

Investor Relations Presentation

Q2 2019 Results

Updated: August 2019



DOĞUŞ
GRUPO

25
YIL



DOĞUŞ
OYO



DOĞUŞ
ENERJİ

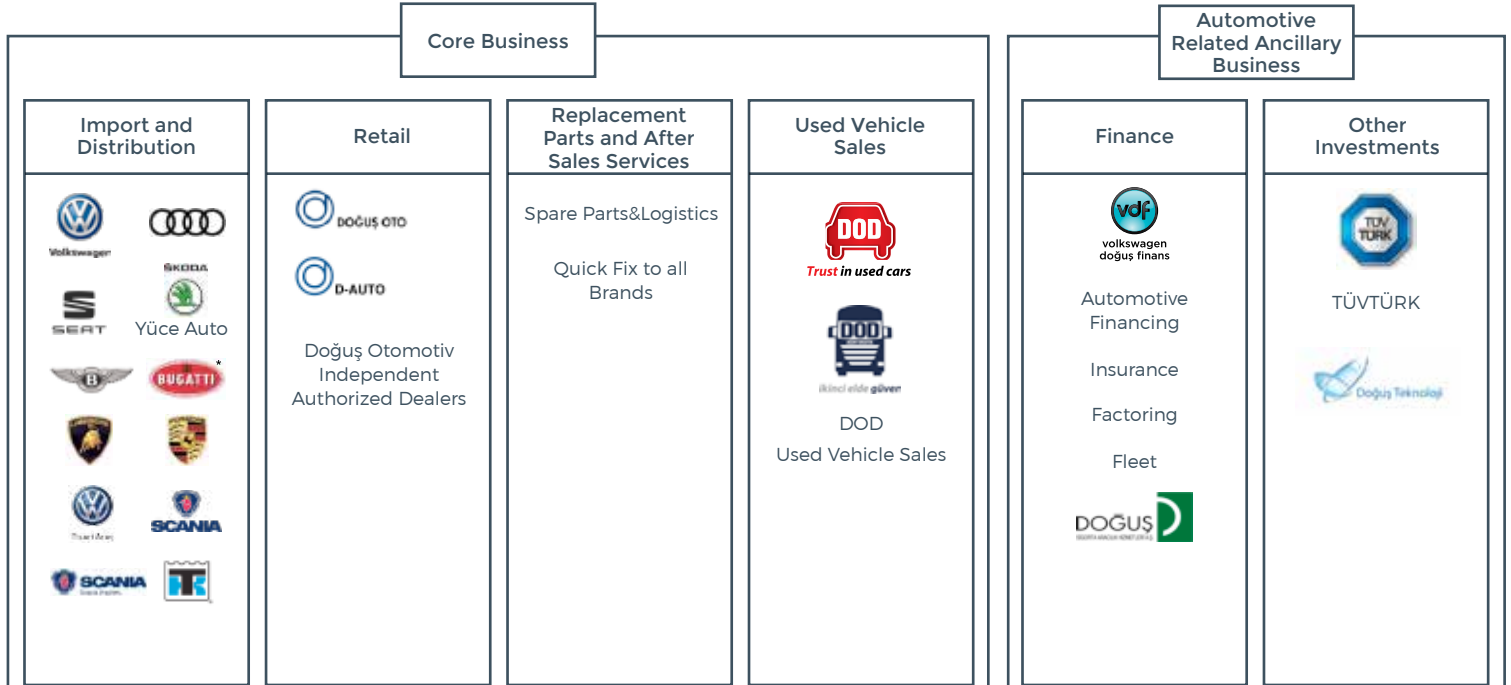


Agenda

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

Doğuş Otomotiv

Presence in every stage of the lifecycle of owning a vehicle



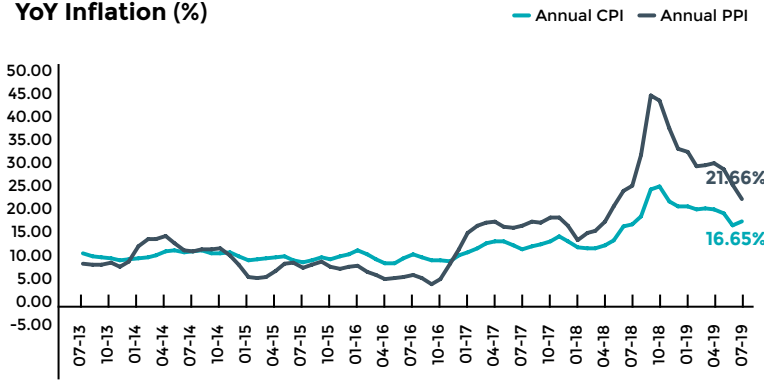
*Representative Offices

Macroeconomic Outlook

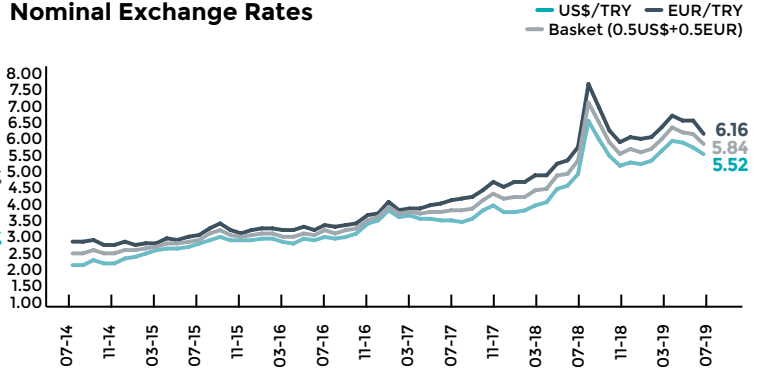


Macroeconomic Indicators

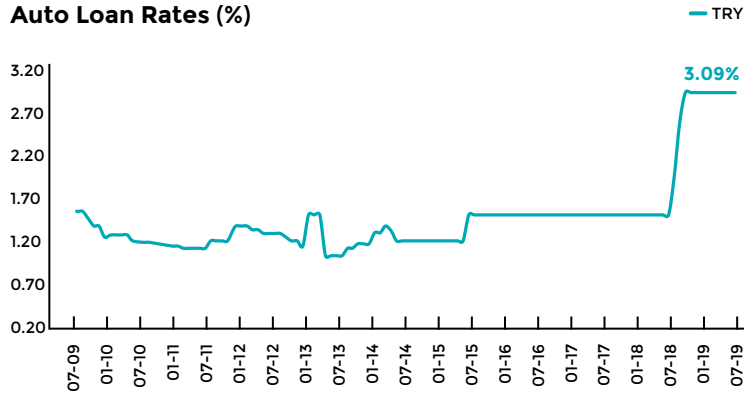
YoY Inflation (%)



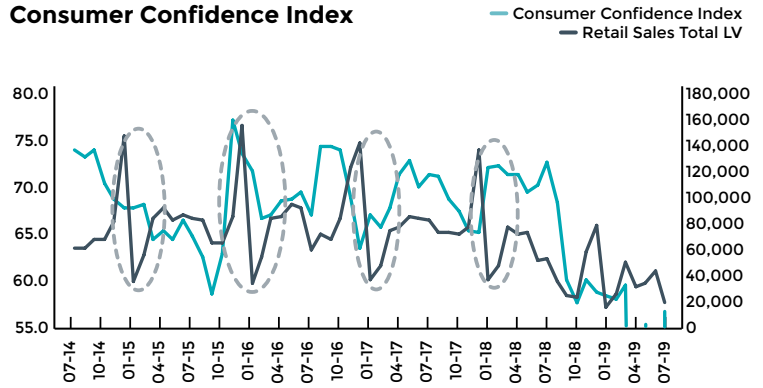
Nominal Exchange Rates



Auto Loan Rates (%)

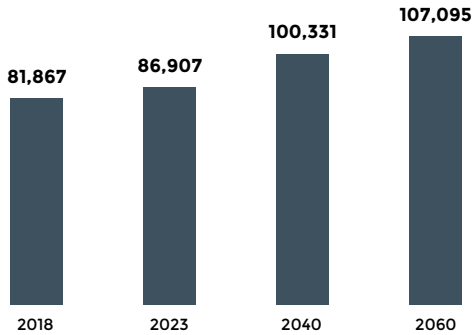


Consumer Confidence Index

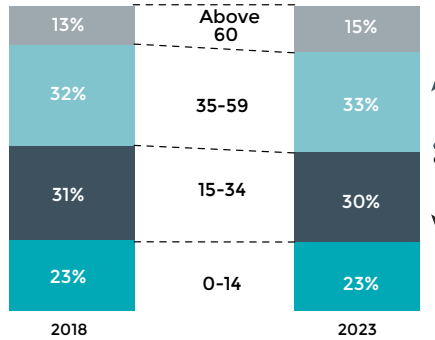


Population & Demography

Population Statistics ('000)

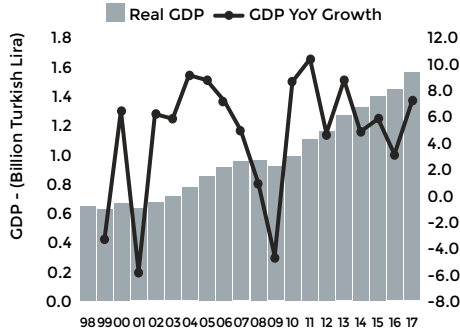


Age Demography

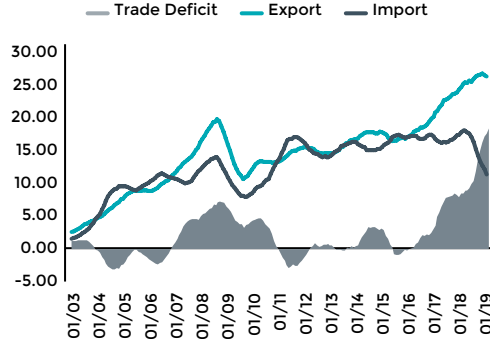


- Young population is a main driver in Turkey.
- Population is expected to grow above 10%.
- Over 50% of the population will be between the age group of 15 to 59 years by 2060.
- Median age is expected to increase by 9% by 2060.

Economy



Auto Industry Trade Balance (US\$ bn)



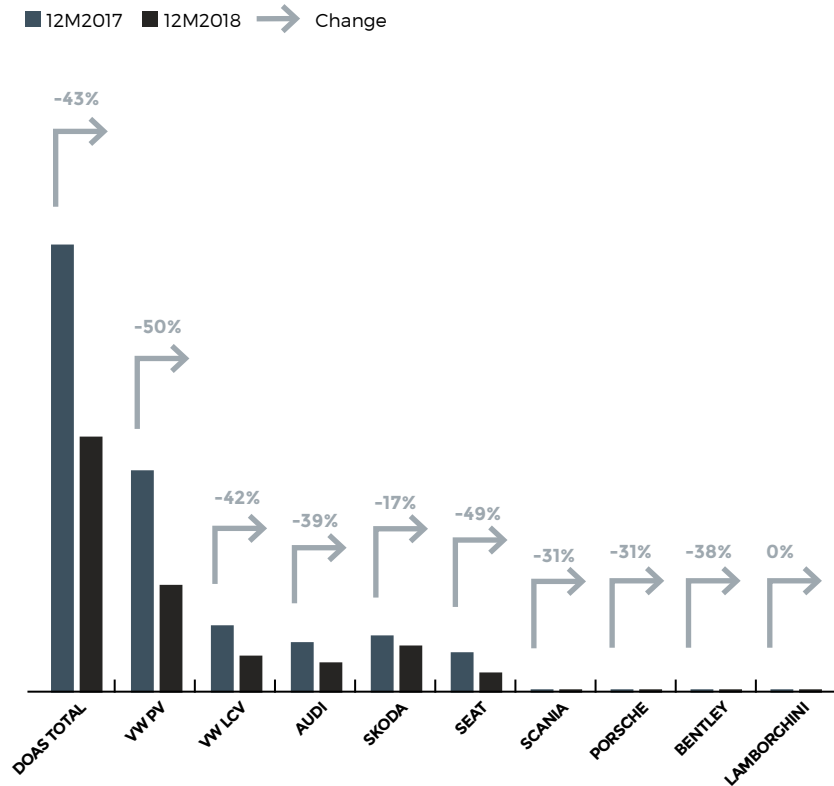
Note: All figures are rounded.
Source: TurkStat

Automotive Market



DOAS Wholesales Performance - December 2018

	12M2017	12M2018	Change
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%

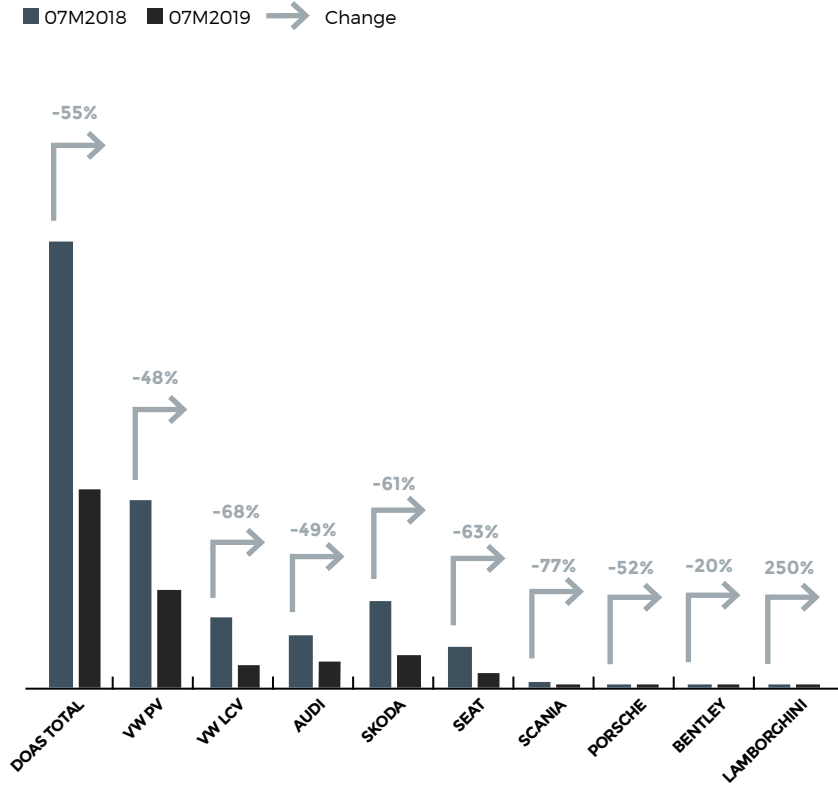


*Source: ADA

DOAS Wholesales Performance - July 2019

	07M2018	07M2019	Change
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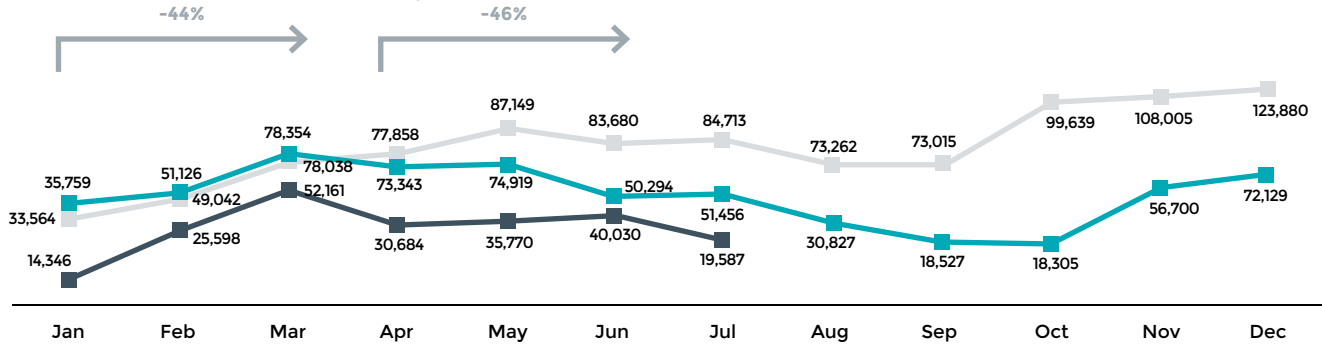
DOAS TOTAL	72,776	32,424	-55%
VW PV	30,623	16,008	-48%
VW LCV	11,457	3,720	-68%
AUDI	8,557	4,348	-49%
SKODA	14,134	5,491	-61%
SEAT	6,691	2,459	-63%
SCANIA	967	225	-77%
PORSCHE	340	162	-52%
BENTLEY	5	4	-20%
LAMBORGHINI	2	7	250%



*Source: ADA

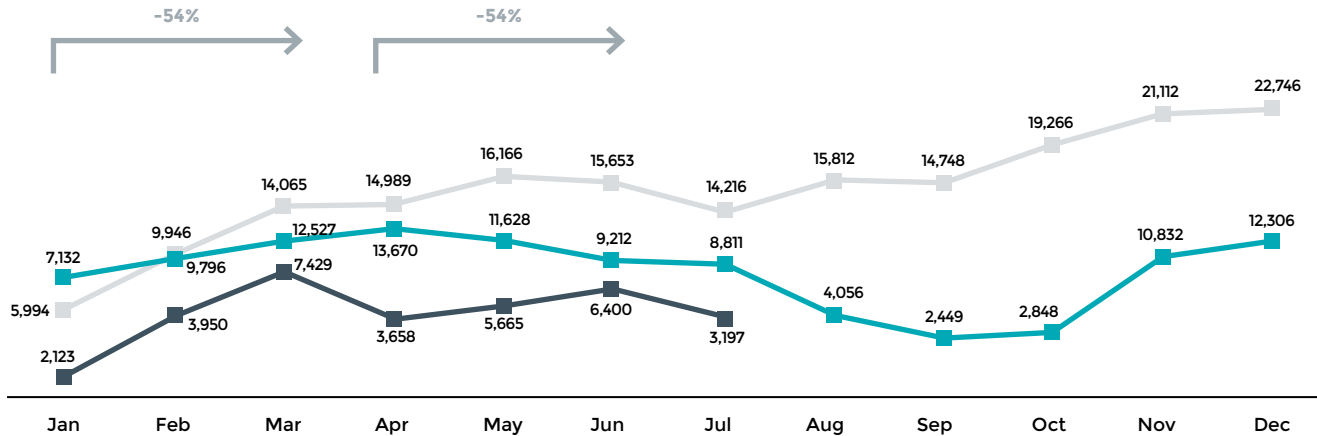
Wholesale Market Monthly Sales

2017 2018 2019



DOAS Monthly Sales

2017 2018 2019

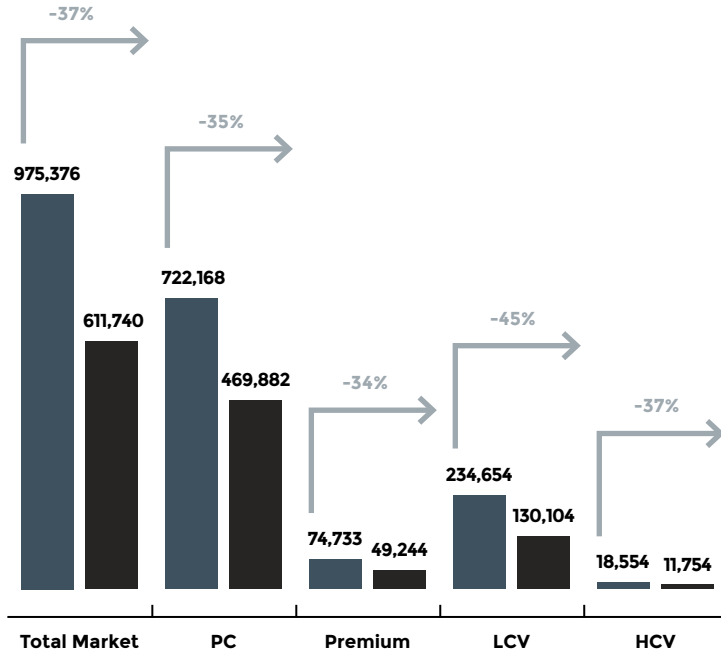


* Source: ADA. Skoda included.

Market Review - Wholesale - December 2018

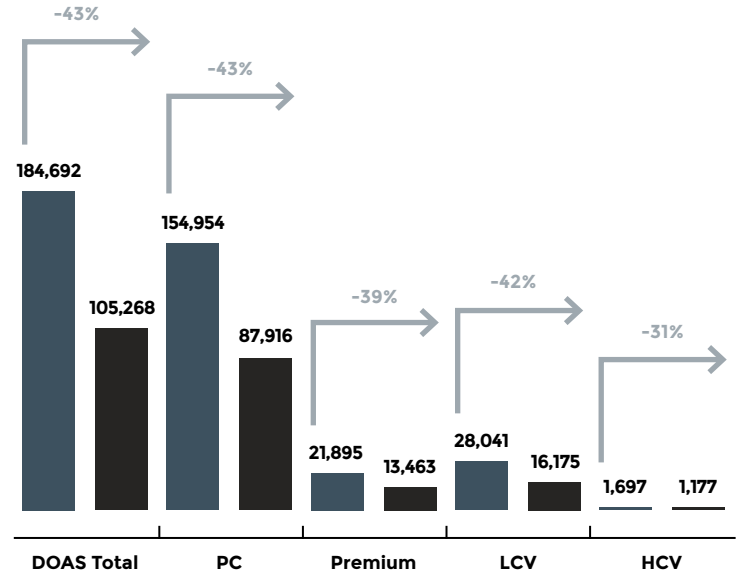
MARKET

■ Dec 2017 ■ Dec 2018 → Change



DOAS

■ Dec 2017 ■ Dec 2018 → Change

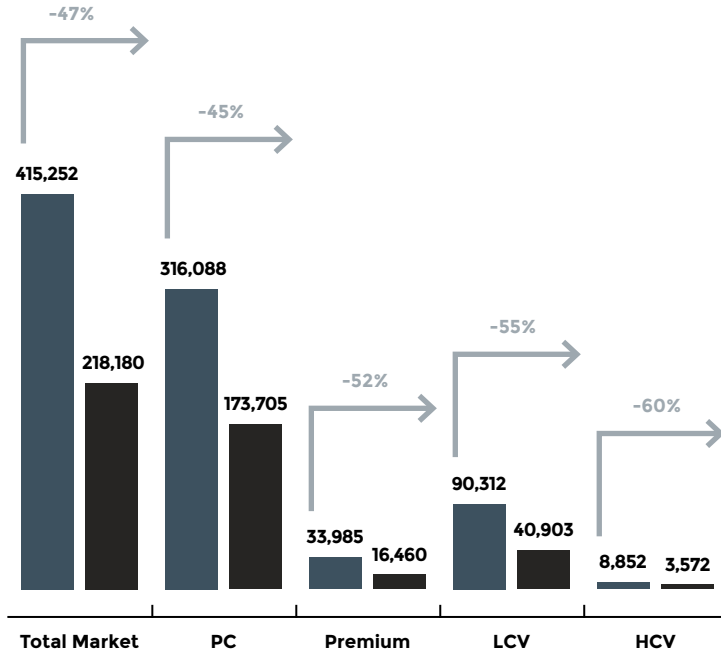


* Source: ADA. Skoda included.

Market Review - Wholesale - July 2019

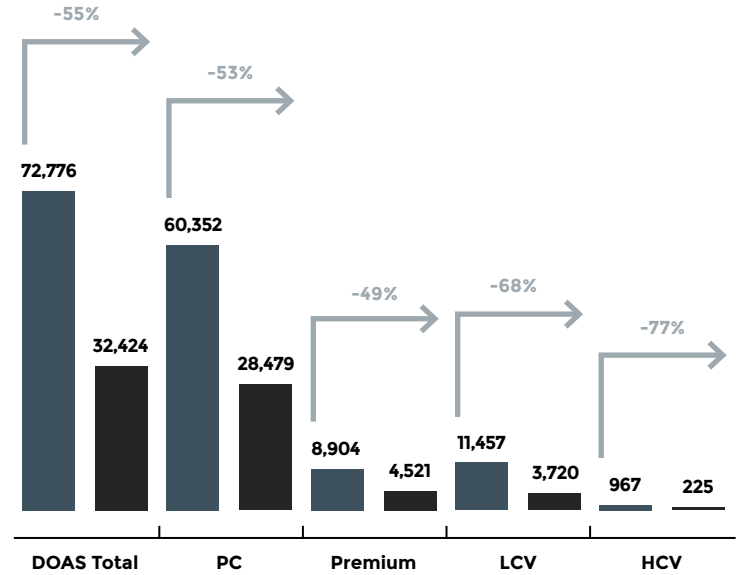
MARKET

■ Jul 2018 ■ Jul 2019 → Change



DOAS

■ Jul 2018 ■ Jul 2019 → Change



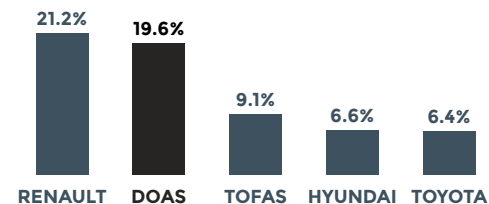
* Source: ADA. Skoda included.

Market Share - Retail - December 2018

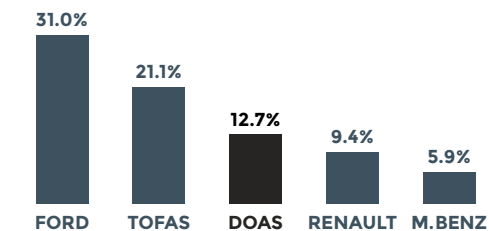
RETAIL MARKET	2016 YEAR END	2017 YEAR END	2018 YEAR END	2017 YEAR END/ 2016 YEAR END CHANGE	2018 YEAR END/ 2017 YEAR END CHANGE
PASSENGER VEHICLE %					
RENAULT	19.7	21.5	21.2	1.9	-0.3
DOGUS OTOMOTİV	23.0	21.1	19.6	-1.9	-1.5
TOFAS	7.3	8.9	9.1	1.6	0.3
HYUNDAI	6.5	6.8	6.6	0.3	-0.2
TOYOTA	6.2	5.6	6.4	-0.6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

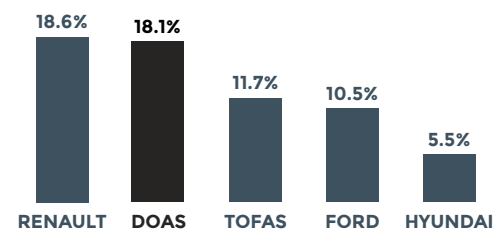
PV TOP 5 DECEMBER 18



LCV TOP 5 DECEMBER 18



LV TOP 5 DECEMBER 18

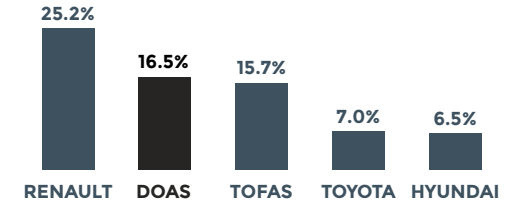


Market Share - Retail - July 2019

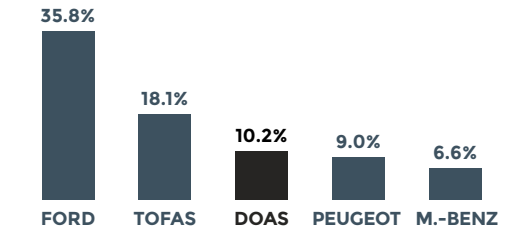
RETAIL MARKET	2017 YEAR END	2018 YEAR END	JUL 2018	JUL 2019	2018 YEAR END/ JUL 2019 CHANGE	JUL 2018/ JUL 2019 CHANGE
PASSENGER VEHICLE %						
RENAULT	25.9	26.3	26.0	25.2	-1.1	-0.8
DOGUS OTOMOTİV	21.1	19.6	19.9	16.5	-3.1	-3.4
TOFAS	8.9	9.1	8.6	15.7	6.6	7.1
TOYOTA	5.6	6.3	5.6	7.0	0.7	1.4
HYUNDAI	6.8	6.6	7.5	6.5	-0.1	-1.1
PEUGEOT	4.2	5.1	5.3	5.6	0.5	0.3
HONDA	3.7	5.9	5.2	5.4	-0.4	0.3
OPEL	6.2	4.3	4.5	3.9	-0.5	-0.7
OTHER	17.6	16.8	17.3	14.3	-2.5	-3.0
LIGHT COMMERCIAL VEHICLE %						
FORD	30.5	31.0	31.6	35.8	4.8	4.2
TOFAŞ	25.1	21.1	21.7	18.1	-3.0	-3.6
DOGUS OTOMOTİV	11.9	12.7	13.0	10.2	-2.5	-2.8
RENAULT	11.2	10.7	10.1	9.0	-1.7	-1.1
PEUGEOT	4.5	3.9	3.2	6.6	2.7	3.4
MERCEDES-BENZ	3.9	5.9	6.1	5.7	-0.2	-0.4
CITROEN	3.5	3.4	3.5	3.7	0.2	0.1
MITSUBISHI	1.7	2.7	2.6	2.2	-0.5	-0.4
OTHER	7.8	8.6	8.2	8.7	0.1	0.5
LIGHT VEHICLE %						
RENAULT	22.3	22.9	22.5	22.1	-0.8	-0.4
TOFAŞ	12.8	11.7	11.5	16.2	4.4	4.7
DOGUS OTOMOTİV	18.9	18.1	18.4	15.3	-2.8	-3.1
FORD	11.6	10.5	10.9	9.7	-0.8	-1.2
TOYOTA	4.7	5.5	4.9	5.9	0.4	1.0
PEUGEOT	4.2	4.9	4.8	5.8	0.9	1.0
HYUNDAI	5.5	5.4	6.1	5.5	0.1	-0.6
HONDA	2.8	4.6	4.1	4.4	-0.2	0.3
OTHER	17.1	16.4	16.7	15.2	-1.2	-1.5

*Source: ADA. Skoda included.

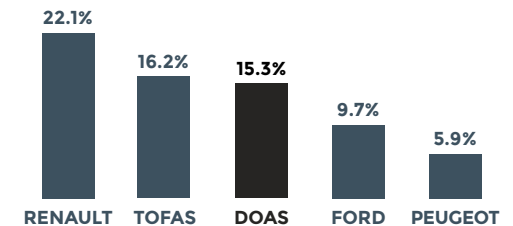
PV TOP 5 JULY 19



LCV TOP 5 JULY 19



LV TOP 5 JULY 19



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	30 Jun 19	30 Jun 18	Change (%)
Revenue	3.966	5.769	-31%
Gross Profit	550	649	-15%
Operational Expenses	-349	-347	1%
Selling and Marketing Expenses	-88	-141	-38%
General Administrative Expenses	-214	-194	11%
Warranty Expenses, net	-66	-45	46%
Other Operating Expenses, net	19	34	-44%
EBITDA	267	341	-22%
EBIT	200	302	-34%
Net Profit	-44	138	-132%

Margins	30 Jun 19	30 Jun 18	Change (%)
Gross Margin	13,9%	11,2%	23%
Opex/Sales	8,8%	6,0%	46%
EBITDA Margin	6,7%	5,9%	14%
EBIT Margin	5,1%	5,2%	-3%
Net Profit Margin	-1,1%	2,4%	-146%

Consolidated Income Statement

(TL '000)	30 Jun 19	Vertical Analysis	30 Jun 18	Vertical Analysis	Change (%)
Revenue	3.966.464		5.769.345		-31%
Direct cost of revenue	-3.416.601	-86%	-5.120.407	-89%	-33%
Gross profit	549.863	14%	648.938	11%	-15%
Selling, marketing and distribution expenses	-87.592	-2%	-141.386	-2%	-38%
SG&A Expenses	-214.326	-5%	-193.779	-3%	11%
Warranty expenses	-66.194	-2%	-45.456	-1%	46%
Other operating incomes/losses, net	18.712	0%	33.637	1%	-44%
Results from operating activities	200.463	5%	301.954	5%	-34%
Income Loss from Investing Activities	36.542		12.543		
Income Loss from Associates	20.822	1%	48.993	1%	-58%
Financial incomes/costs, net	-319.248		-196.985		62%
Profit before income tax	-61.421	-2%	166.505	3%	-137%
Tax expense	17.785		-29.222		161%
Profit for the year	-43.636	-1%	137.531	2%	-132%

	Passenger Segment	Commercial Segment	Other Segment	Total
Revenue from external customers	2.630.103	562.578	773.783	3.966.464
Cost of sales	-2.391.847	-495.222	-528.181	-3.415.250
Gross Profit	238.256	67.356	245.602	551.214
Gross Profit Margin	9,1%	12,0%	31,7%	13,9%

Income/Loss from Associates	30 Jun 19 Cumulative	30 Jun 18 Cumulative
VDF Group	-36.121	15.801
VDF	-43.389	8.743
VDF Servis Holding	7.268	7.058
Doğuş Sigorta	532	1.171
SKODA (Yüce Oto)	2.316	14.632
TÜVTURK Group	53.604	18.441
Meiller-Doğuş	0	0
Doğuş Technology	491	-1.245
Grand Total	20.822	48.800

Financing Costs

(mn TL)	30 Jun 19	30 Jun 18	Change (%)
Financing Costs, net	319,25	196,99	62%
Finance expenses	295,70	197,69	50%
Interest expense on borrowings	264,80	187,19	41%
Commission expenses on letters of guarantee	20,95	6,87	205%
Other financial expenses	9,95	3,63	174%
Foreign Exchange gain/loss, net	59,02	5,85	-
Interest on Lease Liability	13,82	-	-
Finance income, net	49,29	6,56	652%

Consolidated Balance Sheet

(TL '000)	30 Jun 19	31 Dec 18
ASSETS	5.093.472	4.798.662
Cash and cash equivalents	493.094	365.892
Trade receivables	770.256	643.538
Inventories	1.542.994	1.365.896
Tangible and intangible non-current assets	980.037	1.017.732
Financial Investments	573.486	567.259
Investments in equity accounted investees	366.947	374.659
Right of Use Asset	129.265	-
Other	237.393	463.686
LIABILITIES	3.823.157	3.490.790
Financial liabilities	2.678.184	2.710.665
Trade payables	954.228	554.172
Provisions	109.283	107.262
Other	81.462	118.691
EQUITY	1.270.315	1.307.872

Financial Liabilities:

- Use of financing was realized as expected at TRY 2.6B.

Investments in Equity Accounted Investees	30 Jun 19	31 Dec 18
Associates		
Doğuş Sigorta	36.808	35.921
vdf Group	181.918	218.039
VDF	93.056	85.788
VDF Servis Holding	88.862	132.251
Yüce Auto (Škoda)	20.371	25.937
Doğuş Technology	26.030	3.373
Joint Ventures		
TÜVTURK North - South (Consolidated)	101.821	91.390
Meiller-Doğuş	0	0
Total	366.947	374.659

Provisions	30 Jun 19	31 Dec 18
Warranty provisions	35.700	40.362
Legal provisions	30.261	27.748
Provision for unused vacation	43.322	39.152
Other provisions	0	0
Total	109.283	107.262

Consolidated Balance Sheet

(Balance Sheet mn,TL)	30 Jun 19	31 Dec 18	Change (%)
Total Assets	5.093	4.799	6%
Total Equity	1.270	1.308	-3%
Net working capital	-722	-830	13%
Net cash position	-2.244	-2.403	7%
Receivable Turnover (day)	35	22	61%
Inventory Turnover (day)	82	53	55%
Payable Turnover (day)	51	22	137%
Net Debt/EBITDA	4,1	3,8	7%

(Balance Sheet mn,TL)	30 Jun 19	31 Dec 18	Change (%)
CAPEX	12	179	-93%
ROA	-0,9%	2,8%	-131%
ROE	-3,4%	10,3%	-133%

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

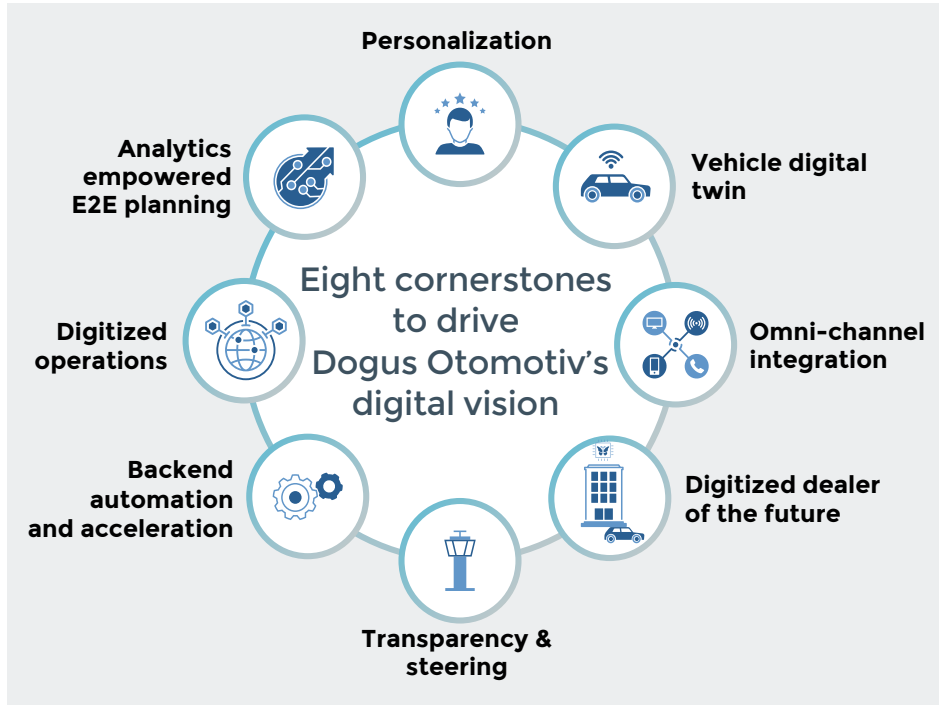
Investment Expenditure

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

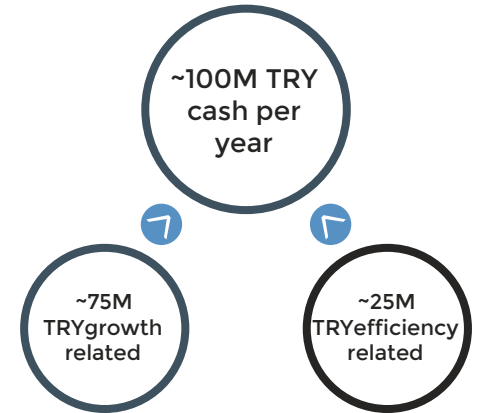
DIGITAL TRANSFORMATION STRATEGY OF DOAS

Dogus Otomotiv Road Map for Digital Vision



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

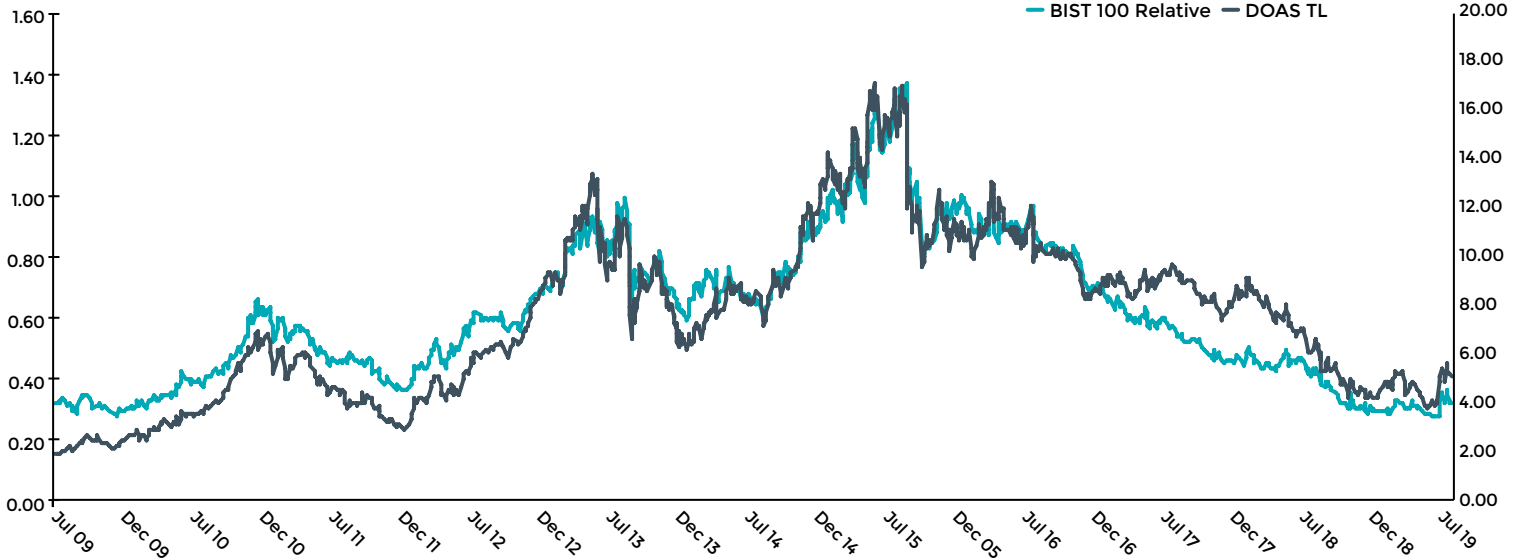
Impact of all 44 solutions



~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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