

MiGROS

Omni-channel retailer, evolving beyond trade



Disclaimer

In accordance with the decision of the Capital Markets Board (CMB) dated 28.12.2023 and numbered 81/1820, it has been decided that issuers and capital market institutions, which apply Turkish Accounting/Financial Reporting Standards and are subject to the financial reporting regulations of CMB, shall apply inflation accounting by implementing the provisions of IAS 29 starting from their annual financial statements for the fiscal years ending on 31.12.2023.

In this context, our company's consolidated financial statements for the 1H 2023 and 1H 2024 have been adjusted for the effect of inflation in accordance with the relevant standard and published comparatively.

This presentation of our Company's financial results for the 1H 2024 has been prepared by applying inflation accounting in accordance with the provisions of IAS 29. In addition to these data, considering that our Company's guidance was presented as non-inflationary financial data, in order for our investors and other relevant parties to analyze Migros' financial performance more comprehensively. Non-inflationary and unaudited data for selected key items used in the Company's presentations in previous periods are also included in this presentation for informational purposes only.

This presentation has been prepared to provide information about Migros' operations and financial results and includes inflation-adjusted data and estimates as well as non-inflation-adjusted data and estimates for informational purposes. This presentation contains certain forward-looking statements, opinions and estimates. They reflect Migros management's current views on the future of the Company and involve certain assumptions. Actual results may differ depending on the development and realization of the variables and assumptions that form future expectations and estimated figures.

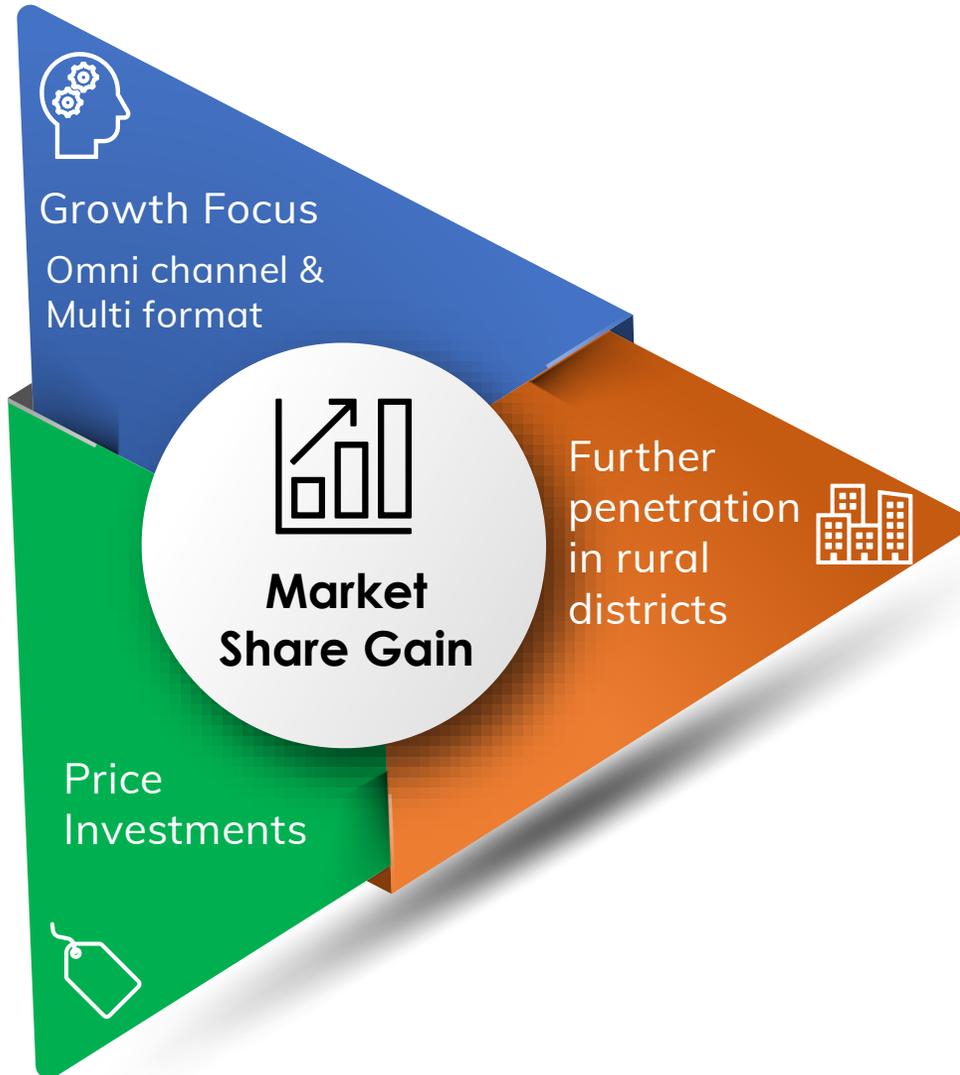
The Company, the members of the Board of Directors, employees or any other person shall not be held responsible for any damages that may arise from the content of this presentation.

Contents

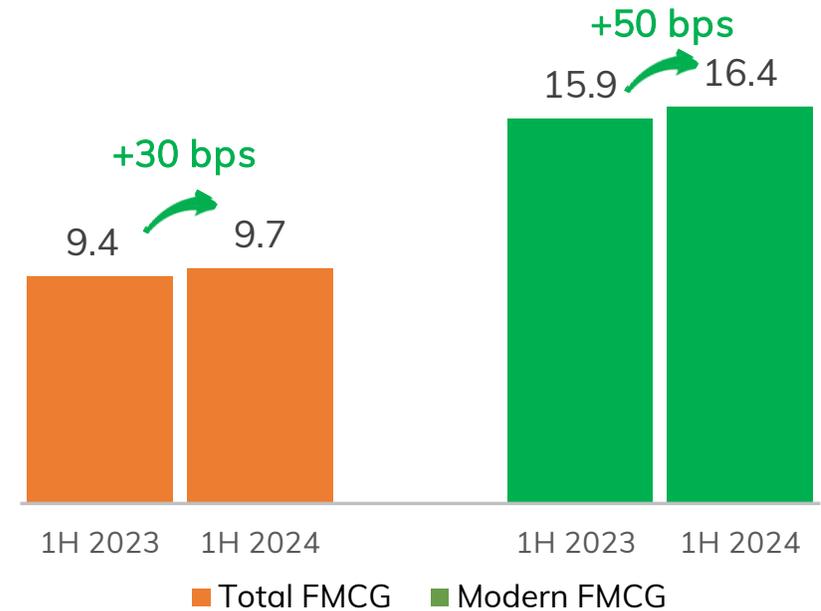


-  Operational & Financial Overview
-  Strategy Update
-  Summary & Guidance
-  Appendix

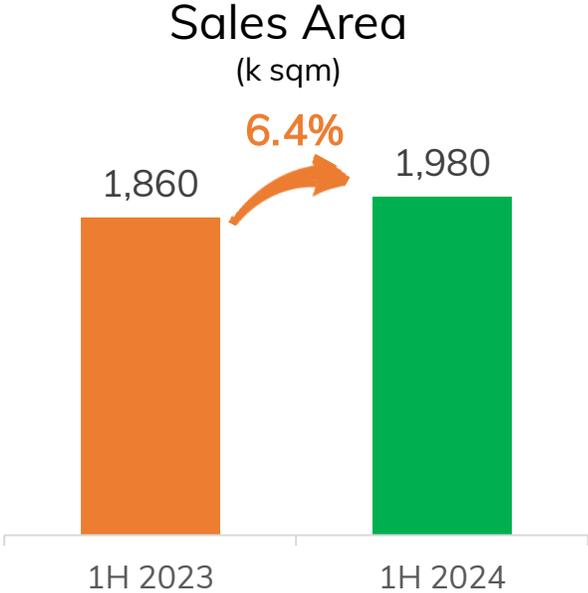
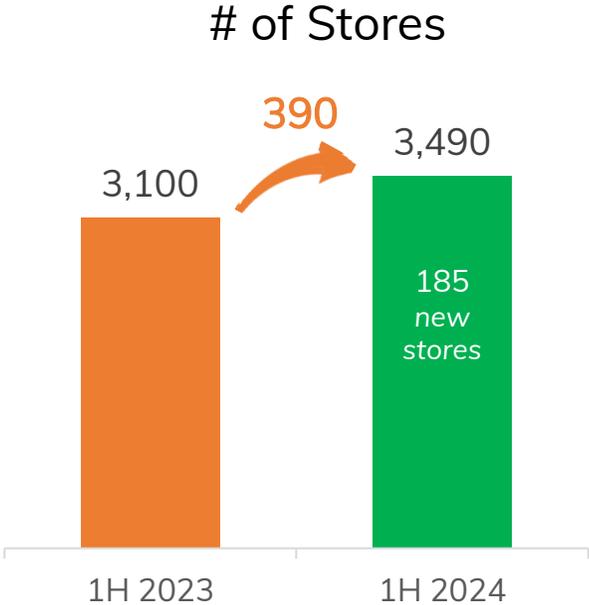
Market Share Evolution



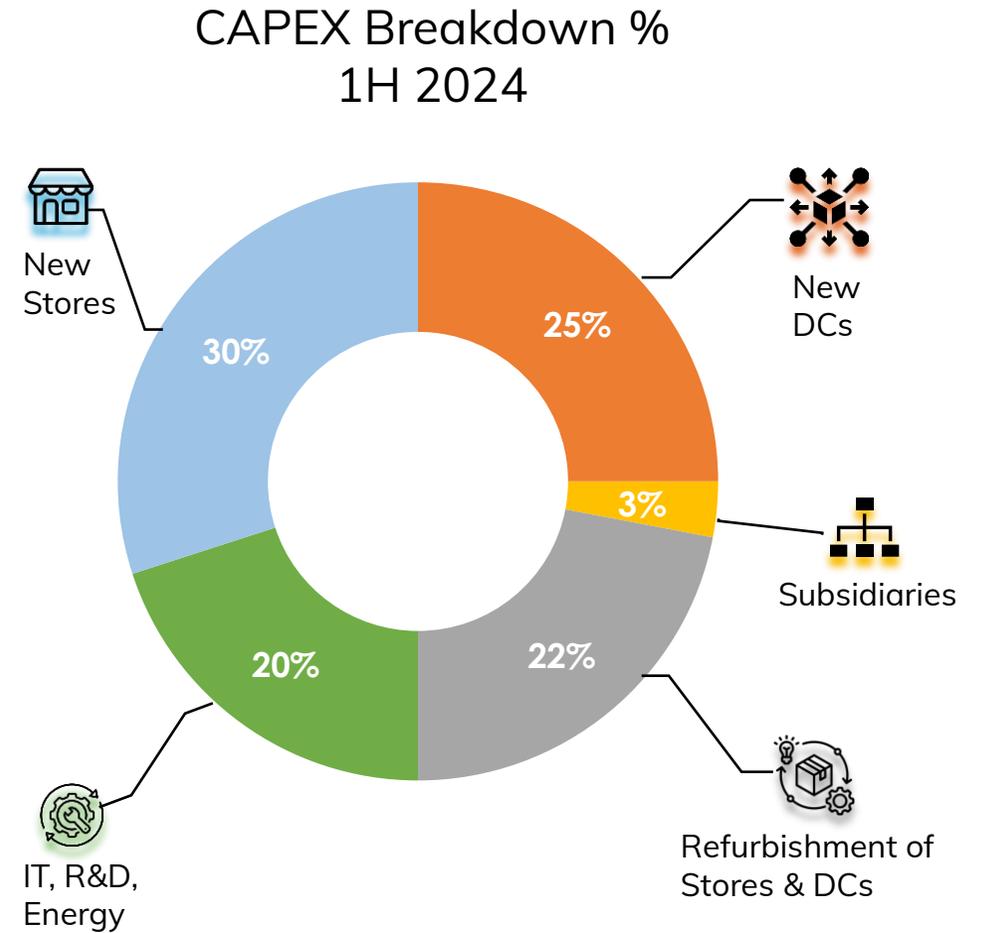
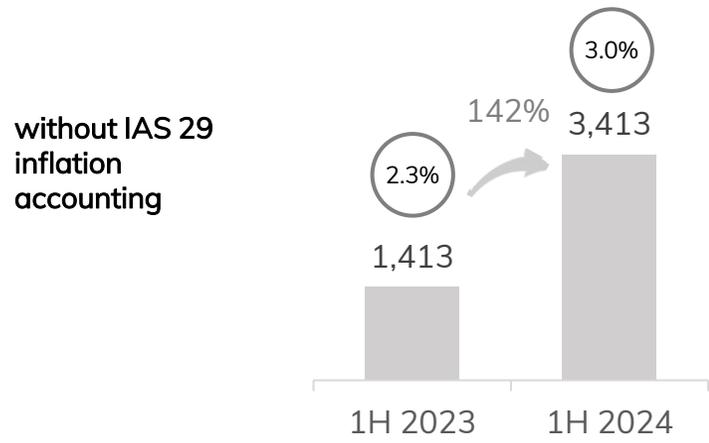
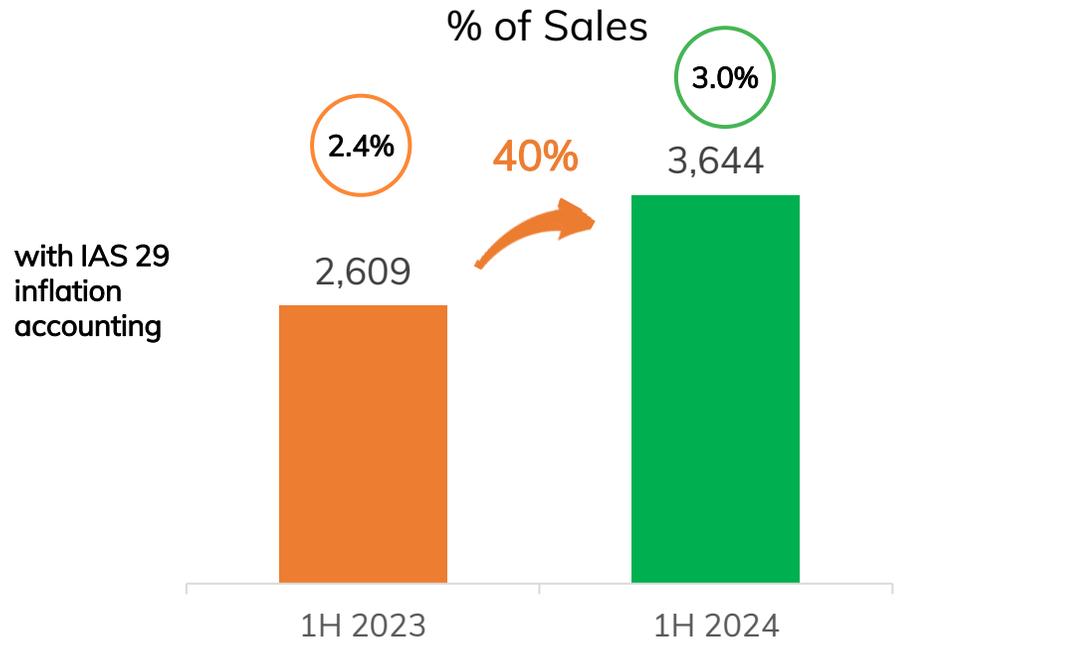
Migros FMCG
Market Share* (%)



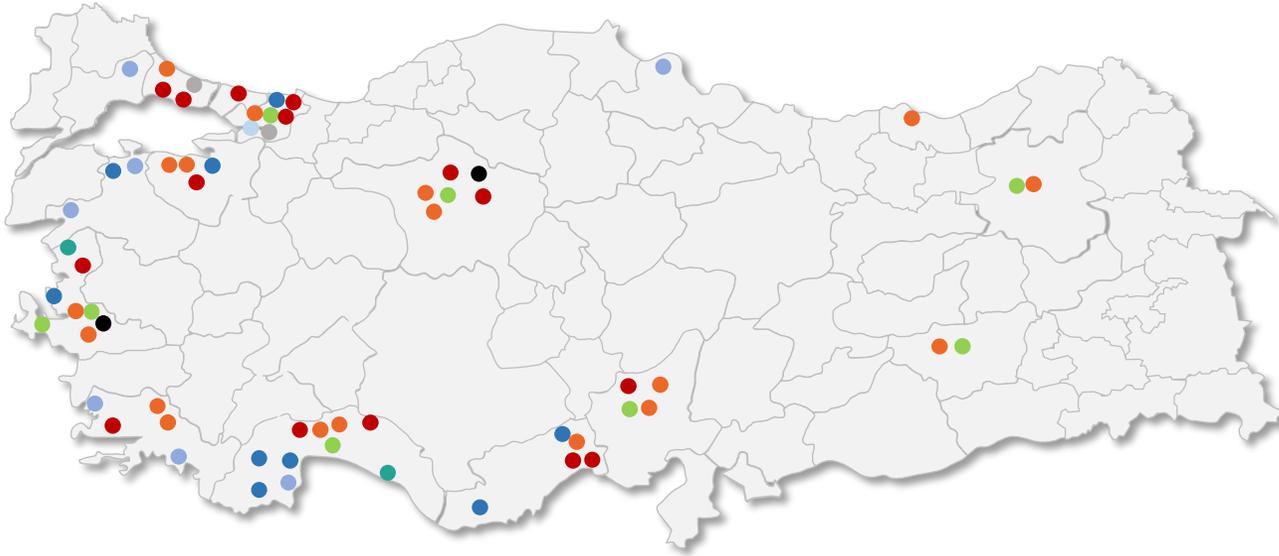
Physical & Online Expansion



CAPEX (TL million)



Expanding Logistics Capacity

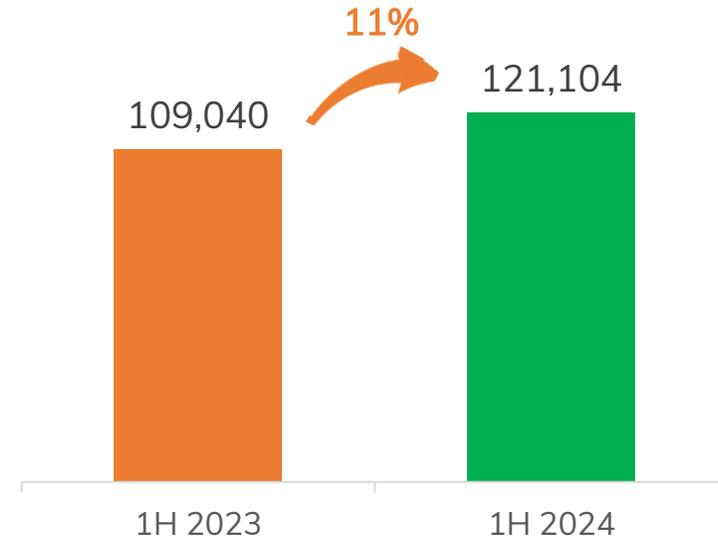
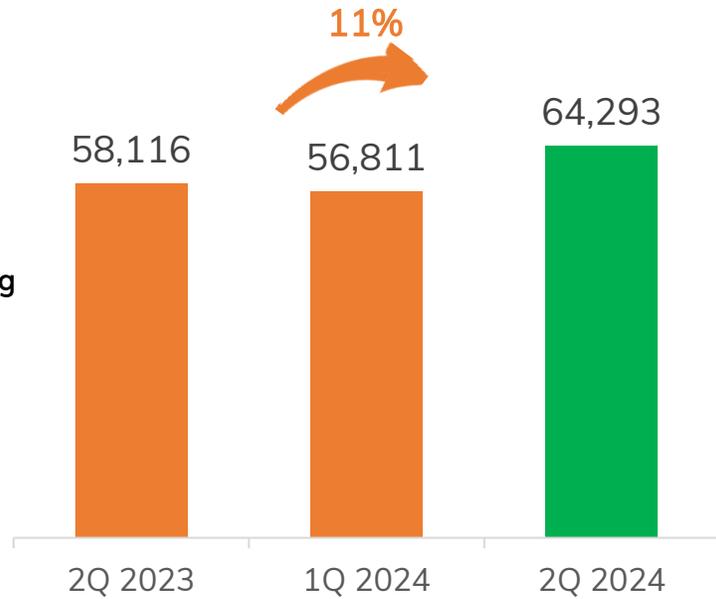


- Multi format (18)
- Wholesale (15)
- Fruits & Vegetables (9)
- Meat (8)
- Hub (7)
- Frozen (2)
- E-commerce Fulfillment (2)
- Seafood (2)
- Non-food (1) (White Goods)

-  6 new DCs in 7 months reaching a total of 64 DCs 
-  13% DCs space growth in 7 months reaching a total of 448 th sqm 
-  İzmir Torbalı DC 2nd automated picking & distribution system after the İstanbul Gebze DC installation in 2024 

Consolidated Sales (TL million)

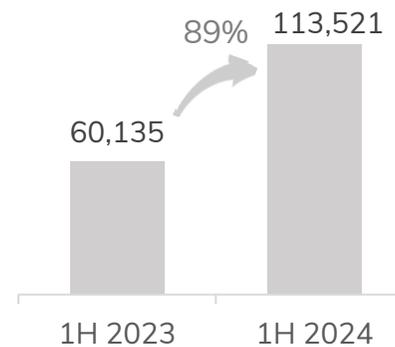
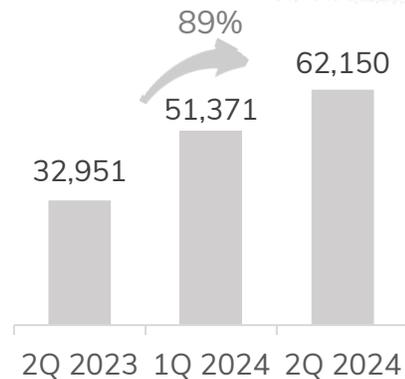
with IAS 29
inflation accounting



2023 FY Sales growth: 29%

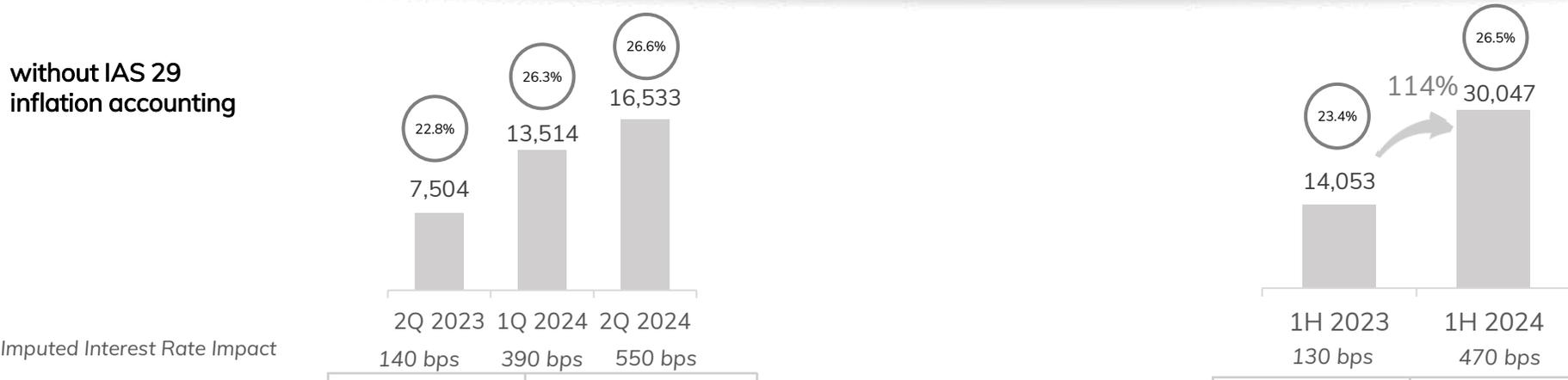
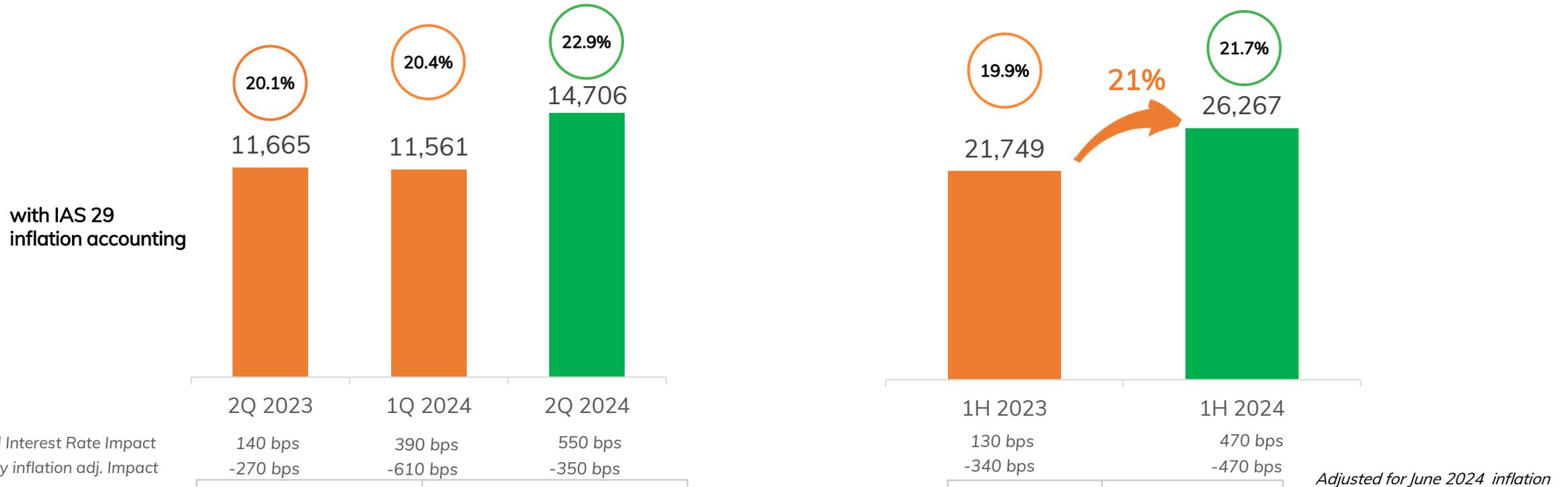
Adjusted for June 2024 inflation

without IAS 29
inflation accounting

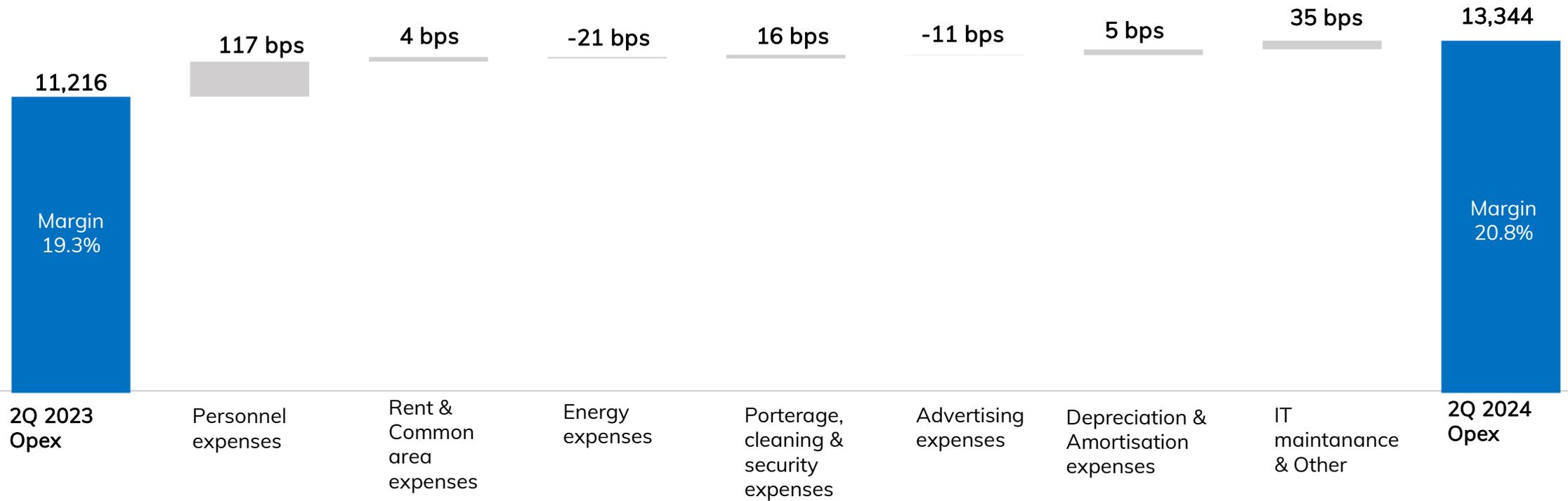


2023 FY Sales growth: 96%

Gross Profit (TL million)

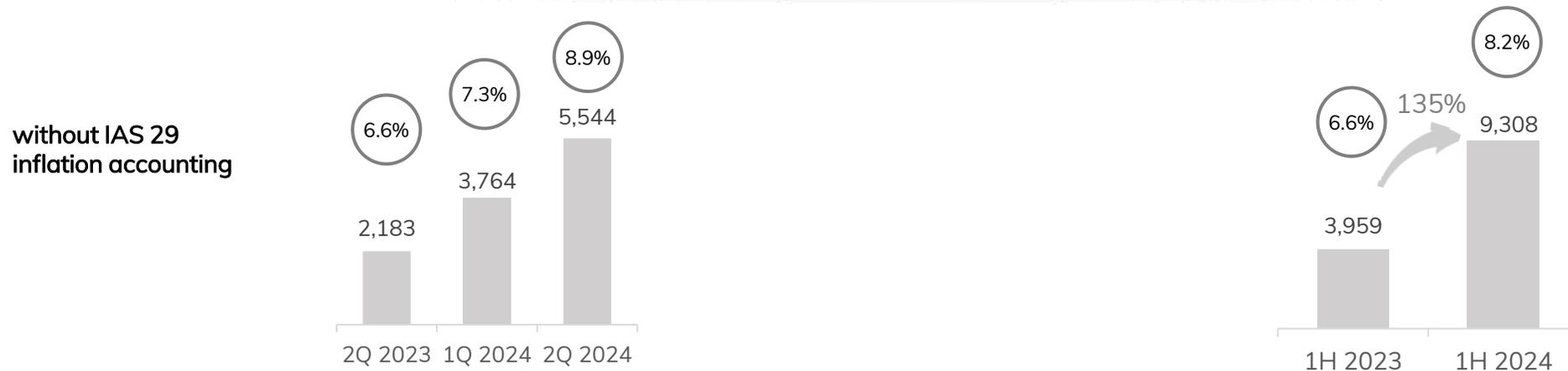
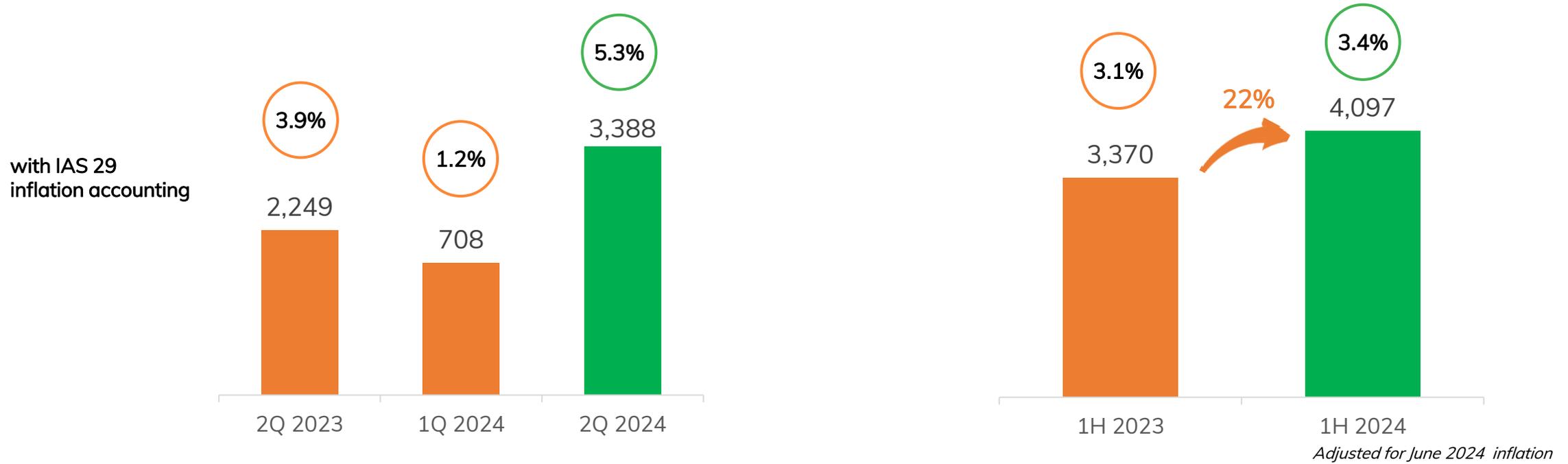


Quarterly OPEX Evolution



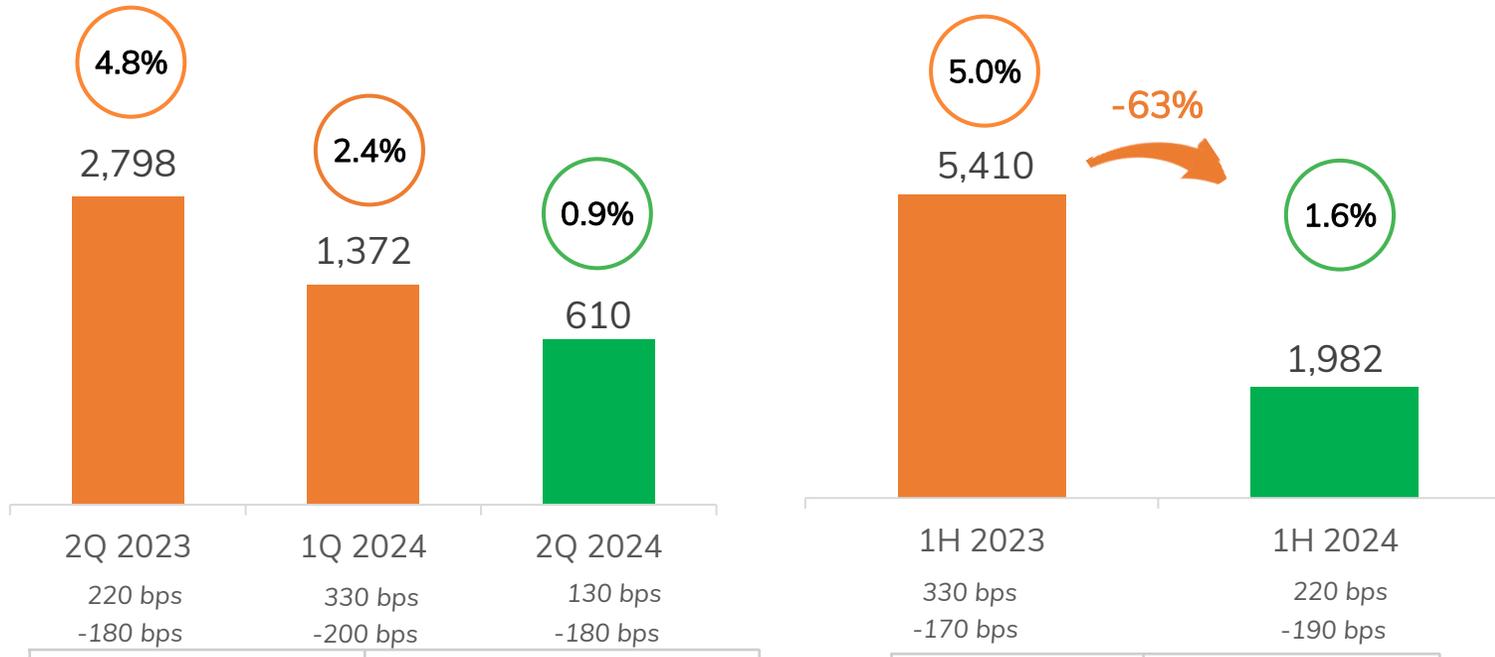
2Q23	9.35%	2.51%	1.13%	0.76%	0.76%	3.10%	1.70%
2Q24	10.52%	2.55%	0.92%	0.92%	0.65%	3.15%	2.05%

Consolidated EBITDA (TL million)



Net Income (TL million)

with IAS 29
inflation accounting



One-off impact:
-40 bps in 1H 2023

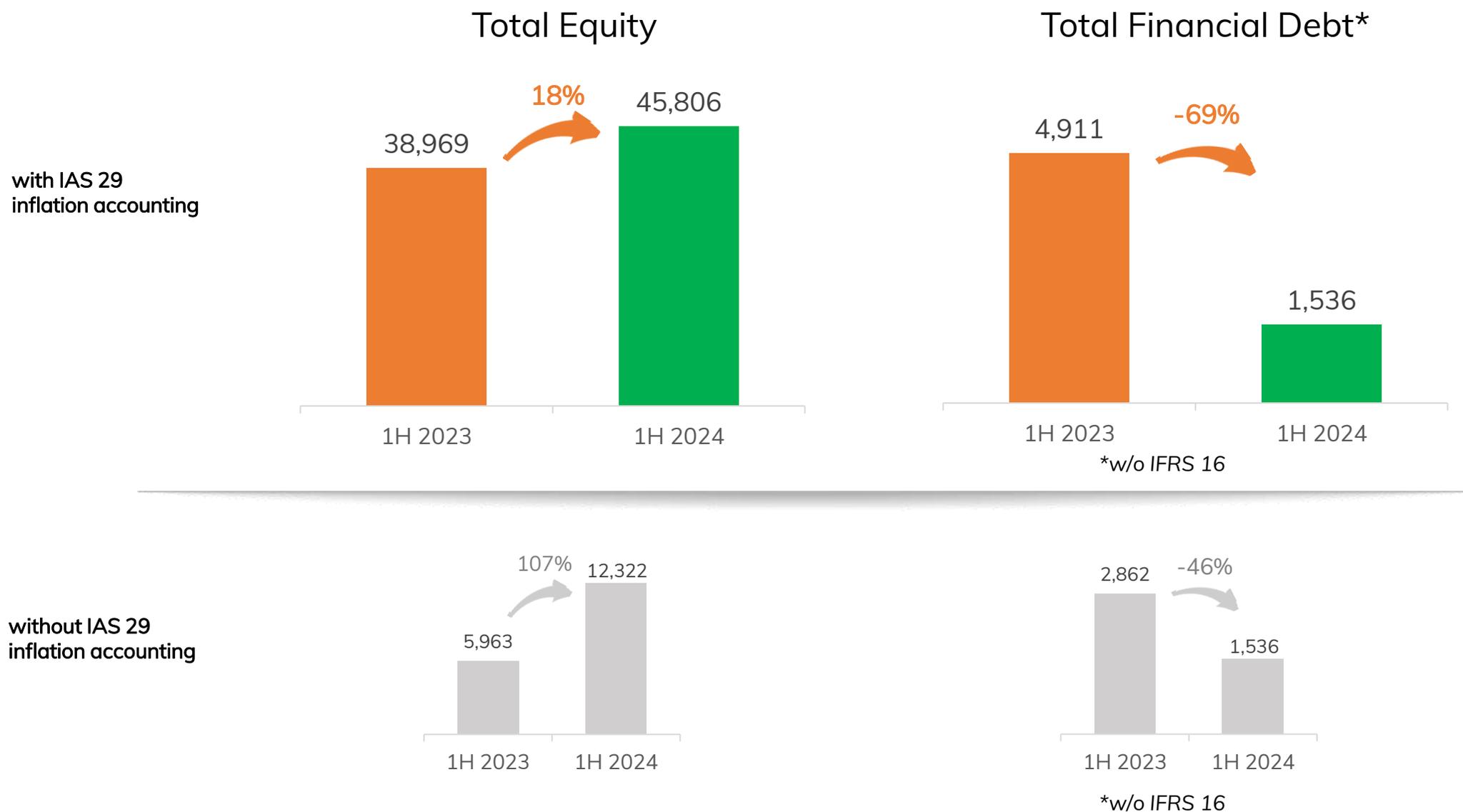
Inflation Acc. impact:
-130 bps

Adjusted for June 2024 inflation

without IAS 29
inflation accounting



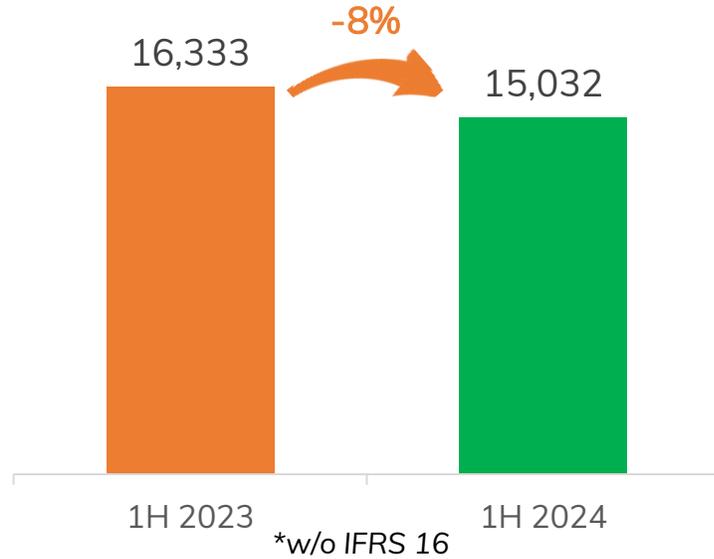
Total Equity & Total Financial Debt (TL million)



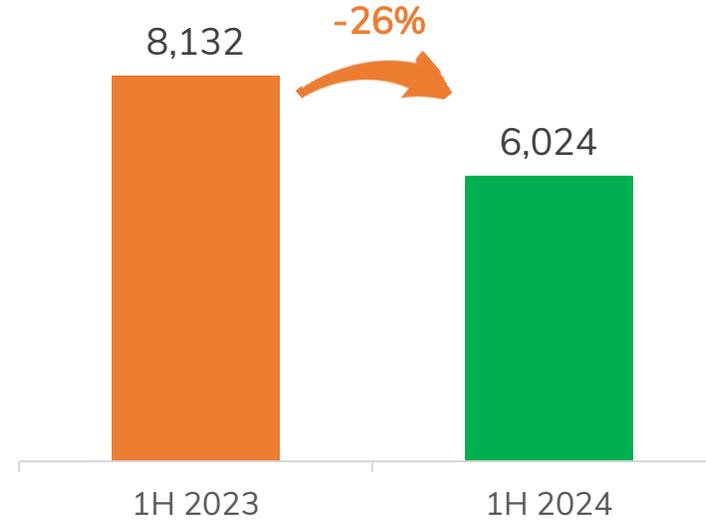
Net Cash & Free Cash Flow (TL million)

Net Cash*

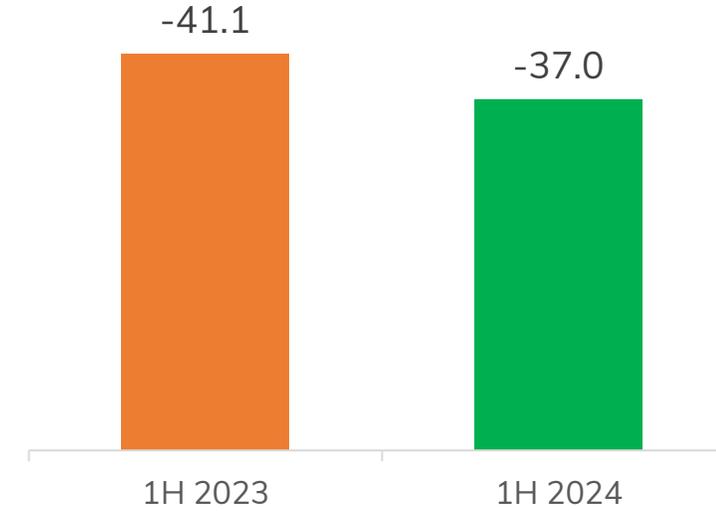
with IAS 29
inflation
accounting



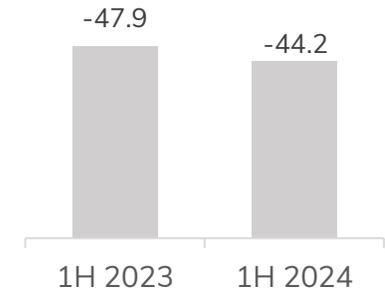
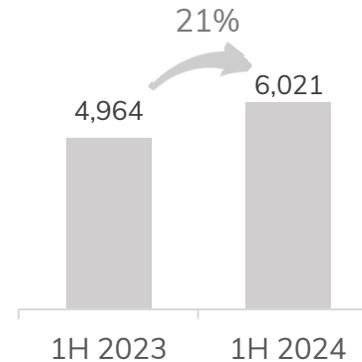
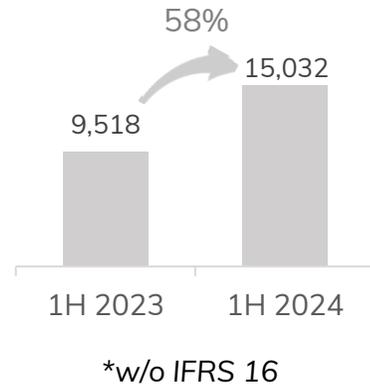
Free Cash Flow



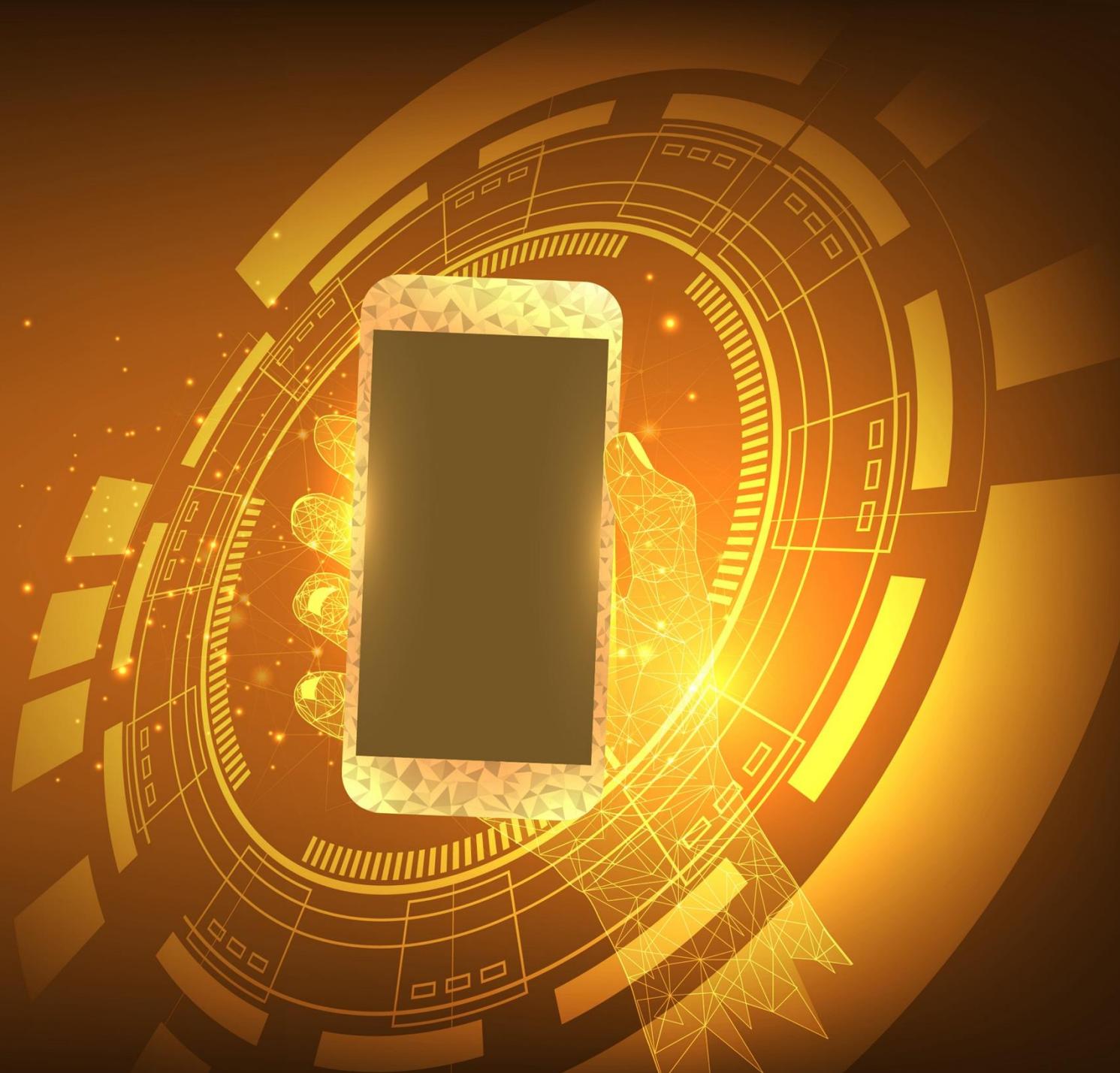
Cash Conversion Cycle in Days



without IAS 29
inflation
accounting



Strategy Update





Migros One

without IAS 29 inflation accounting



Leader in the Turkish e-grocery market



Fastest growing player in meal verticals

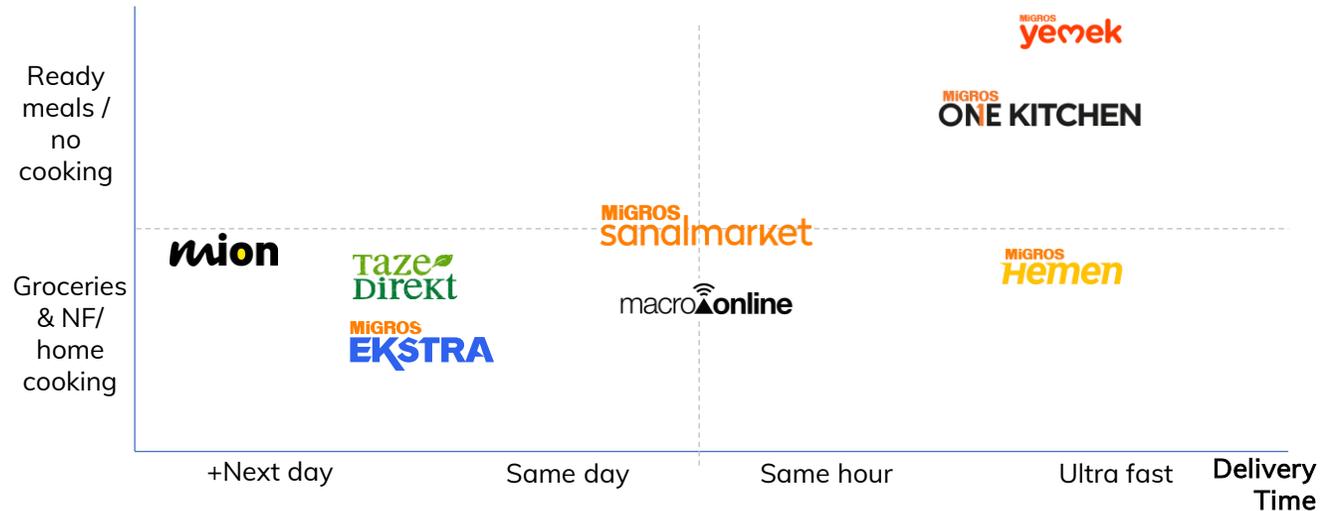


Scheduled delivery: Targeting to match the Group average margin by Dec'24

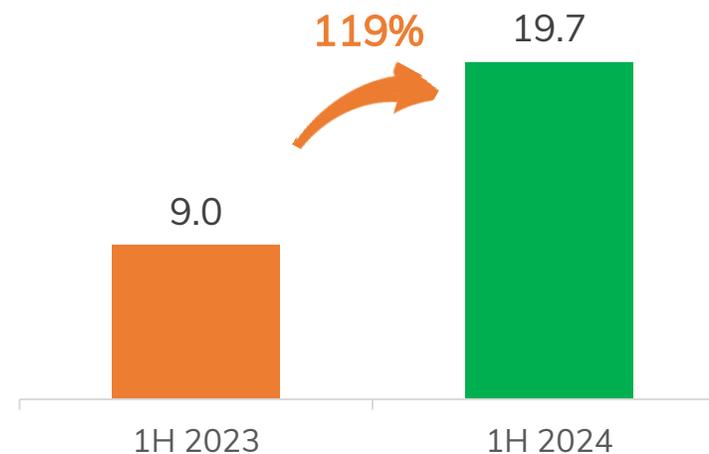


Ultra-fast delivery: Targeting to reach break-even by Dec'24

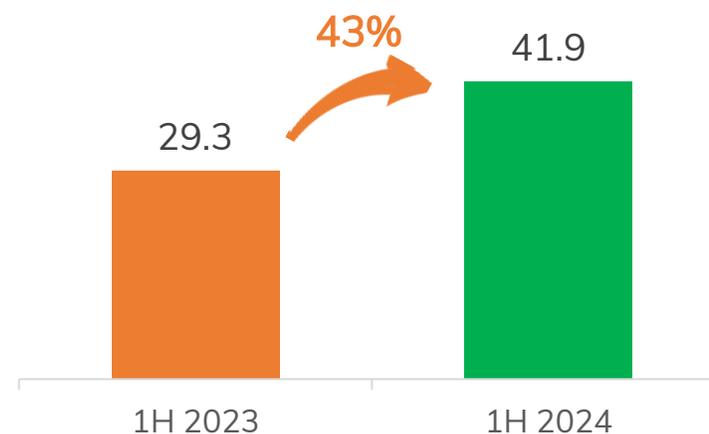
Product type



Gross Merchandise Value (TL billion)



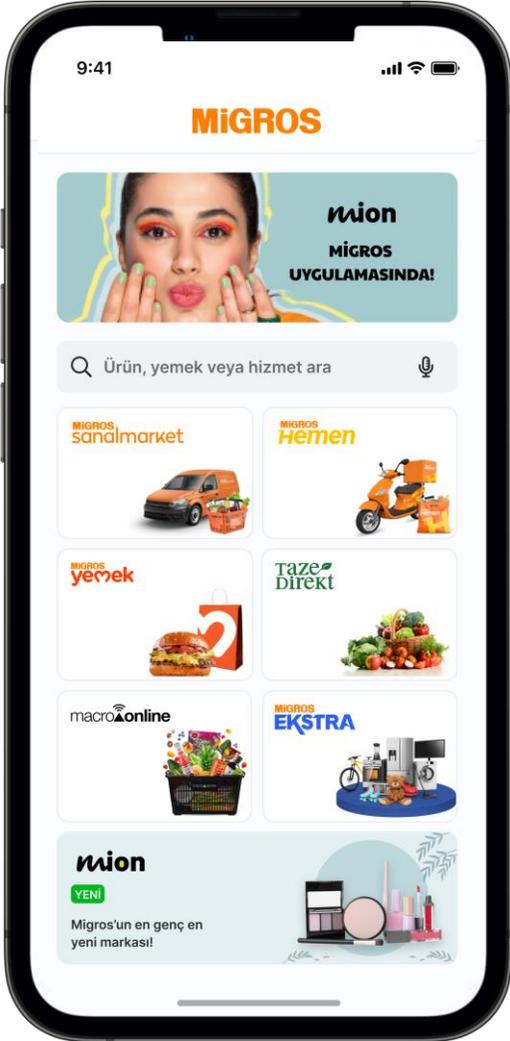
of orders (million)





Migros One

without IAS 29 inflation accounting



GMV growth
+119%
y-o-y

of orders growth
+43%
y-o-y

Online business share
18.6%
exc. tobacco & alcohol
(1H'23: 16.8%)

Quarterly active customers
3.0m
(y-o-y growth +37.5%)

LTM active customers
5.1m
(y-o-y growth +35.0%)

Online service stores
1,185

36%
of Migros Yemek customers
are first time visitors of the
app, quarterly

Migros Yemek
of orders growth
+148%
y-o-y

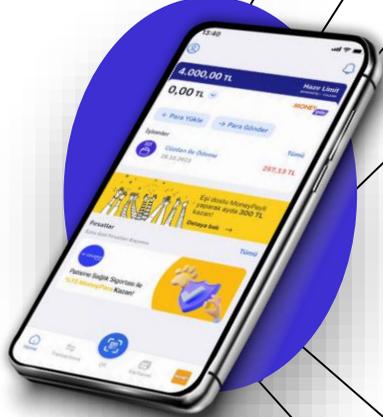
App Rating
4.8 / 5.0

ios

MoneyPay

without IAS 29 inflation accounting

MONEY pay



Consumer (B2C)

-  Pay with e-wallet, Pay with QR & Card at all Migros online & stores
-  Money Loyalty Program Integrated Payment Solutions in one App
-  Buy Now Pay Later Pay with integrated Bank Credit
-  Value Added Services
 - Invoice Payment
 - Insurance
 - Stock Market

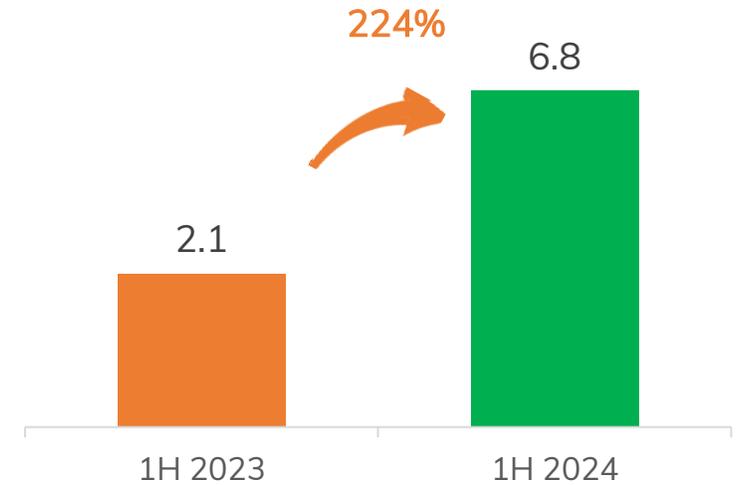


Corporate (B2B)

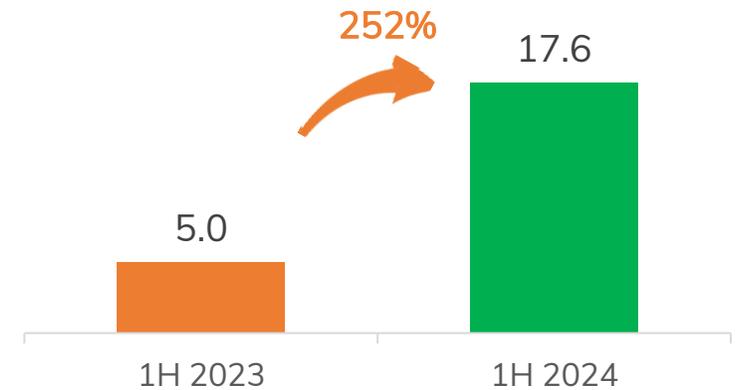
-  Payment Facilitation Services
 - Virtual POS operations
-  Services
 - Meal card
 - Gift card



Total Payment Volume (TL billion)



of transaction (million)



KPIs of Migros Digital Ecosystem

without IAS 29 inflation accounting

MiGROSONE

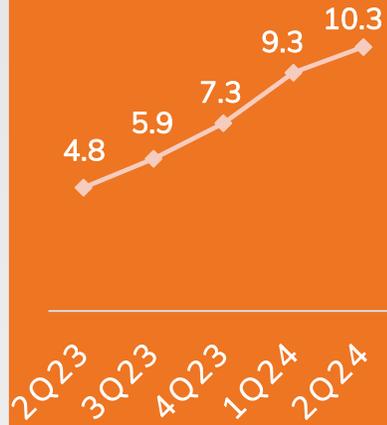
of active users
(million)



of orders
(million)



Gross Merchandise
Value
(TL billion)



MONEY pay

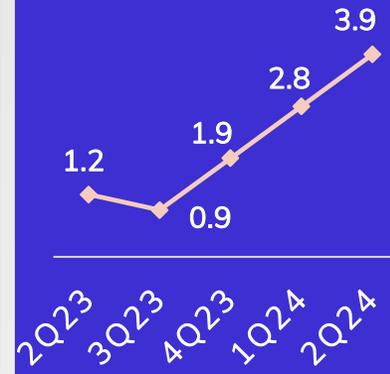
of registered users
(million)



of transactions
(million)



Total Payment
Volume
(TL billion)

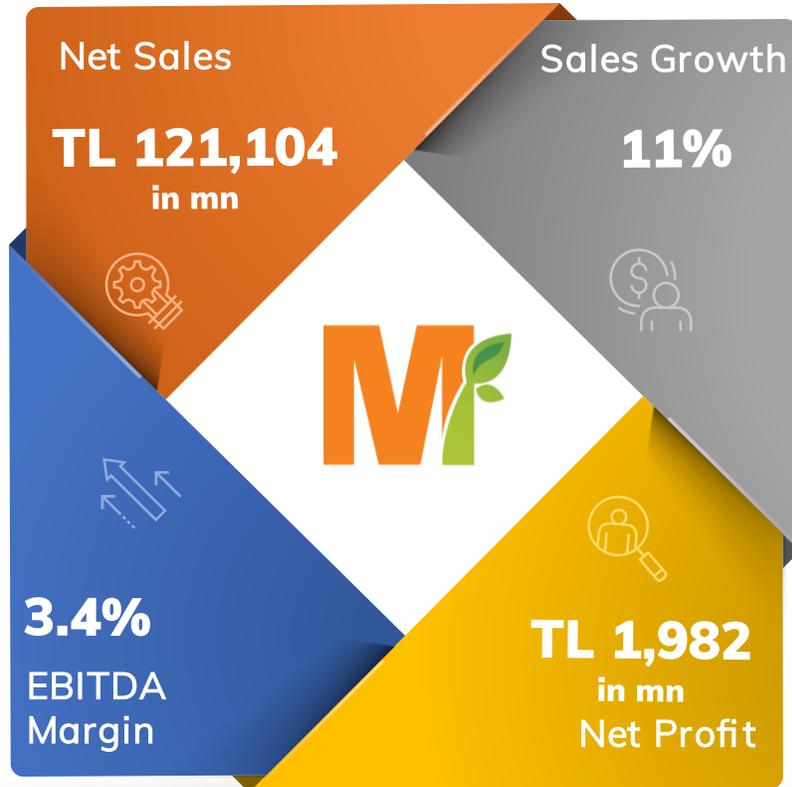


Summary & Guidance

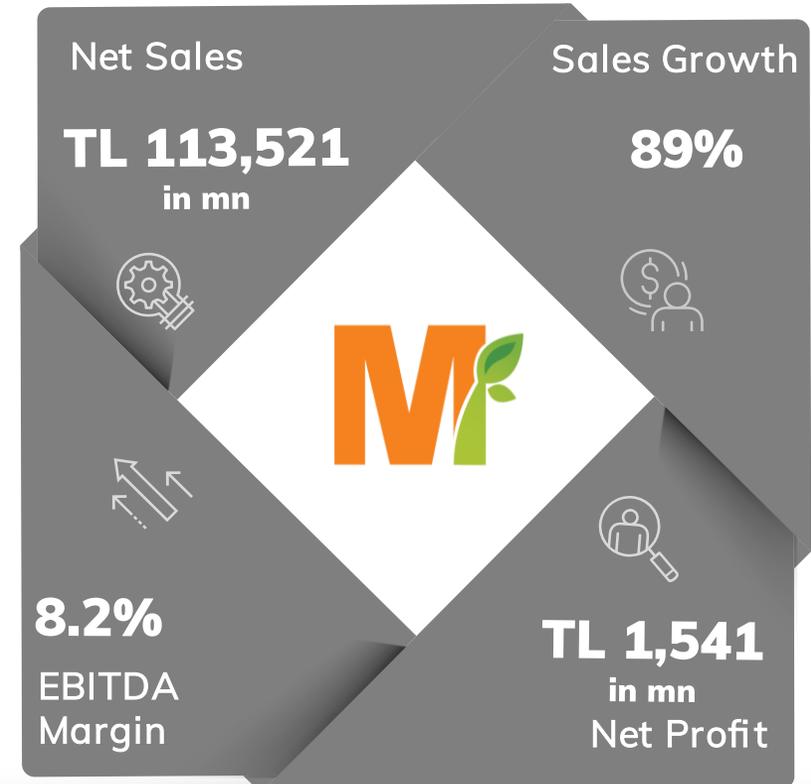


1H 2024 Underlying Performance

with IAS 29 inflation accounting



without IAS 29 inflation accounting



2024 Guidance Updated



Sales Growth 2024E

with IAS 29
inflation accounting

~10%

from
high single-digit

without IAS 29
inflation accounting

~75%

from +70%



EBITDA Margin 2024E

4.5-5.0%

from
margin improvement (2023: 1.8%)

8.0-8.5%

from 7.5-8.0%



Expansion Target 2024E

New
stores

~350

from +250

CAPEX

TL ~8.0
billion

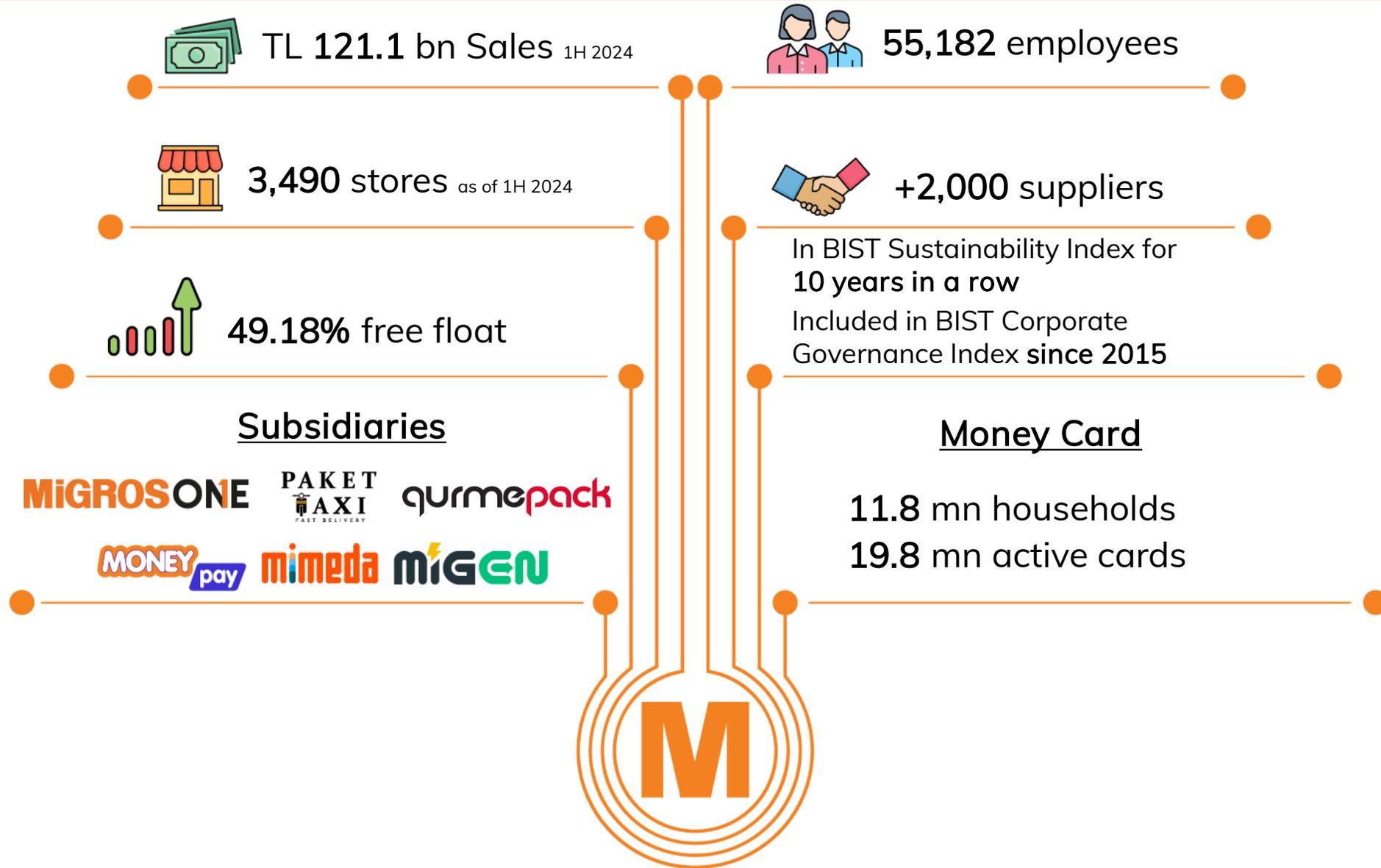
from TL ~8.5 bn

without IAS 29 inflation accounting

Appendix



Migros at a Glance

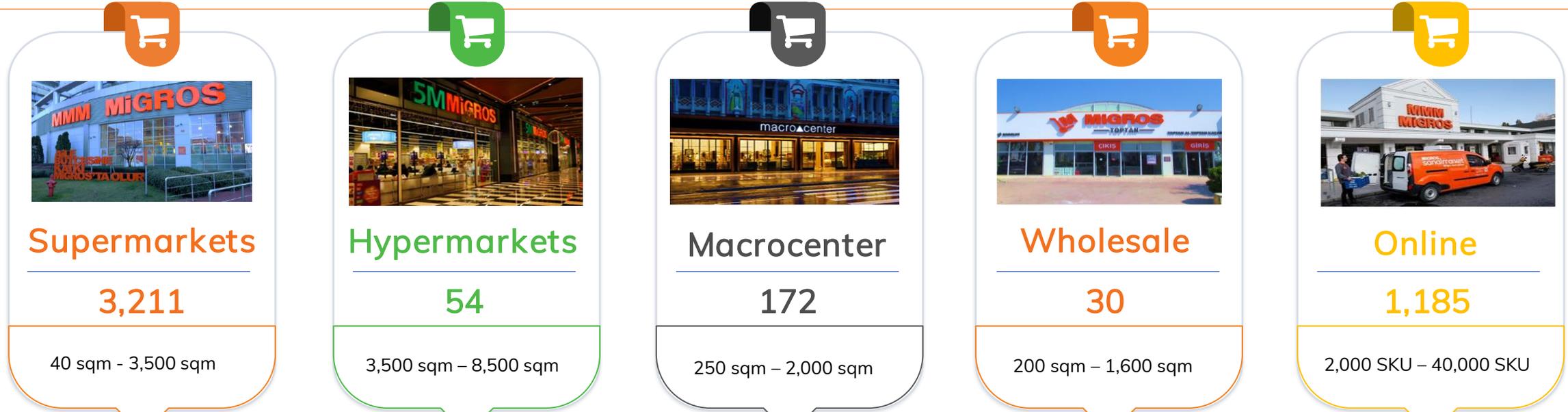


Migros' Subsidiaries



Migros is investing in the future of retail to enhance long-term growth & profitability

Store Portfolio: Physical & Online Network – 1H 2024



	# of stores	Sales area (th sqm)
Migros (M, MM, MMM)	1,975	1,382
Migros Jet	1,175	251
5M	54	243
Wholesale	30	19
Macrocenter	172	73
Mion	84	12
Total	3,490	1,980

MIGROS yemek **MIGROS ONE KITCHEN**

81 cities 36 cloud kitchens
 3 kitchens
 20+ own brands

IAS 29 Consolidated Income Statement Summary – 1H 2024

<i>(TL million)</i>	1H 2024	1H 2023
Net Sales	121,104	109,040
Cost of Sales	-94,836	-87,291
Gross Profit	26,267	21,749
Operating Expenses	-26,185	-21,847
Other Operating Expense	-5,814	-1,651
Operating Loss	-5,732	-1,749
Income / Expense from Investment Activities	31	350
Operating Loss Before Finance Income / Expense	-5,701	-1,399
Financial Income / Expense	-1,254	167
Monetary Gain	9,595	8,302
Income Before Tax	2,641	7,070
Tax Expenses	-125	-472
Deferred Tax Expenses	-534	-1,189
Net Profit	1,982	5,410
Net Profit - Non-controlling Interest	32	36
Net Profit - Equity Holders of Parent	1,950	5,373
EBITDA	4,097	3,370

IAS 29 Consolidated Balance Sheet Summary – 1H 2024

(TL million)	1H 2024	2023
Current Assets	45,813	47,244
Non-current Assets	72,664	67,673
Total Assets	118,478	114,918
Current Liabilities	57,569	56,000
Non-current Liabilities	15,103	13,696
Total Liabilities	72,671	69,696
Equity	45,806	45,222
Total Liabilities and Equity	118,478	114,918

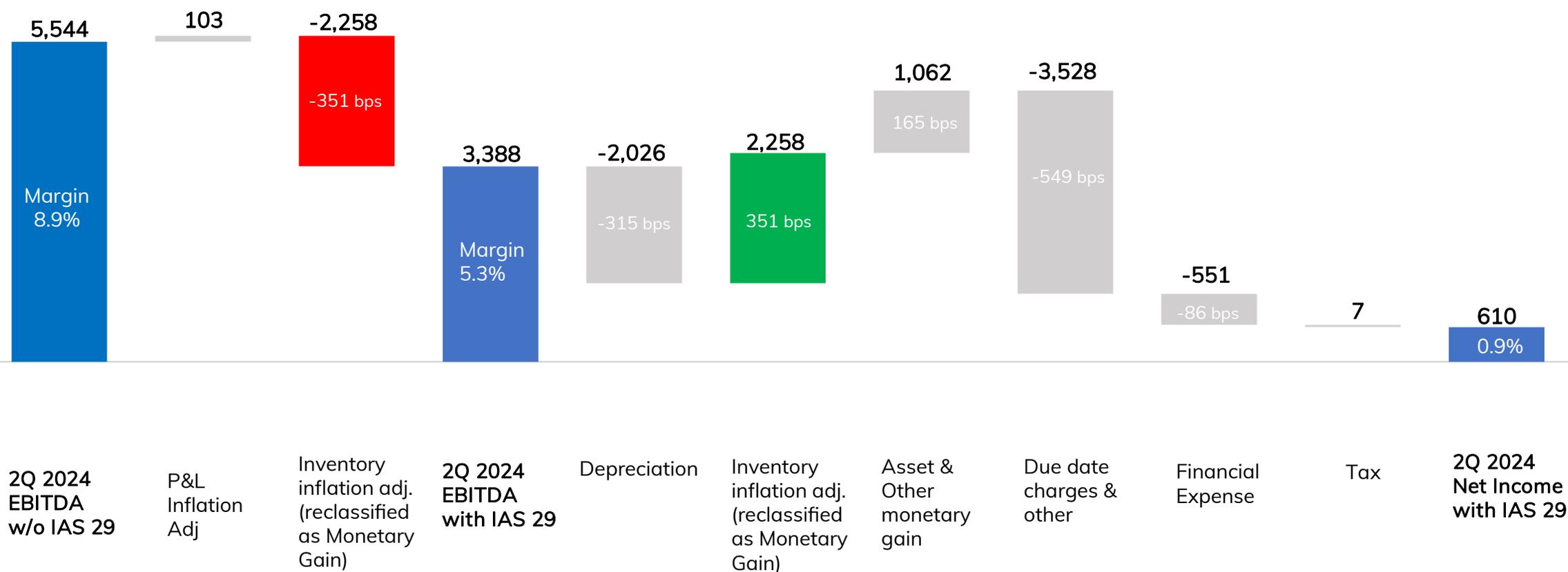
IAS 29 Cash Flow- 1H 2024

(TL million)	1H 2024	1H 2023
Net profit	1,982	5,410
Adjustments related to reconciliation of net profit for the period	10,058	6,068
Changes in net working capital	5,447	3,269
Cash flows from operating activities	17,488	14,746
Net cash provided by operating activities	10,260	10,397
Cash outflows from the purchase of tangible and intangible assets	-3,644	-2,609
Cash inflows from the sale of tangible and intangible assets	47	1,348
Cash flows from investing activities	-4,031	-1,261
Free Cash Flow	6,024	8,132
Cash flows from financing activities	-2,188	-1,047
Effect of foreign currency translation differences & monetary losses on cash	-2,942	-2,598
Net increase in cash and cash equivalents	1,114	5,403

IAS 29 Impact on Financials

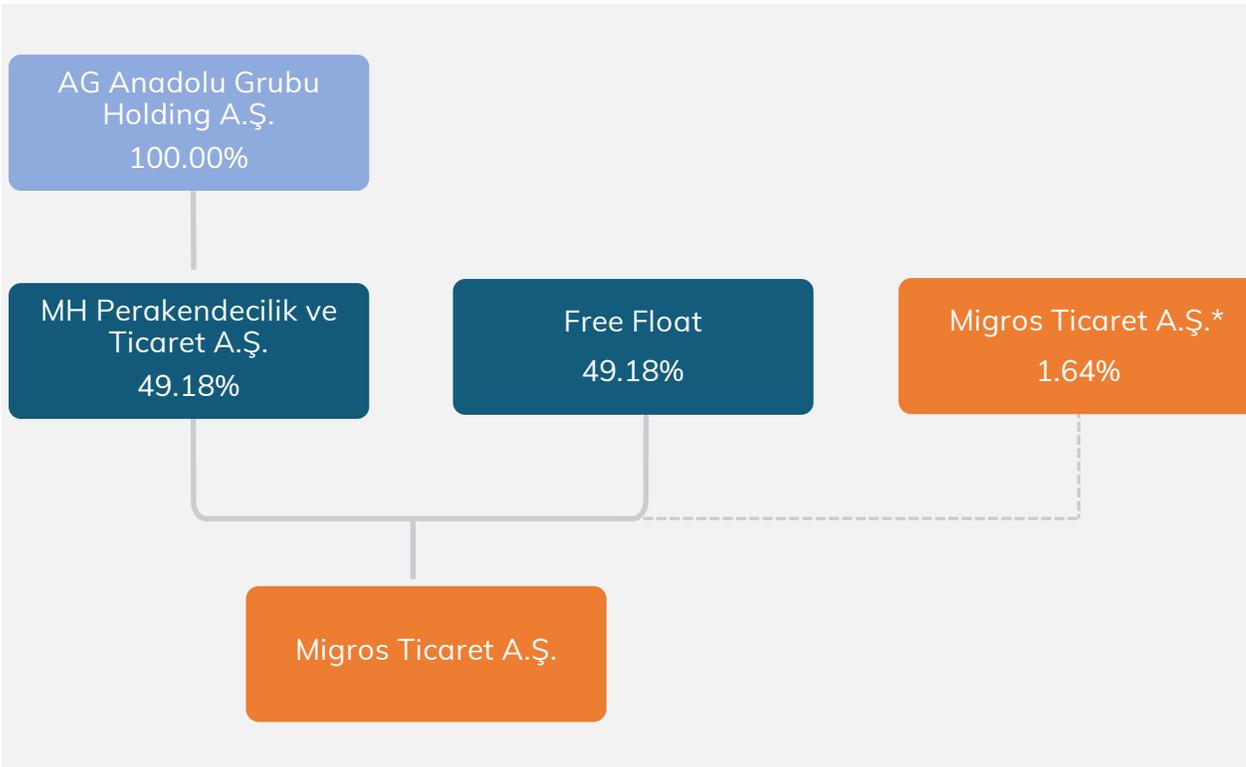
(TL million)	with IAS 29 inflation accounting		without IAS 29 inflation accounting	
	1H 2024	1H 2023	1H 2024	1H 2023
Selected Balance Sheet Items				
Total Assets	118,478	111,296	81,710	40,344
Total Liabilities	72,671	72,326	69,408	35,602
Total Equity	45,806	38,969	12,302	4,742
Selected Income Statement Items				
Net Sales	121,104	109,040	113,521	60,135
Gross Profit	26,267	21,749	30,047	14,053
Operating Loss / Profit	-5,732	-1,749	2,096	2,127
Profit before tax	2,641	7,070	962	2,528
Net Profit	1,982	5,410	1,561	2,081
Depreciation & Amortisation	-4,014	-3,468	-1,712	-911
EBITDA	4,097	3,370	9,308	3,959

Inflation-accounting impact on EBITDA & Net Income in 2Q

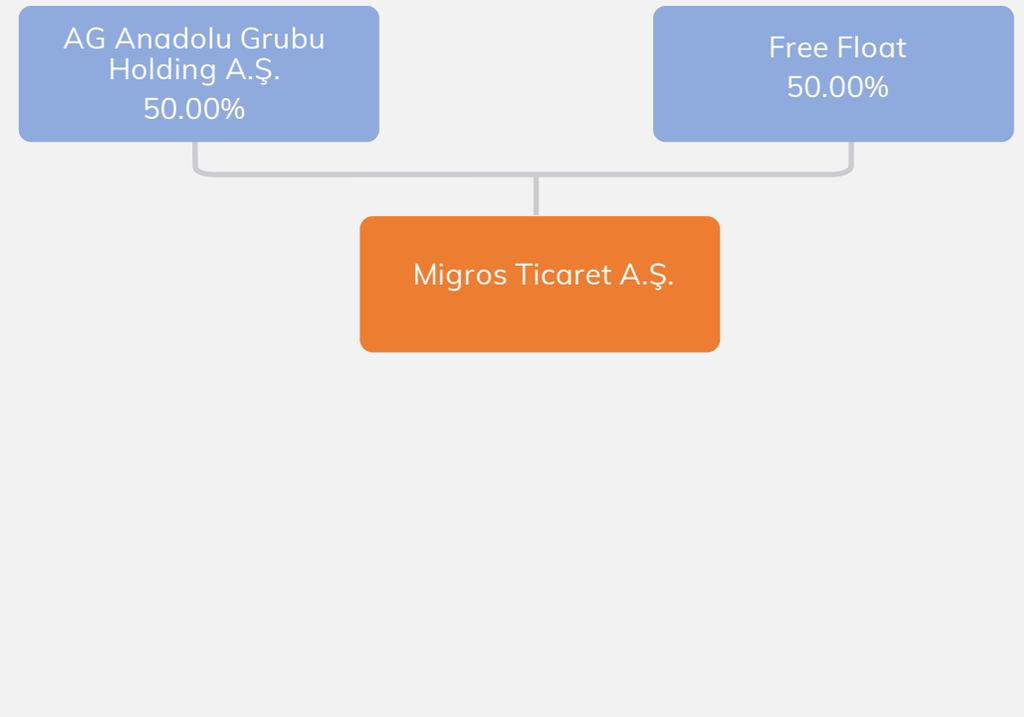


Ownership Structure

Direct Shareholding Structure



Indirect Shareholding Structure



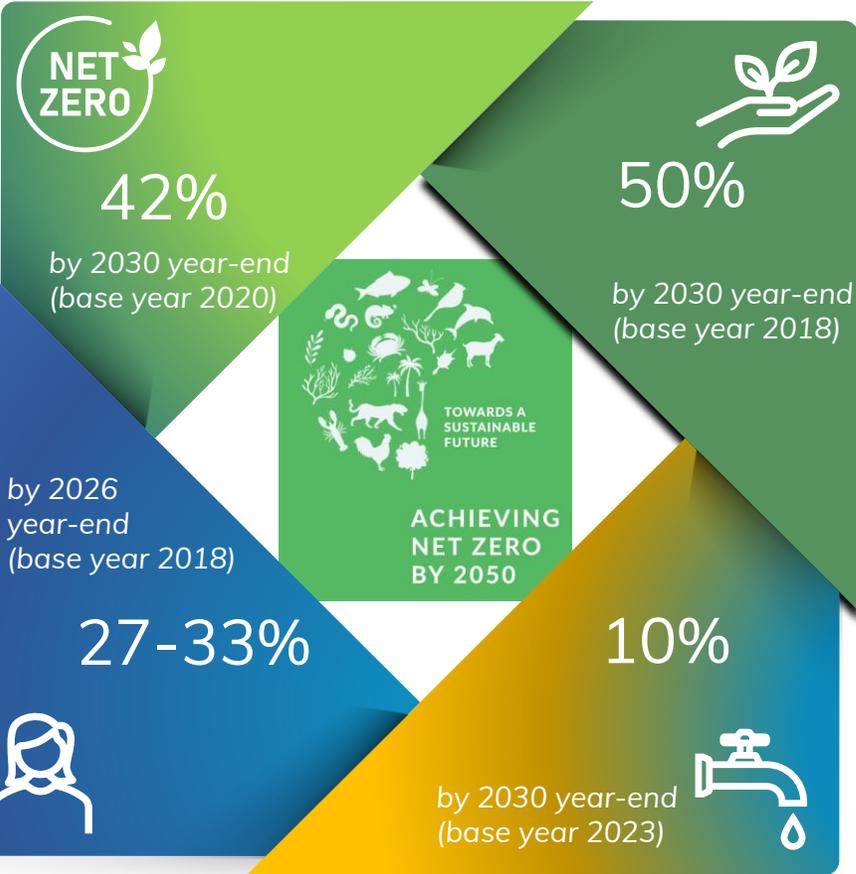
(*): Migros purchased its own shares due to the merger in 2018 in accordance with relevant CMB legislation

Sustainability



Sustainability Targets

Reducing Greenhouse Gas Emission



Reducing Food Waste

Increasing Women Participation in Management

Reducing Water Consumption

Energy Sustainability Investments



Rooftop solar panels installations



Hedging volatile energy cost in Opex via greenfield investments



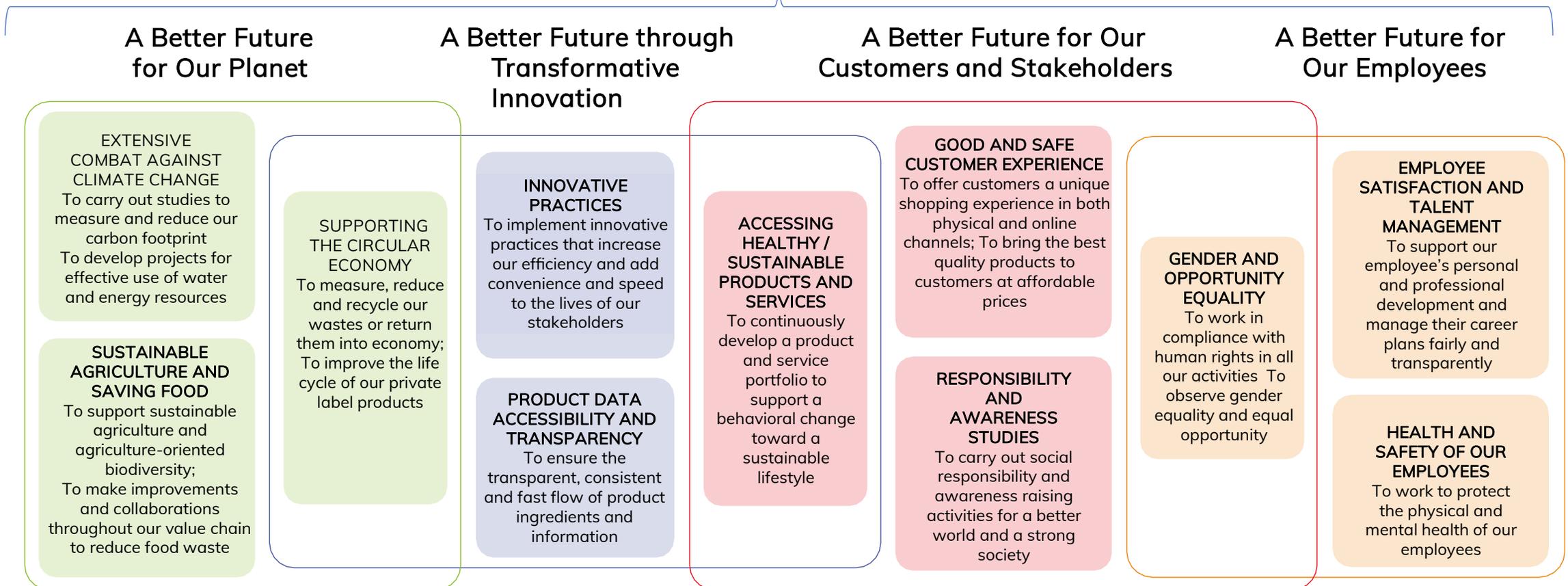
1/3 of total energy consumption is expected to be from Migros' owned solar plants by 2026



Migros Better Future Plan

ECOSYSTEM SUSTAINABILITY THROUGH TRANSPARENT, RESPONSIBLE, ETHICAL GOVERNANCE

To adopt the governance practices that are rightful for all stakeholders through our value-focused business model and integrated thinking system.
To create shared value for all by integrating our stakeholders into our goals through our economic value, recruitment, and investments.



Waste Management & Biodiversity Conservation

Preventing Food Waste*



Prevented food loss with Expiry Date discounts:

8,565 tons of food 



Food Donation:

11 million meals 



Fresh leftovers to stray animals:

2,822 tons of food 

* 2023 data

Reducing Plastic Waste*



Business Plastic Initiative (IPG) ↓
512 tons less plastic

Good Agricultural Practices (GAP)



GAP certified F&V:
1,483,967 tons in 13 years



100% GAP certified poultry products
317 checkpoints



GAP certified fisheries
193 checkpoints