



Q1 2019
RESULTS PRESENTATION
May 31, 2019

Disclaimer

This document does not constitute or form part of any offer to sell or issue or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of the Company. The information, statements and opinions contained in this presentation do not constitute any advice or recommendation regarding the securities of the Company, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

To the extent available, the industry, market and competitive position data contained in this presentation come from official or third party sources. We have not, however, independently verified the information in industry publications, market research or other publicly available information provided by third parties, although we believe the information contained therein to be from reliable sources. In addition, certain of the industry, market and competitive position data contained in this presentation come from our own internal research and estimates based on the knowledge and experience of the Company's management in the markets in which we operate. Although we believe our internal estimates to be reasonable, these estimates have not been verified by any independent sources. We cannot, therefore, assure you of their accuracy, or that a third party using different methods would obtain the same results. Accordingly, you should not place undue reliance on any of the industry, market or competitive position data contained in this presentation. We do not intend, and do not assume any obligation, to update industry, market or competitive position data set forth in this presentation. As a result, you should be aware that data in this presentation and estimates based on those data may not be reliable indicators of future market performance or our future results.

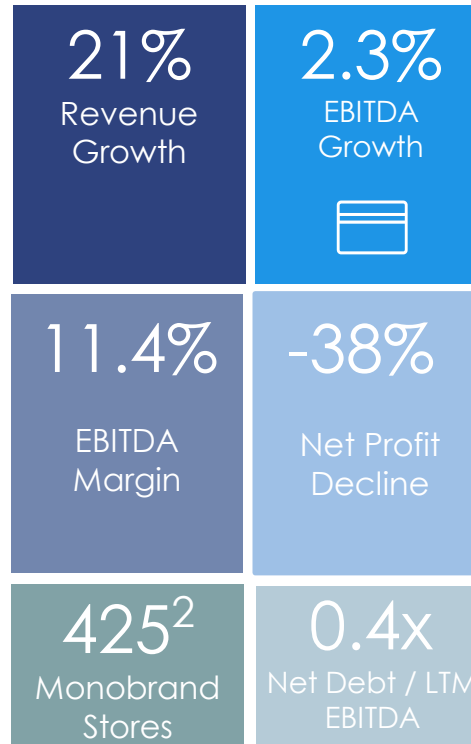
This presentation includes forward-looking statements. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. You can identify forward looking statements by their use of words such as "anticipate", "estimate", "believe", "intend", "plan", "predict", "may", "will", "would", "should", "continue", "expect" and similar expressions, although these expressions are not the exclusive means of identifying forward-looking statements. Forward looking statements involve risks, uncertainties and other important factors over which we may have limited or no control. These factors could cause our actual results, performance or achievements to differ materially from any future circumstances, results, performance or achievements expressed or implied by such statements. As a result, you should not place undue reliance on such statements. Changes in customer tastes and spending patterns; changes in customer traffic; ability to accurately predict customer preferences and demands; ability to successfully implement new store rollout and retail strategy; effectiveness of brand awareness and marketing programmes; difficulties that can be observed in retail fashion and fragility that can be observed in customer loyalty; competitive factors in retail fashion; impact of extreme unseasonal weather conditions on retail fashion; ability to retain key management and personnel; circumstances affecting relationships with major suppliers and distributors; currency and interest rate risks and fluctuations and other changes in financial markets and macro economic conditions; changes in tax rates, applicable laws and government policies and operational disruptions, natural disasters, wars, terrorist activities, work stoppages, slowdowns or strikes are, without any limitation of the foregoing, among these risks, uncertainties and other important factors. You can find further details of the principal risks and uncertainties affecting the Company in the explanatory notes of financial statements and in the "Risk Management and Internal Control System" section of the Annual Report. The forward-looking statements included in this presentation represent the Company's views as of the date of this presentation. These views could change. In consequence, you should not rely on these forward-looking statements as representing the Company's views as of any date after the date of this presentation.

The information and opinions contained in this presentation, including the forward-looking statements described above, are provided as at the date of this presentation. They are subject to change without notice. The Company expressly disclaims any obligation to update any such information or opinions except any obligation arising from applicable capital markets regulations. By reading this presentation or attending or listening to any relevant meeting, conference call or podcast organized by the Company, you represent and warrant that you are a person to whom this presentation may lawfully be distributed, and you agree to be bound by the provisions above.

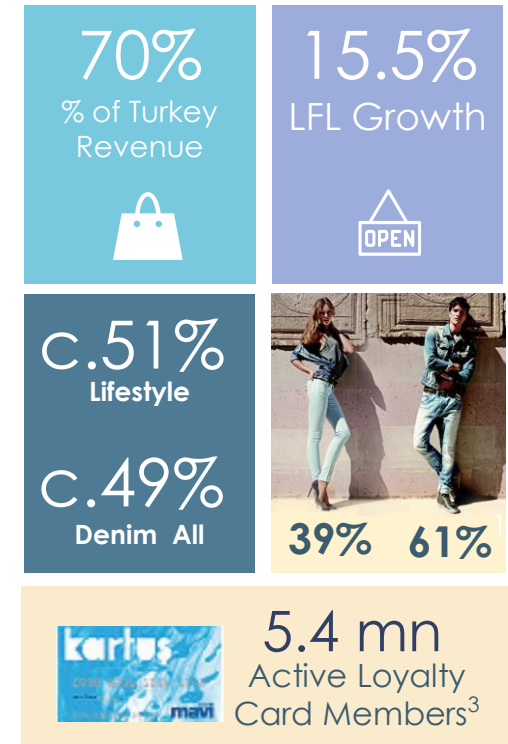
Continued Revenue Growth in Q1 2019

- Consolidated revenue increased by 21% to 648 TRYm
- EBITDA grew by 2.3% to 74 TRYm resulting in 11.4% EBITDA margin
- Net profit contracted by 38% and resulted 15 TRYm
- Store roll-out continued with 3 openings and 3 closures in Turkey, to reach a total of 320 own operated and 425 total stores
- Turkey Retail LFL revenue grew by 15.5 %
- Active Kartuş card holders reached 5.4 mn

GROUP HIGHLIGHTS¹



TURKEY RETAIL HIGHLIGHTS



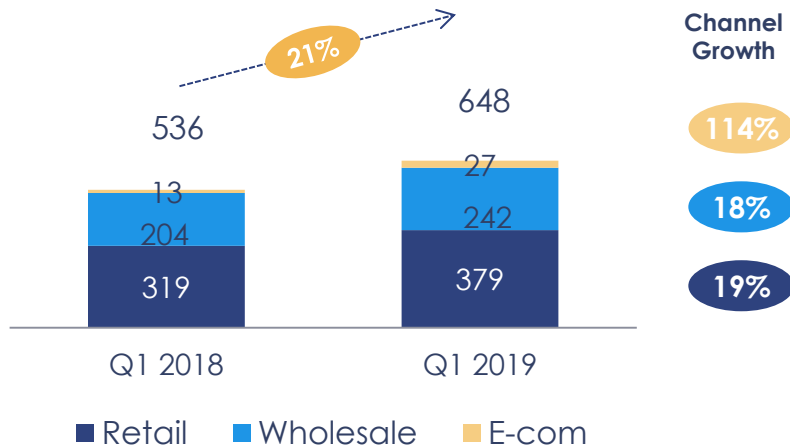
¹ Excluding IFRS 16 impacts.

² Includes global franchise and owned stores

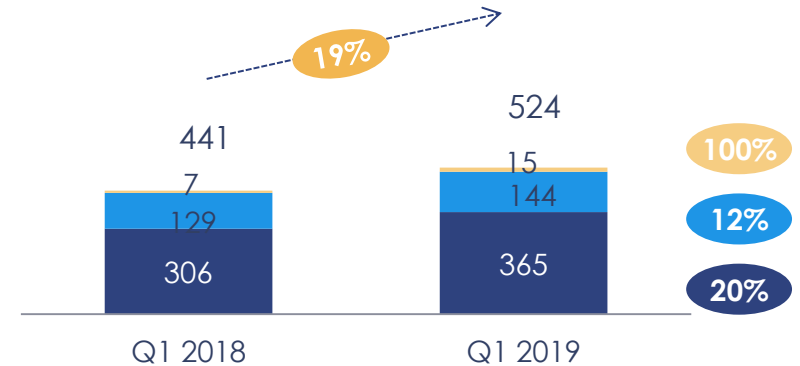
³ Active means that the member has made a purchase of Mavi product over the last two years. Total number of Kartuş card holders is 7.5mn

Revenue Growth in all Channels and Regions

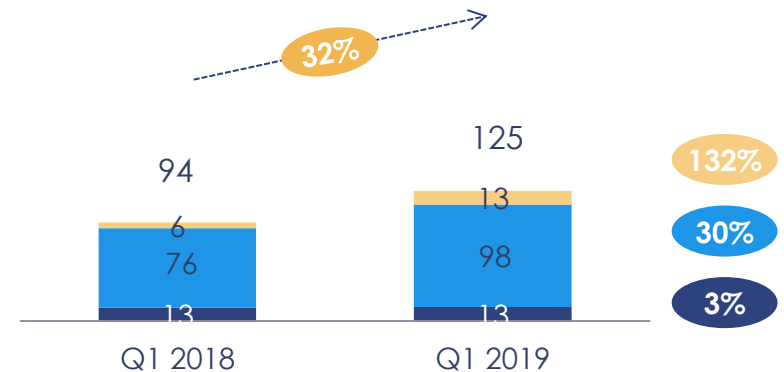
Global Revenue (TRYm)



Turkey Revenue (TRYm)



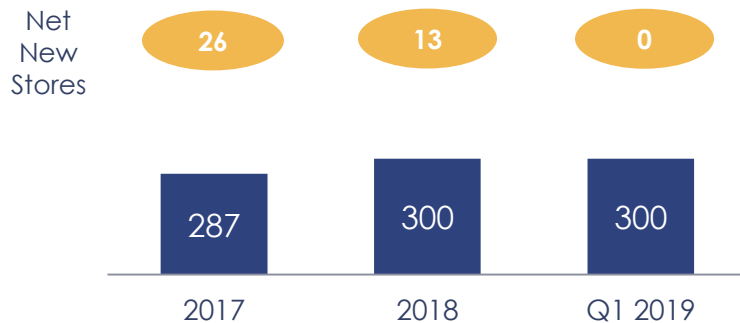
International Revenue (TRYm)



- Total revenue consists of 58.4% retail, 37.3% wholesale and 4.2% e-com.
- 81% of consolidated revenue is from Turkey

Turkey Retail Operations

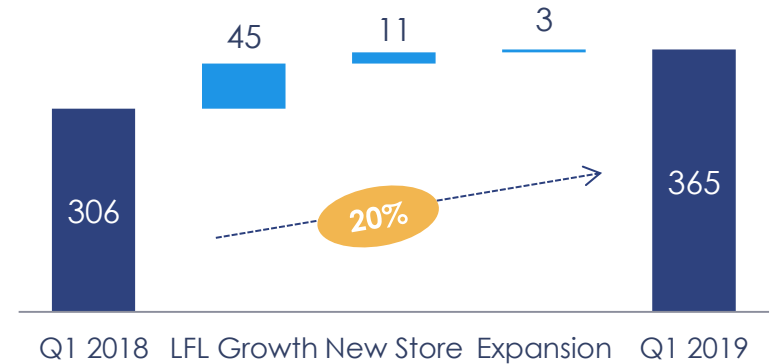
of Retail Stores



Gross Selling Space in Turkey (Sqm K)

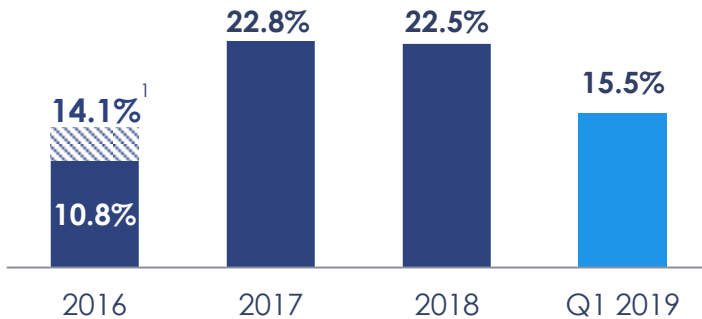


Turkey Retail Revenue (TRYm)



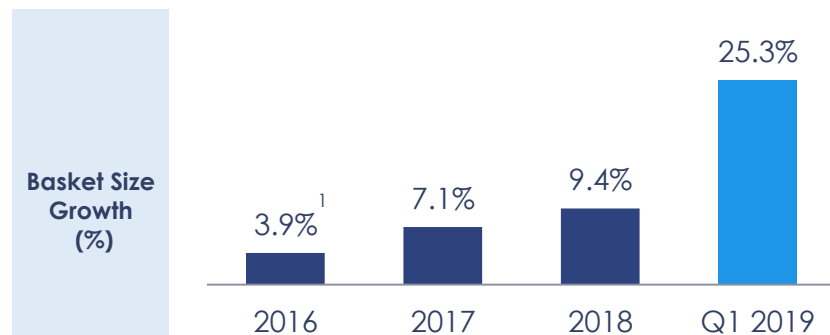
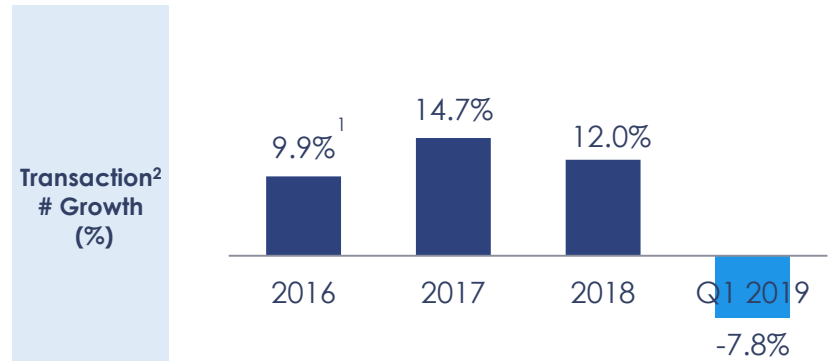
- 3 store openings and 3 closures resulting in no net openings in Q1 2019.
- 4 stores expanded in Q1 2019
- Total selling space stands at 149K sqm with average 498 sqm per store

Basket-Driven Like-for-like Growth



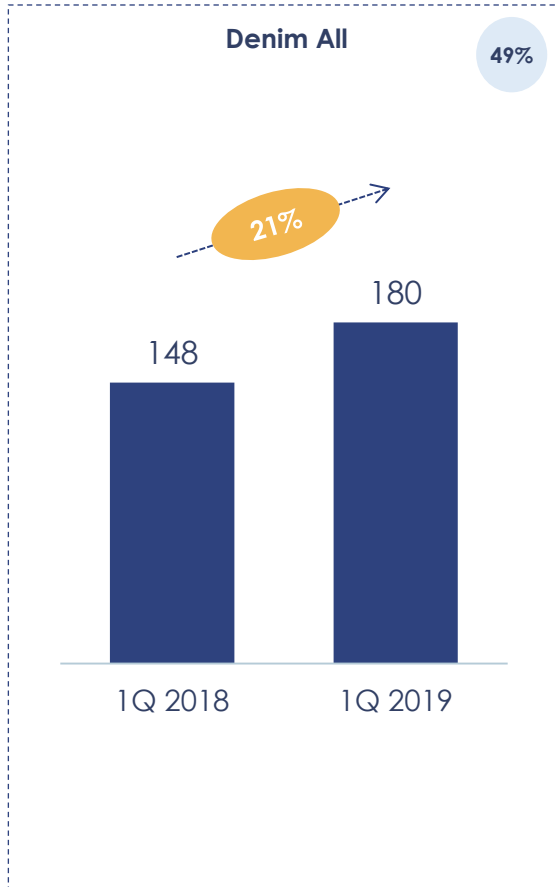
- Uncertain conditions and late season transitioning impacted traffic and conversion
- Competitive market positioning maintained despite inflationary pricing
- Continued focus on customer experience

May 2019 like-for-like growth is far above 25% with positive transaction growth

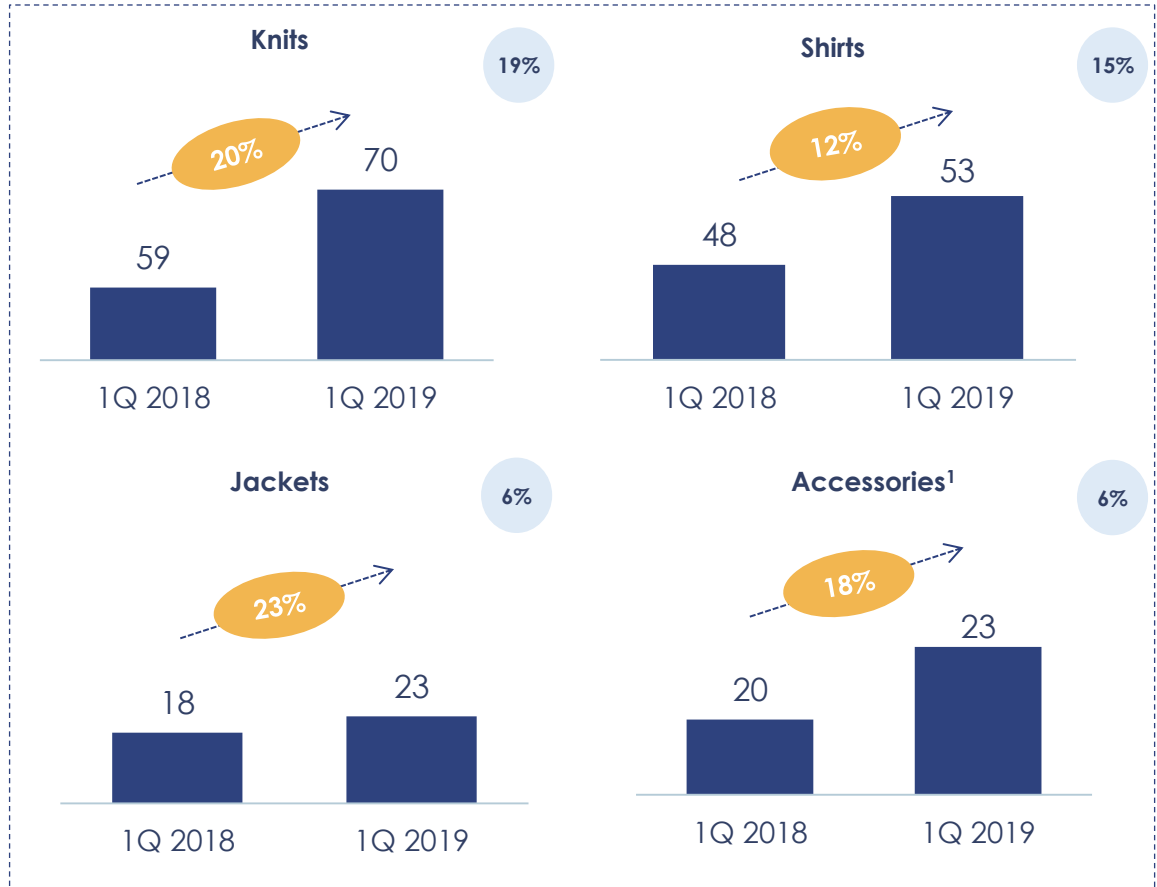


Sales in Denim & Lifestyle Categories

Denim Products (TRYm)



Lifestyle Products (TRYm)

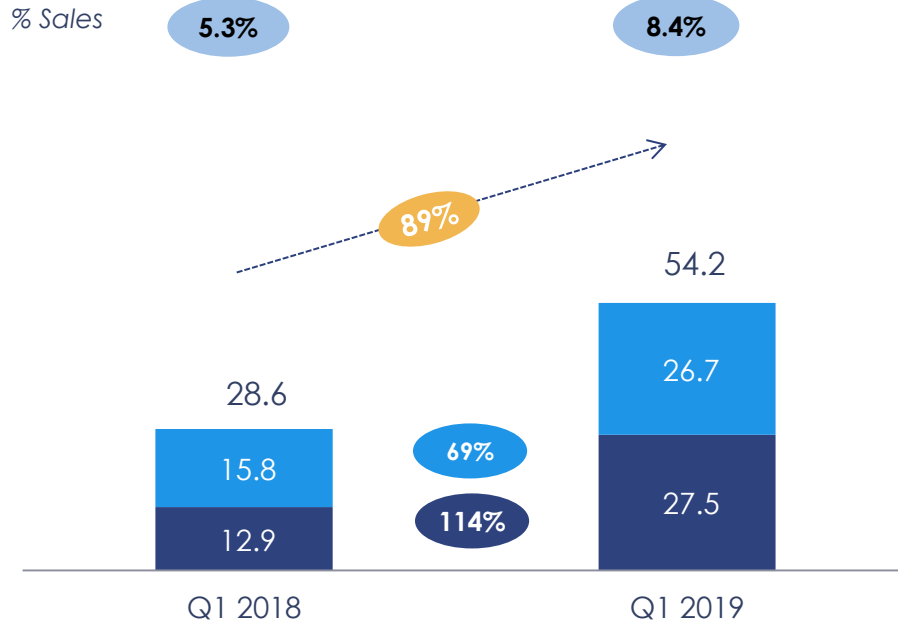


% Share in Q1 2019 Turkey retail net sales

Note: Turkey Retail Net Sales Only. ¹Including shoes

Focus on Online Sales Growth

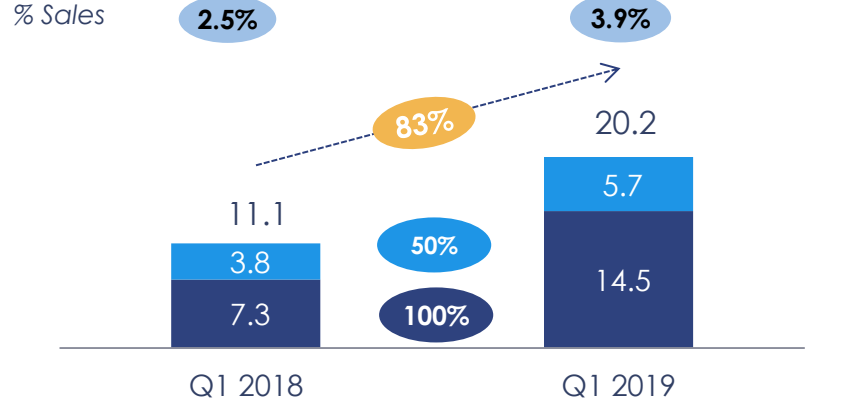
Global Online Sales (TRYm)



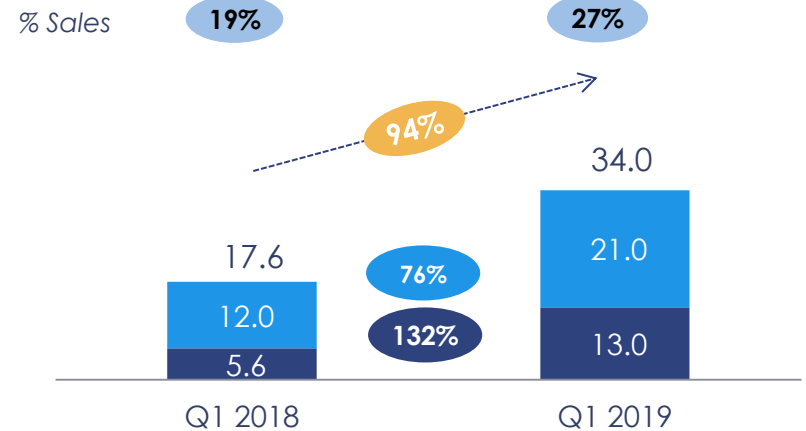
■ Mavi.com & Marketplace

■ Wholesale E-com

Turkey Online Sales (TRYm)

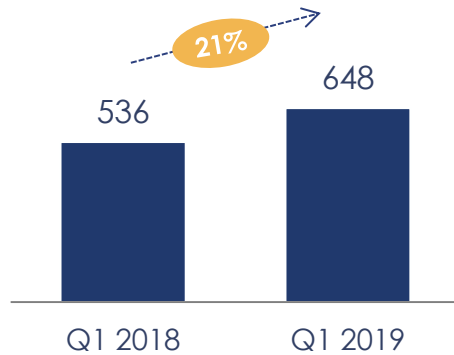


International Online Sales (TRYm)

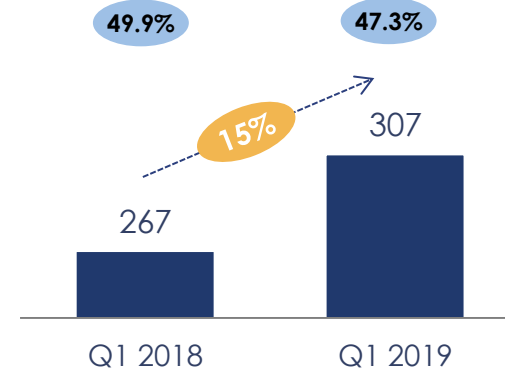


Consolidated Financial Metrics

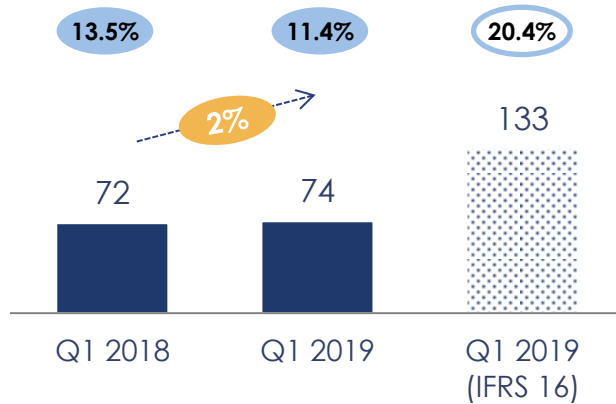
Revenue (TRYm)



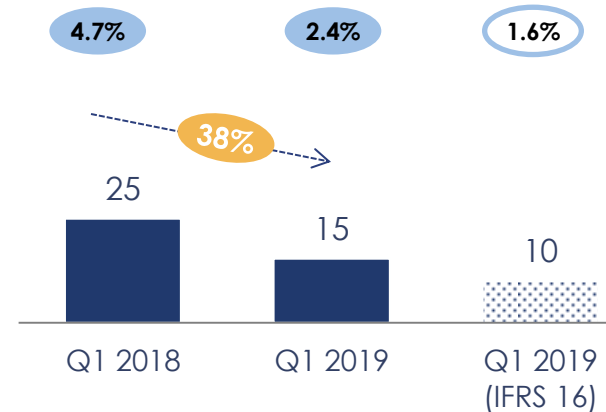
Gross Profit (TRYm)



EBITDA (TRYm)



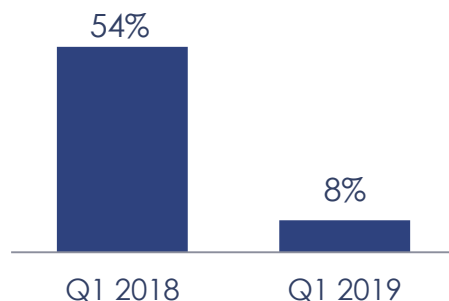
Net Income (TRYm)



● % Growth ● % Margin

Cash Conversion and Working Capital Management

Cash Conversion (exc. IFRS16)



TRYm	Q1 2018	Q1 2019	(%)
EBITDA	72.3	74.0	2.3%
Δ in NWC	(33.1)	(67.7)	
Operating Cash Flow	39.2	6.3	

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

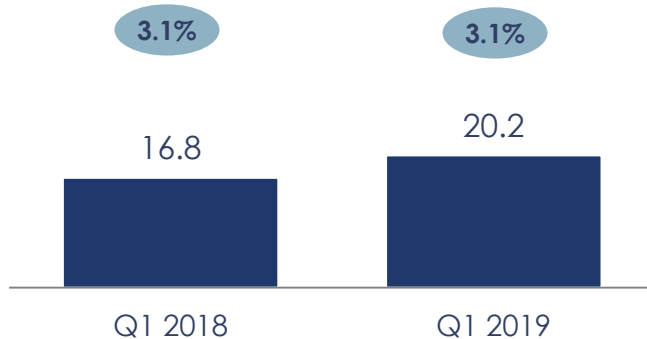
Main Working Capital Items

TRYm	2018	Q1 2018	Q1 2019
Trade & Other Receivables	188.1	216.6	241.9
% LTM Sales	8.0%	11.5%	9.8%
Inventories	457.2	338.5	508.0
% LTM COGS	39.9%	36.6%	41.7%
Trade & Other Payables	516.5	445.7	604.7
% LTM COGS	45.1%	48.2%	49.7%
Main NWC	128.8	109.5	145.2
% LTM Sales	5.5%	5.8%	5.9%

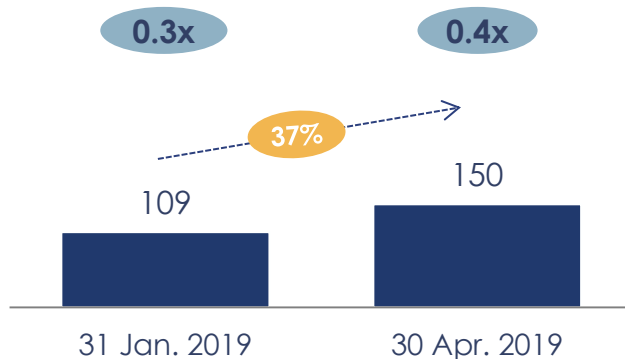
Capex and Leverage

CAPEX

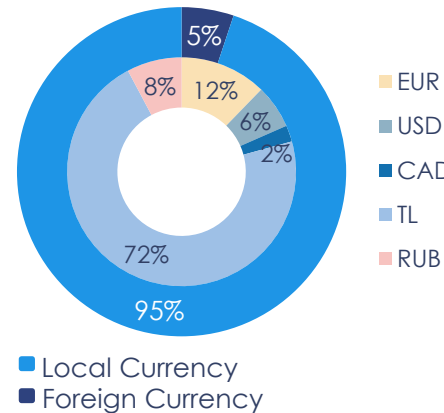
% Sales



Net Debt / LTM EBITDA (exc. IFRS 16)



Debt Breakdown (30 April 2019)



Average Cost of Debt

TRY	21.8%
USD	4.4%
EUR	2.8%
RUB	13.1%
CAD	3.7%
Blended	17.3%

- 23% 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

FY 2019 Guidance Unchanged



- Consolidated Revenue Growth : 25%
- Turkey Retail Stores : Net 15 store openings and 10 sqm expansions
- Turkey Retail LFL Growth : 18%
- EBITDA margin 14.5%
- Net Debt / EBITDA below 1x
- Capex 4% of Revenue

mavi

investorrelations@mavi.com



Appendix

Financial Statements

Income Statement (2019 figures inc. IFRS 16)

TRYm	Q1 2018	Q1 2019	Change (%)
Revenue	535.8	648.4	21.0%
Cost of Sales	(268.5)	(341.4)	27.1%
Gross Profit	267.3	307.0	14.8%
Gross Margin	49.9%	47.3%	
Administrative Expenses	(29.8)	(36.7)	23.0%
Selling and Marketing Expenses	(174.8)	(197.8)	13.2%
R&D Expenses	(6.6)	(5.2)	(21.4%)
Other Income / (Expenses), net	(4.5)	4.3	
Operating Profit	51.6	71.6	38.7%
Operating Margin	9.6%	11.0%	
Financial Expenses, Net	(19.0)	(59.4)	213.0%
Profit Before Tax	32.6	12.2	(62.6%)
Income Tax Expense	(7.6)	(2.1)	(72.2%)
Profit	25.1	10.1	(59.8%)
Profit Margin	4.7%	1.6%	
EBITDA	72.3	132.6	83.3%
EBITDA Margin	13.5%	20.4%	

Financial Statements

Balance Sheet (2019 figures inc. IFRS 16)

TRYm	31 January 2019	30 April 2019	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	266.6	349.6	31.1%
Trade Receivables	168.6	227.1	34.7%
Inventories	457.2	508.0	11.1%
Other Current Assets	92.9	112.2	20.8%
Total Current Assets	985.3	1,196.9	21.5%
Non-Current Assets			
Property and Equipment	159.7	161.9	1.3%
Right of Use Assets	-	453.1	
Intangible Assets	194.5	218.0	12.1%
Other Non-Current Assets	4.4	5.8	31.3%
Total Non-Current Assets	358.6	838.8	133.9%
Total Assets	1,343.9	2,035.7	51.5%
Liabilities			
Current Liabilities			
Short-Term Debt	284.1	553.7	94.9%
Trade Payables	510.3	599.3	17.4%
Other Current Liabilities	102.6	76.8	(25.1%)
Total Current Liabilities	896.9	1,229.8	37.1%
Non-Current Liabilities			
Long-Term Financial Liabilities	92.0	404.0	339.2%
Other non-current Liabilities	17.8	19.3	8.4%
Total Non-Current Liabilities	109.8	423.3	285.5%
Total Liabilities	1,006.7	1,653.1	64.2%
Equity			
Total Equity	337.2	382.5	13.5%
Total Equity & Liabilities	1,343.9	2,035.7	51.5%

Financial Statements

Cash Flow Statement (2019 figures inc. IFRS 16)

TRYm	Q1 2018	Q1 2019
Profit ¹	25.1	10.1
D&A Expense	16.1	65.2
Net Finance Expense / (Income)	18.3	59.4
Tax Expense	7.6	2.1
Other Non-Cash Items	4.2	13.4
Cash Flow from Operating Activities	71.3	150.1
Δ in Net Working Capital ²	(33.1)	(67.7)
Income Tax Paid	(1.8)	(0.4)
Net Cash from Operating Activities	36.3	82.0
Cash Flows from Investing Activities		
Capex	(16.8)	(20.2)
Other Investing Cash Flow ³	0.1	0.8
Net Cash Flow Used in Investing Activities	(16.7)	(19.4)
Cash Flows from Financing Activities		
Debt Issued / (Repaid)	(66.8)	122.0
Payment of Contractual Lease Liabilities	-	(58.6)
Other Financial Payments ⁴	(11.2)	(21.5)
Interest Paid	(7.4)	(22.1)
Net Cash Flows Used in Financing Activities	(85.5)	19.9
Net Cash Flow	(65.9)	82.5
Cash and Cash Equivalents at the Beginning of the Period ⁵	262.5	262.0
Cash and Cash Equivalents at the End of the Period ⁵	196.6	344.5

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 proceeds from sale of tangible assets and interest received. ⁴ Other Financial Payments include proceeds from settlement of 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.

Financial Statements – IFRS 16 Impacts

IFRS 16 APPLIED AS OF FEBRUARY 1, 2019

(TRY in millions)		Q1 2019 Effect	
RENT EXPENSE	↘	-58.6	Decrease as all non-performance leases are capitalized and are subjected to depreciation and interest expense
DEPRECIATION & AMORTIZATION	↗	+47.3	Increase due to depreciation of capitalized operating lease assets
OPERATING PROFIT	↗	+11.2	Higher as lease expense is replaced by depreciation and interest
FINANCIAL EXPENSE	↗	+18.1	Increase due to interest cost component of rents booked in financial expenses
INCOME TAX EXPENSE	↘	-1.5	Lower in the first years due to higher deferred tax assets rising from lower net income
NET INCOME	↘	-5.4	Lower due to higher interest expense in the first years; neutral over time
EBITDA	↗	+58.6	Higher as lease expense is replaced by depreciation and interest
TOTAL ASSETS	↗	+452.9	Increase as lease contracts are capitalised
TOTAL/NET DEBT	↗	+458.3	Increase as capitalised lease contracts assumed as financial debt

Global Footprint as at 30 April 2019

