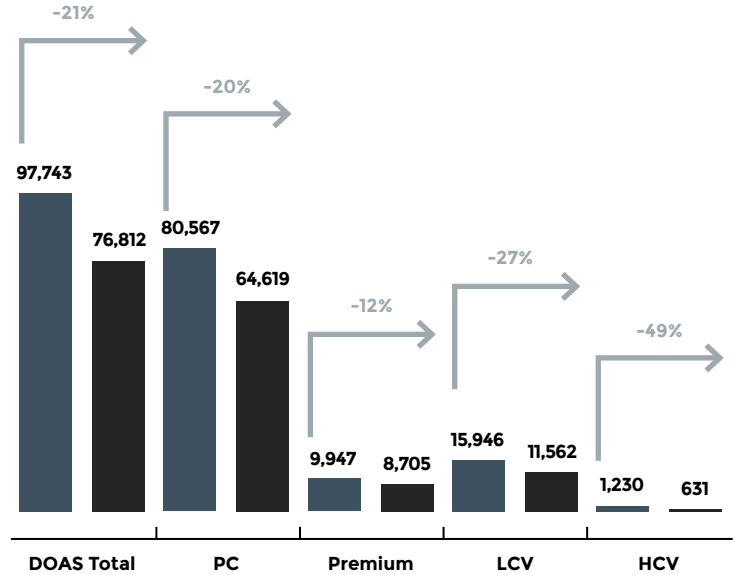
MARKET

■ Jun 2016 ■ Jun 2017 → Change



DOAS

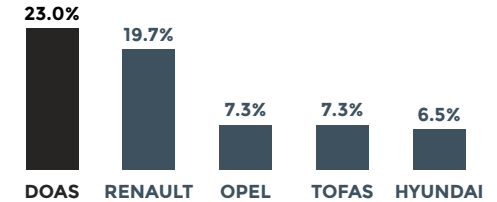
■ Jun 2016 ■ Jun 2017 → Change



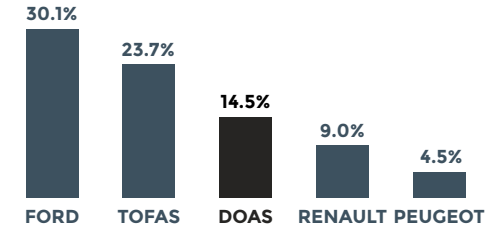
Market Share - Retail - 2016

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

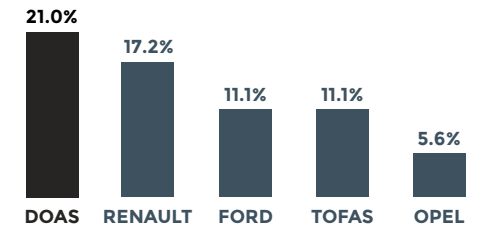
PV TOP 5 DECEMBER 16



LCV TOP 5 DECEMBER 16



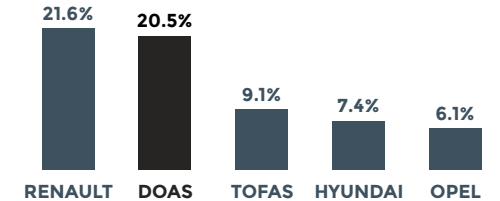
LV TOP 5 DECEMBER 16



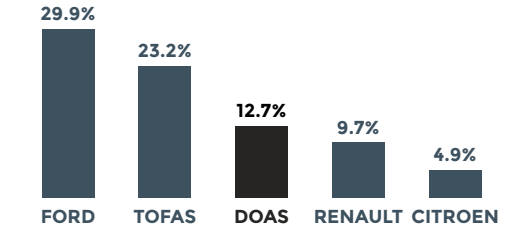
Market Share - Retail - June 2017

RETAIL MARKET	2015 YEAR END	2016 YEAR END	JUNE 2016	JUNE 2017	JUNE 2017/ 2016 YEAR END CHANGE	JUNE 2017/ JUNE 2016 CHANGE
PASSENGER VEHICLE %						
RENAULT	19.2	19.7	20.9	21.6	1.9	0.7
DOGUS OTOMOTİV	23.1	23.0	22.4	20.5	-2.5	-1.9
TOFAS	7.1	7.3	7.2	9.1	1.8	1.8
HYUNDAI	6.9	6.5	6.7	7.4	0.8	0.7
OPEL	6.5	7.3	7.1	6.1	-1.2	-1.0
FORD	6.5	5.5	6.3	6.1	0.6	-0.2
TOYOTA	6.6	6.2	5.8	5.1	-1.1	-0.7
HONDA	2.2	2.7	2.3	4.2	1.5	1.8
OTHER	21.9	21.8	21.3	20.0	-1.8	-1.3
LIGHT COMMERCIAL VEHICLE %						
FORD	29.5	30.1	29.7	29.9	-0.2	0.2
TOFAS	25.6	23.7	23.3	23.2	-0.5	-0.1
DOGUS OTOMOTİV	13.1	14.5	15.5	12.7	-1.8	-2.9
RENAULT	9.6	9.0	8.6	9.7	0.6	1.1
CITROEN	4.9	3.7	3.5	4.9	1.2	1.5
PEUGEOT	4.8	4.5	4.6	4.2	-0.3	-0.4
MERCEDES-BENZ	3.5	3.6	3.9	4.0	0.5	0.1
TOYOTA	1.2	2.5	2.1	2.2	-0.3	0.1
OTHER	7.9	8.5	8.8	9.3	0.8	0.5
LIGHT VEHICLE %						
RENAULT	16.8	17.2	18.1	18.7	1.5	0.7
DOGUS OTOMOTİV	20.6	21.0	20.8	18.7	-2.4	-2.2
TOFAS	11.8	11.1	10.9	12.4	1.4	1.5
FORD	12.3	11.1	11.6	11.7	0.6	0.1
HYUNDAI	5.4	5.3	5.4	6.0	0.7	0.6
OPEL	4.9	5.6	5.5	4.7	-1.0	-0.8
TOYOTA	5.3	5.4	4.9	4.4	-1.0	-0.5
PEUGEOT	3.6	3.6	3.5	4.2	0.5	0.6
OTHER	19.6	19.6	19.3	19.2	-0.4	-0.1

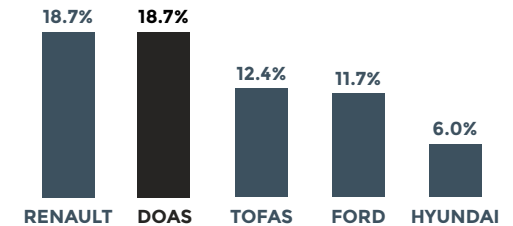
PV TOP 5 JUNE 17



LCV TOP 5 JUNE 17



LV TOP 5 JUNE 17



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	31-Mar-17	31-Mar-16	Change (%)
Revenue	2,085	2,252	-7%
Gross Profit	233	253	-8%
Operational Expenses	-148	-168	-12%
Selling and Marketing Expenses	-64	-68	-6%
General Administrative Expenses	-99	-89	11%
Warranty Expenses, net	-11	-19	-43%
Other Operating Expenses, net	25	8	232%
EBITDA	105	99	6%
EBIT	84	85	0%

Margins	31-Mar-17	31-Mar-16	Change (%)
Gross Margin	11.2%	11.2%	-1%
Opex/Sales	7.1%	7.5%	-5%
EBITDA Margin	5.0%	4.4%	15%
EBIT Margin	4.0%	3.8%	8%
Net Profit Margin	1.3%	2.1%	-36%

Consolidated Income Statement

(TL '000)	31 Mar 17	Vertical Analysis	31 Mar 16	Vertical Analysis	Change (%)
Revenue	2,084,885		2,252,445		-7%
Direct cost of revenue	-1,852,285	-89%	-1,999,670	-89%	-7%
Gross profit	232,600	11%	252,775	11%	-8%
Selling, marketing and distribution expenses	-64,128	-3%	-68,338	-3%	-6%
SG&A Expenses	-98,865	-5%	-88,828	-4%	11%
Warranty expenses	-10,747	-1%	-18,722	-1%	-43%
Other operating incomes/losses, net	25,357	1%	7,633	0%	232%
Results from operating activities	84,217	4%	84,520	4%	0%
Income from Investing Activities	5,504		5,675		
Income Loss from Associates	20,313		20,551		-1%
Financial incomes/costs, net	-79,827		-54,248		47%
Profit before income tax	30,207	1%	56,498	3%	-47%
Tax expense	-2,289		-9,286		-75%
Profit for the year	27,918	1%	47,212	2%	-41%

→ Impacts on revenue and direct cost of revenue:

- Increase in EUR/TL rate.
- Decrease in yoy sales volume.
- Increase in pricing due to the new models.

→ Selling, marketing and distribution expenses

- 32% decrease in Advertising Expenses
- 25% increase in Personnel Expenses

→ General Administration Expenses

- 4% increase in Personnel Expenses

→ Warranty expenses

- 26% decrease in Warranty Expenses

Income/Loss from Associates	31 Mar 17 Cumulative	31 Mar 16 Cumulative
VDF	11,592	8,917
Doğuş Sigorta	703	299
SKODA (Yüce Oto)	481	1,973
VDF Servis Holding	2,889	2,867
TÜVTURK Group	5,658	7,321
Meiller-Doğuş	76	-440
Doğuş Technology	-1,086	-386
Grand Total	20,313	20,551

Financing Costs

(TL mn, CMB)	31 Mar 2017	31 Mar 2016	Change (%)
Financing Costs	-79.83	-54.25	47%
Interest expense on borrowings	-78.97	-53.49	48%
Commission expenses on letters of guarantee	-0.84	-0.75	12%
Other financial expenses	-0.02	-0.01	89%

CMB: Capital Market Boards of Turkey

Consolidated Balance Sheet

(TL '000)	31 Mar 17	31 Dec 16
ASSETS	4,962,743	4,851,854
Cash and cash equivalents	89,098	89,098
Trade receivables	697,645	1,213,786
Inventories	2,074,341	1,650,960
Tangible and intangible non-current assets	985,020	807,191
Financial Investments	548,793	550,350
Investments in equity accounted investees	330,465	305,986
Other	237,381	234,483
LIABILITIES	3,822,887	3,733,141
Financial liabilities	2,470,502	2,758,435
Trade payables	1,124,310	770,675
Provisions	85,395	82,832
Other	142,680	121,199
EQUITY	1,139,856	1,118,713

Investments in Equity Accounted Investees	31 Mar 17	31 Dec 16
Associates		
VDF	137,542	125,950
Doğuş Sigorta	35,887	35,273
Yüce Auto (SKODA)	22,400	21,919
VDF Servis	50,435	47,546
Doğuş Teknoloji	9,348	6,179
Joint Ventures		
TÜVTURK North - South (Consolidated)	65,923	60,265
Meiller-Doğuş	8,930	8,854
Total	330,465	305,986

Other	31 Mar 17	31 Dec 16
VAT payable	20,305	65,184
Income tax payable	9,610	3,033
Deferred income	26,853	29,239
Payables related to employee benefits	81,716	16,458
Deferred tax liabilities	-	2,872
Other	4,196	4,413

Provisions	31 Mar 17	31 Dec 16
Warranty Provisions	35,974	43,843
Legal Provisions	20,505	17,967
Long-term provisions related to employee benefits	28,916	21,022

Inventories:

- Increase in goods in transit (vehicle)
- 31 March 2017: 2.074.341K TL
- 31 December 2016: 1.650.960K TL
- Number of vehicles increased from 20.217 units on 31.12.2016 to 27.796 units on 31.03.2017.

Financial liabilities:

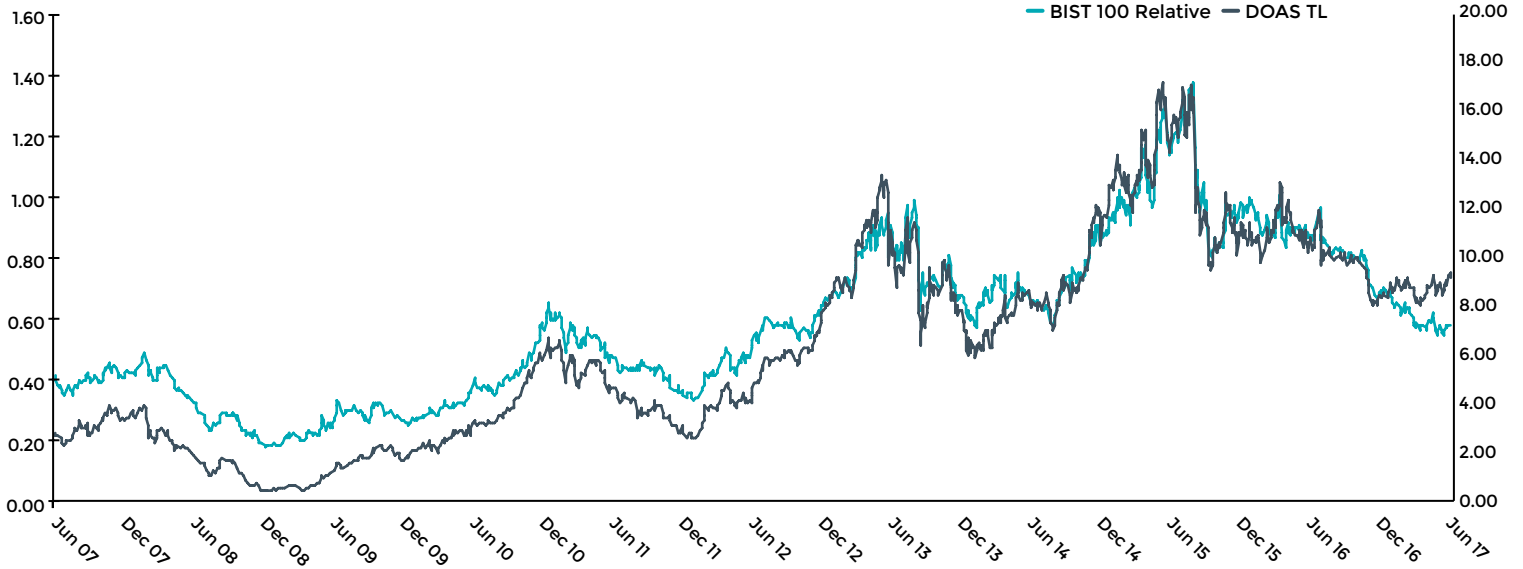
Financial liabilities decreased by 10% due to the decline in spot loans, the increased use of internal resources and the completion of Doğuş Oto Kartal Showroom construction.

Other	31 Mar 17	31 Dec 16
Investment property	19,706	19,809
Warranty claims and price difference receivables	51,096	78,338
Prepaid Expenses short-term	85,562	18,303
Advances Given	8,117	3,652
Receivables due to insurance claims	14,415	8,971
Deferred tax assets	13,619	7,485
Advances given for property and equipment purchases	12,431	14,684
Prepaid Expenses long-term	5,008	5,437
Deferred tax	17,671	68,837
Current income tax assets	9,756	8,967
Other	8,967	6,463

Consolidated Balance Sheet

(Balance Sheet mn,TL)	31 Mar 17	31 Dec 16	Change (%)
Total Assets	4,963	4,852	2%
Total Equity	1,140	1,119	2%
Net working capital	174	-547	-132%
Net cash position	-2,496	-2,707	8%
CAPEX	209	208	0%
Receivable Turnover (day)	31	37	-18%
Inventory Turnover (day)	102	56	83%
Payable Turnover (day)	55	26	112%
Net Debt/EBITDA	5,7	5,4	5%
ROA	0.6%	4.9%	-89%
ROE	2.4%	21.3%	-88%

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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