



BİRLEŞİK MAĞAZALAR A.Ş.

# RESULTS

# PRESENTATION

For the 3 months  
to 30 June 2019

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

# KEY FIGURES FOR SECOND QUARTER 2019



**270** TL million CAPEX  
at 2,6% of sales

**10.245** TL billion  
Sales (+31 % YoY)



**7.970** total stores  
492 new openings in 2019

**847** TL million  
EBITDA (92% YoY)

(594 TL million without IFRS16  
impact, +34% YoY growth and  
5,8% EBITDA margin)



**347** TL million  
Net Income (18 % YoY)

(402 TL million without IFRS16 impact  
+37% YoY growth and 3,9% net  
income margin )

Strong EBITDA | Positive EBITDA Contribution From Overseas | Sales Ahead of Target

# IMPACT OF IFRS 16 (Lease Accounting)

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As of 1 January 2019, BIM will report its consolidated accounts in as prescribed by IFRS 16. On the Income Statement, rents expense will be replaced by interest and depreciation.

The new IFRS standard brings most leases on-balance sheet under a single model, removing the distinction between finance and operating leases. These changes will result in the following

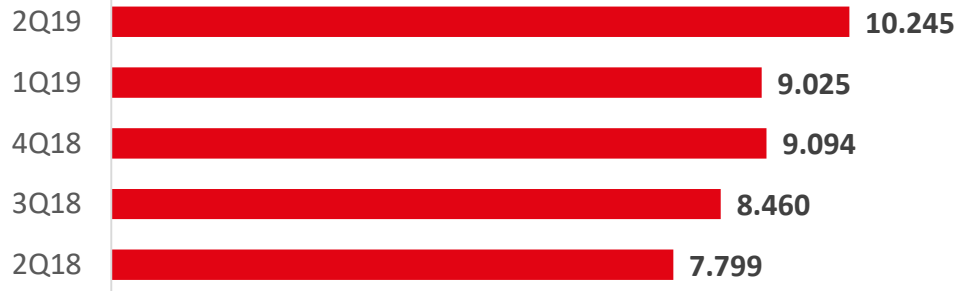
- (1) the reporting of all the leases in the same way
- (2) the displaying of the unrecorded leases in the financial statements
- (3) the submission of more transparent, correct and comparable information.

With operating leases on the balance sheet there will be significant increases in the assets and liabilities as well as a significant increase in the ratio of liability/asset and a significant decrease in return on assets.

The application of IFRS 16 reporting will not affect cash or the management of the business.

# NET SALES AND GROSS PROFIT

Net Sales, Quarterly (TL million)



Net Sales, Semi-Annually (TL million)



Gross Profit, Quarterly (TL million)



Gross Profit, Semi-Annually (TL million)



Gross Margin (%)

2Q18	3Q18	4Q18	1Q19	2Q19
17,6%	18,7%	16,8%	17,0%	17,6%

Gross Margin (%)

1H17	1H18
17,6%	17,3%

Sales Growth  
Q218/Q219

31%

Gross Profit Growth  
Q218/Q219

31%

Sales Growth  
(1H18/1H19)

31%

Gross Profit Growth  
(1H18/1H19)

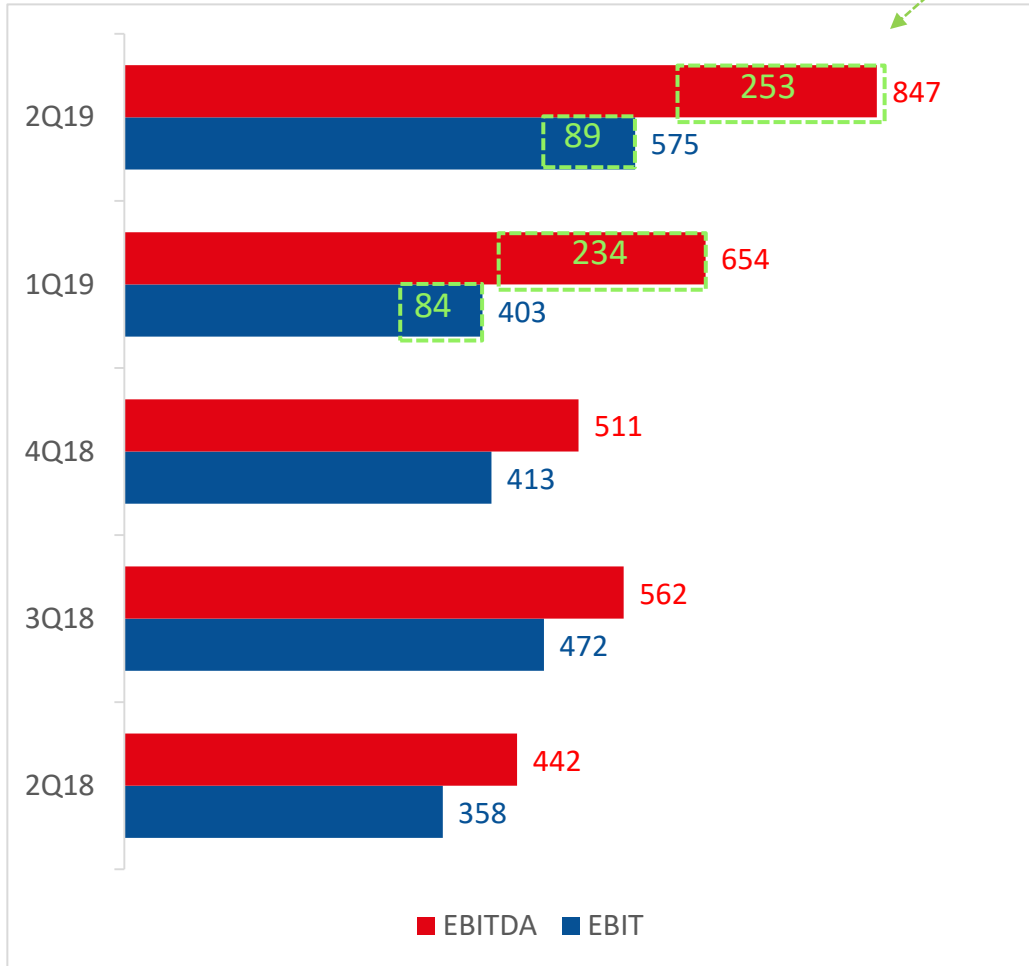
29%

# EBITDA AND EBIT QUARTERLY

IFRS 16  
IMPACT



EBITDA and EBIT Quarterly (TL million)



## EBITDA Margin (without IFRS 16)

2Q18	3Q18	4Q18	1Q19	2Q19
5,7%	6,6%	5,6%	4,7%	5,8%

## EBITDA Margin (with IFRS 16)

1Q19	2Q19
7,2%	8,3%

## EBIT Margin (without IFRS 16)

2Q18	3Q18	4Q18	1Q19	2Q19
4,6%	5,6%	4,5%	3,5%	4,7%

## EBIT Margin (with IFRS 16)

1Q19	2Q19
4,5%	5,6%

EBITDA  
(2Q18/2Q19)

92%

EBIT  
(2Q18/2Q19)

60%

EBITDA without IFRS16  
(2Q18/2Q19)

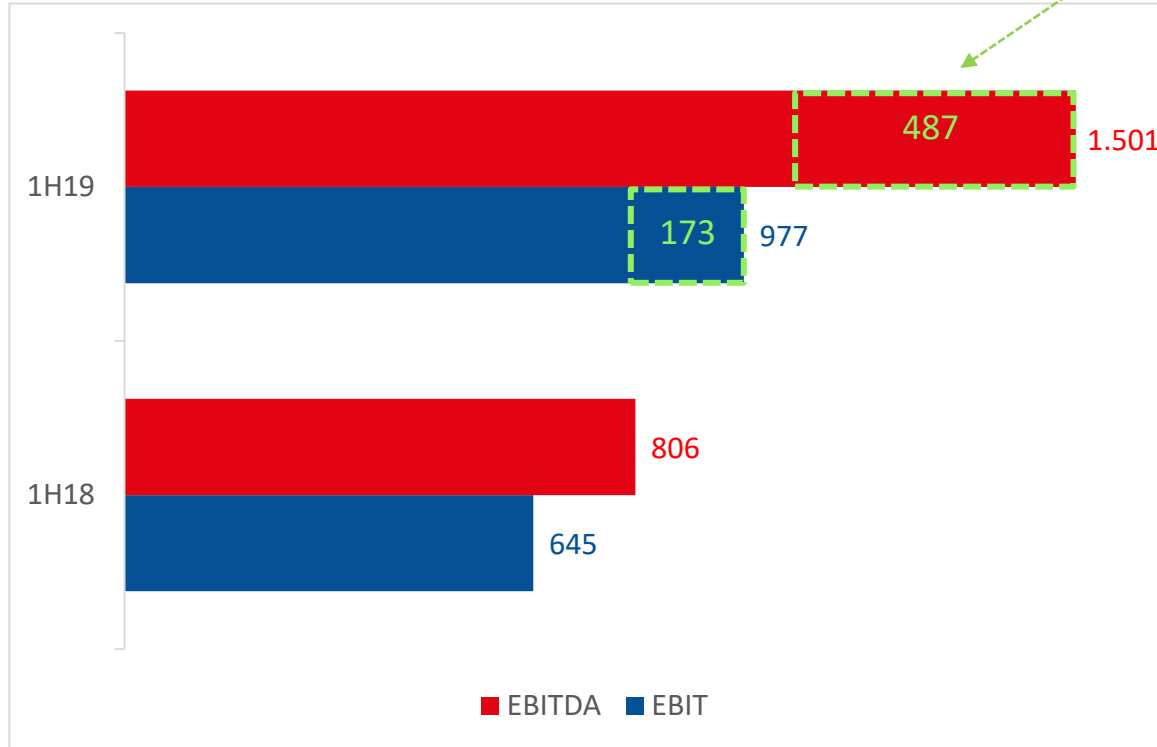
34%

EBIT without IFRS16  
(2Q18/2Q19)

36%

# EBITDA AND EBIT SEMI-ANNUALLY

EBITDA and EBIT Semi-Annually (TL million)



IFRS 16  
IMPACT

EBITDA Margin	
1H18	1H19
5,5%	7,8%

EBITDA Margin (without IFRS 16)	
1H18	1H19
5,5%	5,3%

EBIT Margin	
1H18	1H19
4,4%	5,1%

EBIT Margin (without IFRS 16)	
1H18	1H19
4,4%	4,2%

**EBITDA  
(H1 18/H1 19)  
86%**

**EBIT  
(H1 18/H1 19)  
52%**

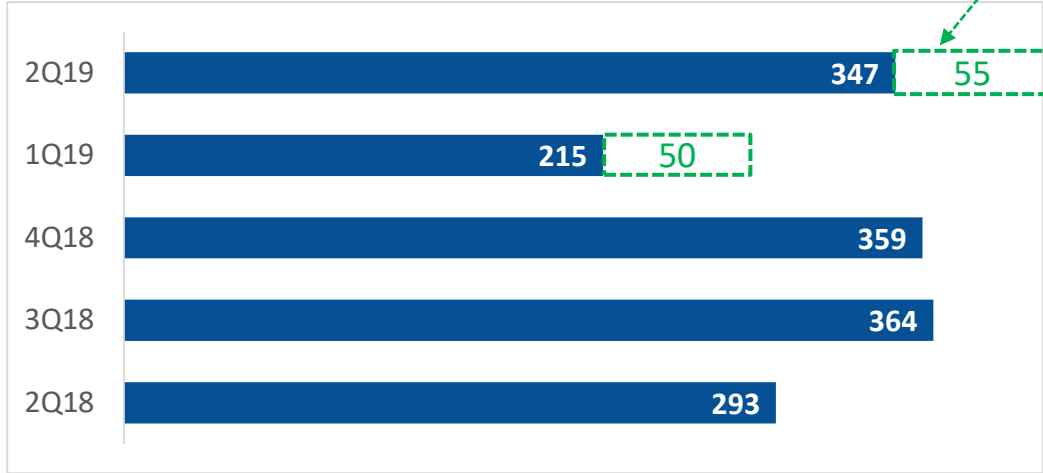
**EBITDA without IFRS16  
(H1 18/H1 19)  
26%**

**EBIT without IFRS16  
(H1 18/H1 19)  
25%**

# NET INCOME

IFRS 16 NEGATIVE IMPACT

Net Income, Quarterly (TL million)



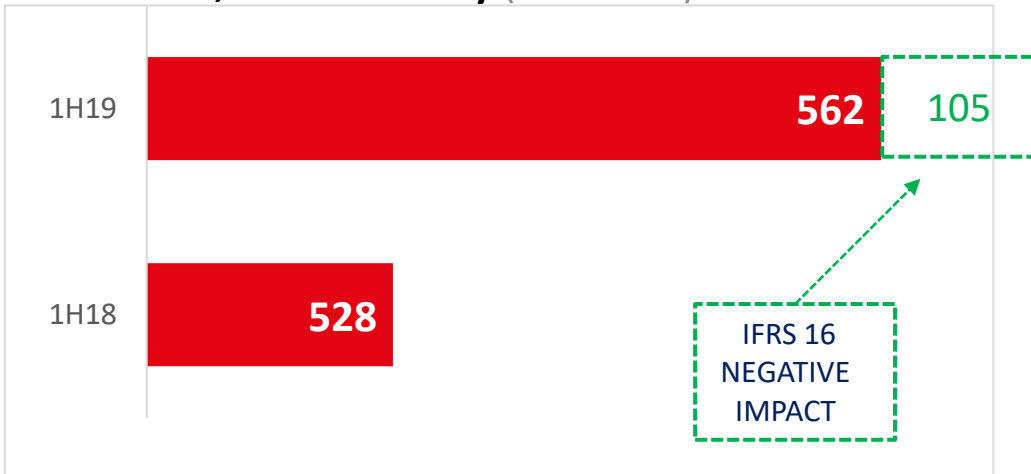
Net Income Margin (without IFRS 16)

2Q18	3Q18	4Q18	1Q19	2Q19
3,8%	4,3%	4,0%	2,9%	3,9%

Net Income Margin (with IFRS 16)

1Q19	2Q19
2,4%	3,4%

Net Income, Semi-Annually (TL million)



Net Income Margin (without IFRS 16)

1H18	1H19
3,6%	3,5%

Net Income Margin (with IFRS 16)

1H18	1H19
3,6%	2,9%

Net Income Growth (2Q18/2Q19)

18%

Net Income Growth (2Q18/2Q19 without IFRS16)

37%

Net Income (H1 18/H1 19)

7%

Net Income Growth (1H18/1H19 without IFRS16)

27%



# LIKE FOR LIKE SALES INCREASE



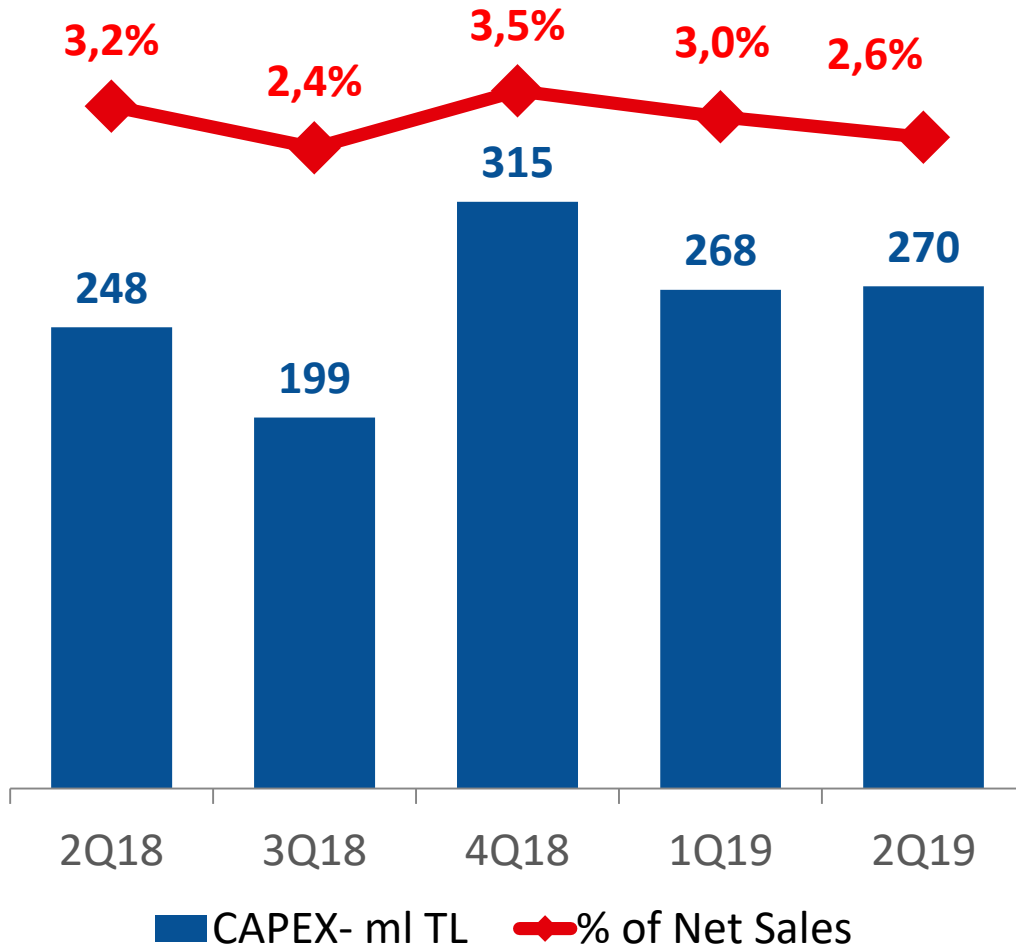
## BİM TURKEY

Quarterly			
	2Q 2018	2Q 2019	CHANGE
Like-For-Like Sales (per store/per day -TL)	13.022	15.677	20,4%
Like-For-Like Basket (TL)	18,93	22,51	18,9%
Like-For-Like Customer Traffic (Per store/per Day)	687,9	696,5	1,2%

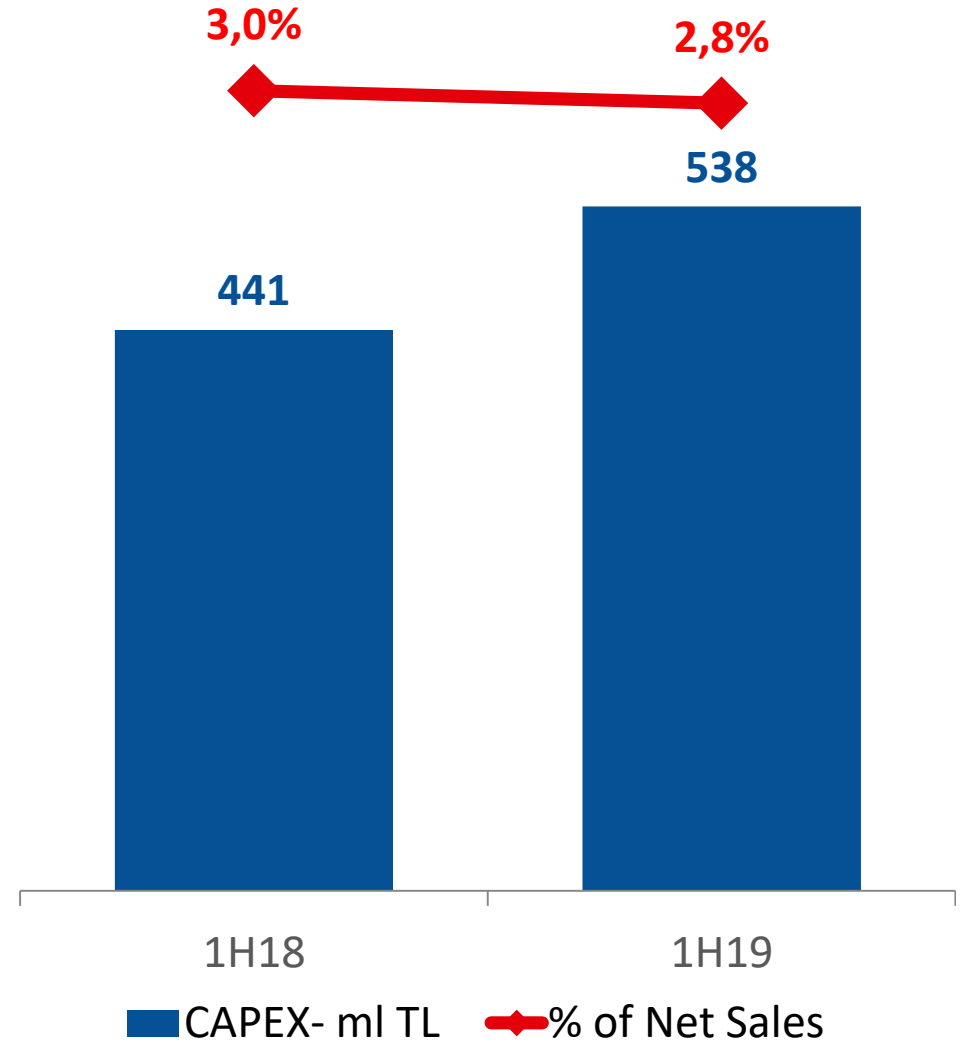
Semi-Annually			
	1H 2018	2H 2019	CHANGE
Like-For-Like Sales (per store/per day -TL)	12.494	14.950	19,7%
Like-For-Like Basket (TL)	18,33	21,71	18,4%
Like-For-Like Customer Traffic (Per store/per Day)	681,6	688,6	1,0%

(\*Note: calculated on the basis of net sales generated in 2Q18 and 2Q19 by stores operating on 30 June 2017 and that were still open on 30 June 2019 (5.695 stores)

### Quarterly Capex

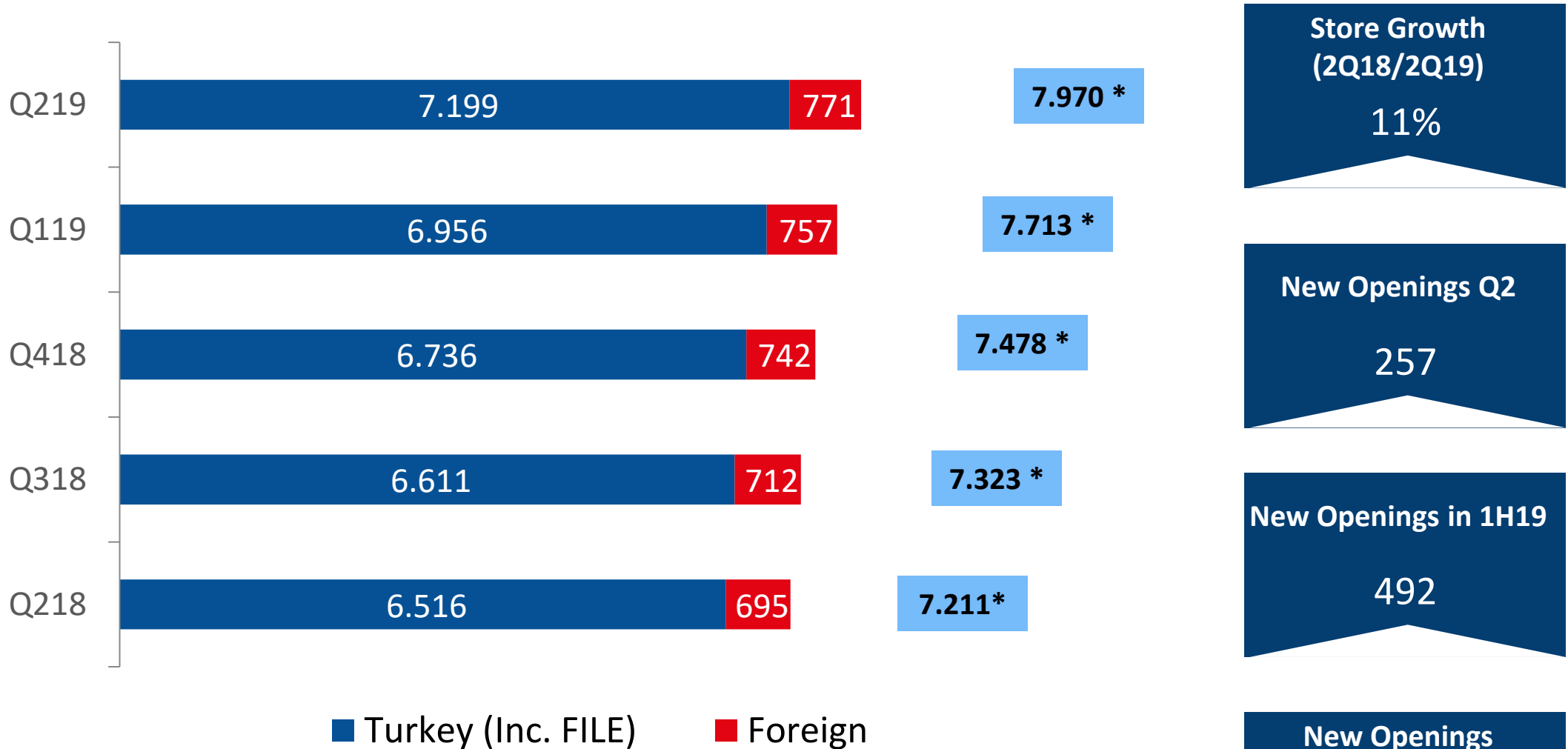


### Semi-Annually Capex



# STRONG STORE GROWTH CONTINUES

## Number of Stores



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

## MOROCCO

- **11 new stores** opened
- In total we have **467 stores** in Morocco as of Q2 19
- **EBITDA POSITIVE** in Q2 19
- **Net Income** break even in Q2 19

## EGYPT

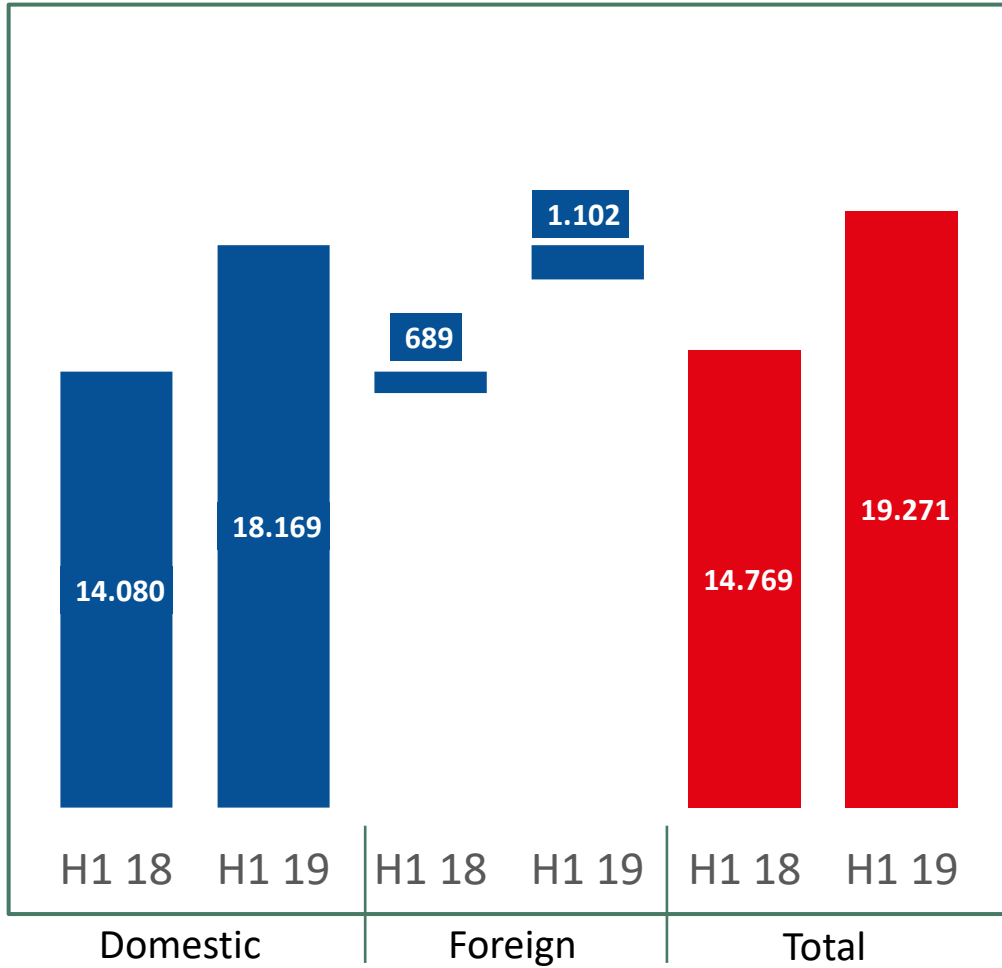
- **3 new store** openings in Q2
- Fewer stores in **better locations**
- In total we have **304 stores** as of Q2 19

## FILE

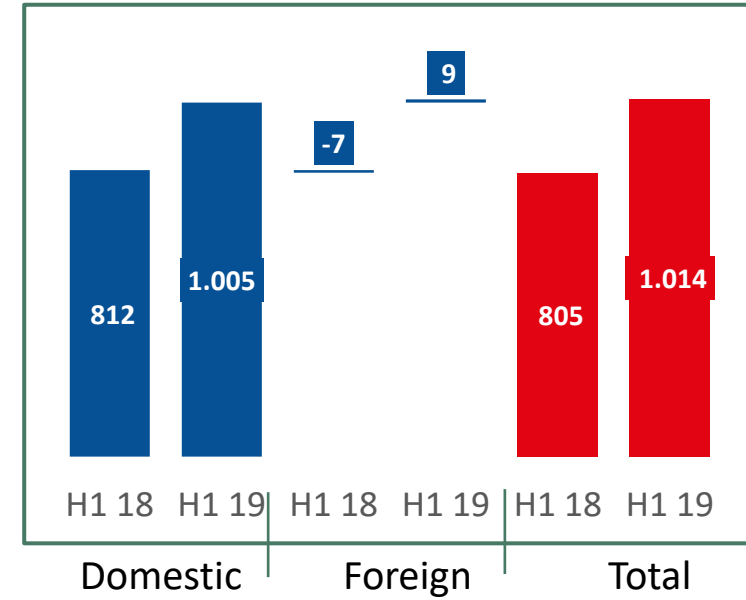
- **6 new stores** opened this quarter
- By the end of Q2 we have reached 77 stores
- **EBITDA positive** in Q2

# FOREIGN OPERATIONS - CONTRIBUTIONS

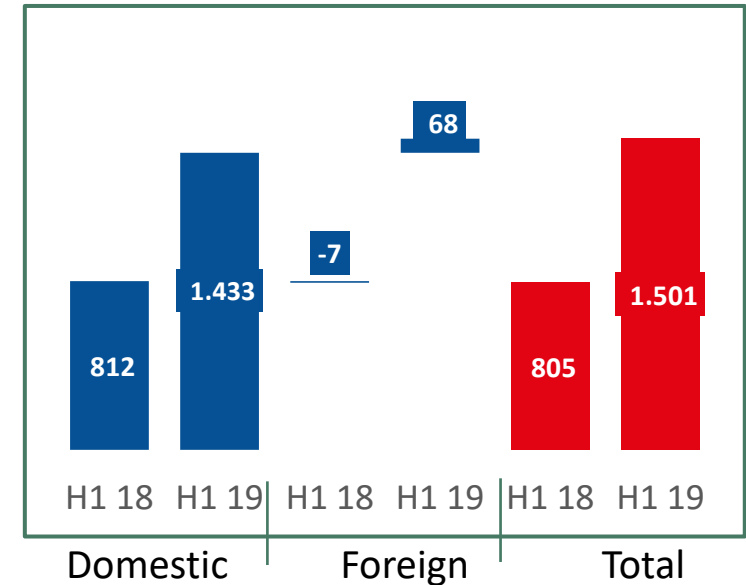
## Contribution to Consolidated Sales H1 2018 - H1 2019, TL million



## Contribution to Consolidated EBITDA H1 2018 - H1 2019, TL million WITHOUT IFRS 16



## Contribution to Consolidated EBITDA H1 2018 - H1 2019, TL million WITH IFRS 16



# BİM

BİRLEŞİK MAĞAZALAR A.Ş.

## Q & A





# IFRS INCOME STATEMENT – 6 MONTHS PERIOD 2019/2018

TL million	6 months ended 30 June (01.01.2019 – 30.06.2019)				
	2019 IFRS 16	IFRS 16 Impact	2019 without IFRS 16	2018 without IFRS 16	Change % 2018 / 2019 without IFRS 16
Net Sales	19.270,7	-	19.270,7	14.768,8	30,5%
(COGS)	(15.929,0)	-	(15.929,0)	(12.174,5)	30,8%
<b>Gross Profit</b>	<b>3.341,7</b>	-	<b>3.341,7</b>	<b>2.594,3</b>	<b>28,8%</b>
Total SG&A	(1.840,7)	(487,3)	(2.328,0)	(1.788,6)	30,2%
<b>EBITDA</b>	<b>1.501,0</b>	<b>(487,3)</b>	<b>1.013,7</b>	<b>805,7</b>	<b>25,8%</b>
D&A	(523,6)	314,4	(209,2)	(161,2)	29,8%
<b>EBIT</b>	<b>977,4</b>	<b>(172,9)</b>	<b>804,5</b>	<b>644,5</b>	<b>24,8%</b>
Net financial income/(expenses)	(311,0)	305,9	(5,1)	32,3	NA
Other income/(expenses)	64,1	(0,2)	63,9	14,2	350,0%
<b>PBT</b>	<b>730,5</b>	<b>132,8</b>	<b>863,3</b>	<b>691,0</b>	<b>24,9%</b>
Taxes	(168,3)	(27,4)	(195,7)	(163,5)	19,7%
<b>Net income</b>	<b>562,2</b>	<b>105,4</b>	<b>667,6</b>	<b>527,5</b>	<b>26,6%</b>



# IFRS INCOME STATEMENT - QUARTERLY

TL million	3 months ended 30 June (01.04.2019 – 30.06.2019)				
	2019 IFRS 16	IFRS 16 Impact	2019 without IFRS 16	2018 without IFRS 16	Change % 2018 / 2019 without IFRS 16
Net Sales	10.245,4	-	10.245,4	7.798,9	31%
(COGS)	(8.440,6)	-	(8.440,6)	(6.422,5)	31%
<b>Gross Profit</b>	<b>1.804,8</b>	-	<b>1.804,8</b>	<b>1.376,4</b>	<b>31%</b>
Total SG&A	(958,0)	(253,3)	(1.211,3)	(934,4)	30%
<b>EBITDA</b>	<b>846,8</b>	<b>(253,3)</b>	<b>593,5</b>	<b>442,0</b>	<b>34%</b>
D&A	(271,9)	164,2	(107,7)	(83,7)	29%
<b>EBIT</b>	<b>574,9</b>	<b>(89,1)</b>	<b>485,8</b>	<b>358,3</b>	<b>36%</b>
Net financial income/(expenses)	(158,7)	157,4	(1,3)	17,9	NA
Other income/(expenses)	34,8	(0,2)	34,6	8,3	317%
<b>PBT</b>	<b>451,0</b>	<b>68,1</b>	<b>519,1</b>	<b>384,5</b>	<b>35%</b>
Taxes	(104,1)	(13,1)	(117,2)	(91,3)	28%
<b>Net income</b>	<b>346,9</b>	<b>55,0</b>	<b>401,9</b>	<b>293,2</b>	<b>37%</b>

# IFRS BALANCE SHEET

TL million	As at 30 June	
	Q2 2018	Q2 2019
Intangible assets	15,5	38,5
Tangible assets	3.344,7	4.030,6
Right of Use Assets (IFRS 16)	-	3.718,8
Financial Investments (long term)	309,7	481,7
Other non-current assets	46,8	40,2
<b>Total fixed assets</b>	<b>3.716,7</b>	<b>8.309,8</b>
Trades receivable	916,8	1.271,8
Financial Investment – short term	-	148,2
Inventories	1.768,0	2.366,7
Prepayment and other assets	349,4	424,9
Trades payable	(3.744,4)	(4.686,5)
Other payable and accrued liabilities	(776,9)	(1.001,9)
<b>Net working capital</b>	<b>(1.487,1)</b>	<b>(1.476,8)</b>
<b>Invested Capital</b>	<b>2.229,6</b>	<b>6.833,0</b>
Cash & cash equivalents	(807,9)	(678,4)
Short term borrowings	-	-
Borrowings from lease agr. (IFRS 16)	-	3.852,1
<b>Net debt/(cash)</b>	<b>(807,9)</b>	<b>3.173,7</b>
Severance funds	100,1	138,0
Deferred tax liabilities	164,0	151,3
Shareholders' equity	2.773,4	3.370,0
<b>Capital Employed</b>	<b>2.229,6</b>	<b>6.833,0</b>

# IFRS CASH FLOW

TL million	3 months ended 30 June		6 months ended 30 June	
	2018	2019	2018	2019
Net Income	293,2	346,8	527,5	562,2
D&A	83,7	271,9	161,2	523,6
Non cash tax expense	91,3	104,2	163,5	168,3
Other non-cash items	8,4	118,0	10,3	269,9
<b>Funds from operations</b>	<b>476,6</b>	<b>840,9</b>	<b>862,5</b>	<b>1.524,0</b>
Change in net working capital	75,3	21,2	(43,3)	(2,5)
Tax & other payments	(81,9)	(89,6)	(130,7)	(180,8)
<b>Operating cash flow</b>	<b>470,0</b>	<b>772,5</b>	<b>688,5</b>	<b>1.340,7</b>
Capital expenditures	(248,2)	(269,9)	(440,9)	(538,0)
Proceeds from sales of PPE	5,3	3,6	20,5	12,5
Change in financial investments	-	187,2	-	211,3
Dividend from investments	3,9	1,5	3,9	1,5
<b>Cash flow from investing activities</b>	<b>(239,0)</b>	<b>(77,6)</b>	<b>(416,5)</b>	<b>(312,7)</b>
<b>Free cash flow</b>	<b>231,0</b>	<b>694,9</b>	<b>272,0</b>	<b>1.028,0</b>
Dividends	(331,4)	(359,7)	(331,4)	(359,7)
Proceeds from ST borrowings	-	-	-	(37,9)
Proceeds from lease borrowings (IFRS 16)	-	(252,8)	-	(487,3)
Treasury shares purchase & sale, net	(142,5)	-	(142,5)	-
Profit share received from deposits account	22,5	(0,2)	38,2	0,2
<b>Cash flow from financing activity</b>	<b>(451,4)</b>	<b>(612,7)</b>	<b>(435,7)</b>	<b>(884,7)</b>
Currency translation differences	(2,2)	(5,1)	(4,9)	(11,8)
<b>Increase/(decrease) in cash</b>	<b>(222,6)</b>	<b>77,1</b>	<b>(168,6)</b>	<b>131,5</b>