

Türkiye'yi ve insanları çok seviyoruz 
POSTA
TÜRKİYE'NİN EN SEVİLEN GAZETESİ

FANATİK
 Türkiye'nin Fanatığı

INVESTOR PRESENTATION

May 2018



Doğan Gazetecilik at a Glance

Comprising Turkey's reputable media brands of Posta & Fanatik, Doğan Gazetecilik's core activities include print & online newspaper publishing.

Highlights

- Reaches one-third of Turkey's total newspaper readers with Posta & Fanatik titles.
- Fanatik.com.tr #1 in online sports daily
- Strong financial position; net cash of US\$31 mn.
- Solid operational performance
- Investment property valued at US\$67 mn.
- High dividend yield & pay out ratio since 2012
- Listed on Borsa Istanbul since 1993; current Mcap of US\$133.8 mn*.

* As of May 18, 2018

Print & Online

National Print Titles



#1 in reach &
#4 in circulation



13.5 mn UV monthly
296 mn PV monthly

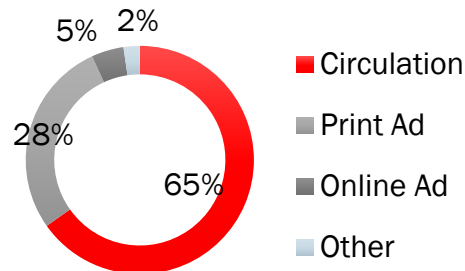


#1 in reach
sports daily



10.8 mn UV monthly
260 mn PV monthly
#1 in sports daily

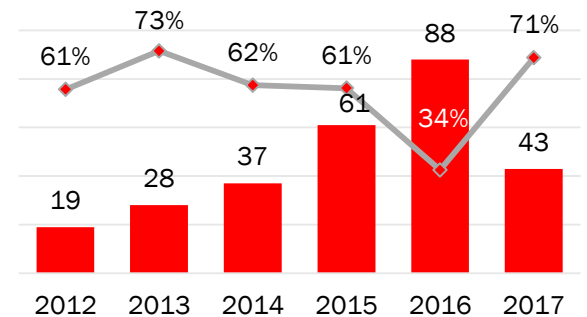
Revenue Breakdown²



¹ Google Analytics March 2018

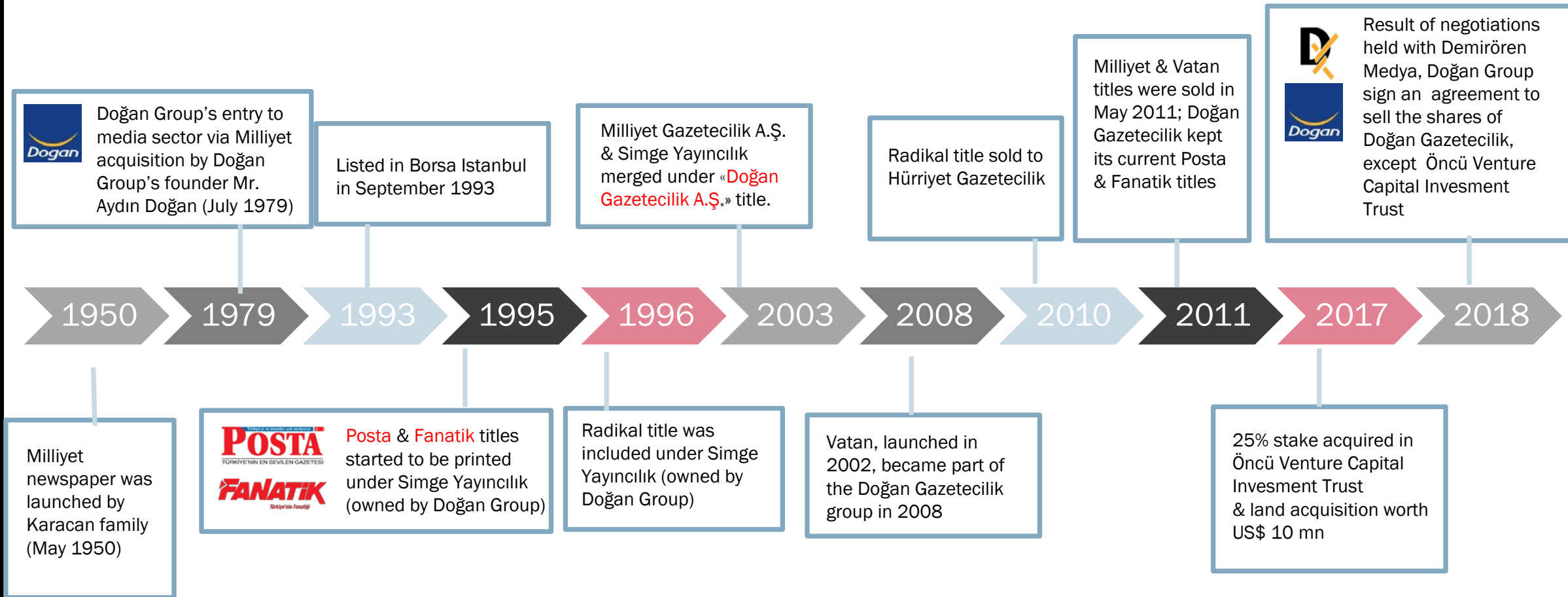
² Based on 1Q18 financials

Net Profit (TL mn) & Div. Payout Ratio (%)



* TL30.7 mn gross cash dividend from FY17 earnings
BoD is authorized to determine the cash dividend payment date

Milestones



Following the sale of Milliyet and Vatan newspapers in 2011, Doğan Gazetecilik implemented a series of initiatives to update its news portals

Reaching one-third of daily newspaper readers¹



Posta thinks like the public & writes in the public's language

Fanatik, as the most read sports daily, also aims to establish sport ethics & awareness in the community.



DGZTE: Print media at a glance

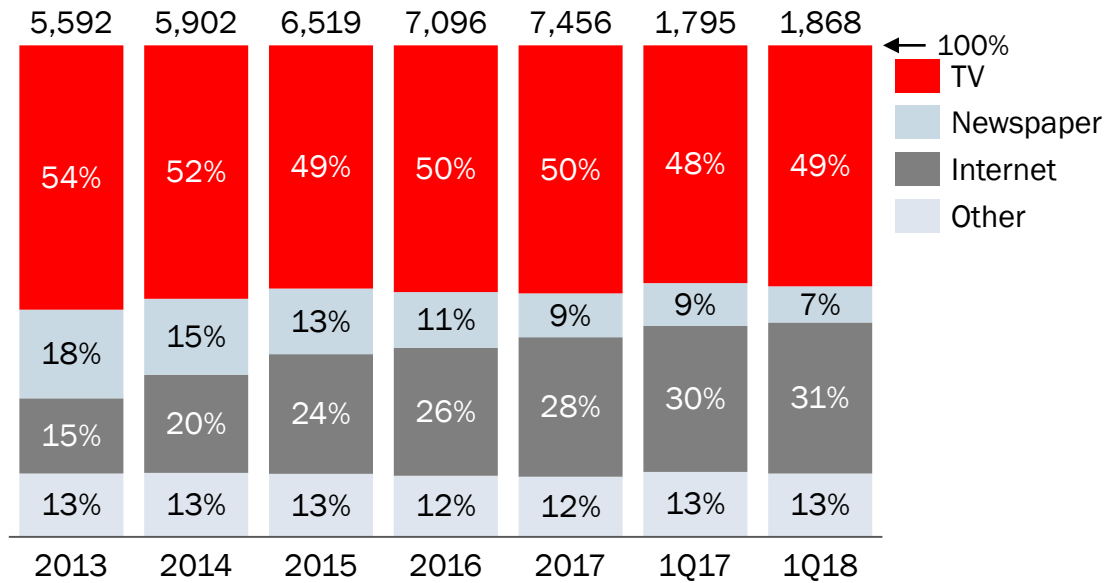
- Among 1/3 of newspaper readers in Turkey prefers Doğan Gazetecilik titles (Posta & Fanatik).
- Around 10% of an average of 3.2 million newspapers sold daily nationwide are Doğan Gazetecilik newspapers.
- Posta ranks #1 in daily reach based on readership survey; #4 in nationwide average daily circulation
- Fanatik ranks #1 in reach as sports daily.

National Print Titles	Avg. Daily Circulation (in 000)	Market Share in Circulation	Reach (mn people)
POSTA Türkiye'nin En Sevilen Gazetesi	241	7.4%	1.39
FANATIK Türkiye'nin Fanatığı	99	3.0%	0.76
Doğan Gazetecilik	340	9.6%	2.2
Turkish Market	3,232		6.3

¹ Based on The Turkish National Readership Survey for period Dec 16/17, conducted by the Turkish Joint Industry Committee for National Readership Survey (BİAK).

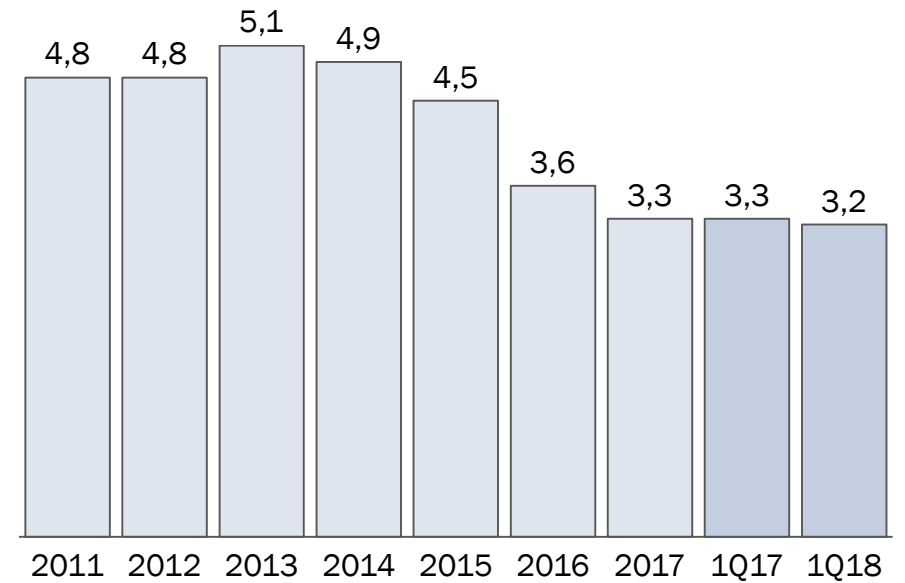
Newspaper Ad Market declining, but online is taking the share

Ad Market in Turkey (TL mn)



Source: Company Data (previous years restated)

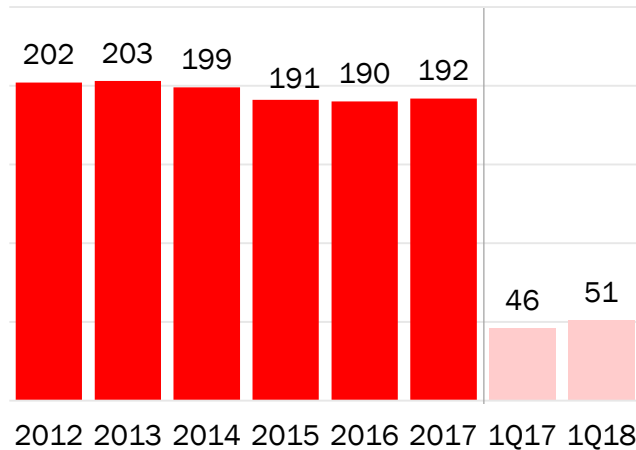
Avg. Daily Newspaper Circulation in Turkey (mn units)



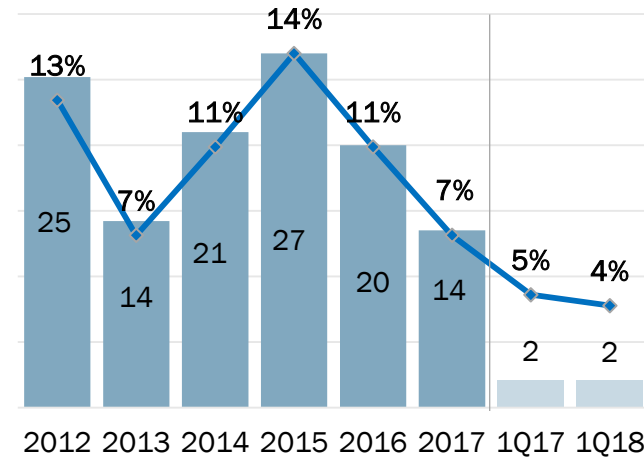
Source: Basın-İlan , The Company

Doğan Gazetecilik maintains revenues, despite adverse market conditions

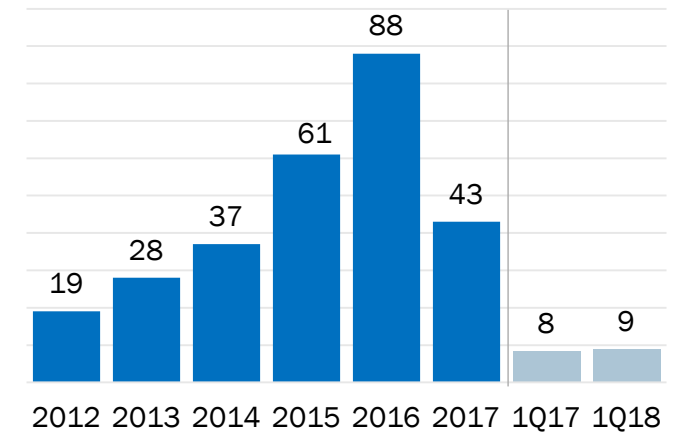
Consolidated Revenues
(TL mn)



EBITDA (TL mn) & EBITDA Margin



Net Income
(TL mn)



* 2016 net income includes 47 mn TL additional income due to an increase on fair value of investment properties led by a change in accounting methods.

- The Company managed to keep its revenues almost intact over the years; thanks to cover price adjustments.

Focuses on growth with: posta.com.tr & fanatik.com.tr



Turkey's best sports website!



fanatik.com.tr
(web + mobile)

- 11.2 mn monthly UV
- 297.9 mn monthly PV

"Your Home Page for Life!"



posta.com.tr
(web + mobile)

- 12.4 mn monthly UV
- 276.8 mn monthly PV



DGZTE: Online media at a glance

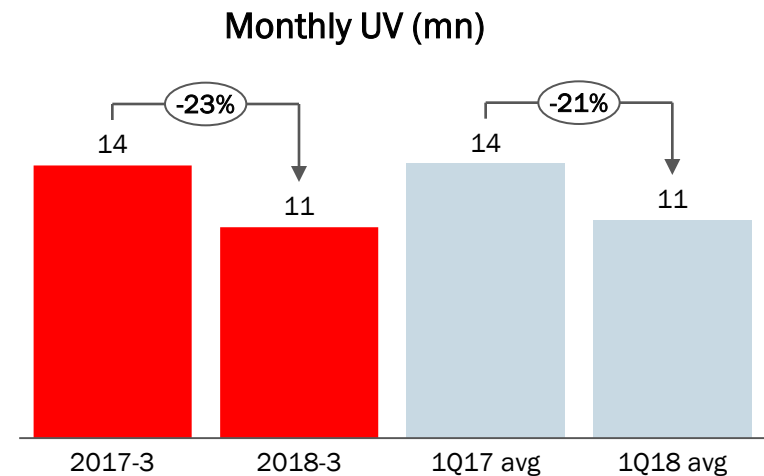
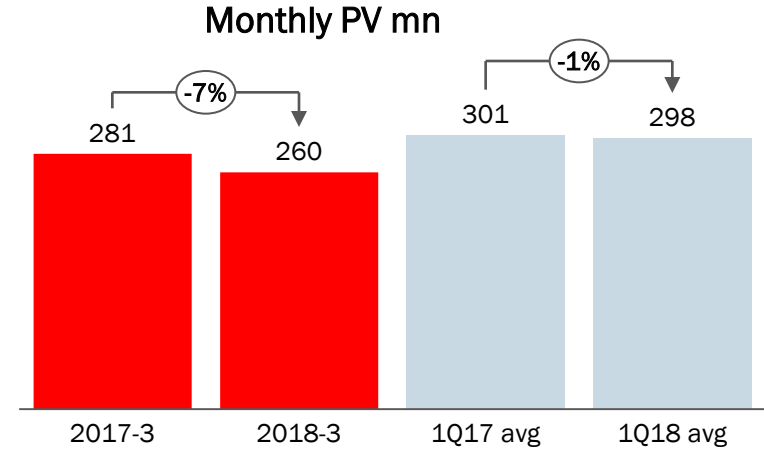
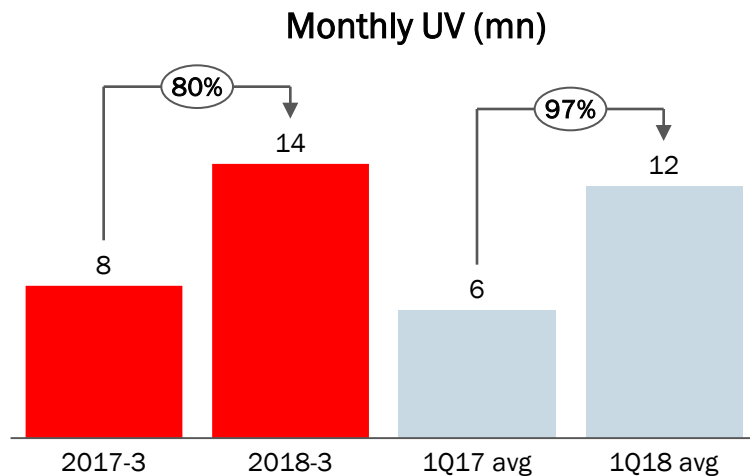
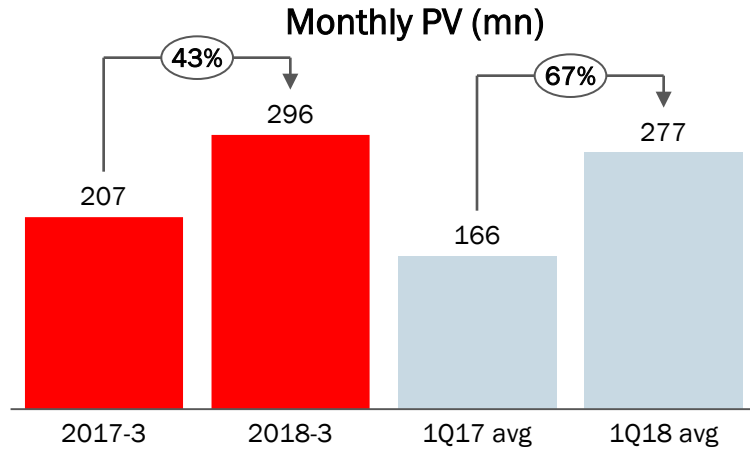
Posta.com.tr

- From its launch in 2009, posta.com.tr has offered readers fast and exciting access to all news related to life and living.
- A new editor in chief in posta.com.tr appointed in 2016 positive PV figures realized in newsportal's web traffic in 1Q18.
 - Posta expanded its monthly UV to 14 mn in March 2018 from 8 mn in March 2017.
 - All classified ads are also digital

Fanatik.com.tr

- Fanatik positions itself as a multi-platform channel for news and sports entertainment and focus more on mobiles.
- Fanatik.com.tr # 1 sports daily with UV: 11.2 mn in 1Q18.
- Fanatik web TV started broadcasting in 2013 with a 24-hour broadcast cycle.
- Fanatik included ESports (competitive digital gaming) content starting at 2017-end, which is booming among youth fans.

Increase in monthly UV & PV in 1Q18

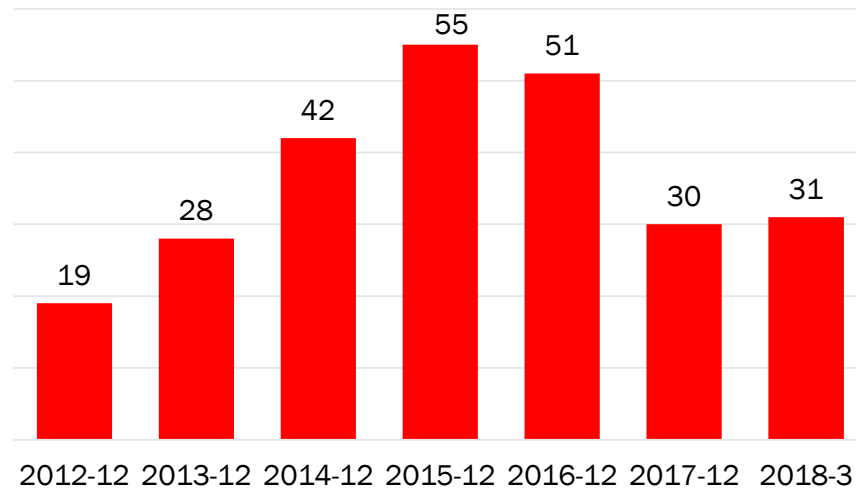


Source :Google Analytics (March & 3 month average)

Strong financial position & valuable investments

- Net cash of US\$31 mn & Total Investment Properties of US\$70 mn as of 2017-end.

Net Cash Position (US\$mn)



* Decline in net cash in FY17 is due to cash outflows of TL38.5 mn for land acquisition & TL20 mn for 25% stake in Öncü Venture Capital Investment Trust in 4Q17.

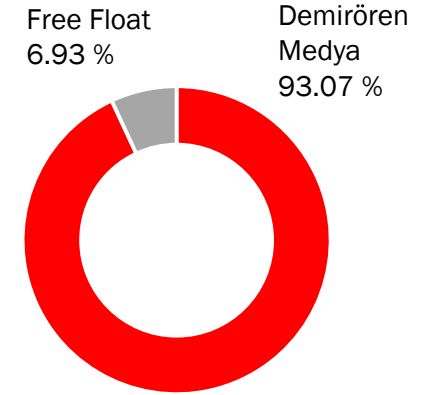
Balance Sheet Summary (TL mn)	Dec 31, 2017	Mar 31, 2018	Change
Current Assets	160.8	195.3	21.5%
Cash & Equivalents	106.2	120.6	13.5%
Financial Investments	8.6	8.6	0.0%
Non-current assets classified as held for sale	0.0	27.5	
Non-Current Assets	357.3	332.3	-7.0%
Financial Investments	26.3	0.0	
Investment Properties ¹	265.0	265.5	0.2%
Total Assets	518.2	527.6	1.8%
Short-Term Liabilities	32.3	33.6	4.0%
Long-Term Liabilities	26.9	26.1	-3.0%
Equity	459.1	467.9	1.9%
Total Liabilities	518.2	527.6	1.8%

¹ As of Mar 31, 2018, out of the total TL265 mn (US\$70 mn) investment properties, TL226 mn consists of rented buildings, TL38.5 mn land acquisition, while the rest is properties acquired via barter agreements.

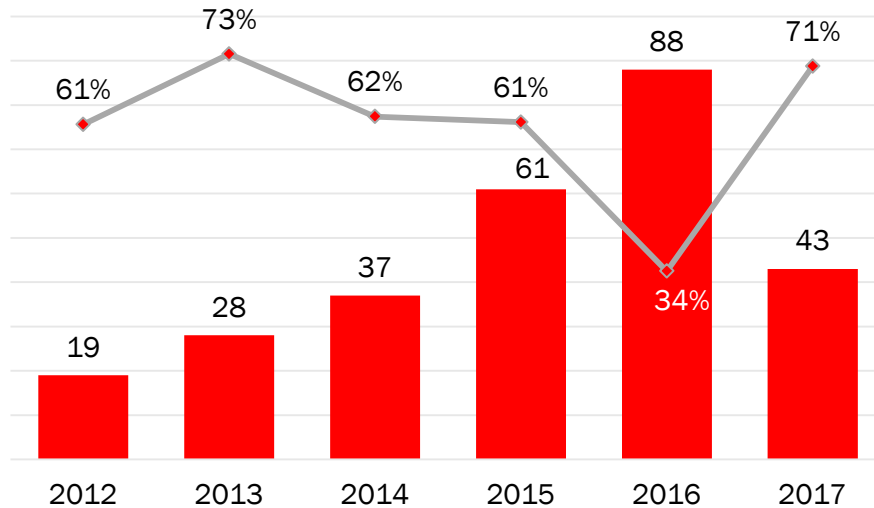
Shareholder Return <DGZTE>

- Doğan Gazetecilik <DGZTE> has been trading on Borsa Istanbul since 1993.
- The company paid gross cash dividend of TL30.0 mn from 2016 earnings in December 2017, representing a dividend yield of 10.5%, and pay out ratio of 34%
- DGZTE is currently trading at 5.7 TL/share and at Mcap of US\$133.8 mn (May 18, 2018).

DGZTE Shareholder Structure



Net Profit (TL mn) & Dividend Payout Ratio (%)



* TL30.7 mn gross cash dividend from FY17 earnings (BoD is authorized to determine the cash dividend payment date)

DGZTE Share Price in TL (June 2017 to date)



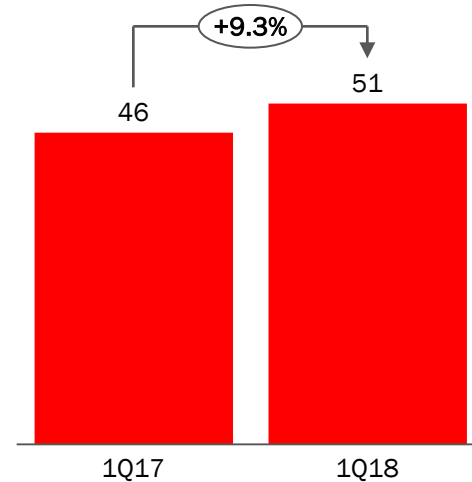
FINANCIAL REVIEW

Based on 1Q18 FINANCIALS

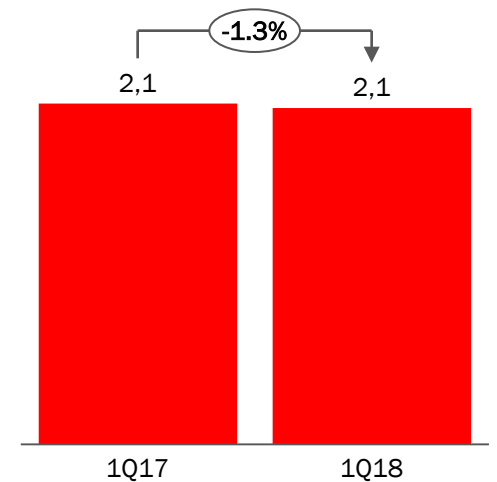
Highlights of 1Q18

- Revenues was up by 9.3% in 1Q18 yoy; despite the contraction in newspaper ad market & circulation in Turkey.
- Newspaper cover price adjustments offset the negative impact of lower circulation.
 - Posta's cover price in all cities for all days increased by 25% to TL1.25/copy in Jan 2018.
- EBITDA remained intact with the same levels attained in 1Q18.
- Net income was TL9 mn in 1Q18,
- <DOHOL> (the majority shareholder), signed a share sale agreement with Demirören Medya Yatırımları Ticaret A.Ş. in connection with the sale of the <DGZTE>.
- BoD decided to propose gross cash dividend of TL30.7mn from FY17 earnings.

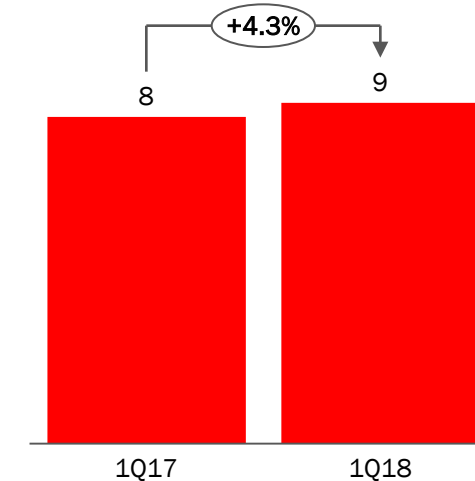
REVENUES (TL MN)



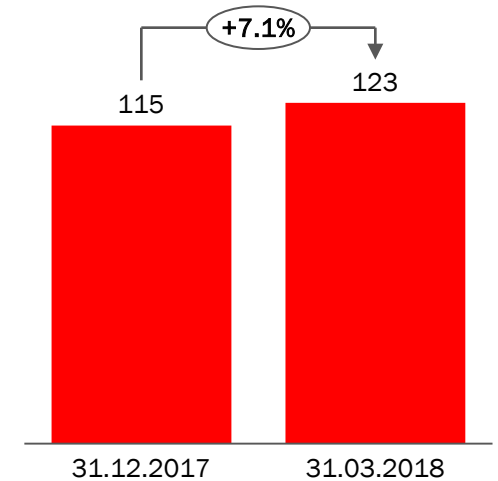
EBITDA (TL MN)



NET INCOME/(LOSS) (TL MN)

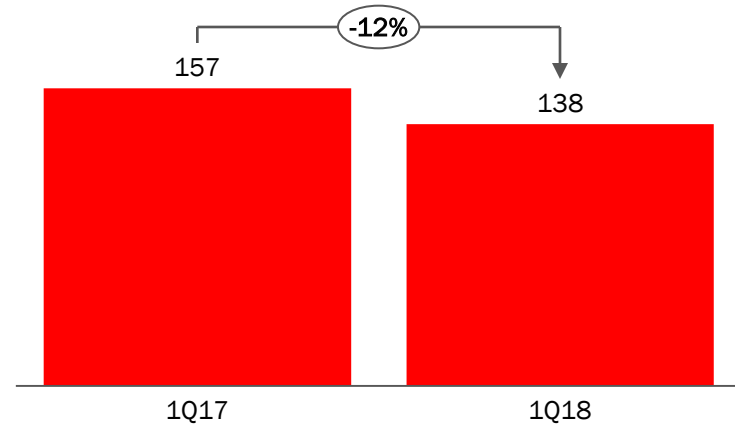


NET CASH (TL MN)

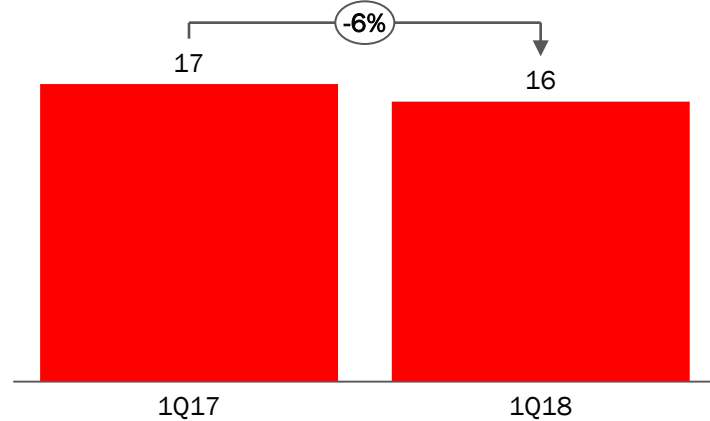


Newspaper Ad Market

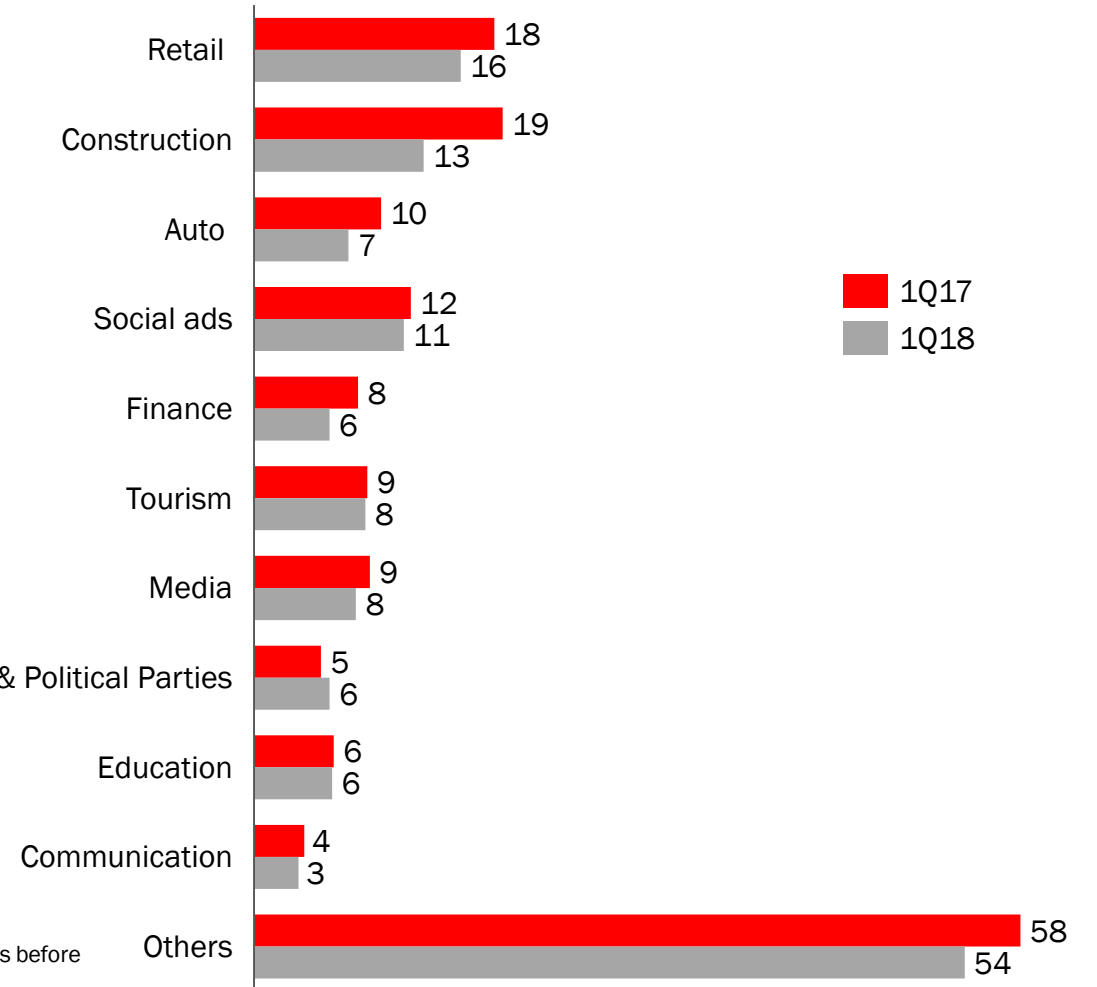
Turkish Newspaper Ad Market (TL mn)¹



Doğan Gazetecilik Print Ad Revenues (TL mn)²



Top sectors in Newspaper Ad Market (TL mn)



(1) Ad market statistics are estimates compiled by Doğan Media Group ad platform.

(2) Ad revenues : To be comparable with the market data, the ad revenue figures are given as “invoiced ad revenues before IAS adjustments & reclassifications”, and so different from reported consolidated figures.

Summary Results

Income Statement Summary (TL mn)	1Q17	1Q18	Change Yoy
Revenues	46.3	50.6	9.3%
Cost of Sales (-)	29.6	28.1	-4.8%
Gross Profit	16.7	22.4	34.3%
Operating Expenses	15.2	20.9	37.7%
Operating Profit	1.6	1.6	0.8%
Other Operating Income/(Exp)	6.9	6.0	-13.4%
Net Income/(Exp) from Investing Act.	2.1	3.4	63.1%
Profit Before Tax	10.5	10.9	3.8%
Net Profit	8.5	8.8	4.3%
Amortised cost valuation income	0.1	0.1	-7.4%
Depreciation & Amortisation	0.4	0.4	-6.7%
EBITDA	2.1	2.1	-1.2%
EBITDA Margin	4.6%	4.1%	

Revenue Breakdown

Revenues (TL mn)	1Q17	1Q18	Change Yoy
Circulation Revenues	29.0	33.0	13.9%
Total Ad Revenues	16.5	16.4	-0.6%
Print Ad Revenues	15.1	14.1	-6.5%
Online Ad Revenues	1.4	2.3	62.3%
Other Revenues	0.8	1.2	48.5%
Total Revenues	46.3	50.6	9.3%

- Revenues in 1Q18 were up by 9.3% yoy, despite negative newspaper market in terms of both in advertising & circulation.
 - *Circulation revenues were up by 13.9%: 9.6% yoy decline in average daily circulation figures was totally offset by newspaper cover price adjustments.*
 - *With a significant increase in online ad revenues, total ad revenue remained at the same level as 1Q17*

Costs

Costs (TL mn)	1Q17	1Q18	Change Yoy
Cost of Sales	29.6	28.1	-4.8%
Newsprint Costs	11.7	10.2	-12.7%
Printing & Other Costs	17.9	17.9	0.3%
Operating Expences	15.2	20.9	37.7%
General & Administrative Expenses	3.1	5.0	61.4%
Sales & Marketing Expenses	12.1	15.9	31.7%
Total Costs	44.7	49.0	9.6%

- Despite 8.6% increase in average US\$ rate and 1.6% increase in average newsprint/ton prices in US\$ terms in 1Q18 vs 1Q17; newsprint costs declined by 12.7% 1Q17 yoy, due to page number optimizations and lower circulation figures.
- Total costs were up by 9.6% yoy; due to higher operating expenses.

Strategies for further growth in digital

fanatik.com.tr

Website will be renewed and fanatik targets to have more video content in 2018

ESports

Fanatik turns its focus to ESports (professional competitive gaming) and its younger fans; more news content will be provided in 2018.

LiveScore

Fanatik's LiveScore app will be improved and more users expected in 2018

Posta.com.tr

Website will be renewed and Posta targets to have more video content in 2018

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