



1Q2020 WEBCAST PRESENTATION

May 8th, 2020



- 1Q'20 Highlights
- General Overview
- Financial Results
- Q&A



1Q'20 Highlights



New Store
Openings
221

Net Sales
4,7 billion TL
Net Sales Growth
33,1%
LFL Growth
17,2%

Gross Profit
Margin
24,1%

EBITDA
(exc. IFRS 16)
279,0 million TL
EBITDA Margin
6,0%

EBITDA
(inc. IFRS 16)
463,5 million TL
EBITDA Margin
9,9%

Net Income
(exc. IFRS 16)
31,6 million TL
Margin
0,7%

Net Income
(inc. IFRS 16)
5,3 million TL
Margin
0,1%

CAPEX
91,8 million TL

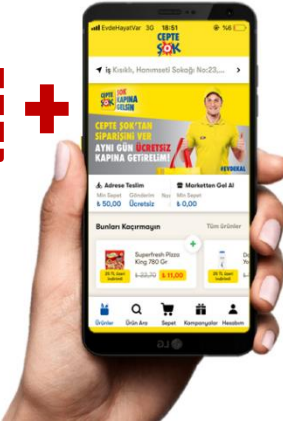
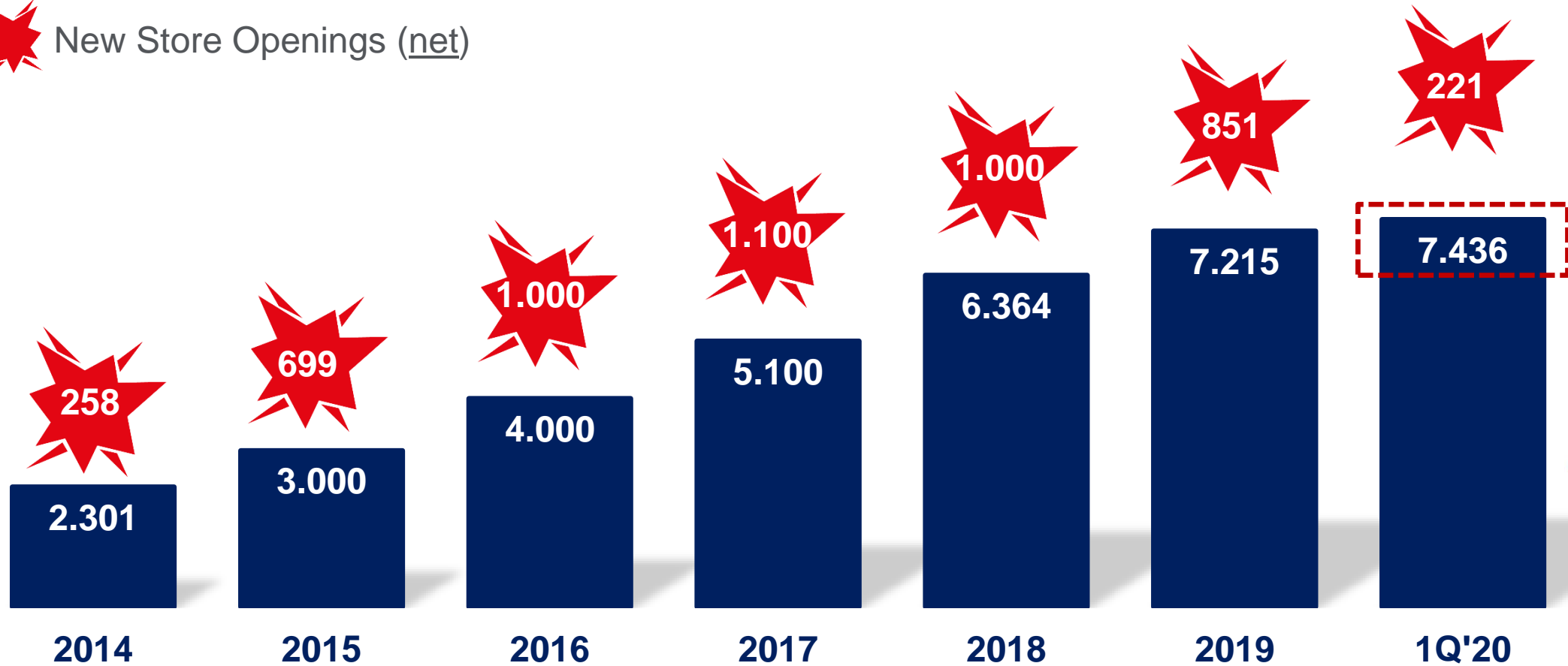
Total
Number of
Stores
7.436



Store Expansion inline with Target



 New Store Openings (net)

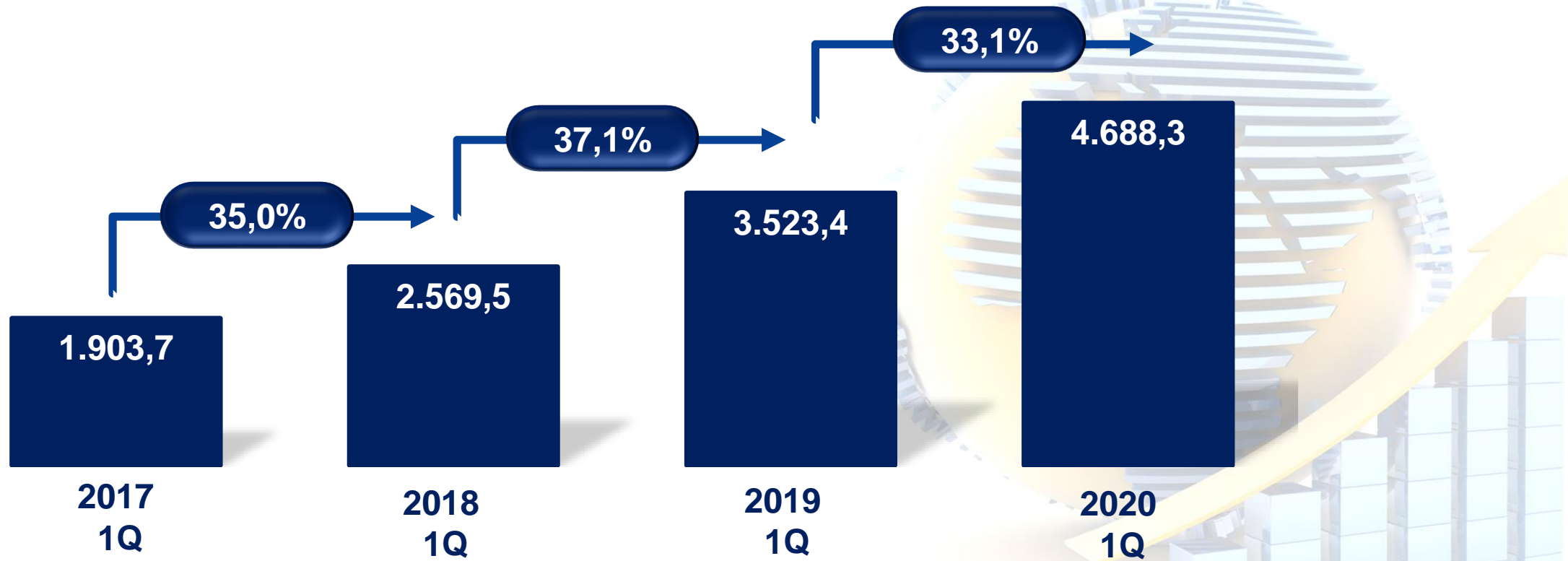


(*) As of March 31, 2020, the Group has a total of 7.436 stores (7.139 Şok Stores, 297 Şok Mini Stores) and 29 warehouses.

Sustainable revenue growth



Net Sales (TLm)

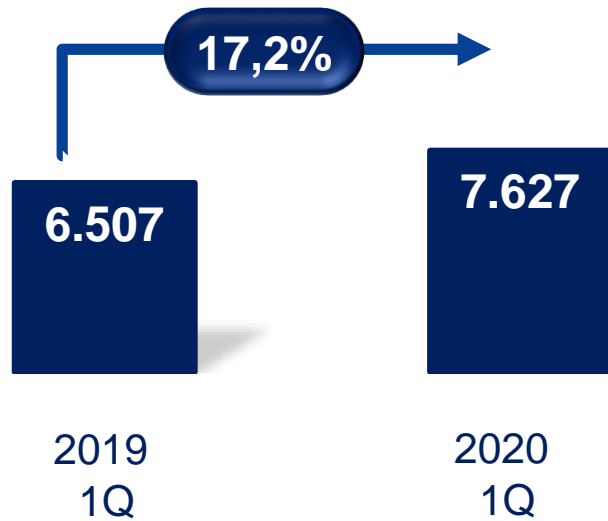


Net Sales grew by **+33,1% in 1Q'20** thanks to new store openings and strong LFL fueled by high demand in March following COVID-19

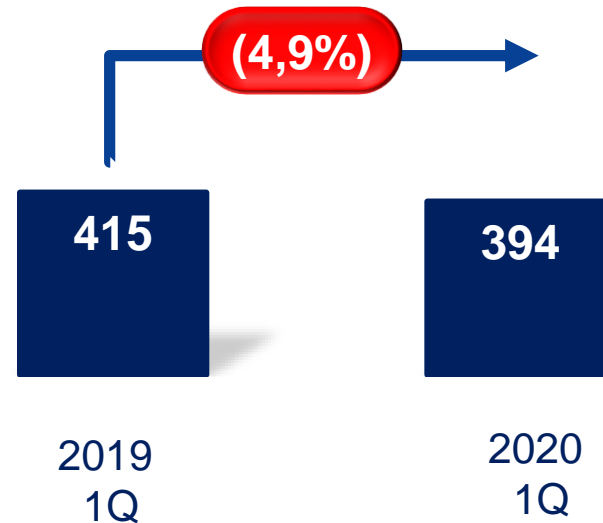
Continuing growth in LFL Store Sales



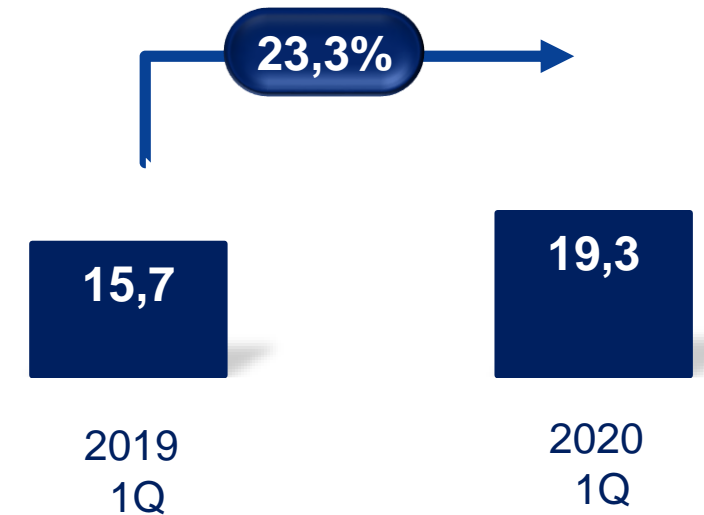
LFL Daily Average Sales / Store (TL)



LFL Daily Average Customer / Store



LFL Daily Avg. Basket Size / Store (TL)

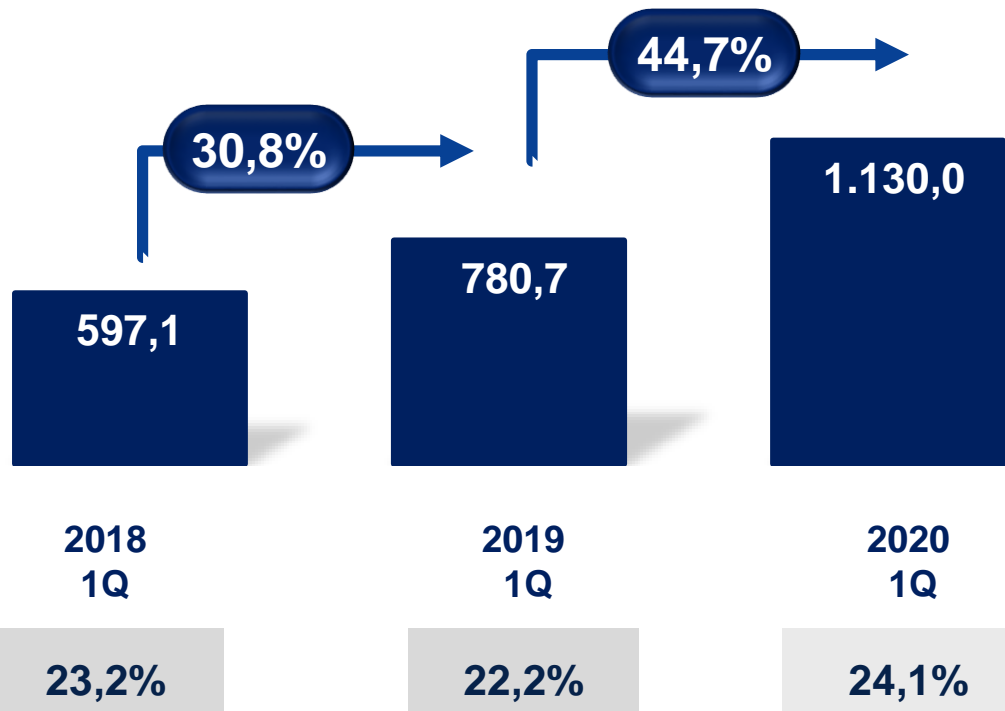


(1) The above Like-for-like daily figures (sales, customer & basket size) for 1Q are calculated on the basis of daily figures generated in 1Q2020 over 1Q2019 by 5.172 stores operating on 1Q2018 and that were still open on 1Q2020. The calculations are made over 90 days in each period.
 (2) Taking into account the fact that Q12020 is 91 days vs Q12019 is 90 days ; Total like-for-like sales growth is 18,5%, total like-for-like customer growth is -3,9% and total like-for-like basket size growth is 23,3%

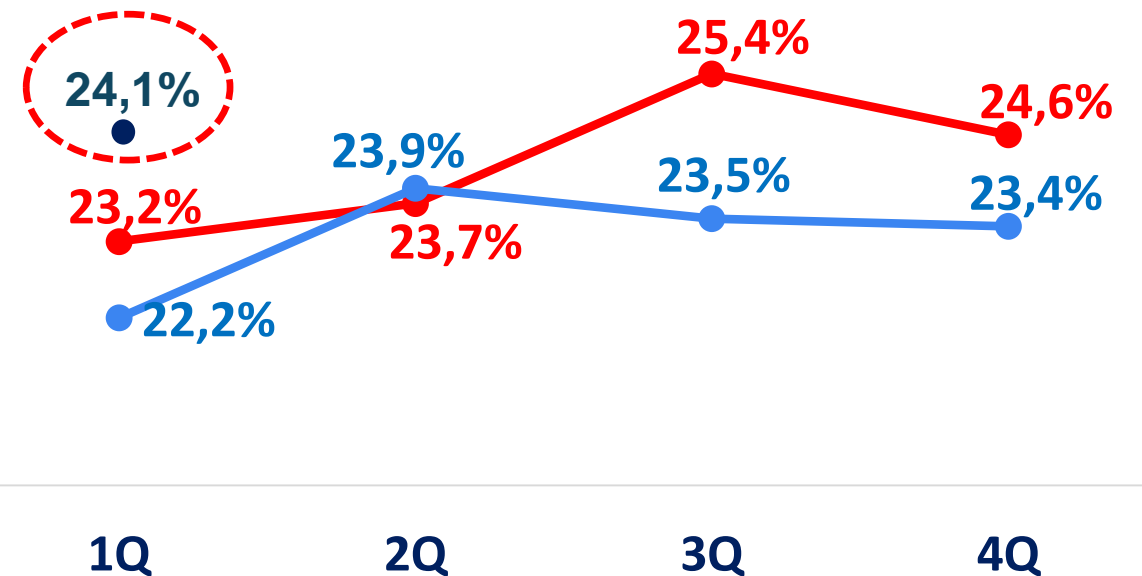
Gross Profit – Margin Improvement



Gross Profit (TLm)



Gross Margin Evolution

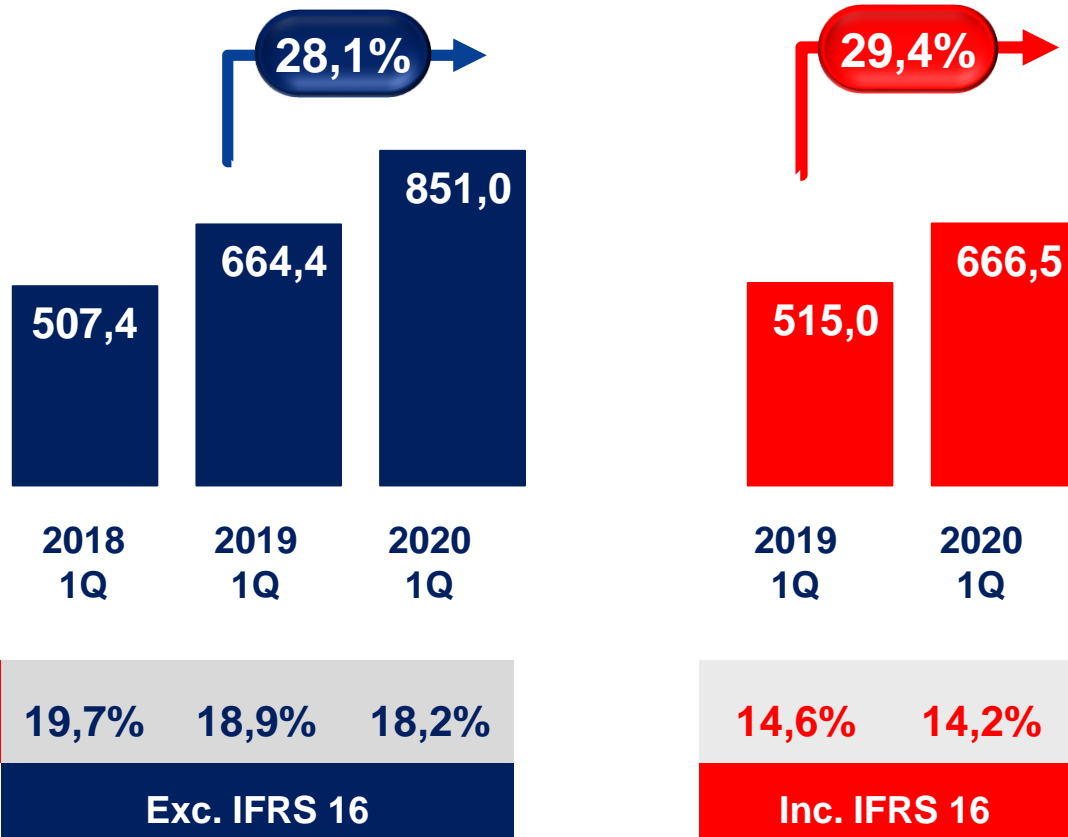


● 2018 Quarterly Gross Margin (%) ● 2019 Quarterly Gross Margin (%)
● 2020 Quarterly Gross Margin (%)

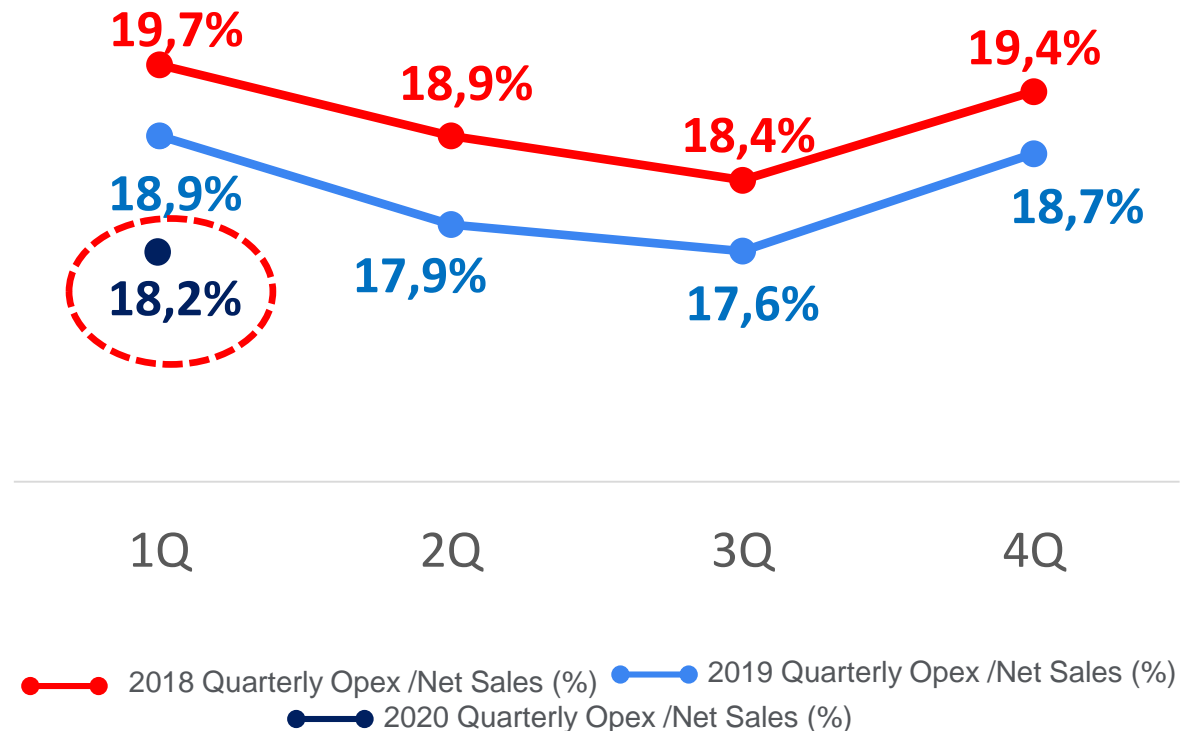
Successful cost management & Increasing Operating Leverage



Operating Expenses (TLm) (excl Amortisation)



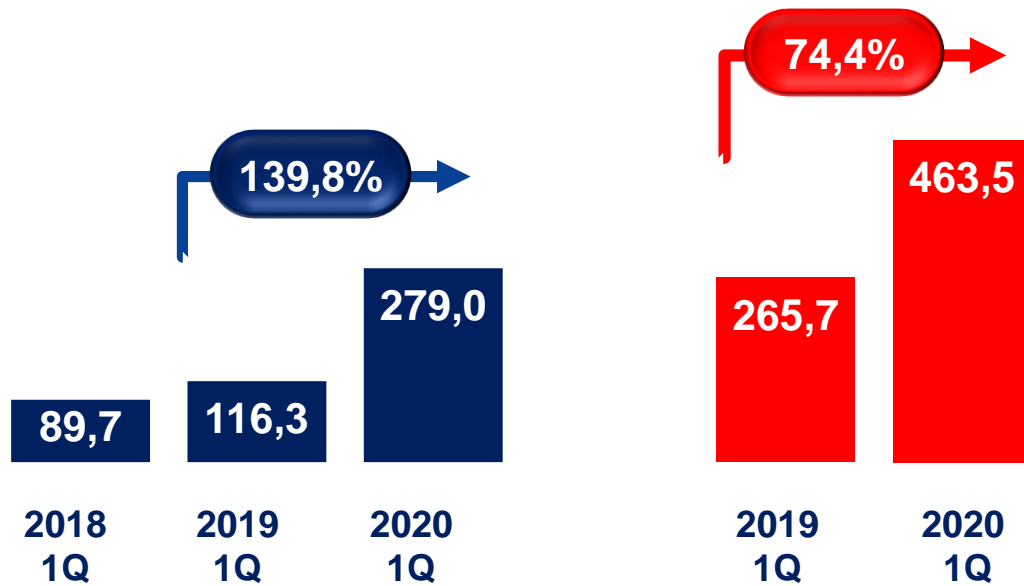
Opex/ Sales Evolution (excl. IFRS 16)



EBITDA – Margin Improvement



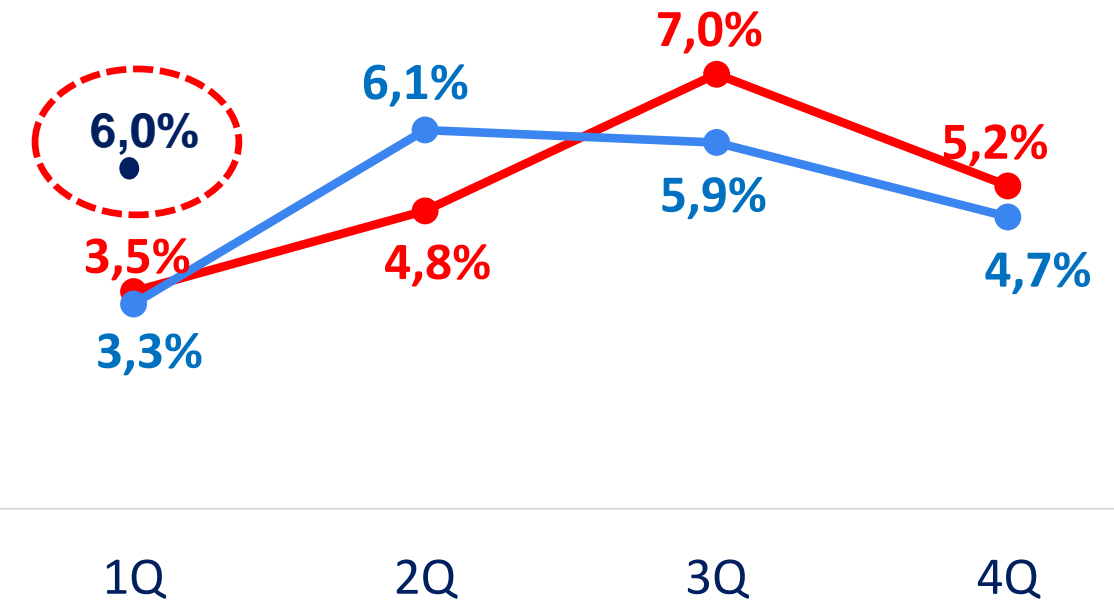
EBITDA (TLm)



EBITDA Margin	2018 1Q	2019 1Q	2020 1Q
	3,5%	3,3%	6,0%
Exc. IFRS 16			

EBITDA Margin	2019 1Q	2020 1Q
	7,5%	9,9%
Inc. IFRS 16		

EBITDA Evolution (excl. IFRS 16)

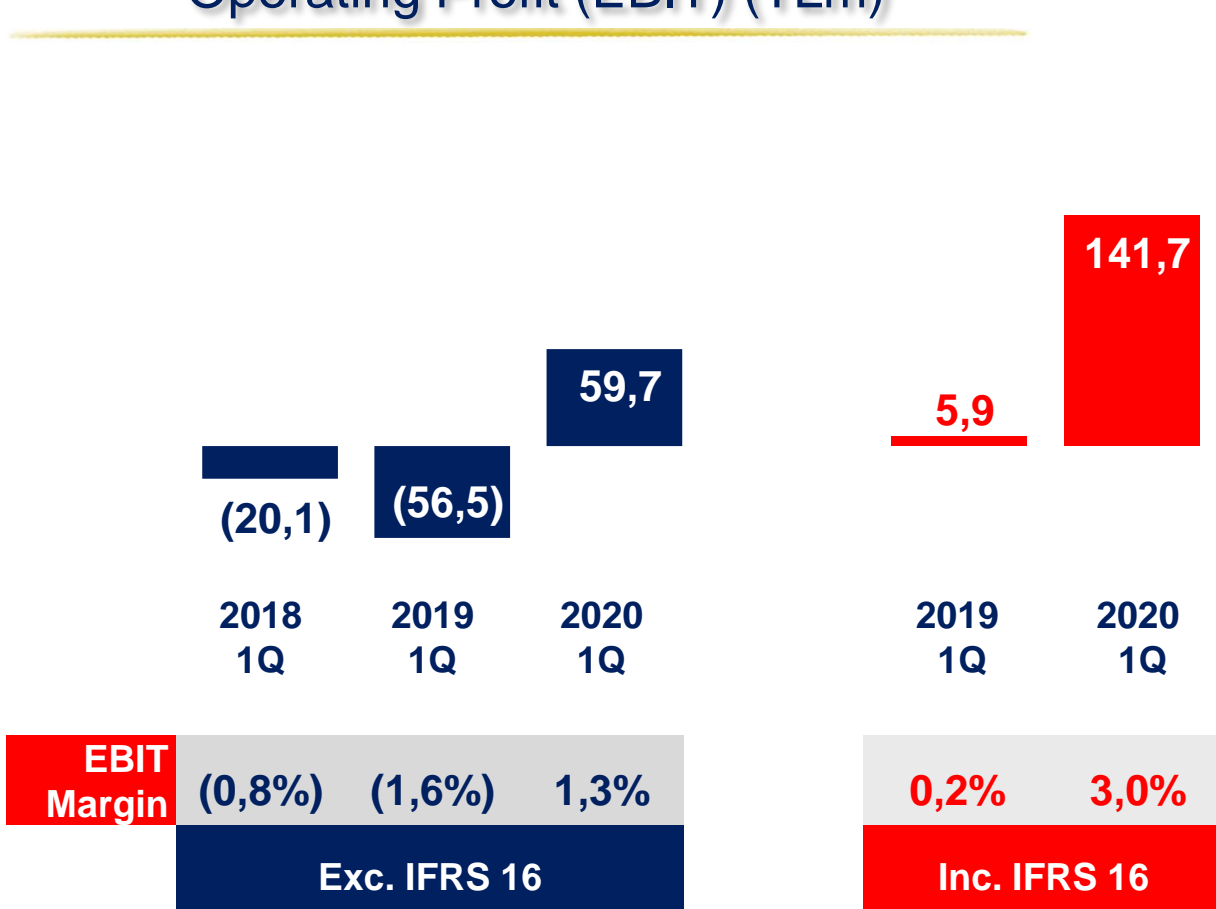


● 2018 Quarterly EBITDA Margin (%)
 ● 2019 Quarterly EBITDA Margin (%)
● 2020 Quarterly EBITDA Margin (%)

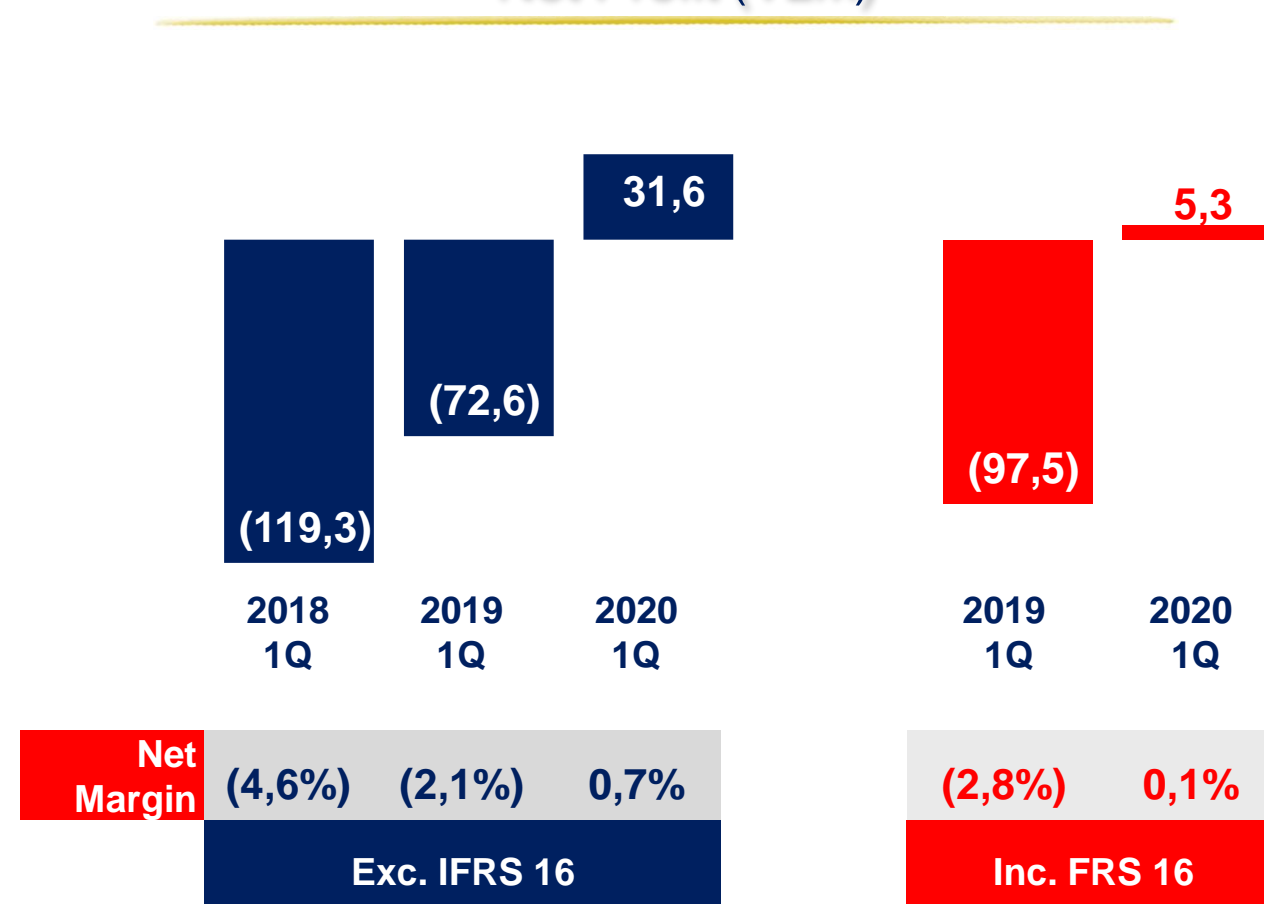
Profitability improvement



Operating Profit (EBIT) (TLm)

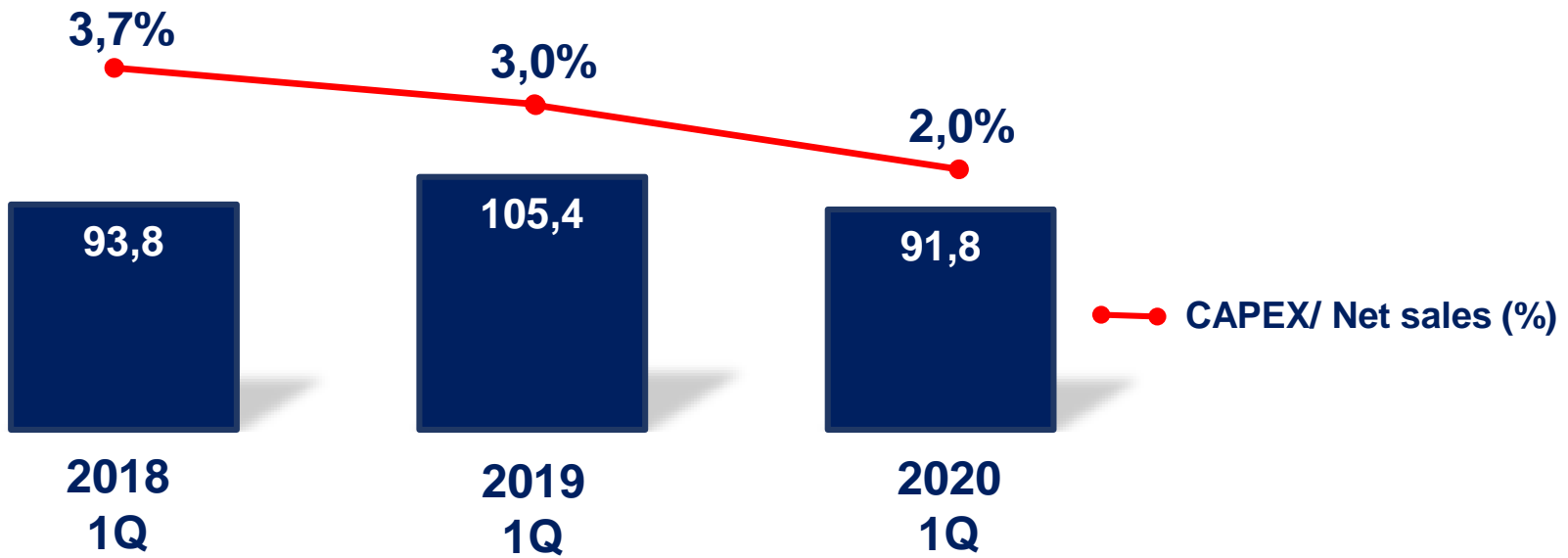


Net Profit (TLm)

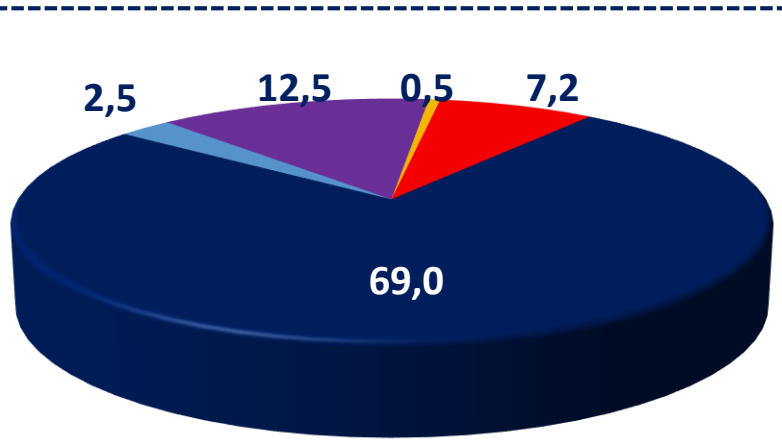
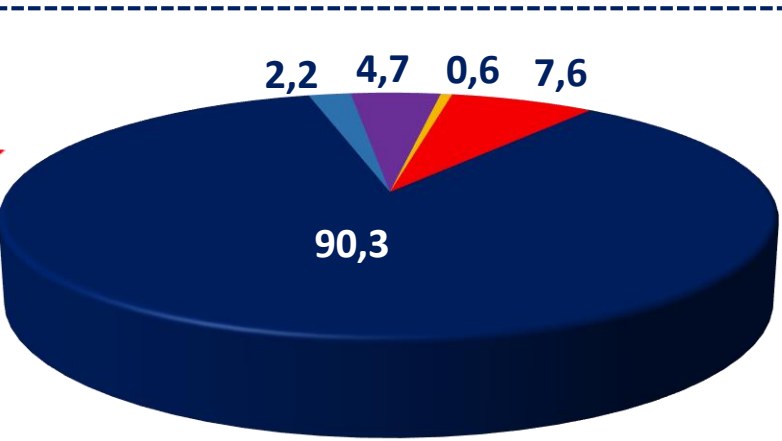




Effective CAPEX Management (TLm)



1Q'19
278*
New Stores Openings



1Q'20
221*
New Stores Openings

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

* Including Şok and Şok Mini, net of closings



Strong Balance Sheet

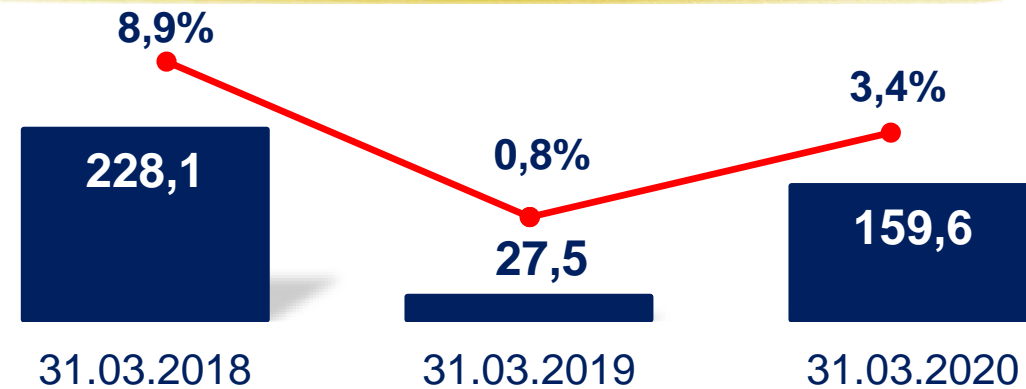
Net Debt/ (Cash) (TLm)



Net Working Capital (TLm)



Free Cashflow (TLm)

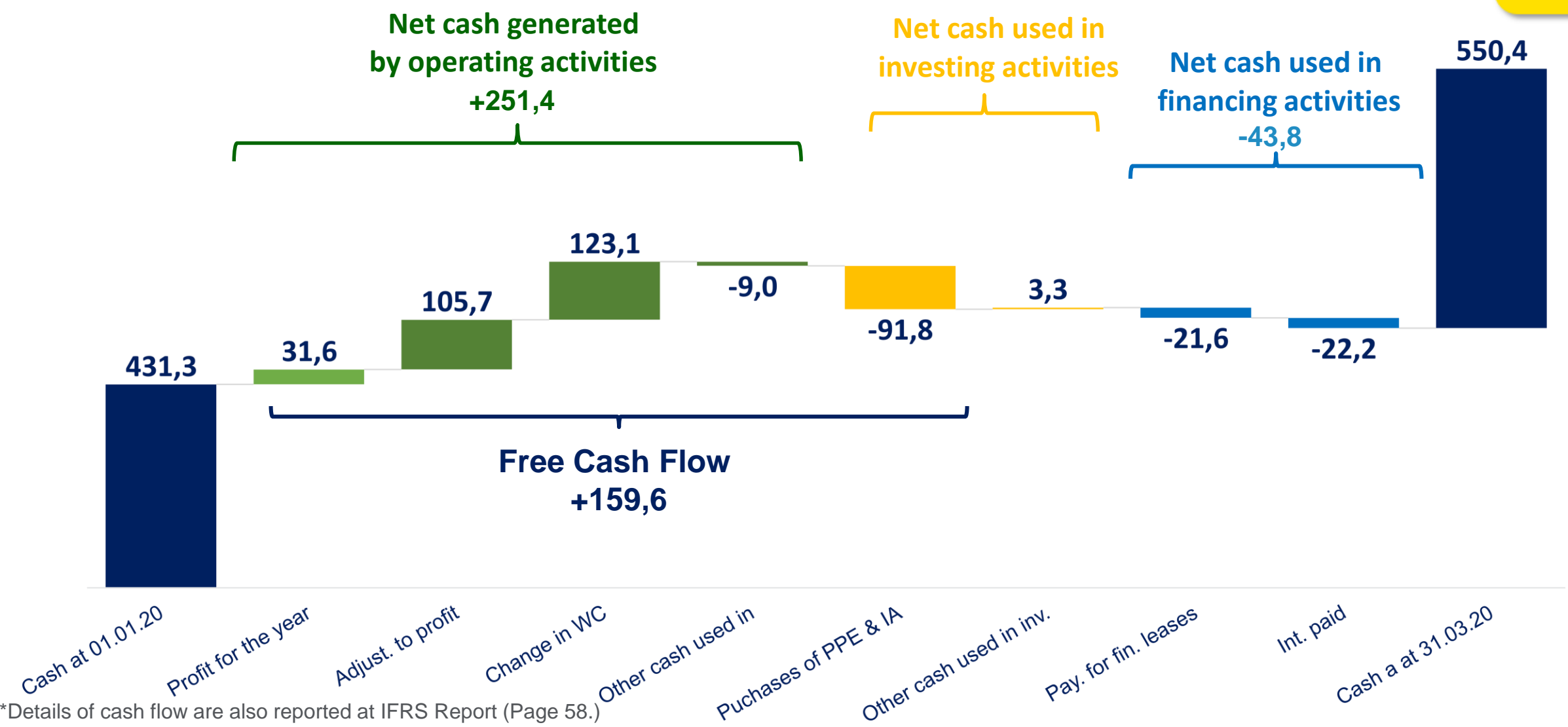


TLm	31.03.2018	31.03.2019	31.03.2020
Short Term Borrowings	1.879,3	75,4	0
Obligations under Financial Lease	283,6	183,8	86,9
Total Debt	2.162,9	259,1	86,9
Cash & Cash Equivalents	(63,7)	(326,4)	(550,4)
Net Debt	2.099,1	(67,3)	(463,5)

(*) Exc. IFRS 16



Strong Cash Flow (exc. IFRS 16)



*Details of cash flow are also reported at IFRS Report (Page 58.)

Cepte ŞOK (Şok in Mobile)



Home delivery has been launched

- ✓ Free delivery service
- ✓ Online shopping from the Şok Market store in the nearest service area
- ✓ delivery to their addresses on the same day

7.436
stores

"Click & Collect" option is available in the application

Şok Marketler is **the only one retailer** operates online business in 81 cities at 7,436 stores



2020 Guidance & 2020 Revised Guidance



Old

<i>New Store Openings</i>	<i>+750 (+/-50)</i>
<i>Net Sales</i>	<i>21% (+- 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>

New

<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>



Consolidated Income Statement



Consolidated Income Statement Summary (TLm)

	Excl. IFRS 16			Incl. IFRS 16		
	31.03.2019	31.03.2020	Δ (%)	31.03.2019	31.03.2020	Δ (%)
Net Sales	3.523,4	4.688,3	33,1%	3.523,4	4.688,3	33,1%
Gross Profit	780,7	1.130,0	44,7%	780,7	1.130,0	44,7%
Gross Profit %	22,2%	24,1%	1,9 Pptl	22,2%	24,1%	1,9 Pptl
Marketing, selling & GA expenses (-)	(717,5)	(911,2)	27,0%	(655,1)	(829,1)	26,6%
Amortisation	(53,1)	(60,2)	13,4%	(140,2)	(162,6)	16,0%
Marketing, selling & GA expenses (-) (Excl Amortisation)	(664,4)	(851,0)	28,1%	(515,0)	(666,5)	29,4%
EBITDA	116,3	279,0	139,8%	265,7	463,5	74,4%
EBITDA %	3,3%	6,0%	2,6 Pptl	7,5%	9,9%	2,3 Pptl
Operating Profit (EBIT)	(56,5)	59,7	205,7%	5,9	141,7	2320,0%
Financial Expense	(37,4)	(22,2)	-40,6%	(130,9)	(138,3)	5,6%
Profit / (Loss) Before Tax	(90,2)	38,6	142,9%	(121,3)	5,3	104,4%
Net Profit / (Loss) for the Period	(72,6)	31,6	143,5%	(97,5)	5,3	105,5%



Balance Sheet (Assets)

Consolidated Balance Sheet Summary (TLm)	Excl. IFRS 16	
	31.12.2019	31.03.2020
Cash & cash equivalents	431,3	550,4
Trade receivables	74,4	120,8
Inventories	1.329,7	1.516,2
Other current assets	27,3	32,2
Total Current Assets	1.862,7	2.219,6
Property & equipment	1.100,7	1.130,2
Intangible assets	685,3	686,6
Other non-current assets	209,3	204,4
Non-Current Assets	1.995,3	2.021,2
Total Assets	3.858,1	4.240,8

Inc. IFRS 16	
31.12.2019	31.03.2020
431,3	550,4
74,4	120,8
1.329,7	1.516,2
25,0	29,1
1.860,4	2.216,6
1.100,7	1.130,2
685,3	686,6
2.061,4	2.071,0
3.847,4	3.887,8
5.707,8	6.104,4

Balance Sheet (Liabilities and Equity)



Consolidated Balance Sheet Summary (TLm)	Excl. IFRS 16		Inc. IFRS 16	
	31.12.2019	31.03.2020	31.12.2019	31.03.2020
Short term financial liabilities	75,5	66,5	75,5	66,5
Trade payables	3.395,1	3.668,1	3.395,1	3.668,1
Other current payables	218,6	311,6	819,7	939,3
Total Current Liabilities	3.689,2	4.046,2	4.290,3	4.673,8
Total Non Current Liabilities	78,8	74,3	1.444,4	1.453,3
Shareholder's equity	88,5	118,7	(28,3)	(24,2)
Non-controlling interests	1,6	1,7	1,5	1,4
Total Equity	90,1	120,3	(26,8)	(22,8)
Total Liabilities and Equity	3.858,1	4.240,8	5.707,9	6.104,4

Cash Flow



Cash Flow (MTL)	Excl. IFRS 16		Inc. IFRS 16	
	31.03.2019	31.03.2020	31.03.2019	31.03.2020
Profit/(loss) from continued operations	(72,6)	31,6	(97,5)	5,3
Adjustments related to reconciliation of net profit / (loss) for the period	64,8	105,7	239,2	317,8
Cash generated by / (used in) operations before changes in working capital	(7,7)	137,3	141,7	323,2
Changes in working capital :	145,6	123,1	149,3	123,8
Cash used in operations	137,9	260,4	290,9	447,0
Taxes, Payments for lawsuits, retirement benefits and unused vacs. etc.	(5,0)	(9,0)	(5,0)	(9,0)
A- Net cash generated by operating activities:	132,9	251,4	285,9	438,0
Purchases of property and equipment	(104,1)	(88,7)	(104,1)	(88,7)
Purchases of intangible assets	(1,3)	(3,1)	(1,3)	(3,1)
Free Cash Flow*	27,5	159,6	180,5	346,2
Other	7,4	3,3	7,4	2,6
B-Net cash used in investing activities	(97,9)	(88,4)	(98,0)	(89,1)
C-Net cash (used in) / generated from financing activities	(62,5)	(43,8)	(215,6)	(229,7)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	(27,7)	119,1	(27,7)	119,1
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	326,4	550,4	326,4	550,4

Q&A



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