



3Q2020 WEBCAST PRESENTATION

November 4th, 2020



Agenda



- 3Q'20 & 9M'20 Highlights
- General Overview
- Financial Results
- Q&A



3Q'20 & 9M'20 Highlights



3Q'20

New Store
Openings
221

Net Sales
5,5 billion TL
Net Sales Growth
27,3%
LFL Growth
13,9%

Total
Number of
Stores
7.882



Gross Profit
Margin
23,3%

EBITDA
(exc. IFRS 16)
312,9 million TL
EBITDA Margin
5,7%

EBITDA
(inc. IFRS 16)
512,3 million TL
EBITDA Margin
9,3%

Net Income
(exc. IFRS 16)
82,7 million TL
Margin
1,5%

Net Income
(inc. IFRS 16)
53,5 million TL
Margin
1,0%

CAPEX
125,9 million TL

9M'20

New Store
Openings
667

Net Sales
15,4 billion TL
Net Sales Growth
30,2%
LFL Growth
16,6%

Gross Profit
Margin
23,5%

EBITDA
(exc. IFRS 16)
883,5 million TL
EBITDA Margin
5,7%

EBITDA
(inc. IFRS 16)
1.462,5 million TL
EBITDA Margin
9,5%

Net Income
(exc. IFRS 16)
195,3 million TL
Margin
1,3%

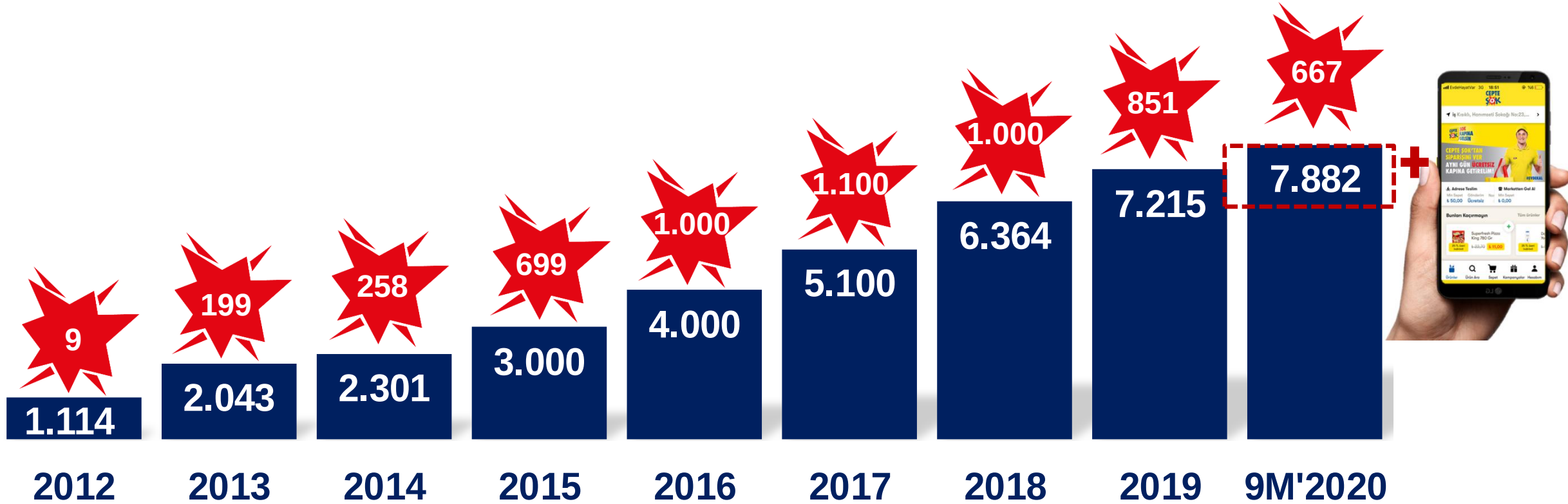
Net Income
(inc. IFRS 16)
109,1 million TL
Margin
0,7%

CAPEX
322,0 million TL

Store Expansion



 New Store Openings (net)

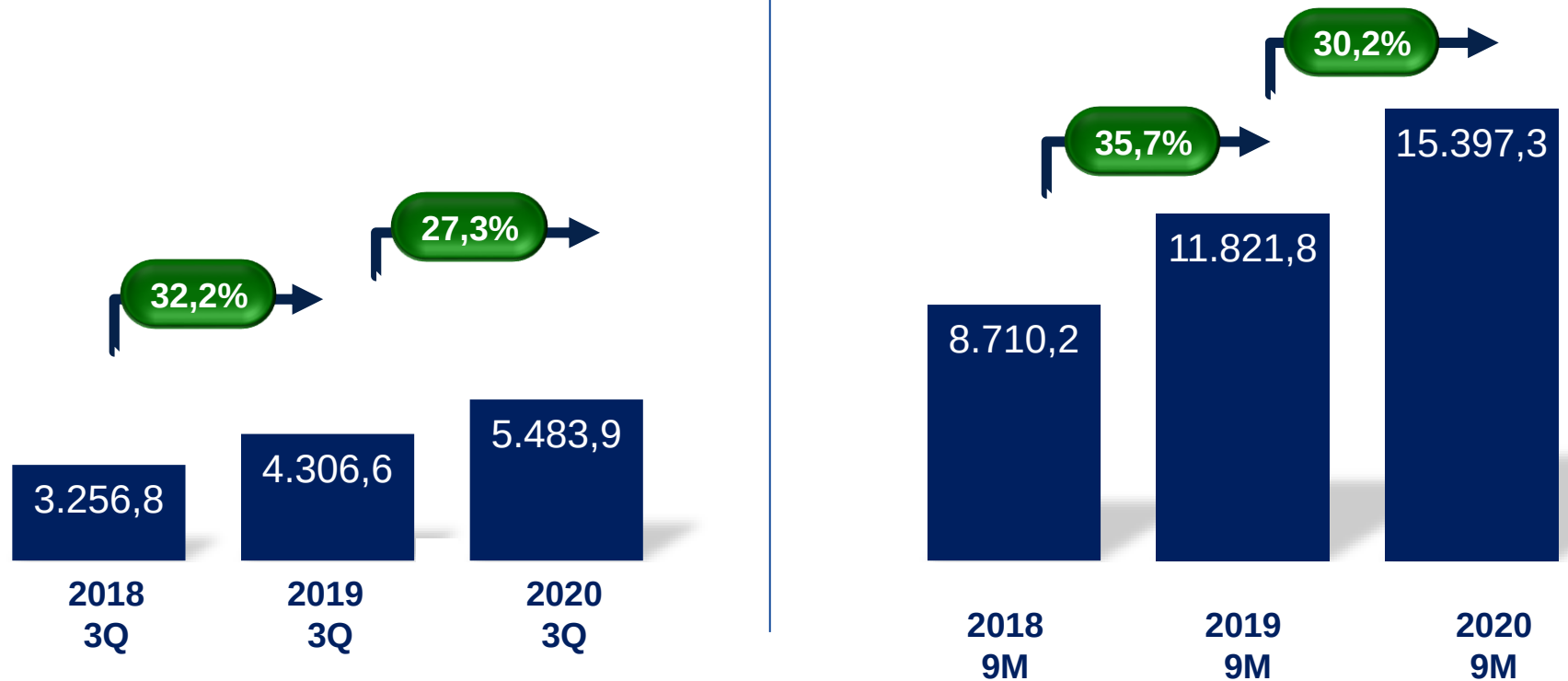


(*) As of September, 2020, the Group has a total of 7.882 stores (7.550 Şok Stores, 332 Şok Mini Stores) and 30 warehouses.

Sustainable Revenue Growth



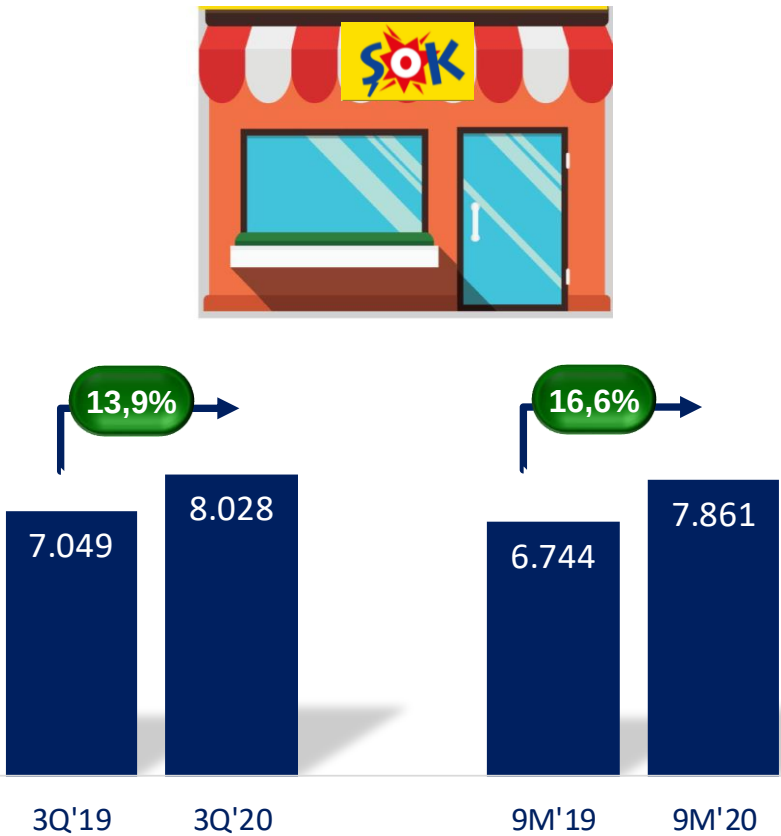
Net Sales (TLm)



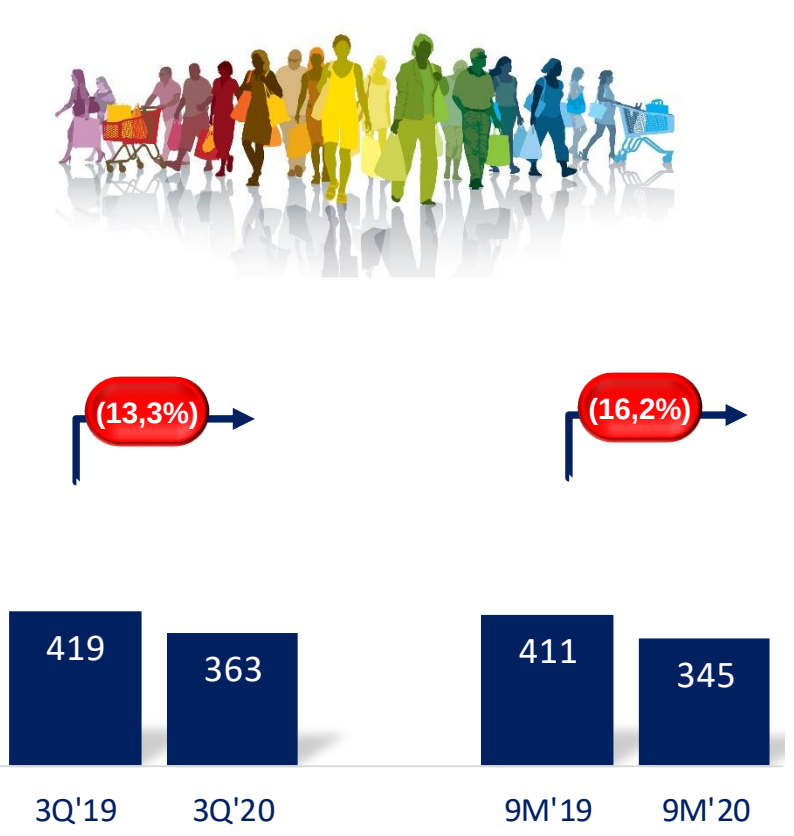
Continuing Growth in LFL Store Sales



LFL Daily Average Sales / Store (TL)



LFL Daily Average Customer / Store



LFL Daily Avg. Basket Size / Store (TL)

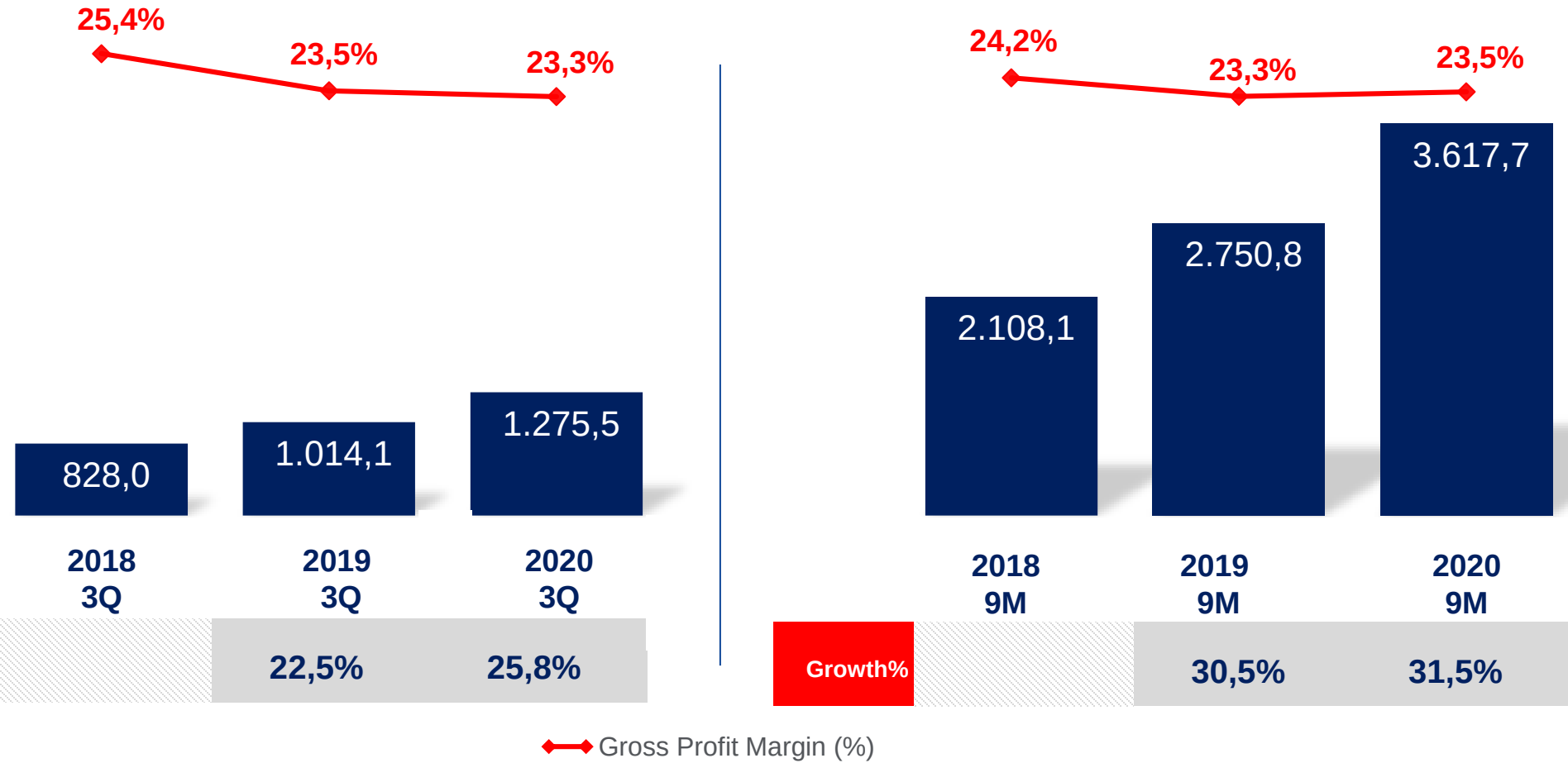


(1) The above Like-for-like daily figures (sales, customer & basket size) are calculated on the basis of daily figures generated by 5.631 stores, operating on 30.09.2018 and that were still open on 30.09.2020. The calculations are made over 273 days in each period.

Gross Profit Improvement



Gross Profit (TLm)

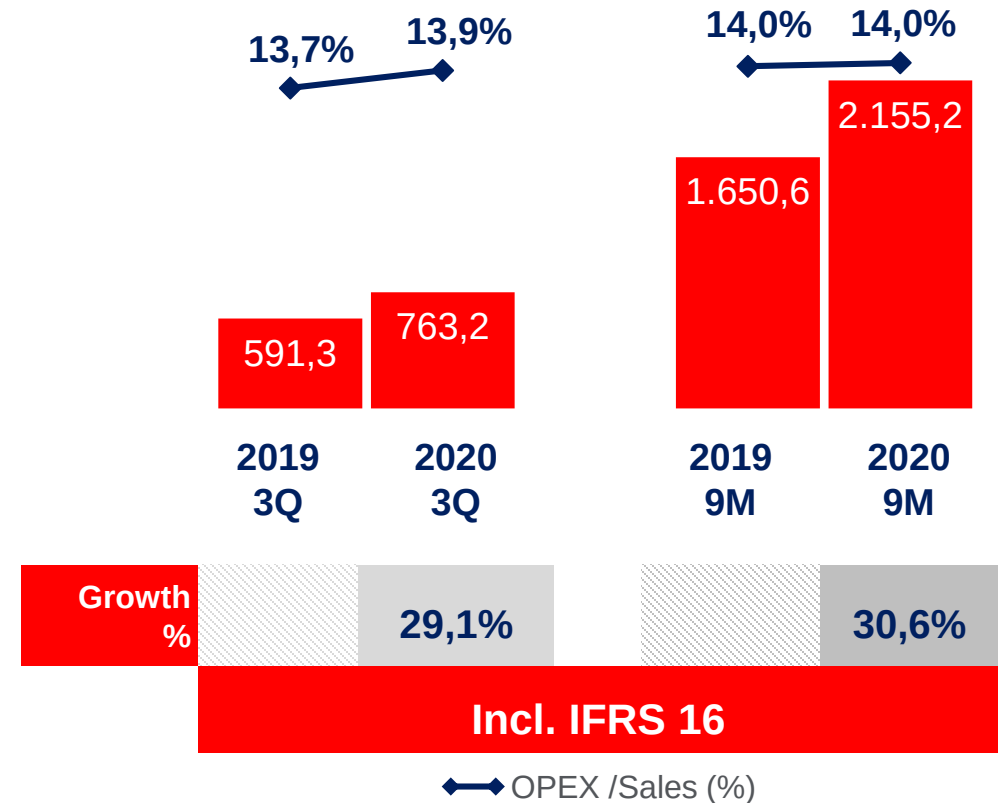
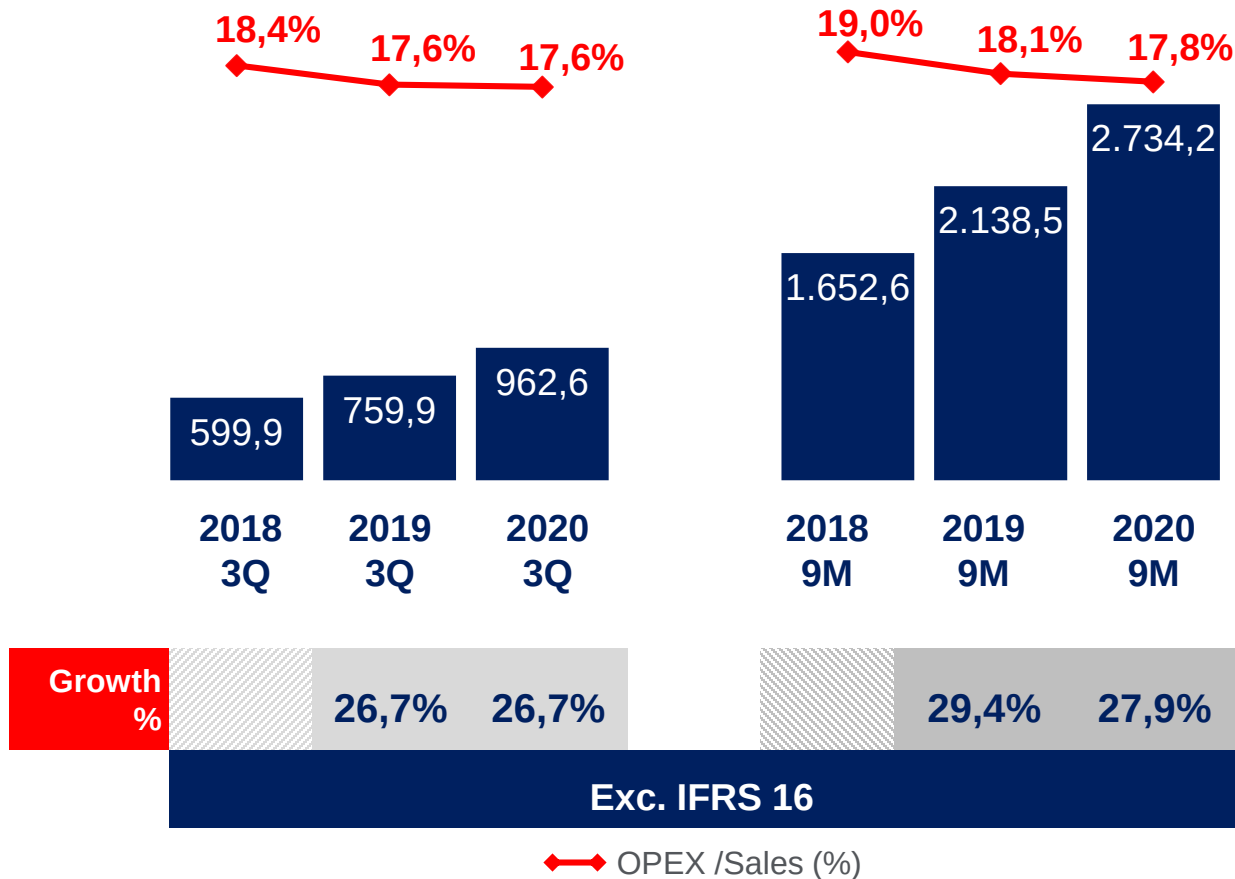


*If we had the same interest rates of last year, our Gross margin would be 24,4% in 3Q'20 and it would be 24,5% in 9M'20

OPEX- Successful Cost Management & Increasing Operating Leverage



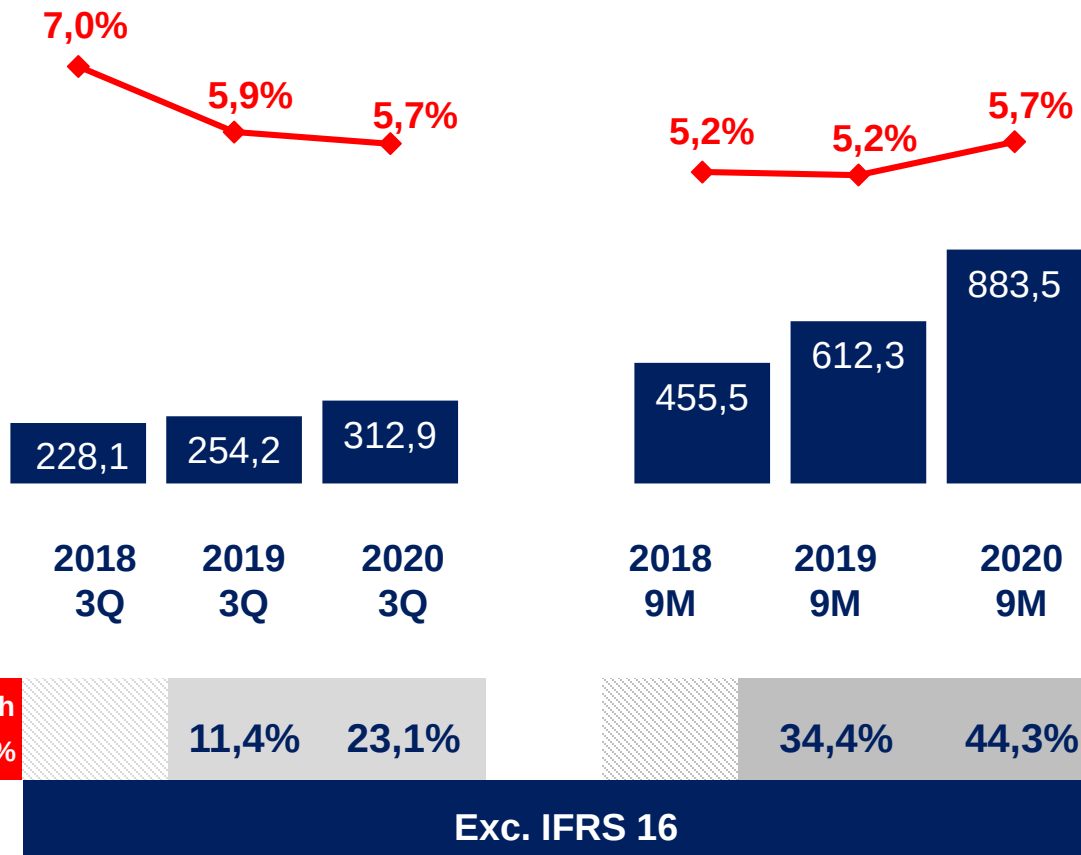
Operating Expenses (TLm) (excl Amortisation)



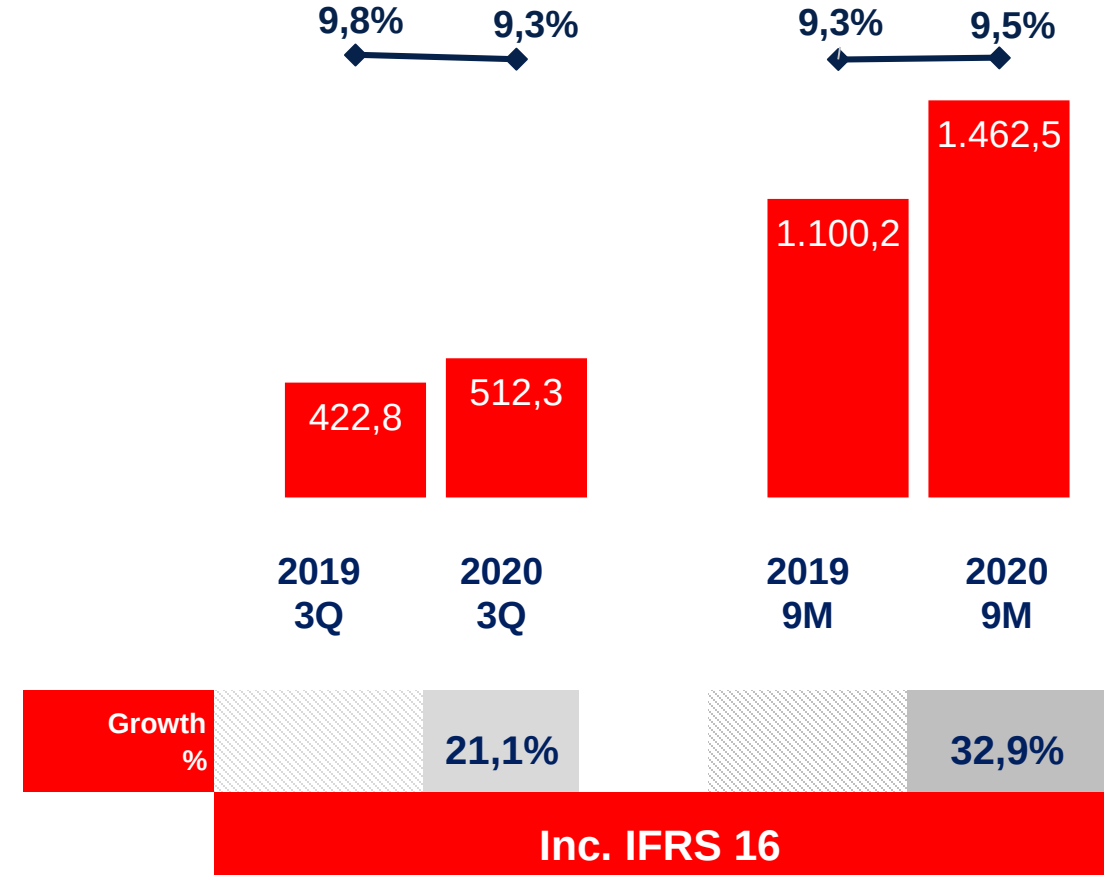
EBITDA Improvement



EBITDA (mTL)



↗ EBITDA Margin (%)



↔ EBITDA Margin (%)

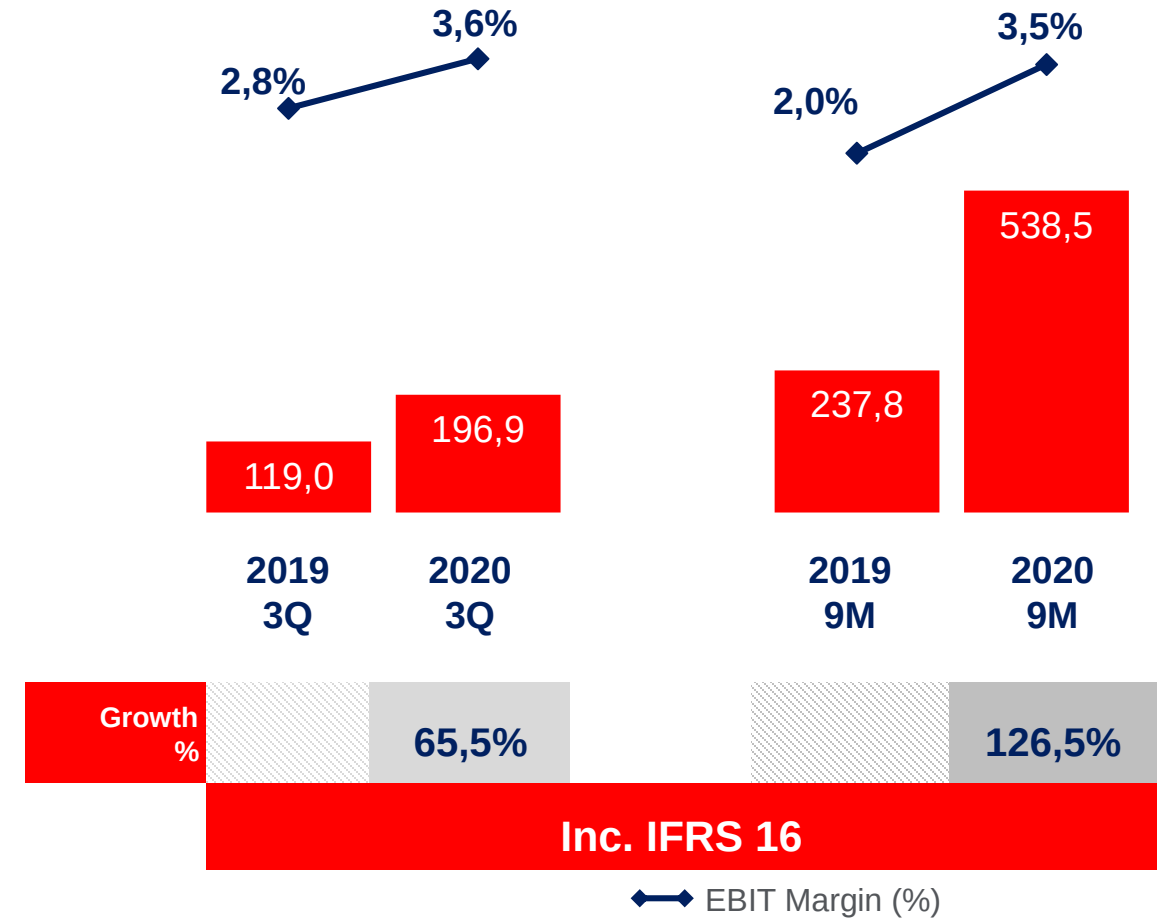
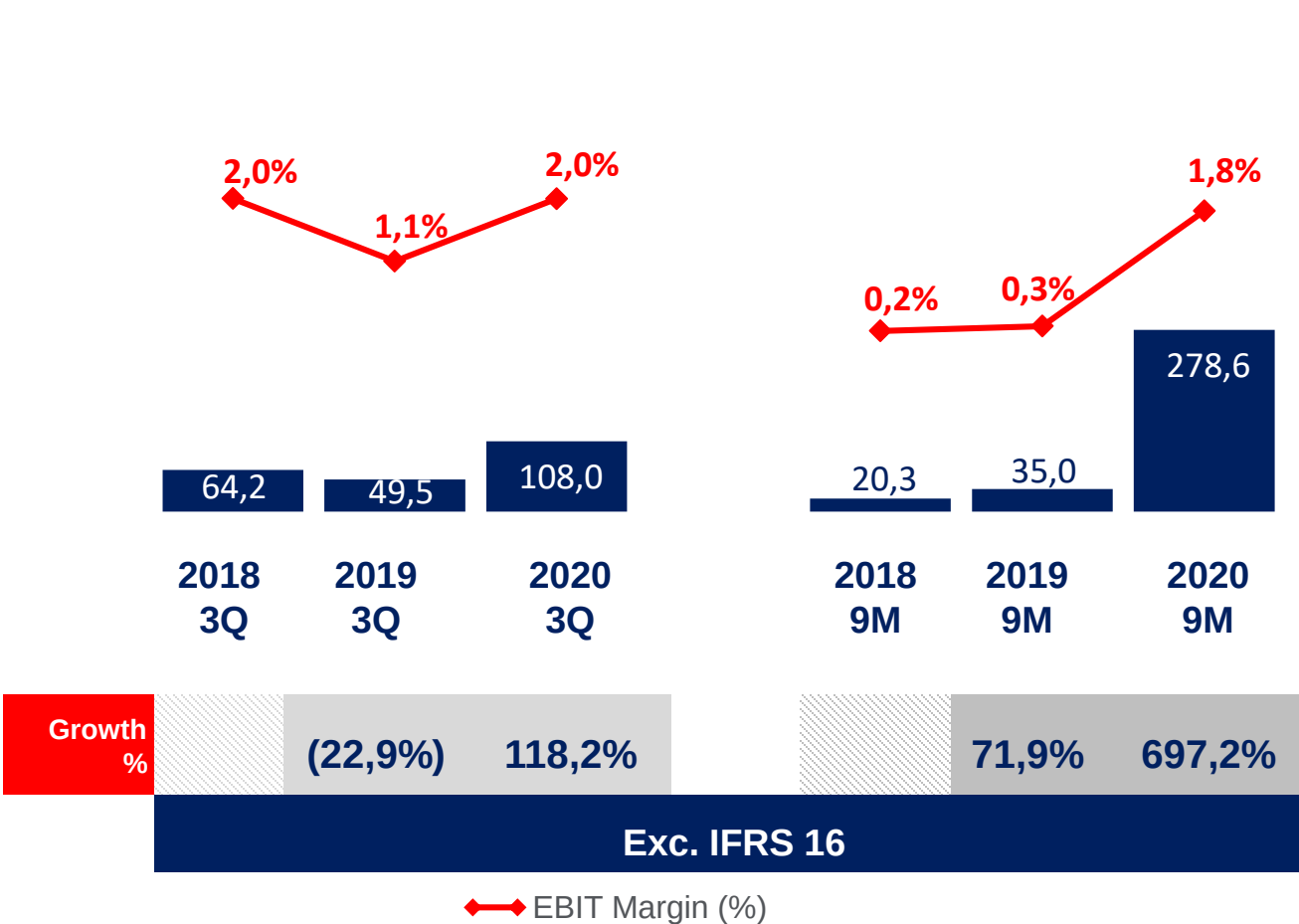
* If we had the same interest rates of last year, our EBITDA margin-excl. IFRS 16 would be 6,8% in 3Q'20 and it would be 6,8% in 9M'20

** If we had the same interest rates of last year, our EBITDA margin-incl. IFRS 16 would be 10,5% in 3Q'20 and it would be 10,5% in 9M'20

EBIT- Profitability Improvement



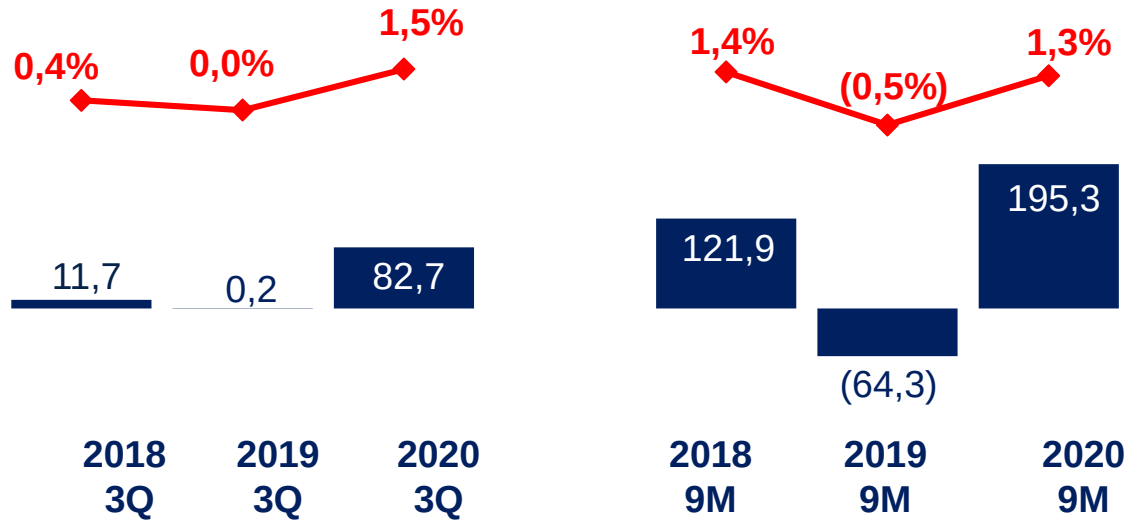
Operating Profit (EBIT) (TLm)



Net Profit



Net Profit (TLm)



Growth %

(97,9%)

-

(152,8%)

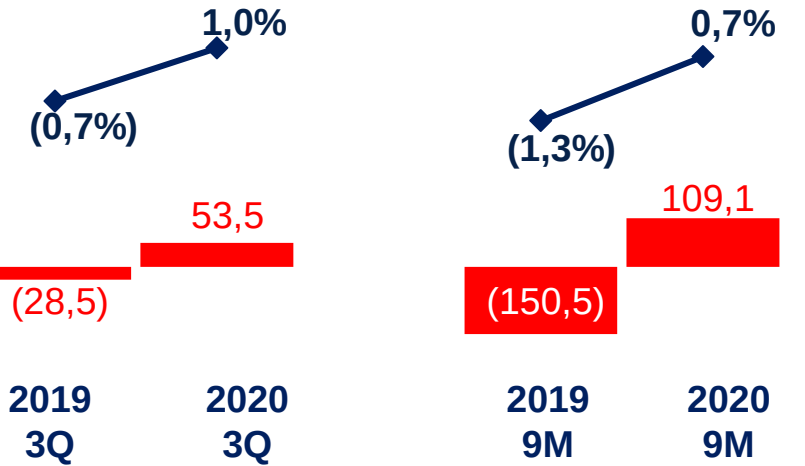
403,5%

Exc. 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

YILDIZ ★ HOLDING



Growth %

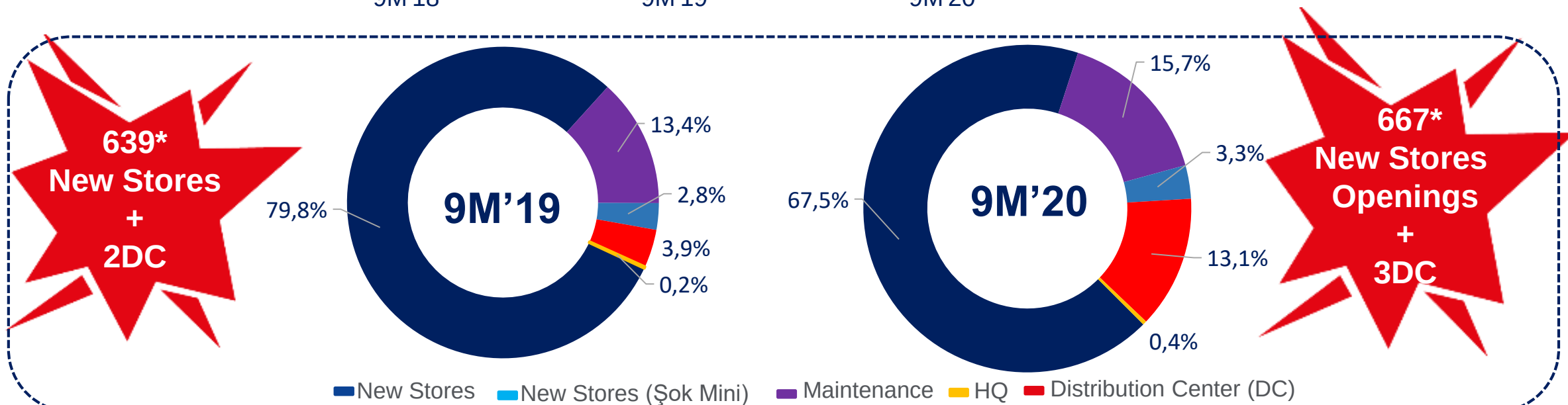
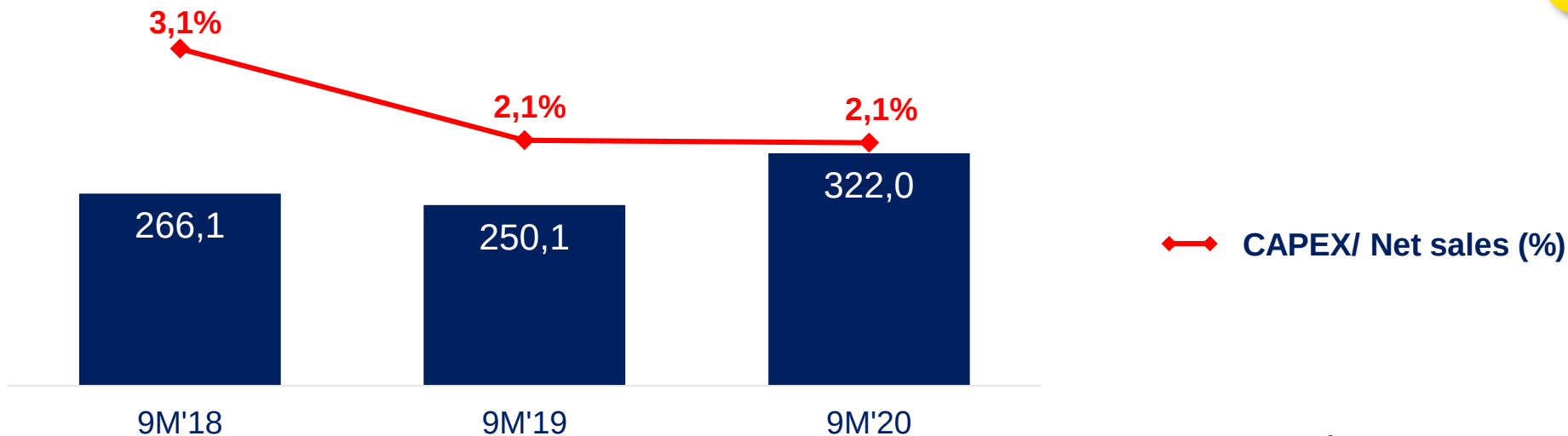
288,1%

172,5%

Inc. IFRS 16

Net Profit Margin (%)

Effective CAPEX Management (TLm)



Strong Balance Sheet

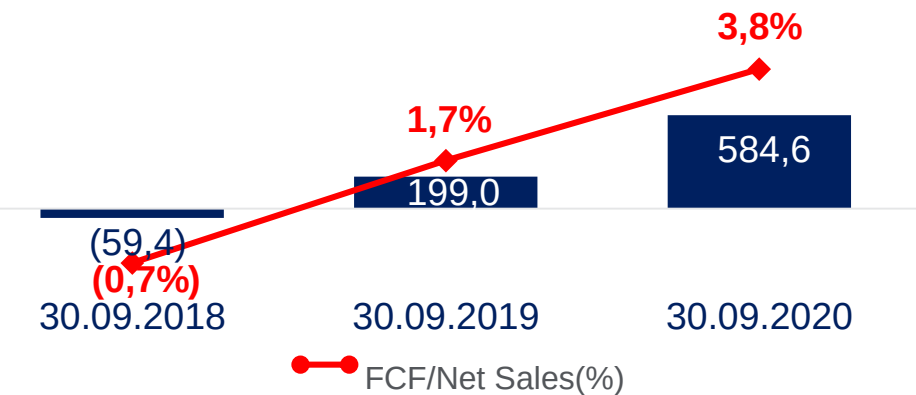
Net Debt/ (Cash) (TLm)



Net Working Capital (TLm)



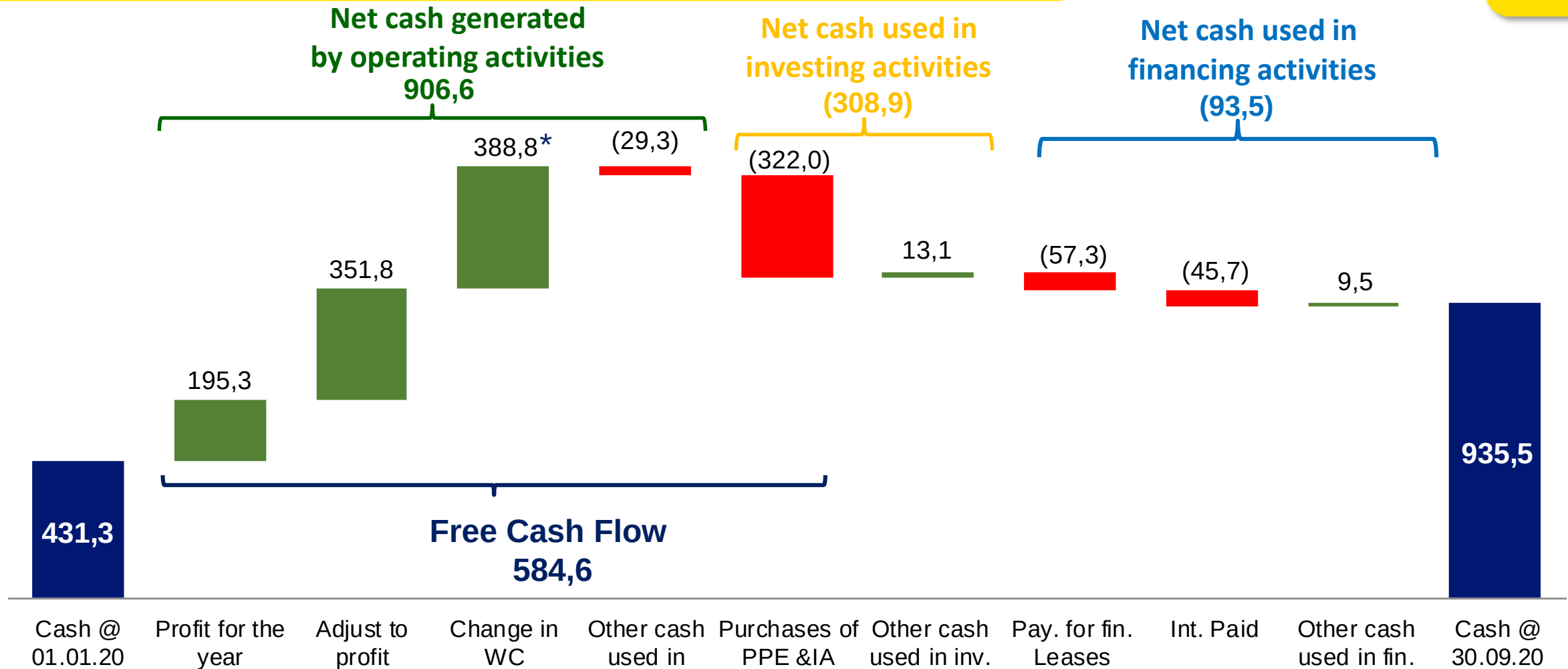
Free Cashflow (TLm) (Exc. IFRS 16)



TLm	30.09.2018	30.09.2019	30.09.2020
Short Term Borrowings	76,6	0,0	0,0
Obligations under Financial Lease	234,5	131,9	51,2
Total Debt	311,1	131,9	51,2
Cash & Cash Equivalents	(205,2)	(310,9)	(935,5)
Net Debt	105,9	(179,0)	(884,3)

* Excluding 230,0 million deferral of tax and social security payments, our FCF/Sales ratio was at 2.3% in 9M'20.

Strong Cash Flow (exc. IFRS 16)



* 230,0 million of the cash generation comes from the deferral of tax and social security payments.

** Details of cash flow are also reported at IFRS Report (Page 57.)

2020 Guidance Revision



<i>New Store Openings</i>	<i>+750 (+/-50)</i>
<i>Net Sales</i>	<i>24% (+/- 2%)</i>
<i>EBITDA Margin</i> <i>(excl. IFRS 16)</i>	<i>5,5% (+/- 0,5%)</i>
<i>EBITDA Margin</i> <i>(incl. IFRS 16)</i>	<i>9,5% (+/- 0,5%)</i>
<i>CAPEX</i>	<i>~350 million TL</i>

Revised

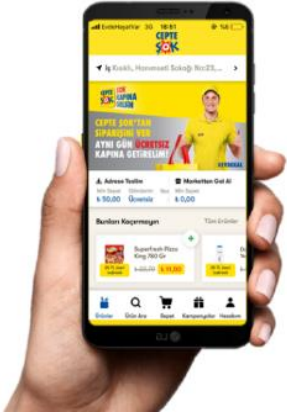


<i>New Store Openings</i>	<i>900 (+/-50)</i>
<i>Net Sales</i>	<i>28% (+/-2%)</i>
<i>EBITDA Margin</i> <i>(excl. IFRS 16)</i>	<i>5,5% (+/- 0,5%)</i>
<i>EBITDA Margin</i> <i>(incl. IFRS 16)</i>	<i>9,5% (+/- 0,5%)</i>
<i>CAPEX</i>	<i>~430 million TL</i>

Sustainability Performance in a Nutshell



Cepte ŞOK



- ✓ digital shopping channel
- ✓ changing consumer behaviors with technology and digitalization



- ✓ Home delivery
- ✓ %100 Electric vehicle
- ✓ First time in Turkey

Vertical Integration



- ✓ Agricultural products and Fruit & Vegetables
- ✓ Support for farmers and producers - development in product quality and product availability

Sustainability Performance in a Nutshell



Gender Equality



- ✓ **Female**
45%
- ✓ **Male**
55%

Social Responsibility

- ✓ 7,551 hand-made shopping bag were sold in 2019.
- ✓ Contribution to employment
~ 4,900 employees in 9M'20



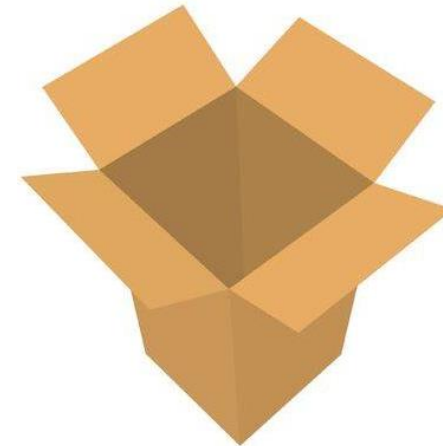
Energy Consumption

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



Reusable Boxes Project

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



3Q'19 & 3Q'20 Consolidated Income Statement



million TL	Excl. IFRS 16		
	3Q2019	3Q2020	Δ (%)
Net Sales	4.306,6	5.483,9	27,3%
Gross Profit	1.014,1	1.275,5	25,8%
Gross Profit %	23,5%	23,3%	-0,3 Ppt
Marketing, selling & GA expenses (-)	(816,6)	(1.027,4)	25,8%
Amortisation	(56,7)	(64,8)	14,3%
Marketing, selling & GA expenses (-) (Excl Amortisation)	(759,9)	(962,6)	26,7%
EBITDA	254,2	312,9	23,1%
EBITDA %	5,9%	5,7%	-0,2 Ppt
Operating Profit (EBIT)	49,5	108,0	118,2%
Financial Expense	(34,9)	(9,3)	-73,2%
Profit / (Loss) Before Tax	15,8	102,1	546,7%
Net Profit / (Loss) for the Period	0,2	82,7	34401,4%

Incl. IFRS 16		
3Q2019	3Q2020	Δ (%)
4.306,6	5.483,9	27,3%
1.014,1	1.275,5	25,8%
23,5%	23,3%	-0,3 Ppt
(747,1)	(938,4)	25,6%
(155,8)	(175,2)	12,4%
(591,3)	(763,2)	29,1%
422,8	512,3	21,1%
9,8%	9,3%	-0,5 Ppt
119,0	196,9	65,5%
(140,3)	(135,0)	-3,7%
(20,1)	65,7	427,0%
(28,5)	53,5	288,1%

9M'19 & 9M'20

Consolidated Income Statement



million TL	Excl. IFRS 16		
	9M2019	9M2020	Δ (%)
Net Sales	11.821,8	15.397,3	30,2%
Gross Profit	2.750,8	3.617,7	31,5%
Gross Profit %	23,3%	23,5%	0,2 Ppt
Marketing, selling & GA expenses (-)	(2.303,3)	(2.921,5)	26,8%
Amortisation	(164,8)	(187,2)	13,6%
Marketing, selling & GA expenses (-) (Excl Amortisation)	(2.138,5)	(2.734,2)	27,9%
EBITDA	612,3	883,5	44,3%
EBITDA %	5,2%	5,7%	0,6 Ppt
Operating Profit (EBIT)	35,0	278,6	697,2%
Financial Expense	(108,8)	(45,7)	-58,0%
Profit / (Loss) Before Tax	(67,7)	240,6	455,6%
Net Profit / (Loss) for the Period	(64,3)	195,3	403,5%

Incl. IFRS 16		
9M2019	9M2020	Δ (%)
11.821,8	15.397,3	30,2%
2.750,8	3.617,7	31,5%
23,3%	23,5%	0,2 Ppt
(2.100,4)	(2.661,6)	26,7%
(449,9)	(506,5)	12,6%
(1.650,6)	(2.155,2)	30,6%
1.100,2	1.462,5	32,9%
9,3%	9,5%	0,2 Ppt
237,8	538,5	126,5%
(419,4)	(414,7)	-1,1%
(175,4)	132,9	175,8%
(150,5)	109,1	172,5%

Balance Sheet (Assets)



million TL	Excl. IFRS 16		Inc. IFRS 16	
	31.12.2019	30.09.2020	31.12.2019	30.09.2020
Cash & cash equivalents	431,3	935,5	431,3	935,5
Trade receivables	74,4	130,8	74,4	130,8
Inventories	1.329,7	1.675,2	1.329,7	1.675,2
Other current assets	27,3	26,2	25,0	23,1
Total Current Assets	1.862,7	2.767,6	1.860,4	2.764,6
Property & equipment	1.100,7	1.228,7	1.100,7	1.228,7
Intangible assets	685,3	689,5	685,3	689,5
Other non-current assets	209,3	169,3	2.061,4	2.215,0
Non-Current Assets	1.995,3	2.087,6	3.847,4	4.133,2
Total Assets	3.858,1	4.855,2	5.707,8	6.897,8

Balance Sheet (Liabilities and Equity)



million TL	Excl. IFRS 16		Inc. IFRS 16	
	31.12.2019	30.09.2020	31.12.2019	30.09.2020
Short term financial liabilities	75,5	47,1	75,5	47,1
Trade payables	3.395,1	3.926,4	3.395,1	3.926,4
Other current payables	218,6	523,8	819,7	1.214,6
Total Current Liabilities	3.689,2	4.497,3	4.290,3	5.188,2
Total Non Current Liabilities	78,8	63,6	1.444,4	1.618,4
Shareholder's equity	88,5	292,5	(28,3)	89,7
Non-controlling interests	1,6	1,7	1,5	1,5
Total Equity	90,1	294,3	(26,9)	91,2
Total Liabilities and Equity	3.858,1	4.855,2	5.707,8	6.897,8

Cash Flow Statement



million TL	Excl. IFRS 16		Inc. IFRS 16	
	30.09.2019	30.09.2020	30.09.2019	30.09.2020
Profit/(loss) from continued operations	(64,3)	195,3	(150,5)	109,1
Adjustments related to reconciliation of net profit / (loss) for the period	266,6	351,8	840,7	1.019,8
Cash generated by / (used in) operations before changes in working capital	202,2	547,1	690,2	1.128,9
Changes in working capital :	268,1	388,8	270,7	389,6
Cash used in operations	470,3	935,9	960,9	1.518,5
Taxes, Payments for lawsuits, retirement benefits and unused vacs. etc.	(21,2)	(29,3)	(21,2)	(29,3)
A- Net cash generated by operating activities:	449,1	906,6	939,7	1.489,2
Purchases of property and equipment	(244,5)	(312,2)	(244,5)	(312,2)
Purchases of intangible assets	(5,6)	(9,8)	(5,6)	(9,8)
Free Cash Flow*	199,0	584,6	689,6	1.167,2
Other	9,4	13,1	9,4	11,7
B-Net cash used in investing activities	(240,8)	(308,9)	(240,8)	(310,3)
C-Net cash (used in) / generated from financing activities	(251,5)	(93,5)	(742,1)	(674,7)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	(43,2)	504,2	(43,2)	504,2
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	310,9	935,5	310,9	935,5

Q&A



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