

Investor
Presentation

Teknosa İç ve Dış Ticaret A.Ş.

2Q17 Results

«Turkey's Leading Electronics Retailer»

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Agenda

Results at a Glance

Financial Overview

Year-end Guidance

Main messages

Undisputed Market Leader

- Market Leader in Technical Super Stores Channel with 37% market share in 2Q17

Profit Growth

- TL 8,1 mn net profit in 2Q17 leded 127% profit growth compared to 2Q16

Reaping the fruits of the restructuring...

- Third consecutive profitable quarter result after 3Q 2016 restructuring on the back of a leaner & optimized store network and clean inventory

Gradual Increase in EBITDA margin

- A more favorable product mix leading to a stronger quarterly gross margin & strict cost control, helping the adjusted OPEX/Sales ratio to improve by 2,6 pp QoQ to 14.1% in 2Q17, paved the way to an EBITDA margin of 5.2%

Strong e-commerce performance

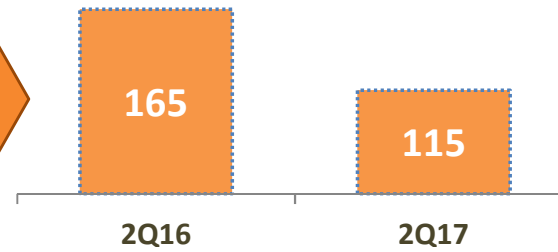
- Teknosa.com revenues increased by 24% in 2Q17 by the more responsive website design

Increased Average Shopping Basket

- Average shopping basket at Teknosa in 2Q17 was TL 491 on an increase of 15 % compared to 2Q16

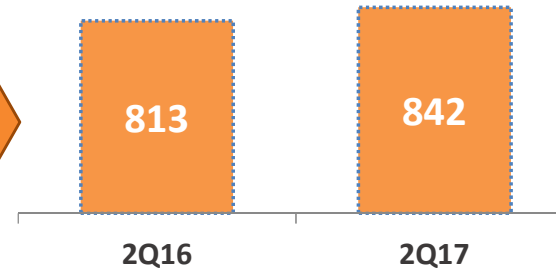
2Q17 Results

Net Sales Area
(‘000 m²)



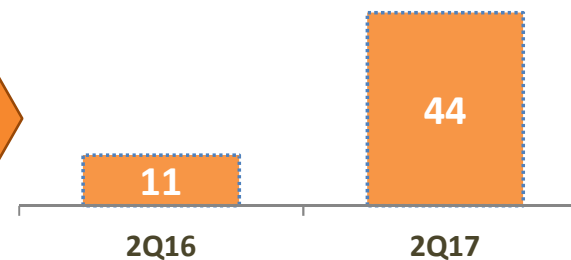
➤ Cleansing of loss making stores from the network resulted in 50K sqm YoY reduction in the net sales area

Net Sales
(TL mn)



➤ Thanks to 14,3 % LfL growth, 30% reduction in net sales area did not fully reflect to the top-line

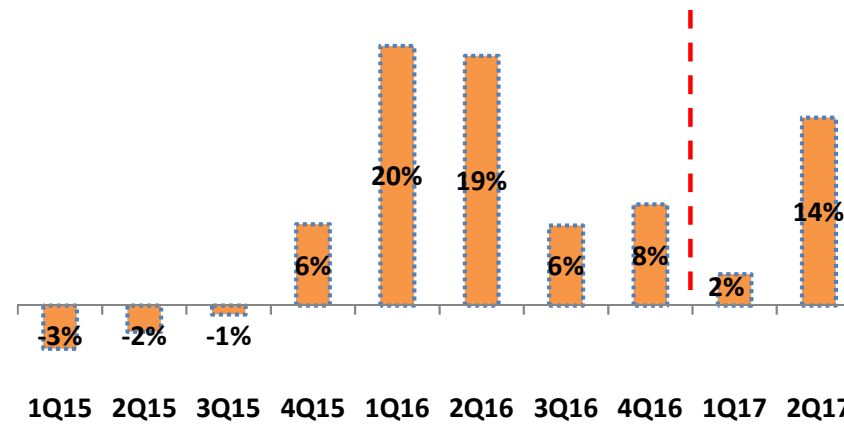
EBITDA
(TL mn)



➤ Thanks to a cleaner inventory devoid of old age stocks and strict cost control, EBITDA margin improved by 3.8pps YoY

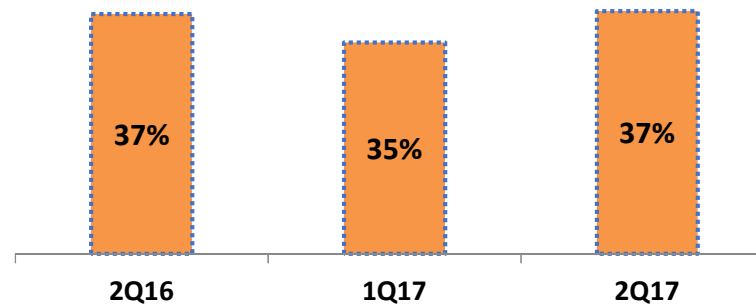
Like-for-Like Sales Growth Trend

Quarterly Like-for-Like Trend



Teknosa offers a promising growth story. LfL growth reached %14 in 2Q17

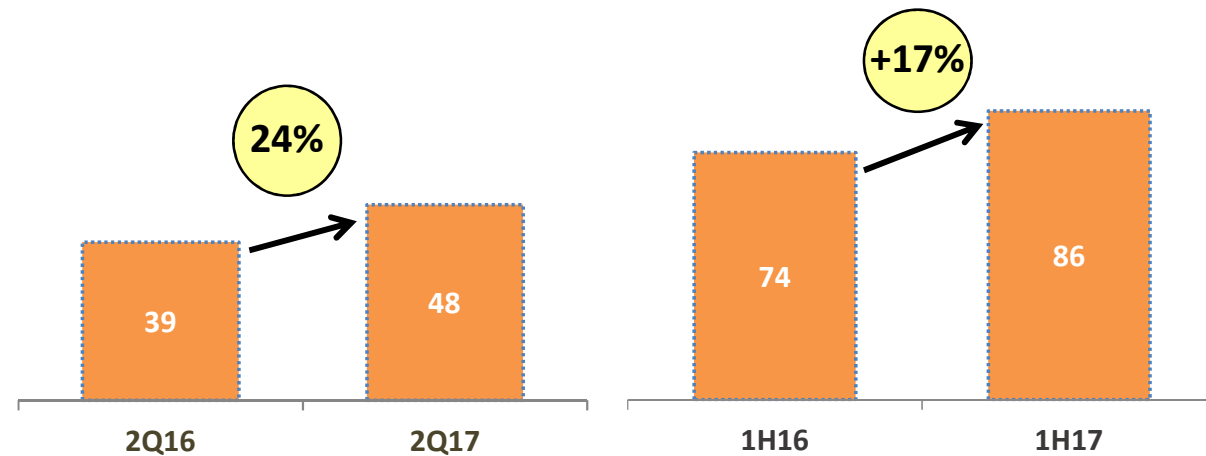
TSS Market Share



Teknosa continues to gain market share in TSS in 2Q17 despite the decreased net sales area

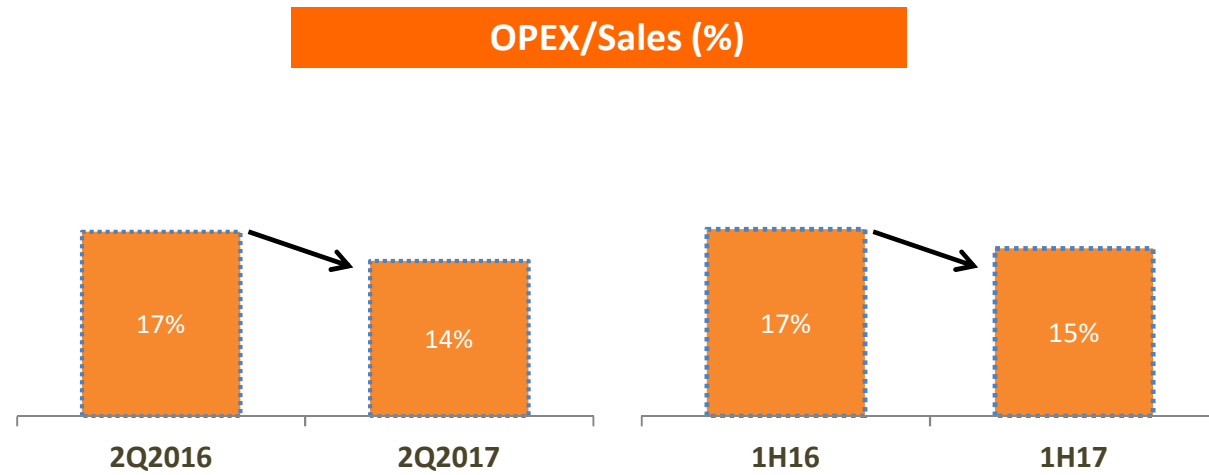
Network and system improvements accelerates the growth of e-commerce revenues in 2Q17...

teknosa.com Revenues (TLmn)



- Effective digital marketing campaigns for Mothers' Day and TV category yielded substantial revenue in TV and SDA category in e-commerce.
- Growth in e-commerce is expected to maintain the high pace.

Main OPEX
Items are
Under Strict
Control



- Hands on management on OPEX items enabled improvements in Opex/Sales.
- Lower OPEX/Sales ratio helped EBITDA margin to increase.

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Income Statement Summary

(TL mn)	2Q16	1Q17	2Q17	YoY (%)	QoQ (%)	1H16	1H17	YoY (%)
Net Sales	813	689	842	4%	22%	1.597	1.531	-4%
Gross Profit	136	136	153	13%	13%	284	289	2%
Gross Profit Margin	16,7%	19,7%	18,2%	1,5pp	-1,5pp	17,8%	18,9%	1,1pp
EBITDAR	58	66	81	41%	22%	127	147	16%
EBITDAR Margin	7,1%	9,6%	9,6%	2,5pp	0,0pp	7,9%	9,6%	1,7pp
EBITDA	11	30	44	282%	45%	35	74	114%
EBITDA Margin	1,4%	4,4%	5,2%	3,8pp	0,8pp	2,2%	4,8%	2,7pp
Other Expenses	-20	-6	-7	65%	-10%	-37	-13	64%
Financial Expenses	-18	-13	-17	6%	-29%	-33	-30	11%
Profit Before Tax	-38	1	10	127%	647%	-58	12	120%
Tax	8	0	-2	-129%	-427%	10	-3	-126%
Net Profit	-30	1	8	127%	743%	-48	9	119%
Net Profit Margin	-3,7%	0,1%	1,0%	4,7pp	0,8pp	-3,0%	0,6%	3,6pp

Source: Independent Auditor's report

Balance Sheet Summary

Assets (in TL mn)	Jun-16	Mar-17	Jun-17
Current Assets	671	521	575
Cash and Cash Equivalents	82	8	15
Due From Related Parties	3	1	2
Trade Receivables	68	66	87
Inventories	486	424	457
Other Current Assets	33	22	14
Non-current Assets	185	184	178
Investment Property	10	10	10
Property, Plant and Equipment	116	95	93
Intangible Assets	23	22	21
Deferred Income Tax Assets	35	56	54
Other Non-current Assets	1	1	1
Total Assets	857	706	753

Liabilities (in TL mn)	Jun-16	Mar-17	Jun-17
Current Liabilities	805	762	801
Financial Liabilities	0	13	124
Due to Related Parties	2	1	0
Trade Payables	725	639	590
Other Current Liabilities	77	109	86
Non-current Liabilities	5	5	5
Total Equity	47	-62	-53
Total Liabilities	857	706	753

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
- Due to improved store network, operational excellence and cost saving projects in 2017, we expect to observe 3%-4% EBITDA margin
- We expect our e-commerce revenues to grow at least %20

Thank You

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