3Q24
Financial Results

October 25, 2024

Investor Relations

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Disclaimer

With the Capital Markets Board of Turkey’s Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS 29 inflationary accounting provisions.

Accordingly, this presentation on the third quarter 2024 financial results contain the Company’s financial information prepared according to Turkish Accounting / Financial Reporting Standards by application of IAS 29 inflation accounting provisions, in accordance with CMB’s decision dated 28.12.2023.

This presentation does contain forward-looking statements and figures that reflect the Company management’s current views with respect to certain future events based on the base-case assumptions. Although it is believed that the expectations reflected in these statements are reasonable under current conditions, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ. Neither Arçelik nor any of its directors, managers, or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.

3Q24 HIGHLIGHTS

TRY 105.4bn
Revenue

26.4%
Gross Margin

26.1%
OPEX/Sales

4.6%
Adj. EBITDA Margin*

22.7%
NWC/Sales

4.29x
Leverage

Weaker demand in major markets except Europe & Africa, inorganic growth with the contribution of Europe & MENA transactions.

- Consolidated revenues grew by 13.8% y/y in real terms with the contribution of Europe and MENA transactions closed as of April 1st.
- Slowdown in demand in Türkiye quarterly, where international demand improved slightly. Demand in Europe and Africa markets were relatively stronger.
- Operating expenses have increased ≈1.5 points y/y, mostly due to growing personnel, marketing & selling expenses.
- Adj. EBITDA margin* was 4.6% in 3Q24 due weaker gross profitability and growing OPEX.
- Year-on-year improving Net Working Capital/Sales, 22.7% as of 3Q24.
- Leverage was 4.29x due to growing debt and weaker EBITDA.

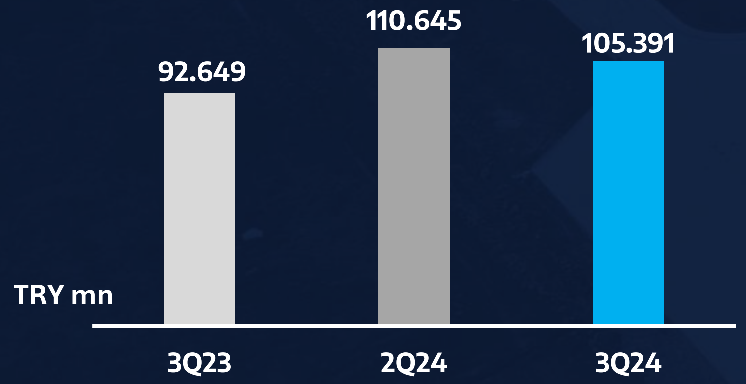
- *Adj. EBITDA excludes income related with contingent liabilities, one-off transaction expenses regarding Europe & MENA transactions and restructuring costs. Adjustment amount corresponds to TRY 947mn for 3Q24, mainly comprises of restructuring expenses to bring out targeted synergies.*

Key Factors / Sales & Margins

REVENUE GROWTH

13.8%

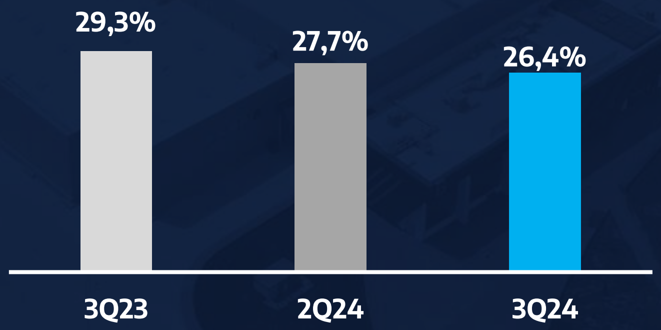
- Inorganic growth due to Europe & MENA transactions
- Slowdown in local demand q/q
- Minor growth in international demand q/q



GROSS MARGIN

26.4%

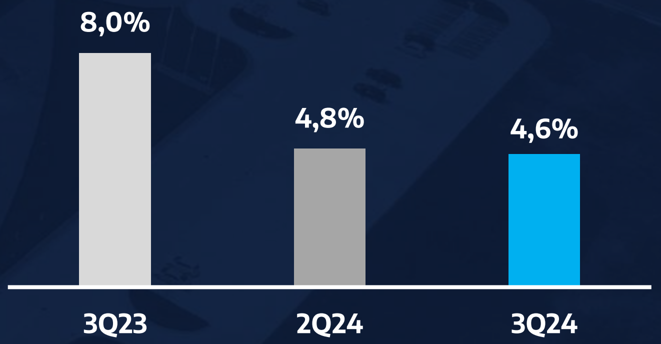
- Challenging pricing environment
- Unfavorable product mix
- Higher raw material costs y/y



ADJ. EBITDA MARGIN

4.6%

- Lower Gross Margin
- Growing OPEX



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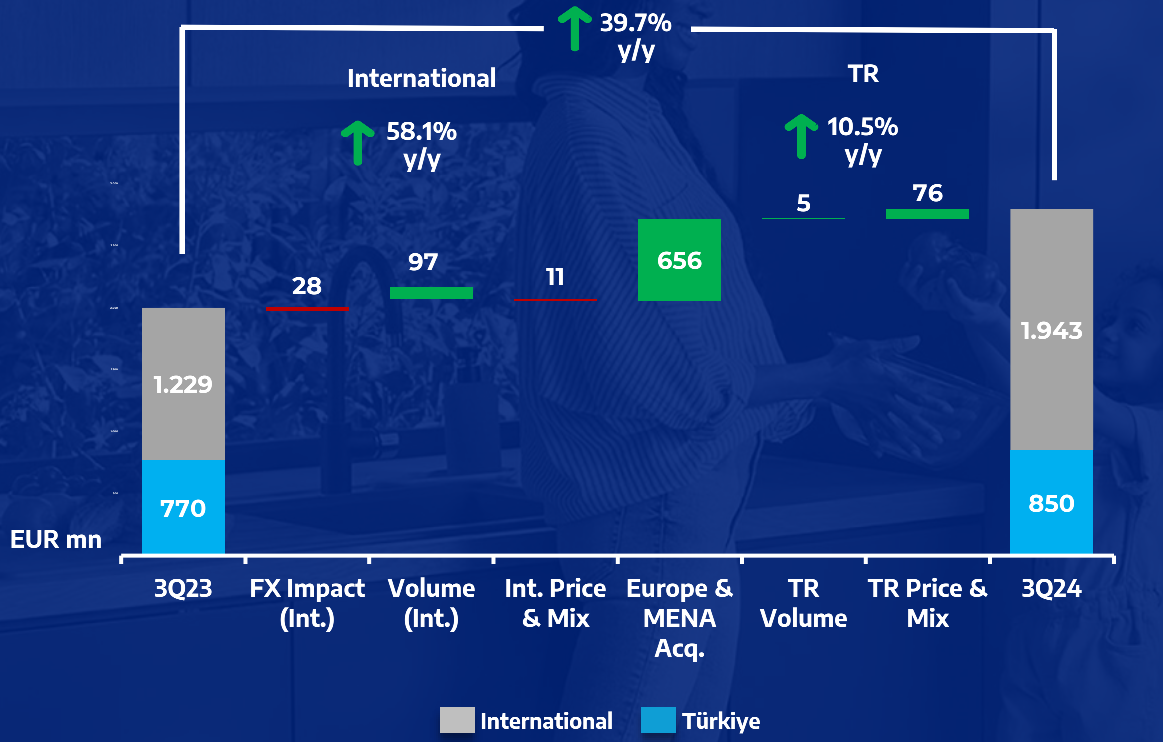
Operational Performance

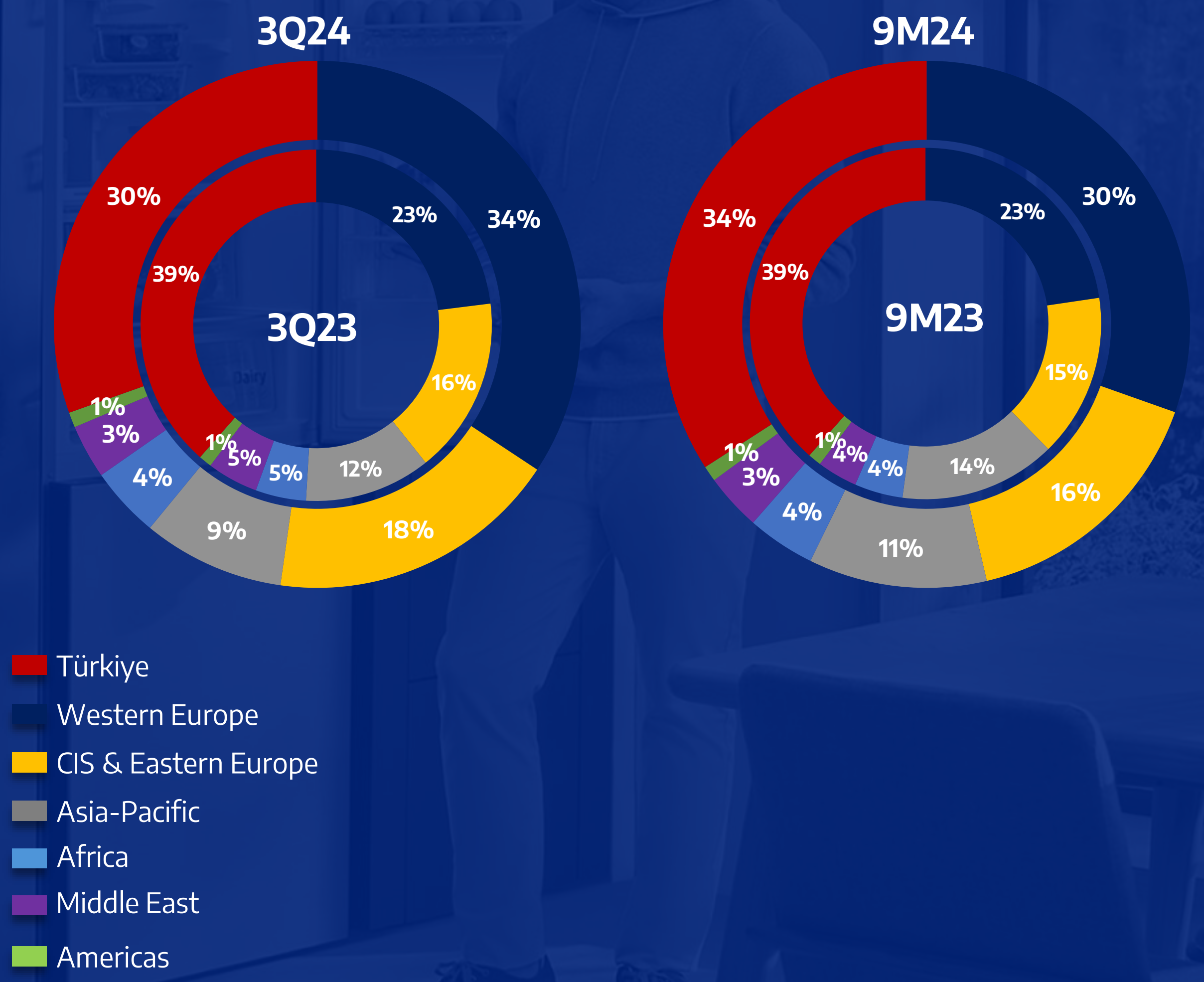
3Q24 Financial Results

Sales Bridge



Figures in TRY reflect 10.3% contraction in Türkiye in real terms and 28.9% growth in international sales in terms of inflation-adjusted prices as of 30.09.2024. Since the increase in Consumer Price Index was greater than the change in EUR/TRY FX rate for the period, figures in TRY imply a smaller growth.

Sales Breakdown by Geography



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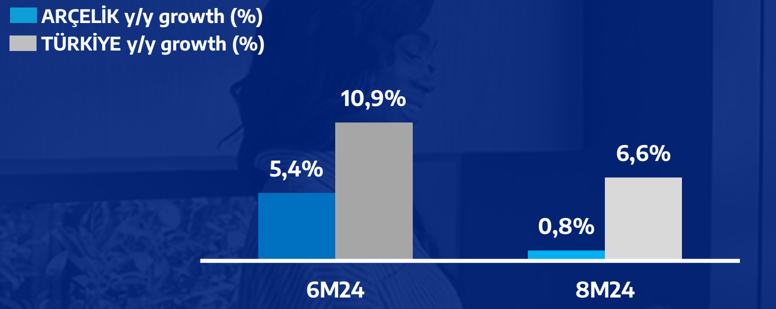
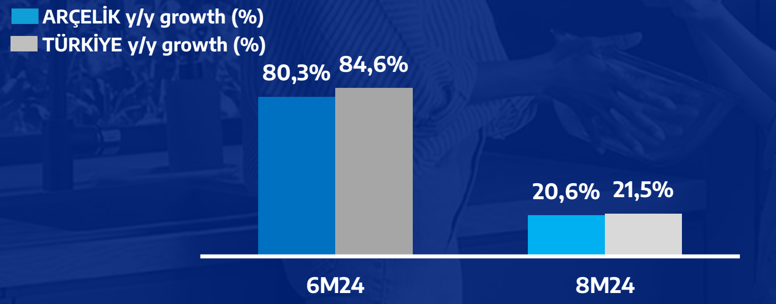
Slowdown in consumer demand and diminishing share of local sales in total revenue

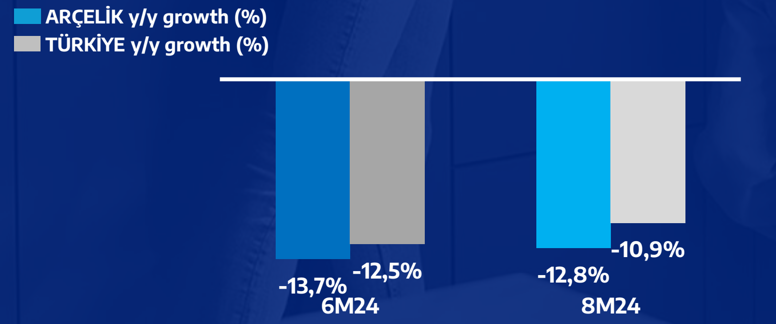
MDA6



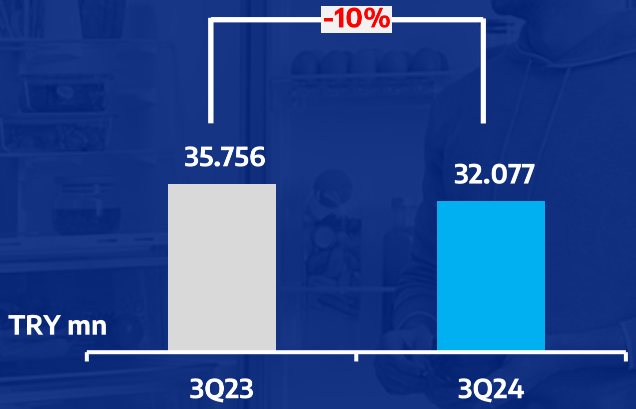
AIR CONDITIONER



TV

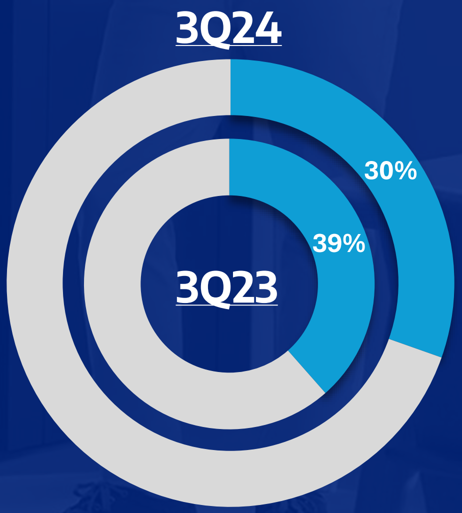


Türkiye Revenue Growth



- Unfavorable product mix
- Declining volumes in MDA6 y/y
- Strong unit growth in A/C
- Flattish volumes in TV y/y

Türkiye Share in Total Revenue



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* MDA6 is data is based on WGMA for the given periods.
** A/C and TV market data (sell-in, in unit terms) reflects retail sales for the given period.

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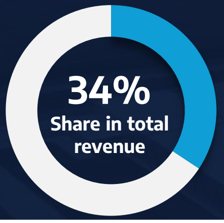
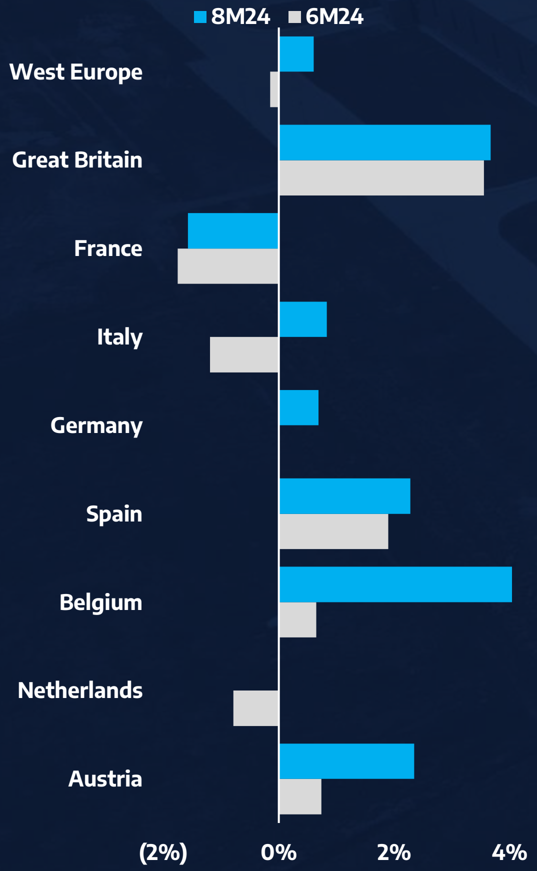
Significant improvement in Western Europe, robust demand growth continues in Eastern Europe



Western Europe

y/y market growth in unit terms



MDA6 Market

- Substantial recovery has been recorded in Western Europe market led by Great Britain, Italy, Spain, Belgium and Austria in 8M24, whereas slowdown continues only in France.
- In unit terms, consumer demand grew by 0.6% in 8M24, whereas sales units were flattish in 1H24.
- In EUR terms, demand declined by 1.2% y/y in value terms in 8M24 where the market growth was -2.0% in 1H24.

Beko in Western Europe

- Beko has managed to preserve its competitiveness in sales volume and slightly improved its pricing ability within the region.
- Market leadership after European transaction!

Eastern Europe

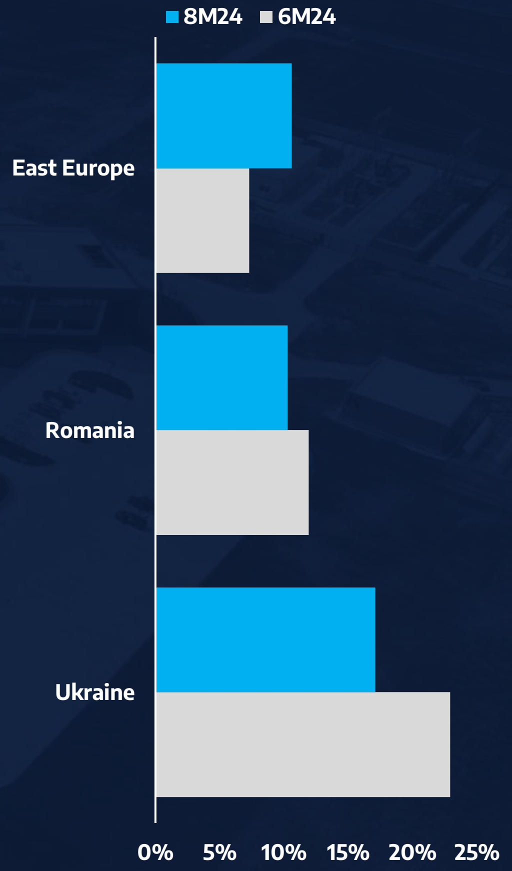
MDA6 Market

- Consumer demand in Eastern Europe has continued to grow strongly in 8M24.
- In East Europe, market growth was over 10% in units whereas value growth was relatively lower in 8M24.
- In Ukraine, consumer demand was up by around 15% y/y in 8M24 both in units and value terms.
- Romania market grew by roughly 10% in 8M24, both in units and value terms.

Beko in Eastern Europe

- Beko maintained its leadership position in Eastern Europe in 8M24.
- Beko underperformed the market both in units sold and value terms within the region.

y/y market growth in unit terms



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MDA6 market charts and the market positionings reflect the data of a retail panel market for the given period in unit terms.

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Robust demand in Africa whereas Middle East struggles, APAC recovers slightly y/y

Africa & Middle East

- Revenues generated from Africa & Middle East grew by 28% y/y in 3Q24 in EUR terms led by the strong growth in Africa market compared to the same quarter of the previous year. Contribution of acquired entities in MENA region has limited the decline in sales units.
- In Africa region, Defy’s domestic sales in South Africa have increased by almost 3% in unit terms, whereas exports within the region have shown a substantial growth more than 28% y/y. Quarterly, both domestic sales and exports have grown over 10% in Q3.
- In EUR terms, Defy’s robust growth figures were around 9% and 32% y/y for both domestic sales and exports, respectively. Domestic sales increased by more than 18% quarterly whereas exports in the region grew by 22% in the same period.
- In Egypt, MDA6 market demand was substantially weaker both y/y and q/q in 2Q24 due to market instability and currency fluctuations. Despite the negative outlook, Beko Egypt’s net sales were flattish y/y in EUR terms. However, in local currency, sales were up 55%. Quarterly figures show substantial recovery with a growth over 40% both in EUR terms and local currency.

Asia-Pacific

- Challenges continue in APAC home appliance landscape due to rising cost of living, political instability, and housing crisis. Flash floods and typhoons in the region have deepened the challenges in Q3.
- Despite the negative outlook in the region, revenues generated in APAC were up by almost 5% in EUR terms in 3Q24 y/y due to substantial demand growth in Pakistan and Thailand.
- In Pakistan, net sales grew by almost 20% y/y in EUR terms in 3Q24 in line with the unit growth over 17% in the same period. However, sales revenue in EUR terms and sales units reflect a slowdown quarterly. Sales revenue (EUR) and sales units have decreased by almost 36% and 12% respectively compared to the previous quarter, mostly due to seasonality and increasing competition.
- In Bangladesh, more than 7% y/y revenue growth has been observed in local currency. However, in EUR terms, figures show a slight decline y/y due to depreciation against EUR. Quarterly figures are substantially lower with the seasonality impact.

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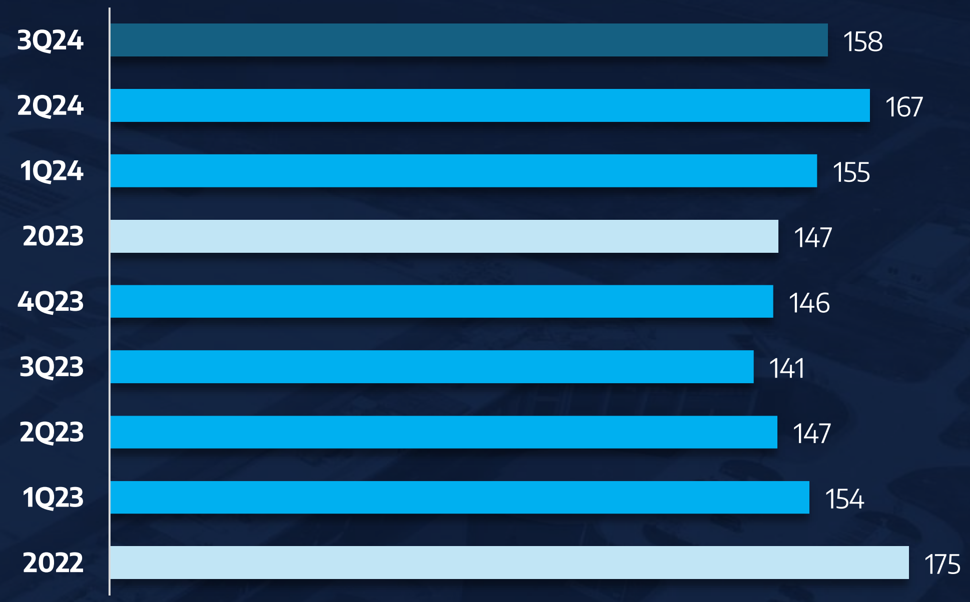
Eased off raw material costs in 3Q24

Average Metal Prices Index - Market

- Metal raw material prices remained flattish y/y despite minor fluctuations over the period. In Q3, prices have slightly declined mainly due to weak global demand, high policy rates and lower energy costs. However, a minor increase is anticipated in the next quarter.

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

Average Plastic Prices Index - Market



- Plastic raw material prices increased substantially y/y. Although, weak demand, slowdown in growth and low-capacity utilization in production have caused a significant decrease in prices in the last quarter. Prices are expected to remain flattish for the next quarter.

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

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Financial Performance

3Q24 Financial Results

Summary Financials

TRY mn	3Q24*	3Q23*	y/y	2Q24*	q/q	9M24*	9M23*	y/y
Revenue	105.391	92.649	14%	110.645	(5%)	301.362	264.019	14%
Gross Profit	27.827	27.137	3%	30.625	(9%)	83.775	78.498	7%
Operating Profit	(426)	4.080	(110%)	1.760	(124%)	5.104	13.237	(61%)
Adj. Operating Profit**	520	4.485	(88%)	1.052	(51%)	5.437	13.987	(61%)
Net Financial Income/Expense	(8.671)	(5.533)	57%	(5.262)	65%	(19.898)	(14.946)	33%
Monetary Gain/Loss	2.431	6.359	(62%)	1.945	25%	8.203	11.287	(27%)
Profit Before Tax	(6.646)	4.570	(245%)	(1.689)	293%	(6.823)	9.041	(175%)
Net Income***	(5.608)	1.473	(481%)	(877)	539%	(5.849)	5.283	(211%)
EBITDA	3.869	7.050	(45%)	5.967	(35%)	16.626	22.307	(25%)
Adj. EBITDA**	4.815	7.455	(35%)	5.258	(8%)	16.959	23.057	(26%)

Gross Profit Margin	26,4%	29,3%	(289 bps)	27,7%	(128 bps)	27,8%	29,7%	(193 bps)
Operating Profit Margin	-0,4%	4,4%	(481 bps)	1,6%	(200 bps)	1,7%	5,0%	(332 bps)
Adj. Operating Profit Margin	0,5%	4,8%	(435 bps)	1,0%	(46 bps)	1,8%	5,3%	(349 bps)
Monetary Gain(Loss)/Sales	2,3%	6,9%	(456 bps)	1,8%	55 bps	2,7%	4,3%	(94 bps)
Net Income Margin	-5,3%	1,6%	(691 bps)	-0,8%	(453 bps)	-1,9%	2,0%	(394 bps)
EBITDA Margin	3,7%	7,6%	(394 bps)	5,4%	(172 bps)	5,5%	8,4%	(293 bps)
Adj. EBITDA Margin	4,6%	8,0%	(348 bps)	4,8%	(18 bps)	5,6%	8,7%	(311 bps)

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* All results are indexed to reflect 3Q24 prices.
** Adj. EBIT / EBITDA: excludes income related with contingent liabilities, one-off transaction expenses regarding Europe & MENA transactions and restructuring costs.
*** Net income before minority.

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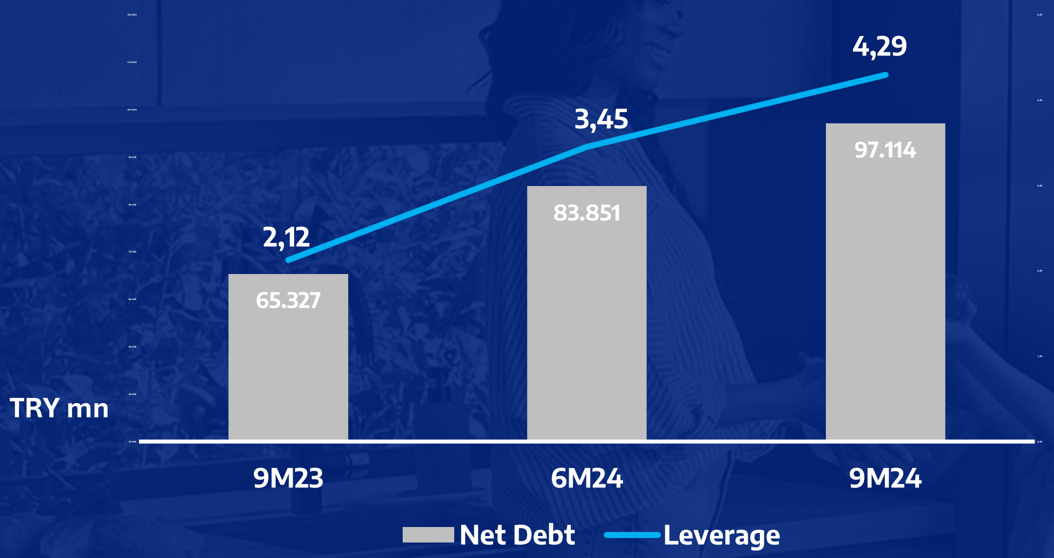
Higher leverage due to increasing net debt and weaker Adj. EBITDA

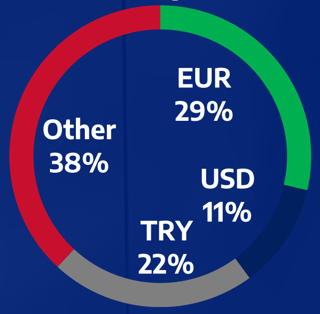
Net Debt* & Leverage**



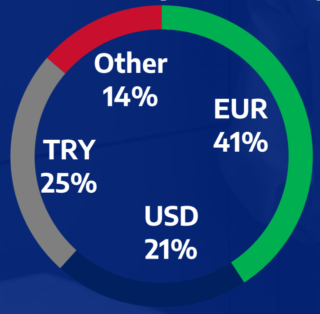
Debt Currency & Rates Breakdown

Currency	Effective Interest Rate*** p.a.	Original Currency (mn)	TRY Equivalent (mn)
EUR	4,9%	1.041	39.581
TRY	40,4%	25.641	25.641
USD	8,6%	297	10.112
BDT	12,5%	15.264	4.358
ZAR	5,1%	2.548	3.284
PKR	21,1%	20.875	2.549
RON	7,5%	203	1.540
RUB	21,1%	3.872	1.416
THB	5,7%	1.005	1.059
AUD	6,1%	32	743
GBP	7,3%	16	723
NOK	3,4%	150	485
PLN	8,5%	36	318
SEK	5,4%	86	289
CZK	6,0%	180	273
MYR	6,6%	31	256
CNY	3,5%	49	239
IDR	9,5%	89.081	201
CHF	2,4%	1	55
TOTAL LOANS			**93.121**
USD	8,5%	501	17.069
EUR	3,0%	354	13.373
TRY	46,2%	6.360	6.360
TOTAL BOND			**36.803**
TOTAL			**129.918**

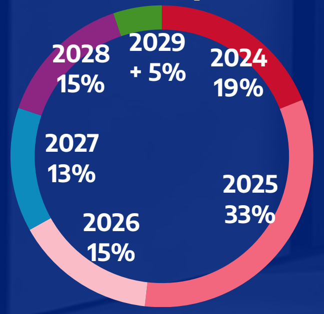
Cash Currency Breakdown
TRY34.3bn (EUR0.9bn)



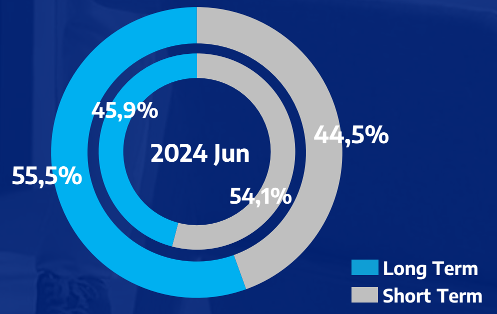
Debt Currency Breakdown
TRY129.9bn (EUR3.4bn)



Debt Maturity Profile****
TRY129.9bn (EUR3.4bn)



ST / LT Borrowings
2024 Sep



* Net Debt = Financial Debt + Derivatives (Net) – Cash and Cash Equivalents
** YTD Adj. EBITDA data is annualized in calculation of Leverage.
*** Average effective TRY, EUR, USD funding (loans + bonds) rate was 41.6%, 4.4% and 8.5%, respectively.
**** The average duration of the consolidated debt portfolio was 2 years.

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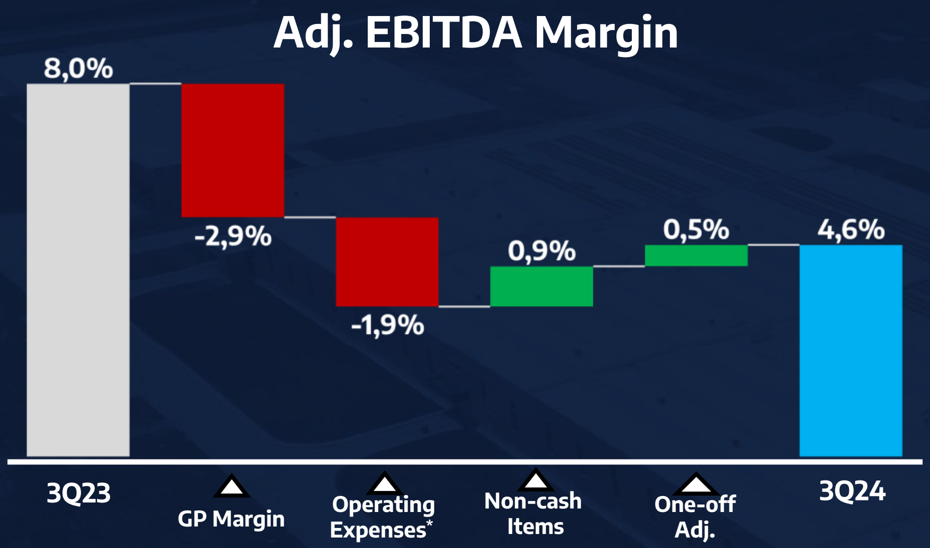
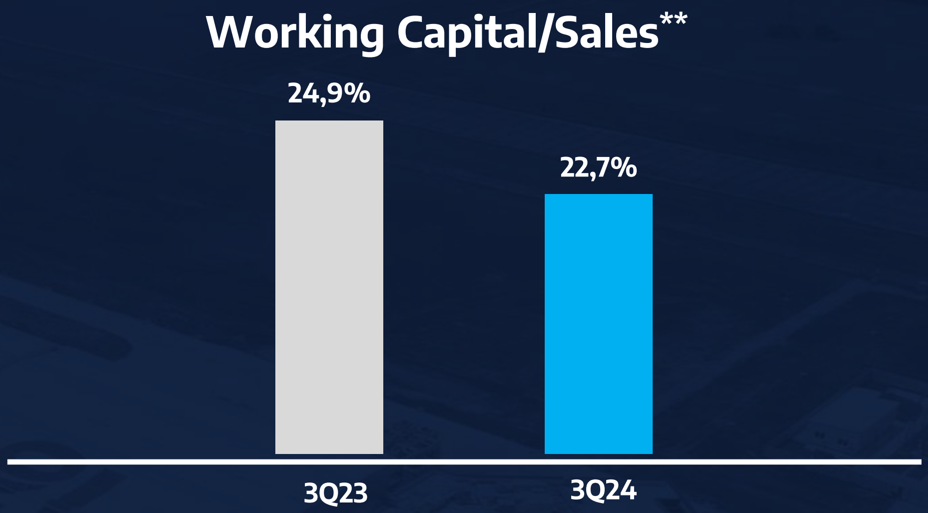
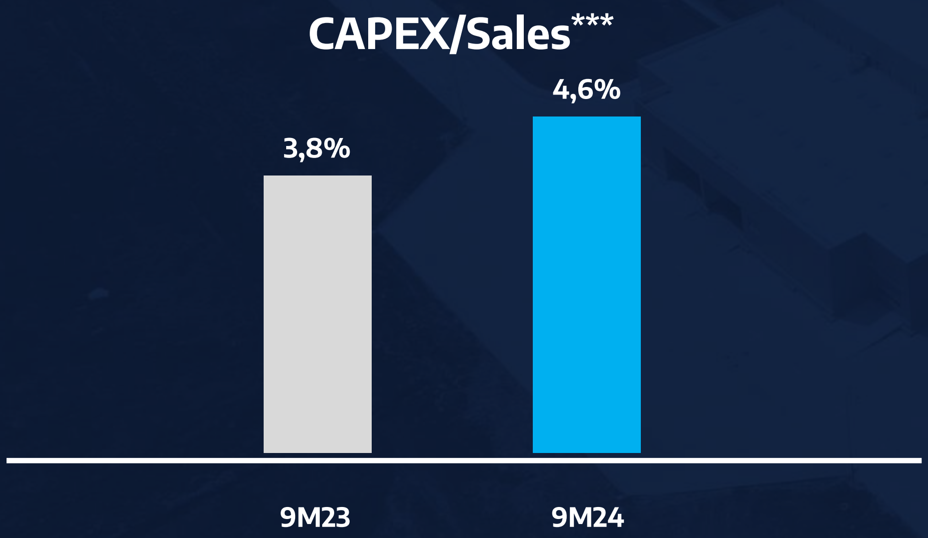
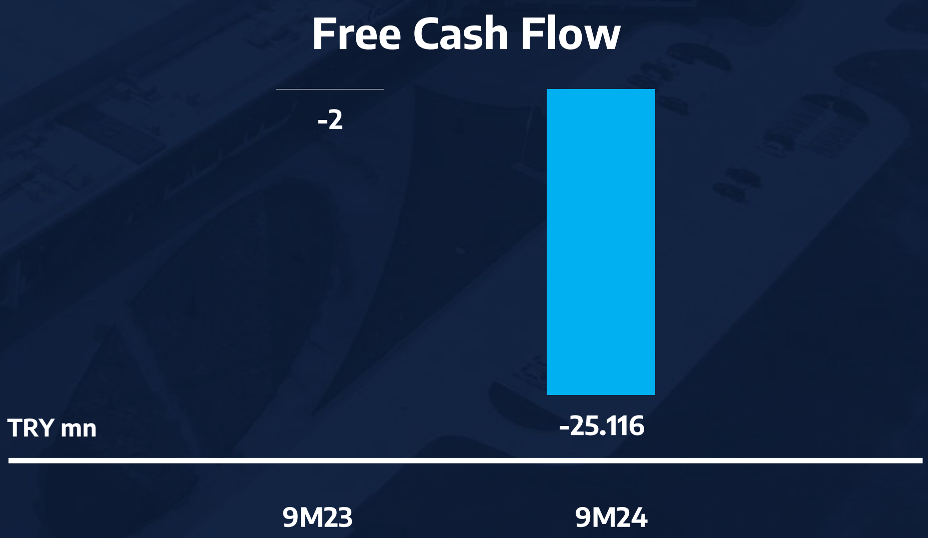
Key Performance Indicators









* Includes Other Operating Inc./Exp. & Inc./Exp. from Investments.
** NWC period end / Annualized 9M Sales
*** 9M CAPEX / 9M Sales

Guidance

3Q24 Financial Results

2024 Guidance

	Q1 Guidance*	Q2 Guidance	New Guidance
Revenue			
Türkiye (in TRY)	Flattish	Flattish	Flattish
International (in FX)	≈ 2%	≈ 50%	≈ 50%
EBITDA Margin	≈ 8%	≈ 6.5%**	≈ 5.8% - 6.0%**
NWC/Sales	< 25%	≈ 22%	≈ 20%
CAPEX	≈ EUR 300 mn	≈ EUR 350 mn***	≈ EUR 400 mn***

* Impact of Europe & MENA transactions was not included.
** Excluding income related with contingent liabilities, one-off transaction expenses regarding Europe & MENA transactions and restructuring costs.
*** Including integration and optimization costs.

Efficiency improvements to deliver long-term sustainable growth and profitability

Investing in technology and AI tools to work in an agile manner and drive efficiency across our global operations:

- Driving productivity through organizational restructuring, process integration and optimization
- Advanced AI and automation tools to streamline operations
- Leveraging analytics for more informed, strategic decisions
- Integration of systems

Ongoing and planned investments would help to create operational efficiency after the merger, through:

- optimizing processes,
- maximizing resource utilization,
- executing cost saving opportunities,
- evaluating, aligning and consolidating roles,
- eliminating duplicate roles.

- Estimated EUR 140mn savings through eliminating approximately 2,000 office positions across our global operations within 3 years' time *.

Ongoing Eliminations in Office Positions

As of 3Q24,

- ≈ ¼ of planned eliminations in office positions within 3 years' time, have been completed across our global operations.

** Realized figures would be updated in the earnings presentations.*

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Q&A

3Q24 Financial Results

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Thank You!