

11 June 2025

Mavi reported 1Q25 (Feb-April) IAS29 revenues of TL9.8bn (-14 y/y), net other income exc. EBITDA of TL2bn (-27% y/y), company EBITDA of TL2bn (-26% y/y) and net income of TL837mn (-37% y/y) being affected from strong 1Q24 base. 1Q25 revenue materialised in line with company made consensus whereas EBITDA and net income surpassed market expectations by 22% and 30%, respectively. Coupled with recent decision about the initiation of buy-back programme (valid for a year, max fund size of TL1bn and 10% of paid-in capital), market reaction can be positive. The company's results call is today at 16:00 local time.

Mavi had emphasized with 4Q results that it has been expecting a challenging year (tougher 1H25 due to strong base affect but relatively more promising 2H25) and guidance is said to include this and highlighted commitment to go beyond. Mavi maintained its with IAS29 and pre-IAS29 2025 guidance: Please note that IAS29 expectations are as follows: Consolidated revenue growth of low to mid-single digit (1Q25: -14%), 17.5+% inc. IFRS16 EBITDA margin (1Q25: 20.6%), net 20 store openings (1Q25: net closure 2), 15 expansions (1Q25: 4) in Türkiye retail stores, 8 new stores in North America, maintenance of exc IFRS16 net cash position (+4% q/q) and including HQ investments and NA retail investments capex/sales of 5% (1Q25: 4.4%). Pre-IAS29 expectations are: Consolidated revenue growth of 35%+ (1Q25: 19%), 20.0+% inc. IFRS16 EBITDA margin (1Q25: 23.0%). Trading update for Türkiye operations' pre-IAS29 May retail and online sales growths were 46% and 35% y/y in order.

As of end-April 2025, Mavi's retail stores in Türkiye became 350 with net two store closure in 1Q25. Total selling space in Türkiye reached 188.8K, up by 7% y/y with average store size of 539sqm.

According to IAS29 data, consolidated 1Q25 top-line receded by 14% y/y: Türkiye revenues declined by 13% y/y (retail down by 14%, wholesale down by 9% and online down by 11% y/y) and international revenues shrank by 28% y/y (14% decline in constant currency). For Turkish retail operations, in 1Q25, same store sales decline was 15.9% in TL terms and 13.4% deterioration in volume was stated to be linked to high 1Q24 base. LfL dynamics in May (41% nominal growth in TL and 14% volume growth) are said to improve with normalising base impact. Pre-IAS29 1Q25 consolidated revenue growth was 19% y/y.

1Q25 IAS29 (inc IFRS16) company EBITDA margin materialised at 20.6% down by 340bps y/y. 40bps negative impact from imputed interest and 320bps increase in opex/sales (exc D&A) mainly due to lower leverage impact of sales y/y weighed on margins. With respect to pre-IAS29 IFRS16 margins, gross margin receded to 54.5% (imputed interest rate impact +380bps) from 56.4% (imputed interest rate impact +420bps). Pre-IAS29 1Q25 company EBITDA margin declined to 23.0% from 27.9%.

As of end-April 2025, Mavi has 420 mono-brand stores in Türkiye and 61 int'l mono-brand stores (Russia 33, RoW 24, Canada 4). 1Q25 inc IAS29 capex was TL428mn implying capex/sales of 4.4% which is above 1Q24's 2.7%.

According to IAS29 applied balance sheet, end-1Q25 net cash (exc IFRS16) materialised at TL6.1bn versus end-2024's 5.9bn. NWC/sales was 6.7% compared to end-2024's 5.6%. Operating cash flow in 1Q25 was TL1.3bn versus 1Q24's TL2.9bn affected by various items (i.e decline in EBITDA, change in net working capital, deferred revenues, employee benefits)

We maintain our long term Outperform rating for the stock with a revised TP of TL50/share (previous TL59) with our recent macro assumptions including higher risk-free rate.

MAVI TI / MAVI.IS

Current Rating	Outperform		
Expected Market Reaction	Slightly Positive		
Analyst Action	Neg. Estimate Revision		
Price	TL32.70	Mcap (USDmn)	\$663mn
Target Price	TL50.00	Prev. Target Price	TL59.00
Upside	53%	Free Float	73%
High /Low 30Day	36.5 / 29.9		

BB 2025FY Consensus

Estimate Revisions	1W	4W	3M
EPS	-14.9%	-14.9%	-27.8%
EBITDA	0.0%	0.0%	-2.4%
Sales	1.1%	1.1%	5.3%
# of Buy/Hold/Sell	16/0/0	16/0/0	15/0/0
Rel Perf. XU100	0.5%	-1.5%	3.0%
ADV (TLmn)	206.4	278.3	422.8

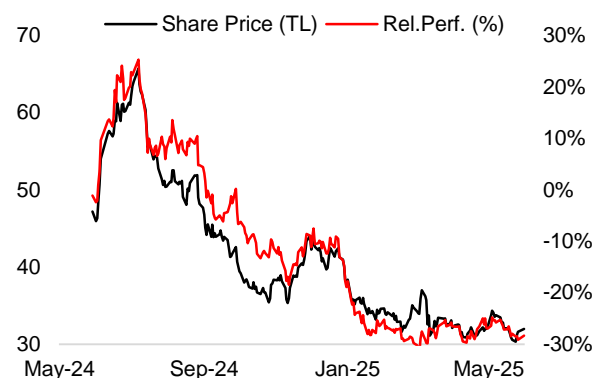
OYAK*

(2025E TLmn)	OYAK
Sales	44,749
EBITDA	9,103
NI	4,884

Multiples & Ratios (OYAK Est*)

	2023	2024	2025E
EV/EBITDA	4.5x	3.0x	2.4x
P/E	9.0x	6.6x	5.3x
P/S	1.3x	0.8x	0.6x

*exc IAS29



Analyst: [Melis Pocar](#) +90 212 319 1215

Summary Financial Statements

Income Statement	2024/1Q (TL mn)	2025/1Q (TL mn)	(y/y %)
Net Sales	11,405	9,777	-14%
COGS	5,421	4,674	-14%
Gross profit	5,985	5,103	-15%
Operating expenses	3,878	3,773	-3%
EBIT	2,107	1,330	-37%
Depreciation	623	666	7%
Company EBITDA*	2,736	2,014	-26%
EBITDA**	2,729	1,997	-27%
Net other income	177	182	3%
Net income from investments	9	-4	n.m.
Net financial expenses	-396	-306	-23%
Net monetary gain/ loss	103	-93	n.m.
Profit before tax	2,000	1,110	-45%
Tax expenses	-664	-300	-55%
Minority interest	-12	28	n.m.
Net profit	1,324	837	-37%

Operating Performance

Gross margin	52.5%	52.2%	-28 bps
Comp EBITDA margin	24.0%	20.6%	-339 bps
EBITDA margin	23.9%	20.4%	-351 bps
EBIT margin	18.5%	13.6%	-486 bps
Effective tax rate	-33.2%	-27.0%	618 bps
Net margin	11.6%	8.6%	-304 bps

Balance Sheet	2024/12 (TL mn)	2025/03 (TL mn)	(q/q)
Cash and equivalents	6,833	7,198	5%
Trade receivables	2,217	2,794	26%
Inventories	5,518	6,223	13%
Tangible fixed assets	2,431	2,550	5%
Intangible fixed assets	1,533	1,597	4%
Total assets	21,137	23,438	11%
Financial loans (total)	2,567	2,987	16%
Trade payables	5,204	6,288	21%
Shareholders' equity	11,024	11,871	8%
Total liabilities	21,137	23,438	11%
Net debt / (cash)***	-4,271	-4,215	-1%

Source: Reported and restated financials with IAS29, * company presentation,

gross profit-total opex-D&A, *including IFRS16

Disclaimer

The information, comments and advices included herein do not constitute an offer or a solicitation of an offer to buy or sell any securities. The matters covered on this report may include forward-looking statements that involve risk and uncertainties that could cause actual results to differ materially from those predicted by such forward-looking statements. OYAK Yatırım Menkul Değerler A.Ş. ("OYAK Securities"), does not undertake to advise you of changes in the information or opinions set forth herein or provide you with access to any additional information or to correct any inaccuracies therein which may become apparent subsequent to the date hereof or to publicly update any information or any forward looking statement, whether as a result of new information, future events or otherwise. Content and information provided by third parties is published as supplied to OYAK Securities and OYAK Securities has not independently verified any of such information.

The investment information, comments and advices given herein are not part of investment advisory activity. Investment advisory services are provided by authorized institutions to persons and entities privately by considering their risk and return preferences. Whereas the comments and advices included herein are of general nature. Therefore, they may not be appropriate for your financial situation and risk and return preferences. For this reason, making an investment decision solely by relying on the information given herein may not give rise to results within your expectations. Investors should not make their investment decisions on the basis of this report and construe the contents of this report as legal, tax, financial or investment advice.

OYAK Securities, any of its parents, subsidiaries or affiliates, agents, employees or representatives, do not make any representations or warranties, express or implied, for the accuracy, timeliness, completeness or fairness of any such information or any estimates, conclusions or opinions based thereon, and does not accept any liability or responsibility whatsoever for the contents of the report or for any errors, omissions or mis-statements or for any adverse consequences of the investment decisions made as a result of reliance upon this report.

OYAK Securities, any of its parents, subsidiaries or affiliates, agents, employees or representatives may hold positions and execute transactions in securities of entities mentioned in the document. In addition, OYAK Securities, any of its parents, subsidiaries or affiliates, agents, employees or representatives might have, might be seeking or will seek investment banking or other business relationships with the companies in this report.

Copyright in this report is owned by OYAK Securities except where otherwise indicated by a third party's proprietary notice and may not be reproduced or appropriated in any manner without written permission of OYAK Securities or their respective owners.

Valuation Approach

Valuation tools employed most frequently are Discounted Cash Flow (DCF) and International Peer Group Comparison, though other metrics such as Dividend Discount, Gordon Growth, and Replacement Value Methods are also used wherever appropriate. Oyak Securities analysts may calculate the target return of each stock considering only one method or assigning different weights to more than one method depending on the analyst's opinion. The "Expected Market Return" (EMR) of the ISE-100 is determined through aggregate target returns of each stock under coverage based on their respective free float market capitalization.

Rating Methodology

Oyak Securities assigns recommendations to each stock according to the following criteria:

Price target for a stock represents the value analyst expects the stock to reach during our performance horizon, which is 12 months. For stocks with an OUTPERFORM recommendation, target return must exceed the EMR by at least 40% over the next 12 months. For a stock to be classified as UNDERPERFORM, the stock must be expected to underperform the EMR more than 25% over the next 12 months. Stocks that an analyst expects to perform parallel to the EMR within a band of +40%/-25% are rated as MARKETPERFORM. Oyak Securities analysts review their recommendations under continuous screening. Nevertheless, at times, target return of a stock may be allowed to move outside our rating intervals as a result of share price fluctuations. Under such circumstances, the analyst may choose not to change his/her recommendation.