



mavi

Investor Presentation

JUNE 2018

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mavi

MAVI BUSINESS OVERVIEW



Why We Believe Mavi is Exciting

Aspirational **denim centric lifestyle brand** with broad customer appeal and celebrity endorsements

World-class products and well-segmented-ranges with a focus on quality, proximity to sourcing and efficient supply chain

Global multi-channel execution with **Turkey retail**, international footprint and **online** as key growth drivers

Customer-centric communication strategy and best-in-class **loyalty card management** enhancing brand awareness across channels and regions

Experienced management team & well-structured organization

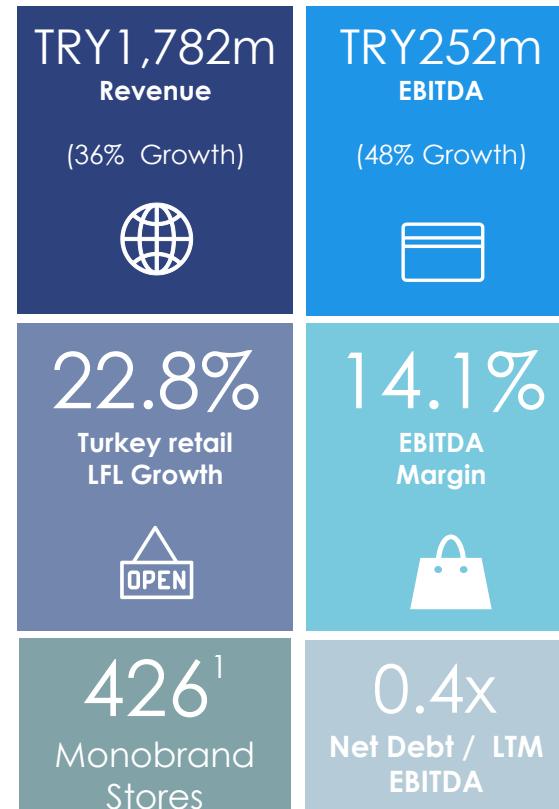
Consistent **strong financial performance**

mavi : Highly Successful Lifestyle Brand...

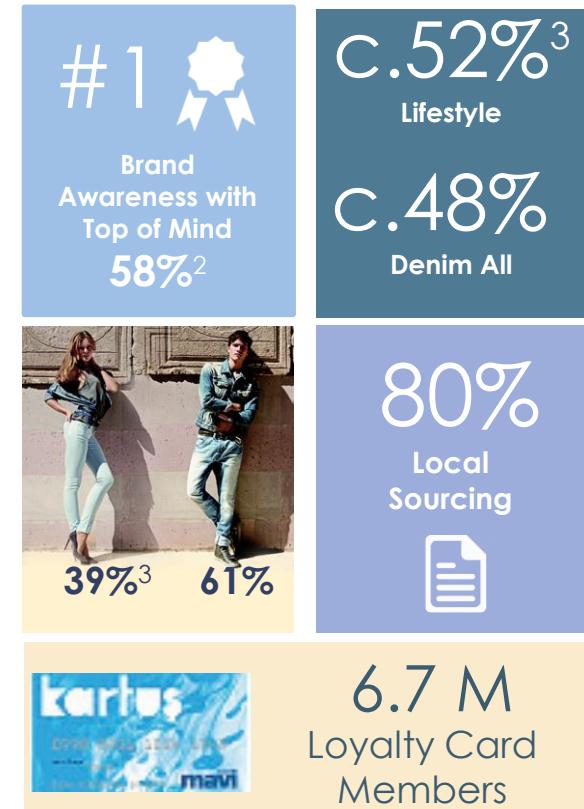
Business Overview

- Started operations in Istanbul in 1991, Mavi today is **globally recognized** as a highly successful casual **lifestyle brand**
- With strong denim roots, Mavi has evolved into an international apparel and accessories brand, building its success on products of **superior quality** and **perfect fit**, with **8.9m denim items** sold globally in 2017 via **c.5,500 POS**
- In Turkey, Mavi started its retailization in 2008 and recorded an **exceptional growth track record** since then, reaching **363 mono-brand stores¹** within Turkey
- Internationally, Mavi has built a world class reputation for quality denim, leveraging an international distribution platform of **63 mono-brand stores¹** and strong wholesale and online partners .
- Extensive, best-in-class loyalty program (Kartus) with **c.6.7m loyalty cardholders**
- 3,817 talented and dedicated employees** with Mavi regarded as employer of choice

Key Metrics (2017)



Brand & Product (Q1 2018)



Note: Throughout the presentation, LFL represents directly operated retail stores in Turkey that have been opened for at least 12 months excluding revenues attributable to stores that were closed during any period within 12 months. Points of Sales (POS) include the retail, franchise and wholesale channels. ¹ Includes retail stores and franchised stores as of 30 April 2018. ² In Turkey; Mavi Brand Perception Report prepared by GFK, 2017; All participants were asked to answer the questions: "What is the first brand that comes into your mind for jeans?", "Is there any other jean brand you know?", "Could you tell us whether you recognize the following brands?." ³Data for Q1 2018 Turkey retail only

...With Strong International Presence

 Canada
Retail Stores: 3
Wholesale Doors: c.1,800
FTEs: 56

 Europe
Retail Stores: 7
Wholesale Doors: c.1,400
FTEs: 148

 Russia
Retail Stores: 15
Franchised Stores: 17
Wholesale Doors: c.105
FTEs: 107



363
Mono-Brand
Stores in Turkey

63
International Mono-
Brand Stores

 US
Wholesale Doors: c.1,400
FTEs: 56

 Turkey
Retail Stores: 290
Franchised Stores: 73
Wholesale Doors: c.500
FTEs: 3,450

 Rest of the World
Franchised Stores: 21
Wholesale Doors: 37

c.5,500
Points of Sale



RETAIL EXPERTISE
IN TURKEY

Multi Pillar Growth Strategy in Turkey Retail

- Average 25 Net New Store Openings/year
290 Stores in 80 Cities

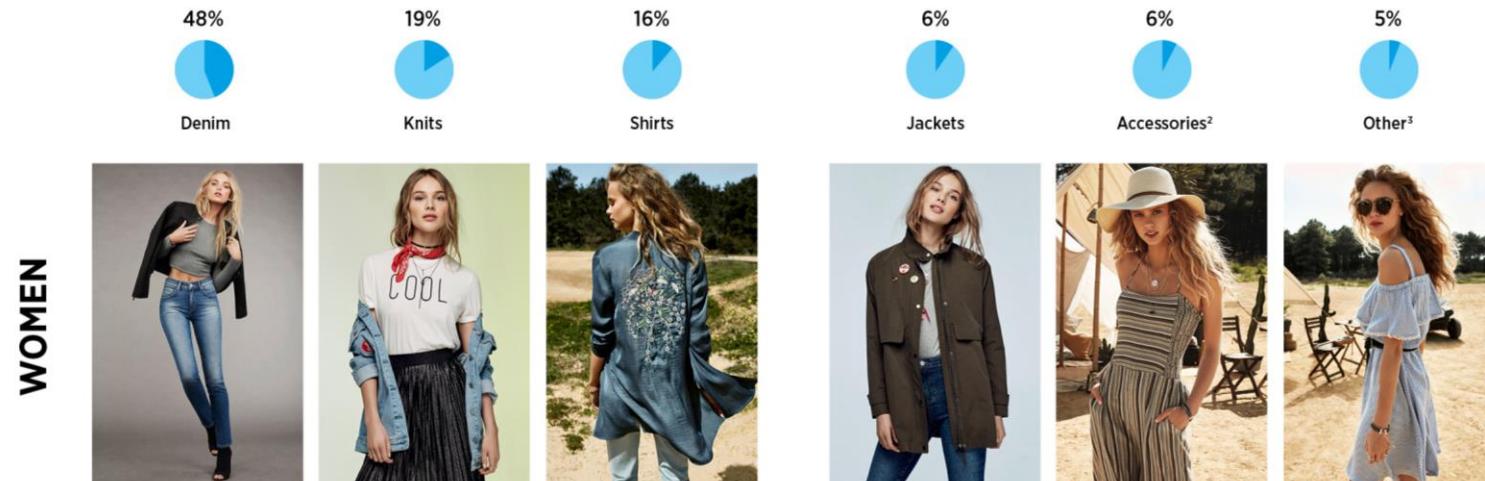
- 1 mn new customer Acquisition Every year



- LFL Growth
Average 16% Annual

- Expansion of store space
Average Selling Space 490 sqm
New Stores 600-800 sqm

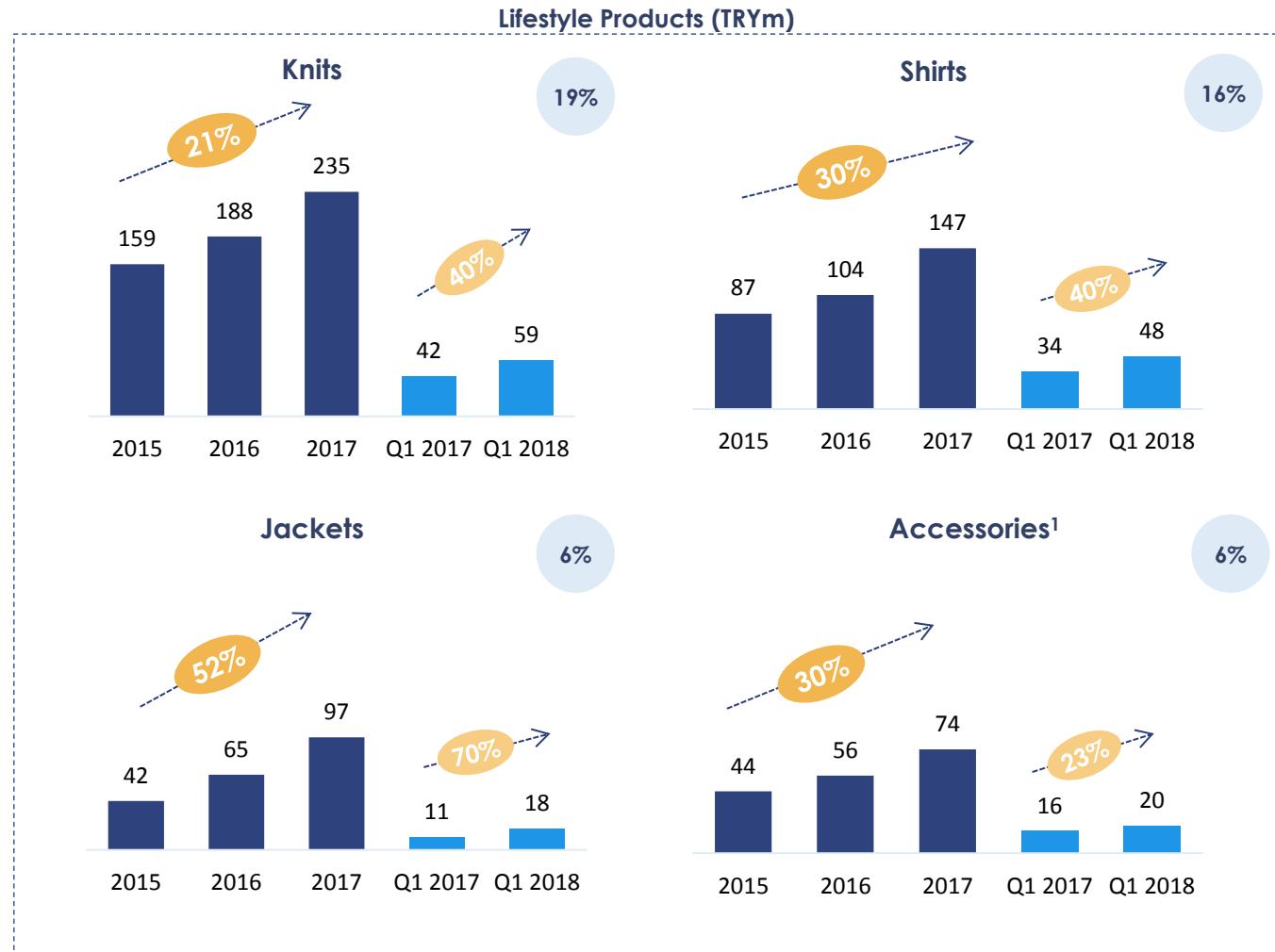
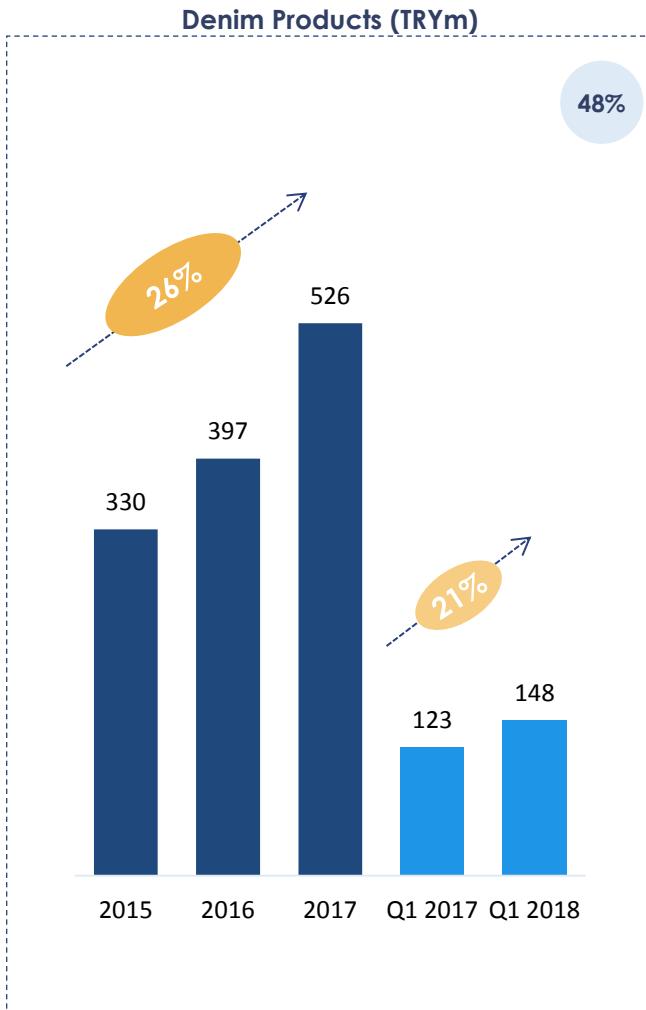
Offering a Lifestyle Product Portfolio Across Women and Men...



39% Women / 61% Men

48% Denim / 52% Lifestyle

...And Growing Significantly in Each Category



2015-2017 CAGR



% Share in Q1 2018 Net Sales

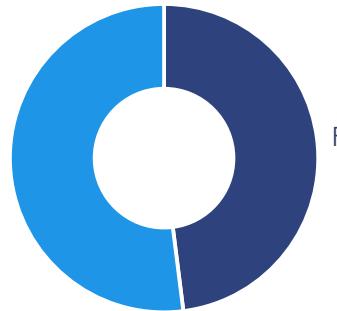
Note: Data for Turkey retail only; all values are net sales. ¹ Including shoes

Minimising Fashion Risk and Seasonality With Various Styles Across Lifestyle Product Offering

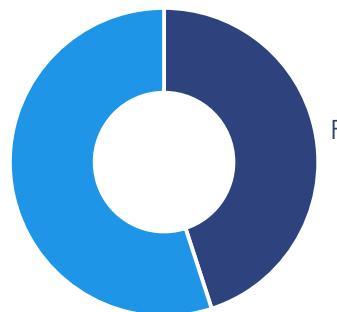


Breakdown by Season (units)

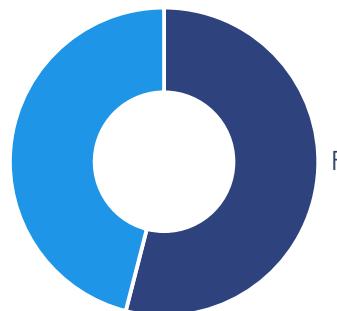
SS17, 52%
FW17, 48%



SS17, 55%
FW17, 45%



SS17, 46%
FW17, 54%



Note: Data for Turkey retail only

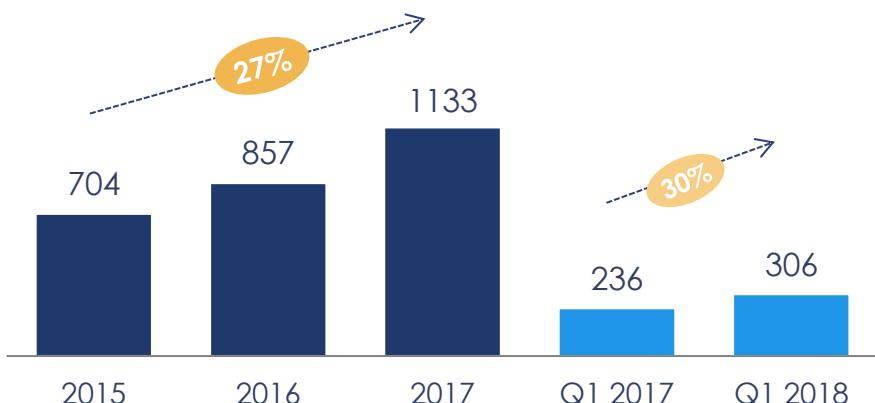
¹ Including shoes.

Strong Track Record of Retailization in Turkey...

of Retail Stores Evolution in Turkey



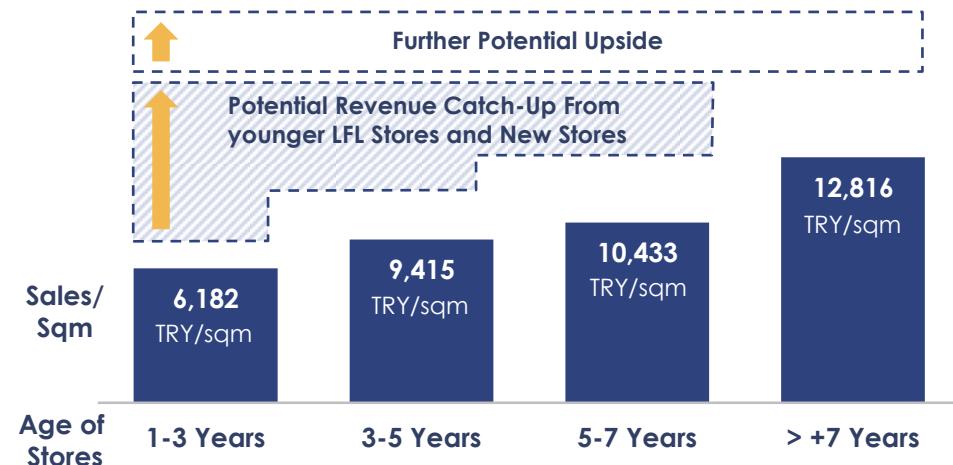
Turkey Retail Sales Evolution (TRYm)



Gross Selling Space Evolution in Turkey (Sqm k)

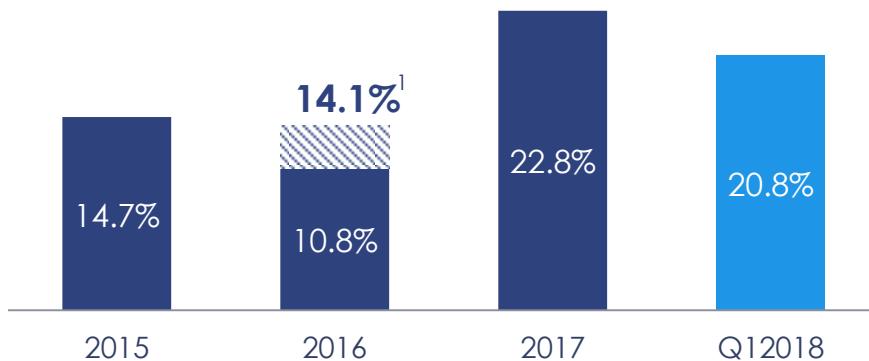


Significant LfL Upside Potential of Existing Stores¹



¹ Based on 2017 LfL financials.

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



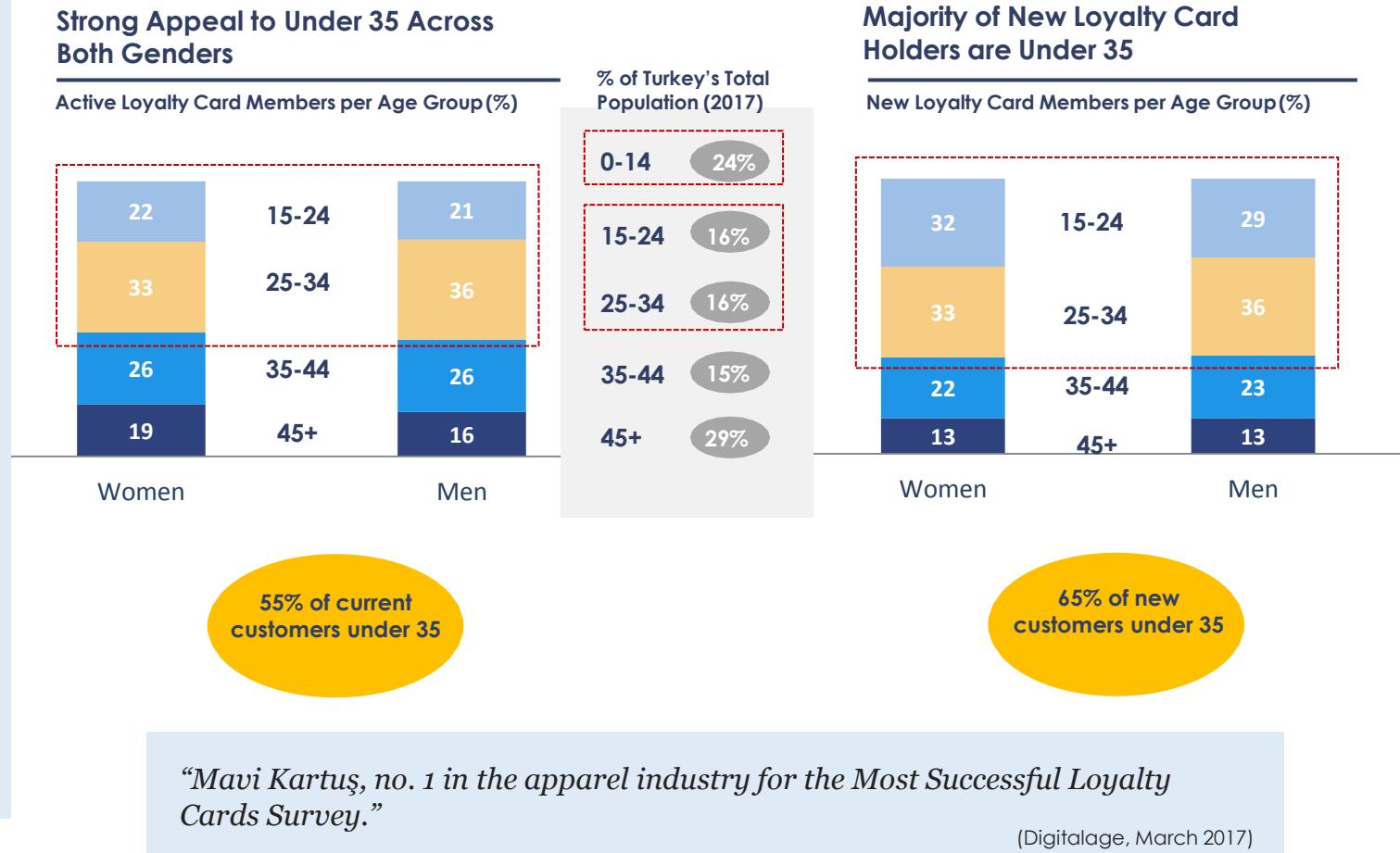
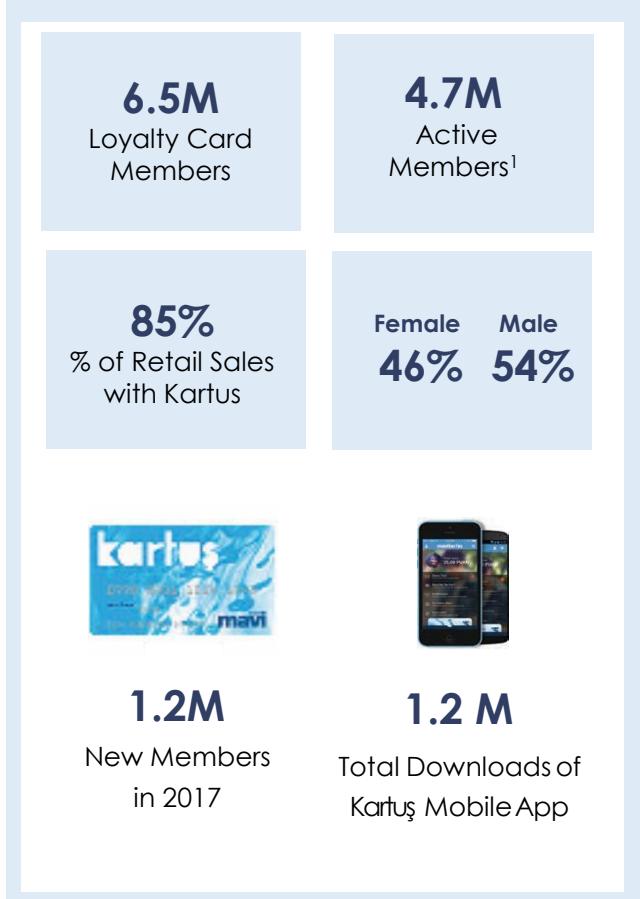
- Continued customer confidence supported by strong brand awareness
- Increased traffic, new customer acquisition & conversion
- Right product at the right price & efficient open to buy planning
- Superior service and quality driving customer loyalty



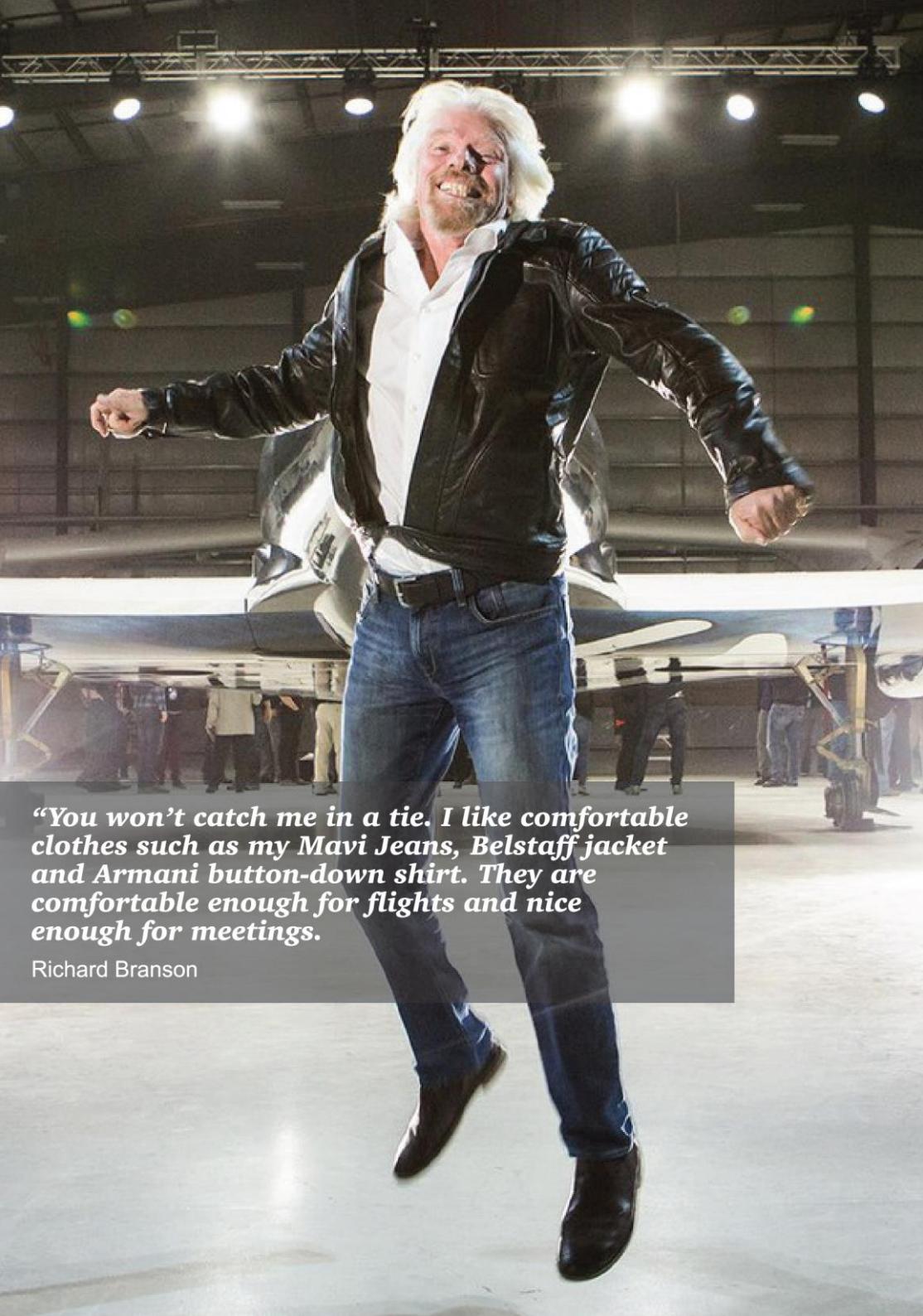
Turkey retail only, ¹ 2016 adjusted figures(excluding July performance of all Turkey retail stores, impacted by the Coup attempt and the performance of the Beyoğlu stores). The unadjusted LFL growth, Transaction Growth and Basket Size Growth are 10.8%, 6.8% and 3.7% respectively for 2016. ²Number of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

Note: LFL revenue constitutes 83% of Turkey retail revenue in Q1 2018

Best-in-Class Loyalty Program ("Kartuş") Since 2007



Note : All data as of Jan. 2017, Data for Kartuş Customers ¹Active means that the member has made a purchase of Mavi product over the last two years



You won't catch me in a tie. I like comfortable clothes such as my Mavi Jeans, Belstaff jacket and Armani button-down shirt. They are comfortable enough for flights and nice enough for meetings.

Richard Branson

INTERNATIONAL & E-COM MARKETS

Growing Global Footprint



USA



EUROPE



CANADA

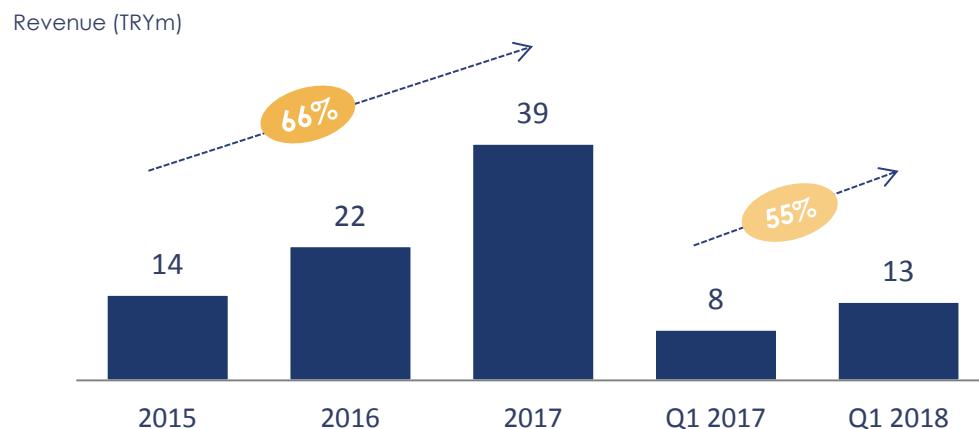


RUSSIA

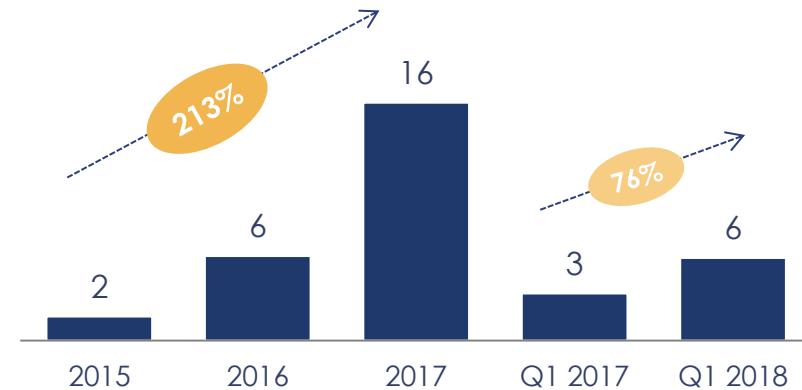


E-Commerce Platform to Deliver Future Growth

Global E-Commerce Revenue¹



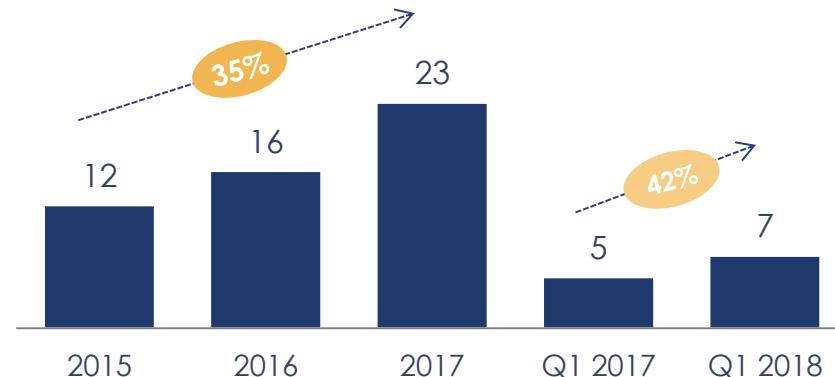
International E-Commerce Revenue



Mavi.com Turkey - Key Statistics



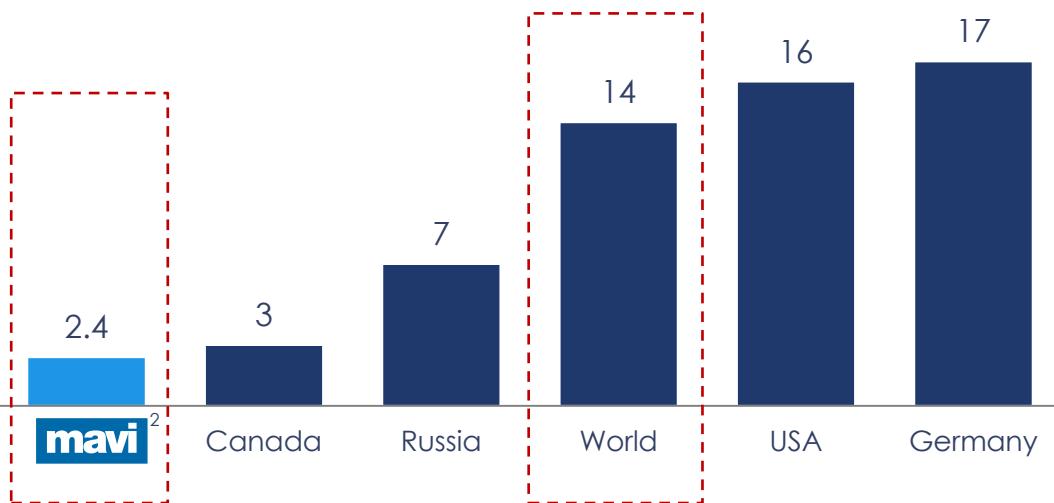
Turkey E-Commerce Revenue



E-Commerce Potential in Turkey

Mavi Share of Online Sales Still Below Overall Comparable Markets

% Share of E-Commerce in Apparel and Footwear (2016)¹



Turkey Has a Strong E-Commerce Potential



E-Commerce penetration in Turkey (China 20.4%, USA 11.8%, Germany 9.1%)



Turkey is among the top 10 countries with largest Facebook user base in the world



% of population in Turkey using smartphones (China 78%, USA 82%, Germany 82%)



Mobile share in E-Commerce in Turkey (world average 44%). 49% in Mavi.com Turkey



SUCCESSFUL
BRAND STRATEGY

Best-in-Class Communication

According to the Consumer's Voice Survey, Mavi, with its product and service quality, is the leader of the apparel industry among the brands that create highest customer loyalty.
(Mediacat & IPSOS & Kalder, April 2017)

Social Media Awards Turkey, Social Brands Data Analytics Awards, gold prize in apparel category.
(BoomSonar & Marketing Türkiye, May 2017)

Mavi ads with Kivanç Tatlıtuğ deliver the highest TOM results in April.
(Mediacat & Adwatch, June 2017)

Top brand to use social media most effectively.
(Marketing Türkiye, January 2017)

Mavi Black is the most admired and talked about campaign in October.
(Marketing Türkiye, December 2017)

Best looking, most trusted, highest quality jeans brand with the most options.
(Marketing Türkiye, June 2017)

Leader in the jeans category in 'Turkey's Cool Brands' survey, and number 2 in apparel market after Zara.
(Marketing Türkiye, September 2017)



80.000.000+ Tv Views

204.000.000+ Digital Impressions

55.000.000+ Digital Reach

60.000.000+ Digital Views

3.3m

2017 Social Media Followers



Brand Positioning Enhanced Through Global Collaborations

Turkey



2012

Adriana Lima



2013

Kivanç Tatlıtuğ
Barbara Palvin



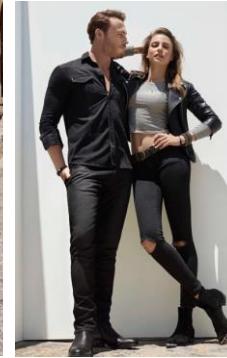
2014

Serenay
Sarıkaya



2015

Serenay
Sarıkaya
Kerem Bürsin



2016

Serenay
Sarıkaya
Kerem Bürsin



2016

Serenay Sarıkaya
İlker Kaleli
Barbara Palvin



2016

Kivanç Tatlıtuğ



Global



2012

Adriana Lima



2013

Jon Kortajarena,
Aline Weber



2014

Magdalena
Frackowiak,
Frida Gustavsson



2015

Francisco
Lachowski,
Frida Gustavsson



2016

Elsa Hosk, Jordan Barrett, Francisco Lachowski

Celebrities mavi

Richard Branson



Katherine Heigl



Heidi Klum



Kate Hudson



Colin Farrell



Kendall Jenner



Liam Hemsworth



“Mavi is a brand of superior quality, which is the foremost attribute I look for when I, as an entrepreneur, invest because quality is always appreciated.”

Richard Branson
(Istanbultalks, 2016)



Matthew McConaughey



Lady Gaga



Jessica Alba



Anna Heinrich

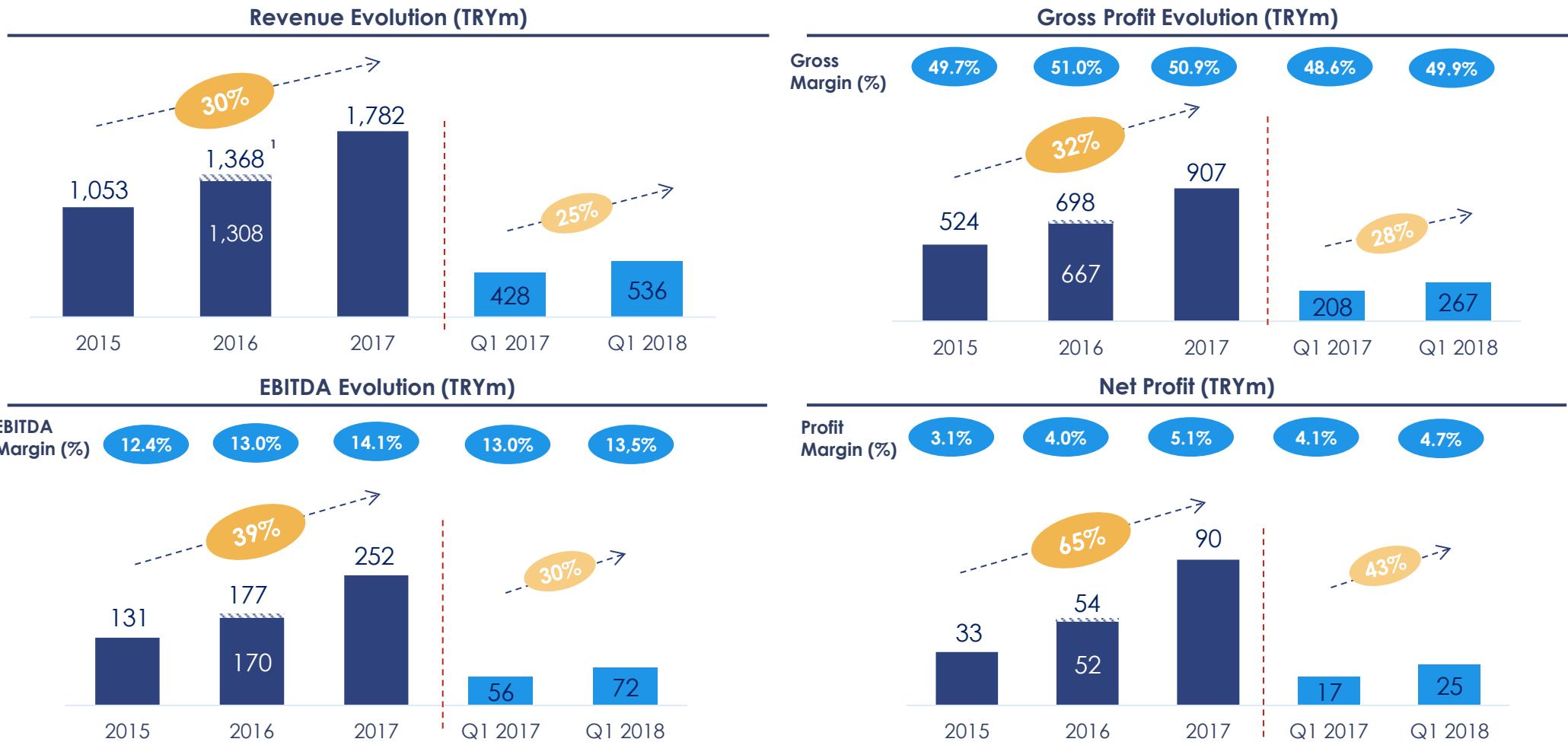


Fergie



STRONG
FINANCIAL
PERFORMANCE

Mavi Delivers Strong Operational Results



¹ Mavi pro-forma financials including the estimated effects of US and Canada businesses acquisition as if had occurred on 1-Feb-2016.

Strong Cash Conversion

Cash Conversion¹



TRYm	2015	2016PF	2017	Q1 2017	Q1 2018
EBITDA	131.0	176.9	252.1	55.6	72.3
Δ in NWC	(10.4)	(27.5)	27.9	(55.9)	(33.1)
Operating Cash Flow ²	120.6	149.4	279.9	(0.4)	(39.2)

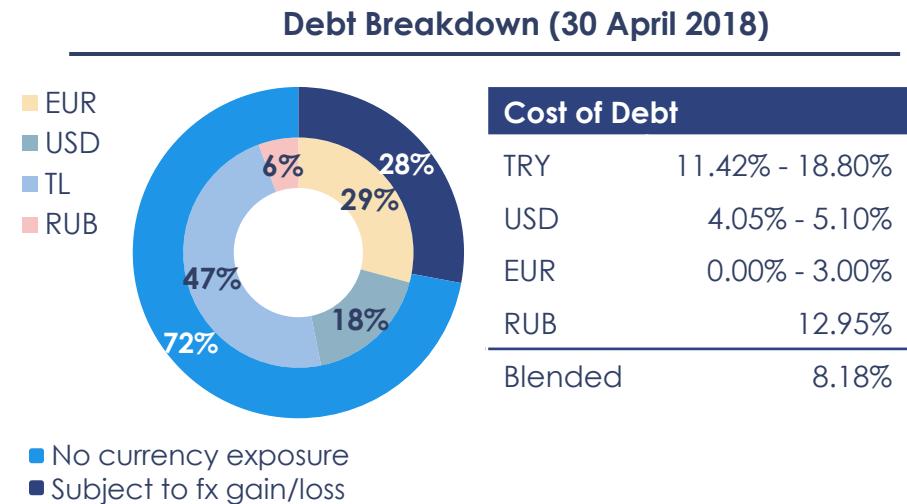
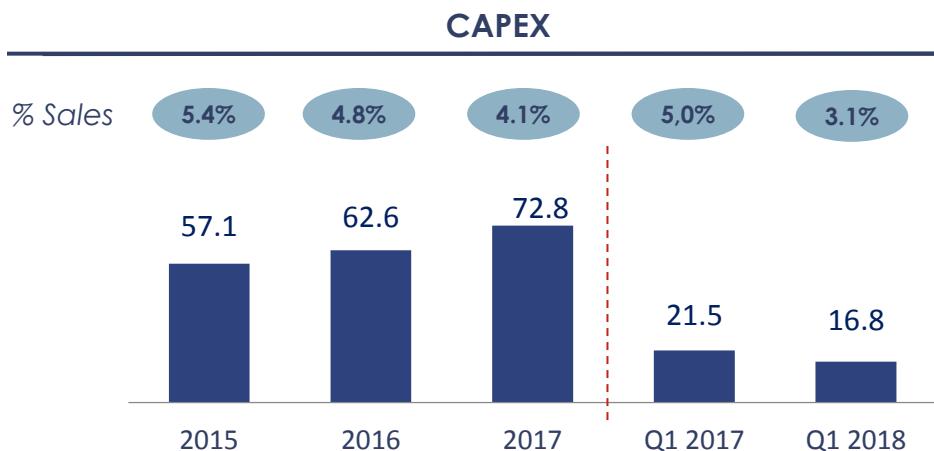
Main Working Capital Items

TRYm	2015	2016PF	2017	Q1 2017	Q1 2018
Trade & Other Receivables ³	89.1	132.9	140.2	216.2	216.6
% Sales	8.5%	9.7%	7.9%	15.2%	11.5%
Inventories	177.3	287.8	320.4	289.5	338.5
% COGS	33.6%	42.9%	36.6%	41.3%	36.6%
Trade & Other Payables ⁴	217.1	309.9	372.7	356.7	445.7
% COGS	41.1%	46.2%	42.6%	50.9%	48.2%
Main Net Working Capital	49.3	110.9	87.9	148.9	109.5
% LTM Sales	4.7%	8.1%	4.9%	10.4%	5.8%

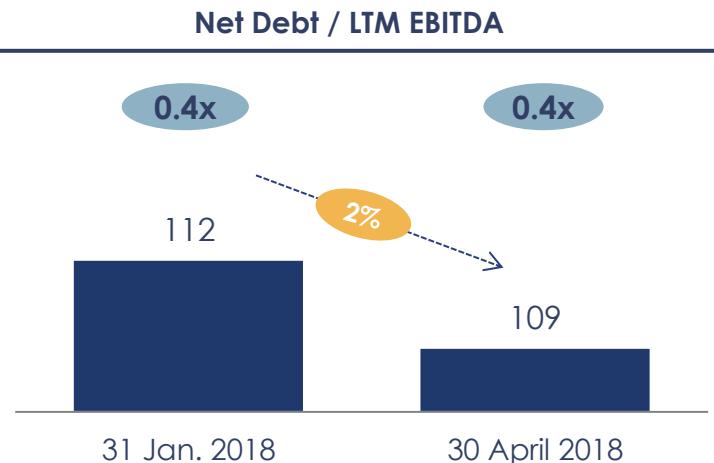
- Open to buy supply planning
- Efficient inventory management
- Strong sell-through performance

¹ Defined as Operating Cash Flow / EBITDA. ² Operating Cash Flow calculated as EBITDA – Change in Working Capital. Working Capital as per the cash flow statement and including main working capital items as well as Deferred revenues and Employee benefits paid among others. ³ Trade & Other Receivables includes Current Trade Receivables, Current Other Receivables and Non-Current Other Receivables. ⁴ Trade & Other Payables includes Current Trade Payables, and Current Payables to Third Parties. ⁵ Change in Working Capital non-pro-formas reported for 2016.

Efficient Capex Management and Healthy Leverage Ratios



- Target for Capex /Sales 5% on average
- Target for Net Debt/ EBITDA below 1x

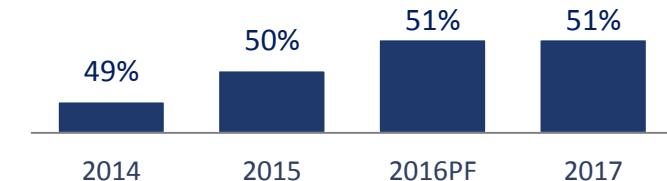


Resilient to FX Movements

COGS

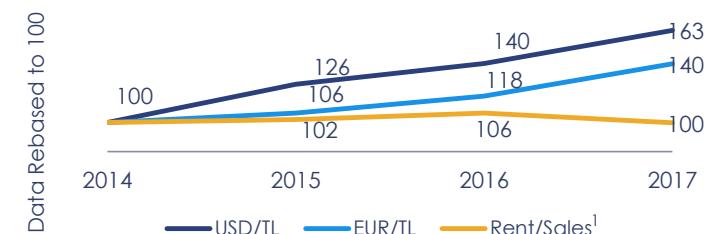
- Mavi sources approximately 80% of COGS from Turkey in TRY
- Negotiating with suppliers / customers for adverse FX movements

Gross Margin Evolution (%)



Store Rents in Turkey

- Mavi has 2/3 of its rents in Turkey denominated in hard currency
- Mavi has historically been able to maintain the rent / sales ratio¹ in spite of depreciation of the Turkish Lira as a result of strong LFL, capped rent / sales ratio contracts, better terms of rent agreements for new openings and, at times, following renegotiations of existing contracts



Debts

- Mavi has a low leverage at 0.4x Net Debt/ EBITDA, with c. 53% of debt denominated in hard currency on its balance sheet
- Most of the hard currency denominated debt belongs to Mavi US, Mavi EU, Mavi CA and Mavi RU, and hence covered by their local currency revenue (is not subject to fx gain/loss). The only hard currency credit that is exposed to FX movements is exim bank credit with more favorable terms vs. local debt (notably lower interest rate). (28%)

0.4x
Net Debt / EBITDA

International Operations

- Mavi is naturally hedged from the structure of its international operations
 - 82% / 18% domestic vs. international PF revenue split and 80% locally sourced cost base provide operational hedging
 - Costs of headquarters are locally based and denominated in local currency

c.18%
2017 Revenue
from International

c.20%
Of Sourcing Outside
of Turkey

¹ Calculated as ratio of Turkey Retail Rent Expenses divided by Turkey Retail Revenue.

Highly Experienced Board of Directors



Ersin Akarlılar
Chairperson

- With Mavi since 1991
- Primarily responsible for Mavi's international strategy
- Chairman of Mavi US



Ahmet Ashaboglu
Independent Non-Executive Director

- CFO of Koc Holding since 2006
- Previously worked at McKinsey & Co and UBS Warburg



Cüneyt Yavuz
CEO

- Mavi's Chief Executive Officer since 2008
- Previously worked at Procter & Gamble



Elif Akarlılar
Executive Director

- With Mavi since 1991. Mavi's Global Brand Director since 2008
- Previously held various Product and Brand Management positions within Mavi Istanbul and NY.



Nevzat Aydin
Independent Non-Executive Director

- Founder and CEO of Yemeksepeti, a pioneering online food delivery business in Turkey
- Seasoned e-commerce investor



Seymur Tari
Vice-Chairperson
Non-Executive Director

- Founder and CEO of Turkish Private Equity
- Previously worked at McKinsey & Co and Caterpillar Inc.



THANK YOU

Contact : investorrelations@mavi.com

Financial Statements

Income Statement

TRYm	Q1 2017	Q1 2018	Change (%)
Revenue	428.2	535.8	25.1%
Cost of Sales	(219.9)	(268.5)	22.1%
Gross Profit	208.2	267.3	28.4%
Gross Margin	48.6%	49.9%	
Administrative Expenses	(23.6)	(29.8)	26.3%
Selling and Marketing Expenses	(138.5)	(174.8)	26.2%
R&D Expenses	(5.5)	(6.6)	19.2%
Other Income / (Expenses), net	1.0	0.1	
Operating Profit	41.5	56.2	35.4%
Operating Margin	9.7%	10.5%	
Financial Expenses, Net	(18.7)	(23.6)	26.1%
Profit Before Tax	22.8	32.6	42.9%
Income Tax Expense	(5.3)	(7.6)	42.0%
Profit	17.5	25.1	43.2%
Profit Margin	4.1%	4.7%	
EBITDA	55.6	72.3	30.1%
EBITDA Margin	13.0%	13.5%	

Financial Statements

Balance Sheet

TRYm	31 January 2018	30 April 2018	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents			
Cash and Cash Equivalents	266.3	203.9	(23.4%)
Trade Receivables	113.0	192.7	70.5%
Inventories	320.4	338.5	5.7%
Other Current Assets	61.8	64.7	4.8%
Total Current Assets	761.4	799.8	5.0%
Non-Current Assets			
Property and Equipment	156.0	159.5	2.2%
Intangible Assets	147.6	153.8	4.2%
Other Non-Current Assets	10.2	14.7	43.3%
Total Non-Current Assets	313.9	328.0	4.5%
Total Assets	1,075.2	1,127.8	4.9%
Liabilities			
Current Liabilities			
Short-Term Debt	309.1	246.1	(20.4%)
Trade Payables	366.5	441.1	20.4%
Other Current Liabilities	66.6	75.7	13.6%
Total Current Liabilities	742.2	762.9	2.8%
Non-Current Liabilities			
Long-Term Financial Liabilities	68.7	66.7	(2.9%)
Other non-current Liabilities	17.1	17.5	1.8%
Total Non-Current Liabilities	85.9	84.2	(2.0%)
Total Liabilities	828.1	847.1	2.3%
Equity			
Total Equity	247.2	280.8	13.6%
Total Equity & Liabilities	1,075.2	1,127.8	4.9%

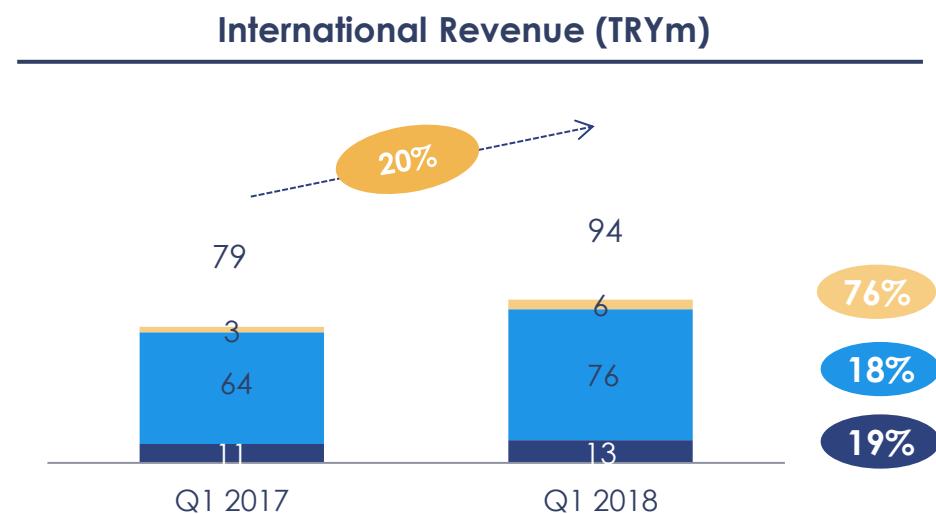
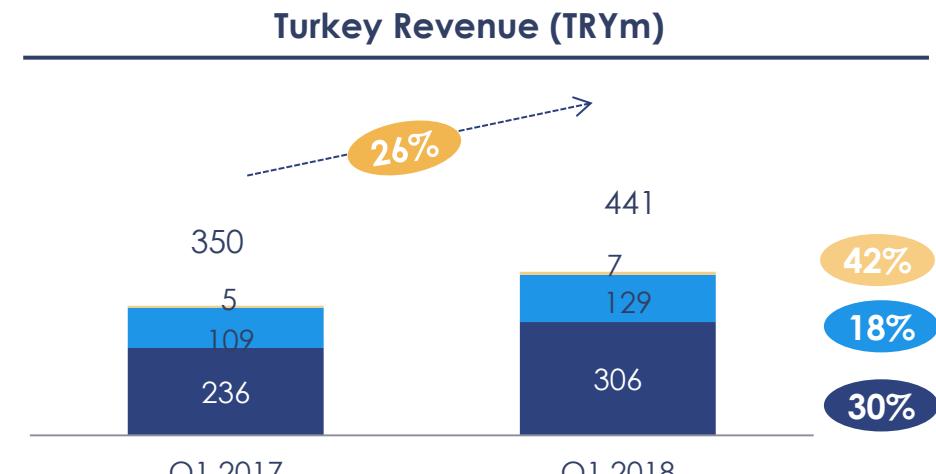
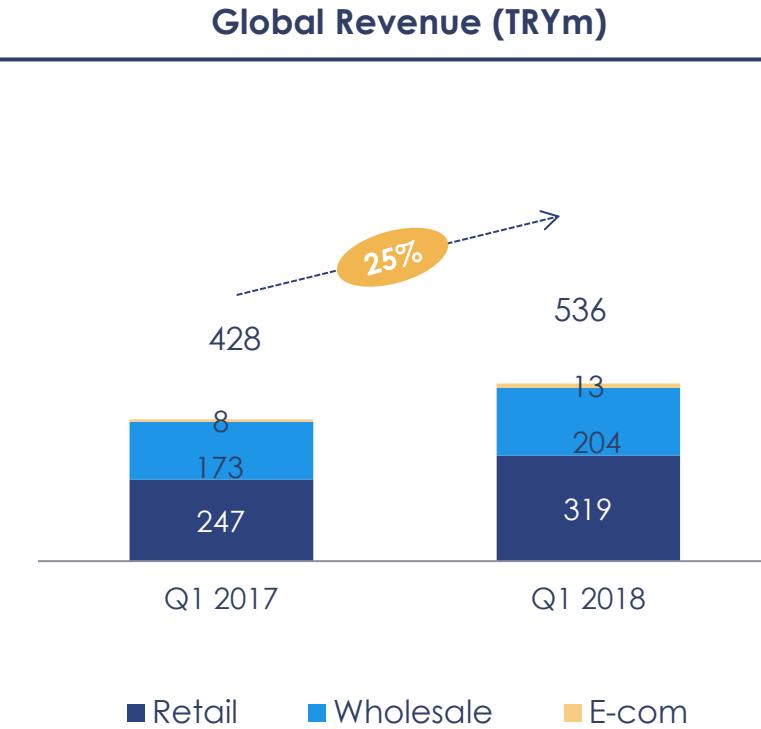
Financial Statements

Cash Flow Statement

TRYm	Q1 2017	Q1 2018
Profit ¹	17.5	25.1
D&A Expense	14.1	16.1
Net Finance Expense / (Income)	17.5	18.3
Tax Expense	5.3	7.6
Other Non-Cash Items	14.3	4.2
Cash Flow from Operating Activities	68.6	71.3
Δ in Net Working Capital ²	(55.9)	(33.1)
Income Tax Paid	-	(1.8)
Net Cash from Operating Activities	12.7	36.3
Cash Flows from Investing Activities		
Capex	(21.5)	(16.8)
Other Investing Cash Flow ³	(1.4)	0.1
Net Cash Flow Used in Investing Activities	(22.9)	(16.7)
Cash Flows from Financing Activities		
Debt Issued / (Repaid)	23.3	(66.8)
Other Financial Payments ⁴	(3.7)	(11.2)
Dividends Paid	-	-
Interest Paid	(8.0)	(7.4)
Net Cash Flows Used in Financing Activities	11.6	(85.5)
Net Cash Flow	1.4	(65.9)
Cash and Cash Equivalents at the Beginning of the Period⁵	154.8	262.5
Cash and Cash Equivalents at the End of the Period⁵	156.3	196.6

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.

Channel Performance in line with Guidance



- Total revenue consists of 59.5% retail, 38.1% wholesale and 2.4% e-com.
- 82% of consolidated revenue is from Turkey