



mavi

**H1 2017
Results Presentation**

ISTANBUL, SEPTEMBER 12TH 2017

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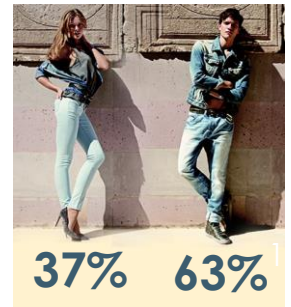
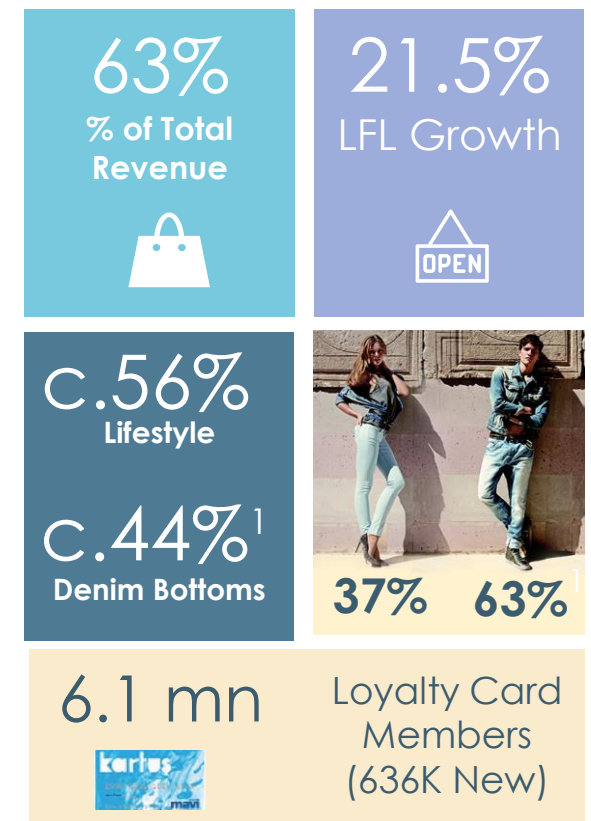
Profitable Growth in Spring-Summer 2017 (H1 2017)

- Consolidated revenue increased by 42% to TL 829 mn
- EBITDA grew by 71% to TL 112 mn resulting with 13.5% EBITDA margin
- Store roll-out continued with 11 new stores in Turkey and 3 in Russia, to reach a total of 297 owned stores and 405 total stores worldwide
- LFL revenue growth of 21.5%
- With 636K new customers Kartuş card holders reached 6,1 mn, of which 4.4 mn are active members (last 2 years)

PROFITABLE GROWTH

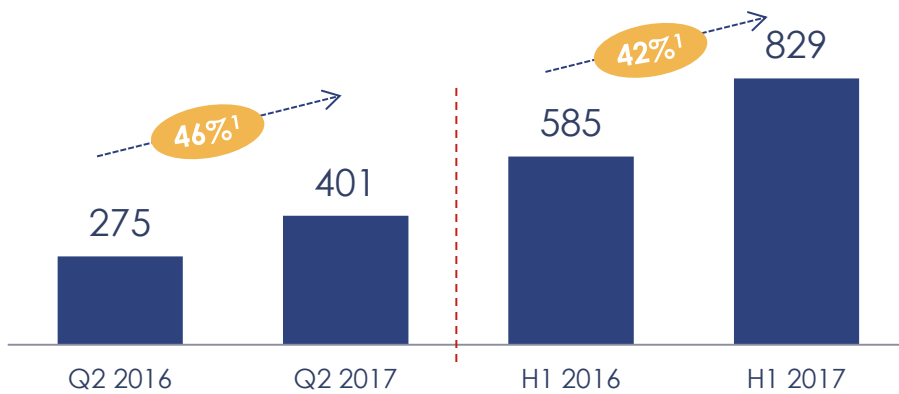


TURKEY RETAIL HIGHLIGHTS

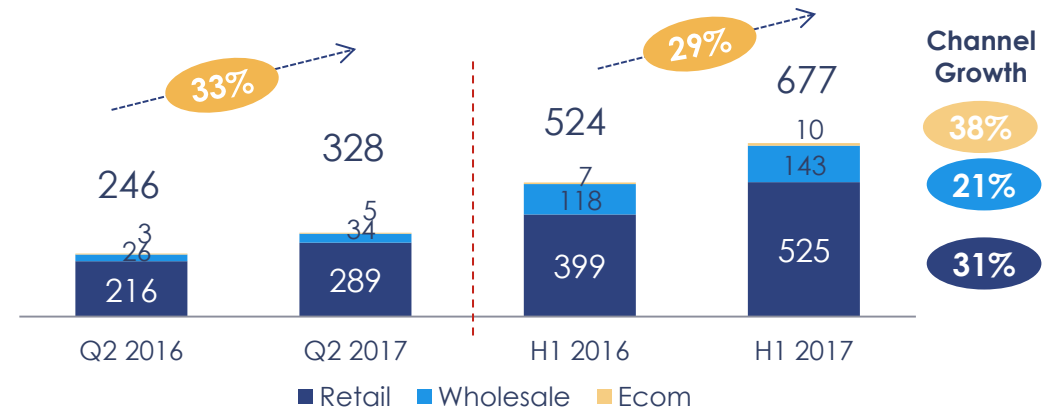


Boosted Revenue Growth on a Strong Second Quarter

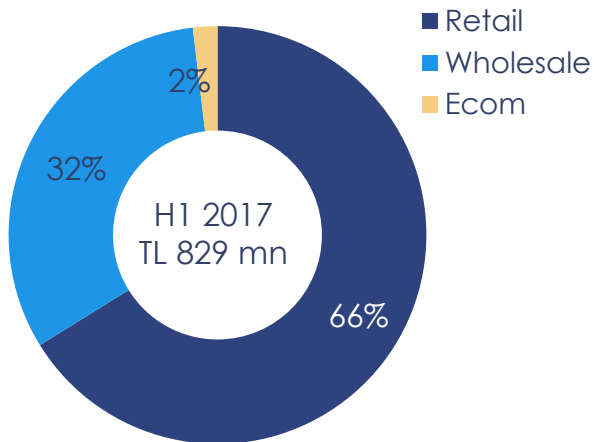
Global Revenue (TRYm)



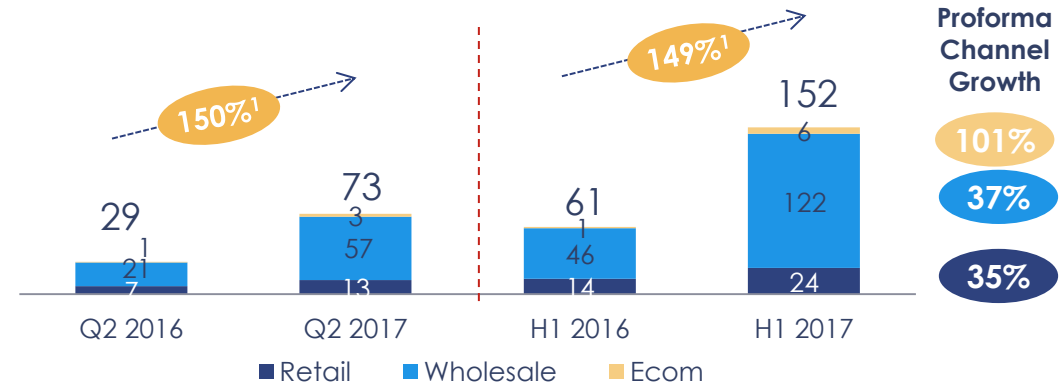
Turkey Revenue (TRYm)



Global Revenue Breakdown



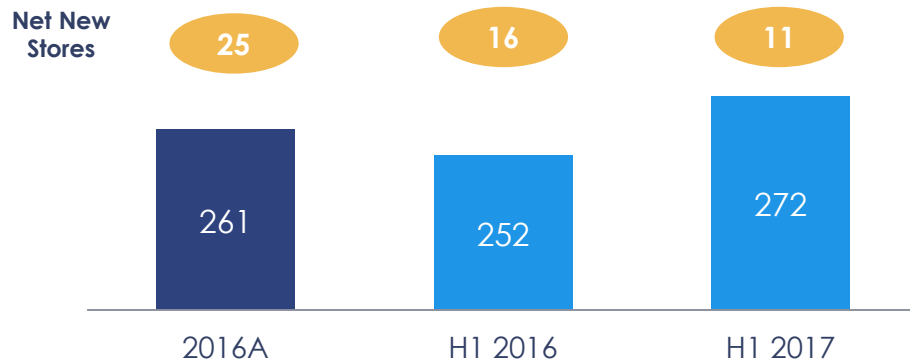
International Revenue (TRYm)



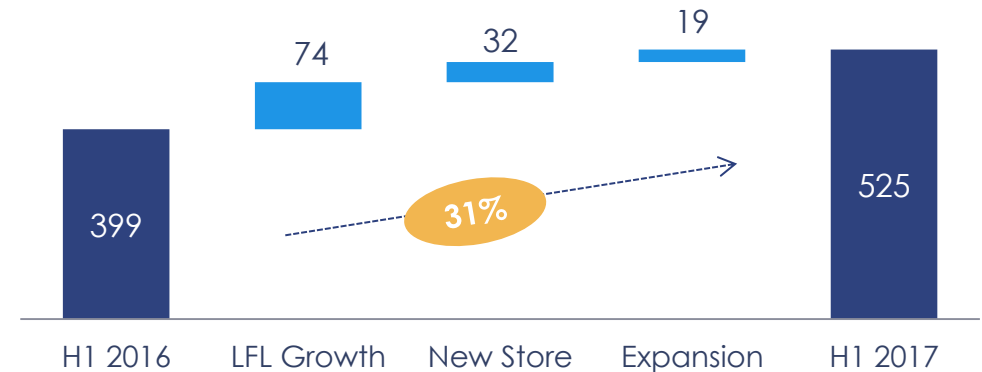
¹On a proforma basis, total revenue growth is 36% and 31% , International Revenue growth is 45 % and 39% for Q2 2017 and H1 2017 respectively.

Robust Performance of Turkey Retail Operations...

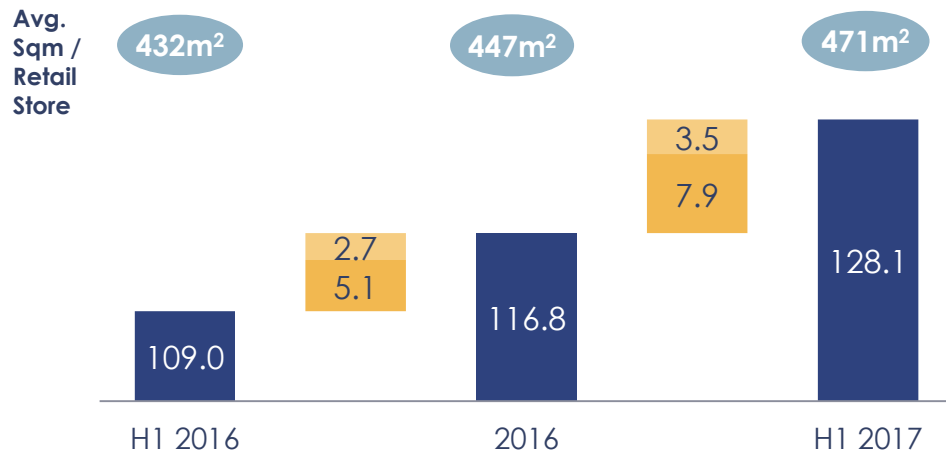
of Retail Stores



Turkey Retail Revenue (TRY mn)

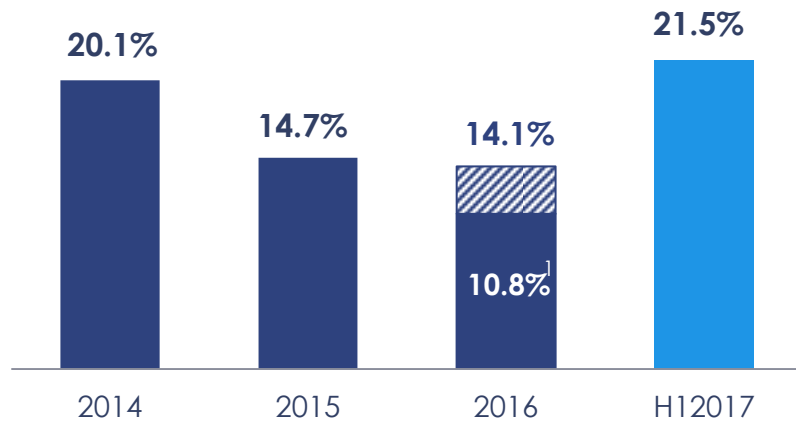


Gross Selling Space in Turkey (Sqm K)

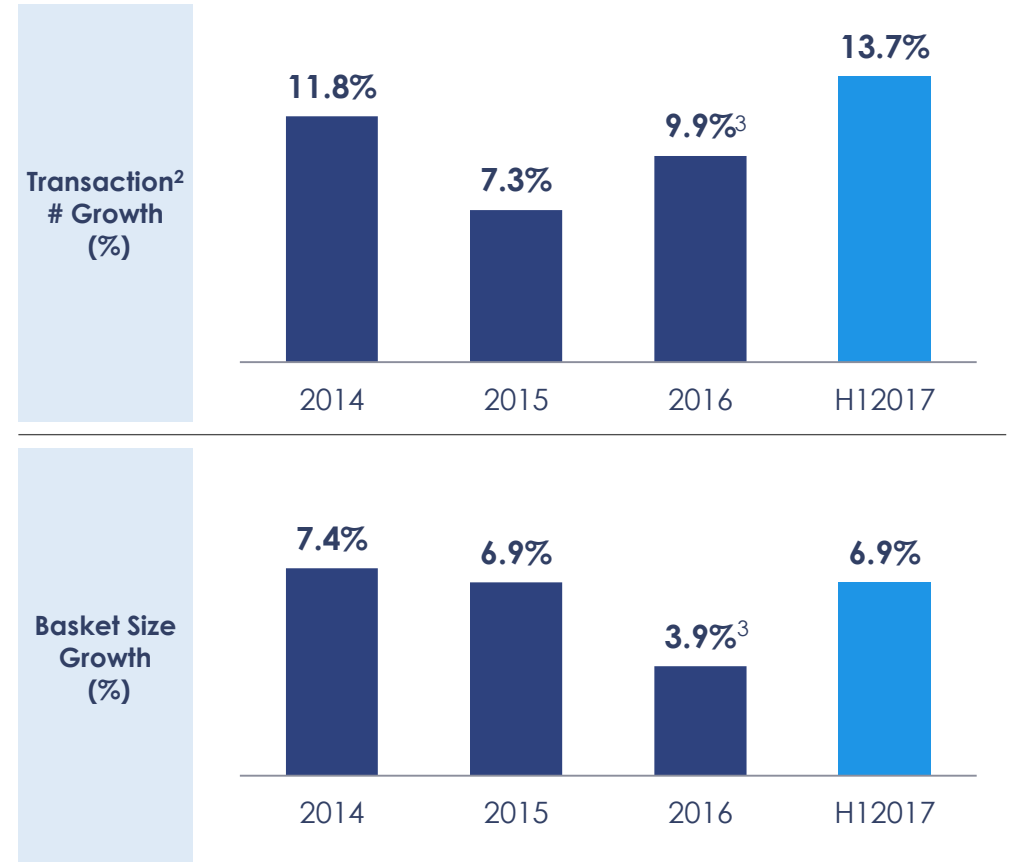


- Net 11 new store additions in H1 2017 (ave. 601 sqm)
- Total selling space reached 128K sqms and average sqm per store reached 471
- Turkey retail revenue growth in H1 2017 vs H1 2016 was driven by:
 - 21.5% LFL growth
 - 17.5% selling space growth

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



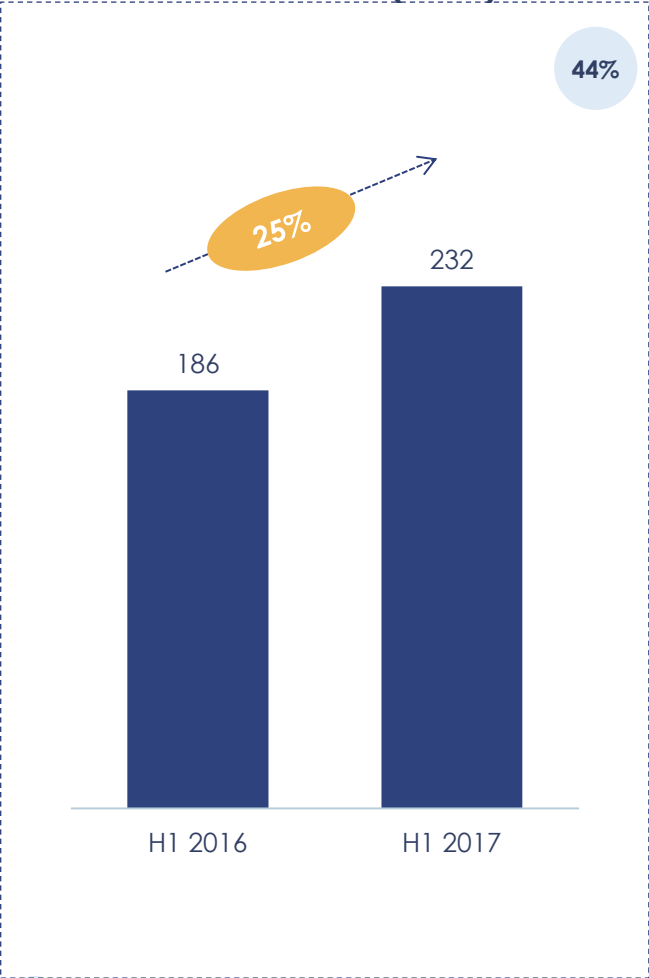
LFL revenue constitutes 80% of Turkey retail revenue in H1 2017



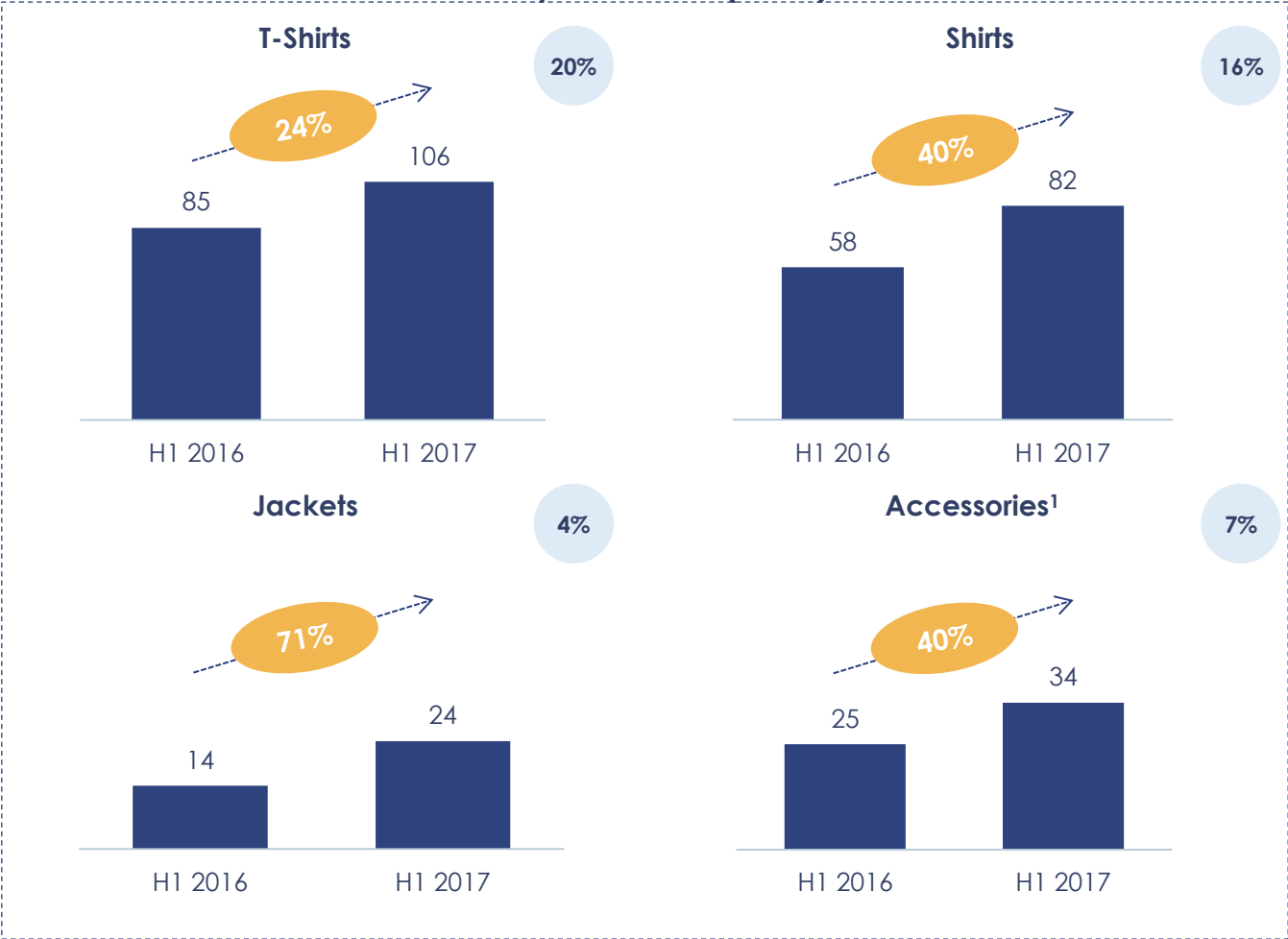
¹ Turkey retail only, 2016A adjusted LFL sales (excluding July performance of all Turkey retail stores, impacted by the Coup attempt and the performance of the Beyoğlu stores). The unadjusted LFL for 2016A was 10.8%. ² Number of transactions refers to number of issued invoices. ³ 2016A Transaction Growth 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.

Accelerated Growth in Denim & Lifestyle Categories

Denim Bottoms (TRYm)



Lifestyle Products (TRYm)



% % in H1 2017 Turkey retail net revenue

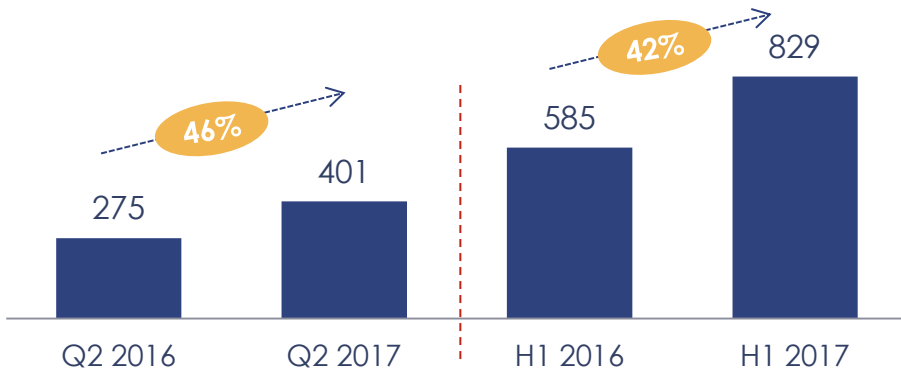
Note: Turkey Retail Only. Denim products all together including denim lifestyle items such as jackets, shirts, dresses constitute 50% of Turkey Retail sales.

¹including shoes

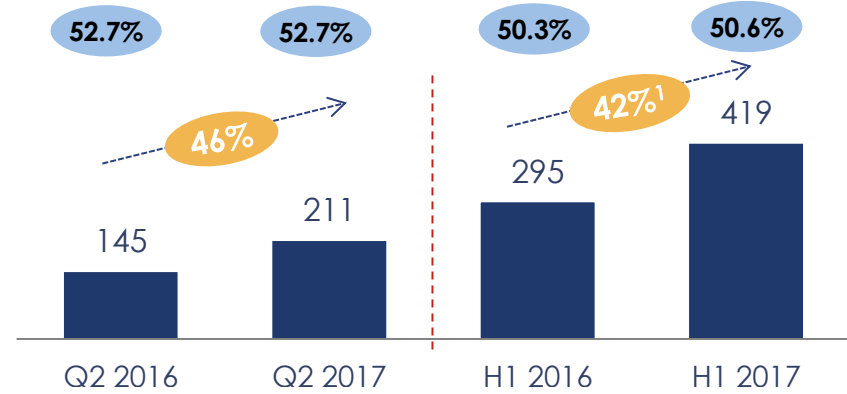


Margin Targets on Track

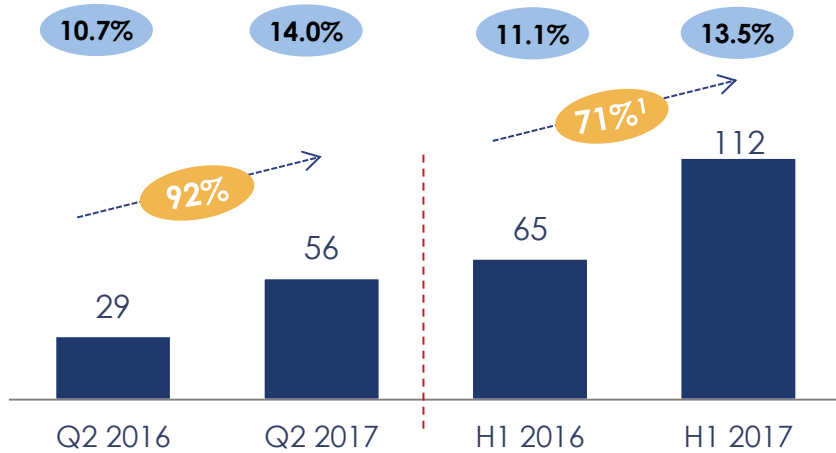
Revenue (TRYm)



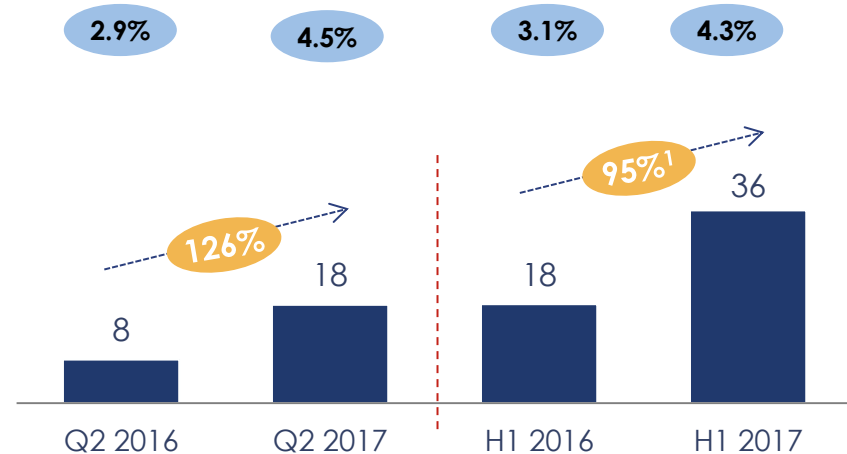
Gross Profit (TRYm)



EBITDA (TRYm)



Net Income (TRYm)



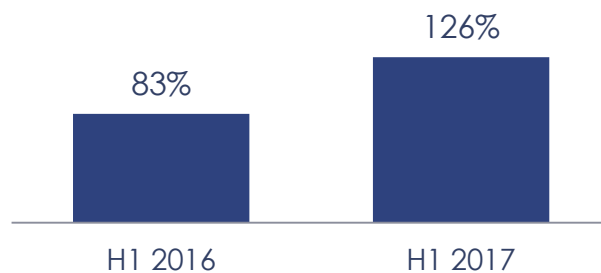
● % Growth ● % Margin



¹For H1 2017, proforma growth for gross profit, EBITDA and Net Income is 31%, 58 % and 78% respectively.

Strong Cash Conversion and Efficient Working Capital Management

Cash Conversion



TRYm	H1 2016	H1 2017	Change (%)
EBITDA	65.2	111.8	71.4%
Δ in NWC	(10.9)	29.6	
Operating Cash Flow	54.3	141.4	160.2%

Main Working Capital Items

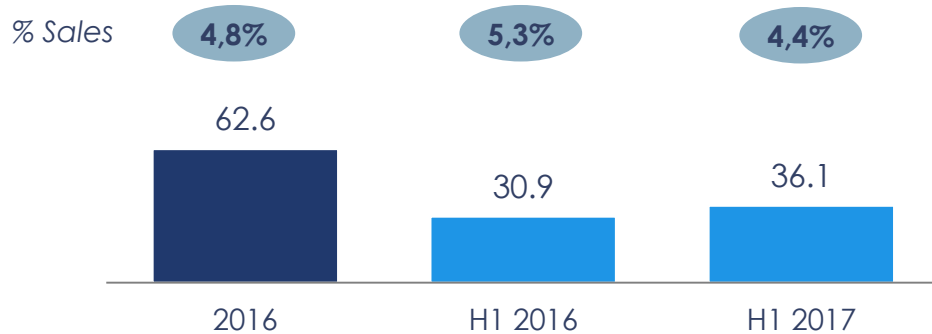
TRYm	2016PF	H1 2017
Trade & Other Receivables	132.9	123.2
% LTM Sales	10%	8%
Inventories	287.8	296.4
% LTM COGS	43%	39%
Trade & Other Payables	309.9	341.6
% LTM COGS	46%	45%
Main Working Capital	110.9	78.0
% Sales	8.1%	5.0%

Improving Turkish macro environment, increasing consumer confidence and demand combined with:

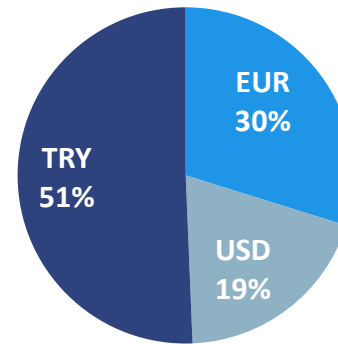
- Right product, right price
- Open-to-buy supply planning
- Efficient inventory management

Efficient Capex Management and Healthy Leverage Ratios

CAPEX



Debt Breakdown (31 July 2017)

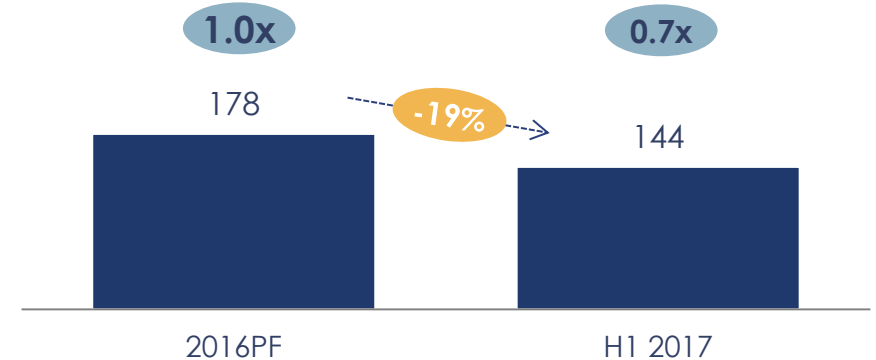


Cost of Debt¹

TRY	11.42% - 16.37%
USD	3.20% - 4.99%
EUR	0.75% - 2.99%
Blended	8.1%

- 11 net new store openings in H1 2017
- Management target for Capex /Sales remains 5% on average

Net Debt / LTM EBITDA



¹ Average cost of debt calculated using the lower and higher point of nominal interest rates weighted by the respective loans. ² Includes debt related to US and Canada acquisition and includes loans and borrowings less cash and cash equivalents on the balance sheet of US and Canada.

FY 2017 Guidance



- Positive trading environment
- 26 net new store openings in Turkey
- Above 16% LFL growth
- EBITDA margin improvement (YoY)
- Positive cash generation
- Debt / EBITDA to remain below 1x

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Appendix

Financial Statements

Income Statement

TRYm	Q2 2016	Q2 2017	Change (%)	H1 2016	H1 2017	Change (%)
Revenue	274.8	400.6	45.8%	585.1	828.8	41.6%
Cost of Sales	(129.9)	(189.5)	45.8%	(290.6)	(409.4)	40.9%
Gross Profit	144.9	211.2	45.7%	294.5	419.4	42.4%
Gross Margin	52.7%	52.7%		50.3%	50.6%	
Administrative Expenses	(18.2)	(22.3)	22.9%	(34.8)	(46.0)	32.0%
Selling and Marketing Expenses	(103.5)	(141.4)	36.5%	(207.0)	(279.9)	35.2%
R&D Expenses	(4.3)	(5.7)	32.4%	(8.7)	(11.2)	29.0%
Other Income / (Expenses), net	(0.4)	(0.1)	(72.7%)	(0.0)	0.9	
Operating Profit	18.5	41.6	125.6%	44.0	83.2	89.2%
Operating Margin	6.7%	10.4%		7.5%	10.0%	
Financial Expenses, Net	(8.1)	(17.7)	117.9%	(20.3)	(36.4)	79.0%
Profit Before Tax	10.3	23.9	131.7%	23.6	46.8	97.9%
Income Tax Expense	(2.3)	(5.7)	153.0%	(5.3)	(11.1)	107.6%
Profit	8.1	18.2	125.7%	18.3	35.7	95.1%
Profit Margin	2.9%	4.5%	54.8%	3.1%	4.3%	37.7%
EBITDA	29.3	56.2	91.7%	65.2	111.8	71.4%
EBITDA Margin	10.7%	14.0%		11.1%	13.5%	

Financial Statements

Balance Sheet

TRYm	31 January 2017	31 July 2017	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	158.1	203.3	28.7%
Trade Receivables	109.4	99.4	(9.1%)
Inventories	287.8	296.4	3.0%
Other Current Assets	70.1	60.8	(13.3%)
Total Current Assets	625.4	659.9	5.5%
Non-Current Assets			
Property and Equipment	136.6	147.3	7.8%
Intangible Assets	156.0	142.2	(8.8%)
Other Non-Current Assets	8.8	11.0	24.4%
Total Non-Current Assets	301.4	300.5	(0.3%)
Total Assets	926.8	960.4	3.6%
Liabilities			
Current Liabilities			
Short-Term Debt	230.8	227.5	(1.4%)
Trade Payables	299.5	331.3	10.6%
Other Current Liabilities	134.1	85.5	(36.2%)
Total Current Liabilities	664.4	644.3	(3.0%)
Non-Current Liabilities			
Long-Term Financial Liabilities	105.2	120.3	14.3%
Other non-current Liabilities	16.7	15.3	(8.5%)
Total Non-Current Liabilities	121.9	135.5	11.2%
Total Liabilities	786.3	779.8	(0.8%)
Equity			
Total Equity	140.5	180.6	28.6%
Total Equity & Liabilities	926.8	960.4	3.6%

Financial Statements

Cash Flow Statement

TRYm	H1 2016	H1 2017
Profit ¹	18.3	35.7
D&A Expense	21.3	28.6
Net Finance Expense / (Income)	19.6	33.3
Tax Expense	5.3	11.1
Other Non-Cash Items	12.5	9.0
Cash Flow from Operating Activities	77.0	117.7
Δ in Net Working Capital ²	(10.9)	29.6
Income Tax Paid	(5.2)	(7.9)
Net Cash from Operating Activities	61.0	139.3
Cash Flows from Investing Activities		
Capex	(31.0)	(36.1)
Other Investing Cash Flow ³	0.2	(39.5)
Net Cash Flow Used in Investing Activities	(30.8)	(75.5)
Cash Flows from Financing Activities		
Debt Issued / (Repaid)	6.2	9.4
Other Proceeds	(11.0)	(11.8)
Dividends Paid	-	-
Interest Paid	(8.0)	(16.1)
Net Cash Flows Used in Financing Activities	(12.9)	(18.5)
Net Cash Flow	17.3	45.3
Cash and Cash Equivalents at the Beginning of the Period ⁴	111.4	158.1
Cash and Cash Equivalents at the End of the Period ⁴	128.7	203.3

¹ Pre non-controlling interest. ² Working Capital includes main working capital items as well as Deferred revenues and Employee benefits paid among others. ³ Other Investing Cash Flow includes proceeds from asset sales and interest received among others. ⁴ 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.

Note on Seasonality

- There is no significant seasonality in terms of sales volumes (no high/low season)
- Slight differences resulting from item ticket price (eg: t-shirts vs jackets)
- Summer and Winter constitute more «season sales» and less «previous season» sales with mark-down compared to Spring and Fall, hence could result relatively higher gross margins



Spring (Q1)

Summer (Q2)

Fall (Q3)

Winter (Q4)