

Şok Marketler

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CFO





Continuing growth story

Q2'19

**6.844
Stores ⁽⁴⁾**

1H'19

TL 4,0 bn
Net Sales

38,4%
Net Sales Growth

21,1%
LFL Sales ⁽²⁾
Growth Per Store

TL 7,5 bn
Net Sales

37,8%
Net Sales Growth

21,1%
LFL Sales ⁽²⁾
Growth Per Store

Including IFRS 16
TL 411,6m
EBITDA
10,3%
EBITDA Margin

Excluding IFRS 16
TL 241,8m
EBITDA
6,1%
EBITDA Margin

202
New Şok Stores⁽¹⁾
1
New Warehouse

Including IFRS 16
TL 677,4m
EBITDA
9,0%
EBITDA Margin

Excluding IFRS 16
TL 358,1m
EBITDA
4,8%
EBITDA Margin

480
New Şok Stores⁽³⁾
1
New Warehouse

(1) Net ŞOK Store openings including 13 Şok Mini stores.

(2) LFL sales for 30 June 2019 calculated on the basis of daily net sales generated in 2019 by stores operating on 30 June 2017 and that were still open on 30 June 2019.

(3) Net ŞOK Store openings including 20 Şok Mini stores.

(4) 6.844 stores including 284 Şok Mini stores.

Our business proposition is exciting

Most Attractive Grocery Market in Europe

Winning Proposition with a Differentiated Format

Excellent Operational Execution

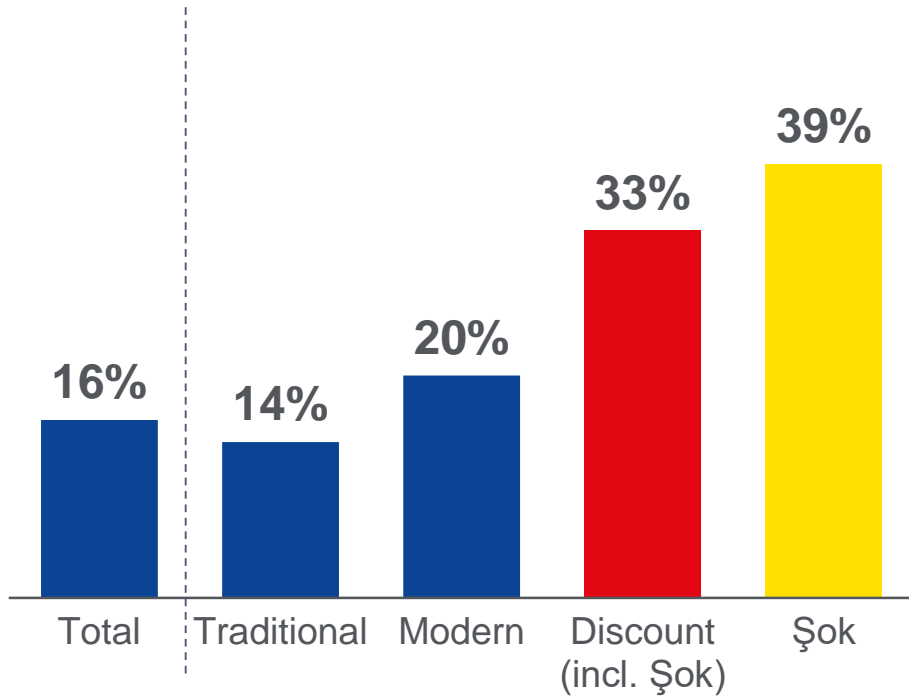
Superior Growth and Cash Flow Generation

Significant Profitable Growth Opportunity



One of Fastest Growing Markets

Grocery Market Growth in Turkey



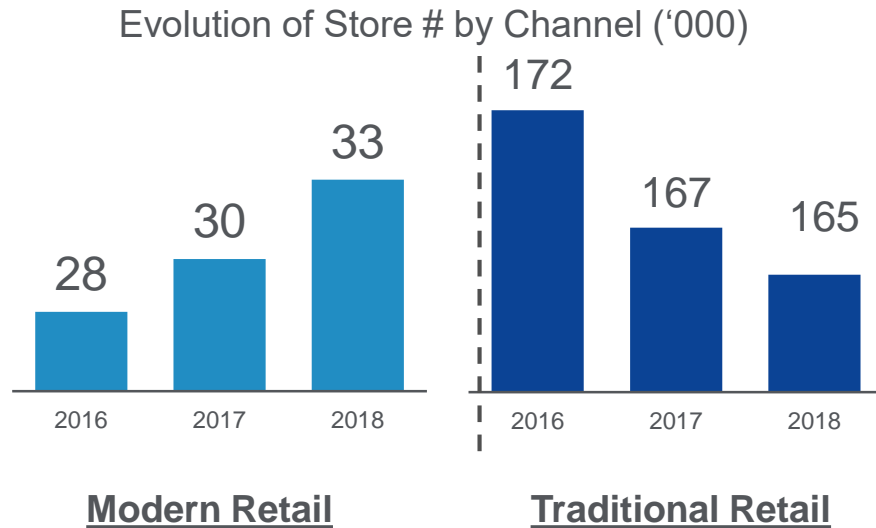
Modern channel is taking share

Discount is the winning format with highest share gains

Discount satisfying consumer demands of proximity and price

Increasing Modern Penetration

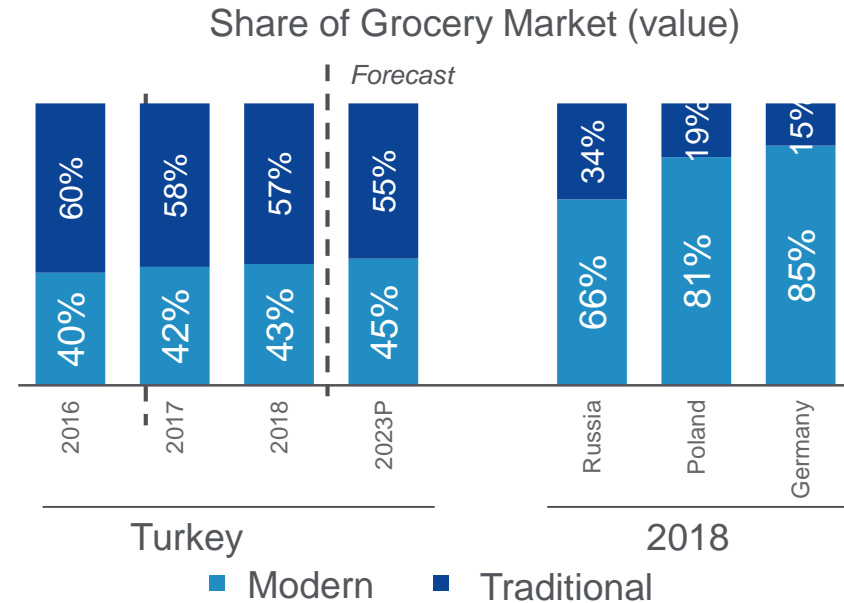
Wave of Change in Turkey



Source: Nielsen Data & MK Novo Analysis.

Large base of traditional stores still exists

Turkey Behind Other European Markets



Modern penetration significantly lower than other markets

Fragmented Market

(As of 2018)	Modern Channel			Traditional Channel
	Supermarket National Players	Supermarket Local Players	Discounters	Mom & Pop's / Others
Number of Players ⁽¹⁾	2	c.400	3	c.164,994
Number of Stores ⁽¹⁾	2,394	9,496	21,250	c.164,994
Total Selling Area ('000 sqm) ⁽¹⁾	2,388	6,448	5,053	7,068
Average Store Size (sqm) ⁽¹⁾⁽²⁾	c.1,000	c.680	c.240	c.45
Revenue Growth 2016-2018	24%	2%	33%	14%
Market Share ⁽¹⁾	8%	16%	19%	57%
Market Share Change 2016-2018	1.6%	(3.1%)	4.3%	(2.9%)

Source: Nielsen

The most relevant consumer offering



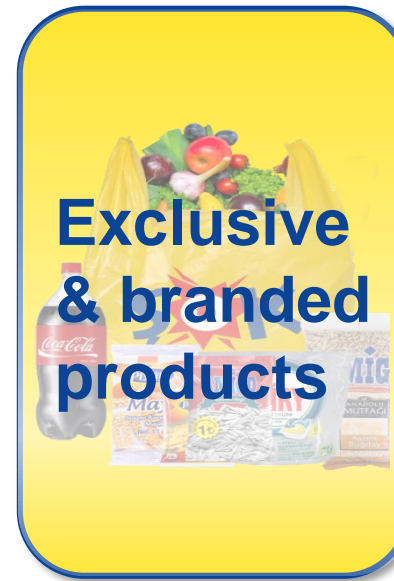
Experts in
convenient
small-box format



Competitive
everyday low
prices and
effective
promotions



Most relevant
product choice,
differentiated by
strong fresh,
tobacco &
personal care
offering



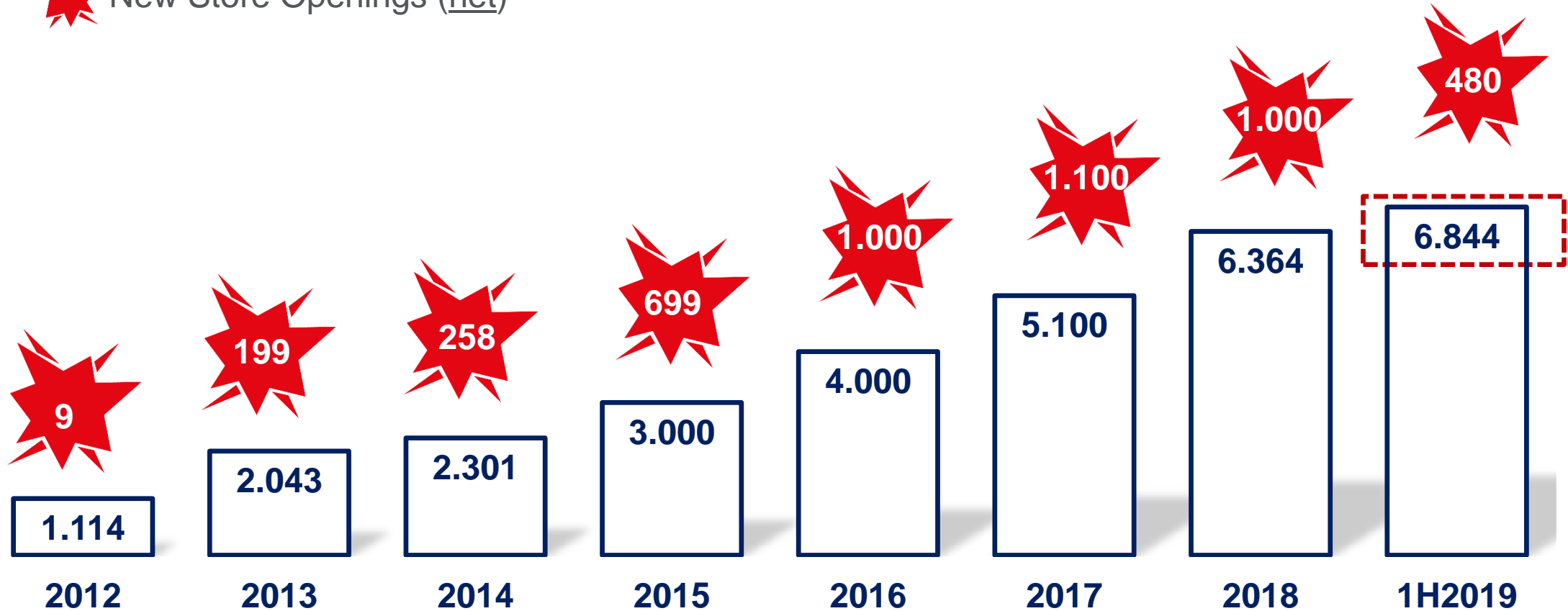
Unrivalled choice
of national brands
and heritage
exclusive brands
among discounters



Carefully
engineered,
enjoyable
atmosphere, easy
shopping
experience

Store Expansion inline with Target

 New Store Openings (net)

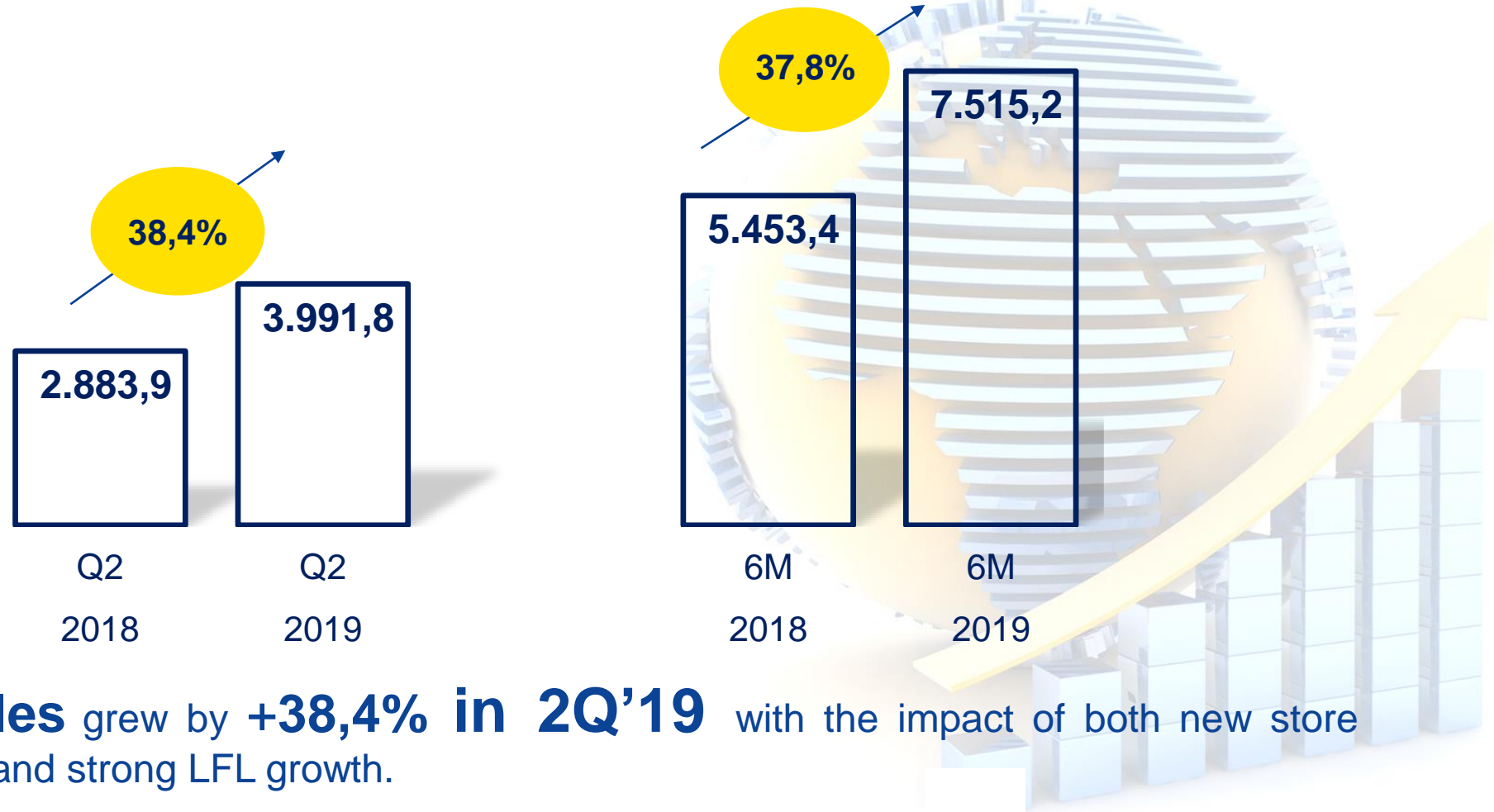


- (1) As of June 30, 2019, the Group has a total of 6.844 stores (6.560 Şok Stores, 284 Şok Mini Stores) and 27 warehouses.
 (2) As of December 31, 2018, Group has 6.100 stores and 264 Şok Mini Stores and 25 warehouses.

Sustainable revenue growth



Net Sales (TLm)

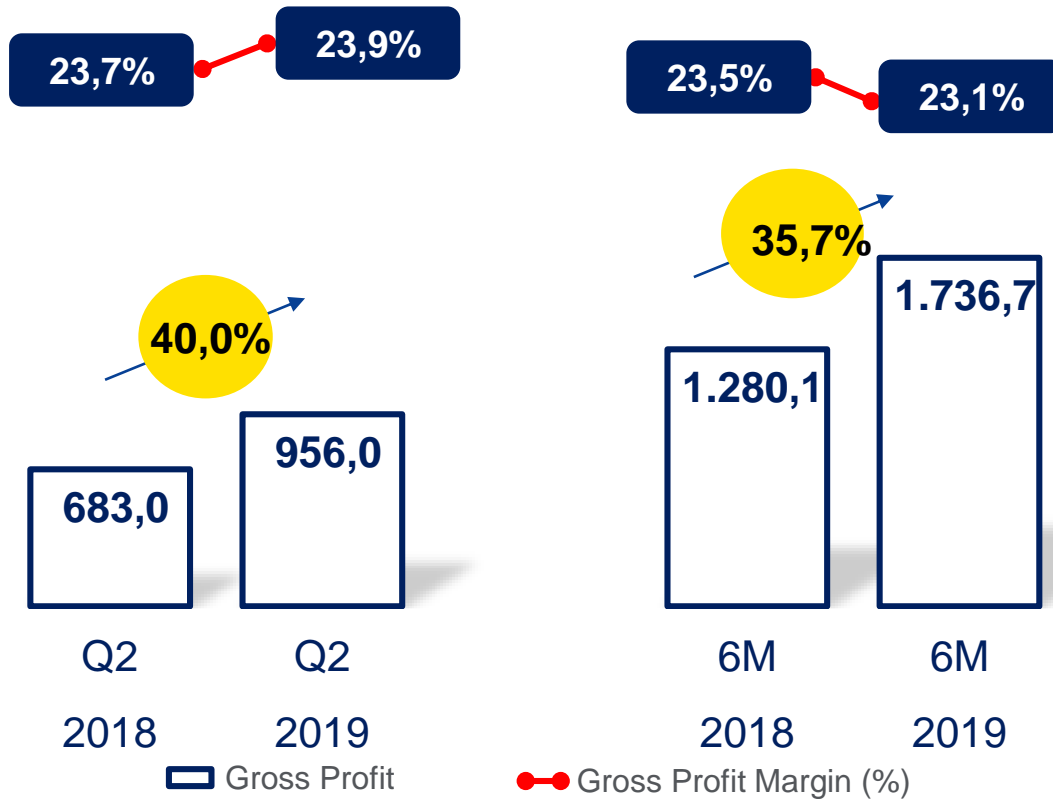


Net Sales grew by **+38,4% in 2Q'19** with the impact of both new store openings and strong LFL growth.

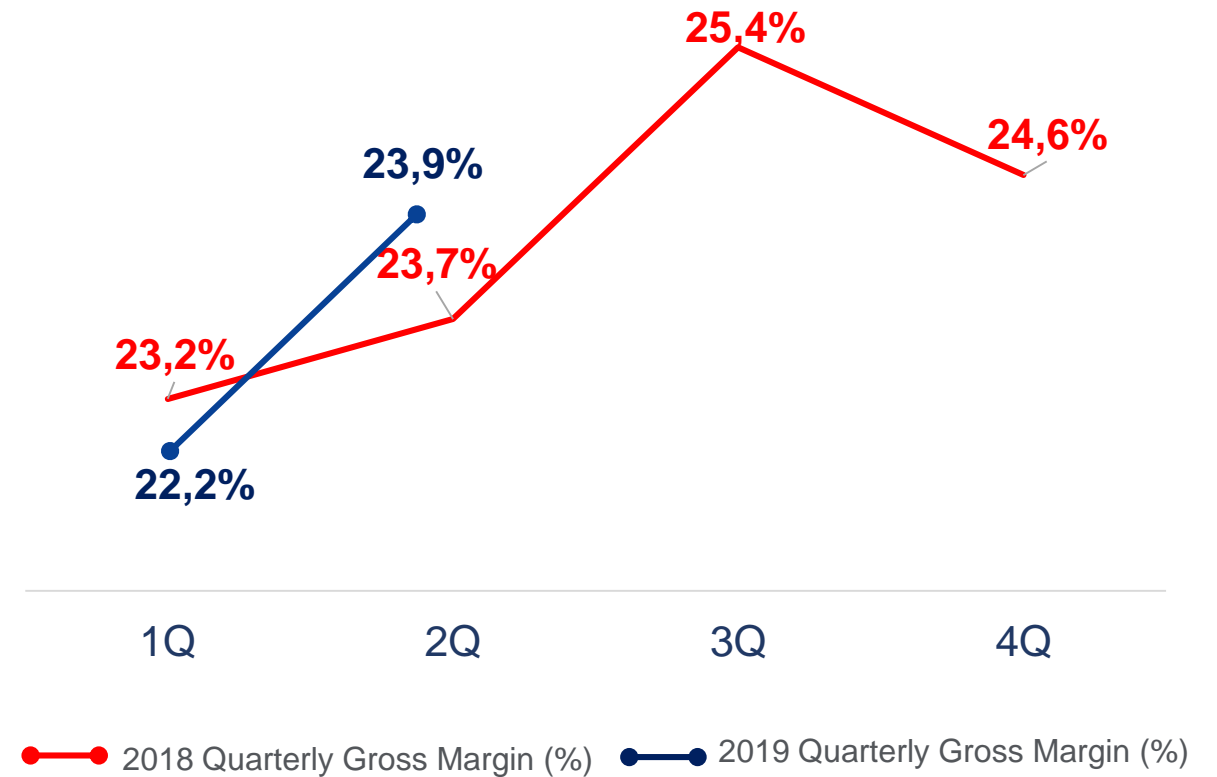
Gross Margin improvement



Gross Profit (TLm)



Gross Margin Evolution

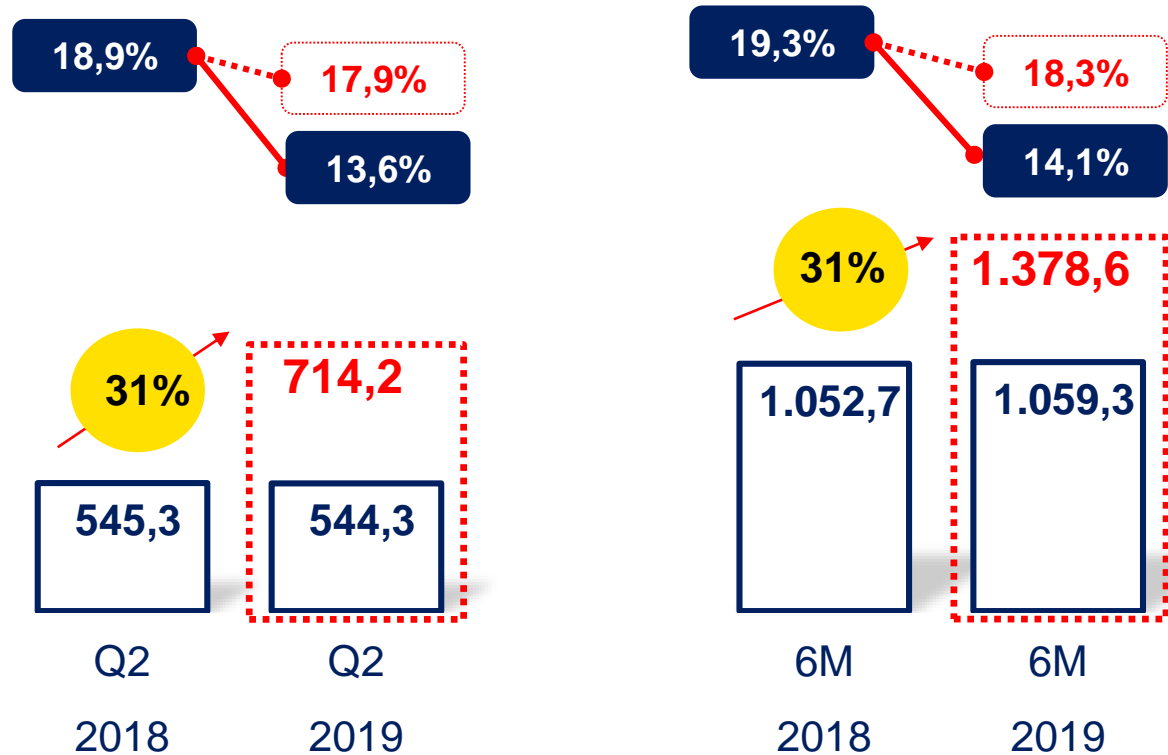


Gross profit increased **by 40,0%** Y-o-Y in 2Q'19

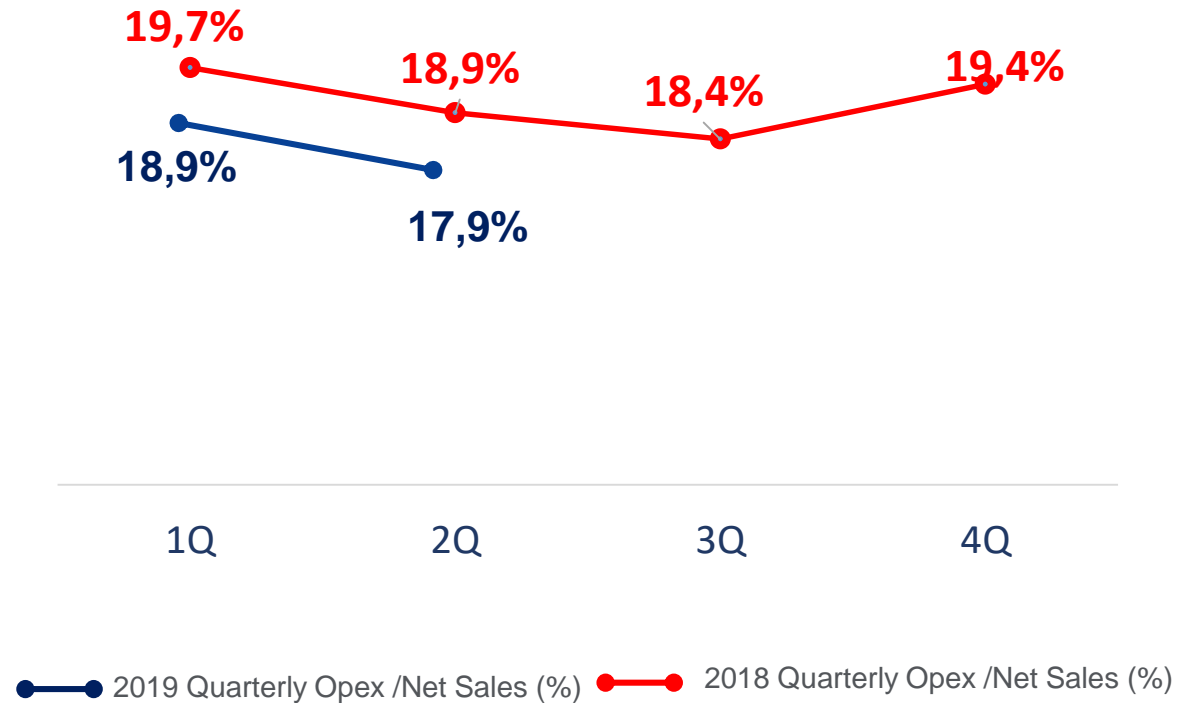
Successful cost management & Increasing Operating Leverage



Operating Expenses (TLm) (excl Amortisation)



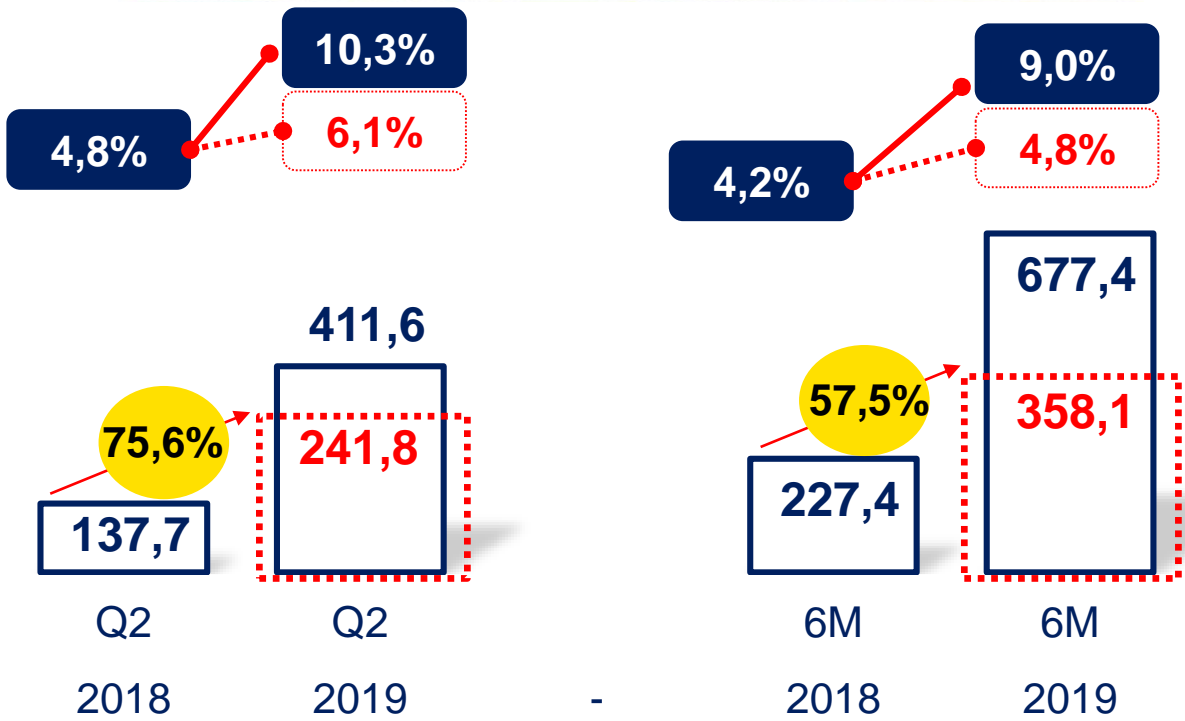
Opex/ Sales Evolution



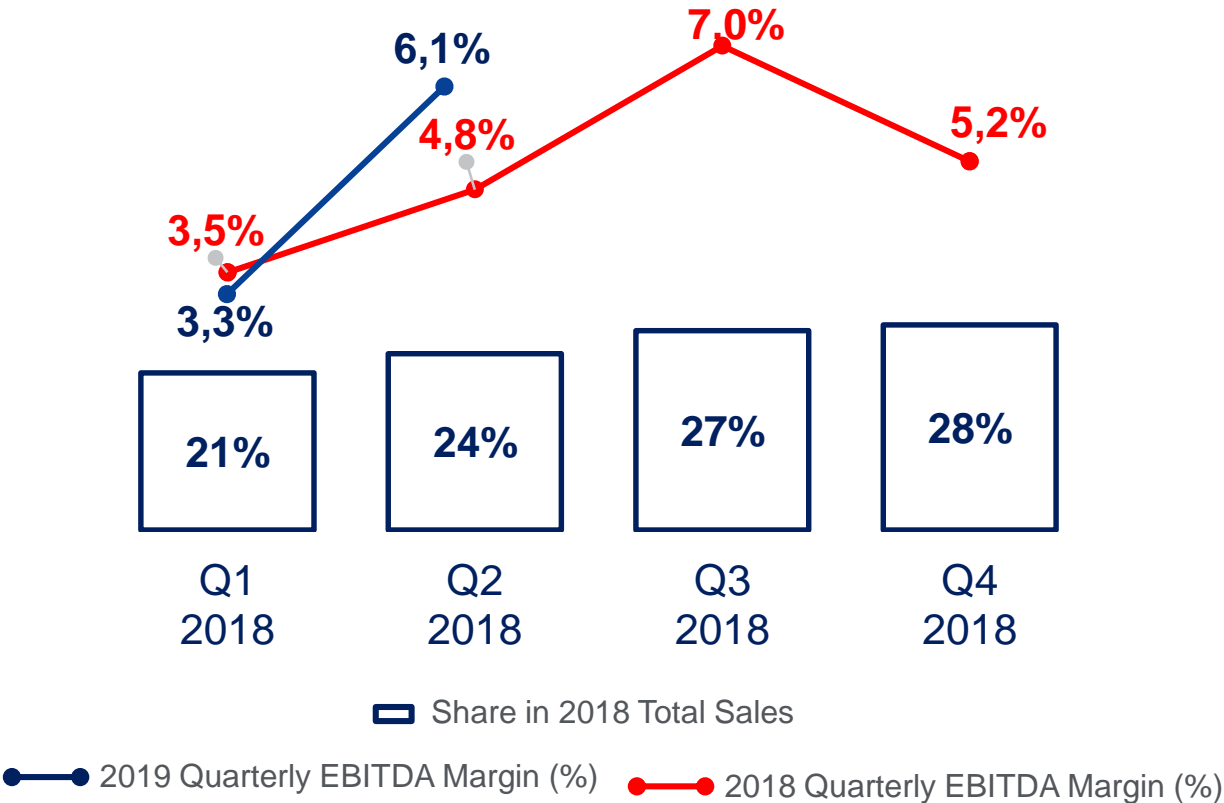
Op. Exp./ Net Sales **decreased to 17,9%** (excl. IFRS 16 impact) Y-o-Y as a result of successful cost management and higher operating leverage

Accelerated EBITDA Margin

EBITDA (TLm)



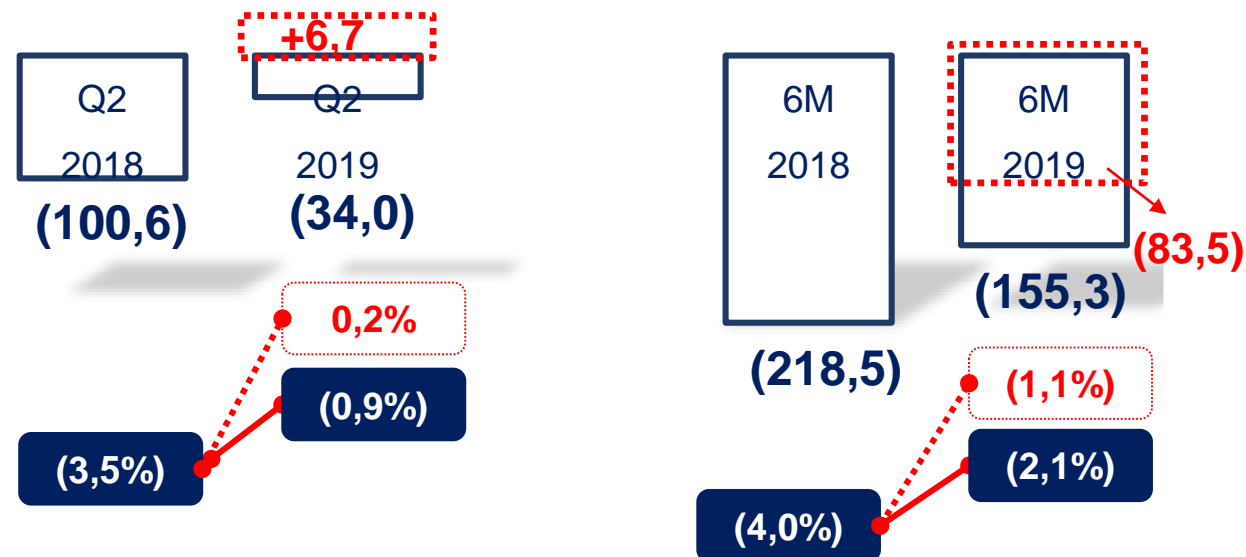
Revenue Distribution & EBITDA Evolution



EBITDA
 EBITDA Margin (%)
 EBITDA Margin excl. IFRS 16 impact (%)

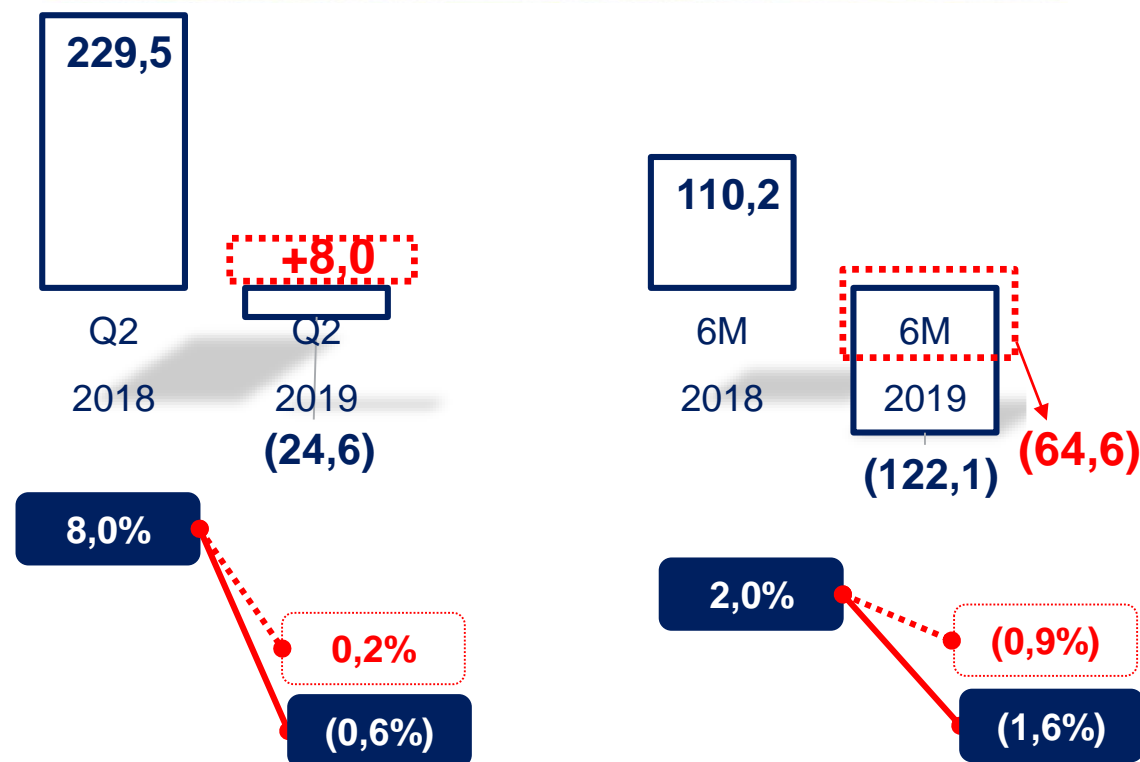
Profitability improvement

Profit Before Tax (TLm)



■ Profit Before Tax ●—● Margin (%) ●- - -● Profit excl. IFRS 16 impact (%)

Net Profit (TLm)

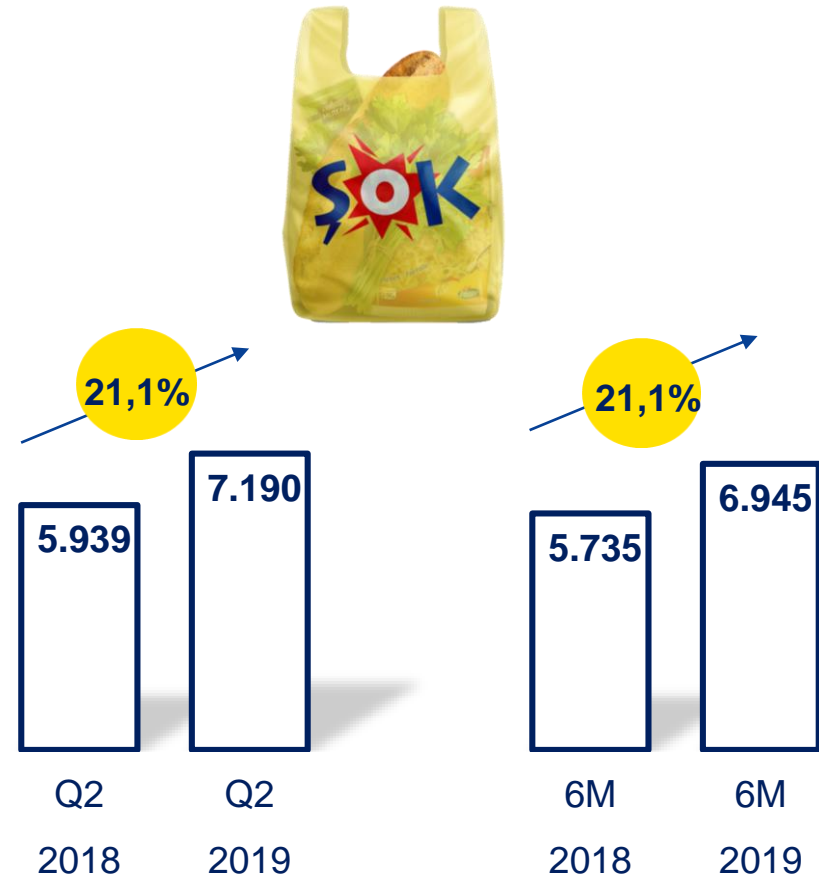


■ Profit ●—● Margin (%) ●- - -● Profit excl. IFRS 16 impact (%)

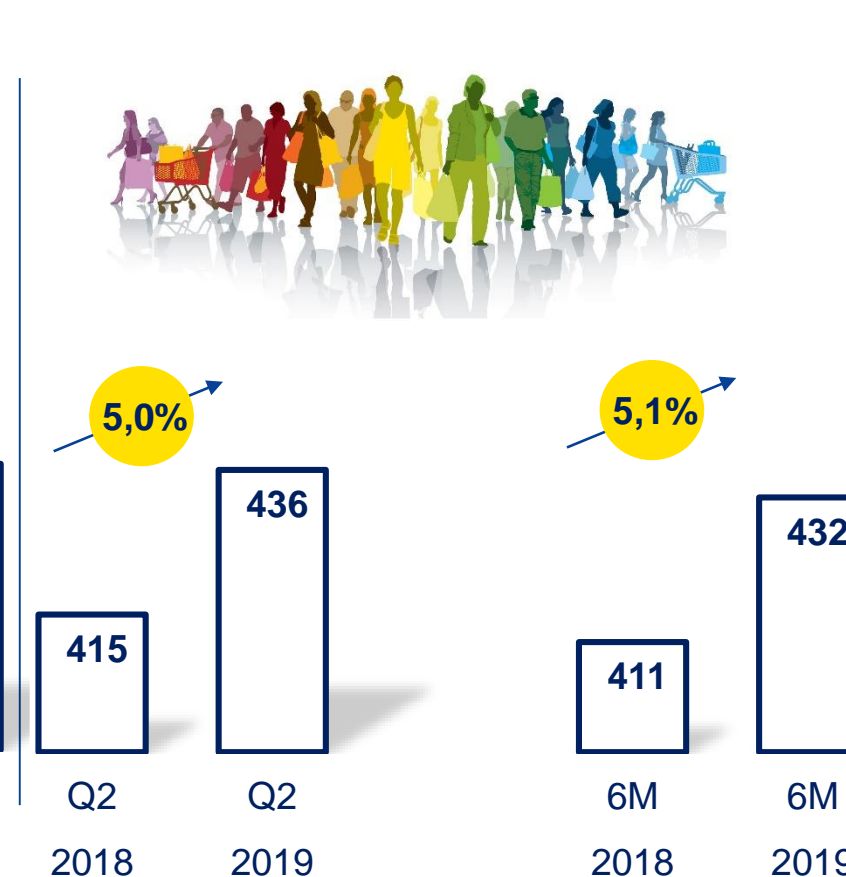
Continuing growth in LFL Store Sales



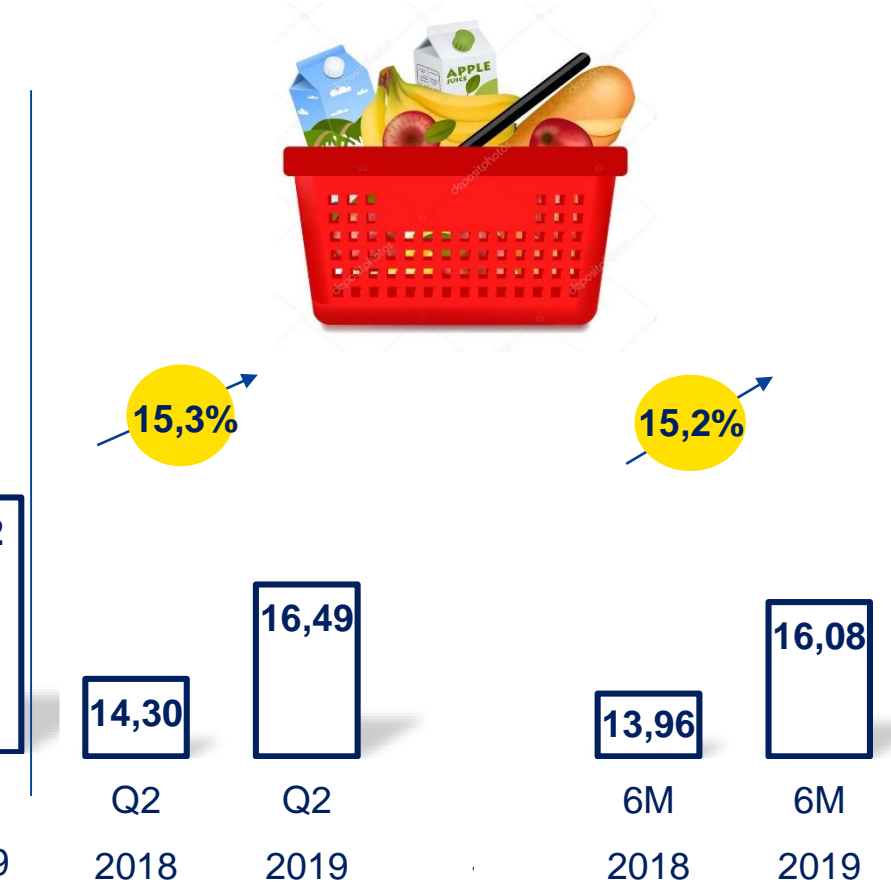
LFL Daily Average Sales / Store (TL)



LFL Daily Average Customer / Store

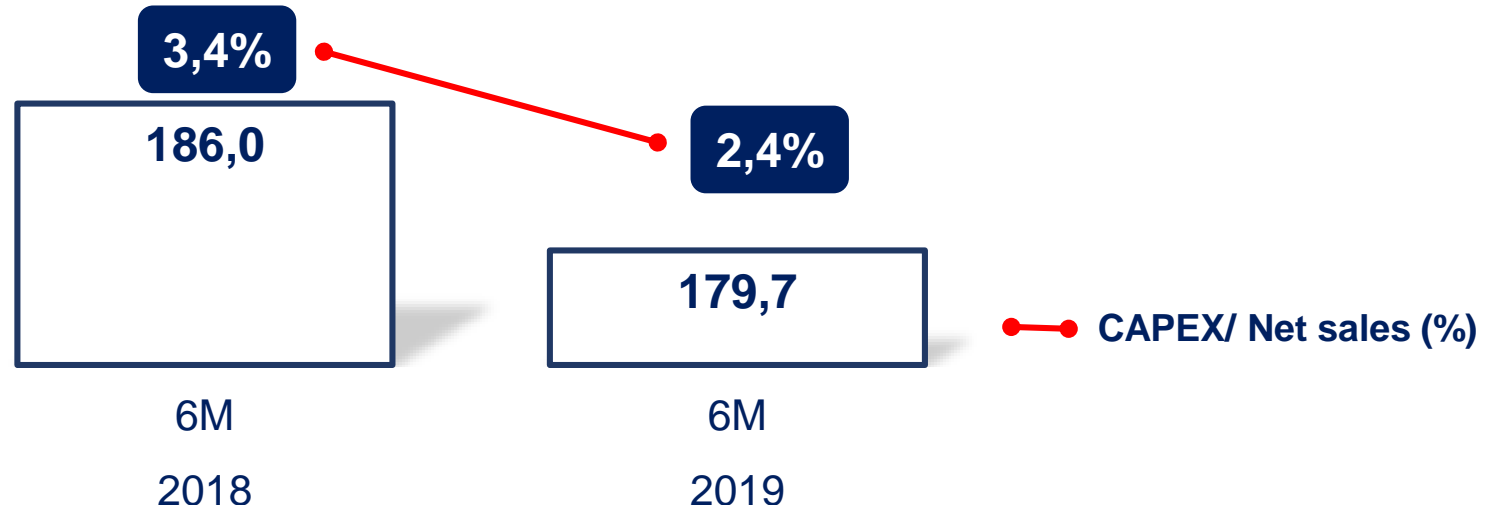


LFL Daily Avg. Basket Size / Store (TL)



(1) Like-for-like sales for 2Q2019 calculated on the basis of daily net sales generated in 2019 by 4.424 stores operating on 2Q2017 and that were still open on 2Q2019.

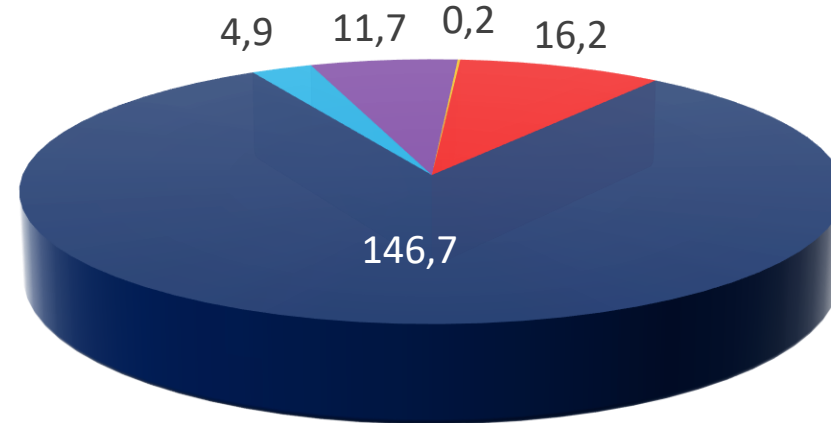
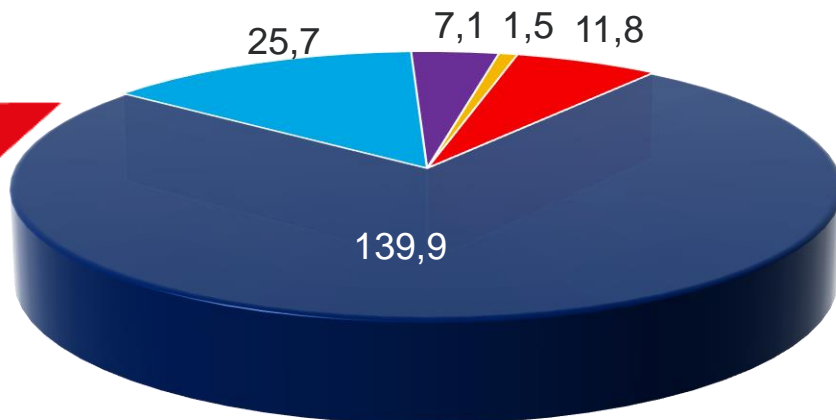
Effective CAPEX Management (TLm)



1H'18

1H'19

642*
New Stores
Openings



480*
New Stores
Openings

■ New Stores ■ New Stores (Şok Mini) ■ Maintenance ■ HQ ■ Warehouse

* Including Şok and Şok Mini, net of closings



Strong Balance Sheet

Net Debt/ (Cash) (TLm)

30.06.2018

122,7

30.06.2019

(111,5)

Net Working Capital (TLm)

30.06.2018

-58 days
(1.317,7)

30.06.2019

-52 days
(1.649,2)

TLm	30.06.2018	30.06.2019
Short Term Borrowings	278,4	75,8
Obligations under Financial Lease	259,1	162,3
Total Debt	537,5	238,1
Cash & Cash Equivalents	414,8	349,6
Net Debt	122,7	-111,5

1H'19 Highlights

- ✓ **Continuing new store openings**
 - 480 new stores, of which 202 in Q2'19
- ✓ **Leading position in the revenue generation**
 - 37,8% revenue growth in 1H'19 and 38,4% in Q2'19
 - 21,1% LFL growth including traffic increase of 5,1% in 1H'19
- ✓ **Accelerated EBITDA Margin*^{*}; 4,8% in 1H'19 and 6,1% in 2Q'19**
 - Recovery at gross margin in Q2'19, +170 bps vs Q1'19
 - Increase in operating leverage
- ✓ **Positive free-cash-flow as targeted**

*Excluding IFRS 16



Expectations for 2019



New Store Openings

+800



Net Sales

35% (+- 2%)



EBITDA Margin

5,0% (+- 0,5%)



CAPEX

320-350 million TL

(*) 2019 EBITDA margin does not reflect IFRS 16 adjustment.

