

# Q1 2025 EARNINGS PRESENTATION

30 APRIL 2025

**TEKNO**SA





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With the Capital Markets Board of Turkey's Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS 29 inflationary accounting provisions. Accordingly, this presentation on the First Quarter 2025 Financial Results contain the Company's financial information prepared according to Turkish Accounting / Financial Reporting Standards by application of IAS 29 inflation accounting provisions, in accordance with CMB's decision dated 28.12.2023.

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## First Quarter Overview

- **Macroeconomic headwinds** continue to impact demand and increase financial & operational costs
- **Revenues** are affected by **seasonal factors**, and less **consumer spending** due to reduced **purchasing power**
- **Despite the challenges, EBITDA margin** was improved, supported by the **Gross Margin** and **controlled OPEX**
- While **financial expenses** continue to pressure the bottom line, **effective actions** have mitigated the impact, with ratios showing improvement
- **Net Working Capital** improved year-over-year, supported by ongoing **proactive inventory and cash flow management**
- Reflecting our long-term commitment to sustainability, Teknosa has been included in the **BIST Sustainability Index**, ranking **10th among 308 global specialty retailers\***

[\\*ESG Scores | LSEG](#)

**172**  
Stores

**105K m<sup>2</sup>**  
Net Sales  
Area

**225K**  
SKU

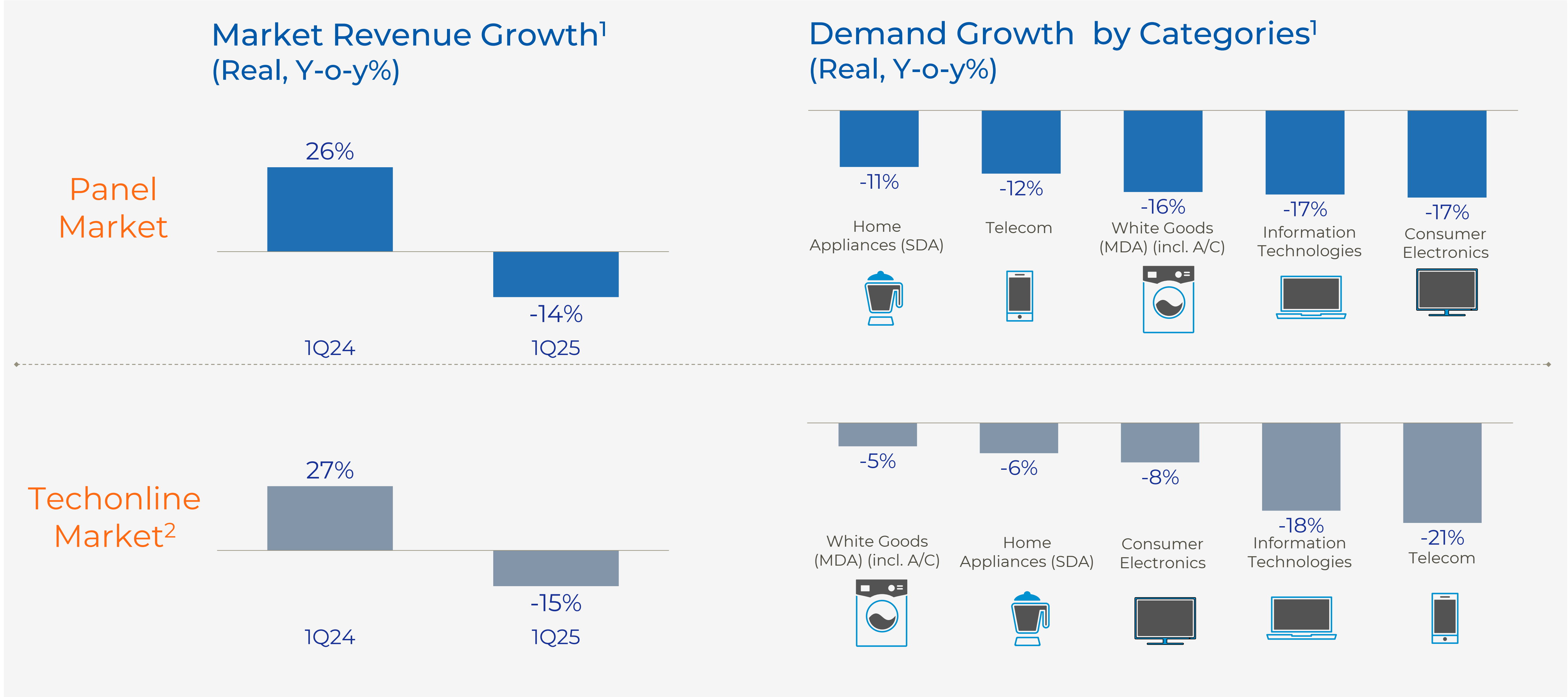
**~1200**  
Merchants

**34%**  
MP/Online  
GMV

**72**  
NPS score

**4.8M**  
TeknoClub  
memb.

With the slowdown in overall market growth and a high base effect from the previous year, the panel market recorded a mid-double digit y-o-y decline



1. Source: GFK, YoY%.  
5 2. Online sales of all channels in the Panel market constitute the Techonline market.

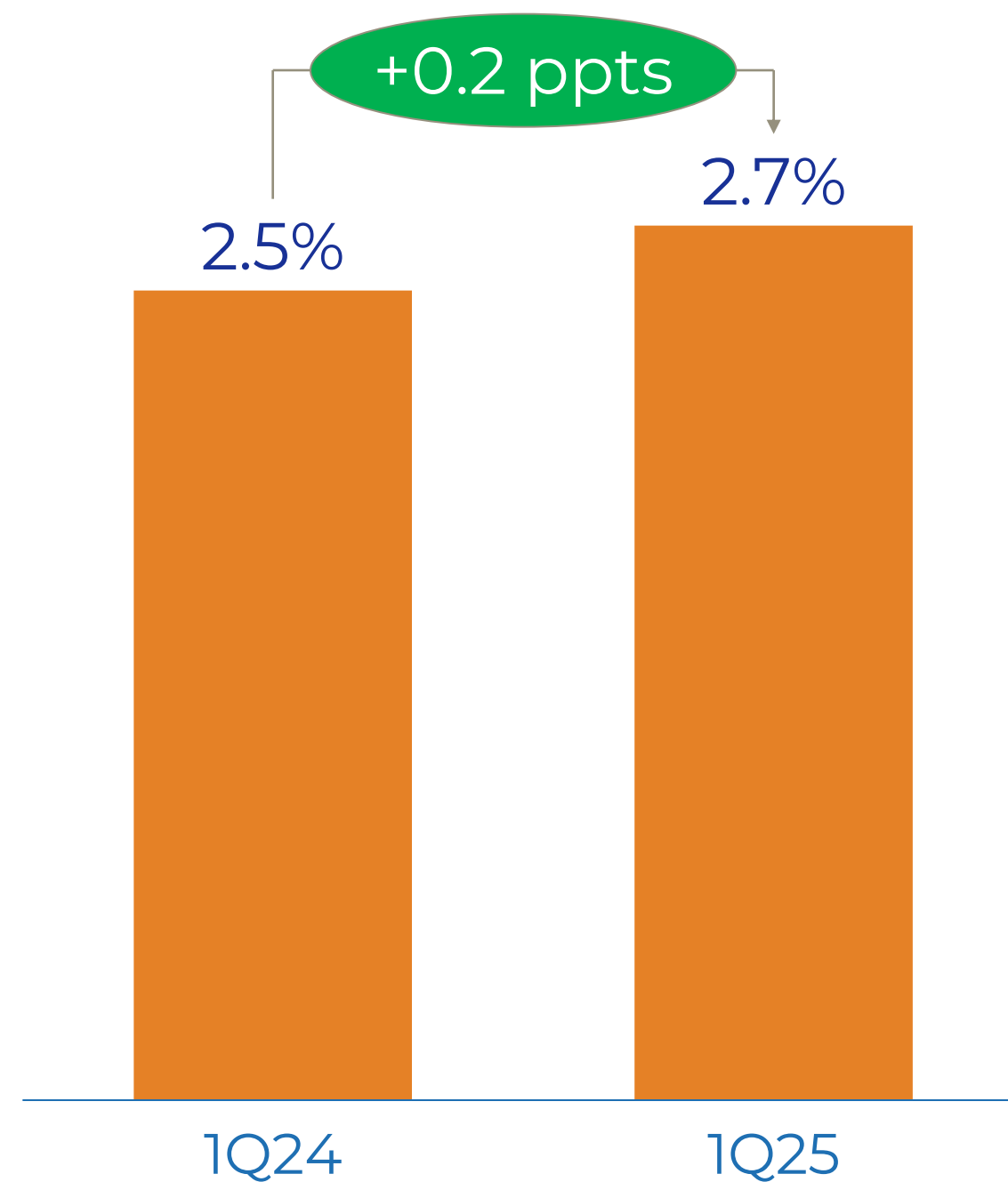


# Along with pressured revenues due to weakening demand, we remain committed to optimizing our core omnichannel strategy



Despite a challenging cost environment, we continue to enhance our EBITDA, supported by increasing margins, a strong focus on cost control & efficiency gains

## EBITDA margin



## 1Q Overview

- Supported by the year-over-year improvement in gross margin
- Despite decreasing OPEX cost, OPEX-to-revenue ratio has increased, mainly driven by the decline in revenues

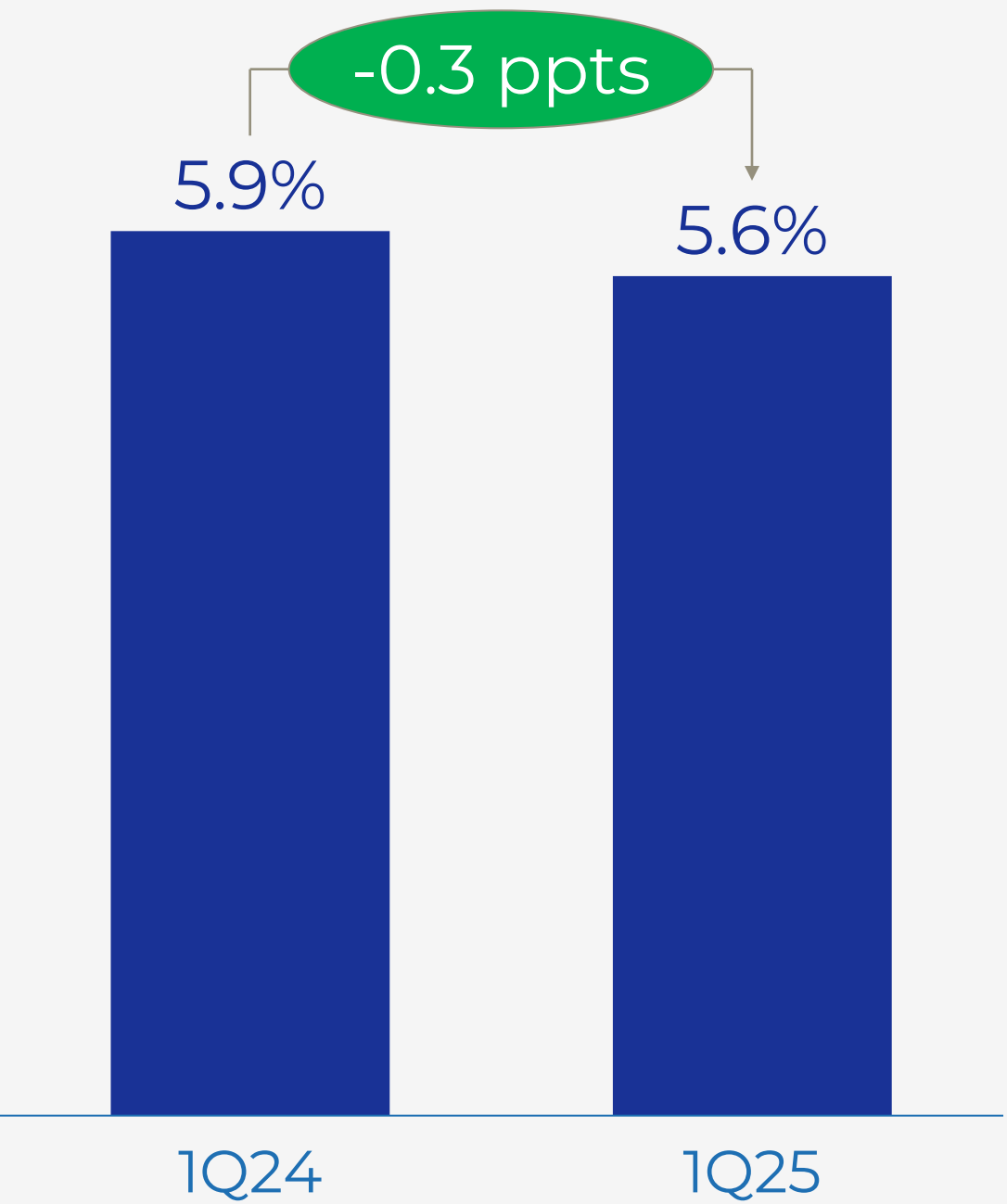


## Cost Control Optimizations

- Optimizing our store network to eliminate operational inefficiencies
- Optimizing all costs including rent, marketing, logistics, personnel and exercising savings opportunities
- Completed transition to a new ERP system enhancing operational efficiency
- Expanding our retail media revenues, directly contributing to our profitability

# High interest rates and ongoing macroeconomic pressures still impact the bottom line; however, our mitigation measures are proving effective

## Total Net Financial Expenses\* / Revenues



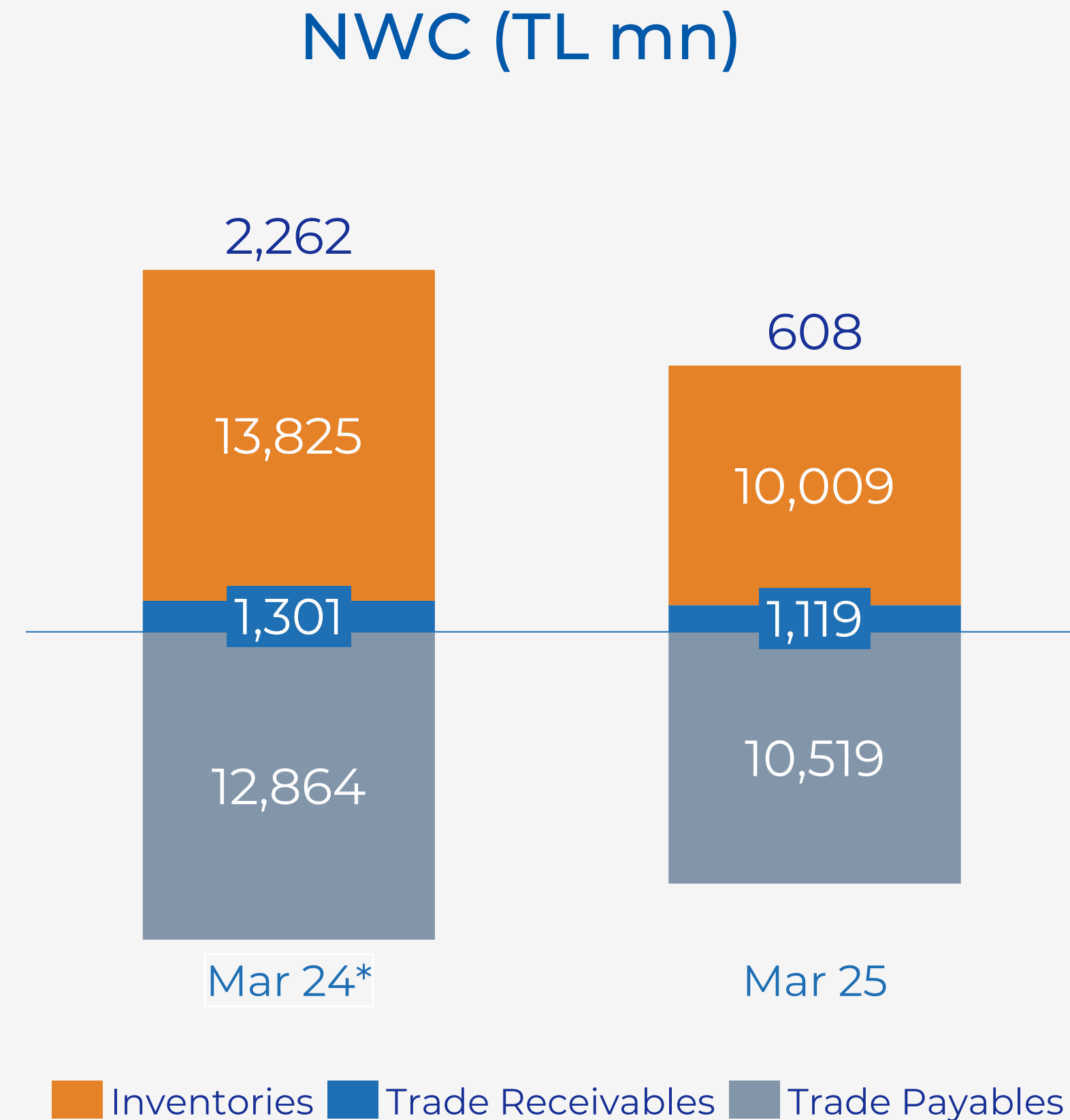
## 1Q Overview

- Our credit card commissions-to-revenue ratio decreased from 4.6% to 4.3% vs. last year, primarily driven by a more than 2x increase in consumer loans.
- As a result of financing optimization initiatives, the net financial expenses-to-revenue ratio improved y-o-y, decreasing from 5.9% to 5.6%.

## Strict Initiatives Taken To Reduce Financing Costs

- Continued efforts in stock optimizations & effective inventory management
- Ensuring additional payment terms according to stock turnover ratios
- Significantly increasing the share of non-credit card payments, with optimizing costs by further pushing consumer loans
- Reducing financing costs of free installments by subsidizing interest costs to suppliers

# We are placing heavy emphasis on strengthening financial discipline and managing liquidity



## Strengthening Financial Discipline & Liquidity Management

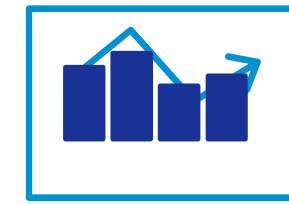
- Strict cash management and continued focus on disciplined procurement optimization
- Introducing AI-based tools for smarter assortment planning, demand forecasting and accelerated stock movement
- Assortment & inventory optimization



Our CAPEX program is progressing as part of our journey to become a digital-first company, with ongoing investments in digital and AI transformation



# In Summary



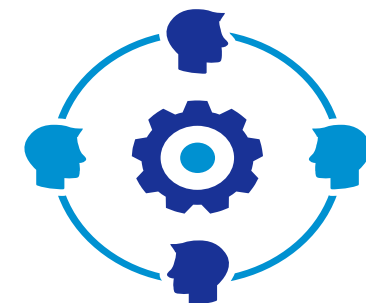
**Actions supporting revenue growth** such as enhancing sustainable payment options and **proactive margin management** to increase profitability



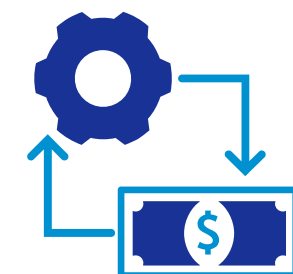
**Controlling OPEX strategy & mitigating financing costs**, while **offering attractive non-credit card payment options** to our consumers to support their access to financing



**Effective inventory management** and **disciplined cash flow management**



Continuing to invest in **AI-based digital transformation initiatives** to **enhance operational efficiency and performance**



Remain committed to profitable & **long-term growth** and **strategic investments** to **become a digital-first company** with **sustainability initiatives** to **create value for our shareholders**



# Q&A

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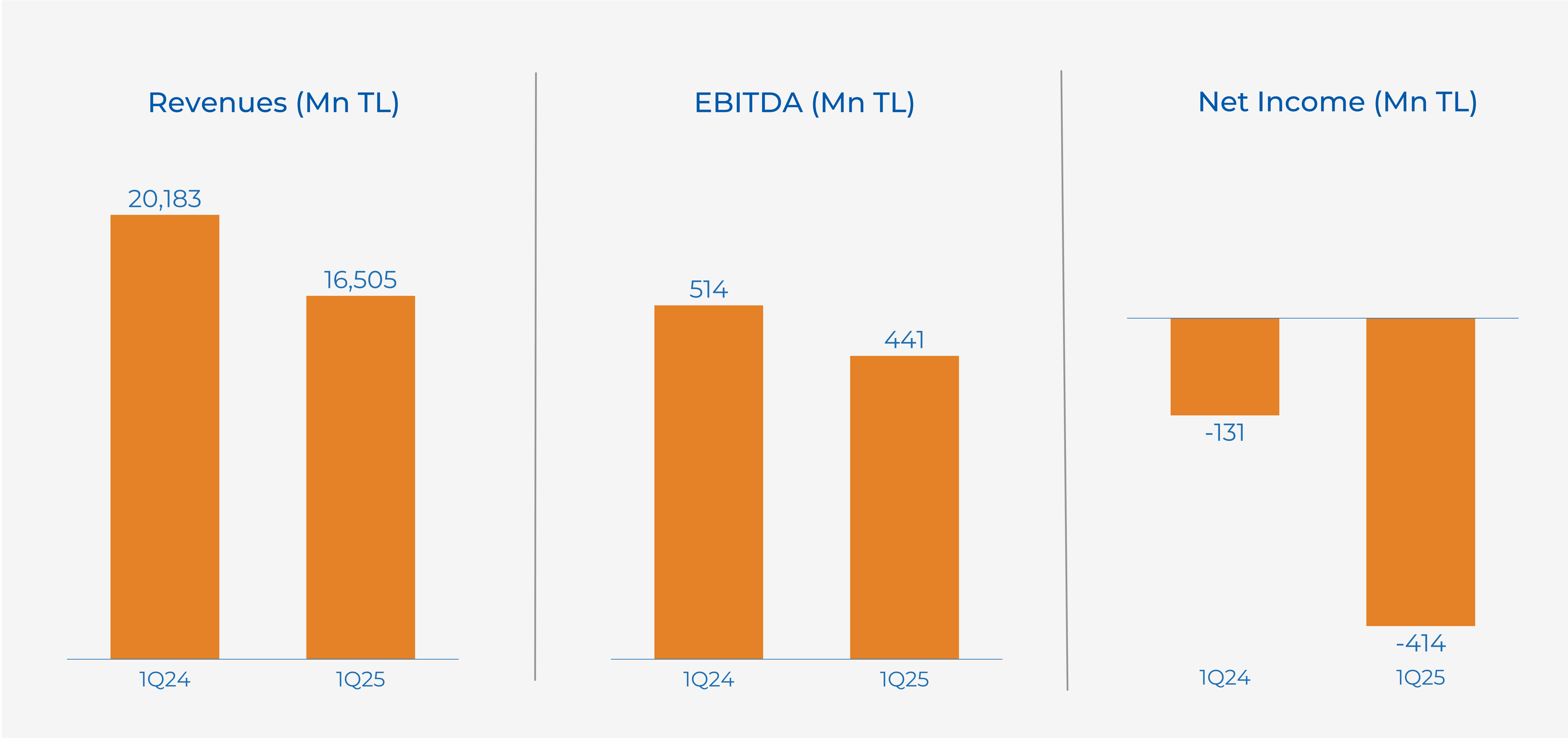


# APPENDIX





# Key Financials



# Summary Income Statement

	1Q25	1Q24	Change (%)
<b>Net Sales (Mn TL)</b>	16,505	20,183	-18%
Gross Profit (Mn TL)	2,093	2,272	-8%
Gross Profit Margin (%)	12.7%	11.3%	1.4%
<b>Opex/Sales (%)</b>	12.8%	10.6%	2.2%
<b>EBITDA (Mn TL)</b>	441	514	-14%
EBITDA Margin (%)	2.7%	2.5%	0.2%
Other Income (Expense) (Mn TL)	-787	-977	-19%
Financing Income (Expense) (Mn TL)	-922	-1,201	-23%
Net Monetary Gain (Loss) (Mn TL)	1,188	1,864	-36%
<b>Profit Before Tax (Mn TL)</b>	-538	-182	-196%
Tax (Mn TL)	124	51	142%
<b>Net Profit (Mn TL)</b>	-414	-131	-217%
Net Profit Margin (%)	-2.5%	-0.6%	-1.9%



# Summary Balance Sheet



	Mar 25	Dec 24
<b>Assets (Mn TL)</b>		
<b>Current Assets</b>	12,956	16,073
Cash and Cash Equivalents	1,567	2,814
Trade Receivables	1,119	1,330
Inventories	10,009	11,760
Other Current Assets	262	169
<b>Non-current Assets</b>	4,118	3,932
Property, Plant and Equipment	1,048	1,445
Intangible Assets	1,000	581
Investment Property	296	296
Right of Use Assets	1,396	1,327
Other Non-current Assets	378	283
<b>Total Assets</b>	17,074	20,005
<b>Liabilities (Mn TL)</b>		
<b>Current Liabilities</b>	14,339	16,888
Short-term Loans and Borrowings	2,435	430
Short-term Portion of Long-term Finance Lease Liabilities	479	418
Trade Payables	10,519	15,060
Deferred Income	300	411
Other Current Liabilities	606	569
<b>Long Term Liabilities</b>	646	614
Long-term Lease Liabilities	526	496
Other Long Term Liabilities	120	118
<b>Equity (Mn TL)</b>	2,089	2,503
<b>Total Liabilities and Equity (Mn TL)</b>	17,074	20,005