



mavi

Q1 2018
RESULTS PRESENTATION

May 31, 2018

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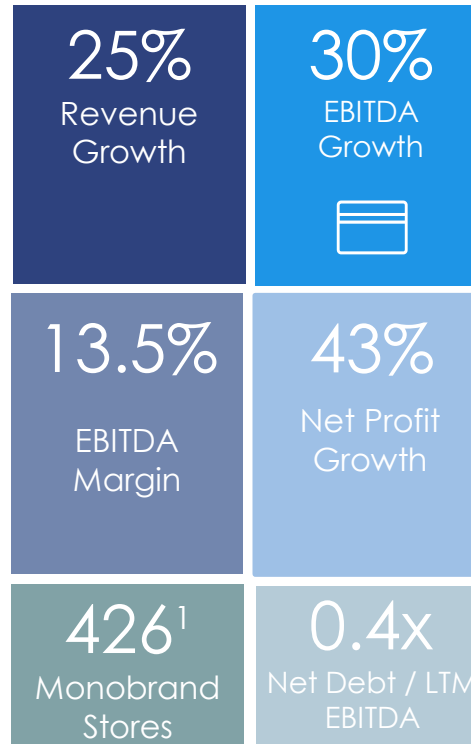
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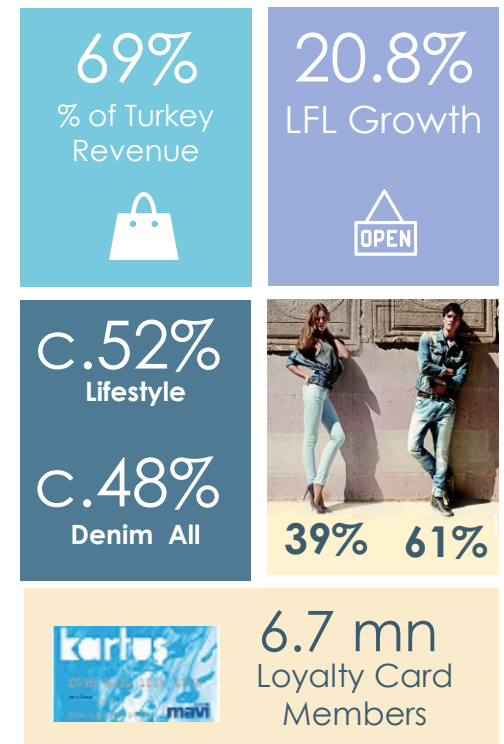
Continued Solid Growth in the First Quarter 2018

- Consolidated revenue increased by 25% to 536 TRYm
- EBITDA grew by 30% to 72 TRYm resulting in 13.5% EBITDA margin
- Net Profit grew by 43% and reached 25 TRYm
- Store roll-out continued with 3 net new stores in Turkey and 1 in Russia, to reach a total of 315 own operated and 426 total stores
- Turkey Retail LFL revenue grew by 20.8 %
- Kartuş card holders reached 6.7 mn

PROFITABLE GROWTH



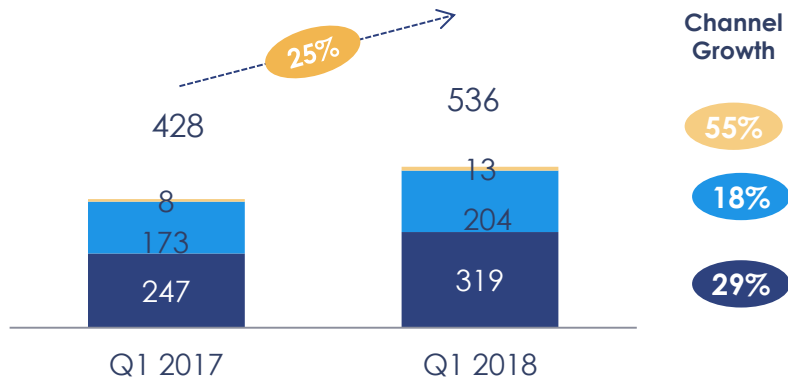
TURKEY RETAIL HIGHLIGHTS



¹ Includes global franchise and owned stores

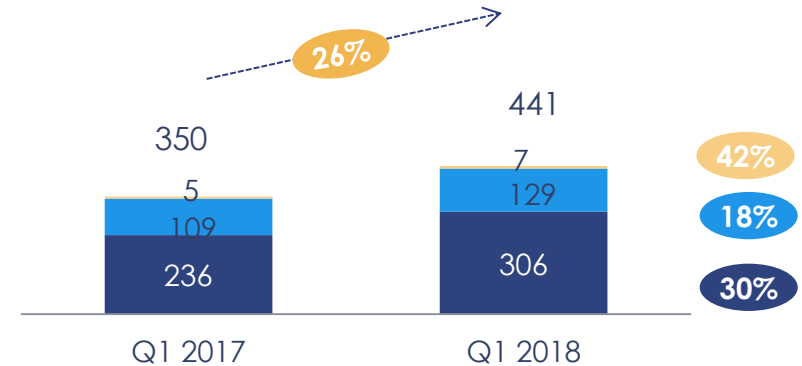
Revenue Growth in line with 2018 Guidance

Global Revenue (TRYm)

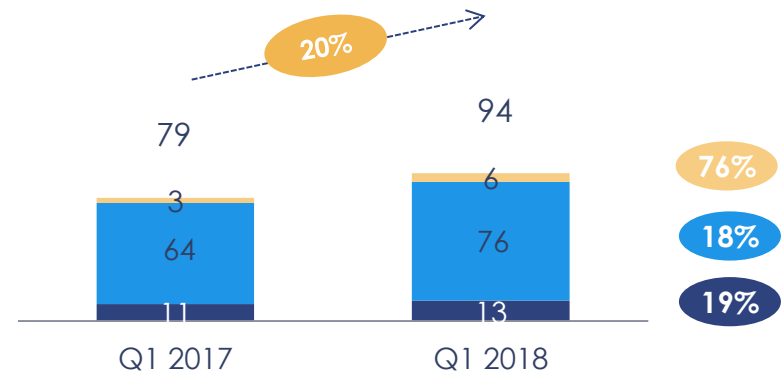


■ Retail ■ Wholesale ■ E-com

Turkey Revenue (TRYm)



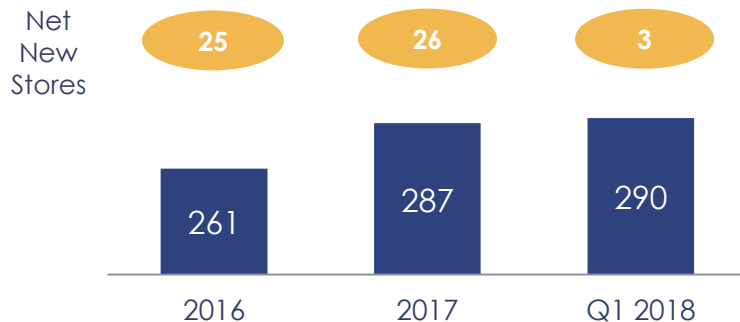
International Revenue (TRYm)



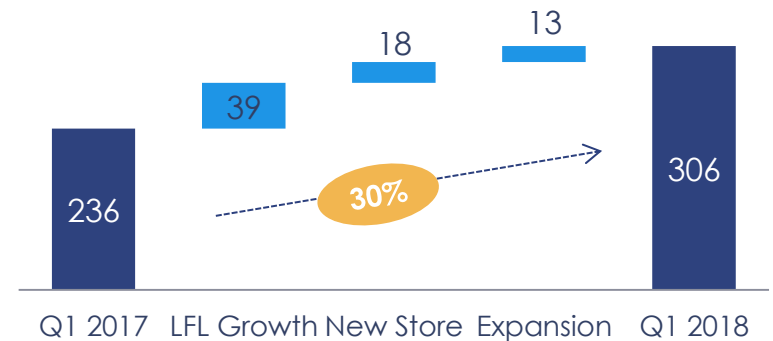
- Total revenue consists of 59.5% retail, 38.1% wholesale and 2.4% e-com.
- 82% of consolidated revenue is from Turkey

Strong Performance of Turkey Retail Operations...

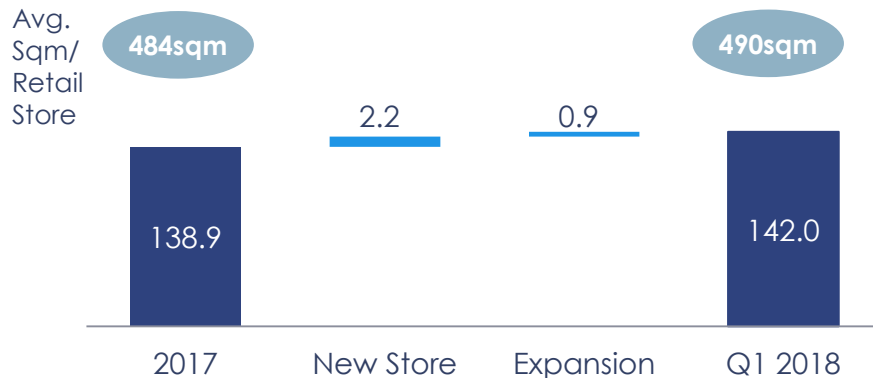
of Retail Stores



Turkey Retail Revenue (TRYm)

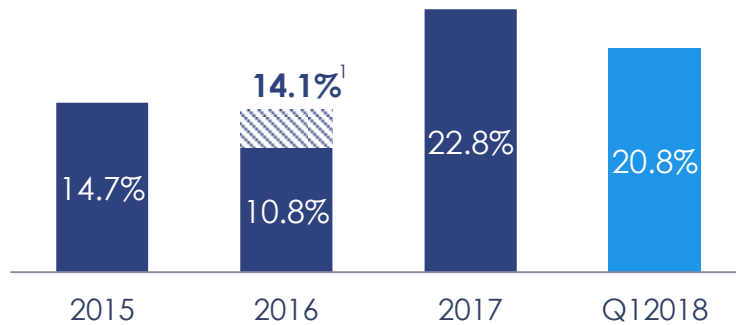


Gross Selling Space in Turkey (Sqm K)

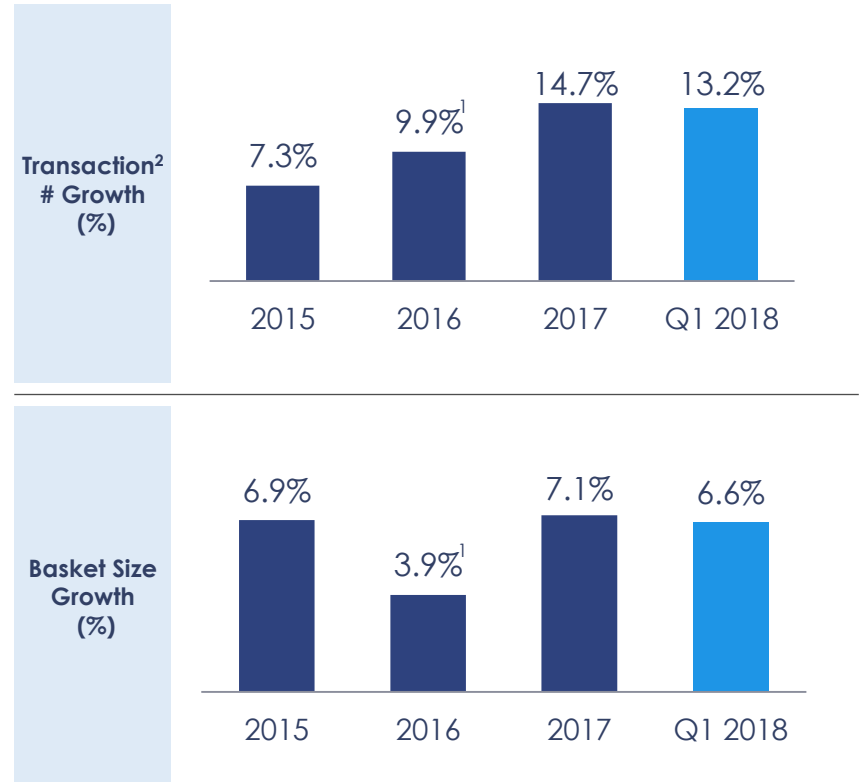


- 3 net new store openings in Q1 2018
- 5 stores expanded in Q1 2018
- Total selling space reached 142K sqm with average 490 sqm per store

...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

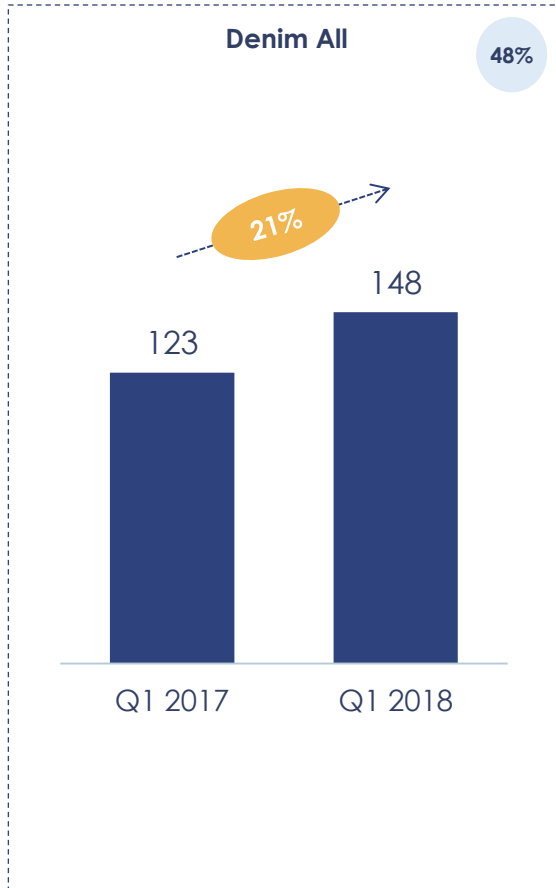


Turkey retail only, ¹ 2016 adjusted figures(excluding July performance of all Turkey retail stores, impacted by the Coup attempt and the performance of the Beyoğlu stores). The unadjusted LFL growth, Transaction Growth and Basket Size Growth are 10.8%, 6.8% and 3.7% respectively for 2016. ²Number of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

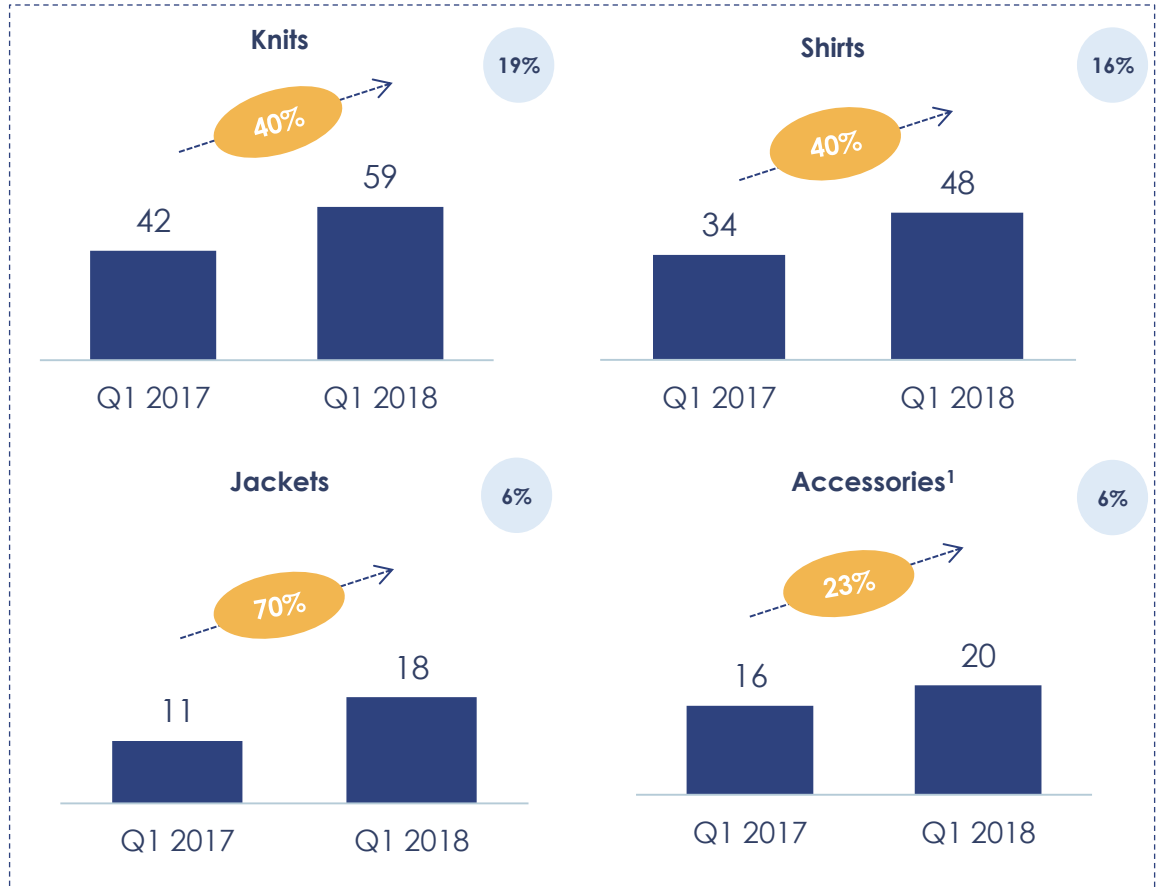
Note: LFL revenue constitutes 83% of Turkey retail revenue in Q1 2018

Accelerated Sales Growth in Denim & Lifestyle Categories

Denim Products (TRYm)



Lifestyle Products (TRYm)

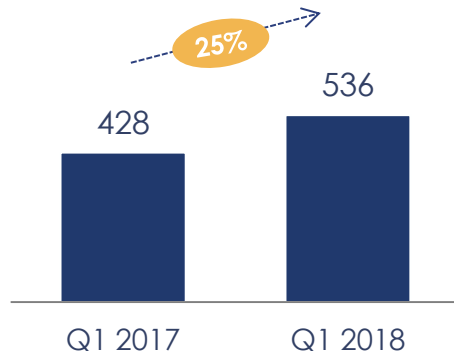


% Share in Q1 2018 Turkey retail net sales

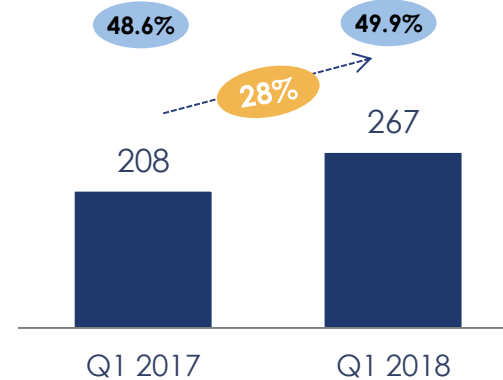
Note: Turkey Retail Net Sales Only. ¹Including shoes

Margin Targets Remain on Track

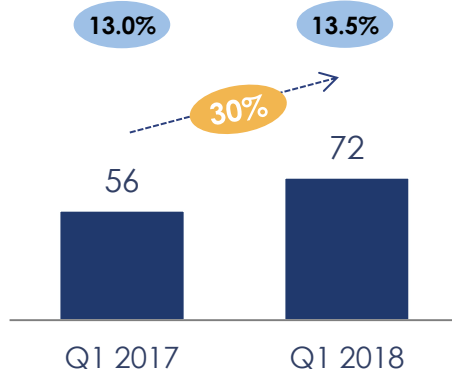
Revenue (TRYm)



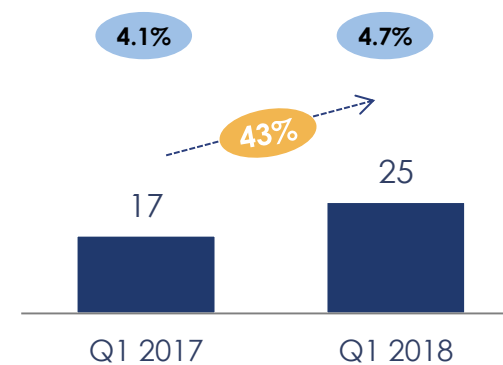
Gross Profit (TRYm)



EBITDA (TRYm)



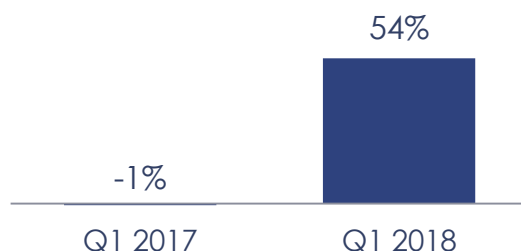
Net Income (TRYm)



 % Growth  % Margin

Strong Cash Conversion and Efficient Working Capital Management

Cash Conversion



| TRYm | Q1 2017 | Q1 2018 | (%) |
|---------------------|---------|---------|-------|
| EBITDA | 55.6 | 72.3 | 30.1% |
| Δ in NWC | (55.9) | (33.1) | |
| Operating Cash Flow | (0.4) | 39.2 | |

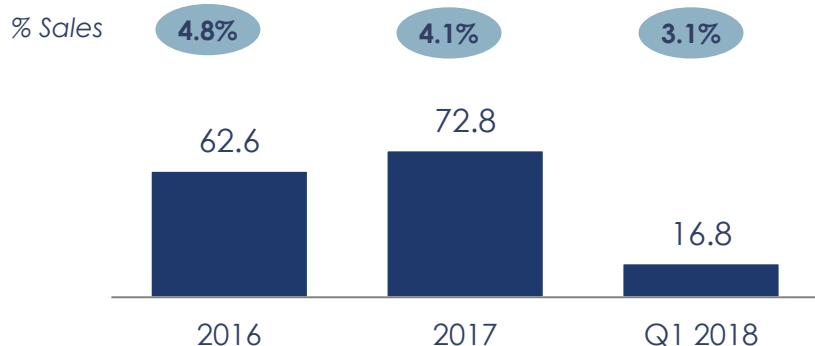
Main Working Capital Items

| TRYm | 2017 | Q1 2017 | Q1 2018 |
|---------------------------|-------|---------|---------|
| Trade & Other Receivables | 140.2 | 216.2 | 216.6 |
| % LTM Sales | 7.9% | 15.2% | 11.5% |
| Inventories | 320.4 | 289.5 | 338.5 |
| % LTM COGS | 36.6% | 41.3% | 36.6% |
| Trade & Other Payables | 372.7 | 356.7 | 445.7 |
| % LTM COGS | 42.6% | 50.9% | 48.2% |
| Main NWC | 87.9 | 148.9 | 109.5 |
| % LTM Sales | 4.9% | 10.4% | 5.8% |

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

Efficient Capex Management and Healthy Leverage Ratios

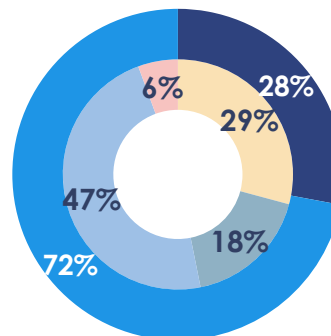
CAPEX



- Management target for Capex /Sales remains below 5%
- Net Debt/EBITDA target remains below 1x

Debt Breakdown (30 April 2018)

EUR
USD
TL
RUB

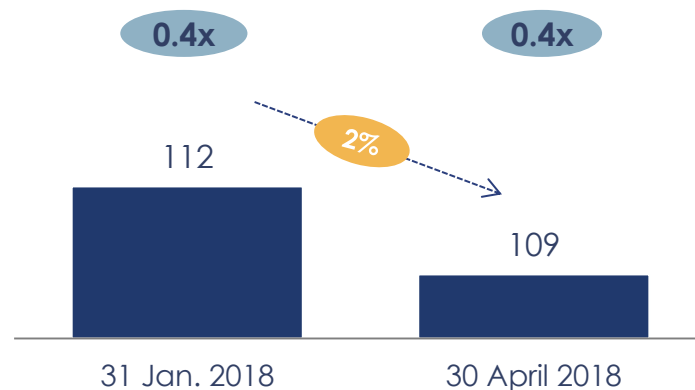


■ No currency exposure
■ Subject to fx gain/loss

Cost of Debt

| | |
|---------|-----------------|
| TRY | 11.42% - 18.80% |
| USD | 4.05% - 5.10% |
| EUR | 0.00% - 3.00% |
| RUB | 12.95% |
| Blended | 8.18% |

Net Debt / LTM EBITDA



FY 2018 Guidance Maintained



- 25% consolidated sales growth
- 25 new retail store openings in Turkey
- 16% Turkey retail LFL growth
- Consolidated EBITDA margin above 14%
- Net Debt / EBITDA below 1x
- Capex : Up to 5% of consolidated sales

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Appendix

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 | 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 Period ⁵ | 154.8 | 262.5 |
| Cash and Cash Equivalents at the End of the Period ⁵ | 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.

Global Footprint as at 30 April 2018

