

Investor Relations Presentation

Q1 2018 Results

Updated: July 2018

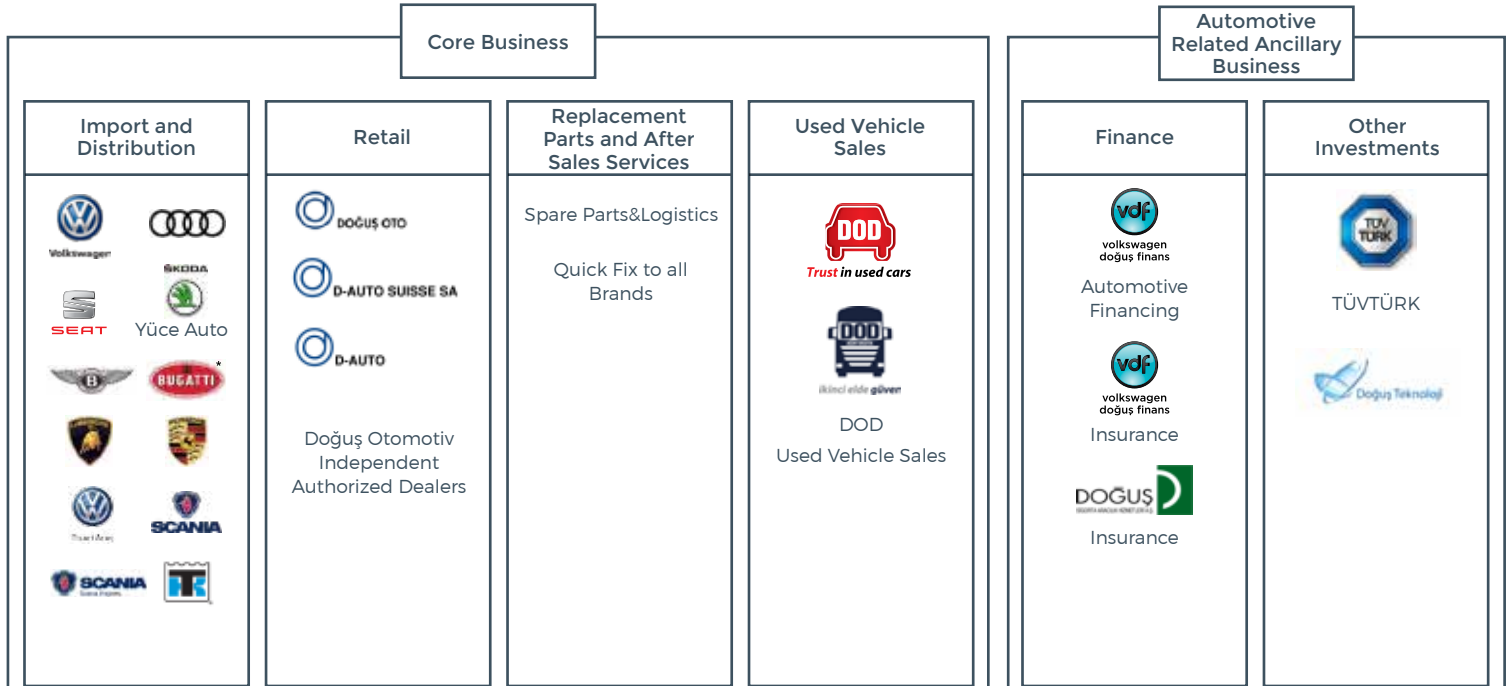


Agenda

- Doğu Otomotiv / Value Chain 2018
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

Doğuş Otomotiv / Value Chain 2018

Presence in Every Link of The Automotive Value Chain



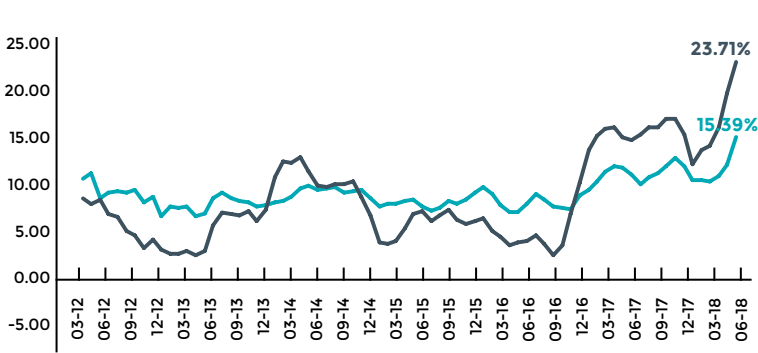
*Representative Offices

Macroeconomic Outlook

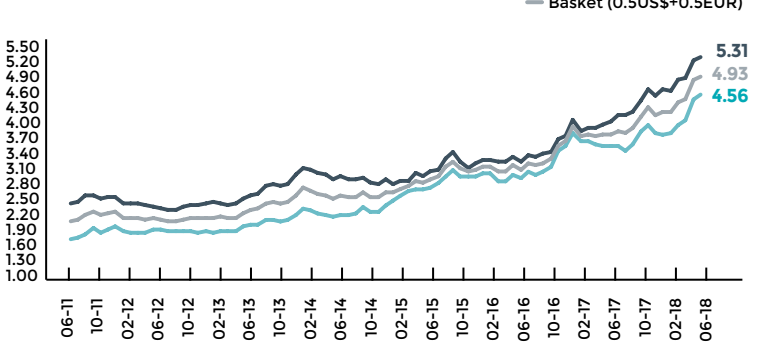


Macroeconomic Indicators

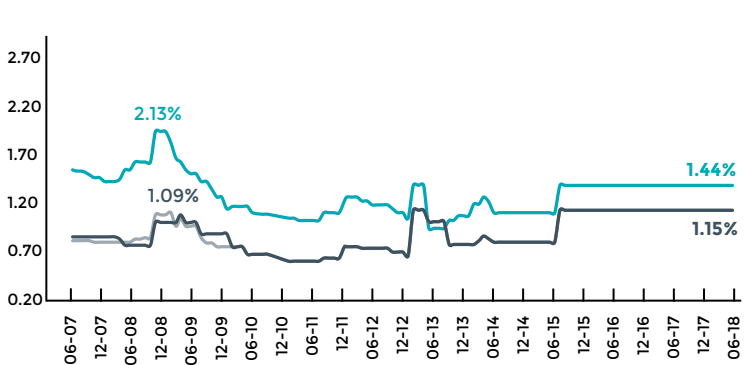
YoY Inflation (%)



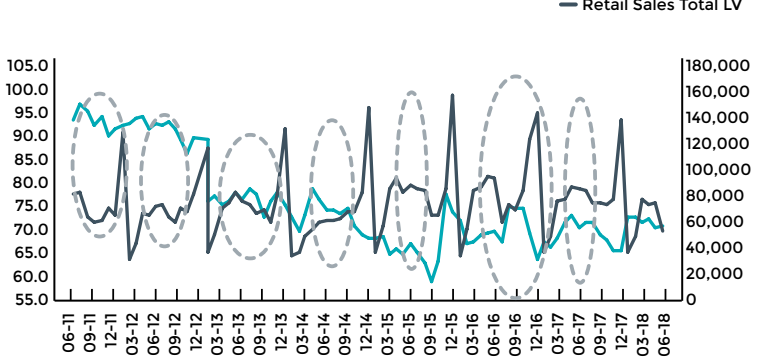
Nominal Exchange Rates



Auto Loan Rates (%)

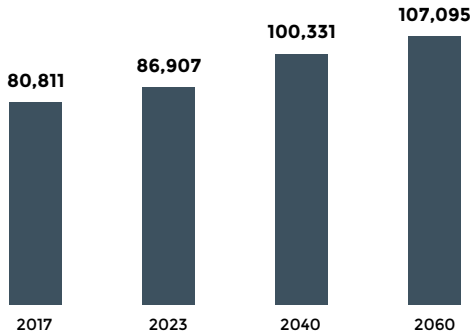


Consumer Confidence Index

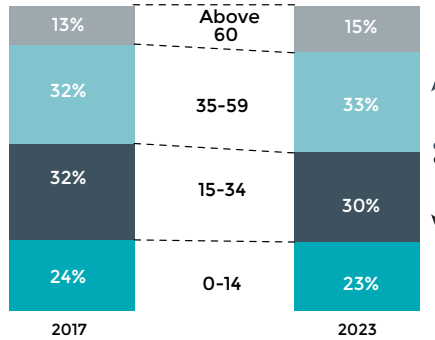


Population & Demography

Population Statistics ('000)



Age Demography

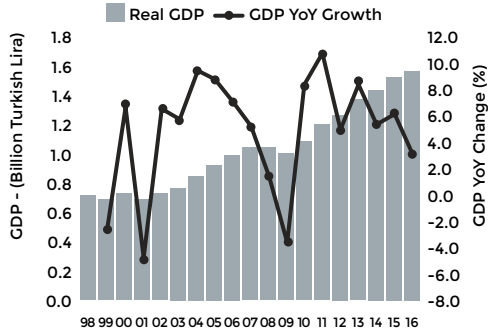


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

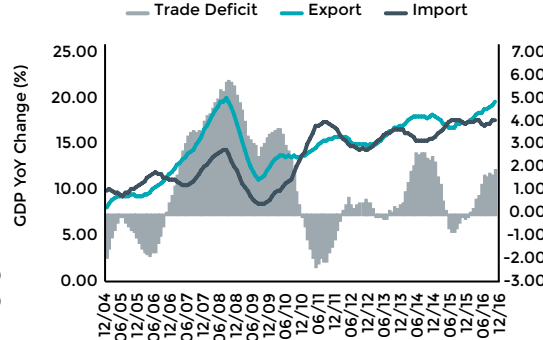
→ Population is increasing on an average 1.4% each year since 2007.

→ 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

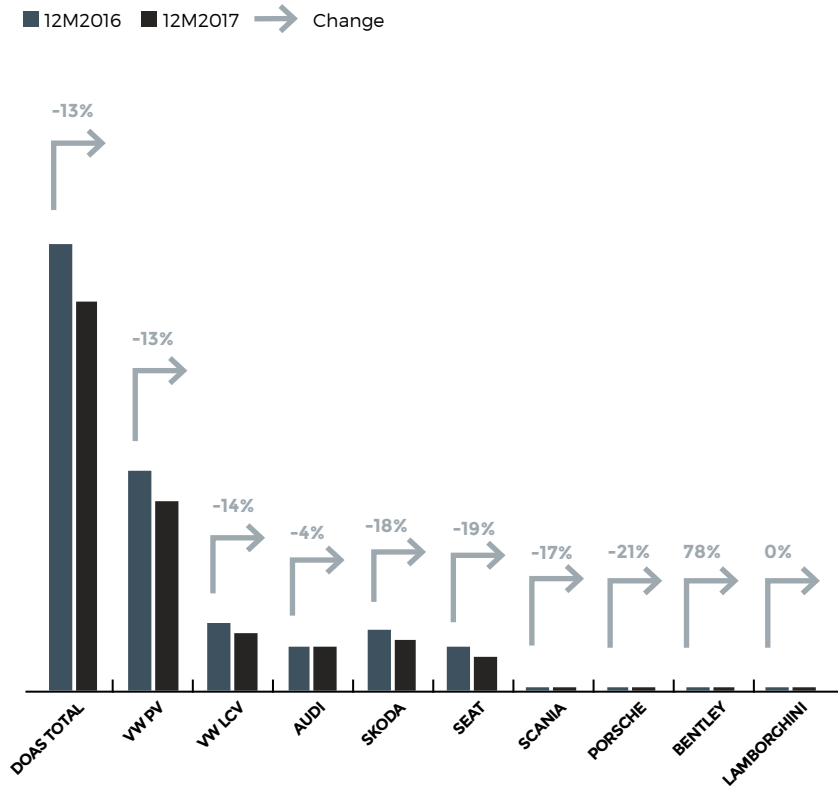
Automotive Market



DOAS Wholesales Performance - 2017

	12M2016	12M2017	Change
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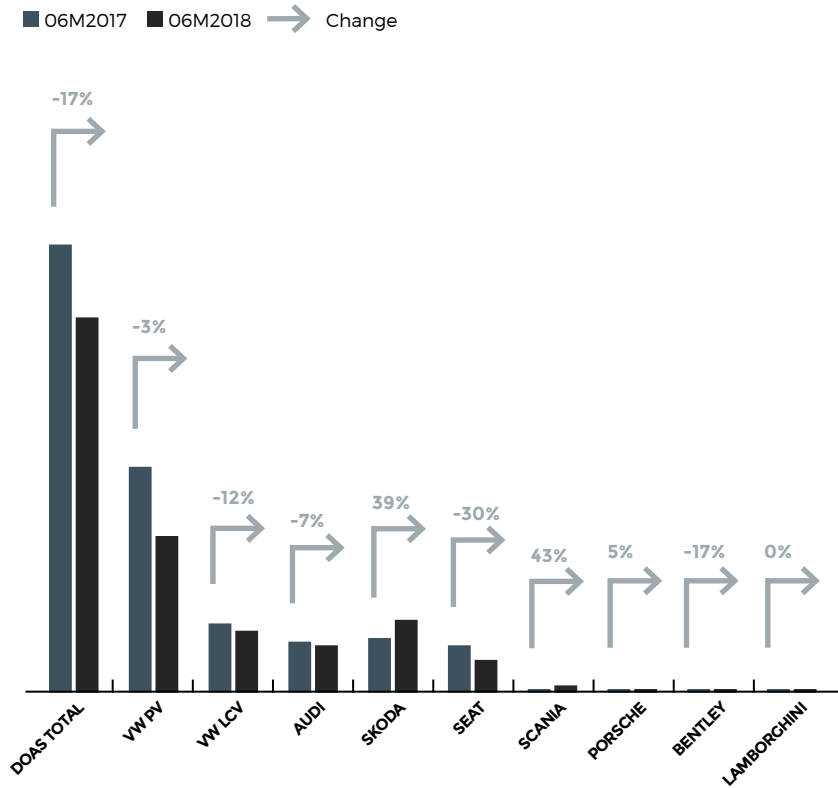
DOAS TOTAL	213,175	184,692	-13%
VW PV	104,410	91,343	-13%
VW LCV	32,733	28,041	-14%
AUDI	22,105	21,172	-4%
SKODA	30,004	24,714	-18%
SEAT	20,976	17,002	-19%
SCANIA	2,050	1,697	-17%
PORSCHE	881	700	-21%
BENTLEY	9	16	78%
LAMBORGHINI	7	7	0%



DOAS Wholesales Performance - Jun 2018

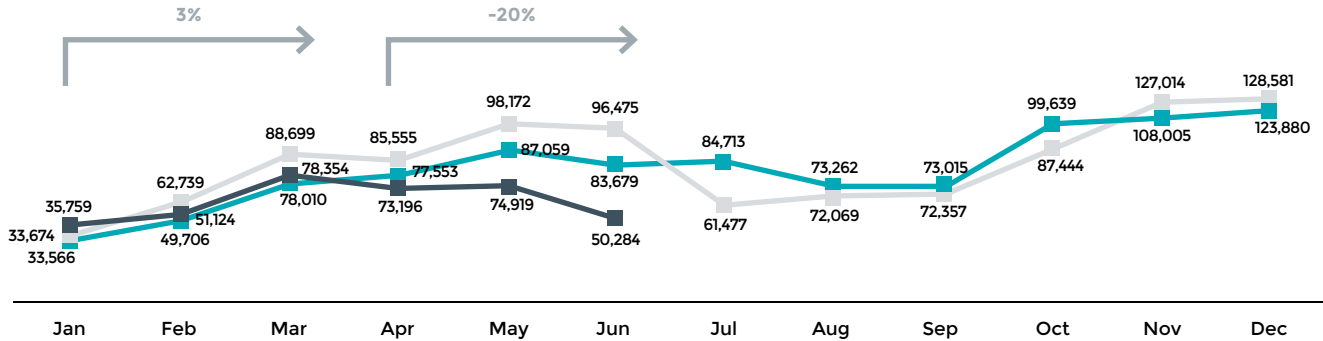
	06M2017	06M2018	Change
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DOAS TOTAL	76,812	63,965	-17%
VW PV	38,834	26,612	-31%
VW LCV	11,562	10,179	-12%
AUDI	8,410	7,795	-7%
SKODA	8,993	12,480	39%
SEAT	8,087	5,691	-30%
SCANIA	631	901	43%
PORSCHE	286	300	5%
BENTLEY	6	5	-17%
LAMBORGHINI	3	2	0%



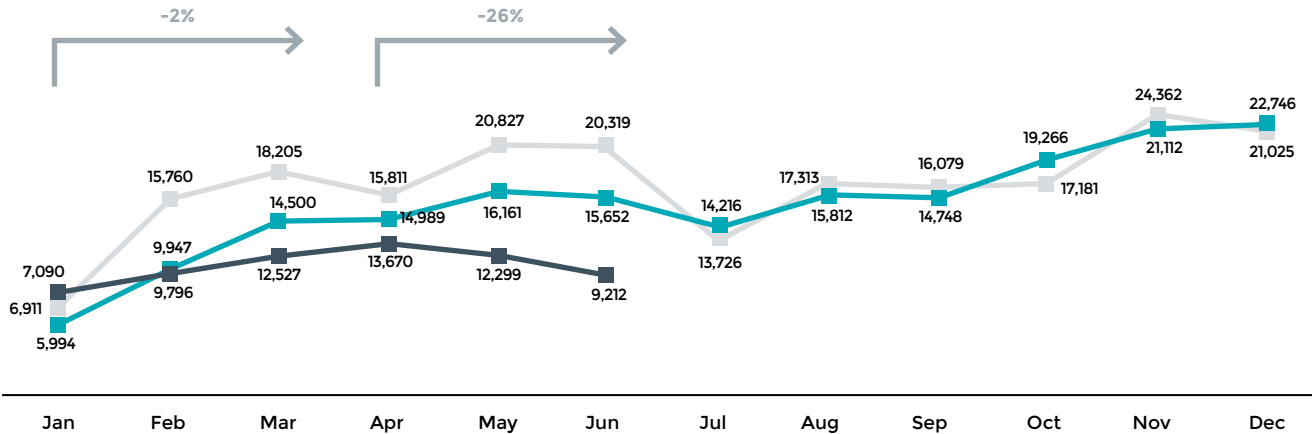
Wholesale Market Monthly Sales

2016 2017 2018



DOAS Monthly Sales

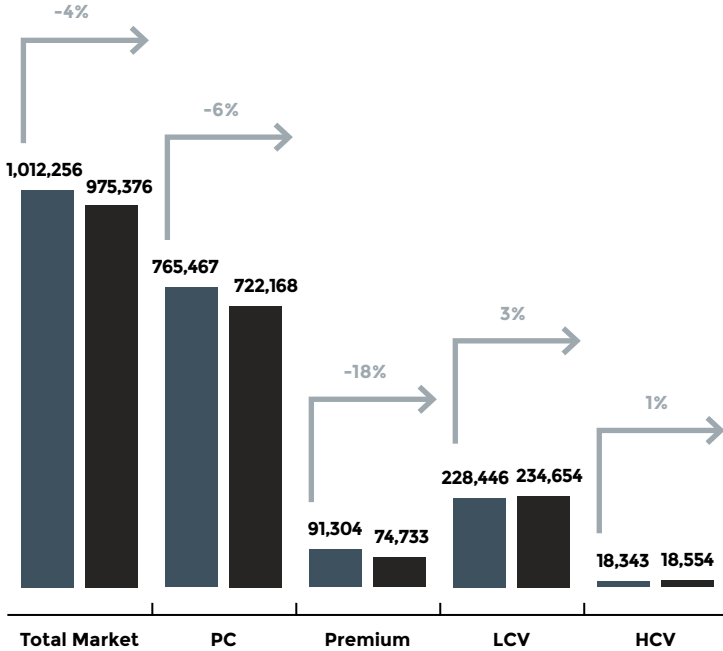
2016 2017 2018



Market Review - Wholesale - 2017

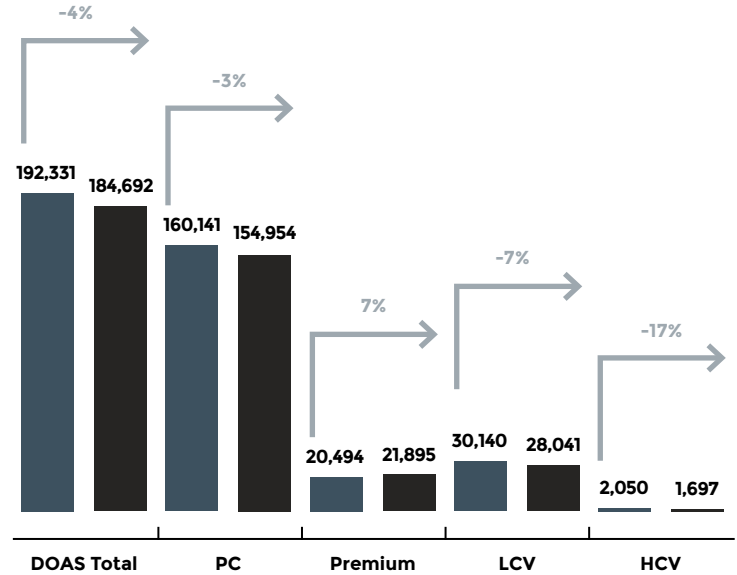
MARKET

■ Dec 2016 ■ Dec 2017 → Change



DOAS

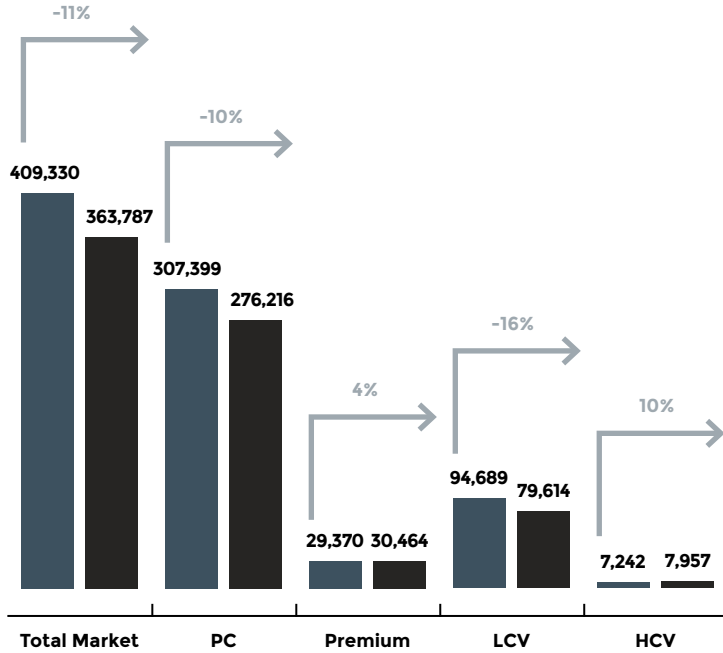
■ Dec 2016 ■ Dec 2017 → Change



Market Review - Wholesale - June 2018

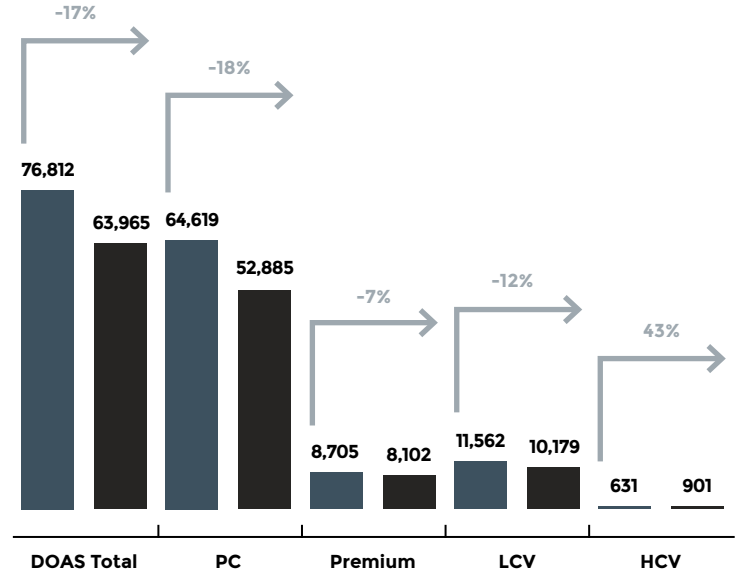
MARKET

■ June 2017 ■ June 2018 → Change



DOAS

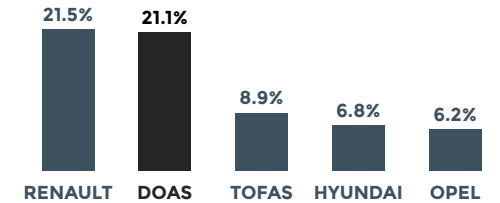
■ June 2017 ■ June 2018 → Change



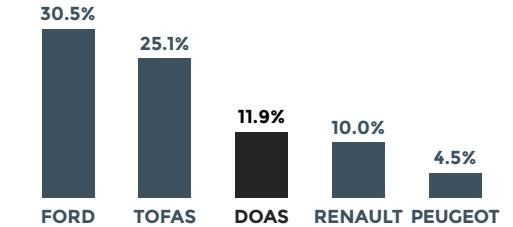
Market Share - Retail - 2017

RETAIL MARKET	2015 YEAR END	2016 YEAR END	2017	2015 YEAR END/ 2016 YEAR END CHANGE	2016 YEAR END/ 2017 YEAR END CHANGE
PASSENGER VEHICLE %					
RENAULT	19.2	19.7	21.5	0.5	1.9
DOGUS OTOMOTİV	23.1	23.0	21.1	-0.1	-1.9
TOFAS	7.1	7.3	8.9	0.2	1.6
HYUNDAI	6.9	6.5	6.8	-0.4	0.3
OPEL	6.5	7.3	6.2	0.9	-1.1
TOYOTA	6.6	6.2	5.6	-0.4	-0.6
FORD	6.5	5.5	5.5	-1.0	0.0
NISSAN	3.6	4.0	4.4	0.1	0.4
OTHER	20.5	20.4	19.9	0.0	-0.5
LIGHT COMMERCIAL VEHICLE %					
FORD	29.5	30.1	30.5	0.6	0.4
TOFAS	25.6	23.7	25.1	-1.9	1.4
DOGUS OTOMOTİV	13.1	14.5	11.9	1.4	-2.5
RENAULT	9.6	9.0	10.0	-0.5	0.9
PEUGEOT	4.8	4.5	4.5	-0.3	0.0
MERCEDES-BENZ	3.5	3.6	3.9	0.1	0.3
CITROEN	4.9	3.7	3.5	-1.2	-0.2
TOYOTA	1.2	2.5	2.0	1.3	-0.5
OTHER	7.9	8.5	8.7	0.6	0.2
LIGHT VEHICLE %					
DOGUS OTOMOTİV	20.6	21.0	18.9	0.5	-2.2
RENAULT	16.8	17.2	18.7	0.4	1.5
TOFAS	11.8	11.1	12.8	-0.7	1.8
FORD	12.3	11.1	11.6	-1.1	0.5
HYUNDAI	5.4	5.3	5.5	-0.1	0.2
TOYOTA	5.3	5.4	4.7	0.1	-0.6
OPEL	4.9	5.6	4.7	0.8	-1.0
PEUGEOT	3.6	3.6	4.2	0.0	0.6
OTHER	19.6	19.6	18.9	0.0	-0.8

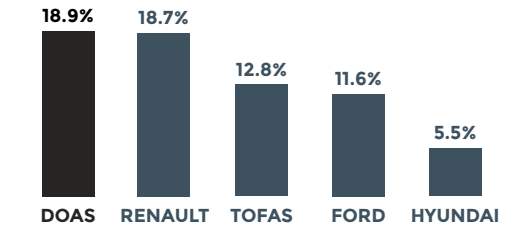
PV TOP 5 DECEMBER 17



LCV TOP 5 DECEMBER 17



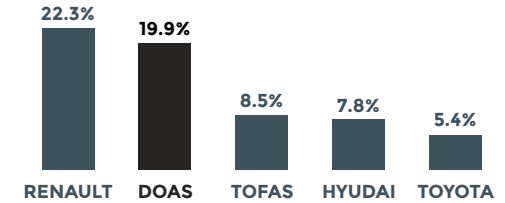
LV TOP 5 DECEMBER 17



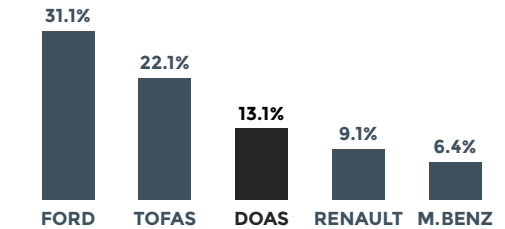
Market Share - Retail - June 2018

RETAIL MARKET	2016 YEAR END	2017 YEAR END	JUNE 2017	JUNE 2018	JUNE 2018/ 2017 YEAR END CHANGE	JUNE 2018/ JUNE 2017 CHANGE
PASSENGER VEHICLE %						
RENAULT	19.7	21.5	21.6	22.3	0.8	0.7
DOGUS OTOMOTİV	23.0	21.1	20.5	19.9	-1.2	-0.6
TOFAS	7.3	8.9	9.1	8.5	-0.4	-0.6
HYUNDAI	6.5	6.8	7.4	7.8	0.9	0.4
TOYOTA	6.2	5.6	5.1	5.4	-0.2	0.3
FORD	5.5	5.5	6.1	5.3	-0.3	-0.8
HONDA	2.7	3.7	4.2	5.1	1.4	0.9
PEUGEOT	3.3	4.1	4.2	5.1	0.9	0.9
OTHER	25.8	22.7	22.0	20.7	-2.0	-1.3
LIGHT COMMERCIAL VEHICLE %						
FORD	30.1	30.5	29.9	31.1	0.6	1.2
TOFAS	23.7	25.1	23.2	22.1	-3.1	-1.1
DOGUS OTOMOTİV	14.5	11.9	12.7	13.1	1.2	0.4
RENAULT	9.0	10.0	9.7	9.1	-0.9	-0.6
MERCEDES-BENZ	3.6	3.9	4.0	6.4	2.6	2.4
CITROEN	3.7	3.5	4.9	3.4	0.0	-1.5
PEUGEOT	4.5	4.5	4.2	2.8	-1.7	-1.3
MITSUBISHI	1.8	1.7	1.6	2.6	0.9	1.0
OTHER	9.2	9.0	9.9	9.4	0.5	-0.5
LIGHT VEHICLE %						
RENAULT	17.2	18.7	18.7	19.4	0.7	0.6
DOGUS OTOMOTİV	21.0	18.9	18.7	18.4	-0.4	-0.2
TOFAS	11.1	12.8	12.4	11.5	-1.4	-1.0
FORD	11.1	11.6	11.7	10.9	-0.7	-0.8
HYUNDAI	5.3	5.5	6.0	6.3	0.8	0.3
TOYOTA	5.4	4.7	4.4	4.8	0.0	0.4
PEUGEOT	3.6	4.2	4.2	4.6	0.4	0.4
MERCEDES-BENZ	4.0	3.5	3.6	4.1	0.5	0.5
OTHER	21.3	20.0	20.3	20.1	0.1	-0.2

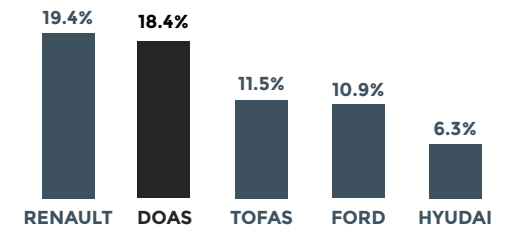
PV TOP 5 JUNE 18



LCV TOP 5 JUNE 18



LV TOP 5 JUNE 18



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	31-Mar-18	31-Mar-17	Change (%)
Revenue	2,719	2,085	30%
Gross Profit	324	233	39%
Operational Expenses	-167	-148	13%
Selling and Marketing Expenses	-72	-64	12%
General Administrative Expenses	-96	-99	-3%
Warranty Expenses, net	-22	-11	101%
Other Operating Expenses, net	22	25	-14%
EBITDA	178	105	69%
EBIT	157	84	86%

Margins	31-Mar-18	31-Mar-17	Change (%)
Gross Margin	11.9%	11.2%	7%
Opex/Sales	6.1%	7.1%	-14%
EBITDA Margin	6.5%	5.0%	30%
EBIT Margin	5.8%	4.0%	43%
Net Profit Margin	3.0%	1.3%	123%

Consolidated Income Statement

(TL '000)	31 Mar 18	Vertical Analysis	31 Mar 17	Vertical Analysis	Change (%)
Revenue	2,719,275		2,084,885		30%
Direct cost of revenue	-2,395,051	-88%	-1,852,285	-89%	29%
Gross profit	324,224	12%	232,600	11%	39%
Selling, marketing and distribution expenses	-71,654	-3%	-64,128	-3%	12%
SG&A Expenses	-95,600	-4%	-98,865	-5%	-3%
Warranty expenses	-21,654	-1%	-10,747	-1%	101%
Other operating incomes/losses, net	21,695	1%	25,357	1%	-14%
Results from operating activities	157,011	6%	84,217	4%	86%
Income from Investing Activities	7,253		5,504		
Income Loss from Associates	29,318	1%	20,313	1%	44%
Financial incomes/costs, net	-95,394		-79,827		20%
Profit before income tax	98,188	4%	30,207	1%	225%
Tax expense	-16,900		-2,289		638%
Profit for the year	81,288	3%	27,918	1%	191%

→ Impacts on revenue and direct cost of revenue:

- Increase of nearly 30% in revenue and direct cost of revenue for a gross margin of 11.9%
- Effects on revenue and direct cost of revenue:
- Increase in the average EUR/TRY currency.
 - Decrease in yearly sales volume.
 - Model Mix impact.

→ Warranty expenses

- Increase attributed to prior vehicle sales

- 11% Increase in Distribution expenses
- Increases can be generally attributed to increase in the average EUR/TL currency.

Income/Loss from Associates	31 Mar 18 Cumulative	31 Mar 17 Cumulative
VDF	10,708	11,592
Doğuş Sigorta	765	703
SKODA (Yüce Oto)	4,067	481
VDF Servis Holding	6,152	2,889
TÜVTURK Group	-268	-1,086
Meiller-Doğuş	7,862	5,658
Doğuş Technology	32	76
Grand Total	29,318	20,313

Financing Costs

(TL mn, CMB)	31 Mar 2018	31 Mar 2017	Change (%)
Financing Costs	-95.39	-79.83	20%
Finance expenses, net	-95.39	-79.83	20%
Interest expense on borrowings	-89.68	-77.29	16%
Commission expenses on letters of guarantee	-3.35	-0.84	298%
Other financial expenses	-2.36	-1.69	40%

CMB: Capital Market Boards of Turkey

Consolidated Balance Sheet

(TL '000)	31 Mar 18	31 Dec 17
ASSETS	5,204,151	5,166,882
Cash and cash equivalents	92,005	156,266
Trade receivables	940,728	1,375,334
Inventories	1,983,427	1,425,344
Tangible and intangible non-current assets	1,013,847	1,007,079
Financial Investments	577,747	579,277
Investments in equity accounted investees	381,554	352,323
Other	214,843	271,259
LIABILITIES	3,939,221	3,839,437
Financial liabilities	2,400,245	2,974,838
Trade payables	1,175,188	633,545
Provisions	100,598	103,688
Other	263,190	127,366
EQUITY	1,327,445	1,118,713

Investments in Equity Accounted Investees	31 Mar 18	31 Dec 17
Associates		
VDF	160,110	149,402
Doğuş Sigorta	36,881	36,203
Yüce Auto (SKODA)	32,874	28,807
VDF Servis	66,649	60,497
Doğuş Teknoloji	6,446	6,714
Joint Ventures		
TÜVTURK North - South (Consolidated)	77,339	69,477
Meiller-Doğuş	1,255	1,223
Total	381,554	352,323

Provisions	31 Mar 18	31 Dec 17
Warranty provisions	43,105	48,379
Legal provisions	21,902	20,218
Provision for unused vacation	35,591	35,091

Inventories:

- Increase in goods in transit (vehicle)
- 31 March 2018: 1,099,215K TL
- 31 December 2017: 463,613K TL
- Number of vehicles increased from 12,972 units to 19,179 units as of 31.03.2018.

Financial liabilities:

Overall Volume decreased.

Consolidated Balance Sheet

(Balance Sheet mn,TL)	31 Mar 18	31 Dec 17	Change (%)
Total Assets	5,204	5,167	1%
Total Equity	1,265	1,327	-5%
Net working capital	-547	-640	-15%
Net cash position	-2,358	-2,878	18%
CAPEX	32	209	-84%
Receivable Turnover (day)	32	38	-17%
Inventory Turnover (day)	76	44	73%
Payable Turnover (day)	45	19	131%
Net Debt/EBITDA	3.2	6.7	-52%
ROA	6.2%	3.6%	76%
ROE	25.7%	13.8%	86%

2018 EXPECTATIONS

Mobility

Digitalization

Service Areas

Operational Efficiency and
Cautious Expenditure Management

Optimum
Profitability

10 - 11% Gross Margin &
18 - 20% Market Share

**OEM Strategy: Maintain represented brands'
competitive position.**

**Total Automotive Market
(PC+LCV+HCV)**

850-875,000 units

**Doğuş Otomotiv Sales Volume
(including ŠKODA)**

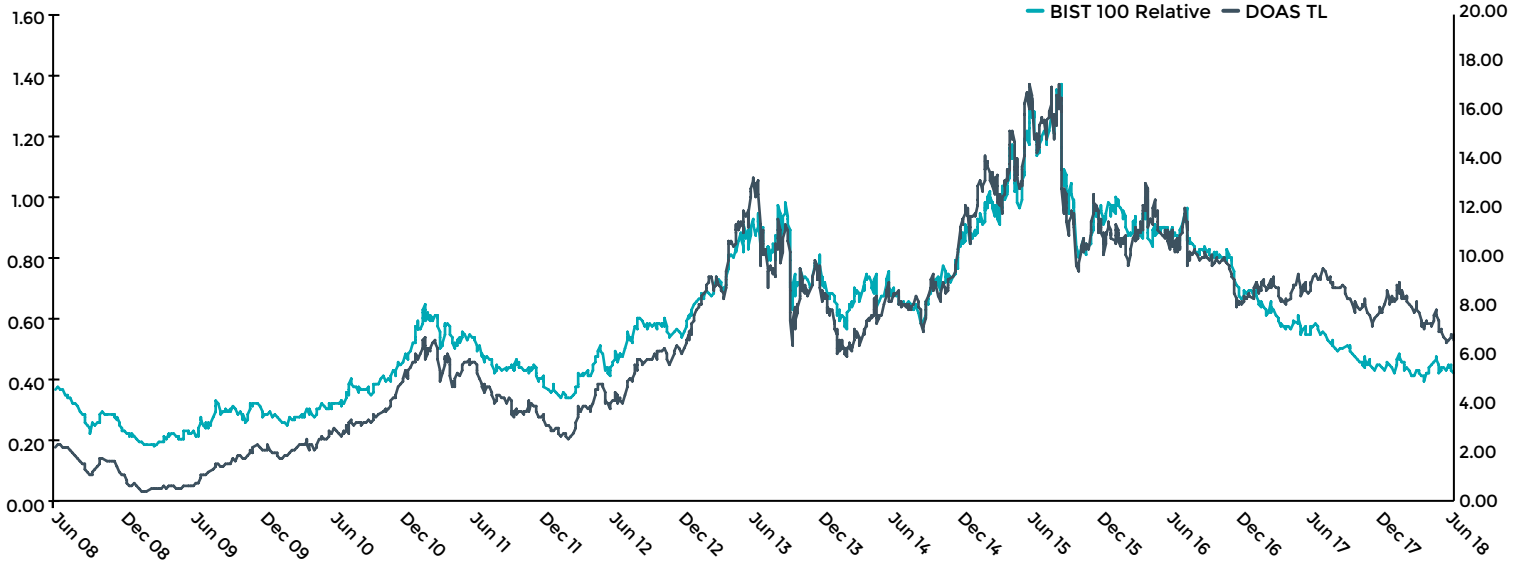
165-175,000 units

Investment Expenditure

TRY 185-195 million

- Expenditures for head office, logistics, spare parts, training areas and subsidiaries
- **Machinery and equipment investments**
- Investments in **information technologies**
- The expected completion of the **Kartal Office Tower construction**
- Investments presenting potential to create value

Stock Price History



Shareholder's Commercial Title	Share in Capital (TL)	Share in Capital (%)
Doğuş Holding A.Ş.	98,946,629	44.98
Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş.	66,638,086	30.29
Doğuş Otomotiv Servis ve Ticaret A.Ş.	22,000,000	10.00
Doğuş Sigorta Aracılık Hizmetleri A.Ş.	292	-
Publicly Traded Shares	32,414,993	14.73
Total	220,000,000	100.00

* In accordance with communique of CMB, the Company reacquired 22,000,000 units of its own shares, which is equivalent to 10% of its paid-in capital in 2016.

Disclaimer

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