



**Q1 2024**

**Results Presentation**

June 13, 2024



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With the Capital Markets Board of Turkey's Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS29 inflationary accounting provisions. Accordingly, **this presentation on the financial results of the special accounting period February 1, 2024 – April 30, 2024 (Q1 2024) contain the Company's audited financial information prepared according to Turkish Accounting/Financial Reporting Standards by application of IAS29 inflation accounting provisions, in accordance with CMB's decision dated 28.12.2023.**

In addition to these, given that our guidance was presented without the application of inflation accounting, **in order to enable investors and analysts to conduct a full-fledged analysis, supplementary historical information for selected key performance indicators used in prior periods' investor presentations were provided. The supplementary historical (non-inflationary) financial information is unaudited and is included in this presentation for informational purposes only.**



**Q1 2024  
HIGHLIGHTS**





# Q1 2024 Highlights

- › Consolidated revenue realized at 8,273 TRYm, growing 20% yoy
- › EBITDA for the period is 1,984 TRYm resulting in 24.0% EBITDA margin
- › Net income realized at 969 TRYm
- › Total number of monobrand stores<sup>2</sup> stands at 475
- › Türkiye retail sales grew 26% and Türkiye online sales grew by 23% in Q1 2024
- › With 409 thousand new customer acquisitions, Türkiye active (1 year) loyalty card members reached 5.7 million

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

<b>8,273</b> TRYm <b>Revenue</b> <small>(7,903 TRYm w/out- IAS29)</small>	<b>1,984</b> TRYm <b>EBITDA</b> <small>(2,204 TRYm w/out- IAS29)</small>
<b>24.0%</b> <b>EBITDA Margin</b> <small>(28.0% w/out- IAS29)</small>	<b>969</b> TRYm <b>Net Income</b> <small>(1,343 TRYm w/out- IAS29)</small>
<b>475</b> <b>Monobrand Stores<sup>2</sup></b>	<b>5,266</b> TRYm <b>Net Cash</b>

## TÜRKİYE HIGHLIGHTS

<b>26%</b> <b>Retail Sales Growth</b>	<b>23%</b> <b>Online Sales Growth</b>
 <b>63%</b> Men <b>37%</b> Women	<b>c.58%</b> <b>Lifestyle</b>  <b>c.42%</b> <b>Denim All</b>
<b>5.7m</b> <b>Active Loyalty Card Members<sup>3</sup></b>	<b>409K</b> <b>New Customers</b> 

<sup>1</sup> Including IFRS16 and IAS29 impacts as reported unless otherwise stated

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

<sup>3</sup>Active means that the member has made a purchase of Mavi product in the last 12 months

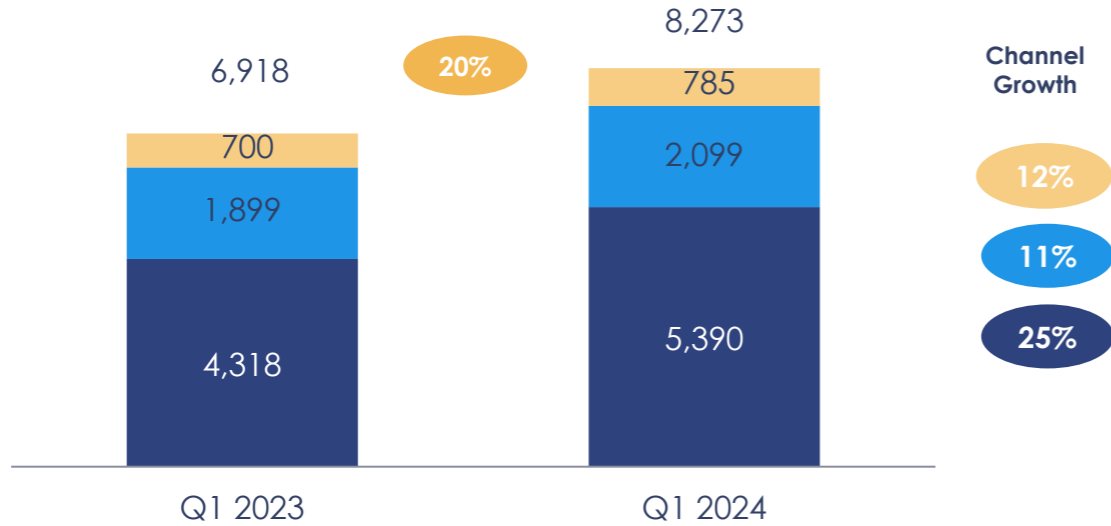
\*Category and gender mix for Türkiye Retail only

# SALES CHANNELS



# Revenue Evolution in Sales Channels

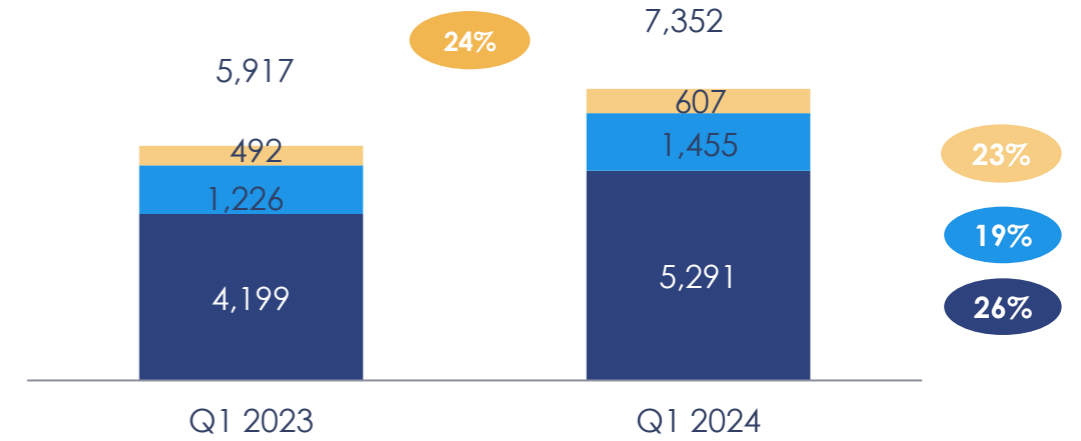
Global Revenue (TRYm)



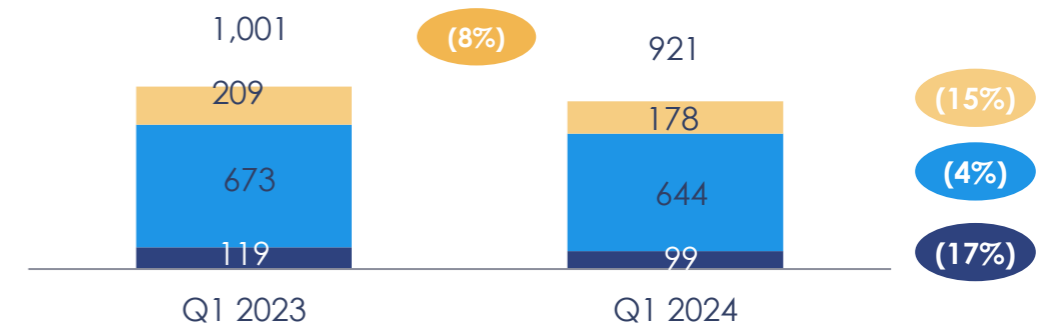
■ Retail ■ Wholesale ■ E-com

- › Total revenue consists of 65% retail, 25% wholesale and 10% e-com
- › 89% of consolidated revenue is from Türkiye
- › International revenue declined 5% in constant currency

Türkiye Revenue (TRYm)



International Revenue (TRYm)

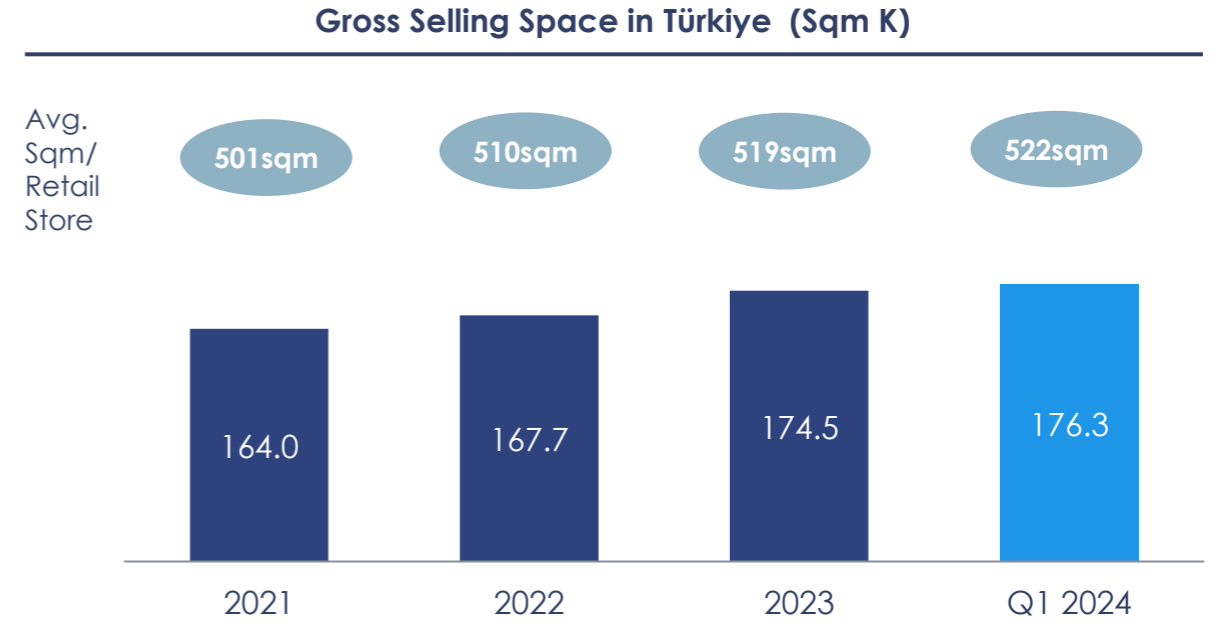
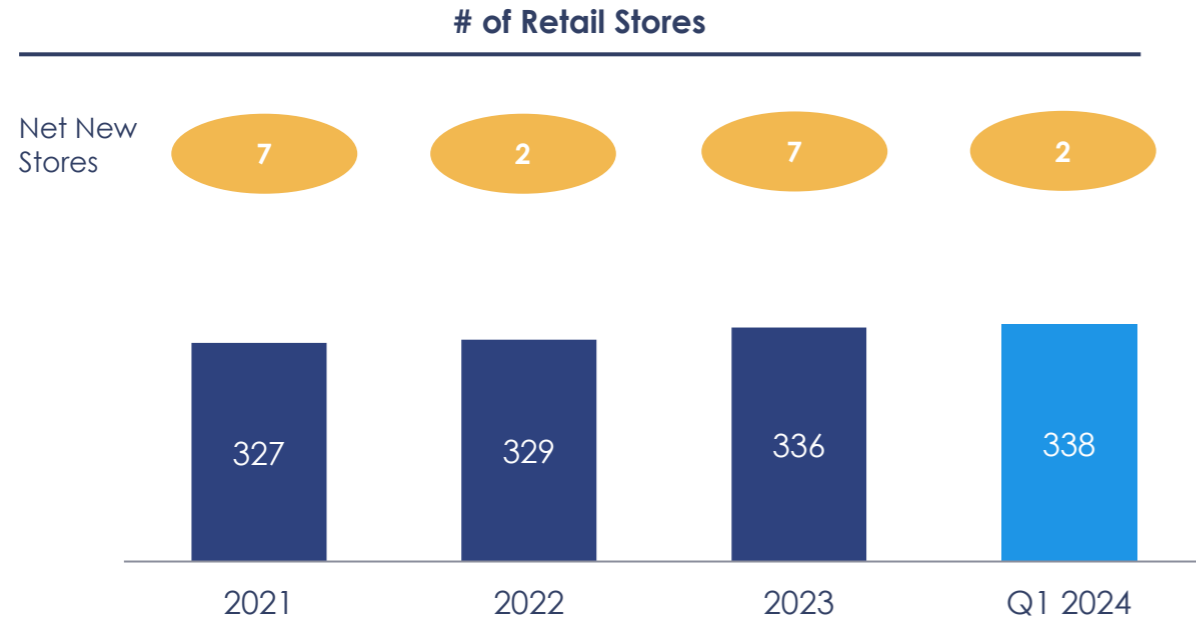


mavi  
DENIM  
KITCHEN



TÜRKİYE RETAIL

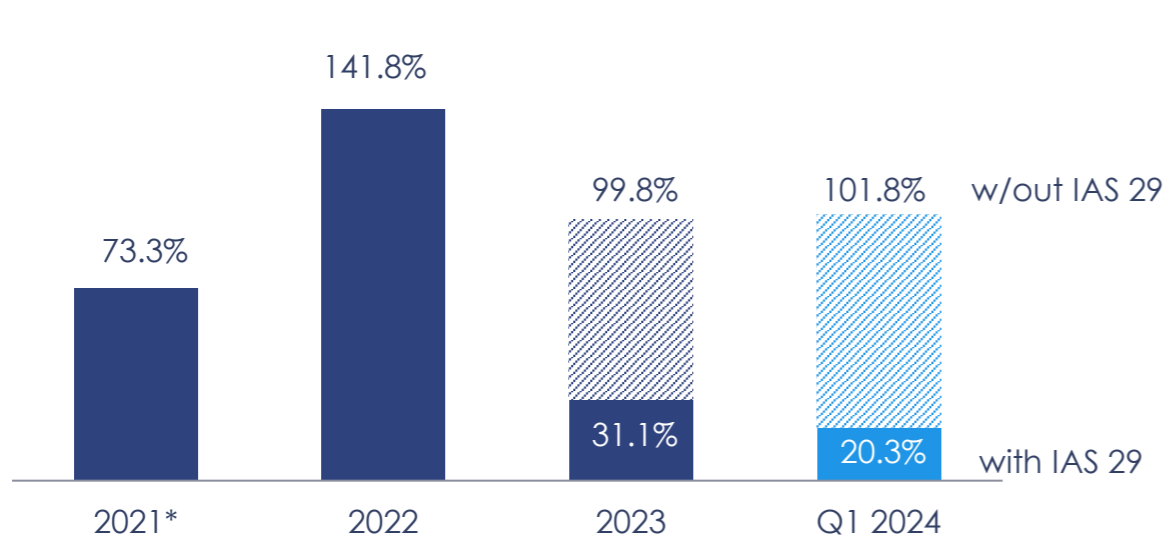
# Türkiye Retail Operations



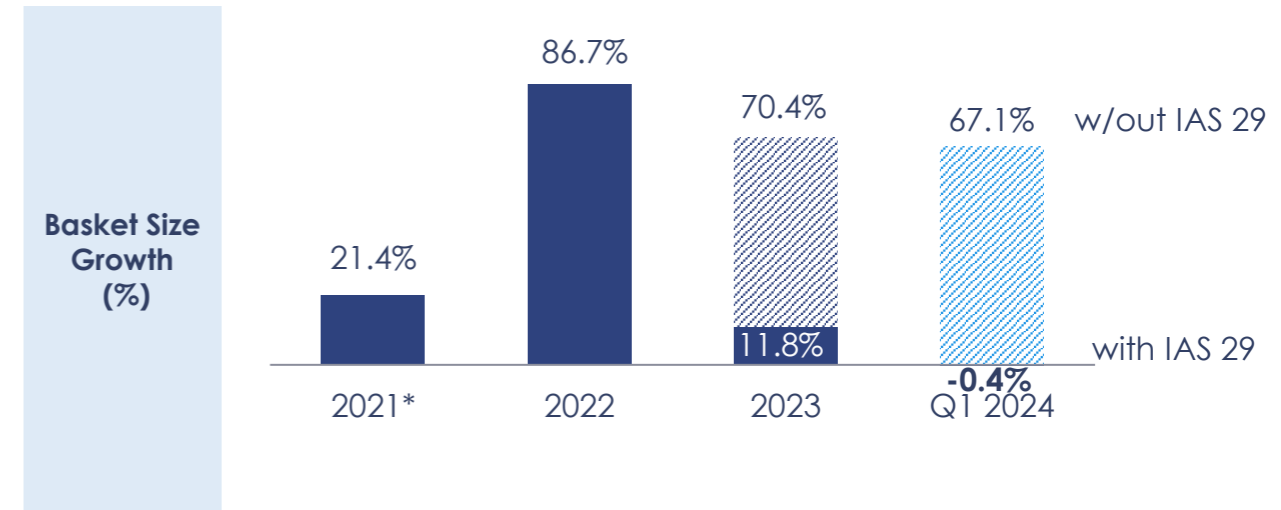
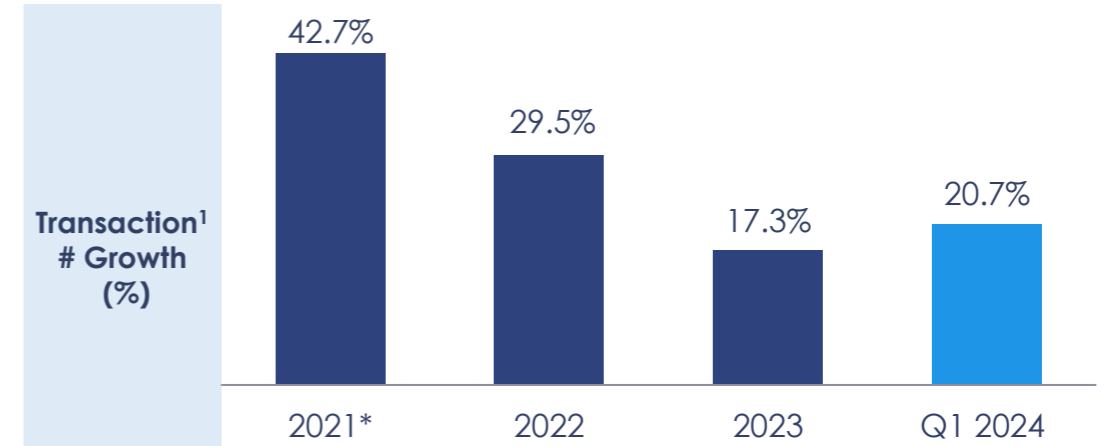
- › With 2 openings in Q1 2024, number of retail stores in Türkiye stands at 338 as of end-April 2024
- › In Q1 2024, three stores were expanded in sqms
- › Total selling space reached 176.3K sqm with average sqm per store at 522



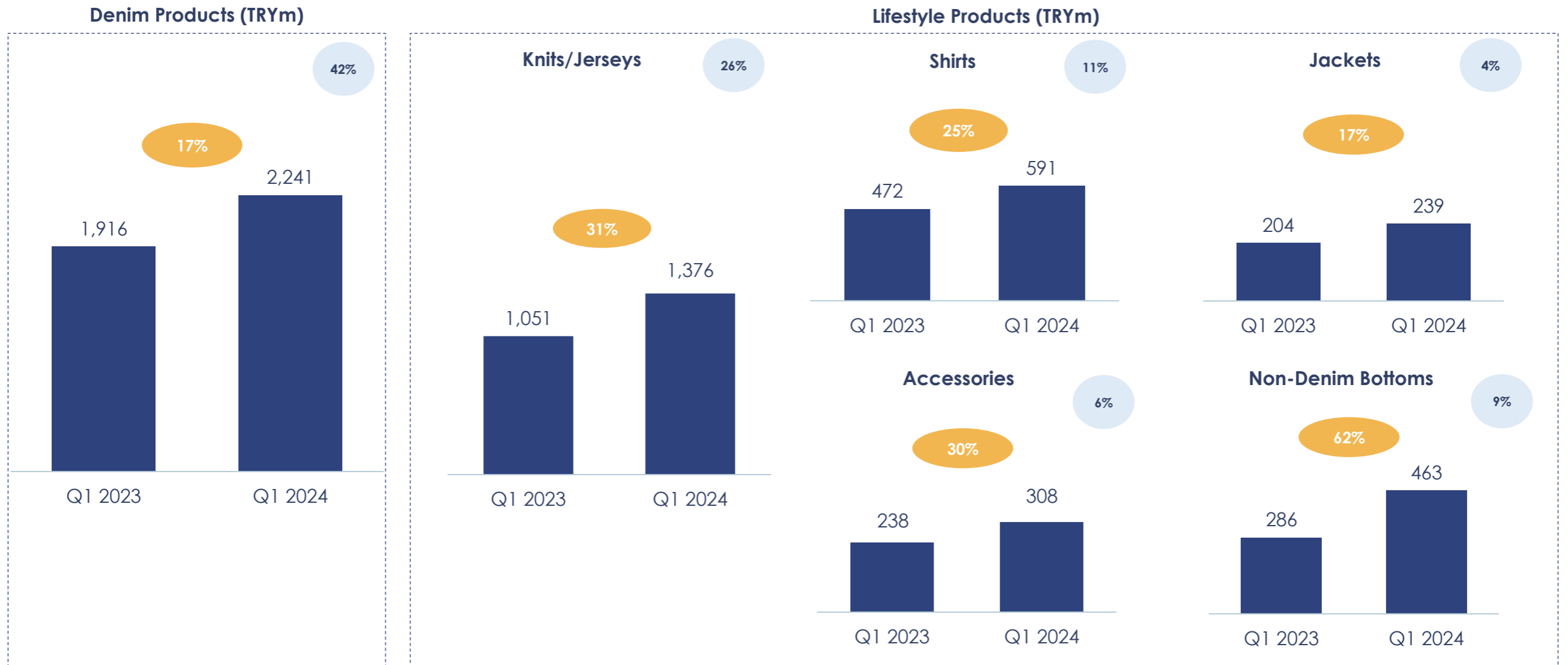
# Like-for-Like Stores Sales Performance

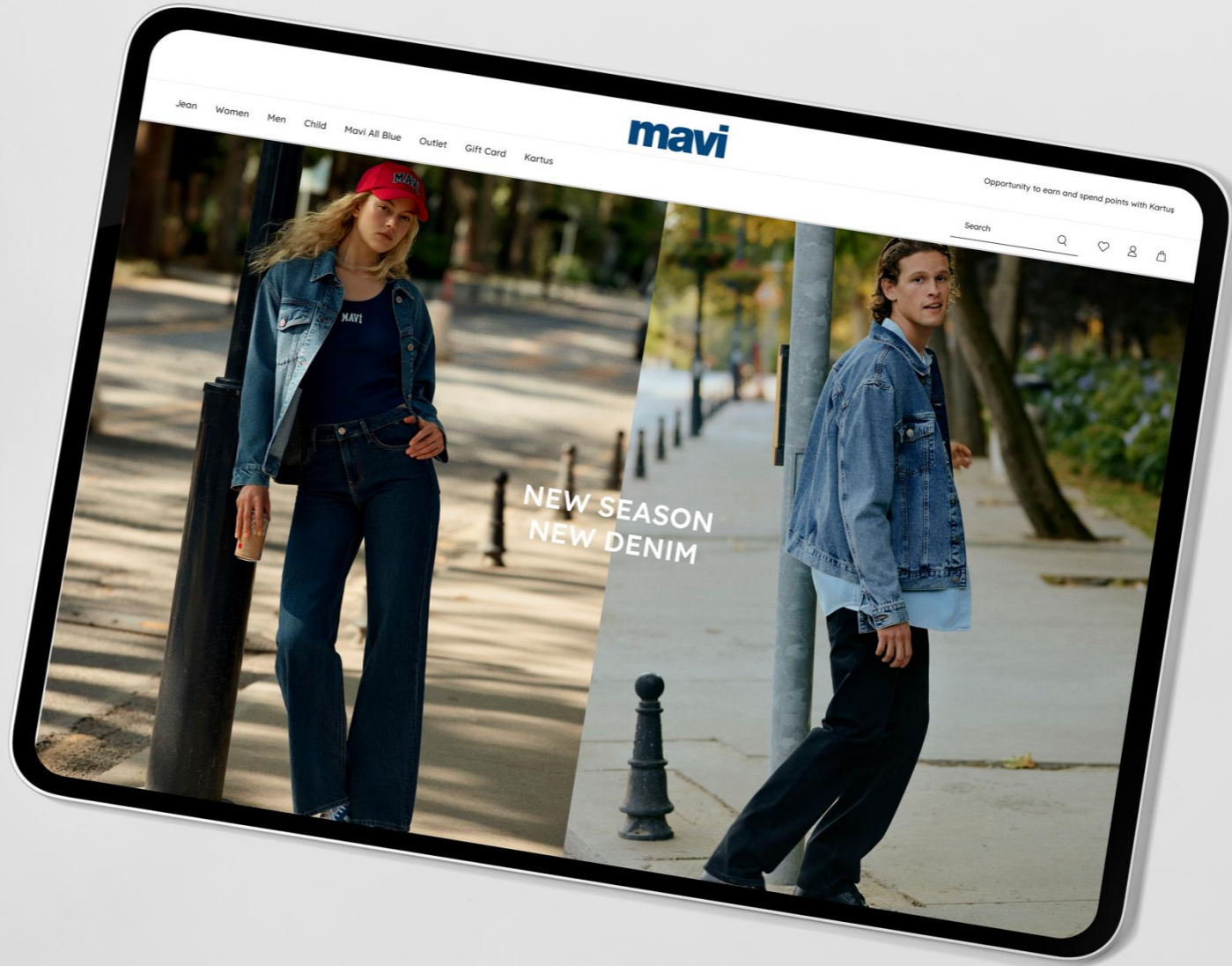


- › In Q1 2024, LFL sales adjusted for inflationary accounting grew 20.3% in TRY terms and grew 26.7% in number of pieces
- › Product newness and variety, efficient planning along with a successful dynamic pricing strategy allow strong volume growth
- › Basket size performance reflects effective pricing contributing to margins and increased units per transaction (UPT) in Q1 2024



# Sales in Denim & Lifestyle Categories

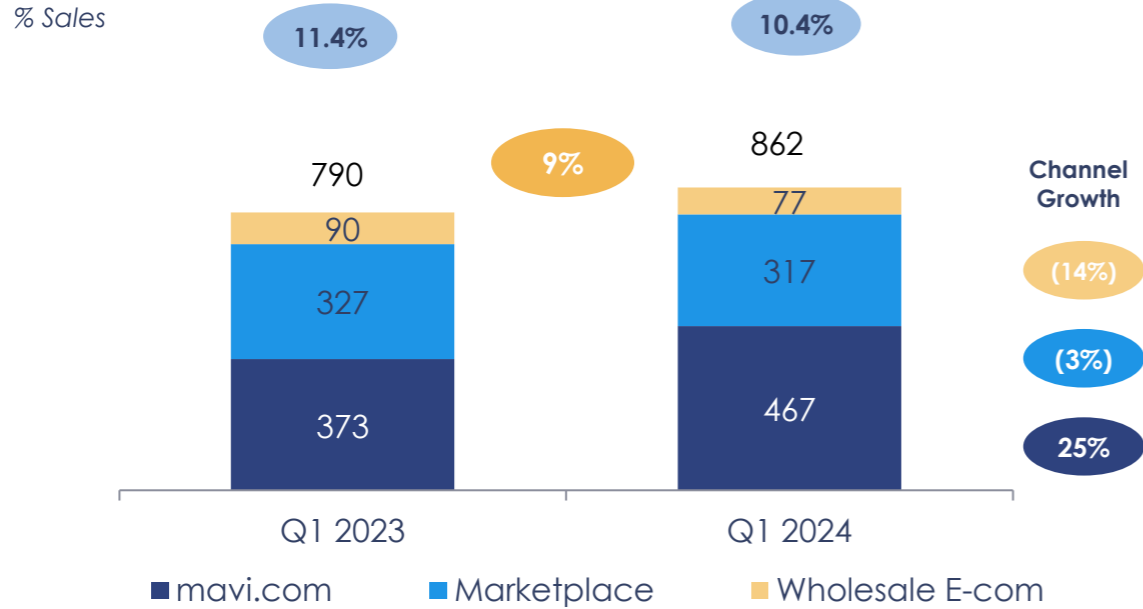




**ONLINE BUSINESS**

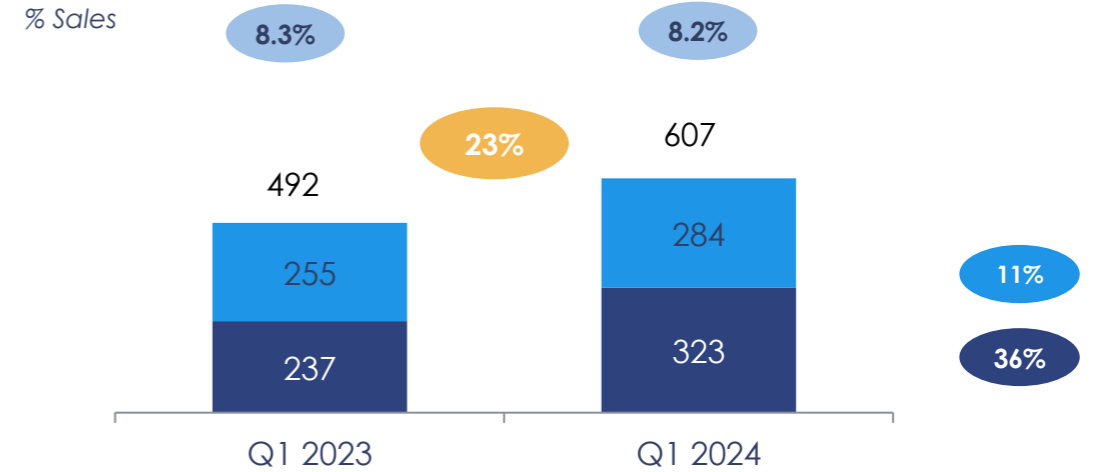
# Online Sales Growth inc. Wholesale Partners

Global Online Sales (TRYm)

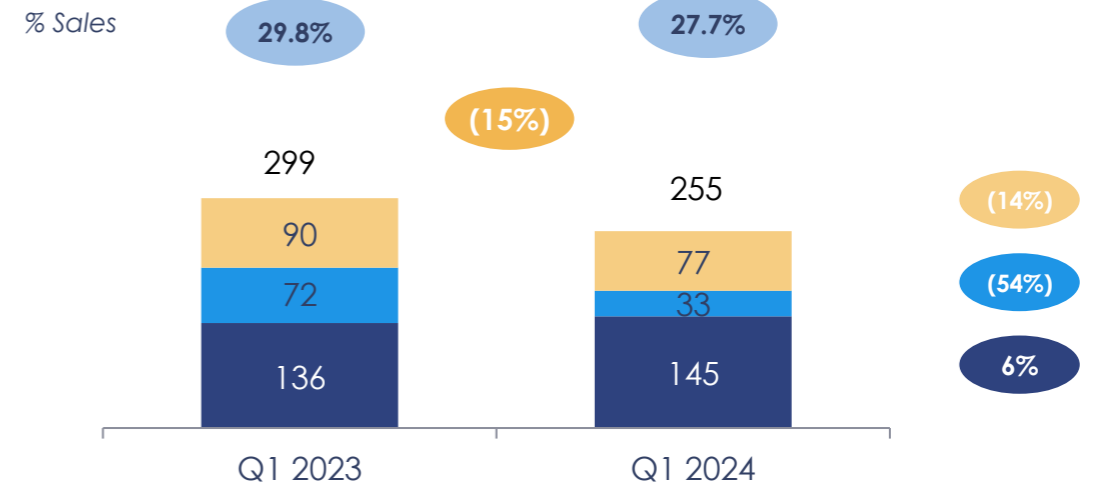


- › Growth driven by mavi.com performance globally
- › Investments in digital systems and online customers continue. Integrated omni channel initiatives increase shopping experience across channels
- › Full-price channel strategy across all categories with positive contribution to margins

Türkiye Online Sales (TRYm)



International Online Sales (TRYm)



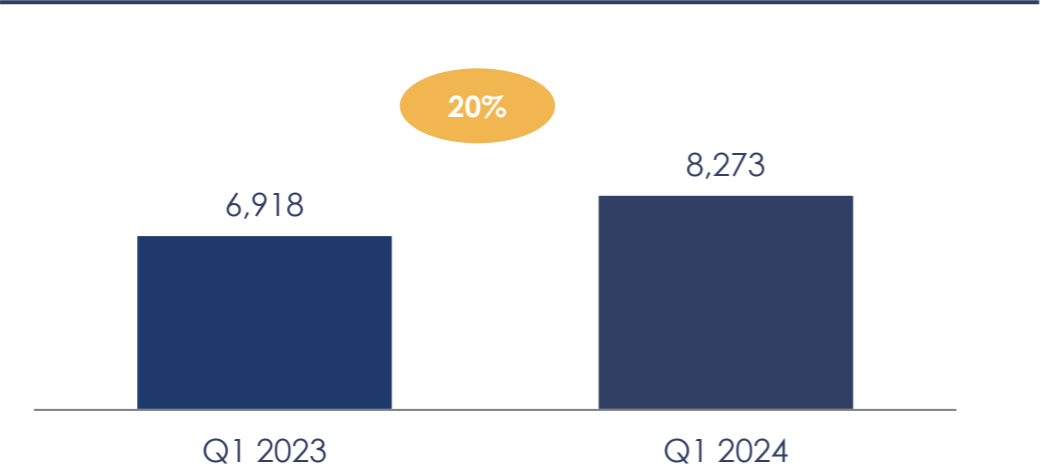


# CONSOLIDATED FINANCIAL RESULTS

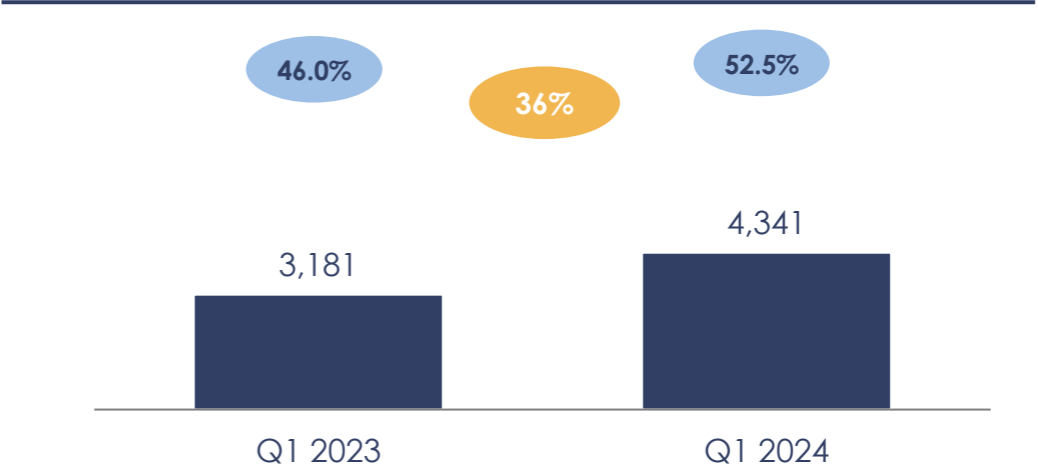
# Consolidated Revenue Growth and Gross Margin

With IAS 29  
Inflation Accounting

Revenue (TRYm)



Gross Profit (TRYm)



Imputed Interest  
Rate Impact  
Inventory Inflation  
Adjustment Impact

Q1 2023

170 bps

-370 bps

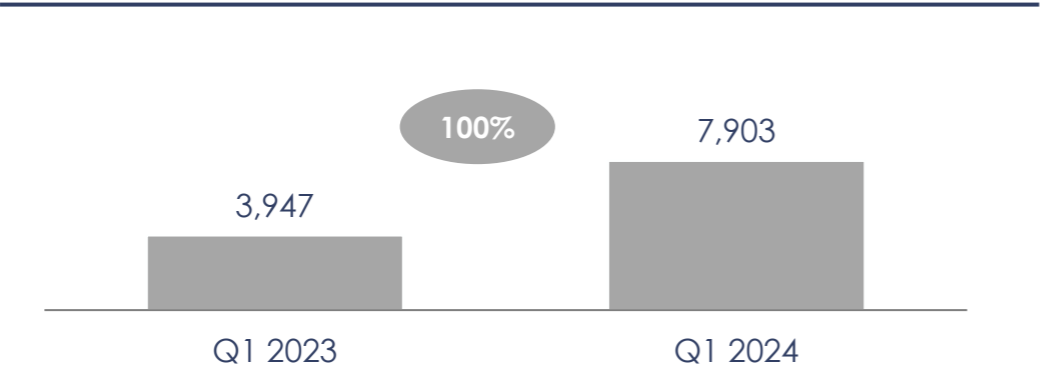
Q1 2024

420 bps

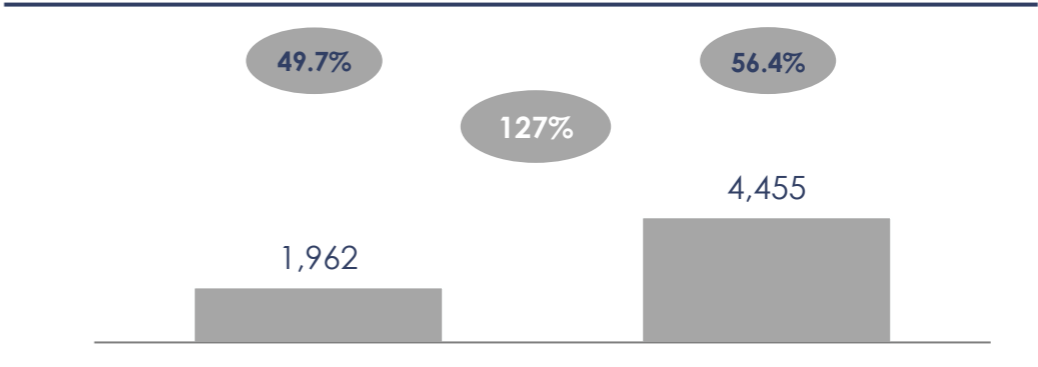
-390 bps

Without IAS 29  
Inflation Accounting

Revenue (TRYm)



Gross Profit (TRYm)



Imputed Interest  
Rate Impact

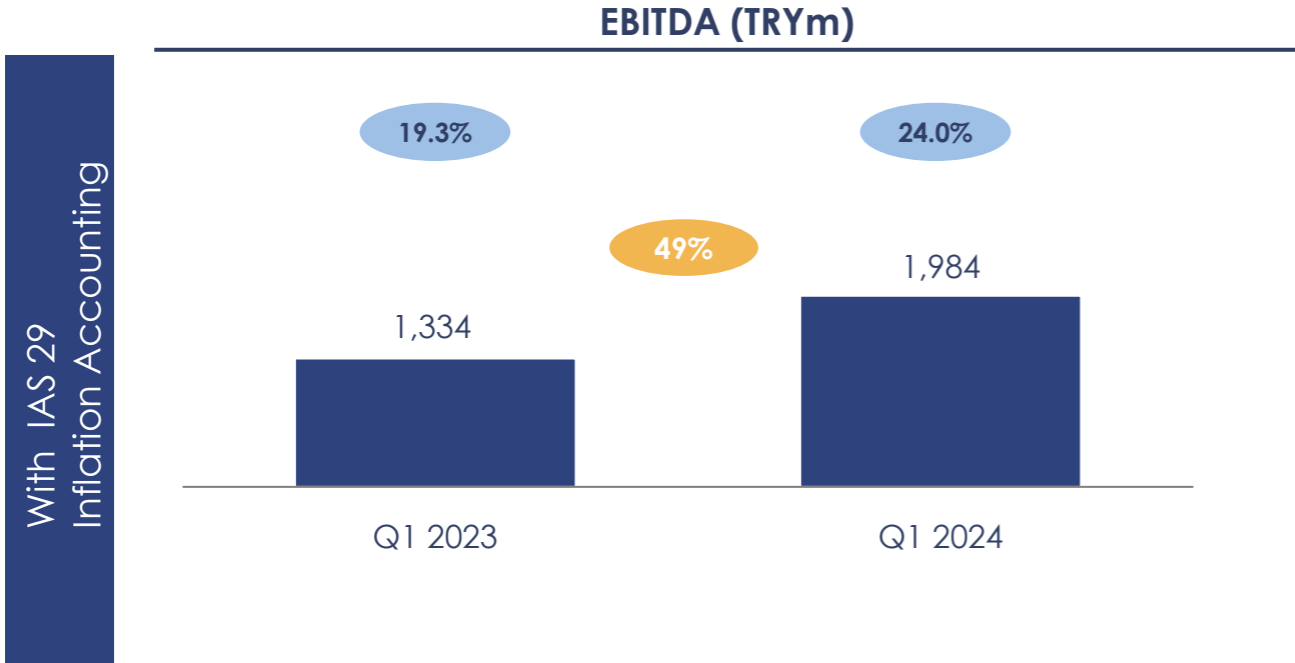
Q1 2023

170 bps

Q1 2024

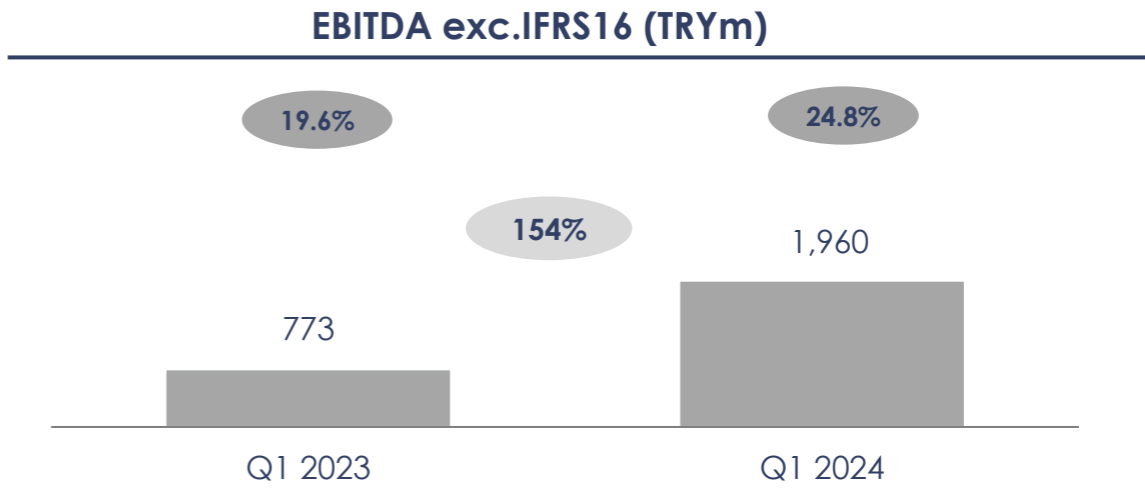
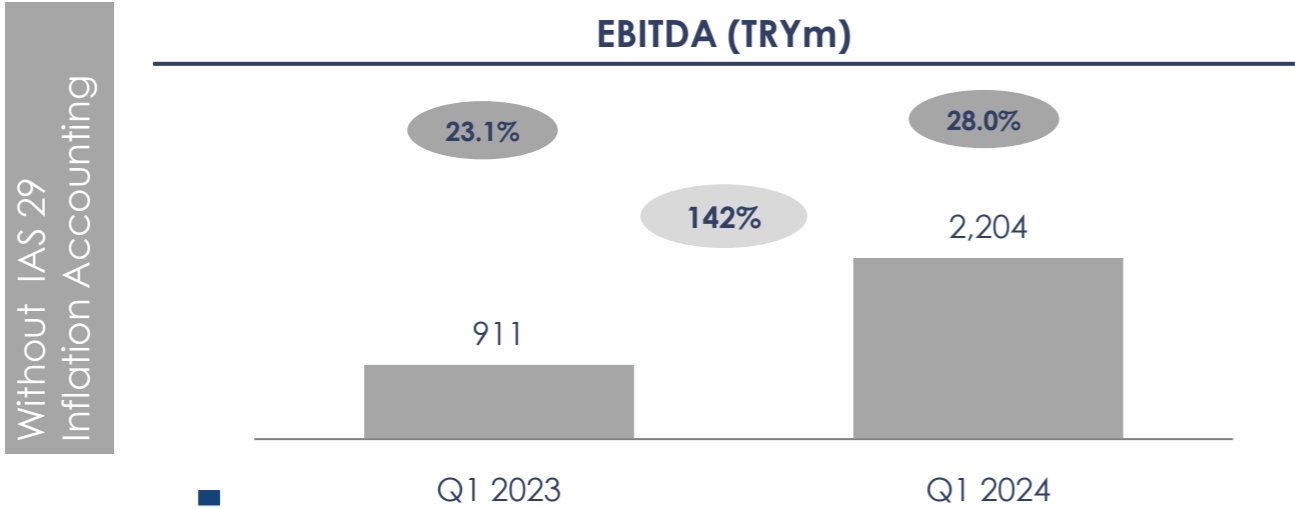
420 bps

# Consolidated EBITDA



470 bps improvement in EBITDA margin includes:

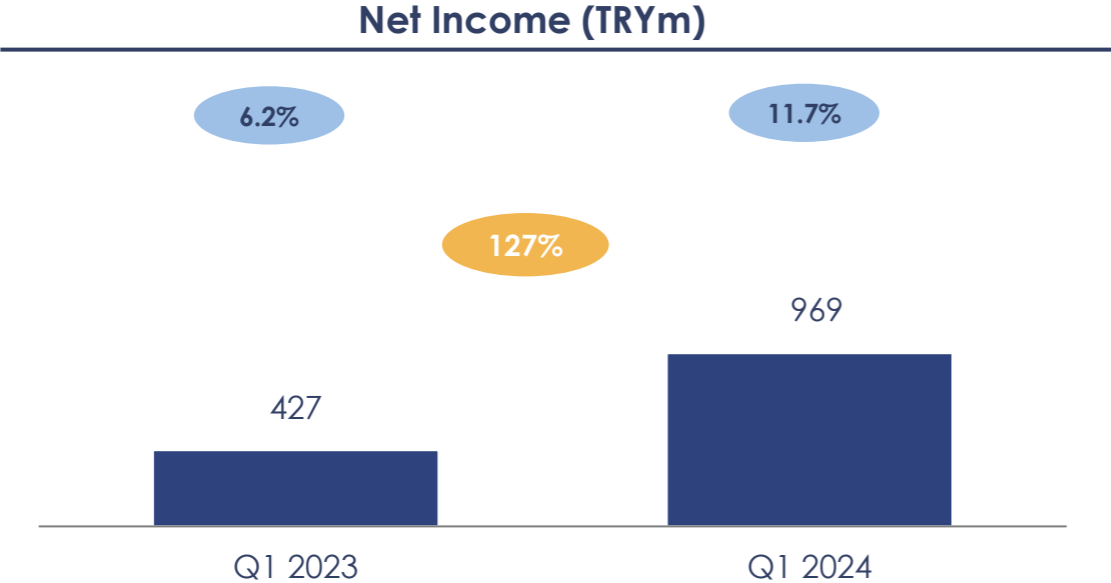
- › 250 bps positive impact of imputed interest



● % Growth ● % Margin

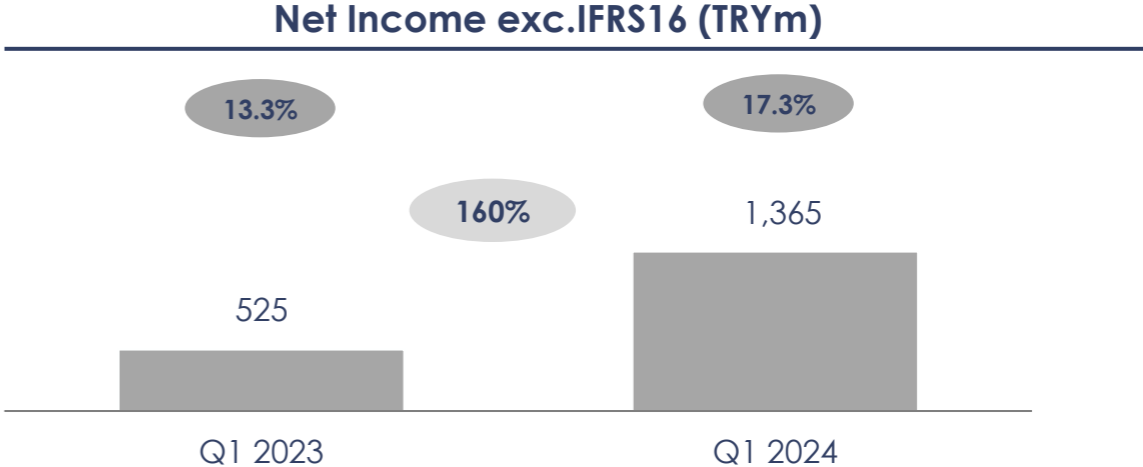
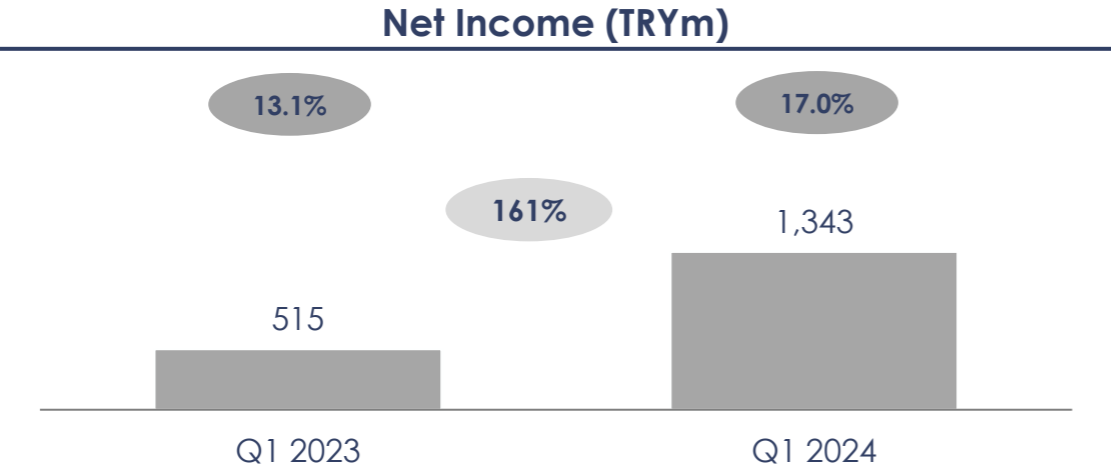
# Consolidated Net Income

With IAS 29  
Inflation Accounting



Note: Net Income attributable to owners of the company is **960 TRYm** in Q1 2024

Without IAS 29  
Inflation Accounting





# Operational Cash Flow and Working Capital Management

## Cash Conversion & Operational Cash Flow

TRYm	Q1 2023	Q1 2024
EBITDA	1,334	1,984
Δ in NWC <sup>1</sup>	(912)	92
Operating Cash Flow	422	2,076

<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

## Main Working Capital Items

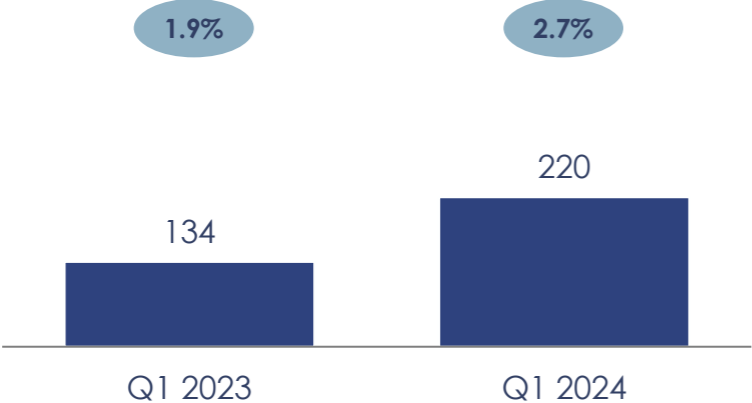
TRYm	2023	Q1 2024
Trade & Other Receivables	1,489	2,308
% LTM Sales	5.1%	7.5%
Inventories	4,016	3,749
% LTM COGS	26.5%	24.4%
Trade & Other Payables	3,945	4,819
% LTM COGS	26.0%	31.4%
Main Net Working Capital	1,560	1,237
% LTM Sales	5.3%	4.0%

- › **Inventory level continue to improve** both in nominal terms and as percentage of COGS largely driven by strong sales performance of Türkiye retail operations
- › Inventory in number of pieces in Türkiye is **8% lower** compared to same period last year and comprises of **all fresh, new season products**

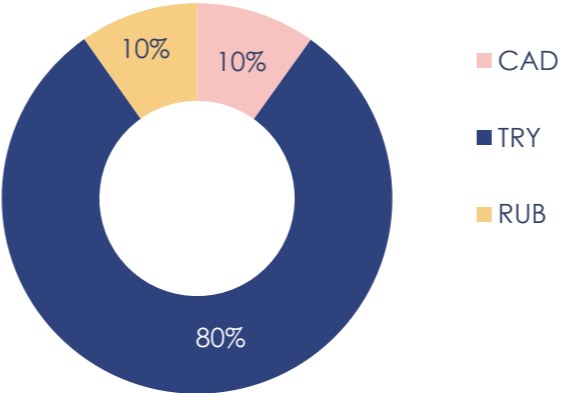
# Capex and Leverage Ratios

## CAPEX (TRYm)

% Sales

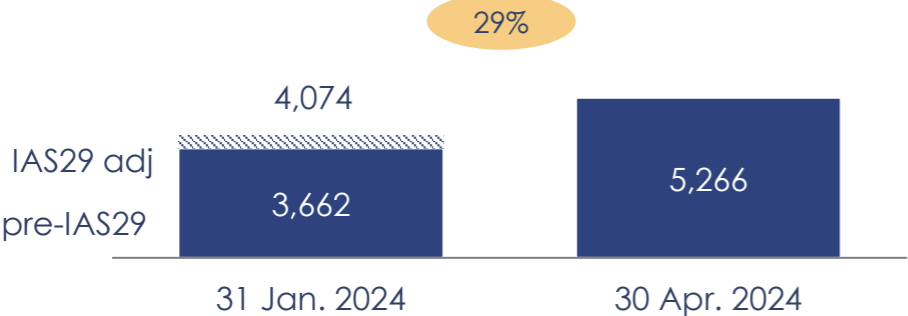


## Debt Breakdown (30 April 2024)



Average Cost of Debt	
TRY	46.0%
RUB	20.5%
CAD	7.4%
<b>Blended</b>	<b>39.7%</b>

## Net Cash exc. IFRS16 (TRYm)



- › All of non-TRY debt (20% of total) is carried by Mavi CA and Mavi RU – both denominated in their local currencies
- › There is no foreign currency debt as of end- April 2024
- › Keeping no FX position is management priority

# FY2024 Guidance Unchanged

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FY2024 Guidance **without IAS 29** Inflation Accounting:

- › Total consolidated sales growth of **70% ± 5%**
- › Türkiye retail stores : **Net 15 openings and 10 expansions**
- › EBITDA margin : **20% ±0,5% exc. IFRS16 and 23.5% ±0,5% inc. IFRS16**
- › **Net cash** position increased
- › **Capex to sales** ratio of **5% (including investment for new headquarters offices)**

## Trading Update for Q2 2024 (without IAS 29)

- › In May 2024, Türkiye retail sales grew 74% and online sales grew 73%
- › The first 12 days of June includes the positive sales impact of the approaching Eid Holiday and therefore shows 121% growth in Türkiye retail and 98% growth in Türkiye online





**THANK YOU !**

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[duygu.inceoz@mavi.com](mailto:duygu.inceoz@mavi.com)

# Financial Statements

## Income Statement

TRYm	Q1 2023	Q1 2024	Change (%)
Revenue	6,918	8,273	20%
Cost of Sales	(3,737)	(3,932)	5%
<b>Gross Profit</b>	<b>3,181</b>	<b>4,341</b>	<b>36%</b>
<b>Gross Margin</b>	<b>46.0%</b>	<b>52.5%</b>	
Administrative Expenses	(400)	(482)	20%
Selling and Marketing Expenses	(1,828)	(2,239)	22%
R&D Expenses	(68)	(93)	37%
Other Income / (Expenses), net	(8)	129	n.m.
<b>Operating Profit</b>	<b>877</b>	<b>1,657</b>	<b>89%</b>
Profit/(Loss) from Investment Activities	1	7	399%
Operating Profit before Financial Income	878	1,663	89%
Operating Margin	12.7%	20.1%	
Financial Expenses, Net	(189)	(288)	52%
Monetary Gain/(Loss), Net	(4)	75	n.m.
Profit Before Tax	685	1,451	112%
Income Tax Expense	(258)	(481)	87%
<b>Profit</b>	<b>427</b>	<b>969</b>	<b>127%</b>
<b>Profit Margin</b>	<b>6.2%</b>	<b>11.7%</b>	
<b>EBITDA</b>	<b>1,334</b>	<b>1,984</b>	<b>49%</b>
<b>EBITDA Margin</b>	<b>19.3%</b>	<b>24.0%</b>	

# Financial Statements

## Balance Sheet

TRYm	31 January 2024	30 April 2024	Change (%)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5,401	6,527	21%
Financial Investments	70	68	(3%)
Trade Receivables	1,460	2,250	54%
Inventories	4,016	3,749	(7%)
Other Current Assets	341	472	38%
<b>Total Current Assets</b>	<b>11,288</b>	<b>13,066</b>	<b>16%</b>
Property and Equipment	1,350	1,375	2%
Right of Use Assets	1,507	1,540	2%
Intangible Assets	1,237	1,234	(0%)
Other Non-Current Assets	81	40	(50%)
<b>Total Non-Current Assets</b>	<b>4,175</b>	<b>4,189</b>	<b>0%</b>
<b>Total Assets</b>	<b>15,463</b>	<b>17,255</b>	<b>12%</b>
Short-Term Financial Liabilities	1,005	980	(3%)
Short-Term Contractual Lease Liabilities	555	620	12%
Trade Payables	3,781	4,438	17%
Other Current Liabilities	1,475	1,826	24%
<b>Total Current Liabilities</b>	<b>6,816</b>	<b>7,865</b>	<b>15%</b>
Long-Term Financial Liabilities	391	350	(11%)
Long-Term Contractual Lease Liabilities	642	627	(2%)
Other Non-Current Liabilities	194	185	(5%)
<b>Total Non-Current Liabilities</b>	<b>1,228</b>	<b>1,162</b>	<b>(5%)</b>
<b>Total Liabilities</b>	<b>8,044</b>	<b>9,026</b>	<b>12%</b>
<b>Total Equity</b>	<b>7,419</b>	<b>8,229</b>	<b>11%</b>
<b>Total Equity &amp; Liabilities</b>	<b>15,463</b>	<b>17,255</b>	<b>12%</b>

# Financial Statements

## Cash Flow Statement

TRYm	Q1 2023	Q1 2024
Profit <sup>1</sup>	427	969
Adjustments	1,205	1,072
<b>Cash Flow from Operating Activities</b>	<b>1,631</b>	<b>2,041</b>
Δ in Net Working Capital <sup>2</sup>	(912)	92
Income Tax Paid	38	164
<b>Net Cash from Operating Activities</b>	<b>758</b>	<b>2,298</b>
Capex	(134)	(220)
Other Investing Cash Flow <sup>3</sup>	151	320
<b>Net Cash Flow Used in Investing Activities</b>	<b>17</b>	<b>100</b>
Debt Issued / (Repaid)	(50)	68
Payment of Contractual Lease Liabilities	(241)	(254)
Other Financial Payments <sup>4</sup>	(214)	(468)
Interest Paid	(131)	(129)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(636)</b>	<b>(783)</b>
<b>Net Cash Flow</b>	<b>138</b>	<b>1,615</b>
Adjustments for Monetary Gain/Loss	(442)	(547)
Cash and Cash Equivalents at the Beginning of the Period <sup>5</sup>	5,912	5,377
Cash and Cash Equivalents at the End of the Period <sup>5</sup>	5,608	6,445

<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, other investing activities 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 Operations as of 30 April 2024



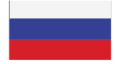
**TURKEY**

Retail stores: 338  
Franchise stores: 69  
Wholesale doors: 547  
Employees: 6.061



**EUROPE**

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



**RUSSIA**

Retail stores: 17  
Franchise stores: 17  
Wholesale doors: 195  
Employees: 154



**US**

Wholesale doors: ~1.150  
Employees: 77



**CANADA**

Retail stores: 4  
Wholesale doors: ~820  
Employees: 84



**OTHER COUNTRIES**

Franchise stores: 29  
Wholesale doors: 24