

Investor
Presentation

Teknosa

2Q20 Results

«Turkey's Leading Electronics Retailer»

August , 2020

Agenda

Covid-19

Results at a Glance

Financial Overview

Covid-19 Effects

- Teknosa, as a first-mover in the sector, has launched the drive-through click and collect shopping service. This service has been in pilot testing across 19 stores in 11 cities. For customer satisfaction new services such as livechat, bundle and call center sales have been developed.
- The number of Teknosa corners in Carrefoursa stores , launched during the epidemic, reached 23 at the end of June.
- Basket size increased in spite of lower customer traffic in the Covid-19 period.
- By taking all health precautions, Teknosa began to gradually reopen its stores on June 1, 2020 and opened all its stores by June 12, 2020. (Stores were closed since March 22 to fight the coronavirus epidemic.) Measures implemented:
 - Limitation on the number of customers in the store
 - Use of masks
 - 1.5 meter social distancing
 - Hand sanitizers at entry and exit points
 - Regular disinfection of working areas
 - Shift optimization in warehouses
 - Service hours limitations

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Main messages

Effective Process Management during Covid-19

- Despite the challenging market conditions during the Covid-19 period, the company's financial performance improved as a result of digitalization and rapid adaptation to new business conditions.
- With the strong online sales effect, the sales decrease in the second quarter was limited to only 4.7% as compared to 2Q19.
 - Despite the decrease in sales, the operating profit/loss turned positive and reached 27.5 M TL in 2Q20 (at 2Q19' -0,3M TL)
 - Net working capital has improved through effective supplier management
 - Net loss for the period improved by 62% and was realized as -15.8 MTL in 2Q20 (1Q19 -42 MTL)
- The share of Teknosa, which was 29% in the TSS market in February, increased to 31% as of May.

Main messages

Strong growth in online sales

- Teknosa rapidly met increased demand for online shopping due to Covid-19 pandemic and teknosa.com customer traffic and sales broke records
- All online sales reached 446 M TL in 2Q20 and increased by 580% YoY
- Online sales reached 27,9% of total sales
- 75% of customers visited our website on mobile devices

COMPARED TO LAST YEAR



Sales
580%
INCREASED

Number of Visitors
74%
INCREASED



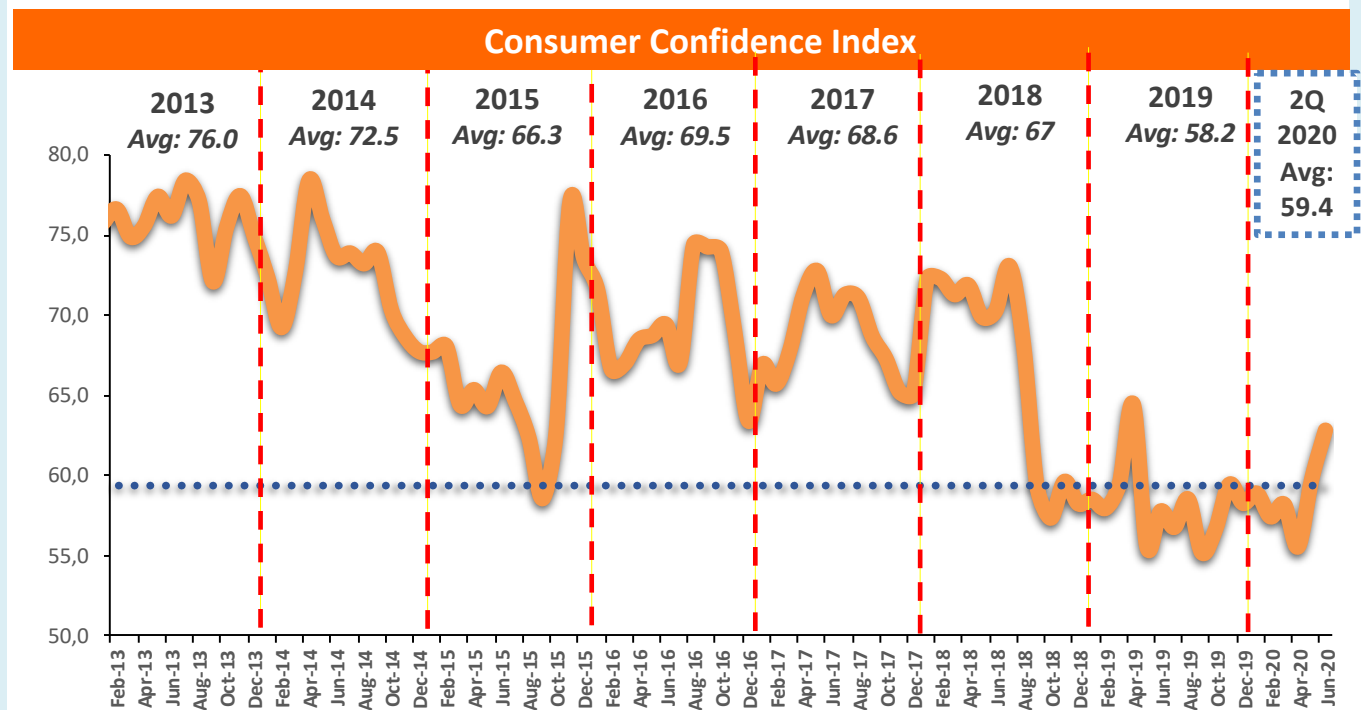
Number of orders
5 TIMES
INCREASED

Number of Products Sold
4,5 TIMES
INCREASED



Consumer Confidence Index

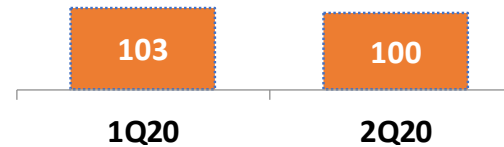
- Although consumer confidence index with an average 59.4 in 2Q20 was parallel with the 2Q19 average of 59.2, Teknosa sales decreased only by 4,7% due to Covid-19 pandemic effect.



Source: TUIK

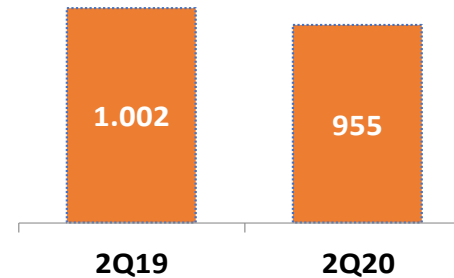
2Q20 Results

Net Sales Area (‘000 m²)



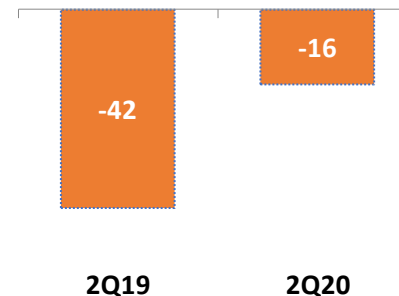
➤ As a result of the drive for operational efficiency, sales area decreased 3 K sqm (2Q19-105 K sqm).

Net Sales (TL mn)



➤ In spite of the negative effect of Covid-19 on total sales, net sales decreased by only 4,7% in 2Q20 compared to the same period of the previous year.

Net Period Loss (TL mn)



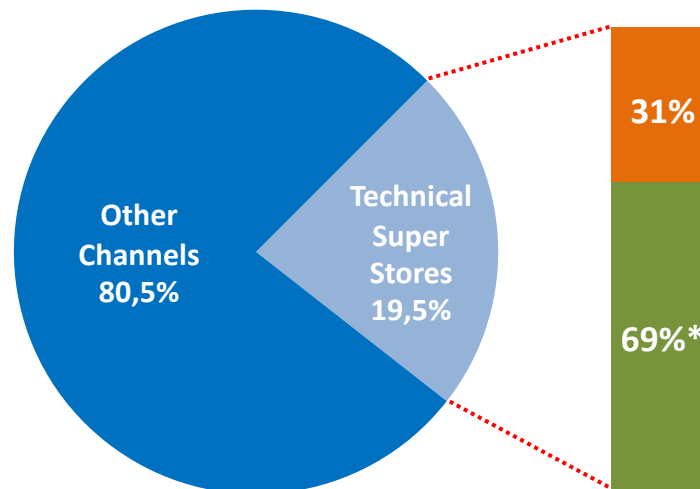
➤ Net period loss decreased by 62% in 2Q20 compared to the same period of the previous year and was realized as -16 M TL.

Electronics Retail Market and Teknosa

- The electronics retail market(*) grew by 10,1% LfL reaching TL 26,1 bn in 5M20
- Growth by segments: IT 63,2%, Consumers Electronics 13,1%, MDA 9,2% , Telecom 3,6% and SDA 2%
- TSS channel accounts for 19,5% (including MDA) of the total market
- Teknosa has 31% market share in the TSS channel in 5M20

(*) Including electronic retail chains, telecom dealers, traditional MDA&SDA dealers, and Technical Super Stores

Electronics Retail Market – May20



Competitors

*including D&R

Source: GfK

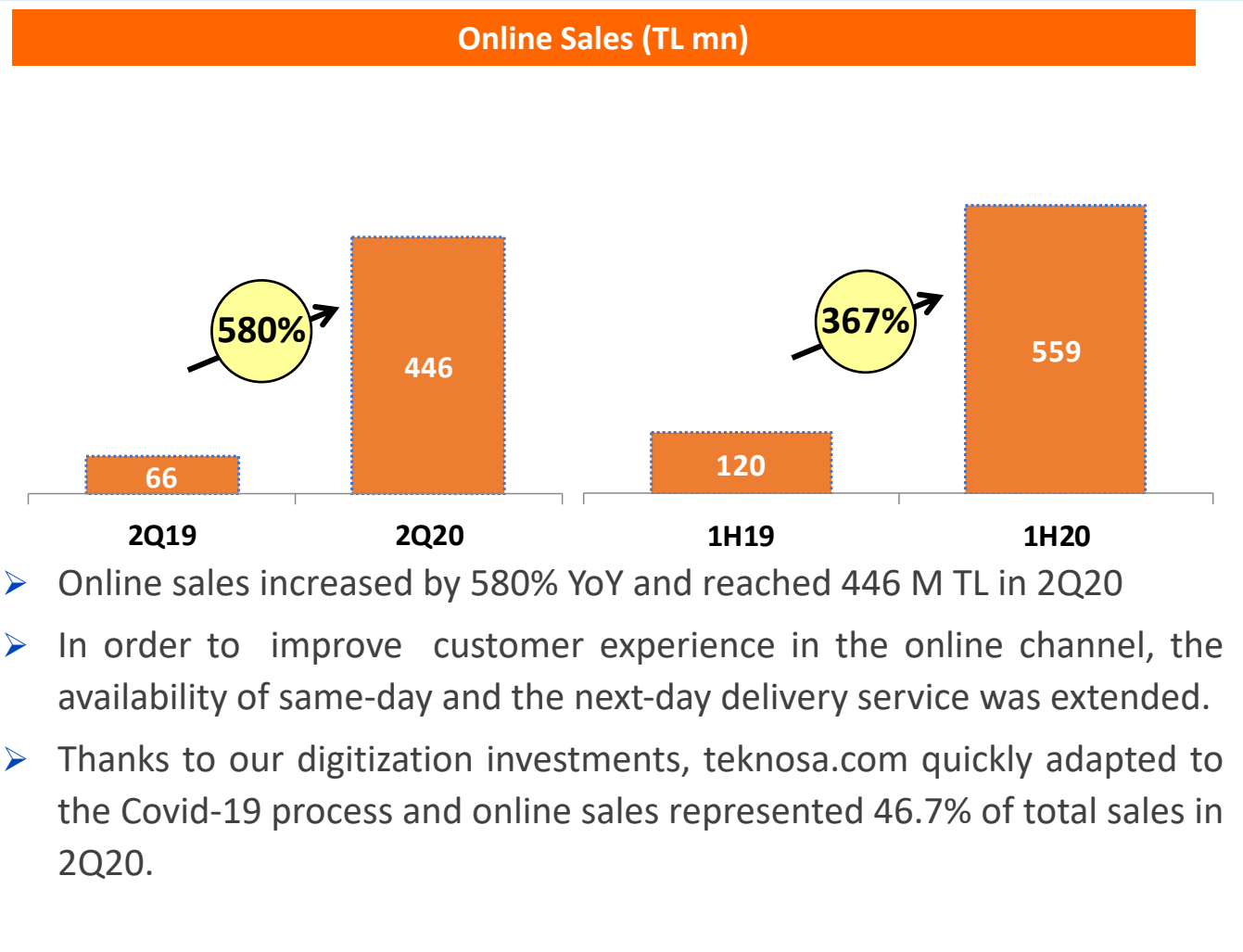
Income Statement Summary

(TL mn)	2Q19	1Q20	2Q20	YoY (%)	1H19	1H20	YoY (%)
Net Sales	1.002	1.048	955	-5%	1.843	2.004	9%
Gross Profit	178	174	123	-31%	320	297	-7%
Gross Profit Margin	17,8%	16,6%	12,9%	-4,8pp	17,4%	14,8%	-2,5pp
EBITDAR	92	77	56	-39%	152	133	-13%
EBITDAR Margin	9,2%	7,3%	5,9%	-3,3pp	8,3%	6,6%	-1,6pp
EBITDA	78	61	43	-45%	124	104	-16%
EBITDA Margin	7,8%	5,8%	4,5%	-3,2pp	6,7%	5,2%	-1,5pp
Other Income/Expenses	-43	-19	17	140%	-77	-2	98%
Financial Expenses	-52	-50	-48	9%	-95	-97	-2%
Profit Before Tax	-53	-38	-19	63%	-118	-58	51%
Tax	11	7	4	-66%	24	11	-53%
Net Profit	-42	-31	-16	62%	-94	-47	50%
Net Profit Margin	-4,2%	-2,9%	-1,7%	2,5pp	-5,1%	-2,3%	2,8pp

The main reason for the change of other income and expenses compared to the previous year was the privileges item recognized in lease payments. It consists of the store rents under TFRS 16, which were not paid or discounted in April '20 and May '20 when the stores remained closed due to Covid-19 measures.

Source: Independent Auditor's report

Online sales grew 367% ,reaching 559M TL in 1H20



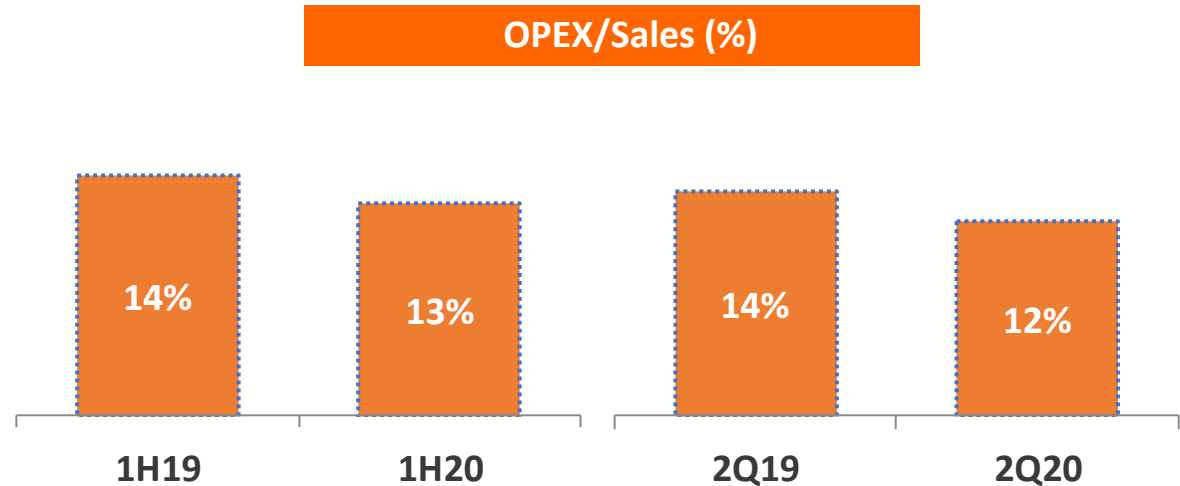
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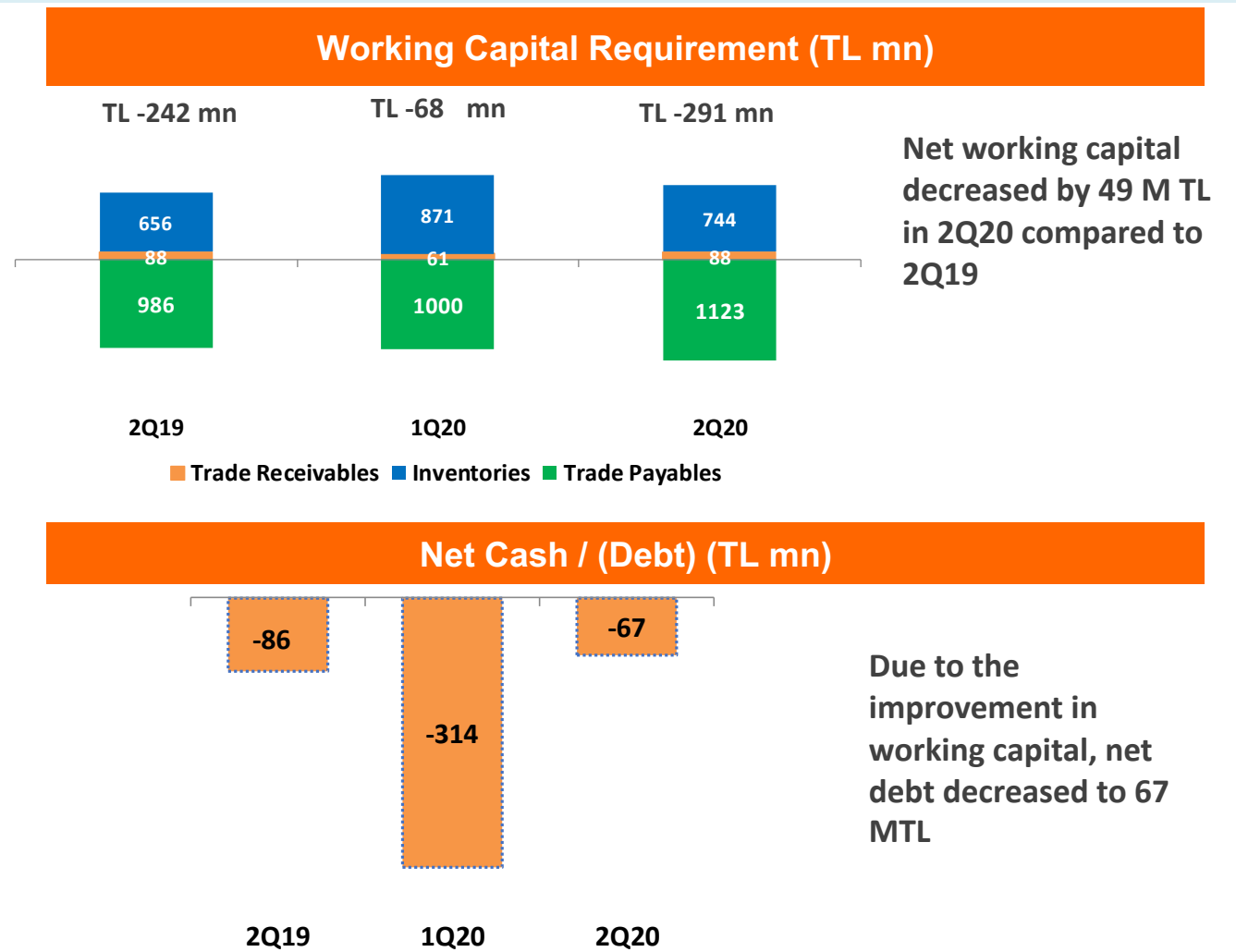
Financial Overview

OPEX/Sales ratio



- 2Q20 operational expenses / sales ratio decreased to 12% with temporary store closures from Covid-19 and tight operational expense management.
- Efficiency improvement and operational excellence projects will continue to be points of focus.
- During shutdown period due to Covid-19, mutual negotiations were made with the property owners and discounts were received on rental payments. Rental discounts partially cover the post-pandemic period. In addition, short-time working allowance was utilized for employees who met the conditions.

Working Capital and Cash Position



Balance Sheet Summary

Assets (in TL mn)	Jun-19	Mar-20	Jun-20
Current Assets	817	997	1.178
Cash and Cash Equivalents	50	48	325
Trade Receivables	88	61	88
Inventories	656	871	744
Other Current Assets	23	17	21
Non-current Assets	552	477	451
Investment Property	9	29	29
Property, Plant and Equipment	82	57	55
Intangible Assets	37	36	35
Deferred Income Tax Assets	66	78	82
Right of Use Assets	358	276	249
Other Non-current Assets	1	1	1
Total Assets	1.369	1.474	1.629

Liabilities (in TL mn)	Jun-19	Mar-20	Jun-20
Current Liabilities	1.211	1.514	1.708
Financial Liabilities	136	363	392
Current Portion of Long-Term Lease	33	84	84
Trade Payables	986	1.000	1.123
Other Current Liabilities	57	68	108
Non-current Liabilities	356	243	220
Total Equity	-198	-282	-299
Total Liabilities	1.369	1.474	1.629

Source: Independent Auditor's report

Thank You

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