

Otokar

INVESTOR PRESENTATION

(03.08.2018)

Prepared based on 2018 1H 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

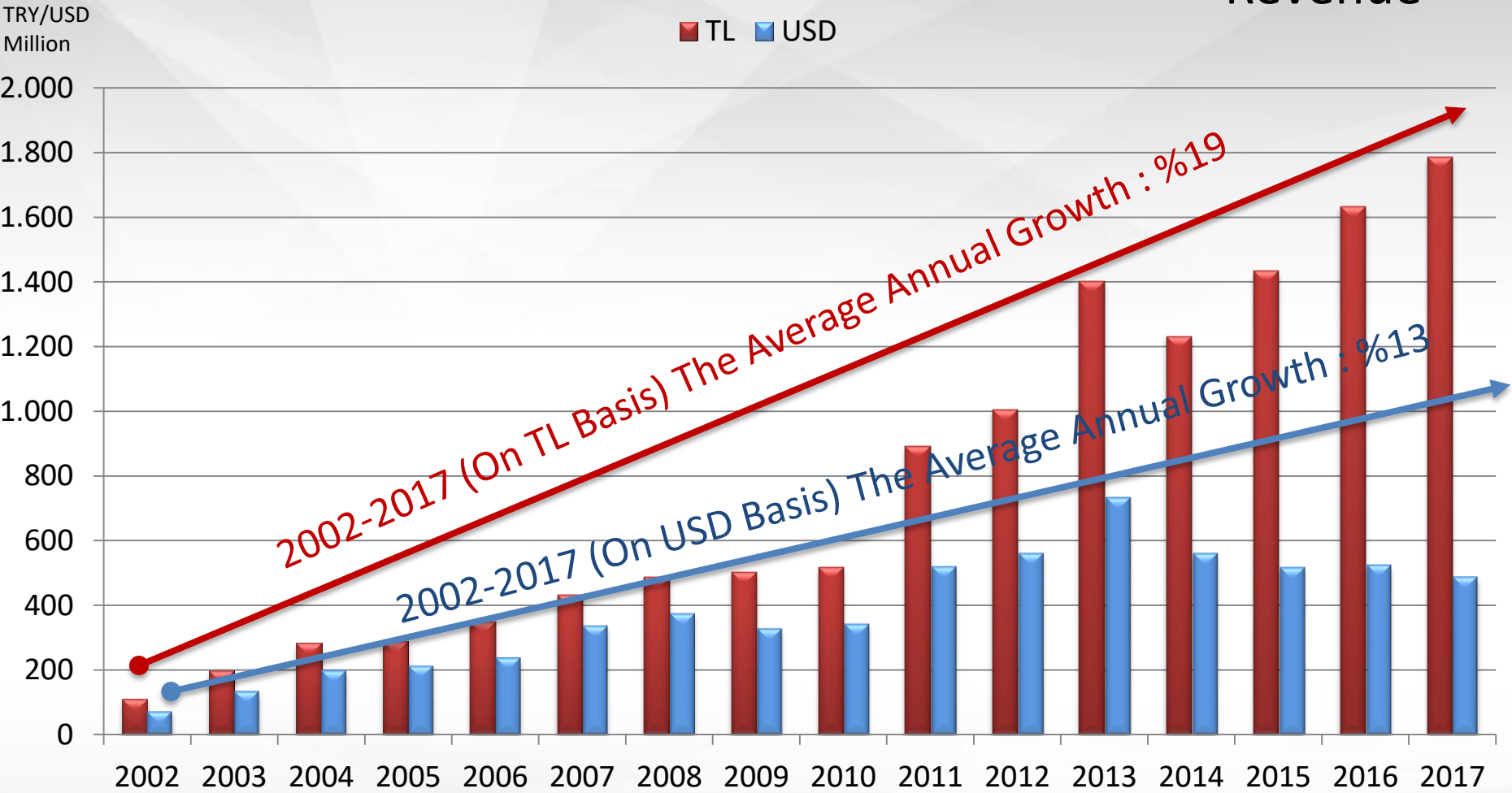
- Merge with the İstanbul Fruehauf A.S.
- Production of small and mid size buses
- Production of Turkey's first hybrid bus
- The prime contractor of ALTAY Project

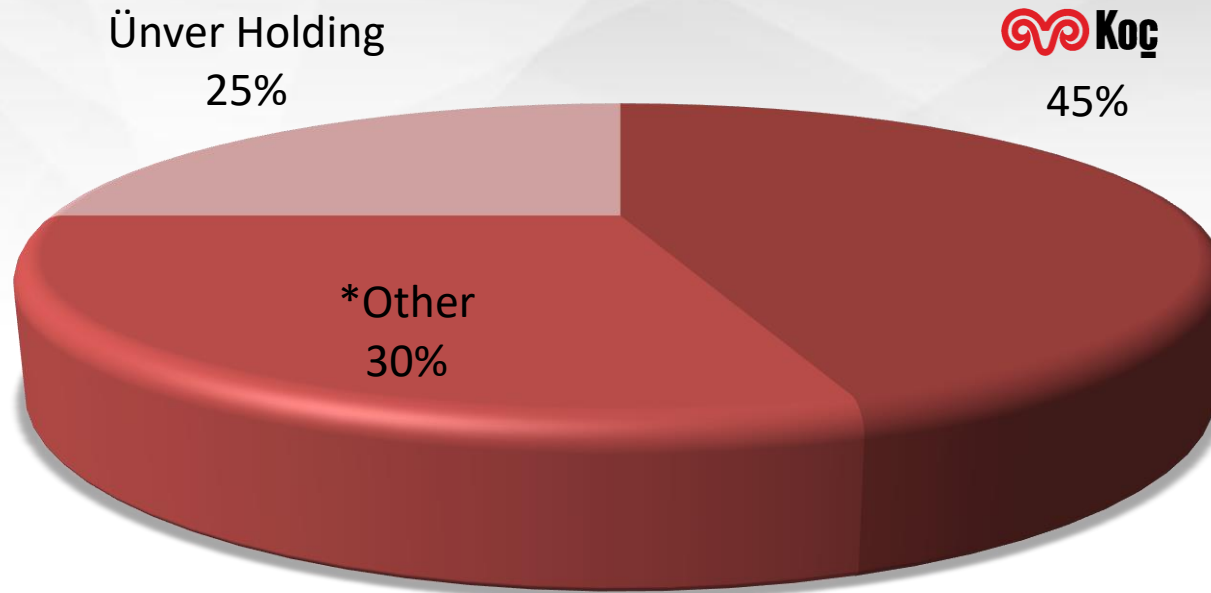


2010s

- 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 m² plant, approximately 2080 employees

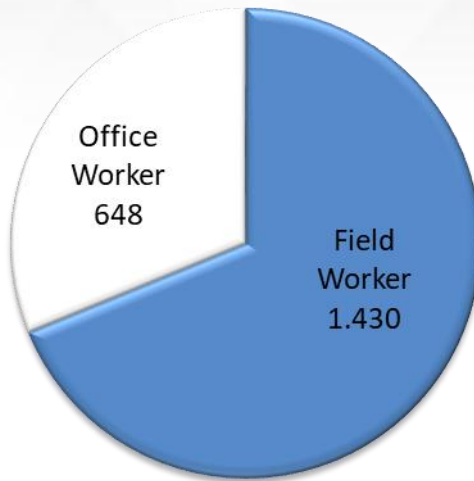
Capacity of

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

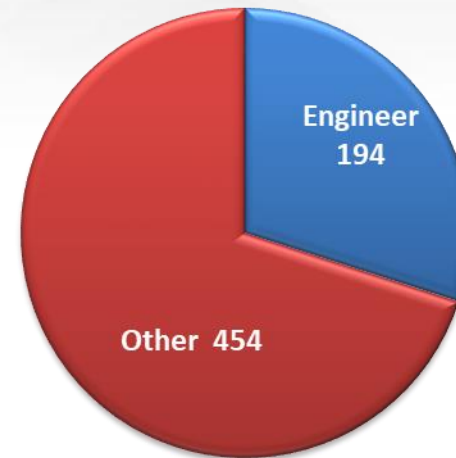
Certificates

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)

2.078 Employee

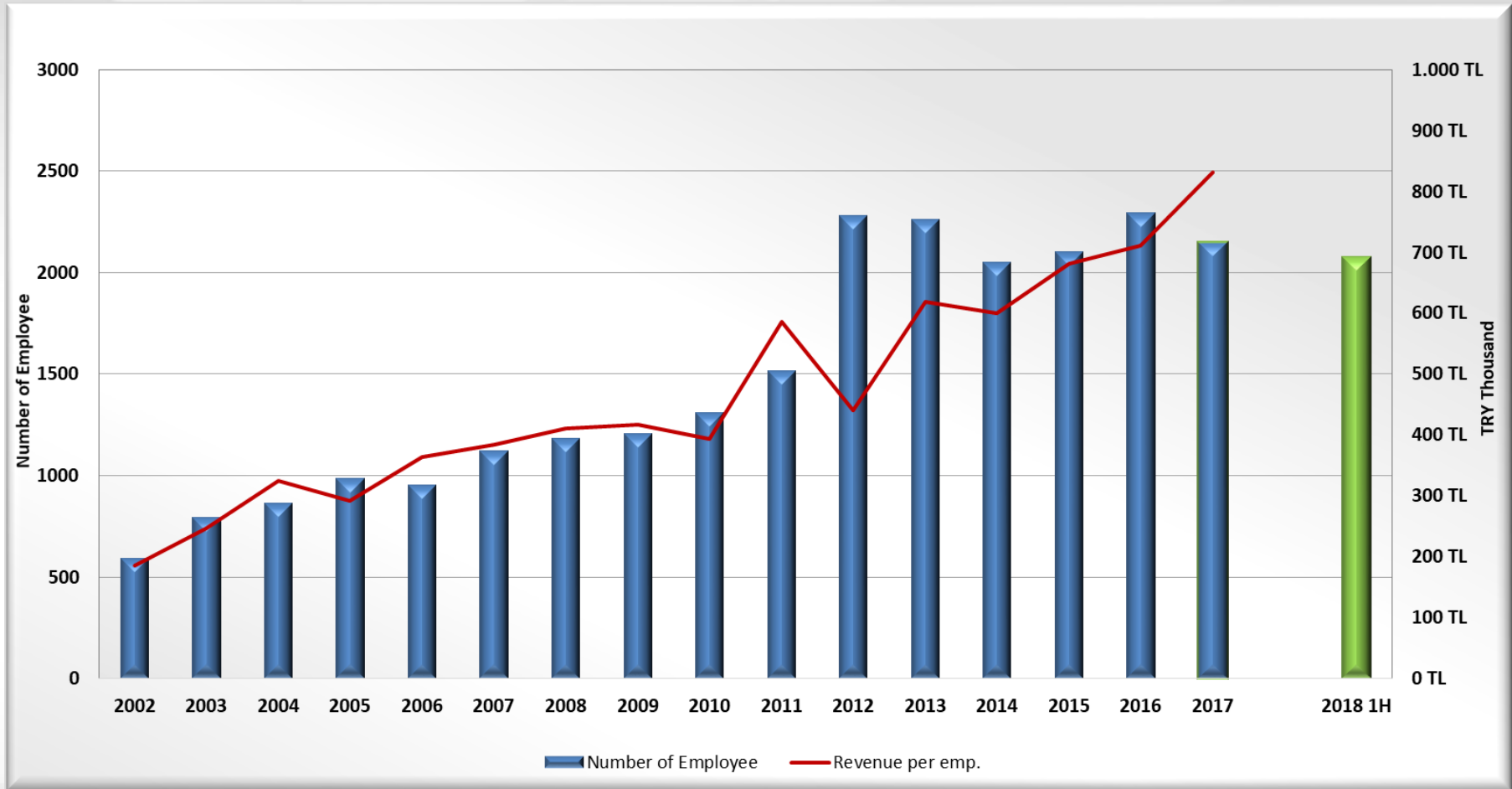


648 Office Worker Personnel



* There are 481 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
(MILAN 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



- 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





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 Center



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



30.06.2018

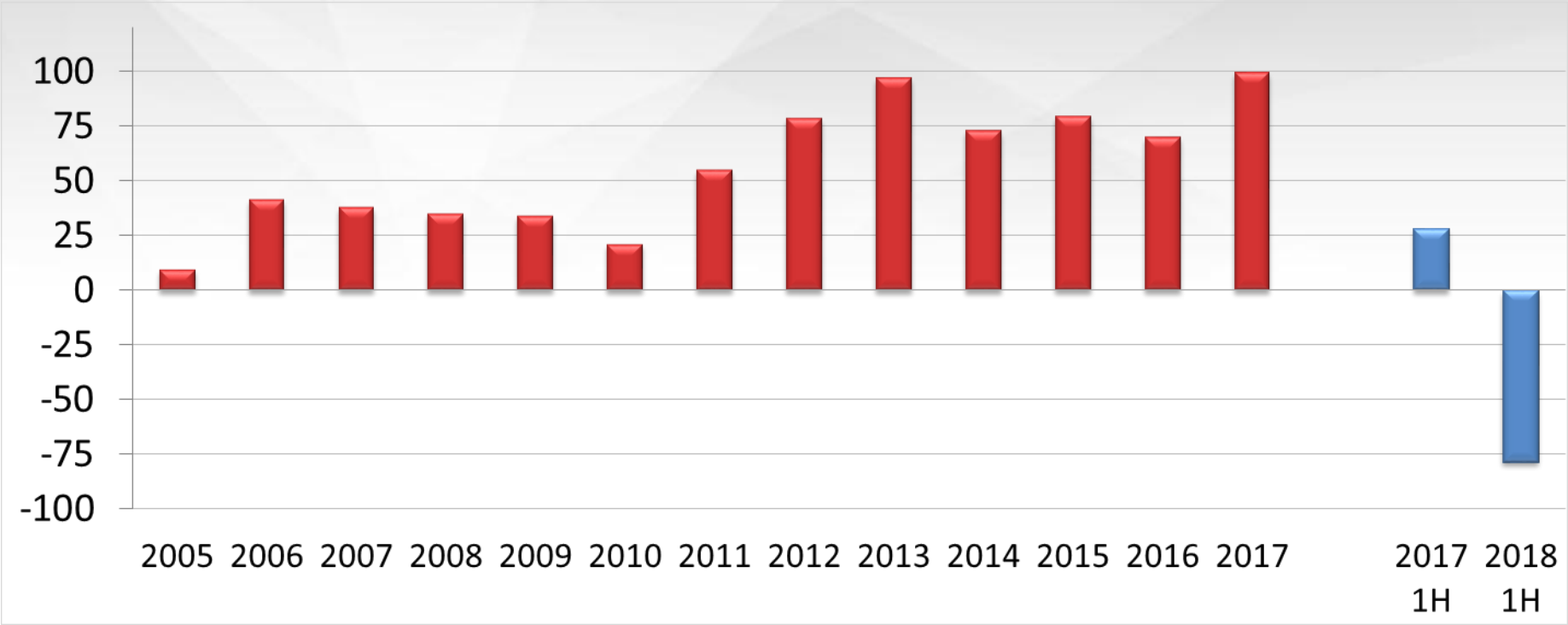
Total Assets (TRY)		Total Liabilities&Shareholders Equity (TRY)	
Current Assets	1.724.195	S.T. Liabilities	1.100.889
Fixed Assets	403.767	L.T. Liabilities	892.286
		Shareholders Equity	134.787
Total	2.127.962	Total	2.127.962

TRY thousands (IFRS)	30.06.2018	30.06.2017
Net Sales	488.159	961.228
Cost of Sales	(385.971)	(742.962)
Gross Profit	102.188	218.266
Operating Costs	(141.633)	(133.898)
Operating Profit	(39.445)	84.368
Finacial Expenses	(46.574)	(57.509)
Profit Before Taxes	(86.020)	28.080
Taxes	7.301	0
Net Profit	(78.719)	28.080

Net Profit

Otokar

Million TRY



TRY thousand (IFRS)	30.06.2018	30.06.2017
Cash and Cash Equivalents at the beginning of the period	228.958	38.598
Net cash provided by operating activities	(107.864)	(254.019)
Net cash used in investing activities	(49.731)	(42.697)
Pre-financing cash flow	(157.595)	(296.716)
Net cash used in Financing Activities	(43.611)	317.861
Net decrease/increase in Cash and Cash Equivalents	(200.296)	21.429
Cash and cash equivalents at the end of the period	28.662	60.027

TRY thousands	30.03.2018	31.12.2017
Current Assets	1.724.195	1.631.551
S. T. Liabilities	1.100.889	1.072.319
Working Capital	632.306	559.232

Net Financial Debts

Otokar

TRY thousand	30.06.2018	31.12.2017
Cash and Equivalents	28.662	228.958
Trading Securities	52	1.325
Other	-	-
Total Financial Assets	28.714	230.283

TRY thousand	30.06.2018	31.12.2017
S.T. Bank Loans	440.705	513.658
L.T. Bank Loans	340.000	190.000
Total Financial Debts	780.705	703.658

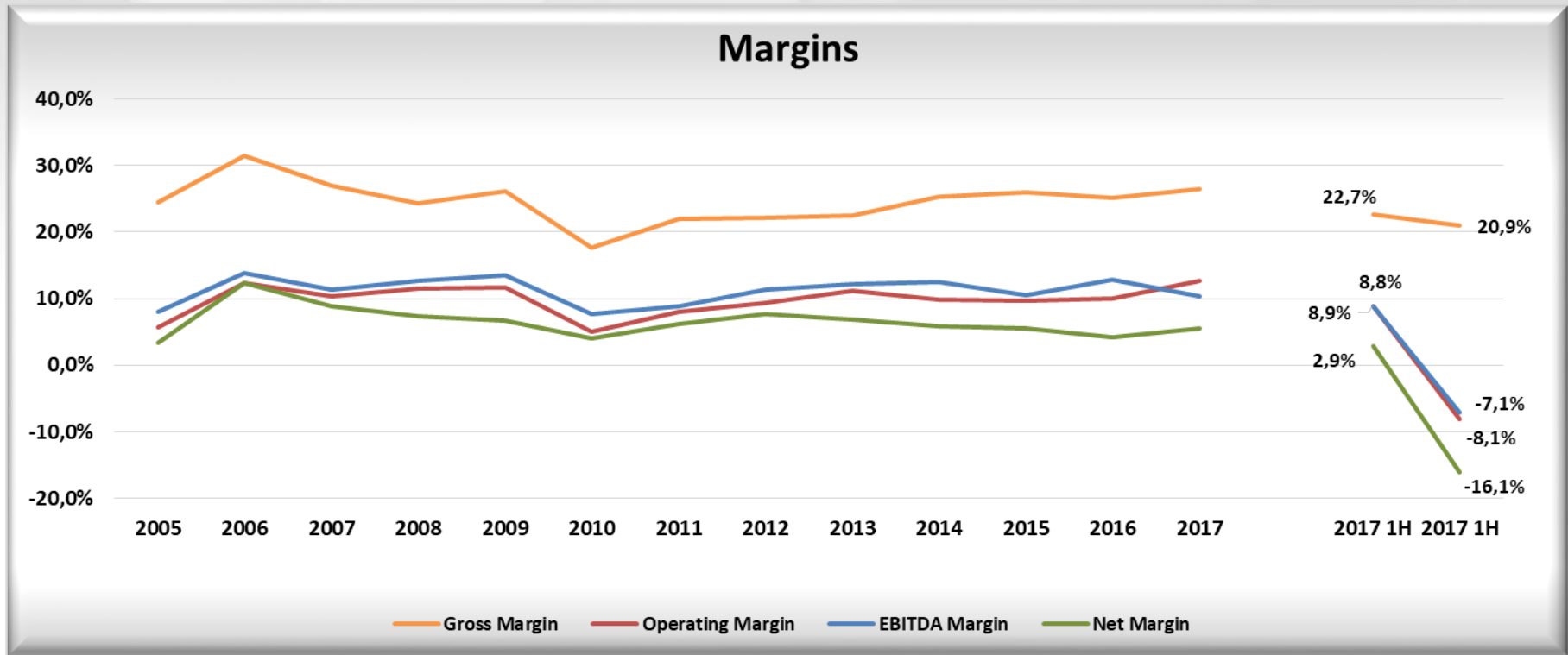
TRY thousand	30.06.2018	31.12.2017
Net Financial Debts	751.991	473.375

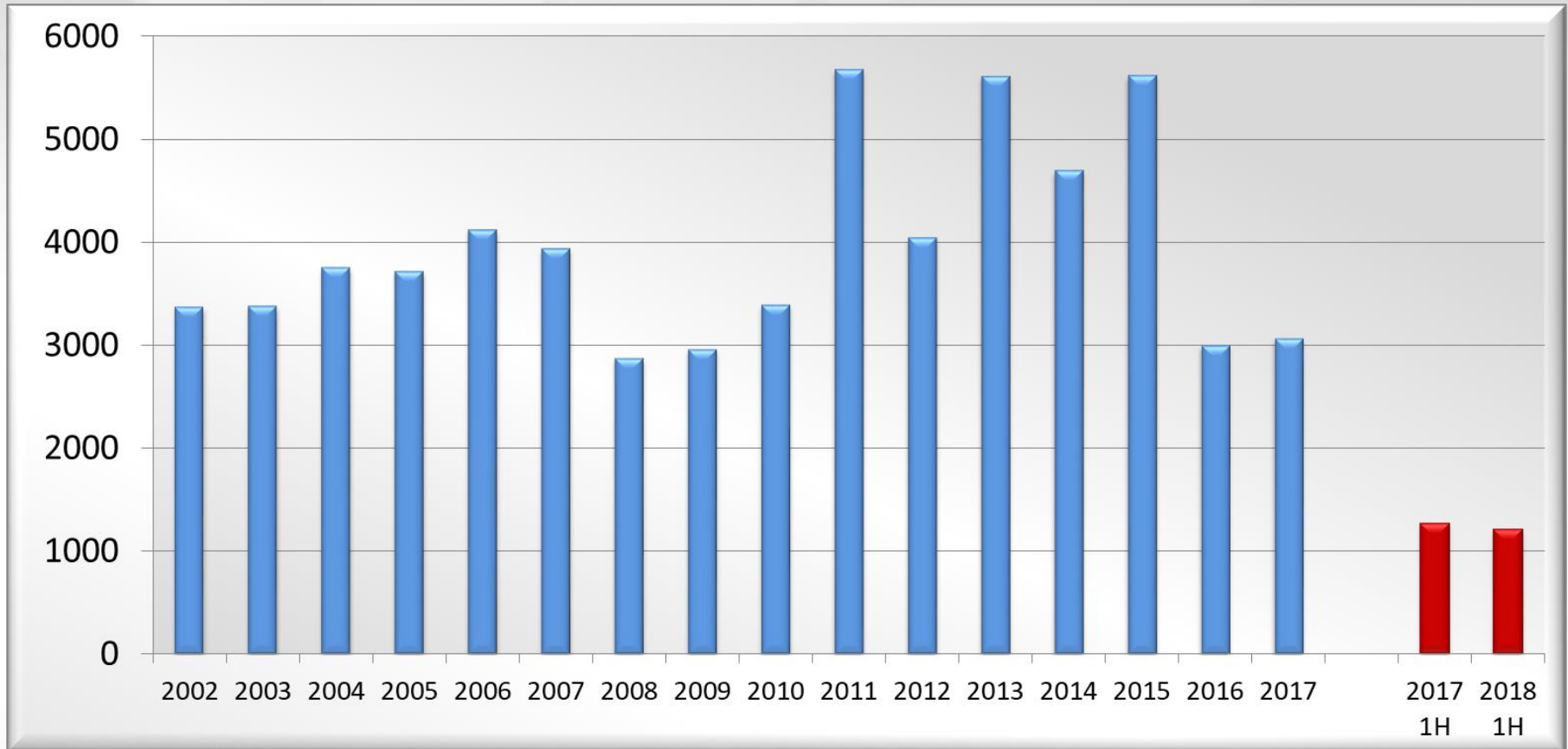
Financial Ratios And Margins

Otokar

Financial Ratios	2018 1H	2017 1H
Current Ratio	1,57	1,71
Liquidity Ratio	1,02	1,16
Return On Equity	(58,4%)	13,4%
Return on Assets	(3,7%)	1,5%
Cur.Assets/Tot.Assets	0,81	0,81
Short Term Lia./Tot. Lia.	0,52	0,47
Tot.Lia./Tot.Assets	0,94	0,89

Margins	2018 1H	2017 1H
Gross Margins	20,9%	22,7%
Operating Margin	(8,1%)	8,8%
EBITDA Margin	(7,1%)	8,9%
Net Profit Margin	(16,1%)	2,9%

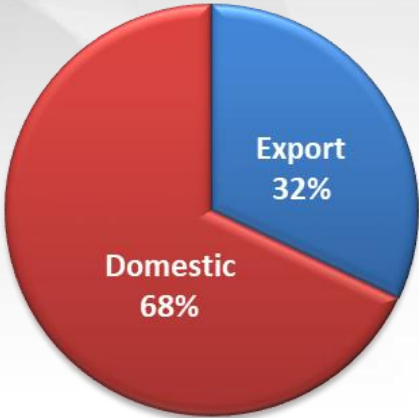




Revenue Distribution

Otokar

2018 1H



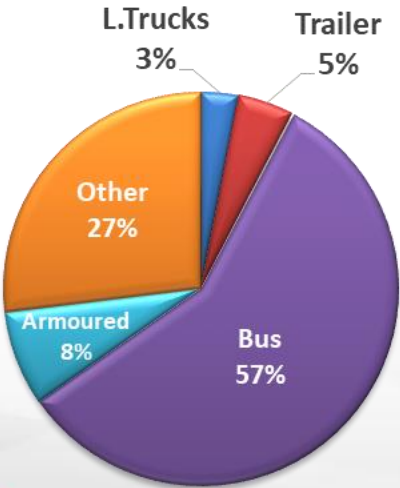
2017 1H



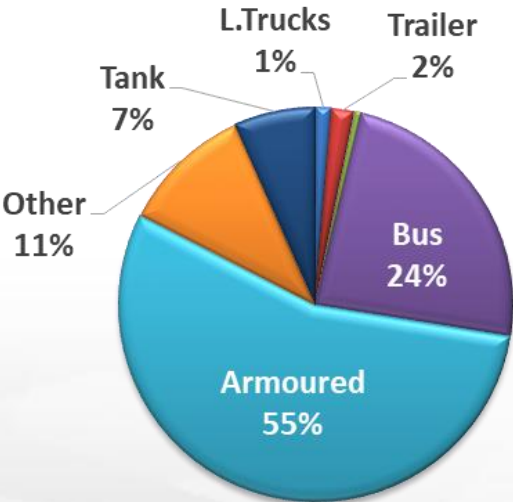
2017



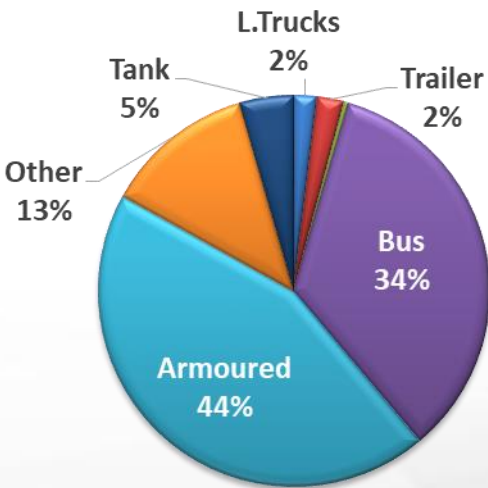
2018 1H



2017 1H

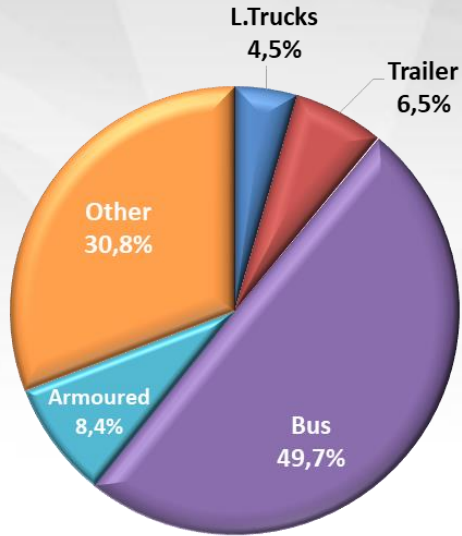


2017

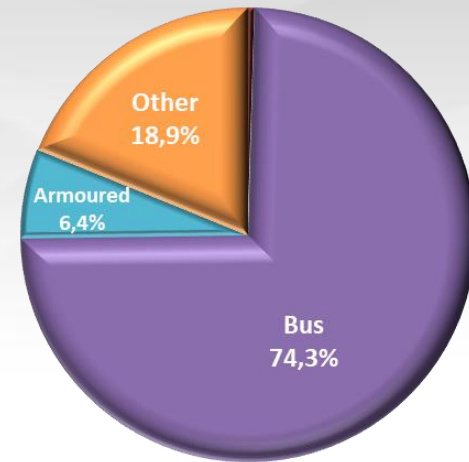


Revenue Distribution

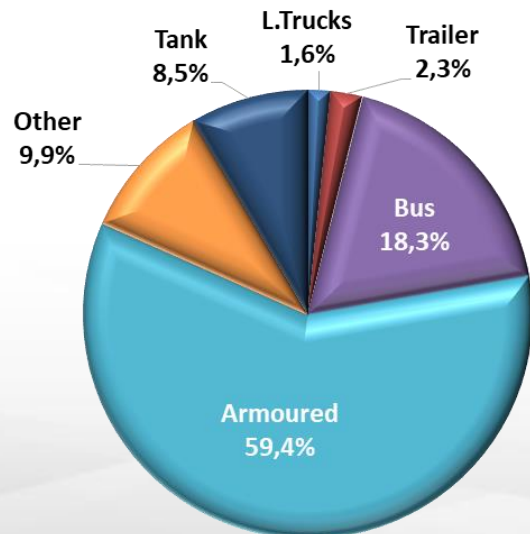
Domestic 2018 1H



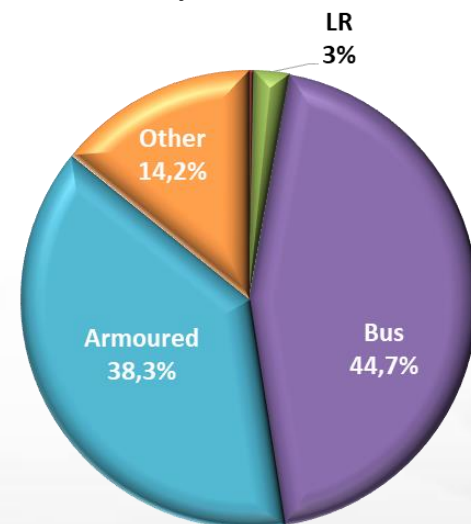
Export 2018 1H

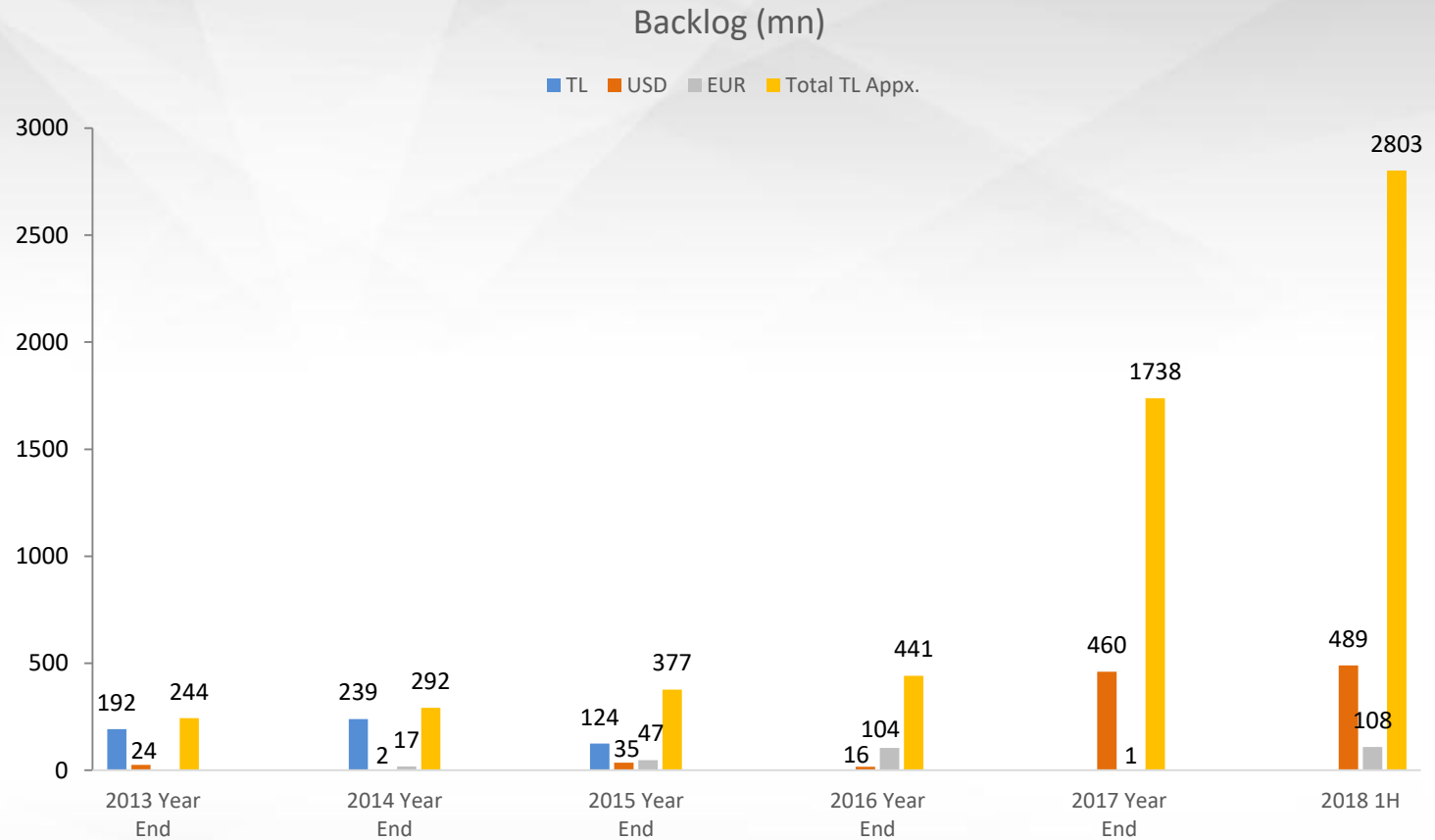


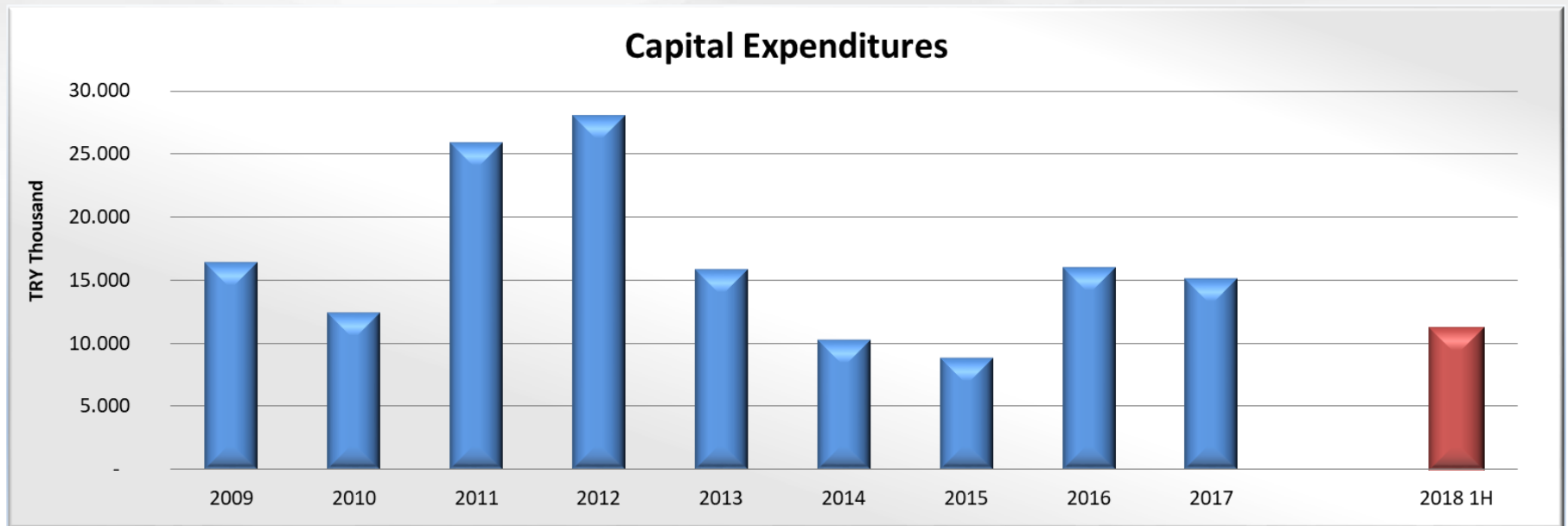
Domestic 2017 1H

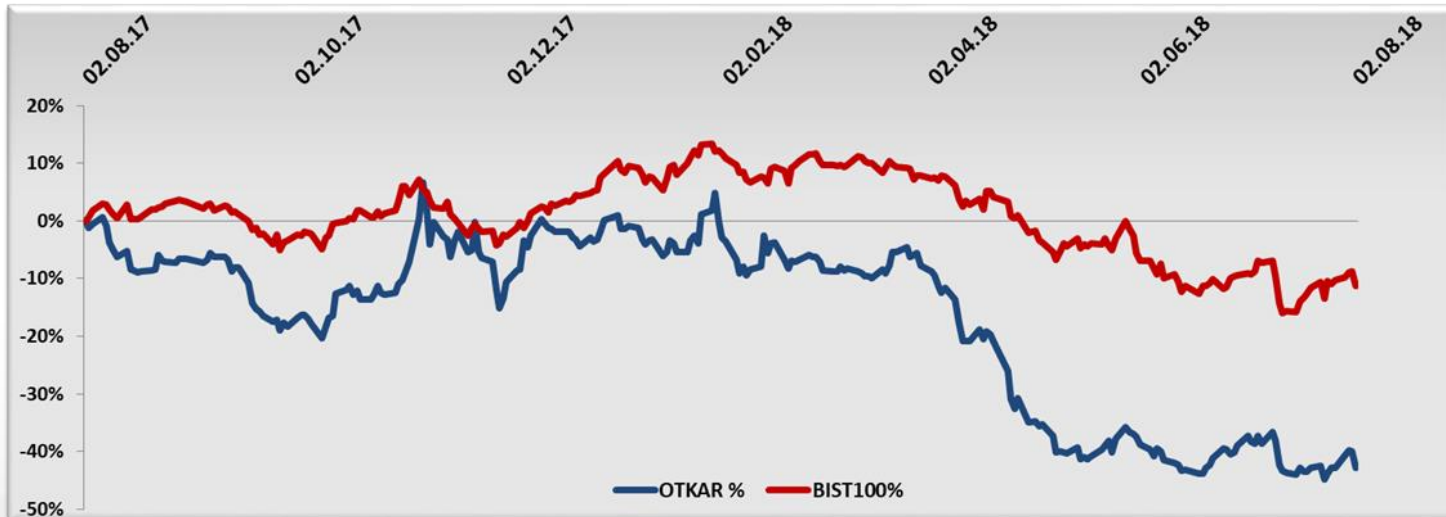
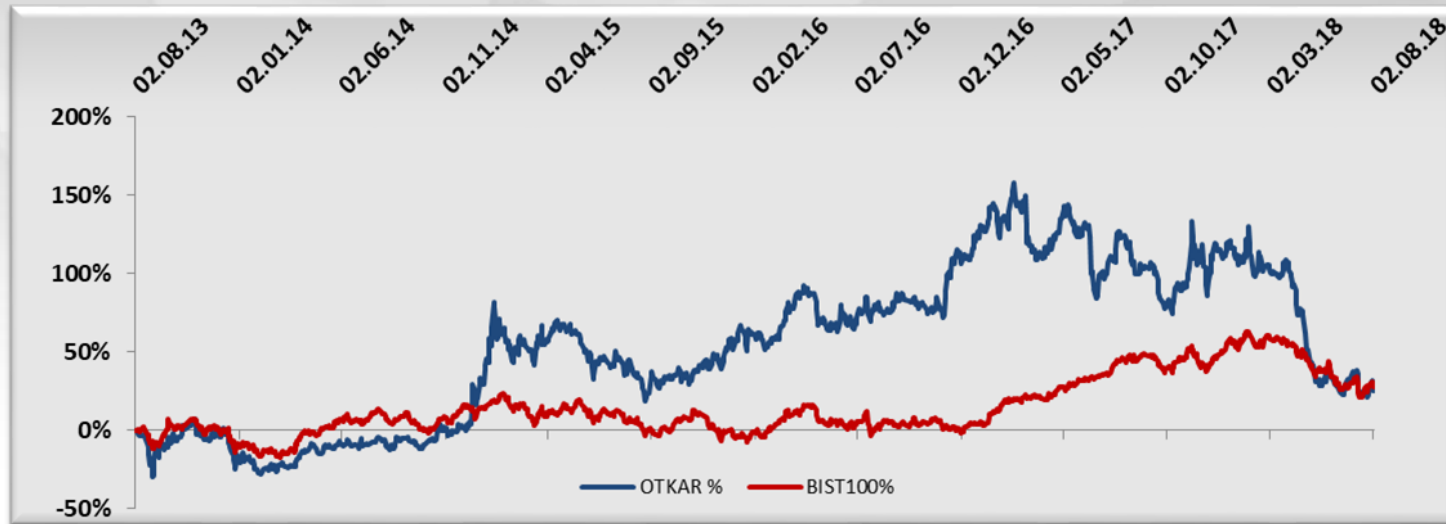


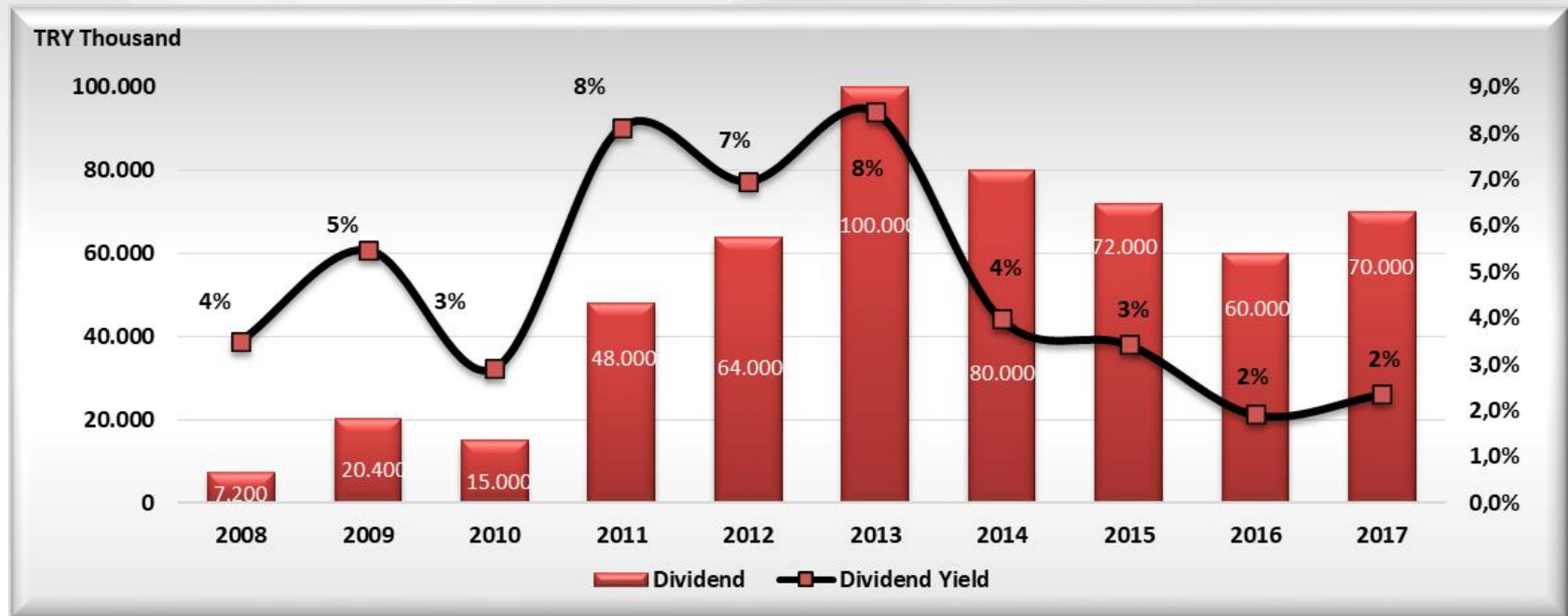
Export 2017 1H

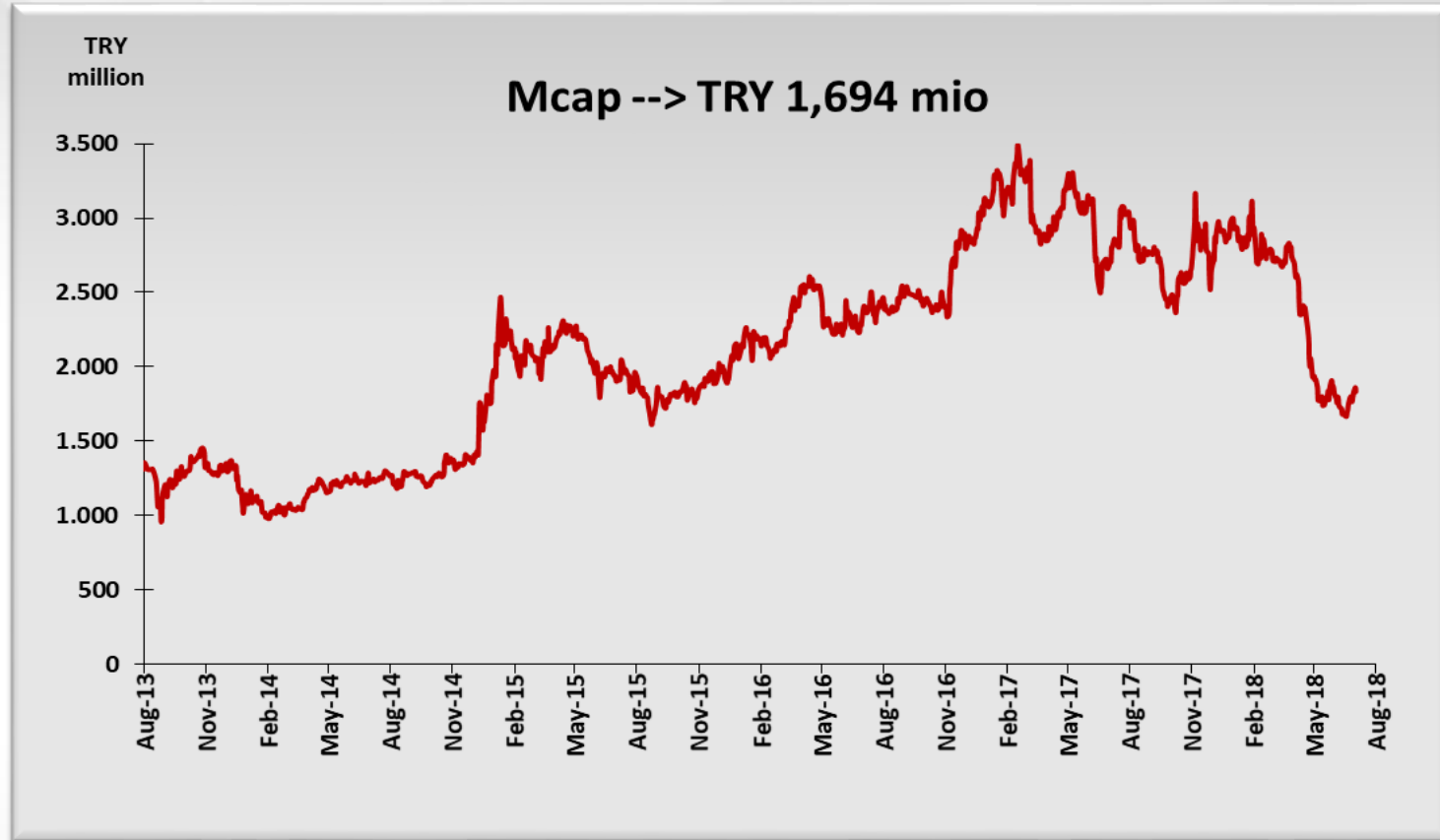












Growth With Products Which License Rights Belong to OTOKAR

Otokar

97%

The share of Otokar designed vehicle sales in turnover.

269

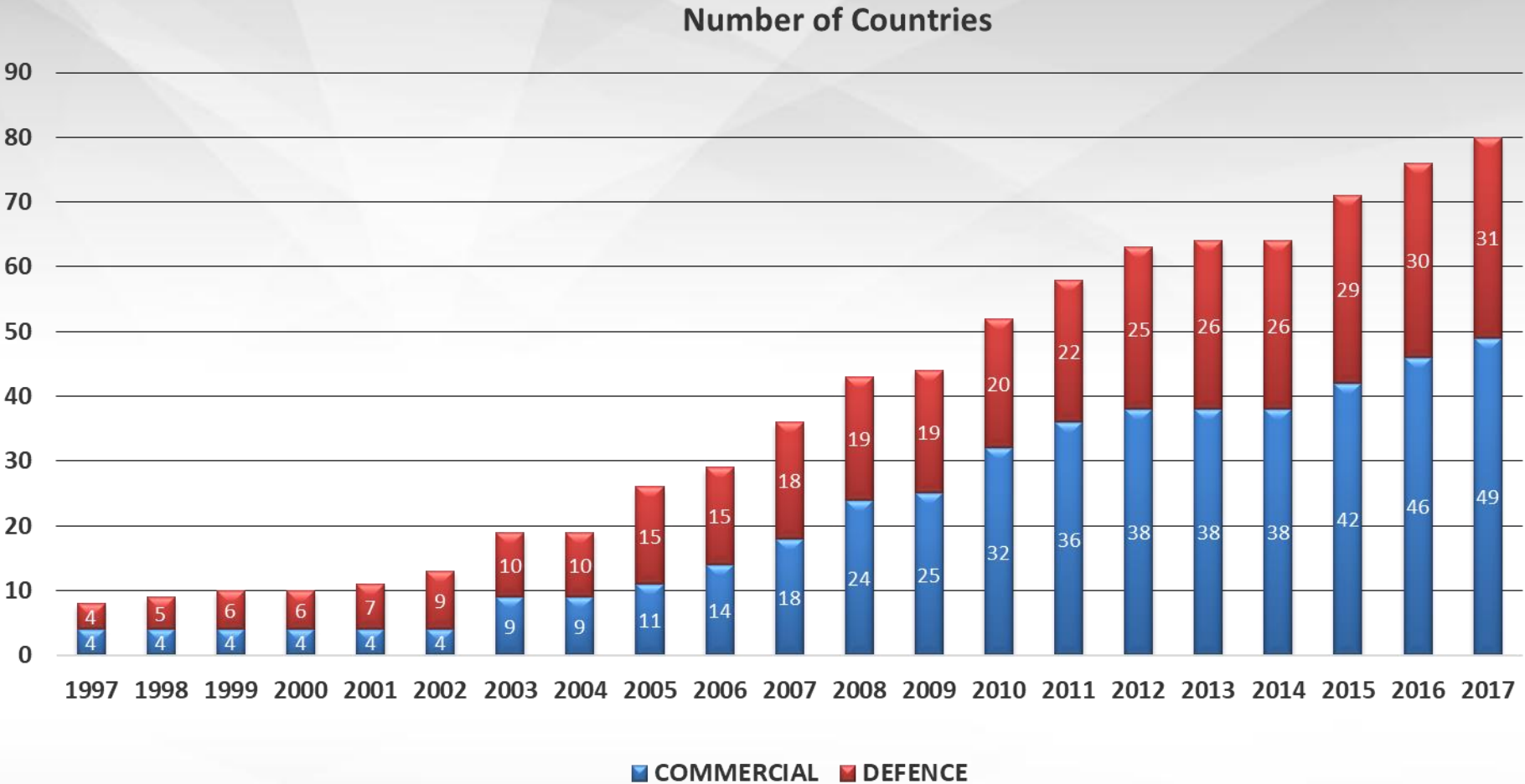
Number of owned patents and industrial designs



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

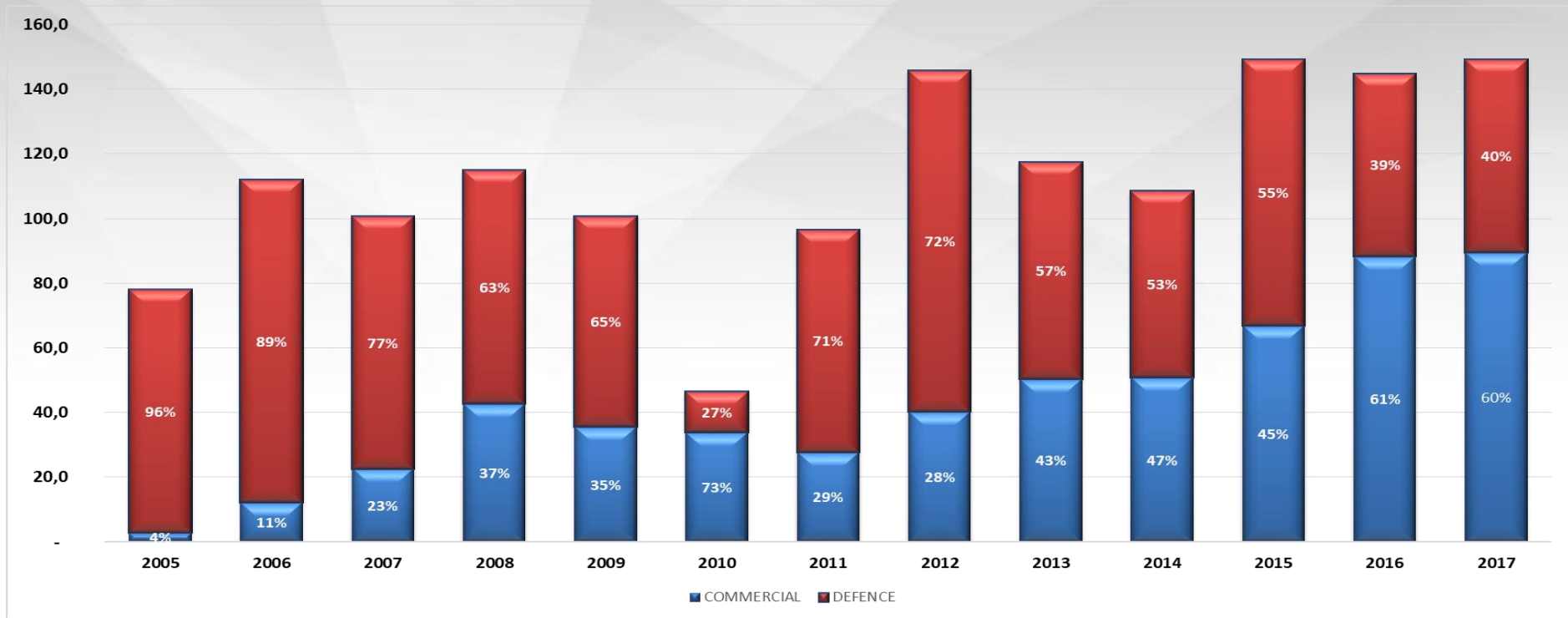
Growth in Export Markets

Otokar



Growth in Export Markets

Otokar

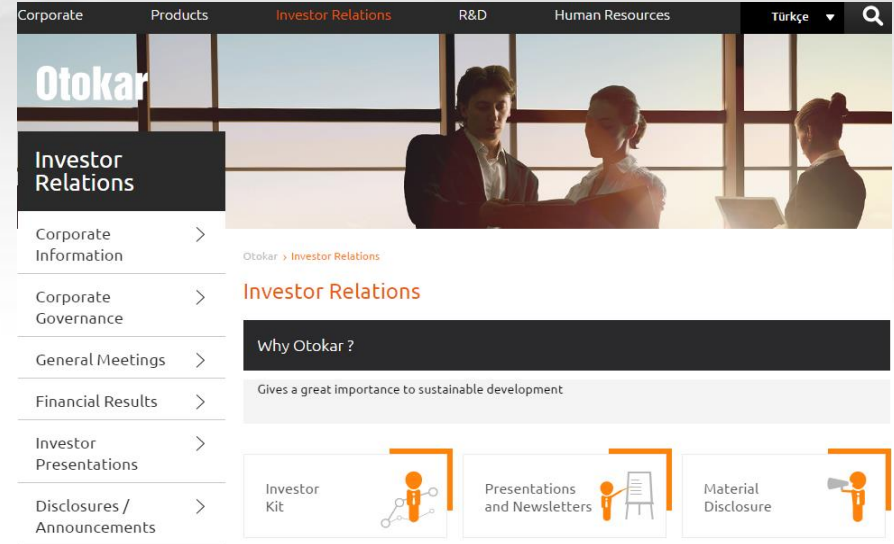


Shareholders Value Creation

- 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

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