



1Q2019 WEBCAST PRESENTATION

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May 10th, 2019

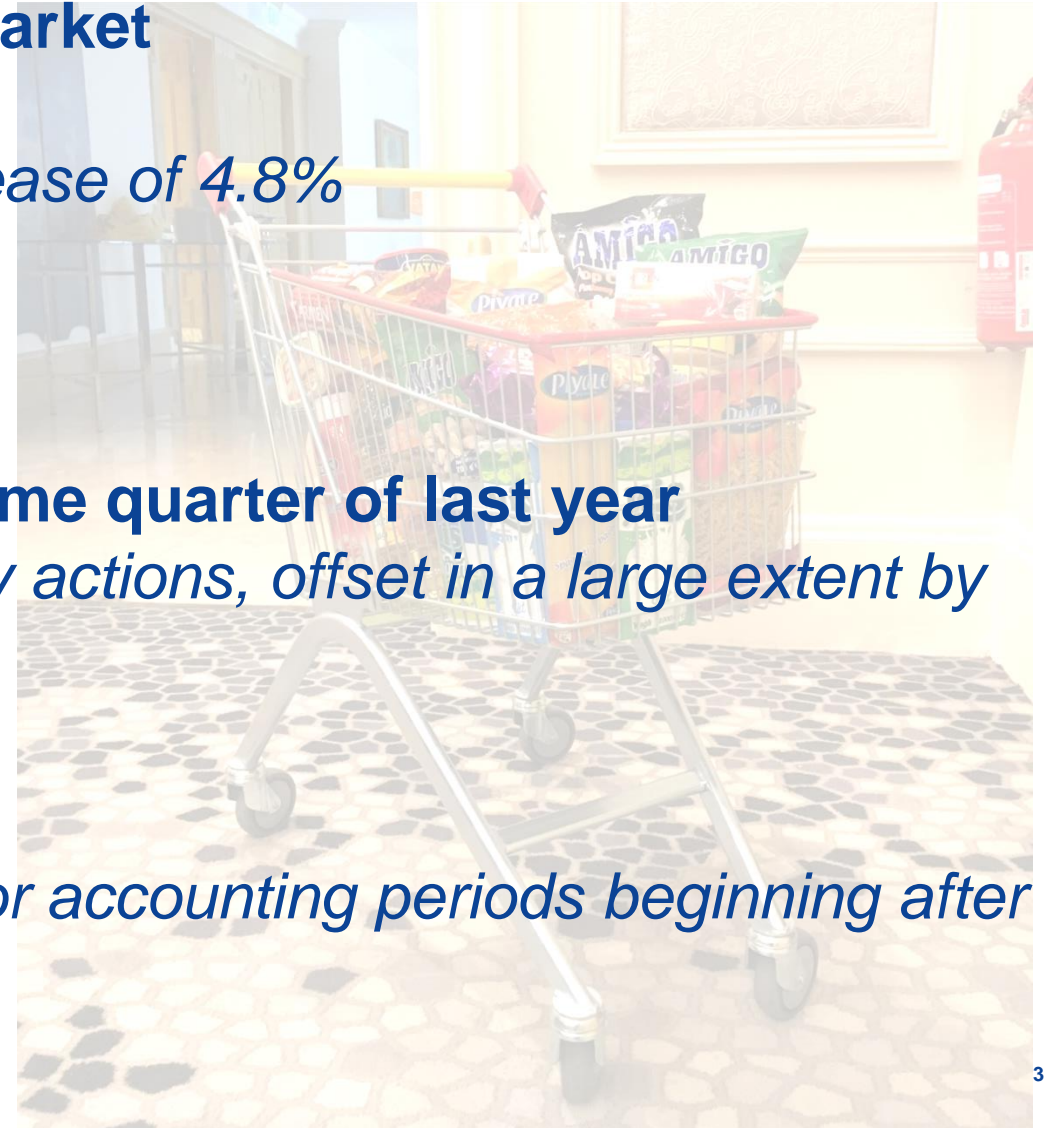


- 1Q'19 Highlights
- General Overview
- Financial Results
- Q&A

1Q'19 Highlights



- ✓ **One of the best revenue growth in the market**
 - 37,1% revenue growth
 - 20,5% LFL growth including traffic increase of 4.8%
- ✓ **Continuing new store openings**
 - 278 new stores
- ✓ **EBITDA Margin almost inline with the same quarter of last year**
 - Gross margin dilution due to inflationary actions, offset in a large extent by effective cost management
- ✓ **Positive free-cash-flow as targeted**
- ✓ **Impact of IFRS 16-** *IFRS 16 is effective for accounting periods beginning after 1 January 2019.*



Continuing growth story



**6.642
Stores ⁽³⁾**

Q1'19

TL 3,5bn
Net Sales

37,1%
Net Sales Growth

20,5%
LFL Sales ⁽²⁾ Growth
Per Store

Including IFRS 16
TL 265,7m
EBITDA
7,5%
EBITDA Margin

Excluding IFRS 16
TL 116,3m
EBITDA
3,3%
EBITDA Margin

278
New Şok Stores⁽¹⁾
1
New Warehouse

(1) Net ŞOK Store openings including 7 Şok Mini stores.

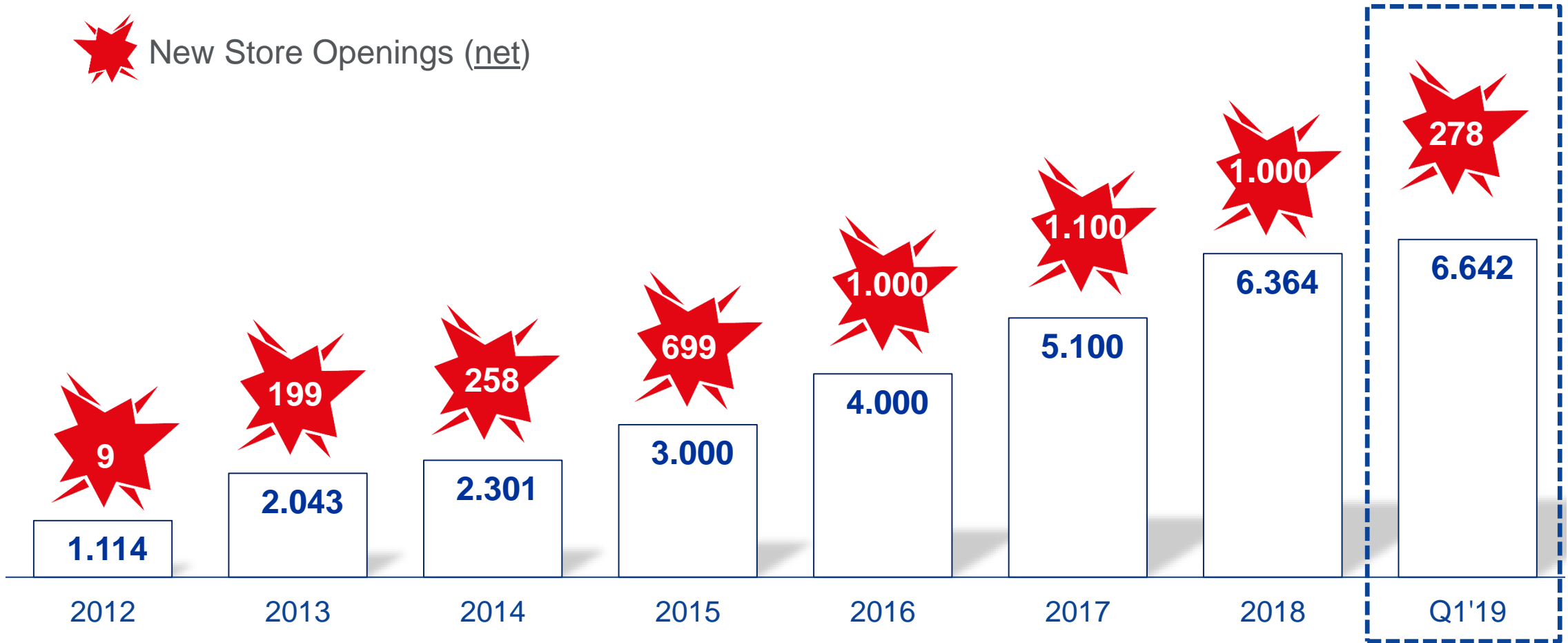
(2) LFL sales for 31 March 2019 calculated on the basis of daily net sales generated in 2019 by stores operating on 31 March 2017 and that were still open on 31 March 2019.

(3) 6.642 stores including 271 Şok Mini stores.

Continuing Store Expansion!



 New Store Openings (net)

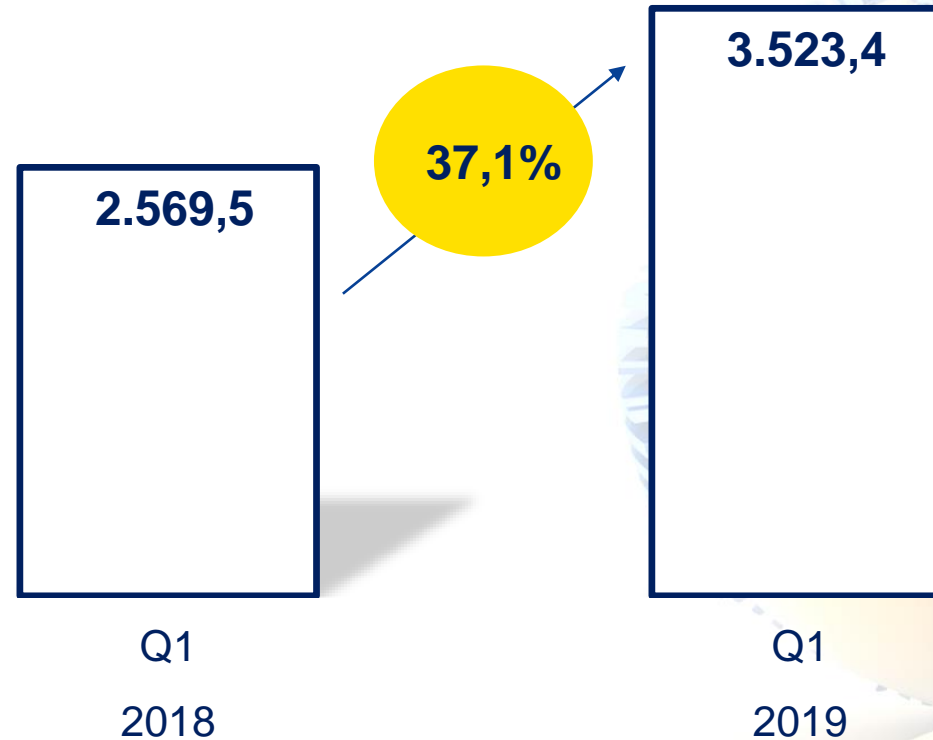


- (1) As of March 31, 2019, the Group has a total of 6.642 stores (6.371 Şok Stores, 271 Şok Mini Stores) and 26 warehouses.
(2) As of December 31, 2018, Group has 6.100 stores and 264 Şok Mini Stores and 25 warehouses.

Sustainable revenue growth



Net Sales (TLm)

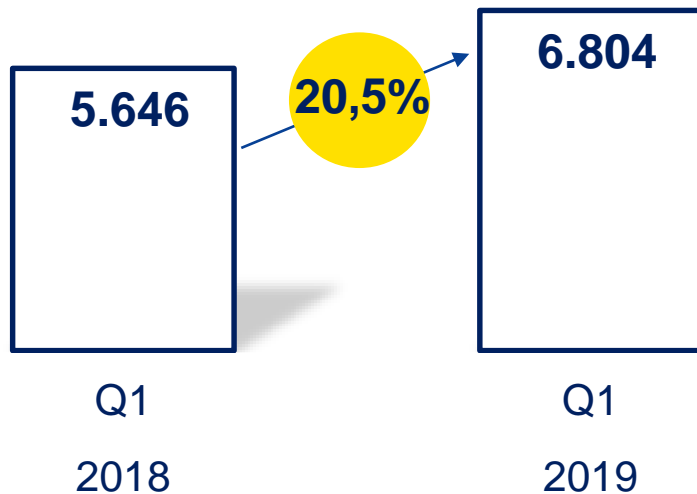


Net Sales grew by **+37,1% in 1Q'19** with the impact of both new store openings and strong LFL growth.

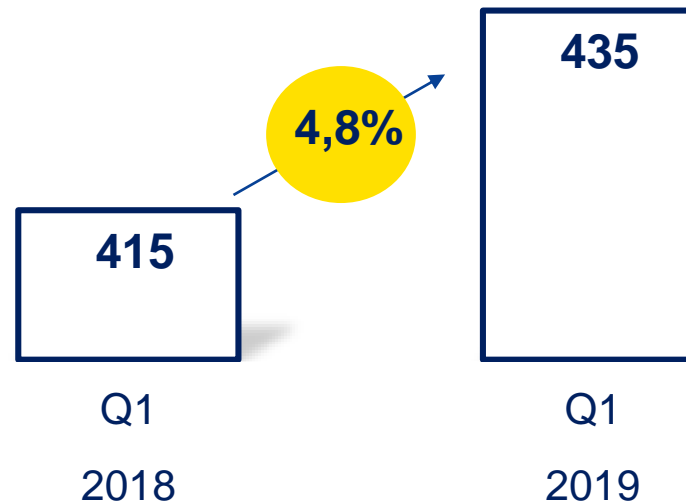
Continuing growth in LFL Store Sales



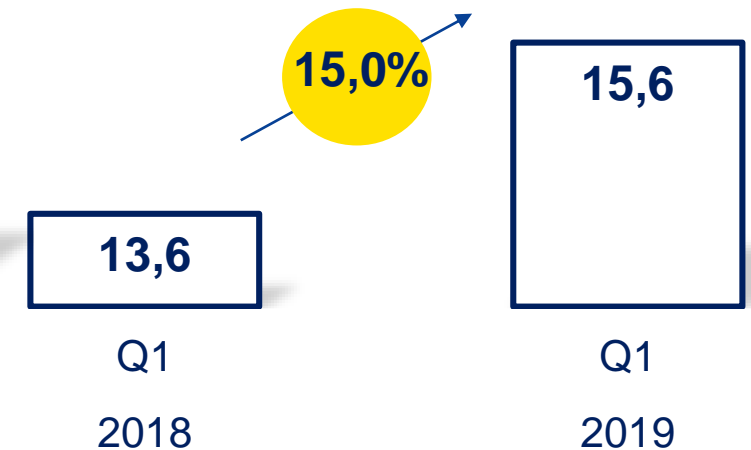
LFL Daily Average Sales / Store (TL)



LFL Daily Average Customer / Store



LFL Daily Avg. Basket Size / Store (TL)



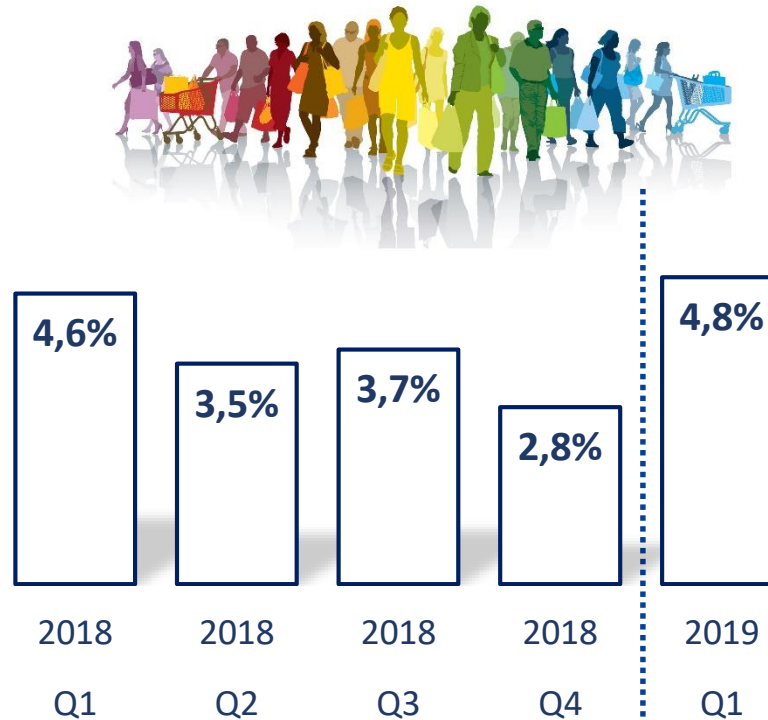


Strong LFL growth supported by traffic

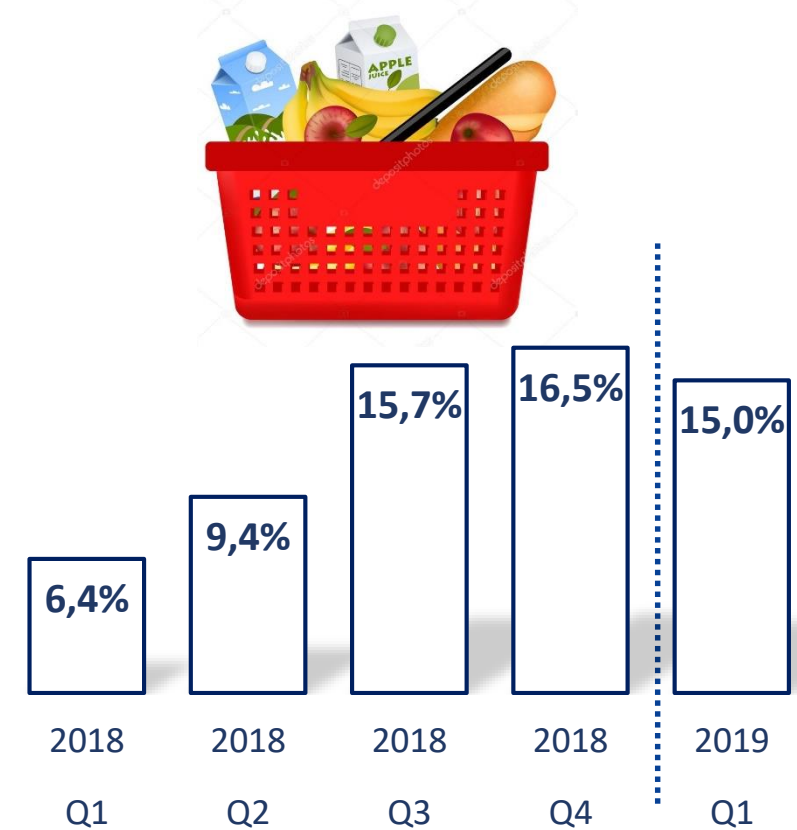
LFL Daily Average Sales / Store



LFL Daily Average Customer / Store



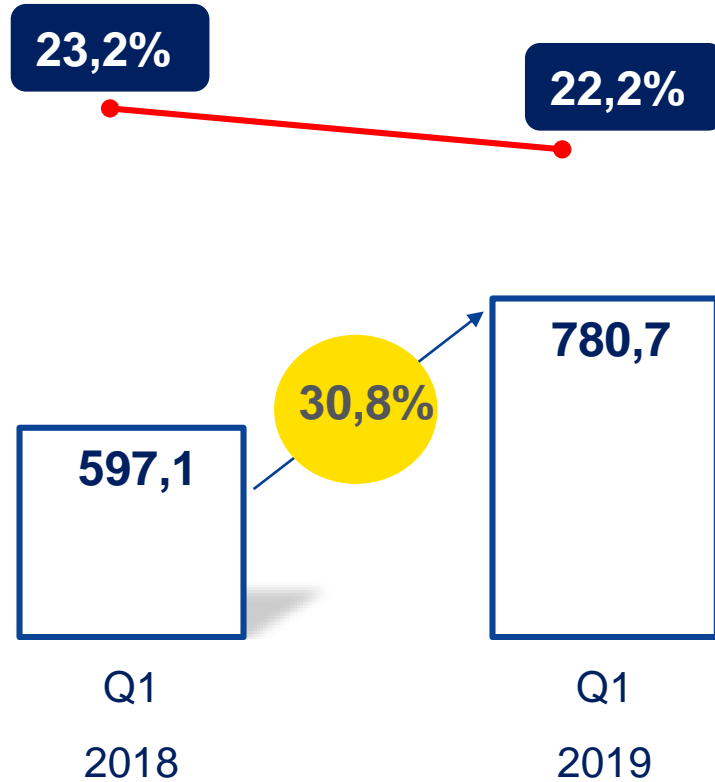
LFL Daily Avg. Basket Size / Store





Effective Cost Management

Gross Profit (TLm)

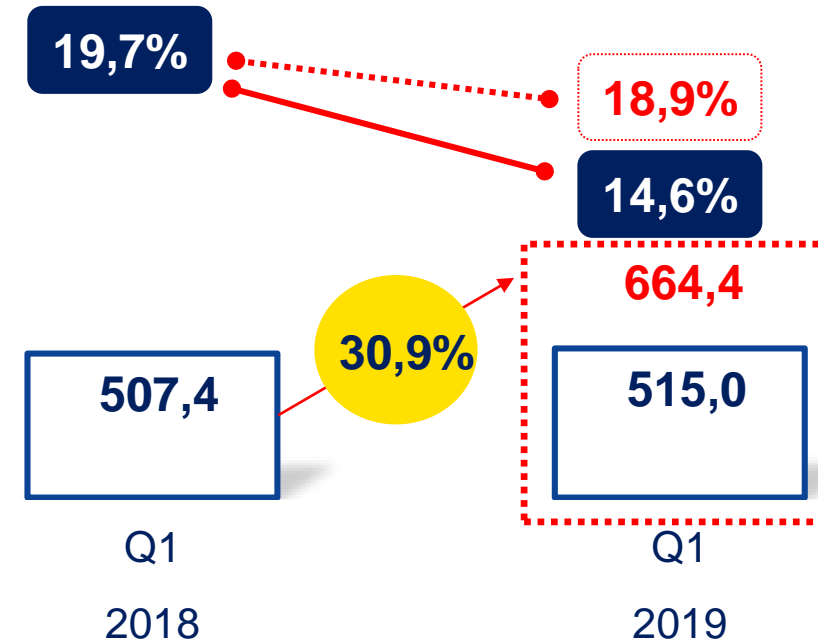


□ Gross Profit ● Gross Profit Margin (%)



Gross profit increased **by 30,8%** Y-o-Y in 1Q'19

Operating Expenses (TLm) (excl Amortisation)



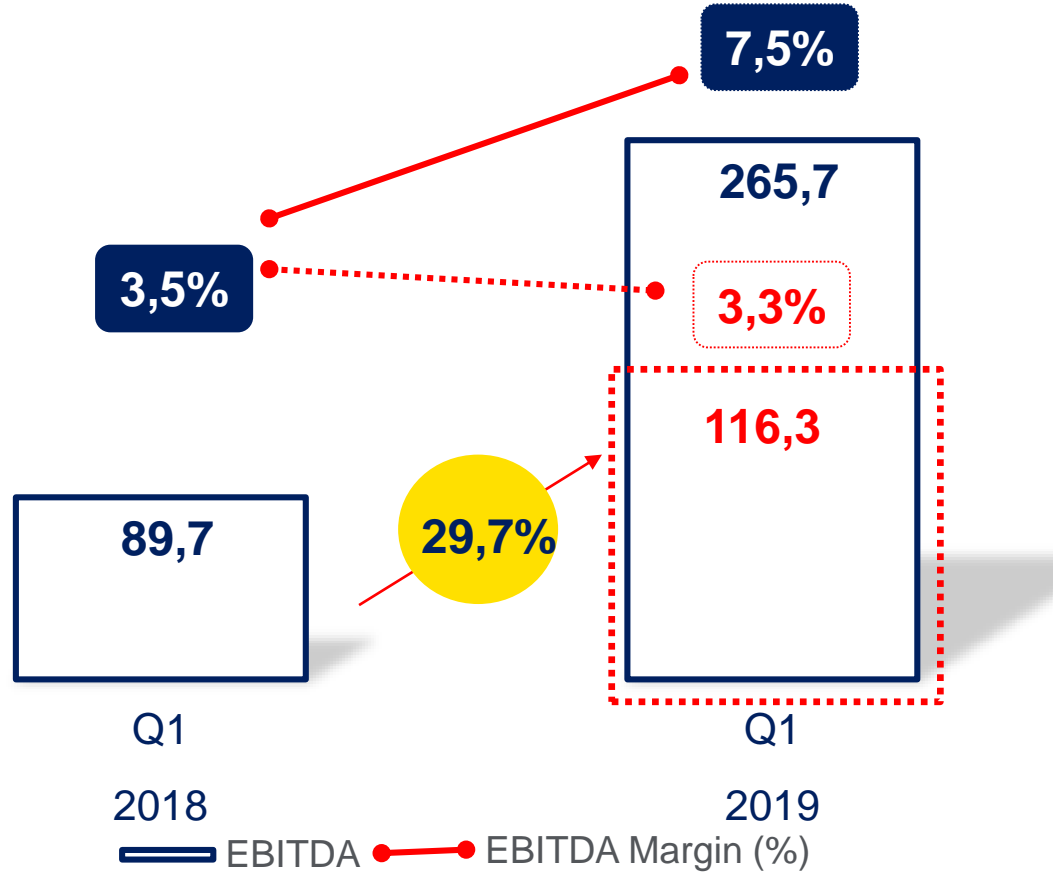
□ Op. Exp. ● Op. Exp. / Net Sales (%)
● Op. Exp. / Net Sales excl. IFRS 16 impact (%)



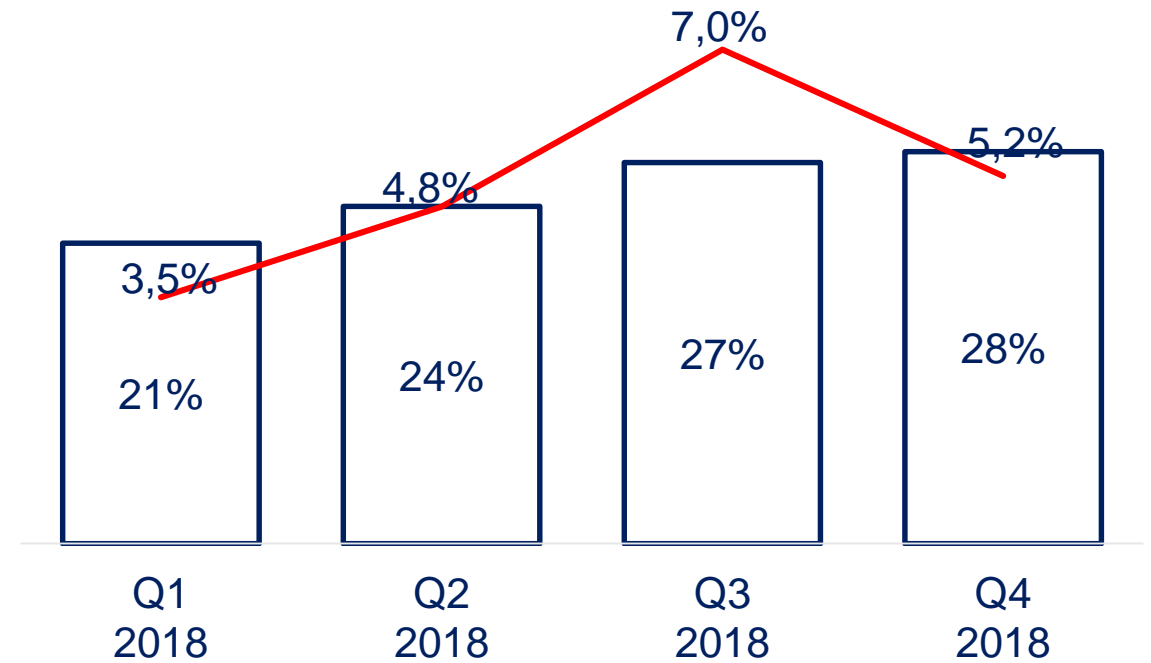
Op. Exp./ Net Sales **decreased to 18,9%** (excl. IFRS 16 impact) Y-o-Y as a result of successful cost management

EBITDA & Revenue Distribution

EBITDA (TLm)

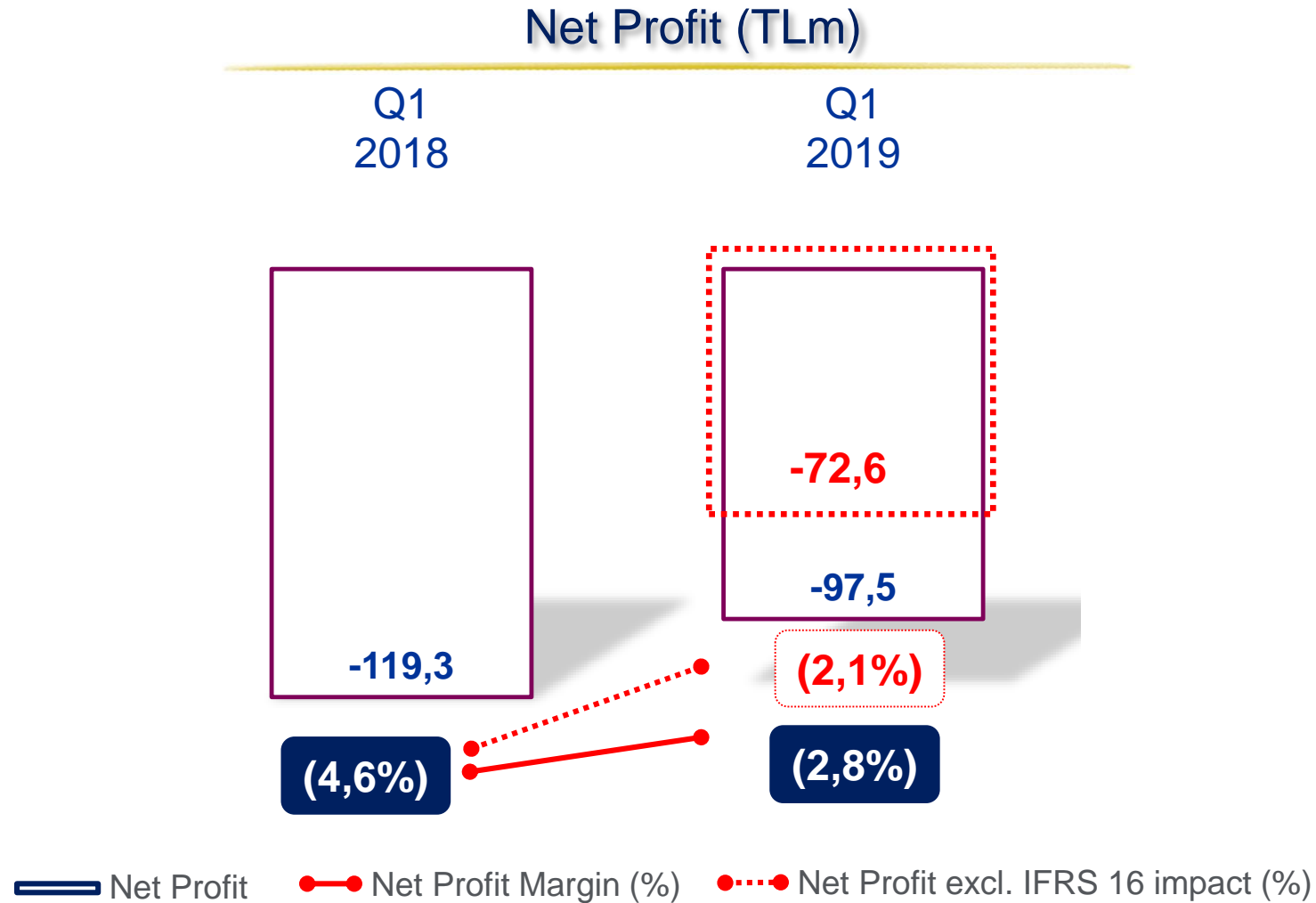


Revenue Distribution & EBITDA Evolution



*2018 figures are not adjusted for IFRS 16

Net Profit (TLm)



*2018 figures are not adjusted for IFRS 16

Effective CAPEX Management (TLm)

3,7%

2,9%

93,8

102,5

CAPEX/ Net sales (%)

Q1

Q1

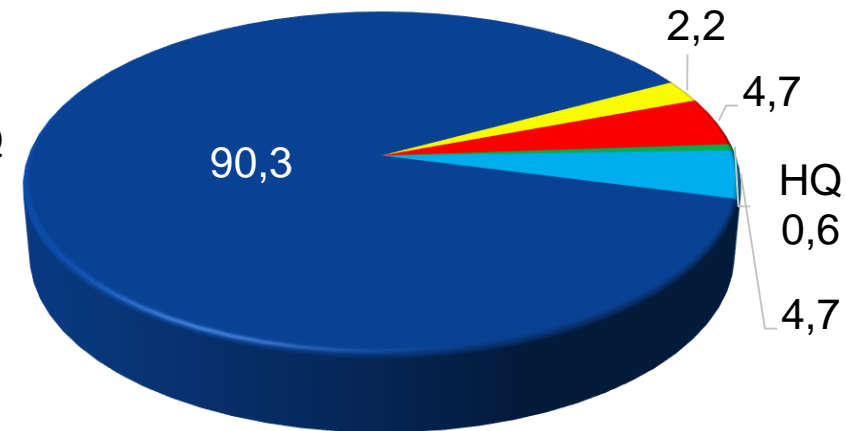
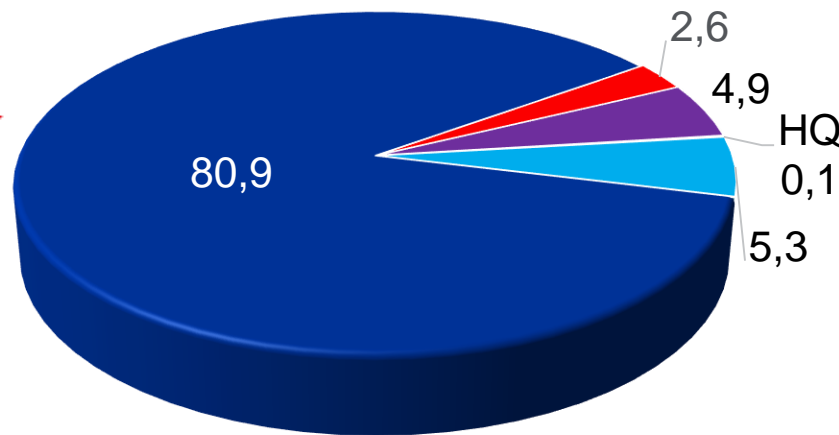
2018

2019

1Q'18

1Q'19

360*
New Stores
Openings



278*
New Stores
Openings

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



Strong Balance Sheet

Net Debt (TLm)

31.12.2018

-69,8

31.03.2019

-67,3

Net Working Capital (TLm)

31.12.2018

-1.542,5

71 days

31.03.2019

-1.626,2

54 days

TLm	31.12.2018	31.03.2019
Short Term Borrowings	75,4	75,4
Obligations under Financial Lease	208,8	183,8
Total Debt	284,2	259,1
Cash & Cash Equivalents	354,1	326,4
Net Debt	(69,8)	(67,3)

* As of 31 March 2019 the Group has decided to classify the cash in transit and credit card receivables in the cash and cash equivalents line. Accordingly as of 31 December 2018, cash in transit balances amounting to TL 35,0 million has been reclassified to cash on hand and credit card receivables amounting to TL 22,7 million were reclassified to demand deposits.

Consolidated Income Statement



Consolidated Income Statement Summary (TLm)	Q1 2018	Q1 2019 Before IFRS 16	Δ (%)	IFRS 16 Impact	Q1 2019 After IFRS 16
Net Sales	2.569,5	3.523,4	37,1%	-	3.523,4
Gross Profit	597,1	780,7	30,8%	-	780,7
Gross Profit %	23,2%	22,2%	-1,1 Ppt	-	22,2%
Marketing, selling & GA expenses (-)	(553,6)	(717,5)	29,6%	62,3	(655,1)
Marketing, selling & GA expenses (-) (Excl Amortisation)	(507,4)	(664,4)	30,9%	149,4	(515,0)
EBITDA	89,7	116,3	29,7%	149,4	265,7
EBITDA %	3,5%	3,3%	-0,2 Ppt	4,2%	7,5%
Net Profit / (Loss) for the Period	(119,3)	(72,6)	39,2%	(24,9)	(97,5)

*2018 figures are not adjusted for IFRS 16



Balance Sheet (Assets)

Consolidated Balance Sheet Summary (TLm)	31.12.18	31.03.19	IFRS 16 Impact	31.03.19
		Before IFRS 16		After IFRS 16
Cash & cash equivalents	354,1	326,4		326,4
Trade receivables	69,5	61,8		61,8
Inventories	872,5	991,0		991,0
Other current assets	19,2	41,9	(3,7)	38,2
Total Current Assets	1.315,3	1.421,1	(3,7)	1.417,5
Property & equipment	977,6	1.029,2		1.029,2
Intangible assets	684,7	681,7		681,7
Other non-current assets	284,3	303,5	1.585,4	1.888,8
Non-Current Assets	1.946,6	2.014,4	1.585,4	3.599,8
Total Assets	3.261,9	3.435,5	1.581,7	5.017,2

*2018 figures are not adjusted for IFRS 16

Balance Sheet (Liabilities and Equity)



	31.12.18	31.03.19		31.03.19
		Before IFRS 16	IFRS 16 Impact	After IFRS 16
Consolidated Balance Sheet Summary (TLm)				
Short term financial liabilities	177,4	152,2		152,2
Trade payables	2.484,5	2.679,0		2.679,0
Other current payables	183,2	254,0	480,1	734,1
Total Current Liabilities	2.845,1	3.085,2	480,1	3.565,3
Total Non Current Liabilities	153,8	157,7	1.126,5	1.284,2
Shareholder's equity	261,8	191,5	(24,9)	166,6
Non-controlling interests	1,2	1,0		1,0
Total Equity	263,0	192,6	(24,9)	167,6
Total Liabilities and Equity	3.261,9	3.435,5	1.581,7	5.017,2

*2018 figures are not adjusted for IFRS 16

Expectations for 2019



New Store Openings

+800



Net Sales

35% (+- 2%)



EBITDA Margin

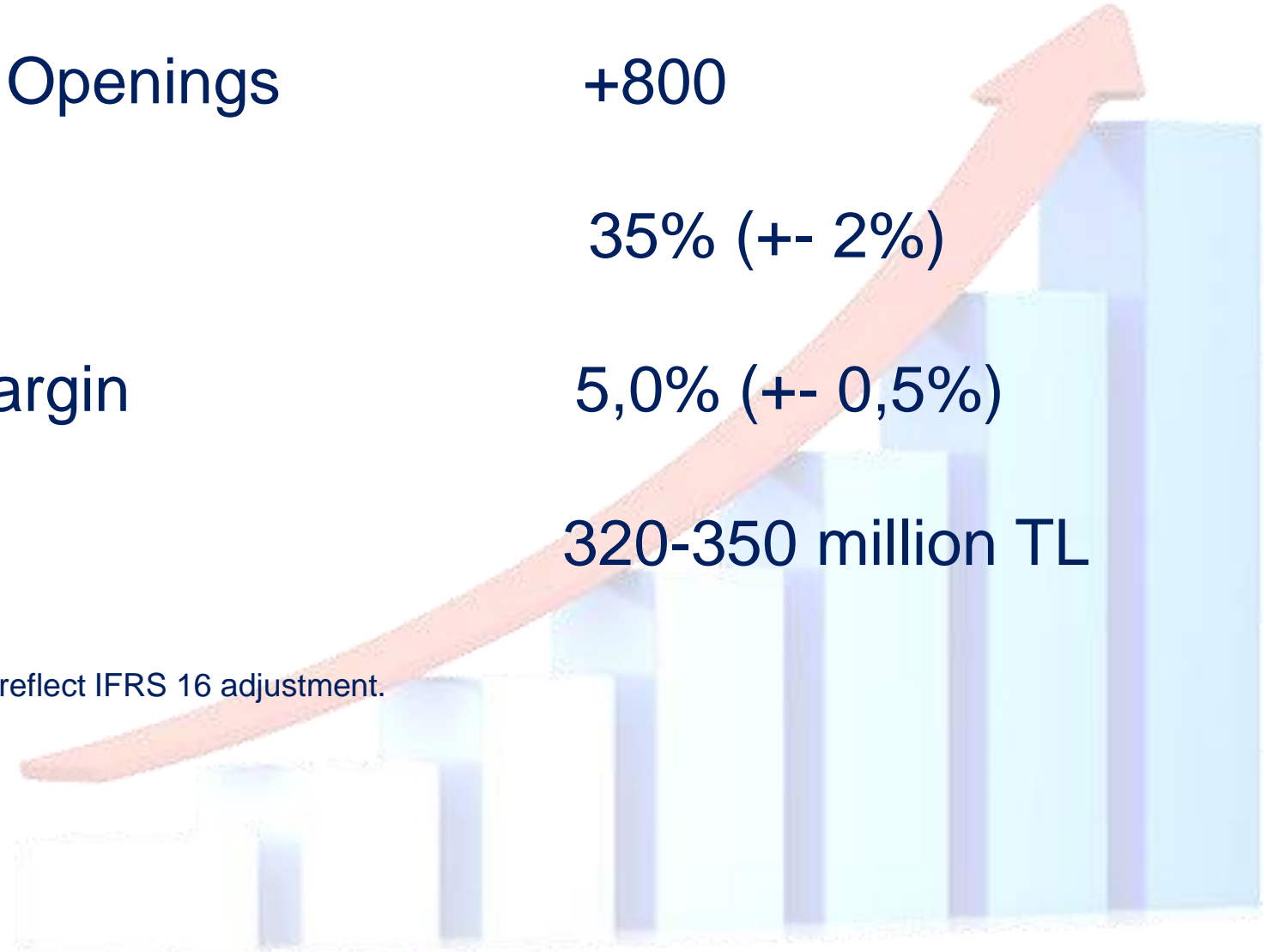
5,0% (+- 0,5%)



CAPEX

320-350 million TL

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





Q&A



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