

# Investor Relations Presentation

## Q2 2020 Results

Updated: September 2020

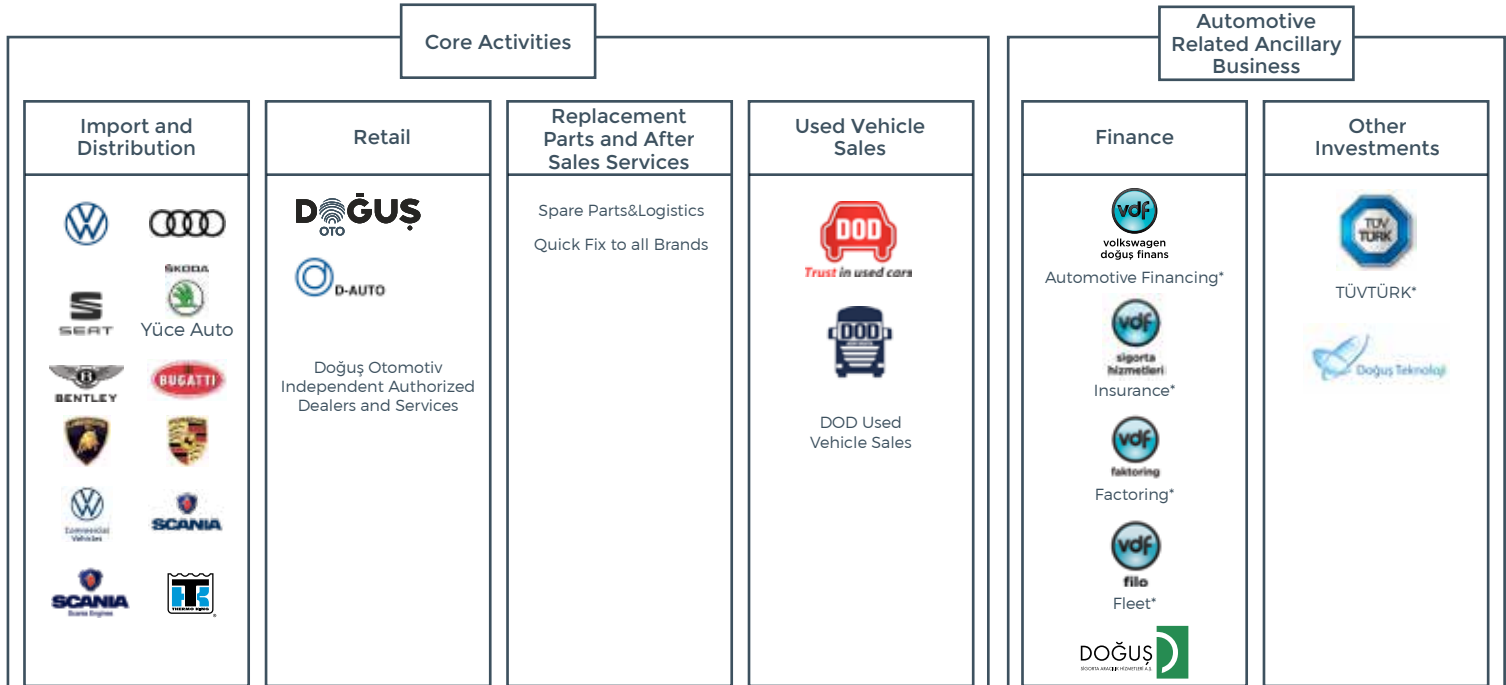


# Agenda

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

# Doğuş Otomotiv / Value Chain 2020

## Presence in Every Stage of the Lifecycle of Owning a Vehicle



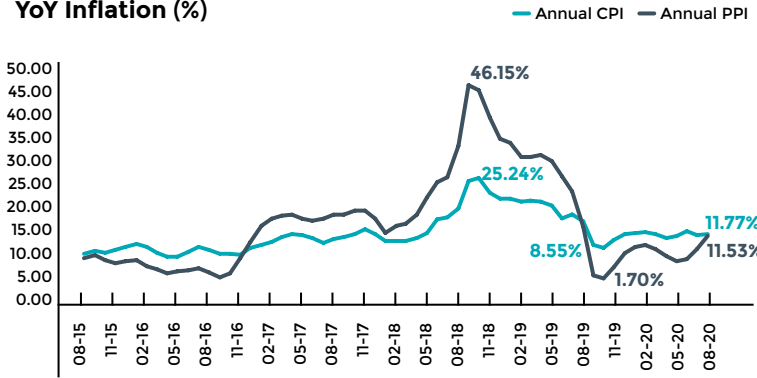
\*Subsidiaries

# Macroeconomic Outlook

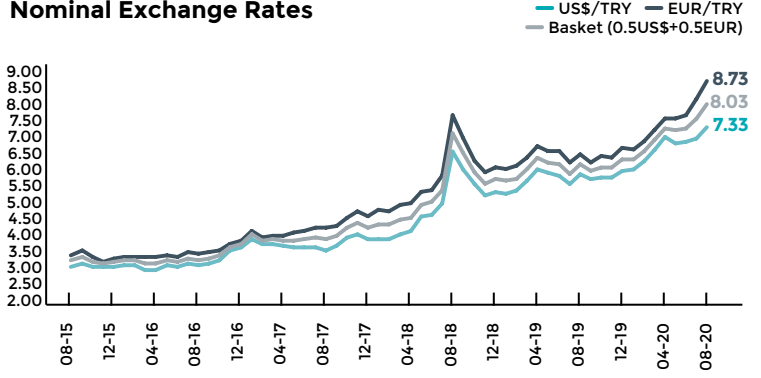


# Macroeconomic Indicators

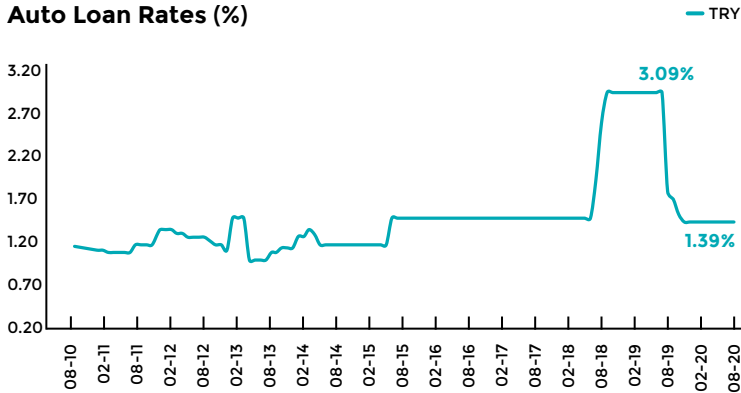
## YoY Inflation (%)



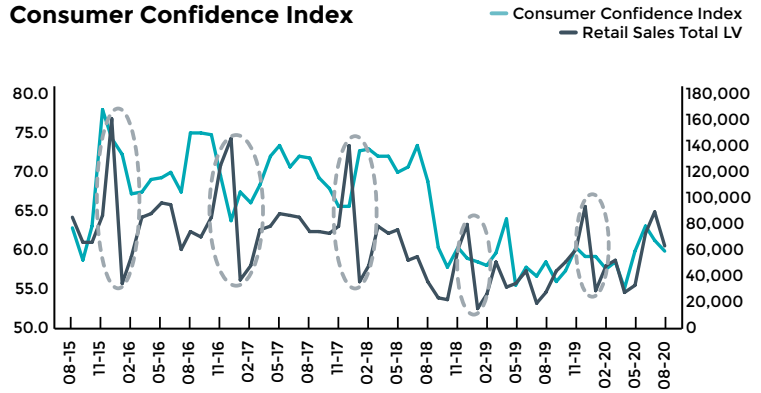
## Nominal Exchange Rates



## Auto Loan Rates (%)

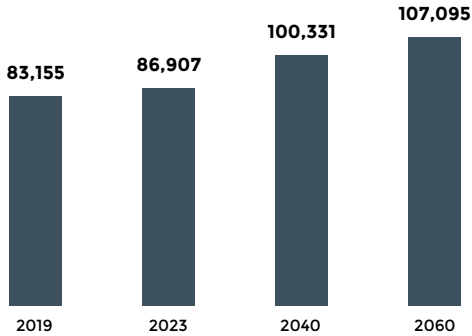


## Consumer Confidence Index

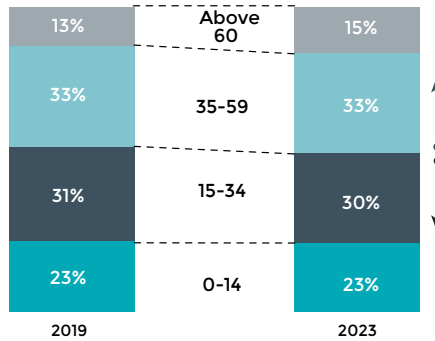


# Population & Demography

## Population Statistics ('000)

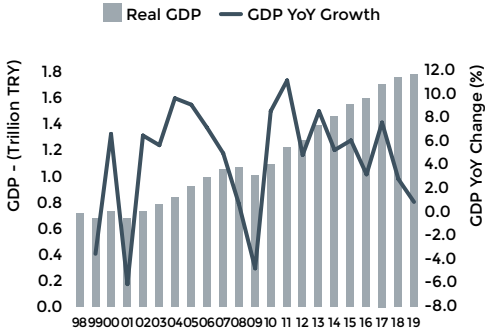


## Age Demography

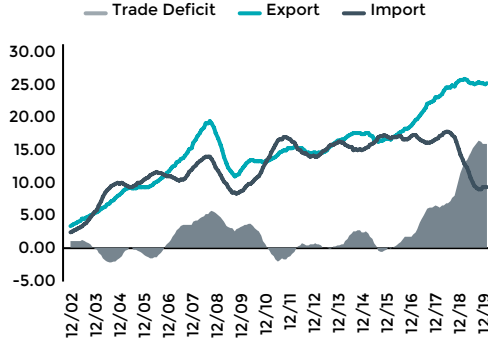


- Young population is a main driver in Turkey.
- Population is expected to grow above 10%.
- Over 50% of the population will be between the age group of 15 to 59 years by 2060.
- Median age is expected to increase by 9% by 2060.

## Economy



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



Note: All figures are rounded.  
Source: TurkStat

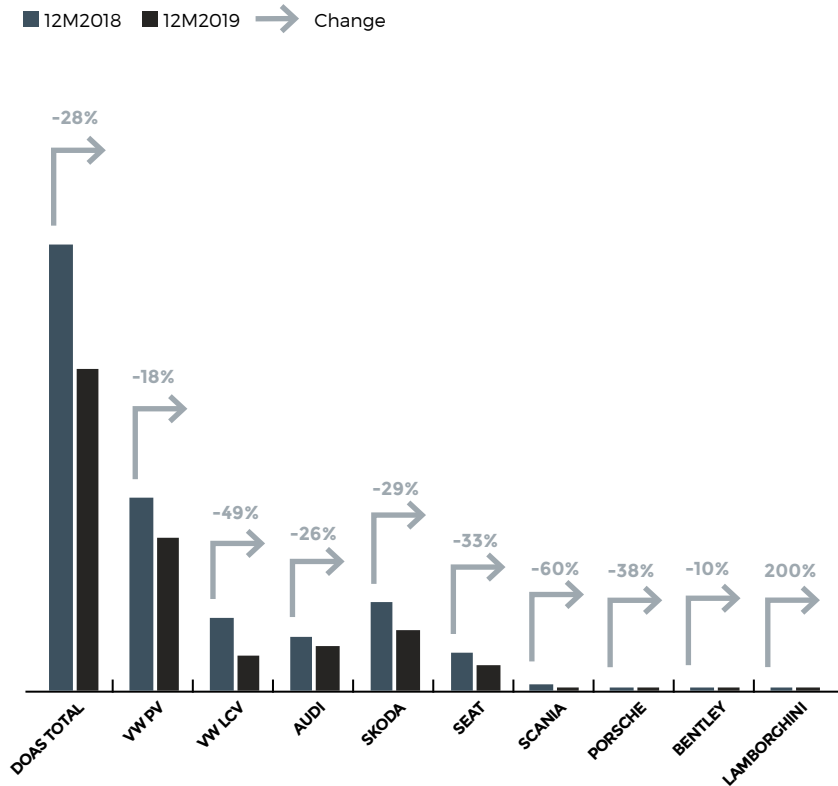
# Automotive Market



# 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%



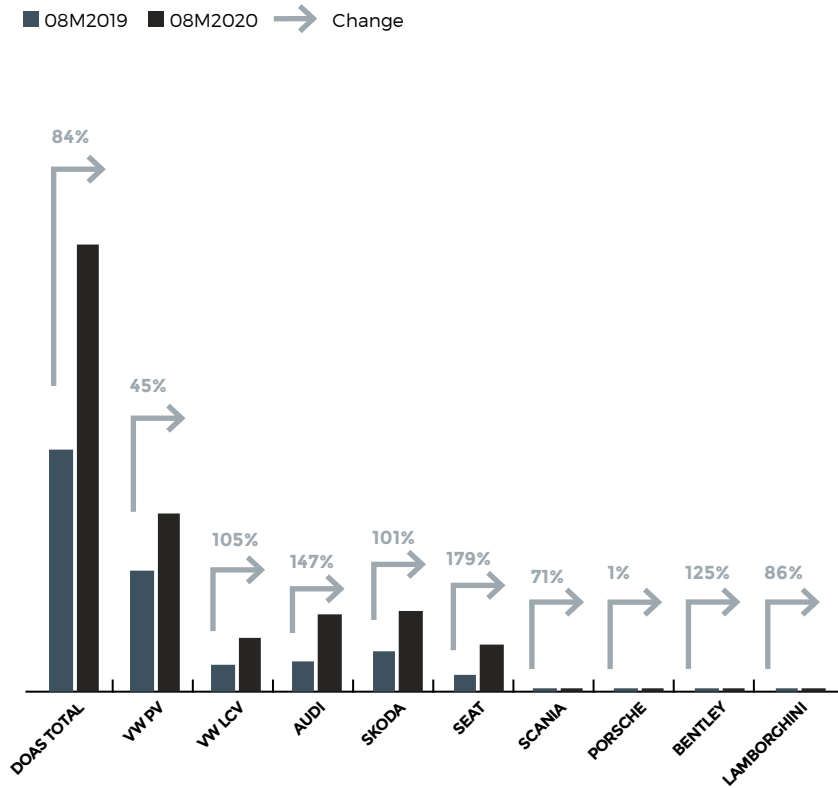
\*Source: ADA



# DOAS Wholesales Performance - August 2020

	08M2019	08M2020	Change
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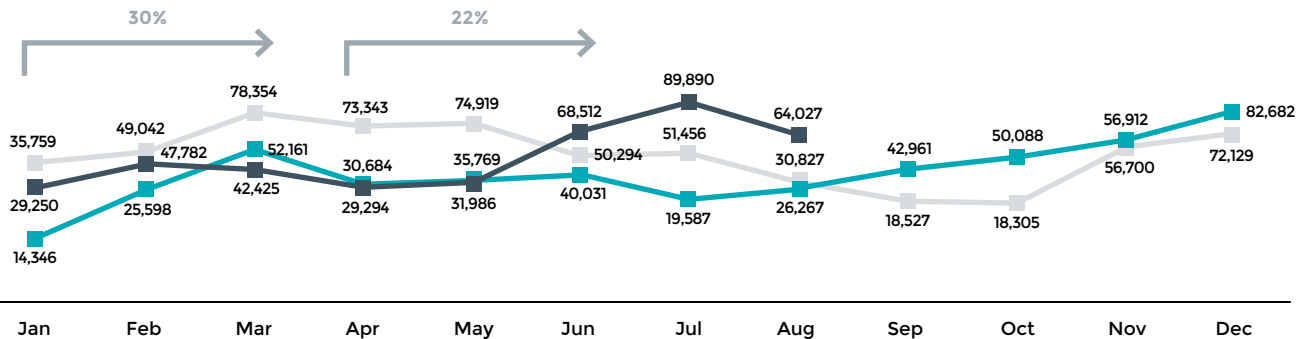
<b>DOAS TOTAL</b>	<b>38,374</b>	<b>70,702</b>	<b>84%</b>
VW PV	19,346	28,122	45%
VW LCV	4,335	8,878	105%
AUDI	5,063	12,489	147%
SKODA	6,493	13,057	101%
SEAT	2,710	7,548	179%
SCANIA	238	406	71%
PORSCHE	178	180	1%
BENTLEY	4	9	125%
LAMBORGHINI	7	13	86%



\*Source: ADA

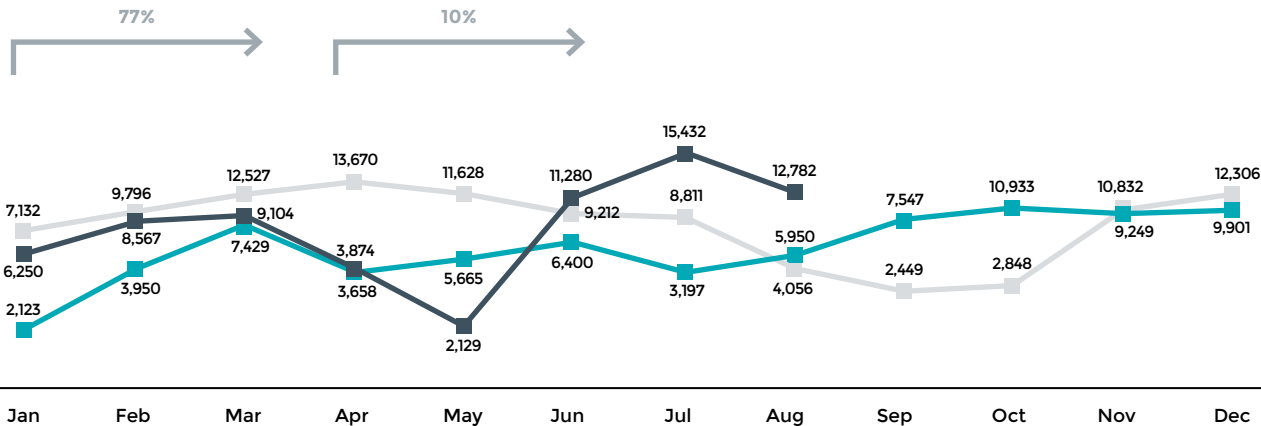
# Wholesale Market Monthly Sales

2018 2019 2020



# DOAS Monthly Sales

2018 2019 2020

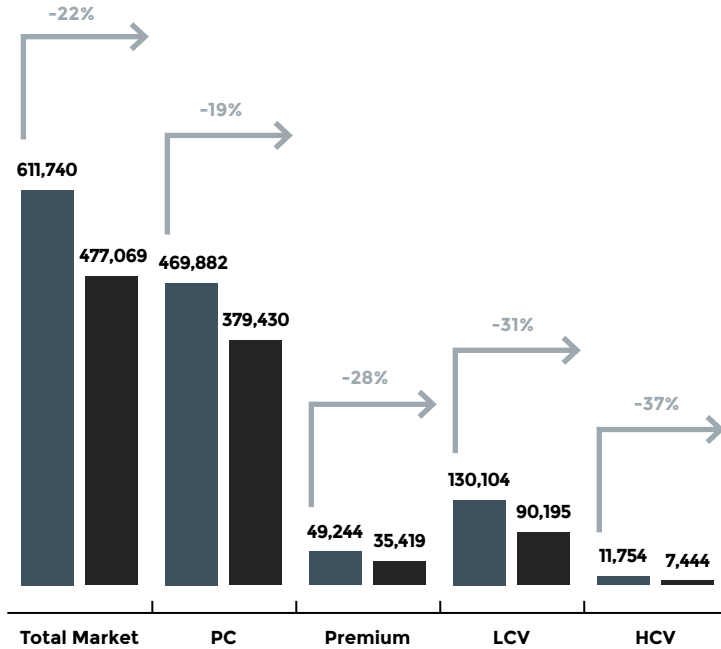


\* Source: ADA. Skoda included.

# Market Review - Wholesale - December 2019

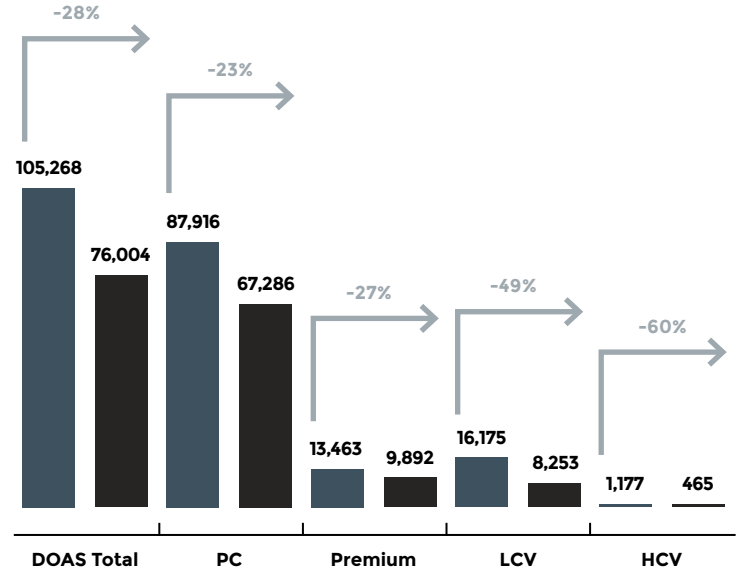
## MARKET

■ Dec 2018 ■ Dec 2019 → Change



## DOAS

■ Dec 2018 ■ Dec 2019 → Change

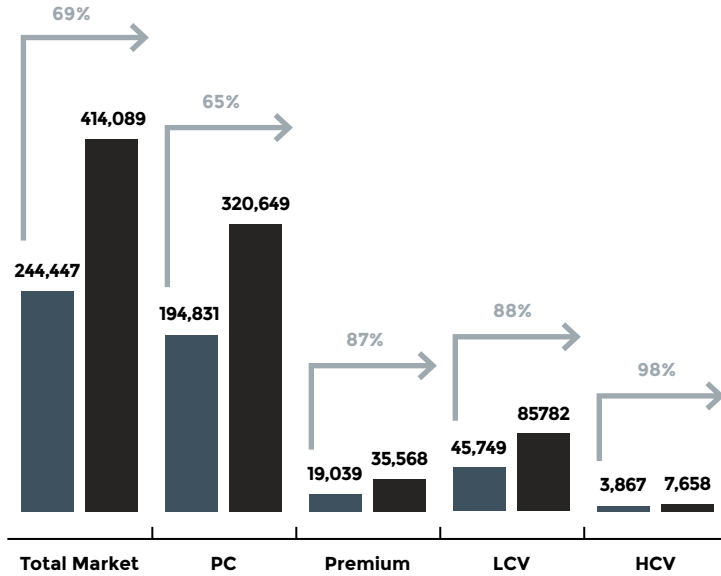


\* Source: ADA. Skoda included.

# Market Review - Wholesale - August 2020

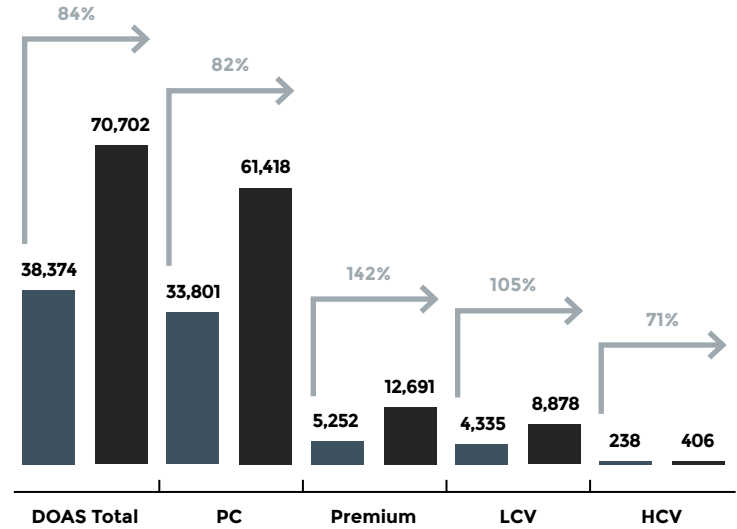
## MARKET

■ Aug 2019 ■ Aug 2020 → Change



## DOAS

■ Aug 2019 ■ Aug 2020 → Change



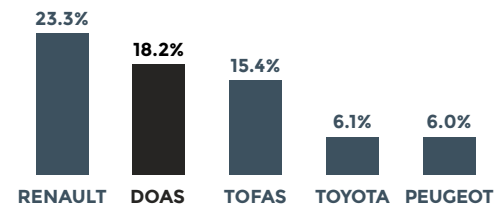
\* Source: ADA. Skoda included.

# Market Share - Retail - December 2019

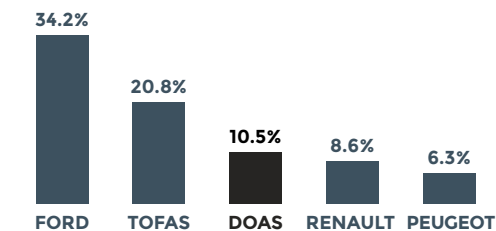
RETAIL MARKET	2017 YEAR END	2018 YEAR END	2019 YEAR END	2018 YEAR END/ 2019 YEAR END CHANGE	2018 YEAR END/ 2019 YEAR END CHANGE
<b>PASSENGER VEHICLE %</b>					
RENAULT GRUP	25.9	26.3	23.3	-3.0	-3.0
DOGUS OTOMOTİV	21.1	19.6	18.2	-1.4	-1.4
TOFAS	8.9	9.1	15.4	6.3	6.3
TOYOTA	5.6	6.3	6.1	-0.3	-0.3
PEUGEOT	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

\*Source: ADA. Skoda included.

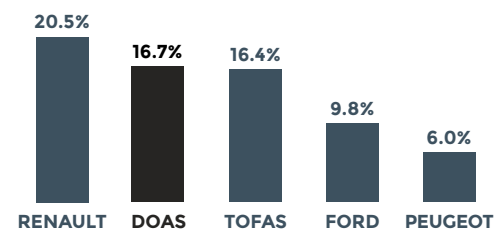
## PV TOP 5 DECEMBER 19



## LCV TOP 5 DECEMBER 19



## LV TOP 5 DECEMBER 19

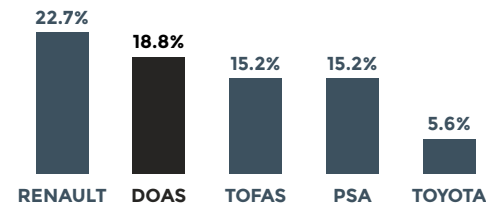


# Market Share - Retail - August 2020

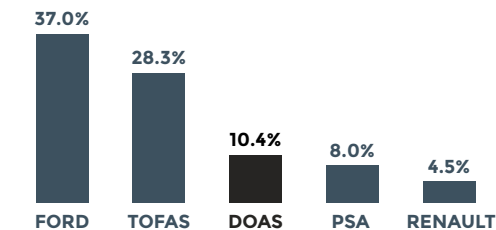
RETAIL MARKET	2018 YEAR END	2019 YEAR END	AUG 2019	AUG 2020	2019 YEAR END/ AUG 2020 CHANGE	AUG 2019/ AUG 2020 CHANGE
<b>PASSENGER VEHICLE %</b>						
RENAULT GROUP	26.3	23.3	24.7	22.7	-0.6	-2.1
DOGUS OTOMOTİV	19.6	18.2	17.5	18.8	0.6	1.3
TOFAS	9.1	15.4	15.2	15.2	-0.2	0.0
PSA GROUP	11.1	12.6	10.9	15.2	2.6	4.3
TOYOTA	6.3	6.1	6.9	5.6	-0.5	-1.4
HYUNDAI	6.6	5.9	6.3	4.7	-1.2	-1.6
FORD	4.9	4.1	3.3	4.1	0.0	0.7
HONDA	5.9	5.3	5.5	3.7	-1.6	-1.8
OTHER	10.3	9.3	9.6	10.1	0.8	0.5
<b>LIGHT COMMERCIAL VEHICLE %</b>						
FORD	31.0	34.2	34.7	37.0	2.8	2.4
TOFAS	21.1	20.8	18.3	28.3	7.5	10.0
DOGUS OTOMOTİV	12.7	10.5	10.5	10.4	-0.1	-0.1
PSA GROUP	7.3	11.3	11.4	8.0	-3.3	-3.4
RENAULT GROUP	10.7	8.6	9.3	4.5	-4.0	-4.8
MITSUBISHI	2.7	2.1	2.1	4.0	1.9	1.9
MERCEDES-BENZ	5.9	5.5	5.9	3.7	-1.9	-2.3
IVECO	1.2	1.4	1.4	1.0	-0.4	-0.4
OTHER	7.4	5.6	6.3	3.1	-2.5	-3.2
<b>LIGHT VEHICLE %</b>						
RENAULT GROUP	22.9	20.5	21.8	18.8	-1.6	-3.0
TOFAŞ	11.7	16.4	15.8	18.0	1.6	2.2
DOGUS OTOMOTİV	18.1	16.7	16.2	17.0	0.3	0.9
PSA GROUP	10.3	12.4	11.0	13.7	1.3	2.7
FORD	10.5	9.8	9.4	11.1	1.3	1.7
TOYOTA	5.5	5.1	5.8	4.5	-0.6	-1.3
HYUNDAI	5.4	5.0	5.4	3.8	-1.2	-1.6
HONDA	4.6	4.3	4.4	2.9	-1.3	-1.5
OTHER	11.0	9.9	10.3	10.2	0.3	-0.1

\*Source: ADA. Skoda included.

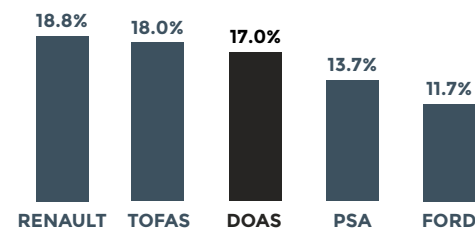
## PV TOP 5 AUGUST 20



## LCV TOP 5 AUGUST 20



## LV TOP 5 AUGUST 20



# Financial Performance



# Consolidated Income Statement

(TL mn, CMB)	30-Jun-20	30-Jun-19	Change (%)
Revenue	5,727	3,966	44%
Gross Profit	750	550	36%
Operational Expenses	-345	-349	-1%
Selling and Marketing Expenses	-89	-88	2%
General Administrative Expenses	-207	-214	-3%
Warranty Expenses, net	-40	-66	-40%
Other Operating Expenses, net	-9	19	-149%
EBITDA	468	267	75%
EBIT	404	200	102%
Net Profit	230	-44	628%

Margins	30-Jun-20	30-Jun-19	Change (%)
Gross Margin	13.1%	13.9%	-6%
Opex/Sales	6.0%	8.8%	-32%
EBITDA Margin	8.2%	6.7%	22%
EBIT Margin	7.1%	5.1%	40%
Net Profit Margin	4.0%	-1.1%	466%



# Consolidated Income Statement

(TL '000)	30-Jun-20	Vertical Analysis	31-Dec-19	Vertical Analysis	Change (%)
Revenue	5,726,649		3,966,464		44%
Direct cost of revenue	-4,976,679	-87%	-3,416,601	-86%	46%
<b>Gross profit</b>	<b>749,970</b>	<b>13%</b>	<b>549,863</b>	<b>14%</b>	<b>36%</b>
Selling, marketing and distribution expenses	-89,237	-2%	-87,592	-2%	2%
SG&A Expenses	-207,295	-4%	-214,326	-5%	-3%
Warranty expenses	-39,830	-1%	-66,194	-2%	-40%
Other operating incomes/losses, net	-9,133	0%	18,712	0%	-149%
<b>Results from operating activities</b>	<b>404,475</b>	<b>7%</b>	<b>200,463</b>	<b>5%</b>	<b>102%</b>
Income Loss from Investing Activities	12,364		36,542		-66%
<b>Income Loss from Associates</b>	<b>86,441</b>	<b>2%</b>	<b>20,822</b>	<b>0%</b>	<b>315%</b>
Financial incomes/costs, net	-225,626		-319,248		-29%
<b>Profit before income tax</b>	<b>277,654</b>	<b>5%</b>	<b>-61,421</b>	<b>-2%</b>	<b>552%</b>
Tax expense	-47,251		17,785		366%
<b>Profit for the year</b>	<b>230,403</b>	<b>4%</b>	<b>-43,636</b>	<b>-1%</b>	<b>628%</b>

	Passenger Segment	Commercial Segment	Other Segment	Total
Revenue from external customers	4,273,946	821,882	630,821	5,726,649
Cost of sales	-3,816,258	-717,878	-440,851	-4,974,987
<b>Gross Profit</b>	<b>457,688</b>	<b>104,004</b>	<b>189,970</b>	<b>751,662</b>
Gross Profit Margin	10.7%	12.7%	30.1%	13.1%

Income/Loss from Associates	30 Jun 20 Cumulative	31 Dec 19 Cumulative
VDF Group	20,388	-36,121
VDF	16,158	-43,389
VDF Servis Holding	4,230	7,268
Doğuş Sigorta	970	532
SKODA (Yüce Oto)	11,894	2,316
TÜVTURK Group	55,270	53,604
Meiller-Doğuş	0	0
Doğuş Technology	-2,081	491
<b>Grand Total</b>	<b>86,441</b>	<b>20,822</b>

# Financing Costs

(mn TL)	30-Jun-2020	30-Jun-2019	(% Change)
<b>Financing Cost, net</b>	<b>225,626</b>	<b>319,248</b>	<b>-29%</b>
<b>Finance Expenses</b>	<b>256,551</b>	<b>368,540</b>	<b>-30%</b>
Interest Expense on Borrowings	193,783	264,804	-27%
Commission Expenses on Letters of Guarantee	31,149	20,947	49%
Foreign Exchange Expense	15,112	59,016	-74%
Interest on Lease Liability	10,729	13,824	-22%
Other Financial Expenses	5,778	9,949	-42%
<b>Finance Incomes</b>	<b>30,925</b>	<b>49,292</b>	<b>-37%</b>
Interest Income	30,925	49,292	-37%

# Consolidated Balance Sheet

(TL '000)	30 Jun 20	31 Dec 19
<b>ASSETS</b>	<b>5,532,941</b>	<b>4,664,944</b>
Cash and cash equivalents	434,789	648,342
Trade receivables	1,178,213	745,346
Inventories	1,605,564	935,907
Tangible and intangible non-current assets	868,759	882,153
Financial Investments	561,463	561,463
Investments in equity accounted investees	527,874	452,264
Right of Use Asset	94,352	111,005
Other	261,927	328,464
<b>LIABILITIES</b>	<b>4,053,655</b>	<b>3,412,403</b>
Financial liabilities	2,398,554	2,438,052
Trade payables	1,235,354	713,263
Provisions	122,185	119,377
Other	297,562	141,711
<b>EQUITY</b>	<b>1,479,286</b>	<b>1,252,541</b>

## Inventories:

- Number of vehicles increased from 5,878 units on 31.12.2019 to 7,439 units on 30.06.2020.

## Financial Liabilities:

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

Investments in Equity Accounted Investees	30 Jun 20	31 Dec 19
<b>Associates</b>		
Doğuş Sigorta	38,109	37,139
vdf Group	239,066	218,678
VDF	115,781	111,551
VDF Servis Holding	123,285	107,127
Yüce Auto (Škoda)	29,803	29,682
Doğuş Technology	34,347	35,486
<b>Joint Ventures</b>		
TÜVTURK North - South (Consolidated)	186,550	131,280
Meiller-Doğuş	0	0
<b>Total</b>	<b>527,874</b>	<b>452,264</b>

Provisions	30 Jun 20	31 Dec 19
Warranty provisions	35,642	35,412
Legal provisions	31,470	31,019
Provision for unused vacation	55,073	50,280
Other provisions	0	2,666
<b>Total</b>	<b>122,185</b>	<b>119,377</b>

# Consolidated Balance Sheet

(Balance Sheet mn,TL)	30-Jun-20	31 Dec 19	Change (%)
Total Assets	5,533	4,665	19%
Total Equity	1,479	1,253	18%
Net working capital	-164	-586	72%
Net cash position*	-1,884	-1,691	-11%
Receivable Turnover (day)	38	28	36%
Inventory Turnover (day)	59	40	48%
Payable Turnover (day)	45	30	49%
Net Debt/EBITDA	2.1	2.9	-28%

\* Net Cash Position updated in line with IFRS 16, bank loans and employee benefits are taken into account.

(Balance Sheet mn,TL)	30-Jun-20	31 Dec 19	Change (%)
CAPEX	20	45	-56%
ROA	4.2%	1.6%	153%
ROE	15.6%	6.1%	154%

## 2020 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**

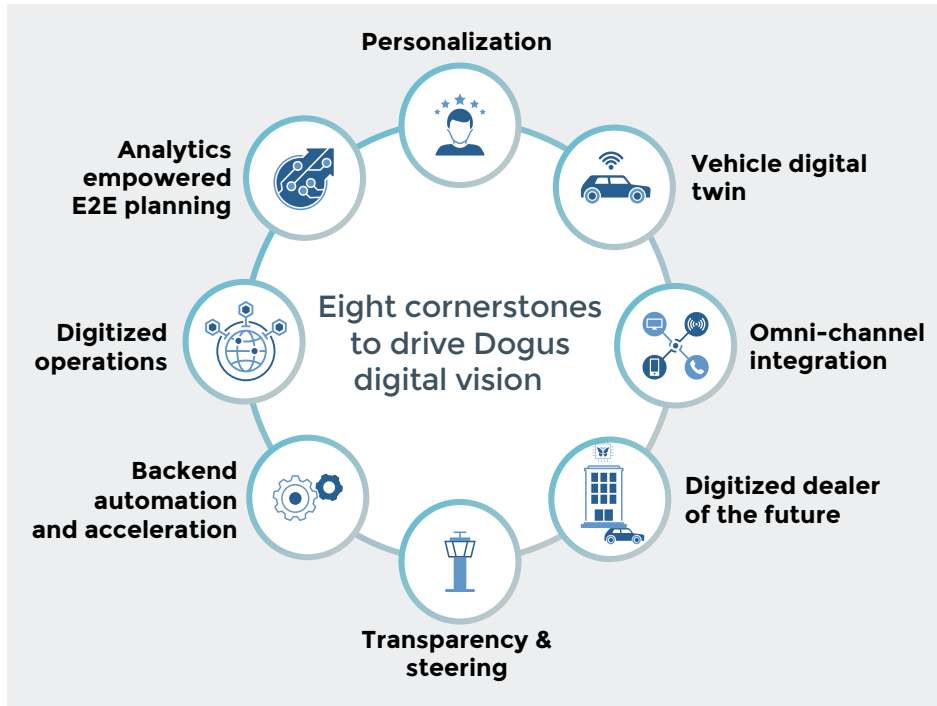
TRY 160-170million

- 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

\*Revisions to our expectations are being considered at the beginning of the second of half of the year.

# Digital Transformation Strategy of DOAS

## Doğuş Otomotiv Road Map for Digital Vision



## Enabling factors

### 3 digital foundations

Data & systems

People, skills & working mode

Digital governance & transformation

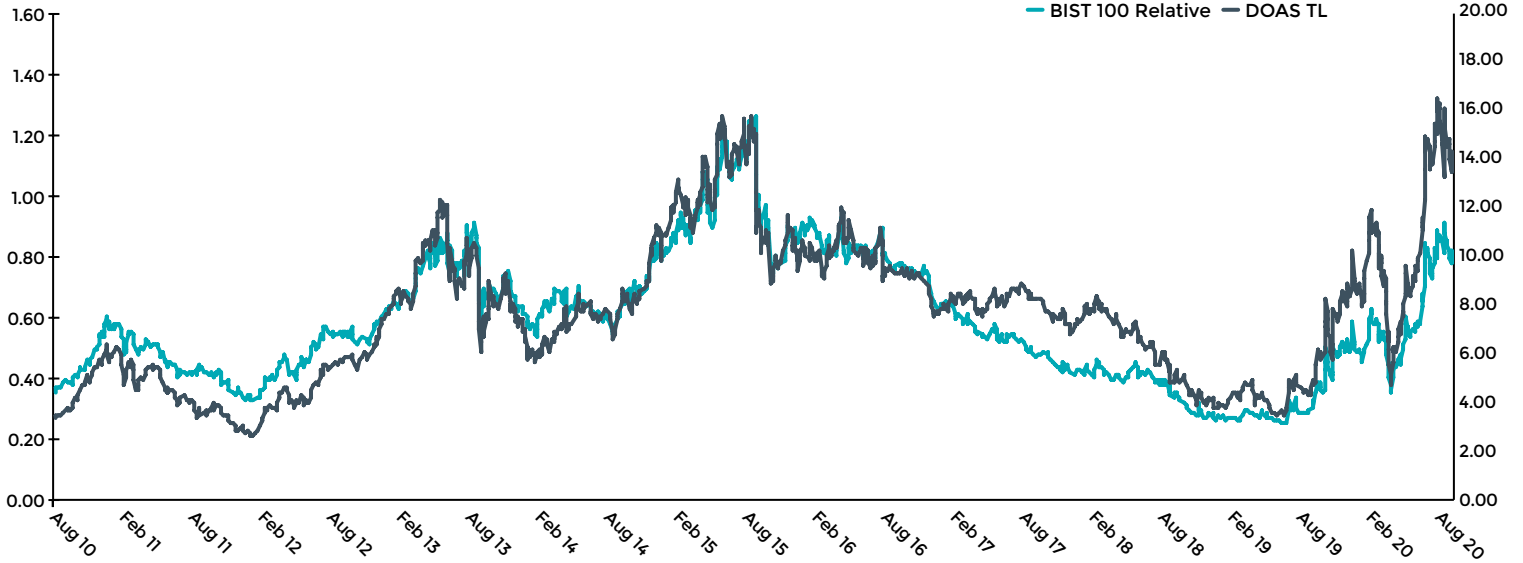


### Growing beyond the core

Business innovation



# Stock Price History



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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