1Q22 Financial Results

Arçelik

Koç

1Q22 HIGHLIGHTS

TRY28.2bn
Revenue

10.6%
EBITDA Margin

22.7%
OPEX / Sales

27.7%
NWC / Sales

2.81x
Leverage

Robust revenue growth through pricing resulted in margin expansion in all lines q/q…

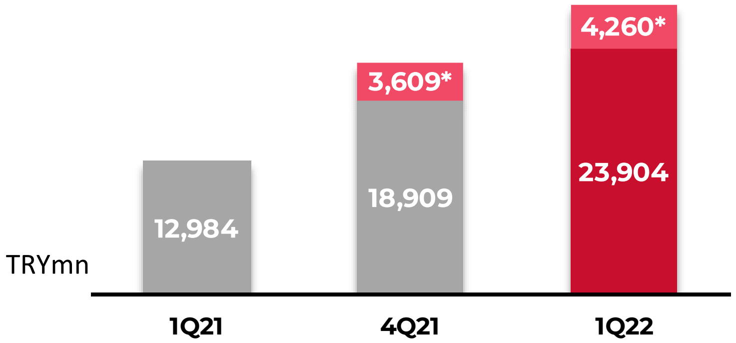
- Robust sales growth of 117% y/y & 25% q/q, the organic growth was 84% y/y
- Strong sell-out in Turkey and Eastern Europe in the first two months of 2022, while weaker sell-in in Turkey as expected
- Strong EBITDA margin expansion of 127 bp (257 bps lfl) on q/q mainly thanks to effective pricing while 393 bp contraction on y/y as a result of the cost inflation and high base of 1Q21
- Net Working Capital/Sales was 27.7% mainly due to higher inventories as result of higher material costs and increased receivable days
- Leverage was 2.81x. Adding the value of shares bought back as of year-end (0.43x impact) and annualized EBITDA & cash contribution of acquisitions (0.15x impact), the leverage would be 2.24x.

Key Factors Sales / Margins

REVENUE GROWTH

117%

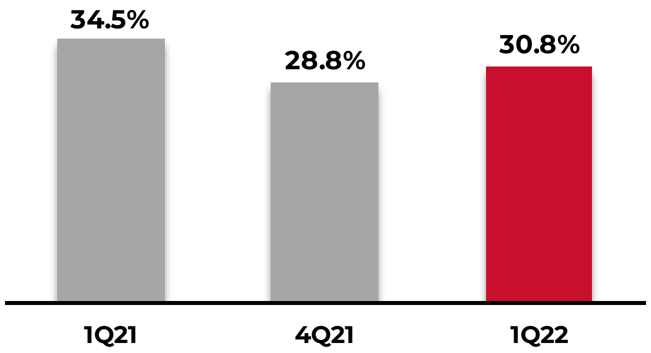
- Price increases on both quarterly & yearly basis
- TRY depreciation on both quarterly & yearly basis
- Inorganic growth on a yearly basis



GROSS MARGIN

30.8%

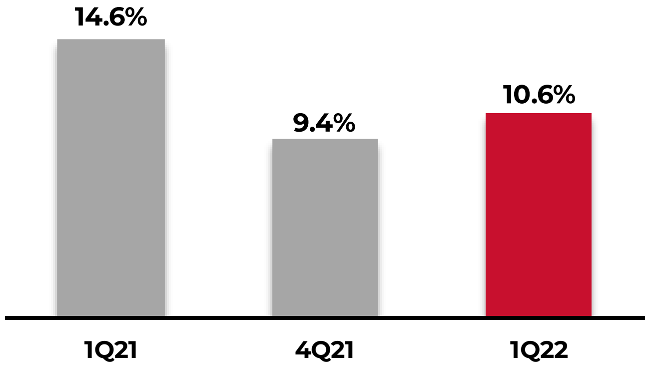
- Price increases on a quarterly basis
- Higher capacity utilization on a quarterly basis
- Higher raw material prices on a yearly basis coupled with depreciated TRY
- Lower capacity utilization on a yearly basis



EBITDA MARGIN

10.6%

- Improved gross margin on a quarterly basis
- 108 bps improvement in OPEX/Sales q/q
- Negative impact of cost inflation on a yearly basis



*Total inorganic net sales contribution.

Operational Performance

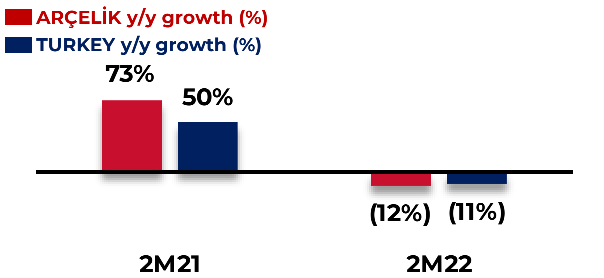
1Q22 Financial Results

Arçelik

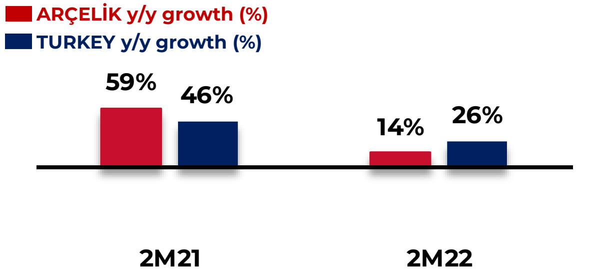
More than doubled revenue from Turkish business y/y in a declining MDA6 (sell-in) demand environment

Arçelik

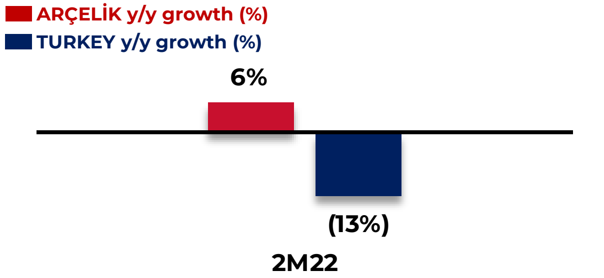
MDA6*



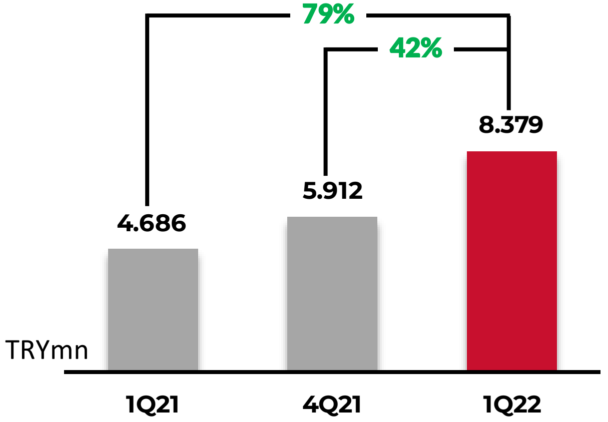
AIR CONDITIONER*



TELEVISION**

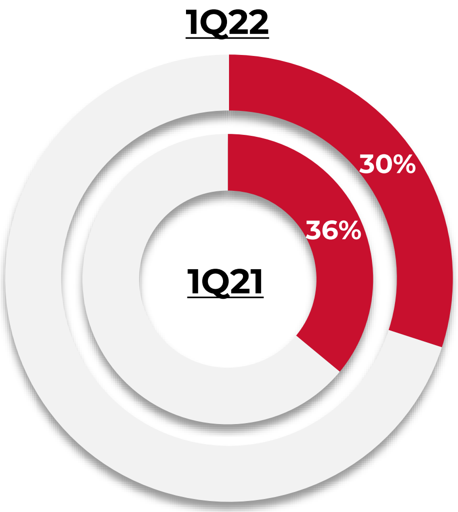


Turkey Revenue Growth



- Strong price increases on y/y & q/q
- Unit growth in A/C y/y & q/q
- Unit growth in small kitchen appliances y/y
- Unit contraction in MDA6 (sell-in)

Turkey Share in Total Revenue

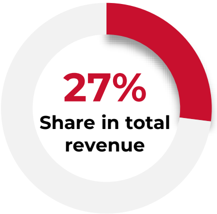


- Inorganic international growth

*MDA6 and A/C data (sell-in, in unit terms) is based on WGMA for 2M22 period on a cumulative basis.
**TV market reflects the data of a retail panel market for 2M22 period in unit terms on a cumulative basis.

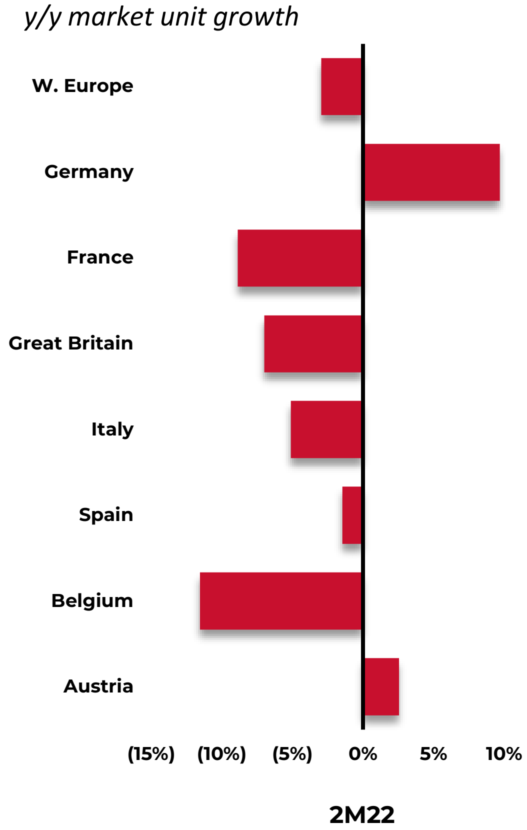
Strong revenue growth in Europe y/y in 1Q22 backed by price increases & inorganic growth

Arçelik



Western Europe

Eastern Europe



MDA6 Market

- Demand in the majority of Western European countries fell mainly due to high base impact.
- Cycling a low base, MDA6 demand grew at high single digit in Germany.
- Despite unit contraction in total Western Europe, market grew in value terms thanks to price increases and leaning towards more premium segments.

Arçelik in Western Europe

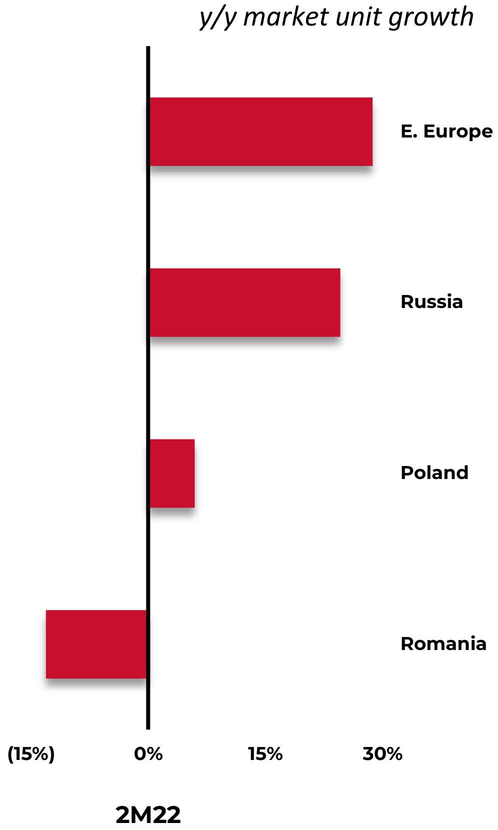
- 8% y/y revenue growth in EUR terms thanks mainly to price increases and inorganic revenue contribution.
- Beko maintained leadership in the U.K. with increased market share and moved to 1st position in Spain with improved price index in 2M22 compared to 2021 year-end.

MDA6 Market

- Significant demand growth in Eastern Europe mainly driven by Russia.
- Strong sell-out in Russia due to rapid depreciation of Ruble.
- Together with unit growth, price increases and increased share of premium segments resulted in significant market growth in value terms in 2M21 y/y.

Arçelik in Eastern Europe

- 11% y/y revenue growth in EUR terms thanks mainly to price increases.
- Beko maintained leadership in Poland with increased market share in 2M22 compared to 2021 year-end.
- Beko & Arctic brands continued to lead the market in Romania in 2M22.



MDA6 market charts show the growth of sell-out demand in the countries and the regions in 2M22 y/y and reflect the data of a retail panel market.
Eastern European MDA6 market chart excludes Ukraine's figures.
Russia's share in Arçelik's total revenue in 1Q22 was 1.7% (4Q21: 2.0%, 1Q21: 1.7%). Ukraine's share in total revenue in 1Q22 was 0.1% (4Q21: 0.5%, 1Q21: 0.3%).

APAC sales more than doubled thanks to Arçelik-Hitachi Middle East sales growth driven by Egypt operations

11%
Share in total revenue

Africa & Middle East

- Revenues from Africa & Middle East increased by c.59% y/y in 1Q22 in EUR terms thanks to significantly higher contribution of Middle East operations.
- Defy's domestic unit sales contracted on both q/q & y/y mainly due to the logistic problems in the country, public holidays in the quarter, and high base of last year while export units grew on both q/q & y/y.
- Defy's revenue increased by mid to high single digit in EUR terms y/y in 1Q22 thanks to price increases while contracted by mid to high single digit in EUR terms q/q due to unit contraction.
- Strong market leadership of Defy in South Africa maintained.
- Beko Egypt posted c.155% y/y and c.175% q/q revenue growth in EUR terms mainly thanks to significant unit growth and price increases.

Asia-Pacific

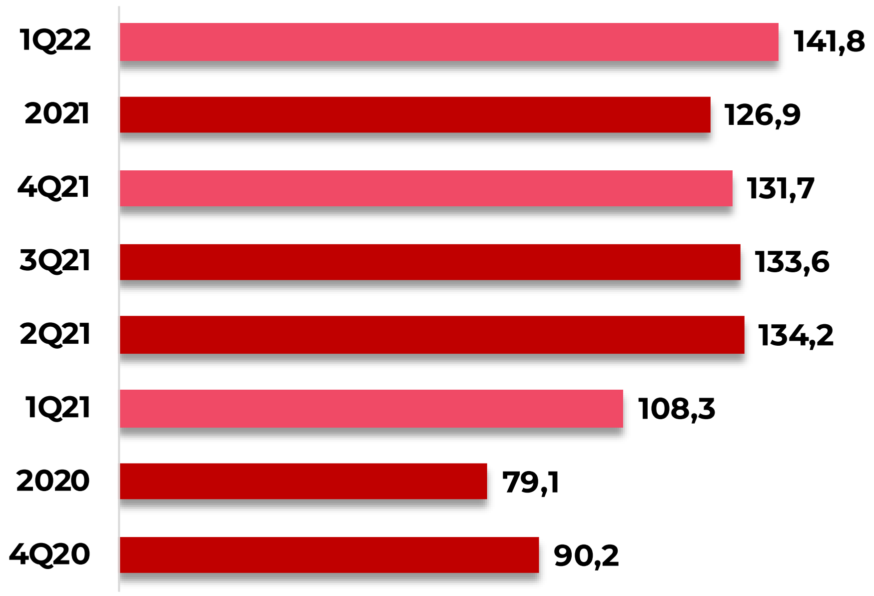
19%
Share in total revenue

- Revenues from APAC grew by c.136% in EUR terms in 1Q22 y/y thanks to Arçelik-Hitachi contribution (c.13% share in total revenue).
- In Pakistan, unit growth thanks to declining COVID cases & opening of markets and price increases resulted in c.23% higher sales in EUR terms in 1Q22 y/y (c.28% in PKR terms).
- In Bangladesh, sales were increased by c.4% in BDT terms in 1Q22 y/y driven by higher refrigerator, washing machine, television and A/C sales.

Stable raw material prices in the market until late February, started to increase after war

Arçelik

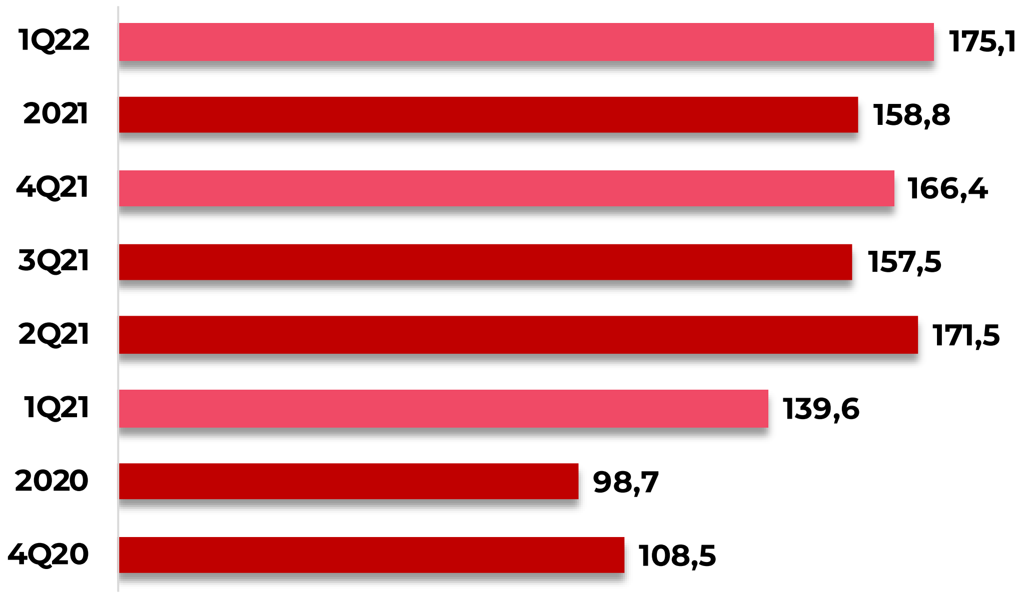
Average Metal Prices Index - Market



- Deterioration of supply & demand equilibrium due to the war between Russia & Ukraine impacted metal raw material prices negatively starting from March.

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

Average Plastic Prices Index - Market



- Increased oil, gas and energy prices due to the war between Russia & Ukraine impacted plastic raw material prices negatively starting from March.

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

Sales Performance

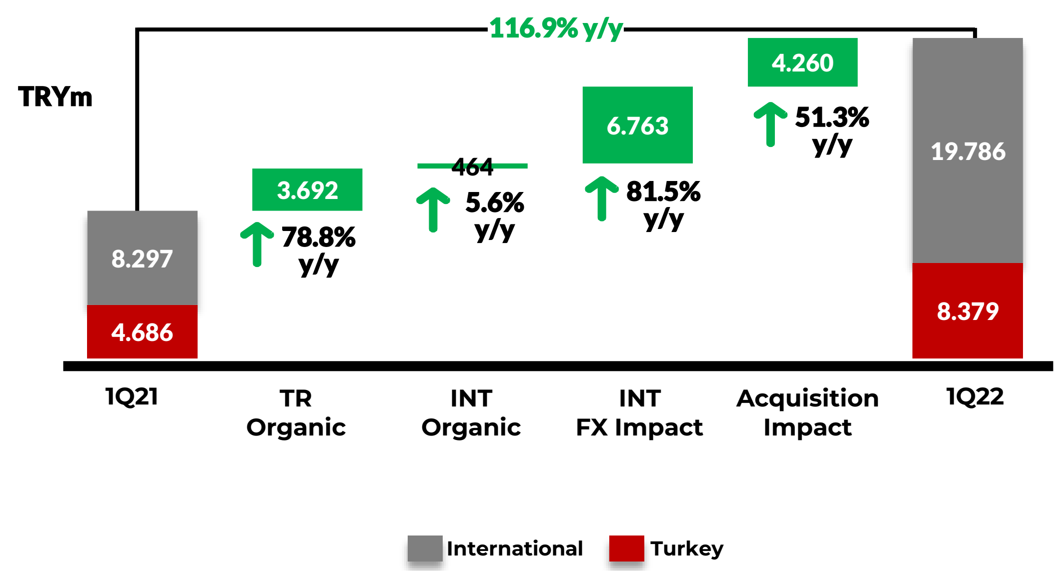
1Q22 Financial Results

Arçelik

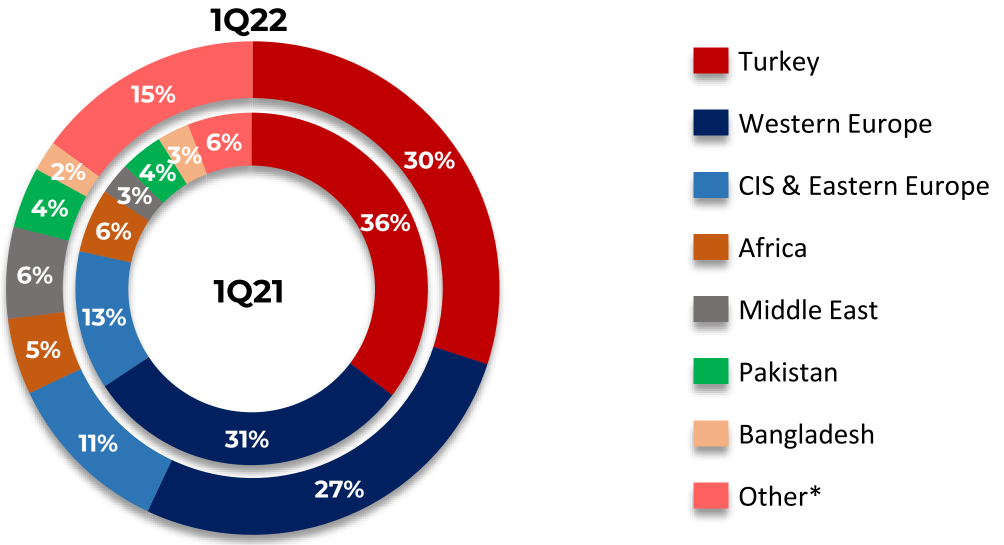
Resilient revenue composition through diversification

Arçelik

Sales Bridge



Sales Breakdown by Geography



*The net sales of Arçelik-Hitachi Home Appliances has been shown in Other.
In 1Q22, the share of Arçelik Hitachi Home Appliances in total net sales was c.13%.

Financial Performance

1Q22 Financial Results

Arçelik

Summary financials

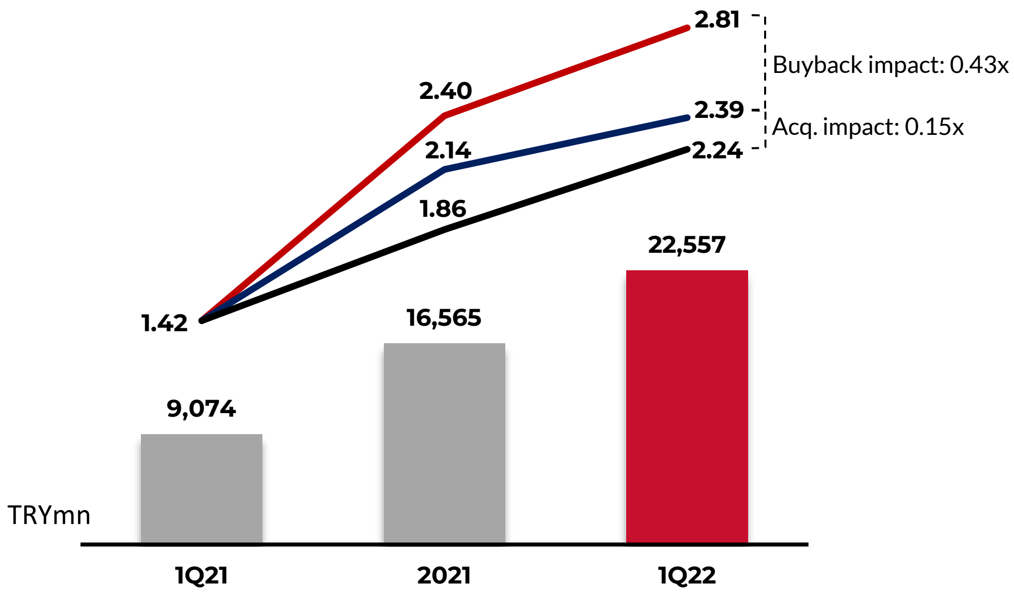
Arçelik

TRYmn	1Q22	1Q21	y/y	4Q21	q/q
Revenue	28.164	12.984	117%	22.519	25%
Gross Profit	8.687	4.483	94%	6.477	34%
EBIT	2.282	1.545	48%	1.156	97%
Profit Before Tax	1.451	1.294	12%	974	49%
Net Income	1.224	1.100	11%	893	37%
Net Income - *exc. one-off items*	1.224	1.100	11%	601	104%
EBITDA	2.993	1.890	58%	2.106	42%
EBITDA - *exc. one-off items*	2.993	1.890	58%	1.815	65%
Gross Profit Margin	30,8%	34,5%	(368 bps)	28,8%	208 bps
EBIT Margin	8,1%	11,9%	(379 bps)	5,1%	297 bps
Net Profit Margin	4,3%	8,5%	(413 bps)	4,0%	38 bps
Net Profit Margin - *exc. one-off items*	4,3%	8,5%	(413 bps)	2,7%	168 bps
EBITDA Margin	10,6%	14,6%	(393 bps)	9,4%	127 bps
EBITDA Margin - *exc. one-off items*	10,6%	14,6%	(393 bps)	8,1%	257 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

Increased working capital requirement and share buyback resulted in higher leverage in 1Q22

Net Debt & Leverage

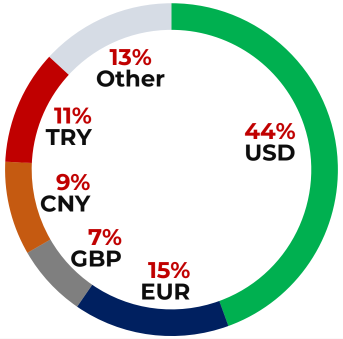


Debt Currency & Rates Breakdown

Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	19.2%	8,558	8,558
EUR	1.6%	446	7,271
USD	2.4%	29	423
GBP	1.5%	7	130
ZAR	5.3%	1,069	1,082
AUD	3.3%	25	279
PKR	10.9%	33,319	2,656
BDT	5.8%	6.317	1,074
RUB	14.7%	1,256	216
RON	5.1%	70	229
PLN	5.0%	17	60
TOTAL LOANS			**21,977**
USD	5.0%	512	7,503
EUR	3.0%	359	5,847
TRY	18.9%	2,261	2,261
TOTAL BOND			**15,611**
TOTAL			**37,587**

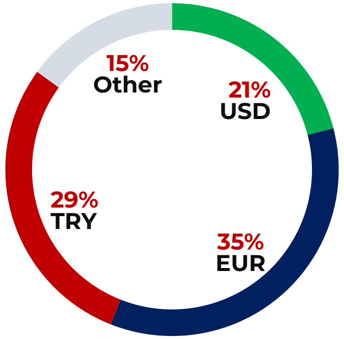
Cash Currency Breakdown

TRY16.7bn (EUR1.0bn)



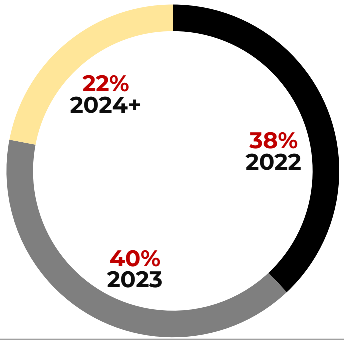
Debt Currency Breakdown

TRY37.6bn (EUR2.3bn)



Debt Maturity Profile

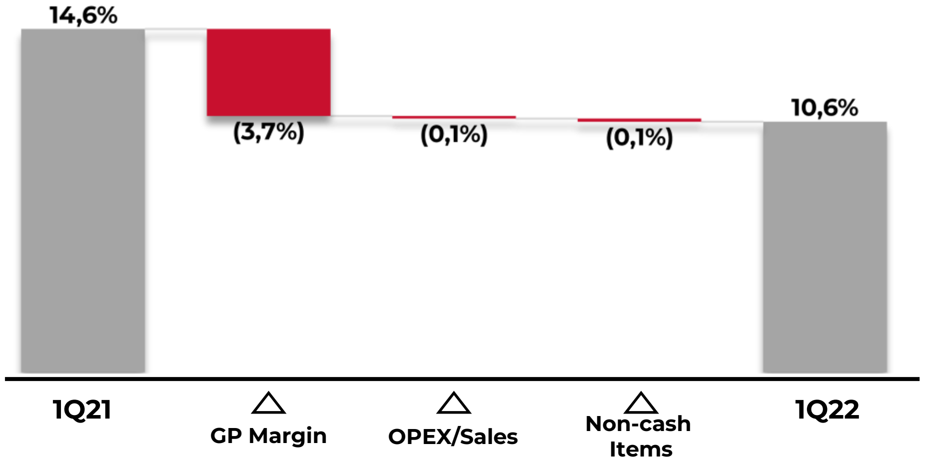
TRY37.6bn (EUR2.3bn)



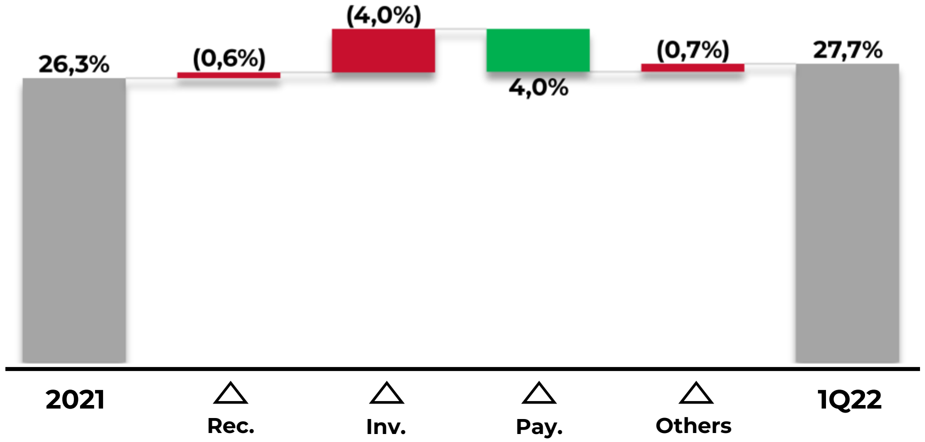
*If the value of the shares acquired as of 31.03.2022 were deducted from net debt and EBITDA & cash contributions of our recent acquisitions were annualized the leverage is calculated as 1.86x as of 2021 and as 2.24x as of 1Q22.

Negative FCF in 1Q22 mainly due to NWC

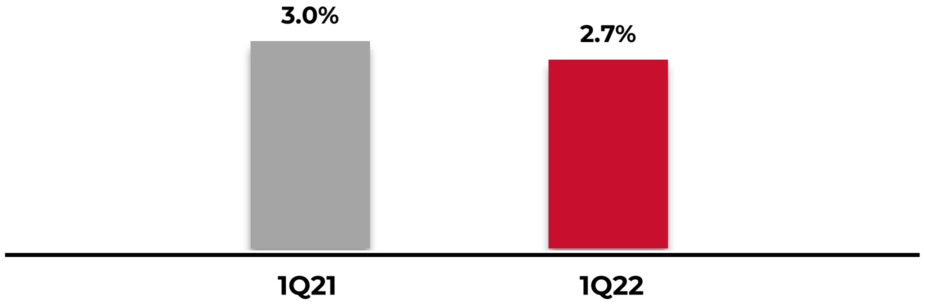
EBITDA Margin



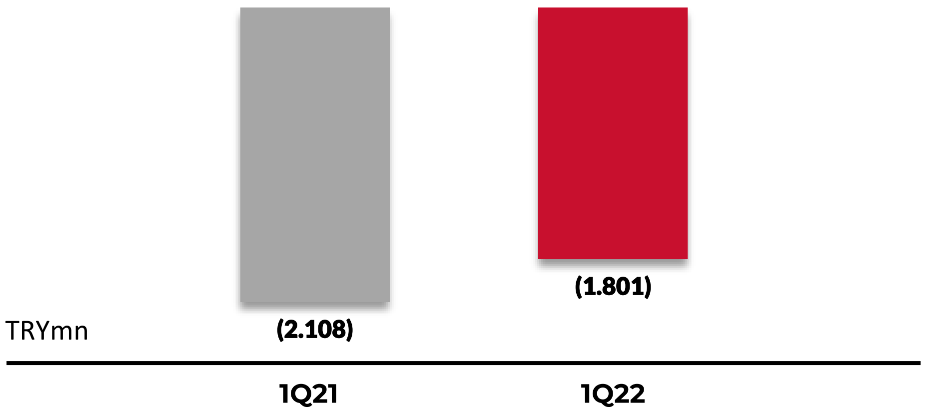
Working Capital/Sales



CAPEX/Sales



Free Cash Flow



Guidance

2022 Guidance

Revenue

• Turkey (in TRY)	c.60% growth
• International (in FX)	c.25% growth
• Consolidated (in TRY)	>80% growth

EBITDA Margin

c.10.5%

WC/Sales

c.25%

CAPEX

c.220 mio EUR

Q&A

1Q22 Financial Results

Arçelik

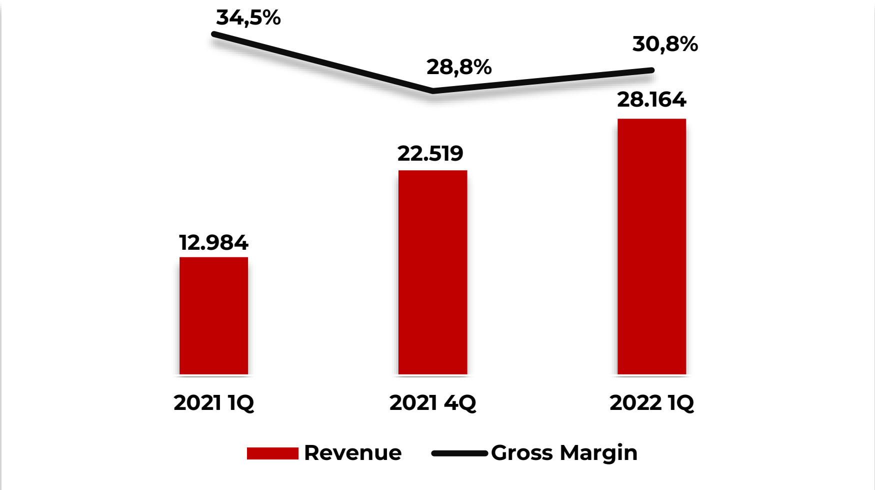
Appendix

1Q22 Financial Results

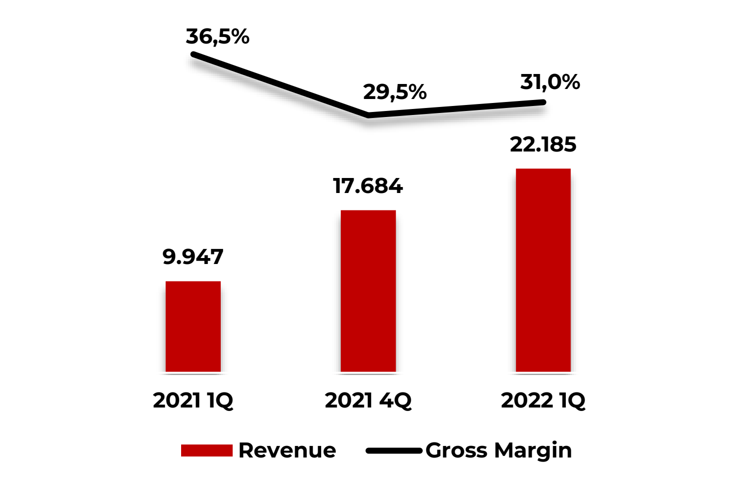
Arçelik

Margins by segments

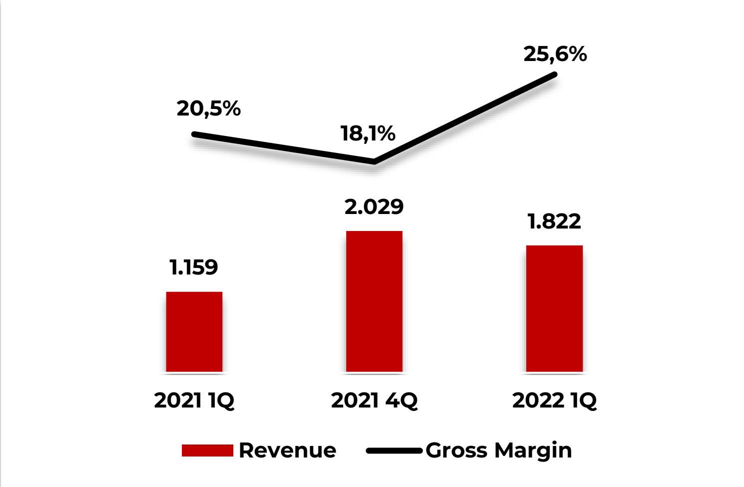
Consolidated



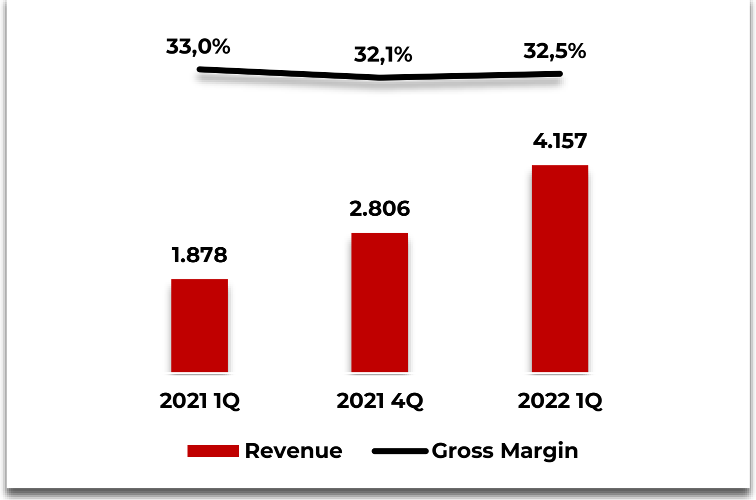
White Goods



Consumer Electronics

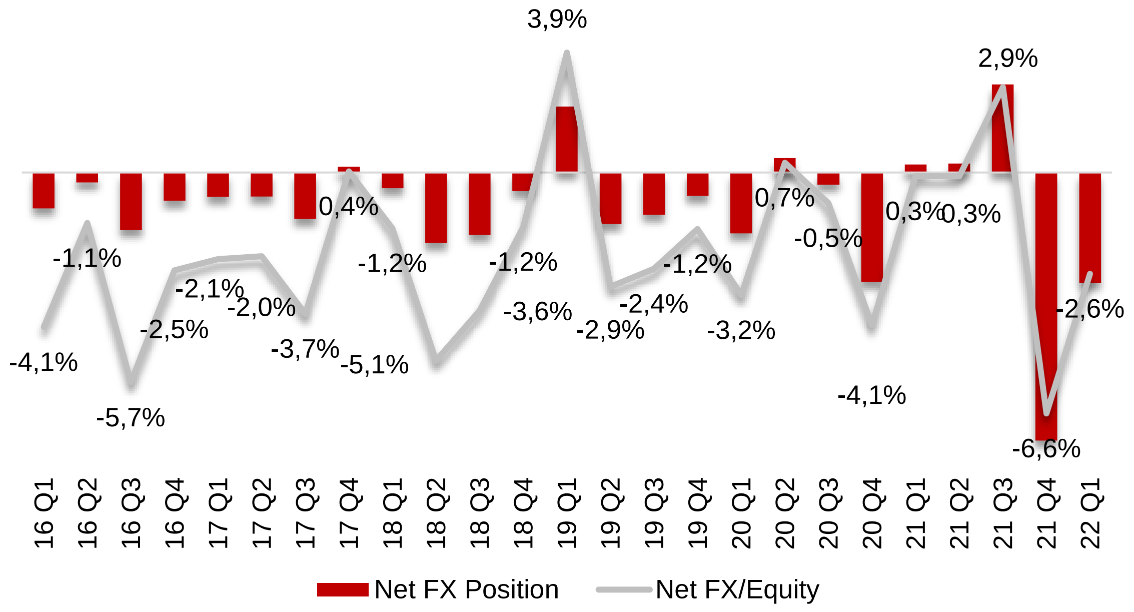


Other



Close watch on FX risk, proactively taken actions

Arçelik



TRYm	Before Hedge	Hedged Position	Net Position
EUR	(7,892)	7,720	(172)
USD	(3,170)	2,484	(685)
GBP	2,001	(1,839)	162
Other	1,697	(1,577)	120
TOTAL	**(7,363)**	**6,789**	**(575)**
Net FX Position / Equity			**(2,6%)**

- 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.

Özkan Çimen

CFO

(+90) 212 314 34 34

Öktem Söylemez

Senior IR Specialist

(+90) 212 705 96 81

Investor Relations App

Available on the App Store

GET IT ON Google Play

www.arcelikglobal.com

investorrelations@arcelik.com

Disclaimer

This presentation contains information and analysis on financial statements as well as forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the information and analysis are correct and expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither Arçelik nor any of its managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.

Thank You!

Arçelik

Koç