

# Investor Relations Presentation

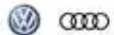
## Q3 2019 Results

Updated: January 2020



**DOĞUŞ**  
GRUPLARI

25  
YIL



**DOĞUŞ**  
OYO

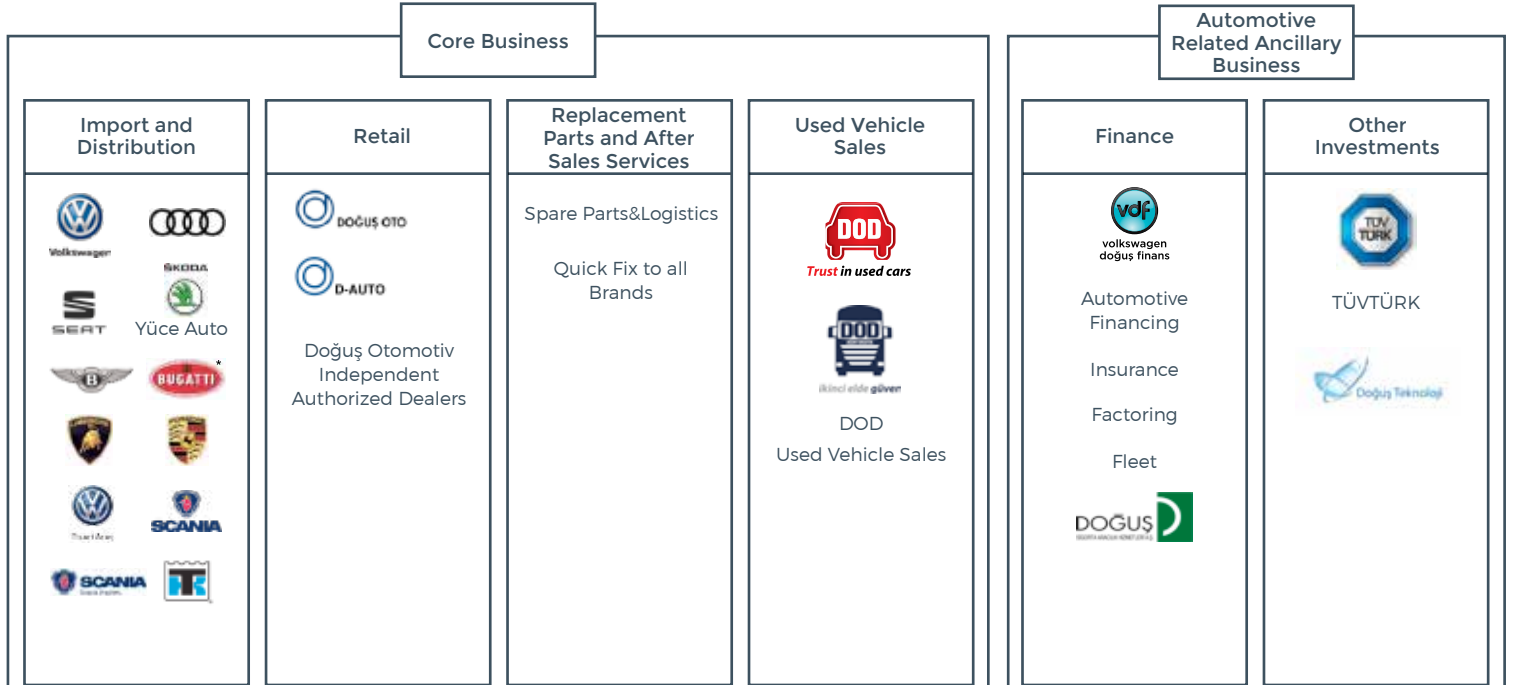


# Agenda

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

# Doğuş Otomotiv

Presence in every stage of the lifecycle of owning a vehicle



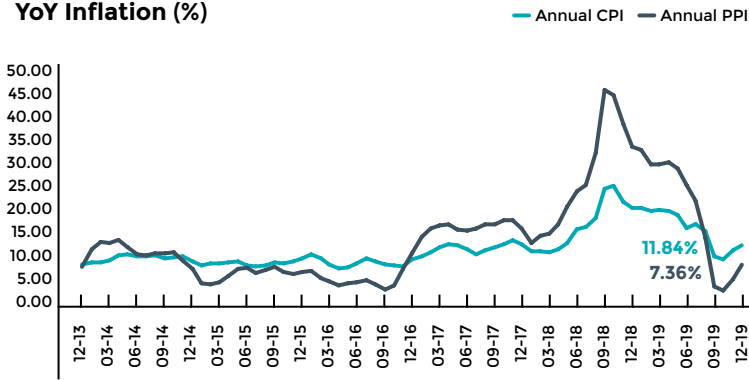
\*Representative Offices

# Macroeconomic Outlook

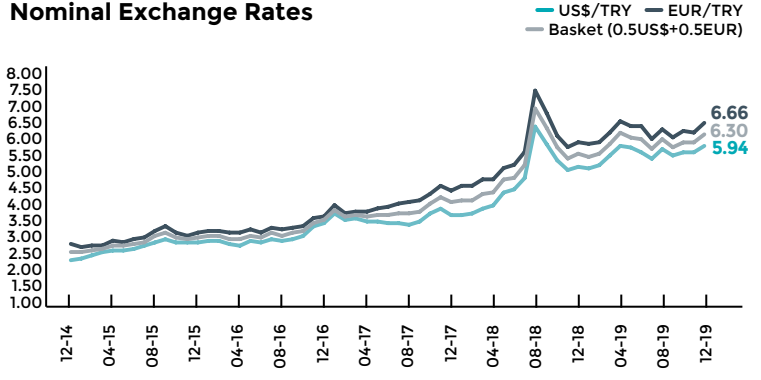


# Macroeconomic Indicators

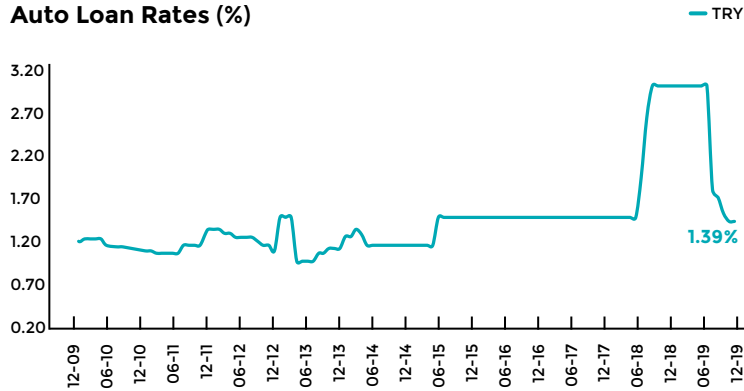
## YoY Inflation (%)



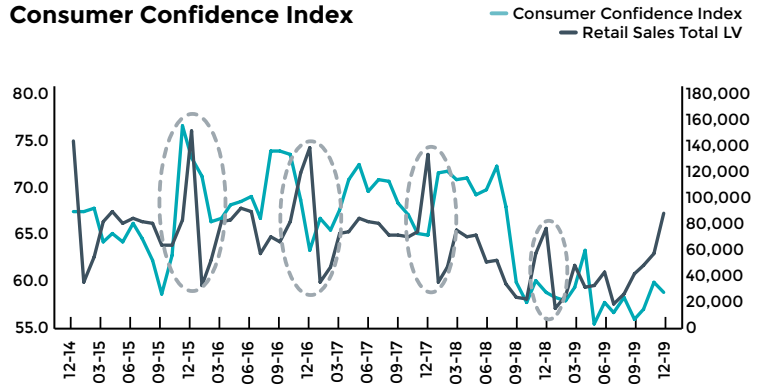
## Nominal Exchange Rates



## Auto Loan Rates (%)

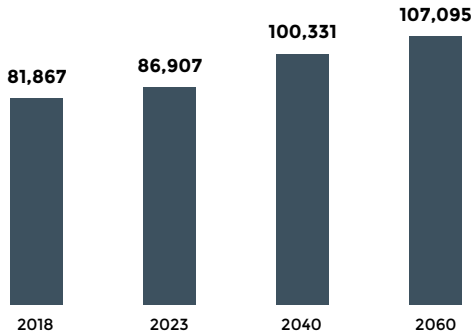


## Consumer Confidence Index

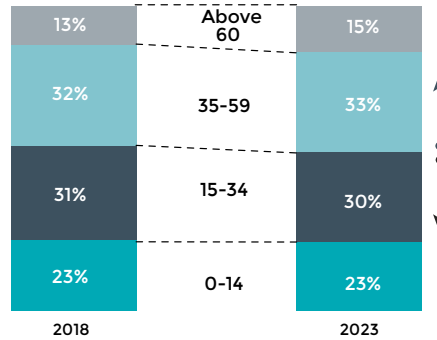


# Population & Demography

## Population Statistics ('000)

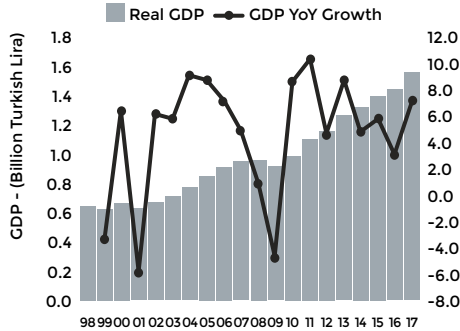


## Age Demography

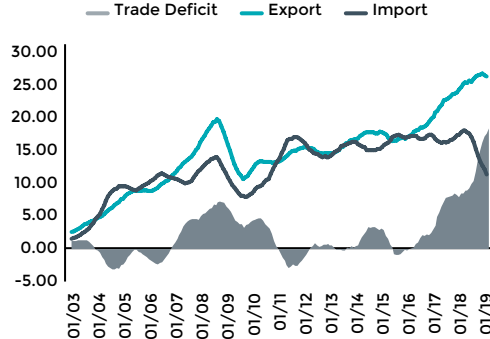


- Young population is a main driver in Turkey.
- Population is expected to grow above 10%.
- Over 50% of the population will be between the age group of 15 to 59 years by 2060.
- Median age is expected to increase by 9% by 2060.

## Economy



## Auto Industry Trade Balance (US\$ bn)



Note: All figures are rounded.  
Source: TurkStat

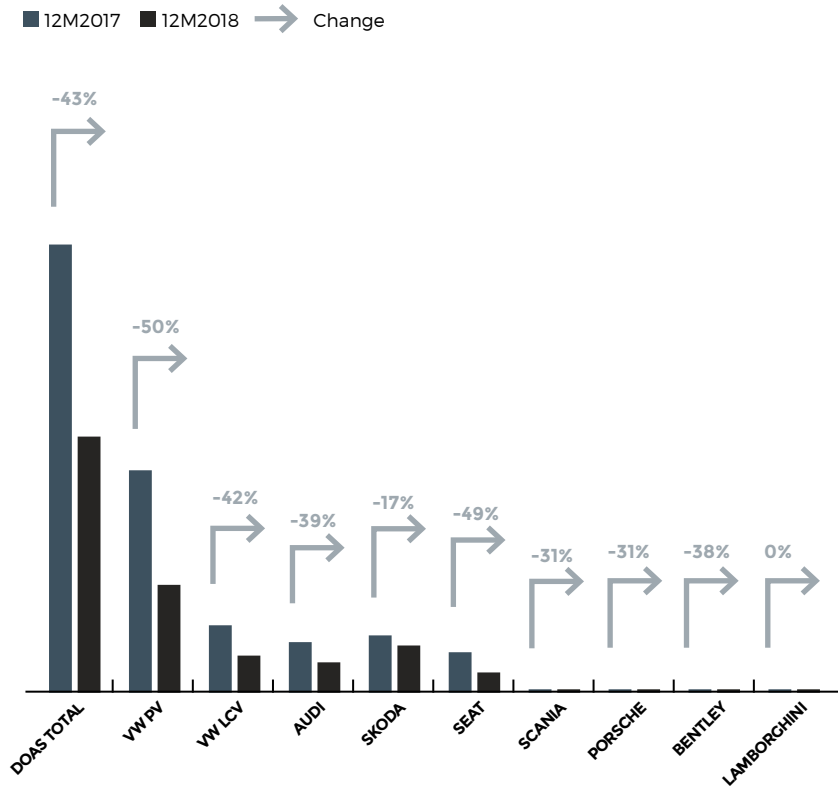
# Automotive Market



# DOAS Wholesales Performance - December 2018

	12M2017	12M2018	Change
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<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%



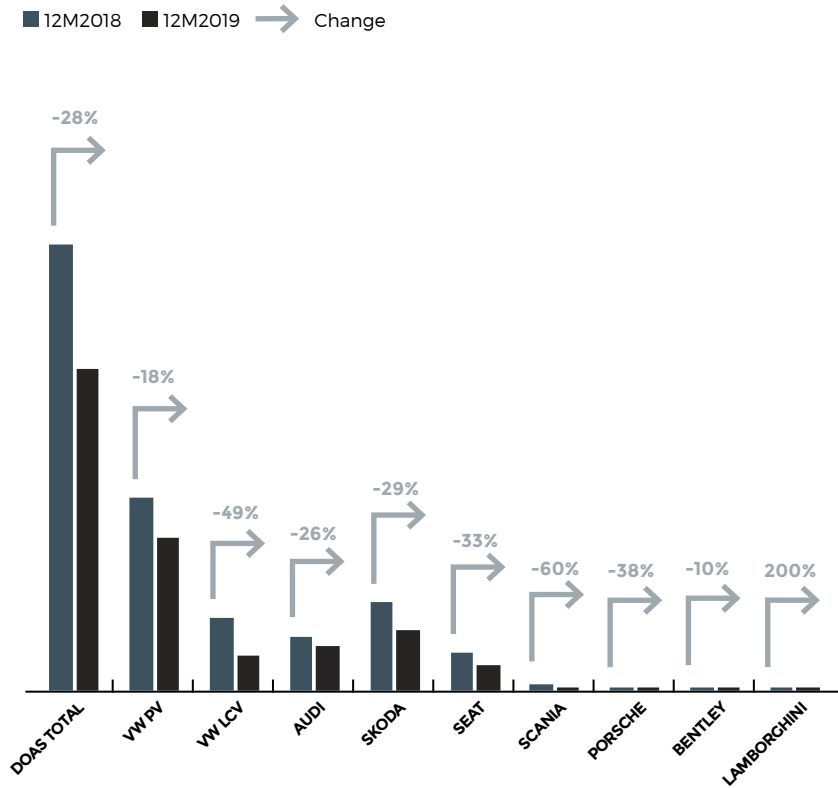
\*Source: ADA



# DOAS Wholesales Performance - December 2019

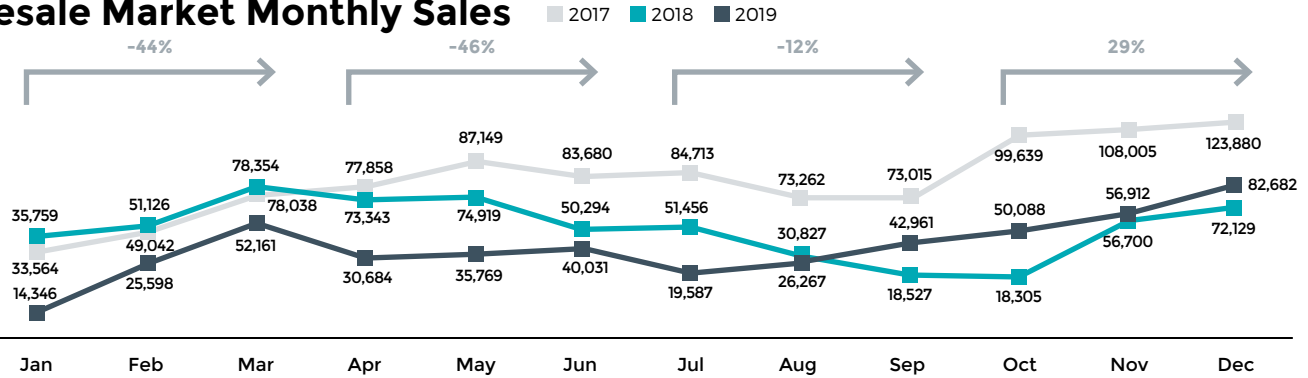
	12M2018	12M2019	Change
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<b>DOAS TOTAL</b>	<b>105,268</b>	<b>76,004</b>	<b>-28%</b>
VW PV	45,388	37,029	-18%
VW LCV	16,175	8,253	-49%
AUDI	12,969	9,576	-26%
SKODA	20,425	14,600	-29%
SEAT	8,640	5,765	-33%
SCANIA	1,177	465	-60%
PORSCHE	481	298	-38%
BENTLEY	10	9	-10%
LAMBORGHINI	3	9	200%

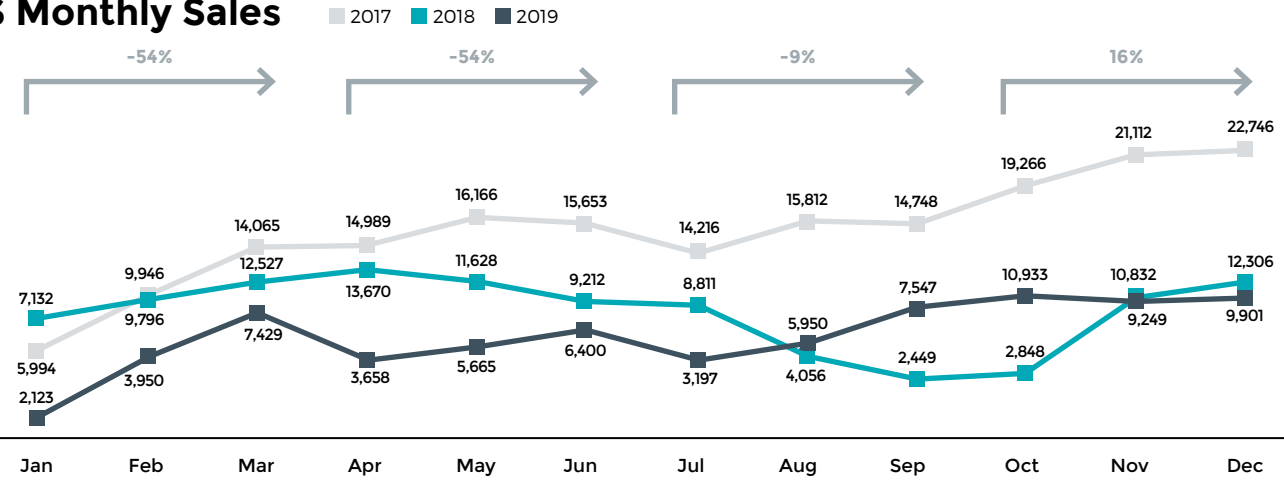


\*Source: ADA

# Wholesale Market Monthly Sales



# DOAS Monthly Sales

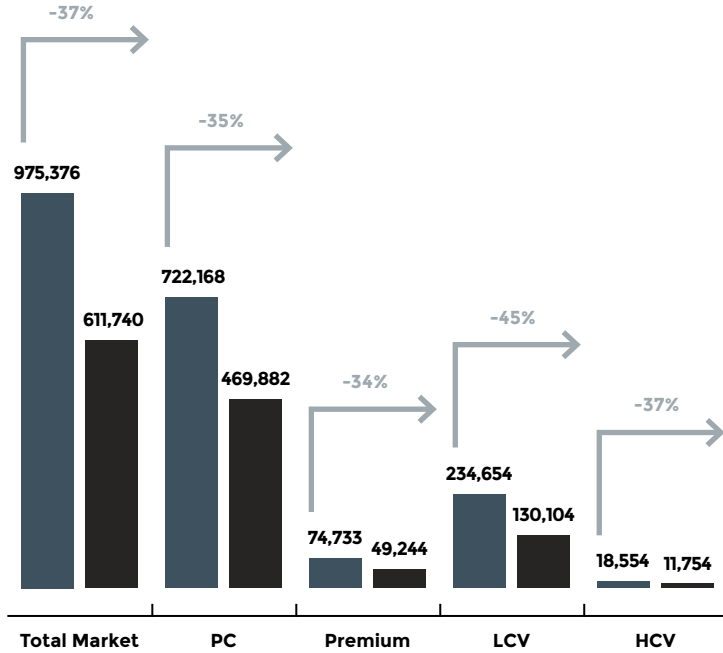


\* Source: ADA. Skoda included.

# Market Review - Wholesale - December 2018

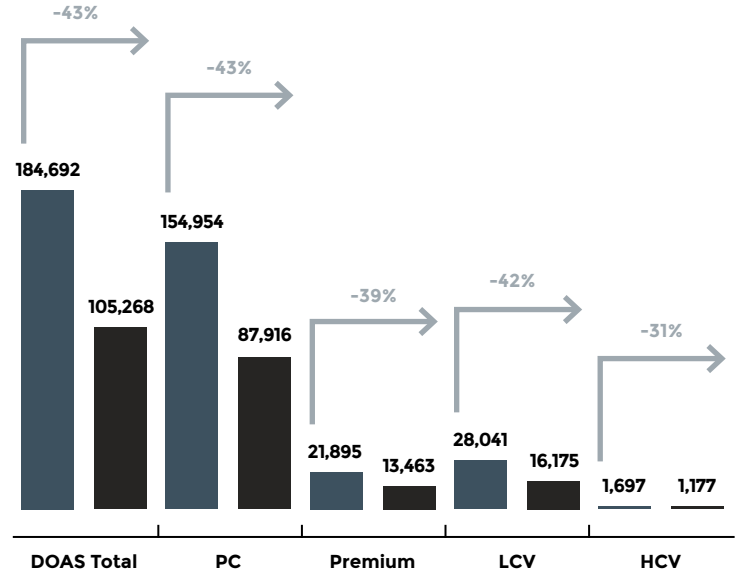
## MARKET

■ Dec 2017 ■ Dec 2018 → Change



## DOAS

■ Dec 2017 ■ Dec 2018 → Change

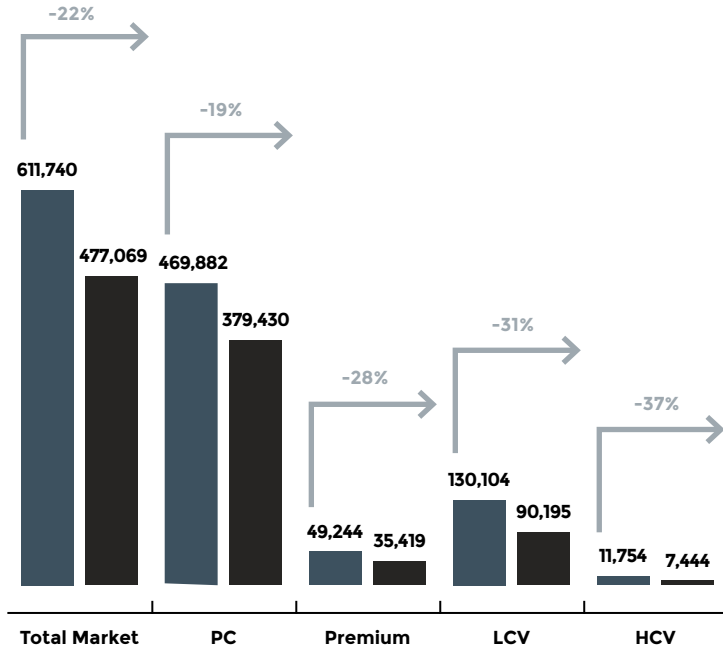


\* Source: ADA. Skoda included.

# Market Review - Wholesale - December 2019

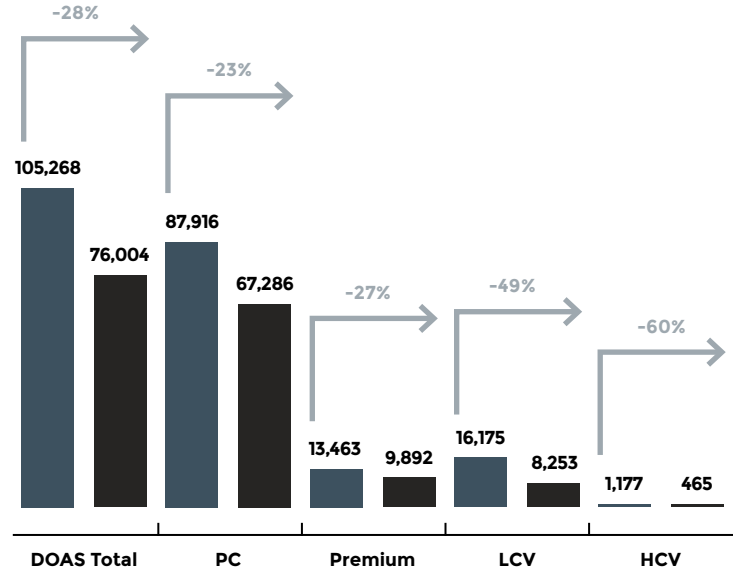
## MARKET

■ Dec 2018 ■ Dec 2019 → Change



## DOAS

■ Dec 2018 ■ Dec 2019 → Change



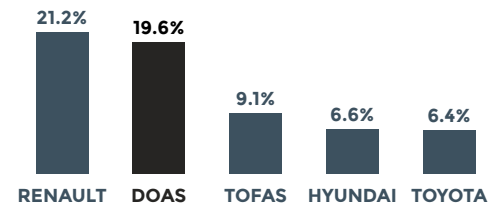
\* Source: ADA. Skoda included.

# Market Share - Retail - December 2018

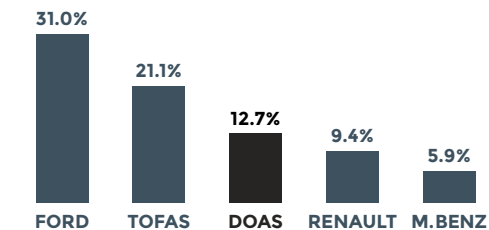
RETAIL MARKET	2016 YEAR END	2017 YEAR END	2018 YEAR END	2017 YEAR END/ 2016 YEAR END CHANGE	2018 YEAR END/ 2017 YEAR END CHANGE
<b>PASSENGER VEHICLE %</b>					
RENAULT	19.7	21.5	21.2	1.9	-0.3
DOGUS OTOMOTİV	23.0	21.1	19.6	-1.9	-1.5
TOFAS	7.3	8.9	9.1	1.6	0.3
HYUNDAI	6.5	6.8	6.6	0.3	-0.2
TOYOTA	6.2	5.6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

\*Source: ADA. Skoda included.

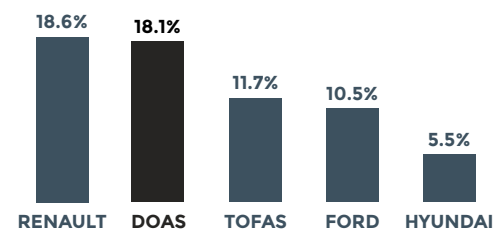
## PV TOP 5 DECEMBER 18



## LCV TOP 5 DECEMBER 18



## LV TOP 5 DECEMBER 18

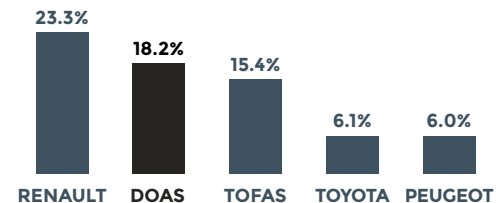


# Market Share - Retail - December 2019

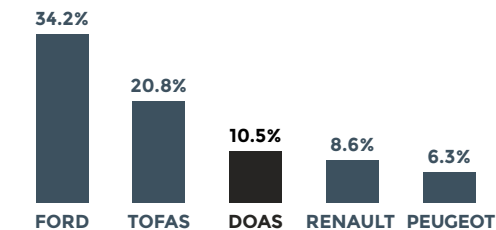
RETAIL MARKET	2017 YEAR END	2018 YEAR END	DEC 2018	DEC 2019	2018 YEAR END/ DEC 2019 CHANGE	DEC 2018/ DEC 2019 CHANGE
<b>PASSENGER VEHICLE %</b>						
RENAULT GRUP	25.9	26.3	26.3	23.3	-3.0	-3.0
DOGUS OTOMOTİV	21.1	19.6	19.6	18.2	-1.4	-1.4
TOFAS	8.9	9.1	9.1	15.4	6.3	6.3
TOYOTA	5.6	6.3	6.4	6.1	-0.3	-0.3
PEUGEOT	4.2	5.1	5.1	6.0	0.8	0.8
HYUNDAI	6.8	6.6	6.6	5.9	-0.7	-0.7
HONDA	3.7	5.9	5.9	5.3	-0.6	-0.6
OPEL	6.2	4.3	4.3	4.3	0.0	0.0
OTHER	17.6	16.8	16.8	15.7	-1.1	-1.1
<b>LIGHT COMMERCIAL VEHICLE %</b>						
FORD	30.5	31.0	31.0	34.2	3.3	3.3
TOFAS	25.1	21.1	21.1	20.8	-0.3	-0.3
DOGUS OTOMOTİV	11.9	12.7	12.7	10.5	-2.2	-2.2
RENAULT GRUP	11.2	10.7	10.7	8.6	-2.1	-2.1
PEUGEOT	4.5	3.9	3.9	6.3	2.4	2.4
MERCEDES-BENZ	3.9	5.9	5.9	5.5	-0.4	-0.4
CITROEN	3.5	3.4	3.4	3.5	0.1	0.1
MITSUBISHI	1.7	2.7	2.7	2.1	-0.7	-0.7
OTHER	7.8	8.6	8.6	8.5	-0.1	-0.1
<b>LIGHT VEHICLE %</b>						
RENAULT GRUP	22.3	22.9	22.9	20.5	-2.4	-2.4
DOGUS OTOMOTİV	18.9	18.1	18.1	16.7	-1.4	-1.4
TOFAS	12.8	11.7	11.7	16.4	4.7	4.7
FORD	11.6	10.5	10.5	9.8	-0.7	-0.7
PEUGEOT	4.2	4.9	4.9	6.0	1.2	1.2
TOYOTA	4.7	5.5	5.5	5.1	-0.4	-0.4
HYUNDAI	5.5	5.4	5.4	5.0	-0.4	-0.4
HONDA	2.8	4.6	4.6	4.3	-0.4	-0.4
OTHER	17.1	16.4	16.4	16.2	-0.2	-0.2

\*Source: ADA. Skoda included.

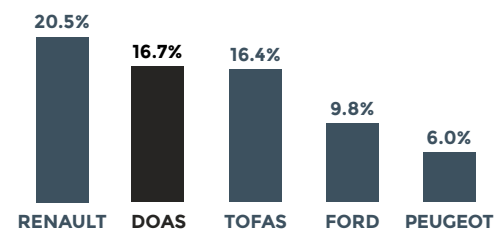
## PV TOP 5 DECEMBER 19



## LCV TOP 5 DECEMBER 19



## LV TOP 5 DECEMBER 19



# Financial Performance



# Consolidated Income Statement

(TL mn, CMB)	30-Sep-19	30-Sep-18	Change (%)
Revenue	6,122	7,768	-21%
Gross Profit	858	941	-9%
Operational Expenses	-572	-457	25%
Selling and Marketing Expenses	-140	-209	-33%
General Administrative Expenses	-322	-291	11%
Warranty Expenses, net	-103	-66	56%
Other Operating Expenses, net	-7	109	-106%
EBITDA	382	545	-30%
EBIT	285	484	-41%
Net Profit	-2	130	-102%

Margins	30-Sep-19	30-Sep-18	Change (%)
Gross Margin	14.0%	12.1%	16%
Opex/Sales	9.3%	5.9%	59%
EBITDA Margin	6.2%	7.0%	-11%
EBIT Margin	4.7%	6.2%	-25%
Net Profit Margin	0.0%	1.7%	-102%



# Consolidated Income Statement

(TL '000)	30-Sep-19	Vertical Analysis	30-Sep-18	Vertical Analysis	Change (%)
Revenue	6,122,254		7,767,988		-21%
Direct cost of revenue	-5,264,453	-86%	-6,826,625	-88%	-23%
<b>Gross profit</b>	<b>857,801</b>	<b>14%</b>	<b>941,363</b>	<b>12%</b>	<b>-9%</b>
Selling, marketing and distribution expenses	-139,955	-2%	-208,749	-3%	-33%
SG&A Expenses	-322,387	-5%	-290,857	-4%	11%
Warranty expenses	-103,396	-2%	-66,125	-1%	56%
Other operating incomes/losses, net	-6,594	0%	108,635	1%	-106%
<b>Results from operating activities</b>	<b>285,469</b>	<b>5%</b>	<b>484,267</b>	<b>6%</b>	<b>-41%</b>
Income Loss from Investing Activities	41,134		20,387		
<b>Income Loss from Associates</b>	<b>82,542</b>	<b>1%</b>	<b>19,255</b>	<b>0%</b>	<b>329%</b>
Financial incomes/costs, net	-434,882		-357,636		22%
<b>Profit before income tax</b>	<b>-25,737</b>	<b>0%</b>	<b>166,273</b>	<b>2%</b>	<b>-115%</b>
Tax expense	23,512		-37,678		-162%
<b>Profit for the year</b>	<b>-2,225</b>	<b>0%</b>	<b>130,411</b>	<b>2%</b>	<b>-102%</b>

	Passenger Segment	Commercial Segment	Other Segment	Total
Revenue from external customers	4,165,850	764,734	1,191,670	6,122,254
Cost of sales	-3,777,252	-679,401	-806,852	-5,263,505
<b>Gross Profit</b>	<b>388,598</b>	<b>85,333</b>	<b>384,818</b>	<b>858,749</b>
Gross Profit Margin	9.3%	11.2%	32.3%	14.0%

Income/Loss from Associates	30 Sep 19 Cumulative	30 Sep 18 Cumulative
VDF Group	-12,241	-19,532
VDF	-33,777	-7,070
VDF Servis Holding	21,536	-12,462
Doğuş Sigorta	357	1,856
SKODA (Yüce Oto)	4,049	13,429
TÜVTURK Group	88,419	26,714
Meiller-Doğuş	0	0
Doğuş Technology	1,958	-3,212
<b>Grand Total</b>	<b>82,542</b>	<b>19,255</b>

# Financing Costs

(mn TL)	30-Sep-19	30-Sep-18	Change (%)
Financing Costs, net	434.88	357.64	22%
Finance expenses	455.90	337.87	35%
Interest expense on borrowings	392.78	319.41	23%
Commission expenses on letters of guarantee	36.95	13.66	171%
Other financial expenses	26.18	4.80	445%
Foreign Exchange gain/loss, net	16.11	30.47	-
Interest on Lease Liability	21.13	-	-
Finance income, net	58.26	10.71	444%

# Consolidated Balance Sheet

(TL '000)	30-Sep-19	31-Dec-18
<b>ASSETS</b>	<b>5,321,805</b>	<b>4,798,662</b>
Cash and cash equivalents	772,214	365,892
Trade receivables	621,758	643,538
Inventories	1,580,494	1,365,896
Tangible and intangible non-current assets	964,133	1,017,732
Financial Investments	589,522	567,259
Investments in equity accounted investees	429,677	374,659
Right of Use Asset	118,160	-
Other	245,847	463,686
<b>LIABILITIES</b>	<b>3,995,819</b>	<b>3,490,790</b>
Financial liabilities	2,785,538	2,710,665
Trade payables	972,706	554,172
Provisions	111,202	107,262
Other	126,373	118,691
<b>EQUITY</b>	<b>1,325,986</b>	<b>1,307,872</b>

## Inventories:

- Number of vehicles remained parallel at 12.259 units (30.09.2019) compared to 8.484 units as of 31.12.2018.

## Financial Liabilities:

- Use of financing was realized as expected at TRY 2.8B.

Investments in Equity Accounted Investees	30 Sep 19	31 Dec 18
<b>Associates</b>		
Doğuş Sigorta	37,546	35,921
vdf Group	205,798	218,039
VDF	107,324	85,788
VDF Servis Holding	98,474	132,251
Yüce Auto (Škoda)	22,104	25,937
Doğuş Technology	27,594	3,373
<b>Joint Ventures</b>		
TÜVTURK North - South (Consolidated)	136,636	91,390
Meiller-Doğuş	0	0
<b>Total</b>	<b>429,677</b>	<b>374,659</b>

Provisions	30 Sep 19	31 Dec 18
Warranty provisions	33,760	40,362
Legal provisions	29,627	27,748
Provision for unused vacation	47,815	39,152
Other provisions	0	0
<b>Total</b>	<b>111,202</b>	<b>107,262</b>

# Consolidated Balance Sheet

(Balance Sheet mn,TL)	30-Sep-19	31-Dec-18	Change (%)
Total Assets	5,322	4,799	11%
Total Equity	1,326	1,308	1%
Net working capital	-689	-830	17%
Net cash position	-2,071	-2,403	14%
Receivable Turnover (day)	28	22	27%
Inventory Turnover (day)	82	53	55%
Payable Turnover (day)	51	22	135%
Net Debt/EBITDA	3,9	3,8	3%

(Balance Sheet mn,TL)	30-Sep-19	31-Dec-18	Change (%)
CAPEX	19	179	-90%
ROA	0.0%	2.8%	-101%
ROE	-0.2%	10.3%	-102%

## 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

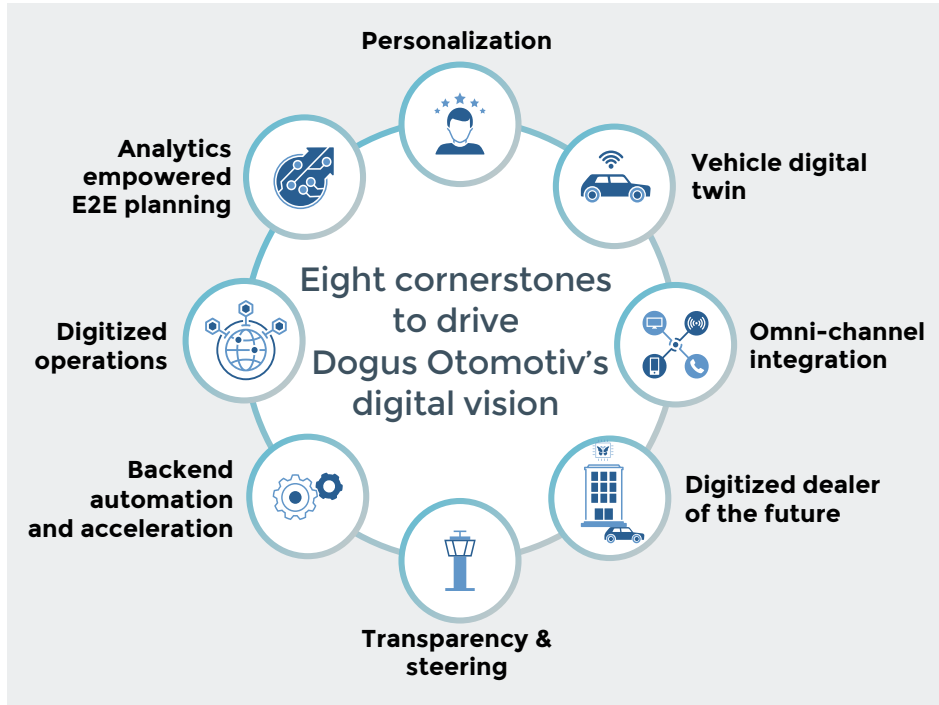
### **Investment Expenditure**

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

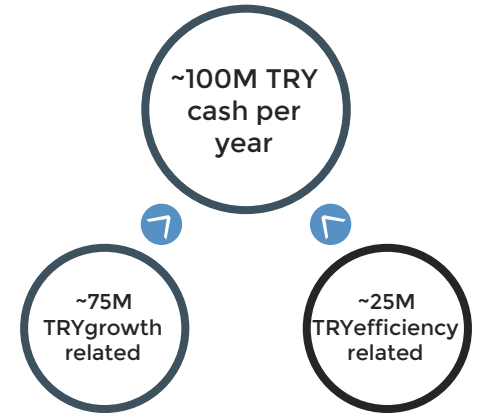
# DIGITAL TRANSFORMATION STRATEGY OF DOAS

## Dogus Otomotiv Road Map for Digital Vision



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

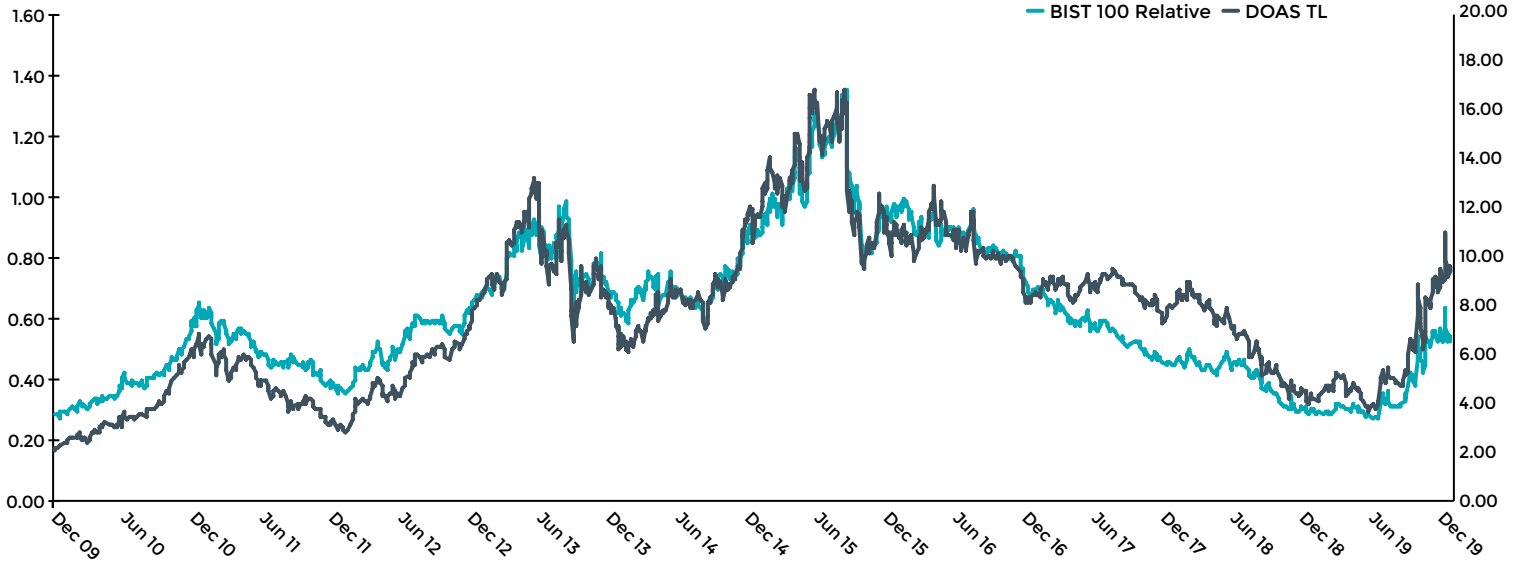
**Impact of all 44 solutions**



**~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
<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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