



# H1 2021 Results Presentation

September 14, 2021

# 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.

## Q2 2021 Business Overview

---

- In Q2 2021, Covid19 related restrictions were largely lifted across the countries we operate in
- Turkey operations experienced a full lock-down period until May 17<sup>th</sup> and some restrictions on weekends until the end of May resulting in 31% lower trading hours in the quarter (vs 53% in Q2 2020). Since June 1<sup>st</sup>, all operations are back to normal trading hours with strong sales momentum
- Customer traffic in retail stores in Turkey returned to pre-pandemic levels on a comparable basis. Meanwhile, conversion rates, units per transaction and the average basket size are higher compared to the same quarter of 2019
- In our international markets, most of the Covid related restrictions have been lifted and are operating at normal trading hours. International sales grew 70% in constant currency
- Online sales remained strong globally driven both by mavi.com business and marketplace performance. Online share in revenue in Turkey surpassed 12% in Q2 2021 alongside strong retail performance
- Dynamic supply chain management, product planning and inventory management remain our key strengths for continued success
- Opex/sales ratios normalized with controlled expenses and increasing revenue
- Targeted investment on our brand, products and customers is receiving great response

# H1 2021 Highlights

- Consolidated revenue realized at 1,837 TRYm, growing 99% versus H1 2020, 37% versus H1 2019
- EBITDA for the period is 404 TRYm resulting in 22.0% EBITDA margin
- Record high earnings in Q2 resulted in 138 TRYm net income in H1 2021
- Total number of monobrand stores<sup>2</sup> increased to 448
- Balance sheet at net cash position of 174 TRYm
- Turkey online sales is 128% above H1 2020

## GROUP HIGHLIGHTS<sup>1</sup>

1,837 TRYm Revenue 99% Growth	404 TRYm EBITDA 301% Growth
22.0% EBITDA Margin	138 TRYm Net Income
448 <sup>2</sup> Monobrand Stores	174 TRYm Net Cash

<sup>1</sup> Including IFRS 16 impacts as reported

<sup>2</sup> Includes global franchise and owned stores

## TURKEY HIGHLIGHTS

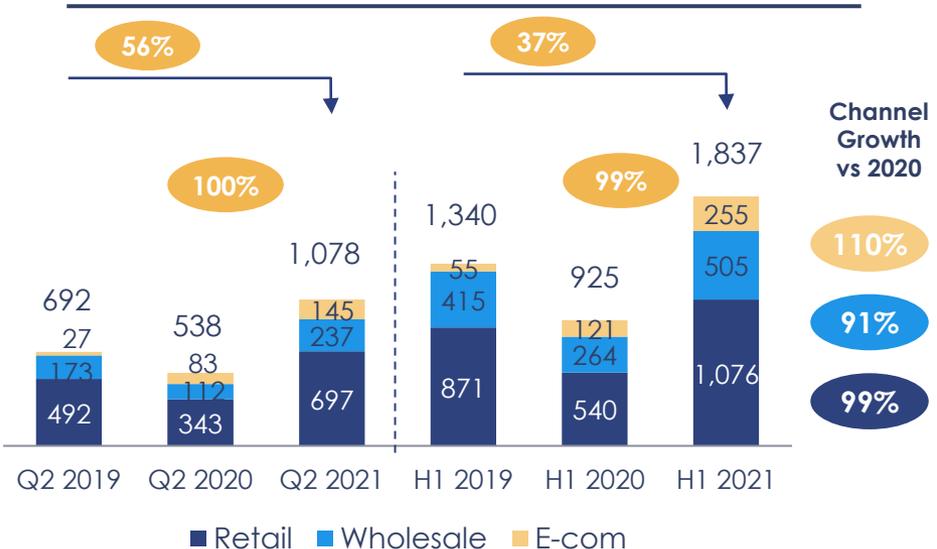
98% Retail Sales Growth	128% Online Sales Growth
c.56% Lifestyle	
c.44% Denim All	
	4.8 mn Active Loyalty Card Members <sup>3</sup>

<sup>3</sup>Active means that the member has made a purchase of Mavi product in the last two years. Total number of Kartuş card holders is 8.1 mn

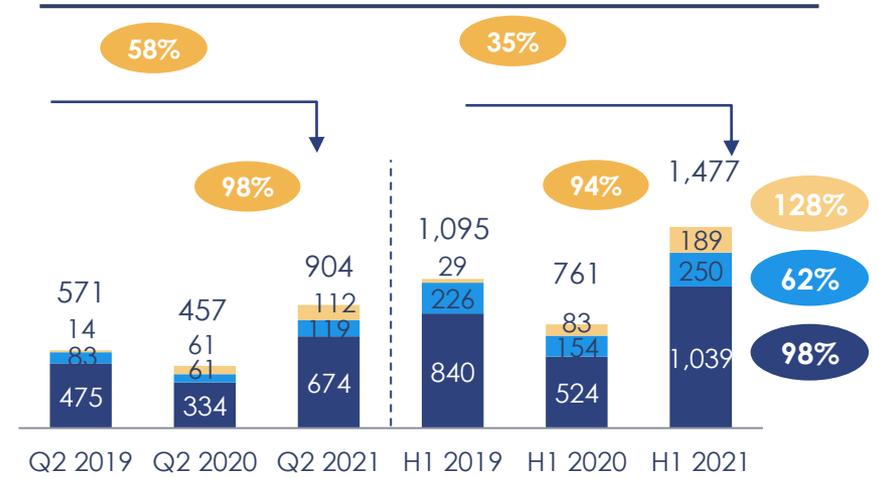
\*Category and gender mix for Turkey Retail only

# Revenue Evolution in Sales Channels

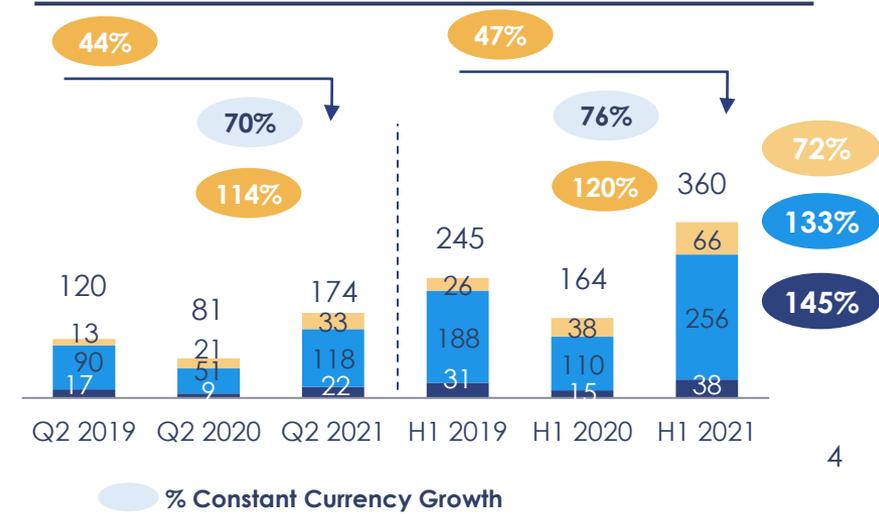
## Global Revenue (TRYm)



## Turkey Revenue (TRYm)



## International Revenue (TRYm)



- Total revenue consists of 59% retail, 27% wholesale and 14% e-com as of H1 2021
- 80% of consolidated revenue is from Turkey
- International revenue grew 70% in Q2'21 and 76% in H1'21 in constant currency terms

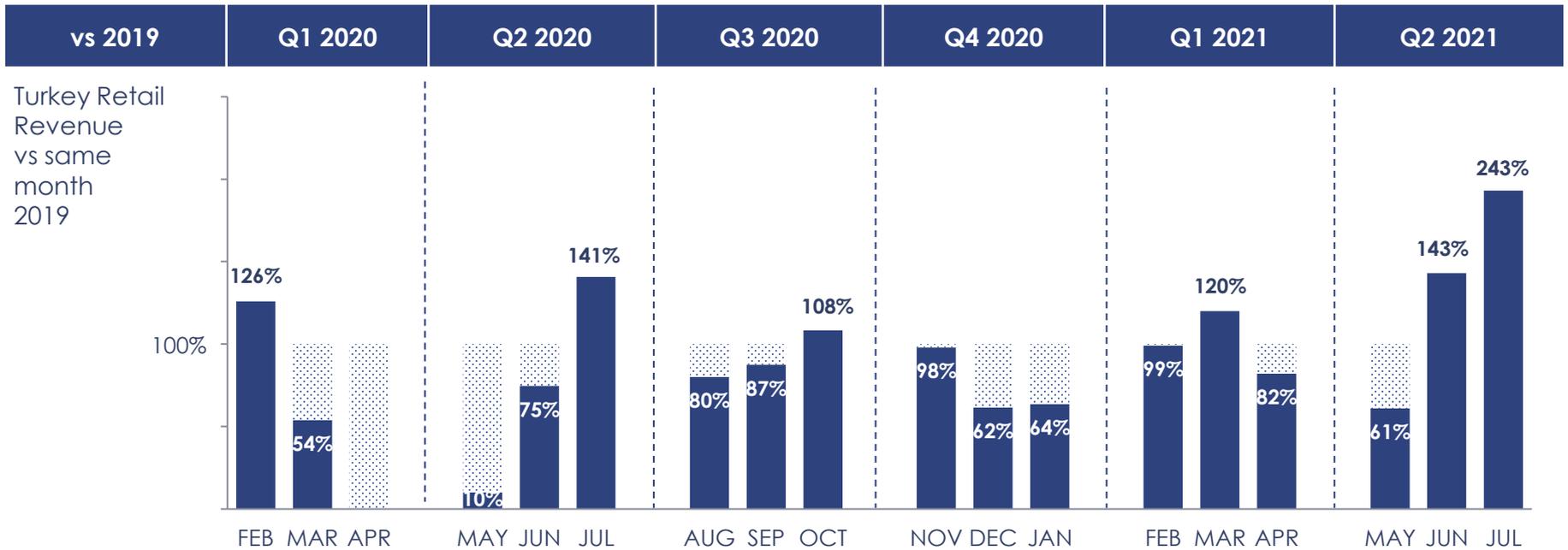


# Turkey Retail Operations



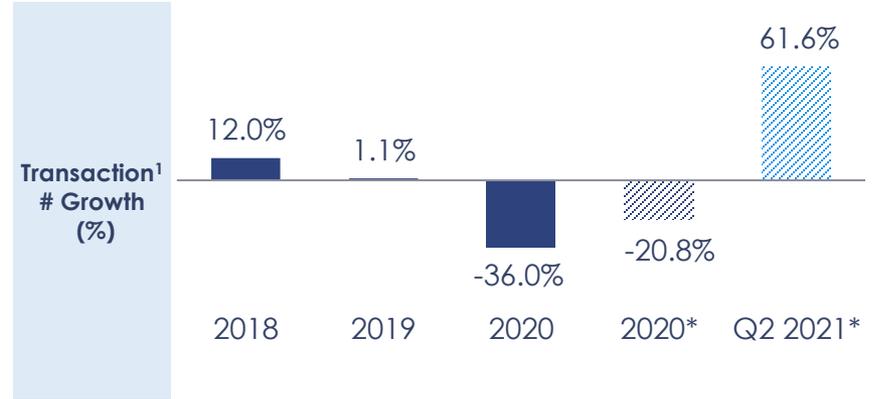
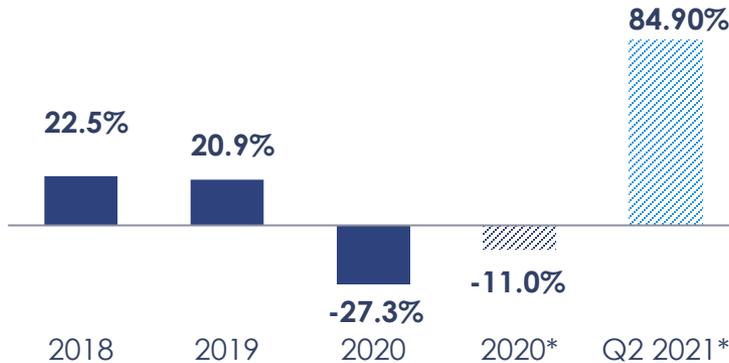
- With five openings and three closures in first half 2021, number of retail stores in Turkey stands at 322 as of end-July 2021
- Four store sqm expansions in 2021
- Total selling space stands at 160.7K sqm with average 499 sqm per store

# Turkey Retail Business Resilient to Pandemic Conditions



Trading Hours	(47%)	(53%)	(25%)	(35%)	(38%)	(31%)
Traffic on Trading Days	(4%)	(33%)	(35%)	(28%)	(11%)	3%
Turkey Retail Revenue	(48%)	(30%)	(8%)	(25%)	In-line	42%

# Same Store Sales Performance



- On the open days of Q2 2021, traffic rebounded increasing 82% versus 2020 and surpassed pre-covid 2019 level by 3%
- Conversion rate and unit per transaction is normalizing and still above pre-pandemic levels
- Basket size is 32% higher than Q2 2019



# Sales in Denim & Lifestyle Categories

## Denim Products (TRYm)

## Lifestyle Products (TRYm)

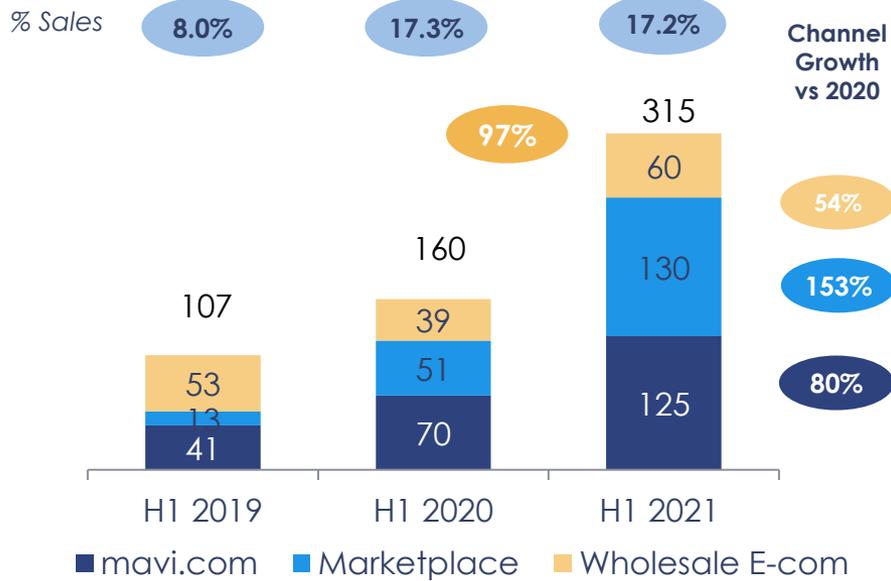


% Share in H1 2021 Turkey retail net sales

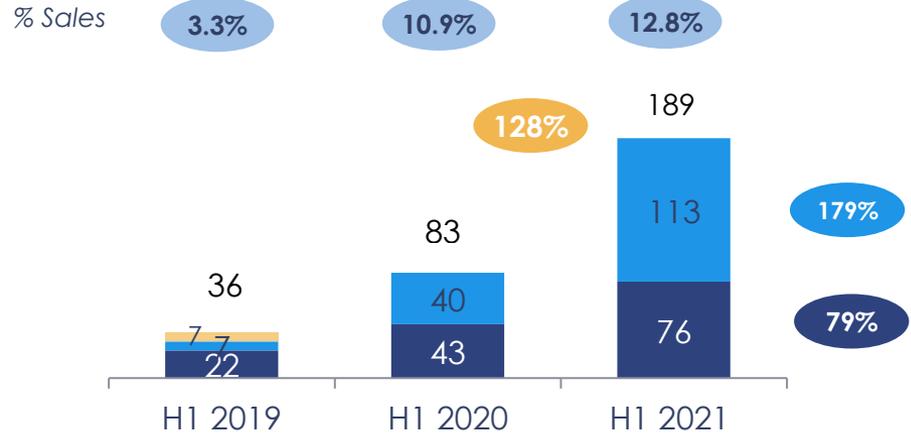
Note: Total Growth in Lifestyle Category is 101% vs 2020 and 28% vs 2019. Remaining 3% consists of skirts, dresses and kids which grew 132% yoy.

# Online Sales Growth (inc. wholesale partners)

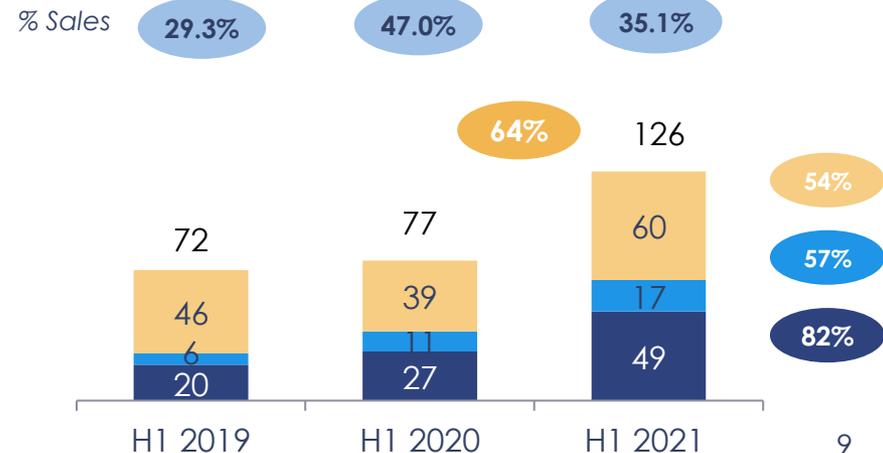
## Global Online Sales (TRYm)



## Turkey Online Sales (TRYm)



## International Online Sales (TRYm)



- Continuous investments in digital systems and online customers
- Full-price channel strategy across all categories with continued and increasing positive contribution to margins

# Consolidated Gross Margins



- Strong brand positioning, top-notch communication strategy, efficient product-price planning enabled high sell-through with lower markdown spending
- Gross margins improved **180 bps** in Q2 2021 resulting with **200 bps** improvement in SS21 season versus 2020 and **240 bps** improvement versus 2019

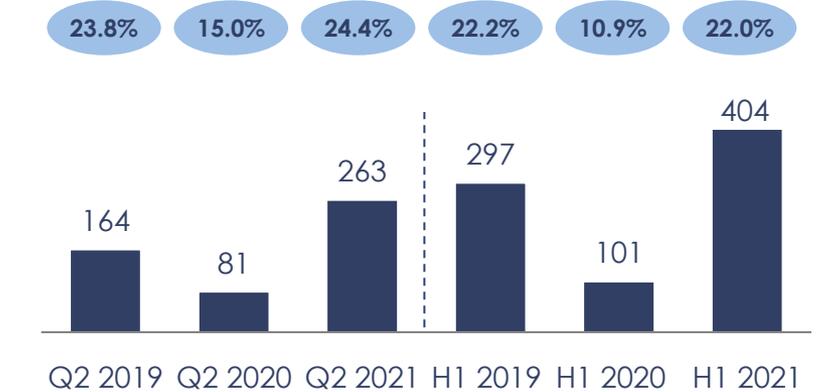
● % Growth 
 ● % Margin 
 ● % Normalized Margin<sup>1</sup>

# Consolidated EBITDA and Net Income

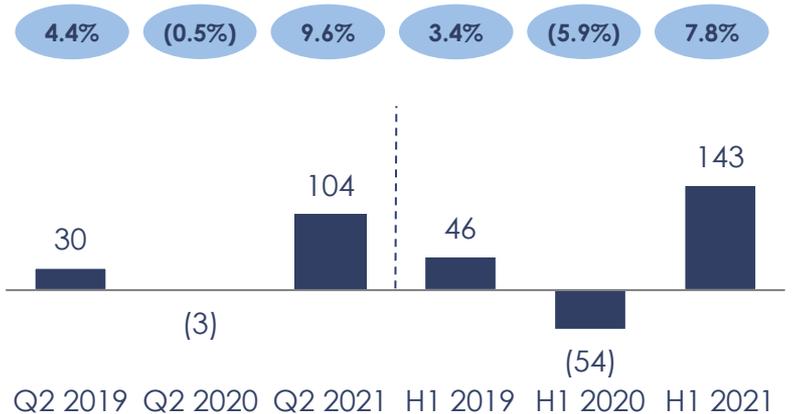
EBITDA exc. IFRS16 (TRYm)



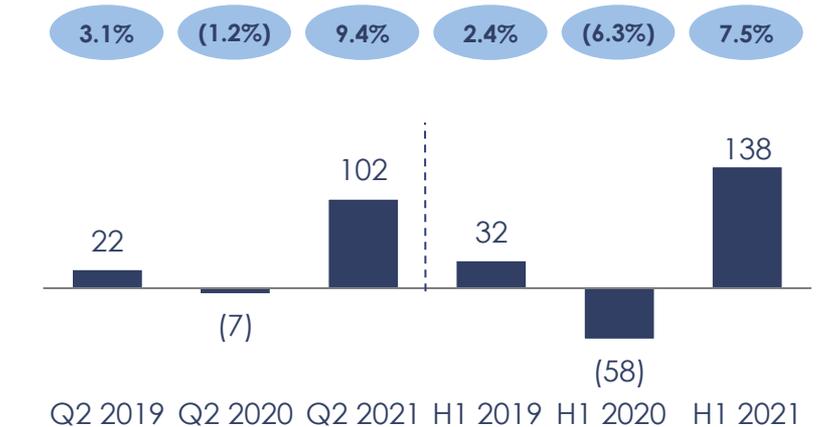
EBITDA inc. IFRS16 (TRYm)



Net Income exc. IFRS16 (TRYm)



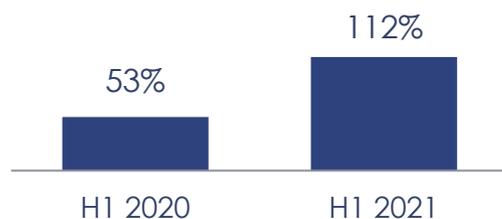
Net Income inc. IFRS16 (TRYm)



% Margin

# Operational Cash Flow and Working Capital Management

## Cash Conversion (exc.IFRS16)



TRYm	H1 2020	H1 2021
EBITDA	22.7	295.5
Δ in NWC <sup>1</sup>	(10.6)	36.6
Operating Cash Flow	12.1	332.1

## Main Working Capital Items

TRYm	2020	H1 2020	H1 2021
Trade & Other Receivables	247.9	210.8	309.6
% LTM Sales	10.3%	8.6%	9.3%
Inventories	560.1	590.5	563.3
% LTM COGS	45.1%	46.8%	34.1%
Trade & Other Payables	642.1	675.8	729.4
% LTM COGS	51.7%	53.6%	44.1%
Main NWC	165.9	125.4	143.5
% Sales	6.9%	5.1%	4.3%

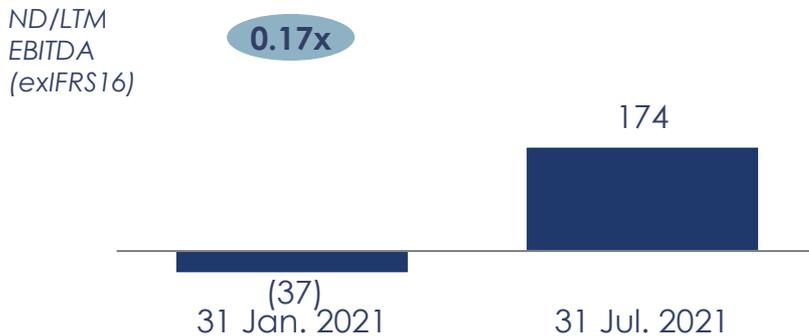
- 356 TRYm operational cash generation in Q2 2021
- Strong sell-through in the quarter resulted with favorable inventory levels. Inventory in number of pieces in Turkey is down 5% compared to end-July 2020

# Capex and Leverage Ratios

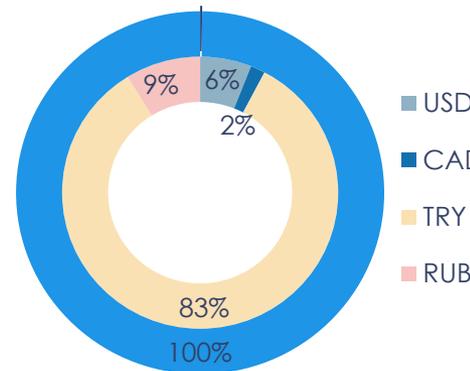
## CAPEX (TRYm)



## Net Cash (Debt) exc. IFRS16 (TRYm)



## Debt Breakdown (31 July 2021)



- Local Currency
- Foreign Currency

## Average Cost of Debt

TRY	14.5%
USD	2.6%
RUB	10.3%
CAD	3.0%
Blended	13.2%

- 16% of total consolidated debt is carried by Mavi US, Mavi CA and Mavi RU - all denominated in their local currencies.
- As of end-July 2021 foreign currency debt is close to zero
- Keeping no FX position is a strategic priority

# Management Guidance for FY 2021

---

Consolidated Revenue Growth	70 -75%
Turkey Retail Stores	5 net new stores (2 in SS, 3 in FW) 9 store expansions (4 in SS, 5 in FW)
EBITDA Margin	14.0-14.5% (exc. IFRS16) 20.0-20.5% (inc. IFRS16)
Net Debt/EBITDA	Net Cash Position (exc. IFRS16)
CAPEX	3.5% of consolidated sales

## Trading Update for Q3 2021

- Same store sales increased **58% in August yoy (24% vs 2019)** and **106% yoy (74% vs 2019) in the first 12 days of September.**
- Online Sales continue to perform well globally. Online sales in Turkey grew **103% yoy** in August



[investorrelations@mavi.com](mailto:investorrelations@mavi.com)

# Financial Statements

## *Income Statement (inc. IFRS 16)*

TRYm	Q2 2020	Q2 2021	Change (%)	H1 2020	H1 2021	Change (%)
Revenue	537.8	1,077.8	100%	924.9	1,836.5	99%
Cost of Sales	(270.7)	(511.1)	89%	(482.1)	(894.8)	86%
Gross Profit	267.1	566.7	112%	442.8	941.7	113%
Gross Margin	49.7%	52.6%		47.9%	51.3%	
Administrative Expenses	(38.0)	(61.3)	61%	(77.2)	(111.3)	44%
Selling and Marketing Expenses	(219.8)	(324.2)	47%	(401.1)	(580.9)	45%
R&D Expenses	(7.4)	(11.0)	48%	(15.3)	(21.4)	40%
Other Income / (Expenses), net	3.6	3.9	8%	7.6	11.8	55%
Operating Profit	5.4	174.0	3097%	(43.1)	239.9	n.m.
Profit/(Loss) from Investment Activities	(1.0)	(0.1)	(92%)	(1.4)	(0.2)	(87%)
Operating Profit before Financial Income	4.4	173.9	3842%	(44.5)	239.8	n.m.
Operating Margin	0.8%	16.1%		(4.8%)	13.1%	
Financial Expenses, Net	(13.5)	(38.5)	185%	(31.7)	(59.5)	88%
Profit Before Tax	(9.1)	135.5	n.m.	(76.2)	180.3	n.m.
Income Tax Expense	2.4	(33.8)	n.m.	17.9	(42.1)	n.m.
Profit	(6.7)	101.7	n.m.	(58.3)	138.2	n.m.
Profit Margin	(1.2%)	9.4%		(6.3%)	7.5%	
EBITDA	80.8	262.9	225%	101.0	404.5	301%
EBITDA Margin	15.0%	24.4%		10.9%	22.0%	

# Financial Statements

## *Balance Sheet (inc. IFRS 16)*

TRYm	31 January 2021	31 July 2021	Change (%)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	889.9	900.7	1%
Trade Receivables	231.4	286.5	24%
Inventories	560.1	563.3	1%
Other Current Assets	105.4	117.0	11%
<b>Total Current Assets</b>	<b>1,786.7</b>	<b>1,867.5</b>	<b>5%</b>
Property and Equipment	197.7	216.2	9%
Right of Use Assets	435.0	405.1	(7%)
Intangible Assets	262.7	297.6	13%
Other Non-Current Assets	25.6	35.2	38%
<b>Total Non-Current Assets</b>	<b>921.0</b>	<b>954.2</b>	<b>4%</b>
<b>Total Assets</b>	<b>2,707.8</b>	<b>2,821.7</b>	<b>4%</b>
Short-Term Financial Liabilities	821.0	709.5	(14%)
Short-Term Contractual Lease Liabilities	218.6	219.0	0%
Trade Payables	638.2	706.7	11%
Other Current Liabilities	108.3	214.3	98%
<b>Total Current Liabilities</b>	<b>1,786.0</b>	<b>1,849.5</b>	<b>4%</b>
Long-Term Financial Liabilities	105.6	17.0	(84%)
Long-Term Contractual Lease Liabilities	260.0	235.0	(10%)
Other non-current Liabilities	22.1	29.6	34%
<b>Total Non-Current Liabilities</b>	<b>387.7</b>	<b>281.6</b>	<b>(27%)</b>
<b>Total Liabilities</b>	<b>2,173.7</b>	<b>2,131.1</b>	<b>(2%)</b>
<b>Total Equity</b>	<b>534.0</b>	<b>690.6</b>	<b>29%</b>
<b>Total Equity &amp; Liabilities</b>	<b>2,707.8</b>	<b>2,821.7</b>	<b>4%</b>

# Financial Statements

## Cash Flow Statement (inc. IFRS 16)

TRYm	H1 2020	H1 2021
Profit <sup>1</sup>	(58.3)	138.2
Adjustments	208.0	308.4
<b>Cash Flow from Operating Activities</b>	<b>149.6</b>	<b>446.7</b>
Δ in Net Working Capital <sup>2</sup>	(10.6)	36.6
Income Tax Paid	(7.7)	(3.9)
<b>Net Cash from Operating Activities</b>	<b>131.3</b>	<b>479.3</b>
Capex	(61.7)	(61.0)
Other Investing Cash Flow <sup>3</sup>	19.9	38.0
<b>Net Cash Flow Used in Investing Activities</b>	<b>(41.9)</b>	<b>(23.0)</b>
Debt Issued / (Repaid)	480.0	(220.9)
Payment of Contractual Lease Liabilities	(77.5)	(109.6)
Other Financial Payments <sup>4</sup>	(23.0)	(64.6)
Interest Paid	(41.5)	(50.5)
<b>Net Cash Flows Used in Financing Activities</b>	<b>338.0</b>	<b>(445.5)</b>
<b>Net Cash Flow</b>	<b>427.4</b>	<b>10.8</b>
Cash and Cash Equivalents at the Beginning of the Period <sup>5</sup>	310.8	889.9
Cash and Cash Equivalents at the End of the Period <sup>5</sup>	738.2	900.7

<sup>1</sup>Pre non-controlling interest. <sup>2</sup>Working Capital includes main working capital items and employee benefits paid as well as deferred revenues. <sup>3</sup>Other Investing Cash Flow includes proceeds from sale of tangible assets and interest received. <sup>4</sup>Other Financial Payments include dividends paid, proceeds from derivatives, imputed interest and financial commissions. <sup>5</sup>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.

# Global Footprint as of 31 July 2021

