

Investor Relations Presentation

Q3 2018 Results

Updated: November 2018

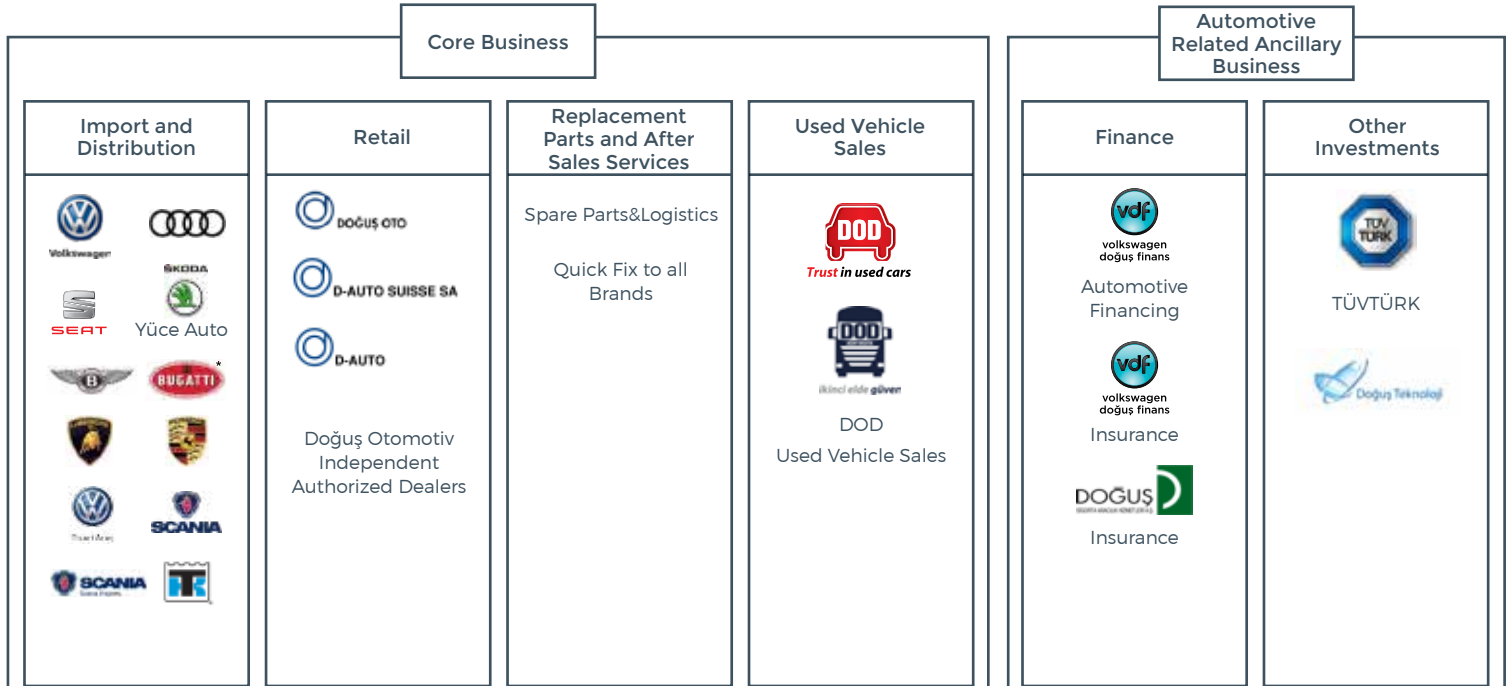


Agenda

- 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



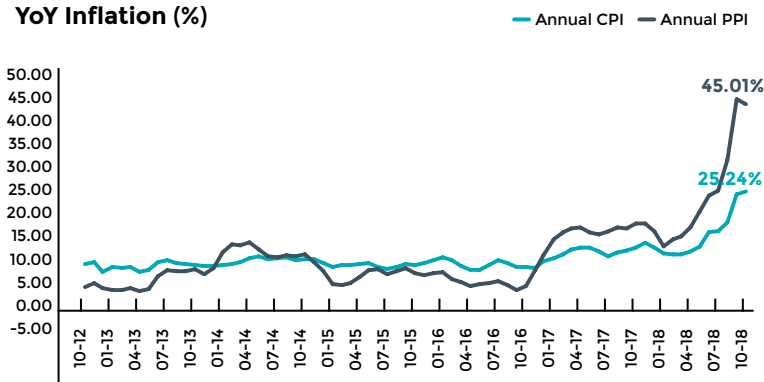
*Representative Offices

Macroeconomic Outlook

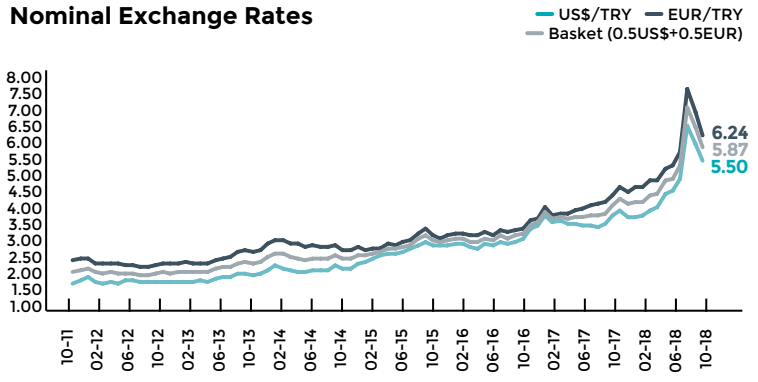


Macroeconomic Indicators

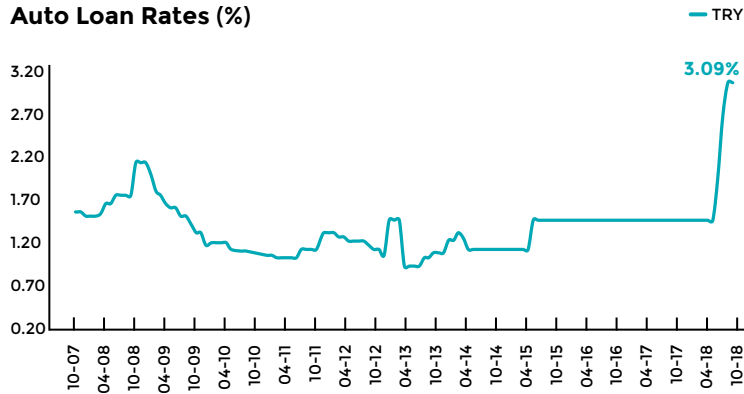
YoY Inflation (%)



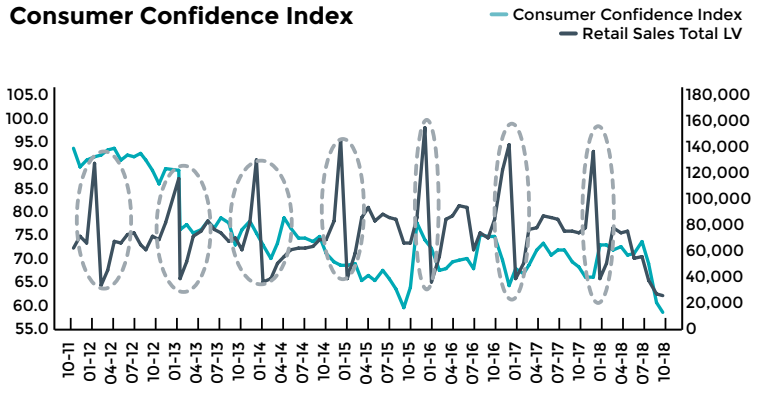
Nominal Exchange Rates



Auto Loan Rates (%)

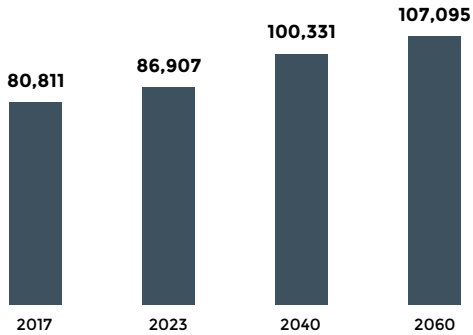


Consumer Confidence Index

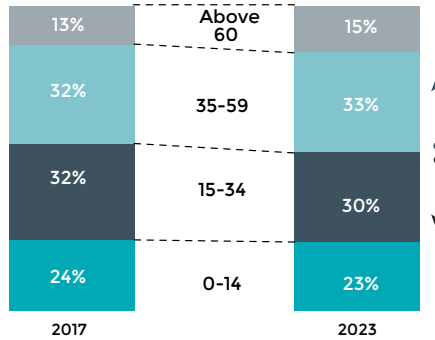


Population & Demography

Population Statistics ('000)



Age Demography

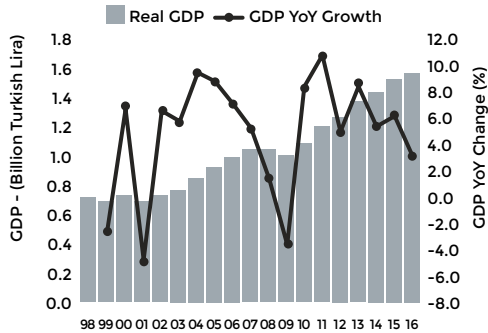


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

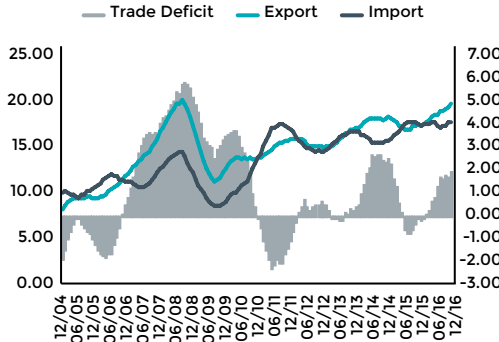
→ Population is increasing on an average 1.4% each year since 2007.

→ 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

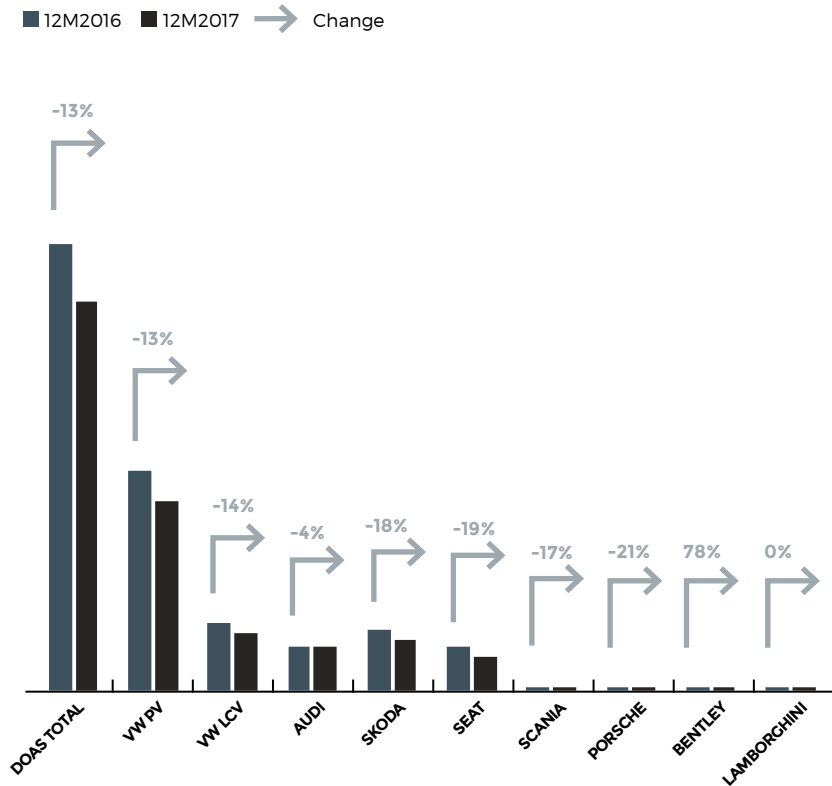
Automotive Market



DOAS Wholesales Performance - 2017

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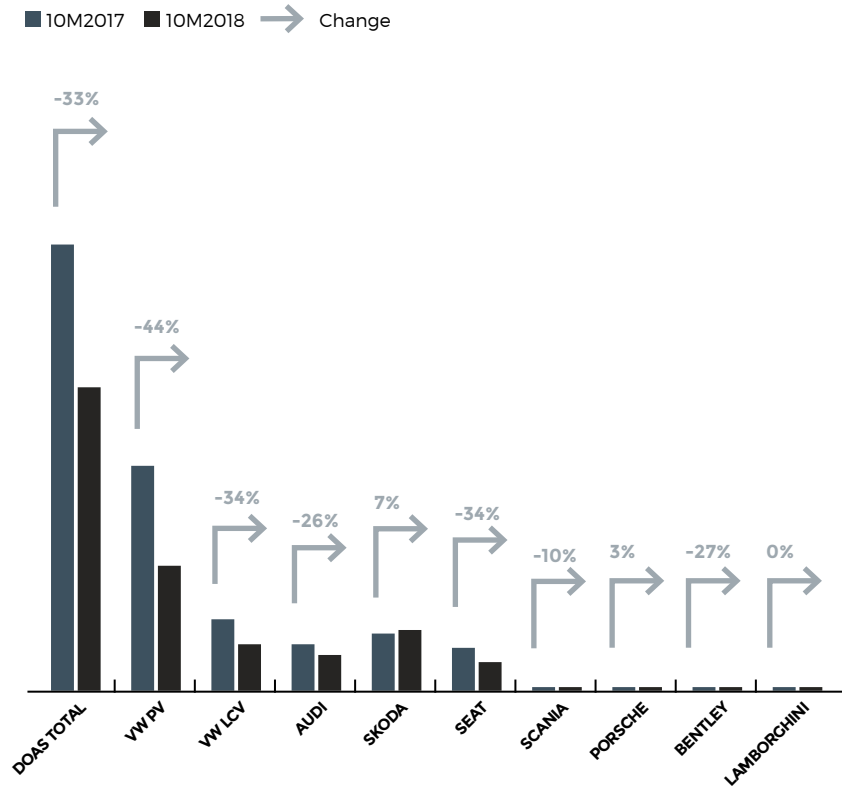
DOAS TOTAL	213,175	184,692	-13%
VW PV	104,410	91,343	-13%
VW LCV	32,733	28,041	-14%
AUDI	22,105	21,172	-4%
SKODA	30,004	24,714	-18%
SEAT	20,976	17,002	-19%
SCANIA	2,050	1,697	-17%
PORSCHE	881	700	-21%
BENTLEY	9	16	78%
LAMBORGHINI	7	7	0%



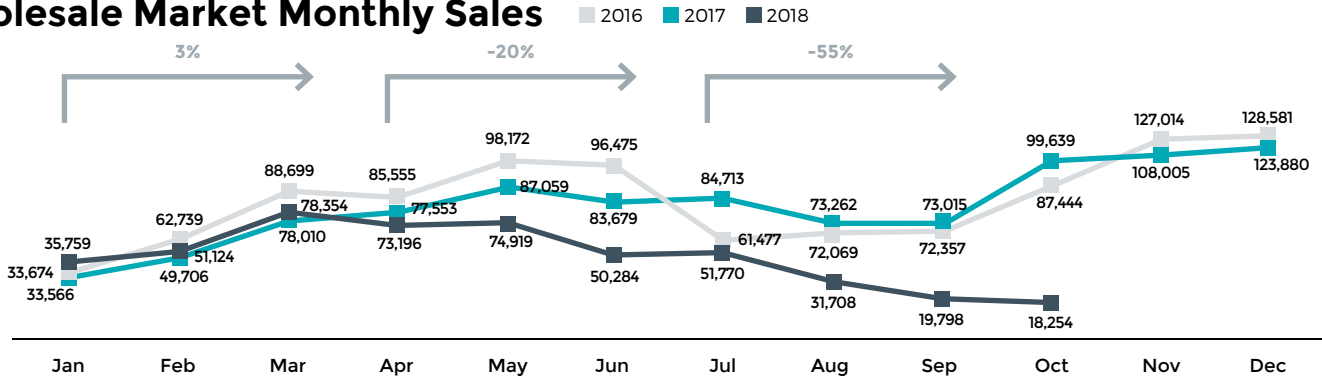
DOAS Wholesales Performance - October 2018

	10M2017	10M2018	Change
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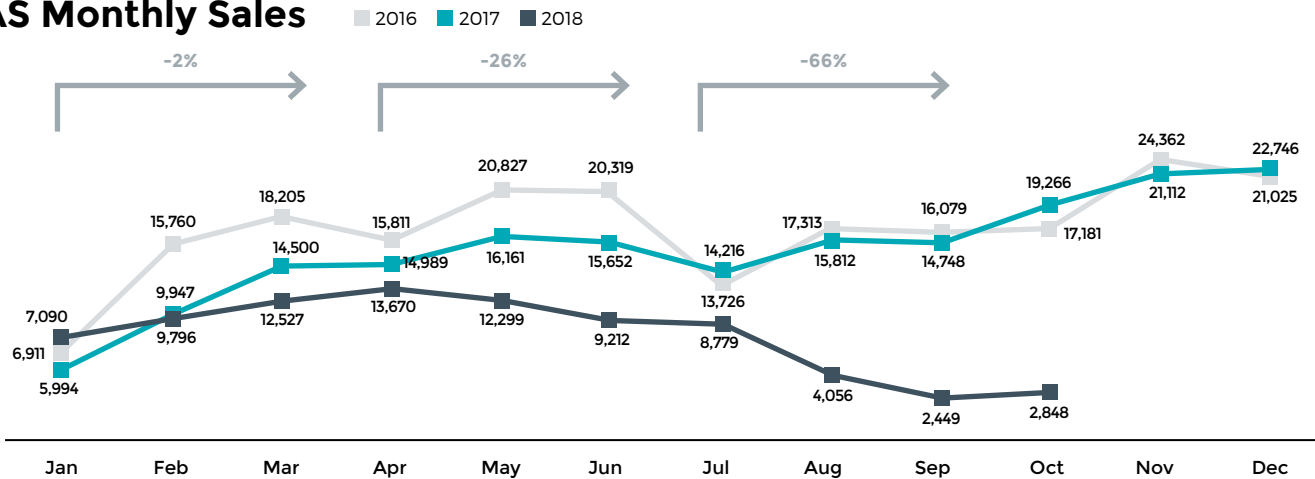
DOAS TOTAL	121,794	82,129	-33%
VW PV	61,212	34,336	-44%
VW LCV	19,499	12,805	-34%
AUDI	12,654	9,426	-26%
SKODA	15,395	16,492	7%
SEAT	11,398	7,552	-34%
SCANIA	1,188	1,064	-10%
PORSCHE	433	444	3%
BENTLEY	11	8	-27%
LAMBORGHINI	4	2	0%



Wholesale Market Monthly Sales



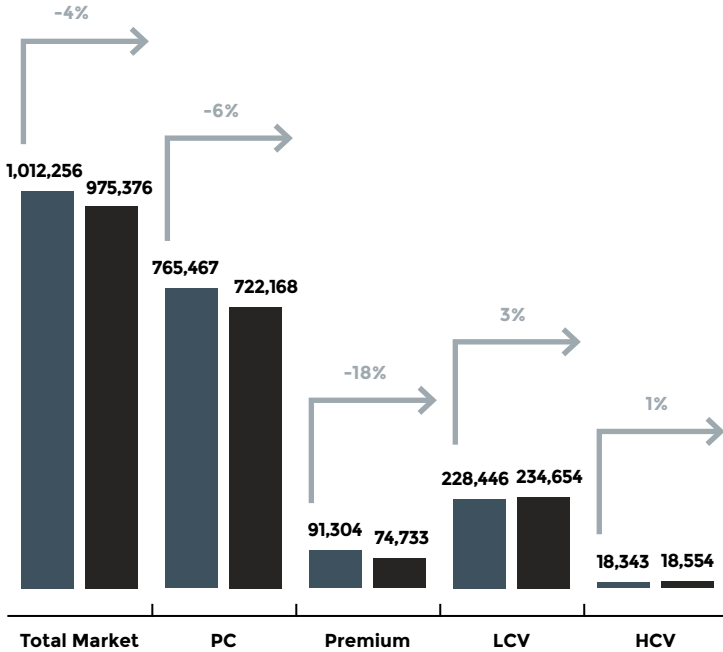
DOAS Monthly Sales



Market Review - Wholesale - 2017

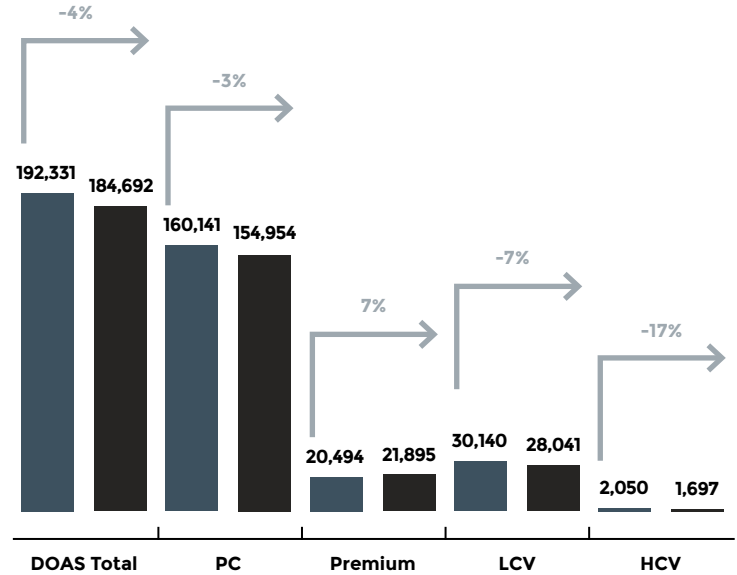
MARKET

■ Dec 2016 ■ Dec 2017 → Change



DOAS

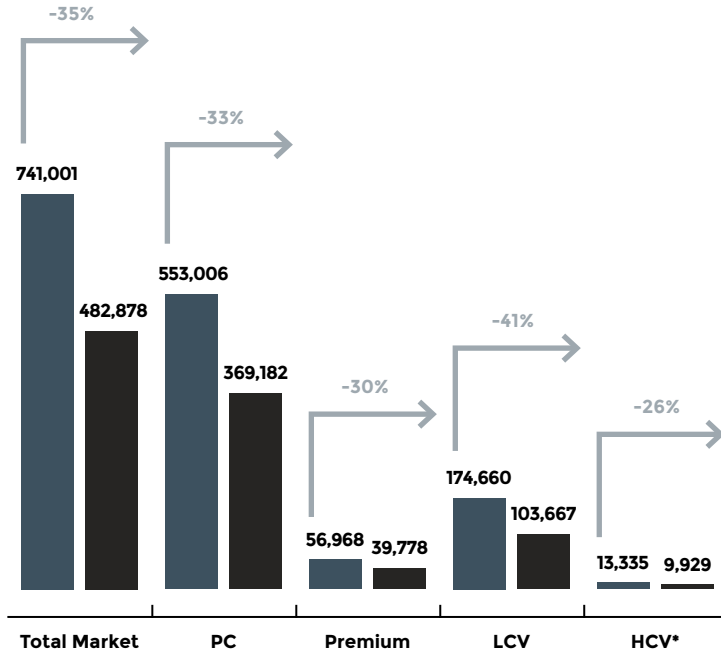
■ Dec 2016 ■ Dec 2017 → Change



Market Review - Wholesale - October 2018

MARKET

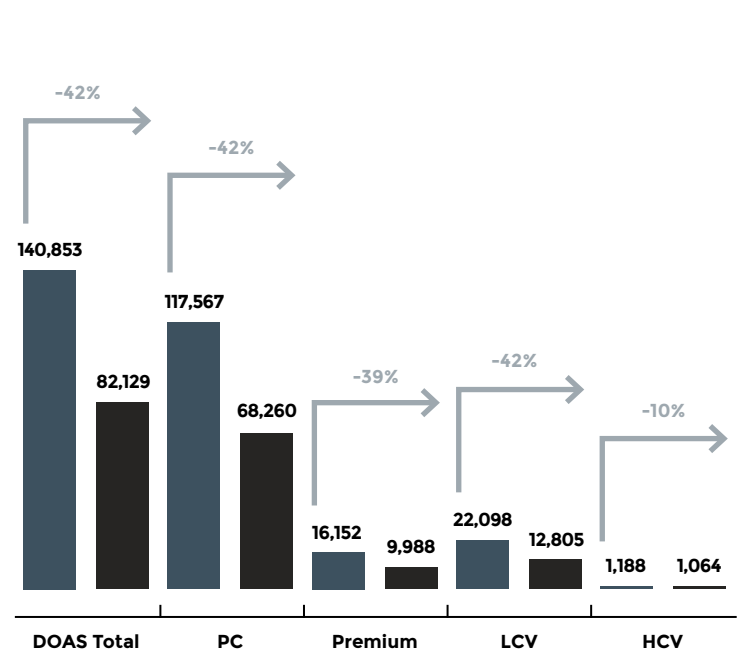
■ Oct 2017 ■ Oct 2018 → Change



*Oct2018 HCV market is an expected sales number.

DOAS

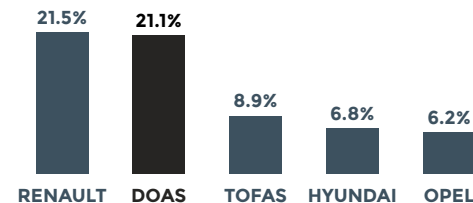
■ Oct 2017 ■ Oct 2018 → Change



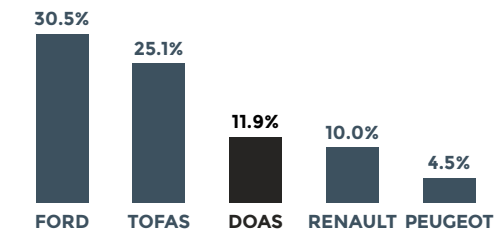
Market Share - Retail - 2017

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

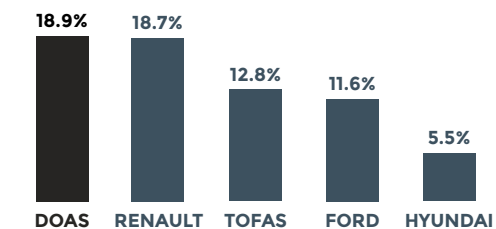
PV TOP 5 DECEMBER 17



LCV TOP 5 DECEMBER 17



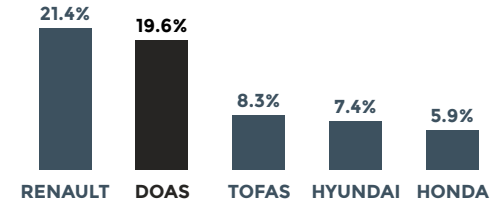
LV TOP 5 DECEMBER 17



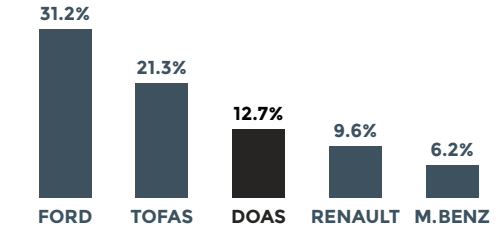
Market Share - Retail - October 2018

RETAIL MARKET	2016 YEAR END	2017 YEAR END	OCT 2017	OCT 2018	OCT 2018/ 2017 YEAR END CHANGE	OCT 2018/ OCT 2017 CHANGE
PASSENGER VEHICLE %						
RENAULT	19.7	21.5	21.2	21.4	-0.1	0.2
DOGUS OTOMOTİV	23.0	21.1	21.0	19.6	-1.5	-1.4
TOFAS	7.3	8.9	9.1	8.3	-0.6	-0.8
HYUNDAI	6.5	6.8	6.9	7.4	0.5	0.4
HONDA	2.7	3.7	3.7	5.9	2.3	2.2
TOYOTA	6.2	5.6	5.5	5.9	0.2	0.4
PEUGEOT	3.3	4.1	5.6	5.2	1.1	-0.4
FORD	5.5	5.5	4.0	5.1	-0.5	1.0
OTHER	25.8	22.7	22.9	21.3	-1.5	-1.6
LIGHT COMMERCIAL VEHICLE %						
FORD	30.1	30.5	29.4	31.2	0.7	1.7
TOFAS	23.7	25.1	24.5	21.3	-3.9	-3.2
DOGUS OTOMOTİV	14.5	11.9	12.7	12.7	0.8	0.0
RENAULT	9.0	10.0	10.0	9.6	-0.3	-0.4
MERCEDES-BENZ	3.6	3.9	4.0	6.2	2.3	2.2
CITROEN	3.7	3.5	4.1	3.5	0.1	-0.6
PEUGEOT	4.5	4.5	4.3	3.4	-1.1	-0.9
MITSUBISHI	1.8	1.7	1.6	2.8	1.2	1.2
OTHER	9.2	9.0	9.4	9.3	0.3	-0.1
LIGHT VEHICLE %						
RENAULT	17.2	18.7	18.6	18.9	0.2	0.3
DOGUS OTOMOTİV	21.0	18.9	19.0	18.1	-0.8	-0.9
TOFAS	11.1	12.8	12.8	11.1	-1.7	-1.7
FORD	11.1	11.6	11.3	10.9	-0.8	-0.5
HYUNDAI	5.3	5.5	5.6	6.0	0.5	0.4
TOYOTA	5.4	4.7	4.7	5.1	0.4	0.5
PEUGEOT	3.6	4.2	4.1	4.7	0.5	0.6
HONDA	2.1	2.8	2.8	4.6	1.9	1.8
OTHER	23.2	20.8	21.1	20.6	-0.2	-0.5

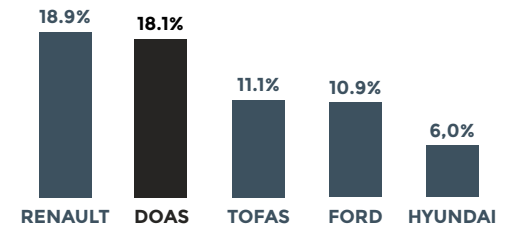
PV TOP 5 OCTOBER 18



LCV TOP 5 OCTOBER 18



LV TOP 5 OCTOBER 18



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	30-Sep-18	30-Sep-17	Change (%)
Revenue	7,768	8,503	-9%
Gross Profit	941	887	6%
Operational Expenses	-457	-564	-19%
Selling and Marketing Expenses	-209	-231	-10%
General Administrative Expenses	-291	-298	-2%
Warranty Expenses, net	-66	-60	10%
Other Operating Expenses, net	109	25	335%
EBITDA	545	385	42%
EBIT	484	323	50%

Margins	30-Sep-18	30-Sep-17	Change (%)
Gross Margin	12,1%	10,4%	16%
Opex/Sales	5,9%	6,6%	-11%
EBITDA Margin	7,0%	4,5%	55%
EBIT Margin	6,2%	3,8%	64%
Net Profit Margin	1,7%	1,7%	0%

Consolidated Income Statement

(TL '000)	30-Sep-18	Vertical Analysis	30-Sep-17	Vertical Analysis	Change (%)
Revenue	7,767,988		8,502,717		-9%
Direct cost of revenue	-6,826,625	-88%	-7,615,702	-90%	-10%
Gross profit	941,363	12%	887,015	10%	6%
Selling, marketing and distribution expenses	-208,749	-3%	-230,709	-3%	-10%
SG&A Expenses	-290,857	-4%	-297,620	-4%	-2%
Warranty expenses	-66,125	-1%	-60,192	-1%	10%
Other operating incomes/losses, net	108,635	1%	24,981	0%	335%
Results from operating activities	484,267	6%	323,475	4%	50%
Income Loss from Investing Activities	20,387		22,232		
Income Loss from Associates	19,255	0%	65,874	1%	-71%
Financial incomes/costs, net	-357,636		-249,747		43%
Profit before income tax	166,273	2%	161,834	2%	3%
Tax expense	-37,678		-19,530		93%
Period profit/loss from discontinued operations	1,816		-		#DIV/0!
Profit for the year	130,411	2%	142,304	2%	-8%

→ Decrease of nearly 9% in revenue and 10% in direct cost of revenue for a gross margin of 12.1%

Effects on revenue and direct cost of revenue:

- Increase in the average EUR/TRY currency.
- Decrease in yearly sales volume.
- Model Mix impact.

18% decrease in Personnel expenses

8% decrease in Distribution expenses
19% decrease in Advertising expenses

Dramatical increase in the Other Operating Incomes derives from rising exchange rate income

Income/Loss from Associates	30 Sep 18 Cumulative	31 Dec 17 Cumulative
VDF Group	-19,532	38,088
VDF	-7,070	28,042
VDF Servis Holding	-12,462	10,046
Doğuş Sigorta	1,856	956
SKODA (Yüce Oto)	13,429	7,874
Doğuş Technology	-3,212	-3,082
TÜVTURK Group	26,714	23,829
Meiller-Doğuş	0	-1,791
Grand Total	19,255	65,874

Financing Costs

(mn TL)	30 Sep 2018	30 Sep 2017	Change (%)
Financing Costs	-368.34	-253.43	45%
Finance expenses, net	-337.87	-253.35	33%
Interest expense on borrowings	-319.41	-241.30	32%
Commission expenses on letters of guarantee	-13.66	-6.14	122%
Other financial expenses	-4.80	-5.90	-19%
Foreign Exchange gain/loss, net	-30.47	-0.09	35334%

Consolidated Balance Sheet

(TL '000)	30-Sep-18	31-Dec-17
ASSETS	6,484,588	5,166,882
Cash and cash equivalents	150,731	106,385
Trade receivables	298,420	1,425,215
Inventories	3,600,680	1,425,344
Tangible and intangible non-current assets	980,778	1,007,079
Financial Investments	555,775	579,277
Investments in equity accounted investees	332,492	352,323
Other	565,712	271,259
LIABILITIES	5,160,253	3,839,437
Financial liabilities	2,257,765	2,974,838
Trade payables	2,664,835	633,545
Provisions	102,816	103,688
Other	134,837	127,366
EQUITY	1,324,335	1,327,445

Inventories:

- Increase in goods in transit (vehicle)
- 30 September 2018: 2.675.861K TL
- 31 December 2017: 463.613K TL
- Number of vehicles increased from 12.972 units to 27.815 units as of 30.09.2018.
- Inventories and Trade Payables have been impacted due to the OEM's WLT Procedure.

Financial Liabilities; Use of financing was realized as expected at TRY 2.3B.

Investments in Equity Accounted Investees	30 Sep 18	31 Dec 17
Associates		
vdf	142,332	149,402
Doğuş Sigorta	35,445	36,203
SKODA (Yüce Oto)	30,058	28,807
vdf Servis Holding	48,035	60,497
Doğuş Technology	3,502	6,714
Joint Ventures		
TÜVTURK North - South (Consolidated)	73,120	69,477
Meiller-Doğuş	0	1,223
Total	332,492	352,323

Provisions	30 Sep 18	31 Dec 17
Warranty provisions	38,136	48,379
Legal provisions	25,410	20,218
Provision for unused vacation	39,270	35,091

Consolidated Balance Sheet

(Balance Sheet mn,TL)	30-Sep-18	31-Dec-17	Change (%)
Total Assets	6,485	5,167	26%
Total Equity	1,324	1,327	0%
Net working capital	-873	-640	-36%
Net cash position	-2,162	-2,928	26%
CAPEX	138	315	-56%
Receivable Turnover (day)	11	38	-72%
Inventory Turnover (day)	144	44	231%
Payable Turnover (day)	107	19	451%
Net Debt/EBITDA	2.9	4.8	-40%
ROA	2.0%	3.6%	-43%
ROE	9.8%	13.8%	-29%

2018 EXPECTATIONS

Mobility

Digitalization

Service Areas

Operational Efficiency and
Cautious Expenditure Management

Optimum
Profitability

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

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

550-560,000 units

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

105-110,000 units

Investment Expenditure

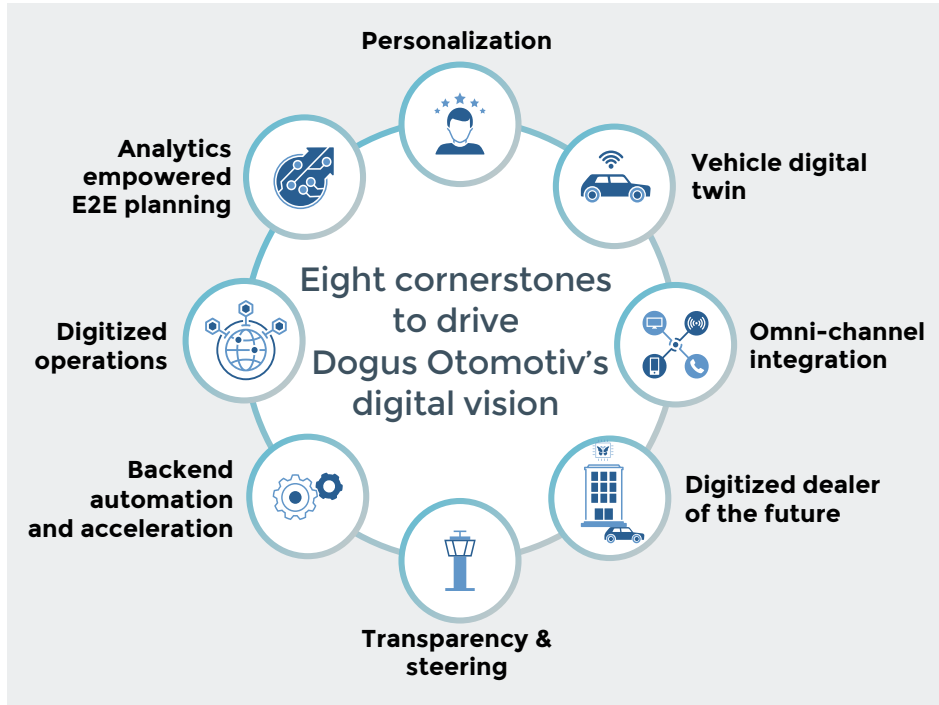
TRY 140-150 million

- Expenditures for head office, logistics, spare parts, training areas and subsidiaries
- **Machinery and equipment investments**
- Investments in **information technologies**
- Investments presenting potential to create value

* In light of recent regulatory developments, we are in the process of setting our 2019 expectations.

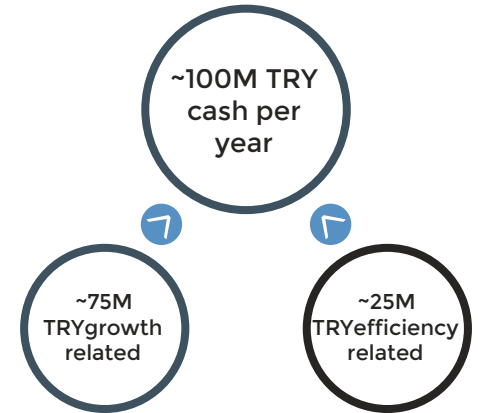
DIGITAL TRANSFORMATION STRATEGY OF DOAS

Dogus Otomotiv Road Map for Digital Vision



Solutions expected to generate ~100M TRY /year cash after 8 years

Impact of all 44 solutions



~30M TRY investment in the first 3 years

Self funding after 1,5 year

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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