

# Investor Relations Presentation

## Q4 2019 Results

Updated: March 2020

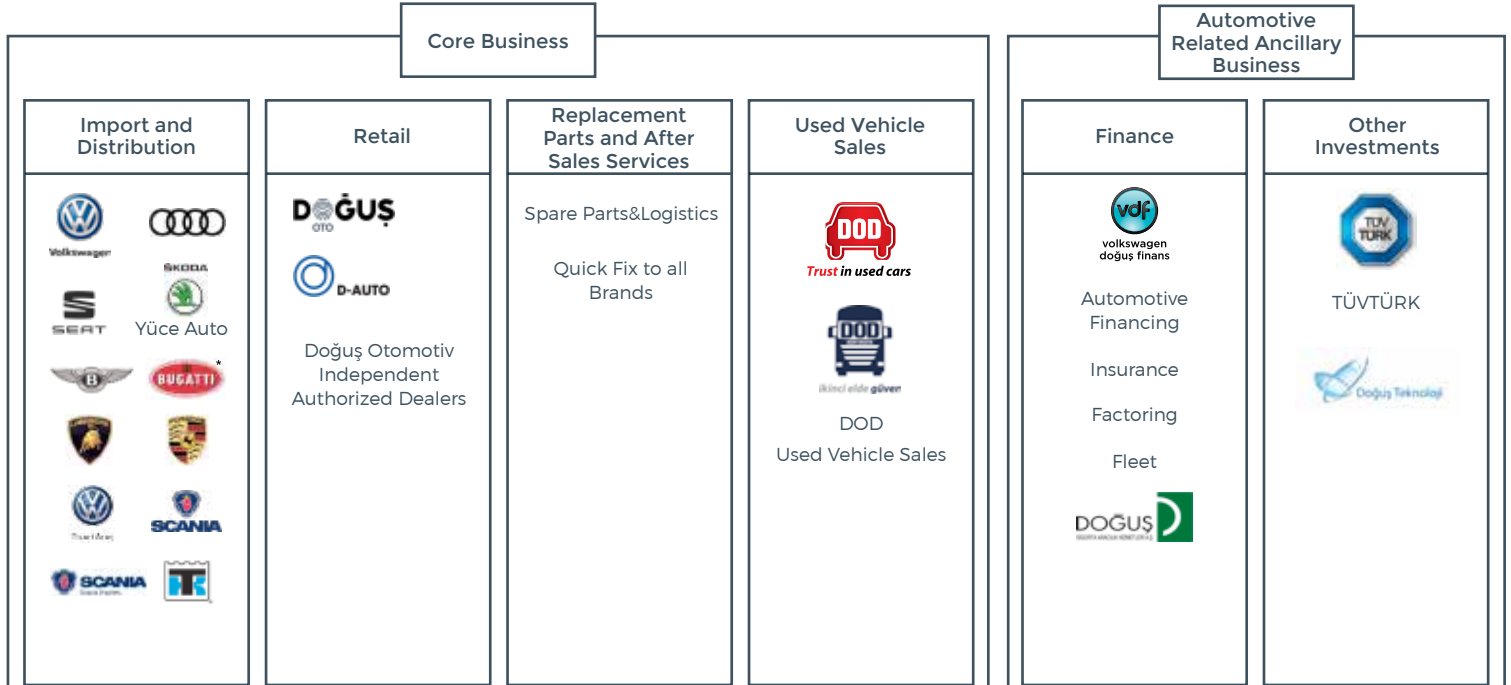


# Agenda

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

# Doğuş Otomotiv

Presence in every stage of the lifecycle of owning a vehicle



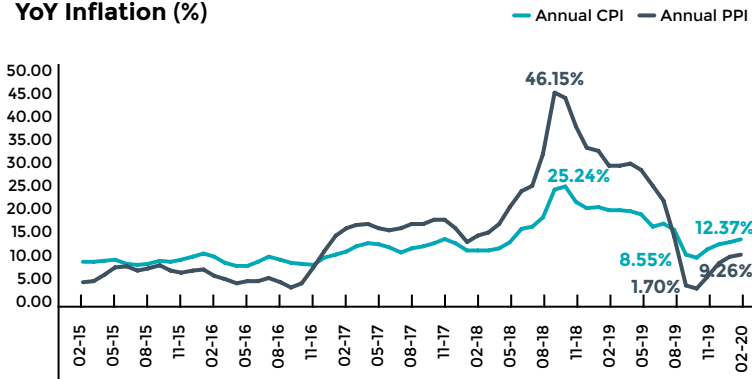
\*Representative Offices

# Macroeconomic Outlook

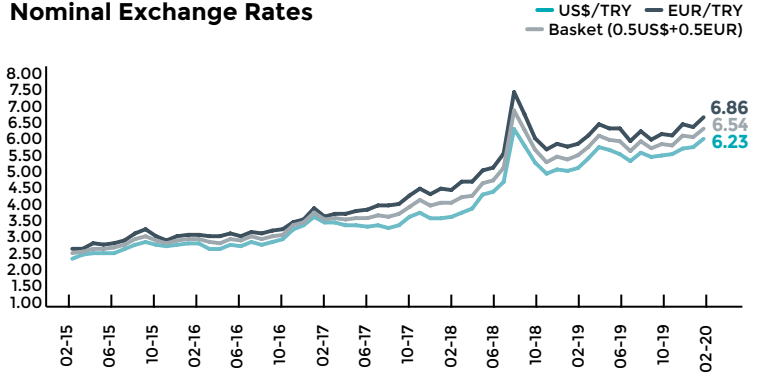


# Macroeconomic Indicators

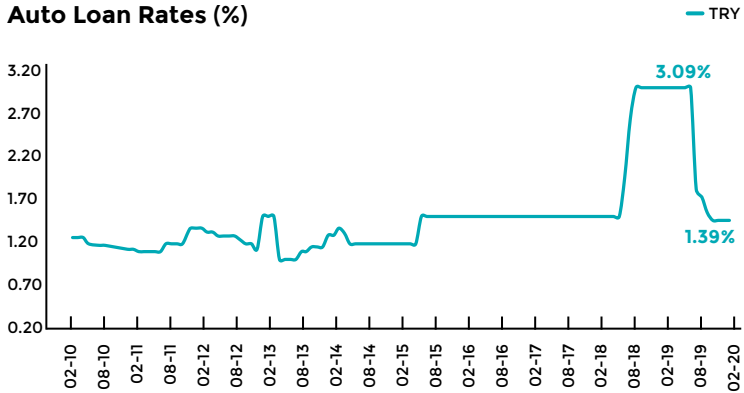
## YoY Inflation (%)



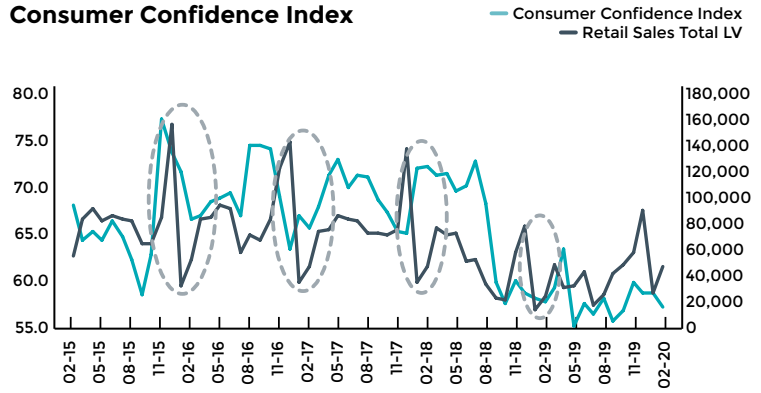
## Nominal Exchange Rates



## Auto Loan Rates (%)

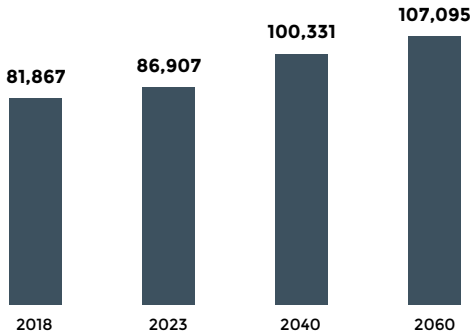


## Consumer Confidence Index

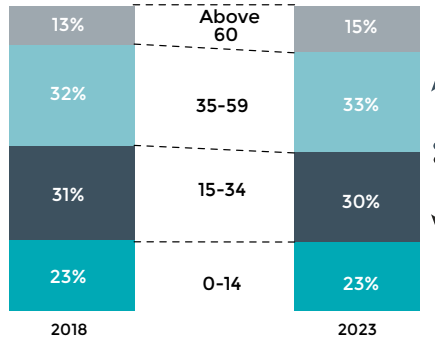


# Population & Demography

## Population Statistics ('000)

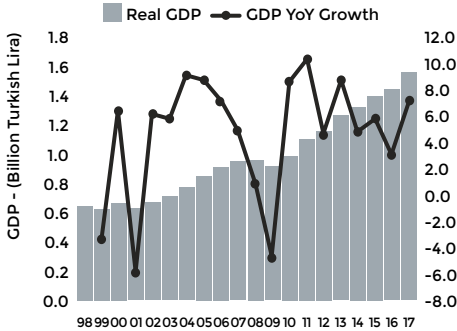


## Age Demography

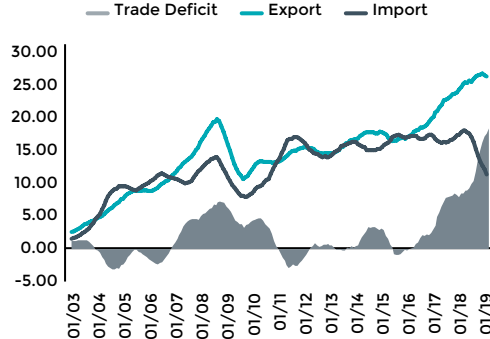


- Young population is a main driver in Turkey.
- Population is expected to grow above 10%.
- Over 50% of the population will be between the age group of 15 to 59 years by 2060.
- Median age is expected to increase by 9% by 2060.

## Economy



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



Note: All figures are rounded.  
Source: TurkStat

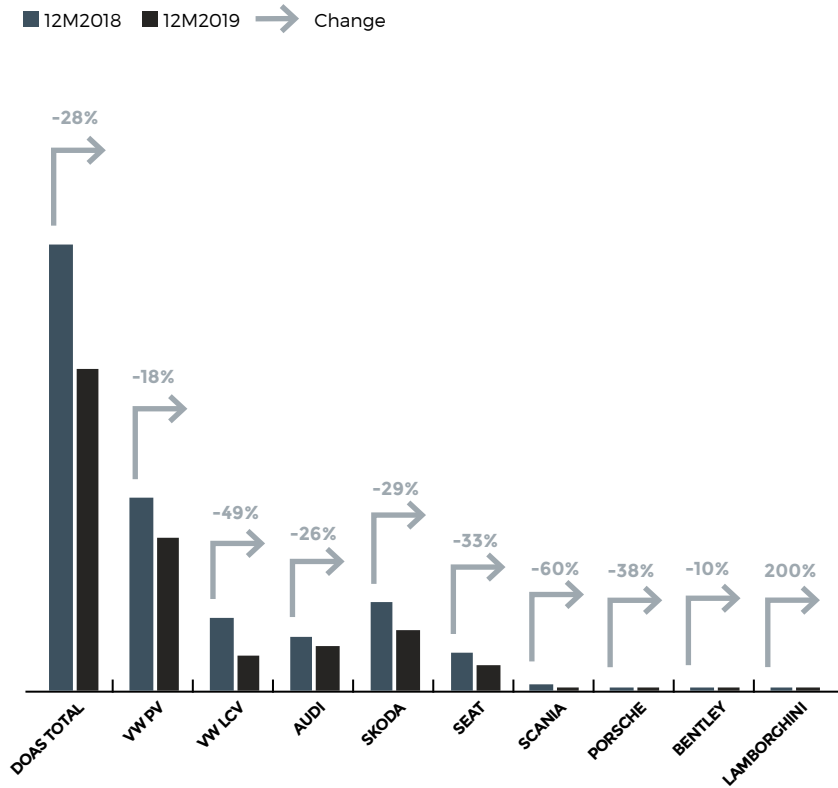
# Automotive Market



# DOAS Wholesales Performance - December 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%



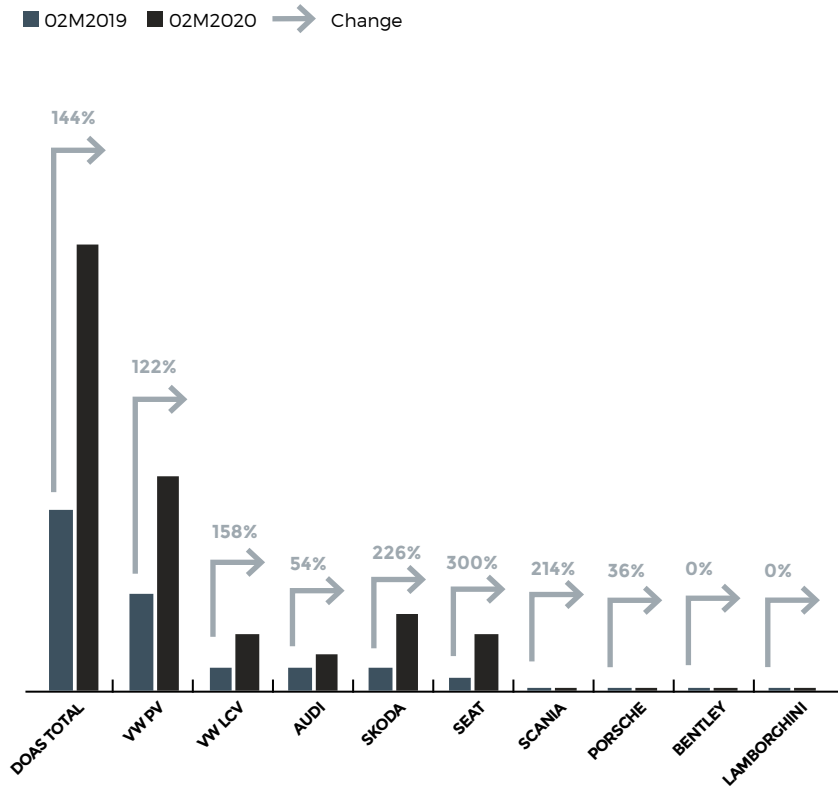
\*Source: ADA



# DOAS Wholesales Performance - February 2020

	02M2019	02M2020	Change
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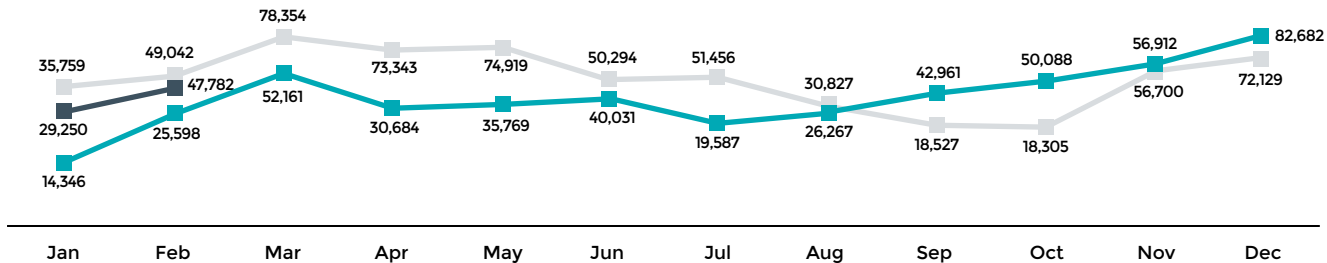
<b>DOAS TOTAL</b>	<b>6,075</b>	<b>14,824</b>	<b>144%</b>
VW PV	3,213	7,124	122%
VW LCV	752	1,937	158%
AUDI	797	1,230	54%
SKODA	773	2,517	226%
SEAT	466	1,866	300%
SCANIA	29	91	214%
PORSCHE	42	57	36%
BENTLEY	2	1	0%
LAMBORGHINI	1	1	0%



\*Source: ADA

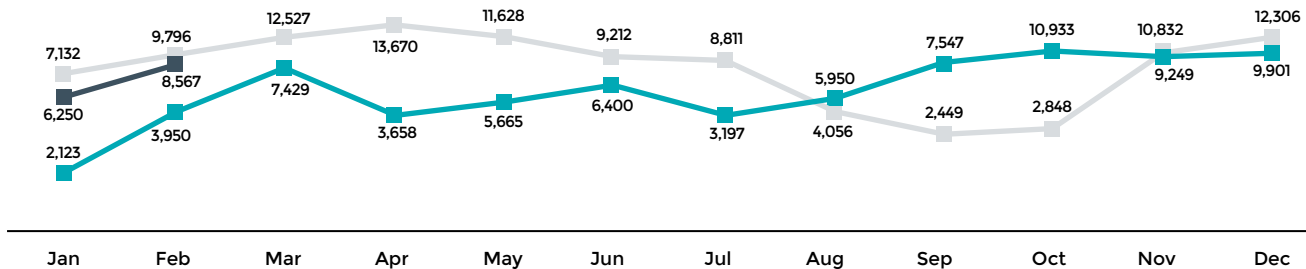
# Wholesale Market Monthly Sales

2018 2019 2020



# DOAS Monthly Sales

2017 2018 2019

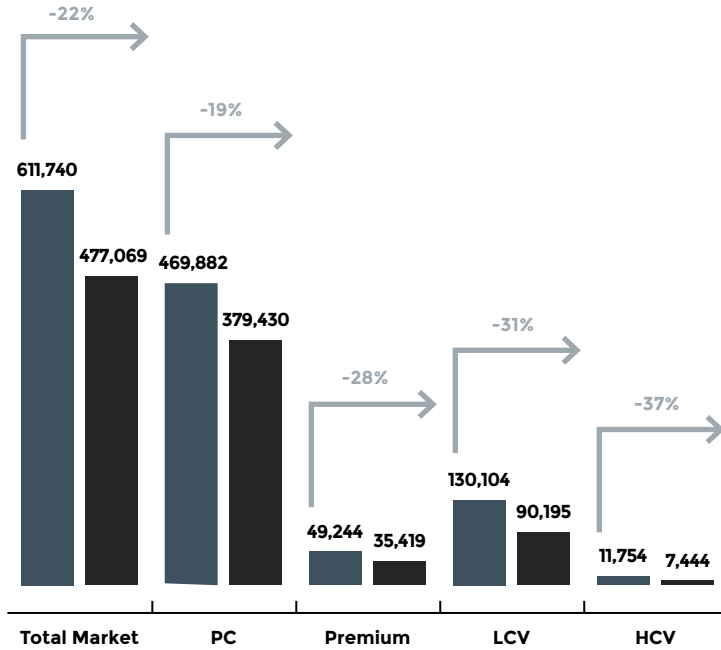


\* Source: ADA. Skoda included.

# Market Review - Wholesale - December 2019

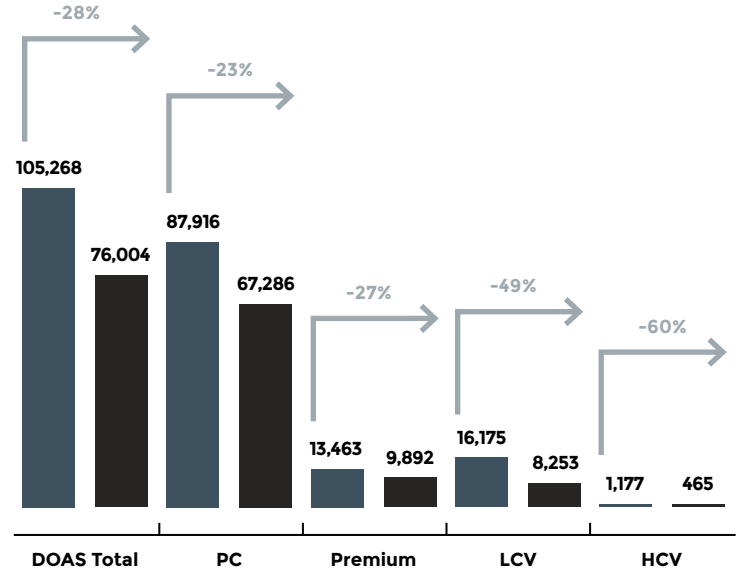
## MARKET

■ Dec 2018 ■ Dec 2019 → Change



## DOAS

■ Dec 2018 ■ Dec 2019 → Change

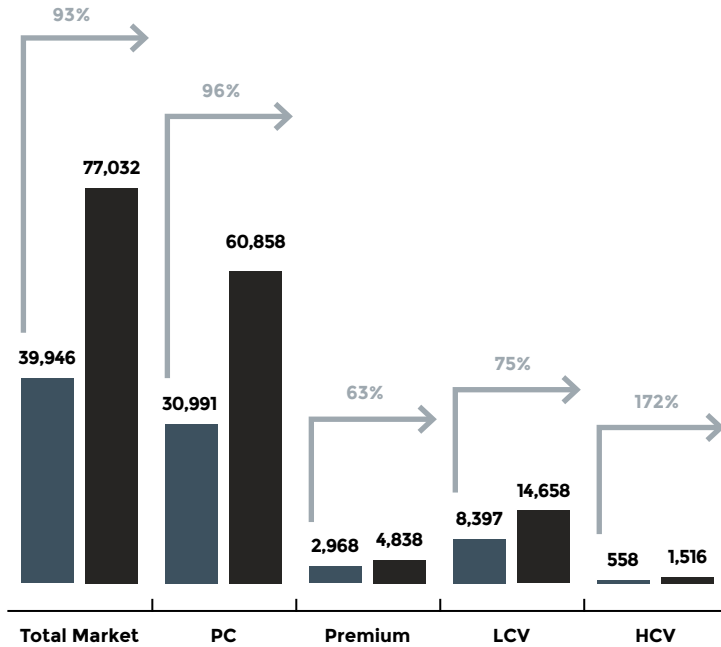


\* Source: ADA. Skoda included.

# Market Review - Wholesale - February 2020

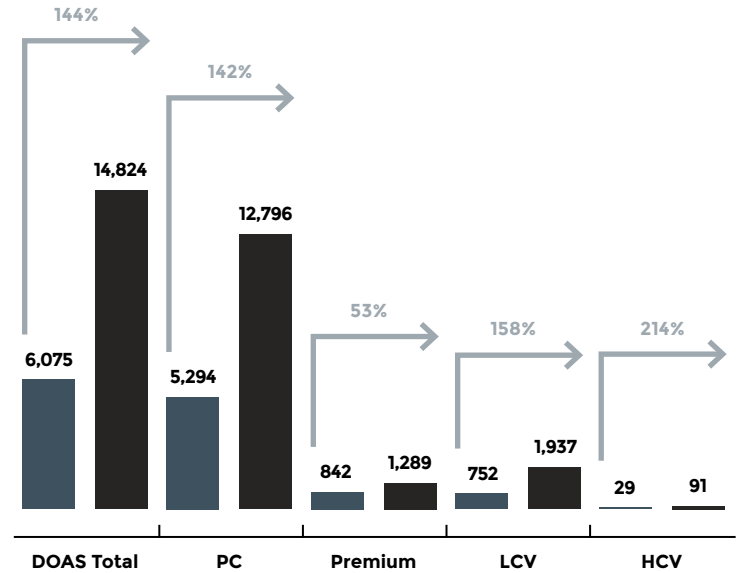
## MARKET

■ Feb 2019 ■ Feb 2020 → Change



## DOAS

■ Feb 2019 ■ feb 2020 → Change

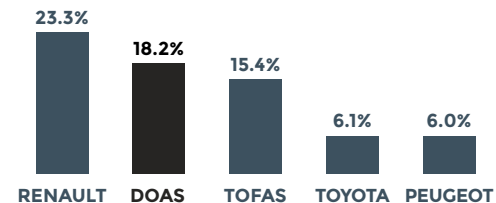


\* Source: ADA. Skoda included.

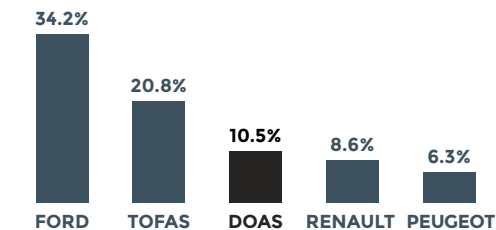
# Market Share - Retail - December 2019

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

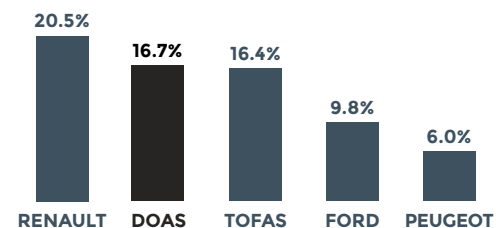
## PV TOP 5 DECEMBER 19



## LCV TOP 5 DECEMBER 19



## LV TOP 5 DECEMBER 19



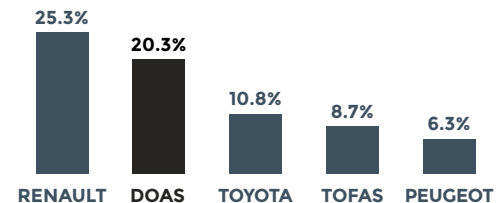
\*Source: ADA. Skoda included.

# Market Share - Retail - February 2020

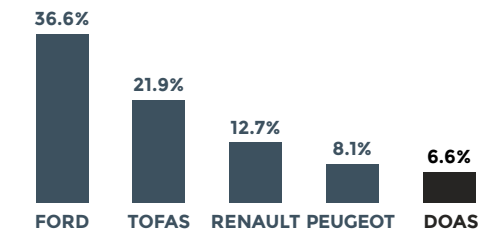
RETAIL MARKET	2018 YEAR END	2019 YEAR END	FEB 2019	FEB 2020	2019 YEAR END/ FEB 2020 CHANGE	FEB 2019/ FEB 2020 CHANGE
<b>PASSENGER VEHICLE %</b>						
RENAULT GRUP	26.3	23.3	24.9	25.3	2.1	0.4
DOGUS OTOMOTİV	19.6	18.2	18.7	20.5	2.3	1.8
TOYOTA	9.1	15.4	14.6	10.8	-4.6	-3.8
TOFAS	6.3	6.1	4.7	8.7	2.6	4.0
PEUGEOT	5.1	6.0	4.3	6.3	0.4	2.0
HYUNDAI	6.6	5.9	8.5	5.3	-0.6	-3.2
HONDA	5.9	5.3	6.1	4.3	-1.0	-1.9
CITROEN	4.3	4.3	3.7	3.9	-0.4	0.2
OTHER	16.8	15.7	14.5	14.9	-0.7	0.5
<b>LIGHT COMMERCIAL VEHICLE %</b>						
FORD	31.0	34.2	37.3	35.6	1.4	-1.7
TOFAŞ	21.1	20.8	18.1	21.9	1.1	3.8
RENAULT GRUP	12.7	10.5	10.6	12.7	2.2	2.1
PEUGEOT	10.7	8.6	9.8	8.1	-0.5	-1.7
DOGUS OTOMOTİV	3.9	6.3	5.3	6.6	0.3	1.3
CITROEN	5.9	5.5	6.2	4.8	-0.8	-1.4
MERCEDES-BENZ	3.4	3.5	3.5	4.0	0.5	0.6
MITSUBISHI	2.7	2.1	1.9	1.7	-0.4	-0.3
OTHER	8.6	8.5	7.4	4.7	-3.8	-2.7
<b>LIGHT VEHICLE %</b>						
RENAULT GRUP	22.9	20.5	21.4	21.9	1.5	0.5
DOGUS OTOMOTİV	18.1	16.7	16.8	18.9	2.2	2.2
TOFAŞ	11.7	16.4	15.4	13.0	-3.4	-2.4
TOYOTA	10.5	9.8	10.8	8.9	-0.9	-1.9
FORD	5.5	5.1	4.0	7.1	2.0	3.0
PEUGEOT	4.9	6.0	4.5	6.4	0.4	1.9
HYUNDAI	5.4	5.0	7.0	4.4	-0.6	-2.6
HONDA	2.0	2.5	1.3	3.6	1.1	2.4
OTHER	19.1	17.9	18.8	15.7	-2.3	-3.1

\*Source: ADA. Skoda included.

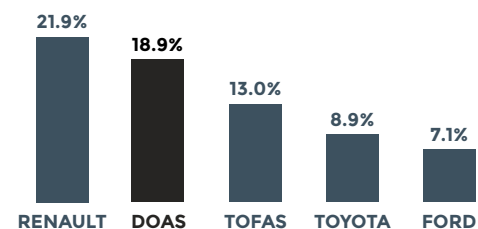
## PV TOP 5 FEBRUARY 20



## LCV TOP 5 FEBRUARY 20



## LV TOP 5 FEBRUARY 20



# Financial Performance



# Consolidated Income Statement

(TL mn, CMB)	31-Dec-19	31-Dec-18	Change (%)
Revenue	9,844	10,688	-8%
Gross Profit	1,270	1,301	-2%
Operational Expenses	-784	-774	1%
Selling and Marketing Expenses	-223	-284	-22%
General Administrative Expenses	-439	-391	12%
Warranty Expenses, net	-139	-117	19%
Other Operating Expenses, net	17	18	-6%
EBITDA	612	610	0%
EBIT	486	527	-8%
Net Profit	77	134	-43%

Margins	31-Dec-19	31-Dec-18	Change (%)
Gross Margin	12.9%	12.2%	6%
Opex/Sales	8.0%	7.2%	10%
EBITDA Margin	6.2%	5.7%	9%
EBIT Margin	4.9%	4.9%	0%
Net Profit Margin	0.8%	1.3%	-38%



# Consolidated Income Statement

(TL '000)	31-Dec-19	Vertical Analysis	31-Dec-18	Vertical Analysis	Change (%)
Revenue	9,844,133		10,688,489		-8%
Direct cost of revenue	-8,574,429	-87%	-9,387,395	-88%	-9%
<b>Gross profit</b>	<b>1,269,704</b>	<b>13%</b>	<b>1,301,094</b>	<b>12%</b>	<b>-2%</b>
Selling, marketing and distribution expenses	-222,530	-2%	-284,422	-3%	-22%
SG&A Expenses	-438,833	-4%	-390,634	-4%	12%
Warranty expenses	-139,024	-1%	-117,265	-1%	19%
Other operating incomes/losses, net	16,786	0%	17,895	0%	-6%
<b>Results from operating activities</b>	<b>486,103</b>	<b>5%</b>	<b>526,668</b>	<b>5%</b>	<b>-8%</b>
Income Loss from Investing Activities	43,385		55,103		
<b>Income Loss from Associates</b>	<b>142,570</b>	<b>1%</b>	<b>60,768</b>	<b>1%</b>	<b>135%</b>
Financial incomes/costs, net	-614,824		-493,741		25%
<b>Profit before income tax</b>	<b>57,234</b>	<b>1%</b>	<b>148,798</b>	<b>1%</b>	<b>-62%</b>
Tax expense	19,525		-14,442		-235%
<b>Profit for the year</b>	<b>76,759</b>	<b>1%</b>	<b>134,356</b>	<b>1%</b>	<b>-43%</b>

	Passenger Segment	Commercial Segment	Other Segment	Total
Revenue from external customers	6,897,985	1,298,099	1,648,049	9,844,133
Cost of sales	-6,270,366	-1,171,798	-1,130,765	-8,572,929
<b>Gross Profit</b>	<b>627,619</b>	<b>126,301</b>	<b>517,284</b>	<b>1,271,204</b>
Gross Profit Margin	9.1%	9.7%	31.4%	12.9%

Income/Loss from Associates	31 Dec 19 Cumulative	31 Dec 18 Cumulative
VDF Group	639	8,140
VDF	-25,124	-17,151
VDF Servis Holding	25,763	25,291
Doğuş Sigorta	915	1,678
SKODA (Yüce Oto)	11,627	9,307
TÜVTURK Group	122,948	44,984
Meiller-Doğuş	0	0
Doğuş Technology	6,441	-3,341
<b>Grand Total</b>	<b>142,570</b>	<b>60,768</b>

# Financing Costs

(mn TL)	31-Dec-19	31-Dec-18	Change (%)
Financing Costs, net	614.82	493.74	25%
Finance expenses	601.41	497.08	21%
Interest expense on borrowings	517.67	466.58	11%
Commission expenses on letters of guarantee	52.27	24.03	118%
Other financial expenses	31.47	6.48	386%
Foreign Exchange gain/loss, net	56.73	11.08	-
Interest on Lease Liability	30.07	-	-
Finance income, net	73.39	14.42	409%

# Consolidated Balance Sheet

(TL '000)	31 Dec 19	31 Dec 18
<b>ASSETS</b>	<b>4,664,944</b>	<b>4,798,662</b>
Cash and cash equivalents	648,342	365,892
Trade receivables	745,346	643,538
Inventories	935,907	1,365,896
Tangible and intangible non-current assets	882,153	1,017,732
Financial Investments	561,463	567,259
Investments in equity accounted investees	452,264	374,659
Right of Use Asset	111,005	-
Other	328,464	463,686
<b>LIABILITIES</b>	<b>3,412,403</b>	<b>3,490,790</b>
Financial liabilities	2,438,052	2,710,665
Trade payables	713,263	554,172
Provisions	119,377	107,262
Other	141,711	118,691
<b>EQUITY</b>	<b>1,252,541</b>	<b>1,307,872</b>

## Financial Liabilities:

- Use of financing was realized as expected at TRY 2.4B.

Investments in Equity Accounted Investees	31 Dec 19	31 Dec 18
<b>Associates</b>		
Doğuş Sigorta	37,139	35,921
vdf Group	218,678	218,039
VDF	111,551	85,788
VDF Servis Holding	107,127	132,251
Yüce Auto (Škoda)	29,682	25,936
Doğuş Technology	35486,153	3372
<b>Joint Ventures</b>		
TÜVTURK North - South (Consolidated)	131,280	91,391
Meiller-Doğuş	0	0
<b>Total</b>	<b>452,264</b>	<b>374,659</b>

Provisions	31 Dec 19	31 Dec 18
Warranty provisions	35,412	40,362
Legal provisions	31,019	27,748
Provision for unused vacation	50,280	39,152
Other provisions	2,666	0
<b>Total</b>	<b>119,377</b>	<b>107,262</b>

# Consolidated Balance Sheet

(Balance Sheet mn,TL)	31 Dec 19	31 Dec 18	Change (%)
Total Assets	4,665	4,799	-3%
Total Equity	1,253	1,308	-4%
Net working capital	-586	-830	29%
Net cash position	-1,691	-2,403	30%
Receivable Turnover (day)	28	22	26%
Inventory Turnover (day)	40	53	-25%
Payable Turnover (day)	30	22	41%
Net Debt/EBITDA	2.9	3.8	-24%

(Balance Sheet mn,TL)	31 Dec 19	31 Dec 18	Change (%)
CAPEX	45	179	-75%
ROA	1.6%	2.8%	-41%
ROE	6.1%	10.3%	-40%

## 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)**

620-630,000 units

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

70-80,000 units

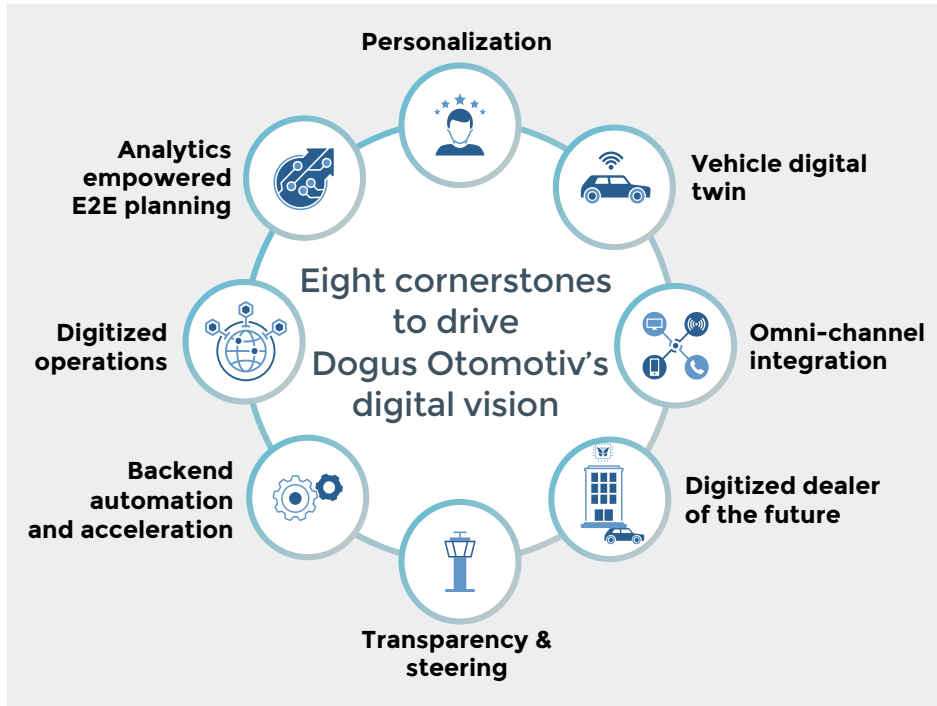
**Investment Expenditure**

TRY 160-170million

- Expenditures for head office, logistics, spare parts, training areas and subsidiaries
- **Machinery and equipment** investments
- Test vehicles
- Investments in **information technologies**
- Investments presenting potential to create value

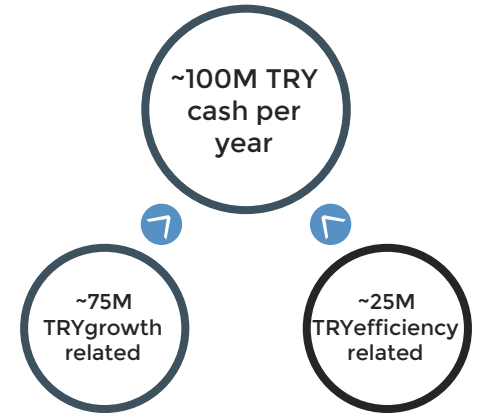
# DIGITAL TRANSFORMATION STRATEGY OF DOAS

## Dogus Otomotiv Road Map for Digital Vision



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

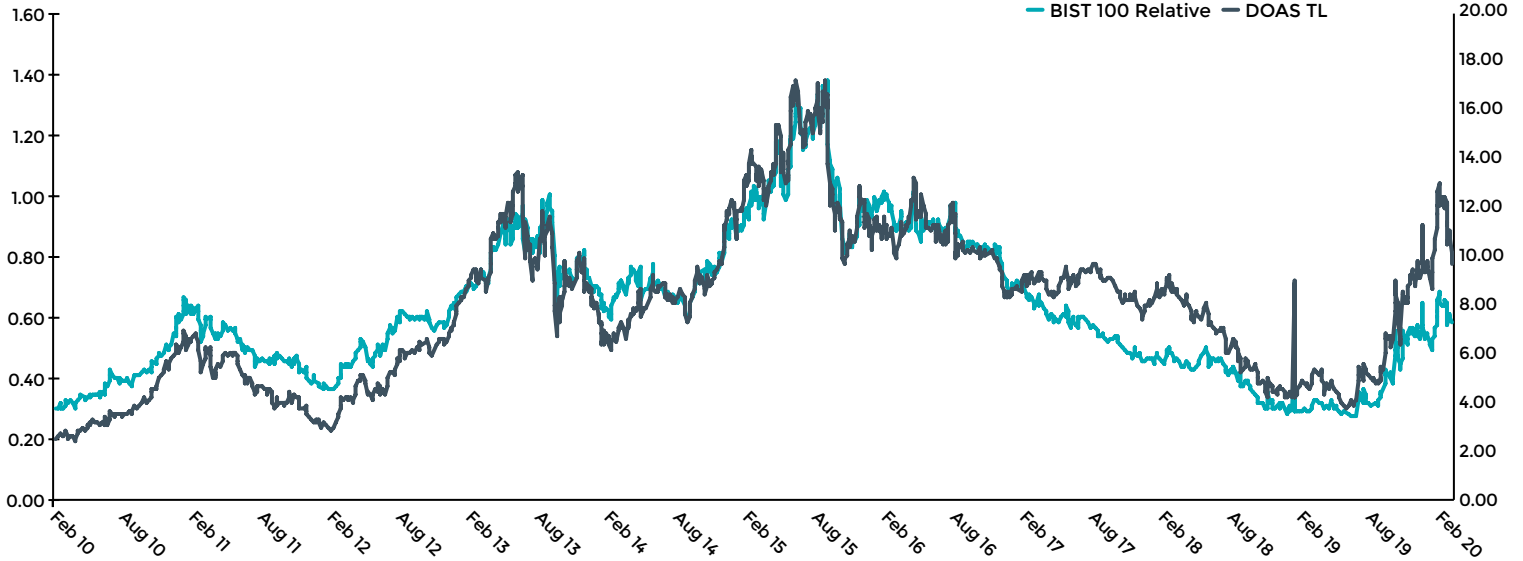
**Impact of all 44 solutions**



**~30M TRY investment in the first 3 years**

**Self funding after 1,5 year**

# Stock Price History



## Shareholder's Commercial Title

Shareholder's Commercial Title	Share in Capital (TRY)	Share in Capital (%)
Doğuş Holding A.Ş.	165,584,715	75.27
Doğuş Otomotiv Servis ve Ticaret A.Ş.	22,000,000	10.00
Doğuş Sigorta Aracılık Hizmetleri A.Ş.	292	-
Free Floating 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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