

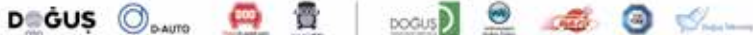
# Investor Relations Presentation

## Q2 2019 Results

Updated: September 2019



**DOĞUŞ** 25. YIL

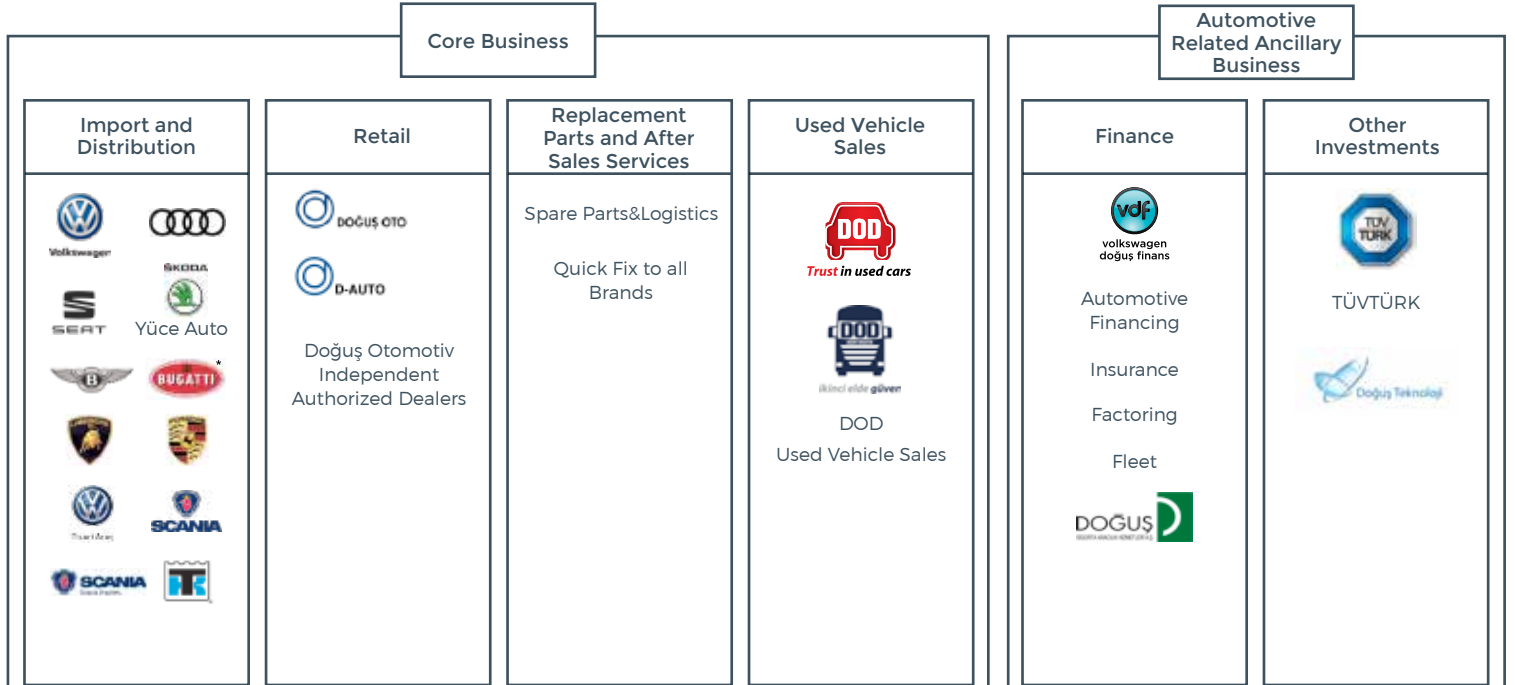


# Agenda

- Doğu Otomotiv
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

# Doğuş Otomotiv

Presence in every stage of the lifecycle of owning a vehicle



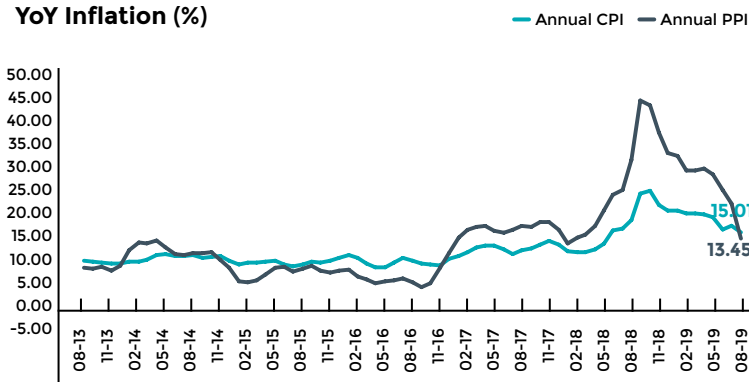
\*Representative Offices

# Macroeconomic Outlook

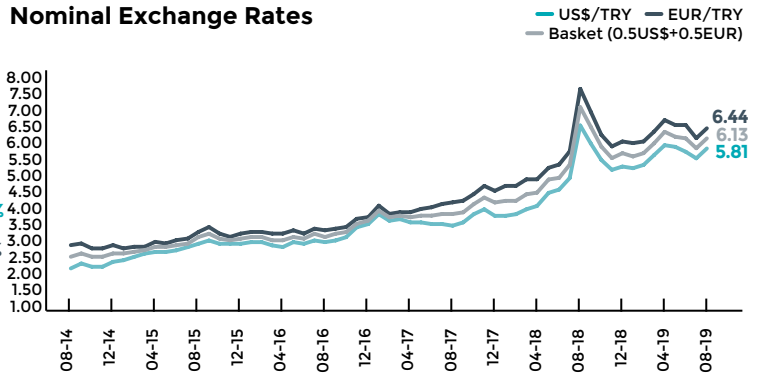


# Macroeconomic Indicators

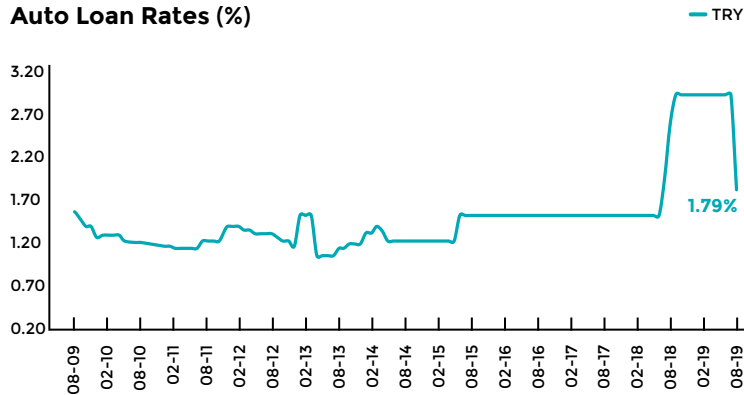
## YoY Inflation (%)



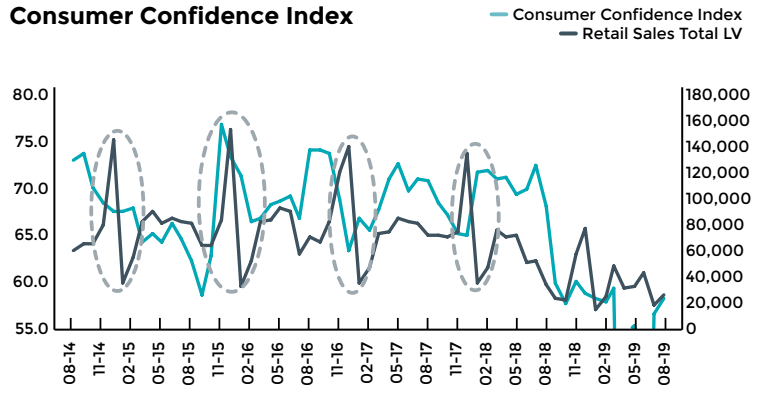
## Nominal Exchange Rates



## Auto Loan Rates (%)

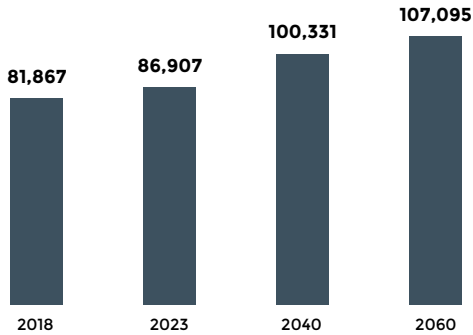


## Consumer Confidence Index

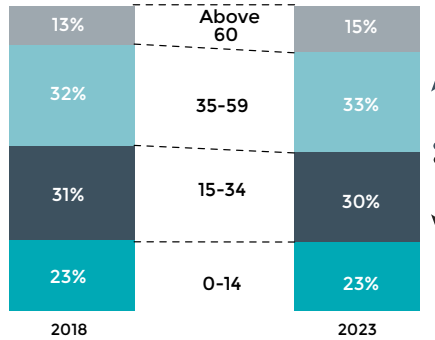


# Population & Demography

## Population Statistics ('000)

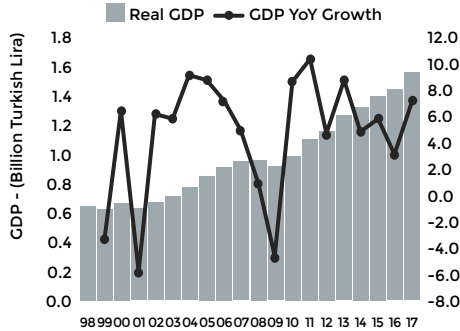


## Age Demography

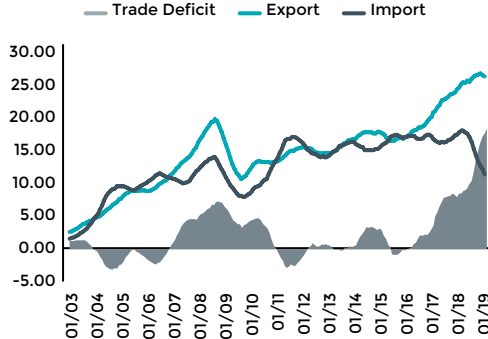


- Young population is a main driver in Turkey.
- Population is expected to grow above 10%.
- Over 50% of the population will be between the age group of 15 to 59 years by 2060.
- Median age is expected to increase by 9% by 2060.

## Economy



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



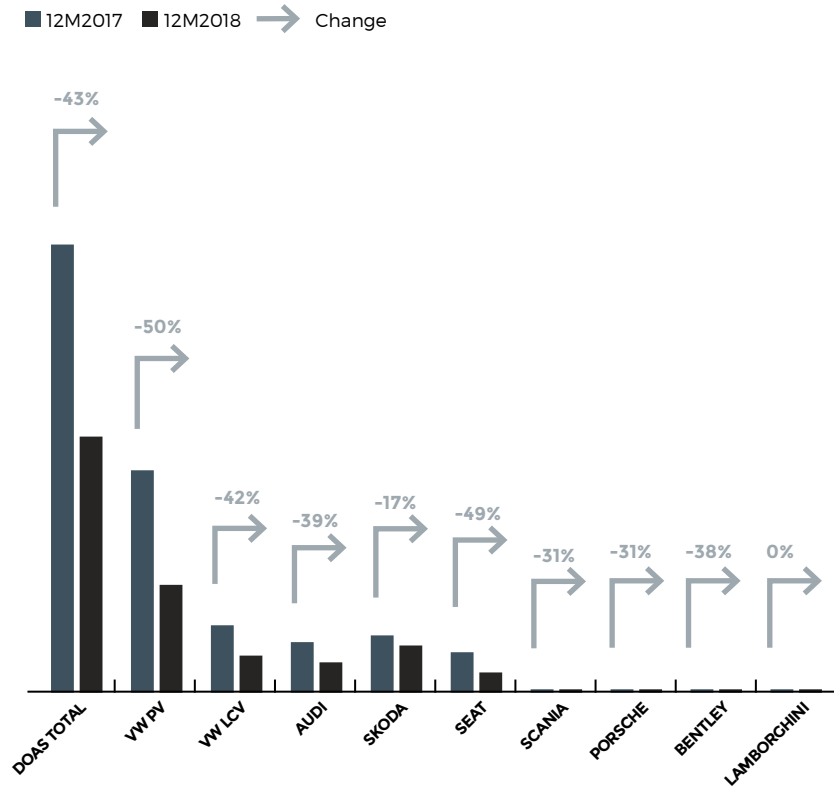
Note: All figures are rounded.  
Source: TurkStat

# Automotive Market



# DOAS Wholesales Performance - December 2018

	12M2017	12M2018	Change
<b>DOAS TOTAL</b>	<b>184,692</b>	<b>105,268</b>	<b>-43%</b>
VW PV	91,343	45,388	-50%
VW LCV	28,041	16,175	-42%
AUDI	21,172	12,969	-39%
SKODA	24,714	20,425	-17%
SEAT	17,002	8,640	-49%
SCANIA	1,697	1,177	-31%
PORSCHE	700	481	-31%
BENTLEY	16	10	-38%
LAMBORGHINI	7	3	-57%



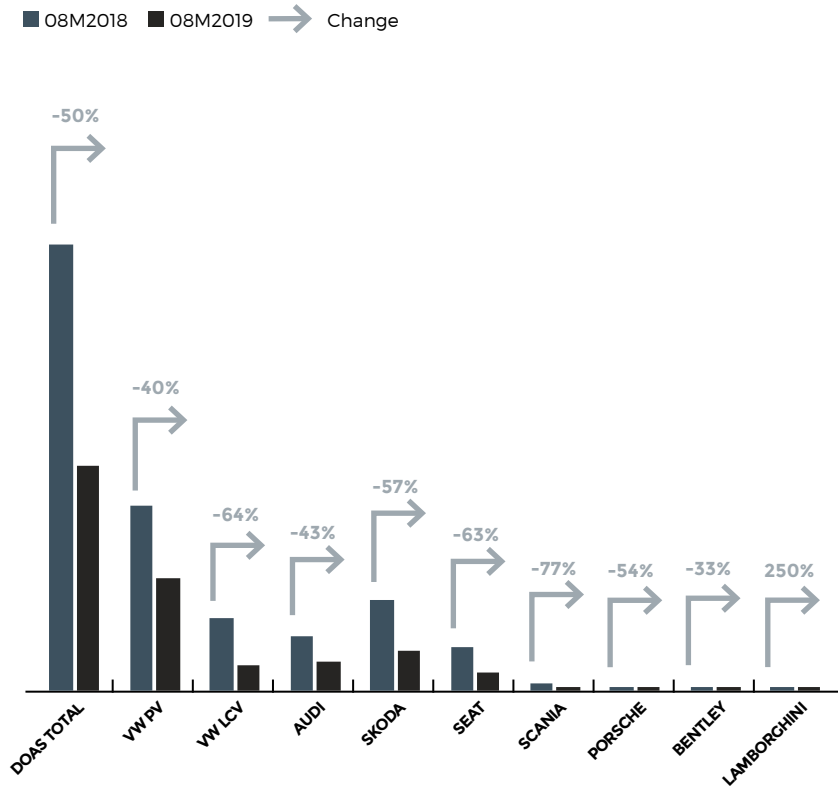
\*Source: ADA



# DOAS Wholesales Performance - August 2019

	08M2018	08M2019	Change
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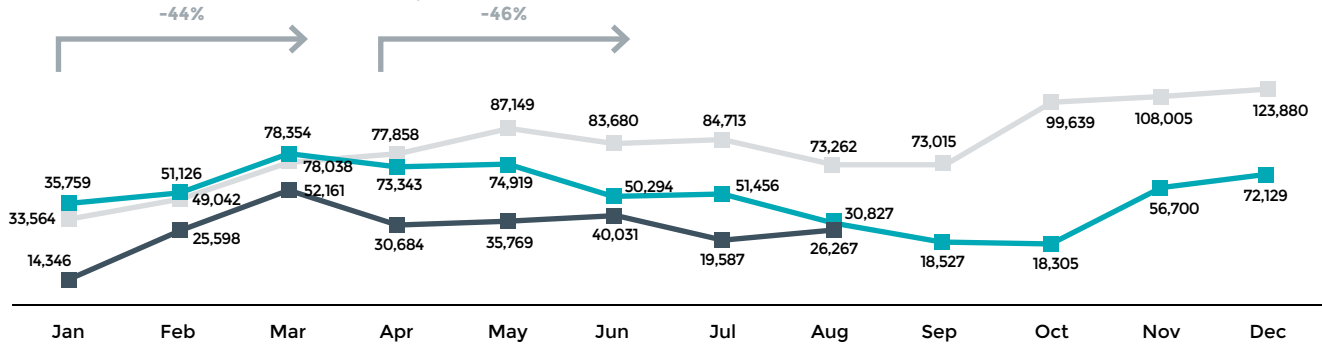
<b>DOAS TOTAL</b>	<b>76,832</b>	<b>38,374</b>	<b>-50%</b>
VW PV	31,997	19,346	-40%
VW LCV	12,096	4,335	-64%
AUDI	8,938	5,063	-43%
SKODA	15,121	6,493	-57%
SEAT	7,269	2,710	-63%
SCANIA	1,016	238	-77%
PORSCHE	387	178	-54%
BENTLEY	6	4	-33%
LAMBORGHINI	2	7	250%



\*Source: ADA

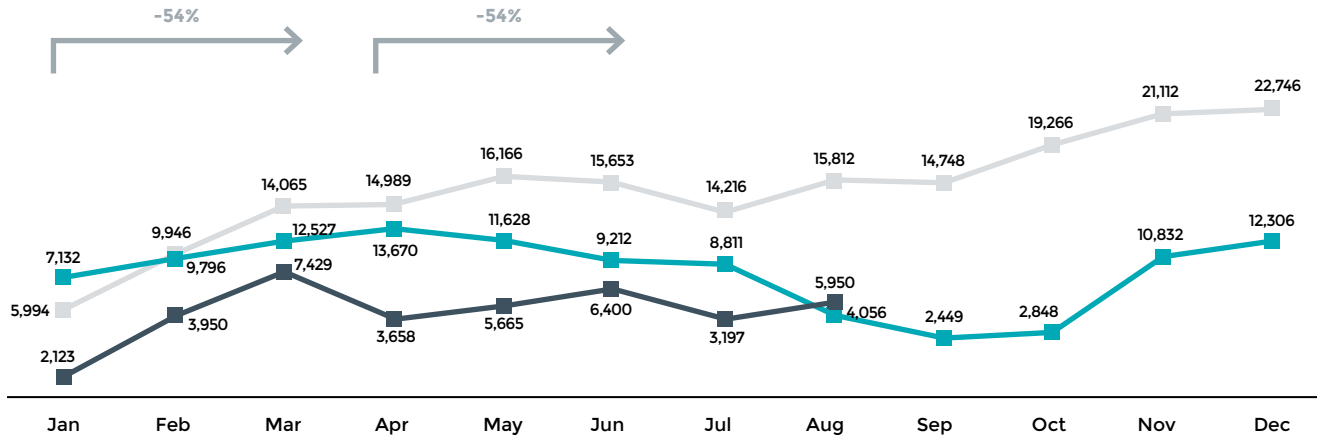
# Wholesale Market Monthly Sales

2017 2018 2019



# DOAS Monthly Sales

2017 2018 2019

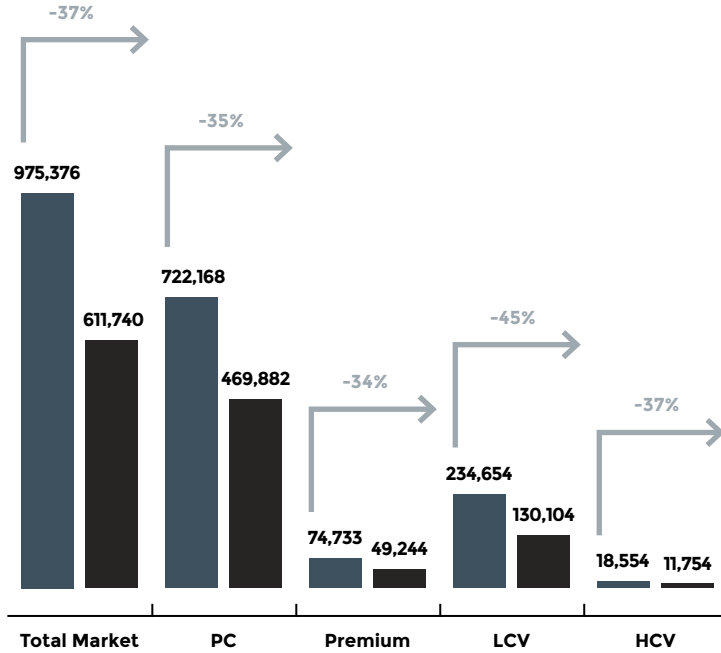


\* Source: ADA. Skoda included.

# Market Review - Wholesale - December 2018

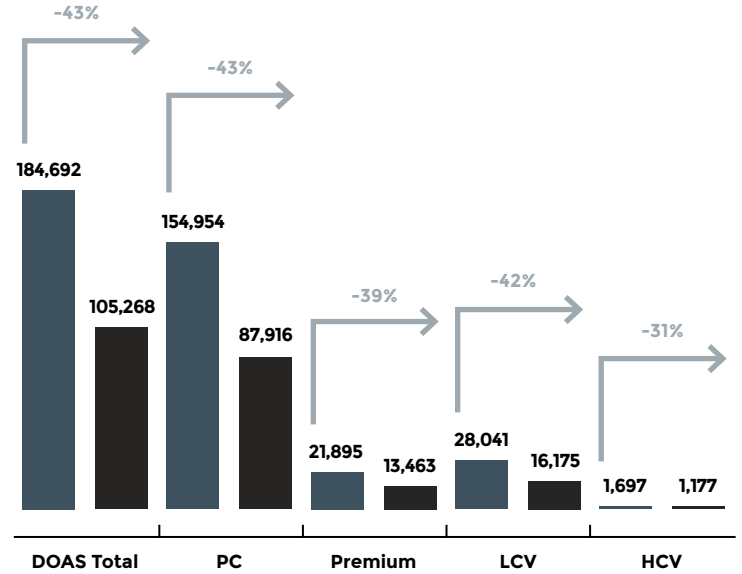
## MARKET

■ Dec 2017 ■ Dec 2018 → Change



## DOAS

■ Dec 2017 ■ Dec 2018 → Change

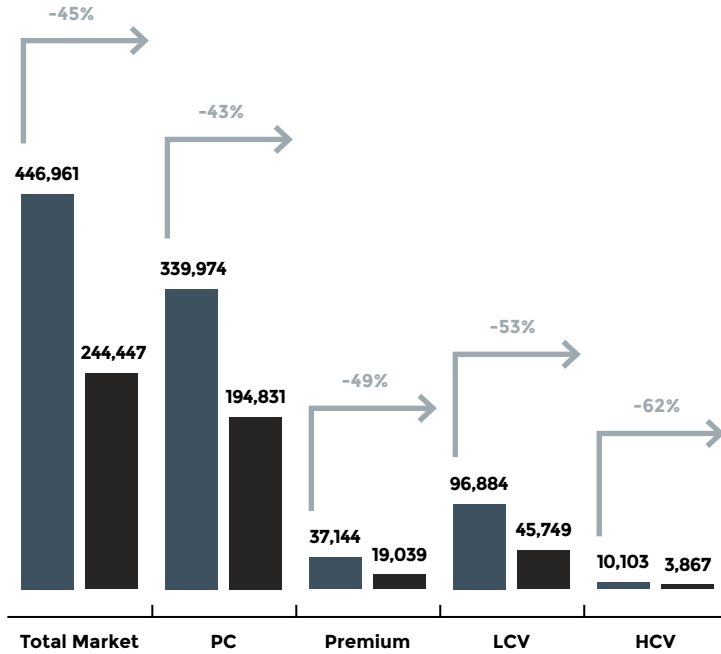


\* Source: ADA. Skoda included.

# Market Review - Wholesale - August 2019

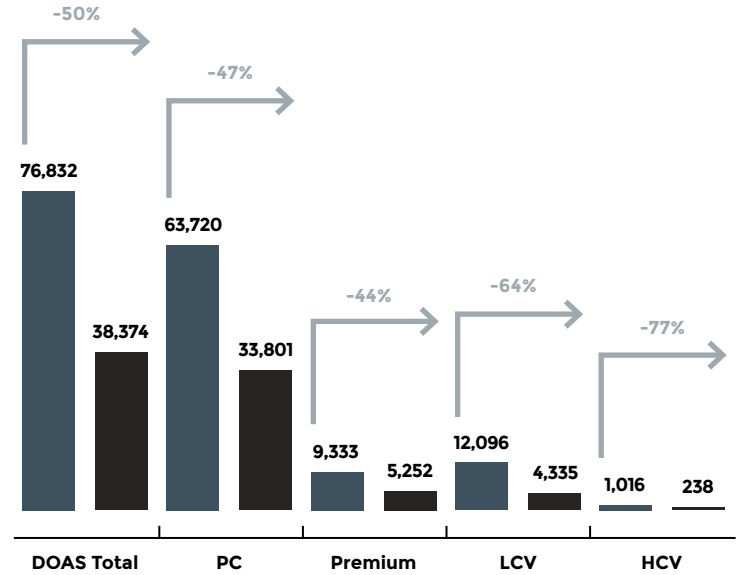
## MARKET

■ Aug 2018 ■ Aug 2019 → Change



## DOAS

■ Aug 2018 ■ Aug 2019 → Change



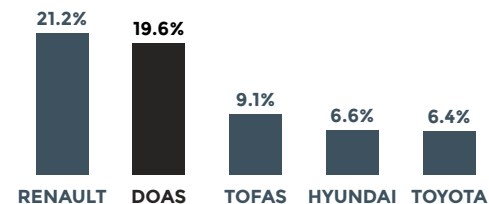
\* Source: ADA. Skoda included.

# Market Share - Retail - December 2018

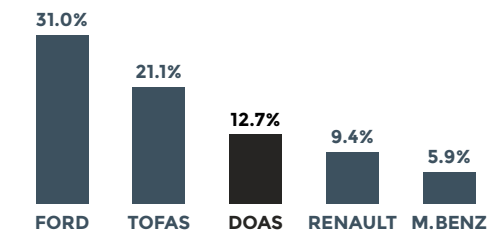
RETAIL MARKET	2016 YEAR END	2017 YEAR END	2018 YEAR END	2017 YEAR END/ 2016 YEAR END CHANGE	2018 YEAR END/ 2017 YEAR END CHANGE
<b>PASSENGER VEHICLE %</b>					
RENAULT	19.7	21.5	21.2	1.9	-0.3
DOGUS OTOMOTİV	23.0	21.1	19.6	-1.9	-1.5
TOFAS	7.3	8.9	9.1	1.6	0.3
HYUNDAI	6.5	6.8	6.6	0.3	-0.2
TOYOTA	6.2	5.6	6.4	-0.6	0.7
HONDA	2.7	3.7	5.9	1.0	2.2
PEUGEOT	3.3	4.2	5.1	0.9	1.0
NISSAN	4.0	4.4	5.1	0.4	0.6
OTHER	27.3	23.8	21.1	-3.5	-2.8
<b>LIGHT COMMERCIAL VEHICLE %</b>					
FORD	30.1	30.5	31.0	0.4	0.4
TOFAŞ	23.7	25.1	21.1	1.4	-4.1
DOGUS OTOMOTİV	14.5	11.9	12.7	-2.5	0.8
RENAULT	9.0	10.0	9.4	0.9	-0.6
MERCEDES-BENZ	3.6	3.9	5.9	0.3	2.1
PEUGEOT	4.5	4.5	3.9	0.0	-0.6
CITROEN	3.7	3.5	3.4	-0.2	0.0
MITSUBISHI	1.8	1.7	2.7	-0.1	1.0
OTHER	9.2	9.0	9.9	-0.3	0.9
<b>LIGHT VEHICLE %</b>					
RENAULT	17.2	18.7	18.6	1.5	0.0
DOGUS OTOMOTİV	21.0	18.9	18.1	-2.2	-0.8
TOFAŞ	11.1	12.8	11.7	1.8	-1.1
FORD	11.1	11.6	10.5	0.5	-1.1
HYUNDAI	5.3	5.5	5.5	0.2	0.7
TOYOTA	5.4	4.7	5.4	-0.6	-0.1
PEUGEOT	3.6	4.2	4.9	0.6	0.6
HONDA	2.1	2.8	4.6	0.7	1.9
OTHER	23.2	20.8	20.7	-2.4	-0.1

\*Source: ADA. Skoda included.

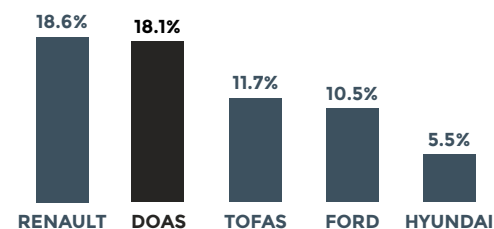
## PV TOP 5 DECEMBER 18



## LCV TOP 5 DECEMBER 18



## LV TOP 5 DECEMBER 18

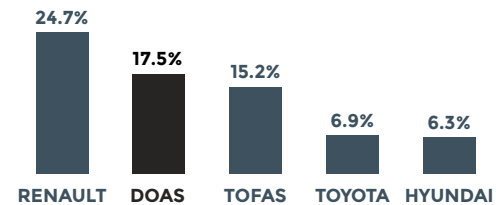


# Market Share - Retail - August 2019

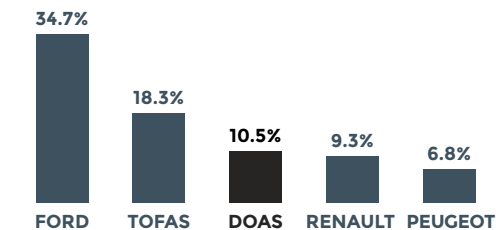
RETAIL MARKET	2017 YEAR END	2018 YEAR END	AUG 2018	AUG 2019	2018 YEAR END/ AUG 2019 CHANGE	JUL 2018/ AUG 2019 CHANGE
<b>PASSENGER VEHICLE %</b>						
RENAULT GROUP	25.9	26.3	25.7	24.7	-1.5	-1.0
DOGUS OTOMOTİV	21.1	19.6	19.9	17.5	-2.1	-2.4
TOFAS	8.9	9.1	8.5	15.2	6.1	6.7
TOYOTA	5.6	6.3	5.8	6.9	0.6	1.1
HYUNDAI	6.8	6.6	7.3	6.3	-0.3	-1.0
PEUGEOT	4.2	5.1	5.3	5.5	0.4	0.2
HONDA	3.7	5.9	5.3	5.5	-0.4	0.2
OPEL	6.2	4.3	4.7	4.0	-0.4	-0.7
OTHER	17.6	16.8	17.5	14.4	-2.4	-3.1
<b>LIGHT COMMERCIAL VEHICLE %</b>						
FORD	30.5	31.0	31.4	34.7	3.7	3.3
TOFAŞ	25.1	21.1	21.4	18.3	-2.8	-3.1
DOGUS OTOMOTİV	11.9	12.7	13.0	10.5	-2.2	-2.5
RENAULT GROUP	11.2	10.7	10.3	9.3	-1.3	-1.0
PEUGEOT	4.5	3.9	3.3	6.8	2.9	3.6
MERCEDES-BENZ	3.9	5.9	6.1	5.9	0.0	-0.2
CITROEN	3.5	3.4	3.5	3.7	0.2	0.2
MITSUBISHI	1.7	2.7	2.8	2.1	-0.6	-0.7
OTHER	7.8	8.6	8.2	8.6	0.0	0.4
<b>LIGHT VEHICLE %</b>						
RENAULT GROUP	22.3	22.9	22.4	21.8	-1.1	-0.6
DOGUS OTOMOTİV	18.9	18.1	18.4	16.2	-1.9	-2.3
TOFAŞ	12.8	11.7	11.3	15.8	4.1	4.5
FORD	11.6	10.5	10.9	9.4	-1.2	-1.6
TOYOTA	4.7	5.5	5.1	5.8	0.4	0.8
PEUGEOT	4.2	4.9	4.8	5.8	0.9	0.9
HYUNDAI	5.5	5.4	5.9	5.4	0.0	-0.6
HONDA	2.8	4.6	4.2	4.4	-0.2	0.3
OTHER	17.1	16.4	17.0	15.5	-0.9	-1.5

\*Source: ADA. Skoda included.

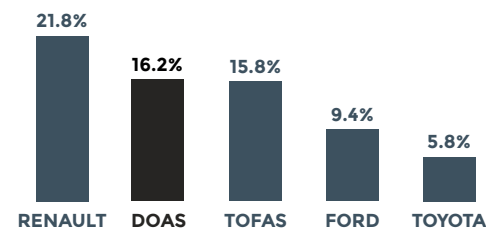
## PV TOP 5 AUGUST 19



## LCV TOP 5 AUGUST 19



## LV TOP 5 AUGUST 19



# Financial Performance



# Consolidated Income Statement

(TL mn, CMB)	30 Jun 19	30 Jun 18	Change (%)
Revenue	3.966	5.769	-31%
Gross Profit	550	649	-15%
Operational Expenses	-349	-347	1%
Selling and Marketing Expenses	-88	-141	-38%
General Administrative Expenses	-214	-194	11%
Warranty Expenses, net	-66	-45	46%
Other Operating Expenses, net	19	34	-44%
EBITDA	267	341	-22%
EBIT	200	302	-34%
Net Profit	-44	138	-132%

Margins	30 Jun 19	30 Jun 18	Change (%)
Gross Margin	13,9%	11,2%	23%
Opex/Sales	8,8%	6,0%	46%
EBITDA Margin	6,7%	5,9%	14%
EBIT Margin	5,1%	5,2%	-3%
Net Profit Margin	-1,1%	2,4%	-146%



# Consolidated Income Statement

(TL '000)	30 Jun 19	Vertical Analysis	30 Jun 18	Vertical Analysis	Change (%)
Revenue	3.966.464		5.769.345		-31%
Direct cost of revenue	-3.416.601	-86%	-5.120.407	-89%	-33%
<b>Gross profit</b>	<b>549.863</b>	<b>14%</b>	<b>648.938</b>	<b>11%</b>	<b>-15%</b>
Selling, marketing and distribution expenses	-87.592	-2%	-141.386	-2%	-38%
SG&A Expenses	-214.326	-5%	-193.779	-3%	11%
Warranty expenses	-66.194	-2%	-45.456	-1%	46%
Other operating incomes/losses, net	18.712	0%	33.637	1%	-44%
<b>Results from operating activities</b>	<b>200.463</b>	<b>5%</b>	<b>301.954</b>	<b>5%</b>	<b>-34%</b>
Income Loss from Investing Activities	36.542		12.543		
<b>Income Loss from Associates</b>	<b>20.822</b>	<b>1%</b>	<b>48.993</b>	<b>1%</b>	<b>-58%</b>
Financial incomes/costs, net	-319.248		-196.985		62%
<b>Profit before income tax</b>	<b>-61.421</b>	<b>-2%</b>	<b>166.505</b>	<b>3%</b>	<b>-137%</b>
Tax expense	17.785		-29.222		161%
<b>Profit for the year</b>	<b>-43.636</b>	<b>-1%</b>	<b>137.531</b>	<b>2%</b>	<b>-132%</b>

	Passenger Segment	Commercial Segment	Other Segment	Total
Revenue from external customers	2.630.103	562.578	773.783	3.966.464
Cost of sales	-2.391.847	-495.222	-528.181	-3.415.250
Gross Profit	238.256	67.356	245.602	551.214
Gross Profit Margin	9,1%	12,0%	31,7%	13,9%

Income/Loss from Associates	30 Jun 19 Cumulative	30 Jun 18 Cumulative
VDF Group	-36.121	15.801
VDF	-43.389	8.743
VDF Servis Holding	7.268	7.058
Doğuş Sigorta	532	1.171
SKODA (Yüce Oto)	2.316	14.632
TÜVTURK Group	53.604	18.441
Meiller-Doğuş	0	0
Doğuş Technology	491	-1.245
<b>Grand Total</b>	<b>20.822</b>	<b>48.800</b>

# Financing Costs

(mn TL)	30 Jun 19	30 Jun 18	Change (%)
Financing Costs, net	319,25	196,99	62%
Finance expenses	295,70	197,69	50%
Interest expense on borrowings	264,80	187,19	41%
Commission expenses on letters of guarantee	20,95	6,87	205%
Other financial expenses	9,95	3,63	174%
Foreign Exchange gain/loss, net	59,02	5,85	-
Interest on Lease Liability	13,82	-	-
Finance income, net	49,29	6,56	652%

# Consolidated Balance Sheet

(TL '000)	30 Jun 19	31 Dec 18
<b>ASSETS</b>	<b>5.093.472</b>	<b>4.798.662</b>
Cash and cash equivalents	493.094	365.892
Trade receivables	770.256	643.538
Inventories	1.542.994	1.365.896
Tangible and intangible non-current assets	980.037	1.017.732
Financial Investments	573.486	567.259
Investments in equity accounted investees	366.947	374.659
Right of Use Asset	129.265	-
Other	237.393	463.686
<b>LIABILITIES</b>	<b>3.823.157</b>	<b>3.490.790</b>
Financial liabilities	2.678.184	2.710.665
Trade payables	954.228	554.172
Provisions	109.283	107.262
Other	81.462	118.691
<b>EQUITY</b>	<b>1.270.315</b>	<b>1.307.872</b>

## Financial Liabilities:

- Use of financing was realized as expected at TRY 2.6B.

Investments in Equity Accounted Investees	30 Jun 19	31 Dec 18
<b>Associates</b>		
Doğuş Sigorta	36.808	35.921
vdf Group	181.918	218.039
VDF	93.056	85.788
VDF Servis Holding	88.862	132.251
Yüce Auto (Škoda)	20.371	25.937
Doğuş Technology	26.030	3.373
<b>Joint Ventures</b>		
TÜVTURK North - South (Consolidated)	101.821	91.390
Meiller-Doğuş	0	0
<b>Total</b>	<b>366.947</b>	<b>374.659</b>

Provisions	30 Jun 19	31 Dec 18
Warranty provisions	35.700	40.362
Legal provisions	30.261	27.748
Provision for unused vacation	43.322	39.152
Other provisions	0	0
<b>Total</b>	<b>109.283</b>	<b>107.262</b>

# Consolidated Balance Sheet

(Balance Sheet mn,TL)	30 Jun 19	31 Dec 18	Change (%)
Total Assets	5.093	4.799	6%
Total Equity	1.270	1.308	-3%
Net working capital	-722	-830	13%
Net cash position	-2.244	-2.403	7%
Receivable Turnover (day)	35	22	61%
Inventory Turnover (day)	82	53	55%
Payable Turnover (day)	51	22	137%
Net Debt/EBITDA	4,1	3,8	7%

(Balance Sheet mn,TL)	30 Jun 19	31 Dec 18	Change (%)
CAPEX	12	179	-93%
ROA	-0,9%	2,8%	-131%
ROE	-3,4%	10,3%	-133%

## 2019 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)**

430-440,000 units

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

50-60,000 units

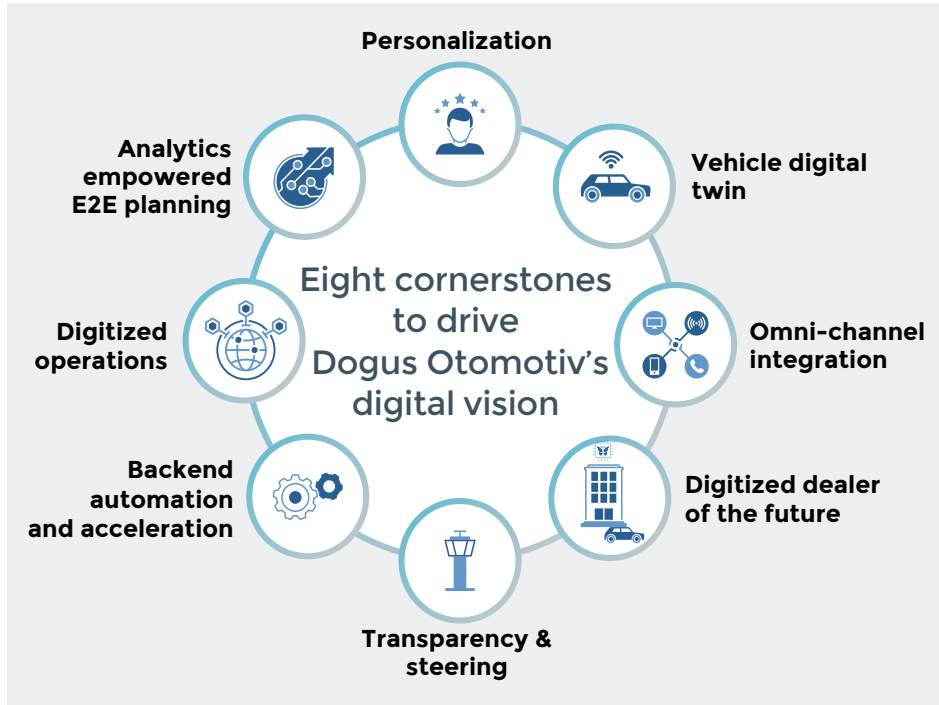
### **Investment Expenditure**

TRY 70-80 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

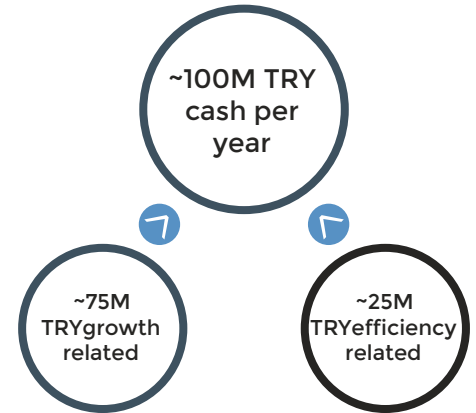
# DIGITAL TRANSFORMATION STRATEGY OF DOAS

## Dogus Otomotiv Road Map for Digital Vision



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

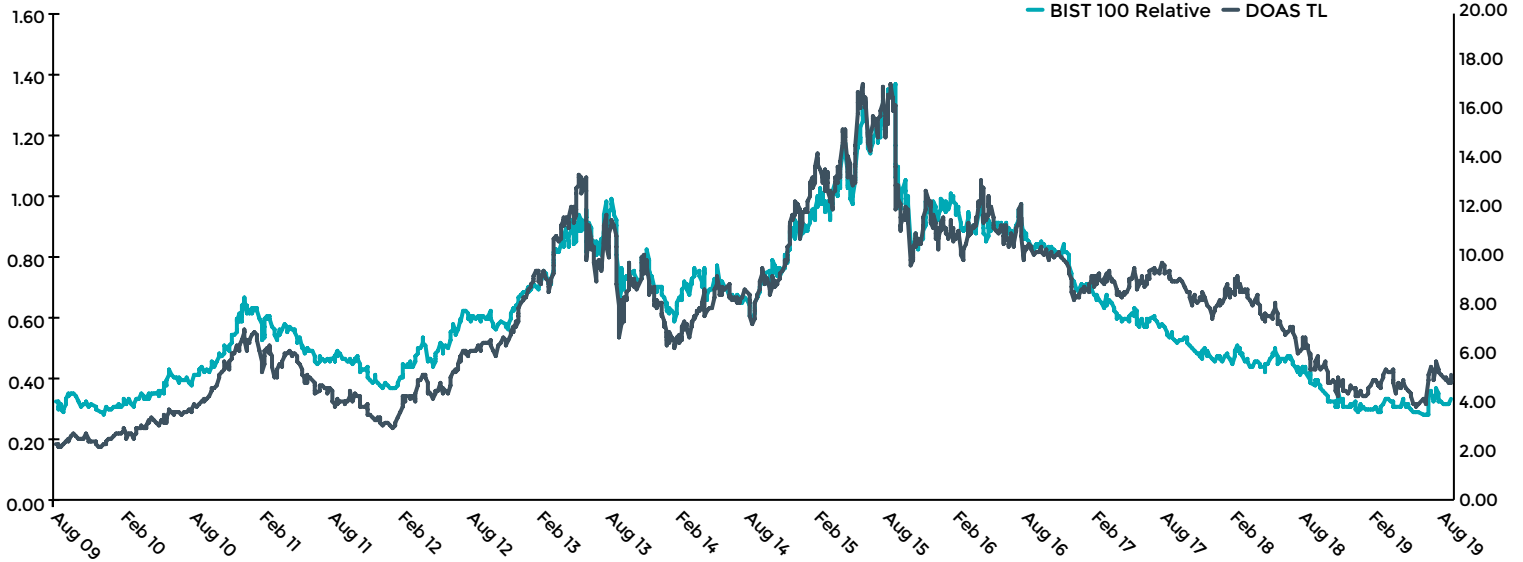
**Impact of all 44 solutions**



**~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
<b>Total</b>	<b>220,000,000</b>	<b>100.00</b>

\* 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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