



## **2Q 2025 Financial & Operational Results Conference Call**

August 13, 2025, 17:00 (TR Time)

### **Hosts:**

**Mr. Çağlar Göğüş – CEO**

**Mr. Bora Yalınay - CFO**

**Mrs. Melda Öztoprak - Investor Relations Director**

### **Moderator:**

Ladies and gentlemen, thank you for coming by and I would like to welcome you to Dogan Holding conference call and live webcast to present and discuss 2025 second quarter financial operational results. We are here with the management team and after the call, there will be an opportunity to ask questions. I would now like to turn the call over to Mrs. Melda Öztoprak, Investor Relations Director. Madam, the floor is yours. Please go ahead.

### **Melda Öztoprak:**

Good morning and good afternoon ladies and gentlemen and thank you for joining our 2025 second quarter results webcast. As the operator said, I'm here with our CEO Çağlar Göğüş and CFO Bora Yalınay. Today's remarks will be accompanied by a slide deck which can be downloaded from our IR website. We will then turn the call over to your questions. Before we begin, please kindly be advised of our cautionary statements. The conference call may contain forward-looking management comments including projections. These should be considered in conjunction with the cautionary language contained in our earnings release. A copy of our earnings release, webcast presentation and financials are available on our website both in Turkish and English. Now let me turn the call over to Mr. Çağlar Göğüş.

### **Çağlar Göğüş:**

Thank you Melda. Good morning and good afternoon everyone. Thank you for joining Dogan's 2025 second quarter's results webcast. We began 2025 navigating a challenging landscape shaped by market volatility and shifting regulations. March in particular was difficult due to political uncertainty which drove further depreciation of Turkish lira as you all know. In addition to the macro headwinds, new taxes imposed on passenger cars especially coming from China at the end of 2024 put further pressure on our automotive business. That said, we are pleased with the performance of our core businesses.

Starting with our renewable business Galata Wind. Galata Wind delivered a strong first half reaching its full year capacity growth target ahead of its schedule with a 57 megawatt increase. Our total capacity in Turkey now stands at 354 megawatts thanks to our well executed investment plan. Meanwhile our

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expansion in Europe is progressing at full speed with 52 megawatt of solar and 40 megawatt of storage in Germany and Italy now moving into ready to build phase.

Our mining subsidiary Gümüştaş continued its strong momentum outperforming its evidence margin guidance in the first half. We are also progressing well in our investment cycle having already deployed 13 million dollars investment this year toward our three-year 90 million capex plan focused on our capacity upgrades and exploration of licensed areas without relying on external debt.

Hepiyi Insurance delivered profitable growth driven by its advanced pricing algorithm and effective customer acquisition strategy. As a result, Hepiyi is now the fifth largest player in motor third-party liability and 8<sup>th</sup> in motor own damage insurance in Turkey with 6.2 percent and 4.1 percent market shares respectively. Aligned with this full-year guidance, Hepiyi added 137 million dollars to its asset under management in the first half bringing the total asset under management to 621 million dollars.

Our electronic subsidiary Karel has made progress in this turnaround. Key achievements in the first half include the renewal of certain contracts, improved working capital management and streamlined operations. We have already seen a recovery in profitability in the corporate project segment which accounts for 54 percent of Karel's revenue.

Thanks to our disciplined capital allocation we maintain a solid net cash position of 662 million dollars supported by proven cash management.

Moving on our next our net asset value NAV also improved to 2.6 billion dollars versus 2.5 billion of the previous quarter. While the market value of our listed companies declined slightly quarter on quarter, stronger operational performance among our private businesses helped offset the impact. In particular, D Investment Bank registered 30 million dollars paid-in capital increase in second quarter – a step we had already funded in first quarter resulting in no additional cash outflows this quarter. The capital increase coupled with stronger performance led to an uplift in D Bank's valuation in our NAV based on price to book multiple.

We are also pleased to report continued progress on the investor relations front. Institutional ownership in our free float increased by 7 percentage points year over year reaching 60 percent while foreign institutional ownership reached 20 percent up by two percentage points year over year. The newly approved share buyback program alongside our dividend payout underlines our strong commitment to delivering consistent long-term shareholder returns. With the exception of Doğan Trend Automotive which got impacted from hardened competitive landscape after regulatory changes especially impacting more coming to cars coming from China, nearly all of our businesses are performing in line with or ahead of the plan. We remain fully committed to growing our strategy for businesses, simplifying our portfolio and deploying capital with care - all while keeping longer term value creation and NAV growth at the center of our strategy. Next slide please.

Let me walk you through our reported financial performance for the second quarter of 2025. Starting with top line we achieved a year-on-year growth of four percent reaching 21.8 billion Turkish lira up from 20.9 million Turkish lira in the same quarter last year. This growth was driven by solid contributions from Hepiyi Insurance which doubled its AUM and delivered a 10 percent real revenue growth. Secondly by D investment bank for delivering 15 percent real growth and by the consolidation of Gümüştaş our mining

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subsidiary. Excluding Doğan Trend Automotive which experienced challenges amid regulatory changes, Doğan Holding's top line growth today 8 percent year-over-year in second quarter of 2025 and 14 percent year-over-year in first half of 2025. On the EBITDA front we recorded 2.1 billion Turkish lira slightly down from last year's 2.2 billion Turkish lira with the EBITDA margin softening from 11 percent to 10 percent. Despite this margin slide most of our operations - with the exception of automotive - posted positive EBITDA growth. More importantly we are now happy to see almost all business lines contribute EBITDA in a more balanced fashion compared to the previous years without any specific dependency on a particular subsidiary. In particular, Karel improved its margin by four percentage points year-over-year supported by the latest performance and updated contracts at corporate projects segment. Sesa also posted a 10 percentage point margin gain thanks to deliberately increasing the share of high-value products and export markets. Again, excluding Doğan Trend Automotive consolidated holding EBITDA growth would have been 40 percent in second quarter of 2025 with 12.3 percent EBITDA margin. Lastly turning to the bottom line net profit declined from 1.1 billion Turkish lira in second quarter last year to 75 million Turkish lira this quarter despite 21 percent year-over-year recovery net financial expenses. The decline in net profit is primarily driven by the implementation of inflationary accounting which resulted in a net monetary loss of 772 million Turkish lira reversing the 874 million Turkish lira net gain recorded in second quarter of last year. Despite some segment specific headwinds and accounting impacts our core businesses continue to show resilience and operational improvements remain on track. Next slide please. As we have shared in previous webcasts we now group our businesses under two main categories strategic focus areas and dynamic focus areas. Our strategic focus areas are long-term value drivers contributing meaningfully to NAV and positioned to deliver recurring dividend income over time. In contrast our dynamic focus areas are where we actively perceive value creation opportunities whether through rapid growth strategic partnerships or corporate actions such as new market entries exits or IPOs. We have defined 2025 and to some extent 2026 as years of portfolio simplification and a bit of digestion following a period of intense M&A activity we see this phase as a critical window to fully integrate, optimize and scale the businesses we have recently acquired or launched. All of this is in service of a clear long-term goal reaching four billion in NAV by 2030. To support this ambition, we continue to streamline our portfolio and sharpen our strategic focus. As some of you may have also heard most recently, we fully exited our positions in Ditaş and Boyabat HPP which also allowed us to relieve certain financial liabilities and further strengthen our balance sheet. These two by the way were our 26th transaction in the last five years... a lot of M&A activity and now Bora will cover the 2025 second quarter details of these business lines.

**Bora Yalınay:**

Thank you Çağlar Bey.

Let's start with Galata Wind, which publicly announced its results a few days ago.

In the second quarter, revenue came in broadly flat year-on-year at 605 million TL, with EBITDA of 415 million TL, maintaining a strong margin of 69%. Net profit increased to 270 million TL from 257 million TL last year.

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Operationally, we saw a 12% year-on-year increase in electricity generation, supported by new capacity additions during the quarter. While the market clearing price improved by 18% year-on-year, it remained below inflation, resulting in a slight 1% decline in topline revenue. On the growth side, our total installed capacity now stands at 354 MW, following the additions in Türkiye earlier this year. Importantly, our European expansion is moving at full speed — with projects in Italy and Germany reaching the ready-to-build stage, and further pipeline growth underway in Türkiye. Looking ahead, we are targeting 576.8 MW by the end of 2027, with significant contributions from new wind and solar projects, including storage. By 2030, our ambition is to reach over 1 GW of capacity. Overall, Galata Wind remains a core strategic asset for us — combining stable cash generation with strong, visible growth both domestically and internationally. Next slide please.

Let's turn to Gümüştaş — now one of the top three lead and zinc producers in Türkiye.

We began consolidating this business in the last quarter of 2024, so a year-on-year comparison for Q2 isn't yet available. In the second quarter, Gümüştaş delivered 1.1 billion TL in revenue and 318 million TL in EBITDA. For the first half, EBITDA margin came in at 39%, well ahead of our full-year guidance of 25–30%, driven by strong commodity prices and the scale benefits from higher production volumes. With 12 million tons of reserves, two mineral processing facilities, and 80 research licenses, we see substantial growth potential ahead. To unlock this value, we've committed \$90 million in CAPEX between 2025 and 2027 — aimed at both utilizing our licenses to expand potential reserves and doubling the capacity of our existing facilities, opening new revenue streams. In the first half alone, we invested \$13 million, with spending set to accelerate in the second half, while also keeping net debt contained at below 1x net debt/EBITDA. Moving on to the next slide please.

Türkiye's first end-to-end digital insurance business Hepiyi's assets under management surged 97% year-on-year to \$621 million, fueled by strong customer acquisition and the power of our advanced digital platforms — further cementing Hepiyi's position as Türkiye's leading digital insurer. We also made significant market share gains during the quarter. In the Motor Own Damage segment, our share rose by 180 basis points to 4.1%. In the Motor Third Party Liability market, Hepiyi climbed from 7th to 5th place in just one year, and in MOD from 13th to 8th place — driven by innovation, customer-focused services, and disciplined expansion in profitable areas. On the efficiency side, our opex-to-revenue ratio remained at 2.3%, well below the industry average of 6.2%. This cost discipline continues to support our strong profitability and sharpen our competitive edge. Next slide please.

Moving onto D Investment Bank. In the second quarter, D Investment Bank's approximately \$30 million paid-in capital increase was registered — a move we expect will accelerate its growth and strengthen its position in the financial services sector. Recall that, as Dogan Holding we had placed the advance payment of the cash capital portion of the increase at the amount of 20mn USD in the first quarter, hence no cash outflow was registered in 2Q 2025. Yet thanks to capital increase, the Price-to-Book multiple based valuation of the Bank increased in our NAV vs the previous quarter. Note also that, during the quarter, the bank led 18 DCM issuances, totaling 3.5 billion TL value. In addition, Doruk Factoring continued its profitable growth via recording a generous 66% ROE in the last period. Next slide please.



After a challenging 2024, Karel entered 2025 on firmer ground, demonstrating resilience and agility. Karel operates across five business lines. Corporate projects, serving telecom operators, account for 54% of revenues. This segment's gross profit margin improved y/y thanks to renewed contracts.

Automotive electronics — mainly through our Daiichi subsidiary — make up 19% of revenues. While sales slightly declined year-on-year due to lower OEM orders, gross profit margin surged from 15% to 29% in the second quarter y/y. Electronic card production represents 16% of revenues, down from 32% last year, reflecting weaker demand from key customers. Note that operational streamlining is underway, with benefits expected by next year, considering one-off restructuring and downsizing costs.

Telecom systems now contribute 7% of revenues versus 12% last year, as prior-year results were boosted by special projects. Finally, defense remains stable at around 4% of revenues. While we have stronger set of results in corporate projects segment, which has the lion share in Karel operations, the other business lines yet to pose for improvement and we expect them to be materialized mostly in the upcoming year.

Thanks to operational streamlining efforts and prudent cost controls, EBITDA margin improved from 5% last year to 9% in 2Q 2025. Lastly, as Dogan Holding we acquired 21% stake of Daiichi from Karel, thereby injecting 12.6 million USD cash to Karel. This supports Karel's liquidity position in the short-term, yet, high net debt accumulated in the past due to investments limits the transfer of better operating outlook to bottomline.

Our niche, scalable and premium flexible packaging business —Sesa Packaging continued to deliver strong growth in high-margin premium segments, supported by successful product launches. Premium products now account for 30% of revenues in the second quarter. We also took deliberate steps to optimize our customer mix, scaling back sales to lower-margin domestic and export clients. This not only improved profitability but also lifted exports' share of revenues to 56%. Within that, the US market's contribution grew from 16% to 18%, benefiting from the new tariff structure. With the bulk of major CAPEX projects behind us, Sesa shifted its focus to efficiency — improving net working capital through faster inventory turnover and tighter operational management. Moving onto the next slide.

Moving onto Ditas, which we will be presenting for the last time this quarter, as on July 16, 2025, Doğan Holding completed the sale of its entire 68.24% stake in Ditaş. Next slide please.

While majority of our business lines performed in line with the plans and some even performed better, Doğan Trend Automotive is the only challenging business that suffers from the adverse impacts of the regulations and their repercussions on our competitiveness. As a reminder, Dogan Trend started 2025 with approximately 60% tax burden on MG branded Chinese passenger cars along with service requirement for EV cars. Accordingly, the number of passenger cars sold in 2Q 2025 reduced by 67% y/y, weighing heavily on financials. In addition, due to the limitations in motorcycle demand, motorcycle sales also dropped by 15% in the industry, while Dogan Trend motorcycle sales only declined by 7% thanks to effective campaigns realized during the quarter.

As we had informed in the previous quarter's webcast, we have switched to limited-stock policy and accelerated motorcycle, rental and second-hand vehicle liquidations, supporting cash and debt management this quarter. Moving onto the next slide.



Kanal D Romania maintained its strong presence in the media landscape, consistently ranking as the second most-watched television channel in the country. The company continued to deliver steady returns during the quarter with robust 42% EBITDA margin.

Hepsiemlak continues to be the leader in its own vertical as the online real estate platform. During the quarter, Hepsiemlak recorded 11% real revenue growth, while profitability remained challenged. We anticipate that operational profitability of Hepsiemlak to improve once scale advantages develop.

Next slide please.

As a reminder, our real estate assets are independently valued once a year except for Kandilli Gayrimenkul. Therefore, the only change that we have at the end of June is 2 million USD increase in Kandilli's valuation vs previous quarter, resulting in total portfolio valuation to reach \$351 million.

Among our flagship assets, Trump Tower continues to perform strongly with a 97% occupancy rate, while Milta Marina stands at 96%, which posted 112% during the high summer season.

Looking ahead, we will take an opportunistic and value-driven approach to our real estate holdings — ready to unlock value when the right opportunities present themselves.

Moving onto the next slide.

Now let's take a look at our dynamic cash management approach.

Thanks to prudent financial management, our solo cash position improved to 662 million USD from 646 million in Q1. More importantly, our combined cash position — which includes all subsidiaries — reached 750 million USD, marking a robust increase from 652 million USD in the previous quarter.

Even when we exclude insurance-related cash, we still see a healthy uptick — from 121 million USD to 126 million USD — reinforcing our strong liquidity position at both the holding and group levels.

On the currency allocation front, we continue to maintain a dynamic and yield-driven allocation strategy. The FX breakdown of holding-only solo cash shows that USD holdings remain stable at 65%, while TL share declined slightly from 24% to 20%, and EUR increased from 10% to 15%, reflecting adjustments made in line with market conditions. All in all, our approach remains conservative but responsive — enabling us to preserve cash strength while actively optimizing returns. Going forward, we will continue to be prudent and opportunistic to grow the solo cash position so that Dogan Holding can foster further value-enhancing acquisitions.

Now, back to Çağlar for his closing remarks and thank you.

#### **Çağlar Göğüş:**

Thank you Bora. We have received updates on our full year guidance. We are proud to see that all of our businesses on the strategic focus area has delivered strong set of results in the first half of the year and hence we are on track with their full year expectations. As a reminder, for Galata Wind we planned to add more than 50 megawatts to install generation capacity and we already delivered 57 megawatts growth in the first half. For our mining business we aim to grow our TR revenues by more than 50 percent and expect EBITDA margin to be within 25-30 percent in total in 2025. Lastly our digital insurance business Hepiyi is set to add another 250-300 million USD further to this AUM asset under management backlog and hence we aim to grow total financial service savings including Doğan Investment Bank and our Doruk Factoring

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business by more than 70 percent in 2025 thanks to focus on innovative financial solutions. On the other end, on a Doğan Holding consolidated basis we are revising our full year revenue and EBITDA guidance while keeping NAV guidance intact. Note that the Dogan Trend Automotive recorded 52 percent year-over-year declining revenues in the first half of the year due to increased competitive challenges after regulatory changes that impacted the entire automotive industry but especially the Chinese, the cars imported from China, more in Turkey. Accordingly, we are reflecting the effects of this specific development on our consolidated figures and hence now expect consolidated revenue and EBITDA growth to be similar to the inflation in the country. Note that our revenue and EBITDA growth would have been 14 percent and 18 percent year-over-year respectively in the first half excluding automotive business. To summarize our strategic priorities until the year-end is to continue growing our core business areas which I have summarized before and they are all going on track. Further streamline our portfolio and still you know we are constrained to exit some of our non-core businesses. Effectively utilize our strong cash position. Advanced actions that will bring Karel's longer than expected and costlier transformation to profitability starting from 2026 and ensure the restructuring of the Dogan Trend Automotive in a way that prevents it from adversely impacting the holding results starting from next year. Through all of these steps we aim to create long-term value for our shareholders while supporting growth. Next slide please. Today I would like to happily also announce that we are planning to distribute dividends from 2024 for net profit on September 1st. As Dogan Holding, we have always been a consistent dividend payer as you can see in the slide while our dividend policy indicates the minimum five percent distribution out of net distributable profits our average is 17 percent since 2018. Even in 2023 we decided to share the proceeds from the successful exit of Aytemiz with our investors and paid out a special additional dividend and our dividend policy is straightforward. First of all, we would like to ensure that long-term NAV growth is sustained and the minimum five percent is distributed. Whenever there is strong business performance or extraordinary M&A realization, we are happy to share these with our investors too. As a sustainable dividend income receiver, we are at a comfortable level of having the visibility of our cash inflows and proudly offer the same visibility to our investors. On April 11th we had our ordinary general assembly. We had 2025 payment of 800 million Turkish lira gross out of 2024 net profit was approved. This payment corresponds to 16.4 percent payout ratio and based on 2024 year and market close price 2.1 percent dividend yield. Payment is now scheduled for September 1st 2025 and with this now I would like to hand over the call to closer agent to open up the Q&A session. Thank you for listening and your patience.

**Moderator:**

Thank you, thank you very much for the presentation. So we'll now move to the question and answer section. If you would like to ask a question please press star two on your phone and wait for your name to be prompted. If you're dialed in by the web you can type your question in the box provided or request to ask a voice question. We'll just wait a moment or two for the questions to come in. Okay. Once again if you're connected at the phone please press star two on your phone. Keep it to ask a voice question. If you are connected via the web you can also ask a voice question or send your question as a text. Once again if you are connected via the phone I would like to ask us a voice question. Please press star two on

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your phone. Keep it. If you're connected via the web you can also ask us a voice question or send your question as a text with the interface provided. Okay. Looks like the presentation was comprehensive enough so we would like to thank you everyone for participating today in our conference call and we look forward to seeing you on our next call. Thank you everyone and goodbye.