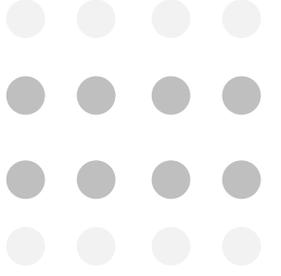


DOĞTAŞ® | Kelebek



INVESTOR PRESENTATION

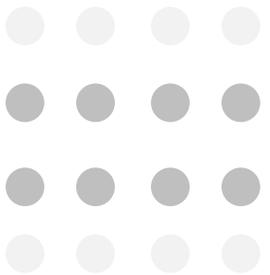


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1. Introduction & Overview



DGKLB at a glance.

Overview.



Doğtaş Kelebek is the **#3 branded** furniture company⁽¹⁾ in Turkey producing and selling modern design furniture at affordable prices.



Created through the successful merger of two strong heritage brands:

DOĞTAŞ®



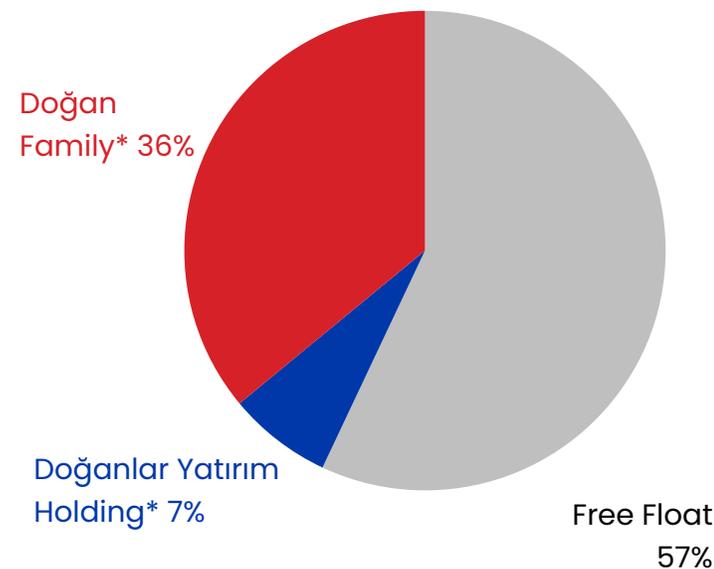
Kelebek



Selected as **the most favorite furniture company** in "Turkey's Most Valuable Brands - Turkey 100"⁽²⁾

(1) By # of stores following Boydak Group consisting İstikbal, Bellona and Mondı brands (2) by Brand Finance, 2020.

Shareholding Structure.



* Doğan Family and Doğanlar Yatırım Holding are two parties acting together.



Employs **c.1,675 people**

DOĞTAŞ®

- 1972 Start of furniture production
- 1987 Foundation of Doğtaş Mobilya A.Ş.
- 1994 First exports (Albania)
- 1996 Extention into retail
- 2005 Investments in upholstery and mattress production
- 2009 "Exclusive" concept stores

Milestones of DGKLB.



Kelebek

- 1935 Foundation as plywood producer
- 1978 Start of furniture production
- 1981 Incorporation into Enka Group
- 1990 IPO on Borsa Istanbul
- 1991 First store abroad (Germany)
- 2006 Acquisition of majority stake by two industrialist families

Acquisition of Kelebek by Doğtaş in partnership with International Furniture B.V. (1)

(1) Doğtaş and Kelebek were merged through a reversed merger transaction in October 2013.

Snapshot.

Overview.

Full scale branded furniture company with:



2 production facilities

consisting 5 subunits with a total of 117 k sqm closed area



Retail operations through **357 domestic and 58 international** mono-brand stores⁽¹⁾

Comprehensive product portfolio covering:



Key metrics.

995 mTL LTM revenue⁽²⁾

224 mTL LTM EBITDA⁽³⁾

22,5 % EBITDA margin⁽³⁾

357 domestic stores⁽¹⁾

425 k spm selling spave

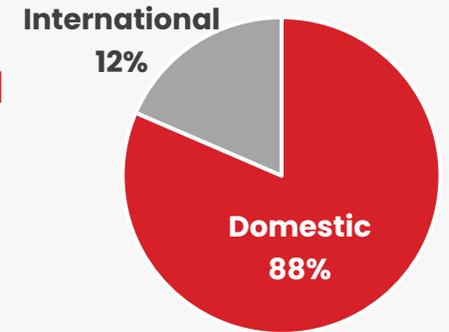
+69 net store openings⁽⁴⁾

(1) As of 12M 2020, domestic stores & sales area
 (2) As of 2020 year end (3) 12M 2020 margin
 (4) Period between 31.12.2019 and 31.12.2020

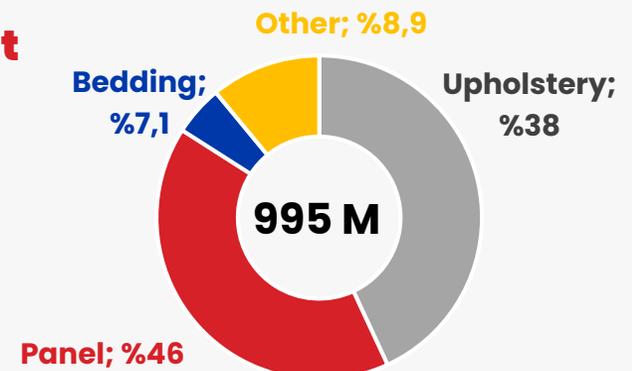
Revenue breakdown.

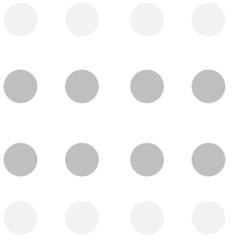
(2020YE)

By Channel



By Product Group





Investment highlights.

**Fast growing
furniture demand**

1.



**Higher growth in
branded segment
due to the shift from
unbranded furniture**

2.



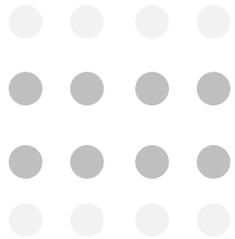
**Experienced
management team
with proven track record
in the industry**

3.



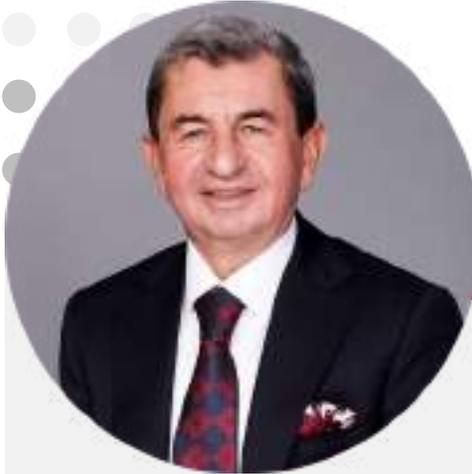
**Company topline
continues to outgrow
the branded market**

4.



Experienced management team .

with proven track record



DAVUT DOĞAN
CHAIRMAN

- **Founder of Doğtaş A.Ş** in 1987
- **30+ years** experience in the industry
- **Chairman** of Doğanlar Investment Holding
- **Founder of MOSDER**
(Association of Turkish Furniture Manufacturers)
in 2003



İSMAİL DOĞAN
CEO
SINCE JULY 2020

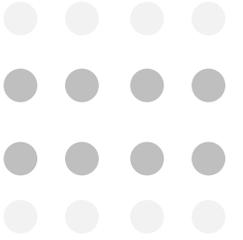
- **30+ years** experience in the industry
- **Well rounded expertise in:**

The product:

Panel furniture
Upholstery
Bedding/Bed cases
Home textile

Value chain:

Procurement
Production
Supply chain
Retail & store management



Experienced management team .

with proven track record

ŞADAN DOĞAN

VICE CHAIRMAN

- **34 years experience in the industry**
- Founder of Doğtaş
- Food and President of Retail Group at Doğanlar Investment Holding

MERT GÜVENEN

BOARD MEMBER

- **30 years experience**
- Board member and executive committee member of various companies

HAYRETTİN KAPLAN

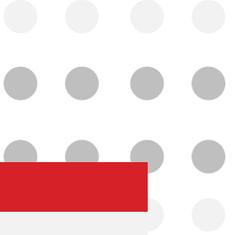
INDEPENDENT BOARD MEMBER

- **33 years experience**
- Board member of various companies

SİTARE SEZGİN

BOARD MEMBER

- **21 years experience**
- Board member and executive of various companies



İLHAN TUNÇMAN

DOĞTAŞ GENERAL MANAGER

- **28 years experience**
- Doğtaş, Yataş

EMİR TANER

DOĞTAŞ GENERAL MANAGER ASSISTANT

- **15 years experience**
- Koleksiyon, Mudo, Yataş

TARIK AKSOY

FINANCIAL AFFAIRS DIRECTOR

- **16 years experience**
- PWC, Kidzania, AktifBank and Fiba Retail Group

FATİH ÖZENGİN

INFORMATION TECHNOLOGY DIRECTOR

- **26 years experience**
- Koç Sistem, Anadolu Group, Conforcus Consultancy

TOLGA KAYA

KELEBEK GENERAL MANAGER ASSISTANT

- **19 years experience**
- Mudo, Yataş

ELİF YILMAZ

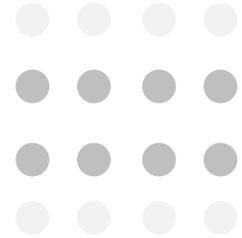
HUMAN RESOURCES DIRECTOR

- **19 years experience**
- Kocaeli Chamber of Industry, East Marmara European Union Business Development Center, Hrworks Consultancy

SELİN URAS

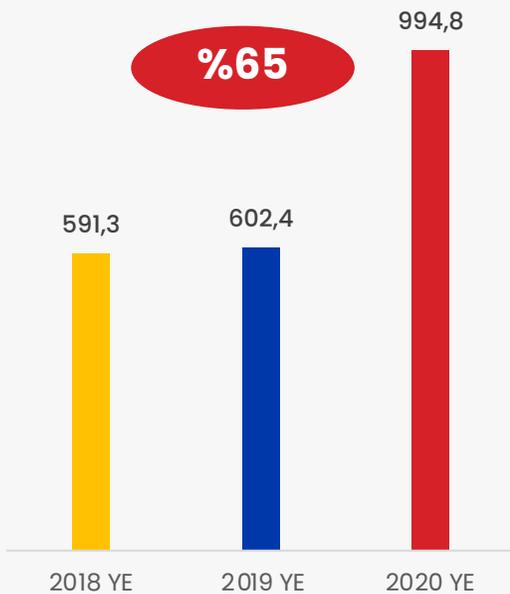
FINANCE DIRECTOR

- **16 years experience**
- Eczacıbaşı Baxter, Bilim İlaç, Anel Group, DiaSa and Komşu Fırın

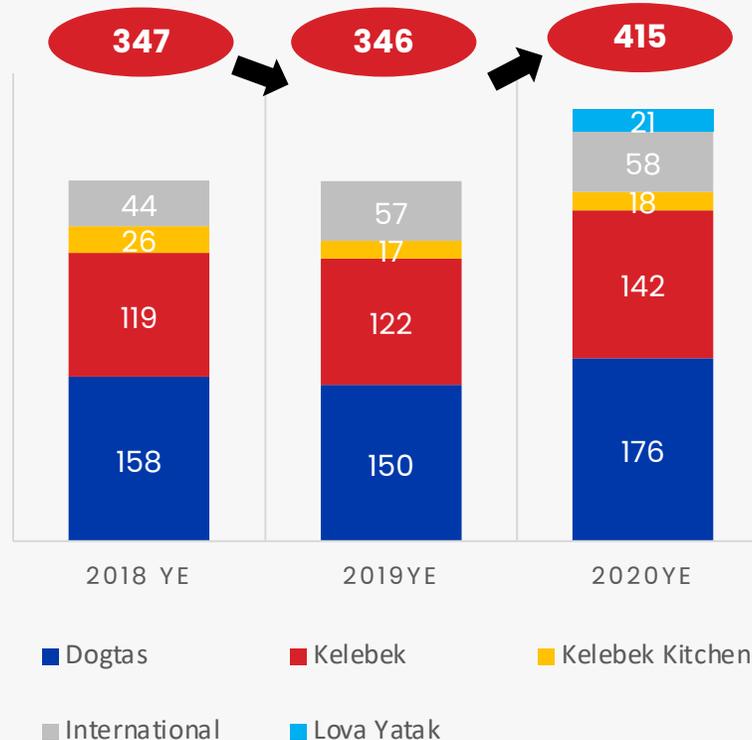


Company topline continues to outgrow the branded segment.

Increasing Revenues (mTL)



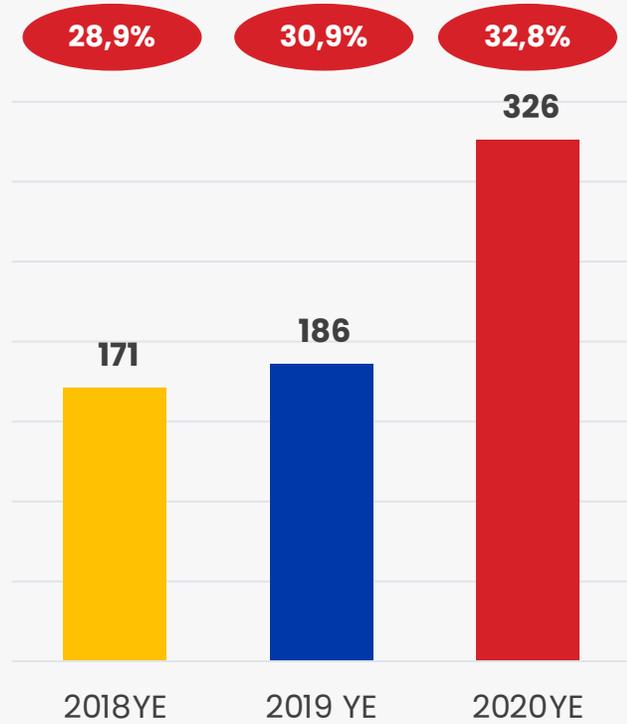
Number of Stores



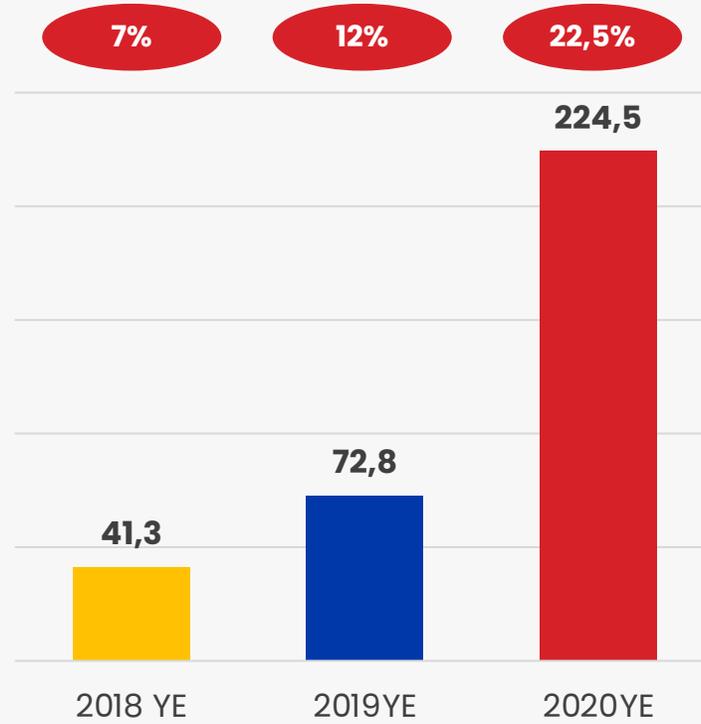
Change in Domestic Sales Area



Gross Profit (mTL)



EBITDA⁽¹⁾ (mTL)



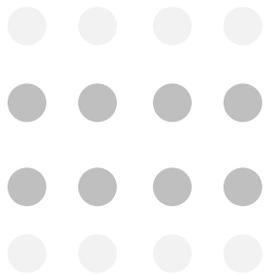
Higher marketing expenses are realized due to stimulate sales in the market

(1) Including reversal of severance and vacation pay provisions.

2.

Business

Overview



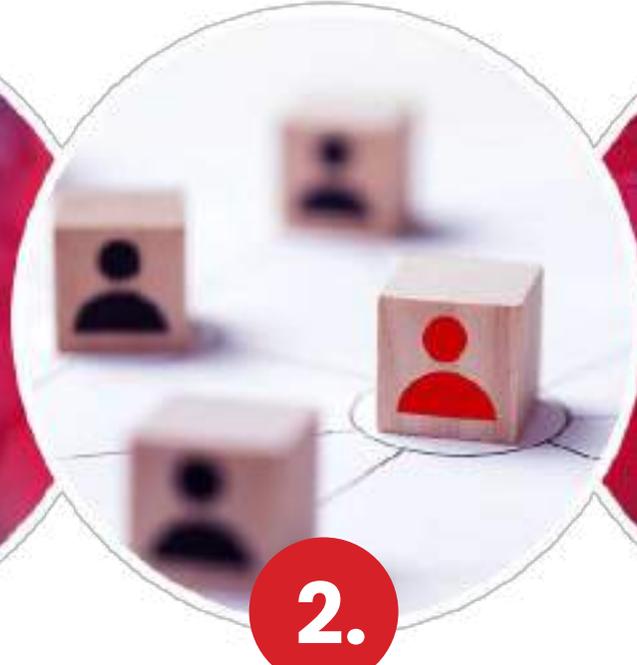
Key strengths.



1.

Product driven company.

Modern design furniture at affordable prices.



2.

Full control over sales channel.

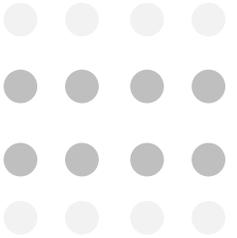
Broad and expanding mono-brand store network with well designed store concept.



3.

Flexible manufacturing capability.

Manufacturing facilities and outsourced production.



Modern design furniture at affordable prices.



One-stop shop for home furniture.



Doğtaş Kelebek has a wide product range with **best-in-class design**.



A team of **50 people in R&D** and design closely following global trends.



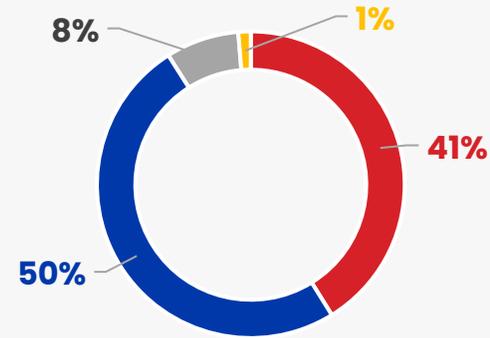
Continuous revision of collection per **consumer insight from 400+ stores**.



Full range of product categories: living room, dining room, bedroom, kitchen.

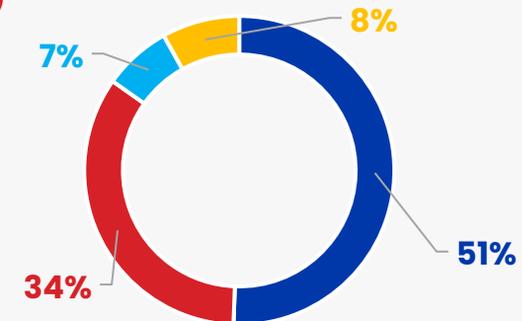
Balanced product portfolio.

Breakdown of revenues (2020YE)



■ Upholstery ■ Panel ■ Bedding ■ Other

By channel (2020YE)



■ Doğtaş ■ Kelebek ■ Lova Yatak ■ Other

View of Doğtaş Kelebek products.



DOĞTAŞ®



 **Kelebek**



Extended product range with a strong brand:



We aim to steadily increase the share of mattress market with in Lova Sleep.

Offering different mattress options for adults, teenagers and even babies.



Mainly using existing store network with **"shop in shop" approach.**



Targeting all bedroom furniture buyers.



Increasing bedding share in total revenues (to 20%)



An innovative and modern e-commerce brand: ruum/store®

The target audience is comprised of those from socioeconomic class B, C1 and C2 residing in small houses.

Offers a wide range of products: Home textiles, lampshades, floor lamps, carpets, wing chairs, sofas.

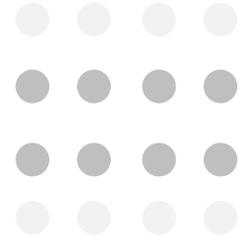


New store openings in Istanbul, Ankara, izmir and Bursa in the beginning.



The target markets are overseas markets and market chains where wholesale products can be sold in.

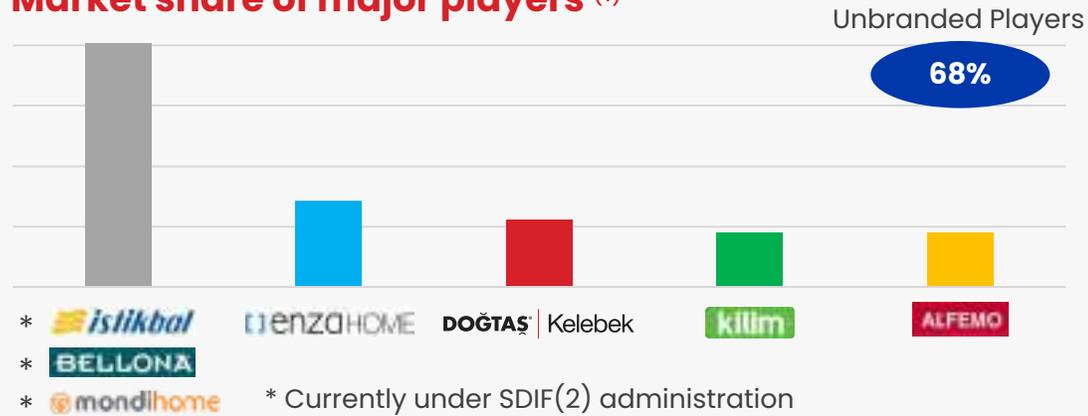




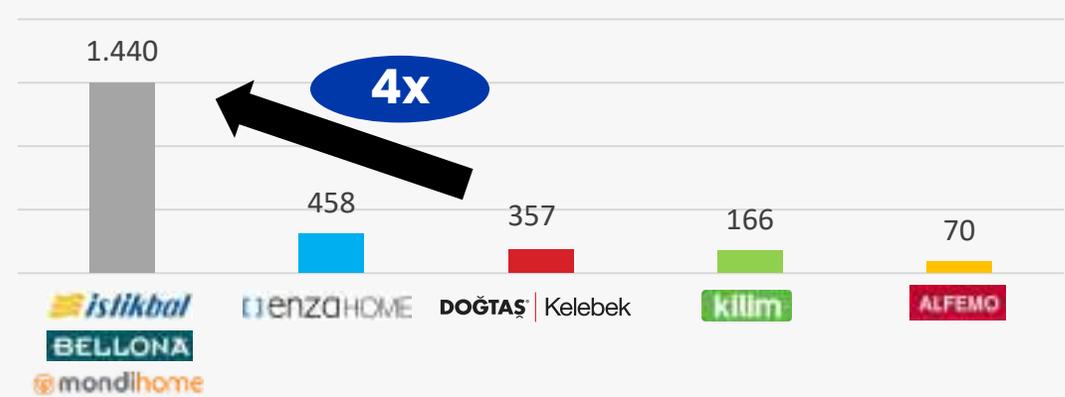
Well positioned to capture higher share of the growth in a changing competitive environment.

Substantial whitespace

Market share of major players (1)



Domestic of stores (3)



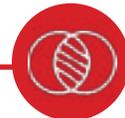
Share of branded companies in overall market is yet insignificant.



Market leader has c 4x more stores than Doğtaş Kelebek.

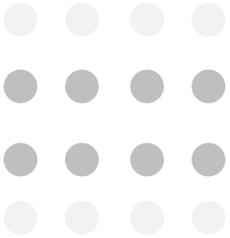


Companies with strong brands and sales channel can capture the demand for branded products.



Dual brand strategy enables further and faster penetration in the market.

(1) Euromonitor, Indoor living market (2) SDIF: Savings and Deposits Insurance Fund (3) As of July 2019.



Export markets.

Substantial growth planned in export markets.

-  **France 3**
-  **Germany 3**
-  **Iraq 2**
-  **Libya 2**
-  **Morocco 2**
-  **Romania 2**



Flexibility between manufacturing and outsourcing.



6 main cities in the furniture production of Turkey (+70% share in 2020)⁽¹⁾

 Abundant capacity for outsourced production – **Average industry CUR of 71% vs small scale producers' CUR of 40% in 2016** ⁽³⁾

 **38,4k furniture enterprises** in 2019 ⁽²⁾

 Only a few branded companies, rest is no-brand family SMEs

(1) TOBB (2) TÜİK (3) Effective production capacity at 60% designed capacity.

2 production facilities in proximity to Turkey's furniture production hubs & high demand regions.

BİGA FACTORY

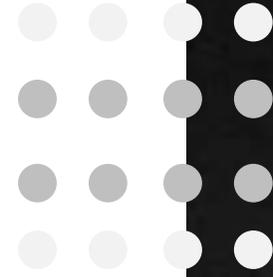
- 212.000 sqm total area
- 72.000 sqm closed area
- 1,440 k sqm panel⁽³⁾, 93.1 k upholstery, 75.6 k beds annual production capacity



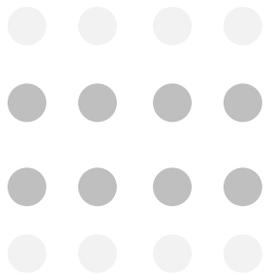
DÜZCE FACTORY

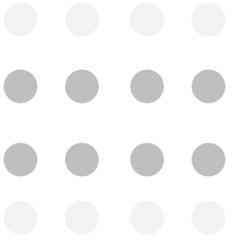
- 159.500 sqm total area
- 44.600 sqm closed area
- 1,080 k sqm panel⁽³⁾, 48.2 k upholstery, annual production capacity



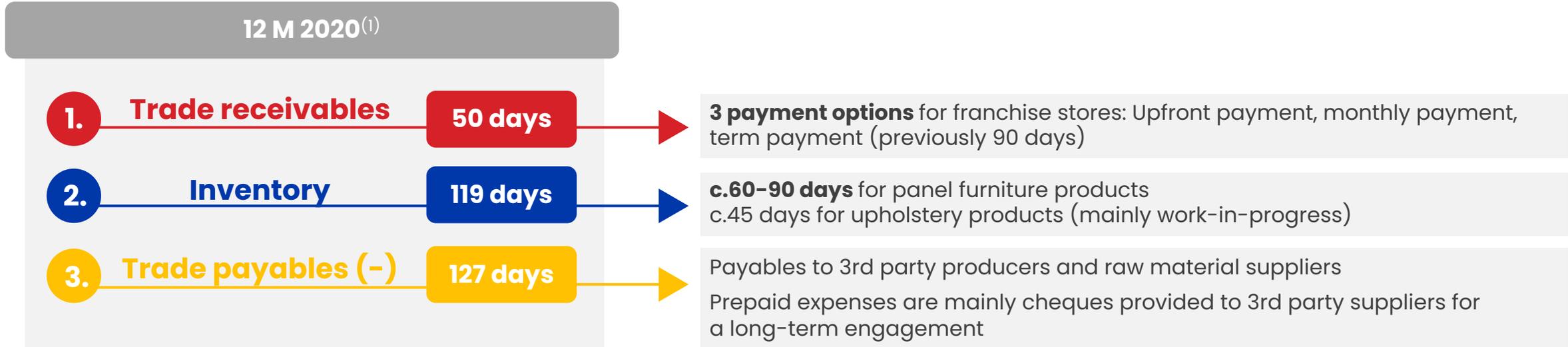


3. Key Financials





Path to improving working capital.



1. Trade receivables

- Strong emphasis on cash collection from franchise stores
- Decreasing cheque days further to 90 days from 120
- Elimination of term payment option in long term

2. Inventory

Inventory optimization

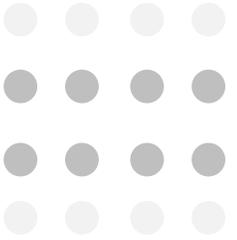
- Outsourcing
- Minimize finished goods

3. Trade payables (-)

Increasing share of outsourced production
– further extending terms to 180-240 days

(1) Net working capital days are calculated based on balance sheet items as of 31.12.2020. Last 12 months sales revenue and COGS figures are used

Deleveraging.



Net dept schedule

TL mn	12M 2020
Short term financial loans	83,6
Short term portion of long term financial loans	219,0
Long term financial loans	190,2
Cash & cash equivalents	(14,2)
Net Debt	478,6

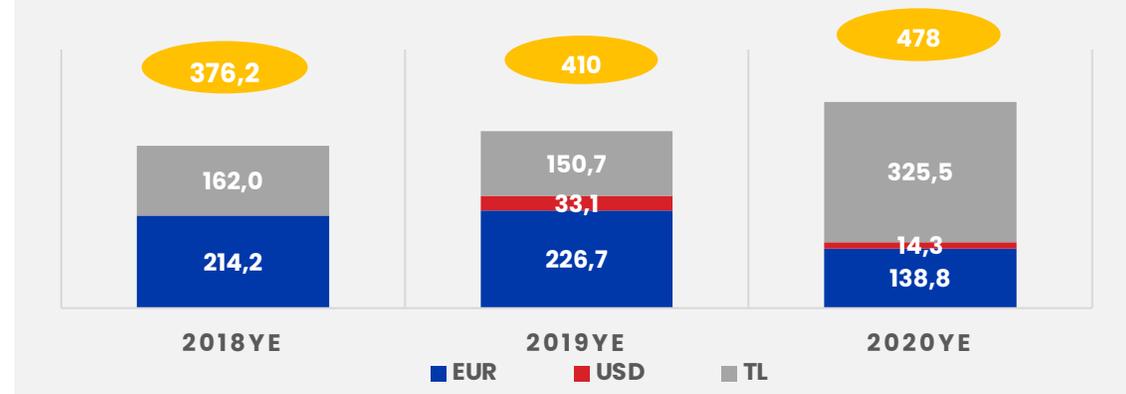
!
Net debt / EBITDA stands at 2x as of 12M 2020

!
 EUR based loans are mainly related to the acquisition financing loan used for Kelebek acquisition.

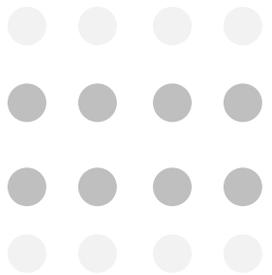
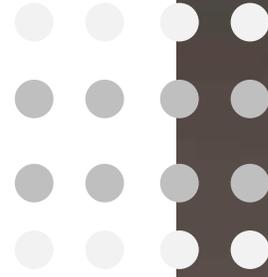
Net Debt (12M 2020)

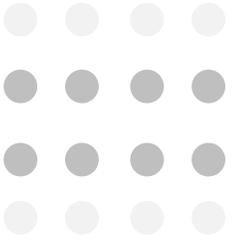


Debt Composition (12M 2020)



4. Appendices





Summary financials.

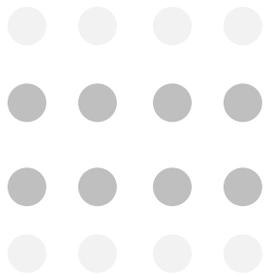
Income statement

TL	31 December 2018	31 December 2019	31 December 2020
Net Sales	591.311.311	602.401.733	994.831.594
Cost of Sales	(420.347.269)	(416.280.757)	(669.027.975)
GROSS PROFIT	170.964.042	186.120.976	325.803.619
OPEX	(161.650.547)	(159.964.099)	(219.845.325)
OPERATING PROFIT	17.261.742	29.360.493	161.056.198
Income/Expense from Investment	566.628	(716.547)	943.030
	17.828.370	28.643.946	161.999.228
Financial Income/Expense Net	(119.659.142)	(111.564.320)	(135.123.177)
EBIT	(101.830.772)	(82.920.374)	26.876.051
Income Tax Expense	12.611.764	17.661.857	(1.123.063)
Net Income /(Loss)	(89.219.008)	(65.258.517)	25.752.988
EBITDA	41.310.921	72.824.949	224.552.431
Gross Margin	28,9%	30,9%	32,7%
EBIT Margin	-17,2%	-13,8%	2,7%
EBITDA Margin	7,0%	12,1%	22,6%

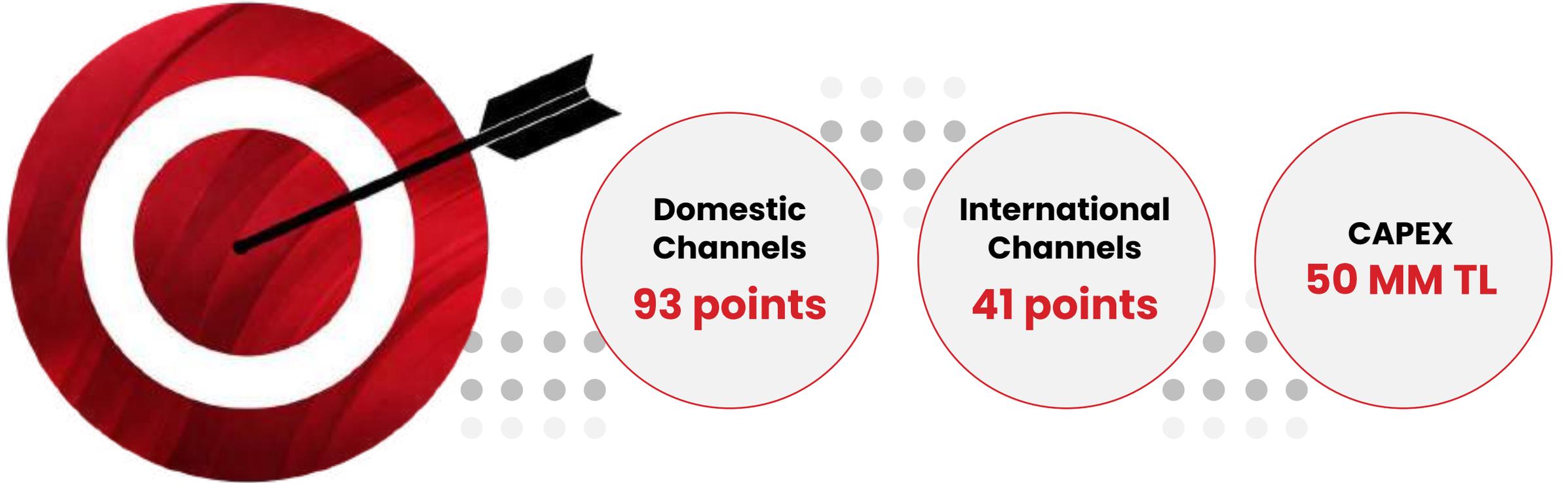
Balance sheet.

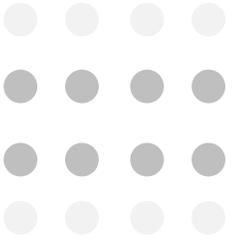
TL	31 December 2018	31 December 2019	31 December 2020
Total Assets	637.382.545	777.395.651	1.008.111.906
Cash & Cash equivalents	3.566.888	4.862.454	14.228.238
Accounts Rec. & other recivables	98.788.252	154.674.044	179.973.933
Inventories	212.208.688	241.944.621	297.479.105
Other Current Assets	39.555.529	32.743.291	76.031.753
Total Current Assets	354.119.357	434.224.410	567.713.029
PP&E	249.063.153	258.514.240	314.132.318
Intangible Assets	22.242.896	20.630.756	22.044.838
Other non Current Assets	11.957.139	11.386.488	11.645.296
Right-of Use Assets	-	40.424.299	78.785.947
Deferred tax assets	-	12.215.458	13.790.478
Total non-Current Assets	283.263.188	343.171.241	440.398.877
Total Liabilities & Equity	637.382.545	777.395.651	1.008.110.906
Short-term Debt	214.454.481	201.770.391	317.208.520
Accounts Payable	139.747.411	159.619.471	303.538.339
Deferred Revenue	42.094.258	84.202.725	45.528.507
Provisions & other current liabilities	74.015.276	63.552.088	37.256.897
Total Current Liabilities	470.311.426	509.144.675	703.532.263
Long-term Debt	161.800.015	248.701.726	268.958.563
Provision for Employee Benefits & Other Liab.	5.166.336	7.560.358	5.661.611
Deferred tax liability	3.792.728	-	-
Total Non-Current Liabilities	170.759.079	256.262.084	274.620.174
Shareholder's Equity & Minority Interest	(3.687.960)	11.988.892	29.958.469

5. Targets



2021 targets.





Number of stores.

	2018	2019	2020	2021 (target)
DOĞTAŞ				
Domestic	158	150	176	201
Own store	9	10	24	31
Franchise	149	140	152	170
International	36	44	44	64
KELEBEK				
Domestic	119	122	142	172
Own store	17	19	35	47
Franchise	102	103	107	125
International	8	13	14	35
Kelebek Kitchen	26	17	18	31
LOVA YATAK				
Domestic			21	46
Own store			12	24
Franchise			9	22



THANK YOU

DOĞTAŞ® | Kelebek

**FOR FURTHER INFORMATION
PLEASE CONTACT DGKLB IR MANAGER**

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Bloomberg: DGKLB.TI
Reuters: DGKLB.IS