



**Q4 2019
RESULTS PRESENTATION**

March 12, 2020

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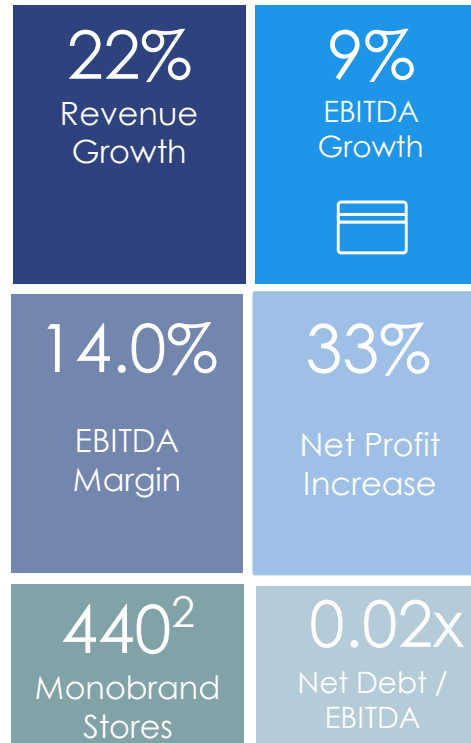
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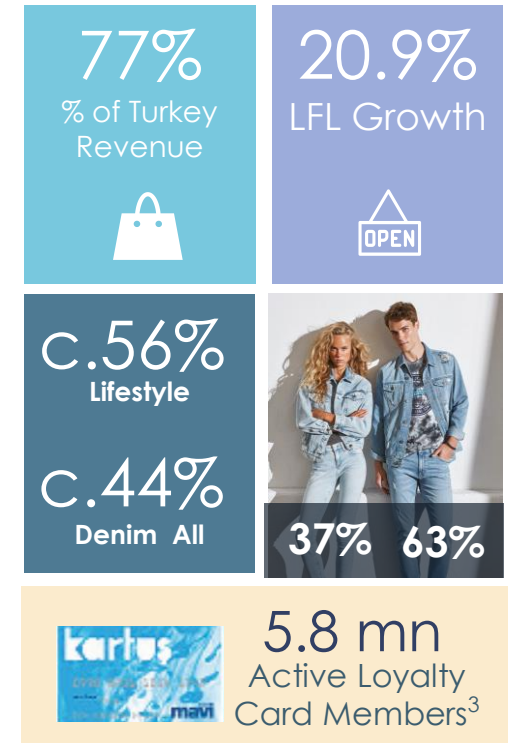
2019 Highlights

- Consolidated revenue increased by 22% to 2,863 TRYm
- EBITDA grew by 9% to 401 TRYm resulting in 14.0% EBITDA margin
- Net profit grew by 33% and resulted in 134 TRYm
- Store roll-out continued with 20 openings and 6 closures in Turkey, to reach a total of 440 monobrand stores²
- Turkey Retail LFL revenue grew by 20.9%
- Active Kartuş card holders reached 5.8 mn with 1.2 mn new customers

GROUP HIGHLIGHTS¹



TURKEY RETAIL HIGHLIGHTS



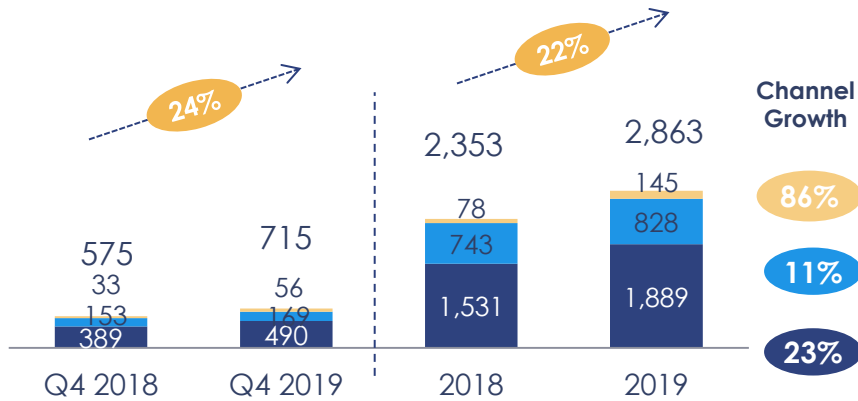
¹ Excluding IFRS 16 impacts.

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 8.2 mn

Revenue Growth in All Sales Channels

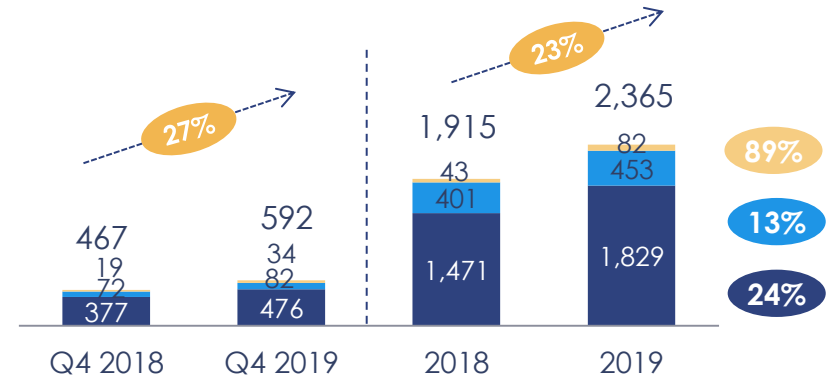
Global Revenue (TRYm)



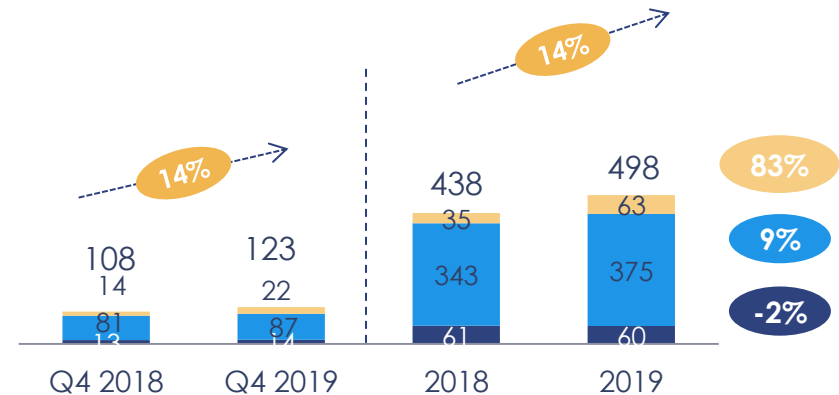
■ Retail ■ Wholesale ■ E-com

- Total revenue consists of 66.0% retail, 28.9% wholesale and 5.1% e-com.
- 83% of consolidated revenue is from Turkey

Turkey Revenue (TRYm)

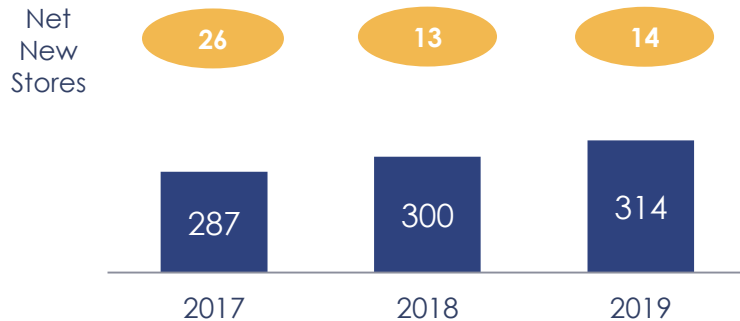


International Revenue (TRYm)



Turkey Retail Operations

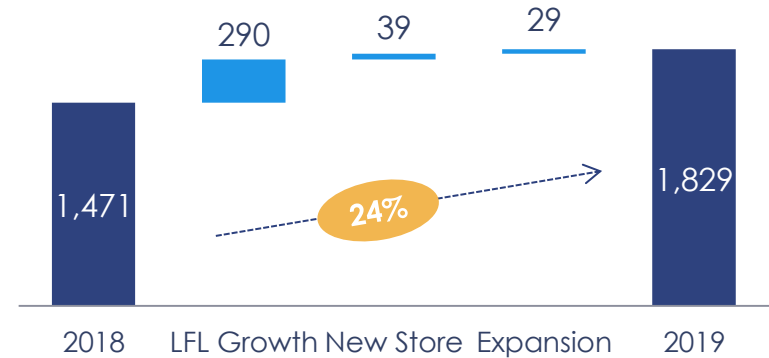
of Retail Stores



Gross Selling Space in Turkey (Sqm K)

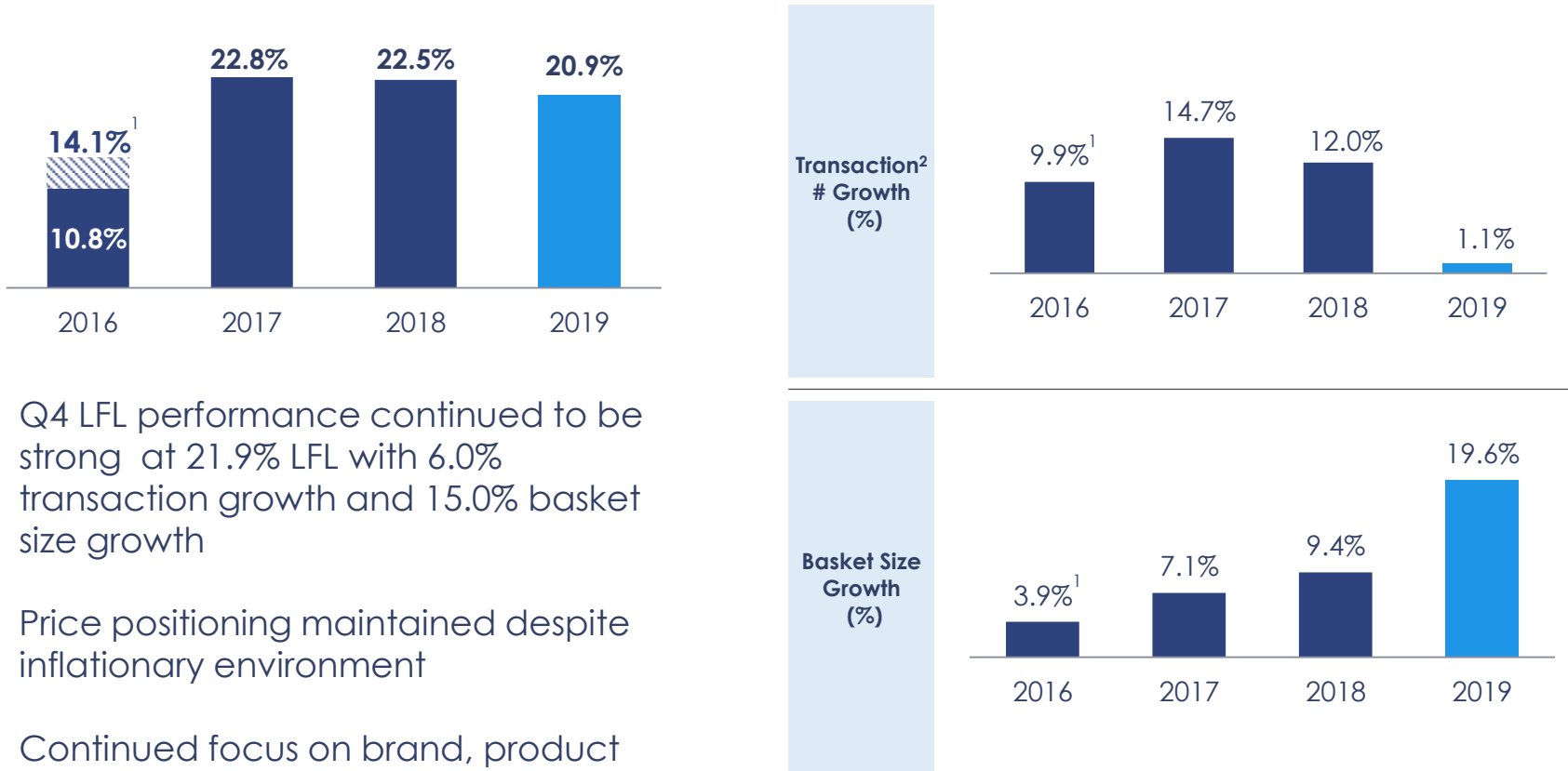


Turkey Retail Revenue (TRYm)



- With 20 openings and 6 closures, 14 net new stores added in 2019
- 11 stores expanded in 2019
- Total selling space reached 156K sqm with average 498 sqm per store

Basket-Driven Like-for-like Growth



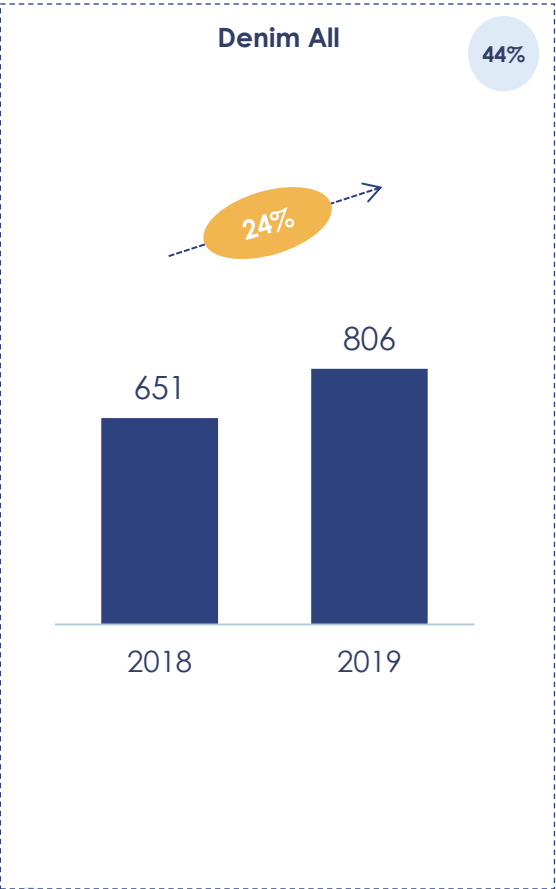
- Q4 LFL performance continued to be strong at 21.9% LFL with 6.0% transaction growth and 15.0% basket size growth
- Price positioning maintained despite inflationary environment
- Continued focus on brand, product investments and customer experience

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.

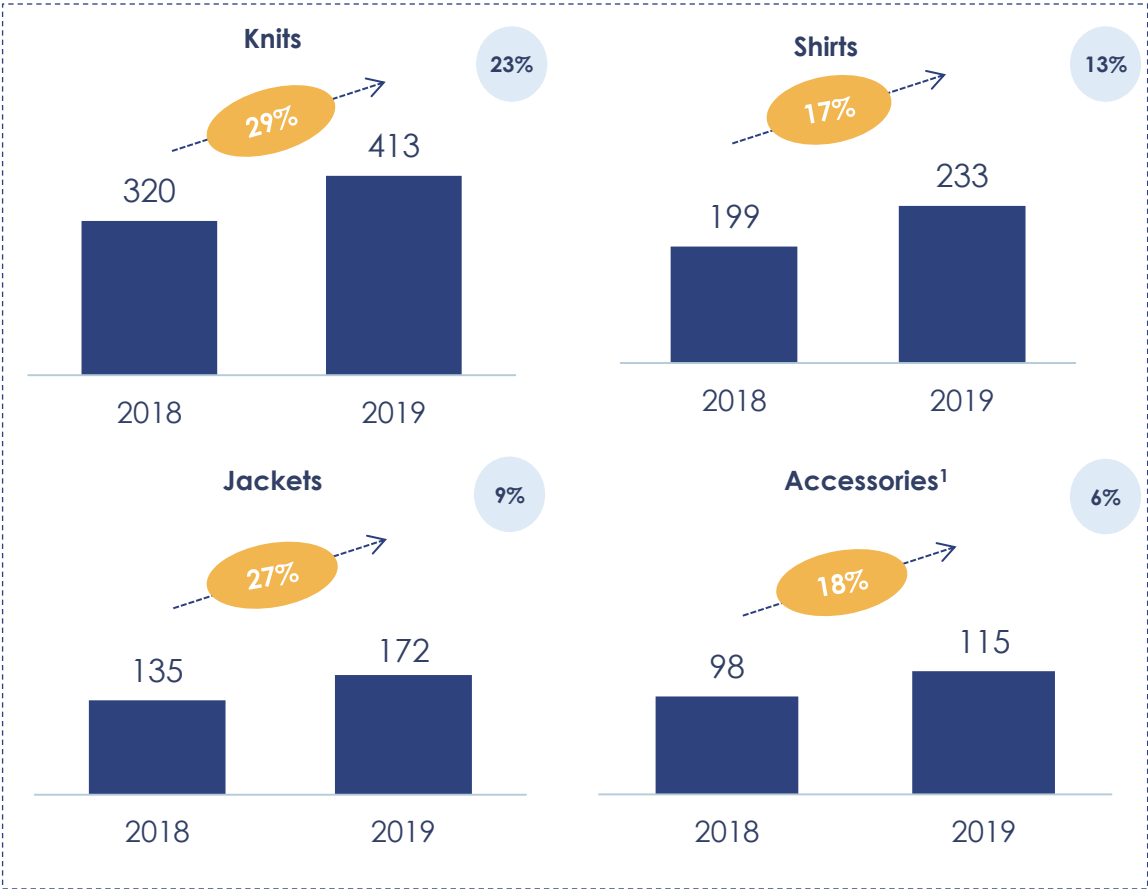
Note: LFL revenue constitutes 91.9% of Turkey retail revenue in 2019

Sales in Denim & Lifestyle Categories

Denim Products (TRYm)



Lifestyle Products (TRYm)



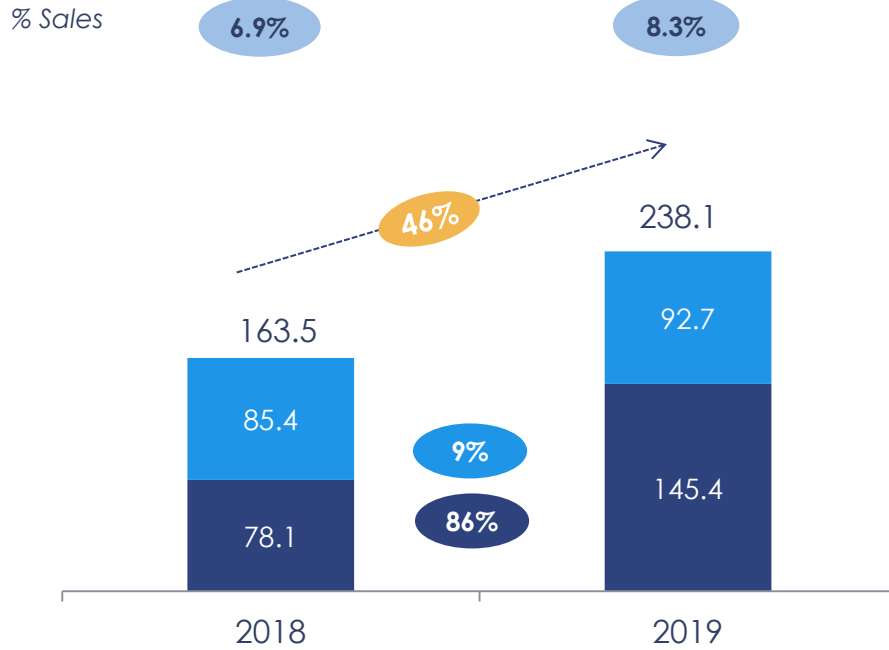
% Share in 2019 Turkey retail net sales

Total Lifestyle Category Growth : 25%

Note: Turkey Retail Net Sales Only. Remaining 5% of net sales consist of non-denim bottoms, skirts, dresses and kids. ¹Including shoes

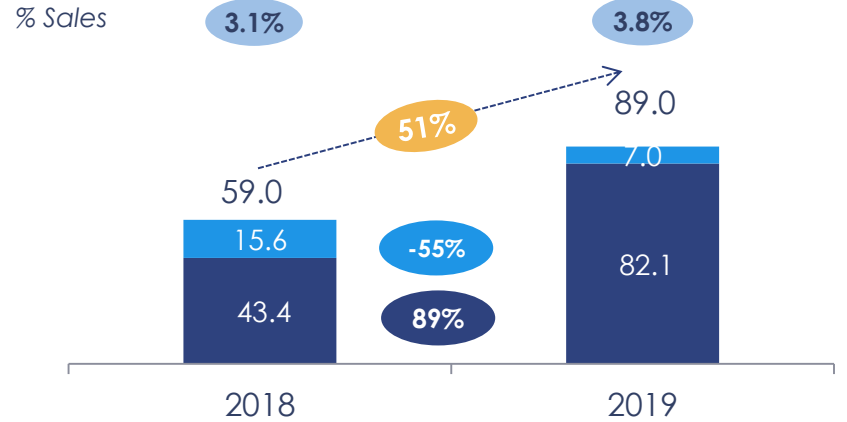
Focus on Online Sales Growth

Global Online Sales (TRYm)

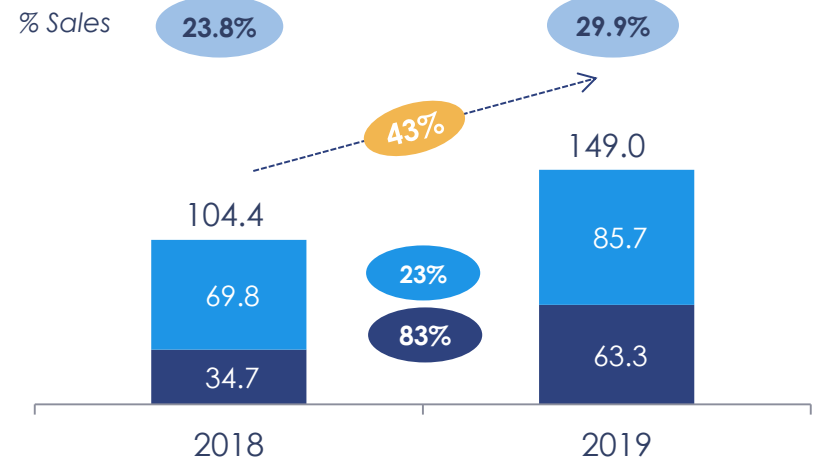


■ mavi.com & Marketplace
■ Wholesale E-Com

Turkey Online Sales (TRYm)

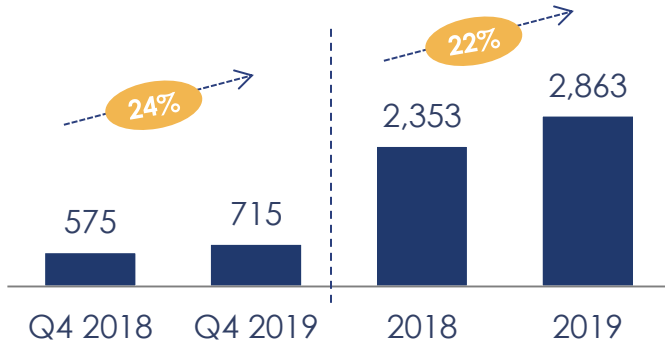


International Online Sales (TRYm)

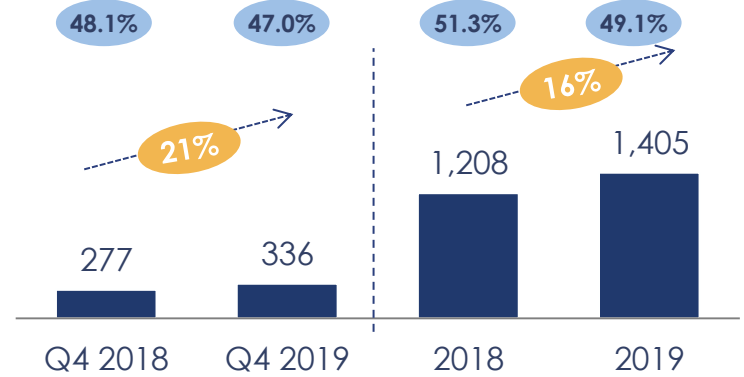


Consolidated Financial Metrics

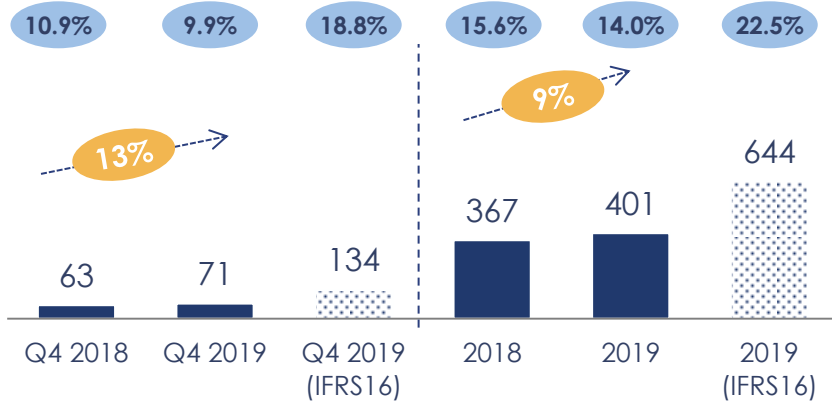
Revenue (TRYm)



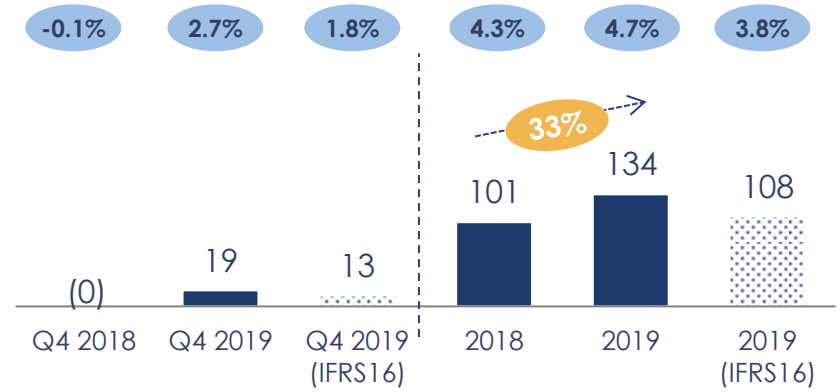
Gross Profit (TRYm)



EBITDA (TRYm)



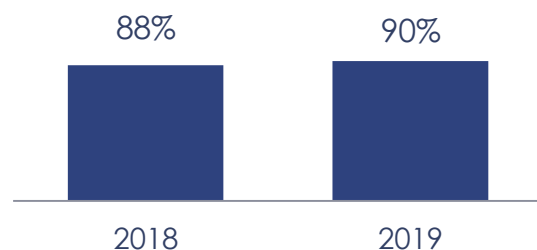
Net Income (TRYm)



% Growth % Margin

Cash Conversion and Working Capital Management

Cash Conversion (Exc. IFRS16)



TRYm	2018	2019	(%)
EBITDA	367.1	400.7	9.1%
Δ in NWC ¹	(43.1)	(38.3)	
Operating Cash Flow	324.1	362.4	11.8%

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

- Improved inventory levels on effective inventory management
- Leading brand for on-time, fresh inventory

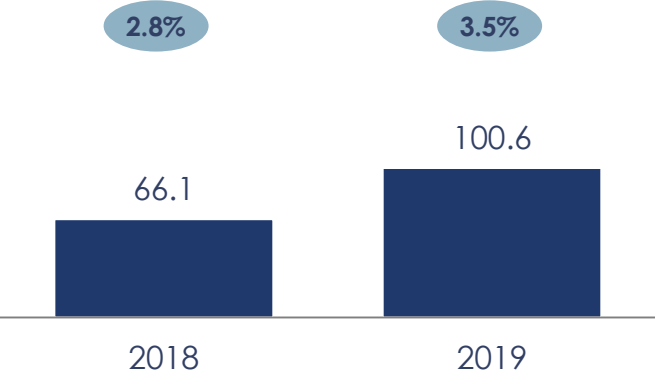
Main Working Capital Items

TRYm	2018	2019
Trade & Other Receivables	188.1	251.6
% Sales	8.0%	8.8%
Inventories	457.2	496.1
% COGS	39.9%	34.0%
Trade & Other Payables	516.5	604.1
% COGS	45.1%	41.4%
Main NWC	128.8	143.5
% Sales	5.5%	5.0%

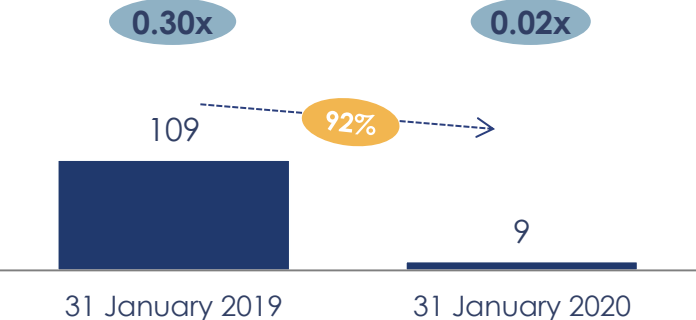
Capex and Leverage Ratios

CAPEX

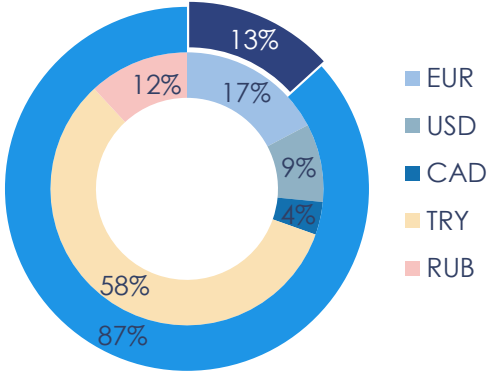
% Sales



Net Debt / LTM EBITDA (exc. IFRS 16)



Debt Breakdown (31 January 2020)



■ Local Currency
■ Foreign Currency

Average Cost of Debt

TRY	15.7%
EUR	1.5%
USD	4.1%
RUB	13.5%
CAD	4.0%
Blended	11.5%

- 29% 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



mavi

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Financial Statements

Income Statement (2019 figures inc. IFRS 16)

TRYm	Q4 2018	Q4 2019	Change (%)	2018	2019	Change (%)
Revenue	575.1	714.6	24.3%	2,352.9	2,862.9	21.7%
Cost of Sales	(298.4)	(379.1)	27.0%	(1,144.9)	(1,458.3)	27.4%
Gross Profit	276.7	335.5	21.3%	1,207.9	1,404.6	16.3%
Gross Margin	48.1%	47.0%		51.3%	49.1%	
Administrative Expenses	(31.7)	(44.6)	40.6%	(128.1)	(162.0)	26.4%
Selling and Marketing Expenses	(197.9)	(224.1)	13.3%	(762.1)	(857.2)	12.5%
R&D Expenses	(3.1)	(7.6)	141.6%	(22.4)	(25.9)	15.2%
Other Income / (Expenses), net	2.2	0.1	(96.0%)	2.2	2.4	7.5%
Operating Profit	46.1	59.3	28.6%	297.5	362.0	21.7%
Profit/(Loss) from Investment Activities	0.2	(0.1)	n.m.	(0.4)	(0.8)	125.1%
Operating Profit before Financial Income	46.3	59.3	27.9%	297.1	361.2	21.6%
Operating Margin	8.1%	8.3%		12.6%	12.6%	
Financial Expenses, Net	(44.8)	(44.4)	(0.9%)	(164.8)	(223.7)	35.8%
Profit Before Tax	1.6	14.9	853.6%	132.4	137.5	3.9%
Income Tax Expense	(2.0)	(1.9)	(4.5%)	(31.6)	(29.6)	(6.1%)
Profit	(0.5)	12.9	n.m.	100.8	107.9	7.1%
Profit Margin	(0.1%)	1.8%		4.3%	3.8%	
EBITDA	62.8	134.2	113.7%	367.1	644.4	75.5%
EBITDA Margin	10.9%	18.8%		15.6%	22.5%	

Financial Statements

Balance Sheet (2019 figures inc. IFRS 16)

TRYm	31 January 2019	31 January 2020	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	266.6	310.8	16.6%
Trade Receivables	168.6	231.1	37.1%
Inventories	457.2	496.1	8.5%
Other Current Assets	92.9	80.7	(13.2%)
Total Current Assets	985.3	1,118.7	13.5%
Non-Current Assets			
Property and Equipment	159.7	180.7	13.1%
Right of Use Assets	-	406.7	n.m.
Intangible Assets	194.5	222.4	14.4%
Other Non-Current Assets	4.4	8.9	102.2%
Total Non-Current Assets	358.6	818.8	128.3%
Total Assets	1,343.9	1,937.4	44.2%
Liabilities			
Current Liabilities			
Short-Term Borrowings	284.1	235.7	(17.0%)
Short-Term Contractual Lease Liabilities	-	198.0	n.m.
Trade Payables	510.3	597.3	17.0%
Other Current Liabilities	102.6	92.1	(10.2%)
Total Current Liabilities	896.9	1,123.0	25.2%
Non-Current Liabilities			
Long-Term Financial Liabilities	92.0	84.1	(8.6%)
Long-Term Contractual Lease Liabilities	-	240.8	n.m.
Other Non-Current Liabilities	17.8	11.9	(33.4%)
Total Non-Current Liabilities	109.8	336.7	206.7%
Total Liabilities	1,006.7	1,459.8	45.0%
Equity			
Total Equity	337.2	477.7	41.7%
Total Equity & Liabilities	1,343.9	1,937.4	44.2%

Financial Statements

Cash Flow Statement (2019 figures inc. IFRS 16)

TRYm	2018	2019
Profit ¹	100.8	107.9
D&A Expense	69.7	280.3
Net Finance Expense / (Income)	109.9	219.6
Tax Expense	31.6	29.6
Other Non-Cash Items	36.6	36.1
Cash Flow from Operating Activities	348.6	673.5
Δ in Net Working Capital ²	(43.1)	(38.3)
Income Tax Paid	(45.0)	(32.0)
Net Cash from Operating Activities	260.5	603.2
Cash Flows from Investing Activities		
Capex	(66.1)	(100.6)
Other Investing Cash Flow ³	(9.4)	(4.8)
Net Cash Flow Used in Investing Activities	(75.5)	(105.4)
Cash Flows from Financing Activities		
Debt Issued / (Repaid)	(9.6)	(47.2)
Payment of Contractual Lease Liabilities	-	(243.5)
Other Financial Payments ⁴	(109.8)	(79.1)
Dividends Paid	(25.9)	-
Interest Paid	(40.1)	(79.3)
Net Cash Flows Used in Financing Activities	(185.5)	(449.0)
Net Cash Flow	(0.5)	48.8
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	262.0	310.8

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 payments related to 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)		2019 FY Impact	
RENT EXPENSE	↘	-243.5	Decrease as all non-performance leases are capitalized and are subjected to depreciation and interest expense
DEPRECIATION & AMORTIZATION	↗	+203.8	Increase due to depreciation of capitalized operating lease assets
OPERATING PROFIT	↗	+39.9	Higher as lease expense is replaced by depreciation and interest
FINANCIAL EXPENSE	↗	+73.7	Increase due to interest cost component of rents booked in financial expenses
INCOME TAX EXPENSE	↘	-7.5	Lower in the first years due to higher deferred tax assets rising from lower net income
NET INCOME	↘	-26.3	Lower due to higher interest expense in the first years; neutral over time
EBITDA	↗	+243.7	Higher as lease expense is replaced by depreciation and interest
TOTAL ASSETS	↗	+405.3	Increase as lease contracts are capitalised
TOTAL NET DEBT	↗	+438.7	Increase as capitalised lease contracts assumed as financial debt

Global Footprint as at 31 January 2020

