

mavi

H1 2022 Results Presentation

September 19, 2022



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.

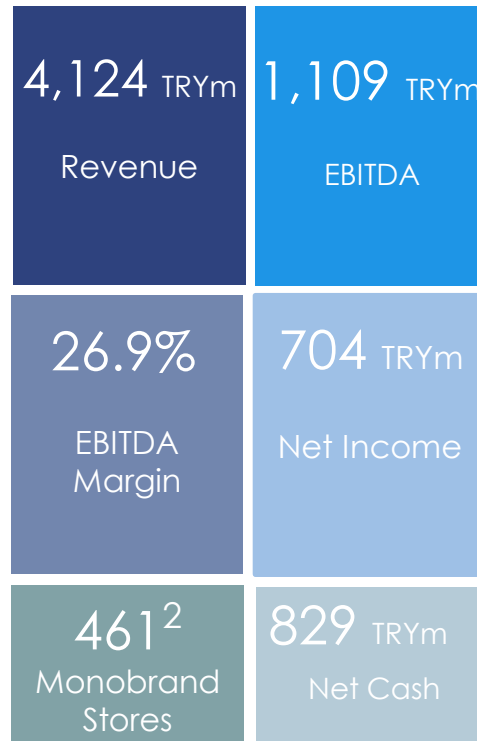
Q2 2022 Business Overview

- Mavi's SS22 season performance was strong with **sales, EBITDA and net income at historic highs, driven by a great collection, best-in-class communication, and a committed team**
- **Turkey retail sales grew 119% yoy** in Q2 2022. Consumer demand was robust amid ongoing high inflation in Turkey
- Positive trading environment allowed for **high sell-through rates** with **low markdown spending** which continued to help offset **significant product cost pressures**
- Sales growth was **driven both by price and volume**. Almost all product categories grew in number of pieces in Turkey. In the first six months of 2022, **6.2 mn denim items were sold globally growing 22% yoy**
- Dynamic and adaptive **supply chain management, efficient product planning and inventory management** pave way for successful results
- **International sales grew 16% constant currency in Q2 2022**
- **Net cash increased 47% in Q2 2022** versus the end of first quarter to **829 TRYm**
- Continued **investments on brand and customer**, focusing on product newness and quality results in **market share gains**

H1 2022 Highlights

- Consolidated revenue realized 4,124 TRYm, growing 125% versus H1 2021
- EBITDA for the period is 1,109 TRYm resulting in 26.9% EBITDA margin
- Net income resulted 704 TRYm
- Total number of monobrand stores² stands at 461
- 829 TRYm net cash position
- Turkey retail sales increased by 148% and Turkey online sales increased by 58% in H1 2022

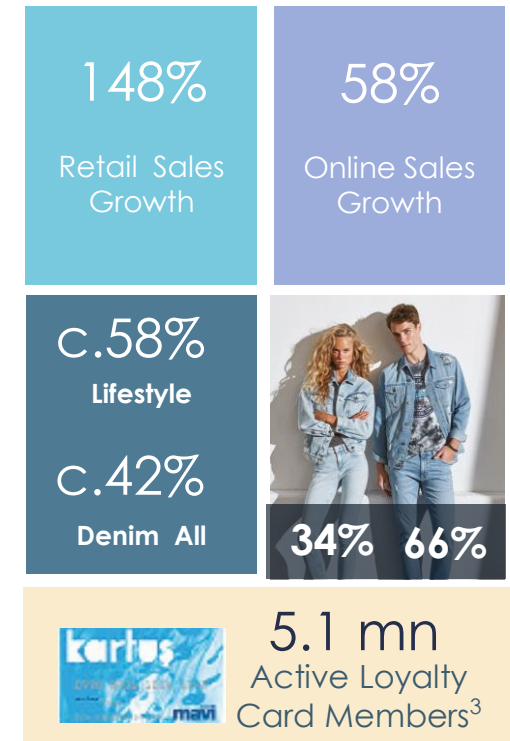
GROUP HIGHLIGHTS¹



¹ Including IFRS 16 impacts as reported

² Includes global franchise and owned stores

TURKEY HIGHLIGHTS

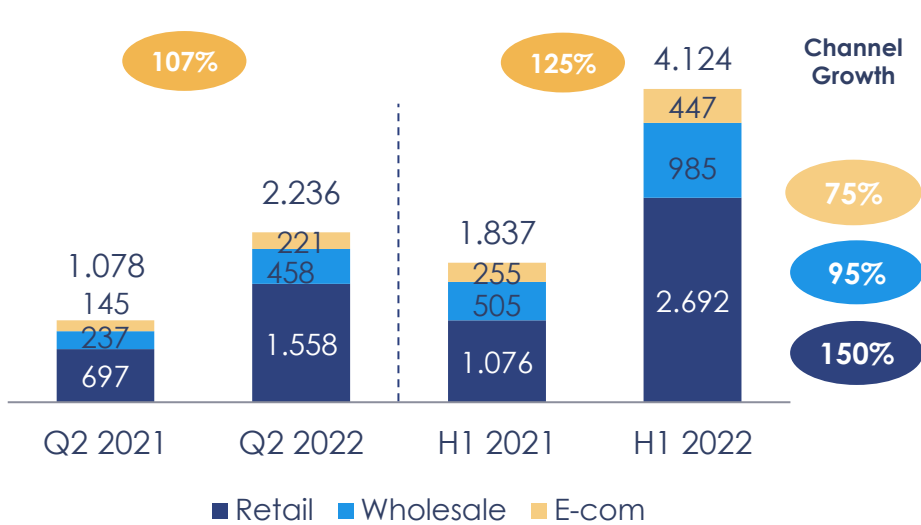


34% 66%

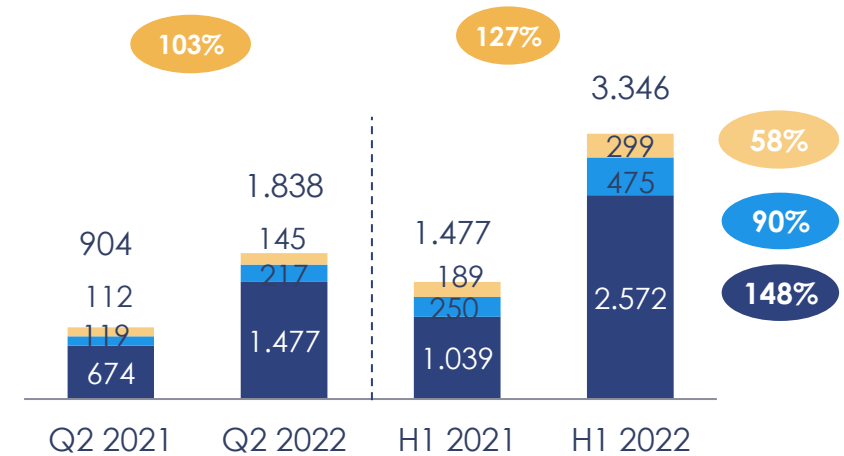
³Active means that the member has made a purchase of Mavi product in the last two years. Total number of Kartuş card holders is 8.2 mn
*Category and gender mix for Turkey Retail only

Revenue Evolution in Sales Channels

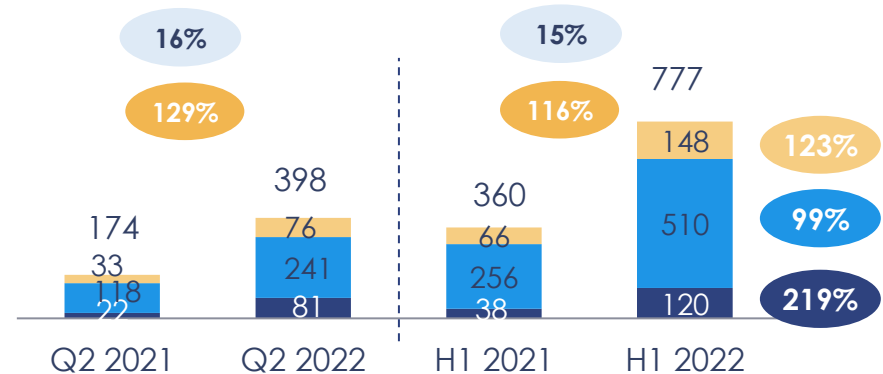
Global Revenue (TRYm)



Turkey Revenue (TRYm)

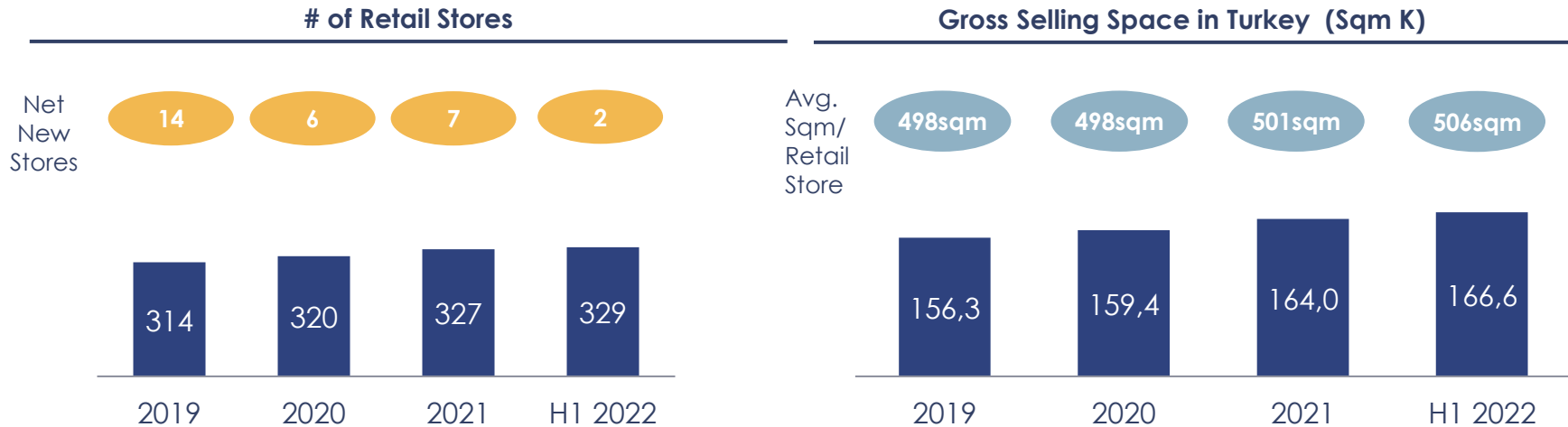


International Revenue (TRYm)



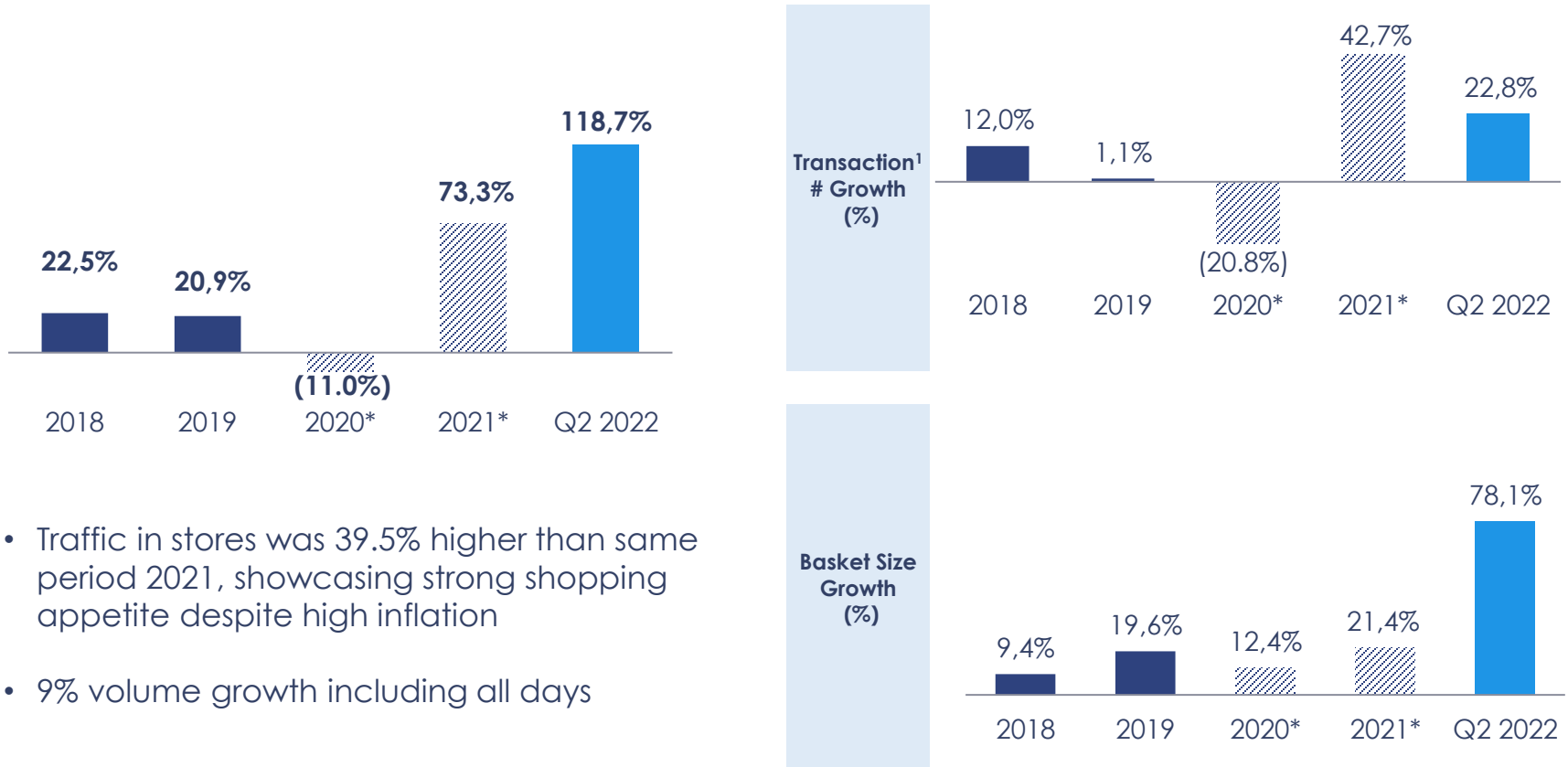
- Total revenue consists of 65% retail, 24% wholesale and 11% e-com as of H1 2022
- 81% of consolidated revenue is from Turkey
- International revenue in constant currency grew 16% in Q2 2022 and 15% in H1 2022

Turkey Retail Operations



- With four openings and two closures in H1 2022, number of retail stores in Turkey stands at 329 as of end-July 2022
- 7 store sqm expansions in H1 2022
- Total selling space stands at 166.6K sqm with average sqm per store increasing to 506

Same Store Sales Performance



- Traffic in stores was 39.5% higher than same period 2021, showcasing strong shopping appetite despite high inflation
- 9% volume growth including all days

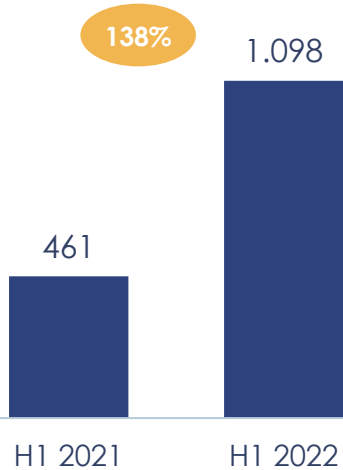
Turkey retail only, ¹Number of transactions refers to number of issued invoices. (*): includes only open days sales performance versus same period previous year.

Sales in Denim & Lifestyle Categories

Denim Products (TRYm)

Denim All

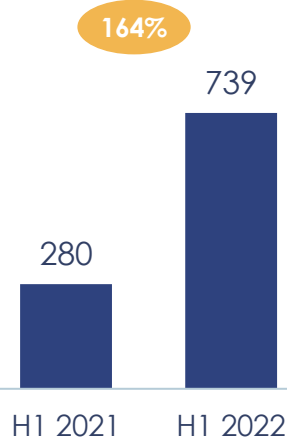
42%



Lifestyle Products (TRYm)

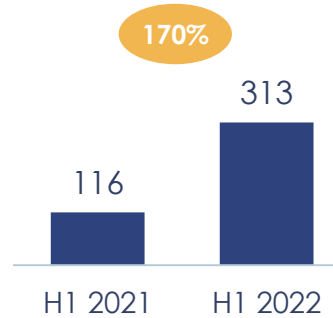
Knits/Jerseys

28%



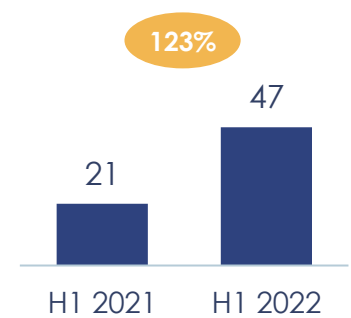
Shirts

12%



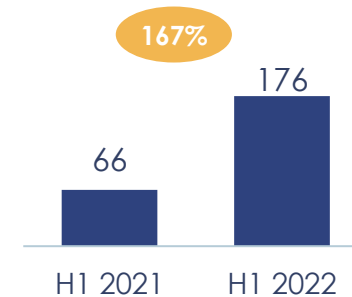
Jackets

2%



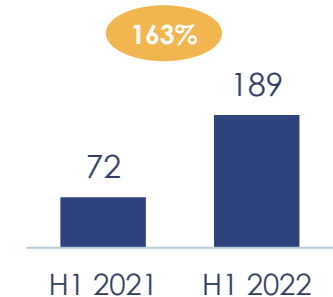
Accessories

7%



Non-Denim Bottoms

7%

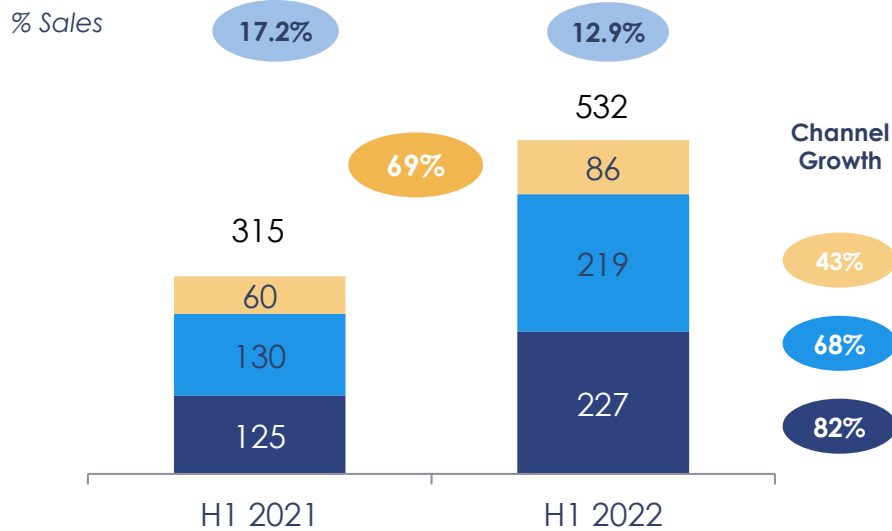


% Share in H1 2022 Turkey retail net sales

Note: Total Growth in Lifestyle Category is 161% Remaining 2% consists of skirts, dresses and kids

Online Sales Growth (inc. wholesale partners)

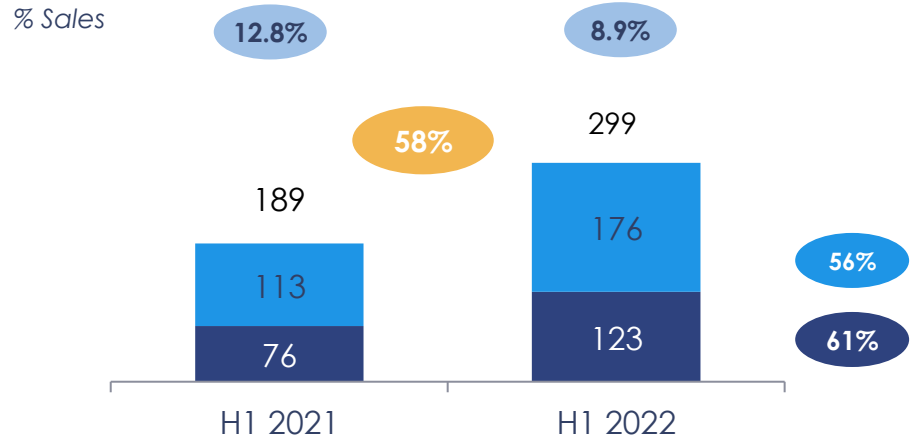
Global Online Sales (TRYm)



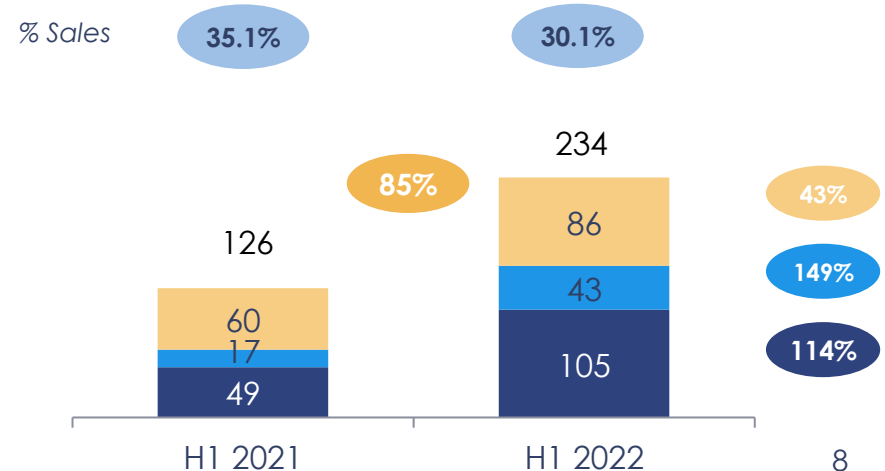
■ mavi.com ■ Marketplace ■ Wholesale E-com

- Investments in digital systems and online customers continue
- Full-price channel, across all categories with positive contribution to margins
- Integrated omni channel initiatives increase shopping experience across channels

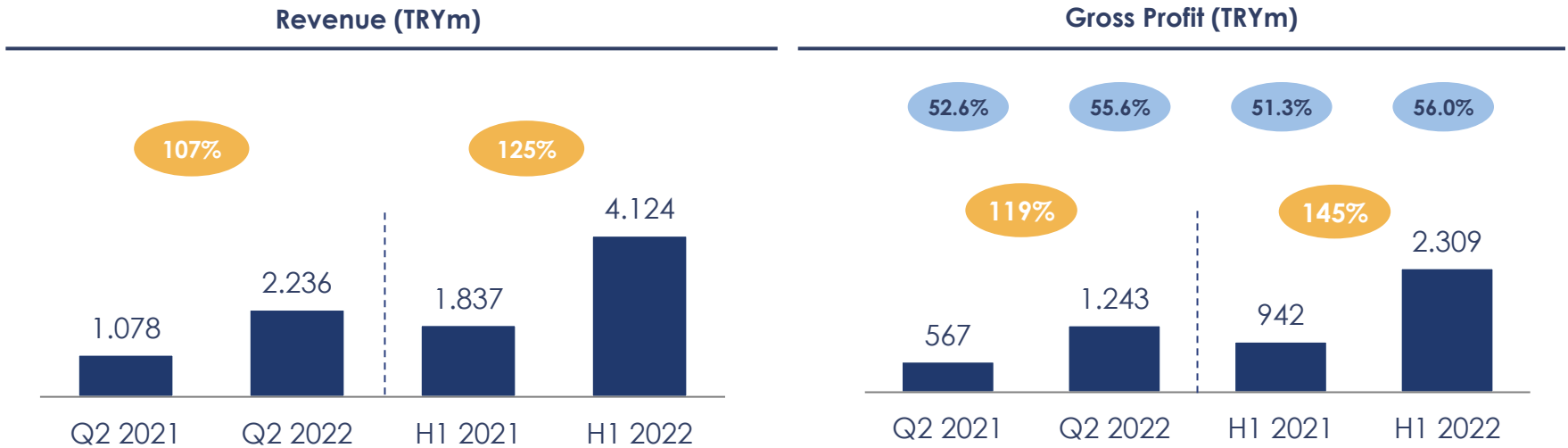
Turkey Online Sales (TRYm)



International Online Sales (TRYm)



Consolidated Gross Margins



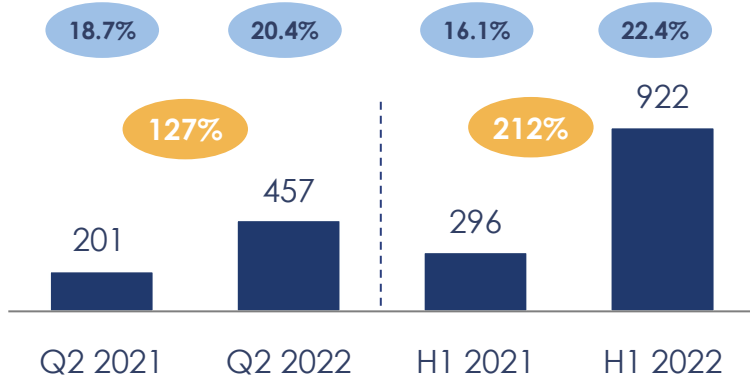
- Strong brand strategy, dynamic product-price planning, newness and variety in response to high consumer demand resulted with high sell-through and lower markdowns
- Meeting high consumer demand with the right product positioning in an inflationary pricing environment supported cost mitigation
- As a result **gross margin improved* 330bps in Q2 2022 and 500bps in H1 2022 yoy**

● % Growth ● % Margin

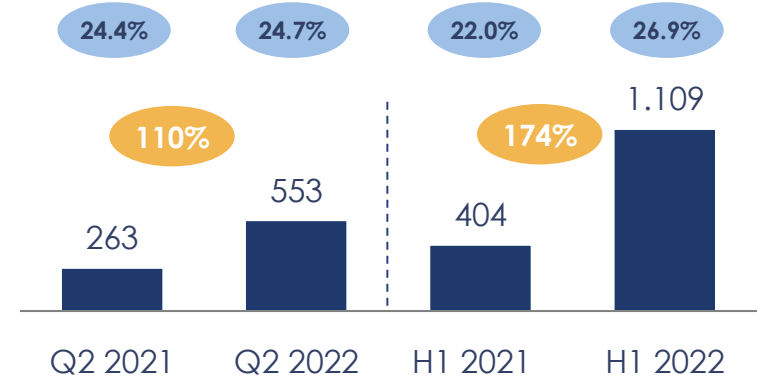
(*): Compared to normalised GM of previous year. Gross margins normalized with current imputed interest rate is 52.3% in Q2 2021 and 51.0% in H1 2021

Consolidated EBITDA and Net Income

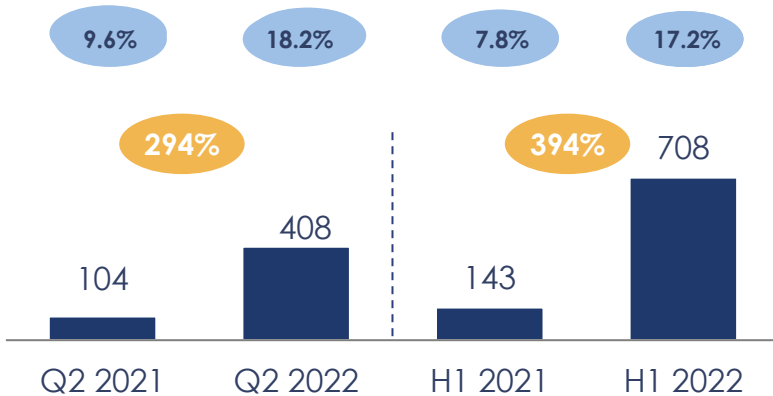
EBITDA exc.IFRS16 (TRYm)



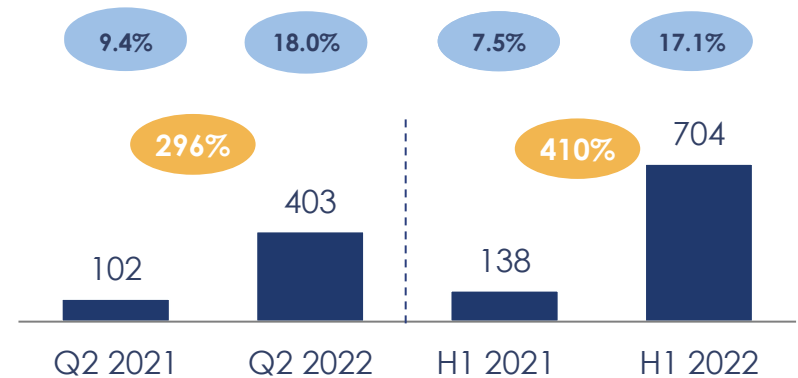
EBITDA inc.IFRS16 (TRYm)



Net Income exc.IFRS16 (TRYm)



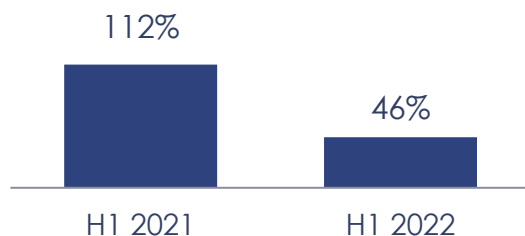
Net Income inc.IFRS16 (TRYm)



Note: Net Income attributable to owners of the company is 407 TRYm in Q2 2022 and 696 TRYm in H1 2022 inc. IFRS16.
 Net income include TRY 94.6m one-off tax income due to revaluation of fixed assets on statutory books

Operational Cash Flow and Working Capital Management

Cash Conversion & Operational Cash Flow (exc. IFRS16)



TRYm	H1 2021	H1 2022
EBITDA	296	922
Δ in NWC ¹	37	(496)
Operating Cash Flow	332	426

Main Working Capital Items

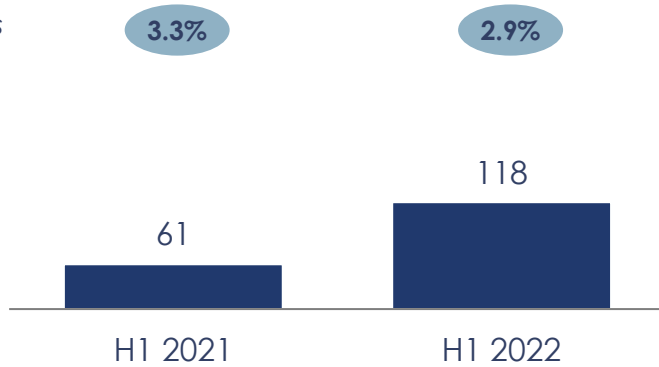
TRYm	2021	H1 2021	H1 2022
Trade & Other Receivables	434	310	640
% LTM Sales	9.4%	9.3%	9.3%
Inventories	751	563	1,276
% LTM COGS	33.4%	34.1%	40.3%
Trade & Other Payables	1,208	729	1,594
% LTM COGS	53.7%	44.1%	50.3%
Main NWC	(22)	144	322
% Sales	(0.5%)	4.3%	4.7%

- The increase in inventory level is driven by product cost inflation at record highs (81% yoy)
- Inventory in number of pieces in Turkey is only 21% higher compared to end - July 2021 reflecting sales volume growth and comprises of all fresh, mainly FW22 season products
- Increased working capital requirements driven by higher product costs and actions to mitigate cost pressures impacting cash conversion

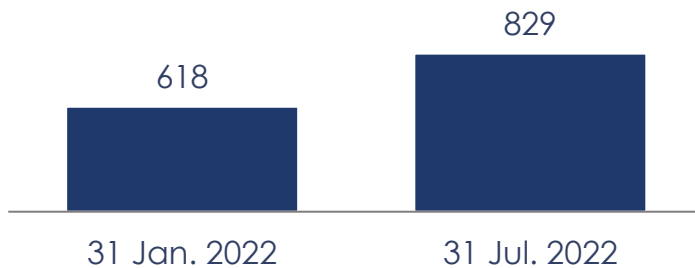
Capex and Leverage Ratios

CAPEX (TRYm)

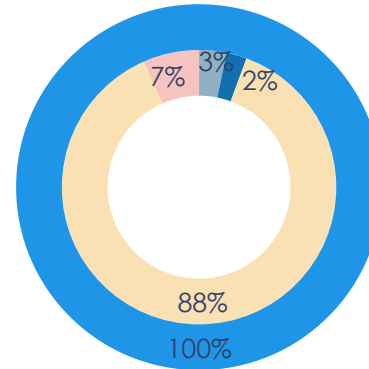
% Sales



Net Cash exc. IFRS16 (TRYm)



Debt Breakdown (31 July 2022)



- Local Currency
- Foreign Currency

Average Cost of Debt

TRY	22.4%
USD	2.0%
RUB	11.4%
CAD	3.0%
Blended	20.5%

- All of non-TRY debt (12% 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-July
- Keeping no FX position is management priority

Management Guidance Revised for FY 2022

	Previous (09.06.2022)	Revised (19.09.2022)
Consolidated Revenue Growth	100%	120%
Turkey Retail Stores	3 net new stores 11 store expansions	3 net new stores 13 store expansions
EBITDA Margin	18% ± 1% (exc. IFRS16) 24% ± 1% (inc. IFRS16)	19% ± 0.5% (exc. IFRS16) 24% ± 0.5% (inc. IFRS16)
Net Debt/EBITDA	Net Cash Position (exc. IFRS16)	Confirmed
CAPEX	3% of consolidated sales	Confirmed

Trading Update for Q3 2022

- Turkey retail sales increased **153% in August yoy** and **141% yoy in the first 18 days of September**
- Online sales in Turkey grew **95% yoy in August**

SERENAY x **mavi icon**



Financial Statements

Income Statement (inc. IFRS 16)

TRYm	Q2 2021	Q2 2022	Change (%)	H1 2021	H1 2022	Change (%)
Revenue	1,078	2,236	107%	1,837	4,124	125%
Cost of Sales	(511)	(994)	94%	(895)	(1,815)	103%
Gross Profit	567	1,243	119%	942	2,309	145%
Gross Margin	52.6%	55.6%		51.3%	56.0%	
Administrative Expenses	(61)	(142)	131%	(111)	(248)	123%
Selling and Marketing Expenses	(324)	(658)	103%	(581)	(1,156)	99%
R&D Expenses	(11)	(17)	54%	(21)	(32)	48%
Other Income / (Expenses), net	4	25	552%	12	40	238%
Operating Profit	174	451	159%	240	913	280%
Profit/(Loss) from Investment Activities	(0)	9	n.m.	(0)	9	n.m.
Operating Profit before Financial Income	174	460	165%	240	921	284%
Operating Margin	16.1%	20.6%		13.1%	22.3%	
Financial Expenses, Net	(38)	(66)	73%	(59)	(134)	125%
Profit Before Tax	135	394	191%	180	788	337%
Income Tax Expense	(34)	8	n.m.	(42)	(83)	98%
Profit	102	403	296%	138	704	410%
Profit Margin	9.4%	18.0%		7.5%	17.1%	
EBITDA	263	553	110%	404	1,109	174%
EBITDA Margin	24.4%	24.7%		22.0%	26.9%	
EBITDA ex IFRS 16	201	457	127%	296	922	212%
Profit ex IFRS 16	104	408	294%	143	708	394%

Financial Statements

Balance Sheet (inc. IFRS 16)

TRYm	31 January 2022	31 July 2022	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	1,482	1,910	29%
Financial Investments	27	36	33%
Trade Receivables	394	597	51%
Inventories	751	1,276	70%
Other Current Assets	202	479	137%
Total Current Assets	2,856	4,298	50%
Property and Equipment	259	316	22%
Right of Use Assets	451	495	10%
Intangible Assets	474	624	32%
Other Non-Current Assets	56	162	191%
Total Non-Current Assets	1,239	1,598	29%
Total Assets	4,095	5,896	44%
Short-Term Financial Liabilities	891	949	7%
Short-Term Contractual Lease Liabilities	229	279	22%
Trade Payables	1,189	1,556	31%
Other Current Liabilities	262	588	125%
Total Current Liabilities	2,570	3,373	31%
Long-Term Financial Liabilities	-	168	n.m.
Long-Term Contractual Lease Liabilities	277	276	(0%)
Other non-current Liabilities	55	70	27%
Total Non-Current Liabilities	332	514	55%
Total Liabilities	2,902	3,887	34%
Total Equity	1,193	2,009	68%
Total Equity & Liabilities	4,095	5,896	44%

Financial Statements

Cash Flow Statement (inc. IFRS 16)

TRYm	H1 2021	H1 2022
Profit ¹	138.2	704.4
Adjustments	308.4	648.8
Cash Flow from Operating Activities	446.7	1,353.2
Δ in Net Working Capital ²	36.6	(495.8)
Income Tax Paid	(3.9)	(164.7)
Net Cash from Operating Activities	479.3	692.6
Capex	(61.0)	(117.9)
Other Investing Cash Flow ³	38.0	93.0
Net Cash Flow Used in Investing Activities	(23.0)	(24.9)
Debt Issued / (Repaid)	(220.9)	114.1
Payment of Contractual Lease Liabilities	(109.6)	(188.9)
Other Financial Payments ⁴	(64.6)	(105.2)
Interest Paid	(50.5)	(63.2)
Net Cash Flows Used in Financing Activities	(445.5)	(243.2)
Net Cash Flow	10.8	424.5
Cash and Cash Equivalents at the Beginning of the Period ⁵	889.9	1,478.6
Cash and Cash Equivalents at the End of the Period ⁵	900.7	1,903.1

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 proceeds from derivatives, imputed interest and financial commissions. ⁵Cash 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 31 July 2022

