



mavi

Q3 2017

Results Presentation

ISTANBUL, DECEMBER 4TH 2017

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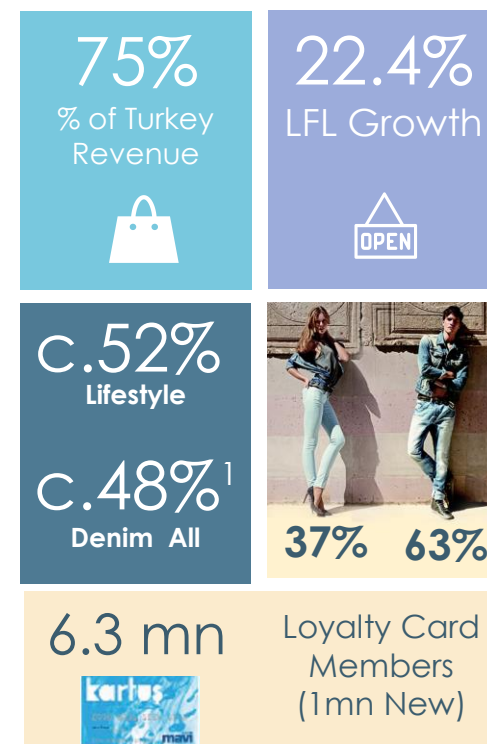
Strong Momentum in Nine Months 2017

- Consolidated revenue increased by 39% to 1,350 TRYm
- EBITDA grew by 54% to 208 TRYm resulting in 15.4% EBITDA margin
- Net Profit grew by 60% and reached 84 TRYm
- Store roll-out continued with 21 new stores in Turkey and 4 in Russia, to reach a total of 307 own operated and 417 total stores
- Turkey Retail LFL revenue grew by 22.4%
- Kartuş card holders reached 6.3 mn with 1mn new customers

PROFITABLE GROWTH



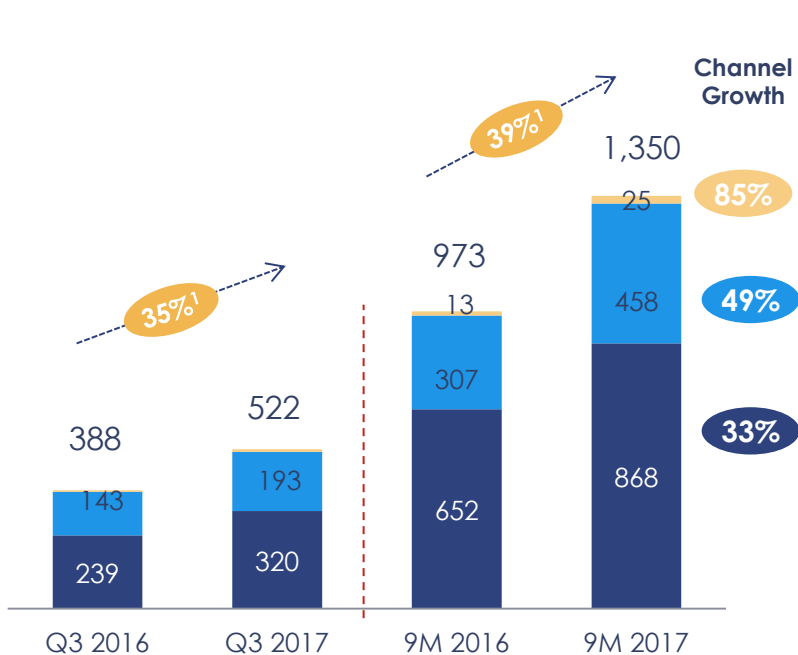
TURKEY RETAIL HIGHLIGHTS



Growth statistics based on year-on-year growth for 9M 2017 vs. 9M 2016. Financial figures includes the acquisition effect of Mavi US and Canada businesses. Pro-forma figures include the full year consolidated effect of Mavi US and Canada as if the acquisition took place in February 1, 2016 ¹Denim bottoms consists of 43% of total revenue. ²Includes franchise and owned globally

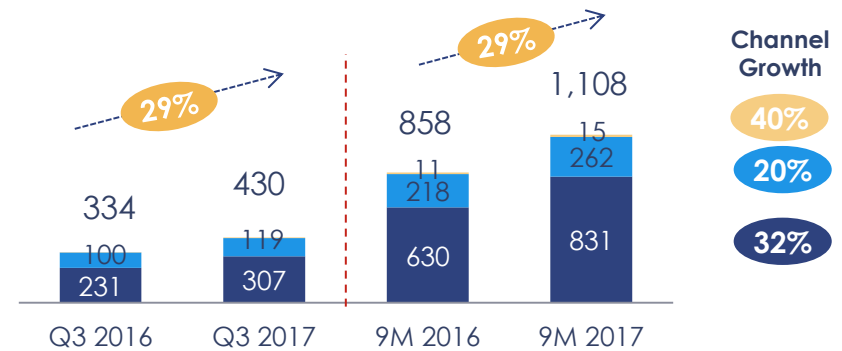
Solid Revenue Growth with a Strong Third Quarter

Global Revenue (TRYm)

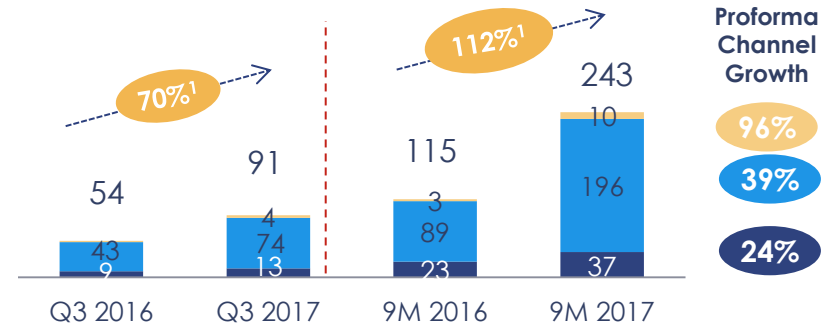


- Total revenue consists of 64% retail, 34% wholesale and 2% e-com.

Turkey Revenue (TRYm)



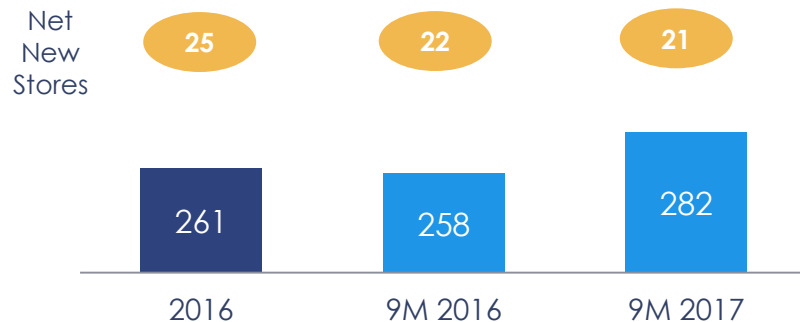
International Revenue (TRYm)



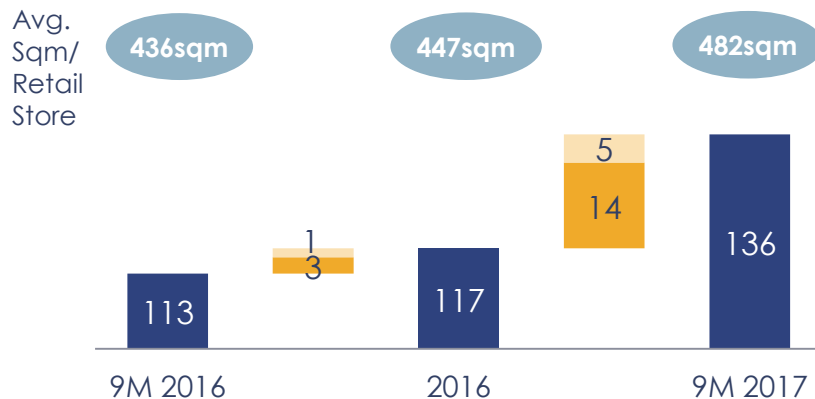
■ Retail ■ Wholesale ■ E-com

Robust Performance of Turkey Retail Operations...

of Retail Stores

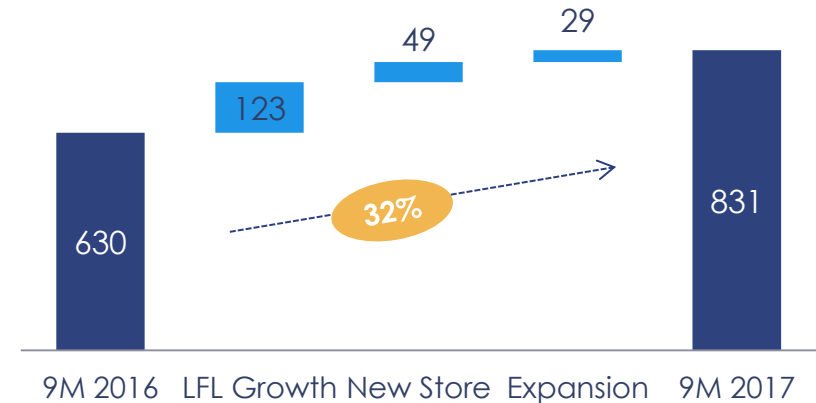


Gross Selling Space in Turkey (SqM K)



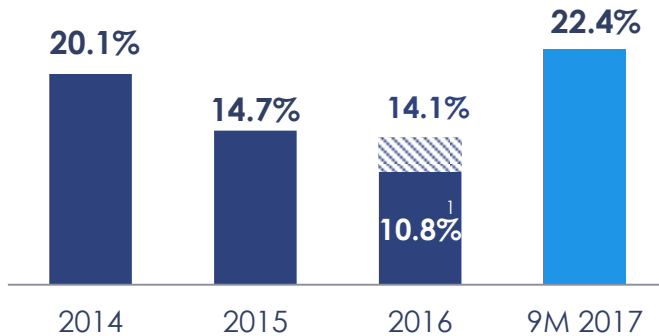
Expansion sqm
New Store sqm

Turkey Retail Revenue (TRYm)

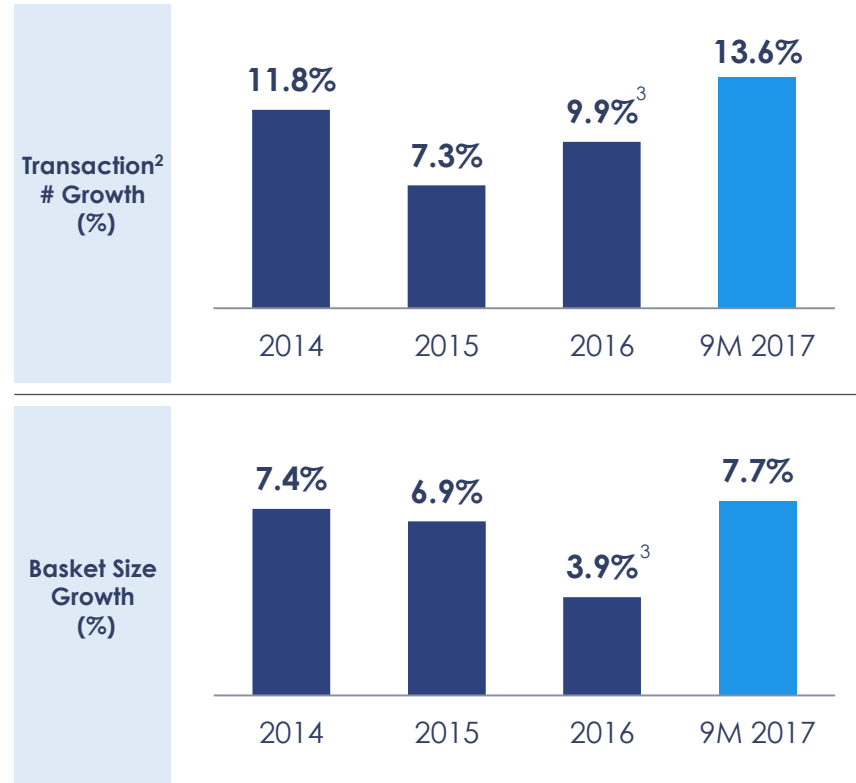


- 10 new store openings in Q3 2017 totaling 21 net new store openings in 9M 2017
- 17 stores expanded in 9M 2017
- Total selling space reached 136K sqms with average 482 sqm per store

...Supported by High Like-for-like Growth Figures



- Strong brand positioning & top of mind
- Increased traffic & conversion driven by
 - ✓ Customer loyalty and frequency
 - ✓ New customer acquisition
 - ✓ Right product, right price
 - ✓ Superior service and quality

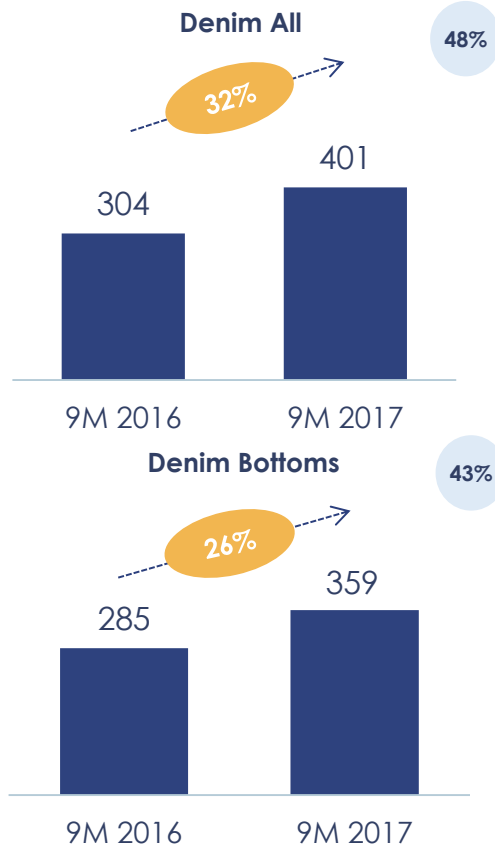


¹ Turkey retail only, 2016A adjusted LFL sales (excluding July performance of all Turkey retail stores, impacted by the Coup attempt and the performance of the Beyoğlu stores). The unadjusted LFL for 2016A was 10.8%. ² Number of transactions refers to number of issued invoices. ³ 2016A Transaction Growth and Basket Size Growth are adjusted figures for the July performance of all Turkey retail stores. Unadjusted Transaction Growth and Basket Size Growth was 6.8% and 3.7% respectively for 2016.

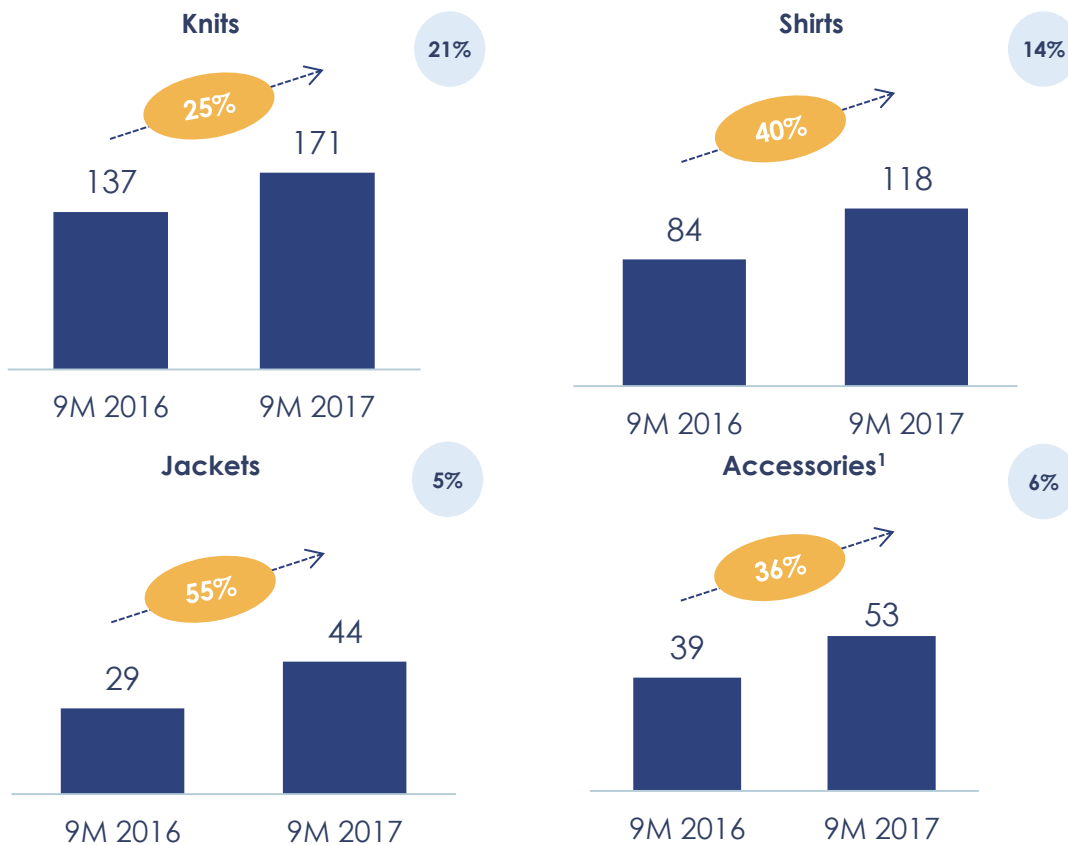
Note: LFL revenue constitutes 81% of Turkey retail revenue in 9M 2017

Accelerated Growth in Denim & Lifestyle Categories

Denim Products (TRYm)



Lifestyle Products (TRYm)

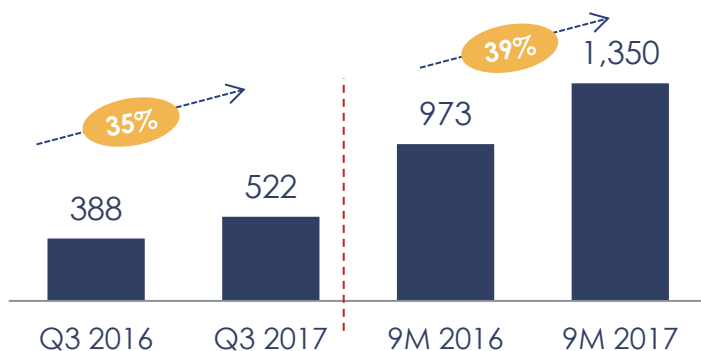


% % in 9M 2017 Turkey retail net revenue

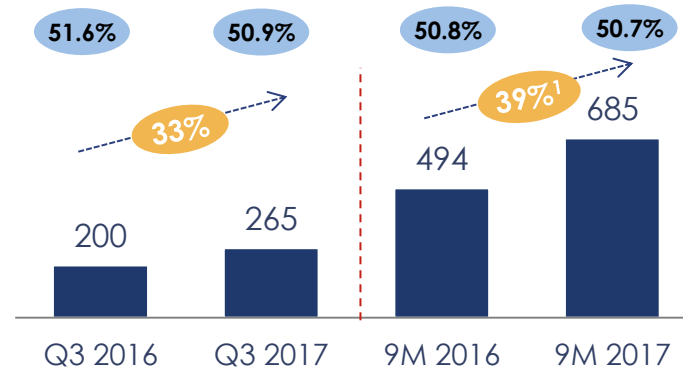
Note: Turkey Retail Only. ¹Including shoes

Margin Targets on Track

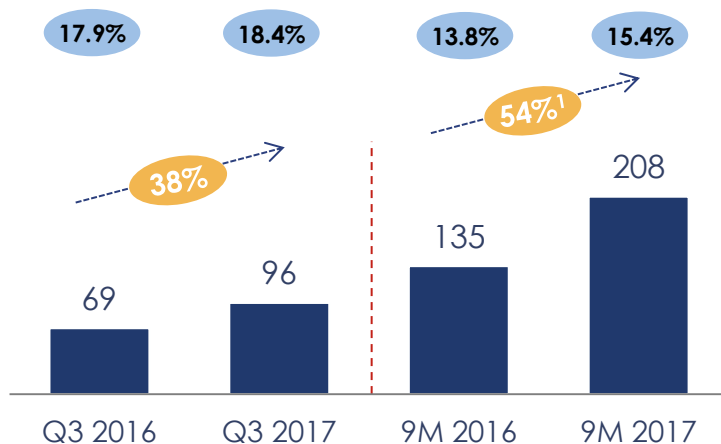
Revenue (TRYm)



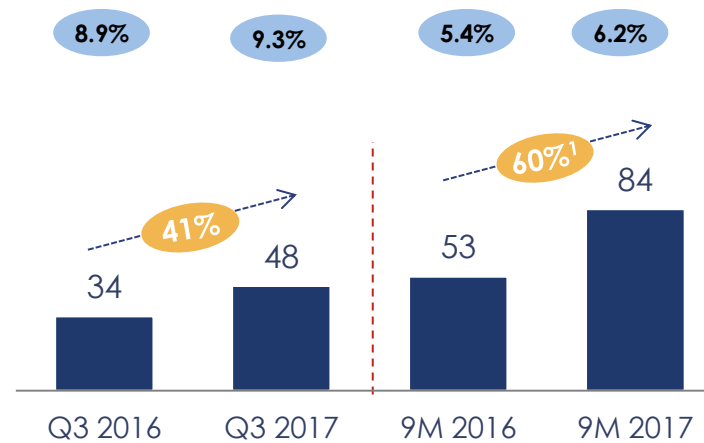
Gross Profit (TRYm)



EBITDA (TRYm)



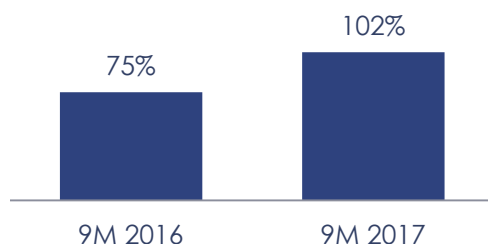
Net Income (TRYm)



● % Growth ● % Margin

Strong Cash Conversion and Efficient Working Capital Management

Cash Conversion



TRYm	9M 2016	9M 2017	Change (%)
EBITDA	134.7	207.8	54.3%
Δ in NWC	(34.3)	4.5	
Operating Cash Flow	100.3	212.3	111.6%

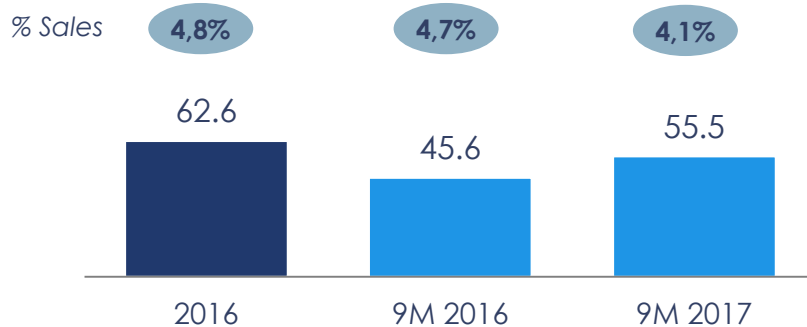
- Open-to-buy supply planning
- Efficient inventory management
- Strong sell-through performance

Main Working Capital Items

TRYm	2016PF	9M 2016	9M 2017
Trade & Other Receivables	132.9	163.5	211.5
% Sales	9.7%	12.5%	12.6%
Inventories	287.8	279.5	292.4
% COGS	42.9%	43.0%	35.3%
Trade & Other Payables	309.9	331.1	400.8
% COGS	46.2%	51.0%	48.4%
Main NWC	110.9	111.9	103.0
% Sales	8.1%	8.6%	6.1%

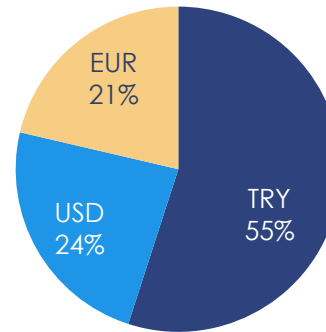
Efficient Capex Management and Healthy Leverage Ratios

CAPEX



- 21 net new store openings in 9M 2017
- Management target for Capex /Sales remains below 5%

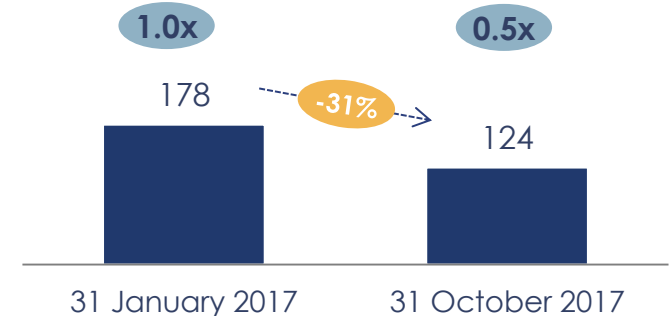
Debt Breakdown (31 October 2017)



Cost of Debt¹

TRY	11.42% - 16.61%
USD	4.05% - 4.99%
EUR	0.75% - 2.99%
Blended	8.5%

Net Debt / LTM EBITDA



¹ Average cost of debt calculated using the lower and higher point of nominal interest rates weighted by the respective loans.

FY 2017 Guidance



- Positive trading environment
- 26 net new store openings in Turkey
- EBITDA margin improvement (YoY)
- Positive cash generation
- Debt / EBITDA to remain below 1x

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Appendix

Financial Statements

Income Statement

TRYm	Q3 2016	Q3 2017	Change (%)	9M 2016	9M 2017	Change (%)
Revenue	387.5	521.7	34.6%	972.7	1,350.4	38.8%
Cost of Sales	(187.7)	(256.3)	36.5%	(478.4)	(665.7)	39.2%
Gross Profit	199.8	265.3	32.8%	494.3	684.7	38.5%
Gross Margin	51.6%	50.9%		50.8%	50.7%	
Administrative Expenses	(17.1)	(23.6)	37.7%	(51.9)	(69.5)	33.9%
Selling and Marketing Expenses	(120.2)	(155.8)	29.6%	(327.2)	(435.7)	33.1%
R&D Expenses	(5.1)	(5.5)	8.0%	(13.8)	(16.8)	21.2%
Other Income / (Expenses), net	0.2	0.4	78.7%	0.2	1.3	
Operating Profit	57.5	80.8	40.5%	101.5	164.0	61.6%
Operating Margin	14.8%	15.5%		10.4%	12.1%	
Financial Expenses, Net	(13.8)	(23.2)	68.4%	(34.1)	(59.6)	74.7%
Profit Before Tax	43.8	57.7	31.7%	67.4	104.4	54.9%
Income Tax Expense	(9.4)	(9.2)	(1.4%)	(14.7)	(20.3)	38.1%
Profit	34.4	48.4	40.8%	52.7	84.1	59.6%
Profit Margin	8.9%	9.3%	4.6%	5.4%	6.2%	15.0%
EBITDA	69.4	96.0	38.3%	134.7	207.8	54.3%
EBITDA Margin	17.9%	18.4%		13.8%	15.4%	

Financial Statements

Balance Sheet

TRYm	31 January 2017	31 October 2017	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	158.1	174.8	10.6%
Trade Receivables	109.4	187.0	71.0%
Inventories	287.8	292.4	1.6%
Other Current Assets	70.1	69.2	(1.3%)
Total Current Assets	625.4	723.4	15.7%
Non-Current Assets			
Property and Equipment	136.6	154.7	13.3%
Intangible Assets	156.0	148.5	(4.8%)
Other Non-Current Assets	8.8	10.9	23.1%
Total Non-Current Assets	301.4	314.0	4.2%
Total Assets	926.8	1,037.4	11.9%
Liabilities			
Current Liabilities			
Short-Term Debt	230.8	202.7	(12.2%)
Trade Payables	299.5	391.2	30.6%
Other Current Liabilities	134.1	93.0	(30.6%)
Total Current Liabilities	664.4	686.9	3.4%
Non-Current Liabilities			
Long-Term Financial Liabilities	105.2	95.7	(9.1%)
Other non-current Liabilities	16.7	16.0	(4.3%)
Total Non-Current Liabilities	121.9	111.6	(8.4%)
Total Liabilities	786.3	798.5	1.6%
Equity			
Total Equity	140.5	238.9	70.1%
Total Equity & Liabilities	926.8	1,037.4	11.9%

Financial Statements

Cash Flow Statement

TRYm	9M 2016	9M 2017
Profit ¹	52.7	84.1
D&A Expense	33.2	43.8
Net Finance Expense / (Income)	32.2	50.0
Tax Expense	14.7	20.3
Other Non-Cash Items	0.8	13.9
Cash Flow from Operating Activities	133.6	212.2
Δ in Net Working Capital ²	(34.3)	4.5
Income Tax Paid	(9.3)	(10.9)
Net Cash from Operating Activities	90.0	205.8
Cash Flows from Investing Activities		
Capex	(45.6)	(55.5)
Other Investing Cash Flow ³	(15.8)	(42.3)
Net Cash Flow Used in Investing Activities	(61.4)	(97.8)
Cash Flows from Financing Activities		
Debt Issued / (Repaid)	43.8	(47.2)
Other Financial Payments ⁴	(18.2)	(25.2)
Interest Paid	(12.9)	(23.6)
Net Cash Flows Used in Financing Activities	12.7	(96.0)
Net Cash Flow	41.3	12.0
Cash and Cash Equivalents at the Beginning of the Period ⁵	110.8	154.8
Cash and Cash Equivalents at the End of the Period ⁵	152.1	166.8

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 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.

Global Footprint as at 31.10.2017

