

15 August 2024

Q2 2024 Earnings Release

Evaluation of Halil Erdoğan, Ebebek Mağazacılık A.Ş. Group CEO

“By maintaining our company's store expansion rate in the first quarter of 2024, we have increased the number of our stores to 249 by the end of the second quarter of 2024. While the number of visitors in our stores increased from 11.9 million in the second quarter of 2023 to 12.8 million in the second quarter of 2024, we hosted a total of 27.8 million visitors on our website ebebek.com. The number of products sold in the same period increased by 15% compared to the second quarter of 2023, reaching 23 million.

According to our financial statements before inflation accounting, our revenue increased by 90% and our EBITDA increased by 137% in the second quarter of 2024 compared to the same period of 2023. In our financial statements prepared within the framework of inflation accounting practices, our revenue increased by 10% and our EBITDA increased by 29% in the same period. For the rest of the year, we aim to both continue our growth domestically and make new breakthroughs abroad.

Financial data before the impact of TMS 29

mTL	Excluding TMS 29 Effects			Excluding TMS 29 Effects		
	2024 H1	2023 H1	Δ%	2024 Q2	2023 Q2	Δ%
Net Sales	7.220	3.838	88%	3.815	2.005	90%
Gross Profit	2.950	1.301	127%	1.596	724	120%
	%	40,9%	33,9%	41,8%	36,1%	
EBITDA	1.185	476	149%	719	303	137%
	%	16,4%	12,4%	18,8%	15,1%	

Before the implementation of “TMS 29 Financial Reporting in Economies with High Inflation”, the second quarter and 6-month comparative summary financial data of 2024 and 2023 were as follows:

Consolidated revenue, which was 3,838 million TL in the first half of 2023, reached 7,220 million TL with an 88% increase in the first half of 2024. The second quarter revenue increase was recorded as 90%. Gross profit increased by 127% compared to the previous period, reaching 2,950 million TL, and gross profit margin reached 40.9%, an increase of 7 points in the same period. In the second quarter, gross profit increase was 120% and gross profit margin increased to 41.8%.

EBITDA, which was 476 million TL in the first half of 2023, reached 1,185 million TL in the first half of 2024. EBITDA margin increased by 4 points to 16.4% in the same period. EBITDA margin in the second quarter was 18.8%.

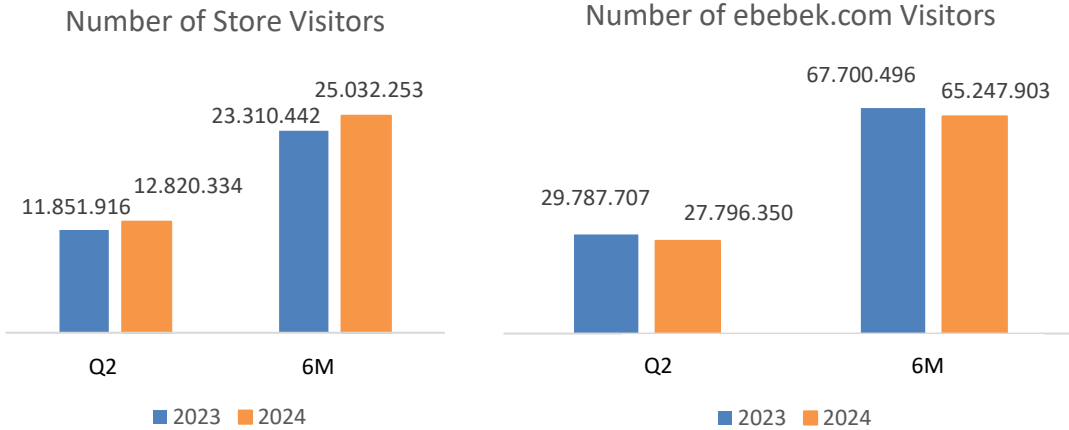
As of March 31, 2024, our company has a total of 242 stores in Türkiye, 235 of which are traditional and 7 are mini concept stores. As of June 30, 2024, the number of stores of our company has reached 249, of which 242 are traditional and 7 are mini concept stores.

Between 1 April – 30 June 2024; a total of 8 stores were opened; 1 in Van, 2 in Bursa (1 in Bursa Balatpark Umi Avm and 1 in Bursa Sırameşeler), 1 in İstanbul, 1 in Kırşehir, 1 in Çankırı, 1 in Kocaeli and 1 in Manisa. 1 store was closed in Zonguldak.

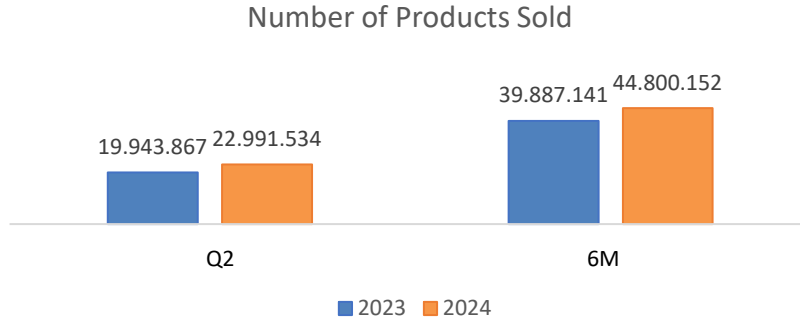
Number of Store and Website Visitors in the 2nd Quarter and First 6 Months

The number of visitors to ebebek stores in the second quarter of the year increased by 8.2% compared to the same period of the previous year, reaching 12,820,334. In the first 6-month period ending in June 2024, the number of visitors to ebebek stores increased by 7.4%, reaching 25,032,253.

The number of ebebek.com visitors in the second quarter of 2024 decreased by 6.7% compared to the same period of 2023, reaching 27,796,350. The number of visitors to the ebebek.com website in the first 6 months of the year decreased by 3.6% to 65,247,903. The decrease in visitors on the website is a result of the digital marketing strategy shaped with the aim of increasing the customer conversion rate. ebebek.com sales volumes increased in the first 6 months of 2024 compared to the same period of 2023.

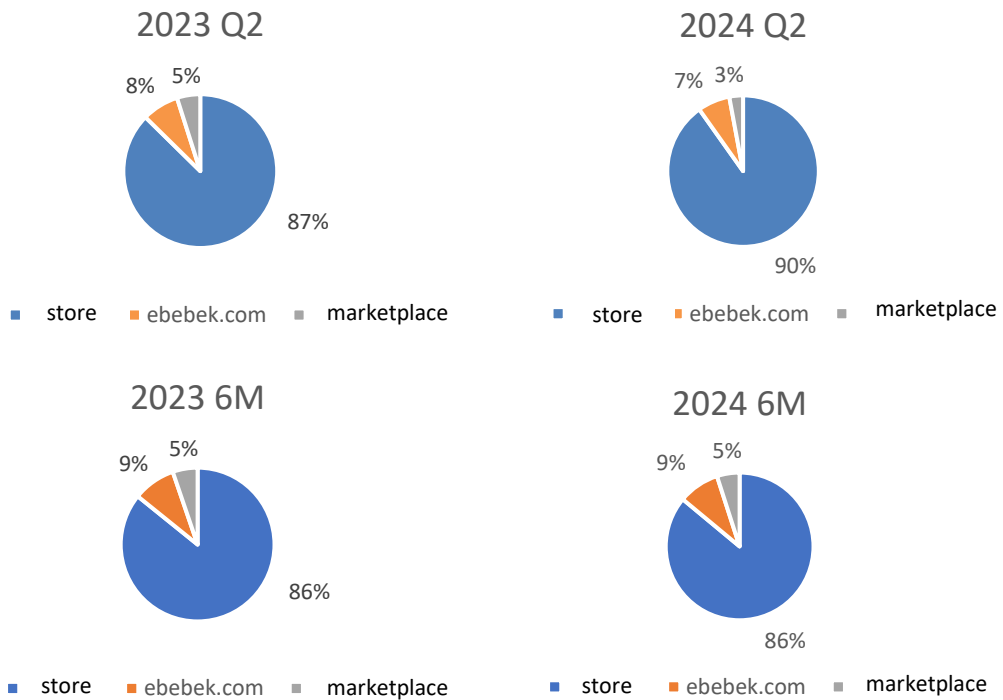


2nd Quarter and First 6 Month Store and E-commerce Number of Products Sold

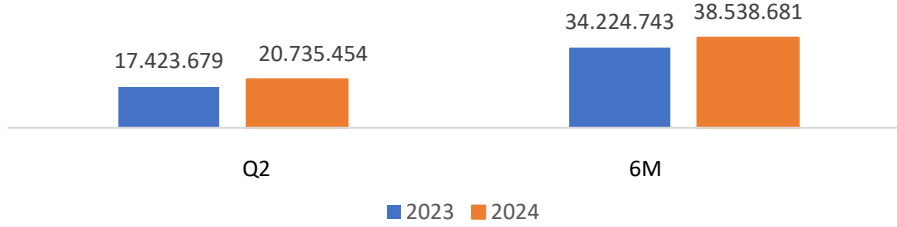


In the second quarter of 2024, the total number of products sold through ebebek stores and e-commerce channels in Türkiye increased by 15% compared to the same period of 2023, reaching 22,991,534 while in the first 6 months of 2024, this number increased by 12% compared to the same period of 2023, reaching 44,800,152.

Breakdown of number of products sold by sales channel:

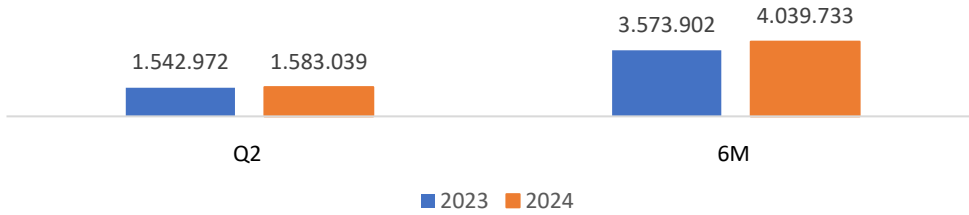


Number of Products Sold in Stores



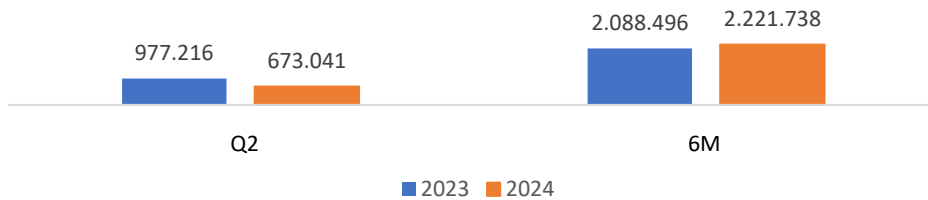
In the second quarter of 2024, the total number of products sold in ebebek stores in Turkey increased by 19% compared to the same period of 2023, reaching 20,735,454, while in the first 6 months of 2024, this number increased by 13% compared to the same period of 2023, reaching 38,538,681.

Number of Products Sold on ebebek.com



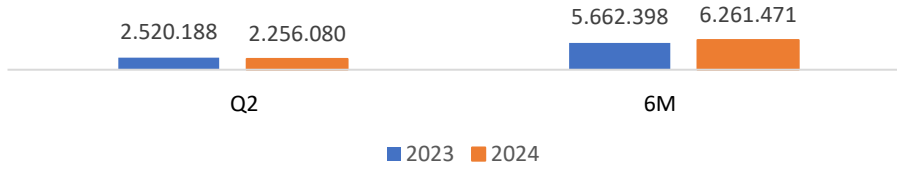
While the total number of products sold on ebebek.com in the second quarter of 2024 increased by 3% compared to the same period of 2023, reaching 1,583,039, in the first 6 months of 2024, this number increased by 13% compared to the same period of 2023, reaching 4,039,733.

Number of Products Sold in Marketplaces



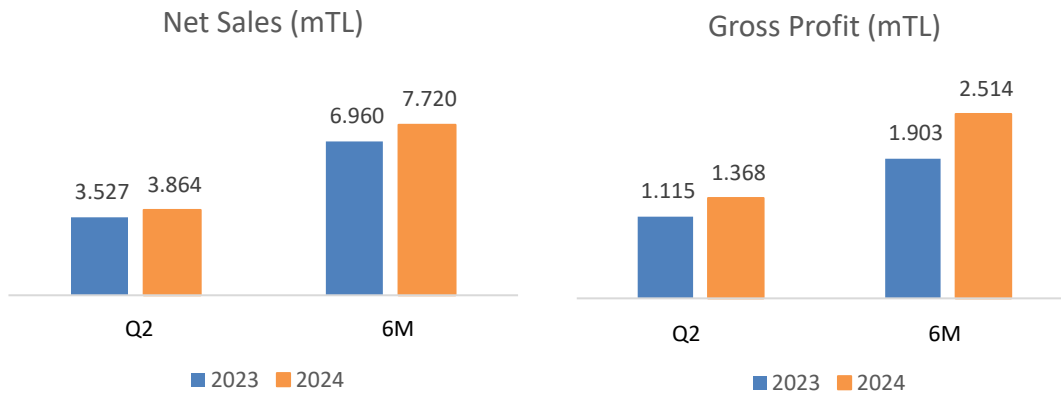
While the total number of products sold from marketplaces in the second quarter of 2024 decreased by 31% compared to the same period of 2023, reaching 673,041, in the first 6 months of 2024, this number increased by 6% compared to the same period of the previous year, reaching 2,221,738.

Total Number of Products Sold on E-commerce



While the total number of products sold through e-commerce channels in the second quarter of 2024 decreased by 10% compared to the same period of 2023, reaching 2,256,080, in the first 6 months of 2024, this number increased by 11% compared to the same period of 2023, reaching 6,261,471.

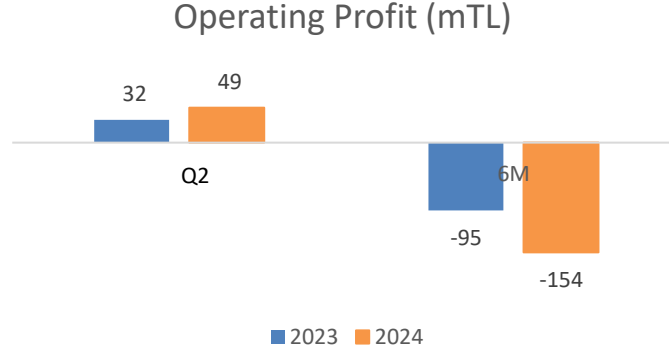
In the second quarter, our revenue increased by 10% and reached 3.9 billion TL.



In the second quarter of 2024, our revenue increased by 10% compared to the same quarter of the previous year, reaching 3.9 billion TL. Sales revenues in the first 6 months of the year increased by 11%. The increase in the number of our stores and sales volumes were effective in this rise. Considering the data before inflation accounting, the revenue increase in the first half of the year was 88%.

While gross profit increased by 23% to 1.4 billion TL in the second quarter of the year, gross profit margin improved from 31.6% to 35.4%. When we look at the first half of 2024, gross profit increased by 32% to 2.5 billion TL, while gross profit margin increased from 27.3% to 32.6%. Margin optimizations developed against the inflationary economy, product mix changes and financing expenses related to forward purchases, which increased due to increasing financing costs, were effective in this increase. Financing expenses related to forward purchases are classified under other operating expenses.

An operating profit of 49 million TL was recorded in the second quarter.

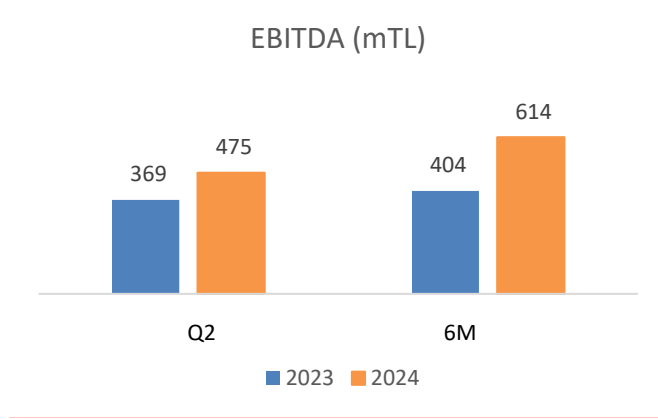


In the second quarter of 2024, main operating profit increased by 51% compared to the same period of 2023, reaching 49 million TL. The operating profit margin increased from 0.9% to 1.3%. When we look at the first half of 2024, the main operating loss was 154 million TL, and the loss increased by 62% compared to the first half of 2023. The operating loss margin increased from (1.4%) to (2.0%).

When comparing the change in operating loss margins in the first half of 2024 and 2023:

- A margin improvement of 5.3% was achieved in gross profit, as detailed in the previous section.
- The ratio of personnel expenses to revenue increased from 11.9% to 14.3%. The main reasons for the increase are the increase in the minimum wage and the actions taken to increase the number of personnel in stores to improve overall customer satisfaction.
- The ratio of energy expenses to revenue decreased from 1.2% to 0.8%.
- The ratio of shipping expenses to revenue increased from 1.1% to 1.9%. The main reasons for this proportional increase are the above-inflation increases in wages and fuel.
- The ratio of the total of other income and expenses from main activities to revenue increased from 4.1% to 7.1%. The main reason for the increase is the financing expenses related to forward purchases, which increase in direct proportion to the increasing financing rates.

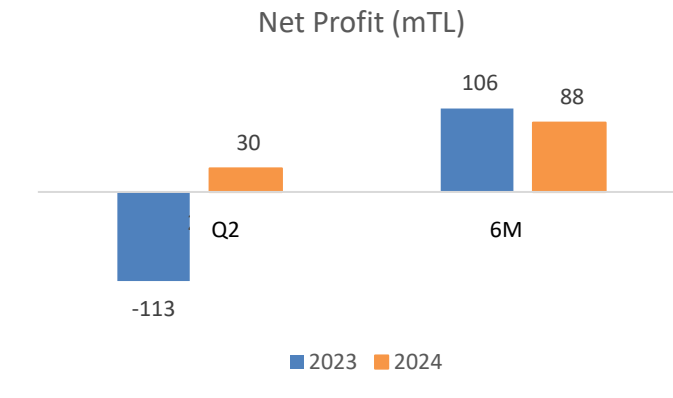
EBITDA increased by 52% and reached 614 million TL in the first 6 months.



In the second quarter of 2024, EBITDA increased by 29% compared to the same period of the previous year and reached 475 million TL. When we compare the first half of 2024 with the same period of the previous year, the increase was 52%. Considering the data before inflation accounting, EBITDA increase was 149% in the first half of the year.

EBITDA margin in the second quarter of 2024 is 12.3%; It was 8.0% in the first 6 months. EBITDA margin in the second quarter of 2023 was 10.5% and 5.8% in the first 6 months. The largest share of this increase comes from the increase in gross profit margin.

A net profit of 30 million TL was generated in the 2nd quarter.



Net profit was 30 million TL in the second quarter of 2024, and a loss of 113 million TL was realized in the second quarter of 2023. When we look at the first 6-month realizations, net profit decreased from 106 million TL to 88 million TL in 2024; net profit margin decreased from 1.5% to 1.1%. The main reason for the proportional change is the deterioration in the main operating loss margin compared to 2023.

Financial Debt

While the Group's net financial debt is at 5 million TL as of December 31, 2023, as of June 30, 2024, the Group's net financial debt is at 244 million TL.

m TL	30 June 24	31 Dec 23
Cash and Cash Equivalents	1.137	1080
Financial Investments	142	151
Short-Term Borrowings	(858)	(572)
Short-Term Lease Liabilities	(144)	(139)
Long-Term Lease Liabilities	(521)	(525)
(Net Financial Debt) Position	(244)	(5)

Summary Statement of Financial Position

mTL	30.Jun.24	%	31.Dec.23	%	31.Dec.22	%
Current Assets						
Cash and Cash Equivalents	1.137	13,9	1.080	13,8	110	2,0
Financial Investments	142	1,7	151	1,9	-	-
Trade Receivables	59	0,7	54	0,7	73	1,3
Inventories	3.296	40,4	3.406	43,6	3.071	55,5
Other	778	9,5	833	10,7	484	8,8
TOTAL CURRENT ASSETS	5.412	66,3	5.524	70,7	3.738	67,6
Non-Current Assets						
Right of Use Assets	1.058	13,0	845	10,8	651	11,8
Tangible and Intangible Assets	1.568	19,2	1.424	18,2	1.138	20,6
Other	127	1,6	16	0,2	4	0,1
TOTAL NON-CURRENT ASSETS	2.753	33,7	2.285	29,3	1.793	32,4
TOTAL ASSETS	8.165	100,0	7.809	100,0	5.531	100,0
Short-Term Liabilities						
Short-Term Borrowings	858	10,5	572	7,3	649	11,7
Short-Term Lease Liabilities	144	1,8	139	1,8	85	1,5
Trade Payables	2.957	36,2	2.959	37,9	2.770	50,1
Current Tax Liabilities	-	-	50	0,6	-	-
Other	127	1,6	140	1,8	104	1,9
TOTAL SHORT-TERM LIABILITIES	4.086	50,0	3.860	49,4	3.608	65,2
Long-Term Liabilities						
Long-Term Lease Liabilities	521	6,4	525	6,7	418	7,6
Long-Term Provisions	76	0,9	68	0,9	141	2,5
Deferred Tax Liabilities	225	2,8	181	2,3	91	1,6
Other	13	0,2	16	0,2	18	0,3
TOTAL LONG-TERM LIABILITIES	835	10,2	790	10,1	668	12,1
TOTAL EQUITY	3.244	39,7	3.159	40,5	1.255	22,7
TOTAL LIABILITIES AND EQUITY	8.165	100,0	7.809	100,0	5.531	100,0

Summary Profit/Loss Statement

mTL	1 January - 30 June 2024		1 January - 30 June 2023		1 April - 30 June 2024		1 April - 30 June 2023	
		%		%		%		%
Net Sales	7.720	100,0	6.960	100,0	3.864	100,0	3.527	100,0
Cost of Sales	(5.113)	(66,2)	(4.994)	(71,8)	(2.454)	(63,5)	(2.396)	(67,9)
Personnel Expenses	(1.105)	(14,3)	(827)	(11,9)	(536)	(13,9)	(412)	(11,7)
Advertising and Promotion Expenses	(149)	(1,9)	(132)	(1,9)	(69)	(1,8)	(70)	(2,0)
Energy Expenses	(62)	(0,8)	(86)	(1,2)	(28)	(0,7)	(32)	(0,9)
Cargo Expenses	(147)	(1,9)	(78)	(1,1)	(51)	(1,3)	(33)	(0,9)
Transportation Expenses	(72)	(0,9)	(50)	(0,7)	(32)	(0,8)	(25)	(0,7)
Other Operational Expenses	(456)	(5,9)	(389)	(5,6)	(221)	(5,7)	(191)	(5,4)
EBITDA	614	8,0	404	5,8	475	12,3	369	10,5
Depreciation and Amortization Expenses	(222)	(2,9)	(213)	(3,1)	(96)	(2,5)	(112)	(3,2)
Other Income/Expense from Operating Activities	(547)	(7,1)	(286)	(4,1)	(331)	(8,6)	(224)	(6,4)
OPERATING PROFIT/(LOSS)	(154)	(2,0)	(95)	(1,4)	49	1,3	32	0,9
Income/Expense from Investment Activities	26	0,3	5	0,1	7	0,2	(1)	(0,0)
Financial Income/Expense	(259)	(3,4)	(219)	(3,1)	(139)	(3,6)	(107)	(3,0)
Net monetary position gain/(loss)	521	6,8	493	7,1	61	1,6	(44)	(1,2)
PROFIT BEFORE TAX	134	1,7	183	2,6	(23)	(0,6)	(119)	(3,4)
Tax Income/Expense	(46)	(0,6)	(78)	(1,1)	53	1,4	6	0,2
NET INCOME FOR THE PERIOD	88	1,1	106	1,5	30	0,8	(113)	(3,2)



About the Company

ebebek is a website and store chain that provides quality products, friendly staff, high service standards, affordable prices, expert knowledge and after-shopping support 24 hours a day to meet all needs of mother and baby from the prenatal period up to the age of four. ebebek, which started with an e-commerce site in 2001, moved into physical retailing at the beginning of 2003 and continues to serve parents with its internet sales site and physical stores. The shares of the Company, which went public in 2023, are traded on Borsa Istanbul's Stars Market under the code EBEBK. You can find more information about the company at <https://kurumsal.ebebek.com/en/>.

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Reservation

This document contains statements regarding the performance of the Company. The statements in question have been prepared based on current data available. Whether the Company's future performance will occur as expected or not depends on uncertainties and/or unpredictable events that may be encountered in the future which may significantly affect the Company's performance, including but not limited to, changes in macroeconomic and geopolitical conditions, increases in tax rates, unexpected climate events and natural disasters. Uncertainties and/or unforeseeable events, including but not limited to those mentioned, may cause the future performance of the Company to differ from the expectations contained in this document.

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In this information note regarding the financial results of second quarter of 2024, corrected financial data were used, in accordance with the inflation effect based on the relevant accounting principles included in the Turkish Accounting Standard 29 "TMS 29 Financial Reporting in Economies with High Inflation" in accordance with the decision of the Capital Markets Board dated 28 December 2023 and numbered 81/1820.



On the other hand, in the period before the Capital Markets Board's decision dated 28 December 2023 and numbered 81/1820, the Company's future expectations and 2023 interim financial results were reported using financial data without inflation accounting. In this context, in order to ensure an accurate and efficient analysis by both investors and analysts, for the selected indicative items that we have used in our investor information notes in the past periods, data prepared based on the costs in the relevant period were also included. The additional data mentioned were disclosed only for this period and have not been independently audited; they only consist of information prepared for management reporting.

Financial Report

The information contained in this information note is largely derived from the 30.06.2024 dated tables published on Public Disclosure Platform (KAP). The report published on KAP can be accessed from <https://www.kap.org.tr/en/Bildirim/1325364>.