

Investor
Presentation

Teknosa

3Q20 Results

«Turkey's Leading Electronics Retailer»

October , 2020

Agenda

Main Messages

Financial Overview

Main Messages

Sales: All-time high

3Q20: +61%, TL 1.671M
9M20: +28%, TL 3.674M

Profitability: Highest quarterly profit ever

3Q20: TL 62,6M
9Q20: TL 15,9M

Online sales: 2.2 times sales in 3Q20

3Q20: +123%, TL 146M
9M20: +281%, TL 705M

Uninterrupted service

All measures against Covid-19 taken to ensure a healthy and safe shopping environment, and Teknosa continues its operations in all channels

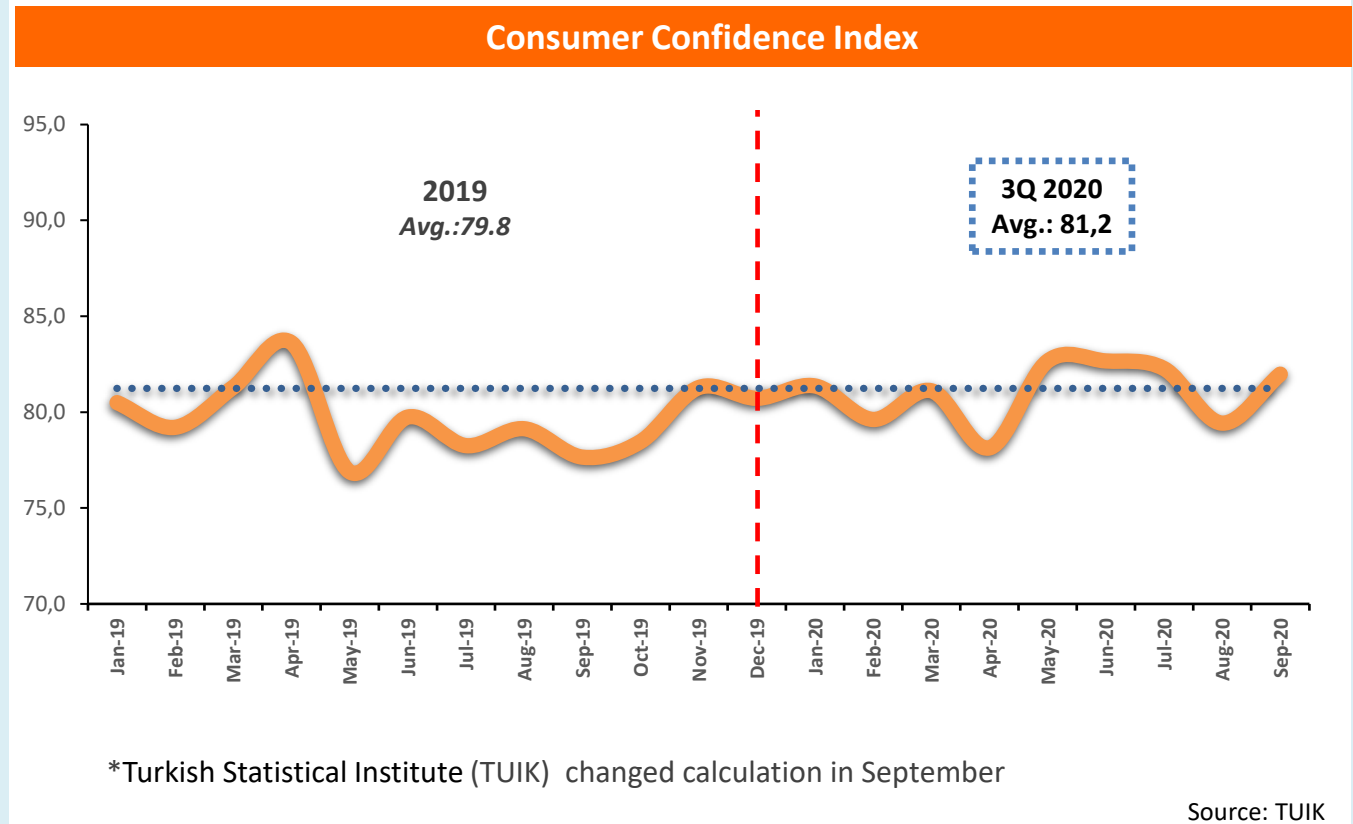
Main Messages

Key Drivers for Strong Financial Performance

- Adapting to customer's changing needs, improvements in online and offline channels (supply chain, inventories, cash management, supplier and cost management) digitalization and data based decision making
- Amid the Covid-19 pandemic, work from home and online learning led to spike in demand especially for IT category products(91,8 % growth in 8M20)
- Managed product variety and availability in stores and online channel despite the shortage of TV and IT products
- Availability of top-selling IT products in right places with robust planning for school opening
- Better pricing and promotion management
- Systematic tracking of add-on sales in all categories, monitoring its performance, and launching new accessories bundles

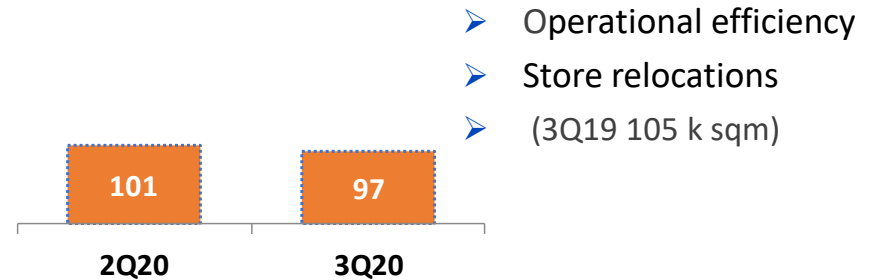
Consumer Confidence Index

- In September 2020, the Consumer Confidence Index hit 82.0*, the highest September value of last 3 years. Accordingly, demand for electronic products has increased in the market with the impact of Covid-19 pandemic.

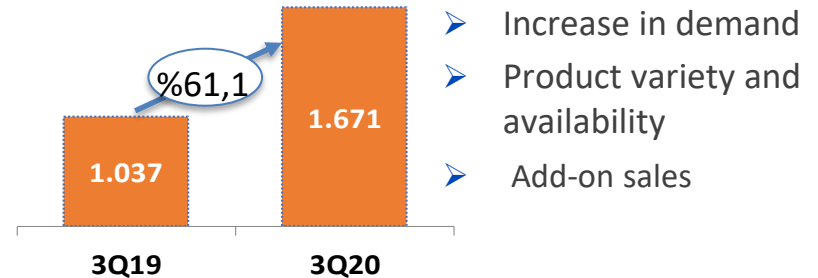


3Q20 Results

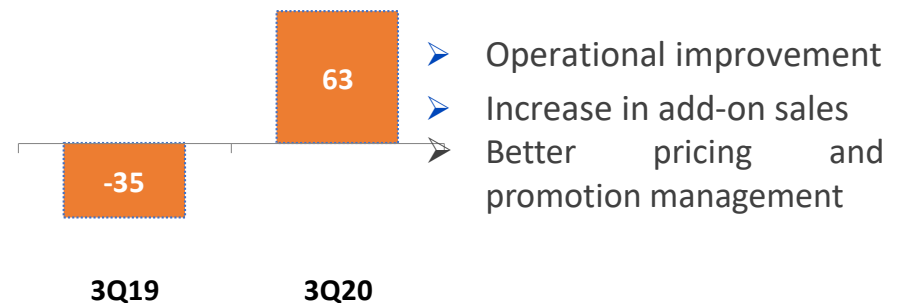
Net Sales Area ('000 m²)



Net Sales (TL mn)



Net Period Profit/Loss (TL mn)

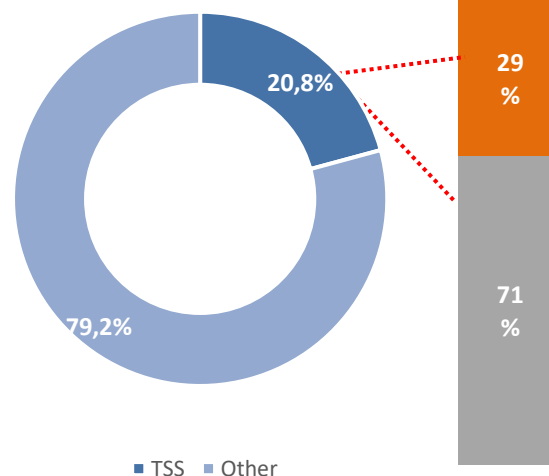


Electronics Retail Market and Teknosa

- The electronics retail market(*) grew by 28,6% LfL reaching TL 52,3 bn in 8M20
- Growth by segments: IT 91,8%, MDA 27.7%, Consumers Electronics 25,2%, , Telecom 24,7% and SDA 11.9%
- TSS channel accounts for 20,8% (including MDA) of the total market
- Teknosa has 29% market share in the TSS channel in 8M20

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

Electronic Retail Market– Aug20



29 %

TEKNO SA

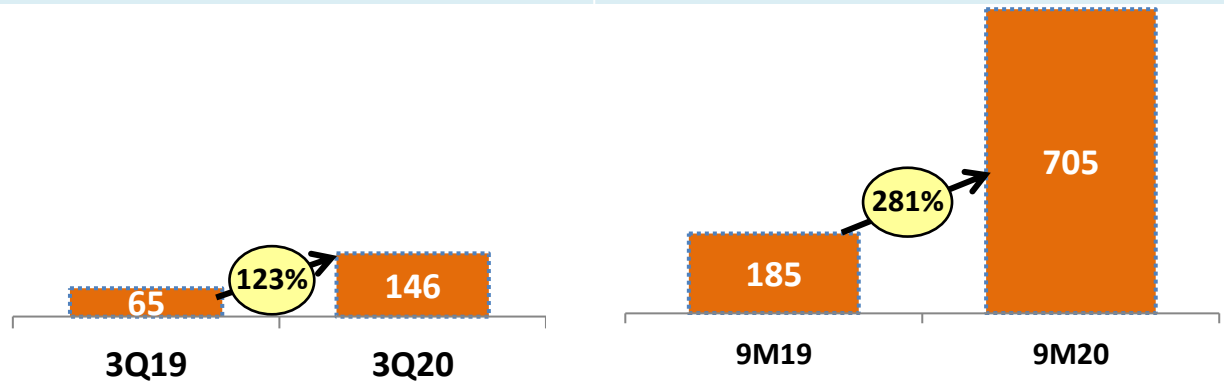
71 %

Competitors*

* Includes other 2 players except Teknosa

Source: GfK

Steady growth in online sales



- After store reopenings, online/total sales 9% in 3Q20
- With pandemic effect, online/total sales 19% in 9M20
- Steady growth due to the positive impact of digitization

COMPARED TO LAST YEAR



Sales
2,2 TIMES
INCREASED

Number of Visit
1,2 TIMES
INCREASED



Number of invoice
1,7 TIMES
INCREASED

Conversion Rate
1,3 TIMES
INCREASED

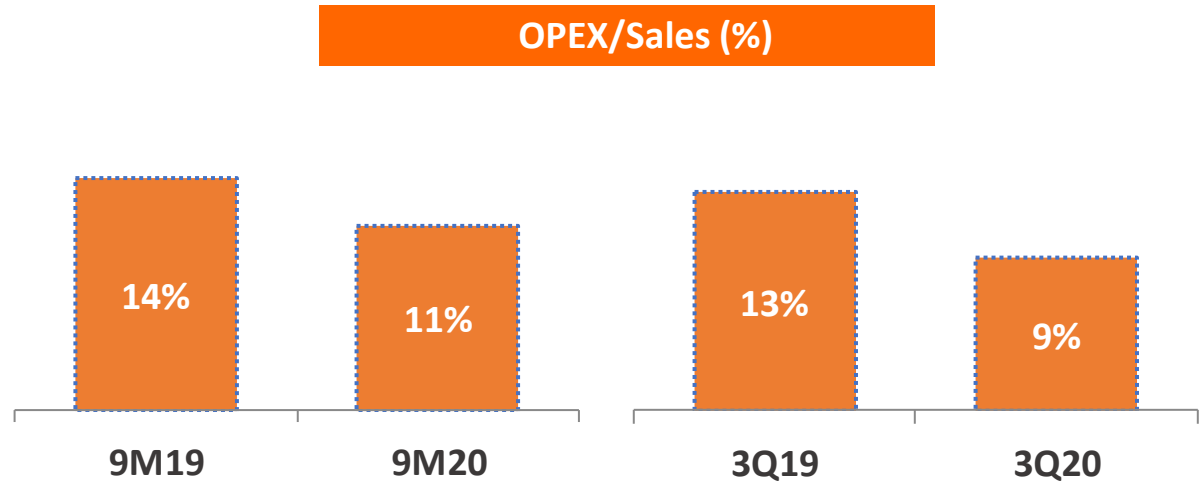


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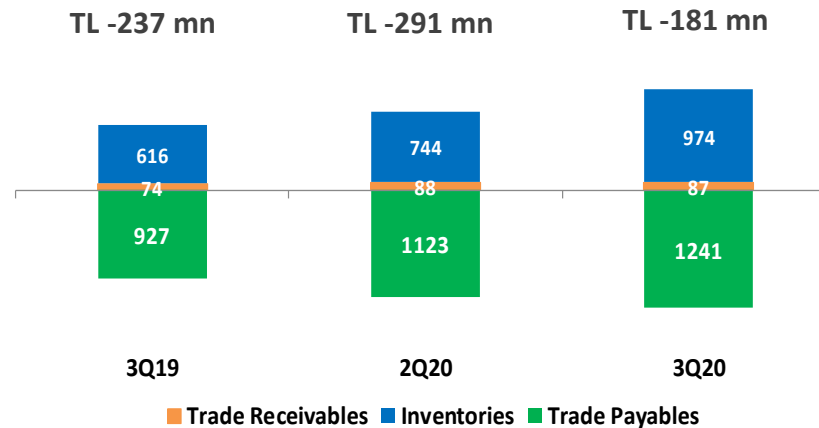
OPEX/Sales ratio



- Operational expenses/sales decreased from 13 % in 3Q19 to 9% in 3Q20.
- Benefiting partially from rental discounts(TL 3,5 M) and short-time work allowance(TL 6 M) in 3Q20. (Available since 2Q20 due to covid pandemic)
- Despite the increase in sales, controlling fixed and variable costs efficiently
- As a part of the transformation program, efficiency improvement and operational excellence projects will continue

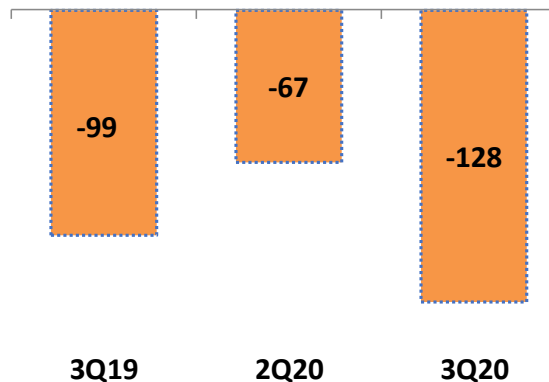
Working Capital and Cash Position

Working Capital Requirement (TL mn)



- TL 110 M change, Despite the increased share of telecom products, with shorter maturities, trade payables didnt increase in parallel with the inventories

Net Cash / (Debt) (TL mn)



- Increase in net debt due to short-term payment of high amount of inventory ordered in response to high customer demand.
- Negative effect of high interest rates was limited by longterm loans

Income Statement Summary

(TL mn)	3Q19	2Q20	3Q20	YoY (%)	9M19	9M20	YoY (%)
Net Sales	1.037	955	1.671	61%	2.880	3.674	28%
Gross Profit	184	123	295	60%	504	592	17%
Gross Profit Margin	17,8%	12,9%	17,6%	-0,1pp	17,5%	16,1%	-1,4pp
EBITDAR	100	56	198	99%	252	331	32%
EBITDAR Margin	9,6%	5,9%	11,9%	2,3pp	8,7%	9,0%	0,3pp
EBITDA	83	43	172	106%	207	276	33%
EBITDA Margin	8,0%	4,5%	10,3%	2,3pp	7,2%	7,5%	0,3pp
Other Income/Expenses	-31	16	-14	56%	-108	-16	85%
Financial Expenses	-60	-47	-50	18%	-155	-146	6%
Profit Before Tax	-43	-19	78	280%	-162	20	112%
Tax	8	4	-15	-289%	32	-4	-113%
Net Profit	-35	-16	63	278%	-129	16	112%
Net Profit Margin	-3,4%	-1,7%	3,7%	7,1pp	-4,5%	0,4%	4,9pp

Source: Independent Auditor's report

Balance Sheet Summary

Assets (in TL mn)	Sep-19	Jun-20	Sep-20
Current Assets	719	1.178	1.373
Cash and Cash Equivalents	22	325	264
Trade Receivables	74	88	87
Inventories	616	744	974
Other Current Assets	7	21	49
Non-current Assets	535	451	425
Investment Property	9	29	29
Property, Plant and Equipment	80	55	54
Intangible Assets	38	35	38
Deferred Income Tax Assets	74	82	67
Right of Use Assets	333	249	236
Other Non-current Assets	1	1	1
Total Assets	1.254	1.629	1.798

Liabilities (in TL mn)	Sep-19	Jun-20	Sep-20
Current Liabilities	1.130	1.708	1.832
Financial Liabilities	121	392	393
Current Portion of Long-Term Lease	17	84	93
Trade Payables	927	1.123	1.241
Other Current Liabilities	64	108	104
Non-current Liabilities	357	220	202
Total Equity	-232	-299	-236
Total Liabilities	1.254	1.629	1.798

Source: Independent Auditor's report

Thank You

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