



H1 2023 Results Presentation

September 19, 2023



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MAVI BUSINESS OVERVIEW



Q2 2023 Business Overview

Business Overview

- › Strong brand strategy, demand creating newness supported by dynamic product / price planning helped mitigate product cost pressures and resulted with a **strong gross margin** performance
- › Delivered **150 bps improvement in opex/sales ratio** through effective cost management and strong sales performance despite high inflation and minimum wage hike (which is included in July financial figures)
- › **Net cash position increased to 1,913 TRYm**

Turkey

- › **Consumer demand remains robust. Strong sales growth driven both by price and volume.** Q2 2023 results includes the impact of Eid holiday season moving to Q1
- › 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
- › Online sales growth was mostly driven by **mavi.com performance** in Turkey

International

- › International sales recorded **3% constant currency growth** in Q2 2023. Both top-line and margins pressured with macro-economic challenges
- › International online growth is driven by **direct-to-consumer channels**

mavi





H1 2023 HIGHLIGHTS



H1 2023 Highlights

- › Consolidated revenue realized at 8,415 TRYm, growing 104% yoy
- › EBITDA for the period is 1,887 TRYm resulting in 22.4% EBITDA margin
- › Net income realized at 1,139 TRYm
- › Total number of monobrand stores² stands at 461
- › Turkey retail sales increased by 114% and Turkey online sales increased by 95%
- › With 718K new customers, Turkey active loyalty card members reached 6.4 million




GROUP HIGHLIGHTS¹

8,415 TRYm Revenue	1,887 TRYm EBITDA
22.4% EBITDA Margin	1,139 TRYm Net Income
461 Monobrand Stores ²	1,913 TRYm Net Cash

¹ Including IFRS 16 impacts as reported

² Includes global franchise and owned stores

TURKEY HIGHLIGHTS

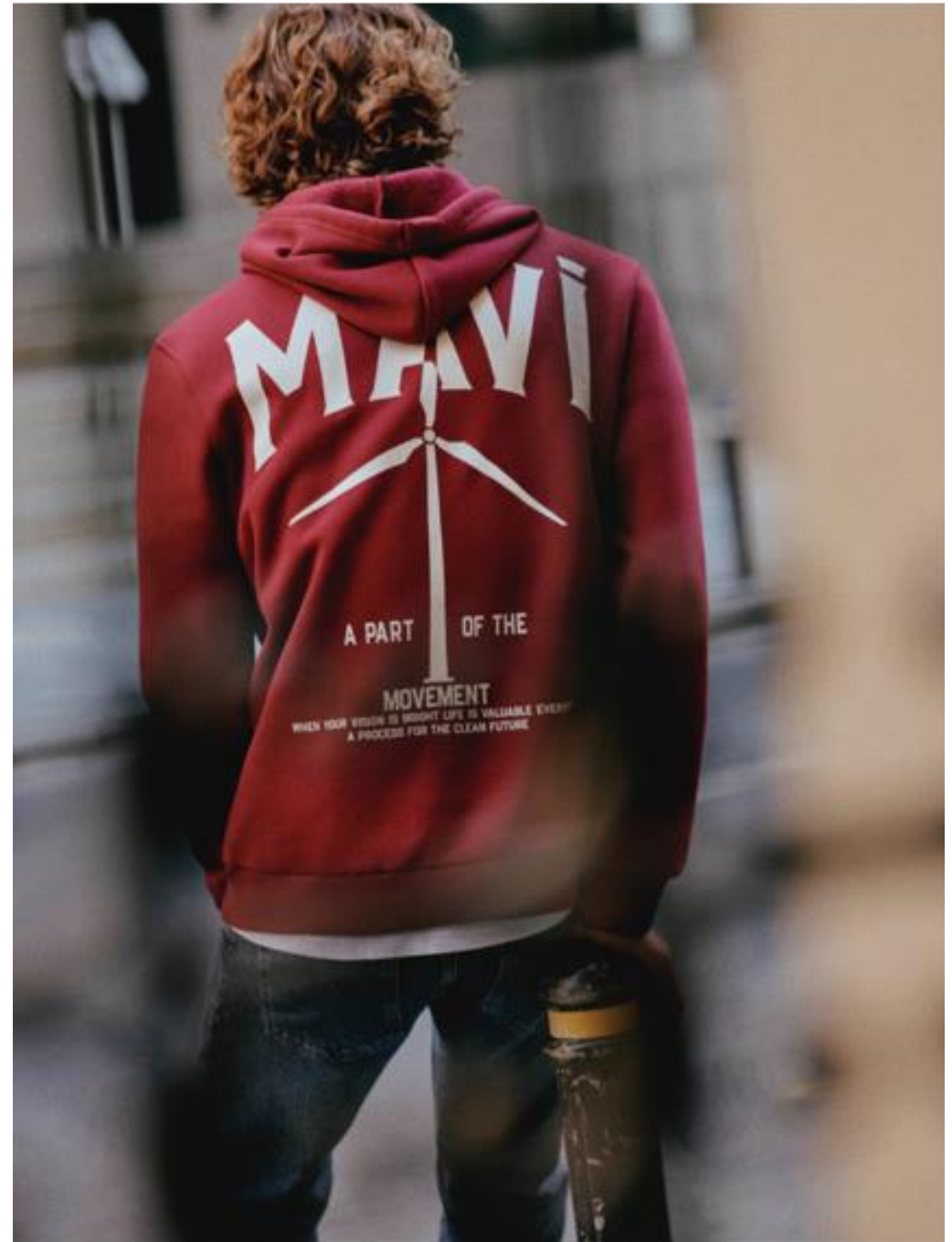
114% Retail Sales Growth	95% Online Sales Growth
 65% Men 35% Women	58% Lifestyle 42% Denim
6.4 m Active Loyalty Card Members ³	718K New Customers 

³Active means that the member has made a purchase of Mavi product in the last two years. Total number of Kartus card holders is 8.8 mn

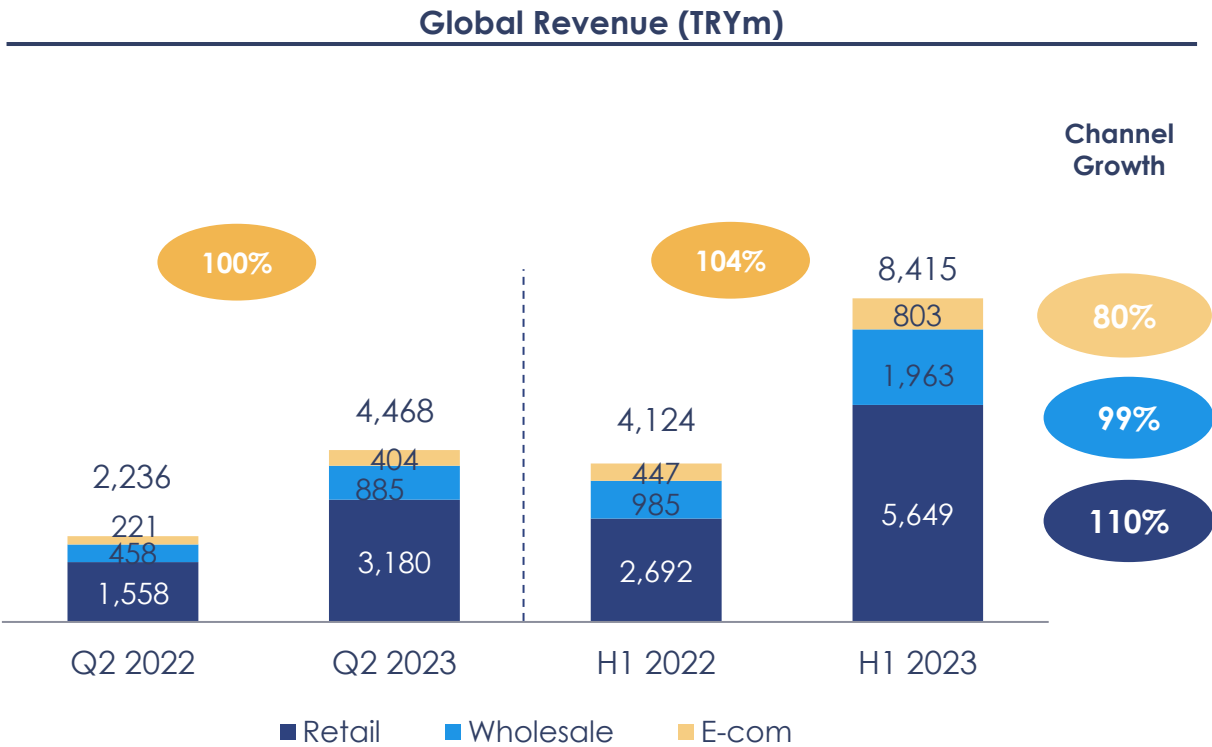
*Category and gender mix for Turkey Retail only



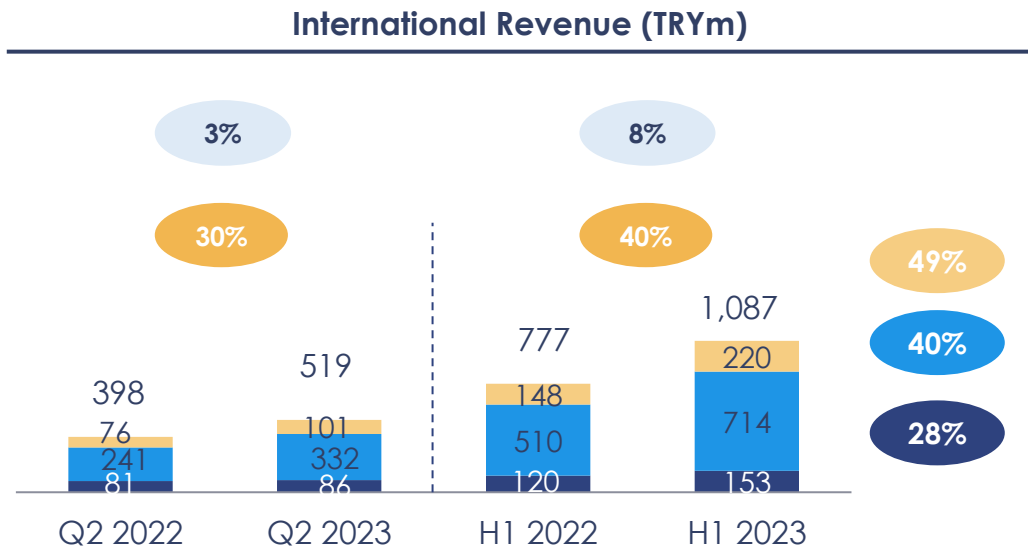
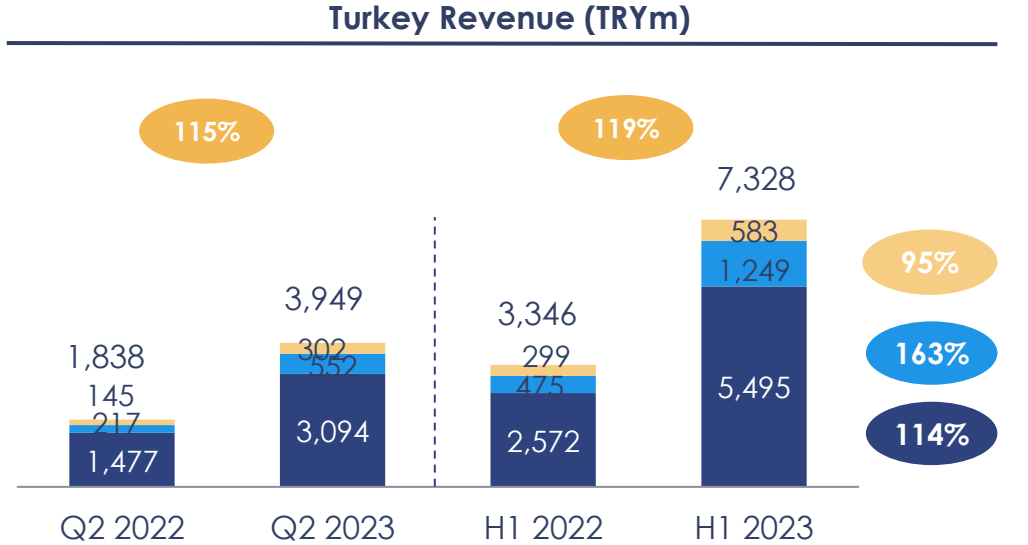
**SALES
CHANNELS**



Revenue Evolution in Sales Channels



- › Total revenue consists of 67% retail, 23% wholesale and 10% e-com
- › 87% of consolidated revenue is from Turkey
- › International revenue in constant currency increased 3% in Q2 2023 and 8% in H1 2023



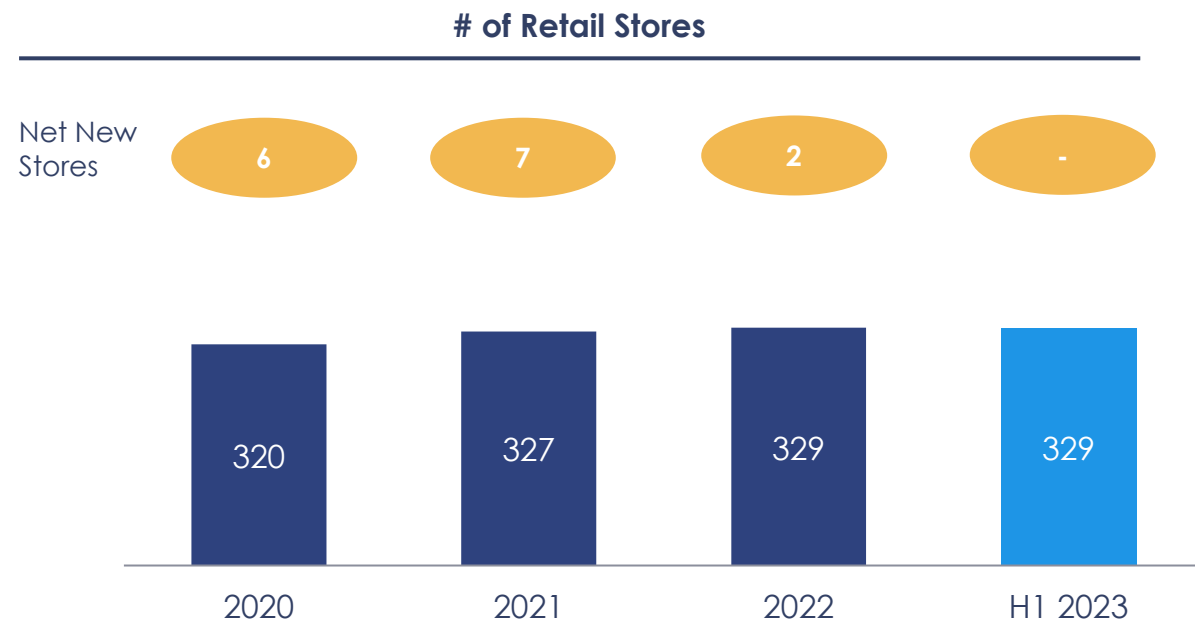
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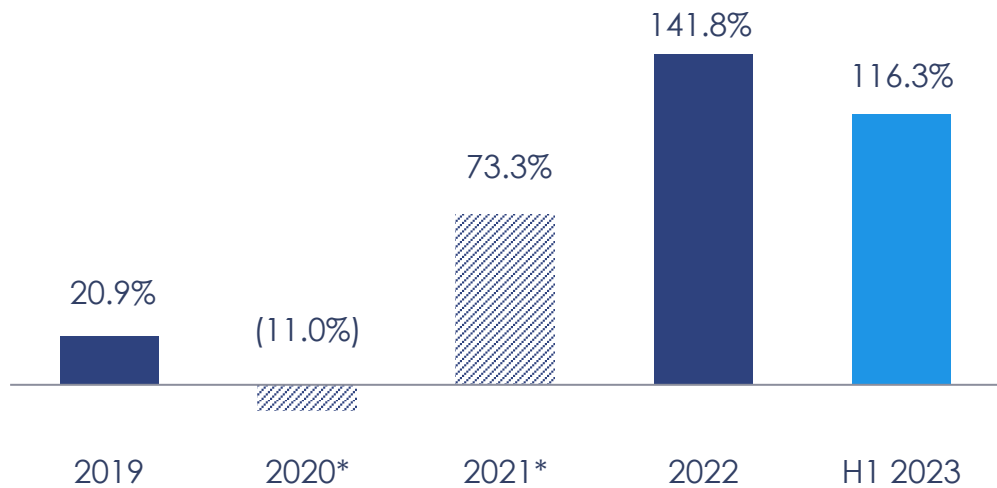
TURKEY RETAIL

Turkey Retail Operations

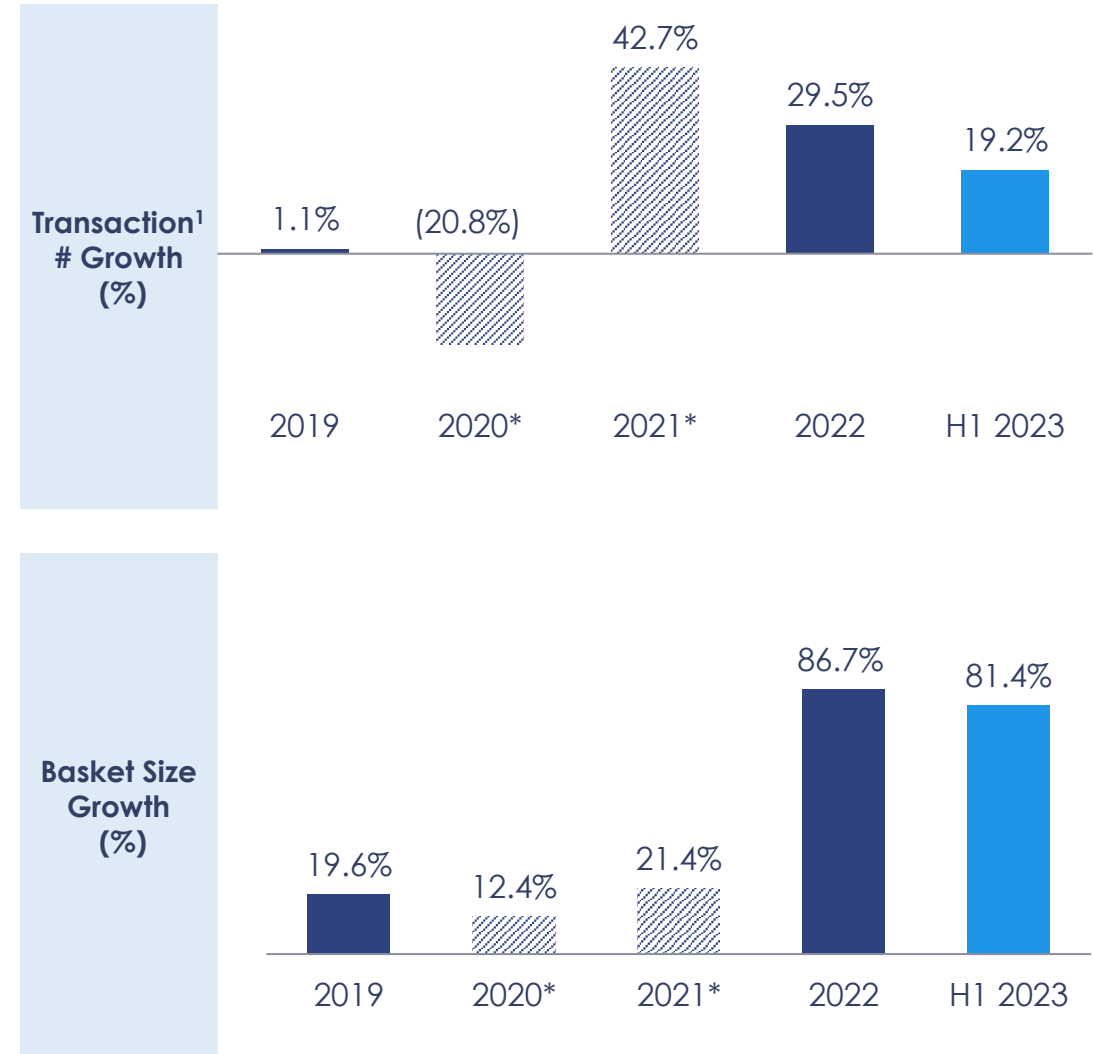


- › With four openings and four closures in H1 2023, number of retail stores in Turkey stands at 329 as of end-July 2023
- › Total selling space stands at 168.7K sqm with average sqm per store at 513

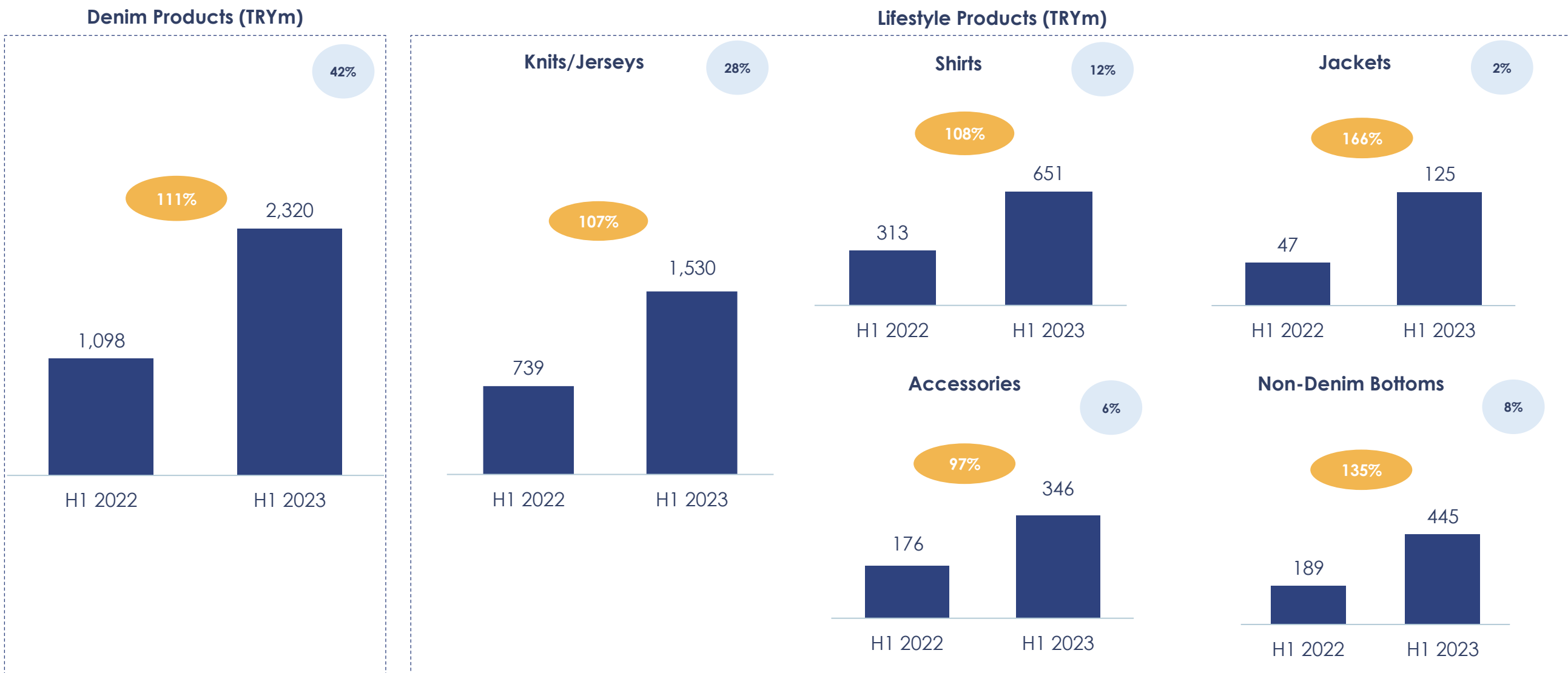
Like-for-Like Stores Sales Performance



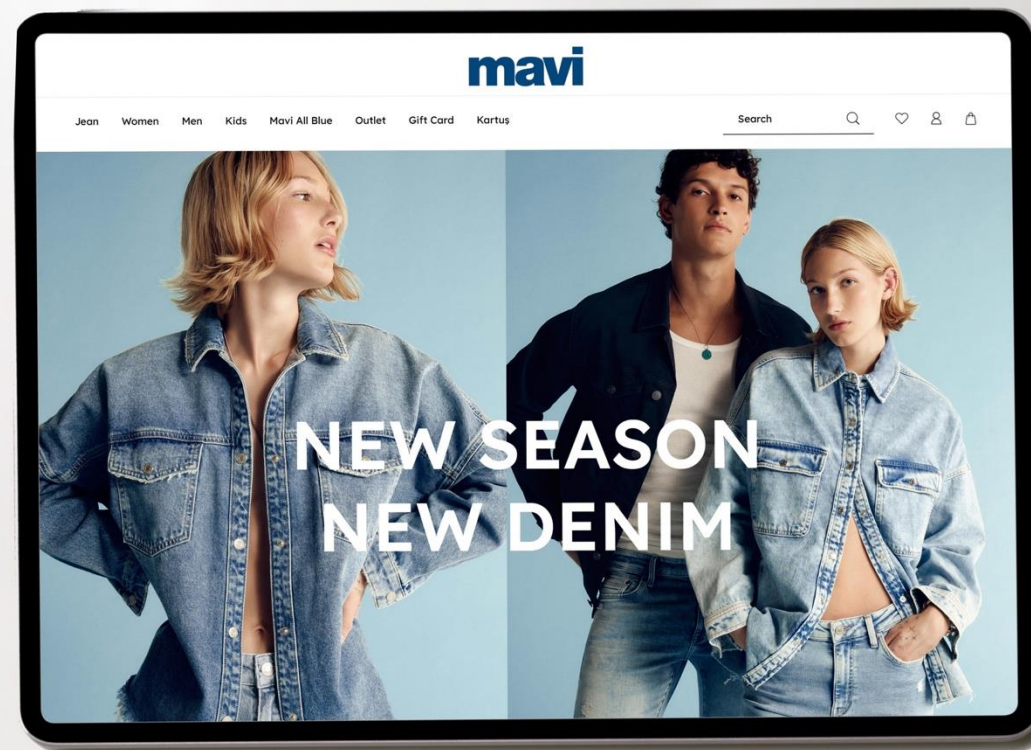
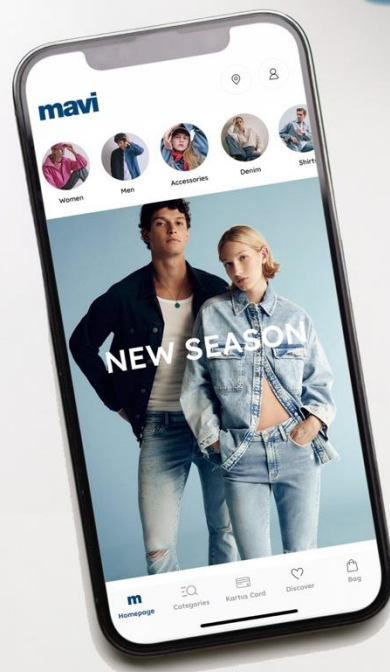
- › Traffic growth of 16% in H1 2023 displays continued strong consumer demand
- › Right product mix driven by newness and dynamic pricing strategy enable basket size growth
- › 18.5% volume growth in H1 2023 is in-line with growth targets



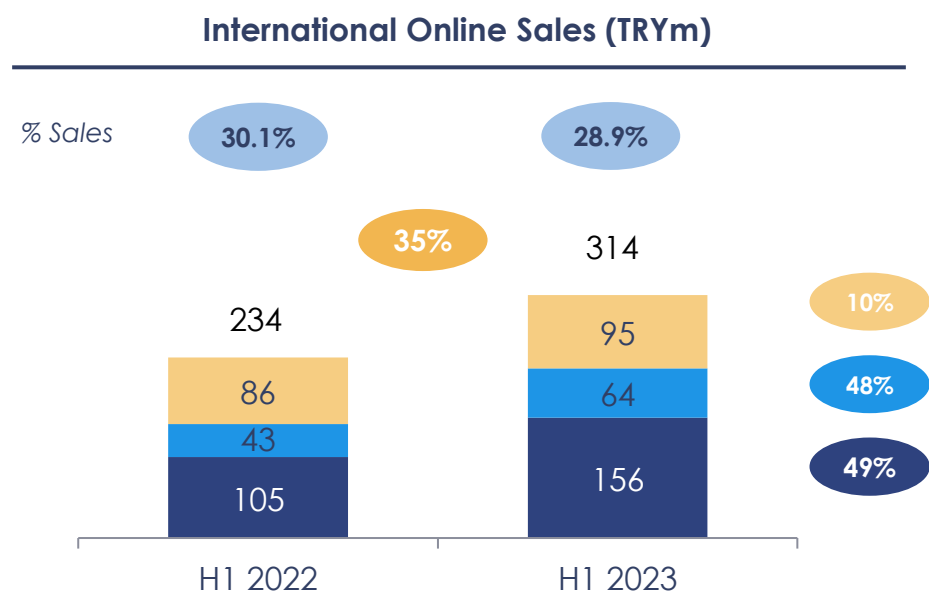
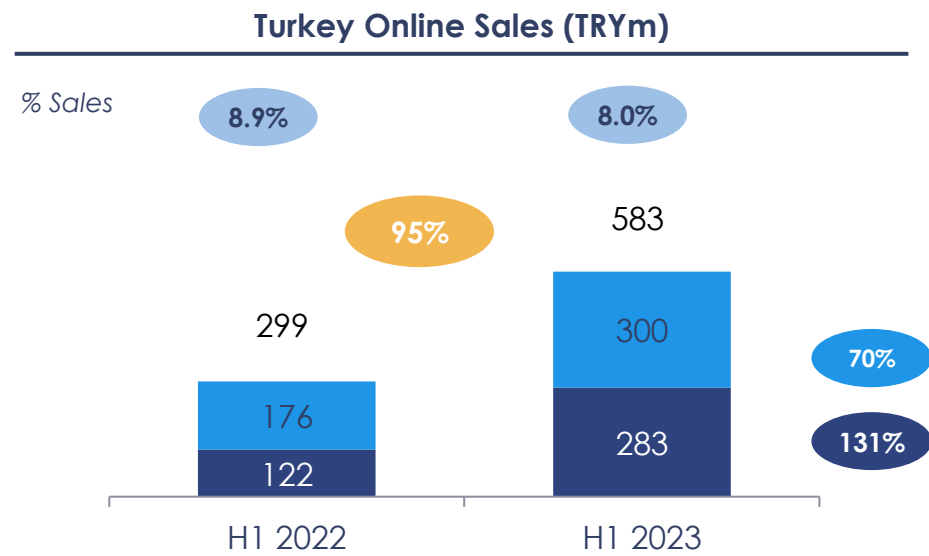
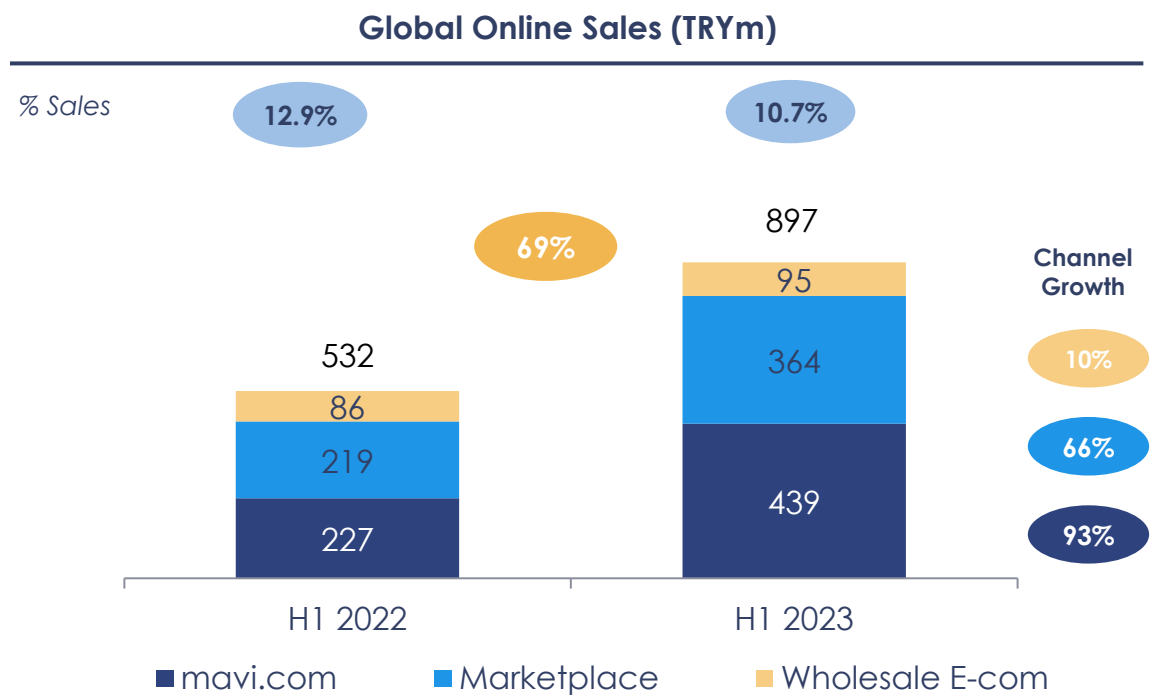
Sales in Denim & Lifestyle Categories



ONLINE BUSINESS



Online Sales Growth (inc. wholesale partners)



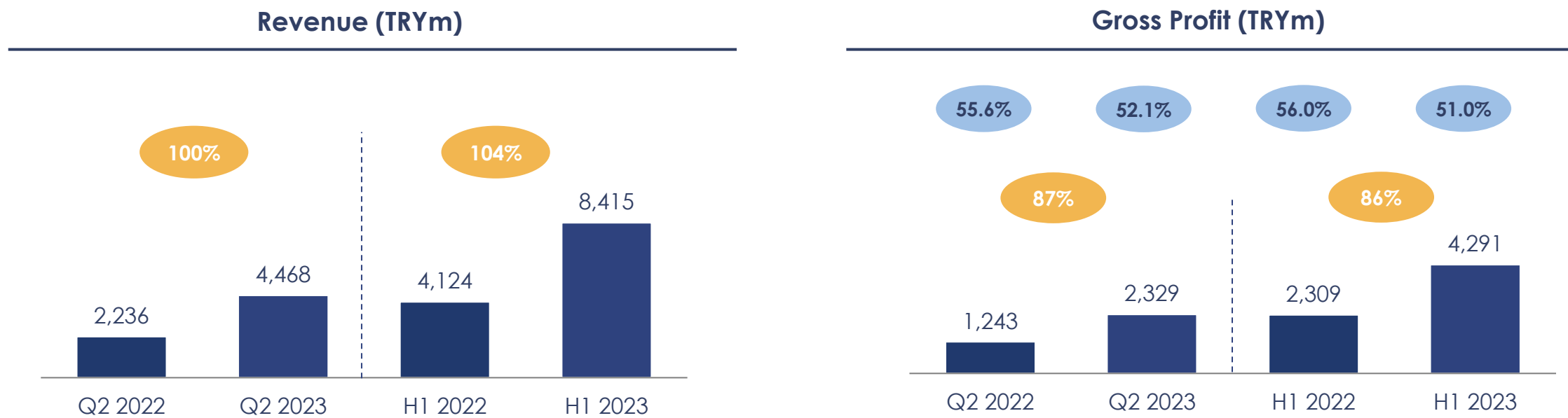
- › Growth driven by mavi.com performance in Turkey
- › Omni-Channel project launch executed successfully: enhancing shopping experience across channels and driving incremental sales
- › Full-price channel strategy across all categories with positive contribution to margins



CONSOLIDATED FINANCIAL RESULTS



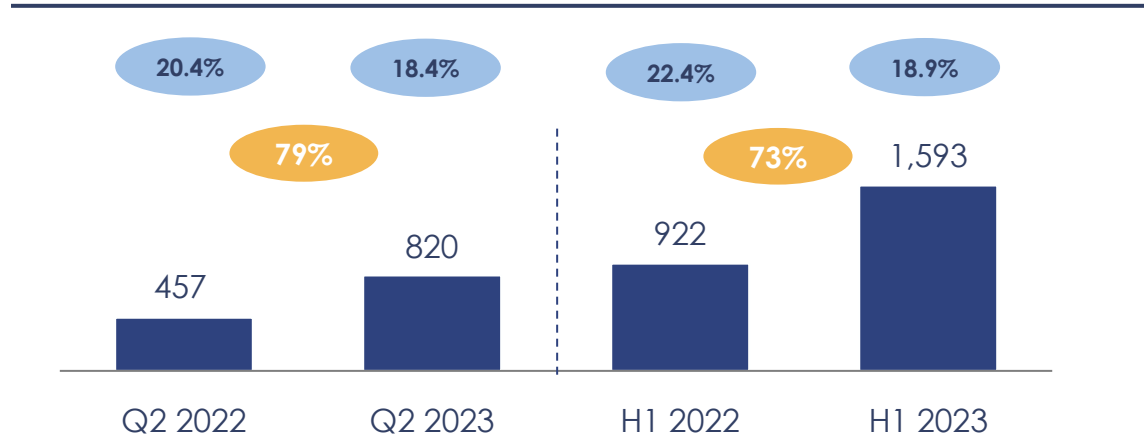
Consolidated Gross Margins



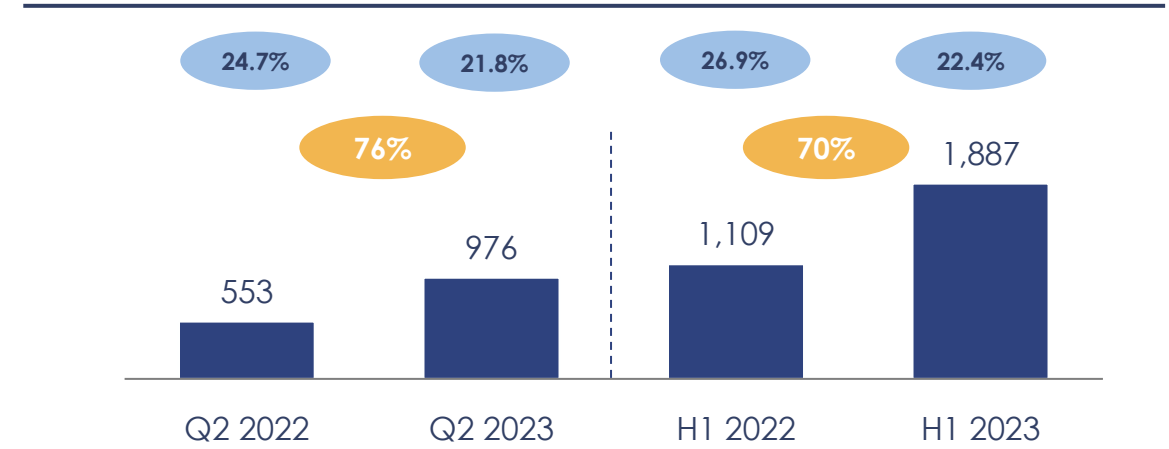
- › Significant product cost inflation in H1 2023 versus a low base last year. We view the **gross margin decline of 390 bps in Q2 2023 and 520 bps* in H1 2023 as a normalisation**. The base effect will be minimised starting from third quarter
- › Strong demand was captured with variety, newness and right product/price positioning resulted in high sell through rates with low mark-down spending

Consolidated EBITDA and Net Income

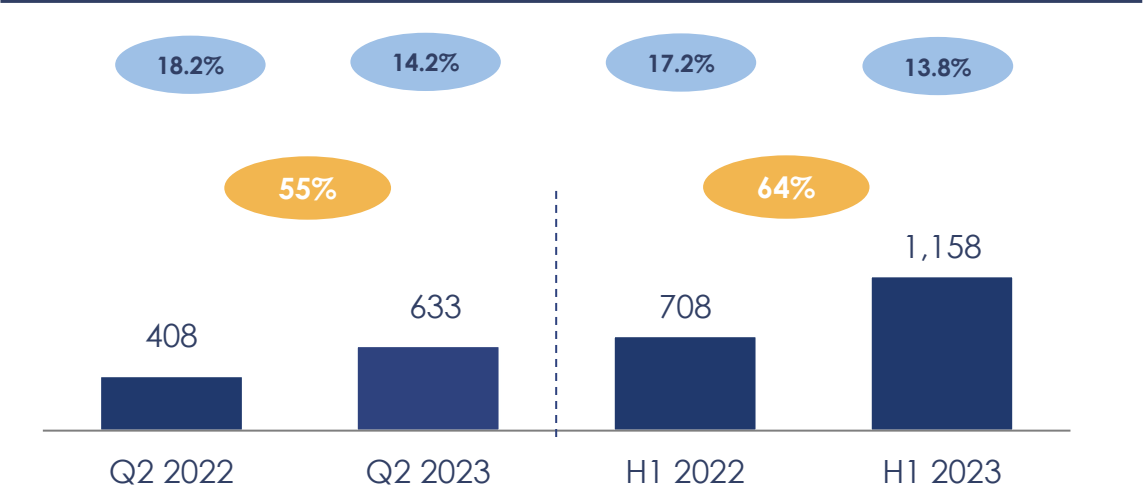
EBITDA exc.IFRS16 (TRYm)



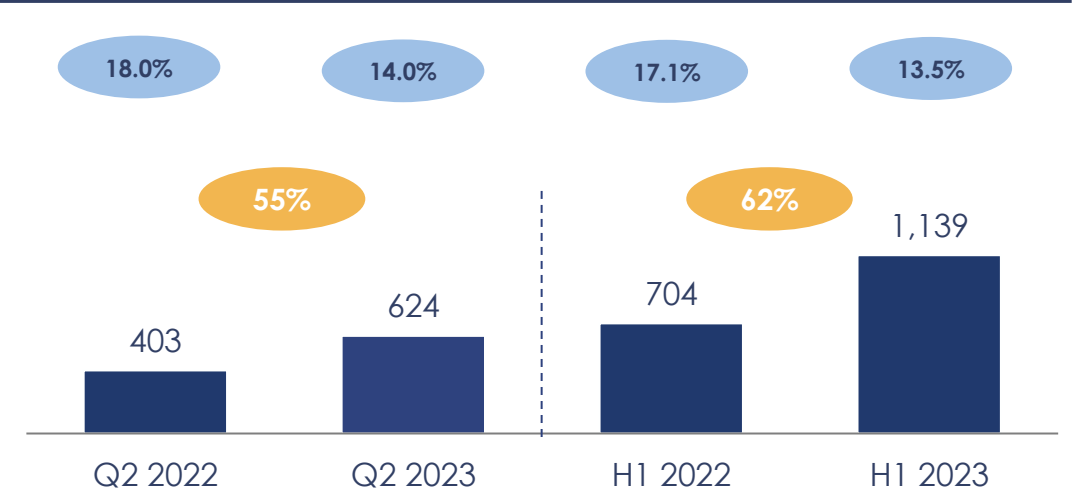
EBITDA inc.IFRS16 (TRYm)



Net Income exc.IFRS16 (TRYm)

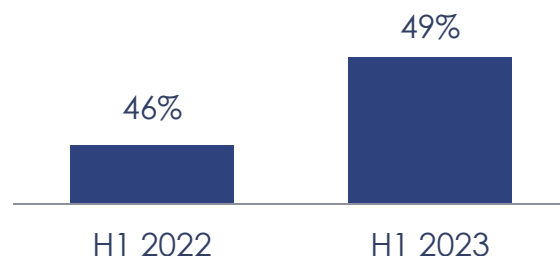


Net Income inc.IFRS16 (TRYm)



Operational Cash Flow and Working Capital Management

Cash Conversion & Operational Cash Flow (exc.IFRS16)



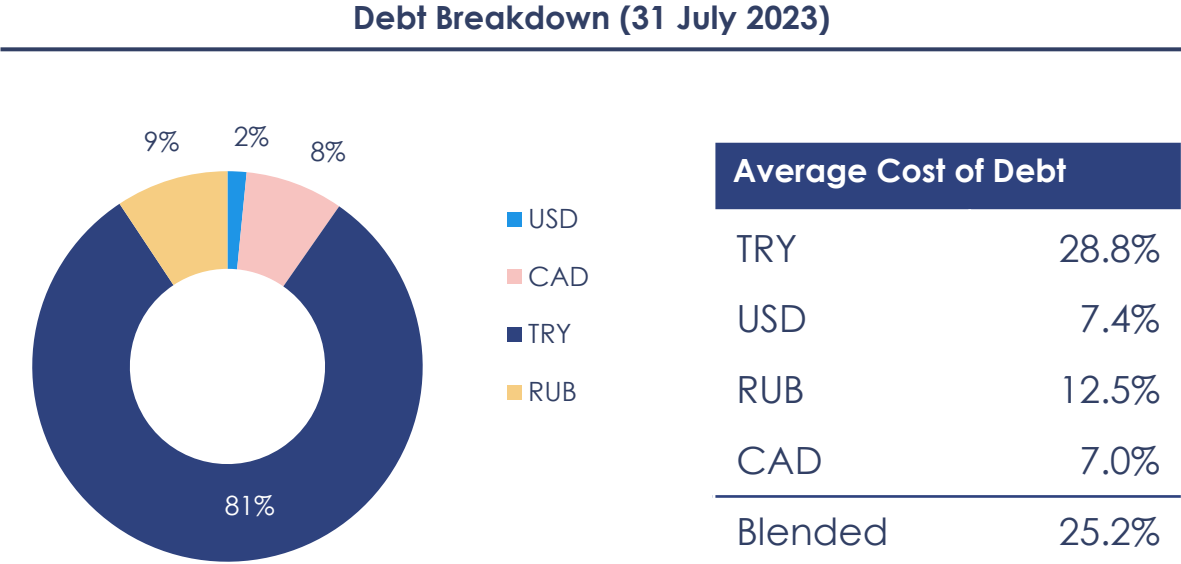
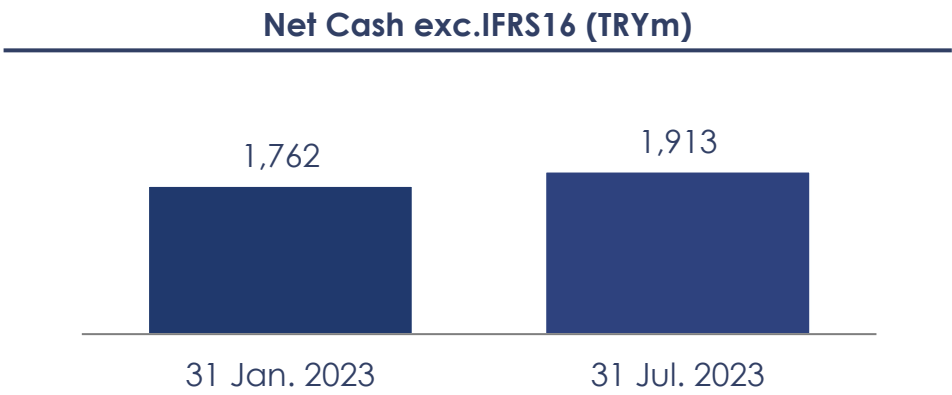
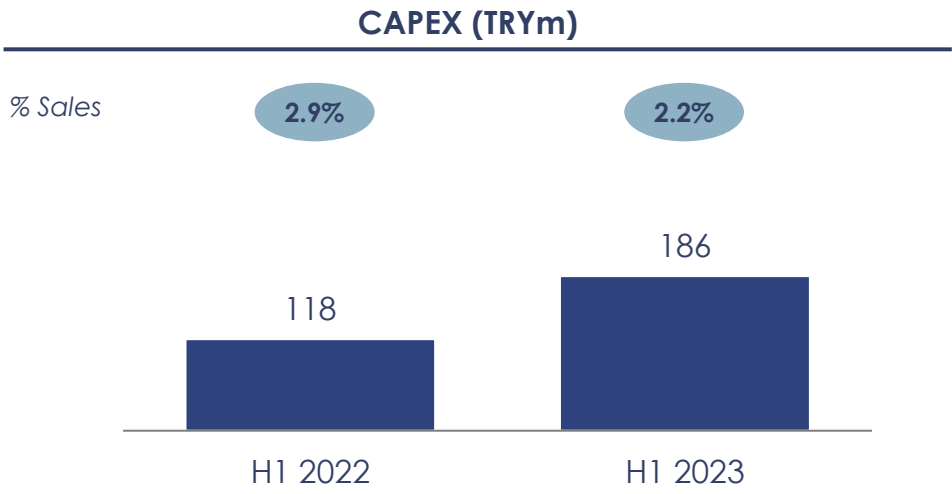
TRYm	H1 2022	H1 2023
EBITDA	922	1,593
Δ in NWC ¹	(496)	(815)
Operating Cash Flow	426	778

Main Working Capital Items

TRYm	2022	H1 2022	H1 2023
Trade & Other Receivables	913	640	1,199
% LTM Sales	8.6%	9.3%	8.1%
Inventories	2,308	1,276	2,994
% LTM COGS	46.2%	40.3%	41.0%
Trade & Other Payables	3,000	1,594	3,061
% LTM COGS	60.1%	50.3%	41.9%
Main NWC	220	322	1,132
% LTM Sales	2.1%	4.7%	7.6%

- › The 135% increase in inventory level, is largely driven by **product cost inflation (88% yoy)** in Turkey
- › **Inventory** in number of pieces in Turkey is 24% higher compared to same period last year in line with business plans and demand expectations and comprises of **all fresh, mostly FW season products**
- › Increase in 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 (19% 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 H1 2023 period end
- › Keeping no FX position is management priority

FY2023 Management Guidance

	Previous (08.06.2023)	Revised (19.09.2023)
Consolidated Revenue Growth	75% ± 5%	80% +
Turkey Retail Stores	5 net new stores 7 store expansions	8 net new stores 7 store expansions
EBITDA Margin	18% ± 0.5% (exc. IFRS16) 22% ± 0.5% (inc. IFRS16)	19% ± 0.5% (exc. IFRS16) 22.5% ± 0.5% (inc. IFRS16)
Net Debt/EBITDA	Net Cash Position (exc. IFRS16)	Confirmed
CAPEX	3% of consolidated sales	Confirmed

Trading Update for Q3 2023

- › Turkey retail sales increased **81% in August** and **91 % in the first 14 days of September**
- › Online sales in Turkey grew **120% in August** and **154% in the first 14 days of September**

THANK YOU !



Financial Statements

Income Statement (inc. IFRS 16)

TRYm	Q2 2022	Q2 2023	Change (%)	H1 2022	H1 2023	Change (%)
Revenue	2,236	4,468	100%	4,124	8,415	104%
Cost of Sales	(994)	(2,139)	115%	(1,815)	(4,124)	127%
Gross Profit	1,243	2,329	87%	2,309	4,291	86%
Gross Margin	55.6%	52.1%		56.0%	51.0%	
Administrative Expenses	(142)	(303)	114%	(248)	(523)	111%
Selling and Marketing Expenses	(658)	(1,222)	86%	(1,156)	(2,195)	90%
R&D Expenses	(17)	(42)	146%	(32)	(75)	135%
Other Income / (Expenses), net	25	17	(34%)	40	12	(69%)
Operating Profit	451	780	73%	913	1,510	65%
Profit/(Loss) from Investment Activities	9	14	53%	9	15	74%
Operating Profit before Financial Income	460	794	72%	921	1,525	65%
Operating Margin	20.6%	17.8%		22.3%	18.1%	
Financial Expenses, Net	(66)	(40)	(40%)	(134)	(147)	10%
Profit Before Tax	394	754	91%	788	1,377	75%
Income Tax Expense	8	(130)	n.m.	(83)	(238)	185%
Profit	403	624	55%	704	1,139	62%
Profit Margin	18.0%	14.0%		17.1%	13.5%	
EBITDA	553	976	76%	1,109	1,887	70%
EBITDA Margin	24.7%	21.8%		26.9%	22.4%	
EBITDA ex IFRS 16	457	820	79%	922	1,593	73%
Profit ex IFRS 16	408	633	55%	708	1,158	64%

Financial Statements

Balance Sheet (inc. IFRS 16)

TRYm	31 January 2023	31 July 2023	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	3,245	3,146	(3%)
Financial Investments	58	54	(6%)
Trade Receivables	871	1,173	35%
Inventories	2,308	2,994	30%
Other Current Assets	304	490	61%
Total Current Assets	6,785	7,858	16%
Property and Equipment	395	482	22%
Right of Use Assets	576	692	20%
Intangible Assets	663	919	39%
Other Non-Current Assets	224	289	30%
Total Non-Current Assets	1,858	2,382	28%
Total Assets	8,643	10,240	18%
Short-Term Financial Liabilities	1,541	1,277	(17%)
Short-Term Contractual Lease Liabilities	350	446	27%
Trade Payables	2,961	3,019	2%
Other Current Liabilities	592	964	63%
Total Current Liabilities	5,444	5,706	5%
Long-Term Financial Liabilities	-	10	n.m.
Long-Term Contractual Lease Liabilities	290	335	16%
Other Non-Current Liabilities	177	164	(8%)
Total Non-Current Liabilities	467	509	9%
Total Liabilities	5,911	6,214	5%
Total Equity	2,732	4,025	47%
Total Equity & Liabilities	8,643	10,240	18%

Financial Statements

Cash Flow Statement (inc. IFRS 16)

TRYm	H1 2022	H1 2023
Profit ¹	704	1,139
Adjustments	649	1,105
Cash Flow from Operating Activities	1,353	2,244
Δ in Net Working Capital ²	(496)	(815)
Income Tax Paid	(165)	(160)
Net Cash from Operating Activities	693	1,270
Capex	(118)	(186)
Other Investing Cash Flow ³	93	310
Net Cash Flow Used in Investing Activities	(25)	124
Debt Issued / (Repaid)	114	(368)
Payment of Contractual Lease Liabilities	(189)	(301)
Other Financial Payments ⁴	(105)	(271)
Dividend Paid	-	(429)
Interest Paid	(63)	(113)
Net Cash Flows Used in Financing Activities	(243)	(1,483)
Net Cash Flow	425	(89)
Cash and Cash Equivalents at the Beginning of the Period ⁵	1,479	3,223
Cash and Cash Equivalents at the End of the Period ⁵	1,903	3,134

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	31-Jul-23	IFRS 16 Effect	After IFRS 16
Current assets	7,867	(10)	7,858
Non-current assets	1,668	714	2,382
Current liabilities	5,260	446	5,706
Non-current liabilities	174	335	509
Equity	4,102	(77)	4,025

	H1 2023	IFRS 16 Effect	After IFRS 16
Operating profit	1,471	38	1,510
Operating profit before finance costs	1,486	38	1,525
Finance income	348	-	348
Finance expense	(432)	(63)	(496)
Profit before tax	1,402	(25)	1,377
Net profit	1,158	(18)	1,139
EBITDA	1,593	294	1,887

Global Operations as of 31 July 2023



TURKEY

Retail stores: 329
Franchise stores: 68
Wholesale doors: ~520
Employees: 5.455



EUROPE

Retail stores: 1
Wholesale doors: ~800
Employees: 52



RUSSIA

Retail stores: 17
Franchise stores: 17
Wholesale doors: 155
Employees: 140



US

Wholesale doors: ~1.150
Employees: 77



CANADA

Retail stores: 4
Wholesale doors: ~900
Employees: 77



OTHER COUNTRIES

Franchise stores: 25
Wholesale doors: 22