

4Q22 Financial Results

Arçelik

January 25, 2023



4Q22 HIGHLIGHTS

TRY39.2bn

Revenue

9.1%

EBITDA Margin

22.2%

OPEX / Sales

21.0%

NWC / Sales

2.26x

Leverage

Solid revenue growth momentum on track as further eased material costs contributed margin expansion..



Robust revenue growth of 74% y/y driven by price increases, higher units sold in Turkey and TRY depreciation. Organically, annual growth was 67%. On a quarterly basis, the revenue growth was 14% while organic growth were stood at 11%.



Sell-out and sell-in were positive in Turkey mainly thanks to pull forward demand, while contraction in consumer demand continued in both West & East Europe.



Eased costs, price increases and further improved OPEX/Sales ratio resulted in 42 bps q/q EBITDA margin expansion.



Net Working Capital/Sales was 21.0% thanks to decreasing inventories and strong collection.



Leverage was 2.26x, down by 0.42x compared to 3Q22 thanks to strong cash generation in the quarter.



A new business partnership with Whirlpool in Europe and acquisition of Whirlpool's MENA subsidiaries has been announced.



The NEWCO
'Beko Europe'



Arçelik

Whirlpool

25 European Subsidiaries / Country Offices

38 European Subsidiaries / Country Offices

~ 6,000 Employees

~ 14,400 Employees

2 Factories in Romania

14 Factories in Italy, Poland, Slovakia and
The UK

Brands to be owned by the NEWCO;
Grundig, Arctic, Elektrabregenz, Flavel and
Leisure

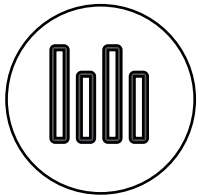
Brands to be owned by the NEWCO;
Hotpoint, Indesit, Bauknecht, Privileg and
Ignis

Brands to be licensed to the NEWCO;
Beko, Altus, Blomberg

Brands to be licensed to the NEWCO;
Whirlpool

- A new company (NEWCO) named 'Beko Europe' has been established.
- 24 million annual production capacity in total for European business.
- Arçelik will have the control of the NEWCO and fully consolidate.
- Around EUR6bn and EUR4.3bn combined revenues as of FY21 and 9M22, respectively.
- Over EUR200mn cost synergies expected from footprint optimization, procurement and logistics.
- Apart from the NEWCO for European business, Arçelik will acquire Whirlpool's MENA subsidiaries at an EV amount of EUR20mn subject to net working capital and net debt adjustment at closing date.
- Around EUR182mn revenue of Whirlpool's MENA subsidiaries, as of FY21.
- Conditions: Subject to approval from regulatory authorities
- Expected closing: Second half of 2023.

*The final ownership ratio will be determined by taking into account the EBITDA and net fixed asset value in the FY22 financials and based on net debt and net working capital after the closing financial statements are prepared.

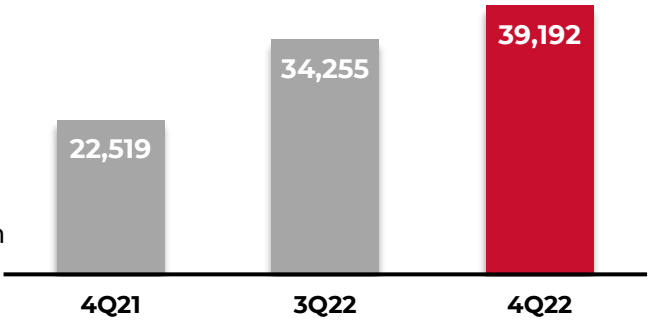


REVENUE GROWTH

74%*

- ↑ Price increases on both quarterly & yearly basis
- ↑ Significant TRY depreciation on a yearly basis
- ↑ Increased unit sales in Turkey on a yearly basis

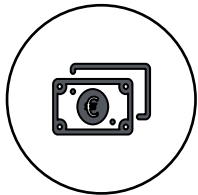
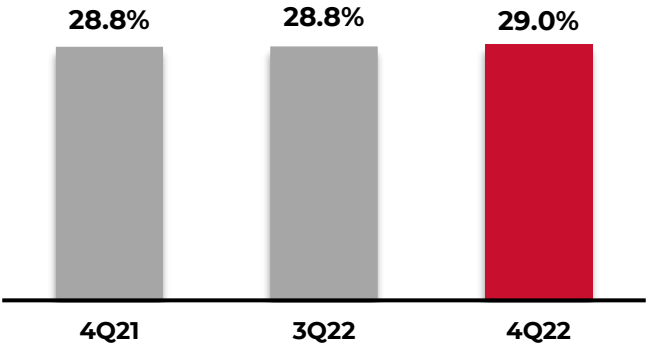
TRYmn



GROSS MARGIN

29.0%

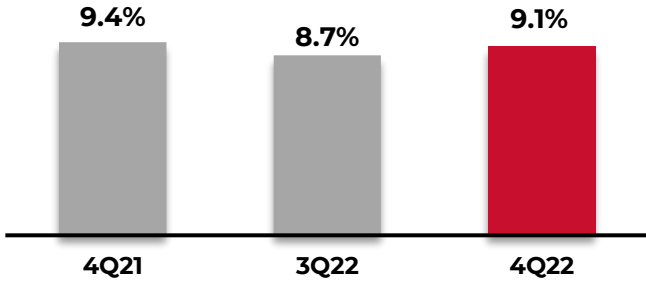
- ↑ Eased raw material costs
- ↑ Appreciated EUR against USD
- ↓ Lower capacity utilisation on both quarterly & yearly basis



EBITDA MARGIN

9.1%

- ↑ Lower OPEX/Sales on a quarterly basis thanks to lower marketing and logistics expenses



*Includes inorganic revenue contribution of Indesit International JSC and Whirlpool RUS LLC acquisition. Organically, annual and quarterly revenue growth was 67% and 11% in 4Q22, respectively.

Operational Performance



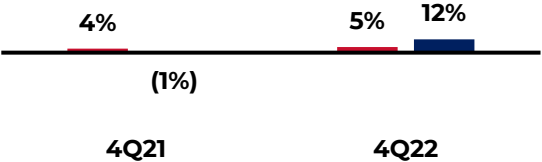
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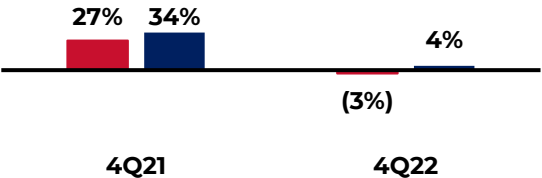
MDA6*

ARÇELİK y/y growth (%)
TURKEY y/y growth (%)



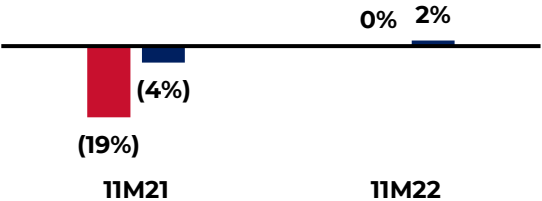
AIR CONDITIONER*

ARÇELİK y/y growth (%)
TURKEY y/y growth (%)

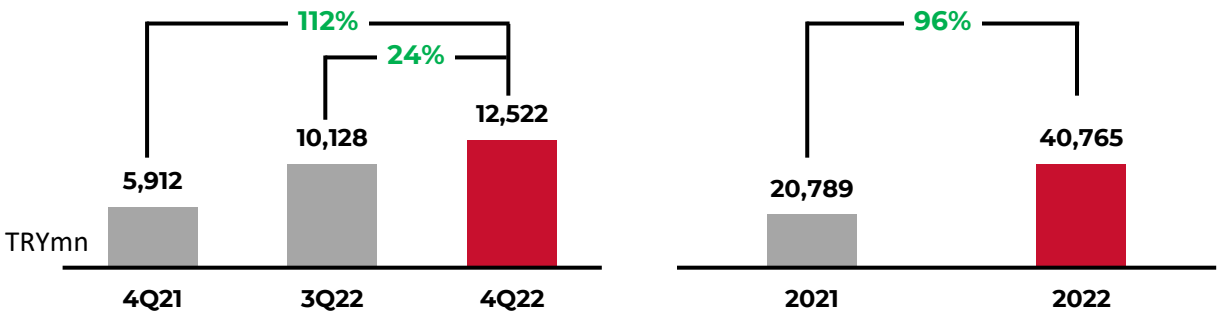


TELEVISION**

ARÇELİK y/y growth (%)
TURKEY y/y growth (%)



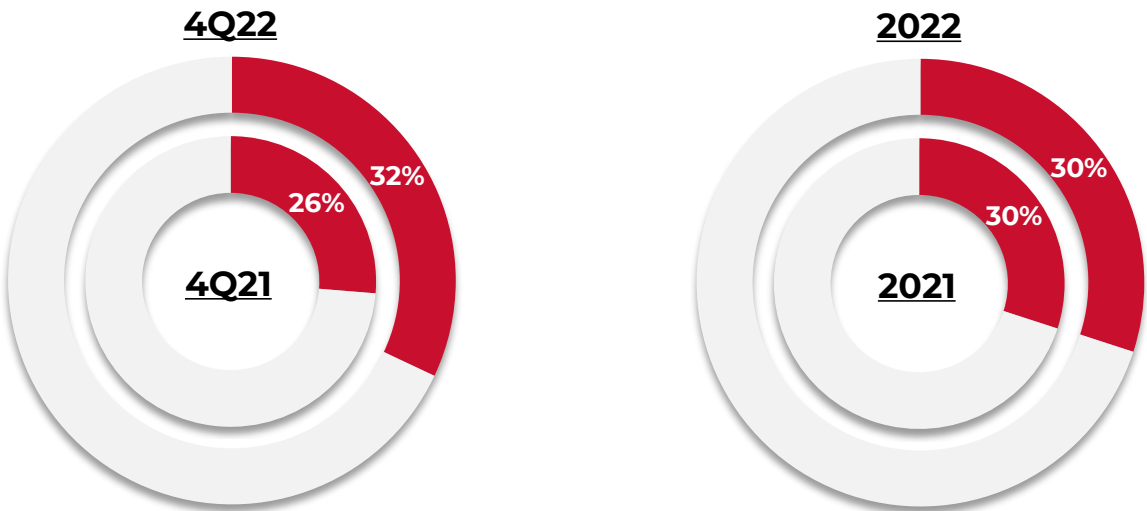
Turkey Revenue Growth



- Price increases on y/y & q/q
- Unit growth in MDA6 (sell-in) y/y

- Price increases
- Unit growth in A/C (sell-in)
- Unit contraction in MDA6 (sell-in)

Turkey Share in Total Revenue

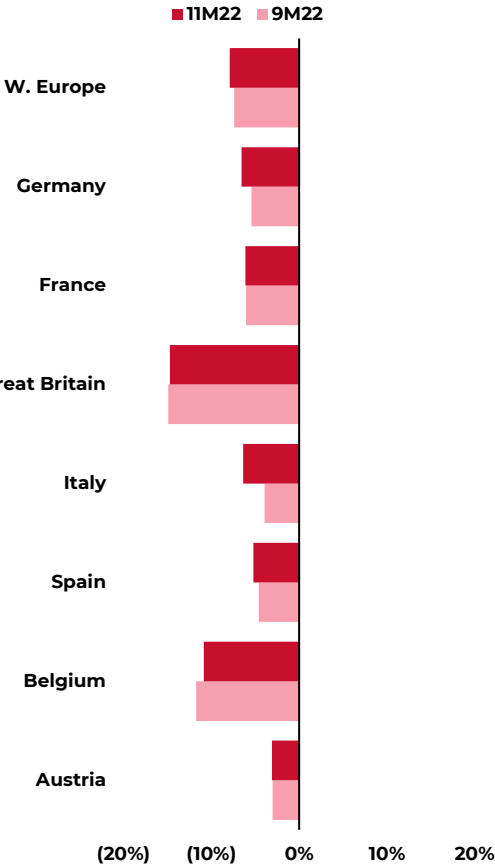


*MDA6 and A/C data (sell-in, in unit terms) is based on WGMA for 4Q22 period on a cumulative basis.
**TV market reflects the data of a retail panel market for 11M22 period in unit terms on a cumulative basis.



Western Europe

y/y market unit growth



MDA6 Market

- Further slowdown in consumer demand in Western Europe market in October & November, leading to high single digit contraction in 11M22, on a yearly basis.
- Great Britain has been worst performer among Western European countries with a demand contraction at mid-teens percentage.
- Despite having been contracted in unit terms, market remained flattish in 11M22 y/y in value terms, reflecting price increases and higher share of premium segment sales. Yet, this trend has been vanished in Oct-Nov 2022 period with c.2% y/y contraction in value terms.

Arçelik in Western Europe

- Flattish revenue in EUR terms in 4Q22 compared to a year ago.



Eastern Europe

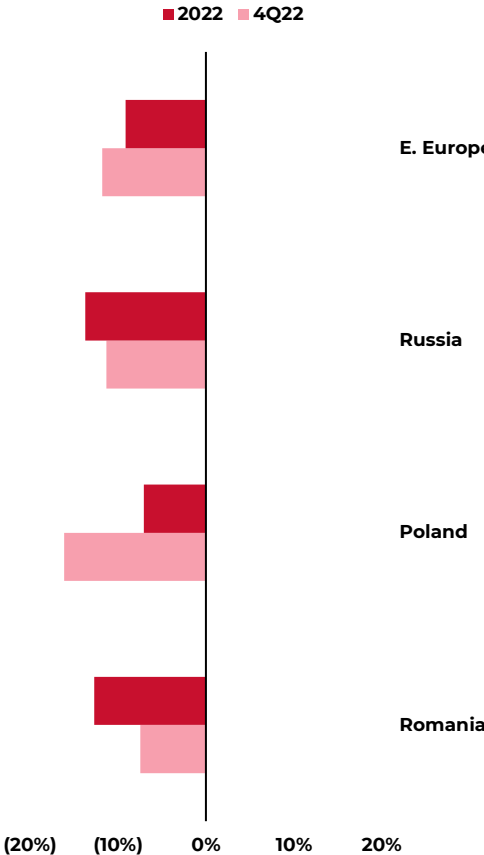
MDA6 Market

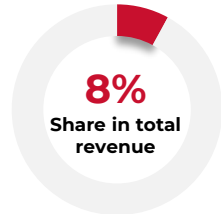
- Consumer demand continued to contract by double-digit percentage in 4Q22, leading to c.10% contraction in 2022 on a yearly basis.
- Market grew significantly at mid-teens percentage in value terms in 2022 on thanks mainly to strong price increases in the market.

Arçelik in Eastern Europe

- 46% y/y revenue growth in EUR terms thanks mainly to price increases and inorganic revenue contribution from recent acquisition. Organically, revenue growth was 16%.

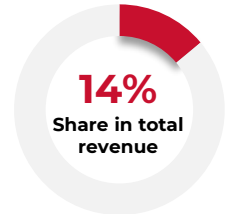
y/y market unit growth





Africa & Middle East

- Revenues from Africa & Middle East increased by c.27% y/y in 2022 in EUR terms thanks to significantly higher growth in both operations.
- Defy's domestic unit sales were significantly higher in the fourth quarter compared to 3Q22 thanks mainly to Black Friday campaigns. On a yearly basis, units were down by high single digit due to declining market. Export units were down by mid-to-high single digit on a quarterly basis and grew at low-teens on a yearly basis.
- Defy's revenue increased by c.15% in EUR terms and by c.20% in ZAR terms q/q in 4Q22 thanks to unit growth and price increases and grew by c.13% in EUR terms and c.15% in ZAR terms y/y mainly thanks to price increases.
- Defy further increased its market share significantly as of December 2022, compared to a year ago in South Africa and maintained its strong leadership in a declining demand environment.
- Beko Egypt registered c.29% y/y revenue growth in 4Q22 in EUR terms thanks mainly to price increases while on a quarterly basis, revenue fell by c.26% in EUR terms mainly due to the import regulation imposed in the country.
- Groundbreaking ceremony has been organised in Egypt for USD100mn greenfield investment which is expected to be established in 2023.



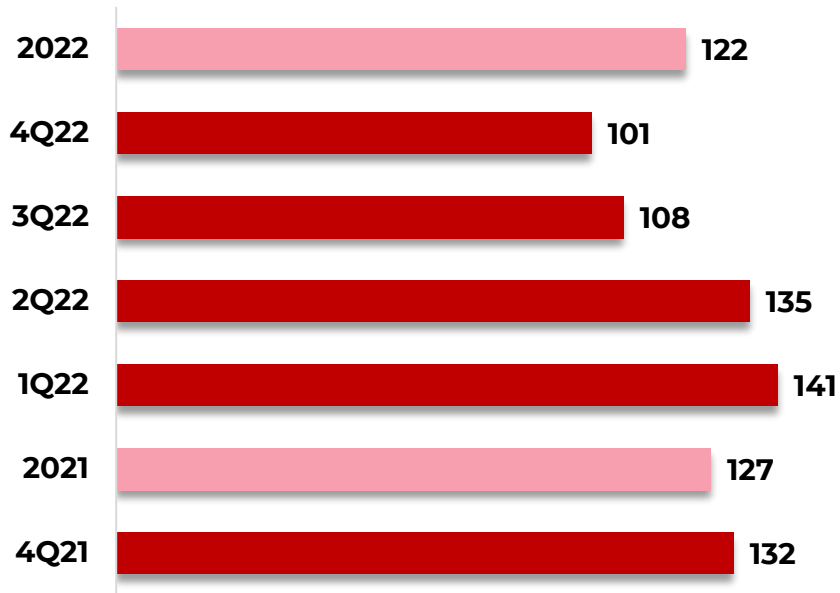
Asia-Pacific

- Revenues from APAC were down by c.5% in EUR terms in 4Q22 y/y.
- In Pakistan, due to depreciated PKR against EUR, lower A/C sales and deteriorated purchasing power of consumers, units were contracted on both quarterly and yearly basis. Thus, net sales were down by c.9% q/q in PKR terms (c.11% in EUR terms). On a yearly basis, thanks to price increases, net sales were increased by c.6% in PKR terms while due to PKR depreciation, net sales were contracted by c.8% in EUR terms.
- In Bangladesh, net sales were increased by c.4% in BDT terms in 4Q22 y/y driven by higher television unit sales and price increases. In EUR terms, net sales were down by c.3% due to depreciated BDT against EUR.

Raw material prices were further eased in 4Q22 However, still quite above pre-pandemic levels

4Q22 Financial Results

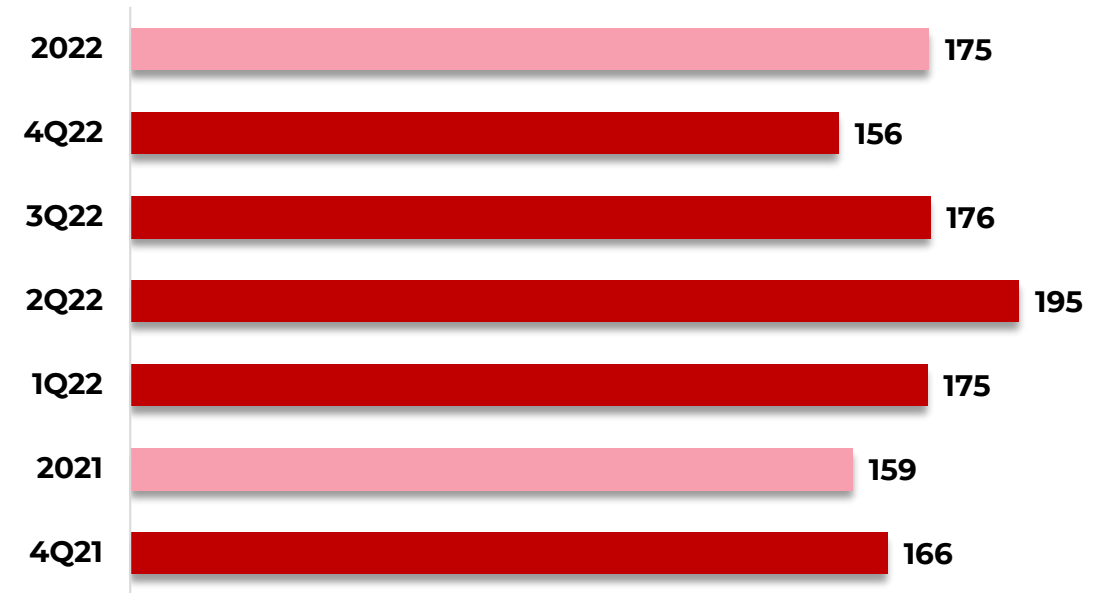
Average Metal Prices Index - Market



- Continued easing of metal raw material prices as a result of further shrunk in demand.

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.
- Declining energy prices resulted in further lower plastic prices in 4Q22.

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

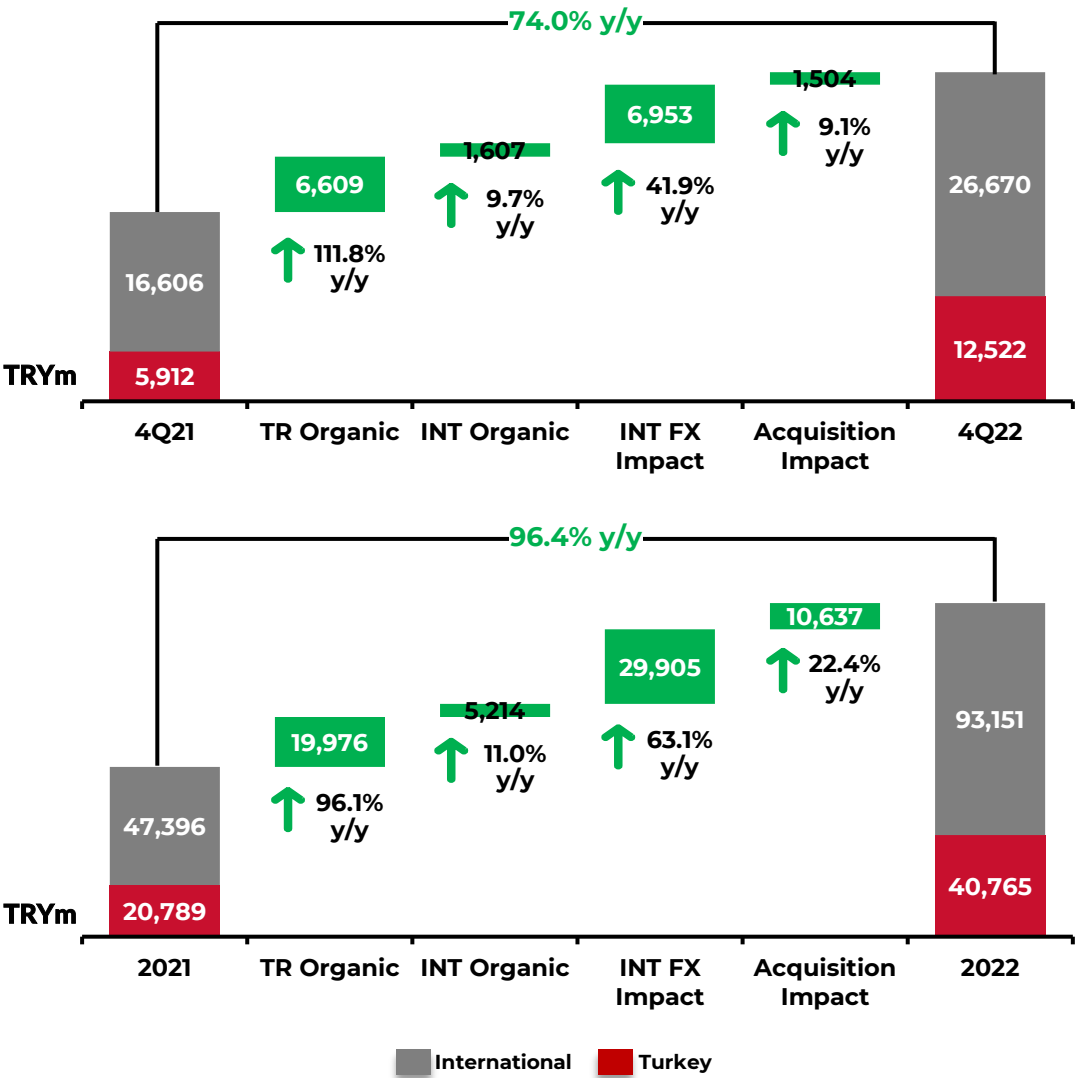
Sales Performance



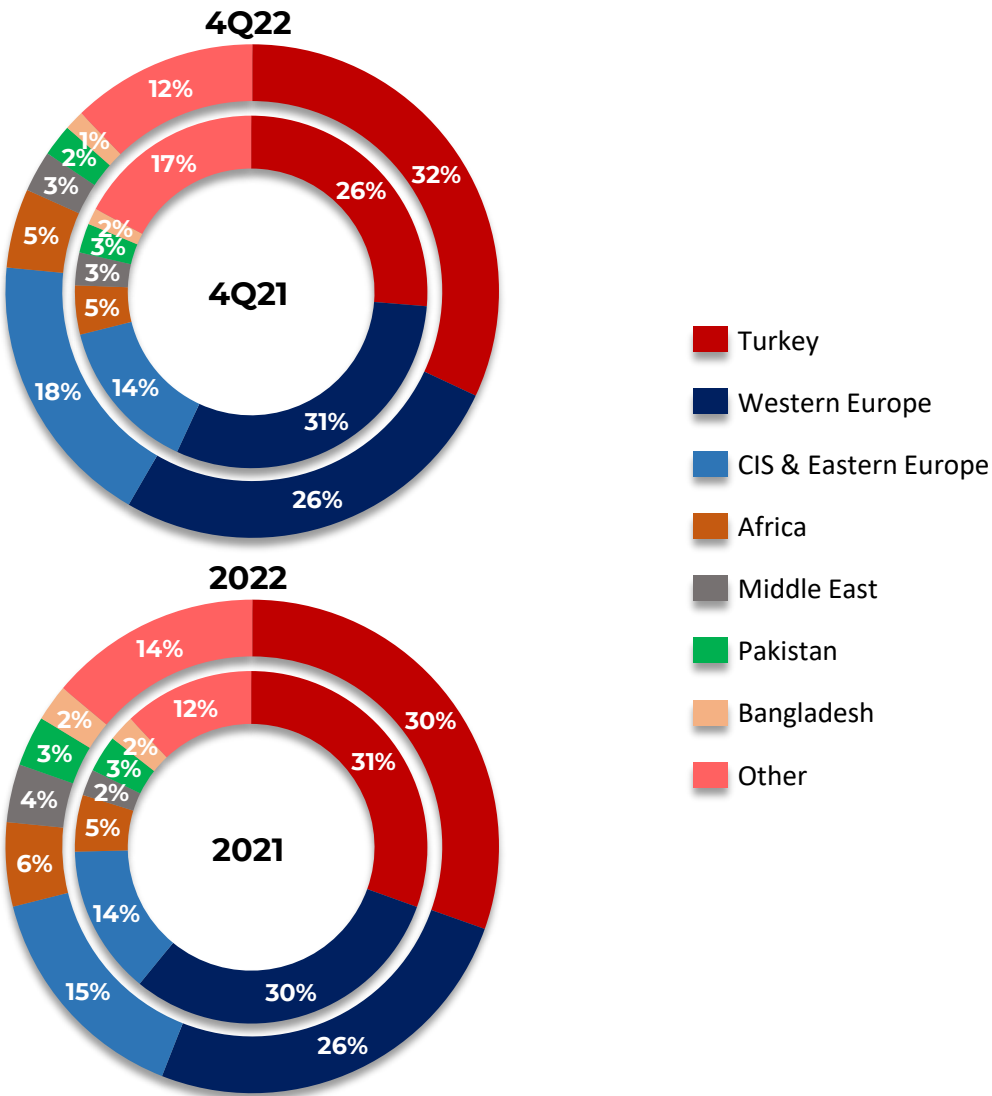
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Sales Bridge



Sales Breakdown by Geography



Financial Performance



4Q22 Financial Results

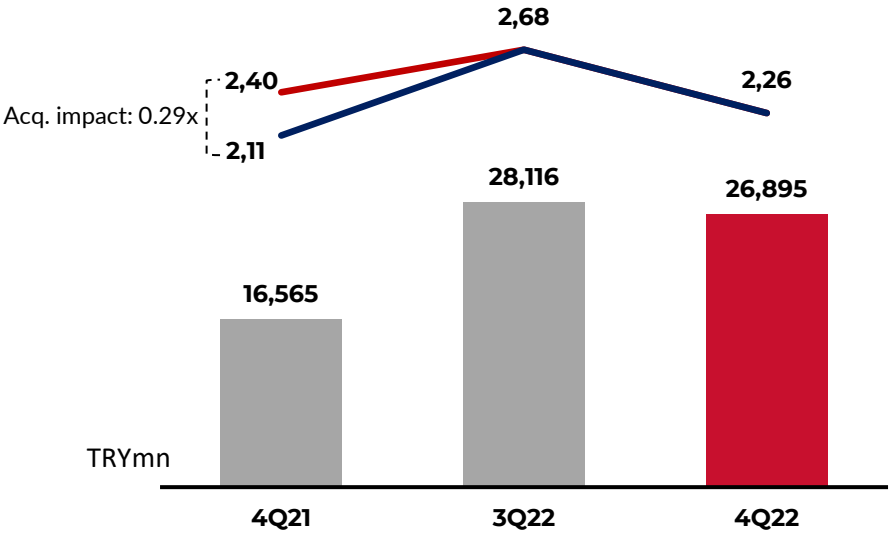
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Arçelik

TRYmn	4Q22	4Q21	y/y	3Q22	q/q	2022	2021	y/y
Revenue	39.192	22.519	74%	34.255	14%	133.916	68.184	96%
Gross Profit	11.377	6.477	76%	9.861	15%	39.493	20.478	93%
EBIT*	2.663	1.447	84%	2.100	27%	8.676	5.360	62%
EBIT* - exc. one-off items	2.663	1.156	130%	2.046	30%	8.593	5.068	70%
Profit Before Tax	2.231	974	129%	231	864%	4.218	3.623	16%
Net Income**	2.664	893	198%	495	438%	4.723	3.251	45%
Net Income** - exc. one-off items	1.265	601	110%	441	187%	3.242	2.959	10%
EBITDA	3.582	2.106	70%	2.986	20%	11.986	7.206	66%
EBITDA - exc. one-off items	3.582	1.814	97%	2.932	22%	11.903	6.914	72%
Gross Profit Margin	29,0%	28,8%	27 bps	28,8%	24 bps	29,5%	30,0%	(54 bps)
EBIT Margin	6,8%	6,4%	37 bps	6,1%	66 bps	6,5%	7,9%	(138 bps)
EBIT Margin - exc. one-off items	6,8%	5,1%	166 bps	6,0%	82 bps	6,4%	7,4%	(102 bps)
Net Profit Margin	6,8%	4,0%	283 bps	1,4%	535 bps	3,5%	4,8%	(124 bps)
Net Profit Margin - exc. one-off items	3,2%	2,7%	56 bps	1,3%	194 bps	2,4%	4,3%	(192 bps)
EBITDA Margin	9,1%	9,4%	(21 bps)	8,7%	42 bps	9,0%	10,6%	(162 bps)
EBITDA Margin - exc. one-off items	9,1%	8,1%	108 bps	8,6%	58 bps	8,9%	10,1%	(125 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

Net Debt & Leverage

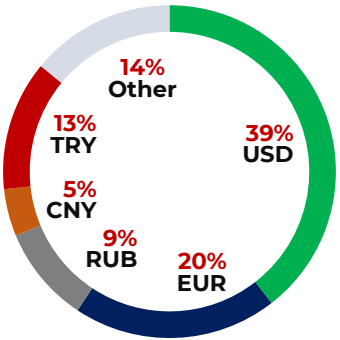


Debt Currency & Rates Breakdown

Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)	Share (%)
TRY	21,6%	5.666	5.666	11,5%
EUR	2,5%	588	11.716	23,9%
USD	7,6%	54	1.009	2,1%
GBP	5,3%	7	161	0,3%
ZAR	6,4%	1.093	1.208	2,5%
AUD	3,3%	29	363	0,7%
PKR	16,0%	37.706	3.093	6,3%
BDT	7,0%	5.901	1.071	2,2%
RUB	13,0%	10	3	0,0%
RON	7,1%	141	566	1,2%
PLN	7,8%	138	588	1,2%
NOK	3,9%	26	49	0,1%
SEK	1,0%	95	170	0,3%
IDR	8,4%	90.872	109	0,2%
MYR	6,0%	32	136	0,3%
THB	4,4%	185	100	0,2%
TOTAL LOANS			26.007	53,0%
USD	5,0%	506	9.463	19,3%
EUR	3,0%	356	7.098	14,5%
TRY	22,6%	6.496	6.496	13,2%
TOTAL BOND			23.057	47,0%
TOTAL			49.064	

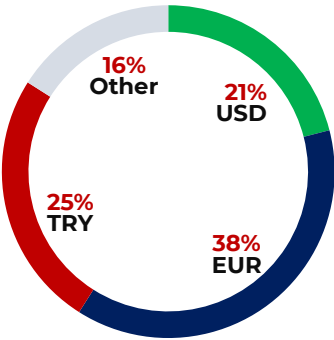
Cash Currency Breakdown

TRY24.5bn (EUR1.2bn)



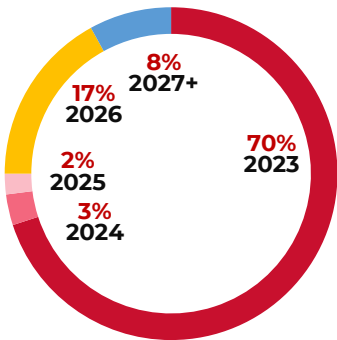
Debt Currency Breakdown

TRY49.1bn (EUR2.5bn)

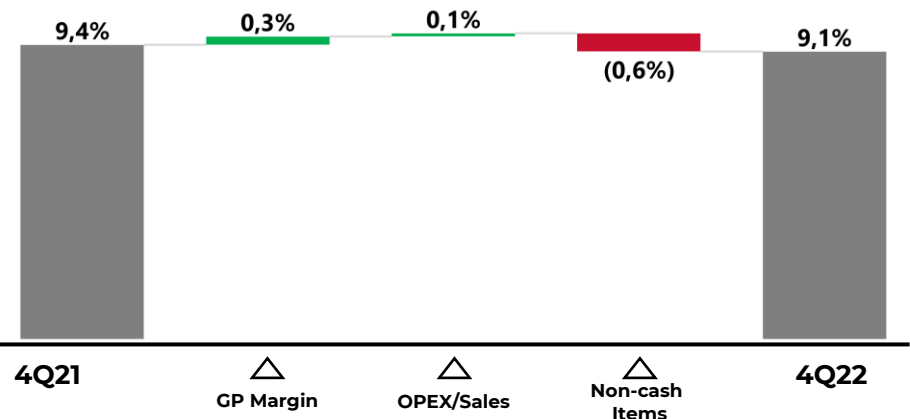


Debt Maturity Profile

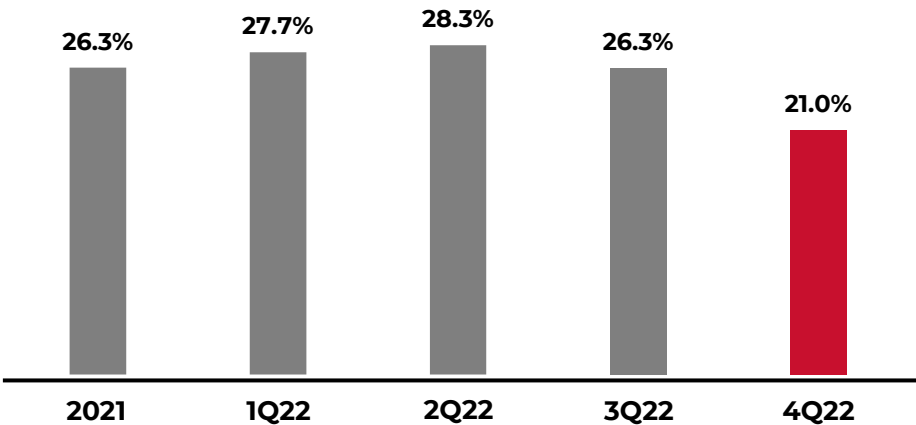
TRY49.1bn (EUR2.5bn)



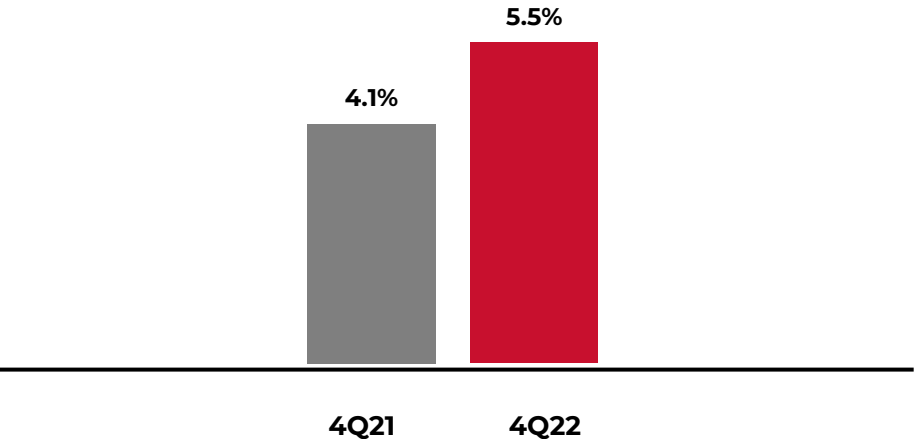
EBITDA Margin



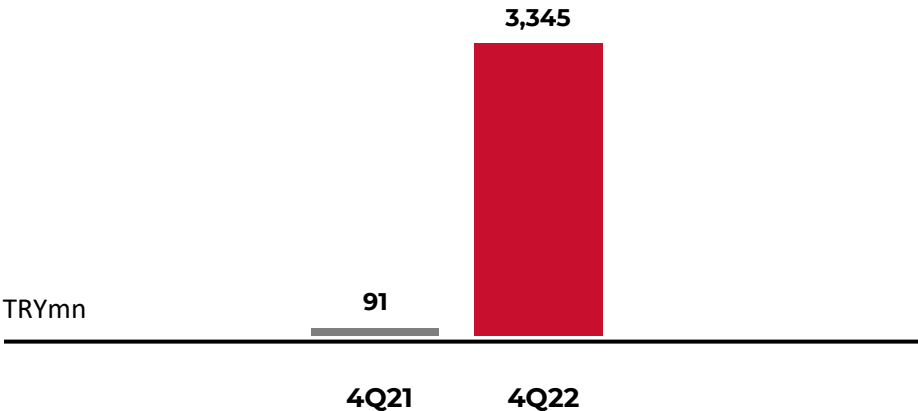
Working Capital/Sales



CAPEX/Sales



Free Cash Flow



Guidance



4Q22 Financial Results

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Revenue

- Turkey (in TRY) >70% growth
- International (in FX) >20% growth
- Consolidated (in TRY) >90% growth

Actual

- ✓ 96% growth
- ✓ 18% growth
- ✓ 96% growth



EBITDA Margin

c.9.5%



9.0%



WC/Sales

c.25%



21.0%



CAPEX

c.260 mio EUR



c.220 mio EUR



Revenue

- Turkey (in TRY) **c.45% growth**
- International (in FX) **c.6% growth**
- Consolidated (in TRY) **c.45% growth**



EBITDA Margin

c.10%



WC/Sales

23% - 25%



CAPEX

c.300 mio EUR

Q&A



4Q22 Financial Results

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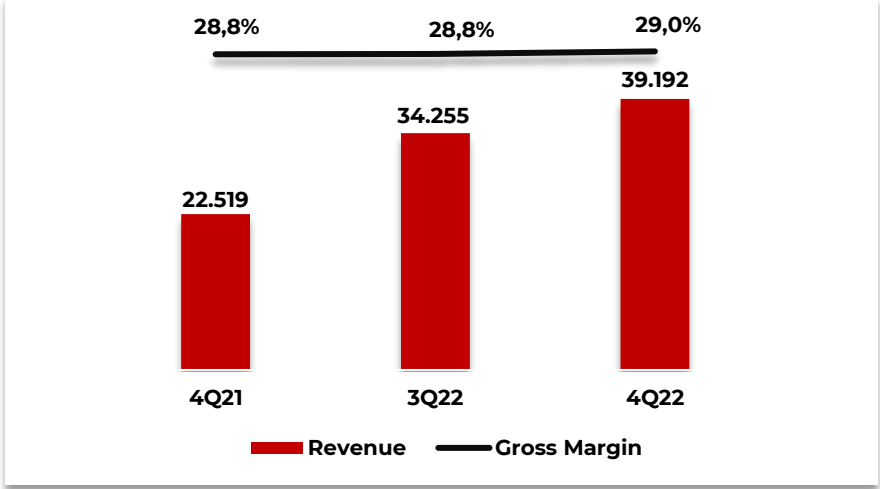
Appendix



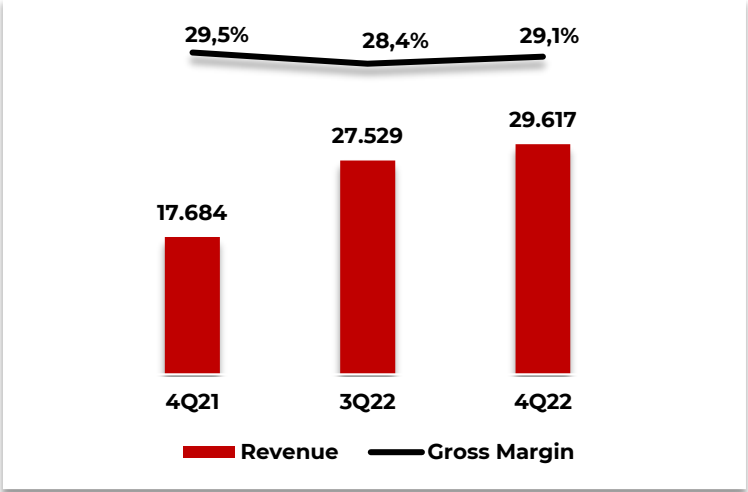
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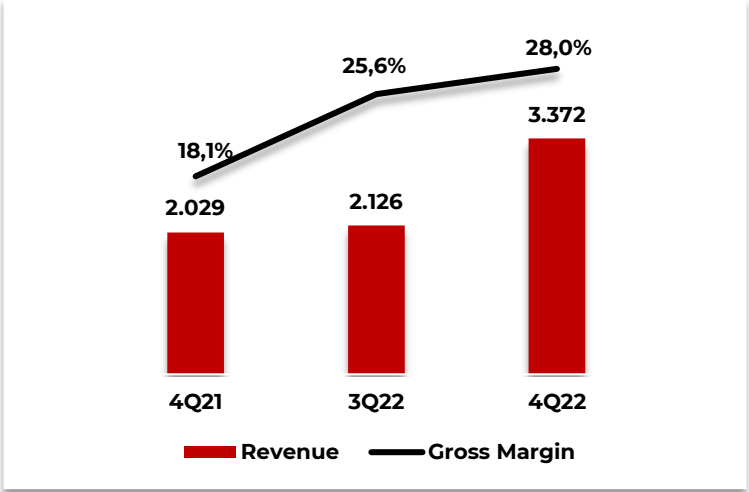
Consolidated



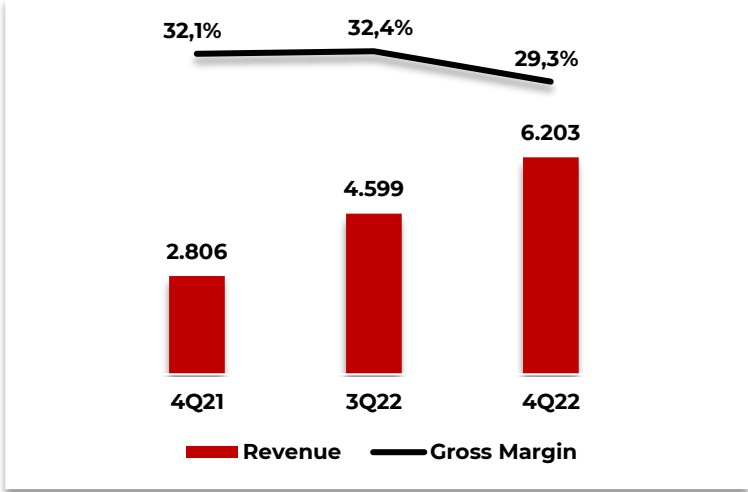
White Goods

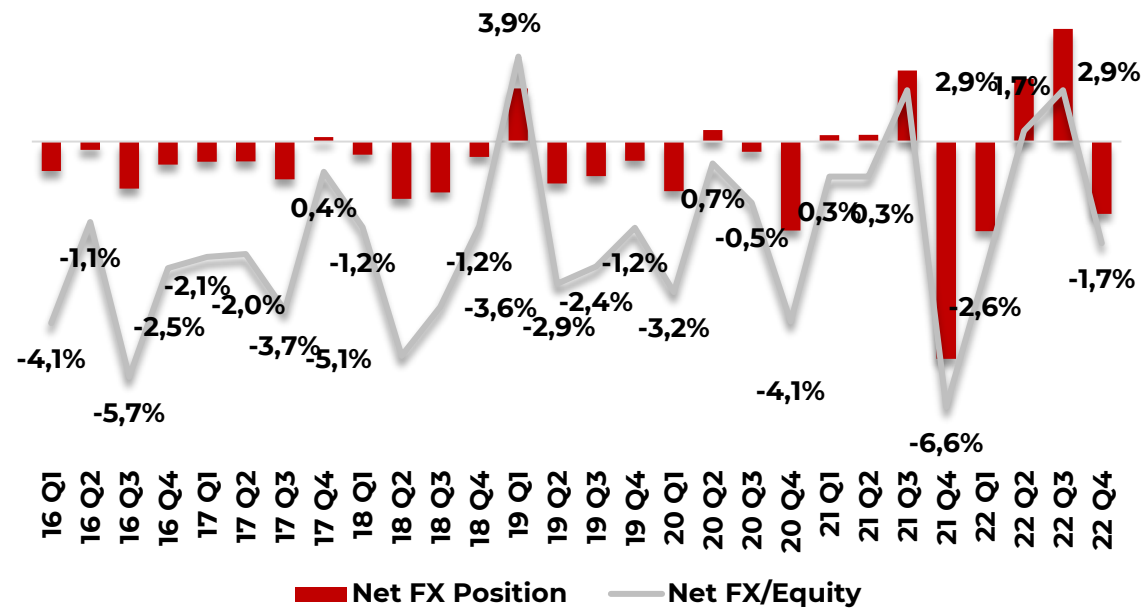


Consumer Electronics



Other





- 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.

TRYm	Before Hedge	Hedged Position	Net Position
EUR	(10,717)	10,356	(361)
USD	(2,826)	3,306	480
GBP	1,045	(1,255)	(209)
Other	(751)	379	(372)
TOTAL	(13,248)	12,785	(463)
Net FX Position / Equity			(1.7%)

- 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 39 01

Mine Şule Yazgan

Finance & Enterprise Risk Executive Director

(+90) 212 314 30 60

Öktem Söylemez

Investor Relations Lead

(+90) 212 705 96 81

Investor Relations App



www.arcelikglobal.com

investorrelations@arcelik.com

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