



Investor Presentation

27 May 2024

DOĞTAŞ

 **Kelebek**

 **Kelebek**
MUTFAK - BANYO

lova
yatak

ruumstore

BiGA
HOME



Agenda

-  **01** 2023 Company Overview and Furniture Sector
-  **02** 2023 Financial Results
-  **03** Annex




DOĞANLAR
MOBİLYA GRUBU



2023 Company Overview and Furniture Sector



Overview of Doganlar Mobilya Group

Overview

- Furniture company in the top 3* producing and selling modern designed furniture at affordable prices
- Turkey's most established furniture company with **6 brands** (Doğtaş, Kelebek, Kelebek Kitchen-Bathroom, Lova Sleep, Ruum Store and Biga Home)
- The shareholding structure consists of **49,88% Doğanlar Yatırım Holding** and **50,12% publicly traded shares**.
- 2.741 employee**
- Supply Chain;**
 - ✓ **5 different production units in 3 different locations** on a total of **446 thousand m2** open area and **149 thousand m2** closed area, **2 design centres**,
 - ✓ **122 thousand m2 of warehouse space** in 6 different locations in **Turkey**
 - ✓ **6 thousand m2 warehouse space** in 4 different locations in **abroad**

2023 Key Financial and Operational Indicators (Including the effect of TAS 29 Inflation Accounting)

8.8 billion TL Revenue	17.4% Net Sales Growth (2022-2023)	730** Total Domestic and International Sales Points
39.1% Gross Profit Margin (2022 %38.5)	1.4 billion TL EBITDA	718 million TL Net Profit
15.8% EBITDA Margin (2022 %16)	717 thousand m² Store Area	82 Net Store Opening⁽¹⁾

(1) 1.1.2023 -31.12.2023

*According to the number of stores

** As of 30.04.2024, the number of stores reached 742..



Production Facilities

Biga Factory

○ Flexibility between internal production and external supply

Facilities close to Turkey's main furniture production centres and high demand regions



Total Area	233.000 m ²
Closed Area	84.000 m ²
R&D Area	1.175 m ²
Warehouse Area	20.000 m ²

Production Capacity

Panel	2.400.000 m ² /year
Upholstery	96.000 pieces/year
Bedding	75.600 pieces /year



4,542 kWp Solar Energy Investment



Production Facilities

Düzce Factory

○ Flexibility between internal production and external supply

Facilities close to Turkey's main furniture production centres and high demand regions



Total Area	159.500 m ²
Closed Area	55.000 m ²
R&D Area	1.325 m ²
Warehouse Area	25.000 m ²

Production Capacity

Panel	1.900.200 m ² /year
Upholstery	53.500 pieces/year





Production Facilities

Senegal Factory

○ Flexibility between internal production and external supply

Production facility in Dakar, the capital of Senegal, with an advantageous export position to 15 Ecowas* countries (Benin, Burkina Faso, Cabo Verde, Ivory Coast, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone and Togo) with a total population of 350 million.



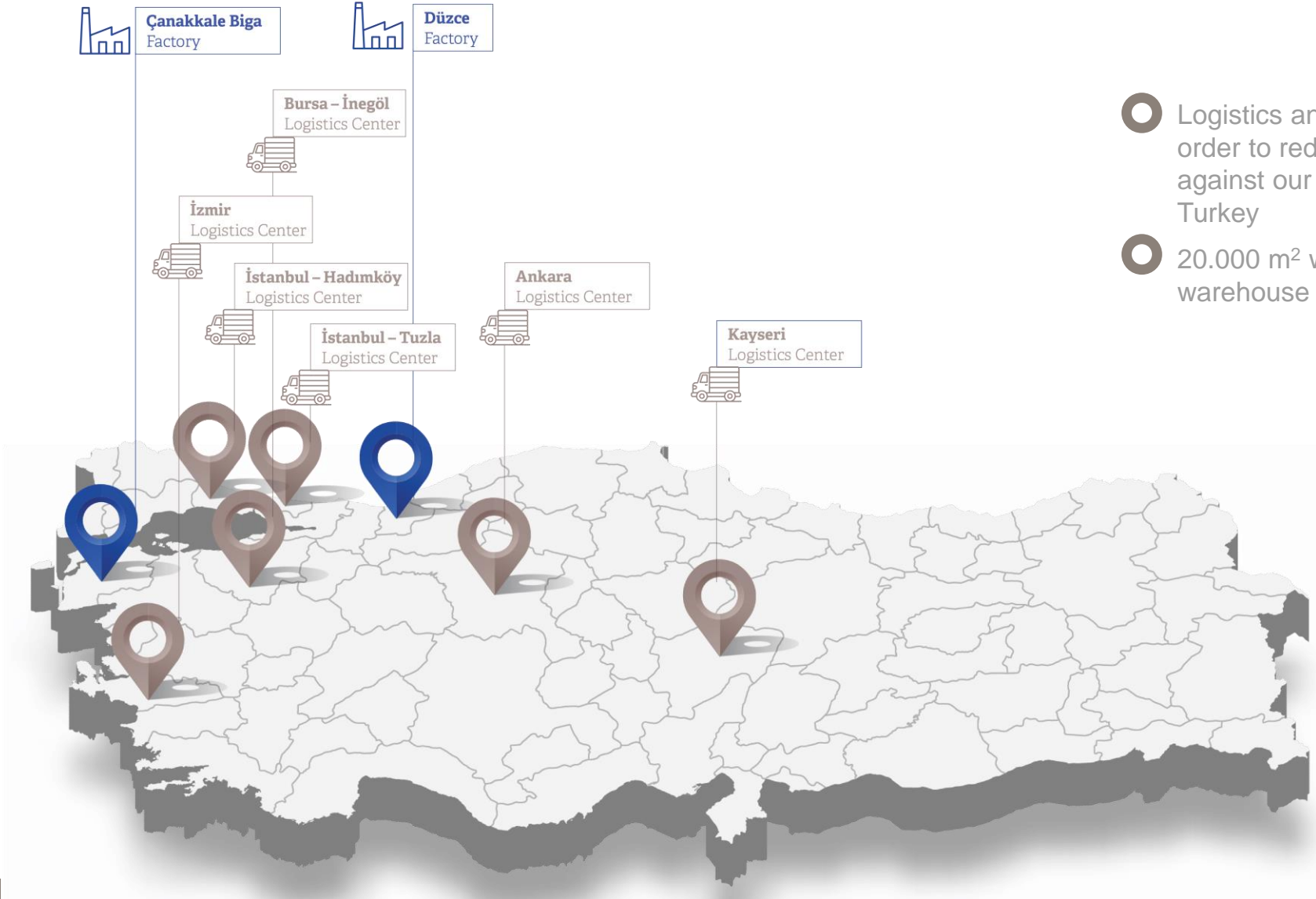
Total Area	52.800 m ²
Closed Area	10.000 m ²
Warehouse Area	25.000 m ²

Production Capacity

Panel	220.000 m ² /year
Upholstery	15.000 pieces /year
Bedding	25.000 pieces /year

Ecowas: Economic Community of West African States

Flexible Production Model



- Logistics and operation centers in 6 center in Turkey in order to reduce our logistics and operation costs against our widespread seller and supplier network in Turkey
- 20.000 m² warehouse area in Biga and 25.000 m² warehouse area in Düzce



Investment Highlights



Growing furniture market and changing market dynamics



Wide product segment / brand portfolio and growing sales network



Solid infrastructure that will ensure sustainable growth



Profitability focused growth strategy



Strong financial structure



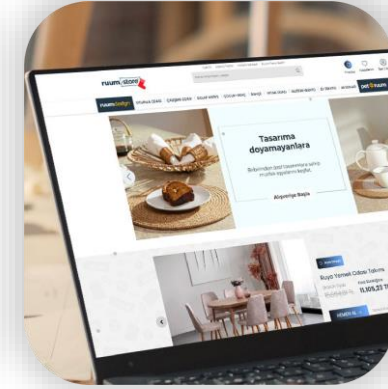
51 years brand



88 years brand



7 years brand



5 years brand



1 years brand

DOĞTAŞ

 **Kelebek**

 **Kelebek**
MUTFAK - BANYO

lova
yatak

ruum / store

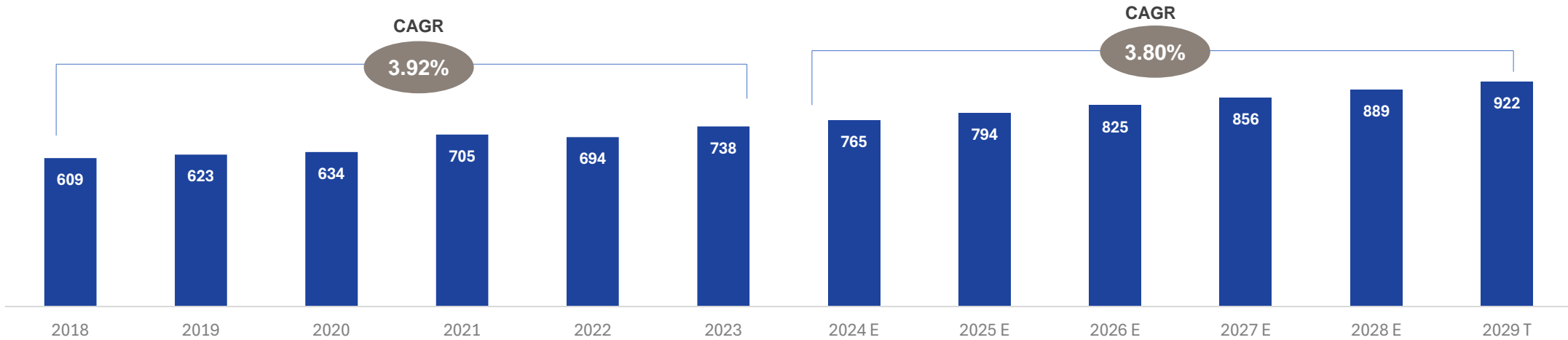
BİGA
HOME



Growing Furniture Market and Changing Market Dynamics-World

Global furniture demand with a CAGR of 3.8% between 2024E-2029E

Global Furniture Market (billion USD) ⁽¹⁾



- It is expected to reach 922 billion USD in 2029. The highest growth is expected to be in living room product groups.

Countries with the highest production: China, USA, Italy, Germany, India, Vietnam

Top exporting countries: China, Vietnam, Poland, Germany, Italy

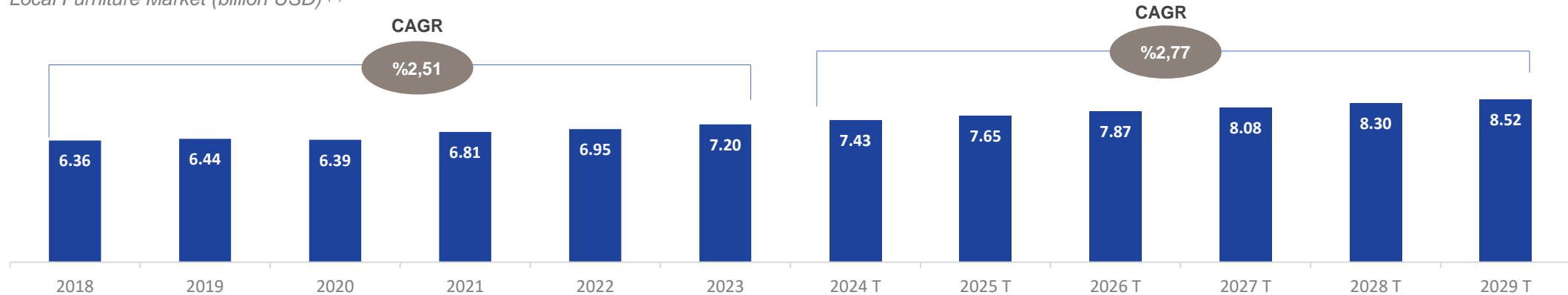
Top importing countries: USA, Germany, France, UK, Netherlands

(1) Statista

Growing Furniture Market and Changing Market Dynamics-Türkiye

Local furniture demand with a CAGR of 2.77% between 2024E-2029E

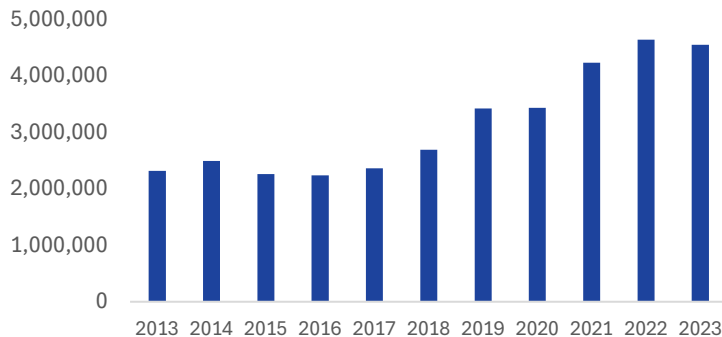
Local Furniture Market (billion USD) ⁽¹⁾



- Between 2024 - 2029, the Turkish furniture market is expected to grow more than the previous period and reach 8.52 billion USD in 2029. The main growth factors are the post-earthquake construction in Turkey and the acceleration of construction with Urban Transformation projects.

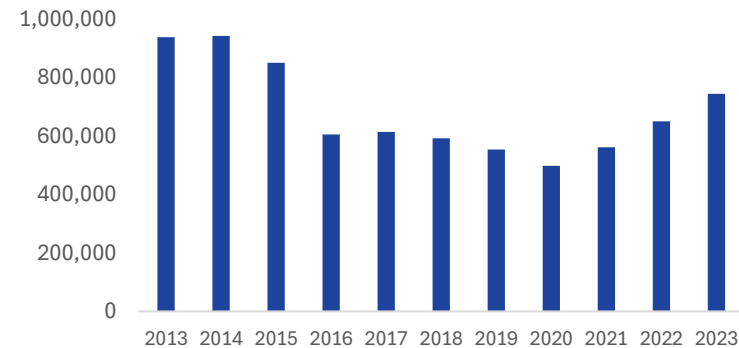
Türkiye furniture exports with 7.38% CAGR between 2019-2023

Furniture Export (thousand USD) ⁽²⁾



Furniture imports by years

Furniture Import (thousand USD) ⁽²⁾

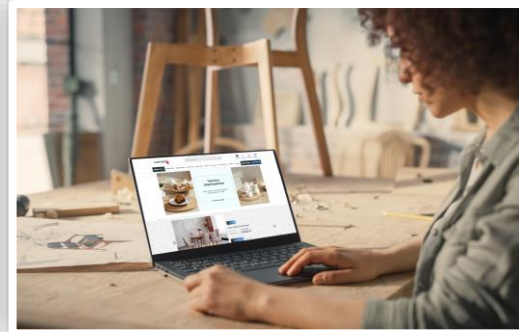


(1) Statista (2) Trademap

Wide Product Segment / Brand Portfolio and Growing Sales Network

○ The Only Address for Home Furniture

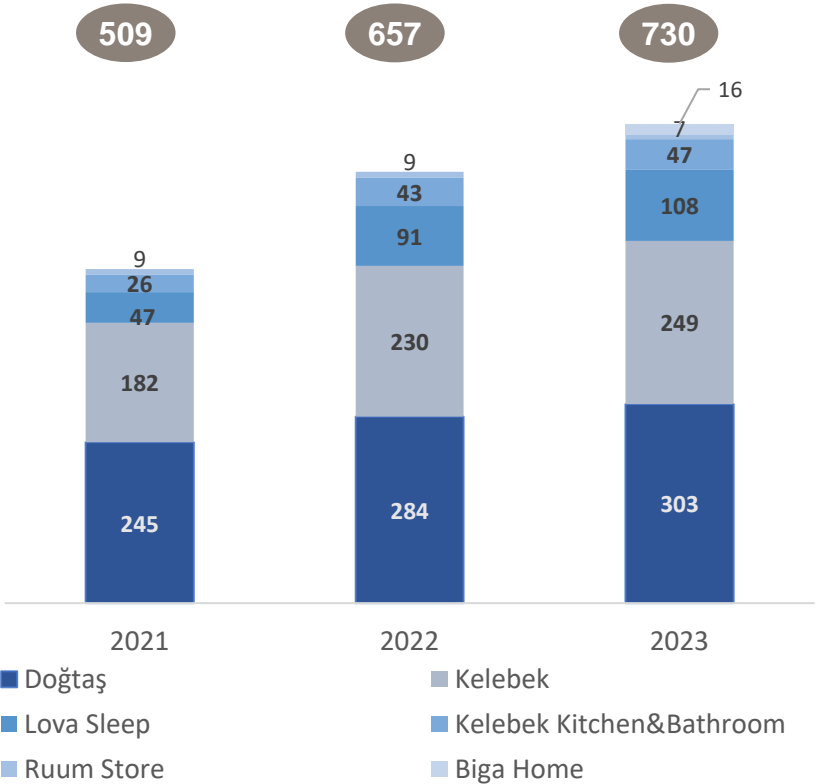
- A wide range of products at **affordable prices** with best-in-class designs
- Potential to penetrate the market more and faster with a multi-brand strategy
- The collection is constantly renewed in line with customer opinions received from **730 sales points**
- **Fully comprehensive product portfolio:** Living room, dining room, bedroom, kitchen, bed, bed base. Accessories, lighting, decorative products in the Home category, garden furniture in the Garden category, home textiles in the sleep category.



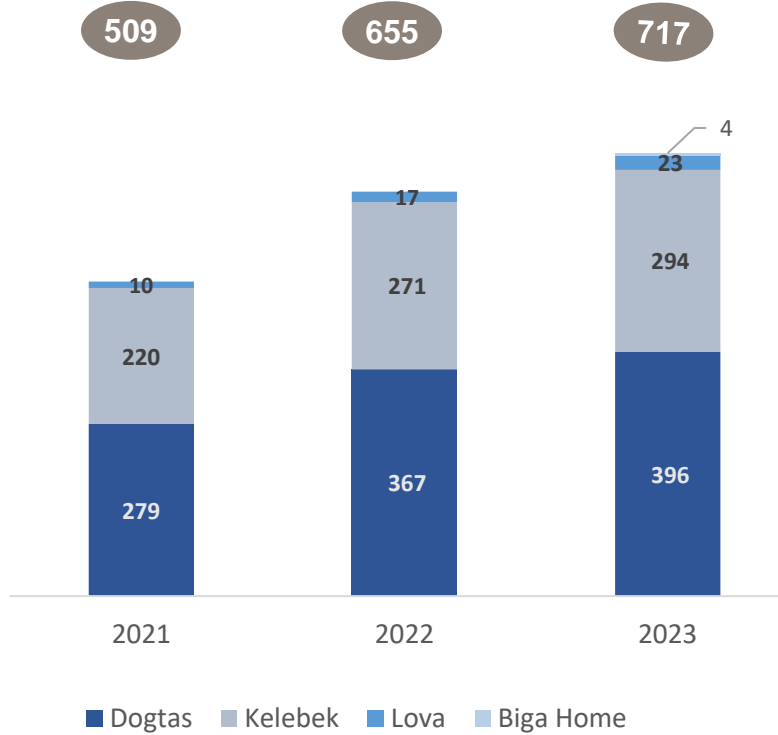


Wide product segment / brand portfolio and growing sales network

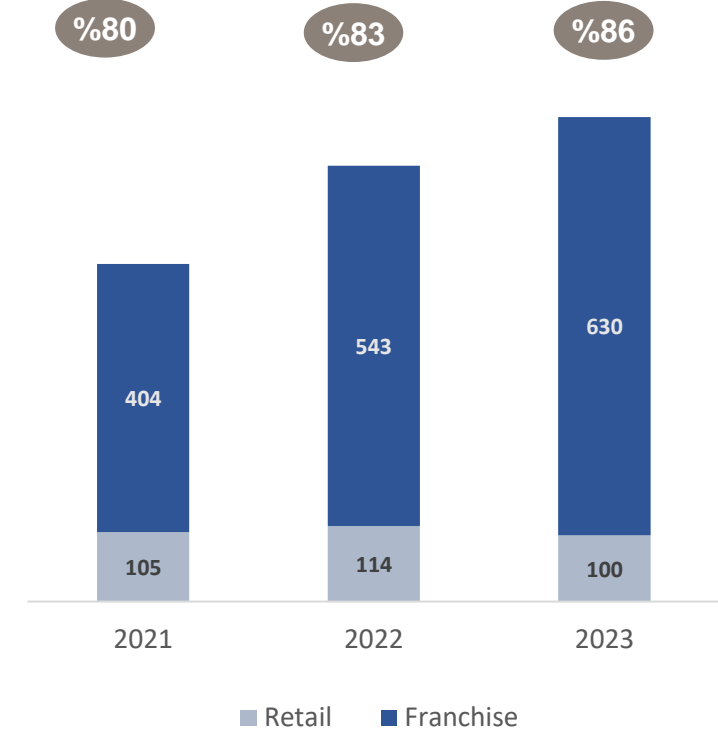
Year-end Total Number of Stores*



Year-end Sales Area (thousand m2)**



Year-end Share of Franchise in Sales Points (%)



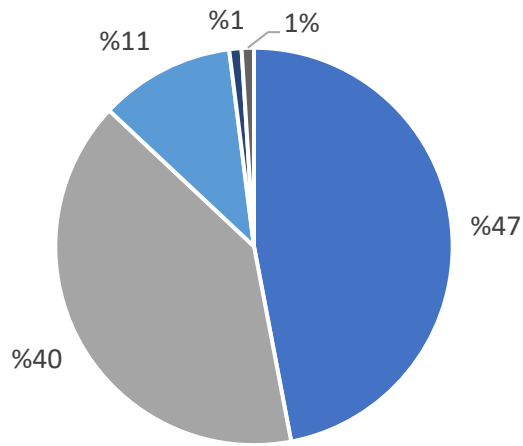
* As of 30.04.2024, the number of stores reached 742.

** As of 30.04.2024, the sales area has reached 730 thousand m2.



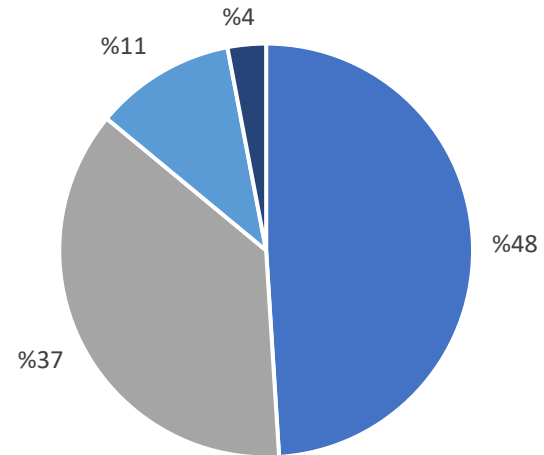
Wide product segment / brand portfolio and growing sales network

Sales by Brand (2023)



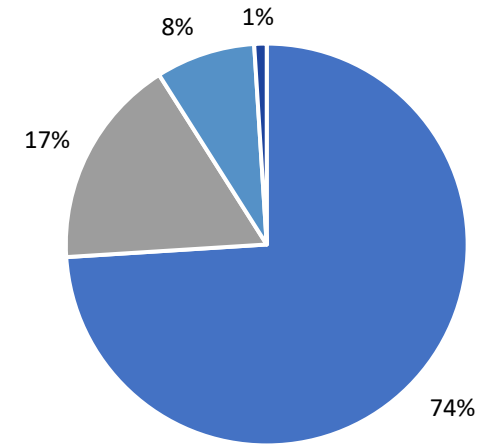
- Doğtaş
- Kelebek
- Lova Sleep
- Kelebek Kitchen-Bathroom
- Ruum Store

Sales by Product Group (2023)



- Wooden Panel
- Upholstery
- Bedding Group-Home Textiles
- Decor-Accessories

Sales by Channel (2023)



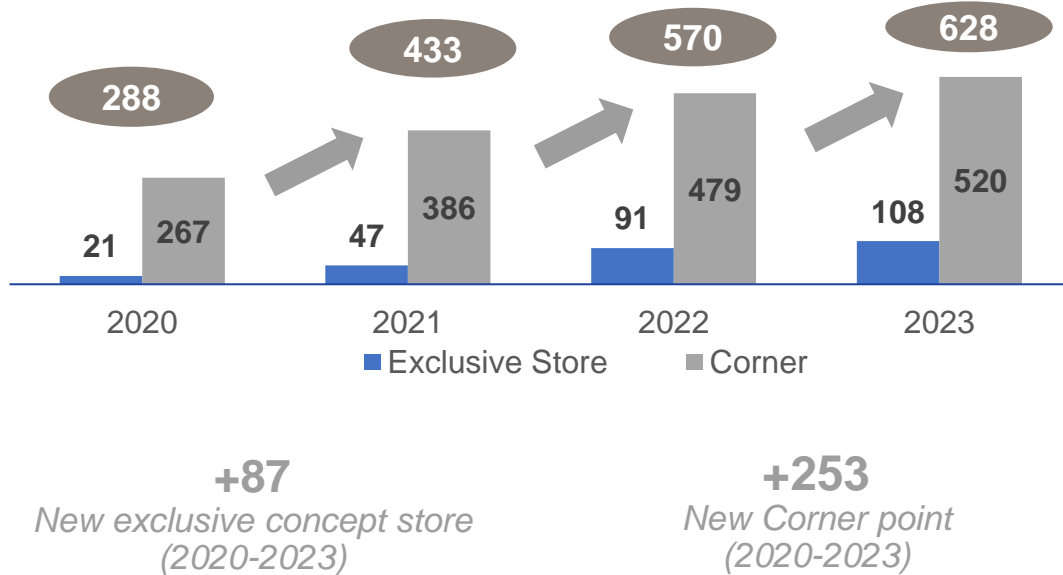
- Franchise
- Retail
- International Sales
- E-Commerce



A strong Brand and Expanding Product Range: Lova Sleep

Developed with a focus on sleep comfort and quality, Lova Bedding introduced dynamic sleep features to its users in 2017. With Lova Mattress, we aim to steadily increase our share in the market and total sales.

Lova Sales Points Development





Growing Sales Opportunities

Sales Channels



E-commerce transaction volume corresponds to ~5% of our sales (including dealer deliveries).



We carry out online sales on **Amazon, Wayfair and Etsy** sites in countries such as **America, Cyprus and England** where we have offices abroad..



As **Ruumstore**, we aim to reach all living spaces related to home by making active sales in all channels. We take place in **Koçtaş, Bim, A101, Migros and Şok** stores with our **Ruumstore** branded sales.



International Markets

Significant growth target in international markets!

Subsidiaries Established Abroad Since 2021

- TRNC
- Senegal
- USA
- United Kingdom

Online Portals other than Retail Sales Channel & Projected Works & Sales to Chain Stores

+37
New Sales Point
(2021-2023)

+~25
New Sales Point Target
(2024)



31.12.2023 Sales Points

DOĞTAŞ

58

Kelebek

19

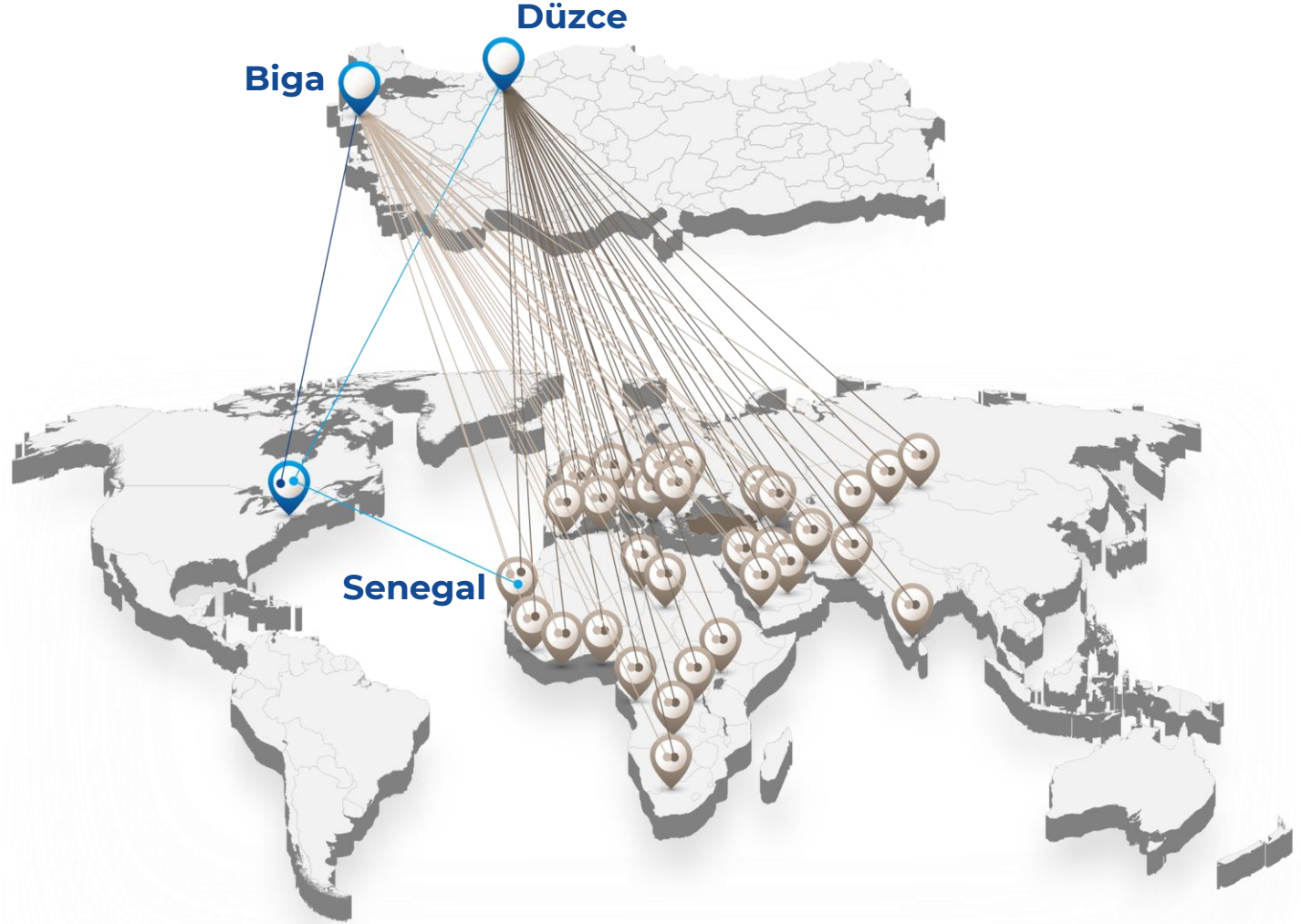
77
7
Corner*

ruum/store

7

BiGA
HOME

16



* The number of Lova Yatak corners in Doğtaş and Kelebek sales points.

Solid Infrastructure That Will Ensure Sustainable Growth

Digitalisation and Transformation Infrastructure Activities



Corporate Governance

- 3 Female Independent Board Members (43%)
- 33% Female Employee Ratio
- Organisational Structure



Sustainability Activities



United Nations
Global Compact



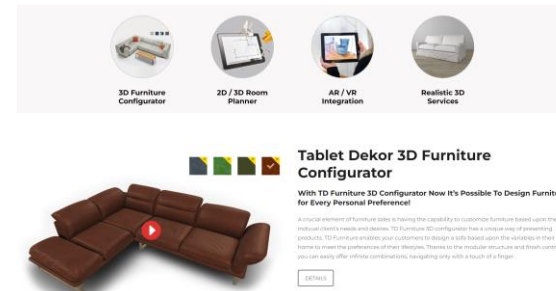
Activities to Increase Customer Satisfaction



Solid Infrastructure That Will Ensure Sustainable Growth-Digital Transformation

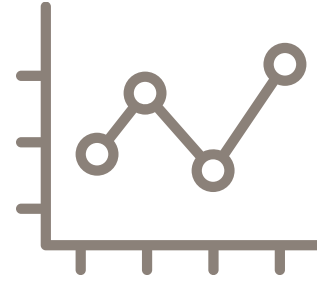
Our ongoing projects within the scope of our Digital Transformation strategy;

- The transformation project of SAP ERP and CRM systems to SAP RISE Cloud system continues.
- With our Full Time Delivery Project, we are improving our customers' orders and stock planning processes.
- With our Robotic Process Automation (RPA) Projects, our processes are carried out automatically in digital environment.
- Retail Store and Dealer quick sales tablet / mobile application project.
- With the Customer Lifecycle and Multi-channel integration project, we determine customer needs supported by artificial intelligence.
- MES Production data collection and IOT / SCADA Projects are ongoing.
- We digitalise our Production and Logistics processes with RFID Smart Barcode Technologies.
- We improve our delivery processes by moving Kelebek Kitchen customer orders to end-to-end digital platforms.






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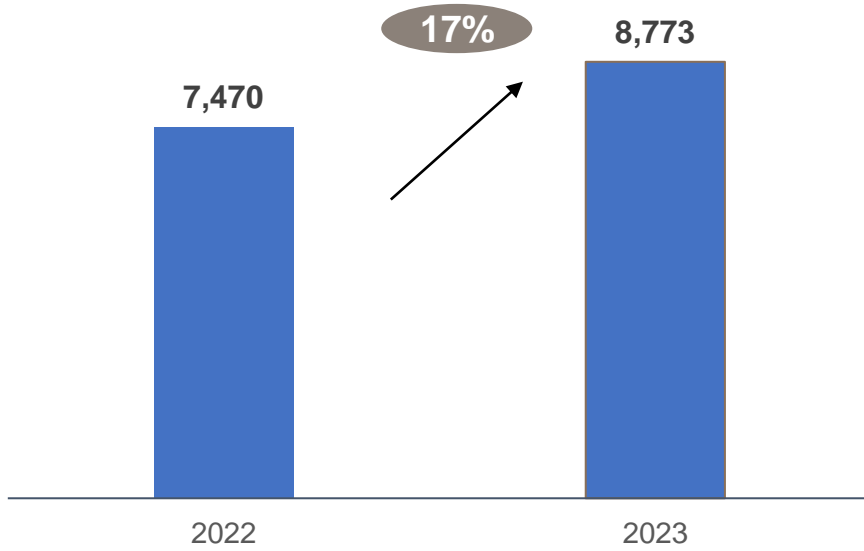


2023 Financial Results

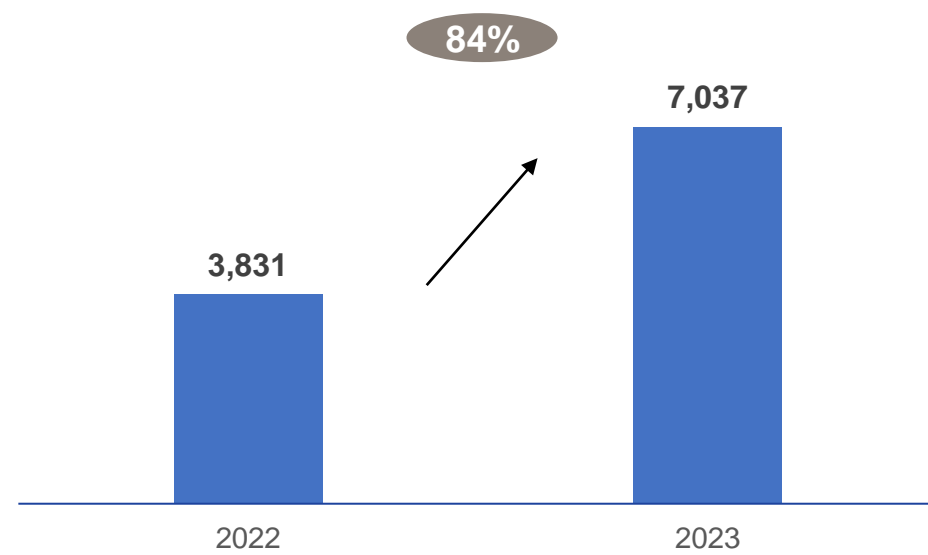


Net Sales

○ Net Sales (million TL) & Net Sales Growth (%)
Including TAS-29 Inflation Adjustments



○ Net Sales (million TL) & Net Sales Growth (%)
Excluding TAS-29 Inflation Adjustments

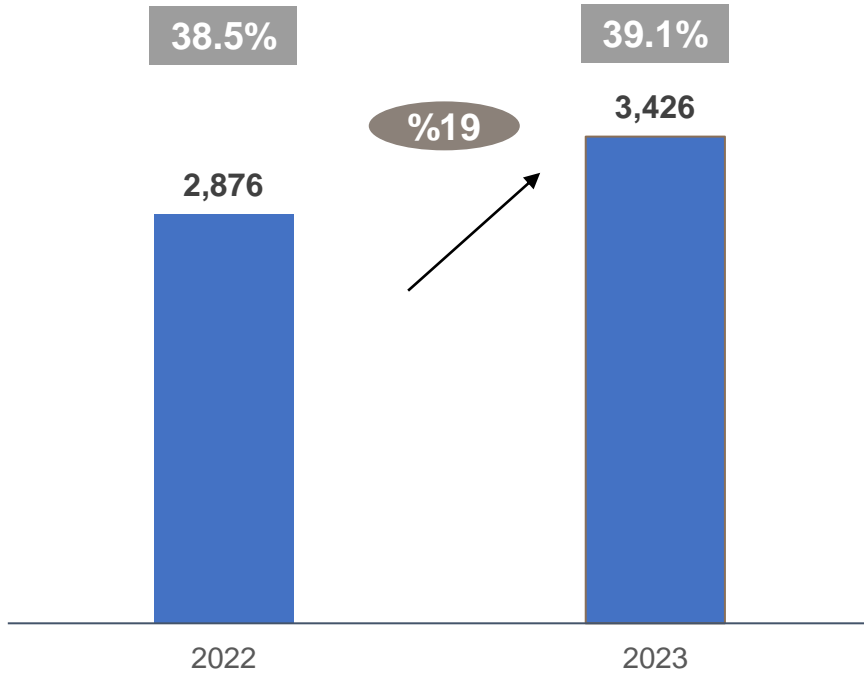


○ 2023 Share of International Sales: 8%

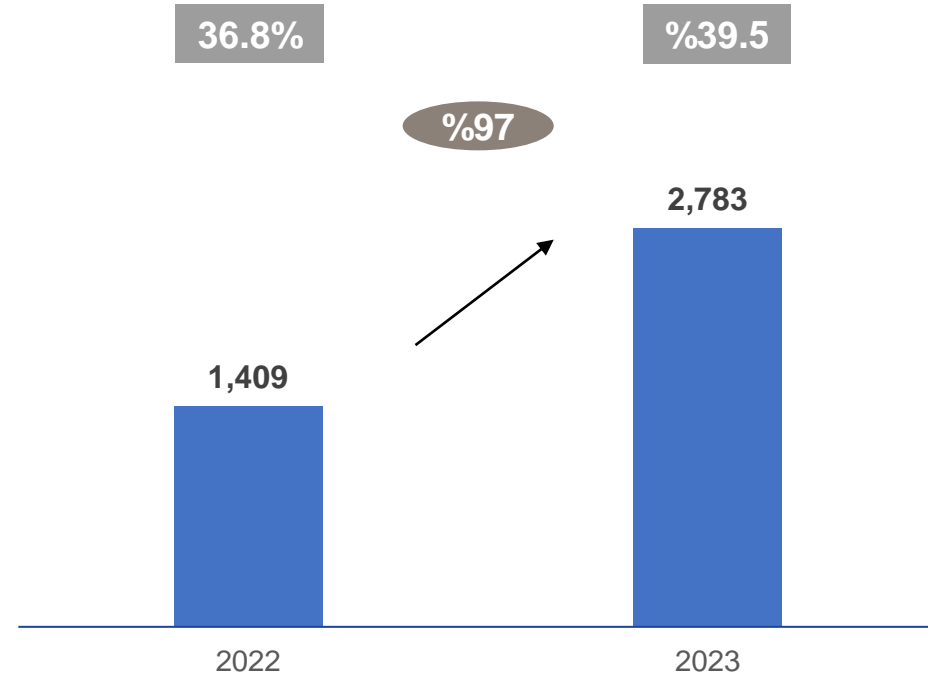


Gross Profit

○ Gross Profit (million TL) & Gross Profit Growth (%)
Including TAS-29 Inflation Adjustments



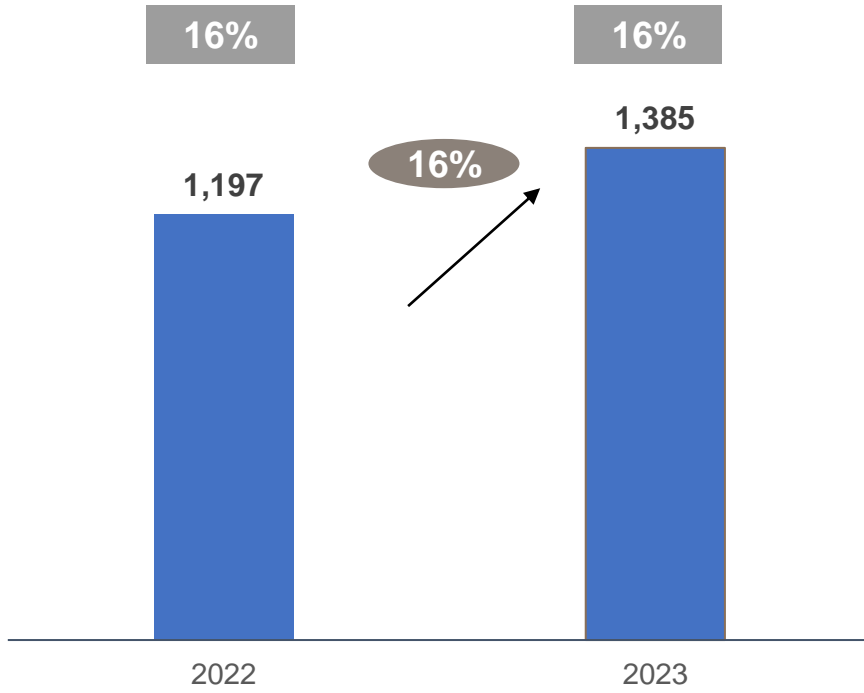
○ Gross Profit (million TL) & Gross Profit Growth (%)
Excluding TAS-29 Inflation Adjustments



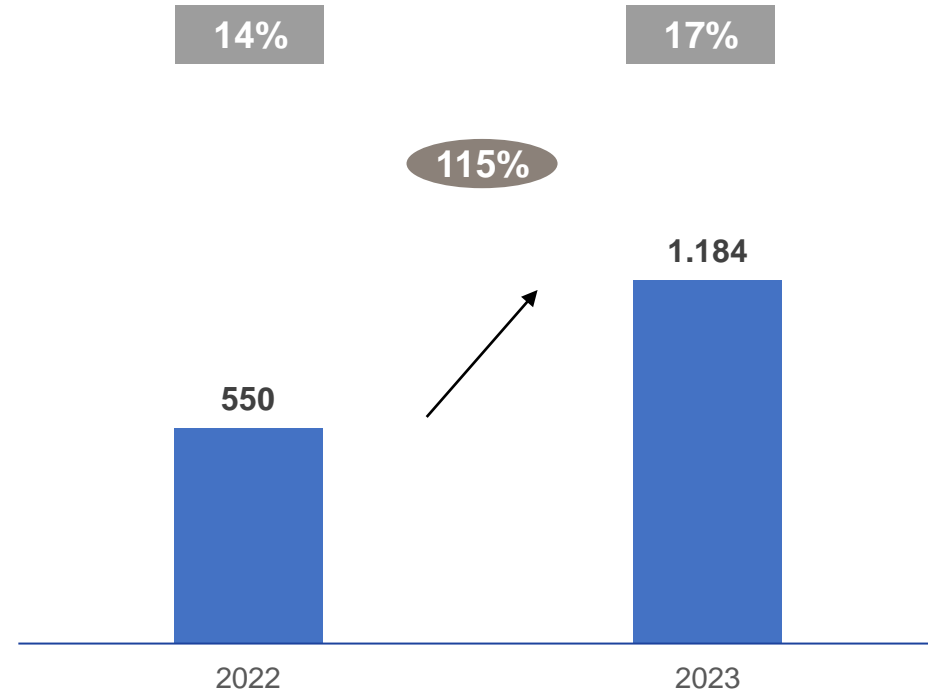


EBITDA

○ EBITDA(million TL) & EBITDA Growth (%)
Including TAS-29 Inflation Adjustments



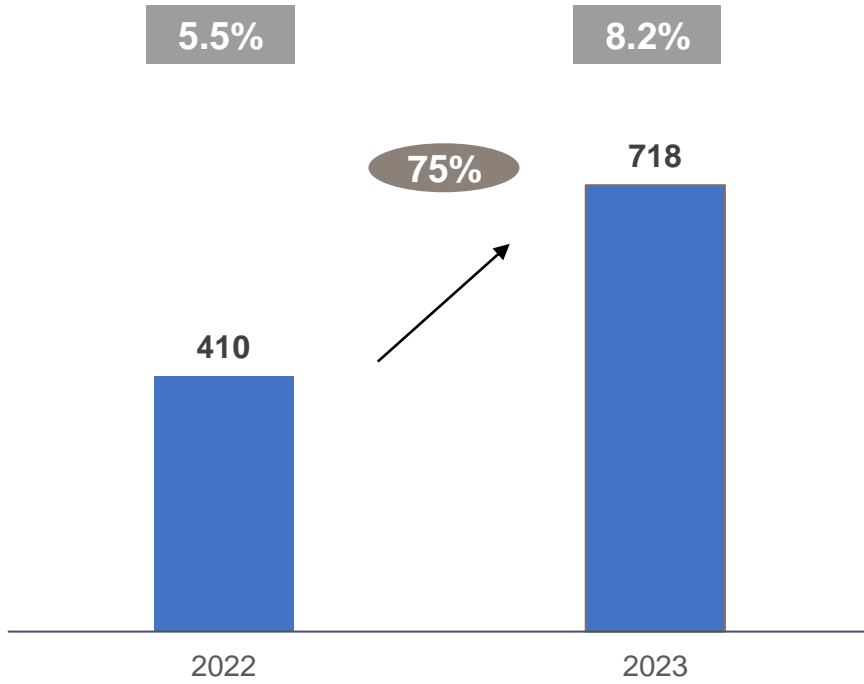
○ EBITDA(million TL) & EBITDA Growth (%)
Excluding TAS-29 Inflation Adjustments



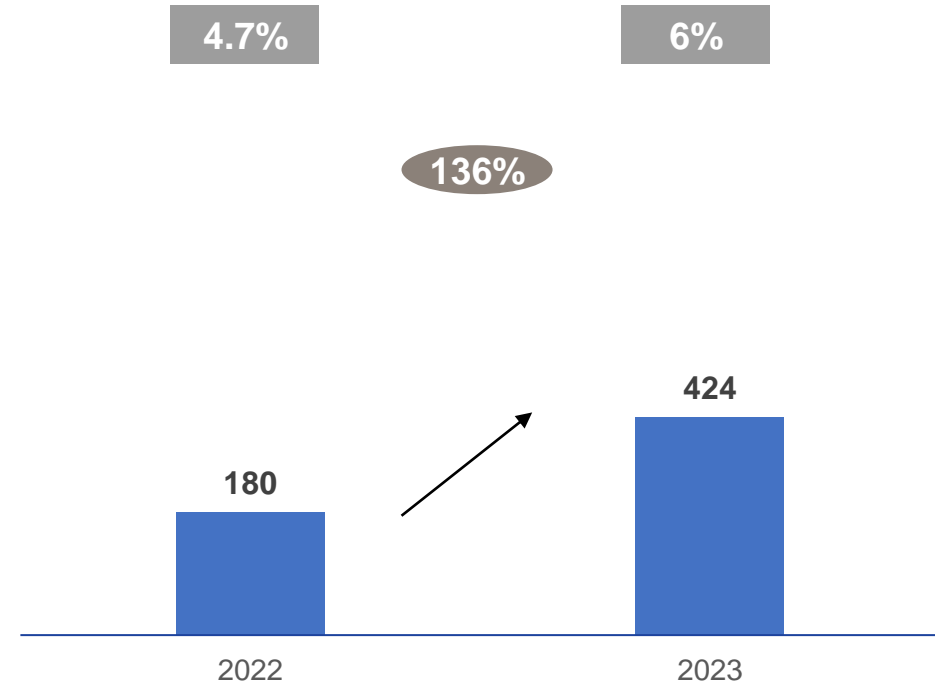


Net Profit

○ Net Profit - Attributable to Parent Company (TL million) & Net Profit Growth (%)
Including TAS-29 Inflation Adjustments



○ Net Profit - Attributable to Parent Company (TL million) & Net Profit Growth (%)
Excluding TAS-29 Inflation Adjustments





Steps to Improve Working Capital

Including TAS-29 Inflation Adjustments

31.12.2023

Improvements

1	Trade Receivables	29 Days
2	Stocks	105 Days
3	Trade Payables (-)	106 Days

1 Trade Receivables

- Strong contribution to cash collection from retail and franchise stores with Virtual POS and consumer finance applications.

- Minimizing the deferred payment option

2 Stocks Optimization

- Outsourcing

- Reduction of stock inventory

3 Trade Payables (-)

- Improvements in payment terms and use of alternative payment methods in purchasing conditions



Cash-to-Cash Cycle

28 Days



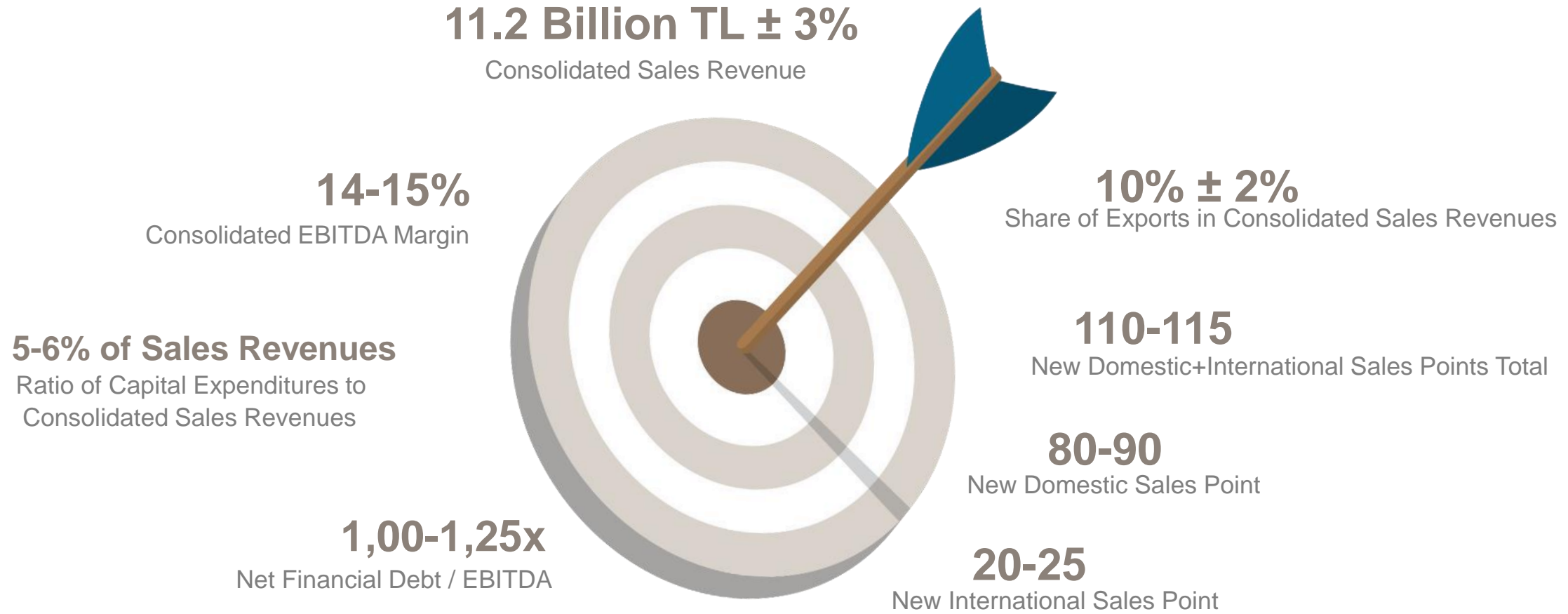
Financial Debt

Net Financial Debt (thousand TL) – (Including TAS-29 Inflation Adjustments)

TRY Million	31.12.2022	31.12.2023
Short-Term Indebtedness	973.684	1.492.838
Bank Loans	261.147	160.192
Financial Leasing Debts	53.682	45.436
Leasing Debts	115.659	109.263
Short-term Portion of Long Term Bank Loans	543.196	1.177.947
Long-Term Indebtedness	1.094.896	713.944
Bank Loans	698.714	356.230
Financial Leasing Debts	42.176	6.947
Leasing Debts	354.007	350.767
Total Financial Indebtedness (Including IFRS-16 Financial Debts)	2.068.580	2.206.782
Cash and Cash Equivalents	521.526	318.403
Net Financial Debt (Including IFRS-16 Financial Debts)	1.547.054	1.888.379
Net Financial Debt/EBITDA (x)	1,29x	1,36x



2024 Guidance*



* These are the Guidance for 2024 announced on Public Disclosure Platform on January 22, 2024.

* Guidance for 2024 are given without taking into account the potential impacts that may arise from the implementation of TAS 29 (Financial Reporting in High-Inflation Economies).




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MOBİLYA GRUBU



Annex



Balance Sheet

Including TAS-29 Inflation Adjustments

TRY	31.12.2022	31.12.2023
ASSETS	6.713.859.450	7.364.851.131
Cash and Cash Equivalents	521.526.492	318.402.612
Financial Investments	-	252.899.353
Trade Receivables	756.289.494	985.223.505
Stocks	1.562.128.067	1.554.820.063
Prepaid expenses	270.079.550	383.122.363
Others	118.159.535	29.189.416
TOTAL CURRENT ASSETS	3.228.183.138	3.523.657.312
Tangible Assets	2.451.868.691	2.708.959.173
Intangible Assets	224.926.817	230.593.298
Right-of-Use Assets	653.281.187	754.061.681
Others	155.599.617	147.579.667
TOTAL FIXED ASSETS	3.485.676.312	3.841.193.819
TOTAL LIABILITIES & EQUITY	6.713.859.450	7.364.851.131
Short -Term Borrowings	973.683.617	1.492.837.801
Trade Payables	1.698.811.333	1.705.195.044
Deferred Income	732.930.020	737.601.558
Provisions & Other Short Term Liabilities	278.238.785	258.057.242
Current income tax liability		45.906.091
SHORT -TERM LIABILITIES	3.683.663.755	4.239.597.736
Long -Term Borrowings	1.094.896.084	713.944.269
Provisions & Other Long-Term Liabilities	96.287.889	59.038.248
Deferred tax liabilities	125.675.035	156.432.027
LONG -TERM LIABILITIES	1.316.859.008	929.414.544
EQUITY	1.713.336.687	2.195.838.851



Income Statement

Including TAS-29 Inflation Adjustments

TRY	31.12.2022	31.12.2023
Revenue	7.469.783.047	8.772.534.043
Cost of Sales	- 4.593.757.322	- 5.346.831.713
Gross Profit	2.876.025.725	3.425.702.330
Operational Expenses	- 2.190.446.999	2.518.150.463
Other Operating Income/Expense (Gross)	35.965.803	193.102.010
Operating Profit / (Loss)	721.544.529	1.100.653.877
Income from Investment Activities	5.358.108	54.958.620
Operating profit before financial income/(expense)	726.902.637	1.155.612.497
Financial Income/Expenses	- 581.597.589	- 661.050.919
Net monetary positions gains (losses)	230.966.395	310.800.460
EBIT	376.271.443	805.362.038
Tax Income / (Expense)	- 23.593.821	- 120.997.822
Profit for The Period	352.677.622	684.364.216
Equity Holders of the Parent	409.754.406	718.320.271
EBITDA	1.197.284.576	1.385.494.895
Gross Profit Margin	39%	39%
EBITDA Margin	16%	16%
Net Profit Margin	5%	8%

Sustainability Management



✓ Sustainable Production and Products

Establishment of Zero Waste System in Head Office Offices with Zero Waste Project
Use of Recycled Plastics in Production Transition to Eco Design Model with Low Carbon Products



✓ Memberships and Initiatives

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



✓ Energy and Resource Efficiency

Conversion of Company Vehicles to Electric Vehicles Project
Renewable Energy Investments (SPP)
Electric Energy Generation from Process Wastes (Ministry of Environment Approved)





Sustainability Management

As Doğanlar Furniture Group, we have accelerated our sustainability efforts within the scope of Turkey's 2053 net zero emission target. We aim to share our first Sustainability Report with the public and our stakeholders in the last quarter of 2023.

✓ Aim of the Project

➤ **Combating Climate Change**

Within the framework of Turkey's net zero emission vision, we are also on our way to equalise the amount of greenhouse gases produced by 2050 with the amount of greenhouse gases naturally absorbed by the earth!

✓ What will we calculate?

➤ **Corporate Carbon Footprint**

Scope 1 Emissions
Scope 2 Emissions
Scope 3 Emissions



✓ What will we gain?

➤ **Compliance with Turkish Sustainability Reporting Standards (TSRS)**

Our company is included in the scope of TSRS. In this context, we will prepare our first sustainability report in accordance with the provisions and standards of TSRS.

➤ **Preparation for Carbon Tax Implementation at the Border**

As a company exporting to the EU, by measuring and subsequently reducing our carbon footprint, we will be prepared in advance for practices such as carbon tax at the border, which are likely to affect our industry in the coming years.

➤ **Saving Resources**

By reducing our environmental impact, we will also reduce our costs for energy and resource utilisation.

➤ **Enhancing Company Reputation**

We will ensure that our consumers become more aware of the environmental impact of the products and services they use.



Sustainability Management

We held a "**Stakeholder Workshop**" with wide participation for the materiality analysis studies that form the basis of both our first **sustainability report**, which we will publish in 2024, and our **sustainability strategy**.

✓ We Organised a Stakeholder Workshop in April

At the workshop, where a wide range of stakeholder groups such as press members, suppliers, dealers, investors, unions and employees came together, we received the valuable opinions of our stakeholders about the priority issues that will form the basis of our sustainability vision and sustainability strategy and the actions we can implement.

All the ideas that emerge will be insights that enable us to direct our sustainability efforts in a more effective and inclusive way and will form the cornerstones of our sustainability strategy.





D'Afric Senegal Furniture S.A.



Social Responsibility & Awards



DEPREM BÖLGESİNDEKİ KIZLARIMIZIN EĞİTİMİNE KELEBEK ETKİSİ YARATALIM

#KelebekEtkisiYaratalım

ALMEDA ASAZI SAYGIMAN TOLGAHAN KUTAYMAN NURHET DURU CEM BELEYİ SEENEMELER GÜR

TEV KIZLARIMIZA KELEBEK BURSU Kelebek

Prestijli Ödüllere Layık Görülmekten Mutluluk Duyuyoruz!

Takdir eden herkese, teşekkürlerimizle...

AWARDED Superbrands TÜRKİYE'S CHOICE 2022-2023

MOBİLYADA TÜRKİYE'NİN SÜPER MARKASI KELEBEK

teşekkürlerimizle.

Uluslararası 4 Tasarım Ödülü'nün Sahibi Doğtaş!

Dünyanın en prestijli tasarım yarışmalarından biri olan **A Design Award & Competition**'da Doğtaş, 4 ödülün birden sahibi oldu. Doğtaş'ın global bakış açısı ve tasarım anlayışıyla yenilikler sizlerle buluşmaya devam edecek.

SILVER AWARD

BRONZE AWARD

MODERNA KONSOL

MONUMENT KONSOL

BRONZE AWARD

IRON AWARD

JOSEPH KOLTUK

LIVORNO KOLTUK

DOĞTAŞ





Disclaimer

The information contained in this presentation has been prepared by Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. («Doğanlar Furniture Group» or the «Company»). The information contained in this presentation is not intended to be comprehensive, nor has it been independently verified. The information used in this presentation is for discussion purposes and is not intended to provide all the information necessary to evaluate the Company or its operations, financial condition or future performance.

In accordance with the decision of the Capital Markets Board (CMB) dated 28.12.2023 and numbered 81/1820, issuers and capital market institutions subject to the financial reporting regulations of the CMB, which apply Turkish Accounting/Financial Reporting Standards, have decided to apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the accounting periods ending as of 31.12.2023.

In this context, our Company's independently audited consolidated financial statements for the years 2022 and 2023 have been adjusted for the effect of inflation in accordance with the relevant standard and published comparatively.

In this presentation prepared for the financial results of our Company for the year 2023, inflation accounting has been applied in accordance with the provisions of TAS 29 and independently audited annual financial data has been taken as basis. In addition to these data, in accordance with the CMB's decision dated 07.03.2024 and numbered 14/382, considering that the financial performance of our Company for the year 2023 has been presented using non-inflationary financial data, in order for our investors and other interested parties to evaluate Doğanlar Furniture Group's financial performance more comprehensively, non-inflationary and non-independently audited data for selected indicative items used in the Company's presentations in previous periods are also included in this presentation for informational purposes only.

This presentation has been prepared to provide information about Doğanlar Furniture Group's operations and financial results and includes inflation-adjusted data and estimates and non-inflation-adjusted data and estimates for informational purposes. This presentation contains certain forward-looking statements, opinions and estimates. These statements reflect Doğanlar Furniture Group Management's current views on the future of the Company and involve certain assumptions. Actual results may differ depending on the development and realization of the variables and assumptions that make up the forward-looking statements and estimated figures.

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