



Arçelik

2021 – Q1

Financial Results

Quarter **Highlights**

- Robust top line growth of 67%
- Strong demand in many markets
- High gross margin sustained y/y thanks to strict cost management & pricing but slightly lower q/q due to higher raw material prices
- Improvement in OPEX/Sales on both quarterly (+150bps) & yearly basis (+429 bps)
- Increased WC needs due to higher sales impacting receivables, inventory levels and free cash flow

TRY13.0bn

Revenue

14.6%

EBITDA Margin

22.7%

OPEX/Sales Ratio

1.42x

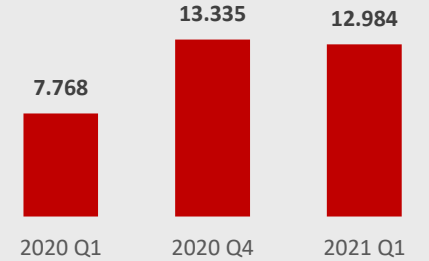
Leverage

Key Factors **Sales/Margins**

Revenue Growth

+67%

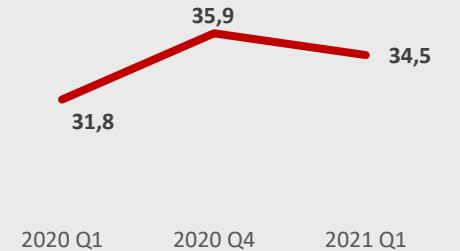
- ↑ Solid unit growth in both Turkey & International markets
- ↑ Strong EUR against TRY



Gross Margin

34.5%

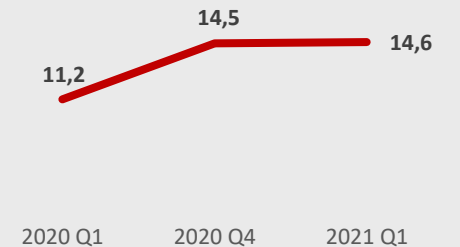
- ↑ High capacity utilization
- ↑ Strong EUR against USD
- ↓ Upward trend in raw material prices (QoQ)



EBITDA Margin

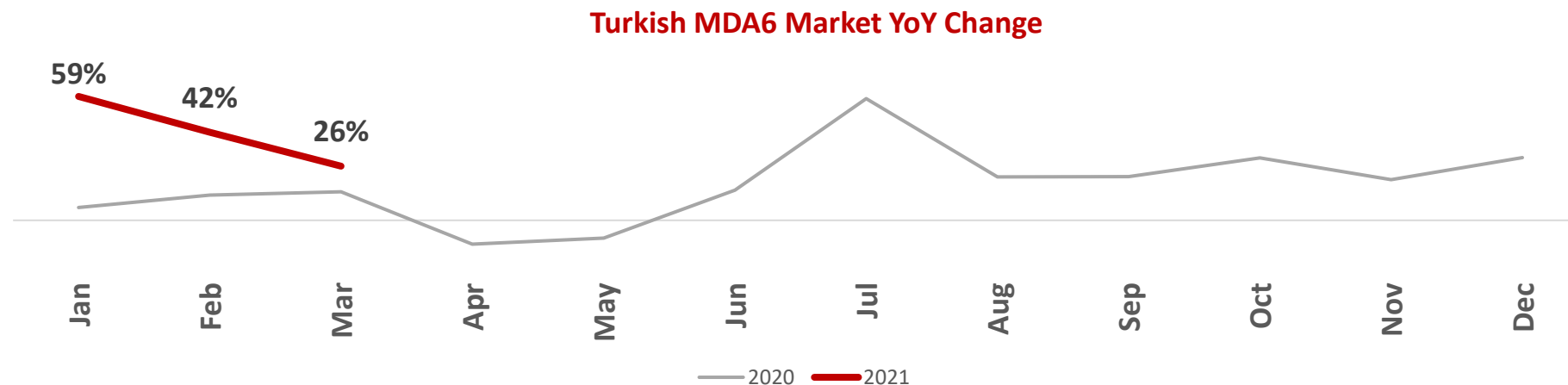
14.6%

- ↑ Strong revenue growth
- ↑ Lower OPEX/Sales thanks to savings compared to 1Q20

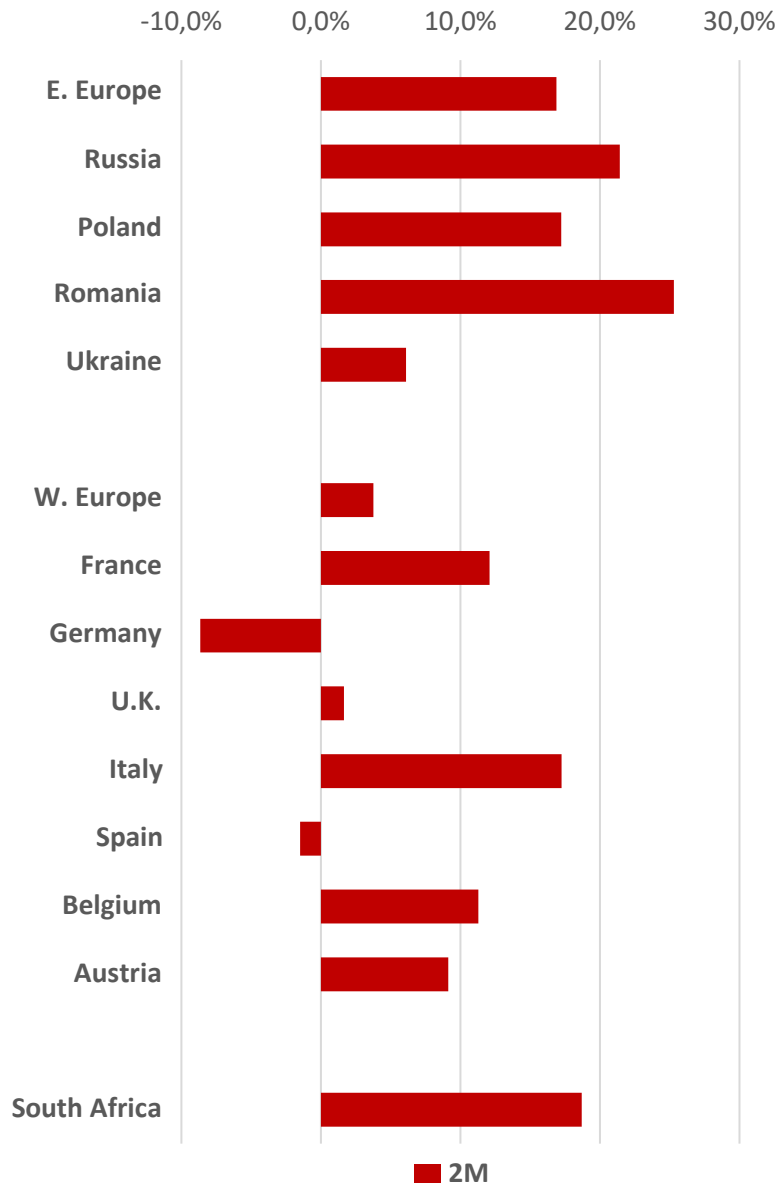


2021 Q1 Performance **Turkey**

	 MDA-6	 Air-Conditioner	 TV
Arçelik	+48%	+57%	-2%
Market	+40%	+43%	-17%



2021 Q1 International Markets



West Europe

- Volume growth led by France and Italy while Germany adversely affected by lockdowns



East Europe

- Robust growth in 2M21 in each country resulted in double-digit market growth

Bangladesh

- Strong start to the year

Pakistan

- Strong demand continued after 4Q20 supported by currency appreciation

South Africa

- Strong recovery vs last year with double-digit growth in volumes, yet coming from a low base due to lockdown in March, 2020

2021 Q1 International Performance

44%

Europe

- Strong double-digit top-line growth in EUR terms in 1Q21 on a yearly basis
- Highest Q1 revenue ever in **UK** in GBP term
- Slightly increased unit market share in both West & East in 2M21 period
- Improvement in price index in the U.K. & Spain thanks to price increases

6%

Africa

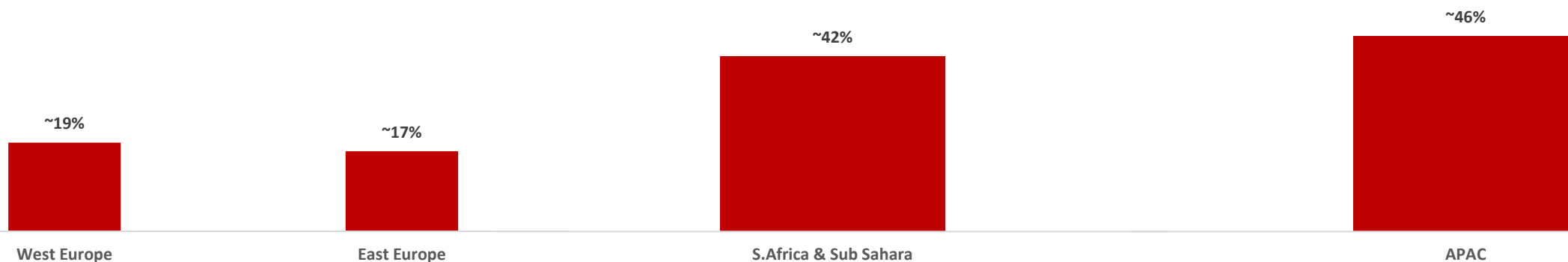
- Strong unit growth resulted in c.37% revenue growth in 1Q21 y/y
- Slightly gained market share despite price increases
- Defy's export units to Sub Saharan Africa countries posted 55% growth in 1Q21 on a yearly basis

10%

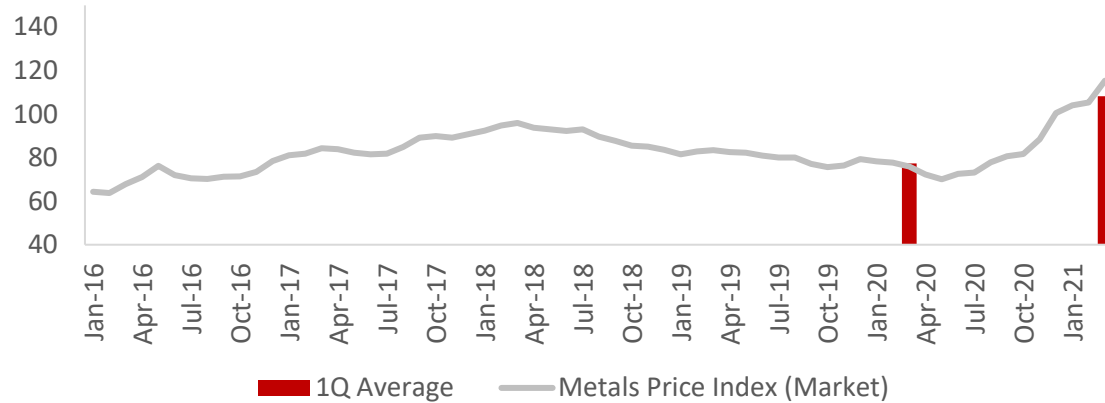
Asia-Pacific

- Higher contribution from the region with almost doubled revenue in 1Q21 vs a year ago
- More than doubled revenue in **Pakistan** in **PKR** terms supported by new launches and recovering consumer demand despite third wave of COVID-19 together with low base effect
- Positive contribution from all products except TV and also low base effect led strong top line growth of 23% in **Bangladesh** in **BDT** terms despite rising COVID-19 cases

Arcelik Regional Sales Growth (YoY % in EUR)



2021 Q1 Raw Material Trends

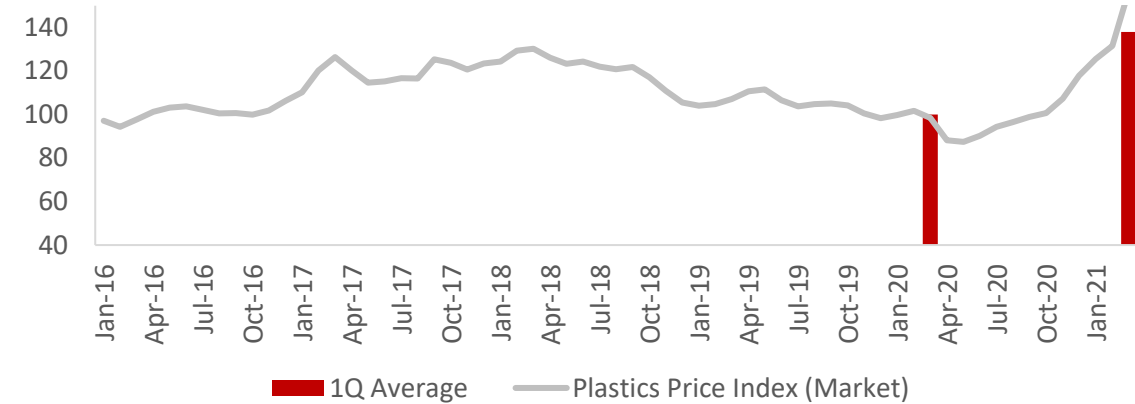


Metal Prices Index Quarterly Average - Market

2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
82	79	77	77	72	77	90	108

Source: Steel BB, Steel Orbis

Index includes: CRC, HRC, Galvanized Steel, Stainless Steel, Copper, Aluminium



Plastic Prices Index Quarterly Average - Market

2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
110	104	101	100	89	97	109	138

Source: ICIS - Chemical Industry News & Chemical Market Intelligence

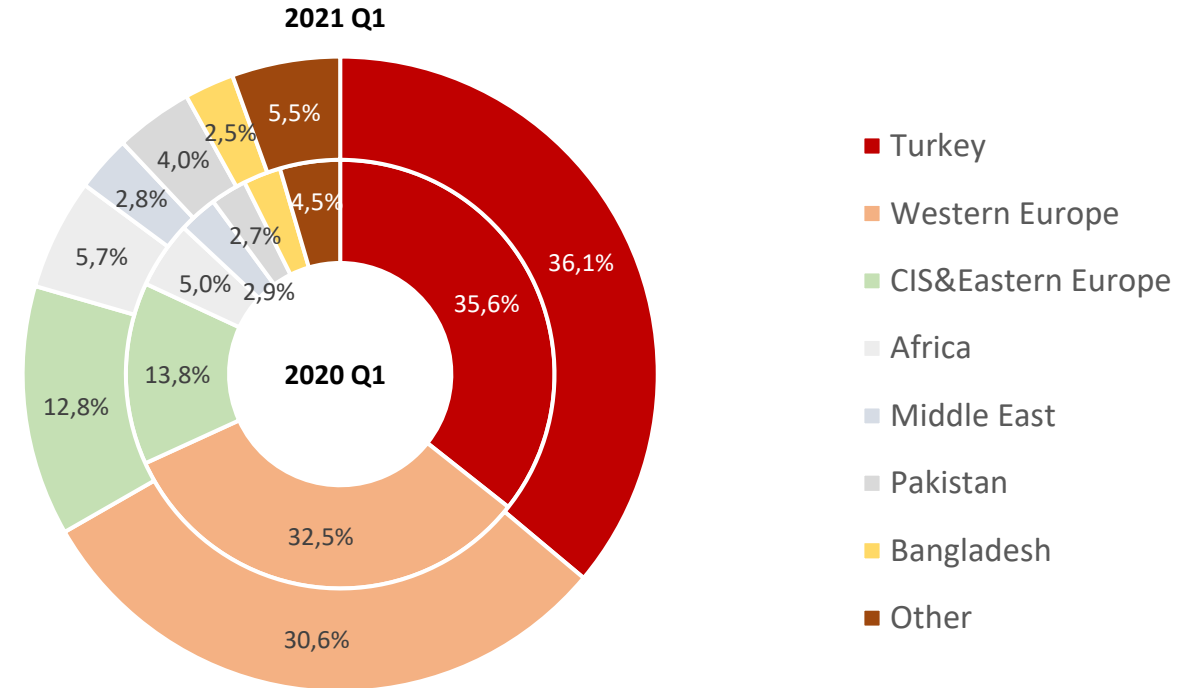
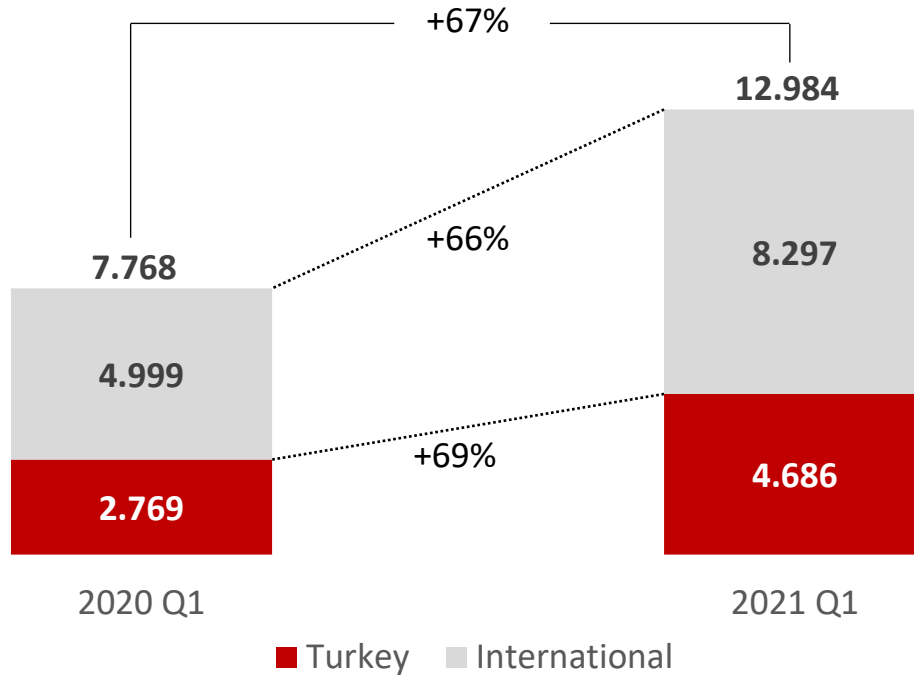
Index includes: ABS, Polystyrene, Polyurethane, Polypropylene

Sales Performance

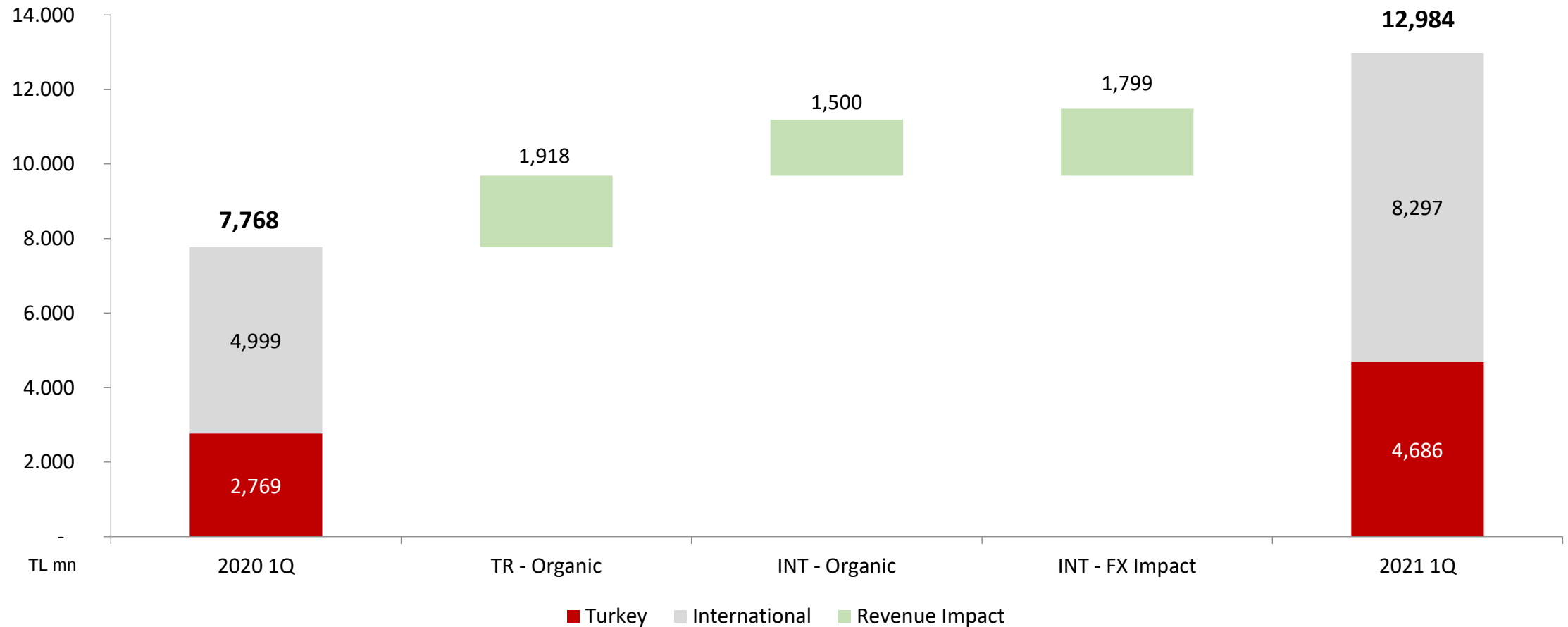


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2021 Q1 Sales by Region



2021 Q1 Sales Bridge



2021 1Q	Organic	Currency Effect	Acquisition	TOTAL
Domestic Growth	69,3%	0,0%	0,0%	69,3%
International Growth	30,0%	36,0%	0,0%	66,0%
Total Growth	44,0%	23,2%	0,0%	67,2%



Financial Performance

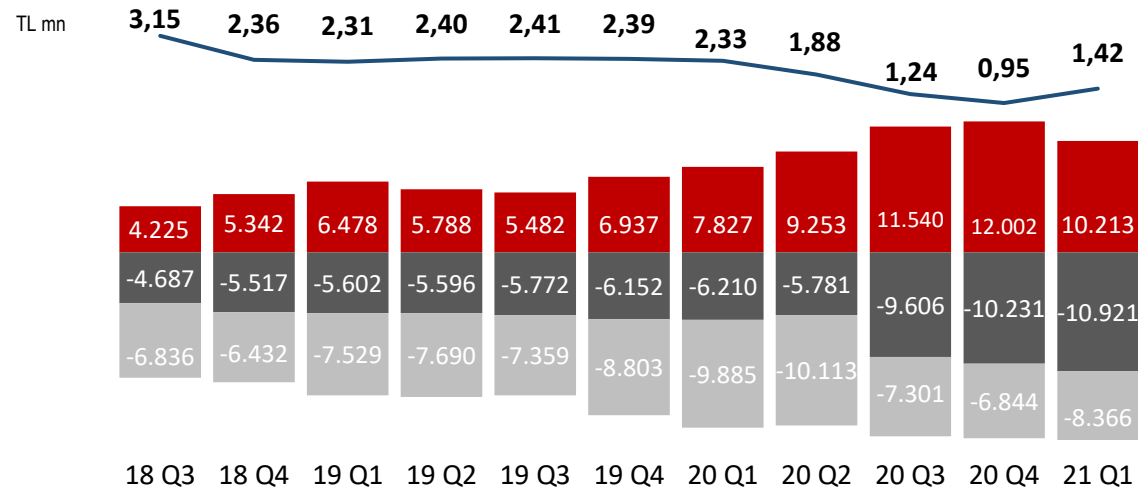
2021 Q1 Income Statement

TL mn	2021 Q1	2020 Q1	2020 Q4	Δ% YoY	Δ% QoQ
Revenue	12.984	7.768	13.335	67	-3
Gross Profit	4.483	2.468	4.803	82	-7
<i>margin</i>	<i>34,5</i>	<i>31,8</i>	<i>36,0</i>		
EBIT*	1.545	589	1.607	162	-4
<i>margin</i>	<i>11,9</i>	<i>7,6</i>	<i>12,0</i>		
Profit Before Tax	1.294	308	1.379	320	-6
<i>margin</i>	<i>10,0</i>	<i>4,0</i>	<i>10,3</i>		
Net Income**	1.100	259	1.170	327	-6
<i>margin</i>	<i>8,5</i>	<i>3,3</i>	<i>8,8</i>		
EBITDA*	1.890	871	1.932	117	-2
<i>margin</i>	<i>14,6</i>	<i>11,2</i>	<i>14,5</i>		
EBITDA - ex.one-offs	1.890	654	1.932	189	-2
<i>margin</i>	<i>14,6</i>	<i>8,4</i>	<i>14,5</i>		

* EBIT was calculated by deducting the impact of foreign exchange gains and losses arising from trade receivables and payables, credit finance income and charges and cash discount expense and adding income and expenses from sale of property plant and equipment.

** Net income before minority

2021 Q1 Cash & Financial Debt

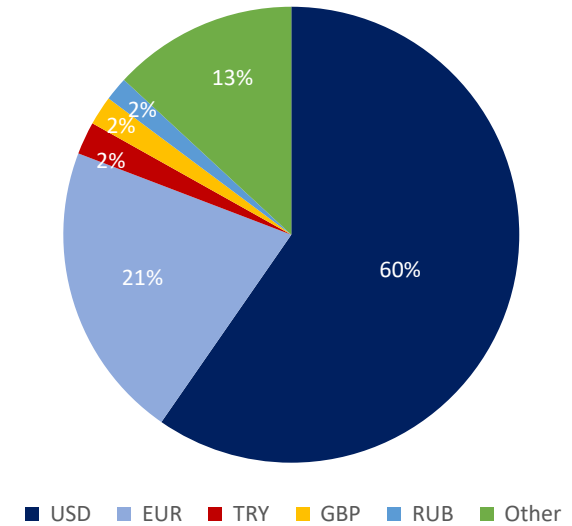


■ Cash and cash equivalent
 ■ Short term debt
 ■ Long term debt
 — Net Debt/EBITDA

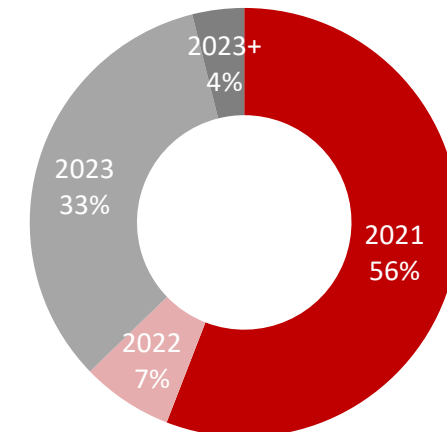
Financial Debt profile (as of Mar 31 2021)

	Effective Interest Rate p.a. (%)	mn Original Currency	TL mn Equivalent
TRY	12,4%	4.371	4.371
EUR	0,9%	232	2.271
USD	2,0%	18	153
ZAR	5,4%	946	527
AUD	3,3%	15	94
RUB	0,8%	127	14
PKR	7,9%	16.972	919
BDT	6,3%	3.886	382
Total			8.730
USD	5,1%	512	4.263
EUR	4,0%	357	3.491
TRY*	18,8%	1.748	1.748
Total Bond			9.502
Total			18.232

Cash Breakdown by Currency

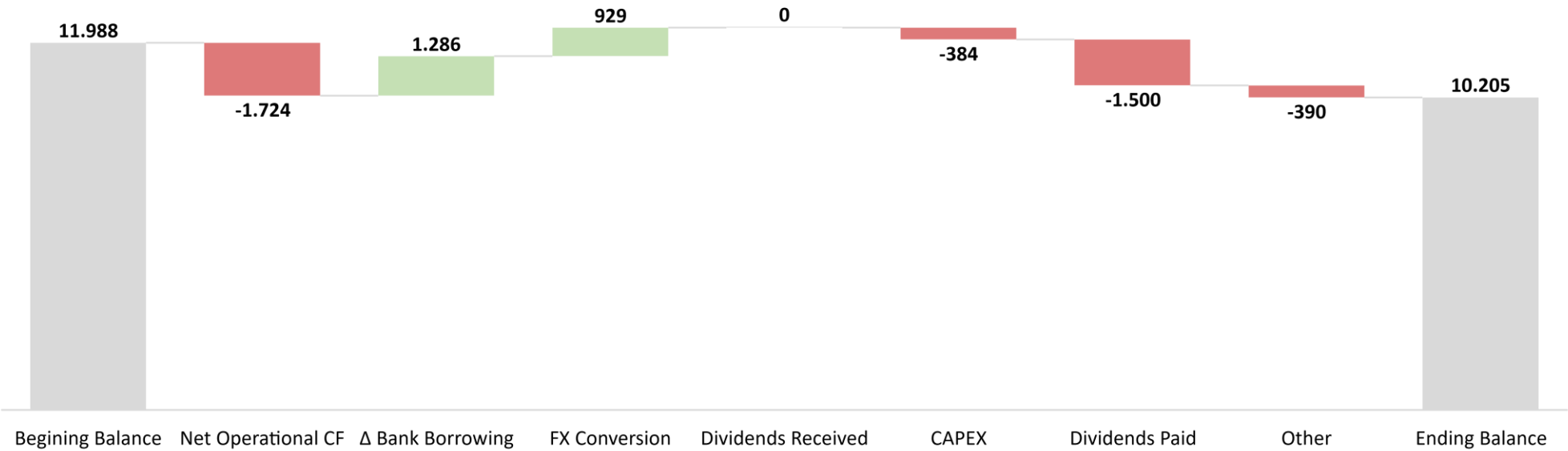


Debt Maturity Profile

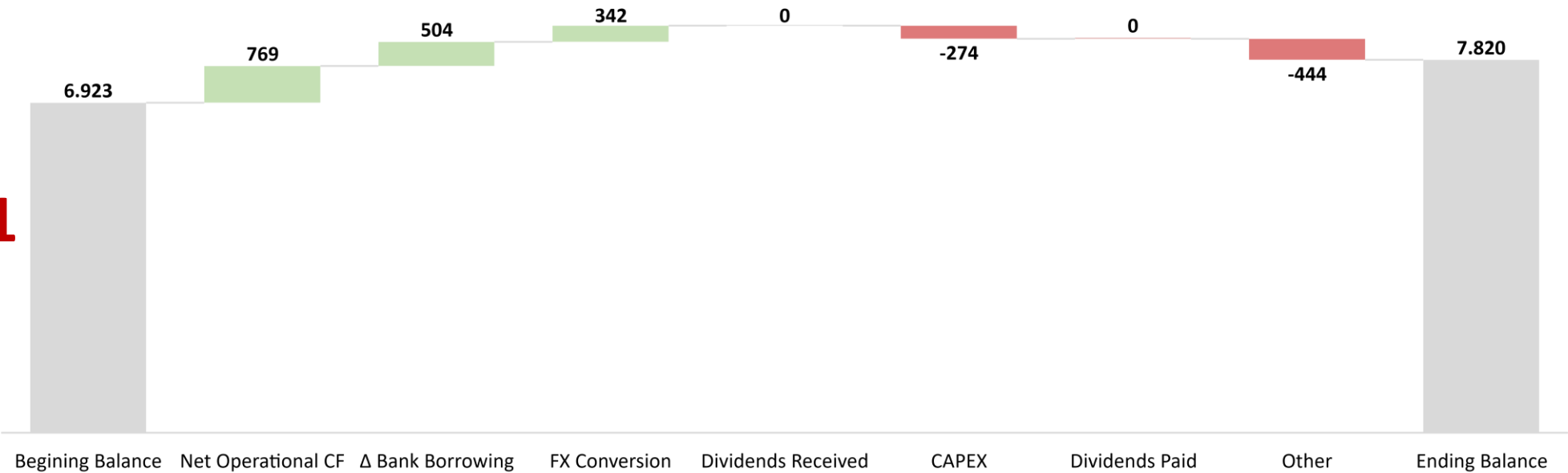


2021 Q1 Cash Flow

2021 Q1

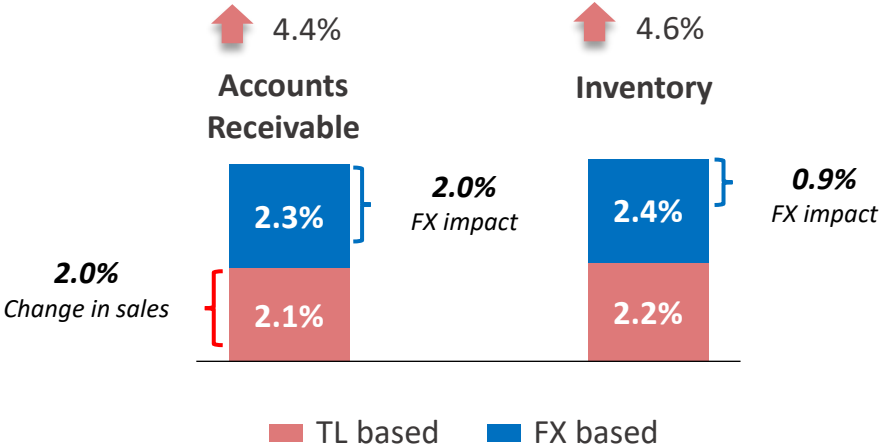
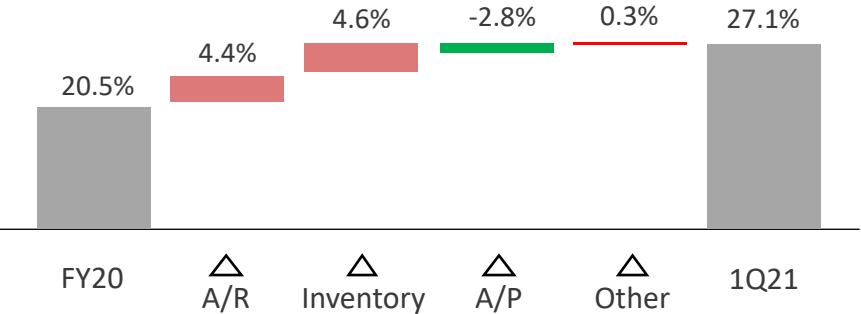


2020 Q1

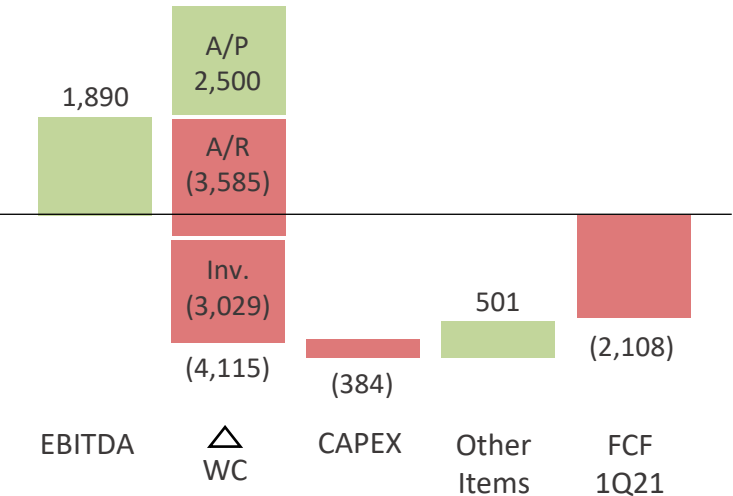


Strong Revenue Growth Led Solid EBITDA But Impacting Working Capital & FCF

Working Capital / Sales



Free Cash Flow



Strong EBITDA through;

- » Unit growth
- » Pricing
- » TRY depreciation

Higher receivables & inventory levels due to;

- » TRY depreciation
- » Increased receivables of Turkey operation as a result of higher sales QoQ
- » Increased production to meet market demand in the coming quarters

Resulted in negative FCF

2021 Guidance



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2021 Expectations

Arçelik Revenue

Turkey (in TRY)	c.25% growth
International (in FX)	>10% growth
Consolidated Total (in TRY)	>30% growth

Profitability

EBITDA Margin	c.12%
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Working Capital/Sales

c.25%

CAPEX

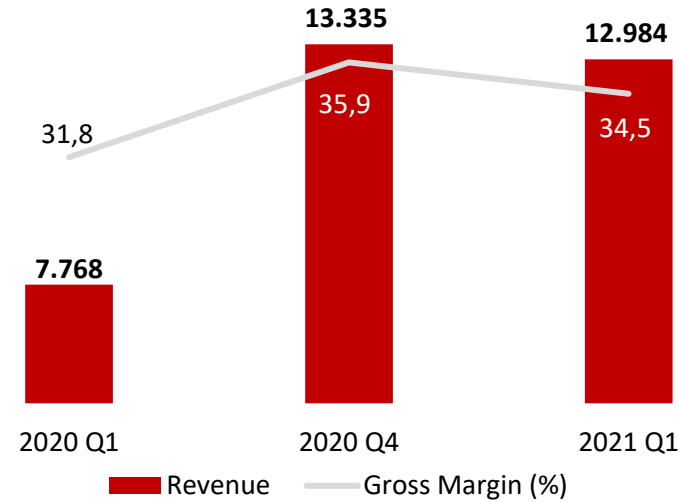
c.220 mio. EUR

APPENDIX:

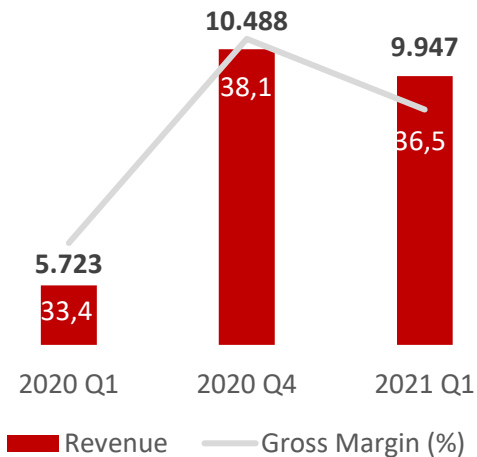
Other Financial Statements

2021 Q1 Margin by Segments

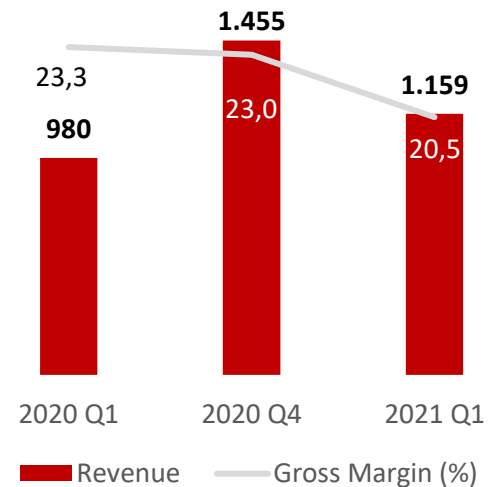
Consolidated



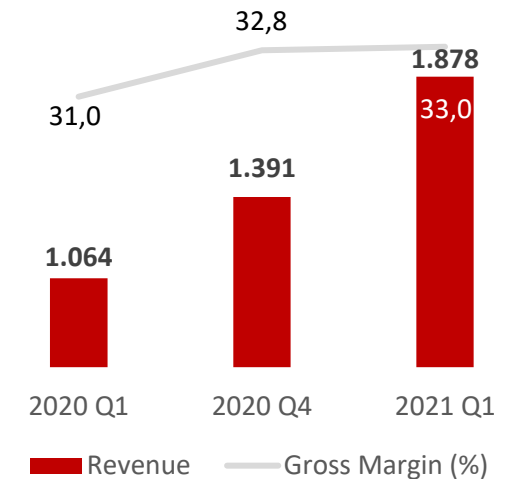
White Goods



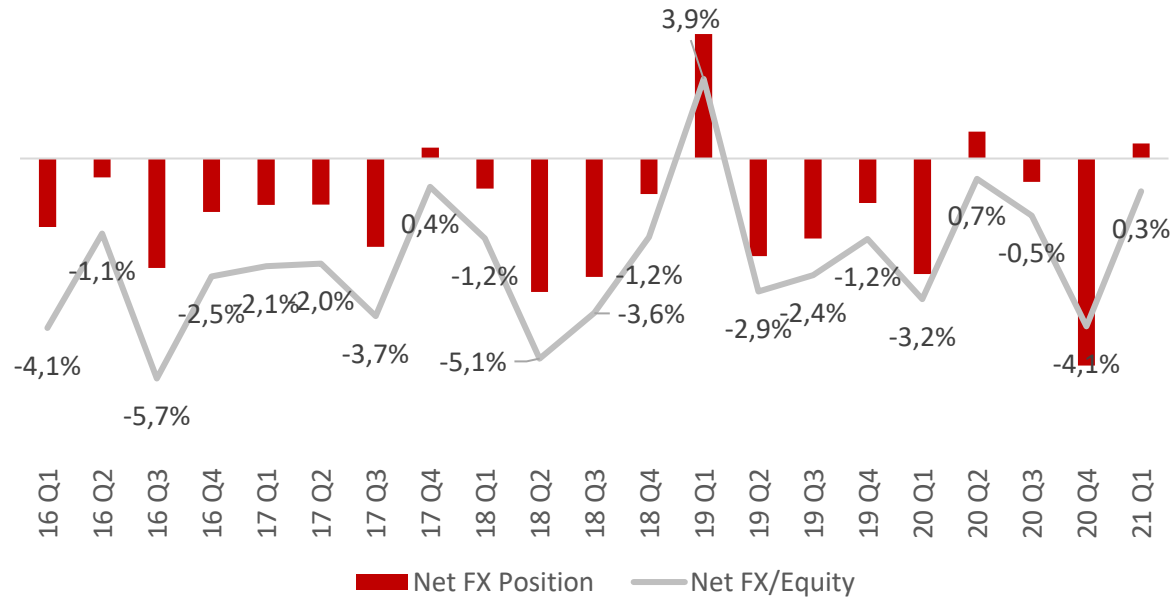
Consumer Electronics



Other



2021 Q1 FX Hedging



- FX hedging is a strictly pursued policy in Arçelik since more than 30 currencies are actively managed in global operations.
- It is a KPI for the company management not to have an FX exposure exceeding low single-digit % of equity.

(TRYmn)	Before Hedge	Hedged Position	Net Position
EUR	(1.766)	1.843	77
USD	54	(124)	(69)
GBP	1.266	(1.219)	47
Other	947	(960)	(13)
TOTAL	501	(460)	41

Net FX Position/Equity	0,3%
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- The primary strategy is on balance sheet hedging mainly through cash, receivables, payables and financial liabilities, and the remaining part is hedged through financial derivatives.

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Thank You