



BİRLEŞİK MAĞAZALAR A.Ş.

# RESULTS

# PRESENTATION

For the 12 months  
to 31 December 2018

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Please note that all financial data are prepared based on IFRS accounting.





# HEADLINES of KEY FIGURES FOR 2018



**956** TL million CAPEX  
at 3,0% of sales



**32,3** TL billion  
Sales (+30% YoY)



**7.478** total stores  
713 new openings in 2018



**1.879** TL million  
EBITDA (45% YoY)



**1.251** TL million  
(45 % YoY) Net Income

Strong EBITDA and profit margins | Expected net sales in 2018 | EBITDA Breakeven in Morocco & FILE



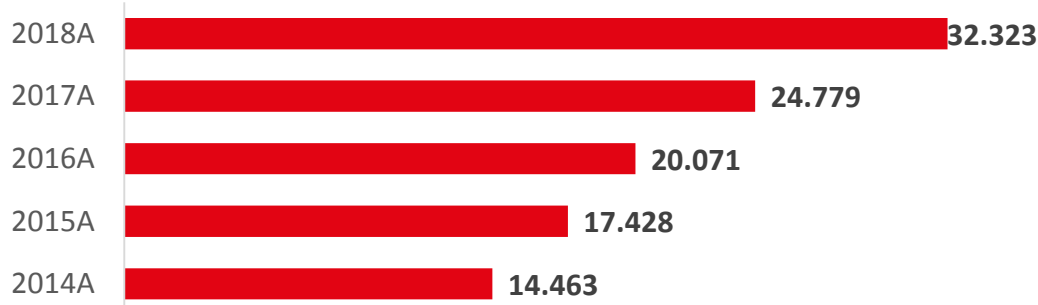
# FIGURES

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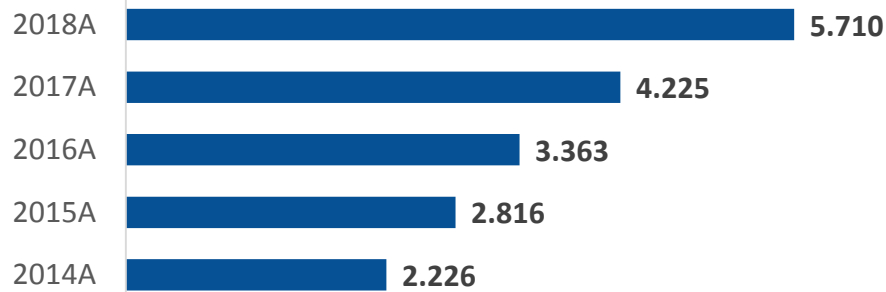


# ANNUAL/ QUARTERLY NET SALES AND GROSS PROFIT

## Net Sales, Annually (TL million)



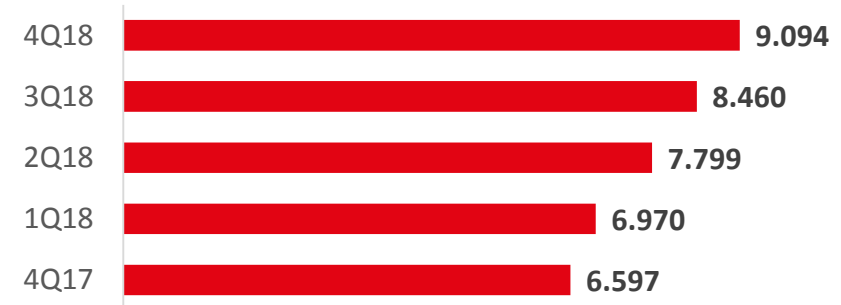
## Gross Profit, Annually (TL million)



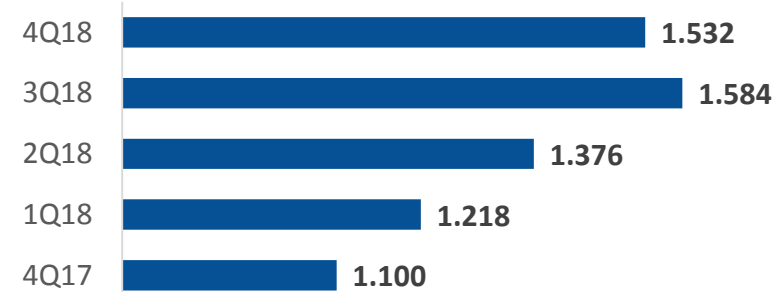
## Gross Margin (%)

2014A	2015A	2016A	2017A	2018A
15,4%	16,2%	16,8%	17,1%	17,7%

## Net Sales, Quarterly (TL million)



## Gross Profit, Quarterly (TL million)



## Gross Margin (%)

4Q17	1Q18	2Q18	3Q18	4Q18
16,7%	17,5%	17,6%	18,7%	16,8%

Gross Profit  
(YoY)  
35,1%

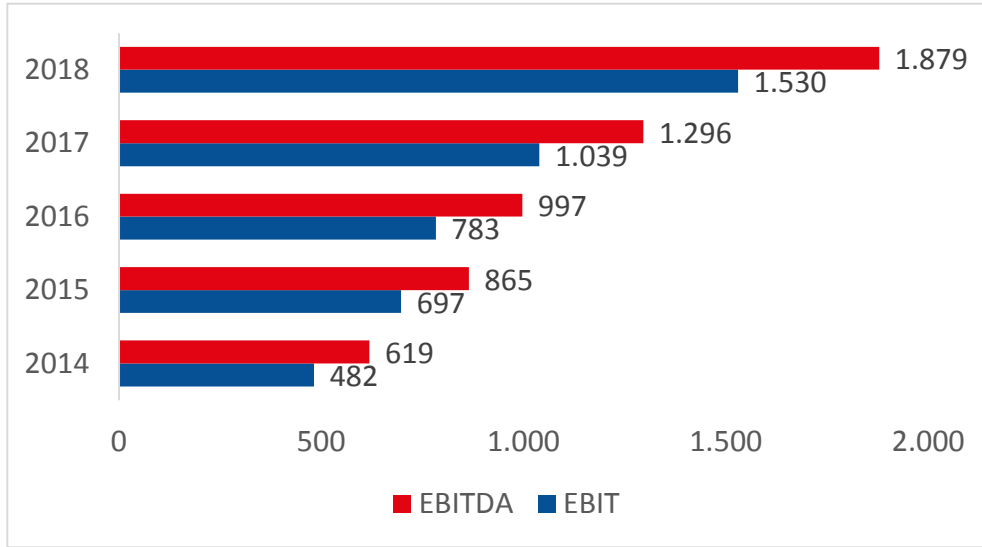
Sales Growth  
(YoY)  
30,4%

Gross Profit  
(4Q17/4Q18)  
39,3%

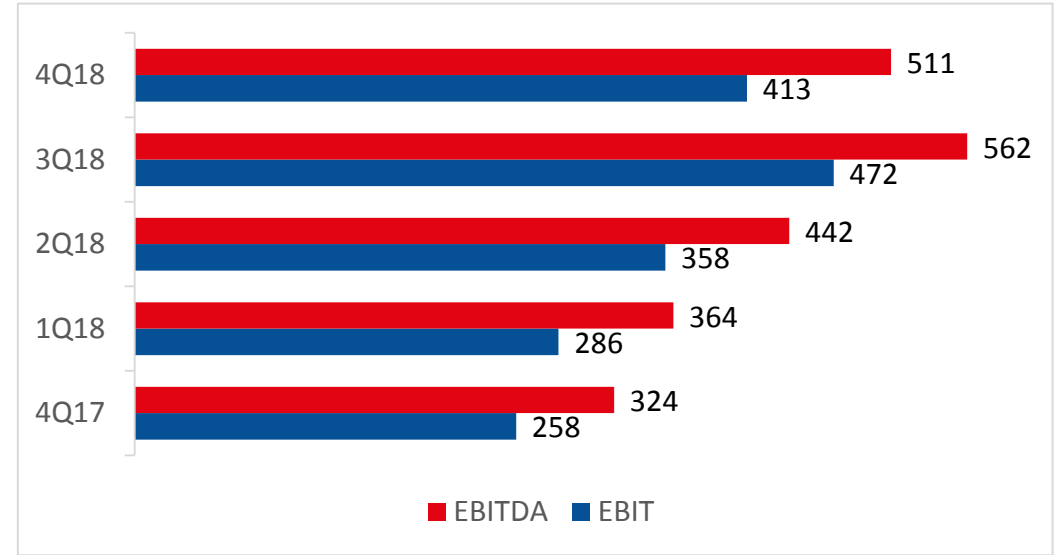
Sales Growth  
(4Q17/4Q18)  
37,8%

# ANNUAL/ QUARTERLY EBITDA AND EBIT

EBITDA and EBIT Annually (TL million)



EBITDA and EBIT Quarterly (TL million)



## EBITDA Margin

2014	2015	2016	2017	2018
4,3%	5,0%	5,0%	5,2%	5,8%

## EBIT Margin

2014	2015	2016	2017	2018
3,3%	4,0%	3,9%	4,2%	4,7%

## EBITDA Margin

4Q17	1Q18	2Q18	3Q18	4Q18
4,9%	5,2%	5,7%	6,6%	5,6%

## EBIT Margin

4Q17	1Q18	2Q18	3Q18	4Q18
3,9%	4,1%	4,6%	5,6%	4,5%

EBIT (YoY)

47,2%

EBITDA (YoY)

45,0%

EBIT (4Q17/4Q18)

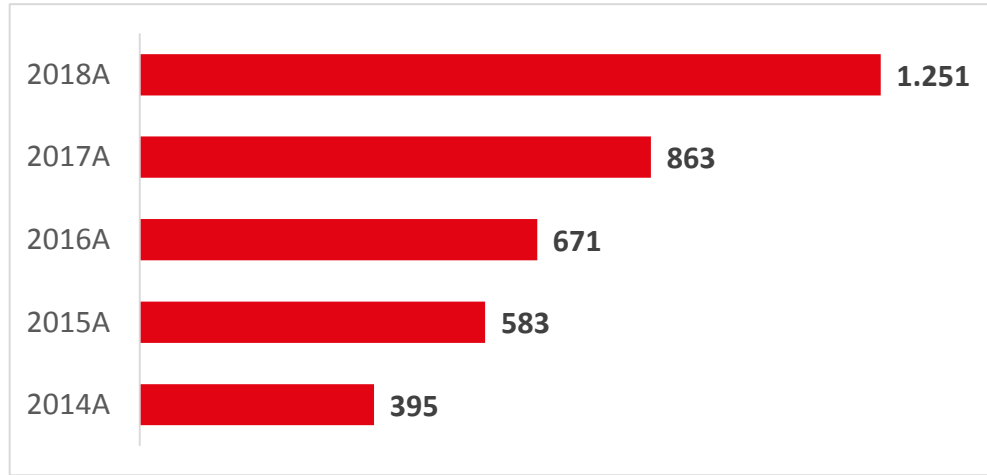
60,5%

EBITDA (4Q17/4Q18)

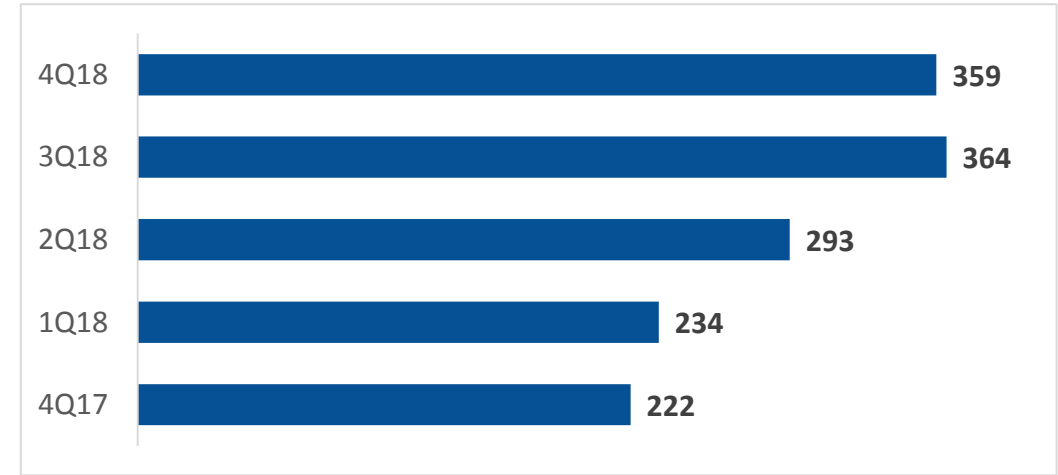
57,8%

# ANNUAL/ QUARTERLY NET INCOME

## Net Income, Annually (TL million)



## Net Income, Quarterly (TL million)



## Net Income Margin

2014	2015	2016	2017	2018
2,7%	3,3%	3,3%	3,5%	3,9%

## Net Income Margin

4Q17	1Q18	2Q18	3Q18	4Q18
3,4%	3,4%	3,8%	4,3%	4,0%

## Net Income Growth (YoY)

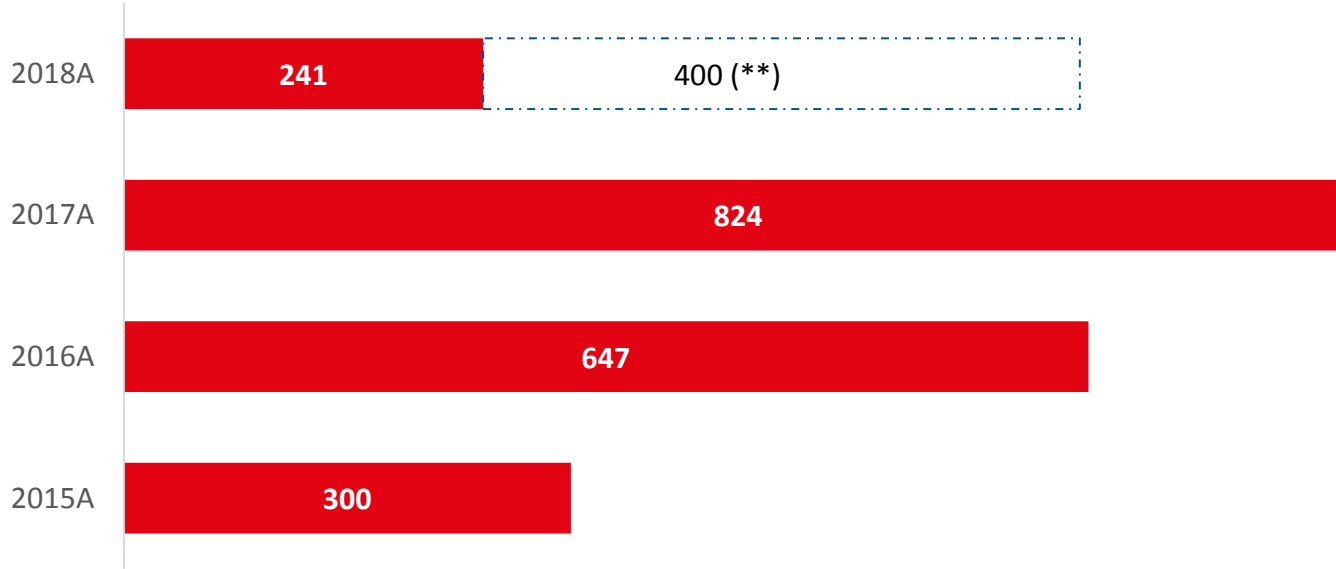
45%

## Net Income Growth (4Q17/4Q18)

62%



## Free Cash Generation, Annually (\*) (TL million)



## Free Cash Flow % of Sales (%)

2015A	2016A	2017A	2018A
1,7%	3,2%	3,3%	0,7%

(\*) : Cash flow before dividend and share buy back

(\*\*) : Corresponds short term financial investment

# LIKE FOR LIKE SALES INCREASE

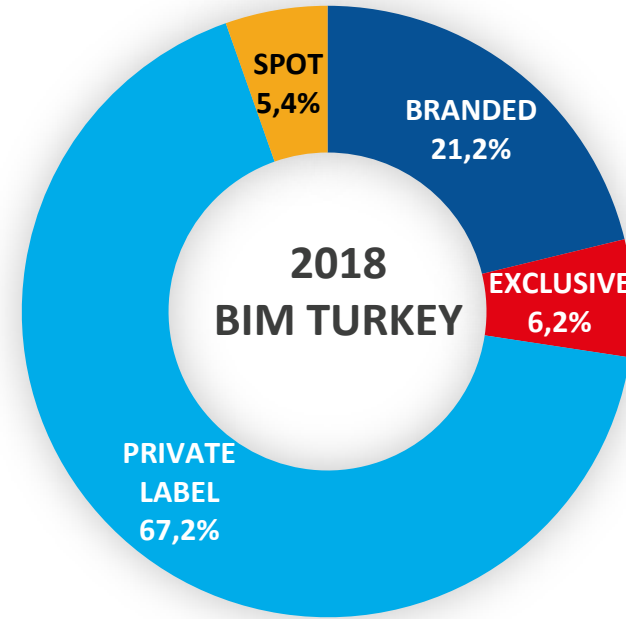
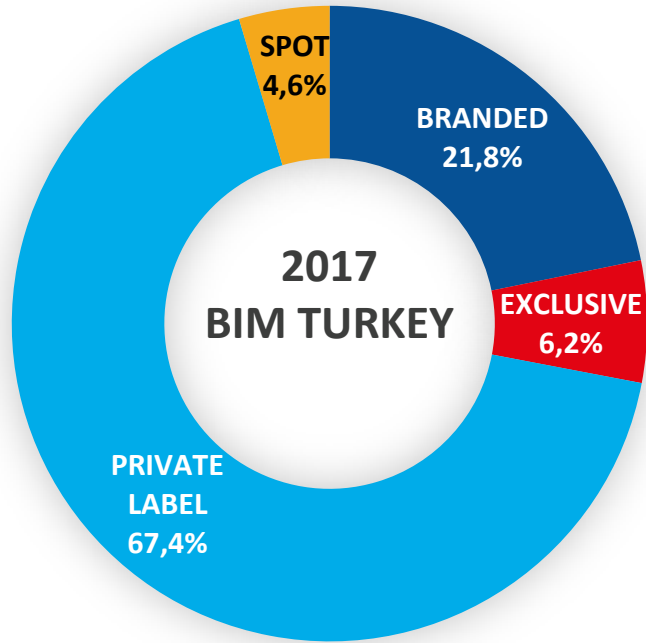


## BİM TURKEY (\*)

Annual				Quarterly			
	2017A	2018A	CHANGE		2017 Q4	2018 Q4	CHANGE
Like-For-Like Sales (per store/per day -TL)	11.171,0	13.423,6	20,2%	Like-For-Like Sales (per store/per day -TL)	11.446	14.562	27,2%
Like-For-Like Basket (TL)	16,46	19,41	18,0%	Like-For-Like Basket (TL)	16,93	21,10	24,6%
Like-For-Like Customer Traffic (Per store/per Day)	678,8	691,4	1,9%	Like-For-Like Customer Traffic (Per store/per Day)	676,1	690,0	2,1%

<b>Morocco</b>	LFL Growth	4%
<b>Egypt</b>	LFL Growth	13%
<b>FILE</b>	LFL Growth	26%

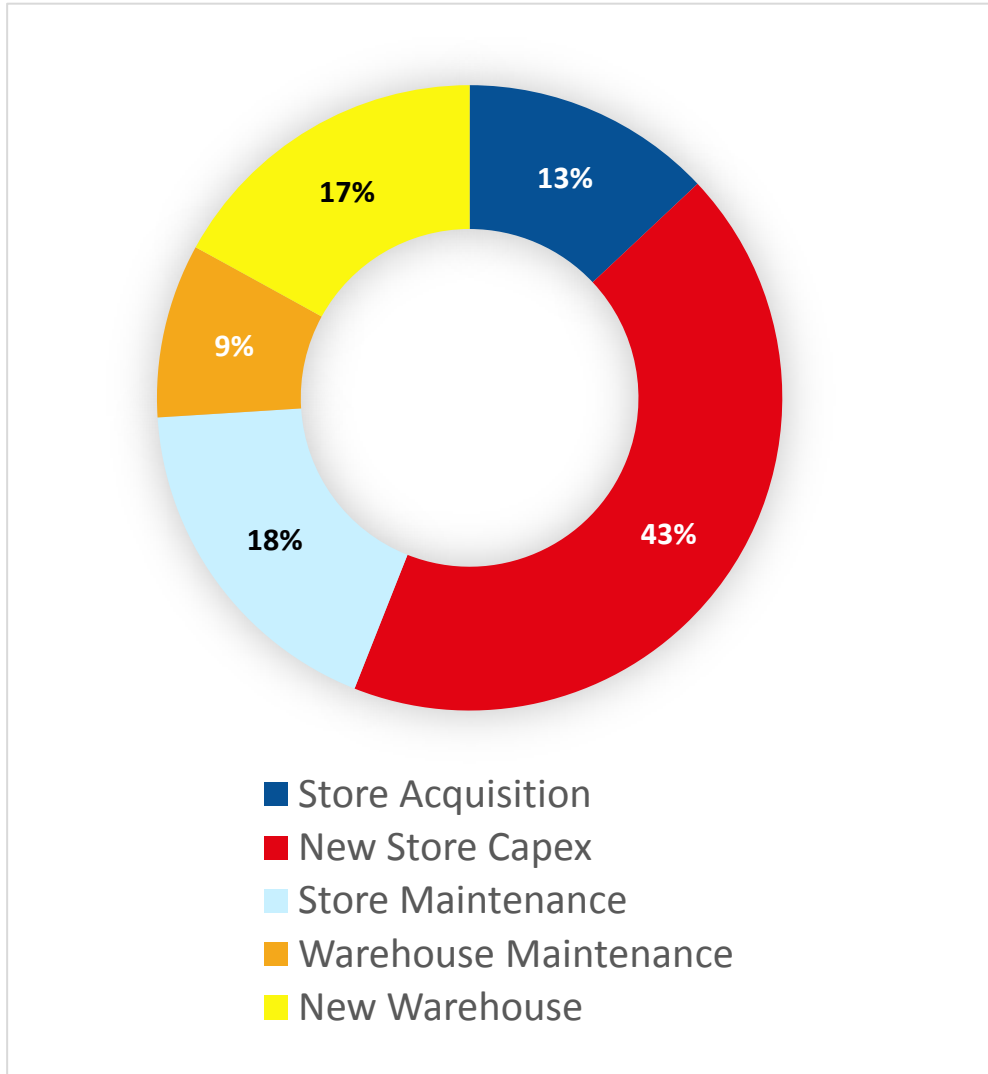
(\*)Note: calculated on the basis of net sales generated in 4Q17 and 4Q18 by stores operating on 31 Dec 2016 and that were still open on 31 Dec 2018 (5.438 stores)



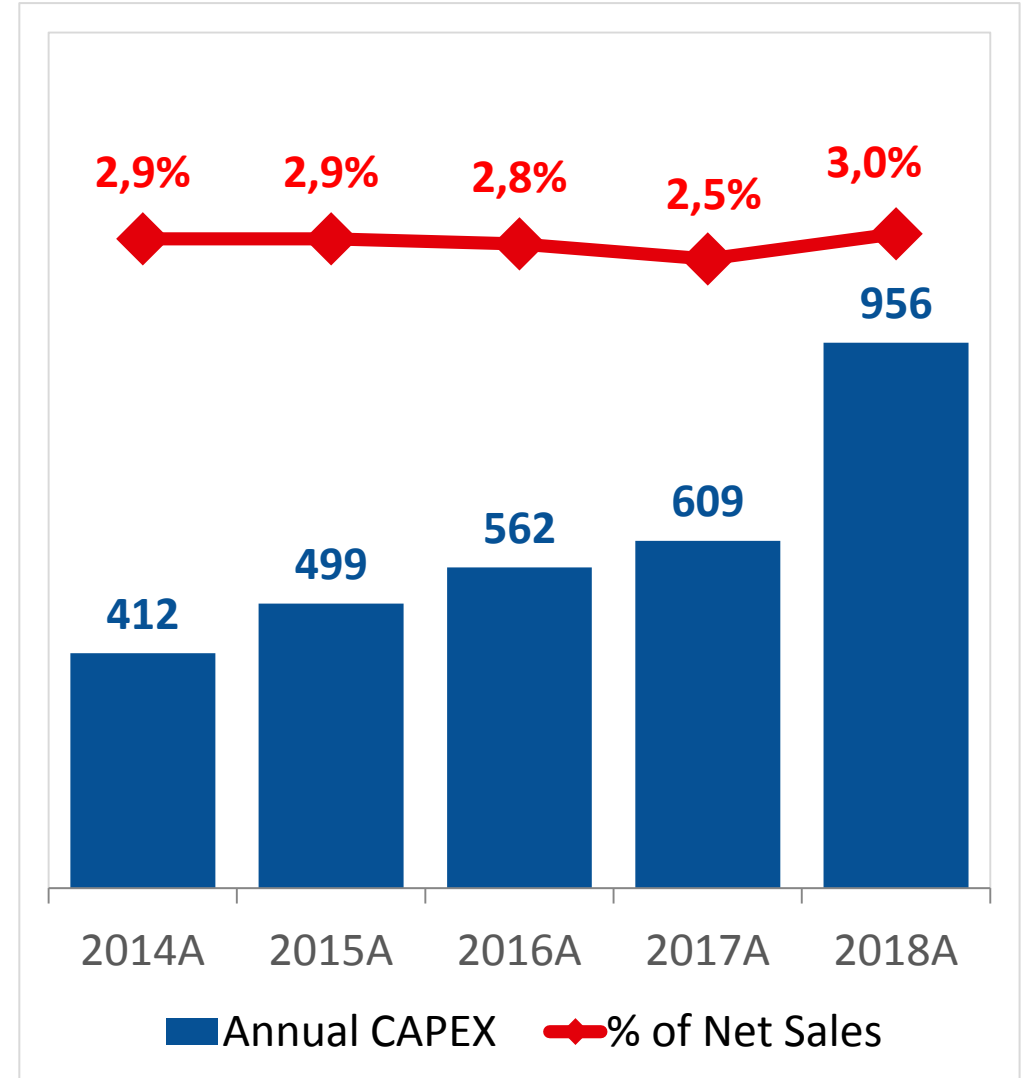
Total Number of Products (SKU)	
BİM Format	~700
FILE Format	~4.500

Other Operations PL Share in Sales (2018)	
Morocco	29%
Egypt	10%
FILE	33%

## 2018 CAPEX Breakdown

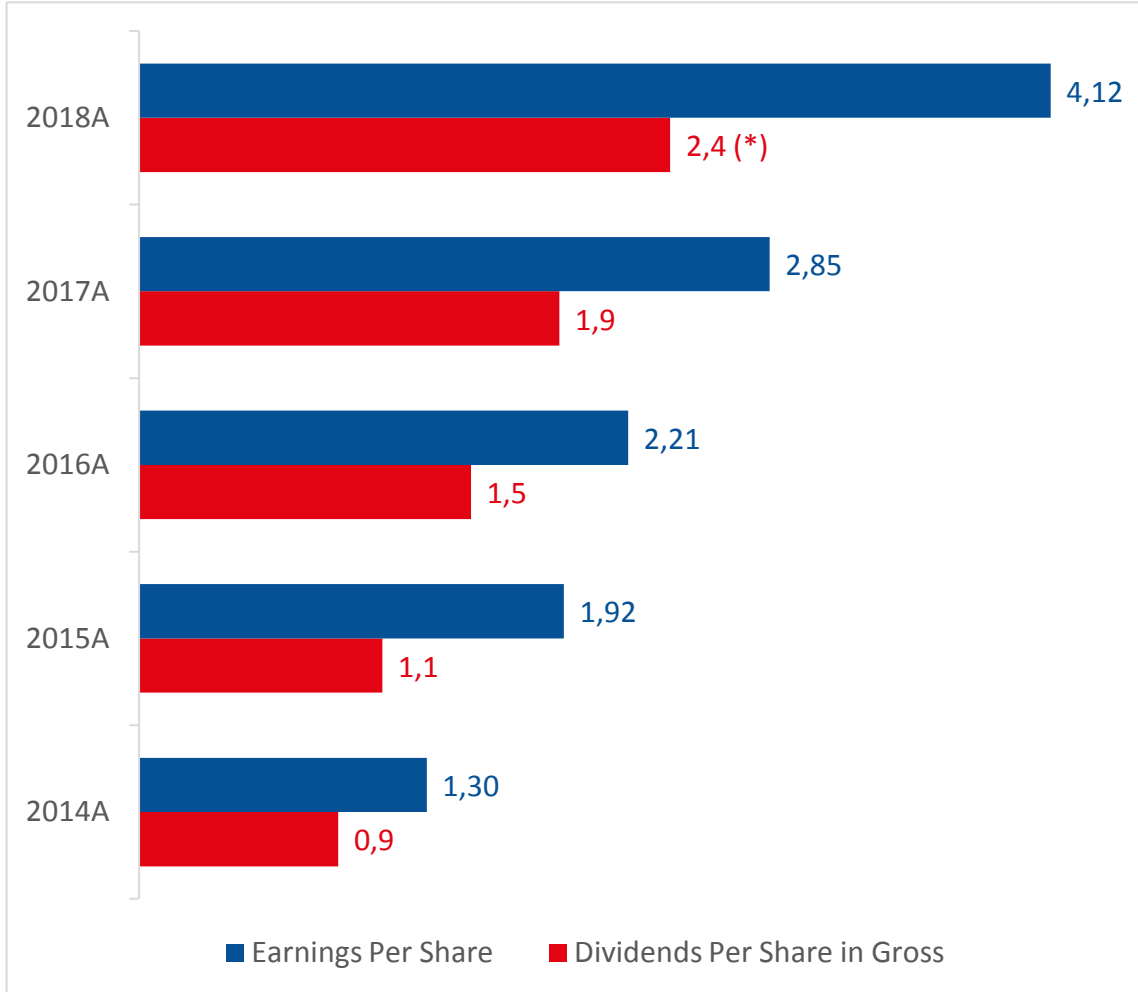


## Annual Capex (ml TL) & % of Net Sales

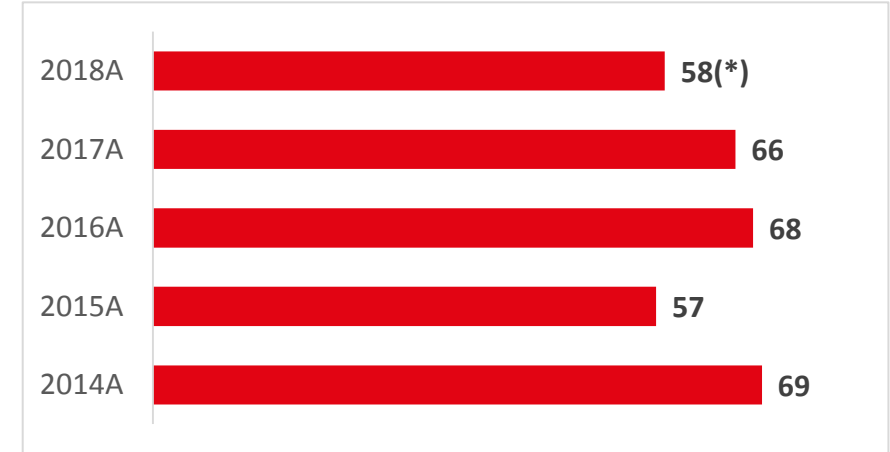




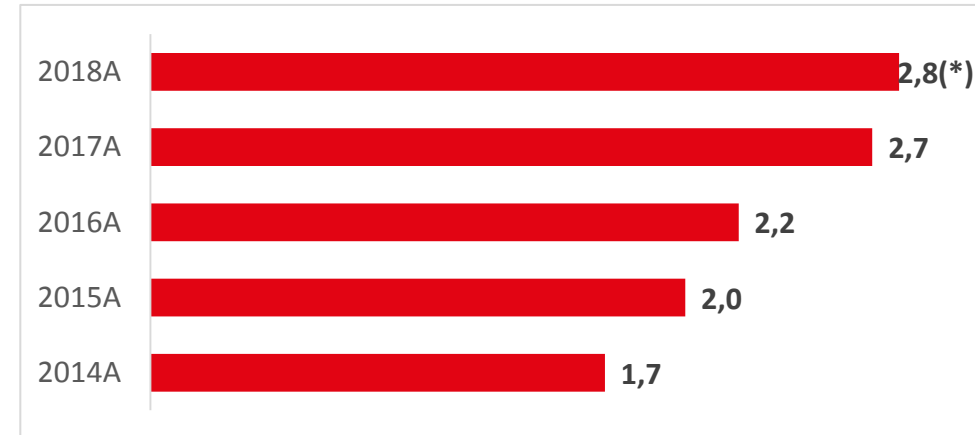
## Earnings Per Share & Cash Dividends Per Share in Gross (TL)



## Cash Dividend Payout Ratio (%)



## Cash Dividend Yield (%)

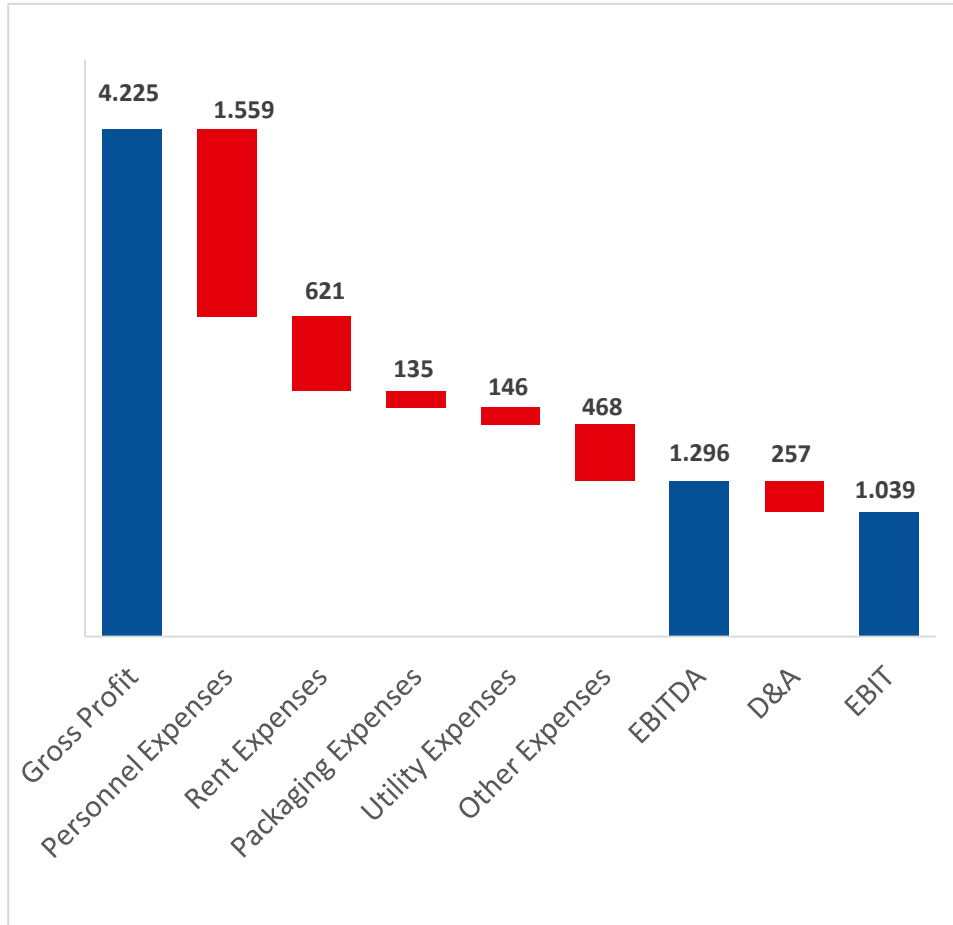


Note 1: The per share figure for, 2014, 2015, 2016, 2017, and 2018 is based on 303.600.000 shares.

Note 2 (\*): Corresponds cash dividend Board proposal from 2018A profit. Final decision to be made at the General Assembly. In addition to cash dividend, the Board also proposed bonus shares delivery by %100.

# EFFICIENT USE OF OPERATING LEVERAGE and COST CONTROL

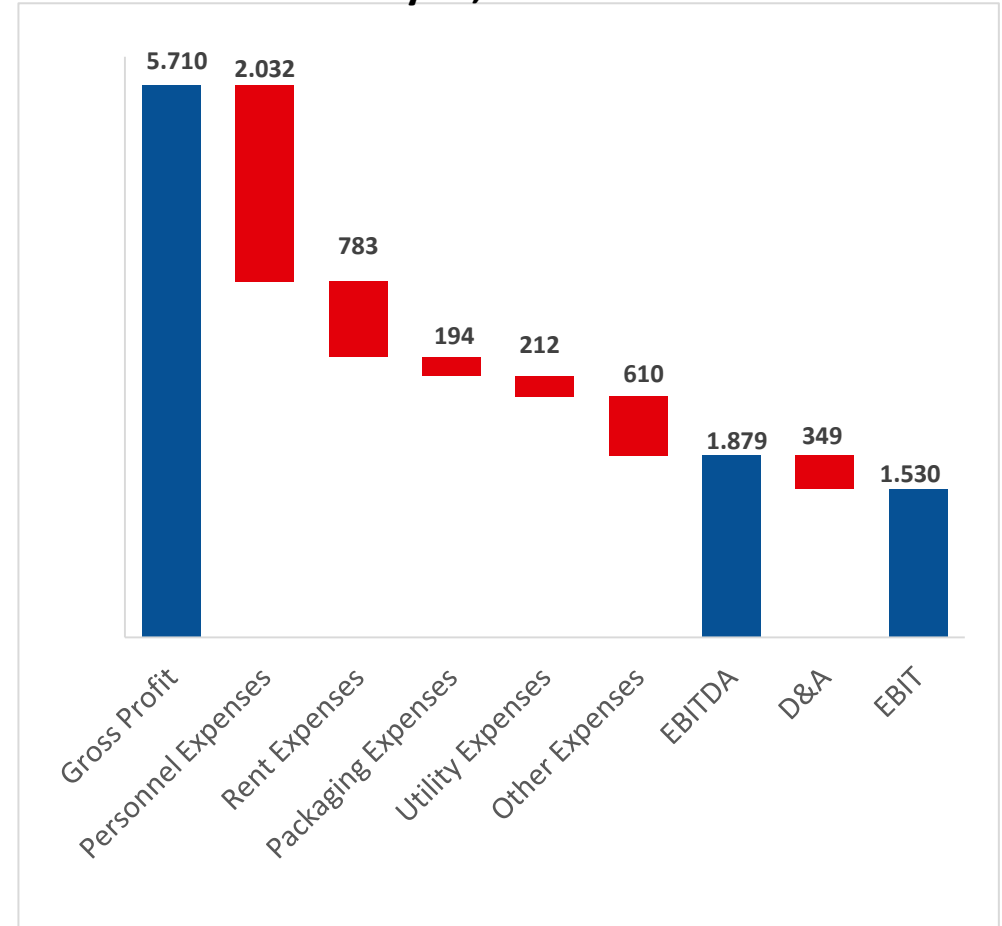
2017 SG&A Analysis, TL million



% of Sales



2018 SG&A Analysis, TL million

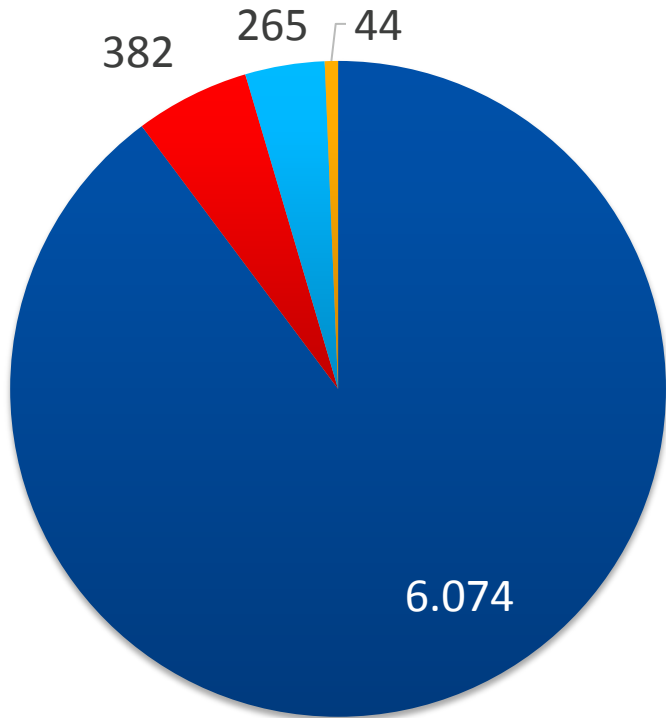
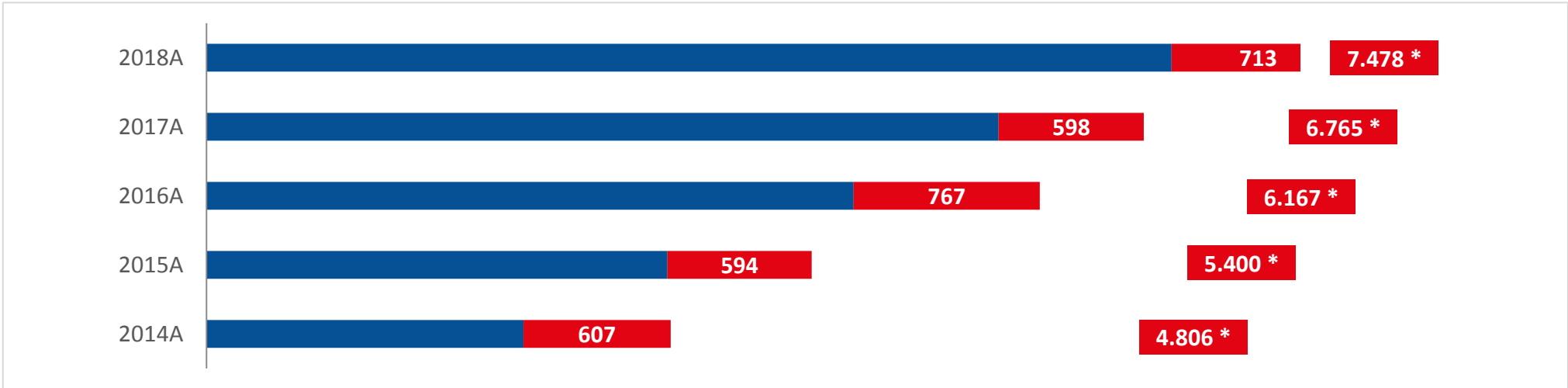


% of Sales

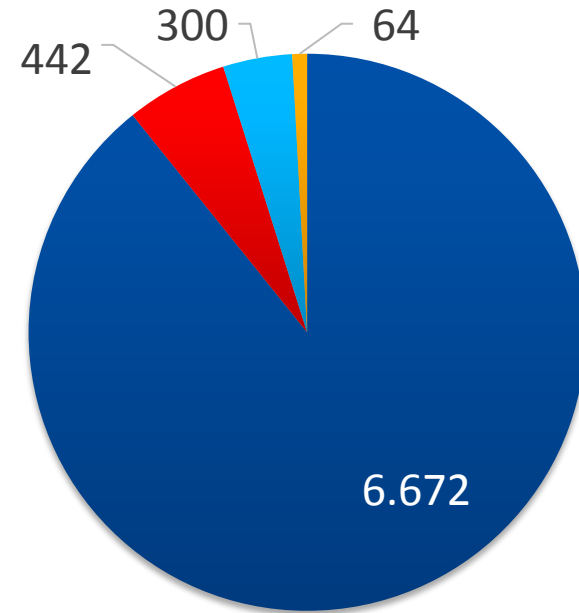


# STRONG STORE GROWTH CONTINUES

## Total Number of Consolidated Stores



Stores by Formats  
2017 - 2018



■ BİM ■ Morocco ■ Egypt ■ FILE

Note (\*): Total number of consolidated stores.

# FOREIGN OPERATIONS & FILE HIGHLIGHTS



## MOROCCO

- **60 stores** opened in 2018, by 31 December 2018 **we have 442 stores**
- Our target is to open **60 new stores** in 2019
- **EBITDA breakeven** in 2018

## EGYPT

- **35 stores** opened in 2018, by 31 December 2018 **we have 300 stores**
- Planning to open an additional 30 stores in 2019

## FILE

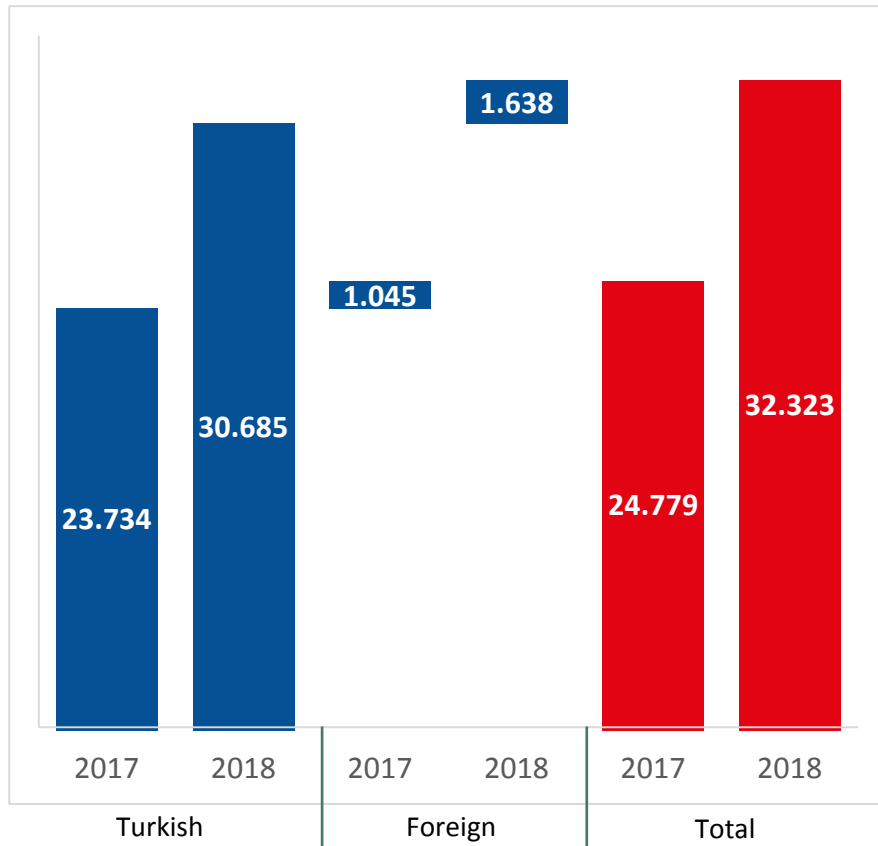
- **64 stores** as of 2018 (20 opened in 2018)
- **30 new stores** targeted in 2019
- **2nd warehouse** opened in December 2018
- **EBITDA breakeven** in 2018



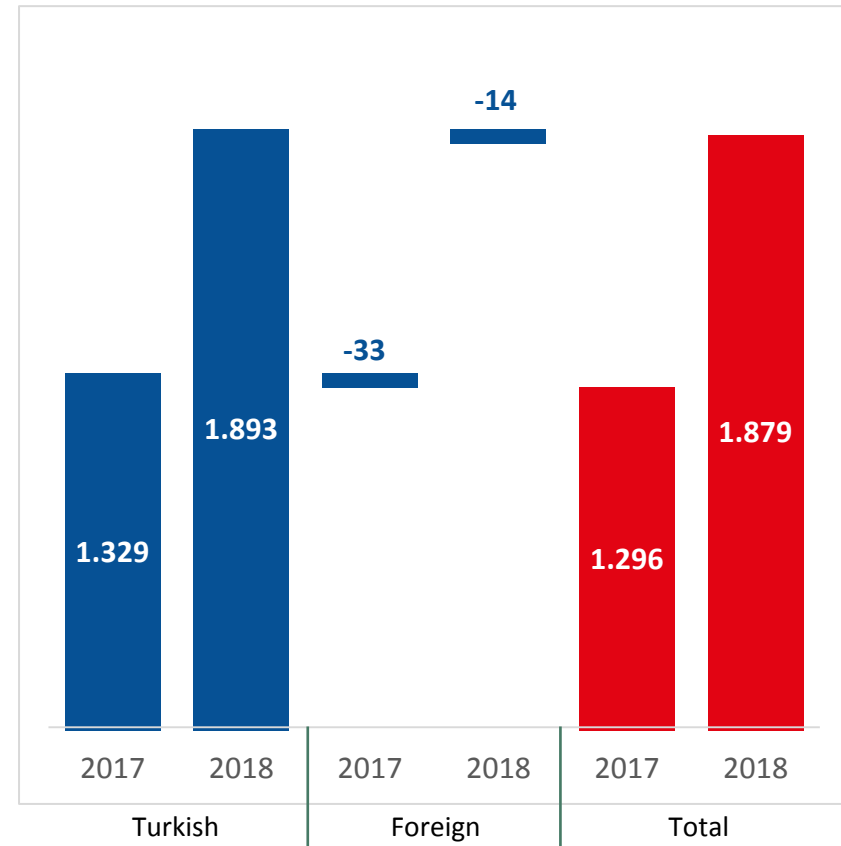


# FOREIGN OPERATIONS - CONTRIBUTIONS

**Contribution to Consolidated Sales  
2017-2018, TL million**



**Contribution to Consolidated EBITDA  
2017-2018, TL million**



# TARGETS vs ACTUAL of 2018 and LOOKING AHEAD to 2019

	2018 TARGET	2018 ACTUAL		2019 TARGET
SALES GROWTH (%)	30% (*)	30,4%	✓	25% (+-2 ppts)
EBITDA MARGIN (%)	5,5%+ (*)	5,8%	✓	5,0% (+-50 bps) (**)
CAPEX mil TL	~ 750	956	✓	1.100
CONSOLIDATED NEW STORE OPENINGS	~ 730	713	✓	820
<i>BİM Turkey</i>	~600	598		700
<i>Morocco</i>	~60	60		60
<i>Egypt</i>	~40	35		30
<i>FILE</i>	~30	20		30

(\*)Sales and EBITDA correspond to revised targets.

(\*\*) 2019 EBITDA margin target does not reflect IFRS 16 – lease standards possible effect.



**Thank you for listening**

I would now like to open  
the discussion for the Q&A!







# IFRS INCOME STATEMENT



TL million	3 months ended 31 December			12 months ended 31 December		
	2017	2018	Change	2017	2018	Change
Net Sales	6.597,1	9.093,9	37,8%	24.779,4	32.323,0	30,4%
(COGS)	(5.497,5)	(7.562,3)	37,6%	(20.554,0)	(26.613,1)	29,5%
<b>Gross Profit</b>	<b>1.099,6</b>	<b>1.531,6</b>	<b>39,3%</b>	<b>4.225,4</b>	<b>5.709,9</b>	<b>35,1%</b>
Total SG&A	(775,9)	(1.020,9)	31,6%	(2.929,9)	(3.831,3)	30,8%
<b>EBITDA</b>	<b>323,7</b>	<b>510,7</b>	<b>57,8%</b>	<b>1.295,5</b>	<b>1.878,6</b>	<b>45,0%</b>
D&A	(66,1)	(97,3)	47,2%	(256,5)	(348,7)	35,9%
<b>EBIT</b>	<b>257,6</b>	<b>413,4</b>	<b>60,5%</b>	<b>1.039,0</b>	<b>1.529,9</b>	<b>47,2%</b>
Net financial income/(expenses)	12,7	(4,2)	NA	34,7	39,0	12,4%
Other income/(expenses)	8,7	57,9	565,0%	22,2	58,0	161,3%
<b>PBT</b>	<b>279,0</b>	<b>467,1</b>	<b>67,4%</b>	<b>1.095,9</b>	<b>1.626,9</b>	<b>48,5%</b>
Taxes	(57,4)	(107,7)	87,6%	(232,9)	(376,3)	61,6%
<b>Net income</b>	<b>221,6</b>	<b>359,4</b>	<b>62,2%</b>	<b>863,0</b>	<b>1.250,6</b>	<b>44,9%</b>

# IFRS BALANCE SHEET



TL million	As at 31 December	
	2017	2018
Intangible assets	13,2	16,5
Tangible assets	3.057,7	3.698,6
Financial Investments (long term)	309,7	350,8
Other non-current assets	42,5	40,0
<b>Total fixed assets</b>	<b>3.423,1</b>	<b>4.105,9</b>
Trades receivable	877,4	1.159,6
Financial Investment - short term	-	446,7
Inventories	1.456,2	2.097,9
Prepayment and other assets	288,5	591,2
Trades payable	(3.376,6)	(4.516,1)
Other payable and accrued liabilities	(454,2)	(577,5)
<b>Net working capital</b>	<b>(1.208,7)</b>	<b>(798,2)</b>
<b>Invested Capital</b>	<b>2.214,4</b>	<b>3.307,7</b>
Cash & cash equivalents	(980,4)	(546,9)
Short term borrowings	-	37,9
<b>Net debt/(cash)</b>	<b>(980,4)</b>	<b>(509,0)</b>
Severance funds	99,1	128,6
Deferred tax liabilities	137,8	176,1
Shareholders' equity	2.957,9	3.512,0
<b>Capital Employed</b>	<b>2.214,4</b>	<b>3.307,7</b>

# IFRS CASH FLOW



TL million	3 months ended 31 December		12 months ended 31 December	
	2017	2018	2017	2018
Net Income	221,6	359,4	863,0	1.250,6
D&A	66,1	97,3	256,5	348,7
Non cash tax expense	57,4	107,7	232,9	376,3
Other non-cash items	(49,7)	(107,9)	16,1	(53,0)
<b>Funds from operations</b>	<b>295,4</b>	<b>456,5</b>	<b>1.368,5</b>	<b>1.922,6</b>
Change in net working capital	105,5	(5,9)	278,2	(22,9)
Tax & other payments	(62,3)	(115,8)	(236,2)	(340,3)
<b>Operating cash flow</b>	<b>338,6</b>	<b>334,8</b>	<b>1.410,5</b>	<b>1.559,4</b>
Capital expenditures	(159,9)	(315,4)	(608,6)	(955,7)
Proceeds from sales of PPE	8,6	8,0	19,0	33,4
Change in Financial Investments	-	(79,1)	-	(400,6)
Dividends From Investments	-	0,4	3,0	4,3
<b>Cash flow from investing activities</b>	<b>(151,3)</b>	<b>(386,1)</b>	<b>(586,6)</b>	<b>(1.318,6)</b>
<b>Free cash flow</b>	<b>187,3</b>	<b>(51,3)</b>	<b>823,9</b>	<b>240,8</b>
Dividends	(181,5)	(239,8)	(453,6)	(571,2)
Proceeds from ST borrowings	-	37,9	-	37,9
Treasury Shares Purchase & Sale, Net	-	-	-	(174,6)
Profit share received from deposits account	6,9	3,0	33,6	50,9
<b>Cash flow from financing activity</b>	<b>(174,6)</b>	<b>(198,9)</b>	<b>(420,0)</b>	<b>(657,0)</b>
Currency translation differences	(3,8)	(2,0)	(7,9)	(10,5)
<b>Increase/(decrease) in cash</b>	<b>8,9</b>	<b>(252,2)</b>	<b>396,0</b>	<b>(426,7)</b>