

DOĞAN BURDA

INVESTOR PRESENTATION – SEPTEMBER 2018



Doğan Holding & Burda GmbH Partnership

Hubert Burda Media



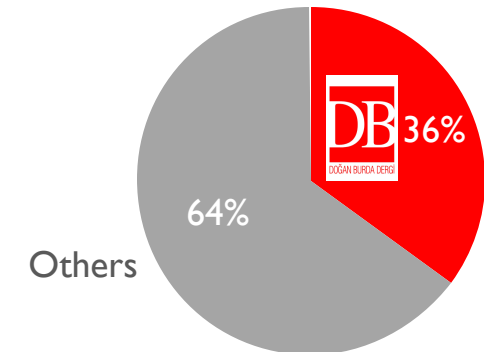
DOĞAN BURDA: LEADING MAGAZINE GROUP IN TURKEY



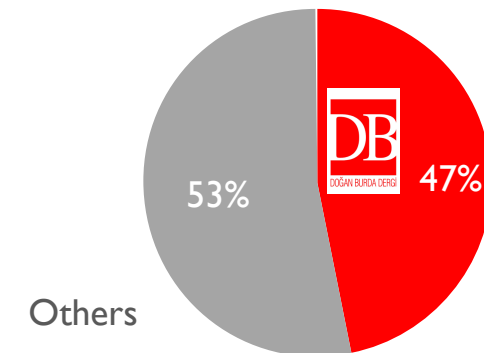
- JV of Doğan Holding & Burda GmbH,
- Diverse portfolio with well-known and leading brands with 67 publications (monthlies, weeklies and various other magazines).
- Focusing on digital activities for securing long-term audience: 31 brands, 4 e-sales web sites and 22 tablet and mobile application.
- DB maintains #1 position with a market share of 36% in magazine circulation & expected 47% in magazine ad market in 9M18.
- Net cash position of TL20.8 mn as of 9M18-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

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 31 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 monthly downloads exceeds 750K 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



Doğan Burda was incorporated in 1988 under the name of Hürgüç Gazetecilik

1988

The Company changed its title Doğan Burda Rizzoli Dergi Yayıncılık

1998

Became JV of Doğan Group & Burda RCS International Holding GmbH

2000

Listed in Borsa Istanbul Stock Exchange in March 2000

Burda Group took over Rizzoli Group's shares

2005

The Company changed its title Doğan Burda Dergi Yayıncılık ve Paz. A.Ş.

JV OF DOĞAN GROUP & BURDA GMBH

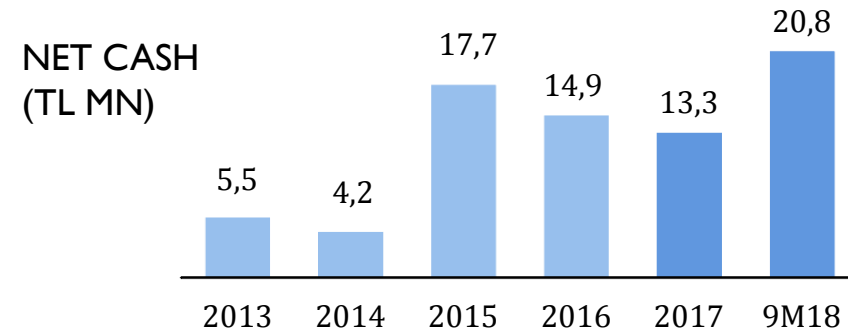
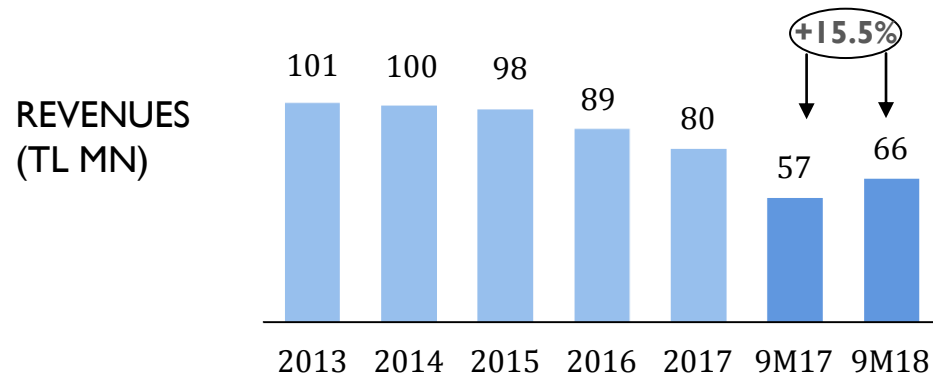


- Doğan Group, founded by Aydın Doğan, is one of the leading groups in Turkey with almost 60 years of experience.
- Doğan Group companies play a pioneering role in a wide range of sectors, which include the energy, industry, automotive marketing, financial services as well as media and tourism.
- Doğan 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 Burda¹.

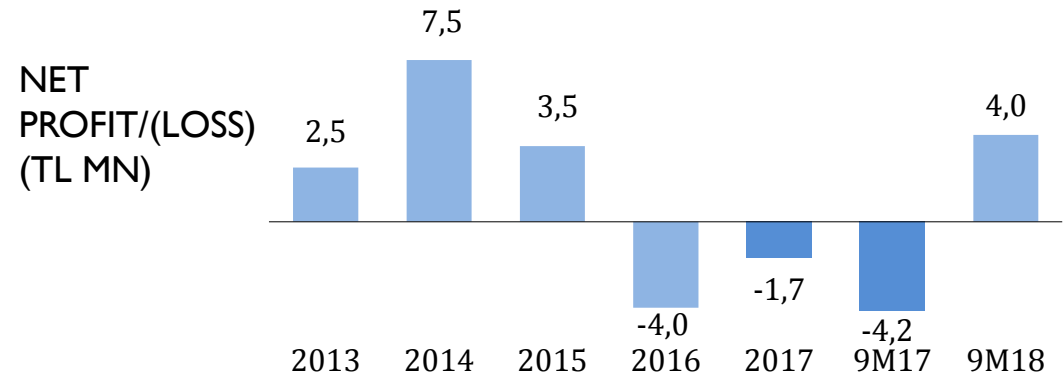
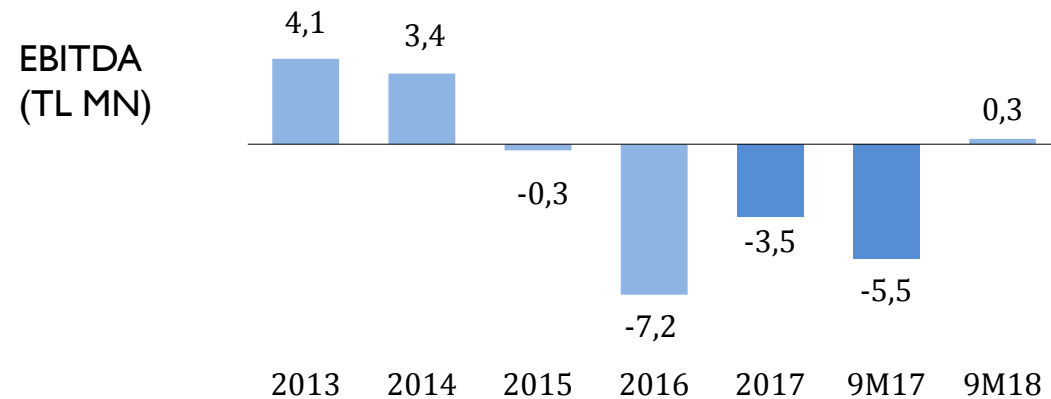
Hubert Burda Media

- 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.

FINANCIAL SUMMARY

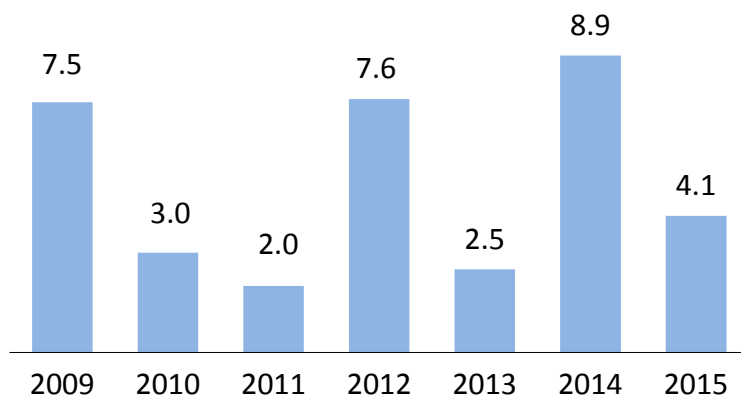


* The company sold an asset worth US\$10 mn (TL21 mn) in June 2014; US\$2 mn was taken in advance payment, while the remaining portion was received in 2015.

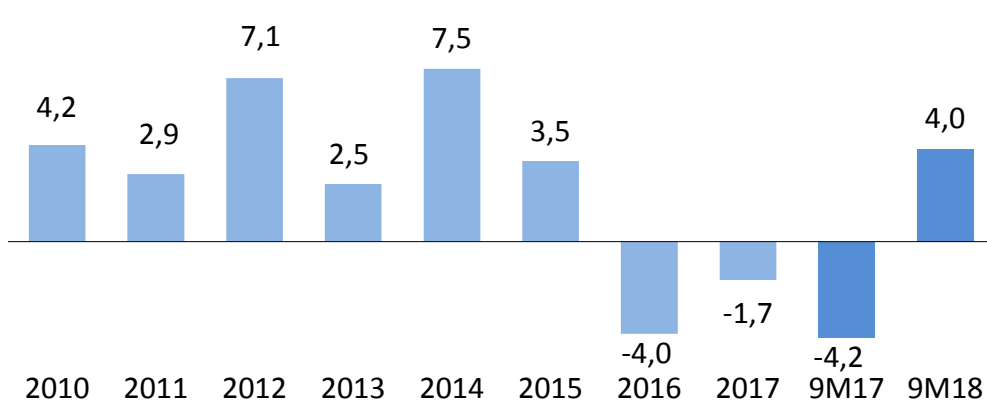


DIVIDEND HISTORY & STOCK PERFORMANCE

Gross Cash Dividend Paid (TL mn)



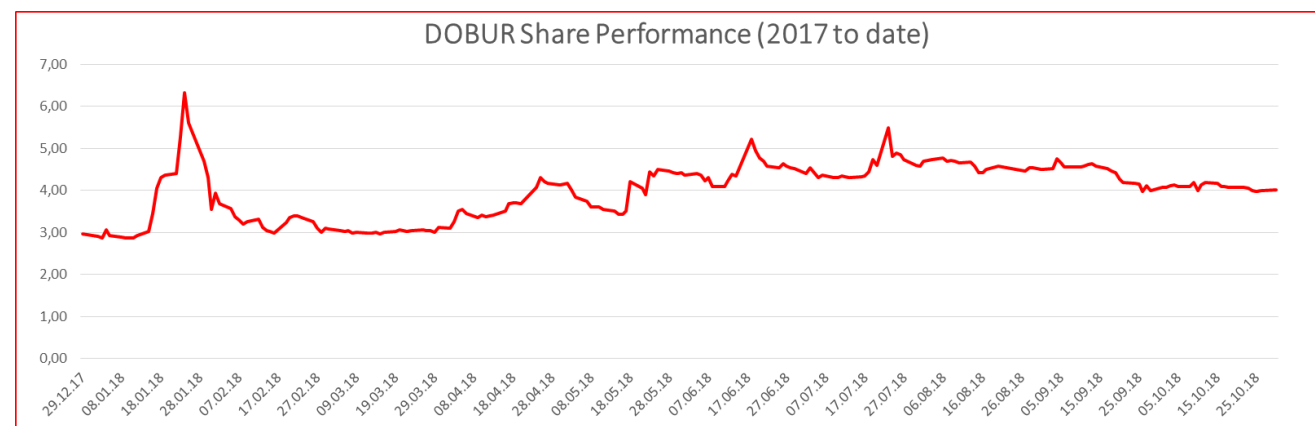
Net Profit (TL mn)



- 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		30.10.18
Share Price		2,61 TL
# shares (mn)		19,6
TL/US\$		5,53
Market Cap.		51,0 mn TL
		9,2 mn \$
Free float (30.09.18)		14,98%
Avg. Daily Volume (3 mths)		1.199.606 TL
52 week price (low - high)	2,47 TL	4,76 TL
Share Performance	DOBUR	Rel. to BIST-100
Monthly	-11,8%	-2,1%
YTD*	-21,4%	0,7%

* Year to date



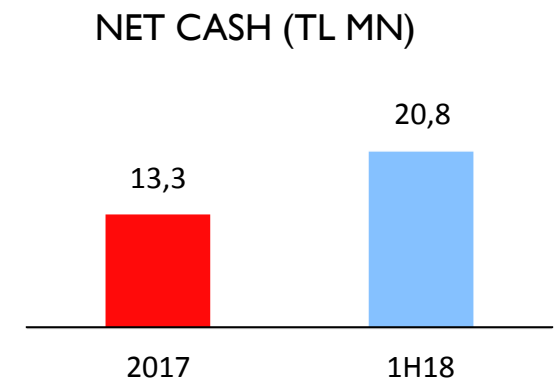
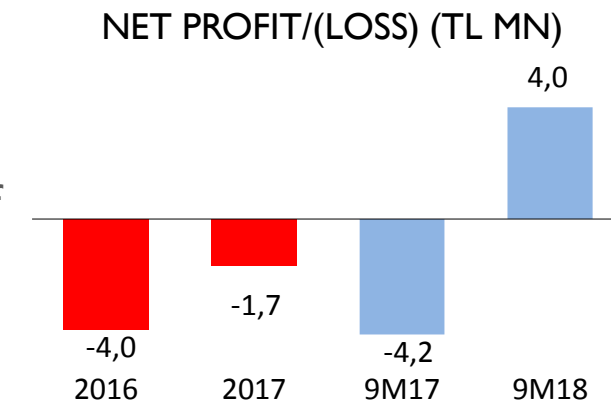
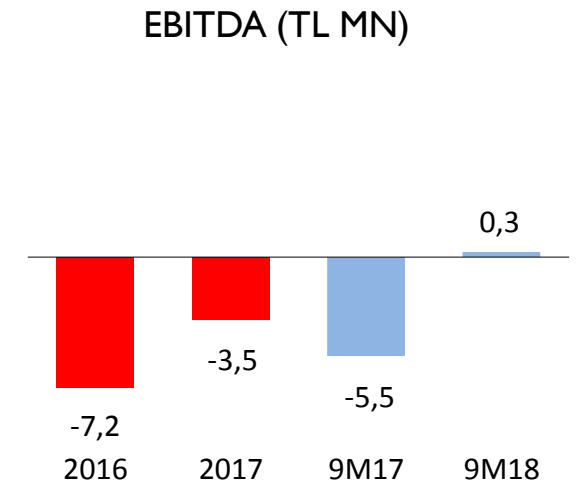
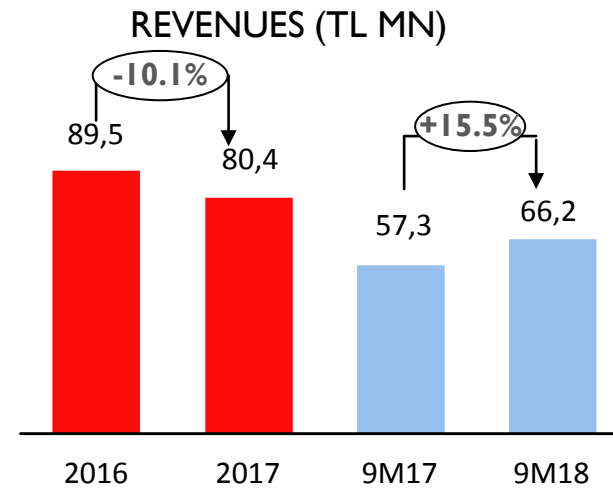


FINANCIAL REVIEW

9M2018 FINANCIALS

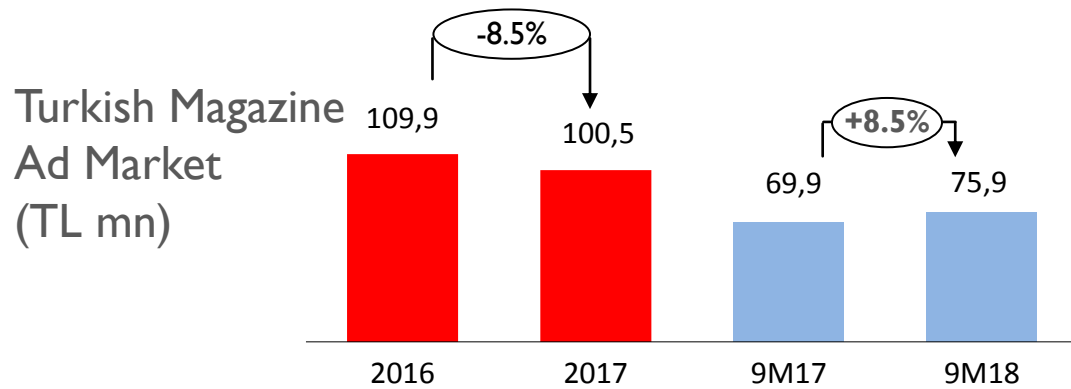
HIGHLIGHTS OF 9M18

- DB's total revenues in 9M18 increased by 15.5% with a significant increase in all revenue channels, circulation, ad & other,
- Only 7.8% yoy rise in COGS, despite the negative impact of depreciation of average TL against Euro in 9M18.
- Gross profit increased by 28.0% to TRY 28.0 mn. thanks to growth in total revenues & limited rise in COGS.
- Net profit of TRY 4.0 mn in 9M18, up from TRY -4.2 mn net loss in 9M17.
- The company maintained a net cash of TL20.8 mn as of 9M18-end.

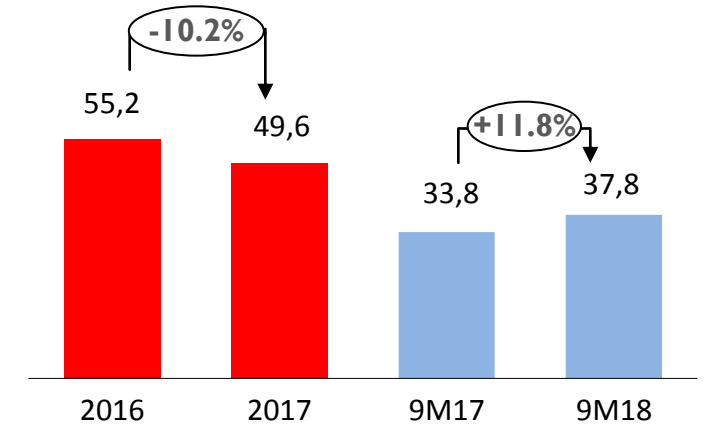


TURKISH MAGAZINE MARKET

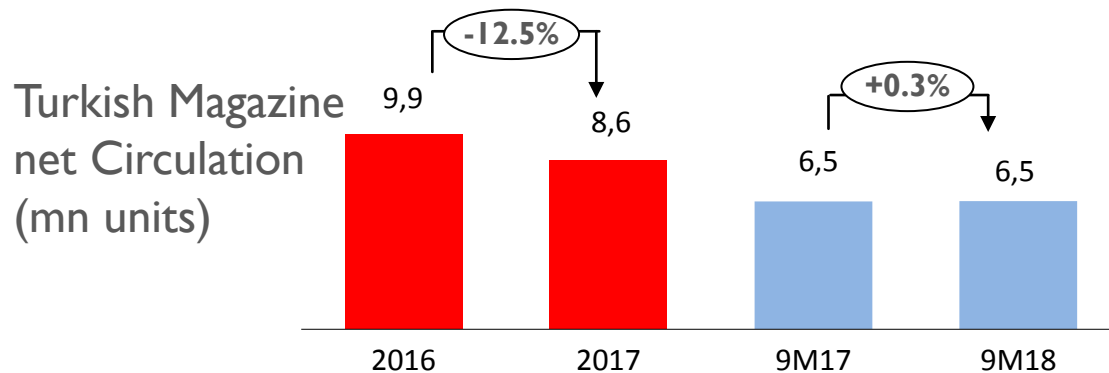
- DB's ad revenues increased by 11.8% in 9M18 yoy, above the Turkish magazine ad market growth of +8.5%.
- DB's maintained its leadership position with 36% market share in circulation & circulation figures remained more or less at the same level as in 9M17.



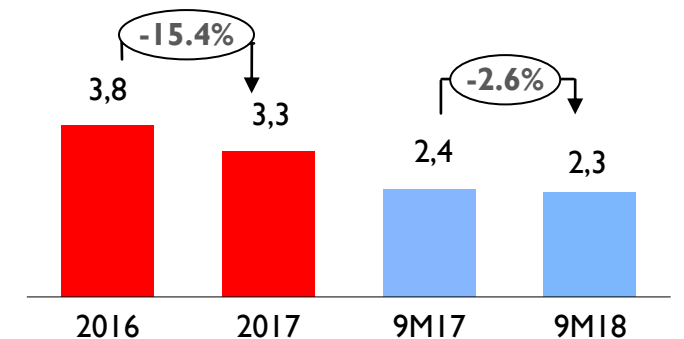
Doğan Burda Ad Revenues* (TL mn)



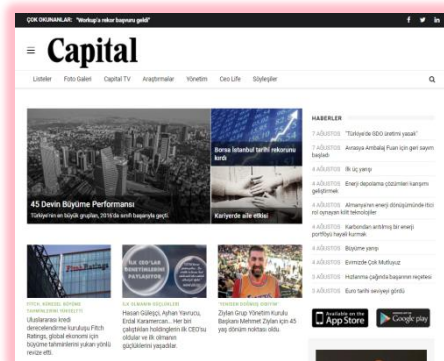
*Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.



Doğan Burda Net Circulation (mn units)



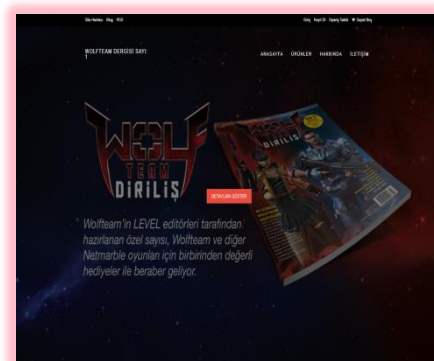
DIGITAL ACTIVITIES IN 9M18



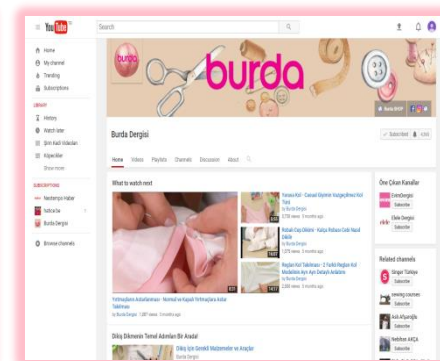
www.capital.com.tr



Dergilik



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



Burda Youtube Channel

- The number of eMagazine downloads is more than 750K monthly on Dergilik
- Burda.com.tr and istanbullife.com.tr have been re-launched.
- Burda sewing course channel was created on Youtube and reached 17 K subscribers <https://www.youtube.com/c/BurdaDergisiTR>
- Level Wolfteam Special Digital Edition 2 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 12.4% yoy.
- Revenues up by 15,5% yoy, with support of circulation cover price adjustments.
- Limited increase in COGS by 7.8%. Despite the negative impact of 37% depreciation of average TL against Euro in 9M18 ytd.
- Operating expenses; which was remained almost intact with same level up by 1.0% yoy in 9M18 thanks to restructuring in costs in the last two years resulted in recovery.
- Quite better 9M18 results:** with support of total revenues growth and recovery in COGS & operating expenses; EBIT reached loss of TL0.2 mn in 9M18 vs loss of TL6.1 mn in 9M17.

Revenues (TL mn)	9M17	9M18	Chg. YoY	3Q17	3Q18	Ch.%
Total Revenues	57,31	66,19	15,5%	16,53	18,74	13,3%
Advertising	32,63	36,67	12,4%	8,63	8,30	-3,9%
Circulation	19,82	23,67	19,4%	6,89	8,75	26,9%
Other	4,85	5,86	20,7%	1,01	1,69	68,3%
Cost of Goods Sold (-)	35,46	38,23	7,8%	11,82	13,57	14,8%
Production Costs	13,14	15,97	21,6%	4,00	7,41	85,4%
Depreciation	0,24	0,08	-66,2%	0,08	0,03	-67,2%
Other Costs	22,09	22,18	0,4%	7,75	6,13	-20,8%
Gross Profit	21,85	27,97	28,0%	4,71	5,17	9,7%
Operating Expenses (-)	27,91	28,20	1,0%	7,66	7,54	-1,6%
Marketing, Sales & Distribution	21,60	22,82	5,7%	5,95	5,90	-0,8%
General Administrative	6,32	5,38	-14,8%	1,71	1,64	-4,5%
EBIT	-6,1	-0,2	96,2%	-2,9	-2,4	19,7%

BALANCE SHEET SUMMARY

in TL mn	Dec 31, 2017	September 30, 2018
Cash & Cash Equivalents	13.3	20.8
Financial Debt	-	-
Net Cash	13.3	20.8
Total Assets	51.2	58.3
Shareholders' Equity	23.1	27.2

- Net cash position was TL20.8 mn as of 9M2018-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 9M18 results in terms of revenue and profitability.

Income Statement Summary (TL mn)	9M17	9M18	Chg. YoY	3Q17	3Q18	Ch.%
Net Sales	57,31	66,19	15,5%	16,53	18,74	13,3%
Cost of Goods Sold (-)	35,46	38,23	7,8%	11,82	13,57	14,8%
Gross Profit	21,85	27,97	28,0%	4,71	5,17	9,7%
Operating Exp. (-)	27,91	28,20	1,0%	7,66	7,54	-1,6%
Operating Profit/(Loss)	(6,07)	(0,23)	96,2%	(2,95)	(2,37)	19,7%
Other Operating Income/(Exp.)	1,06	5,99	-	0,43	3,70	-
Income/(Exp.) from Investing Activities	0,01	0,01	-44,6%	(0,00)	0,00	143,8%
Operating Profit/(Loss) before Finance Exp.	(4,99)	5,76	-	(2,52)	1,33	-
Net Profit/(Loss)	(4,16)	4,03	-	(2,05)	0,45	-
EBITDA	(5,47)	0,27	104,9%	(2,74)	(2,27)	17,3%

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THANK YOU

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