

# Arcelik

## INVESTOR PRESENTATION

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February 2020

# Arçelik

## Arcelik at a Glance

**9 COUNTRIES, 23 PRODUCTION FACILITIES**

(Turkey, China, Romania, Russia, South Africa, Thailand, Pakistan, India, Bangladesh)

Sales and Marketing Offices in **34 countries**

Products and Services in **~150 Countries**

**~32,000 employees worldwide**  
**~ 24.000 blue collar**  
**~ 8.000 white collar**

**1500+**  
**Researchers Working in**  
**15**  
**R&D Centres**

**3000+**  
**Patent Applications**

**TL32bn**  
**Revenue**

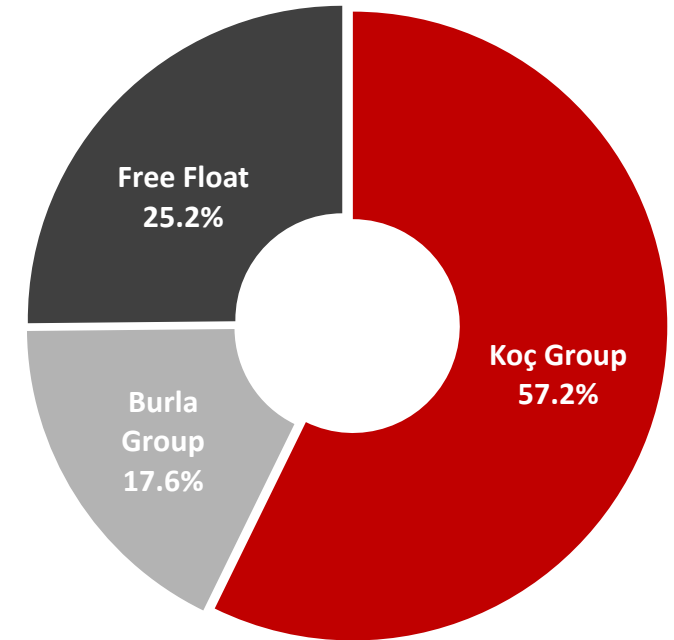
68% share of international sales

**TL3.4bn**  
**EBITDA**

10.5% EBITDA Margin

2019 FY figures

## Shareholder Structure



\* Ranked 67th in the World Intellectual Property Organisation's (WIPO) 2019 list of companies that apply for international patents most regularly

# 60 Years of History

Establishment in Istanbul

1955



Beko starts marketing & sales operations

2001



Production plants in Russia and China

2005-2006



Acquisition of Defy in South Africa

2011



- Acquisition of Dawlance in Pakistan
- Establishment of Arçelik Pazarlama A.Ş.
- Turkey's first 4K Android Ultraslim TV & OLED TV
- Turkey's first 'Smart Home Assistant'
- Launch of TECH PRO Academy, Atölye 4.0 and Garage

2016



Until 2000s The era of many firsts

- First productions of washing machine & refrigerator
- Establishment of Refrigerator Plant & Compressor Plant
- Establishment of R&D Centre and Consumer Information Service
- Establishment of Dishwasher Plant & Cooking Appliances Plant
- Arçelik-LG Air Conditioning Inc. starts production

2002

Acquisition of the brands Blomberg, Elektra Bregenz, Leisure, Flavel and Arctic

2008-2010

- Turkey's first Tumble Dryer Plant
- First 4 door refrigerator produced in Turkey
- Merge with Grundig Elektronik A.Ş.
- Turkey's first 3D LED TV
- World's first A+++ No Frost refrigerator consuming the least electrical energy in its own class
- Arçelik's first "Concept" store in Turkey

2014-2015

- Expansion to Thailand
- Listed under BIST Sustainability Index
- Establishment of recycling facilities in Eskişehir & Bolu

2017-2019

- JV Agreement in India with Tata Group's Voltas
- Arçelik's first Industry 4.0 factory in Romania
- Acquisition of Singer Bangladesh

## ARÇELİK RESPECTS THE WORLD

- Respects the environment
- Values people
- Aware of its responsibilities

## ARÇELİK IS RESPECTED WORLDWIDE

- Continually exceed expectations  
and aims for greater challenges



# Production Plants

	Refrigerator	W. Machine	Dishwasher	Dryer	Oven	Cooking Ap.	TV	A/C*
Turkey	+	+	+	+	+	+	+	+
Romania	+	+						
South Africa	+	+		+	+	+		
Pakistan	+	+				+		+
Russia	+	+						
China		+						
Thailand	+							
Bangladesh	+						+	+
India**	+							

\* Air conditioner JV with LG Electronics in Turkey

\*\* Refrigerator JV with Voltas in India

# Product Portfolio



## Built-in & Freestanding Major Appliances

- Refrigerators
- Freezers
- Washing Machines
- Dryers
- Dishwashers
- Ovens
- Hobs
- Hoods
- Warming Drawers
- Microwave Oven
- Water Dispensers & Water Filtration



## Small Household Appliances

- Vacuum Cleaners
- Kitchen Appliances
- Personal Care
- Garment Care
- Fans
- Steam Cleaners



## Consumer Electronics

- TVs
- Smart Phones
- Notebooks & Tablets
- POS Cash Register
- Hi-Fi Systems
- Portable audio systems



## Heating Ventilation- AC

- Air Conditioners
- Combi Boilers
- Water Heaters
- Room Heaters



## Components

- Hermetic Compressors
- Industrial Motors
- Appliances Motor-pumps

+ Kitchen Furniture

# Arçelik

The World is The Target Market; Arçelik is a Global Player With Its Wide Brand Portfolio

The logo for Beko, featuring the word "beko" in a blue, lowercase, sans-serif font with a blue underline.

**#1** in European Free-Standing  
Major Appliance Market  
**2nd Largest** Major Appliance  
Brand in Europe

The logo for Grundig, featuring the word "GRUNDIG" in a blue, uppercase, sans-serif font.

European **Full-range\*** Premium  
Home Appliance Brand,  
Offering a Solution For Every  
Room in The Modern Home

\* Major Appliances, Consumer Electronics, Small Domestic Appliances

The Arçelik logo, featuring a red square icon followed by the word "arçelik" in a black, lowercase, sans-serif font.The DEFY logo, featuring the word "DEFY" in a white, uppercase, sans-serif font inside a red rounded rectangle.The Dawlance logo, featuring a red square icon followed by the word "Dawlance" in a blue, lowercase, sans-serif font.The Blomberg logo, featuring the word "Blomberg" in a red, uppercase, sans-serif font with "seit 1883" in a smaller font below it.The elektro bregenz logo, featuring the letters "eb" in a black circle followed by the word "elektro bregenz" in a black, lowercase, sans-serif font.The arctic logo, featuring the word "arctic" in a blue, lowercase, sans-serif font.The ALTUS logo, featuring a red checkmark icon followed by the word "ALTUS" in a pink, uppercase, sans-serif font.The FLAVEL logo, featuring the word "FLAVEL" in a black, uppercase, sans-serif font inside a grey circle.The LEISURE logo, featuring the word "LEISURE" in a white, uppercase, sans-serif font inside a black rounded rectangle.



## R&D and Innovative Technology

- More than 1.500 R&D staff, employed in Turkey, UK, USA, Taiwan
- Continuous cooperation with national and international universities and institutes
- Globally recognized and awarded designs and products



## Intellectual Property Management

- The patent leader in Turkey, developing its own technology without using licenses
- The only Turkish company listed in WIPO's "Top 500 Companies" for 5 years & listed in top 100 with a ranking of 67 in 2019



## Environment & Energy Efficiency

- **Sustainable Development** and principle of environmental protection as a requirement of the Total Quality Management approach
- Production of goods that respects both human life and the environment
- Recycling Facilities in Eskişehir & Bolu in Turkey



# Sustainability

In line with our corporate vision, we are striving to leave a better world for next generations.



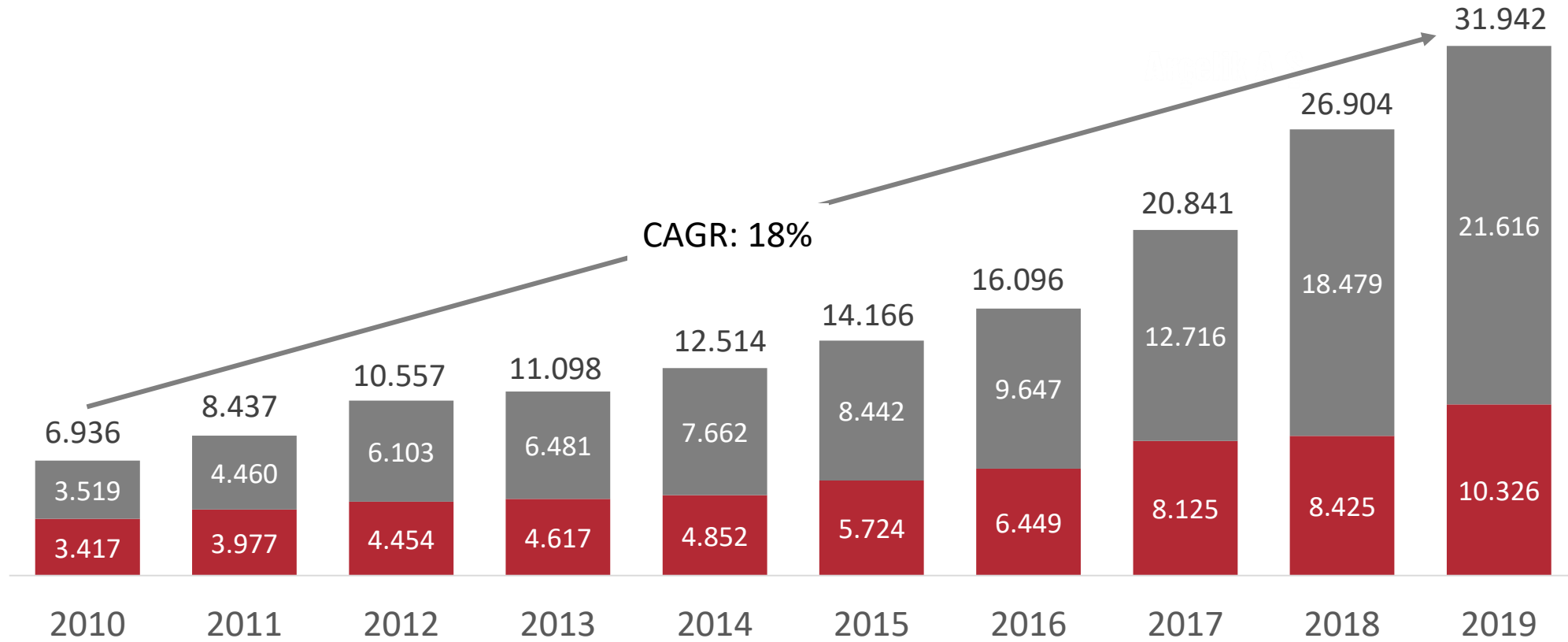
- Record Breaking Products in Energy Efficiency
- Platinum–Certified Green Factories
- One of the first signatories «2°C Climate Communique»
- Member of Corporate Leaders Network for Climate Action
- Listed in the Istanbul Stock Exchange Sustainability Index
- Signed the “Paris Pledge for Action” before COP21
- Signed the Road to Paris: «Responsible Corporate Engagement in Climate Policy»
- SEE4All U4E Project Partner in South Africa & Thailand

# Financial & Operational Highlights

# Revenue Growth

## Solid Growth & Increasing International Presence

- Double-digit annual growth recorded since 2010 thanks to strong organic growth and acquisitions



(TRY million)

■ Domestic ■ International

# Expanding and Diversifying Revenue Growth

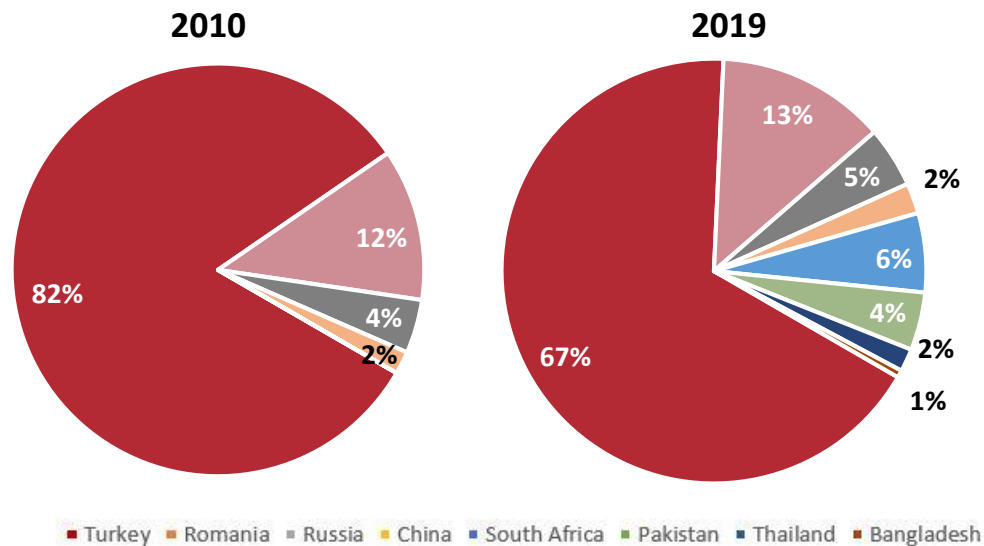
## Expanding Production Base

- Production has expanded into new regions with acquisitions and green field investments, enabling Arcelik to have a more diversified facility portfolio.

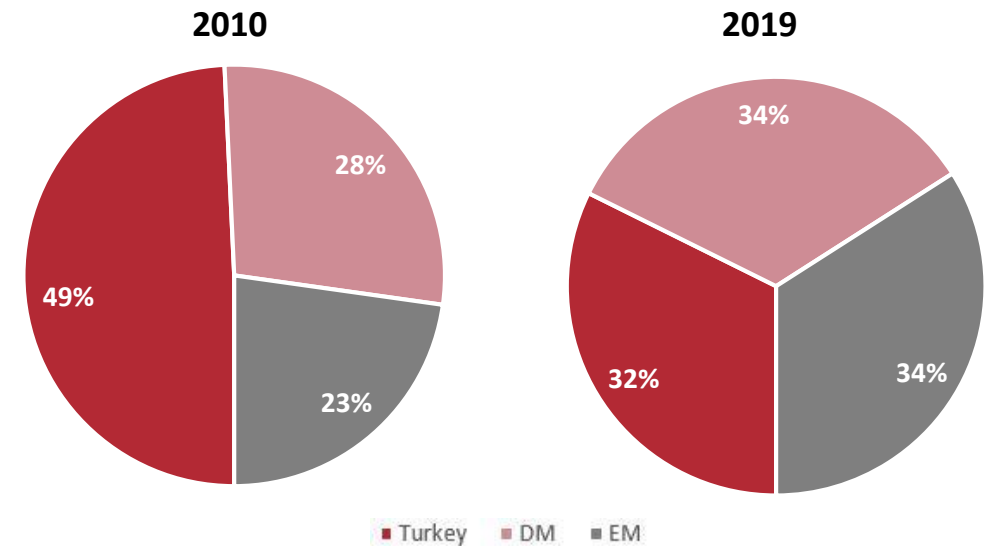
## Increasing Emerging Market Exposure

- In addition to the improving presence in Europe and other Developed Markets, Arcelik's exposure to Emerging Markets has risen through successful acquisitions and opening of new sales offices.

## Production Breakdown – MDA6\*



## Revenue Breakdown

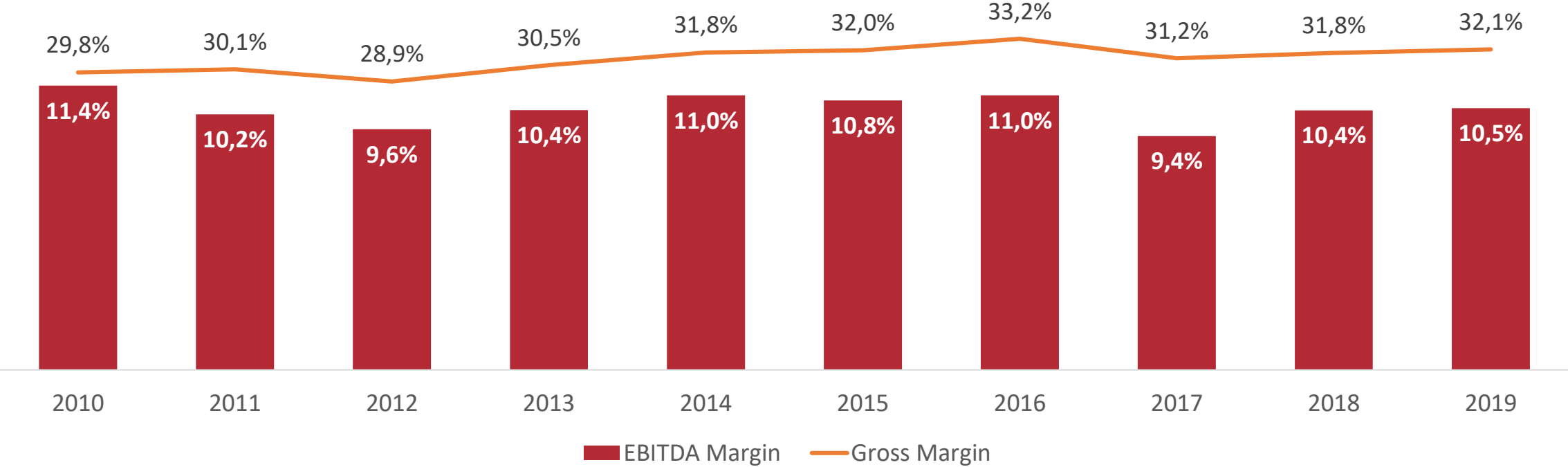


MDA 6 includes refrigerators, washing machines, dishwashers, cookers, freezers, dryers

# Strong & Sustained Profitability

## Sustainable Margins

- Despite all the ups and downs in the macro conditions, Arcelik managed to deliver a sustainable profitability thanks to its global sourcing power, prudent management and strong position in key markets



## Receivable Risk

- Credit risk of receivables is managed by securing receivables with collaterals covering receivables at the highest possible proportion.
- Apart from bank guarantees (guarantee letters, LOC etc.), Arçelik utilizes credit insurance for international receivables and mortgages for receivables in Turkey.
- In credit risk control, for the customers which are not secured with collaterals, the credit quality of the customer is assessed by taking into account its financial position, past experience and other factors.

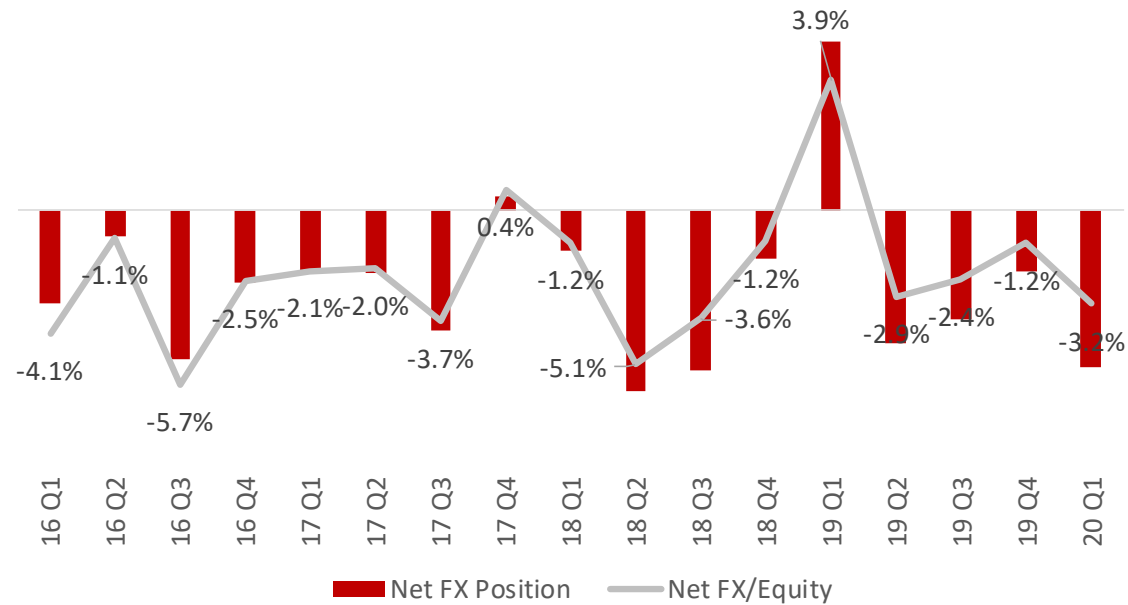
## Liquidity Risk

- Arçelik seeks to minimize gap risk in its financial and commercial liabilities by managing its balance sheet according to expected cash flows. Maturities of financial liabilities are arranged according to maturities of assets, and where possible, a mismatch between the maturities is eliminated

## FX Risk

- Arçelik targets to maintain a net FX position close to zero and limit its exposure to set amounts as a % of capital.
- On top of the on-balance sheet natural hedge and financial liability management, derivatives are also employed to maintain the FX risk at targeted levels.

# FX Risk Management



## FX POSITION - CONSOLIDATED

(TRYmn)	Before Hedge	Hedged Position	Net Position
EUR	-1,330	1,269	-61
USD	290	-480	-191
GBP	625	-632	-7
Other	788	-846	-58
<b>TOTAL</b>	<b>373</b>	<b>-690</b>	<b>-318</b>

**Net FX Position/Equity** **-3.2%**

- 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 an FX exposure exceeding low single-digit % of equity.

- The primary strategy is on balance sheet hedging mainly through cash, receivables, payables and financial liabilities, and the remaining part is hedged through financial derivatives.

# Competitive Strengths



# Competitive Strengths

## Strength in Turkey

- Leading producer of white goods with >50% market share
- Exclusive dealer network for Arçelik and Beko brands
- Exclusive authorized after-sales service points, the widest network in Turkey

## Solid Presence in Europe

- Beko the second brand in Europe (up from 7th position in 2004)
- Arçelik the third largest white goods player in Europe
- Expansion into higher segment via Grundig brand in appliances

## International Growth

- Greenfield investment in Thailand
- Acquisition of Pakistan's leading brand Dawlance
- JV with Voltas, a TATA Group Company, in India
- Acquisition of Singer Bangladesh

## Leading R&D Capabilities

- Manufacturing with its technology, no external licensing
- The only TR company repeatedly on the top 200 PCT applicants list of WIPO
- Strategy: delivering an innovative product pipeline with energy efficient products

## Cost Competitiveness

- Production in low cost regions which are in close proximity to key markets
- Manufacturing facilities are largest of their kind leading to economies of scale
- Flexible manufacturing to address different local needs efficiently

- Around 68% of sales from international sales
- Sales and marketing organizations in 35 countries, sales in 150+ countries
- Opportunistic approach to seize inorganic growth alternatives to further boost global presence

# Strength in Turkey – *Strong sales and dealer network*

## Exclusive Dealer Network

- Around 3,000 exclusive dealers in Turkey for Arçelik and Beko brands on long-term relationship
- Dealer network => customer loyalty, proximity, and brand awareness
- Arçelik manages marketing, store formats and dealer training
- Indirect consumer financing=> Arçelik supports dealers via payment terms, while dealers bear consumer risk



## After-sales Service

- After-sales services includes delivery, assembly, installation, repair and general customer support processes
- 10 regional after-sales service centers
- Widest after-sales service network in Turkey, +600 exclusive after-sales service points
- Strong technology infrastructure. Extensive database and immediate feedback on product performance
- Local call center to address customer issues quickly and effectively (7 days/24 hours)



## Lovemark

Arçelik and Beko brands are among the most loved brands according to IPSOS survey in WHITE GOODS category.

**1. Arçelik 35**

2. Bosch 15

**3. Beko 11**

4. Vestel 7

5. Profilo 4

6. Samsung 3

7. Siemens 3

### Areas Questioned in the Survey

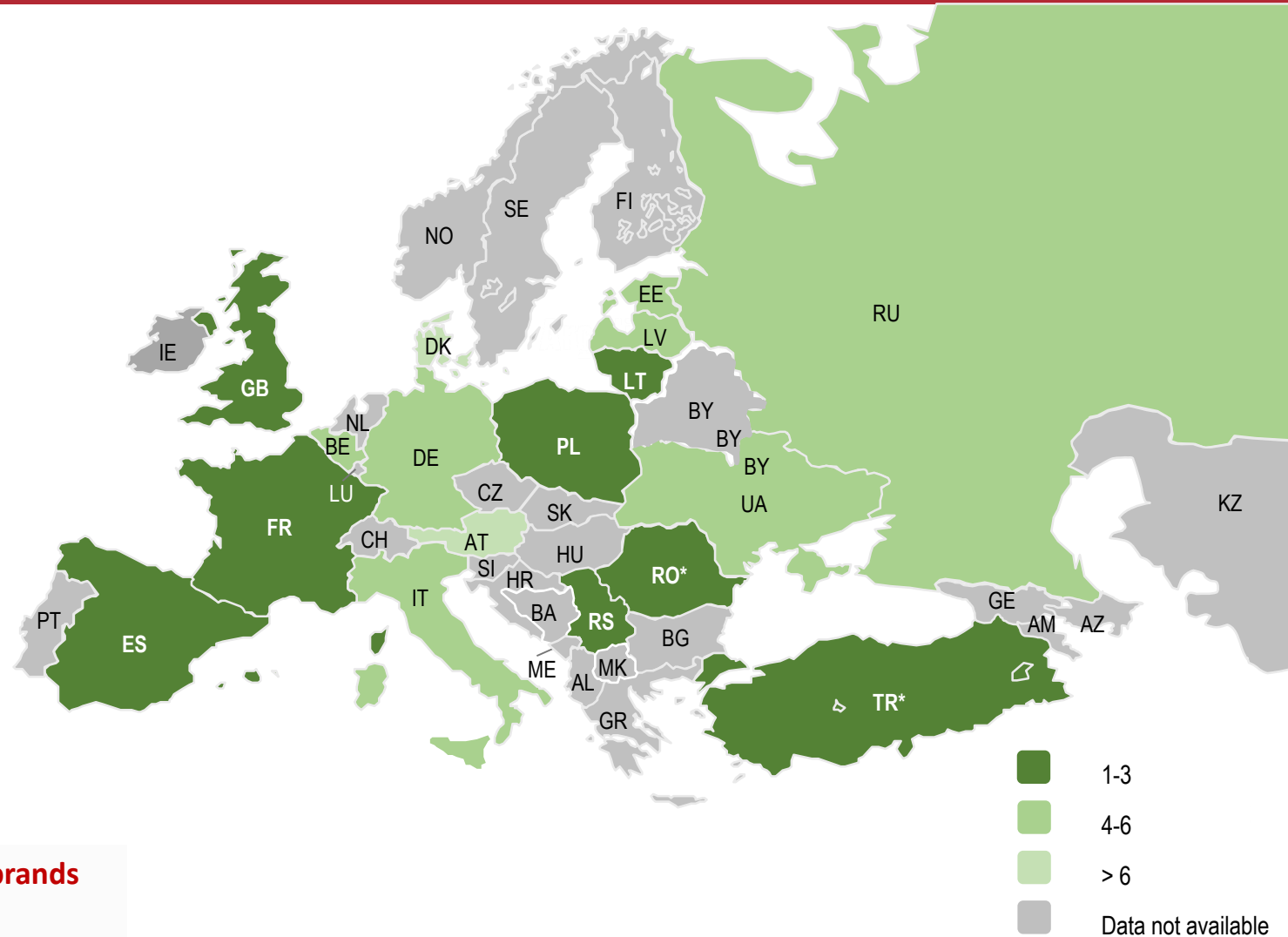
- Spontan Awareness
- Feeling Close to
- Fulfilling Expectations
- Most Loved, Never Give up



# Solid Presence in Europe – Core Positions in European Markets

## Beko is

- The 2<sup>nd</sup> largest brand in total and the 1<sup>st</sup> brand in free-standing segment in total Europe
- The leading brand in East Europe
- The leading brand in the UK and Poland total white goods market
- Leader in France in the freestanding white goods market
- Leader in Belgium in FS cooker segment
- Leader in Italy and Spain in freezer segment



**In addition to Beko's success, Arçelik and Arctic are the leading brands in Turkey and Romania, respectively.**

Source: Panel market, Jan-December 2019 (ranking based on volume share)

# Solid Presence in Europe – Core Positions in European Markets

- Beko: Fastest growing white goods brand in the European market since 2000.
- Beko moved from 21st position in 2000 to 2nd position in 2013
- Beko is the Number 1 brand in free-standing market in Europe (excl. built-in segment) in 2017

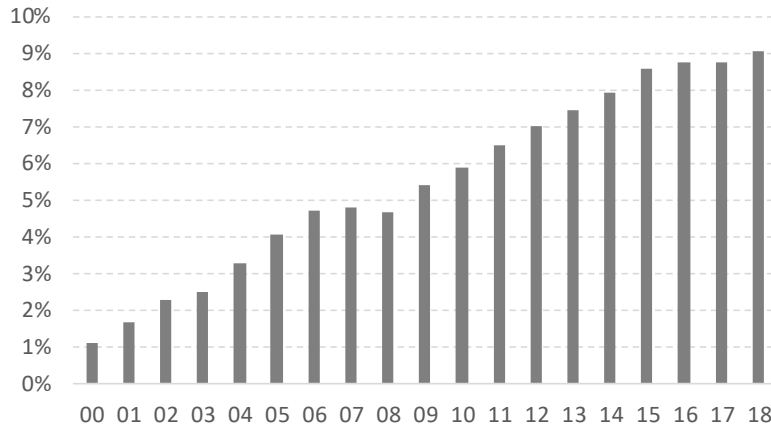
- Despite Beko's price index has increased more than 30%, market share gains continue, though at a lower pace compared to 2000s.

- Beko is moving up the ranks in built-in segment, which is more profitable and growing faster compared to FS.

## EU27 Segmental Breakdown

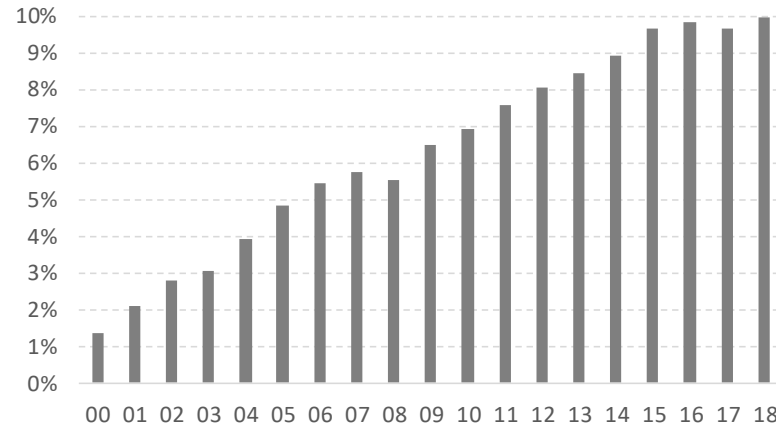


### Beko Market Share (EU27)



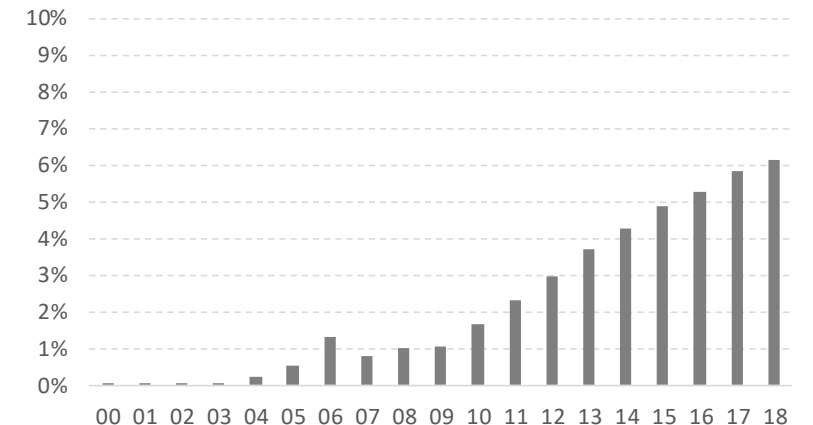
Source: Panel market, unit volume share

### Beko Free Standing Market Share (EU27)



Source: Panel market, unit volume share

### Beko Built-in Market Share (EU27)



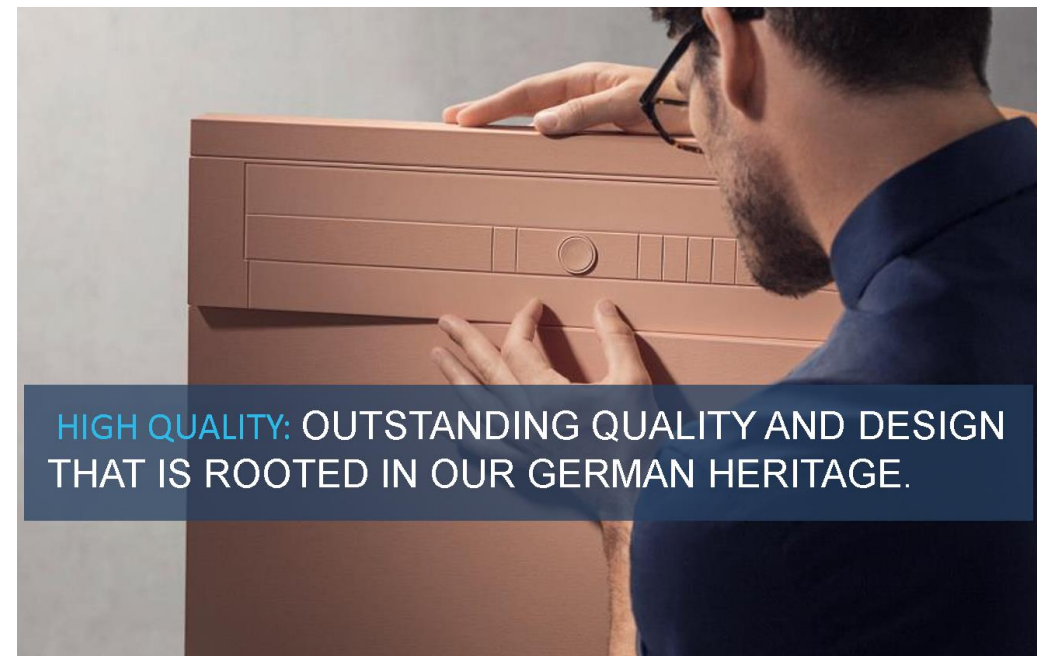
Source: Panel market, unit volume share

# Solid Presence in Europe – *Entry into Premium Segment*

## A Premium Brand into MDA Market

- Leveraging Grundig's German heritage and strong image in Consumer Electronics
- Expanding the brand into Premium White Goods Segment (*Price Index around 120 in Europe*)
- The only European to have a full product range which includes both MDA, SDA and Consumer Electronics

# GRUNDIG



**HIGH QUALITY:** OUTSTANDING QUALITY AND DESIGN THAT IS ROOTED IN OUR GERMAN HERITAGE.



**REFINED PLEASURE:** FEATURES THAT ENRICH PEOPLE'S LIVES, ENABLING THEM TO GET THE MOST OUT OF THE THINGS THAT MATTER TO THEM – ALSO IN TERMS OF TIMELESS MODERN DESIGN.



**RESPECT RESOURCES:** PROTECTING THE WORLD BY OUTSTANDING EFFICIENCY AND SAVING RESOURCES.

# International Growth – ASEAN

## Thailand Refrigerator Plant Overview

- Investment of around USD 100 mln. (during initial three years), including working capital requirement
- 263k sqm plot at Hemaraj Rayong Industrial Land.
- Expandable capacity up to 800 K units
- Production started in 1Q16 and already reached ~350K units in 2018

## ASEAN Market

- 620 mln. population
- Low penetration of white goods
- Expected GDP CAGR between 14 and 2017E: +5%
- Washing Machine market is estimated to be around USD 1.65 bln. and at 6.8 mln. units\*
- Refrigerator market worth around USD 2.5 bln. at appr. 8.6 mln. units\*

## Strategy

- Leverage Beko brand and its European image across the region
- Sourcing to 10 countries incl. Philippines, Vietnam, Malaysia, Singapore, Indonesia, Australia and New Zealand
- Local refrigerator production from Thailand. Washing machines sourced from other Arçelik plants.

## Incentives

- Corporate tax exemption for 8 years (capped at investment amount excluding land cost). Reduction on corporate tax during the following 5 years
- Exemption on import duties on machinery
- Partial exemption on duties on raw materials

# International Growth – *Pakistan*

## Why Pakistan?

- A potential with its large population size and economic growth expectation
  - 6th largest country (200 mln.) in terms of population
  - Stable GDP growth over the years (CAGR of 3,9% in last 5Ys, expected CAGR of 5% in next 5Ys)
- FDI of multinationals, ranging from automobiles to energy, FMCG, medicine, telecom
- Mega infrastructural projects underway (China Pakistan Economic Corridor)
- Member of SAFTA (South Asian Free Trade Area)
- Relatively low-cost country
- An estimated market size of 1,9 mln. units of refrigeration and laundry, and 0,9 mln. units of air conditioners and microwave ovens

## Why Dawlance

- Leading appliance company in Pakistan
- Market leader in cooling and microwave ovens (around 45% unit market share)
- Runner up in laundry and A/C segments
- One of the most recognised brands in Pakistan
- A workforce of around 3.000 with a professional management team & well equipped engineers
- Three production facilities in Hyderabad and Karachi
  - Karachi Refrigerator & Washing Mac.
  - Karachi Air Conditioner & MW Oven
  - Hyderabad Refrigerator & Freezer
- Extensive distribution and service network with 16 sales offices, 181 after sales service centers and around 2.000 dealers
- Annual sales of ~USD230 million in 2018



# International Growth – *India*

## Why India?

- Huge potential with its large population size and economic growth expectation
- 2nd largest country (1.3 billion) in terms of population (18% of World's total)
- 248 million households
- Stable GDP growth over the years
  - ❖ *Average of 7.3% in 2010-2015 period*
  - ❖ *Expected GDP growth in 2016-2021 is 7.8% (CAGR)*
- An estimated market size of 12 million units of refrigerators and 6.5 million units of washing machines (worth app. USD 4.5 billion)
- Low penetration for home appliances, resulting in high growth rates (CAGR of 9% for MDA9\* in 2006-16 period)

## About Voltas – Our JV Partner

- Part of India's largest conglomerate TATA Group
- Leading player in Indian A/C market
- Sales of USD 895 mln. in 2015/16 FY

## JV at a Glance

- Leverage both parties strengths: Arcelik's technology and brand image; Voltas' local expertise and sales network
- Total CAPEX of USD 155 mln. in 10 years
- USD 100 mln. capital
- Arcelik started supplying products to the JV in 2H18, and sales to India reached around TRY 100 mn in 2019.
- Around 10% market share and USD 1 bln. revenue in 10th year
- Products are labelled under Voltas-Beko co-brand.
- Refrigerator plant in Gujarat started mass production by January 2020.

# International Growth – Bangladesh

## 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

- 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% (2019)

**SINGER®**  
**BANGLADESH LIMITED**

# International Growth – United States

## Small but highly profitable

- Mainly serving to residential projects with higher-end products under Blomberg brand
- Continuing to build retail distribution by signing new deals under Beko and Grundig brands
- Capability to produce compact products with strong features is the key in this niche market
- Profitability is higher compared to consolidated level
- Always on the look-out for a possible acquisition to enter into mass market



*Mercedes Building, New York*



*The Bond, Washington, DC*

# International Growth – Building a Brand Image through Sponsorships

## Beko Basketball League Sponsorships

- Germany: German Basketball League- Beko Basketball Bundesliga
- Italy: Premier Basketball League-Beko Lega Basket Serie A
- Lithuania: Lithuanian Basketball League-Beko LKL League

### Presenting Sponsor of

- 2015 EuroBasket European Basketball Championship (France, Germany, Latvia, Croatia)
- 2014 FIBA World Basketball Cup (Spain)
- 2010 FIBA World Basketball Cup (Turkey)

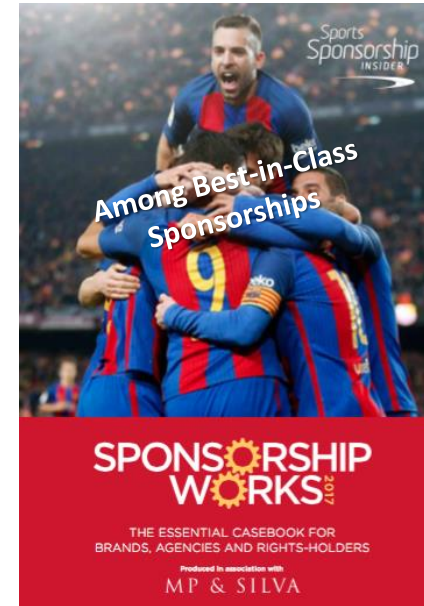
### Main Sponsor of

- 2009 EuroBasket (Poland)
- 2009 FIBA Asian Championship (China)



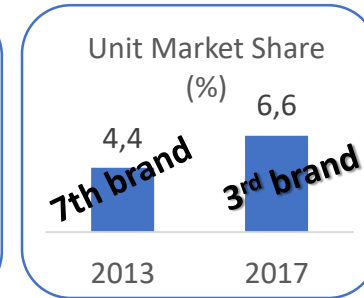
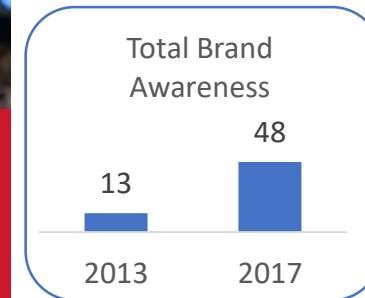
## Football Sponsorships

- Arçelik: Sponsor of National Football Team (Turkey)
- Beko: Sponsor of Beşiktaş Football Team (Turkey)
- Grundig: Official Technology Partner of Bundesliga
- Beko Sponsor of FA Cup in UK in 2012-2013 & 2013-2014
- Grundig: Partner of Borussia Dortmund
- Grundig: Sponsor of Nürnberg and 1.FC Nürnberg in Germany



FC BARCELONA PREMIUM PARTNER

### Beko in Spain



## 1,500 R&D Staff

- More than 1,500 researchers in 14 R&D Units in 5 countries (Turkey, UK, Taiwan, USA, Portugal)
- Most active Turkish company in European research platforms (FP7/H2020)

## International Patent Applications

- +3,000 patent applications
- The only Turkish company in top 200 of WIPO international list in the past five years (67th in '19 ranking)
- 50% of the patents are actively used in products

## Cost Advantages

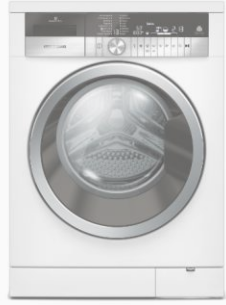
- R&D activities in locations with favorable cost base

## Self Reliant

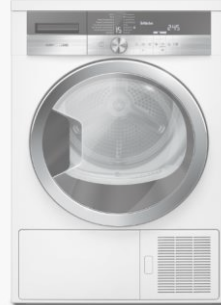
- Self reliant
- Manufacturing with own technology
- R&D capability in motors and compressors

# R&D and Innovation – Energy Efficient Products

**WORLD RECORDS**



*(A+++)* -70%



*(A+++)* -10%  
*Heat Pump Dryer*



*(A++)*

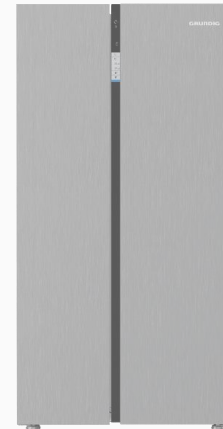
**WORLD RECORDS**



*A+* *Lowest Energy Consumption*



*No-Frost Combi*  
*(A+++)*-30%



*Side by Side*  
*(A+++)*-10%



*5.5L Water Consumption*



*Click on the image for an introductory video.*

## VUX - Virtual User Experience

- Virtual Control Panel with a Projector
- Interactive interface icons and ability to control different products (hood, hob, dishwasher) from a single panel
- Granted most prestigious design awards; IF Design, German Design, UX Design, EDIDA

## HomeWhiz

- Connected smart appliances, remotely monitored and controlled
- Smart energy management
- Ease of Use (Favorites, Wizard, etc)
- Expert Diagnosis

*Click on the image for an introductory video.*



# Cost Competitiveness

## Low Cost Base

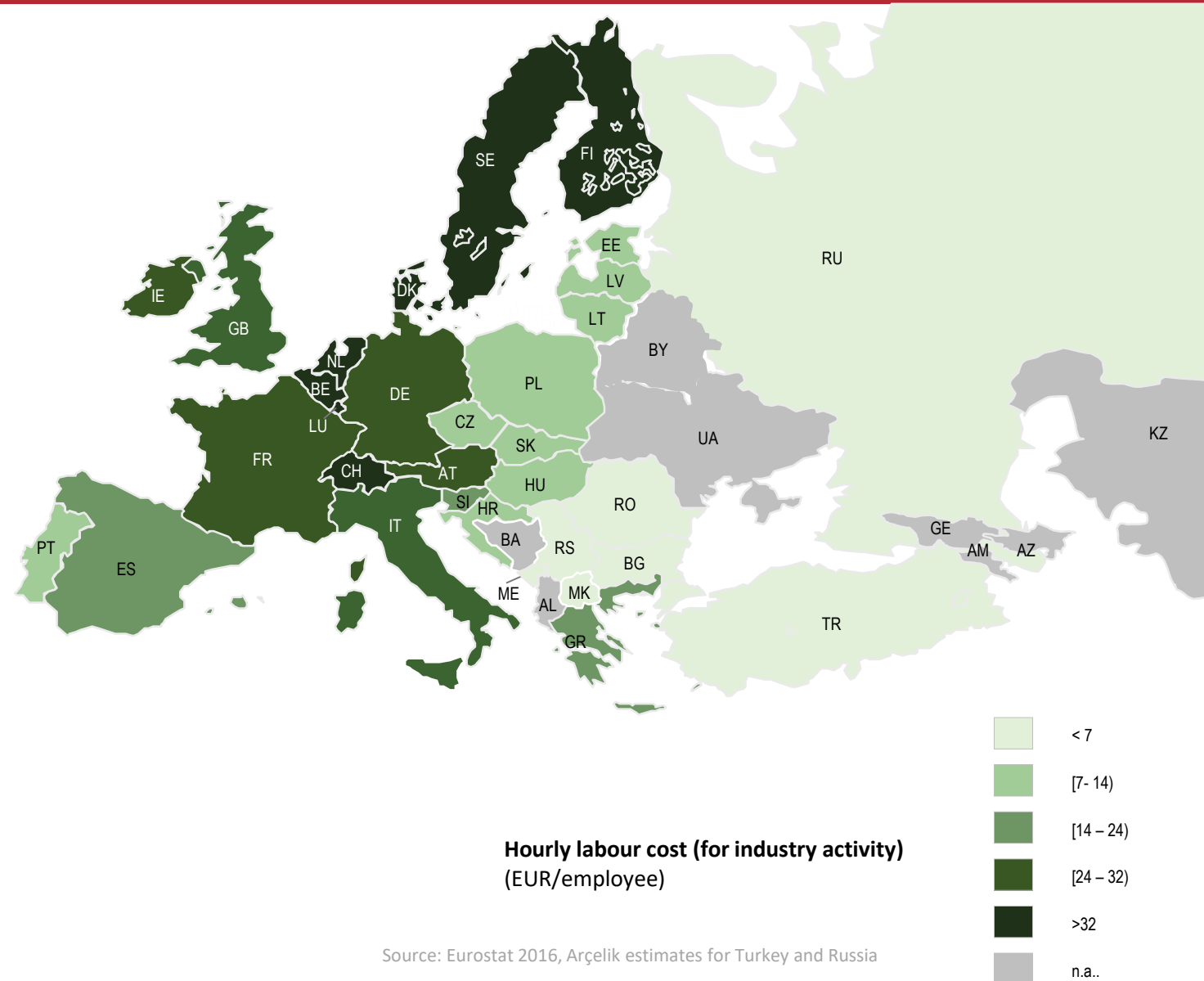
- Most labor intensive functions including HQ, R&D and production plants located in low cost countries (LCC)

## Economies of Scale

- Huge production capacities in Turkey and Romania
  - REF and WM in Turkey are the largest plants under one-roof in Europe
- High capacity utilization ratios, especially in largest production hubs (min. 80%)

## Geographical Proximity to Target Markets

- Production hubs, serving nearby geographies with favorable lead times
  - Europe, CIS and N. Africa from Turkey, Romania and Russia
  - Sub-Saharan Africa from S. Africa
  - ASEAN and China from Thailand and China





# Financial Performance

# Income Statement

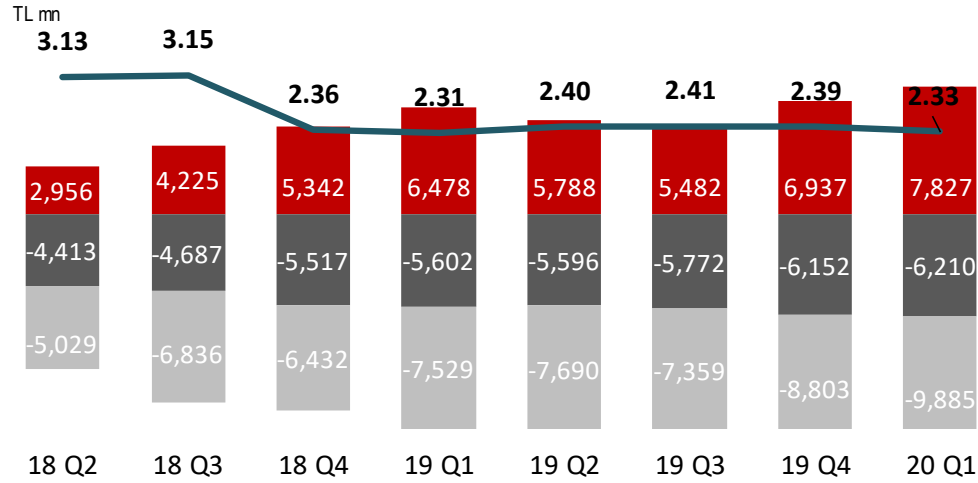
TRY mn	2015	2016	2017	2018	2019
<b>Revenue</b>	<b>14,166</b>	<b>16,096</b>	<b>20,841</b>	<b>26,904</b>	<b>31,942</b>
<b>Gross Profit</b>	<b>4,536</b>	<b>5,340</b>	<b>6,506</b>	<b>8,546</b>	<b>10,259</b>
EBIT*	1,157	1,331	1,406	2,107	2,296
Profit Before Tax	785	1,202	821	949	1,114
<b>Net Income**</b>	<b>893</b>	<b>1,304</b>	<b>845</b>	<b>856</b>	<b>953</b>
<b>EBITDA</b>	<b>1,527</b>	<b>1,769</b>	<b>1,954</b>	<b>2,797</b>	<b>3,351</b>
<i>Gross Profit Margin</i>	<i>32.0%</i>	<i>33.2%</i>	<i>31.2%</i>	<i>31.8%</i>	<i>32.1%</i>
<i>EBITDA Margin</i>	<i>10.8%</i>	<i>11.0%</i>	<i>9.4%</i>	<i>10.4%</i>	<i>10.5%</i>
<i>Net Income Margin</i>	<i>6.3%</i>	<i>8.1%</i>	<i>4.1%</i>	<i>3.2%</i>	<i>3.0%</i>
<i>Revenue Growth</i>	<i>13%</i>	<i>14%</i>	<i>29%</i>	<i>29%</i>	<i>19%</i>
<i>EBITDA Growth</i>	<i>11%</i>	<i>16%</i>	<i>10%</i>	<i>43%</i>	<i>20%</i>
<i>Net Income Growth</i>	<i>40%</i>	<i>46%</i>	<i>-35%</i>	<i>1%</i>	<i>11%</i>

Only 2019 financials include IFRS-16 implementation other periods are not re-stated.

\* EBIT was calculated by deducting the impact of foreign exchange gains and losses arising from trade receivables and payables, credit finance income and charges and cash discount expense and adding income and expenses from sale of property plant and equipment.

\*\* Net income before minority

# Cash&Debt Profile



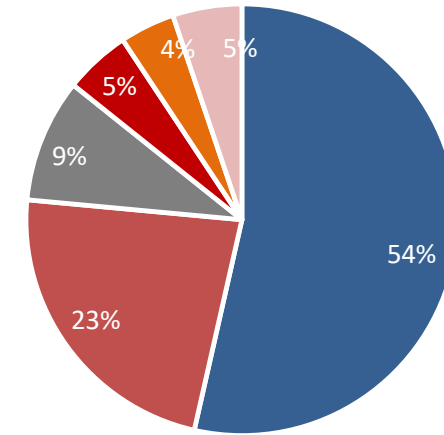
■ Cash and cash equivalent ■ Short term debt ■ Long term debt — Net Debt/EBITDA

## Financial Debt profile (as of Mar 31 2020)

	Effective Interest Rate p.a. (%)	mn Original Currency	TL mn Equivalent
TRY	14.3%	5,051	5,051
EUR	1.0%	202	1,460
GBP	1.2%	6	51
USD	3.3%	17	108
ZAR	9.1%	774	283
AUD	3.3%	15	58
RON	3.7%	183	272
PKR	13.9%	17,685	692
BDT	9.3%	3,701	284
<b>Total</b>			<b>8,258</b>
USD	5.1%	512	3,334
EUR	4.0%	357	2,576
TRY*	19.1%	1,017	1,017
<b>Total Bond</b>			<b>6,927</b>
<b>Total</b>			<b>15,185</b>

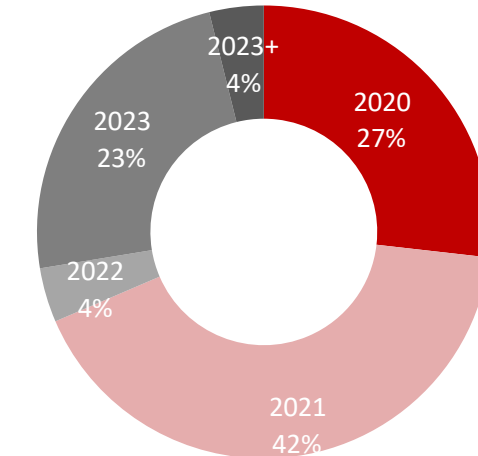
\*Average fixed rate at 19.1% through Interest Rate Swaps

## Cash Breakdown by Currency

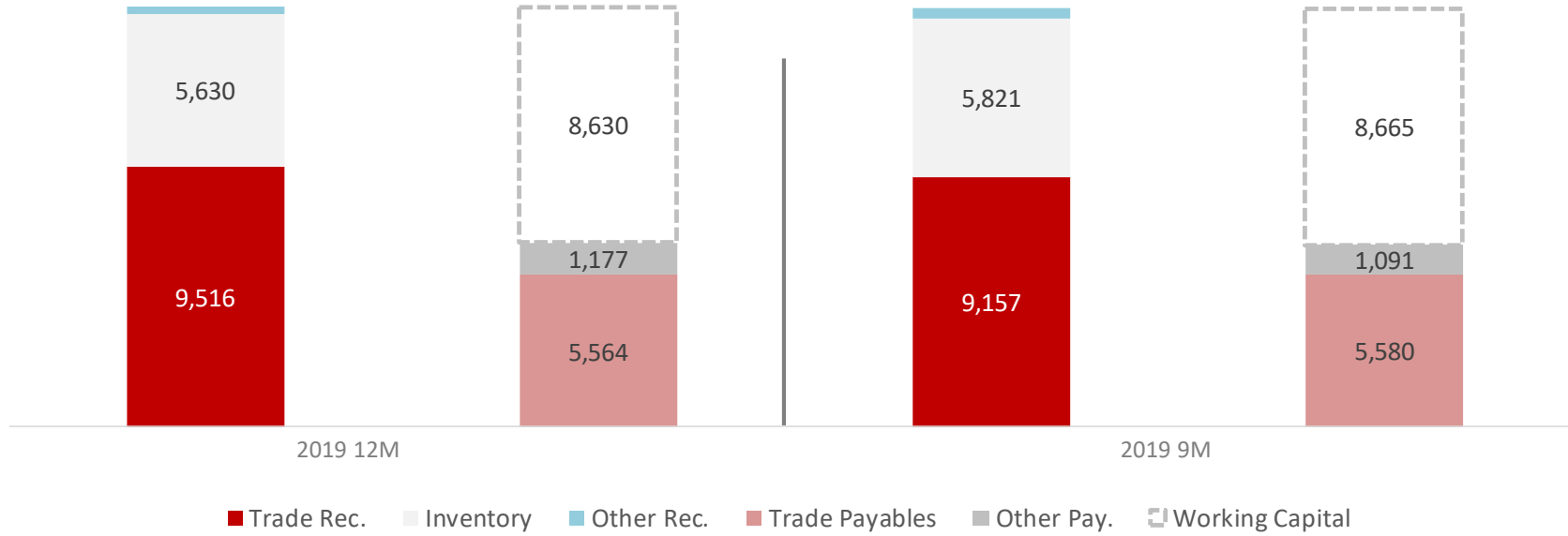


■ USD ■ EUR ■ TRY ■ GBP ■ RUB ■ Other

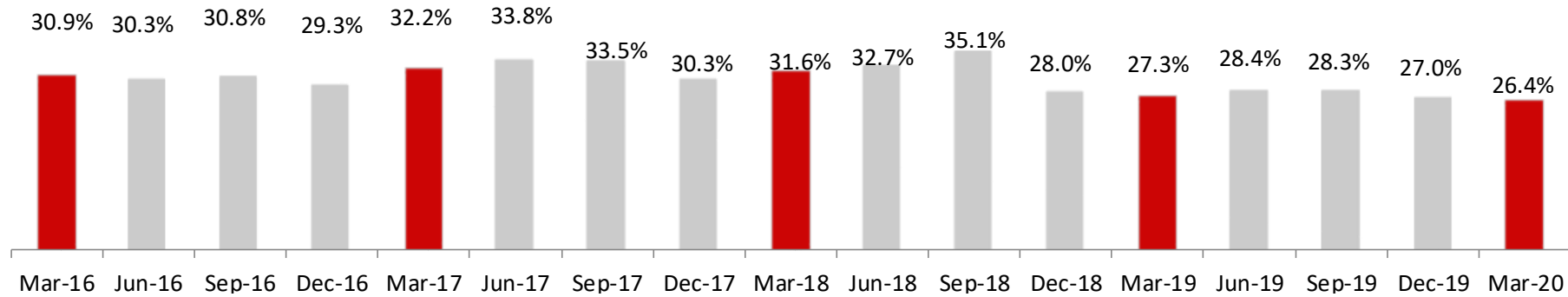
## Debt Maturity Profile



# Working Capital



## Working Capital / Sales



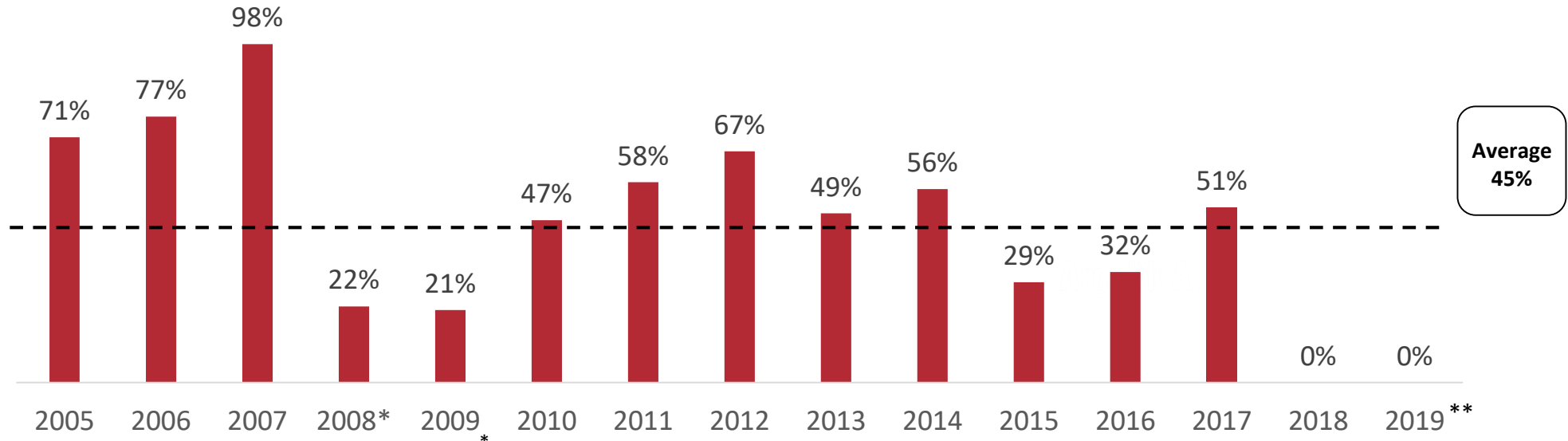
# 2020 Guidance

# 2020 Expectations

- In the mid of this global pandemic, the first priority of company management is to ensure the health and well-being of all employees and their families all over the world.
- The second critical issue is to keep the high liquid position of the company to be prepared against any scenario.
- We expect a weaker second quarter, followed by some normalization in Q3 and more stable market conditions in Q4.
- Thanks to our operational competitive advantages and strong balance sheet, we see more opportunities in the market aftermath of COVID-19.
- **Due to uncertainty in the global economy and our industry stemming from COVID-19 pandemic, the guidance we shared on February 2020 is no longer valid. At this point, we prefer not to provide a guidance as visibility on economic activity remains low.**

# Appendix

# Dividend Policy



Arçelik conducts a dividend policy within the framework of the provisions of the Turkish Commercial Code, Capital Markets Legislation, Tax Regulation, other relevant legislation and the provisions of the Articles of Association governing the distribution of profits. A balanced and consistent policy incorporating shareholders' and Company requirements in line with Corporate Governance Principles is followed.

In principle, subject to be covered by the resources existing in legal records, by taking into consideration market expectations, long-term strategy, investment and financing policies, profitability and cash position, other legislation, and financial conditions, minimum 50% of the distributable profit for the period calculated within the framework of the Capital Markets Legislation is distributed in the form of cash or stock.

The dividend distribution date is determined by General Assembly and targeted to be within one month after General Assembly Meeting date. General Assembly, or if authorized Board of Directors, could decide to pay dividend in installments within the framework of Capital Markets Legislation.

According to Company's Articles of Association, Board of Directors can distribute advance dividend with the condition of being authorized and compliant with Capital Markets Legislation.

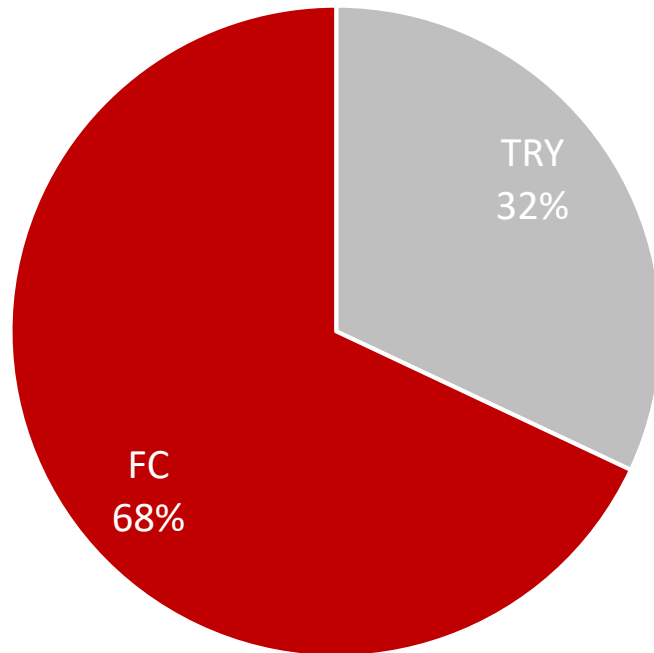
\* Bonus share distribution on 2008 income

\*\* Board of Director's offer of TRY500mn dividend on February 20, 2020 has been rejected by the General Assembly due to COVID-19 pandemic

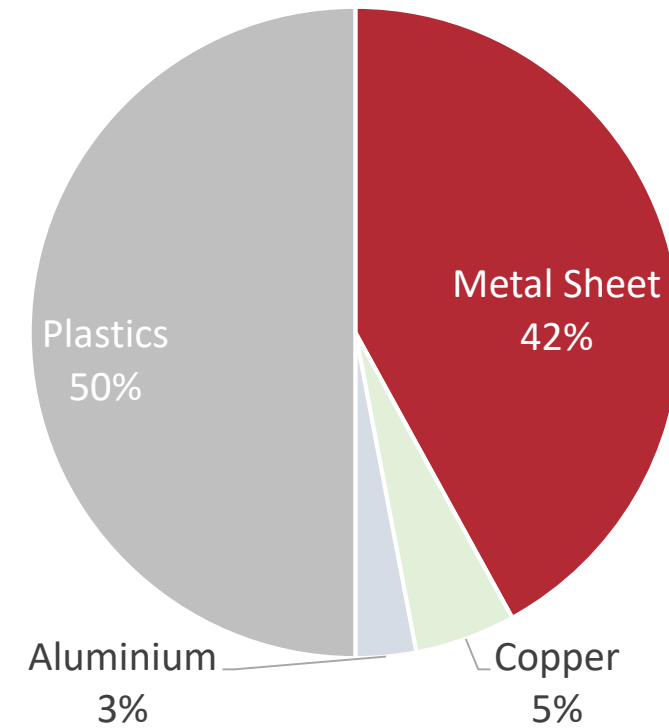


# Revenue and COGS Structure

Breakdown of Sales by Currency (2019)



Breakdown of Raw Material Cost (2019)



# Awards & Achievements



# 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.**

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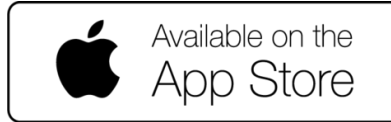
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