



# mavi

2017 FY RESULTS PRESENTATION  
15 March 2018

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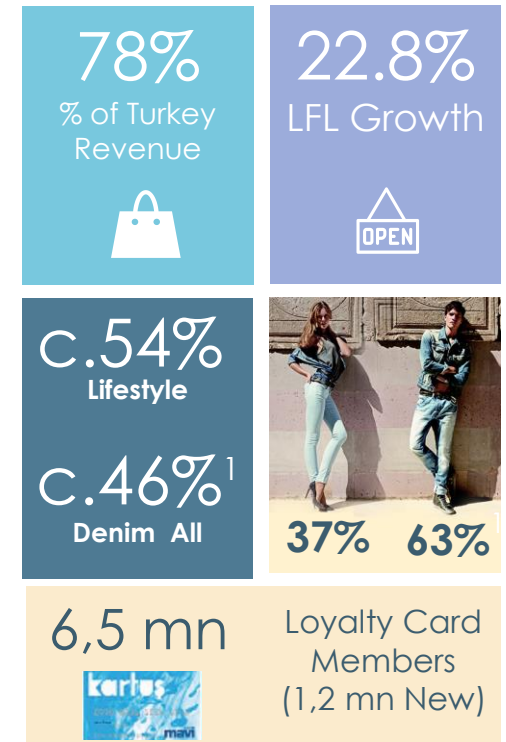
# Continued Solid Growth in FY 2017

- Consolidated revenue increased by 36% to 1,782 TRYm
- EBITDA grew by 48% to 252 TRYm resulting in 14.1% EBITDA margin
- Net Profit grew by 74% and reached 90 TRYm
- Store roll-out continued with 26 new stores in Turkey and 6 in Russia, to reach a total of 313 own operated and 425 total stores
- Turkey Retail LFL revenue grew by 22.8%
- Kartuş card holders reached 6,5 mn with 1,2 mn new customers

## PROFITABLE GROWTH

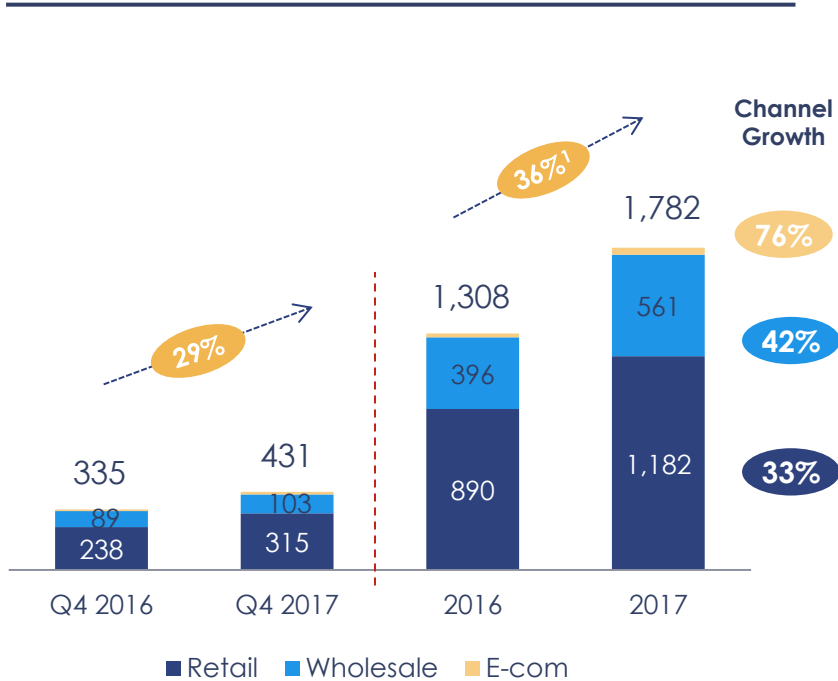


## TURKEY RETAIL HIGHLIGHTS

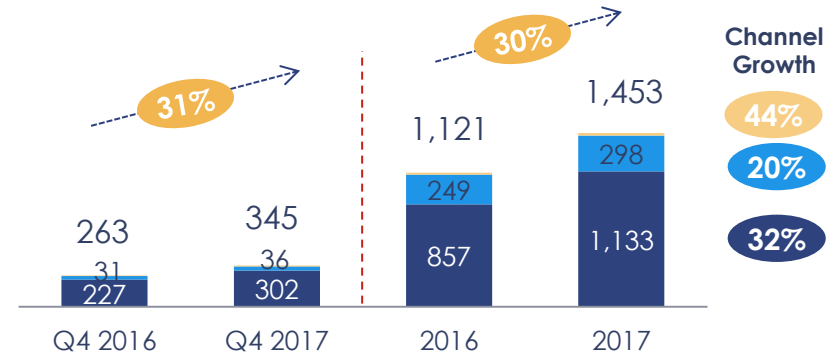


# Solid Revenue Growth with a Strong Fourth Quarter

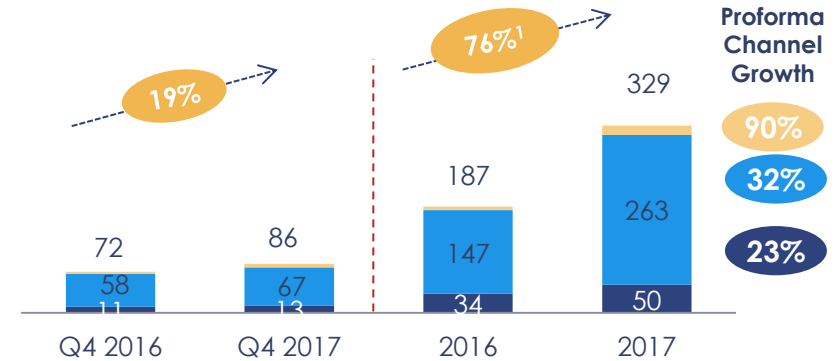
## Global Revenue (TRYm)



## Turkey Revenue (TRYm)



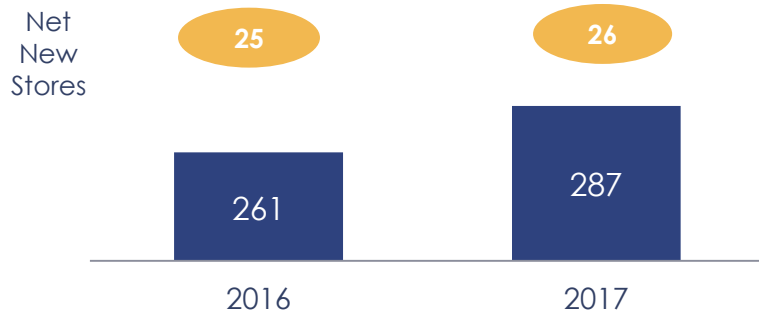
## International Revenue (TRYm)



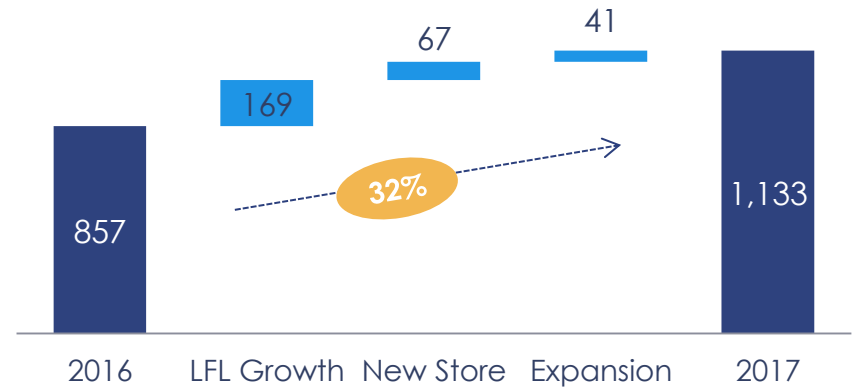
- Total revenue consists of 66% retail, 32% wholesale and 2% e-com.
- 82% of consolidated revenue is Turkey.

# Robust Performance of Turkey Retail Operations...

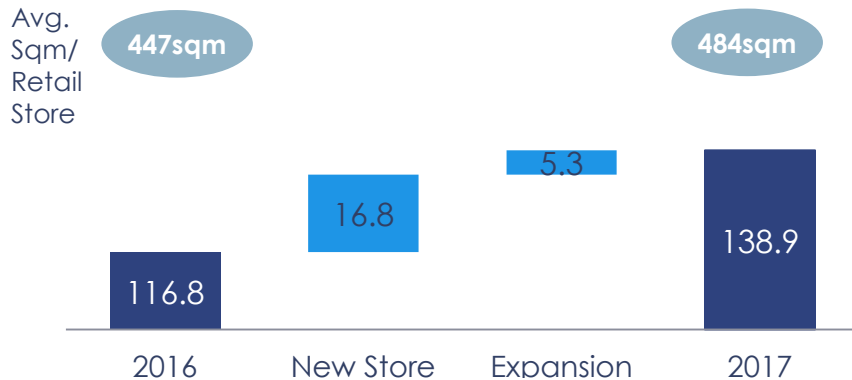
# of Retail Stores



Turkey Retail Revenue (TRYm)

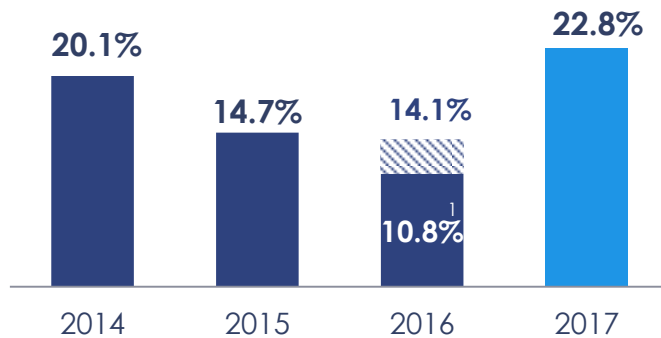


Gross Selling Space in Turkey (Sqm K)

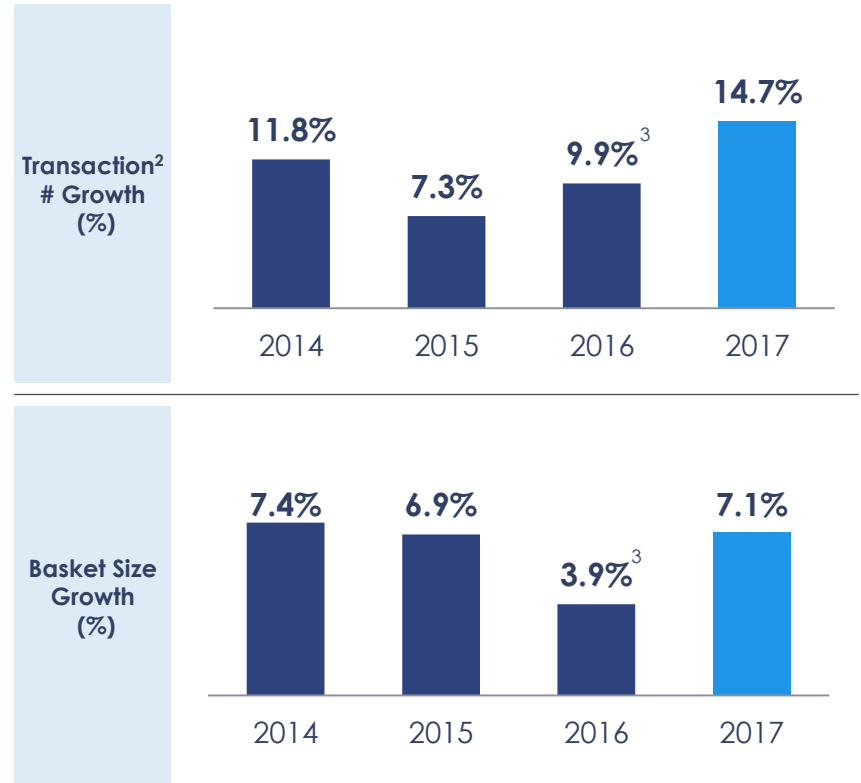


- 5 new store openings in Q4 2017 totaling net 26 new store openings in 2017
- 19 stores expanded in 2017
- Total selling space reached 139K sqms with average 484 sqm per store

## ...Supported by High Like-for-like Growth Figures



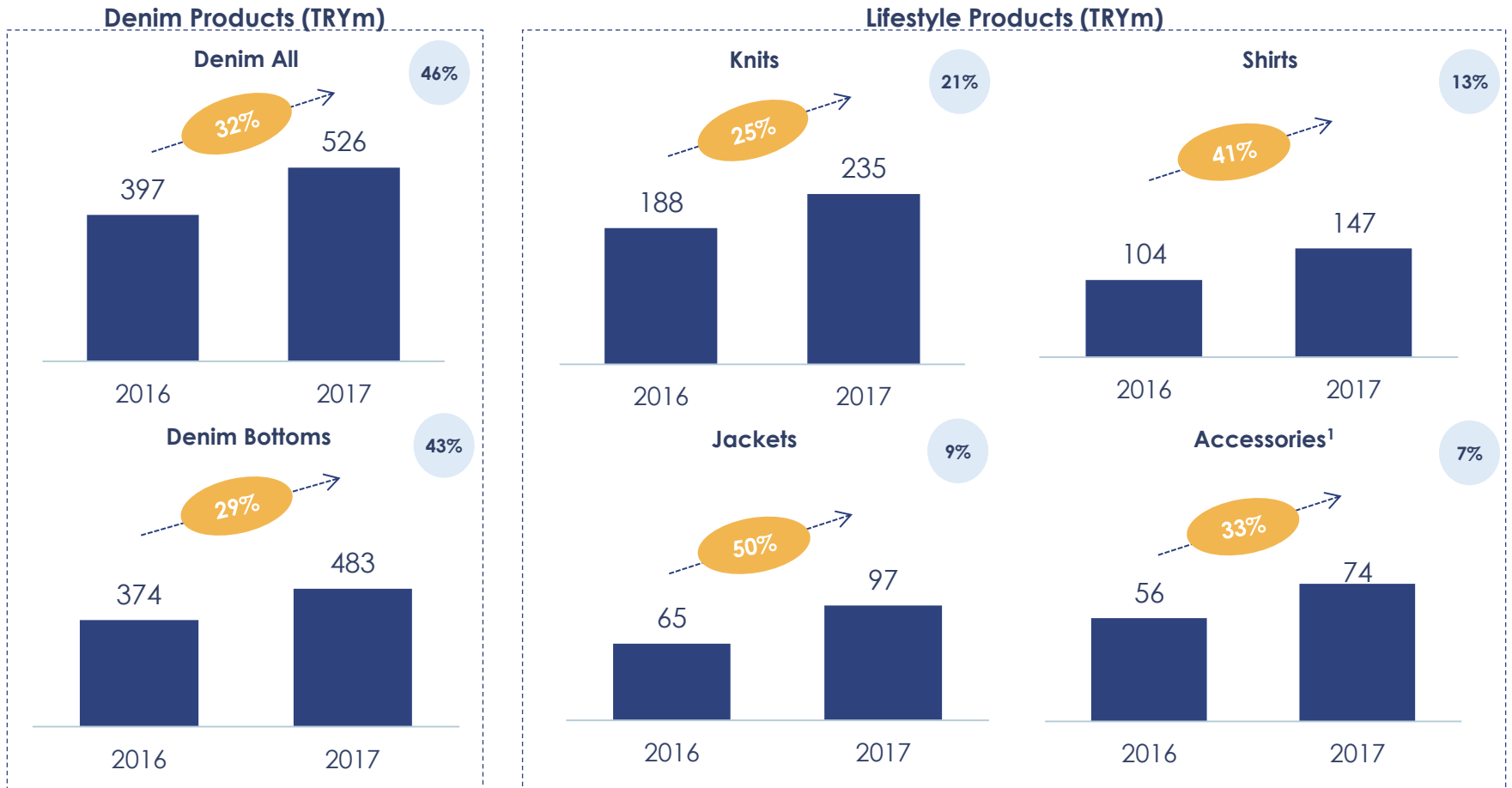
- Strong brand positioning & top of mind
- Increased traffic & conversion driven by
  - ✓ Customer loyalty and frequency
  - ✓ New customer acquisition
  - ✓ Right product, right price
  - ✓ Superior service and quality



<sup>1</sup> Turkey retail only, 2016A adjusted LFL sales (excluding July performance of all Turkey retail stores, impacted by the Coup attempt and the performance of the Beyoğlu stores). The unadjusted LFL for 2016A was 10.8%. <sup>2</sup> Number of transactions refers to number of issued invoices. <sup>3</sup> 2016A Transaction Growth and Basket Size Growth are adjusted figures for the July performance of all Turkey retail stores. Unadjusted Transaction Growth and Basket Size Growth was 6.8% and 3.7% respectively for 2016.

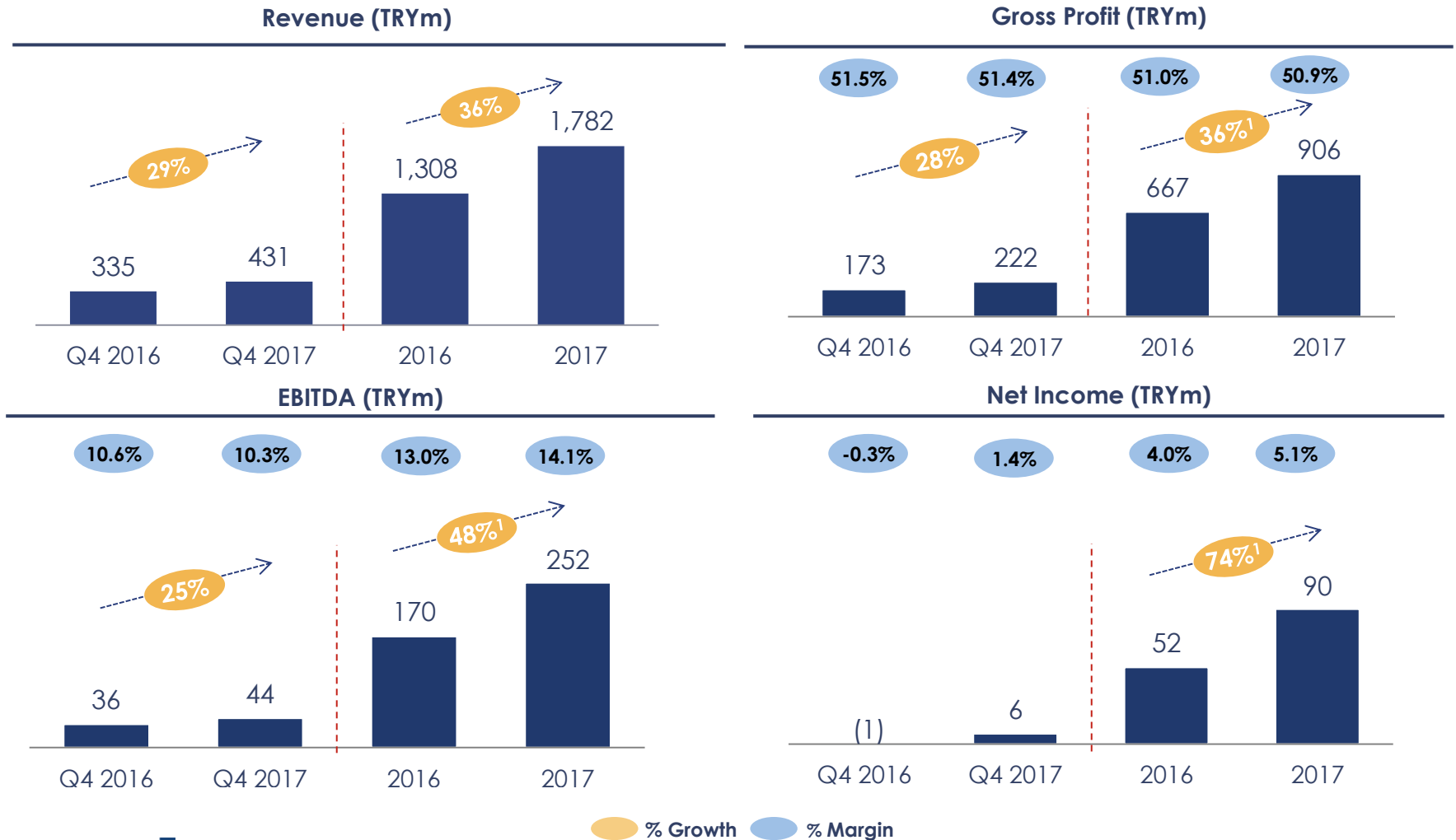
Note: LFL revenue constitutes 81% of Turkey retail revenue in FY2017

# Accelerated Growth in Denim & Lifestyle Categories



% % in 2017 Turkey retail net revenue  
 Note: Turkey Retail Only. <sup>1</sup>Including shoes

# Margin Targets on Track

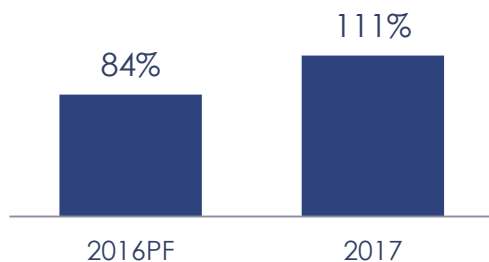


<sup>1</sup> Proforma growth for Gross Profit, EBITDA and Net Income is 30%, 43% and 67% respectively.



# Strong Cash Conversion and Efficient Working Capital Management

## Cash Conversion



TRYm	2016PF	2017	Change (%)
EBITDA	176,9	252.1	42.5%
Δ in NWC	(27.5)	27.9	
Operating Cash Flow	149.4	279.9	87.4%

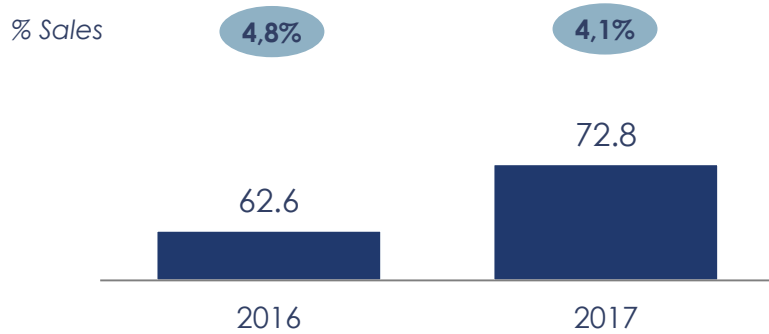
- Open-to-buy supply planning
- Efficient inventory management
- Strong sell-through performance

## Main Working Capital Items

TRYm	2016PF	2017
Trade & Other Receivables	132.9	140.2
% Sales	9.7%	7.9%
Inventories	287.8	320.4
% COGS	42.9%	36.6%
Trade & Other Payables	309.9	372.7
% COGS	46.2%	42.6%
Main NWC	110.9	87.9
% Sales	8.1%	4.9%

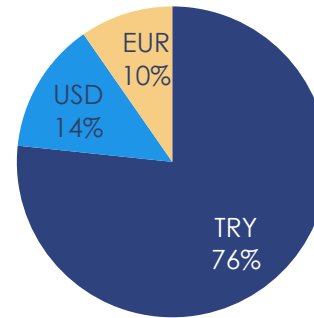
# Efficient Capex Management and Healthy Leverage Ratios

## CAPEX



- Management target for Capex /Sales remains below 5%
- Net Debt/EBITDA target remains below 1x

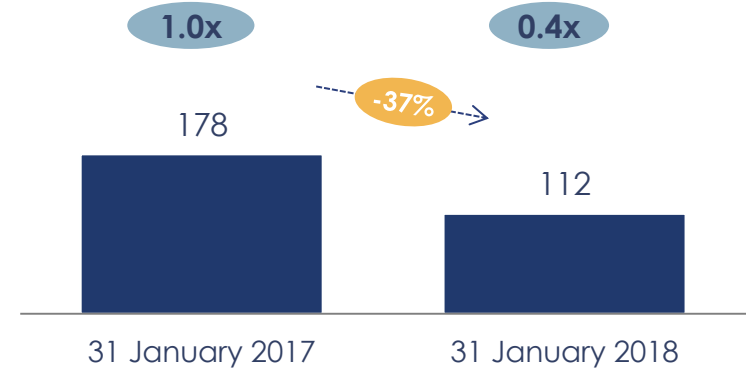
## Debt Breakdown (31 January 2018)



### Cost of Debt<sup>1</sup>

TRY	11.42% - 18.13%
USD	4.05% - 4.69%
EUR	0.00% - 2.99%
<b>Blended</b>	<b>9.96%</b>

## Net Debt / LTM EBITDA



# FY 2018 Guidance

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- 25% consolidated sales growth
- 25 new retail store openings in Turkey
- 16% Turkey retail LFL growth
- Consolidated EBITDA margin above 14%
- Net Debt / EBITDA below 1x
- Capex : Up to 5% of consolidated sales

**mavi**

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# Appendix

# Financial Statements

## *Income Statement*

TRYm	Q4 2016	Q4 2017	Change (%)	2016	2017	Change (%)
Revenue	335.3	431.2	28.6%	1,307.9	1,781.7	36.2%
Cost of Sales	(162.6)	(209.6)	29.0%	(640.9)	(875.3)	36.6%
Gross Profit	172.7	221.6	28.3%	667.0	906.3	35.9%
Gross Margin	51.5%	51.4%		51.0%	50.9%	
Administrative Expenses	(24.7)	(30.8)	24.5%	(76.7)	(100.3)	30.8%
Selling and Marketing Expenses	(121.1)	(158.3)	30.8%	(448.3)	(594.0)	32.5%
R&D Expenses	(4.8)	(6.3)	30.6%	(18.7)	(23.1)	23.6%
Other Income / (Expenses), net	0.1	0.0	(93.6%)	0.3	1.3	
Operating Profit	22.2	26.2	18.1%	123.7	190.2	53.8%
Operating Margin	6.6%	6.1%		9.5%	10.7%	
Financial Expenses, Net	(21.1)	(18.4)	(13.0%)	(55.2)	(78.0)	41.2%
Profit Before Tax	1.1	7.8	636.9%	68.5	112.2	64.0%
Income Tax Expense	(2.0)	(1.9)	(0.6%)	(16.6)	(22.2)	33.6%
Profit	(0.9)	5.9	n.m.	51.8	90.0	73.7%
Profit Margin	(0.3)%	1.4%		4.0%	5.1%	
EBITDA	35.5	44.3	24.6%	170.2	252.1	48.1%
EBITDA Margin	10.6%	10.3%		13.0%	14.1%	

# Financial Statements

## Balance Sheet

	31 January 2017	31 January 2018	Change (%)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	158.1	266.3	68.5%
Trade Receivables	109.4	113.0	3.3%
Inventories	287.8	320.4	11.3%
Other Current Assets	70.1	61.8	(11.9%)
<b>Total Current Assets</b>	<b>625.4</b>	<b>761.4</b>	<b>21.7%</b>
<b>Non-Current Assets</b>			
Property and Equipment	136.6	156.0	14.2%
Intangible Assets	156.0	147.6	(5.4%)
Other Non-Current Assets	8.8	10.2	15.9%
<b>Total Non-Current Assets</b>	<b>301.4</b>	<b>313.9</b>	<b>4.1%</b>
<b>Total Assets</b>	<b>926.8</b>	<b>1,075.2</b>	<b>16.0%</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Short-Term Debt	230.8	309.1	33.9%
Trade Payables	299.5	366.5	22.3%
Other Current Liabilities	134.1	66.6	(50.3%)
<b>Total Current Liabilities</b>	<b>664.5</b>	<b>742.2</b>	<b>11.7%</b>
<b>Non-Current Liabilities</b>			
Long-Term Financial Liabilities	105.2	68.7	(34.7%)
Other non-current Liabilities	16.7	17.1	(2.9%)
<b>Total Non-Current Liabilities</b>	<b>121.9</b>	<b>85.9</b>	<b>(29.5%)</b>
<b>Total Liabilities</b>	<b>786.3</b>	<b>828.1</b>	<b>5.3%</b>
<b>Equity</b>			
Total Equity	140.5	247.2	75.9%
<b>Total Equity &amp; Liabilities</b>	<b>926.8</b>	<b>1,075.2</b>	<b>16.0%</b>

# Financial Statements

## *Cash Flow Statement*

<b>TRYm</b>	<b>2016</b>	<b>2017</b>
Profit <sup>1</sup>	51.8	90.0
D&A Expense	46.5	61.9
Net Finance Expense / (Income)	48.9	68.0
Tax Expense	16.6	22.2
Other Non-Cash Items	7.7	17.0
Cash Flow from Operating Activities	171.5	259.1
Δ in Net Working Capital <sup>2</sup>	(27.5)	27.9
Income Tax Paid	(16.1)	(19.0)
Net Cash from Operating Activities	127.9	267.9
<b>Cash Flows from Investing Activities</b>		
Capex	(62.6)	(72.8)
Other Investing Cash Flow <sup>3</sup>	(15.2)	(57.3)
Net Cash Flow Used in Investing Activities	(77.8)	(130.1)
<b>Cash Flows from Financing Activities</b>		
Debt Issued / (Repaid)	40.0	39.0
Other Financial Payments <sup>4</sup>	(27.5)	(37.7)
Interest Paid	(18.6)	(31.4)
Net Cash Flows Used in Financing Activities	(6.1)	(30.2)
Net Cash Flow	44.0	107.6
Cash and Cash Equivalents at the Beginning of the Period <sup>5</sup>	110.8	154.8
Cash and Cash Equivalents at the End of the Period <sup>5</sup>	154.8	262.5

<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 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.



# Global Footprint as at 31.01.2018

