

# 2020 FINANCIAL RESULTS

# Otokar



Turkey's **100% domestically** owned leading automotive and defense industry company

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

For the 12th time, **market leader** in the total bus segments in which it operates

## 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 defense industry products with global competitive strength, all developed to meet customer expectations.



1963

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



1970s

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



1980s

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



1990s

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



2000s

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



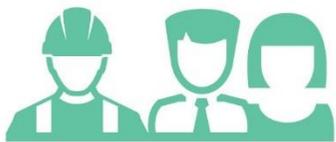
2010s

- Establishment of Otokar Europe SAS in France
- Production of 12 meters municipal buses
- Turkey's first electric bus
- Addition of Multi-wheeled armored tactical vehicles to the product family
- Production of Atlas Truck
- Introduced new armored tactical wheeled vehicle URAL
- Tracked Armoured Vehicle TULPAR
- Establishment of Otokar Land Systems in U.A.E
- Establishment of Otokar Europe Filiala Bucuresti SRL in Romania
- Turkey's first electric armored vehicle, AKREP Ile
- Establishment of Otokar Central Asia Limited in Kazakhstan

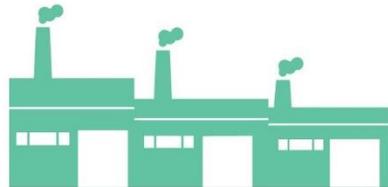
FOUNDED IN **1963**

**100%**

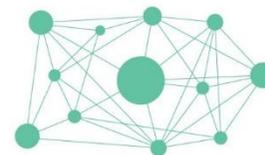
LOCAL CAPITAL



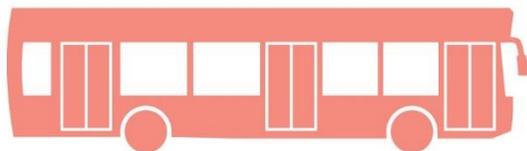
**2,258**  
EMPLOYEES



**552,000 M<sup>2</sup>**  
PRODUCTION AREA



APPROX. **300**  
SALES & SERVICE NETWORK

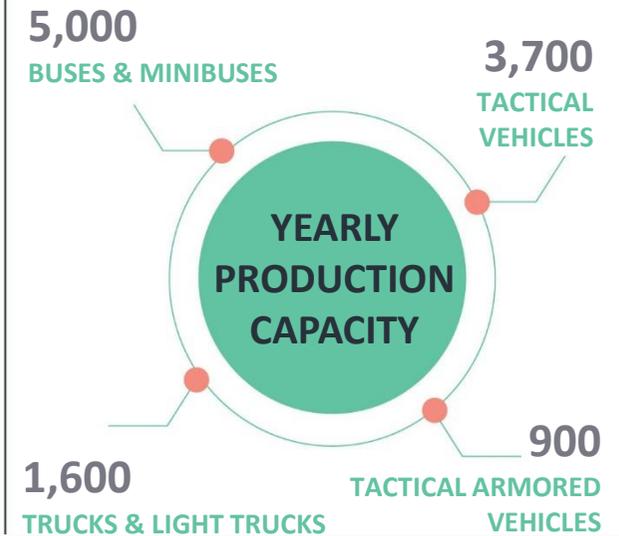


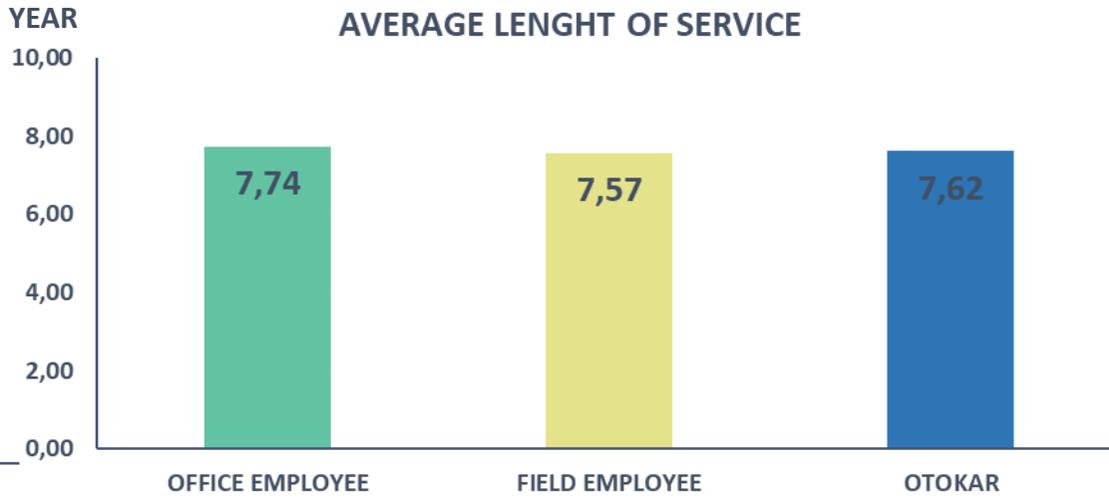
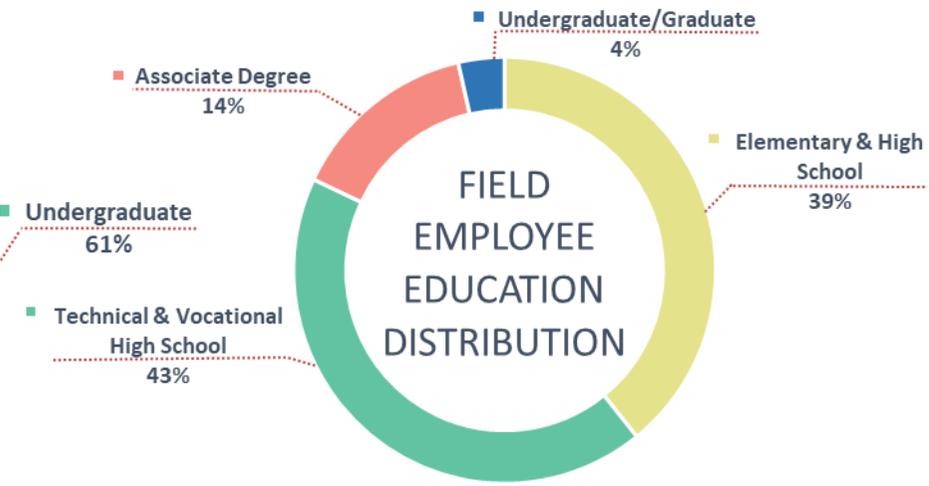
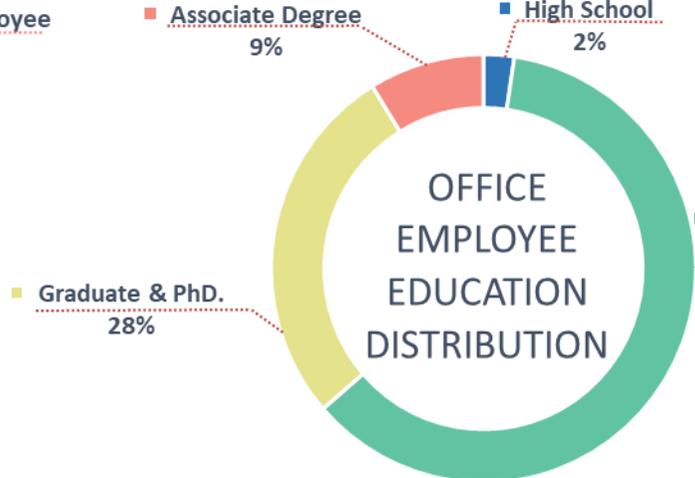
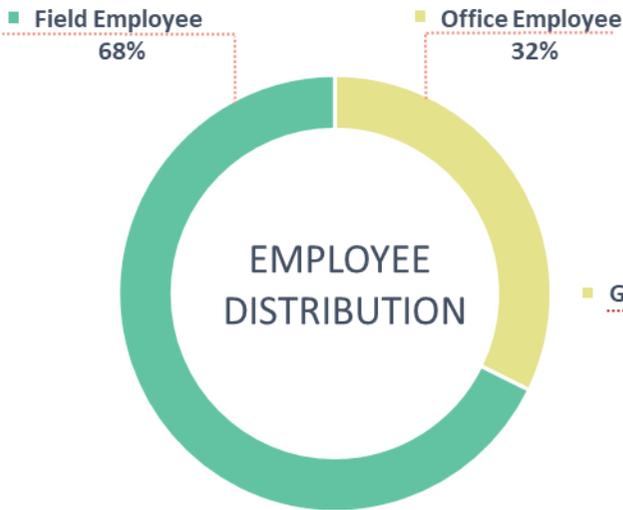
**1 OUT OF EVERY 3 BUSES SOLD  
IN TURKEY IN 2020 IS OTOKAR**

**USD 307 MILLION**  
EXPORT REVENUES IN 2020

**TL 2,908 MILLION**  
TURNOVER IN 2020 9M

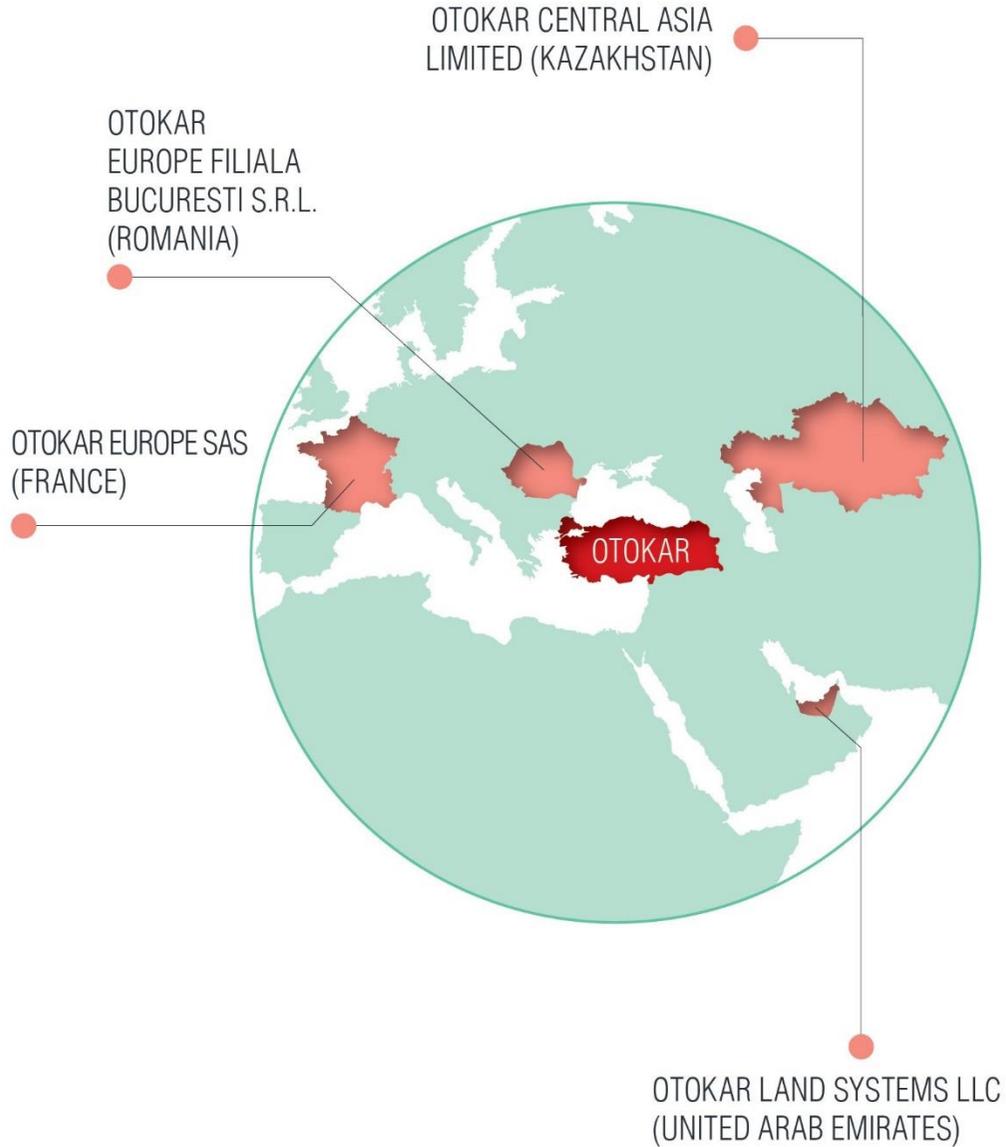
**TL 1,3 BILLION**  
10 YEAR R&D EXPENDITURES







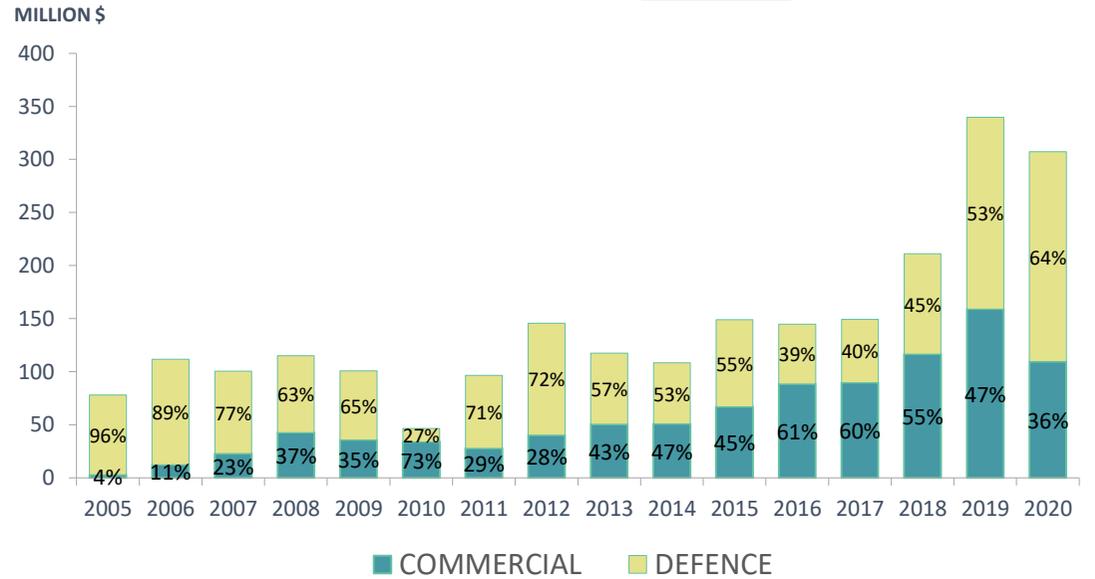
- 552.000m<sup>2</sup> factory with an annual production capacity of 11,200 units and more than 2,200 employees in Arifiye/Sakarya



## GROWTH IN EXPORT MARKETS



## SEGMENT BASED EXPORT





PASSENGER TRANSPORTATION



CARGO TRANSPORTATION



TACTICAL WHEELED &amp; TRACKED ARMORED VEHICLES



SPARE PART/OTHERS

## 2020

<b>Total revenue</b>	1.139 mn TL	70 mn TL	1.359 mn TL	341 mn TL
<b>Rev. Contribution :</b>	39%	2%	47%	12%
<b>Domestic :</b>	421 mn TL	70 mn TL	25 mn TL	194 mn TL
<b>Export :</b>	718 mn TL	-	1.335 mn TL	146 mn TL
<b>Export share* :</b>	63% (bus)	-	98% (armoured)	43% (spare part)
<b>Export share** :</b>	25% (total)	-	46% (total)	5% (total)

ARMORED

\* The share of exports in the relevant segment vehicle turnover.

\*\* The share of exports in total company turnover.

## 2019

<b>Total revenue :</b>	1.057 mn TL	49 mn TL	1.034 mn TL	289 mn TL
<b>Rev. Contribution :</b>	%43	%2	%43	%12
<b>Domestic :</b>	217 mn TL	49 mn TL	50 mn TL	170 mn TL
<b>Export :</b>	841 mn TL	-	984 mn TL	120 mn TL
<b>Export share* :</b>	80% (bus)	-	95% (armoured)	41% (spare part)
<b>Export share** :</b>	35% (total)	-	40% (total)	5% (total)

ARMORED

A GLOBAL  
COMPANY

THE LARGEST



PIONEER



MARKET LEADER





- 
- Widest product range in the Turkish bus segment with an offering that includes buses from **7 to 18.75 meters** with varying passenger capacities suitable for city, intercity and tourism transportation.
  - Exporting buses to **more than 50 countries**, particularly in Europe.
  - Working on alternative fuelled vehicles.



- 
- Manufacturing light truck with 8.5-ton weight capacity in light truck segment under license since 2013.



- 
- The leading supplier of land defense systems.
  - More than 30.000 vehicles are actively used both in **Turkey and also in over 35 allied and friendly countries** across continents by their armed forces and security forces.
  - Products are manufactured on order basis depending on intended purposes, capacity and protection levels.

## PUBLIC TRANSPORT

POYRAZ



SULTAN / NAVIGO



DORUK / VECTIO



TERRITO



KENT



KENT ELECTRA



KENT ARTICULATED



## LOGISTIC&amp;CARGO TRANSPORTATION



# DEFENSE INDUSTRY VEHICLES

## WHEELED ARMoured



## TRACKED ARMoured

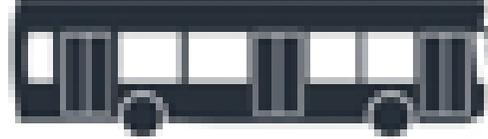


### TURRET SYSTEMS

- Open Cupola
- Keskin - RCWS
- Ucok
- Basok
- Bozok
- Mızrak - RCWS

1 OUT OF EVERY 3 BUSES SOLD  
IN TURKEY IN 2020 IS OTOKAR

In the total of segments in which it operates



**1 out of every 3** buses sold in Turkey in 2020 is Otokar

The total of the segments in which it operates as a market leader, **was the best-selling brand in Turkey.**

Otokar accelerated its export activities, **increased its exports by 13%** compared to the last year.

Otokar increased the number of Otokar buses used in passenger transportation France **to over 2,400.**



Otokar has participated in Smart Cities and Municipalities Congress organized by Union of Municipalities of Turkey in Ankara in January and introduced a 12-meters full-electric urban bus Urban Electra.



Otokar signed an agreement to manufacture the products of global bus manufacturer IVECO BUS at Otokar's factory in Sakarya.



Atlas truck has been renewed from design to features in line with customer needs and expectations. The promotion meeting of Atlas was held with the participation of press members and Otokar dealers.



Otokar participated Busworld Turkey 2020. Otokar, the industry pioneer in electric and alternative fuel vehicles, showcased 5 buses and also exhibited its new 12-meter electric bus Kent Electra.



Between March 25 and April 20, Otokar interrupted production at its factory in Sakarya as part of measures taken to reduce the effects of the COVID-19.



Otokar signed one of the biggest export agreements of the year with Georgia. Otokar signed a contract with Georgia Municipal Development Fund, which covers 175 buses and their spare parts and training, amounting to approximately 18.7 million Euros.



Otokar has delivered its 50-piece right-hand drive Kent bus to Malta. With the delivery, the total number of Otokar buses in the streets of Malta approached to 300.



Otokar, at the "Turkey's Most Valuable Brand - Turkey 100" report published by international brand evaluation organization Brandfinance, ranked 35th by rising 12 places compared to last year. Otokar, whose brand value was announced as 159 million dollars, was the most valuable brand with an increase of 140 percent.



Turkey's largest 500 companies which determined in the Fortune 500 list of Turkey, Otokar, rose more than 32 rows. Otokar, which achieved a turnover of 2.4 billion TL and 45% growth in 2019 compared to the previous year. This year Otokar, rose to 142nd in the published list.



Otokar has successfully completed all inspections, with the safe production practices and regulations that Otokar has put into practice in its factory which is over an area of 552 thousand square meters from the beginning of the Covid-19, and has been awarded the COVID-19 Safe Production Certificate issued by the Turkish Standards Institute (TSE).



Within the scope of "Kincentric Best Employers 2019" research, Otokar is rewarded "Turkey's Best Employer" award by the world's leading human resources and management consulting company Kincentric.



Otokar, signed a contract for the biggest bus tender of the year, which Otokar won the tender held by Izmir ESHOT General Directorate for the purchase of 304 buses.



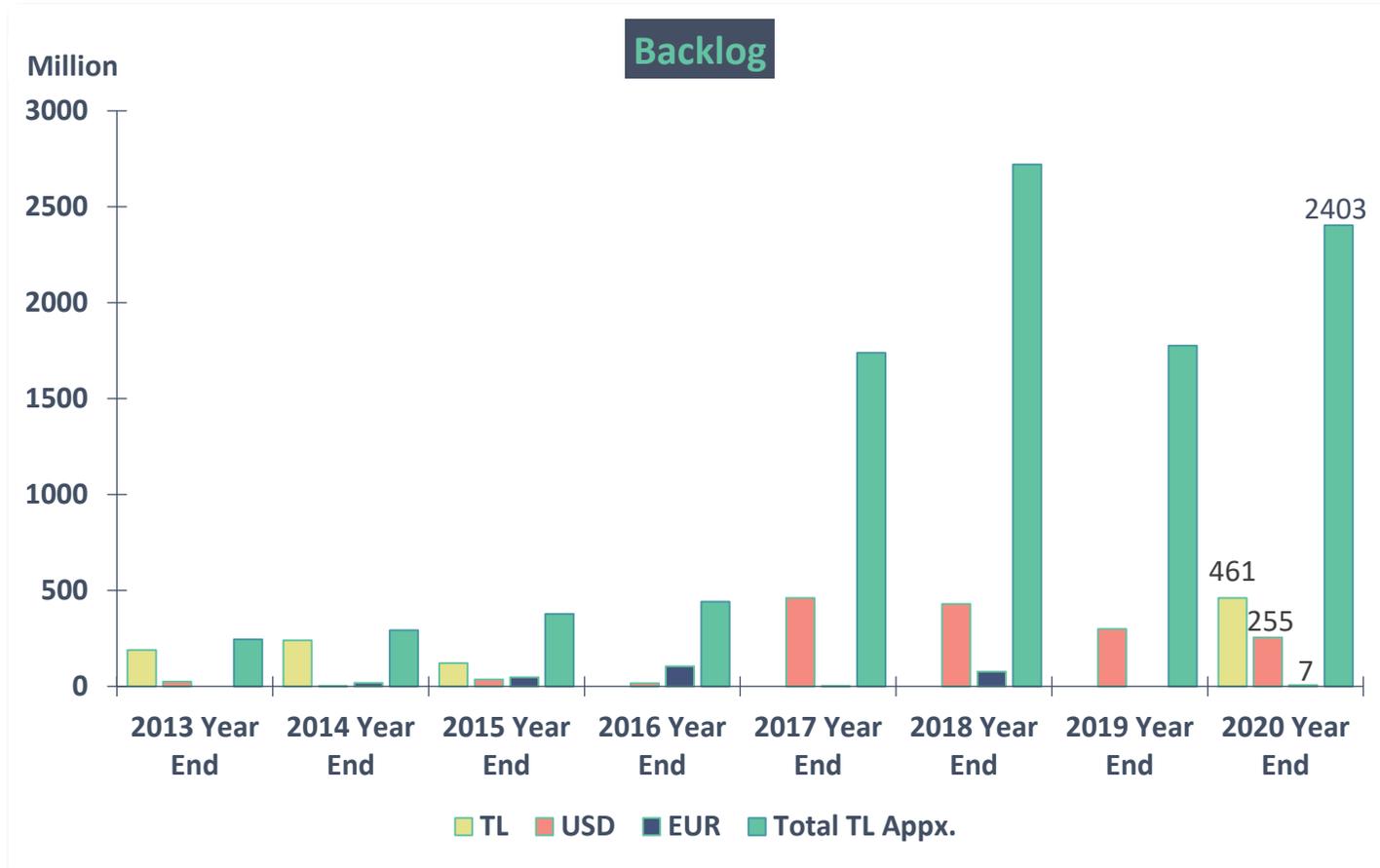
Otokar received an order from an African country for Arma 8x8 and Cobra II tactical wheeled armored vehicles worth around \$110 million. Otokar will begin to deliver the armored vehicles, which include the first order of Arma 8x8 from Africa, in 2021.



Otokar continued to be the favorite brand of urban public transportation, personnel and tourism transportation in 2020 as well. Despite the coronavirus pandemic, it increased its sales and maintained its leadership in the bus market.



Otokar, accomplish another important achievement in the study of Turkey's autonomous bus. Three years of studies carried out as a result of Turkey's first autonomous bus second phase of software integration and validation tests were completed successfully.



- The above backlog amounts and deliveries will be held directly by Otokar Otomotiv ve Savunma Sanayi A.Ş., is related to important projects.
- Backlog consists of the 8x8 and 4x4 armored vehicles order and buses order.
- Backlog amount to USD 255 million, 7 million Euro and 462 million TL.



**Leader**  
Market leader  
across its respective  
bus segments in Turkey  
for the last 12 years.



**Strong export performance and a global company**

In addition to its strong export performance, Otokar strengthened its global presence with its fourth subsidiary in Kazakhstan. Export revenues have increased by an annual average of 41% in the last 10 years.



**R&D capabilities and flexible production capability**

New product development and speed of delivery to market. Ability to develop products according to market needs.



**Products that are intellectual property rights Otokar**

The share of Otokar design vehicle sales in turnover is 98%. The number of patents and industrial design applications reached to 378.



**Sustainable growth and profitability**

Total turnover increased by 26% in the last 15 years, Net profit increased by 30% in the last 15 years, with the annual compound growth rate.



**Consistent dividend distribution**

Dividend distribution within the framework of profit distribution policy.



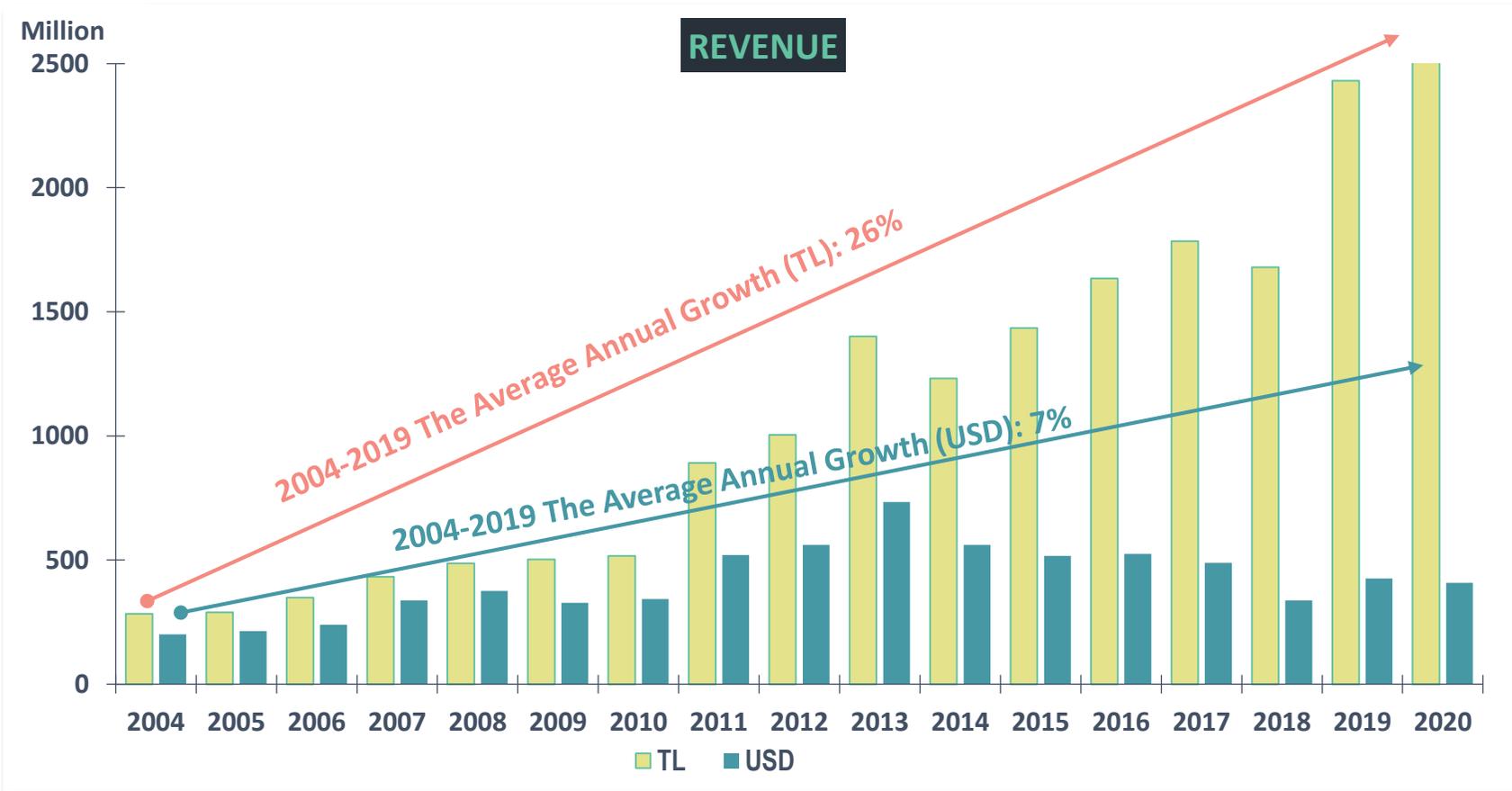
**Significant compliance to corporate governance principles**

Increased Corporate Governance Rating to 94.67 (9.47 out of 10) as a sign that it has achieved significant compliance with corporate governance principles

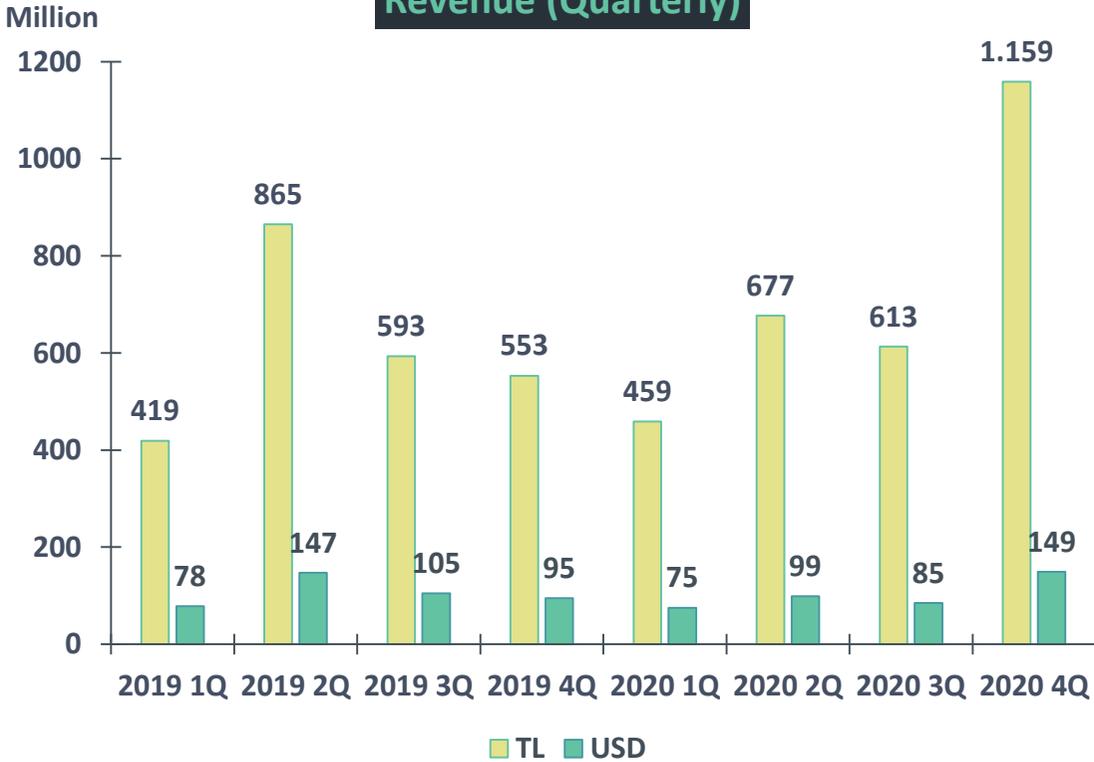
Balance Sheet (000 TL)		31.12.2020	
Current Assets	3.178.513	S.T. Liabilities	2.126.684
Fixed Assets	1.155.662	L.T. Liabilities	1.200.148
		Shareholders Equity	1.007.343
<b>Total Assets</b>	<b>4.334.175</b>	<b>Total Liabilities</b>	<b>4.334.175</b>

Income St. (000 TL)	2020	2019	Change (%)
Net Sales	2.908.711	2.430.643	20%
Gross Profit	1.194.144	919.051	30%
Operating Profit	635.990	463.946	37%
Profit Before Tax	625.186	346.354	81%
Net Profit	618.268	351.592	76%

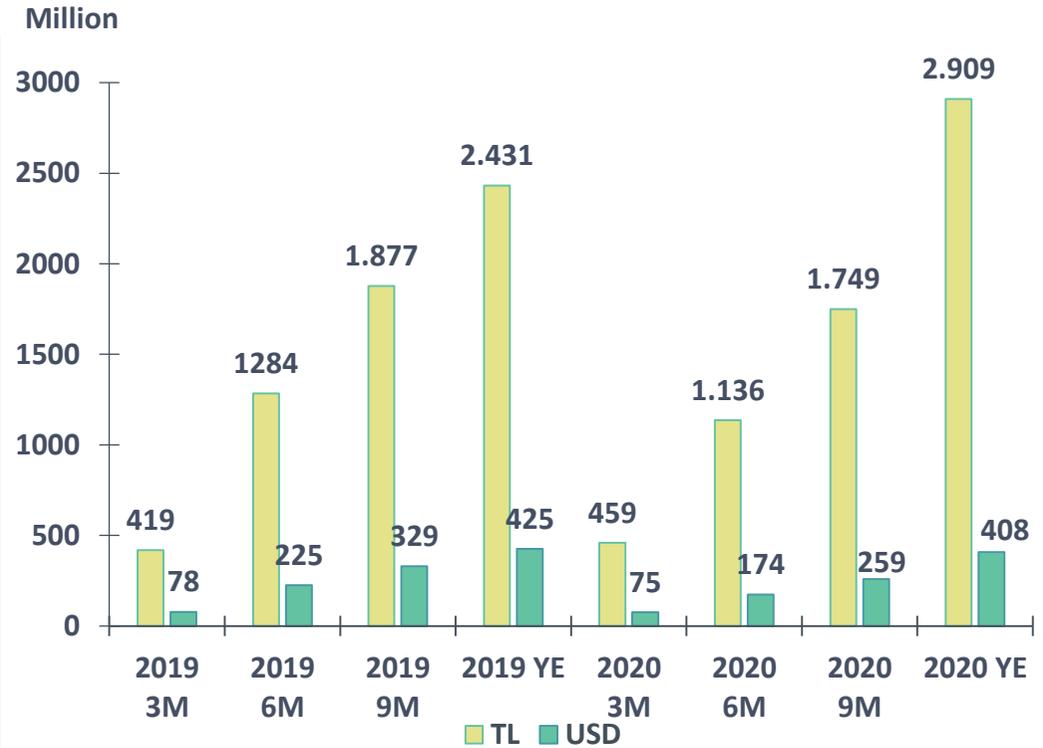
- 20% increase in total turnover compared to last year's same period.



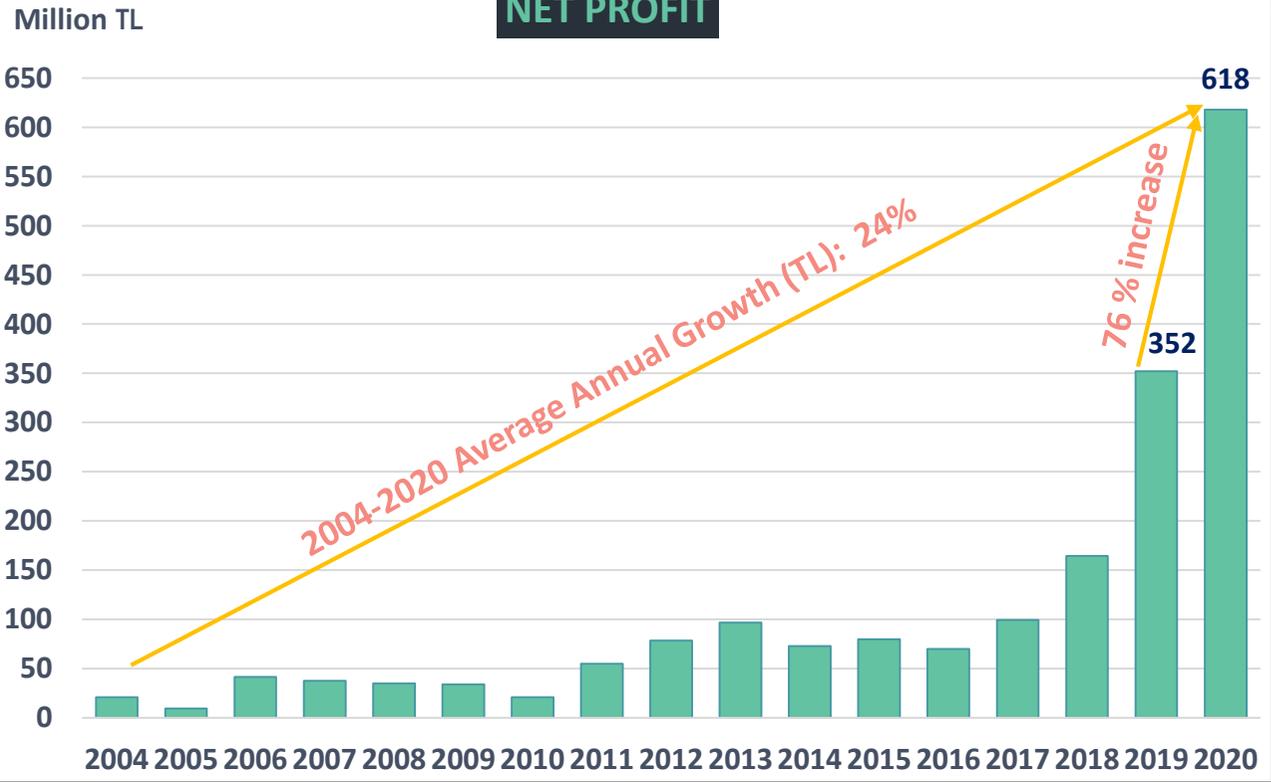
Revenue (Quarterly)



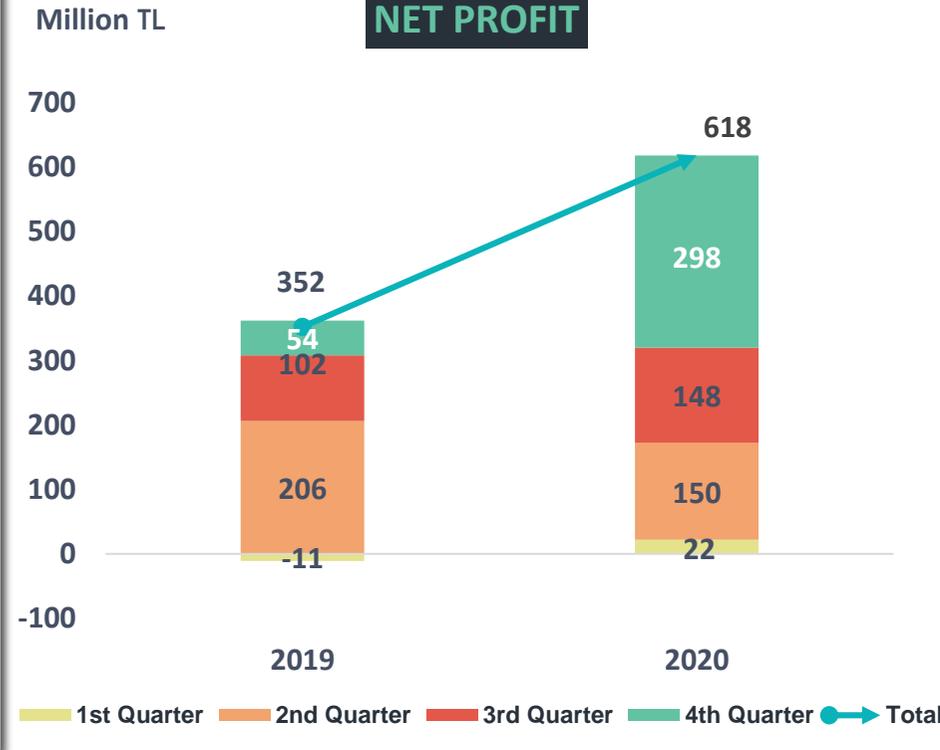
Revenue (Cumulative)



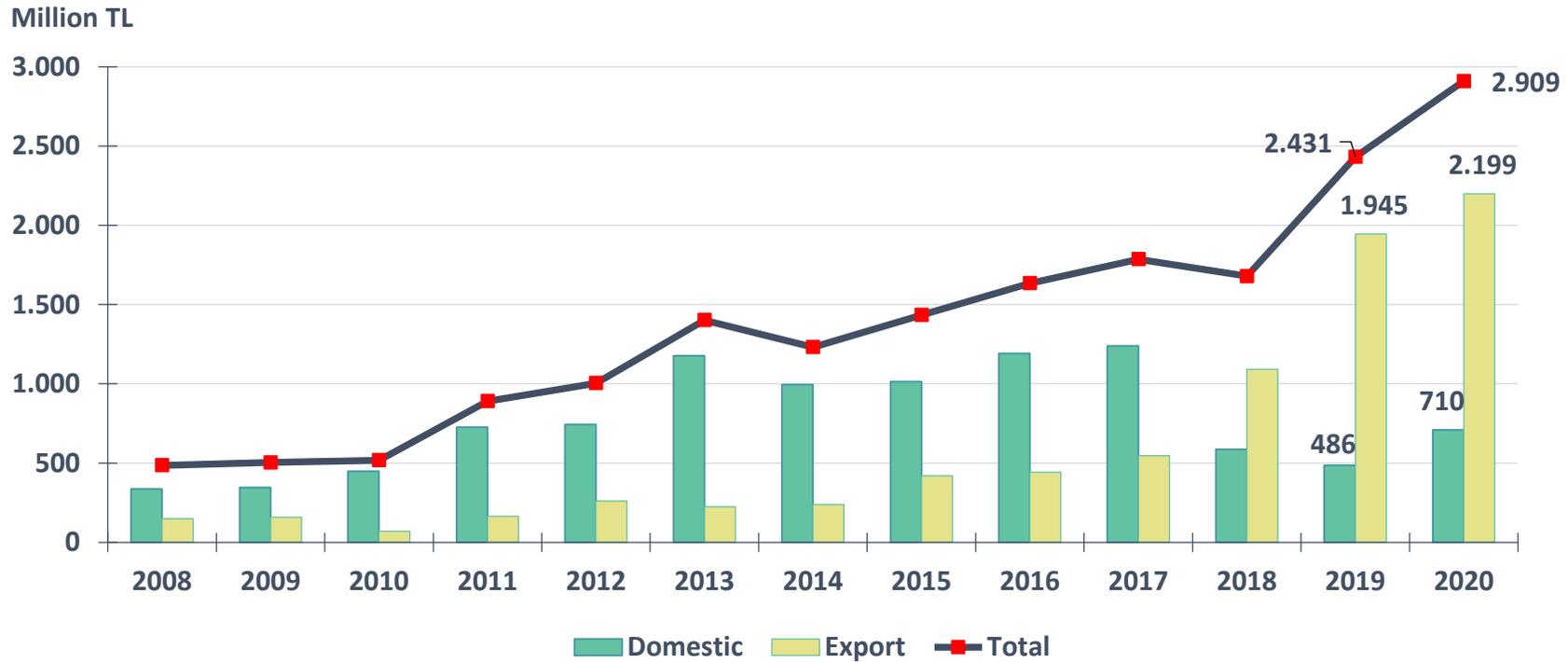
## NET PROFIT



## NET PROFIT

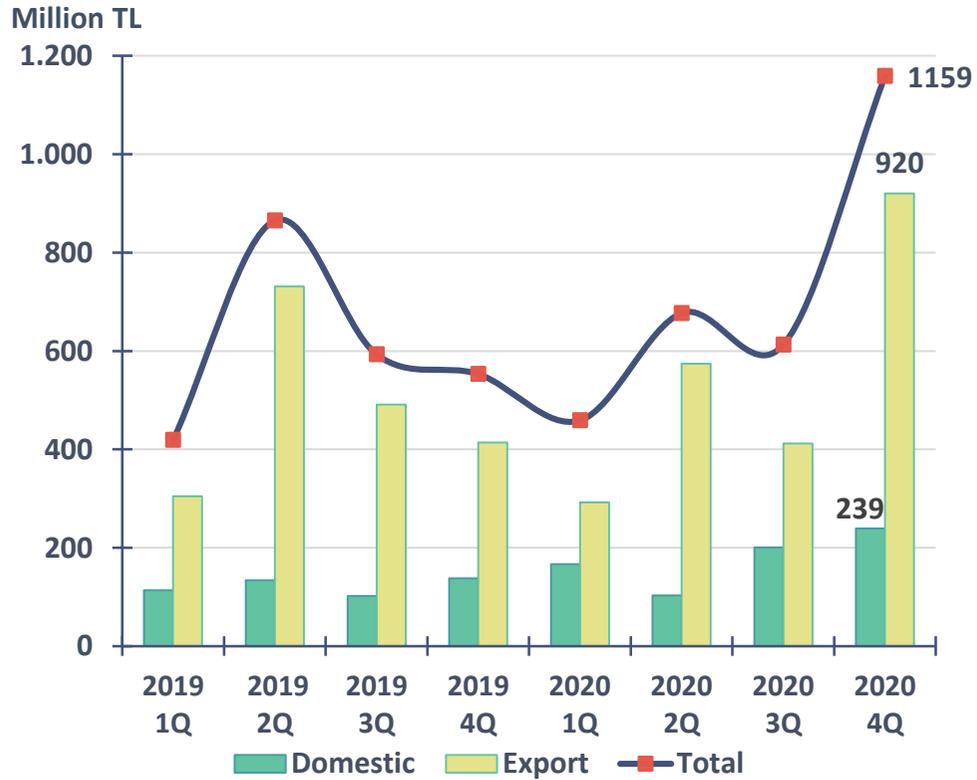


## SALES

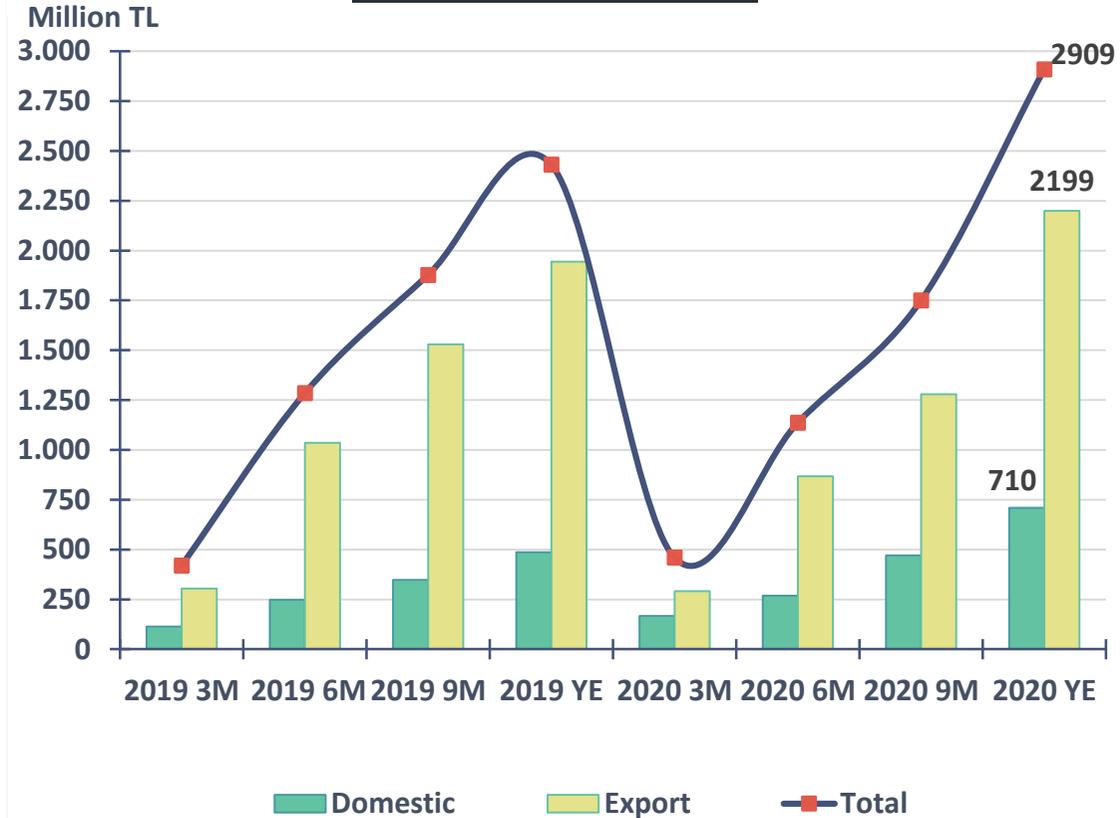


- Export revenues amounted to 2.199 million TL, **increased 13%** compared to last year's exports.

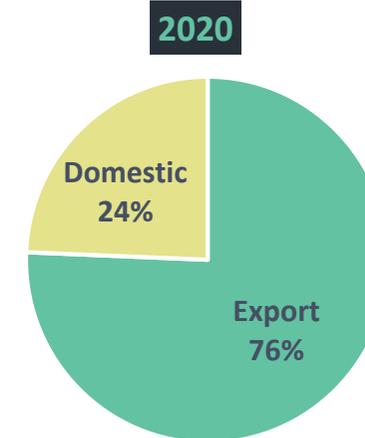
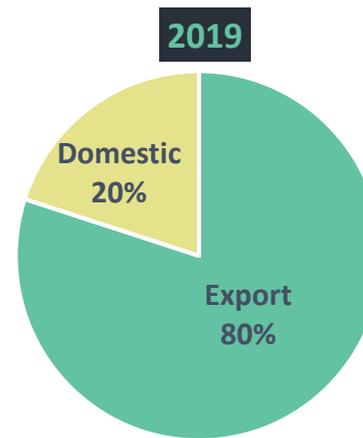
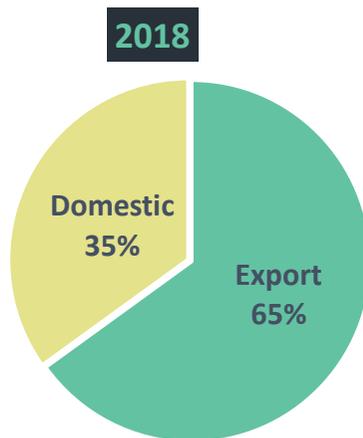
### Revenue (Quarterly)



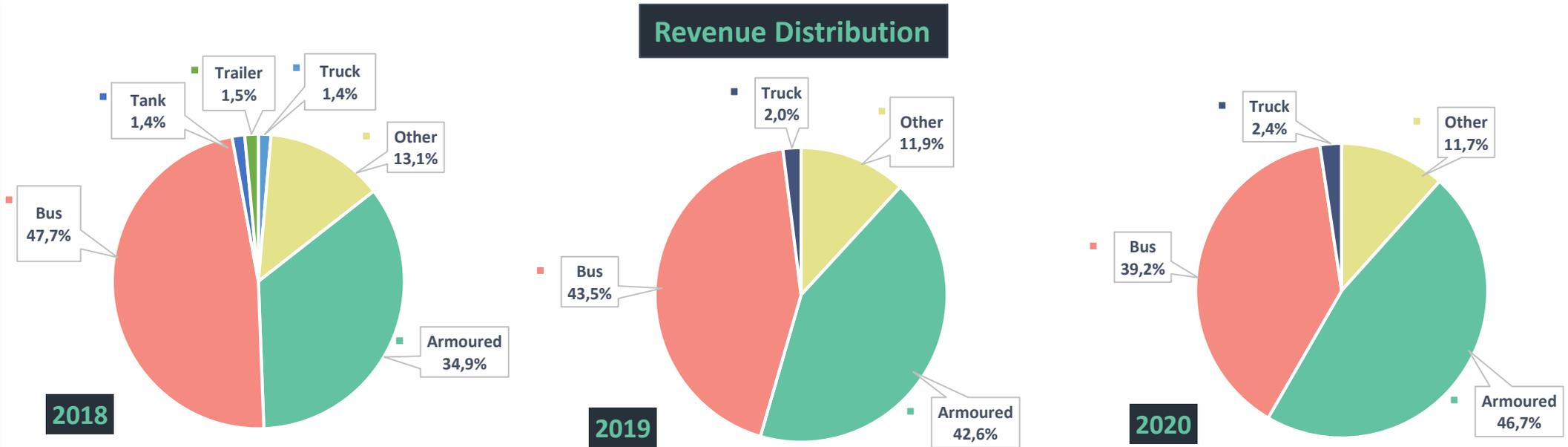
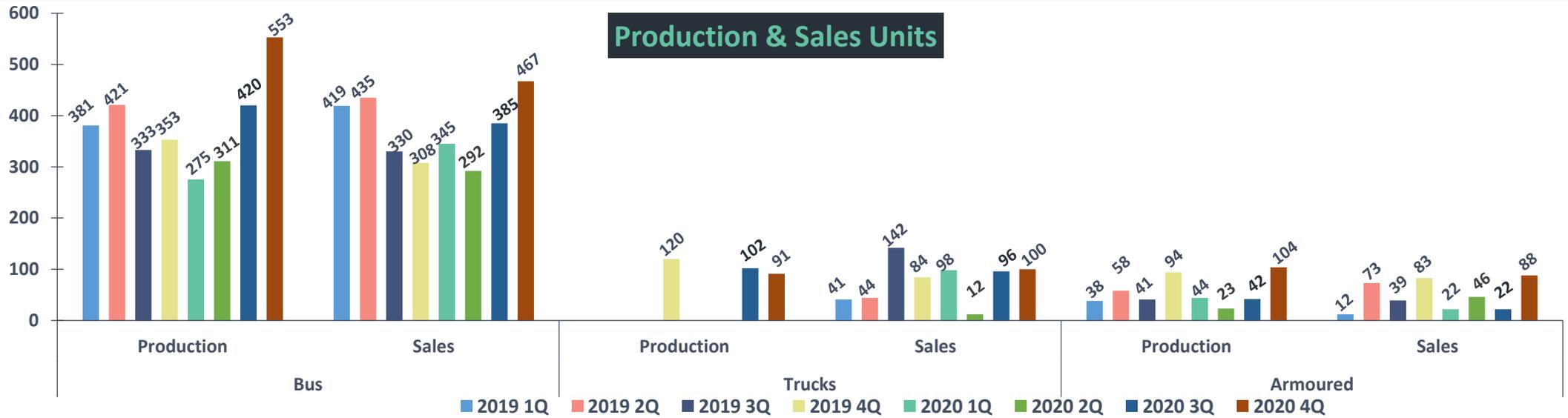
### Revenue (Cumulative)



Sales (000 TL)	2020	2019	Change (%)	
Domestic	709.402	485.602	46%	▲
Export	2.199.309	1.945.041	13%	▲
<b>Total</b>	<b>2.908.711</b>	<b>2.430.643</b>	<b>20%</b>	<b>▲</b>



- Otokar domestic sales 46% and export sales 13% higher compared to last year's same period.
- The share of exports in turnover is **76%** in 2020.



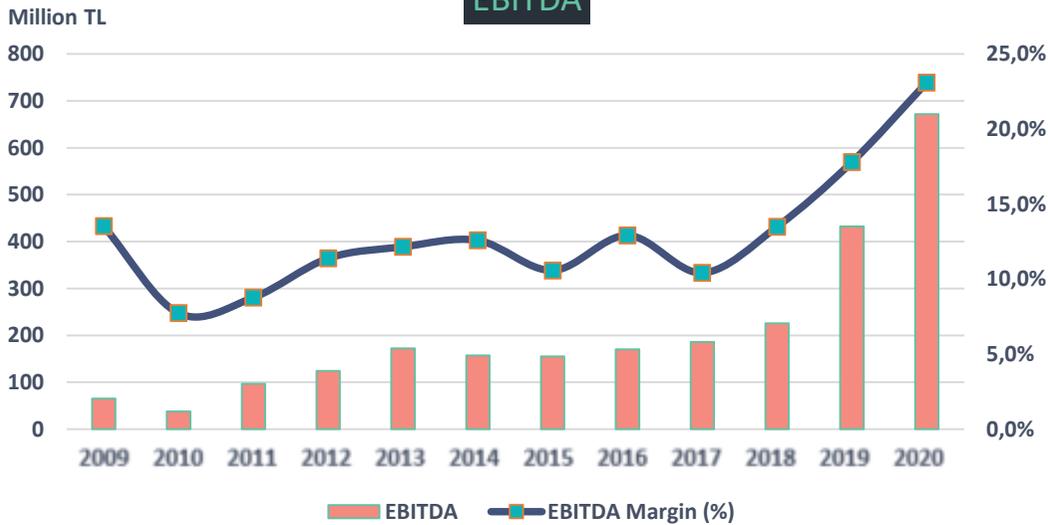
### Gross Profit



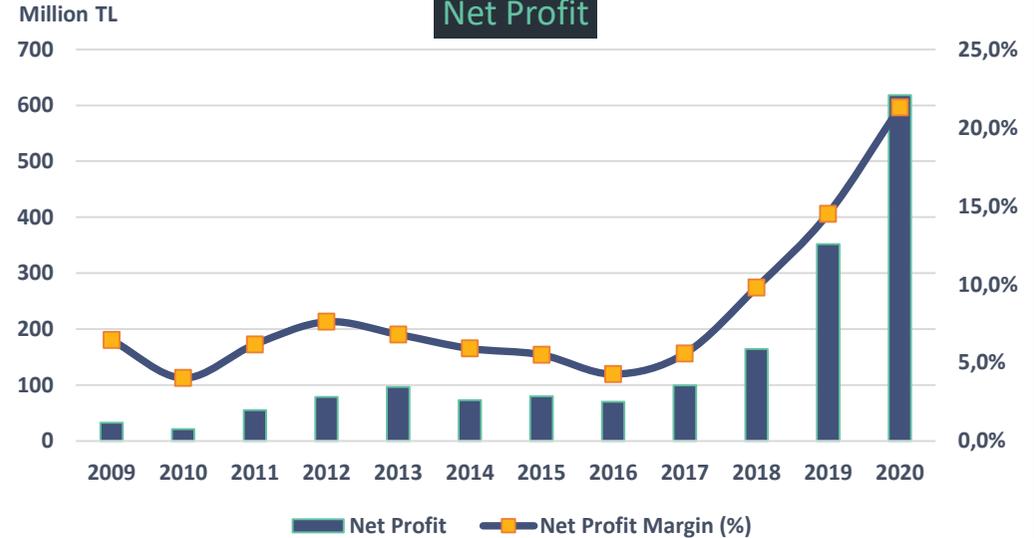
### Operating Profit



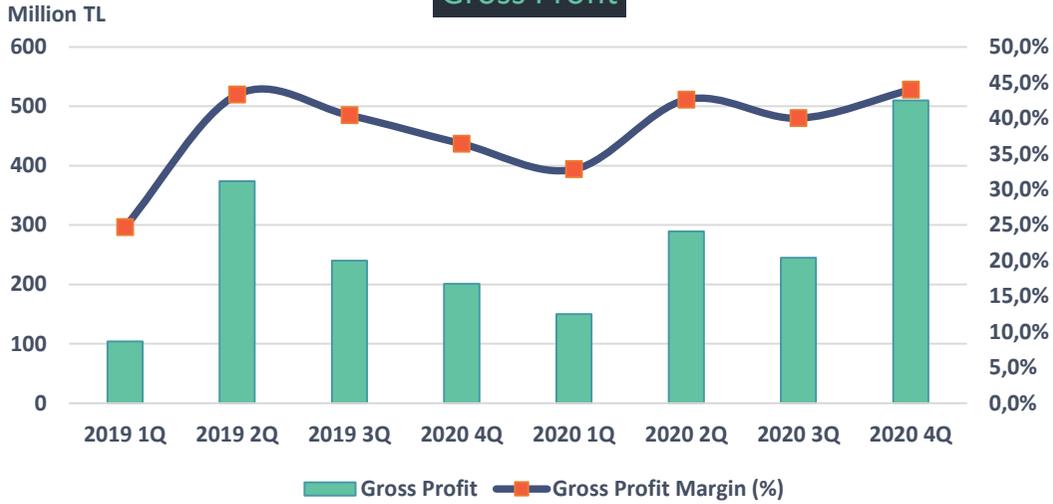
### EBITDA



### Net Profit



**Gross Profit**



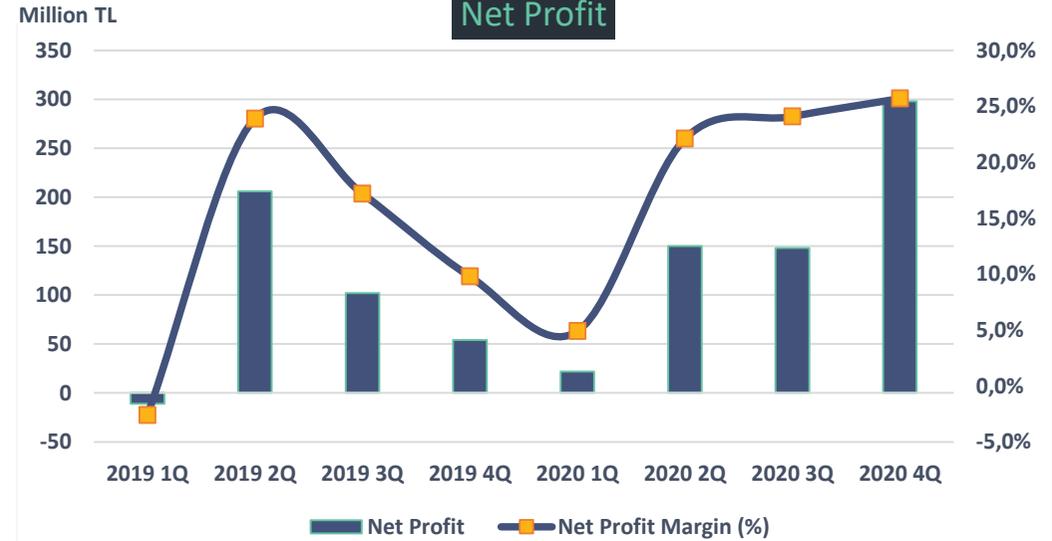
**Operating Profit**



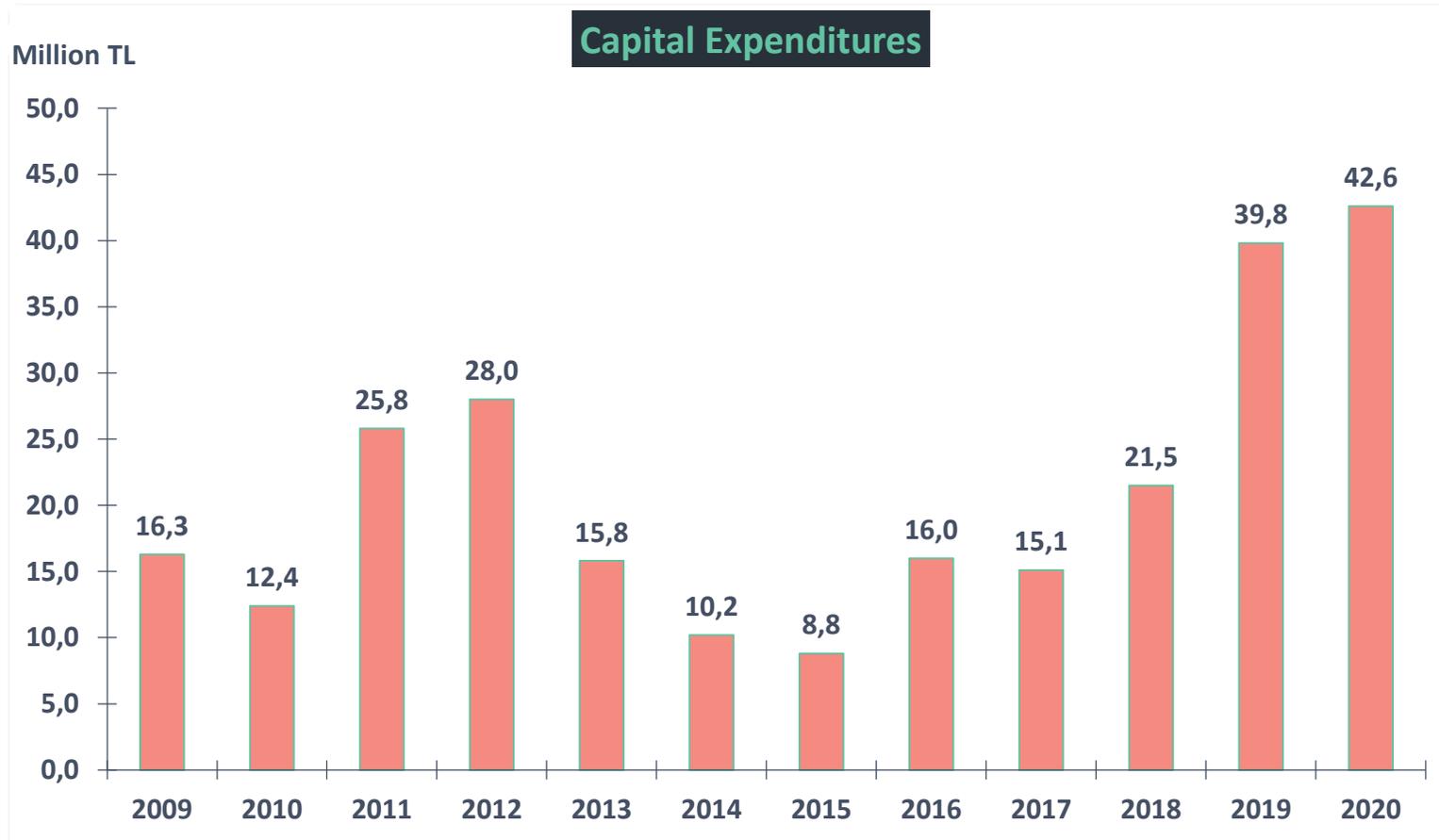
**EBITDA**

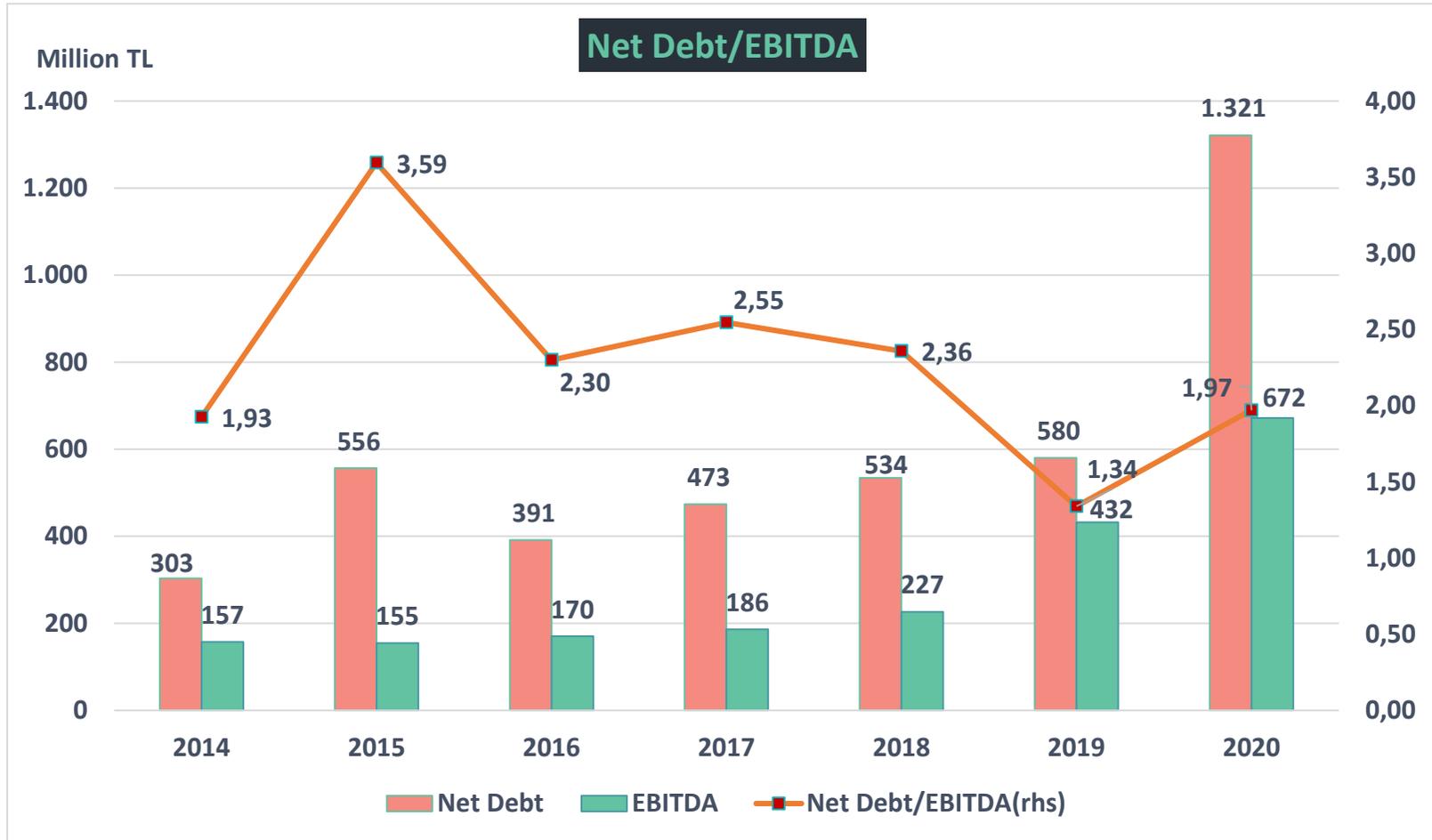


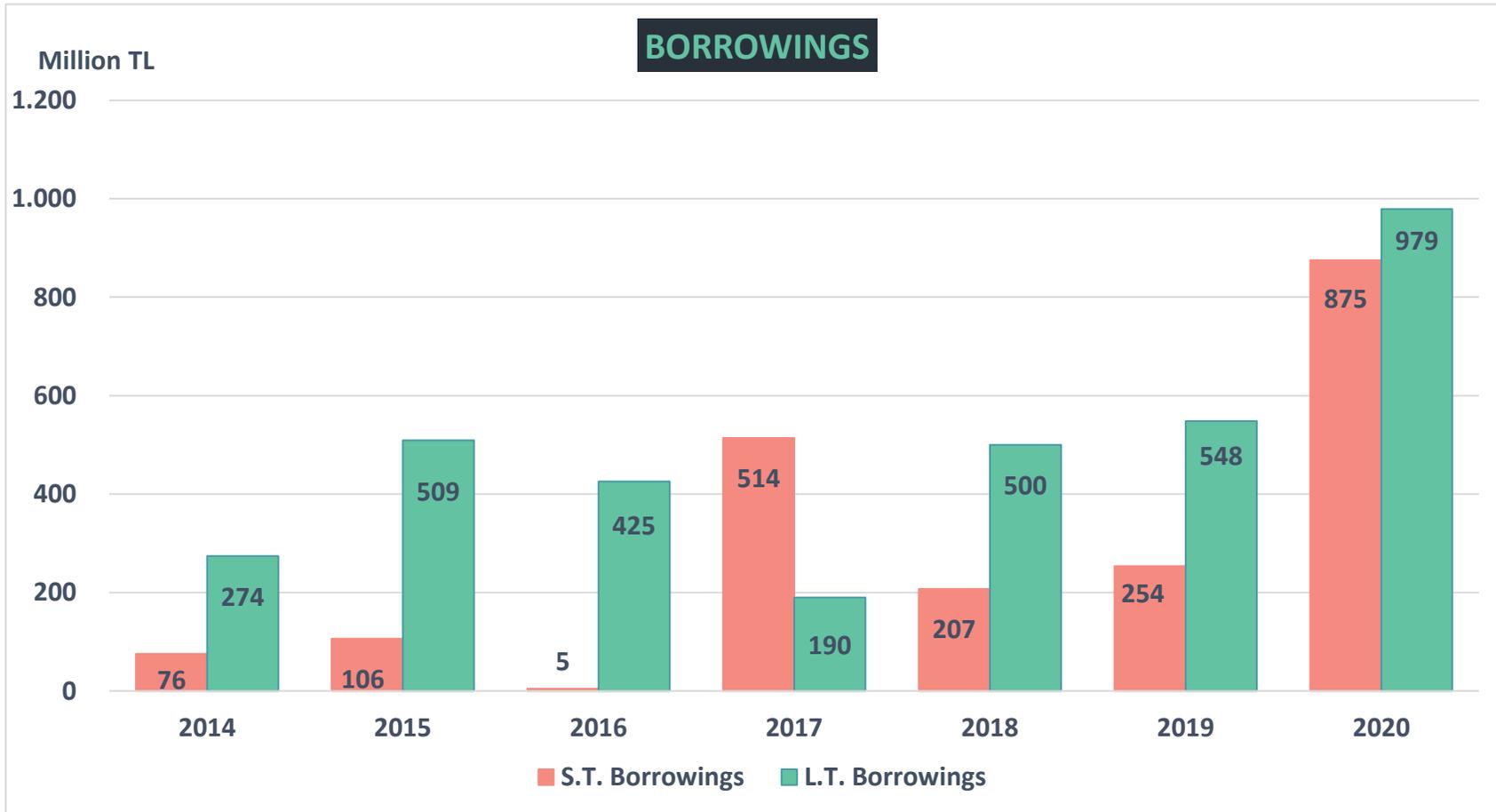
**Net Profit**



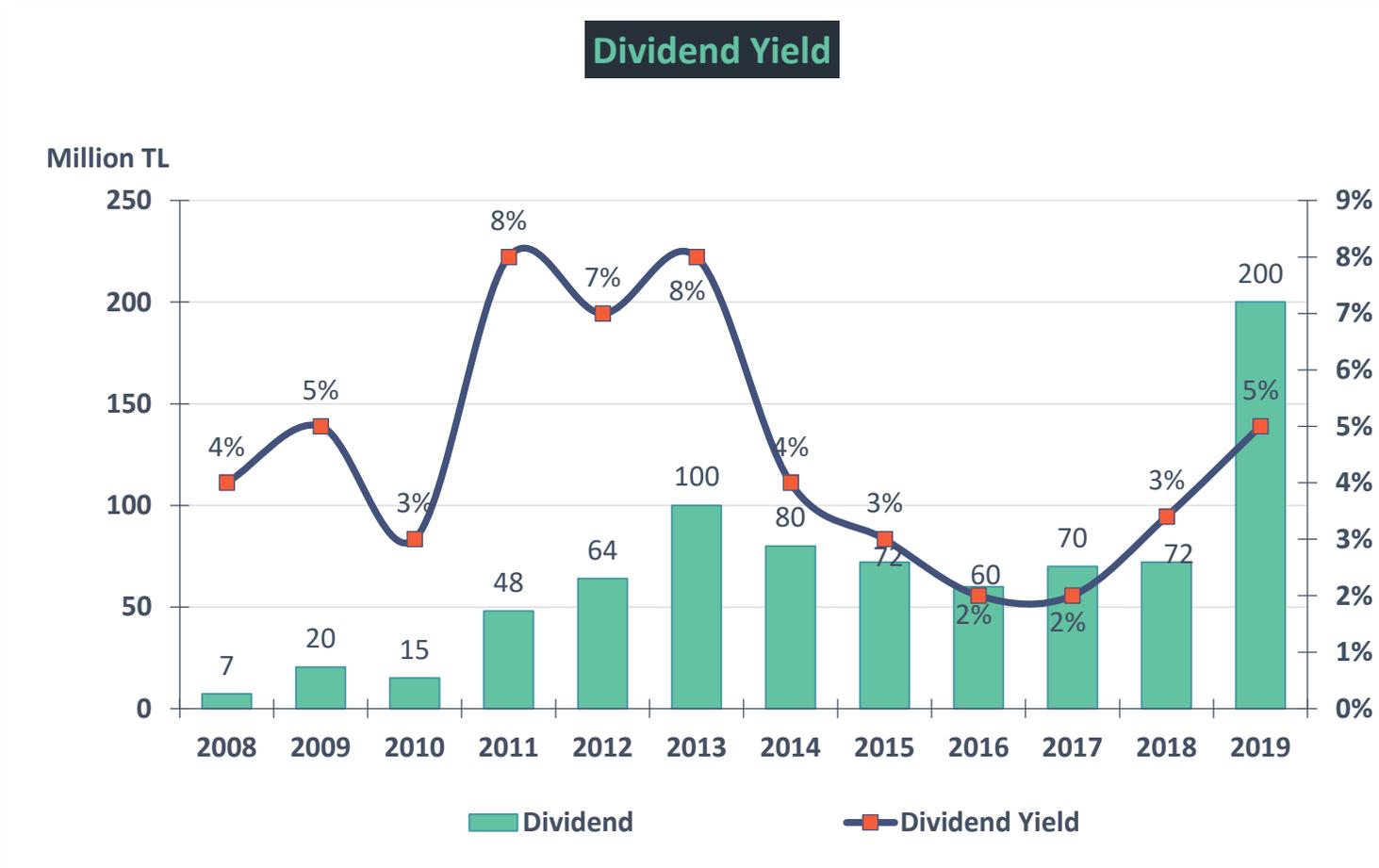
Ratios	2014	2015	2016	2017	2018	2019	2020
ROE	29,8%	32,4%	28,7%	35,1%	42,2%	55,1%	61,4%
EBITDA Margin	12,8%	10,8%	10,4%	10,4%	13,5%	17,8%	23,1%
Net Margin	5,9%	5,5%	4,3%	5,6%	9,8%	14,5%	21,3%
Net Debt/Equity	1,2	2,3	1,6	1,7	1,4	0,9	1,3
Net Debt/EBITDA	1,9	3,6	2,3	2,5	2,4	1,3	2,0
ST. Borrowing/T.Borrowings	0,52	0,49	0,60	0,53	0,38	0,39	0,49
Equity/Total Assets	0,20	0,15	0,14	0,14	0,17	0,24	0,23
Current Ratio	1,5	1,3	1,4	1,5	2,1	1,9	1,5







- Exchange rate risk and liquidity are monitored actively and the maturity of the borrowings and the currency type is determined by taking into consideration of the foreign currency position and liquidity risk.
- In the last 5 year period, borrowings are mainly realized in long term, in terms of foreign currency and TL.



- Consistent dividend distribution is an indication of the importance given to creating shareholder value.

## Stock Performance

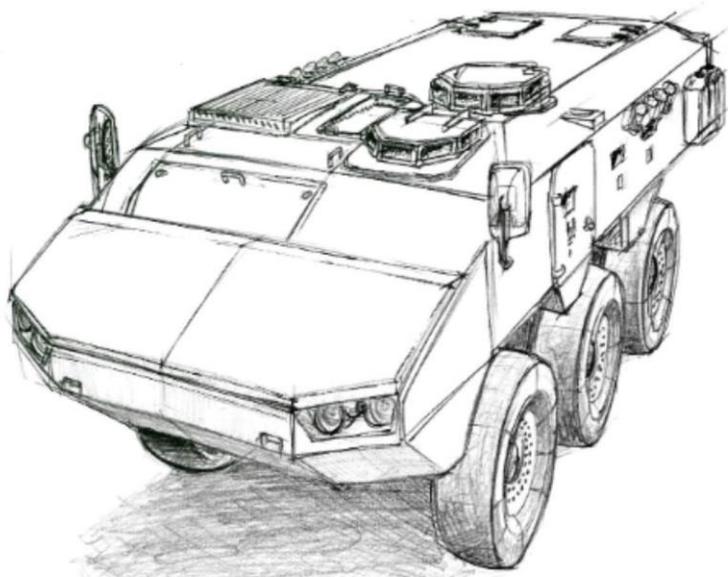


## Market Capitalization





Otokar R&D Center houses a Climatic Test Chamber with Dynamometer, the one and only of its kind in Turkey, and among the top few in Europe, and Turkey's the highest capacity hydraulic road simulator as well as Turkey's the largest and the world's best state-of-the-art Electromagnetic Compatibility Test Center





According to "R & D 250, companies that engaged in R & D expenditures in Turkey" survey prepared by Turkishtime magazine in 2019, Otokar ranked 20th among the companies that conduct R&D research.

Total of **518** R&D center employee



Otokar was awarded with "Intelligent Spare Part Optimization" project in the "Analytical and Big Data" category in the Artificial Intelligence, Analytical and RPA Technologies competition, and with it's "OTOperasyon" project in the "Mobility in Production" category in the Smart Manufacturing competition organized by IDC.

Total R & D spending over the last 10 years **1.3 billion TL**



Otokar added electric bus e-Kent C and Turkey's first electric-powered armored combat vehicle Akrep IIe to it's prdoduct range, which both were developed by it's own R&D.

10 year R & D expenditures in turnover **8%**

## 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



## E-Kent C

12 m electric bus



## AKREP IIe

Turkey's first electric armoured vehicle





## Otokar listed in the BIST Sustainability Index for the **fifth** consecutive term

Otokar considers its sustainability strategy, protecting domestic capital structure and the goal of profitability, its sensitivity to the environment, human and society, its focus on universal human rights and business ethics principles, operational excellence and customer satisfaction, and the development of high-tech, value-added products.

Otokar is strictly bound to the 10 principles of the **UN Global Compact** signed by Koç Holding.

Otokar is also signatory of the **Women's Empowerment Principles (WEPs)**, a joint initiative of the United Nations Women's Unit (UN Women) and the United Nations Global Compact (UN Global Compact).

Otokar **accepts 17 Global Goals for Sustainable Development** as defined by the United Nations General Assembly and carries out its activities accordingly.



57th Ordinary General Assembly of Otokar Otomotiv ve Savunma Sanayi A.Ş. held on 16.03.2020

Rating of Adaptation to Corporate Governance Principles	Weight	Rating
Shareholders	25%	95,43
Public Disclosure & Treansperancy	25%	95,84
Stakeholders	15%	97,13
Board of Directors	35%	92,23
<b>Total</b>	<b>100%</b>	<b>94,67</b>

Otokar, as publicly disclosed with the material disclosure dated 23.03.2020, stated that SAHA Corporate Governance and Rating Services A.Ş. (SAHA) **increased its Corporate Governance Rating to 94.67 (9.47 out of 10)**



## Otokar Investor Relations Department

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Investor Relations

Corporate Information



Corporate Governance



General Meetings

Financial Results



Investor Presentations



Disclosures/ Announcements

