

9M 2022
Results Presentation

December 12, 2022



mavi



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.

Q3 2022 Business Overview

- Another strong quarter with global **sales growing 136%**
- Mavi's FW22 season collection has been received very well by the consumers resulting with **143% growth in Turkey retail sales yoy** in Q3 2022. Consumer demand was robust amid ongoing high inflation in Turkey
- Sales growth was **driven both by price and volume**. Almost all product categories grew in number of pieces in Turkey
- International sales recorded **positive constant currency growth** despite the macro-driven weakness in trading environment
- **Online sales** picked-up momentum and **grew 97% in Turkey and 108% globally** in Q3 2022
- Positive trading environment continued to support **sell-through rates and helped** offset **increased product cost pressures**
- Dynamic and adaptive **supply chain management, efficient product planning and inventory management** are as always key elements for continued success
- **Margins on a normalisation path** as inflationary product costs and opex now fully kicked in
- Continued **investments on brand and customer with 767K new customers acquired** year to date
- Recognized for the **4th time “Best Sustainable Collection” title** at the Rivet Awards with Natural Dye Collection that is launched globally

9M 2022 Highlights

- Consolidated revenue realized 7,325 TRYm, growing 130% versus 9M 2021
- EBITDA for the period is 1,860 TRYm resulting in 25.4% EBITDA margin
- Net income resulted 1,158 TRYm
- Total number of monobrand stores² stands at 459
- Net cash position increased 83% vs year-end to 1,134m TRY
- Turkey retail sales increased by 146% and Turkey online sales increased by 71% YTD 2022

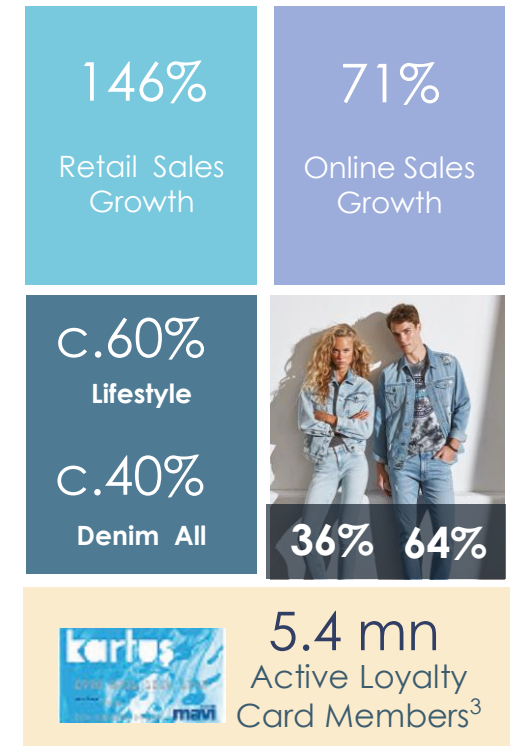
GROUP HIGHLIGHTS¹



¹ Including IFRS 16 impacts as reported

² Includes global franchise and owned stores

TURKEY HIGHLIGHTS

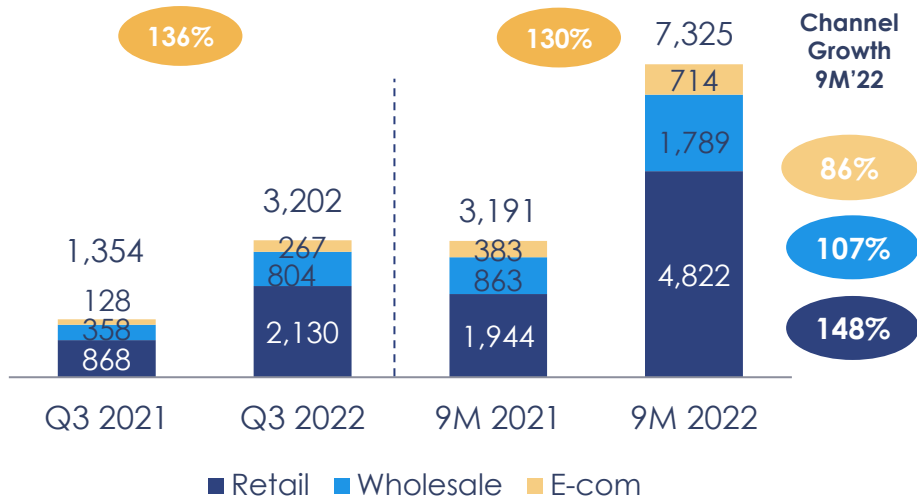


36% 64%

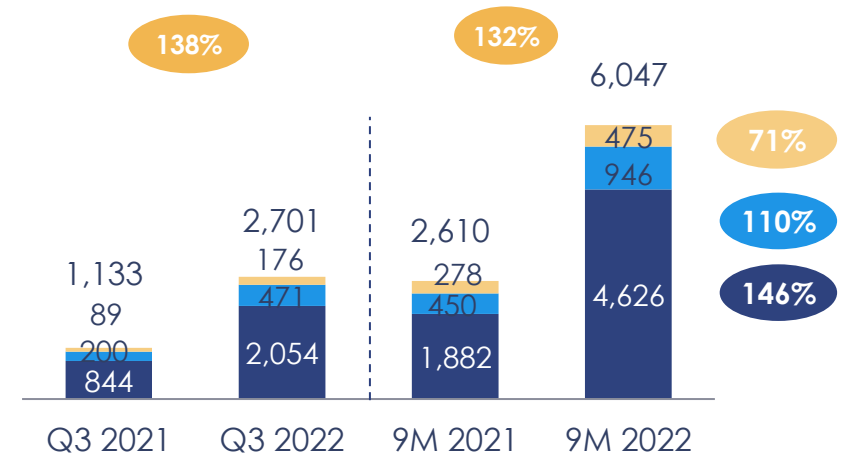
³Active means that the member has made a purchase of Mavi product in the last two years. Total number of Kartuş card holders is 8.3 mn
*Category and gender mix for Turkey Retail only

Revenue Evolution in Sales Channels

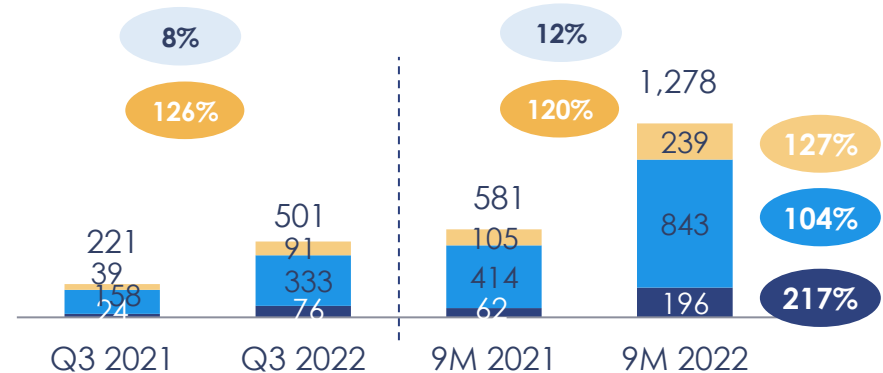
Global Revenue (TRYm)



Turkey Revenue (TRYm)



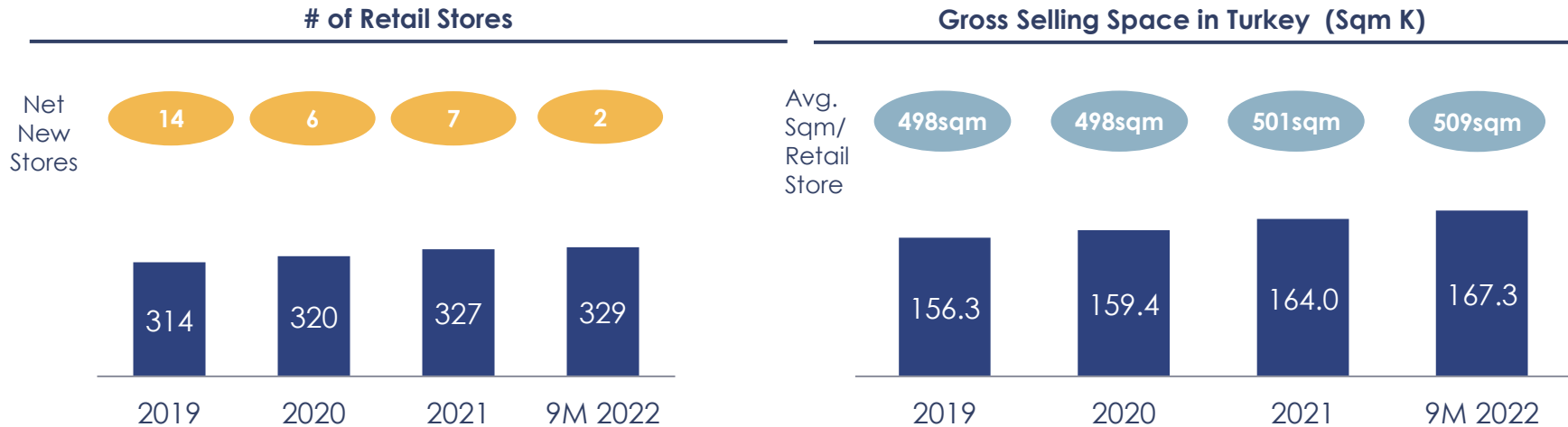
International Revenue (TRYm)



- Total revenue consists of 66% retail, 24% wholesale and 10% e-com as of 9M 2022
- 83% of consolidated revenue is from Turkey
- International revenue grew 8% in Q3'22 and 12% in 9M'22 in constant currency terms

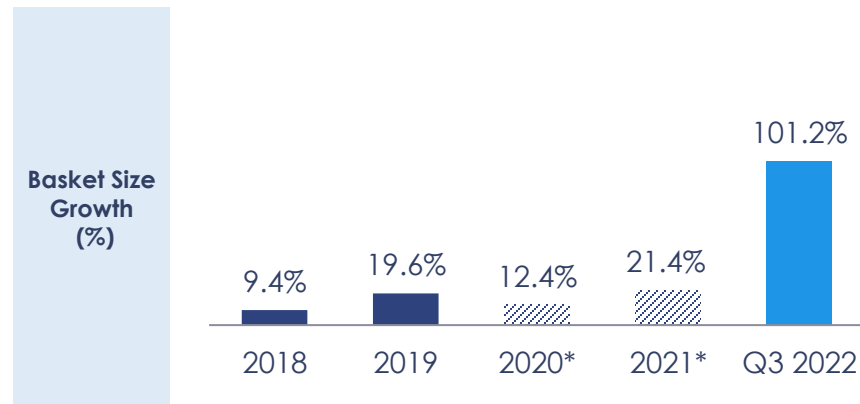
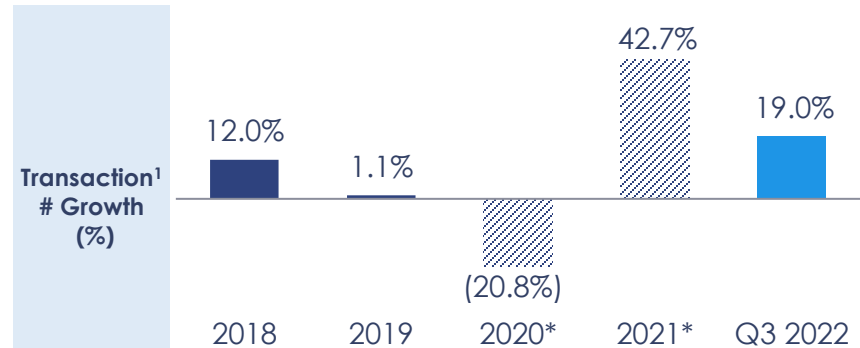
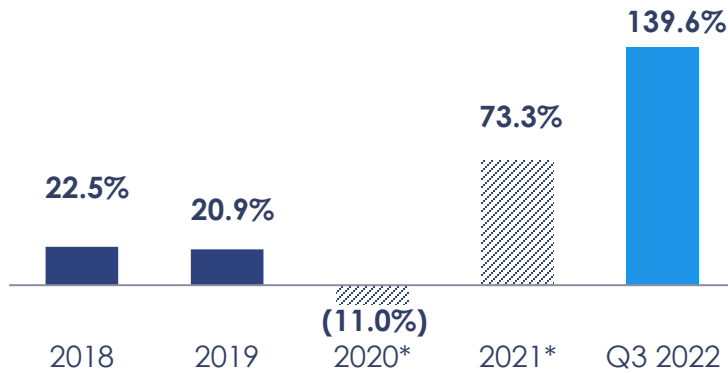
○ % Constant Currency Growth

Turkey Retail Operations



- With five openings and three closures in 9M 2022, number of retail stores in Turkey stands at 329 as of end-October 2022
- 11 store sqm expansions in 9M 2022
- Total selling space stands at 167.3K sqm with average sqm per store increasing to 509

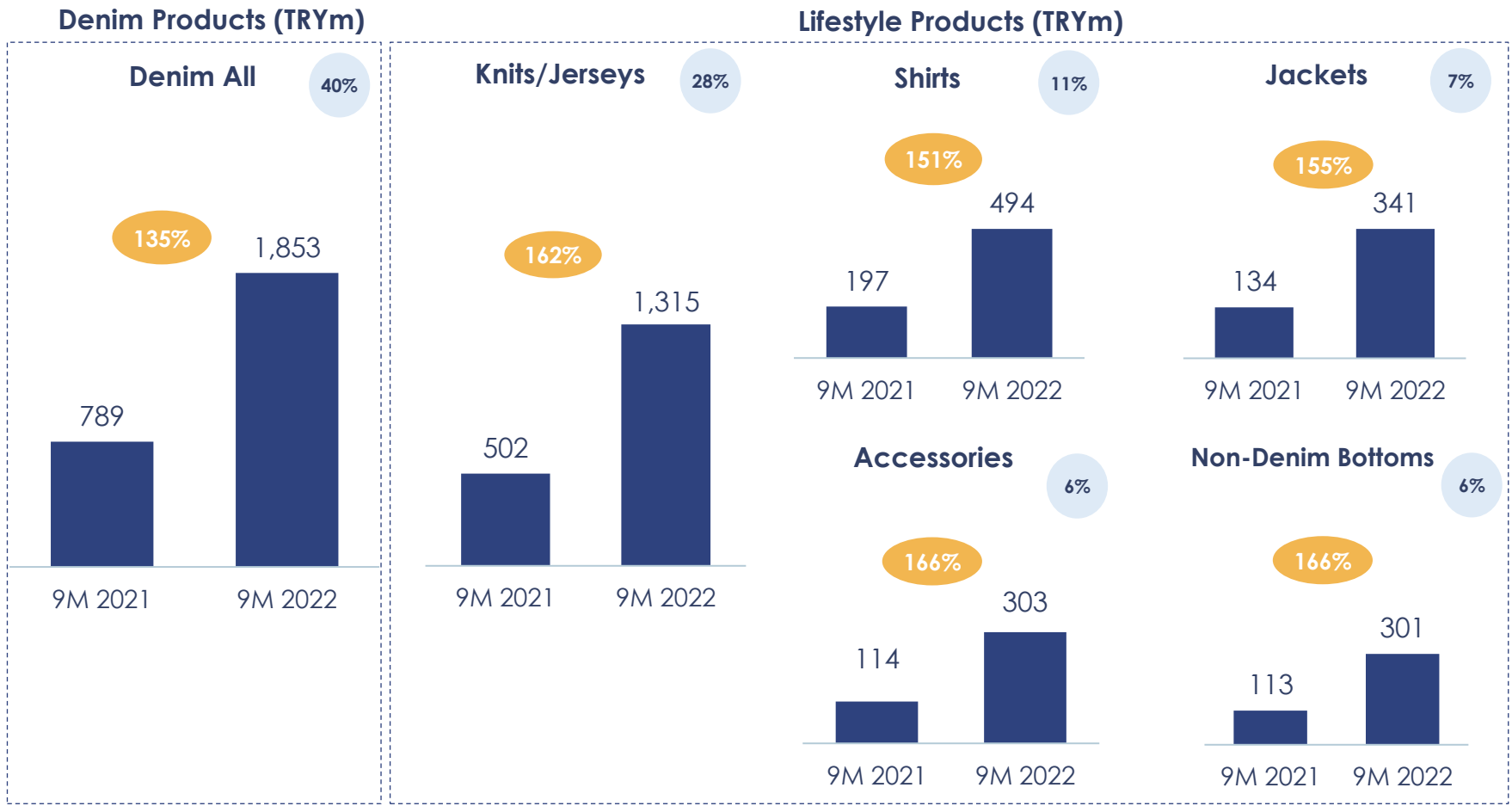
Same Store Sales Performance



- **Traffic in stores** was **19% higher** than same period 2021, showcasing the continued strong shopping appetite despite high inflation
- **17% growth yoy in number of pieces** in Q3'22

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



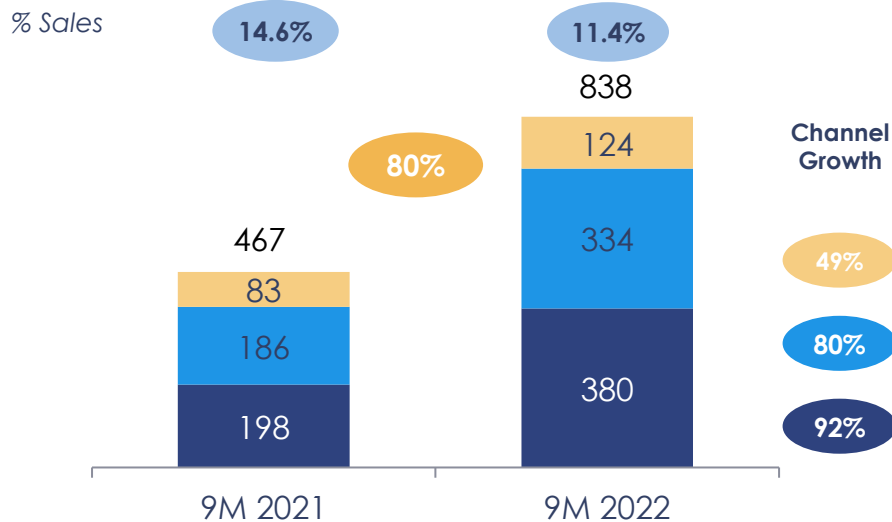
% Share in 9M 2022 Turkey retail net sales

Note: Total Growth in Lifestyle Category is 158% Remaining 2% consists of skirts, dresses, active wear and kids

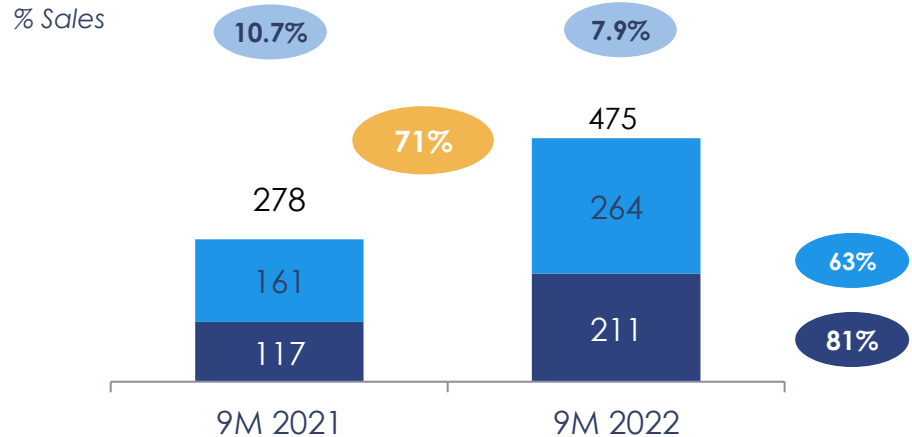


Online Sales Growth (inc. wholesale partners)

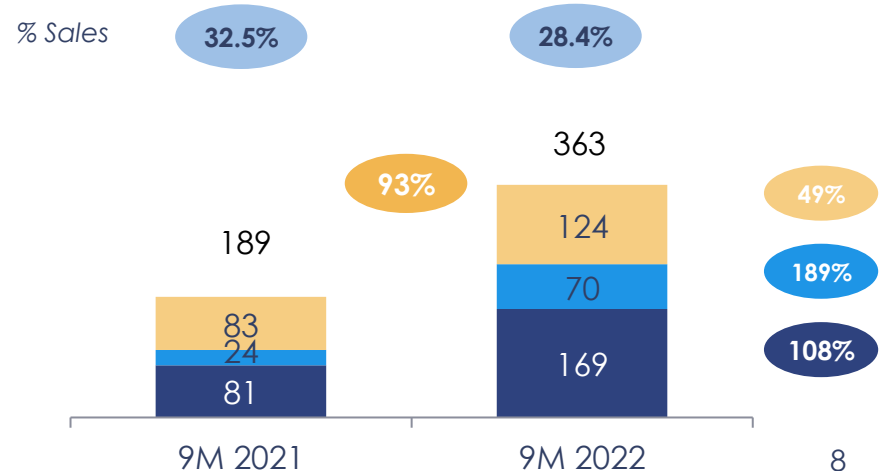
Global Online Sales (TRYm)



Turkey Online Sales (TRYm)



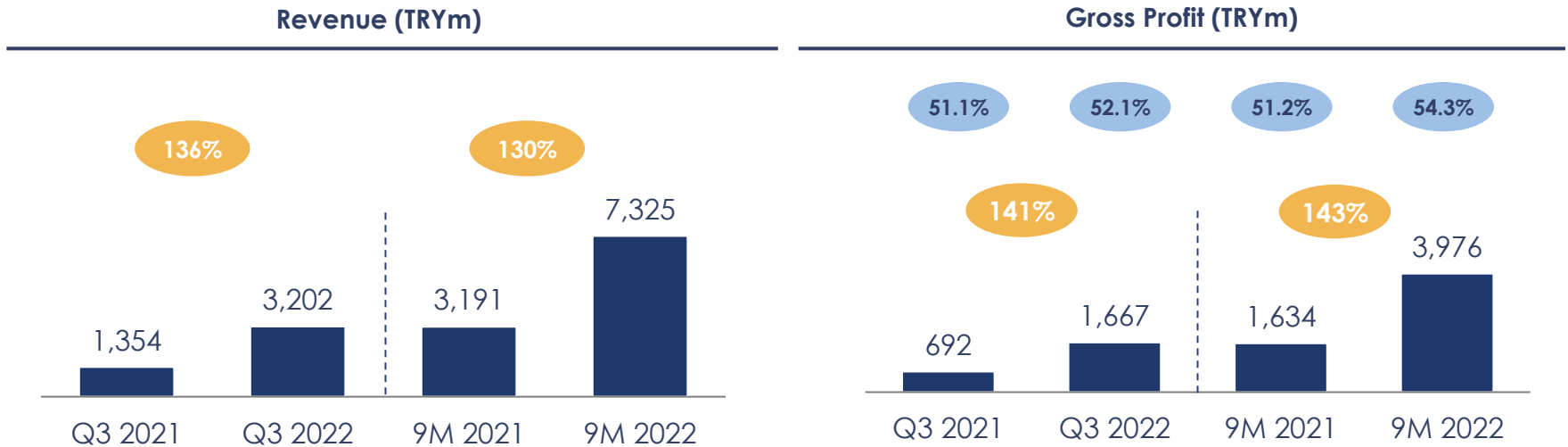
International Online Sales (TRYm)



■ mavi.com ■ Marketplace ■ Wholesale E-com

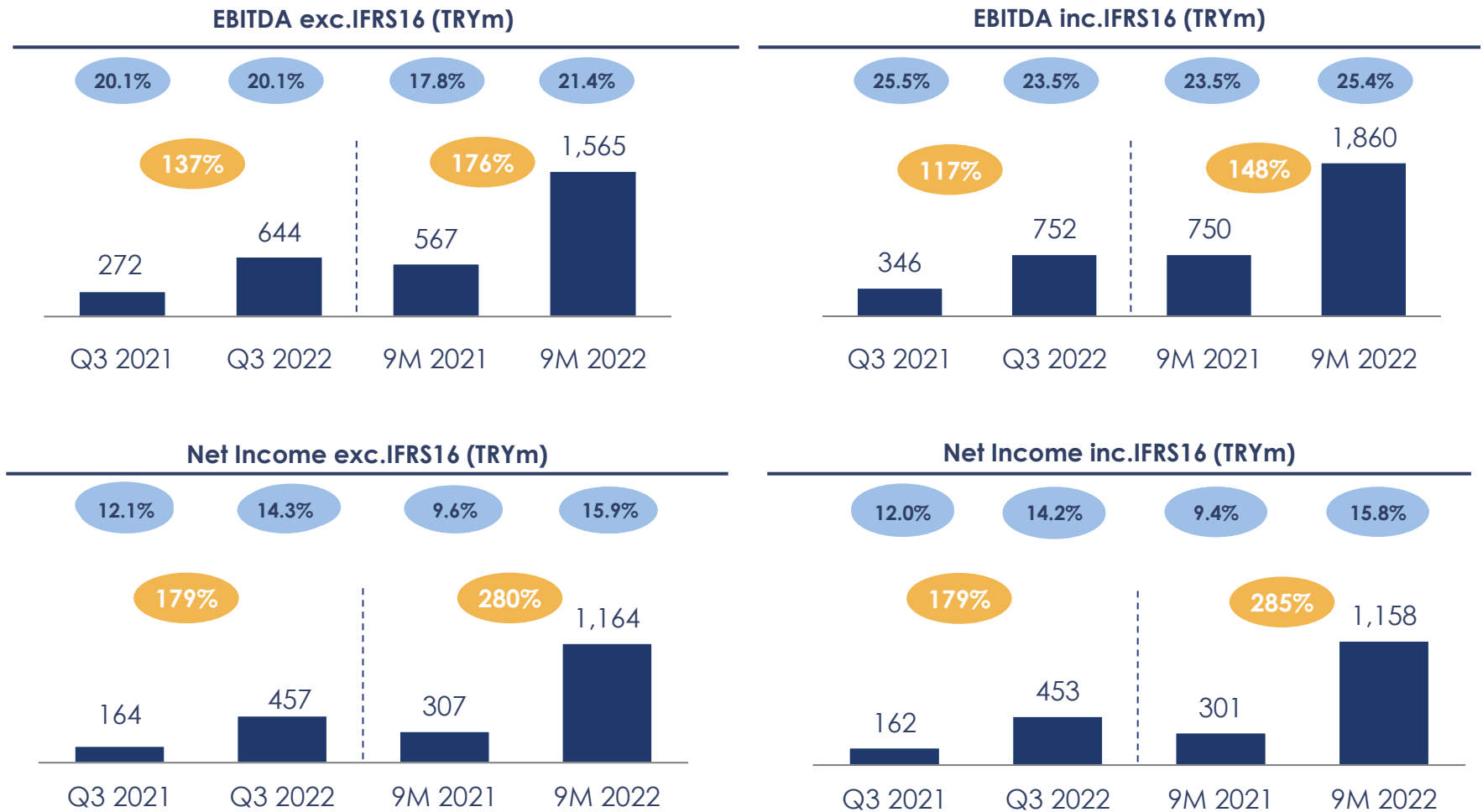
- Growth driven by direct-to-consumer channels, especially mavi.com
- Investments in digital systems and online customers continue. Integrated omni channel initiatives increase shopping experience across channels
- Full-price channel strategy across all categories with positive contribution to margins

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 120bps in Q3 2022 and 330bps in 9M 2022 yoy** when adjusted for imputed interest impact*

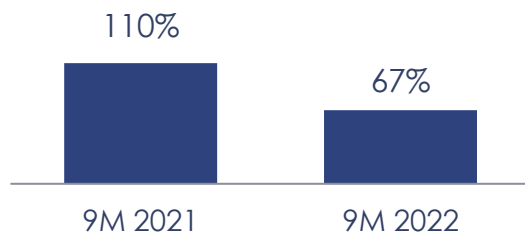
Consolidated EBITDA and Net Income



Note: Net Income attributable to owners of the company is 448 TRYm in Q3 2022 and 1,144 TRYm in 9M 2022 inc. IFRS16

Operational Cash Flow and Working Capital Management

Cash Conversion & Operational Cash Flow (exc. IFRS16)



TRYm	9M 2021	9M 2022
EBITDA	567	1,565
Δ in NWC ¹	57	(513)
Operating Cash Flow	625	1,052

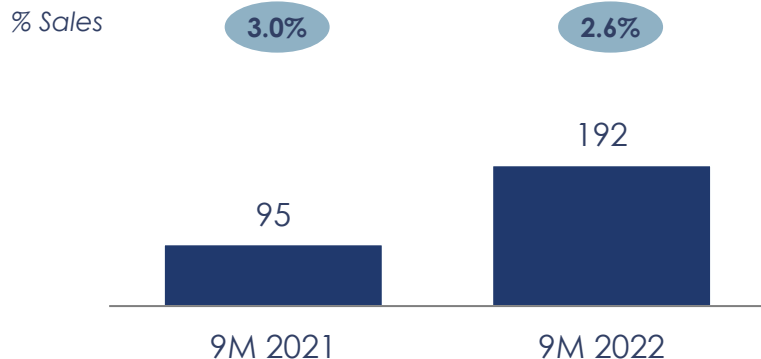
Main Working Capital Items

TRYm	2021	9M 2021	9M 2022
Trade & Other Receivables	434	437	1,022
% LTM Sales	9.4%	11.4%	11.7%
Inventories	751	674	1,823
% LTM COGS	33.4%	35.4%	45.1%
Trade & Other Payables	1,208	946	2,368
% LTM COGS	53.7%	49.6%	58.6%
Main NWC	(22)	165	477
% Sales	(0.5%)	4.3%	5.5%

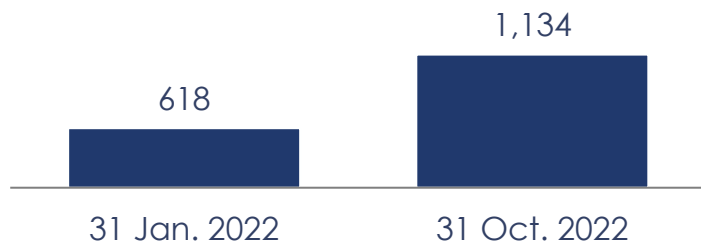
- The increase in inventory level is driven by product cost inflation at record highs (128% yoy)
- Inventory in number of pieces in Turkey is only 19% higher compared to end – October 2021 parallel to the increase in sales volumes and comprises of all season products
- Increased working capital requirements driven by higher product costs and actions to mitigate cost pressures impacting cash conversion

Capex and Leverage Ratios

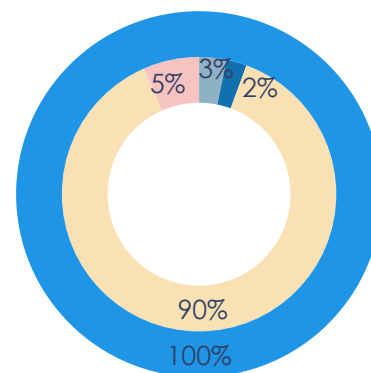
CAPEX (TRYm)



Net Cash exc. IFRS16 (TRYm)



Debt Breakdown (31 October 2022)



- Local Currency
- Foreign Currency

Average Cost of Debt

TRY	22.6%
USD	2.0%
RUB	11.7%
CAD	3.0%
Blended	20.9%

- All of non-TRY debt (10% 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 October end
- Keeping no FX position is management priority

Management Guidance for FY 2022 Unchanged

	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 Q4 2022

- Turkey retail sales increased **143% in November yoy** and **120% yoy in the first 7 days of December**
- Online sales in Turkey grew **124% yoy in November**



Financial Statements

Income Statement (inc. IFRS 16)

TRYm	Q3 2021	Q3 2022	Change (%)	9M 2021	9M 2022	Change (%)
Revenue	1,354	3,202	136%	3,191	7,325	130%
Cost of Sales	(662)	(1,534)	132%	(1,557)	(3,349)	115%
Gross Profit	692	1,667	141%	1,634	3,976	143%
Gross Margin	51.1%	52.1%		51.2%	54.3%	
Administrative Expenses	(70)	(220)	214%	(181)	(467)	158%
Selling and Marketing Expenses	(360)	(810)	125%	(941)	(1,967)	109%
R&D Expenses	(14)	(20)	37%	(36)	(51)	44%
Other Income / (Expenses), net	17	27	55%	29	66	130%
Operating Profit	265	644	143%	505	1,557	208%
Profit/(Loss) from Investment Activities	-	2	n.m.	(0)	11	n.m.
Operating Profit before Financial Income	265	647	144%	505	1,568	210%
Operating Margin	19.6%	20.2%		15.8%	21.4%	
Financial Expenses, Net	(52)	(105)	102%	(112)	(239)	114%
Profit Before Tax	213	541	154%	393	1,329	238%
Income Tax Expense	(51)	(88)	73%	(93)	(171)	85%
Profit	162	453	179%	301	1,158	285%
Profit Margin	12.0%	14.2%		9.4%	15.8%	
EBITDA	346	752	117%	750	1,860	148%
EBITDA Margin	25.5%	23.5%		23.5%	25.4%	
EBITDA ex IFRS 16	272	644	137%	567	1,565	176%
Profit ex IFRS 16	164	457	179%	307	1,164	280%

Financial Statements

Balance Sheet (inc. IFRS 16)

TRYm	31 January 2022	31 October 2022	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	1,482	2,263	53%
Financial Investments	27	56	108%
Trade Receivables	394	897	127%
Inventories	751	1,823	143%
Other Current Assets	202	507	151%
Total Current Assets	2,856	5,547	94%
Property and Equipment	259	343	33%
Right of Use Assets	451	491	9%
Intangible Assets	474	652	38%
Other Non-Current Assets	56	229	311%
Total Non-Current Assets	1,239	1,715	38%
Total Assets	4,095	7,262	77%
Short-Term Financial Liabilities	891	1,015	14%
Short-Term Contractual Lease Liabilities	229	292	27%
Trade Payables	1,189	2,326	96%
Other Current Liabilities	262	660	152%
Total Current Liabilities	2,570	4,293	67%
Long-Term Financial Liabilities	-	170	n.m.
Long-Term Contractual Lease Liabilities	277	266	(4%)
Other non-current Liabilities	55	130	137%
Total Non-Current Liabilities	332	566	71%
Total Liabilities	2,902	4,859	67%
Total Equity	1,193	2,403	101%
Total Equity & Liabilities	4,095	7,262	77%

Financial Statements

Cash Flow Statement (inc. IFRS 16)

TRYm	9M 2021	9M 2022
Profit ¹	301	1,158
Adjustments	546	1,013
Cash Flow from Operating Activities	847	2,171
Δ in Net Working Capital ²	57	(513)
Income Tax Paid	(36)	(267)
Net Cash from Operating Activities	869	1,391
Capex	(95)	(192)
Other Investing Cash Flow ³	56	137
Net Cash Flow Used in Investing Activities	(39)	(55)
Debt Issued / (Repaid)	(386)	163
Payment of Contractual Lease Liabilities	(184)	(296)
Other Financial Payments ⁴	(97)	(205)
Dividends Paid	(30)	(120)
Interest Paid	(72)	(102)
Net Cash Flows Used in Financing Activities	(769)	(560)
Net Cash Flow	61	776
Cash and Cash Equivalents at the Beginning of the Period ⁵	890	1,479
Cash and Cash Equivalents at the End of the Period ⁵	951	2,255

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.

Effects of IFRS 16 on Financial Statements

TRYm	31 Oct. 2022	IFRS 16 Effect	After IFRS 16
Current assets	5,550	(4)	5,547
Non-current assets	1,210	505	1,715
Current liabilities	4,001	292	4,293
Non-current liabilities	301	266	566
Equity	2,459	(56)	2,403

	9M'22	IFRS 16 Effect	After IFRS 16
Operating profit	1,510	47	1,557
Operating profit before finance	1,521	47	1,568
Finance income	190	-	190
Finance expense	(374)	(55)	(429)
Profit before tax	1,337	(8)	1,329
Net profit	1,164	(6)	1,158
EBITDA	1,565	295	1,860

Global Footprint as of 31 October 2022

