

# Migros Ticaret A.Ş.

## 1H 2014 Financial Results

# MiGROS

The Best Organized Retailer in Turkey,  
10th year in a row



Bodrum Maya store,  
first LEED Gold certified store in Turkey

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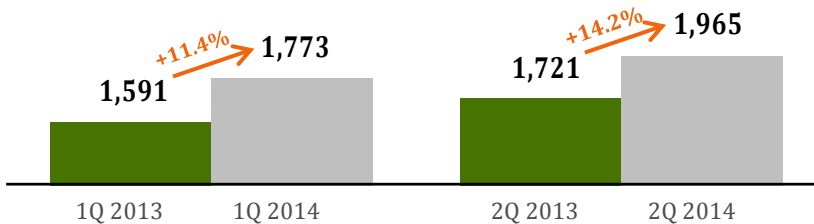
Format  
Summary



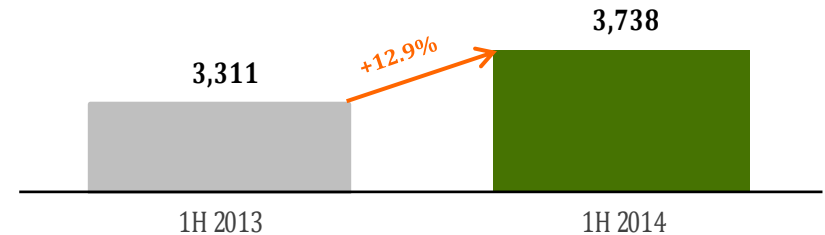
# Sales in 1H 2014

- Sales growth performance of **14.2%** in 2Q 2014, over a year ago.
- Consolidated sales rose to **TL 3,738 million** in 1H 2014 corresponding to yearly growth rate of **12.9%**.
- New store openings and improved performance of existing stores boosted top-line growth in 2Q 2014.

Quarterly Sales (TL million)



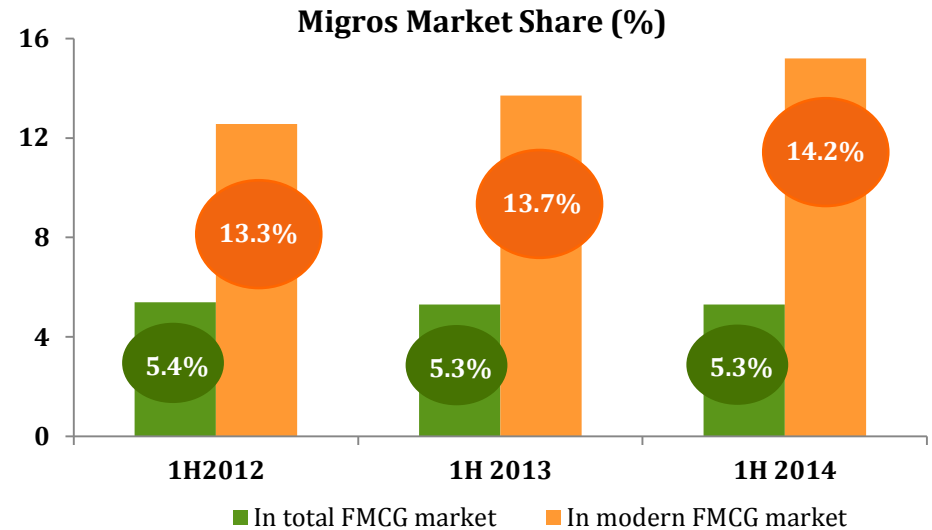
Sales (TL million)



# Market Share Evolution

## Strong market share in FMCG

- Migros gained **50** bps market share in 1H 2014 vs. same period of last year, accounting **14.2%** of FMCG sales in the organized sector in Turkey



Source: Nielsen

Note 1: FMCG stands for Fast Moving Consumer Goods

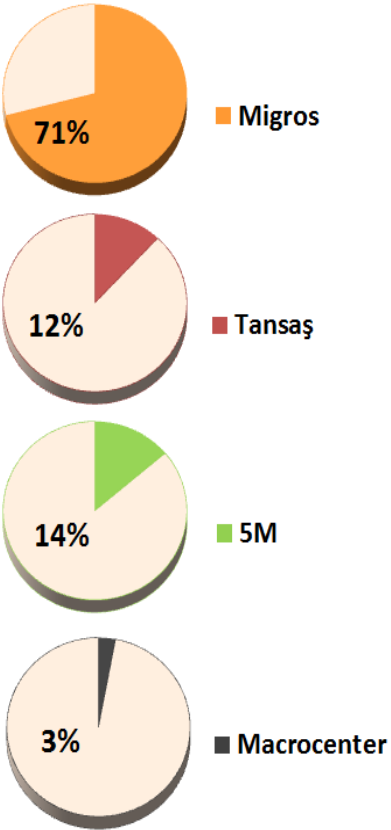
Note 2: Modern FMCG market and total FMCG market include all food-retail formats

# Expansion

- A total number of **65** new stores opened in 2Q 2014, including **62** supermarkets and **3** hypermarkets, by reaching **82** new store openings in 1H 2014.
- Total number of stores reached **1,079** as of June 2014.



## Domestic Sales Area Split



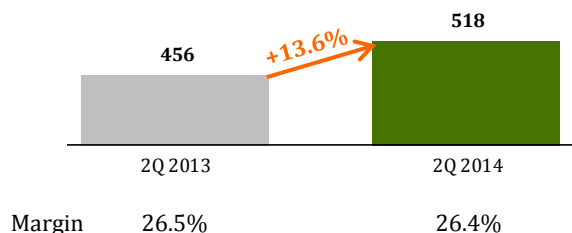
*by format as of June 2014*

# Financial Overview in 1H 2014

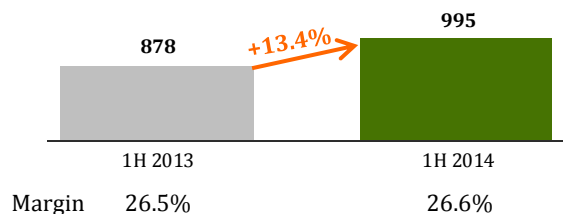
## Solid Gross Profit Generation

- Gross profit increased by **13.6%** y-o-y to **TL 518 million** with a margin of **26.4%** in 2Q 2014.

### Quarterly Gross Profit (TL million)



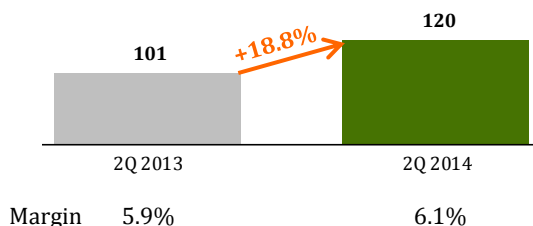
### Gross Profit (TL million)



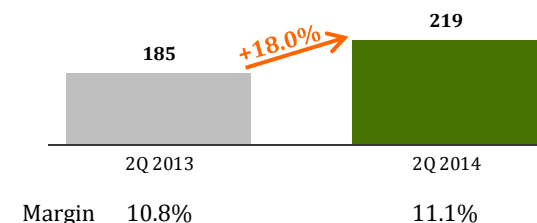
## Solid EBITDA Generation

- In 2Q 2014, EBITDA increased by **18.8%** y-o-y to **TL 120 million** and the Company delivered an EBITDA margin of **6.1%**.

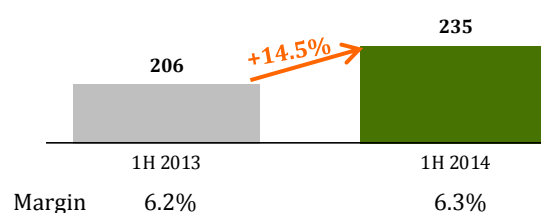
### Quarterly EBITDA\* (TL million)



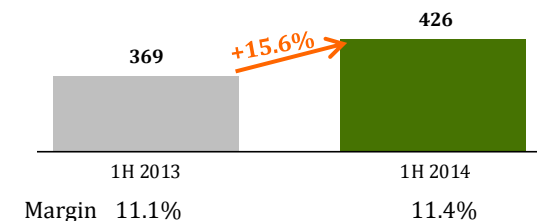
### Quarterly EBITDAR\* (TL million)



### EBITDA\* (TL million)



### EBITDAR\* (TL million)

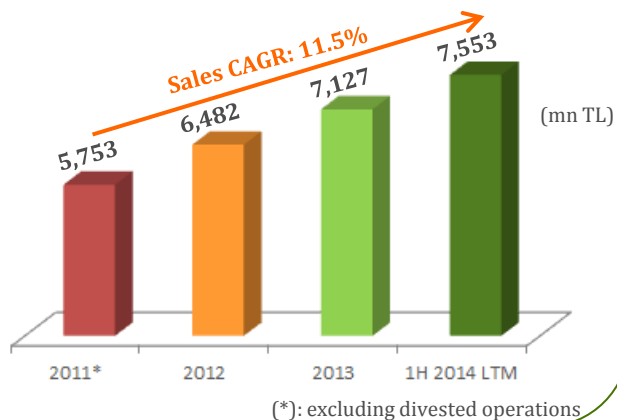


\*EBITDA(R) = Operating Profit + Amortization + Employee Termination Benefits + Unused Vacation Provision - Other Income + Other Expenses + (Rent Expenses)

# Key Financial Metrics

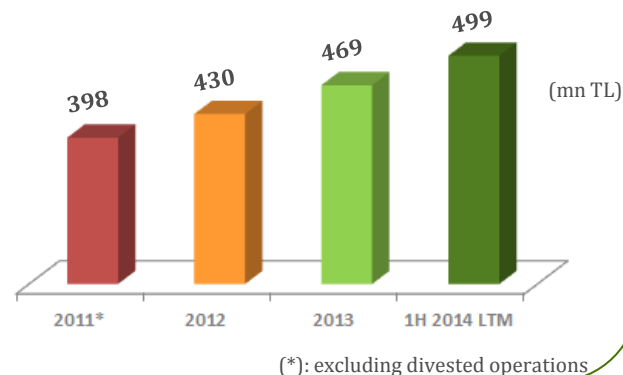
## Sales

### Sustainable Sales Growth



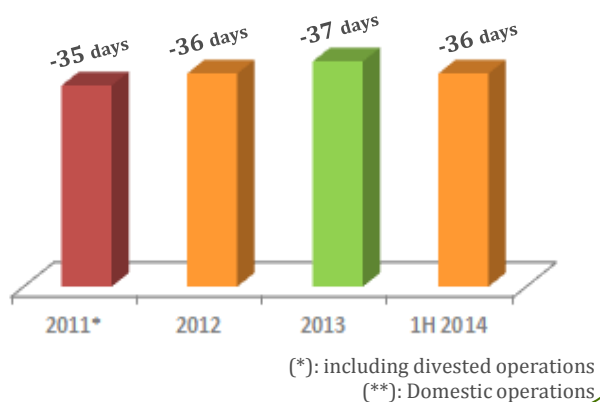
## EBITDA

### Sustainable EBITDA generation



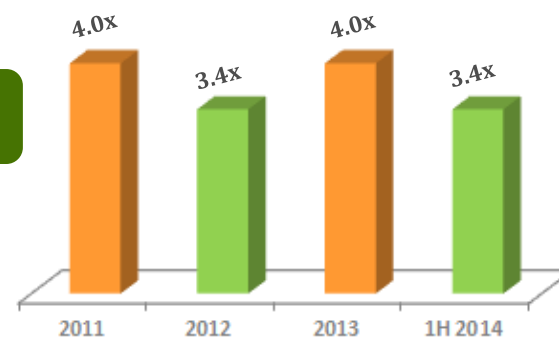
## Working Capital

### Stable Negative Cash Conversion\*\*



## Net Debt / EBITDA

### Net Debt/EBITDA





## Guidance 2014 and Medium Term

- **Sales growth** : Double digit sales growth
- **EBITDA margin** : Full year EBITDA margin range **6.0% – 6.5%**
- **Expansion target** : Revised to **150+** new supermarkets and **3** hypermarkets for 2014



# Financials & Format Summary

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- Financials
- Operations

# SUMMARY OF INCOME STATEMENT – 1H 2014

## IFRS Consolidated Income Statement Summary

(TL Million)	1H 2014	1H 2013
<b>Net Sales</b>	3,737.7	3,311.2
Cost of sales	-2,742.4	-2,433.3
<b>Gross Profit</b>	<b>995.3</b>	<b>877.9</b>
Operating Expenses	-862.5	-762.8
Other Operating Income / (Expense)	-39.4	-19.7
<b>Operating Profit</b>	<b>93.4</b>	<b>95.5</b>
Income / (Expense) from Investment activities	-2.1	-4.3
<b>Operating Income Before Finance Income / (Expense)</b>	<b>91.3</b>	<b>91.2</b>
Financial Income / (Expense)	-30.3	-190.7
<b>Income/Loss Before Tax From Continuing Operations</b>	<b>61.0</b>	<b>-99.6</b>
Tax Income / (Expenses)	-21.5	-24.9
Deferred Tax Income	2.5	-1.4
<b>Net Profit / Loss</b>	<b>42.0</b>	<b>-125.9</b>
<b>EBITDA</b>	<b>235.3</b>	<b>205.6</b>
<b>EBITDAR</b>	<b>426.4</b>	<b>368.8</b>

# SUMMARY OF BALANCE SHEET – 1H 2014

## IFRS Consolidated Balance Sheet Summary

(TL Million)	1H 2014	2013
Current Assets	1,999.7	1,980.7
Non-current Assets	3,805.3	3,815.9
<b>Total Assets</b>	<b>5,805.0</b>	<b>5,796.6</b>
Current Liabilities	2,615.4	2,360.7
Non-current Liabilities	2,335.8	2,605.7
<b>Total Liabilities</b>	<b>4,951.2</b>	<b>4,966.4</b>
<b>Equity</b>	<b>853.7</b>	<b>830.2</b>
<b>Total Liabilities and Equity</b>	<b>5,805.0</b>	<b>5,796.6</b>

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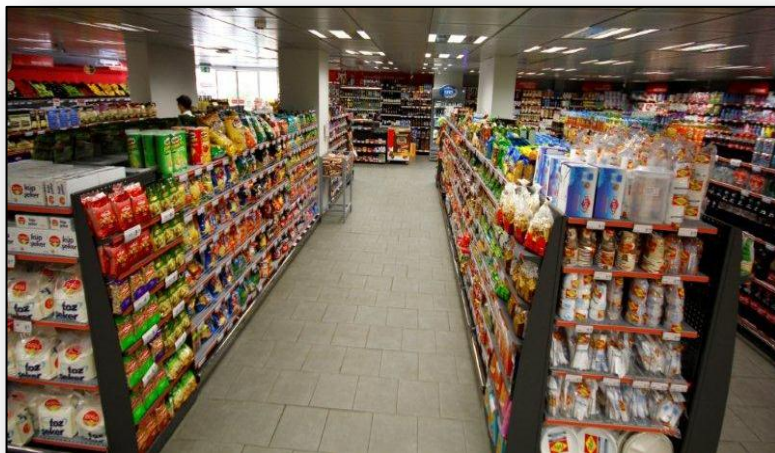
(\*): including Migros Jet stores



**MIGROS**

- 

**MiGROSjet**  
30.06.2014



Year	Number of New Projects
2010	7
2011	23
2012	78
2013	144
1H 2014	203



# Tansaş Supermarkets



## Regional leader of the west coast

- Number of stores: 209
- 150-1,500 sqm / 3,000 – 15,000 SKUs
  - A strong regional brand & competitive pricing strategy
  - Diverse fresh food emphasis on meat and F&V
  - Friendly service / warm and localized layout



Penetration: 6 cities



# Macrocenter Supermarkets

macrocenter

## Exclusive shopping

- Number of stores: 26
- 400 - 2,500 sqm / 10,000 SKUs
  - Upscale gourmet store serving a niche, selective customer segment with strong brand loyalty
  - Elegant design and store layout
  - Wide product range in delicatessen, appetizers and spirits. Premium quality in fresh products
  - Complementary and premium non-food
- Customized service such as banquet ready meal delivery
- Accelerated store openings in the popular locations of the Country including Antalya, Bodrum, Cesme and Ankara



Penetration: 5 cities





# 5M Hypermarkets



## Lowest prices and wide assortment

- Number of stores: 24
- 4,000-7,000 sqm / 25,000 SKUs
  - Wide product range; rich FMCG and non-food assortment
  - N/F product portfolio focusing on kids & women; especially kitchenware & household textile, toys and cosmetics
  - Competitive pricing
- 20 hypermarkets out of 24 are located in shopping malls and power centers



# Wholesale & Food Service

**MIGROS**

## Focus on Horeca Penetration

- Currently operating in 7 regions through dedicated sales team.
- Dedicated warehouses and customer delivery



# International Operations

# Ramstore®

## Kazakhstan

- Number of stores: 26, including 4 hypermarkets, 22 supermarkets. Owns 1 shopping mall in Almaty
- Total sales area of 50,111 sqm
  - Present in Almaty, Astana, Shimkent, Karaganda, Uralsk, Aktau and Atrau
- Operates in multi-format since 1999
- Food retail market leader in Kazakhstan

## Kazakhstan

1 Shopping Mall  
4 Hypermarkets  
22 Supermarkets

## Macedonia

- Number of supermarkets: 14
- Owns 1 shopping mall in Skopje
- Total sales area of 14,433 sqm
- Operations started in 2005

## Macedonia

1 Shopping Mall  
14 Supermarkets

