

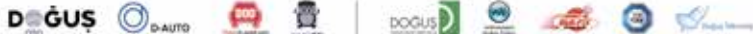
# Investor Relations Presentation

## Q1 2019 Results

Updated: June 2019



**DOĞUŞ** 25 YIL

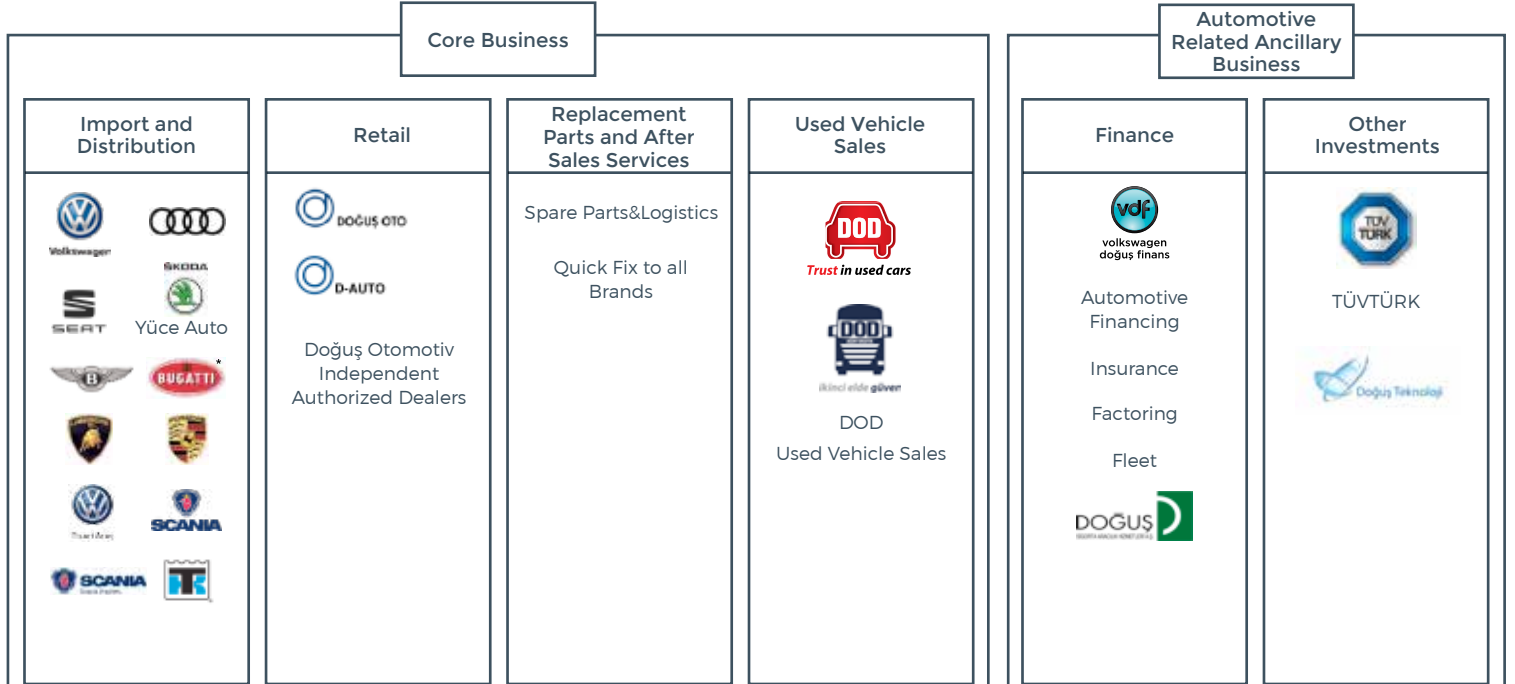


# Agenda

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

# Doğuş Otomotiv

Presence in every stage of the lifecycle of owning a vehicle



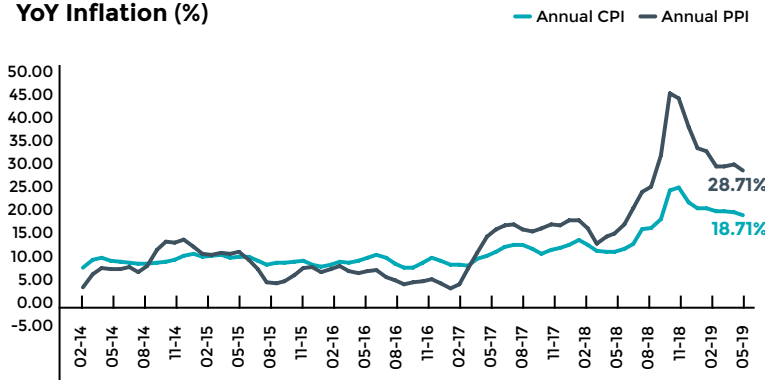
\*Representative Offices

# Macroeconomic Outlook

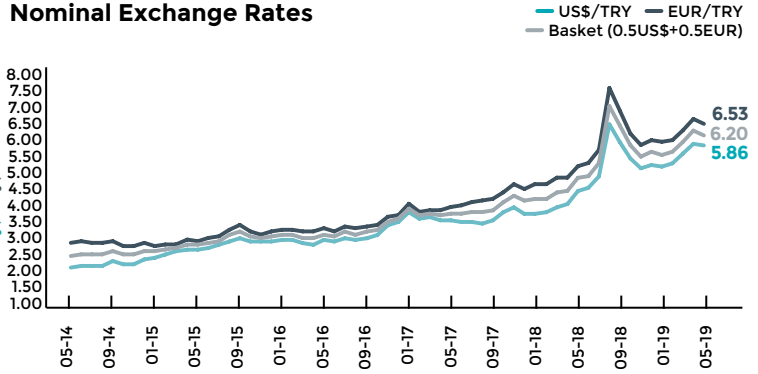


# Macroeconomic Indicators

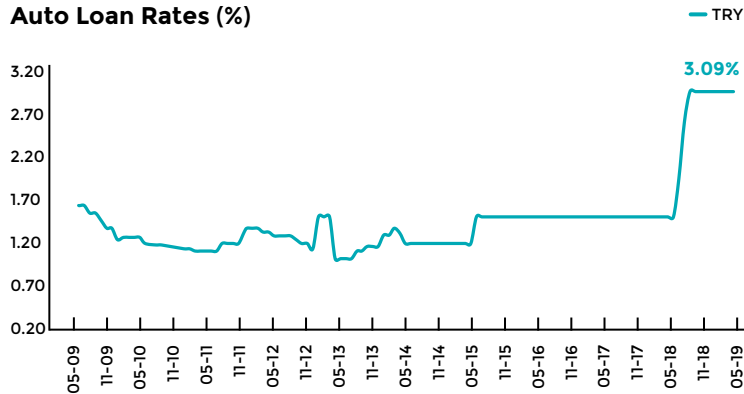
## YoY Inflation (%)



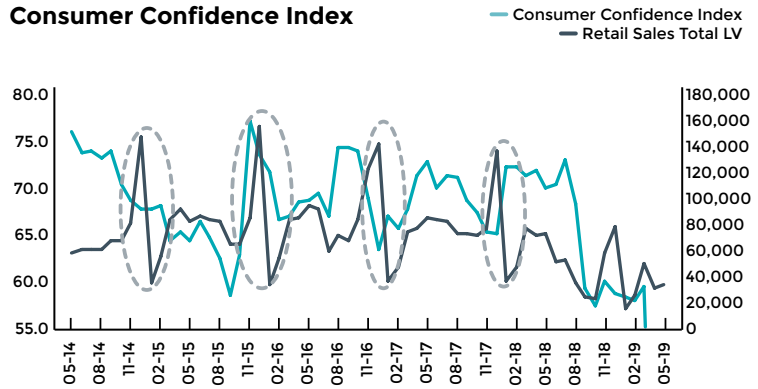
## Nominal Exchange Rates



## Auto Loan Rates (%)

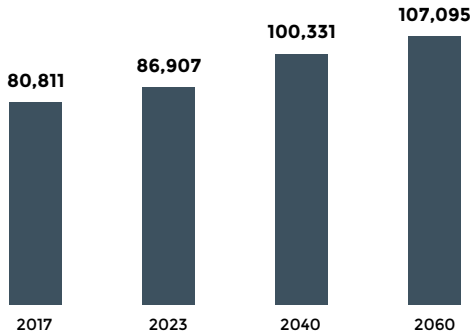


## Consumer Confidence Index

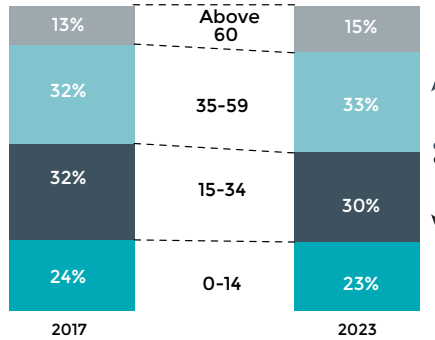


# Population & Demography

## Population Statistics ('000)



## Age Demography

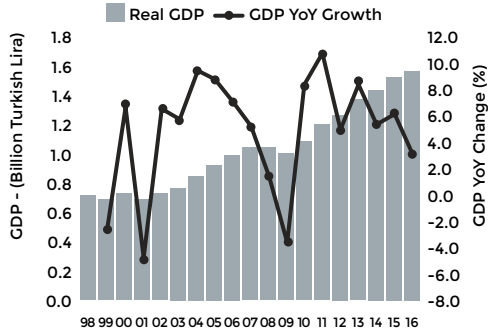


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

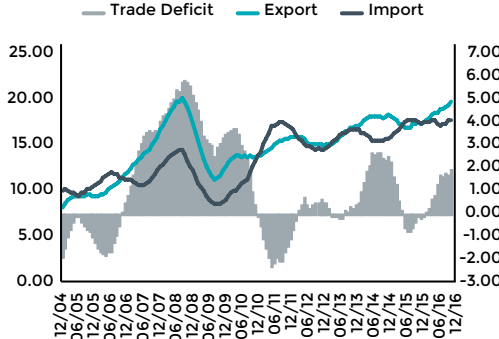
→ Population is increasing on an average 1.4% each year since 2007.

→ 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

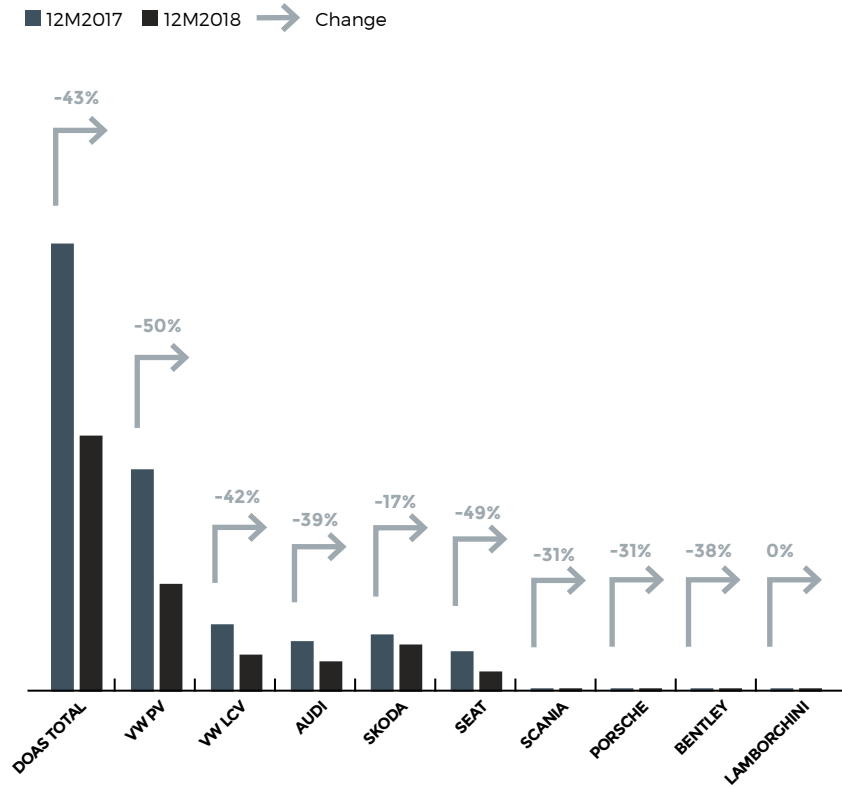
# Automotive Market



# DOAS Wholesales Performance - December 2018

	12M2017	12M2018	Change
--	---------	---------	--------

<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%

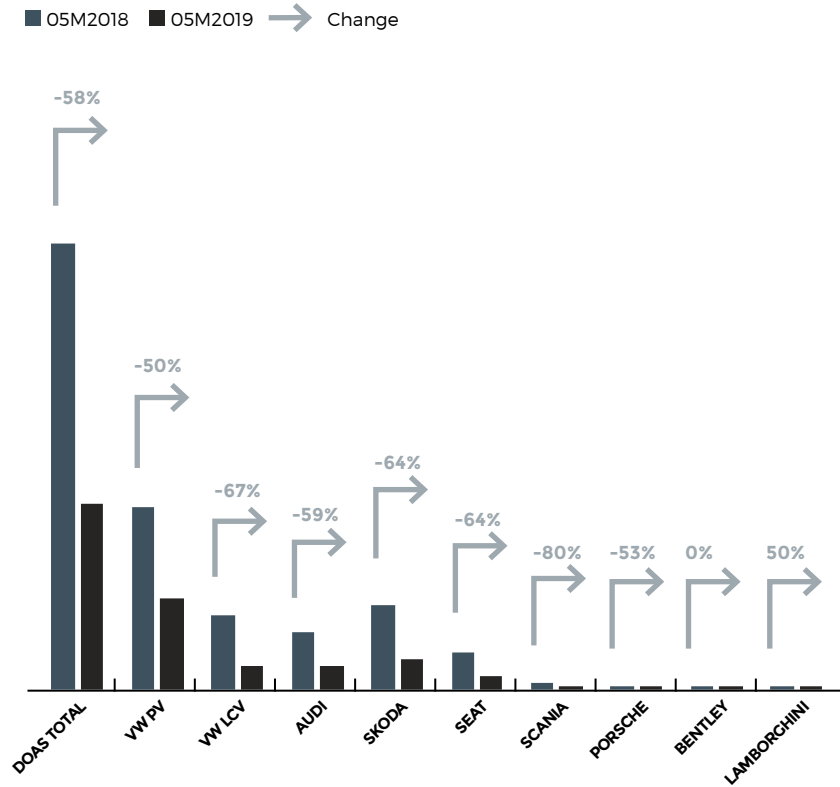




# DOAS Wholesales Performance - May 2019

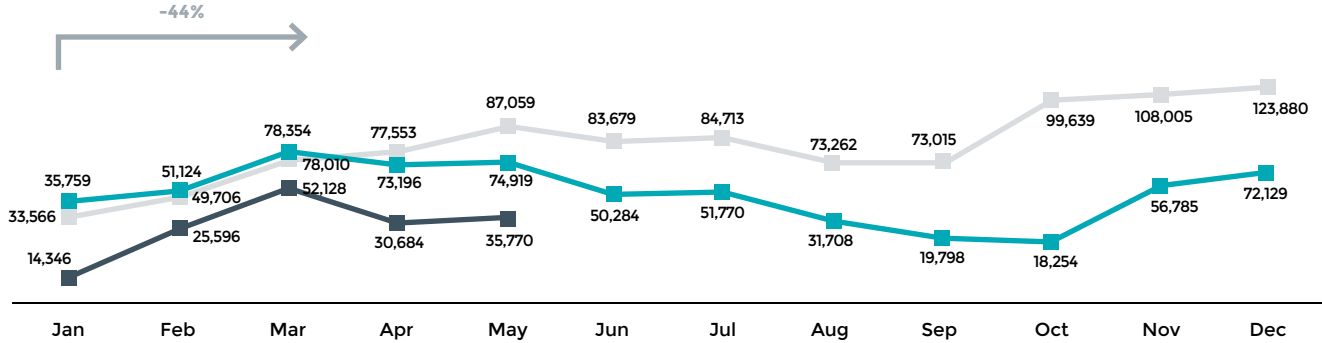
	05M2018	05M2019	Change
--	---------	---------	--------

<b>DOAS TOTAL</b>	<b>54,753</b>	<b>22,823</b>	<b>-58%</b>
VW PV	22,606	11,324	-50%
VW LCV	8,967	2,958	-67%
AUDI	6,943	2,825	-59%
SKODA	10,448	3,714	-64%
SEAT	4,691	1,708	-64%
SCANIA	828	167	-80%
PORSCHE	264	124	-53%
BENTLEY	4	4	0%
LAMBORGHINI	2	3	50%



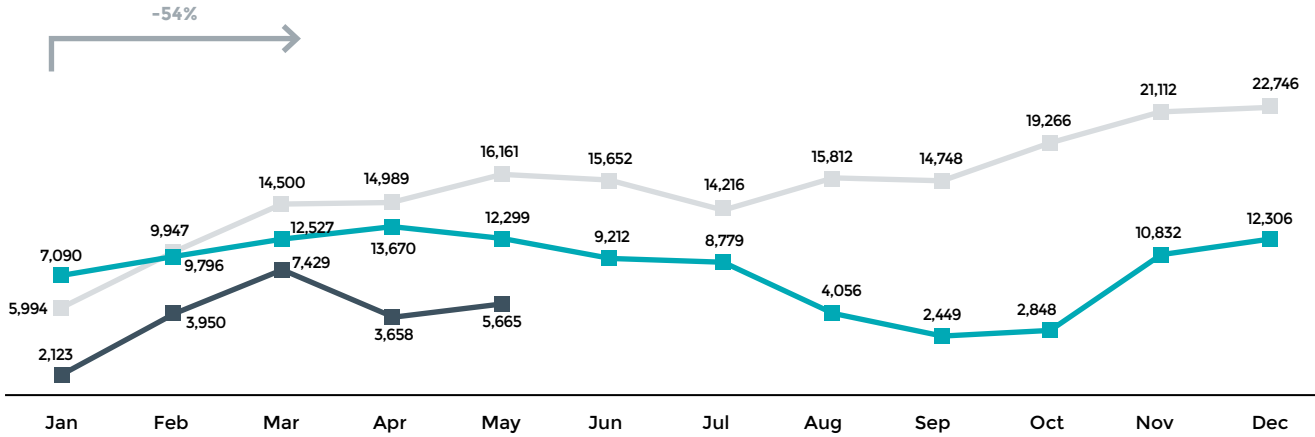
# Wholesale Market Monthly Sales

2017 2018 2019



# DOAS Monthly Sales

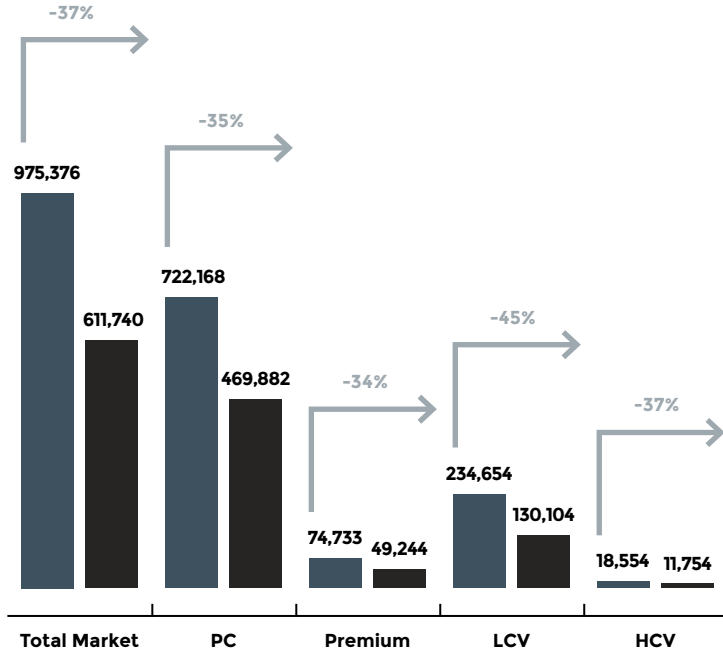
2017 2018 2019



# Market Review - Wholesale - December 2018

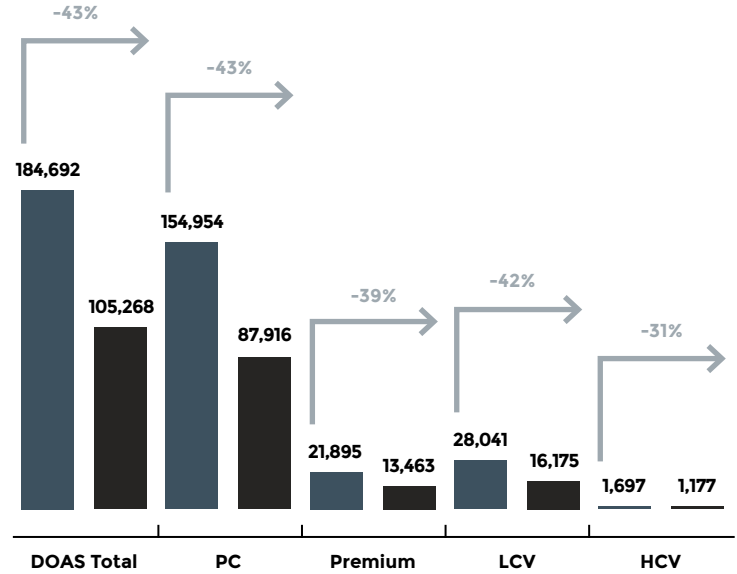
## MARKET

■ Dec 2017 ■ Dec 2018 → Change



## DOAS

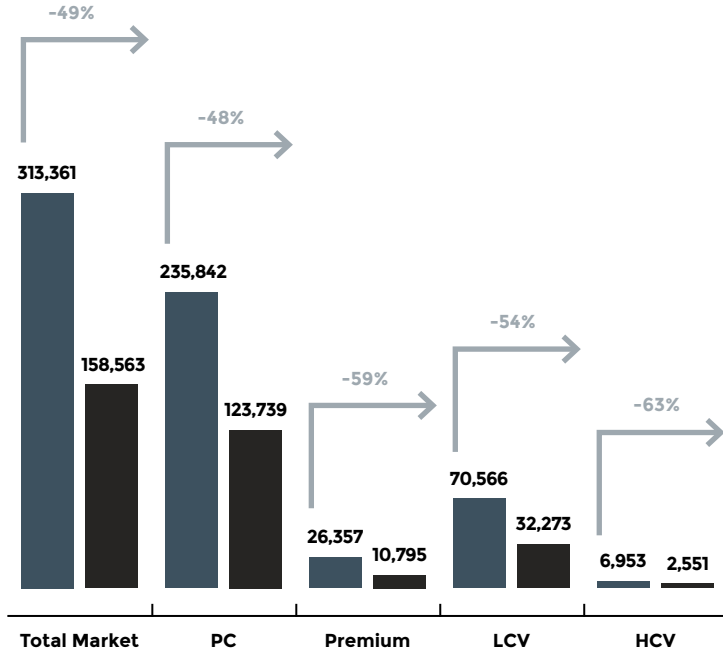
■ Dec 2017 ■ Dec 2018 → Change



# Market Review - Wholesale - May 2019

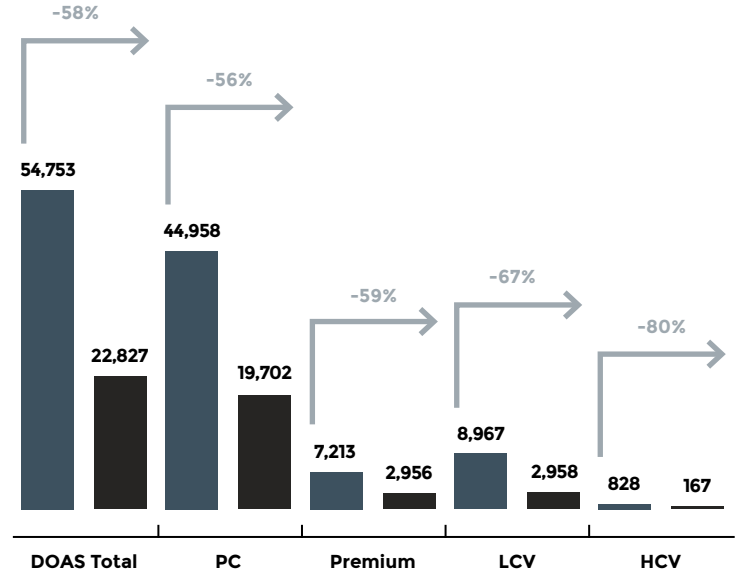
## MARKET

■ May 2018 ■ May 2019 → Change



## DOAS

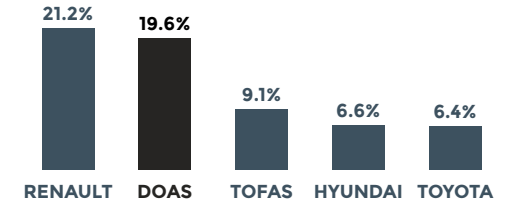
■ May 2018 ■ May 2019 → Change



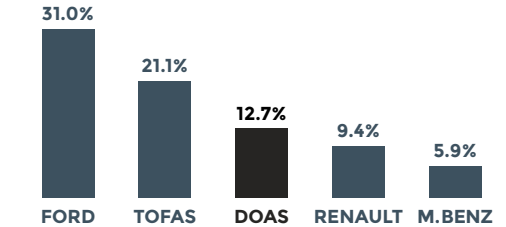
# Market Share - Retail - December 2018

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
<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
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
<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

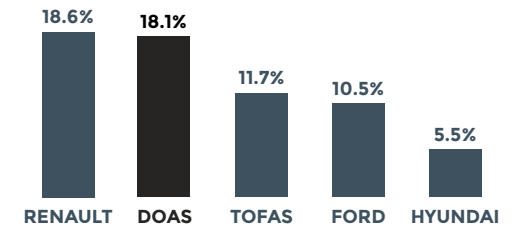
## PV TOP 5 DECEMBER 18



## LCV TOP 5 DECEMBER 18



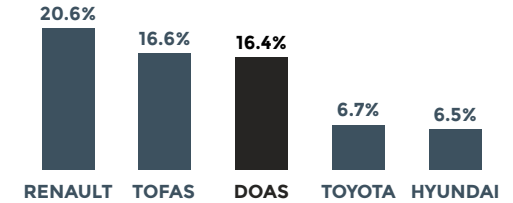
## LV TOP 5 DECEMBER 18



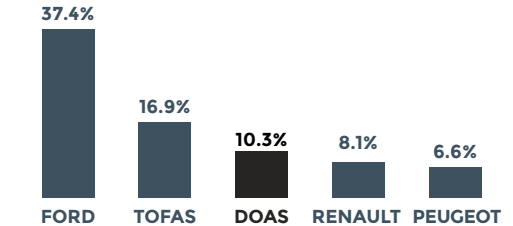
# Market Share - Retail - May 2019

RETAIL MARKET	2017 YEAR END	2018 YEAR END	MAY 2018	MAY 2019	2018 YEAR END/ MAY 2019 CHANGE	MAY 2018/ MAY 2019 CHANGE
<b>PASSENGER VEHICLE %</b>						
RENAULT	21.5	21.2	22.0	20.6	-0.6	-1.4
TOFAS	8.9	9.1	8.5	16.6	7.5	8.1
DOGUS OTOMOTİV	21.1	19.6	20.2	16.4	-3.2	-3.8
TOYOTA	5.6	6.3	5.5	6.7	0.3	1.2
HYUNDAI	6.8	6.6	7.8	6.5	-0.1	-1.2
PEUGEOT	4.2	5.1	5.2	5.7	0.6	0.6
HONDA	3.7	5.9	4.9	5.5	-0.4	0.6
OPEL	5.0	3.2	4.6	3.9	0.8	-0.7
OTHER	23.8	21.1	21.4	18.1	-3.0	-3.3
<b>LIGHT COMMERCIAL VEHICLE %</b>						
FORD	30.5	31.0	30.6	37.4	6.4	6.8
TOFAS	25.1	21.1	22.5	16.9	-4.2	-5.6
DOGUS OTOMOTİV	11.9	12.7	13.4	10.3	-2.4	-3.1
RENAULT	10.0	9.4	8.9	8.1	-1.3	-0.8
PEUGEOT	4.5	3.9	2.8	6.6	2.7	3.8
MERCEDES-BENZ	3.9	5.9	6.9	6.0	0.1	-0.9
CITROEN	3.5	3.4	3.2	3.7	0.2	0.5
HYUNDAI	1.3	1.1	1.0	1.6	0.5	0.6
OTHER	9.0	9.9	10.9	9.5	-0.4	-1.5
<b>LIGHT VEHICLE %</b>						
FORD	18.7	18.6	19.1	18.0	-0.7	-1.1
TOFAS	12.8	11.7	11.6	16.7	5.0	5.0
DOGUS OTOMOTİV	18.9	18.1	18.7	15.1	-3.0	-3.6
RENAULT	11.6	10.5	10.8	10.6	0.0	-0.2
PEUGEOT	4.2	4.9	4.6	5.9	1.1	1.3
MERCEDES-BENZ	4.7	5.5	4.8	5.5	0.0	0.7
CITROEN	5.5	5.4	6.2	5.5	0.1	-0.8
HYUNDAI	2.8	4.6	3.8	4.4	-0.3	0.5
OTHER	20.8	20.7	20.3	18.5	-2.2	-1.8

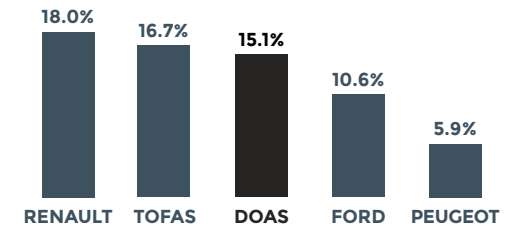
PV TOP 5 MAY 19



LCV TOP 5 MAY 19



LV TOP 5 MAY 19



# Financial Performance



# Consolidated Income Statement

(TL mn, CMB)	31-Mar-19	31-Mar-18	Change (%)
Revenue	1,809	2,719	-33%
Gross Profit	255	324	-21%
Operational Expenses	-171	-167	2%
Selling and Marketing Expenses	-39	-72	-45%
General Administrative Expenses	-102	-96	7%
Warranty Expenses, net	-38	-22	74%
Other Operating Expenses, net	8	22	-62%
EBITDA	117	178	-34%
EBIT	84	157	-46%

Margins	31-Mar-19	31-Mar-18	Change (%)
Gross Margin	14.1%	11.9%	18%
Opex/Sales	9.4%	6.1%	53%
EBITDA Margin	6.5%	6.5%	-1%
EBIT Margin	4.7%	5.8%	-19%
Net Profit Margin	-3.8%	3.0%	-226%



# Consolidated Income Statement

(TL '000)	31-Mar-19	Vertical Analysis	31-Mar-18	Vertical Analysis	Change (%)
Revenue	1,808,534		2,719,275		-33%
Direct cost of revenue	-1,553,795	-86%	-2,395,051	-88%	-35%
<b>Gross profit</b>	<b>254,739</b>	<b>14%</b>	<b>324,224</b>	<b>12%</b>	<b>-21%</b>
Selling, marketing and distribution expenses	-39,253	-2%	-71,654	-3%	-45%
SG&A Expenses	-101,846	-6%	-95,600	-4%	7%
Warranty expenses	-37,606	-2%	-21,654	-1%	74%
Other operating incomes/losses, net	8,148	0%	21,695	1%	-62%
<b>Results from operating activities</b>	<b>84,182</b>	<b>5%</b>	<b>157,011</b>	<b>6%</b>	<b>-46%</b>
Income Loss from Investing Activities	9,589		7,253		
<b>Income Loss from Associates</b>	<b>-8,928</b>	<b>0%</b>	<b>29,318</b>	<b>2%</b>	<b>-130%</b>
Financial incomes/costs, net	-160,241		-95,394		68%
<b>Profit before income tax</b>	<b>-75,398</b>	<b>-4%</b>	<b>98,188</b>	<b>4%</b>	<b>-177%</b>
Tax expense	7,419		-16,900		-144%
<b>Profit for the year</b>	<b>-67,979</b>	<b>-4%</b>	<b>81,288</b>	<b>3%</b>	<b>-184%</b>

	Passenger Segment	Commercial Segment	Other Segment	Total
Revenue from external customers	1,180,397	244,890	383,247	1,808,534
Cost of sales	-1,074,084	-216,723	-262,691	-1,553,498
Gross Profit	106,313	28,167	120,556	255,036
Gross Profit Margin	9.0%	11.5%	31.5%	14.1%

Depreciation increase due to IFRS 16 standard

Income/Loss from Associates	31 Mar 19 Cumulative	31 Mar 18 Cumulative
VDF Group	-36,802	16,860
VDF	-38,211	10,708
VDF Servis Holding	1,409	6,152
Doğuş Sigorta	820	765
SKODA (Yüce Oto)	778	4,067
TÜVTURK Group	25,785	7,862
Meiller-Doğuş	0	32
Doğuş Technology	491	-268
<b>Grand Total</b>	<b>-8,928</b>	<b>29,318</b>

# Financing Costs

(mn TL)	31-Mar-19	31-Mar-18	Change (%)
Financing Costs, net	-160.24	-95.39	68%
Finance expenses	-145.07	-99.77	45%
Interest expense on borrowings	-132.65	-93.68	42%
Commission expenses on letters of guarantee	-8.82	-3.35	163%
Other financial expenses	-3.59	-2.74	31%
Foreign Exchange gain/loss, net	30.02	-	-
Interest on Lease Liability	7.86	-	-
Finance income, net	18.45	4.37	322%
Foreign exchange gains on derivative instruments	4.24	-	-

# Consolidated Balance Sheet

(TL '000)	31-Mar-19	31-Dec-18
<b>ASSETS</b>	<b>4,592,707</b>	<b>4,798,662</b>
Cash and cash equivalents	412,666	365,892
Trade receivables	631,822	643,538
Inventories	1,187,136	1,365,896
Tangible and intangible non-current assets	996,112	1,017,732
Financial Investments	567,626	567,259
Investments in equity accounted investees	365,752	374,659
Right of Use Asset	137,392	-
Other	294,201	463,686
<b>LIABILITIES</b>	<b>3,352,880</b>	<b>3,490,790</b>
Financial liabilities	2,766,311	2,710,665
Trade payables	402,452	554,172
Provisions	116,322	107,262
Other	67,795	118,691
<b>EQUITY</b>	<b>1,239,827</b>	<b>1,307,872</b>

## Inventories:

- Number of vehicles remained parallel at 8.153 units (31.03.2019) compared to 8.484 units as of 31.12.2018.

## Financial Liabilities:

- Use of financing was realized as expected at TRY 2.7B.

Investments in Equity Accounted Investees	31-Mar-19	31-Dec-18
<b>Associates</b>		
Doğuş Sigorta	36,762	35,921
vdf Group	181,237	218,039
VDF	87,197	85,788
VDF Servis Holding	94,040	132,251
Yüce Auto (Škoda)	26,715	25,937
Doğuş Technology	3864	3373
<b>Joint Ventures</b>		
TÜVTURK North - South (Consolidated)	117,175	91,390
Meiller-Doğuş	0	0
<b>Total</b>	<b>365,752</b>	<b>374,659</b>

Provisions	31-Mar-19	31-Dec-18
Warranty provisions	39,125	40,362
Legal provisions	27,392	27,748
Provision for unused vacation	41,453	39,152
Other provisions	8,352	0
<b>Total</b>	<b>116,322</b>	<b>107,262</b>

# Consolidated Balance Sheet

(Balance Sheet mn,TL)	31-Mar-19	31-Dec-18	Change (%)
Total Assets	4,593	4,799	-4%
Total Equity	1,240	1,308	-5%
Net working capital	-828	-830	0%
Net cash position	-2,407	-2,403	0%
Receivable Turnover (day)	32	22	48%
Inventory Turnover (day)	70	53	32%
Payable Turnover (day)	24	21	12%
Net Debt/EBITDA	5.0	3.3	52%

(Balance Sheet mn,TL)	31-Mar-19	31-Dec-18	Change (%)
CAPEX	6	179	-97%
ROA	-1.5%	1.7%	-187%
ROE	-5.5%	6.2%	-188%

## 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

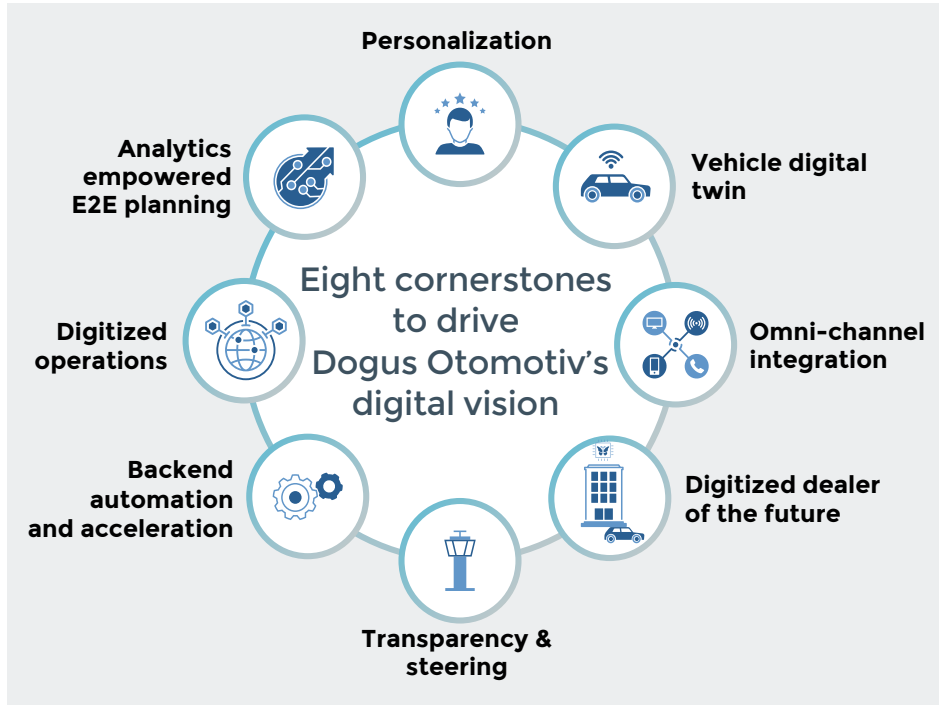
**Investment Expenditure**

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

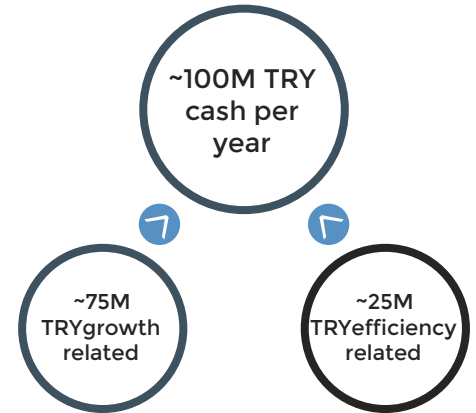
# DIGITAL TRANSFORMATION STRATEGY OF DOAS

## Dogus Otomotiv Road Map for Digital Vision



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

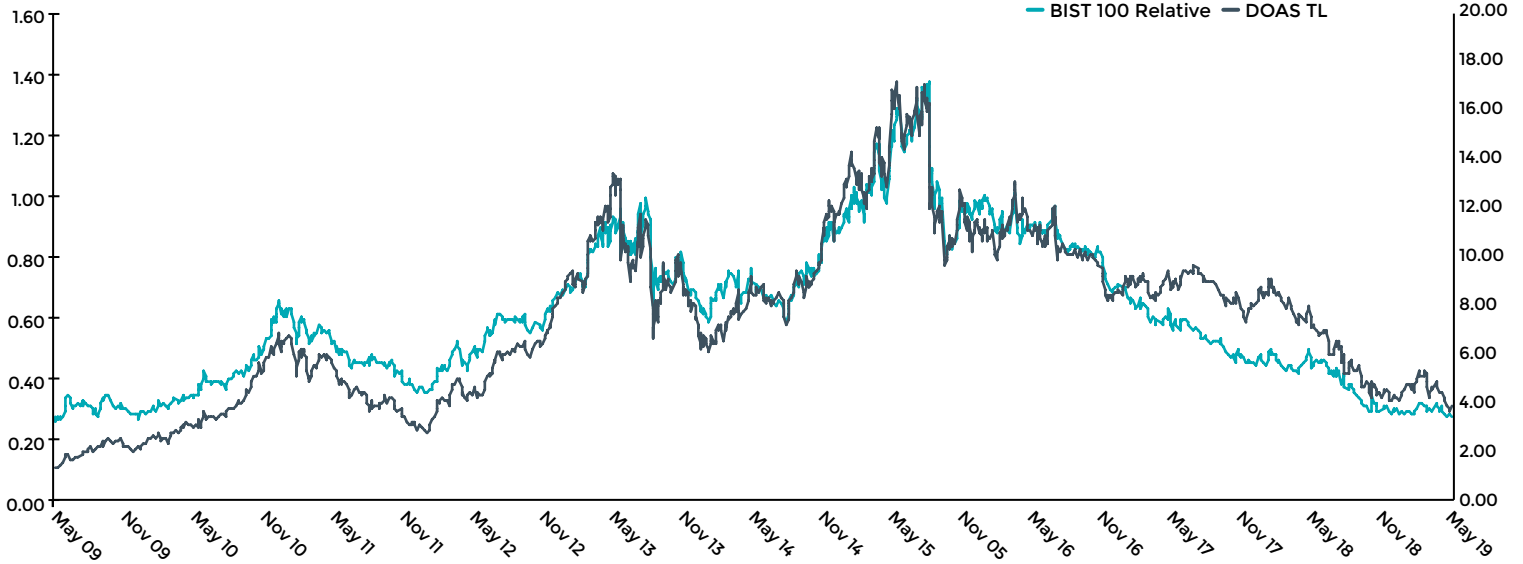
**Impact of all 44 solutions**



**~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
<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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