Doğan Holding A.S.

Value Reborn

We initiate our coverage with a Market Outperform recommendation and a target price of TRY 25.00 per share for Doğan Holding. The shares are trading at a 61% discount to our estimated NAV. Our positive view is based on (i) a strong financial structure and sizable net cash position, (ii) a well-diversified portfolio, (iii) the IPO potential of its equity participations, (iv) growth driven by renewable energy and digital transformation, and (v) the prospect of increasing foreign investor interest

Doğan Holding's portfolio consists of a diverse range of sectors including energy, industry, mining, automotive trade, financial services, real estate, and digital media & entertainment. The Holding focuses on high-growth potential business lines such as renewable energy, mining and digital financial services, which it positions as strategic value areas, with the goal of creating long-term value. Conversely, sectors such as automotive, technology, real estate, and media enhance portfolio diversity, strengthening the Holding's resilience to economic cycles and ensuring operational flexibility.

The Holding's sectoral diversification and strong cash position significantly enhance its resilience to global and local macroeconomic risks. We valued the holding with a net asset value approach. We calculate that the Holding is trading at a 61% discount to its target NAV (3-year average of 40%)

Within the scope of the macroeconomic outlook, we expect the disinflation process to start in Turkey in 2025 and interest rate cuts to support domestic demand. In this period, we anticipate a gradual recovery, especially in direct-to-consumer sectors such as automotive, retail, and media and entertainment. The most critical factors for Doğan Holding's financial and operational performance in this period are a strong cash position and a robust appetite for investment in new sectors. With a net cash of $671 million, we believe that the company's ability to both grow its existing investments and evaluate new opportunities is quite high. The 91% growth performance in the financial services segment in 2024 may be further reinforced by the momentum provided by the digital insurance subsidiary Hepiyi. Likewise, with the investments in Gümüştaş and Doku Mining, the Holding can increase its access to strategic resources with high profitability and strengthen its value creation potential in this area.

The main risk factors are, i) macroeconomic and global trade risks, **ii)** regulatory risks, especially in the energy and financial sectors, **iii)** increasing competition in the industrial sector.

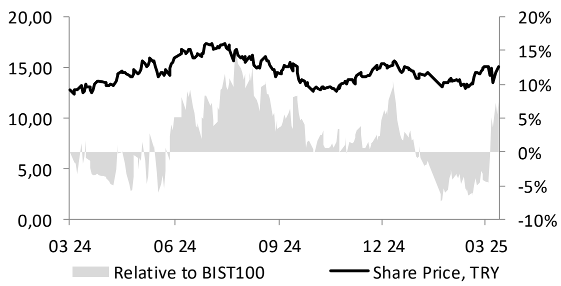
67% Upside Potential

Listing Details and Rating	
Bloomberg Ticker	**DOHOL TI**
View	**Market Outperform**
Price per Share, TRY	15,00
Target Price per Share, TRY	**25,00**
Upside	67%
Free Float	35,67%
Marketcap, TRY mln	39.255
Market cap, USD mln	1.036
BIST-100 Index Weight	0,51%
BIST All Shares Index Weight	0,37%
Foreign Share	16,87%
Pension Funds Share	20,04%
Mutual Funds Share	19,54%

Source: Matriks, PhillipCapital Research

Price & Market Cap. as of 26 March

Key Financials (Bn TRY)	2022	2023	2024	2025T
Revenue	29.606	75.706	84.493	113.93
EBITDA	3.154	7.440	3.011	5.549



Stock Data	1M	3M	12M	YTD
Nominal	15,0%	-2,7%	20,0%	3,5%
Relative	14,1%	0,3%	9,5%	5,5%
Trd. Vol. TRY mln	421	379	445	380

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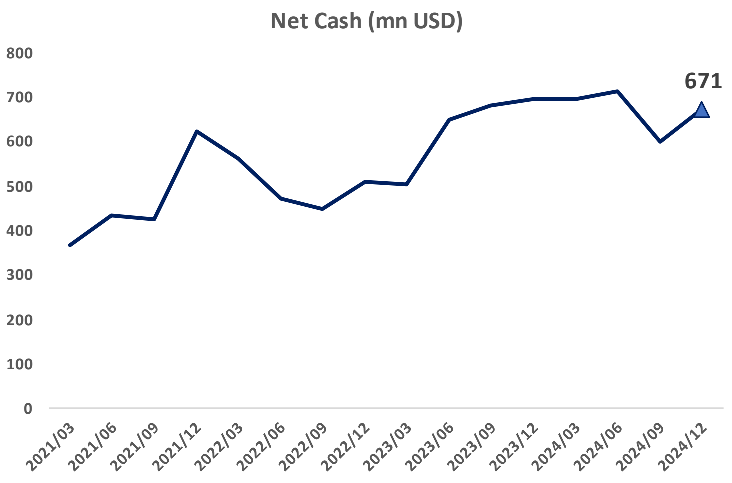
Investment Theme

Although uncertainty from former U.S. President Trump's tariffs and ongoing geopolitical tensions continues to weigh on the global outlook, we believe the remainder of 2025 could be a more balanced year for Turkey's macroeconomic dynamics with the effect of normalization in inflation, a moderate recovery in European demand and the increase in EUR/USD parity. In such a macroeconomic environment, Doğan Holding's **i)** strong financial structure and net cash position**, ii)** its resilience to economic cycles thanks to its sectoral diversity, **iii)** the potential of public companies of which it is a partner to have public offerings, **v)** renewable energy and digital transformation-oriented growth, **v)** We expect a positive divergence thanks to the potential for increased foreign investor interest. A decline in risk premiums and rising foreign investor interest, both globally and locally, may gradually reduce Doğan Holding's valuation discount. In our valuation analysis, we apply a 35% NAV discount for Doğan Holding. The Company's high net cash position and relatively larger share of non-listed assets justify the application of a more conservative assumption under current market conditions. The stock currently trades at a 61% discount to our target NAV estimate, indicating a notable valuation gap. We anticipate that this gap could gradually narrow over time, potentially supporting the stock's performance. We consider Doğan Holding's robust balance sheet and well-defined investment strategy as offering an attractive long-term opportunity for investors.

While the Holding's net cash position of TRY 23.5 billion ($671 mn) as of the end of 2024 provides a significant advantage in terms of evaluating new investment opportunities, it continues to aggressively implement its growth plans with the goal of reaching a valuation of $1 billion in renewable energy, mining and financial services sector companies, which it has determined as its strategic business line by 2030. Due to the fact that Sesa and Ditaş in the portfolio are export-oriented companies, they were adversely affected by both the weak course of Europe and the strong TRY. On the automotive side, Doğan Trend Automotive has left behind a challenging year due to both regulations and high financing costs. However, the renewables, mining and digital financial services sectors in the portfolio are at the heart of the long-term value creation strategy, while we anticipate that IPO and M&A opportunities will support growth. Struggling with tough competitors in a highly competitive sector such as the automotive sector, the Holding has the potential to gain an important position in the sector thanks to its cooperation with the Chinese automotive giant SAIC. SAIC's decision to manufacture in Turkey will accelerate Doğan Holding's growth in the automotive segment and have a direct positive impact on the company's profitability.



Portfolio Structure and Strategic Transformation Developments

In recent years, a strategic structure has emerged in Doğan Holding's portfolio structure that prioritizes diversity, profitability and growth-oriented transformation. With its investments in different sectors, the Holding manages risks in a balanced manner by entering sustainable growth, financial flexibility and innovative business areas. Doğan Holding's portfolio with a wide range of sectors such as electricity generation, industry and trade, mining, automotive, finance and investment, internet and entertainment, and real estate investments stands out as one of the main factors that increase the company's resilience against economic risks. The Holding resolutely implements its growth plans in line with its goal of reaching a valuation of 1 billion dollars in all strategically defined business lines by 2030. Renewable energy, mining and digital financial services are at the heart of the long-term value creation strategy, with organic growth in these areas targeted through mechanisms such as IPOs and M&A acquisitions. In addition, the Holding's management shapes its portfolio not only with strategic growth axes, but also with a tactical approach based on opportunities. While some sectors serve as long-term investment areas, the Holding also capitalizes on emerging value-creation opportunities by adapting to market conditions. When we examine the portfolio structure of the holding;

Strategic Value Areas

Energy and Renewables: Galata Wind (GWIND TI) is a key driver of Doğan Holding’s growth strategy in renewable energy, given its portfolio of wind and solar power plants.

Mining: Gümüştaş Mining and Doku Mining strengthens Doğan Holding's investments in natural resources with lead and zinc production, while at the same time supplying raw materials to the fast-growing battery industry.

Finance and Investment: Doğan Investment Bank, Hepiyi Insurance and Doruk Faktoring are the main elements of Holding's growth strategy in financial services.

Opportunity-Driven Value Areas

Industry and Trade: Companies such as Karel (KAREL TI), Sesa and Ditaş (DITAS TI) strengthen the Holding's presence in the industrial sector with the production of electronics, packaging and automotive spare parts.

Automotive: While Doğan Trend Automotive is positioned as the distributor of global brands such as MG and Suzuki in Turkey, it is increasing its market share in the motor vehicle segment with Vespa, Piaggio, Kymco and Suzuki Marine.

Digital Media and Technology: Maintaining its international presence in the media sector with investments such as Kanal D Romania, the Holding invests in the growth potential of real estate technologies in Turkey with Hepsiemlak .

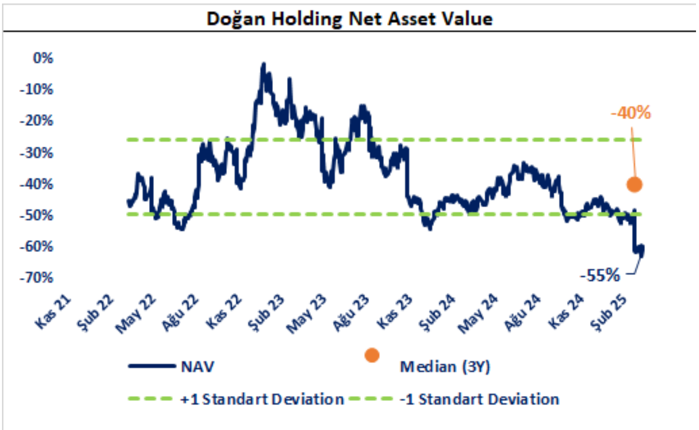
Real Estate and Tourism: It continues its strategy of high-value real estate and tourism investments with investments such as Bodrum Marina and Trump Towers Istanbul.

	2020	2021	2022	2023	2024
Purchase	**Sesa Ambalaj** 57,8 mn EUR, %70 pay	**Profil Grubu** 2,9 mn EUR, %70 pay	**Karel Elektronik** 843 mn TL, %40 pay **Maksipak** 7,9 mn EUR, %70 pay	**Zingat**	**Gümüştaş Madencilk** 123 mn USD, %75 pay **Doku Madencilik** 13,5 mn USD, %75 pay
Establishment	**Doğan Yatırım Bankası** **Doğan Trend Otomotiv**	**Hepiyi Sigorta**			
IPO		**Galata Wind** 100 mn USD, %30 pay			
Exit	**DMC** 23,4 mn USD, %60 pay		**Milpa Arazi Satışı** 100 mn USD **Çelik Halat** 26 mn EUR, %70 pay	**Aytemiz** 168 mn USD, %50 pay **Milpa** 55 mn USD, %82 pay	**DOBUR** 4,8 mn USD, %38,22 pay **DMC** 38,3 mn EUR, %40 pay

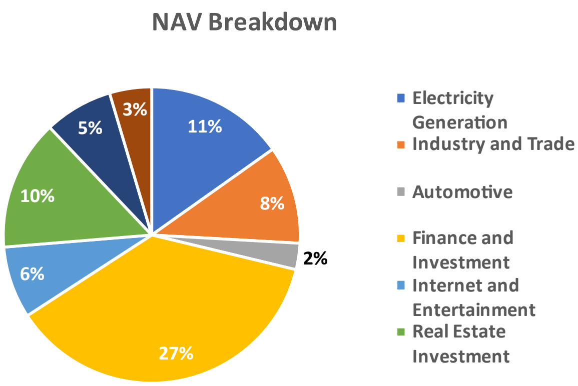
Source: Company Data

Net Asset Value Statement

	Current (Mn TRY)				Target (Mn TRY)		
Sector/ Companies	**Direct Stake %**	**Valuation Method**	**Mcap**	**Value TO DOHOL**	**Valuation Method**	**Target Mcap**	**Value To DOHOL**
Electricity Generation							
Galata Wind	70%	Market Cap	13.500	9.450	DCF	26.500	18.550
Total				**9.450**			**18.550**
Industry and Trade							
Ditaş	68%	Market Cap	1.132	773	9,0x EV/EBITDA 2025T	1.570	1.071
Doğan Dış Ticaret	100%	Book Value	214	214	Book Value	214	214
Karel Elektronik	40%	Market Cap	7.116	2.846	9,5x EV/EBITDA 2025T	17.200	6.880
Sesa Ambalaj	70%	7,9x EV/EBITDA	4.253	2.977	7,9x EV/EBITDA	4.253	2.977
Total				**6.810**			**11.143**
Automotive							
Doğan Trend Otomotiv	100%	Book Value @ 1.9x	1.855	1.855	Book Value	1.855	1.855
Toplam				**1.855**			**1.855**
Finance and Invesment							
D Yatırım Bankası	100%	Book Value @ 1.5x	1.302	1.302	Book Value @ 1.5x	1.302	1.302
Doruk Faktoring	100%	Book Value @ 1.5x	1.540	1.540	Book Value @ 1.5x	1.540	1.540
Hepİyi Sigorta	85%	Book Value @ 6.8x	23.585	20.047	Book Value @ 6.8x	23.585	20.047
Öncü VCIT	100%	Value of Insider Shares	817	817	Value of Insider Shares	817	817
Total				**23.706**			**23.706**
Internet and Entertainment							
Kanal D- Romanya	100%	6,8x EV/EBITDA	465	465	6,8x EV/EBITDA	465	
Glokal (Hepsi Emlak)	79%	13,4x EV/EBITDA	5.767	4.569	13,4x EV/EBITDA	5.767	4.569
Total				**5.034**			**5.034**
Real Estate Invesment							
D Gayrimenkul	100%	Independent Expert Valuation	6.376	6.376	dependent Expert Valuati	6.376	6.376
D Yapı - Romania	100%	Independent Expert Valuation	796	796	dependent Expert Valuati	796	796
Dogan Holding Istanbul	100%	Independent Expert Valuation	263	263	dependent Expert Valuati	263	263
Kandilli Gayrimenkul	50%	Independent Expert Valuation	2.232	1.116	dependent Expert Valuati	2.232	1.116
M Investment	22%	Independent Expert Valuation	2.545	564	dependent Expert Valuati	2.545	564
Total				**9.114**			**9.114**
Mining							
Gümüştaş	75%	Transaction Value	5.740	4.305	Transaction Value	5.740	4.305
Doku	75%	Transaction Value	630	473	Transaction Value	630	473
Total				**4.778**			**4.778**
Diğer							
Milta Turizm	100%	Transaction Value	2.915	2.915	Transaction Value	2.915	2.915
Doğan Yayıncılık	100%	Transaction Value	22	22	Transaction Value	22	22
Total				**2.936**			**2.936**
Total Subsidiaries							
Listed				13.069			26.501
Non-Listed				50.614			50.614
Solo Cash (End of 4Q24)				23.485			23.485
Total NAV (mn TRY)				**87.168**			**100.600**
Doğan Holding Mcap				**39.255**			**39.255**
Discount (-)/ Premium (+)				**-55%**			**-61%**
Discount rate (%)							**35%**
Target NAV After Discount							**65.390**
Target Price (TRY)							**25,00**
Last Price (TRY)							**15,00**
Upside Potential (%)							**66,6%**



Source: BIST, Company Data



Sectoral Evaluations

Electricity Generation

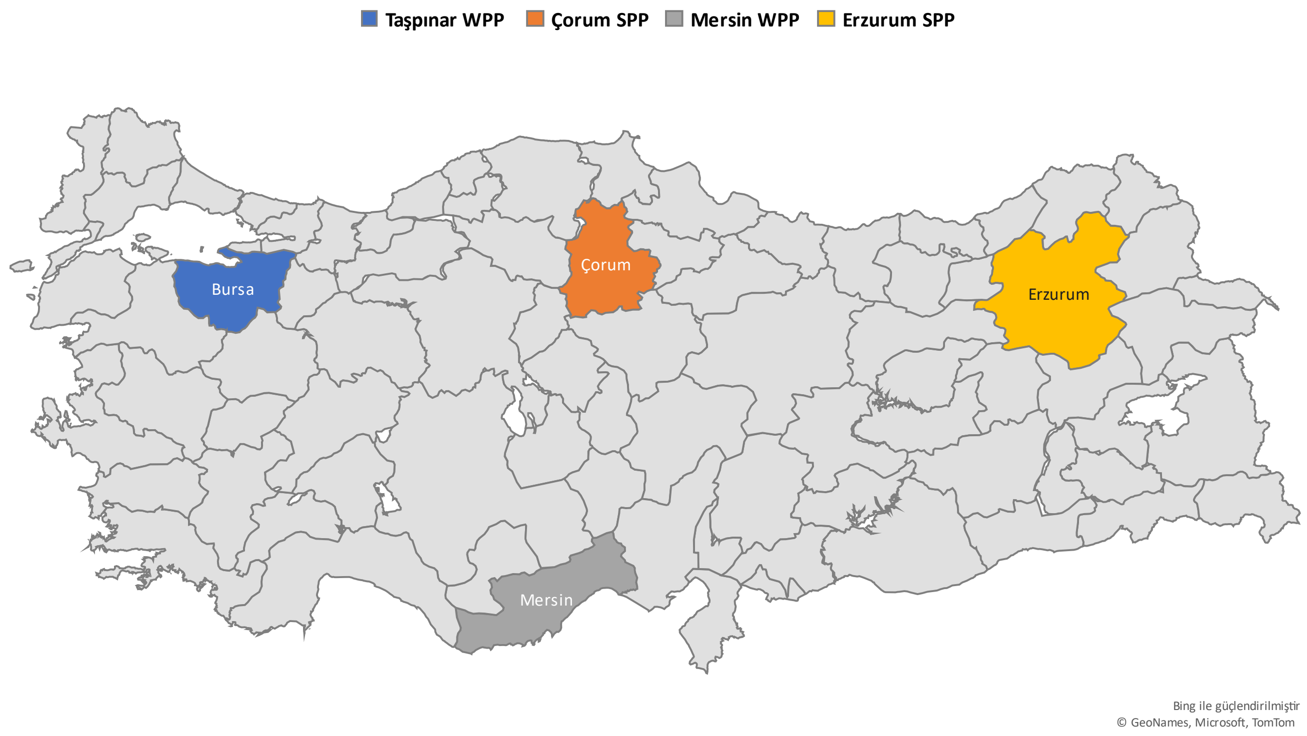
The Turkish energy market has entered a transformation process in line with the increasing investments in renewable energy, the need for energy supply security and the goals of reducing carbon emissions. In 2024, Turkey's total electricity generation increased by 5.9% year-on-year to 261,533 GWh, while the share of renewable energy sources in total generation increased to 48.5%. Hydroelectric power plants have the largest share with 28.2% (2023: 28.2%), while wind energy has an increasing role in Turkey's energy production with a share of 10.8% (2023: 10.8%) and solar energy with a share of 16.4% (2023: 5.7%).

This change is in line with Turkey's goal of increasing its renewable energy capacity to 120 GW by 2035. In this context, it is aimed to grow the sector with YEKA projects, storage energy investments and new solar-wind power plants. According to the 2024 Renewable Energy Resources Support Mechanism (YEKDEM) list published by the Energy Market Regulatory Authority (EMRA), 778 power plants with a total installed capacity of 17,624 MW are included in the incentive mechanism.

When we look at Doğan Holding's assets operating in the sector;

Boyabat Electricity Production and Trade Inc.**, which is included in Doğan Holding's renewable energy portfolio**. (513 MW) and **Aslancık Electricity Generation Co. Inc.** (120 MW) is one of the most important hydroelectric generation facilities in Turkey, but it is not included in the net asset value (NAV) calculation with a prudent approach due to the shareholding structure among the group companies and the irregularity of the revenues obtained from these plants. Although the operational contribution of these subsidiaries is reflected in the Holding's consolidated financials, their exclusion from NAV valuation is intended to structure financial projections cautiously within the framework of a conservative approach.

Galata Wind Energy Inc. (GWIND TI): Galata Wind Energy Inc. (GWIND TI) operates 3 wind power plants and 2 solar power plants with a total installed capacity of 297.2 MW. The diagram below illustrates the locations and capacities of GWIND’s power plants.



Galata Wind (GWIND TI) Target Price: 49.10 TRY

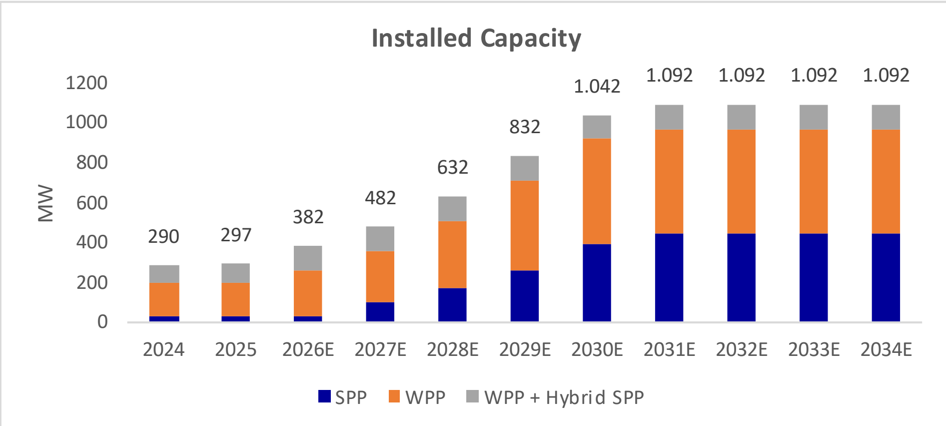
The current installed capacity of the company consists entirely of renewable resources and is 297.2 MW in total (56% WPP, 32% WPP + Hybrid SPP, 11% SPP). Galata Wind aims to reach 582 MW of total installed capacity by the end of 2026 and 1,092 MW by the end of 2030. The planned wind and solar energy investments will be made both in Turkey and in Europe, strengthening Galata Wind's position on an international scale. We expect the company's strategic investments to support its sustainable growth while increasing its operational efficiency in the coming years.

The year 2024 has been a challenging year for electricity generating companies due to electricity prices falling behind inflation. As of 2024, electricity prices in Turkey declined by 1.6% in TRY terms and 35.1% in dollar terms, putting pressure on energy producers in general. However, Galata Wind has managed to demonstrate a stronger financial performance compared to its competitors thanks to its advantageous YEKDEM (Renewable Energy Resources Support Mechanism) position. YEKDEM is a government incentive program that allows renewable energy producers to sell electricity at a fixed price in dollars. 44% of Galata Wind's installed capacity benefits from this program.

GWIND’s strategic growth plan is based on increasing existing generation capacity, developing hybrid wind-solar projects, and investing in energy storage systems to strengthen its competitive advantage in renewables. With the acceleration of YEKA projects and the spread of energy storage technologies throughout Turkey, GWIND is expected to turn to projects that can provide long-term revenue stability. In addition, GWIND's potential to expand into overseas markets is considered as a development area that can increase its value creation capacity in the future, especially considering the increasing demand for carbon-neutral energy and energy trading opportunities in Europe.

For more information on Galata Wind, please refer to our detailed GWIND report [You can find our GWIND report here.]

Galata Wind Installed Power Distributions



The company's expected installed capacity values for each power plant are given in the table below.

Installed Capacity (MW)

	2023	2024	2025	2026T	2027T	2028T	2029T	2030T	2031T	2032T	2033T	2034T
Corum SPP	9,4	9,4	9,4	9,4	9,4	9,4	9,4	9,4	9,4	9,4	9,4	9,4
Erzurum SPP	24,7	24,7	24,7	24,7	24,7	24,7	24,7	24,7	24,7	24,7	24,7	24,7
Mersin WPP	62,7	62,7	62,7	101,7	101,7	101,7	101,7	101,7	101,7	101,7	101,7	101,7
Sah WPP	105,0	105,0	105,0	111,8	111,8	111,8	111,8	111,8	111,8	111,8	111,8	111,8
Taspinar WPP + Hybrid SPP	67,2	88,4	95,4	120,4	120,4	120,4	120,4	120,4	120,4	120,4	120,4	120,4
Alapinar WPP	0,0	0,0	0,0	13,6	13,6	13,6	13,6	13,6	13,6	13,6	13,6	13,6
Europe SPP	0,0	0,0	0,0	0,0	50,0	100,0	150,0	250,0	300,0	300,0	300,0	300,0
Battery Storage SPP	0,0	0,0	0,0	0,0	15,0	40,0	80,0	110,0	110,0	110,0	110,0	110,0
Battery Storage WPP	0,0	0,0	0,0	0,0	35,0	110,0	220,0	300,0	300,0	300,0	300,0	300,0
Total (MW)	**269,0**	**290,2**	**297,2**	**381,6**	**481,6**	**631,6**	**831,6**	**1.041,6**	**1.091,6**	**1.091,6**	**1.091,6**	**1.091,6**

*Beginning of the year

Industry & Commerce

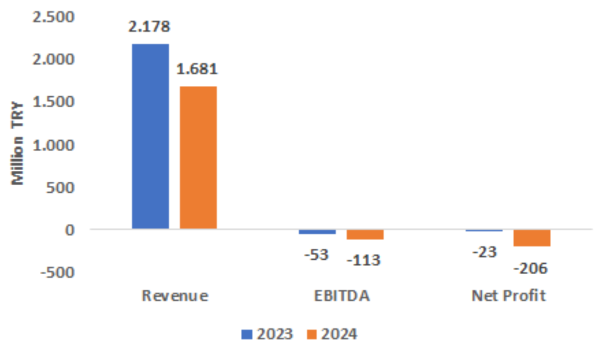
Ditas (DITAS TI)

Ditaş is one of Turkey's leading manufacturers of steering and suspension systems. The company operates in both the OEM (Original Equipment Manufacturer) and independent aftermarket segments. Listed on Borsa Istanbul since 1991, Ditaş has built a strong export network in Europe and North America, providing a significant advantage in generating foreign currency revenues. However, 2024 has not been an easy year for the company. Tight monetary policy, high interest rates, and limited access to credit have led to a sharp slowdown in domestic demand. In addition, a 30–35% contraction in OEM manufacturers' production plans has put downward pressure on Ditaş's OEM sales volumes.

Overseas markets were also not very encouraging in 2024. Aggressive pricing policies from manufacturers based in China and India have strained OEM supply chains in Europe and the US, making price competition even tougher. However, at this point, Ditaş tried to differentiate itself in the premium segment with its quality and value-added production approach. Suspension systems for electric and hybrid vehicles and parts developed using lightweight materials are among the important elements that can increase the company's competitiveness in the future.

2024 was a year of significant financial pressure for the company. While the company's revenues contracted by 23%, its gross profit decreased by 50% due to the increase in TRY-based costs and lowcapacity utilization As operational profitability deteriorated, Ditaş reported a negative EBITDA of TRY 113 million for 2024. Due to high financing expenses, the total loss reached TRY 206 million *(2023: -TRY 23.32 mn).*

In order to overcome these challenges, Ditaş has launched a strategy of diversifying its export markets. Focusing on new business opportunities, especially in North America, the company is in the process of developing new collaborations with OEM customers in Europe and the USA. **The projects, which are expected to be commissioned by 2025, can support the company's growth on the export side. Ditaş is part of Doğan Holding's industrial business line and is not an asset that is considered within the scope of the definition of a strategic sector. However, the company can still evaluate any sector-specific or company-specific opportunities that arise in the future. Although there is no strategic repositioning decision taken for the company, its place in the portfolio may be re-evaluated within the scope of improving operational performance and potential partnership/opportunity developments.**



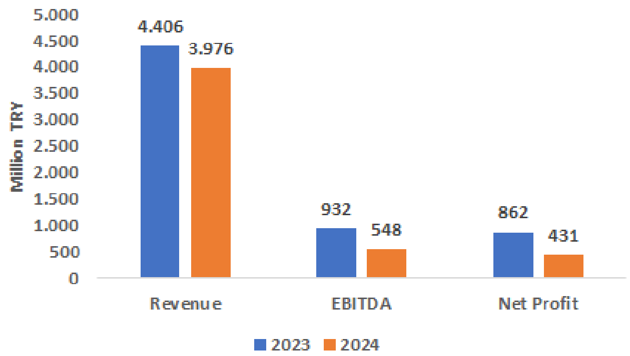
Source: Company Data

Sesa Ambalaj

Sesa Ambalaj is one of the leading manufacturers operating in the flexible packaging sector with its fully integrated production process, offering high barrier packaging solutions, especially in the food and consumer products segment. Doğan Holding acquired 70% of Sesa in 2020 for EUR 57.8 million. The company has a wide range of products ranging from barrier film production to final bag and coil packaging products. The main customer groups include animal foods (meat, milk, fish products), ready meals, frozen foods, pet food and nuts sectors. In 2022, 70% of Maksipak Ambalaj's shares were purchased, providing specialization in the bag packaging segment and increasing market penetration.

The company's export share increased from 53% to 56% in 2024, strengthening its foreign currency-based revenue stream. In particular, the growth in the food sector and the increasing demand for flexible packaging solutions have strengthened Sesa's position in the international market. In other words, the story of the company is written not only in Turkey but also in global markets. Increasing its production quality by investing 2 million euros in 2024, Sesa focuses on growth in the premium packaging segment and investing more in sustainable packaging solutions. Focusing on growth especially in the European and North American markets, the company aims to increase its export share with new customer acquisition and market expansion strategies.

With the recovery in demand in Europe and the improvement of financial conditions, we expect a gradual increase in Sesa Ambalaj's margins in 2025. Although the European Central Bank's tight monetary policy, high energy costs and geopolitical risks make cost management critical in the sector, the projected interest rate cuts by 2025 and the revival in the European market may improve the company's profitability. While its foreign currency-based revenue structure and export-oriented strategy put Sesa Ambalaj in a more advantageous position in this process, the company value calculated over a multiplier-based valuation of $122 million and its scalable business model make the company one of the strongest candidates in the portfolio for a possible public offering.



Source: Company Data

Karel Elektronik (KAREL TI)

Karel Elektronik is one of Turkey's leading technology companies operating in the fields of telecommunications, defense industry, automotive electronics and electronic manufacturing services. The company, which has an annual production capacity of 15 million electronic cards in its 32 thousand square meter production facility in Ankara, serves domestic and international markets. Karel provides communication services to both domestic and international markets with IP telephone exchanges, call center solutions, video conferencing systems and cloud-based communication solutions in the telecom sector, while developing military field switchboards, communication systems and electronic warfare solutions in the defense industry. In addition, it is a Tier-1 supplier in automotive electronics by designing driver assistance systems, peripheral vision technologies and electronic control units. Its subsidiary DAIICHI increases its competitive advantage in the field of in-vehicle infotainment and electronic systems.

Although Karel Electronics is currently in the process of recovery, we think that it is a company with great opportunities. We think that the year 2024 will not be easy for Karel. An increase in personnel expenses, a low exchange rate, financing costs and unexpected production disruptions put a strain on the company, while the factory fire at the beginning of the year made things a little more complicated. Thankfully, this incident did not lead to a major loss of production, but it did create some breaks in the supply chain. The main need of the company, which has managed to collect its receivables from insurance, is to streamline things in the short term and achieve long-term growth. When we look at the steps taken so far, we see that Karel has entered an important transformation process to make things more efficient and reach a strong position. Karel optimizes the number of staff while at the same time modernizing production processes and focusing on improving inventory management. With these steps, it is possible to say that Karel is currently in the "gathering strength" phase. When this process is completed, we think that the operational efficiency and competitiveness of the company will increase.

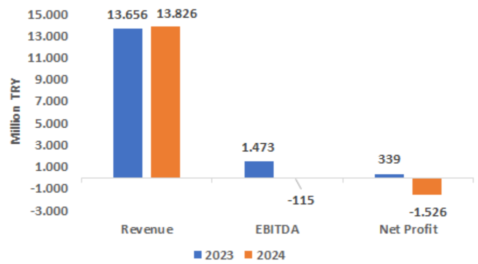
But the most important thing is that Karel is still a strong player in areas with high added value and open to growth. The future of the company will largely be shaped in three areas:

1- **Automotive:** Karel wants to gain more ground in this market with its in-car infotainment systems. The Daiichi brand is open to global growth and options such as IPOs are also being considered.

2- **Communication systems:** It is one of the company's strengths and wants to take more solid steps in corporate projects.

3- **Defense industry:** This area is a great opportunity for Karel right now. They can achieve solid growth in the long term with military communication, internal speech systems and avionics solutions.

In 2024, the company experienced difficulties in accessing financing due to global economic uncertainties, the high interest rate environment in Turkey, and high inflation. However, the normalization of the exchange rate-inflation gap in 2025 and the introduction of a more balanced process in exchange rate policy may be supportive in terms of improving the company's indebtedness management and increasing its investment capacity. On the other hand, the recent increase in political uncertainties and geopolitical risks in global markets may cause defense spending to rise in Europe and the United States. This trend could drive increased demand for Karel's products and services for military electronic systems, supporting the company's growth in the defense segment.

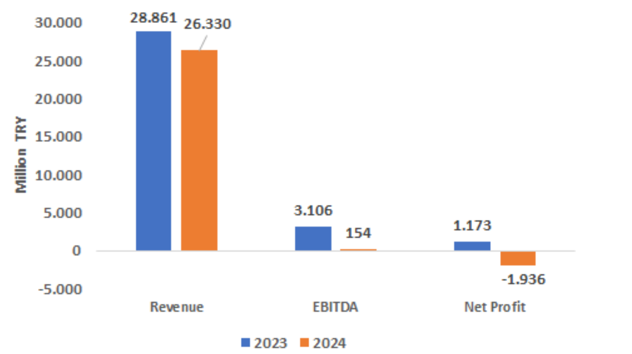


Source: Company Data

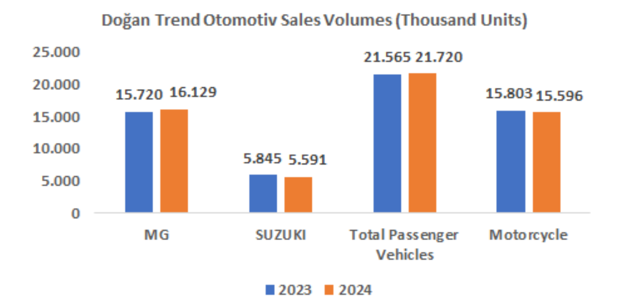
Doğan Trend Otomotiv

Doğan Trend Otomotiv is a strong player in the Turkish automotive industry, distributing global brands such as Suzuki, MG and Maxus. The year 2024 has not been easy for Doğan Trend Automotive, like the entire automotive industry. High interest rates, tight credit conditions and a slowdown in domestic demand weighed on sales, while rising inventory costs and financing expenses dragged down profitability. Despite the difficulties created by additional taxes on vehicles imported from China to Turkey at the beginning of the year, Doğan Trend increased its passenger car sales by 1% in 2024 to approximately 22 thousand units. However, additional taxes on vehicles imported from China and the implementation of the European Union's GSR safety standards have severely negatively impacted the company's EBITDA margin. EBITDA margin decreased from 11% in 2023 to 1% in 2024.

With the CBRT's interest rate cuts throughout 2025, financing conditions are expected to loosen and credit access is expected to become easier. In addition, the normalization of the exchange rate-inflation gap and the introduction of a more balanced process in exchange rate policy may increase predictability in the domestic market and support investments and consumption. In addition, the development of the movement in the EUR/USD parity in favor of exporters may create a gradual improvement in domestic demand with the recovery of European demand. However, the most exciting story of the company is undoubtedly SAIC Motor's strategic cooperation idea for the local production of MG branded vehicles in Turkey. Doğan Trend Automotive has been working intensively with SAIC Motor for more than a year to establish a production facility in Turkey. The production of the MG brand in Turkey will make significant contributions to the automotive sector of our country. In addition, Turkey's strategic location will provide access to European and Middle Eastern markets, increasing MG's competitiveness in the region. If the negotiations are concluded positively, Doğan Trend Automotive will further strengthen its position in the sector with MG production in Turkey. Should the negotiations conclude positively, Doğan Trend Otomotiv could significantly strengthen its position in the automotive sector through the local production of MG-branded vehicles. However, the process entails not only a corporate-level collaboration but also the clarification of regulatory frameworks governing investment and manufacturing between the two countries. In this context, the realization of a potential production investment may prompt a reassessment of Doğan Trend’s position within the Holding’s portfolio, potentially paving the way for its inclusion among the Group’s strategic business segments in the medium term.

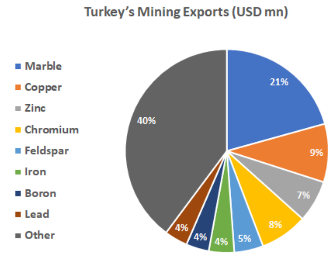


Source: Company Data



Source: Company Data

Mining



Source: MAPEG, MTA

As of 2024, Doğan Holding has further diversified its portfolio by making a strong entry into the mining sector. **Gümüştaş Mining** and **Doku Mining** acquired 75% of the shares for a total of 136.5 million dollars and invested in valuable resources such as lead, zinc and pyrite, which are the critical raw materials of the growing battery industry. The growing demand for lithium-ion batteries and green energy around the world is increasingly important for such metals. With this move, it is clear that Doğan Holding aims to gain a foothold in a sustainable and high value-added segment. Doğan Holding's move to enter the mining sector is not only limited to expanding its existing production capacity, but also includes new investments aimed at achieving sustainable and long-term growth in the coming years. In this context, mining activities are positioned among Doğan Holding's strategic sector priorities and are at the center of its long-term investment plans.

When we examine the Mining Sector in Turkey, the size of the sector is at the level of 10 billion USD and has an annual export volume of 5.3 billion USD.

Gümüştaş is one of the top 3 lead and zinc producers in Turkey and will make significant contributions to Doğan Holding's growth strategy with its reserve capacity and export potential.

Licenses and production capacity of the company:

- With 80 exploration licenses and 16 operating licenses, it has one of the largest mining license portfolios in Turkey.
- It has a total reserve potential of 23 million tons.
- In addition to the existing reserves of 9 million tons, long-term production sustainability can be ensured with a potential reserve of 14 million tons.
- An investment of 90 million USD is planned between 2025 and 2027.

As of 4Q24, Gümüştaş started to be included in Doğan Holding's balance sheet. In the 4Q24 period, the company achieved TRY 864 million in revenue, TRY 217 million EBITDA (EBITDA Margin: 25%) and TRY 310 million in net profit. Gümüştaş's high-margin operations indicate that the mining segment will be an important value-added growth area for Doğan Holding. In particular, it allows foreign currency-based export revenues to create a more stable financial structure by protecting the holding from exchange rate fluctuations.

On the Doku Mining side, although production has not yet started, the exploration and development potential within the scope of the licenses is remarkable. The presence of unsettled reserves in the fields in the company's portfolio and investment/cooperation or sale options create significant potential for Doğan Holding beyond its current income base. In this respect, although Doku Mining makes a limited contribution for now, it is capable of playing an important role in the growth story of the mining segment in the medium term.

We believe that Doğan Holding aims not only to increase its short-term profitability but also to step into a sustainable and growing market with its new sector move. If global demand remains strong and the company is able to increase its operational efficiency and make sustainability-oriented investments, the mining segment could emerge as one of Doğan Holding's strongest growth stories in the coming years.

Digital & Financial Services

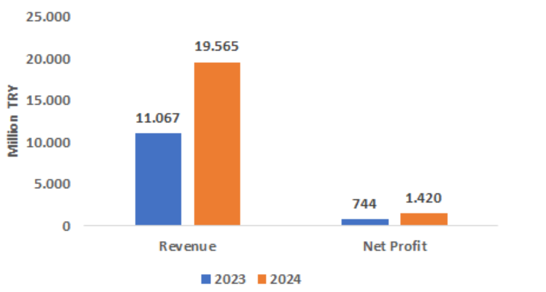
Hepiyi Sigorta

When Hepiyi Sigorta was established in 2021, it set out with the aim of innovating in the Turkish insurance market. Thanks to its digital-oriented business model and customer experience-centered approach, it has gained a solid place in the sector in a short time. Hepiyi Sigorta, which launched operations in mid-2022, grew its managed portfolio to USD 484 million within a short period. This rapid growth demonstrates the power of digitalization in the insurance industry.

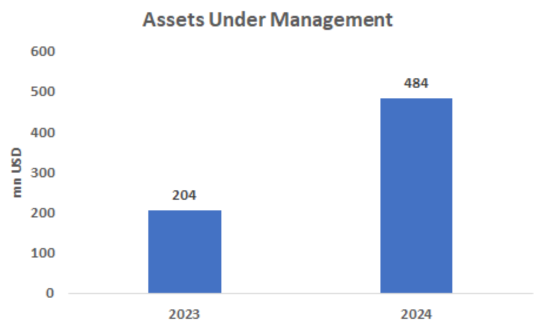
In our view, Hepiyi Sigorta's swift success is not coincidental. In 2024, the company achieved revenues of TRY 19.56 billion (up 77% year-on-year) and a net profit of TRY 1.42 billion (up 91% YoY). It also increased its motor insurance market share from 1.9% to 3.1%, reflecting a strong expansion in market presence. The company capitalized on digital insurance opportunities, growing the portfolio under its management from USD 204 million in 2023 to USD 484 million in 2024. Notably, the company has the lowest expense-to-income ratio in the industry at just 2%, highlighting Hepiyi Sigorta's superior cost efficiency relative to competitors. Factors such as full digitalization, automated process management, and a credit card-based 100% collection rate are behind this. In addition the fact that 87% of daily auto insurance policies are issued through Hepiyi demonstrates the company's dominant market position and its reputation as a reliable platform for consumers.

Hepiyi Sigorta does not intend to limit its operations to Turkey. Management has announced plans to expand abroad in the near future. We believe that Hepiyi's successful, rapidly growing digital insurance model could attract particular interest in European and Gulf markets.

Hepiyi Sigorta currently stands out as one of the strongest candidates for an IPO in Doğan Holding's portfolio. In short, while Hepiyi Sigorta continues to make a difference in the sector with its low-cost and high-efficiency digital business model, we expect it to become an important player not only in Turkey but also globally with moves such as public offering potential and overseas expansion in the coming period.



Source: Company Data



Source: Company Data

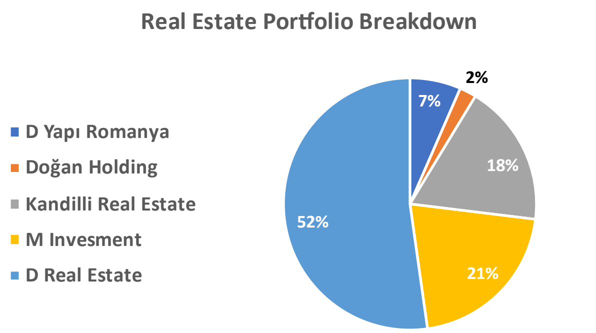
Real Estate Investments

Doğan Holding aims to achieve long-term sustainable growth with its prestigious real estate portfolio in strategic locations. As of 2024, the total appraisal value of the real estate portfolio increased by 22% year-on-year and reached TRY 12.3 billion. The Holding's real estate investments include commercial spaces and residential projects in Trump Towers Istanbul, Milta Marina, New York, and Bucharest, and these assets create significant value with high occupancy rates and strong rental yields.

Trump Towers Istanbul stands out as one of the strongest assets of the portfolio with a 99% occupancy rate. With a construction area of 260,000 m², Trump Towers is a strategic source of income for the Holding in the field of commercial real estate with its 36-storey office tower and 5-storey shopping center. The Trump Office Tower offers flexible office solutions, making it an attractive business center for corporate clients. Meanwhile, the Trump Shopping Center features a strong mix of high-profile retail brands and continues to see growing customer traffic. The shopping mall, which hosts 20,601 visitors daily, has shown a strong commercial performance by growing by 59% in rental revenues and 65% in turnover in 2024.

Milta Marina achieves an occupancy rate of 112% during high seasons, providing steady revenue growth in the marine tourism segment. Commercial assets in New York and Bucharest, on the other hand, provide diversification in international markets and support the Holding's long-term portfolio strategy with the growth in appraisal values.

Doğan Holding's real estate portfolio not only supports today's cash flow, but also creates a significant leeway for possible new investments. Thanks to this stable income from its portfolio, we believe that the Holding is in a position to take steps quickly and flexibly when it sees opportunities in strategic areas. This provides a significant advantage both in terms of implementing growth plans and seizing opportunities.

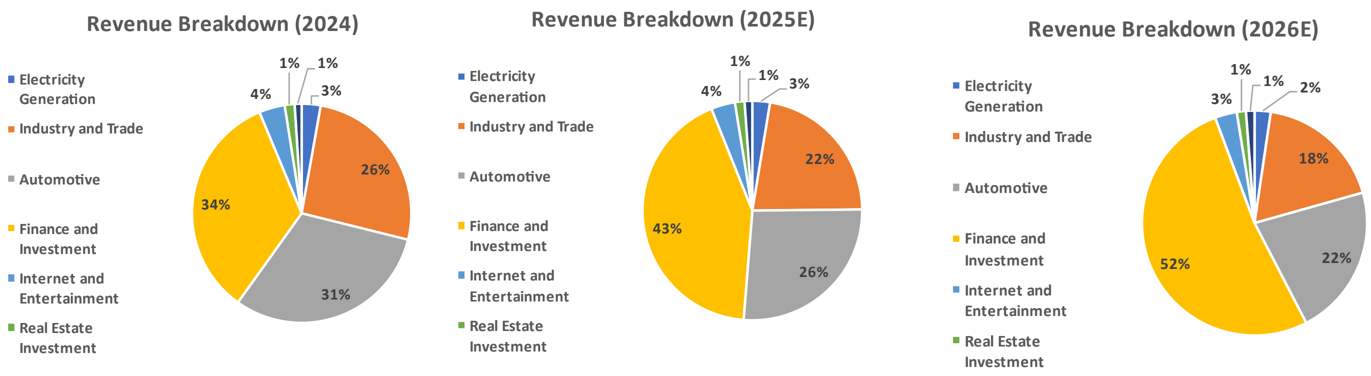


		Appraised Value (mn TL)	
Company	**Location**	**2023**	**2024**
D Yapı Romanya	Bucharest	611	802
Doğan Holding	İstanbul	195	265
Kandilli Real Estate	İstanbul	1.593	2.249
M Invesment	New York	2.635	2.565
D Real Estate	İstanbul	5.087	6.427
Total		10.122	12.309

Doğan Holding Historical and Estimated Revenue Breakdown

Doğan Holding Revenue Breakdown

Revenue Type	2021	2022	2023	2024	2025E	2026E
Net Sales	**16.822.007**	**45.872.000**	**75.706.159**	**84.492.533**	**113.937.719**	**159.148.169**
Electricity Revenues	539.490	1.187.272	2.864.049	2.364.399	2.955.499	3.694.373
Total	**539.490**	**1.187.272**	**2.864.049**	**2.364.399**	**2.955.499**	**3.694.373**
Industrial Revenues	943.009	4.105.508	15.775.574	15.574.645	17.910.842	20.597.468
Packaging Revenues	750.407	1.847.787	4.365.496	4.409.653	5.071.101	5.831.766
Foreign Trade Revenues	926.479	1.645.977	4.929.230	2.002.714	2.303.121	2.648.589
Other Revenues	42.763	291.692	83.550	52.399	60.259	69.298
Total	**2.662.658**	**7.890.964**	**25.153.850**	**22.039.411**	**25.345.323**	**29.147.121**
Vehicle Sales and Other Revenues	1.120.740	3.576.264	28.797.369	26.193.397	30.122.407	34.640.768
Total	**1.120.740**	**3.576.264**	**28.797.369**	**26.193.397**	**30.122.407**	**34.640.768**
Financial Services and Insurance	2.972	1.539.847	12.831.743	21.183.884	36.012.603	61.221.425
Investment Revenues	92.261	8.188	310.283	4.359.907	7.411.842	12.600.131
Factoring Revenues	229.891	478.615	1.797.488	3.013.634	5.123.178	8.709.402
Management Consultancy Revenues	6.749	17.693	22.195	29.015	49.326	83.853
Total	**331.873**	**2.044.343**	**14.961.709**	**28.586.440**	**48.596.948**	**82.614.812**
Advertising Revenues	485.393	811.808	2.082.034	2.192.238	2.740.298	3.425.372
Subscription Revenues	51.664	160.982	372.925	582.587	728.234	910.292
Book and Magazine Sales	82.197	149.755	496.637	358.840	448.550	560.688
Other Revenues	92.493	11.923	28.635	78.646	98.308	122.884
Total	**711.747**	**1.134.468**	**2.980.231**	**3.212.311**	**4.015.389**	**5.019.236**
Real Estate Management	90.516	255.314	418.342	499.661	649.559	844.427
Rental Revenues	49.913	97.320	444.880	444.477	577.820	751.166
Other Revenues	496	7.432	265.729	291.905	379.477	493.319
Total	**140.925**	**360.066**	**1.128.951**	**1.236.043**	**1.606.856**	**2.088.913**
Mining and Foreign Trade Revenues	-	-	-	757.974	1.136.961	1.705.442
Other	-	-	-	105.558	158.337	237.506
Total	-	-	-	**863.532**	**1.295.298**	**1.942.947**



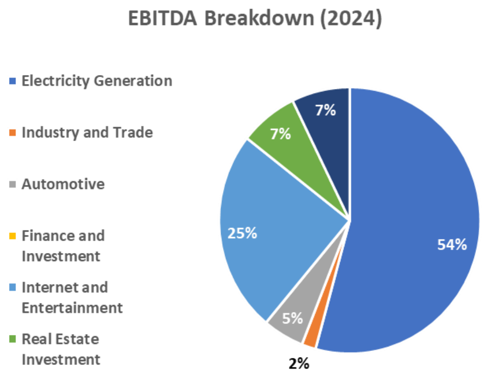
Source: Company Data, PhillipCapital Research

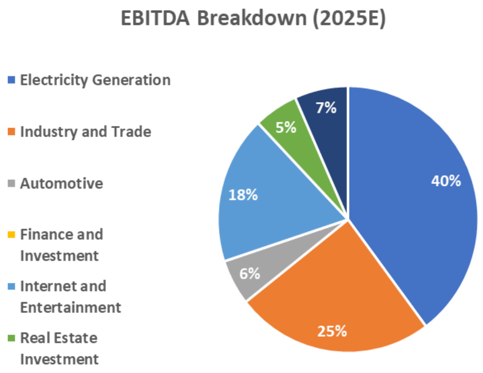
Looking at the projections for 2025 and 2026, we expect Doğan Holding to increase its share in total turnover with the acceleration of revenue growth in the financial services segment. We think that the financial services revenue share, which was 34% in 2024, will increase to 52% in 2026, which will be a reflection of the strong momentum in Hepiyi Insurance and investment banking. On the other hand, we anticipate that the Holding's diversified revenue structure will be largely maintained, while its contribution in other business lines such as industry, energy, real estate and digital content will continue.

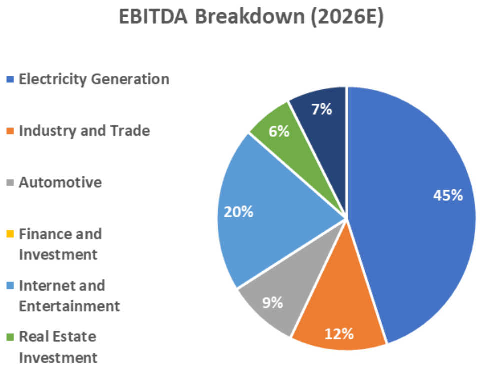
Doğan Holding Historical and Estimated EBITDA Breakdown

Doğan Holding EBITDA Breakdown

EBITDA (Thousand TL)	2021	2022	2023	2024	2025E	2026E
Electricity Generation	**427.000**	**1.002.000**	**1.471.000**	**1.633.063**	**2.208.800**	**3.095.000**
EBITDA Margin %	*79,1%*	*84,4%*	*51,4%*	*69,1%*	*74,7%*	*83,8%*
Industry and Trade	**357.000**	**1.067.000**	**3.003.000**	**52.459**	**1.363.934**	**1.636.721**
EBITDA Margin %	*13,4%*	*13,5%*	*11,9%*	*0,2%*	*5,4%*	*5,6%*
Automotive	**105.000**	**533.000**	**2.152.000**	**153.882**	**307.764**	**615.528**
EBITDA Margin %	*9,4%*	*14,9%*	*7,5%*	*0,6%*	*1,0%*	*1,8%*
Finance and Investment	**83.000**	**78.000**	**-**	**-**	**-**	**-**
EBITDA Margin %	*25,0%*	*3,8%*	-	-	-	-
Internet and Entertainment	**162.000**	**385.000**	**608.000**	**738.107**	**996.444**	**1.395.022**
EBITDA Margin %	*22,8%*	*33,9%*	*20,4%*	*23,0%*	*24,8%*	*27,8%*
Real Estate Investment	**39.000**	**89.000**	**206.000**	**217.261**	**304.165**	**425.832**
EBITDA Margin %	*27,7%*	*24,7%*	*18,2%*	*17,6%*	*18,9%*	*20,4%*
Mining	**-**	**-**	**-**	**216.817**	**368.589**	**516.024**
EBITDA Margin %	-	-	-	*25,1%*	*28,5%*	*26,6%*
Holding Total	**1.173.002**	**3.154.002**	**7.440.001**	**3.011.590**	**5.549.698**	**7.684.128**
EBITDA Margin %	*7,0%*	*6,9%*	*9,8%*	*3,6%*	*4,9%*	*4,8%*







Source: Company Data, PhillipCapital Research

Methodology

The target value of a stock refers to the value that the analyst expects to reach at the end of our performance period, which is the 12-month period.

Return Above Index (EU)

If this decision has been made for the company, it indicates that a better return is expected in the stock compared to the index in the medium and long term. Of course, this decision does not guarantee that the stock will rise or provide returns on the index. Any conjuncture changes that may occur after the report is published, developments in the macroeconomy, developments in the world economies, and a news about the company can change this decision.

Index Parallel Return (EP)

If a "Return in Line with the Index" decision has been made for the relevant stock, there may be various reasons for this. This decision may have been made if the company's latest data indicates that it will not show significant differences in future forecasts compared to the past. The company's share price may be close to the price it should be in terms of valuations. The fact that a "Return in Parallel with the Index" decision has been made for a stock does not mean that this stock will not move up or down. Generally, this indicates that a return in line with the index is expected to be achieved in the medium and long term on the stocks that are decided. However, every new news and change in the conjuncture can change this decision.

Return Under Index (EA)

If a "Return Under Index" decision has been made for a stock, it indicates that a weaker return is expected compared to the index in the medium and long term. Even if the "Index Yield" decision has been made, it is possible that the stock in question may make short-term reaction rises or that its technical indicators have given a short-term buy signal. In some cases, although no return is expected from the stock in the medium and long term, short-term "Return Above Index" or "Return in Parallel with the Index" can be provided when there is important news, news of a temporary profit increase, or developments that will cause the price to follow a positive course in the short term.

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