

# Otokar

---

## INVESTOR PRESENTATION

(29.04.2016)

Prepared based on 2016 1Q financial results

## ABOUT US

- INTRODUCTION
- VISION & MISSION
- BRIEF HISTORY
- SHAREHOLDER STRUCTURE
- PRODCUTION PLANT
- EMPLOYEE PROFILE
- PRODUCT RANGE
- ALTAY PROJECT
- R&D and TEST CENTRE

## FINANCIAL INDICATORS

- FINANCIAL STATEMENTS & RATIOS
- PRODUCTION-SALES-REVENUE-BACKLOG
- CAPITAL EXPENDITURE
- STOCK and DIVIDEND PERFORMANCE
- MARKET CAPITALISATION

## LONG-TERM OBJECTIVES

- SUSTAINABLE GROWTH
- GROWTH WITH PRODUCTS WHICH LICENSE RIGHTS BELONG TO OTOKAR
- GROWTH IN EXPORT MARKETS
- SHAREHOLDER VALUE CREATION

Turkey's the **largest** private and 100% domestically owned company in defense industry

A **global company**, intellectual property rights belong to itself and its products are in use on 5 continents and in more than 60 countries

Turkish Armed Forces' **leading** supplier and exporter of land platforms

Turkey's **market leader** in passenger bus segment with a capacity of 25 people and over for the last 6 years

## Vision

- Otokar's vision is to preserve the local and national identity of its products by developing technologies in-house, and to provide continued satisfaction for its clients, employees, and shareholders with total excellence philosophy.

## Mission

- Otokar's primary mission is to design, manufacture and market commercial vehicles and various defence industry products with global competitive strength, all developed to meet customer expectations.

# Brief History



1963

1970s

1980s

1990s

2000s

2010s

- Establishment
- Production of buses under the license of Magirus-Deutz

- Turkey's first intercity bus
- The first Turkish Armoured Vehicle production
- Partnering with Koç Group

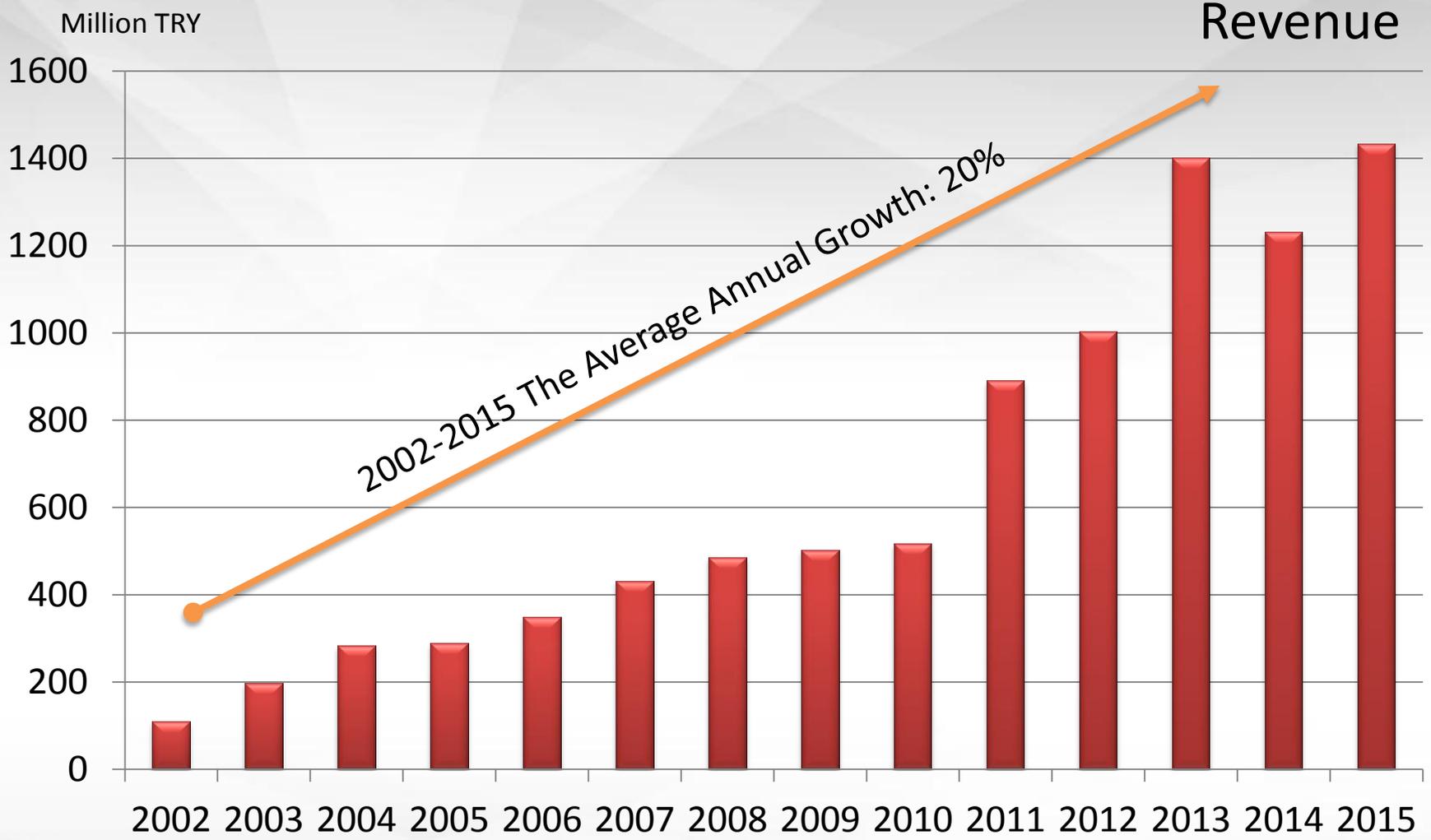
- Production of 4x4 tactical vehicle under the license of Land Rover

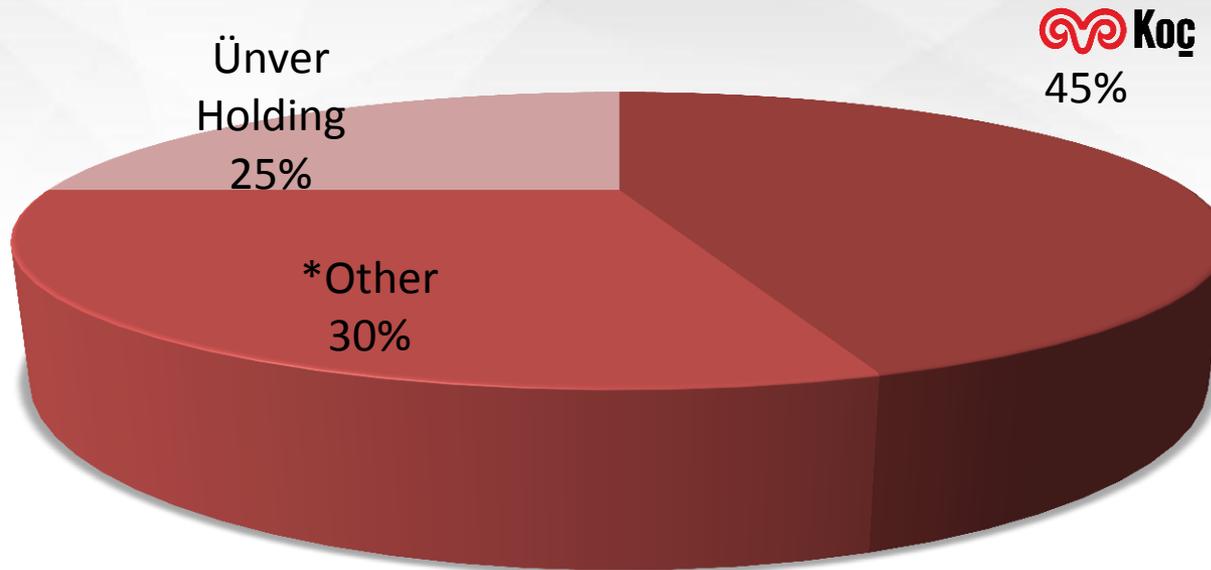
- Military armoured vehicles by own desing
- Turkey's first export of tactical armoured vehicle
- Sakarya plant/factory

- Merge with the İstanbul Fruehauf A.S.
- Production of small and mid buses
- Turkey's first hybrid bus
- **The prime contractor of ALTAY Project**

- Production of City Buses
- Multi-wheeled armoured tactical vehicle family
- Turkey's first electric bus
- Atlas Light Truck
- New armoured tactical wheeled vehicle, URAL
- Tracked Armoured Vehicle

# Sustainable Growth





*\*27% Listed*

*\*3% Other*



552,000 m<sup>2</sup> plant, approximately 2400 employee

## Capacity of

2600 Land Vehicle

900 Tactical Armoured Vehicle

4600 Autobus + Minibus

1400 Trailer ve Semi-trailer

1600 Light Truck

## Certificates

ISO 9001 Quality Standard

ISO 14001 Environmental Standard

ISO 10002 Customer Satisfaction Quality Standard

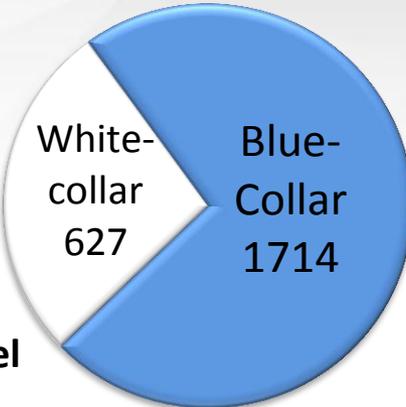
ISO 27001 Information Security Management System

AQAP 2110 Military Quality Assurance Certificate

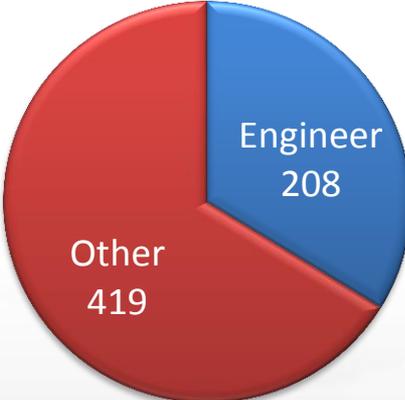
Facility Security Certificate with National and NATO Secrecy Degree

ISO 3834-2 Quality Requirements for Fusion Welding of Metallic Materials

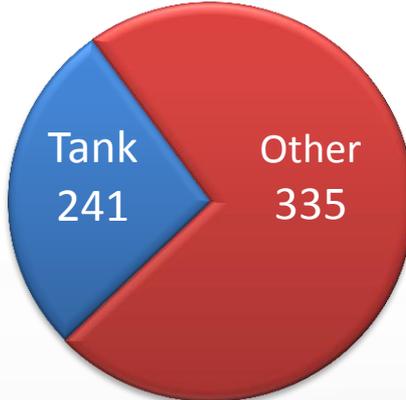
2341 Employee



627 White-Collar Personnel



576 R&D Centre Personnel



# Number of Employee

# Otokar



## Commercial Vehicles

## Defense Industry

### Public Transport



#### Models

KENT / DORUK /  
SULTAN / M-2010 /  
CENTRO / NAVIGO /  
VECTIO / TERRITO /  
KENT ARTICULATED

### Logistic Vehicles



#### Models

FRUEHAUF / OTOKAR

### Light Truck



#### Models

OTOKAR ATLAS



#### Models

LAND ROVER DEFENDER / ARMoured  
PERSONAL CARRIER / URAL / COBRA /  
COBRA II / KAYA / KAYA II / KALE /  
ARMA 6x6 / ARMA 8x8 / INTERNAL  
SECURITY VEHICLE / TULPAR / ALTAY

**Otokar, Turkey's the most preferred bus brand for the sixth time!**

About 30 thousand buses, carrying millions of passengers in more than 40 countries!

# Otokar





TEMPO



NAVIGO/ SULTAN



VECTIO / DORUK



TERRITO



KENT / KENT ARTICULATED

A wide product range  
from intercity  
transport to personnel  
and tourism transport

Special Products

Researches for  
Alternative fuels

The small bus with  
low operating and  
investment costs  
designed for service  
and personnel  
transport



- Turkey's best-selling small bus
- Different models for intercity transport, service and tourism transport



## DORUK / VECTIO

- Turkey's market leader in medium-sized buses
- "Grand Award" prize in Europe
- Different models for intercity transport, service and tourism transport



The 12-meter  
bus developed  
for the  
European  
market



- Turkey's most preferred 12 m. intercity bus
- 2 Design Award in Europe and Turkey



Kent Articulated bus was launched at Busworld Exhibition, Belgium in 2015.



# Alternative Fueled Buses

Otokar



**DORUK Hibra**

Turkey's first hybrid bus



**DORUK DG**

Turkey's first natural gas powered mid-sized bus



**KENT DG**

12 m CNG bus



**DORUK ELECTRA**

Turkey's first electric bus



About 25 thousands of semi-trailer that provides transportation service in the roads of the world!

## Curtainsider Trailers



- TIRLINER
- EUROSLIDER
- SPEEDSLIDER
- MEGALINER
- ECOTIR
- ECOLINER

## Van Type Trailer



- ICELINER
- TEXTILE CARRIER

## Tanker Trailer



- ADR CERTIFICATED TANKER
- TRAILER AND TRUCK-TOP APPLICATIONS

## Internal Logistic Tools



- CONTAINER CARRIER
- PLATFORM TRAILER
- ROLL CARRIER
- TIPPER CHASIS

# Curtainsider Trailer

Otokar

Customer-oriented solutions in the transportation of dry load



## Van Type Trailer

For 13 years, most commonly preferred refrigerated trailer in Turkey for transport of perishable goods in hygienic and safe condition



- Turkey's first ADR certificated trailer
- Wide product range and proficiency





A light truck, with high payload capacity and low operating cost





More than 29.000 military vehicle serving in 5 continents and in more than 30 countries

## Tactical Wheeled Vehicles

### TWV



Land Rover Defender

### TWAV

#### 4x4



- APC
- URAL
- COBRA
- COBRA II
- KAYA
- KAYA II
- KALE
- ISV

#### 6x6



ARMA 6X6

#### 8x8



ARMA 8X8

## Tracked Vehicles

### TAV



TULPAR

### MBT



ALTAY

## Turret Systems



- MIZRAK UKKS
- KESKIN UKKS
- OPEN TURRETS
- INTERNAL SECURITY TURRET
- WEAPON STATIONS (MILAN TOW)
- UCOK
- BOZOK
- BASOK



Land Vehicles from 3/4 ton to 60 tons

# APC (Armoured Personnel Carrier)

# Otokar

Actively in use in  
12 countries  
including Turkey



Otokar's armoured tactical wheeled vehicle which is successful on Internal Security Operations, low silhouetted and quick

The optimal solution on issues such as strategic areas and border control, convoy protection and patrol



Armoured tactical vehicle which has worldwide competitiveness with its unique design, mobility, survivability and superior protection



The new member  
of COBRA family  
the most well-  
known vehicle of  
Otokar...

Large internal  
volume, high  
protection.



Otokar's new armoured tactical wheeled vehicle that is suitable for safety and internal security usage.



# KAYA Mine Resistant Vehicle

# Otokar

The mine resistant vehicle which provides maximum mine and ballistic protection in all types of terrain, offers great mobility



The mine resistant personnel carrier vehicle that consists of single cabin with its monocoque body



# KALE Mine Resistant Vehicle

Otokar

Mine resistant  
personnel carrier



ARMA is new generation modular multi-wheel configuration armoured vehicle with high level of ballistic and mine protection



Arma 6x6, with its large internal volume, amphibious capability and low silhouette



Armoured combat vehicle  
ARMA 8x8, provides high  
protection and large  
internal volume



A new generation tracked armoured vehicle which ends Turkey's dependence on foreign sources and its all intellectual property rights belong to OTOKAR



The armoured tactical vehicle specifically designed and developed with the aim of internal security in cities and living areas.



A worldwide brand in tactical vehicles.



- Since 1989, Otokar has been working on turret systems to meet the needs and demands of current and potential users in land systems with trained manpower and R&D investments.
- Otokar has nearly 25 years of experience and expertise on the subjects of original design and integration of different turrets.
- Otokar's 4x4, 6x6, 8x8 and tracked vehicles serve as ideal platforms for different types of turret.

Otokar is the PRIME CONTRACTOR of Turkish Main Battle Tank Project ALTAY.



The project continues in accordance with the planned timetable.



- Otokar's R&D, establishment dates back to 1970's, today, designing and manufacturing Turkey's vehicle.
- Otokar's R&D works for products whose intellectual rights belong to itself, with the vision of having and dominating the technology.



- CAD programs for product developments
- The Prototype workshops and softwares
- Computer-aided analysis and simulation softwares
- Test-purpose setup and software



## Otokar Test Centres



Dinometer Air-conditioned Test Centre; Turkey's first and only, one of the few facilities in Europe

Turkey's the highest capacity hydraulic road simulator



Turkey's the biggest and the world's most modern Electromagnetic Compatibility Testing Centre



## Otokar Test Centres

One of the world's most advanced and modern ballistic laboratories and mine testing equipments



**31.03.2016**

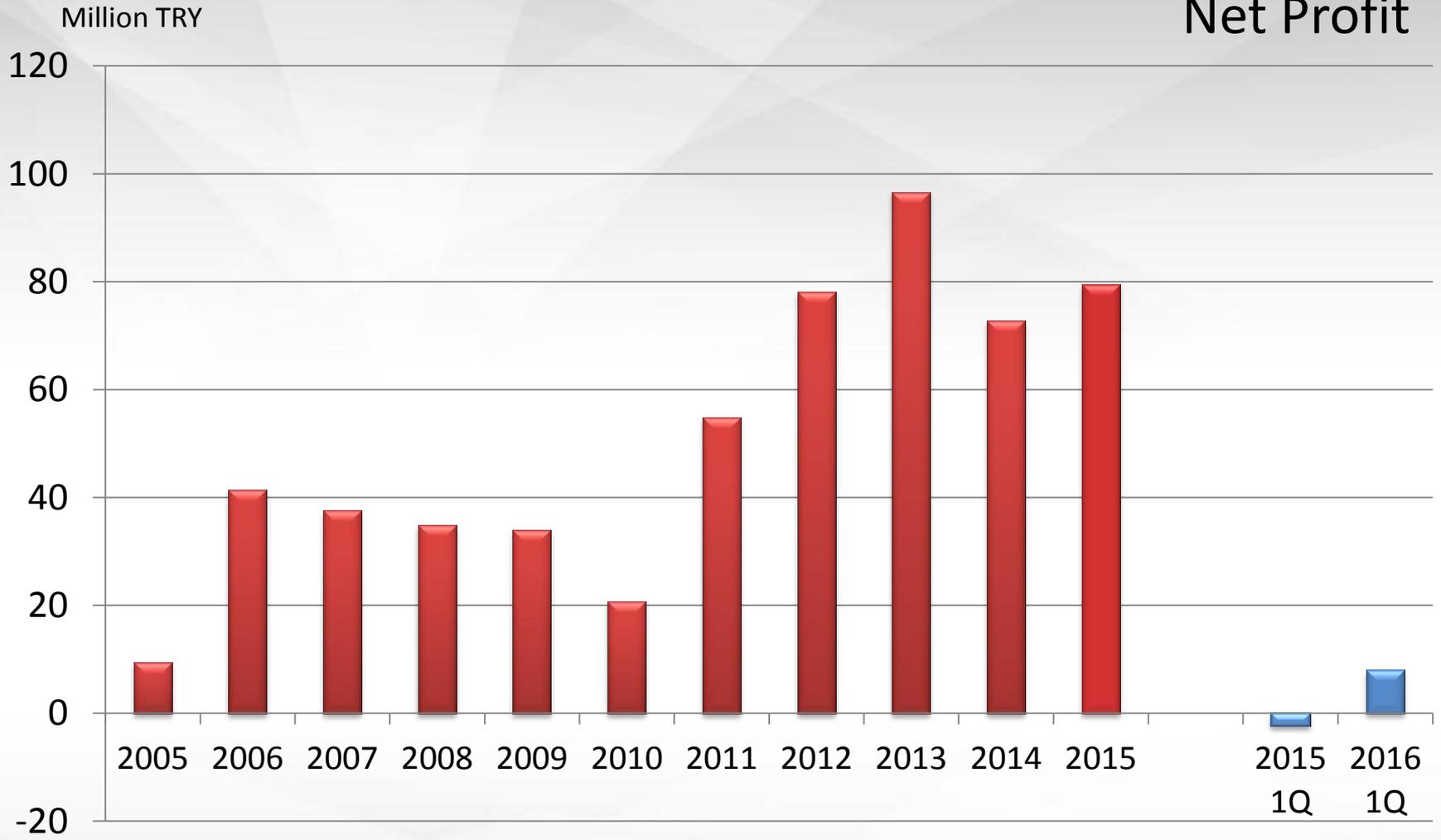
<b>Total Assets (TRY)</b>		<b>Total Liabilities&amp;Shareholders Equity (TRY)</b>	
Current Assets	1.154.746.32	S.T. Liabilities	777.141.161
Fixed Assets	376.691.953	L.T. Liabilities	572.647.905
		Shareholders Equity	181.649.212
<b>Total</b>	<b>1.531.438.278</b>	<b>Total</b>	<b>1.531.438.278</b>

<b>TRY thousands (IFRS)</b>	<b>31.Mar.2016</b>	<b>31.Mar.2015</b>
Net Sales	358.832	248.758
Cost of Sales	(267.027)	(191.139)
Gross Profit	91.805	57.619
Operating Costs	(64.916)	(59.057)
Operating Profit	26.889	(1.438)
Finacial Expenses	(17.180)	(5.214)
Profit Before Taxes	9.717	(5.227)
Taxes	(1.551)	3.006
Net Profit	8.166	(2.221)

# Net Profit

# Otokar

## Net Profit



<b>TRY thousand (IFRS)</b>	<b>31.Mar.2016</b>	<b>31.Mar.2015</b>
Cash and Cash Equivalants at the beginning of the period	62.960	44.528
Net cash provided by operating activities	80.695	23.402
Net cash used in investing activities	(13.060)	(10.076)
Pre-financing cash flow	67.635	13.326
Net cash used in Financing Activities	(105.759)	(43.861)
Net decrease/increase in Cash and Cash Equivalents	(38.108)	(30.535)
Cash and cash equivalents at the end of the period	24.852	13.993

TRY thousands	31.Mar.2016	31.Dec.2015
Current Assets	1.154.746	1.019.693
S. T. Liabilities	777.141	784.890
<b>Working Capital</b>	<b>377.605</b>	<b>234.803</b>

## Net Financial Debts

TRY thousand	31.Mar.2016	31.Dec.2015
Cash and Equivalents	24.852	58.736
Trading Securities	0	0
Other	0	0
<b>Total Financial Assets</b>	<b>24.852</b>	<b>58.736</b>

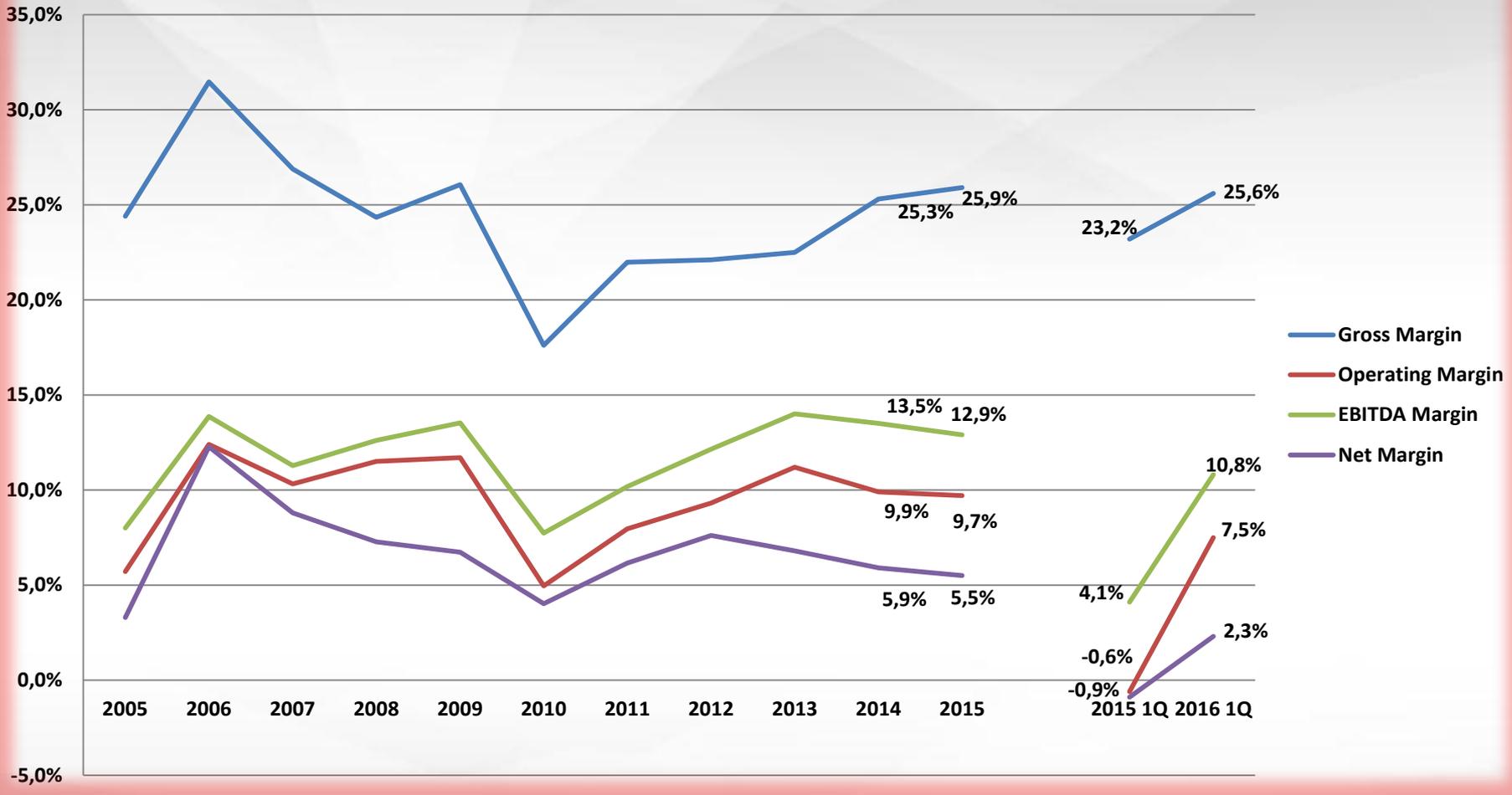
TRY thousand	31.Mar.2016	31.Dec.2015
S.T. Bank Loans	88.671	105.983
L.T. Bank Loans	509.236	509.295
<b>Total Financial Debts</b>	<b>597.907</b>	<b>615.278</b>

TRY thousand	31.Mar.2016	31.Dec.2015
<b>Net Financial Debts</b>	<b>573.055</b>	<b>556.542</b>

Financial Ratios	2016 1Q	2015 1Q
Current Ratio	1,49	0,84
Liquidity Ratio	0,95	0,45
Return On Equity	4,0%	(1%)
Return on Assets	1%	0%
Cur.Assets/Tot.Assets	75%	53%
Short Term Lia./Tot. Lia.	51%	64%
Tot.Lia./Tot.Assets	88%	87%

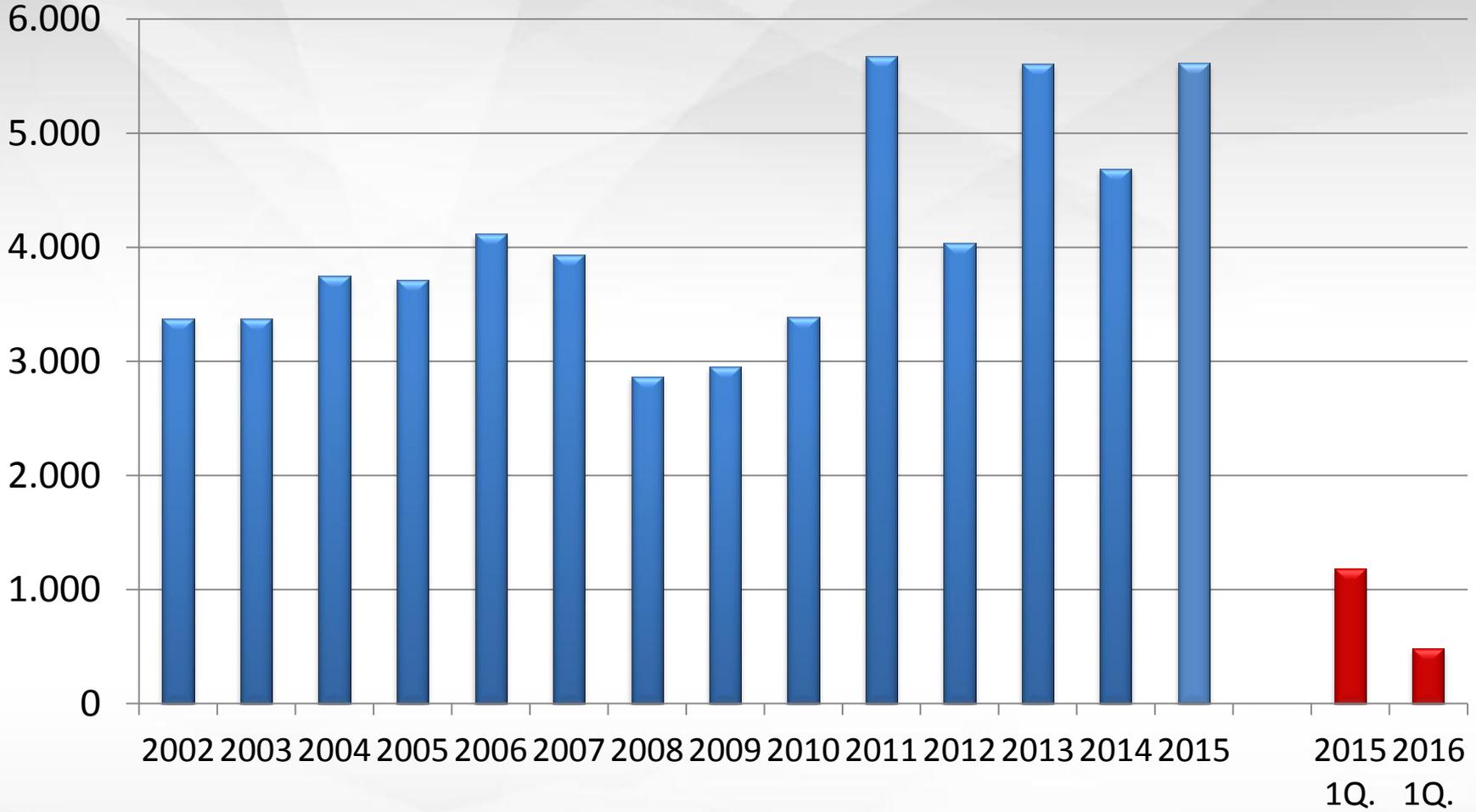
Margins	2016 1Q	2015 1Q
Gross Margins	25,6%	23,2%
Operating Margin	7,5%	(0,6%)
EBITDA Margin	10,8%	4,1%
Net Profit Margin	2,3%	(0,9%)

### Margins



# Production Units

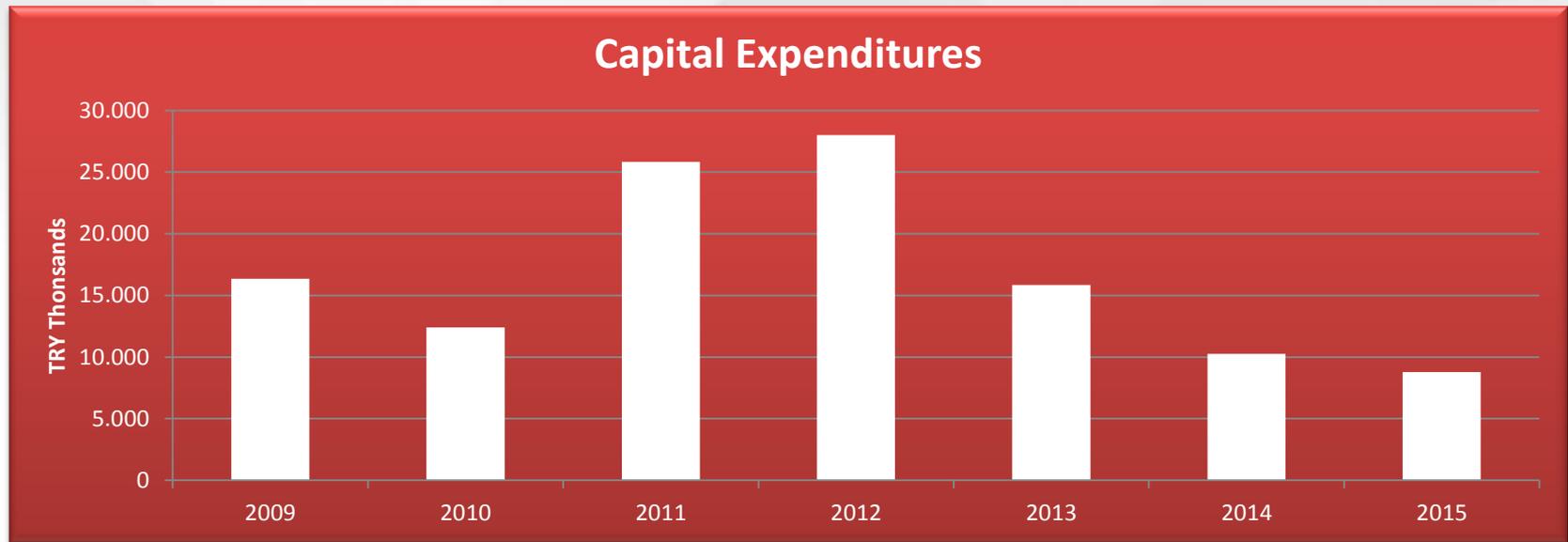
# Otokar



# Revenue Distribution

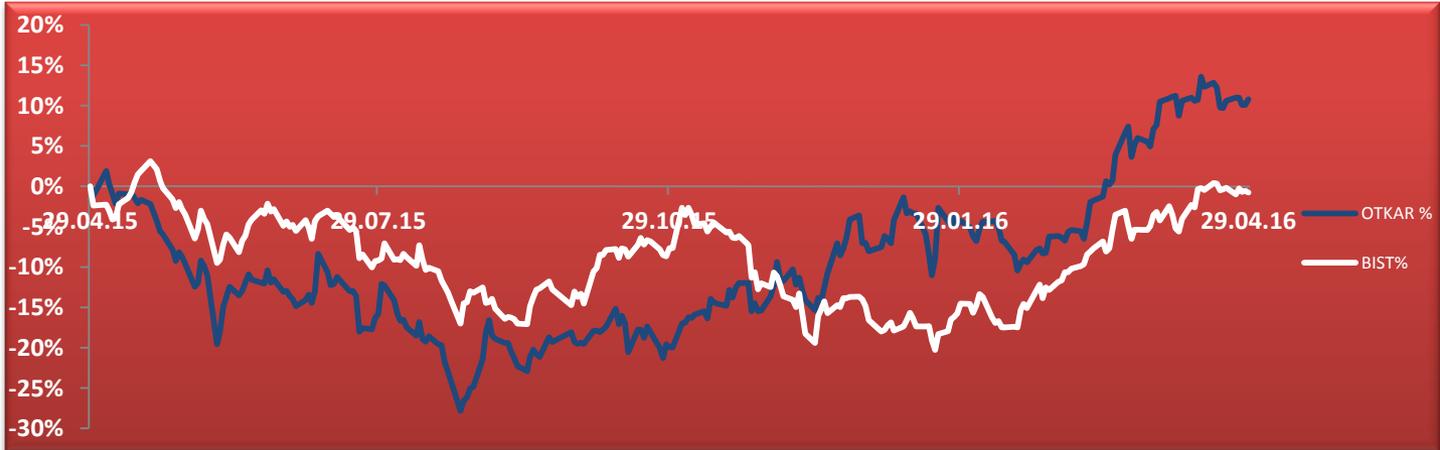
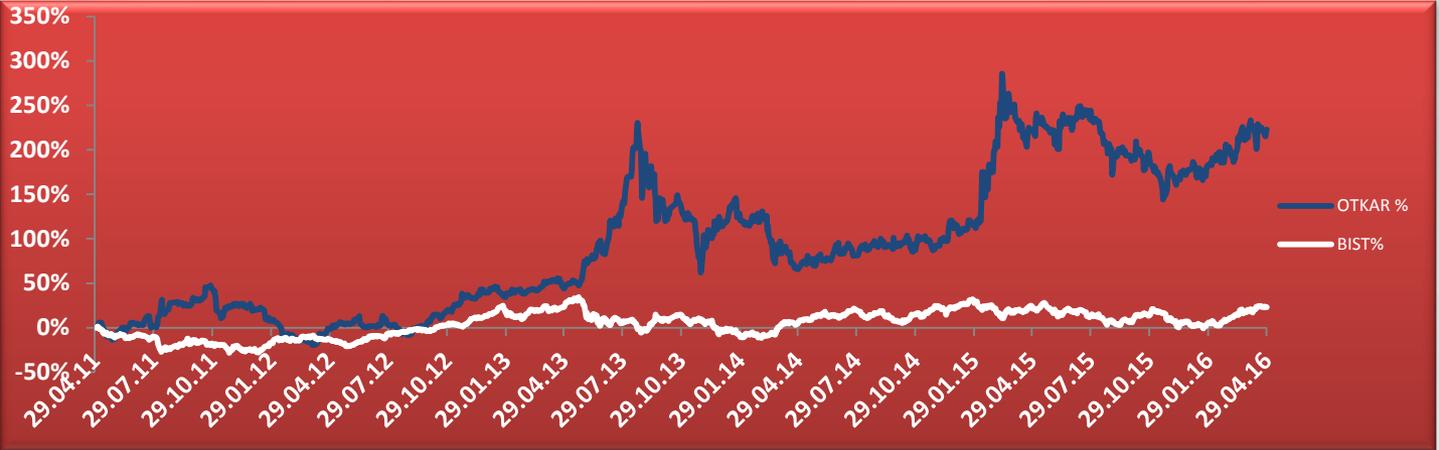






# Stock Performance

# Otokar







# Growth With Products Which License Rights Belong to OTOKAR

94%

The share of Otokar designed vehicle sales in turnover.

246

Number of owned patents and industrial designs



Otokar Europe was established in 2011 in France, in order to support bus sales in Europe.

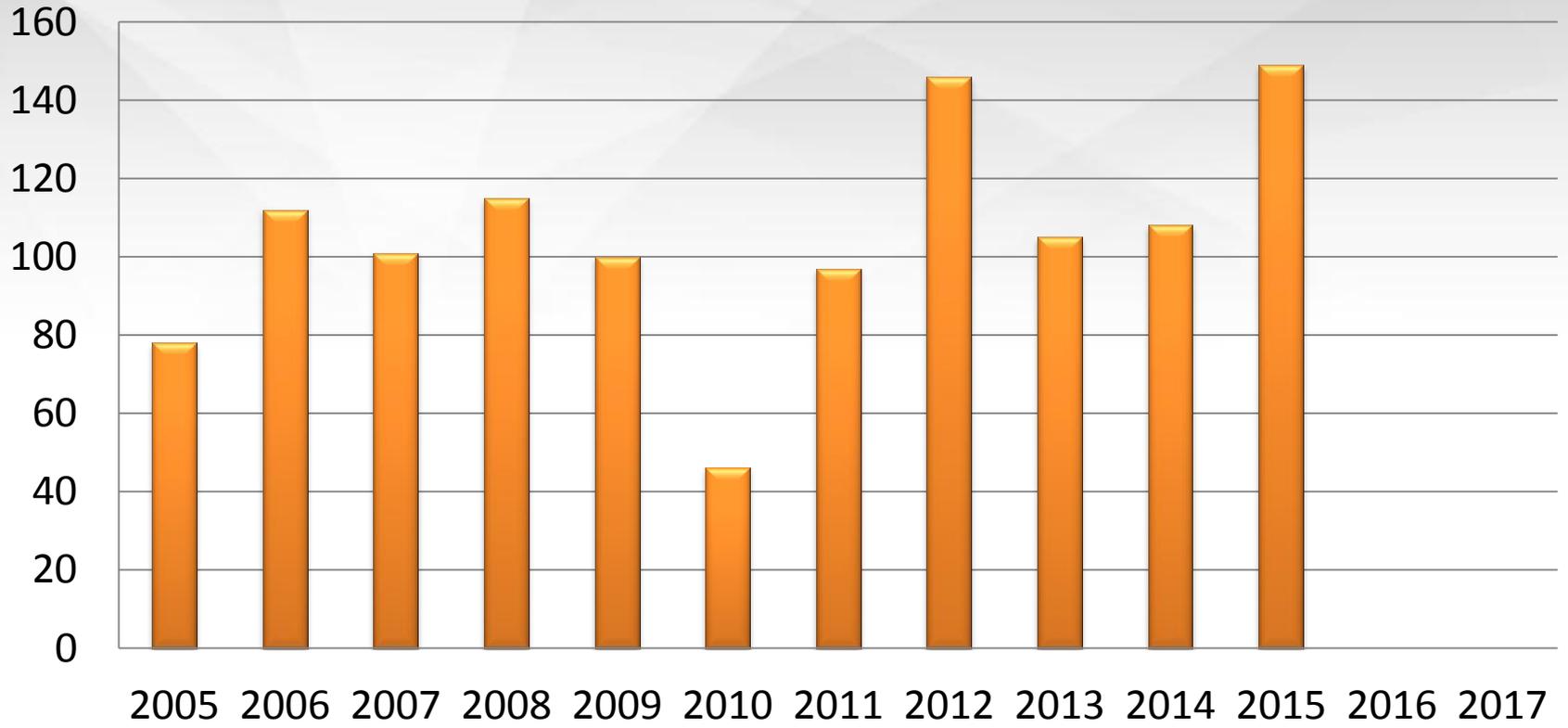
## Growth in Export Markets



- Otokar branded vehicles in more than 60 countries, on 5 continents
- Sales and service network spread over more than 200 destinations

# Growth in Export Markets

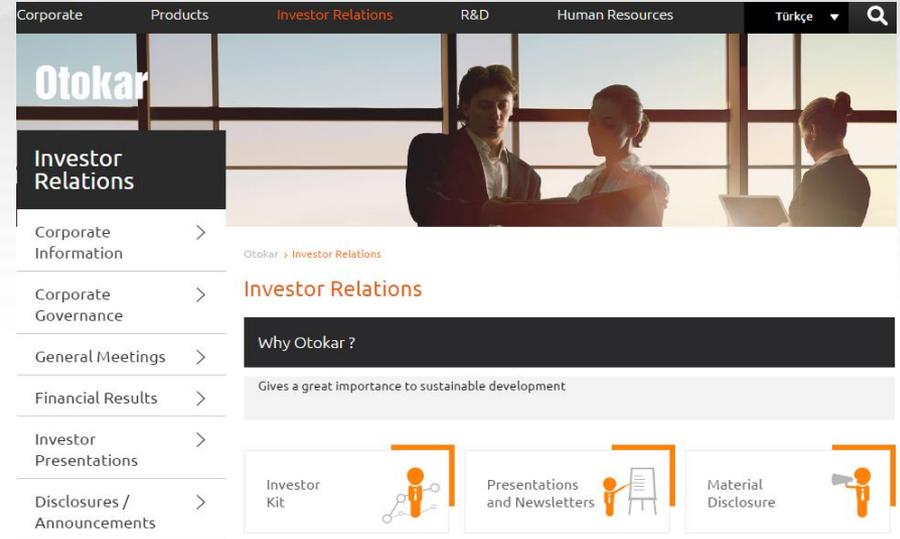
Million USD



- Continuously increase revenue to ensure high and sustainably dividend yield
- In the framework of our corporate governance and professional management principles, we aim to move further up our company's market value

- ✓ **Dođan Seçkinler**  
Finance & IR Manager  
+90 264 229 22 44 – 6300  
[dseckinler@otokar.com.tr](mailto:dseckinler@otokar.com.tr)
- ✓ **Öktem Söylemez**  
IR Officer  
+90 264 229 22 44 – 6316  
[osoylemez@otokar.com.tr](mailto:osoylemez@otokar.com.tr)

Please visit [www.otokar.com.tr](http://www.otokar.com.tr)



**Disclaimer:** This presentation contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither OTOKAR nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation.