

3Q23 Financial Results

Arçelik

October 20, 2023



3Q23 HIGHLIGHTS

TRY58.2bn

Revenue

10.6%

EBITDA Margin

24.0%

OPEX / Sales

23.4%

NWC / Sales

2.36x

Leverage

Solid revenue growth momentum and annual margin improvement at all lines maintained..



Consolidated revenue growth of 70% y/y driven by continued strong unit growth in Türkiye, strategic pricing initiatives and TRY depreciation.



Wholesale & retail demand in Türkiye remained strong while the demand in international markets continued to decline.



EBITDA margin was 10.6%, up by 190 bps y/y thanks to eased raw material costs, strong Türkiye operations and strategic pricing across regions.



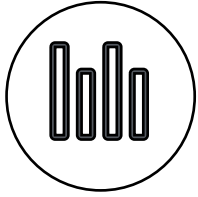
Net Working Capital/Sales was 23.4% as of 3Q23.



Leverage was down to 2.36x as of September, 2023.



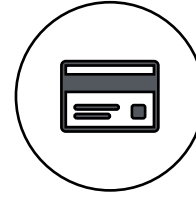
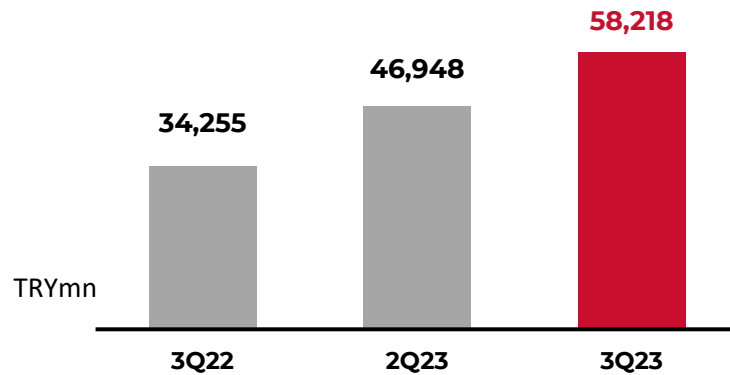
Successful issuance of USD400m Eurobond.



REVENUE GROWTH

70%

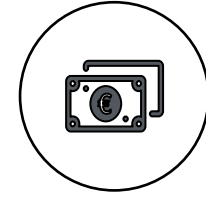
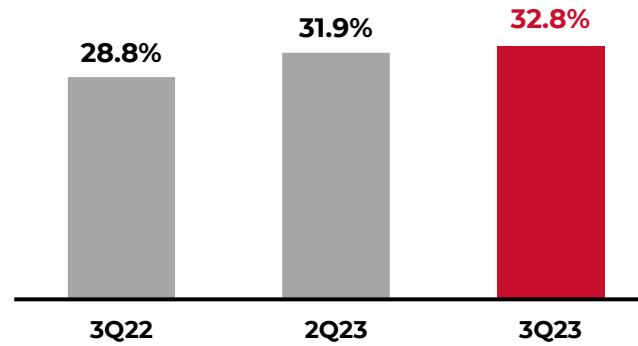
- ⬆ Strong unit growth in Türkiye
- ⬆ TRY depreciation on both q/q & y/y
- ⬆ Price increases on both q/q & y/y



GROSS MARGIN

32.8%

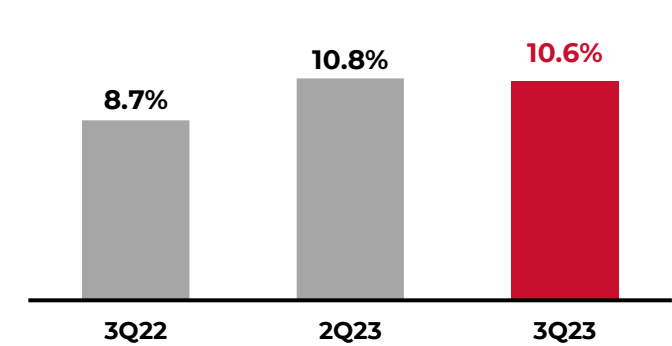
- ⬆ Lower raw material costs on both q/q & y/y
- ⬆ Favorable EURUSD parity on y/y



EBITDA MARGIN

10.6%

- ⬆ Better gross profitability on both q/q & y/y
- ⬇ Increased OPEX/Sales on both q/q & y/y



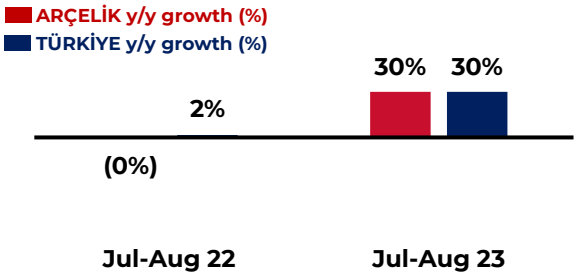
Operational Performance



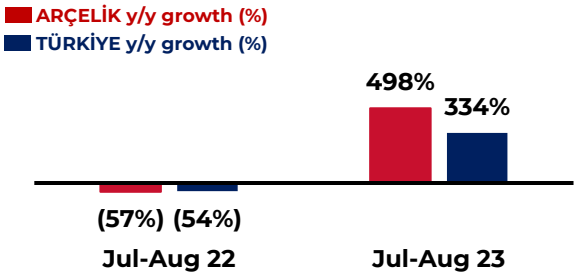
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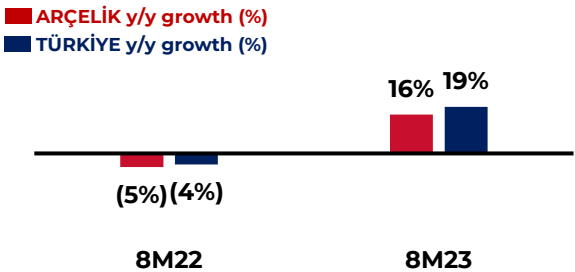
MDA6*



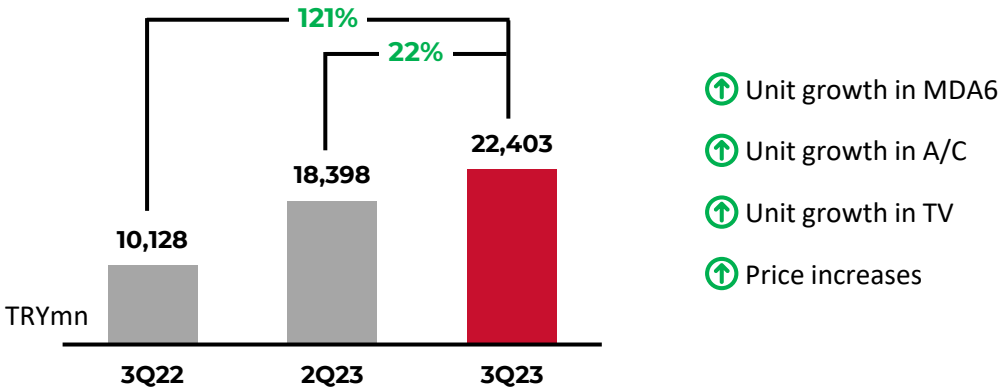
AIR CONDITIONER*



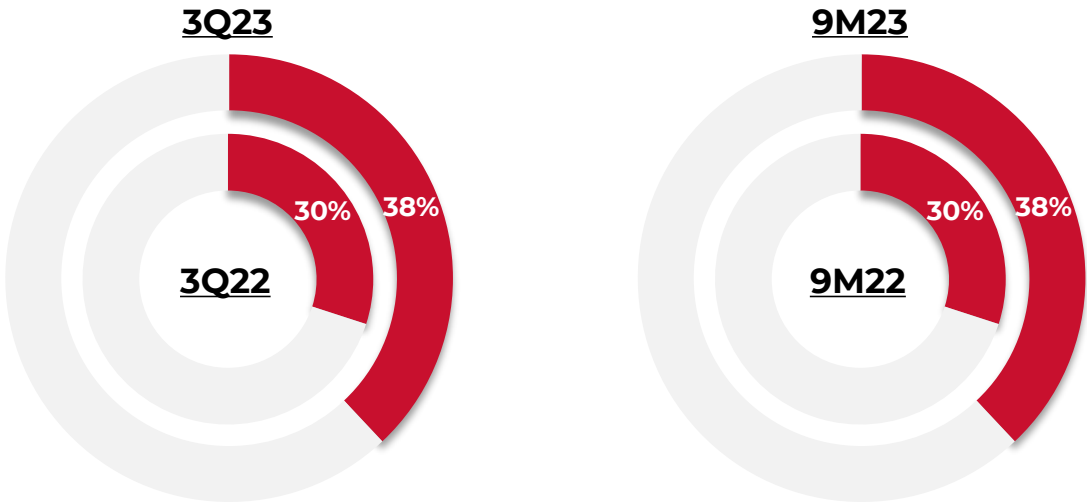
TELEVISION**



Türkiye Revenue Growth



Türkiye Share in Total Revenue



*MDA6 and A/C data (sell-in, in unit terms) is based on WGMA for July-August period on a cumulative basis.

**TV market reflects the data of a retail panel market for 8M23 period in unit terms on a cumulative basis.



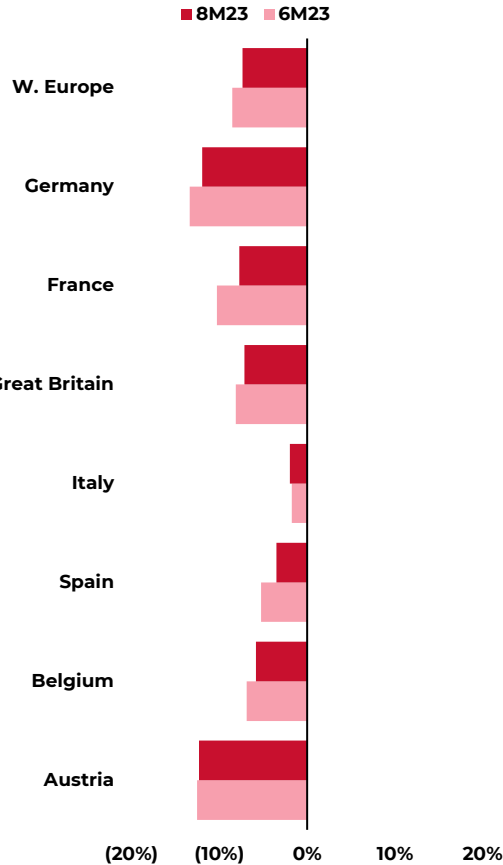
Western Europe



Eastern Europe

y/y market growth in unit terms

MDA6 Market



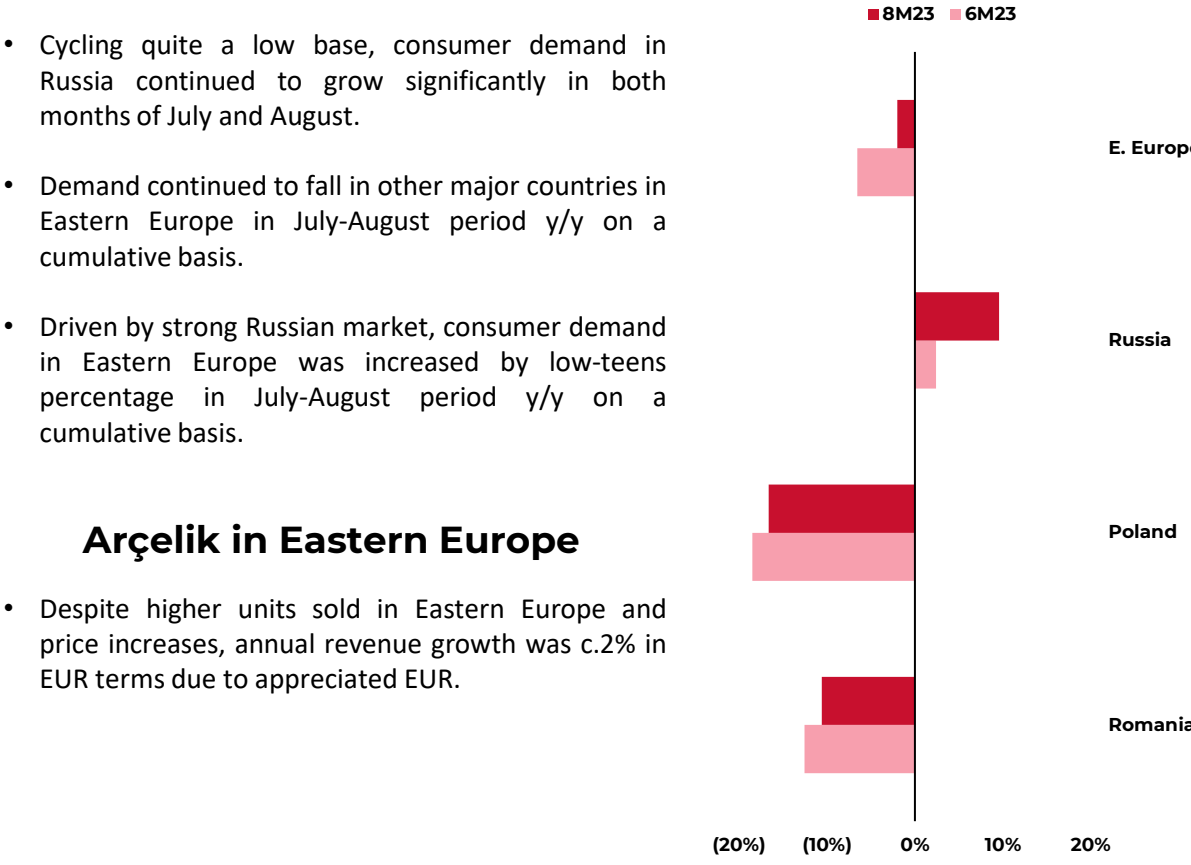
- The slowdown in consumer demand in the Western European markets continued in July and August, yet with a slower pace.
- Price increases across the industry has been continued in July and August yet with a lower rates given the weakness in demand. In the 8M23, despite price increases, market contracted by mid to low single digit percentage in value terms.

Arçelik in Western Europe

- The decline in the number of units sold was partially balanced by price increases; nevertheless, revenue in 3Q23 decreased by approximately a low-single-digit percentage in EUR terms y/y.
- Arçelik's price index as a group has increased in 8M23 in Western Europe.

y/y market growth in unit terms

MDA6 Market



- Cycling quite a low base, consumer demand in Russia continued to grow significantly in both months of July and August.
- Demand continued to fall in other major countries in Eastern Europe in July-August period y/y on a cumulative basis.
- Driven by strong Russian market, consumer demand in Eastern Europe was increased by low-teens percentage in July-August period y/y on a cumulative basis.

Arçelik in Eastern Europe

- Despite higher units sold in Eastern Europe and price increases, annual revenue growth was c.2% in EUR terms due to appreciated EUR.



Africa & Middle East

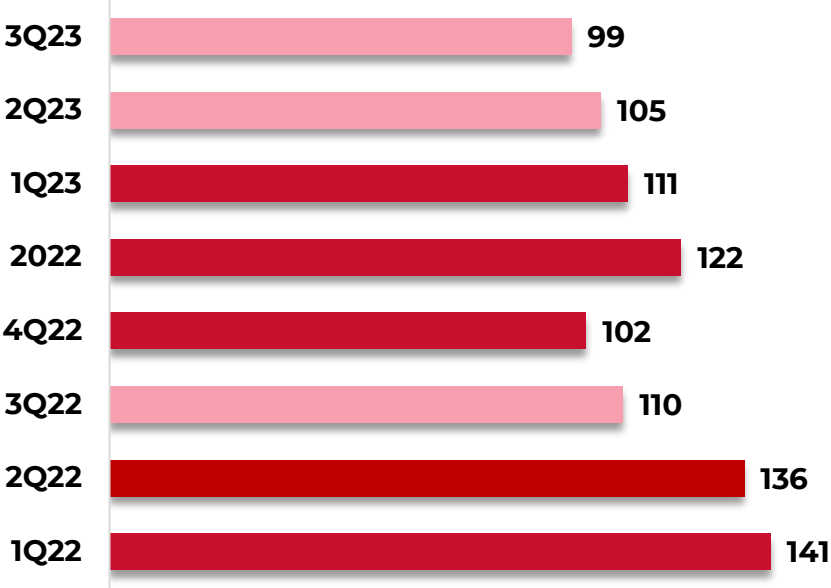
- Revenues generated from Africa & Middle East increased by c.7% y/y in 3Q23 in EUR terms, mainly driven by strong Middle East operations.
- Defy's domestic unit sales increased by low-teens percentage in the third quarter on a yearly basis while export units declined by high single digit percentage.
- Defy's net sales increased by c.4% in ZAR terms in 3Q23 y/y. In EUR terms, net sales were contracted at around low-teens percentage, as a result of depreciated ZAR against EUR.
- Compared to the declining trend in the first and the second quarter of 2023, consumer demand improved in 3Q23 and was flattish compared to a year ago. Defy maintained its strong market leadership as of September 2023.
- Despite the declining market due to challenging macroeconomic conditions and restrictions on trade, Beko Egypt posted a solid revenue growth of %54 in EUR terms y/y thanks mainly to increased white goods sales.
- Compared to the first eight months of 2022, MDA6 market contracted at high-single digit percentage in Egypt. In this period, Beko increased its market share in the country, in both unit and value terms and also its price index.



Asia-Pacific

- Revenues from APAC were down by c.31% in EUR terms in 3Q23 y/y. The contraction was primarily as a result of weak demand environment.
- In Pakistan, net sales increased by c.16% y/y in PKR terms thanks mainly to price increases, despite lower units sold given the unfavourable economic conditions. In EUR terms, net sales were contracted by c.17%, reflecting the depreciation of PKR and contracted sales units.
- In Bangladesh, net sales were down by c.35% in BDT terms in 3Q23 y/y due to unit contraction in major products such as refrigerator, air conditioner, computer and sewing machine. BDT continued to depreciate against EUR which has led to c.47% y/y lower net sales in EUR terms.

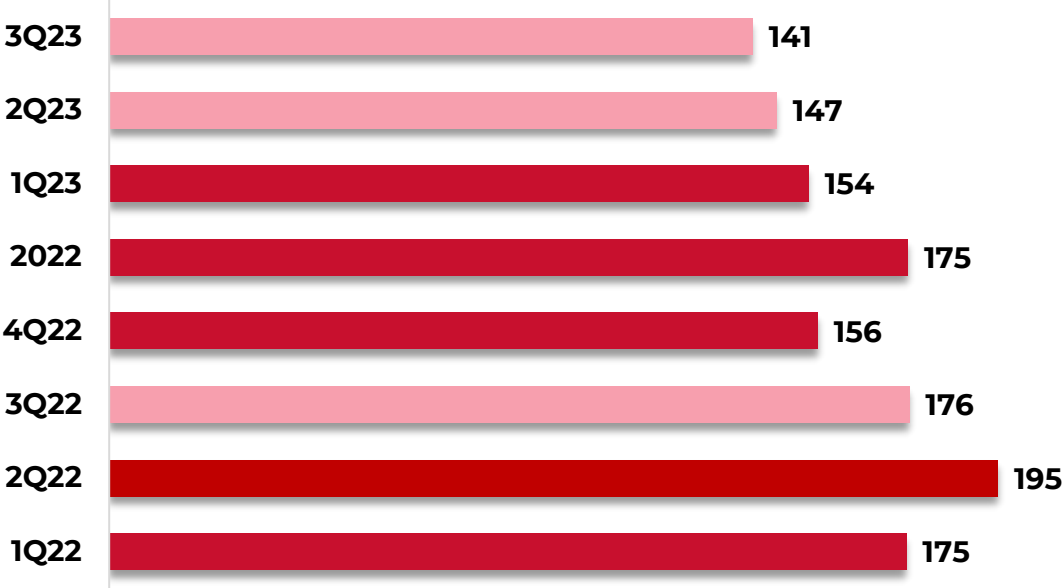
Average Metal Prices Index - Market



- Metal raw material prices have contracted on both quarterly and yearly basis mainly due to declined global demand, increased policy rates and decreased energy & input costs.

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

Average Plastic Prices Index - Market



- Plastic raw material prices declined on both quarterly and yearly basis in 3Q23 as a result of lower demand and decreased energy and transportation costs.

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

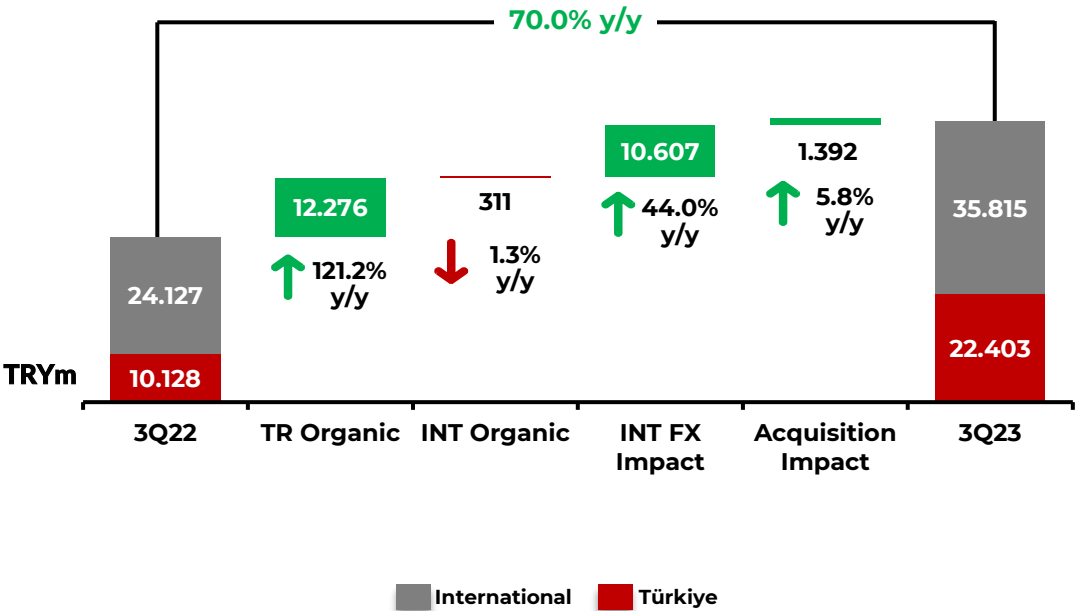
Sales Performance



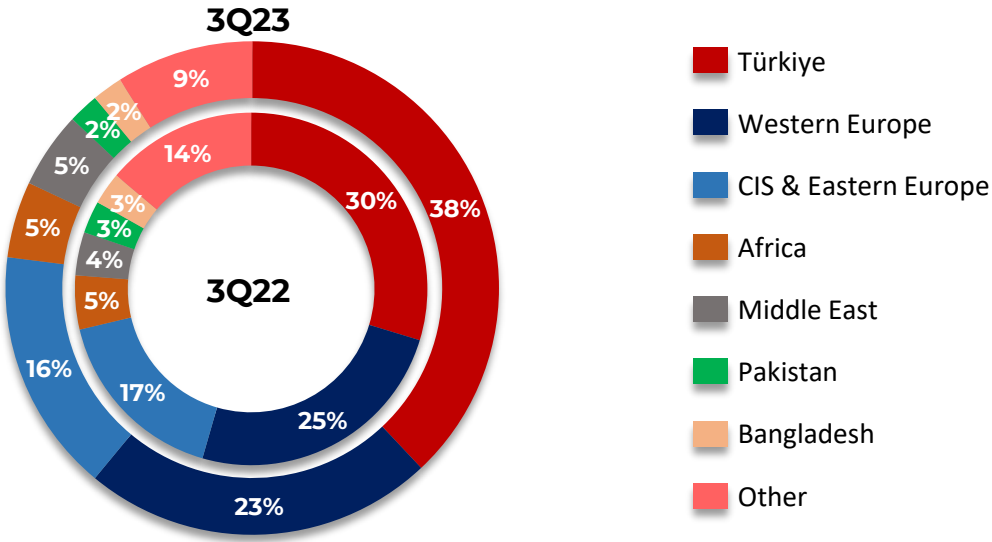
3Q23 Financial Results

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Sales Bridge



Sales Breakdown by Geography



Financial Performance



3Q23 Financial Results

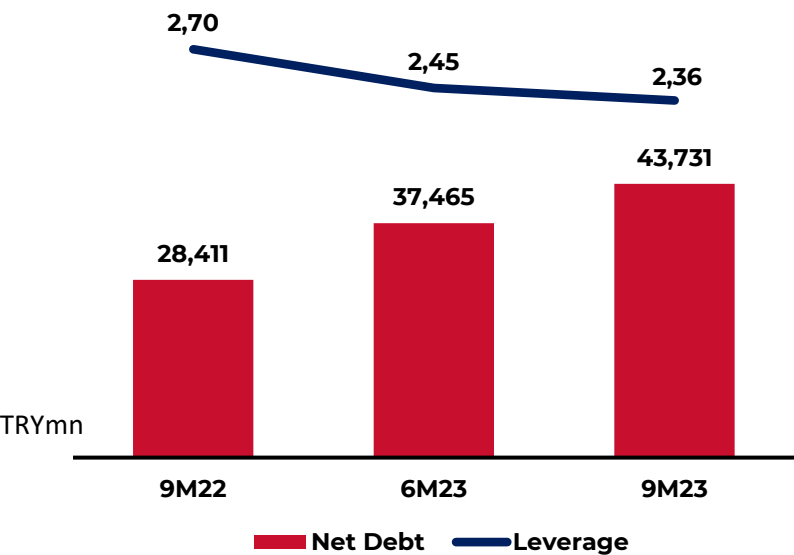
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Arçelik

TRYmn	3Q23	3Q22	y/y	2Q23	q/q	9M23	9M22	y/y
Revenue	58.218	34.255	70%	46.948	24%	145.057	94.724	53%
Gross Profit	19.077	9.861	93%	14.998	27%	46.491	28.116	65%
EBIT	4.844	2.100	131%	3.958	22%	11.495	6.013	91%
EBIT - exc. one-off items	5.118	2.046	150%	3.958	29%	11.769	5.930	98%
Profit Before Tax	1.354	231	485%	1.126	20%	3.191	1.987	61%
Net Income	1.146	495	132%	683	68%	2.988	2.059	45%
Net Income - exc. one-off items	1.420	441	222%	683	108%	3.262	1.977	65%
EBITDA	6.182	2.986	107%	5.047	22%	14.920	8.404	78%
EBITDA - exc. one-off items	6.456	2.932	120%	5.047	28%	15.194	8.321	83%
Gross Profit Margin	32,8%	28,8%	398 bps	31,9%	82 bps	32,1%	29,7%	237 bps
EBIT Margin	8,3%	6,1%	219 bps	8,4%	(11 bps)	7,9%	6,3%	158 bps
EBIT Margin - exc. one-off items	8,8%	6,0%	282 bps	8,4%	36 bps	8,1%	6,3%	185 bps
Net Profit Margin	2,0%	1,4%	52 bps	1,5%	51 bps	2,1%	2,2%	(11 bps)
Net Profit Margin - exc. one-off items	2,4%	1,3%	115 bps	1,5%	98 bps	2,2%	2,1%	16 bps
EBITDA Margin	10,6%	8,7%	190 bps	10,8%	(13 bps)	10,3%	8,9%	141 bps
EBITDA Margin - exc. one-off items	11,1%	8,6%	253 bps	10,8%	34 bps	10,5%	8,8%	169 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

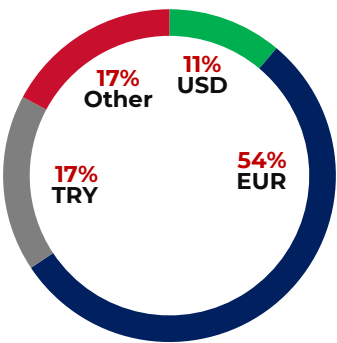


Debt Currency & Rates Breakdown

Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	29.4%	13,017	13,017
EUR	5.8%	1,262	36,627
USD	8.6%	116	3,183
GBP	7.0%	6	205
ZAR	9.8%	1,057	1,534
AUD	5.8%	30	529
PKR	23.2%	19,046	1,796
BDT	7.9%	7,733	1,922
RUB	15.3%	1,791	501
RON	7.7%	91	527
PLN	8.0%	148	929
NOK	5.9%	5	12
SEK	5.3%	118	296
CHF	4.0%	0.1	2
IDR	9.5%	89,105	158
MYR	6.0%	31	184
THB	5.5%	382	287
VND	7.2%	44,000	50
CZK	8.8%	145	173
TOTAL LOANS			61,932
USD	8.5%	400	10,941
EUR	3.0%	354	10,263
TRY	14.2%	671	671
TOTAL BOND			21,875
TOTAL			83,807

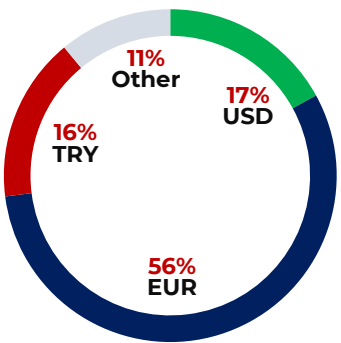
Cash Currency Breakdown

TRY39.6bn (EUR1.4bn)



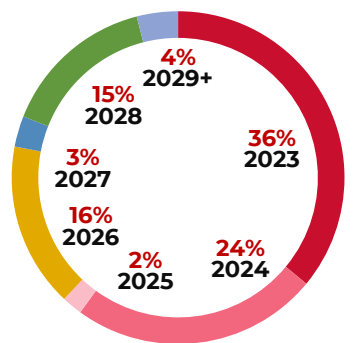
Debt Currency Breakdown

TRY83.8bn (EUR2.9bn)

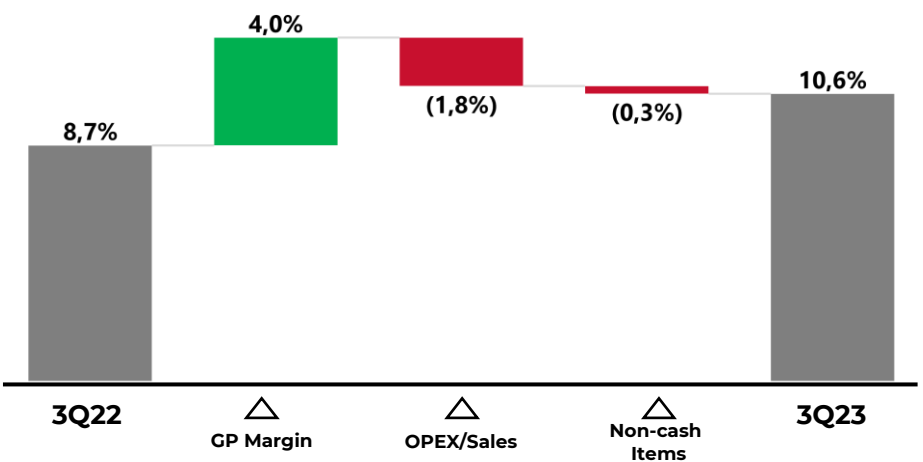


Debt Maturity Profile

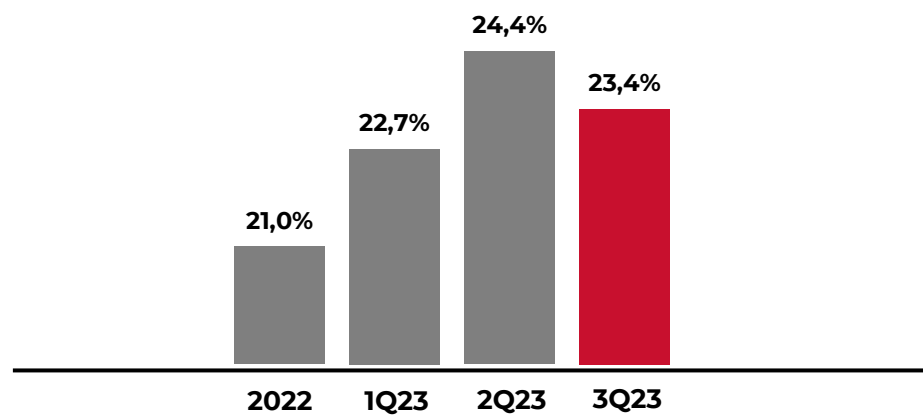
TRY83.8bn (EUR2.9bn)



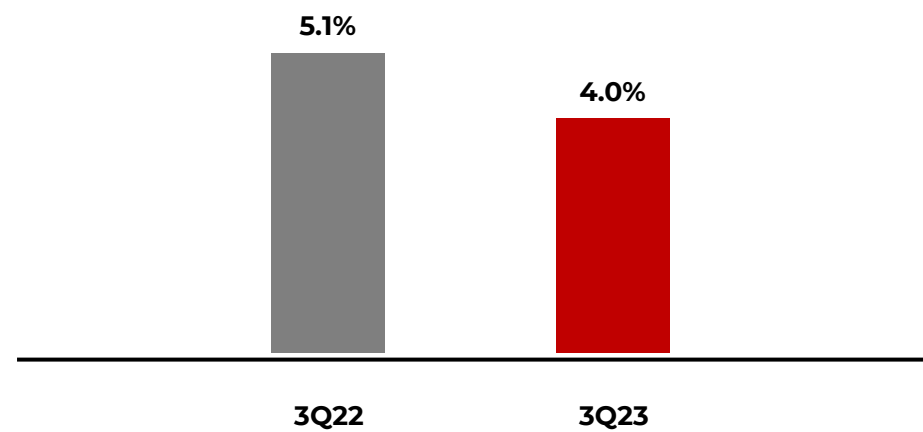
EBITDA Margin



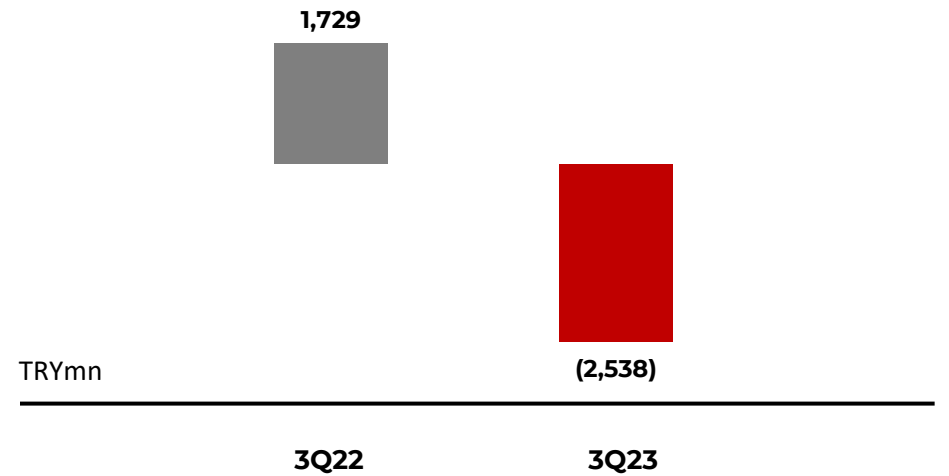
Working Capital/Sales



CAPEX/Sales



Free Cash Flow



Guidance



3Q23 Financial Results

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Revenue

- Turkey (in TRY) **c.75% growth**
- International (in FX) **c. (-) 4%**



EBITDA Margin

c.10.5%



WC/Sales

<25%



CAPEX

c.300 mio EUR

Q&A



3Q23 Financial Results

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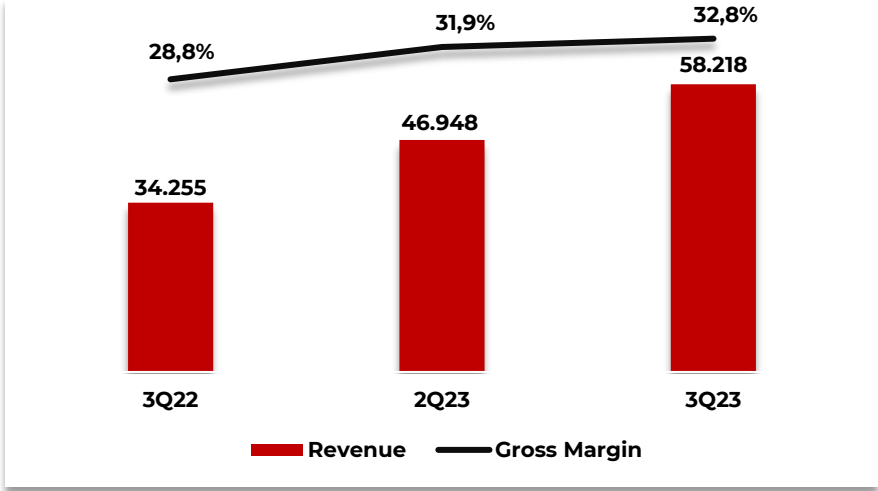
Appendix



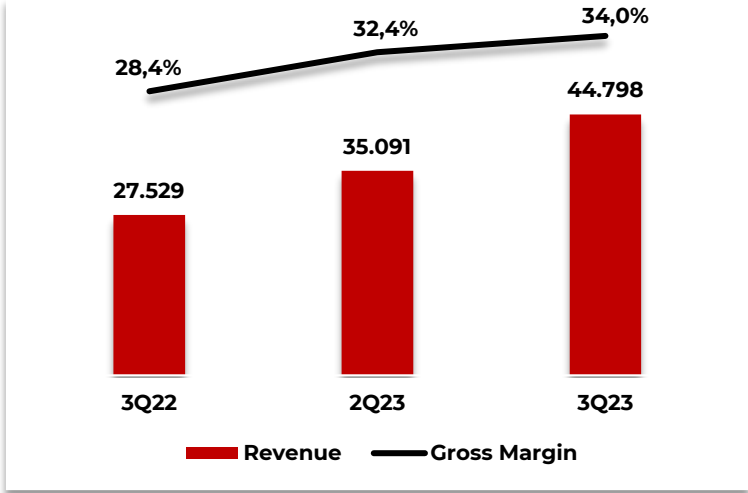
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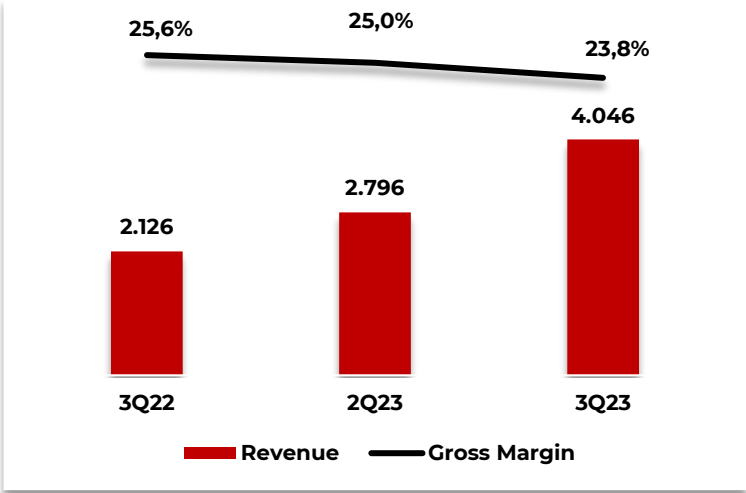
Consolidated



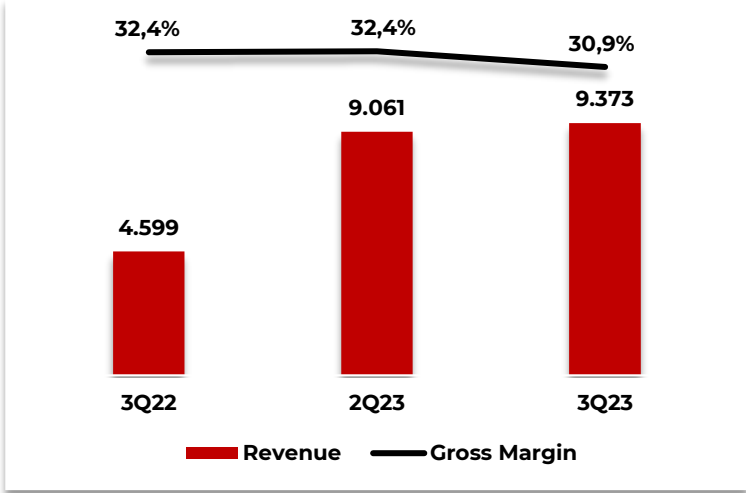
White Goods

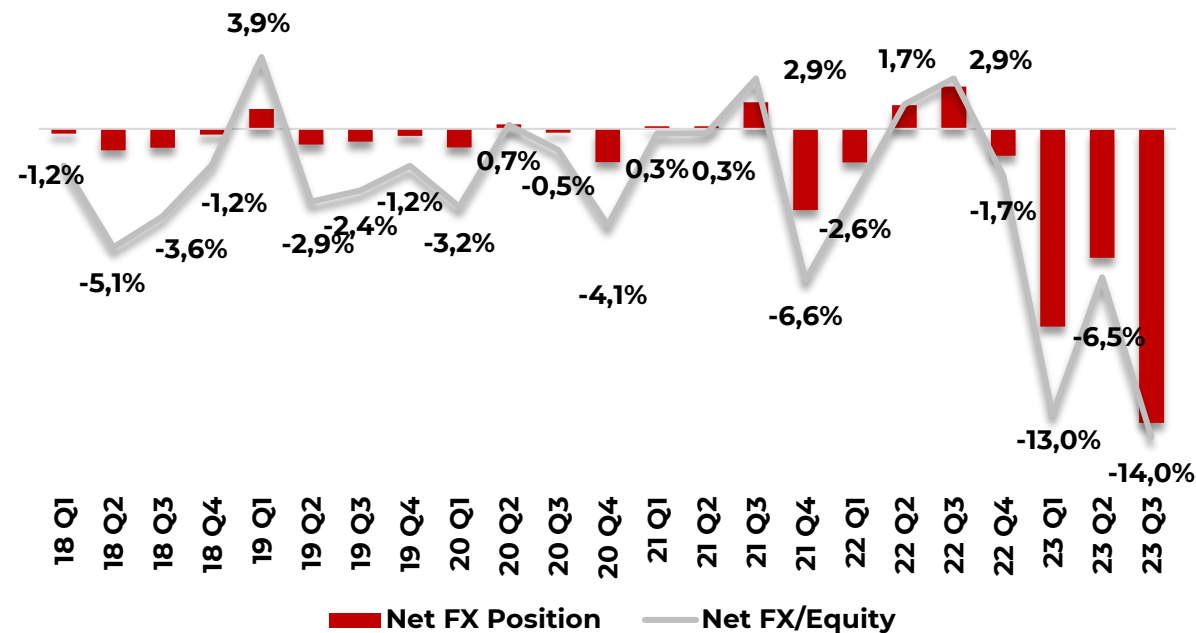


Consumer Electronics



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	(17,162)	14,615	(2,546)
USD	(13,902)	12,369	(1,534)
GBP	2,002	(1,754)	247
Other	(961)	(243)	(1,204)
TOTAL	(30,023)	24,986	(5,037)
Net FX Position / Equity			(14.0%)

- 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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