

# DOĞAN BURDA

INVESTOR PRESENTATION – JUNE 2019



Doğan Holding & Burda GmbH Partnership

Hubert Burda Media



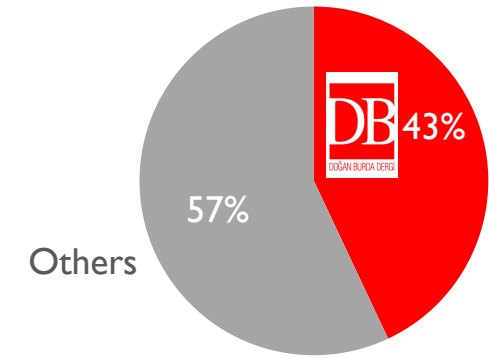
# DOĞAN BURDA: LEADING MAGAZINE GROUP IN TURKEY



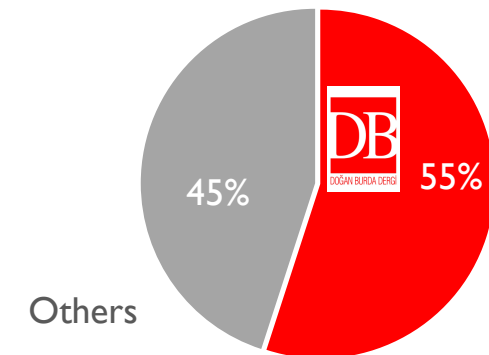
- JV of Doğan Holding & Burda GmbH,
- Diverse portfolio with well-known and leading brands with 52 publications (monthlies, weeklies and various other magazines).
- Focusing on digital activities for securing long-term audience: 31 brands, 4 e-sales web sites and 22 tablet and mobile application.
- DB maintains #1 position with a market share of 43% in magazine circulation & 55% in magazine ad market in 1H19.
- Net cash position of TL24.3 mn as of 1H19-end.

## # 1 Magazine Company in Turkey

Turkish magazine circulation market



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

**MAISON FRANÇAISE** **ELLE** DÉCORATION  
**elele ELLE**  
**burda**  
**formsanté**  
**-evim**

Women, Health & Decoration

**Lezzet**  
**ATLAS Tarih**  
**YACHT**  
**POPULAR SCIENCE**  
**HOW IT WORKS** **Auto SHOW**

Hobbies, Cooking & Special Interest

**CHIP**  
**LEVEL**

Information Technology & Computers

**Capital**  
**Ekonomist**

Economy News

**HELLO!**  
**ISTANBUL LIFE**  
**ATLAS**  
**heygirl**

People, Youth, Travel & Lifestyle

# INTERNATIONALLY RECOGNIZED BRANDS & LICENSES

<b>Magazine</b>	<b>Licensor</b>
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
How it Works	Future Publishing Limited

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

# DIGITAL ACTIVITIES



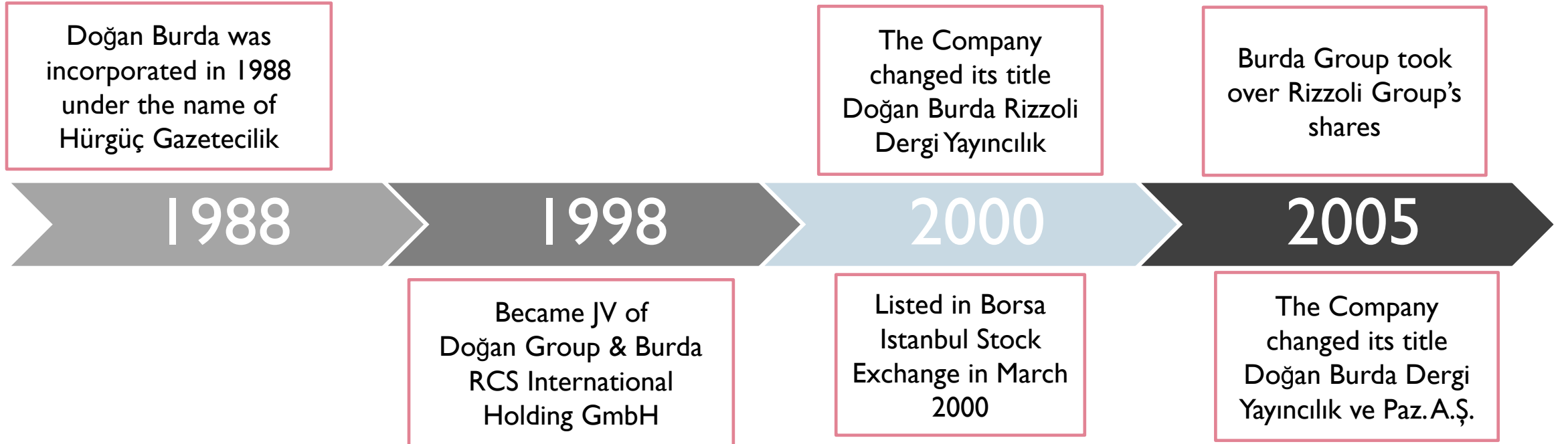
Dergilik

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 Company's mobile e-mag app started to be used as a new revenue channel:
  - The number of eMagazine downloads exceeds 2M monthly on Dergilik
- 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 adding significant value to the Turkish economy, 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 Burda<sup>1</sup>.

## Hubert Burda Media

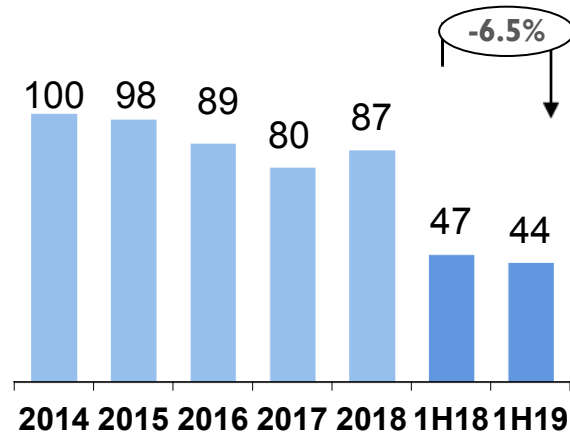
- Hubert Burda Media Group (HBM), a global player with an international reputation, is one of the largest corporations of Germany.
- A family enterprise with a history spanning over 100 years, Hubert Burda Media combines tradition and innovation. Today, the corporation is one of Germany's largest media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



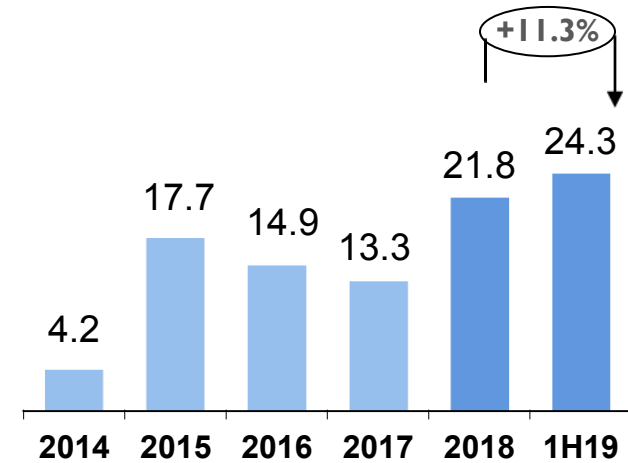
# FINANCIAL SUMMARY



REVENUES  
(TL MN)

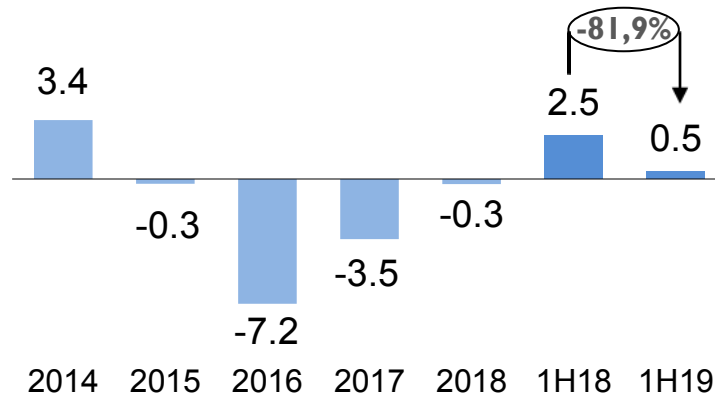


NET CASH  
(TL MN)

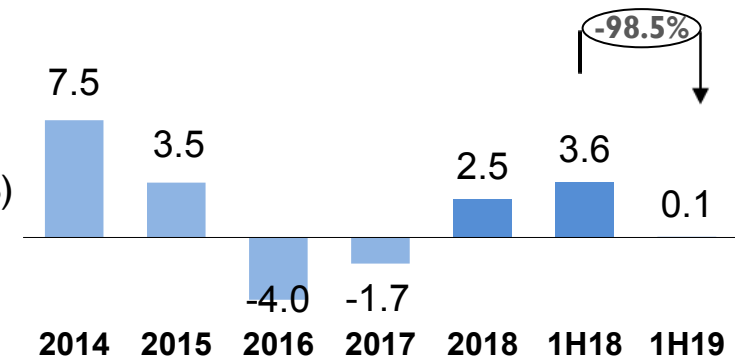


\* The company sold an asset worth US\$10 mn (TL21 mn) in June 2014; US\$2 mn was taken in advance payment, while the remaining portion was received in 2015.

EBITDA  
(TL MN)



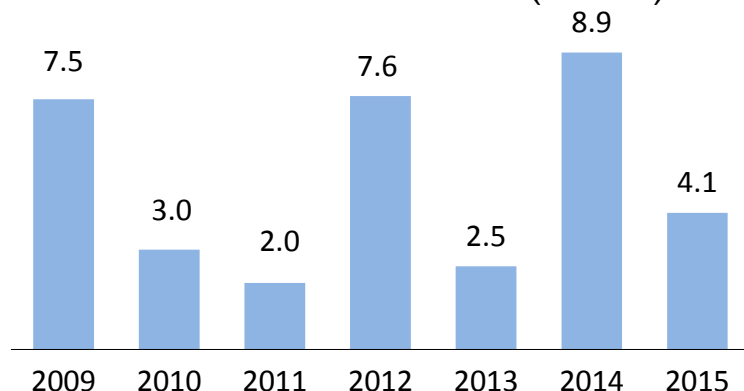
NET  
PROFIT/(LOSS)  
(TL MN)



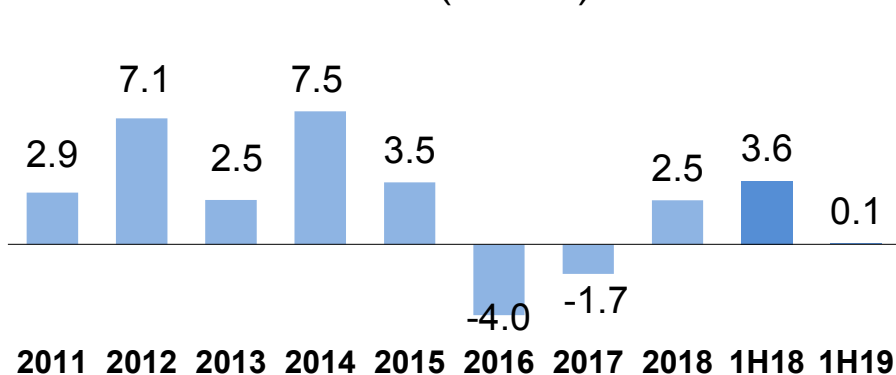


# DIVIDEND HISTORY & STOCK PERFORMANCE

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		22.08.19
Share Price		3,34 TL
# shares (mn)		19,6
TL/US\$		5,71
Market Cap.		65,3 mn TL 11,4 mn \$
Free float (30.06.09)		14,98%
Avg. Daily Volume (3 mths)		1.469.287 TL
52 week price (low - high)	4,64 TL	2,47 TL
Share Performance	<b>DOBUR</b>	<b>Rel. to BIST-100</b>
Monthly	10,2%	16,8%
YTD*	11,0%	6,2%

\* Year to date

DOBUR Share Performance (2018 to date)



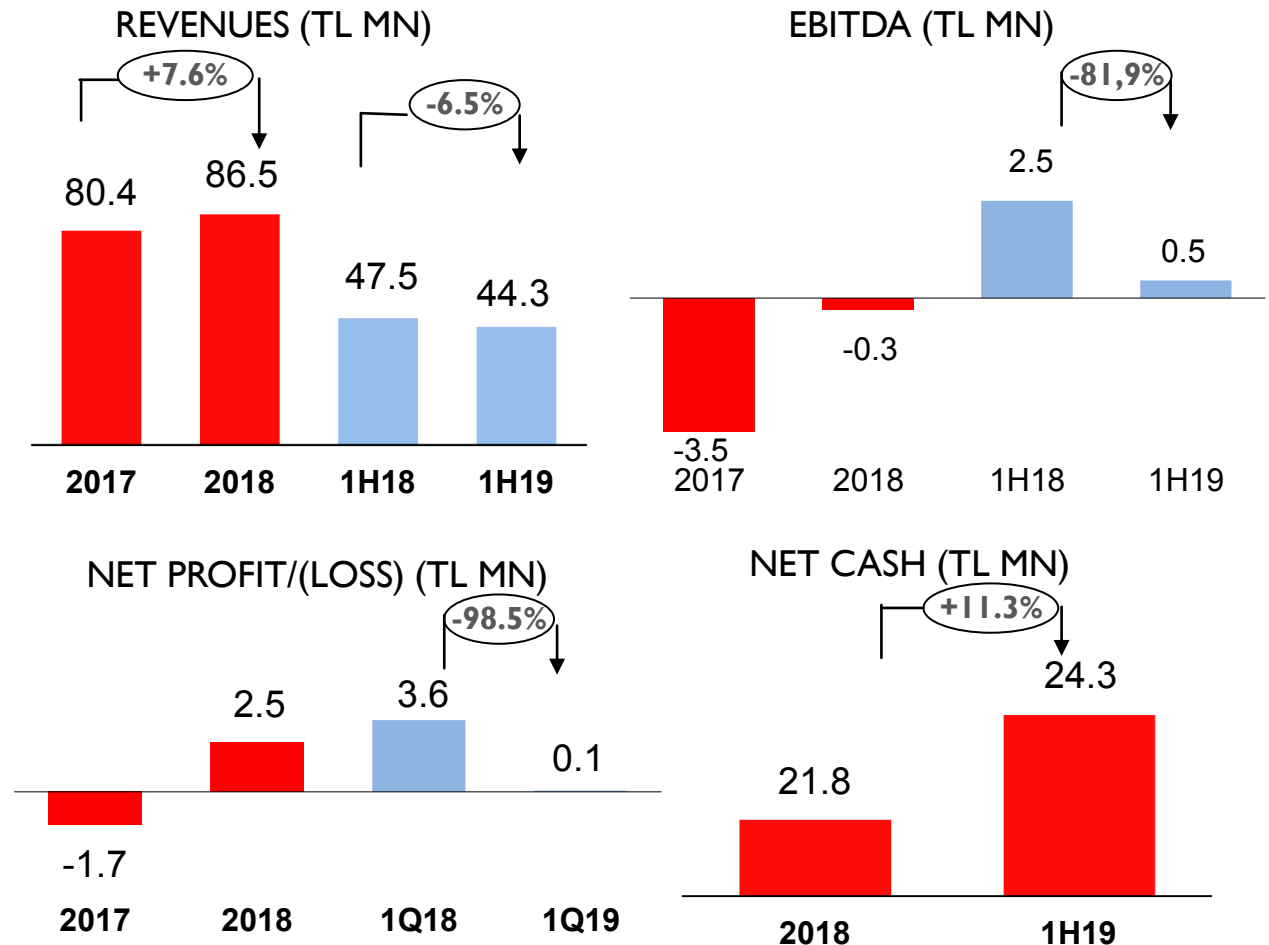


# FINANCIAL REVIEW

I H2019 FINANCIALS

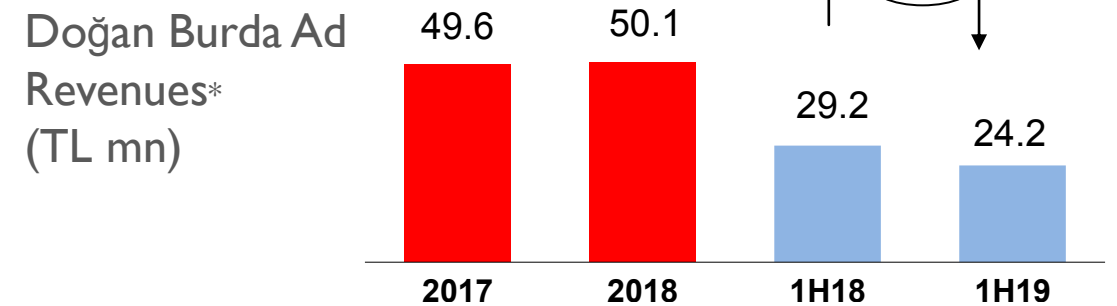
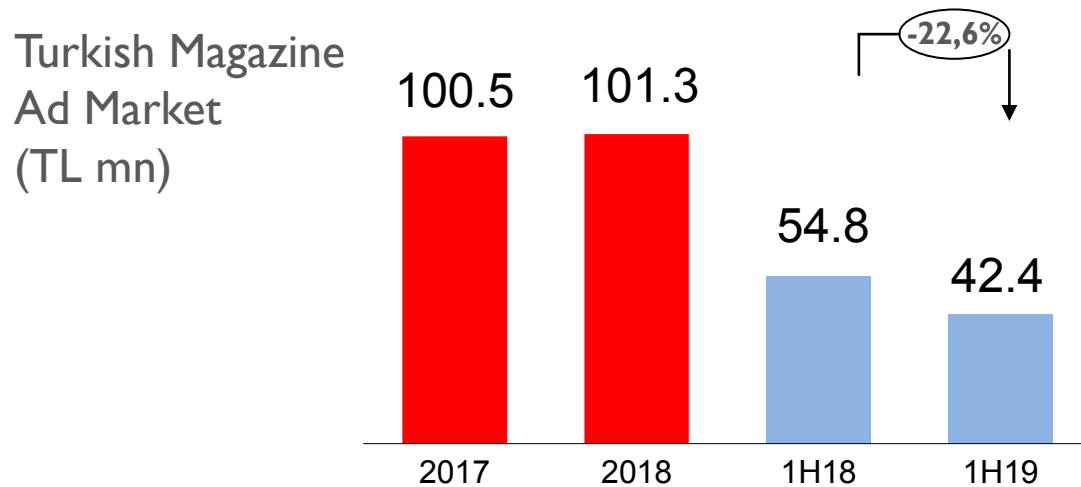
# HIGHLIGHTS OF 1H19

- Advertising revenues decreased by TL 4.7 mn. Therefore, DB's total revenue at the end of the first half in 2019 is 6.5% lower than the same period of 2018.
- The COGS increased by 6.1% compared to the previous period is based on increase in personnel expenses by TRY 1.0 and in depreciation expenses by TRY 1.3 mn.
- The Net Profit decreased by 98.5% compared to the previous period due to highly depreciation and interest expense which occurs with transition of new lease standard and decrease on advertising revenue.
- The company maintained a net cash of TL 24.3 mn as of H12019.

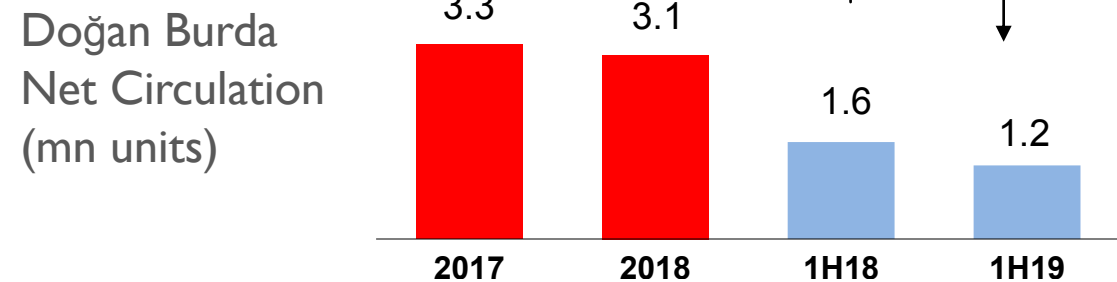


# TURKISH MAGAZINE MARKET

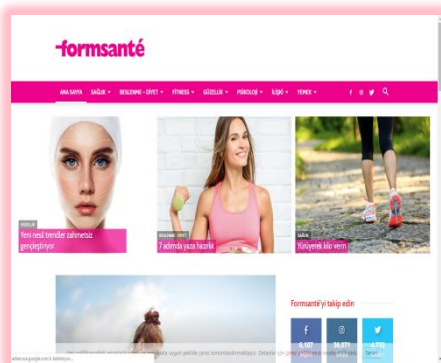
- DB's ad revenues decreased by 17,1% in 1H19 yoy, at better level compared to Turkish magazine Ad market decrease of 23.2%.
- DB's maintained it leadership position with 43% market share in circulation & circulation figures as in 1H19.



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



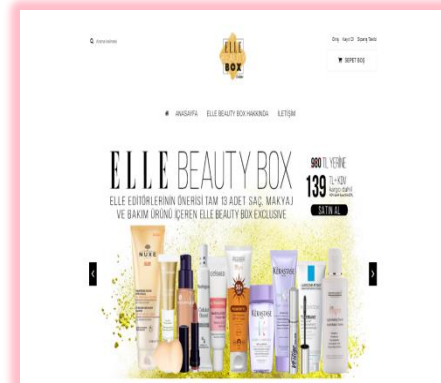
# DIGITAL ACTIVITIES IN 1H19



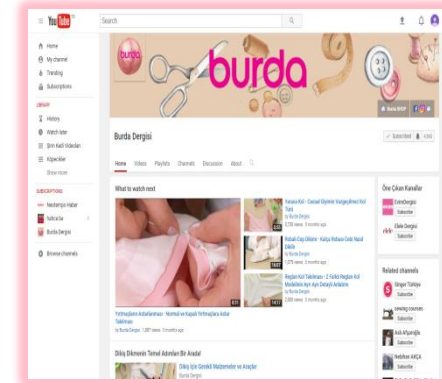
<https://www.formsante.com.tr/>



**Dergilik**



**Elle Beauty Box**



**Burda Youtube Channel**

- The number of eMagazine downloads is more than 2m monthly on Dergilik
- Formsante.com.tr and <https://ozelsayi.dbabone.com/> has been re-launched.
- Burda sewing course channel was created on Youtube and reached 24 K subscribers <https://www.youtube.com/c/BurdaDergisiTR>
- Elle Beauty Box 3, Elle Beauty Box 4, Elle Beauty Box Exclusive and Elle Beauty Box Yves Rocher launched and sold out <https://beautybox.elle.com.tr/>
- On web sites approximately 10 mn monthly unique visitors in total.

Sources: Google Analytics , Apple iTunes Connect, Dergilik

# REVENUE & COST BREAKDOWN

- Depending on the reduction of advertising spendings by revenues decreased by 6,5% yoy.
- With the transition to IFRS 16 standard, there was a substantial increase on depreciation amount compared to the same period of previous year.
- Due to decrease in Freight, sales and marketing expense by TRY 1.3M, marketing, sales & Distribution expense has decreased compared to same period of previous year.
- General Administrative has increased by 16,1% yoy depending on increasing of depreciation expense, legal expenses and personnel expenses.

Revenues (TL mn)	IH18	IH19	Chg. YoY
<b>Total Revenues</b>	<b>47,45</b>	<b>44,35</b>	<b>-6,5%</b>
Advertising	28,37	23,65	-16,6%
Circulation	14,92	15,56	4,3%
Other	4,16	5,13	23,3%
<b>Cost of Goods Sold (-)</b>	<b>24,66</b>	<b>26,16</b>	<b>6,1%</b>
Production Costs	8,56	9,99	-0,9%
Depreciation	0,05	1,33	2335,6%
Other Costs	16,04	14,84	2,1%
<b>Gross Profit</b>	<b>22,80</b>	<b>18,19</b>	<b>-20,2%</b>
<b>Operating Expenses (-)</b>	<b>20,66</b>	<b>19,38</b>	<b>-6,2%</b>
Marketing, Sales & Distribution	16,92	15,04	-11,1%
General Administrative	3,74	4,35	16,1%
<b>EBIT</b>	<b>2,1</b>	<b>-1,2</b>	<b>-155,9%</b>

# BALANCE SHEET SUMMARY

in TL mn	Dec 31, 2018	June 30, 2019
Cash & Cash Equivalents	21.8	24.3
Financial Debt	-	-
Net Cash	21.8	24.3
Total Assets	52.1	63.9
Shareholders' Equity	25.0	25.1

- Net cash position was TL24.3 mn as of 1H2019-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 IH19 results in terms of revenue and profitability.

Income Statement Summary (TL mn)	IH18	IH19	Ch.%
Net Sales	47,45	44,35	-6,5%
Cost of Goods Sold (-)	24,66	26,16	6,1%
Gross Profit	22,80	18,19	-20,2%
Operating Exp. (-)	20,66	19,38	-6,2%
Operating Profit/(Loss)	2,13	(1,19)	-155,9%
Other Operating Income/(Exp.)	2,29	2,39	4,3%
Income/(Exp.) from Investing Activities	0,01	0,00	-51,0%
Operating Profit/(Loss) before Finance Exp.	4,43	1,20	-72,8%
Net Profit/(Loss)	3,57	0,05	-98,5%
EBITDA	2,54	0,46	-81,9%

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# THANK YOU

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