

Investor Relations Presentation

Q3 2019 Results

Updated: November 2019



DOĞUŞ
GRUPLARI

25
YIL



DOĞUŞ
OYO

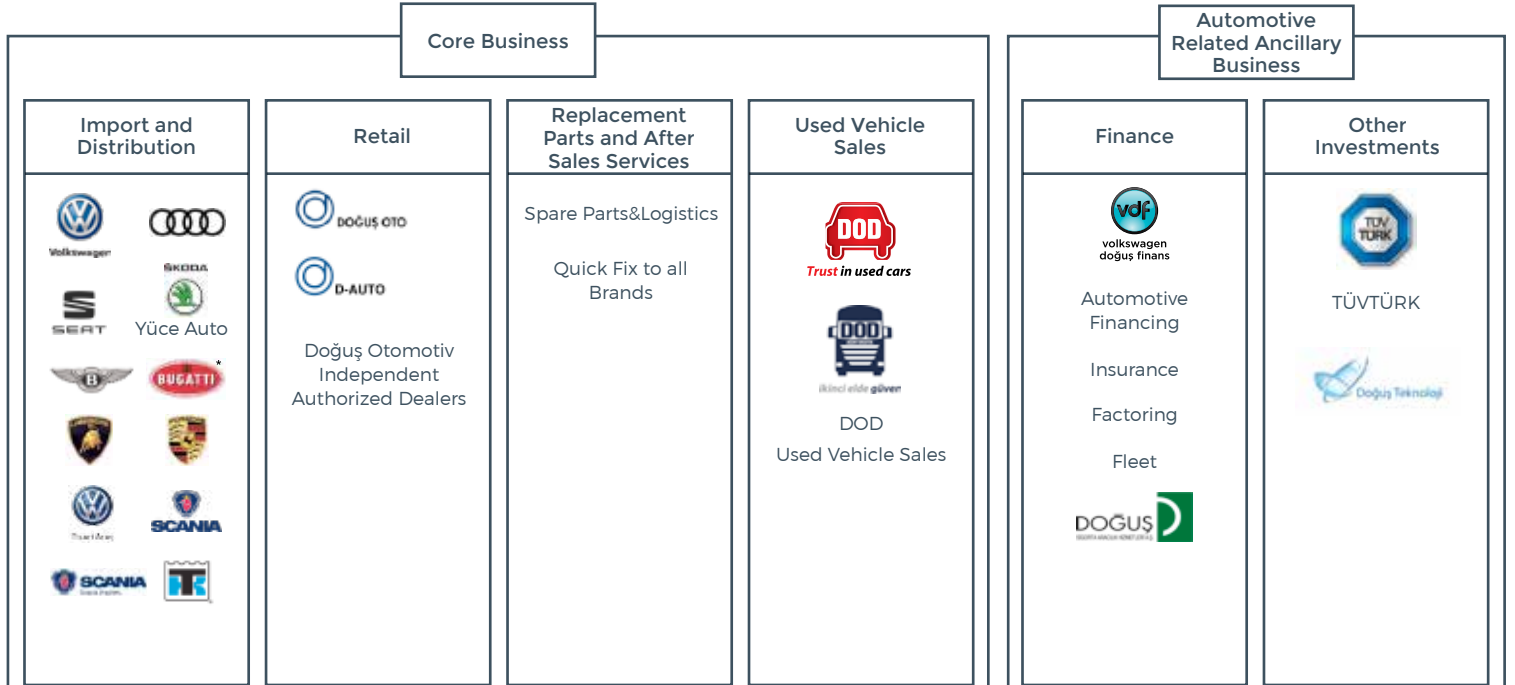


Agenda

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

Doğuş Otomotiv

Presence in every stage of the lifecycle of owning a vehicle



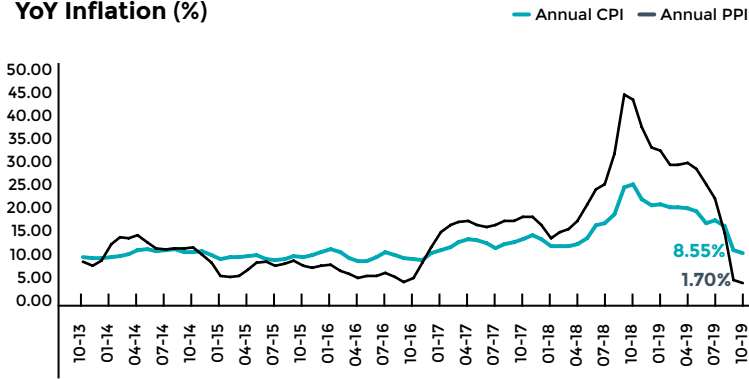
*Representative Offices

Macroeconomic Outlook

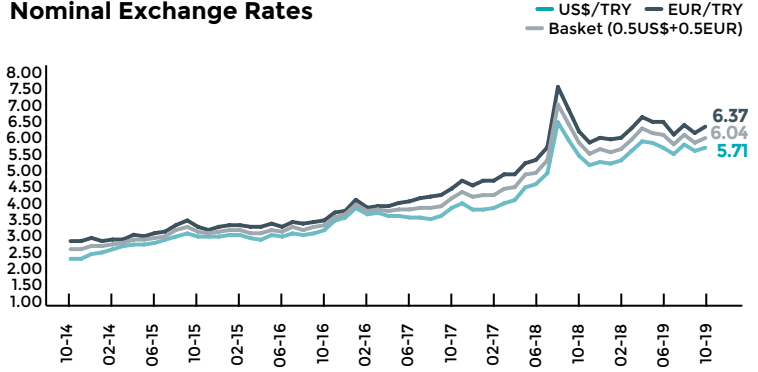


Macroeconomic Indicators

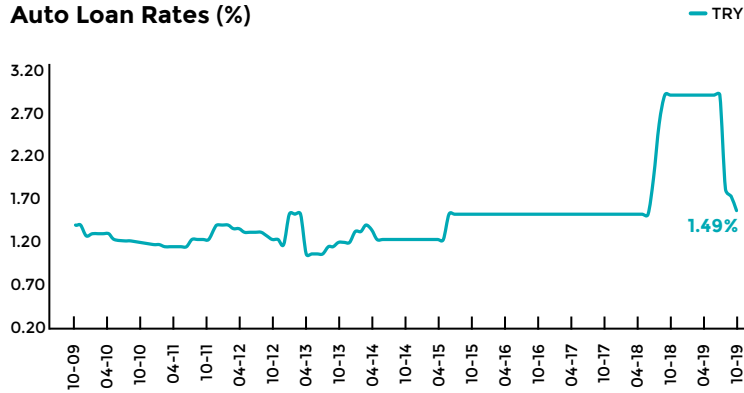
YoY Inflation (%)



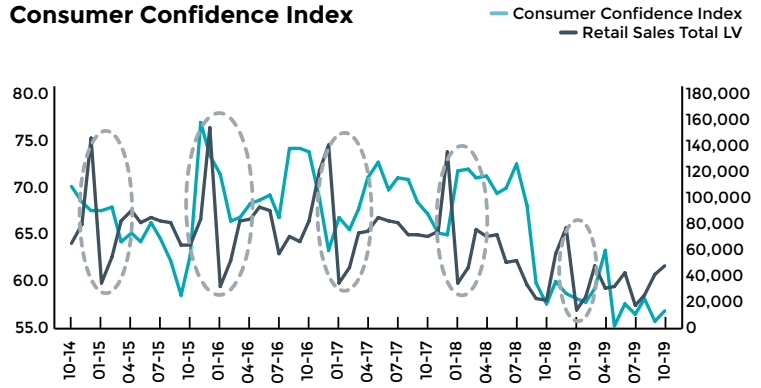
Nominal Exchange Rates



Auto Loan Rates (%)

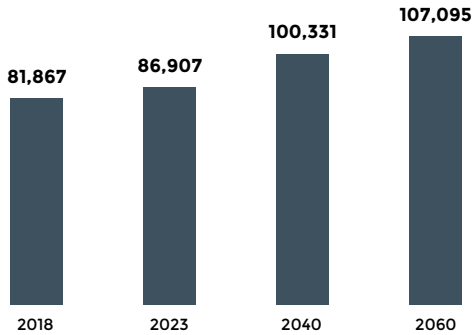


Consumer Confidence Index

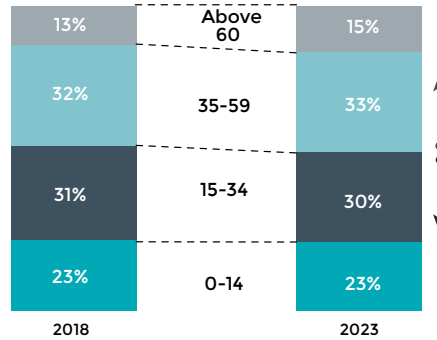


Population & Demography

Population Statistics ('000)

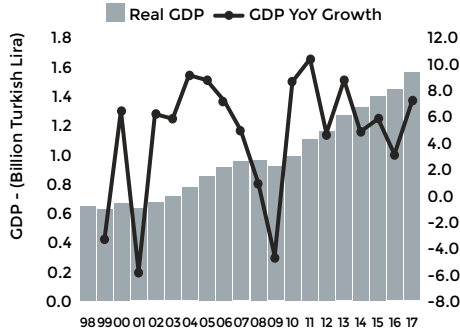


Age Demography

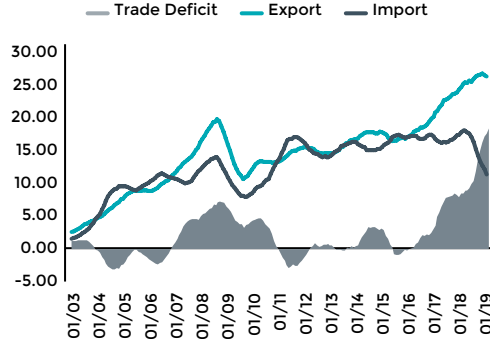


- Young population is a main driver in Turkey.
- Population is expected to grow above 10%.
- Over 50% of the population will be between the age group of 15 to 59 years by 2060.
- Median age is expected to increase by 9% by 2060.

Economy



Auto Industry Trade Balance (US\$ bn)



Note: All figures are rounded.
Source: TurkStat

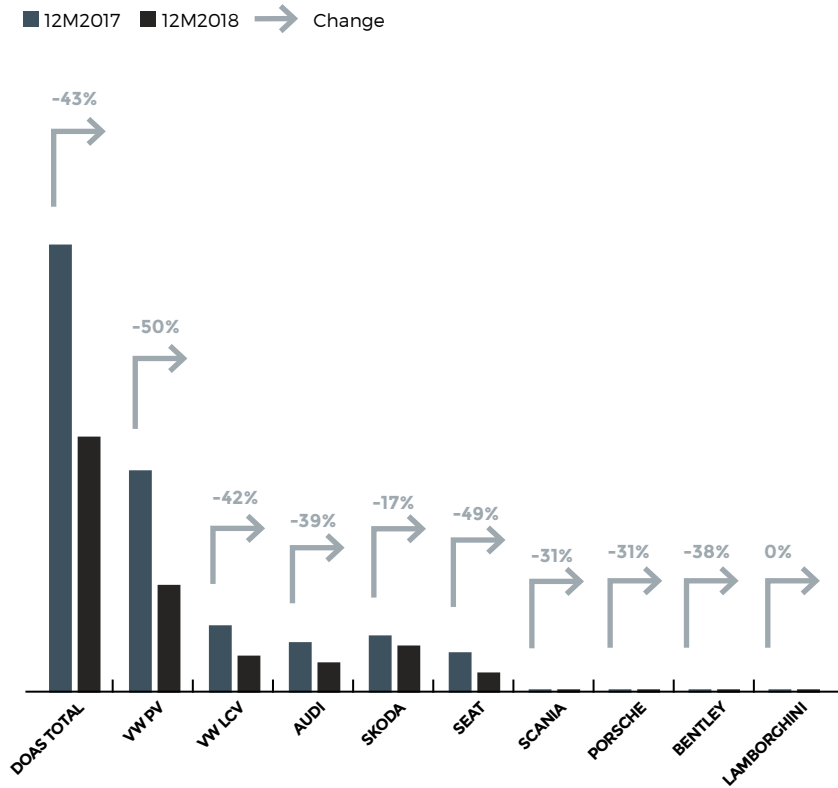
Automotive Market



DOAS Wholesales Performance - December 2018

	12M2017	12M2018	Change
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DOAS TOTAL	184,692	105,268	-43%
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%

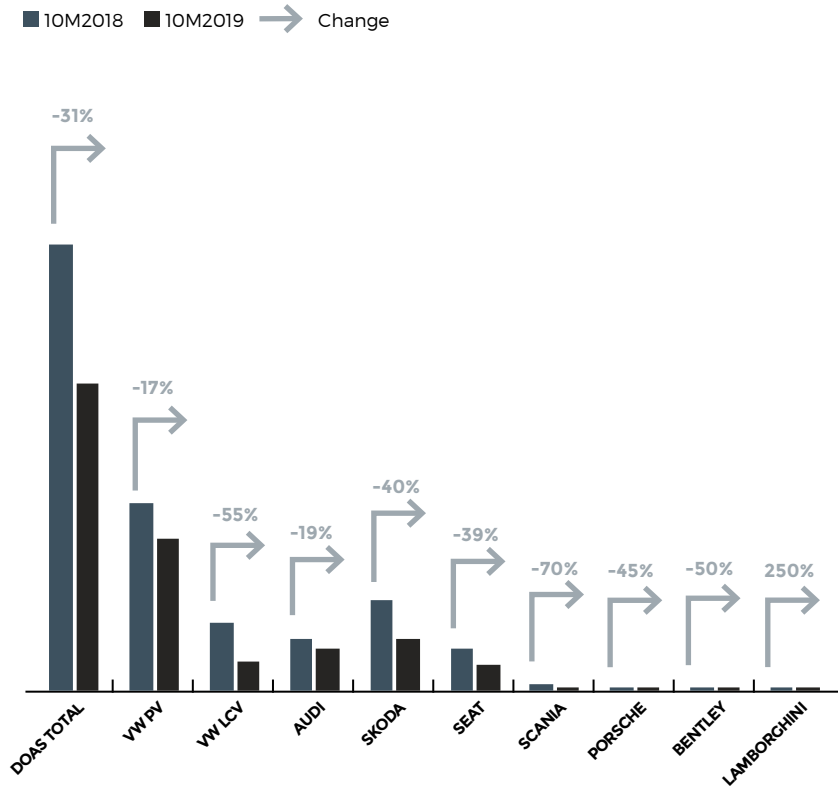


*Source: ADA

DOAS Wholesales Performance - October 2019

	10M2018	10M2019	Change
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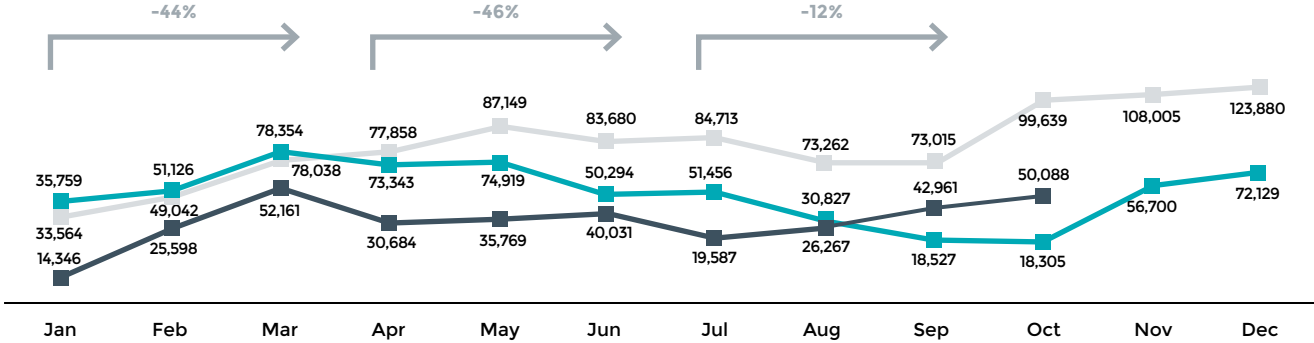
DOAS TOTAL	82,129	56,854	-31%
VW PV	34,336	28,353	-17%
VW LCV	12,805	5,715	-55%
AUDI	9,426	7,669	-19%
SKODA	16,492	9,906	-40%
SEAT	7,552	4,635	-39%
SCANIA	1,064	322	-70%
PORSCHE	444	243	-45%
BENTLEY	8	4	-50%
LAMBORGHINI	2	7	250%



*Source: ADA

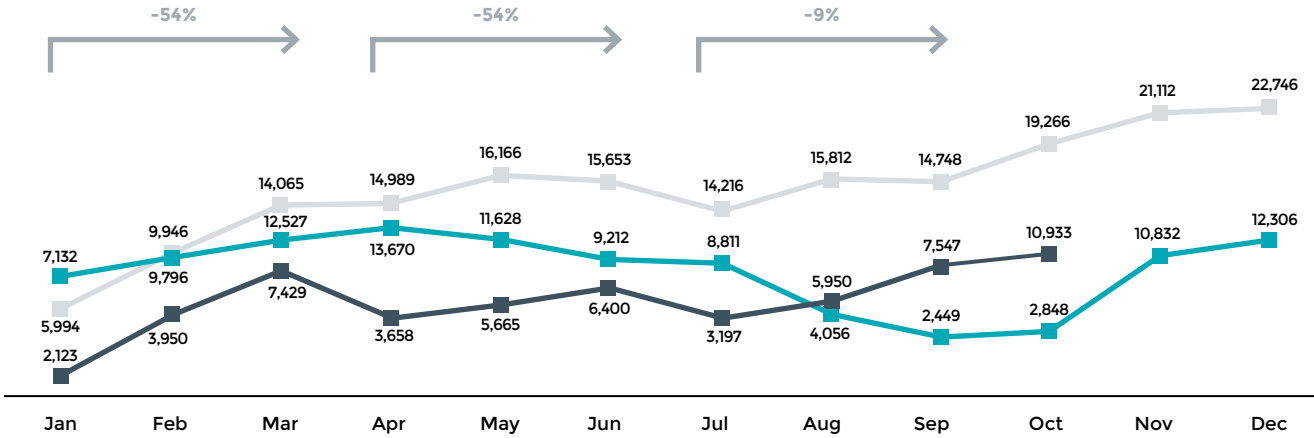
Wholesale Market Monthly Sales

2017 2018 2019



DOAS Monthly Sales

2017 2018 2019

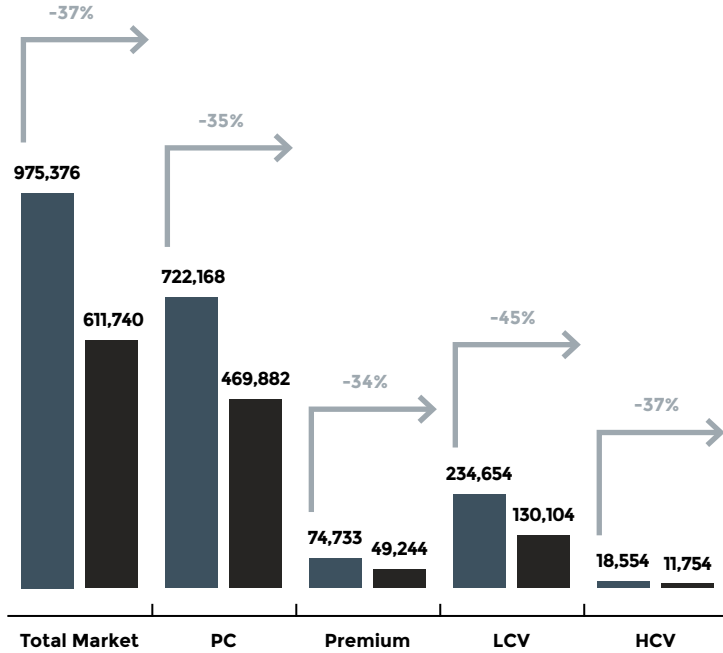


* Source: ADA. Skoda included.

Market Review - Wholesale - December 2018

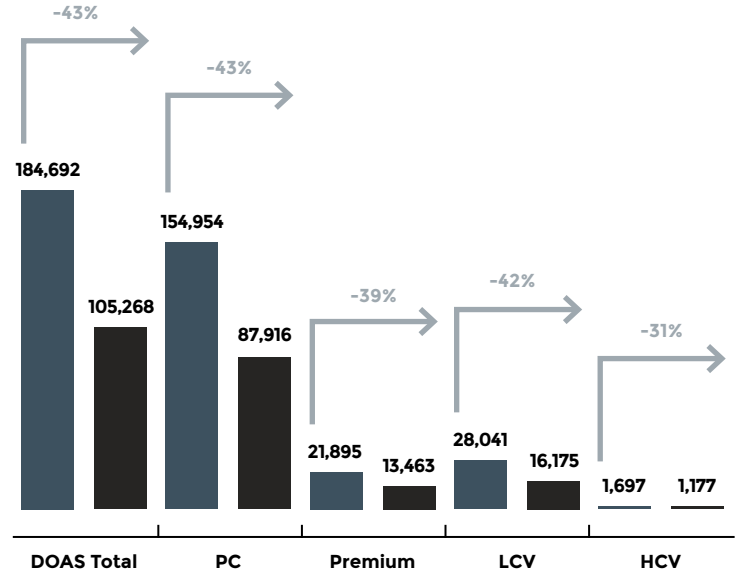
MARKET

■ Dec 2017 ■ Dec 2018 → Change



DOAS

■ Dec 2017 ■ Dec 2018 → Change

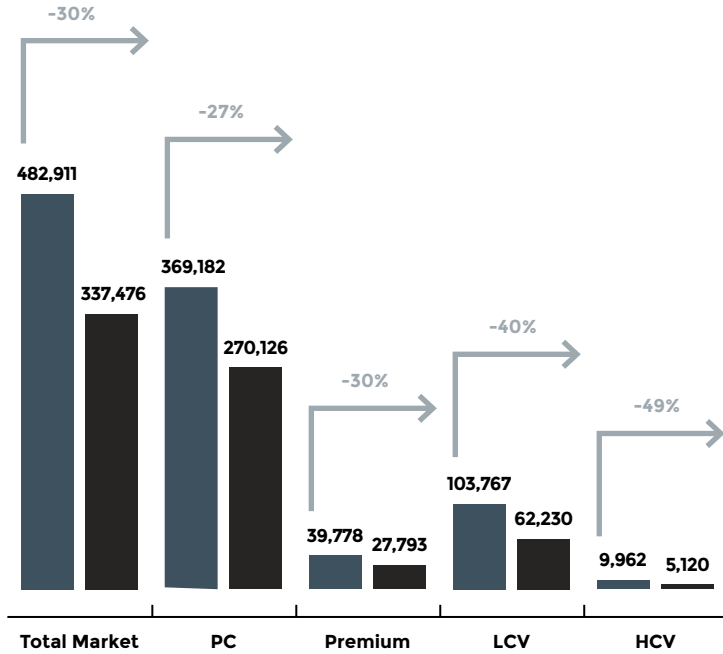


* Source: ADA. Skoda included.

Market Review - Wholesale - October 2019

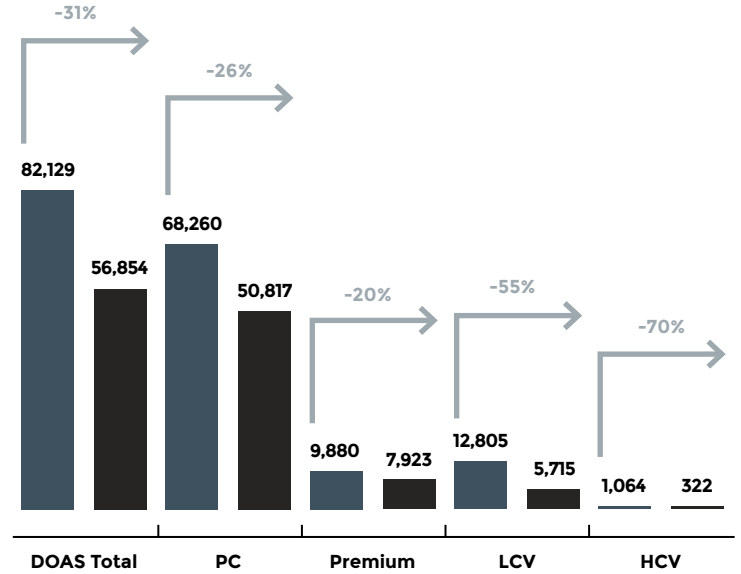
MARKET

■ Oct 2018 ■ Oct 2019 → Change



DOAS

■ Oct 2018 ■ Oct 2019 → Change



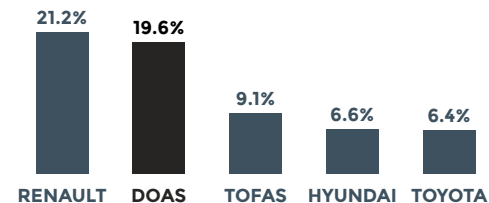
* Source: ADA. Skoda included.

Market Share - Retail - December 2018

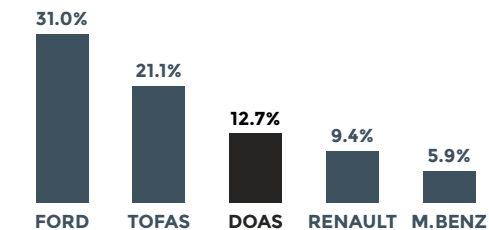
RETAIL MARKET	2016 YEAR END	2017 YEAR END	2018 YEAR END	2017 YEAR END/ 2016 YEAR END CHANGE	2018 YEAR END/ 2017 YEAR END CHANGE
PASSENGER VEHICLE %					
RENAULT	19.7	21.5	21.2	1.9	-0.3
DOGUS OTOMOTİV	23.0	21.1	19.6	-1.9	-1.5
TOFAS	7.3	8.9	9.1	1.6	0.3
HYUNDAI	6.5	6.8	6.6	0.3	-0.2
TOYOTA	6.2	5.6	6.4	-0.6	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
LIGHT COMMERCIAL VEHICLE %					
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
LIGHT VEHICLE %					
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.

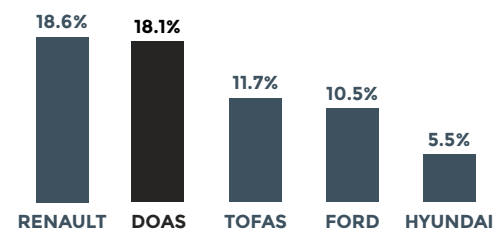
PV TOP 5 DECEMBER 18



LCV TOP 5 DECEMBER 18



LV TOP 5 DECEMBER 18

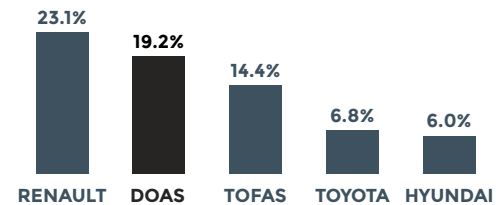


Market Share - Retail - October 2019

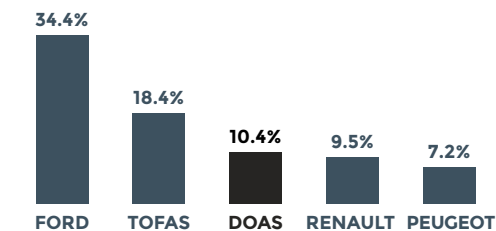
RETAIL MARKET	2017 YEAR END	2018 YEAR END	OCT 2018	OCT 2019	2018 YEAR END/ OCT 2019 CHANGE	OCT 2018/ OCT 2019 CHANGE
PASSENGER VEHICLE %						
RENAULT GRUP	25.9	26.3	25.8	23.1	-3.2	-2.7
DOGUS OTOMOTİV	21.1	19.6	19.6	19.2	-0.4	-0.4
TOFAS	8.9	9.1	8.3	14.4	5.3	6.1
TOYOTA	5.6	6.3	5.9	6.8	0.5	0.9
HYUNDAI	6.8	6.6	7.4	6.0	-0.6	-1.3
PEUGEOT	4.2	5.1	5.1	5.4	0.3	0.4
HONDA	3.7	5.9	5.9	5.4	-0.5	-0.6
OPEL	6.2	4.3	4.6	4.3	0.0	-0.3
OTHER	17.6	16.8	17.5	15.5	-1.3	-2.0
LIGHT COMMERCIAL VEHICLE %						
FORD	30.5	31.0	31.2	34.4	3.4	3.2
TOFAŞ	25.1	21.1	21.3	18.4	-2.7	-2.8
DOGUS OTOMOTİV	11.9	12.7	12.7	10.4	-2.3	-2.3
RENAULT GRUP	11.2	10.7	10.6	9.5	-1.2	-1.2
PEUGEOT	4.5	3.9	3.4	7.2	3.3	3.8
MERCEDES-BENZ	3.9	5.9	6.2	5.5	-0.4	-0.7
CITROEN	3.5	3.4	3.5	3.7	0.3	0.2
MITSUBISHI	1.7	2.7	2.8	2.2	-0.6	-0.7
OTHER	7.8	8.6	8.3	8.7	0.1	0.4
LIGHT VEHICLE %						
RENAULT GRUP	22.3	22.9	22.5	20.5	-2.4	-2.0
DOGUS OTOMOTİV	18.9	18.1	18.1	17.6	-0.5	-0.5
TOFAS	12.8	11.7	11.1	15.1	3.4	4.0
FORD	11.6	10.5	10.9	9.5	-1.1	-1.4
TOYOTA	4.7	5.5	5.1	5.8	0.3	0.6
PEUGEOT	4.2	4.9	4.7	5.7	0.9	1.1
HYUNDAI	5.5	5.4	6.0	5.2	-0.2	-0.8
HONDA	2.8	4.6	4.6	4.4	-0.3	-0.3
OTHER	17.1	16.4	17.0	16.3	-0.1	-0.7

*Source: ADA. Skoda included.

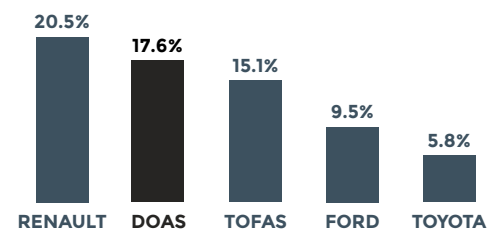
PV TOP 5 OCTOBER 19



LCV TOP 5 OCTOBER 19



LV TOP 5 OCTOBER 19



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	30-Sep-19	30-Sep-18	Change (%)
Revenue	6,122	7,768	-21%
Gross Profit	858	941	-9%
Operational Expenses	-572	-457	25%
Selling and Marketing Expenses	-140	-209	-33%
General Administrative Expenses	-322	-291	11%
Warranty Expenses, net	-103	-66	56%
Other Operating Expenses, net	-7	109	-106%
EBITDA	382	545	-30%
EBIT	285	484	-41%
Net Profit	-2	130	-102%

Margins	30-Sep-19	30-Sep-18	Change (%)
Gross Margin	14.0%	12.1%	16%
Opex/Sales	9.3%	5.9%	59%
EBITDA Margin	6.2%	7.0%	-11%
EBIT Margin	4.7%	6.2%	-25%
Net Profit Margin	0.0%	1.7%	-102%

Consolidated Income Statement

(TL '000)	30-Sep-19	Vertical Analysis	30-Sep-18	Vertical Analysis	Change (%)
Revenue	6,122,254		7,767,988		-21%
Direct cost of revenue	-5,264,453	-86%	-6,826,625	-88%	-23%
Gross profit	857,801	14%	941,363	12%	-9%
Selling, marketing and distribution expenses	-139,955	-2%	-208,749	-3%	-33%
SG&A Expenses	-322,387	-5%	-290,857	-4%	11%
Warranty expenses	-103,396	-2%	-66,125	-1%	56%
Other operating incomes/losses, net	-6,594	0%	108,635	1%	-106%
Results from operating activities	285,469	5%	484,267	6%	-41%
Income Loss from Investing Activities	41,134		20,387		
Income Loss from Associates	82,542	1%	19,255	0%	329%
Financial incomes/costs, net	-434,882		-357,636		22%
Profit before income tax	-25,737	0%	166,273	2%	-115%
Tax expense	23,512		-37,678		-162%
Profit for the year	-2,225	0%	130,411	2%	-102%

	Passenger Segment	Commercial Segment	Other Segment	Total
Revenue from external customers	4,165,850	764,734	1,191,670	6,122,254
Cost of sales	-3,777,252	-679,401	-806,852	-5,263,505
Gross Profit	388,598	85,333	384,818	858,749
Gross Profit Margin	9.3%	11.2%	32.3%	14.0%

Income/Loss from Associates	30 Sep 19 Cumulative	30 Sep 18 Cumulative
VDF Group	-12,241	-19,532
VDF	-33,777	-7,070
VDF Servis Holding	21,536	-12,462
Doğuş Sigorta	357	1,856
SKODA (Yüce Oto)	4,049	13,429
TÜVTURK Group	88,419	26,714
Meiller-Doğuş	0	0
Doğuş Technology	1,958	-3,212
Grand Total	82,542	19,255

Financing Costs

(mn TL)	30-Sep-19	30-Sep-18	Change (%)
Financing Costs, net	434.88	357.64	22%
Finance expenses	455.90	337.87	35%
Interest expense on borrowings	392.78	319.41	23%
Commission expenses on letters of guarantee	36.95	13.66	171%
Other financial expenses	26.18	4.80	445%
Foreign Exchange gain/loss, net	16.11	30.47	-
Interest on Lease Liability	21.13	-	-
Finance income, net	58.26	10.71	444%

Consolidated Balance Sheet

(TL '000)	30-Sep-19	31-Dec-18
ASSETS	5,321,805	4,798,662
Cash and cash equivalents	772,214	365,892
Trade receivables	621,758	643,538
Inventories	1,580,494	1,365,896
Tangible and intangible non-current assets	964,133	1,017,732
Financial Investments	589,522	567,259
Investments in equity accounted investees	429,677	374,659
Right of Use Asset	118,160	-
Other	245,847	463,686
LIABILITIES	3,995,819	3,490,790
Financial liabilities	2,785,538	2,710,665
Trade payables	972,706	554,172
Provisions	111,202	107,262
Other	126,373	118,691
EQUITY	1,325,986	1,307,872

Financial Liabilities:

- Use of financing was realized as expected at TRY 2.8B.

Investments in Equity Accounted Investees	30 Sep 19	31 Dec 18
Associates		
Doğuş Sigorta	37,546	35,921
vdf Group	205,798	218,039
VDF	107,324	85,788
VDF Servis Holding	98,474	132,251
Yüce Auto (Škoda)	22,104	25,937
Doğuş Technology	27,594	3,373
Joint Ventures		
TÜVTURK North - South (Consolidated)	136,636	91,390
Meiller-Doğuş	0	0
Total	429,677	374,659

Provisions	30 Sep 19	31 Dec 18
Warranty provisions	33,760	40,362
Legal provisions	29,627	27,748
Provision for unused vacation	47,815	39,152
Other provisions	0	0
Total	111,202	107,262

Consolidated Balance Sheet

(Balance Sheet mn,TL)	30-Sep-19	31-Dec-18	Change (%)
Total Assets	5,322	4,799	11%
Total Equity	1,326	1,308	1%
Net working capital	-689	-830	17%
Net cash position	-2,071	-2,403	14%
Receivable Turnover (day)	28	22	27%
Inventory Turnover (day)	82	53	55%
Payable Turnover (day)	51	22	135%
Net Debt/EBITDA	3,9	3,8	3%

(Balance Sheet mn,TL)	30-Sep-19	31-Dec-18	Change (%)
CAPEX	19	179	-90%
ROA	0.0%	2.8%	-101%
ROE	-0.2%	10.3%	-102%

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

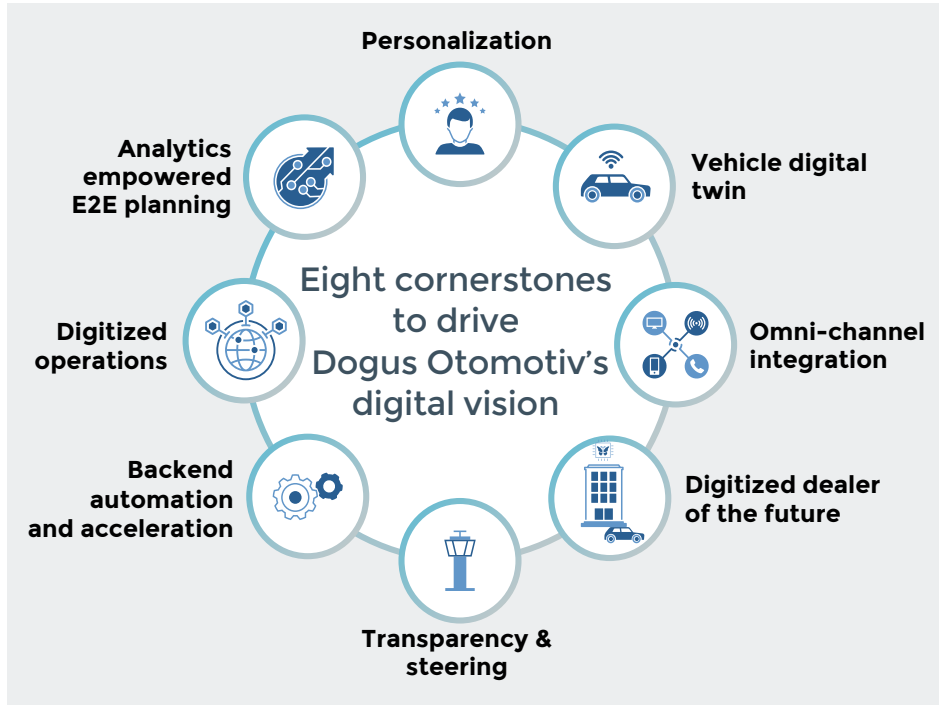
Investment Expenditure

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

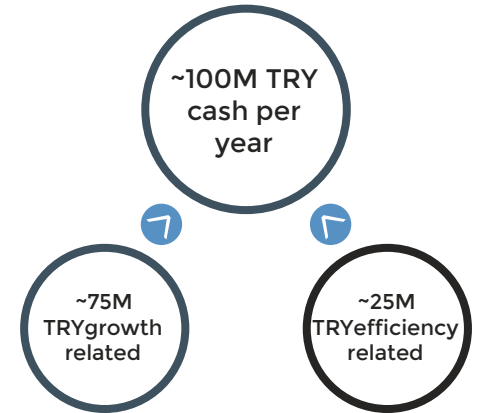
DIGITAL TRANSFORMATION STRATEGY OF DOAS

Dogus Otomotiv Road Map for Digital Vision



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

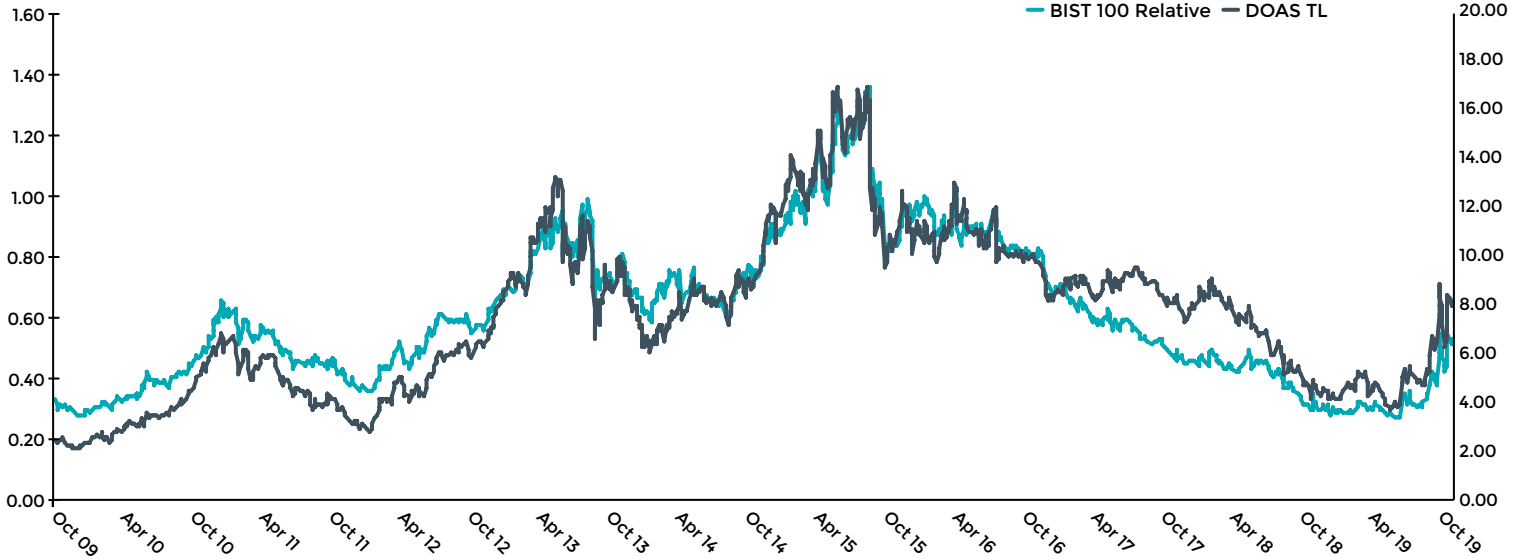
Impact of all 44 solutions



~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
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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