3Q2019
WEBCAST PRESENTATION

November 7th, 2019

Agenda

- 3Q'19 Highlights
- General Overview
- Financial Results
- Q&A

9M’19 Highlights

✓ **Continuing new store openings**
- *Total store number increased to 7.003*
- *639 new stores, of which 159 in Q3’19*

✓ **Leading position in the revenue generation**
- *35,7% revenue growth in 9M’19 and 32,2% in Q3’19*
- *19,9% LFL growth including traffic increase of 5,0% in 9M’19*

✓ **EBITDA Margin* was 5,2% in 9M’19 and 5,9% in 3Q’19**
- Improvement at gross margin in Q3’19, +130 bps vs Q1’19
- Continued operating leverage

✓ **Positive free-cash-flow generation**

*Excluding IFRS 16

Continuing growth story

7.003 Stores(3)

Q3'19

TL 4,3 bn
Net Sales

32,2%
Net Sales Growth

16,9%
LFL Sales (1)
Growth Per Store

Including IFRS 16
TL 422,8m
EBITDA
9,8%
EBITDA Margin

Excluding IFRS 16
TL 254,2m
EBITDA
5,9%
EBITDA Margin

159
New Şok Stores

9M'19

TL 11,8 bn
Net Sales

35,7%
Net Sales Growth

19,9%
LFL Sales (1)
Growth Per Store

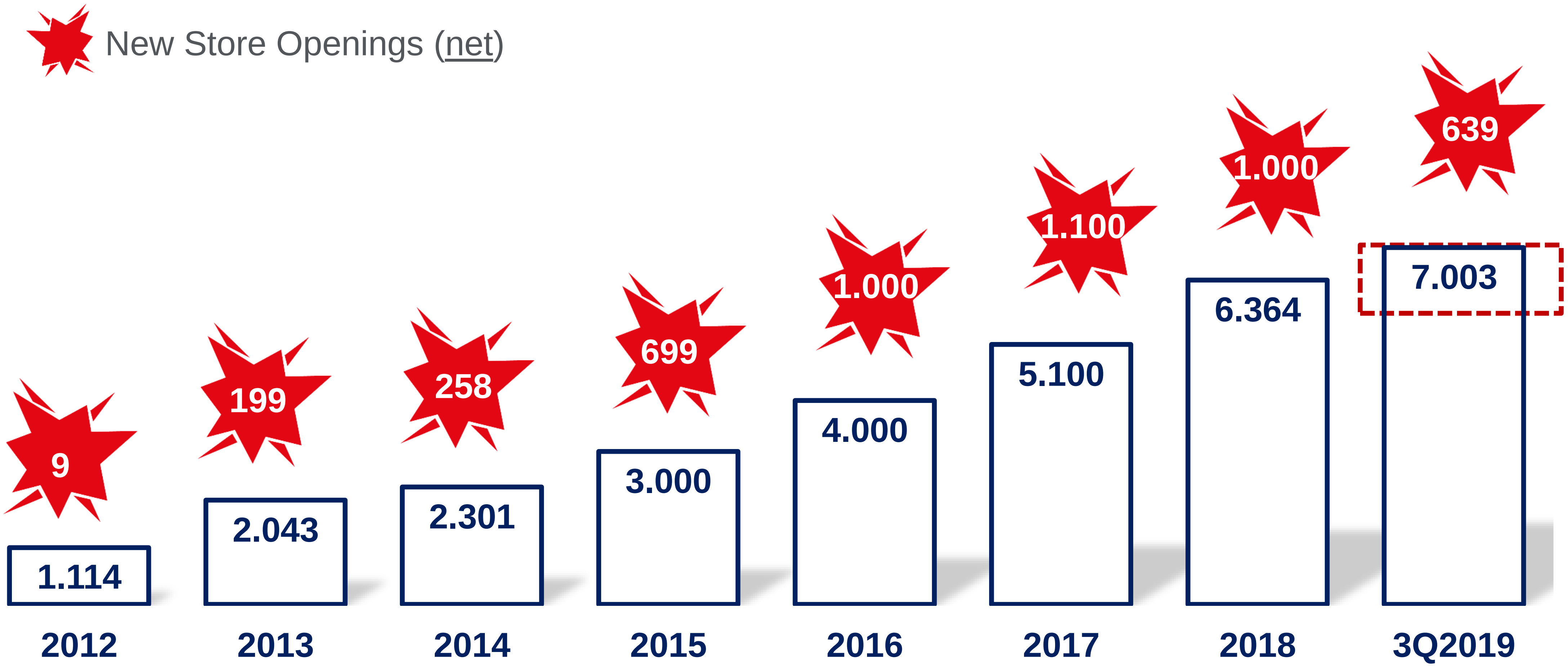
Including IFRS 16
TL 1.100,2m
EBITDA
9,3%
EBITDA Margin

Excluding IFRS 16
TL 612,3m
EBITDA
5,2%
EBITDA Margin

639
New Şok Stores(2)
1
New Warehouse

(1) LFL sales for 30 September 2019 calculated on the basis of daily net sales generated in 2019 by stores operating on 30 September 2017 and that were still open on 30 September 2019.
(2) Net Store openings including 14 Şok Mini stores.
(3) 7.003 stores including 278 Şok Mini stores.

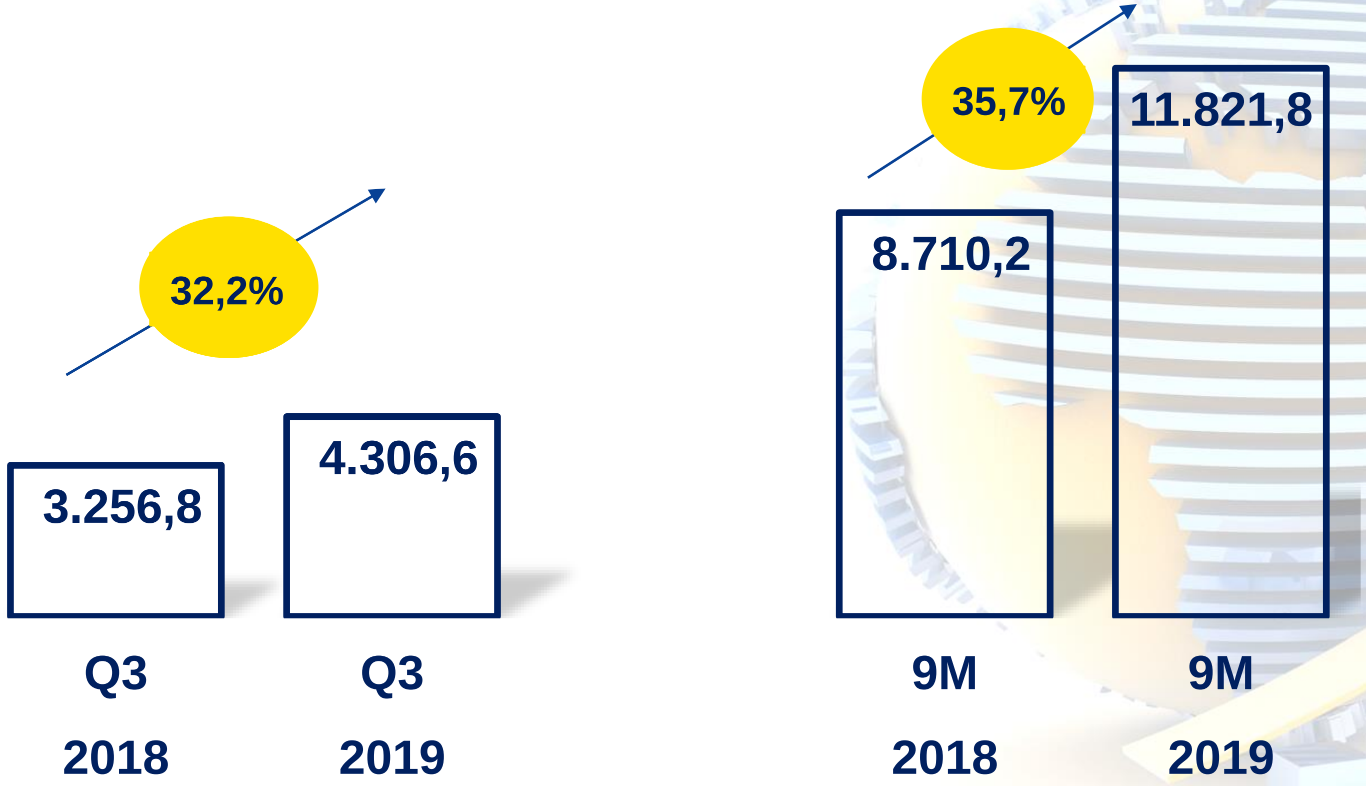
Store Expansion inline with Target



(1) As of September 30, 2019, the Group has a total of 7.003 stores (6.725 Şok Stores, 278 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

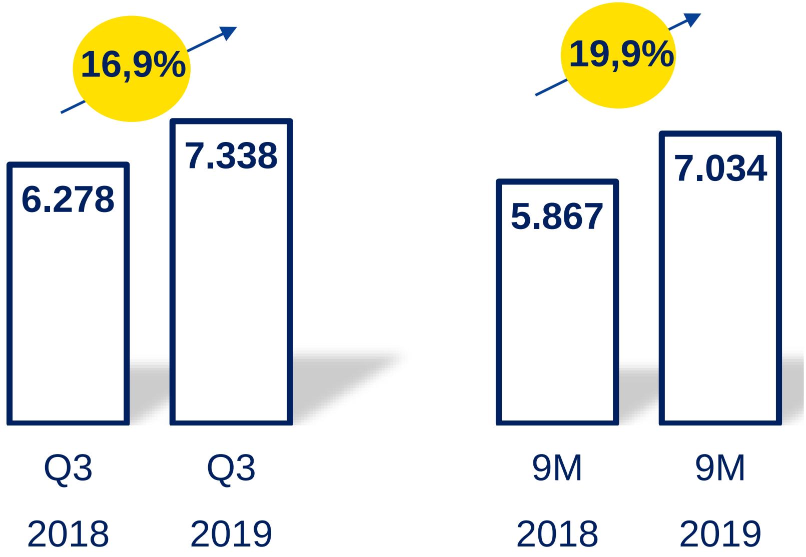
Net Sales (TLm)



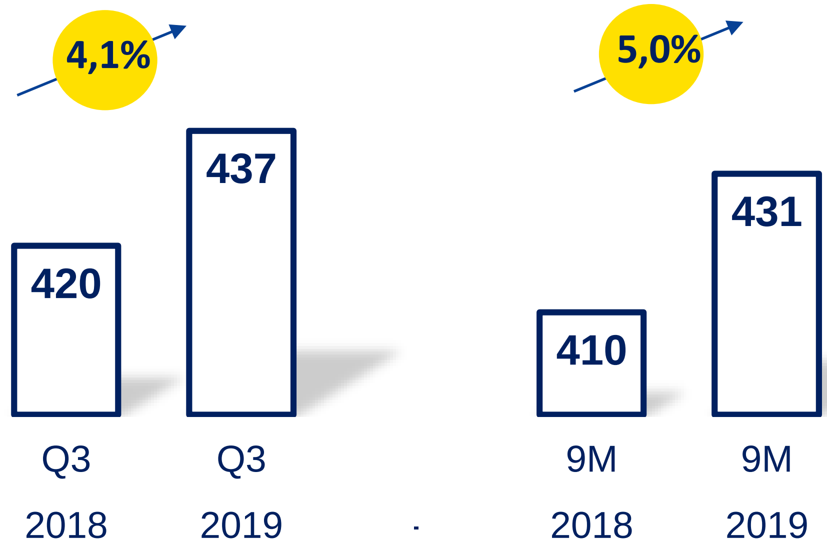
Net Sales grew by **+32,2% in 3Q'19** despite high base of third quarter of 2018.

Continuing growth in LFL Store Sales

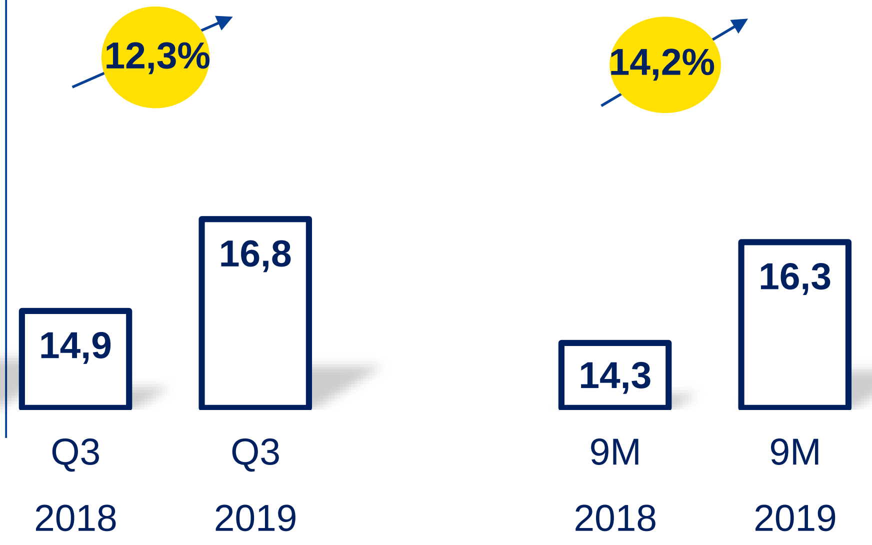
LFL Daily Average Sales / Store (TL)



LFL Daily Average Customer / Store



LFL Daily Avg. Basket Size / Store (TL)



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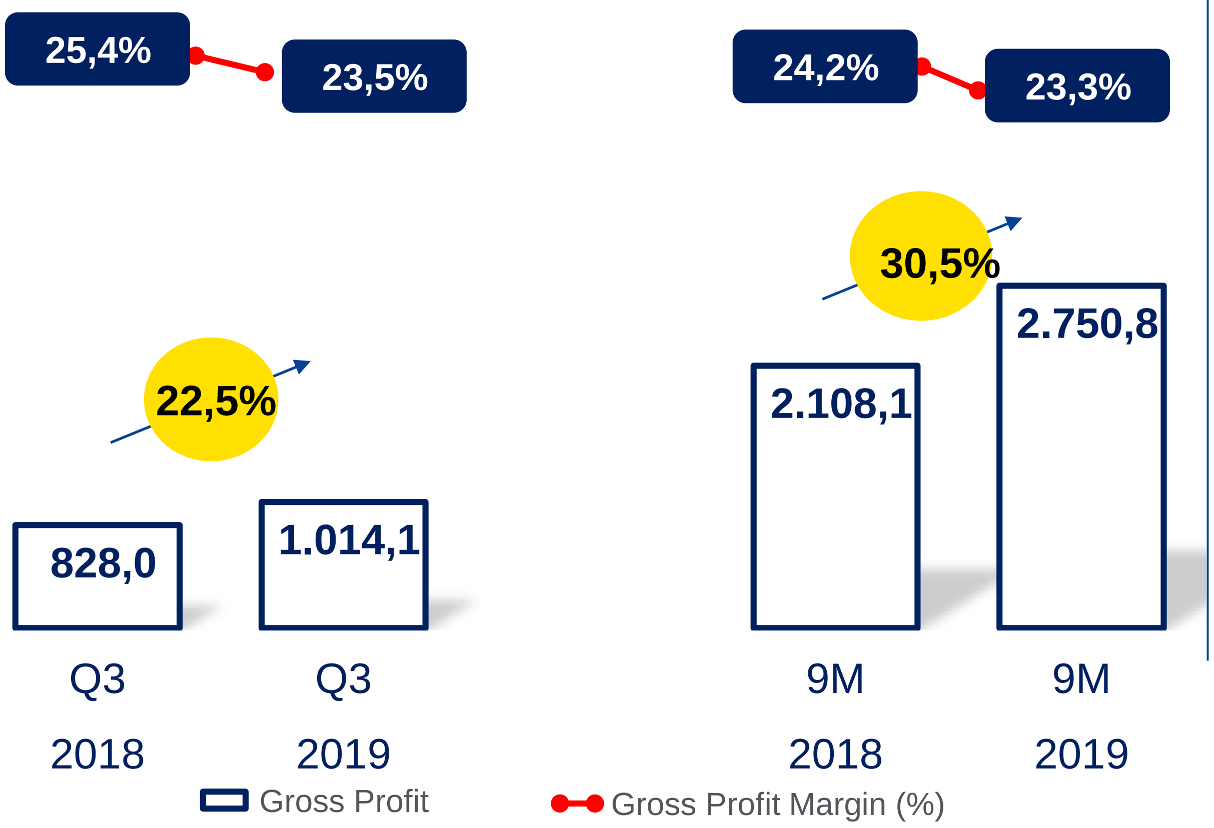
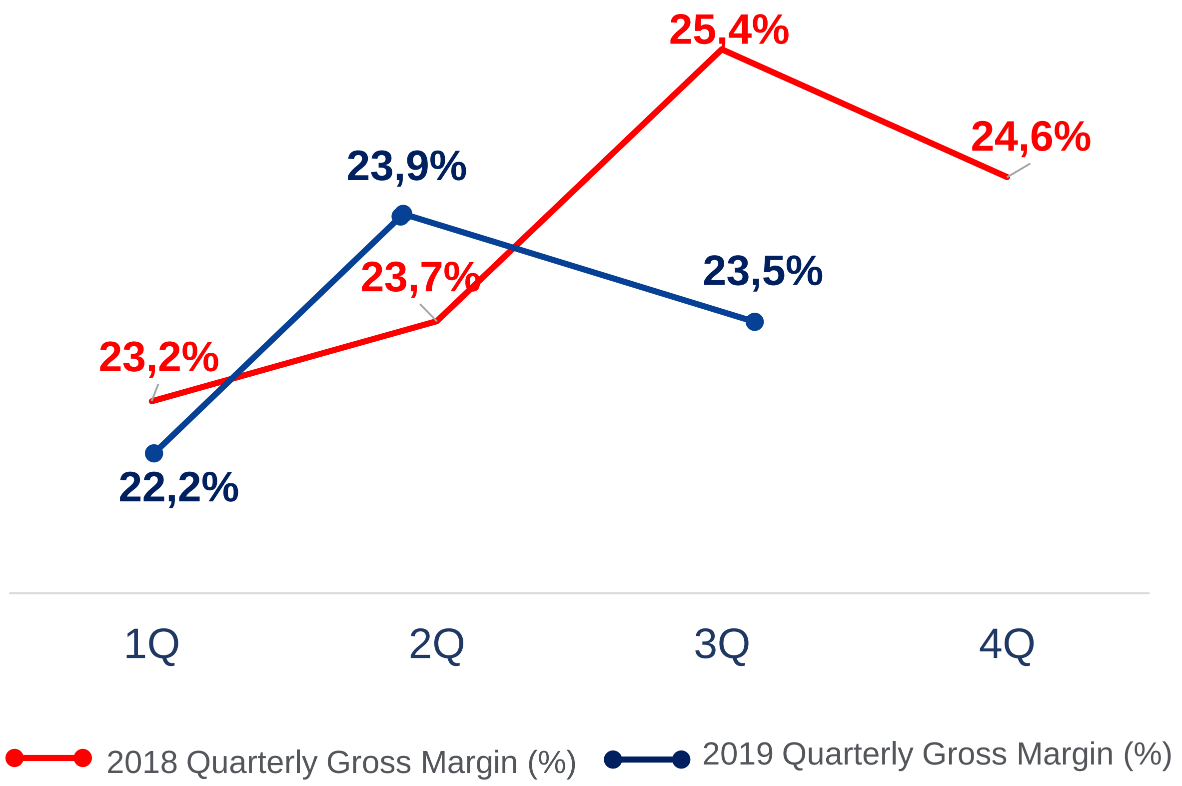
(1) Like-for-like sales for 3Q2019 calculated on the basis of daily net sales generated in 2019 by 4.676 stores operating on 3Q2017 and that were still open on 3Q2019.

Gross Margin

Gross Profit (TLm)



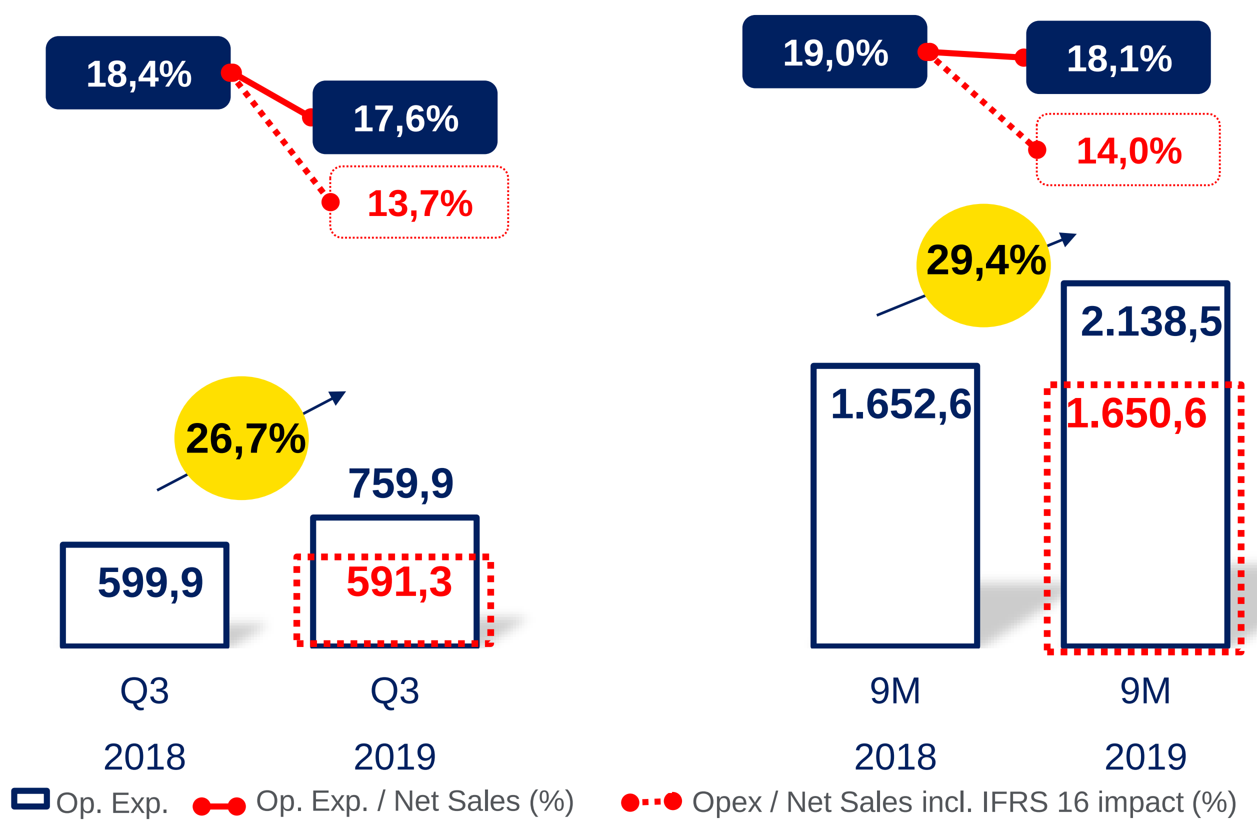
Gross Margin Evolution



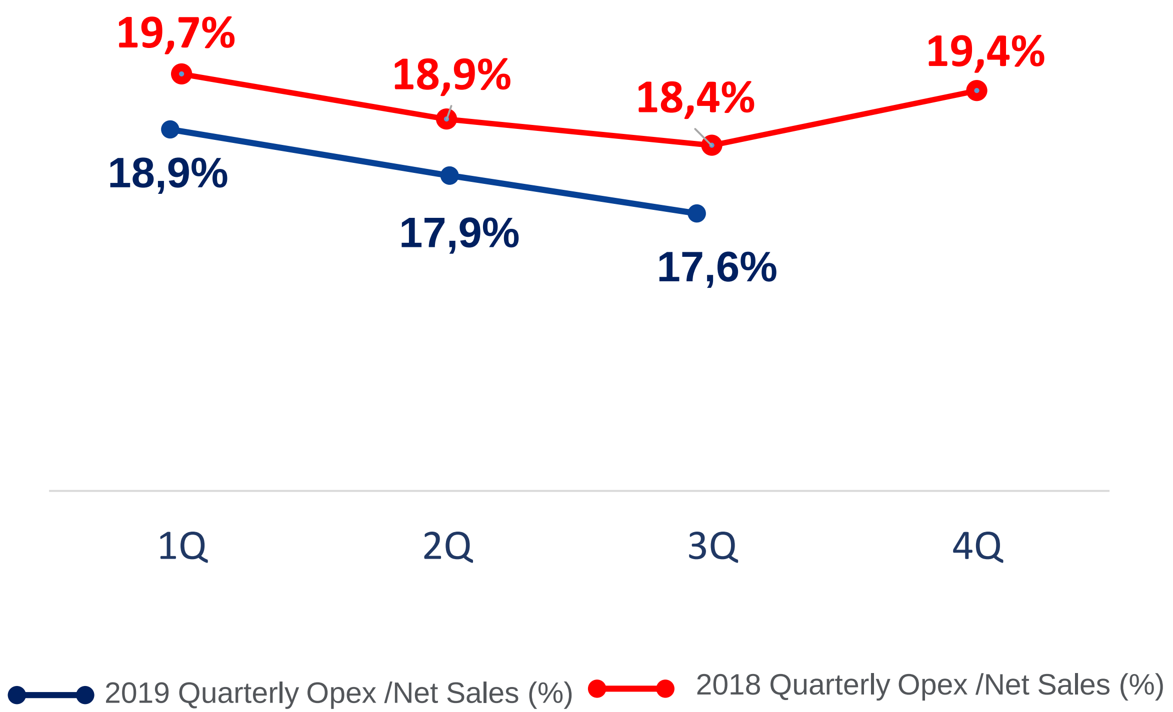
Improvement at gross margin in Q3'19 by **+130 bps** vs Q1'19 while sustaining Q2'19 level.

Successful cost management & Increasing Operating Leverage

Operating Expenses (TLm) (excl Amortisation)



Opex/ Sales Evolution



Op. Exp./ Net Sales **decreased to 17,6%** (excl. IFRS 16 impact) Y-o-Y as a result of successful cost management and operating leverage

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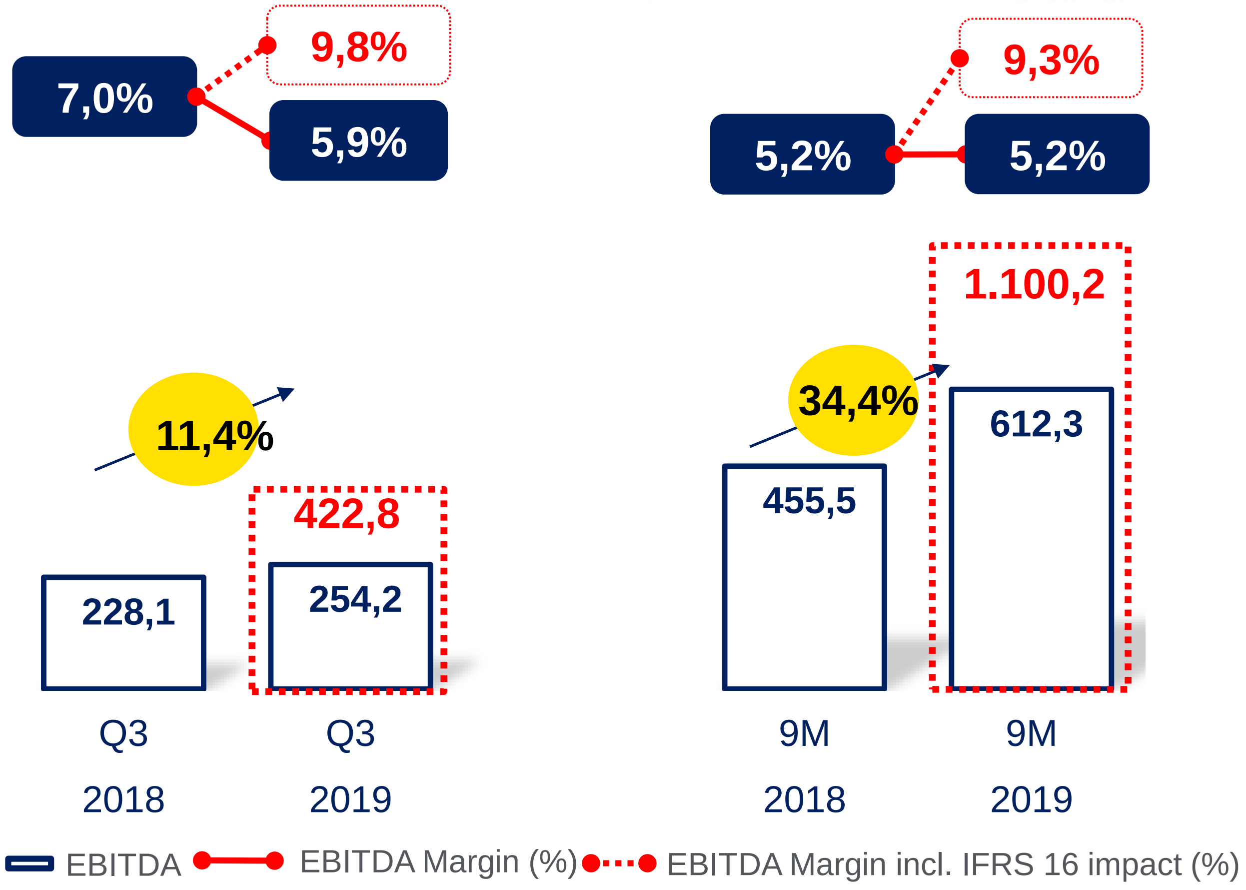
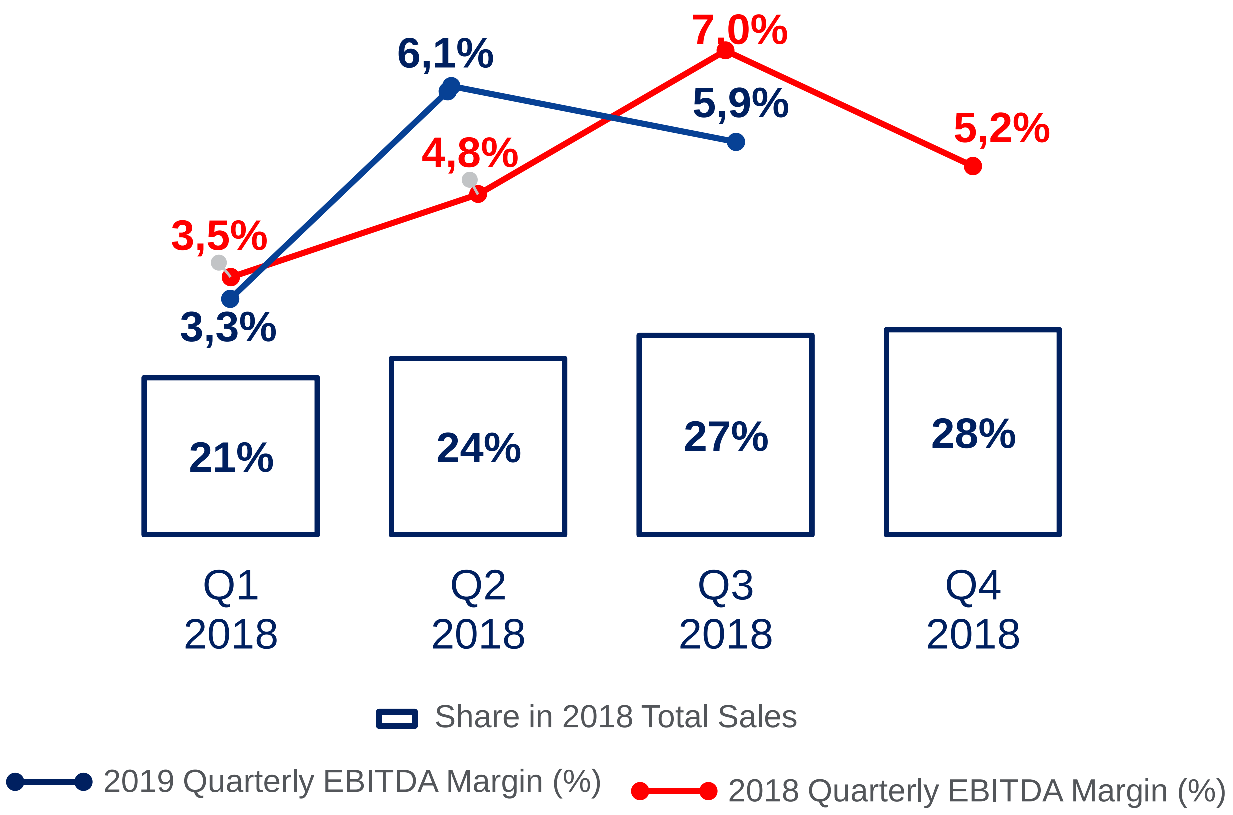
*2018 figures are not adjusted for IFRS 16

EBITDA Margin

EBITDA (TLm)



Revenue Distribution & EBITDA Evolution



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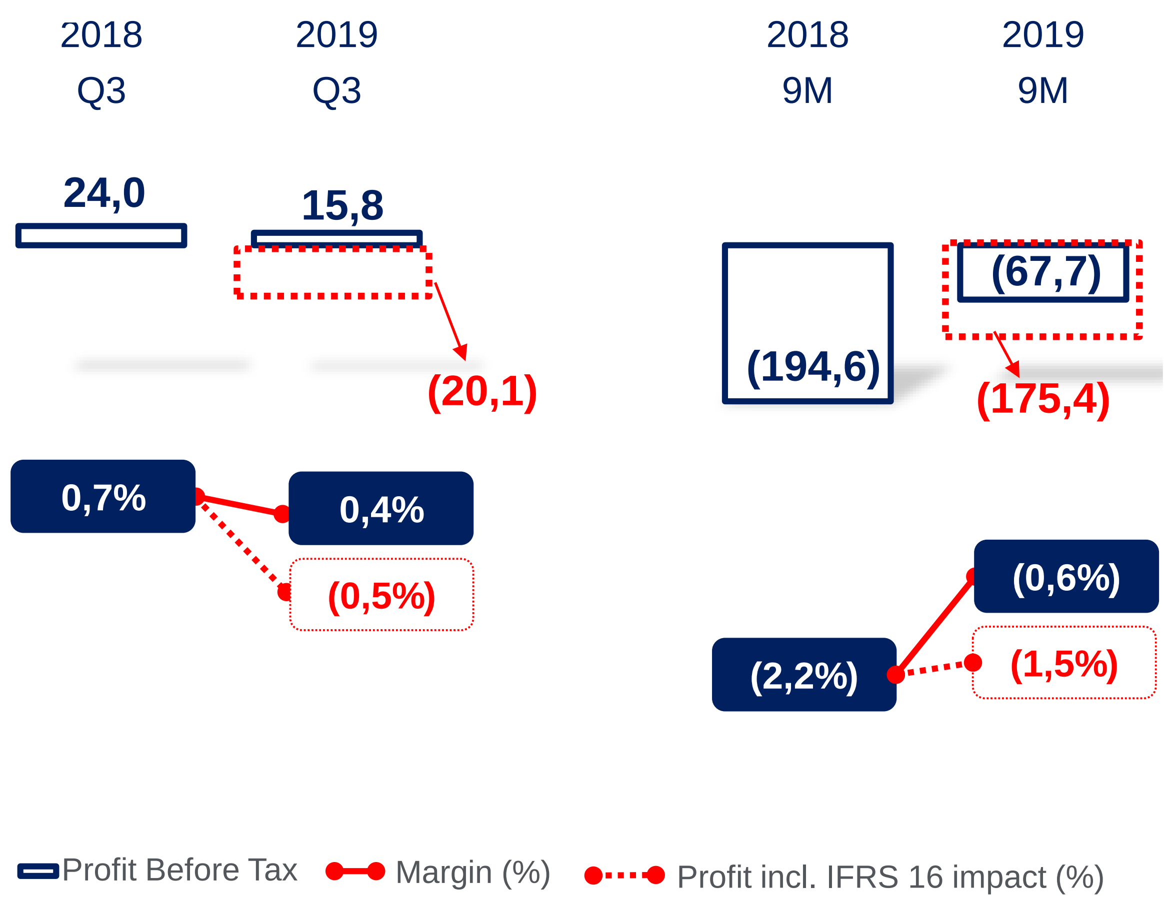
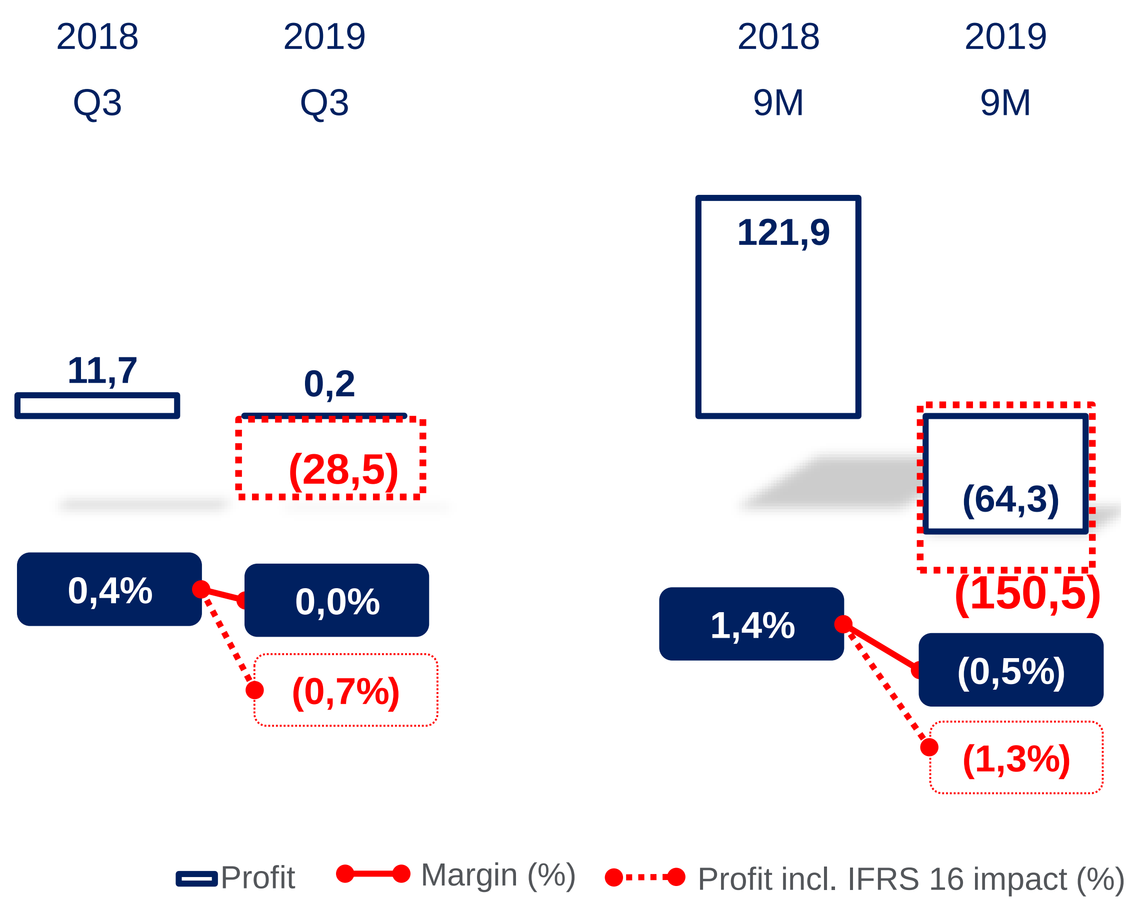
*2018 figures are not adjusted for IFRS 16

Profitability improvement (TLm)

Profit Before Tax (TLm)



Net Profit (TLm)



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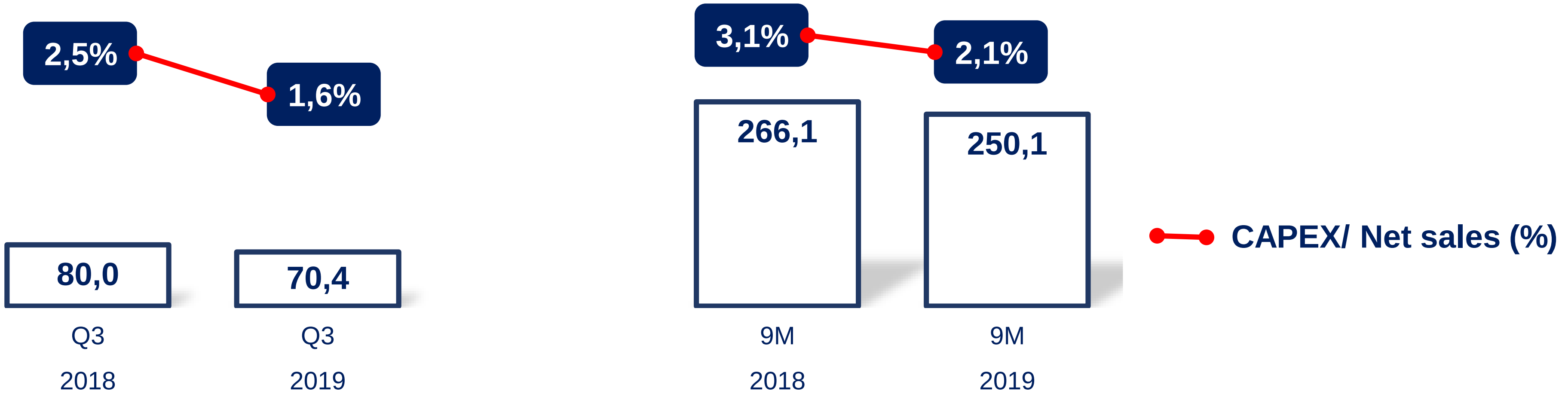
* 2018 figures are not adjusted for IFRS 16

* * 2018 net profit figure includes one off Deferred Tax Income of 313 million TL resulting from carried forward tax losses

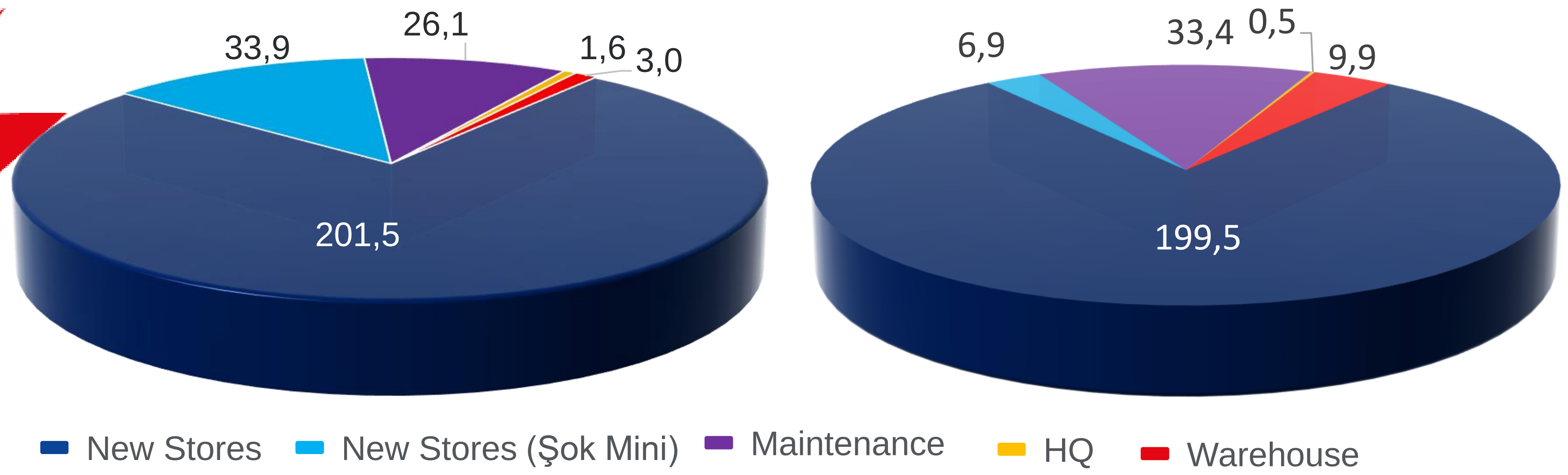
Effective CAPEX Management (TLm)



9M’18

9M’19

851*
New Stores
Openings



639*
New Stores
Openings

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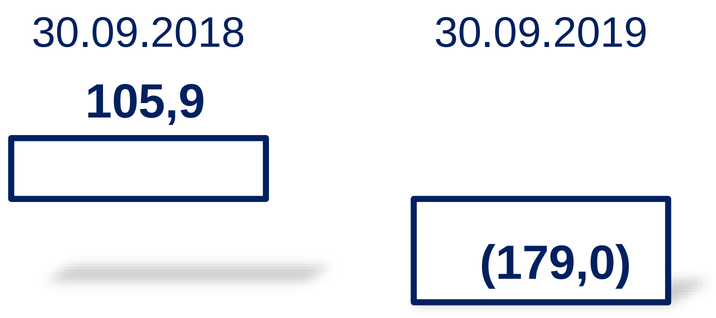
* Including Şok and Şok Mini, net of closings

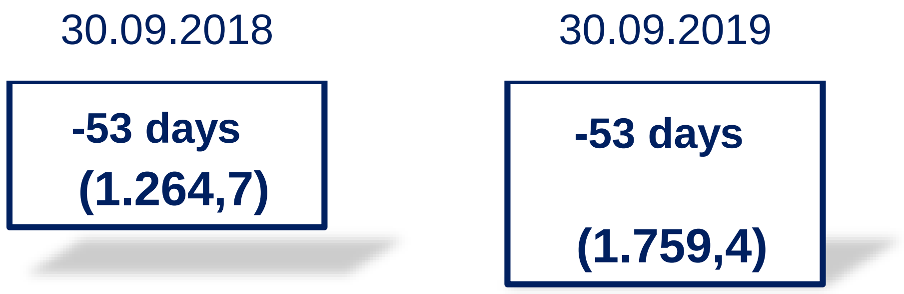
Strong Balance Sheet

Net Debt/ (Cash) (TLm)

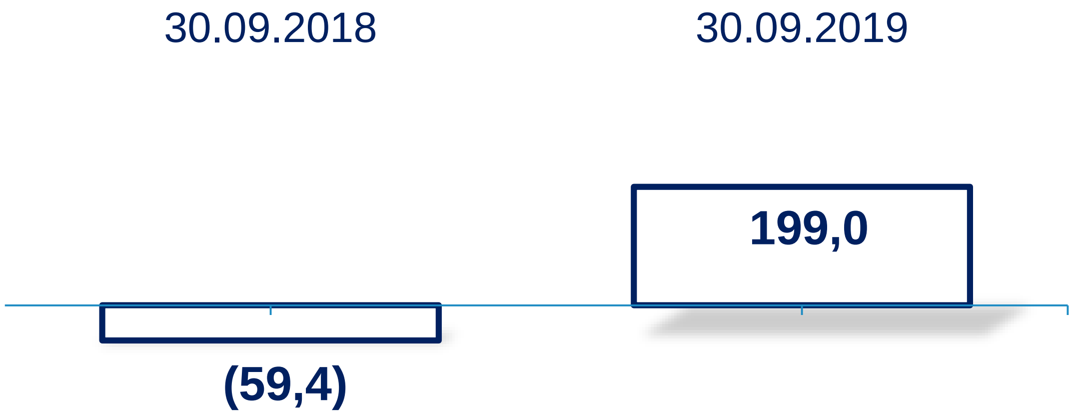


TLm	30.09.2018	30.09.2019
Short Term Borrowings	76,6	0
Obligations under Financial Lease	234,5	131,9
Total Debt	**311,1**	**131,9**
Cash & Cash Equivalents	(205,2)	(310,9)
Net Debt	**105,9**	**(179,0)**

Net Working Capital (TLm)



Free Cashflow (TLm)*



* Free Cashflow calculated on the basis of cashflow generated before financial activities (before IFRS 16)

Consolidated Income Statement

Consolidated Income Statement Summary (TLm)	Q3 2018	Q3 2019 Before IFRS 16	∆ (%)	IFRS 16 Impact	Q3 2019 After IFRS 16	9M 2018	9M 2019 Before IFRS 16	∆ (%)	IFRS 16 Impact	9M 2019 After IFRS 16
Net Sales	**3.256,8**	**4.306,6**	**32,2%**	**-**	**4.306,6**	**8.710,2**	**11.821,8**	**35,7%**	**-**	**11.821,8**
Gross Profit	828,0	1.014,1	**22,5%**	**-**	1.014,1	2.108,1	2.750,8	**30,5%**	**-**	2.750,8
Gross Profit %	**25,4%**	**23,5%**	**-1,9 Ppt**	**-**	**23,5%**	**24,2%**	**23,3%**	**-0,9 Ppt**	**-**	**23,3%**
Marketing, selling & GA expenses (-)	(651,7)	(816,6)	**25,3%**	69,5	(747,1)	(1.800,7)	(2.303,3)	**27,9%**	202,8	(2.100,4)
Amortisation	(51,8)	(56,7)	**9,5%**	(99,2)	(155,8)	(148,2)	(164,8)	**11,2%**	(285,1)	(449,9)
Marketing, selling & GA expenses (-) (Excl Amortisation)	(599,9)	(759,9)	**26,7%**	168,7	(591,3)	(1.652,6)	(2.138,5)	**29,4%**	487,9	(1.650,6)
EBITDA	**228,1**	**254,2**	**11,4%**	**168,7**	**422,8**	**455,5**	**612,3**	**34,4%**	**487,9**	**1.100,2**
EBITDA %	**7,0%**	**5,9%**	**-1,1 Ppt**	**3,9%**	**9,8%**	**5,2%**	**5,2%**	**-0,1 Ppt**	**4,1%**	**9,3%**
Profit / (Loss) Before Tax	**24,0**	**15,8**	**-34,2%**	**(35,9)**	**(20,1)**	**(194,6)**	**(67,7)**	**65,2%**	**(107,7)**	**(175,4)**
Net Profit / (Loss) for the Period	**11,7**	**0,2**	**-97,9%**	**(28,7)**	**(28,5)**	**121,9**	**(64,3)**	**-152,8%**	**(86,2)**	**(150,5)**

*2018 figures are not adjusted for IFRS 16

* * 2018 net profit figure includes one off Deferred Tax Income of 313 million TL resulting from carried forward tax losses

Balance Sheet (Assets)

Consolidated Balance Sheet Summary (TLm)	31.12.18	30.09.19 Before IFRS 16	IFRS 16 Impact	30.09.19 After IFRS 16
Cash & cash equivalents	354,1	310,9		310,9
Trade receivables	69,5	140,5		140,5
Inventories	872,5	1.091,8		1.091,8
Other current assets	19,2	28,3	(2,6)	25,7
Total Current Assets	**1.315,3**	**1.571,6**	**(2,6)**	**1.568,9**
Property & equipment	977,6	1.061,3		1.061,3
Intangible assets	684,7	683,2		683,2
Other non-current assets	284,3	294,5	1.696,8	1.991,3
Non-Current Assets	**1.946,6**	**2.039,1**	**1.696,8**	**3.735,9**
Total Assets	**3.261,9**	**3.610,7**	**1.694,2**	**5.304,8**

*2018 figures are not adjusted for IFRS 16

Balance Sheet (Liabilities and Equity)

Consolidated Balance Sheet Summary (TLm)	31.12.18	30.09.19 Before IFRS 16	IFRS 16 Impact	30.09.19 After IFRS 16
Short term financial liabilities	177,4	81,3		81,3
Trade payables	2.484,5	2.991,8		2.991,8
Other current payables	183,2	234,9	539,3	774,2
Total Current Liabilities	**2.845,1**	**3.307,9**	**539,3**	**3.847,2**
Total Non Current Liabilities	**153,8**	**94,8**	**1.241,1**	**1.335,9**
Shareholder's equity	261,8	206,4	(86,2)	120,3
Non-controlling interests	1,2	1,5		1,5
Total Equity	263,0	207,9	(86,2)	121,7
Total Liabilities and Equity	**3.261,9**	**3.610,7**	**1.694,2**	**5.304,8**

*2018 figures are not adjusted for IFRS 16

Cash Flow

Cash Flow (MTL)	9M 2018	9M 2019 Before IFRS 16	IFRS 16 Impact	9M 2019 After IFRS 16
Profit/(loss) from continued operations	122,4	(64,3)	(86,2)	(150,5)
Adjustments related to reconciliation of net profit / (loss) for the period	**47,3**	**266,1**	**574,1**	**840,2**
Cash generated by / (used in) operations before changes in working capital	169,8	201,8	487,9	689,7
Changes in working capital :	**58,3**	**267,7**	**2,6**	**270,3**
Cash used in operations	228,1	469,5	490,6	960,1
Taxes, Payments for lawsuits, retirement benefits and unused vacs. etc.	(21,5)	(20,3)	-	(20,3)
A- Net cash generated by operating activities:	206,7	449,1	490,6	939,7
Purchases of property and equipment	**(259,8)**	**(244,5)**	**-**	**(244,5)**
Purchases of intangible assets	**(6,3)**	**(5,6)**	**-**	**(5,6)**
Free Cash Flow*	**(59,4)**	**199,0**	**490,6**	**689,6**
Other	15,8	9,3	-	9,3
B-Net cash used in investing activities	(250,3)	(240,8)	-	(240,8)
C-Net cash (used in) / generated from financing activi	157,3	(251,5)	(490,6)	(742,1)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	**113,6**	**(43,2)**	**(0,0)**	**(43,2)**
Cash flows of discontinued operation	(0,5)	-	-	-
D.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**92,1**	**354,1**	**-**	**354,1**
PERIOD (A+B+C+D)	**205,2**	**310,9**	**-**	**310,9**

* Free Cashflow calculated on the basis of cashflow generated before financial activities (before IFRS 16)

** 2018 figures are not adjusted for IFRS 16

Q&A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