



mavi

**9M 2021
Results Presentation**

December 7, 2021

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Q3 2021 Business Overview

- Turkey operations are at normal trading hours since June and delivered 73% sales growth in Q3 on top of a relatively strong base
- Customer traffic in retail stores in Turkey are already above 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
- Our international markets have also been operating under normal trading hours in the quarter. International sales grew 29% in TL, 11% on constant currency basis on a strong base mainly driven by the performance of North America business
- Online sales remained strong driven both by mavi.com business and marketplace performance. Revenue through all digital channels year to date is 11% in Turkey and 15% globally alongside the strong retail performance
- Opex/sales ratio improved 180bps in Q3 2021, 625bps in 9M 2021 with controlled expenses and increasing revenue
- Dynamic supply chain management, product planning and inventory management remain our key strengths for continued success
- Targeted investment on our brand, products and customers is receiving great response

9M 2021 Highlights

- Consolidated revenue realized at 3,191 TRYm, growing 82% versus 9M 2020, 49% versus 9M 2019
- EBITDA for the period is 750 TRYm resulting in 23.5% EBITDA margin
- A new record in earnings in Q3 resulted in 301 TRYm net income in 9M 2021
- Total number of monobrand stores² increased to 453
- Balance sheet at net cash position of 369 TRYm
- Turkey online sales is 122% above 9M 2020



GROUP HIGHLIGHTS¹

3,191 TRYm Revenue 82% Growth	750 TRYm EBITDA 150% Growth
23.5% EBITDA Margin	301 TRYm Net Income
453 Monobrand Stores ²	369 TRYm Net Cash

¹ Including IFRS 16 impacts as reported

² Includes global franchise and owned stores

TURKEY HIGHLIGHTS

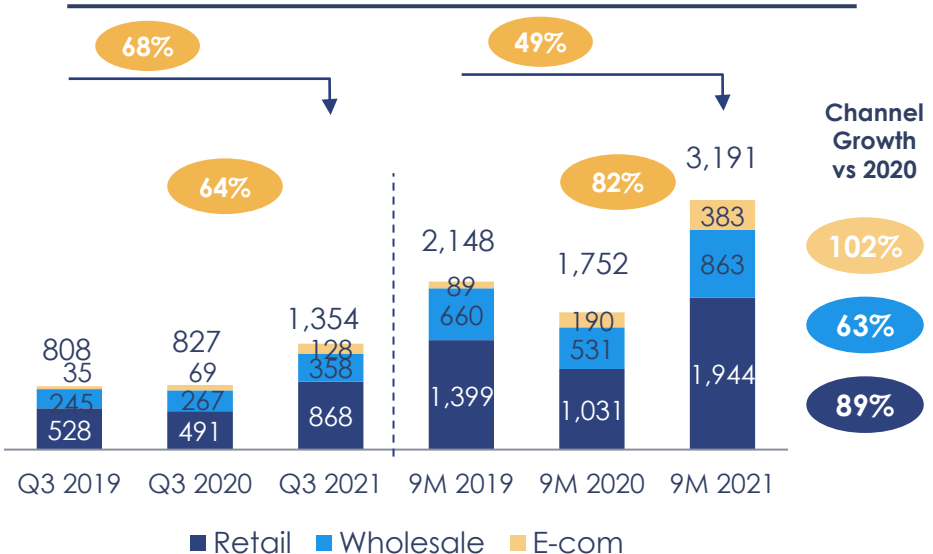
89% Retail Sales Growth	122% Online Sales Growth
c.58% Lifestyle	
c.42% Denim All	
	4.7 mn Active Loyalty Card Members ³

³Active means that the member has made a purchase of Mavi product in the last two years. Total number of Kartuş card holders is 8 mn

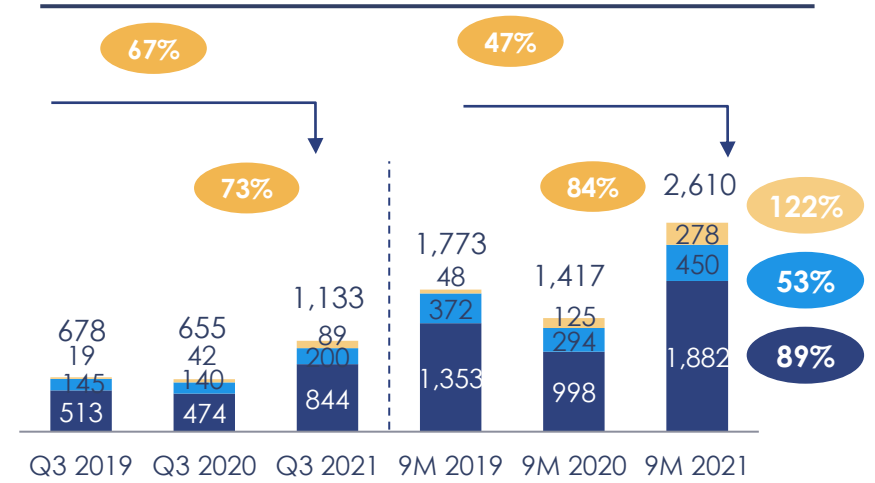
*Category and gender mix for Turkey Retail only

Revenue Evolution in Sales Channels

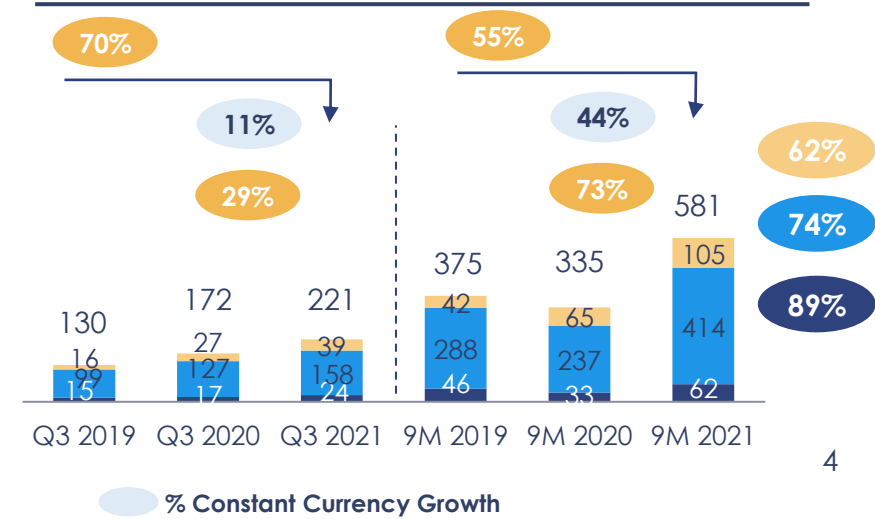
Global Revenue (TRYm)



Turkey Revenue (TRYm)



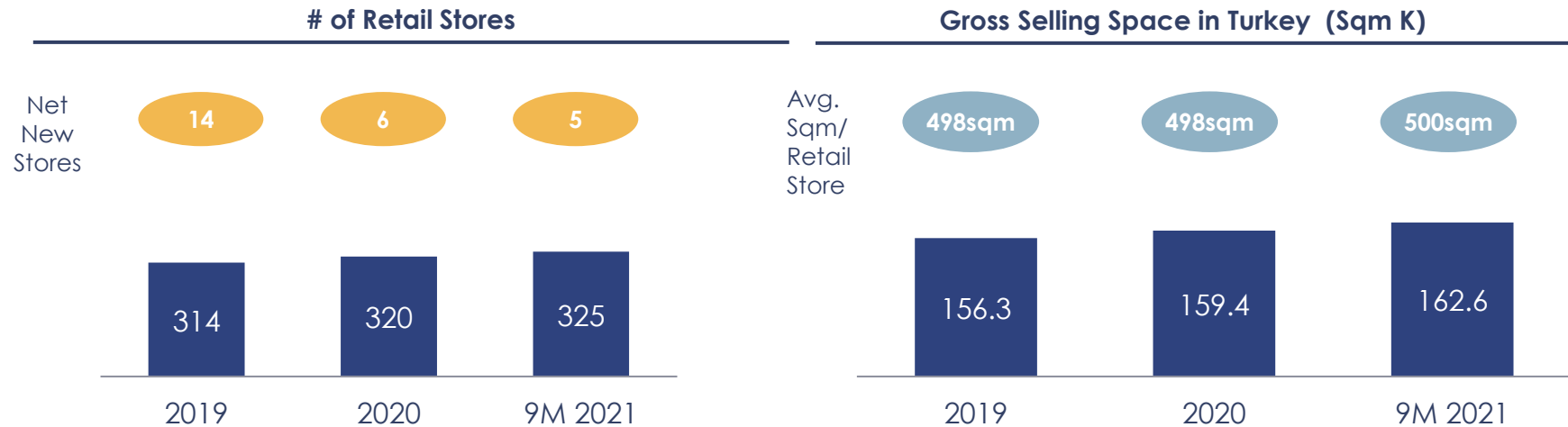
International Revenue (TRYm)



- Total revenue consists of 61% retail, 27% wholesale and 12% e-com as of 9M 2021
- 82% of consolidated revenue is from Turkey
- International revenue grew 11% in Q3'21 and 44% in 9M'21 in constant currency terms

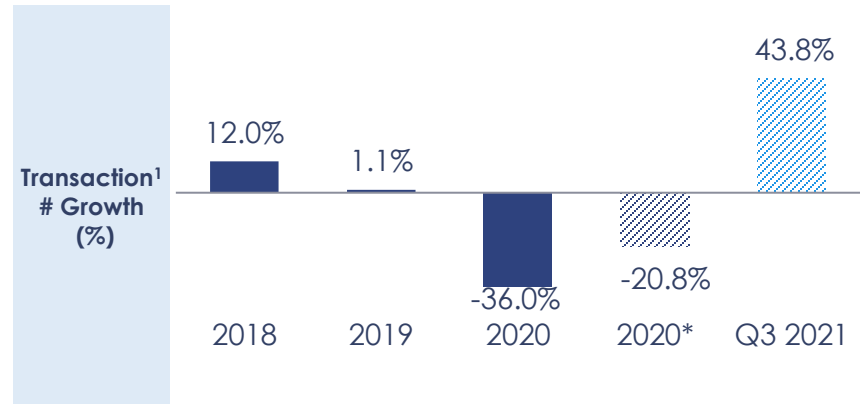
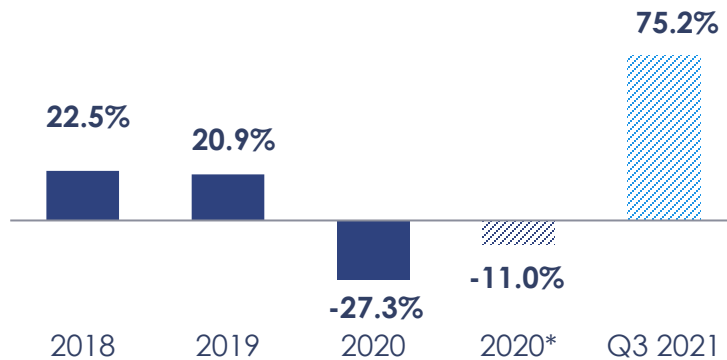


Turkey Retail Operations

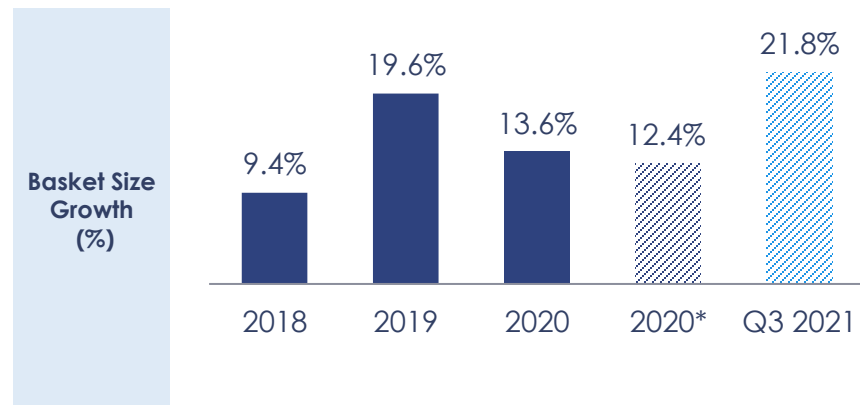


- With eight openings and three closures in first nine months of 2021, number of retail stores in Turkey stands at 325 as of end-October 2021
- Six store sqm expansions in 2021
- Total selling space stands at 162.6K sqm with average 500 sqm per store

Same Store Sales Performance



- In Q3 2021, traffic to stores was up 69% versus 2020 and 6% above pre-covid 2019 level
- Same stores sales growth is 58% versus Q3 2019
- Conversion rate and unit per transaction is still above pre-pandemic levels



Sales in Denim & Lifestyle Categories

Denim Products (TRYm)

Lifestyle Products (TRYm)

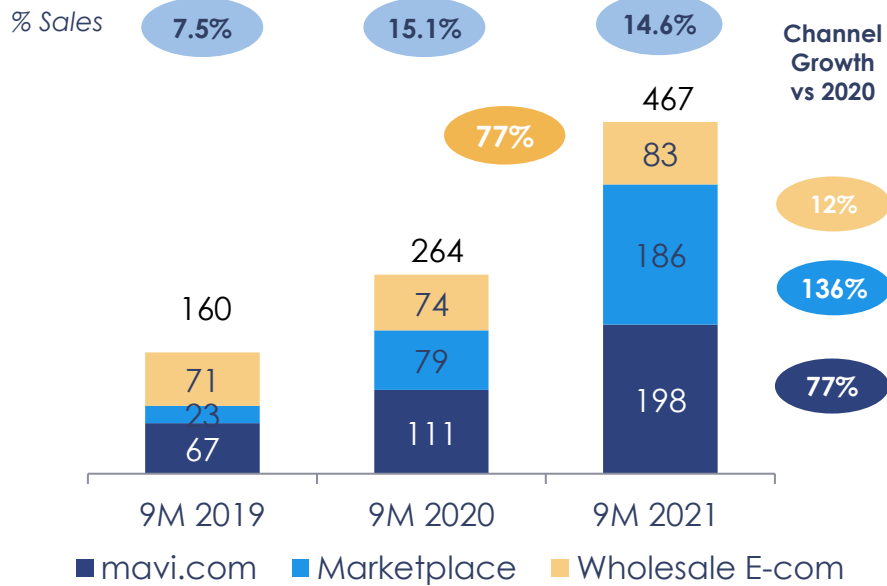


% Share in 9M 2021 Turkey retail net sales

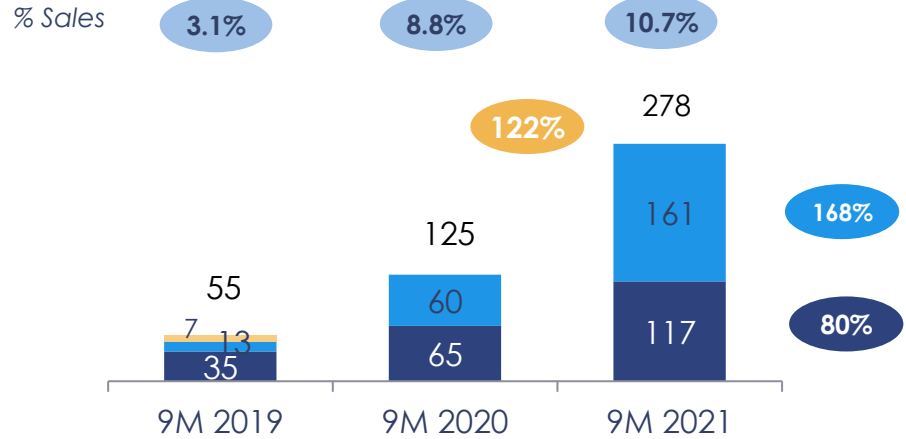
Note: Total Growth in Lifestyle Category is 97% vs 2020 and 48% vs 2019. Remaining 2% consists of skirts, dresses and kids which grew 92% yoy.

Online Sales Growth (inc. wholesale partners)

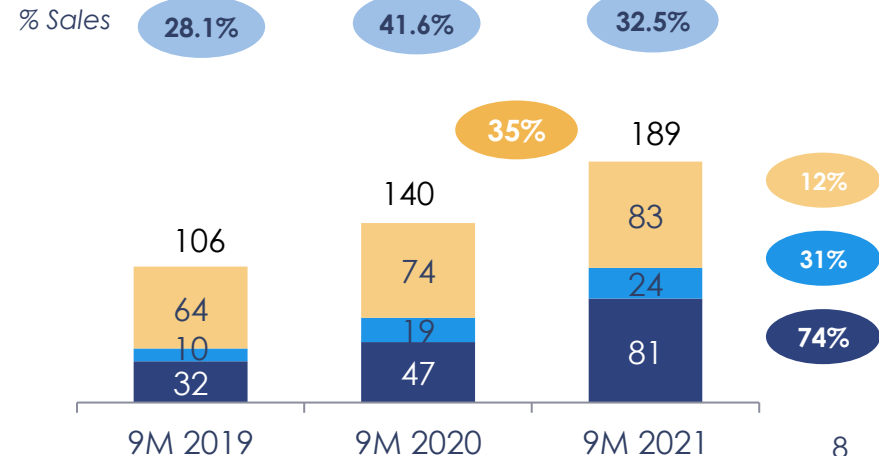
Global Online Sales (TRYm)



Turkey Online Sales (TRYm)

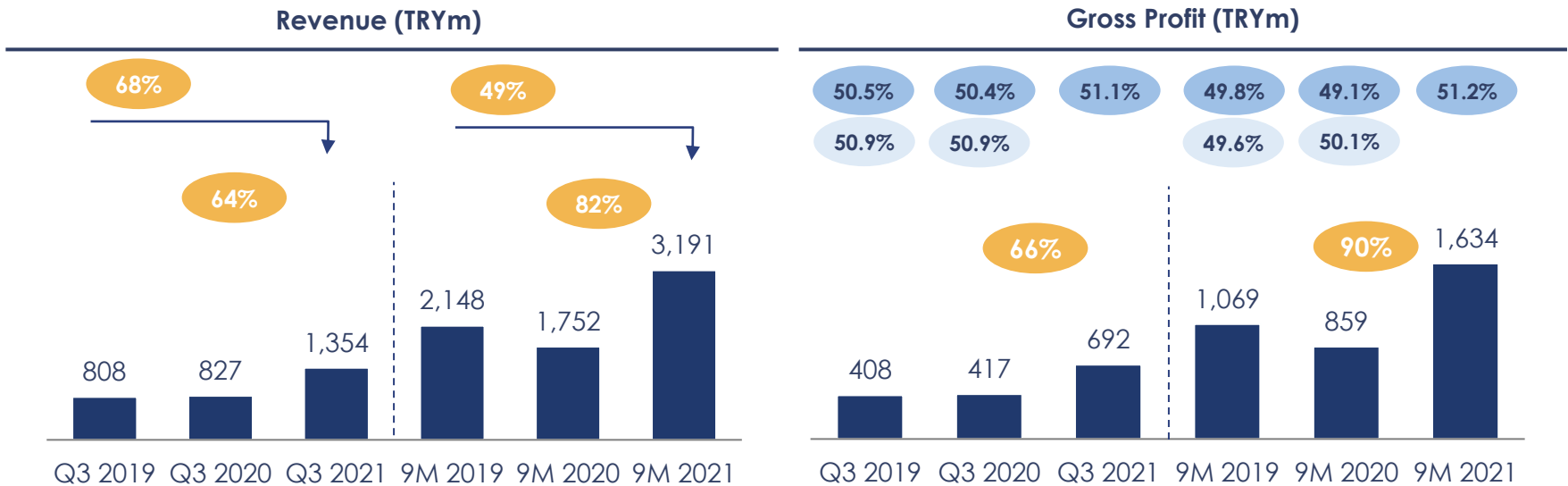


International Online Sales (TRYm)



- 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

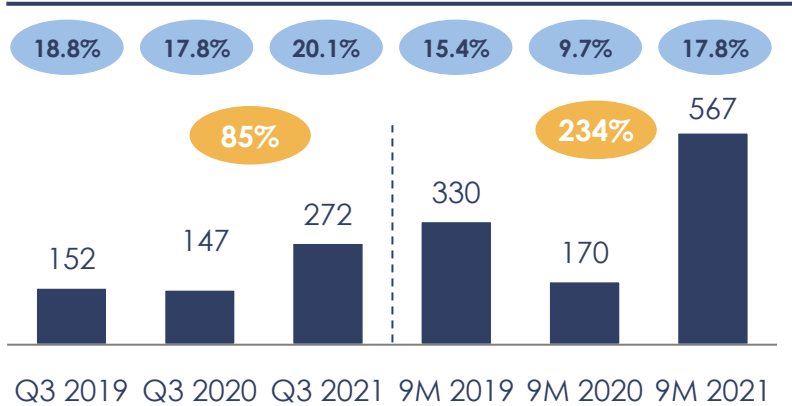


- Strong brand positioning, top-notch communication strategy, efficient product-price planning enabled high sell-through with lower markdown spending
- Gross margins were preserved in Q3 2021 despite all cost pressures resulting with **110 bps** improvement in 9M 2021 versus 9M 2020 and **160 bps** improvement versus 9M 2019

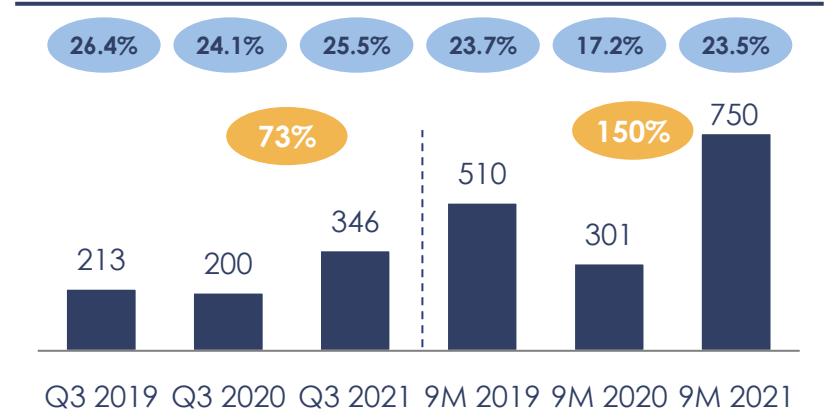
● % Growth
 ● % Margin
 ● % Normalized Margin¹

Consolidated EBITDA and Net Income

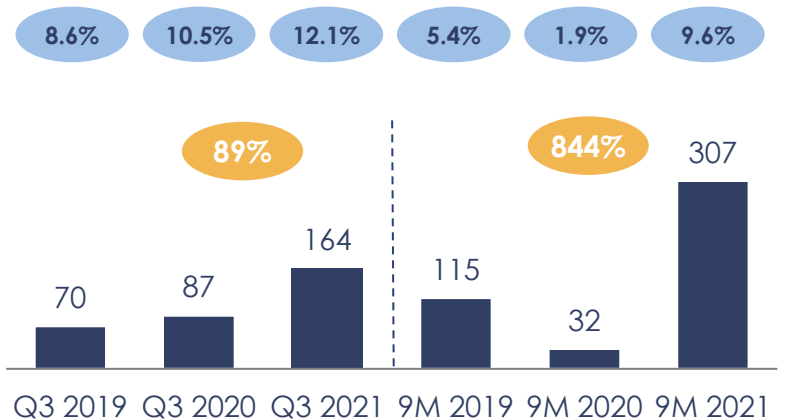
EBITDA exc.IFRS16 (TRYm)



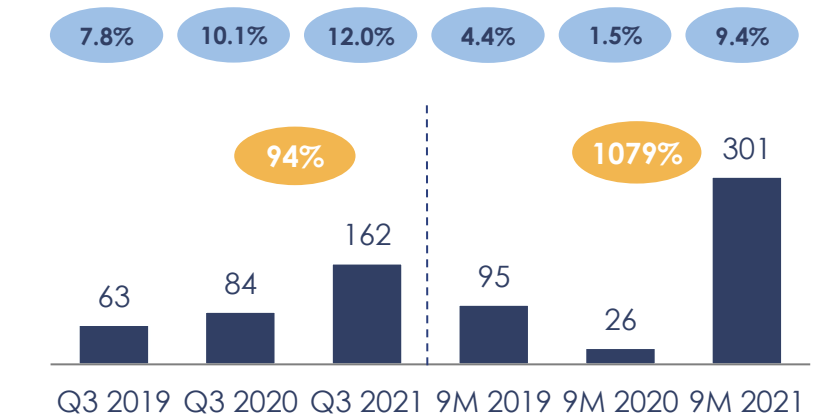
EBITDA inc.IFRS16 (TRYm)



Net Income exc.IFRS16 (TRYm)



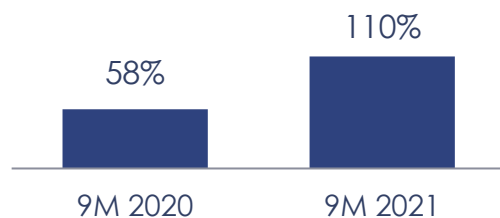
Net Income inc.IFRS16 (TRYm)



% Margin

Operational Cash Flow and Working Capital Management

Cash Conversion (exc.IFRS16)



TRYm	9M 2020	9M 2021
EBITDA	169.6	567.1
Δ in NWC ¹	(72.0)	57.5
Operating Cash Flow	97.6	624.5

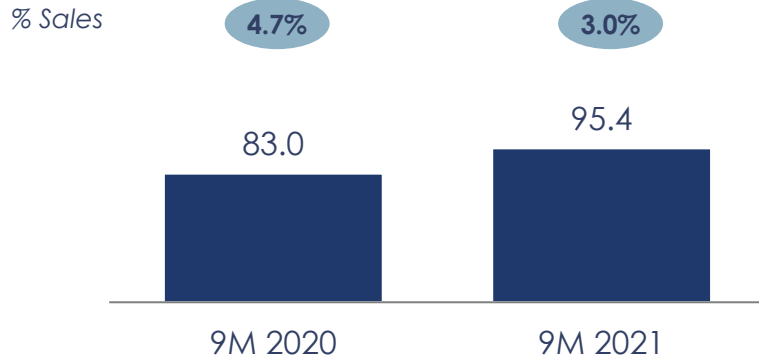
Main Working Capital Items

TRYm	2020	9M 2020	9M 2021
Trade & Other Receivables	247.9	290.3	437.3
% LTM Sales	10.3%	11.8%	11.4%
Inventories	560.1	648.2	674.1
% LTM COGS	45.1%	51.0%	35.4%
Trade & Other Payables	642.1	741.1	946.3
% LTM COGS	51.7%	58.3%	49.6%
Main NWC	165.9	197.4	165.1
% Sales	6.9%	8.0%	4.3%

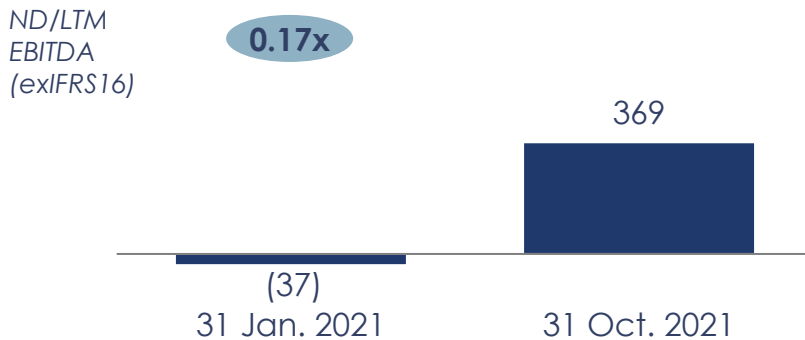
- 292 TRYm cash flow generation in Q3 2021 on top of 356 TRYm in Q2 2021
- Strong sell-through in the quarter resulted with favorable inventory levels. Inventory in number of pieces in Turkey is down 21% compared to end-October 2020

Capex and Leverage Ratios

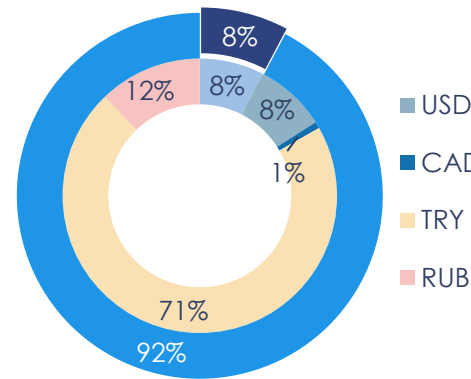
CAPEX (TRYm)



Net Cash (Debt) exc. IFRS16 (TRYm)



Debt Breakdown (31 October 2021)



■ Local Currency
■ Foreign Currency

Average Cost of Debt

TRY	15.9%
EUR	0.4%
USD	2.6%
RUB	10.1%
CAD	3.0%
Blended	12.8%

- 21% of total consolidated debt is carried by Mavi US, Mavi CA and Mavi RU - all denominated in their local currencies, hence is not exposed to currency risk
- Keeping no FX position is a strategic priority

Management Guidance Update for FY 2021

	Initial	Revised
Consolidated Revenue Growth	70 -75%	80-85%
Turkey Retail Stores (full year)	5 net new stores 9 store expansions	7 net new stores 9 store expansions
EBITDA Margin	14.0-14.5% (exc. IFRS16) 20.0-20.5% (inc. IFRS16)	14.5-15.0%(exc. IFRS16) 20.5-21.0% (inc. IFRS16)
Net Debt/EBITDA	Net Cash Position (exc. IFRS16)	Unchanged
CAPEX	3.5% of consolidated sales	Unchanged

Trading Update for Q4 2021

- Same store sales in Turkey increased **71% in November yoy**
- Online Sales continue to perform well globally. Online sales in Turkey grew **100% yoy** in November



Important Notice: The uncertainties regarding Covid19 prevail. This guidance assumes all stores continue to be open in all regions for the rest of the year.



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Financial Statements

Income Statement (inc. IFRS 16)

TRM	Q3 2020	Q3 2021	Change (%)	9M 2020	9M 2021	Change (%)
Revenue	827.0	1,354.5	64%	1,751.9	3,191.0	82%
Cost of Sales	(410.4)	(662.2)	61%	(892.5)	(1,556.9)	74%
Gross Profit	416.6	692.3	66%	859.5	1,634.0	90%
Gross Margin	50.4%	51.1%		49.1%	51.2%	
Administrative Expenses	(43.9)	(69.9)	59%	(121.1)	(181.1)	50%
Selling and Marketing Expenses	(246.8)	(360.0)	46%	(647.8)	(940.9)	45%
R&D Expenses	(9.3)	(14.2)	54%	(24.6)	(35.7)	45%
Other Income / (Expenses), net	12.3	17.1	39%	19.9	28.9	45%
Operating Profit	129.0	265.3	106%	85.8	505.3	489%
Profit/(Loss) from Investment Activities	0.2	-	(100%)	(1.2)	(0.2)	(84%)
Operating Profit before Financial Income	129.2	265.3	105%	84.7	505.1	496%
Operating Margin	15.6%	19.6%		4.8%	15.8%	
Financial Expenses, Net	(21.6)	(52.3)	142%	(53.2)	(111.7)	110%
Profit Before Tax	107.7	213.1	98%	31.5	393.3	1151%
Income Tax Expense	(23.8)	(50.6)	112%	(6.0)	(92.7)	1457%
Profit	83.8	162.5	94%	25.5	300.7	1079%
Profit Margin	10.1%	12.0%		1.5%	9.4%	
EBITDA	199.6	345.6	73%	300.6	750.1	150%
EBITDA Margin	24.1%	25.5%		17.2%	23.5%	
EBITDA ex IFRS 16	146.9	271.6	85%	169.6	567.1	234%
Profit ex IFRS 16	86.7	163.5	89%	32.5	306.7	844%

Financial Statements

Balance Sheet (inc. IFRS 16)

TRYm	31 January 2021	31 October 2021	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	889.9	950.6	7%
Trade Receivables	231.4	408.0	76%
Inventories	560.1	674.1	20%
Other Current Assets	105.4	117.2	11%
Total Current Assets	1,786.7	2,149.9	20%
Property and Equipment	197.7	206.6	5%
Right of Use Assets	435.0	435.8	0%
Intangible Assets	262.7	355.2	35%
Other Non-Current Assets	25.6	41.2	61%
Total Non-Current Assets	921.0	1,038.8	13%
Total Assets	2,707.8	3,188.6	18%
Short-Term Financial Liabilities	821.0	578.7	(30%)
Short-Term Contractual Lease Liabilities	218.6	210.0	(4%)
Trade Payables	638.2	935.7	47%
Other Current Liabilities	108.3	250.3	131%
Total Current Liabilities	1,786.0	1,974.6	11%
Long-Term Financial Liabilities	105.6	2.6	(98%)
Long-Term Contractual Lease Liabilities	260.0	279.8	8%
Other non-current Liabilities	22.1	38.4	73%
Total Non-Current Liabilities	387.7	320.8	(17%)
Total Liabilities	2,173.7	2,295.4	6%
Total Equity	534.0	893.2	67%
Total Equity & Liabilities	2,707.8	3,188.6	18%

Financial Statements

Cash Flow Statement (inc. IFRS 16)

TRYm	9M 2020	9M 2021
Profit ¹	25.5	300.7
Adjustments	365.1	546.4
Cash Flow from Operating Activities	390.6	847.1
Δ in Net Working Capital ²	(72.0)	57.5
Income Tax Paid	(9.2)	(36.0)
Net Cash from Operating Activities	309.4	868.6
Capex	(83.0)	(95.4)
Other Investing Cash Flow ³	35.5	56.2
Net Cash Flow Used in Investing Activities	(47.5)	(39.2)
Debt Issued / (Repaid)	567.2	(386.0)
Payment of Contractual Lease Liabilities	(130.0)	(183.6)
Other Financial Payments ⁴	(43.6)	(126.9)
Interest Paid	(60.6)	(72.3)
Net Cash Flows Used in Financing Activities	333.0	(768.7)
Net Cash Flow	594.9	60.7
Cash and Cash Equivalents at the Beginning of the Period	310.8	889.9
Cash and Cash Equivalents at the End of the Period	905.8	950.6

¹Pre non-controlling interest. ²Working Capital includes main working capital items and employee benefits paid as well as deferred revenues.

³Other Investing Cash Flow includes proceeds from sale of tangible assets and interest received. ⁴Other Financial Payments include dividends paid, proceeds from derivatives, imputed interest and financial commissions.

Effect of IFRS 16 on Financial Statements

	31/10/2021 (exc. IFRS16)	IFRS 16 Effect	31/10/2021 (inc. IFRS16)
Current assets	2,151.3	(1.5)	2,149.9
Non-current assets	592.9	445.8	1,038.8
Current liabilities	1,764.6	210.0	1,974.6
Non-current liabilities	43.4	277.4	320.8
Equity	936.3	(43.1)	893.2

	9M 2021 (exc. IFRS16)	IFRS 16 Effect	9M 2021 (inc. IFRS16)
Operating profit / (loss)	511.6	(6.3)	505.3
Operating profit / (loss) before finance costs	511.4	(6.3)	505.1
Finance income	62.6	50.0	112.6
Finance expense	(172.5)	(51.9)	(224.4)
Profit / (loss) before tax	401.5	(8.2)	393.3
Net profit / (loss)	306.7	(6.0)	300.7
EBITDA	567.1	183.0	750.1

Global Footprint as of 31 October 2021

