



**Transcription for Q4 2021 Financial Results Webcast**  
March 14<sup>TH</sup>, 2022



## **CUNEYT YAVUZ – Mavi CEO**

Hello everyone. Welcome to our webcast for the financial results of the fourth quarter of 2021, where we will be discussing both the quarter and the financial year 2021 ending January 31, 2022. I am Cuneyt Yavuz and I will be presenting the results today followed by a Q&A session. I kindly ask you to keep your microphones muted throughout the presentation.

It is my pleasure to announce another strong quarter with solid results. This fourth quarter has been our strongest fourth quarter so far! 2021 has been a challenging year with major externalities taking place globally and in Turkey. It was also Mavis's 30th year in business. I would like to do a short summary of our business in 2021 before going into details of our results. The emphasis we placed on protecting our employees, customers, and business partners in the challenging environment of 2020, we believe, has enabled a very strong recovery in 2021. As Mavi management, we thank all our stakeholders who had a significant role in this year's successful results.

In 2021, the world started recovering from the Corona virus pandemic with the increasing level of vaccination. Turkey started operating at normal trading hours as of June with very strong demand for Mavi products from the onset. As a result, Turkey operations delivered 94% sales growth versus last year and 59% growth versus 2019. Customer traffic in retail stores in Turkey exceeded pre-pandemic levels on a comparable basis. Meanwhile, conversion rates, units per transaction and the average basket size were all higher than 2019. This is a significant indication that the brick-and mortar retail in Turkey is still very relevant, and as Mavi we will continue to invest and grow in this channel.

It is important to note that in all categories our sales volumes in number of pieces grew in 2021. We sold over 10 mn denim items this year. We continued to grow market share in jeans, women's and men. Women's share in total sales increased to 35% in 2021 from 33% in 2020. As customer preferences shifted towards more casual styles, we grew our casual and sporty lines in response. This year non-denim bottoms, knits, jerseys and jackets have higher share in retail sales than last year. Brand investment and customer experience has been a continuing priority. Brand positioning was elevated through creative collaborations, new product lines, celebrity campaigns, and influencer engagements. International markets also returned to normal trading hours as of spring. All international markets delivered significant growth in local currency terms resulting with 42% constant currency growth in total. Online sales remained strong driven both by mavi.com business and marketplace performance. Revenue through all digital channels is 11.2% in Turkey and 15.6% globally.

On the next slide, a few words on cost management and balance sheet.



Our Opex to sales ratio improved 510 bps in 2021 with continued expense control supported by robust sales performance. We saw significant improvements in our rent ratios and our employee cost to sales ratios returned to pre-pandemic levels. Through dynamic supply chain management, effective product planning and agile inventory and mark-down management, we were able to mitigate product cost pressures and improve our gross margins in 2021. High sell-through rates throughout the year resulted with 25 days improvement in inventory turnover days. Consequently, we hold 12% lower inventory in pieces compared to same period last year. As a result of all these management efforts coupled with high customer demand for Mavi products, we closed the year with a net cash position of 618 TRYm generating significant cash from operations. Our Board of Directors decided to propose to the Annual General Meeting the distribution of 30% of total distributable profit to be paid in cash starting on August 16, 2022 as per our dividend distribution policy.

On slide four, I want to reiterate to the investment community our main pillars for becoming a future ready company. As a leading global jeans brand with 30 years of denim expertise, we always keep an eye for the future, remaining passionately focused on the Mavi quality on our journey toward delivering the best results. Our Brand is our most important asset and as you all know we make sure that the brand is always larger than the company. In 2021 we worked to elevate the brand positioning with premium segments and aspirational marketing. We keep our focus on what we do best, interpreting change from a jeans culture perspective and leading with denim innovations including Mavi Black Pro, Mavi Icon, Mavi Pro Sport Repreve® collections. Meeting customer preferences, we grew our share in casual lifestyle categories with logo, sweatshirt, and sporty product groups. As a love brand in Turkey, we made sure that we elevated the heart and mind share of our consumers with strong engagement through celebrity campaigns and influencers. We prioritized collaborations that increase traffic through new and young customers. The fact that 70% of the new Mavi customers are younger than 35 is a testament that our efforts are paying off. Driven by our values and corporate culture, we believe that ‘a better world is possible with a better Mavi.’ We believe that with a better Mavi, we are All Blue. All Better. For All. In 2021 we published our first Sustainability Report, introducing our sustainability strategy and our long-term ESG targets. These targets reflect a significant progress towards integrating sustainability into our corporate culture, vision, business practices, product innovation and continued growth ambitions. We submitted our second report to the Climate Change Program, run by CDP and received a score of B in environmental performance, outperforming the global industry average. We also entered the CDP Water Security and Forests Programs, becoming the first and only Turkish company to report to the CDP Forests Program in Turkey. All Blue product shares grew with product innovations in both denim and non-denim. One notable innovation was Mavi Pro Sport Repreve® jeans made from recycled plastic bottles and materials which was introduced to wider audiences with the “Mavi Transformation” campaign. Our successful sustainability efforts as a Turkish apparel brand were



recognized with our inclusion in Borsa Istanbul (BIST) Sustainability Index. Retail is still at the heart of our growth strategy, and we are constantly taking new actions to make sure that consumers have a great shopping experience. We continue to open new stores and expand current stores in square meters. We have a new “1000 m2 store” multi-team project to continue to deliver increased customer frequency and conversion. In 2021, we also started launching new store concepts to upgrade physical experience in order to better present Mavi’s growing lifestyle categories. We are continuously investing in analytic tools to better manage inventory availability by analyzing store clusters that enable increased customer conversion and stock-turn. Digitalization and CRM investments have been on the core of our strategy of winning in 2021. SAP transformation project was completed and is live since August 2021. We completed many big projects in 2021 to enhance the customer experience in our Mavi.com online shop. Full design and user experience of our web site and application was renewed in 2021 for easier, faster and more user-friendly experience. Machine learning fit recommendation tool was added to product detail pages to optimize conversions and decrease returns. Selling gift cards and online gift cards from online channels that can be used in online and offline shops were added as new features. Easy return and change tools, review features were also among the many enhancements made this year. We also focused on our global online strategy by localizing our international platforms through analyzing different market needs.

On slide 5, because it has been a major first step forward, I would like to provide a short overview of our long-term sustainability targets we announced in 2021: In line with our All Blue strategy, focused on People, Planet, Denim, and Community, we promote our approach with the following pillars: ‘Better.Empower, Better.Protect, Better.Transform and Better.Mobilize. In accordance with each pillar our long-term targets are: Having a fully inclusive and responsible value chain by 2030, becoming a climate positive company by 2050, ensuring that the whole denim collection consists of All Blue sustainable products by 2030 and driving an impact focused and measurable social change. You may review the monitoring targets which are directly integrated to our way of doing business to achieve our goals. We are very excited and determined in this new journey.

Moving on to the next section to present you with our results for the year:

On slide 7, lets look at the key highlights for the year. In order to mark the performance against pre-covid levels, throughout the presentation we include performance comparisons against 2019 as well. Our consolidated sales in 2021 realized at 4 billion 619 million liras growing 92% versus 2020 and 61% versus 2019. Turkey retail sales grew 102% and Turkey online sales grew 104% this year. Our EBITDA, growing 165%, realized 1 billion 38 million TL, resulting in an EBITDA margin of 22.5% in 2021. We delivered our highest ever fourth quarter earnings and hence achieved a record high net income of 423 mn TL in 2021. Strong sales performance led to high operational cash generation which resulted with a balance



sheet net cash position of 618 mn liras, strengthening our management commitment to stay a net cash company. The total number of mono-brand stores globally, including franchisees, reached 456.

Lets move to slide 8 to review our channel performance. Total revenue grew 120% in the last quarter versus 2020 and 100% compared to the same quarter of pre-covid 2019. Alongside the brick and mortar retail business rebounding, our e-commerce channels continued to perform very strong throughout the year. Growing 95% in 2021, global e-commerce sales share in total revenue is now at 13%. In the fourth quarter, which is normally a weaker quarter seasonally, traffic in our stores and the demand for Mavi products remained very strong. While we continue to benefit from the preference towards casual wear, we also make sure to provide the consumers with reasons to shop at Mavi and remain their brand of choice. As a result, our sales in Turkey grew 120% in Q4 compared to last year and 93% compared to same quarter 2019 bringing total Turkey growth to 94% in 2021. Our e-commerce business in Turkey, which constitutes of mavi.com and marketplace sales, grew 104% in 2021, on top of a strong base. E-commerce sales in Turkey is almost five times more than that of pre-covid 2019 levels. International operations also realized a strong recovery in 2021 growing 42% in constant currency and 86% in TL terms compared to 2020. Total revenue as of 2021 consists of 61% retail, 26% wholesale and 13% e-commerce. 81% of consolidated revenue is from Turkey.

On slide 9, we start to focus on Turkey retail business. We opened 13 new stores, closed 6 stores in Turkey throughout the year. Sqm expansion strategy continued with 8 expansions. As of year-end, we have 327 own-operated stores totaling close to 164 thousand sqms of selling space in Turkey with an average store size of 501 sqms.

On slide 10, lets elaborate on the same stores' performance in Q4 2021. Recall that there were weekend closures related to Covid precautions in Turkey in the fourth quarter last year. Therefore, we share with you the performance on the open days only, both for Q4 and full year 2021. On the open days of Q4, same store sales grew 72% with 31% transaction growth and 32% basket size growth. Looking at the full year, with traffic increasing 58% versus 2020 and surpassing pre-covid 2019 levels, same stores sales have grown 73.3%. The number of transactions increased 42.7% and basket size grew 21.4% versus 2020. It is important to note that both conversion rate and unit per transaction are still above pre pandemic levels.

Moving on to slide 11 to review category-based developments in Turkey retail. We are happy to report that all our product categories have exceeded pre-covid sales levels in the second half the year, which correspond to our fall-winter 2021 season. Also all categories delivered significant growth in number of pieces. Our denim category grew 96% in 2021 and constitute 41% of total retail sales in Turkey. Denim was, as always, among the winning categories in 2021. Our passion for creating the best jeans



in terms of quality, fashion and innovation is as high as ever. As consumers shopping behaviours is changing towards more casual styles, we continuously enrich our product range to respond to this demand. Expanding our t-shirt, sweatshirt and jersey offerings resulted in robust sales performance in knits category. In 2021, our knits business grew 114% year on year and constitute 26% of our retail sales in Turkey. Capitalizing on the same trend, another significant category is non-denim bottoms. Growing 194% and bringing incremental revenue, non-denim bottoms now make up 6% of our total Turkey retail sales. Our fall-winter jackets collection received great response from our consumers and delivered 94% growth this year, reaching 10% of our total Turkey retail sales. Accessories, contributing significantly to our women's business, grew 102% in 2021. Shirts were also on a relative come-back growing 82% year over year. Overall, our lifestyle categories grew 108% this year, increasing its share in total sales to 59%, in line with our strategic future growth plans. Womens sales which was most impacted by the pandemic conditions has also rebounded in 2021 35% of Turkey retail sales.

On slide 12, lets review our online sales performance. On this slide we review the total online sales of Mavi including the sales to the third-party digital platforms to which we wholesale, in addition to our direct-to-consumer online sales made up of mavi.com and marketplace sales that are reported under e-commerce channel. Recall that our direct-to-consumer e-commerce share is 13% in our consolidated sales. Including the wholesale e-com, which only exists in international side, our total online sales grew 76% globally and reached 15.6% of total revenue in 2021. The evident move from wholesale e-com to direct to consumer channels globally provides us with more control over our offerings and has a positive contribution on profitability. Online sales in Turkey grew 104% driven by 72% growth of mavi.com and 138% growth of marketplace operations and now constitutes 11.2% of total sales in Turkey. International online business growth of 47% in 2021 is largely driven by our own platform mavi.com which grew 93% in 2021. 34.8% of total international sales are through online channels. We continuously invest in our digital systems, logistic operations and on our CRM platforms. Mavi is achieving its fair share in this changing and growing online environment. We believe that the results of our online business in 2021 is an indication that the customers acquired during this pandemic period are here to stay and that this strong sales momentum will continue. As noted earlier, the ongoing shift towards e-commerce is only good news for Mavi given that our online business is an increasingly positive margin contributor with a full-price strategy across all categories.

Let's move on to review our margin performance on the next two slides. On slide 13: In 2021, with ever rising raw material prices, currency fluctuations and inflation in Turkey, gross margin has been one of the biggest focus areas of our management. Our teams have been working rigorously to plan for the right product, right price, right calendar and managing in-season inventory with a very flexible and dynamic approach to ensure optimum sell-throughs. I am proud to report the results of this hard work. With the strong demand for our both Spring-Summer and Fall-Winter collections, we were able to achieve our lowest level of mark-down spending and



improve our gross margins despite all cost pressures we have been talking about during the year. Positive currency impact of international operations has also impacted the exceptionally strong performance of quarter four. Realizing at 51.3% in 2021, gross margin improved 240 basis points vs last year and 230 basis points vs 2019 normalized with current interest rates and one-offs.

On slide 14. As you know fourth quarter is normally the relatively weaker quarter due to seasonality. This year, it has been an extraordinary fourth quarter, with very high demand for our products. Including the positive leverage impact of better-than-expected sales performance, our EBITDA margin for the quarter was 13.9% excluding IFRS16 and 20.1% including IFRS16, significantly higher than pre-covid levels. Including IFRS16, total EBITDA surpassed a billion TL for the first time in 2021 and amounted to 1 billion 38 mn TL, growing 165% and resulting in 22.5% EBITDA margin. This operational performance is directly reflected in our bottom line. The highest ever fourth quarter net income was achieved with 122 mn TL and our net income for the year amounted to 423 mn TL. Significantly higher than pre-pandemic levels, net income margin realized at 9.2% in 2021.

On slide 15, we look into our operational cash flow and working capital performance. The strong operational performance led to 956 mn TL of operational cash flow generation in 2021. Very effective inventory management across our teams is an integral part of this success alongside the strong demand for Mavi products that resulted in very high sell-through rates. Turkey retail inventory turnover days reduced from 115 in 2019 to around 90 in 2021. As of the end of January 2022, the inventory level in number of pieces is 12% lower than same period last year, comprising mainly of new season products. With this exceptionally high sales performance and the price inflation impact on trade payables our main working capital turned negative as of year-end. It is important to note here that we don't expect this to be the new normal, and the working capital need should turn back to positive levels in 2022.

Let's now move on to the next slide. We have spent 164 mn TL in capital expenditures in 2021 resulting in a Capex to sales ratio of 3.5%. On the retail side we had store openings, sqm expansions and new store concept transformations taking place. Apart from retail, we have been spending predominantly on IT projects and digital investments. Along with the strong operational cash generation within the year, we are now at a net cash position of 618 mn TL as of the end of January 2022, excluding the IFRS16 adjustments. 15% of our total consolidated debt belongs to our subsidiaries, all borrowing in their respective local currencies and hence does not pose a currency risk. We are glad to be holding no foreign exchange position in our balance sheet.

Slide 17 is a snapshot of the realizations of 2021 against our latest guidance. Recall that, due to better-than-expected third quarter results, we had revised our guidance upwards at the end of third quarter. Our 2021 results display a significant beat to our latest guidance as you can see.



On slide 18, I would like to elaborate on our management priorities in 2022. With so much going on in the world economically and politically, we have another challenging year ahead of us. Therefore, we wanted to give you some insight on what we prioritize as we plan for 2022. Our main pillar as we look into the future is being a best-practice, agile organization through our mission of “Embracing a people-oriented culture that focuses on sustainability, ensures our employees’ trust, customers’ loyalty, and business associates’ commitment”. We will be prioritizing customer traffic, new customer acquisition, and volume growth while maintaining profitable growth. Branding, product innovation, and customer communication investments will be targeted at gaining market share and elevating the brand positioning. As you know, there are global challenges around supply chain security these days. We are focusing on our supply chain performance alongside product engineering to mitigate cost pressures and to plan for sourcing capacity. In order to further drive responsiveness to consumer demand and increase speed to shelf, we are emphasizing innovation in design and product quality, supported by efficient inventory management. New store openings, online investments and international growth initiatives will continue. We will be investing in shopping experience through new retail and online concepts to grow conversion and frequency. Utilizing data, CRM, and digital tools to analyze customer segments, product categories and competition and react even faster to market dynamics, price changes and customer demands is among our top priorities.

Integrating All Blue strategy and sustainability targets globally will forever be on our agenda.

Moving on to the next slide, slide 19, I would like to provide some insight on the current trading environment as of date. Due to recent changes in macroeconomic variables, we are reviewing our plans, mainly for the second half of the year. We will be able to provide our official guidance for 2022 along with our first quarter results. We continue to experience similar strong demand environment in the first quarter to date. In the period February 1- March 13, 2022, Turkey retail same store sales increased 136% and Turkey online sales increased 90% yoy. Before I complete my presentation today, I would like to provide a quick note on Russia. Mavi Russia operations are mainly located in and around Moscow and St. Petersburg constituting 2.2% of our total consolidated revenue, having almost no contribution to EBITDA. Mavi retail stores in Russia delivered strong LFL sales growth in March after the events started. (March LFL 123% in local currency) We do not expect the latest developments to have a material impact on our consolidated business.

With this final note, I am happy to take your questions now. If you wish to ask a question, please “raise your hand”. When I call your name, you may directly open your microphone and speak. If you prefer to type your questions you may use the chat screen. For those of you who have dialed-in via audio, we will take your questions last, when there are no questions left on the platform. Thank you everybody, and let’s get started. I think we have the first question coming up from Kemal, so I’ll hand it over to Kemal for his question.



### **KEMAL OZMEN – TEB ASSET MANAGEMENT**

Hi Cuneyt Bey, Kemal Özmen from TEB Asset Management. First of all, thank you for the presentation and congratulations for the solid results for the year ending 2021. I have three questions. Firstly, do you see any trade down activity in the market following the higher inflation and inflation rates and FX rates and what do you expect for 2022 in that respect? Yeah. The second one is the, as I see you have been successful to overcome up to now, but should we evaluate your pricing challenges and margin pressures for this year? Could you elaborate for this issue a little bit in detail. And lastly, actually you mentioned it a bit in the last session of the presentation, but what about Russia market on the latest developments and offers an opportunity for you in the long run rather than a trade? Thank you.

### **CUNEYT YAVUZ - Mavi CEO**

Thank you Kemal. Let me start with the last piece right now our Russia plans, you know we don't review Russia as a threat or an opportunity. It is for us for the time being business as usual, which we are making sure that the employees we have there are focused on their business and keep their job going.

And for the time being, it's more like wait and see. So it's really early to comment on where, politically and business wise the Russia business will head for. So we're being cautiously prudent in terms of managing the Russia business. Coming back to the I would say more beefy questions that you posed the first and second question. In terms of the trade down, I would not mention a relative trade done, but clearly with inflation in place and also income levels under pressure and with a lot of the pocket pressure coming from food prices, energy prices, people, consumers are trying to be more prudent and in response, companies are trying to be more smart in terms of their pricing challenges. We, I hopefully were able to present and demonstrate in my presentation now and also by our performance year to date last year and also how we started this year are following a strategy of maintaining a smart pricing strategy or smart pricing policy of following consumer tendencies and not being aggressive in terms of taking price hikes. Having said that, as you were able to see, we're doing our utmost challenge to make sure that the price is right, the markdown is managed in the right way, the OpEx management is correct, the rent ratios are managed in a prominent way, therefore protecting both the gross margin top line and also EBITDA margin. We've done a lot of capacity planning, production planning, raw material planning in terms of the spring summer season and it is a more strongly made in Turkey part of the business. Therefore in terms of a lot of the negativities, I think we've done a good job in terms of preparing for what is to come in terms of inflationary and cost pressures for this first half of the year and we look forward to at least keeping good track and defending Mavi's masstige -what are called masstige position- in the market. One thing that we will never step back long is the quality of the product. The service we will do. And the third thing that I will never fall back or slowdown is investing behind the brand. So through this year also you will see that as Mavi we will continue to improve the quality of offering that we have,



maintain even superior quality and new innovations for the consumers, continue to invest above the line and also on social media for the brand. And also be very close to the consumer in terms of this casual wear and new trends in terms of the consumer demand and product. Therefore from the position we are in a Turkey context, I think we are in a good position in Mavi, and we will maintain our position and we see that Mavi is gaining market share both in women's and Mens across the last year and this year 2021 is in a high market share position than the previous year. In terms of the global markets especially in Europe and North America, the current inflationary pressures can be easily mitigated with the good work we are doing here. Therefore, as I also mentioned in my presentation, the businesses in these parts of the world in Europe and North America are growing and as they're growing, they're also maintaining a good profitable outlook for us for the future. So we have a good balance and good income balance that is ahead of us. And in terms of price points also we are able to take new price points in the US so you we are observing that like on average, between 80 to 100 U.S. dollar price points are moving from 100 to 120 and Mavi is able to reposition itself to these new price points and capturing even more margin especially in the US market.

In terms of the pricing challenges, in terms of where we are raw materials, the second part of your question, I think I did elaborate on it slightly as I was talking about the first piece. We've done a lot in terms of capacity planning, raw material planning, hedging in terms of import products, using our strong cash position, negotiating with our suppliers accordingly to make sure that we get the best price the best cost of raw materials in, to make sure that the consumes have the least hit in terms of pricing and cost pressure. We've done a good job and I am confident that we will do, although it's not going to be easy. I'm quite confident that this will continue through this spring summer season. Also you have to also understand it is again these kind of challenges, a good testament demonstrating that being in Turkey, a strong textiles country with very good denim manufacturers, very good knits and shirts producers is turning out to be an asset not only from the quality perspective, but also in terms of speed to shelf and making sure that our inventory management, sell throughs and markdown management while maintaining good quality products and on offer to the consumer. And I'm therefore very much excited about this season also and first 5-6 weeks of this year has been a very strong start. Consumers are coming in and shopping more and more with Mavi. Traffic is significantly up, conversion is up. Actually when you look at our numbers, you'll see that in terms of the basket size, the value of baskets are going up is relatively low at 20-30%, meaning that we are being more prudent and take a one step at a time approach in terms of adapting our prices to the consumer demands. Hopefully this answers the three pieces that we mentioned, but I'll just send it over to Kemal if you need any further elaboration, please let me know so I can go into further details.



**KEMAL OZMEN**

OK. Thank you very much.

**CUNEYT YAVUZ - Mavi CEO**

OK, Alper has his hand up. So Alper, maybe you'd like to pose a question.

**ALPER OZDEMIR - AZIMUT**

Hello. Hello Cuneyt Bey, congratulations for the results. I have two questions. The first one is a follow up to Kemals question. I wonder if you have any concerns about, I mean the impact of your price positioning in the market to the brand image? I mean, especially with the price of denims has remained relatively low compared to competition, especially the importers. And my second question is about the areas of the use of cash. So you'll possibly end up with a much higher level of cash at the end of this year. Maybe potentially we are going to see higher dividend payouts going forward? Thank you.

**CUNEYT YAVUZ- Mavi CEO**

Thank you Alper. In terms of price position. We will continue to do our utmost to capitalize on the fact that we are a Turkish company. In that sense in terms of the importers, as you mentioned. So we will continue an aggressive pricing strategy and also in between the lines as I was doing my presentation I tried to mention that we are going after more consumer wardrobe share, more market share. We want to take this as an opportunity with all the good planning that we have done in terms of manufacturing, engineering, reinventing our product portfolio without ever stepping an inch in terms of quality. We want to win the hearts and pockets and wardrobes of consumers. Clearly there is inflationary pressure and as many brands we will also be following the market trends and but we will not be overnight price changers, in terms of stickering new price because there is inflation out there and that's not what we've done over the last year and that's not what we will do over the coming year. Therefore, we will continue to adopt our pricing to the consumer in the right level while maintaining and doing our best to maintain our gross margins and making sure that the consumers here in Turkey continue to happily shop Mavi. This is yes, it is a fact that this is giving us a great opportunity to gain more market share from the importing brands as well as also I believe giving us a greater chance to win over also from local competition too. And especially I'm really happy to see a very robust and strong growth in Mens that has always been a strong suit. But despite a very strong man's growth, we had a shared gain within total Mavi with an even stronger woman growth which is very encouraging moving from 33 to 35% of our total business. So this momentum of being able to keep the mens share, as you know we are right now Turkeys second largest apparel in Mens and also being able to capture more in womans with where there is a bigger market and there is more competition is extremely encouraging. In terms of dividend policy is directionally 30% of net income to be distributed. At this point the board does not have any other ideas of increasing or lowering in that respect the amount of dividends to be paid. We, as you know politically, economically are going through very challenging



times globally as well as in Turkey. Therefore, our approach of being very conservative in terms of being exposed or levered remains intact. And whenever we have the extra cash to do, we will continue to invest behind innovation, digital transformation which are paying great dividends in terms of our performance as you can see in terms of markdown management sell through inventory management and consumer insights in terms of innovation and offering new products to the consumers speedily. So we will make sure that any cash or money we have is put behind either the brands or the product innovation or making sure that our company is even more agile, more smart and more reactive and proactive than it is today. And we believe retail and ecom, in both of these very important channels Mavi will continue to prevail and be best in class in terms of service levels and consumer shopping experience with the investments we're we will continue to make. I hope that answers your points Alper.

**ALPER OZDEMIR - AZIMUT**

Thank you very much.

**CUNEYT YAVUZ - Mavi CEO**

I would like to thank all of you for attending and I'm really happy to have ended 2021 with such great flying colors. I'm also as a leader of the Mavi team really happy that we have not had you guys down in terms of your projections and recommendations in terms of where Mavi would end the year and I wish you all a very happy, healthy and safe 2022 and I look forward to meeting you all with very good results at the end of our first quarter. And I wish you all the best. Thank you very much for joining us in this call. Take care. Bye bye.