

# Investor Relations Presentation

## Q3 2018 Results

Updated: December 2018

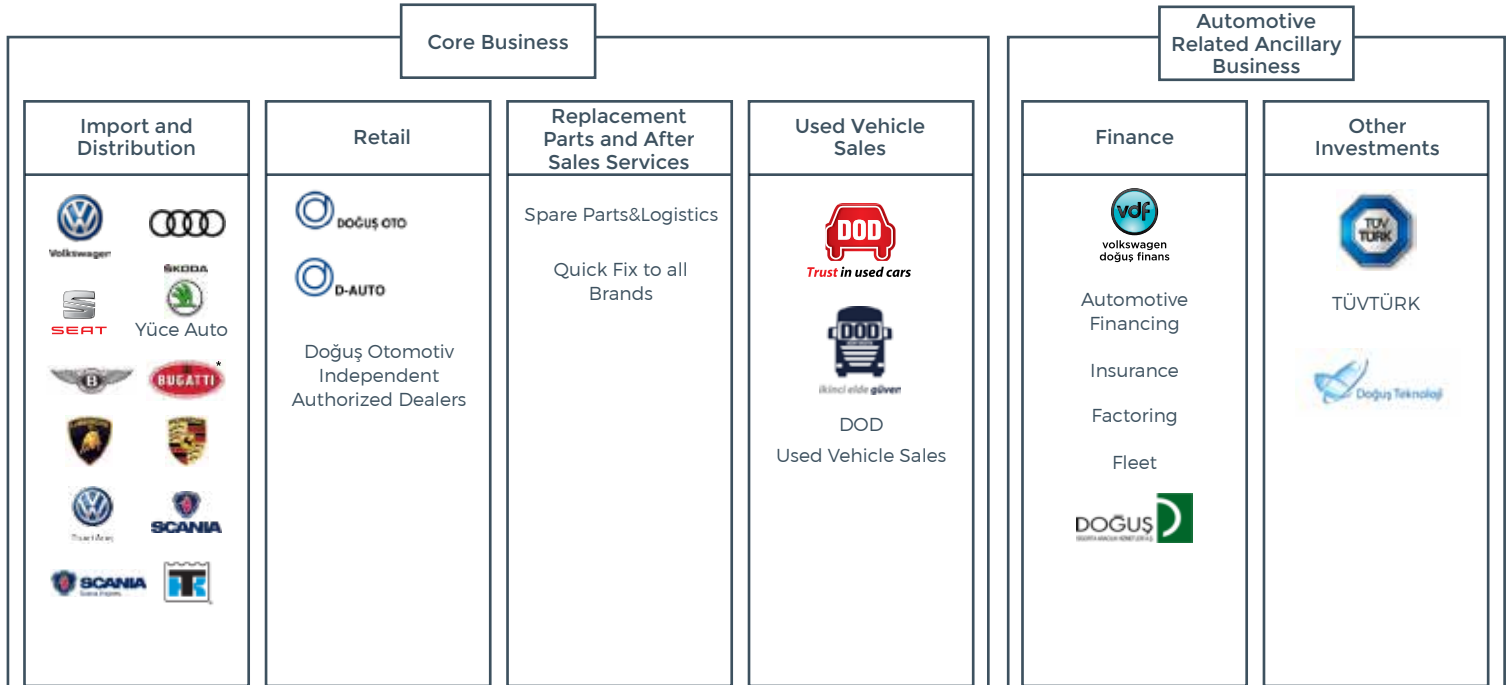


# Agenda

- 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



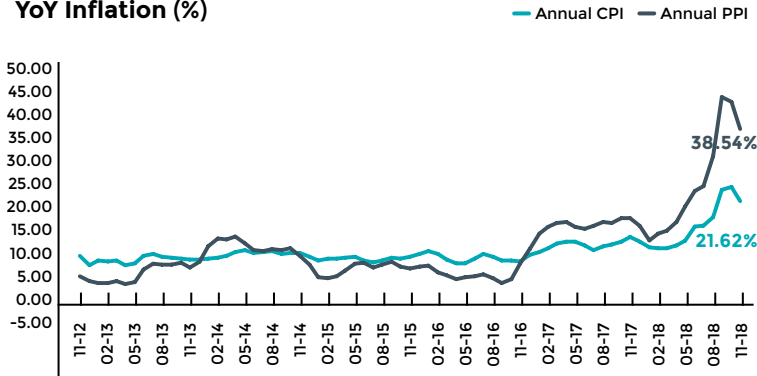
\*Representative Offices

# Macroeconomic Outlook

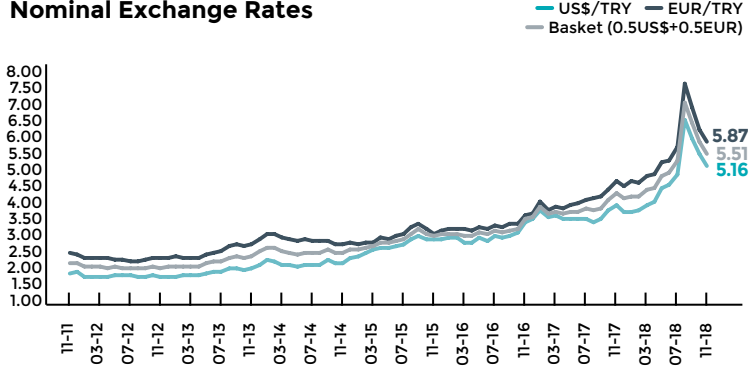


# Macroeconomic Indicators

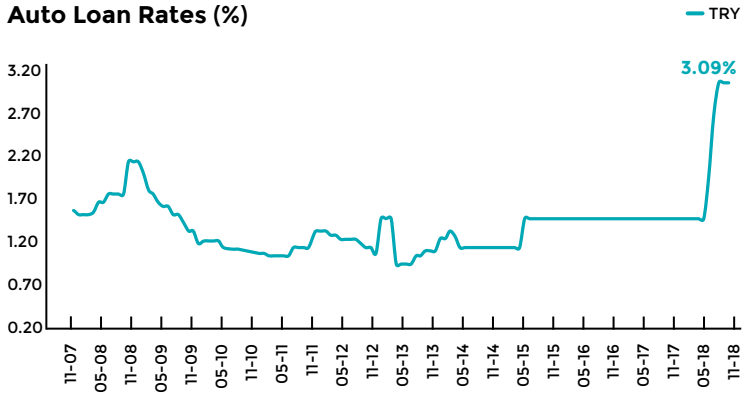
## YoY Inflation (%)



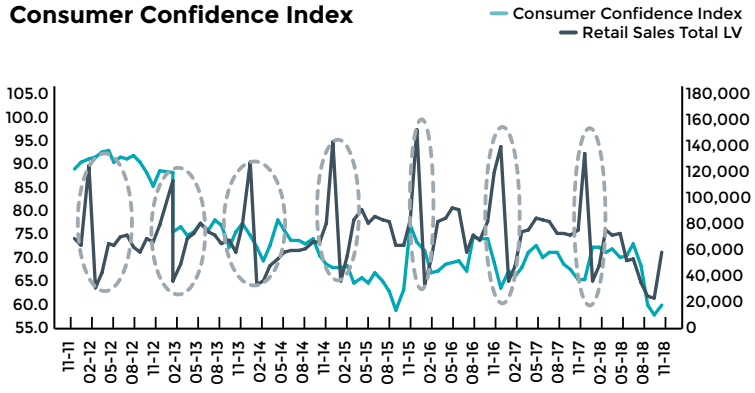
## Nominal Exchange Rates



## Auto Loan Rates (%)

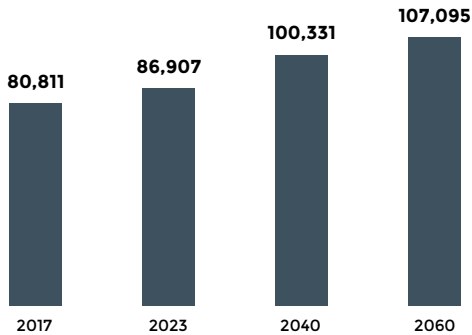


## Consumer Confidence Index

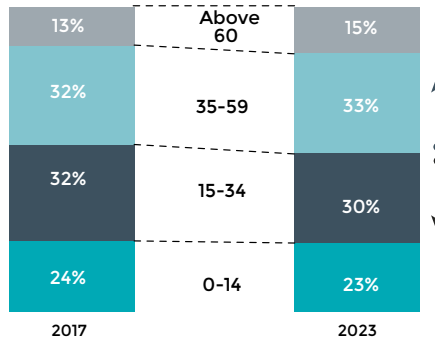


# Population & Demography

## Population Statistics ('000)



## Age Demography

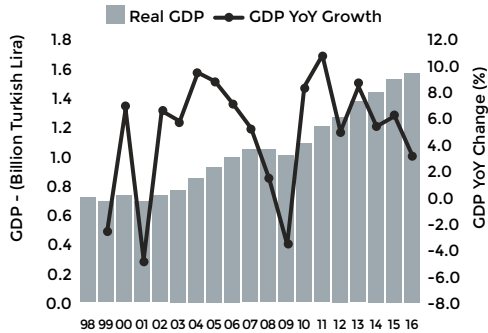


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

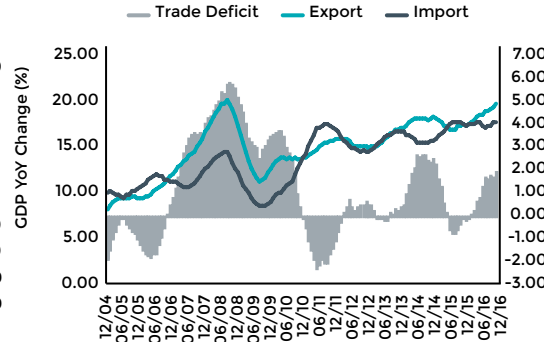
→ Population is increasing on an average 1.4% each year since 2007.

→ 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

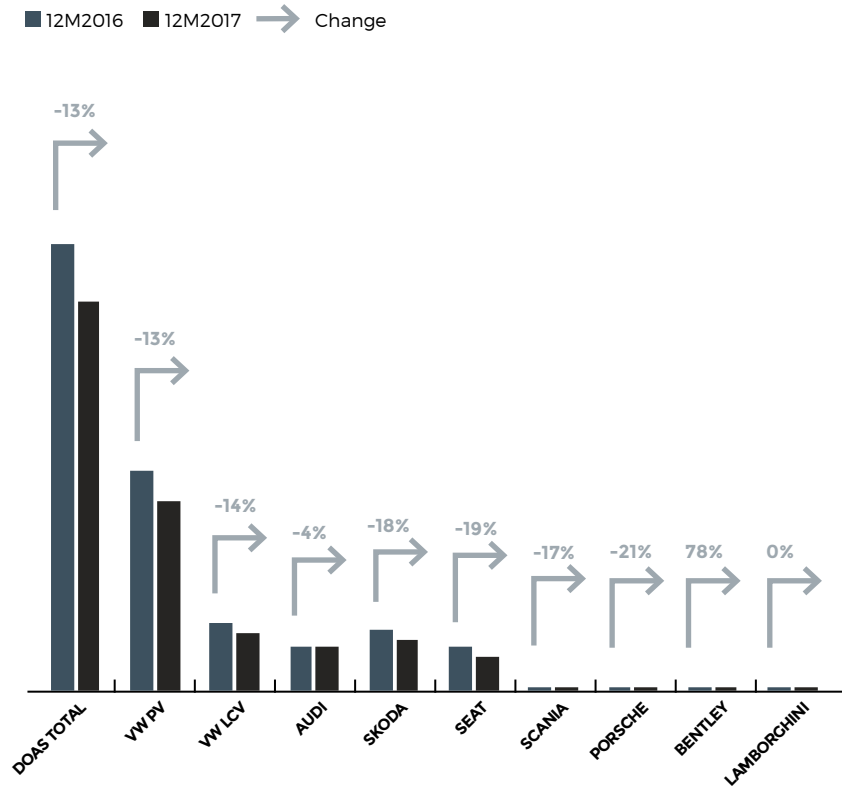
# Automotive Market



# DOAS Wholesales Performance - 2017

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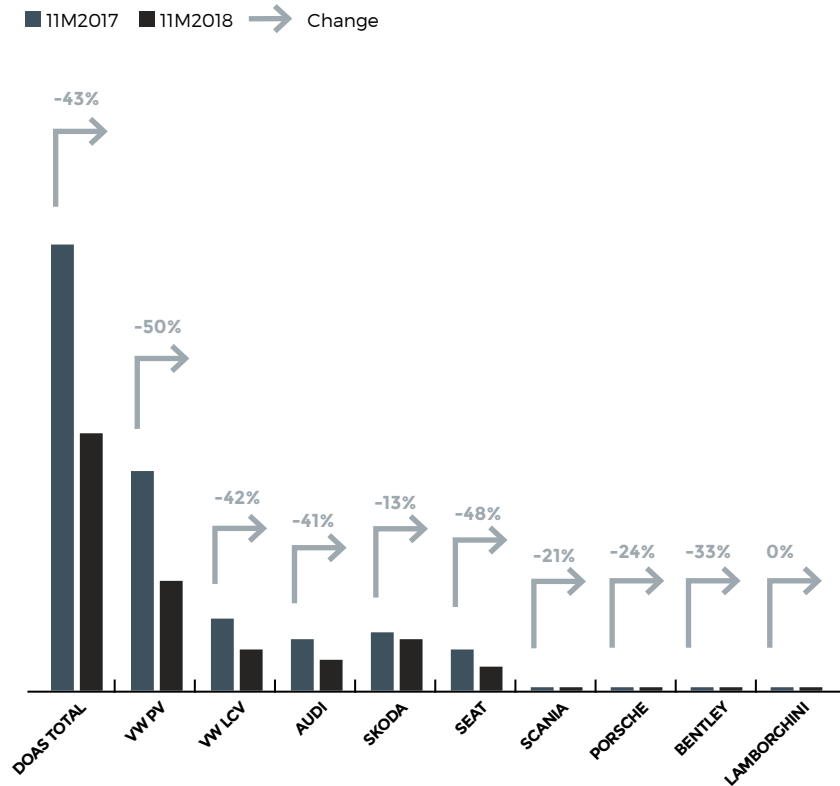
<b>DOAS TOTAL</b>	<b>213,175</b>	<b>184,692</b>	<b>-13%</b>
VW PV	104,410	91,343	-13%
VW LCV	32,733	28,041	-14%
AUDI	22,105	21,172	-4%
SKODA	30,004	24,714	-18%
SEAT	20,976	17,002	-19%
SCANIA	2,050	1,697	-17%
PORSCHE	881	700	-21%
BENTLEY	9	16	78%
LAMBORGHINI	7	7	0%





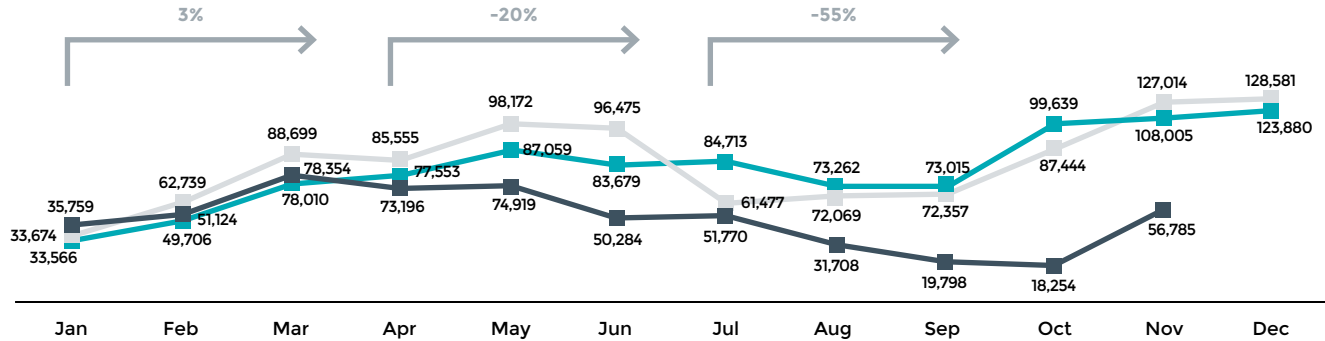
# DOAS Wholesales Performance - November 2018

	11M2017	11M2018	Change
<b>DOAS TOTAL</b>	<b>161,969</b>	<b>92,962</b>	<b>-43%</b>
VW PV	79,876	39,726	-50%
VW LCV	25,515	14,773	-42%
AUDI	18,478	10,902	-41%
SKODA	21,002	18,184	-13%
SEAT	15,068	7,799	-48%
SCANIA	1,404	1,104	-21%
PORSCHE	608	464	-24%
BENTLEY	12	8	-33%
LAMBORGHINI	6	2	0%



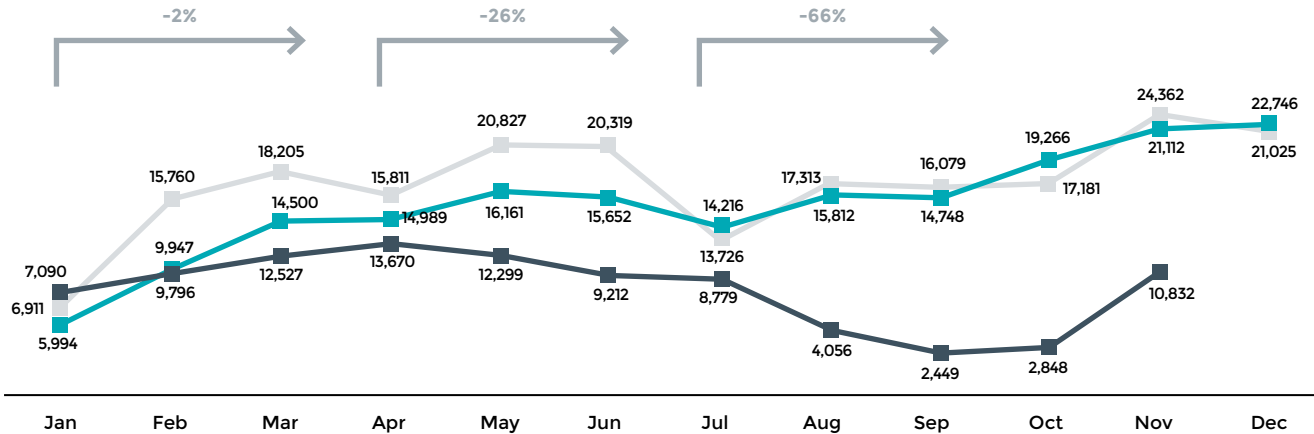
# Wholesale Market Monthly Sales

2016 2017 2018



# DOAS Monthly Sales

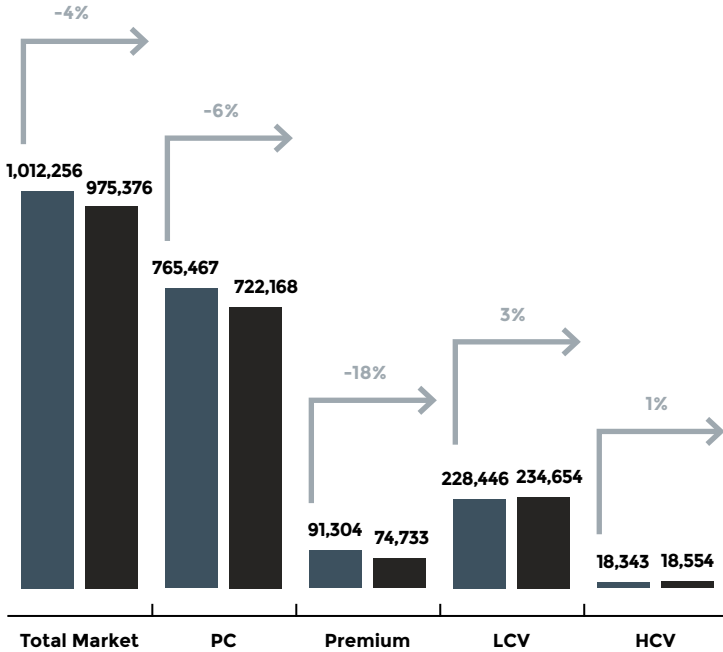
2016 2017 2018



# Market Review - Wholesale - 2017

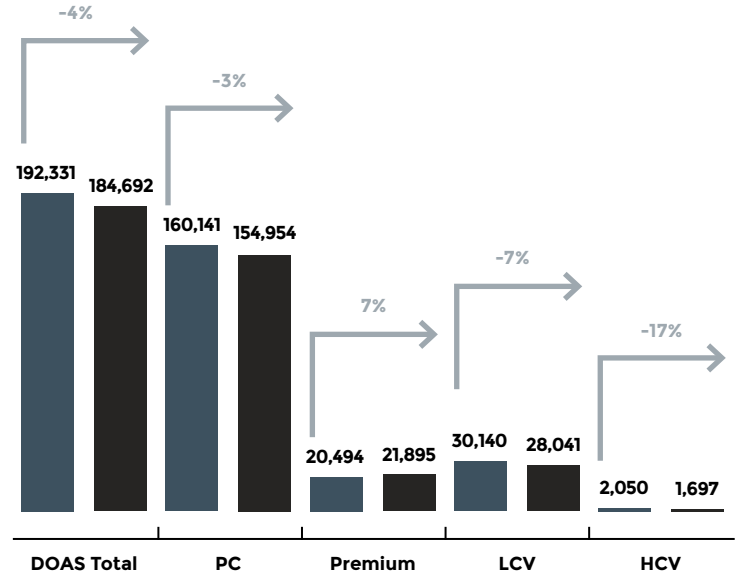
## MARKET

■ Dec 2016 ■ Dec 2017 → Change



## DOAS

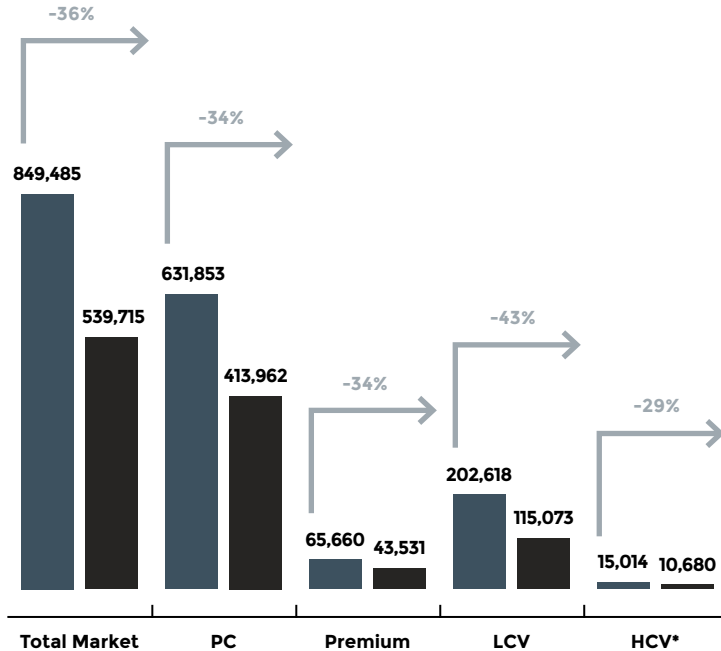
■ Dec 2016 ■ Dec 2017 → Change



# Market Review - Wholesale - November 2018

## MARKET

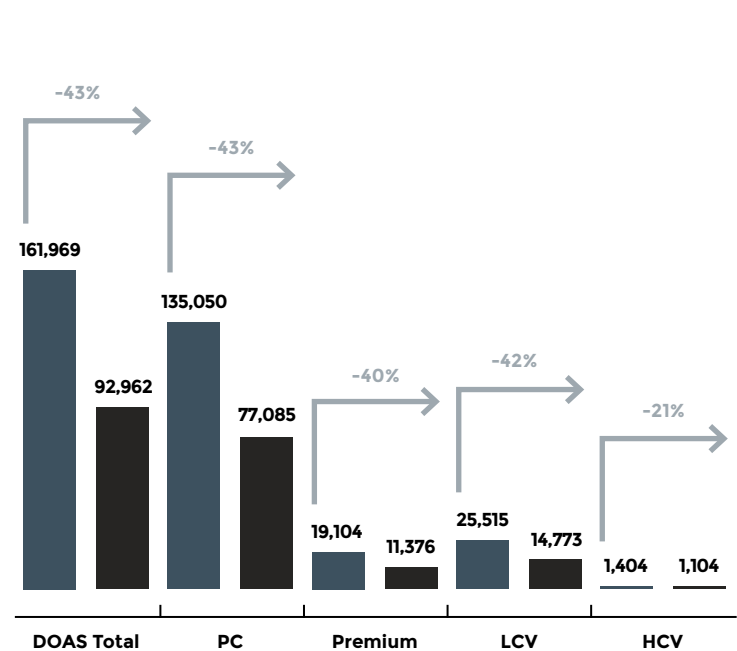
■ Nov 2017 ■ Nov 2018 → Change



\*Nov2018 HCV market is an expected sales number.

## DOAS

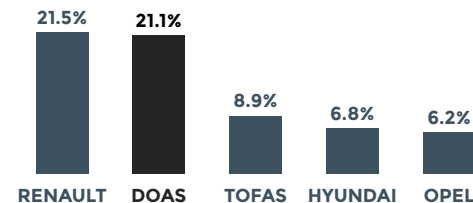
■ Nov 2017 ■ Nov 2018 → Change



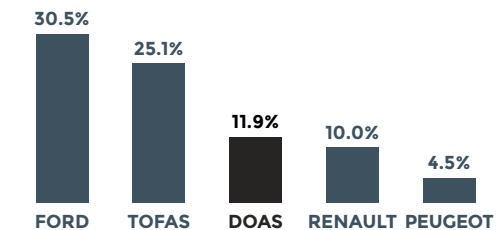
# Market Share - Retail - 2017

RETAIL MARKET	2015 YEAR END	2016 YEAR END	2017	2015 YEAR END/ 2016 YEAR END CHANGE	2016 YEAR END/ 2017 YEAR END CHANGE
<b>PASSENGER VEHICLE %</b>					
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
<b>LIGHT COMMERCIAL VEHICLE %</b>					
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
<b>LIGHT VEHICLE %</b>					
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

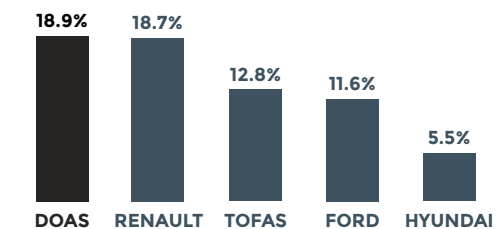
## PV TOP 5 DECEMBER 17



## LCV TOP 5 DECEMBER 17



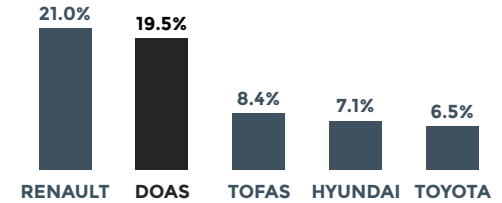
## LV TOP 5 DECEMBER 17



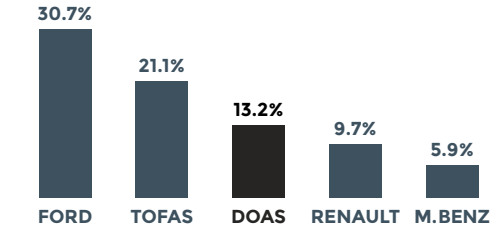
# Market Share - Retail - November 2018

RETAIL MARKET	2016 YEAR END	2017 YEAR END	NOV 2017	NOV 2018	NOV 2018/ 2017 YEAR END CHANGE	NOV 2018/ NOV 2017 CHANGE
<b>PASSENGER VEHICLE %</b>						
RENAULT	19.7	21.5	21.3	21.0	-0.5	-0.2
DOGUS OTOMOTİV	23.0	21.1	21.1	19.5	-1.7	-1.7
TOFAS	7.3	8.9	8.9	8.4	-0.5	-0.6
HYUNDAI	6.5	6.8	6.9	7.1	0.2	0.2
TOYOTA	6.2	5.6	5.4	6.5	0.9	1.1
HONDA	2.7	3.7	3.6	5.9	2.3	2.3
FORD	5.5	5.5	5.7	5.1	-0.4	-0.6
PEUGEOT	3.3	4.1	4.1	5.0	0.9	1.0
OTHER	25.8	22.7	23.1	21.5	-1.2	-1.6
<b>LIGHT COMMERCIAL VEHICLE %</b>						
FORD	30.1	30.5	29.9	30.7	0.1	0.7
TOFAS	23.7	25.1	24.8	21.1	-4.0	-3.7
DOGUS OTOMOTİV	14.5	11.9	12.5	13.2	1.2	0.7
RENAULT	9.0	10.0	10.0	9.7	-0.2	-0.3
MERCEDES-BENZ	3.6	3.9	3.9	5.9	2.1	2.1
CITROEN	3.7	3.5	3.7	3.6	0.1	-0.2
PEUGEOT	4.5	4.5	4.5	3.6	-0.9	-0.9
MITSUBISHI	1.8	1.7	1.5	2.7	1.0	1.2
OTHER	9.2	9.0	9.2	9.5	0.6	0.4
<b>LIGHT VEHICLE %</b>						
RENAULT	17.2	18.7	18.6	18.6	-0.1	0.0
DOGUS OTOMOTİV	21.0	18.9	19.0	18.1	-0.8	-0.9
TOFAS	11.1	12.8	12.7	11.1	-1.7	-1.6
FORD	11.1	11.6	11.5	10.7	-1.0	-0.8
HYUNDAI	5.3	5.5	5.6	5.8	0.3	0.2
TOYOTA	5.4	4.7	4.6	5.6	0.9	1.0
PEUGEOT	3.6	4.2	4.2	4.7	0.5	0.5
HONDA	2.1	2.8	2.8	4.7	1.9	1.9
OTHER	23.2	20.8	21.1	20.8	0.0	-0.3

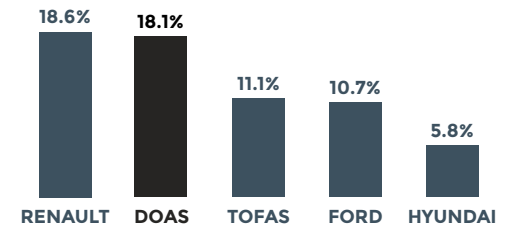
## PV TOP 5 NOVEMBER 18



## LCV TOP 5 NOVEMBER 18



## LV TOP 5 NOVEMBER 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%
<b>Gross profit</b>	<b>941,363</b>	<b>12%</b>	<b>887,015</b>	<b>10%</b>	<b>6%</b>
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%
<b>Results from operating activities</b>	<b>484,267</b>	<b>6%</b>	<b>323,475</b>	<b>4%</b>	<b>50%</b>
Income Loss from Investing Activities	20,387		22,232		
<b>Income Loss from Associates</b>	<b>19,255</b>	<b>0%</b>	<b>65,874</b>	<b>1%</b>	<b>-71%</b>
Financial incomes/costs, net	-357,636		-249,747		43%
<b>Profit before income tax</b>	<b>166,273</b>	<b>2%</b>	<b>161,834</b>	<b>2%</b>	<b>3%</b>
Tax expense	-37,678		-19,530		93%
Period profit/loss from discontinued operations	1,816		-		#DIV/0!
<b>Profit for the year</b>	<b>130,411</b>	<b>2%</b>	<b>142,304</b>	<b>2%</b>	<b>-8%</b>

→ 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	30 Sep 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
<b>Grand Total</b>	<b>19,255</b>	<b>65,874</b>

# 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
<b>ASSETS</b>	<b>6,484,588</b>	<b>5,166,882</b>
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
<b>LIABILITIES</b>	<b>5,160,253</b>	<b>3,839,437</b>
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
<b>EQUITY</b>	<b>1,324,335</b>	<b>1,327,445</b>

## 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
<b>Associates</b>		
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
<b>Joint Ventures</b>		
TÜVTURK North - South (Consolidated)	73,120	69,477
Meiller-Doğuş	0	1,223
<b>Total</b>	<b>332,492</b>	<b>352,323</b>

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**

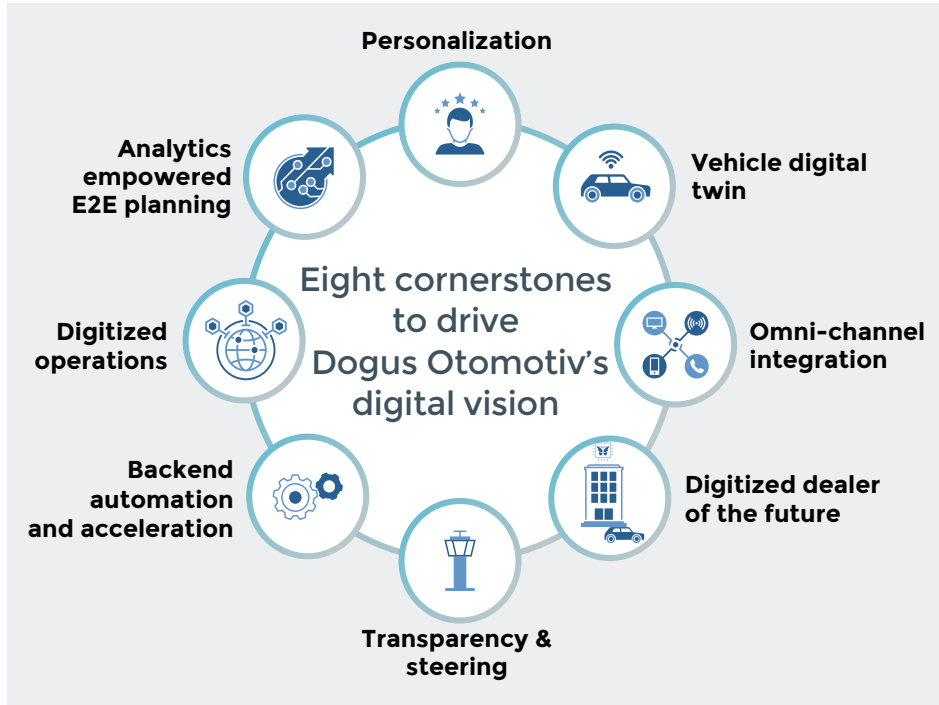
TRY 140-150 million

- 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.

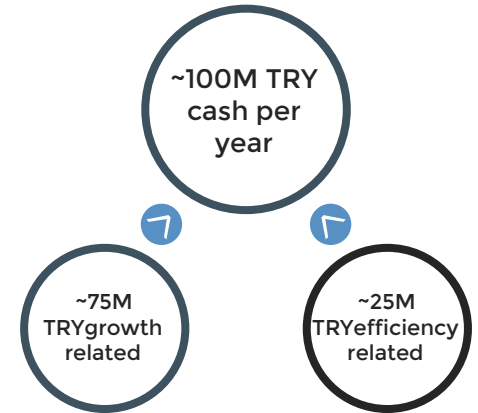
# DIGITAL TRANSFORMATION STRATEGY OF DOAS

## Dogus Otomotiv Road Map for Digital Vision



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

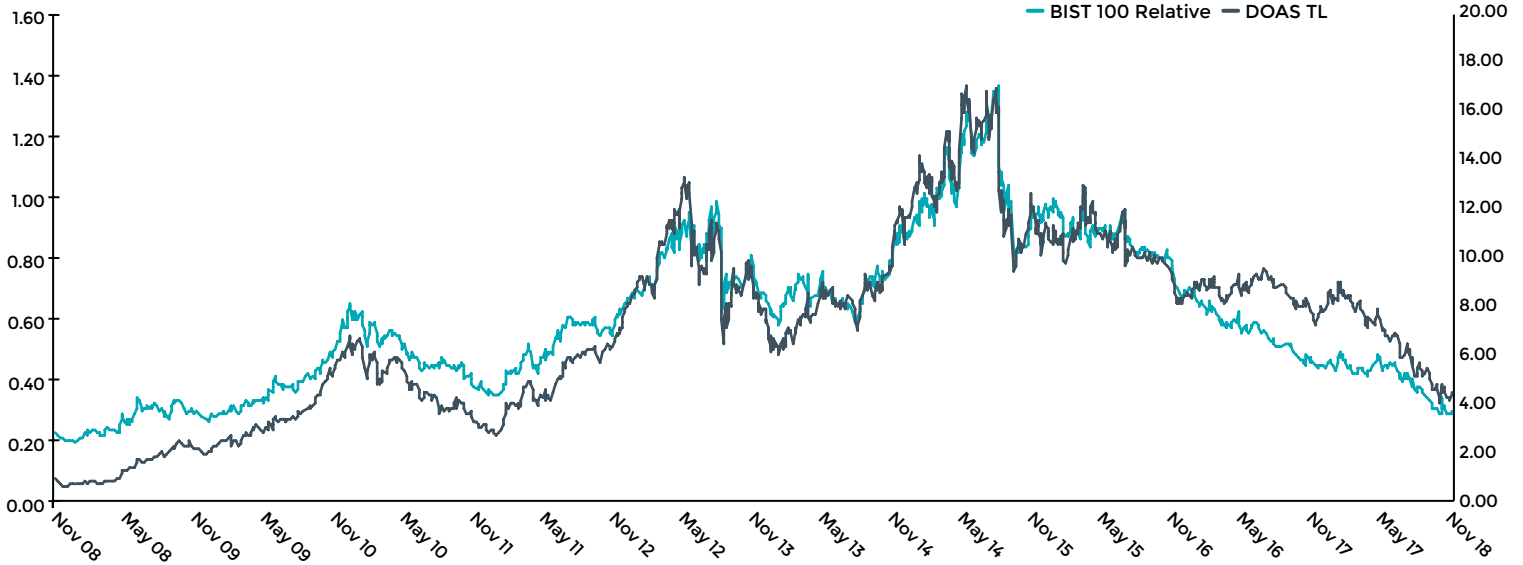
**Impact of all 44 solutions**



**~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
<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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