



1Q'2018

FINANCIAL RESULTS

06 June 2018



Şok Marketler finalized one of the largest IPO's of the last decade in Turkey!



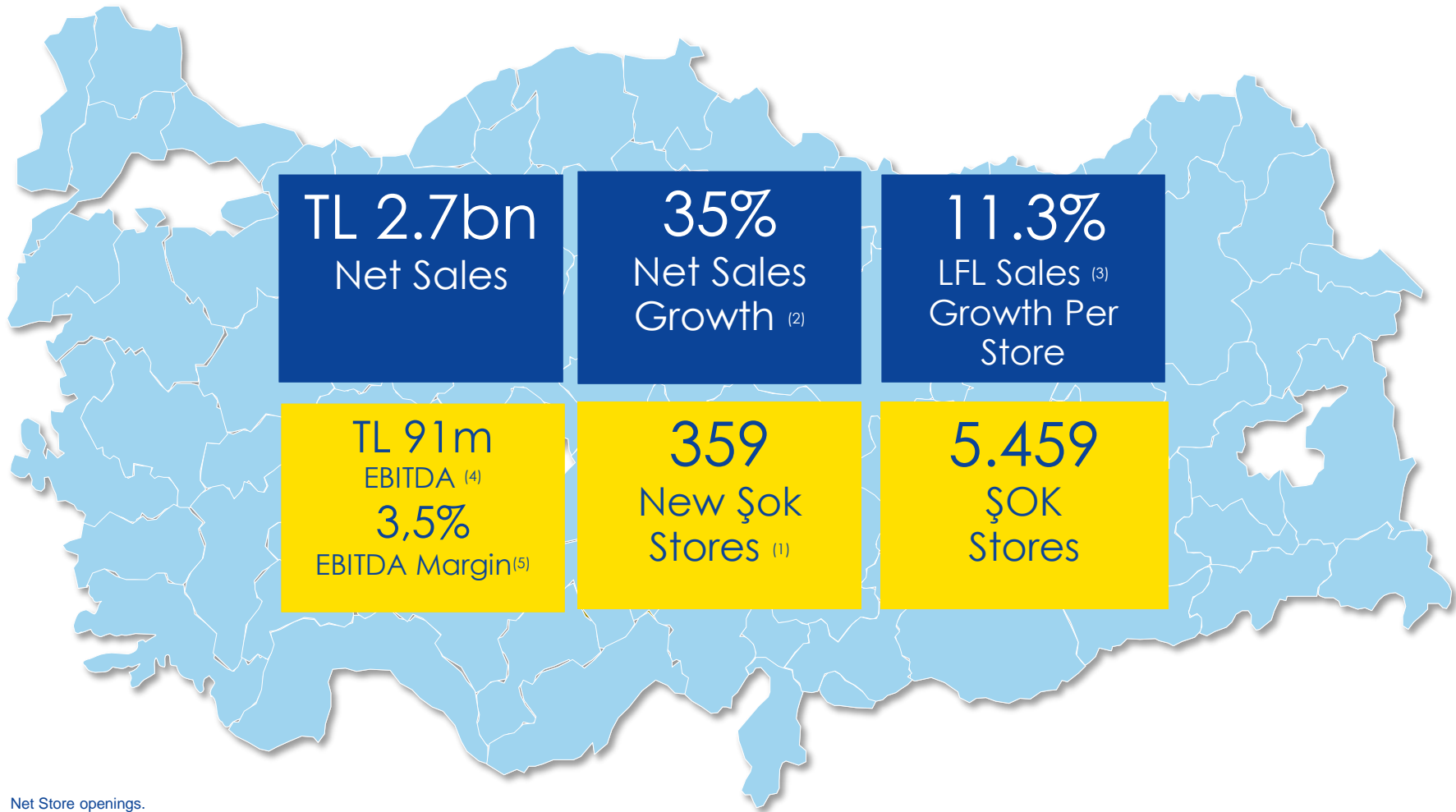
- We succeeded to finalize one of the largest IPO's of the last decade in Turkey with the size of TL 2.3 billion.
- 85% of the offerings was met by Foreign investors, and 15% was met by domestic investors.
- We received 1.8 times the demand from foreign and 2.5 times the demand from domestic investors.
- Our company's free float ratio is about 35,7%.
- As of May 18, Şok share started to trade at BIST Star Market ('Yıldız Pazar') and BIST 30.
- We strengthened our Equity, and reached a debt-free financial structure with the public offering.



35,71%
Free Float

TL 6.4B
MCAP

The Fastest Growing Food Retailer in Q1 2018! ⁽⁶⁾



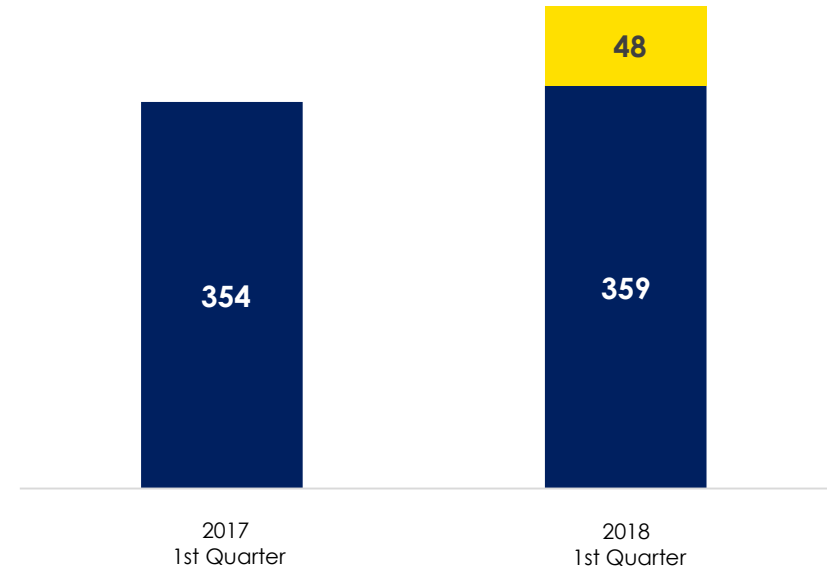
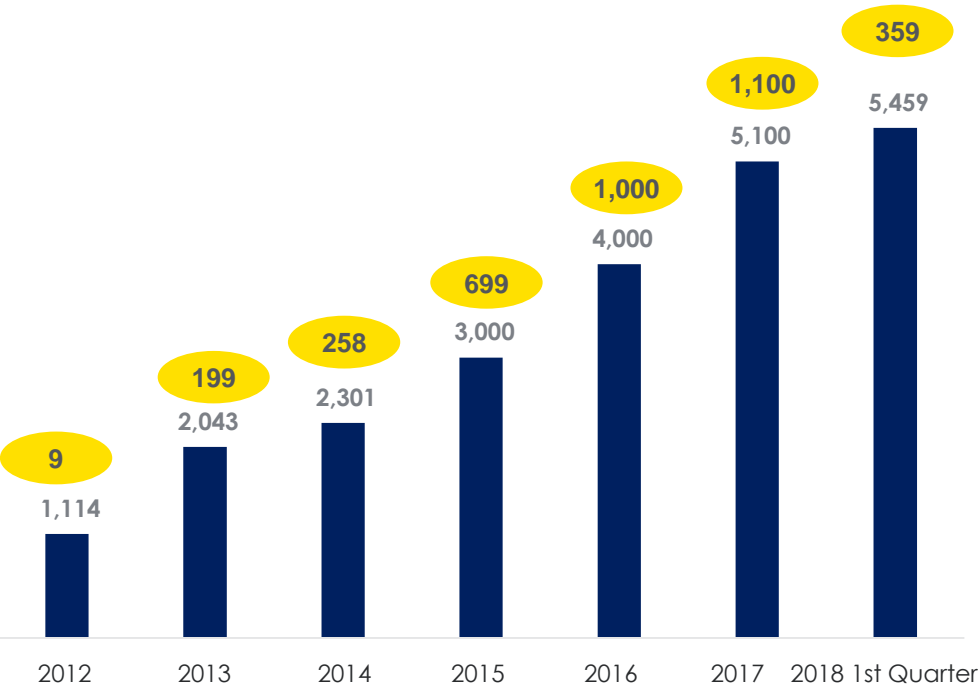
- (1) Net Store openings.
- (2) Growth rate of the Company excluding ("Non-Şok Operations"). Subsequent to 31 December 2017, the Group management decided to focus the operations of Teközel exclusively on Şok Marketler Ticaret A.Ş.. Accordingly, operations associated with customers other than Şok Marketler Ticaret A.Ş. ("Non-Şok Operations") will be gradually discontinued during the year 2018.
- (3) Like-for-like sales for 31 March 2018 calculated on the basis of daily net sales generated in 2018 by stores operating on 31 March 2016 and that were still open on 31 March 2018.
- (4) Refers to the Company's Consolidated Adjusted EBITDA. Adjusted EBITDA Q12018 defined as operating profit / loss plus depreciation & amortization, before other income / (expense), historical royalty payments on brands acquired and results of Non-Şok operations of Teközel.
- (5) Refers to the Company's Consolidated Adjusted EBITDA Margin divided by net sales revenue excluding Non-Şok Operations.
- (6) Management information based on publicly announced sales revenues of food retailers in Turkey.

Şok Market Stores Progress in line with annual 1.100 Store Openings Target



Number of ŞOK Stores ⁽¹⁾

Number of ŞOK Stores Opened ⁽¹⁾



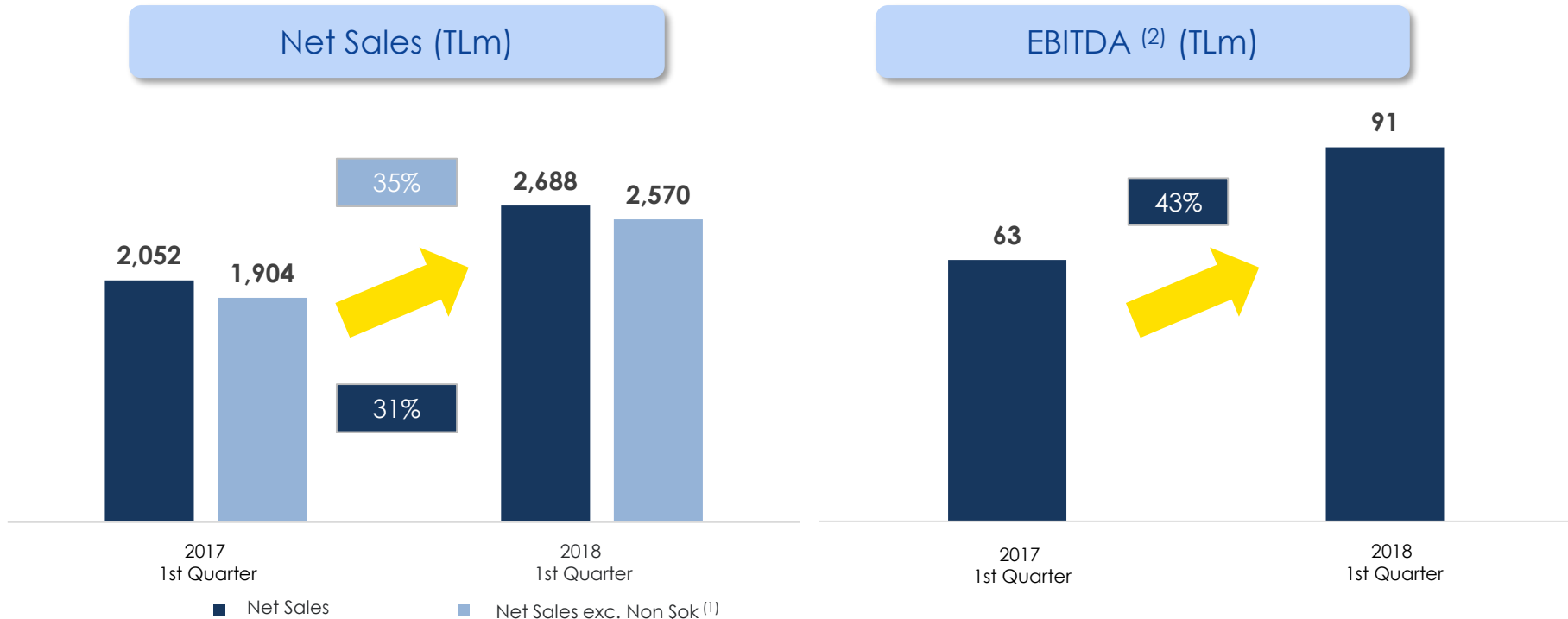
Net Store Openings

Şok Mini
Şok Store Openings (net)

We continued to open new stores in line with our yearly target of 1.100 stores, in Q1 2018.

(1) Excluding UCZ and ŞOK Mini stores. As of 31 March 2018, the Group has a total of 5.859 stores (5.459 Şok Stores, 48 Şok Mini Stores and 352 UCZ Stores) (31 December 2017: 5.100 Şok Stores and 498 UCZ Stores)

Strong and Profitable Growth continued in Q1 2018 in line with our Yearly Plan!



Net Sales⁽¹⁾ grew by 35% with the impact of both new store openings and LFL stores.

EBITDA⁽²⁾ raised by 43% thanks to improving gross margin and continued strong cost discipline.

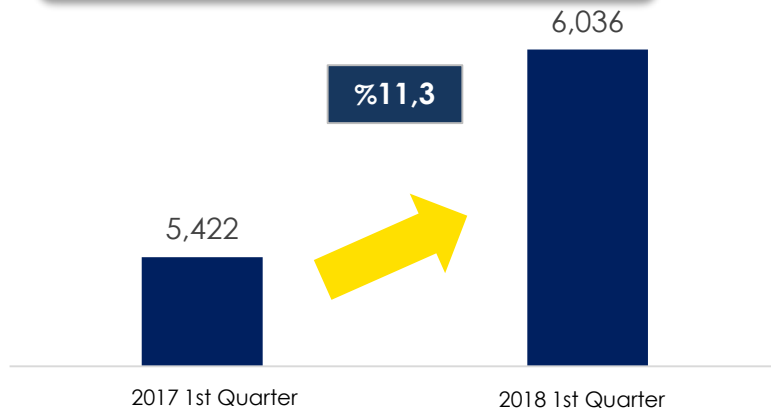
(1) Net Sales excluding Non Şok refers to revenues excluding operations of Teközel that will not be continued. Subsequent to 31 December 2017, the Group management decided to focus the operations of Teközel exclusively on Şok Marketler Ticaret A.Ş.. Accordingly, operations associated with customers other than Şok Marketler Ticaret A.Ş. ("Non-Şok Operations") will be gradually discontinued during the year 2018. 5

(2) Refers to the Company's Consolidated Adjusted EBITDA. Adjusted EBITDA Q12018 defined as operating profit / loss plus depreciation & amortization, before other income / (expense), historical royalty payments on brands acquired and results of Non-Şok operations of Teközel.

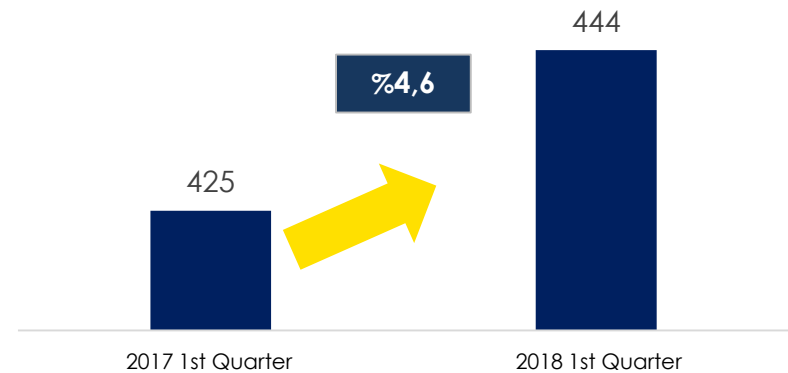
(Like For Like) ⁽¹⁾ Growth “Continued to Win New Customers”



Daily Average Sales per Store (TL)



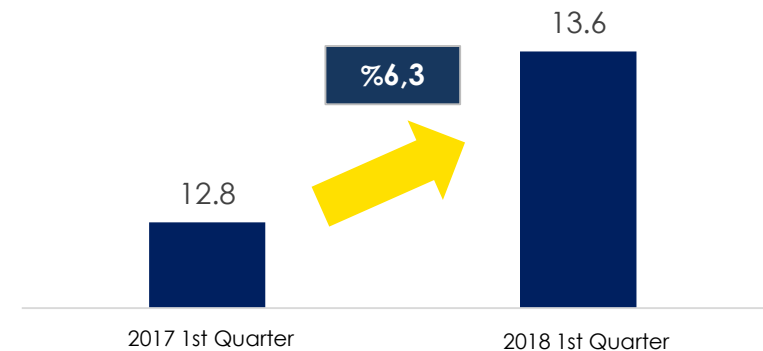
Daily Average Customer per Store



LFL Stores, "Daily Average Sales per Store" increased by **11,3%** to **TL 6k**.

The increase in the number of customers clearly shows that customers continue to prefer ŞOK.

Daily Average Basket Size per Store (TL)

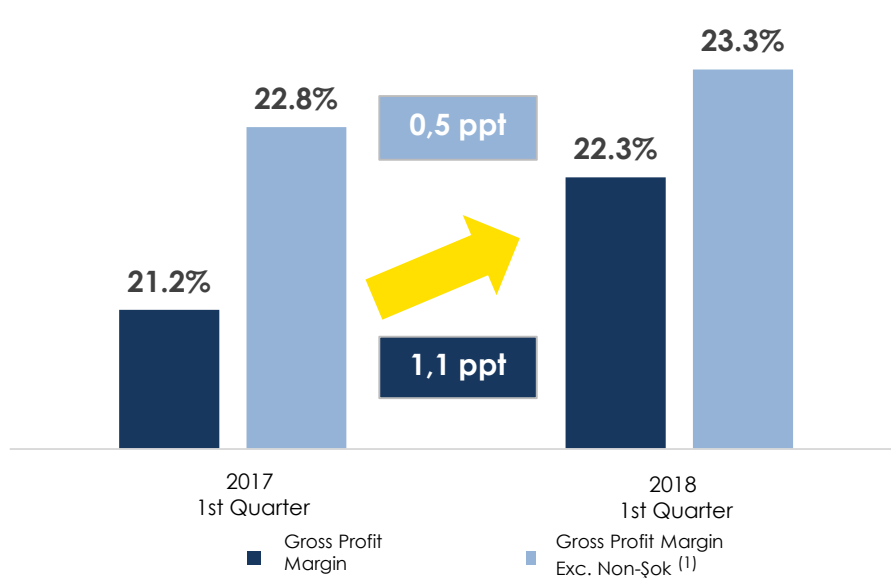


(1) Like-for-like sales for 31 March 2018 calculated on the basis of daily net sales generated in 2018 by stores operating on 31 March 2016 and that were still open on 31 March 2018 (Corresponding to 3,039 Stores).

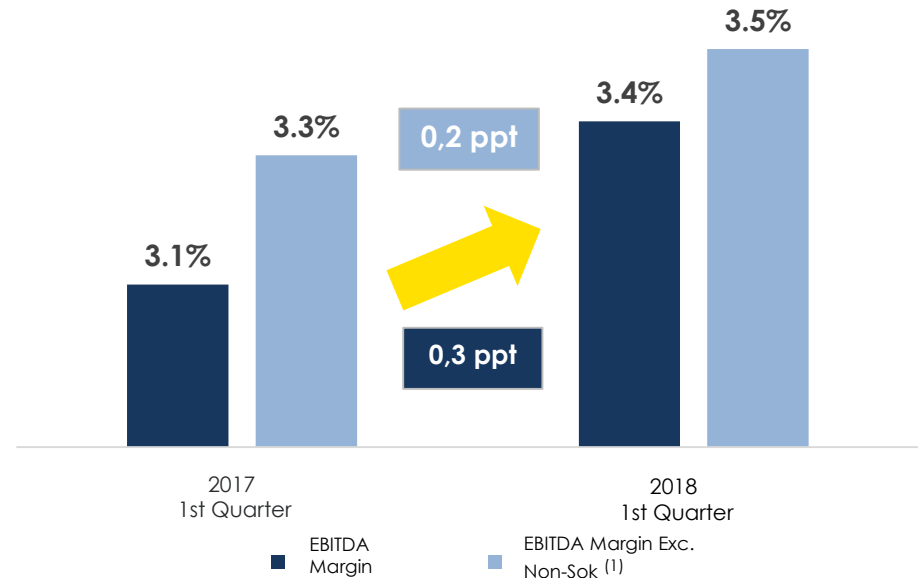
Gross Margin improved more than expected.
More to come from EBITDA Margin in next quarters!



Gross Profit Margin (%)



EBITDA ⁽²⁾ Margin (%)



We improved our Q1 Gross Profit ⁽¹⁾ & EBITDA margin by 0.5 points & 0.2 points respectively, Y-o-Y.

- (1) Gross Profit Margin and EBITDA margin excluding Non Şok refers to gross profit margin and EBITDA margin excluding operations of Teközel that will not be continued. Subsequent to 31 December 2017, the Group management decided to focus the operations of Teközel exclusively on Şok Marketler Ticaret A.Ş.. Accordingly, operations associated with customers other than Şok Marketler Ticaret A.Ş. ("Non-Şok Operations") will be gradually discontinued during the year 2018.
- (2) Adjusted EBITDA defined as operating profit / loss plus depreciation & amortization, before other income / (expense), historical royalty payments on brands acquired and results of Non-Şok operations of Teközel.

Consolidated Income Statement



TL m	Q1 2018	Q1 2017	Δ (%)
Net Sales	2.687,9	2.052,0	31,0%
Net Sales (Excl. Non-Şok Operations)	2.569,5	1.903,7	35,0%
Gross Profit	600,5	435,0	38,1%
Gross Profit (Excl. Non-Şok Operations)	597,8	433,5	37,9%
Gross Profit %	22,3%	21,2%	1,1 ppt
Gross Profit % (Excl. Non-Şok Operations)	23,3%	22,8%	0,5 ppt
Marketing, selling & GA expenses (-)	(509,2)	(372,8)	36,6%
Net Loss for the Period	(119,3)	(108,3)	10,1%
EBITDA ⁽¹⁾	91	63	43,1%
EBITDA % (Excluding Non-Şok Operations)	3,5%	3,3%	0,2 ppt
EBITDA %	3,4%	3,1%	0,3 ppt
EBITDAR ⁽²⁾	214	152	40,8%
EBITDAR Margin % (Excl. Non-Şok Operations)	8,3%	8,0%	0,3 ppt
EBITDAR %	8,0%	7,4%	0,6 ppt

IPO proceedings will be used substantially to pay the debt!



Net Working Capital (TLm)

2017 1st Quarter



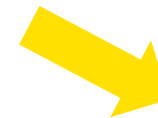
2018 1st Quarter



Net Debt (TLm)

2,230

2017 1st Quarter



2,080

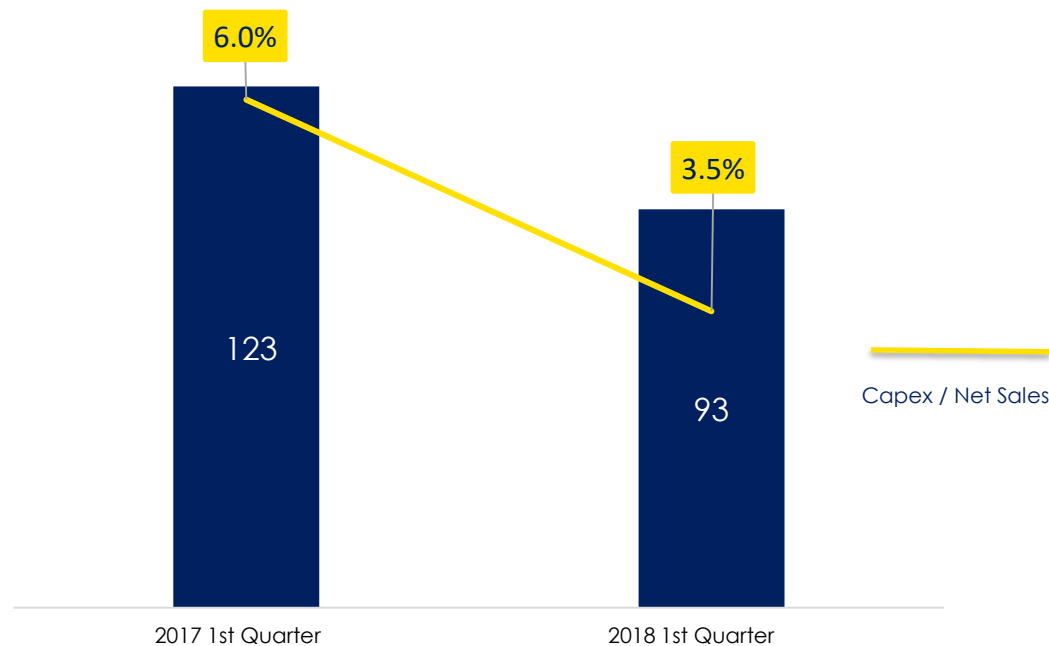
2018 1st Quarter

Proceeds from public offering, completed in May 2018 amounting to TL 2.3bn, will be used substantially to pay the debt resulting in a stronger balance sheet.

CAPEX/Net Sales showed significant reduction in Q1 '18



Capital Expenditures (TLm)



359 new “Şok” stores were opened in Q1'18 (Q1'17: 354), 48 UCZ stores were converted into “Şok Mini” format, and 3 warehouses were relocated.

Transformation Capex realized in 2017 was TL 46m.

Balance Sheet (Assets)



Consolidated Balance Sheet Summary (TLm)	31 March 2018	31 Dec 2017
Cash & cash equivalents	64	92
Trade receivables	176	268
Inventories	666	636
Other current assets	86	81
Total Current Assets	992	1.077
Property & equipment	896	850
Intangible assets	678	677
Other non-current assets	6	6
Non-Current Assets	1.580	1.532
Total Assets	2.572	2.609

Balance Sheet

(Liabilities and Equity)



Consolidated Balance Sheet Summary (TLm)	31 March 2018	31 Dec 2017
Short term financial liabilities	1.368	1.504
Trade payables	2.411	2.193
Other current payables	792	794
Total Current Liabilities	4.571	4.492
Total Non Current Liabilities	308	302
Shareholder's equity	(2.308)	(2.023)
Non-controlling interests	1	(162)
Total Equity	(2.307)	(2.185)
Total Liabilities and Equity	2.572	2.609



Q&A



Disclaimer



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