

MiGROS

Omni-channel retailer, evolving beyond trade



Company Presentation
3Q 2024

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 9M 2023 and 9M 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 9M 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.

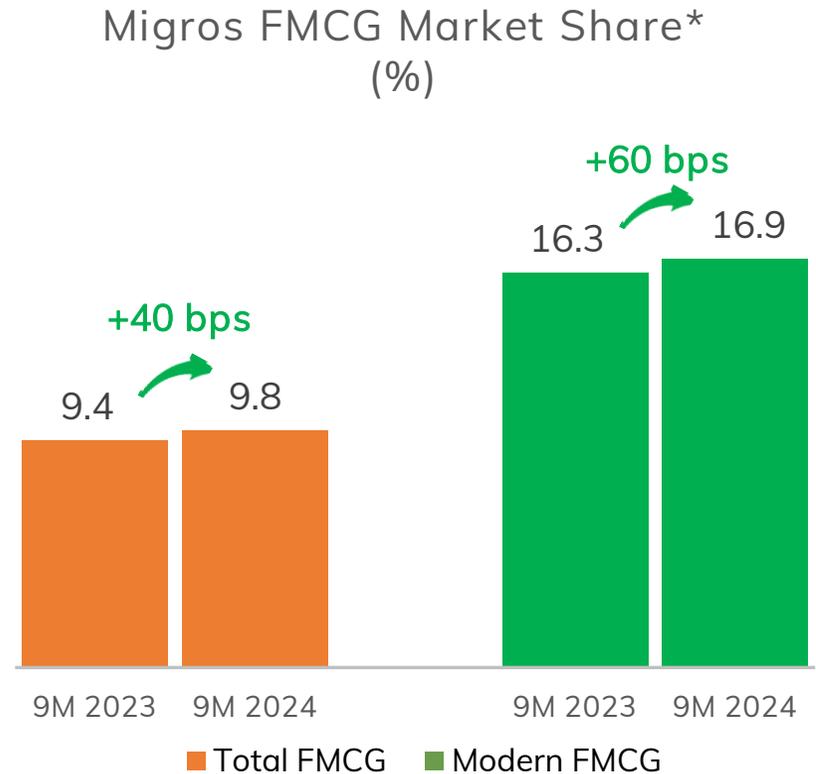
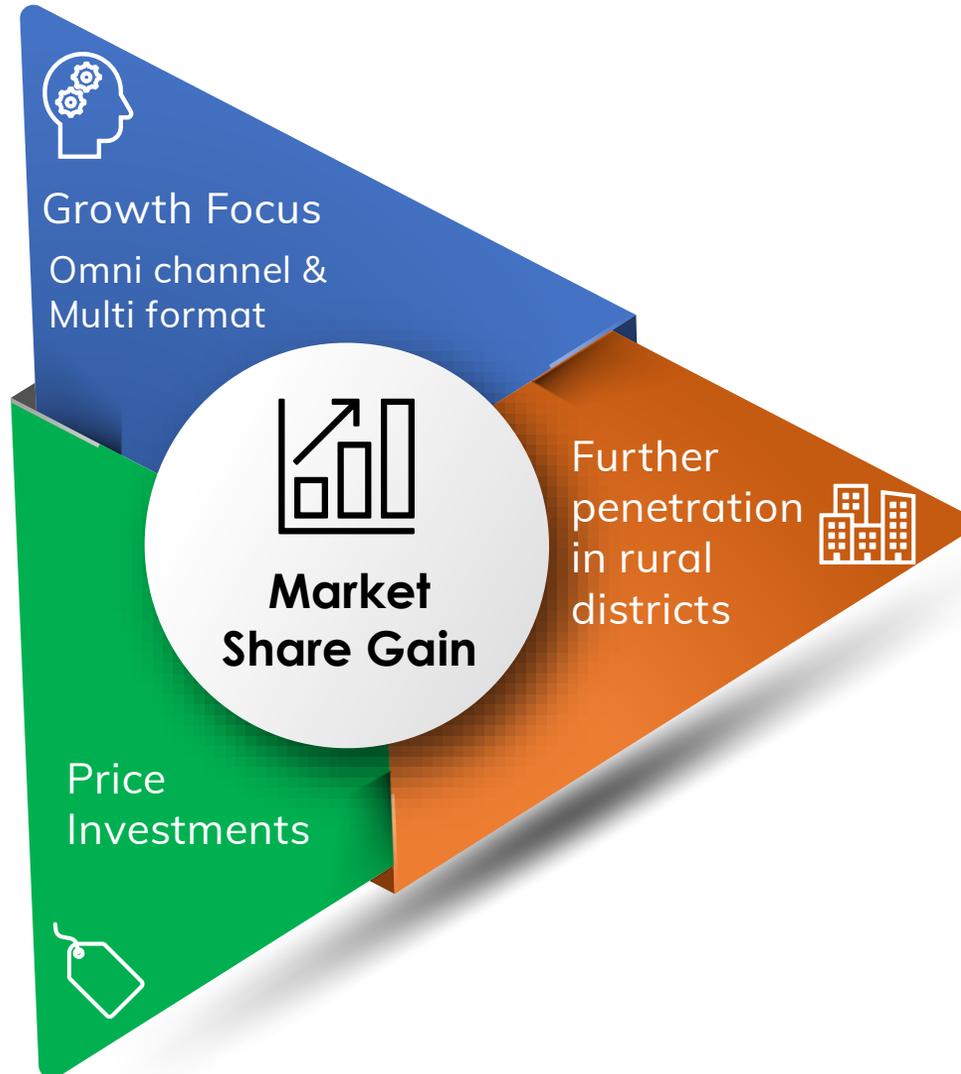
The Company, the members of the Board of Directors, employees or any other person shall not be held responsible for any damages that may arise from the content of this presentation.

Contents



-  Operational & Financial Overview
-  Strategy Update
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Market Share Evolution



Expansion

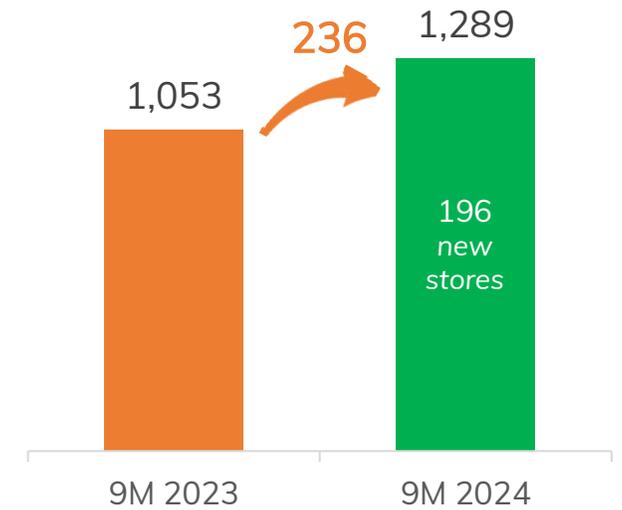
of Stores



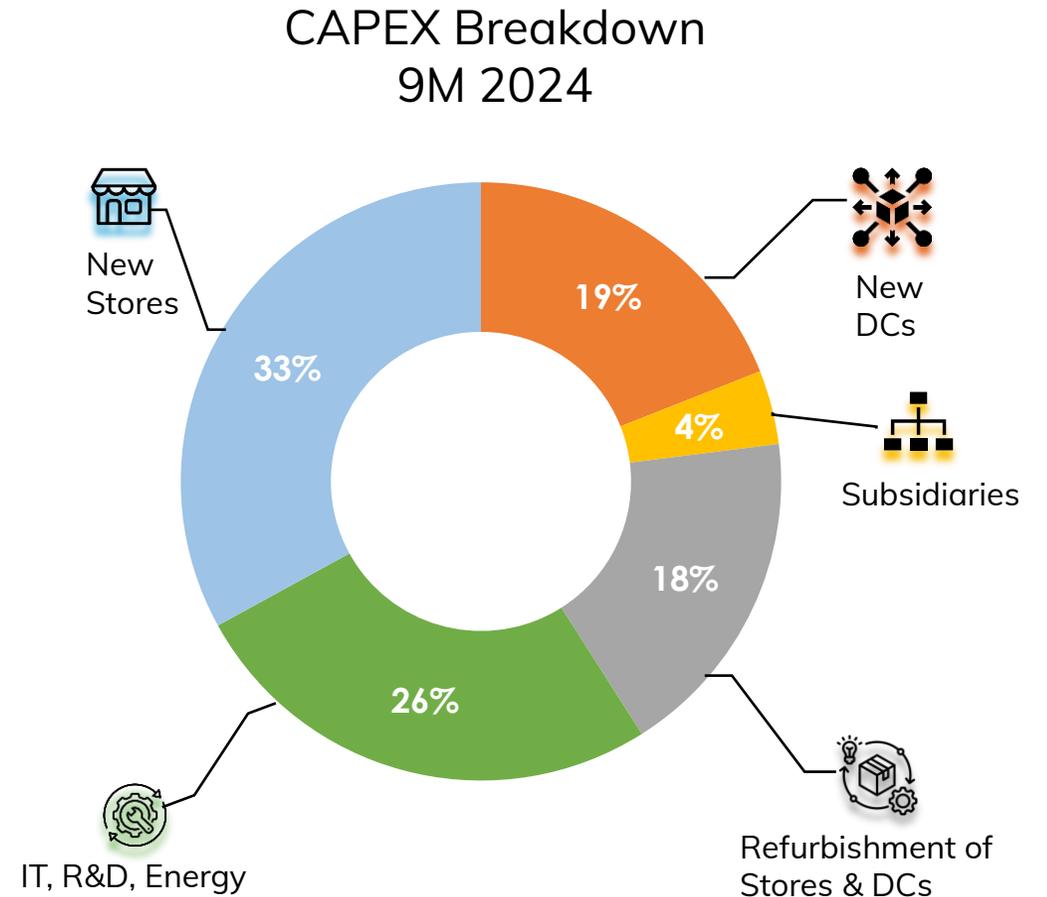
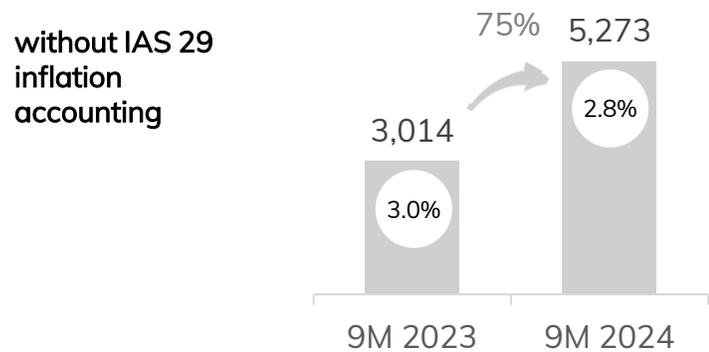
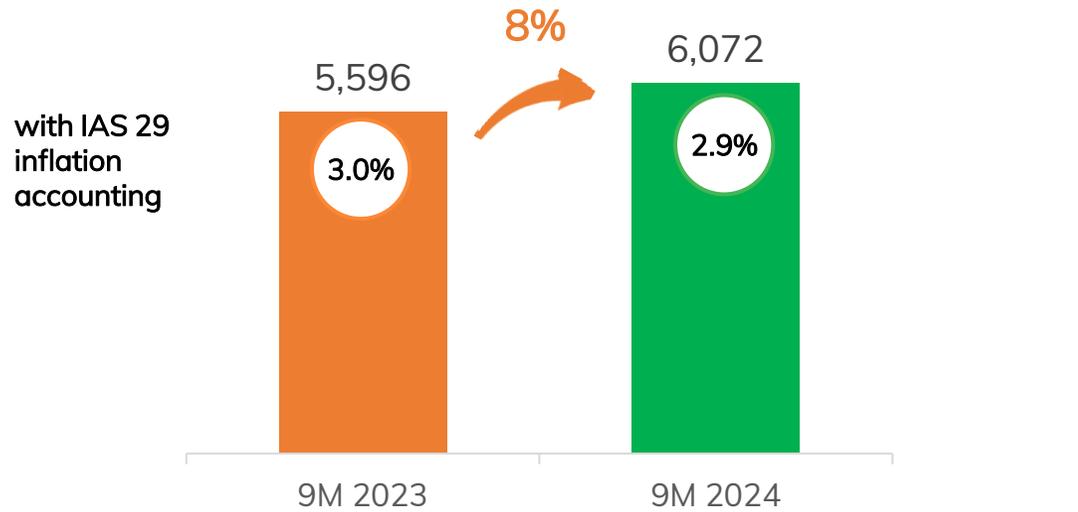
Sales Area (thousand sqm)



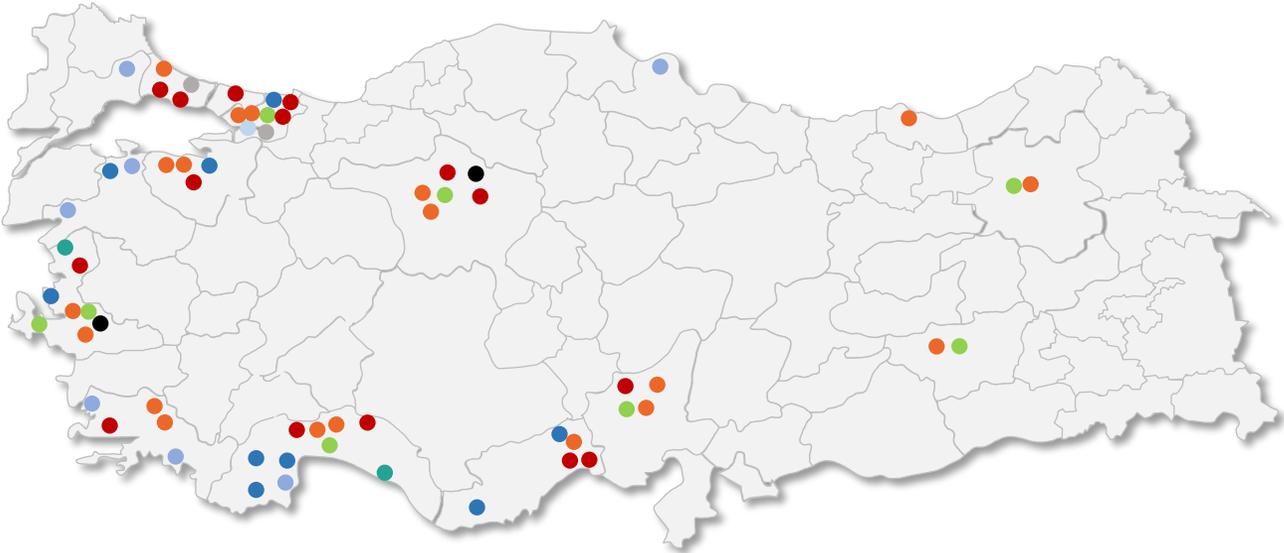
of Online Service Stores



CAPEX (TL million)



Expanding Logistics Capacity



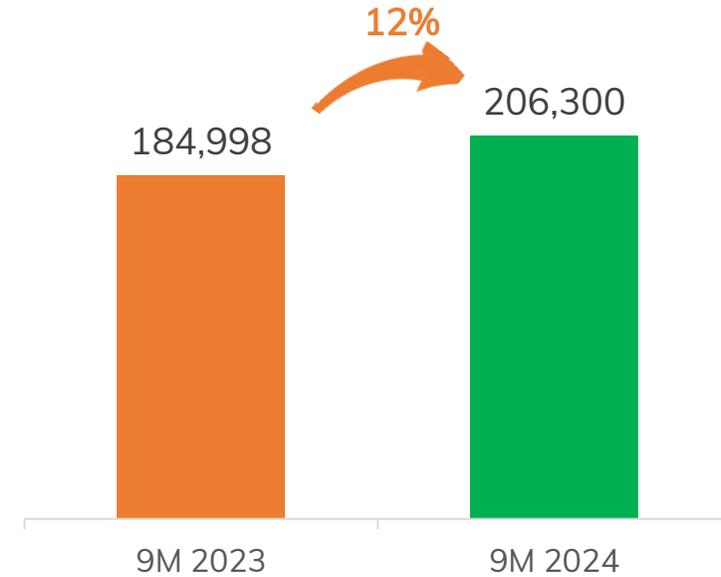
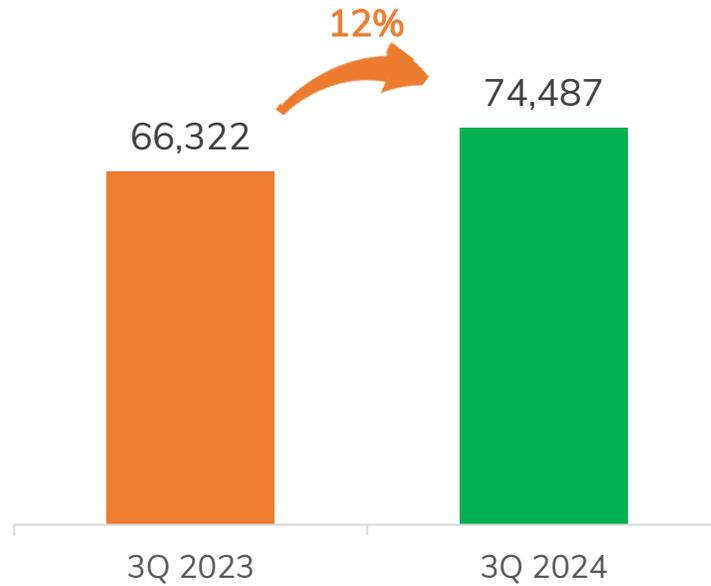
- Multi format (19)
- Wholesale (15)
- Fruits & Vegetables (9)
- Meat (8)
- Hub (7)
- Frozen (2)
- E-commerce Fulfillment (2)
- Seafood (2)
- Non-food (1) (White Goods)

 **9 new DCs**
YTD reaching
a total of 65 DCs 

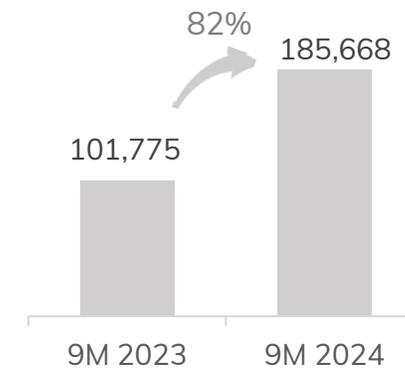
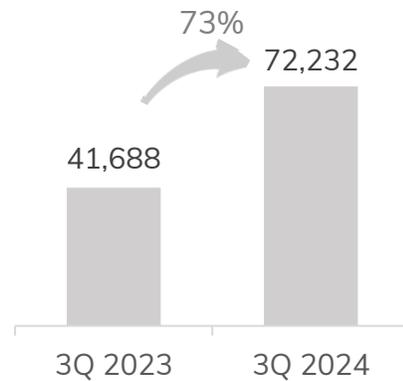
 **17% space growth in DCs capacity**
in 9 months 

Consolidated Sales (TL million)

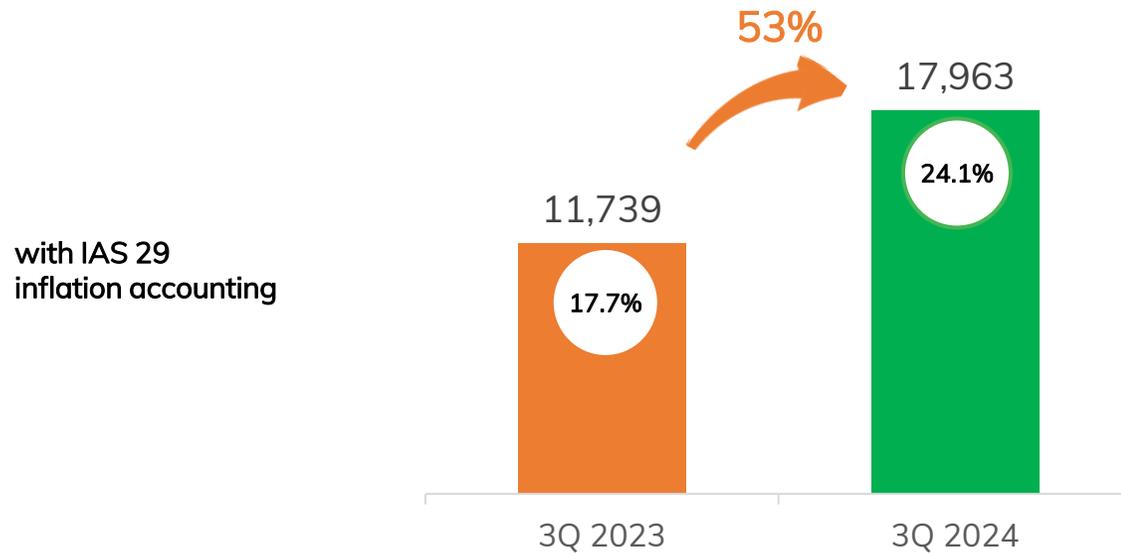
with IAS 29
inflation accounting



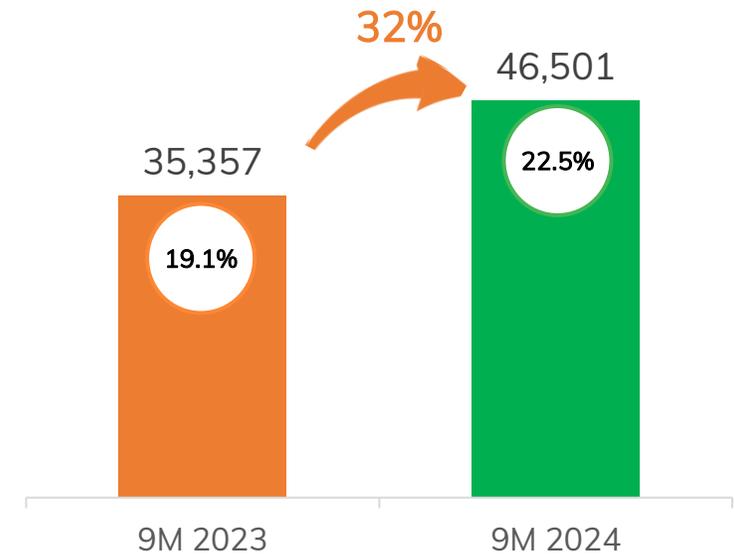
without IAS 29
inflation accounting



Gross Profit (TL million)



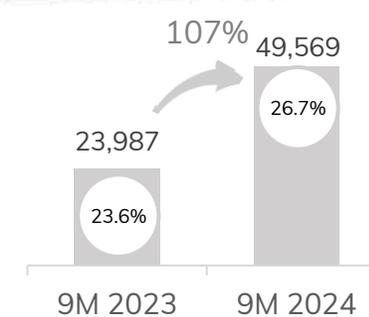
Imputed Interest Rate Impact	210 bps	500 bps
Inventory inflation adj. Impact	-620 bps	-300 bps
Gross Profit Margin exc. Impacts	21.9%	22.0%



Imputed Interest Rate Impact	160 bps	480 bps
Inventory inflation adj. Impact	-450 bps	-420 bps
Gross Profit Margin exc. Impacts	22.0%	21.8%

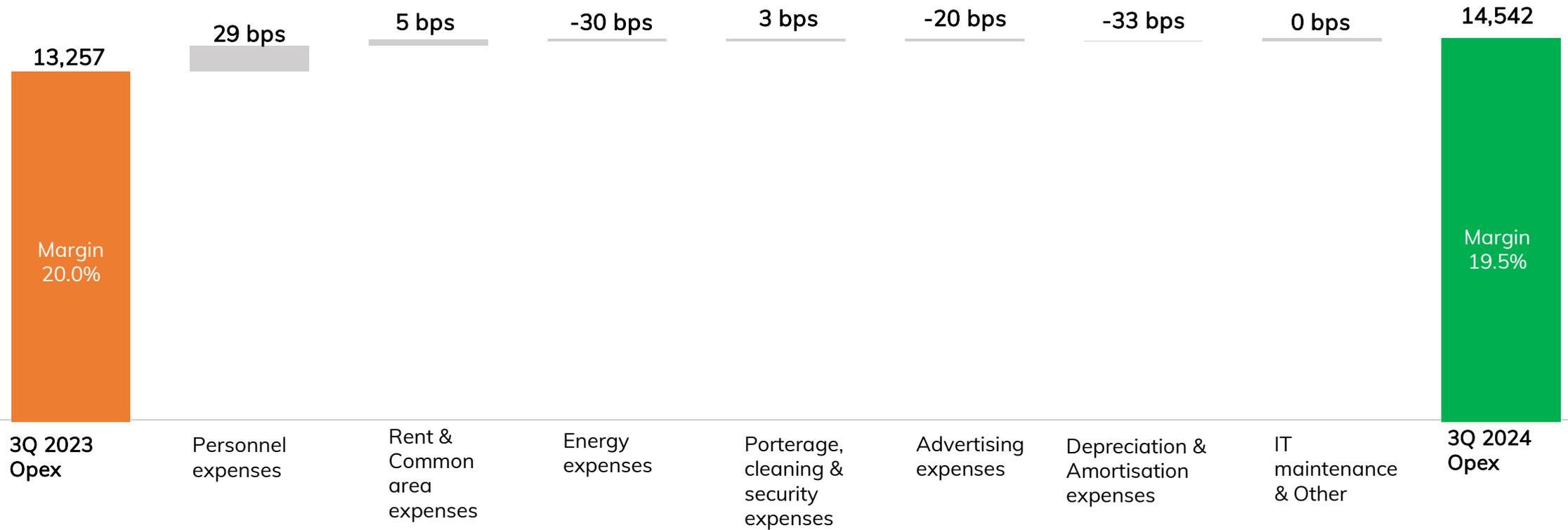


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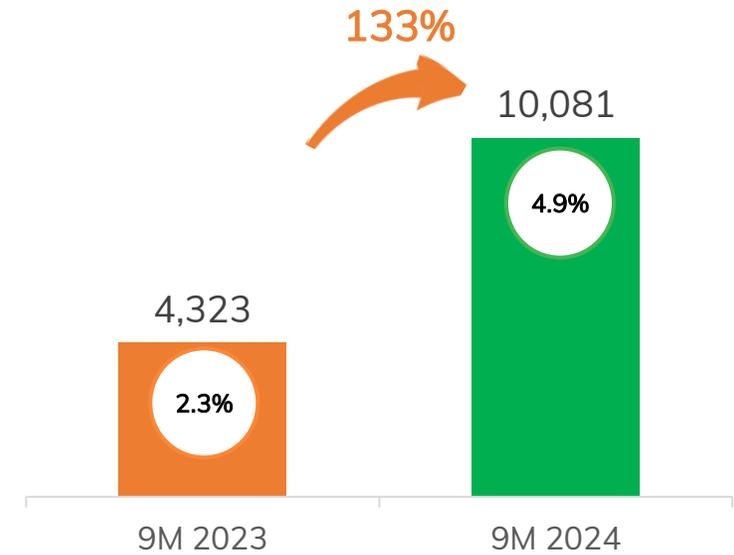
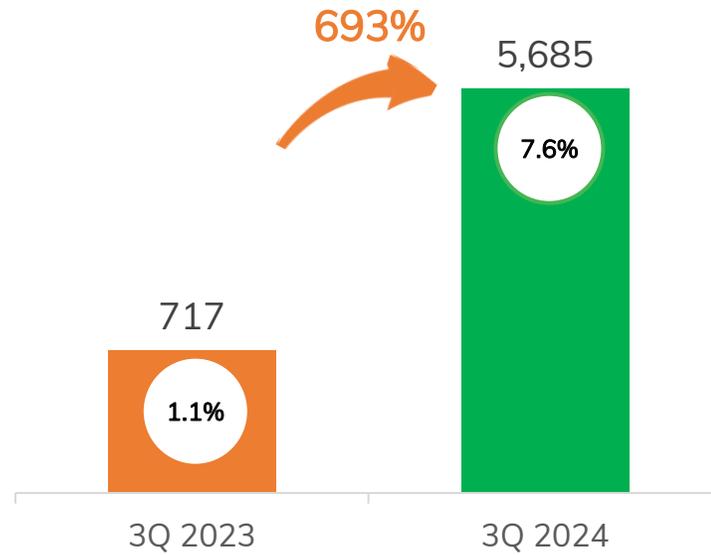
OPEX Evolution in 3Q



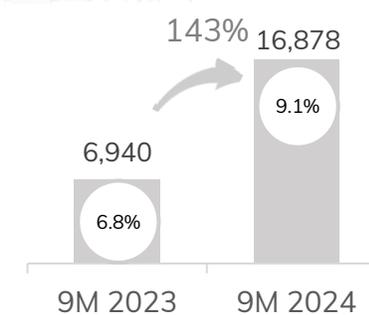
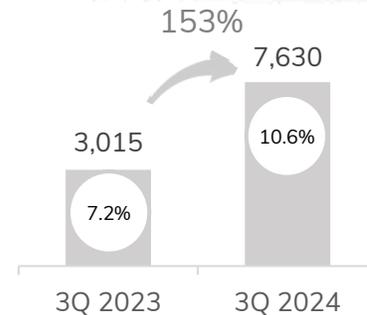
	3Q23	3Q24
Personnel expenses	9.35%	9.64%
Rent & Common area expenses	2.60%	2.65%
Energy expenses	1.60%	1.30%
Porterage, cleaning & security expenses	0.82%	0.85%
Advertising expenses	0.73%	0.53%
Depreciation & Amortisation expenses	3.37%	3.04%
IT maintenance & Other	1.52%	1.52%

Consolidated EBITDA (TL million)

with IAS 29
inflation accounting



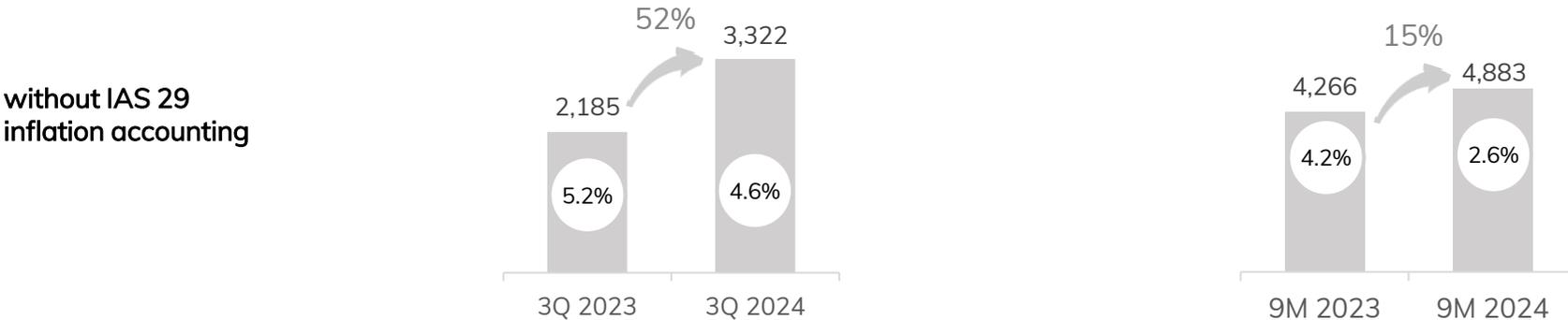
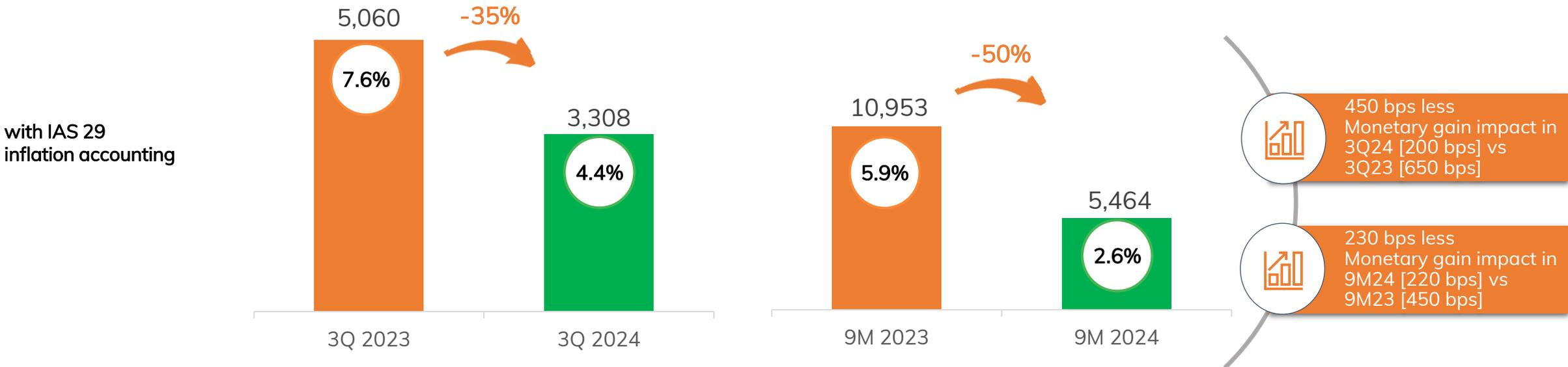
without IAS 29
inflation accounting



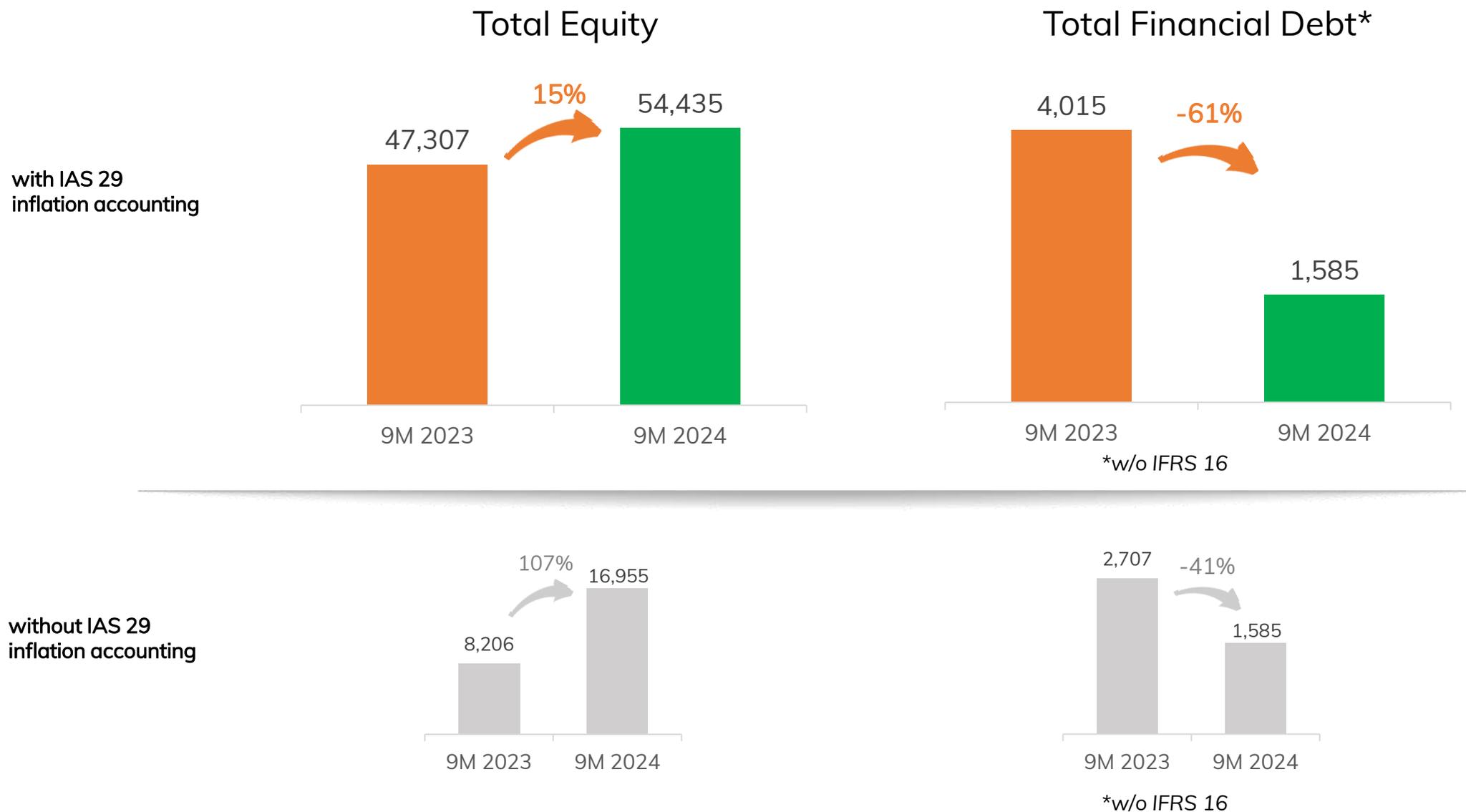
Imputed Interest Rate Impact	210 bps	500 bps
EBITDA excluding Impact	5.2%	5.5%

Imputed Interest Rate Impact	160 bps	480 bps
EBITDA excluding Impact	5.2%	4.2%

Net Income (TL million)

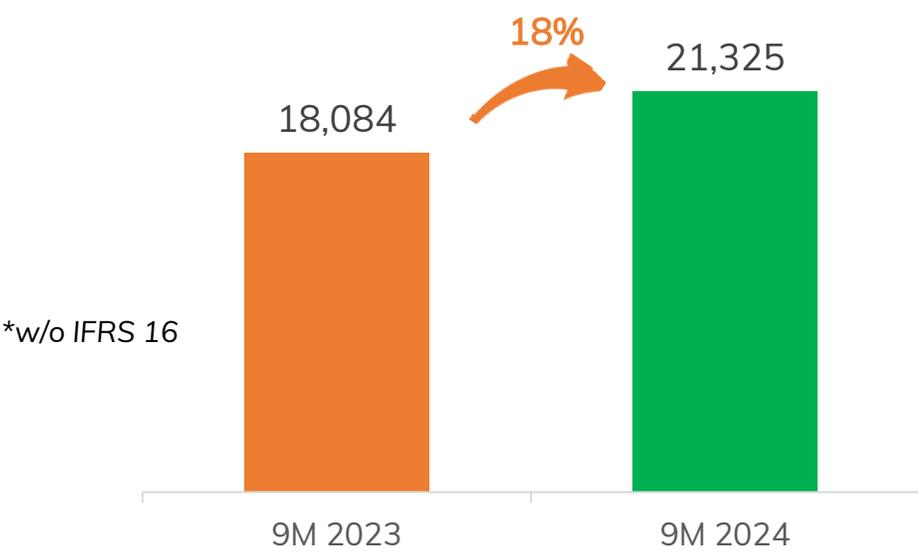


Total Equity & Total Financial Debt (TL million)

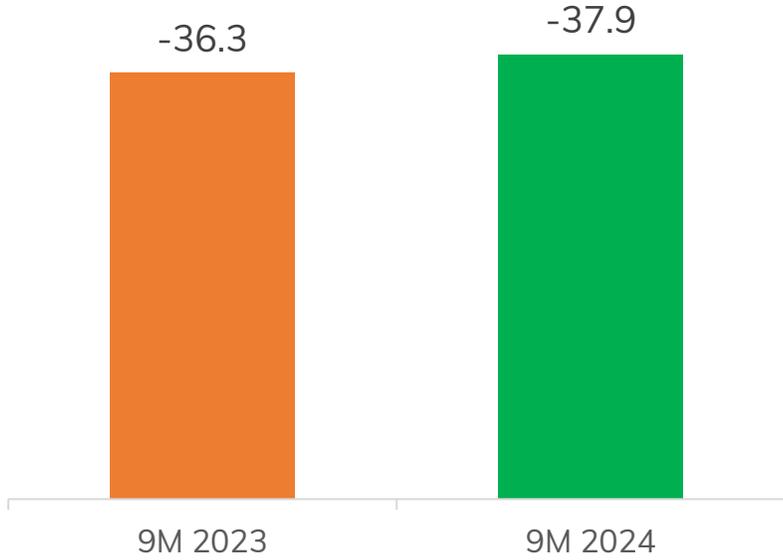


Net Cash (TL million)

Net Cash*

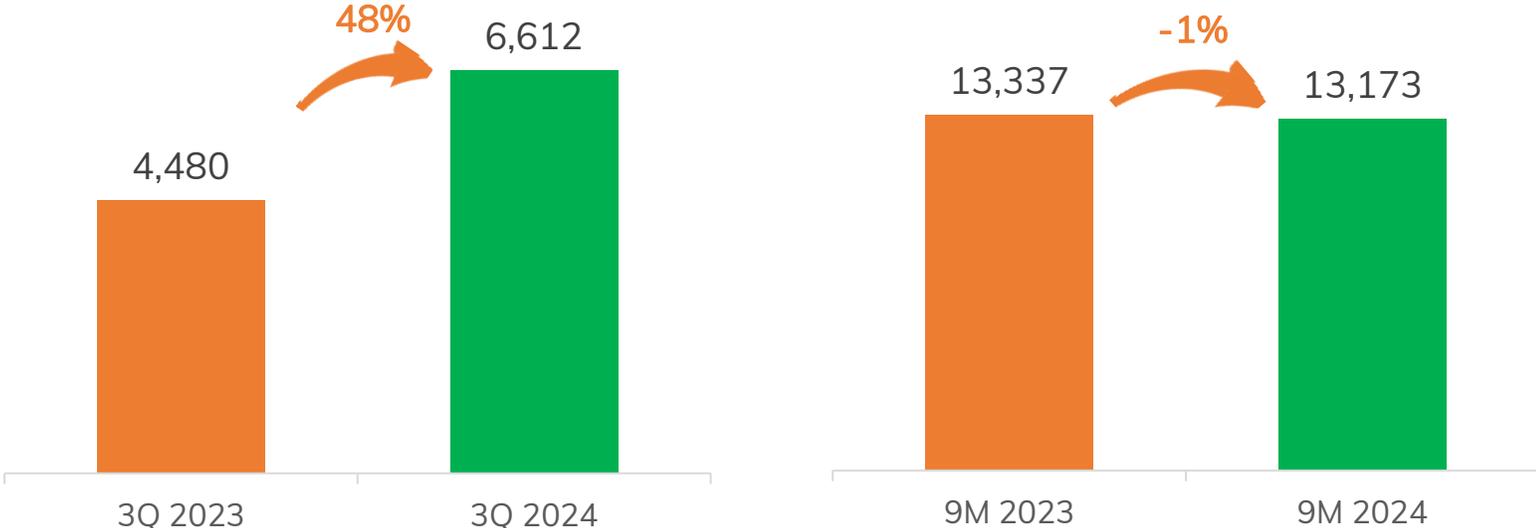


Cash Conversion Cycle in Days



Free Cash Flow (TL million)

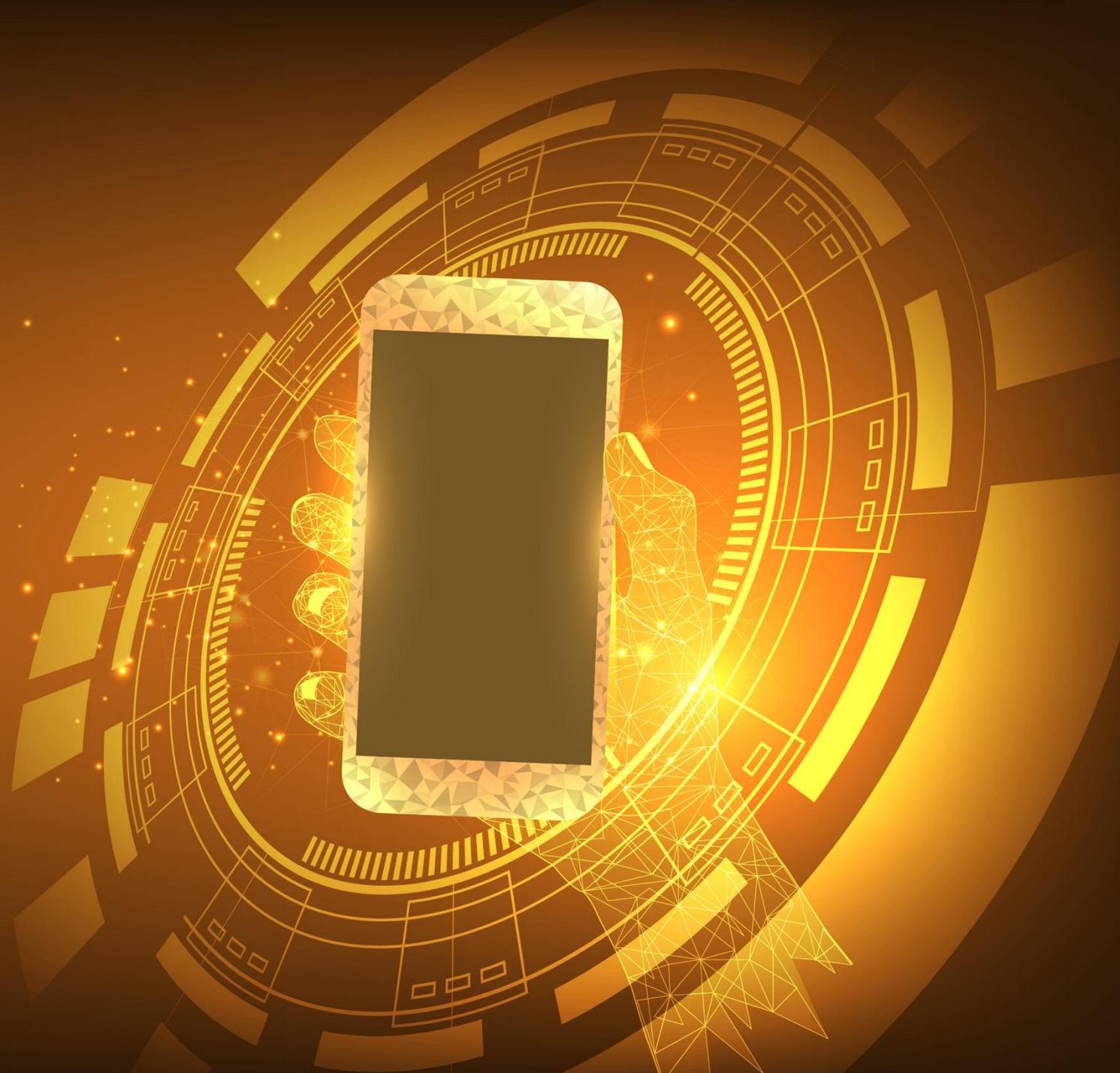
with IAS 29
inflation
accounting



without IAS 29
inflation
accounting



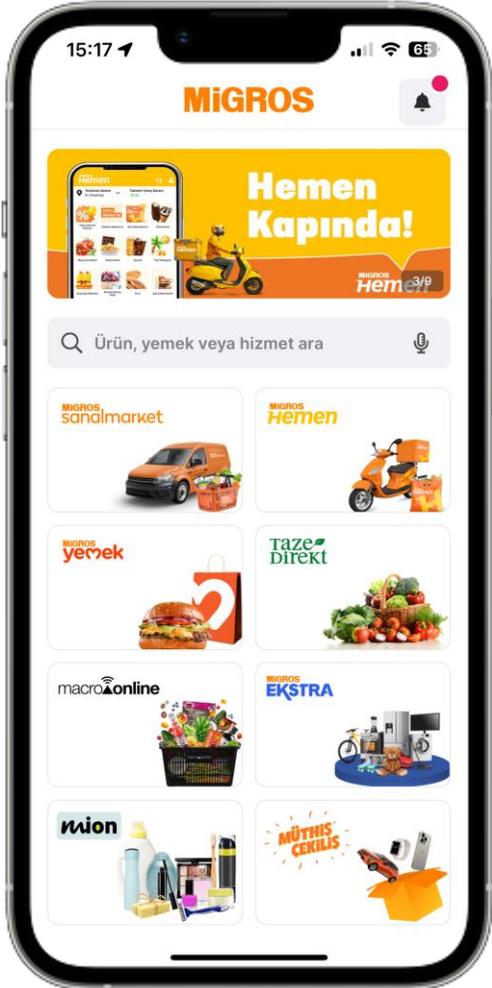
Strategy Update





Migros One

without IAS 29 inflation accounting



31.3 TL billion
GMV
+110%
9M y-o-y growth

63.3 million
of orders
+36%
9M y-o-y growth

Online business share
18.2%
exc. tobacco & alcohol
(3Q'23: 16.4%)

Quarterly active customers
3.0 million
(y-o-y growth +23.1%)

LTM active customers
5.3 million
(y-o-y growth +28.6%)

Online service stores
1,289

26%
of Migros Yemek customers
are the first time visitors of
the Migros app,
quarterly

Migros Yemek
of orders growth
+113%
9M y-o-y

App Rating
4.8 / 5.0

ios



Money

without IAS 29 inflation accounting



12.4 TL billion
TPV
+322%
9M y-o-y growth

29.2 million
of transaction
+321%
9M y-o-y growth

3.2 million
of registered users

Buy Now Pay Later
Pay with integrated Bank
Credit

Money Loyalty
Program
Integrated Payment
Solutions in one App

App Rating
4.7 / 5.0

ios

KPIs of Migros Digital Ecosystem

without IAS 29 inflation accounting

MiGROSONE

of active users
(million)



of orders
(million)



Gross Merchandise
Value
(TL billion)



3Q23
4Q23
1Q24
2Q24
3Q24

3Q23
4Q23
1Q24
2Q24
3Q24

3Q23
4Q23
1Q24
2Q24
3Q24

MONEY pay

of registered users
(million)



of transactions
(million)



Total Payment
Volume
(TL billion)



3Q23
4Q23
1Q24
2Q24
3Q24

3Q23
4Q23
1Q24
2Q24
3Q24

3Q23
4Q23
1Q24
2Q24
3Q24

Summary & Guidance



9M 2024 Underlying Performance

with IAS 29 inflation accounting



without IAS 29 inflation accounting

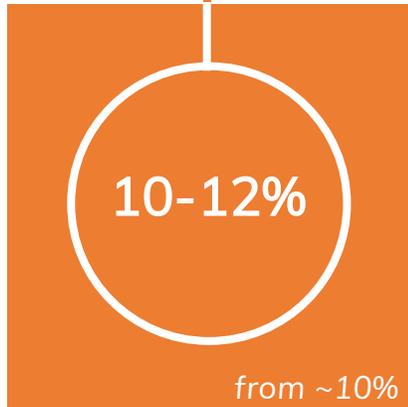


2024 Guidance Updated

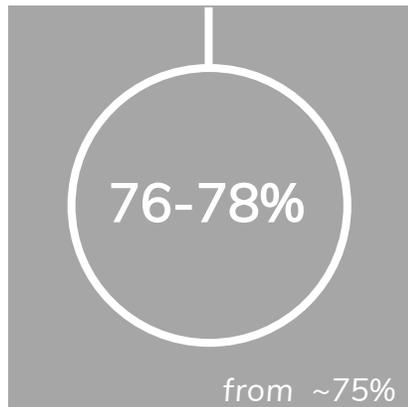


Sales Growth 2024E

with IAS 29
inflation accounting



without IAS 29
inflation accounting



EBITDA Margin 2024E



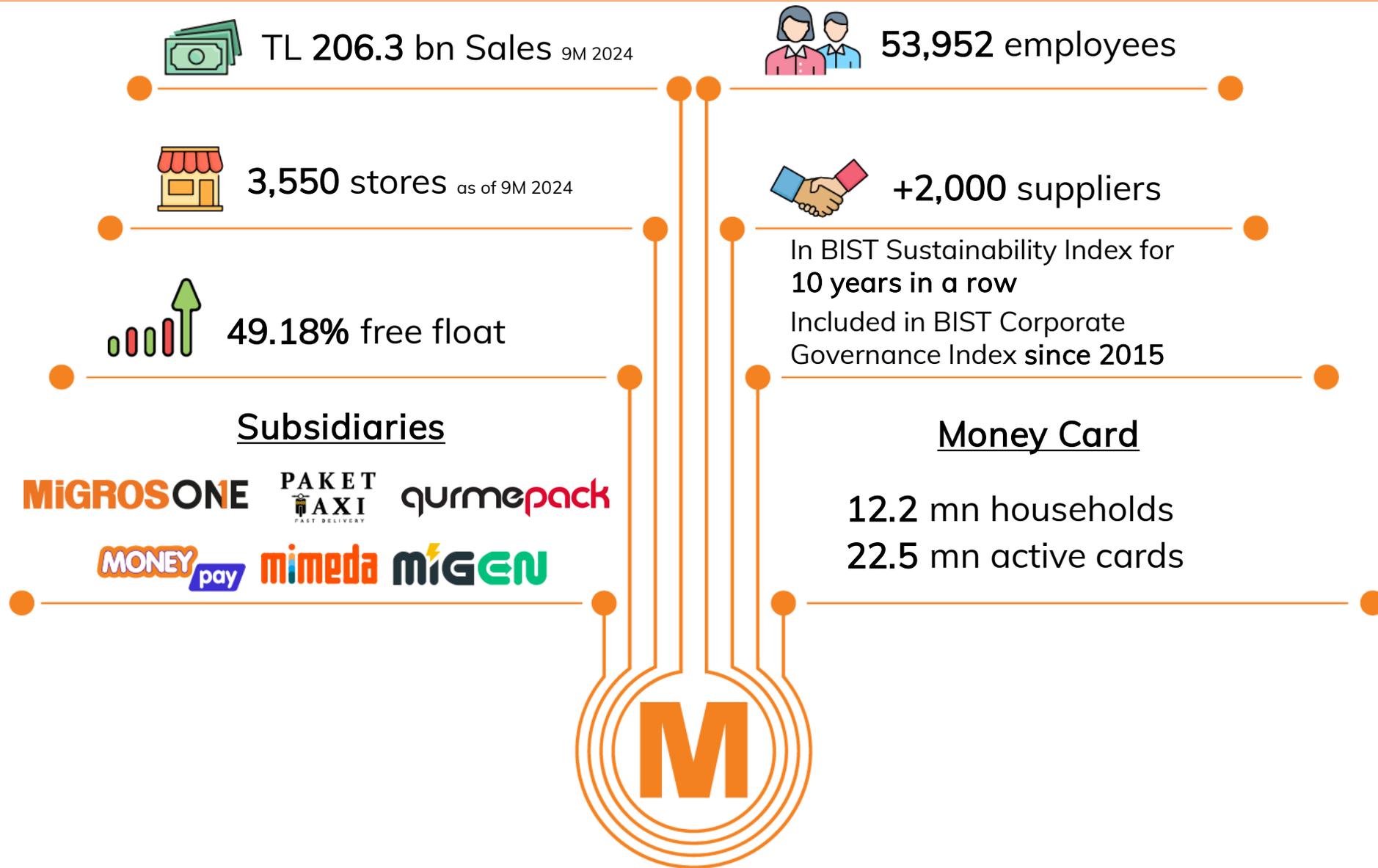
Expansion Target 2024E



Appendix



Migros at a Glance



Migros' Subsidiaries



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



Migros One

without IAS 29 inflation accounting



Leader in the Turkish e-grocery market



Fastest growing player in meal verticals

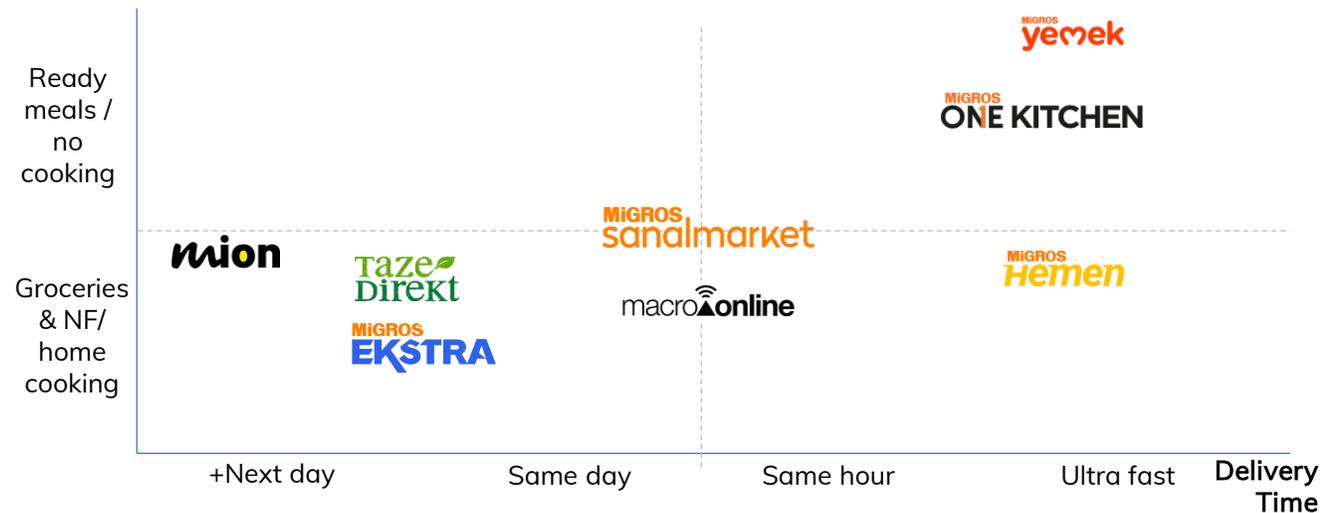


Scheduled delivery: Targeting to match the Group average margin by Dec'24

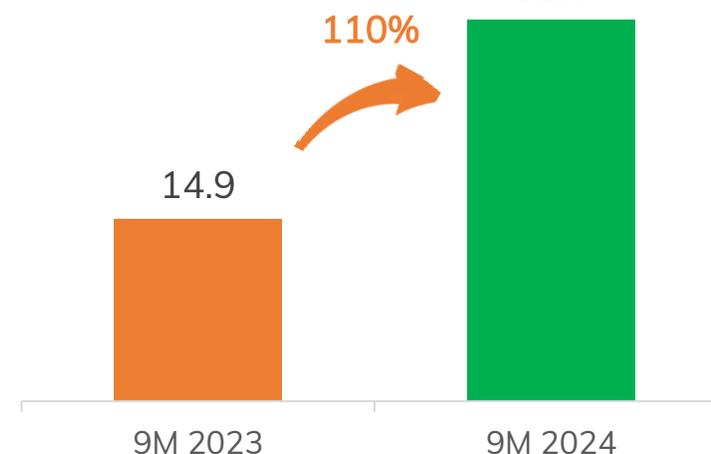


Ultra-fast delivery: Targeting to reach break-even by Dec'24

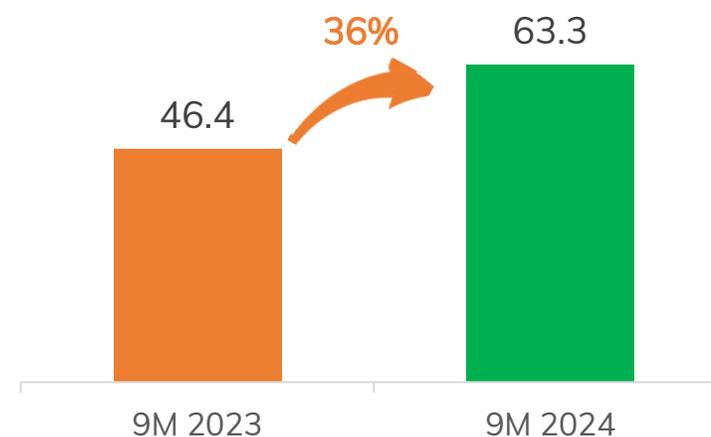
Product type



Gross Merchandise Value (TL billion)



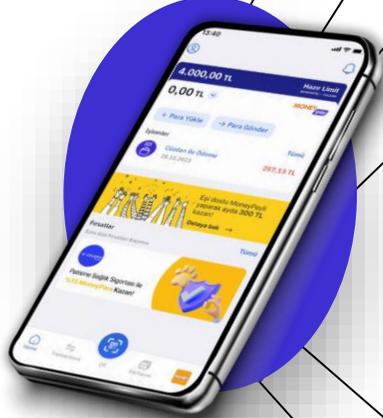
of orders (million)



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

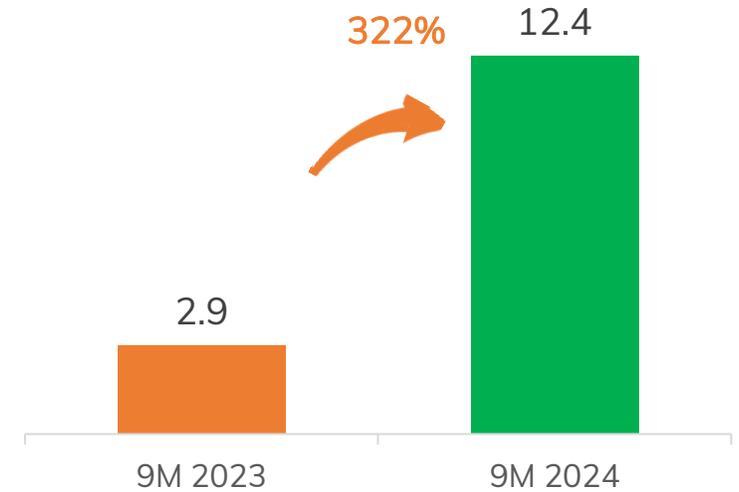


Corporate (B2B)

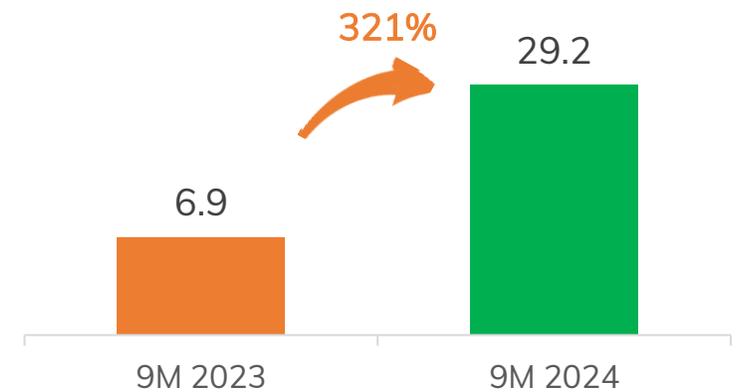
-  Payment Facilitation Services
 - Virtual POS operations
-  Services
 - Meal card
 - Gift card



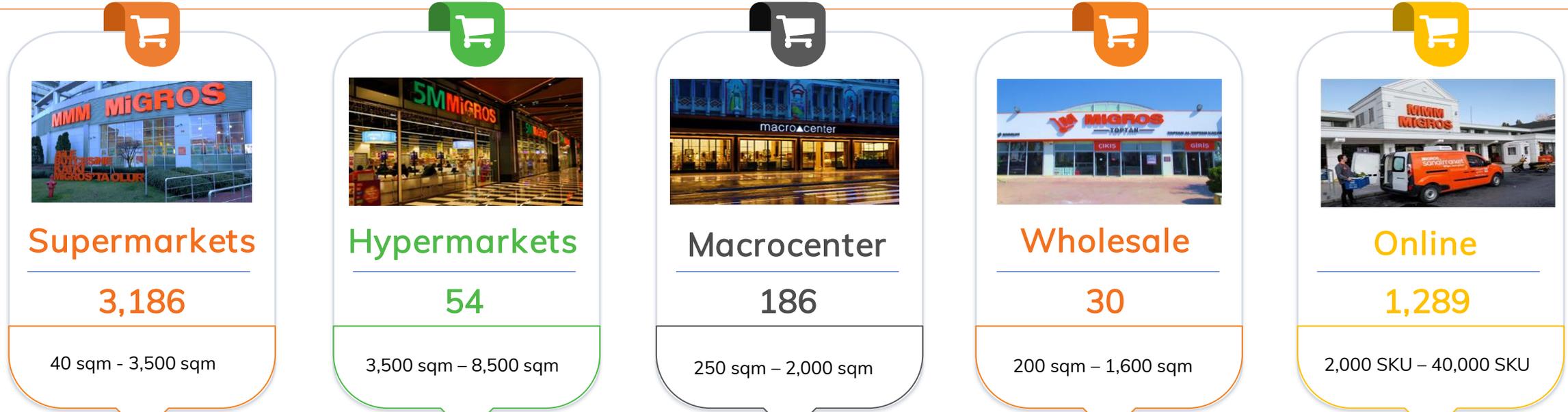
Total Payment Volume (TL billion)



of transaction (million)



Store Portfolio: Physical & Online Network – 9M 2024



	# of stores	Sales area (th sqm)
Migros (M, MM, MMM)	2,010	1,398
Migros Jet	1,176	250
5M	54	243
Wholesale	30	23
Macrocenter	186	77
Mion	94	14
Total	3,550	2,005

81 cities

36 cloud kitchens

3 kitchens

20+ own brands

IAS 29 Consolidated Income Statement Summary – 9M 2024

<i>(TL million)</i>	9M 2023	9M 2024
Net Sales	184,998	206,300
Cost of Sales	-149,641	-159,798
Gross Profit	35,357	46,501
Operating Expenses	-37,036	-43,047
Other Operating Expense	-2,805	-10,172
Operating Loss	-4,484	-6,717
Income / Expense from Investment Activities	422	579
Operating Loss Before Finance Income / Expense	-4,063	-6,138
Financial Income / Expense	373	-1,136
Monetary Gain	18,847	14,550
Income Before Tax	15,157	7,276
Tax Expenses	-824	-580
Deferred Tax Expenses	-3,405	-1,265
Net profit from discontinued operations	24	33
Net Profit	10,953	5,464
<i>Net Profit - Non-controlling Interest</i>	41	186
<i>Net Profit - Equity Holders of Parent</i>	10,912	5,278
EBITDA	4,323	10,081

IAS 29 Consolidated Balance Sheet Summary – 9M 2024

(TL million)	2023	9M 2024
Current Assets	51,458	51,809
Non-current Assets	73,709	83,364
Total Assets	125,167	135,173
Current Liabilities	60,995	61,696
Non-current Liabilities	14,917	19,042
Total Liabilities	75,912	80,738
Equity	49,255	54,435
Total Liabilities and Equity	125,167	135,173

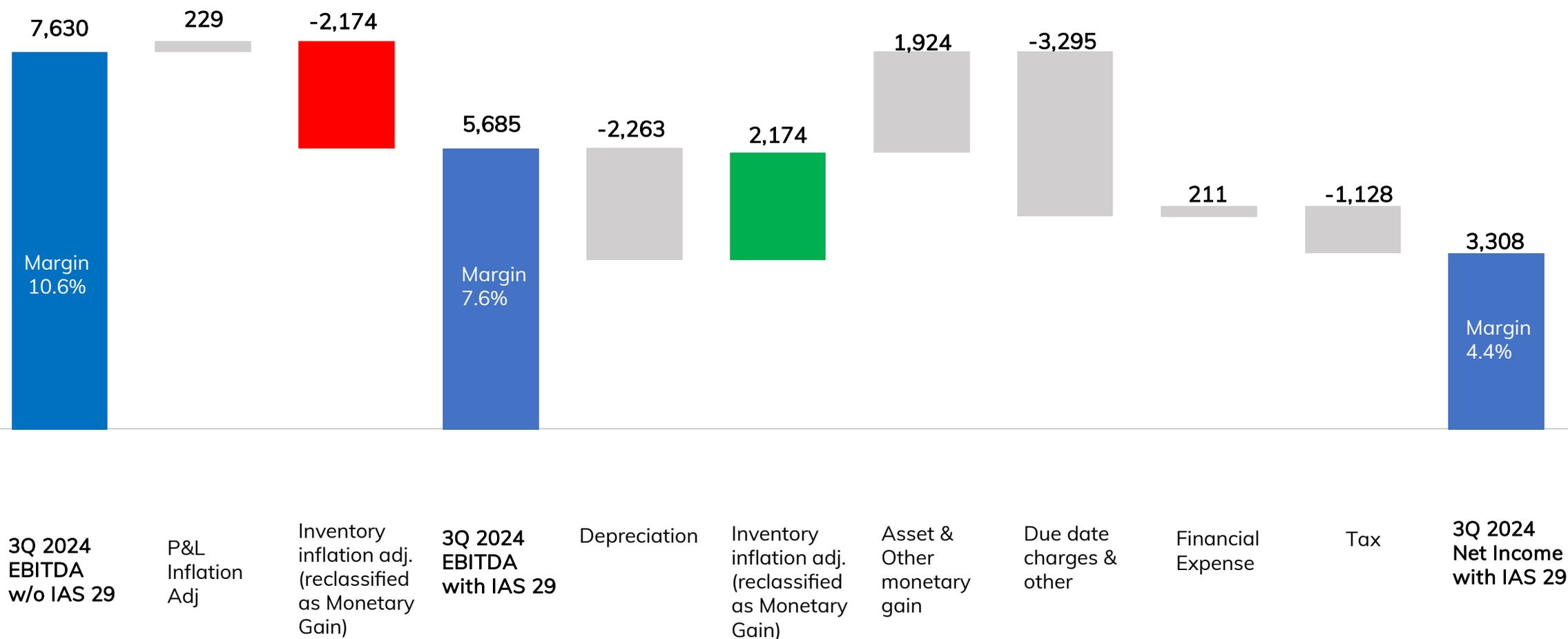
IAS 29 Cash Flow- 9M 2024

(TL million)	9M 2023	9M 2024
Net profit	10,953	5,464
Adjustments related to reconciliation of net profit for the period	12,651	16,543
Changes in net working capital	1,428	7,366
Cash flows from operating activities	25,032	29,374
Net cash provided by operating activities	18,281	17,369
Cash outflows from the purchase of tangible and intangible assets	-5,596	-6,072
Cash inflows from the sale of tangible and intangible assets	1,536	1,021
Cash flows from investing activities	-4,060	-4,774
Free Cash Flow	13,337	13,174
Cash flows from financing activities	-1,352	-1,524
Effect of foreign currency translation differences & monetary losses on cash	-8,008	-4,955
Net increase in cash and cash equivalents	4,861	6,116

IAS 29 Impact on Financials

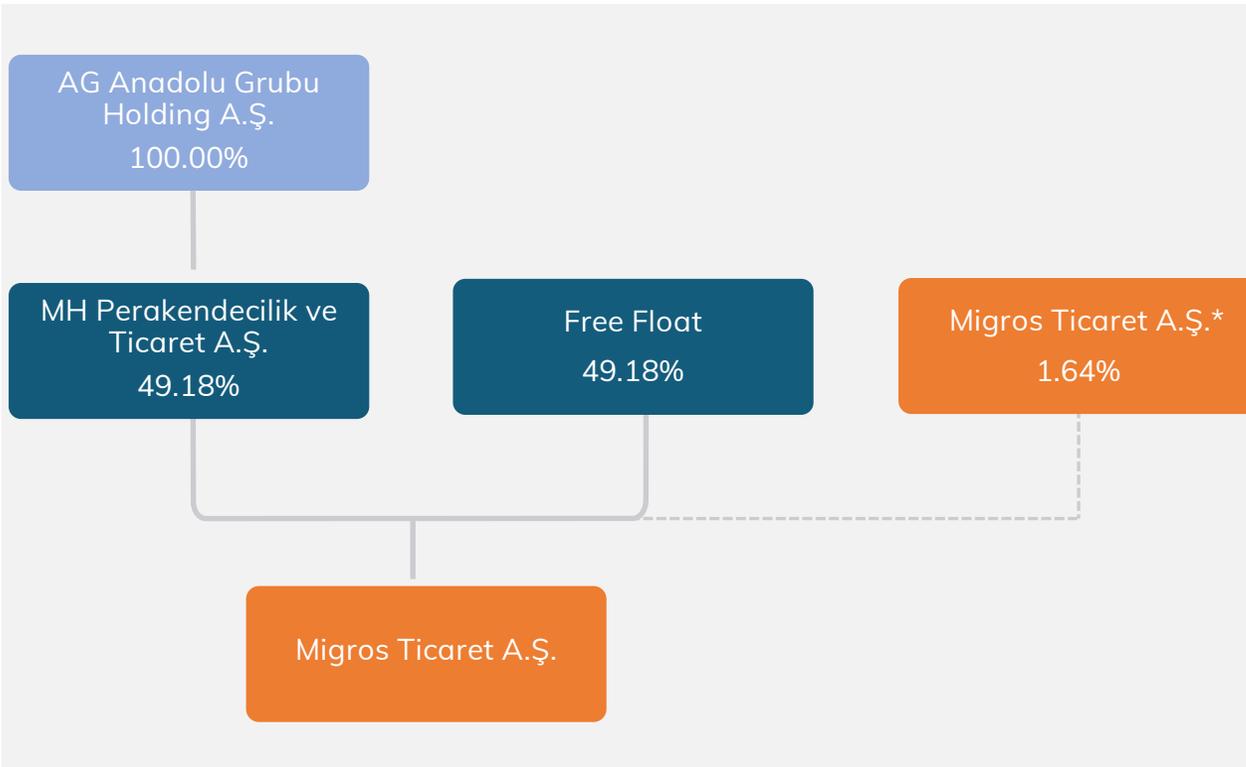
(TL million)	with IAS 29 inflation accounting		without IAS 29 inflation accounting	
	9M 2023	9M 2024	9M 2023	9M 2024
Selected Balance Sheet Items				
Total Assets	123,835	135,173	56,330	93,308
Total Liabilities	76,528	80,738	48,124	76,355
Total Equity	47,307	54,435	8,206	12,302
Selected Income Statement Items				
Net Sales	184,998	206,300	101,775	185,668
Gross Profit	35,357	46,501	23,987	49,569
Operating Loss / Profit	-4,484	-6,717	3,888	4,911
Profit before tax	15,157	7,276	4,407	4,779
Net Profit	10,953	5,464	4,266	4,883
Depreciation & Amortisation	-6,003	-6,627	-1,490	-2,747
EBITDA	4,323	10,081	6,940	16,878

Inflation-accounting impact on EBITDA & Net Income in 3Q

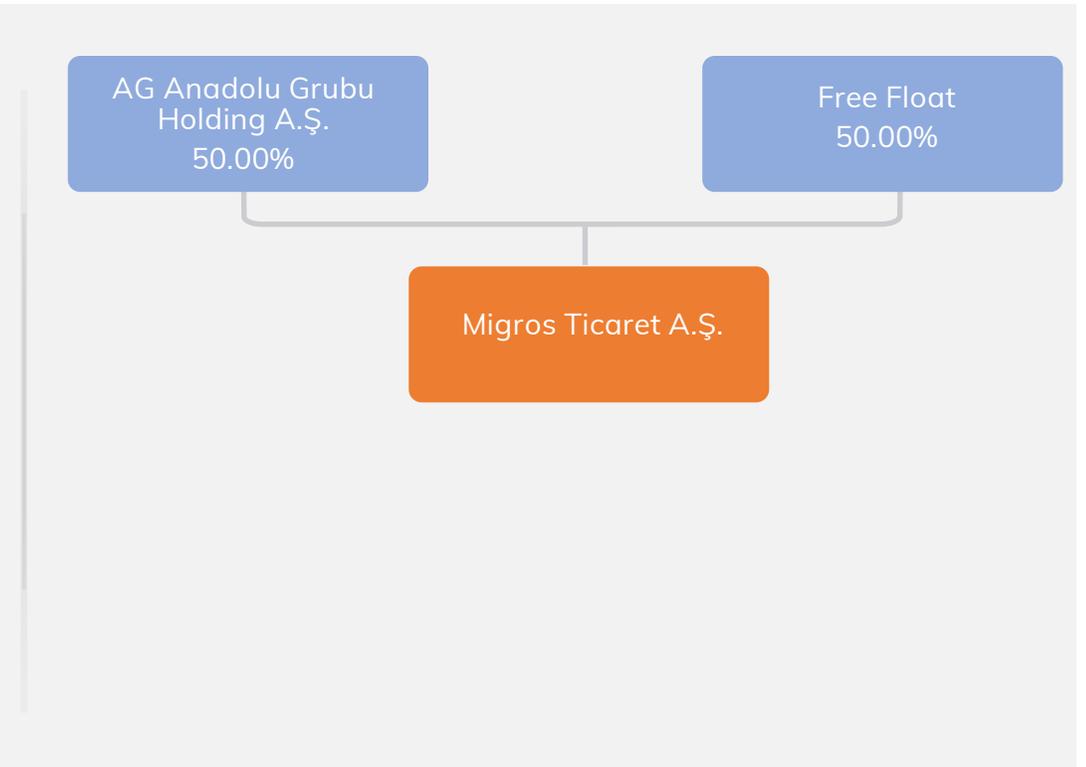


Ownership Structure

Direct Shareholding Structure



Indirect Shareholding Structure



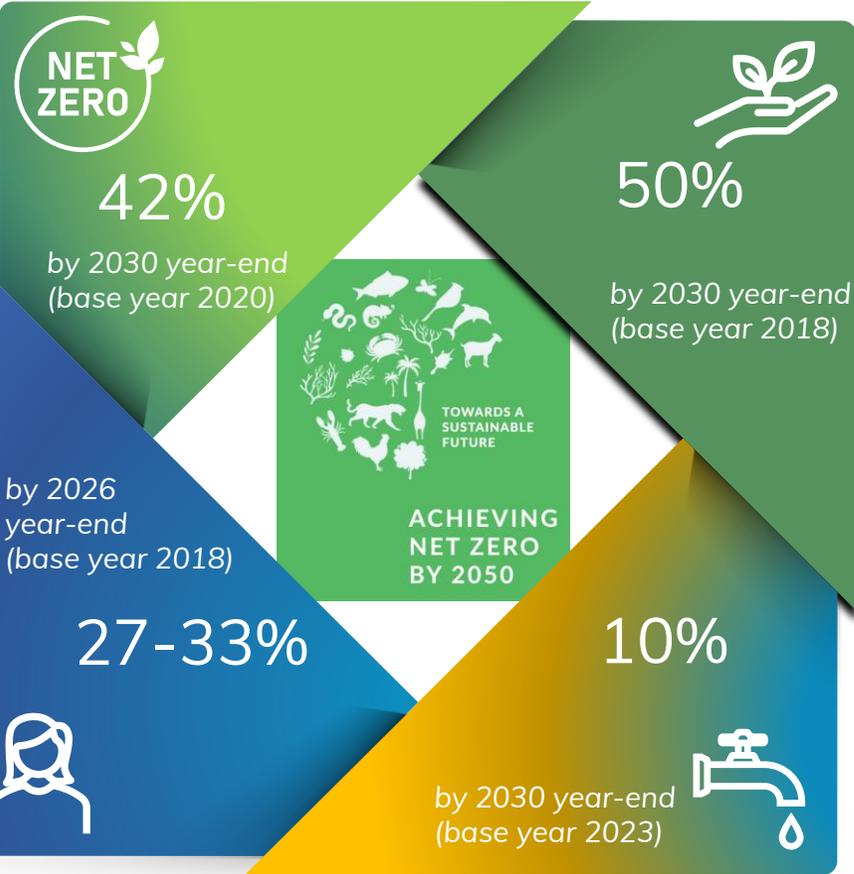
(*): Migros purchased its own shares due to the merger in 2018 in accordance with relevant CMB legislation

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



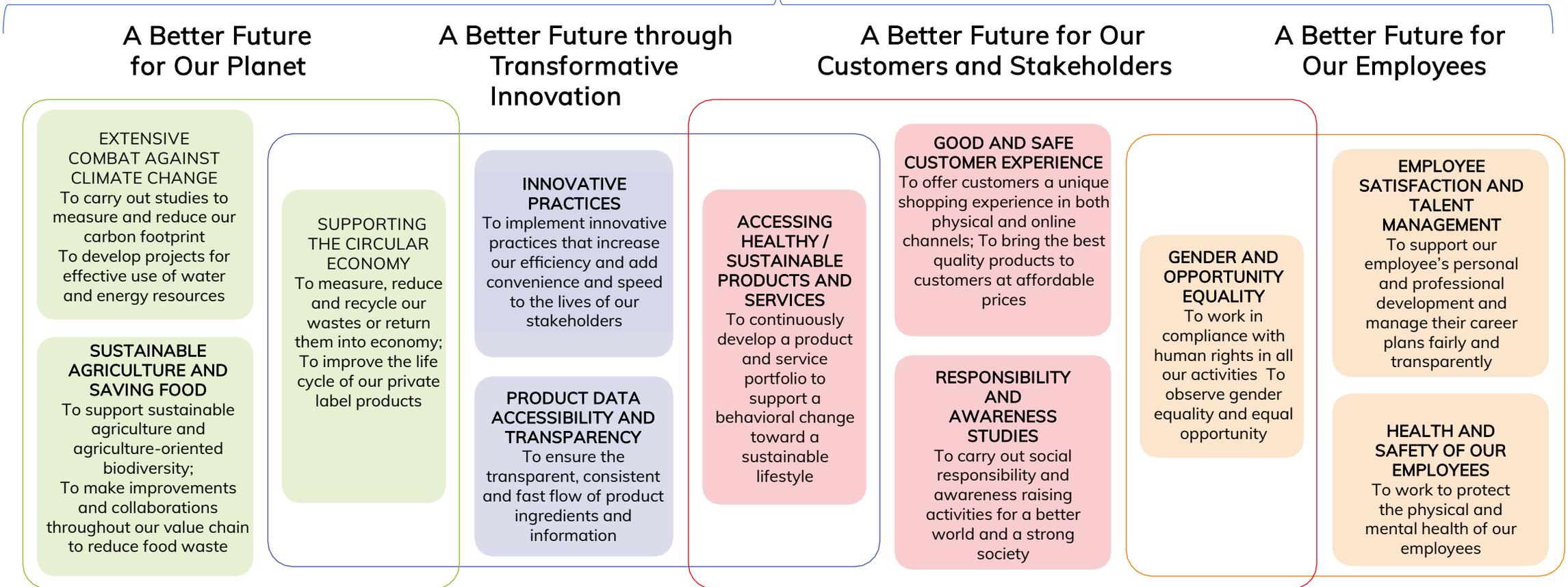
1/3 of total energy consumption is expected to be generated from Migros' owned solar plants by 2026



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