



Q2 2019
RESULTS PRESENTATION
September 20, 2019

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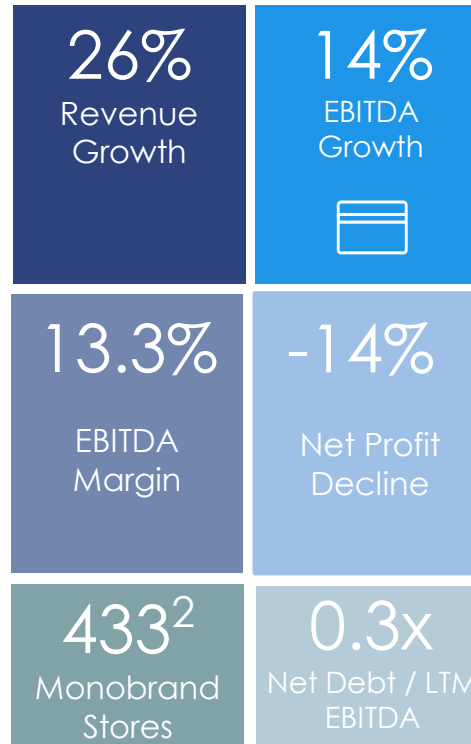
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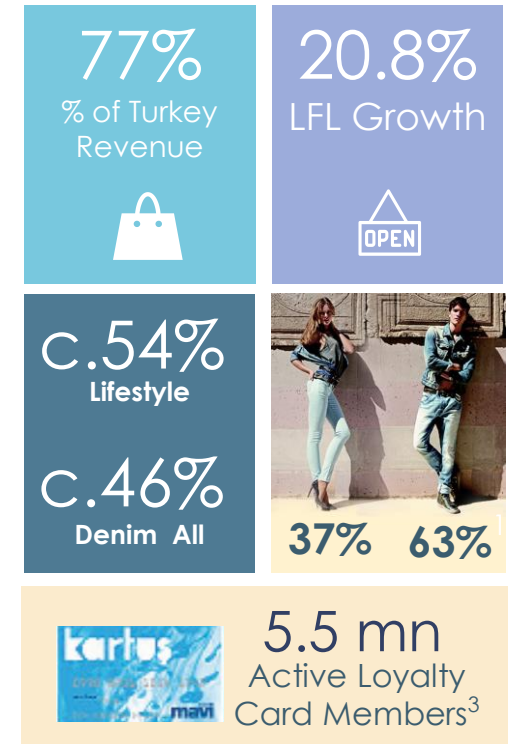
First Half 2019 Highlights

- Consolidated revenue increased by 26% to 1,340 TRYm
- EBITDA grew by 14% to 178 TRYm resulting in 13.3% EBITDA margin
- Net profit contracted by 14% and resulted in 46 TRYm
- Store roll-out continued with 9 openings and 3 closures in Turkey, to reach a total of 433 mono brand stores²
- Turkey Retail LFL revenue grew by 20.8 %
- Active Kartuş card holders reached 5.5 mn with 637K new customers

GROUP HIGHLIGHTS¹



TURKEY RETAIL HIGHLIGHTS



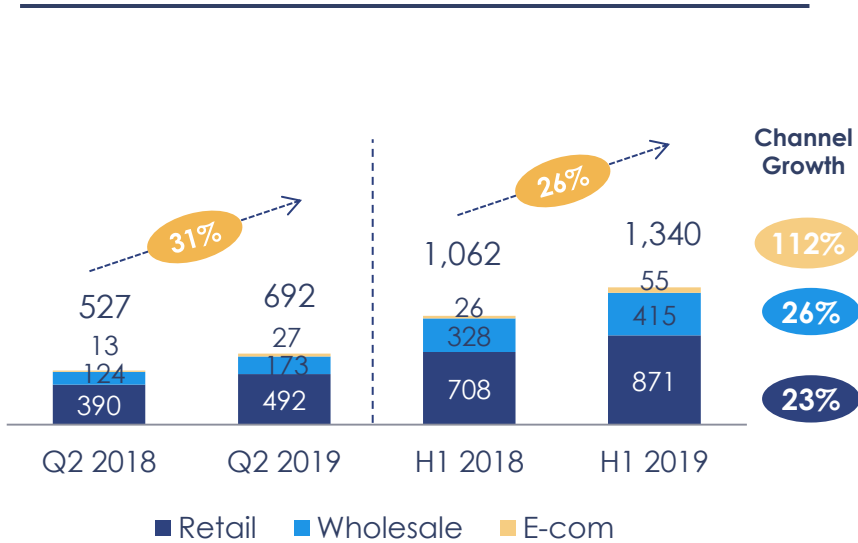
¹ Excluding IFRS 16 impacts.

² Includes global franchise and owned stores

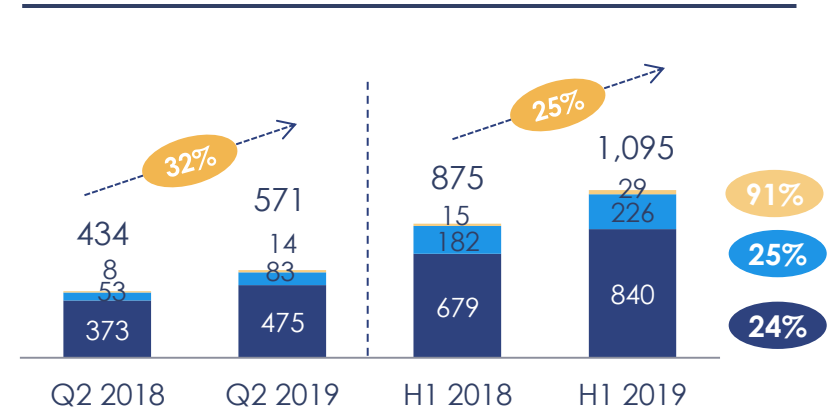
³ Active means that the member has made a purchase of Mavi product over the last two years. Total number of Kartuş card holders is 7.7mn

Revenue Growth in All Sales Channels

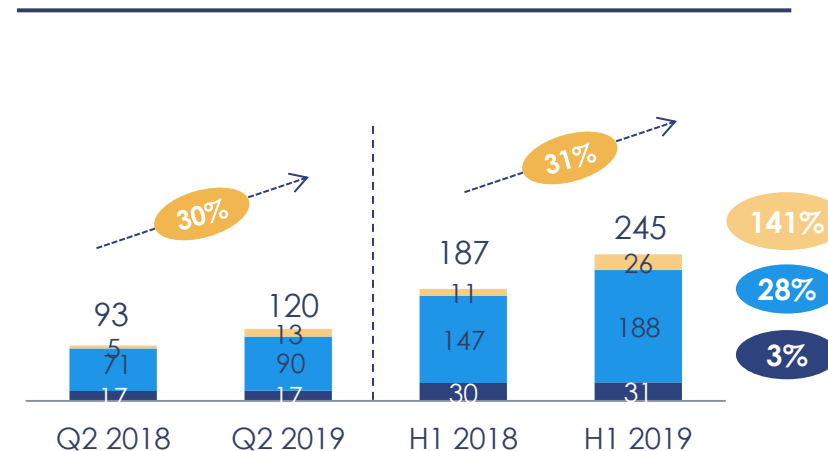
Global Revenue (TRYm)



Turkey Revenue (TRYm)



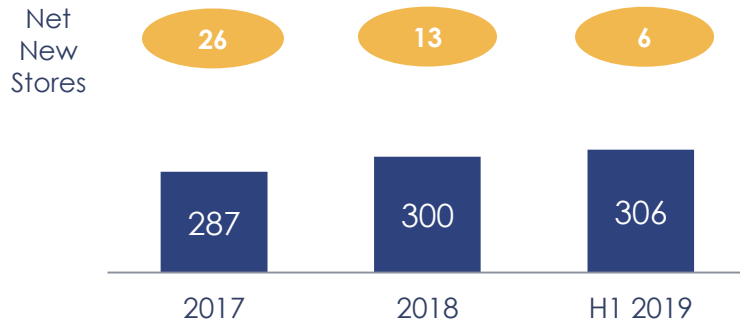
International Revenue (TRYm)



- Total revenue consists of 65.0% retail, 30.9% wholesale and 4.1% e-com.
- 82% of consolidated revenue is from Turkey

Turkey Retail Operations

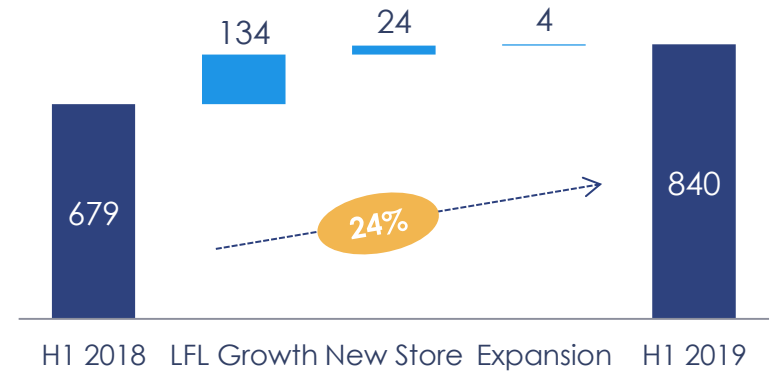
of Retail Stores



Gross Selling Space in Turkey (Sqm K)

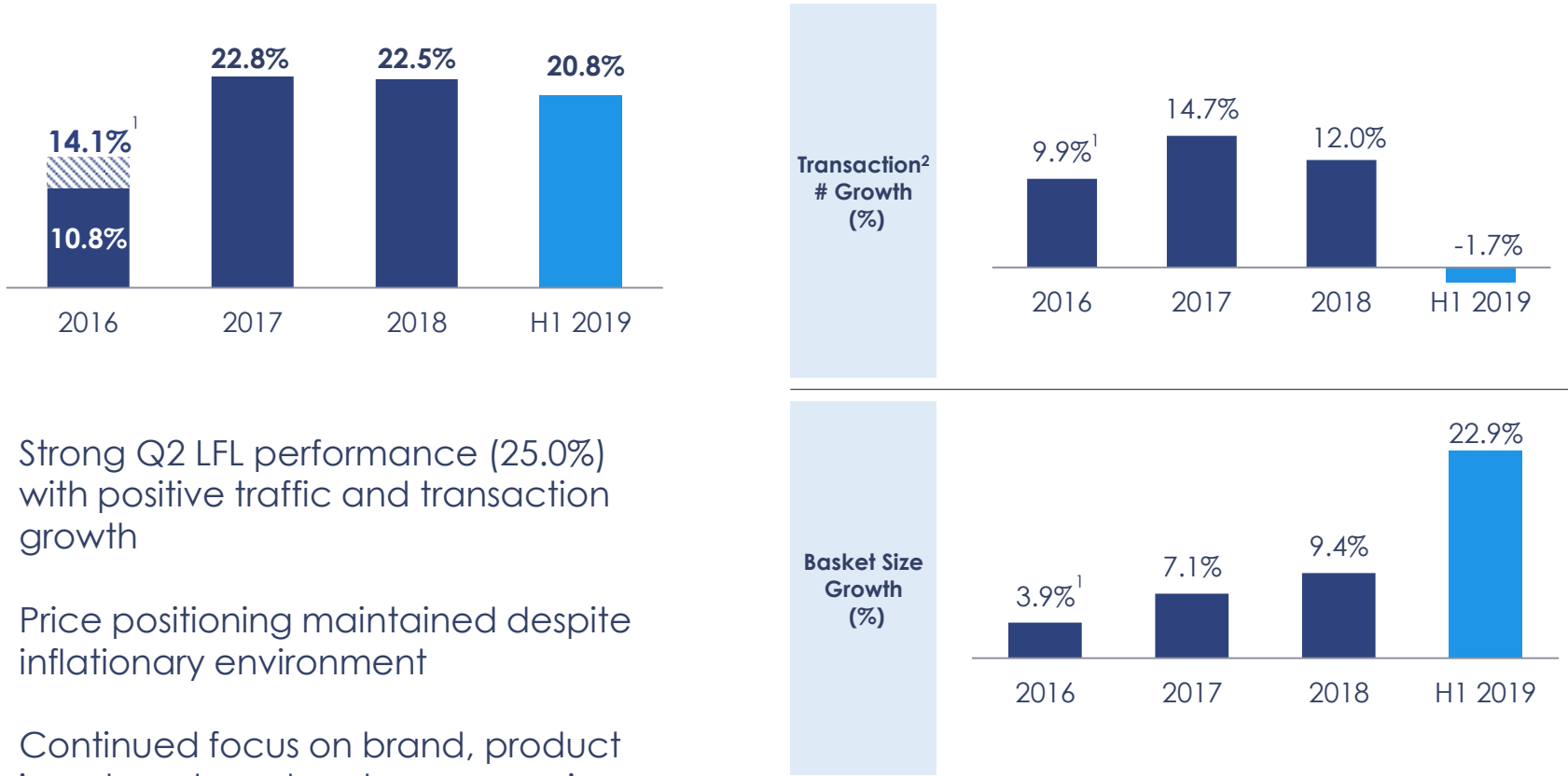


Turkey Retail Revenue (TRYm)



- 6 net new store openings in H1 2019
- 9 stores expanded in H1 2019
- Total selling space reached 153K sqm with average 500 sqm per store

Basket-Driven Like-for-like Growth

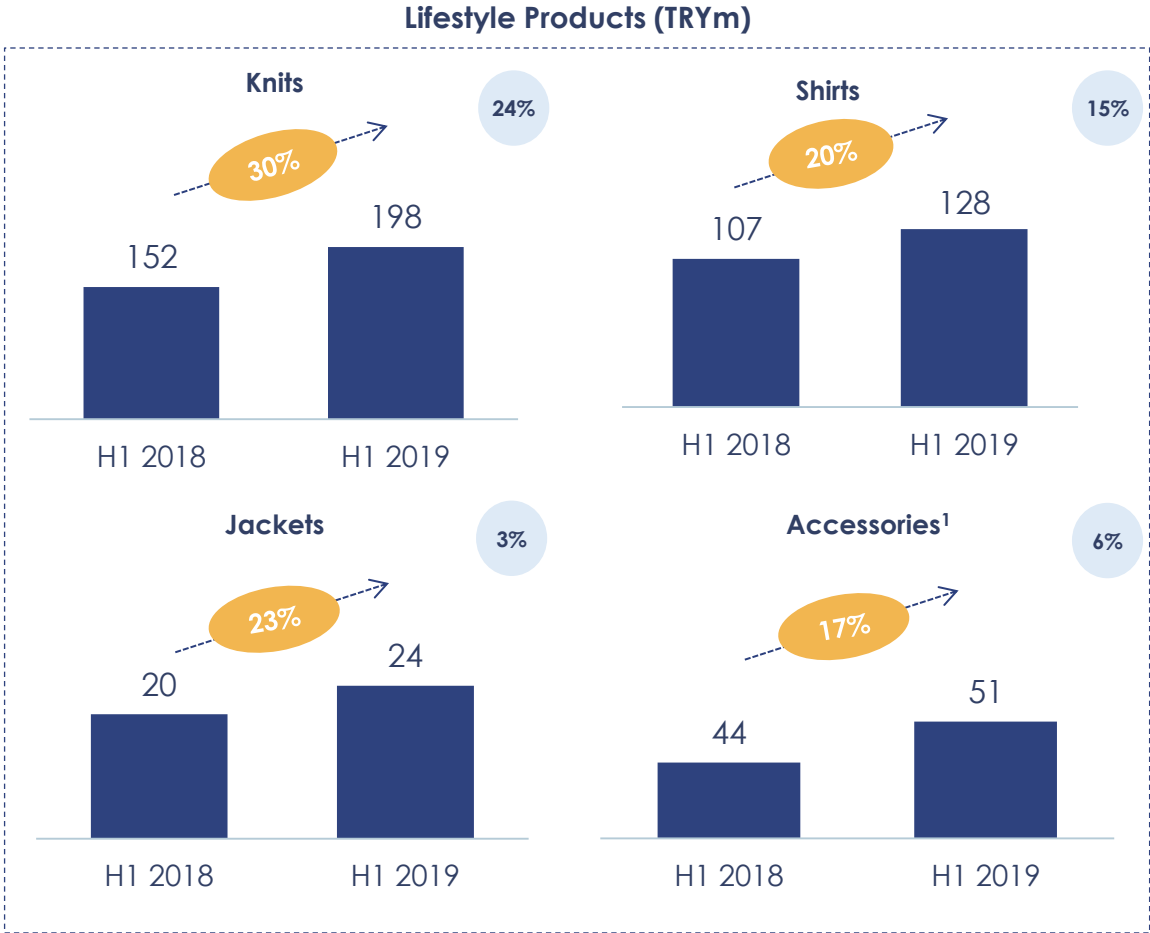
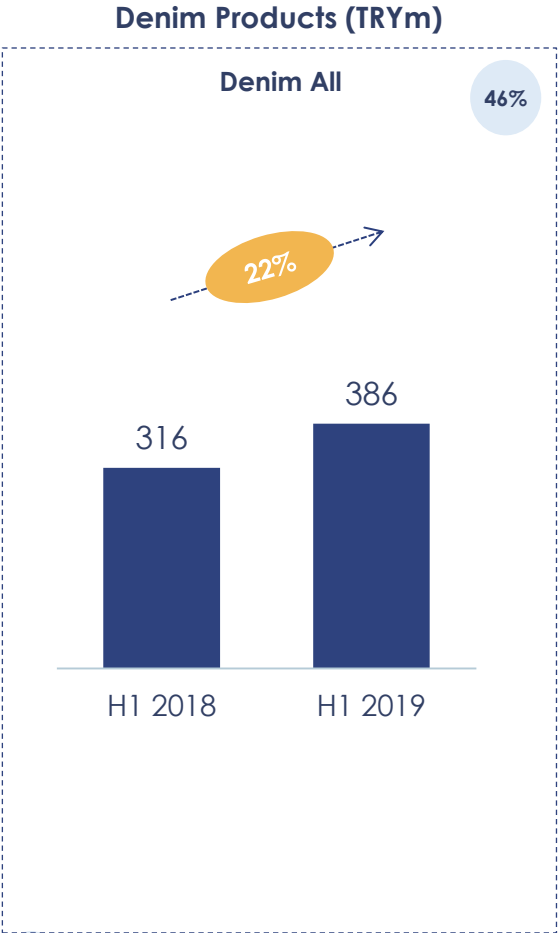


- Strong Q2 LFL performance (25.0%) with positive traffic and transaction growth
- Price positioning maintained despite inflationary environment
- Continued focus on brand, product investments and customer experience

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 92,6% of Turkey retail revenue in H1 2019

Sales in Denim & Lifestyle Categories



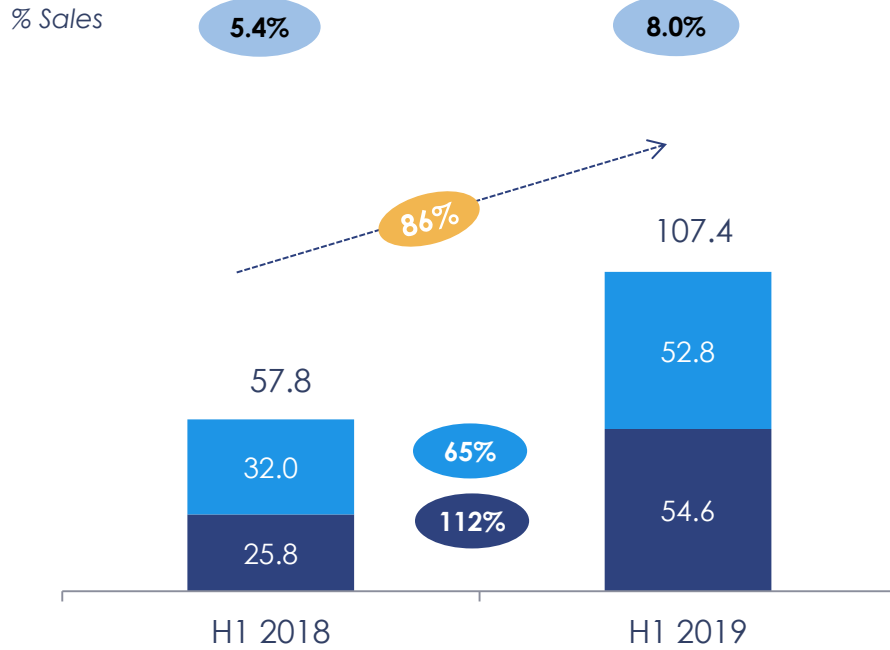
% Share in H1 2019 Turkey retail net sales

Total Lifestyle Category Growth : 25%

Note: Turkey Retail Net Sales Only. Remaining 6% of net sales consist of non-denim bottoms, skirts, dresses and kids. ¹Including shoes

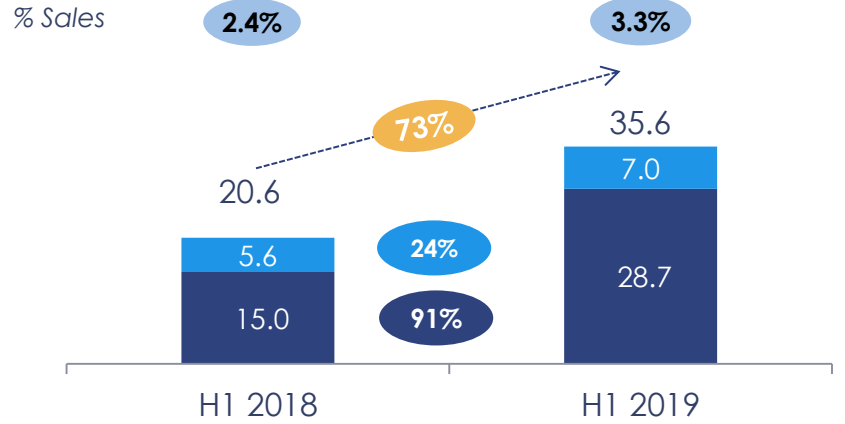
Focus on Online Sales Growth

Global Online Sales (TRYm)

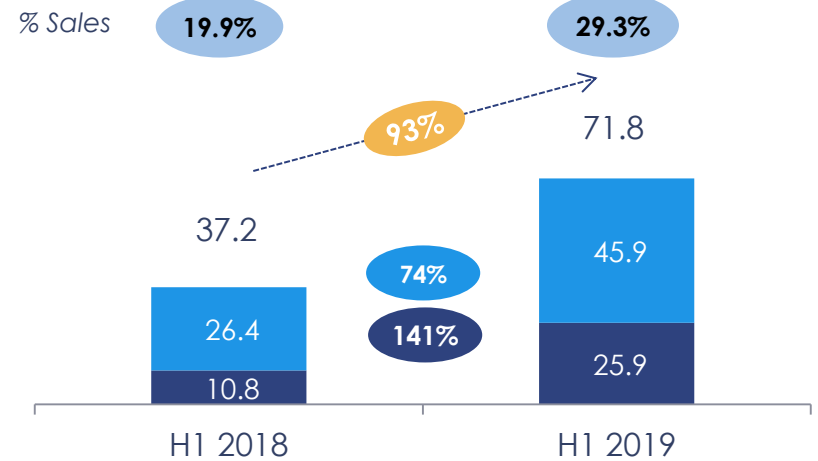


■ mavi.com & Marketplace
■ Wholesale E-Com

Turkey Online Sales (TRYm)

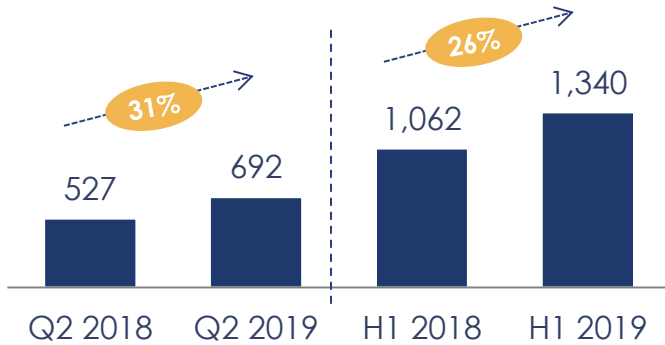


International Online Sales (TRYm)

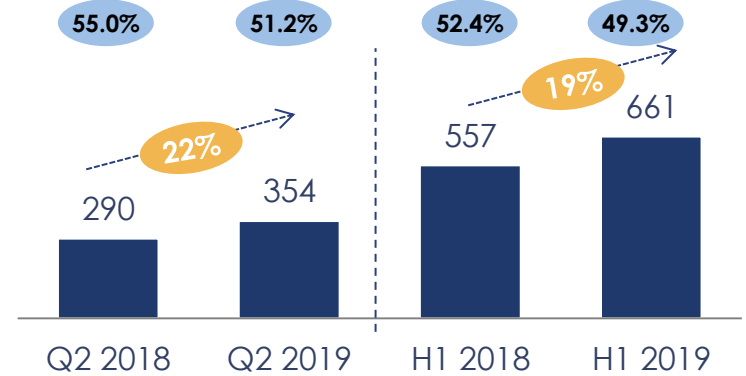


Consolidated Financial Metrics

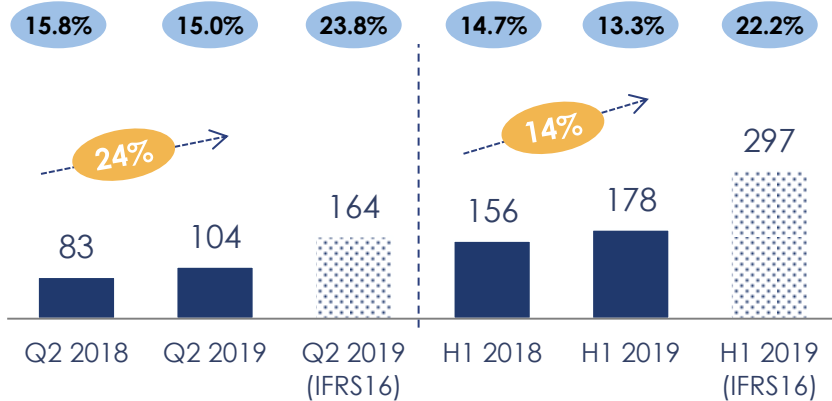
Revenue (TRYm)



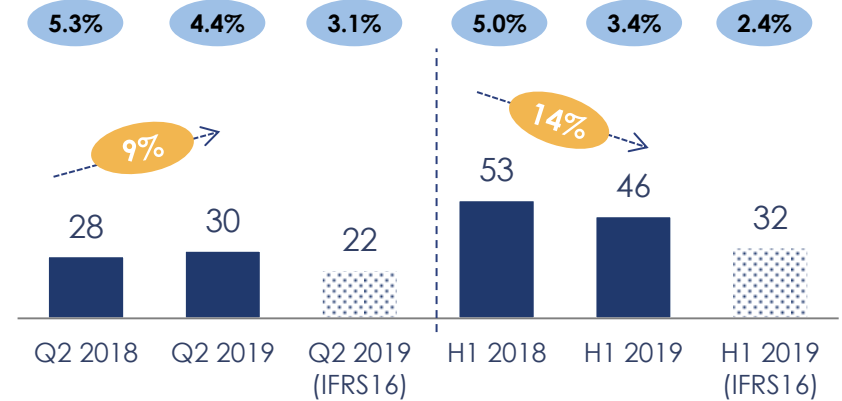
Gross Profit (TRYm)



EBITDA (TRYm)



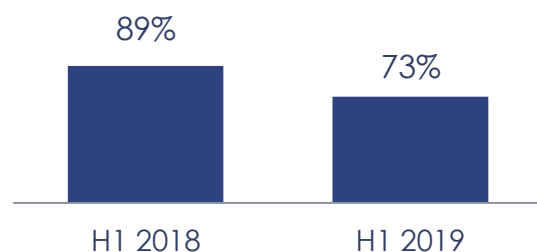
Net Income (TRYm)



% Growth % Margin

Cash Conversion and Working Capital Management

Cash Conversion (Exc. IFRS16)



| TRYm | H1 2018 | H1 2019 | (%) |
|---------------------|---------|---------|--------|
| EBITDA | 155.8 | 177.8 | 14.1% |
| Δ in NWC | (17.4) | (47.3) | |
| Operating Cash Flow | 138.4 | 130.5 | (5.7%) |

Main Working Capital Items

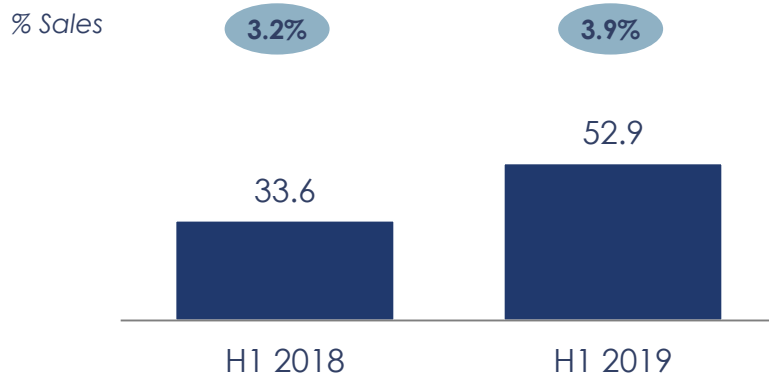
| TRYm | 2018 | H1 2018 | H1 2019 |
|---------------------------|-------|---------|---------|
| Trade & Other Receivables | 188.1 | 151.7 | 218.2 |
| % LTM Sales | 8.0% | 7.5% | 8.3% |
| Inventories | 457.2 | 393.9 | 515.0 |
| % LTM COGS | 39.9% | 40.5% | 39.1% |
| Trade & Other Payables | 516.5 | 458.9 | 581.0 |
| % LTM COGS | 45.1% | 47.2% | 44.1% |
| Main NWC | 128.8 | 86.6 | 152.1 |
| % LTM Sales | 5.5% | 4.3% | 5.8% |

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

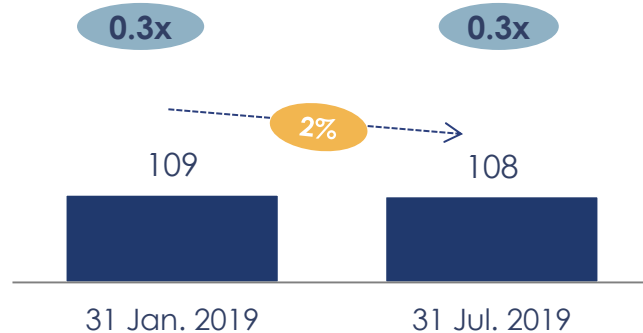
- Increased focus on efficient inventory management
- Leading brand for on-time, fresh inventory

Capex and Leverage Ratios

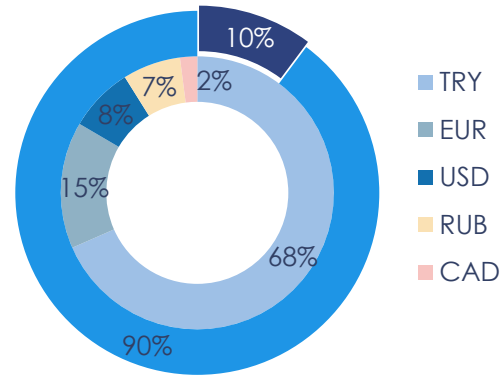
CAPEX



Net Debt / LTM EBITDA (exc. IFRS 16)



Debt Breakdown (31 July 2019)



■ Local Currency
■ Foreign Currency

Average Cost of Debt

| | |
|----------------|--------------|
| TRY | 22.4% |
| EUR | 1.9% |
| USD | 4.9% |
| RUB | 13.2% |
| CAD | 4.0% |
| Blended | 16.9% |

- 21% of total consolidated debt is carried by Mavi US, Mavi EU, Mavi CA and Mavi RU - all denominated in their local currencies
- Keeping no short FX positions is management priority

FY 2019 Guidance Unchanged



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

mavi

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Financial Statements

Income Statement (2019 figures inc. IFRS 16)

| TRYm | Q2 2018 | Q2 2019 | Change (%) | H1 2018 | H1 2019 | Change (%) |
|------------------------------------------|---------|---------|------------|---------|---------|------------|
| Revenue | 526.6 | 691.8 | 31.4% | 1,062.5 | 1,340.1 | 26.1% |
| Cost of Sales | (237.0) | (337.4) | 42.4% | (505.5) | (678.8) | 34.3% |
| Gross Profit | 289.6 | 354.4 | 22.4% | 557.0 | 661.3 | 18.7% |
| Gross Margin | 55.0% | 51.2% | | 52.4% | 49.3% | |
| Administrative Expenses | (34.3) | (42.6) | 24.3% | (64.1) | (79.3) | 23.7% |
| Selling and Marketing Expenses | (183.7) | (212.3) | 15.5% | (358.5) | (410.1) | 14.4% |
| R&D Expenses | (6.9) | (6.3) | (9.1%) | (13.5) | (11.4) | (15.1%) |
| Other Income / (Expenses), net | 6.0 | (4.5) | | 1.6 | (0.0) | |
| Operating Profit | 70.8 | 88.7 | 25.4% | 122.4 | 160.5 | 31.1% |
| Profit/(Loss) from Investment Activities | (0.5) | 0.0 | (104.6%) | (0.6) | (0.2) | (69.0%) |
| Operating Profit before Financial Income | 70.2 | 88.8 | 26.4% | 121.9 | 160.3 | 31.6% |
| Operating Margin | 13.3% | 12.8% | | 11.5% | 12.0% | |
| Financial Expenses, Net | (35.0) | (60.1) | 71.7% | (54.0) | (119.5) | 121.3% |
| Profit Before Tax | 35.2 | 28.6 | (18.7%) | 67.9 | 40.8 | (39.8%) |
| Income Tax Expense | (7.5) | (7.1) | (5.0%) | (15.1) | (9.2) | (38.7%) |
| Profit | 27.7 | 21.5 | (22.4%) | 52.8 | 31.6 | (40.1%) |
| Profit Margin | 5.3% | 3.1% | | 5.0% | 2.4% | |
| EBITDA | 83.4 | 164.3 | 97.0% | 155.8 | 296.9 | 90.6% |
| EBITDA Margin | 15.8% | 23.8% | | 14.7% | 22.2% | |

Financial Statements

Balance Sheet (2019 figures inc. IFRS 16)

| TRYm | 31 January 2018 | 31 July 2019 | Change (%) |
|------------------------------------------|-----------------|----------------|---------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 266.6 | 399.0 | 49.7% |
| Trade Receivables | 168.6 | 203.0 | 20.4% |
| Inventories | 457.2 | 515.0 | 12.6% |
| Other Current Assets | 92.9 | 83.0 | (10.7%) |
| Total Current Assets | 985.3 | 1,200.0 | 21.8% |
| Non-Current Assets | | | |
| Property and Equipment | 159.7 | 175.0 | 9.5% |
| Right of Use Assets | - | 420.7 | n.m. |
| Intangible Assets | 194.5 | 207.0 | 6.5% |
| Other Non-Current Assets | 4.4 | 5.5 | 23.8% |
| Total Non-Current Assets | 358.6 | 808.2 | 125.4% |
| Total Assets | 1,343.9 | 2,008.1 | 49.4% |
| Liabilities | | | |
| Current Liabilities | | | |
| Short-Term Borrowings | 284.1 | 384.3 | 35.3% |
| Short-Term Contractual Lease Liabilities | - | 190.2 | n.m. |
| Trade Payables | 510.3 | 574.1 | 12.5% |
| Other Current Liabilities | 102.6 | 104.3 | 1.7% |
| Total Current Liabilities | 896.9 | 1,253.0 | 39.7% |
| Non-Current Liabilities | | | |
| Long-Term Financial Liabilities | 92.0 | 122.4 | 33.0% |
| Long-Term Contractual Lease Liabilities | - | 246.6 | n.m. |
| Other non-current Liabilities | 17.8 | 8.5 | (52.4%) |
| Total Non-Current Liabilities | 109.8 | 377.5 | 243.8% |
| Total Liabilities | 1,006.7 | 1,630.4 | 62.0% |
| Equity | | | |
| Total Equity | 337.2 | 377.7 | 12.0% |
| Total Equity & Liabilities | 1,343.9 | 2,008.1 | 49.4% |

Financial Statements

Cash Flow Statement (2019 figures inc. IFRS 16)

| TRYm | H1 2018 | H1 2019 |
|-----------------------------------------------------------------------|---------|---------|
| Profit ¹ | 52.8 | 31.6 |
| D&A Expense | 34.9 | 136.4 |
| Net Finance Expense / (Income) | 43.5 | 120.6 |
| Tax Expense | 15.1 | 9.2 |
| Other Non-Cash Items | 11.3 | 6.1 |
| Cash Flow from Operating Activities | 157.5 | 304.0 |
| Δ in Net Working Capital ² | (17.4) | (47.3) |
| Income Tax Paid | (13.8) | (0.4) |
| Net Cash from Operating Activities | 126.3 | 256.3 |
| Cash Flows from Investing Activities | | |
| Capex | (33.6) | (52.8) |
| Other Investing Cash Flow ³ | (14.1) | 3.4 |
| Net Cash Flow Used in Investing Activities | (47.7) | (49.5) |
| Cash Flows from Financing Activities | | |
| Debt Issued / (Repaid) | (62.8) | 126.9 |
| Payment of Contractual Lease Liabilities | - | (119.1) |
| Other Financial Payments ⁴ | (27.6) | (44.3) |
| Dividends Paid | (25.9) | - |
| Interest Paid | (15.6) | (38.6) |
| Net Cash Flows Used in Financing Activities | (131.8) | (75.2) |
| Net Cash Flow | (53.2) | 131.6 |
| Cash and Cash Equivalents at the Beginning of the Period ⁵ | 266.3 | 262.0 |
| Cash and Cash Equivalents at the End of the Period ⁵ | 213.1 | 393.6 |

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.

Financial Statements – IFRS 16 Impacts

IFRS 16 APPLIED AS OF FEBRUARY 1, 2019

| (TRY in millions) | | H1 2019 Effect | |
|-----------------------------|---|---------------------------|---------------------------------------------------------------------------------------------------------------|
| RENT EXPENSE | ↘ | -119.1 | Decrease as all non-performance leases are capitalized and are subjected to depreciation and interest expense |
| DEPRECIATION & AMORTIZATION | ↗ | +100.3 | Increase due to depreciation of capitalized operating lease assets |
| OPERATING PROFIT | ↗ | +18.8 | Higher as lease expense is replaced by depreciation and interest |
| FINANCIAL EXPENSE | ↗ | +36.9 | Increase due to interest cost component of rents booked in financial expenses |
| INCOME TAX EXPENSE | ↘ | -4.0 | Lower in the first years due to higher deferred tax assets rising from lower net income |
| NET INCOME | ↘ | -14.0 | Lower due to higher interest expense in the first years; neutral over time |
| EBITDA | ↗ | +119.1 | Higher as lease expense is replaced by depreciation and interest |
| TOTAL ASSETS | ↗ | +419.1 | Increase as lease contracts are capitalised |
| TOTAL NET DEBT | ↗ | +436.8 | Increase as capitalised lease contracts assumed as financial debt |

Global Footprint as at 31 July 2019

