



FY 2018
RESULTS PRESENTATION
March 15, 2019



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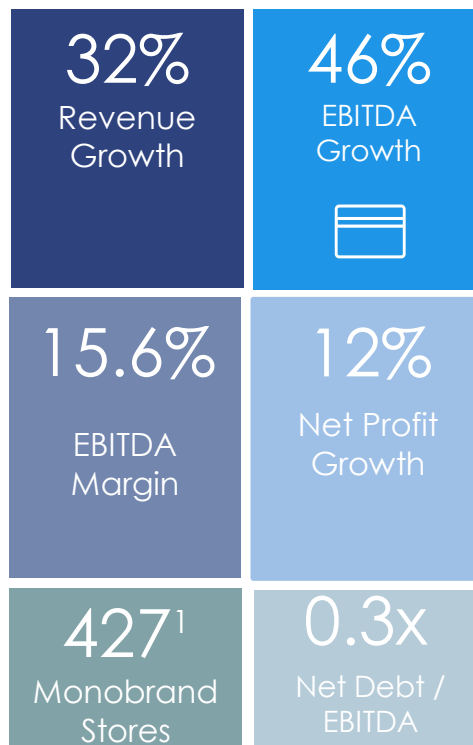
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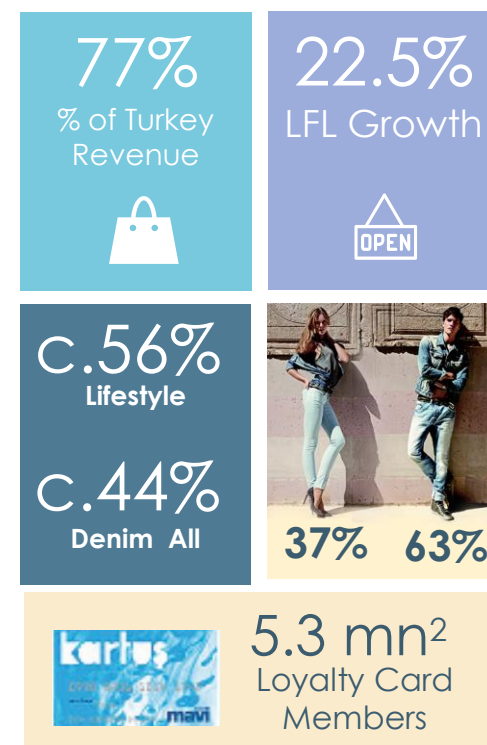
Solid Growth with Improved Margins

- Consolidated revenue increased by 32% to 2,353 TRYm
- EBITDA grew by 46% to 367 TRYm resulting in 15.6% EBITDA margin
- Net Profit grew by 12% and reached 101 TRYm. Excluding fx impact, net profit growth would be 44%
- Store roll-out continued with 13 net new stores in Turkey to reach a total of 300 own operated stores in Turkey and 427 monobrand stores globally
- Turkey Retail LFL revenue grew by 22.5 %
- With 1.1M new customers in 2018 active Kartuş card holders reached 5.3 mn²

PROFITABLE GROWTH



TURKEY RETAIL HIGHLIGHTS

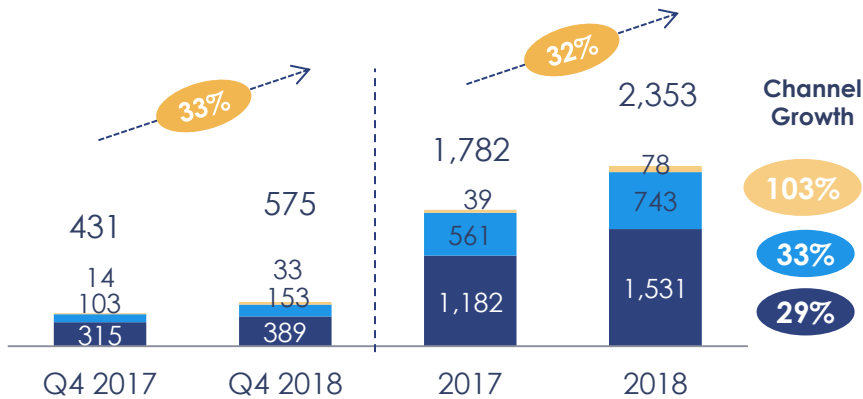


¹ Includes global franchise and owned stores

² Active means that the member has made a purchase of Mavi product over the last two years. Total number of Kartuş card holders is 7.3mn

Revenue Growth Above Targets in all Channels

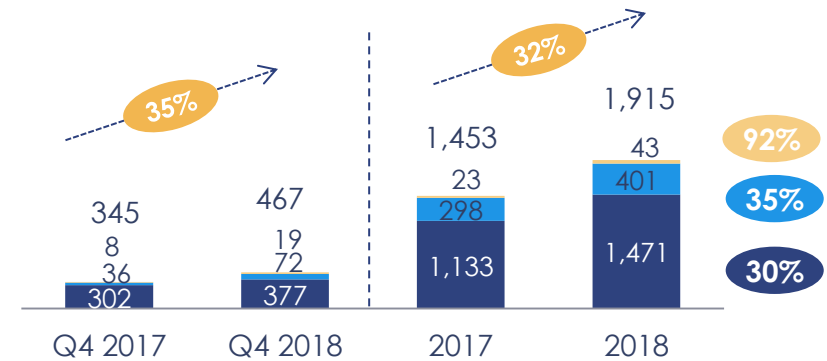
Global Revenue (TRYm)



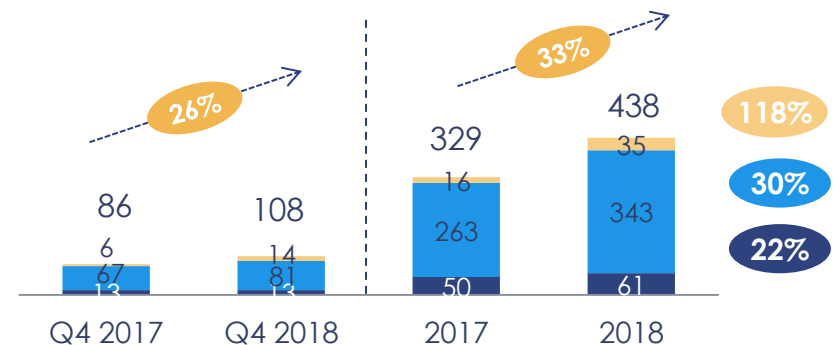
■ Retail ■ Wholesale ■ E-com

- Total revenue consists of 65.1% retail, 31.6% wholesale and 3.3% e-com
- Mavi Turkey constitutes 81% of total consolidated revenue

Turkey Revenue (TRYm)

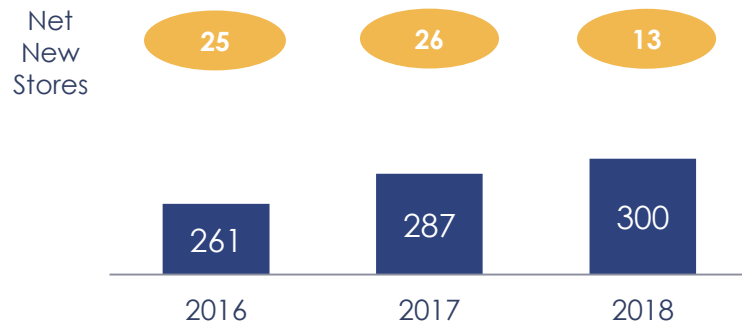


International Revenue (TRYm)

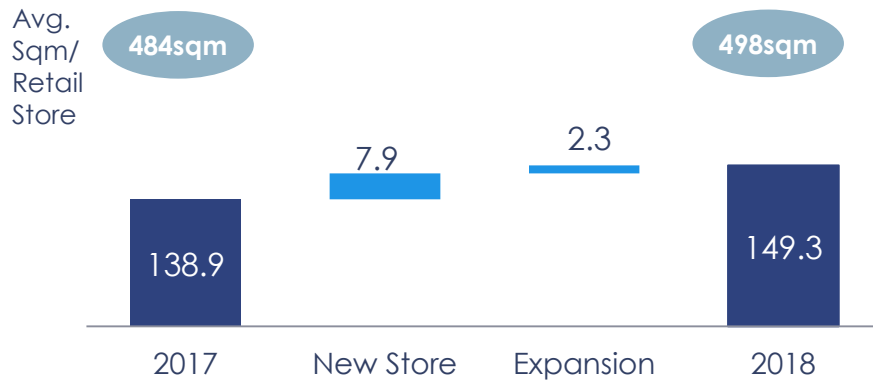


Resilient Performance of Turkey Retail Operations

of Retail Stores



Gross Selling Space in Turkey (Sqm K)

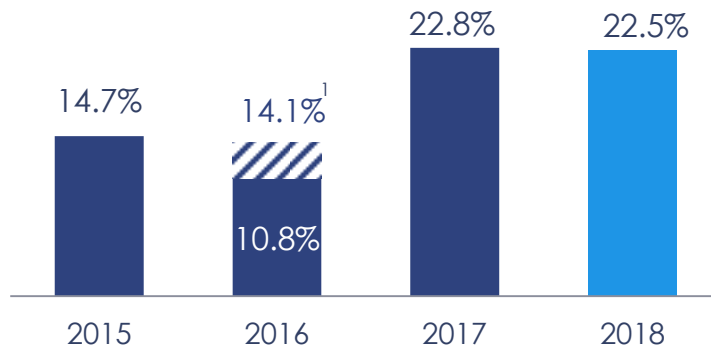


Turkey Retail Revenue (TRYm)

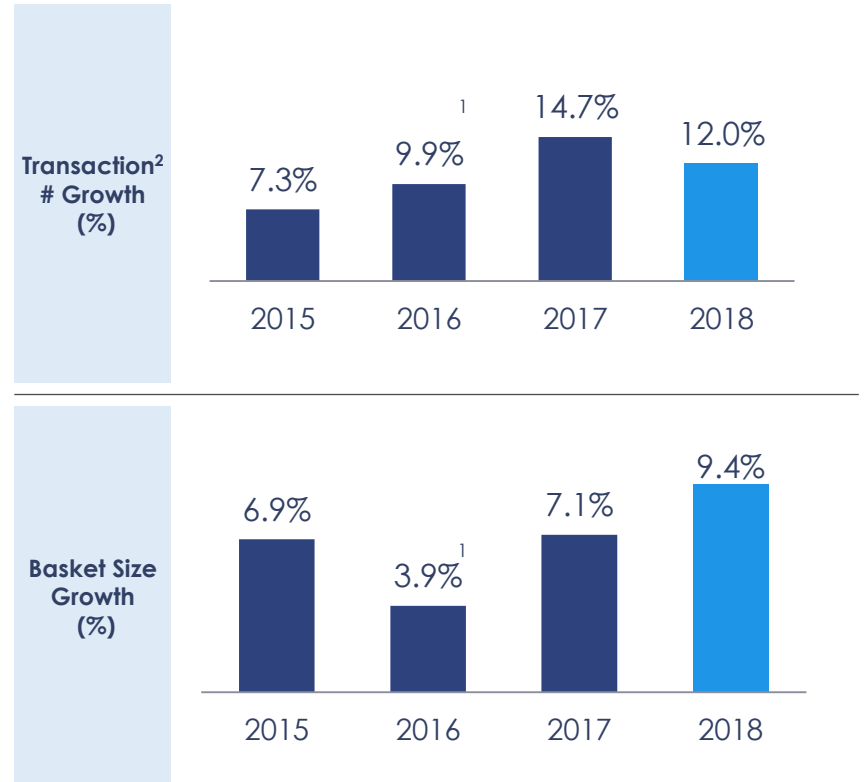


- 13 net new store openings in 2018
- 10 stores expanded in 2018
- Total selling space reached 149,3K sqm with average 498 sqm per store

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



- Brand recognition leading to new customer acquisition and increased spending
- Right product at the right price coupled with superior service and quality

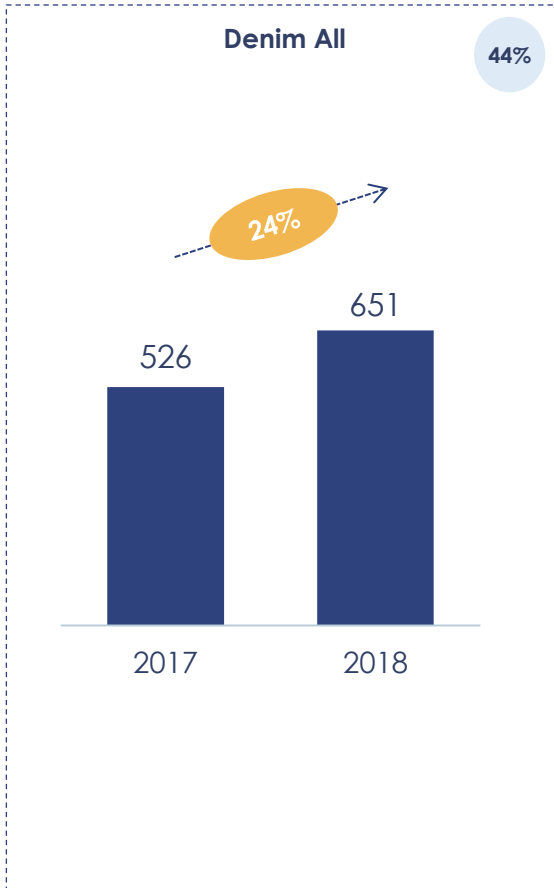


Turkey retail only, ¹ 2016 adjusted figures(excluding July performance of all Turkey retail stores, impacted by the Coup attempt and the performance of the Beyoğlu stores). The unadjusted LFL growth, Transaction Growth and Basket Size Growth are 10.8%, 6.8% and 3.7% respectively for 2016. ²Number of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

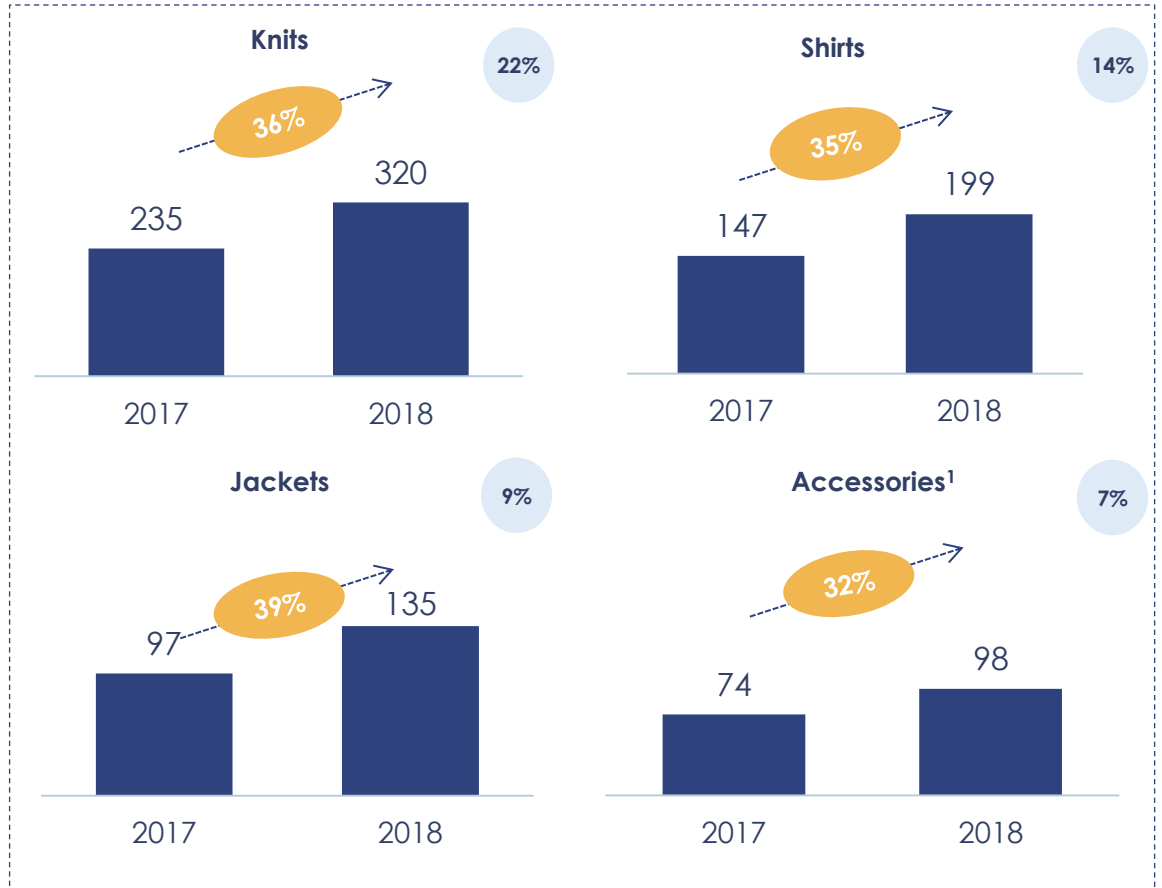
Note: LFL revenue constitutes 87% of Turkey retail revenue in 2018

Accelerated Sales Growth in Denim & Lifestyle Categories

Denim Products (TRYm)



Lifestyle Products (TRYm)



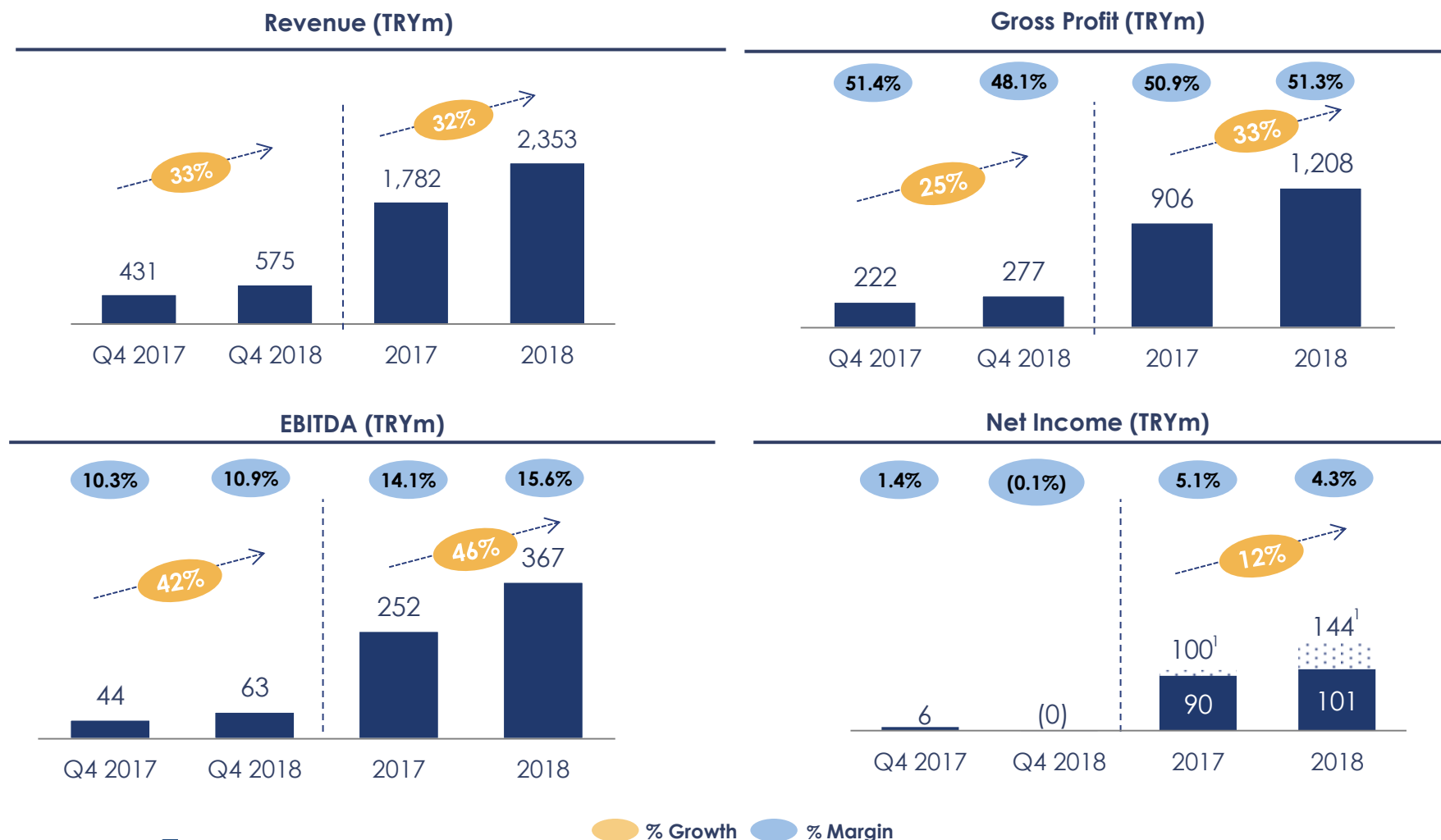
% Share in 2018 Turkey retail net sales

Total Lifestyle Categories Growth : 35%

Note: Turkey Retail Net Sales Only. ¹Including shoes

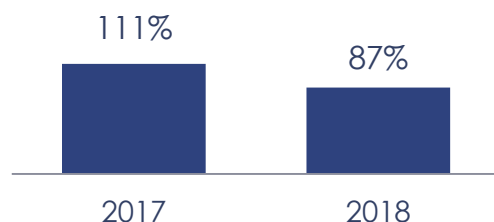
Strong Margin Improvements in GM and EBITDA

Negative FX Volatility Impact on Net Income



Strong Cash Conversion and Efficient Working Capital Management

Cash Conversion



TRYm	2017	2018	(%)
EBITDA	252.1	367.1	45.6%
Δ in NWC	27.9	(48.1)	
Operating Cash Flow	279.9	319.0	14.0%

¹ Working Capital as per the cash flow statement, includes main working capital items as well as deferred revenues and employee benefits paid among others

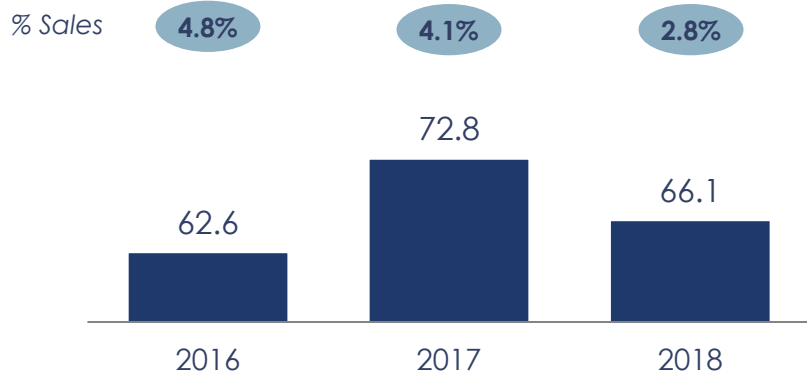
Main Working Capital Items

TRYm	2017	2018
Trade & Other Receivables	140.2	188.1
% LTM Sales	7.9%	8.0%
Inventories	320.4	457.2
% LTM COGS	36.6%	39.9%
Trade & Other Payables	372.7	516.5
% LTM COGS	42.6%	45.1%
Main NWC	87.9	128.8
% LTM Sales	4.9%	5.5%

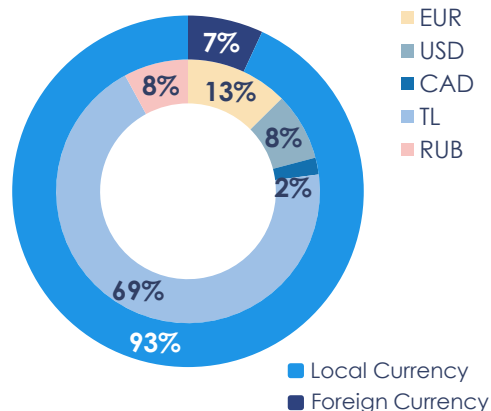
Continued focus on efficient inventory management, delivering improved sell through rates and mark-down ratios in 2018

Efficient Capex Management and Healthy Leverage Ratios

CAPEX



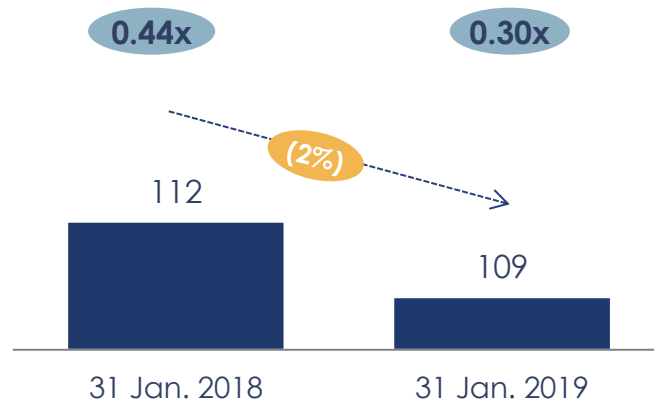
Debt Breakdown



Average Cost of Debt

TRY	24.0%
USD	4.7%
EUR	2.7%
RUB	13.0%
CAD	3.7%
Blended	17.8%

Net Debt / LTM EBITDA



- 24% of total consolidated debt is carried by Mavi US, Mavi EU, Mavi CA and Mavi RU - all denominated in their local currencies
- Keeping no FX exposure is management priority

2018 Results and FY 2019 Guidance

	2018 Initial Guidance	2018 Results	2019 Guidance
Consolidated Revenue Growth	25%	32% ✓	25%
Turkey Retail Stores	Net 25 Stores	Net 13 Stores	Net 15 Stores 10 Expansions
Turkey Retail LFL Growth	16%	22.5% ✓	18%
EBITDA Margin	Above 14%	15.6% ✓	14.5%
Net Debt/EBITDA	Below 1x	0.3x ✓	Below 1x
CAPEX	Up to 5% of Revenue	2.8% of Revenue ✓	4% of Revenue



THANK YOU

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Financial Statements

Income Statement

TRYm	Q4 2017	Q4 2018	Change (%)	2017	2018	Change (%)
Revenue	431.2	575.1	33.4%	1,781.7	2,352.9	32.1%
Cost of Sales	(209.6)	(298.4)	42.4%	(875.3)	(1,144.9)	30.8%
Gross Profit	221.6	276.7	24.9%	906.3	1,207.9	33.3%
Gross Margin	51.4%	48.1%		50.9%	51.3%	
Administrative Expenses	(30.8)	(31.7)	3.1%	(100.3)	(128.1)	27.7%
Selling and Marketing Expenses	(158.3)	(197.8)	24.9%	(594.0)	(762.1)	28.3%
R&D Expenses	(6.3)	(3.1)	(50.0%)	(23.1)	(22.4)	(2.6%)
Other Income / (Expenses), net	1.4	2.4		3.5	1.9	(46.4%)
Operating Profit before Financial Income	27.6	46.4	67.8%	192.4	297.1	54.4%
Operating Margin	6.4%	8.1%		10.8%	12.6%	
Financial Expenses, Net	(19.8)	(44.8)	126.2%	(80.2)	(164.8)	105.6%
Profit Before Tax	7.8	1.6	(79.8%)	112.2	132.4	17.9%
Income Tax Expense	(1.9)	(2.0)		(22.2)	(31.6)	42.0%
Profit	5.9	(0.5)	(107.7%)	90.0	100.8	12.0%
Profit Margin	1.4%	(0.1%)		5.1%	4.3%	
EBITDA	44.3	62.8	41.8%	252.1	367.1	45.6%
EBITDA Margin	10.3%	10.9%		14.1%	15.6%	

Financial Statements

Balance Sheet

TRYm	31 January 2018	31 January 2019	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	266.3	266.6	0.1%
Trade Receivables	113.0	168.6	49.2%
Inventories	320.4	457.2	42.7%
Other Current Assets	61.8	92.9	50.5%
Total Current Assets	761.4	985.3	29.4%
Non-Current Assets			
Property and Equipment	156.0	159.7	2.4%
Intangible Assets	147.6	194.5	31.7%
Other Non-Current Assets	10.2	4.4	(56.9%)
Total Non-Current Assets	313.9	358.6	14.3%
Total Assets	1,075.2	1,343.9	25.0%
Liabilities			
Current Liabilities			
Short-Term Debt	309.1	284.1	(8.1%)
Trade Payables	366.5	510.3	39.2%
Other Current Liabilities	66.6	102.6	54.0%
Total Current Liabilities	742.2	896.9	20.9%
Non-Current Liabilities			
Long-Term Financial Liabilities	68.7	92.0	33.8%
Other non-current Liabilities	17.1	17.8	3.9%
Total Non-Current Liabilities	85.9	109.8	27.9%
Total Liabilities	828.1	1,006.7	21.6%
Equity			
Total Equity	247.2	337.2	36.4%
Total Equity & Liabilities	1,075.2	1,343.9	25.0%

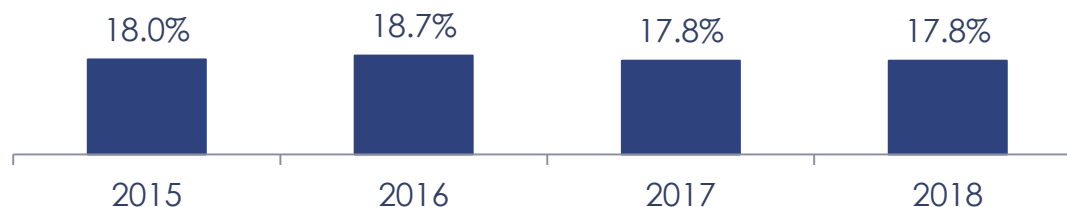
Financial Statements

Cash Flow Statement

TRYm	2017	2018
Profit ¹	90.0	100.8
D&A Expense	61.9	69.7
Net Finance Expense / (Income)	68.0	109.9
Tax Expense	22.2	31.6
Other Non-Cash Items	16.1	41.7
Cash Flow from Operating Activities	258.2	353.7
Δ in Net Working Capital ²	27.9	(48.1)
Income Tax Paid	(19.0)	(45.0)
Net Cash from Operating Activities	267.0	260.5
Cash Flows from Investing Activities		
Capex	(72.8)	(66.1)
Other Investing Cash Flow ³	(56.4)	(9.4)
Net Cash Flow Used in Investing Activities	(129.2)	(75.5)
Cash Flows from Financing Activities		
Debt Issued / (Repaid)	39.0	(9.6)
Other Financial Payments ⁴	(37.7)	(109.8)
Dividends Paid	-	(25.9)
Interest Paid	(31.4)	(40.1)
Net Cash Flows Used in Financing Activities	(30.2)	(185.5)
Net Cash Flow	107.6	(0.5)
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	262.5	262.0

KPI-Focused Rent Management for Turkey Retail Stores

Rent/Net Sales



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

- We continue to manage rental costs with a focus on target rent/sales ratio.
- In accordance with the recent regulation, all rent contracts are in Turkish Lira as of October 2018

Global Footprint as at 31 January 2019

