

# Otokar

---

## INVESTOR PRESENTATION

(22.04.2015)

Prepared based on 2015 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 5 years

## Vision

- Otokar preserves the local and national characteristics of its products by developing its technology in-house, and aims at the continued satisfaction of its customers, employees, and shareholders by embracing a total excellence philosophy.

## Mission

- The key mission of Otokar is to design, manufacture and market commercial vehicles and various defence industry products developed in line with customer expectations that have global competitive power.

# Brief History

# Otokar



1963

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



1970s

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



1980s

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



1990s

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



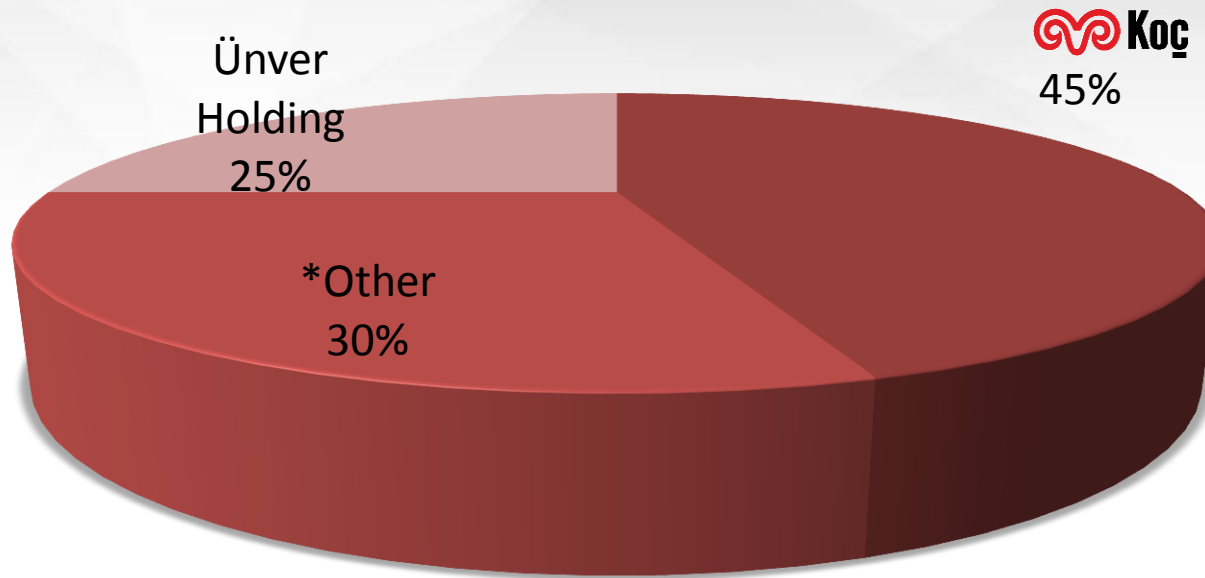
2000s

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



2010s

- 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



*\*27% Listed*

*\*3% Other*



552,000 m<sup>2</sup> plant, approximately 2200 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

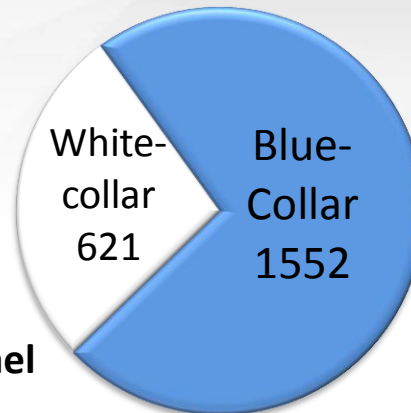
AQAP 2110 Military Quality Assurance Certificate

Facility Security Certificate with National and NATO Secrecy Degree

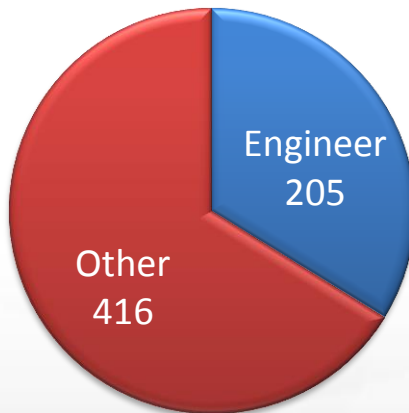
ISO 3834-2 Quality Requirements for Fusion Welding of Metallic Materials



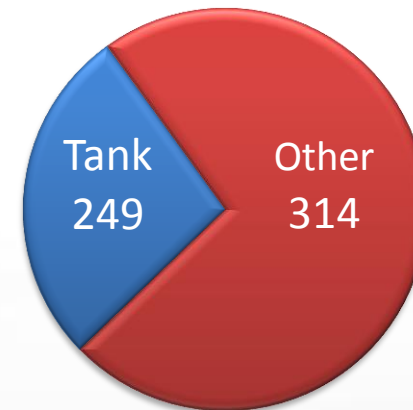
## 2173 Employee



## 621 White-Collar Personnel



## 563 R&D Centre Personnel





# Number of Employee

Otokar



## Commercial Vehicles

## Defense Industry

### Public Transport



#### Models

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

### 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 fifth time!**

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





M-2010



SULTAN / NAVIGO



DORUK / VECTIO



TERRITO



KENT

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

Special Products

Researches for  
Alternative fuels

# M-2010 / CENTRO

Otokar

Suitable minibuses  
for disabled people  
in transportation





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



# SULTAN / NAVIGO

Otokar

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





# DORUK / VECTIO

Otokar

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



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



# TERRITO

# Otokar

The 12-meter  
bus developed  
for the  
European  
market





# Alternative Fueled Buses

**Otokar**

**2007**

**DORUK Hibra**

**Turkey's first  
hybrid bus**



**2009**

**DORUK DG**

**Turkey's first natural  
gas powered mid-sized  
bus**



**2011**

**KENT DG**

**12 m CNG bus**



**2012**

**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

Otokar

For 12 years, most commonly preferred refrigerated trailer in Turkey for transport of perishable goods in hygienic and safe condition



# Tanker

# Otokar

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



# Light Truck

# Otokar





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





More than 28.000 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  
KESKİN UKKS  
OPEN TURRETS  
INTERNAL SECURITY TURRET  
WEAPON STATIONS (MİLAN  
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



# KAYA II Personnel Carrier

Otokar

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

Otokar

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





# INTERNAL SECURITY VEHICLE

**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 26 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





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





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



# Balance Sheet

# Otokar

**31.03.2015**

| Total Assets (TRY) |                      | Total Liabilities&Shareholders Equity (TRY) |                      |
|--------------------|----------------------|---|----------------------|
| Current Assets     | 660.592.793          | S.T. Liabilities                            | 785.564.465          |
| Fixed Assets       | 576.029.804          | L.T. Liabilities                            | 289.700.276          |
|                    |                      | Shareholders Equity                         | 161.357.856          |
| <b>Total</b>       | <b>1.236.622.597</b> | <b>Total</b>                                | <b>1.236.622.597</b> |

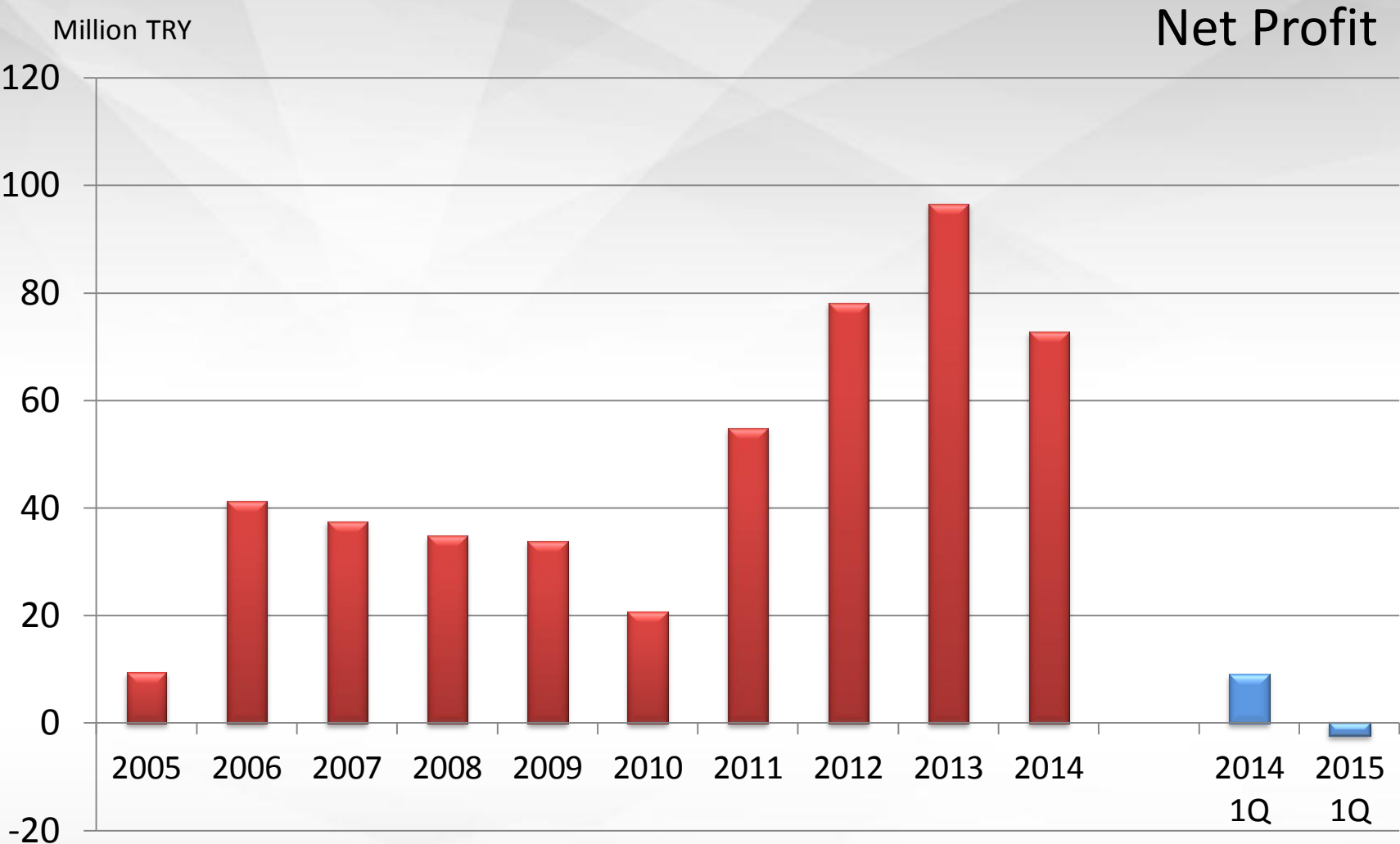
# Income Statement

**Otokar**

| <b>TRY thousands (IFRS)</b> | <b>31.Mar.2015</b> | <b>31.Mar.2014</b> |
|-----------------------------|--------------------|--------------------|
| Net Sales                   | 248.758            | 283.246            |
| Cost of Sales               | (191.139)          | (225.101)          |
| Gross Profit                | 57.619             | 58.145             |
| Operating Costs             | (59.057)           | (36.369)           |
| Operating Profit            | (1.438)            | 21.776             |
| Finacial Expenses           | (3.789)            | (11.152)           |
| Profit Before Taxes         | (5.227)            | 10.624             |
| Taxes                       | 3.006              | (1.478)            |
| Net Profit                  | (2.221)            | 9.146              |

# Net Profit

Otokar





# Cash Flow Statement

**Otokar**

| TRY thousand (IFRS)                                      | 31.Mar.2015 | 31.Mar.2014 |
|--|-------------|-------------|
| Cash and Cash Equivalants at the beginning of the period | 44.528      | 8.884       |
| Net cash provided by operating activities                | 103.402     | 239.859     |
| Net cash used in investing activities                    | (10.076)    | (10.182)    |
| Pre-financing cash flow                                  | 93.326      | 229.677     |
| Net cash used in Financing Activities                    | (123.861)   | (177.622)   |
| Net decrease/increase in Cash and Cash Equivalents       | (30.535)    | 52.055      |
| Cash and cash equivalents at the end of the period       | 13.993      | 60.939      |

| TRY thousands     | 31.Mar.2015 | 31.Dec.2014 |
|-------------------|-------------|-------------|
| Current Assets    | 660.593     | 672.059     |
| S. T. Liabilities | 785.564     | 634.919     |
| Working Capital   | (124.971)   | 37.140      |

# Net Financial Debts

**Otokar**

| TRY thousand                  | 31.Mar.2015   | 31.Dec.2014   |
|-------------------------------|---------------|---------------|
| Cash and Equivalents          | 13.993        | 44.528        |
| Trading Securities            | 0             | 0             |
| Other                         | 0             | 0             |
| <b>Total Financial Assets</b> | <b>13.993</b> | <b>44.528</b> |

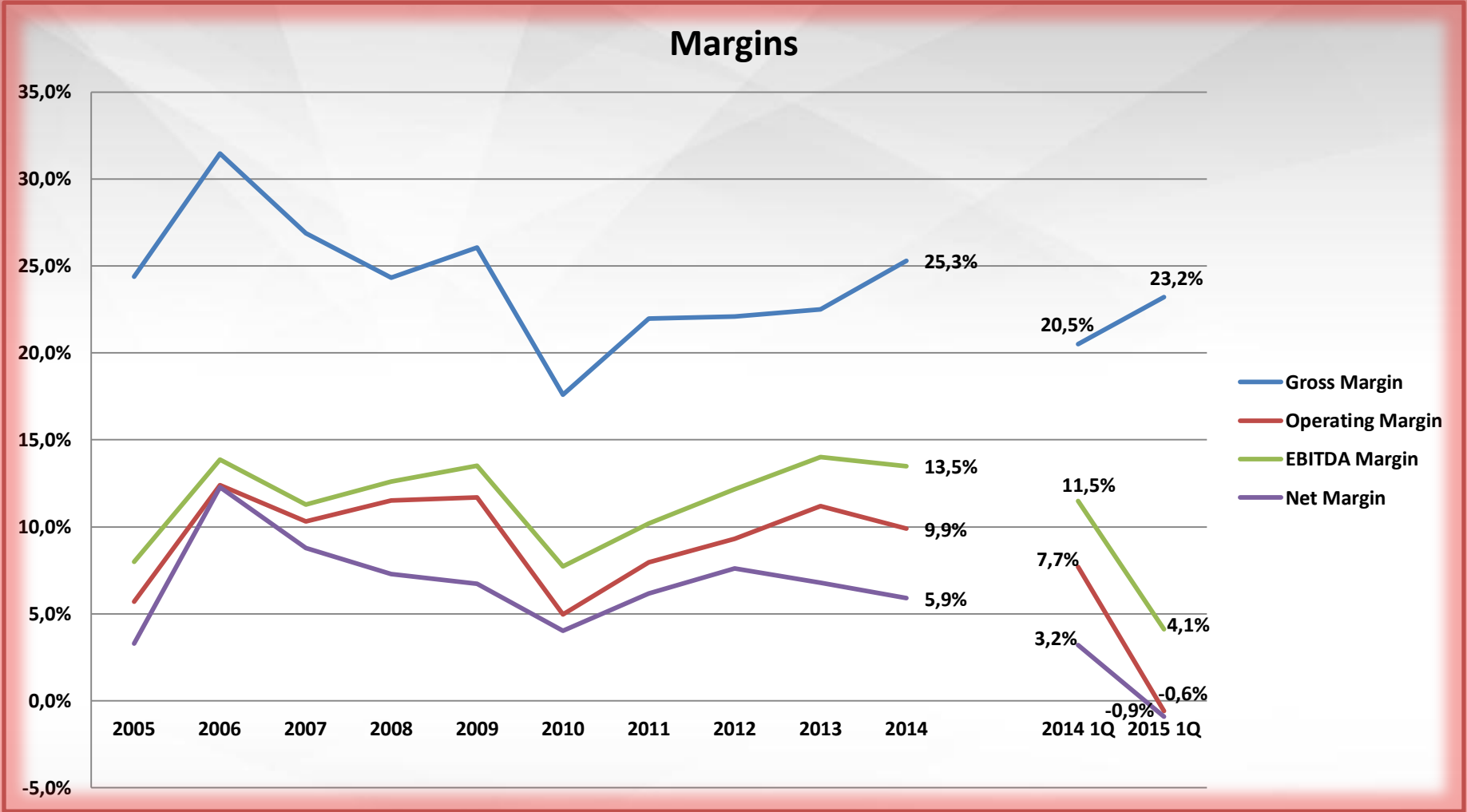
| TRY thousand                 | 31.Mar.2015    | 31.Dec.2014    |
|------------------------------|----------------|----------------|
| S.T. Bank Loans              | 102.343        | 75.667         |
| L.T. Bank Loans              | 209.551        | 273.847        |
| <b>Total Financial Debts</b> | <b>311.894</b> | <b>349.514</b> |

| TRY thousand               | 31.Mar.2015    | 31.Dec.2014    |
|----------------------------|----------------|----------------|
| <b>Net Financial Debts</b> | <b>297.901</b> | <b>304.986</b> |

| Financial Ratios          | 2015 1Q | 2014 1Q |
|---------------------------|---------|---------|
| Current Ratio             | 0,84    | 0,95    |
| Liquidity Ratio           | 0,45    | 0,53    |
| Return On Equity          | (1,37%) | 5,1%    |
| Return on Assets          | (0,42%) | 1%      |
| Cur.Assets/Tot.Assets     | 53%     | 59%     |
| Short Term Lia./Tot. Lia. | 64%     | 62%     |
| Tot.Lia./Tot.Assets       | 87%     | 87%     |

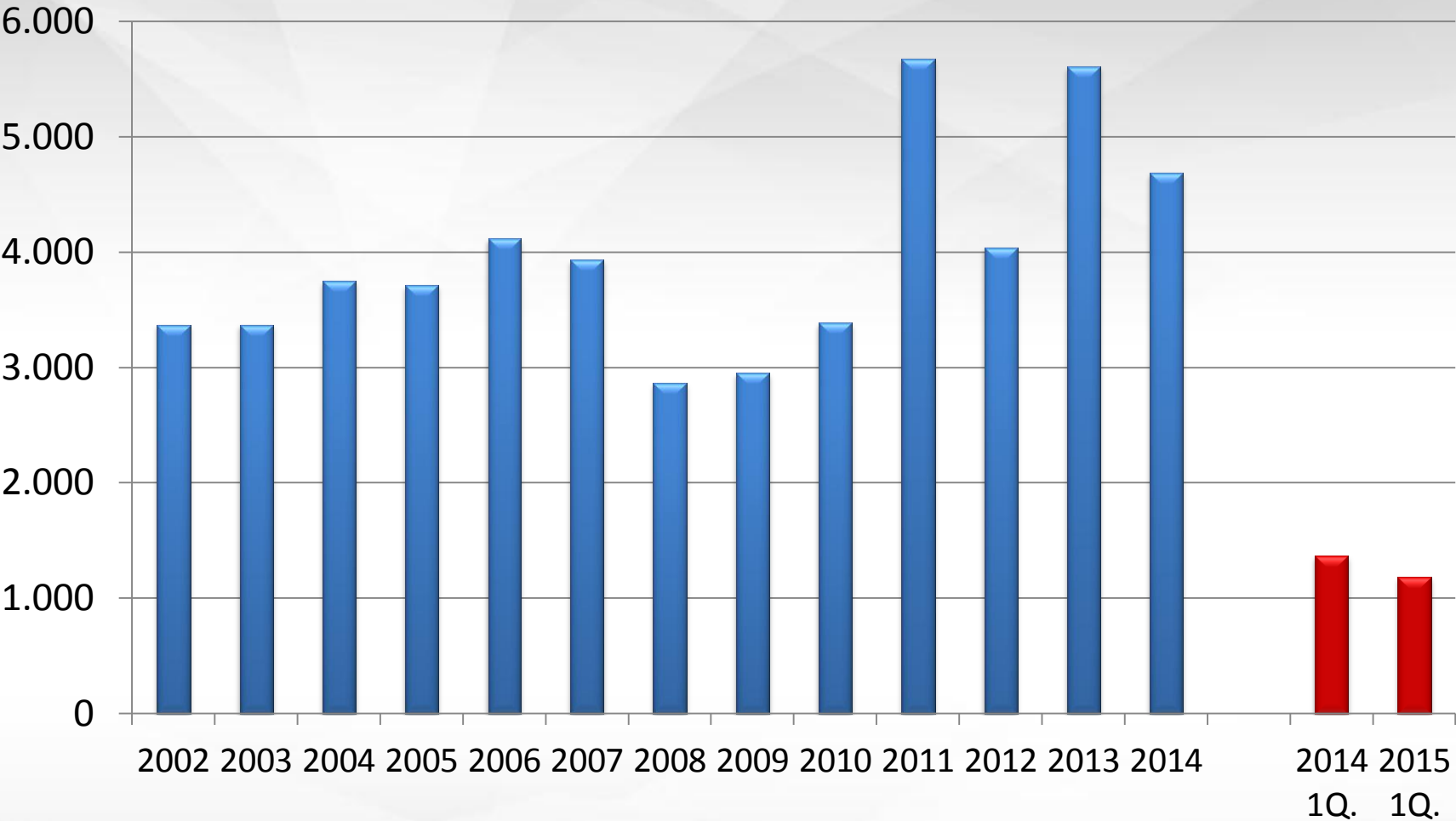
| Margins           | 2015 1Q | 2014 1Q |
|-------------------|---------|---------|
| Gross Margins     | 23,2 %  | 20,5 %  |
| Operating Margin  | -0,6 %  | 7,7 %   |
| EBITDA Margin     | 4,1 %   | 11,5 %  |
| Net Profit Margin | -0,9 %  | 3,2 %   |





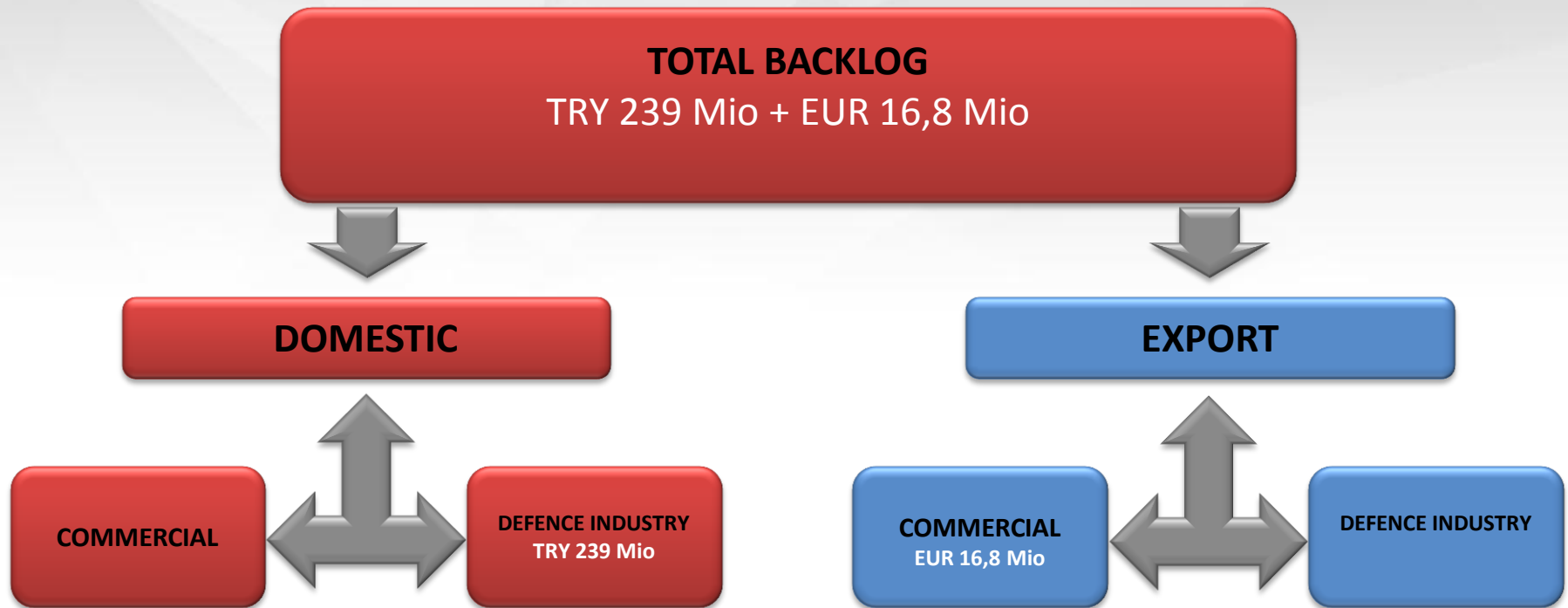
# Production Units

Otokar

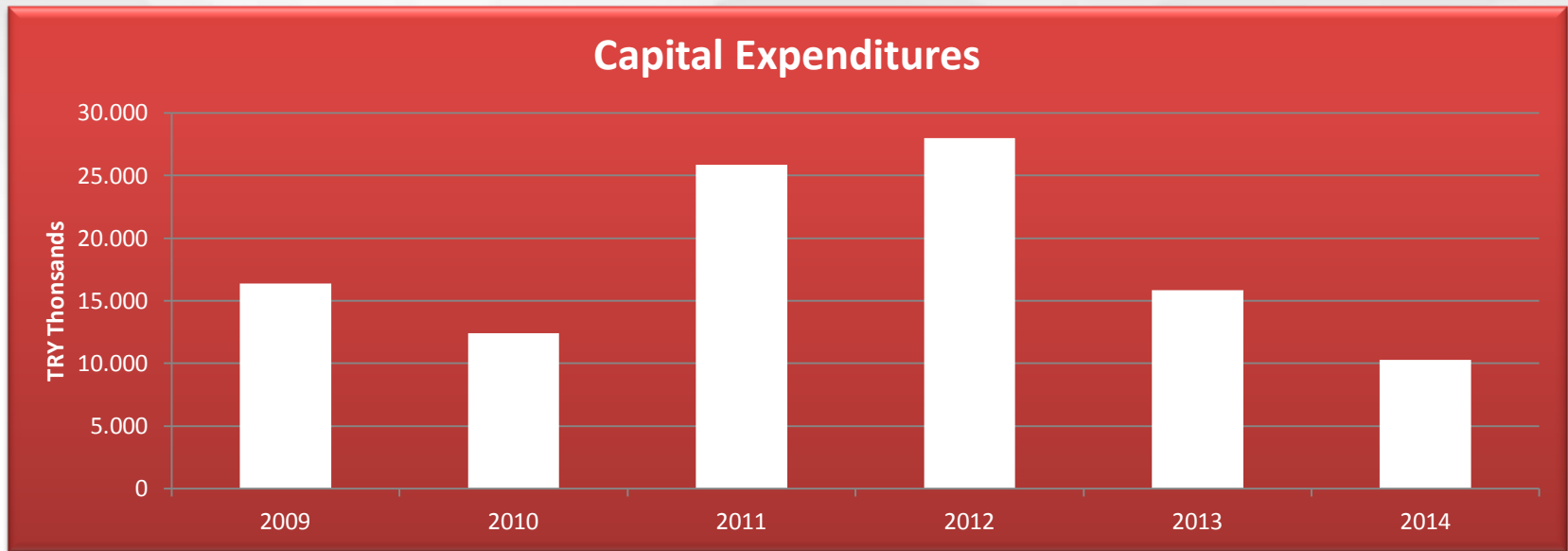


# Revenue Distribution



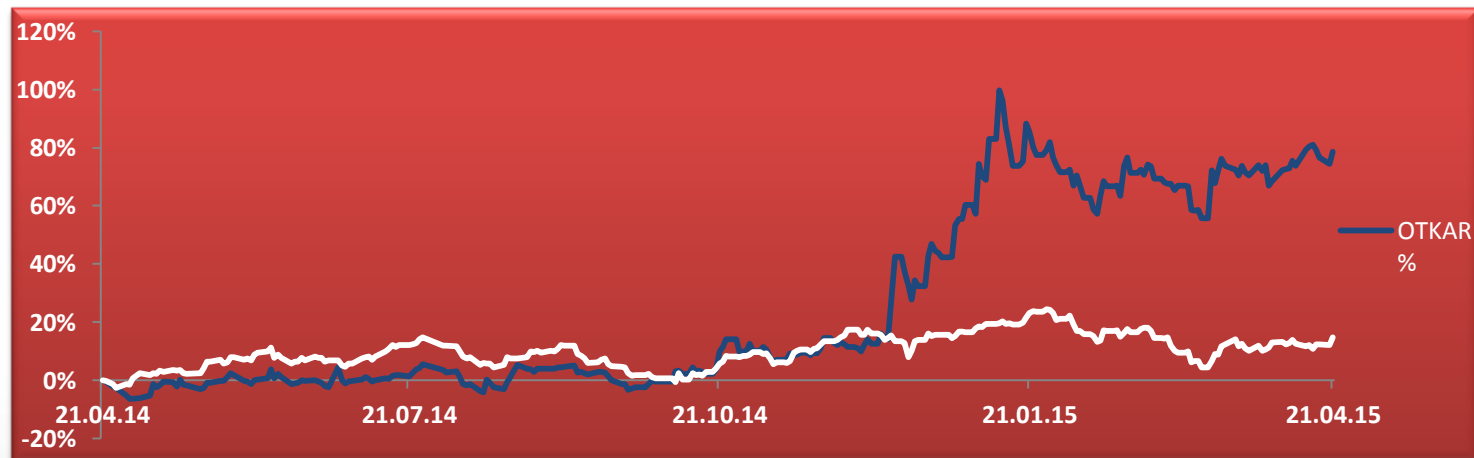
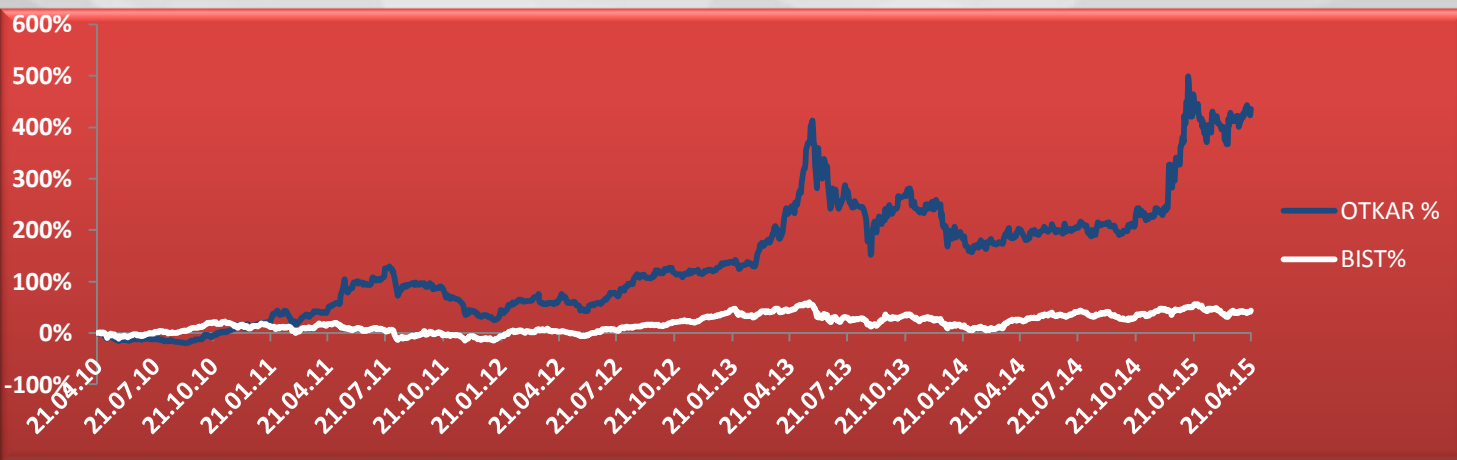


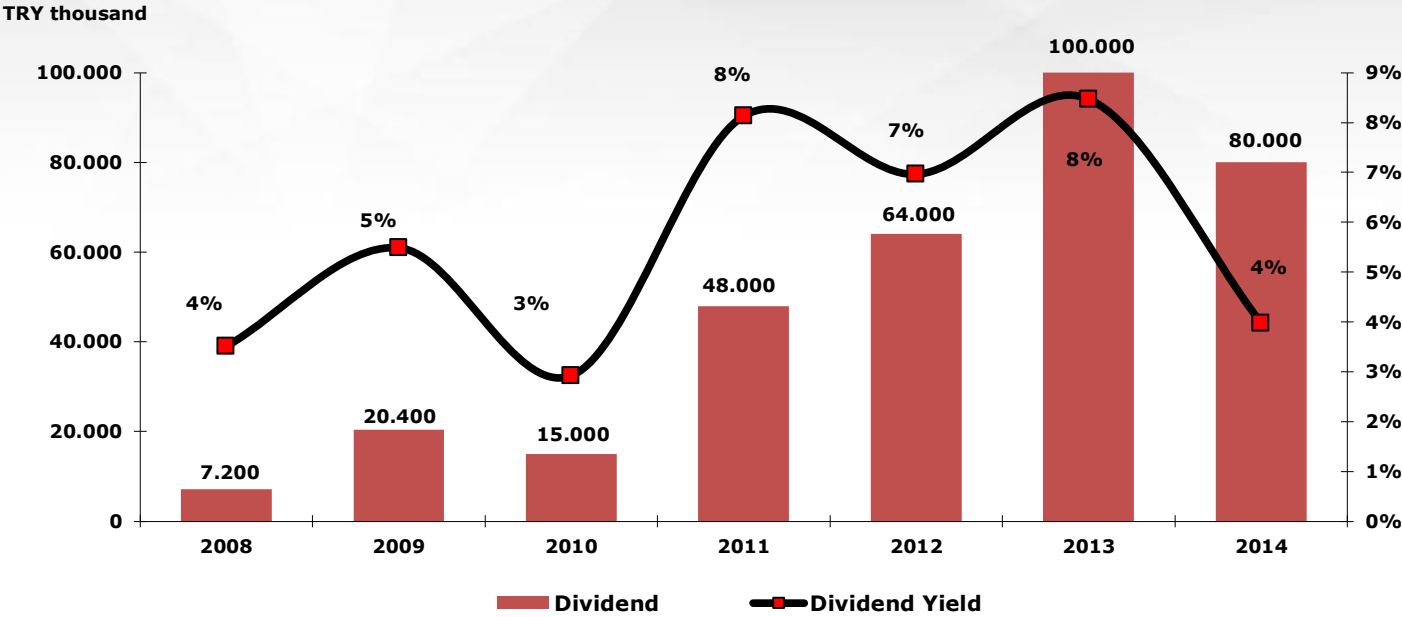


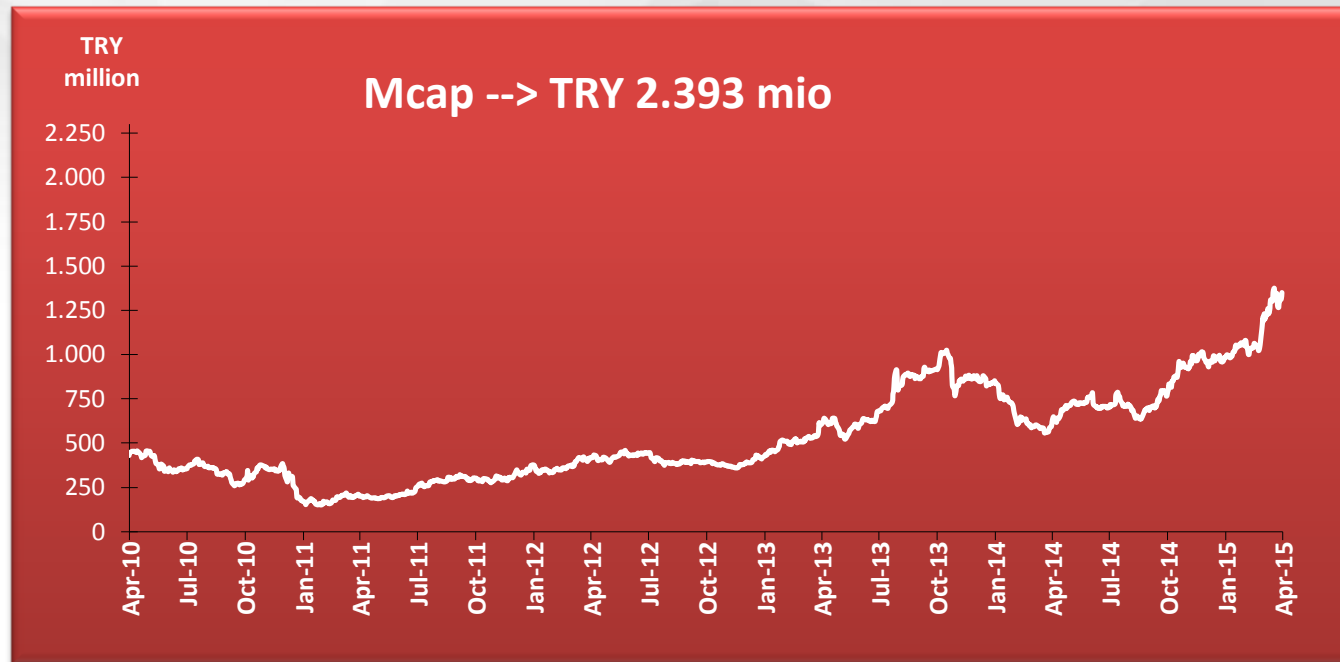


# Stock Performance

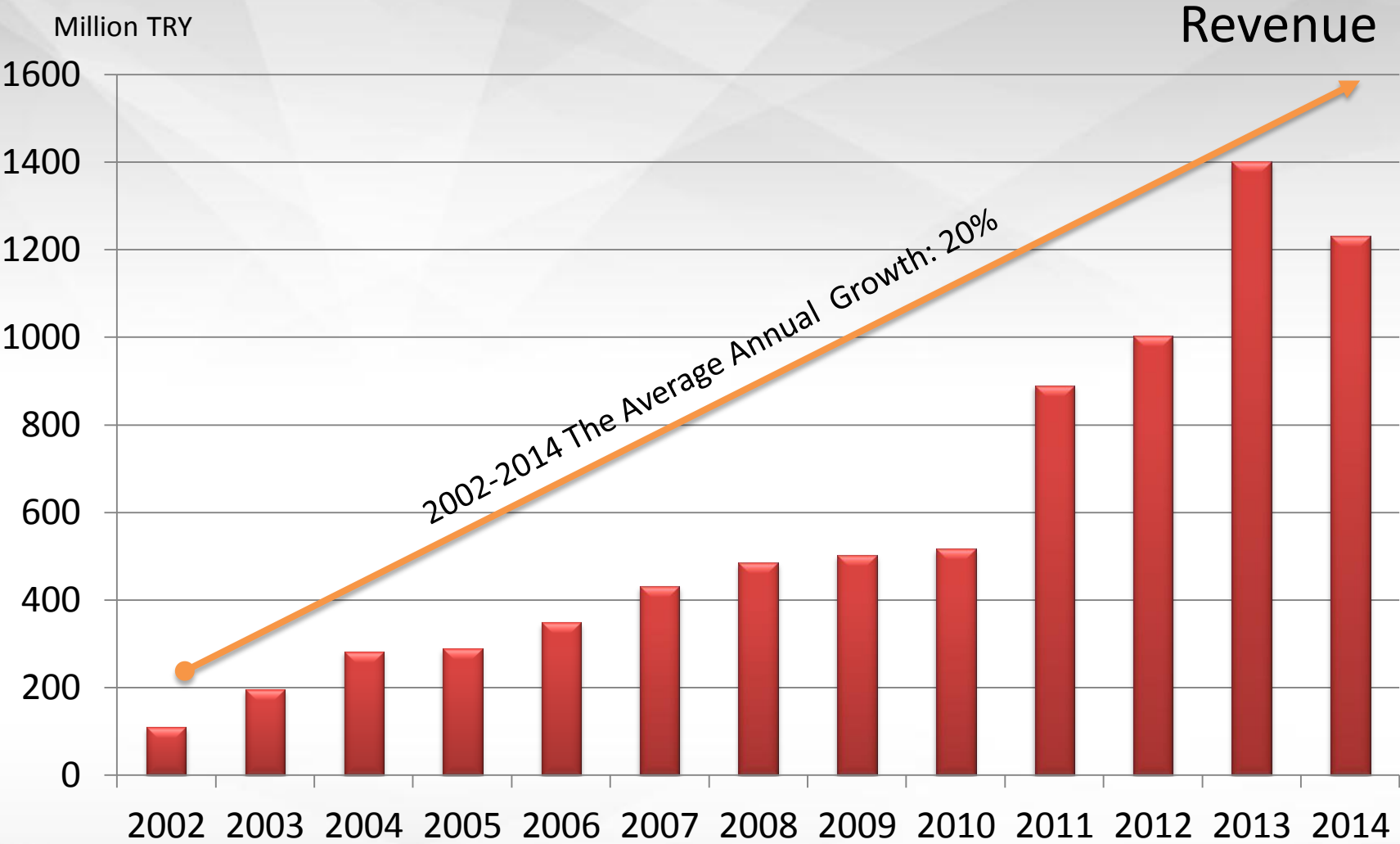
# Otokar











# Growth With Products Which License Rights Belong to OTOKAR

**Otokar**

**91%**

The share of Otokar designed vehicle sales in turnover.

**157**

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



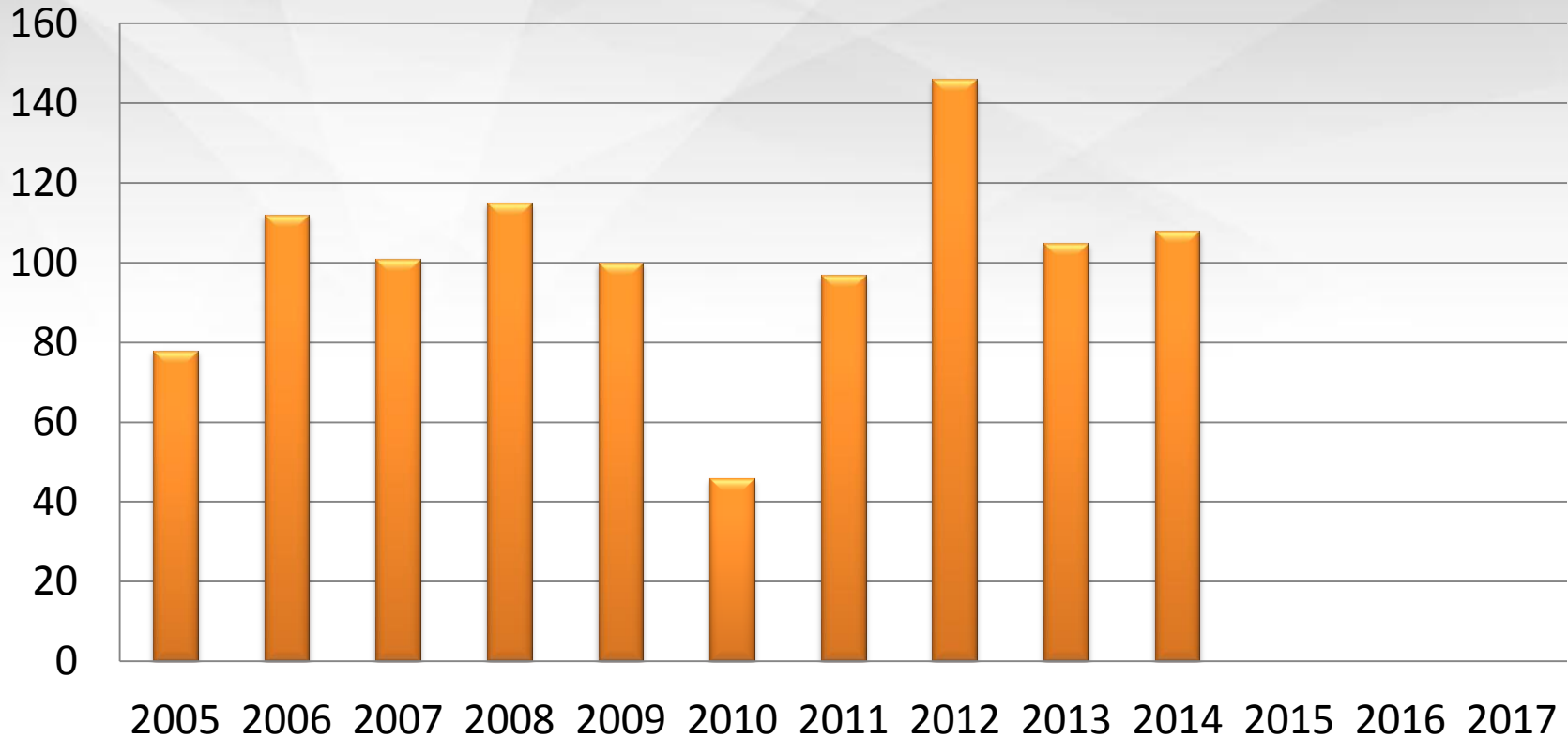
- Otokar branded vehicles in more than 60 countries, on 5 continents
- Sales and service network spread over more than 200 destinations



# Growth in Export Markets

Otokar

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

✓ **Doğın 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.