

Otokar

INVESTOR PRESENTATION

(02.02.2018)

Prepared based on 2017 financial results

ABOUT US

- INTRODUCTION
- VISION & MISSION
- BRIEF HISTORY
- SUSTAINABLE GROWTH
- 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

- 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 7 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



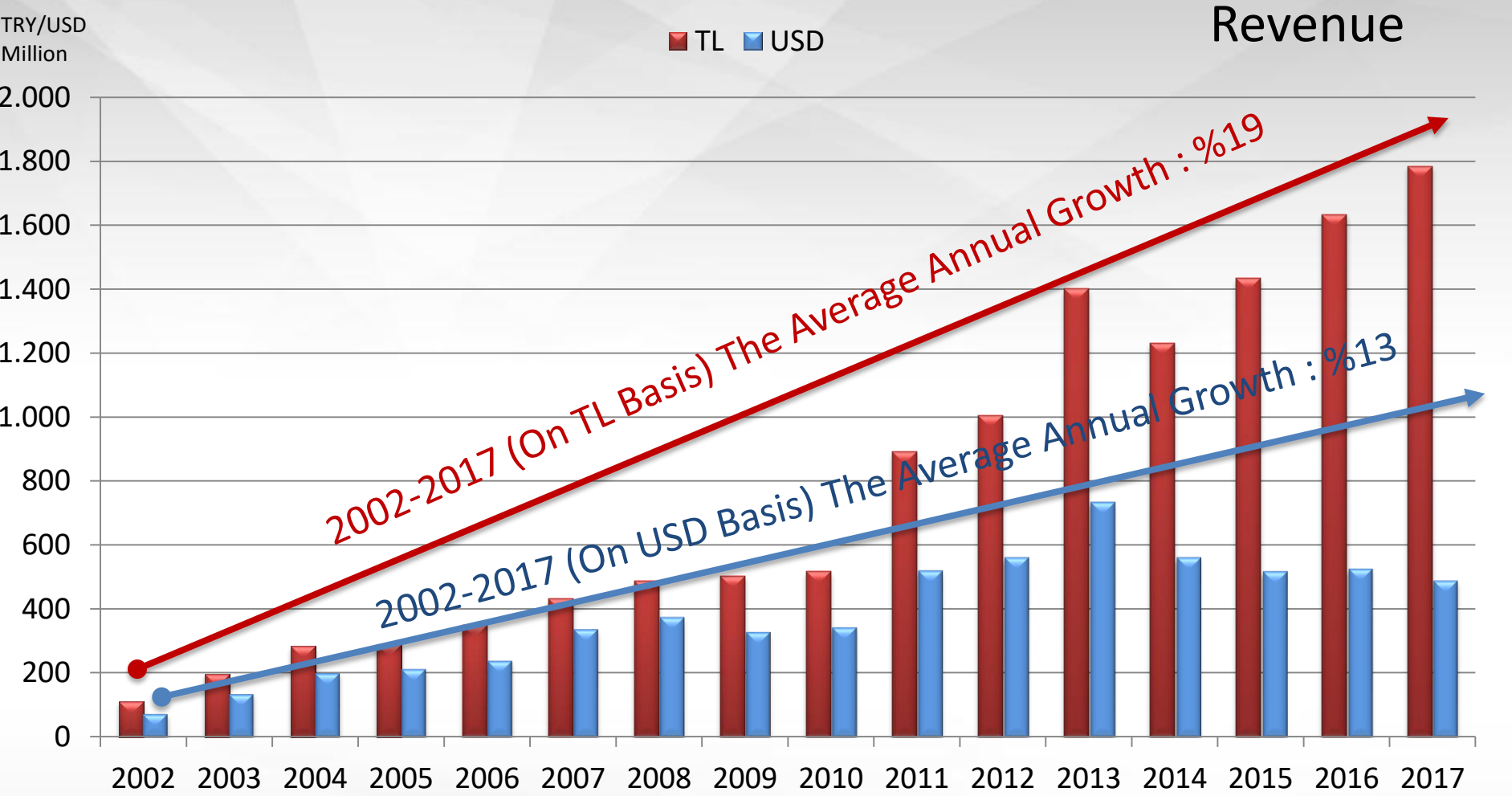
2000s

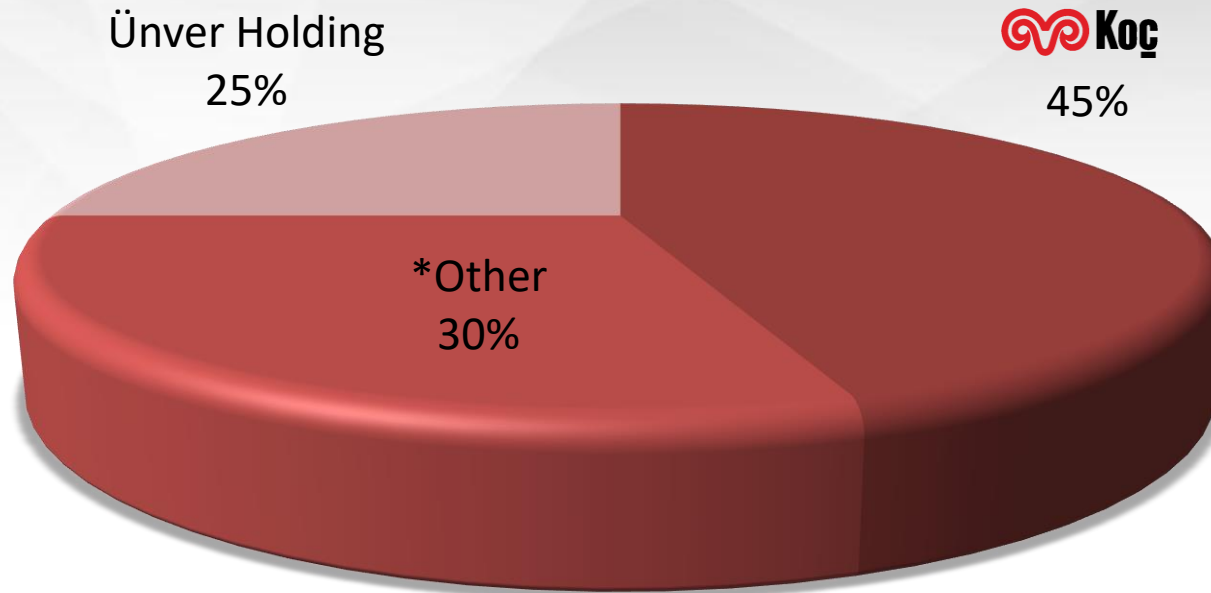
- Merge with the İstanbul Fruehauf A.S.
- Production of small and mid size buses
- Production of Turkey's first hybrid bus
- The prime contractor of ALTAY Project



2010s

- Production of City Buses
- Multi-wheeled armoured tactical vehicle family
- Turkey's first electric bus
- Atlas Light Truck
- Introduced new armoured tactical wheeled vehicle, URAL
- Tracked Armoured Vehicle
- POYRAZ midibus

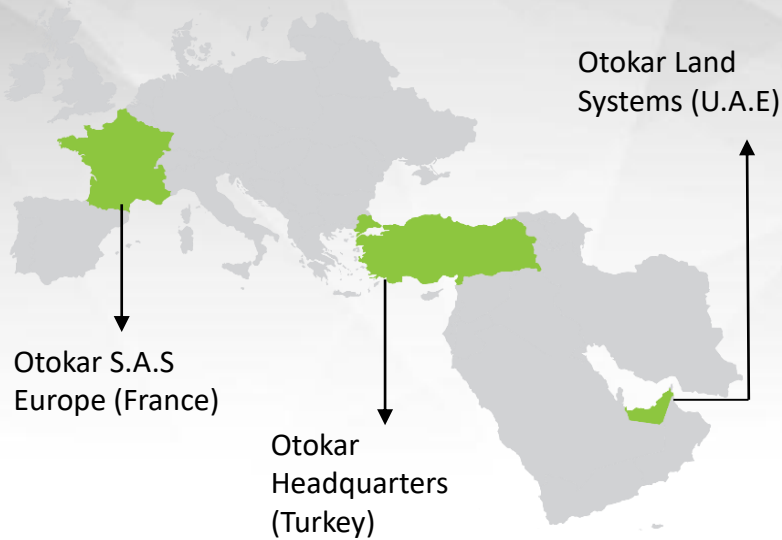




**27% Listed*

**3% Other*

Production Plant



Sakarya Province

552,000 m² plant, approximately 2150 employees

Capacity of

3700 Land Vehicle
900 Tactical Armoured Vehicle
5000 Bus + Minibus
1400 Trailer and Semi-trailer
1600 Light Truck

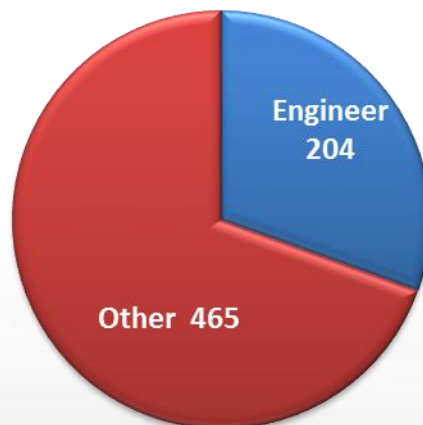
Certificates

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

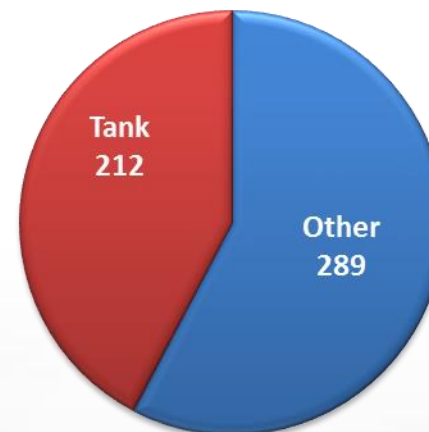
2147 Employee



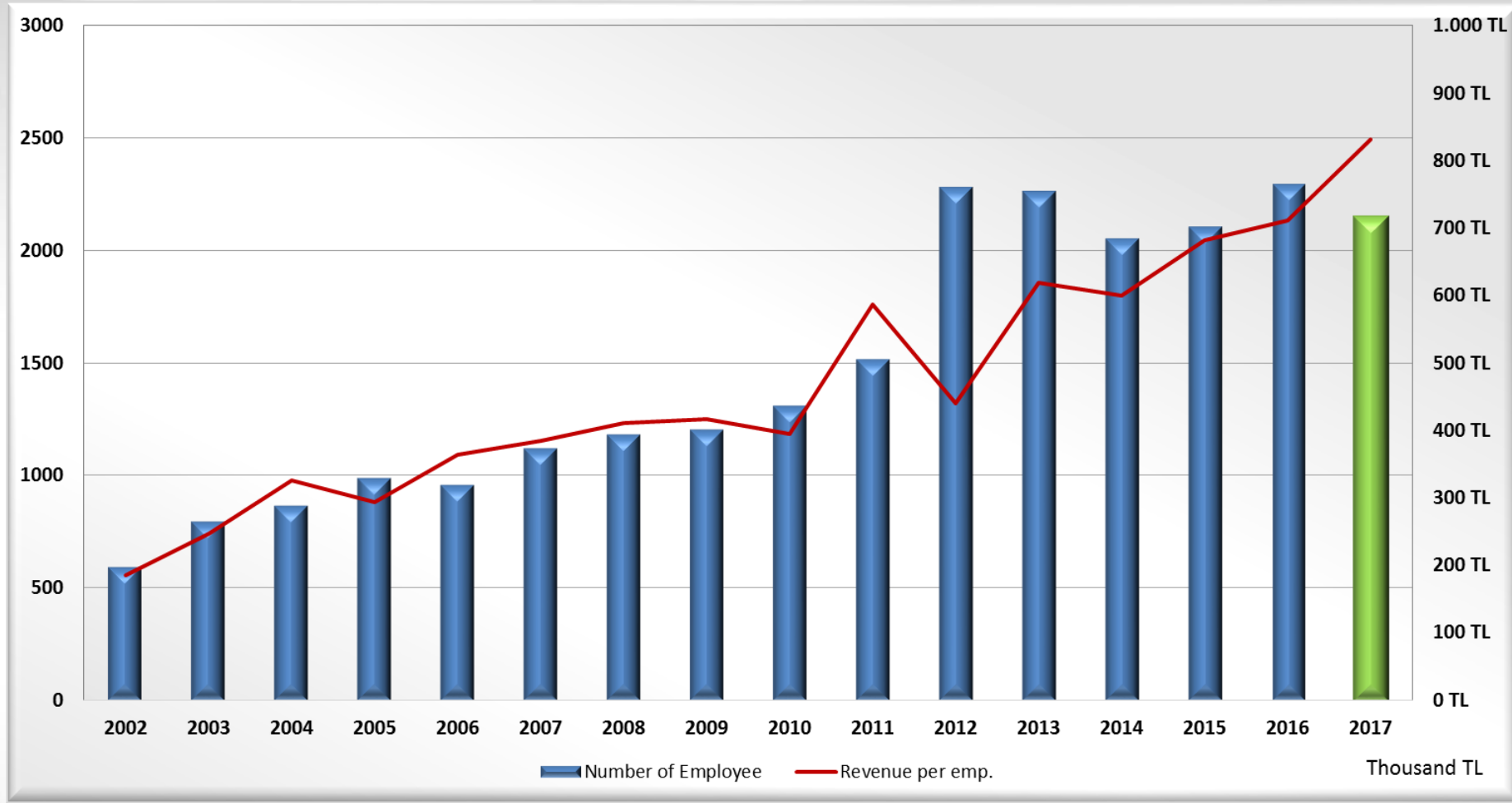
669 Office Worker Personnel



501 R&D Centre Personnel



Employees & Revenue per Employee



Commercial Vehicles

Public Transport



Logistic Vehicles



Light Truck



Varieties

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

Varieties

FRUEHAUF / OTOKAR

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

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 seventh time!

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





POYRAZ



SULTAN / NAVIGO



DORUK / VECTIO



TERRITO



KENT



KENT ARTICULATED

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
- New model with Low Floor has been presented to market.



- 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 14 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 29.000 military vehicles serving in 5 continents and 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

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



KAYA II Personnel Carrier

Otokar

The mine resistant personnel carrier vehicle that consists of single cabin with 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 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.



- 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 27 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 is the PRIME CONTRACTOR of Turkish Main Battle Tank Project ALTAY.



The request for Altay serial production proposal document was released and Otokar was invited to the tender.



- Otokar's R&D, establishment dates back to 1970's, today 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 Centre



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



Balance Sheet

Otokar

31.12.2017

Total Assets (TRY)		Total Liabilities&Shareholders Equity (TRY)	
Current Assets	1.631.551	S.T. Liabilities	1.072.319
Fixed Assets	378.036	L.T. Liabilities	653.714
		Shareholders Equity	283.554
Total	2.009.587	Total	2.009.587

Income Statement

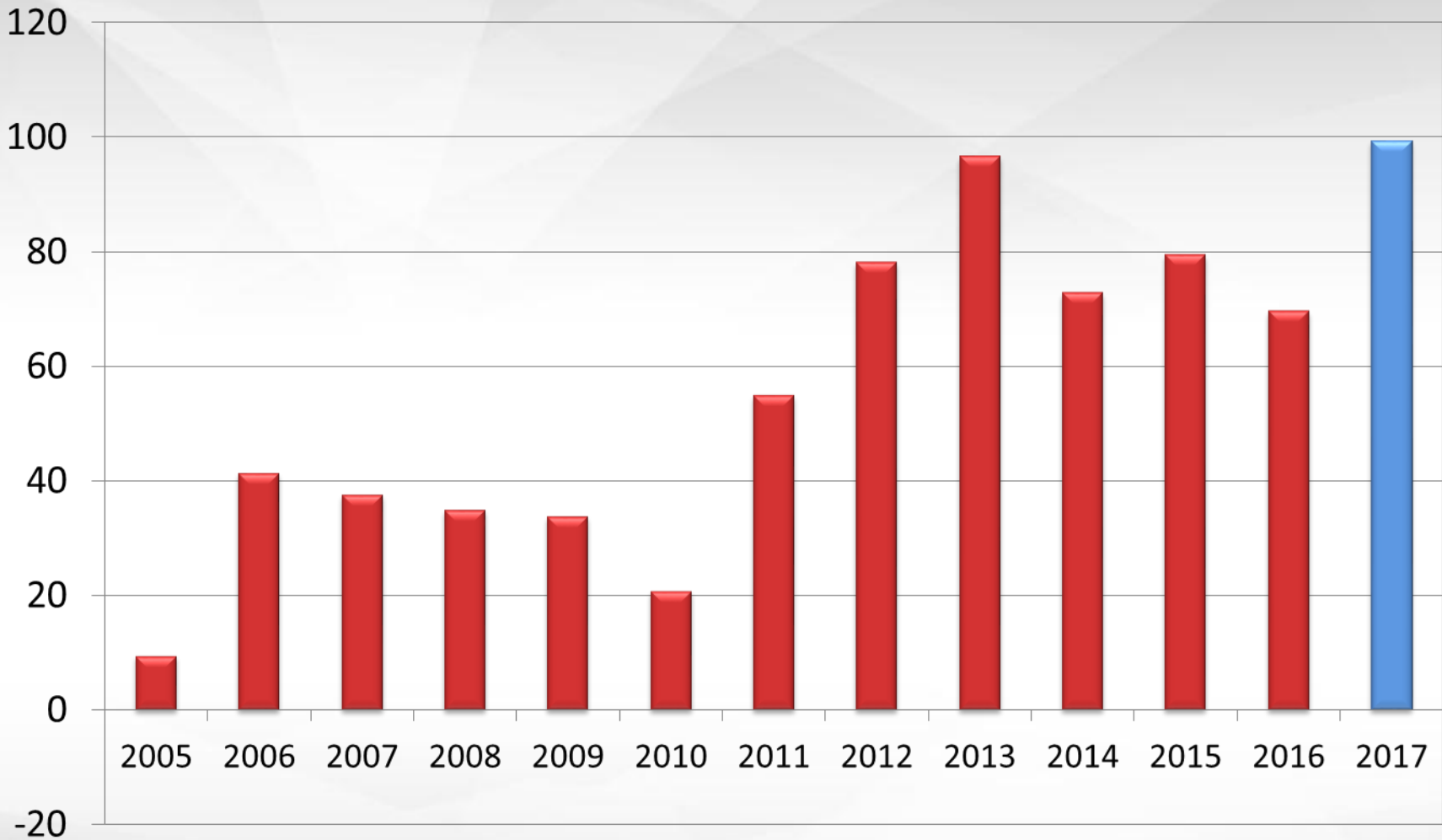
Otokar

TRY thousands (IFRS)	31.12.2017	31.12.2016
Net Sales	1.785.272	1.634.515
Cost of Sales	(1.313.646)	(1.224.669)
Gross Profit	471.626	409.845
Operating Costs	(245.912)	(245.202)
Operating Profit	225.714	164.643
Finacial Expenses	(136.258)	(96.650)
Profit Before Taxes	90.706	68.080
Taxes	8.717	1.646
Net Profit	99.423	69.726

Net Profit

Otokar

Million TRY



TRY thousand (IFRS)	31.12.2017	31.12.2016
Cash and Cash Equivalents at the beginning of the period	38.598	62.960
Net cash provided by operating activities	204.043	397.172
Net cash used in investing activities	(94.697)	(76.629)
Pre-financing cash flow	109.346	320.543
Net cash used in Financing Activities	79.947	(346.295)
Net decrease/increase in Cash and Cash Equivalents	190.360	(24.361)
Cash and cash equivalents at the end of the period	228.958	38.598

TRY thousands	31.12.2017	31.12.2016
Current Assets	1.631.551	1.449.932
S. T. Liabilities	1.072.319	1.066.339
Working Capital	559.232	383.593

Net Financial Debts

Otokar

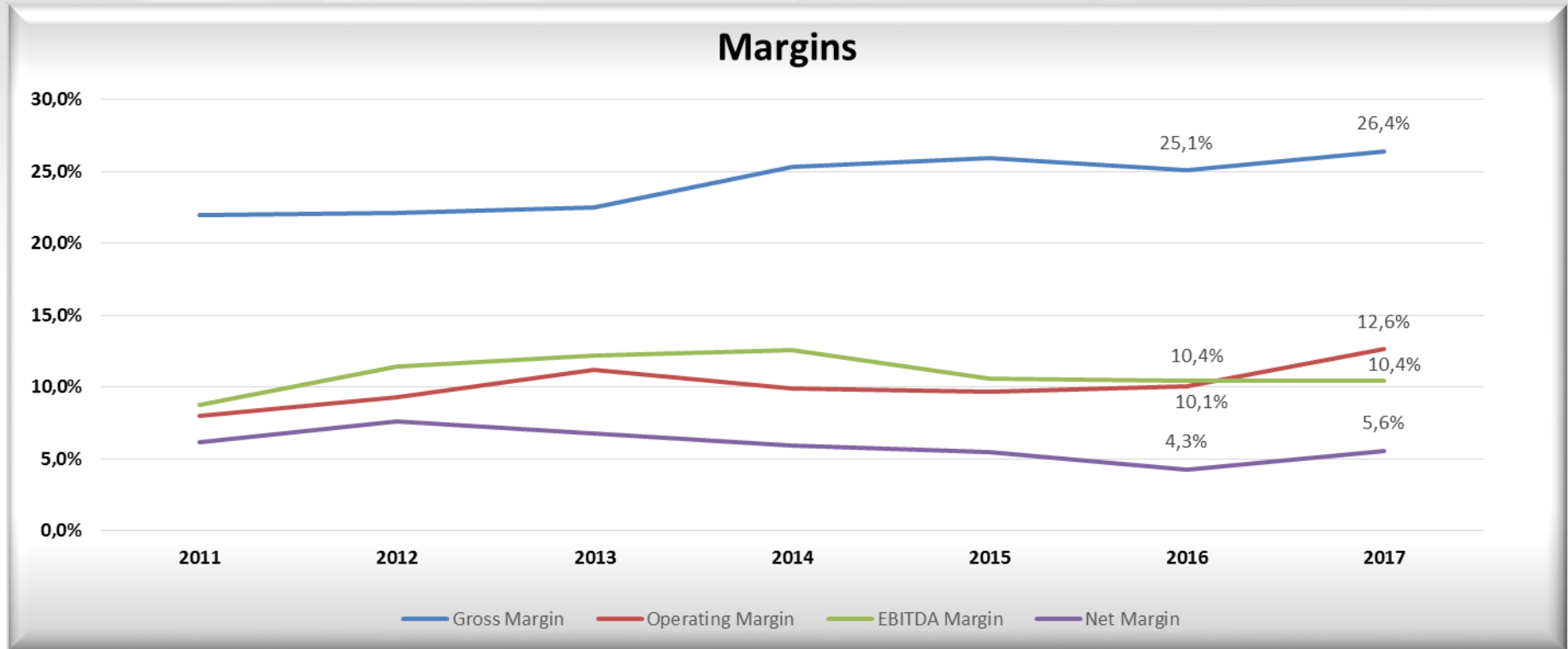
TRY thousand	31.12.2017	31.12.2016
Cash and Equivalents	228.958	38.598
Trading Securities	1.325	52
Other	0	0
Total Financial Assets	230.283	38.650

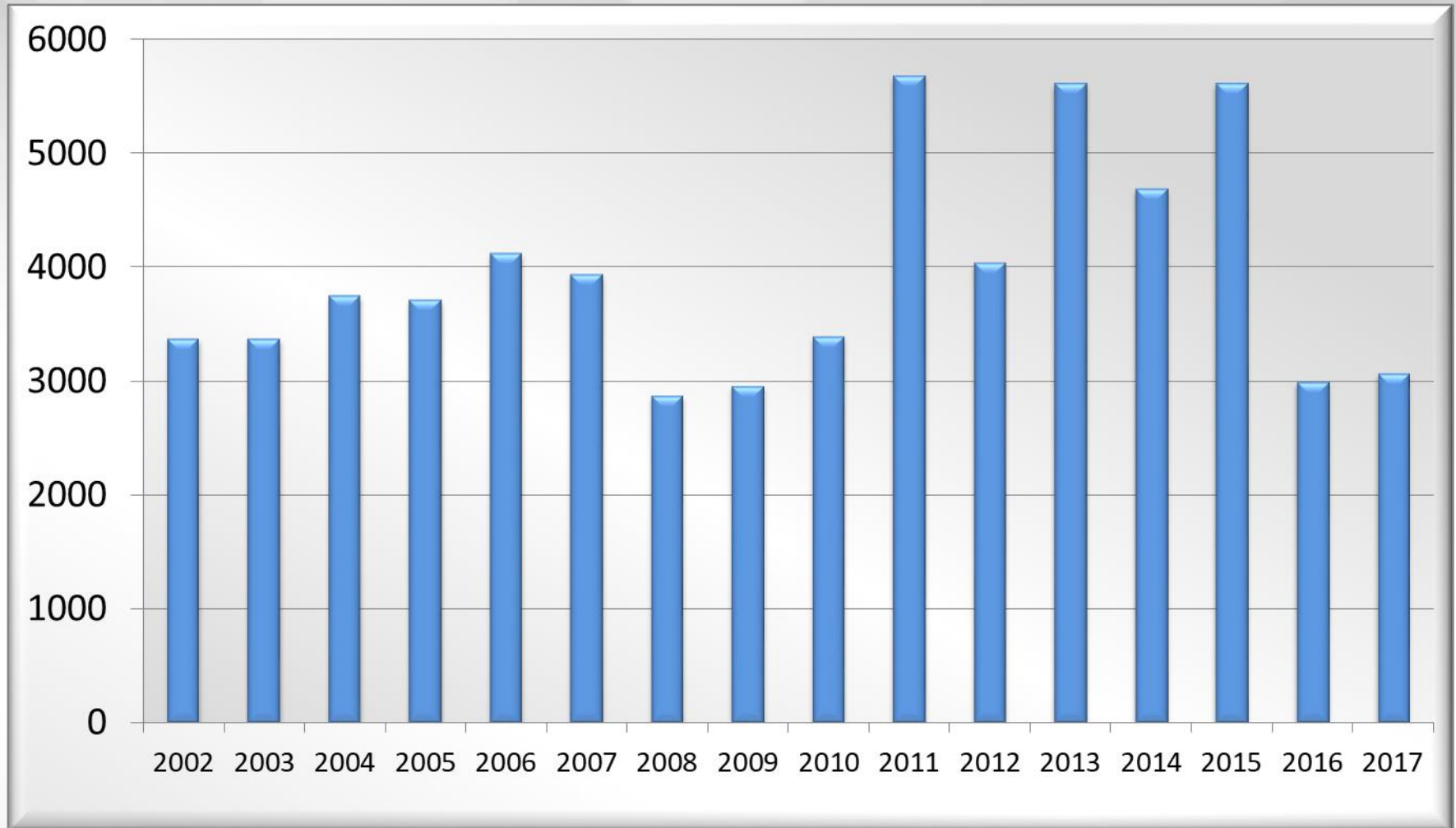
TRY thousand	31.12.2017	31.12.2016
S.T. Bank Loans	513.658	4.672
L.T. Bank Loans	190.000	425.447
Total Financial Debts	703.658	430.119

TRY thousand	31.12.2017	31.12.2016
Net Financial Debts	473.375	391.469

Financial Ratios	2017	2016
Current Ratio	1,52	1,36
Liquidity Ratio	1,14	0,90
Return On Equity	35,1%	28,7%
Return on Assets	4,9%	3,9%
Cur.Assets/Tot.Assets	81%	81%
Short Term Lia./Tot. Lia.	53%	60%
Tot.Lia./Tot.Assets	86%	86%

Margins	2017	2016
Gross Margins	26,4%	25,1%
Operating Margin	12,6%	10,1%
EBITDA Margin	10,4%	10,4%
Net Profit Margin	5,6%	4,3%





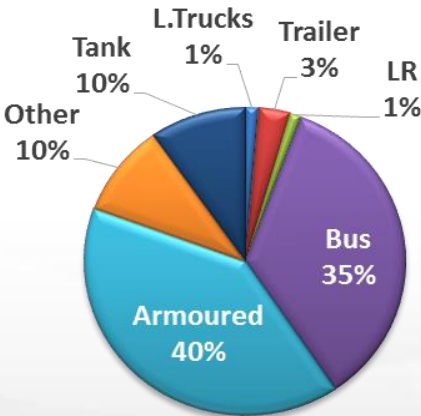
2016



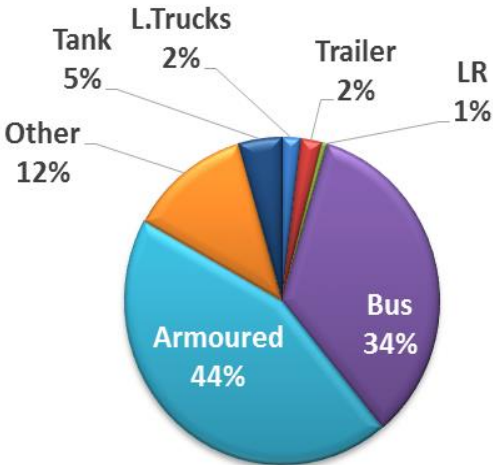
2017



2016



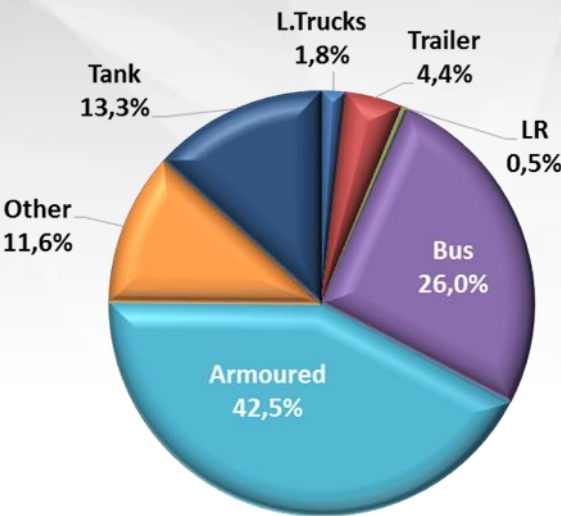
2017



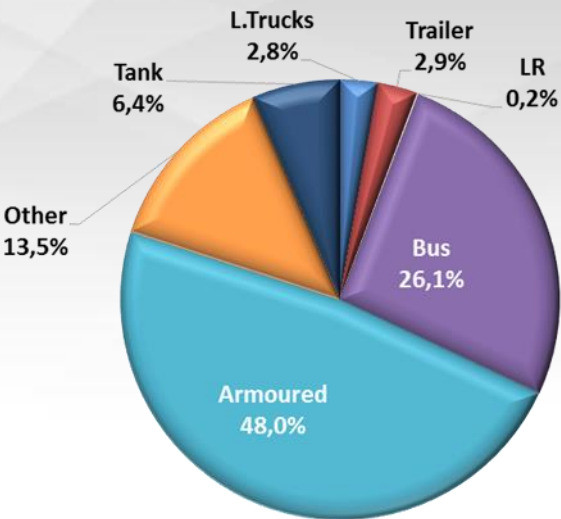
Revenue Distribution

Otokar

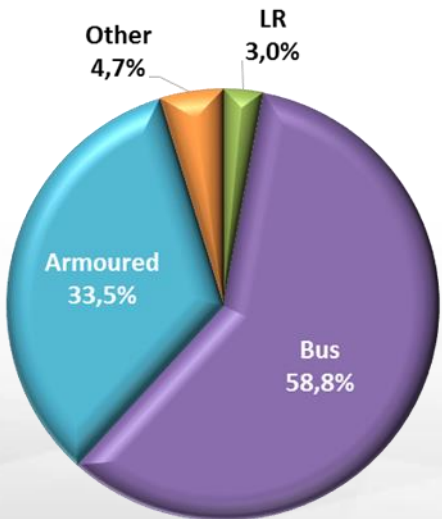
Domestic 2016



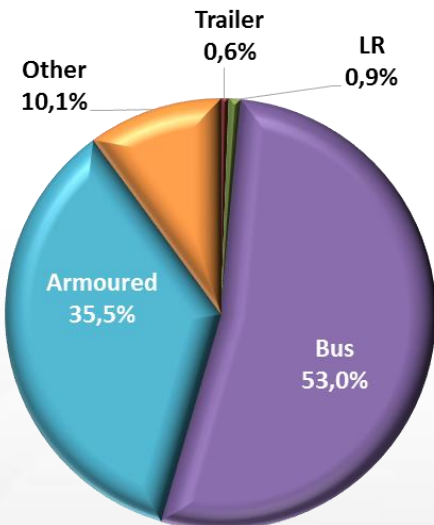
Domestic 2017

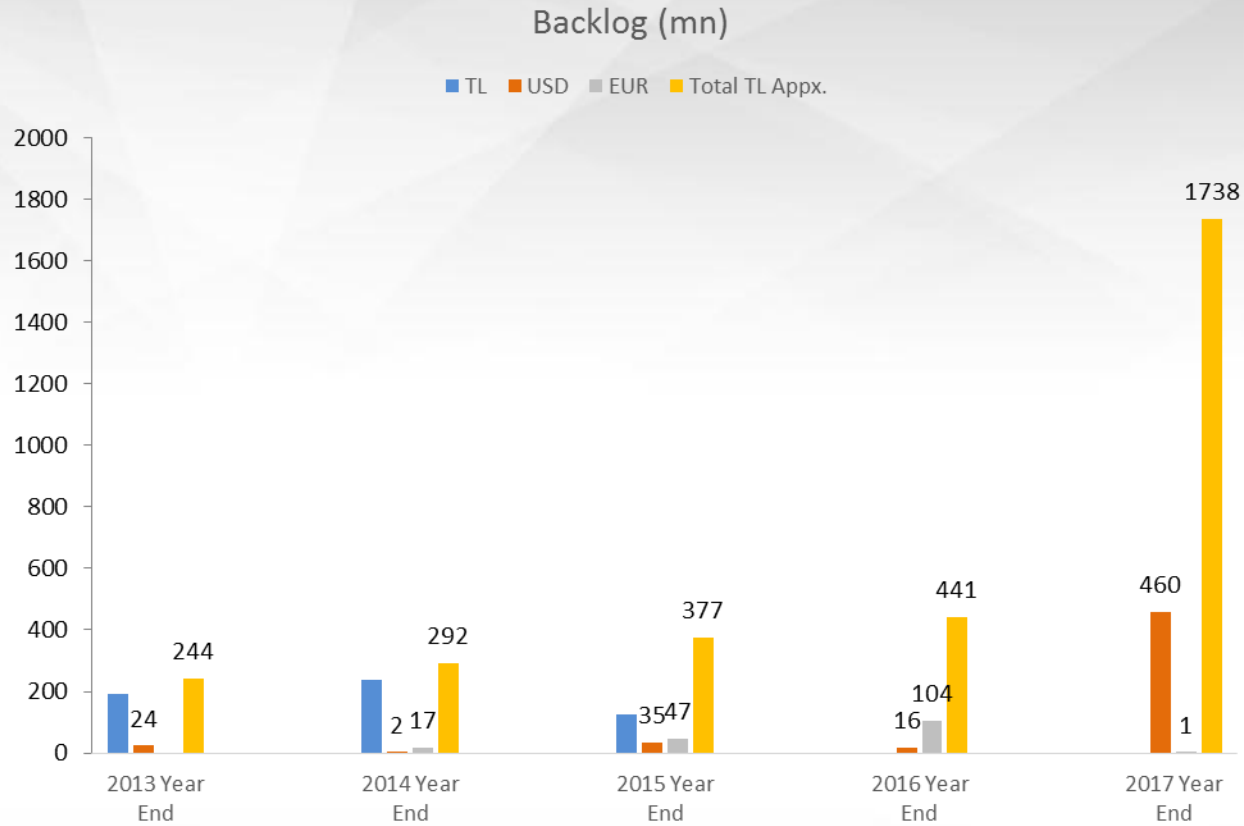


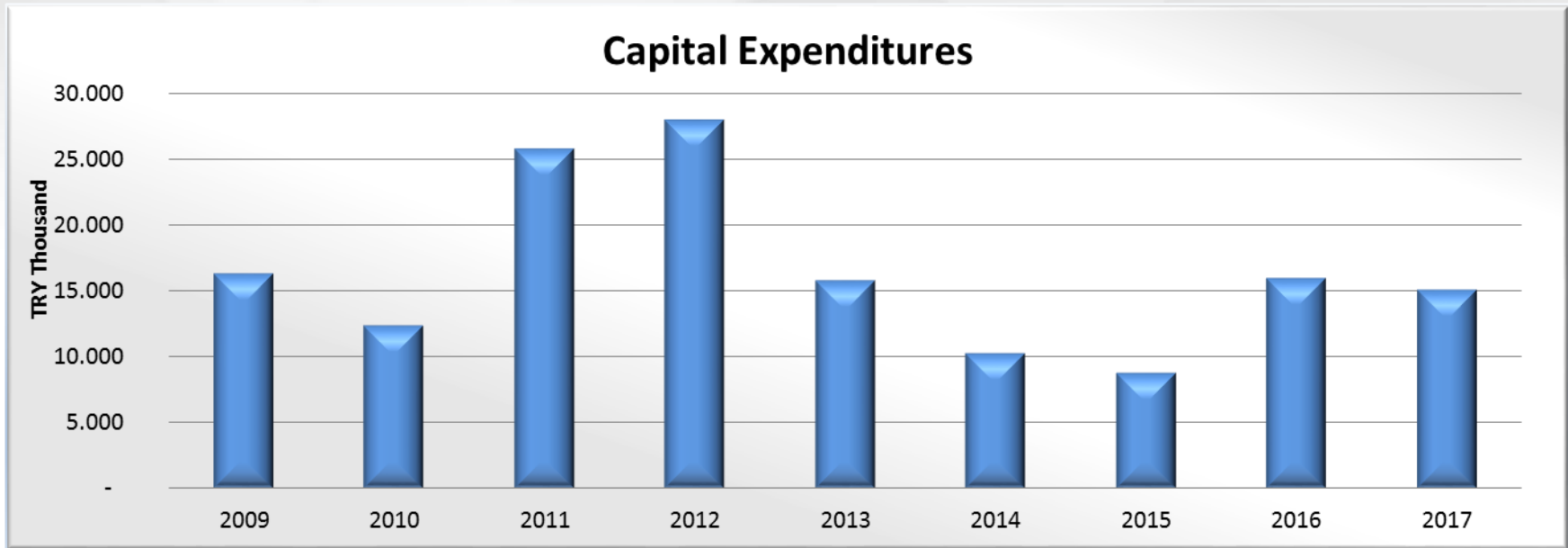
Export 2016

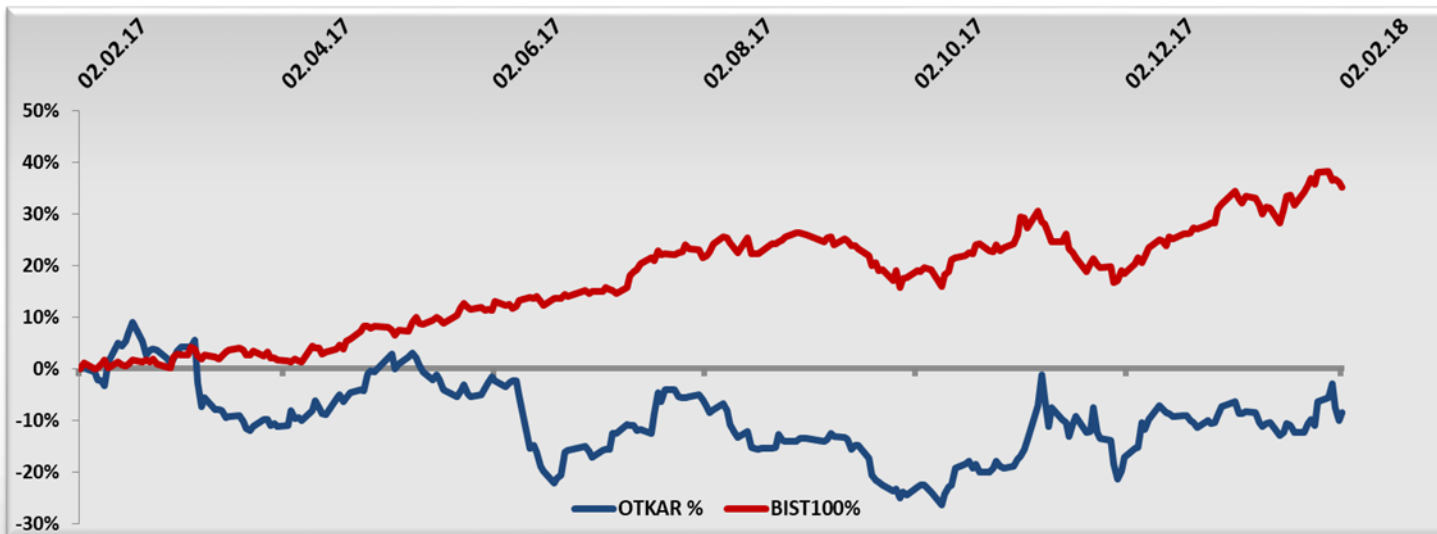
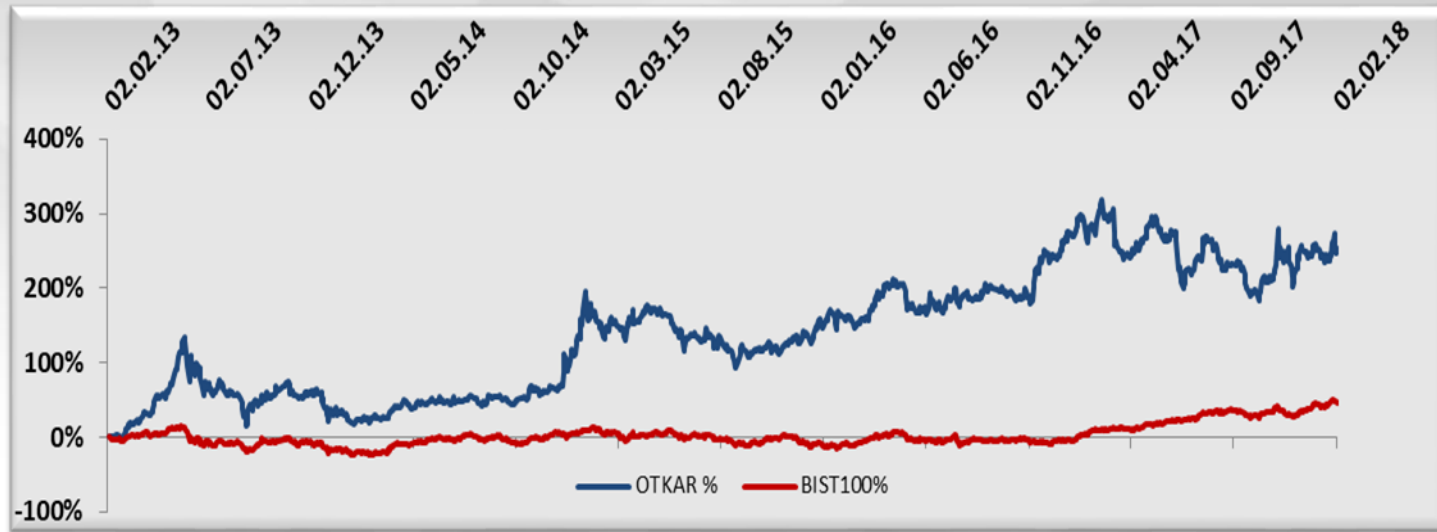


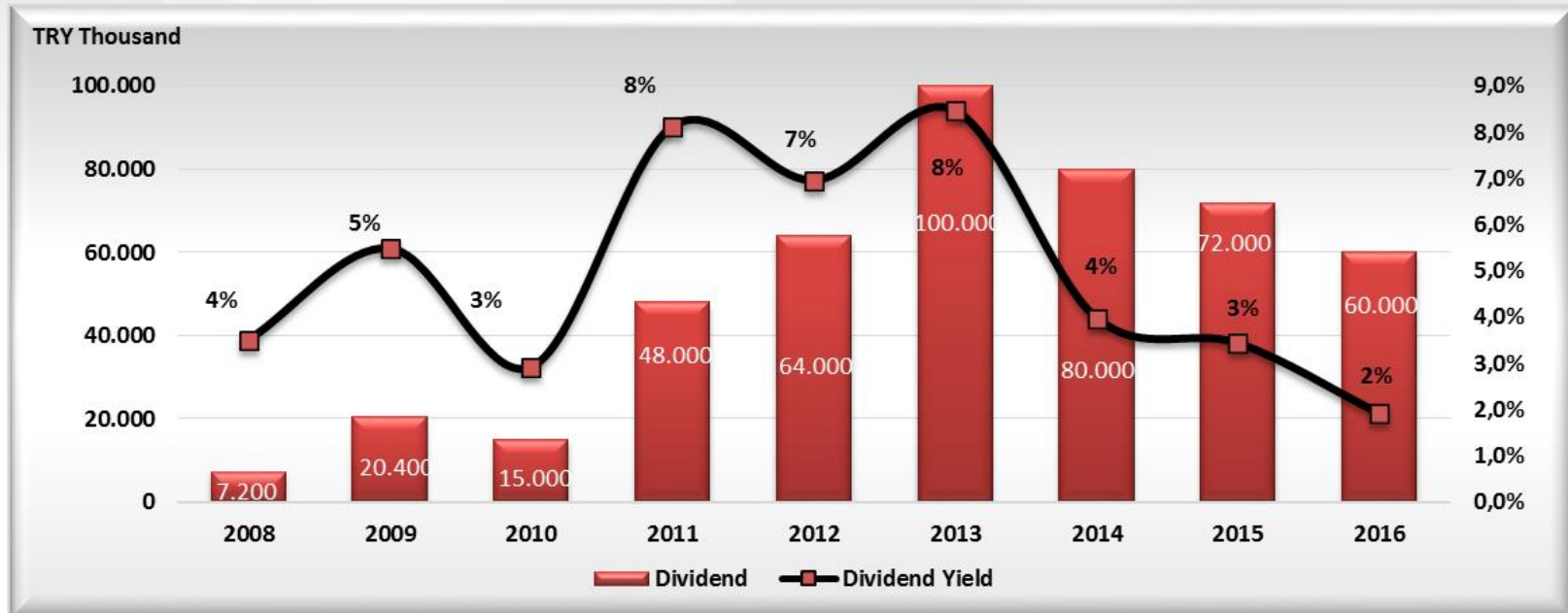
Export 2017

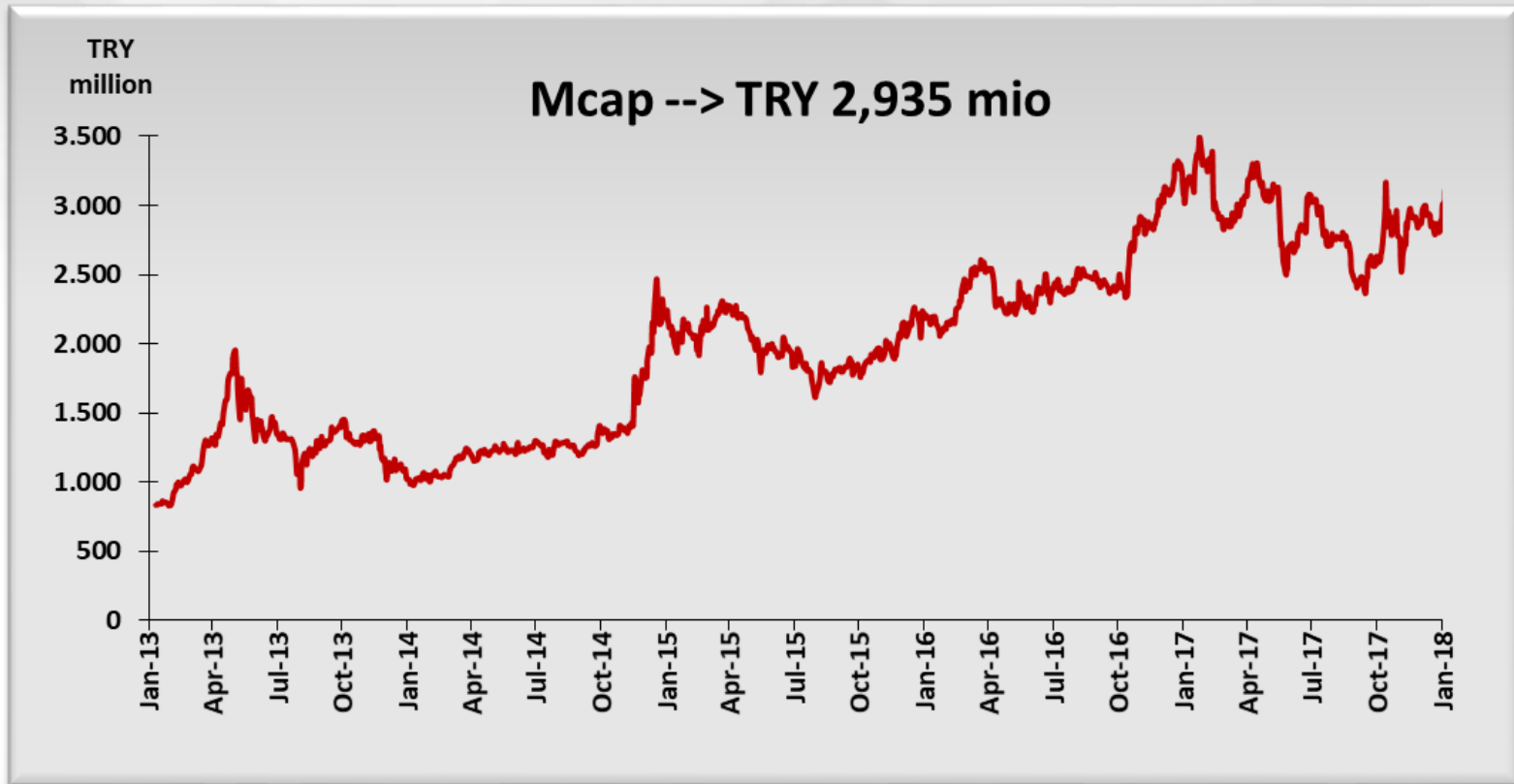












Growth With Products Which License Rights Belong to OTOKAR

Otokar

97%

The share of Otokar designed vehicle sales in turnover.

229

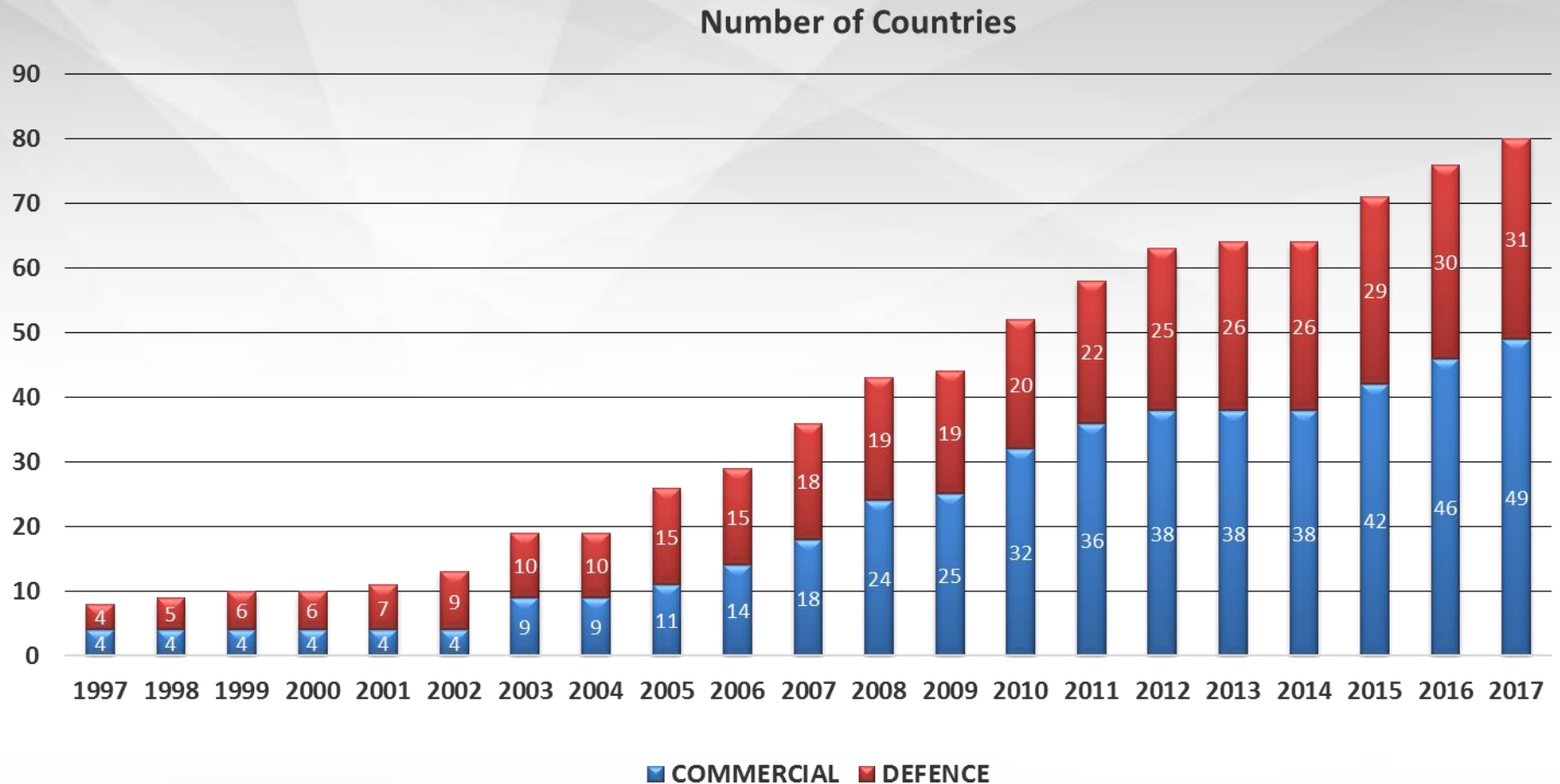
Number of owned patents and industrial designs



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

Growth in Export Markets

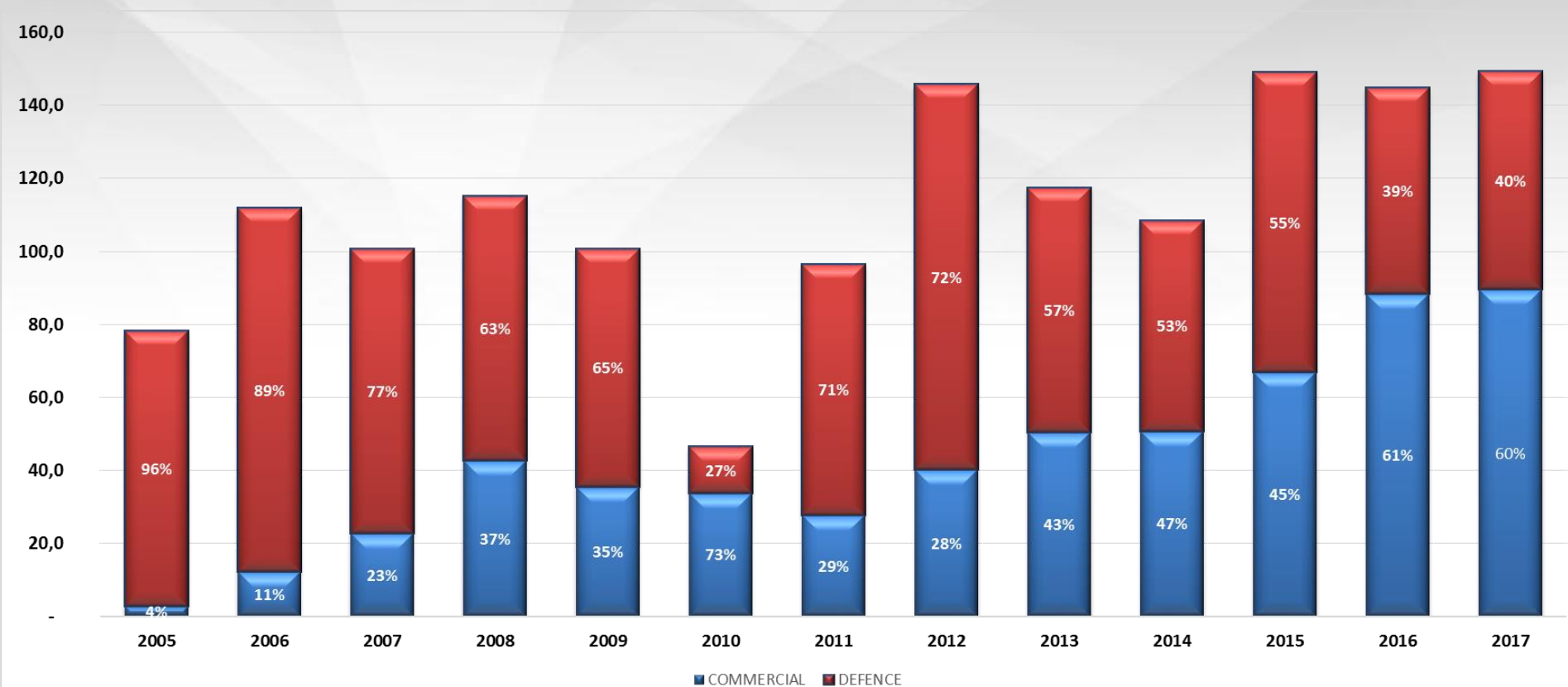
Otokar



Growth in Export Markets

Otokar

Million USD

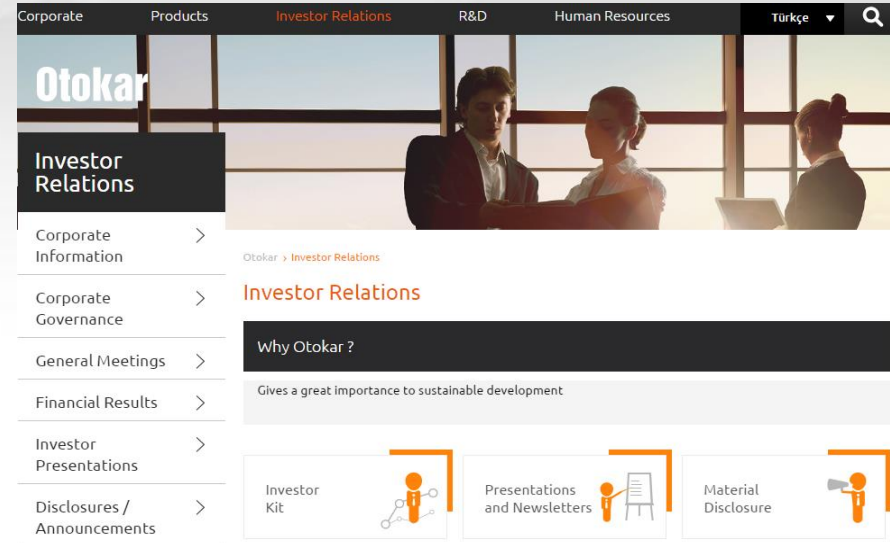


Shareholders Value Creation

- 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

Please visit www.otokar.com.tr

- ✓ **Doğan Seçkinler**
Finance & IR Manager
+90 264 229 22 44 – 6300
dseckinler@otokar.com.tr
- ✓ **H. Gülşah Mutlu**
IR & Corporate Governance Manager
+90 264 229 22 44 – 6316
gmutlu@otokar.com.tr
- ✓ **Emre Altuğ**
IR & Corporate Governance Responsible
+90 264 229 22 44 – 6313
ealtug@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.