



2Q2019 WEBCAST PRESENTATION

June 9th, 2019

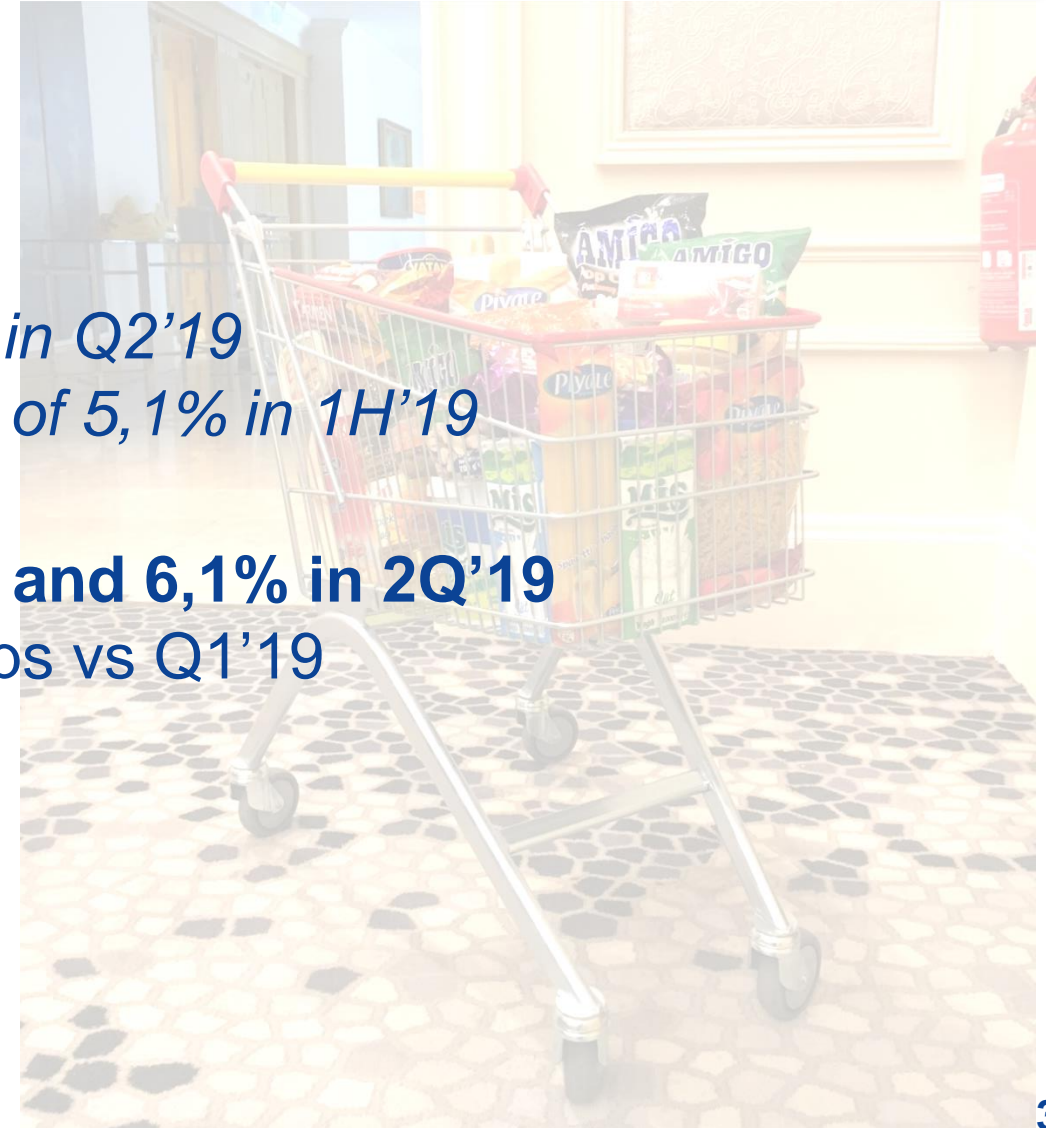


- 2Q'19 Highlights
- General Overview
- Financial Results
- Q&A

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





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.

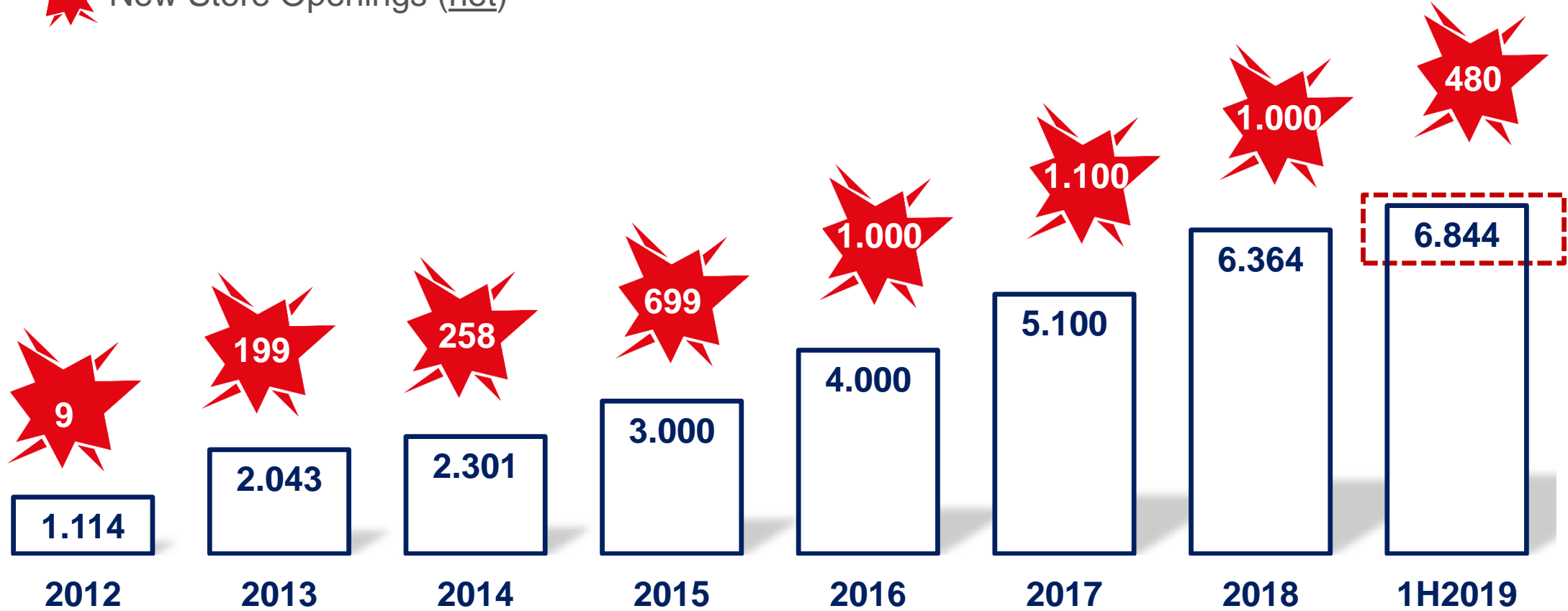
(2) LFL sales for 30 June 2019 calculated on the basis of daily net sales generated in 2019 by stores operating on 30 June 2017 and that were still open on 30 June 2019.

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

(4) 6.844 stores including 284 Şok Mini stores.

Store Expansion inline with Target

 New Store Openings (net)

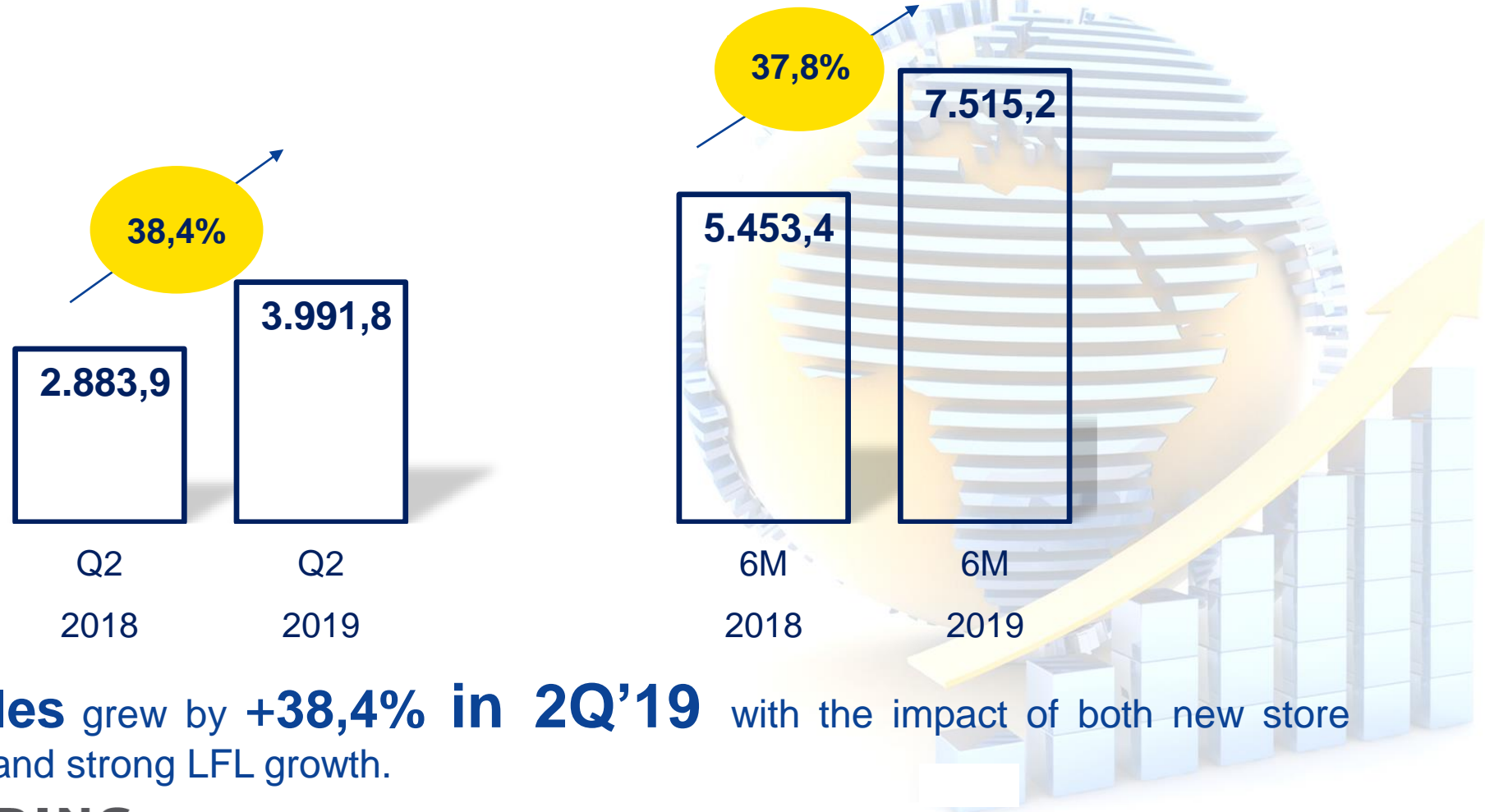


- (1) As of June 30, 2019, the Group has a total of 6.844 stores (6.560 Şok Stores, 284 Şok Mini Stores) and 27 warehouses.
 (2) As of December 31, 2018, Group has 6.100 stores and 264 Şok Mini Stores and 25 warehouses.

Sustainable revenue growth



Net Sales (TLm)

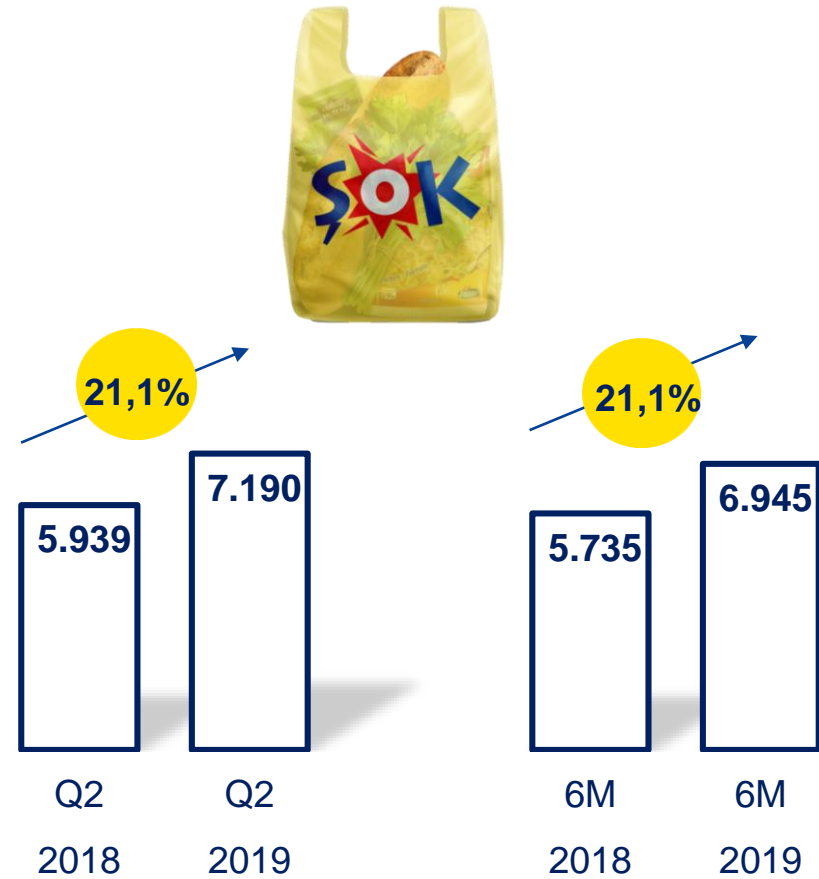


Net Sales grew by **+38,4% in 2Q'19** with the impact of both new store openings and strong LFL growth.

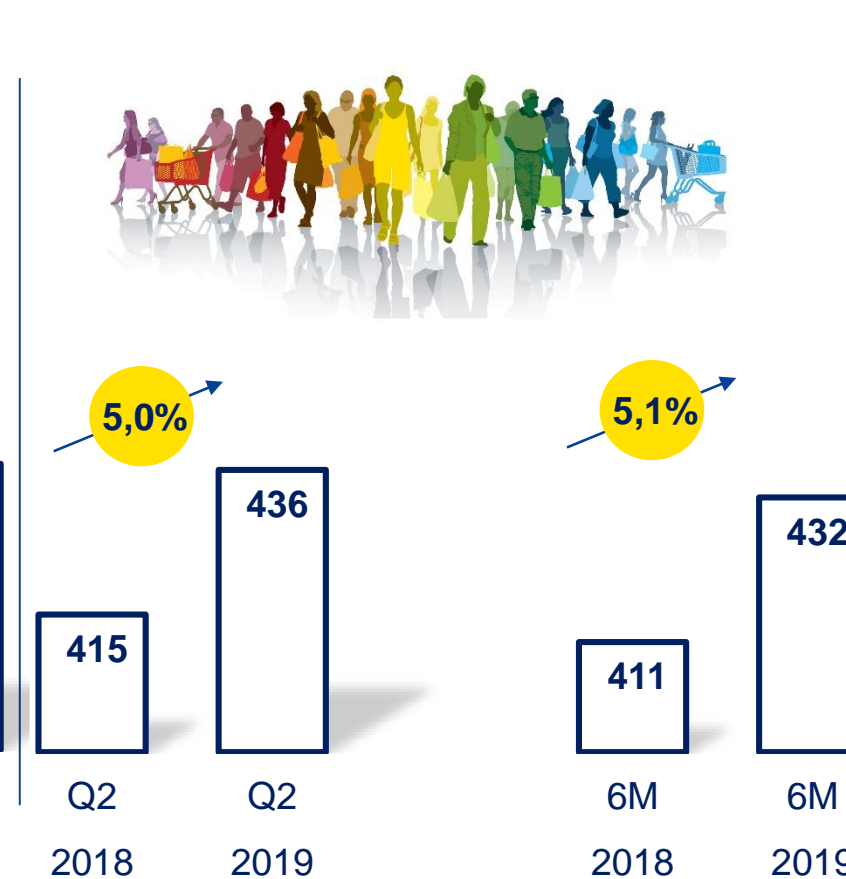
Continuing growth in LFL Store Sales



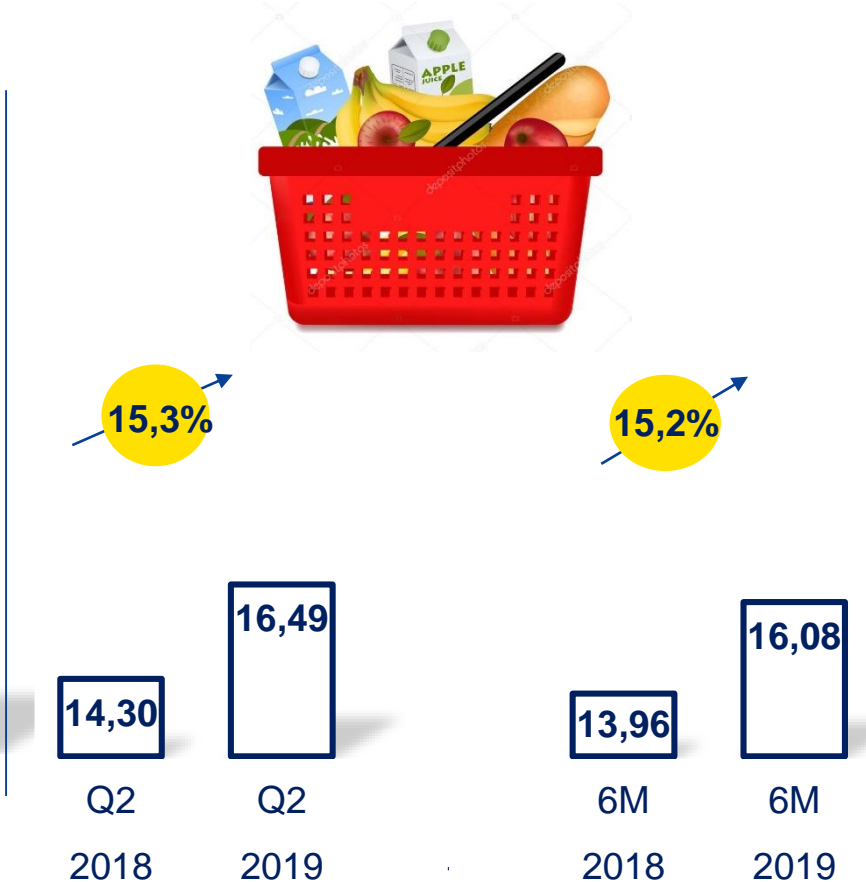
LFL Daily Average Sales / Store (TL)



LFL Daily Average Customer / Store



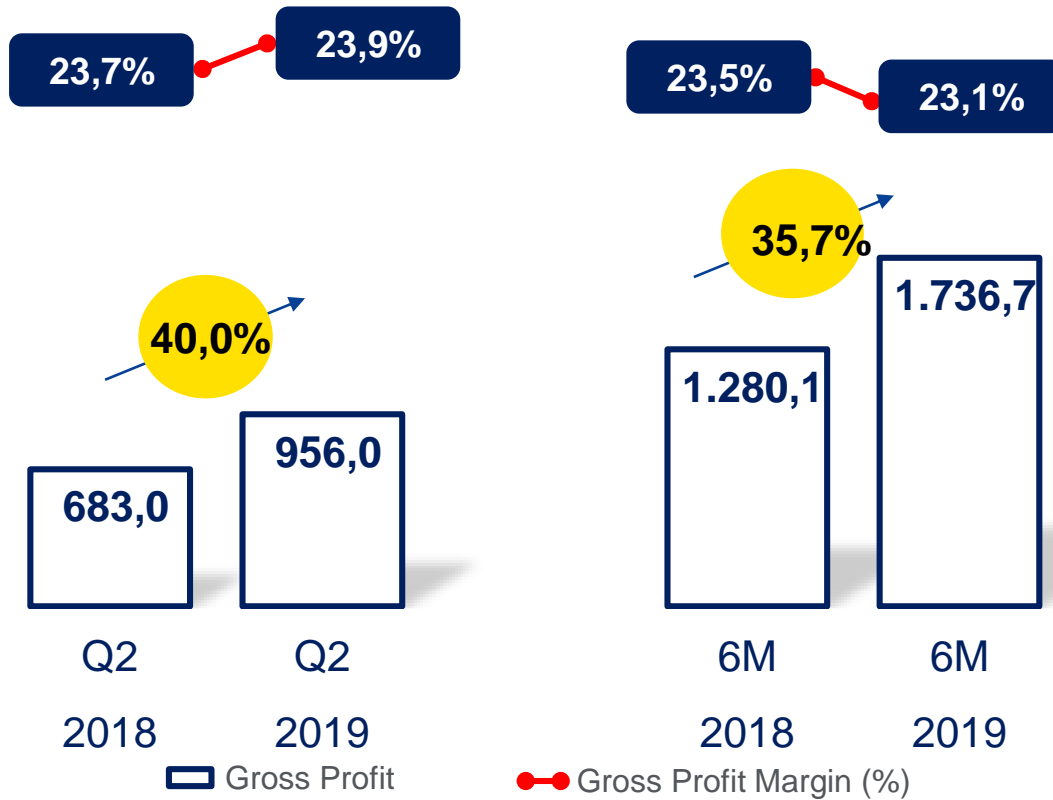
LFL Daily Avg. Basket Size / Store (TL)



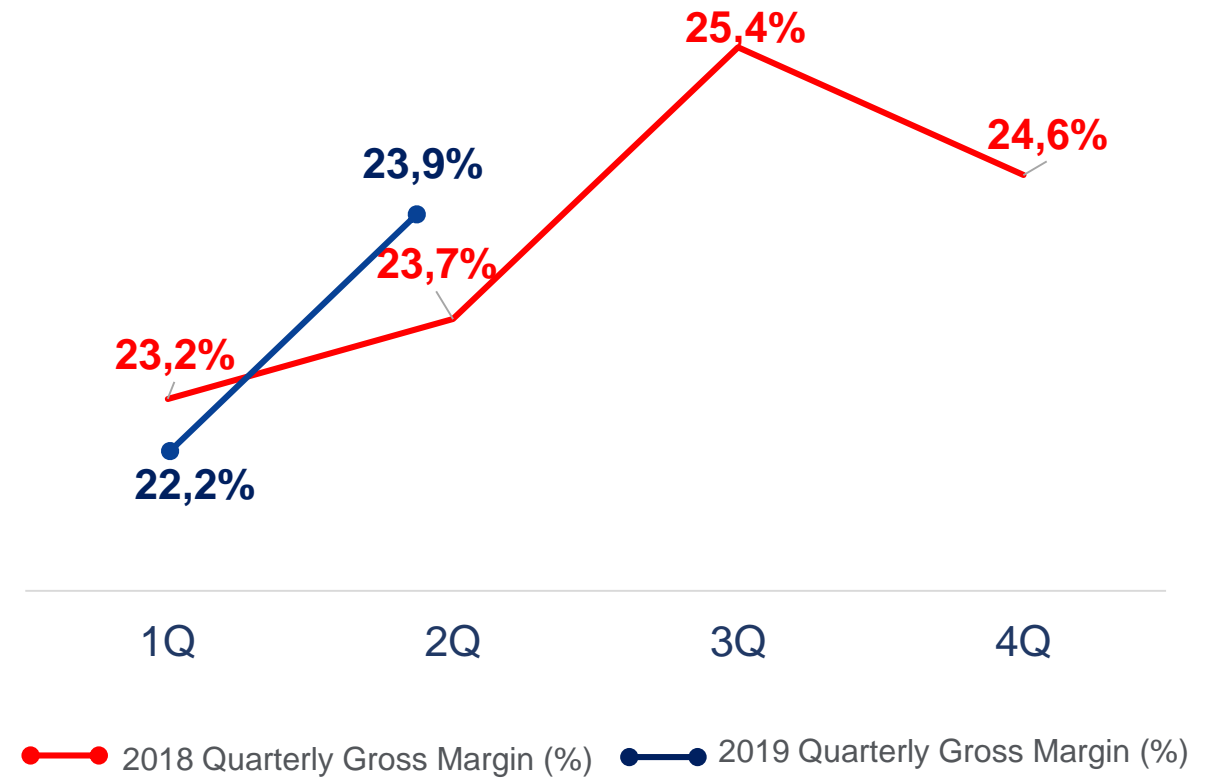
Gross Margin improvement



Gross Profit (TLm)



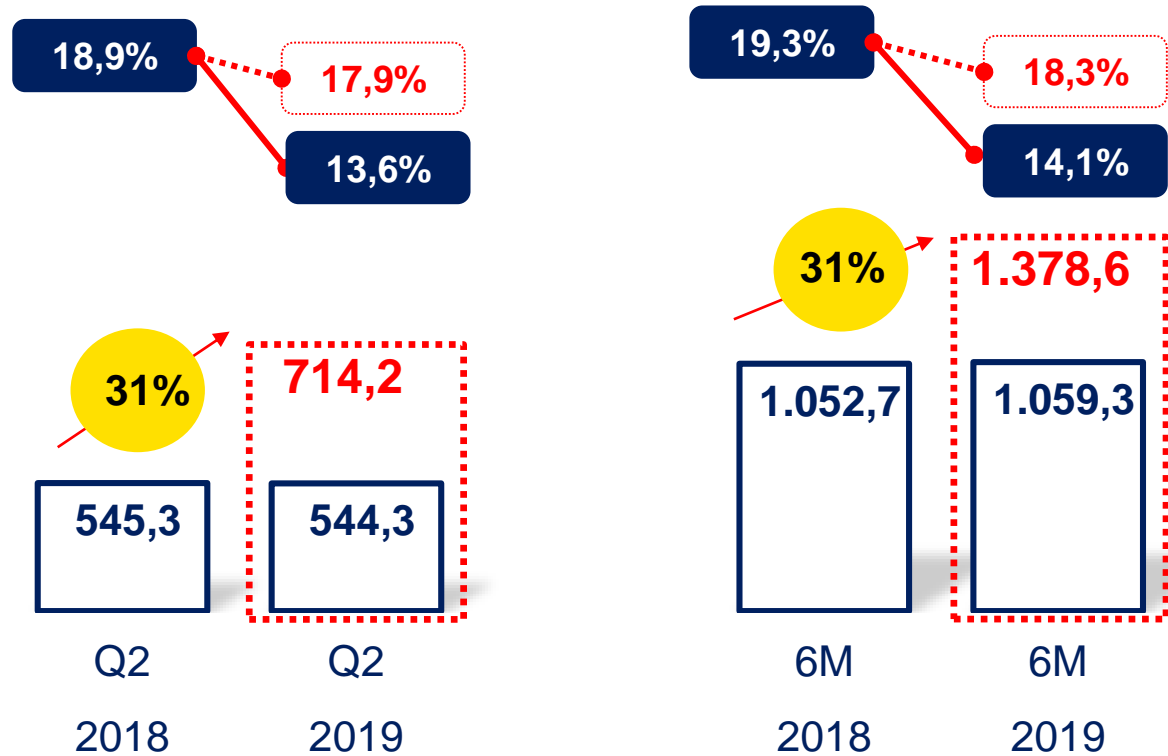
Gross Margin Evolution



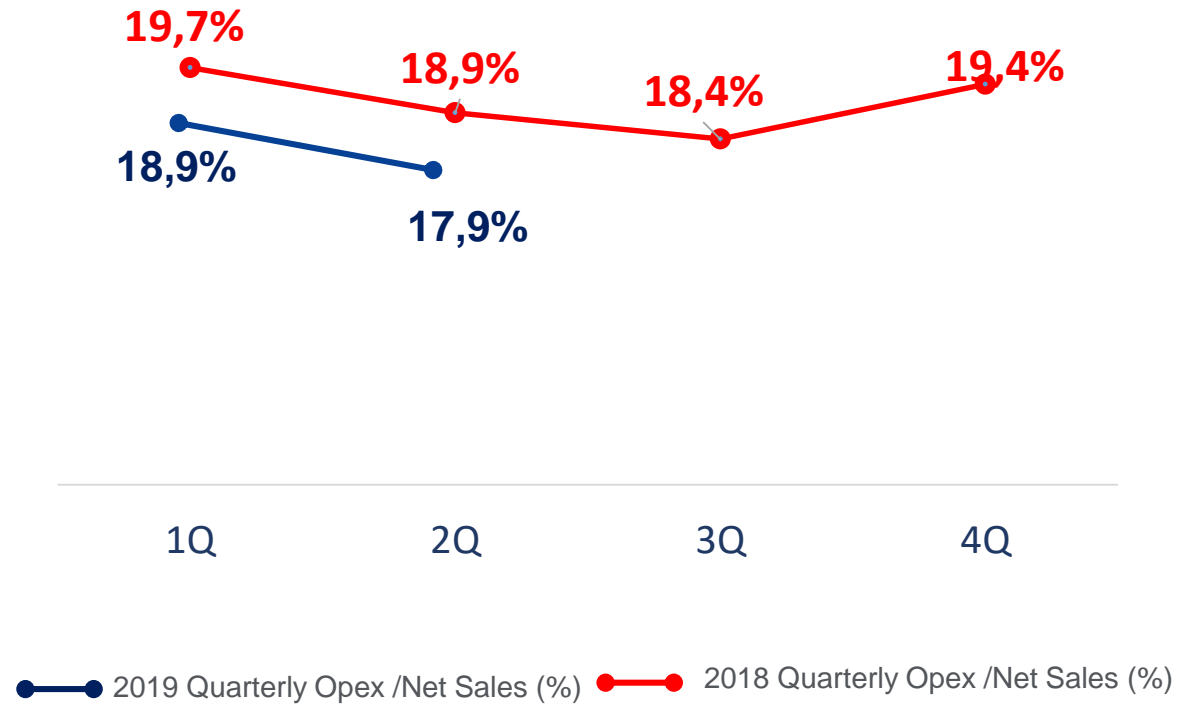
Successful cost management & Increasing Operating Leverage



Operating Expenses (TLm) (excl Amortisation)



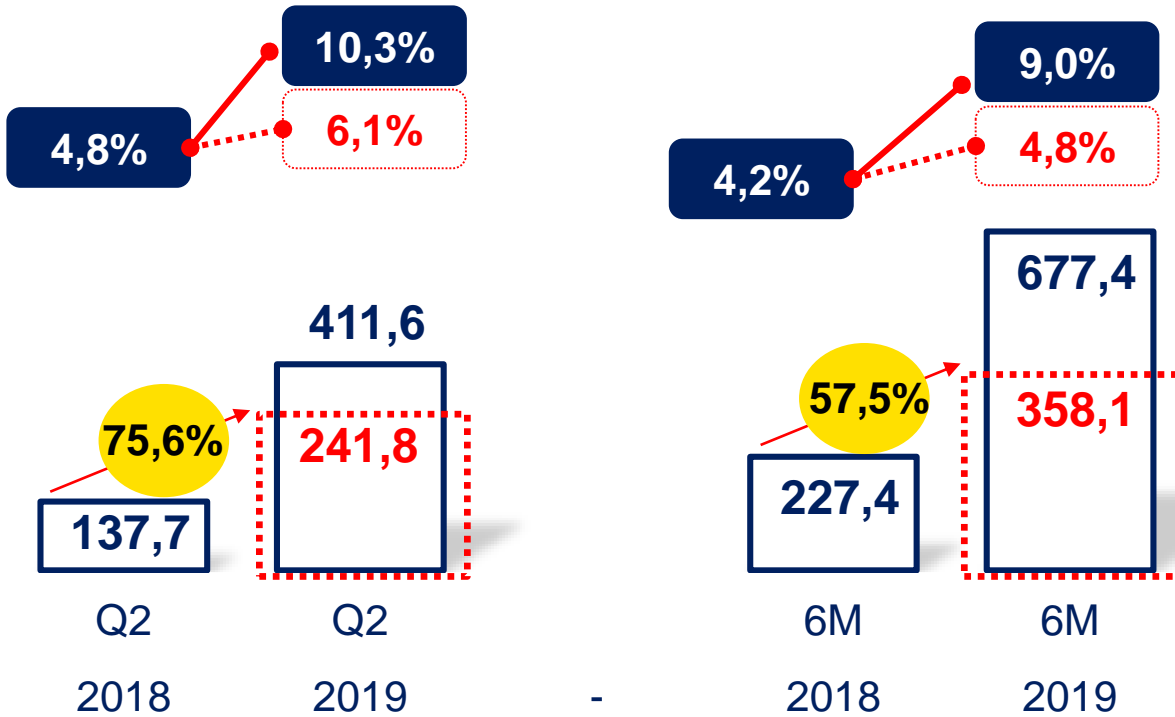
Opex/ Sales Evolution



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

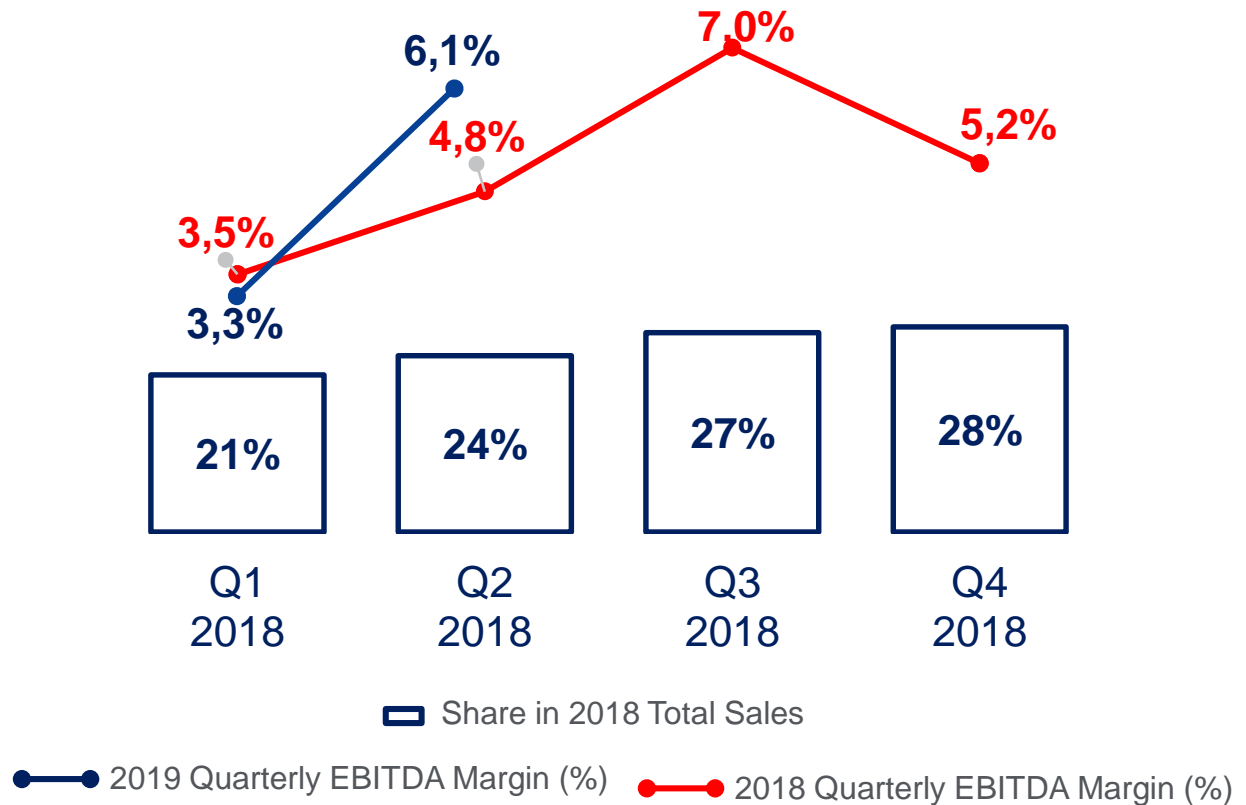
Accelerated EBITDA Margin

EBITDA (TLm)



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

Revenue Distribution & EBITDA Evolution

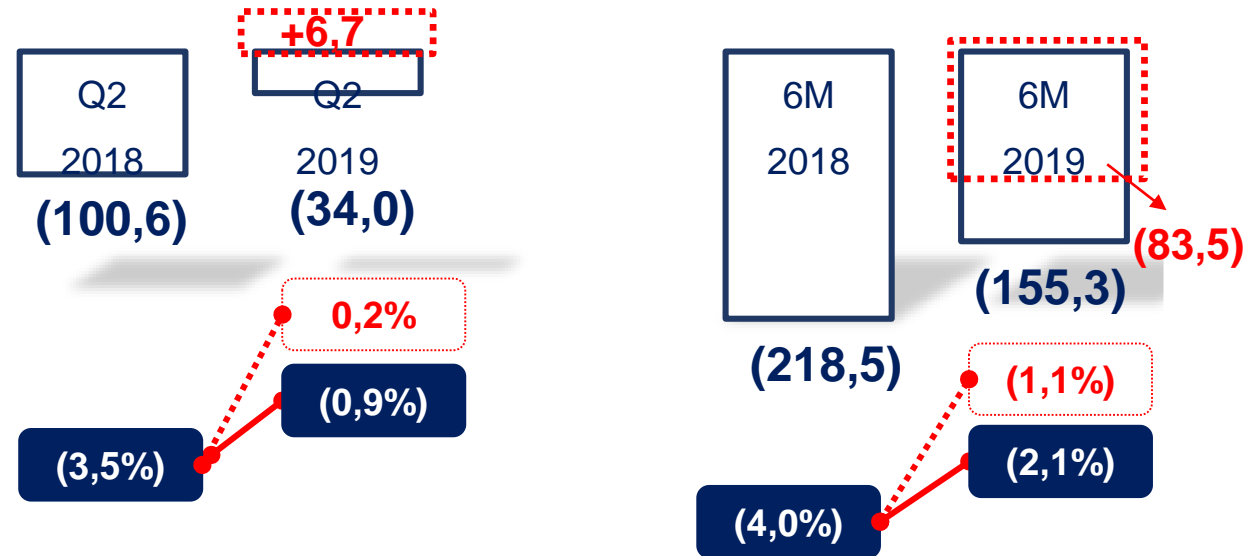


Share in 2018 Total Sales

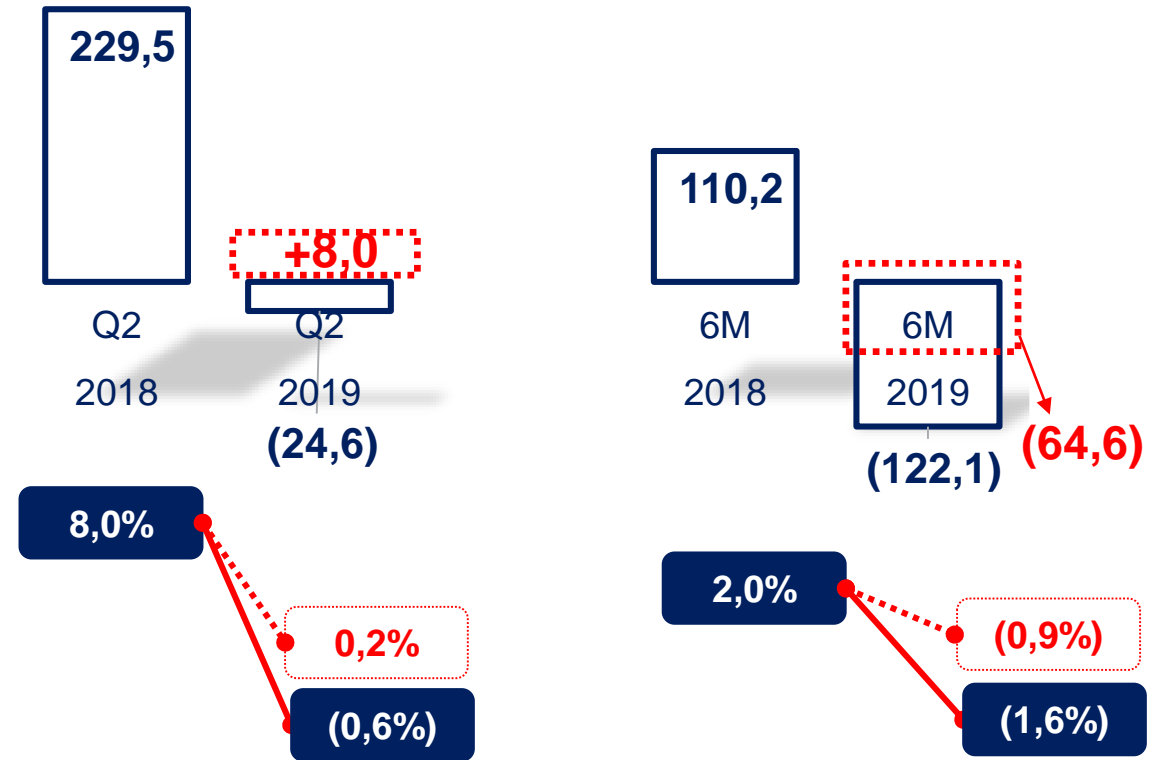
2019 Quarterly EBITDA Margin (%)
 2018 Quarterly EBITDA Margin (%)

Profitability improvement (TLm)

Profit Before Tax (TLm)



Net Profit (TLm)



Profit Before Tax Margin (%) Profit excl. IFRS 16 impact (%)

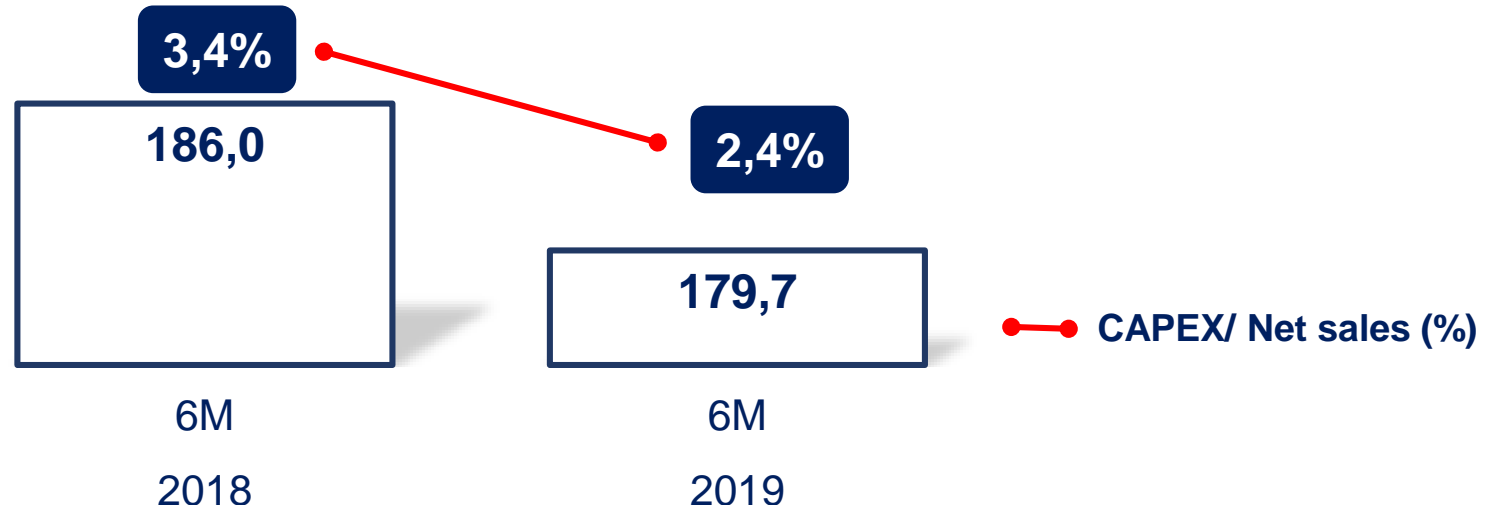
Profit Margin (%) Profit excl. IFRS 16 impact (%)

* 2018 figures are not adjusted for IFRS 16

* * 2018 net profit figure includes one off Deferred Tax Income of 331 million TL resulting from carried forward tax losses

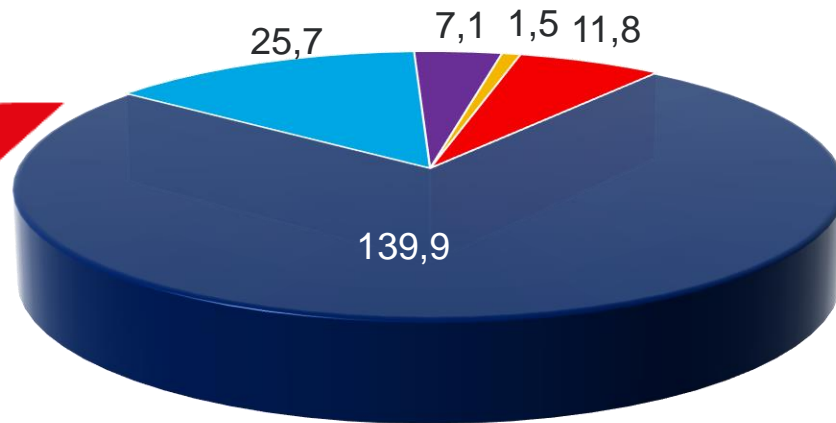


Effective CAPEX Management (TLm)



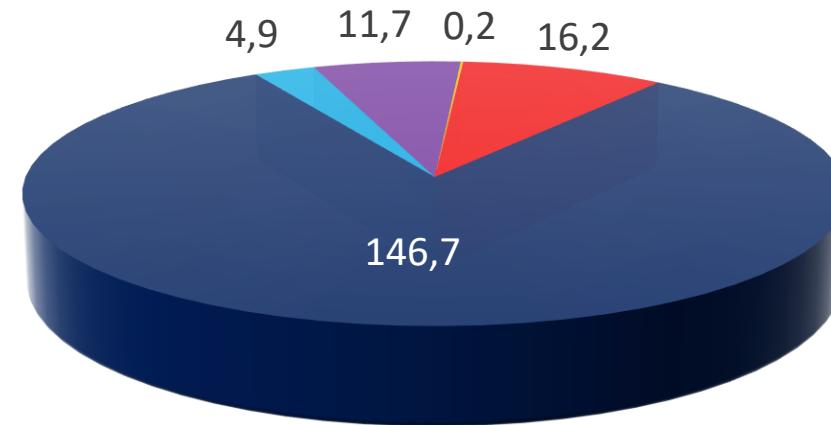
1H'18

642*
New Stores
Openings



1H'19

480*
New Stores
Openings



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



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



Consolidated Income Statement

Consolidated Income Statement Summary (TLm)	Q2 2018	Q2 2019 Before IFRS 16	Δ (%)	IFRS 16 Impact	Q2 2019 After IFRS 16	1H 2018	1H 2019 Before IFRS 16	Δ (%)	IFRS 16 Impact	1H 2019 After IFRS 16
Net Sales	2.883,9	3.991,8	38,4%	-	3.991,8	5.453,4	7.515,2	37,8%	-	7.515,2
Gross Profit	683,0	956,0	40,0%	-	956,0	1.280,1	1.736,7	35,7%	-	1.736,7
Gross Profit %	23,7%	23,9%	0,3 Ppt	-	23,9%	23,5%	23,1%	-0,4 Ppt	-	23,1%
Marketing, selling & GA expenses (-)	(595,4)	(769,2)	29,2%	71,0	(698,2)	(1.149,1)	(1.486,7)	29,4%	133,3	(1.353,3)
Amortisation	(50,1)	(55,0)	9,6%	(98,9)	(153,9)	(96,4)	(108,1)	12,1%	(185,9)	(294,0)
Marketing, selling & GA expenses (-) (Excl Amortisation)	(545,3)	(714,2)	31,0%	169,9	(544,3)	(1.052,7)	(1.378,6)	31,0%	319,3	(1.059,3)
EBITDA	137,7	241,7	75,5%	169,9	411,6	227,4	358,1	57,5%	319,3	677,4
EBITDA %	4,8%	6,1%	1,3 Ppt	4,3%	10,3%	4,2%	4,8%	0,6 Ppt	4,2%	9,0%
Profit / (Loss) Before Tax	(100,6)	6,7	106,7%	(40,7)	(34,0)	(218,5)	(83,5)	61,8%	(71,9)	(155,3)
Net Profit / (Loss) for the Period	229,5	8,0	-96,5%	(32,6)	(24,6)	110,2	(64,6)	-158,6%	(57,5)	(122,1)



Balance Sheet (Assets)

Consolidated Balance Sheet Summary (TLm)	31.12.18	30.06.19 Before IFRS 16		30.06.19 After IFRS 16
		IFRS 16 Impact		
Cash & cash equivalents	354,1	349,6		349,6
Trade receivables	69,5	120,6		120,6
Inventories	872,5	1.100,0		1.100,0
Other current assets	19,2	34,6	(2,6)	32,0
Total Current Assets	1.315,3	1.604,9	(2,6)	1.602,3
Property & equipment	977,6	1.050,0		1.050,0
Intangible assets	684,7	682,1		682,1
Other non-current assets	284,3	306,1	1.718,7	2.024,8
Non-Current Assets	1.946,6	2.038,2	1.718,7	3.756,9
Total Assets	3.261,9	3.643,1	1.716,0	5.359,1



Balance Sheet (Liabilities and Equity)

Consolidated Balance Sheet Summary (TLm)	30.06.19			30.06.19
	31.12.18	Before IFRS 16	IFRS 16 Impact	After IFRS 16
Short term financial liabilities	177,4	170,7		170,7
Trade payables	2.484,5	2.869,9		2.869,9
Other current payables	183,2	279,9	532,4	812,4
Total Current Liabilities	2.845,1	3.320,5	532,4	3.852,9
Total Non Current Liabilities	153,8	115,1	1.241,1	1.356,1
Shareholder's equity	261,8	206,7	(57,5)	149,2
Non-controlling interests	1,2	0,9		0,9
Total Equity	263,0	207,6	(57,5)	150,1
Total Liabilities and Equity	3.261,9	3.643,1	1.716,0	5.359,1



Q&A



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