

# mavi

## Q1 2022 Results Presentation

June 9, 2022



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# Q1 2022 Business Overview

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- All the markets we operate in are back to normal trading hours
- Including the low-base effect (weekend and weekday evening lock-downs for most of Q1 2021 resulting in 38% loss in total trading hours) **Turkey retail sales grew 200% yoy**
- **High consumer demand** allowed for lower markdowns and prudent price increases offsetted product cost pressures
- Sales growth was **driven both by price and volume**. Almost all product categories grew more than 70% yoy in volume in Turkey. **3.3 mn denim items** sold globally which is a 50% growth
- **International sales grew 13% ex-currency** mainly driven by North America
- Online sales remained strong globally. **Turkey online grew 99%** on top of a high base
- Excelling at dynamic **supply chain management, product planning and inventory management** remain our key priorities
- **Opex** inflation **mainly leveraged** by strong top line growth
- Continued **investments on brand and customer**, focusing on product newness and quality resulted in **market share gains**

# Q1 2022 Highlights

- Consolidated revenue realized 1,887 TRYm, growing 149% versus Q1 2021
- EBITDA for the period is 556 TRYm resulting in 29.5% EBITDA margin
- Net income resulted 302 TRYm
- Total number of monobrand stores<sup>2</sup> stands at 457
- Turkey retail sales increased by 200% and online sales increased by 99% in Q1 2022



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

1,887 TRYm Revenue	556 TRYm EBITDA
29.5% EBITDA Margin	302 TRYm Net Income
457 <sup>2</sup> Monobrand Stores	563 TRYm Net Cash

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

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

## TURKEY HIGHLIGHTS

200% Retail Sales Growth	99% Online Sales Growth
c.55% Lifestyle	
c.45% Denim All	
	4.8 mn Active Loyalty Card Members <sup>3</sup>

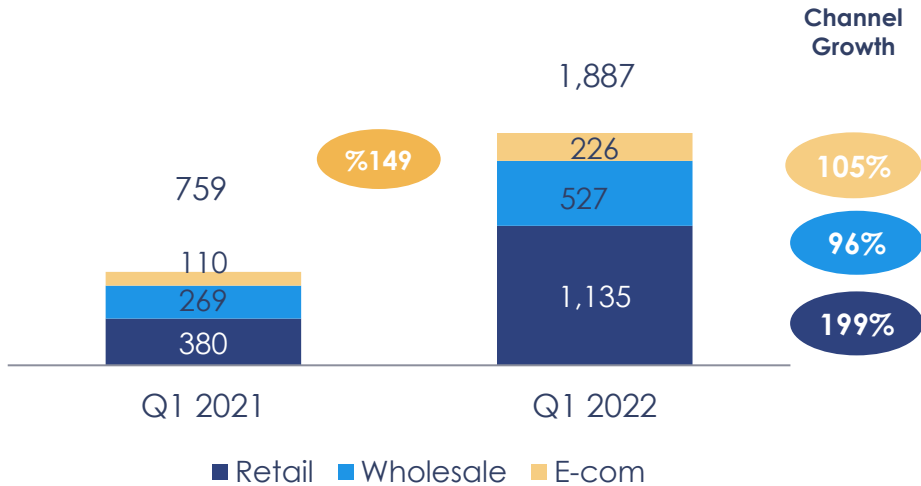
34% 66%

<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 8.2 mn

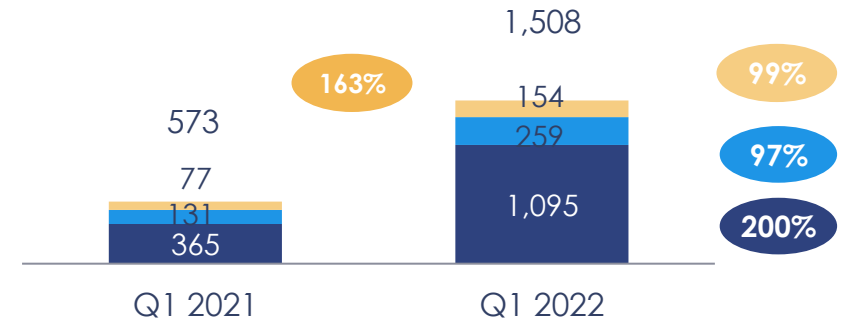
\*Category and gender mix for Turkey Retail only

# Revenue Evolution in Sales Channels

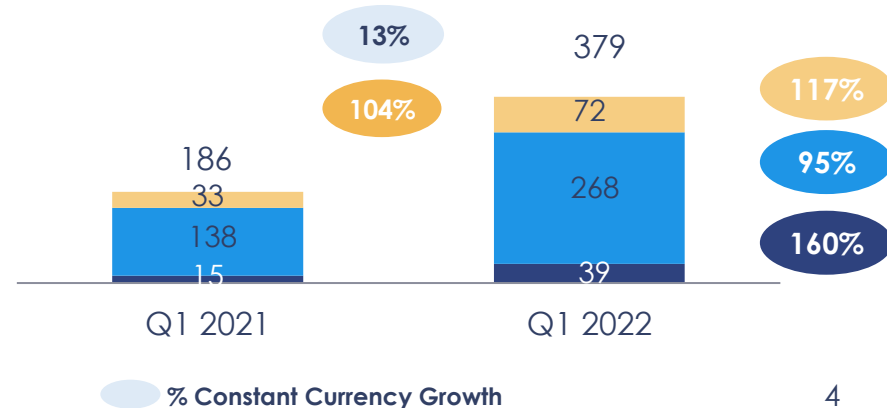
Global Revenue (TRYm)



Turkey Revenue (TRYm)

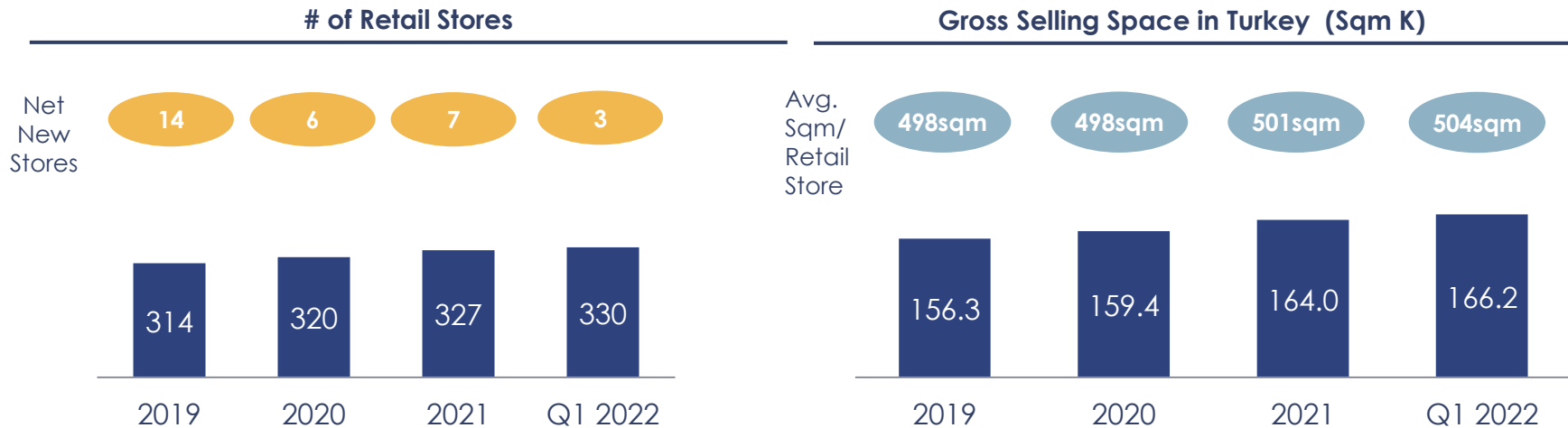


International Revenue (TRYm)



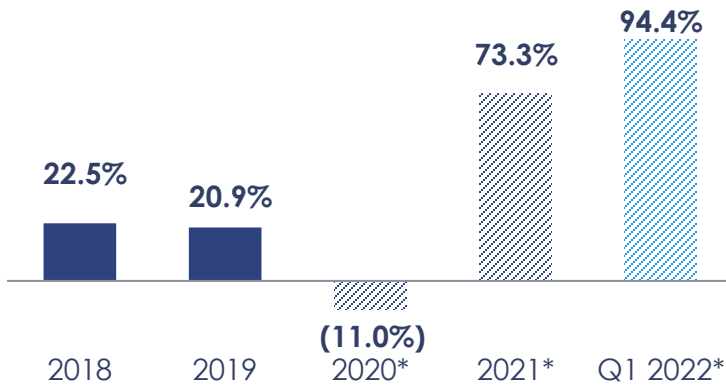
- Total revenue consists of 60% retail, 28% wholesale and 12% e-com as of Q1 2022
- 80% of consolidated revenue is from Turkey
- International revenue grew 13% in constant currency terms

# Turkey Retail Operations

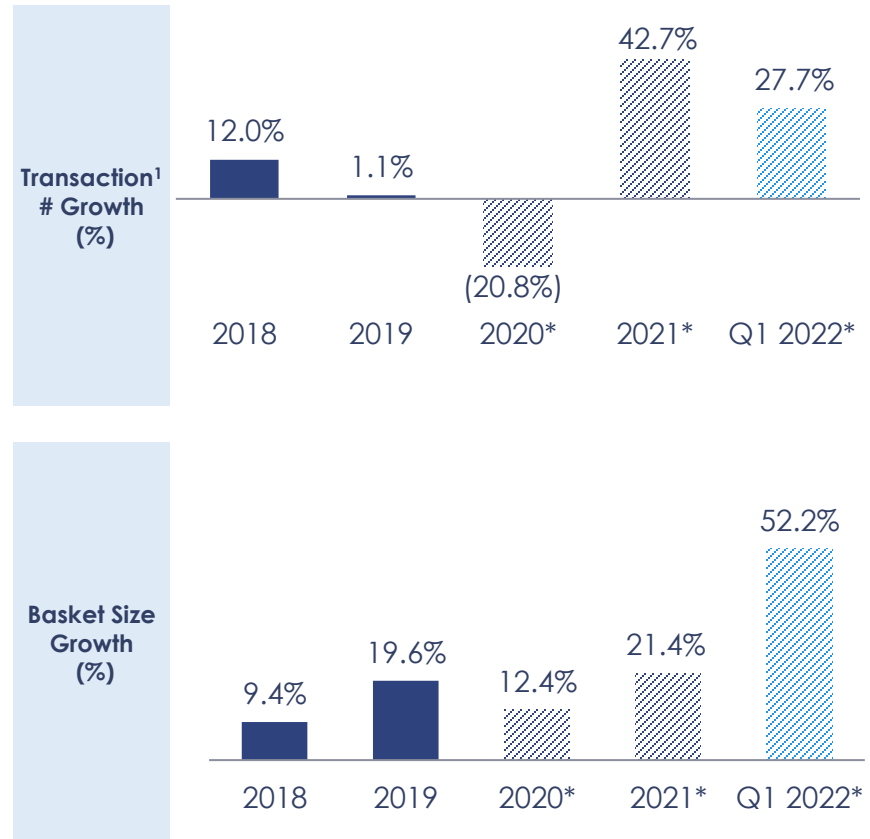


- With 4 openings and one closure in Q1 2022, number of retail stores in Turkey stands at 330 as of end-April 2022
- 3 store sqm expansions in Q1 2022
- Total selling space stands at 166.2K sqm with average 504 sqm per store

# Same Store Sales Performance



- Traffic in stores on the open days was 43% higher in than same period 2021
- 78% volume growth including all days (19% on only open days)

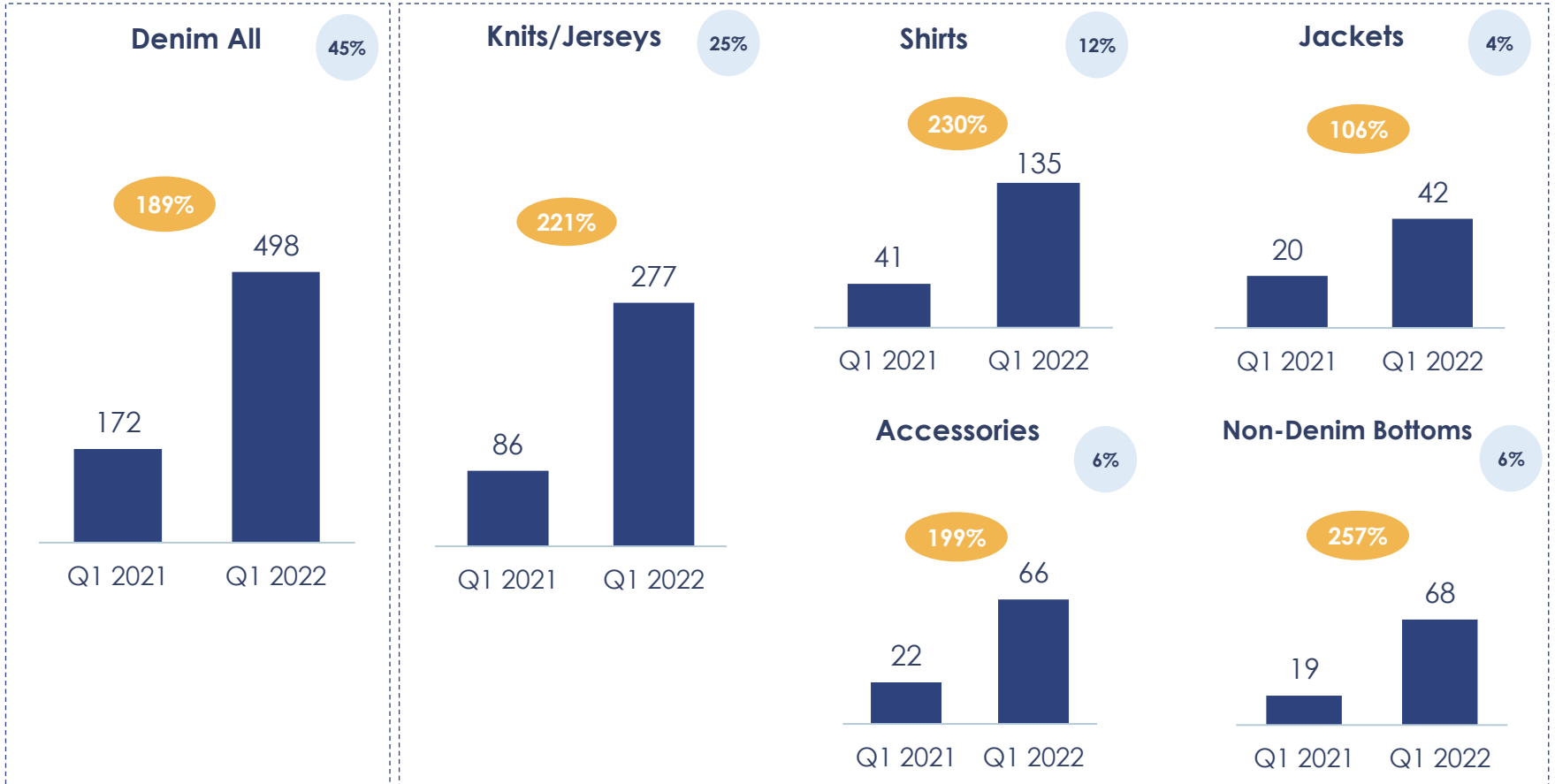


Turkey retail only, <sup>1</sup>Number of transactions refers to number of issued invoices. (\*): includes only open days sales performance versus same period previous year.

# Sales in Denim & Lifestyle Categories

## Denim Products (TRYm)

## Lifestyle Products (TRYm)



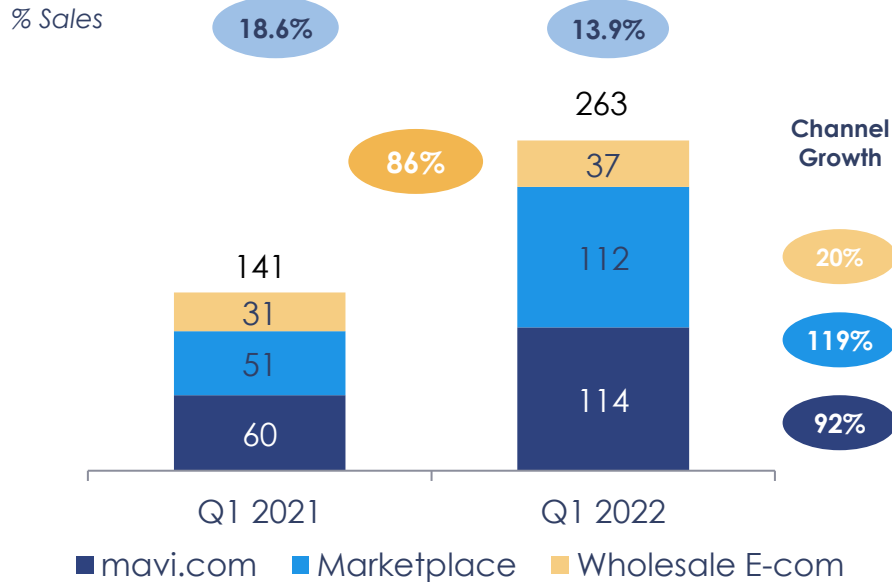
% Share in Q1 2022 Turkey retail net sales

Note: Total Growth in Lifestyle Category is 209% Remaining 1% consists of skirts, dresses and kids

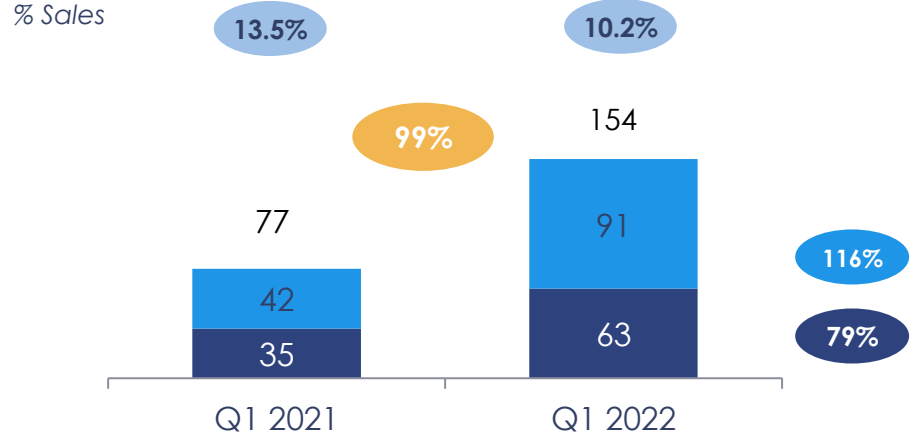


# Online Sales Growth (inc. wholesale partners)

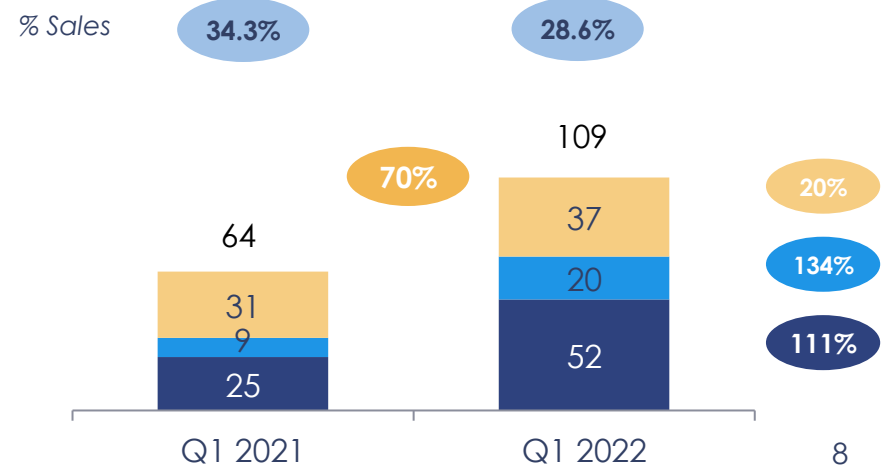
## Global Online Sales (TRYm)



## Turkey Online Sales (TRYm)

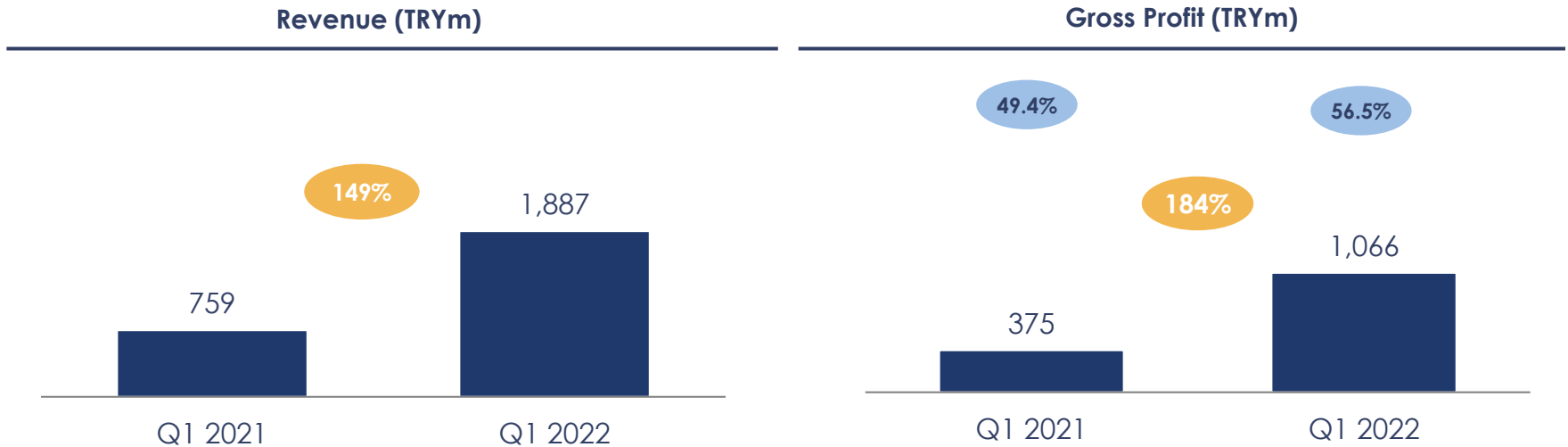


## International Online Sales (TRYm)



- Strong growth on top of a very high base
- Continuous investments in digital systems and online customers
- Full-price channel strategy across all categories with positive contribution to margins

# Consolidated Gross Margins

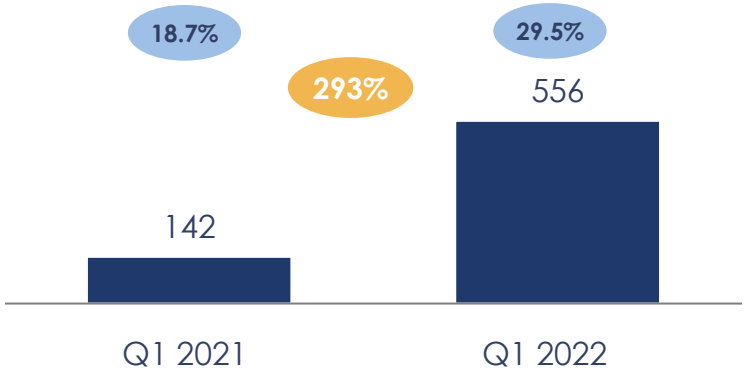
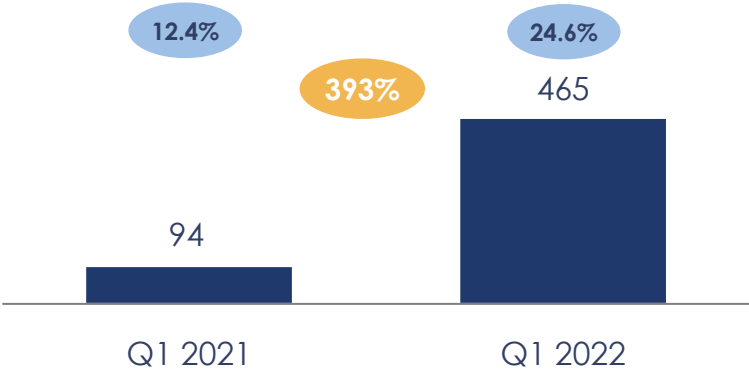


- Strong brand strategy, dynamic product-price planning, newness and variety in response to high consumer demand resulted with high sell-through and lower markdowns
- Meeting high consumer demand with the right product positioning in an inflationary pricing environment supported cost mitigation
- As a result **gross margin improved 710bps yoy**

# Consolidated EBITDA and Net Income

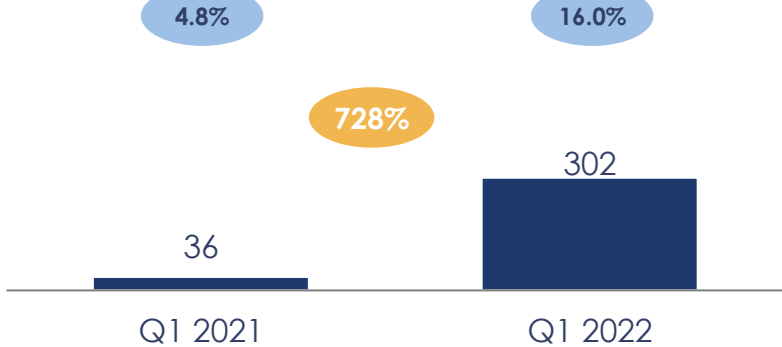
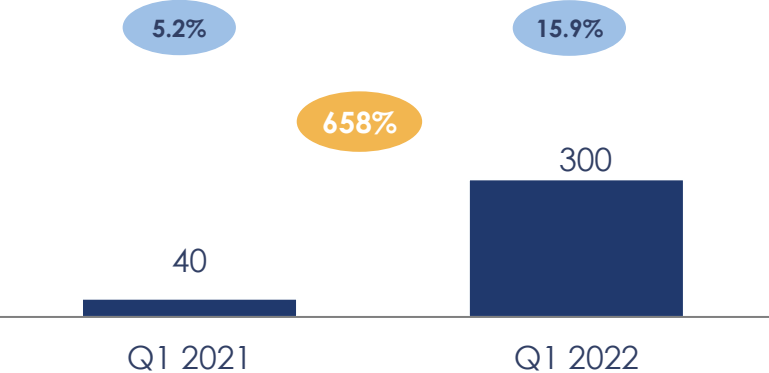
EBITDA exc.IFRS16 (TRYm)

EBITDA inc.IFRS16 (TRYm)



Net Income exc.IFRS16 (TRYm)

Net Income inc.IFRS16 (TRYm)



% Margin

Note: Net Income attributable to owners of the company is 289 TRYm in Q1 2022 inc. IFRS16

# Operational Cash Flow and Working Capital Management

## Operational Cash Flow (exc.IFRS16)

TRM	Q1 2021	Q1 2022
EBITDA	94	465
Δ in NWC <sup>1</sup>	(118)	(397)
Operating Cash Flow	(24)	68

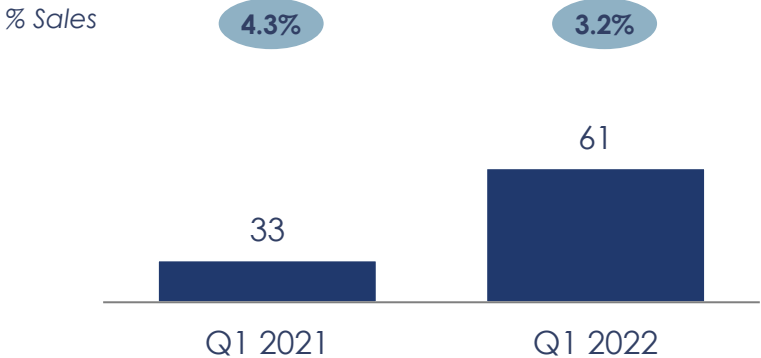
- The increase in inventory level is driven by product cost inflation
- Inventory in number of pieces in Turkey is 11% lower compared to end-April 2021
- Period-end inventory includes all fresh, new season products

## Main Working Capital Items

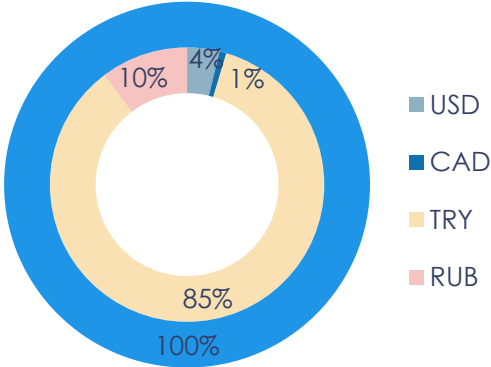
TRM	2021	Q1 2021	Q1 2022
Trade & Other Receivables	434	347	638
% LTM Sales	9.4%	12.5%	11.1%
Inventories	751	659	1,004
% LTM COGS	33.4%	46.6%	37.4%
Trade & Other Payables	1,208	740	1,348
% LTM COGS	53.7%	52.3%	50.2%
Main NWC	(22)	266	295
% Sales	(0.5%)	9.6%	5.1%

# Capex and Leverage Ratios

CAPEX (TRYm)



Debt Breakdown (30 April 2022)

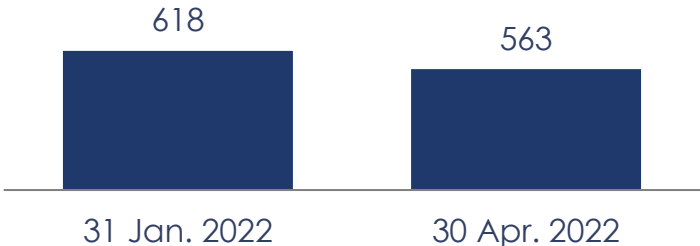


Average Cost of Debt

TRY	22.1%
USD	2.0%
RUB	17.2%
CAD	3.0%
Blended	20.7%

■ Local Currency  
■ Foreign Currency

Net Cash exc. IFRS16 (TRYm)



- All of non-TRY debt (15% of total) is carried by Mavi US, Mavi CA and Mavi RU - all denominated in their local currencies
- There is no foreign currency debt as of end-April
- Keeping no FX position is management priority

# Management Guidance for FY 2022

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Consolidated Revenue Growth	100%
Turkey Retail Stores	3 net new stores 11 store expansions
EBITDA Margin	18% ± 1% (exc. IFRS16) 24% ± 1% (inc. IFRS16)
Net Debt/EBITDA	Net Cash Position (exc. IFRS16)
CAPEX	3.0% of consolidated sales

## Trading Update for Q2 2022

- Turkey retail sales increased **348% in May yoy** (17 days lock-down in 2021) and **84% yoy in the first 7 days of June**
- Online sales in Turkey grew **4% yoy in May** due to very high base (17 days retail lock-down in 2021)



SERENAY x **mavi icon**

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# Financial Statements

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

TR Ym	Q1 2021	Q1 2022	Change (%)
Revenue	759	1,887	149%
Cost of Sales	(384)	(821)	114%
Gross Profit	375	1,066	184%
Gross Margin	49.4%	56.5%	
Administrative Expenses	(50)	(106)	112%
Selling and Marketing Expenses	(257)	(498)	94%
R&D Expenses	(10)	(15)	42%
Other Income / (Expenses), net	8	15	84%
Operating Profit	66	462	600%
Profit/(Loss) from Investment Activities	(0)	(1)	591%
Operating Profit before Financial Income	66	461	600%
Operating Margin	8.7%	24.4%	
Financial Expenses, Net	(21)	(67)	220%
Profit Before Tax	45	394	779%
Income Tax Expense	(8)	(92)	1004%
Profit	36	302	728%
Profit Margin	4.8%	16.0%	
EBITDA	142	556	293%
EBITDA Margin	18.7%	29.5%	
EBITDA exc. IFRS 16	94	465	393%
Profit exc. IFRS 16	40	300	658%



# Financial Statements

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

TRYm	31 January 2022	30 April 2022	Change (%)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	1,509	1,540	2%
Trade Receivables	394	590	50%
Inventories	751	1,004	34%
Other Current Assets	202	265	31%
<b>Total Current Assets</b>	<b>2,856</b>	<b>3,400</b>	<b>19%</b>
Property and Equipment	259	290	12%
Right of Use Assets	451	477	6%
Intangible Assets	474	521	10%
Other Non-Current Assets	56	59	6%
<b>Total Non-Current Assets</b>	<b>1,239</b>	<b>1,346</b>	<b>9%</b>
<b>Total Assets</b>	<b>4,095</b>	<b>4,746</b>	<b>16%</b>
Short-Term Financial Liabilities	891	977	10%
Short-Term Contractual Lease Liabilities	229	257	12%
Trade Payables	1,189	1,321	11%
Other Current Liabilities	262	431	64%
<b>Total Current Liabilities</b>	<b>2,570</b>	<b>2,986</b>	<b>16%</b>
Long-Term Contractual Lease Liabilities	277	272	(2%)
Other non-current Liabilities	55	55	1%
<b>Total Non-Current Liabilities</b>	<b>332</b>	<b>328</b>	<b>(1%)</b>
<b>Total Liabilities</b>	<b>2,902</b>	<b>3,314</b>	<b>14%</b>
<b>Total Equity</b>	<b>1,193</b>	<b>1,433</b>	<b>20%</b>
<b>Total Equity &amp; Liabilities</b>	<b>4,095</b>	<b>4,746</b>	<b>16%</b>

# Financial Statements

## Cash Flow Statement (inc. IFRS 16)

TRYm	Q1 2021	Q1 2022
Profit <sup>1</sup>	36	302
Adjustments	145	317
<b>Cash Flow from Operating Activities</b>	<b>181</b>	<b>619</b>
Δ in Net Working Capital <sup>2</sup>	(118)	(397)
Income Tax Paid	(1)	(53)
<b>Net Cash from Operating Activities</b>	<b>62</b>	<b>169</b>
Capex	(33)	(61)
Other Investing Cash Flow <sup>3</sup>	21	40
<b>Net Cash Flow Used in Investing Activities</b>	<b>(12)</b>	<b>(21)</b>
Debt Issued / (Repaid)	(72)	41
Payment of Contractual Lease Liabilities	(49)	(92)
Other Financial Payments <sup>4</sup>	(24)	(46)
Interest Paid	(25)	(19)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(170)</b>	<b>(117)</b>
<b>Net Cash Flow</b>	<b>(120)</b>	<b>32</b>
Cash and Cash Equivalents at the Beginning of the Period <sup>5</sup>	890	1,506
Cash and Cash Equivalents at the End of the Period <sup>5</sup>	770	1,537

<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 proceeds from derivatives, imputed interest and financial commissions. <sup>5</sup>Cash and Cash Equivalents in the Balance Sheet includes interest income accruals as cash. Excluding interest income accruals 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 30 April 2022

