



Q3 2019
RESULTS PRESENTATION
December 3, 2019

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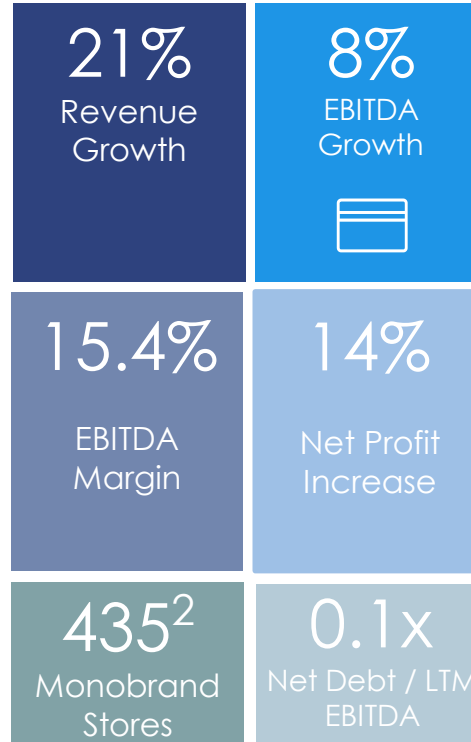
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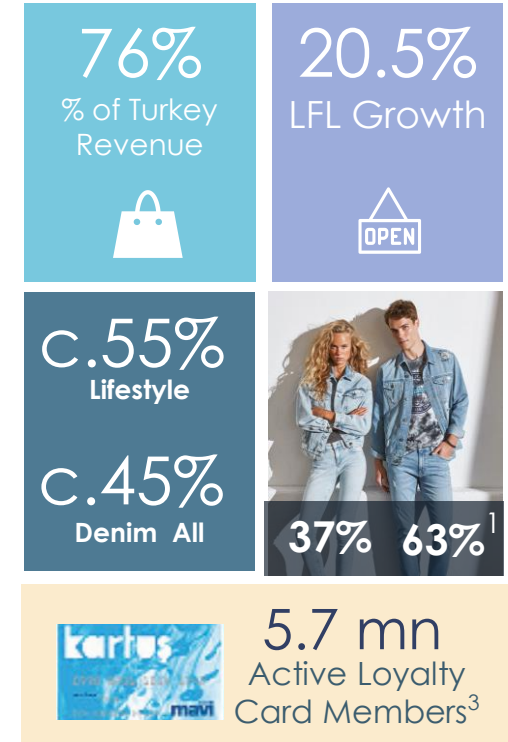
Nine Months 2019 Highlights

- Consolidated revenue increased by 21% to 2,148 TRYm
- EBITDA grew by 8% to 330 TRYm resulting in 15.4% EBITDA margin
- Net profit grew by 14% and resulted in 115 TRYm
- Store roll-out continued with 14 openings and 6 closures in Turkey, to reach a total of 435 mono brand stores²
- Turkey Retail LFL revenue grew by 20.5 %
- Active Kartuş card holders reached 5.7 mn with 983K new customers

GROUP HIGHLIGHTS¹



TURKEY RETAIL HIGHLIGHTS



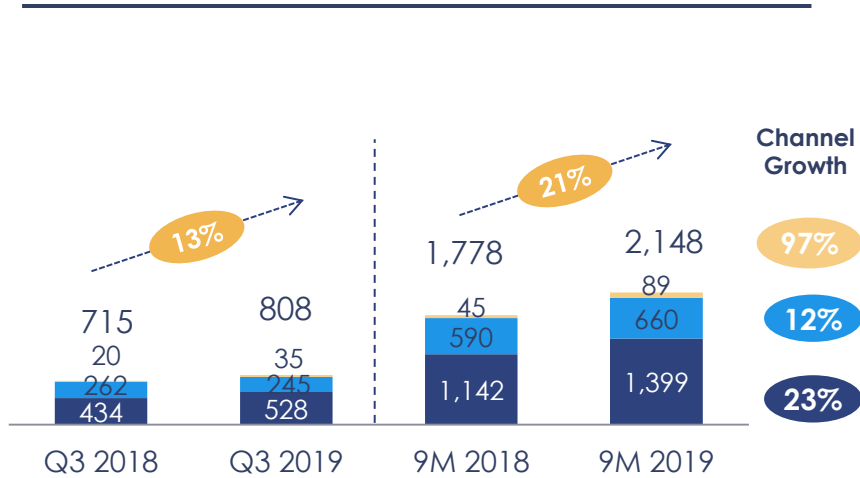
¹ Excluding IFRS 16 impacts.

² Includes global franchise and owned stores

³ Active means that the member has made a purchase of Mavi product over the last two years. Total number of Kartuş card holders is 8.0mn

Revenue Growth in All Sales Channels

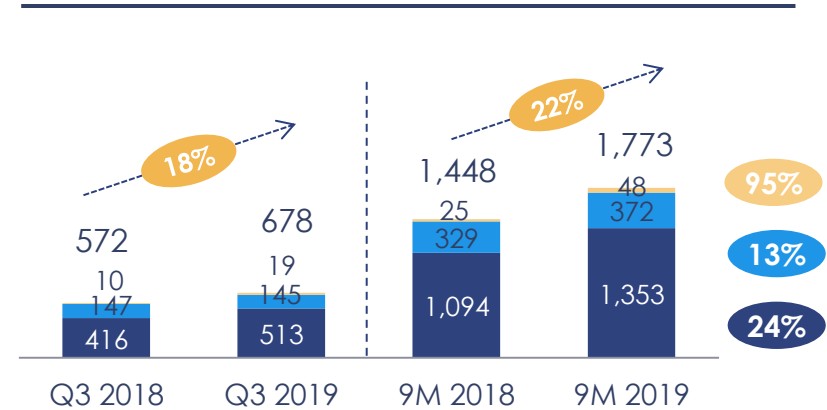
Global Revenue (TRYm)



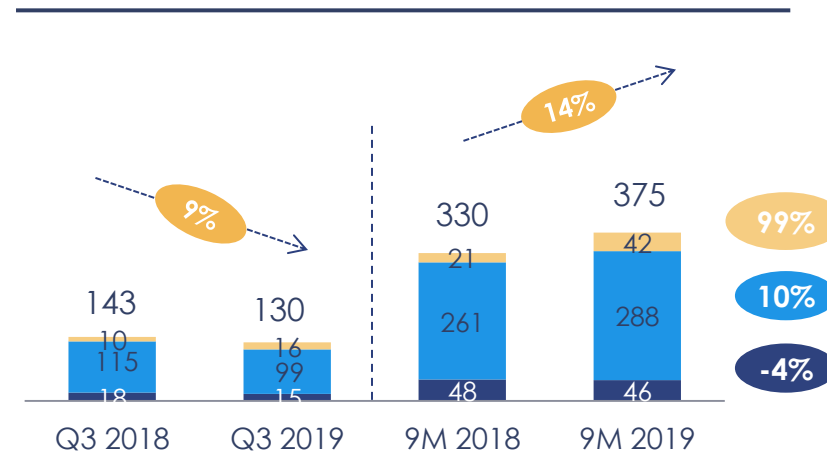
■ Retail ■ Wholesale ■ E-com

- Total revenue consists of 65.1% retail, 30.7% wholesale and 4.2% e-com.
- 83% of consolidated revenue is from Turkey
- Adverse fx impact on international revenue contribution

Turkey Revenue (TRYm)

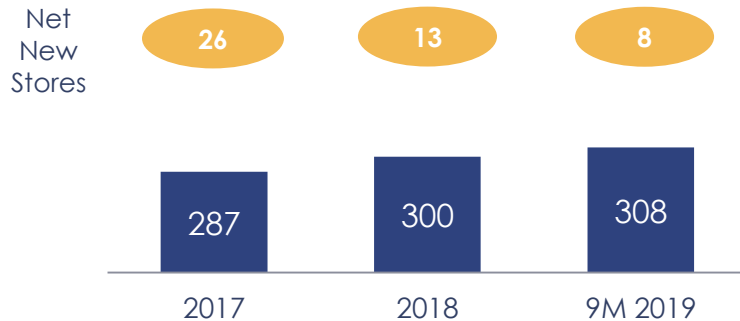


International Revenue (TRYm)



Turkey Retail Operations

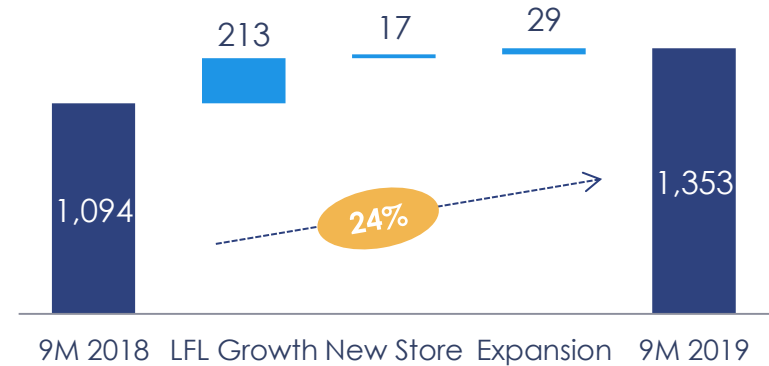
of Retail Stores



Gross Selling Space in Turkey (Sqm K)

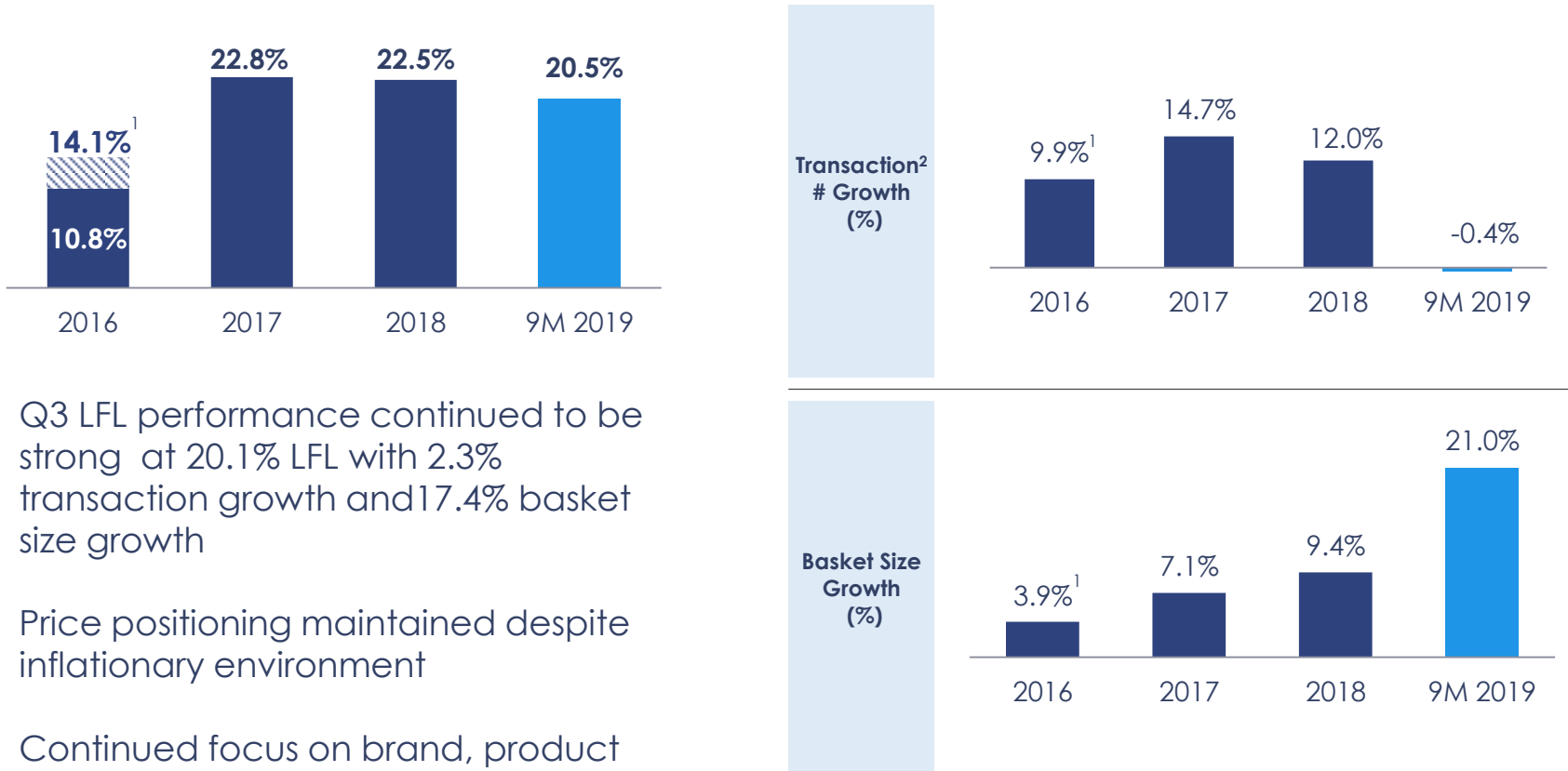


Turkey Retail Revenue (TRYm)



- With 14 openings and 6 closures, 8 net new stores added in 9M 2019
- 10 stores expanded in 9M 2019
- Total selling space reached 154K sqm with average 500 sqm per store

Basket-Driven Like-for-like Growth

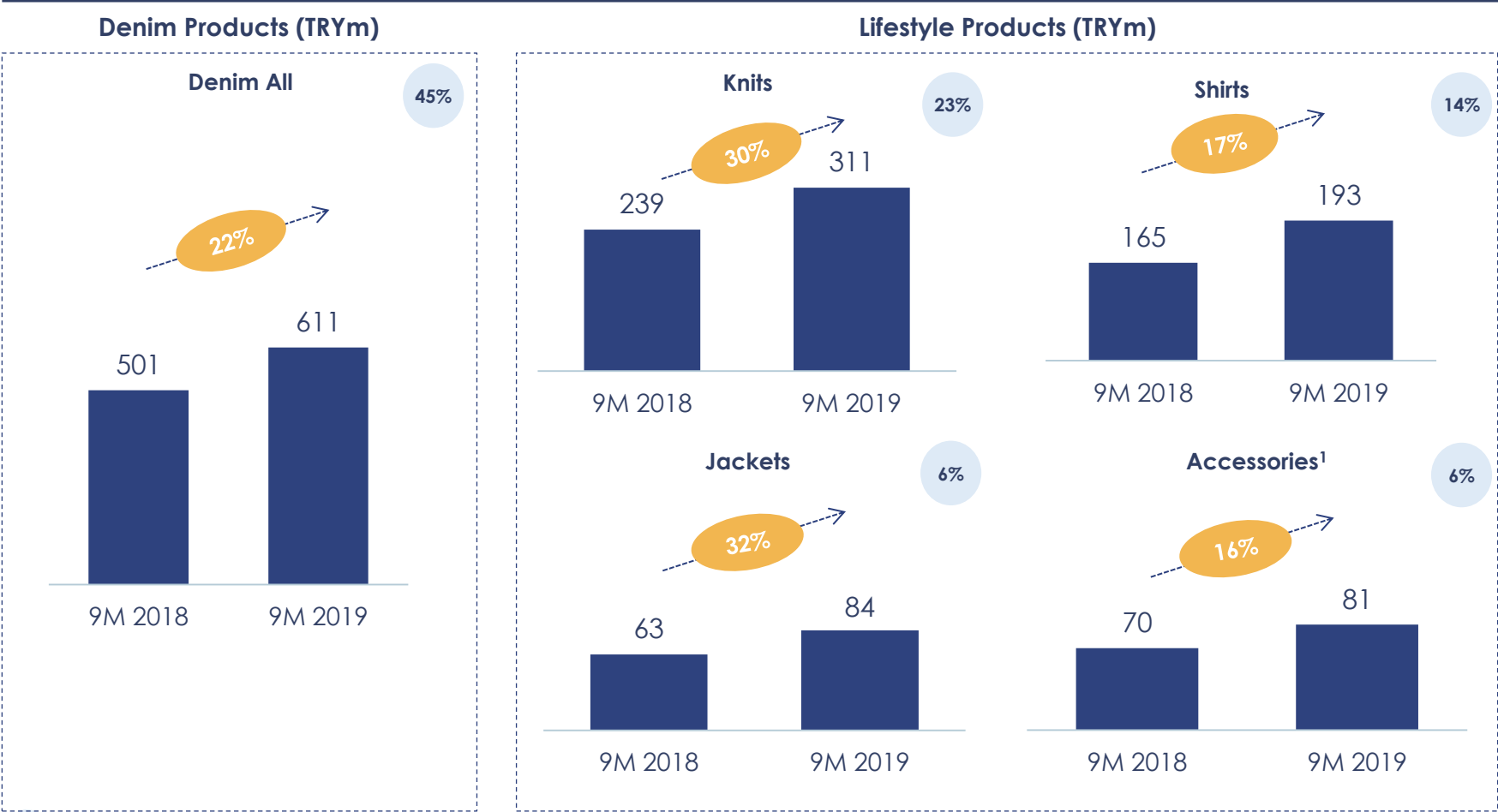


- Q3 LFL performance continued to be strong at 20.1% LFL with 2.3% transaction growth and 17.4% basket size growth
- Price positioning maintained despite inflationary environment
- Continued focus on brand, product investments and customer experience

Turkey retail only, ¹ 2016 adjusted figures (excluding July performance of all Turkey retail stores, impacted by the Coup attempt and the performance of the Beyoğlu stores). The unadjusted LFL growth, Transaction Growth and Basket Size Growth are 10.8%, 6.8% and 3.7% respectively for 2016. ² Number of transactions refers to number of issued invoices.

Note: LFL revenue constitutes 92.4% of Turkey retail revenue in 9M 2019

Sales in Denim & Lifestyle Categories



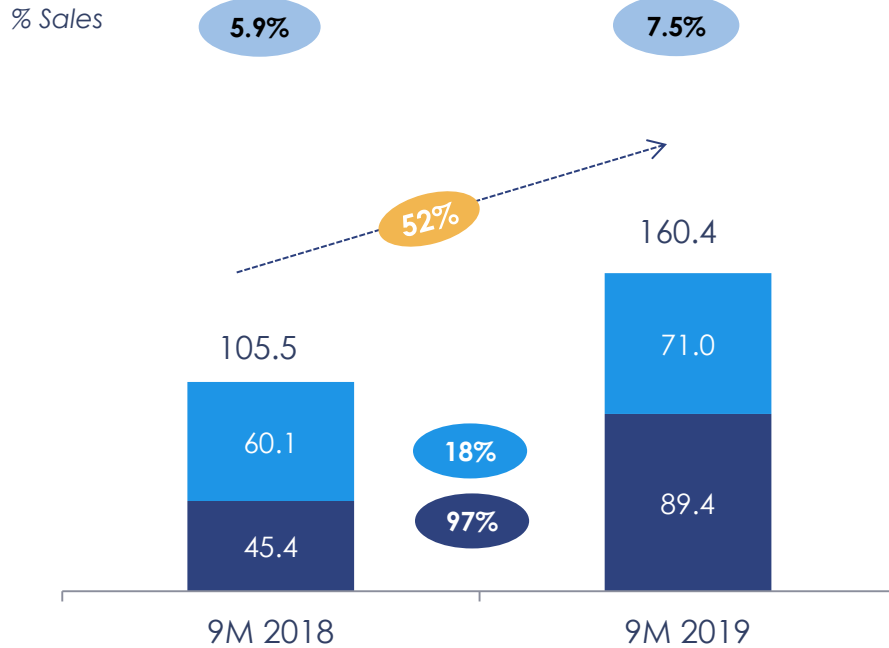
% Share in 9M 2019 Turkey retail net sales

Note: Turkey Retail Net Sales Only. Remaining 6% of net sales consist of non-denim bottoms, skirts, dresses and kids. ¹Including shoes



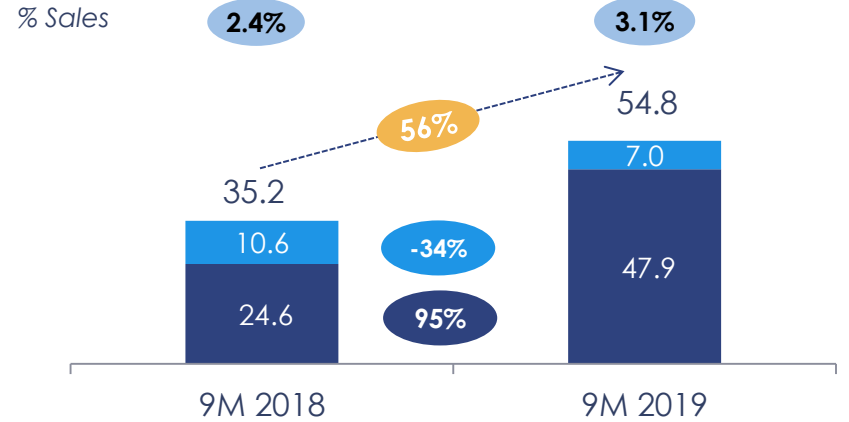
Focus on Online Sales Growth

Global Online Sales (TRYm)

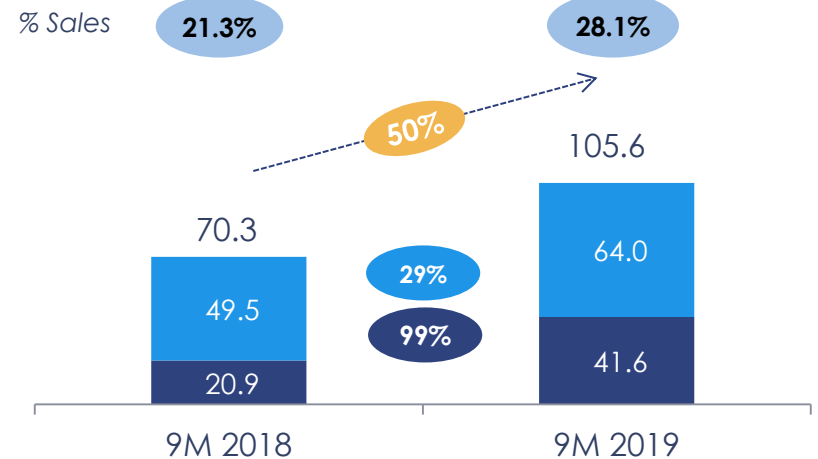


■ mavi.com & Marketplace
■ Wholesale E-Com

Turkey Online Sales (TRYm)

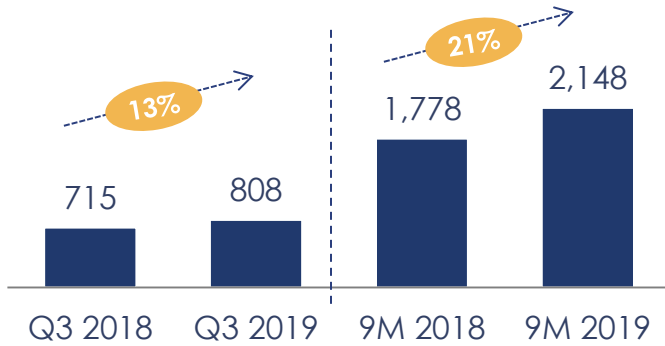


International Online Sales (TRYm)

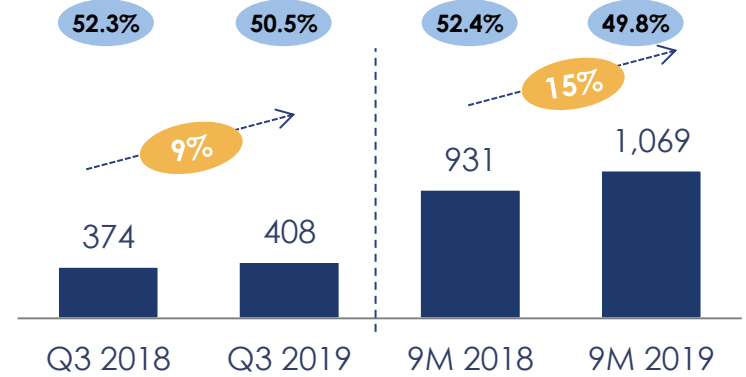


Consolidated Financial Metrics

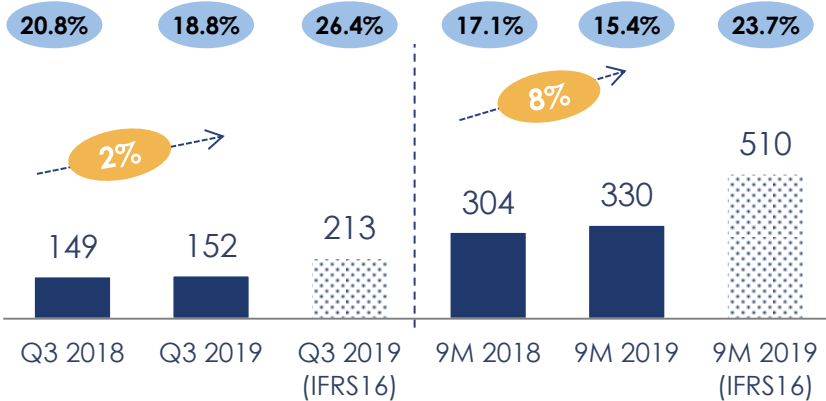
Revenue (TRYm)



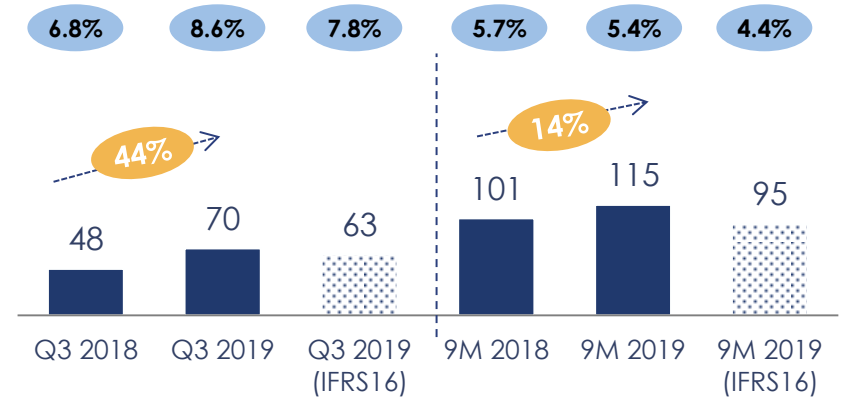
Gross Profit (TRYm)



EBITDA (TRYm)



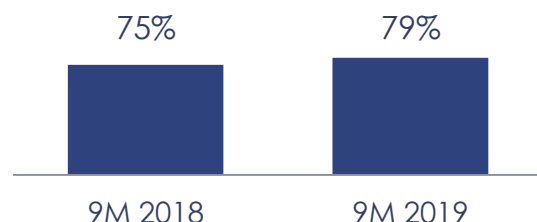
Net Income (TRYm)



% Growth % Margin

Cash Conversion and Working Capital Management

Cash Conversion (Exc. IFRS16)



TRYm	9M 2018	9M 2019	(%)
EBITDA	304.3	329.9	8.4%
Δ in NWC	(74.8)	(67.8)	
Operating Cash Flow	229.6	262.1	14.2%

Main Working Capital Items

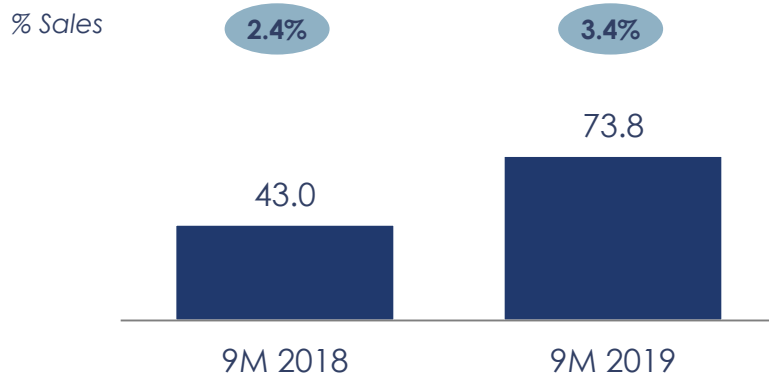
TRYm	2018	9M 2018	9M 2019
Trade & Other Receivables	188.1	242.0	274.4
% LTM Sales	8.0%	11.0%	10.1%
Inventories	457.2	435.9	515.0
% LTM COGS	39.9%	41.3%	37.4%
Trade & Other Payables	516.5	524.7	625.1
% LTM COGS	45.1%	49.7%	45.4%
Main NWC	128.8	153.3	164.3
% LTM Sales	5.5%	6.9%	6.0%

¹ Working Capital as per the cash flow statement, include main working capital items as well as deferred revenues and employee benefits paid among others

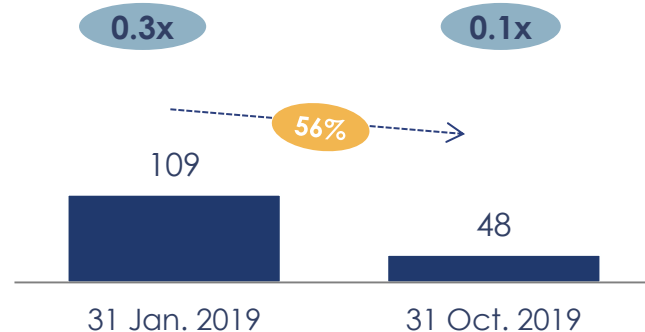
- Improved inventory levels on effective inventory management
- Leading brand for on-time, fresh inventory

Capex and Leverage Ratios

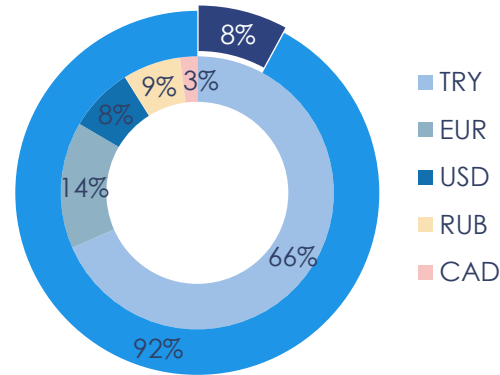
CAPEX



Net Debt / LTM EBITDA (exc. IFRS 16)



Debt Breakdown (31 October 2019)



■ Local Currency
■ Foreign Currency

Average Cost of Debt		
TRY	TRY	15.7%
EUR	EUR	2.0%
USD	USD	4.3%
RUB	RUB	13.4%
CAD	CAD	4.0%
Blended		12.3%

- 26% of total consolidated debt is carried by Mavi US, Mavi EU, Mavi CA and Mavi RU - all denominated in their local currencies
- Keeping no short FX positions is management priority

Updated Management Guidance for 2019FY

	<u>Initial Guidance</u>	<u>Updated Guidance</u>
Consolidated Revenue Growth	25%	21%
Turkey Retail Stores	15 net new stores 10 expansions	15 net new stores 10 store expansions
Turkey Retail LFL Growth	18%	20%
EBITDA Margin	14.5%	14%
Net Debt/EBITDA	Below 1x	0.1x
CAPEX	Up to 4% of consolidated sales	Up to 4% of consolidated sales



mavi

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Financial Statements

Income Statement (2019 figures inc. IFRS 16)

TRYm	Q3 2018	Q3 2019	Change (%)	9M 2018	9M 2019	Change (%)
Revenue	715.2	808.1	13.0%	1,777.7	2,148.3	20.8%
Cost of Sales	(340.9)	(400.4)	17.4%	(846.5)	(1,079.2)	27.5%
Gross Profit	374.3	407.7	8.9%	931.3	1,069.1	14.8%
Gross Margin	52.3%	50.5%		52.4%	49.8%	
Administrative Expenses	(32.3)	(38.1)	18.0%	(96.4)	(117.4)	21.8%
Selling and Marketing Expenses	(205.8)	(223.0)	8.4%	(564.3)	(633.1)	12.2%
R&D Expenses	(5.8)	(6.8)	17.1%	(19.3)	(18.3)	(5.4%)
Other Income / (Expenses), net	(1.5)	2.3		0.0	2.3	
Operating Profit	128.9	142.2	10.3%	251.3	302.7	20.4%
Profit/(Loss) from Investment Activities	0.0	(0.6)	n.m.	(0.6)	(0.7)	34.0%
Operating Profit before Financial Income	128.9	141.6	9.8%	250.8	301.9	20.4%
Operating Margin	18.0%	17.5%		14.1%	14.1%	
Financial Expenses, Net	(66.0)	(59.8)	(9.4%)	(120.0)	(179.3)	49.4%
Profit Before Tax	62.9	81.8	30.0%	130.8	122.7	(6.2%)
Income Tax Expense	(14.5)	(18.5)	27.6%	(29.5)	(27.7)	(6.3%)
Profit	48.5	63.4	30.8%	101.2	95.0	(6.2%)
Profit Margin	6.8%	7.8%		5.7%	4.4%	
EBITDA	148.6	213.3	43.5%	304.3	510.2	67.6%
EBITDA Margin	20.8%	26.4%		17.1%	23.7%	

Financial Statements

Balance Sheet (2019 figures inc. IFRS 16)

TRYm	31 January 2018	31 October 2019	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	266.6	344.9	29.4%
Trade Receivables	168.6	258.4	53.3%
Inventories	457.2	515.0	12.6%
Other Current Assets	92.9	90.8	(2.3%)
Total Current Assets	985.3	1,209.1	22.7%
Non-Current Assets			
Property and Equipment	159.7	175.6	10.0%
Right of Use Assets	-	394.9	n.m.
Intangible Assets	194.5	214.3	10.2%
Other Non-Current Assets	4.4	6.1	39.5%
Total Non-Current Assets	358.6	790.9	120.6%
Total Assets	1,343.9	2,000.1	48.8%
Liabilities			
Current Liabilities			
Short-Term Borrowings	284.1	283.4	(0.2%)
Short-Term Contractual Lease Liabilities	-	187.4	n.m.
Trade Payables	510.3	617.0	20.9%
Other Current Liabilities	102.6	105.0	2.3%
Total Current Liabilities	896.9	1,192.9	33.0%
Non-Current Liabilities			
Long-Term Financial Liabilities	92.0	109.5	19.1%
Long-Term Contractual Lease Liabilities	-	231.7	n.m.
Other non-current Liabilities	17.8	10.0	(43.9%)
Total Non-Current Liabilities	109.8	351.2	219.9%
Total Liabilities	1,006.7	1,544.1	53.4%
Equity			
Total Equity	337.2	456.0	35.2%
Total Equity & Liabilities	1,343.9	2,000.1	48.8%

Financial Statements

Cash Flow Statement (2019 figures inc. IFRS 16)

TRYm	9M 2018	9M 2019
Profit ¹	101.2	95.0
D&A Expense	52.1	206.3
Net Finance Expense / (Income)	75.0	175.6
Tax Expense	29.5	27.7
Other Non-Cash Items	36.8	23.8
Cash Flow from Operating Activities	294.6	528.3
Δ in Net Working Capital ²	(74.8)	(67.8)
Income Tax Paid	(25.6)	(12.0)
Net Cash from Operating Activities	194.2	448.5
Cash Flows from Investing Activities		
Capex	(43.0)	(73.8)
Other Investing Cash Flow ³	(10.4)	(5.6)
Net Cash Flow Used in Investing Activities	(53.4)	(79.3)
Cash Flows from Financing Activities		
Debt Issued / (Repaid)	(21.2)	21.4
Payment of Contractual Lease Liabilities	-	(180.3)
Other Financial Payments ⁴	(51.0)	(65.2)
Dividends Paid	(25.9)	-
Interest Paid	(26.4)	(67.4)
Net Cash Flows Used in Financing Activities	(124.5)	(291.5)
Net Cash Flow	16.2	77.7
Cash and Cash Equivalents at the Beginning of the Period ⁵	262.5	262.0
Cash and Cash Equivalents at the End of the Period ⁵	278.7	339.7

¹ Pre non-controlling interest. ² Working Capital includes main working capital items and employee benefits paid as well as deferred revenues. ³ Other Investing Cash Flow includes acquisition of subsidiary shares net of cash acquired and interest received. ⁴ Other Financial Payments include proceeds from derivatives, imputed interest and financial commissions. ⁵ Cash and Cash Equivalents in the Cash Flow Statement includes Bank Overdraft as negative cash. Excluding Bank Overdraft, net cash at the end of the period is equal to Cash and Cash Equivalents on the Balance Sheet for the same fiscal year.

Financial Statements – IFRS 16 Impacts

IFRS 16 APPLIED AS OF FEBRUARY 1, 2019

(TRY in millions)		9M 2019 Impact	
RENT EXPENSE	↘	-180.3	Decrease as all non-performance leases are capitalized and are subjected to depreciation and interest expense
DEPRECIATION & AMORTIZATION	↗	+151.7	Increase due to depreciation of capitalized operating lease assets
OPERATING PROFIT	↗	+28.6	Higher as lease expense is replaced by depreciation and interest
FINANCIAL EXPENSE	↗	+54.6	Increase due to interest cost component of rents booked in financial expenses
INCOME TAX EXPENSE	↘	-5.8	Lower in the first years due to higher deferred tax assets rising from lower net income
NET INCOME	↘	-20.2	Lower due to higher interest expense in the first years; neutral over time
EBITDA	↗	+180.3	Higher as lease expense is replaced by depreciation and interest
TOTAL ASSETS	↗	+393.5	Increase as lease contracts are capitalised
TOTAL NET DEBT	↗	+419.1	Increase as capitalised lease contracts assumed as financial debt

Global Footprint as at 31 October 2019

