

mavi

Q1 2023 Results Presentation

June 8, 2023



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MAVI BUSINESS OVERVIEW



Q1 2023 Business Overview

Business Overview

- › Strong sales growth driven both by price and volume. Almost all product **categories grew in number of pieces in both women and men**
- › Strong brand strategy, demand creating newness supported by dynamic product mix and price planning helped product cost mitigation and resulted with a **seasonally strong gross margin** performance
- › Delivered **170 bps improvement in opex/sales ratio** through effective cost management and strong sales performance
- › **Net cash position increased to 1,896 TRYm**

Dividend Distribution

- › Gross 429 mn TRY dividend, 4.32 TRY per share, distributed on May 10-12, 2023
- › 100% bonus share issued on May 16-18, 2023

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Q1 2023 Business Overview

Turkey Retail

- › February was marked by the devastating earthquake that impacted 11 provinces in Turkey. As of today, one store is permanently and five stores are temporarily closed
- › **Consumer demand remained robust** after March amid high inflation. Q1 2023 includes the positive impact of Eid holiday season moving to April
- › With a right product - right price - high quality strategy continued to **grow sales volumes in jeans, women and men lifestyle categories**. Women's share in total sales is 35% of total Turkey sales

International & Online

- › International sales recorded **12% constant currency growth** in Q1 2023. Both top-line and margins pressured as currency levels remained relatively stable
- › Online sales growth was mostly driven by mavi.com performance in Turkey

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Q1 2023 HIGHLIGHTS


Q1 2023 Highlights

- › Consolidated revenue realized at 3,947 TRYm, growing 109% yoy
- › EBITDA for the period is 911 TRYm resulting in 23.1% EBITDA margin
- › Net income realized at 515 TRYm
- › Total number of monobrand stores² stands at 457
- › Turkey retail sales increased by 119% and Turkey online sales increased by 82% in Q1 2023
- › With 282K new customers, Turkey active loyalty card members exceeded 6 million

GROUP HIGHLIGHTS¹

3,947 TRYm Revenue	911 TRYm EBITDA
23.1% EBITDA Margin	515 TRYm Net Income
457 Monobrand Stores²	1,896 TRYm Net Cash

TURKEY HIGHLIGHTS

119% Retail Sales Growth	82% Online Sales Growth
 65% Men 35% Women	c.55% Lifestyle c.45% Denim All
6.0 m Active Loyalty Card Members³	282K New Customers 

¹ Including IFRS 16 impacts as reported

² Includes global franchise and owned stores

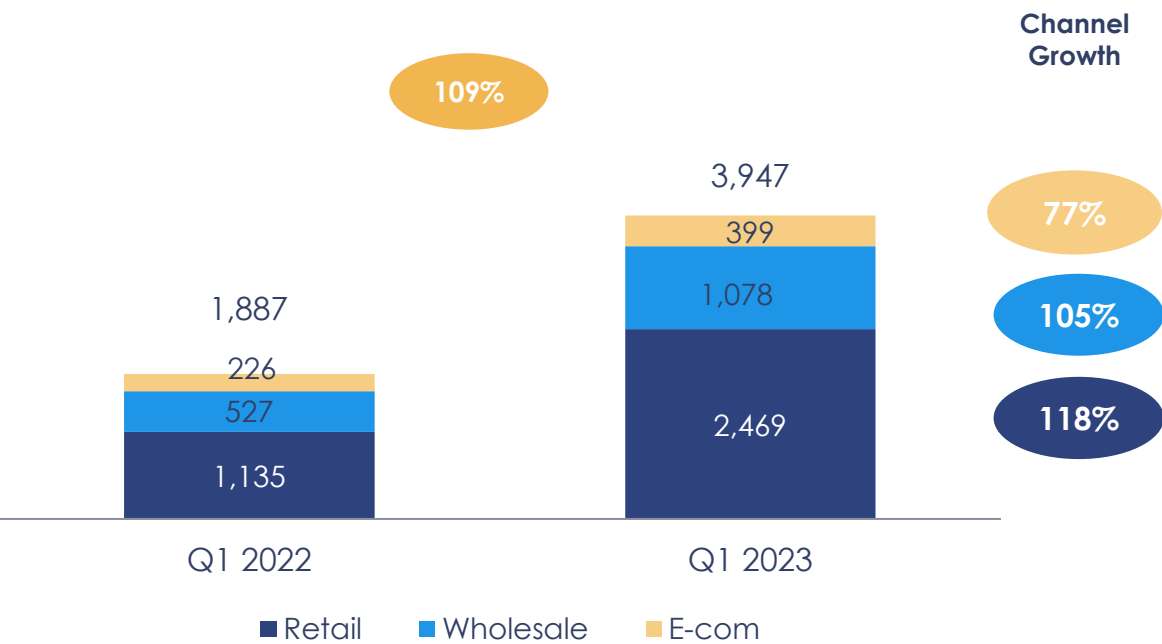
³Active means that the member has made a purchase of Mavi product in the last two years. Total number of Kartus card holders is 8.6 mn

*Category and gender mix for Turkey Retail only

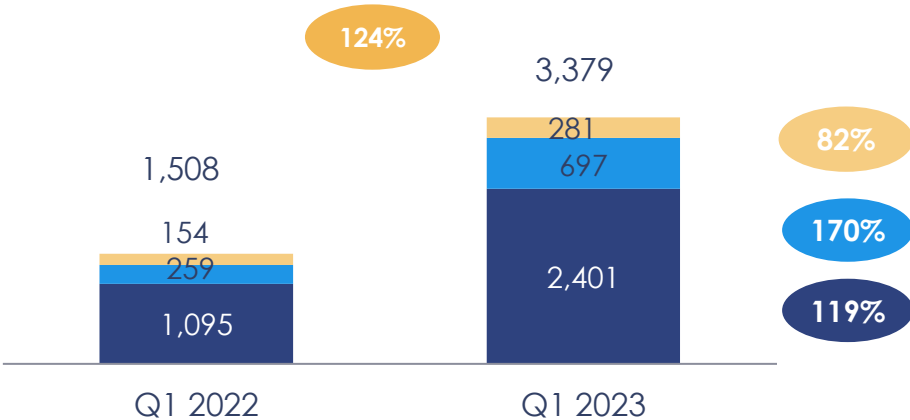


Revenue Evolution in Sales Channels

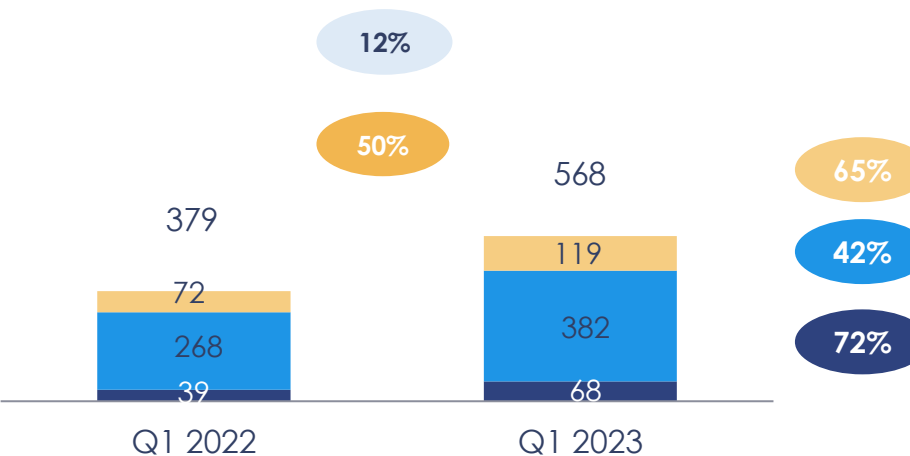
Global Revenue (TRYm)



Turkey Revenue (TRYm)



International Revenue (TRYm)

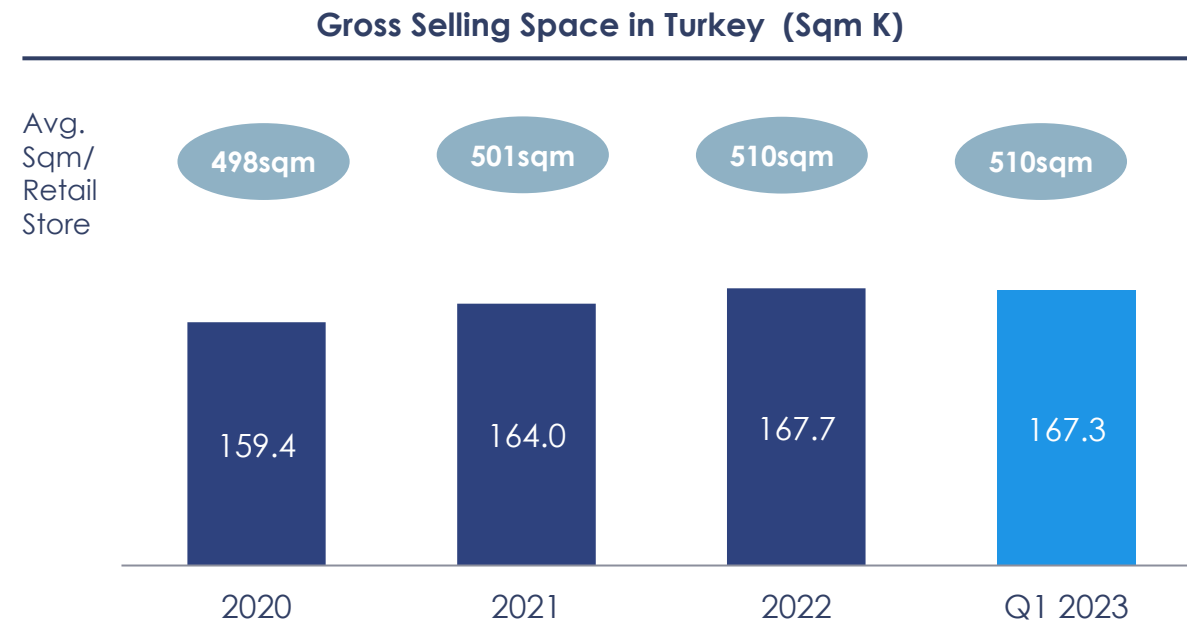
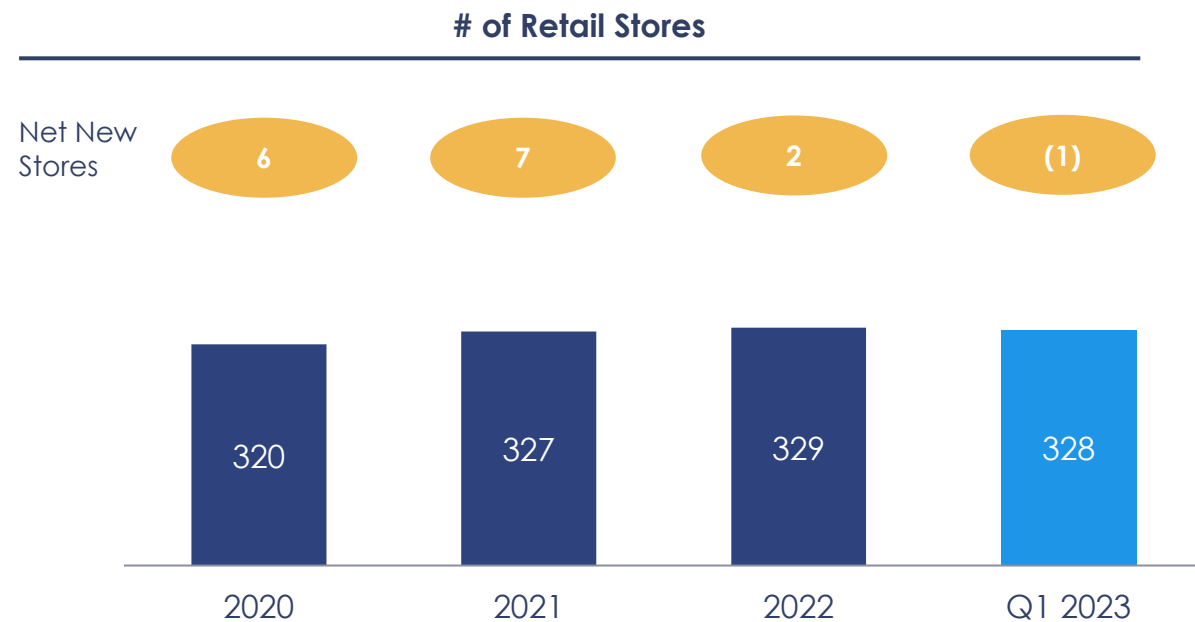


- › Total revenue consists of 63% retail, 27% wholesale and 10% e-com
- › 86% of consolidated revenue is from Turkey
- › International revenue in constant currency increased 12%

TURKEY RETAIL

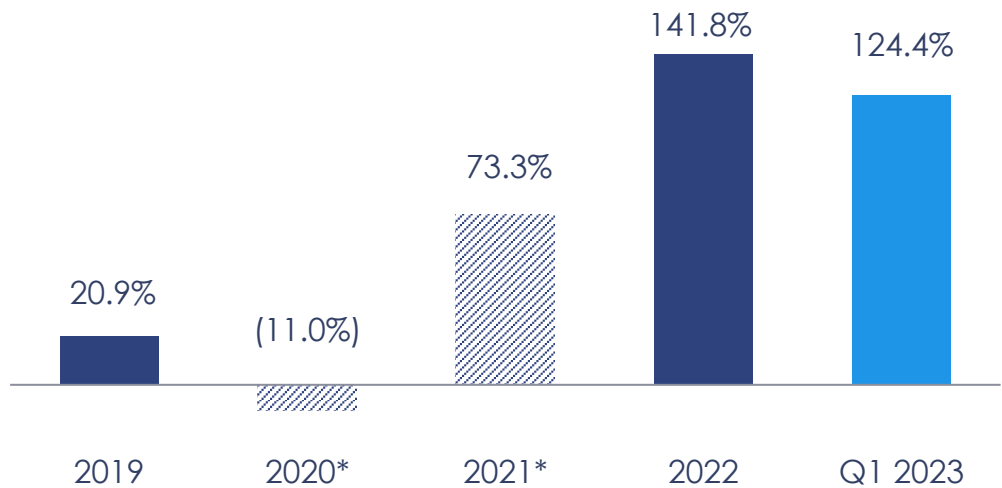


Turkey Retail Operations

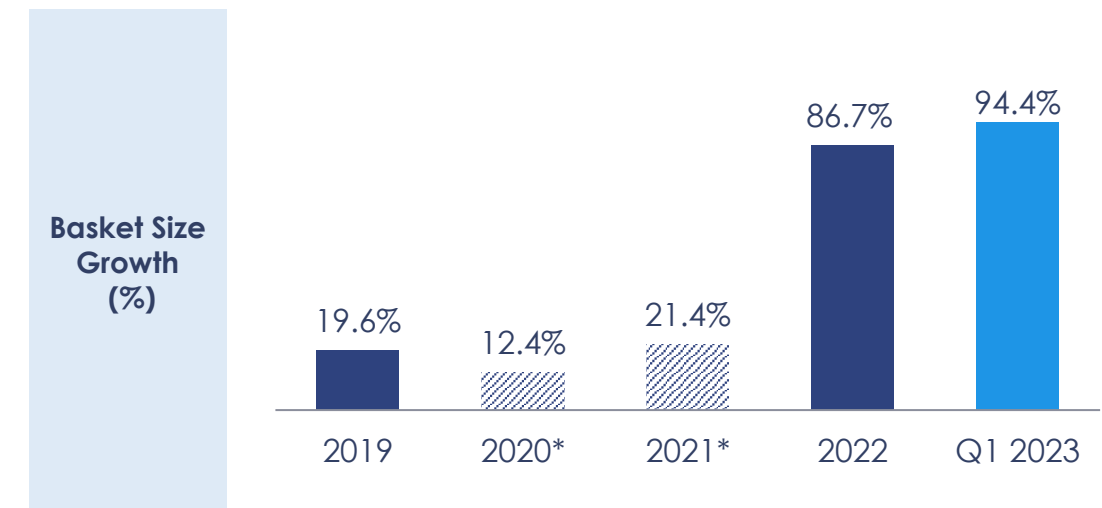
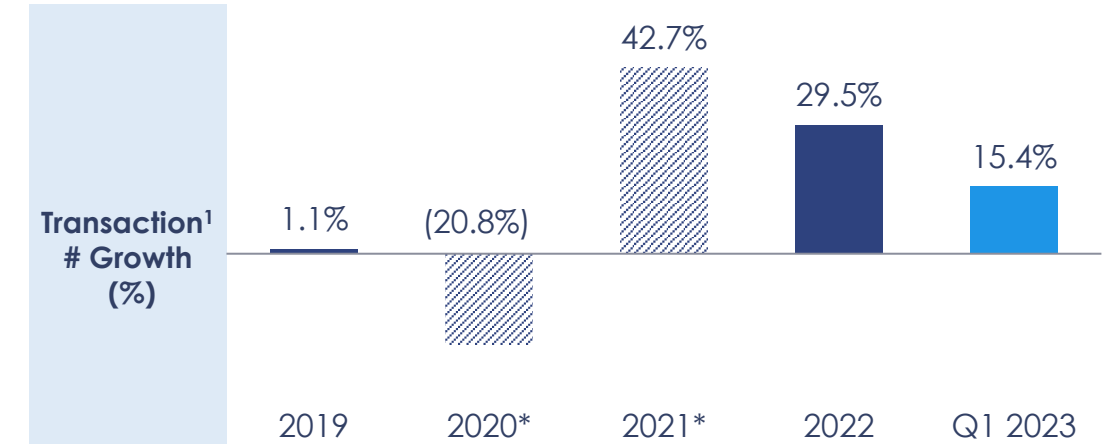


- › With two openings and three closures in Q1 2023, number of retail stores in Turkey stands at 328 as of end-April 2023
- › Total selling space stands at 167.3K sqm with average sqm per store at 510

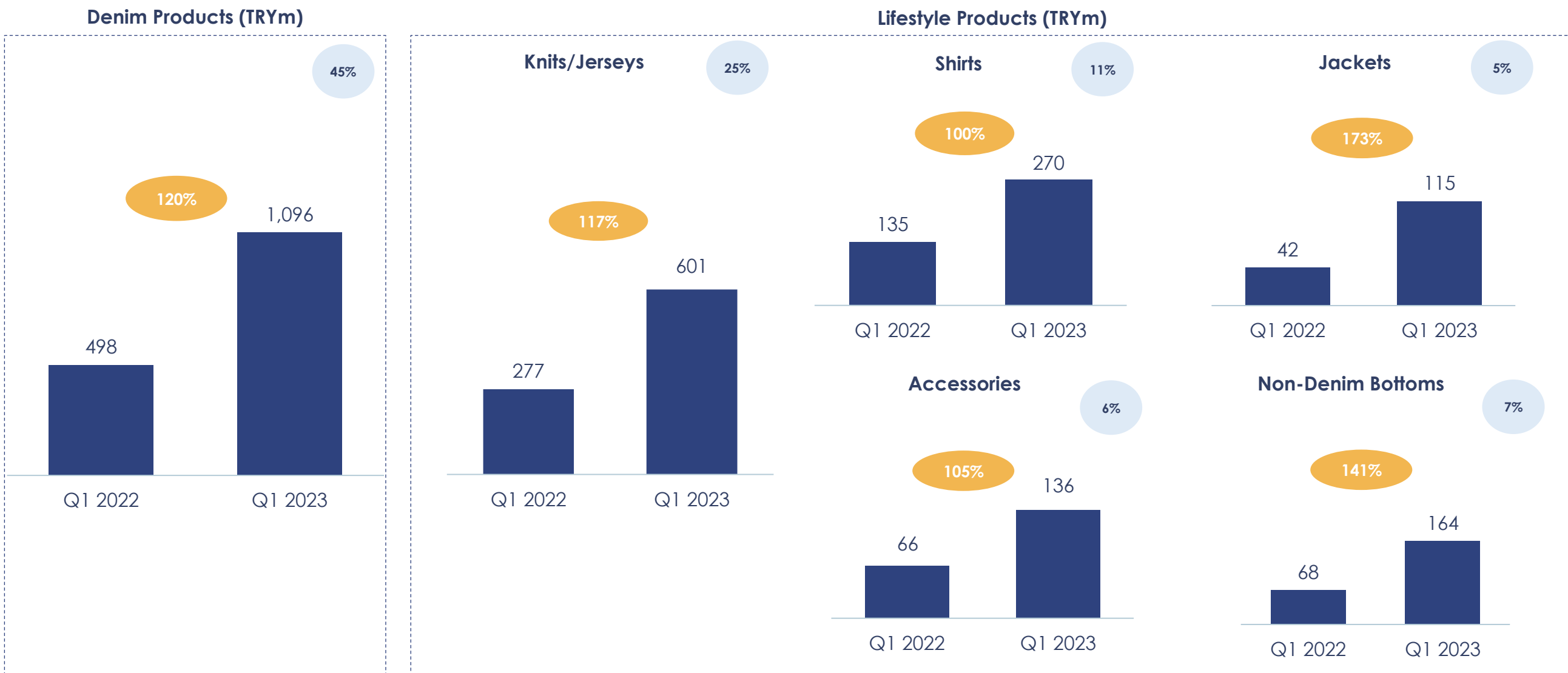
Like-for-Like Stores Sales Performance



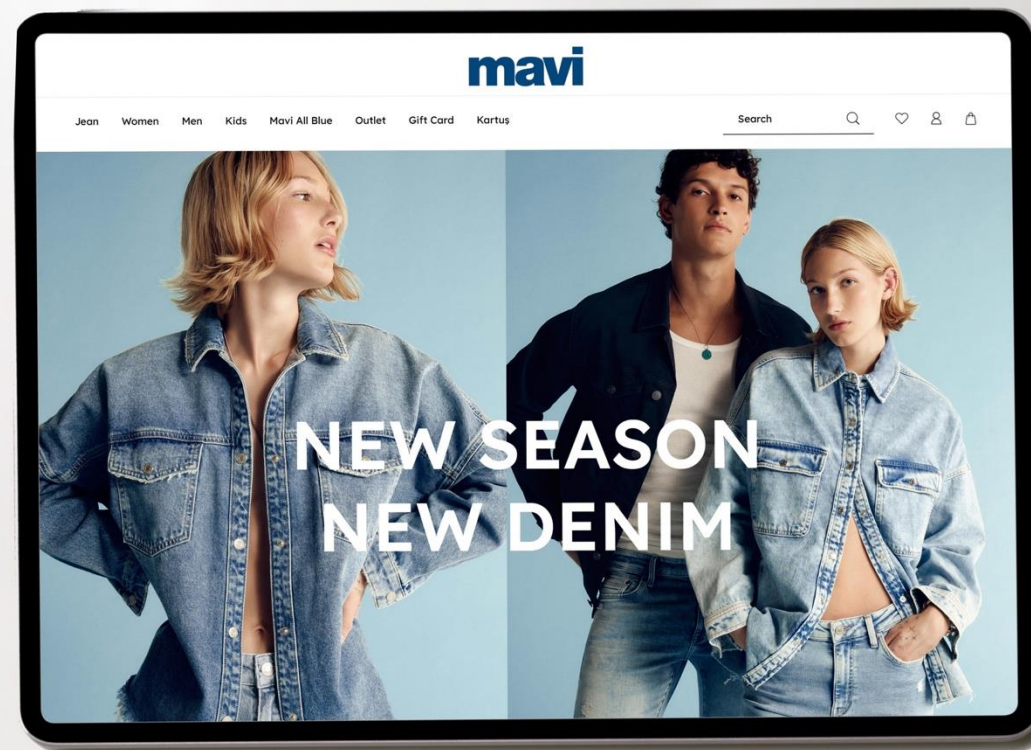
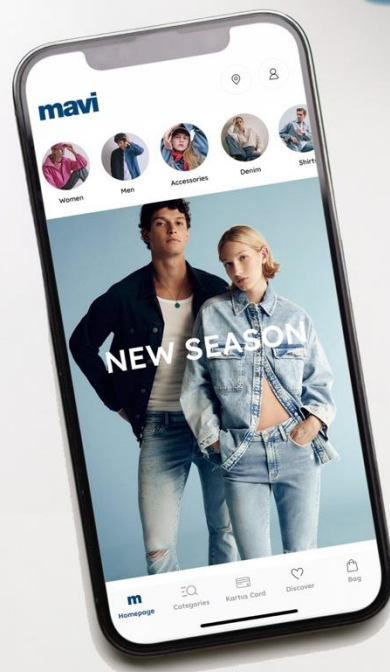
- › Traffic growth of 19% in Q1 2023 displays continued strong consumer demand including the positive impact of Eid Holiday moving to April
- › Right product mix driven by newness and dynamic pricing strategy enable basket size growth
- › 12% volume growth in Q1 2023 is in-line with growth targets



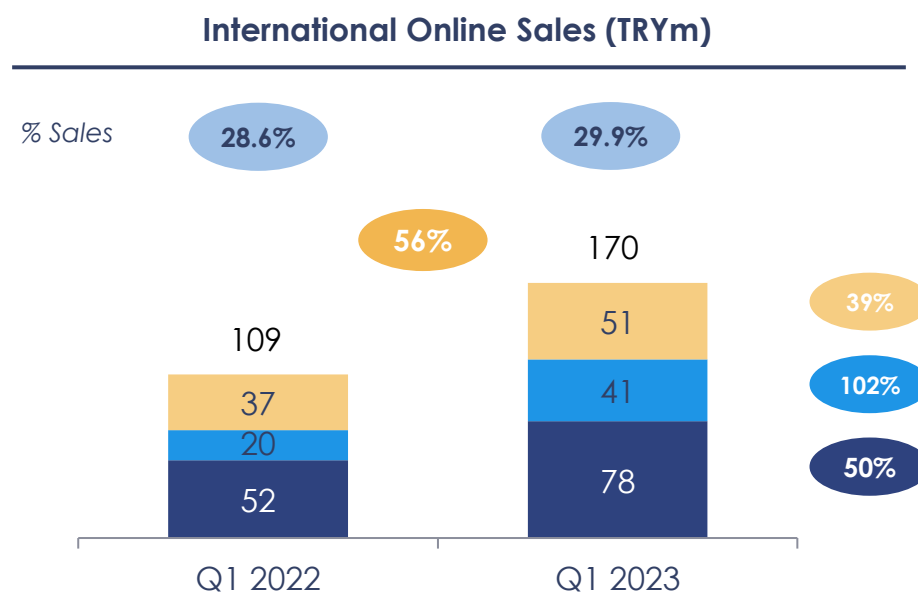
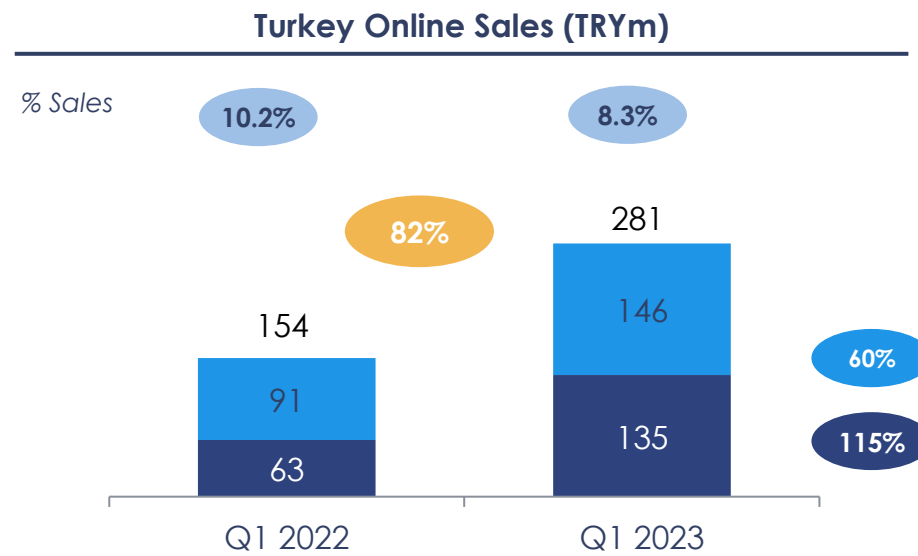
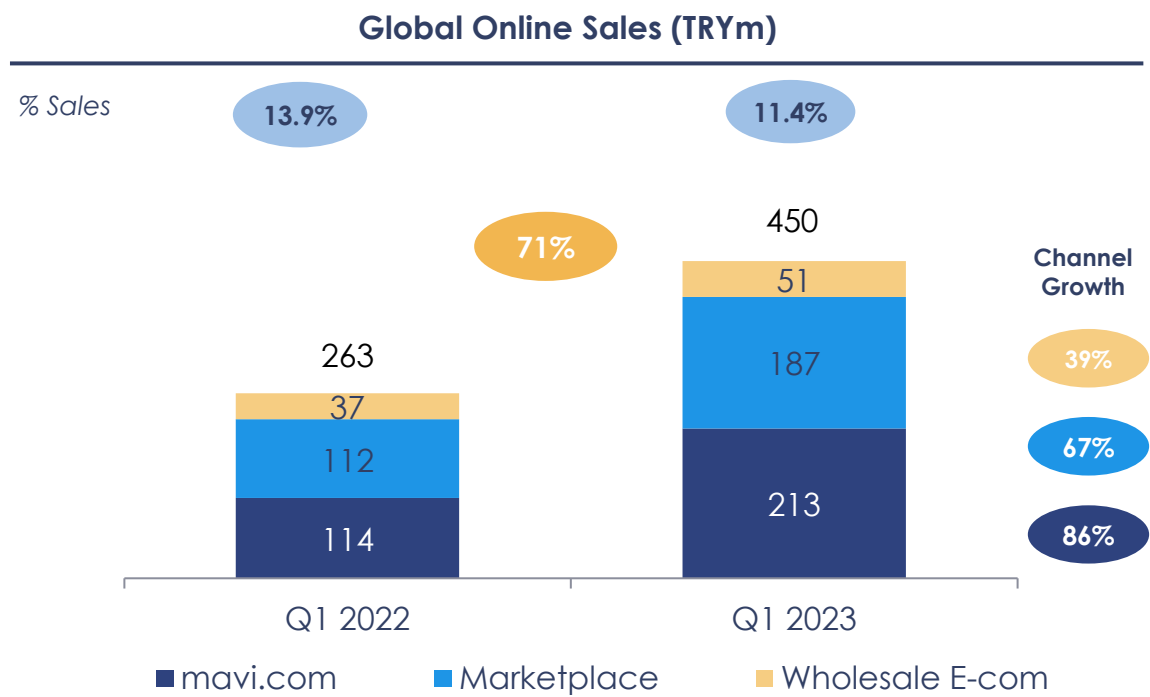
Sales in Denim & Lifestyle Categories



ONLINE BUSINESS



Online Sales Growth (inc. wholesale partners)

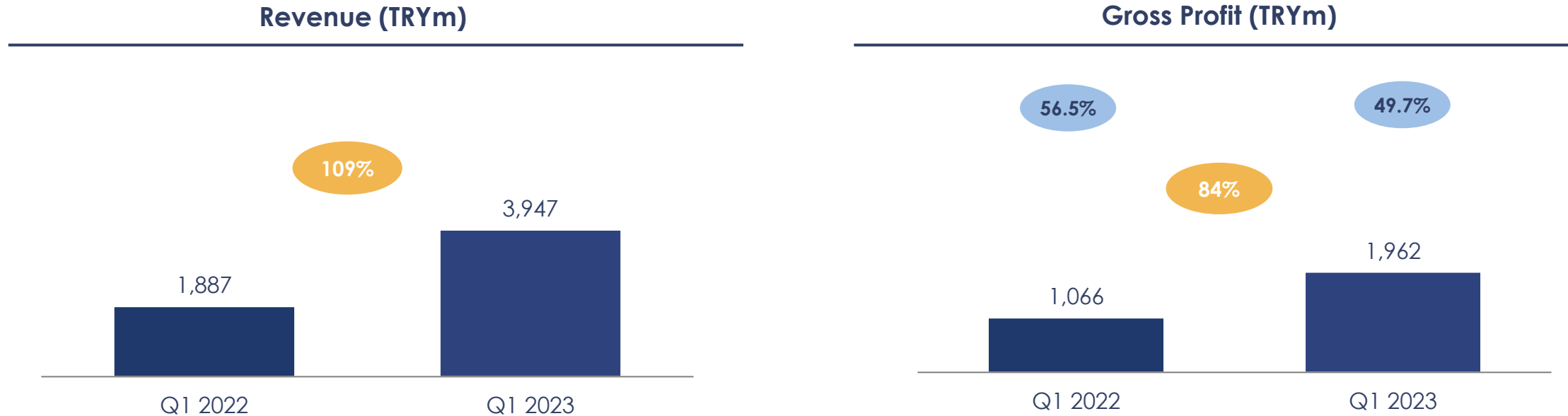


- › Growth driven by mavi.com performance in Turkey
- › Investments in digital systems and online customers continue. Integrated omni channel initiatives increase shopping experience across channels
- › Full-price channel strategy across all categories with positive contribution to margins

A woman with dark hair pulled back is reclining on a brown leather sofa. She is wearing a blue denim jacket over a white t-shirt and blue jeans. Her right arm is resting on her head, and her left hand is resting on her hip. She is looking off to the side with a thoughtful expression. The background is a plain, light-colored wall.

CONSOLIDATED FINANCIAL RESULTS

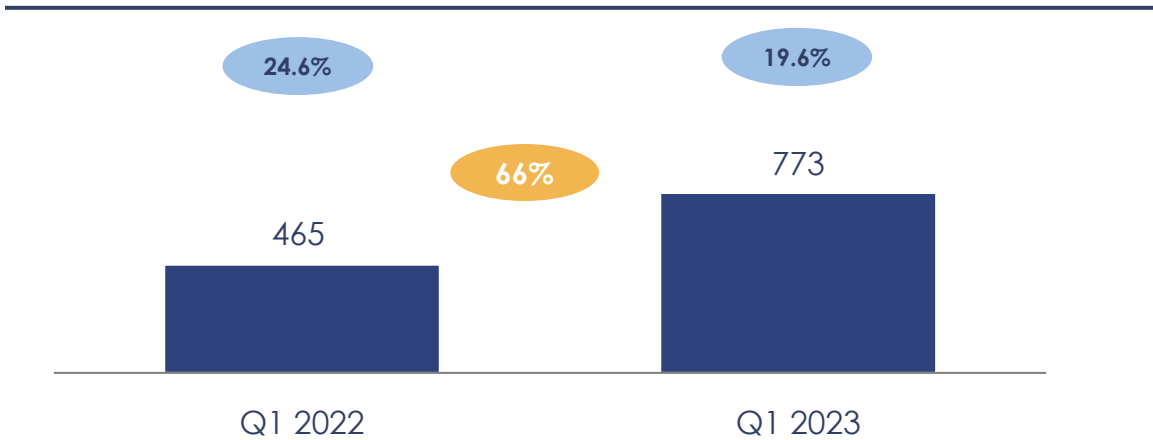
Consolidated Gross Margins



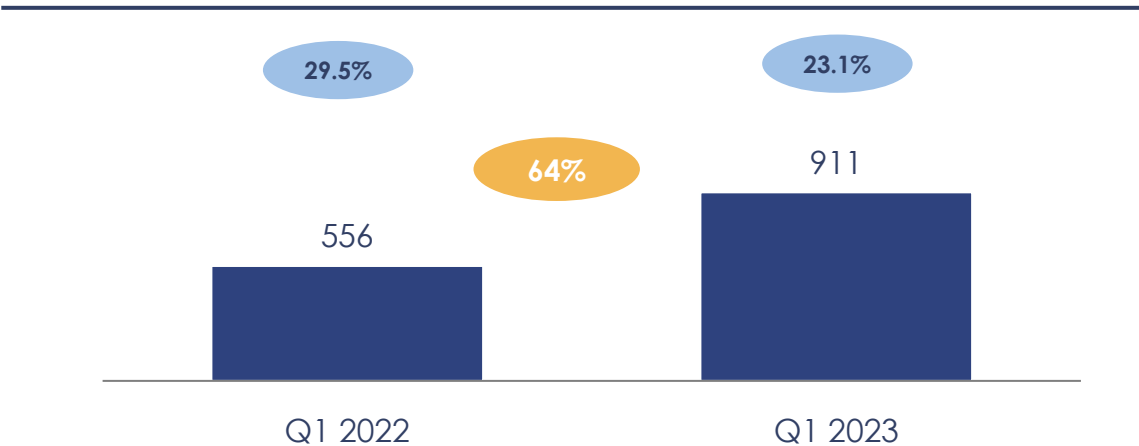
- › Significant product cost inflation in Q1 2023 due to a low base last year
- › Meeting high consumer demand with newness, variety and the right product/price positioning supported cost mitigation
- › The gross margin decline of 670 bps* is considered a normalisation from the extraordinary base

Consolidated EBITDA and Net Income

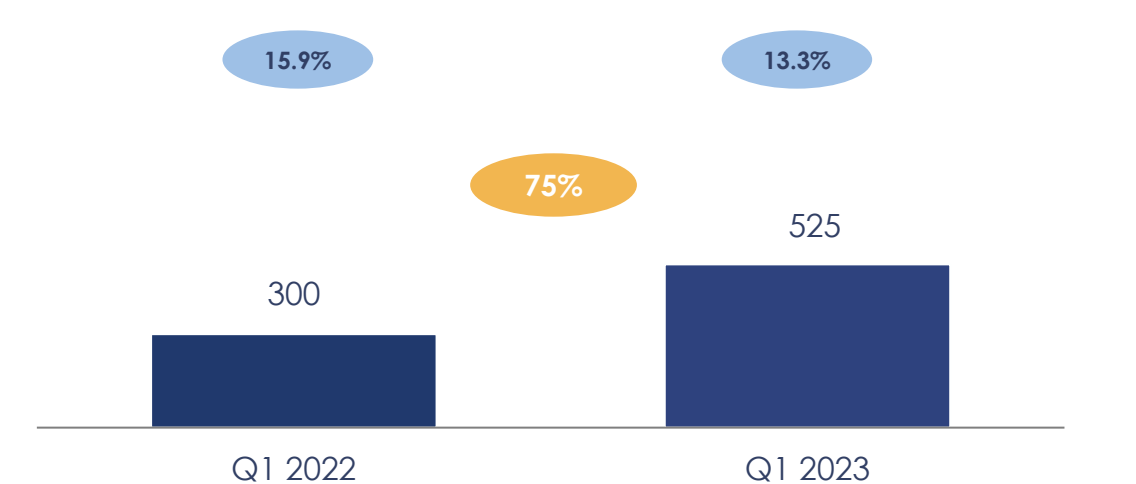
EBITDA exc.IFRS16 (TRYm)



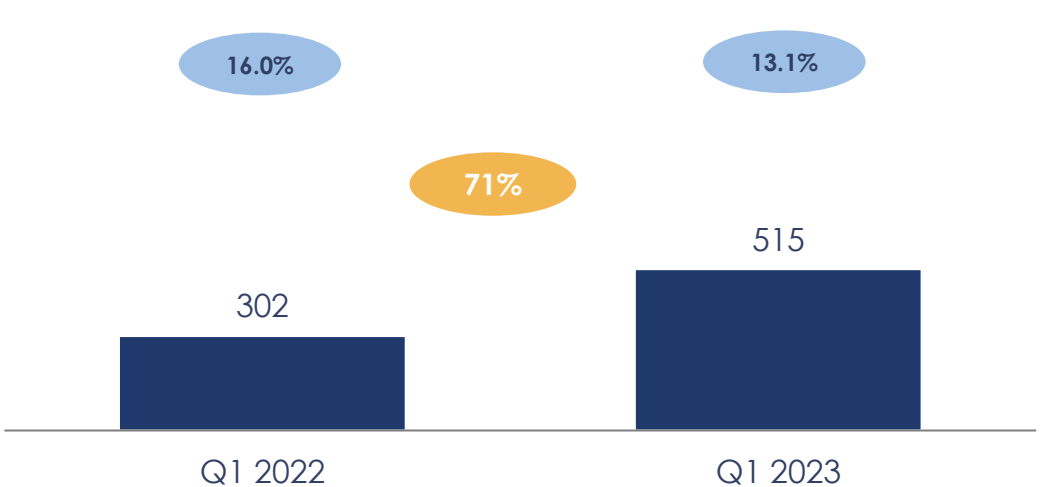
EBITDA inc.IFRS16 (TRYm)



Net Income exc.IFRS16 (TRYm)

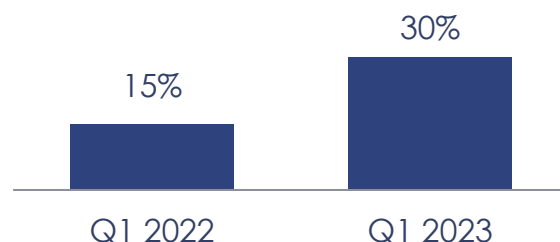


Net Income inc.IFRS16 (TRYm)



Operational Cash Flow and Working Capital Management

Cash Conversion & Operational Cash Flow (exc.IFRS16)



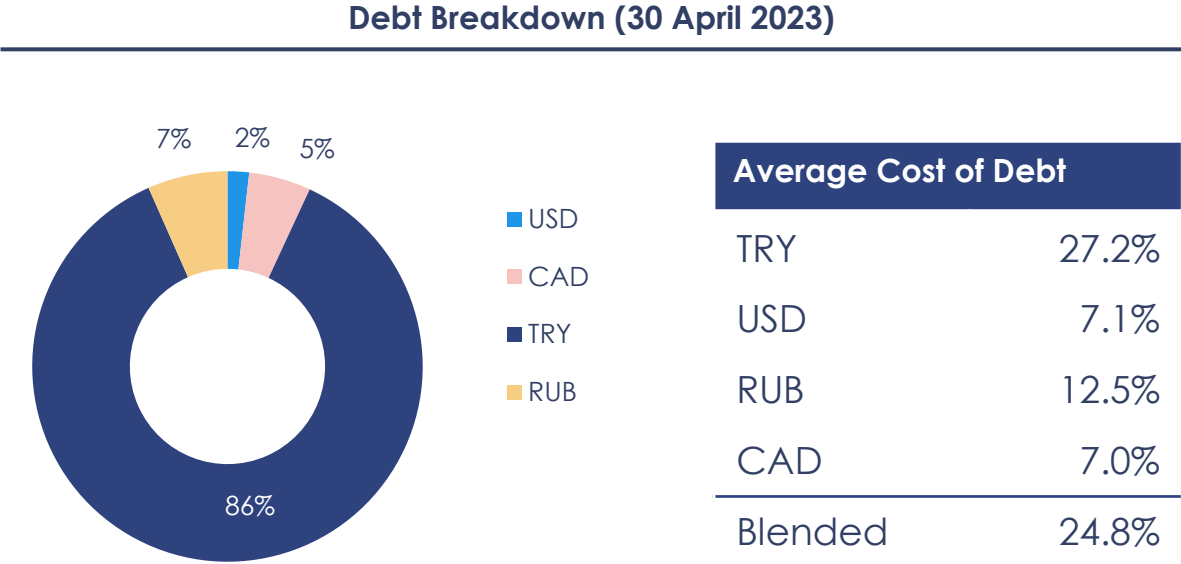
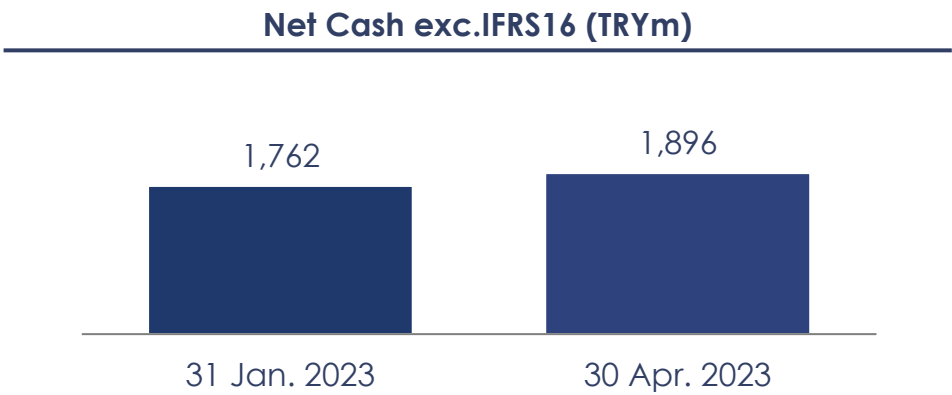
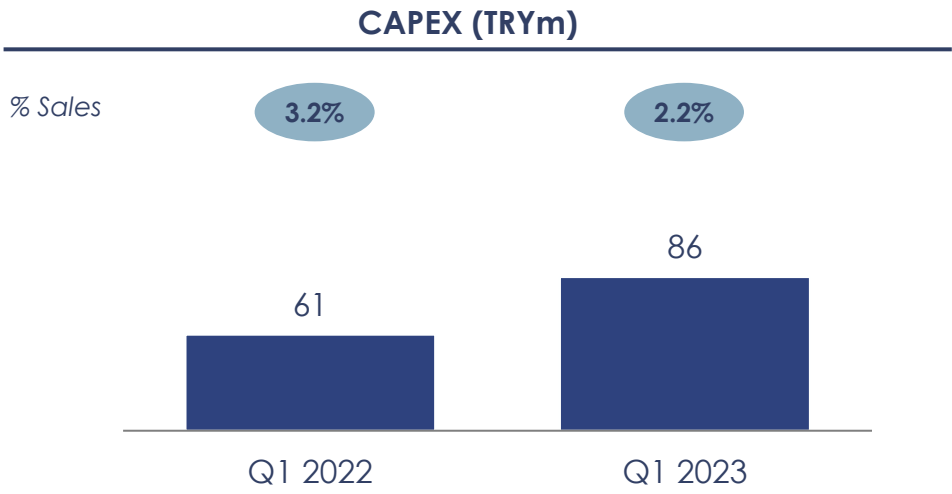
TRYm	Q1 2022	Q1 2023
EBITDA	465	773
Δ in NWC ¹	(397)	(538)
Operating Cash Flow	68	234

Main Working Capital Items

TRYm	2022	Q1 2022	Q1 2023
Trade & Other Receivables	913	638	1,328
% LTM Sales	8.6%	11.1%	10.5%
Inventories	2,308	1,004	2,487
% LTM COGS	46.2%	37.4%	40.4%
Trade & Other Payables	3,000	1,348	3,148
% LTM COGS	60.1%	50.2%	51.2%
Main NWC	220	295	666
% LTM Sales	2.1%	5.1%	5.3%

- › The increase in inventory level, 147%, is largely driven by product cost inflation(107% yoy) in Turkey
- › Inventory in number of pieces in Turkey is 27% higher compared to Q1 2021 in line with business plans and demand expectations and comprises of all fresh, SS23 season products
- › Working capital requirements was mainly driven by higher product costs and actions to mitigate cost pressures

Capex and Leverage Ratios



- › All of non-TRY debt (14% of total) is carried by Mavi US, Mavi CA and Mavi RU - all denominated in their local currencies
- › There is no foreign currency debt as of Q1 2023 period end
- › Keeping no FX position is management priority

FY2023 Management Guidance

Management Guidance for FY2023

- › Total consolidated sales growth of **75% ± 5%**
- › Turkey retail stores : **Net 5 openings and 7 expansions**
- › EBITDA margin : **18% ±0,5% exc. IFRS16** and **22% ±0,5% inc. IFRS16**
- › **Net cash** position maintained
- › **Capex to sales** ratio of **3%**

Trading Update for Q2 2023

- › Turkey retail sales increased **92% in May**
- › Online sales in Turkey grew **98% in May** driven by 141% growth of Mavi.com

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THANK YOU !



Financial Statements

Income Statement (inc. IFRS 16)

TRYm	Q1 2022	Q1 2023	Change (%)
Revenue	1,887	3,947	109%
Cost of Sales	(821)	(1,985)	142%
Gross Profit	1,066	1,962	84%
Gross Margin	56.5%	49.7%	
Administrative Expenses	(106)	(220)	108%
Selling and Marketing Expenses	(498)	(974)	95%
R&D Expenses	(15)	(33)	123%
Other Income / (Expenses), net	15	(4)	(130%)
Operating Profit	462	730	58%
Profit/(Loss) from Investment Activities	(1)	1	n.m.
Operating Profit before Financial Income	461	731	59%
Operating Margin	24.4%	18.5%	
Financial Expenses, Net	(67)	(108)	60%
Profit Before Tax	394	623	58%
Income Tax Expense	(92)	(108)	18%
Profit	302	515	71%
Profit Margin	16.0%	13.1%	
EBITDA	556	911	64%
EBITDA Margin	29.5%	23.1%	
EBITDA ex IFRS 16	465	773	66%
Profit ex IFRS 16	300	525	75%

Financial Statements

Balance Sheet (inc. IFRS 16)

TRYm	31 January 2023	30 April 2023	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	3,245	3,329	3%
Financial Investments	58	39	(32%)
Trade Receivables	871	1,294	49%
Inventories	2,308	2,487	8%
Other Current Assets	304	351	16%
Total Current Assets	6,785	7,501	11%
Property and Equipment	395	425	8%
Right of Use Assets	576	617	7%
Intangible Assets	663	685	3%
Other Non-Current Assets	224	234	5%
Total Non-Current Assets	1,858	1,961	6%
Total Assets	8,643	9,462	9%
Short-Term Financial Liabilities	1,541	1,466	(5%)
Short-Term Contractual Lease Liabilities	350	399	14%
Trade Payables	2,961	3,030	2%
Other Current Liabilities	592	1,245	110%
Total Current Liabilities	5,444	6,140	13%
Long-Term Financial Liabilities	-	6	n.m.
Long-Term Contractual Lease Liabilities	290	291	0%
Other Non-Current Liabilities	177	132	(25%)
Total Non-Current Liabilities	467	429	(8%)
Total Liabilities	5,911	6,569	11%
Total Equity	2,732	2,893	6%
Total Equity & Liabilities	8,643	9,462	9%

Financial Statements

Cash Flow Statement (inc. IFRS 16)

TRYm	Q1 2022	Q1 2023
Profit ¹	302	515
Adjustments	317	466
Cash Flow from Operating Activities	619	981
Δ in Net Working Capital ²	(397)	(538)
Income Tax Paid	(53)	1
Net Cash from Operating Activities	169	444
Capex	(61)	(86)
Other Investing Cash Flow ³	40	140
Net Cash Flow Used in Investing Activities	(21)	54
Debt Issued / (Repaid)	41	(80)
Payment of Contractual Lease Liabilities	(92)	(142)
Other Financial Payments ⁴	(46)	(122)
Interest Paid	(19)	(74)
Net Cash Flows Used in Financing Activities	(117)	(418)
Net Cash Flow	32	80
Cash and Cash Equivalents at the Beginning of the Period ⁵	1,506	3,223
Cash and Cash Equivalents at the End of the Period ⁵	1,537	3,303

¹Pre non-controlling interest. ²Working Capital includes main working capital items and employee benefits paid as well as deferred revenues. ³Other Investing Cash Flow includes proceeds from sale of tangible assets, other investing activities and interest received. ⁴Other Financial Payments include proceeds from derivatives, imputed interest and financial commissions. ⁵Cash and Cash Equivalents in the Balance Sheet includes interest income accruals as cash. Excluding interest income accruals net cash at the end of the period is equal to Cash and Cash Equivalents on the Balance Sheet for the same fiscal year.

Effects of IFRS 16 on Financial Statements

TRYm	30-Apr-23	IFRS 16 Effect	After IFRS 16
Current assets	7,507	(6)	7,501
Non-current assets	1,329	633	1,961
Current liabilities	5,742	399	6,140
Non-current liabilities	138	291	429
Equity	2,956	(63)	2,893

	Q1 2023	IFRS 16 Effect	After IFRS 16
Operating profit	713	17	730
Operating profit before finance costs	714	17	731
Finance income	131	-	131
Finance expense	(210)	(28)	(239)
Profit before tax	635	(12)	623
Net profit	525	(10)	515
EBITDA	773	139	911

Global Operations as of 30 April 2023



TURKEY

Retail stores: 328
Franchise stores: 67
Wholesale doors: ~520
Employees: 5.462



US

Wholesale doors: ~1.150
Employees: 77



EUROPE

Retail stores: 1
Wholesale doors: ~800
Employees: 53



CANADA

Retail stores: 4
Wholesale doors: ~900
Employees: 79



RUSSIA

Retail stores: 17
Franchise stores: 17
Wholesale doors: 150
Employees: 147



OTHER COUNTRIES

Franchise stores: 23
Wholesale doors: 22