

Investor
Presentation

Teknosa İç ve Dış Ticaret A.Ş.

3Q17 Results

«Turkey's Leading Electronics Retailer»

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October 30, 2017

Agenda

Results at a Glance

Financial Overview

Year-end Guidance

Main messages

Top-line growth achievement despite decreasing CCI

- Despite the low consumer confidence, 26,2% YoY revenue growth was realized in 3Q17

Successful track record of LfL growth in 3Q17

- Improved sales performance in stores through 26,3 % LfL growth in 3Q17

Achieving continuous improvement of EBITDA

- EBITDA increased via top-line growth, high levels of gross margin and effective opex management. EBITDA margin reached 5,2% in 3Q17 leading to 10,4pp YoY increase

Dedicated to sustainable profitable growth

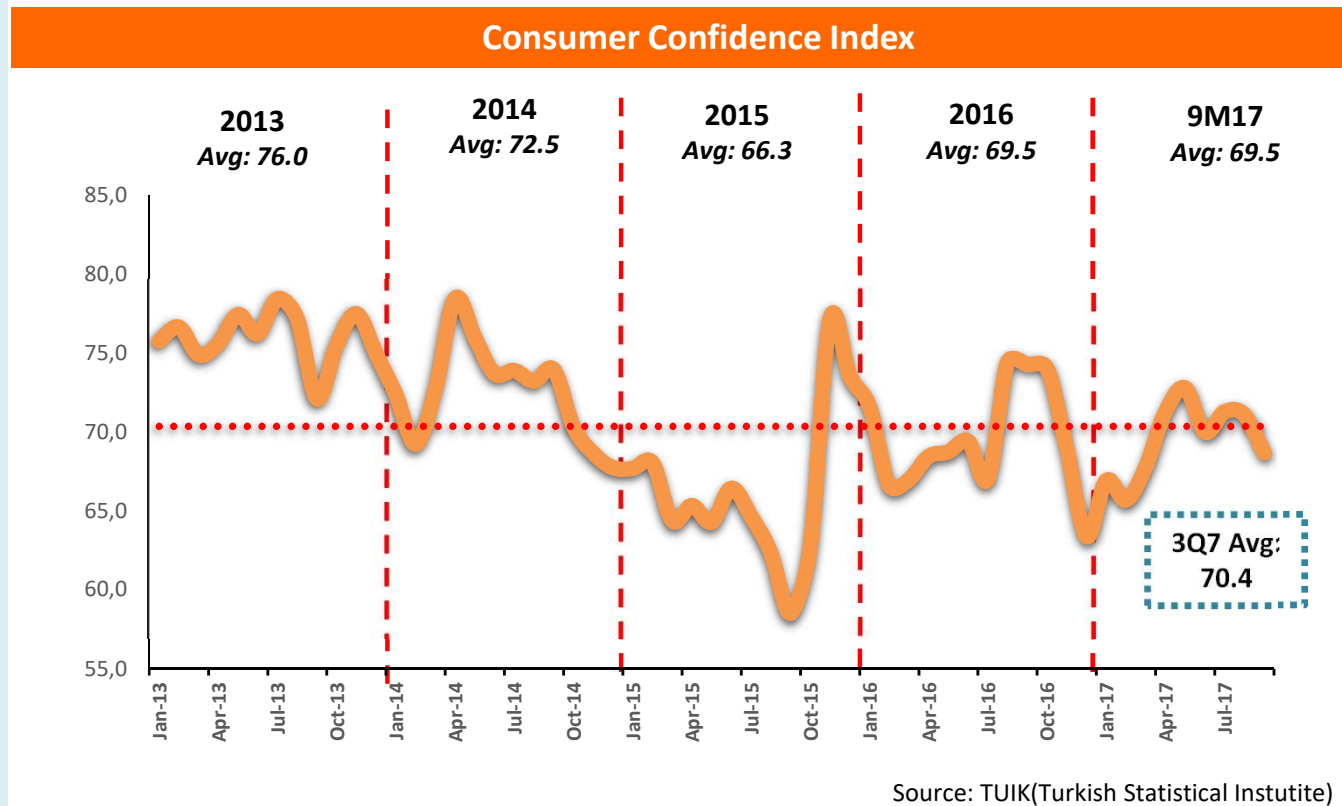
- Thanks to operational excellence, tight inventory control and cost cutting projects, Teknosa recorded TL 8,6 mn net profit, 4th consecutive back in black quarter after restructuring

Measures taken to boost cash position

- Effective working capital management resulted in a TL 6mn cash position in 3Q17

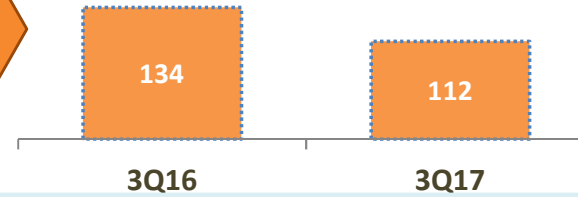
CCI slips in 3Q17, weakest since March

- Despite the MoM increase in July, CCI weakened to six-month low of 68,7 in September. Tensions in political environment between U.S.A and Korea followed by the uncertainty of Federal Reserve interest decisions have curbed CCI in 3Q17



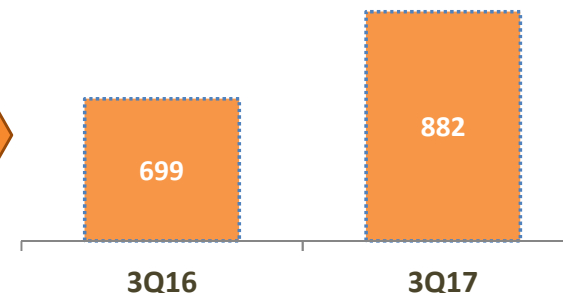
3Q17 Results

Net Sales Area
(‘000 m²)



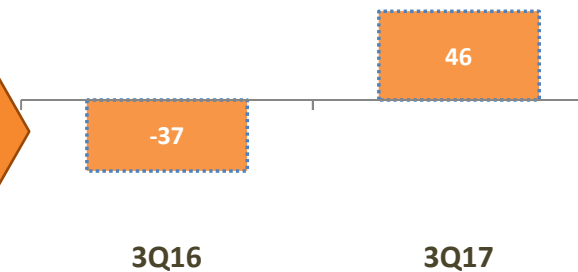
➤ Focus on store efficiency and resizing resulted in 22K sqm YoY reduction in the net sales area

Net Sales
(TL mn)



➤ 26,2% YoY sales growth, despite the decreasing CCI and 16% reduction in sales area

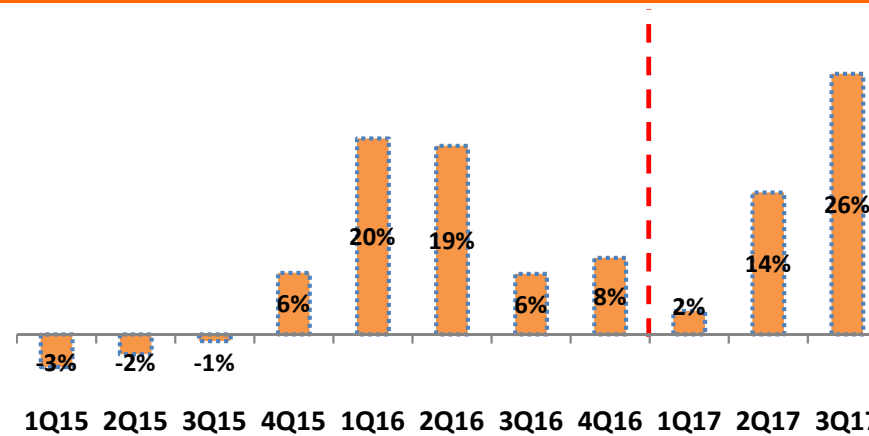
EBITDA
(TL mn)



➤ 10,4pps YoY improvement in EBITDA margin due to tight opex control and network optimization

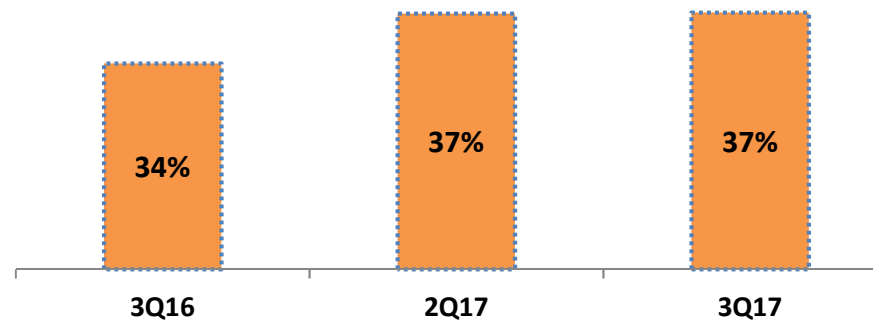
Like-for-Like Sales Growth Trend

Quarterly Like-for-Like Trend



Restructuring efforts are paying off and Teknosa continues its momentum in 3Q17 with 26,3 % LfL growth

TSS Market Share(exc MDA)



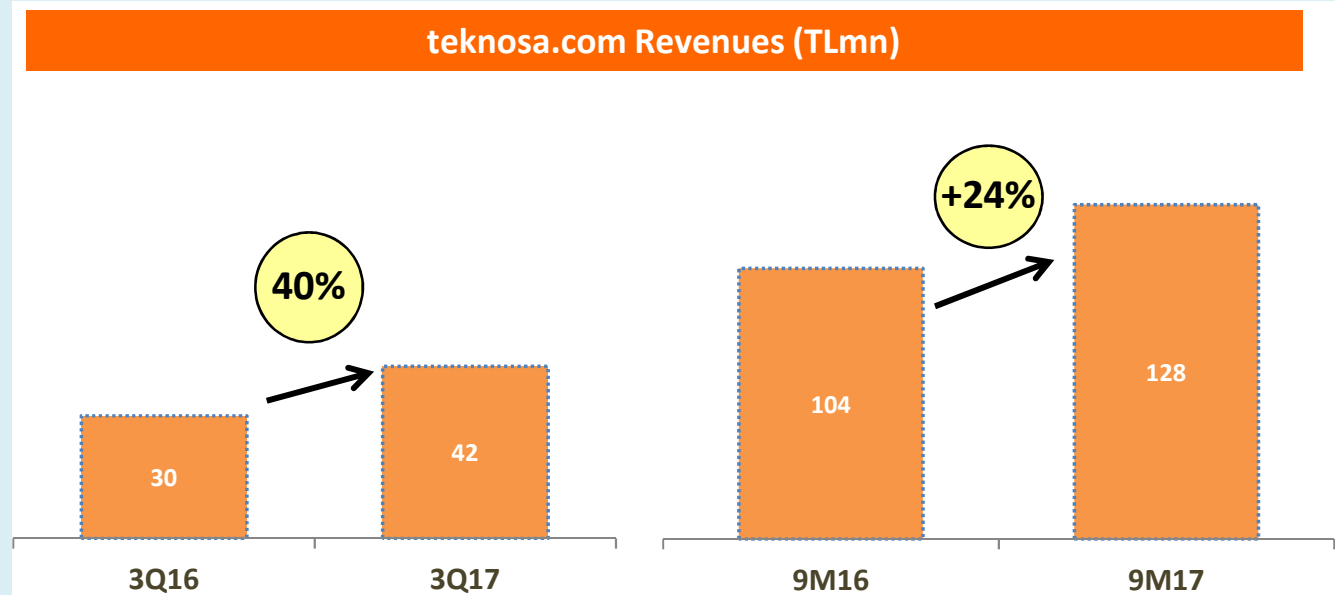
Teknosa secures its position as the market leader in TSS with 37% market share in 3Q17

Income Statement Summary

(TL mn)	3Q16	2Q17	3Q17	YoY (%)	QoQ (%)	9M16	9M17	YoY (%)
Net Sales	699	842	882	26%	5%	2.296	2.413	5%
Gross Profit	75	153	160	113%	4%	359	449	25%
Gross Profit Margin	10,7%	18,2%	18,1%	7,4pp	-0,1pp	15,6%	18,6%	3,0pp
EBITDAR	4	81	86	2184%	6%	130	233	79%
EBITDAR Margin	0,5%	9,6%	9,7%	9,2pp	0,1pp	5,7%	9,7%	4,0pp
EBITDA	-37	44	46	224%	4%	-2	120	6151%
EBITDA Margin	-5,2%	5,2%	5,2%	10,4pp	0,0pp	-0,1%	5,0%	5,0pp
Other Expenses	-92	-7	-11	88%	-53%	-129	-24	81%
Financial Expenses	-16	-17	-15	3%	8%	-50	-45	8%
Profit Before Tax	-153	10	11	107%	5%	-211	23	111%
Tax	30	-2	-2	-107%	-1%	41	-5	-112%
Net Profit	-123	8	9	107%	6%	-171	18	110%
Net Profit Margin	-15,3%	1,0%	1,0%	16,3pp	0,0pp	-7,4%	0,7%	8,2pp

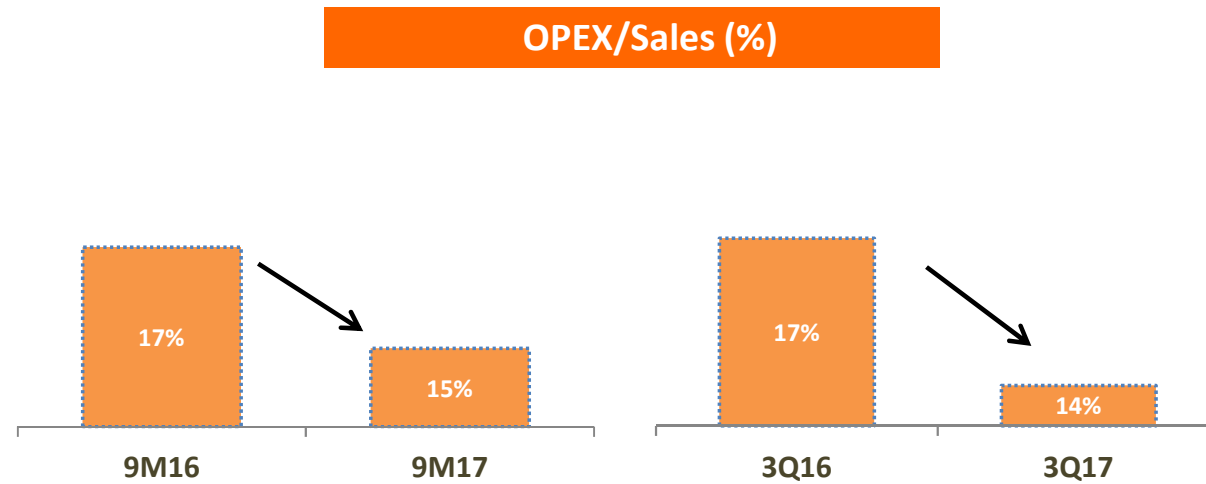
Source: Independent Auditor's report

Sustaining double-digit growth in e-commerce in 3Q17



- Revenue growth was driven by effective digital marketing campaigns for Back to School period , TV and IT categories
- Credit card campaigns offering reward points also positively affected e-commerce revenue
- Teknosa continues to invest in omni-channel strategy

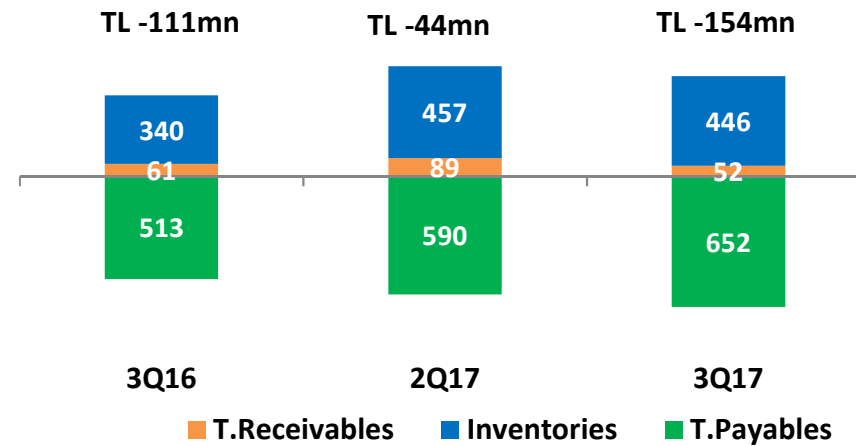
Falling
OPEX/Sales
ratio



- Sales increasing stronger than OPEX improved OpeX/Sales ratio
- Structural efficiency of lower OPEX/Sales ratio allowing higher EBITDA in 3Q17

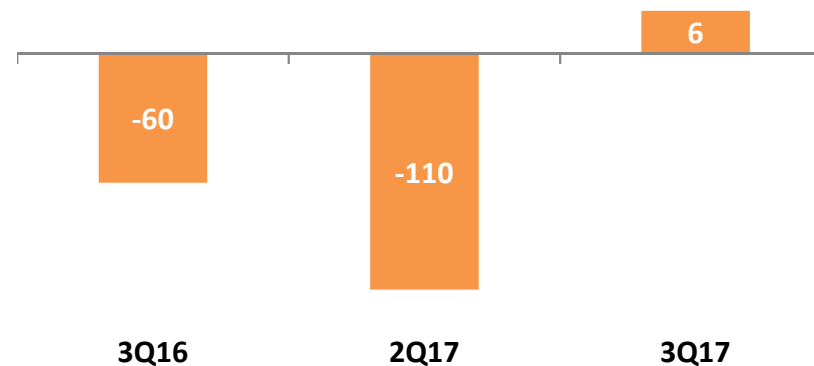
Working Capital and Cash Position

Working Capital Requirement (TL mn)



Working capital requirement is down by TL 110 mn to TL-154 mn in 3Q17 from TL-44 mn in 2Q17

Net Cash (TL mn)



Implementing more effective working capital management strategies resulted in a cash position of TL 6 mn in 3Q17, impressive figure compared to 2Q17

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Balance Sheet Summary

Assets (in TL mn)	Sep-16	Jun-17	Sep-17
Current Assets	435	575	541
Cash and Cash Equivalents	9	15	30
Due From Related Parties	2	2	1
Trade Receivables	59	87	50
Inventories	340	457	446
Other Current Assets	25	14	13
Non-current Assets	201	178	175
Investment Property	10	10	10
Property, Plant and Equipment	103	93	91
Intangible Assets	22	21	21
Deferred Income Tax Assets	65	54	51
Other Non-current Assets	1	1	1
Total Assets	637	753	716

Liabilities (in TL mn)	Sep-16	Jun-17	Sep-17
Current Liabilities	705	801	754
Financial Liabilities	69	124	25
Due to Related Parties	2	0	0
Trade Payables	511	590	651
Other Current Liabilities	124	86	78
Non-current Liabilities	5	5	6
Total Equity	-73	-53	-44
Total Liabilities	637	753	716

Source: Independent Auditor's report

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2017 Full Year Financial Guidance

- Accordingly, we expect to see a double digit LfL growth for 2017
- As we continue to reap the fruits of our restructuring efforts in 2017, we expect to observe EBITDA margin above 4%
- We expect our e-commerce revenues to grow at least %20

Thank You

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