



9M 2023
Results Presentation

December 11, 2023



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MAVI BUSINESS OVERVIEW



Q3 2023 Business Overview

Business Overview

- › Successful brand strategy, demand creating newness, dynamic price planning supported with a sourcing capability that enables effective product cost control resulted with **300 bps improvement in gross margin**
- › Delivered **130 bps improvement in opex/sales ratio** through effective cost management and strong sales performance despite high inflation and significant minimum wage hike in Türkiye
- › **Net cash position increased to 2,170 TRYm**

Türkiye

- › **Consumer demand remains robust. Strong sales growth driven both by price and volume.**
- › With a right product - right price - high quality strategy continued to **grow sales volumes in jeans, women and men lifestyle categories.** Women's share in total sales is 36% of total Türkiye sales
- › Online sales grew **119% in Q3 2023** mostly driven by **mavi.com performance**

International

- › International sales recorded **7% constant currency growth** in Q3 2023. Strong performance of NA helped offset continued slowness in Europe. **International margins turns to improvement** as of Q3 2023
- › Online is the best performing channel in international markets with growth mainly driven by **direct-to-consumer channels**

mavi



9M 2023 HIGHLIGHTS



9M 2023 Highlights

- › Consolidated revenue realized at 14,189 TRYm, growing 94% yoy
- › EBITDA for the period is 3,561 TRYm resulting in 25.1% EBITDA margin
- › Net income realized at 2,175 TRYm
- › Total number of monobrand stores² stands at 465
- › Türkiye retail sales increased by 100% and Türkiye online sales increased by 104%
- › With effective brand strategy and increasing traffic customer acquisition performed strong at 970K new customers in 9M 2023. Türkiye active loyalty card members reached 6.6 million



GROUP HIGHLIGHTS¹

14,189 TRYm Revenue	3,561 TRYm EBITDA
25.1% EBITDA Margin	2,175 TRYm Net Income
465 Monobrand Stores²	2,170 TRYm Net Cash

¹ Including IFRS 16 impacts as reported

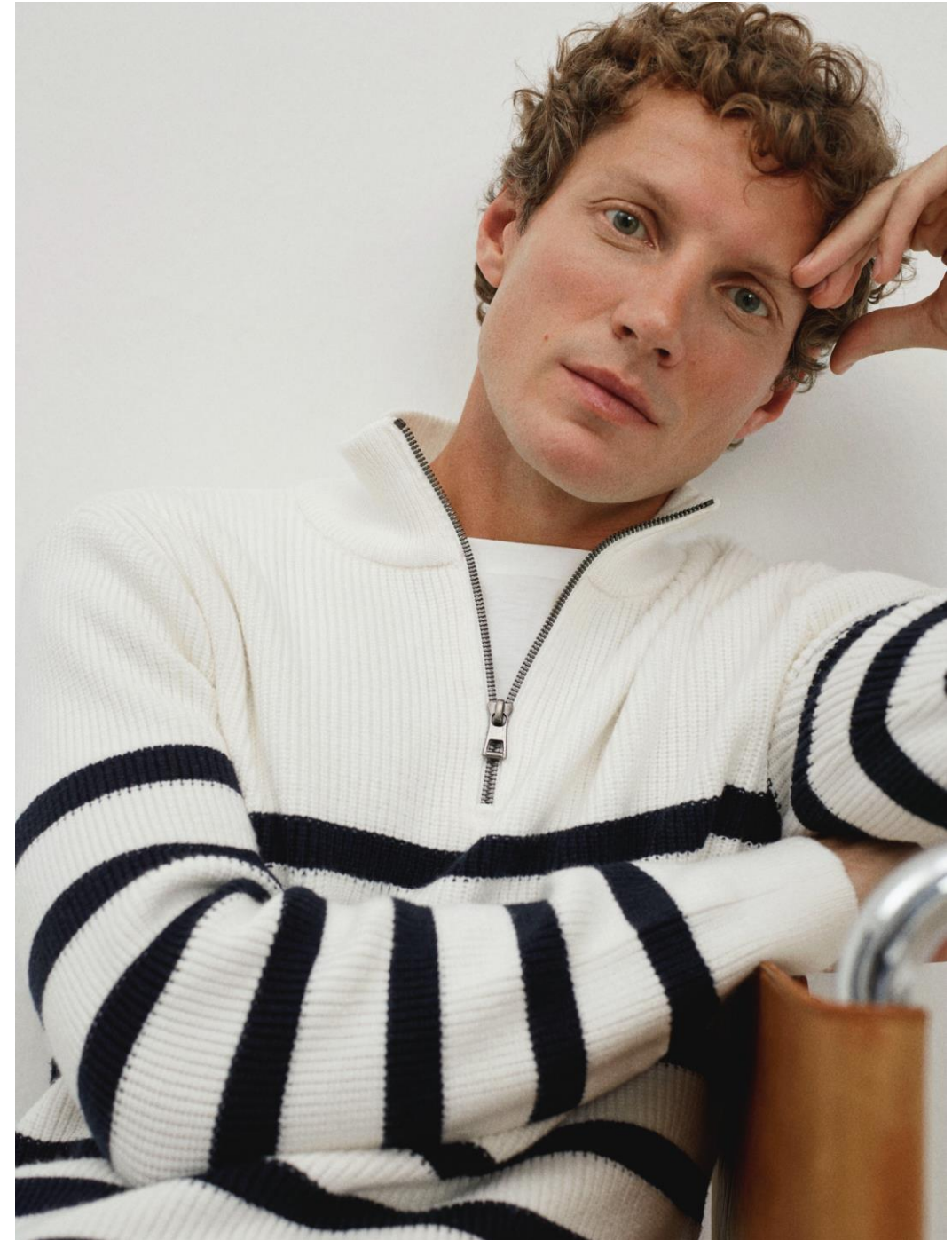
² Includes global franchise and owned stores

TURKIYE HIGHLIGHTS

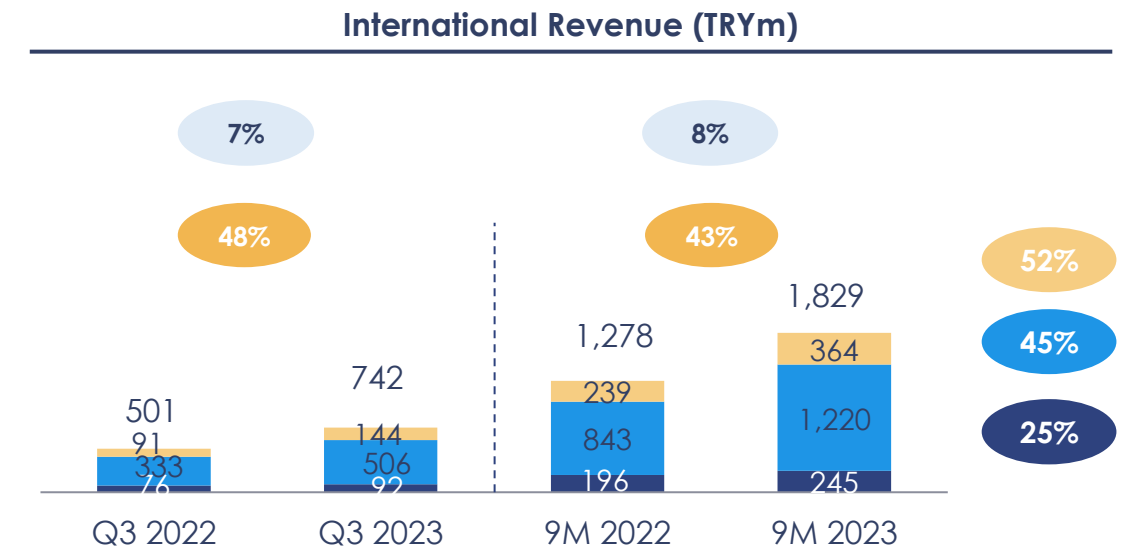
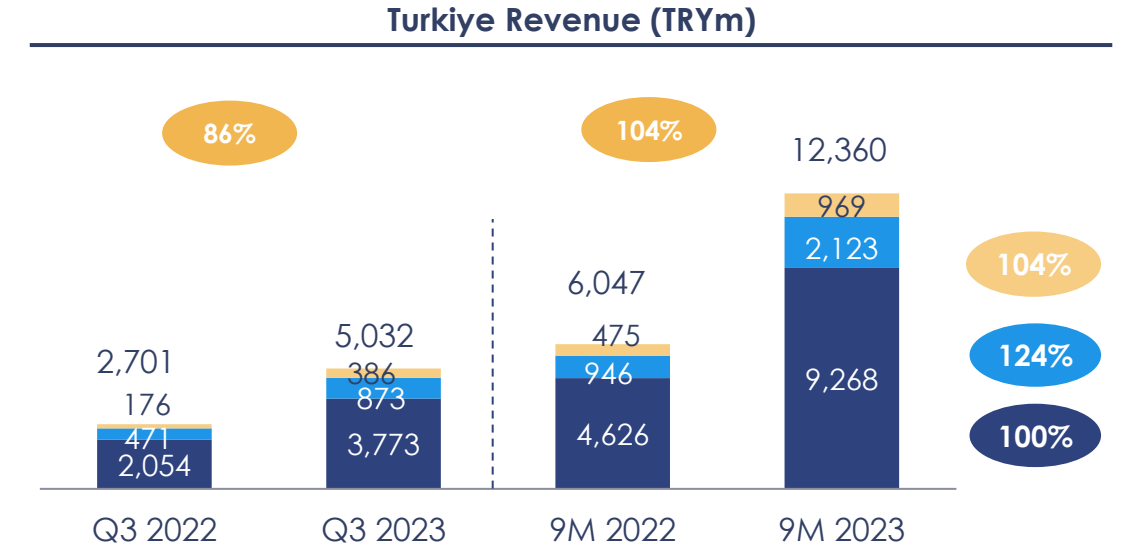
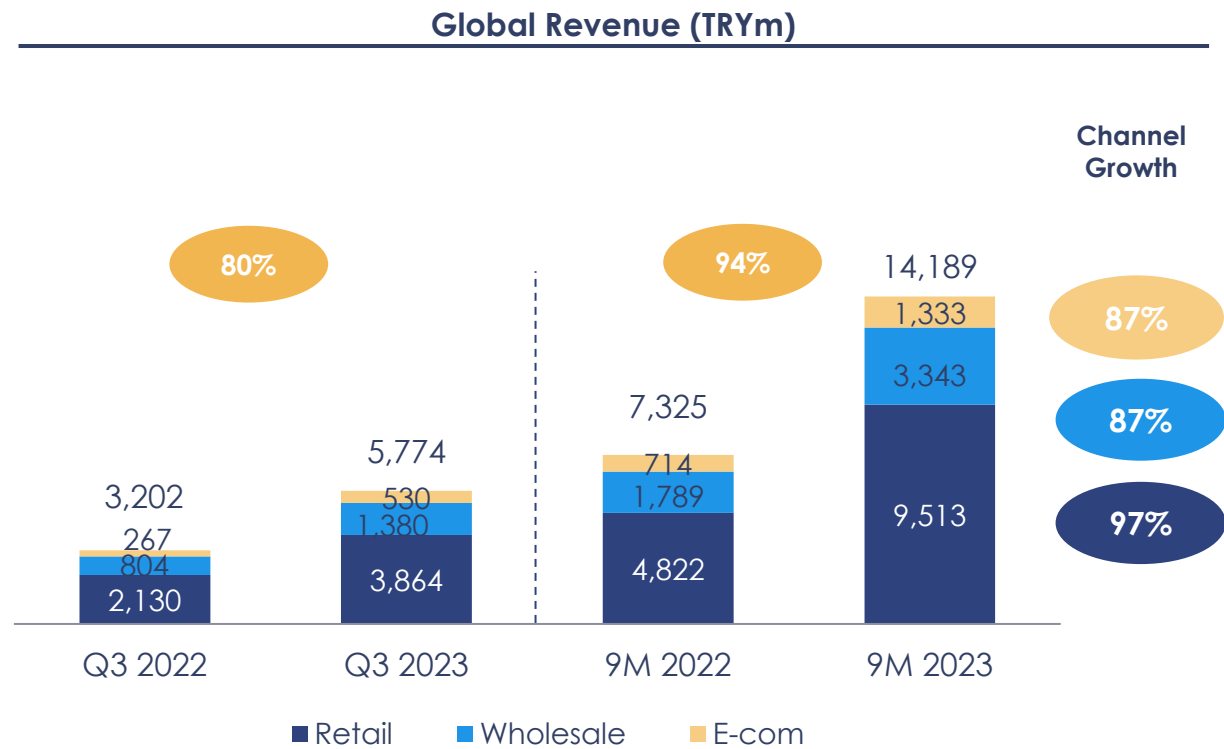
100% Retail Sales Growth	104% Online Sales Growth
 64% Men 36% Women	61% Lifestyle 39% Denim
6.6 m Active Loyalty Card Members³	970K New Customers 

³Active means that the member has made a purchase of Mavi product in the last two years. Total number of Kartus card holders is 9.0 mn

*Category and gender mix for Türkiye Retail only



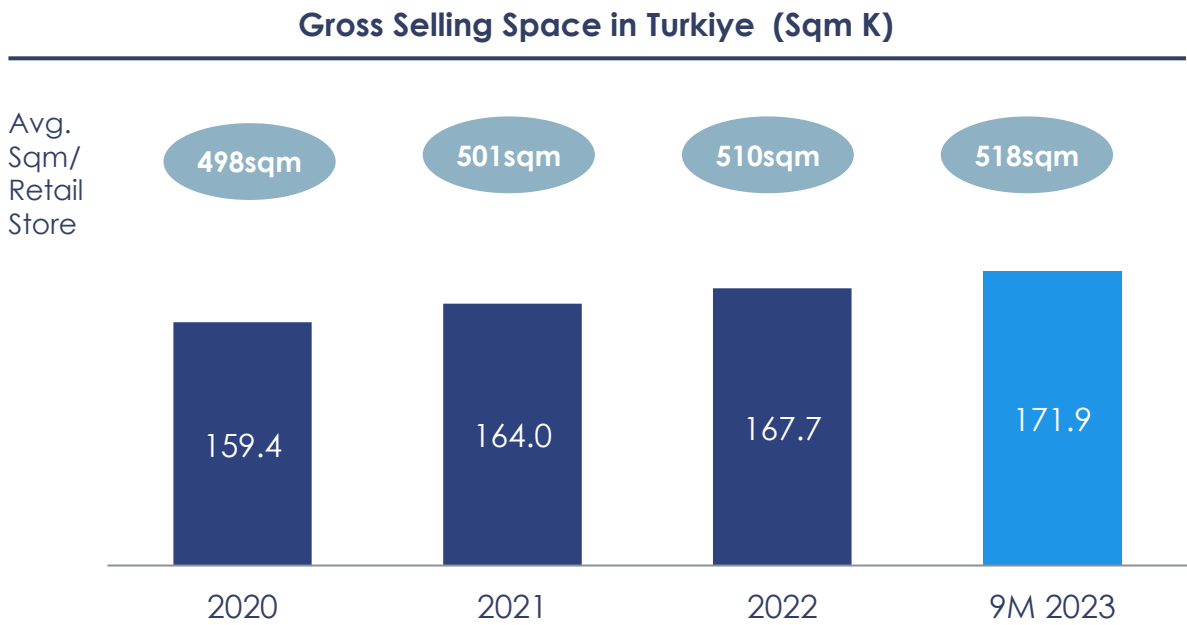
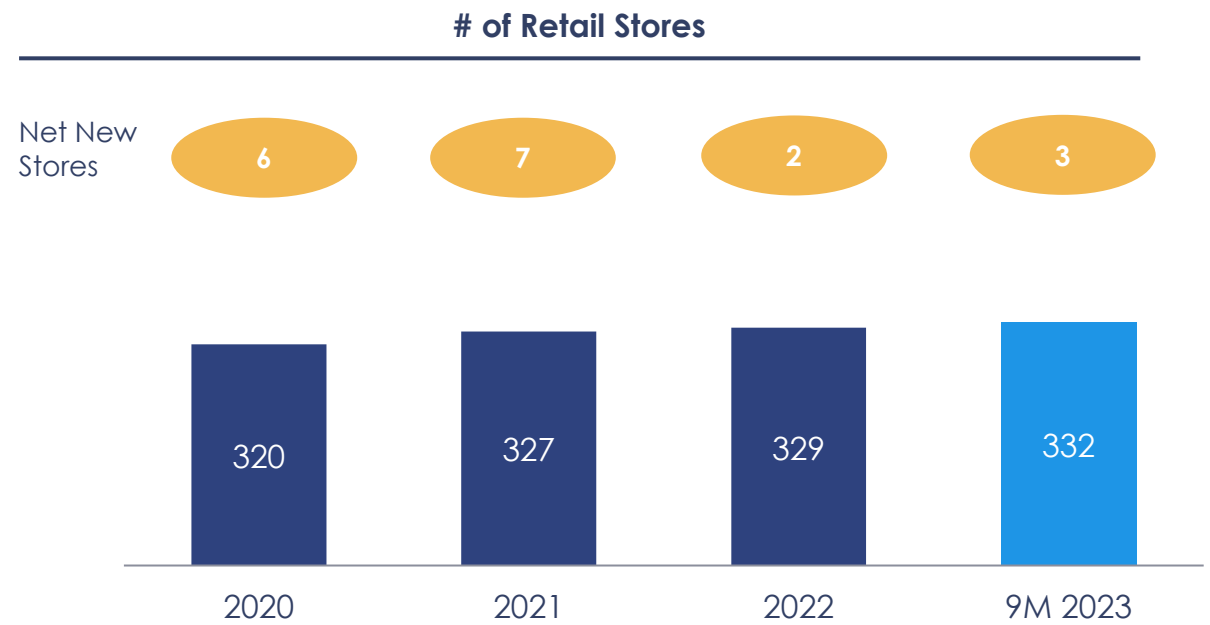
Revenue Evolution in Sales Channels



- › Total revenue consists of 67% retail, 24% wholesale and 9% e-com
- › 87% of consolidated revenue is from Türkiye
- › International revenue in constant currency increased 7% in Q3 2023 and 8% in 9M 2023

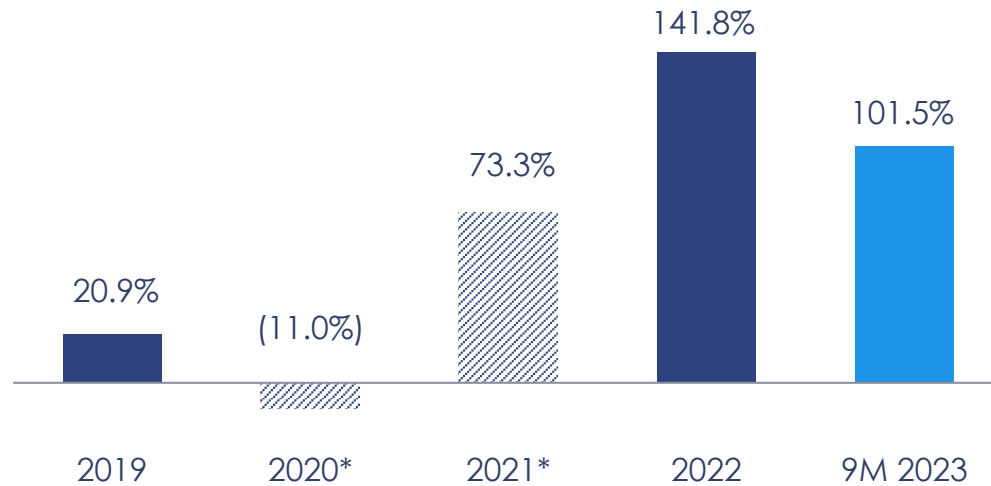
**TURKIYE
RETAIL**

Turkiye Retail Operations

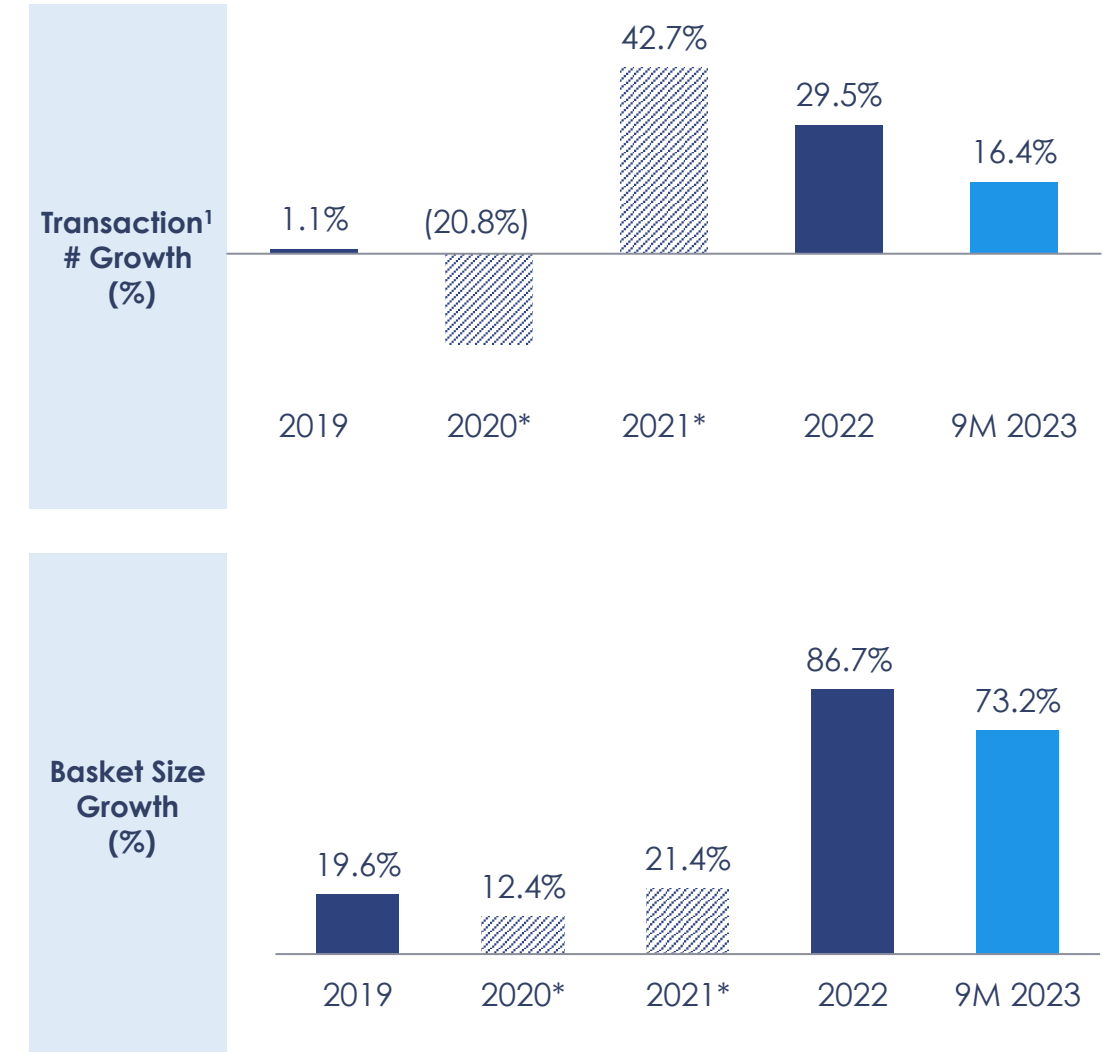


- › With eight openings and five closures in 9M 2023, number of retail stores in Türkiye reached 332 as of end-October 2023
- › Four stores have been expanded in the reporting period
- › Total selling space stands at 171.9K sqm with average sqm per store at 518

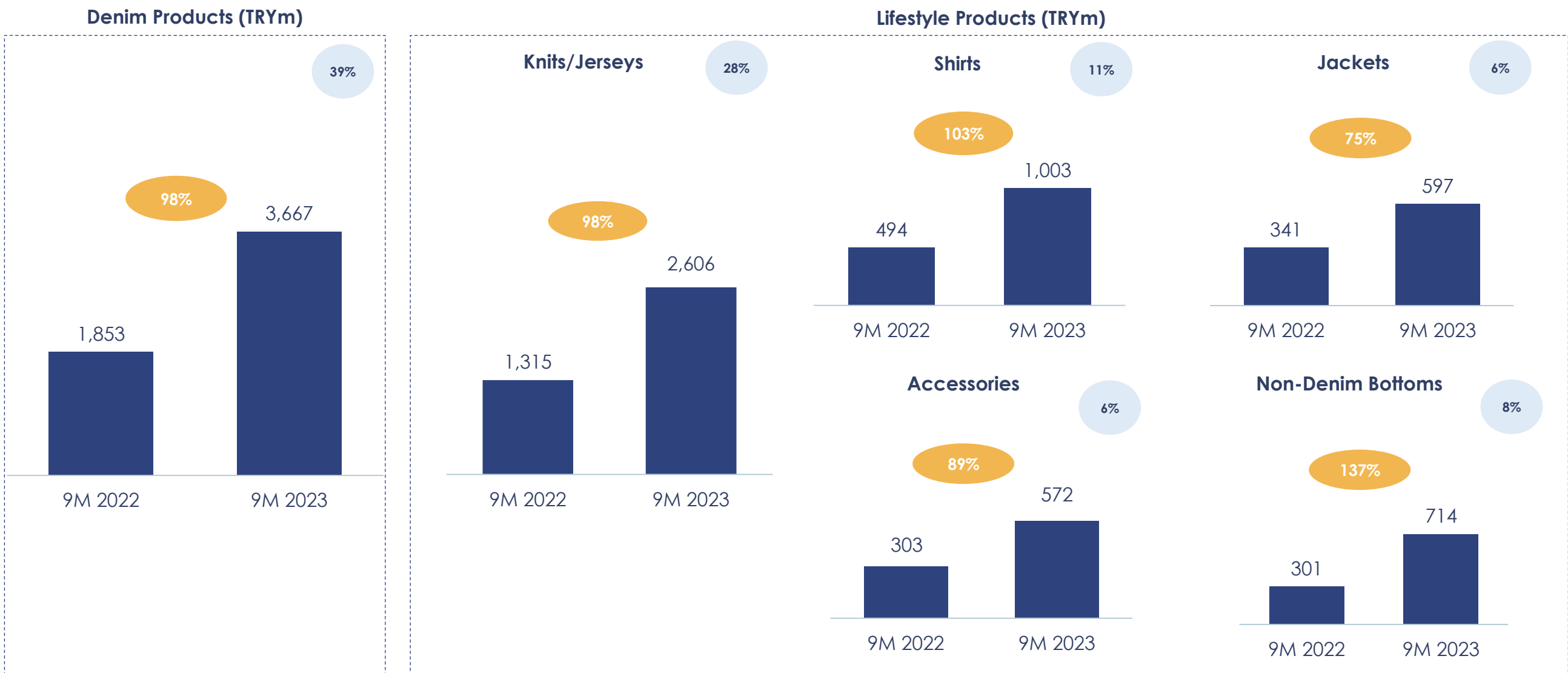
Like-for-Like Stores Sales Performance



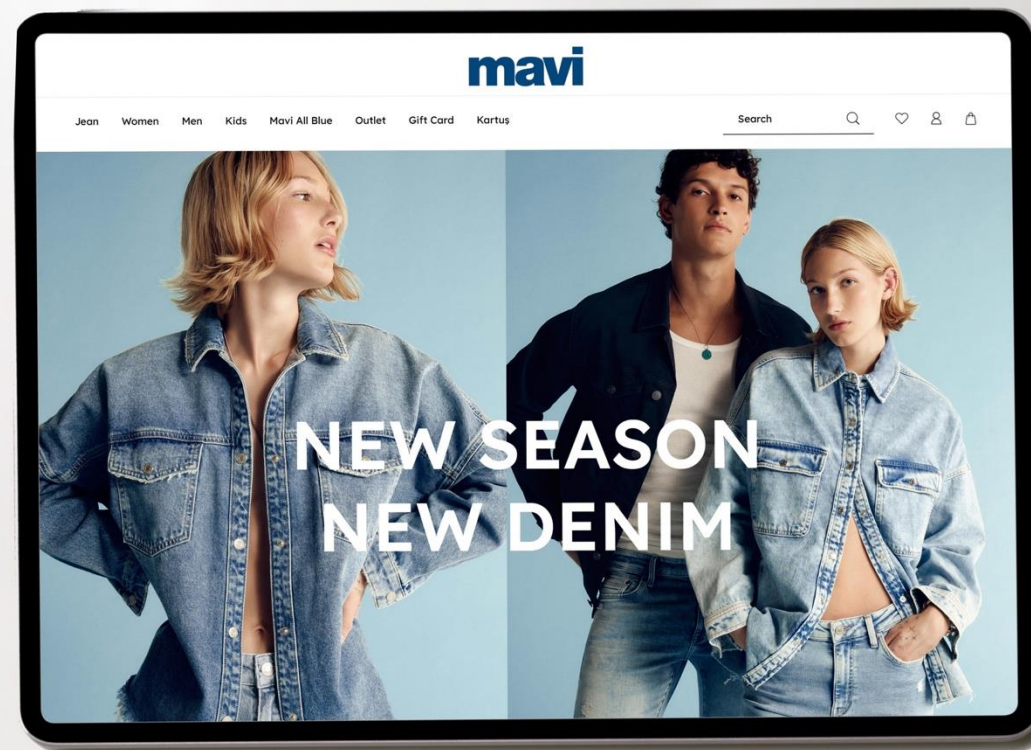
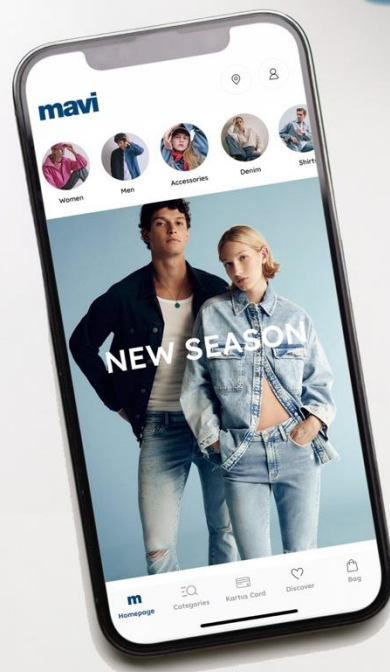
- › Traffic growth of 10% in 9M 2023 on top of a high base displays continued strong consumer demand
- › Right product mix driven by newness and dynamic pricing strategy enables basket size growth
- › 16.3% volume growth in 9M 2023 is in-line with growth targets



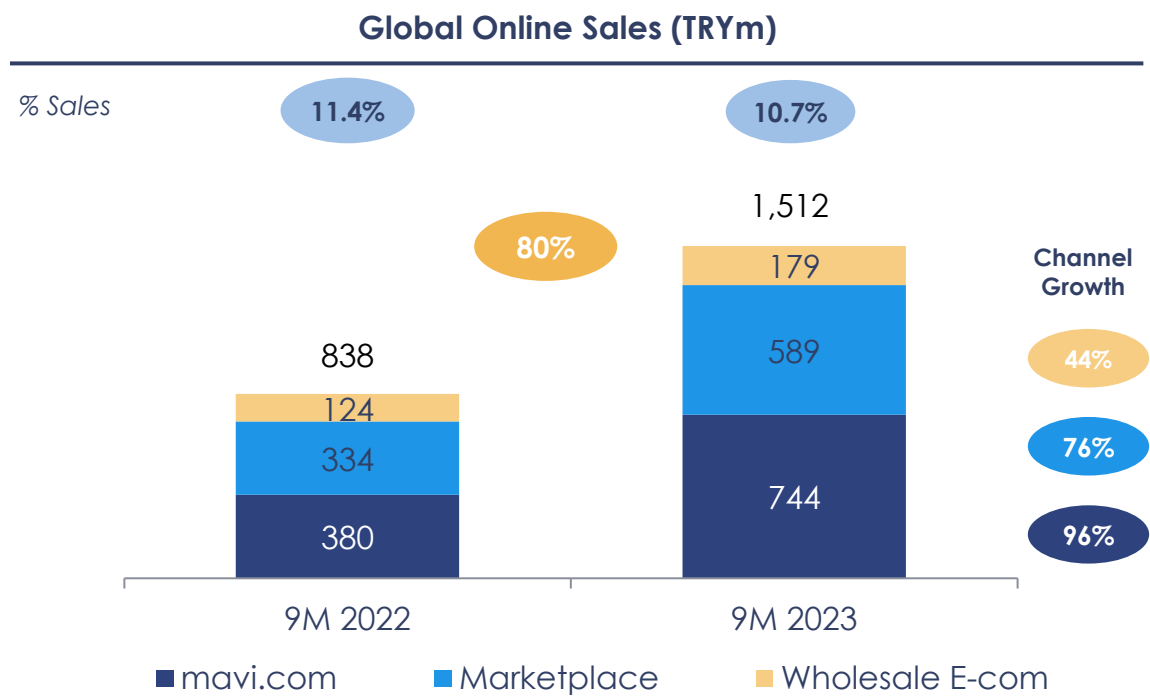
Sales in Denim & Lifestyle Categories



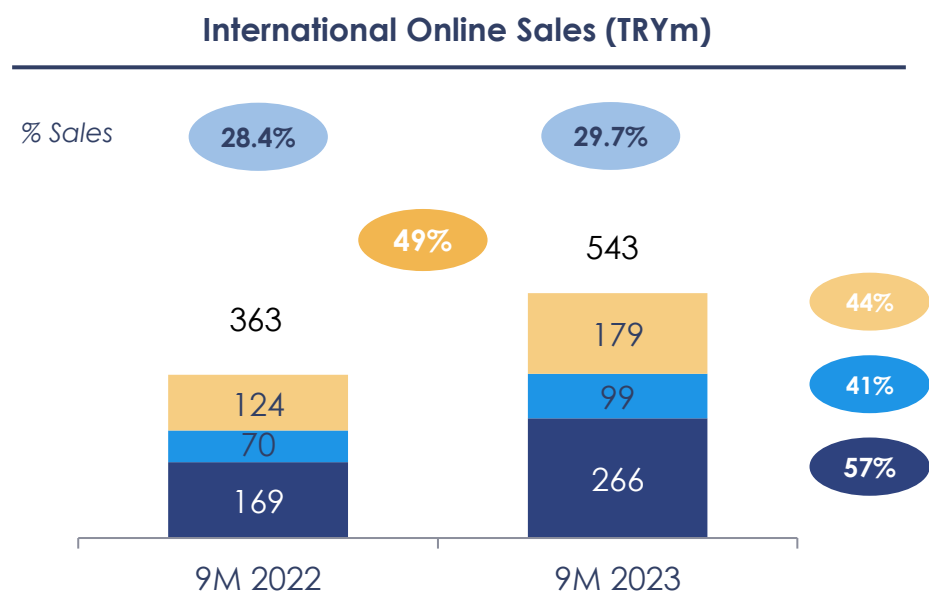
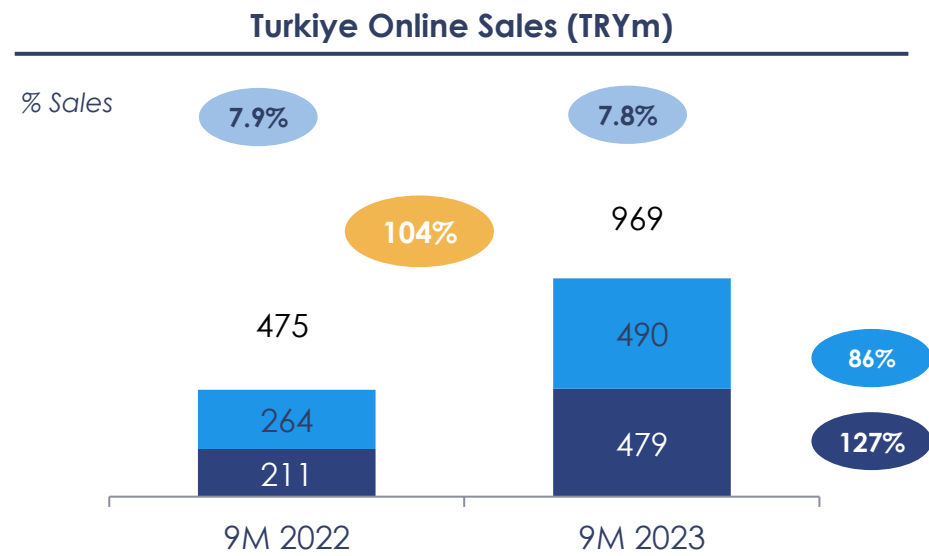
ONLINE BUSINESS



Online Sales Growth (inc. wholesale business partners)



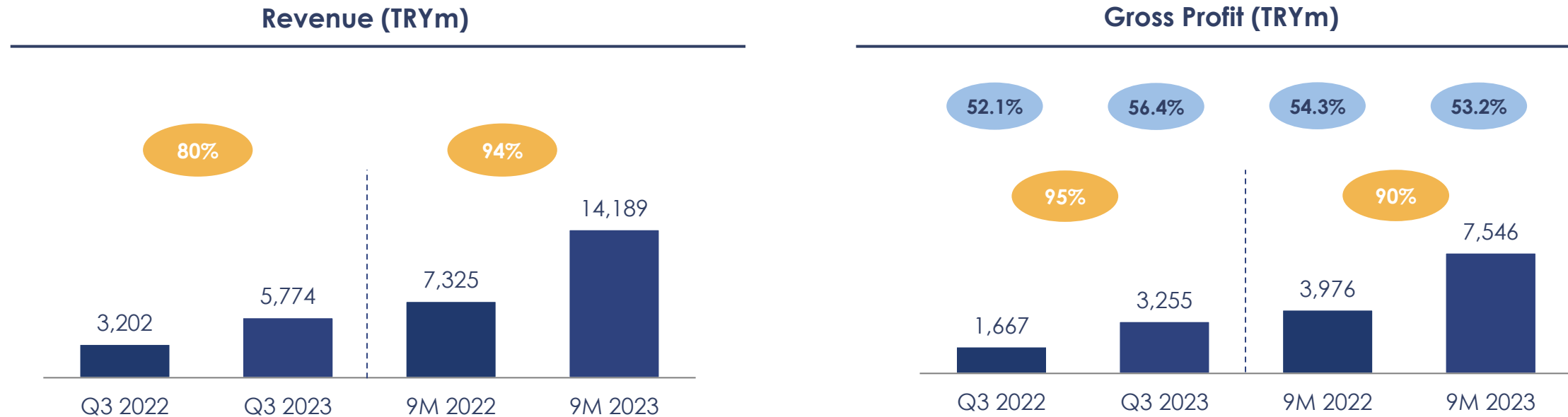
- › Growth driven mainly by mavi.com performance
- › Omni-Channel initiatives are enhancing shopping experience across channels and driving incremental sales
- › Full-price channel strategy across all categories with positive contribution to margins





CONSOLIDATED FINANCIAL RESULTS

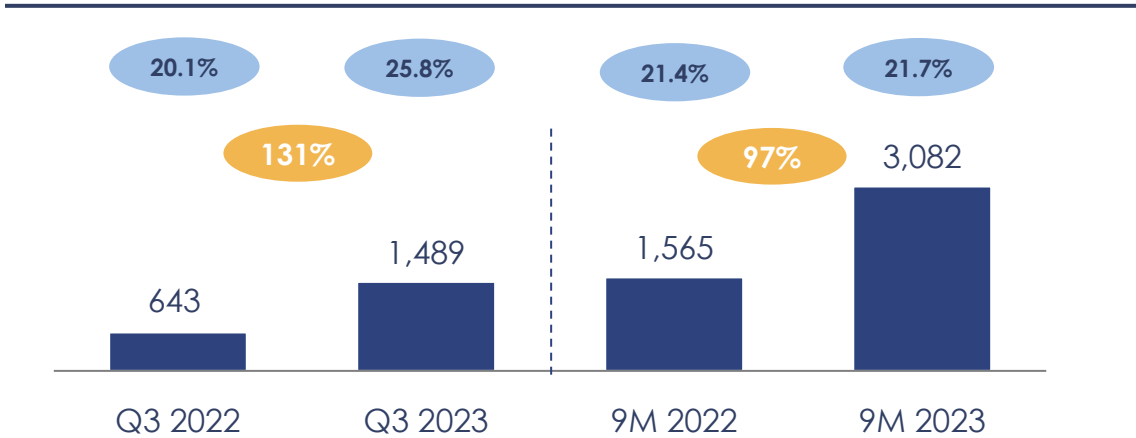
Consolidated Gross Margins



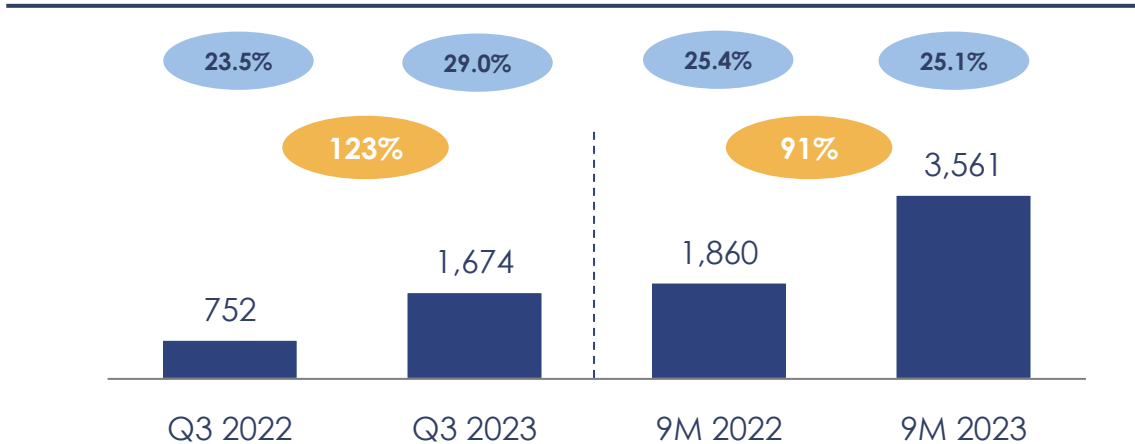
- › **Gross margin improved 300 bps* in real terms** (adjusted for imputed interest rate impact) **in Q3 2023**, resulting with only 170 bps* contraction year to date from an extraordinary high base
- › Strong demand was captured with variety, newness and right product/price positioning
- › Effective product cost management enabled by strong balance sheet and a well-planned sourcing and supply strategy

Consolidated EBITDA and Net Income

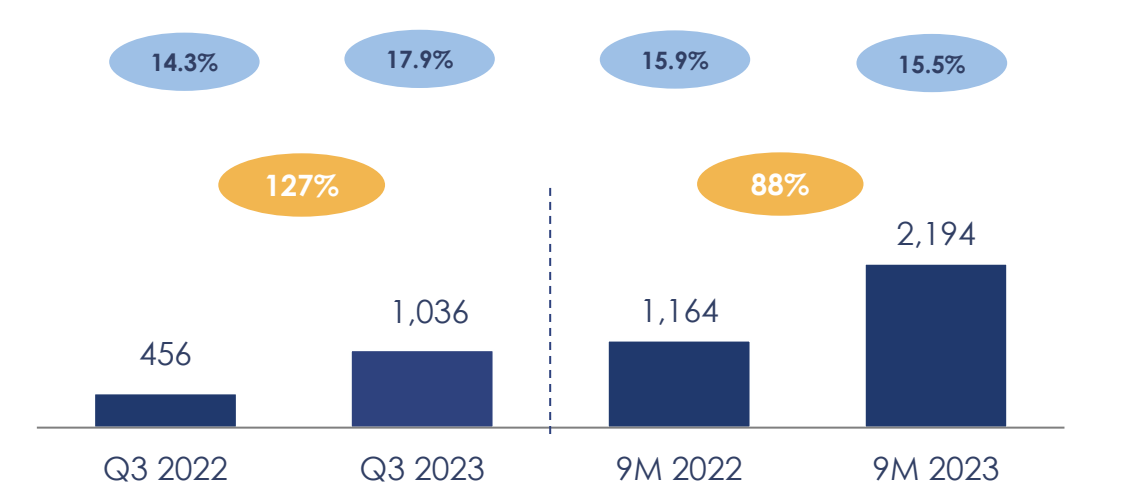
EBITDA exc.IFRS16 (TRYm)



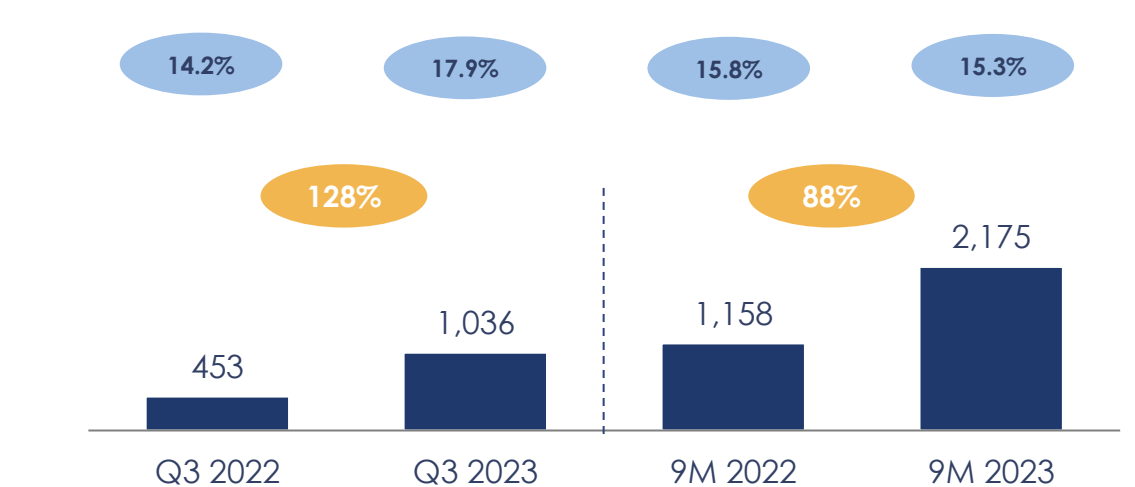
EBITDA inc.IFRS16 (TRYm)



Net Income exc.IFRS16 (TRYm)

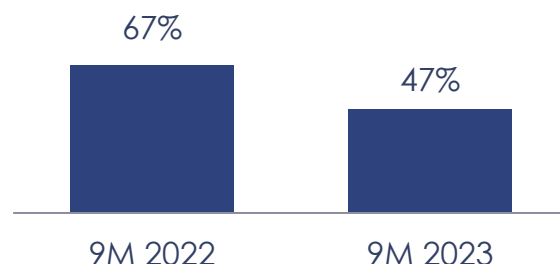


Net Income inc.IFRS16 (TRYm)



Operational Cash Flow and Working Capital Management

Cash Conversion & Operational Cash Flow (exc. IFRS16)



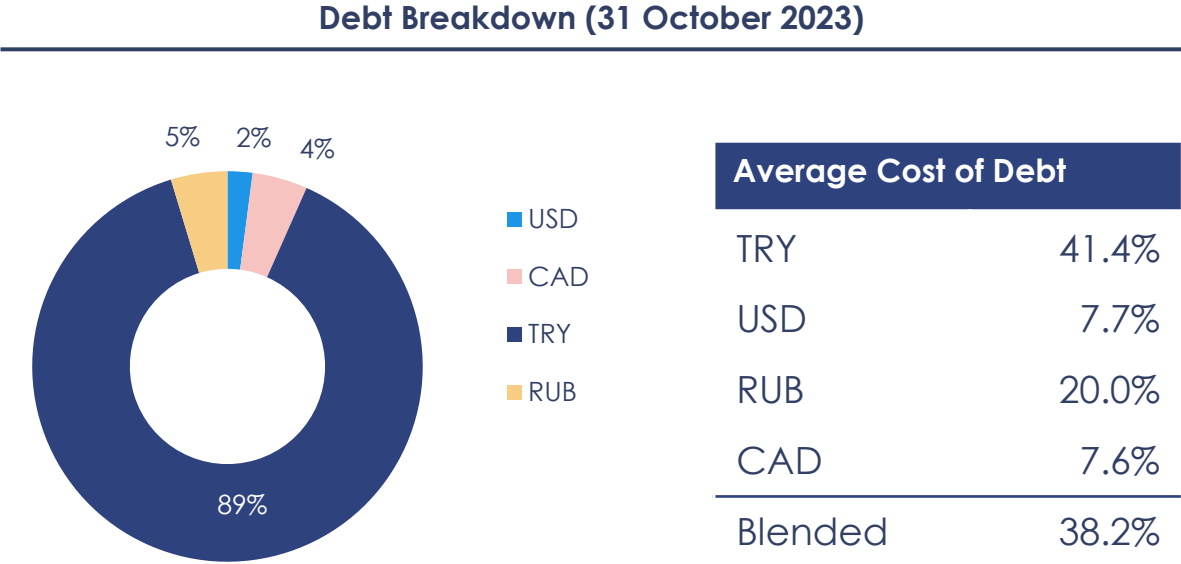
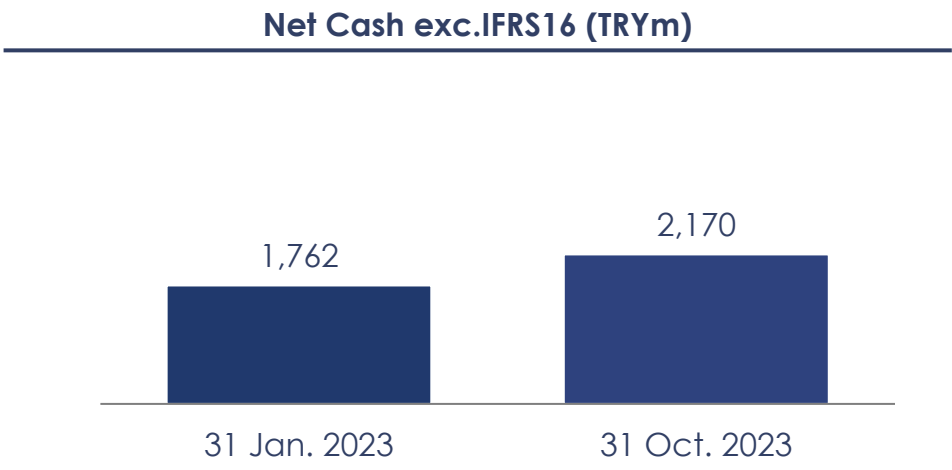
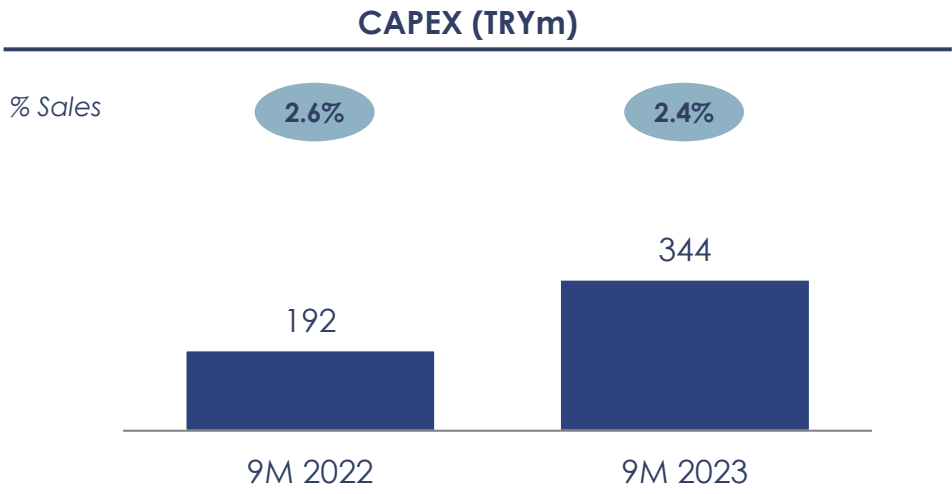
TRYm	9M 2022	9M 2023
EBITDA	1,565	3,082
Δ in NWC ¹	(513)	(1,618)
Operating Cash Flow	1,052	1,463

Main Working Capital Items

TRYm	2022	9M 2022	9M 2023
Trade & Other Receivables	913	1,022	1,618
% LTM Sales	8.6%	11.7%	9.3%
Inventories	2,308	1,823	3,291
% LTM COGS	46.2%	45.1%	39.7%
Trade & Other Payables	3,000	2,368	2,904
% LTM COGS	60.1%	58.6%	35.1%
Main NWC	220	477	2,005
% LTM Sales	2.1%	5.5%	11.5%

- › The 80% increase in inventory level, is largely driven by **product cost inflation (57% yoy)** in Turkiye
- › **Inventory** in number of pieces in Turkiye is only 22% higher compared to same period last year in line with business plans and demand expectations. Inventory comprises of **all fresh, season products**
- › Increase in working capital requirements was mainly driven by higher product costs and actions to mitigate cost pressures such as cash payments to manufacturers (clearly reflected on trade payables levels)

Capex and Leverage Ratios



- › All of non-TRY debt (11% 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 2023
- › Keeping no FX position is management priority

FY2023 Management Guidance

	Previous (08.06.2023)	Revised (19.09.2023)	Revised (11.12.2023)
Consolidated Revenue Growth	75% ± 5%	80% +	85% +
Turkiye Retail Stores	5 net new stores 7 store expansions	8 net new stores 7 store expansions	Confirmed
EBITDA Margin	18% ± 0.5% (exc. IFRS16) 22% ± 0.5% (inc. IFRS16)	19% ± 0.5% (exc. IFRS16) 22.5% ± 0.5% (inc. IFRS16)	20% ± 0.5% (exc. IFRS16) 23.5% ± 0.5% (inc. IFRS16)
Net Debt/EBITDA	Net Cash Position (exc. IFRS16)	Confirmed	Confirmed
CAPEX	3% of consolidated sales	Confirmed	Confirmed

Trading Update for Q4 2023

- › Türkiye retail sales increased **104% in November and 125% in the first 10 days of December**
- › Online sales in Türkiye grew **102% in November and 109% in the first 10 days of December**



THANK YOU!

Financial Statements

Income Statement (inc. IFRS 16)

TRYm	Q3 2022	Q3 2023	Change (%)	9M 2022	9M 2023	Change (%)
Revenue	3,202	5,774	80%	7,325	14,189	94%
Cost of Sales	(1,534)	(2,519)	64%	(3,349)	(6,643)	98%
Gross Profit	1,667	3,255	95%	3,976	7,546	90%
Gross Margin	52.1%	56.4%		54.3%	53.2%	
Administrative Expenses	(220)	(313)	43%	(467)	(837)	79%
Selling and Marketing Expenses	(810)	(1,456)	80%	(1,967)	(3,652)	86%
R&D Expenses	(20)	(47)	142%	(51)	(122)	138%
Other Income / (Expenses), net	27	101	280%	66	113	71%
Operating Profit	644	1,539	139%	1,557	3,049	96%
Profit/(Loss) from Investment Activities	2	6	157%	11	21	91%
Operating Profit before Financial Income	647	1,545	139%	1,568	3,070	96%
Operating Margin	20.2%	26.8%		21.4%	21.6%	
Financial Expenses, Net	(105)	(210)	99%	(239)	(358)	50%
Profit Before Tax	541	1,335	147%	1,329	2,712	104%
Income Tax Expense	(88)	(299)	241%	(171)	(537)	214%
Profit	453	1,036	128%	1,158	2,175	88%
Profit Margin	14.2%	17.9%		15.8%	15.3%	
EBITDA	752	1,674	123%	1,860	3,561	91%
EBITDA Margin	23.5%	29.0%		25.4%	25.1%	
EBITDA ex IFRS 16	643	1,489	131%	1,565	3,082	97%
Profit ex IFRS 16	456	1,036	127%	1,164	2,194	88%

Financial Statements

Balance Sheet (inc. IFRS 16)

TRYm	31 January 2023	31 October 2023	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	3,245	4,273	32%
Financial Investments	58	59	2%
Trade Receivables	871	1,588	82%
Inventories	2,308	3,291	43%
Other Current Assets	304	399	31%
Total Current Assets	6,785	9,611	42%
Property and Equipment	395	569	44%
Right of Use Assets	576	666	16%
Intangible Assets	663	964	45%
Other Non-Current Assets	224	368	65%
Total Non-Current Assets	1,858	2,567	38%
Total Assets	8,643	12,178	41%
Short-Term Financial Liabilities	1,541	1,811	18%
Short-Term Contractual Lease Liabilities	350	448	28%
Trade Payables	2,961	2,766	(7%)
Other Current Liabilities	592	1,335	125%
Total Current Liabilities	5,444	6,359	17%
Long-Term Financial Liabilities	-	351	n.m.
Long-Term Contractual Lease Liabilities	290	314	8%
Other Non-Current Liabilities	177	179	1%
Total Non-Current Liabilities	467	844	81%
Total Liabilities	5,911	7,203	22%
Total Equity	2,732	4,975	82%
Total Equity & Liabilities	8,643	12,178	41%

Financial Statements

Cash Flow Statement (inc. IFRS 16)

TRYm	9M 2022	9M 2023
Profit ¹	1,158	2,175
Adjustments	1,013	1,840
Cash Flow from Operating Activities	2,171	4,015
Δ in Net Working Capital ²	(513)	(1,618)
Income Tax Paid	(267)	(335)
Net Cash from Operating Activities	1,391	2,062
Capex	(192)	(344)
Other Investing Cash Flow ³	137	453
Net Cash Flow Used in Investing Activities	(55)	109
Debt Issued / (Repaid)	163	397
Payment of Contractual Lease Liabilities	(296)	(481)
Other Financial Payments ⁴	(205)	(494)
Dividend Paid	(120)	(429)
Interest Paid	(102)	(148)
Net Cash Flows Used in Financing Activities	(560)	(1,156)
Net Cash Flow	776	1,015
Cash and Cash Equivalents at the Beginning of the Period ⁵	1,479	3,223
Cash and Cash Equivalents at the End of the Period ⁵	2,255	4,238

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, other investing activities 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-23	IFRS 16 Effect	After IFRS 16
Current assets	9,617	(6)	9,611
Non-current assets	1,877	690	2,567
Current liabilities	5,911	448	6,359
Non-current liabilities	530	314	844
Equity	5,053	(78)	4,975

	9M 2023	IFRS 16 Effect	After IFRS 16
Operating profit	2,978	71	3,049
Operating profit before finance costs	2,999	71	3,070
Finance income	538	--	538
Finance expense	(798)	(98)	(896)
Profit before tax	2,739	(27)	2,712
Net profit	2,194	(19)	2,175
EBITDA	3,082	479	3,561

Global Operations as of 31 October 2023



TURKIYE

Retail stores: 332
Franchise stores: 69
Wholesale doors: ~520
Employees: 5.731



US

Wholesale doors: ~1.150
Employees: 72



EUROPE

Retail stores: 1
Wholesale doors: ~800
Employees: 51



CANADA

Retail stores: 4
Wholesale doors: ~900
Employees: 79



RUSSIA

Retail stores: 17
Franchise stores: 17
Wholesale doors: 160
Employees: 144



OTHER COUNTRIES

Franchise stores: 25
Wholesale doors: 22