

2Q21 Financial Results

Arçelik



2Q21 HIGHLIGHTS

TRY14.5bn

Revenue

9.8%

EBITDA Margin

23.0%

OPEX / Sales Ratio

1.54x*

Leverage

Demand remained strong, supported revenue growth together with pricing... Profitability challenged by the significant upsurge in the raw material prices...



Robust top line growth of 86% y/y & 12% q/q



Strong demand continued in many markets following 1Q21



Lower profitability margins on both y/y & q/q due to higher raw material prices



Flat Working Capital / Sales ratio



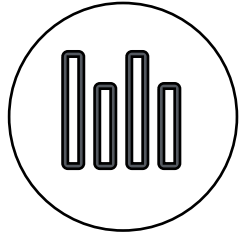
Completion of two strategic deals; Whirlpool (end of June) & Hitachi (beg. of July)



Successful issuance of EUR350m Greenbond

2Q21 Financial Results

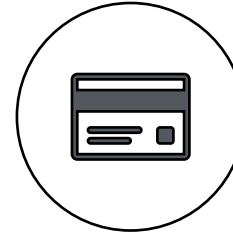
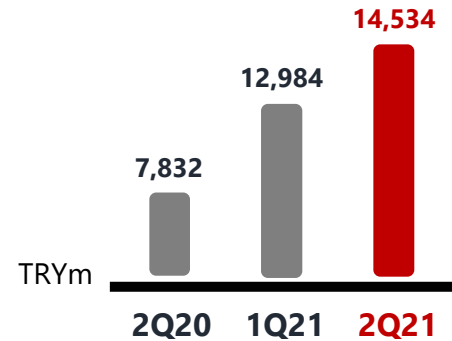
KEY FACTORS SALES / MARGINS



REVENUE GROWTH

86%

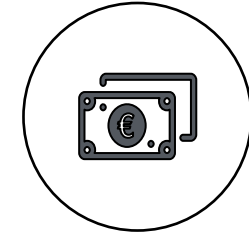
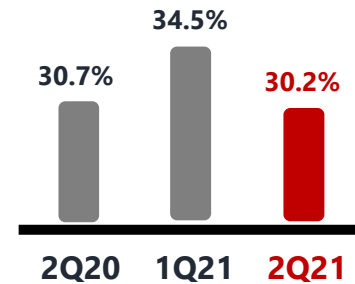
- Unit growth in both Turkey & International markets
- Price increases
- Strong EUR & USD against TRY



GROSS MARGIN

30.2%

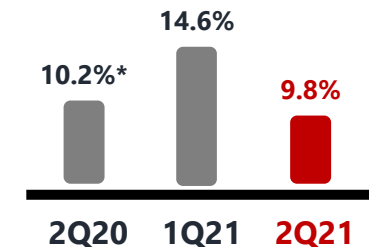
- Continued severe increase in raw material prices (q/q & y/y)
- Lower capacity utilization vs 1Q21 & 4Q20
- Flat EUR against USD on a quarterly basis



EBITDA MARGIN

9.8%

- Lower gross profit due to higher raw material cost
- Slightly higher OPEX/Sales ratio



Operational Performance



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ARÇELİK CONTINUED TO OUTPERFORM TURKISH MDA6 MARKET IN 2Q21



MDA6

ARÇELİK



MARKET



AIR CONDITIONER

ARÇELİK



MARKET



TELEVISION

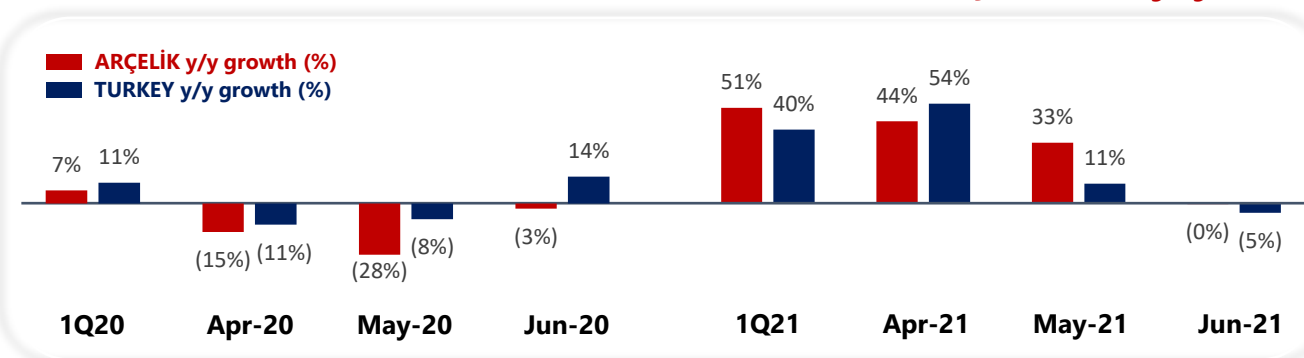
ARÇELİK



MARKET

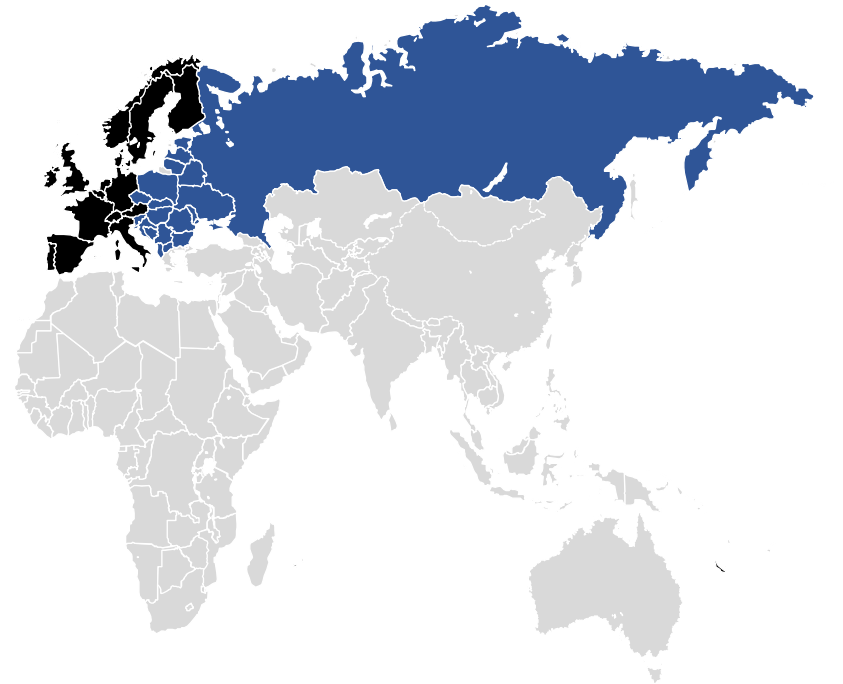
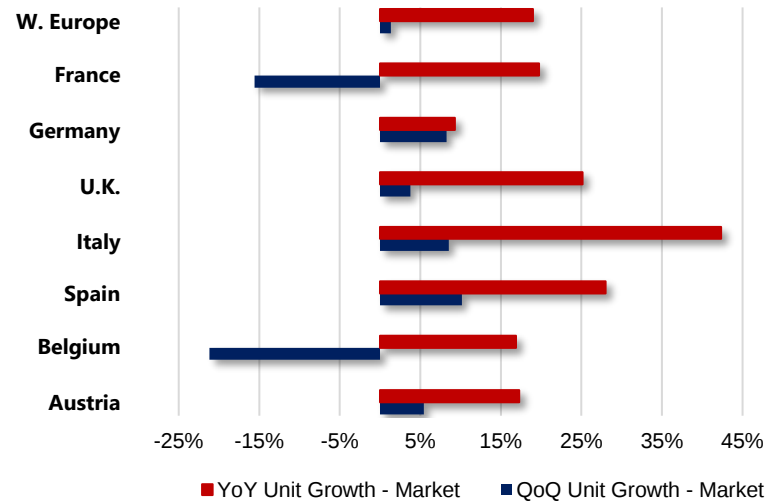


TURKISH MDA6 MARKET GROWTH vs ARÇELİK (% y/y)

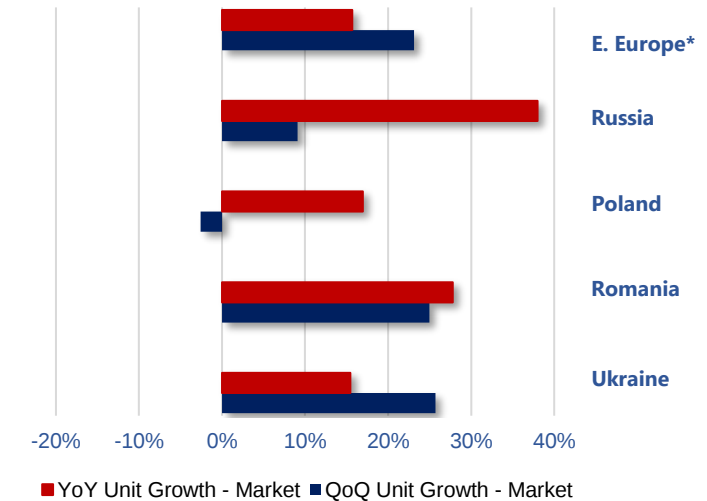


STRONG DEMAND REMAINED IN 2Q21 HOWEVER NORMALIZING AFTER LOCKDOWN ENDS IN EUROPE

Western Europe



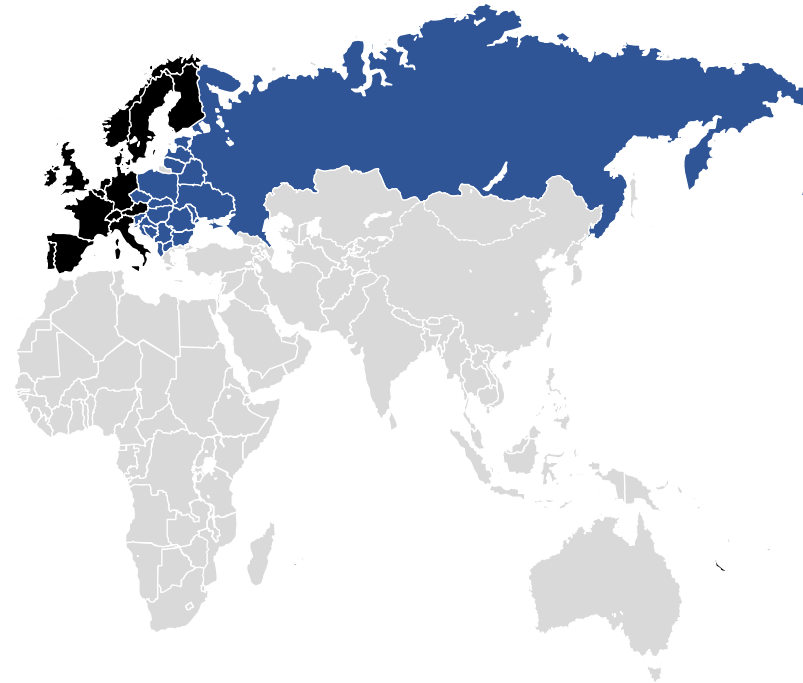
Eastern Europe



- Demand remained high in the U.K. thanks to early vaccinations
- As lockdowns are eased together with positive trend in online sales, Germany recovered well after 1Q21

- Strong growth continued in 2Q21 following 1Q21

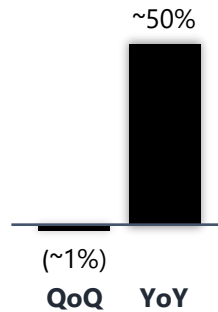
ARÇELİK CONTINUED TO BENEFIT FROM THE STRONG DEMAND IN EUROPE



Arçelik Western Europe Highlights

- Strong top-line growth in EUR terms y/y thanks to unit growth & pricing
- Increased unit market share in the U.K. & Italy in 2Q21 on both q/q & y/y
- Slight improvement in price index in the U.K. & Spain compared to 1Q21 thanks to price increases

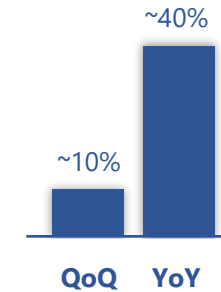
Sales Growth (EUR)



Arçelik Eastern Europe Highlights

- Double-digit top-line growth in EUR terms in 2Q21 on both q/q & y/y thanks to unit growth & price increases
- Strong leadership in Romania & Poland sustained in 2Q21 while market shares improved slightly in Ukraine (q/q) & Russia (y/y)
- Improvement in price index in Russian & Ukraine both on q/q & y/y and in Romania on q/q thanks to price increases

Sales Growth (EUR)



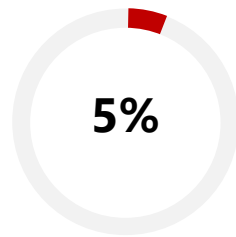
31%

Share in total revenue

14%

Share in total revenue

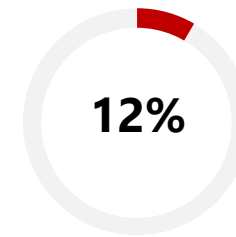
RESILIENT REGIONAL PERFORMANCE UNDERLYING THE IMPORTANCE OF GEOGRAPHICAL DIVERSIFICATION



AFRICA

(Share in total revenue)

- Strong unit growth resulted in more than doubled revenue growth in EUR terms in 2Q21 y/y mainly due to the low base of the last year (c.8% decline vs 1Q21 due to the lockdown in the South Africa).
- Significant market share gain in 6M21 vs a year ago.
- Defy's export units to Sub Saharan Africa countries posted 30% growth in 2Q21 on a yearly basis while declining c.6% on a quarterly basis.

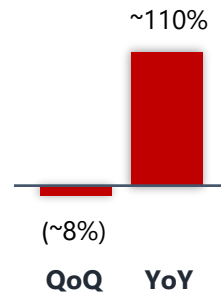


APAC

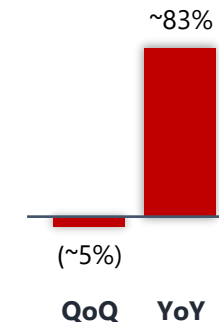
(Share in total revenue)

- Higher contribution from the region vs 1Q21 with strong revenue growth in 2Q21 vs a year ago.
- Robust revenue growth of 21% q/q in PKR terms & 24% q/q in EUR terms in Pakistan thanks to price increases and continued high demand resulted in solid double-digit operating profit margin.
- Substantial revenue growth of 32% in Bangladesh in BDT terms on a quarterly basis despite declining unit performance due to lower TV & washing machine sales.

Sales Growth (EUR)

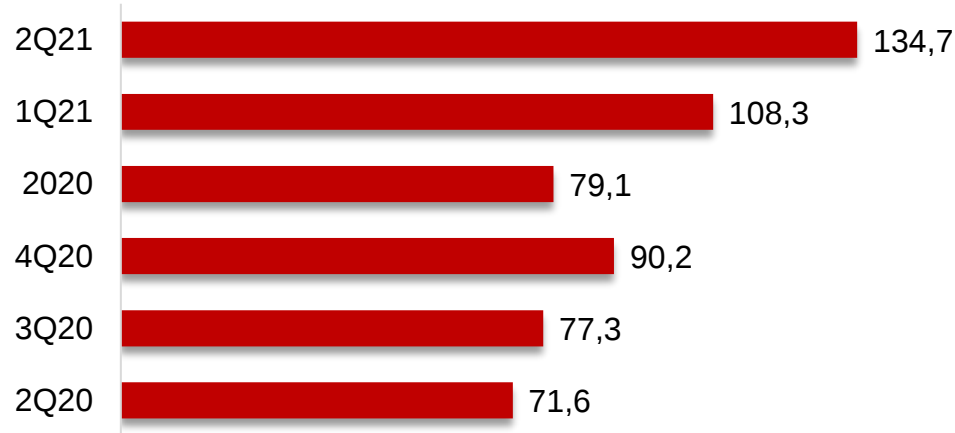


Sales Growth (EUR)



THE UPWARD TREND IN RAW MATERIAL PRICES STILL CONTINUES

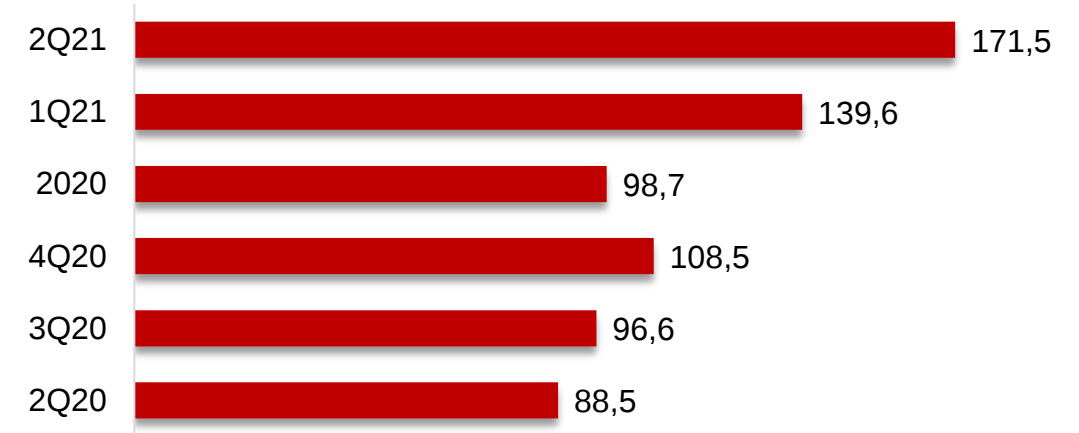
Average Metal Prices Index - Market



- Supply shortage due to growing consumer demand starting from 2H20
- China's cancellation of the export incentives for steels
- Arçelik's costs has been below market prices so far thanks to diversified supplier base & well managed contract terms

Source: Steel BB, Steel Orbis
Index includes: CRC, HRC, Galvanized Steel, Stainless Steel, Copper, Aluminium

Average Plastic Prices Index - Market



- High consumer demand for the products of industries such as automotive, furniture and white goods, & disposable products, force major reasons of suppliers, logistic crisis

Source: ICIS - Chemical Industry News & Chemical Market Intelligence
Index includes: ABS, Polystyrene, Polyurethane, Polypropylene

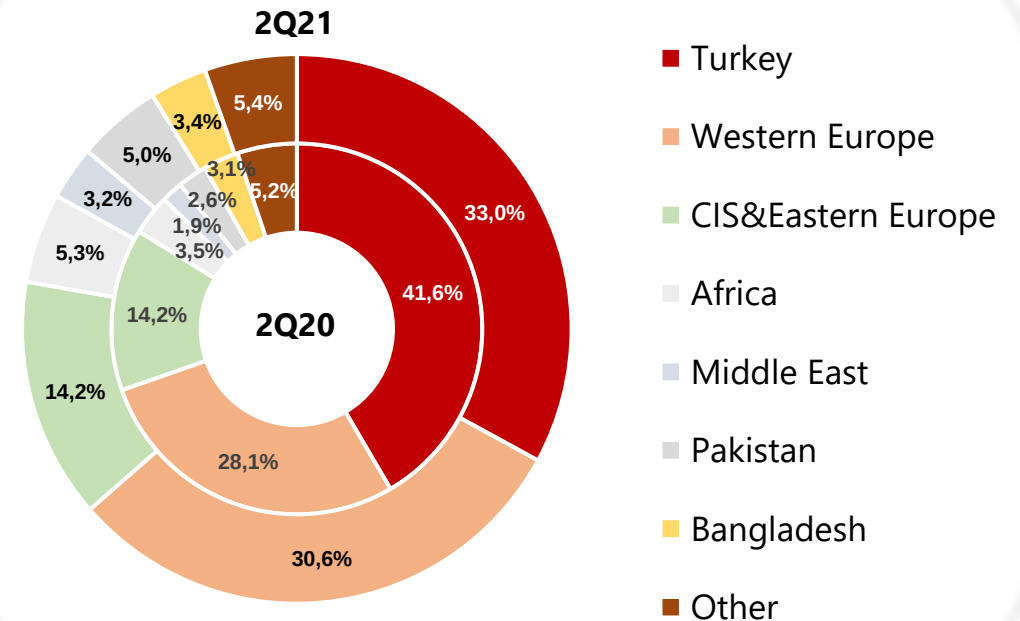
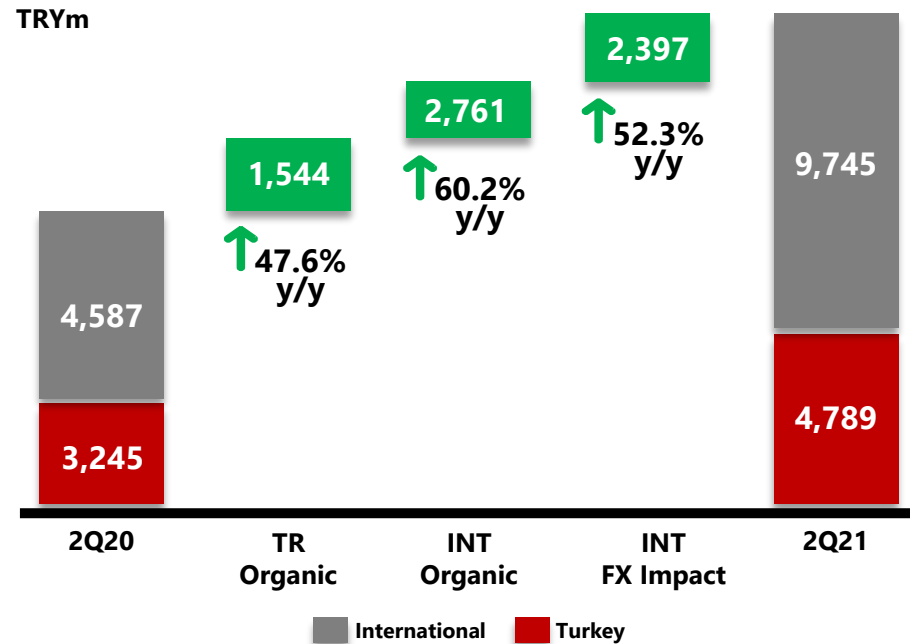
Sales Performance



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STRONG & BALANCED GROWTH CONTRIBUTION FROM DOMESTIC & INTERNATIONAL MARKETS



Financial Performance



2Q21 Financial Results

Arçelik

SUMMARY FINANCIALS

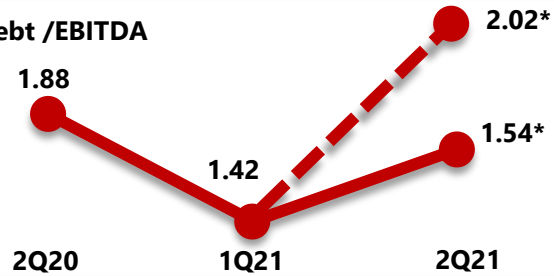
TRYm	2Q21	2Q20	Δ y/y	1Q21	Δ q/q	6M21	6M20	Δ y/y
Revenue	14,534	7,832	86%	12,984	12%	27,518	15,600	76%
Gross Profit	4,393	2,408	82%	4,483	(2%)	8,876	4,876	82%
EBIT	1,047	572	83%	1,545	(32%)	2,591	1,161	123%
Profit Before Tax	584	526	11%	1,294	(55%)	1,878	834	125%
Net Income	541	409	32%	1,100	(51%)	1,641	668	146%
EBITDA	1,427	869	64%	1,890	(24%)	3,317	1,739	91%
EBITDA – exc. one-offs	1,427	801	78%	1,890	(24%)	3,317	1,455	128%
Gross Profit Margin	30.2%	30.7%	(52 bps)	34.5%	(430 bps)	32.3%	31.3%	100 bps
EBIT Margin	7.2%	7.3%	(10 bps)	11.9%	(470 bps)	9.4%	7.4%	197 bps
Net Profit Margin	3.7%	5.2%	(149 bps)	8.5%	(475 bps)	6.0%	4.3%	168 bps
EBITDA Margin	9.8%	11.1%	(127 bps)	14.6%	(473 bps)	12.1%	11.2%	90 bps
EBITDA Margin – ex. one-offs	9.8%	10.2%	(46 bps)	14.6%	(473 bps)	12.1%	10.2%	273 bps

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

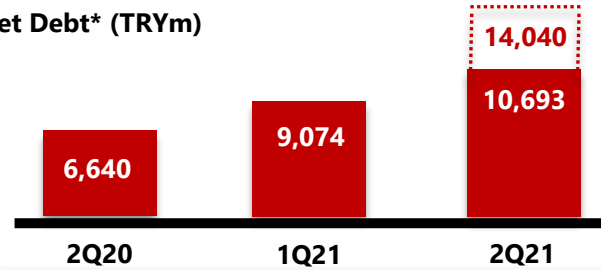
**Net income before minority

HEALTHY LEVERAGE SUSTAINED DESPITE THE CASH OUTS FROM ACQUISITIONS

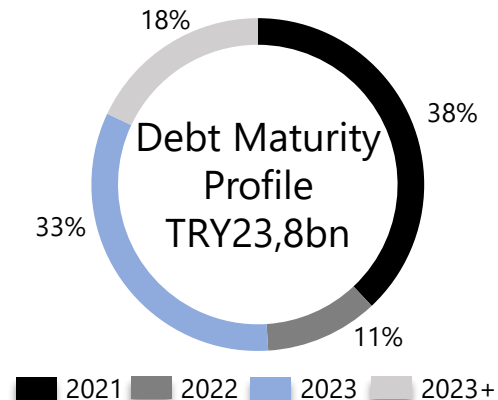
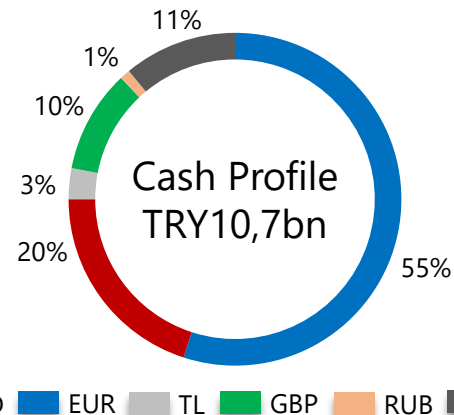
Net Debt /EBITDA



Net Debt* (TRYm)



Currency	Effective Interest Rate p.a. (%)	Original Currency (mn)	TL Equivalent (mn)
TL	16.2%	4,884	4,884
EUR	0.9%	248	2,567
USD	2.0%	18	154
GBP	0.7%	6	73
ZAR	5.5%	1,010	613
RUB	7.4%	66	8
AUD	3.3%	15	100
PKR	8.0%	17,035	928
BDT	5.7%	6,154	633
TOTAL LOANS			9,959
USD	5.0%	506	4,403
EUR	3.4%	711	7,370
TRY	19.7%	2,064	2,064
TOTAL BOND			13,838
TOTAL			23,797



*Net debt and Leverage calculation excludes the cash outs from the acquisitions and Whirlpool's cash on the balance sheet for like-basis. If these figures included, net debt would be TRY14.040mn and the leverage would be 2.02x.

ARÇELİK'S APPROACH OF PLACING SUSTAINABILITY AT THE CENTRE OF ITS BUSINESS REWARDED

Greenbond

EUR350mn

Amount Issued

EUR1.6bn

Demand

5 Years

Maturity

145

of investors

3.0%

Interest p.a.

1st

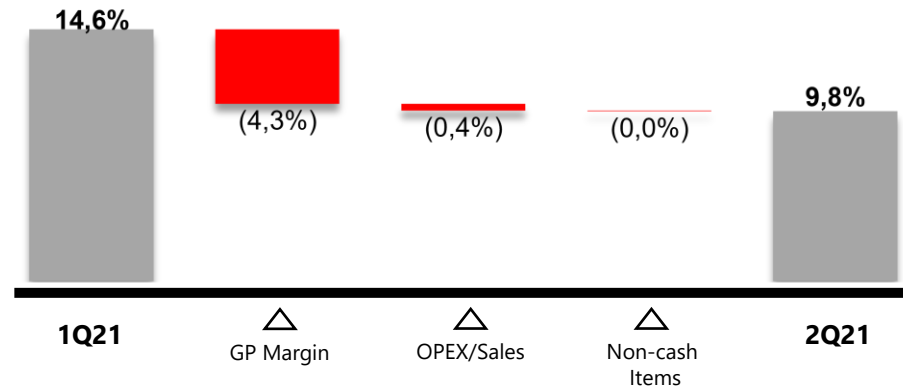
Of its kind

Use of Proceeds

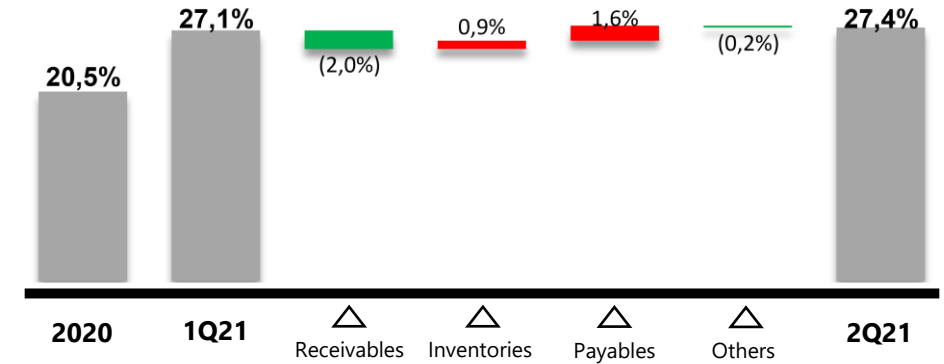
- Energy Efficient Products
- Eco-efficient and/or Circular Economy Adapted Products
- Energy Efficiency in Production
- Green Buildings
- Renewable Energy
- Sustainable Water and Wastewater Management
- Pollution Prevention and Control

THE UPSURGE IN THE RAW MATERIAL PRICES HIT EBITDA MARGIN, IMPROVED CAPEX & FLAT WC RATIO HELPED BETTER FCF vs. 1Q21

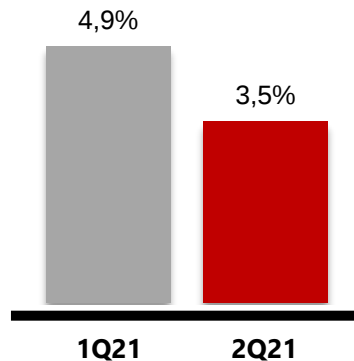
EBITDA Margin



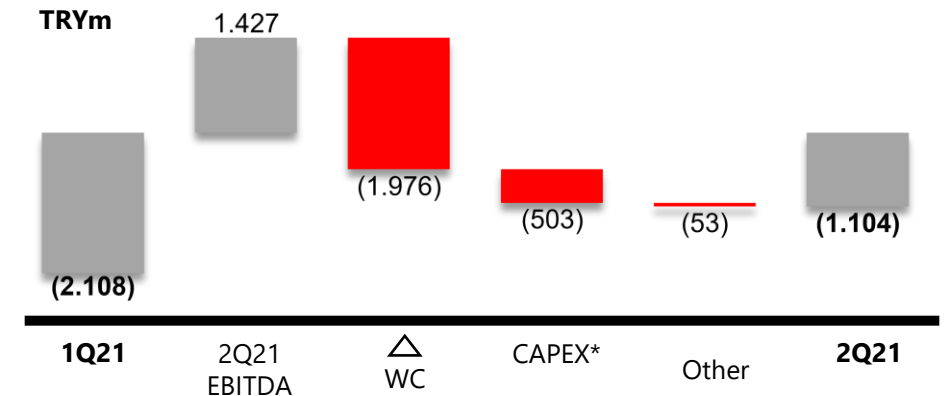
Working Capital / Sales*



CAPEX** / Sales



Free Cash Flow**



*Working Capital / Sales ratio does not include Whirlpool's figures for like-basis. If included the ratio would be 26.8%

**CAPEX and FCF does not include the amounts paid for acquisitions for like-basis.

Guidance



2Q21 Financial Results

Arçelik

2Q21 Financial Results

2021 GUIDANCE



Revenue

- Turkey (in TRY) c.30% growth
- International (in FX) c.35% growth
- Consolidated (in TRY) c.50% growth



EBITDA Margin

c.11.0%



WC/Sales

c.25%



CAPEX

c.220 mio EUR

Appendix



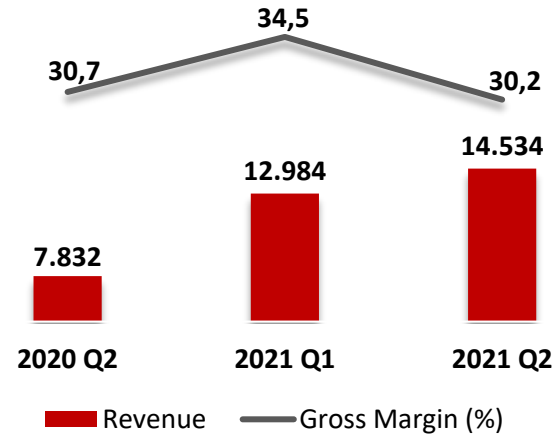
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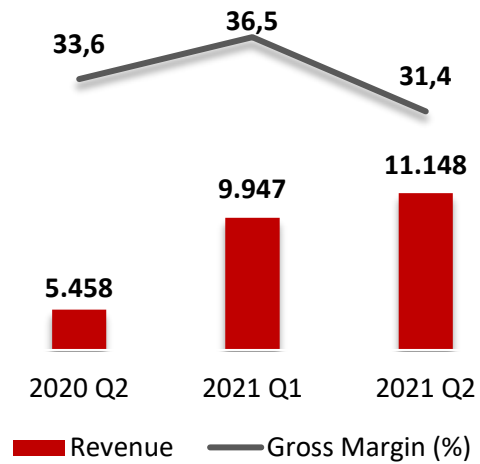
2Q21 Financial Results

MARGINS BY SEGMENTS

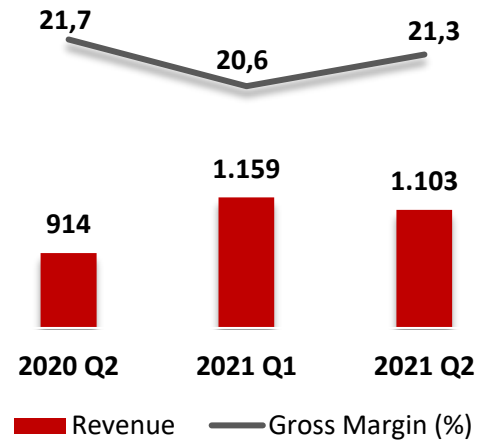
Consolidated



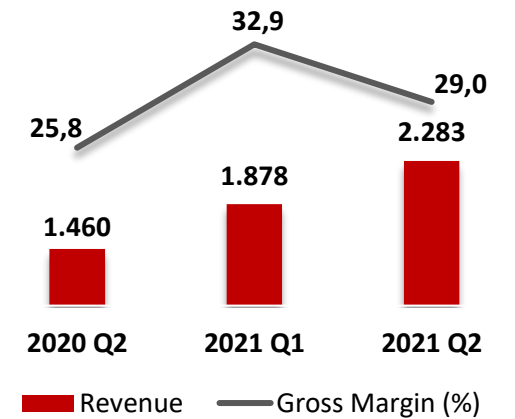
White Goods



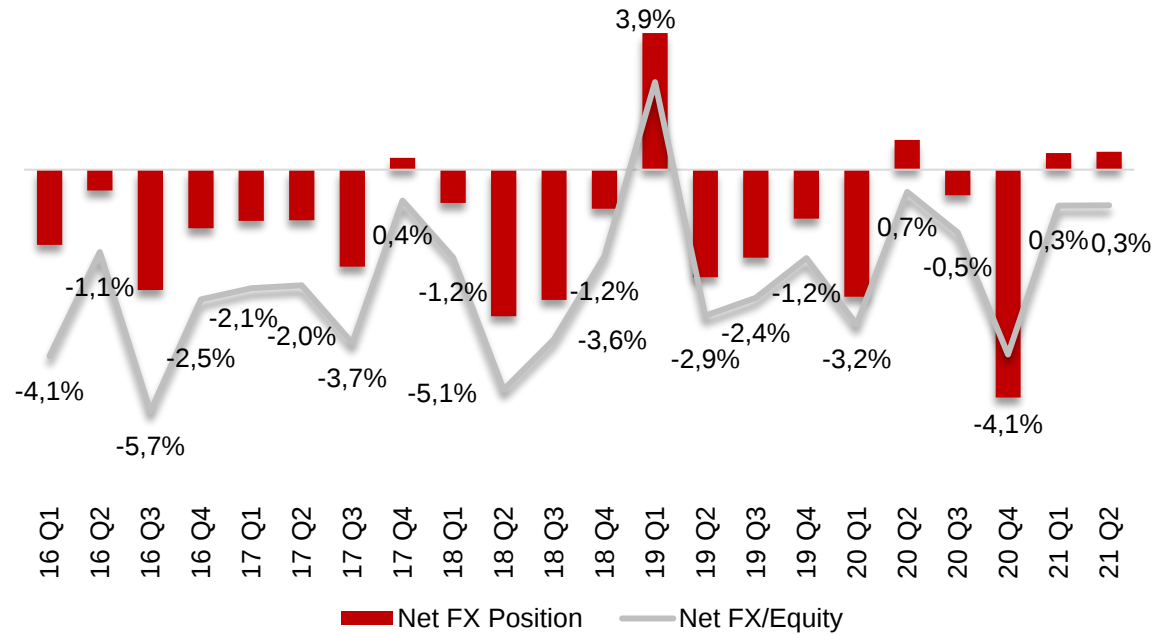
Consumer Electronics



Other



CLOSE WATCH ON FX RISK, PROACTIVELY TAKEN ACTIONS



TRYm	Before Hedge	Hedged Position	Net Position
EUR	(2,383)	2,533	150
USD	(3,774)	3,542	(232)
GBP	1,398	(1,356)	43
Other	1,080	(996)	84
TOTAL	(3,679)	3,724	45
Net FX Position / Equity			0,3%

- 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 a FX exposure exceeding low single-digit % of equity.

- The primary strategy 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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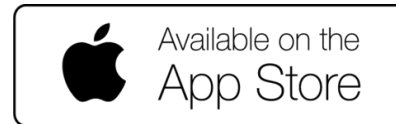
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