

# Otokar

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## INVESTOR PRESENTATION

(04.05.2018)

Prepared based on 2018 1Q financial results

## ABOUT US

- INTRODUCTION
- VISION & MISSION
- BRIEF HISTORY
- SUSTAINABLE GROWTH
- SHAREHOLDER STRUCTURE
- PRODCUTION PLANT
- EMPLOYEE PROFILE
- PRODUCT RANGE
- 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

- 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 as well as 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 8 years

## Vision

- Otokar's vision is to preserve the local and national identity of its products by developing technologies in-house, also 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

# 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

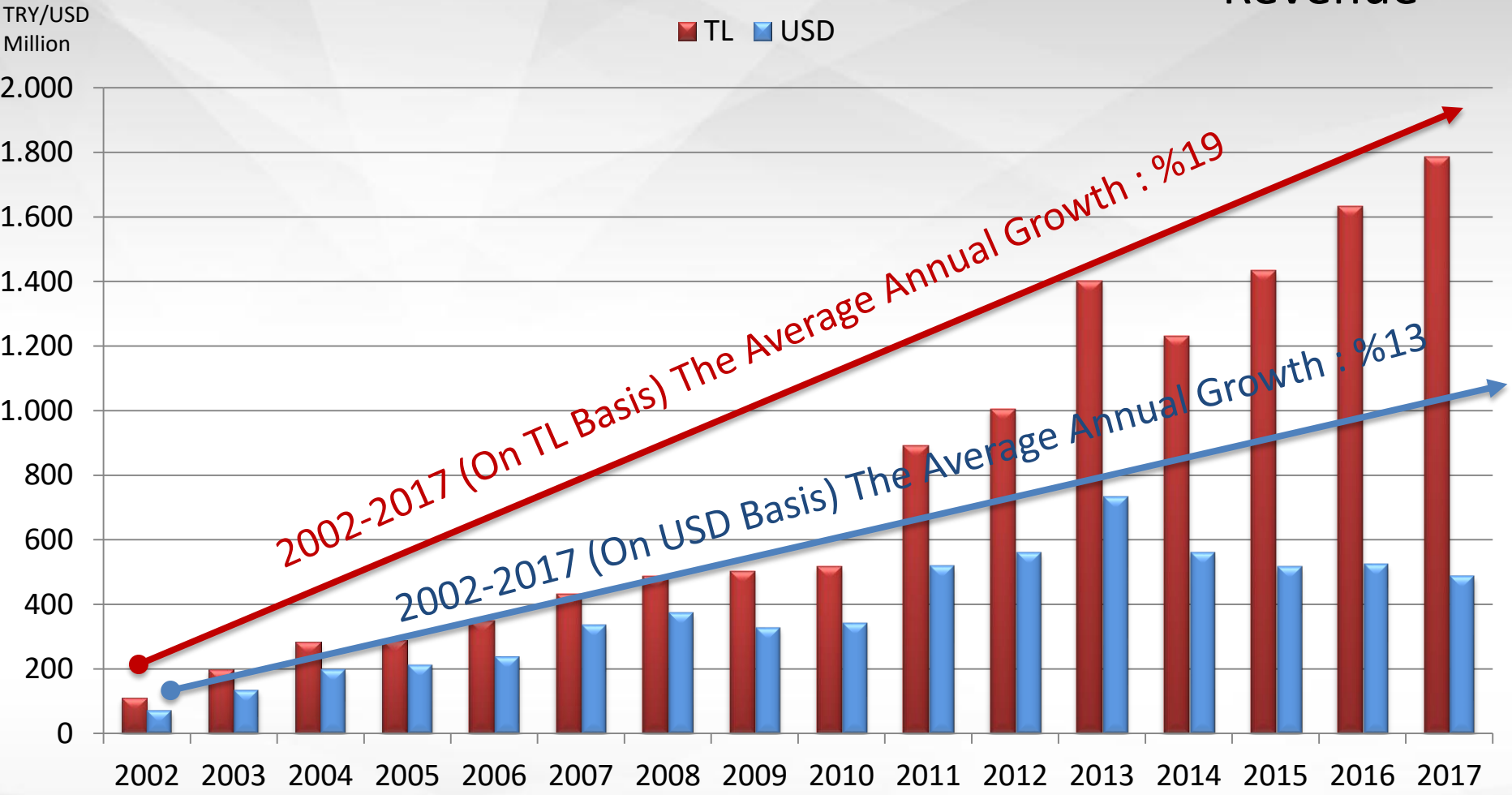
- Merge with the İstanbul Fruehauf A.S.
- Production of small and mid size buses
- Production of Turkey's first hybrid bus
- The prime contractor of ALTAY Project

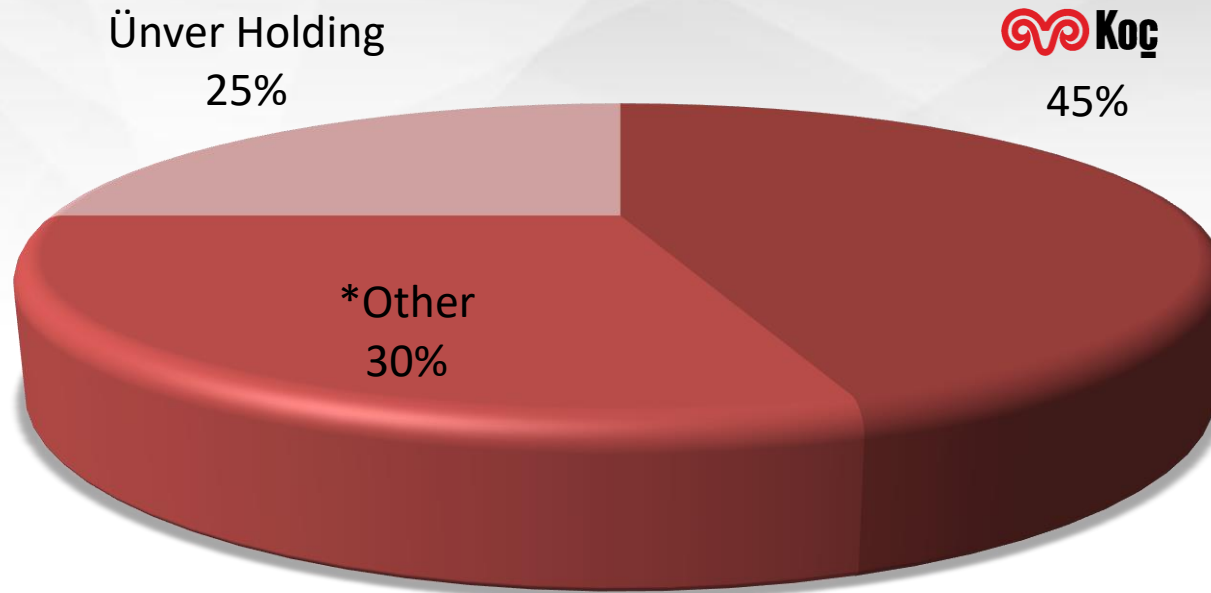


2010s

- Establishment of Otokar Europe (OESAS)
- Multi-wheeled armoured tactical vehicle family
- Production of City Buses
- Turkey's first electric bus
- Atlas Light Truck
- Introduced new armoured tactical wheeled vehicle, URAL
- Tracked Armoured Vehicle TULPAR
- POYRAZ midibus
- Establishment of Otokar Land Systems (OLS) in U.A.E

## Revenue





*\*27% Listed*

*\*3% Other*



## Production Plant



Sakarya Province

552,000 m<sup>2</sup> plant, approximately 2110 employees

### Capacity of

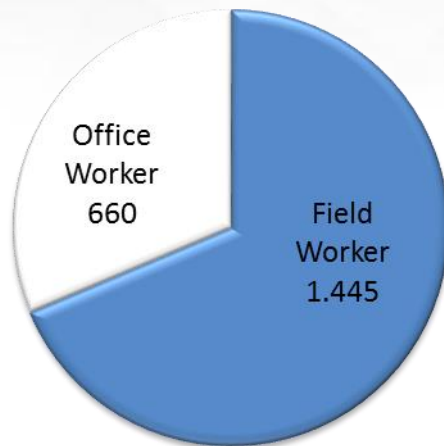
3700 Land Vehicle  
 900 Tactical Armoured Vehicle  
 5000 Bus + Minibus  
 1850 Trailer and Semi-trailer  
 1600 Light Truck

### Certificates

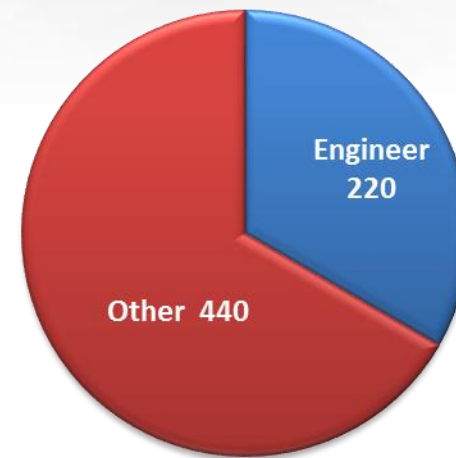
ISO 9001 Quality Standard  
 ISO 14001 Environmental Standard  
 ISO 10002 Customer Satisfaction Quality Standard  
 ISO 27001 Information Security Management System  
 AQAP 2110 Military Quality Assurance Certificate  
 Facility Security Certificate with National and NATO Secrecy Degree  
 ISO 3834-2 Quality Requirements for Fusion Welding of Metallic Materials  
 OHSAS 18001 Occupational Health and Safety Management  
 ISO17025 Testing Laboratory Management(Ballistic, EMC, Climatic Cabinet)



**2.105 Employee**

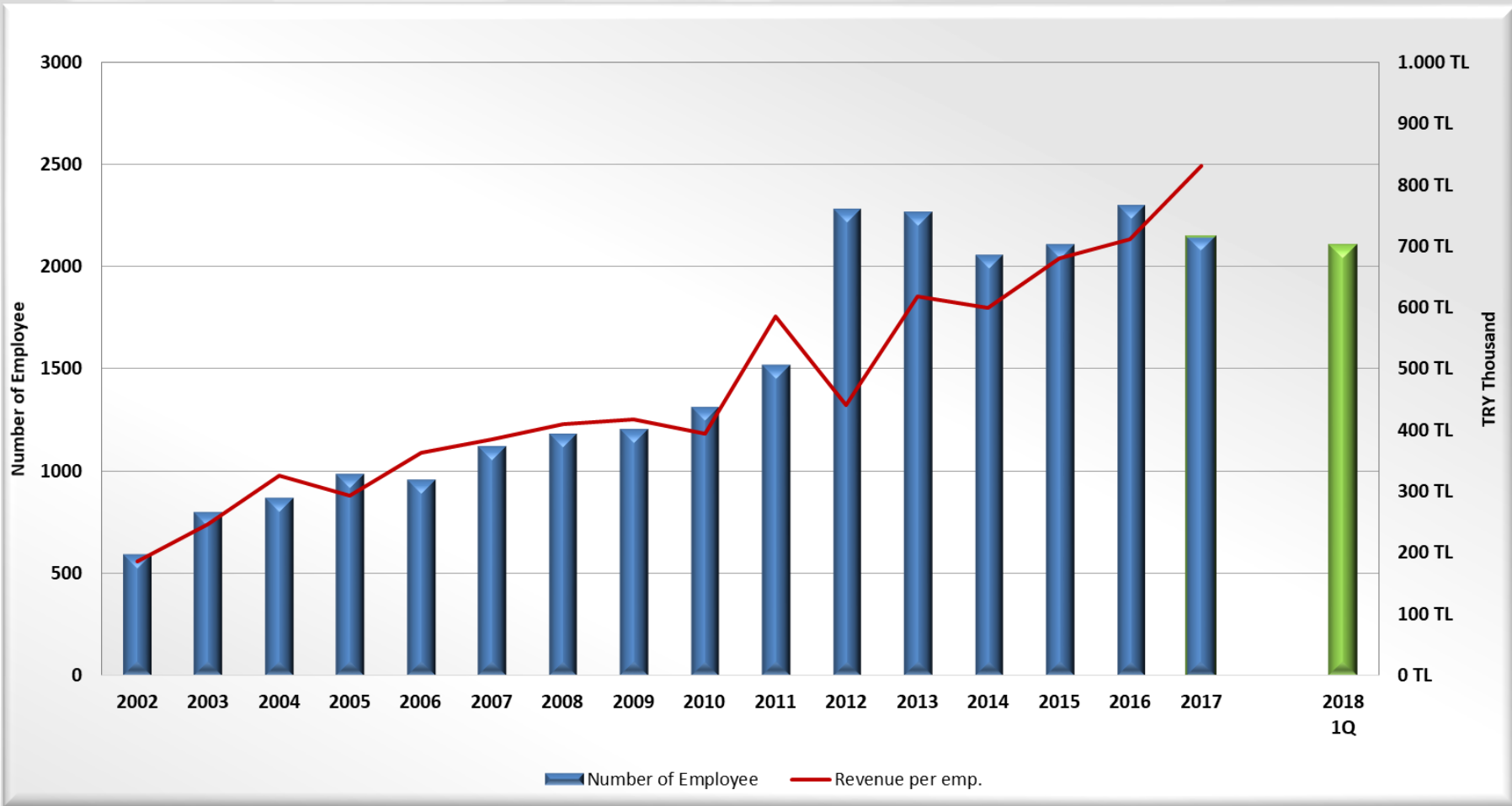


**660 Office Worker Personnel**



\* There are 496 employees in the R&D Center.

## Employees & Revenue per Employee



## Commercial Vehicles

### Public Transport



#### Varieties

KENT / DORUK /  
SULTAN / POYRAZ /  
CENTRO / NAVIGO /  
VECTIO / TERRITO /  
KENT ARTICULATED

### Logistic Vehicles



#### Varieties

FRUEHAUF / OTOKAR

### Light Truck



#### Varieties

OTOKAR ATLAS

## Defense Industry

### Land Platforms



#### Varieties

LAND ROVER DEFENDER /  
ARMOURED PERSONAL CARRIER  
/ URAL / COBRA / COBRA II /  
KAYA / KAYA II / KALE / ARMA  
6x6 / ARMA 8x8 / INTERNAL  
SECURITY VEHICLE / TULPAR /  
ALTAY (Altay Project Phase-1)

### Turret Systems



#### Varieties

MIZRAK UKKS  
KESKİN UKKS  
OPEN TURRETS  
INTERNAL SECURITY  
TURRET  
WEAPON STATIONS  
(MİLAN TOW)  
UCOK  
BOZOK  
BASOK

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

**40 thousand buses, carrying millions of passengers  
in more than 50 countries!**





POYRAZ



SULTAN / NAVIGO



DORUK / VECTIO



KENT



TERRITO



KENT KÖRÜKLÜ

Wide product range from  
intercity transport to  
personnel and tourism  
transport

Special Products

Researches for Alternative  
fuels

The new small bus  
with low operating  
costs and very  
efficient fuel  
consumption,  
designed for service  
transport





# SULTAN / NAVIGO

Otokar

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





# DORUK/VECTIO/ULYSO

Otokar

- 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 introduced at Busworld Exhibition, Belgium in 2015.



# 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 thousand semi-trailers that provide transportation service on 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

The most preferred refrigerated trailer for transport of perishable goods in hygienic and safe conditions for 17 years in Turkey.



# Tanker

Otokar

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







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





More than 30.000 military vehicles serving in 5 continents and more than 30 countries

## Tactical Wheeled Vehicles

### TWAV

4x4



APC  
URAL  
COBRA  
COBRA II  
KAYA  
KAYA II  
KALE  
ISV

6x6



ARMA 6X6

8x8



ARMA 8X8

## Tracked Vehicles

TAV



TULPAR

MBT



ALTAY  
(Altay Project  
Phase-1)

## 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



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 Police Force and Internal Security Force 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 monocoque body



# INTERNAL SECURITY VEHICLE

**Otokar**

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





# 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 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





Otokar, takes part as a prime contractor in the Altay Project Phase-1. Thanks to Altay, which is a design, prototype and qualification project, Turkey has not only attained a main battle tank with intellectual property rights, but also has gained the substructure of designing and manufacturing one of the most complicated land systems platform.



- Since 1989, Otokar has been working on turret systems to meet the needs as well as demands of current and potential users in land systems with trained manpower and R&D investments.
- Otokar has nearly 29 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 systems.

- Otokar's R&D, establishment dates back to 1970's, as of today, Otokar is designing and manufacturing Turkey's vehicles.
- Otokar's R&D works to develop 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







Dinomotretel 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 Center



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



**31.03.2018**

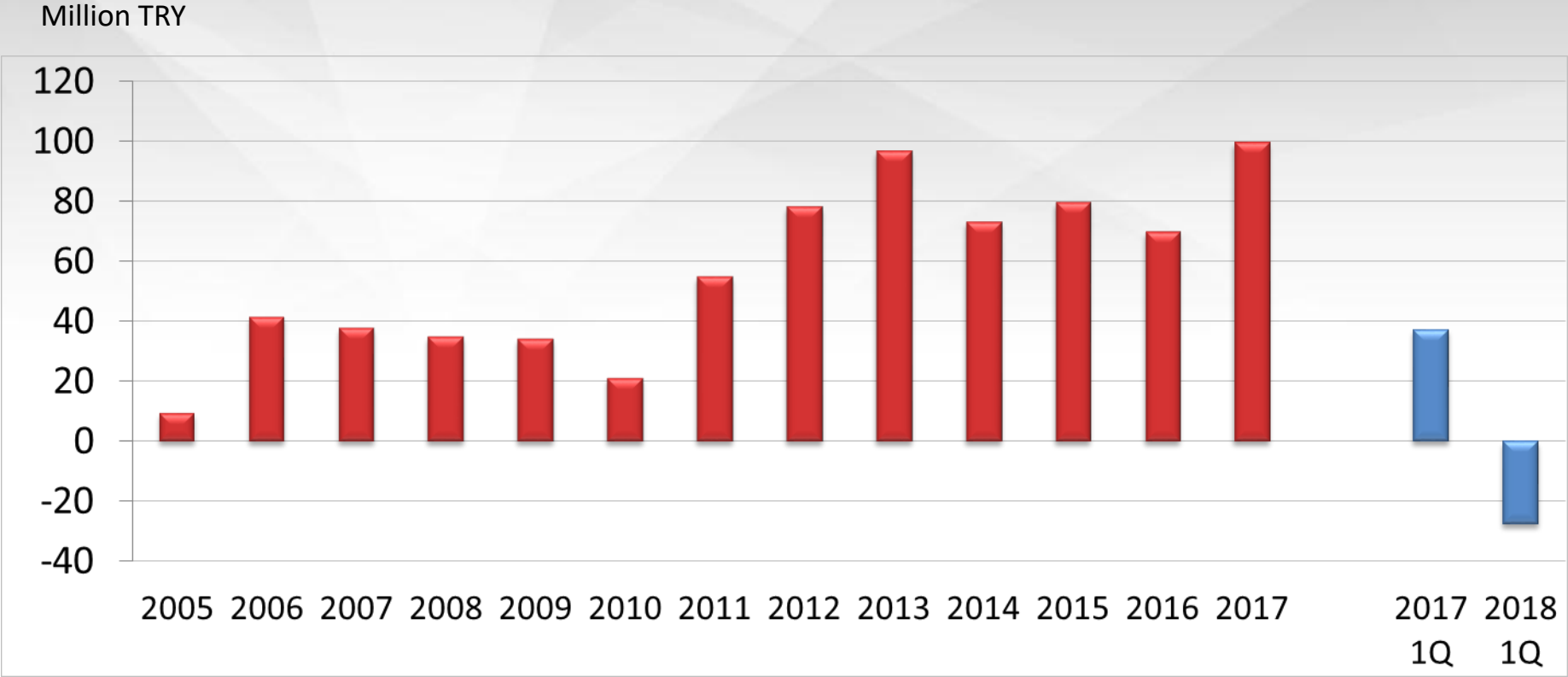
<b>Total Assets (TRY)</b>		<b>Total Liabilities&amp;Shareholders Equity</b>	
Current Assets	1.542.869	S.T. Liabilities	972.037
Fixed Assets	378.981	L.T. Liabilities	764.765
		Shareholders Equity	185.048
<b>Total</b>	<b>1.921.850</b>	<b>Total</b>	<b>1.921.850</b>

<b>TRY thousands (IFRS)</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Net Sales	252.385	566.419
Cost of Sales	(197.323)	(427.407)
Gross Profit	55.062	139.012
Operating Costs	(65.351)	(72.753)
Operating Profit	(10.289)	66.259
Finacial Expenses	(20.616)	(29.153)
Profit Before Taxes	(30.905)	37.148
Taxes	3.180	0
Net Profit	(27.725)	37.148



# Net Profit

Otokar



<b>TRY thousand (IFRS)</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Cash and Cash Equivalents at the beginning of the period	228.958	38.598
Net cash provided by operating activities	8.541	(285.840)
Net cash used in investing activities	(19.390)	(18.434)
Pre-financing cash flow	(10.849)	(304.274)
Net cash used in Financing Activities	(178.020)	269.543
Net decrease/increase in Cash and Cash Equivalents	(188.471)	(34.493)
<b>Cash and cash equivalents at the end of the period</b>	<b>40.487</b>	<b>4.105</b>

TRY thousands	31.03.2018	31.03.2017
Current Assets	1.542.869	1.631.551
S. T. Liabilities	972.037	1.072.319
<b>Working Capital</b>	<b>570.832</b>	<b>559.232</b>

# Net Financial Debts

**Otokar**

TRY thousand	31.03.2018	31.12.2017
Cash and Equivalents	40.487	228.958
Trading Securities	406	1.325
Other	-	-
<b>Total Financial Assets</b>	<b>40.893</b>	<b>230.283</b>

TRY thousand	31.03.2018	31.12.2017
S.T. Bank Loans	340.515	513.658
L.T. Bank Loans	280.000	190.000
<b>Total Financial Debts</b>	<b>620.515</b>	<b>703.658</b>

TRY thousand	31.03.2018	31.12.2017
<b>Net Financial Debts</b>	<b>579.622</b>	<b>473.375</b>

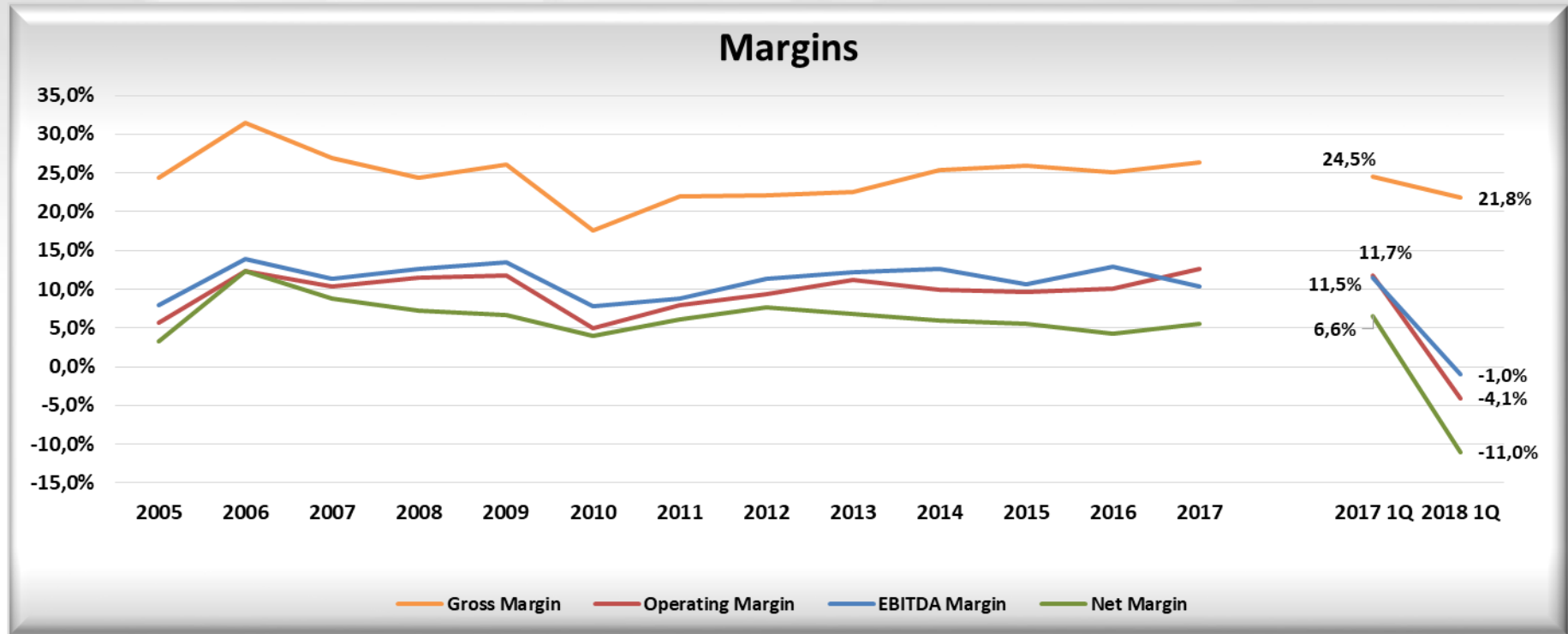


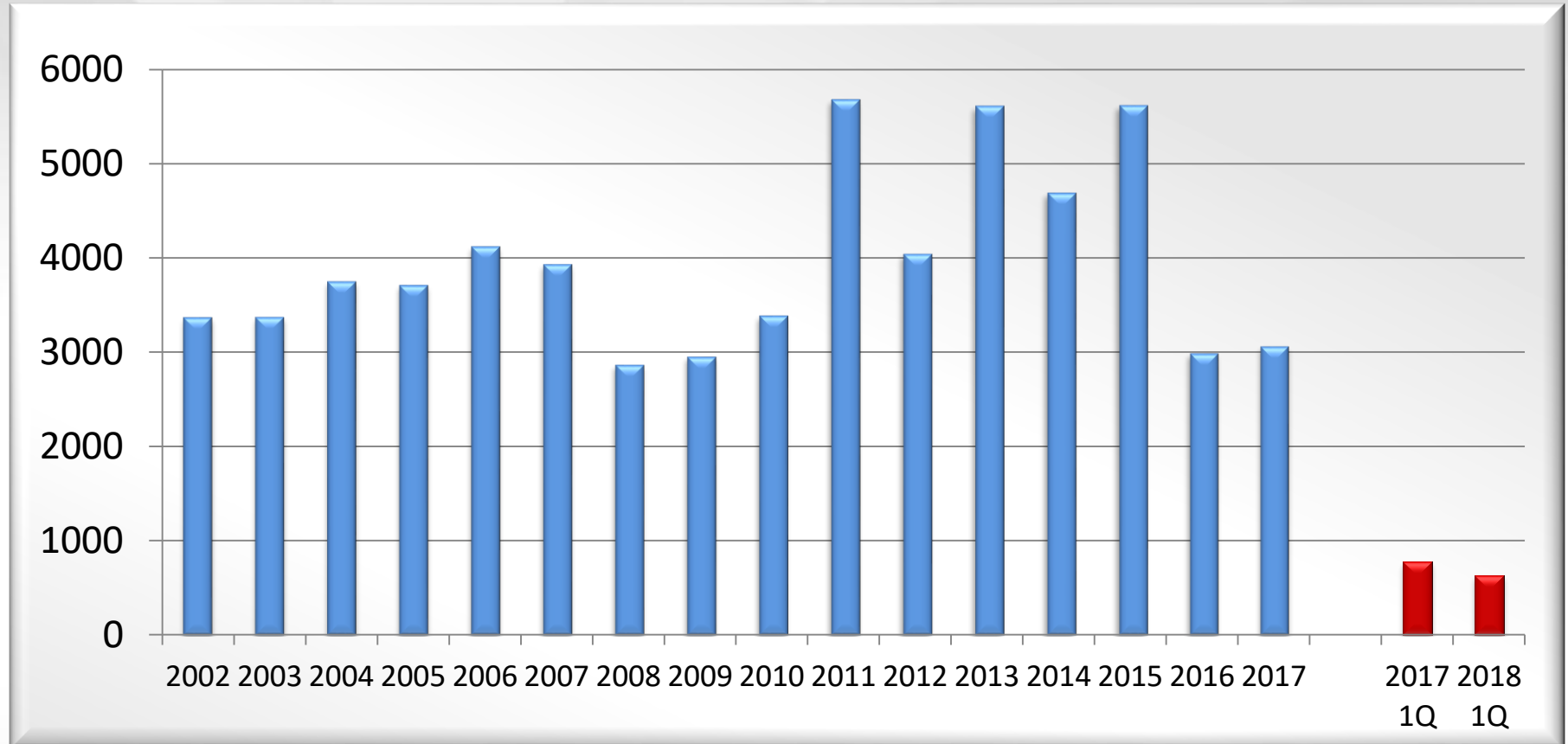
# Financial Ratios And Margins

**Otokar**

Financial Ratios	2018 1Q	2017 1Q
Current Ratio	1,59	1,74
Liquidity Ratio	1,07	1,19
Return On Equity	(15,0%)	17,0%
Return on Assets	(1,4%)	2,0%
Cur.Assets/Tot.Assets	80%	82%
Short Term Lia./Tot. Lia.	51%	47%
Tot.Lia./Tot.Assets	90%	88%

Margins	2018 1Q	2017 1Q
Gross Margins	21,8%	24,5%
Operating Margin	(4,1%)	11,7%
EBITDA Margin	(1,0%)	11,5%
Net Profit Margin	(11,0%)	6,6%



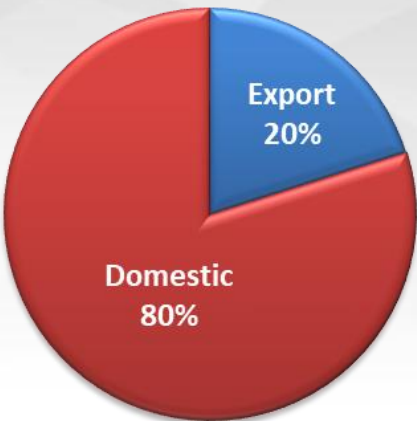


# Revenue Distribution

2018 1Q



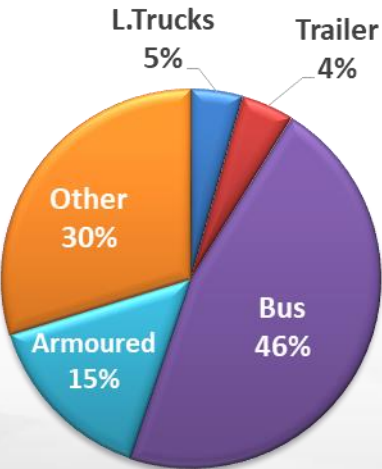
2017 1Q



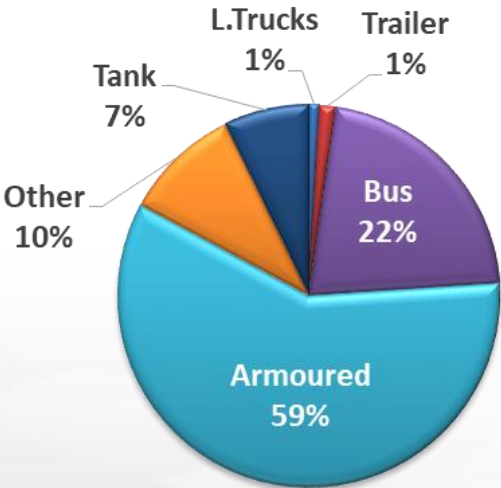
2017



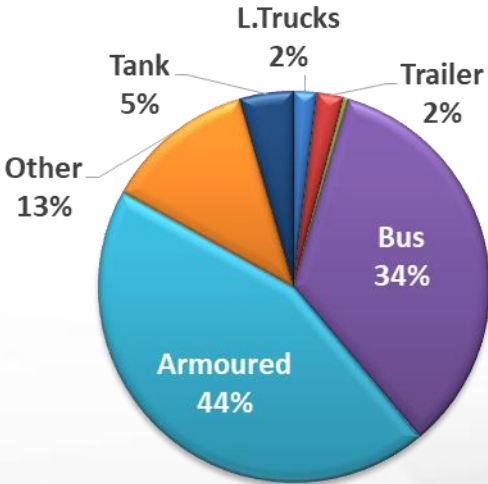
2018 1Q



2017 1Q



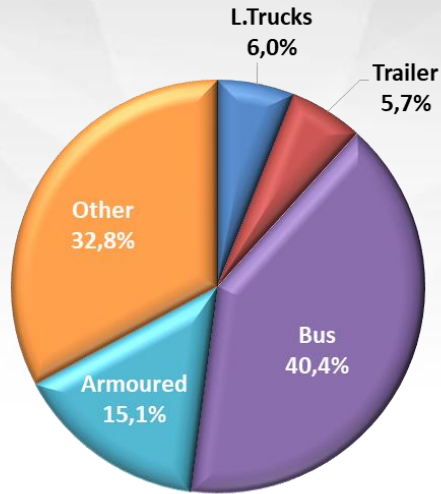
2017



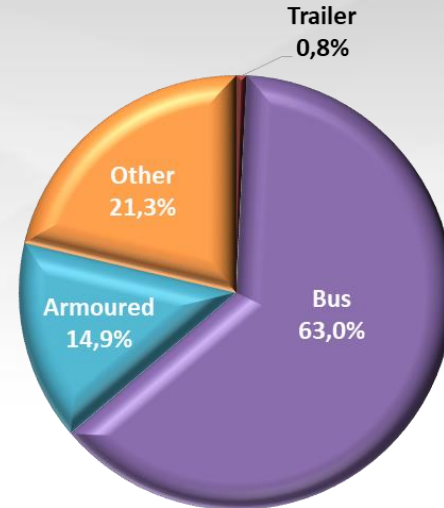


## Revenue Distribution

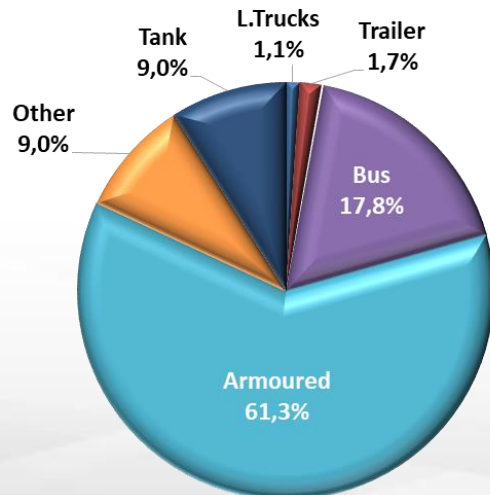
Domestic 2018 1Q



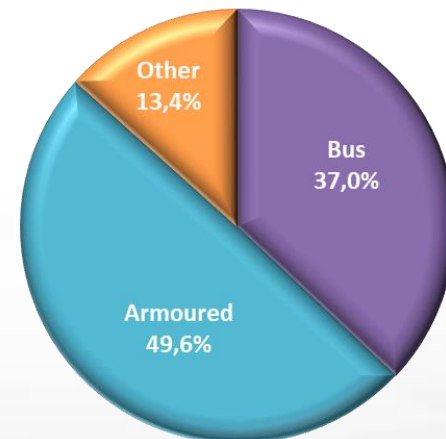
Export 2018 1Q

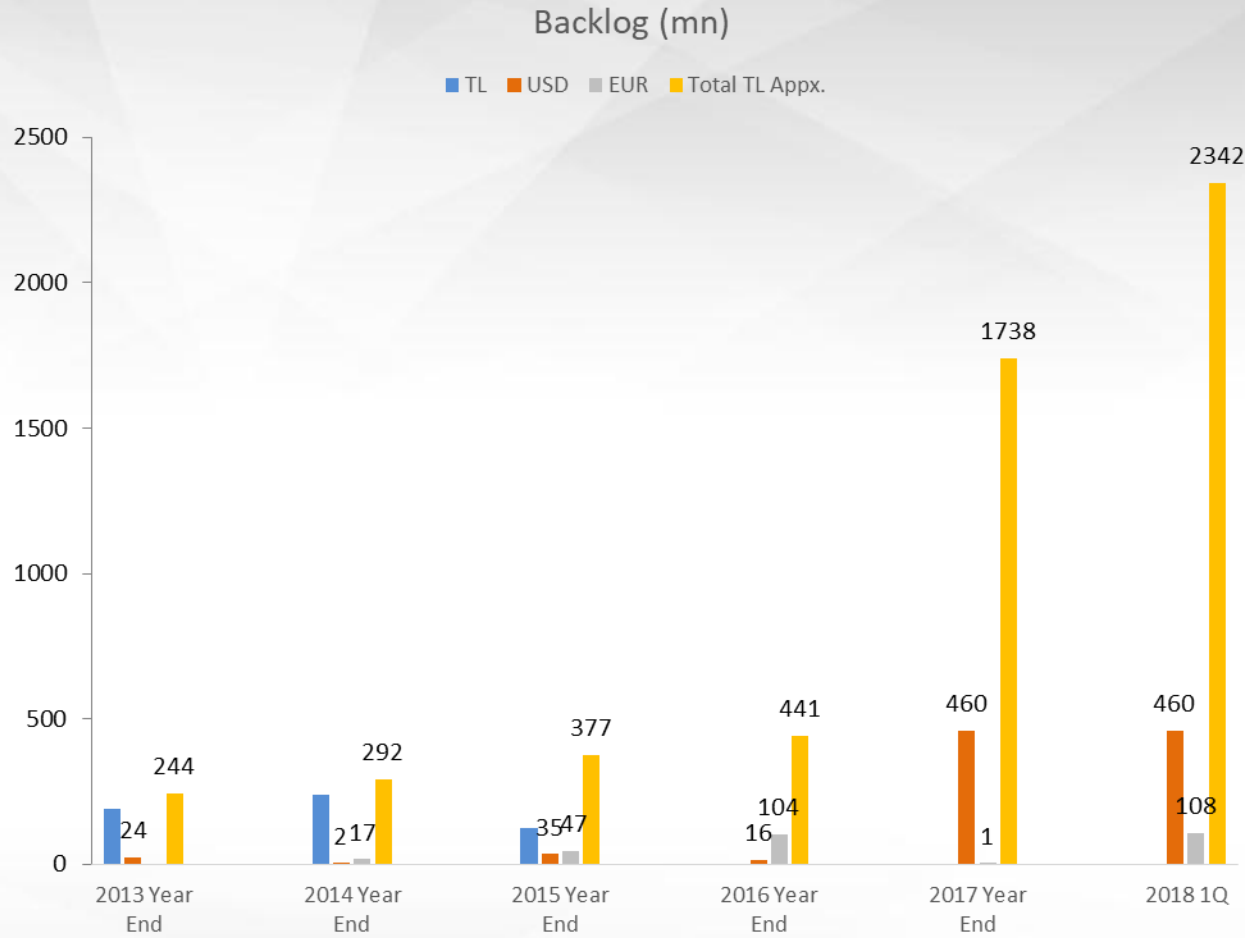


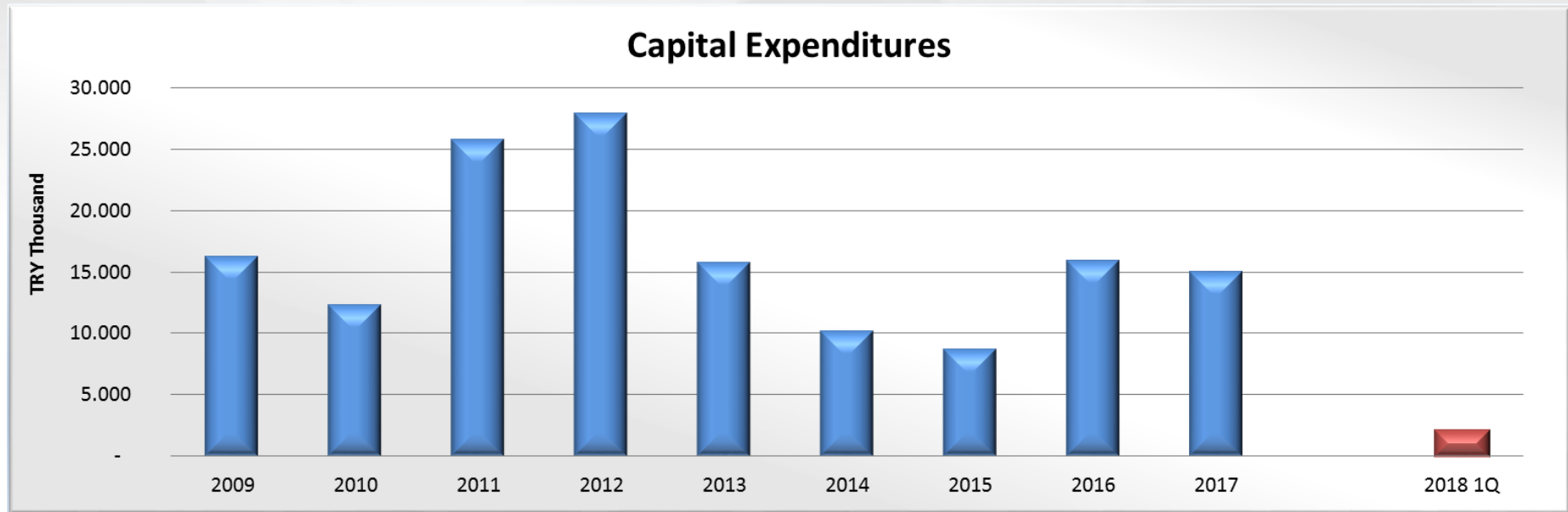
Domestic 2017 1Q



Export 2017 1Q

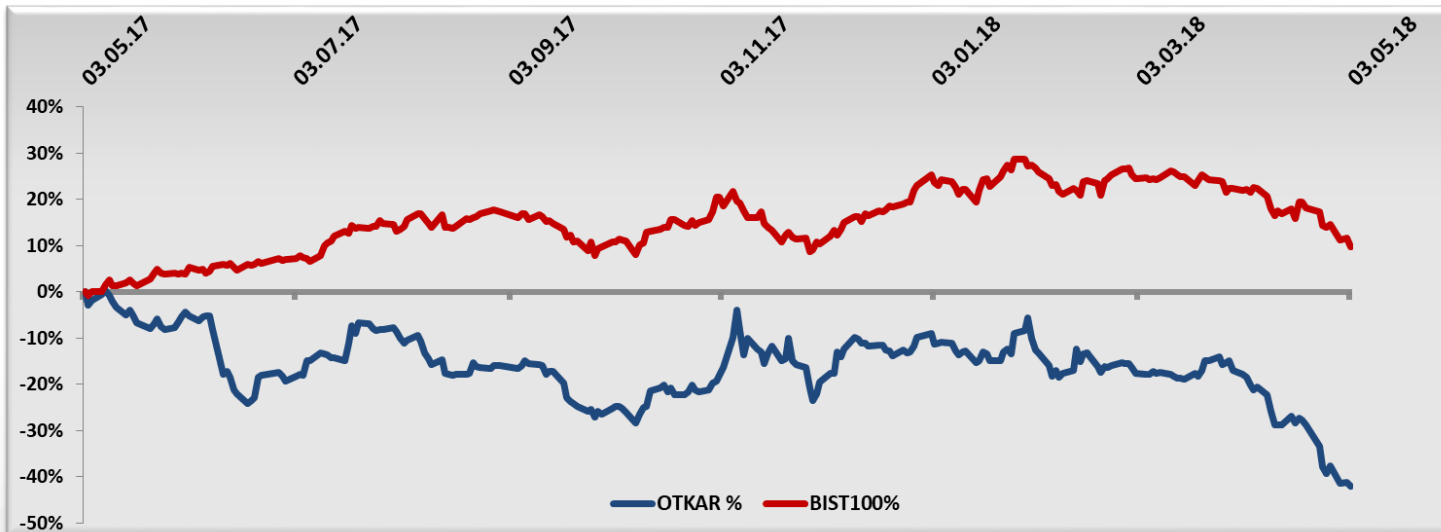
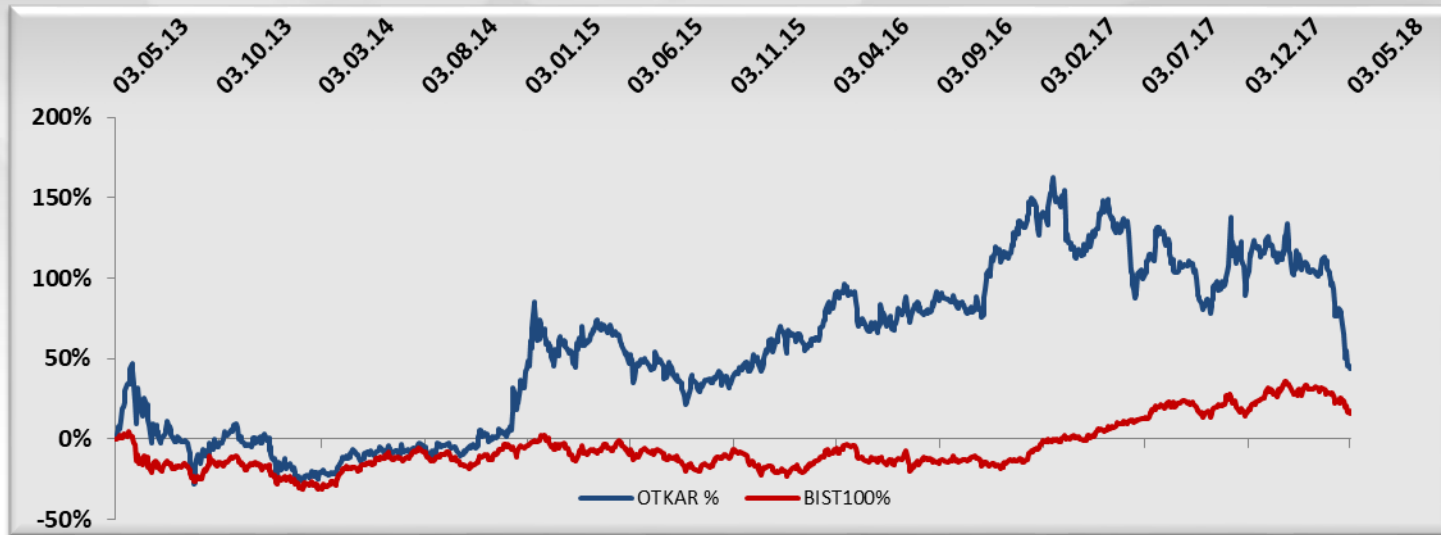




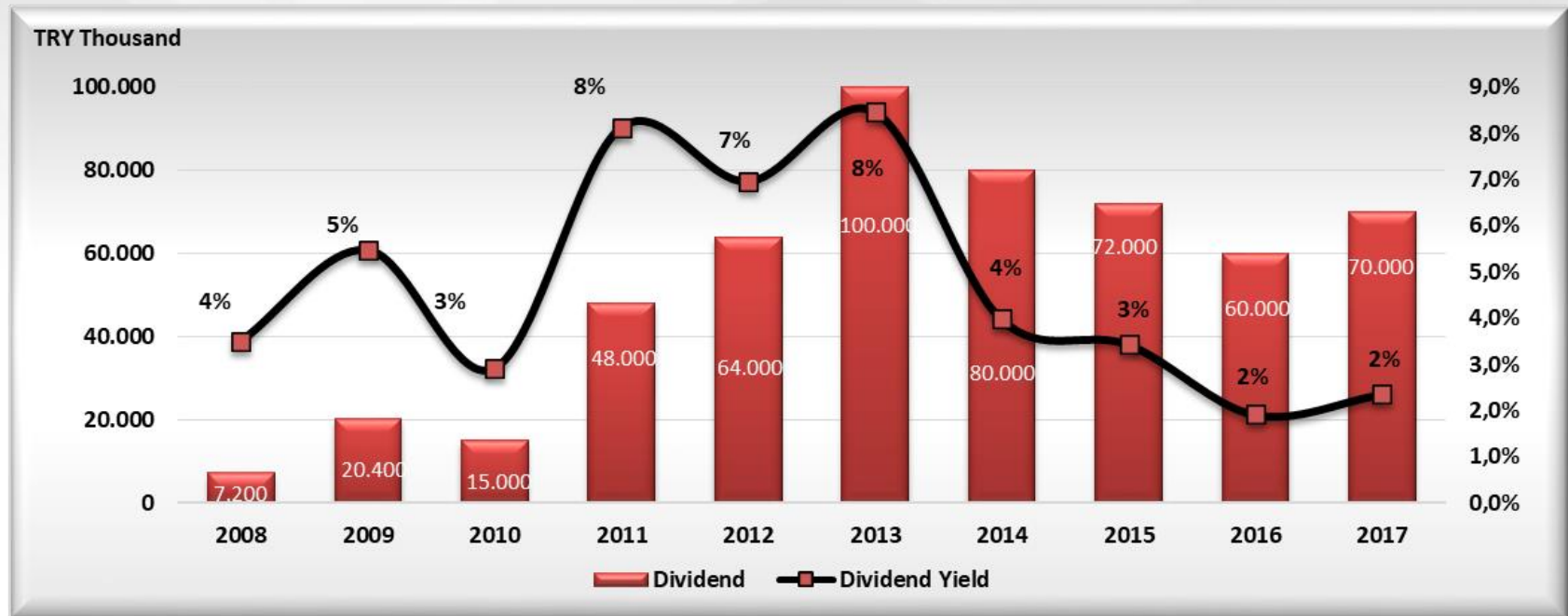


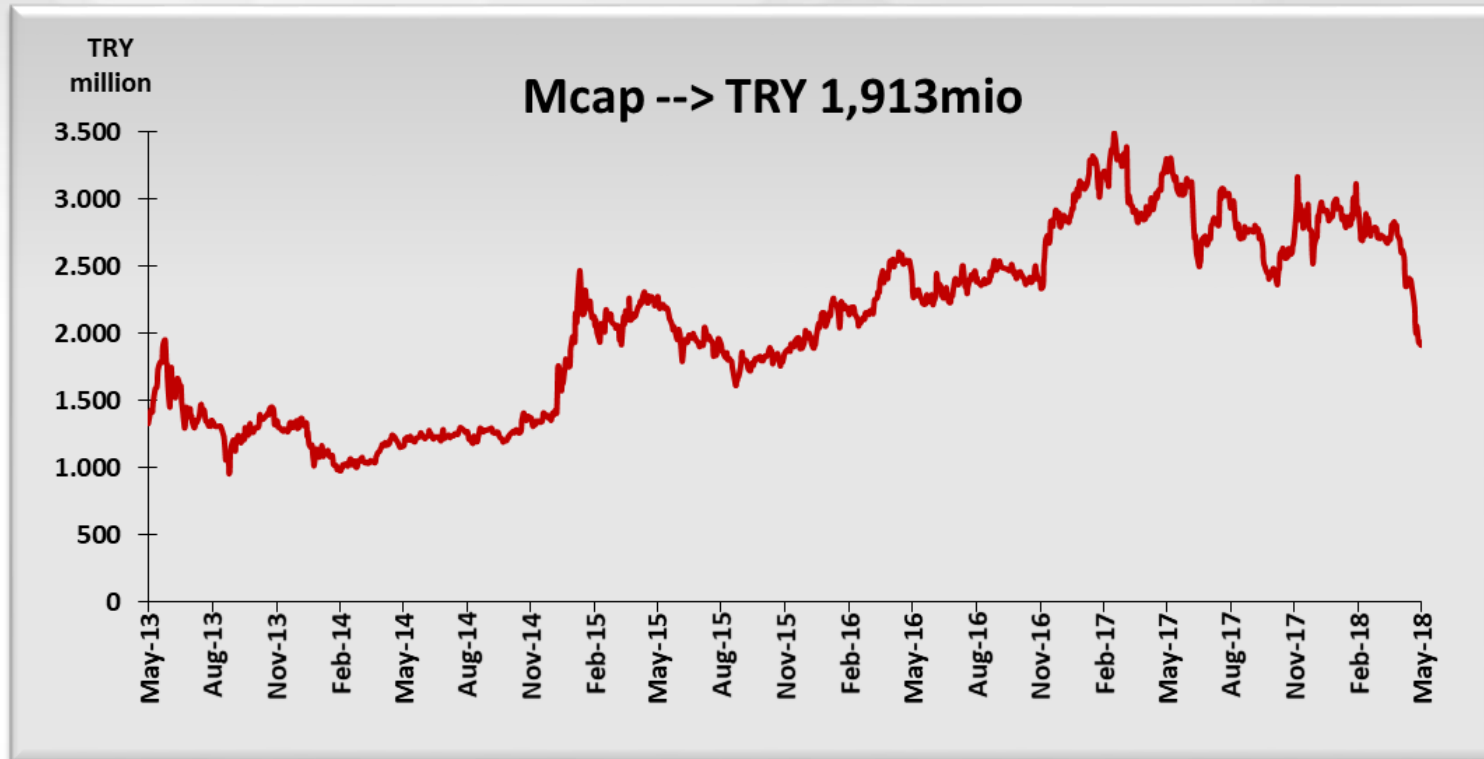
# Stock Performance

# Otokar









# Growth With Products Which License Rights Belong to OTOKAR

**Otokar**

**97%**

The share of Otokar designed vehicle sales in turnover.

**269**

Number of owned patents and industrial designs

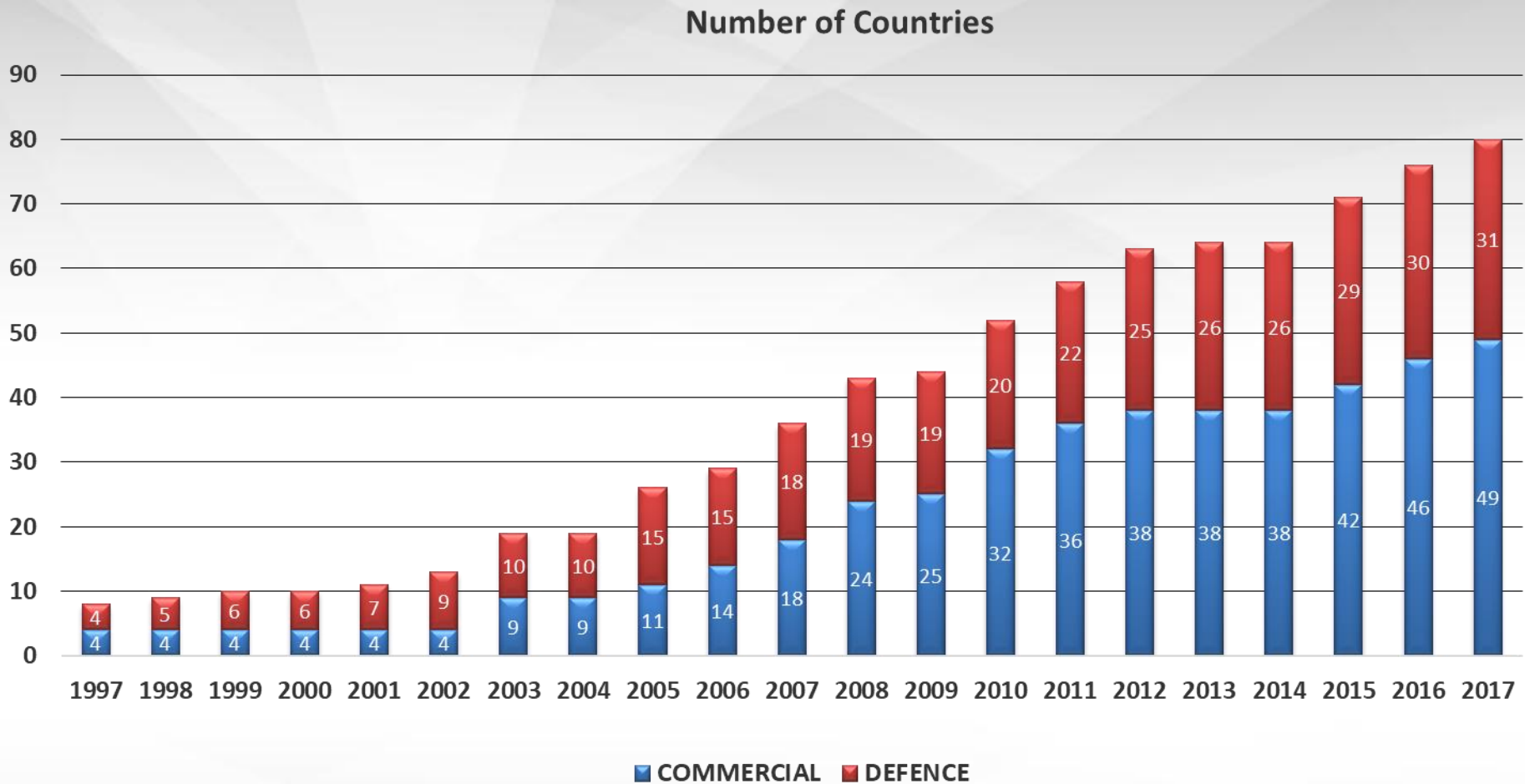


Otokar Europe was established in 2011 in France, in order to support bus sales in Europe.



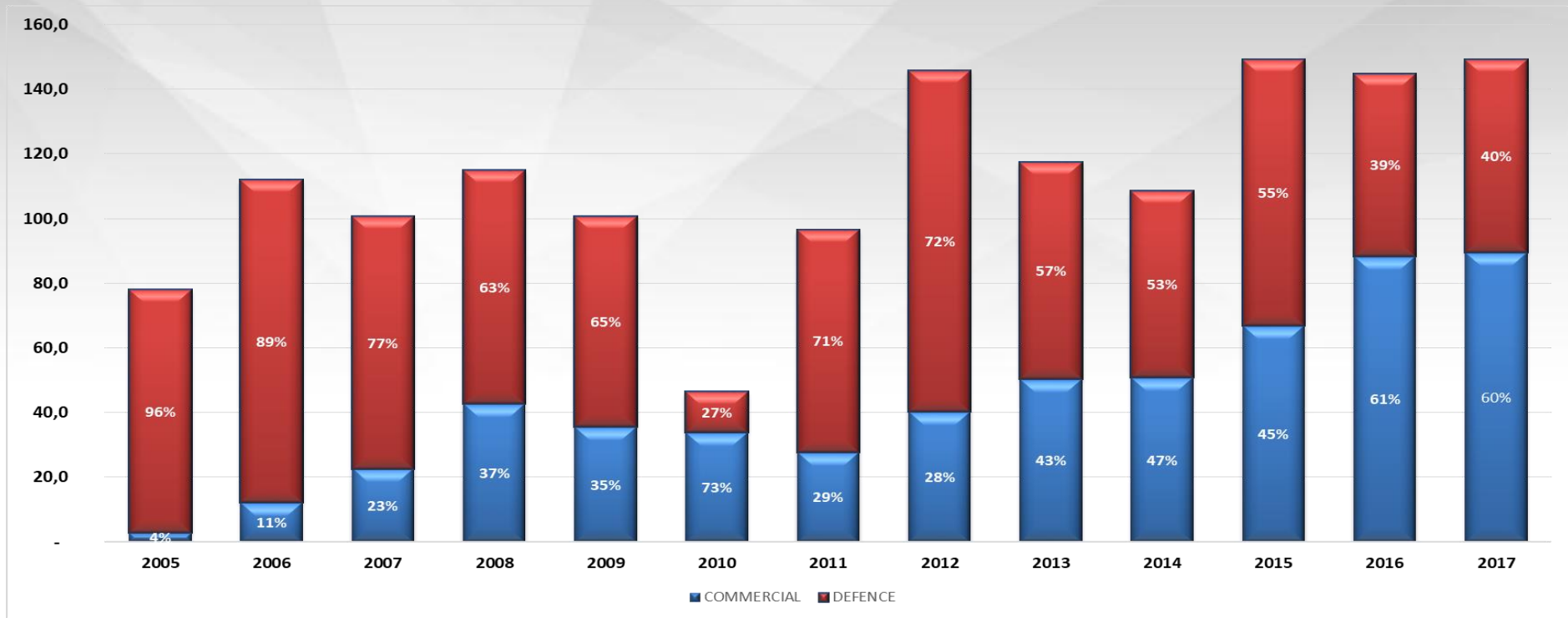
# Growth in Export Markets

Otokar



# Growth in Export Markets

Otokar

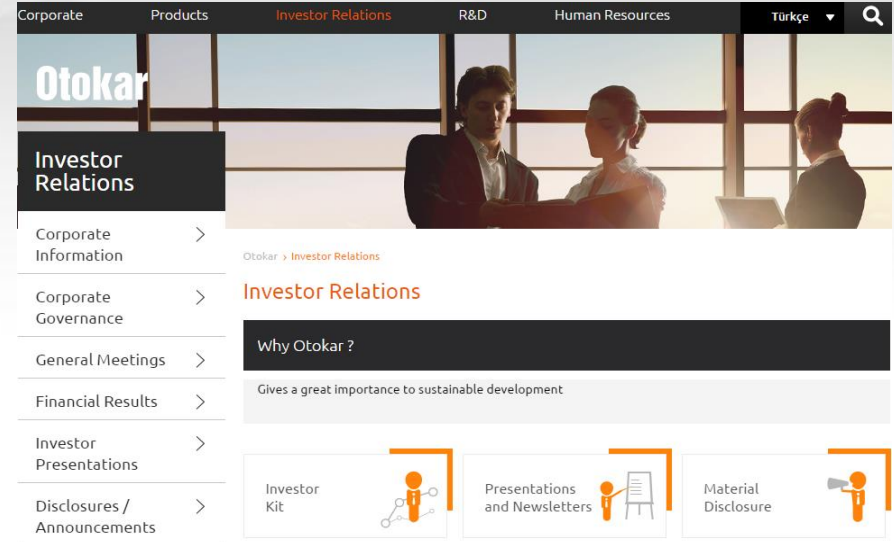


# Shareholders Value Creation

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

- ✓ **Doğan Seçkinler**  
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