



**Q2 2019**  
**RESULTS PRESENTATION**  
September 20, 2019

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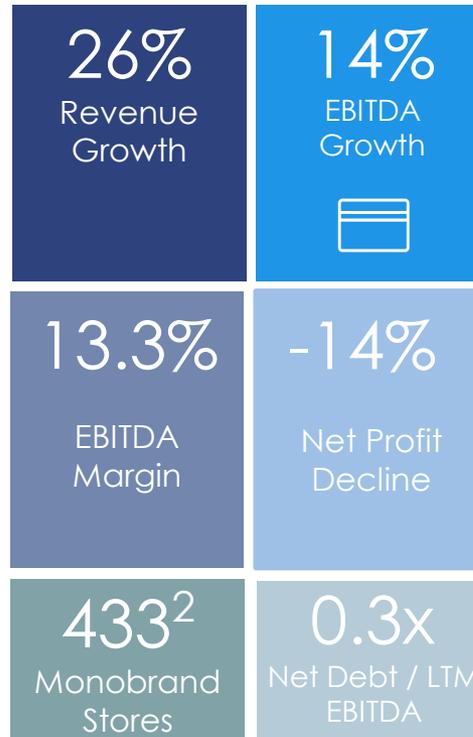
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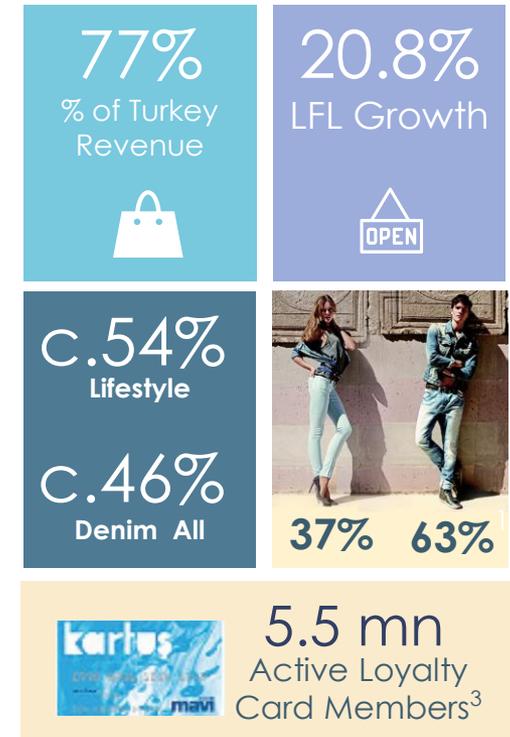
# First Half 2019 Highlights

- Consolidated revenue increased by 26% to 1,340 TRYm
- EBITDA grew by 14% to 178 TRYm resulting in 13.3% EBITDA margin
- Net profit contracted by 14% and resulted in 46 TRYm
- Store roll-out continued with 9 openings and 3 closures in Turkey, to reach a total of 433 mono brand stores<sup>2</sup>
- Turkey Retail LFL revenue grew by 20.8 %
- Active Kartuş card holders reached 5.5 mn with 637K new customers

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



## TURKEY RETAIL HIGHLIGHTS



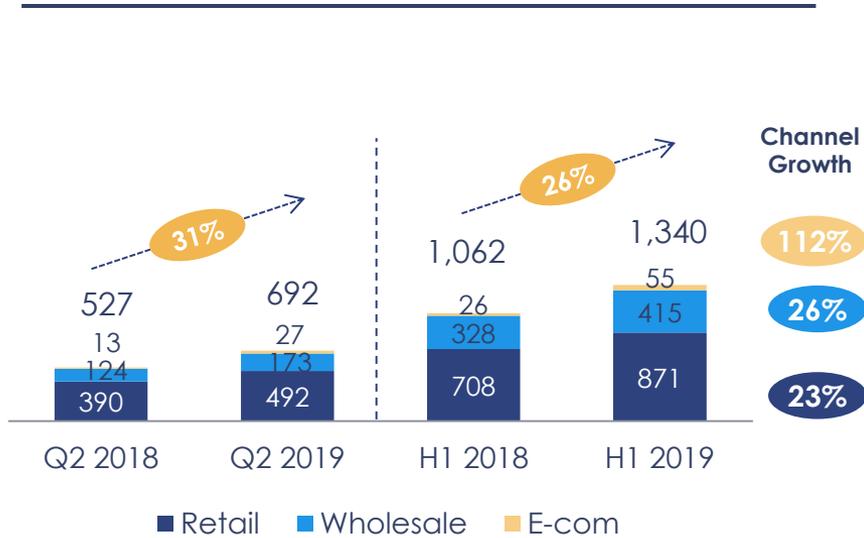
<sup>1</sup> Excluding IFRS 16 impacts.

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

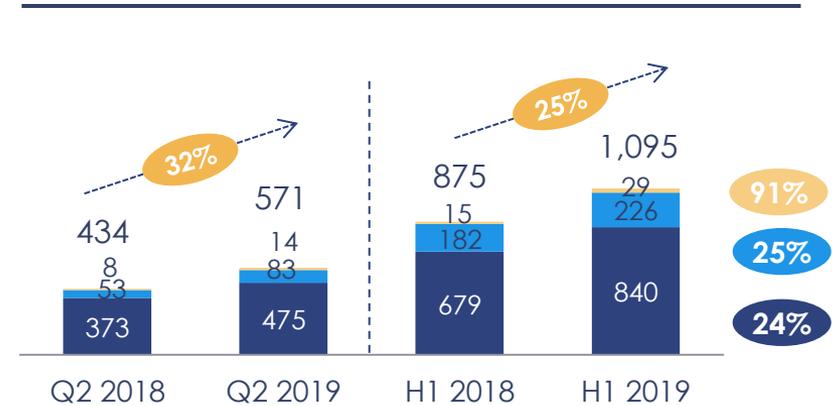
<sup>3</sup> Active means that the member has made a purchase of Mavi product over the last two years. Total number of Kartuş card holders is 7.7mn

# Revenue Growth in All Sales Channels

## Global Revenue (TRYm)



## Turkey Revenue (TRYm)



## International Revenue (TRYm)



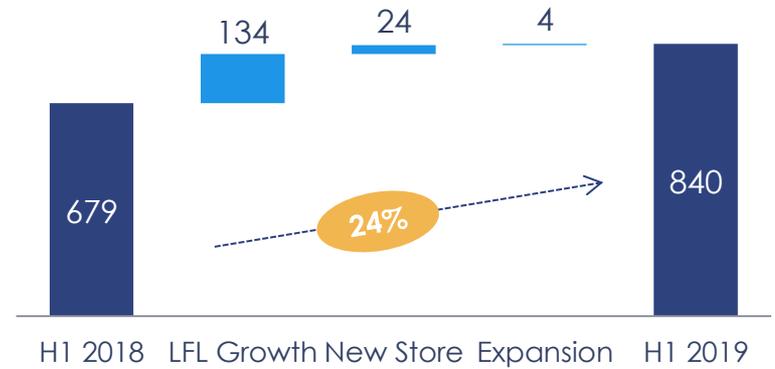
- Total revenue consists of 65.0% retail, 30.9% wholesale and 4.1% e-com.
- 82% of consolidated revenue is from Turkey

# Turkey Retail Operations

# of Retail Stores



Turkey Retail Revenue (TRYm)

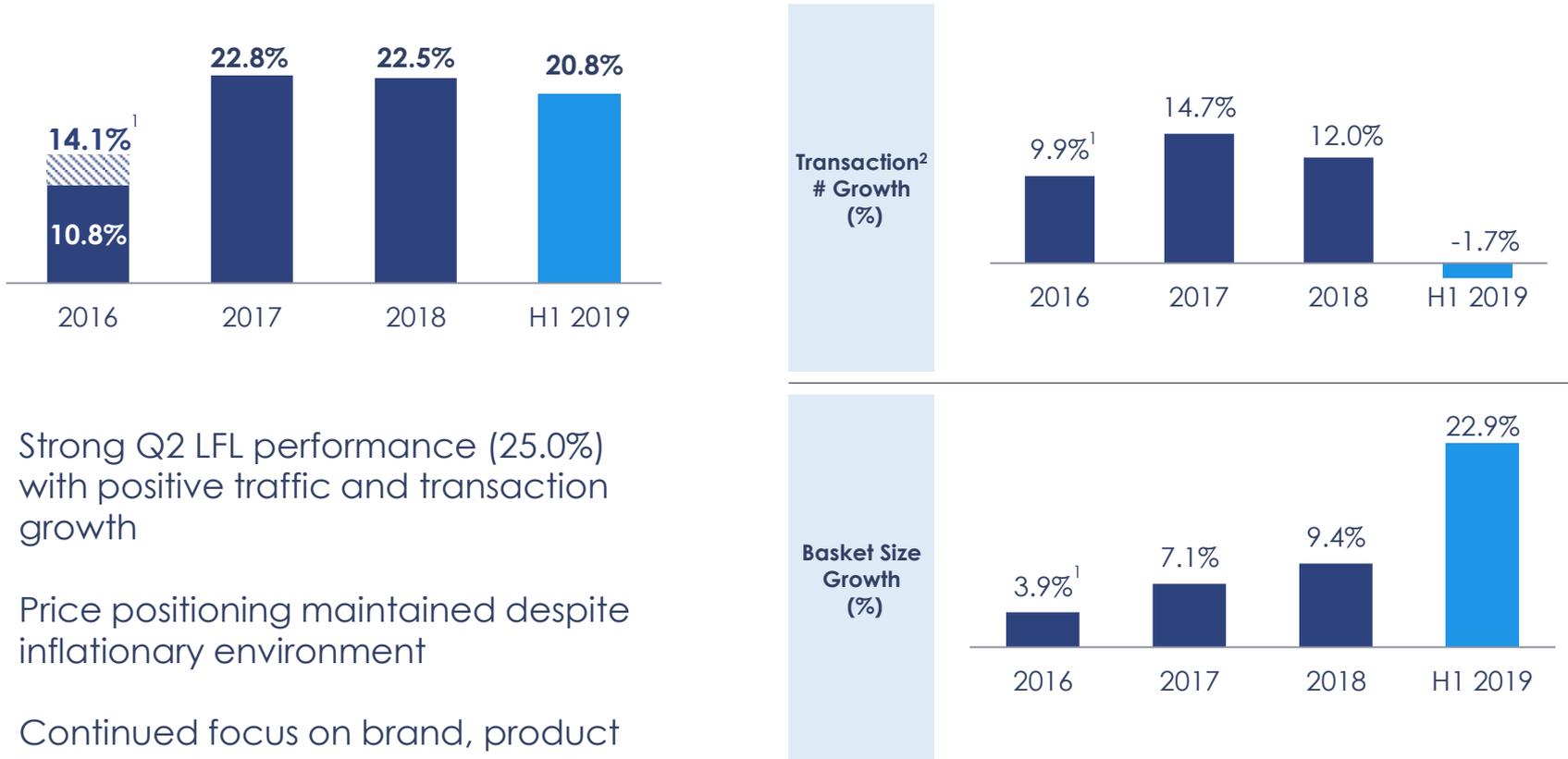


Gross Selling Space in Turkey (Sqm K)



- 6 net new store openings in H1 2019
- 9 stores expanded in H1 2019
- Total selling space reached 153K sqm with average 500 sqm per store

# Basket-Driven Like-for-like Growth



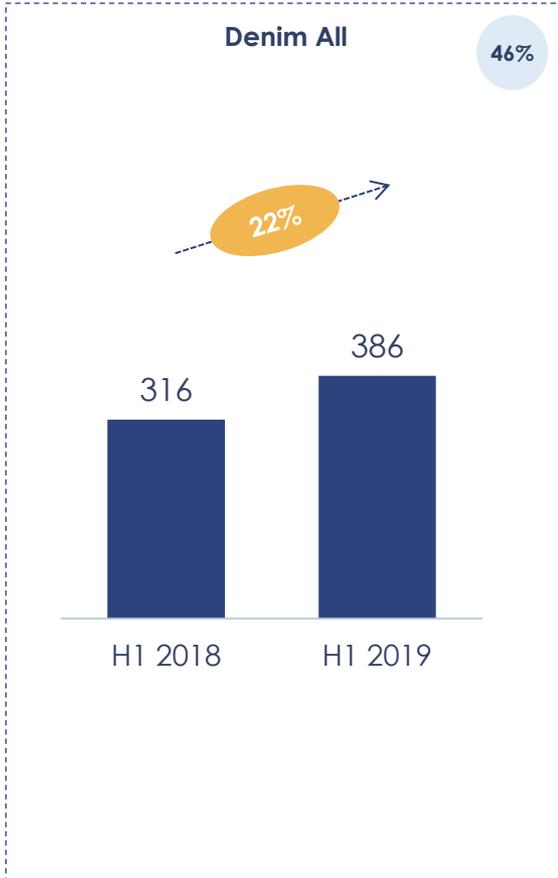
- Strong Q2 LFL performance (25.0%) with positive traffic and transaction growth
- Price positioning maintained despite inflationary environment
- Continued focus on brand, product investments and customer experience

Turkey retail only, <sup>1</sup> 2016 adjusted figures(excluding July performance of all Turkey retail stores, impacted by the Coup attempt and the performance of the Beyoğlu stores). The unadjusted LFL growth, Transaction Growth and Basket Size Growth are 10.8%, 6.8% and 3.7% respectively for 2016. <sup>2</sup>Number of transactions refers to number of issued invoices.

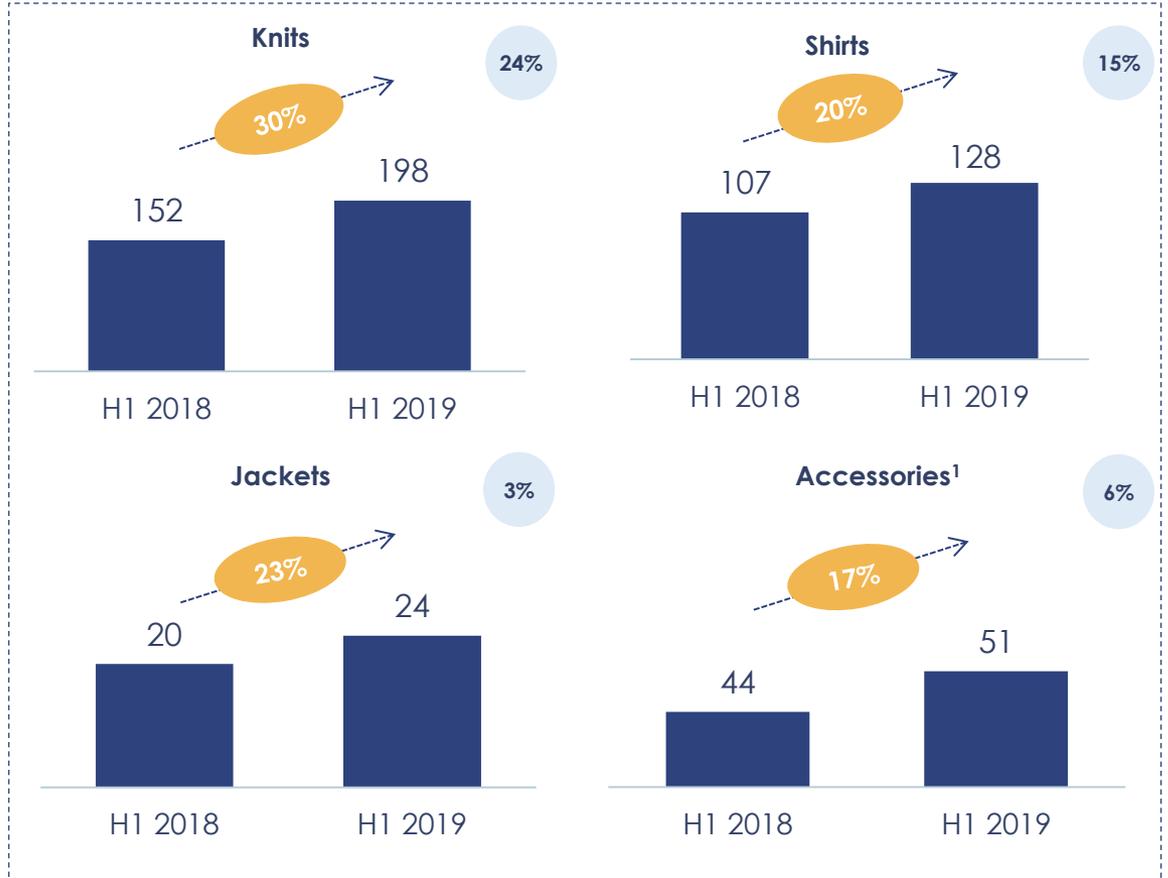
Note: LFL revenue constitutes 92,6% of Turkey retail revenue in H1 2019

# Sales in Denim & Lifestyle Categories

## Denim Products (TRYm)



## Lifestyle Products (TRYm)



% Share in H1 2019 Turkey retail net sales

Note: Turkey Retail Net Sales Only. Remaining 6% of net sales consist of non-denim bottoms, skirts, dresses and kids. <sup>1</sup>Including shoes

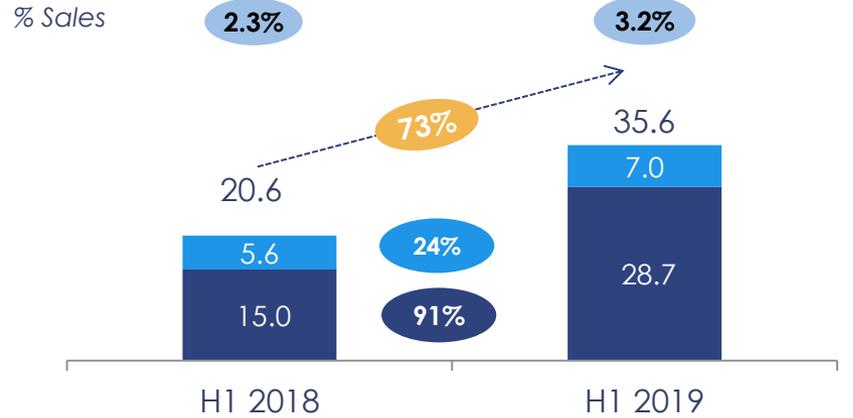
# Focus on Online Sales Growth

## Global Online Sales (TRYm)

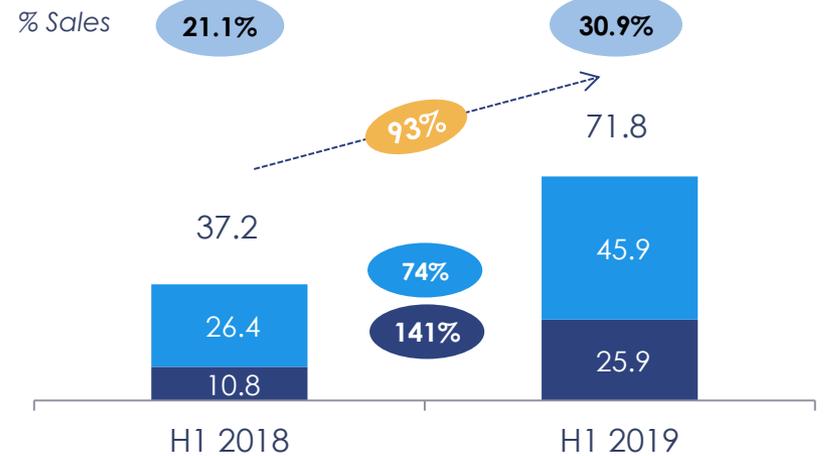


■ mavi.com & Marketplace  
■ Wholesale E-Com

## Turkey Online Sales (TRYm)

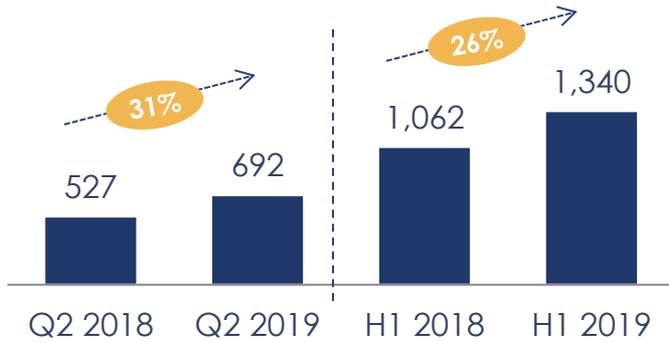


## International Online Sales (TRYm)



# Consolidated Financial Metrics

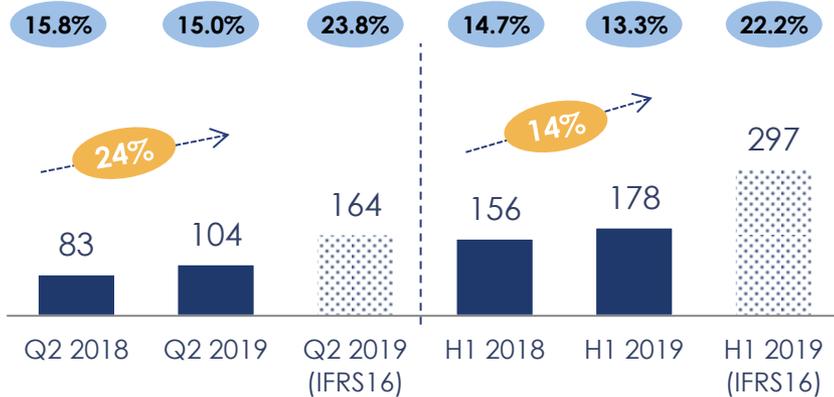
Revenue (TRYm)



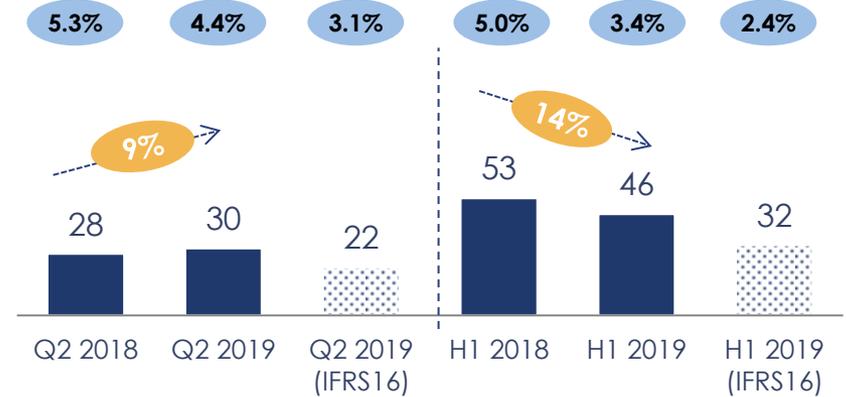
Gross Profit (TRYm)



EBITDA (TRYm)



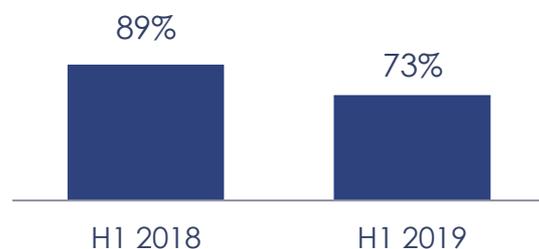
Net Income (TRYm)



% Growth % Margin

# Cash Conversion and Working Capital Management

## Cash Conversion (Exc. IFRS16)



TRYm	H1 2018	H1 2019	(%)
EBITDA	155.8	177.8	14.1%
Δ in NWC	(17.4)	(47.3)	
Operating Cash Flow	138.4	130.5	(5.7%)

## Main Working Capital Items

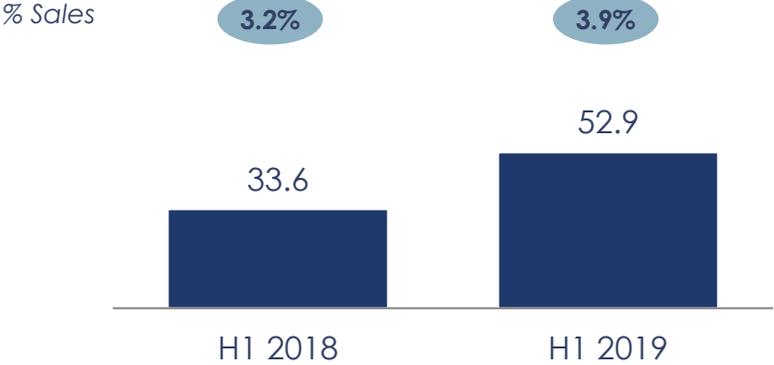
TRYm	2018	H1 2018	H1 2019
Trade & Other Receivables	188.1	151.7	218.2
% LTM Sales	8.0%	7.5%	8.3%
Inventories	457.2	393.9	515.0
% LTM COGS	39.9%	40.5%	39.1%
Trade & Other Payables	516.5	458.9	581.0
% LTM COGS	45.1%	47.2%	44.1%
Main NWC	128.8	86.6	152.1
% LTM Sales	5.5%	4.3%	5.8%

<sup>1</sup> Working Capital as per the cash flow statement, include main working capital items as well as deferred revenues and employee benefits paid among others

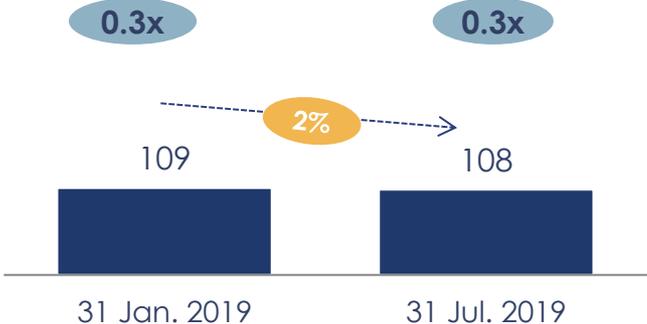
- Increased focus on efficient inventory management
- Leading brand for on-time, fresh inventory

# Capex and Leverage Ratios

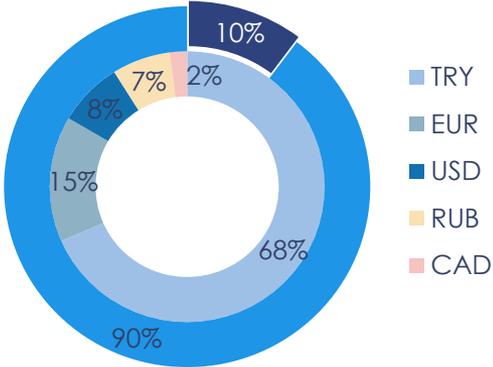
## CAPEX



## Net Debt / LTM EBITDA (exc. IFRS 16)



## Debt Breakdown (31 July 2019)



■ Local Currency  
■ Foreign Currency

## Average Cost of Debt

TRY	22.4%
EUR	1.9%
USD	4.9%
RUB	13.2%
CAD	4.0%
<b>Blended</b>	<b>16.9%</b>

- 21% of total consolidated debt is carried by Mavi US, Mavi EU, Mavi CA and Mavi RU - all denominated in their local currencies
- Keeping no short FX positions is management priority

# FY 2019 Guidance Unchanged

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- Consolidated Revenue Growth : 25%
- Turkey Retail Stores : Net 15 store openings and 10 sqm expansions
- Turkey Retail LFL Growth : 18%
- EBITDA margin 14.5%
- Net Debt / EBITDA below 1x
- Capex 4% of Revenue

**mavi**

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# Financial Statements

## *Income Statement (2019 figures inc. IFRS 16)*

TRYm	Q2 2018	Q2 2019	Change (%)	H1 2018	H1 2019	Change (%)
Revenue	526.6	691.8	31.4%	1,062.5	1,340.1	26.1%
Cost of Sales	(237.0)	(337.4)	42.4%	(505.5)	(678.8)	34.3%
Gross Profit	289.6	354.4	22.4%	557.0	661.3	18.7%
Gross Margin	55.0%	51.2%		52.4%	49.3%	
Administrative Expenses	(34.3)	(42.6)	24.3%	(64.1)	(79.3)	23.7%
Selling and Marketing Expenses	(183.7)	(212.3)	15.5%	(358.5)	(410.1)	14.4%
R&D Expenses	(6.9)	(6.3)	(9.1%)	(13.5)	(11.4)	(15.1%)
Other Income / (Expenses), net	6.0	(4.5)		1.6	(0.0)	
Operating Profit	70.8	88.7	25.4%	122.4	160.5	31.1%
Profit/(Loss) from Investment Activities	(0.5)	0.0	(104.6%)	(0.6)	(0.2)	(69.0%)
Operating Profit before Financial Income	70.2	88.8	26.4%	121.9	160.3	31.6%
Operating Margin	13.3%	12.8%		11.5%	12.0%	
Financial Expenses, Net	(35.0)	(60.1)	71.7%	(54.0)	(119.5)	121.3%
Profit Before Tax	35.2	28.6	(18.7%)	67.9	40.8	(39.8%)
Income Tax Expense	(7.5)	(7.1)	(5.0%)	(15.1)	(9.2)	(38.7%)
Profit	27.7	21.5	(22.4%)	52.8	31.6	(40.1%)
Profit Margin	5.3%	3.1%		5.0%	2.4%	
EBITDA	83.4	164.3	97.0%	155.8	296.9	90.6%
EBITDA Margin	15.8%	23.8%		14.7%	22.2%	

# Financial Statements

## Balance Sheet (2019 figures inc. IFRS 16)

TRYm	31 January 2018	31 July 2019	Change (%)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	266.6	399.0	49.7%
Trade Receivables	168.6	203.0	20.4%
Inventories	457.2	515.0	12.6%
Other Current Assets	92.9	83.0	(10.7%)
<b>Total Current Assets</b>	<b>985.3</b>	<b>1,200.0</b>	<b>21.8%</b>
<b>Non-Current Assets</b>			
Property and Equipment	159.7	175.0	9.5%
Right of Use Assets	-	420.7	n.m.
Intangible Assets	194.5	207.0	6.5%
Other Non-Current Assets	4.4	5.5	23.8%
<b>Total Non-Current Assets</b>	<b>358.6</b>	<b>808.2</b>	<b>125.4%</b>
<b>Total Assets</b>	<b>1,343.9</b>	<b>2,008.1</b>	<b>49.4%</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Short-Term Borrowings	284.1	384.3	35.3%
Short-Term Contractual Lease Liabilities	-	190.2	n.m.
Trade Payables	510.3	574.1	12.5%
Other Current Liabilities	102.6	104.3	1.7%
<b>Total Current Liabilities</b>	<b>896.9</b>	<b>1,253.0</b>	<b>39.7%</b>
<b>Non-Current Liabilities</b>			
Long-Term Financial Liabilities	92.0	122.4	33.0%
Long-Term Contractual Lease Liabilities	-	246.6	n.m.
Other non-current Liabilities	17.8	8.5	(52.4%)
<b>Total Non-Current Liabilities</b>	<b>109.8</b>	<b>377.5</b>	<b>243.8%</b>
<b>Total Liabilities</b>	<b>1,006.7</b>	<b>1,630.4</b>	<b>62.0%</b>
<b>Equity</b>			
Total Equity	337.2	377.7	12.0%
<b>Total Equity &amp; Liabilities</b>	<b>1,343.9</b>	<b>2,008.1</b>	<b>49.4%</b>

# Financial Statements

## Cash Flow Statement (2019 figures inc. IFRS 16)

TRYm	H1 2018	H1 2019
Profit <sup>1</sup>	52.8	31.6
D&A Expense	34.9	136.4
Net Finance Expense / (Income)	43.5	120.6
Tax Expense	15.1	9.2
Other Non-Cash Items	11.3	6.1
Cash Flow from Operating Activities	157.5	304.0
Δ in Net Working Capital <sup>2</sup>	(17.4)	(47.3)
Income Tax Paid	(13.8)	(0.4)
Net Cash from Operating Activities	126.3	256.3
<b>Cash Flows from Investing Activities</b>		
Capex	(33.6)	(52.8)
Other Investing Cash Flow <sup>3</sup>	(14.1)	3.4
Net Cash Flow Used in Investing Activities	(47.7)	(49.5)
<b>Cash Flows from Financing Activities</b>		
Debt Issued / (Repaid)	(62.8)	126.9
Payment of Contractual Lease Liabilities	-	(119.1)
Other Financial Payments <sup>4</sup>	(27.6)	(44.3)
Dividends Paid	(25.9)	-
Interest Paid	(15.6)	(38.6)
Net Cash Flows Used in Financing Activities	(131.8)	(75.2)
Net Cash Flow	(53.2)	131.6
Cash and Cash Equivalents at the Beginning of the Period <sup>5</sup>	266.3	262.0
Cash and Cash Equivalents at the End of the Period <sup>5</sup>	213.1	393.6

<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 acquisition of subsidiary shares net of cash acquired 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 Cash Flow Statement includes Bank Overdraft as negative cash. Excluding Bank Overdraft, net cash at the end of the period is equal to Cash and Cash Equivalents on the Balance Sheet for the same fiscal year.

# Financial Statements – IFRS 16 Impacts

IFRS 16 APPLIED AS OF FEBRUARY 1, 2019

<b>(TRY in millions)</b>		<b>H1 2019 Effect</b>	
RENT EXPENSE	↘	-119.1	Decrease as all non-performance leases are capitalized and are subjected to depreciation and interest expense
DEPRECIATION & AMORTIZATION	↗	+100.3	Increase due to depreciation of capitalized operating lease assets
OPERATING PROFIT	↗	+18.8	Higher as lease expense is replaced by depreciation and interest
FINANCIAL EXPENSE	↗	+36.9	Increase due to interest cost component of rents booked in financial expenses
INCOME TAX EXPENSE	↘	-4.0	Lower in the first years due to higher deferred tax assets rising from lower net income
<b>NET INCOME</b>	↘	<b>-14.0</b>	Lower due to higher interest expense in the first years; neutral over time
<b>EBITDA</b>	↗	<b>+119.1</b>	Higher as lease expense is replaced by depreciation and interest
TOTAL ASSETS	↗	+419.1	Increase as lease contracts are capitalised
<b>TOTAL NET DEBT</b>	↗	<b>+436.8</b>	Increase as capitalised lease contracts assumed as financial debt

# Global Footprint as at 31 July 2019

