



**1Q2021**  
**WEBCAST PRESENTATION**  
*May 7<sup>th</sup>, 2021*



**1Q'21  
Highlights**



**Operational  
Overview**



**Financial  
Overview**



**Sustainable  
Business**



**2021  
Guidance**



**Q&A**

# 1Q'21 Highlights – Strong Performance



Net Sales

**6,4 billion TL**  
Net Sales Growth  
**36,0%**  
LFL Growth  
**23,1%**



New Store  
Openings  
**287**

**Total Number  
of Stores  
8.432**

EBITDA

(exc. IFRS 16)

**380,6 million TL**  
EBITDA Margin  
**6,0%**

EBITDA

(inc. IFRS 16)

**602,5 million TL**  
EBITDA Margin  
**9,4%**

Net Income

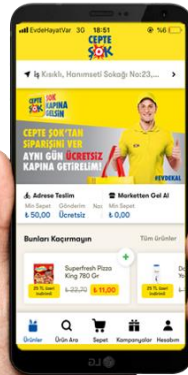
(exc. IFRS 16)

**113,4 million TL**  
Margin  
**1,8%**

Net Income

(inc. IFRS 16)

**83,7 million TL**  
Margin  
**1,3%**



CAPEX

**151,8  
million TL**



FCF

(exc. IFRS 16)

**178,8  
million TL**



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# Store Expansion Continues



## New Store Openings (net)

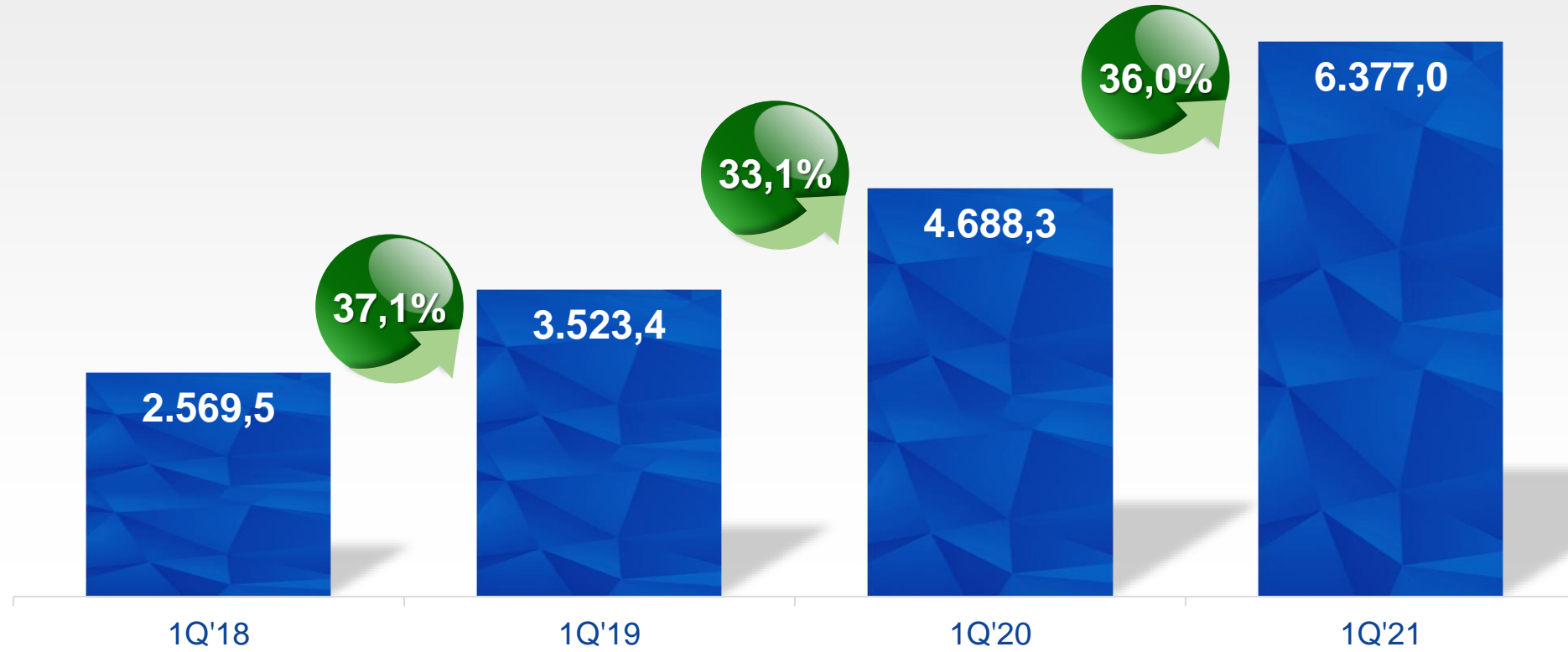


(\*) As Of March 2021, The Group Has a total of 8.432 Stores (8.068 Şok Stores, 364 Şok Mini Stores) And 31 Warehouses.

# Sustainable Revenue Growth



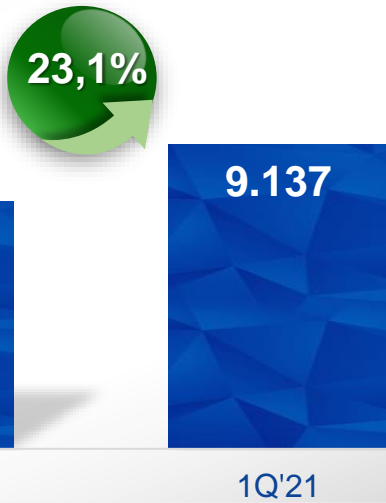
## Net Sales (TLm)



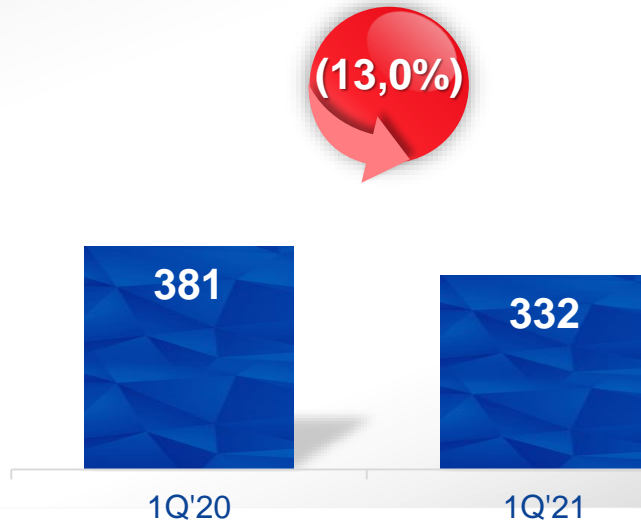
# Continuing Growth in LFL Store Sales



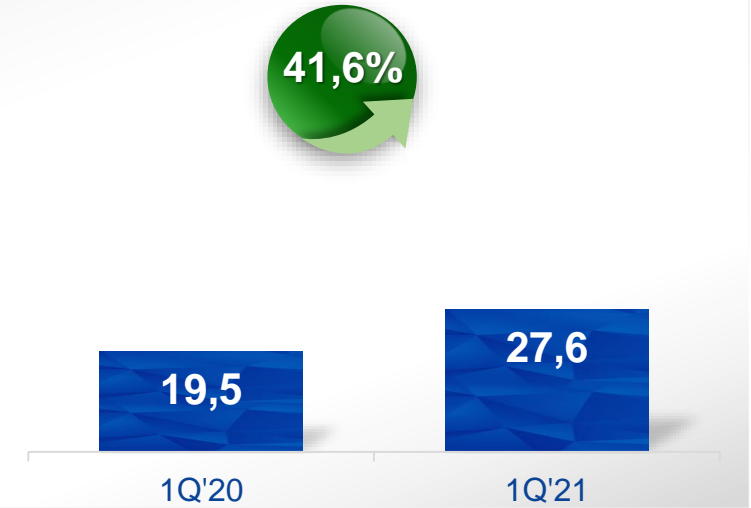
## LFL Daily Average Sales / Store (TL)



## LFL Daily Average Customer / Store



## LFL Daily Avg. Basket Size / Store (TL)



(1) The above Like-for-like daily figures (sales, customer & basket size) for 1Q are calculated on the basis of daily figures generated in 1Q2021 over 1Q2020 by 6.051 stores operating on 1Q2019 and that were still open on 1Q2021. The calculations are made over 90 days in each period.



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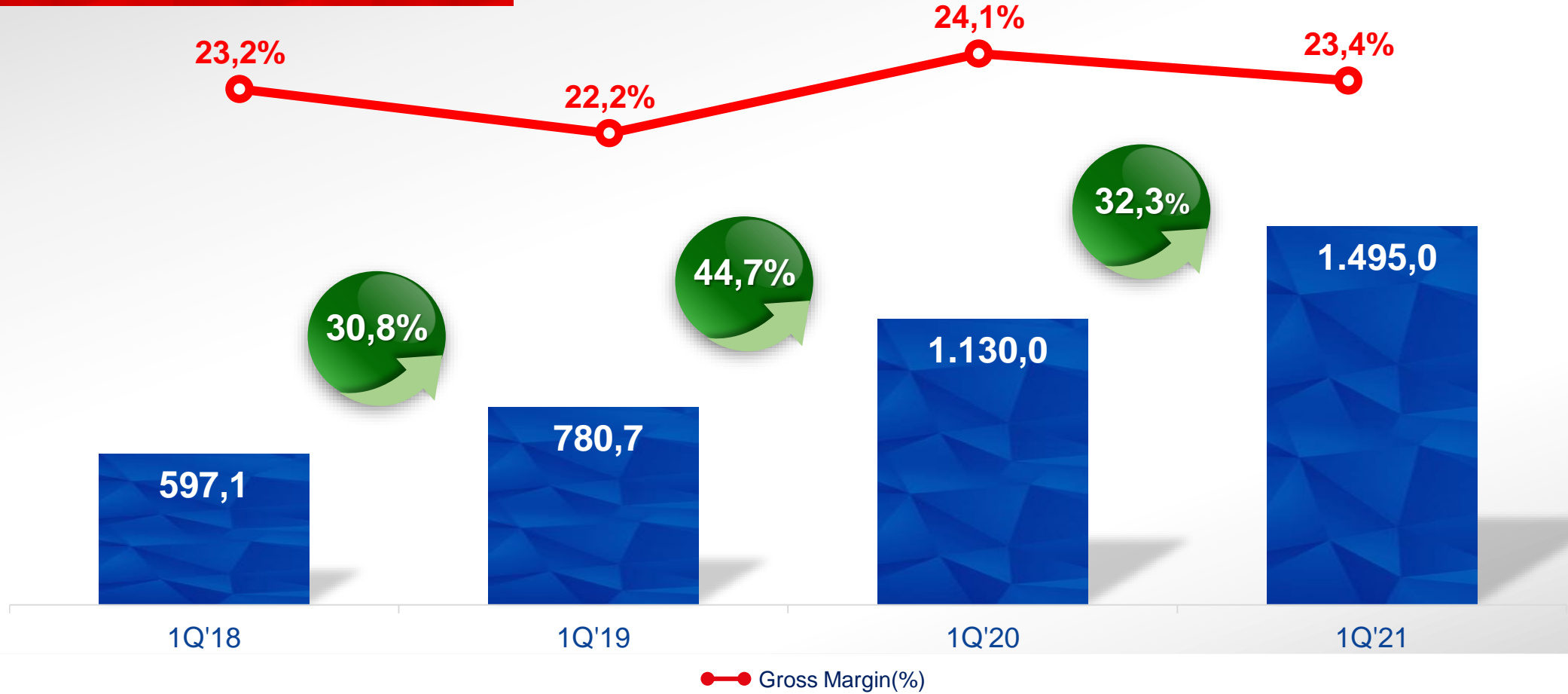
**Q&A**



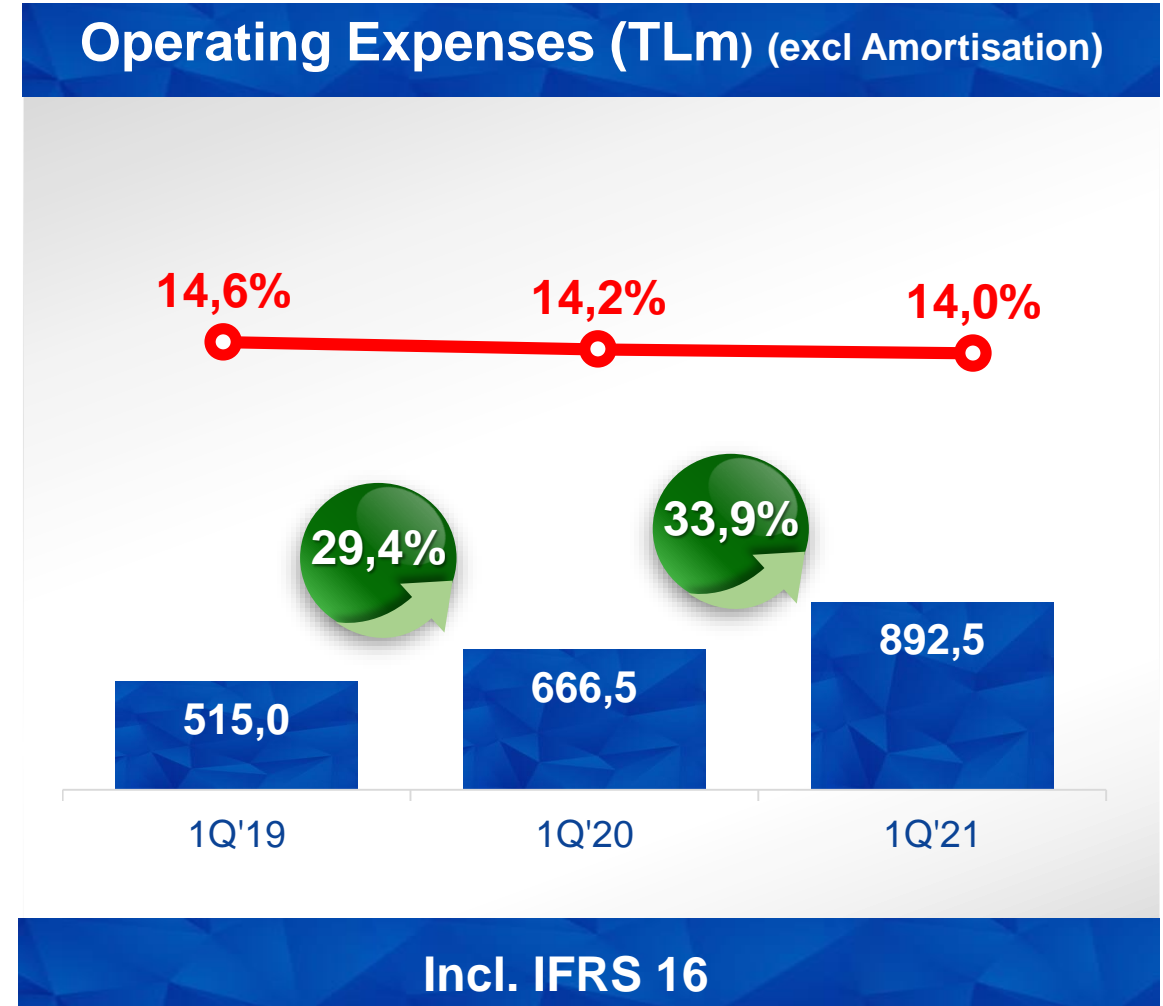
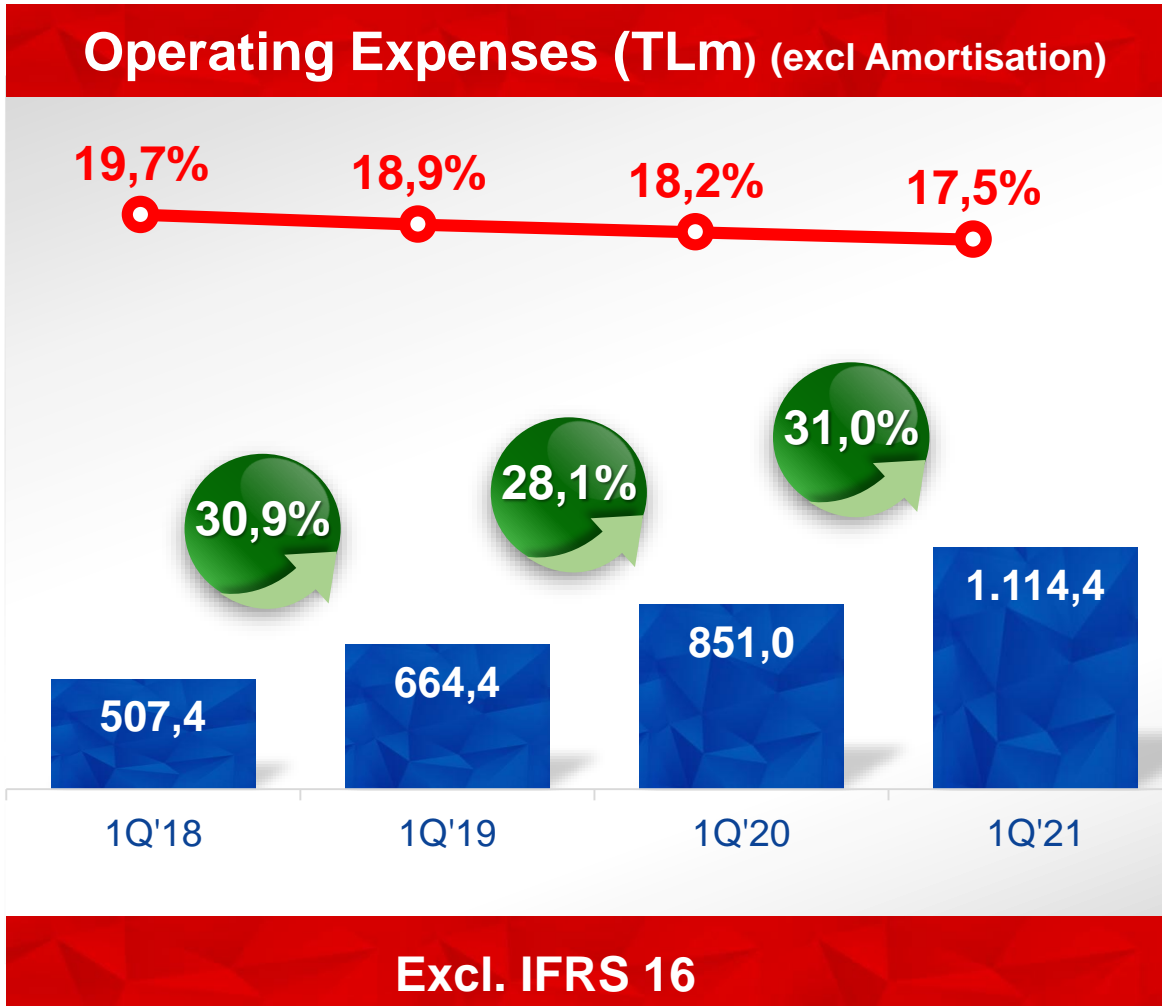
# Gross Profit Improvement



## Gross Profit (TLm)

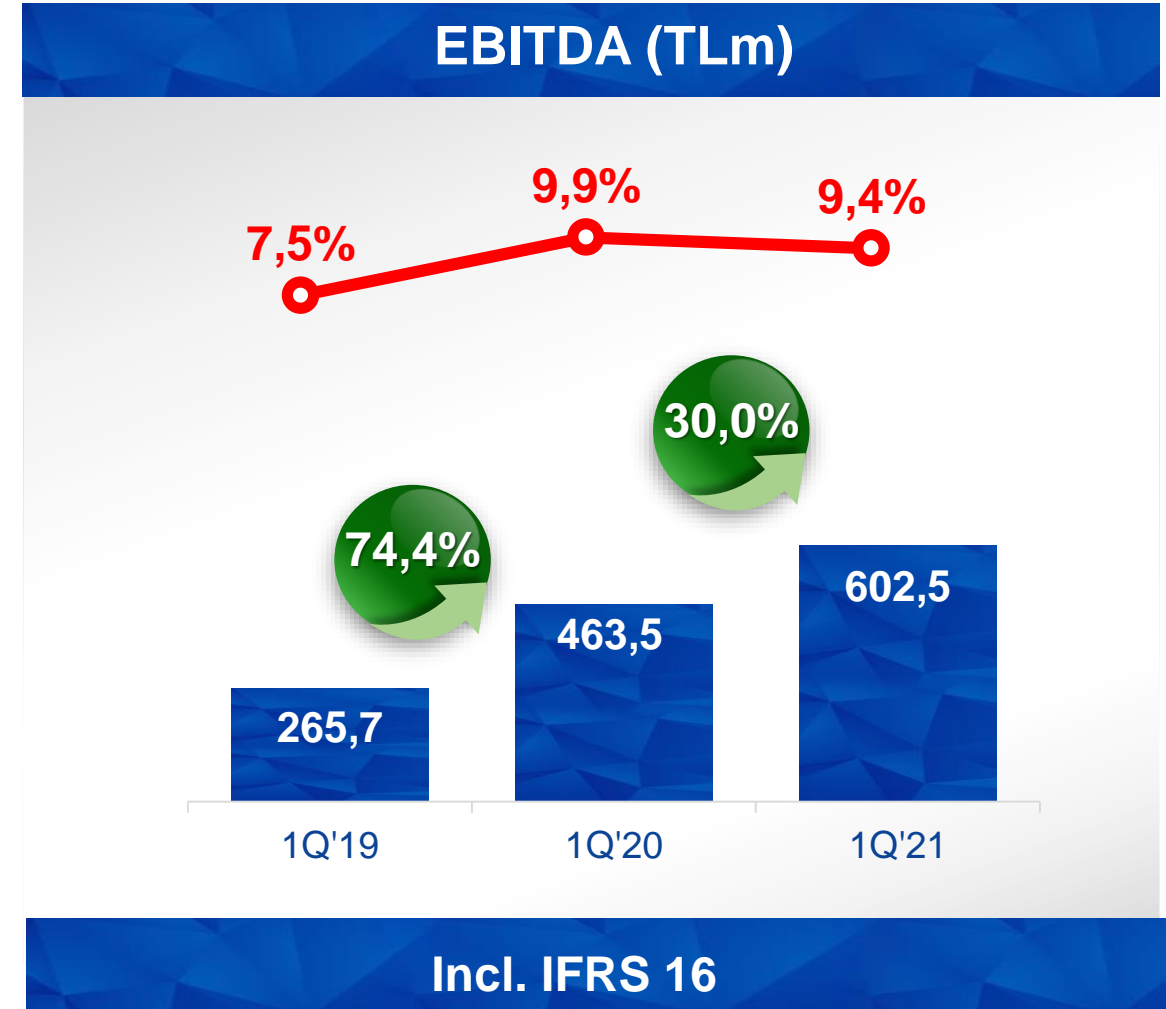
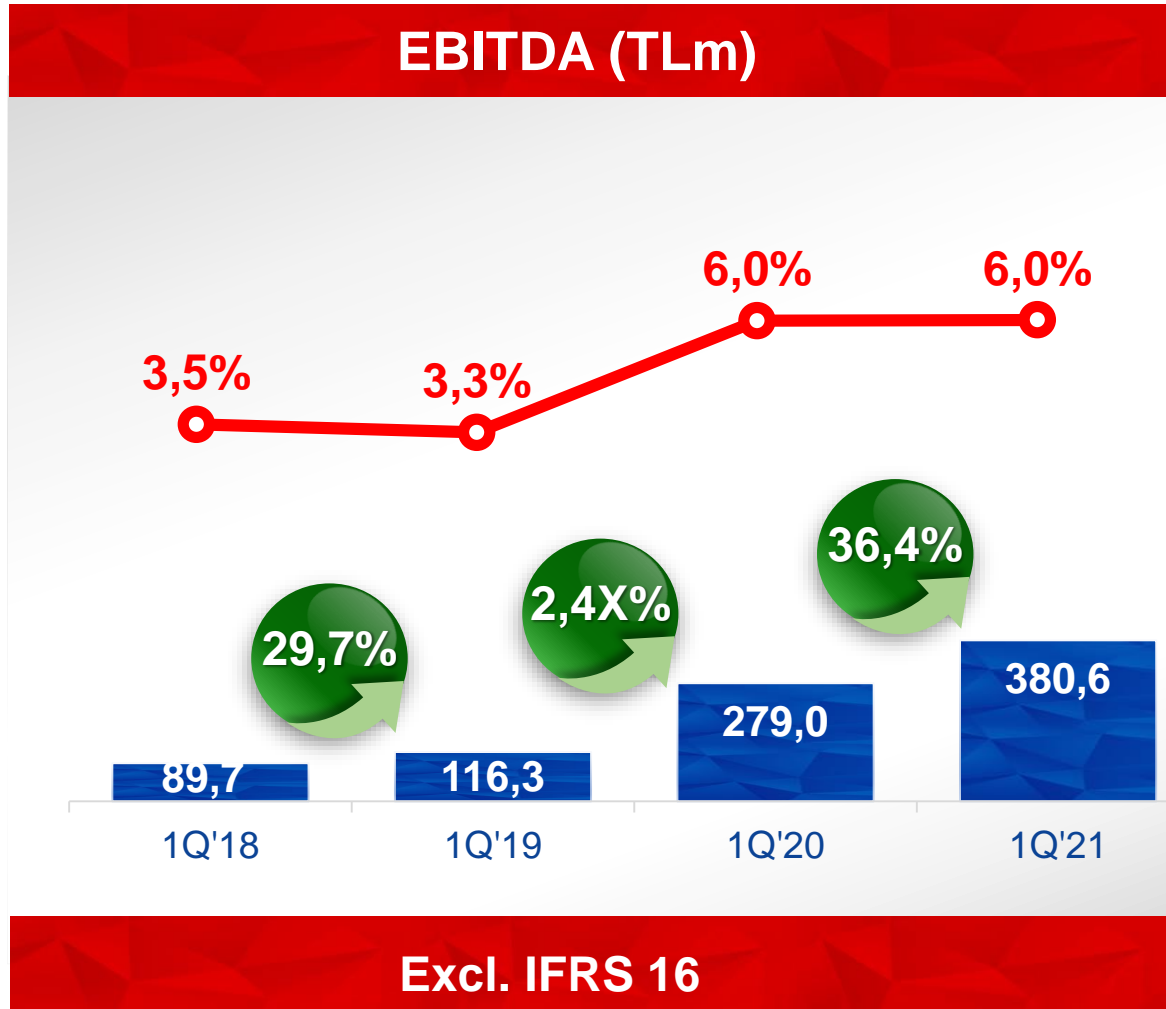


# Successful cost management & Increasing Operating Leverage



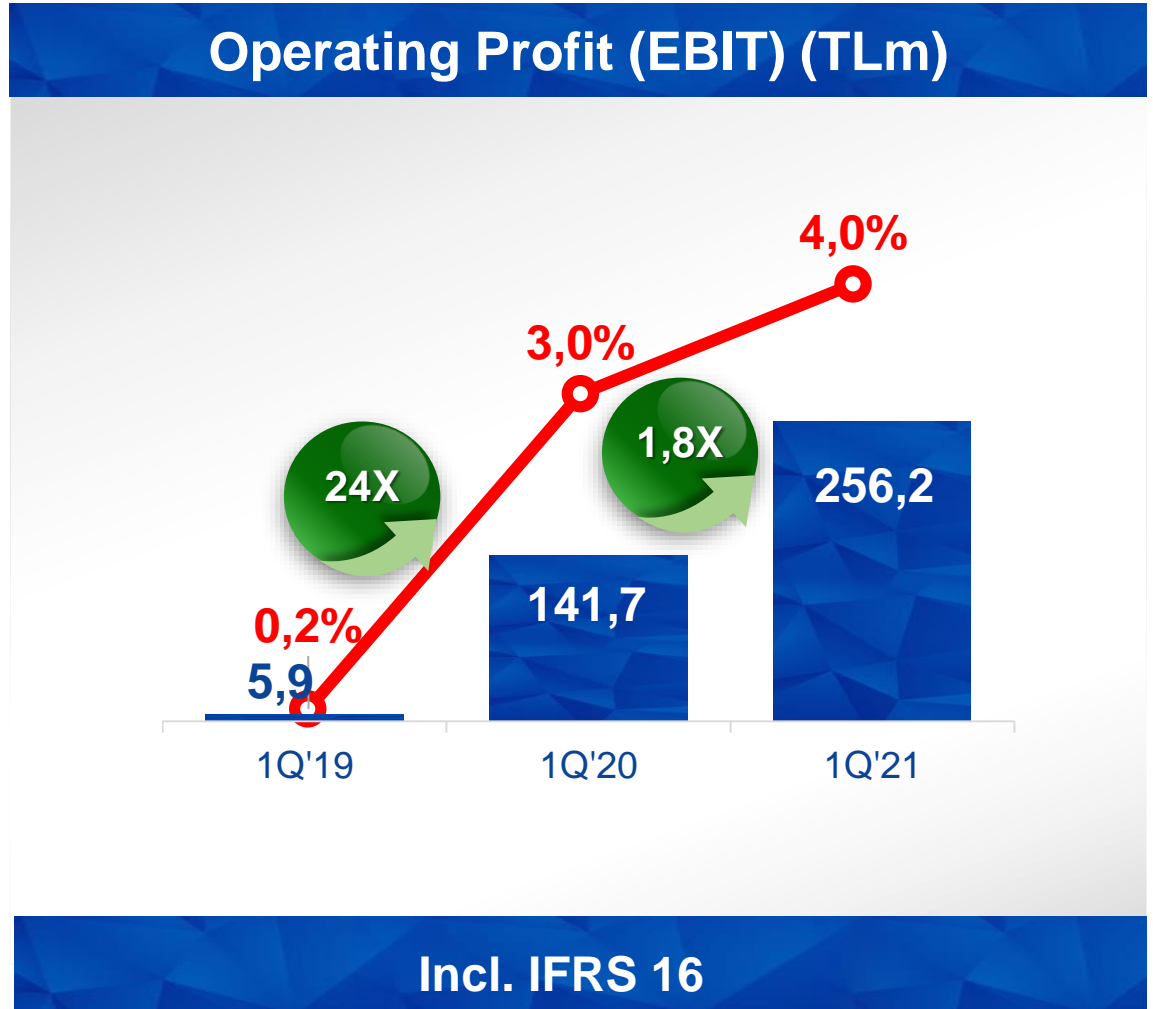
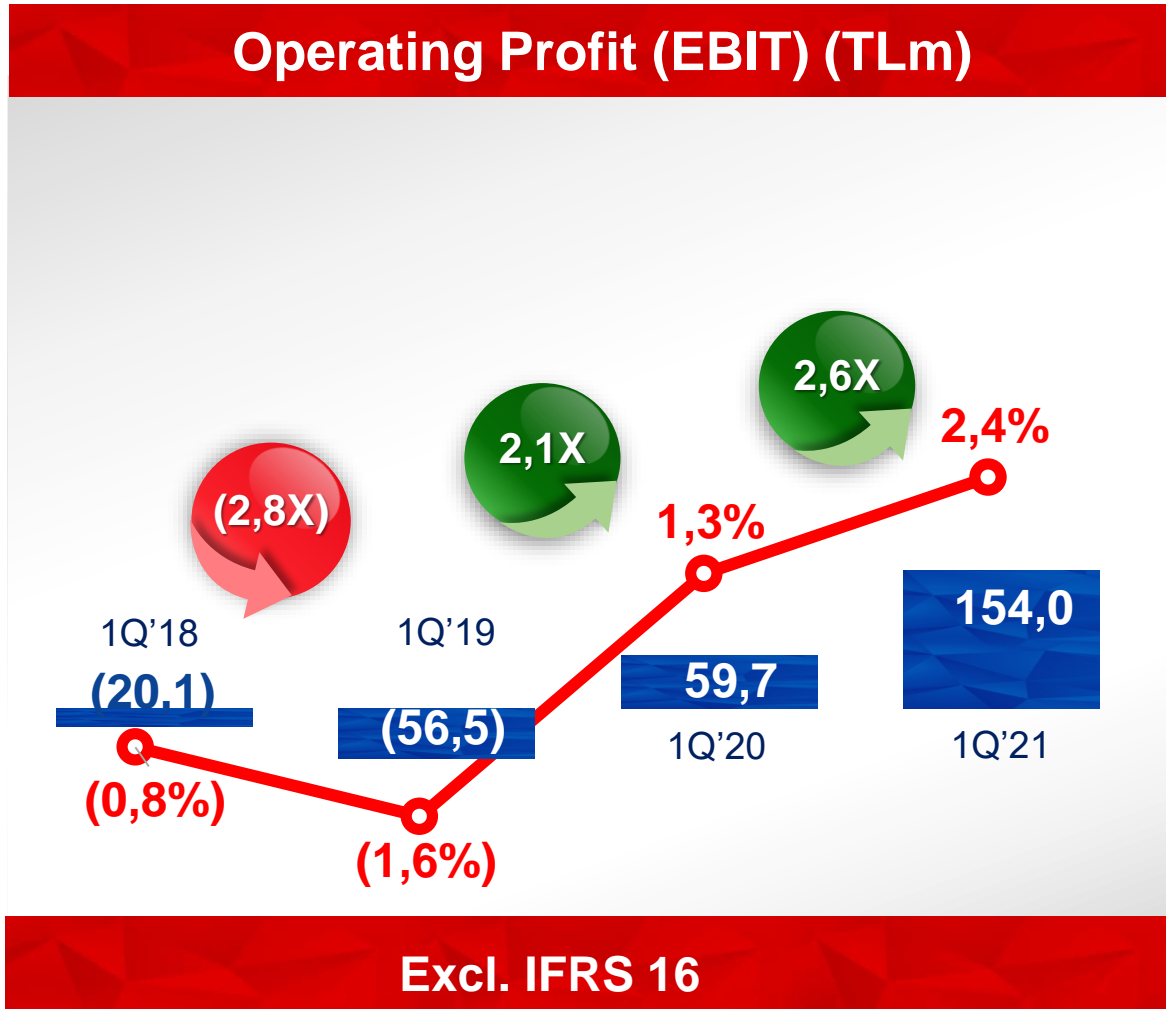
—●— OPEX/Sales(%)

# EBITDA Improvement



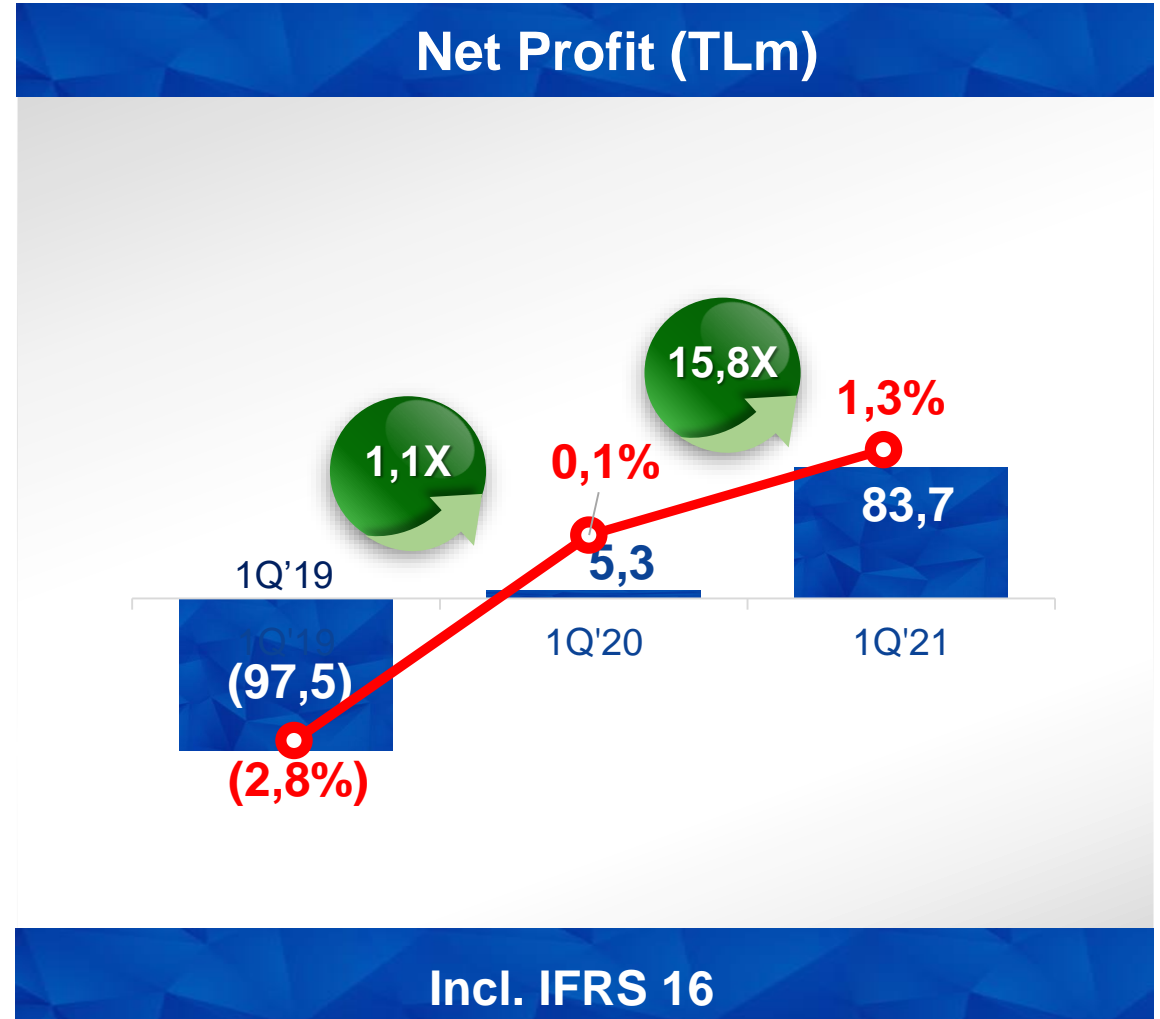
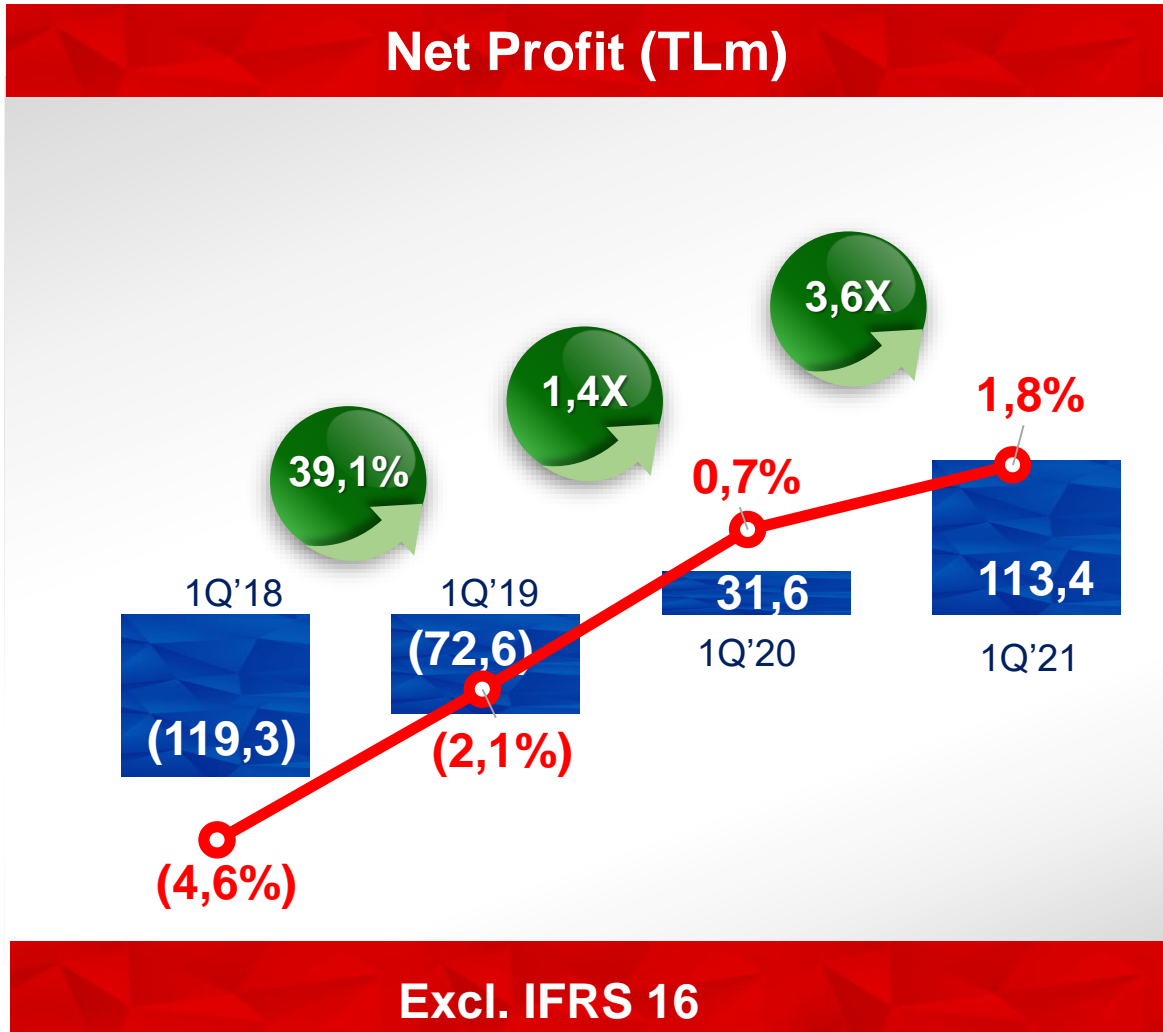
● EBITDA Margin(%)

# EBIT Improvement



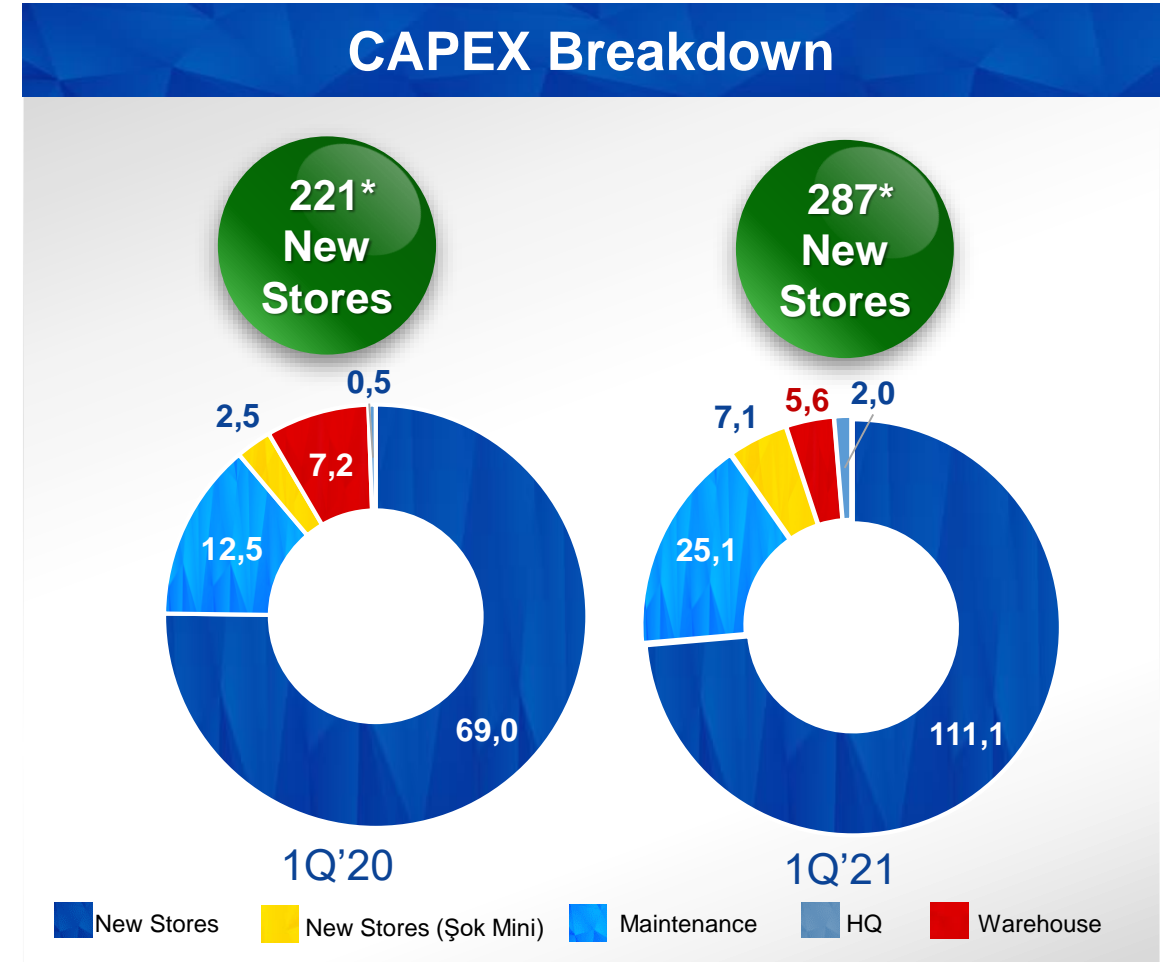
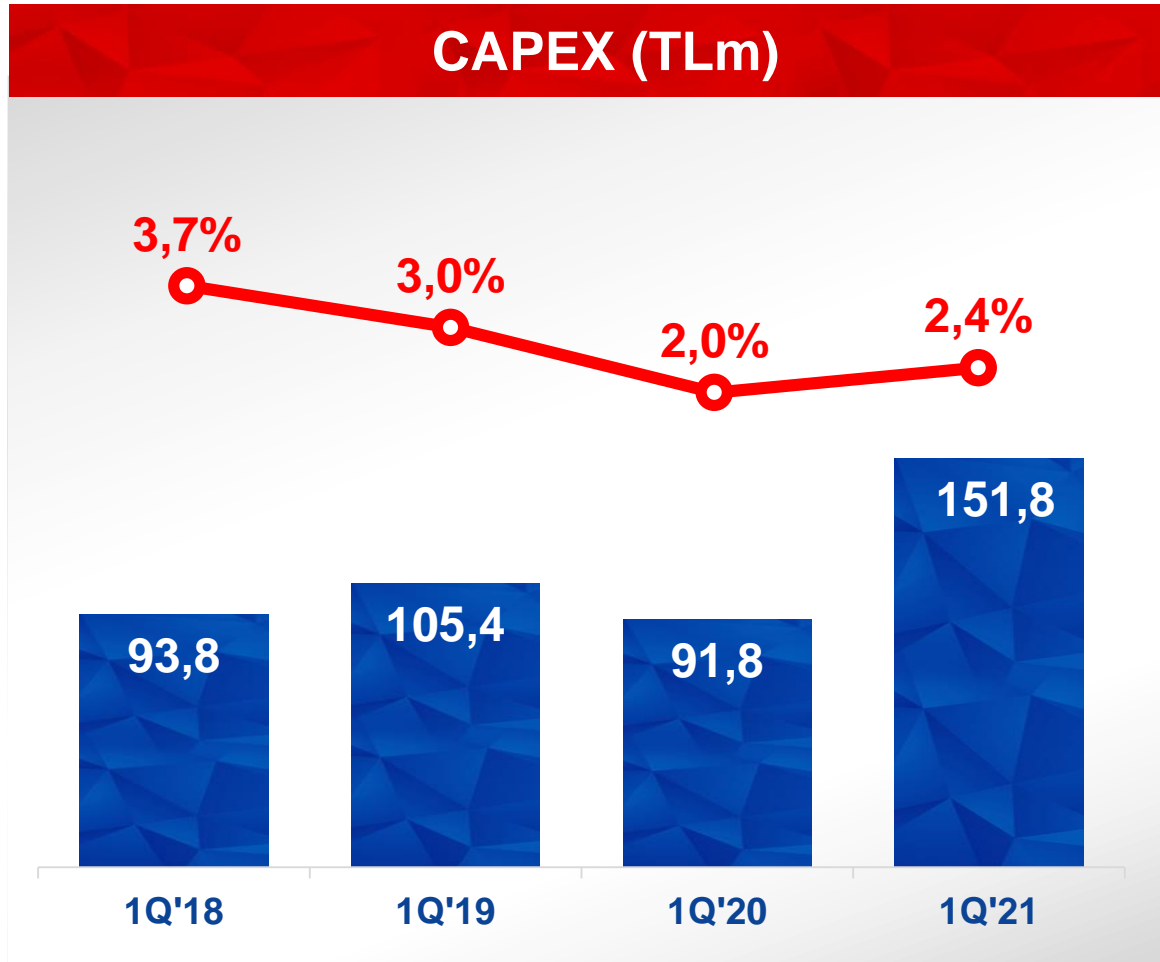
● EBIT Margin(%)

# Net Profit Improvement



● Net Profit Margin(%)

# Effective CAPEX Management



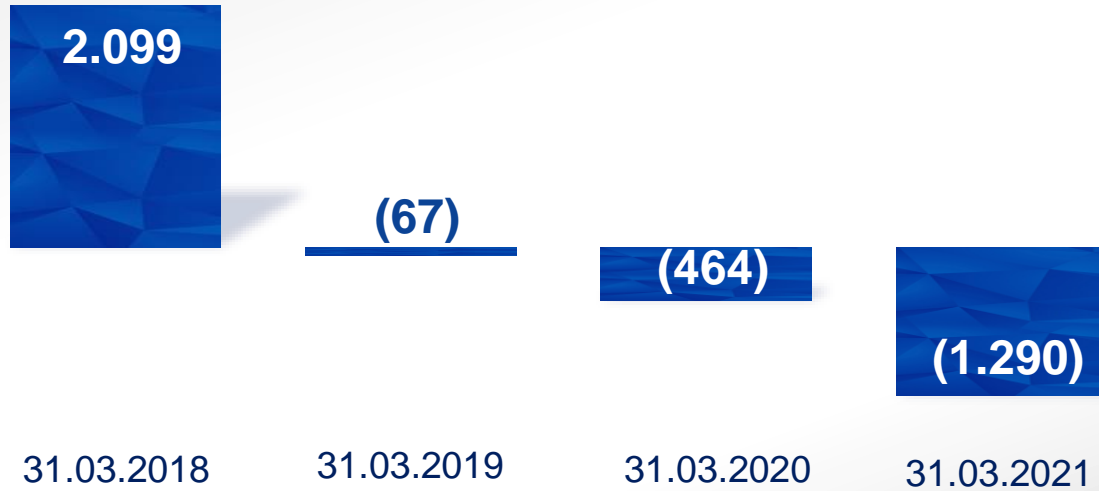
(\*) Including Şok and Şok Mini, net of closings

● CAPEX/ Sales (%)

# Strong Cash Position



## Net Debt / (Cash) (TLm)



(\*) Exc. IFRS 16

## Net Debt / Cash Breakdown (TLm)

TLm	31.03. 2018	31.03. 2019	31.03. 2020	31.03. 2021
Short Term Borrowings	1.879,3	75,4	0,0	0,0
Financial Lease	283,6	183,8	86,9	20,7
<b>Total Debt</b>	<b>2.162,9</b>	<b>259,2</b>	<b>86,9</b>	<b>20,7</b>
Cash&Cash Equivalents	(63,7)	(326,4)	(550,4)	(1.310,8)
<b>Net Debt (excl. IFRS 16)</b>	<b>2.099,1</b>	<b>(67,3)</b>	<b>(463,5)</b>	<b>(1.290,1)</b>
Lease Liabilities	-	1.606,6	2.006,7	2.559,4
<b>Net Debt (Inc. IFRS 16)</b>	<b>-</b>	<b>1.539,3</b>	<b>1.543,2</b>	<b>1.269,4</b>

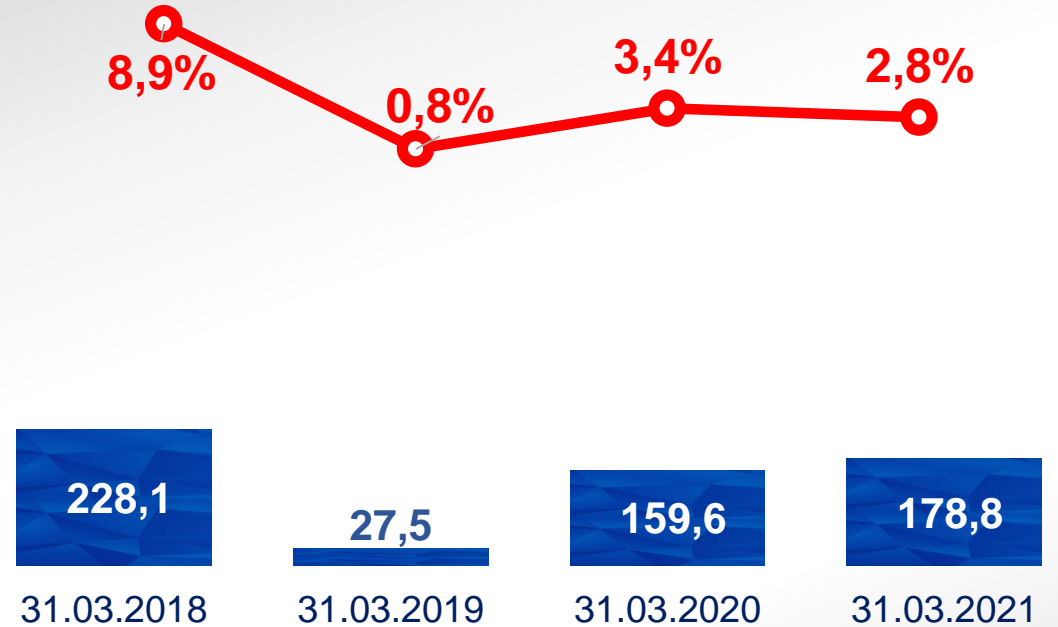
# Negative Working Capital & Strong FCF Generation



## Net Working Capital (TLm)



## Free Cashflow (TLm)

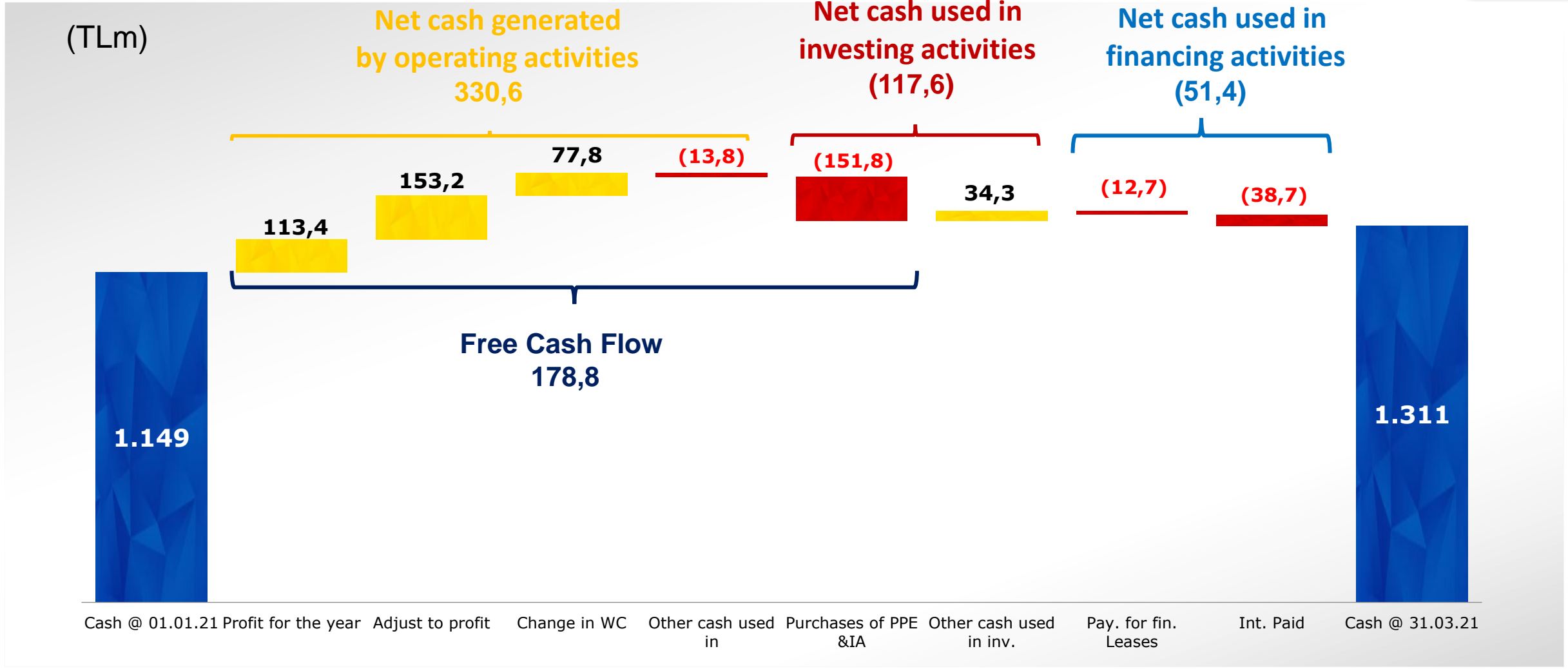


(\*) Exc. IFRS 16

—●— FCF/Net Sales(%)



# Strong Cash Flow (exc. IFRS 16)



(\*) Details of cash flow are also reported at IFRS Report (Page 52.)



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## ENVIRONMENT



### Reusable Boxes Project

~ **19 million** cardboard or plastic box waste were prevented in 2020

### Energy Consumption

Electricity Consumption

- ❖ Smart stores



**FAIR**  
**AGRICULTURE**

## Social Responsibility

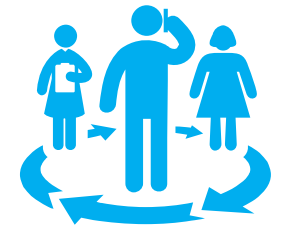
- ❖ Contribution to employment
- ❖ ~ **6.000** employees in 2020
- ❖ ~ **7.500** hand-made shopping bag were sold in 2020.

## Gender Equality

Female **45%** Male **55%**



## SOCIAL



**ECONOMY**





## ENVIRONMENT



### Reusable Boxes Project

~ **19 million** cardboard or plastic box waste were prevented in 2020

### Energy Consumption

#### Electricity Consumption

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FAIR  
AGRICULTURE

## SOCIAL





### Social Responsibility

- ❖ Contribution to employment
- ❖ ~ **6.000** employees in 2020
- ❖ ~ **7.500** hand-made shopping bag were sold in 2020.

### Gender Equality

Female	Male
45%	55%



ECONOMY



# Cepte ŞOK (Şok in Mobile)

## Unique Online Home Delivery Model



### Value Proposition

- ❖ Extensive Coverage
- ❖ Free Delivery
- ❖ %100 Electric Vehicles
- ❖ Discount Store Price
- ❖ Alternative Order Methods
- ❖ Alternative Payment Methods
- ❖ Loyalty Program

### CEPTE ŞOK Others

Alternative Payment Methods		CEPTE ŞOK	Others
Online Payment		✓	✓
Cash on Delivery		✓	✗
Credit Card at the Door		✓	✗
Alternative Order Methods			
Mobile App		✓	✓
Phone		✓	✗
Web		✓	✗
	<a href="http://www.sokmarket.com.tr/">www.sokmarket.com.tr/</a>		



## Positive EBITDA Contribution



### Light CAPEX Structure



- ❖ Existing Stores



- ❖ Existing Supply Chain & Warehouses



- ❖ Existing Inventory



- ❖ Existing Brand Awareness



- ❖ Light OPEX Structure



- ❖ Light Operating Expenses



- ❖ Inhouse Delivery Fleet



- ❖ Effective Personnel Cost Management



- ❖ Light Marketing Expenses

# Cepte ŞOK (Şok in Mobile) Next Steps



## Next Steps



Increasing delivery capacity  
w/h light CAPEX spending



Improving customer  
experience through  
operational excellence



Increasing number of  
customer through investing  
in ATL/BTL marketing



Customer retention through  
«Loyalty Program»



## Online Loyalty Program



### Earning & Using «Şok Stars»

- ❖ Easy to earn and spend
- ❖ Earn 1 «Şok Star» for each 100TL shopping from Cepteşok
- ❖ 1 Şok Star = 1 TL
- ❖ Use your Şok Stars once 10 'stars' are accumulated in your account
- ❖ Only for the online channel



## CEPTE ŞOK'TA YILDIZ YAĞMURU BAŞLADI!



**Alışveriş Yaptıkça ŞOK Yıldız  
Kazanma Fırsatı Cepte Şok'ta**

Cepte Şok'tan yaptığınız  
her 100 TL alışveriş tutarı için  
1 Şok Yıldız kazanın,  
topladığınız Şok Yıldızları  
alışverişlerinizde  
dilediğiniz gibi harcayın.

**Cepte Şok'u hemen indir,  
alışverişin kazançlı olsun.**

Google Play  
App Store'dan

Ödeme adınıza geldiğinizde, «Şok Yıldızlarını Harca»  
bölümünden harcamak istediğiniz Şok Yıldız miktarını belirleyebilirsiniz.  
Şok Yıldızlarınızı harcamak için **minimum 10 Şok Yıldız**  
biriktirmeniz gerekmektedir. Kullanmak istediğiniz Şok Yıldız miktarı,  
ödeme sırasında sipariş tutarınızdan ondan düşülecektir.  
Her Şok Yıldız 1 TL değerindedir.



## ENVIRONMENT



### Reusable Boxes Project

~ **19 million** cardboard or plastic box waste were prevented in 2020

### Energy Consumption

#### Electricity Consumption

- ❖ Smart stores

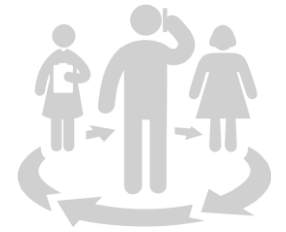


## FAIR AGRICULTURE

## Social Responsibility



- ❖ Contribution to employment
- ❖ ~ **6.000** employees in 2020
- ❖ ~ **7.500** hand-made shopping bag were sold in 2020.

## SOCIAL



## Gender Equality

Female	Male
45%	55%



## ECONOMY





# Vertical Integration in Agri- Business



## Value Creation For All Stakeholders

Supporting  
Turkish  
Agriculture &  
Farmers



### Farmer

- ❖ Contracted farming
- ❖ Financial support
- ❖ Purchasing guarantee



- ❖ Customer satisfaction
- ❖ Customer loyalty
- ❖ Traffic contribution
- ❖ Profitability

### Customer

- ❖ Controlled process
- ❖ high-quality
- ❖ affordable price

Contributing  
To Economy



Controlling the end-to-end  
process- From cultivation to  
harvest





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**Strategic  
Developments**



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# 2021 Guidance Reminder



**Net Sales** **25% (+- 2%)**

**EBITDA Margin** **6,0% (+- 0,5%)**  
*(excl. IFRS 16)*

**EBITDA Margin** **9,5% (+- 0,5%)**  
*(incl. IFRS 16)*

**CAPEX** **~ 550 million TL**  
**(+/-50 million TL)**





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# Consolidated Income Statement Summary

million TL	Excl. IFRS 16			Incl. IFRS 16		
	1Q'20	1Q'21	Δ (%)	1Q'20	1Q'21	Δ (%)
Net Sales	4.688,3	6.377,0	36,0%	4.688,3	6.377,0	36,0%
Gross Profit	1.130,0	1.495,0	32,3%	1.130,0	1.495,0	32,3%
Gross Profit %	24,1%	23,4%	-0,7 Ppt	24,1%	23,4%	-0,7 Ppt
Marketing, selling & GA expenses (-)	(911,2)	(1.185,7)	30,1%	(829,1)	(1.083,6)	30,7%
Amortisation	(60,2)	(71,3)	18,4%	(162,6)	(191,0)	17,5%
Marketing, selling & GA expenses (-) (Excl Amortisation)	(851,0)	(1.114,4)	31,0%	(666,5)	(892,5)	33,9%
EBITDA	279,0	380,6	36,4%	463,5	602,5	30,0%
EBITDA %	6,0%	6,0%	0,0 Ppt	9,9%	9,4%	-0,4 Ppt
Operating Profit (EBIT)	59,7	154,0	158,1%	141,7	256,2	80,8%
Financial Expense	(22,2)	(38,7)	74,1%	(138,3)	(177,7)	28,5%
Profit / (Loss) Before Tax	38,6	148,2	283,5%	5,3	111,3	1989,0%
Net Profit / (Loss) for the Period	31,6	113,4	259,3%	5,3	83,7	1472,6%

# Consolidated Balance Sheet Summary



	Excl. IFRS 16		Inc. IFRS 16	
	31.12.2020	31.03.2021	31.12.2020	31.03.2021
million TL				
Cash & cash equivalents	1.149,1	1.310,8	1.149,1	1.310,8
Trade receivables	106,2	115,4	106,2	115,4
Inventories	2.090,3	2.385,7	2.090,3	2.385,7
Other current assets	33,8	39,7	31,5	37,1
<b>Total Current Assets</b>	<b>3.379,4</b>	<b>3.851,6</b>	<b>3.377,0</b>	<b>3.849,0</b>
Property & equipment	1.352,7	1.432,0	1.352,7	1.432,0
Intangible assets	692,0	691,7	692,0	691,7
Other non-current assets	167,0	136,4	2.340,1	2.435,3
<b>Non-Current Assets</b>	<b>2.211,7</b>	<b>2.260,2</b>	<b>4.384,8</b>	<b>4.559,1</b>
<b>Total Assets</b>	<b>5.591,0</b>	<b>6.111,8</b>	<b>7.761,8</b>	<b>8.408,1</b>

# Consolidated Balance Sheet Summary



	Excl. IFRS 16		Inc. IFRS 16	
	31.12.2020	31.03.2021	31.12.2020	31.03.2021
million TL				
<b>Short term financial liabilities</b>	<b>32,7</b>	<b>20,7</b>	<b>32,7</b>	<b>20,7</b>
Trade payables	4.600,8	4.975,9	4.600,8	4.975,9
Other current payables	367,3	416,1	1.112,7	1.204,1
<b>Total Current Liabilities</b>	<b>5.000,9</b>	<b>5.412,7</b>	<b>5.746,2</b>	<b>6.200,7</b>
<b>Total Non Current Liabilities</b>	<b>102,7</b>	<b>99,4</b>	<b>1.761,7</b>	<b>1.870,8</b>
Shareholder's equity	486,4	598,7	253,1	335,9
Non-controlling interests	1,0	1,0	0,8	0,6
<b>Total Equity</b>	<b>487,4</b>	<b>599,7</b>	<b>253,9</b>	<b>336,5</b>
<b>Total Liabilities and Equity</b>	<b>5.591,0</b>	<b>6.111,8</b>	<b>7.761,8</b>	<b>8.408,1</b>

# Consolidated Cash Flow Summary



	Excl. IFRS 16		Inc. IFRS 16	
	31.03.2020	31.03.2021	31.03.2020	31.03.2021
million TL				
Profit/(loss) from continued operations	31,6	113,4	5,3	83,7
Adjustments related to reconciliation of net profit / (loss) for the period	105,7	153,2	317,8	404,8
Cash generated by / (used in) operations before changes in working capital	137,3	266,6	323,2	488,5
Changes in working capital :	122,7	77,8	123,5	78,1
Cash used in operations	260,0	344,4	446,6	566,6
Taxes, Payments for lawsuits, retirement benefits and unused vacs. etc.	(8,7)	(13,8)	(8,7)	(13,8)
<b>A- Net cash generated by operating activities:</b>	<b>251,4</b>	<b>330,6</b>	<b>438,0</b>	<b>552,9</b>
Purchases of property and equipment	(88,7)	(150,1)	(88,7)	(150,1)
Purchases of intangible assets	(3,1)	(1,7)	(3,1)	(1,7)
<b>Free Cash Flow</b>	<b>159,6</b>	<b>178,8</b>	<b>346,2</b>	<b>401,0</b>
Other	3,3	34,3	2,6	34,3
<b>B-Net cash used in investing activities</b>	<b>(88,6)</b>	<b>(117,6)</b>	<b>(89,3)</b>	<b>(117,6)</b>
<b>C-Net cash (used in) / generated from financing activities</b>	<b>(43,8)</b>	<b>(51,4)</b>	<b>(229,7)</b>	<b>(273,6)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>119,1</b>	<b>161,7</b>	<b>119,1</b>	<b>161,7</b>
<b>D.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>431,3</b>	<b>1.149,1</b>	<b>431,3</b>	<b>1.149,1</b>
<b>E.CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>	<b>550,4</b>	<b>1.310,8</b>	<b>550,4</b>	<b>1.310,8</b>



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