MiGROS

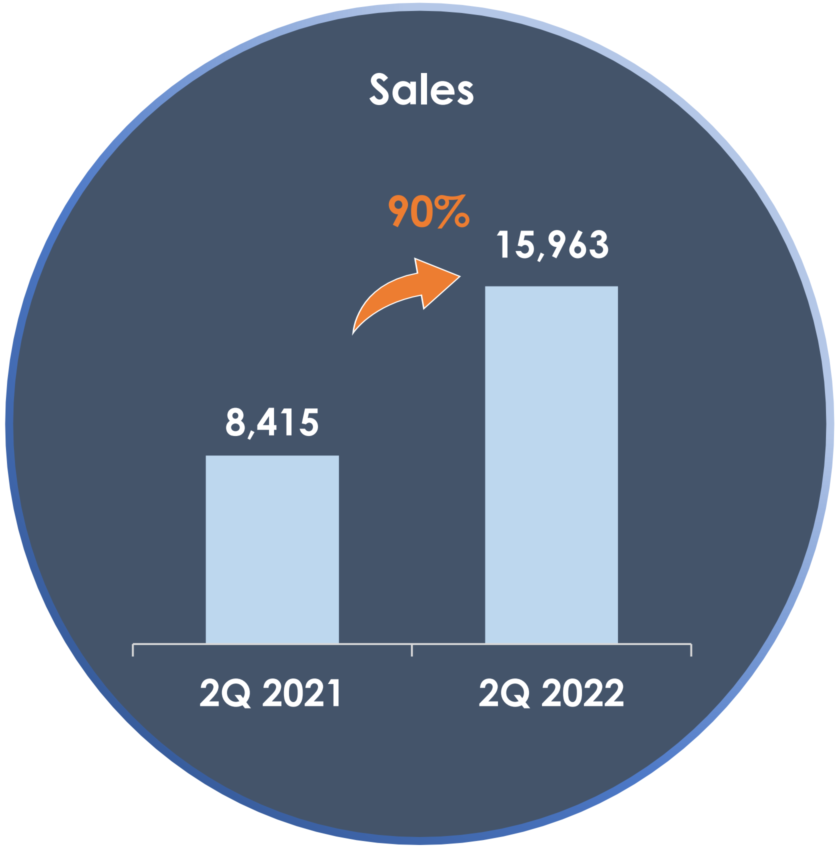
Company Presentation

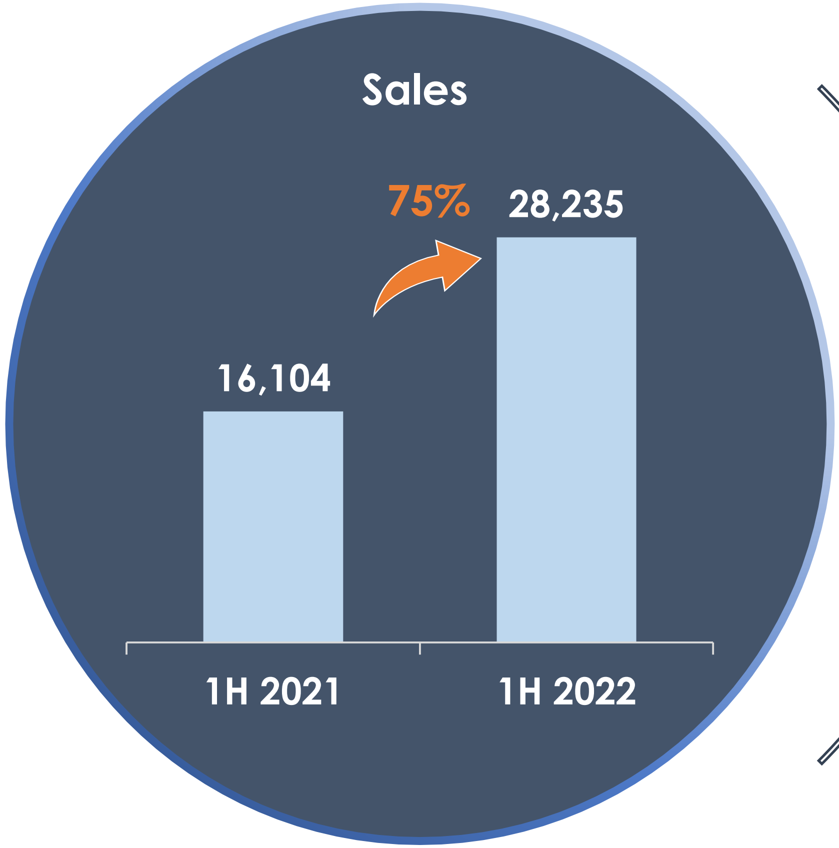
1H 2022 Financial Results

Contents

MiGROS

Sales – 1H 2022 (TL million)

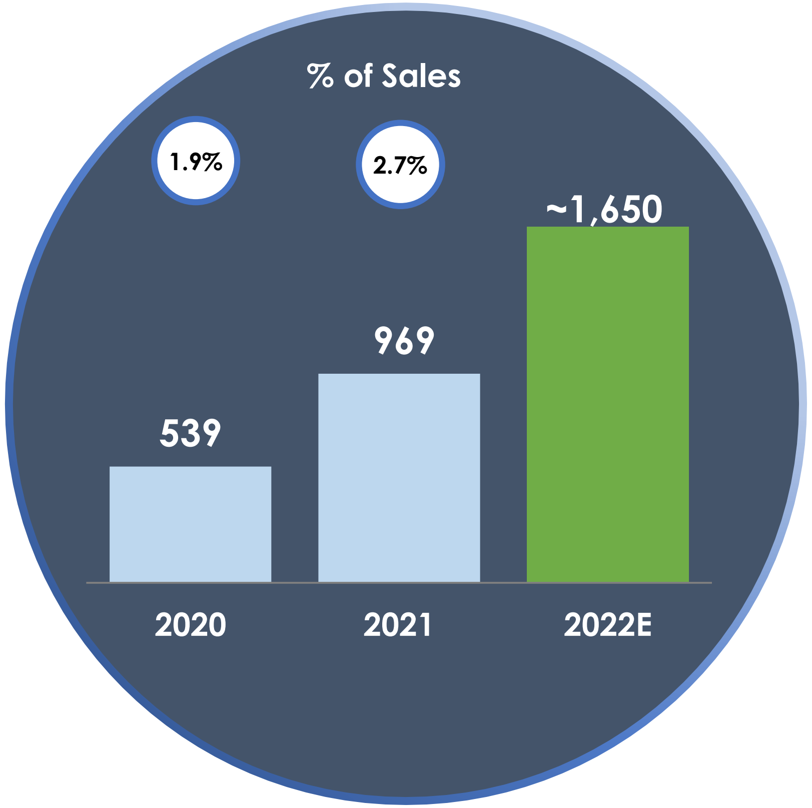


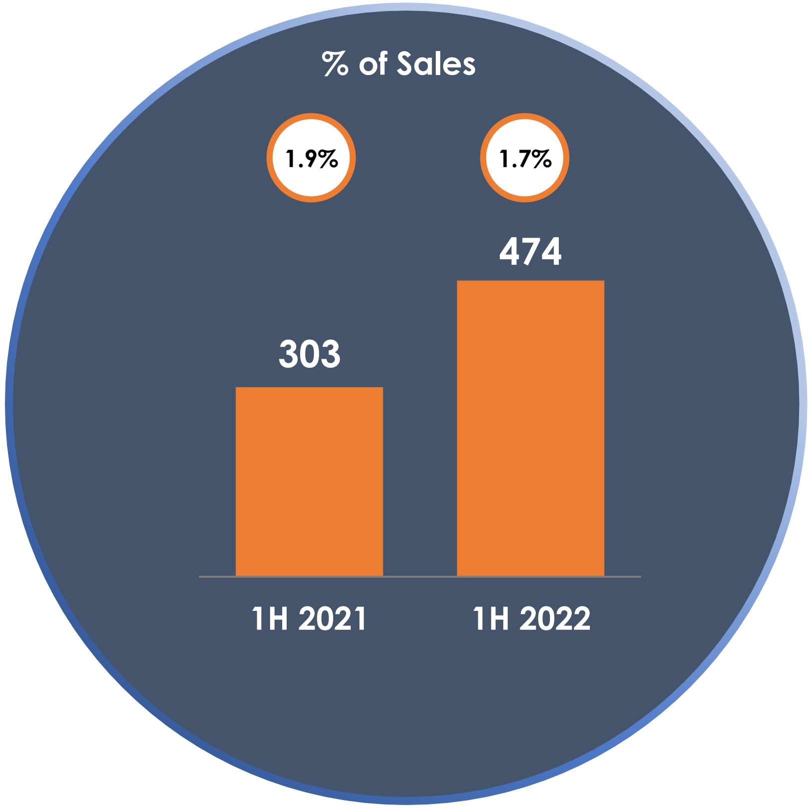


- Competitive pricing strategies pay off in trading-down environment
- Inflationary environment in 2Q

Offline & Online Expansion

CAPEX (TL million)

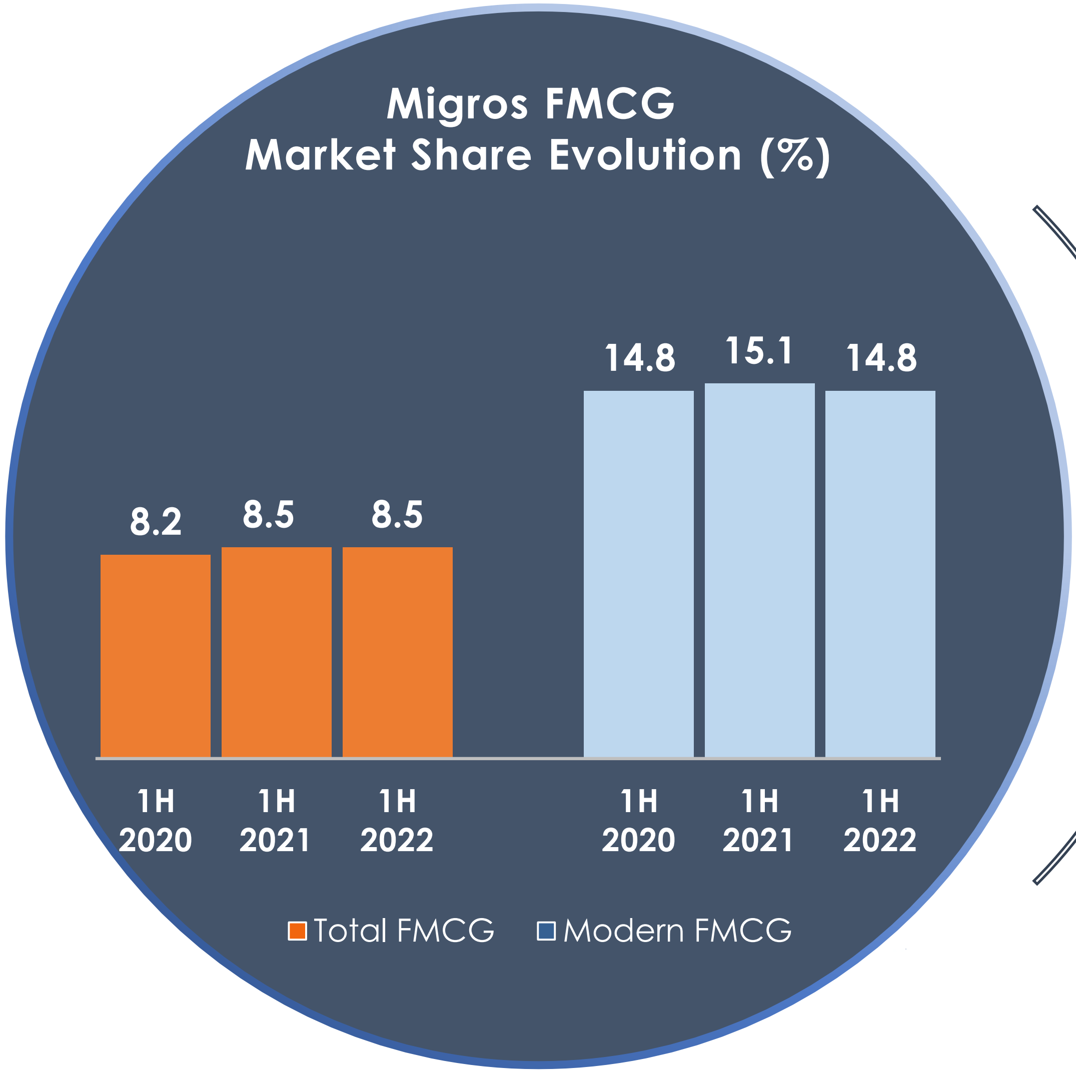




Bolt on Acquisitions:

- 25 stores in Trabzon & Giresun
- 6 stores in İstanbul
- Will be operational in 4Q22

Market Share Evolution



Flat market share

Migros' strong sales growth especially in 2Q despite trading-down

Source: Nielsen

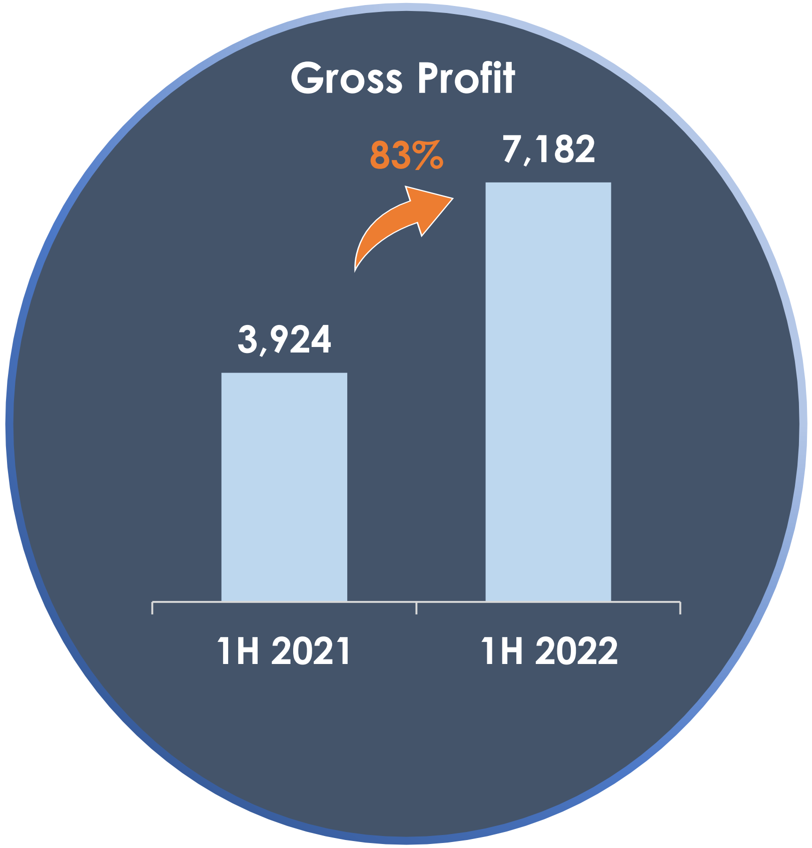
Note : FMCG: Fast Moving Consumer Goods, Modern and total FMCG market include all food-retail formats

Financial Overview

MiGROS

Consolidated Gross Profit (TL million)

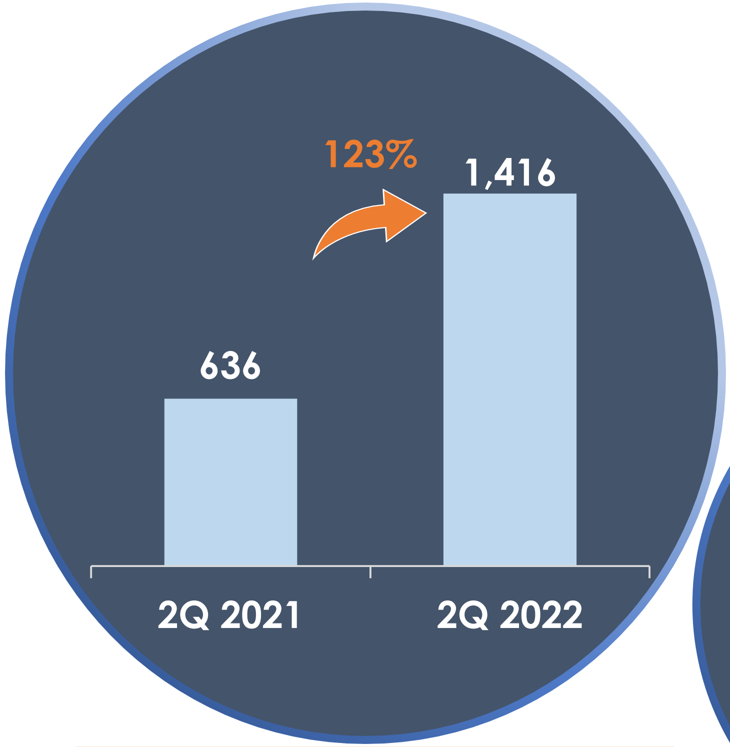
Margin	24.1%	25.4%



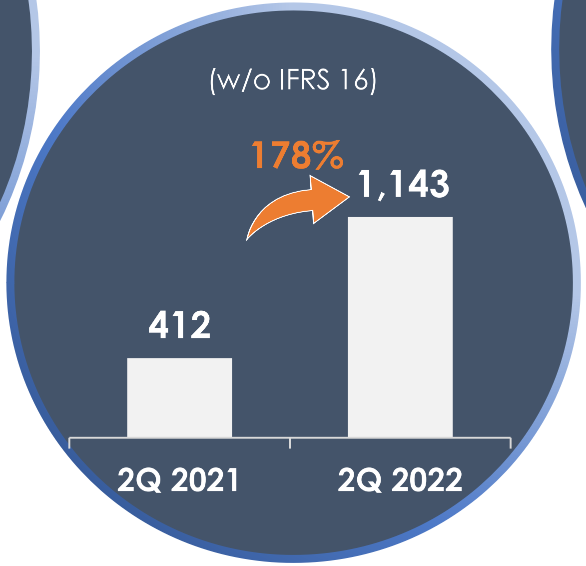
Margin	24.4%	25.4%

Consolidated EBITDA after ETB & unused vacation provisions (TL million)

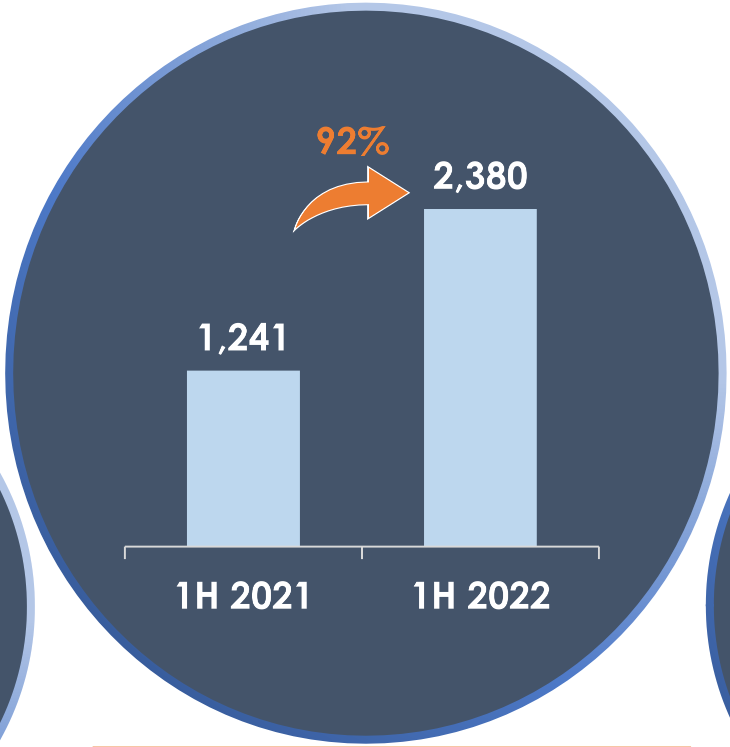
- Our guidance EBITDA is now after employee termination benefits & unused vacation provisions.



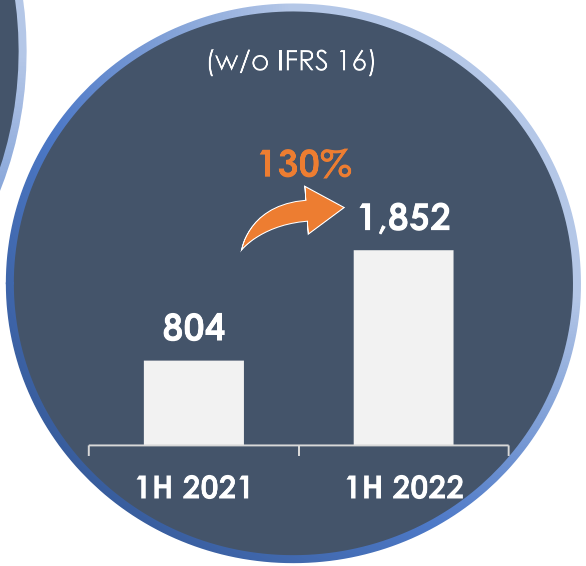
Margin	7.6% *8.0%***	8.9% *9.8%***



4.9% *5.3%***	7.2% *8.1%***



Margin	7.7% *8.3%***	8.4% *9.4%***

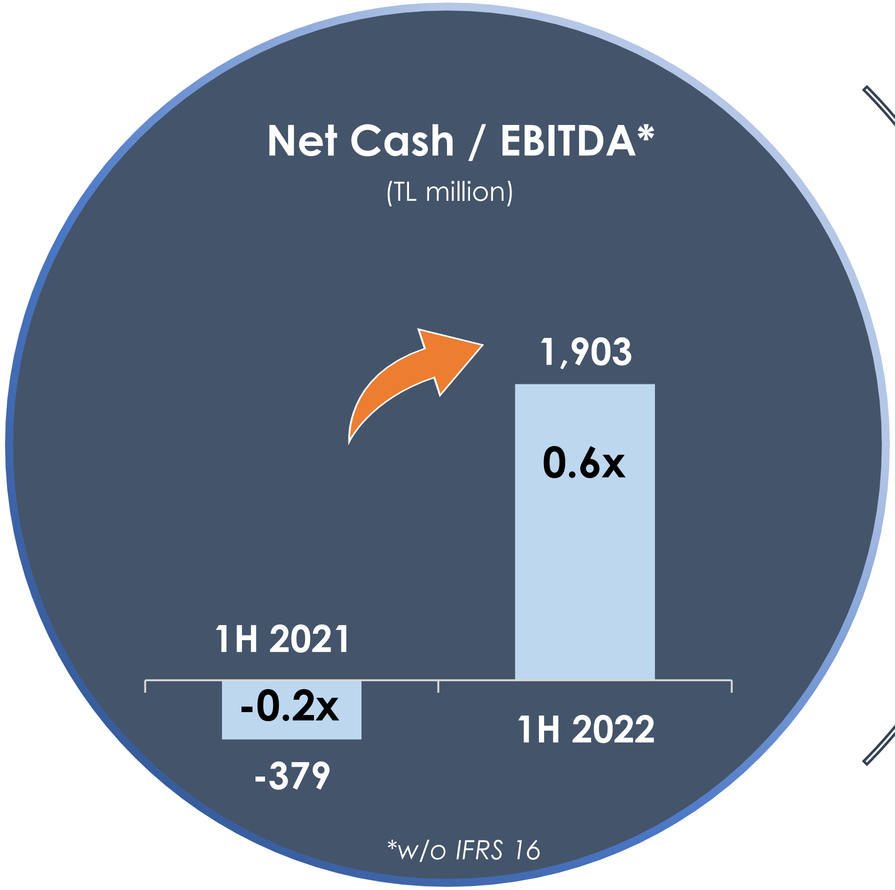


5.0% *5.6%***	6.6% *7.5%***

** EBITDA after ETB & unused vacation provisions = Operating Profit + Amortization - Other Income + Other Expenses*
*** EBITDA: [2Q22: TL 1,570 mn vs 2Q21: TL 670 mn] & [1H22: TL 2,645 mn vs. 1H21: TL 1,340 mn]*

MiGROS

Net Cash Position



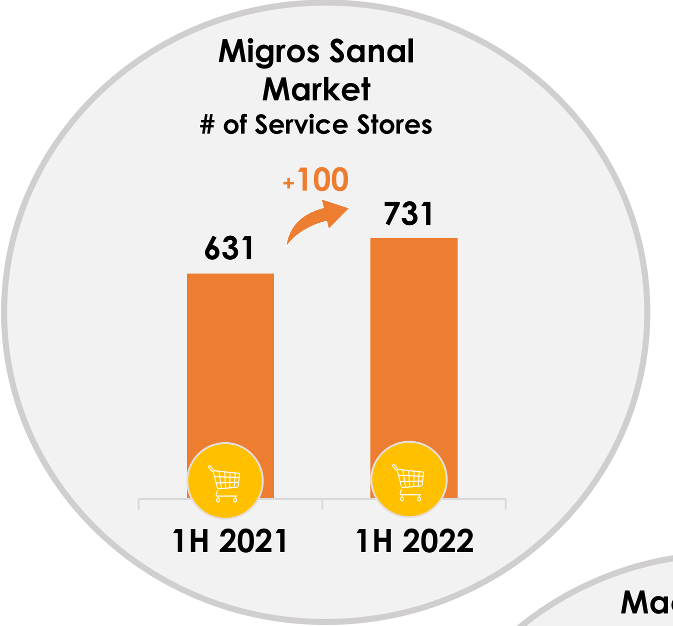
- 2-years average maturity with 18% average interest cost
- Improved net cash position

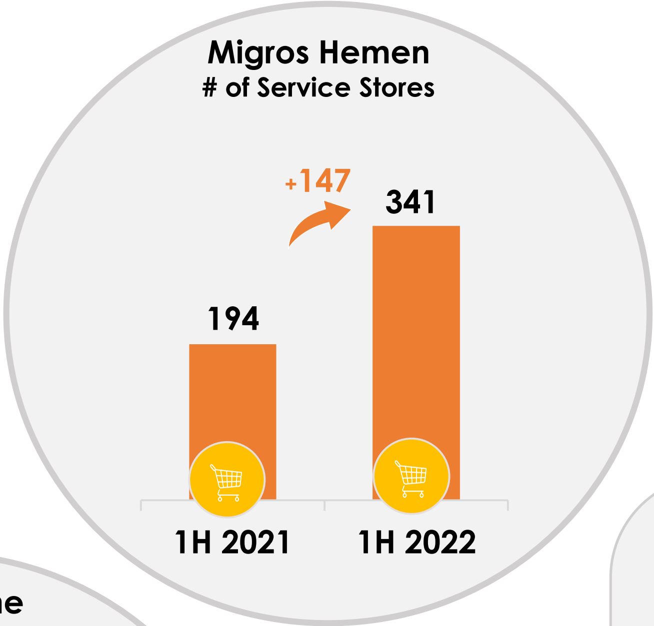
MiGROS

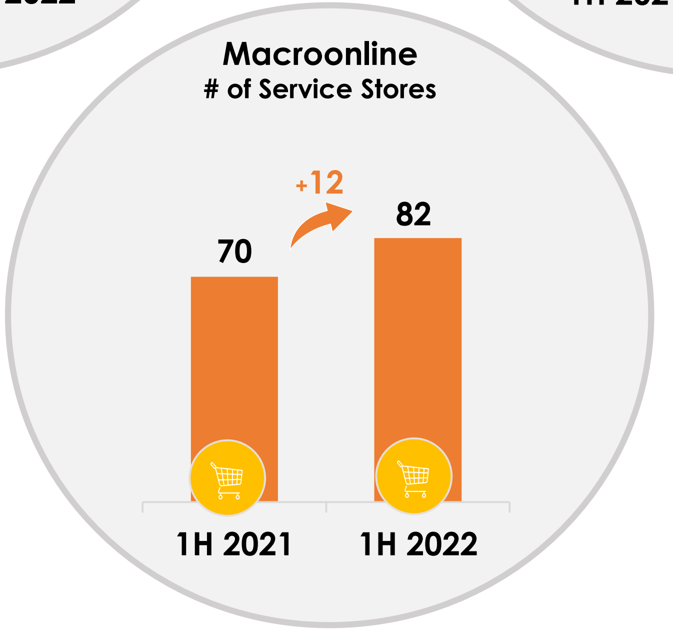
Online Operations & Strategy Update

MiGROS

Migros' Geographical Coverage in Online





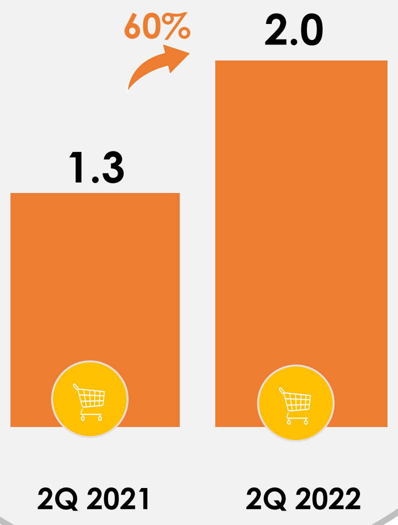


81 cities	Migros Sanalmarket	+35,000 SKU
70 cities	Migros Hemen	~2,500 SKU Delivery within minutes
10 cities	macroonline	+15,000 SKU High-end gourmet
5 cities	TazeDirekt.com	+3,000 SKU Fresh categories Direct from farm to consumers

MIGROS

Sales Contribution of Online Operations

Online Sales
(TL billion)

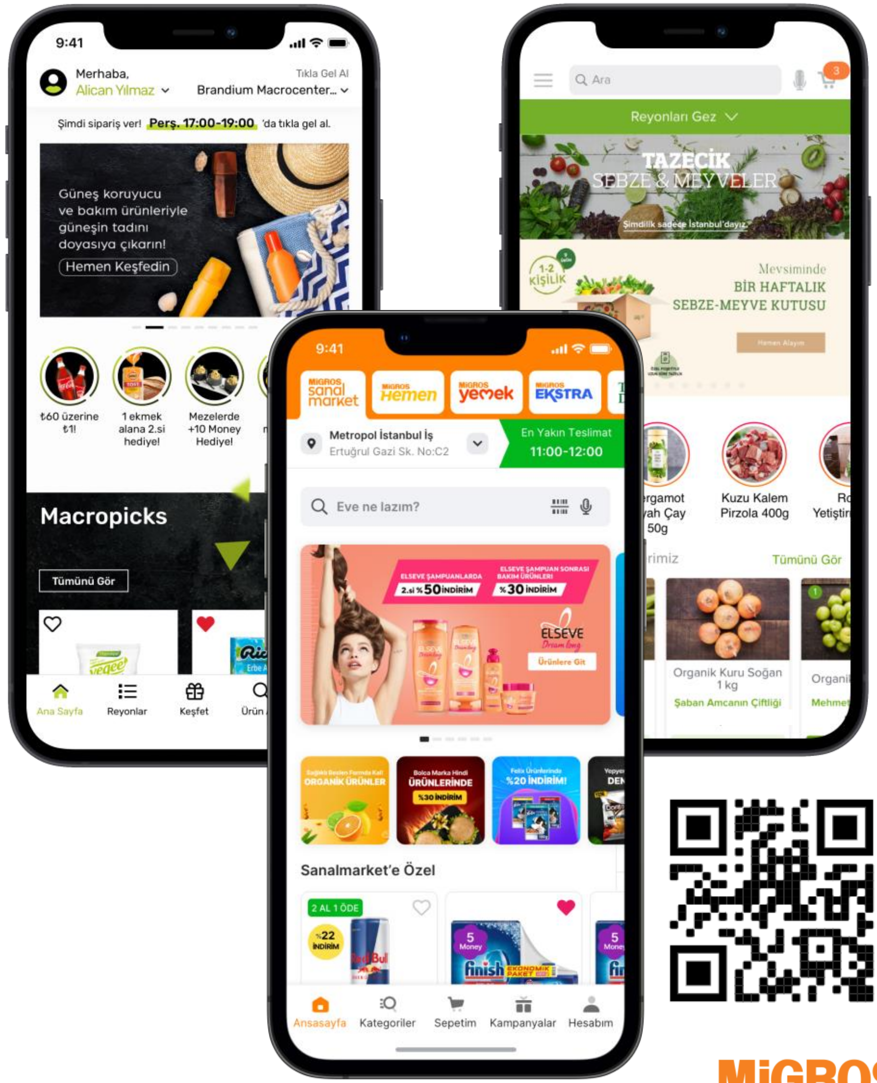


- **High base impact** of May’21 due to Covid-19 lockdowns
- **Online sales growth** will accelerate in 2H 2022

Online Share in Total Sales 1H 2022
(w/o tobacco & alcohol)

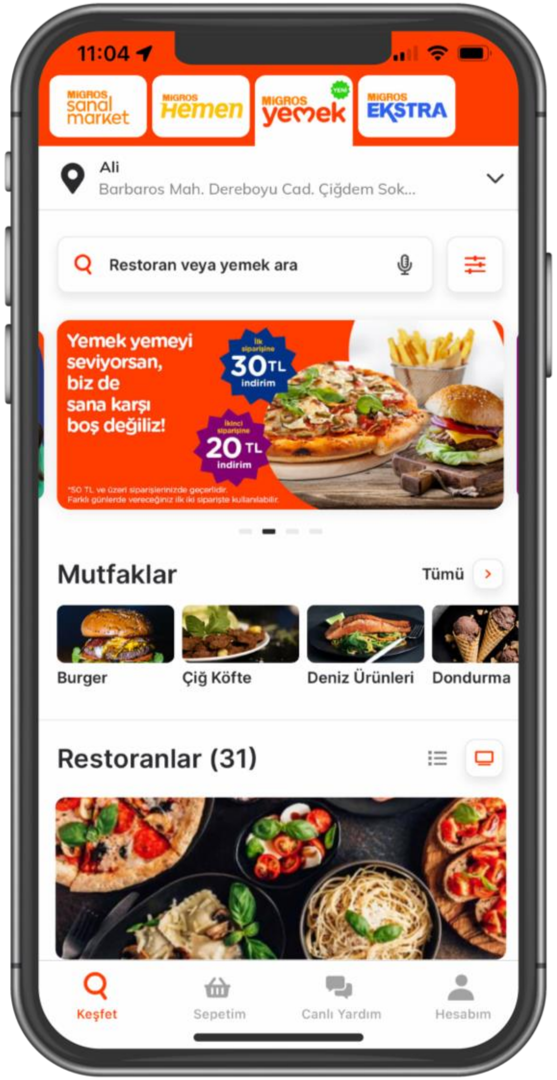
16.0%

Online Sales
(TL billion)



Migros Yemek

Online Meal Delivery Platform



- Launched in June 2022
- Wide restaurant network, affordable prices, healthy & wide range of meal options
- Currently operating 7/24 in **6** districts in İstanbul, reaching **15** districts by September
- Service network to reach **30** districts in **6** cities by September

Summary & Guidance

1H 2022 Underlying Performance

Net Sales	Sales Growth	EBITDA Margin	Net Profit
TL 28,235 in million	**75%** *2Q 2022: 90%*	**8.4%*** after ETB & unused vacation provisions / 9.4%**	**TL 603** in million *2Q 2022: TL 444 mn*

** EBITDA after ETB & unused vacation provisions = Operating Profit + Amortization - Other Income + Other Expenses*
*** EBITDA = Operating Profit + Amortization + Employee Termination Benefits + Unused Vacation Provisions - Other Income + Other Expenses*

MiGROS

2022 Guidance (Consolidated)

Sales Growth	EBITDA Margin	Expansion Target	CAPEX
80-85%	~ 8%* after ETB & unused vacation provisions	~350*** new stores	~TL 1,650 mn
	~8.5%**		
from 55-60%	*new guidance*	*from 250+*	*from ~TL 1,500 mn*

** EBITDA after ETB & unused vacation provisions = Operating Profit + Amortization - Other Income + Other Expenses*
*** EBITDA = Operating Profit + Amortization + Employee Termination Benefits + Unused Vacation Provisions - Other Income + Other Expenses*
**** Including 31 stores acquired*

MiGROS

Key Takeaways

Operational Performance

- Growth momentum accelerated
- Operational profitability improved thanks to personnel & rent cost efficiencies:
    - Increase in employee cost: 78%
    - Increase in rent cost: 62% (w/o IFRS16)
    - Top-line growth: 90% in 2Q

Stronger Balance Sheet

- Improvement in net cash position
- Improvement in net income
- Stronger shareholders' equity:
  TL 1.2 billion in 1H22 (TL 15 mn in 1H21)

Recent Developments

- Launch of Migros Yemek in June 2022
- New e-commerce law: No material impact
- Being close to consumers everywhere, Migros Deniz Market initiated online service to restaurants and customers' boats via zodiacs

Appendix


macroonline
Ayın Macrostyle Ürünleri!
Çoklu İndirim Kampanyaları & Hediyeli Ürünler
DİĞER KAMPANYALAR
KUZU KABURGA
Size Özel %20 İndirimli!
Mevsimin tazesi çilek
Size Özel %20 İndirimli!
MACRO25 Kodu ile
yapacağınız alışverişlerde

Migros at a Glance

MiGROS

68th year

TL 36.3 billion sales in 2021

40,470 employees

1,500+ suppliers

49.18% free float

The only food retailer listed in BIST Sustainability Index for **8 years in a row**

Included BIST Corporate Governance Index **since 2015**

Migros Sanalmarket | Migros Hemen | Migros yemek | macroonline | Taze Direkt.com

2,681 stores in all 81 cities

9.5 million loyal households **Money Card**
16.6 million active cards

Money pay | mimeda | Paket Taxi | PizzaMiGo

Turkey's **biggest** integrated meat-processing plant
62,000 tons production capacity

MiGET

Transforming our Ecosystem with New Subsidiaries

MiGROS ONE	**Online Business** **Migros shareholding:** 100%	Focused on online grocery business and ready-made meals	Focusing on gearing up the development of Migros' online channels
MONEY pay	**Fintech company** **Migros shareholding:** 80%	Financial solutions	E-wallet, money transfer, utility payment and BNPL
PAKET TAXI	**Logistics start-up** **Migros shareholding:** 75%	Migros increased its stake from 25% to 75% in April 2022	Rapidly growing logistics company with a fleet of over 3,500 motorbikes, serving third-party companies as well
mimeda	**Media assets** **Migros shareholding:** 100%	Marketing Migros' offline & online media assets to all advertisers and third parties	Providing data-driven insights to third-party companies

Offline & Online – 1H 2022

40 sqm - 3,500 sqm

Supermarkets

2,475

M
MM
MMM
MiGROS jet

3,500 sqm – 8,500 sqm

Hypermarkets

56

5M MiGROS

250 sqm – 2,000 sqm

Macrocenter

125

macrocenter

200 sqm – 1,600 sqm

Wholesale

25

MiGROS TOPTAN

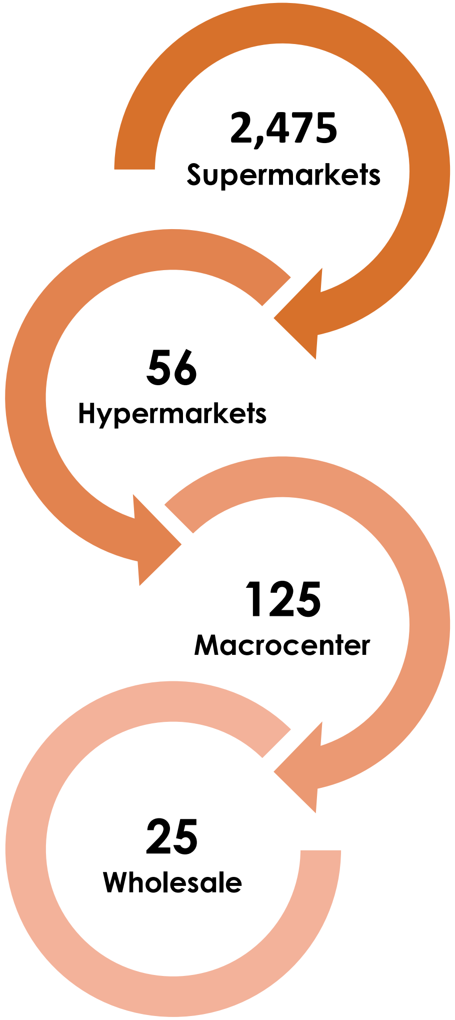
2,000 SKU – 40,000 SKU

Online

955

MiGROS sanalmarket
MiGROS yemek
MiGROS Hemen
Taze Direkt .com
macroonline

Store Portfolio



	30 June 2021		30 June 2022	
	# of stores	Sales area (th sqm)	# of stores	Sales area (th sqm)
Migros (M, MM,MMM)	1,353	1,089.7	1,504	1,174.4
Migros Jet	900	187.6	971	204.4
5M	56	268.5	56	261.0
Wholesale	23	13.4	25	14.3
Macrocenter	73	46.0	125	59.2
Total	**2,405**	**1,605.1**	**2,681**	**1,713.3**

IFRS Consolidated Income Statement Summary – 1H 2022

(TL million)	1H 2022	1H 2021
Net Sales	**28,235**	**16,104**
Cost of sales	-21,052	-12,180
Gross Profit	**7,182**	**3,924**
Operating Expenses	-5,335	-3,116
Other Operating Income / (Expense)	-557	-306
Operating Profit	**1,281**	**502**
Income / (Expense) from Investment activities	76	212
Operating Income Before Finance Income / (Expense)	**1,357**	**714**
Financial Income / (Expense)	-598	-463
Income/Loss Before Tax From Continuing Operations	**759**	**251**
Tax Income / (Expenses)	-226	-94
Deferred Tax Income / (Expenses)	70	53
Net Profit / Loss from Continuing Operations	**603**	**211**
Net Profit / Loss Discontinued Operations	**0**	**1**
Net Profit / Loss	**603**	**211**
Net Profit / Loss - Non-controlling interest	4	0
Net Profit / Loss - Equity holders of parent	599	211
EBITDA after ETB & unused vacation provisions	**2,380**	**1,241**
EBITDA after ETB & unused vacation provisions (w/o IFRS 16 impact)	**1,852**	**804**
EBITDA	**2,645**	**1,340**
EBITDA (w/o IFRS 16 impact)	**2,118**	**903**

MiGROS

IFRS Consolidated Balance Sheet Summary – 1H 2022

(TL million)	1H 2022	2021
Current Assets	13,583	8,704
Non-current Assets	10,381	9,397
Total Assets	**23,965**	**18,100**
Current Liabilities	17,970	13,109
Non-current Liabilities	4,773	4,455
Total Liabilities	**22,742**	**17,564**
Equity	**1,223**	**536**
Total Liabilities and Equity	**23,965**	**18,100**

Cash Position & Leverage

(Total TL mn)	Without IFRS 16		With IFRS 16	
	1H 2021	1H 2022	1H 2021	1H 2022
Cash & Cash Equivalents	2,468	4,803	2,468	4,803
TL	*2,285*	*4,657*	*2,285*	*4,657*
EUR	*18*	*2*	*18*	*2*
Financial Debt	2,847	2,899	5,795[1]	6,574[1] ↑
TL	*2,799*	*2,899*	*5,747*	*6,571*
EUR	*5**	***0****	*5**	***0****
Net Cash (Net Debt)	(379)	1,903 ↑	(3,327)	(1,771) ↓
EBITDA LTM after ETB & unused vacation provisions	1,593	3,035	2,454	4,033
Net Cash (Net Debt) / EBITDA LTM after ETB & unused vacation provisions	**(0.2x)**	**0.6x** ↑	**(1.4x)**	**(0.4x)** ↓
EBITDA LTM	1,706	3,362	2,567	4,360
Net Cash (Net Debt) / EBITDA LTM	**(0.2x)**	**0.6x** ↑	**(1.3x)**	**(0.4x)** ↓

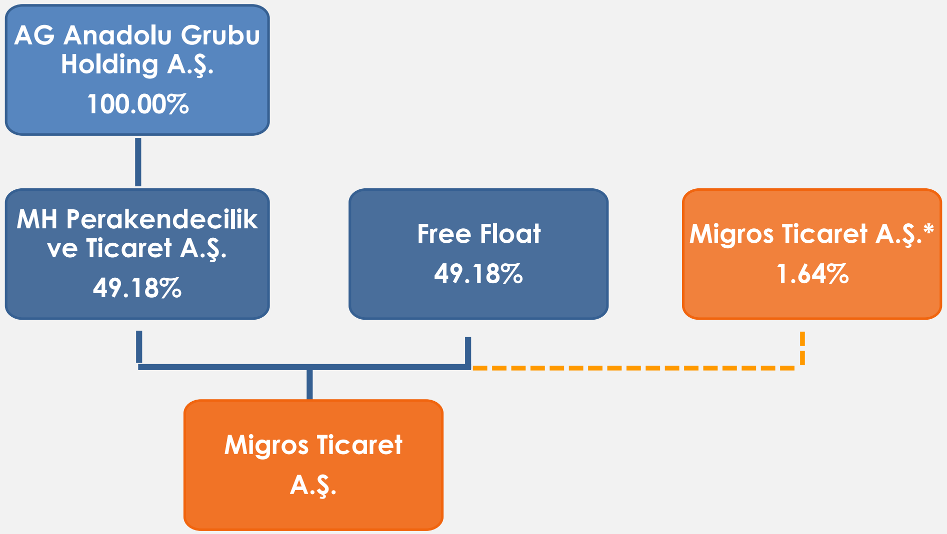
[1] Includes capitalized costs of lease contracts over their maturity

** Our Company's foreign currency bank debt is nil since April 2021. This loan belongs to Ramstore Kazakhstan subsidiary and is consolidated.*

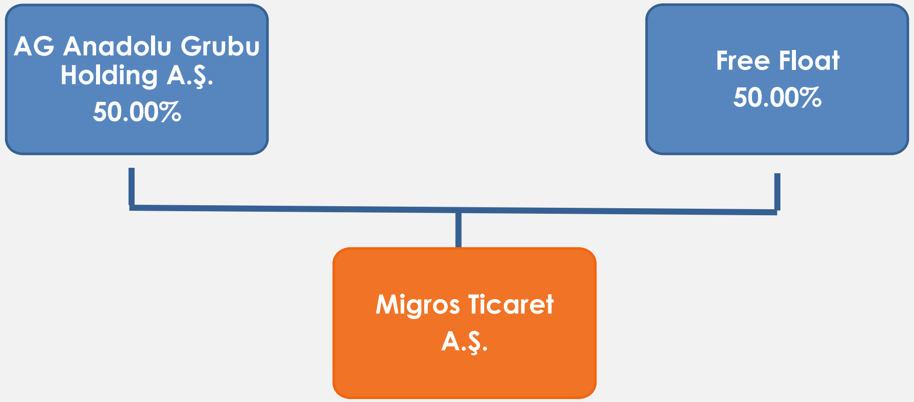
MiGROS

Ownership Structure

Direct Shareholding Structure



Indirect Shareholding Structure



(*): Migros purchased its own shares due to the merger in 2018 in accordance with relevant CMB legislation

MIGROS

Sustainability

Migros Sustainability Targets

By 2030

42%

Science Based Target (SBT)

Reducing Scope 1 & Scope 2 Greenhouse Gas Emission

Base Year: 2020

Progress 2020- 2021: **4.58%**

By 2030

10%

Reducing Water Consumption per sqm

Base Year: 2019

Progress 2019- 2021: **32%**

By 2030

50%

Reducing Food Waste (tones)

Base Year: 2018

Progress 2018- 2021: **22%**

By 2026

27-33%

Women Participation in Top Management

Base Year: 2018

Progress 2018- 2021: **25%**

Migros Better Future Plan

TRANSPARENT, RESPONSIBLE AND ETHICAL GOVERNANCE FOR A SUSTAINABLE ECOSYSTEM
To adopt the governance approach that suits best to our value-oriented business model and integrated mindset, for all our stakeholders. To create a joint value with our stakeholders integrated into our development goals, with the economic value, employment and partnerships we produced

Better for Our World

EXTENSIVE COMBAT AGAINST CLIMATE CHANGE
To carry out studies to measure and reduce our carbon footprint To develop projects for effective use of water and energy resources

SUSTAINABLE AGRICULTURE AND SAVING FOOD
To support sustainable agriculture and agriculture-oriented biodiversity;
To make improvements and collaborations throughout our value chain to reduce food waste

SUPPORTING THE CIRCULAR ECONOMY
To measure, reduce and recycle our wastes or return them into economy; To improve the life cycle of our private label products

Better for Innovative Transformation

INNOVATIVE APPLICATIONS
To implement innovative practices that increase our efficiency and add convenience and speed to the lives of our stakeholders

TRANSPARENT AND FAST FLOW OF PRODUCT INFORMATION
To ensure the transparent, consistent and fast flow of product ingredients and information

Better for Our Customers and Stakeholders

ACCESSING SUSTAINABLE PRODUCTS AND SERVICES
To continuously develop a product and service portfolio to support a behavioral change toward a sustainable lifestyle

SUPPORTING HEALTY LIVING
To manage the quality and control processes of products and services; To develop projects to encourage wellbeing

RESPONSIBILITY AND AWARENESS STUDIES
To carry out social responsibility and awareness raising activities for a better world and a strong society

Better for Our Employees

GENDER EQUALITY AND EQUAL OPPORTUNITIES
To work in compliance with human rights in all our activities To observe gender equality and equal opportunity

EMPLOYEE SATISFACTION AND TALENT MANAGEMENT
To support our employee's personal and professional development and manage their carrier plans fairly and transparently

HEALTH AND SAFETY OF OUR EMPLOYEES
To work to protect the physical and mental health of our employees

Waste Management & Biodiversity Conservation

Combating Food Waste*

Day-end clearance on perishables:
3,967 tons of food

Food Donation:
5.9 million meals

Leftovers to stray animals:
1,407 tons of food

Combating Plastic Waste*

Plastic bags: **59%**

Plastic Initiative from the Business World
247 tons less plastic in 1 year

Good Agricultural Practices

GAP certified F&V: **1,126,452 tons in 11 years**

100% GAP certified poultry products
317 checkpoints

*2021 data

MiGROS

Social Responsibility Efforts

Family Clubs
167,000 members / 128 different trainings in 33 locations

Aegean Forest Foundation
554,148 sapling donation in 14 years

Growing Healthy with Migros
F2f conscious shopping trainings to 176,000 children. 2.1 millions views of the project's animated video

P&G - Turkey Special Olympics Committee Collaboration
6,538 special youngsters & children

Respecting Food Project
12.8 million meals are donated in 4 years

Ariel & Community Volunteers Foundation Collaboration
Cloth donation to 421,000 people in 11 years

Fresh Leftovers to our four-legged Friends Project
4,423 tons of food donation to stray animals in 7 years

Accessible Migros Project
283 Accessible Migros and Macrocenter stores in 50 provinces

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