

# DOĞAN BURDA

INVESTOR PRESENTATION – APR 2018



Doğan Holding & Burda Gmbh Partnership

Hubert Burda Media



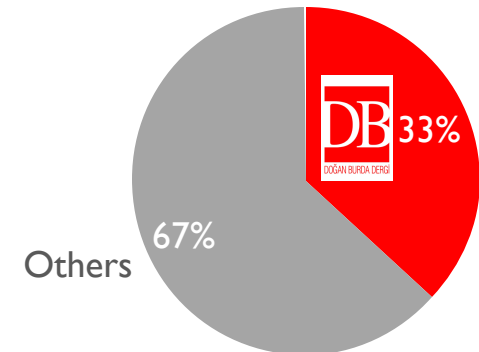
# DOĞAN BURDA: LEADING MAGAZINE GROUP IN TURKEY



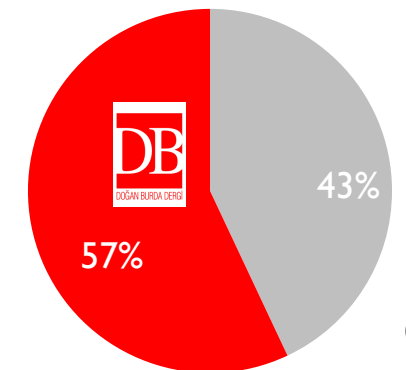
- JV of Doğan Holding & Burda GmbH,
- Diverse portfolio with well-known and leading brands with 36 publications (monthlies, weeklies and various other magazines).
- Focusing on digital activities for securing long-term audience: 28 web sites and 20 tablet and mobile application.
- DB maintains #1 position with a market share of 33% in magazine circulation & 57% in magazine ad market in 1Q18.
- Net cash position of TL16.6 mn as of 1Q18-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 has been to be used as a new revenue channel:
  - The number of eMagazine downloads exceeds 600K monthly on e-platform.
  - Another mobile provider company has 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 media, energy, retail, industry as well as trade, tourism and financial services.
- 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 Burda<sup>1</sup>.

## Hubert Burda Media

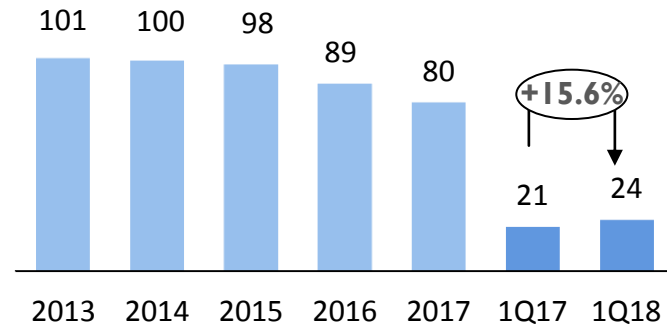
- Hubert Burda Media Group (HBM), a global player with an international reputation, is one of the largest corporations of Germany.
- A family enterprise with a history spanning over 100 years, Hubert Burda Media combines tradition and innovation. Today, the corporation is one of Germany's largest media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

<sup>1</sup> 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. The process still continues and the sale not yet completed (Doğan Burda is not among the assets that are announced to be sold).

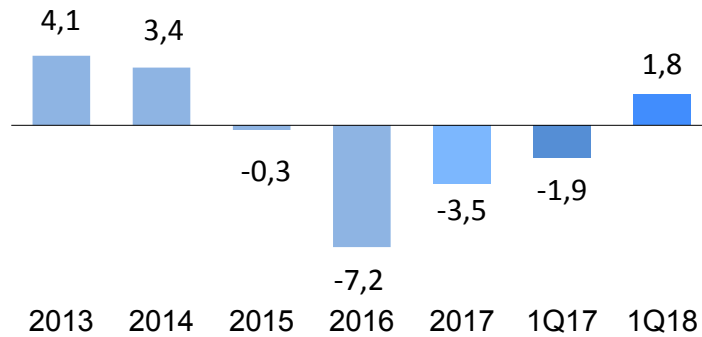
# FINANCIAL SUMMARY



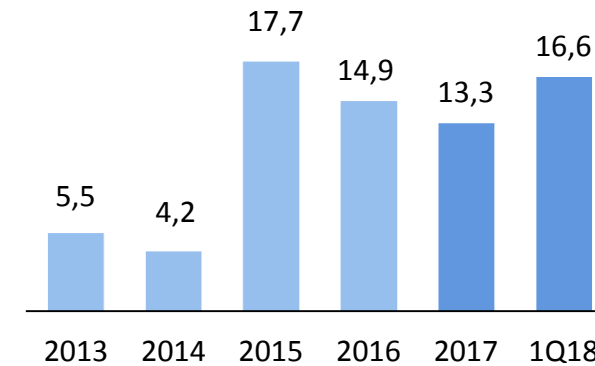
REVENUES  
(TL MN)



EBITDA  
(TL MN)

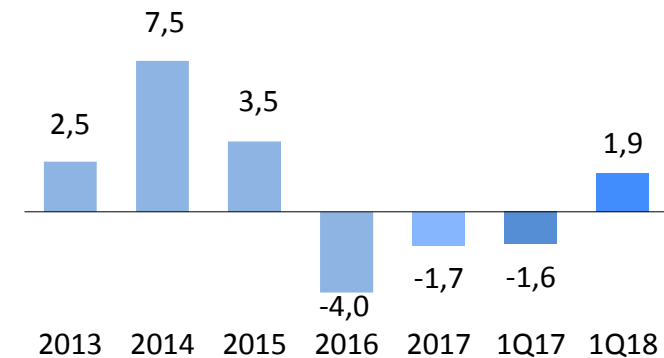


NET CASH  
(TL MN)



\* 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.

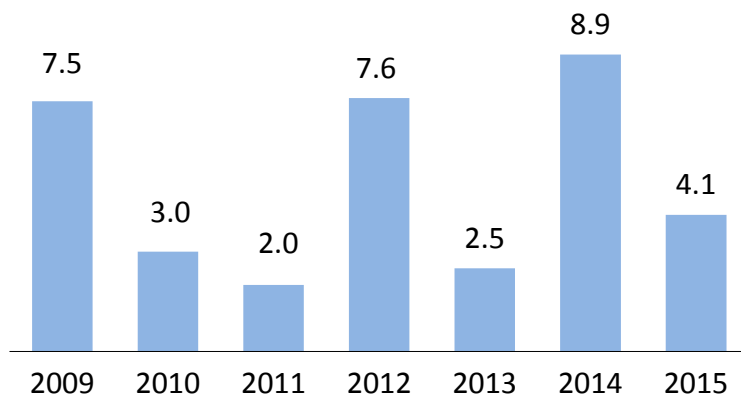
NET PROFIT/(LOSS)  
(TL MN)



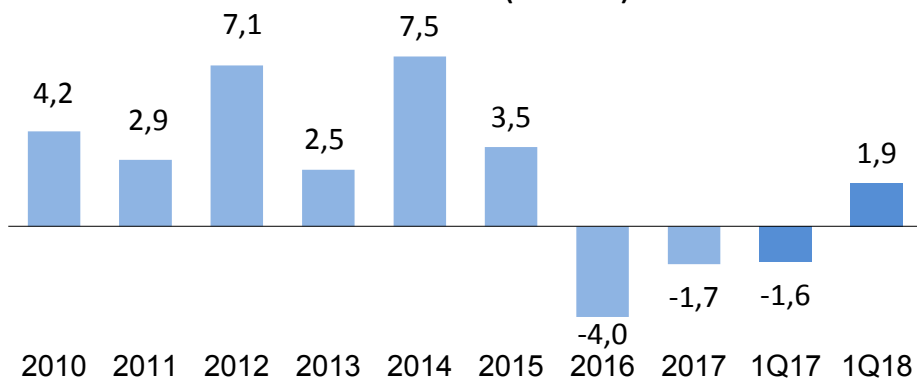


# DIVIDEND HISTORY & STOCK PERFORMANCE

Gross Cash Dividend Paid (TL mn)

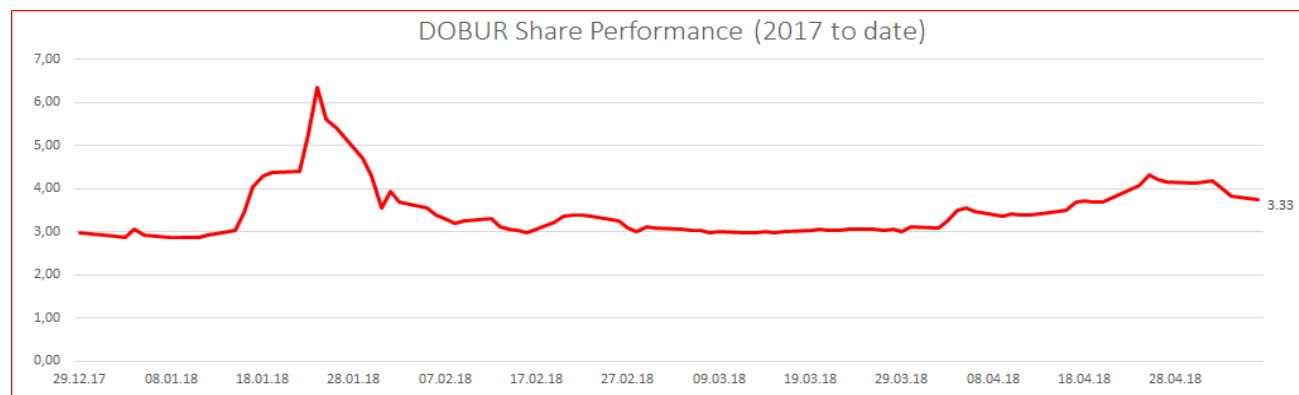


Net Profit (TL mn)



- 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                      |         | 07.05.18                 |
|----------------------------|---------|--------------------------|
| Share Price                |         | 3,33 TL                  |
| # shares (mn)              |         | 19,6                     |
| TL/US\$                    |         | 4,26                     |
| Market Cap                 |         | 65,1 mn TL<br>15,3 mn \$ |
| Free-float (31.03.18)      |         | 11,54%                   |
| Avg. Daily Volume (3 mths) |         | 2.362.181 TL             |
| 52 week price (low - high) | 2,94 TL | 5,50 TL                  |
| Share Performance          | DOBUR   | Rel. to BIST-100         |
| Monthly                    | -2,1%   | 9,9%                     |
| YTD*                       | 0,3%    | 14,7%                    |



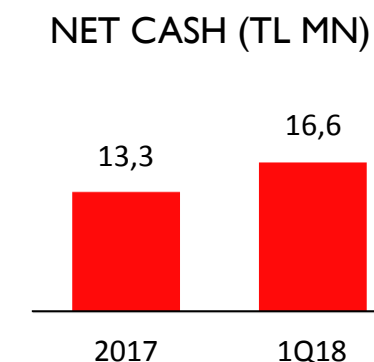
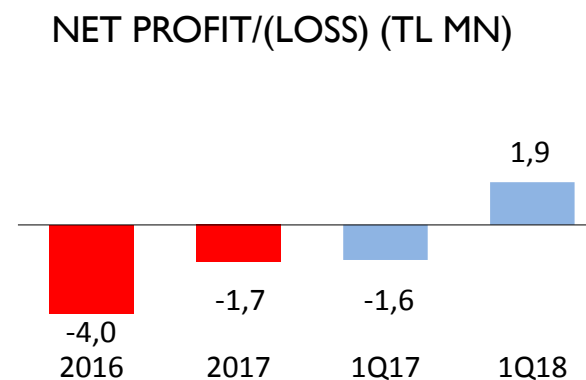
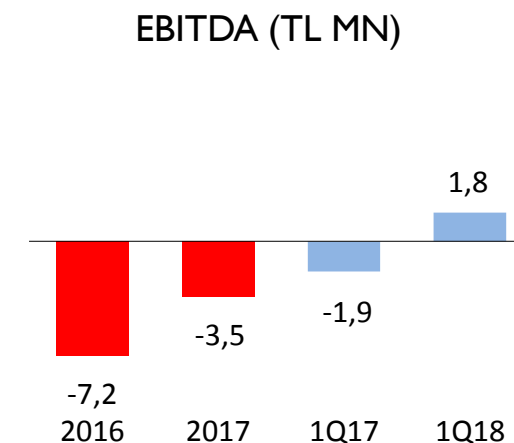
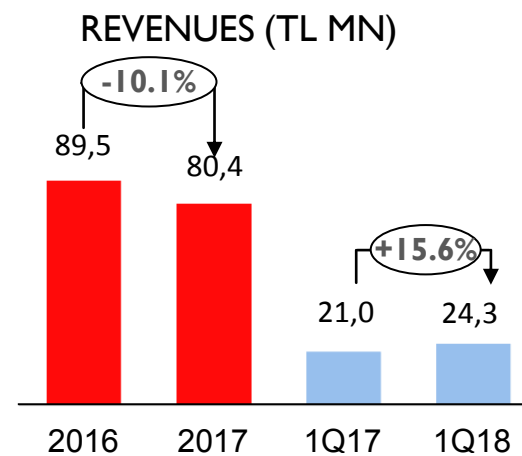


# FINANCIAL REVIEW

I Q2018 FINANCIALS

# HIGHLIGHTS OF IQ18

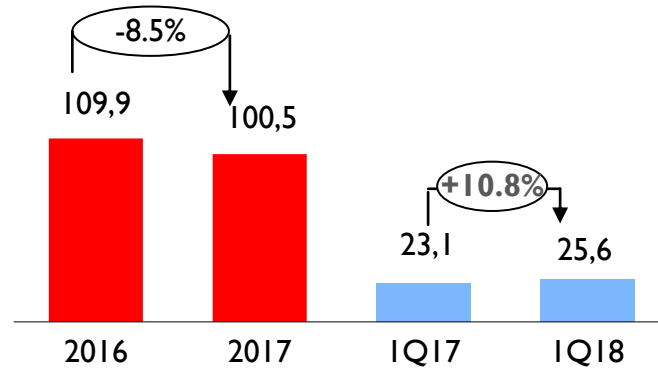
- DB's total revenues in IQ18 increased by 15.7% due to increase in all revenue channels, circulation, ad & other.
- Only 1.7% rise in COGS, despite the negative impact of depreciation of average TL against Euro in IQ18.
- Gross profit increased by 32.1% to TRY 12.7 mn. thanks to growth in total revenues & limited rise in COGS.
- Net profit of TRY 1.9 mn in IQ18, up from TRY -1.6 mn in IQ17.
- The company maintained a net cash of TL16.6 mn as of IQ18-end.



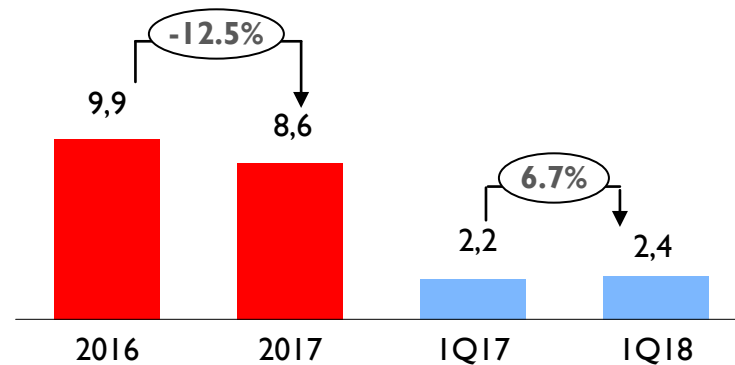
# TURKISH MAGAZINE MARKET

- DB's ad revenues increased by 13.9% in IQ18 yoy, above the Turkish magazine ad market growth of +10.8%.
- DB's maintained its leadership position with 33% market share in circulation & circulation figures remained at the same level as in IQ17.

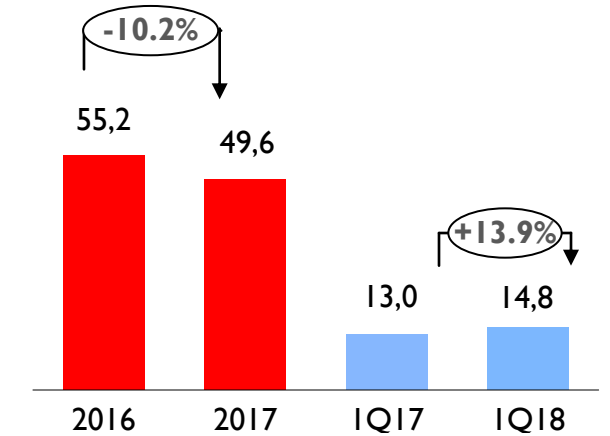
Turkish Magazine Ad Market (TL mn)



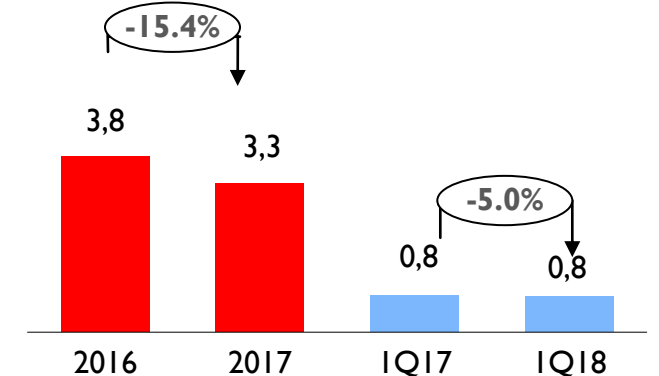
Turkish Magazine net Circulation (mn units)



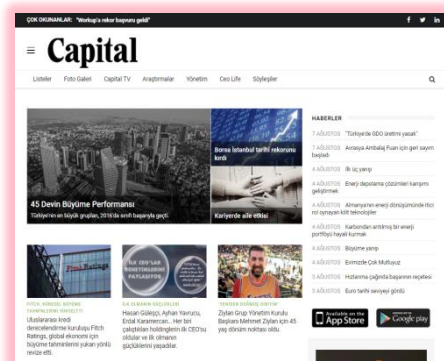
Doğan Burda Ad Revenues\* (TL mn)



Doğan Burda Net Circulation (mn units)



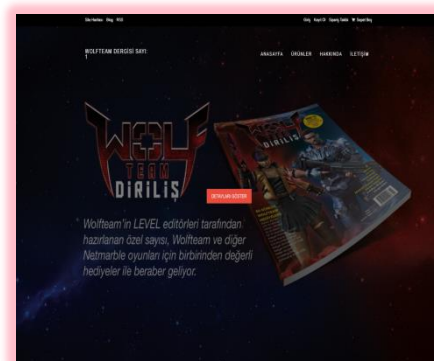
# DIGITAL ACTIVITIES IN 1Q18



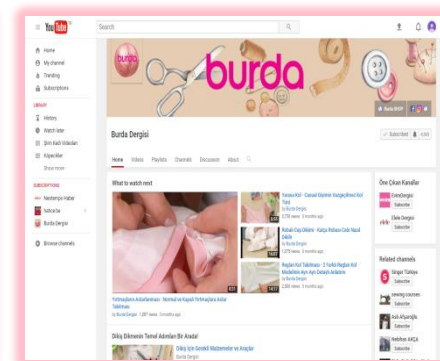
[www.capital.com.tr](http://www.capital.com.tr)



**Dergilik**



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



**Burda Youtube Channel**

- The number of eMagazine downloads is more than 600K monthly on Dergilik
- Heygirl.com.tr, İstanbullife.com.tr, has been re-launched.
- Burda sewing course channel was created on Youtube and reached 13 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

- Circulation revenues up by 17% yoy. Cover price adjustments offset the negative impact of lower circulation.
- Ad revenues increased by 14.2% yoy.
- Despite the negative impact of 22.1% depreciation of average TL against Euro in IQ18 yoy, limited increase in COGS by 1.7%.
- Restructuring in costs in the last two years resulted in recovery in operating expenses; which was down by 5.4% yoy in IQ18.
- **Quite better IQ18 results:** with support of total revenues growth and recovery in COGS & operating expenses; EBIT reached +1.6 mn in IQ18 vs loss of TL2.1 mn in IQ17.

| Revenues (TL mn)                | IQ17         | IQ18         | Chg. YoY     |
|---------------------------------|--------------|--------------|--------------|
| <b>Total Revenues</b>           | <b>20,99</b> | <b>24,27</b> | <b>15,6%</b> |
| Advertising                     | 12,63        | 14,43        | 14,2%        |
| Circulation                     | 5,78         | 6,76         | 17,0%        |
| Other                           | 2,58         | 3,08         | 19,6%        |
| <b>Cost of Goods Sold (-)</b>   | <b>11,38</b> | <b>11,58</b> | <b>1,7%</b>  |
| Production Costs                | 3,88         | 4,18         | 7,7%         |
| Depreciation                    | 0,08         | 0,03         | -            |
| Other Costs                     | 7,42         | 7,37         | -0,7%        |
| <b>Gross Profit</b>             | <b>9,60</b>  | <b>12,68</b> | <b>32,1%</b> |
| <b>Operating Expenses (-)</b>   | <b>11,72</b> | <b>11,09</b> | <b>-5,4%</b> |
| Marketing, Sales & Distribution | 9,32         | 9,23         | -1,0%        |
| General Administrative          | 2,40         | 1,86         | -22,5%       |
| <b>EBIT</b>                     | <b>-2,1</b>  | <b>1,6</b>   | <b>-</b>     |

# BALANCE SHEET SUMMARY

| in TL mn                | Dec 31, 2017 | Mar 31, 2018 |
|-------------------------|--------------|--------------|
| Cash & Cash Equivalents | 13.3         | 16.6         |
| Financial Debt          | -            | -            |
| Net Cash                | 13.3         | 16.6         |
| Total Assets            | 51.2         | 56.5         |
| Shareholders' Equity    | 23.1         | 25.0         |

- Net cash position was TL 16.6 mn as of IQ2018-end; maintains sufficient liquidity cushion to meet any short-term operational funding.

# FURTHER STRATEGIES

## Digital

Concentration on customized video shootings

Improvement by branded content & native ad channels

Growth in e-copy downloads

## 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.



# INCOME STATEMENT SUMMARY

- Successful IQ18 results in terms of revenue and profitability.

| Income Statement Summary (TL mn)            | IQ17   | IQ18  | Ch.%  |
|---|--------|-------|-------|
| Net Sales                                   | 20,99  | 24,27 | 15,6% |
| Cost of Goods Sold (-)                      | 11,38  | 11,58 | 1,7%  |
| Gross Profit                                | 9,60   | 12,68 | 32,1% |
| Operating Exp. (-)                          | 11,72  | 11,09 | -5,4% |
| Operating Profit/(Loss)                     | (2,12) | 1,60  | -     |
| Other Operating Income/(Exp.)               | 0,60   | 0,93  | 54,1% |
| Income/(Exp.) from Investing Activities     | (0,00) | 0,01  | -     |
| Operating Profit/(Loss) before Finance Exp. | (1,52) | 2,53  | -     |
| Net Profit/(Loss)                           | (1,59) | 1,91  | -     |
| EBITDA                                      | (1,90) | 1,80  | -     |

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# THANK YOU

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