

Investor Relations Presentation

Q4 2018 Results

Updated: February 2019

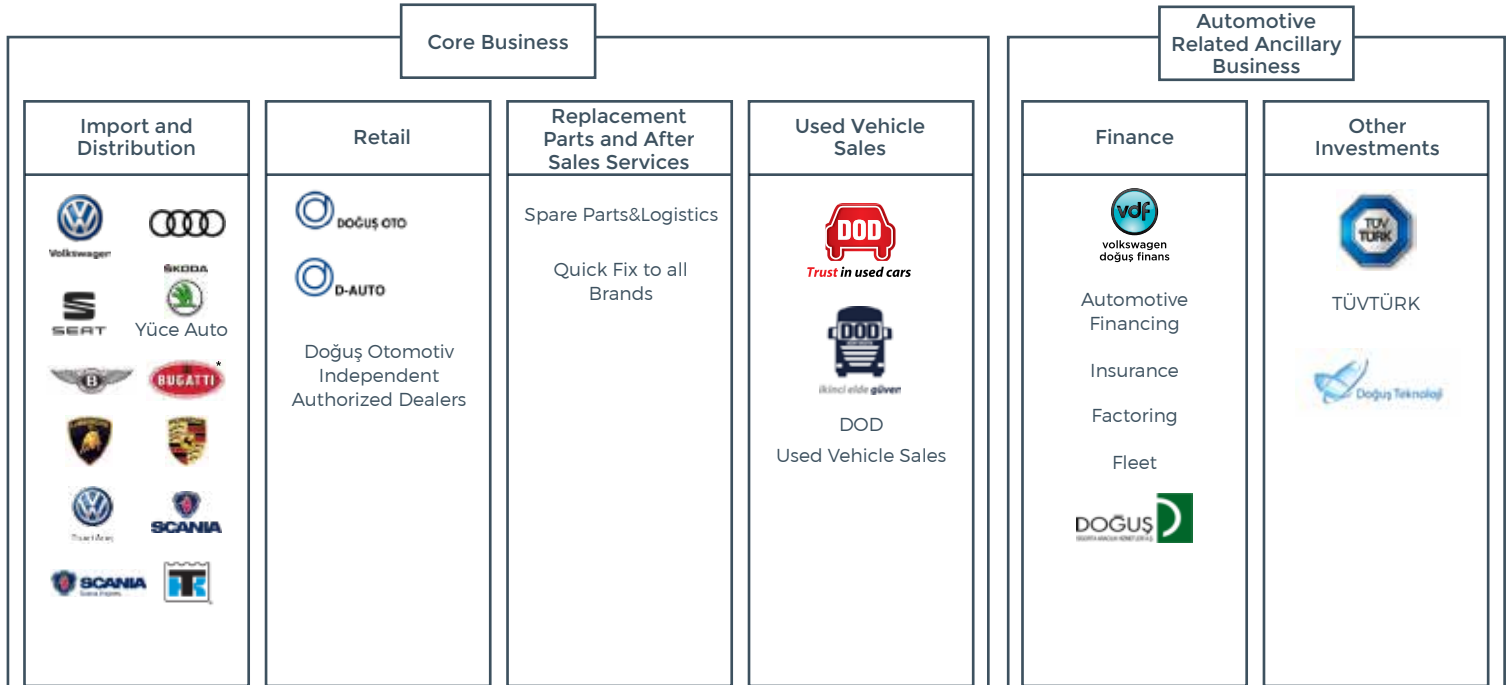


Agenda

- Doğu Otomotiv / Value Chain 2019
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

Doğuş Otomotiv / Value Chain 2019

Presence in Every Link of The Automotive Value Chain



*Representative Offices

Macroeconomic Outlook

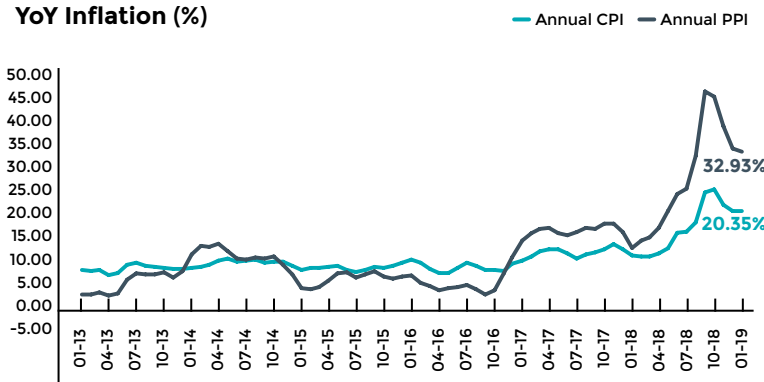


PORSCHE

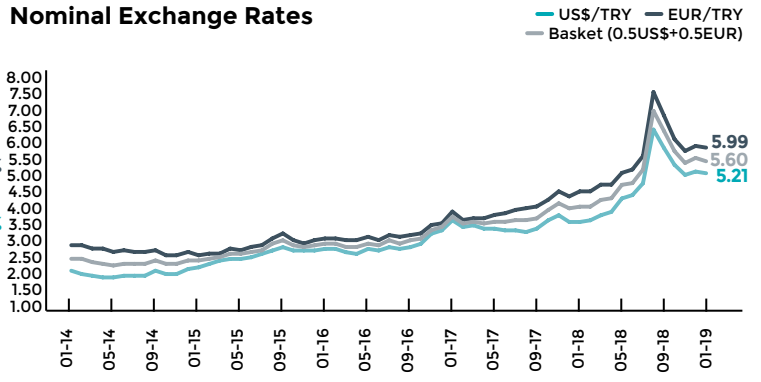


Macroeconomic Indicators

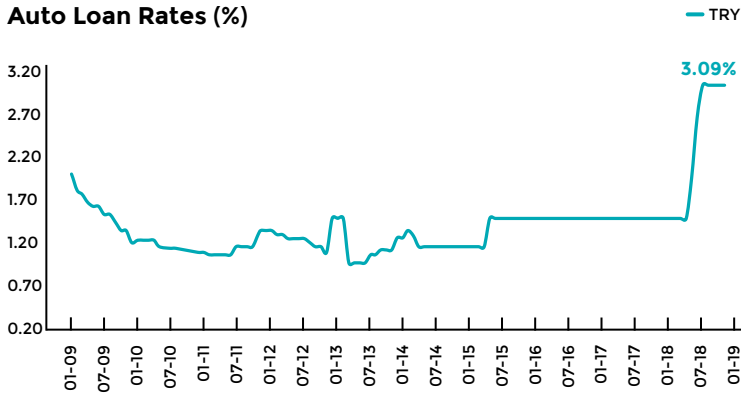
YoY Inflation (%)



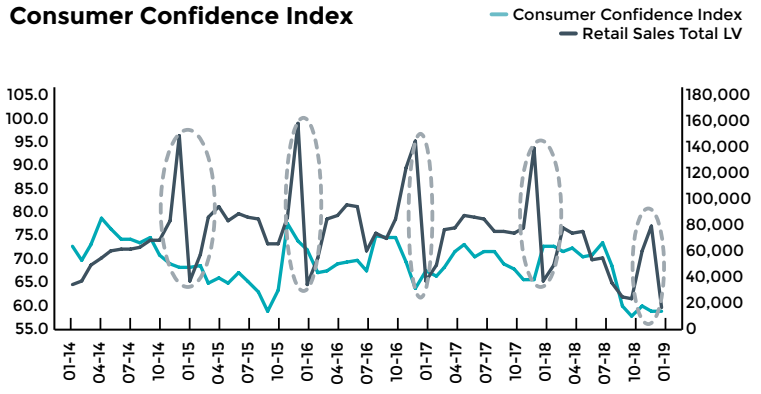
Nominal Exchange Rates



Auto Loan Rates (%)

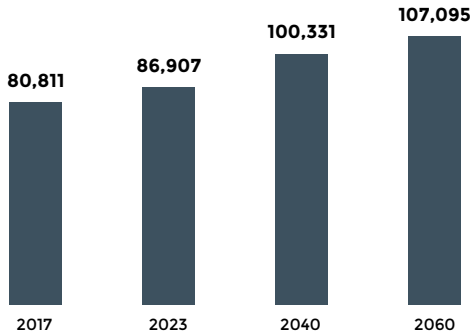


Consumer Confidence Index

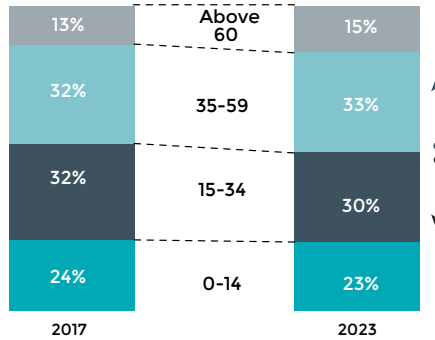


Population & Demography

Population Statistics ('000)



Age Demography

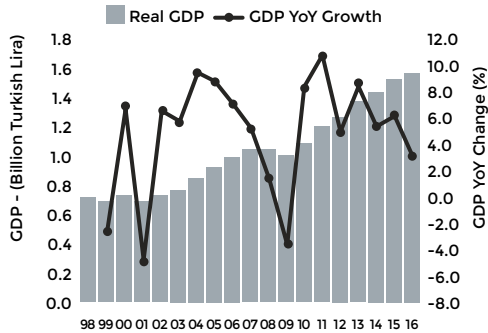


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

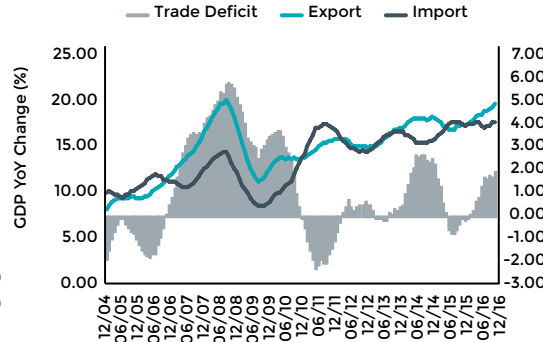
→ Population is increasing on an average 1.4% each year since 2007.

→ 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

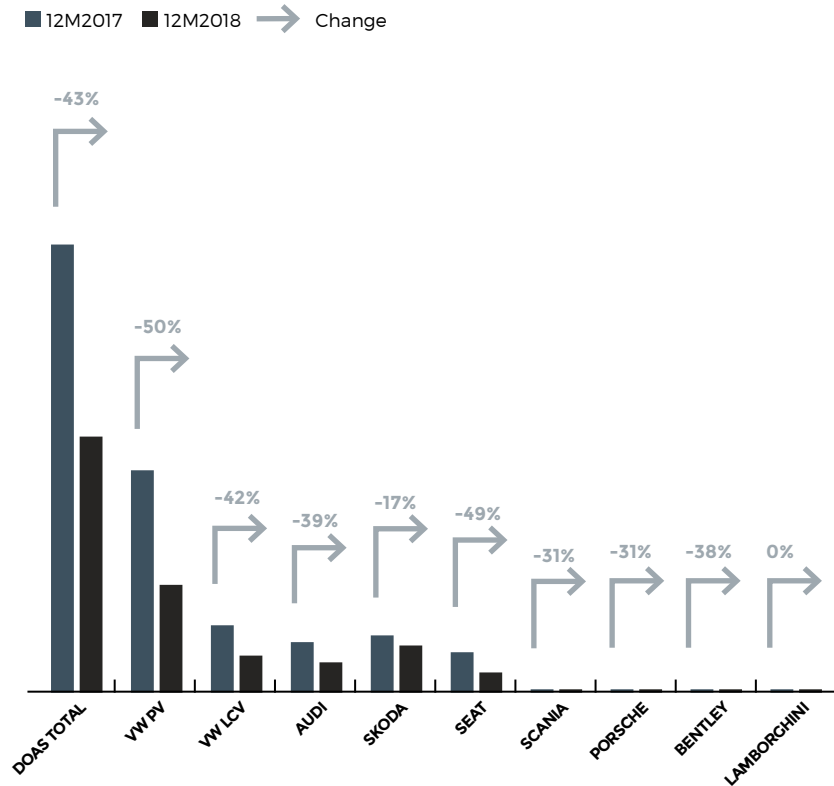
Automotive Market



DOAS Wholesales Performance - December 2018

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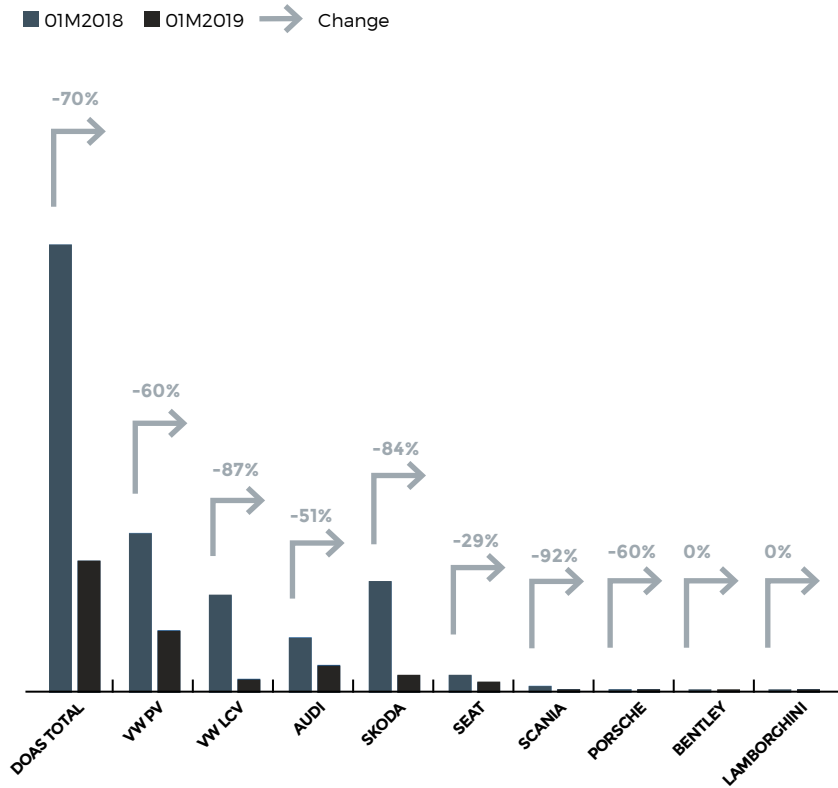
DOAS TOTAL	184,692	105,268	-43%
VW PV	91,343	45,388	-50%
VW LCV	28,041	16,175	-42%
AUDI	21,172	12,969	-39%
SKODA	24,714	20,425	-17%
SEAT	17,002	8,640	-49%
SCANIA	1,697	1,177	-31%
PORSCHE	700	481	-31%
BENTLEY	16	10	-38%
LAMBORGHINI	7	3	-57%



DOAS Wholesales Performance - January 2019

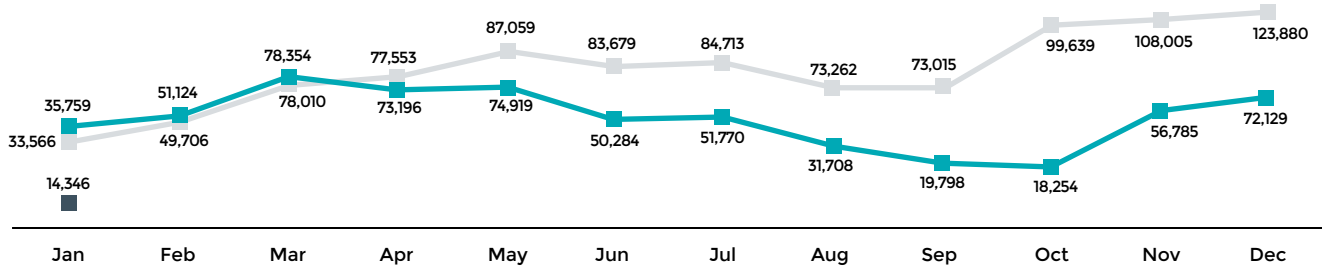
	01M2018	01M2019	Change
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DOAS TOTAL	7,132	2,123	-70%
VW PV	2,538	1,005	-60%
VW LCV	1,546	200	-87%
AUDI	883	431	-51%
SKODA	1,774	288	-84%
SEAT	243	173	-29%
SCANIA	108	9	-92%
PORSCHE	40	16	-60%
BENTLEY	0	0	#DIV/0!
LAMBORGHINI	0	1	#DIV/0!



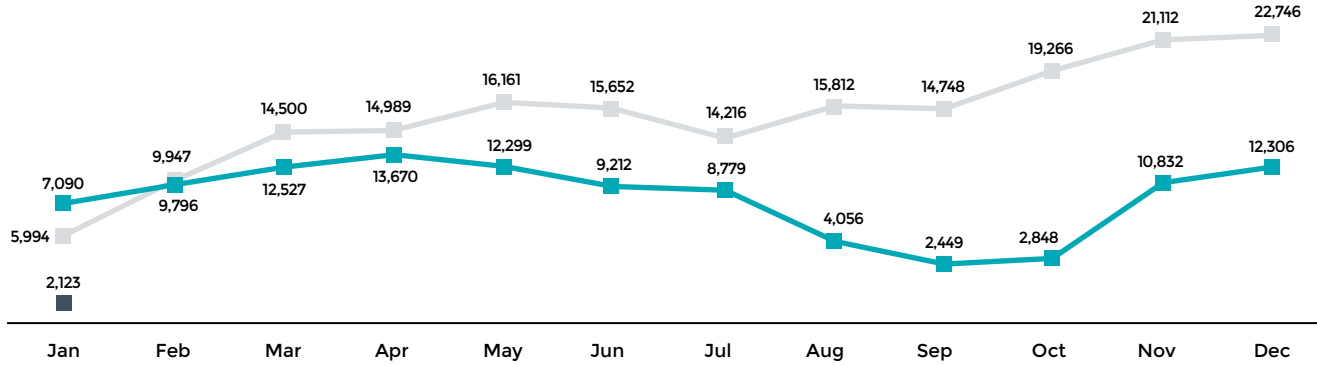
Wholesale Market Monthly Sales

2017 2018 2019



DOAS Monthly Sales

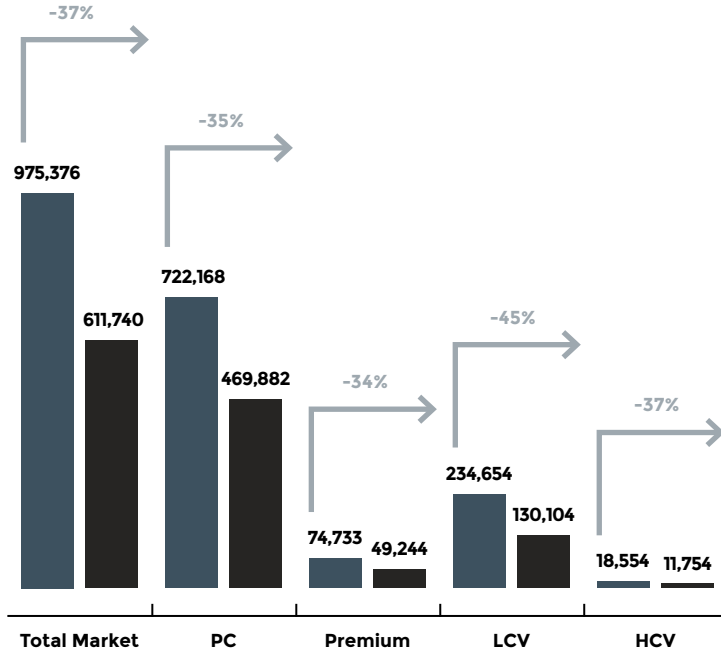
2017 2018 2019



Market Review - Wholesale - December 2018

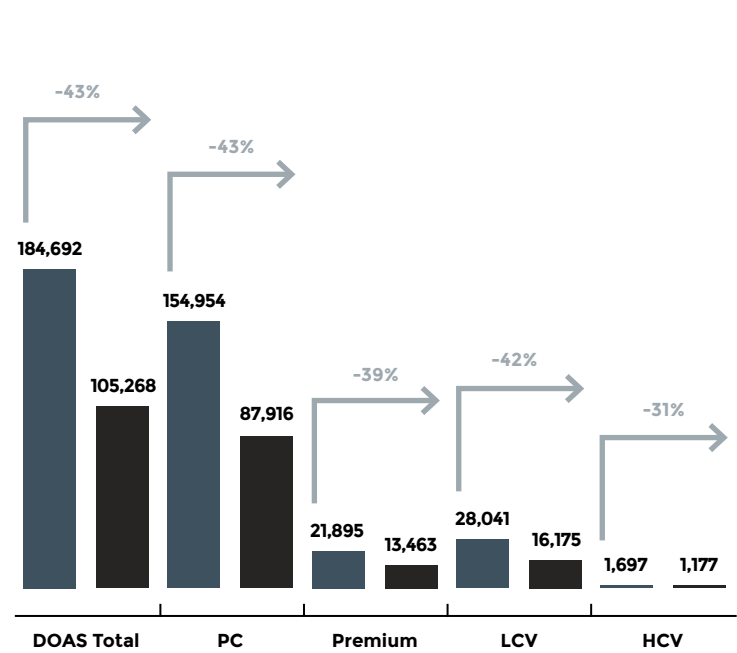
MARKET

■ Dec 2017 ■ Dec 2018 → Change



DOAS

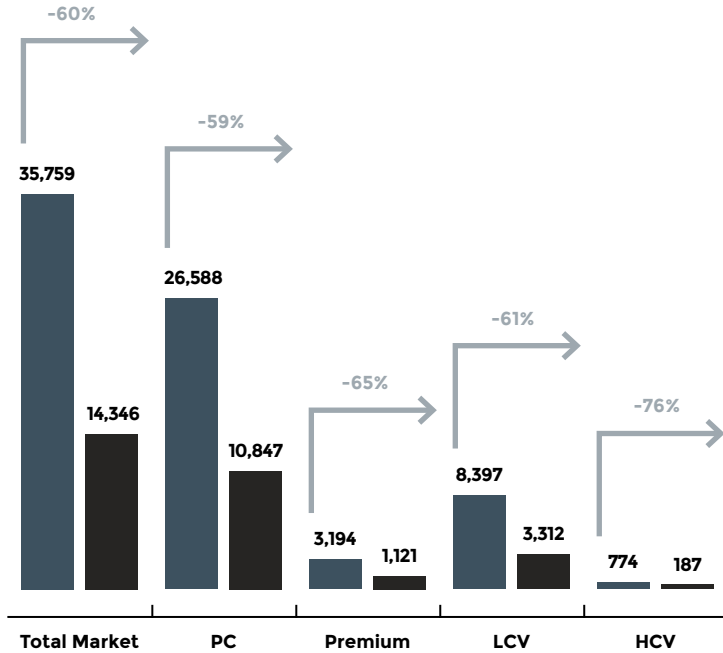
■ Dec 2017 ■ Dec 2018 → Change



Market Review - Wholesale - January 2019

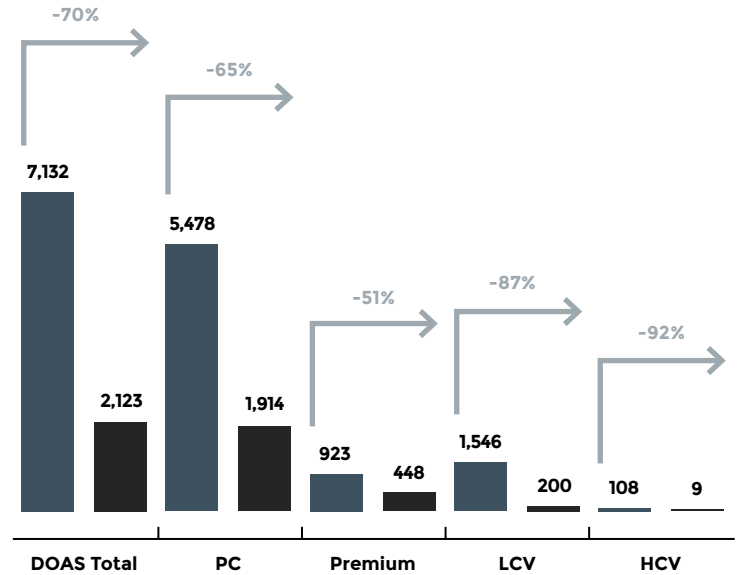
MARKET

■ Jan 2018 ■ Jan 2019 → Change



DOAS

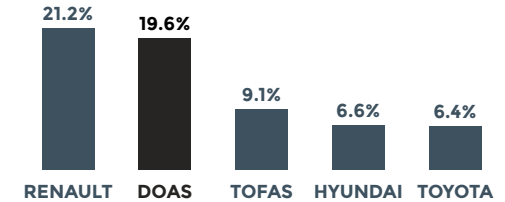
■ Jan 2018 ■ Jan 2019 → Change



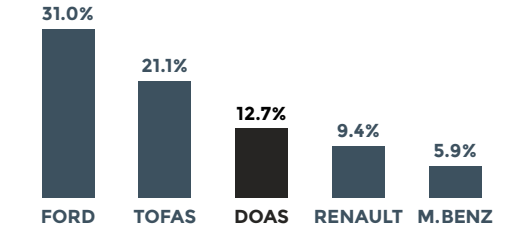
Market Share - Retail - December 2018

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
TOFAŞ	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

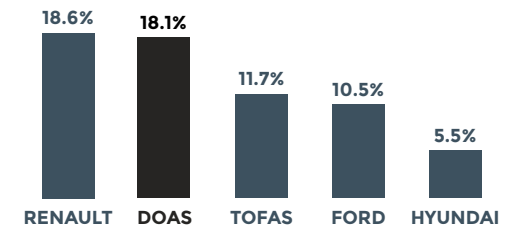
PV TOP 5 DECEMBER 18



LCV TOP 5 DECEMBER 18



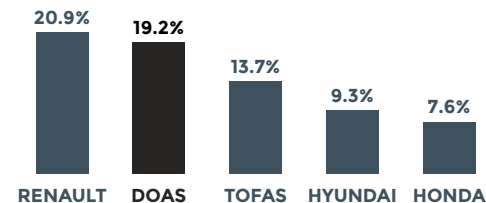
LV TOP 5 DECEMBER 18



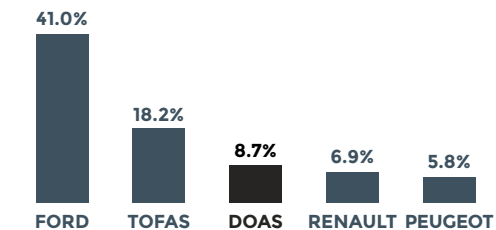
Market Share - Retail - January 2019

RETAIL MARKET	2017 YEAR END	2018 YEAR END	JAN 2018	JAN 2019	2018 YEAR END/ JAN2019 CHANGE	JAN 2018/ JAN 2019 CHANGE
PASSENGER VEHICLE %						
RENAULT	21.5	21.2	21.0	20.9	-0.3	-0.1
DOGUS OTOMOTİV	21.1	19.6	21.7	19.2	-0.5	-2.6
TOFAS	8.9	9.1	8.1	13.7	4.5	5.6
HYUNDAI	6.8	6.6	7.8	9.3	2.7	1.4
HONDA	3.7	5.9	5.3	7.6	1.7	2.3
NISSAN	4.4	5.1	2.9	4.9	-0.2	2.0
PEUGEOT	4.2	5.1	3.0	4.8	-0.4	1.7
BMW	2.7	2.6	2.4	3.2	0.6	0.9
OTHER	23.8	21.1	27.9	16.5	-4.5	-11.3
LIGHT COMMERCIAL VEHICLE %						
FORD	30.5	31.0	25.8	41.0	10.0	15.2
TOFAŞ	25.1	21.1	25.1	18.2	-2.9	-6.9
DOGUS OTOMOTİV	11.9	12.7	19.3	8.7	-4.0	-10.6
RENAULT	10.0	9.4	9.1	6.9	-2.5	-2.2
PEUGEOT	4.5	3.9	2.1	5.8	1.9	3.7
MERCEDES-BENZ	3.9	5.9	5.7	4.7	-1.3	-1.0
CITROEN	3.5	3.4	1.1	3.7	0.3	2.6
HYUNDAI	1.3	1.1	1.4	2.5	1.3	1.0
OTHER	9.0	9.9	10.5	8.7	-1.2	-1.9
LIGHT VEHICLE %						
RENAULT	18.7	18.6	18.1	17.6	-1.1	-0.5
DOGUS OTOMOTİV	18.9	18.1	21.1	16.7	-1.4	-4.5
TOFAŞ	12.8	11.7	12.2	14.7	3.0	2.6
FORD	11.6	10.5	9.5	11.7	1.1	2.2
HYUNDAI	5.5	5.4	6.3	7.7	2.3	1.4
HONDA	2.8	4.6	4.0	5.8	1.2	1.8
PEUGEOT	4.2	4.9	2.8	5.0	0.2	2.2
NISSAN	3.6	4.2	2.5	4.3	0.1	1.9
OTHER	20.8	20.7	23.5	16.6	-4.1	-7.0

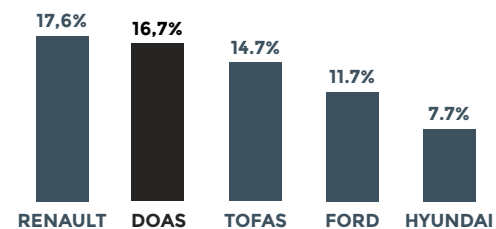
PV TOP 5 JANUARY 19



LCV TOP 5 JANUARY 19



LV TOP 5 JANUARY 19



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	31-Dec-18	31-Dec-17	Change (%)
Revenue	10,688	13,220	-19%
Gross Profit	1,301	1,301	0%
Operational Expenses	-774	-827	-6%
Selling and Marketing Expenses	-284	-335	-15%
General Administrative Expenses	-391	-415	-6%
Warranty Expenses, net	-117	-98	20%
Other Operating Expenses, net	18	21	-15%
EBITDA	610	556	10%
EBIT	527	474	11%

Margins	31-Dec-18	31-Dec-17	Change (%)
Gross Margin	12.2%	9.8%	24%
Opex/Sales	7.2%	6.3%	16%
EBITDA Margin	5.7%	4.2%	36%
EBIT Margin	4.9%	3.6%	37%
Net Profit Margin	1.3%	1.4%	-10%

Consolidated Income Statement

(TL '000)	31-Dec-18	Vertical Analysis	31-Dec-17	Vertical Analysis	Change (%)
Revenue	10,688,489		13,220,361		-19%
Direct cost of revenue	-9,387,395	-88%	-11,919,377	-90%	-21%
Gross profit	1,301,094	12%	1,300,984	10%	0%
Selling, marketing and distribution expenses	-284,422	-3%	-335,362	-3%	-15%
SG&A Expenses	-390,634	-4%	-414,673	-3%	-6%
Warranty expenses	-117,265	-1%	-98,012	-1%	20%
Other operating incomes/losses, net	17,895	0%	21,097	0%	-15%
Results from operating activities	526,668	5%	474,034	4%	11%
Income Loss from Investing Activities	55,103		20,314		
Income Loss from Associates	60,768	1%	80,940	1%	-25%
Financial incomes/costs, net	-493,741		-349,159		41%
Profit before income tax	148,798	1%	226,129	2%	-34%
Tax expense	-14,442		-42,410		-66%
Profit for the year	134,356	1%	183,719	1%	-27%

→ Decrease of nearly 19% in revenue and 21% in direct cost of revenue for a gross margin of 12.2%

Effects on revenue and direct cost of revenue:

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

17% decrease in Personnel expenses

13% decrease in Distribution expenses
30% decrease in Advertising expenses

Income/Loss from Associates	31 Dec 18 Cumulative	31 Dec 17 Cumulative
VDF Group	8,140	36,403
VDF	-17,151	23,452
VDF Servis Holding	25,291	12,951
Doğuş Sigorta	1,678	1,413
SKODA (Yüce Oto)	9,307	16,527
Doğuş Technology	-3,341	-3,719
TÜVTURK Group	44,984	32,067
Meiller-Doğuş	0	-1,751
Grand Total	60,768	80,940

Financing Costs

(mn TL)	31-Dec-18	31-Dec-17	Change (%)
Financing Costs	493.74	349.16	41%
Finance expenses, net	497.08	353.18	41%
Interest expense on borrowings	466.58	336.47	39%
Commission expenses on letters of guarantee	24.03	8.85	172%
Other financial expenses	6.48	7.87	-18%
Foreign Exchange gain/loss, net	11.08	0.09	12781%
Financing Income	14.42	4.11	251%

Consolidated Balance Sheet

(TL '000)	31-Dec-18	31-Dec-17
ASSETS	4,798,662	5,166,882
Cash and cash equivalents	365,892	106,385
Trade receivables	643,538	1,425,215
Inventories	1,365,896	1,425,344
Tangible and intangible non-current assets	1,017,732	1,007,079
Financial Investments	567,259	579,277
Investments in equity accounted investees	374,659	352,323
Other	463,686	271,259
LIABILITIES	3,490,790	3,839,437
Financial liabilities	2,710,665	2,974,838
Trade payables	554,172	633,545
Provisions	107,262	103,688
Other	118,691	127,366
EQUITY	1,307,872	1,327,445

Inventories:

- Number of vehicles decreased from 12,972 units to 8,484 units as of 31.12.2018.

Financial Liabilities:

- Use of financing was realized at TRY 2.7B.

Investments in Equity Accounted Investees	31-Dec-18	31-Dec-17
Associates		
vdf Group	218,039	209,899
VDF	132,251	149,402
VDF Servis Holding	85,788	60,497
Doğuş Sigorta	35,921	36,203
SKODA (Yüce Oto)	25,936	28,807
Doğuş Technology	3,372	6,714
Joint Ventures		
TÜVTURK North - South (Consolidated)	91,391	69,477
Meiller-Doğuş	0	1,223
Total	374,659	352,323

Provisions	31-Dec-18	31-Dec-17
Warranty provisions	40,362	48,379
Legal provisions	27,748	20,218
Provision for unused vacation	10,564	7,534
Provision for employee termination benefits	28,588	27,557

Consolidated Balance Sheet

(Balance Sheet mn,TL)	31-Dec-18	31-Dec-17	Change (%)
Total Assets	4,799	5,167	8%
Total Equity	1,308	1,327	1%
Net working capital	-830	-640	-23%
Net cash position	-2,403	-2,928	22%
CAPEX	179	315	76%
Receivable Turnover (day)	22	39	79%
Inventory Turnover (day)	53	44	-18%
Payable Turnover (day)	22	19	-10%
Net Debt/EBITDA	3.8	5.2	34%
ROA	2.8%	3.6%	27%
ROE	10.3%	13.8%	35%

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)**

235-240,000 units

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

45-50,000 units

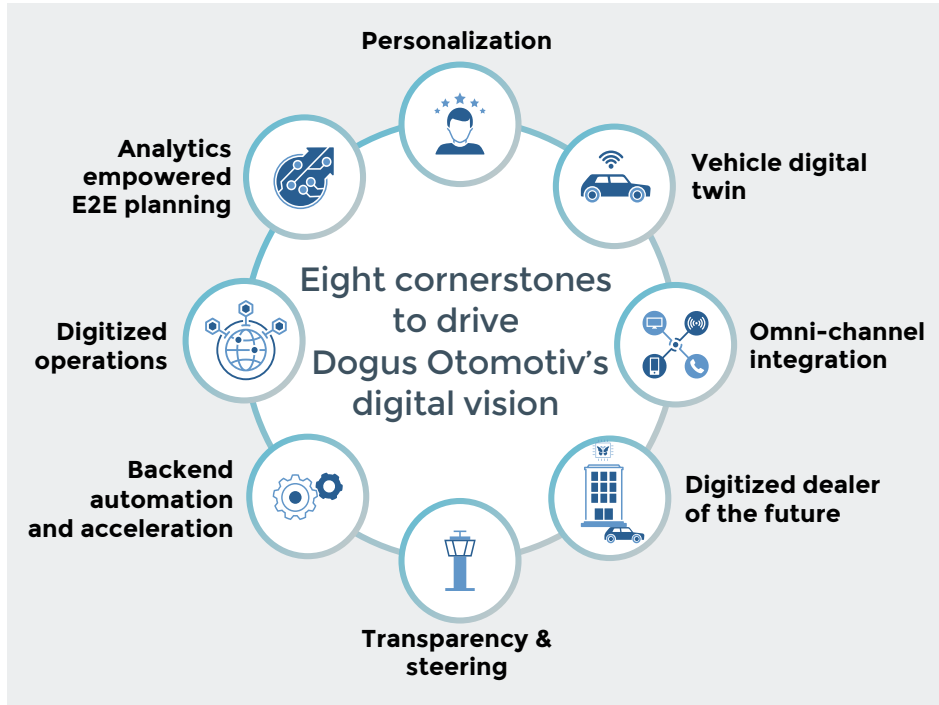
Investment Expenditure

TRY 60-70 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

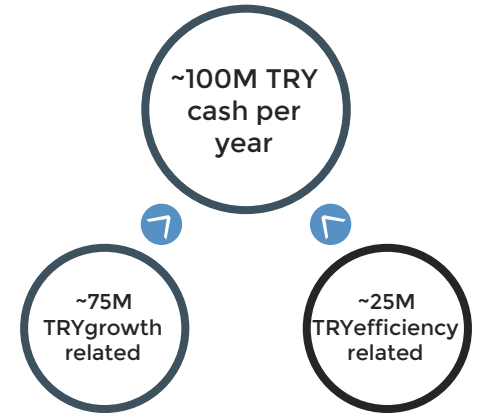
DIGITAL TRANSFORMATION STRATEGY OF DOAS

Dogus Otomotiv Road Map for Digital Vision



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

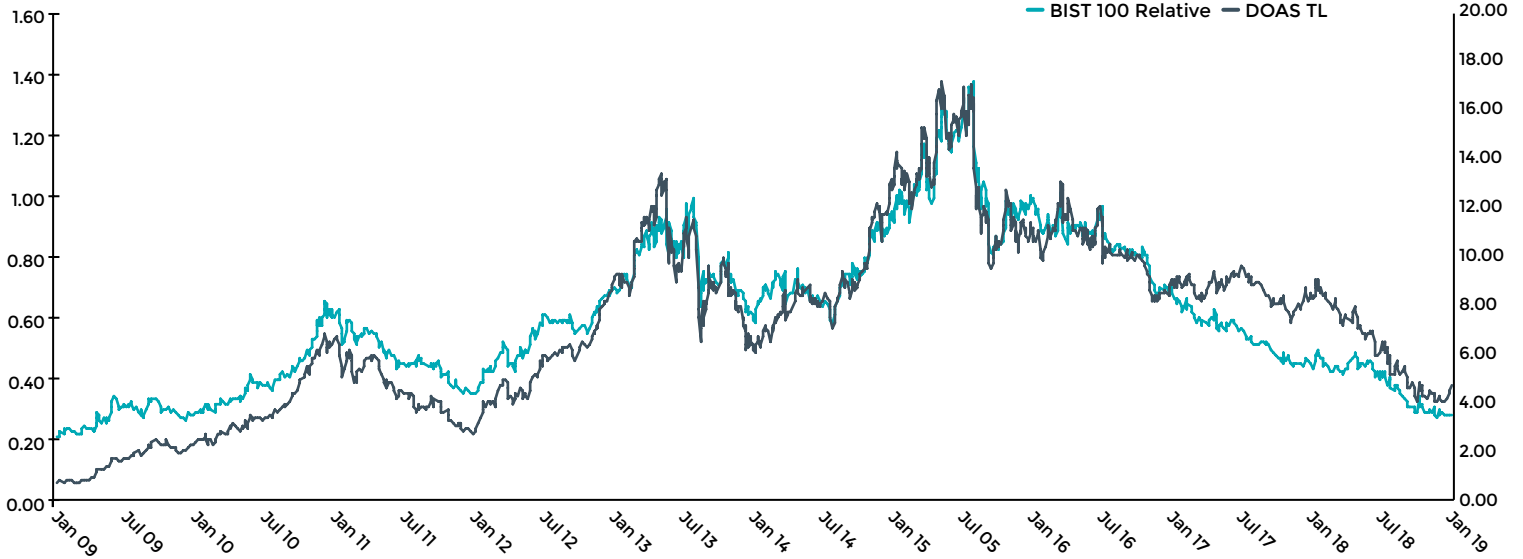
Impact of all 44 solutions



~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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