

Investor Presentation

30 JUNE 2023



1. Company Overview





DGNMO At a Glance (2023 H1)



The **third-largest*** furniture company that produces and sells modern designed furniture at affordable prices



Turkey's most established furniture company with **6 brands**

DOĞTAŞ

 Kelebek

 Kelebek
MUTFAK - BANYO

 lova
yatak

 ruumstore

 BiGA
HOME

(50.years)

(87.years)



Among "Turkey's most valuable 100 brands"***



A total of **5 factories** in **2 different locations** covering **393,000 m2** of open area **139,000 m2** of closed area.

2 R&D centers - 2,500 m² R&D area.



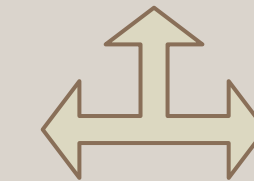
681 Stores: 587 Domestic +94 International (2023 H1)

Comprehensive
product portfolio
covering :

BEDDING



PANEL FURNITURE



UPHOLSTERY

2,612 mTRY Revenue (2023 H1)

83% Sales growth
(2022 H1 -2023 H1)

342 mTRY EBITDA (2023 H1)

13.1% EBITDA margin
(2023 H1)

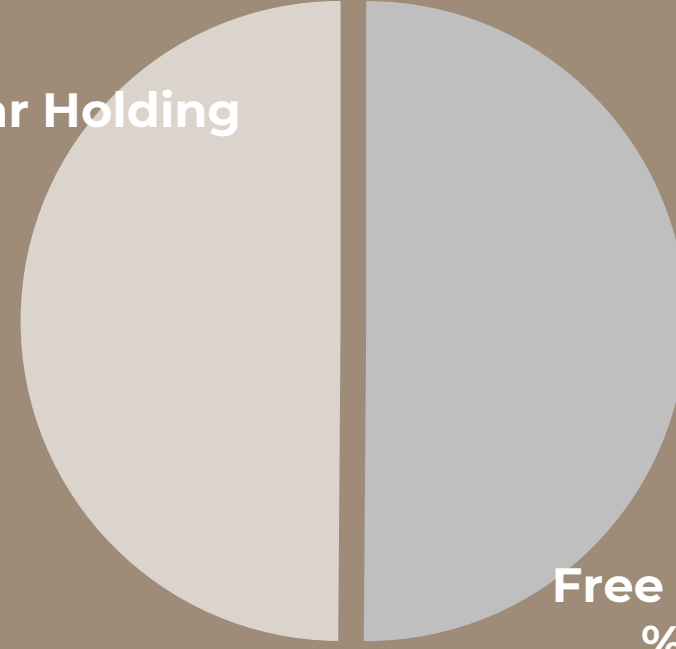
35.7% Gross Profit Margin (2023 H1)

* By number of stores
** Brand Finance, 2022



Shareholding Structure (DGNMO)

Doğanlar Holding
%49,88



Free Float
%50.12

2.634 employees⁽¹⁾



ABOUT DOĞANLAR HOLDİNG

Apart from its activities in the field of energy, DOĞANLAR HOLDİNG also has investments in furniture, construction and retail

ENERGY (BIOEN)



DOĞYAP - CONSTRUCTION



KORAD - RETAIL

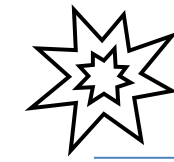


- With the Share Purchases and the transfer of family shares, Doğanlar Yatırım Holding's shares in our Shareholding Structure increased to 49.88%.

1) 30.06.2023

Developments in 2023 Q2

- 1** We have started transactions to take over D'Afric Senegal Furniture S.A. operating in Senegal!
- 2** Reached more than 680 Sales Points!
- 3** We continue our Sustainability activities!
- 4** We speeded up our digitalization and transformation infrastructure works with new targets !
- 5** As a result of the General Assembly we held, we revised our "Dividend Distribution Policy"!
- 6** We crowned the success of our brands with new awards !



Company's Strengths

1

Widespread Sales Points

A large and growing network of stores with a well-designed concept.

2

Extended product range with a strong brand

Affordable Furniture Products with Modern Designs and Brand Strategies for Categorization.

3

Growing Online Sales and E-Commerce

Exponential sales with brand websites, marketplaces, and the Ruumstore brand

4

Flexible manufacturing capability

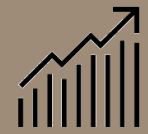
Flexibility between outsourcing and production opportunities thanks to high-tech production facilities.

5

Strong Management Structure

Strong Management and Board of Directors who are competent in their profession and sector at all levels.

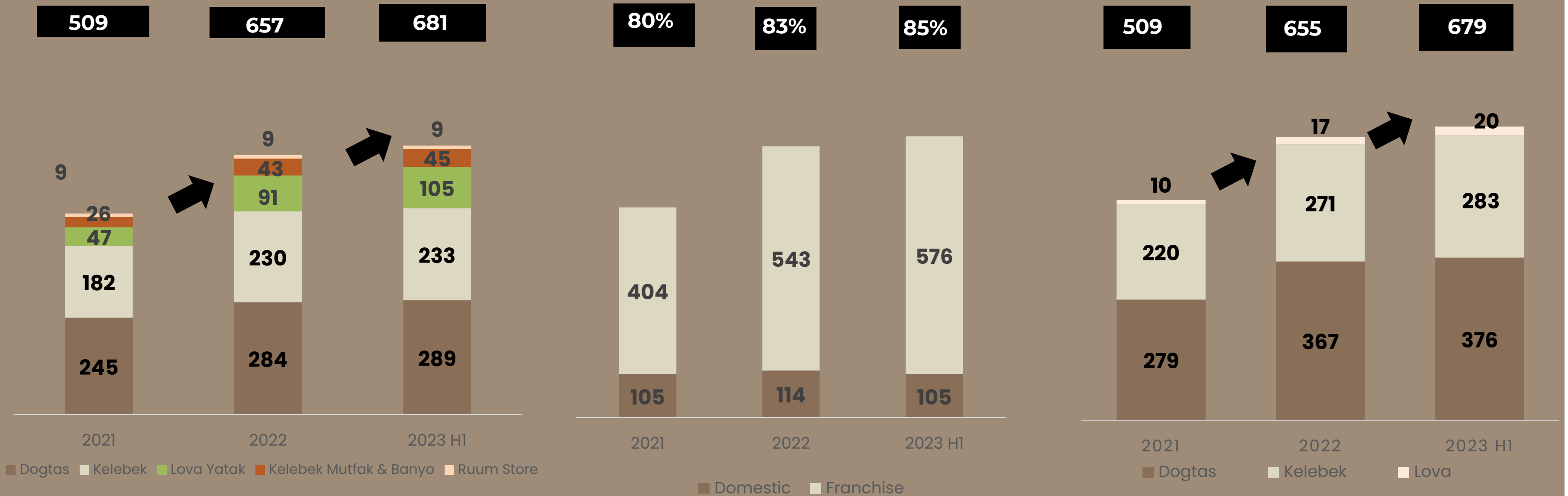
1 The Company Continues to Grow in the Branded Furniture Sector with its Widespread Sales Network



Sales Points

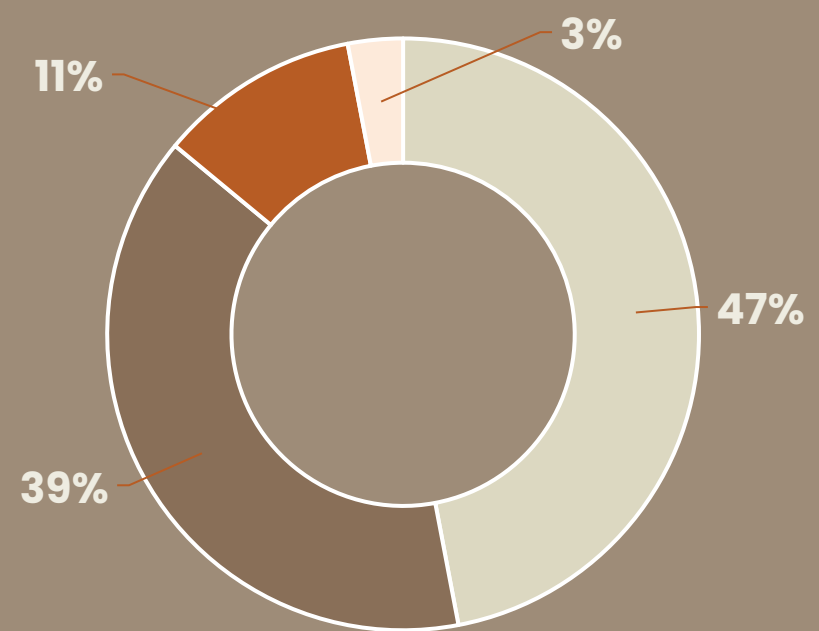
Share of Franchise in Sales Points (%)

Change in Sales Area (thousand sqm)



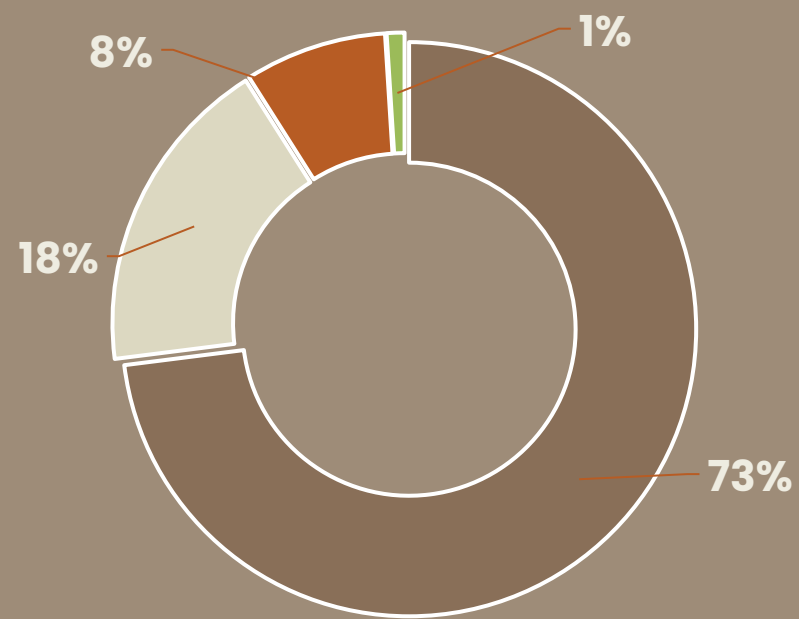
2 Extended Product Range With a Strong Brand:

Breakdown of Sales by Product Group (%) – 2023 H1



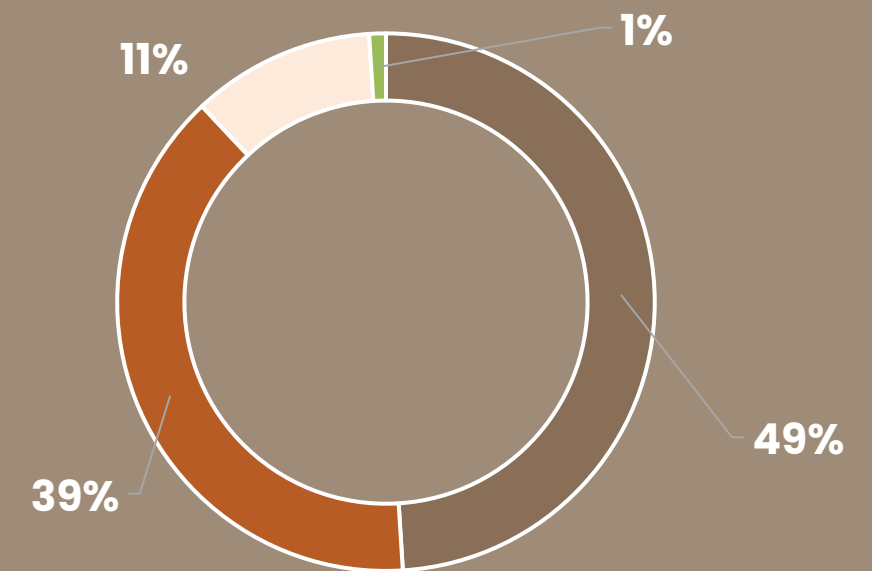
Panel
 Upholstery
 Bedding
 Other

Breakdown of Sales by Channel (%) – 2023 H1

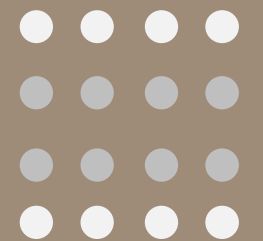
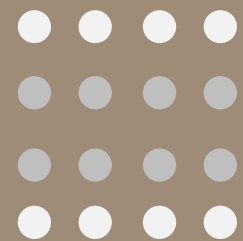


Franchise
 Own Store
 International
 Other

Breakdown of Sales by Brands (%) – 2023 H1



Doğtaş
 Kelebek
 Lova Yatak
 Ruum Store



2 Extended Product Range With a Strong Brand :

One-stop shop for home furniture



A wide range of products at affordable prices with best-in-class designs



The potential for greater and faster market penetration with a **multi-brand strategy**

A team of 59 people in R&D and design closely following global trends



2 Extended Product Range With a Strong Brand :

One-stop shop for home furniture



Continuous revision of collection per consumer insight from 650+ stores.



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



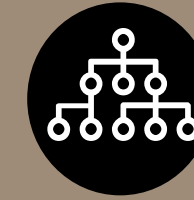
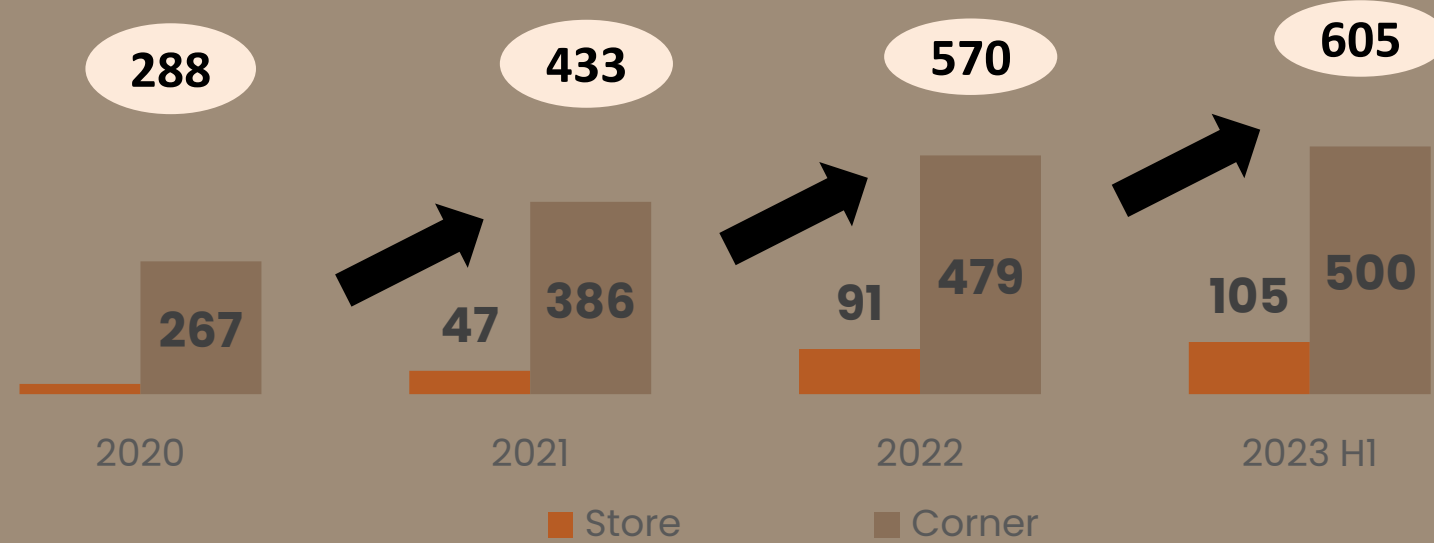
2 Extended Product Range With a Strong Brand:

lova
yatak



With Lova Mattress, launched in 2019, we aim to steadily increase our share in the mattress market and in total sales.

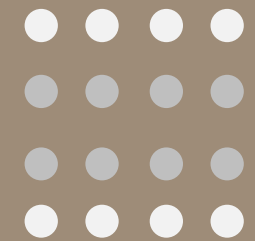
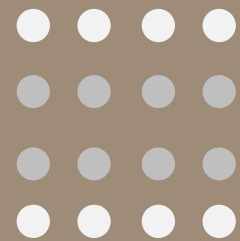
Lova Sales Points Development



+233
New Corner point
(2020-2023 H1)

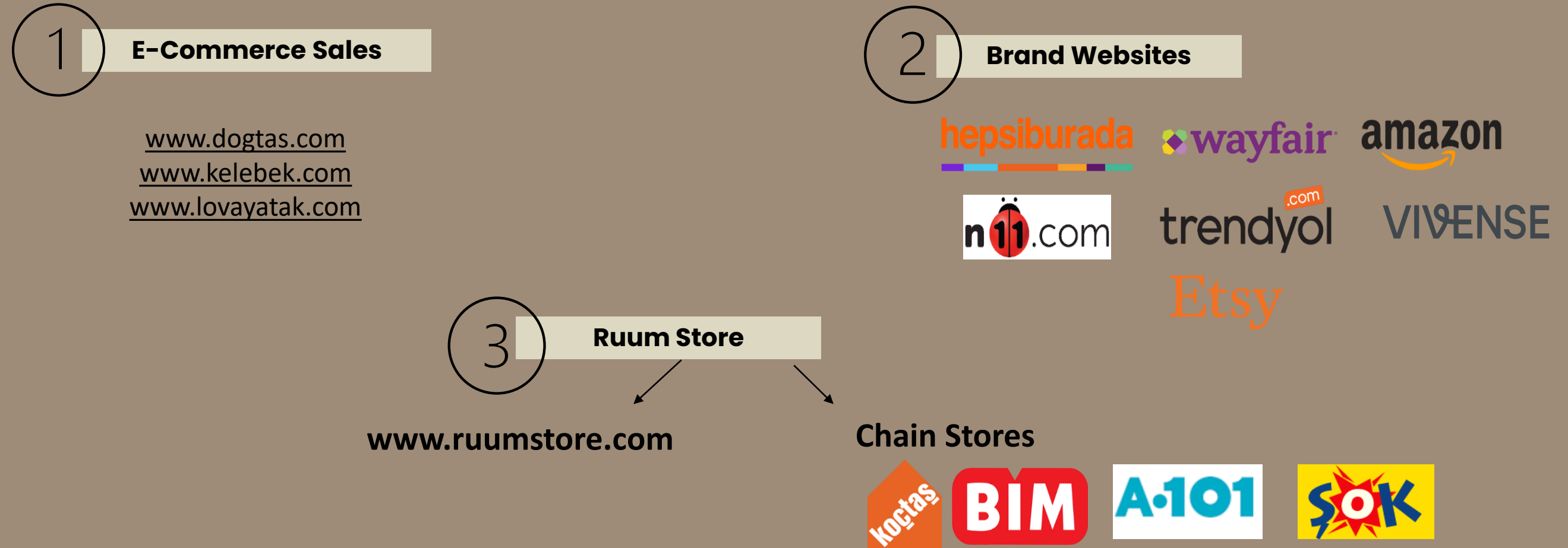


+105
New Exclusive
Concept Store
(2020-2023 H1)

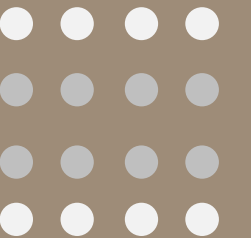


3 Growing Online Sales and E-Commerce

Sales Channels



- ✓ E-commerce transaction volume hits ~5% of our sales.
- ✓ Internet sales increased by **414%** in **2022** compared to **2021**.
- ✓ We are launching the e-commerce websites of our Doğtaş, Ruum Store, and Kelebek Brands in countries where our overseas offices are located, such as **the US, Cyprus, and the UK**.
- ✓ We are present in **Koçtaş, Bim, A101 and Şok** stores with our ruumstore branded sales.



4

Flexible Manufacturing Capability

Flexibility between domestic production and outsourcing



Logistics and operation centers in 6 cities in Turkey aimed at reducing our logistigs and operations costs



A 20,000-m² warehouse in Biga and a 25,000-m² warehouse in Düzce



Regional retail warehouses in İzmir, Ankara, İstanbul (Tuzla and Hadımköy) and Kayseri covering 19,000 m² of space



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

BİGA FACTORY

- 233,000 sqm total area
- 84,000 sqm closed area
- 2,400 sqm panel , 96 k upholstery , 75,6 k beds annual production capacity

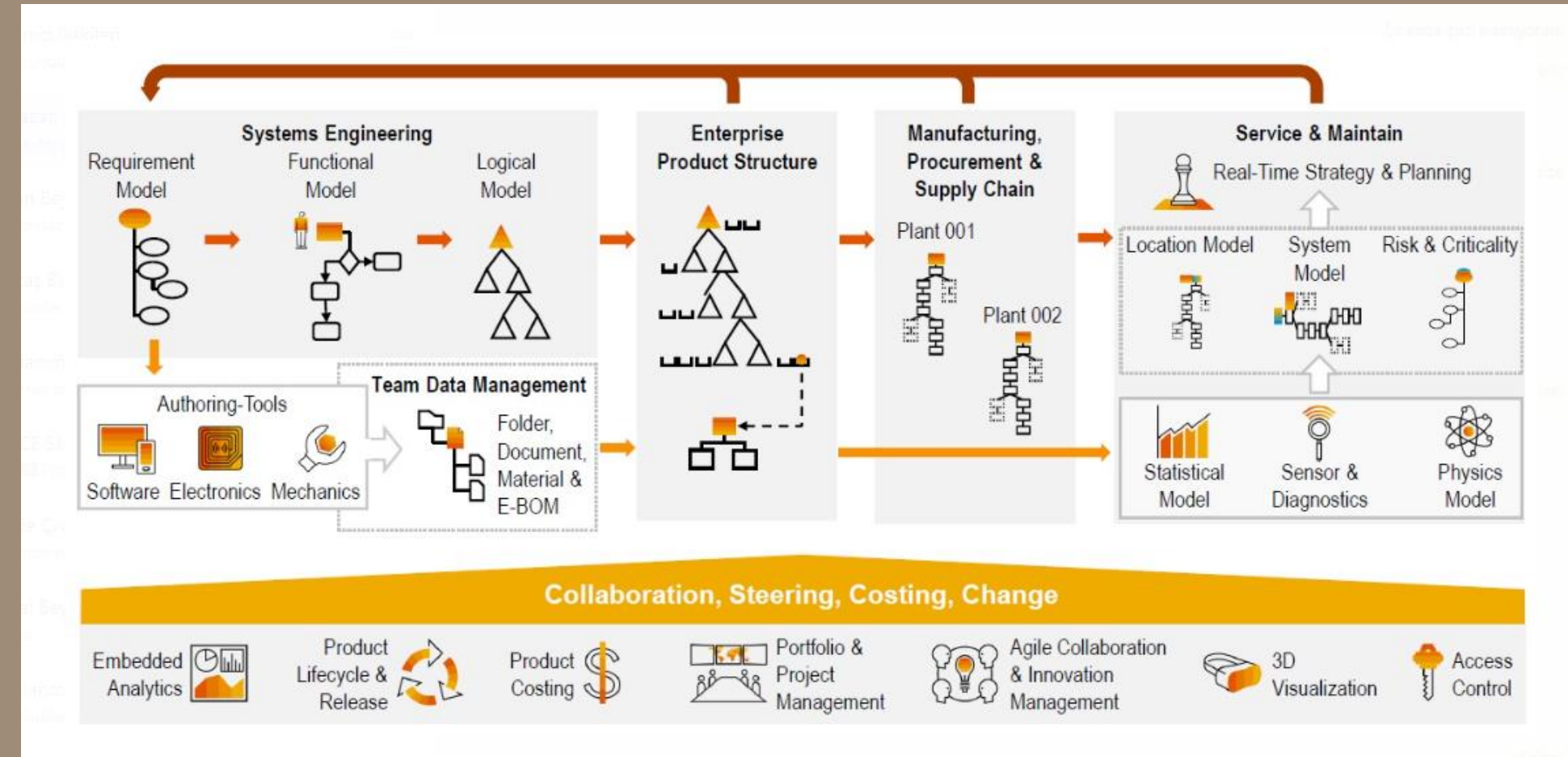


DÜZCE FACTORY

- 159,500 sqm total area
- 55,000 sqm closed area
- 1,920 sqm panel, 53,5 k upholstery production capacity



DIGITAL TRANSFORMATION



SAP S/4HANA CLOUD and SAP SERVICE CLOUD Digital Transformation Projects

- Business processes and operations equipped with SAP Cloud and Google solutions
- Automating business processes across operations. Access to real-time, complete views of all data and reporting. Business processes are interconnected and fast and easy to adapt to market variables
- Customizing business processes without costly maintenance
- Reducing risk through continuous improvement across operations
- Increasing the security level
- Establishment of a stable, performance and standard structure by the system
- Maximizing Company value

International Markets

Significant growth target in international markets !

1 Subsidiaries Established Abroad since 2021

- Cyprus
- Senegal
- US
- UK

2 Online Portals, Projects, and Sales to Chain Stores alongside the Retail Sales Channel



+24
New point of store
(2021-2023 H1)



~+20
New sales point target
(2022-2023)



30.06.2023 Stores

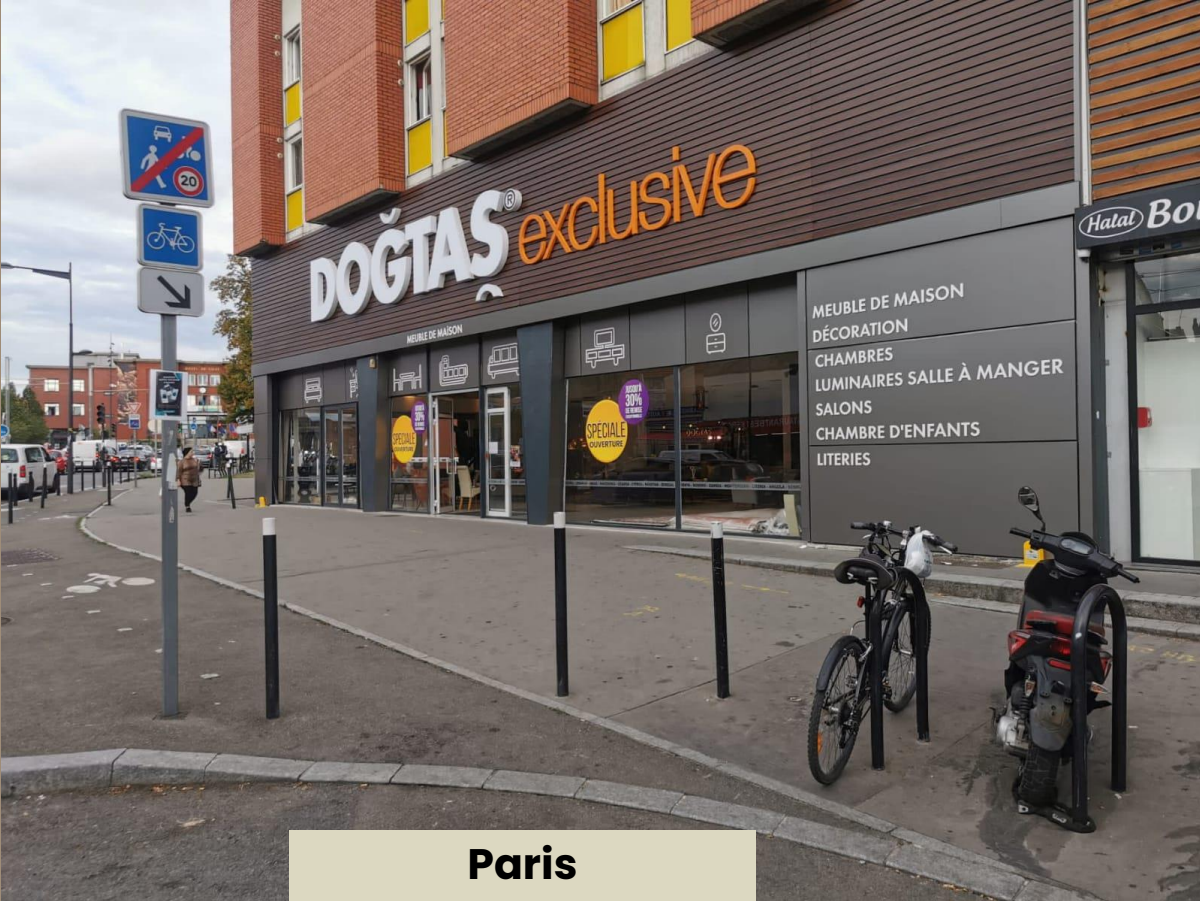
DOĞTAŞ
59

 **Kelebek**
 **Kelebek**
MUTFAK & BANYO
18


8


9

International Markets



Paris



Moskow



UK



New Jersey



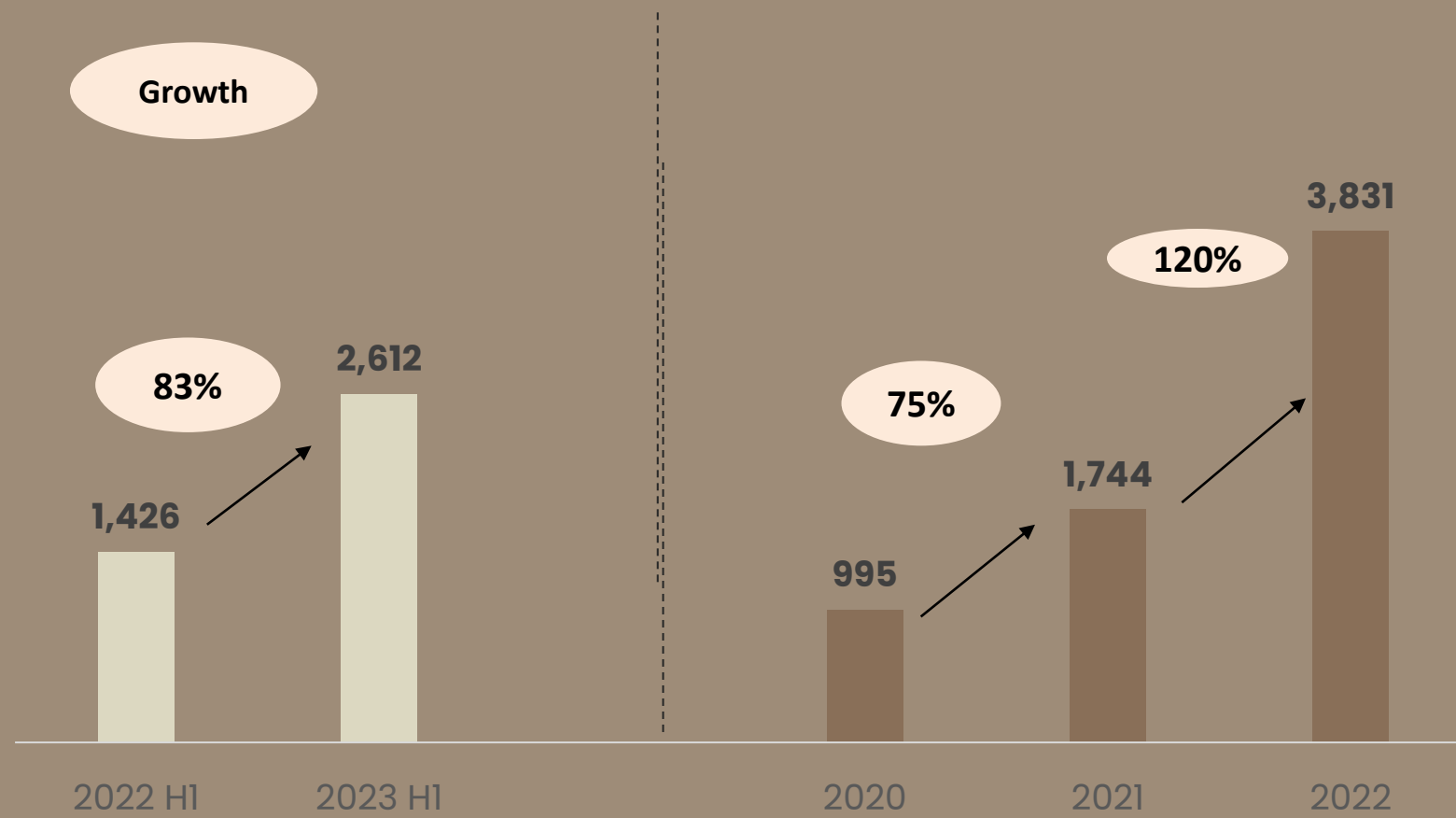
Cologne

2. Financial Overview



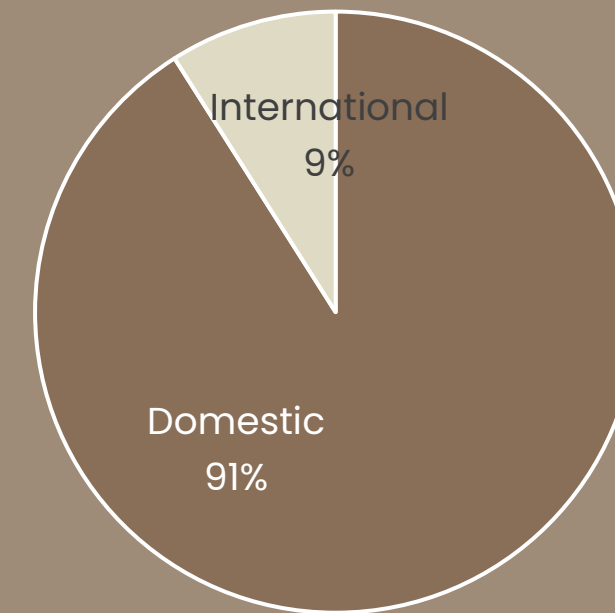
Revenue

Net Revenue (TRY million)



**Net Sales 2023 Growth Guidance:
~83% to ~7 billion TRY**

Breakdown of Domestic/International Sales (%) – 2023 H1

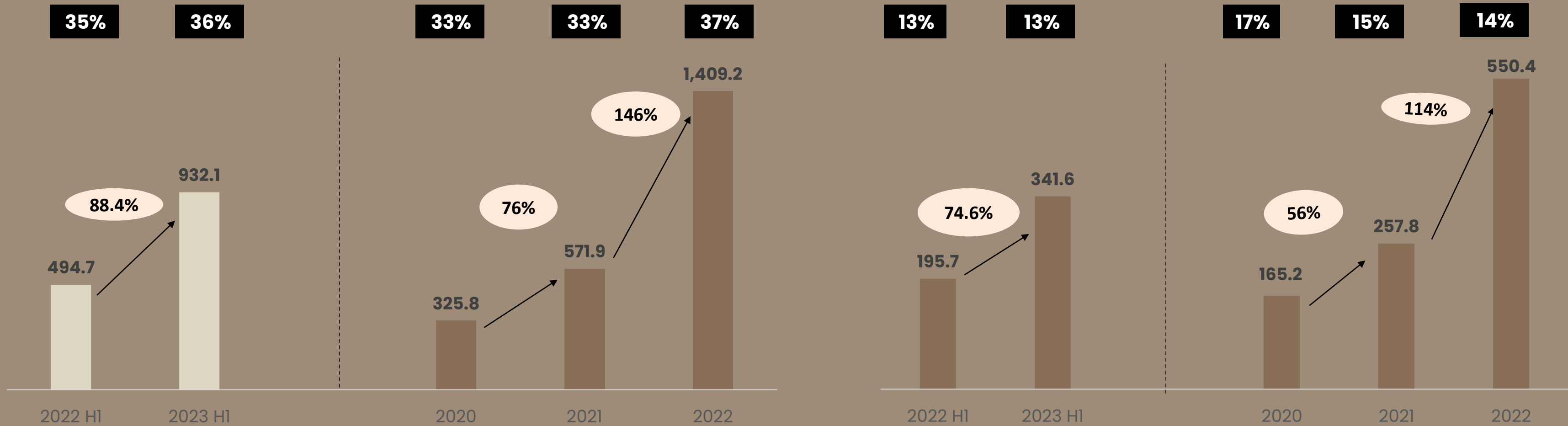


2023 Export Share: ~12%

Profit

Gross Profit (TRY Million)

EBITDA (TRY Million)



We were able to maintain an approximate gross profit margin of 36% despite rising raw material and input costs. (30.06.2023)

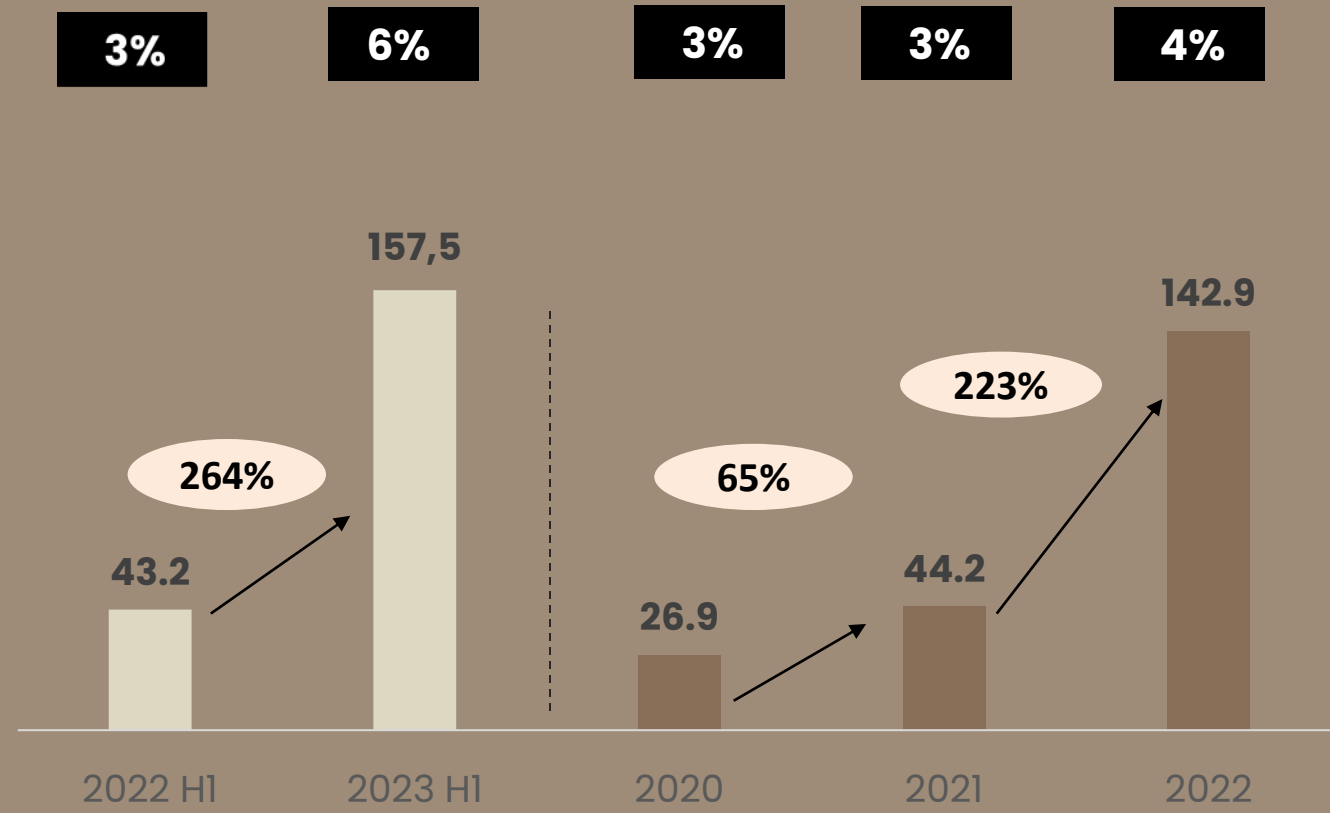
108% CAGR between 2020–2022

83% CAGR between 2020–2022

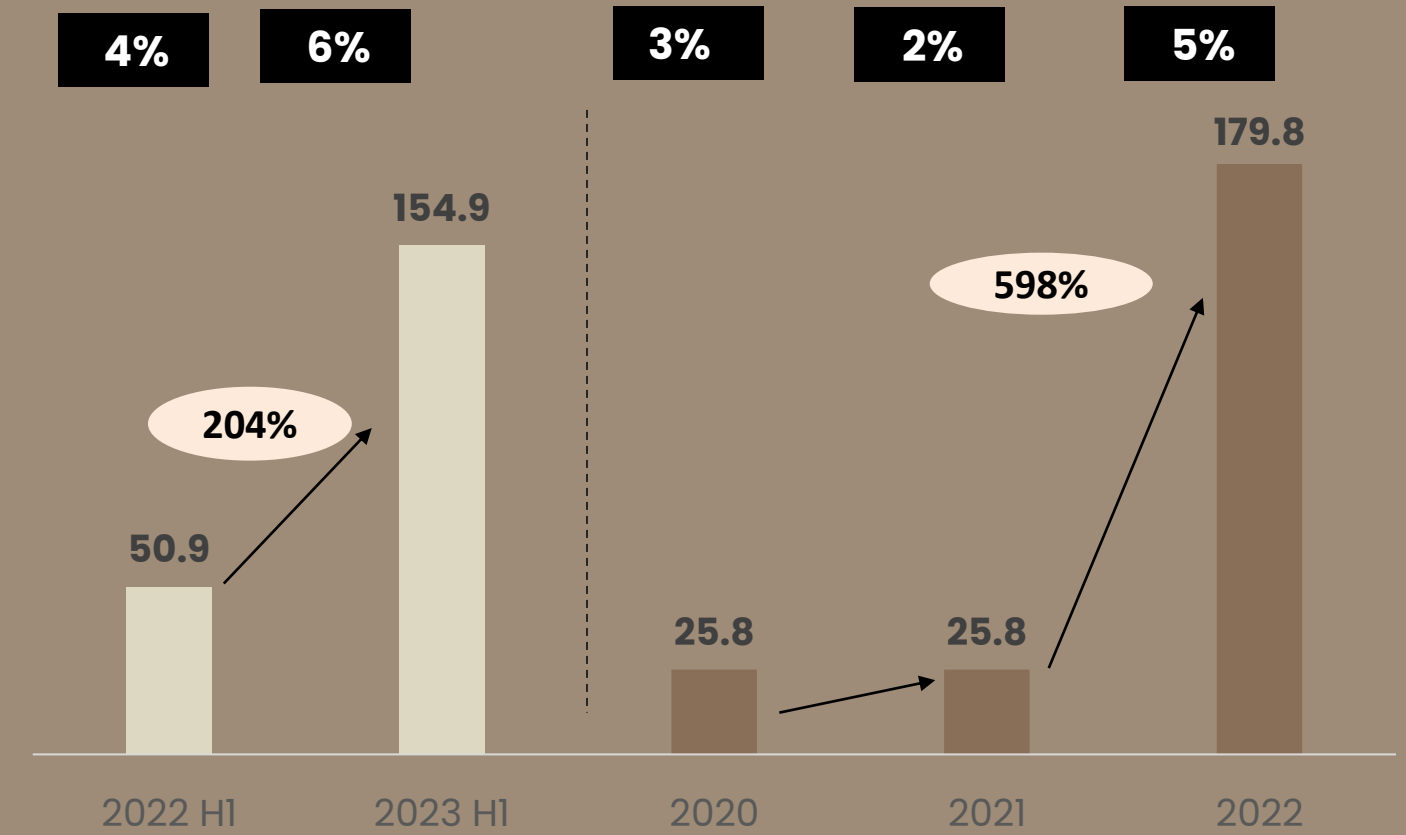
2023 EBITDA Guidance: ~14.5%

Net Profit

Profits Before Tax (TRY million)



Net Profit (TRY million)



Margin (%)



Increasing net profitability levels.

Steps to Improving Working Capital



30.06.2023

1.

Trade receivables

32 days

2.

Inventory

106 days

3.

Trade payables (-)

104 days



Cash Cycle*

34 days



IMPROVEMENTS

1.

Trade receivables

- Strong contribution to cash collection from retail stores with Virtual POS and consumer financing.
- Minimizing the forward payment option

2.

Inventory

Inventory optimization

- Outsourcing
- Minimize finished goods

3.

Trade payables (-)

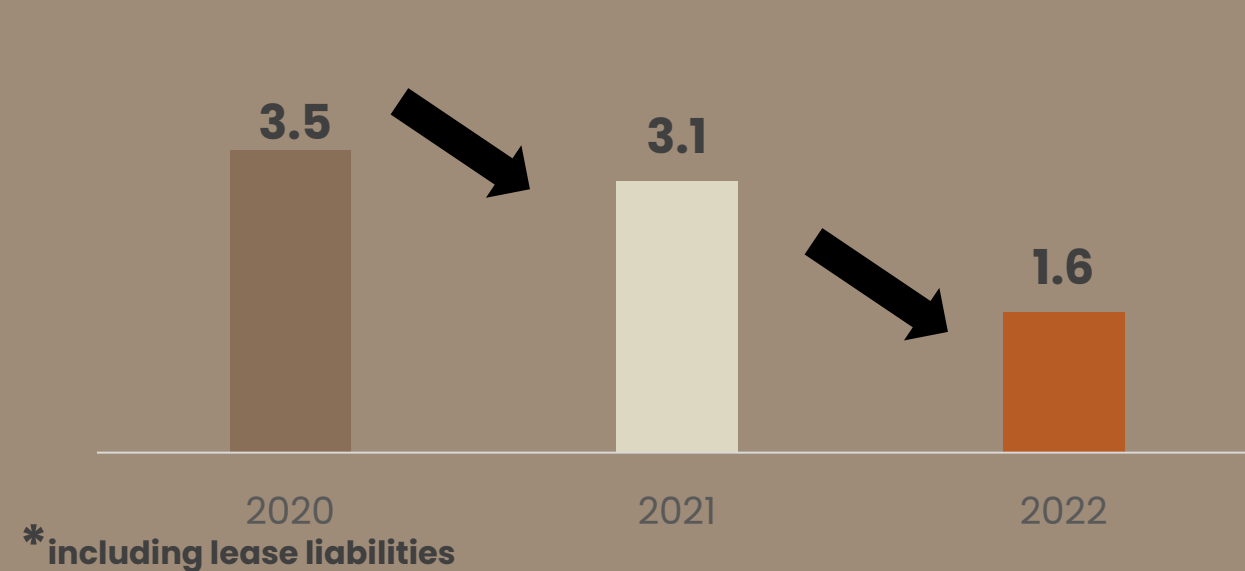
- Advantageous purchasing conditions with shortened payment terms

Debt Structure

Net Financial Indebtedness (TRY million)

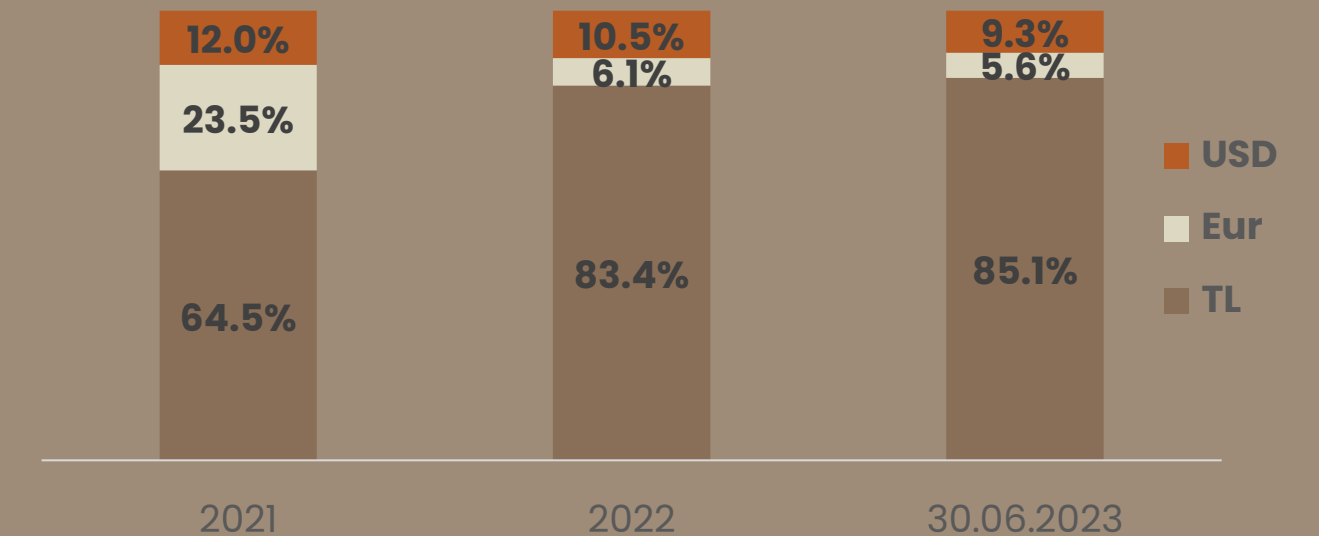
TL mn	2021	2022	30.06.2023
Short Term Financial Indebtedness	369,05	442,19	878,88
Short-Term Bank Loans	38,32	79,95	42,37
From leasing payables	14,38	32,58	45,78
DBS Loans	65,29	-	-
Short-Term Portion of Long-Term Bank Loans	251,06	329,66	790,73
Long Term Financial Indebtedness	287,17	449,64	403,49
Long-Term Bank Loans	269,21	424,04	381,49
From leasing payables	17,96	25,60	22,00
Total Financial Indebtedness (excluding lease liabilities)	656,22	891,83	1.282,37
Total Financial Indebtedness (including lease liabilities)	845,63	1.176,88	1.713,99
Cash and Cash Equivalents	49,17	294,33	244,68
Net Financial Indebtedness (excluding lease liabilities)	607,05	597,50	1.037,69
Net Financial Indebtedness (including lease liabilities)	796,46	882,55	1.469,31

Net Debt / EBITDA (x)*



! Net Debt/EBITDA
2023 Guidance
~1.25 x

Debt Composition (%)



2023 Guidance*

7 – 7.2 Billion TL

Total Consolidated Revenues

12-15%

Consolidated Export Share

85-90%

Consolidated Sales Growth

100-110

New Domestic Sales Points

14-15%

EBITDA Margin

20-25

New International Sales Points

1-1.5x

Net Financial DEBT/EBITDA

5%-8.5% of Sales Revenues

Capital Expenditures



120-125

Total Targeted Lova Stores

%15

Lova's Share in Total Consolidated Sales Revenues

*2023 Guidance that we announced on 17 January 2023 Public Disclosure Platform

3. Sustainability & Social Responsibility and Awards



Sustainability Management



For Our Planet

- Carbon Management- Determining Targets for Reducing Carbon Footprint by Determining
- Energy Management – Transition to Renewable Energy with Solar Power Plant Investments
- Waste Management – Project of Establishment of Zero Waste System in Headquarters Offices



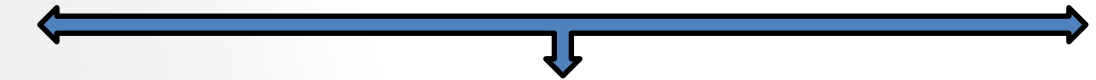
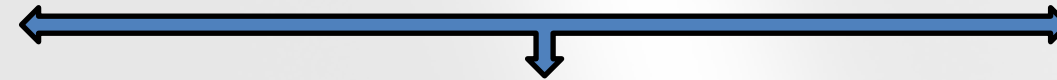
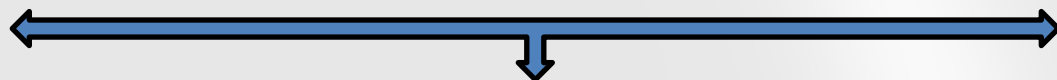
For Our Employees

- Equality and Inclusion Projects – Free kindergarten support project for female employees with children
- Occupational Health and Safety – Zero Occupational Accidents, Healthy and Safe Working Environment
- Employee Happiness - Talent Management and Employee Satisfaction Survey Studies



For a Sustainable Future

- Sustainability Performance – Compliance with the Amfori BSCI Social Compliance process
- Sustainable Products – To prefer 100% recyclable products with a low carbon footprint
- Participate to project TEB Portfolio Leading Women Variable Fund



Sustainability Management



✓ Sustainable Production and Products

Establishment of Zero Waste System in Head Offices with the Zero Waste Project
Using Recycled Fabrics in Production
Transition to Eco-Design Model with Low-Carbon Footprint Products



✓ Environmental and Social Sustainability

UN Global Compact Türkiye Network Membership
United Nations Global Compact Signatory
UN Global Compact Women's Empowerment Principles Signatory



✓ Energy and Resource Efficiency

Resource Saving (by Switching to E-catalog System in Stores)
Renewable Energy Investments (GES)
Electricity Production from Process Wastes (Approved by the Ministry of Environment)



Sustainability Management

As Doğanlar Furniture Group, we started our Carbon Footprint Reporting studies within the scope of 2050 Net Zero Vision.



✓ The Goal of The Project

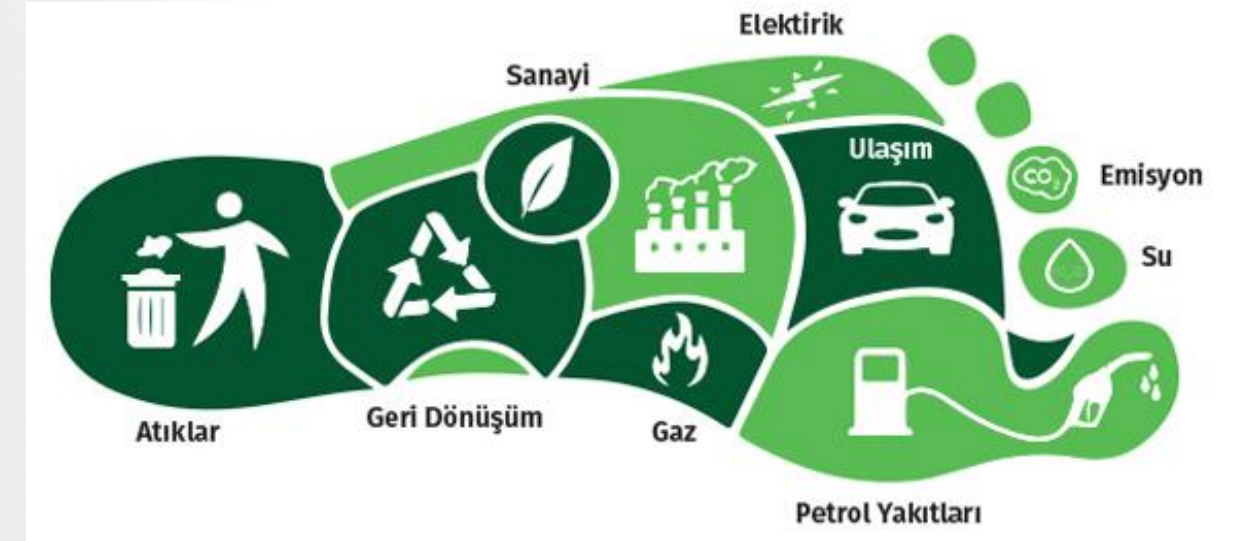
➤ **Combating with Climate Change**

With the vision of net zero emissions; We are on track to equate the amount of greenhouse gases produced by 2050 with the amount of greenhouse gases naturally absorbed by the earth!



✓ What will we calculate?

➤ **Factors that Cause Carbon Footprint**



✓ What will we gain?

➤ **Preparation for the Carbon Border Tax**

Many countries around the world have set a number of targets to reduce their carbon emissions. We will ensure that our company complies with these regulations by measuring and reducing our carbon footprint

➤ **Saving from Resources**

By reducing our carbon footprint, we will also reduce energy use and other costs

➤ **Increasing Company Reputation**

It will be ensured that our consumers become more conscious of the environmental impact of the products and services they use.

Social Responsibility & Awards

DEPREM BÖLGESİNDEKİ KIZLARIMIZIN EĞİTİMİNE KELEBEK ETKİSİ YARATALIM

8
MART
DÜNYA KADINLAR GÜNÜ

Bu yıl Dünya Kadınlar Günü'nde, deprem bölgesindeki kızlarımızın eğitimlerine kelebek etkisi yaratmak için Türk Eğitim Vakfı iş birliğiyle, Kelebek olarak 200 kızımızın eğitimine destek sağlıyor. "Kızlarımıza Kelebek Bursu" projesini başlatıyoruz.

ALMEDA ABAZI SAYIŞMAN
TOLGAHAN SAYIŞMAN
NÜKHET DURU
CEM BELEVİ
ŞENEM SUNGUR

TEV
TÜRK EĞİTİM VAKFI
1967
KIZLARIMIZA
KELEBEK
BURSU

Siz de Türk Eğitim Vakfı Kelebek Burs Fonuna bağış yaparak kızlarımızın eğitimine Kelebek Etkisi yaratabilirsiniz.

#KelebekEtkisiYaratalım

DOĞTAŞ
BRANDVERSE AWARDS

Gümüş
SocialBrand
Veri Analitiği Ödülleri
DOĞTAŞ
Mobilya
2023
BRANDVERSE AWARDS

Mobilya Sektöründe Sosyal Medya Kullanımı ve Veri Analitiği bölümünde Gümüş Ödülün sahibi olduk

Türkiye'nin En Mutlu İşyeri

Happy Place to Work

DOĞANLAR MOBİLYA GRUBU
SEKTÖR: MOBİLYA
2023
Medya İşbirliği Capital

ALTIN KALPLERE KRİSTAL ELMA

Barınaklardan hayvan sahiplenelerin mobilyalarını sigortaladığımız Pati Garantis Projemiz ile Sosyal Sorumluluk Kategorisinde Kristal Elma kazandık!

DOĞTAŞ

4.Q&A



5. Appendix



Summary Financials

Balance Sheet

TL	31 December 2021	31 December 2022	30 June 2023
Total Assets	1.745.248.010	3.249.092.310	4.120.359.418
Cash & Cash equivalents	49.168.829	294.333.290	244.680.201
Financial Investment	-	-	9.549.662
Accounts Rec. & other recivables	278.655.495	440.013.259	783.597.010
Inventories	468.759.358	883.199.525	1.096.515.795
Prepayments	136.867.633	127.184.260	270.692.021
Other Current Assets	56.854.973	71.710.531	39.200.660
Total Current Assets	990.306.288	1.816.440.865	2.444.235.349
PP&E	552.470.174	1.107.692.021	1.219.390.826
Intangible Assets	23.203.439	49.313.030	48.609.314
Other non Current Assets	20.050.099	49.668.724	52.242.908
Right-of Use Assets	159.218.010	225.977.670	355.881.021
Total non-Current Assets	754.941.722	1.432.651.445	1.676.124.069
Total Liabilities & Equity	1.745.248.010	3.249.092.310	4.120.359.418
Short-term Debt	401.599.235	512.387.444	979.092.723
Accounts Payable	499.188.711	985.168.142	1.107.919.210
Deferred Revenue	113.767.886	383.347.839	461.645.117
Provisions & other current liabilities	62.973.035	108.092.761	123.216.689
Total Current Liabilities	1.077.528.867	1.988.996.186	2.671.873.739
Long-term Debt	444.034.926	664.487.886	734.901.625
Provision for Employee Benefits & Other	29.082.000	58.436.722	36.788.732
Deferred tax liability	-	8.577.664	39.870.302
Total Non-Current Liabilities	473.116.926	731.502.272	811.560.659
Shareholder's Equity	194.602.217	528.593.852	636.925.020

Summary Financials

Income Statement

TL	31.12.2021	31.12.2022	30.06.2022	30.06.2023
Net Sales	1.744.206.723	3.831.311.833	1.425.788.152	2.612.140.559
Cost of Sales	(1.172.240.465)	(2.422.078.267)	(931.059.585)	(1.679.953.734)
Gross Profit	571.966.258	1.409.233.566	494.728.567	932.186.825
OPEX	(395.175.089)	(1.007.151.646)	(359.493.585)	(696.155.784)
Other Net Operating Income/Expenses	116.241.410	20.019.639	102.689.203	117.106.908
Operating Profit	293.032.579	422.101.559	189.070.059	353.137.949
Income/Expense from Investment	(19.813)	22.163.171	6.835.870	8.718.946
Operating Profit Before Financial Expense	293.012.766	444.264.730	225.756.567	361.856.895
Financial Income/Expense Net	(248.768.660)	(301.337.725)	(147.784.250)	(204.383.771)
EBIT	44.244.106	142.927.005	77.972.317	157.473.124
Income Tax Expense	-18.487.909	36.907.148	7.680.625	(2.588.876)
Net Income /(Loss)	25.756.197	179.834.153	50.900.334	154.884.248
Equity Holders of the Parent	25.757.797	179.849.827	50.910.319	154.902.380
EBITDA	257.842.561	550.444.685	195.637.232	341.622.596
Gross Margin	32,8%	36,8%	34,7%	35,7%
EBITDA Margin	14,8%	14,4%	13,7%	13,1%

Number of Stores

	2020	2021	2022	30.06.2023
Sales Channel	Number of Store	Number of Store	Number of Store	Number of Store
Domestic Retail	71	101	110	101
Doğtaş	24	31	31	28
Kelebek	35	46	43	40
Lova (Exclusive)	12	21	33	32
Lova (Corner)*	54	77	70	68
Kelebek Kitchen		3	3	1
Domestic Franchise	286	338	451	486
Doğtaş	152	163	195	202
Kelebek	107	127	166	176
Lova (Exclusive)	9	25	51	65
Lova (Corner)*	213	262	357	380
Kelebek Kitchen	18	23	39	43
Domestic Total	357	439	561	587
International Retail		2	4	4
Doğtaş		2	3	3
Kelebek			1	1
Lova (Corner)*		2	3	3
International Franchise	58	68	92	90
Doğtaş (Exclusive)	44	49	55	56
Kelebek (Exclusive)	14	9	20	16
Lova (Exclusive)		1	7	8
Lova (Corner)*		45	49	49
Ruumstore		9	9	9
Kelebek Kitchen			1	1
International Total	58	70	96	94
General Total	415	509	657	681

Disclaimer

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