



Mavi Giyim Sanayi ve Ticaret A.Ş.

("Mavi", the "Company" or the "Group")

11 September 2018

Mavi raises full year growth guidance as H1 performance exceeds targets

Revenue rose above guidance by 28% to exceed TRY 1.062 billion; net profit up 48%

Mavi Giyim Sanayi ve Ticaret A.Ş. (IST:MAVI), the leading denim-centric lifestyle brand announces its H1 2018 Results for the six months to July 31 2018.

The Company saw expectation-beating revenue and profit growth year-on-year across channels, categories and geographies, and is raising its consolidated full year revenue growth guidance from 25 per cent to 30 per cent. Revenue totalled a record TRY 1.062 billion in the first half.

The strong performance in the first half was driven by accelerated customer traffic, new customer acquisition and higher conversion rates in Turkey and abroad. With 620,000 new customers recorded in H1, the company is well on track to reach its target of adding one million new customers in the financial year.

In line with Mavi's strategy to drive its international expansion via online channels, the Company was particularly pleased to see a 65 per cent increase in consolidated e-commerce revenues, with the international markets recording a plus of 80 per cent year-on-year.

Moreover, Mavi continued to gain market share in core markets as it implemented its retail expansion strategy with the opening of net seven new stores in Turkey and a new store in Russia. The company now operates 428 mono brand stores globally.

Mavi further expanded the sales floor footage in eight existing stores in Turkey, bringing the Company's total retail selling space in its home country up to 146,200 square meters. Based on the Company's focus on efficiency, Mavi will now open 20 of the 25 stores originally planned for the market this year while adding sales floor footage to 15 existing stores.

Mavi's exceptional financial performance in H1 2018 confirms the Company's strategy of sustained profitable growth, underpinned by a successful digital transformation, strong brand positioning and product offering as well as industry-leading engagement with a new generation of customers.

H1 2018 Highlights

Compared to the same period last year:

- Consolidated revenue increased by **28% to TRY 1.062 billion**; ahead of 2018 guidance
- EBITDA grew by **39% to TRY 156 million** resulting in **14.7% EBITDA margin**
- Net profit increased by **48% to TRY 53 million**
- E-commerce revenue up **65%**; international e-commerce **increased 80%**
- Net debt to EBITDA ratio at **0.4 (x)**.
- Turkey revenue growth of **29% to TRY 875 million**, driven by **20.9% like-for-like growth** and strong performance across categories
 - Jeans +21%
 - Jackets +73%
 - Shirts +42%
 - Knits +37%
 - Accessories +28%
- CRM programme Kartuş **reached 6.9 million members**, with 5 million active users in the last 2 years

Cuneyt Yavuz, Chief Executive Officer of Mavi, commented:

“Mavi continues to grow at exceptional pace and I would like to thank the entire Mavi team for their outstanding contribution which helped beat expectations in the first half.

Based on our strong brand recognition, resilient and efficient business model, cost-effective Turkish sourcing approach and healthy financial structure, we have demonstrated our capability to outperform the sector and increase our EBITDA margin despite the recent foreign exchange rate fluctuations.

Our strong like-for-like growth in Turkey evidences our sustainable growth potential in the market, and we have updated our respective growth guidance from 16 per cent to 20 per cent for the full year.

Customers at home and abroad trust our brand and value our high product quality and price balance, as proven by our record sell-through rates, increasing transaction numbers and basket sizes as well as higher conversion rates.

With our efficient open to buy planning as well as tight inventory and cash flow management in place, we are confident to maintain the momentum in the second half of the year and have therefore raised our 2018 year-end growth target to 30 per cent.”

For further information about Mavi, please visit www.mavicompany.com.

*** END ***

Enquiries:

For Investor Relations enquiries, please contact:

Duygu Inceoz +90 549 805 46 82 Duygu.inceoz@mavi.com

For Turkey media enquiries, please contact:

Serpil Berkan +90 532 257 46 20 Serpil.berkan@mavi.com

For international media enquiries, please contact:

Brunswick Group +44 207 404 5959 mavi@brunswickgroup.com

Marie Jensen