

DOĞAN BURDA

INVESTOR PRESENTATION – FEB 2018



Doğan Holding & Burda Gmbh Partnership

Hubert Burda Media



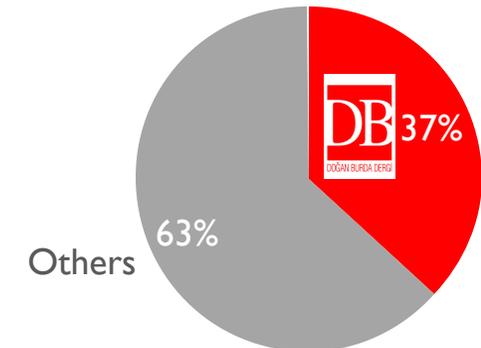
DOĞAN BURDA: LEADING MAGAZINE GROUP IN TURKEY



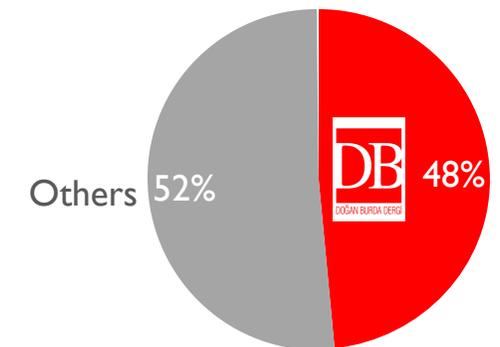
- JV of Doğan Holding & Burda GmbH, which are the leading media players.
- Diverse portfolio with well-known and leading brands with 75 publications (monthlies, weeklies and various other magazines).
- Focusing on digital activities for securing long-term audience: 28 web sites and 20 tablet and mobile application.
- DB maintains #1 position with a market share of 37% in magazine circulation & 48% in magazine ad market in 2017.
- Net cash position of TL13.3 mn as of FY17-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 International Magazines AB
Diabetic Living	Meredith Corporation
The Rake	The Rake Pte. Ltd.

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

DIGITAL ACTIVITIES



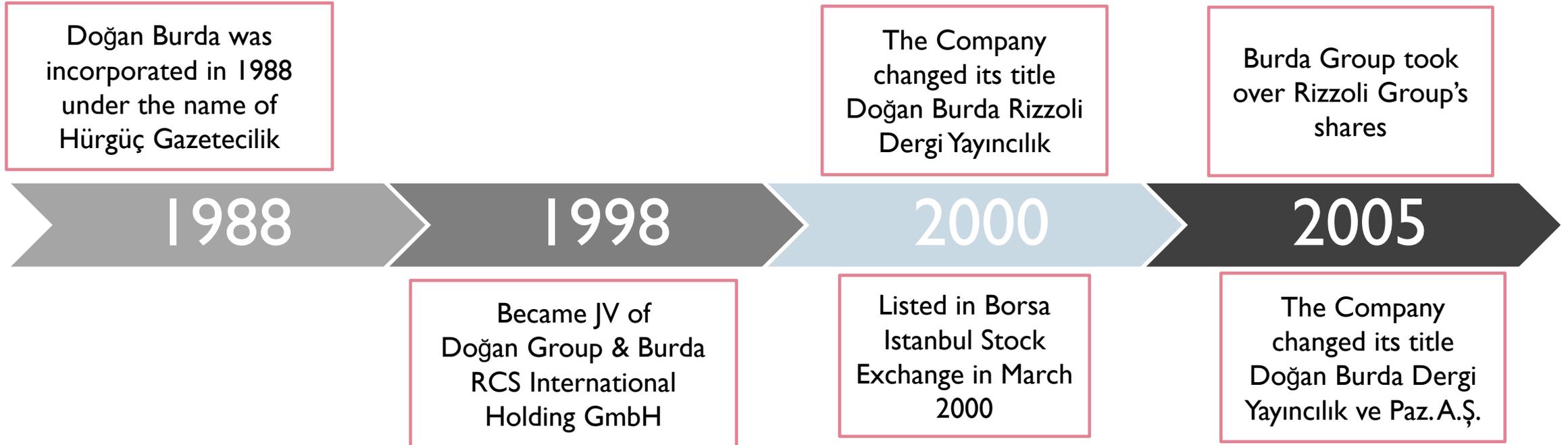
Dergilik

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 600K monthly on Turkcell Dergilik
 - Turk Telekom 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



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 is the leading media group in Turkey; fully integrated and 40 years of long-standing position in the sector.
- In addition to media, Doğan Group companies play a pioneering role in a wide range of sectors, which include the energy, retail, industry as well as trade, tourism and financial services.

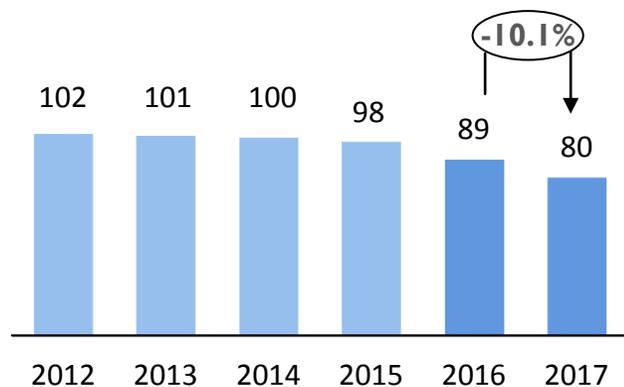
Hubert Burda Media

- 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.

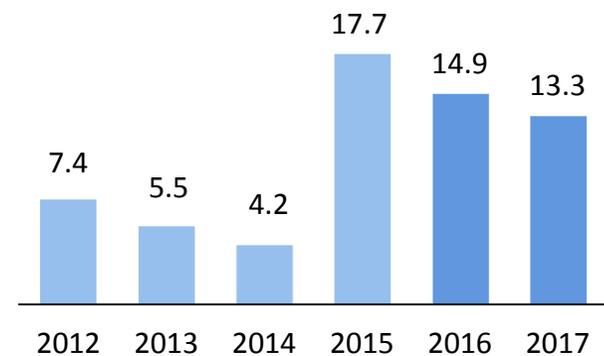
FINANCIAL SUMMARY



REVENUES
(TL MN)

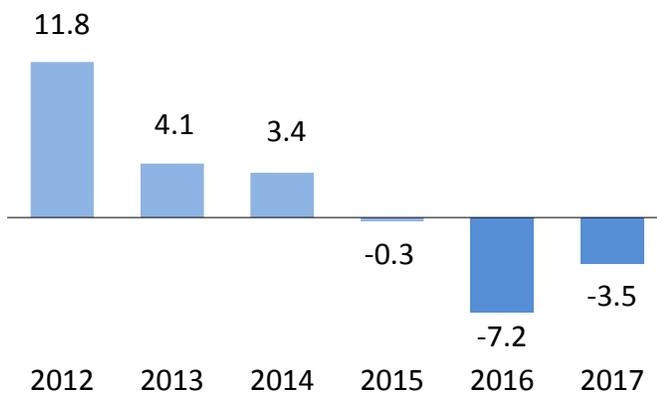


NET CASH
(TL MN)

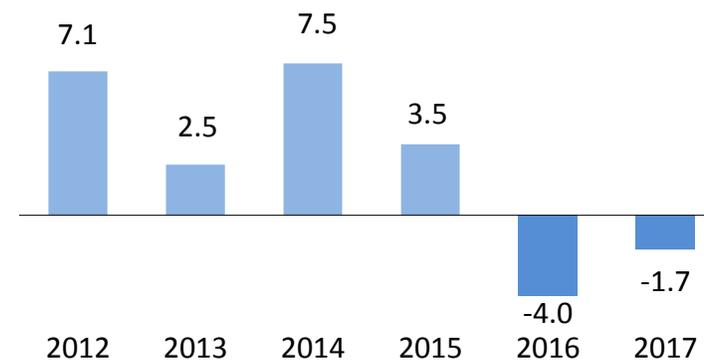


* The company sold an asset worth US\$10 mn (TL21 mn) in June 2014; US\$2 mn was taken in advance payment, while the remaining portion was received in 2015.

EBITDA
(TL MN)

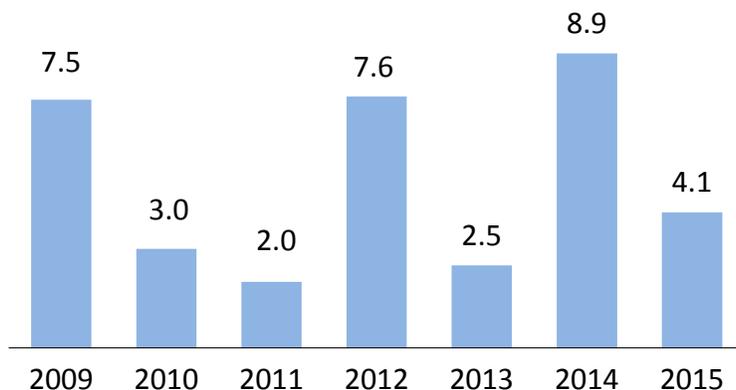


NET PROFIT/(LOSS)
(TL MN)

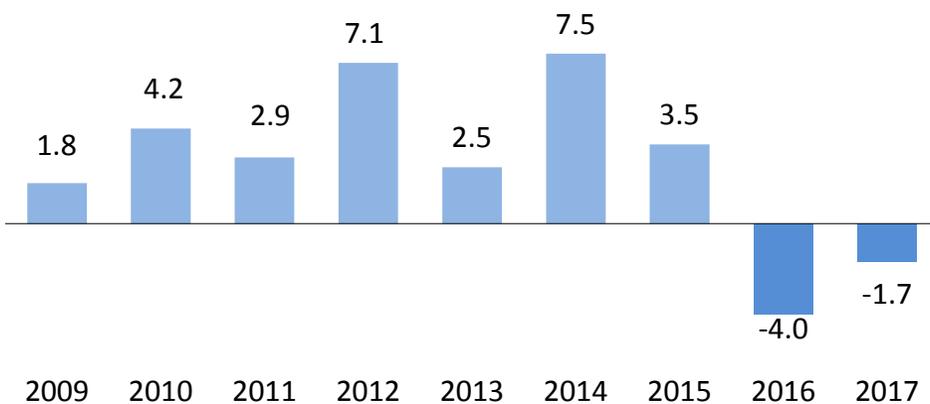


DIVIDEND HISTORY & STOCK PERFORMANCE

Gross Cash Dividend Paid (TL mn)



Net Profit (TL mn)

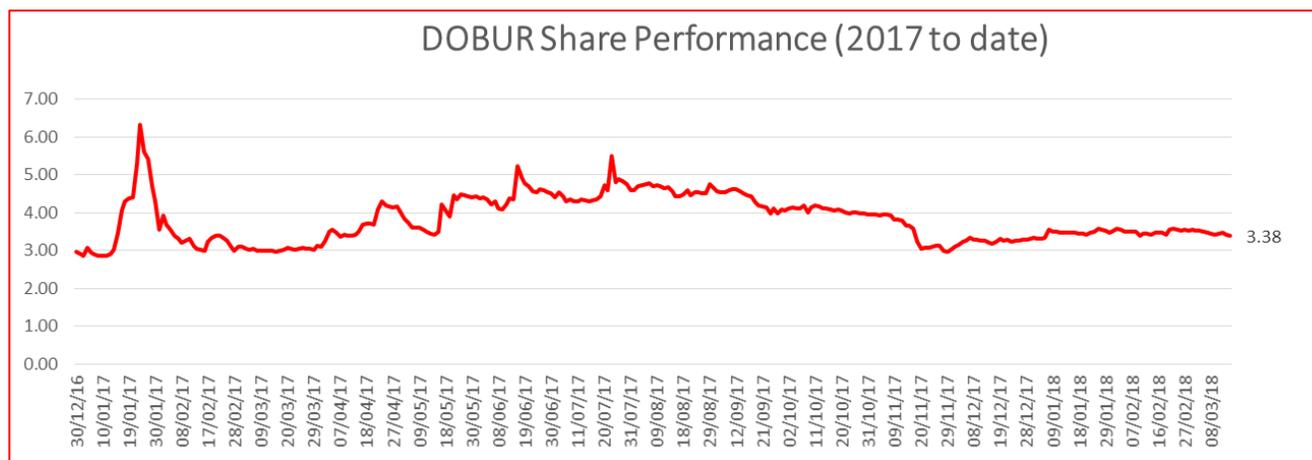


- Doğan Burda has been trading on Borsa Istanbul since March 28, 2000 with a ticker <DOBUR>.
- Distributed dividend straight up until 2016, where the company generated net loss.

DOBUR		15-Mar-18
Share Price		3.38 TL
# shares (mn)		19.6
TL/US\$		3.89
Market Cap		66.1 mn TL 17.0 mn \$
Free-float		6.55%
Avg. Daily Volume (3 mths)		0.5 TL mn
52 week price (low - high)	2.96 TL	5.50 TL
Share Performance	DOBUR	Rel. to BIST100
Monthly	-1.7%	-4.0%
YTD*	1.8%	0.2%

* Year to date

DOBUR Share Performance (2017 to date)





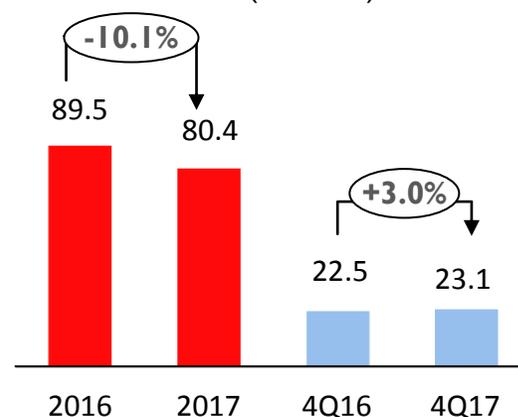
FINANCIAL REVIEW

2017 FINANCIALS

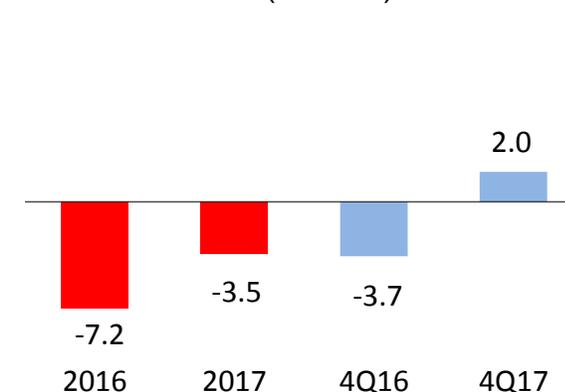
HIGHLIGHTS OF 2017

- DB's total revenues in FY17 declined due to low circulation figures as a result of ceased and shifted magazines and drop in ad revenues in 2017. But, revenues realized 3% yoy growth in 4Q17.
- Improvement in COGS could not totally offset the decline in revenues and EBITDA loss was TL3.5 mn in FY17. In 4Q17, EBITDA came in at TL2 mn, vs. loss of TL4 mn in 4Q16, owing to revenue increase & cost savings.
- Net loss in FY17 was TL1.7 mn vs. net loss of 4,0 mn in FY16. But, net profit of TL2.5 mn attained in 4Q17.
- The company maintained a net cash of TL13.3 mn as of 2017-end.

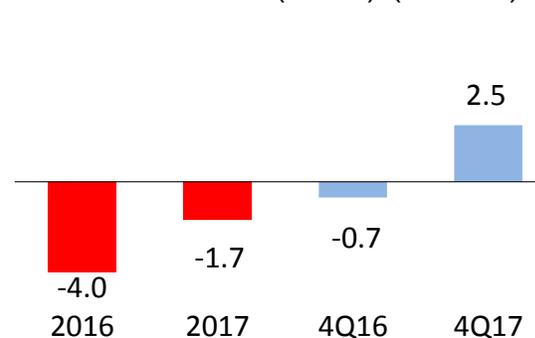
REVENUES (TL MN)



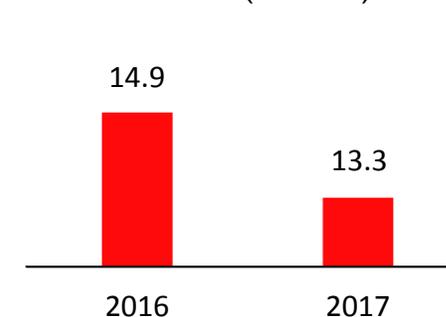
EBITDA (TL MN)



NET INCOME/(LOSS) (TL MN)



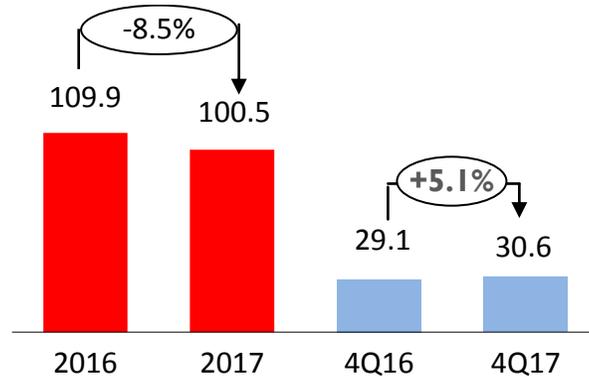
NET CASH (TL MN)



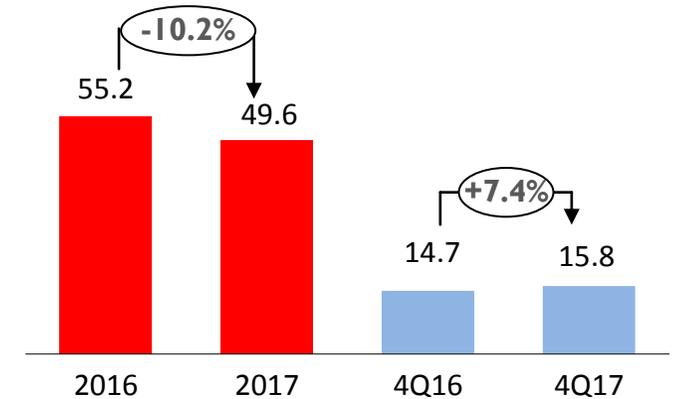
TURKISH MAGAZINE MARKET

- DB's ad revenues increased by 7.4% in 4Q17 yoy, above the Turkish magazine ad market growth of +5.1%.
- Doğan Burda decided to cease publishing some titles among its portfolio due to cost efficiencies and optimization in 2016. This led to a yoy decline in overall circulation figures in 2017.

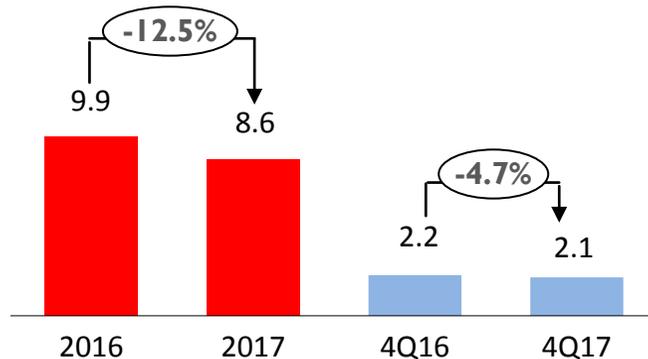
Turkish Magazine Ad Market (TL mn)



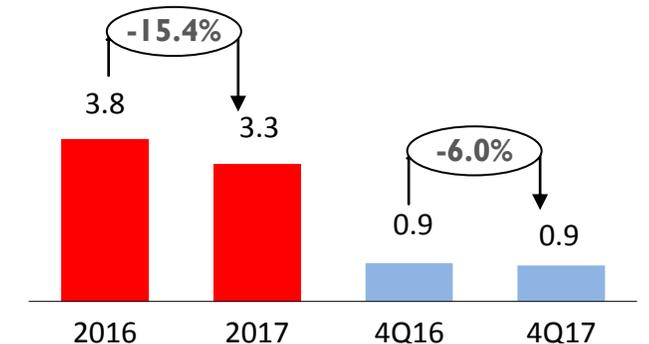
Doğan Burda Ad Revenues* (TL mn)



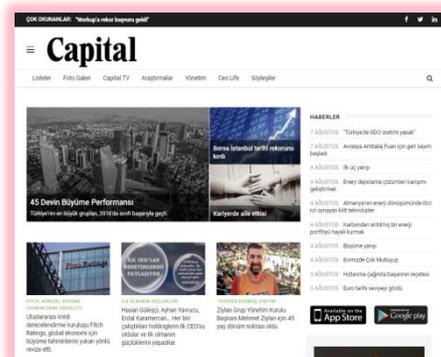
Turkish Magazine net Circulation (mn units)



Doğan Burda Net Circulation (mn units)



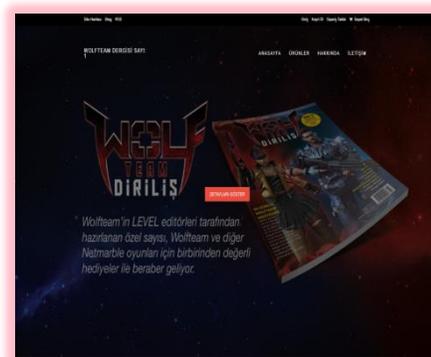
DIGITAL ACTIVITIES IN 2017



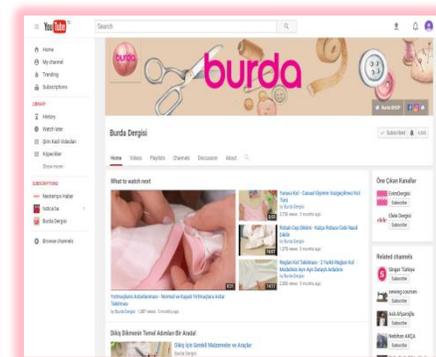
www.capital.com.tr



Dergilik



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



Burda Youtube Channel

- The number of eMagazine downloads is more than 600K monthly on Dergilik
- Elle.com.tr, Evimdergisi.com.tr, Heygirl.com.tr, Capital.com.tr, İstanbullife.com.tr, has been re-launched.
- Burda sewing course channel was created on Youtube and reached 11 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 released and all boxes were sold out. Elle Beauty Box 2 released <https://beautybox.elle.com.tr/>
- Content marketing activities became a major business area.
- On web sites approximately 10 mn monthly unique visitors in total.

REVENUE & COST BREAKDOWN

- Due to low circulation figures as a result of ceased and shifted magazines and negative trend of ad market total revenues declined in FY17.
- Despite the negative impact of 23.3% depreciation of TL against Euro in FY17, cost controls led to an improvement in COGS by 14.6%.
- Recovery in operating expenses was 11.3% yoy in FY17.
- **Better 4Q17 results:** with support of ad revenue growth and decline in COGS & operating expenses; EBIT reached +1.8 mn in 4Q17 vs loss of TL3.8 mn in 4Q16.

Revenues (TL mn)	FY16	FY17	Chg. YoY	4Q16	4Q17	Ch.%
Total Revenues	89.49	80.44	-10.1%	22.45	23.13	3.0%
Advertising	53.19	47.88	-10.0%	14.10	15.25	8.2%
Circulation	31.31	26.68	-14.8%	7.24	6.86	-5.3%
Other	4.98	5.87	17.9%	1.11	1.02	-8.5%
Cost of Goods Sold (-)	56.02	47.82	-14.6%	15.58	12.36	-20.7%
Production Costs	22.40	18.01	-19.6%	5.70	4.88	-14.3%
Depreciation	0.36	0.31	-13.4%	0.09	0.08	-11.5%
Other Costs	33.26	29.49	-11.3%	9.80	7.40	-24.4%
Gross Profit	33.46	32.62	-2.5%	6.88	10.77	56.6%
Operating Expenses (-)	41.55	36.86	-11.3%	10.70	8.95	-16.4%
Marketing, Sales & Distribution	29.45	28.69	-2.6%	6.60	7.09	7.4%
General Administrative	12.10	8.17	-32.4%	4.10	1.86	-54.6%
EBIT	-8.1	-4.2	-47.5%	-3.8	1.8	n.m.

BALANCE SHEET SUMMARY

in TL mn	Dec 31, 2016	Dec 31, 2017
Cash & Cash Equivalents	14.9	13.3
Financial Debt	-	-
Net Cash	14.9	13.3
Total Assets	54.2	51.2
Shareholders' Equity	26.5	23.1

- Net cash position was TL 13.3 mn as of 2017-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 4Q17 results in terms of revenue and profitability.

Income Statement Summary (TL mn)	2016	2017	Ch.%	4Q16	4Q17	Ch.%
Net Sales	89.49	80.44	-10.1%	22.45	23.13	3.0%
Cost of Goods Sold (-)	56.02	47.82	-14.6%	15.58	12.36	-20.7%
Gross Profit	33.46	32.62	-2.5%	6.88	10.77	56.6%
Operating Exp. (-)	41.55	36.86	-11.3%	10.70	8.95	-16.4%
Operating Profit/(Loss)	(8.08)	(4.24)	-47.5%	(3.82)	1.83	n.m.
Other Operating Income/(Exp.)	3.78	2.18	-42.4%	2.65	1.12	-58.0%
Income/(Exp.) from Investing Activities	0.01	0.08	n.m.	0.00	0.07	n.m.
Operating Profit/(Loss) before Finance Exp.	(4.30)	(1.98)	-53.9%	(1.17)	3.01	n.m.
Net Profit/(Loss)	(3.98)	(1.68)	-57.8%	(0.71)	2.49	n.m.
EBITDA	(7.16)	(3.47)	-51.6%	(3.66)	2.00	n.m.

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THANK YOU

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