

3Q21 Financial Results

Arçelik



3Q21 HIGHLIGHTS

TRY18.1bn

Revenue

9.8%

EBITDA Margin

21.1%

OPEX / Sales

26.1%

NWC / Sales

2.0x

Leverage

Operational efficiency & price increases drove better EBITDA margin vs 2Q21 (LFL).. Demand was normalized & raw material cost was climbed further, as expected..



Strong top line growth of 52% y/y & 25% q/q, the organic growth was 29% y/y & 6% q/q



Demand was normalized across regions as expected



Improved EBITDA margin of 10.4% vs 2Q21 exc. the impact of acquisitions, while it was flattish as 9.8% inc. the impact of acquisitions

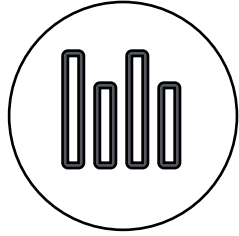


Working Capital / Sales was 26.1%



2.0x leverage including share buyback impact of 0.12x, 26.6mn (3.9% of equity) shares have been acquired as of 3Q21 with weighted average price of TRY32.12

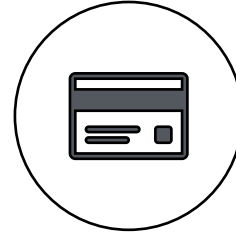
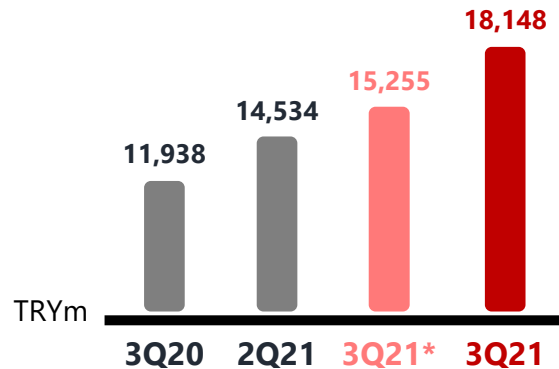
KEY FACTORS SALES / MARGINS



REVENUE GROWTH

52%

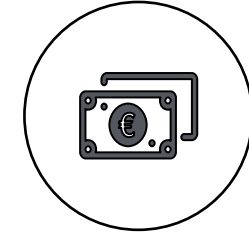
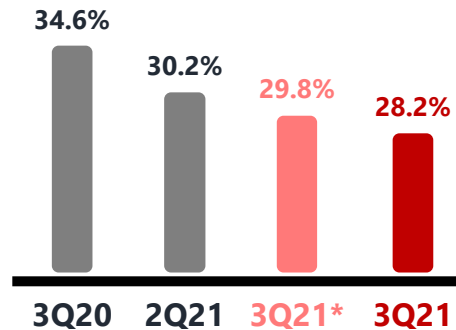
- Price increases (q/q & y/y)
- Inorganic unit growth (q/q & y/y)
- Strong EUR & USD against TRY (y/y)



GROSS MARGIN

28.2%

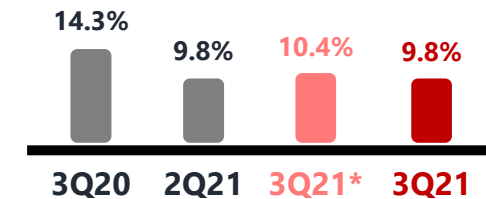
- Further increase in raw material costs (q/q & y/y)
- Lower capacity utilization vs 2Q21 & 3Q20
- Weakened EUR against USD (q/q)



EBITDA MARGIN

9.8%

- Significant improvement in OPEX/Sales ratio
- Declining gross profitability
- Dilutive impact of acquisitions



Operational Performance



3Q21 Financial Results

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CYCLING A STRONG GROWTH A YEAR AGO, TURKISH MDA6 MARKET WAS NORMALIZED IN 3Q21 AS IT WAS EXPECTED



MDA6*

ARÇELİK



MARKET



AIR CONDITIONER*

ARÇELİK



MARKET



TELEVISION**

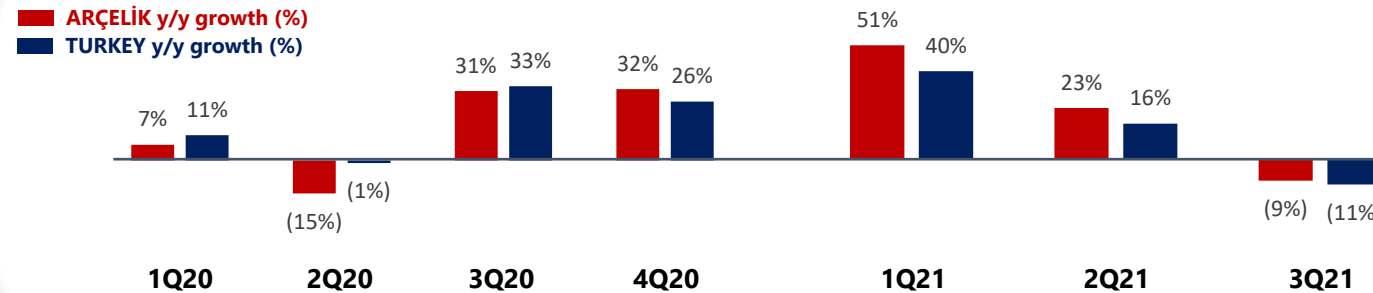
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MARKET

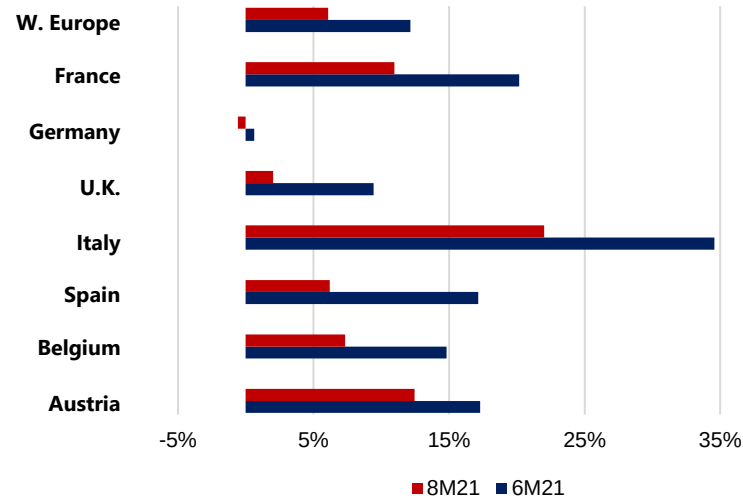


TURKISH MDA6 MARKET GROWTH vs ARÇELİK (% y/y)

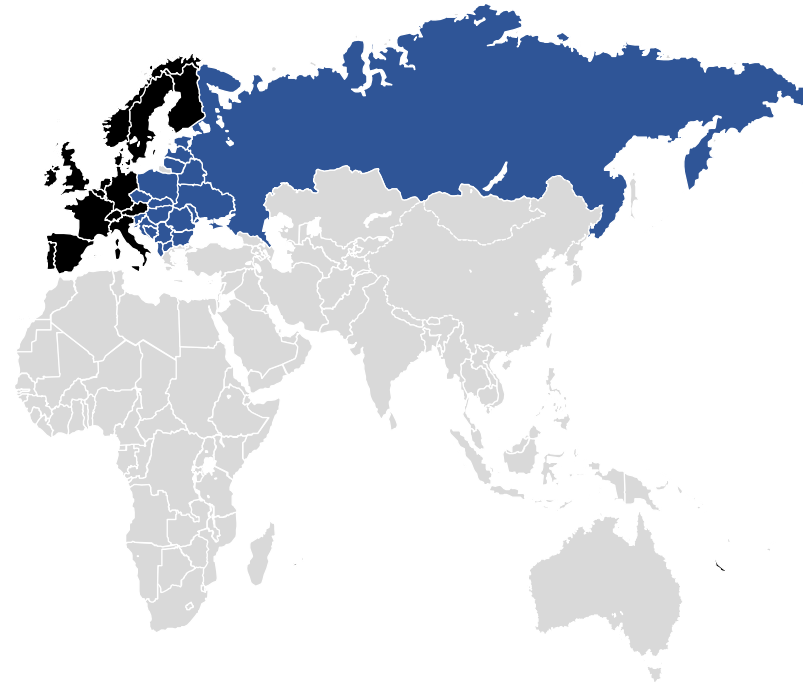


GROWTH IN EUROPE SLOWED DOWN IN JULY-AUGUST PERIOD, MAINLY ATTRIBUTABLE TO THE HIGH BASE

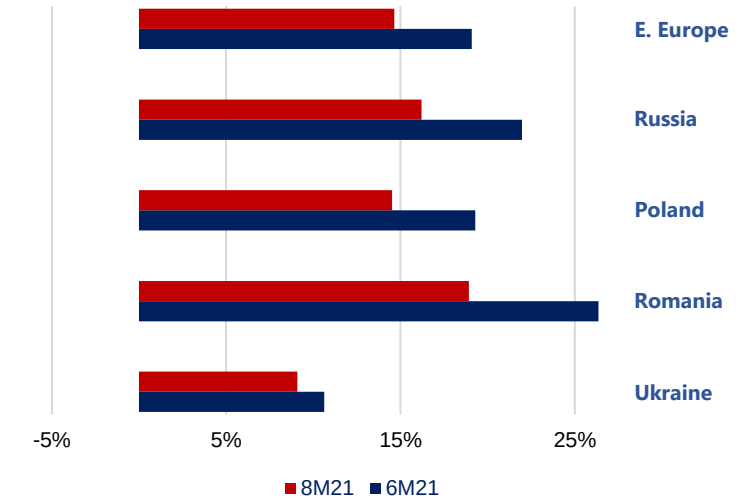
Western Europe



- Consumer demand in the majority of the W.European countries declined on a yearly basis in both July & August 2021
- The U.K. impacted negatively from the supply chain disruptions and driver shortages

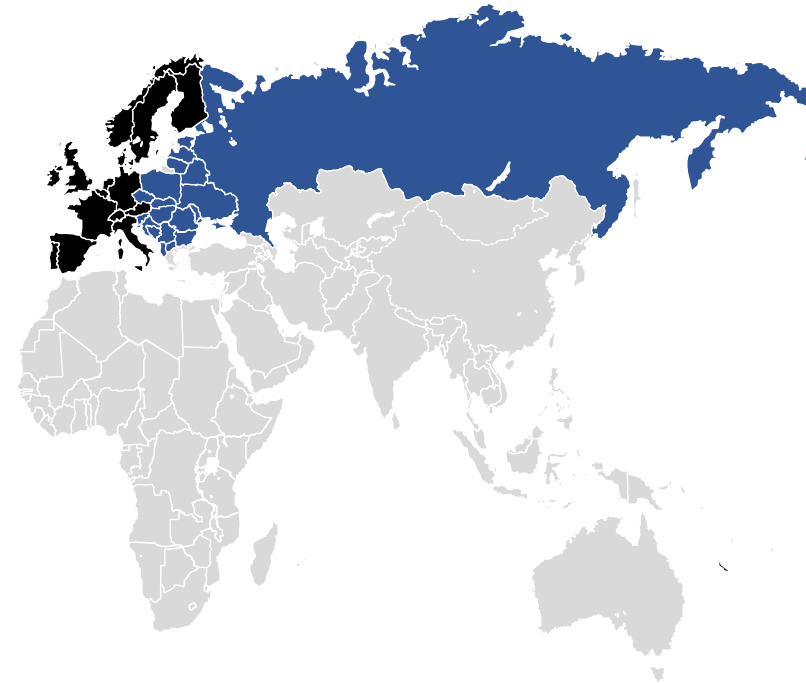


Eastern Europe



- All countries in E.Europe region delivered growth at a varying degrees in both July & August 2021 yet the growth was lower vs previous quarters

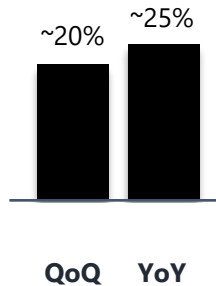
ADDITIONAL UNITS FROM ACQUISITION & PRICE INCREASES RESULTED IN STRONG PERFORMANCE IN EUROPEAN MARKETS



Arçelik Western Europe Highlights

- Robust top-line growth in EUR terms in 3Q21 on both y/y and q/q thanks to unit growth (mainly additional units from Whirlpool Manisa Factory acquisition) & price increases
- Beko strengthened its leadership position in the U.K. in 9M21 led by strong 3Q21
- Except for Germany, Arçelik Group's share in the U.K., France, Spain and Italy has been increased in 8M21 on y/y

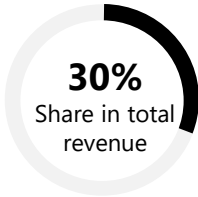
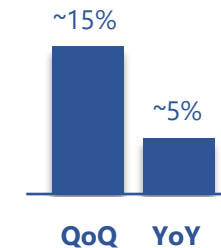
Sales Growth (EUR)



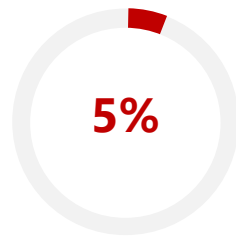
Arçelik Eastern Europe Highlights

- Top-line growth at high-teens in EUR terms in 3Q21 on q/q thanks to unit growth & mid-single digit growth on y/y thanks to price increases
- Beko & Arctic brands continued to lead the market in Romania in July & August, sustained providing the Group a strong leadership
- Improvement in price index in Russia both in July and August compared to 2Q21 and last year without deterioration in market share
- Improvement in market share and price index in Ukraine in 8M21 vs 6M21

Sales Growth (EUR)



APAC GAINING MORE SHARE WITH ARÇELİK-HITACHI WHILE AFRICA CYCLING A STRONG BASE

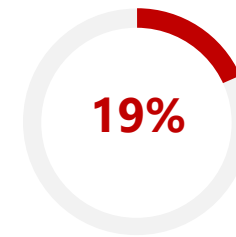
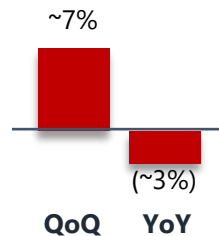


AFRICA

(Share in total revenue)

- Defy had double-digit unit growth on a quarterly basis resulted in double-digit revenue growth in EUR terms in 3Q21, while, on a yearly basis, units sold and revenue was declined mainly due to the strong base of 3Q20.
- Strong leadership position has been maintained in South Africa as of 9M21.
- Defy's export units to Sub Saharan Africa countries was up by c.10% on q/q while contracted by c.13% mainly due to the strong base.

Sales Growth (EUR)

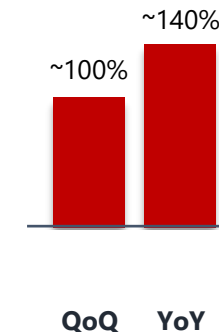


APAC

(Share in total revenue)

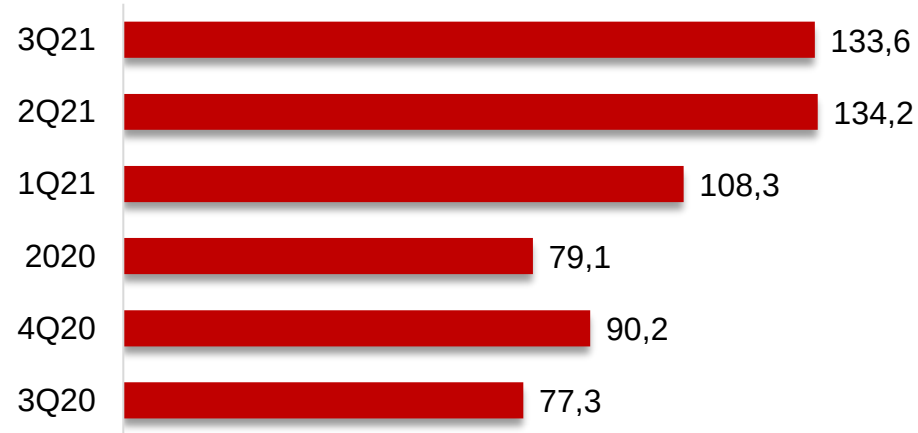
- In line with our growth strategy, Arçelik-Hitachi synergy resulted in increasing presence in APAC region with 60% share in APAC's revenue.
- Robust revenue growth of 25% y/y in PKR terms (26% in EUR terms) in Pakistan in 3Q21 thanks to continued price increases and strong demand while 4th wave of COVID-19 caused lower sales on q/q
- In Bangladesh, net sales contracted by 26% y/y in BDT terms in 3Q21 mainly due to government-imposed country wide strict restrictions during Jul-Aug when all shops were completely closed for consecutive 34 days.

Sales Growth (EUR)



3Q21 WITNESSED RELATIVELY LOWER RAW MATERIAL PRICES

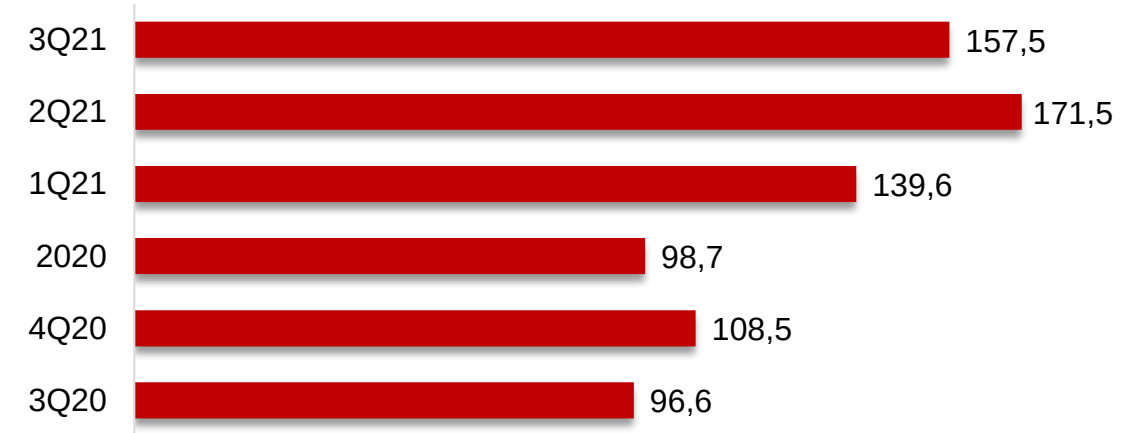
Average Metal Prices Index - Market



- 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



- Average plastic prices came down in 3Q21 from historic high levels compared to last quarter due to supply surplus, normalization period and eased force majeure

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

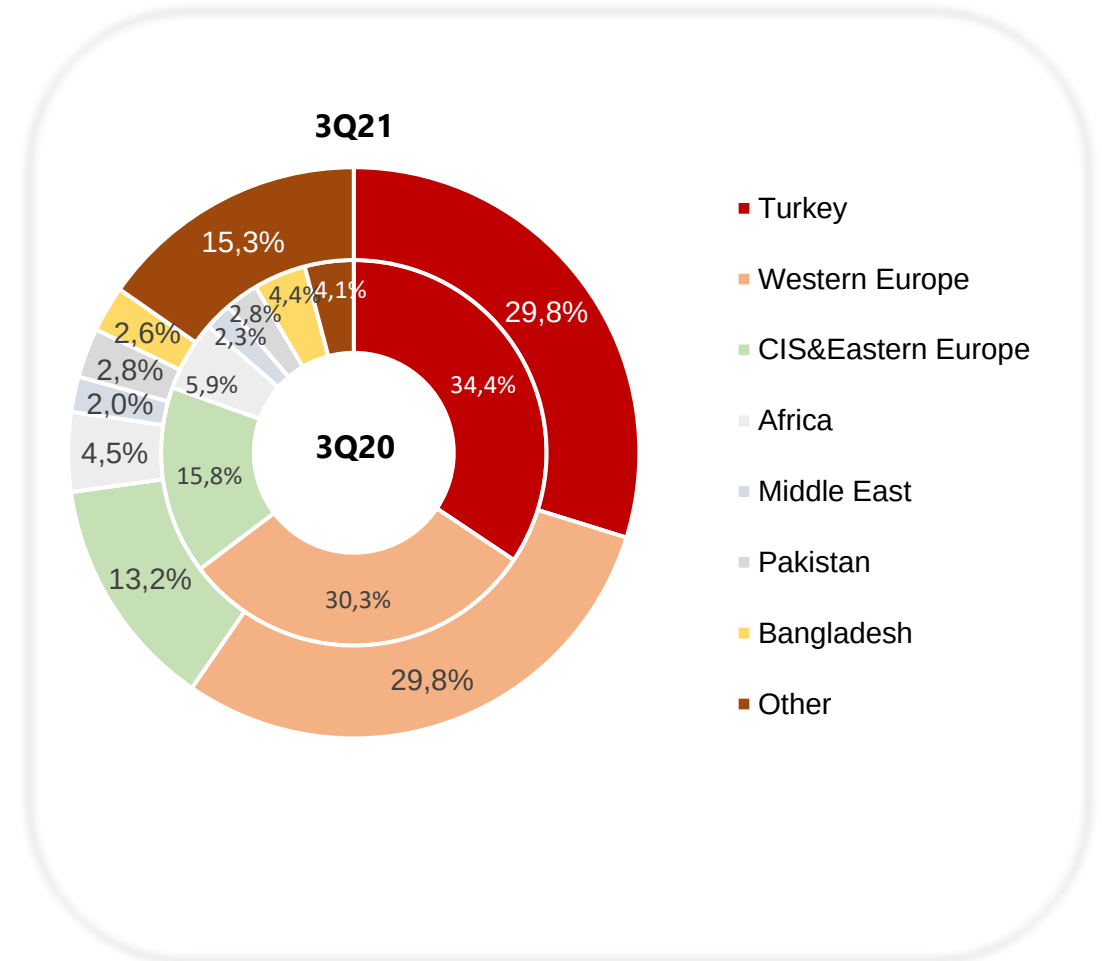
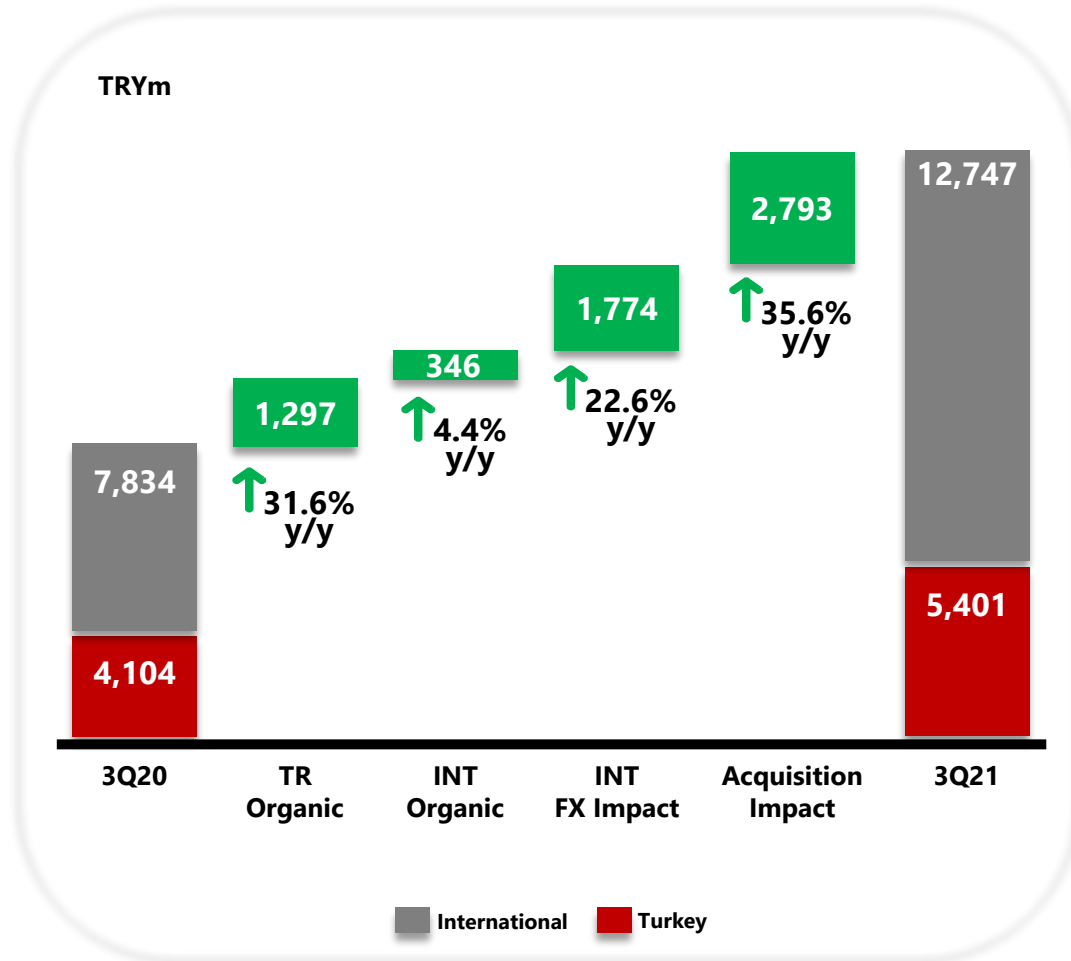
Sales Performance



3Q21 Financial Results

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RESILIENT REVENUE COMPOSITION THROUGH DIVERSIFICATION



Financial Performance



3Q21 Financial Results

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SUMMARY FINANCIALS

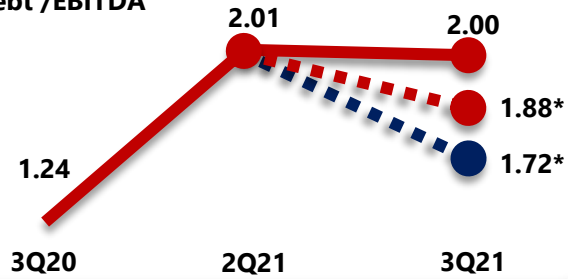
TRYm	3Q21	3Q20	Δ y/y	2Q21	Δ q/q	9M21	9M20	Δ y/y
Revenue	18,148	11,938	52%	14,534	25%	45,666	27,538	66%
Gross Profit	5,125	4,127	24%	4,393	17%	14,002	9,003	56%
EBIT	1,321	1,416	(7%)	1,047	26%	3,912	2,577	52%
Profit Before Tax	770	1,285	(40%)	584	32%	2,648	2,119	25%
Net Income	716	1,041	(31%)	541	32%	2,358	1,709	38%
EBITDA	1,782	1,735	3%	1,427	25%	5,099	3,474	47%
EBITDA – exc. one-offs	1,782	1,735	3%	1,427	25%	5,099	3,474	47%
Gross Profit Margin	28.2%	34.6%	(633 bps)	30.2%	(198 bps)	30.7%	32.7%	(203 bps)
EBIT Margin	7.3%	11.9%	(458 bps)	7.2%	8 bps	8.6%	9.4%	(79 bps)
Net Profit Margin	3.9%	8.7%	(477 bps)	3.7%	22 bps	5.2%	6.2%	(104 bps)
EBITDA Margin	9.8%	14.5%	(471 bps)	9.8%	-	11.2%	12.6%	(145 bps)
EBITDA Margin – ex. one-offs	9.8%	14.5%	(471 bps)	9.8%	-	11.2%	12.6%	(145 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.

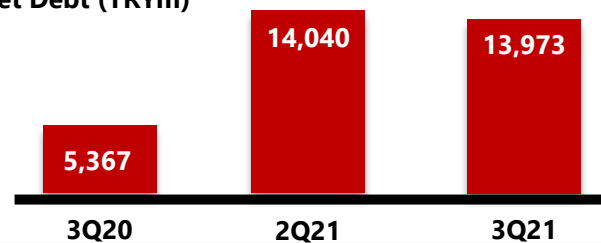
**Net income before minority

HEALTHY LEVERAGE SUSTAINED DESPITE ACQUISITIONS & SHARE BUYBACK

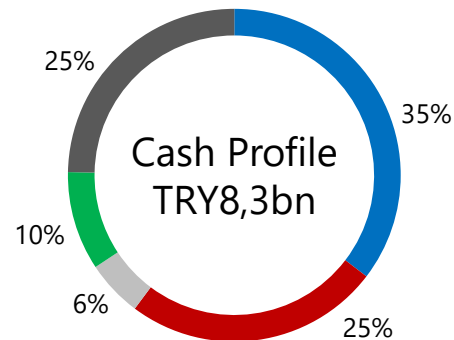
Net Debt /EBITDA



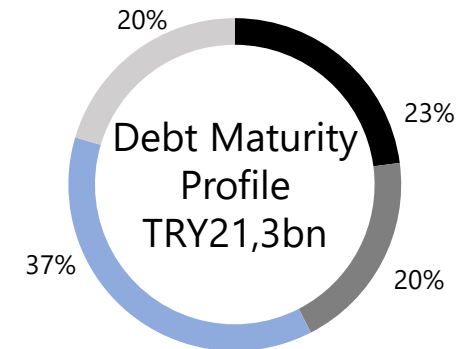
Net Debt (TRYm)



Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	17.2%	5,931	5,931
EUR	0.9%	270	2,789
USD	2.0%	17	149
GBP	0.7%	7	85
ZAR	5.4%	1,081	636
RUB	8.4%	1,204	146
AUD	3.3%	25	157
PKR	8.0%	19,358	997
BDT	5.6%	6,134	634
PLN	2.2%	31	69
TOTAL LOANS			11,592
USD	5.0%	512	4,528
EUR	3.0%	353	3,641
TRY	20.2%	1,544	1,544
TOTAL BOND			9,713
TOTAL			21,305



USD EUR TL GBP Other

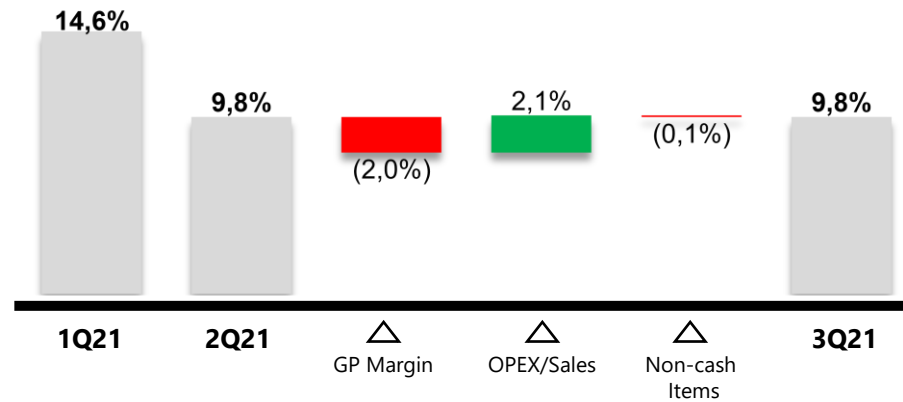


2021 2022 2023 2023+

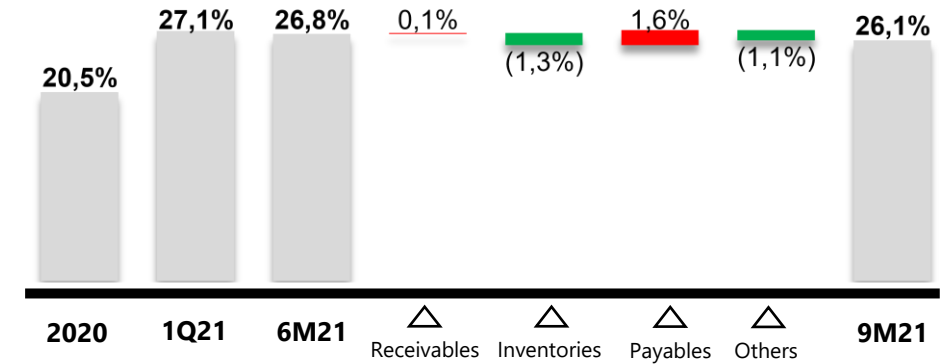
*If the value of the shares acquired as of 30.09.2021 are deducted from net debt, the leverage is calculated as 1.88x. Adding also the annualized EBITDA contribution of our recent acquisitions would bring the leverage down to 1.72x.

POSITIVE FCF IN 3Q21 THROUGH STRONG EBITDA, IMPROVED WORKING CAPITAL & FLAT CAPEX

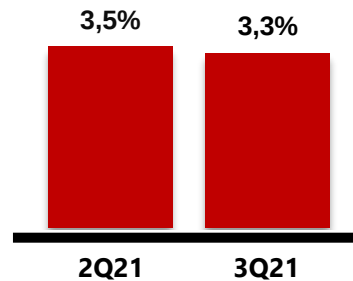
EBITDA Margin



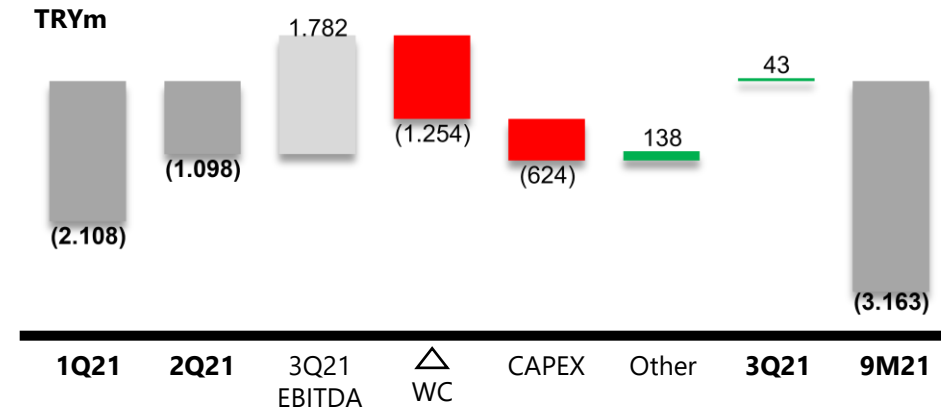
Working Capital / Sales*



CAPEX / Sales



Free Cash Flow



Guidance



3Q21 Financial Results

Arçelik

2021 GUIDANCE



Revenue

- Turkey (in TRY) c.35% growth
- International (in FX) c.35% growth
- Consolidated (in TRY) c.55% growth



EBITDA Margin

c.11.0%



WC/Sales

c.25%



CAPEX

c.220 mio EUR

Appendix

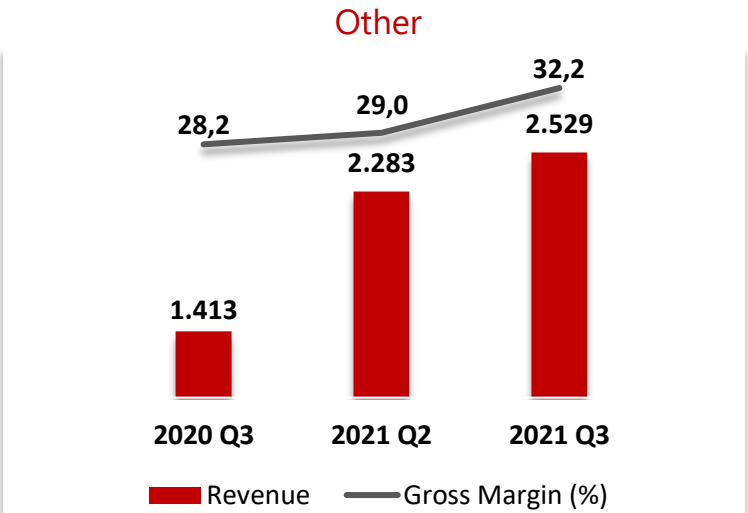
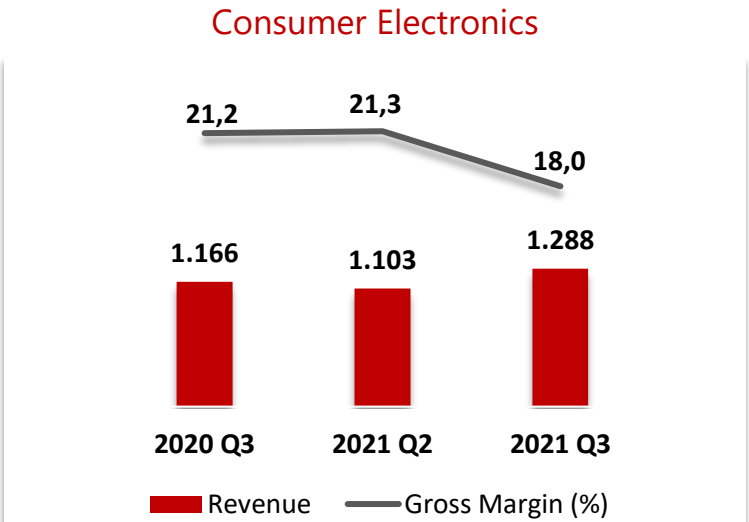
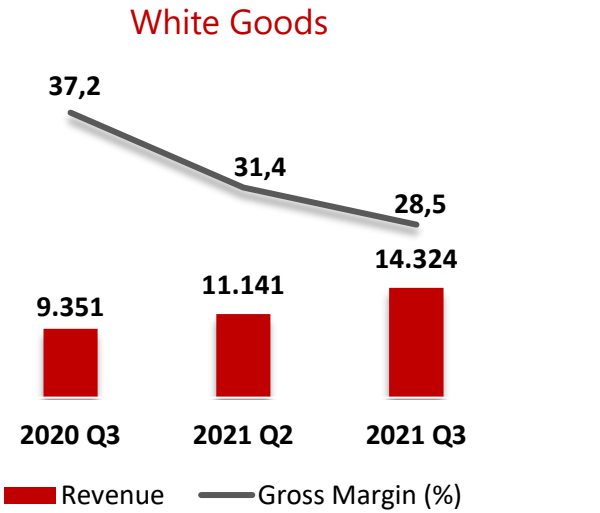
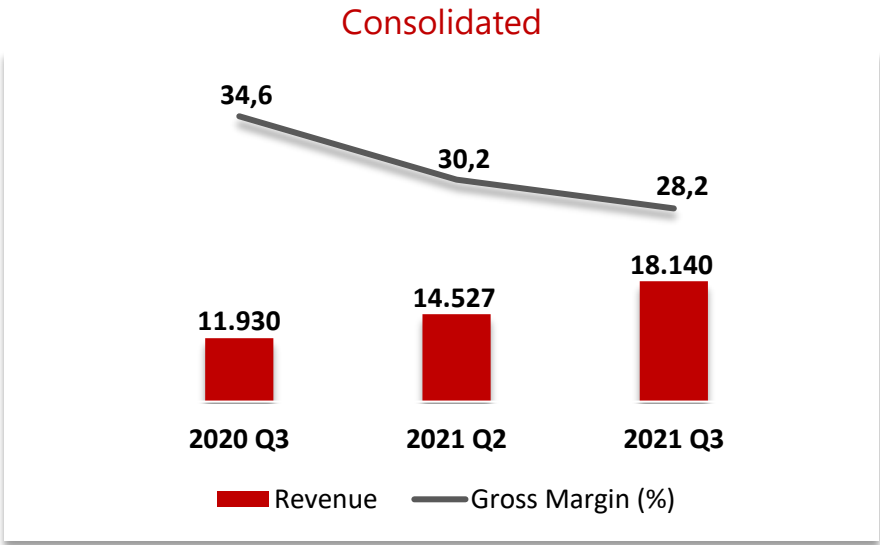


3Q21 Financial Results

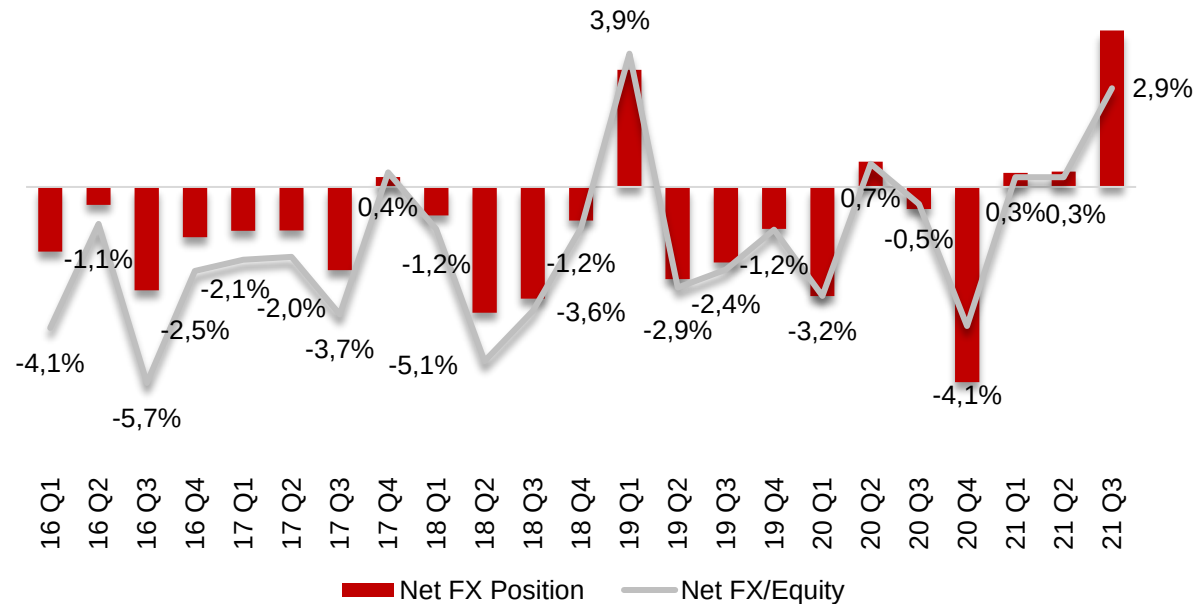
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3Q21 Financial Results

MARGINS BY SEGMENTS



CLOSE WATCH ON FX RISK, PROACTIVELY TAKEN ACTIONS



TRYm	Before Hedge	Hedged Position	Net Position
EUR	(900)	1,008	108
USD	(3,797)	3,818	21
GBP	1,358	(1,284)	74
Other	1,313	(1,060)	253
TOTAL	(2,026)	2,482	456
Net FX Position / Equity			2,9%

- 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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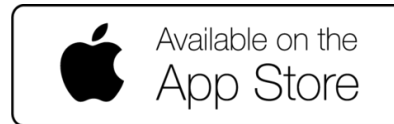
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