

Investor
Presentation

Teknosa İç ve Dış Ticaret A.Ş.

1Q18 Results

«Turkey's Leading Electronics Retailer»

Ümit Kocagil, CFO

H.Şenay Akıncı Özertan, Finance and
Investor Relations Manager

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Agenda

Results at a Glance

Financial Overview

Year-end Guidance

Main messages

Top-line growth is supported by 16% lfl growth

- Our growth strategy was based on operational efficiency, high service quality rather than new store openings.

- Increased basket size and strong conversion rate positively affected our sales in 1Q18

Teknosa will continue to differentiate itself from competitors by focusing and investing more on Omnichannel strategy

- Consistently merging online and offline channels experience, improving its customer proposition resulted in 14% e-commerce growth in 1Q18.

- We aim to double our e-commerce growth at the end of the year

1Q18 EBITDA is line with our expectations

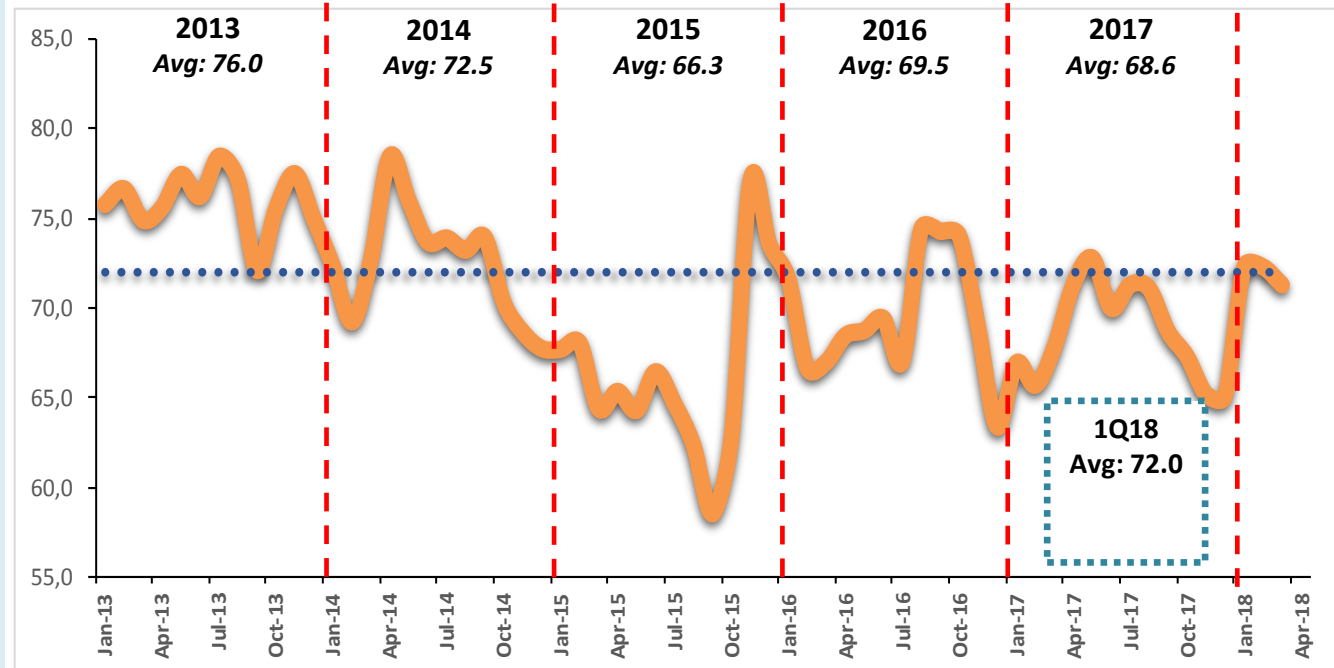
- Efficiency measures have resulted in TL 32M in 1Q18

- Promotional offerings and campaigns in the following months will support our target to see an upward trend in both the EBITDA and the Net Margin

CCI deteriorates in March

- The consumer confidence index slipped month-on-month in March. Despite an improved assessment of their current financial situations from the previous months, consumers' views regarding their future financial conditions were less upbeat due to uncertain domestic and global economic outlook

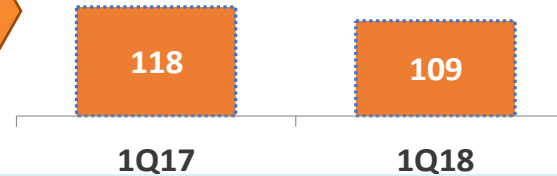
Consumer Confidence Index



Source: TUIK

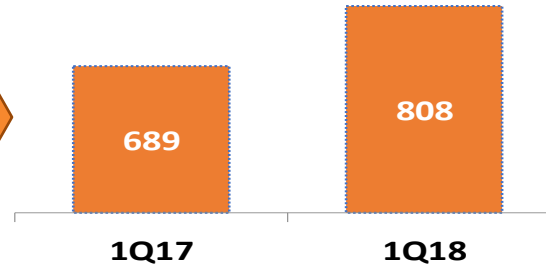
1Q18 Results

Net Sales Area (‘000 m²)



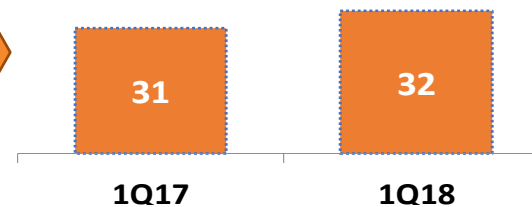
- 8K sqm YoY reduction in the net sales area as a result of store optimization

Net Sales (TL mn)



- Thanks to 16 % LfL growth, leading to 17% YoY sales growth in 1Q18

EBITDA (TL mn)

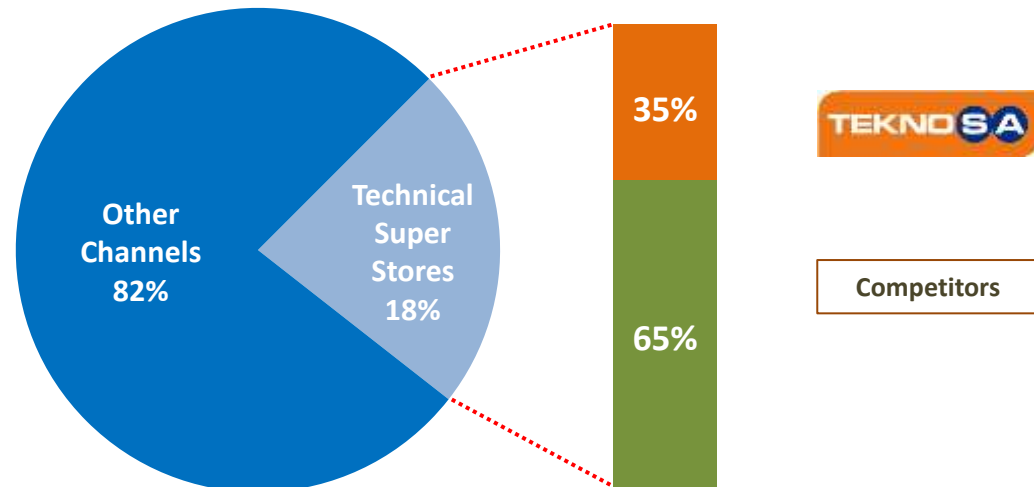


- EBITDA reached TL 32M with effective cost control in highly competitive environment

Electronics Retail Market and Teknosa

- The panelmarket grew by 16% YoY, reaching TL 54bn in 2017
- Technical Super Stores (TSS) channel recorded 7% YoY growth in the same period to TL 10bn in the 5 major categories
- YoY growth in all categories –MDA by 21%, Telecom by %19, SDA by 11%, CE by %11 and IT by %2,4
- TSS channel accounts for 18% of the total market
- Teknosa has 35,5% market share in the TSS channel in 2017

Electronics Retail Market – 2017



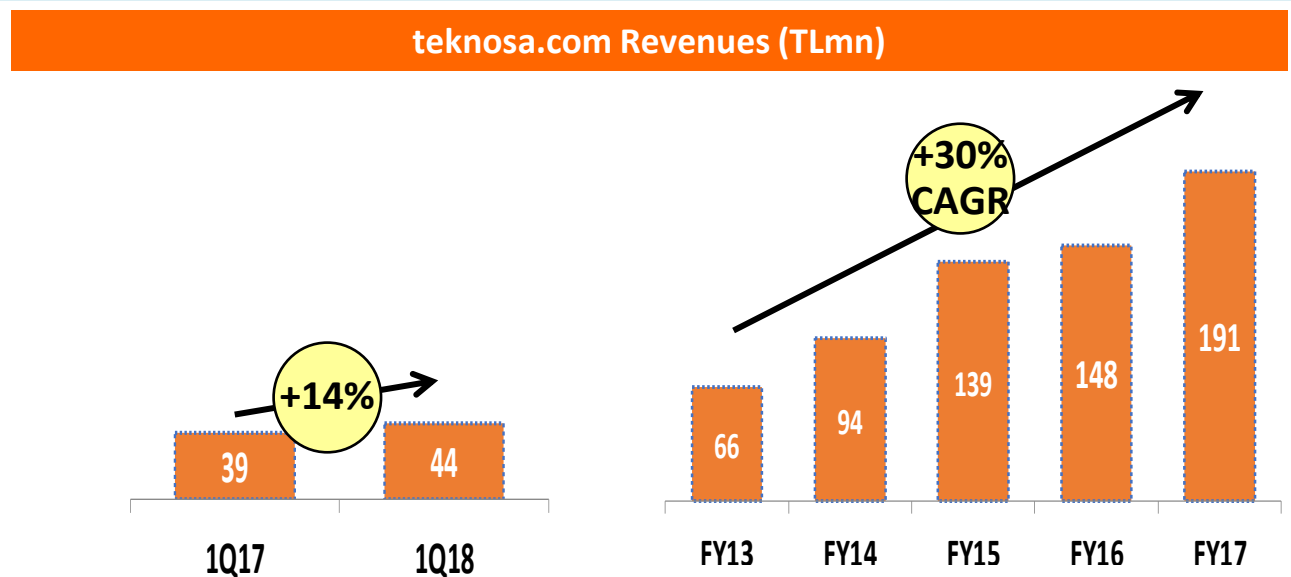
Source: GfK

Income Statement Summary

(TL mn)	1Q17	1Q18	YoY (%)	FY16	FY17	YoY (%)
Net Sales	689	808	17%	3.074	3.398	11%
Gross Profit	136	147	8%	501	619	24%
<i>Gross Profit Margin</i>	<i>19,7%</i>	<i>18,2%</i>	<i>-1,5pp</i>	<i>16,3%</i>	<i>18,2%</i>	<i>1,9pp</i>
EBITDAR	71	75	6%	74	215	189%
<i>EBITDAR Margin</i>	<i>10,3%</i>	<i>9,3%</i>	<i>-1,0pp</i>	<i>2,4%</i>	<i>6,3%</i>	<i>3,9pp</i>
EBITDA	31	32	5%	38	171	347%
<i>EBITDA Margin</i>	<i>4,4%</i>	<i>4,0%</i>	<i>-0,5pp</i>	<i>1,2%</i>	<i>5,0%</i>	<i>3,8pp</i>
Other Expenses	-6	-13	-107%	-122	-49	60%
Financial Expenses	-13	-15	-15%	-67	-60	10%
Profit Before Tax	2	-5	-449%	198	386	95%
Tax	0	1	372%	32	-5	-115%
Net Profit	1	-4	-476%	230	381	66%
<i>Net Profit Margin</i>	<i>0,2%</i>	<i>-0,5%</i>	<i>-0,7pp</i>	<i>7,5%</i>	<i>11,2%</i>	<i>3,7pp</i>

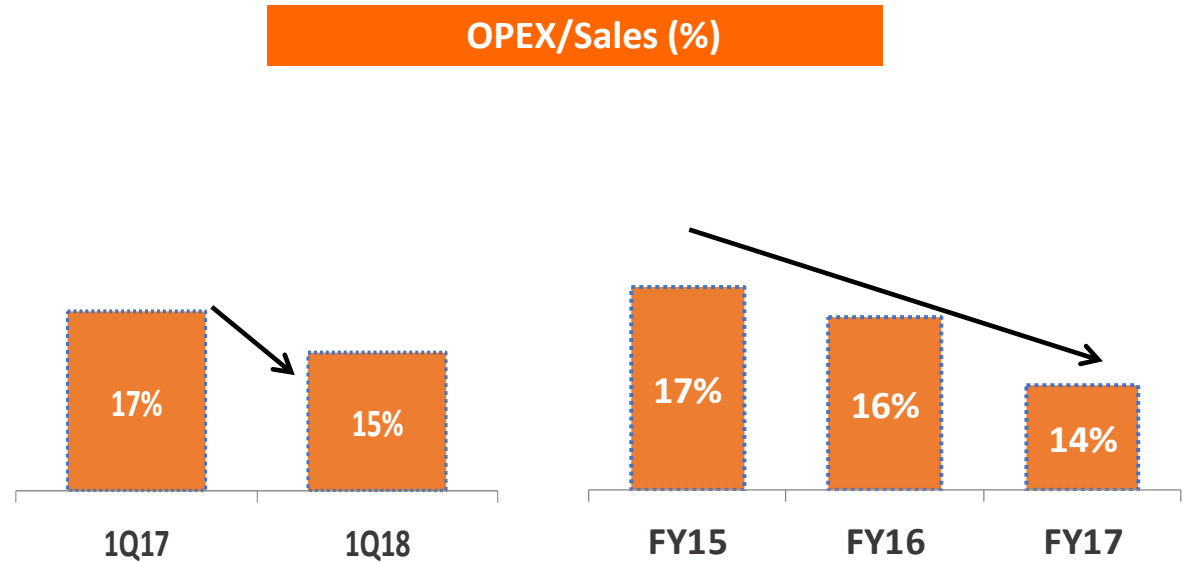
Source: Independent Auditor's report

Focus on omnichannel strategy resulted in e-commerce revenue growth in 1Q18



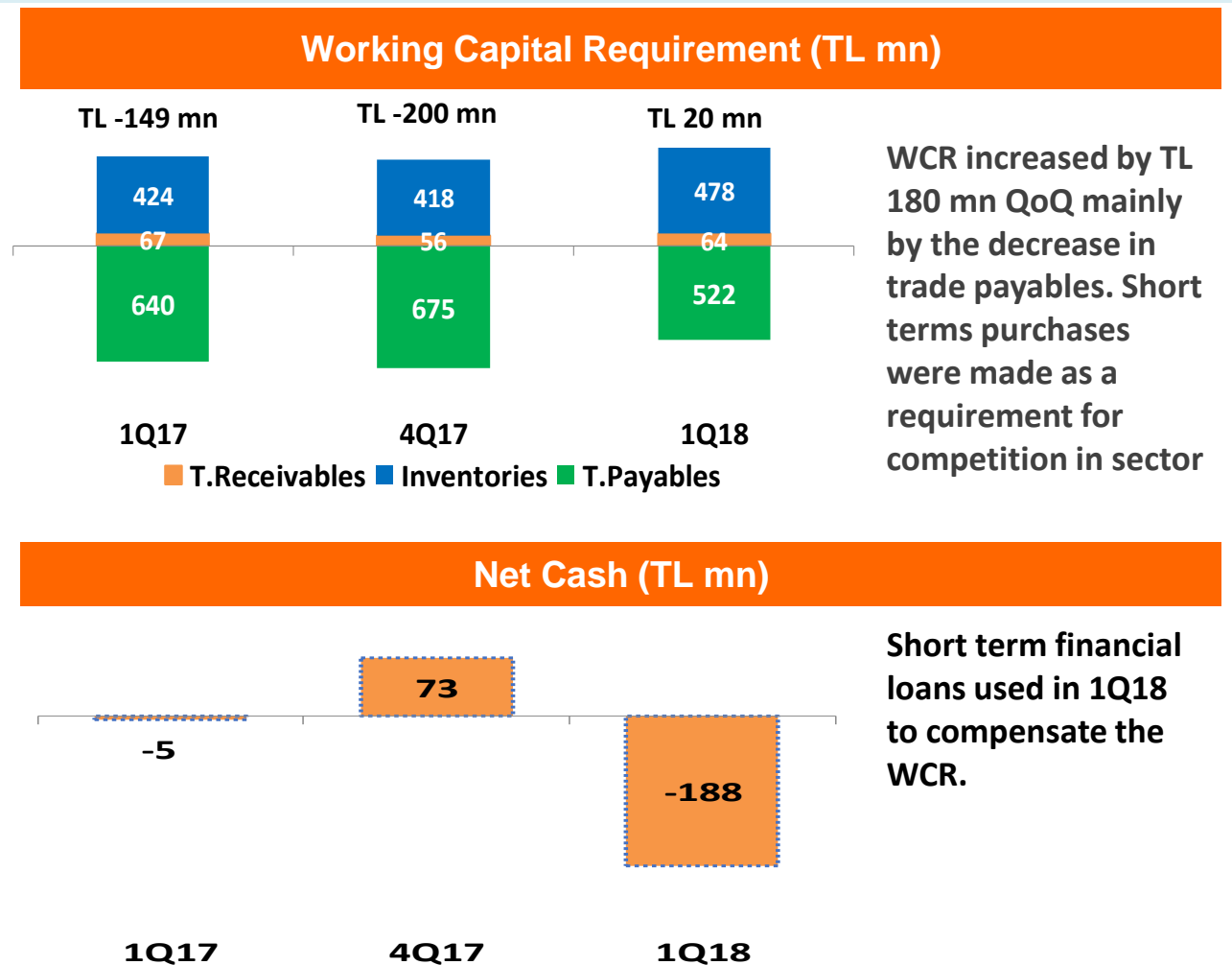
- Attracting online traffic across various channels to website
- Growth in e-commerce is expected to maintain the high pace
- Further investments for teknosa.com are planned to continue the development of omni-channel strategy
- ~1,5 mn people use Teknosa mobile applications

Continuing
improvement
in OPEX/Sales
ratio since
2015

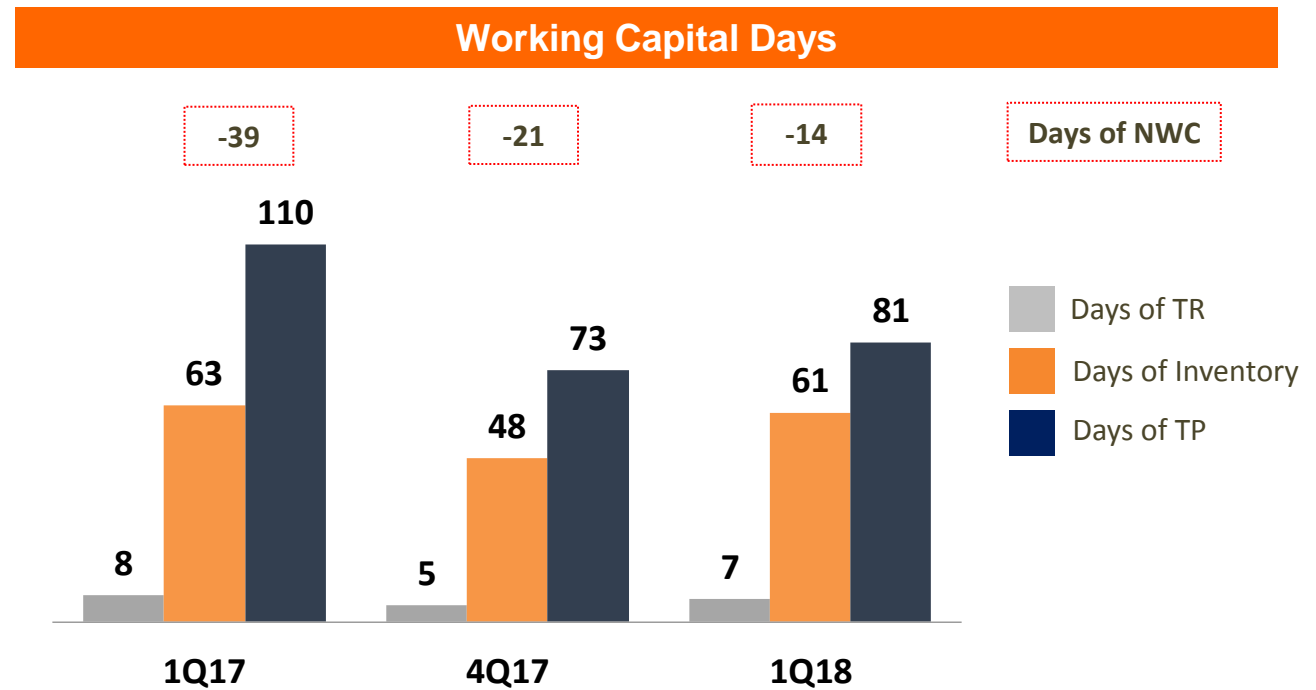


- Substantial improvement on OPEX management resulting in decreasing Opex/Sales ratio
- Tight opex control allows significant savings

Working Capital and Cash Position



Working Capital



- Negative working capital allows Teknosa to generate positive cash flow in tandem with growth

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Balance Sheet Summary

Assets (in TL mn)	Mar-17	Dec-17	Mar-18
Current Assets	521	555	578
Cash and Cash Equivalents	8	73	21
Trade Receivables	67	56	64
Inventories	424	418	478
Other Current Assets	22	7	15
Non-current Assets	184	172	173
Investment Property	10	10	10
Property, Plant and Equipment	95	85	85
Intangible Assets	22	24	24
Deferred Income Tax Assets	56	52	53
Other Non-current Assets	1	1	1
Total Assets	706	727	751
Liabilities (in TL mn)	Mar-17	Dec-17	Mar-18
Current Liabilities	762	764	791
Financial Liabilities	13	0	209
Trade Payables	640	675	522
Other Current Liabilities	109	89	61
Non-current Liabilities	5	7	7
Total Equity	-62	-43	-47
Total Liabilities	706	727	751

Source: Independent Auditor's report

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2018 Full Year Financial Guidance

- Due to uncertainties in global and domestic markets, we prefer to share our 2018 guidance on a wide range
- Accordingly, we expect to see a high single digit or low double digit LfL growth for 2018
- We expect our revenue to be above the 2017 figures
- We expect to observe 3%-4% EBITDA margin
- Based on customer focused Omnichannel strategy, we are planning to invest around TL 60 million.

Thank You

Contact Information:

H.Şenay Akıncı Özertan– Finance and Investor Relations Manager

+90 (216) 468 37 46

sozertan@teknosa.com

IR web page: <http://yatirimci.teknosa.com/homepage>

IR e-mail: yatirimciiliskileri@teknosa.com

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