

Arcelik

INVESTMENT INTO BANGLADESH

March 2019

Why Bangladesh

- Strong Demographics
 - Population of 163 million
 - 38 million households
 - Urban population: 35%
 - Middle income population is expected to grow significantly during the next decade.
- Sustained, high GDP Growth (CAGR of 6,6% between 2010-2018) (Source: IMF)
- Favorable Appliance Market
 - Refrigerator Market estimated around 1,2 million units
 - Estimated market size of around 600 K units for washing machines, freezers, A/Cs and microwave ovens
 - TV market is estimated around 700 K units
 - Low penetration rates (Around 20% for refrigerators, single-digit for other segments)



Why Singer Bangladesh Ltd.

- Strong Position in Appliance Market

- Leading position in multiple product categories
- Singer, one of the most recognized brands in the country
- Wide product range (home appliances, consumer electronics, others)
- Extensive retail and service network
- Around 90% of sales under Singer brand
- International business partners

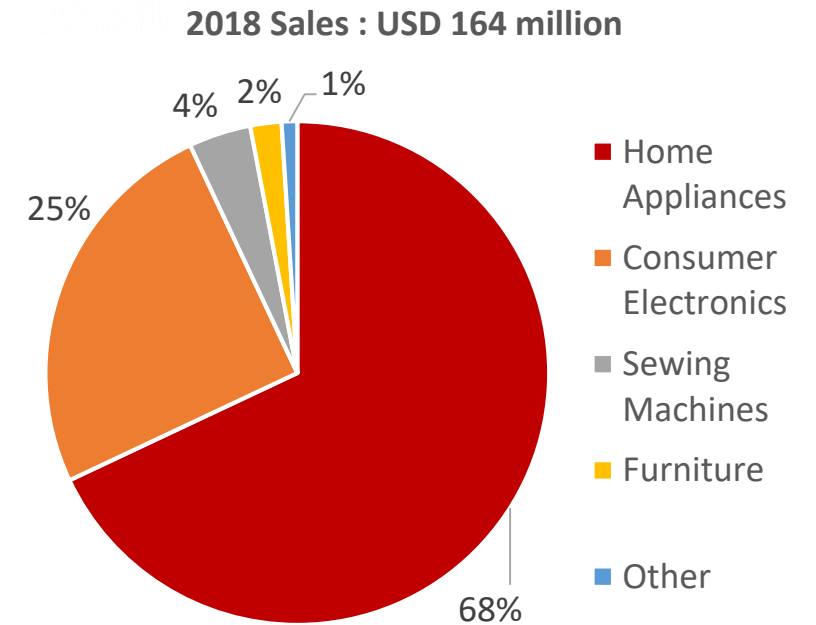
- Strong Financial Track Record

- Growth CAGR of 15% in USD terms since 2005
- Above the industry-average profit margins
 - Reported EBITDA Margin : 12,4% (2018)
 - Reported Net Profit Margin : 6,7% (2018)

SINGER®
BANGLADESH LIMITED

About Singer Bangladesh Ltd.

- Operates in household consumer durables and retail & consumer finance
- Listed in Dhaka Stock exchange in 1983 and Chittagong Stock Exchange in 2001
- Around 70% of sales, coming from home appliances
- Production capacity of
 - 250 K refrigerators
 - 400 K TVs
 - 60 K A/Cs
- Wide distribution network in the country
 - Singer Plus (361 stores) } Company Stores
 - Singer Mega (24 stores) }
 - Singer Pro (721 stores) - Wholesalers
- Country wide service network
 - 11 service centers
 - 460+ service agents



About the Deal

- Acquired Entities



- Deal size is USD 75 million.
- Implied EV is USD 162 million, implying an EBITDA multiple of 8.2X (as per the reported EBITDA)
- Closing is expected to be finalized in April 2019 and subject to fulfilment of closing conditions.
- In connection with the transaction, SBL will be granted a license from SVP Worldwide, the owner of the “Singer” trademark, to continue to use the trademark “Singer” on the Company’s stores, products and services.

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.

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