



# 4Q2020 WEBCAST PRESENTATION

*March 12th, 2021*

# Agenda

- **2020 Highlights**
- Operational Overview
- Financial Overview
- Strategic Developments
- 2021 Guidance
- Q&A


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# 4Q’20 & 12M’20 Highlights

## 4Q’20

**New Store Openings**
263

**Net Sales**
6,0 billion TL
Net Sales Growth
40,8%
LFL Growth
26,0%

**Total Number of Stores**
8.145

**Gross Profit Margin**
23,8%

**EBITDA (exc. IFRS 16)**
412,4 million TL
EBITDA Margin
6,9%

**EBITDA (inc. IFRS 16)**
636,7 million TL
EBITDA Margin
10,7%

**Net Income (exc. IFRS 16)**
193,2 million TL
Margin
3,2%

**Net Income (inc. IFRS 16)**
162,8 million TL
Margin
2,7%

**CAPEX**
198,2 million TL

+


## 12M’20

**New Store Openings**
930

**Net Sales**
21,4 billion TL
Net Sales Growth
33,0%
LFL Growth
19,4%

**Gross Profit Margin**
23,6%

**EBITDA (exc. IFRS 16)**
1.295,9 million TL
EBITDA Margin
6,1%

**EBITDA (inc. IFRS 16)**
2.099,3 million TL
EBITDA Margin
9,8%

**Net Income (exc. IFRS 16)**
388,5 million TL
Margin
1,8%

**Net Income (inc. IFRS 16)**
271,9 million TL
Margin
1,3%

**CAPEX**
520,2 million TL

# 2020 Guidance vs Actual

8.145
Stores
+


| | 2020 Guidance | | | 2020 Actual |
|---|---|---|---|---|
| | 05.03.2020 | 07.05.2020 | 03.11.2020 | |
| New Store Openings | +750 (+/-50) | +750 (+/-50) | +900 (+/-50) | 930 ✓ |
| Net Sales | 21%(+-2%) | 24%(+-2%) | 28%(+-2%) | 33% ✓ |
| EBITDA Margin (excl. IFRS 16) | 5,5%(+-0,5%) | 5,5%(+-0,5%) | 5,5%(+-0,5%) | 6,1% ✓ |
| EBITDA Margin (incl. IFRS 16) | 9,5%(+-0,5%) | 9,5%(+-0,5%) | 9,5%(+-0,5%) | 9,8% ✓ |

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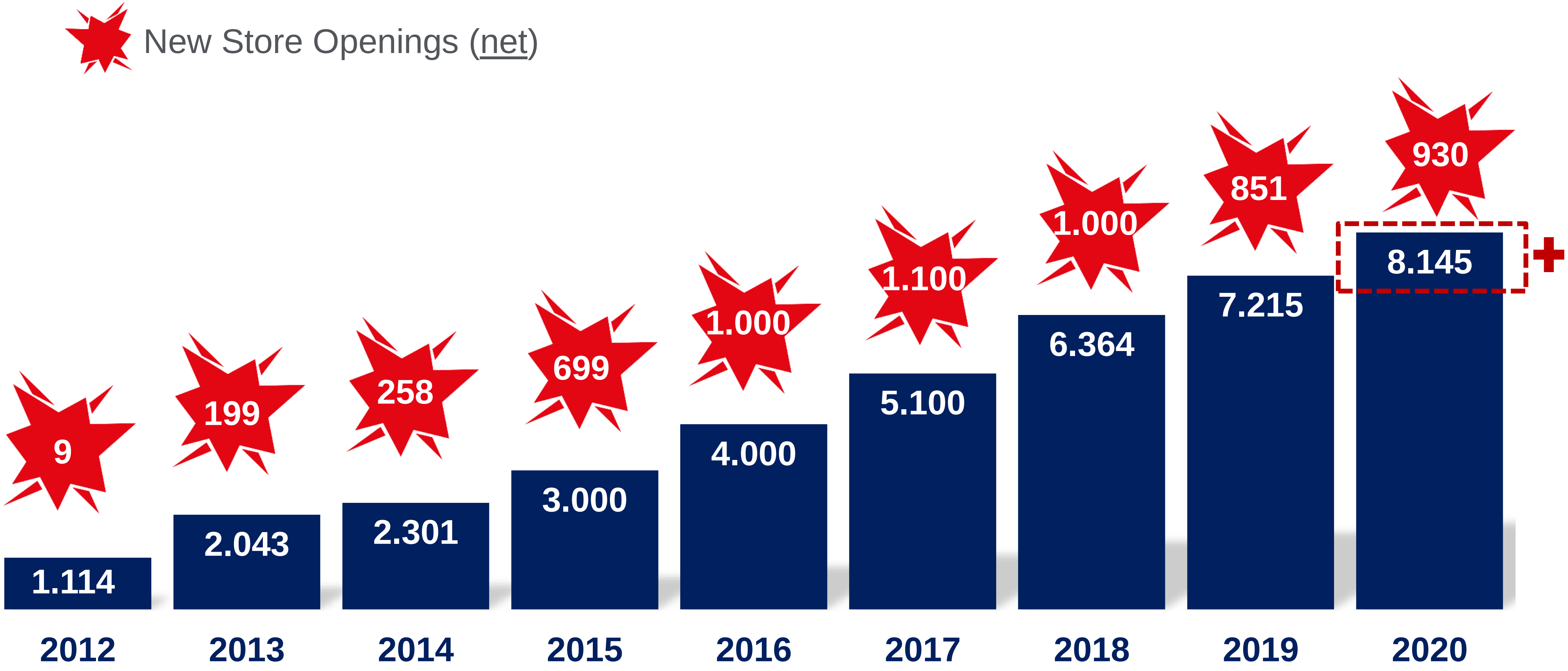
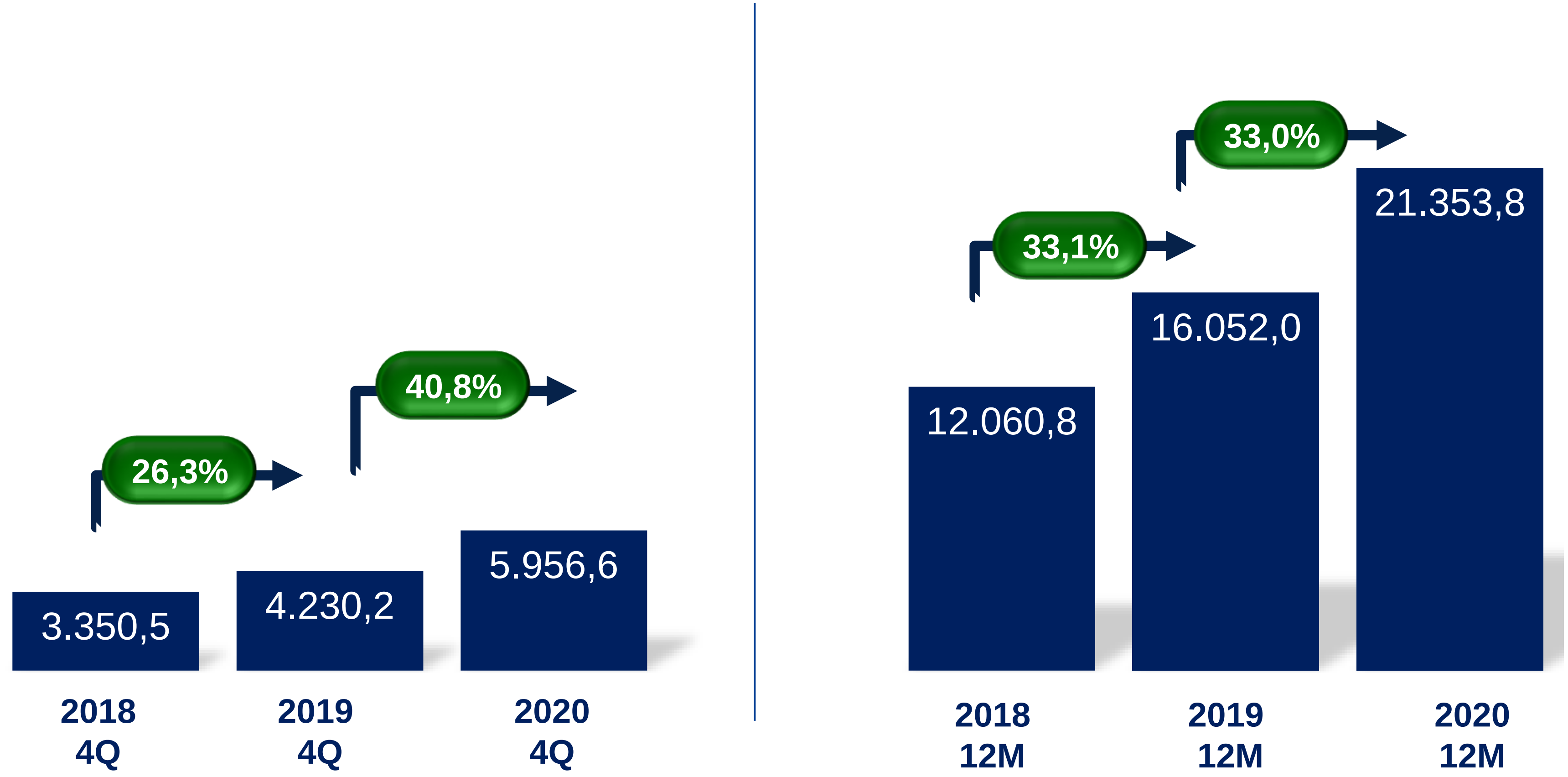
# Store Expansion




(*) As of December, 2020, the Group has a total of 8.145 stores (7.803 Şok Stores, 342 Şok Mini Stores) and 31 warehouses.

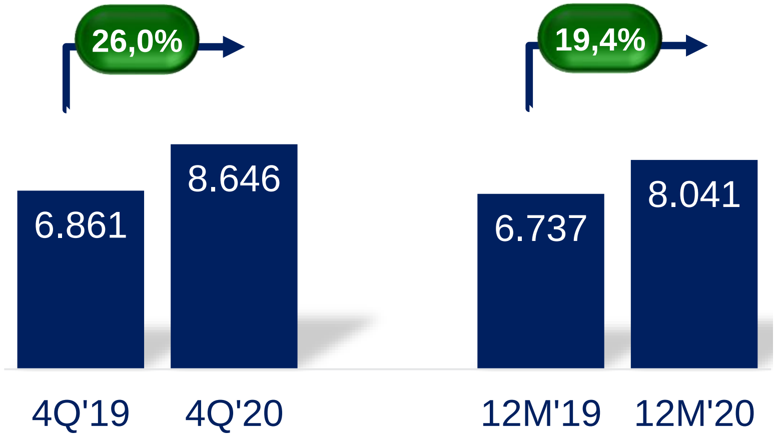
# Sustainable Revenue Growth

Net Sales (TLm)

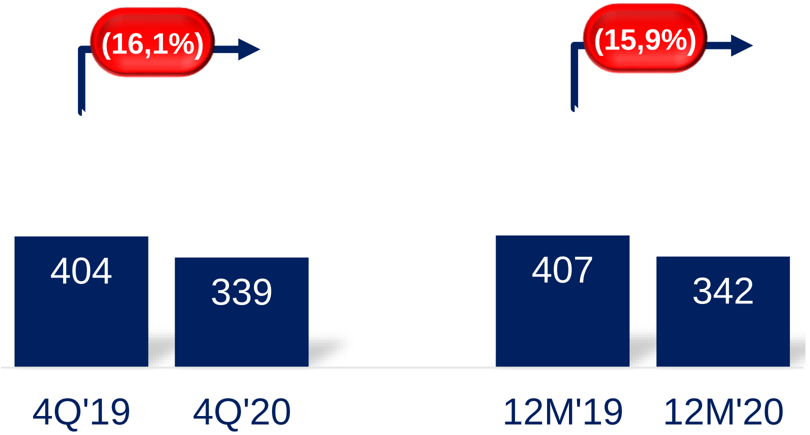


# Continuing Growth in LFL Store Sales

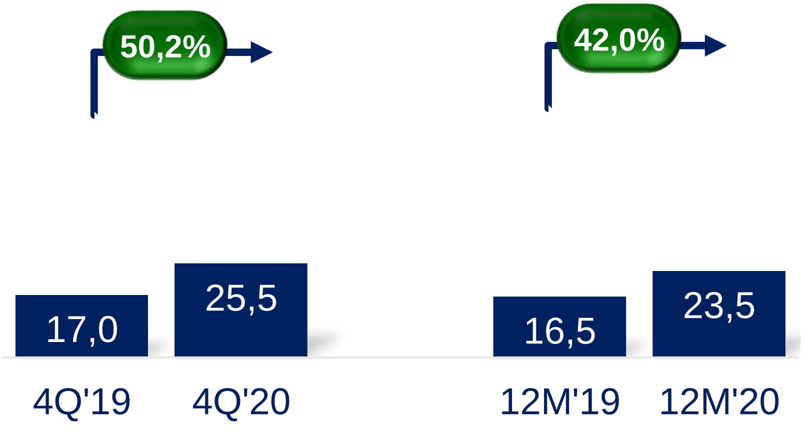
## LFL Daily Average Sales / Store (TL)




## LFL Daily Average Customer / Store




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




(1) The above Like-for-like daily figures (sales, customer & basket size) are calculated on the basis of daily figures generated by 5.778 stores, operating on 31.12.2018 and that were still open on 31.12.2020. The calculations are made over 365 days in each period.

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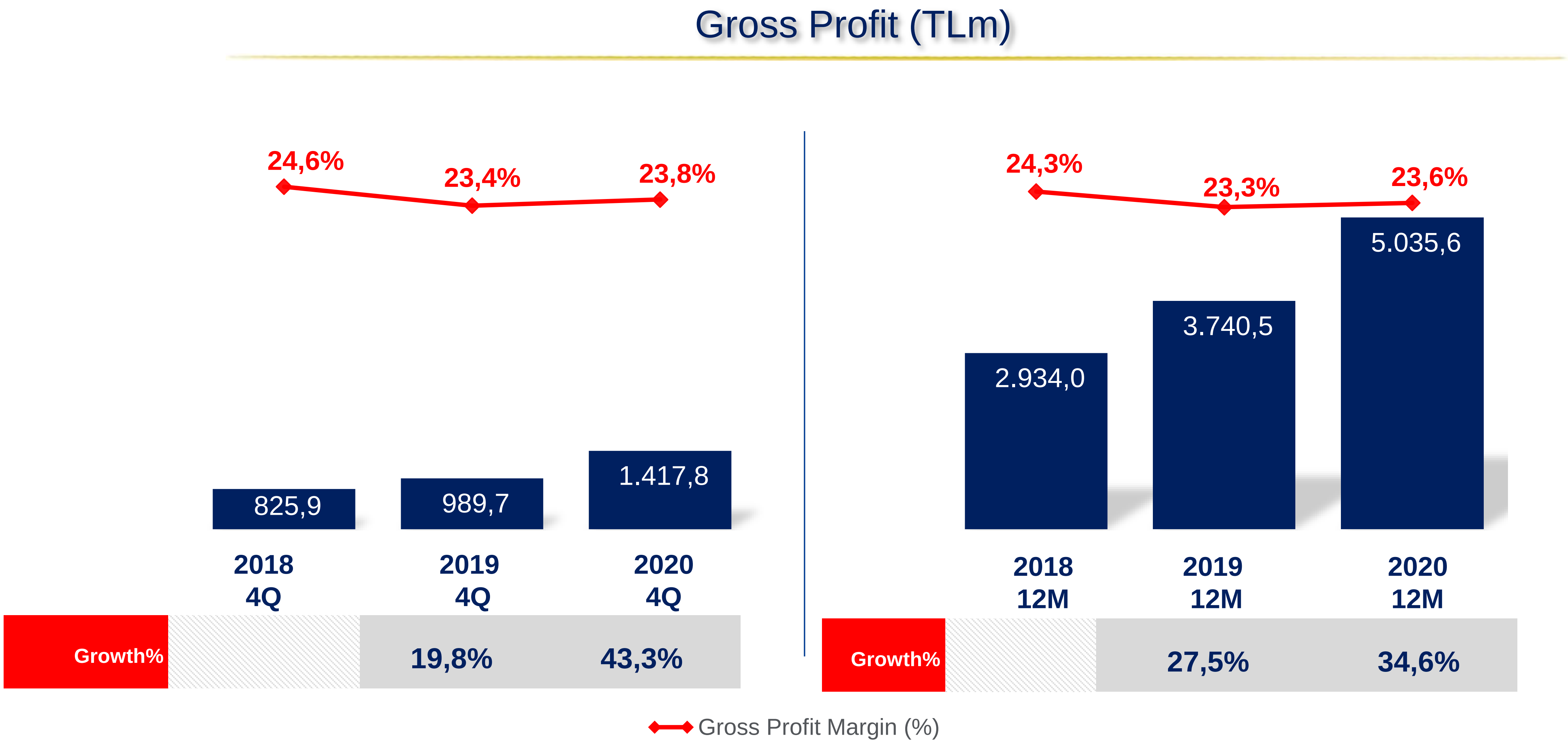
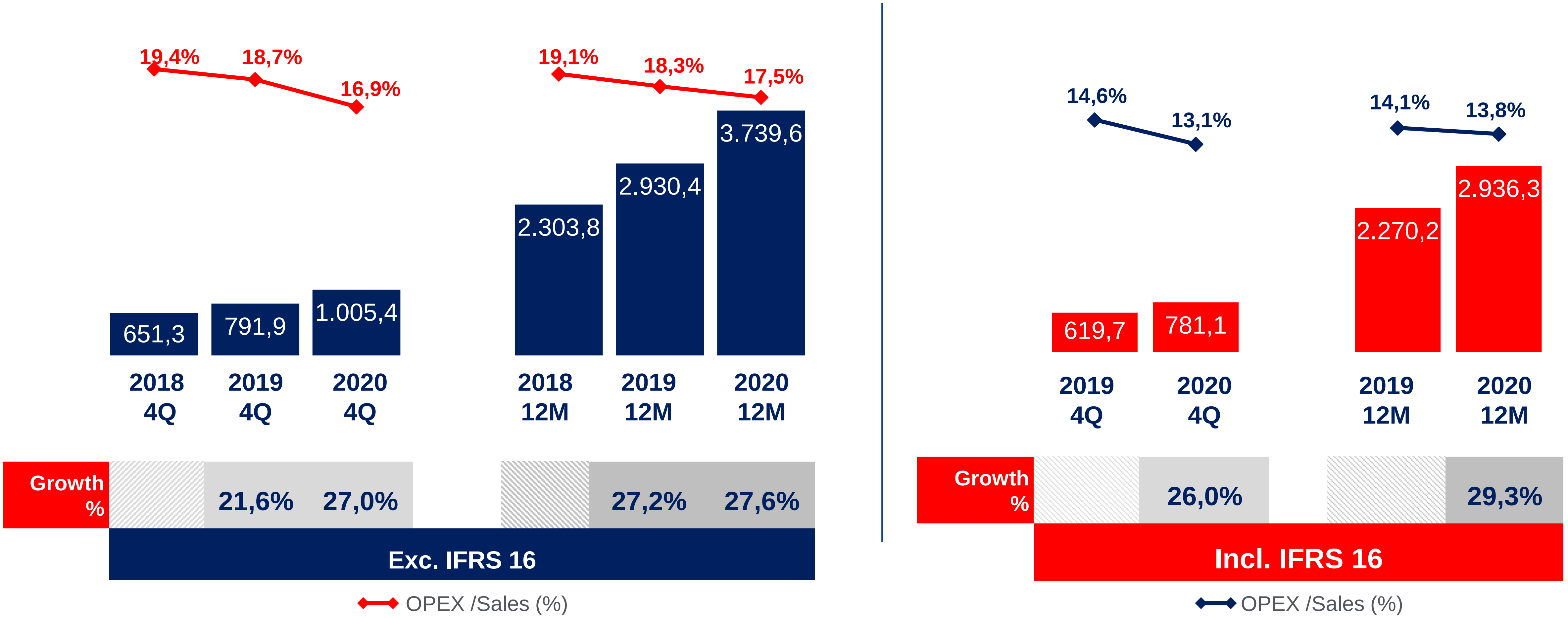
# Gross Profit Improvement



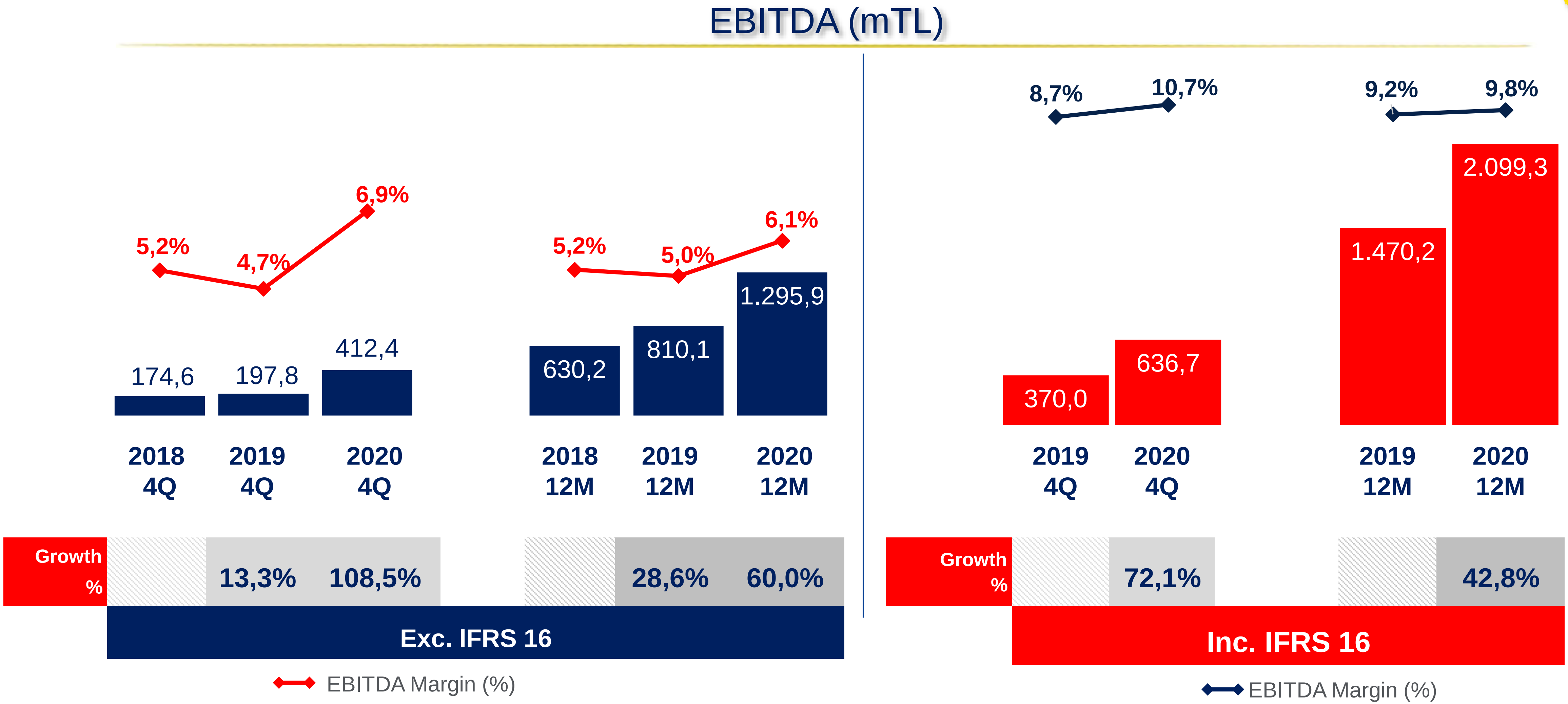

*If we had the same interest rates of last year, our gross margin would be 24,5% in 4Q'20 and it would be 24,5% in 12M'20

# OPEX- Successful Cost Management & Increasing Operating Leverage

## Operating Expenses (TLm) (excl Amortisation)



# EBITDA Improvement

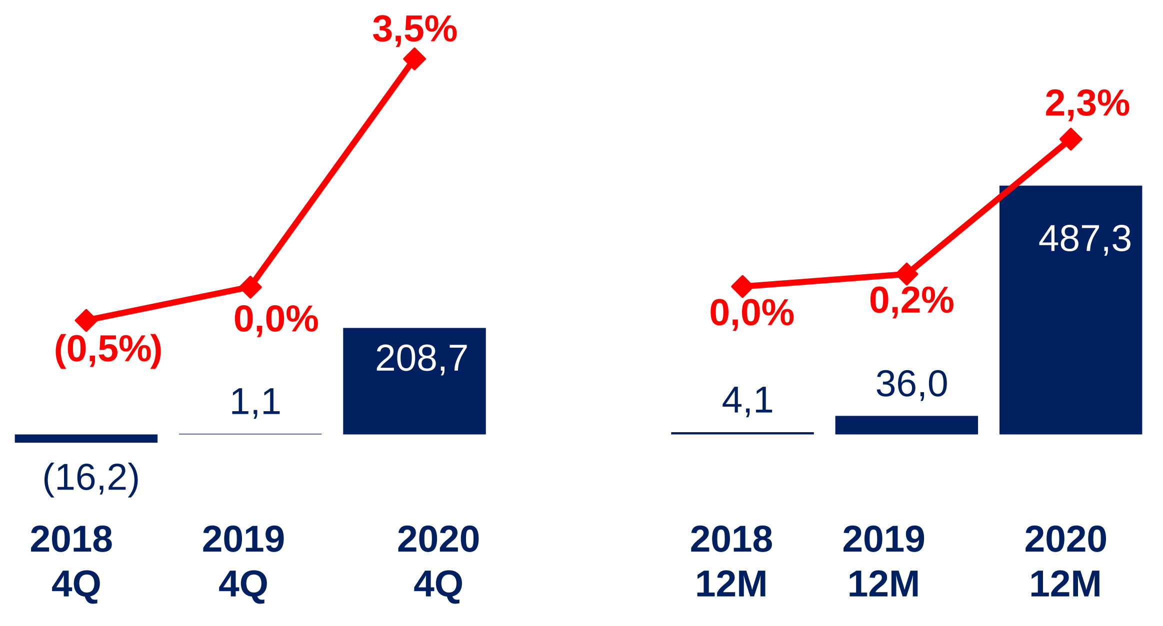



* If we had the same interest rates of last year, our EBITDA margin-excl. IFRS 16 would be 7,7% in 4Q'20 and it would be 7,0% in 12M'20

** If we had the same interest rates of last year, our EBITDA margin-incl. IFRS 16 would be 11,4% in 4Q'20 and it would be 10,8% in 12M'20

# EBIT- Profitability Improvement

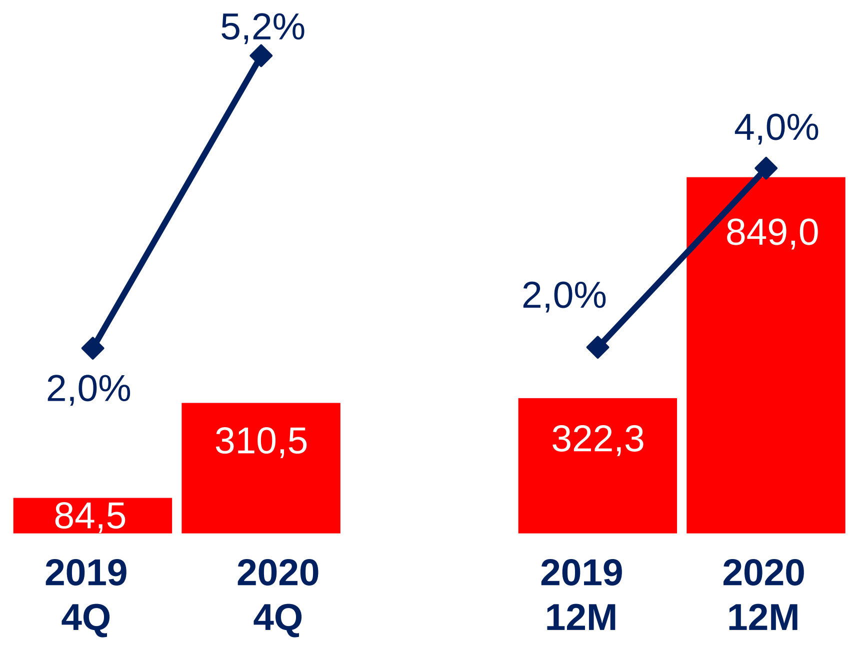
## Operating Profit (EBIT) (TLm)




| | 2018 4Q | 2019 4Q | 2020 4Q | 2018 12M | 2019 12M | 2020 12M |
|---|---|---|---|---|---|---|
| Growth % | | 106,8% | - | | - | - |

**Exc. IFRS 16**

EBIT Margin (%)



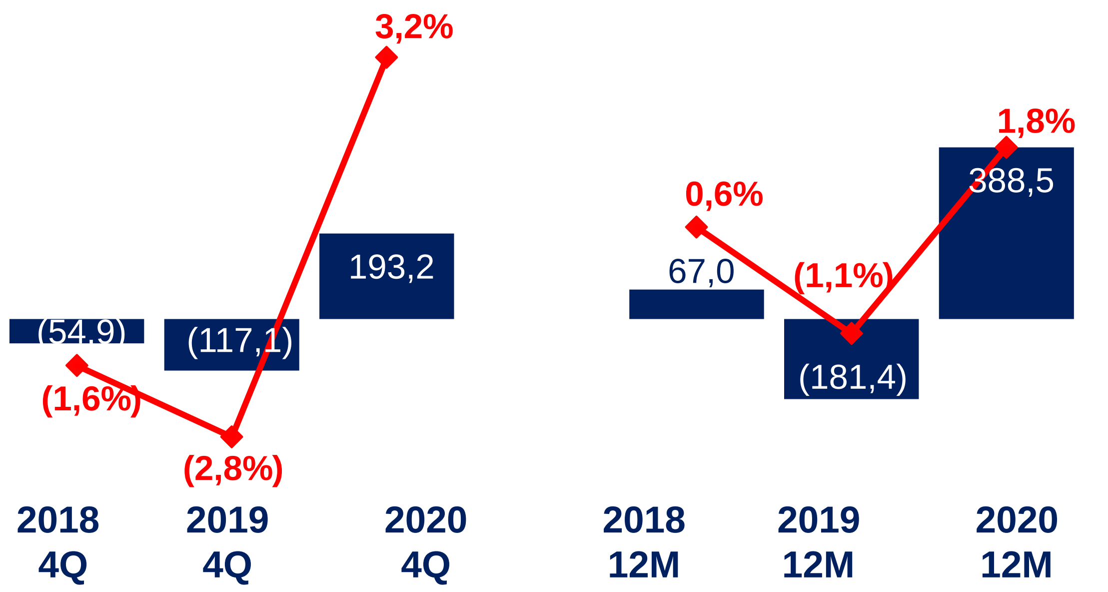

| | 2019 4Q | 2020 4Q | 2019 12M | 2020 12M |
|---|---|---|---|---|
| Growth % | | 267,4% | | 163,4% |

**Inc. IFRS 16**

EBIT Margin (%)

# Net Profit

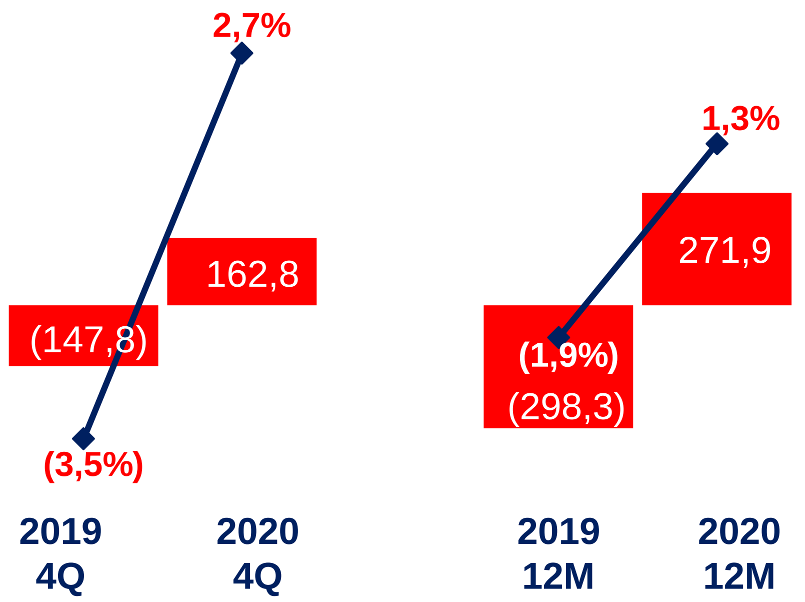
## Net Profit (TLm)




| Growth % | 2018 4Q | 2019 4Q | 2020 4Q | 2018 12M | 2019 12M | 2020 12M |
|---|---|---|---|---|---|---|
| | | (113,4%) | 265,0% | | - | 314,2% |

**Exc. IFRS 16**

Net Profit Margin (%)



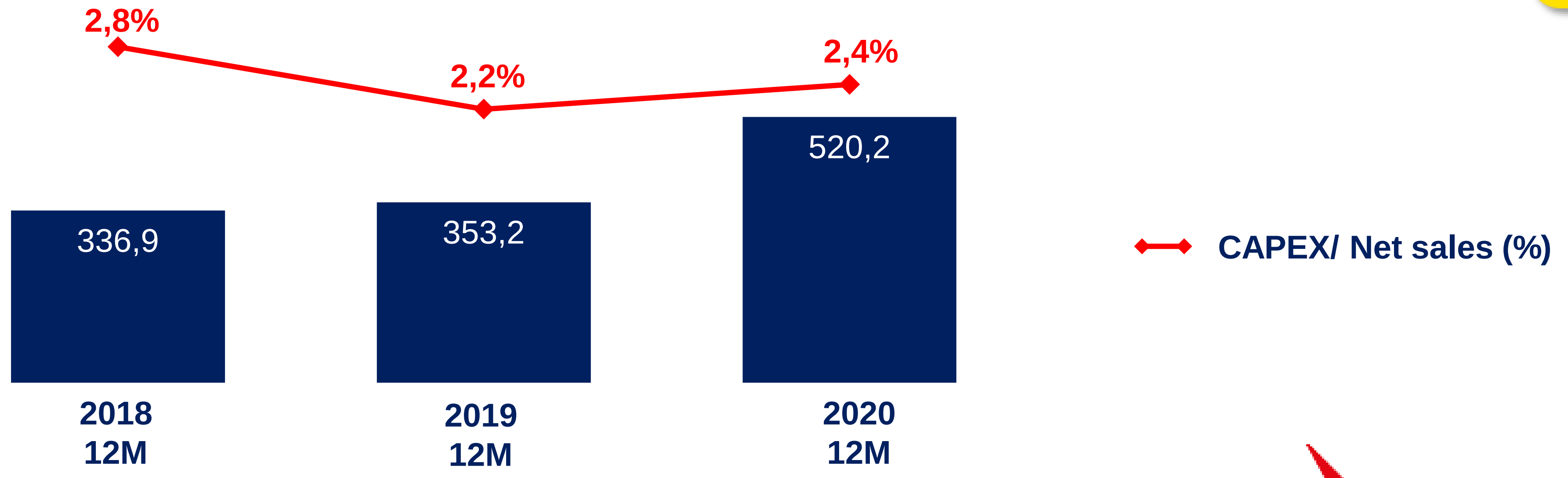

| Growth % | 2019 4Q | 2020 4Q | 2019 12M | 2020 12M |
|---|---|---|---|---|
| | | 210,1% | | 191,1% |

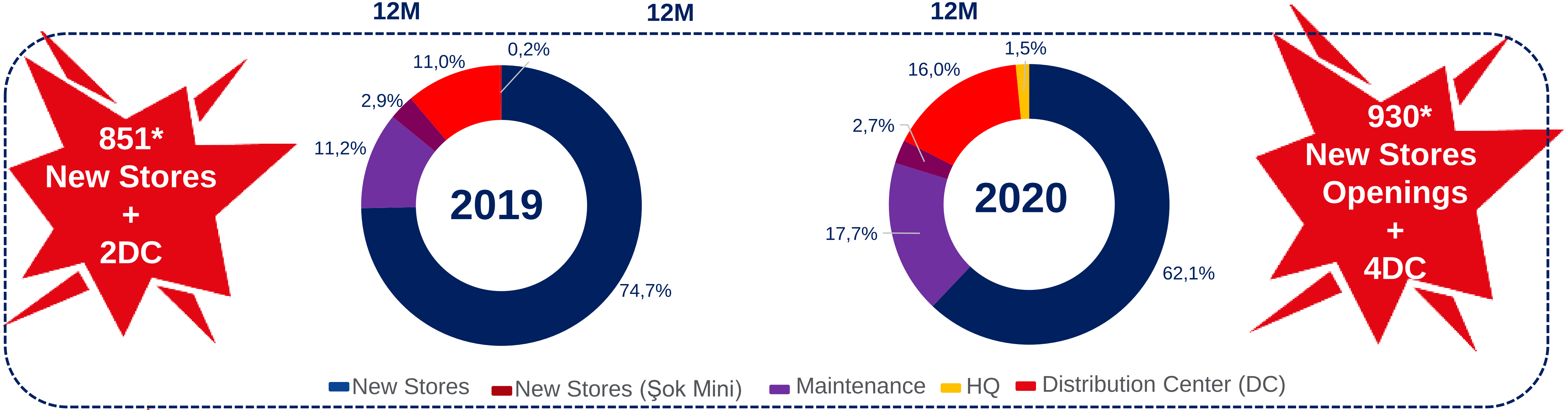
**Inc. IFRS 16**

Net Profit Margin (%)

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

# Effective CAPEX Management (TLm)



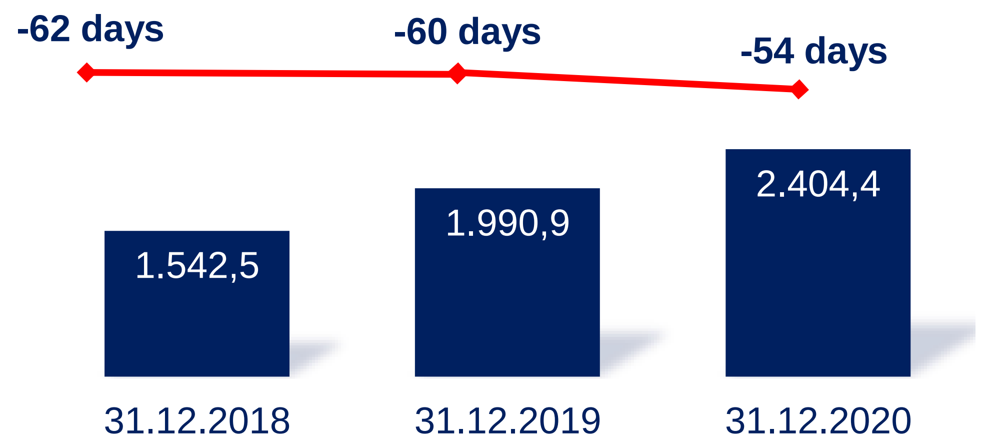

* Including Şok and Şok Mini, net of closings

# Strong Balance Sheet

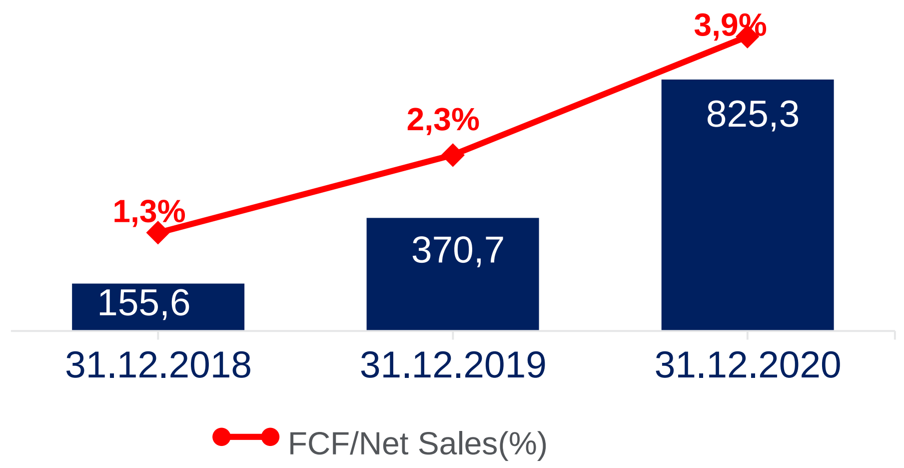
## Net Debt/ (Cash) (TLm)


| TLm | 31.12.2018 | 31.12.2019 | 31.12.2020 |
|---|---|---|---|
| Short Term Borrowings | 75,4 | 0,0 | 0,0 |
| Obligations under Financial Lease | 208,8 | 108,5 | 33,4 |
| **Total Debt** | **284,2** | **108,5** | **33,4** |
| Cash & Cash Equivalents | (354,1) | (431,3) | (1.149,1) |
| **Net Debt** | **(69,8)** | **(322,8)** | **(1.115,7)** |

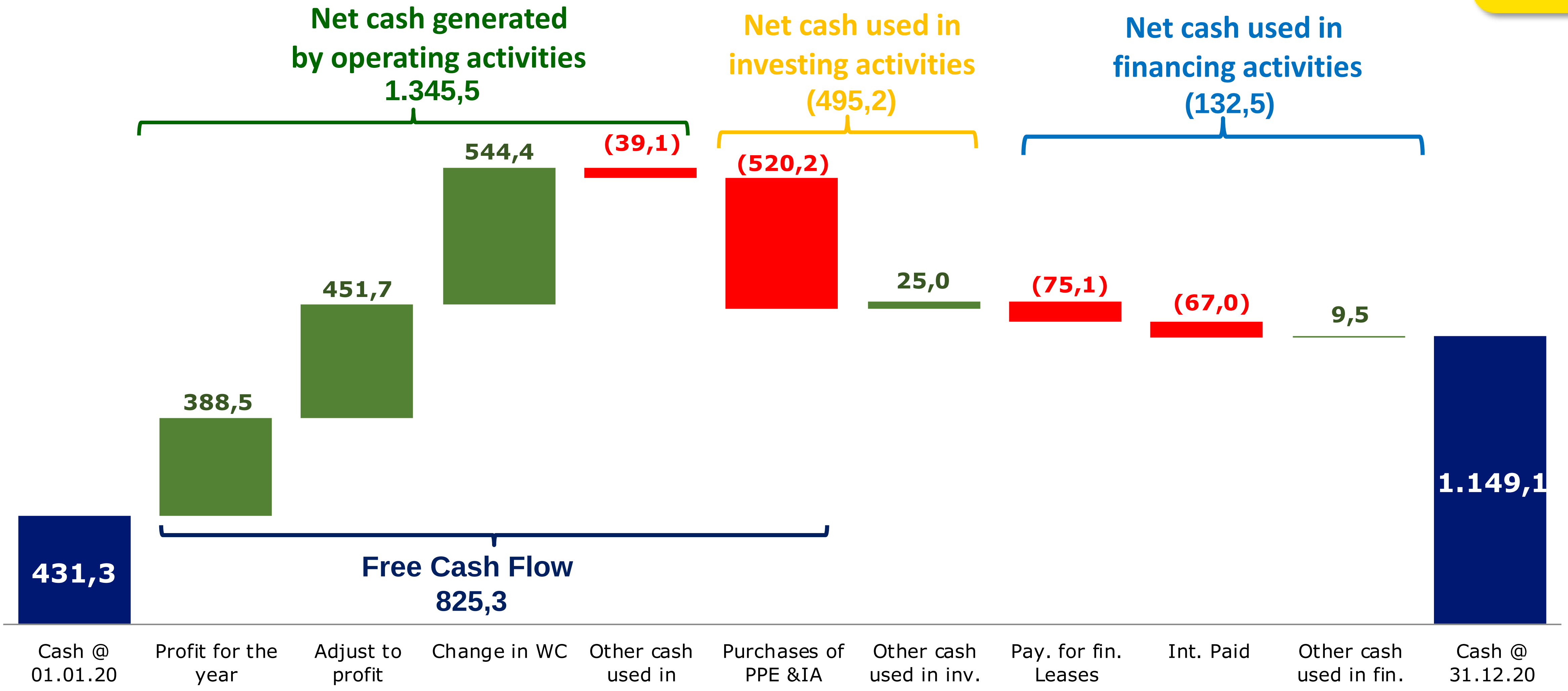
## Net Working Capital (TLm)




## Free Cashflow (TLm) (Exc. IFRS 16)



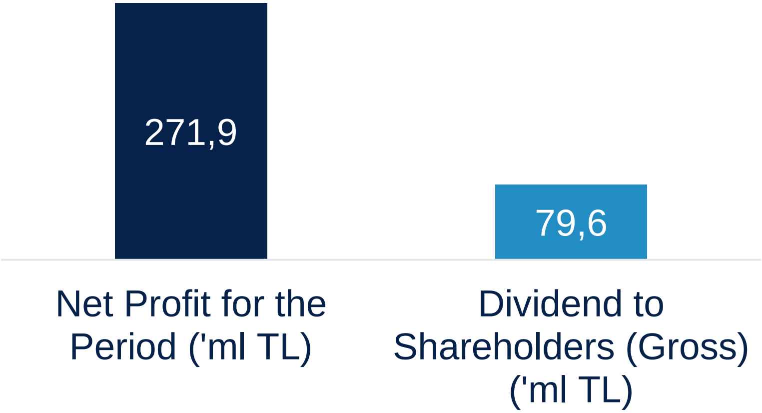
# Strong Cash Flow (million TL)
## (exc. IFRS 16)




* Details of cash flow are also reported at IFRS Report (Page 56.)

# Dividend Distribution Proposal

✓ **First time cash dividend proposal of 0,13 TL per share**





**Cash Dividend Pay out Ratio (%)**

**30%**

**Cash Dividend Yield Ratio* (%)**

**1,1%**

*Calculated upon 10.03.2021 share price

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# Unique Online Home Delivery Model

## Business Model

- ✓ Delivery from the neighbour ŞOK store
- ✓ Within 1 hour
- ✓ Light opex & capex
- ✓ Eco friendly & 100% Electrical Vehicles

## Value Propositon

- ✓ 1.500 SKU
- ✓ Free delivery > 50 TL
- ✓ At store price
- ✓ Fast
- ✓ User friendly app.
- ✓ Alternative payment & order choices
- ✓ Loyalty program

## Coverage

- 81 city
- +7.500 stores

## Financial Metrics

- Positive EBITDA Contribution


**Alternative Order Methods**

- Mobile App
- Phone
- Web — www.sokmarket.com.tr/

**Alternative Payment Methods**

- Online payment
- Cash on delivery
- Credit card at the door

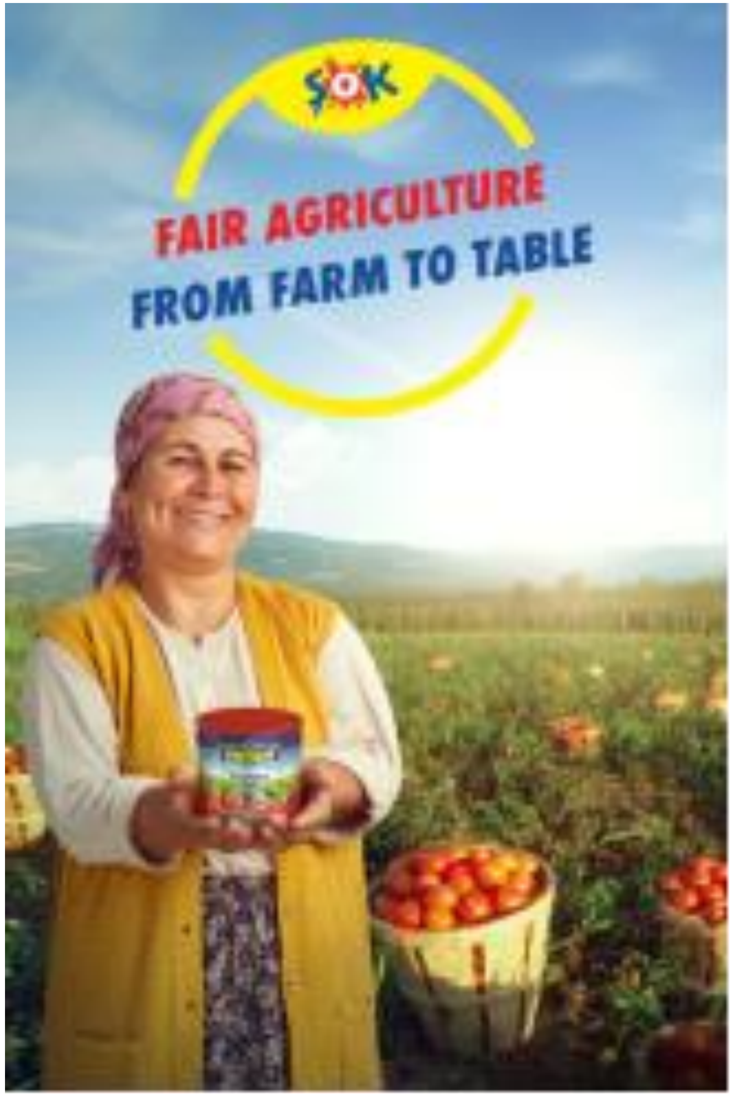
# Online Loyalty Program

**Increasing shopping frequency and basket size**

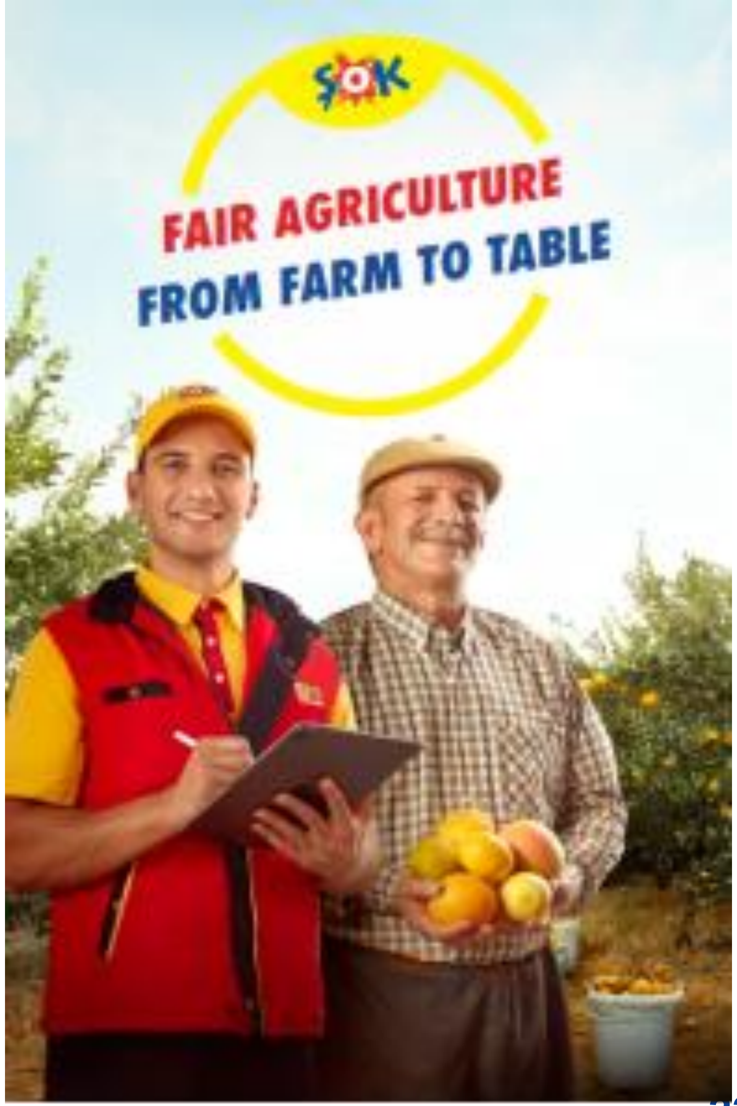
## Earning & Using «Şok Stars»

- 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


# Fair Agriculture from Farm to Table
## with Vertical Integration



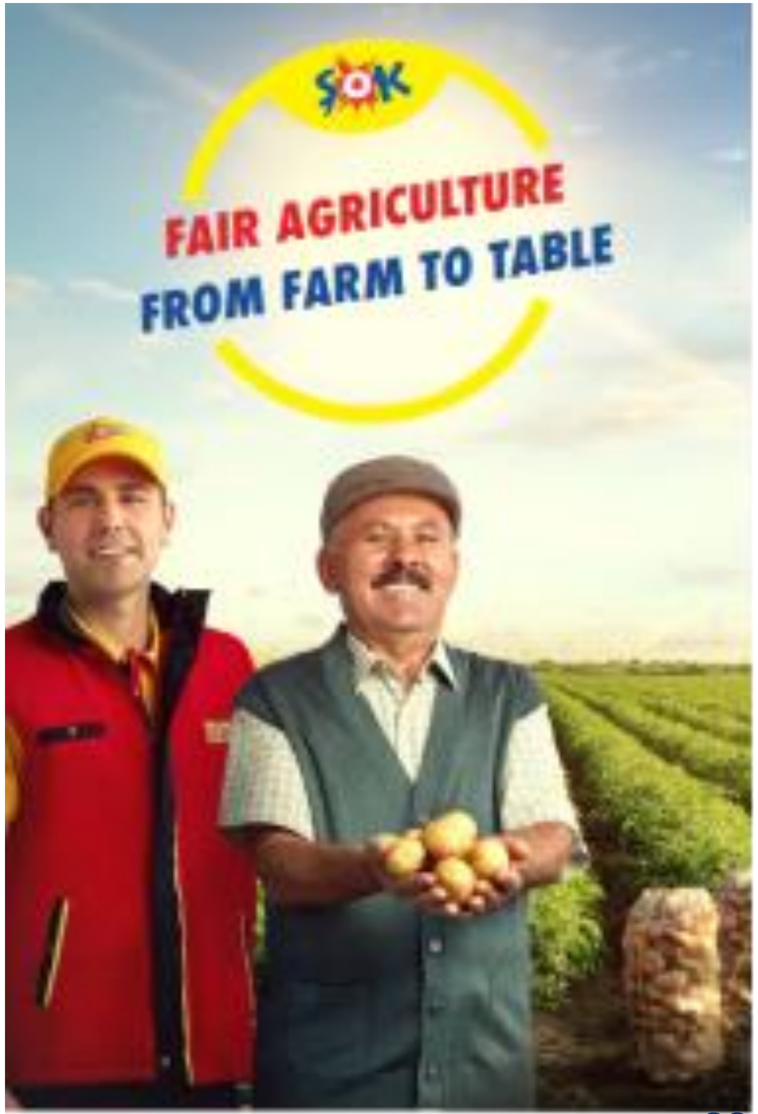

- ✓ **Vertical integration in fruit & vegetables and agricultural products**
  - Ensuring high-quality
  - Securing quantity
  - Providing affordable price
- ✓ **Controlling the end-to-end process**
  - from cultivation to harvest



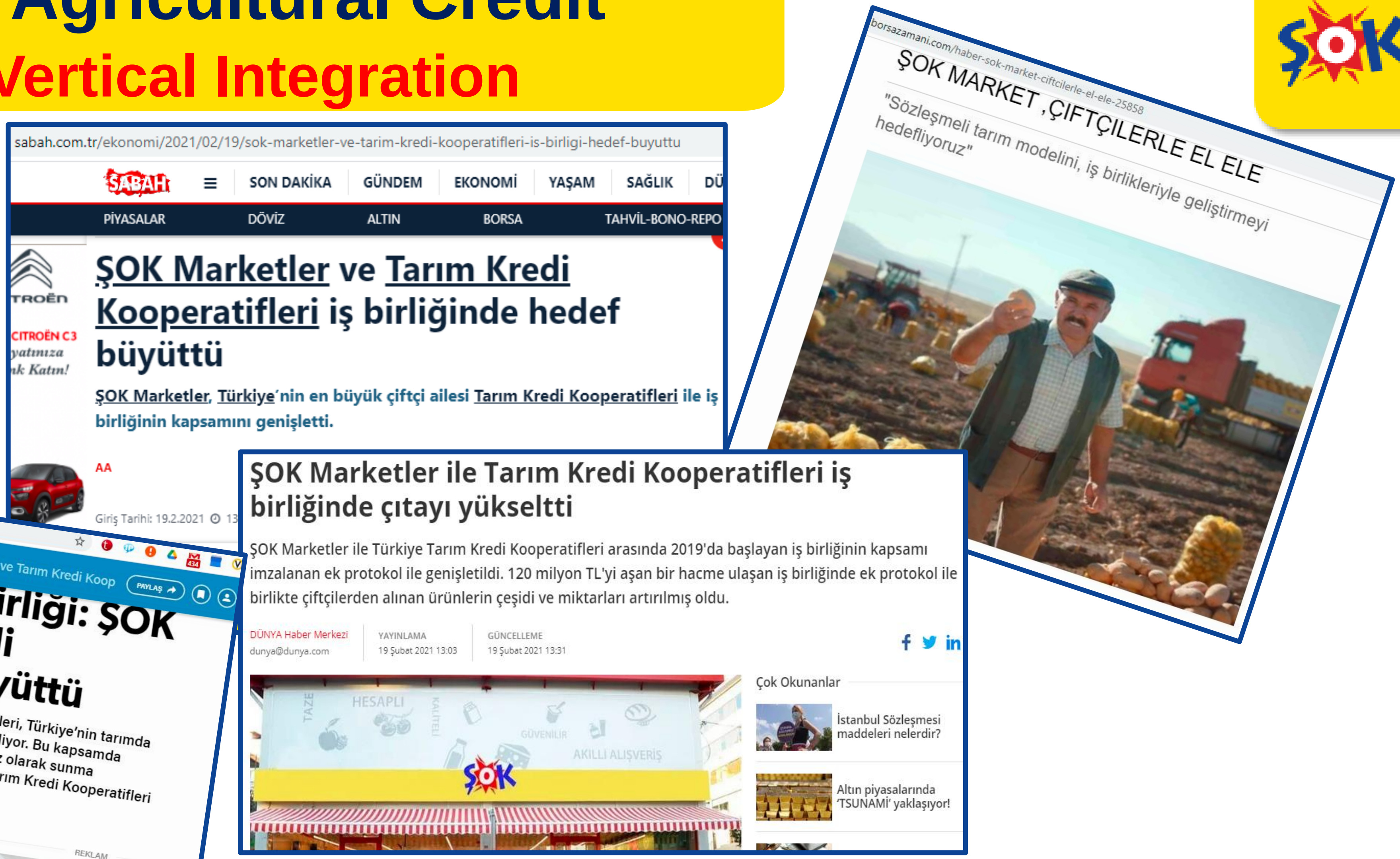
# Supporting farmers through Fair Agriculture with Vertical Integration


- ✓ **Supporting Turkish agriculture & farmers**
  - Contracted farming
  - Financial support
  - Purchasing guarantee

- ✓ **Contributing to economy**



# Cooperation with Agricultural Credit Cooperative with Vertical Integration


✓ Supporting Turkish agriculture & farmers through coorperation with Agricultural Credit Cooperative

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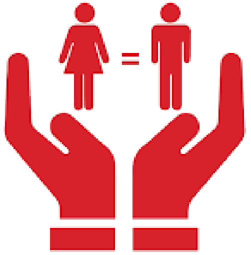
# Sustainability Performance in a Nutshell

## Gender Equality



- ✓ **Female** 45%
- ✓ **Male** 55%

## Social Responsibility

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

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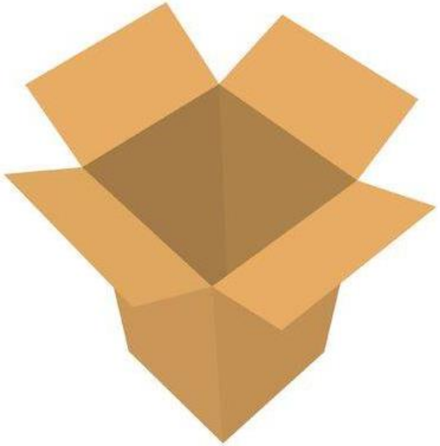
**35.665 Employees**

## Energy Consumption

- ✓ Electricity consumption 21% ↓ in the last two years.

## Reusable Boxes Project

- ✓ ~ *10* million cardboard or plastic box waste were prevented in 2019



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# 2021 Guidance

| | |
|---|---|
| ***Net Sales*** | ***25% (+- 2%)*** |
| ***EBITDA Margin*** *(excl. IFRS 16)* | ***6,0% (+- 0,5%)*** |
| ***EBITDA Margin*** *(incl. IFRS 16)* | ***9,5% (+- 0,5%)*** |
| ***CAPEX*** | ***~ 550 million TL (+-50 million TL)*** |

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# 4Q'19 & 4Q'20
# Consolidated Income Statement

| million TL | Excl. IFRS 16 | | | Incl. IFRS 16 | | |
|---|---|---|---|---|---|---|
| | 4Q2019 | 4Q2020 | ∆ (%) | 4Q2019 | 4Q2020 | ∆ (%) |
| **Net Sales** | **4.230,2** | **5.956,6** | **40,8%** | **4.230,2** | **5.956,6** | **40,8%** |
| Gross Profit | 989,7 | 1.417,8 | **43,3%** | 989,7 | 1.417,8 | **43,3%** |
| **Gross Profit %** | **23,4%** | **23,8%** | **0,4 Ppt** | **23,4%** | **23,8%** | **0,4 Ppt** |
| Marketing, selling & GA expenses (-) | (851,7) | (1.073,9) | **26,1%** | (768,3) | (972,2) | **26,5%** |
| Amortisation | (59,8) | (68,5) | **14,5%** | (148,6) | (191,0) | **28,5%** |
| Marketing, selling & GA expenses (-) (Excl Amortisation) | (791,9) | (1.005,4) | **27,0%** | (619,7) | (781,1) | **26,0%** |
| **EBITDA** | **197,8** | **412,4** | **108,5%** | **370,0** | **636,7** | **72,1%** |
| **EBITDA %** | **4,7%** | **6,9%** | **2,2 Ppt** | **8,7%** | **10,7%** | **1,9 Ppt** |
| **Operating Profit (EBIT)** | **1,1** | **208,7** | **18892,1%** | **84,5** | **310,5** | **267,4%** |
| **Financial Expense** | **(30,9)** | **(21,2)** | **-31,2%** | **(153,3)** | **(162,3)** | **5,9%** |
| **Profit / (Loss) Before Tax** | **(30,3)** | **199,0** | **757,2%** | **(68,5)** | **160,9** | **335,0%** |
| **Net Profit / (Loss) for the Period** | **(117,1)** | **193,2** | **265,0%** | **(147,8)** | **162,8** | **210,1%** |

# 12M'19 & 12M'20
# Consolidated Income Statement

| million TL | Excl. IFRS 16 12M2019 | Excl. IFRS 16 12M2020 | Excl. IFRS 16 ∆ (%) | Incl. IFRS 16 12M2019 | Incl. IFRS 16 12M2020 | Incl. IFRS 16 ∆ (%) |
|---|---|---|---|---|---|---|
| **Net Sales** | **16.052,0** | **21.353,8** | **33,0%** | **16.052,0** | **21.353,8** | **33,0%** |
| Gross Profit | 3.740,5 | 5.035,6 | **34,6%** | 3.740,5 | 5.035,6 | **34,6%** |
| **Gross Profit %** | **23,3%** | **23,6%** | **0,3 Ppt** | **23,3%** | **23,6%** | **0,3 Ppt** |
| Marketing, selling & GA expenses (-) | (3.155,0) | (3.995,4) | **26,6%** | (2.868,7) | (3.633,8) | **26,7%** |
| Amortisation | (224,6) | (255,8) | **13,9%** | (598,5) | (697,5) | **16,5%** |
| Marketing, selling & GA expenses (-) (Excl Amortisation) | (2.930,4) | (3.739,6) | **27,6%** | (2.270,2) | (2.936,3) | **29,3%** |
| **EBITDA** | **810,1** | **1.295,9** | **60,0%** | **1.470,2** | **2.099,3** | **42,8%** |
| **EBITDA %** | **5,0%** | **6,1%** | **1,0 Ppt** | **9,2%** | **9,8%** | **0,7 Ppt** |
| **Operating Profit (EBIT)** | **36,0** | **487,3** | **1251,9%** | **322,3** | **849,0** | **163,4%** |
| **Financial Expense** | **(139,7)** | **(67,0)** | **-52,1%** | **(572,7)** | **(577,0)** | **0,7%** |
| **Profit / (Loss) Before Tax** | **(97,9)** | **439,6** | **548,9%** | **(243,9)** | **293,9** | **220,5%** |
| **Net Profit / (Loss) for the Period** | **(181,4)** | **388,5** | **314,2%** | **(298,3)** | **271,9** | **191,1%** |

# Balance Sheet (Assets)

| million TL | Excl. IFRS 16 | | Inc. IFRS 16 | |
|---|---|---|---|---|
| | 31.12.2019 | 31.12.2020 | 31.12.2019 | 31.12.2020 |
| Cash & cash equivalents | 431,3 | 1.149,1 | 431,3 | 1.149,1 |
| Trade receivables | 74,4 | 106,2 | 74,4 | 106,2 |
| Inventories | 1.329,7 | 2.090,3 | 1.329,7 | 2.090,3 |
| Other current assets | 27,3 | 33,8 | 25,0 | 31,5 |
| **Total Current Assets** | **1.862,7** | **3.379,4** | **1.860,4** | **3.377,0** |
| Property & equipment | 1.100,7 | 1.352,7 | 1.100,7 | 1.352,7 |
| Intangible assets | 685,3 | 692,0 | 685,3 | 692,0 |
| Other non-current assets | 209,3 | 167,0 | 2.061,4 | 2.340,1 |
| **Non-Current Assets** | **1.995,3** | **2.211,7** | **3.847,4** | **4.384,8** |
| **Total Assets** | **3.858,1** | **5.591,0** | **5.707,8** | **7.761,8** |

# Balance Sheet (Liabilities and Equity)

| million TL | Excl. IFRS 16 | | Inc. IFRS 16 | |
|---|---|---|---|---|
| | 31.12.2019 | 31.12.2020 | 31.12.2019 | 31.12.2020 |
| Short term financial liabilities | 75,5 | 32,7 | 75,5 | 32,7 |
| Trade payables | 3.395,1 | 4.600,8 | 3.395,1 | 4.600,8 |
| Other current payables | 218,6 | 367,3 | 819,7 | 1.112,7 |
| **Total Current Liabilities** | **3.689,2** | **5.000,9** | **4.290,3** | **5.746,2** |
| **Total Non Current Liabilities** | **78,8** | **102,7** | **1.444,4** | **1.761,7** |
| Shareholder's equity | 88,5 | 486,4 | (28,3) | 253,1 |
| Non-controlling interests | 1,6 | 1,0 | 1,5 | 0,8 |
| Total Equity | 90,1 | 487,4 | (26,9) | 253,9 |
| **Total Liabilities and Equity** | **3.858,1** | **5.591,0** | **5.707,8** | **7.761,8** |

# Cash Flow Statement

| million TL | Excl. IFRS 16 | | Inc. IFRS 16 | |
|---|---|---|---|---|
| | 31.12.2019 | 31.12.2020 | 31.12.2019 | 31.12.2020 |
| **Profit/(loss) from continued operations** | **(181,4)** | **388,5** | **(298,3)** | **271,9** |
| Adjustments related to reconciliation of net profit / (loss) for the period | 465,5 | 451,7 | 1.244,2 | 1.371,7 |
| **Cash generated by / (used in) operations before changes in working capital** | **284,1** | **840,2** | **945,9** | **1.643,6** |
| Changes in working capital : | 467,1 | 544,4 | 469,4 | 544,4 |
| **Cash used in operations** | **751,2** | **1.384,6** | **1.415,3** | **2.188,0** |
| Taxes, Payments for lawsuits, retirement benefits and unused vacs. etc. | (27,2) | (39,1) | (27,2) | (39,1) |
| **A- Net cash generated by operating activities:** | **723,9** | **1.345,5** | **1.388,0** | **2.148,9** |
| Purchases of property and equipment | (343,8) | (506,2) | (343,8) | (506,2) |
| Purchases of intangible assets | (9,4) | (14,1) | (9,4) | (14,1) |
| **Free Cash Flow** | **370,7** | **825,3** | **1.034,8** | **1.628,6** |
| Other | 12,4 | 25,0 | 11,6 | 27,7 |
| **B-Net cash used in investing activities** | **(341,0)** | **(495,2)** | **(341,787)** | **(492,6)** |
| **C-Net cash (used in) / generated from financing activities** | **(305,8)** | **(132,5)** | **(969,03)** | **(938,5)** |
| NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C) | 77,2 | 717,8 | 77,2 | 717,8 |
| D.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 354,1 | 431,3 | 354,1 | 431,3 |
| E.CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 431,3 | 1.149,1 | 431,3 | 1.149,1 |

# Disclaimer

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# Contact information

Çağrı DEMİREL SEKMEN
Investor Relations Manager
t: +90 850 221 6755
e: cagri.demirel@sokmarket.com.tr
w: www.sokmarketyatirimciiliskileri.com

Ziya KAYACAN
CFO
t: +90 850 221 11 00
e: ziya.kayacan@sokmarket.com.tr
w: www.sokmarketyatirimciiliskileri.com