

Mavi

Following 2Q25, we revise our 12-month target price for Mavi from TL 67.50 to TL 58.00. The change reflects weaker LFL (like-for-like / same-store sales; sales adjusted for store openings/closures) pricing, heavy promotional activity, a more cautious store-opening plan, and updates to our year-end assumptions. At the same time, we maintain our positive stance and keep Mavi in our Model Portfolio on expectations of a gradual recovery in demand in 2H, easing pressure on financial expenses, medium-term support from US investments, a solid net cash position and seasonal tailwinds. The new target price implies ~50% upside to the current share price; we therefore reiterate our Buy rating and keep Mavi in our Model Portfolio.

Quarterly Overview. Under IAS 29, 2Q net revenues were TL 9.56bn and EBITDA TL 1.46bn (margin 15.2%), broadly in line with consensus, while net income of TL 231m missed the TL 371m market expectation. The shortfall mainly reflects higher rediscount interest on trade payables and lower interest income on time deposits. Year on year, revenues fell 4%, EBITDA 7%, and net income 66%; sequential declines were more pronounced. In 2Q, gross margin was 50.4% (-68 bps y/y), EBITDA margin 15.2% (-63 bps y/y) and net margin 2.4% (-447 bps y/y). The company closed the quarter with ~TL 4.45bn net cash; the q/q decline was driven by investment outflows.

Operational Trends. One store was opened during the quarter, bringing Turkey's store count to 351. With eight store expansions in 1H25, selling space rose to ~190k sqm, and average store size to ~543 sqm. LFL performance showed a 5.4% decline in TL terms but a 1.2% increase in units; the number of transactions fell 3.7% and basket size contracted 1.7%. Even so, total retail units sold rose 4.2%, indicating resilient volume. The mix remains retail-led, with roughly 91% of revenues generated in Turkey. International sales grew 5% at constant currency, and the US business grew 19% in USD, outperforming the group.

Guidance & Revisions. Management lowered its 2025 revenue outlook and raised its EBITDA-margin guidance. In Turkey, the net new-store target was halved, while the plan to open 8 stores in North America was maintained. Capex is guided at a mid-single-digit share of revenues (see "Guidance (revisions)", p.3). The TL 1.0bn share buyback launched in June 2025 remains active; as of the reporting date, roughly 0.37% of share capital had been repurchased. Dividend yield is on an improving trend—from 1.1% in 2018 to 3.5% in 2025—with a three-year average around 3.2%.

Conclusion. Pricing pressure and promotions may cap near-term profitability, but strong net cash, disciplined cost control, seasonal support, robust US momentum, and ongoing buybacks limit downside risk. Over the medium term, new store openings and better inventory management should support a gradual recovery in operating performance.

MAVI

BUY

Target Price TL58.00
Return potential 50%

Share Data

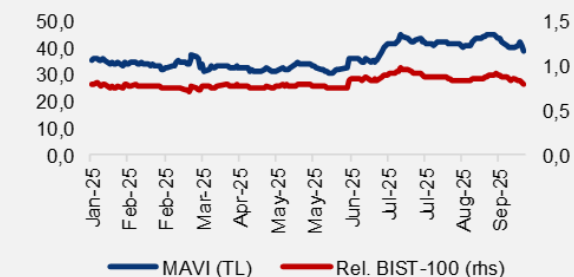
Ticker:	MAVI TI
Share price (as of 18.09.2025)	38,60
Share price (52 week range)	30 / 45
Market cap. (TL mn - USD mn)	30.668 - 744
# of shares (mn) & free float	795 - 73%
Foreign Ownership Rate	30%
Market	BIST STAR
Industry	Apparel retail

Avg. trading volume	1M	3M	12M
USD mn	16,6	13,3	12,9

Price performance	1M	3M	Y-t-D
TL	-4%	12%	-8%
USD	-5%	7%	-21%
Rel. to BIST-100	-5%	-7%	-18%

(TL mn)	2022	2023	2024
Revenues	42.364	43.669	44.825
EBITDA	7.821	7.950	8.155
Net Earnings	2.831	3.032	3.191

Valuation	2022	2023	2024
P/E	8,9x	9,9x	9,9x
P/BV	3,2x	2,6x	2,2x
EV/EBITDA	3,4x	3,3x	3,2x



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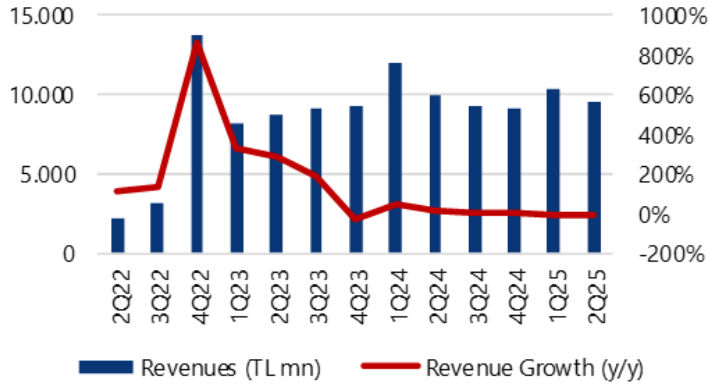
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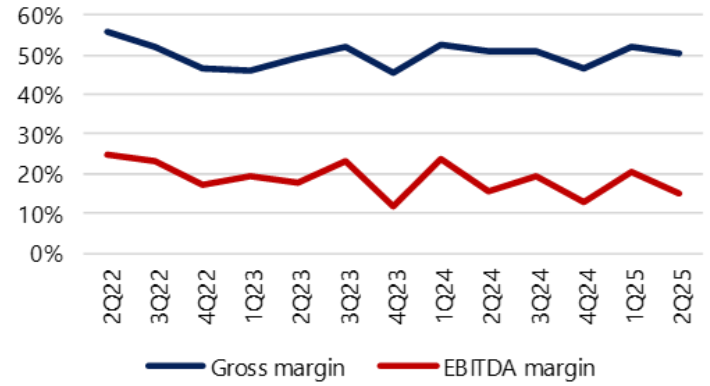
Key Financial Indicators (Quarterly)

Revenue trends



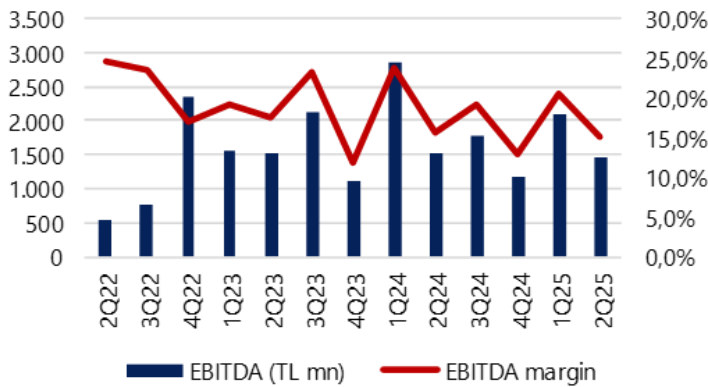
Source: Tacirler Investment

Operating margin evolution



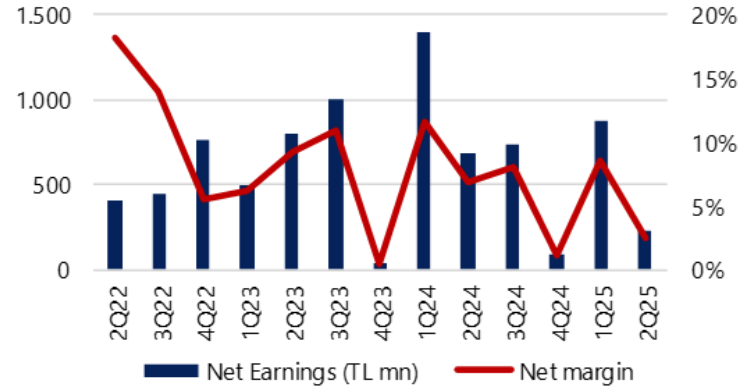
Source: Tacirler Investment

EBITDA trends



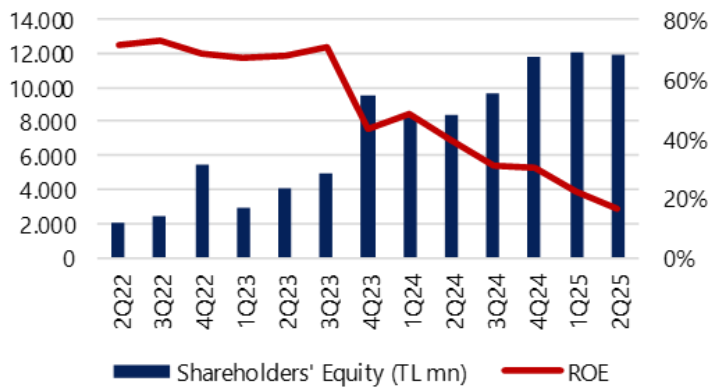
Source: Tacirler Investment

Net earnings trends



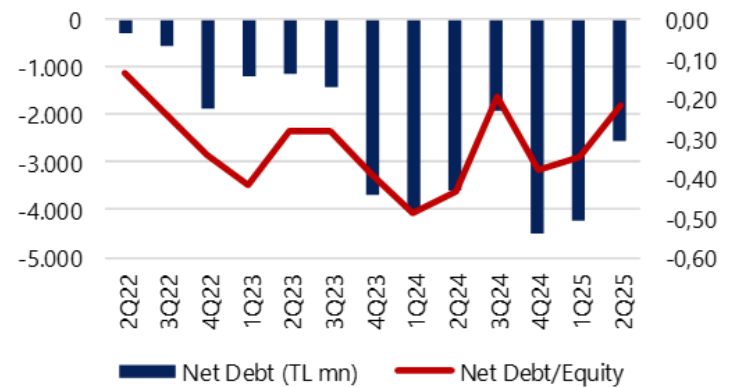
Source: Tacirler Investment

Profitability trends



Source: Tacirler Investment

Trends in financial leverage



Source: Tacirler Investment

FY2025 Guidance Revision

	Initial		Revised	
	With IAS29	Without IAS29	With IAS29	Without IAS29
Revenue Growth	Low to mid single digit growth	35% +	Low single digit decline	30%
Retail Stores	20 net new stores in Türkiye 15 store expansions in Türkiye 8 new stores in North America		10 net new stores in Türkiye 12 store expansions in Türkiye 8 new stores in North America	
EBITDA Margin	17.5% +	20.0% + 17.0% + (exc. IFRS16)	18.0% +	21.5% + 17.5% + (exc. IFRS16)
Cash Position	Net cash position maintained		Unchanged	
CAPEX/Consolidated Sales	5%		6%	

Source: company data

Important Disclosures

Rating Methodology

Stock ratings are based on the absolute return potential of the stock, which is defined as the percentage change in target price from the current share price. All recommendations and target prices are set with a 12-month horizon. Target prices are set by using one or more of the following methodologies: DCF, Net Asset Valuation, sum of the parts model and multiple comparison.

Rating Definition

Buy: The stock is expected to generate a return of more than 30% in TL terms.

Hold: The stock is expected to generate a return of less than 15% in TL terms.

Sell: The stock is expected to generate a negative return within the forecast horizon.

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