




9M2024  
Financial Results  
Analyst Presentation


**KOTON**




A BRIEF  
INTRODUCTION TO  
**KOTON**




 **#1**  
Awarded women's brand <sup>1</sup>


 **58%**  
Women's share in sales...  
men 25% and children 17%


 **444**  
Stores in 32 countries

 **~18 Billion TL**  
9M2024 consolidated sales

 **~ 30%**  
Share of international sales

 **82%**  
Stores make up 82% of sales  
followed by e-commerce c.11%  
and wholesale c.7%

 **57.4%**  
9M2024 gross profit margin

 **26.1%**  
9M2024 EBITDA margin

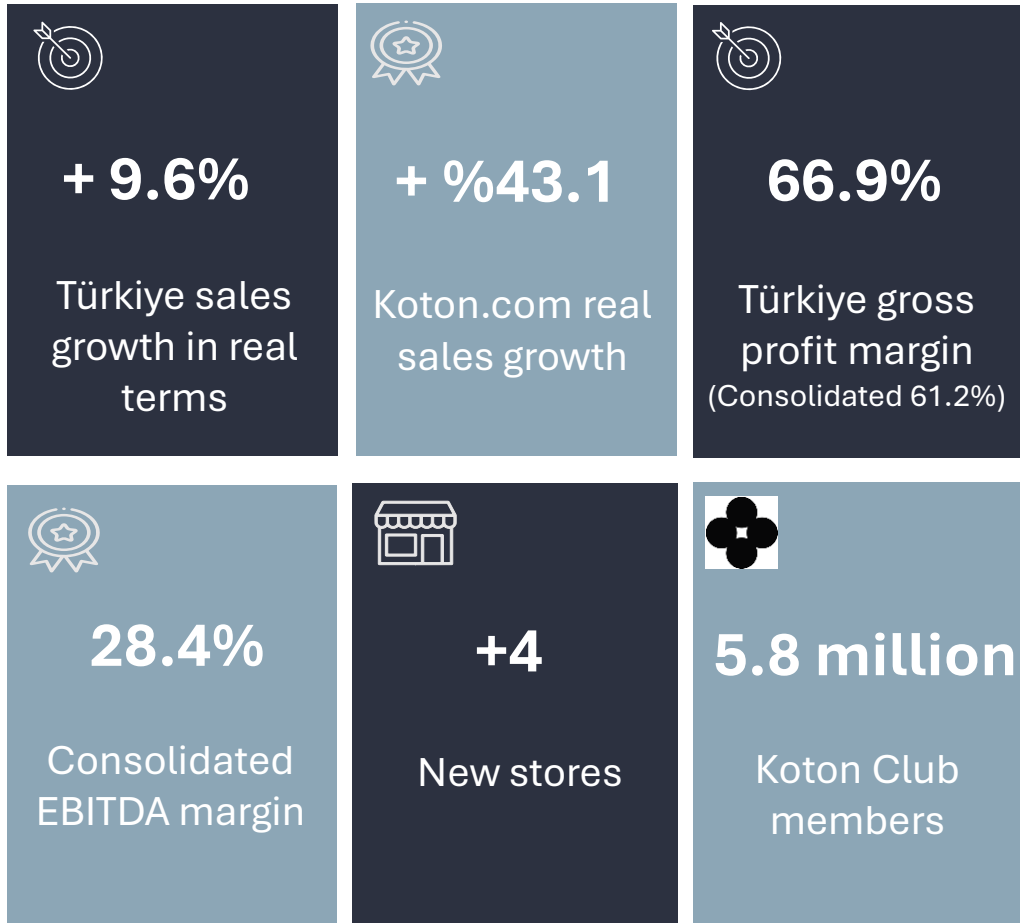
 **0.85**  
Net financial debt /EBITDA\*

Notes: unless stated otherwise, based on inflation accounting applied 9M2024 figures. <sup>1</sup>For ten years between 2012-2023 in Türkiye according to the Association of Shopping Malls and Shopping Mall Investors; Company EBITDA calculation method as stated in the IPO prospectus and following financial reports: EBITDA: Profit before tax + net interest expense + net imputed interest + net investment income + amortization + IPO related expenses – monetary gain. \*LTM EBITDA

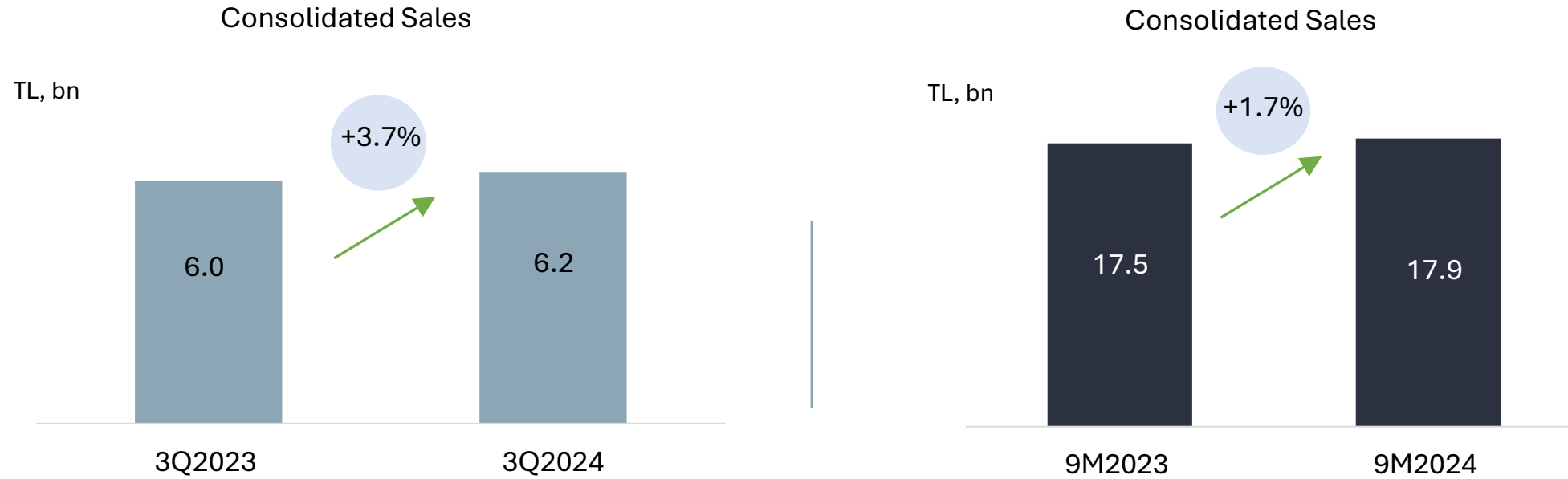


# FINANCIAL RESULTS

**KOTON**



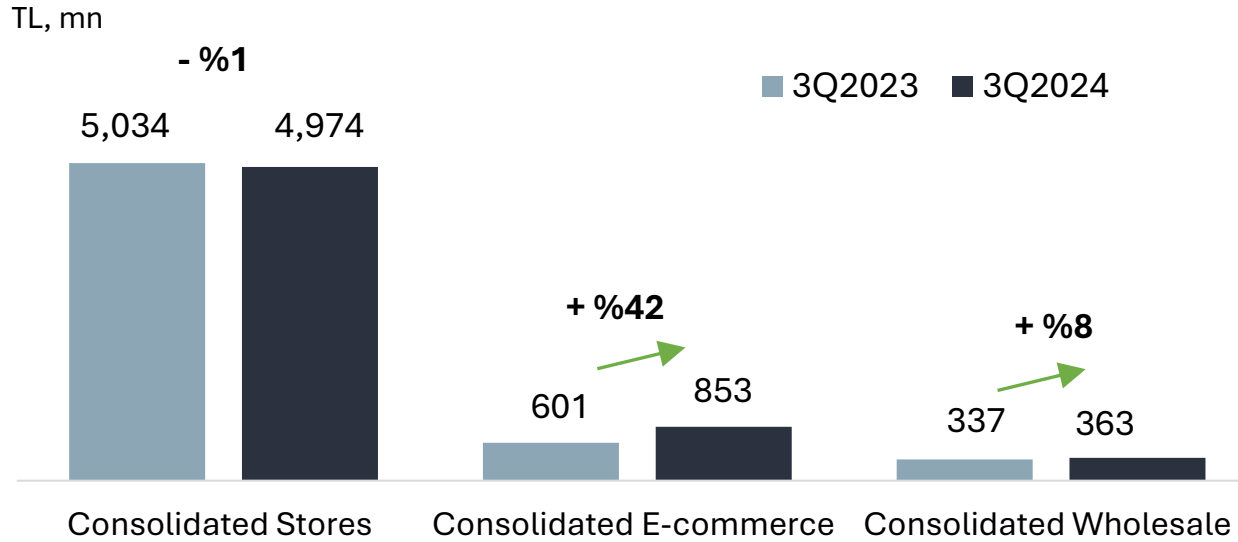
- c.10% real sales growth in Türkiye.
- 43% real sales growth in Koton.com supported 23% growth in Türkiye e-commerce sales.
- New stores openings continued in the third quarter which brought the total to 444 stores. This number rose further to 447 as of November 7th.
- Türkiye and consolidated gross margins were above 66% and 60% respectively thanks to effective procurement, diverse product offering and dynamic pricing.
- EBITDA margin was above 28% despite the above inflation opex growth and lower FX gains triggered by relatively stable Turkish lira.
- Koton Club member count reached 5.8 million members in the third quarter. This number surpassed full year target of 6 million as of November 7th.



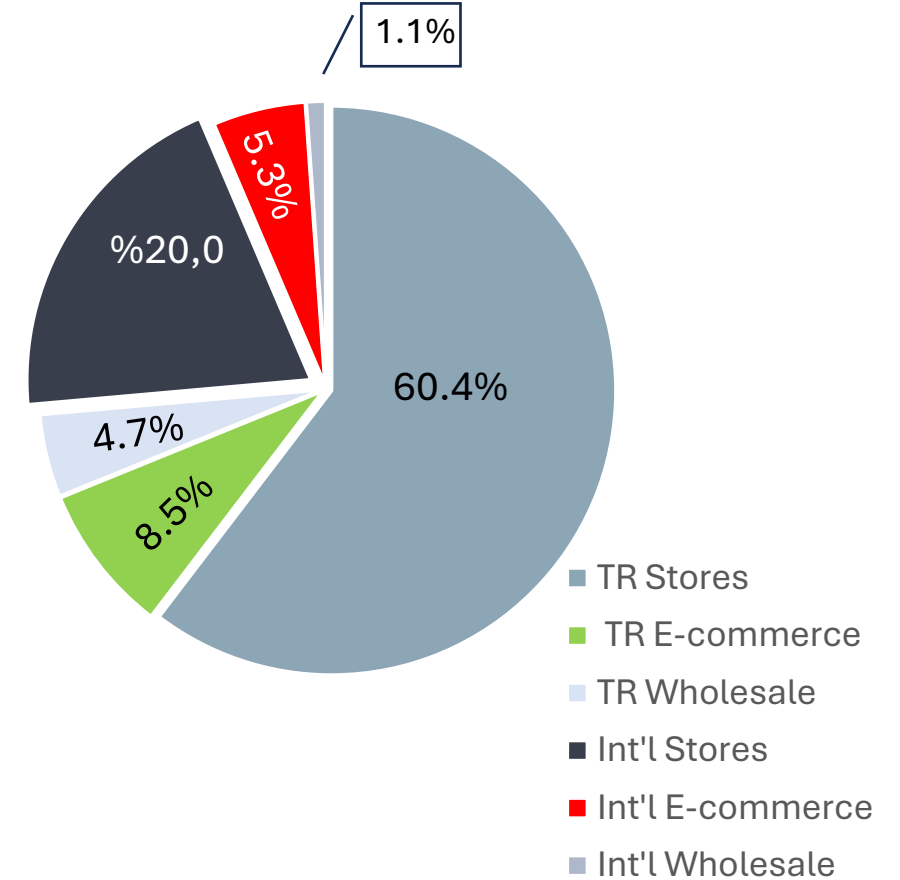
- ✦ Türkiye and consolidated sales growth gained momentum in the third quarter as expected.
- ✦ **Türkiye sales grew by 9.6%** in the third quarter despite softer domestic demand conditions. Koton decoupled from competition as it continued to offer trendy and quality fashion at relatively affordable prices.
- ✦ International sales which make up roughly 30% of total sales, declined 10% in the third quarter mostly due to strong TL. International sales declined only 2% in US dollar\* terms.

%55  
marj

## Consolidated sales rose by 3.7%

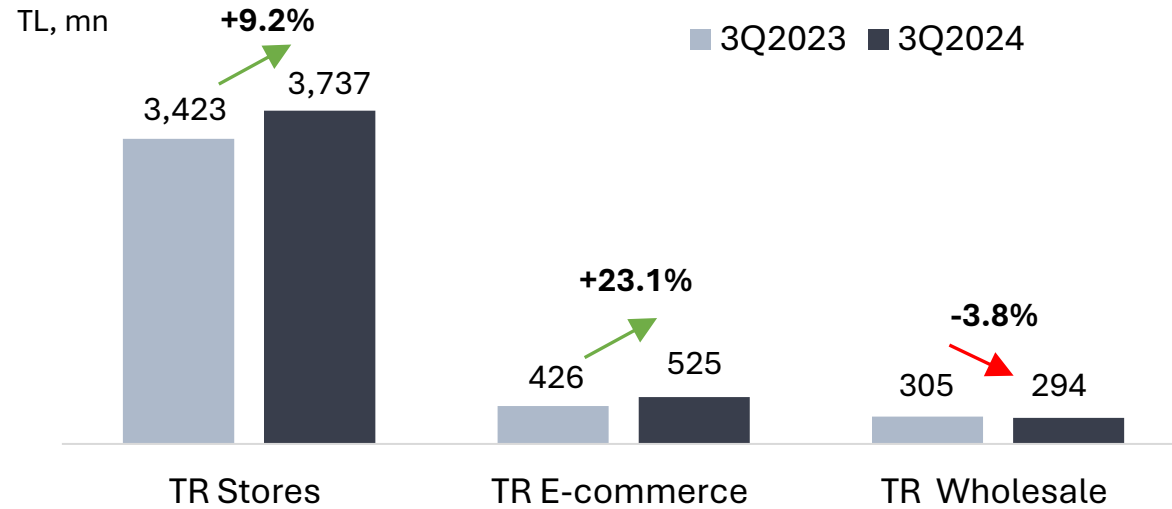


## Sales Breakdown

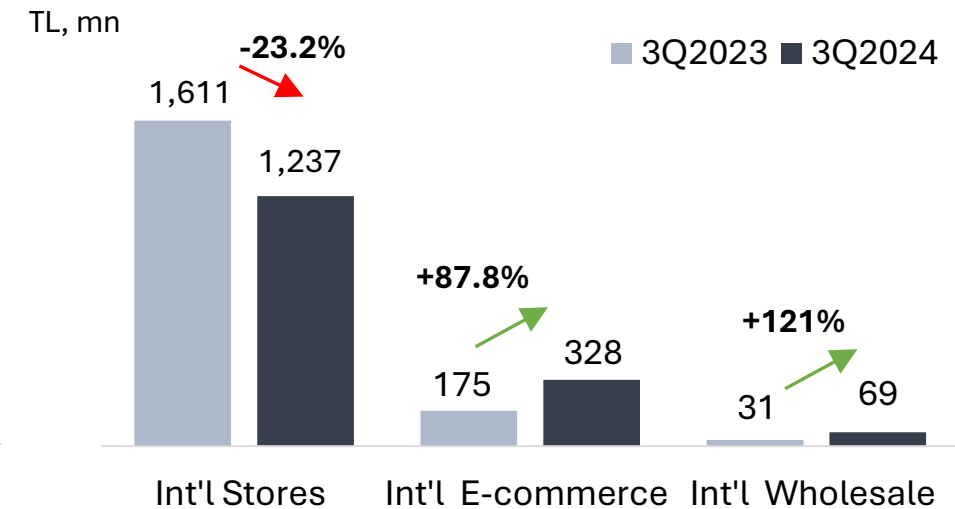


- Despite a solid sales performance in Türkiye, consolidated store sales were flattish as store sales abroad continued to weigh on consolidated figures.
- E-commerce and wholesale sales contributed strongly to consolidated sales. E-commerce sales growth both in Türkiye and abroad reiterates its importance and potential.

## 3Q2024 Türkiye sales rose by 9.6%



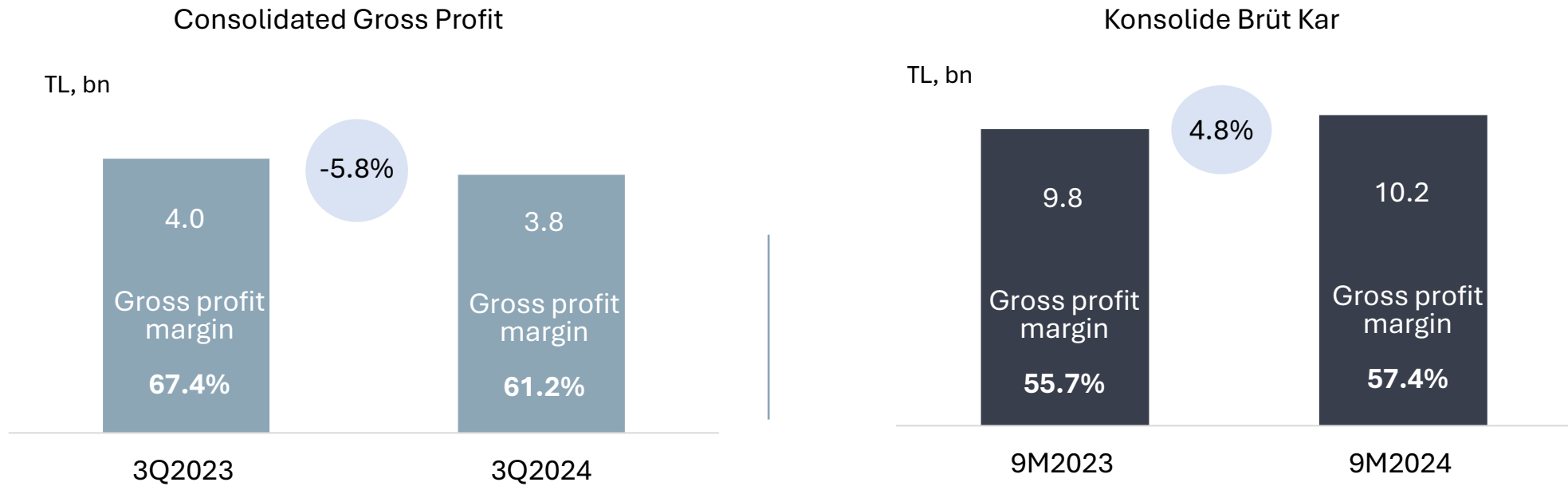
## International sales declined by 10% in TL terms mostly due to strong TL. Decline was 2% in US dollar terms



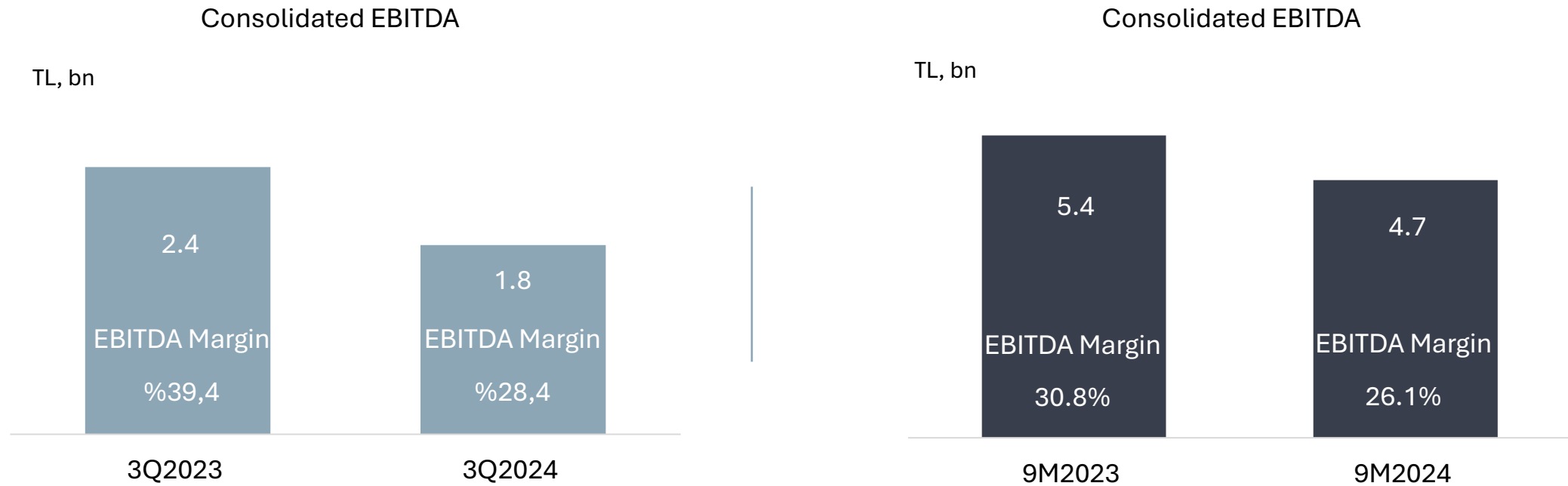
- ✚ Türkiye store sales recorded an impressive 9.2% real growth despite softer domestic demand.
- ✚ 23.1% real sales growth in e-commerce supported Türkiye sales while Türkiye wholesale figures declined slightly.

- ✚ While strong TL continued to impact international store sales, 87.8% real growth in international e-commerce and 121% growth in international wholesale partially compensated this impact.
- ✚ International wholesale figures rose noticeably two quarters in a row.
- ✚ While average inflation\* in the third quarter was up %56 yoy, Turkish lira declined by only c.25% against US dollar\*\*.





- While increasing by 4.8% in the first nine months, gross profit declined in the third quarter mostly due to base effect. As the demand was stronger, limited discounts were offered last year which resulted in higher margins. On the other hand, more discounts were offered in 3Q2024 as demand slowed down. Despite that, consolidated gross margin surpassed 60%.
- Consolidated gross margin materialized at 57.4% in the first nine months of the year. This provides a room to maneuver in the last quarter in terms of pricing which may support sales growth .

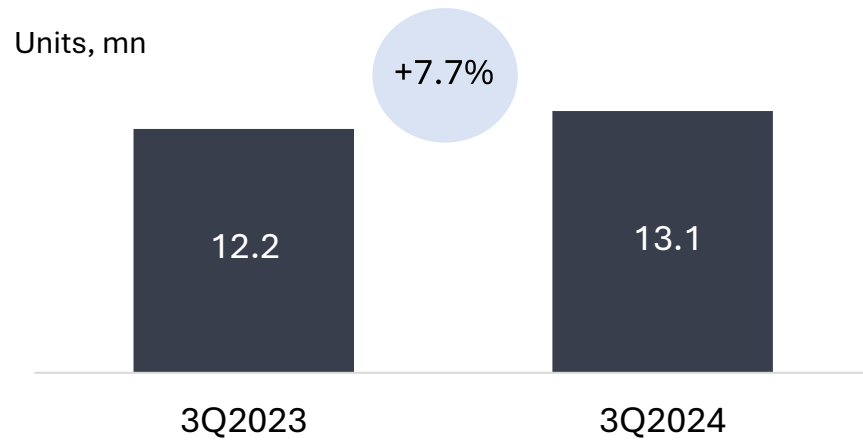


- ✚ 3Q EBITDA margin of 28.4% was above the sector average despite declining compared to last year.
- ✚ High base effect, above inflation jump in opex, stable TL compared to last year which resulted in a limited FX gain weighed on the EBITDA.

# LFL VOLUMES INCREASED BOTH IN TÜRKİYE & ABROAD

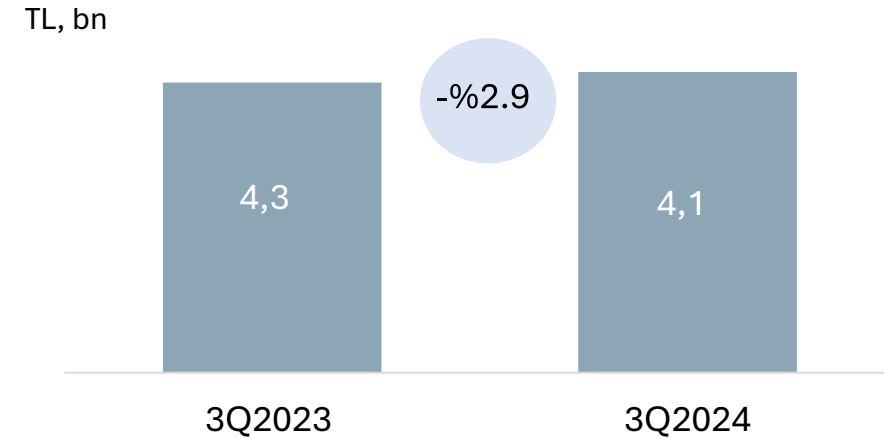
## 3Q Consolidated LFL Store Volumes +10.3% YoY

### Consolidated Same Store Volumes



## 3Q LFL Sales Rose 3.9% YoY in Türkiye

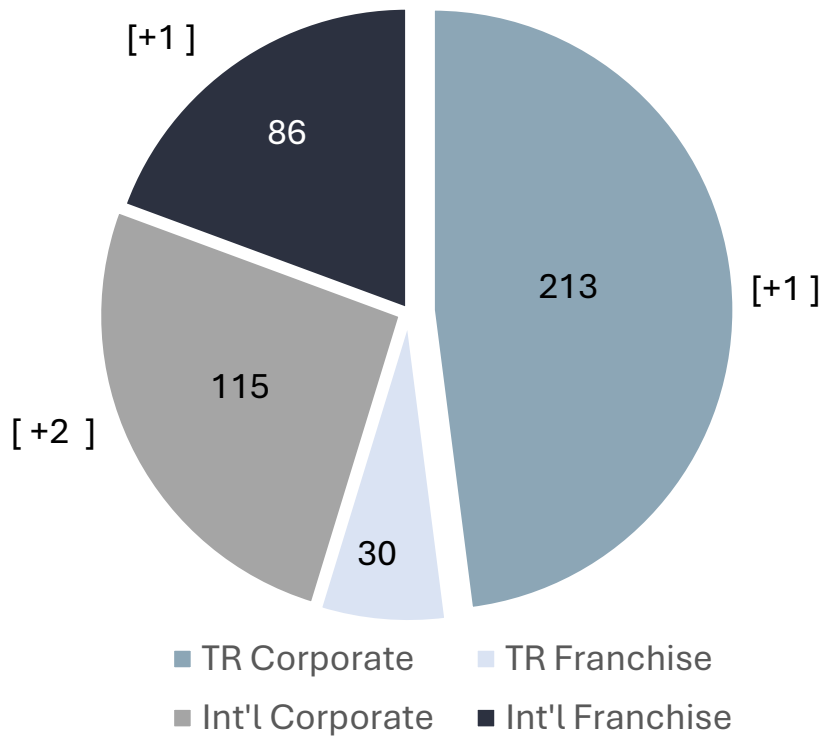
### Consolidated Same Store Sales



- ✦ Türkiye same store volumes were up 10.3% (9M2024: + 7.4%)
- ✦ International same store volumes were up 1.3% (9M2024: -3.6%)
- ✦ Consolidated same store volumes were up 7.7% (9M2024: +4.3%)
- ✦ While Türkiye same store sales were up 3.9% (9M2024: +3.7%), consolidated same store sales were down 2.9% (9A2024: -2.7%)
- ✦ Most regions recorded positive same store sales including CIS region in USD terms.

# NEW STORE OPENINGS CONTINUE WITH AN EMPHASIS ON INT'L STORES

4 new stores opened in the third quarter which brought store count to 444. 3 additional stores opened between Sept 30th and Nov 7th bringing store count to 447.



Koton Stores in 32 countries and 179 cities\*

**≤ 2.5 years**  
Pay back period for the new stores

June 30th, 2024	Sept 30th, 2024
Total store area 505,051 m2	Total store area 505,451 m2
Total sales area 387,365 m2	Total sales area 388,379 m2

notes: \*66 cities are located in Türkiye.

# E-COMMERCE SALES ROSE 42% IN THE THIRD QUARTER

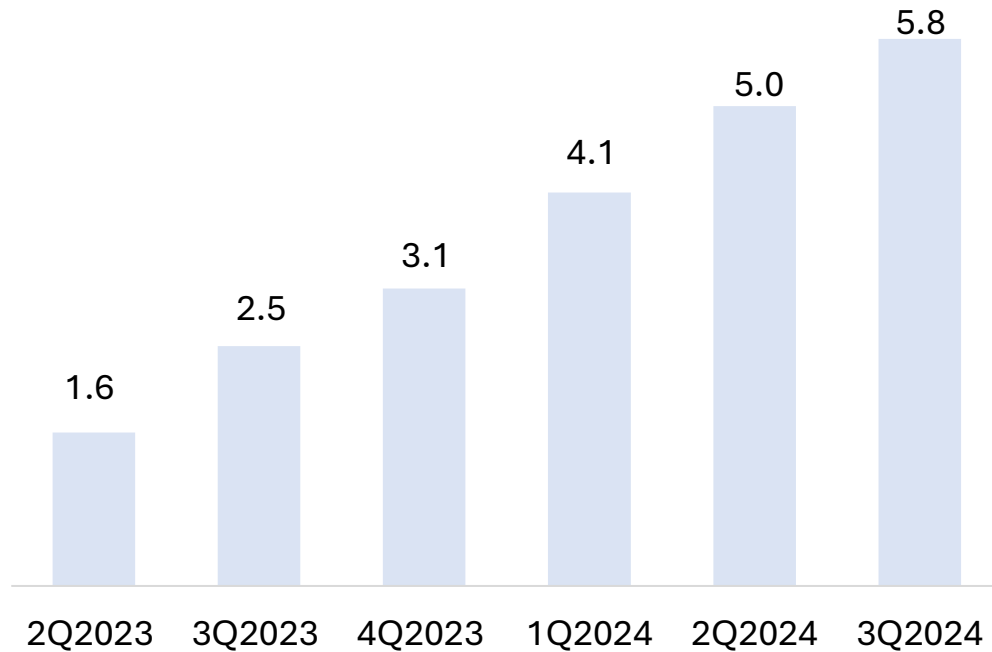
koton.com, Türkiye B2C marketplaces and int'l e-commerce **grew sharply**



Sales Breakdown (TL, mn)	3Q2023	3Q2024	Change %	9M2023	9M2024	Change %
Koton.com (B2C)	107	153	<b>43%</b>	346	423	<b>22%</b>
Türkiye Marketplaces (B2C)	129	170	<b>31%</b>	371	516	<b>39%</b>
Int'l E-commerce	175	328	<b>88%</b>	478	638	<b>33%</b>

- ✦ Koton.com and B2C marketplaces in Türkiye grew by 43% and 31% respectively. Share of B2B marketplaces within Türkiye e-commerce channel continued to shrink as planned which brought total e-commerce sales growth to 23% in Türkiye.
- ✦ International e-commerce sales grew by whopping 88% in real terms. New marketplaces and addition of koton.com international supported already fast-growing existing sales. Expect impact of these new initiatives to become more visible as they mature in the upcoming periods.

Koton Club Members (mn)

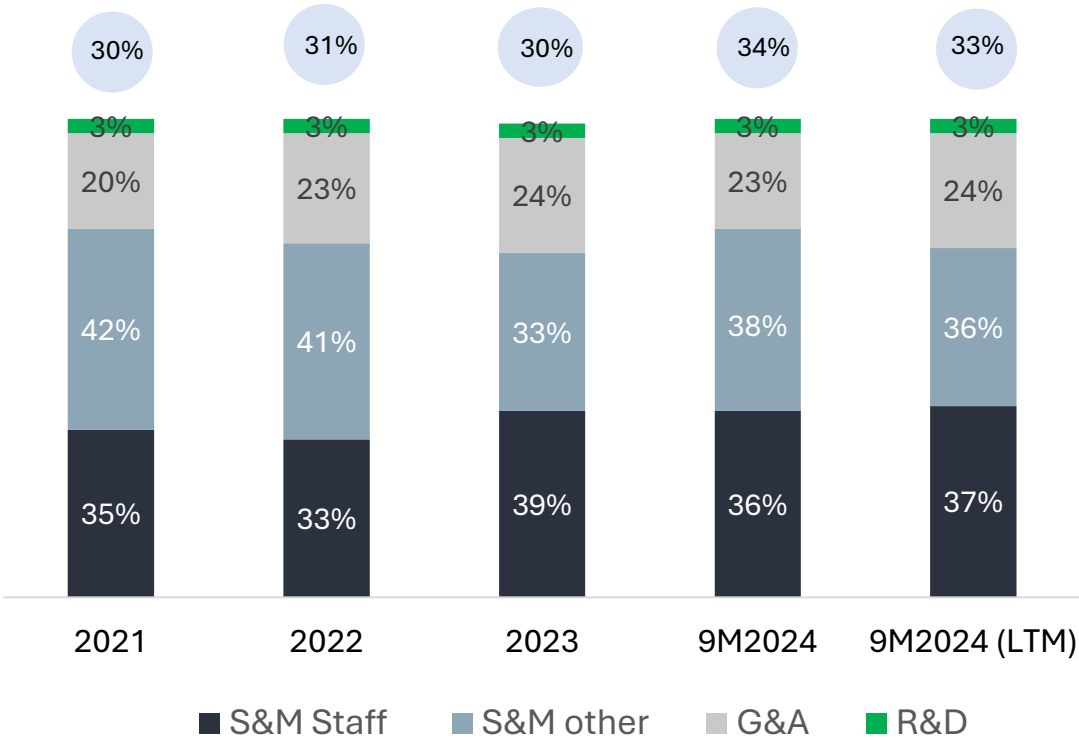


- ❖ Koton Club member count reached to 5.8 million in the third quarter. Member count surpassed the year-end target of 6 million members as of Nov 7<sup>th</sup>.
- ❖ Koton Club boosts customer satisfaction by providing personalized shopping experience thanks to data analytics tools.
- ❖ Koton Club members visit stores or koton.com 44% more frequently. Moreover, their basket size and number of items purchased tend to be 9% and 8% higher compared to non-members.

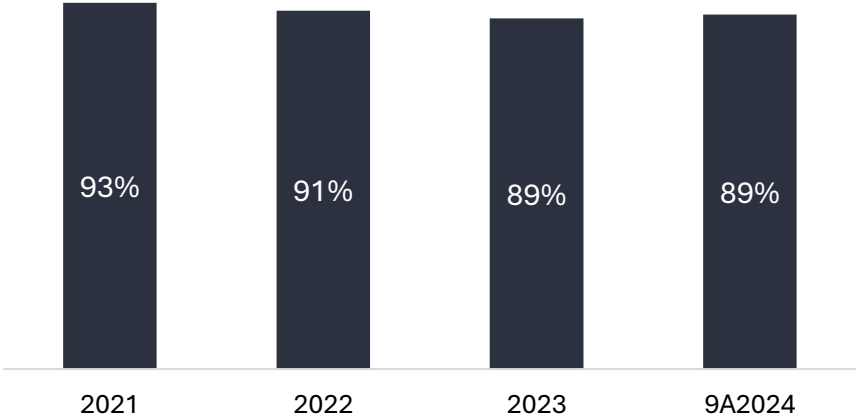
## Opex Breakdown

(excluding D&A and other income/expense)

% of sales



## Consistent Sell-through <sup>1</sup>



✦ Rise in opex to sales ratio is visible in 9M2024. This ratio is likely to start normalize as the inflationary pressures fade and wide gap between local inflation and TL performance starts to narrow down in 2025.

Note: sell-through calculation: (EBITDA – CAPEX) / EBITDA



## Medium Term Goals

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- ❖ Opening **130-150 new stores** with financial discipline in mind
  - Most of the new store openings will take place abroad with **mostly franchise** stores
  - Target regions are GCC, CEE, MENA and India
- ❖ Share of international revenues to increase from current 30-33% levels to **40%**
- ❖ **Improving sales area efficiency** in existing stores
- ❖ Gradually increasing the share of e-commerce from current c.10% levels to **15%** and above

## 2024 Expectations (UNCHANGED)

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- ❖ **Sales:** Full year consolidated sales growth rate to be **around 5%** in inflation adjusted terms
- ❖ **Gross Margin:** Full year gross margin to be **above 50%**
- ❖ **Store Count:** Year-end store count to exceed **450 stores**





# Appendix

**KOTON**

<b>Balance Sheet Summary</b>	<b>30 September 2024</b>	<b>31 December 2023</b>
Total current assets	12.929.686.189	9.972.646.886
Total non-current assets	6.555.138.389	6.721.647.923
<b>Total Assets</b>	<b>19.484.824.578</b>	<b>16.694.294.809</b>
Total S/T liabilities	9.769.854.059	8.469.624.724
Total L/T liabilities	2.520.372.403	2.742.091.605
<b>Total Liabilities</b>	<b>12.290.226.462</b>	<b>11.211.716.329</b>
Total Equity	7.194.598.116	5.482.578.480
<b>Total Equity &amp; Liabilities</b>	<b>19.484.824.578</b>	<b>16.694.294.809</b>

	<b>30 September 2024</b>	<b>31 December 2023</b>
Cash & Cash Equivalents	617	488
Bank Loans	(2.498)	(2.044)
Lease Obligations	(2.777)	(3.005)
<b>Net Financial Debt</b>	<b>(4.657)</b>	<b>(4.561)</b>
Net Financial Debt (USD*)	(137)	(134)
<b>Net Financial Debt /EBITDA**</b>	<b>0,85</b>	<b>0,73</b>
Net Financial Debt (excl. Lease obligations)	(1.880)	(1.557)

Notes: Company EBITDA calculation method as stated in the IPO prospectus and following financial reports: EBITDA: Profit before tax + net interest expense + net imputed interest + net investment income + amortization + IPO related expenses – monetary gain. \* LTM EBITDA figure. \*\*USD conversion are based on Sept 30th CBT conversion rate of 34,12

# FINANCIAL TABLES & RATIOS



	3Q2024	3Q2023	9M2024	9M2023
<b>Revenue</b>	<b>6.190.002.251</b>	<b>5.971.550.107</b>	<b>17.851.223.028</b>	<b>17.545.676.939</b>
Cost of Sales	(2.398.673.297)	(1.944.945.683)	(7.605.861.567)	(7.768.832.892)
<b>Gross Profit</b>	<b>3.791.328.954</b>	<b>4.026.604.424</b>	<b>10.245.361.461</b>	<b>9.776.844.047</b>
<i>Gross Profit Margin</i>	61,2%	67,4%	57,4%	55,7%
Administrative Expenses	(506.099.377)	(466.779.934)	(1.501.682.947)	(1.318.077.975)
Selling and Marketing Expenses	(2.260.201.665)	(1.898.865.979)	(6.212.343.026)	(5.634.799.242)
R&D Expenses	(73.163.922)	(74.006.582)	(228.409.416)	(207.518.139)
Other Income	250.486.622	315.211.303	736.349.209	1.521.760.233
Other Expenses	(587.865.366)	(622.212.809)	(1.730.564.936)	(1.783.944.190)
<b>Operating Profit</b>	<b>614.485.246</b>	<b>1.279.950.423</b>	<b>1.308.710.345</b>	<b>2.354.264.734</b>
Investment Income	1.047.132	3.322.379	2.385.875	7.112.311
Investment Loss	(29.341)	(936.109)	(1.011.385)	(16.918.975)
<b>Operating Profit Before Financial Expenses</b>	<b>615.503.037</b>	<b>1.282.336.693</b>	<b>1.310.084.835</b>	<b>2.344.458.070</b>
Interest Expense, net	(371.241.151)	(531.039.331)	(1.044.674.381)	(1.130.119.366)
Monetary Gain/(loss)	161.024.070	1.039.384.154	784.766.899	1.835.376.917
<b>Profit Before Tax</b>	<b>405.285.956</b>	<b>1.790.681.516</b>	<b>1.050.177.353</b>	<b>3.049.715.621</b>
Tax Expense	(156.578.768)	(717.856.644)	(94.028.250)	(720.154.527)
<i>Current Tax Expense</i>	61.419	(145.508.733)	-	(351.729.110)
<i>Deferred Tax Expense</i>	(156.640.187)	(572.347.911)	(94.028.250)	(368.425.417)
<b>Profit</b>	<b>248.707.188</b>	<b>1.072.824.872</b>	<b>956.149.103</b>	<b>2.329.561.094</b>
<b>EBITDA</b>	<b>1.759.199.022</b>	<b>2.354.670.723</b>	<b>4.658.619.059</b>	<b>5.402.552.765</b>
<i>EBITDA Margin</i>	28,4%	39,4%	26,1%	30,8%

Notes: Company EBITDA calculation method as stated in the IPO prospectus and following financial reports: EBITDA: Profit before tax + net interest expense + net imputed interest + net investment income + amortization + IPO related expenses – monetary gain

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