

DOĞAN BURDA

INVESTOR PRESENTATION – JUNE 2018



Doğan Holding & Burda GmbH Partnership

Hubert Burda Media



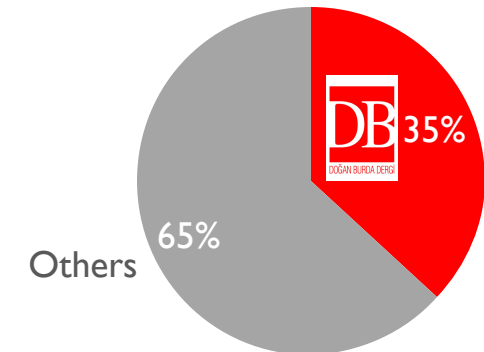
DOĞAN BURDA: LEADING MAGAZINE GROUP IN TURKEY



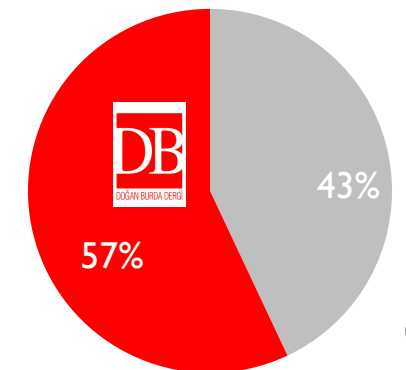
- JV of Doğan Holding & Burda GmbH,
- Diverse portfolio with well-known and leading brands with 52 publications (monthlies, weeklies and various other magazines).
- Focusing on digital activities for securing long-term audience: 28 web sites and 20 tablet and mobile application.
- DB maintains #1 position with a market share of 35% in magazine circulation & expected 53% in magazine ad market in 1H18.
- Net cash position of TL16.0 mn as of 1H18-end

1 Magazine Company in Turkey

Turkish magazine circulation



Turkish magazine ad market



* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

WIDE SELECTION OF MAGAZINES FOR EVERY TASTE

- Doğan Burda offers a broad portfolio of magazines to suit everyone

Women, Health & Decoration

Hobbies, Cooking & Special Interest

Information Technology & Computers

Economy News & Law

People, Youth, Travel & Lifestyle

INTERNATIONALLY RECOGNIZED BRANDS & LICENSES

Magazine	Licensor
Auto Show	Axel Springer Auto-Verlag GmbH
Burda	Verlag Aenne Burda GmbH & Co.
Capital	Grüner + Jahr International Magazines GmbH
Elle & Elle Decoration	Hachette Filipacchi Presse S.A.
Maison Francaise	Cote Maison
Hello	Hola, S.L.
Chip & Level	Chip Holding GmbH
Popular Science	Bonnier Corporation

- Doğan Burda takes advantage of various internationally recognized licenses under its portfolio.

DIGITAL ACTIVITIES



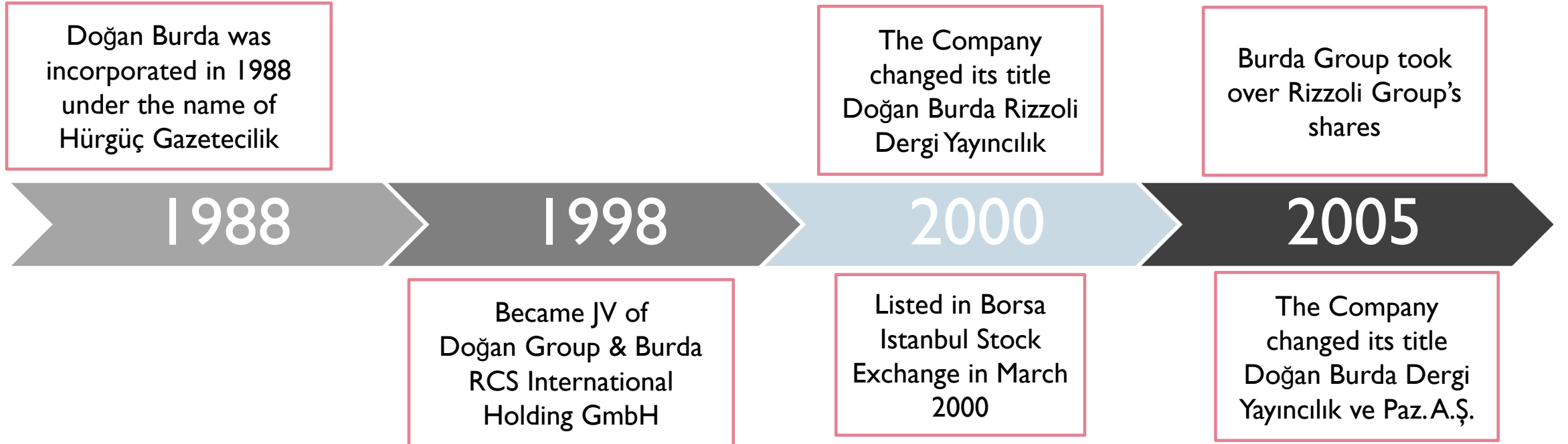
Dergilik

Continue to focus on digital activities; currently there are 17 brands' digital websites and/or tablet versions.

- The company continuously renew its magazine websites and relaunch if necessary
- Telecommunication Companies' mobile e-mag app will be used as a new revenue channel:
 - The number of eMagazine monthly downloads exceeds 700K on e-platform.
 - Other mobile provider companies have become a new partner for e-mag app.
- Doğan Burda's websites has around 10 mn monthly UV in total.

Sources: Google Analytics , Dergilik

MILESTONES OF DOĞAN BURDA



JV OF DOĞAN GROUP & BURDA GMBH



- Doğan Group, founded by Aydın Doğan, is one of the leading groups in Turkey with almost 60 years of experience.
- Doğan Group companies play a pioneering role in a wide range of sectors, which include the energy, industry, automotive marketing, financial services as well as media and tourism.
- Doğan Group has been the leading media group in Turkey, fully integrated and 40 years of long-standing position in the sector, until May 16, 2018. On May 16, 2018, Doğan Holding sold all its shares in its major publishing and broadcasting assets, excluding its share in Doğan Burda¹.

Hubert Burda Media

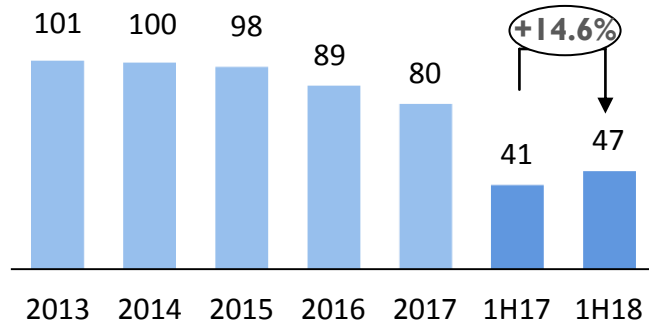
- Hubert Burda Media Group (HBM), a global player with an international reputation, is one of the largest corporations of Germany.
- A family enterprise with a history spanning over 100 years, Hubert Burda Media combines tradition and innovation. Today, the corporation is one of Germany's largest media companies with an international presence and a global reputation.

¹ Doğan Holding signed an agreement to sell its all shares in major media assets to Demirören Group for US\$916 mn on April 6, 2018. Doğan Burda is not among the assets that are announced to be sold.

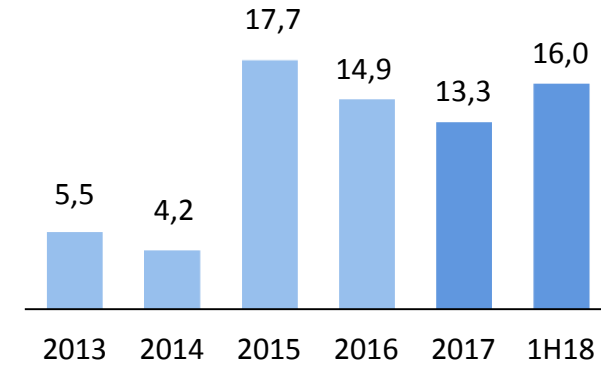
FINANCIAL SUMMARY



REVENUES
(TL MN)

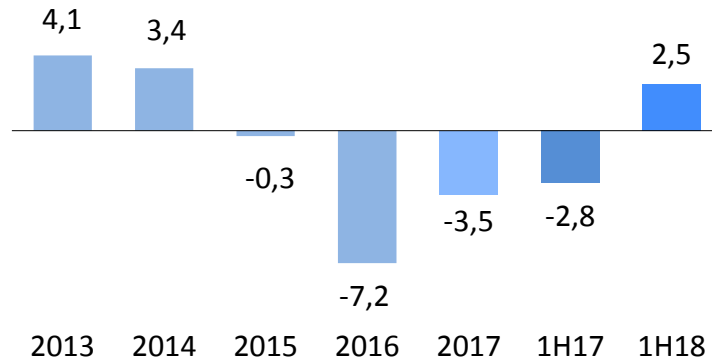


NET CASH
(TL MN)

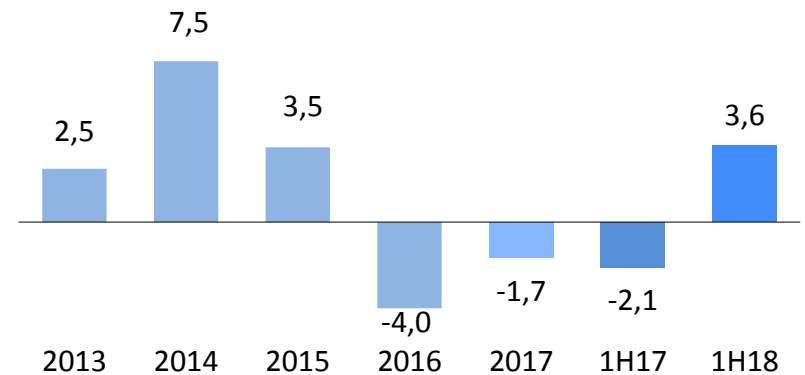


* The company sold an asset worth US\$10 mn (TL21 mn) in June 2014; US\$2 mn was taken in advance payment, while the remaining portion was received in 2015.

EBITDA
(TL MN)

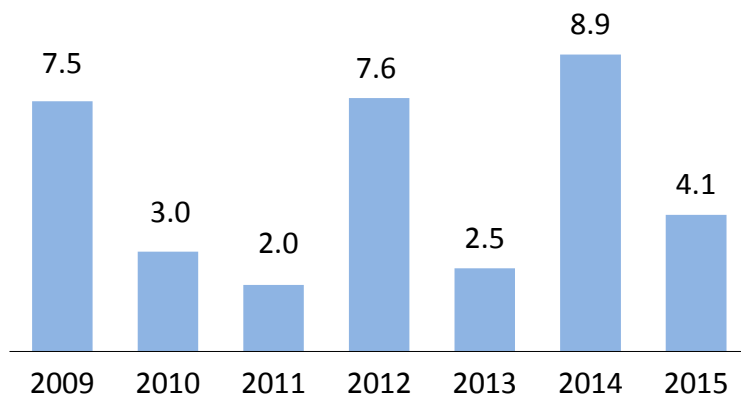


NET
PROFIT/(LOSS)
(TL MN)

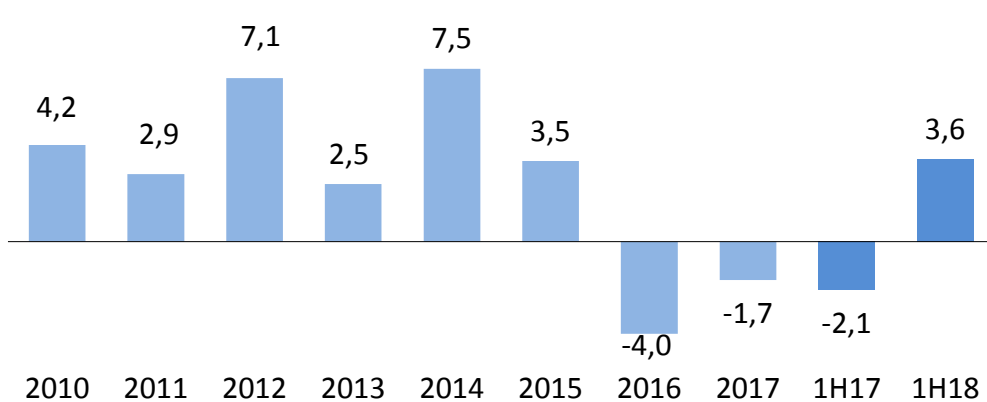


DIVIDEND HISTORY & STOCK PERFORMANCE

Gross Cash Dividend Paid (TL mn)



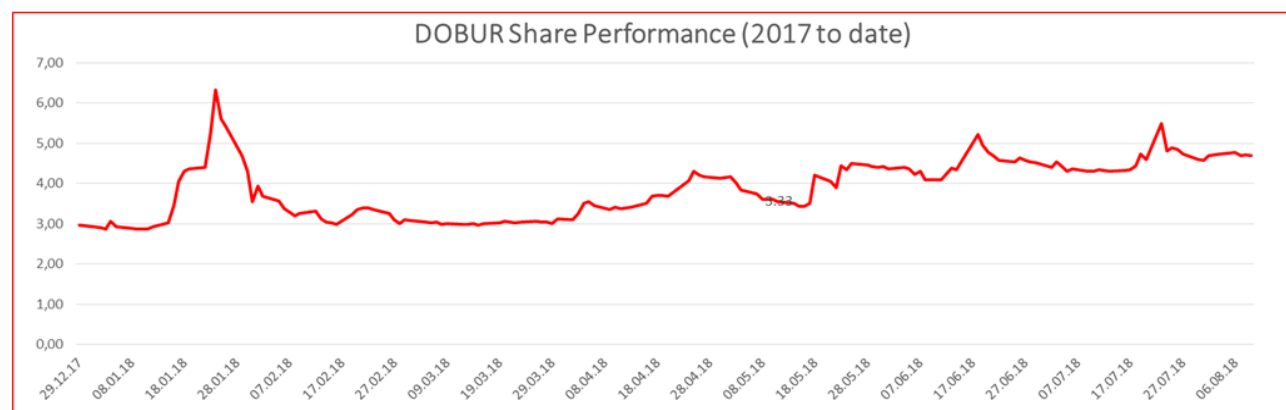
Net Profit (TL mn)



- Doğan Burda has been trading on Borsa Istanbul since March 28, 2000 with a ticker <DOBUR>.
- Distributed dividend straight up until 2016, where the company generated net loss.

DOBUR		08.08.18
Share Price		2,93 TL
# shares (mn)		19,6
TL/US\$		5,29
Market Cap		57,3 mn TL 10,8 mn \$
Free-float (30.06.18)		13,05%
Avg. Daily Volume (3 mths)		1.704.292 TL
52 week price (low - high)	2,49 TL	4,76 TL
Share Performance	DOBUR	Rel. to BIST-100
Monthly	-1,0%	-1,8%
YTD*	2,1%	2,3%

* Year to date





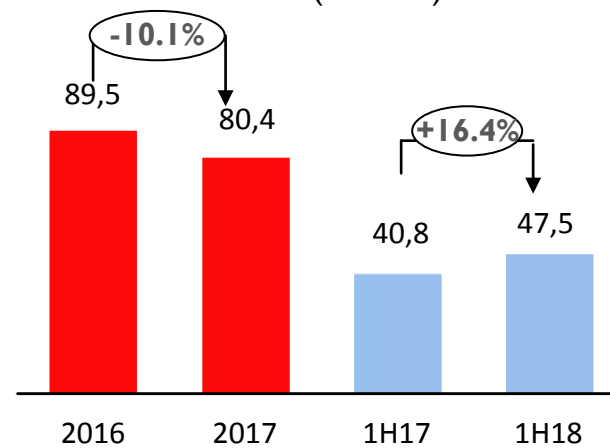
FINANCIAL REVIEW

I H2018 FINANCIALS

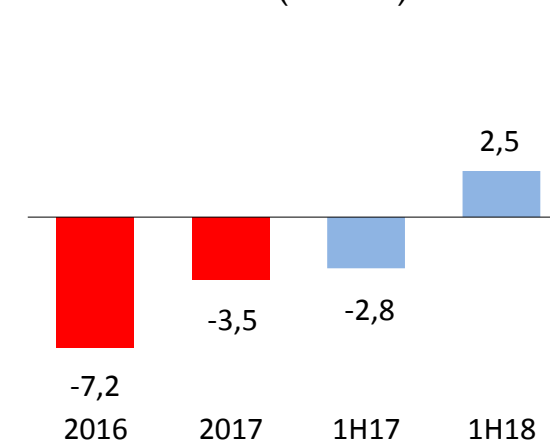
HIGHLIGHTS OF 1H18

- With a significant increase in all revenue channels, circulation, ad & other, DB's total revenues in 1H18 increased by 16.4%.
- Despite the negative impact of depreciation of average TL against Euro in 1H18, Only 4.3% yoy rise in COGS.
- Gross profit increased by 33.1% to TRY 22.8 mn. thanks to growth in total revenues & limited rise in COGS.
- Net profit of TRY 3.6 mn in 1H18, up from TRY -2.1 mn net loss in 1H17.
- The company maintained a net cash of TL16.0 mn as of 1H18-end.

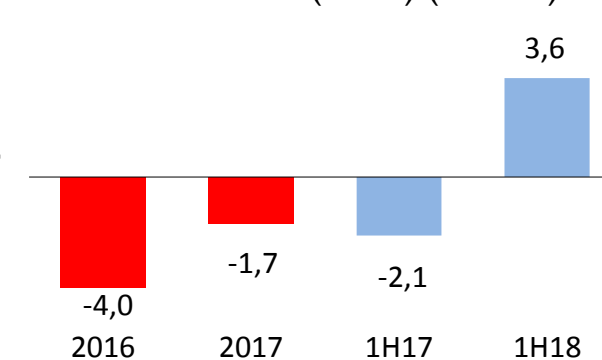
REVENUES (TL MN)



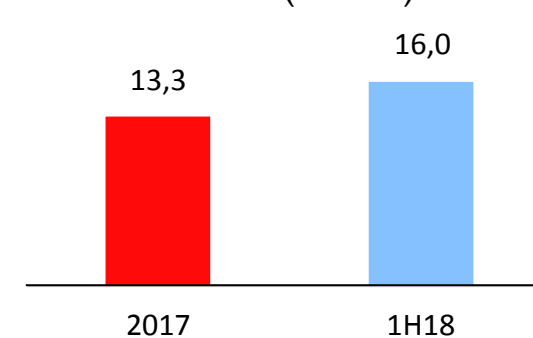
EBITDA (TL MN)



NET PROFIT/(LOSS) (TL MN)

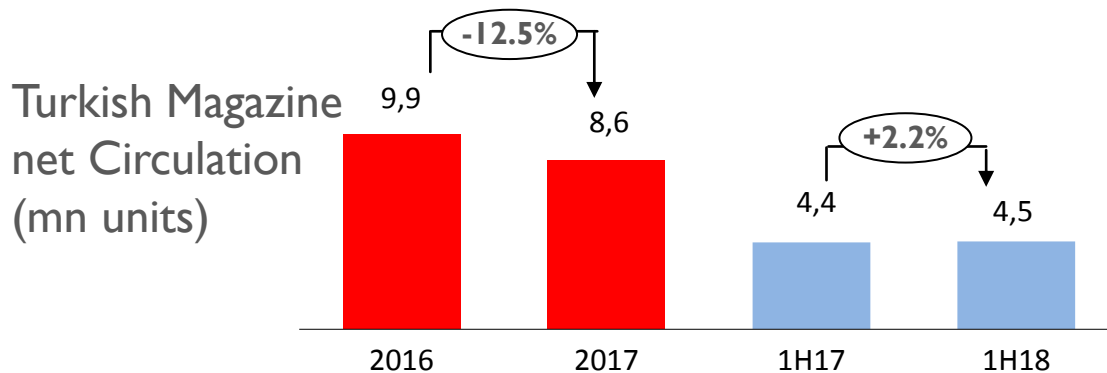
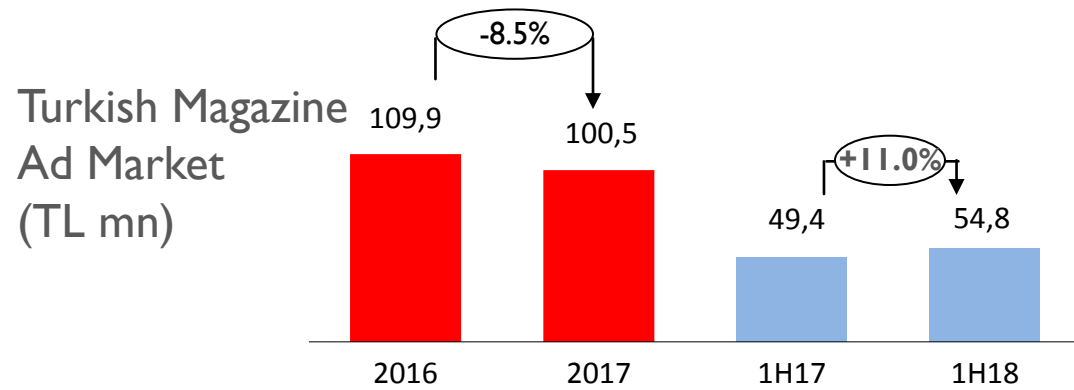


NET CASH (TL MN)

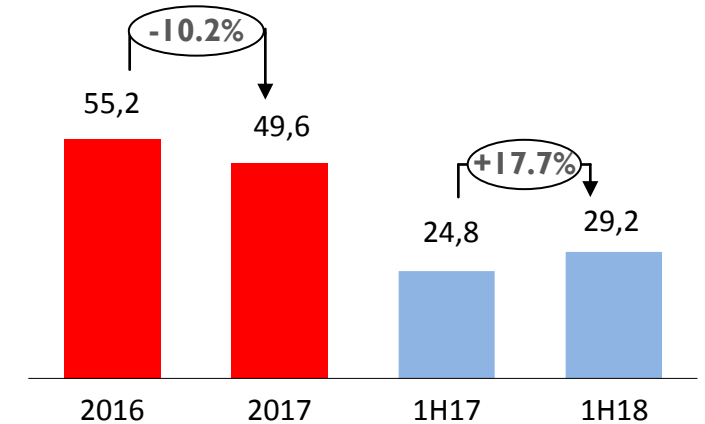


TURKISH MAGAZINE MARKET

- DB's ad revenues increased by 17.7% in 1H18 yoy, above the Turkish magazine ad market growth of +11.0%.
- DB's maintained its leadership position with 35% market share in circulation & circulation figures remained at the same level as in 1H17.

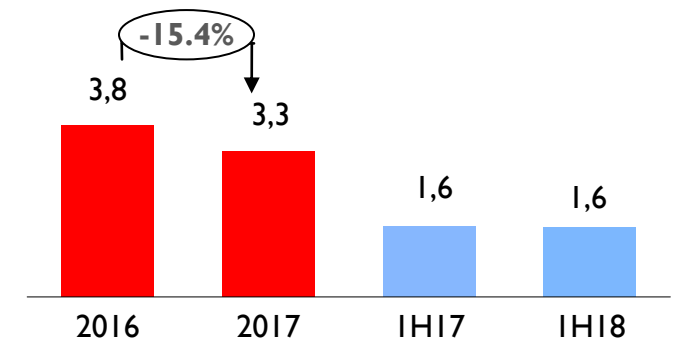


Doğan Burda Ad Revenues* (TL mn)

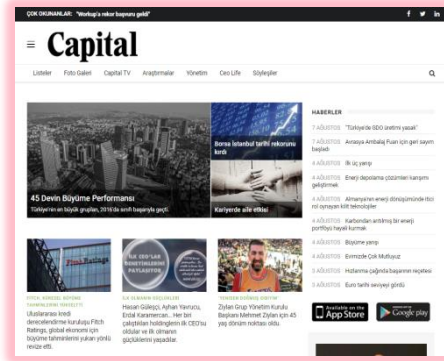


*Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

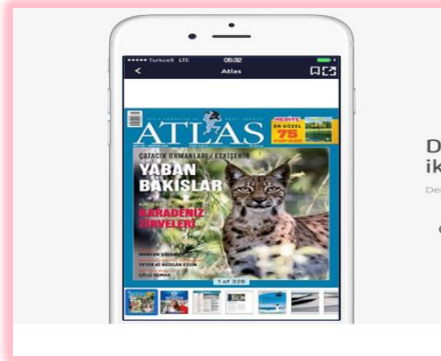
Doğan Burda Net Circulation (mn units)



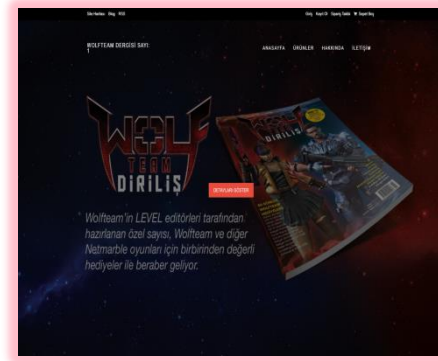
DIGITAL ACTIVITIES IN IH18



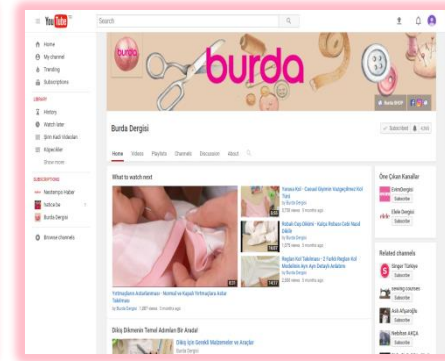
www.capital.com.tr



Dergilik



<https://wolfteam.level.com.tr/>



Burda Youtube Channel

- The number of eMagazine downloads is more than 700K monthly on Dergilik
- Heygirl.com.tr, Istanbulife.com.tr, Burda.com.tr has been re-launched.
- Burda sewing course channel was created on Youtube and reached 15 K subscribers <https://www.youtube.com/c/BurdaDergisiTR>
- Level Wolfteam Special Digital Edition launched, and game keys delivered within the issue. <https://wolfteam.level.com.tr/>
- Elle Beauty Box 2 on sale <https://beautybox.elle.com.tr/>
- Content marketing activities became a major business area.
- On web sites approximately 10 mn monthly unique visitors in total.

Sources: Google Analytics , Apple iTunes Connect, Dergilik

REVENUE & COST BREAKDOWN

- Ad revenues increased by 18.2% yoy.
- With support of circulation cover price adjustments revenues up by 16,4% yoy.
- Despite the negative impact of 37.1% depreciation of average TL against Euro in IH18 yoy, limited increase in COGS by 4.3%.
- Restructuring in costs in the last two years resulted in recovery in operating expenses; which was remained almost intact with same level up by 2.0% yoy in IH18.
- Quite better IH18 results:** with support of total revenues growth and recovery in COGS & operating expenses; EBIT reached profit of 2.1 mn in IH18 vs loss of TL3.1 mn in IH17.

Revenues (TL mn)	IH17	IH18	Chg. YoY	2Q17	2Q18	Ch.%
Total Revenues	40,77	47,45	16,4%	19,79	23,19	17,2%
Advertising	24,00	28,37	18,2%	11,37	13,94	22,7%
Circulation	12,93	14,92	15,4%	7,15	8,16	14,2%
Other	3,85	4,16	8,2%	1,27	1,08	-14,9%
Cost of Goods Sold (-)	23,64	24,66	4,3%	12,26	13,08	6,7%
Production Costs	9,14	8,56	-6,3%	5,26	4,38	-16,7%
Depreciation	0,16	0,05	-65,7%	0,08	0,03	-66,9%
Other Costs	14,34	16,04	11,9%	6,92	8,67	25,3%
Gross Profit	17,13	22,80	33,1%	7,53	10,11	34,3%
Operating Expenses (-)	20,25	20,66	2,0%	8,53	9,57	12,2%
Marketing, Sales & Distribution	15,65	16,92	8,1%	6,33	7,69	21,5%
General Administrative	4,60	3,74	-18,6%	2,20	1,89	-14,4%
EBIT	-3,1	2,1	168,4%	-1,0	0,5	153,7%

BALANCE SHEET SUMMARY

in TL mn	Dec 31, 2017	June 30, 2018
Cash & Cash Equivalents	13.3	16.0
Financial Debt	-	-
Net Cash	13.3	16.0
Total Assets	51.2	55.9
Shareholders' Equity	23.1	26.7

- Net cash position was TL 16.0 mn as of 1H2018-end; maintains sufficient liquidity cushion to meet any short-term operational funding.

FURTHER STRATEGIES

Digital

Concentration on customized video shootings

Target to have more branded content & native ad channels

Growth in e-copy downloads

E-copy partnership with mobile phone operators

New Sources of Revenues

Focusing on event activities in terms of related channel to strengthen 360 degree publishing.

Print

Focusing on feasible fields of the gaps of market both in terms of ad and circulation to launch periodicals & seasonals.

Focusing on young population to catch current trends

INCOME STATEMENT SUMMARY

- Successful IH18 results in terms of revenue and profitability.

Income Statement Summary (TL mn)	IH17	IH18	Chg. YoY	2Q17	2Q18	Ch.%
Net Sales	40,77	47,45	16,4%	19,79	23,19	17,2%
Cost of Goods Sold (-)	23,64	24,66	4,3%	12,26	13,08	6,7%
Gross Profit	17,13	22,80	33,1%	7,53	10,11	34,3%
Operating Exp. (-)	20,25	20,66	2,0%	8,53	9,57	12,2%
Operating Profit/(Loss)	(3,12)	2,13	168,4%	(1,00)	0,54	153,7%
Other Operating Income/(Exp.)	0,63	2,29	-	0,03	1,37	-
Income/(Exp.) from Investing Activities	0,01	0,01	-46,4%	0,01	0,00	-
Operating Profit/(Loss) before Finance Exp.	(2,48)	4,43	-	(0,96)	1,90	-
Net Profit/(Loss)	(2,11)	3,57	-	(0,52)	1,66	-
EBITDA	(2,73)	2,54	193,0%	(0,83)	0,73	188,7%

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THANK YOU

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