

Investor Relations Presentation

Q4 2018 Results

Updated: April 2019

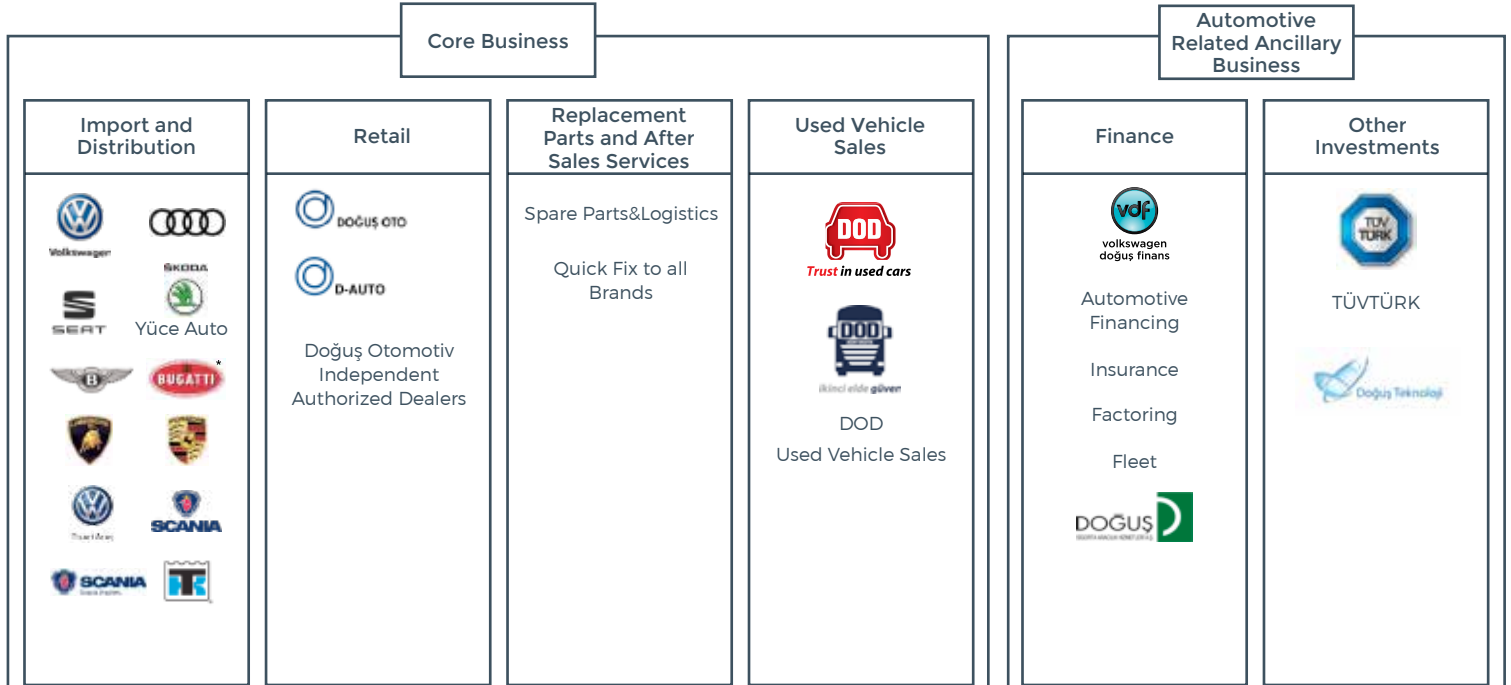


Agenda

- 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

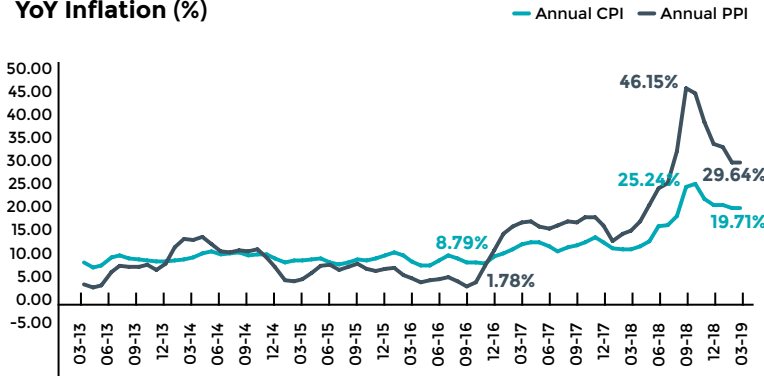


PORSCHE

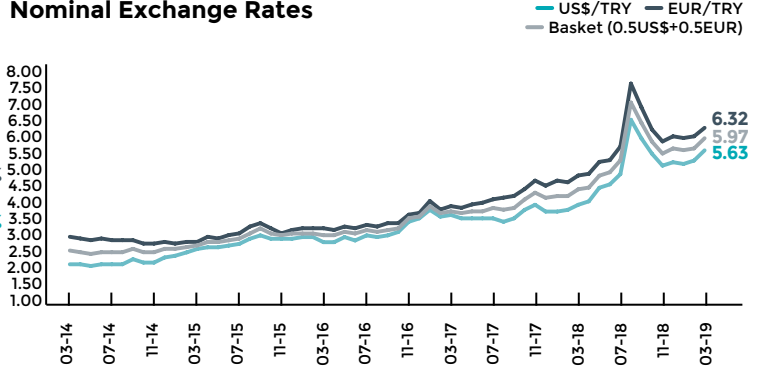


Macroeconomic Indicators

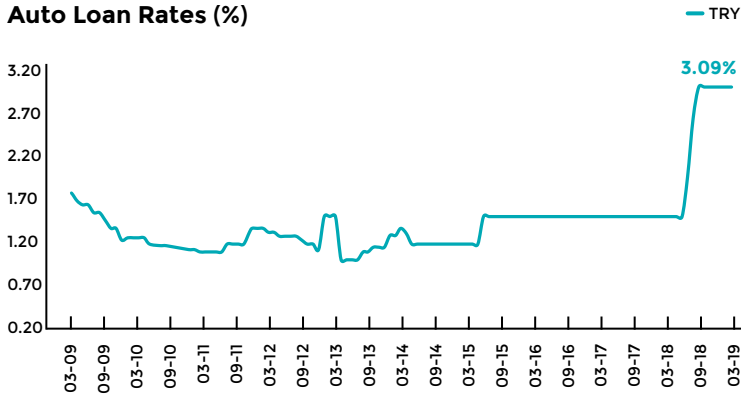
YoY Inflation (%)



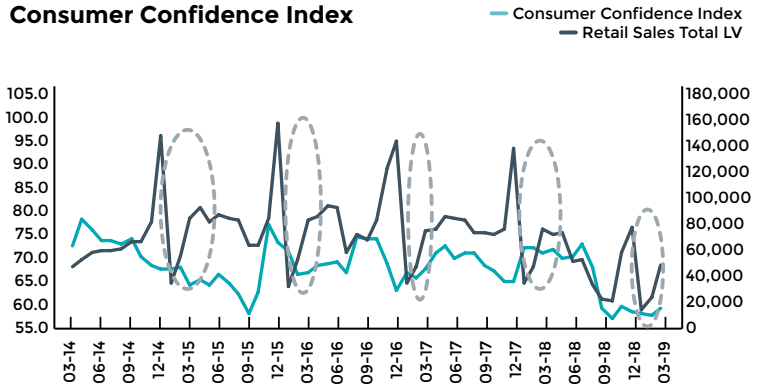
Nominal Exchange Rates



Auto Loan Rates (%)

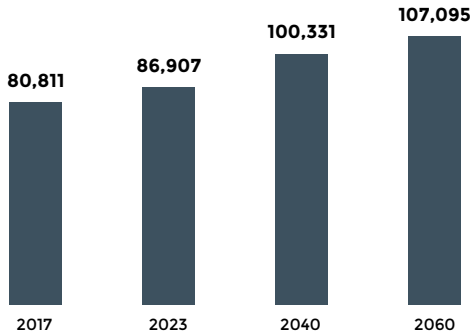


Consumer Confidence Index

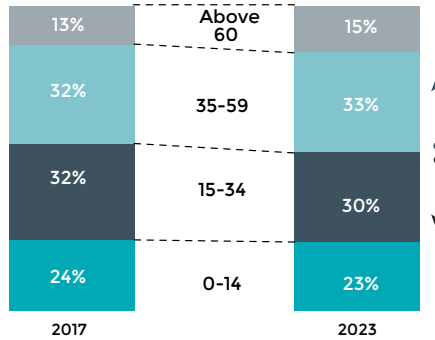


Population & Demography

Population Statistics ('000)



Age Demography

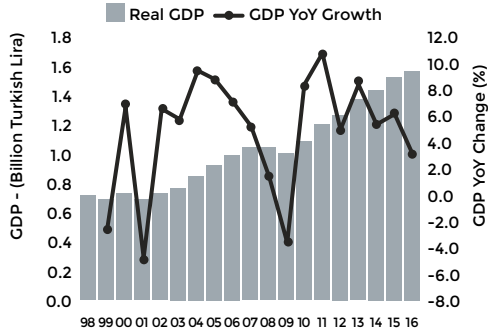


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

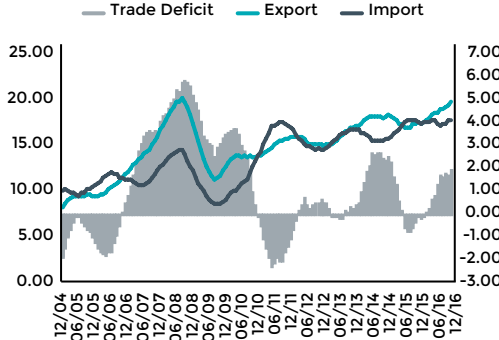
→ Population is increasing on an average 1.4% each year since 2007.

→ 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

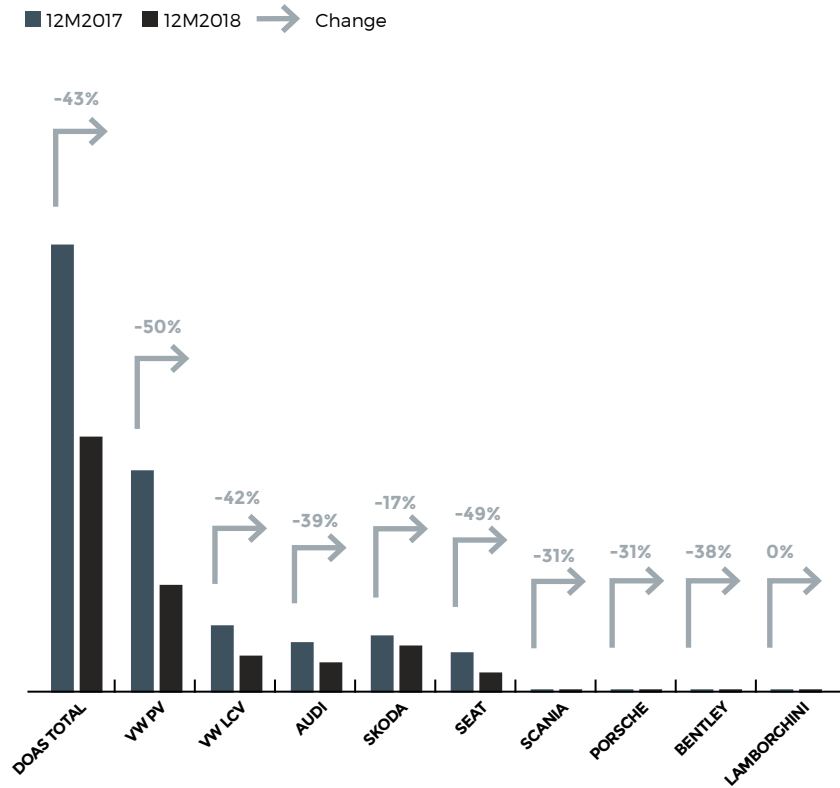
Automotive Market



DOAS Wholesales Performance - December 2018

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

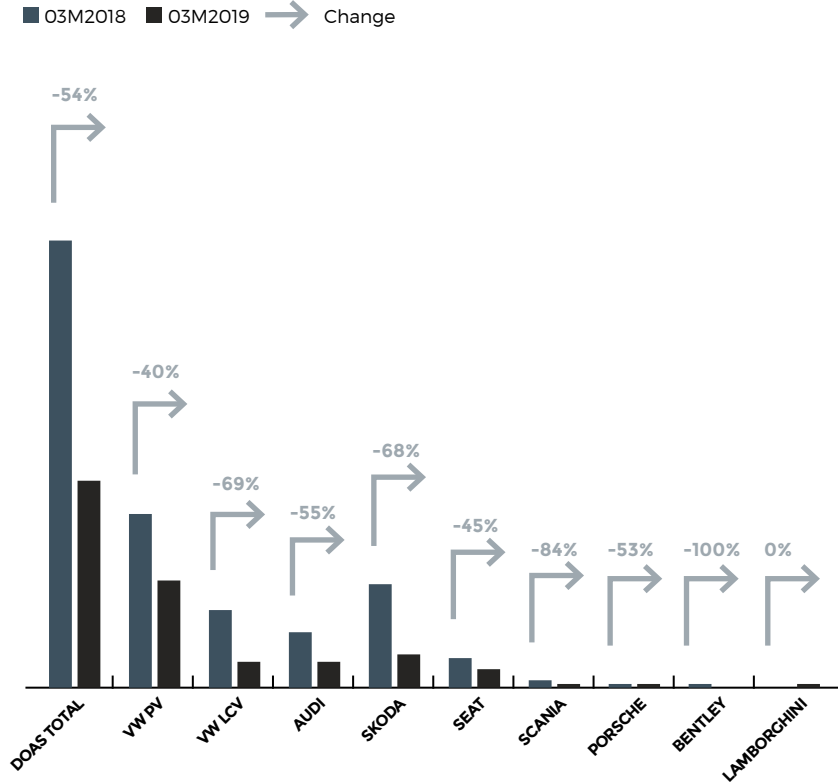
| | | | |
|-------------------|----------------|----------------|-------------|
| DOAS TOTAL | 184,692 | 105,268 | -43% |
| VW PV | 91,343 | 45,388 | -50% |
| VW LCV | 28,041 | 16,175 | -42% |
| AUDI | 21,172 | 12,969 | -39% |
| SKODA | 24,714 | 20,425 | -17% |
| SEAT | 17,002 | 8,640 | -49% |
| SCANIA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



DOAS Wholesales Performance - March 2019

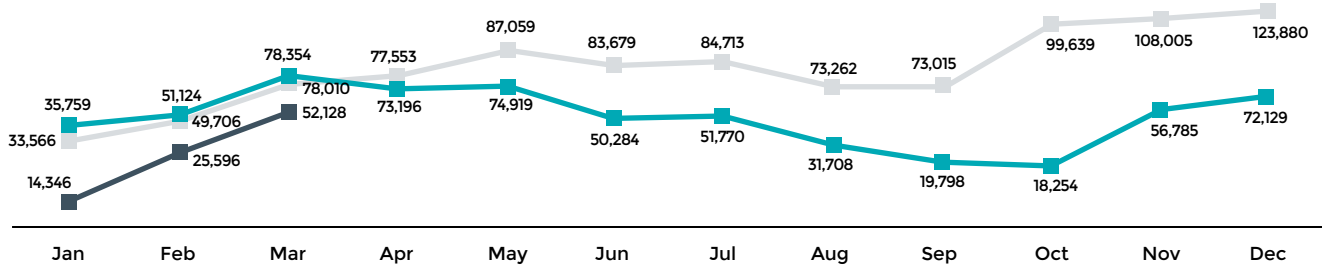
| | 03M2018 | 03M2019 | Change |
|--|---------|---------|--------|
|--|---------|---------|--------|

| | | | |
|-------------------|---------------|---------------|-------------|
| DOAS TOTAL | 29,455 | 13,502 | -54% |
| VW PV | 11,427 | 6,888 | -40% |
| VW LCV | 5,149 | 1,619 | -69% |
| AUDI | 3,596 | 1,620 | -55% |
| SKODA | 6,732 | 2,167 | -68% |
| SEAT | 1,941 | 1,062 | -45% |
| SCANIA | 454 | 73 | -84% |
| PORSCHE | 153 | 72 | -53% |
| BENTLEY | 3 | 0 | -100% |
| LAMBORGHINI | 0 | 1 | 0% |



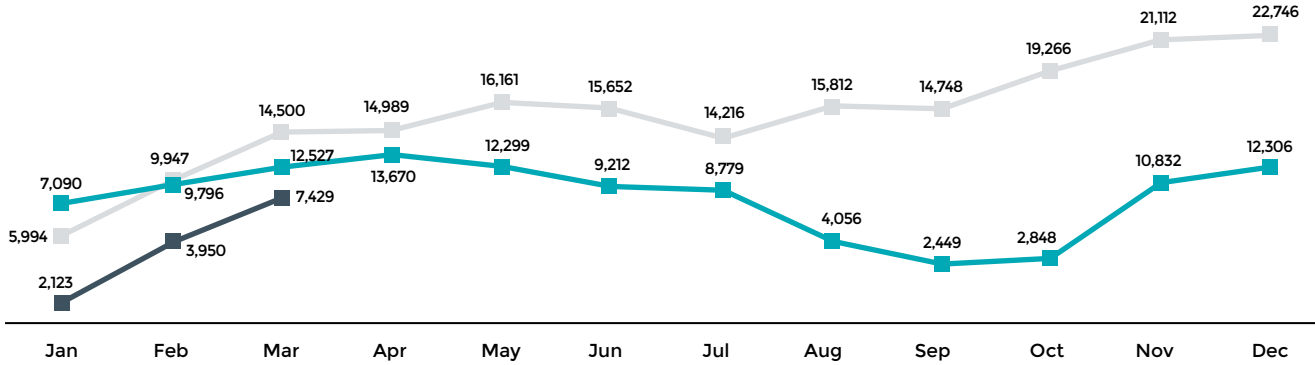
Wholesale Market Monthly Sales

2017 2018 2019



DOAS Monthly Sales

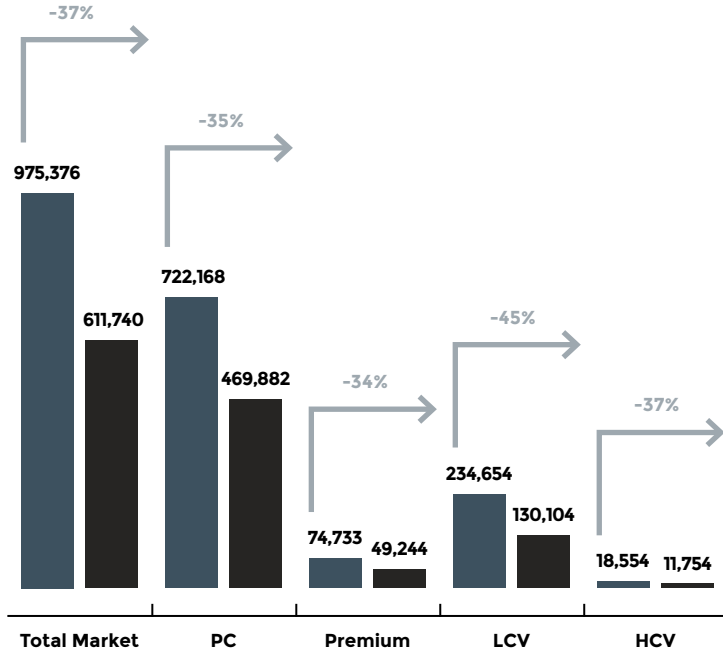
2017 2018 2019



Market Review - Wholesale - December 2018

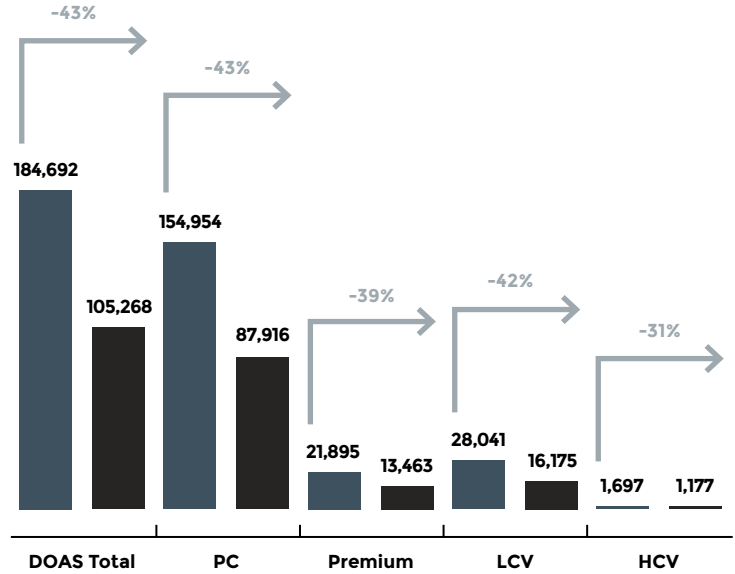
MARKET

■ Dec 2017 ■ Dec 2018 → Change



DOAS

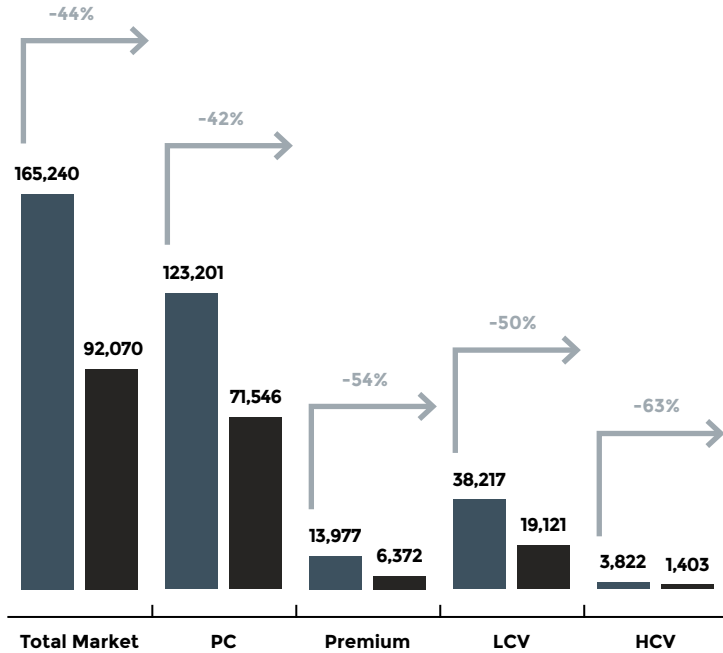
■ Dec 2017 ■ Dec 2018 → Change



Market Review - Wholesale - March 2019

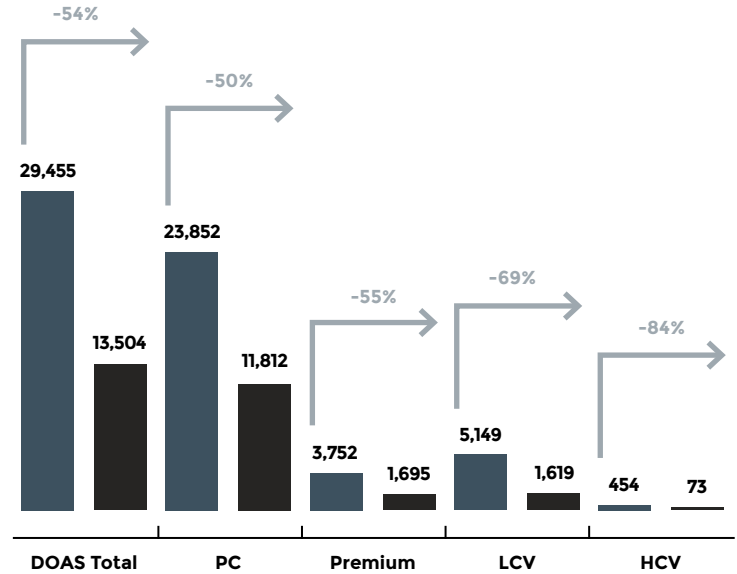
MARKET

■ Mar 2018 ■ Mar 2019 → Change



DOAS

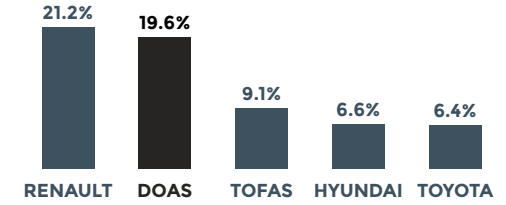
■ Mar 2018 ■ Mar 2019 → Change



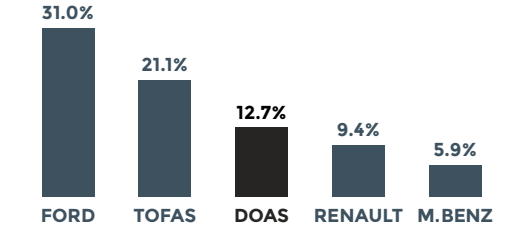
Market Share - Retail - December 2018

| 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 |

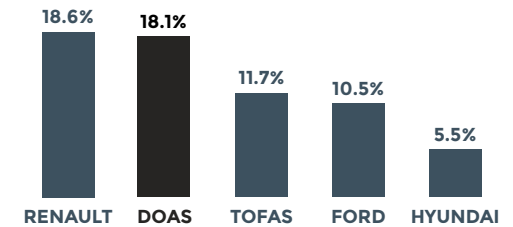
PV TOP 5 DECEMBER 18



LCV TOP 5 DECEMBER 18



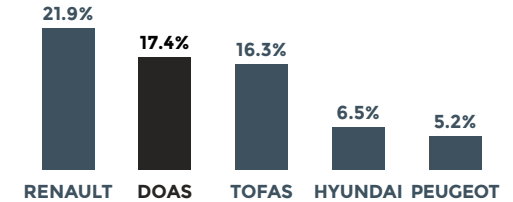
LV TOP 5 DECEMBER 18



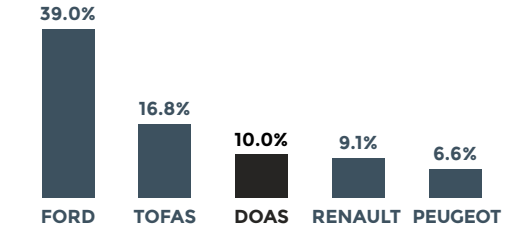
Market Share - Retail - March 2019

| RETAIL MARKET | 2017 YEAR END | 2018 YEAR END | MAR 2018 | MAR 2019 | 2018 YEAR END/ MAR 2019 CHANGE | MAR 2018/ MAR 2019 CHANGE |
|-----------------------------------|------------------|------------------|----------|----------|--------------------------------------|---------------------------------|
| PASSENGER VEHICLE % | | | | | | |
| RENAULT | 21.5 | 21.2 | 21.2 | 21.9 | 0.7 | 0.6 |
| DOGUS OTOMOTİV | 21.1 | 19.6 | 21.2 | 17.4 | -2.3 | -3.9 |
| TOFAS | 8.9 | 9.1 | 7.9 | 16.3 | 7.2 | 8.4 |
| HYUNDAI | 6.8 | 6.6 | 7.7 | 6.5 | -0.1 | -1.2 |
| PEUGEOT | 4.2 | 5.1 | 4.5 | 5.2 | 0.1 | 0.7 |
| TOYOTA | 5.6 | 6.3 | 6.1 | 5.2 | -1.2 | -0.9 |
| HONDA | 3.7 | 5.9 | 5.2 | 5.0 | -0.9 | -0.2 |
| NISSAN | 4.4 | 5.1 | 4.2 | 4.4 | -0.7 | 0.2 |
| OTHER | 23.8 | 21.1 | 22.1 | 18.3 | -2.7 | -3.8 |
| LIGHT COMMERCIAL VEHICLE % | | | | | | |
| FORD | 30.5 | 31.0 | 29.9 | 39.0 | 8.0 | 9.1 |
| TOFAS | 25.1 | 21.1 | 24.0 | 16.8 | -4.3 | -7.3 |
| DOGUS OTOMOTİV | 11.9 | 12.7 | 14.2 | 10.0 | -2.7 | -4.1 |
| RENAULT | 10.0 | 9.4 | 9.1 | 9.1 | -0.3 | 0.0 |
| PEUGEOT | 4.5 | 3.9 | 2.6 | 6.6 | 2.7 | 4.0 |
| MERCEDES-BENZ | 3.9 | 5.9 | 6.2 | 6.1 | 0.1 | -0.2 |
| CITROEN | 3.5 | 3.4 | 3.0 | 2.5 | -0.9 | -0.5 |
| HYUNDAI | 1.3 | 1.1 | 0.6 | 1.6 | 0.5 | 0.9 |
| OTHER | 9.0 | 9.9 | 10.4 | 8.4 | -1.5 | -2.0 |
| LIGHT VEHICLE % | | | | | | |
| RENAULT | 18.7 | 18.6 | 18.5 | 19.1 | 0.4 | 0.6 |
| TOFAS | 12.8 | 11.7 | 11.5 | 16.4 | 4.7 | 4.8 |
| DOGUS OTOMOTİV | 18.9 | 18.1 | 19.6 | 15.7 | -2.4 | -3.9 |
| FORD | 11.6 | 10.5 | 10.6 | 11.4 | 0.9 | 0.9 |
| PEUGEOT | 4.2 | 4.9 | 4.1 | 5.5 | 0.6 | 1.5 |
| HYUNDAI | 5.5 | 5.4 | 6.1 | 5.4 | 0.0 | -0.7 |
| TOYOTA | 5.4 | 4.7 | 5.2 | 4.3 | -0.4 | -0.9 |
| HONDA | 2.8 | 4.6 | 4.0 | 3.9 | -0.8 | -0.1 |
| OTHER | 20.8 | 20.7 | 20.5 | 18.3 | -2.3 | -2.2 |

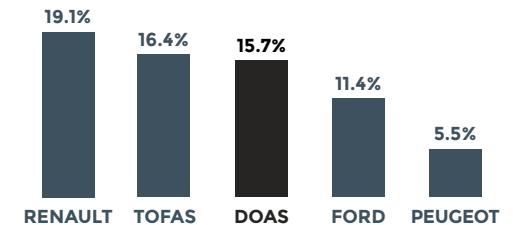
PV TOP 5 MARCH 19



LCV TOP 5 MARCH 19



LV TOP 5 MARCH 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

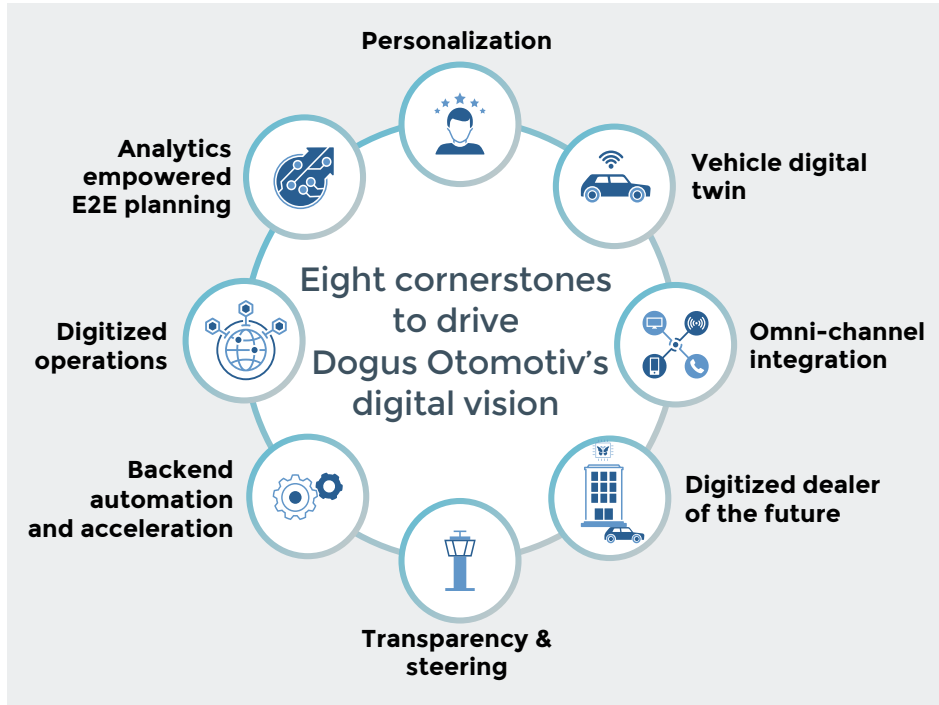
Investment Expenditure

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

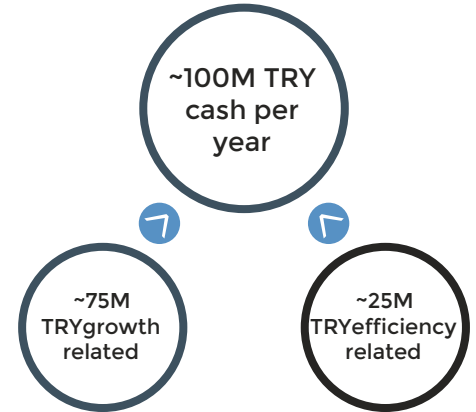
DIGITAL TRANSFORMATION STRATEGY OF DOAS

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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