

mavi

9M 2024 Results Presentation

December 9, 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 contain the Company's 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.**

Mavi Ranks 8TH on TIME's List of the World's Best 500 Companies in Sustainable Growth, Leading the Apparel Industry!





**Q3 2024
HIGHLIGHTS**



Q3 2024 Business Overview

Business Overview

- › Anti-inflationary measures taken in Türkiye are resulting in a softer consumer demand coupled with margin pressures due to both manufacturing cost increases and shrinkage in disposable income
- › **741 TRYm net income achieved**
- › Dynamic and responsive **inventory and working capital** management

Türkiye

- › Strong brand strategy, continuous communication and dynamic product / price positioning, flexible and dynamic sourcing model is helpful in navigating uncertainties
- › Retail sales performance was resilient, delivering **3.7% volume growth** in Q3 2024 on a very strong base
- › **Over 400K new customers acquired** in Q3 2024 in-line with management target
- › Online sales growth was **driven by mavi.com sales** in Türkiye which grew 7% in inflation adjusted TRY and **12% in volumes**

International

- › International sales **grew 0.5% in constant currency** in Q3 2024 driven by North America and exports markets this quarter

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**9M 2024
HIGHLIGHTS**

9M 2024 Highlights

- › Consolidated revenue realized at 27,072 TRYm, growing 4% yoy
- › EBITDA for the period is 5,450 TRYm resulting in 20.1% EBITDA margin
- › Net income grew 4% and realized at 2,390 TRYm with 8.8% net income margin
- › With nine net new store openings in Türkiye, total number of monobrand stores² increased to 481
- › Türkiye retail sales grew 7% and Türkiye online sales grew by 9% in 9M 2024
- › 1.2 million new customers acquired in 9M 2024 (vs 974K same period last year). Active (in the last 12 months) loyalty card members in Türkiye stands at 5.8 million

GROUP HIGHLIGHTS¹

27,072 TRYm Revenue <small>(23,941 TRYm w/out- IAS29)</small>	5,450 TRYm EBITDA <small>(5,618 TRYm w/out- IAS29)</small>
20.1% EBITDA Margin <small>(23.5% w/out- IAS29)</small>	2,390 TRYm Net Income <small>(3,239 TRYm w/out- IAS29)</small>
481 Monobrand Stores²	3,319 TRYm Net Cash

TÜRKİYE HIGHLIGHTS

7% Retail Sales Growth	9% Online Sales Growth
 63% Men 37% Women	c.62% Lifestyle c.38% Denim All
5.8m Active Loyalty Card Members³	1.2m New Customers 

¹ Including IFRS16 and IAS29 impacts as reported unless otherwise stated

² Includes global franchise and owned stores

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

*Category and gender mix for Türkiye Retail only

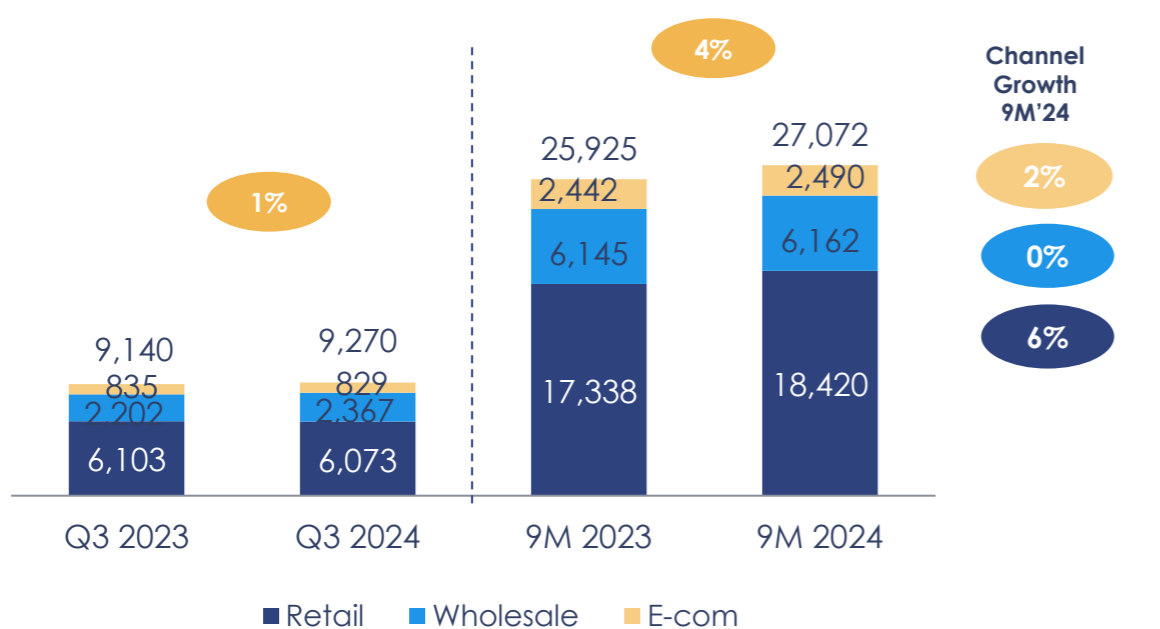


SALES CHANNELS

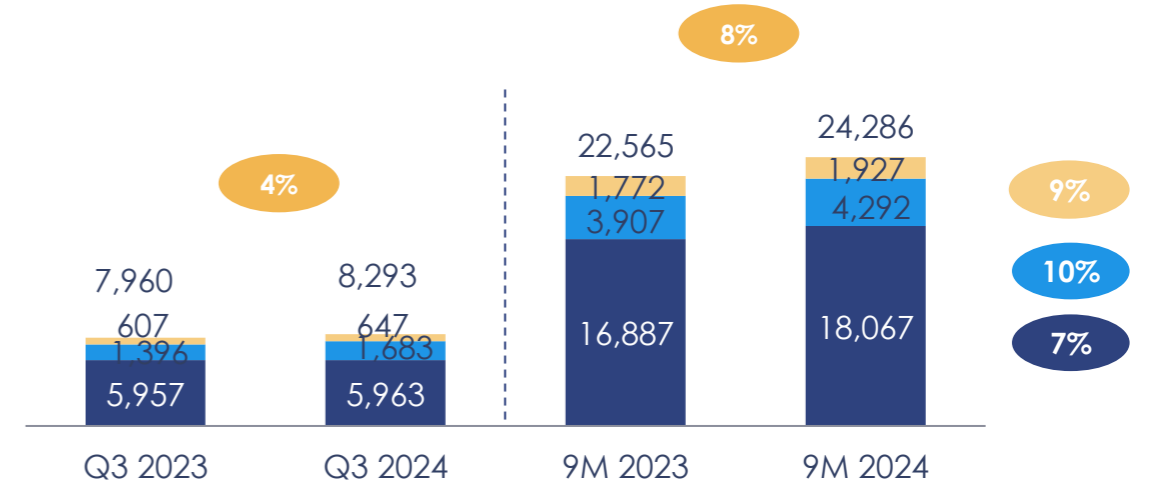


Revenue Evolution in Sales Channels

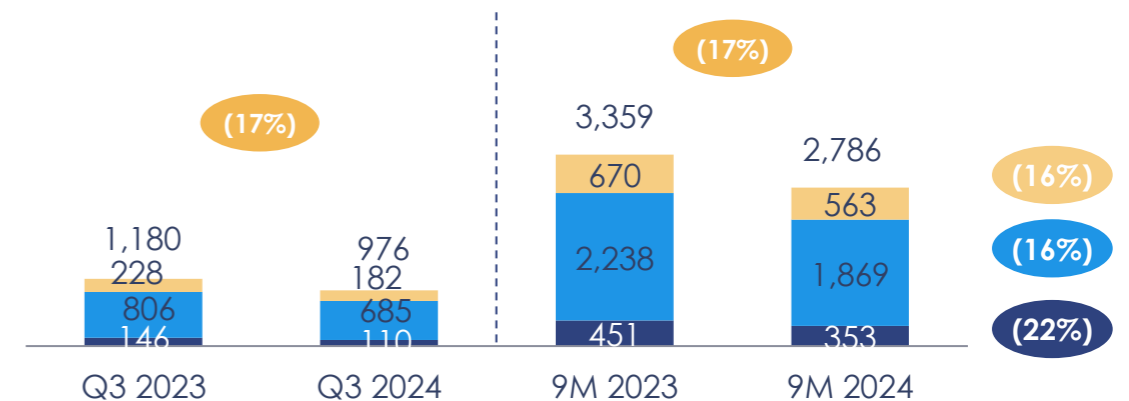
Global Revenue (TRYm)



Türkiye Revenue (TRYm)



International Revenue (TRYm)



- › Total revenue consists of 68% retail, 23% wholesale and 9% e-com
- › 90% of consolidated revenue is from Türkiye
- › International revenue **grew 0.5% in Q3 2024** and **declined 4.6% in 9M 2024 in constant currency**

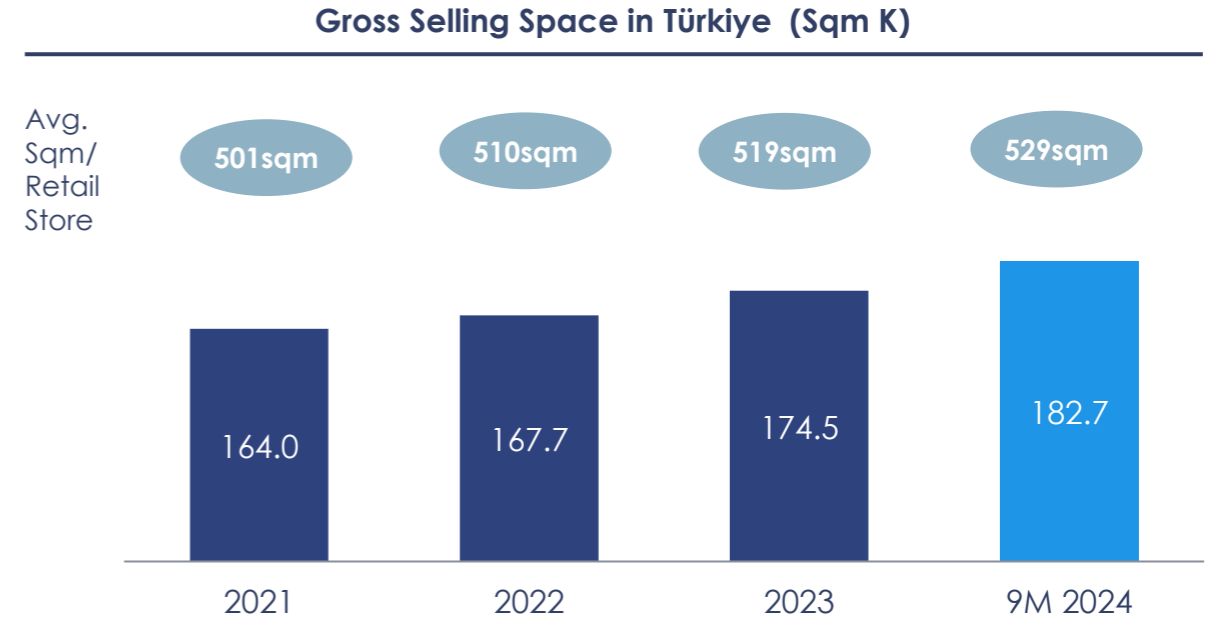
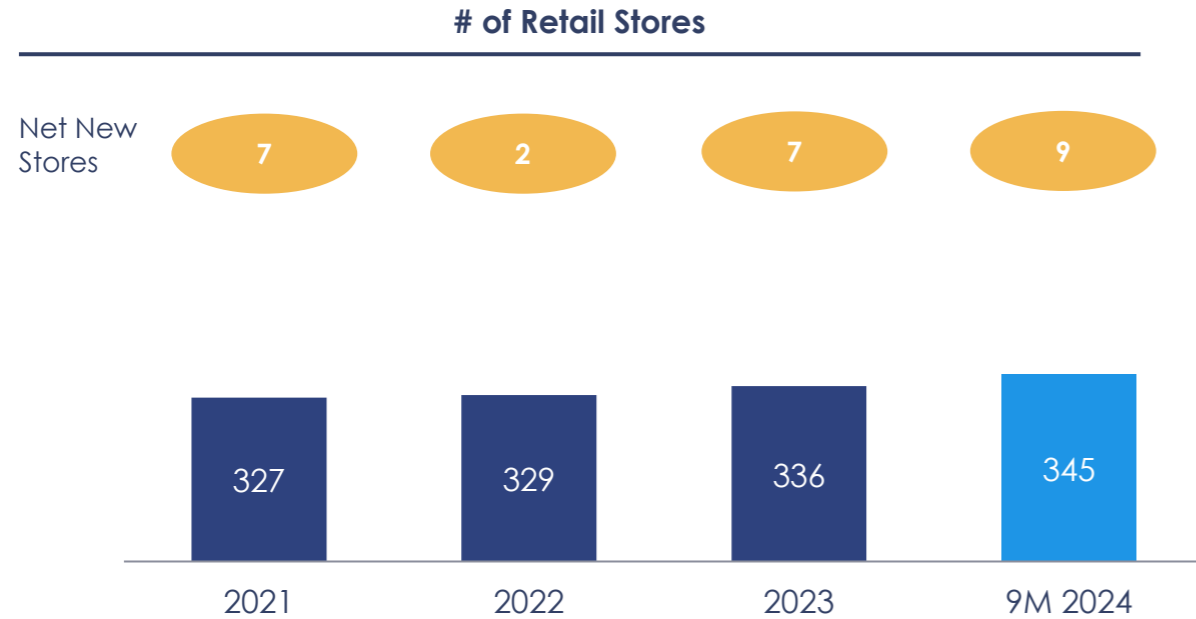
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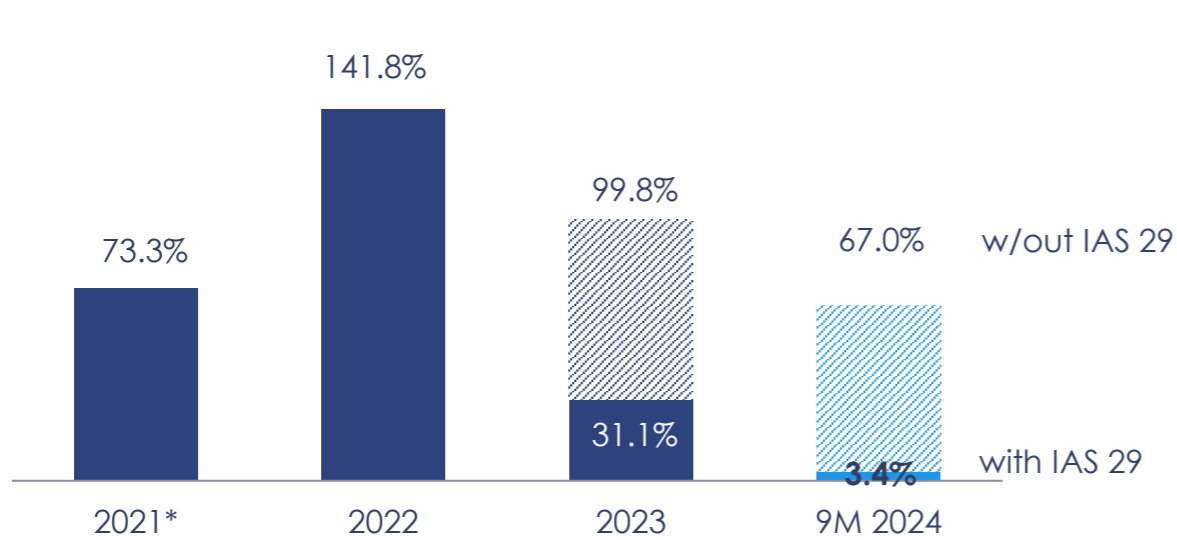
TÜRKİYE RETAIL

Türkiye Retail Operations

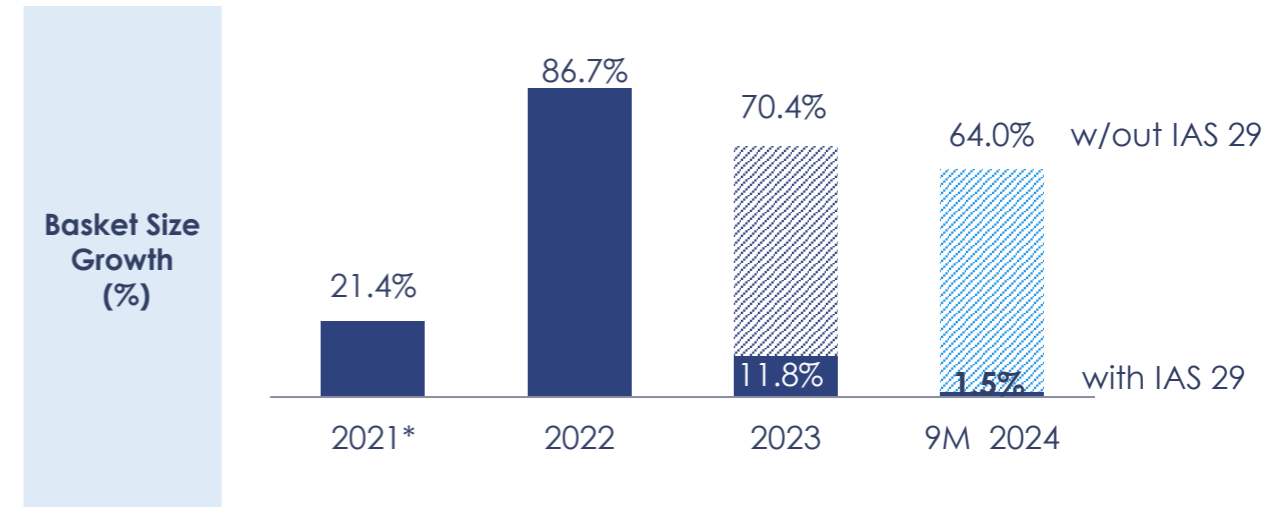
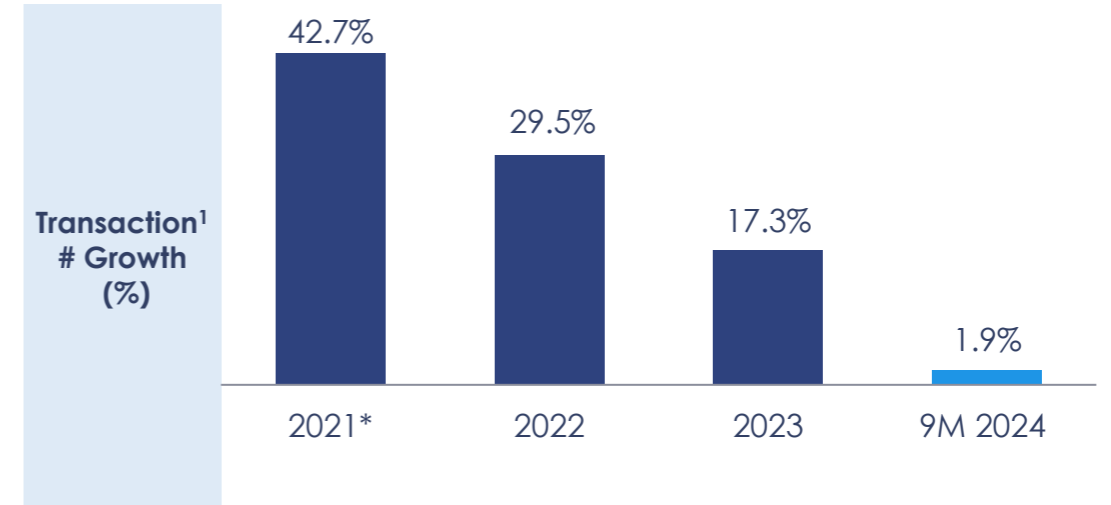


- › With 10 openings and one closure in 9M 2024, number of retail stores in Türkiye increased to 345 as of end-October 2024
- › In 9M 2024, 10 stores were expanded in sqms
- › Total selling space reached 183K sqm **growing 5% since 2023YE** with average sqm per store increasing to 529

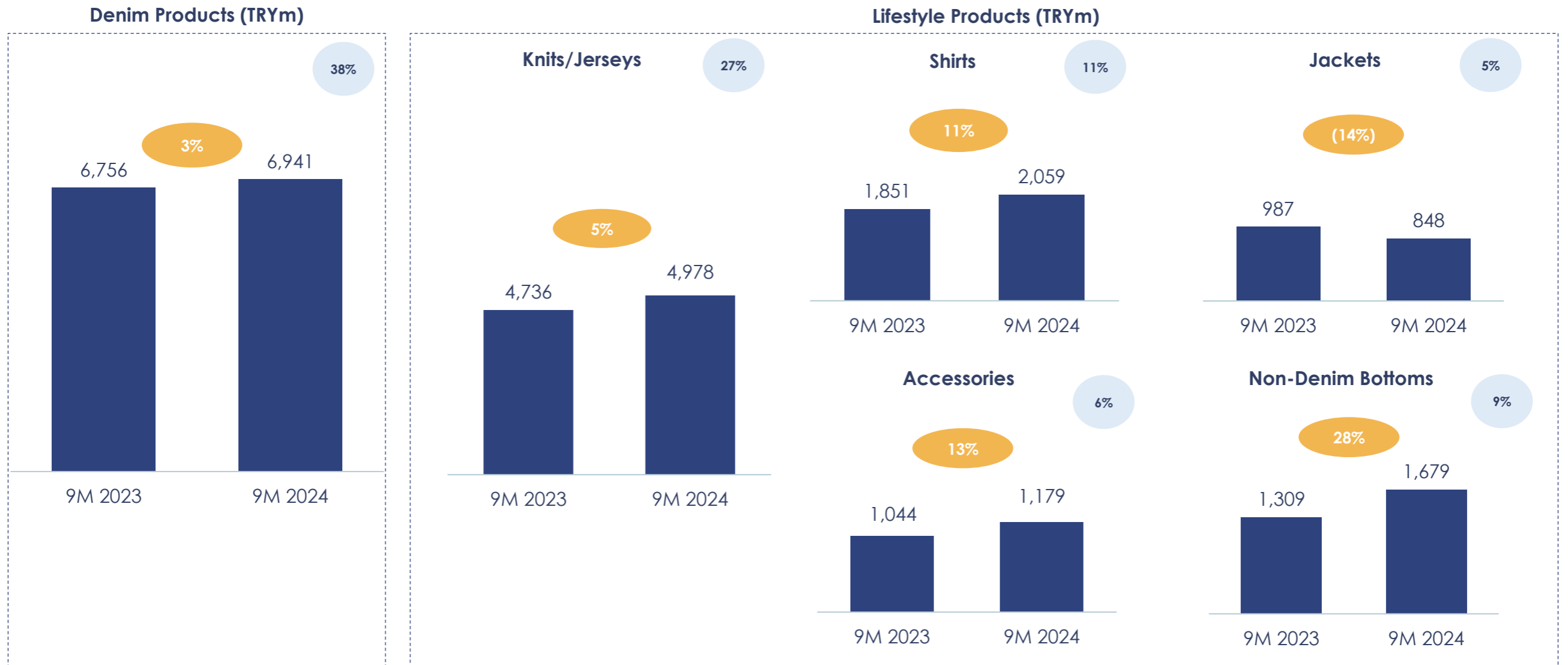
Like-for-Like Stores Sales Performance



- › In Q3 2024, LFL sales **contracted 2.5% in TRY terms while growing 1% in volume**. Including the new space total retail sales grew **3.7% in volume**
- › **Basket size grew 2.4% (55.4% nominal)** in Q3 2024 reflecting effective pricing and increased units per transaction (UPT)
- › **In 9M 2024 LFL sales** grew 3.4% in real TRY terms and **7.1% in volume**. Including the new space total retail sales **9M volume growth is 11%**



Sales in Denim & Lifestyle Categories

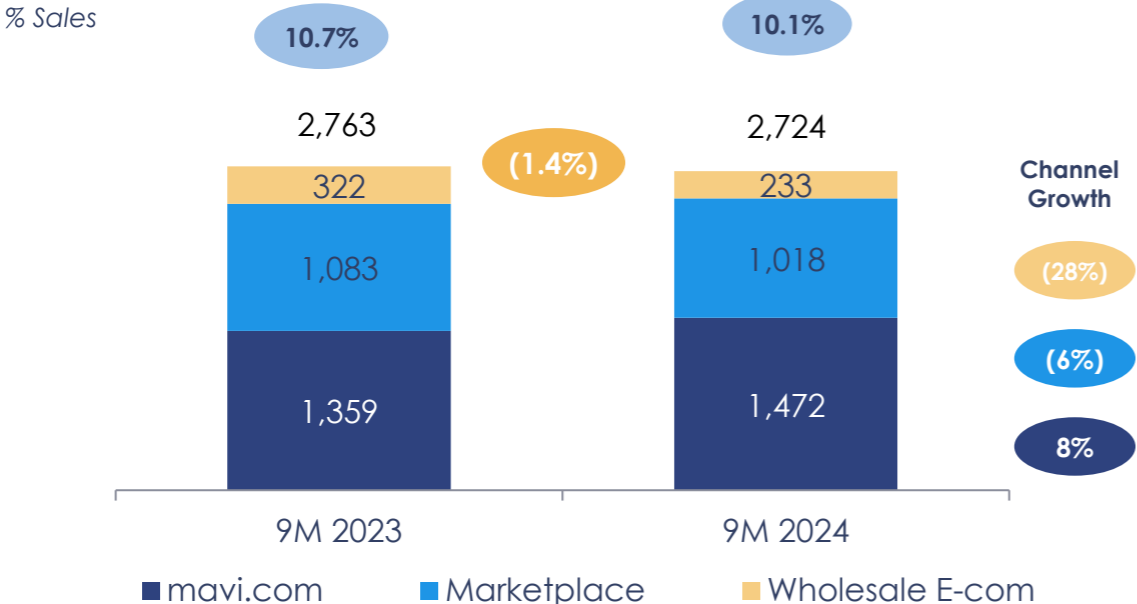




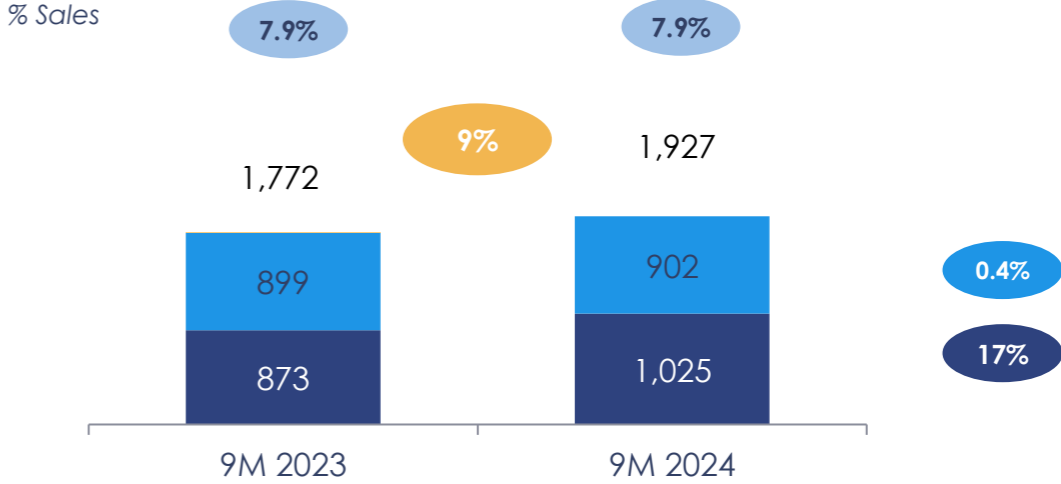
ONLINE BUSINESS

Online Sales Growth inc. Wholesale Partners

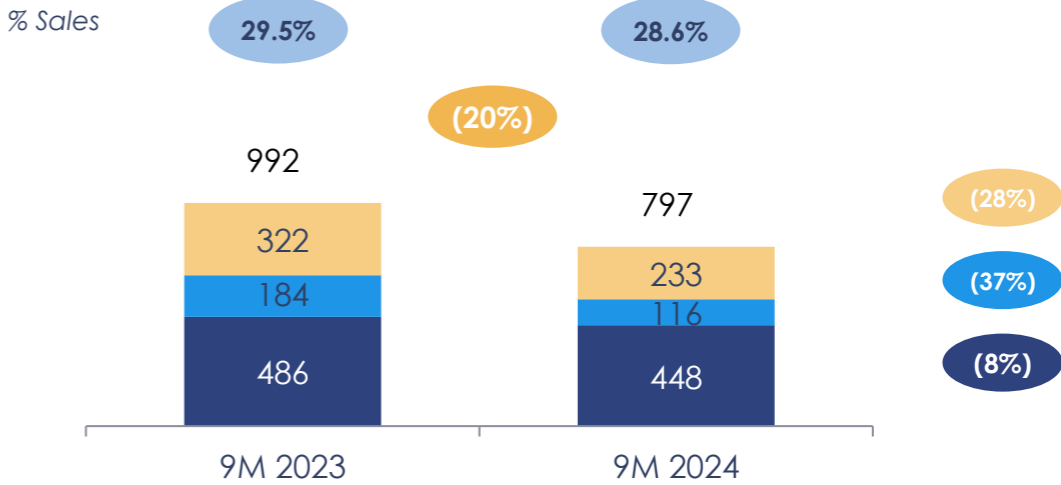
Global Online Sales (TRYm)



Türkiye Online Sales (TRYm)



International Online Sales (TRYm)



- › Driven by 17% growth of mavi.com with c. 8 million Mavi app downloads in Türkiye. International mavi.com also grew 4.2% in constant currency
- › Investments in digital systems and online customers continue. Integrated omni channel initiatives increase shopping experience across channels
- › Full-price channel strategy across all categories



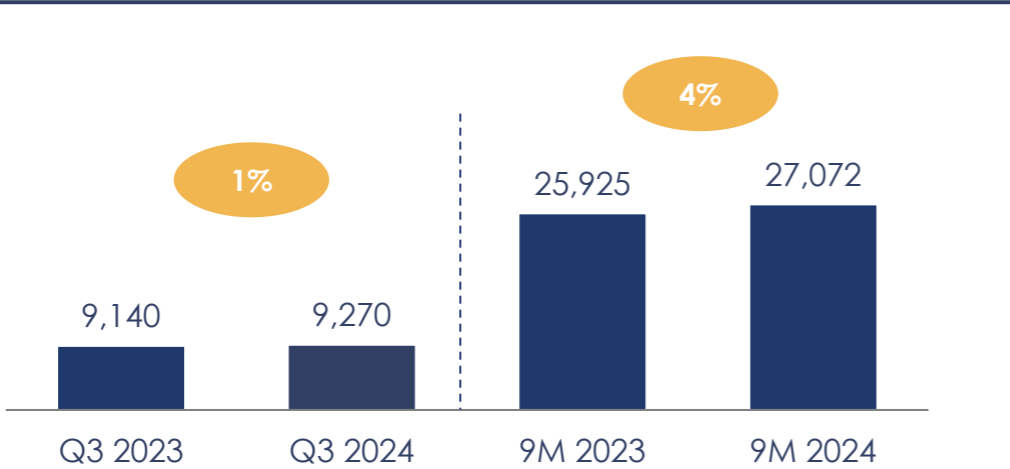
A photograph of a man with wavy brown hair and blue eyes, wearing a dark blue denim jacket over a white t-shirt. He is looking directly at the camera with a serious expression. His right hand is raised behind his head. The background is a plain, light-colored wall.

**CONSOLIDATED
FINANCIAL RESULTS**

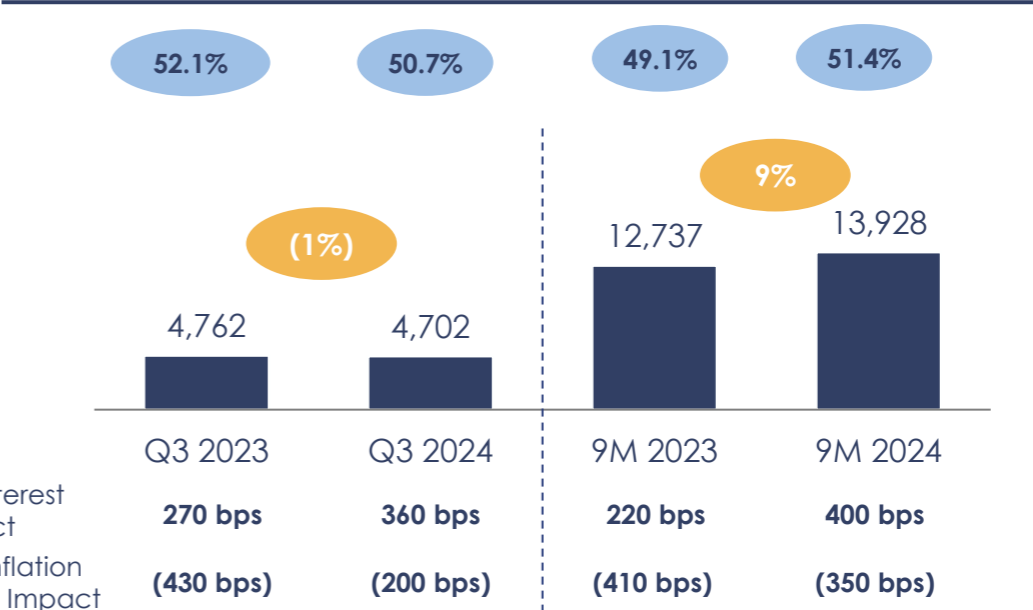
Consolidated Revenue Growth and Gross Margin

With IAS 29
Inflation Accounting

Revenue (TRYm)



Gross Profit (TRYm)

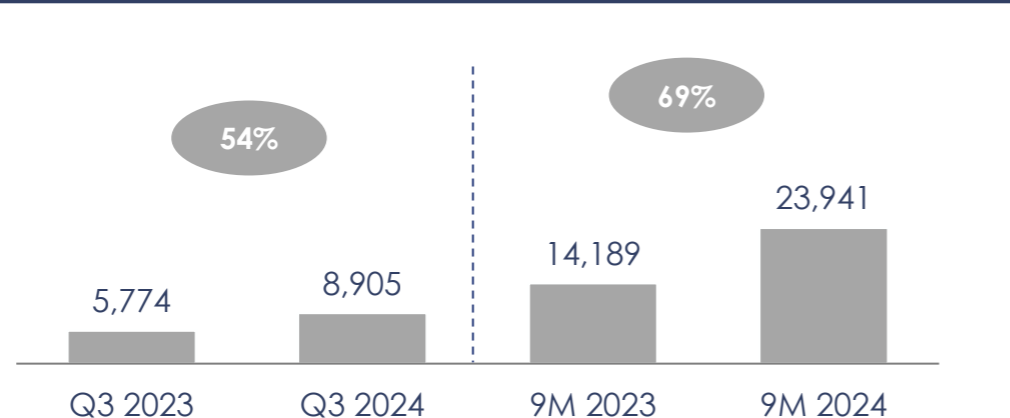


Imputed Interest Rate Impact
Inventory Inflation Adjustment Impact

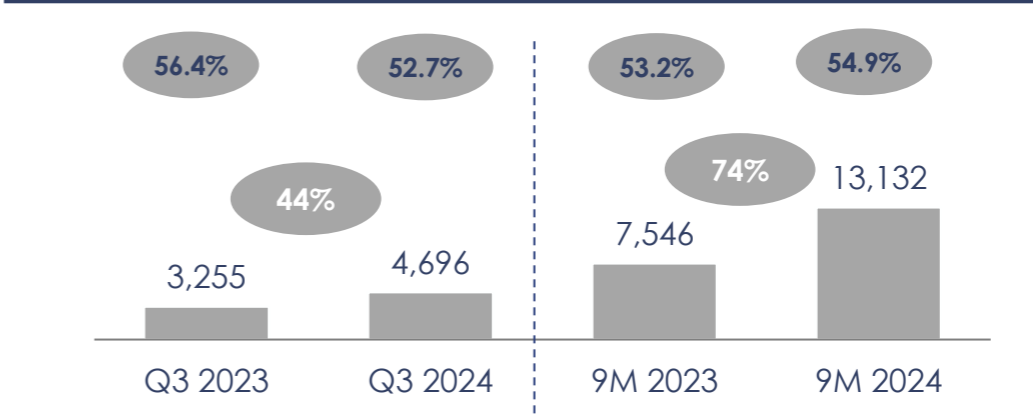
Imputed Interest Rate Impact	270 bps	360 bps	220 bps	400 bps
Inventory Inflation Adjustment Impact	(430 bps)	(200 bps)	(410 bps)	(350 bps)

Without IAS 29
Inflation Accounting

Revenue (TRYm)



Gross Profit (TRYm)



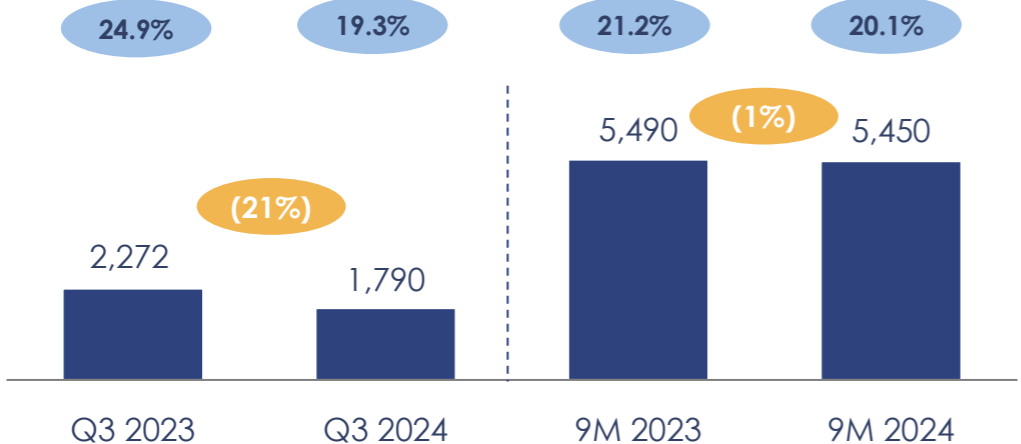
Imputed Interest Rate Impact

Imputed Interest Rate Impact	270 bps	360 bps	220 bps	400 bps
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Consolidated EBITDA

With IAS 29
Inflation Accounting

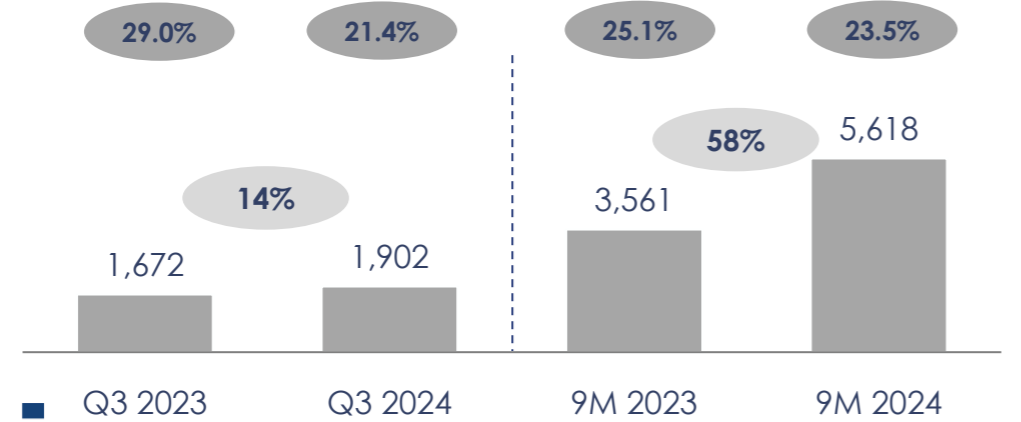
EBITDA (TRYm)



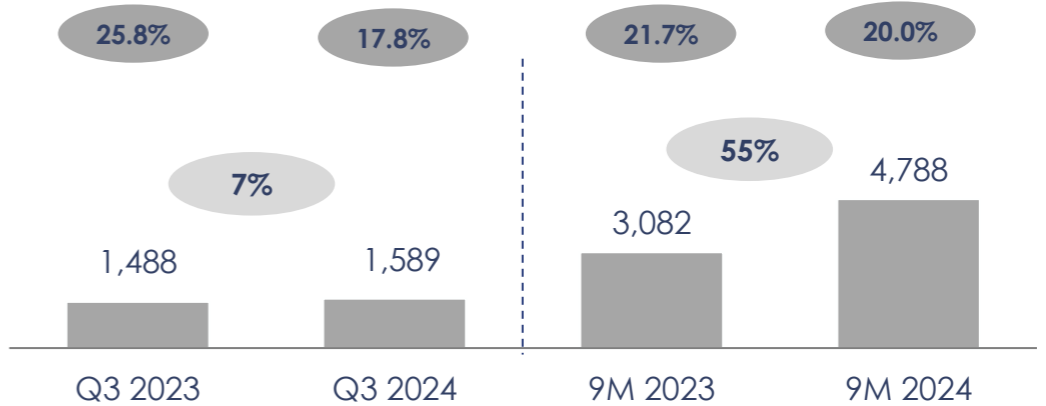
- › 560 bps decline in EBITDA margin in Q3 2024 is mainly driven by 140 bps GM decline, **380 bps increase in opex/sales ratio** (exc. D&A) resulting mainly from high employee costs including the mid-year 25% salary increase and lower than expected sales
- › EBITDA margin includes **90 bps positive impact of imputed interest** in Q3 2024 and **180 bps in 9M 2024** compared to same periods last year

Without IAS 29
Inflation Accounting

EBITDA (TRYm)



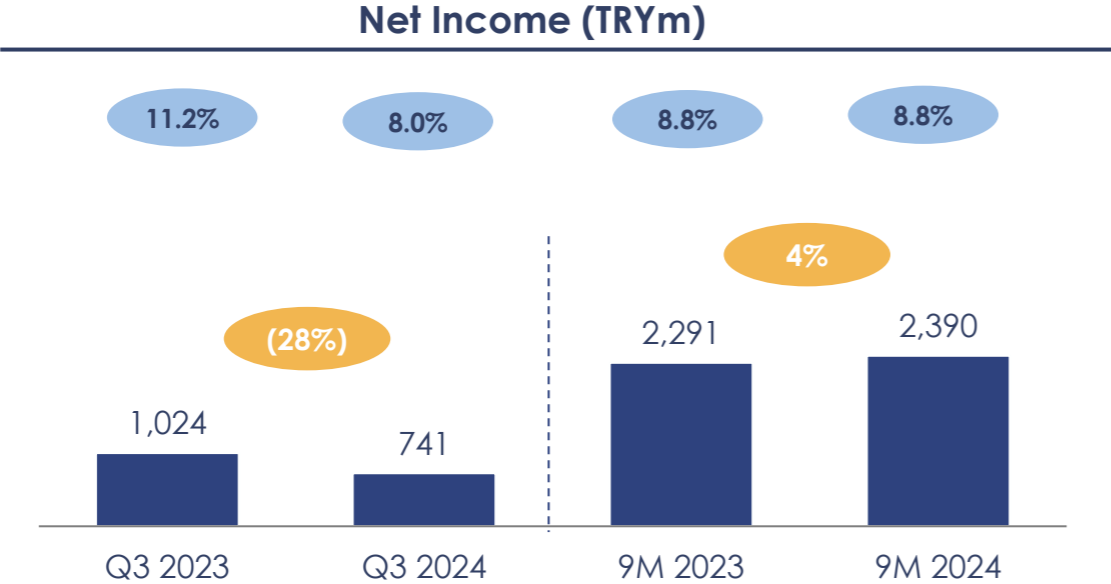
EBITDA exc. IFRS16 (TRYm)



● % Growth ● % Margin

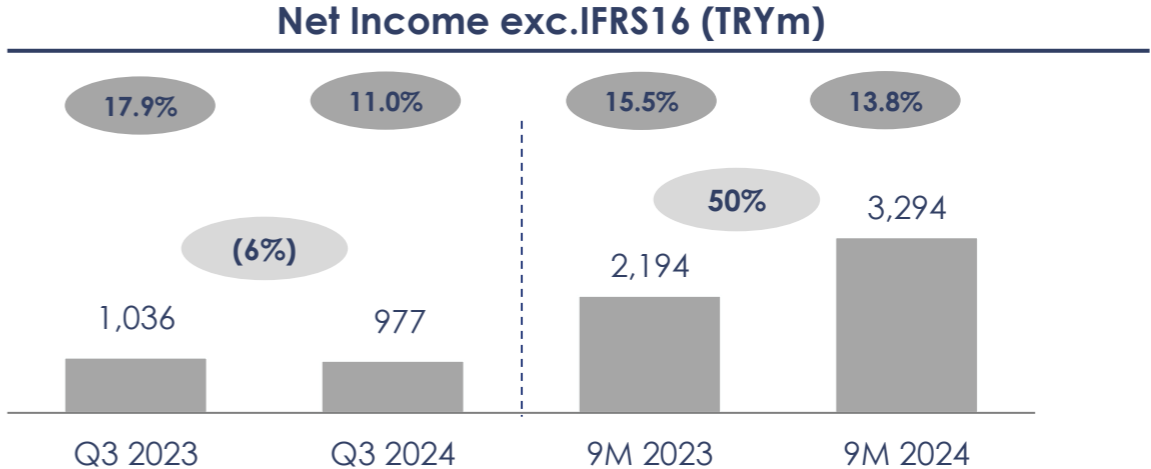
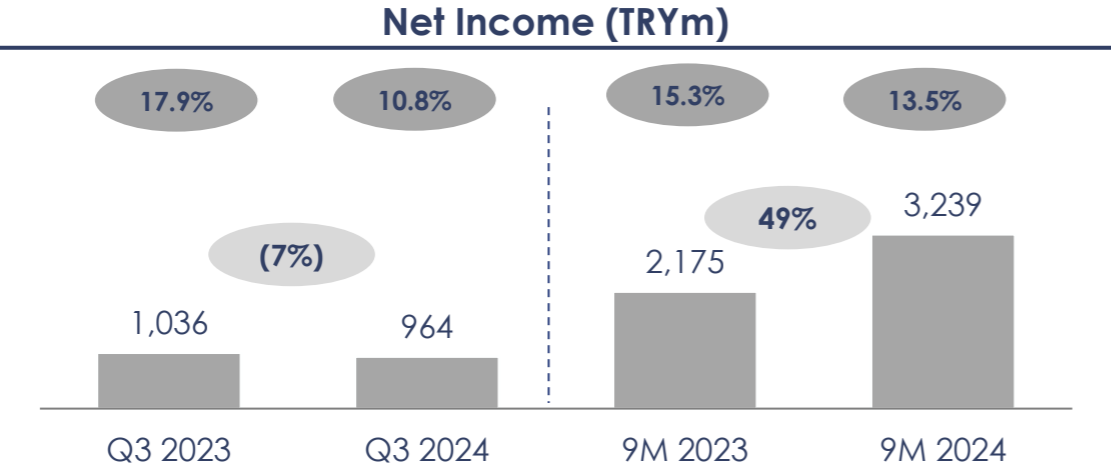
Consolidated Net Income

With IAS 29
Inflation Accounting



Note: Net Income attributable to owners of the company is **738 TRYm** in Q3 2024 and **2,424 TRYm** in 9M 2024

Without IAS 29
Inflation Accounting



Operational Cash Flow and Working Capital Management

Cash Conversion & Operational Cash Flow

TRYm	9M 2023	9M 2024
EBITDA	5,490	5,450
Δ in NWC ¹	(2,295)	(2,622)
Operating Cash Flow	3,194	2,828

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

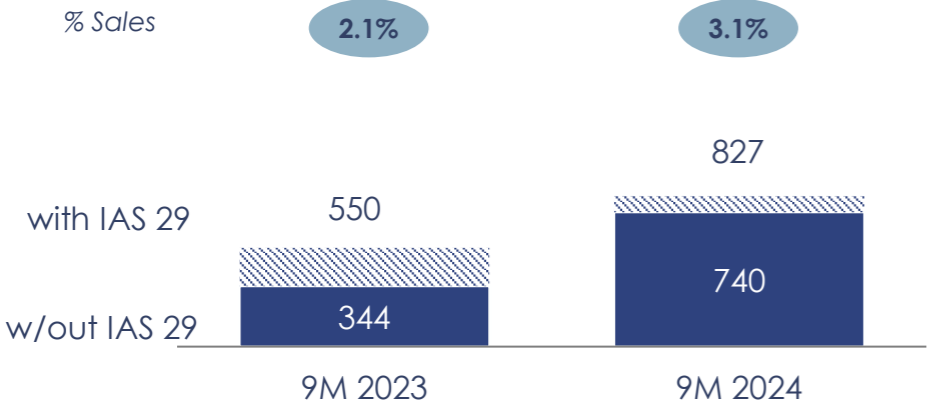
Main Working Capital Items

TRYm	2023	9M 2024
Trade & Other Receivables	1,753	2,671
% LTM Sales	5.1%	7.5%
Inventories	4,728	6,204
% LTM COGS	26.5%	34.9%
Trade & Other Payables	4,644	4,723
% LTM COGS	26.0%	26.5%
Main Net Working Capital	1,837	4,151
% LTM Sales	5.3%	11.7%

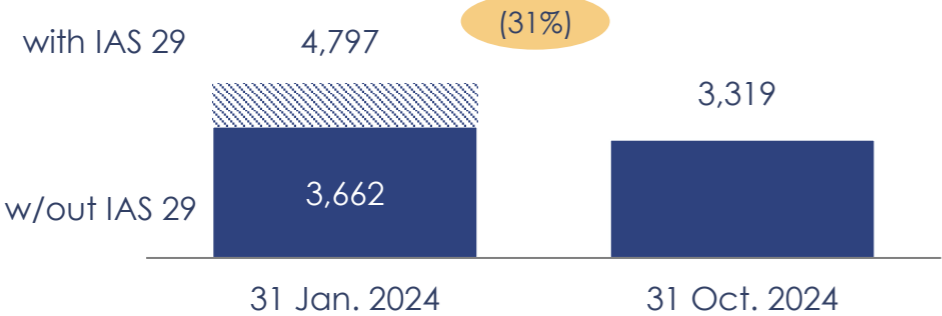
- › Inventory and working capital is managed effectively with **dynamic product planning** and **flexible sourcing capability**
- › Inventory comprises of **season products and is 21% higher** than same period last year **in number of pieces** in Türkiye

Capex and Leverage Ratios

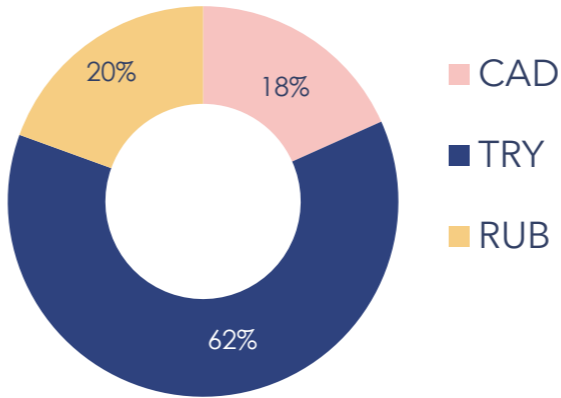
CAPEX (TRYm)



Net Cash exc. IFRS16 (TRYm)



Debt Breakdown (31 October 2024)



Average Cost of Debt

TRY	47.0%
RUB	22.4%
CAD	6.0%
Blended	34.7%

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

FY2024 Guidance Revision

We are revising our 2024 management guidance (exc. IAS29) due to higher than expected impact of slowing down of the economy in Türkiye

	Previous (14.03.2024)	Revised
Cons. Revenue Growth	70% ± 5%	60% +
Türkiye Retail Stores	15 net new stores 10 store expansions	17 net new stores 15 store expansions
EBITDA Margin	20% ± 0.5% (exc. IFRS16) 23.5% ± 0.5% (inc. IFRS16)	18.5% + (exc. IFRS16) 22.0% + (inc. IFRS16)
Net Debt/EBITDA	Net cash position increase	Confirmed
CAPEX	5% of consolidated sales	4% of consolidated sales

Trading Update for Q4 2024 (without IAS 29)

- › In November 2024, Türkiye retail sales grew 45% and online sales grew 46%
- › The first retail week of December shows 48% growth in Türkiye retail and 122% growth in Türkiye online due to the early start of year-end markdown campaign this year vs last year





THANK YOU !

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Financial Statements

Income Statement

TRYm	Q3 2023	Q3 2024	Change (%)	9M 2023	9M 2024	Change (%)
Revenue	9,140	9,270	1%	25,925	27,072	4%
Cost of Sales	(4,377)	(4,568)	4%	(13,188)	(13,144)	(0%)
Gross Profit	4,762	4,702	(1%)	12,737	13,928	9%
Gross Margin	52.1%	50.7%		49.1%	51.4%	
Administrative Expenses	(513)	(606)	18%	(1,584)	(1,751)	11%
Selling and Marketing Expenses	(2,472)	(2,728)	10%	(7,116)	(8,049)	13%
R&D Expenses	(87)	(127)	45%	(258)	(350)	35%
Other Income / (Expenses), net	168	4	(98%)	220	162	(27%)
Operating Profit	1,858	1,245	(33%)	4,000	3,940	(1%)
Profit/(Loss) from Investment Activities	9	(3)	n.m.	38	3	(93%)
Operating Profit before Financial Income	1,867	1,242	(33%)	4,037	3,943	(2%)
Operating Margin	20.4%	13.4%		15.6%	14.6%	
Financial Expenses, Net	(351)	(319)	(9%)	(679)	(818)	21%
Monetary Gain/(Loss), Net	42	19	(55%)	71	87	23%
Profit Before Tax	1,559	942	(40%)	3,430	3,212	(6%)
Income Tax Expense	(534)	(201)	(62%)	(1,138)	(822)	(28%)
Profit	1,024	741	(28%)	2,291	2,390	4%
Profit Margin	11.2%	8.0%		8.8%	8.8%	
EBITDA	2,272	1,790	(21%)	5,490	5,450	(1%)
EBITDA Margin	24.9%	19.3%		21.2%	20.1%	

Financial Statements

Balance Sheet

TRYm	31 January 2024	31 October 2024	Change (%)
Cash and Cash Equivalents	6,359	4,175	(34%)
Financial Investments	82	4	(95%)
Trade Receivables	1,719	2,617	52%
Inventories	4,728	6,204	31%
Other Current Assets	402	604	50%
Total Current Assets	13,290	13,605	2%
Property and Equipment	1,589	1,800	13%
Right of Use Assets	1,774	1,655	(7%)
Intangible Assets	1,457	1,343	(8%)
Other Non-Current Assets	95	110	15%
Total Non-Current Assets	4,915	4,907	(0%)
Total Assets	18,205	18,512	2%
Short-Term Financial Liabilities	1,184	857	(28%)
Short-Term Contractual Lease Liabilities	654	709	8%
Trade Payables	4,451	4,559	2%
Other Current Liabilities	1,736	1,758	1%
Total Current Liabilities	8,025	7,883	(2%)
Long-Term Financial Liabilities	461	3	(99%)
Long-Term Contractual Lease Liabilities	756	706	(7%)
Other Non-Current Liabilities	229	260	13%
Total Non-Current Liabilities	1,446	969	(33%)
Total Liabilities	9,470	8,852	(7%)
Total Equity	8,735	9,660	11%
Total Equity & Liabilities	18,205	18,512	2%

Financial Statements

Cash Flow Statement

TRYm	9M 2023	9M 2024
Profit ¹	2,291	2,390
Adjustments	3,887	3,786
Cash Flow from Operating Activities	6,179	6,176
Δ in Net Working Capital ²	(2,295)	(2,622)
Income Tax Paid	(444)	(754)
Net Cash from Operating Activities	3,439	2,801
Capex	(550)	(827)
Other Investing Cash Flow ³	729	1,430
Net Cash Flow Used in Investing Activities	179	604
Debt Issued / (Repaid)	691	(386)
Payment of Contractual Lease Liabilities	(715)	(811)
Other Financial Payments ⁴	(896)	(1,519)
Dividend Paid	(858)	(962)
Interest Paid	(318)	(416)
Net Cash Flows Used in Financing Activities	(2,095)	(4,095)
Net Cash Flow	1,523	(690)
Adjustments for Monetary Gain/Loss	(2,186)	(1,504)
Cash and Cash Equivalents at the Beginning of the Period ⁵	6,960	6,330
Cash and Cash Equivalents at the End of the Period ⁵	6,297	4,136

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.

Global Operations as of 31 October 2024



TÜRKİYE

Retail stores: 345
Franchise stores: 70
Wholesale doors: 564
Employees: 5.872



EUROPE

Retail stores: 1
Wholesale doors: ~800
Employees: 53



RUSSIA

Retail stores: 16
Franchise stores: 17
Wholesale doors: 185
Employees: 130



US

Wholesale doors: ~1.150
Employees: 95



CANADA

Retail stores: 4
Wholesale doors: ~820
Employees: 82



OTHER COUNTRIES

Franchise stores: 28
Wholesale doors: 27