



# 2018 Q1 Investor Presentation

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May 2018



gazete web cep tablet

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□ Turkish ad market figures are estimates of DOHOL; based on currently available data. Ad market statistics may show inconsistency with IFRS figures.

## **CHANGE IN SHAREHOLDER STRUCTURE OF THE COMPANY**

*Transfer of shares from Doğan Holding to Demirören Medya after the reporting date*

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## **PRESENTATION OF SOME SUBSIDIARIES AS ASSET HELD FOR SALE** *(Glokal, Projeland, Doruk factoring)*

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## **MARKET LEADERSHIP**

**AD MARKET (34%) CIRCULATION (10%)**

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## **STARTED TO USE ADVANTAGES OF “R&D CENTER” CERTIFICATE**

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## **DISCONTINUE OF OUR DIGITAL OPERATIONS IN RUSSIA**

*(To increase operational efficiency and improve cash flow)*

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## HURRIYET WORLD

### TURKEY



yenibiris:)com



(\*)



(\*)



### GERMANY



Zweigneiderlassung  
GmbH

### RUSSIA & Others (\*\*)



### HOLLAND

\*Hürriyet Invest BV  
\*Publishing Int.  
Holding BV

(\*) Our main shareholder, Doğan Holding announced that the shares of those Companies would be transferred to the direct and indirect subsidiaries of Doğan Holding after the reporting date.

(\*\*) Based on the announcement made on November 2017, total net loss from PMH, which is reported under Russian operations, are presented as “Discontinued Operations” in the profit/loss statement as of 31 March 2018 and 31 March 2017.

# 2018 Q1 News



Glokal, %92 owned by Hurriyet, incorporated new joint stock company with «Prof Estate Ltd», named as “ProjeLand”

2 Jan 2018



Turkish Competition Board gave permission for the takeover of full control of Hurriyet indirectly and finally by Erdoğan Demirören through Demirören Medya Yatırımları Ticaret A.Ş.

7 May 2018

6 April 2018

A a result of negotiations held with Demirören Medya, Doğan Holding sign an agreement to sell the shares of Hürriyet Gazetecilik, except Glokal, Projeland and Doruk Factoring



11 May 2018

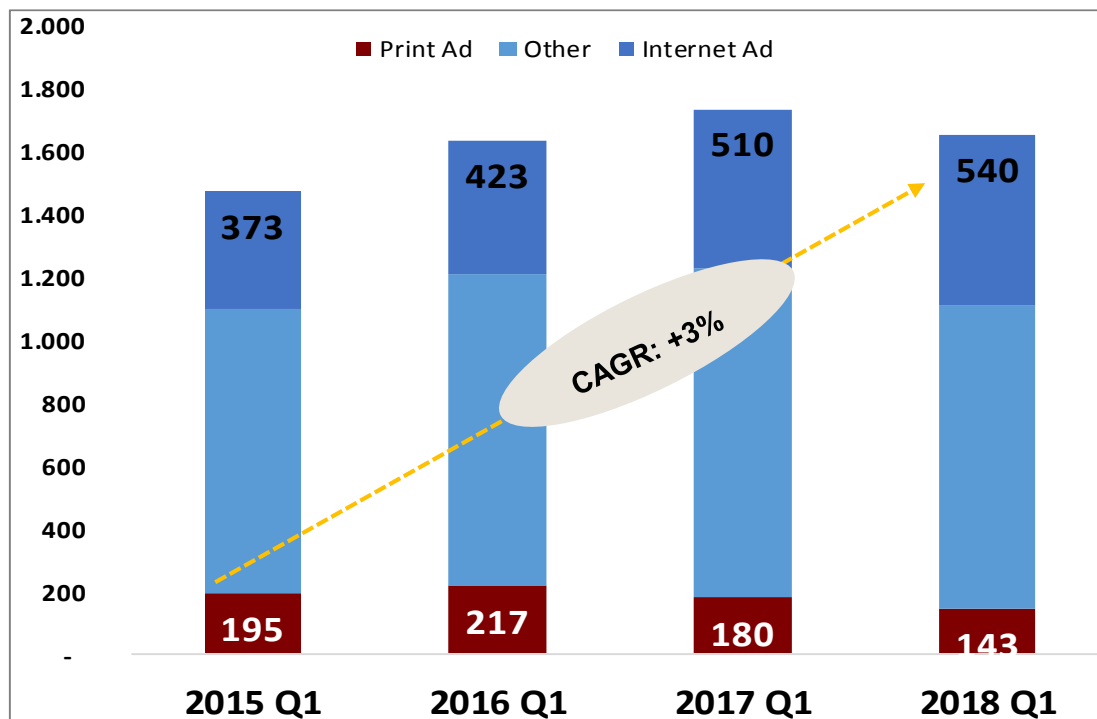
Hürriyet announced that the Extraordinary Meeting will be held on 6 June.

# Ad Market in Turkey

## AD MARKET IN TURKEY: Market Leader in Print Ad Market with 34 % market share

- ✓ +3% growth in total Ad Market in 4 yrs
  - Solid growth of 10% in Internet
  - 7% decline in Print

- 34% market share in Print Ad Market
- 6% market share in Internet Ad Market



### GROWTH in AD MARKET (CAGR)

+ 10%

INTERNET

- 7%

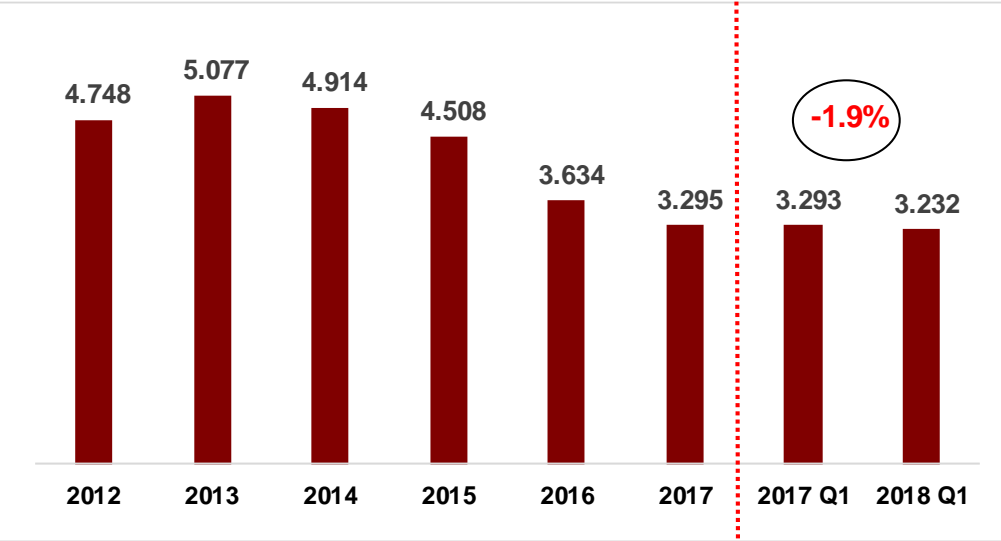
PRINT

+ 2%

OTHER



# CIRCULATION : Market Leader in Circulation

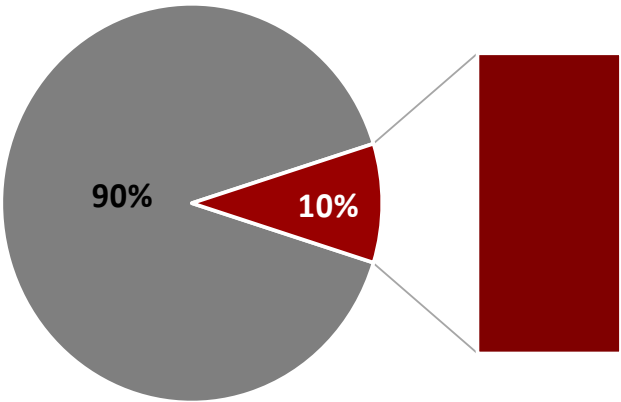


## Average Daily Newspaper Circulation (thousand units)

- Newspaper circulation market is decreased by %1.9 when compared to 2017 Q1

## Circulation Market Share of Hürriyet

Despite the decrease in circulation Market, Hürriyet is still the market leader.



■ Market (Exc-Hürriyet) ■ Hürriyet Circulation



# Digital Content

# BOOSTING DIGITAL AD REVENUES THRU INVESTMENT ON DIGITAL AD TECHNOLOGIES

- Focus and realignment with rapid advances in technology and dramatic shifts in consumer behavior.
- Engaging the right audience, with the right message, at the right time
- Using of data management platforms (DMPs) to manage the scale of data, while exploring new ways to increase customer engagement

## Native Ad Model



Yeni sezon kazaklara çok  
şaşıracaksınız!



**Data  
Management  
Platform**

## 360 Ad Model



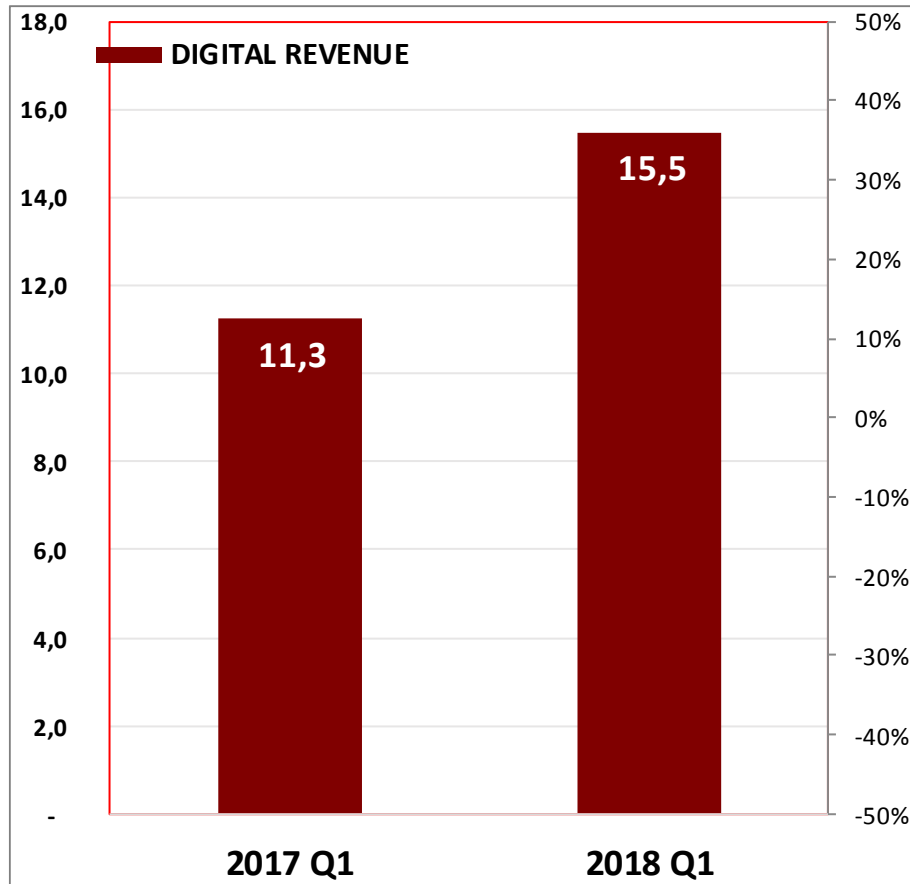
## Video



## Header Bidding



## DIGITAL CONTENT : Above market revenue growth

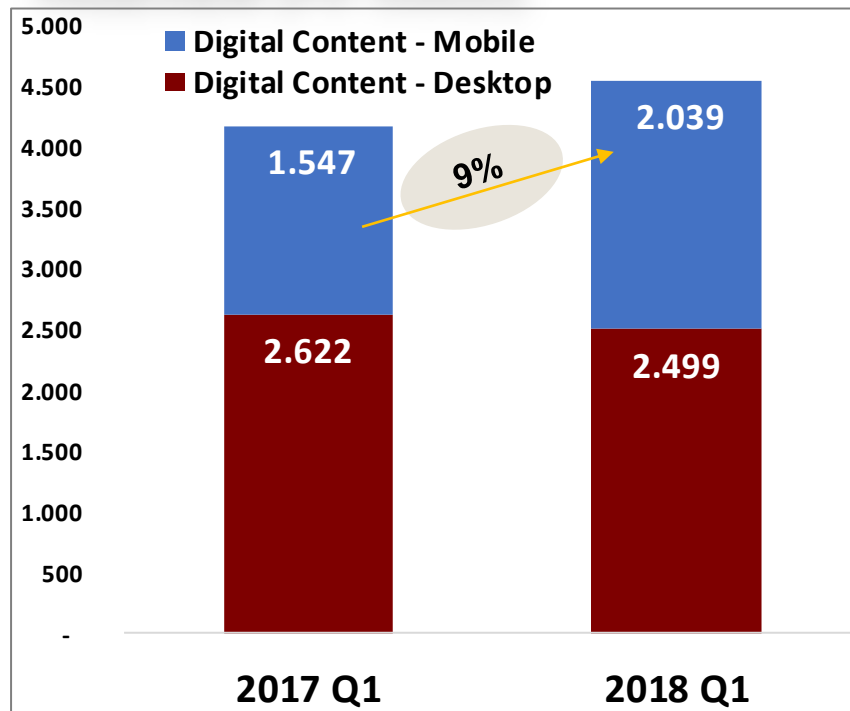


- Focused growth and monetization via new Ad Formats (ie: SporArena)
- Increase traffic and customer engagement thru technical innovation and audience focus strenghting mobile conversion
- Focus on content enrichment and technology investment for digital premium subscription model

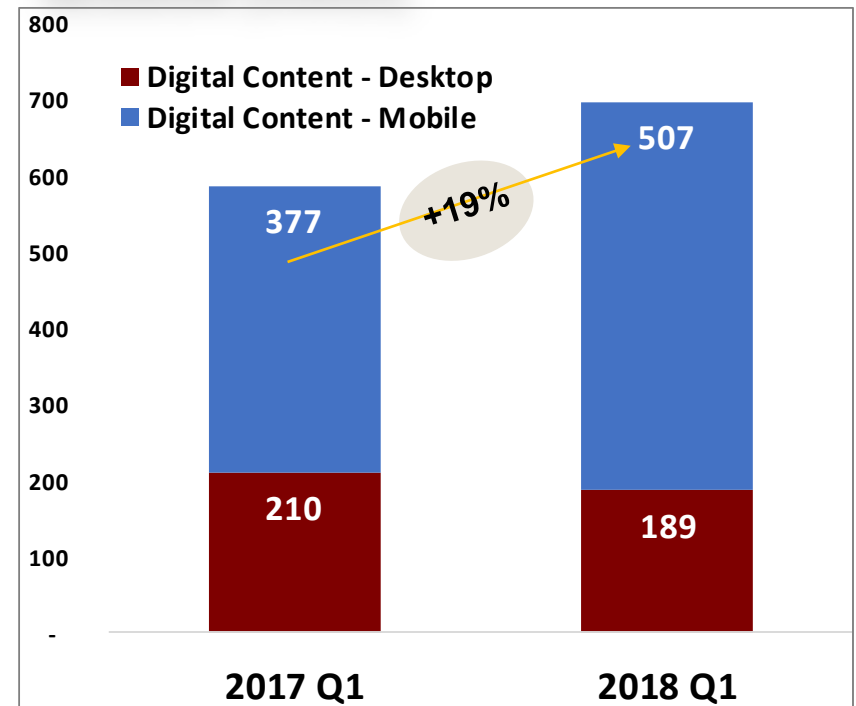
## DIGITAL CONTENT : Hürriyet is among the top players in the market

- Hürriyet is the top local player in the market, including Facebook and Google with page views 1.8 bio and 257 mio visitor monthly.
- The average monthly visit is 54% higher than the nearest competitor in news websites as of April 2018.

### PAGEVIEW (PV- million)



### SESSION (million)



## DIGITAL CONTENT : Impressive Growth in Traffic and unique visitor

- **Hurriyet.com.tr** has reached to **1 million UV per day** in social media traffic and **50 million views** monthly on facebook.
- **Hurriyet.com.tr** is in the **LEADER** position in social media engagement on media sector.

### Top Websites Extended In Turkey (Total Traffic)



**87%**

of individuals using the internet everyday or almost everyday

**67%**

Internet Usage in Turkey

76% male, 59% female

**98%**

Smart Phone Penetration

**37%**

Laptop Penetration

**30%**

Tablet Penetration

TOP 3 MOTIVATIONS

**68.2%**

To read news

**61%**

Uploading self-created content

**83.7%**

Spend time in social media

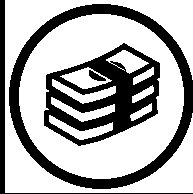
(\*) The data is obtained from Tuik web site.

## Convergence

Fit for growth  
(optimization  
of costs and  
integration in  
operations)



Monatization  
via new ad  
formats



Increase traffic  
and customer  
engagement



Digital  
premium  
subscription



# MONETIZATION IN DIGITAL CONTENT FOCUSING ON DIVERSIFIED VERTICALS



Monthly average Page View doubled to 174 million

Pageview	174 mio
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Session	9.6 mio
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User	9.5 mio
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Monthly average Page View is 50% bigger than 2017

Pageview	47.6 mio
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Session	0.7 mio
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User	2 mio
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Monthly average Page View increased to 1.5 billion.

Pageview	1.5 bio
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Session	232 mio
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User	73 mio
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Monthly average Page View is 37.4 million.

Pageview	37.4 mio
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Session	7.4 mio
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User	4.1 mio
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Monthly average Page View is 11 million.

Pageview	11 mio
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Session	3.8 mio
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User	2.6 mio
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Monthly average Page View is 19.6 million.

Pageview	19.6 mio
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Session	2.8 mio
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User	2.3 mio
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The above figures does not include referral traffic from [hurriyet.com.tr](http://hurriyet.com.tr).



# Financial Performance

# FINANCIAL HIGHLIGHTS

	2017	2018	yoy
	<u>Q1</u>	<u>Q1</u>	<u>Q1</u>
<b>REVENUE (*)</b>	<b>115</b>	<b>109</b>	<b>-5%</b>
PRINT MEDIA	100	90	-9%
DIGITAL CONTENT	11	15	38%
OTHER	4	4	-17%
<b>TOTAL COSTS</b>	<b>-108</b>	<b>-101</b>	<b>-5%</b>
<b>EBITDA</b>	<b>8</b>	<b>9</b>	<b>13%</b>

Sharp increase, thanks to our investment on digital in 2017

Increase in EBITDA, despite decrease in Revenue. Thanks to cost reduction policies..

(\*) As of 2018 Q1, Doğan Holding decided to transfer the shares of Glokal, indirectly Projeland, to the direct and indirect subsidiaries of Doğan Holding. Due to this improvement, in addition to PMH, total net profit/loss from these operations are presented as “Discontinued Operations” in the profit/loss statement as of 31 March 2018 and 2017.

# SOLID BALANCE SHEET

	2018	2017
Cash and Cash Equivalents	15	66
Land and Buildings	208	206
Investment Properties	174	172
Assets held for sale (*)	62	-
<b>Total Assets</b>	<b>726</b>	<b>769</b>
<b>Total Loan</b>	<b>233</b>	<b>263</b>
Liabilities related with assets held for sale (*)	26	-
<b>Total Liabilities</b>	<b>427</b>	<b>466</b>
<b>Total Equity</b>	<b>299</b>	<b>303</b>

- ✓ 20 mtl of total **asset held for sale** is comprised from Cash and cash equivalents and 34 mtl trade receivables of Glokal and Projectland as of Q1 2018.
- ✓ **Land and Buildings** including the investment properties amounts to 382 mtl as of Q1 2018.
- ✓ **Bank Borrowing amounts to 233 mTL:**
  - of which 153mTL is short term
  - interest rates ranging between 11.83%-14.89% which is below market.
  - During 2018 Q1, 32 mtl loan is paid back and this leads to decrease both in cash and cash equivalents and total loan.

(\*) Due to announcement made by Doğan Holding on 6 April 2018, total assets and liabilities of Glokal and Projeland and financial investment amount of Doruk Factoring that is held by Hürriyet, is presented as "Asset held For Sale" in accordance with IFRS 5.

The amounts are given in million TL.

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