

Otokar

INVESTOR PRESENTATION

(04.08.2016)

Prepared based on 2016 1H 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

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



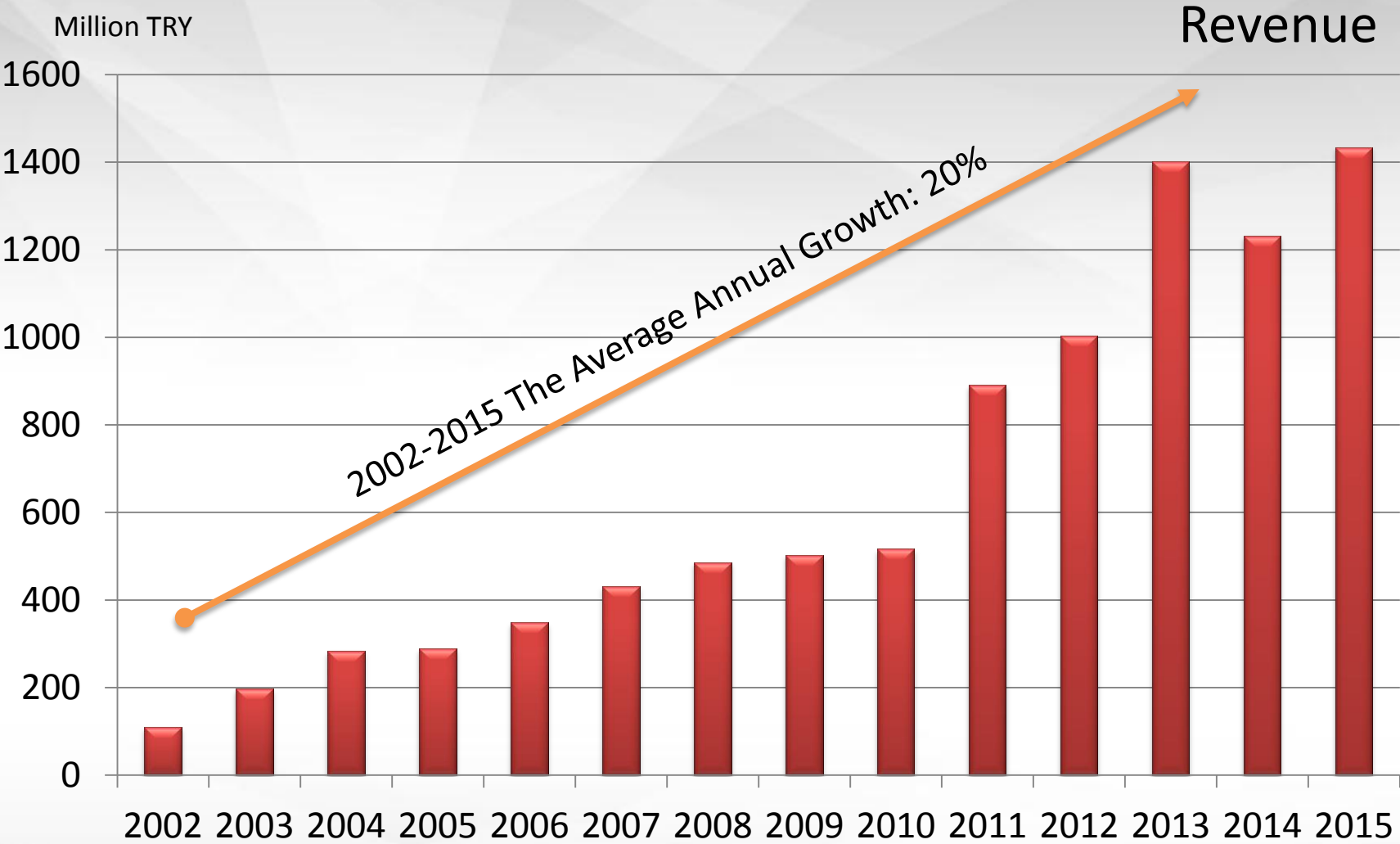
2000s

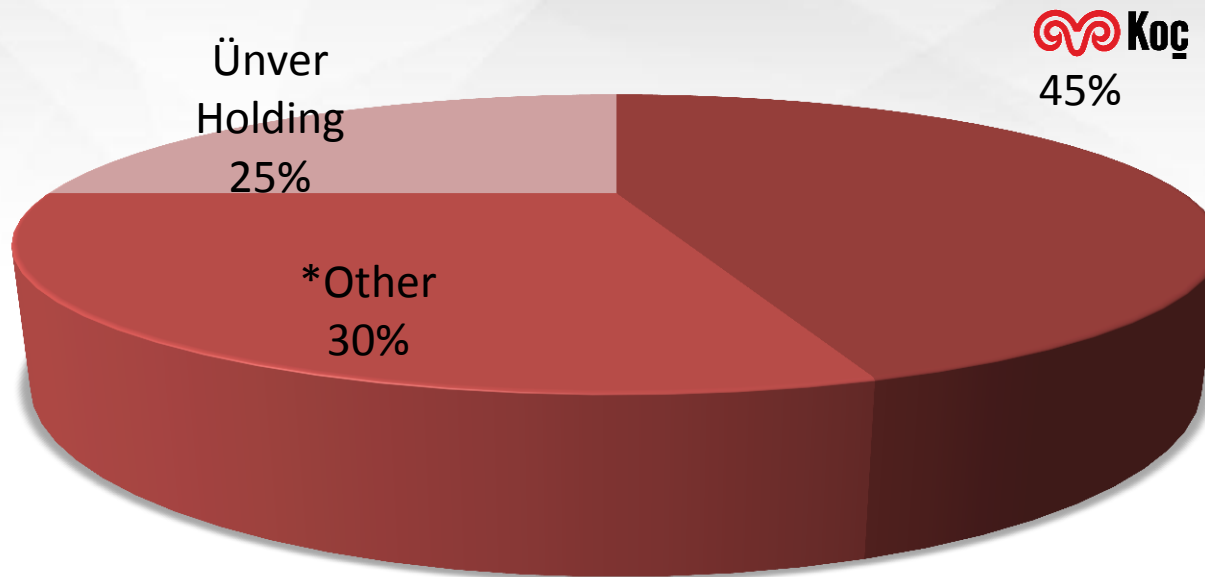
- Merge with the İstanbul Fruehauf A.S.
- Production of small and mid buses
- Turkey's first hybrid bus
- The prime contractor of ALTAY Project



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 m² plant, approximately 2450 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

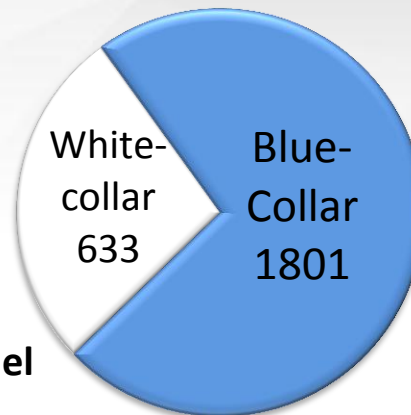
ISO 27001 Information Security Management System

AQAP 2110 Military Quality Assurance Certificate

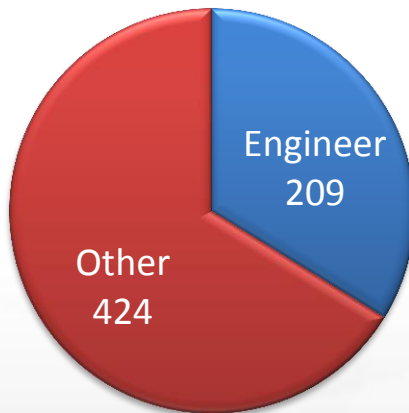
Facility Security Certificate with National and NATO Secrecy Degree

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

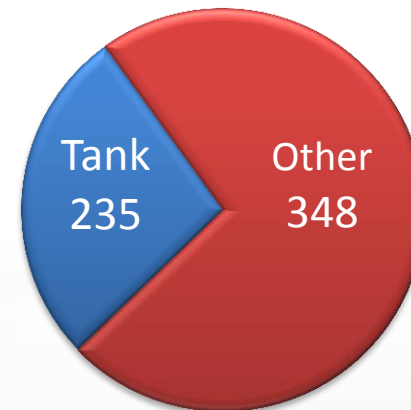
2434 Employee



633 White-Collar Personnel



583 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!





TEMPO



SULTAN / NAVIGO



DORUK / VECTIO



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



- 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

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 13 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





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
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



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





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

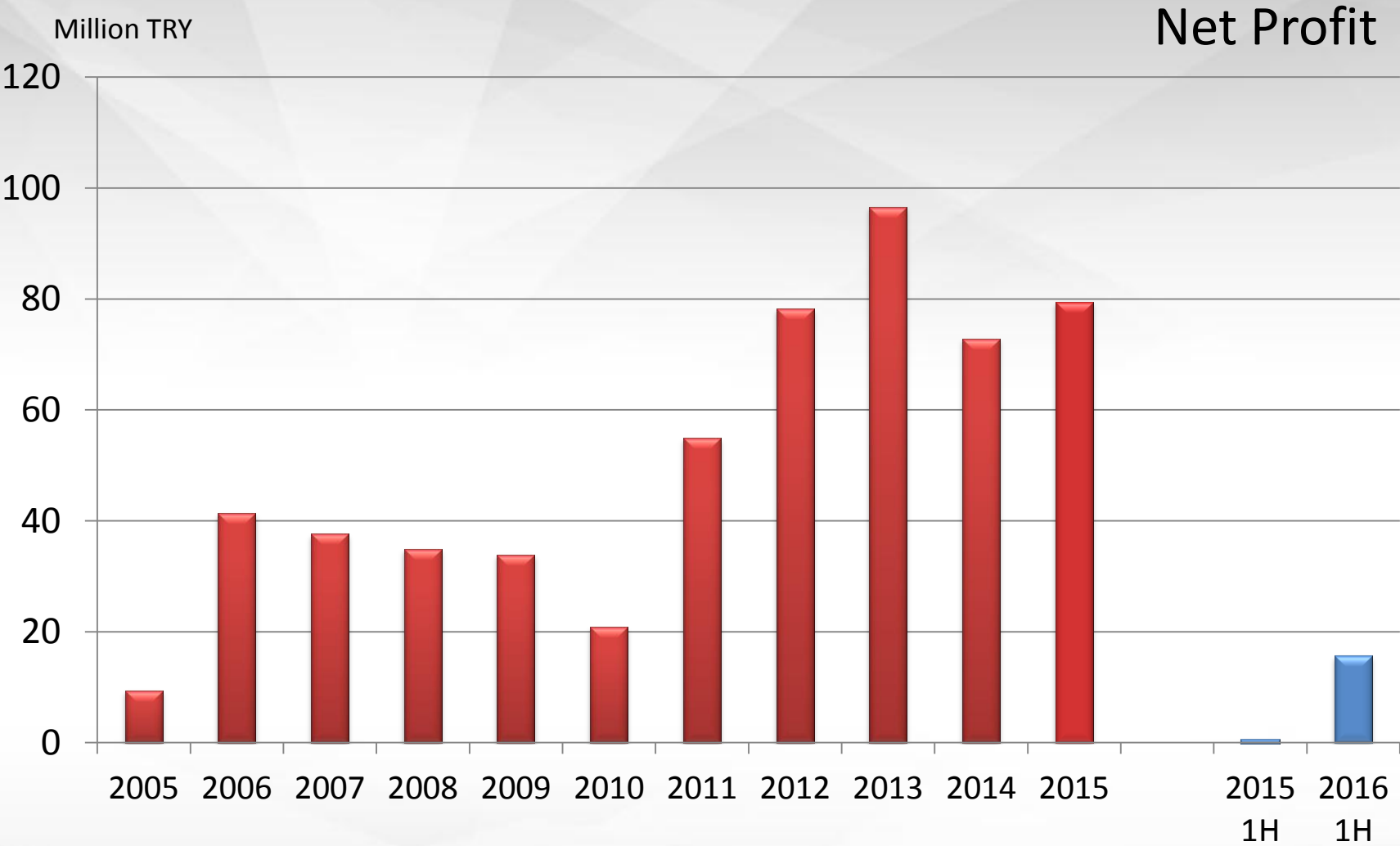
30.06.2016

Total Assets (TRY)		Total Liabilities&Shareholders Equity (TRY)	
Current Assets	1.293.742.429	S.T. Liabilities	1.000.541.500
Fixed Assets	371.574.460	L.T. Liabilities	476.211.197
		Shareholders Equity	188.564.192
Total	1.665.316.889	Total	1.665.316.889

TRY thousands (IFRS)	30.Jun.2016	30.Jun.2015
Net Sales	693.670	543.822
Cost of Sales	(518.673)	(420.550)
Gross Profit	174.997	123.272
Operating Costs	(119.995)	(109.340)
Operating Profit	55.002	13.932
Finacial Expenses	(36.323)	(19.866)
Profit Before Taxes	18.691	(4.499)
Taxes	(2.953)	4.503
Net Profit	15.738	4

Net Profit

Otokar



TRY thousand (IFRS)	30.Jun.2016	30.Jun.2015
Cash and Cash Equivalants at the beginning of the period	62.960	44.528
Net cash provided by operating activities	(16.809)	(29.524)
Net cash used in investing activities	(31.810)	(22.038)
Pre-financing cash flow	(48.619)	(51.562)
Net cash used in Financing Activities	21.892	15.318
Net decrease/increase in Cash and Cash Equivalents	(26.781)	(36.244)
Cash and cash equivalents at the end of the period	36.179	8.284

TRY thousands	30.Jun.2016	31.Dec.2015
Current Assets	1.293.742	1.019.693
S. T. Liabilities	1.000.541	784.890
Working Capital	293.201	234.803

Net Financial Debts

Otokar

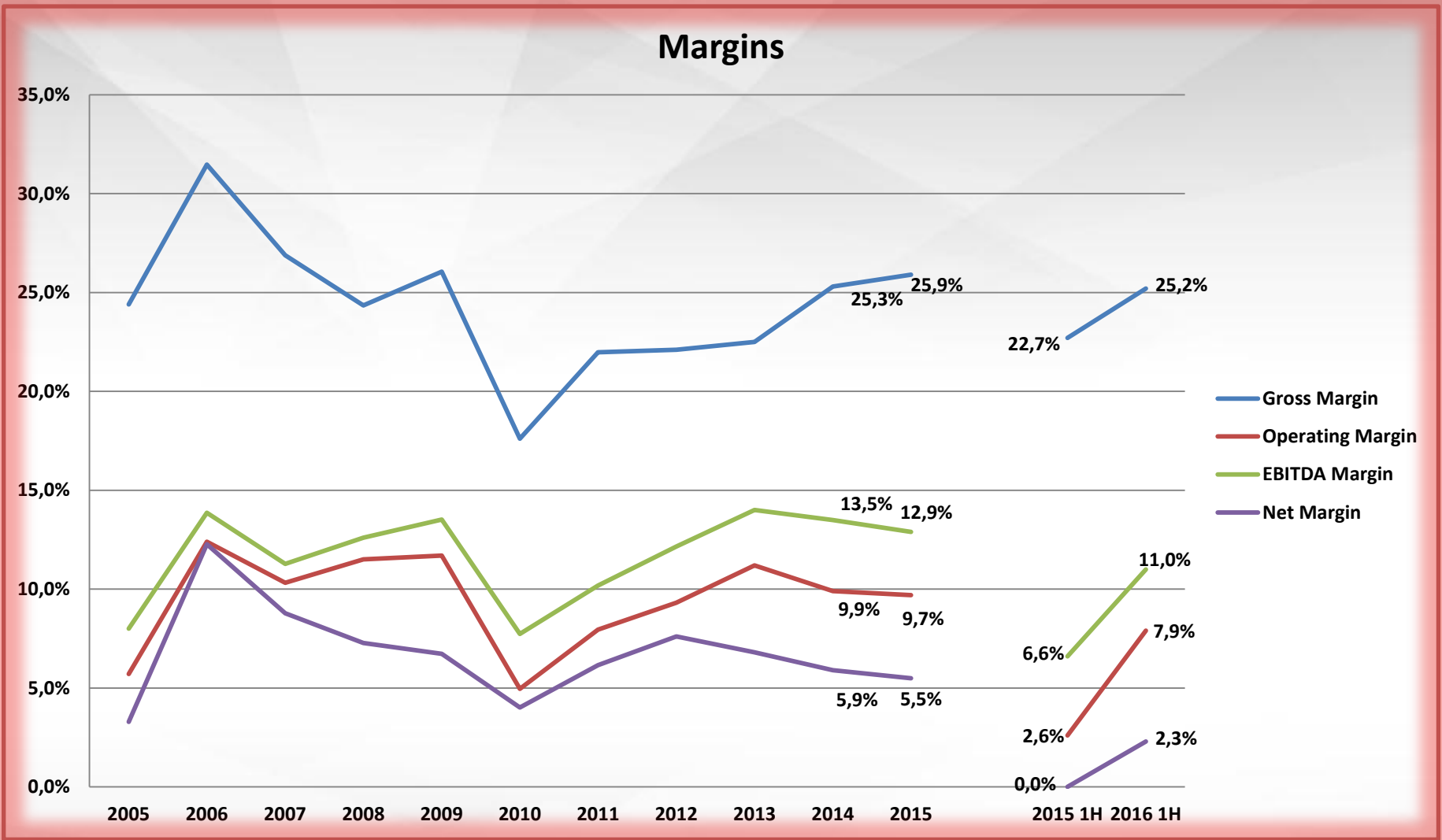
TRY thousand	30.Jun.2016	31.Dec.2015
Cash and Equivalents	36.179	58.736
Trading Securities	0	0
Other	0	0
Total Financial Assets	36.179	58.736

TRY thousand	30.Jun.2016	31.Dec.2015
S.T. Bank Loans	325.245	105.983
L.T. Bank Loans	418.774	509.295
Total Financial Debts	744.019	615.278

TRY thousand	30.Jun.2016	31.Dec.2015
Net Financial Debts	707.840	556.542

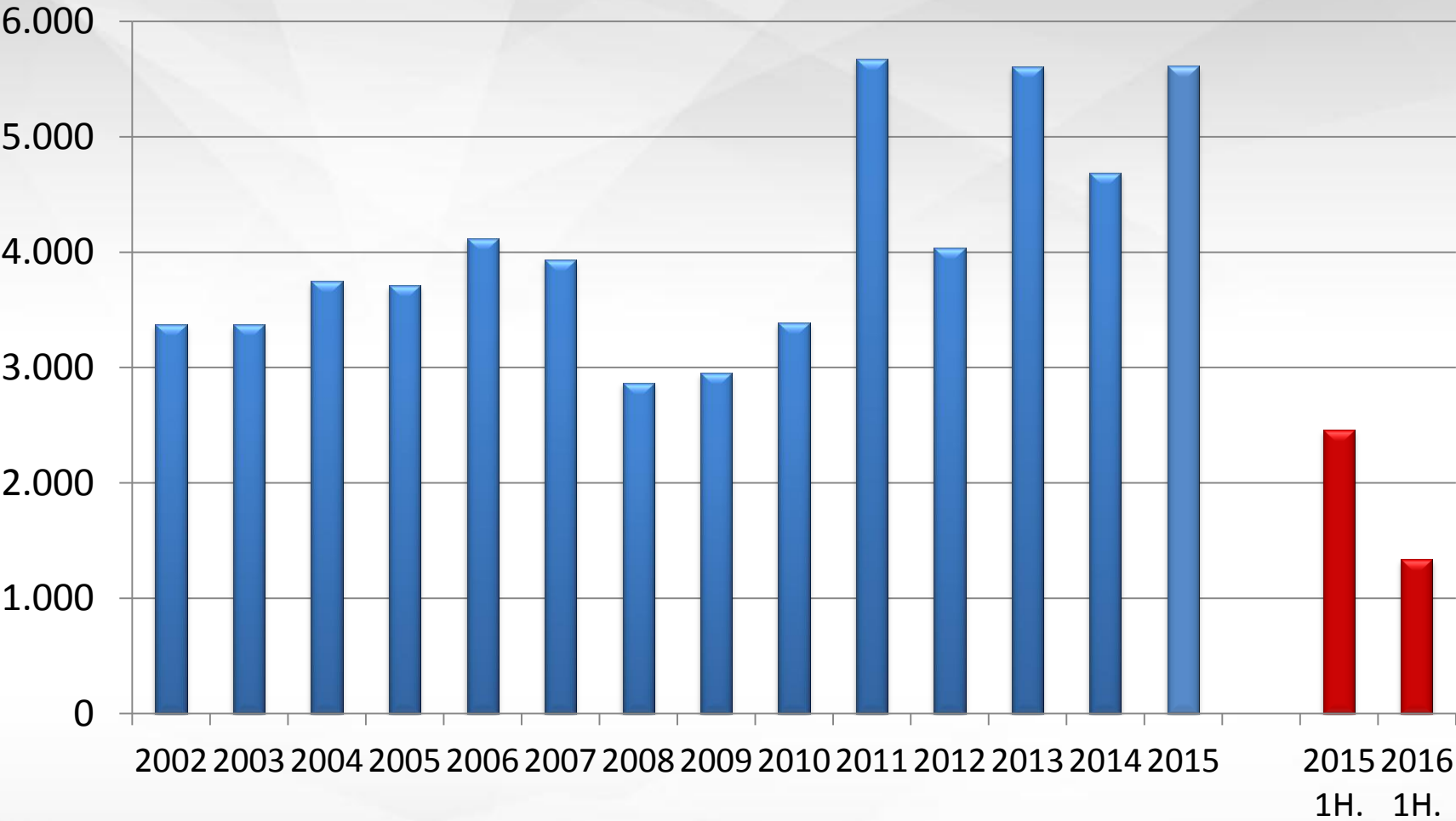
Financial Ratios	2016 1H	2015 1H
Current Ratio	1,29	0.90
Liquidity Ratio	0,76	0.53
Return On Equity	8,3%	0,01%
Return on Assets	0,9%	0,00%
Cur.Assets/Tot.Assets	78%	59%
Short Term Lia./Tot. Lia.	60%	65%
Tot.Lia./Tot.Assets	89%	88%

Margins	2016 1H	2015 1H
Gross Margins	25,2%	22,7%
Operating Margin	7,9%	2,6%
EBITDA Margin	11%	6,6%
Net Profit Margin	2,3%	0,0%



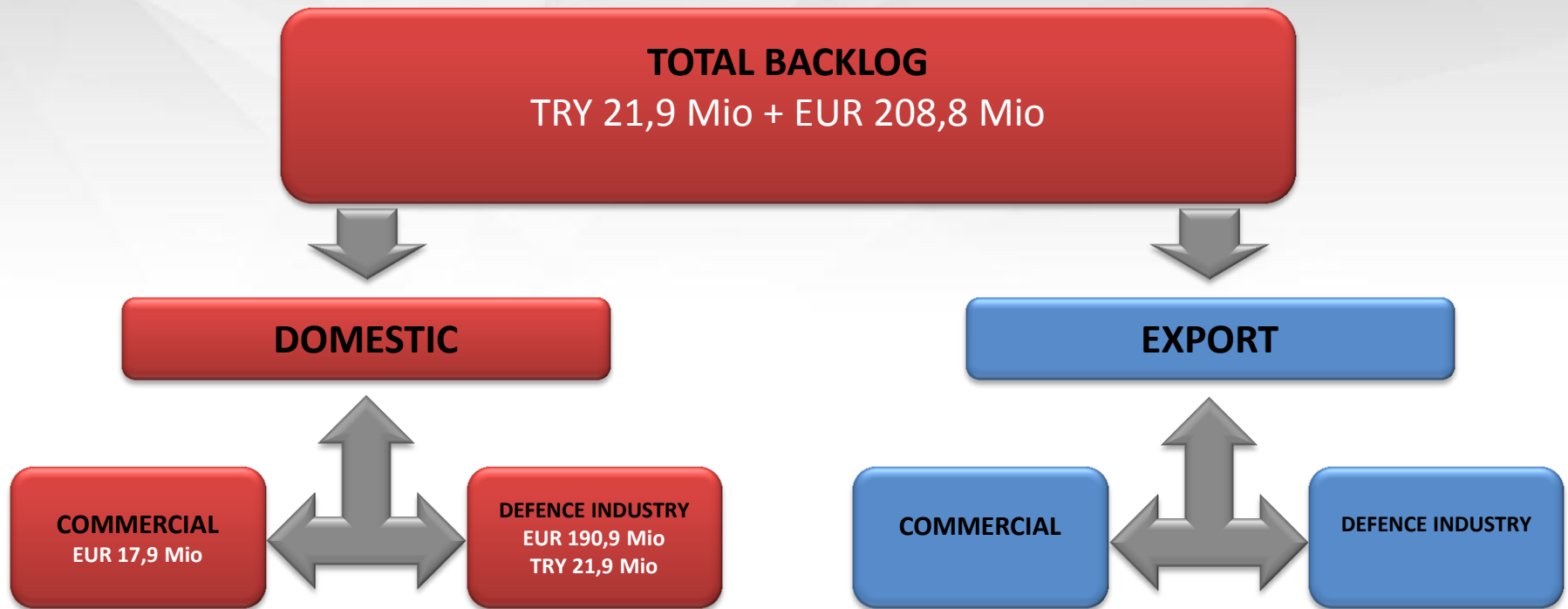
Production Units

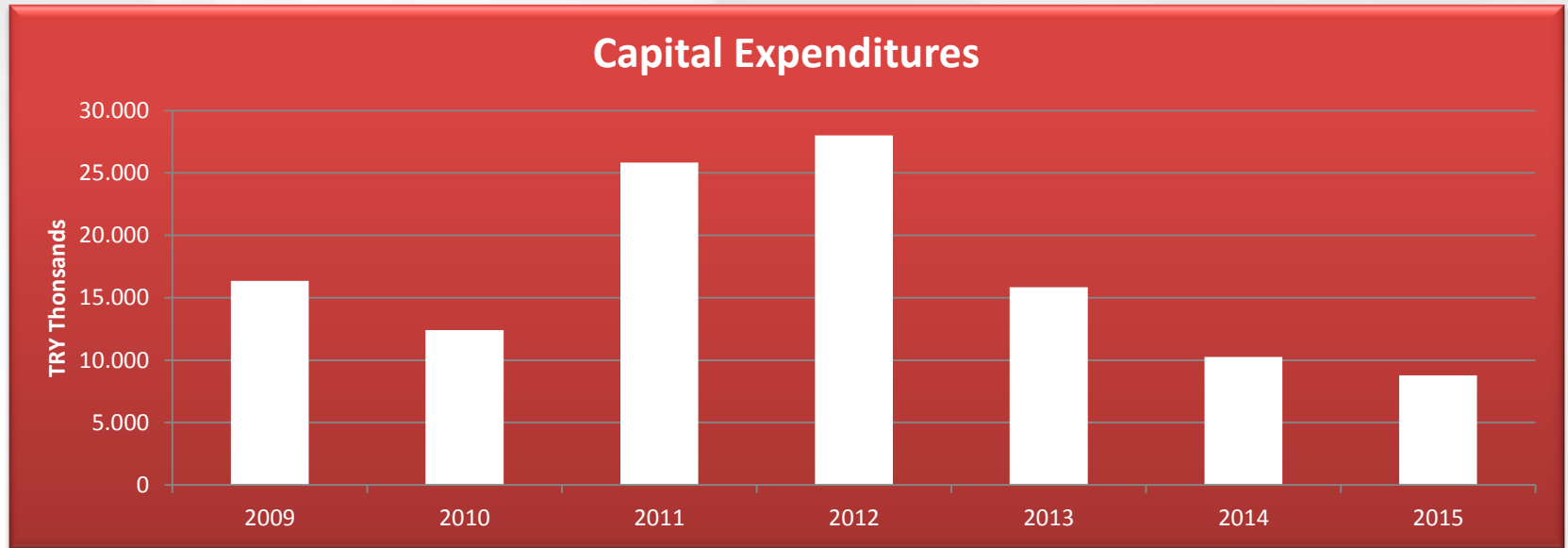
Otokar

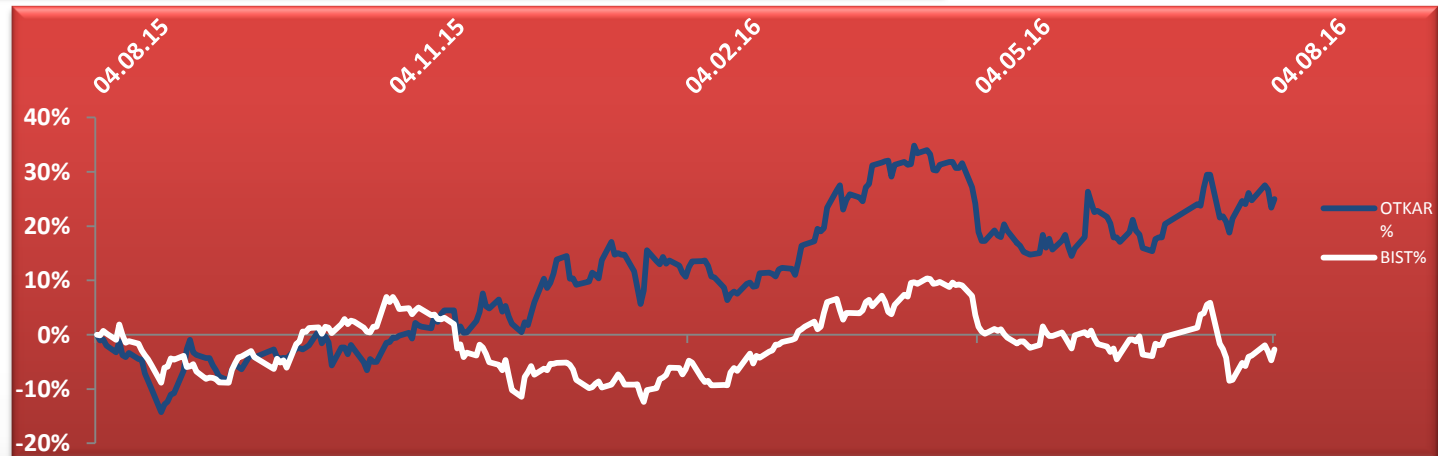
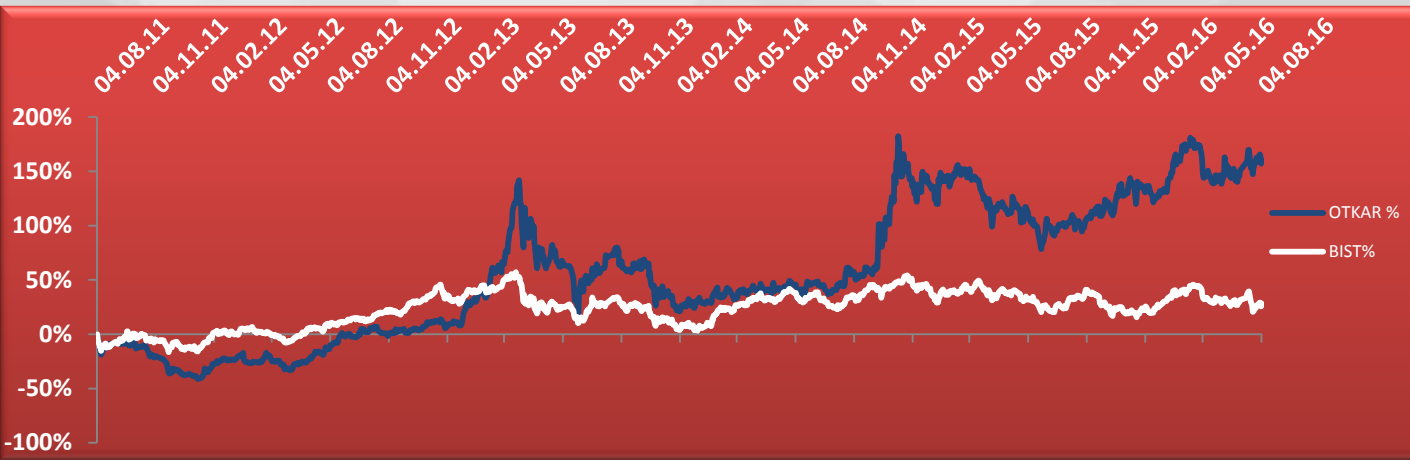


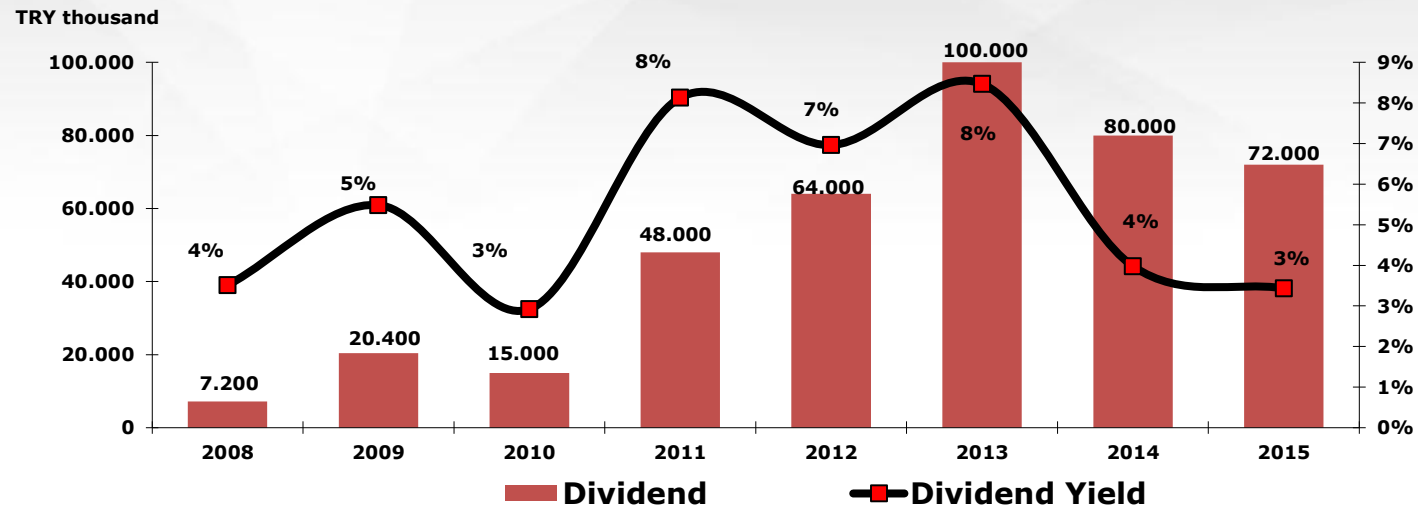
Revenue Distribution

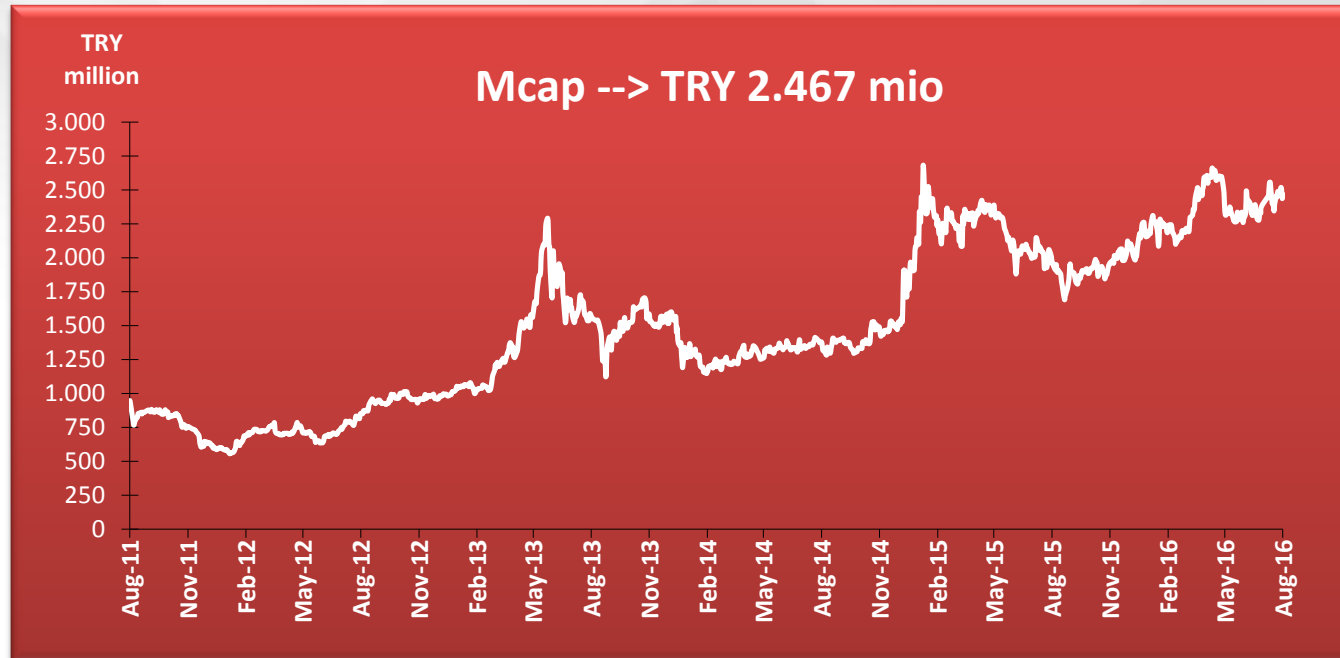












Growth With Products Which License Rights Belong to OTOKAR

Otokar

94%

The share of Otokar designed vehicle sales in turnover.

246

Number of owned patents and industrial designs



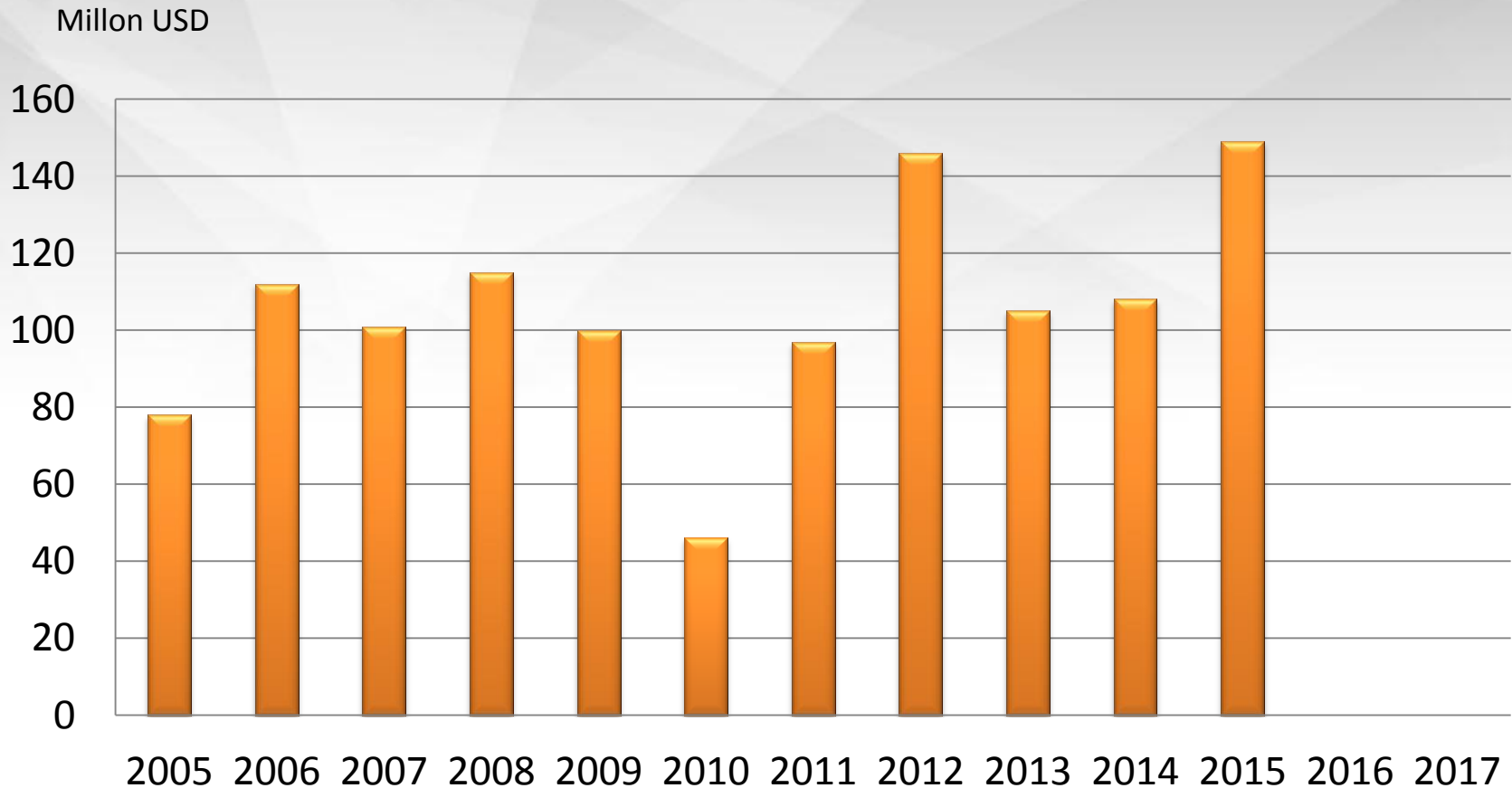
Otokar Europe was established in 2011 in France, in order to support bus sales in Europe.



- 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

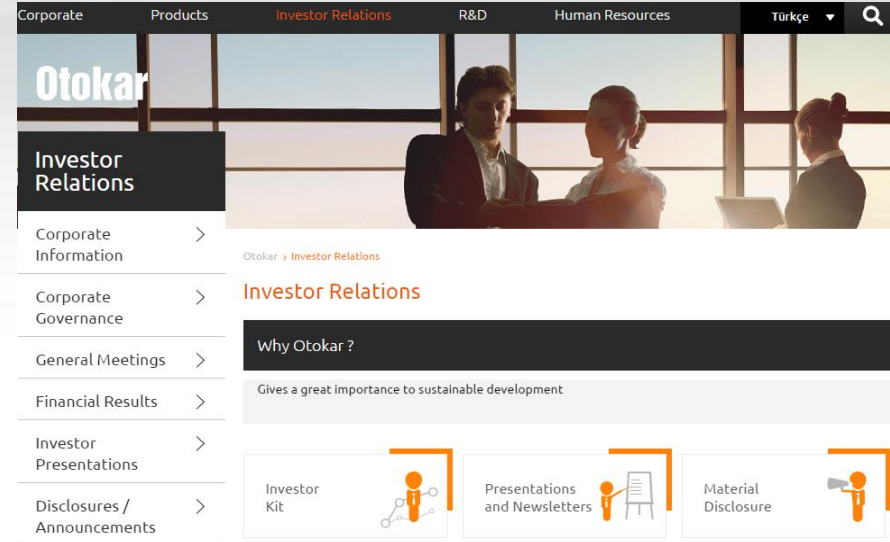


- Continuously increase revenue to ensure high and sustainably dividend yield
- In the framework of our corporate governance and professional management principles, we aim to move further up our company's market value

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