2Q22 Financial Results

Arçelik

2Q22 HIGHLIGHTS

TRY32.3bn
Revenue

7.5%
EBITDA Margin

24.8%
OPEX / Sales

28.3%
NWC / Sales

3.15x
Leverage

Revenue growth remained resilient in 2Q22 while cost inflation, driven by everlasting global challenges, was reflected on margins..

- Robust revenue growth of 122% y/y & 15% q/q, the organic growth was 90% y/y.
- Strong sell-out but weak sell-in in Turkey continued in 2Q22 while consumer demand in both West & East Europe was falling.
- Increased costs impacting gross and operating margin, resulted in 232 bps of yearly & 312 bps of quarterly EBITDA margin contraction.
- Net Working Capital/Sales was 28.3%.
- Leverage was 3.15x. Excluding the impact of share buyback as of June, 2022 (0.32x impact) and annualizing EBITDA & cash contribution of acquisitions (0.13x impact), the leverage would be 2.70x.

Key Factors Sales / Margins

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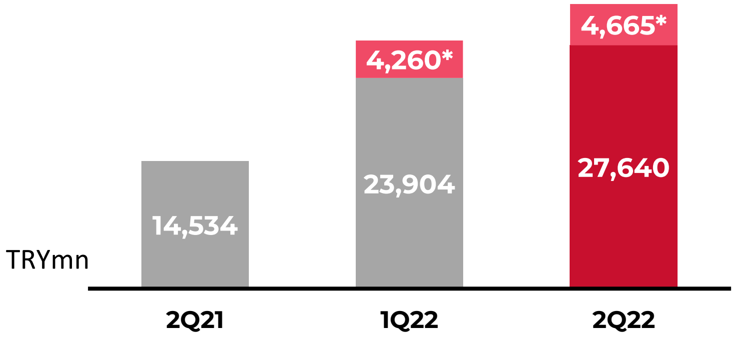
REVENUE GROWTH

122%

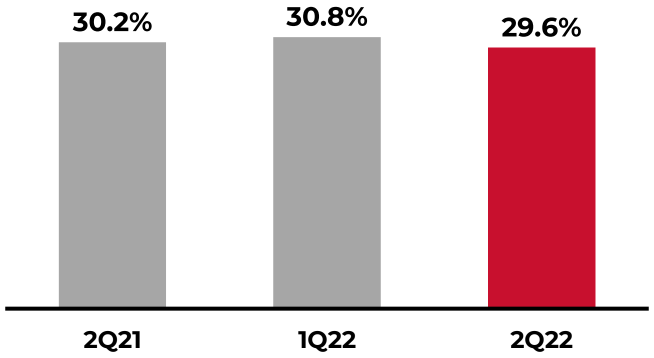
- Price increases on both quarterly & yearly basis
- TRY depreciation on both quarterly & yearly basis
- Inorganic growth on a yearly basis



GROSS MARGIN

29.6%

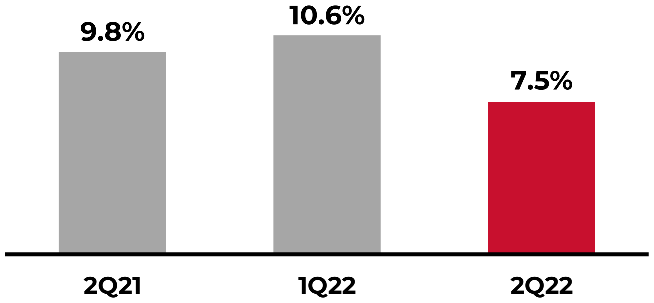
- Higher raw material prices coupled with further depreciated TRY
- Lower capacity utilization on both quarterly & yearly basis
- Weakened EUR against USD



EBITDA MARGIN

7.5%

- Declining gross margin
- Higher OPEX/Sales on both quarterly & yearly basis, mainly due to logistic and marketing & sales expenses



*Total inorganic net sales contribution.

Operational Performance

2Q22 Financial Results

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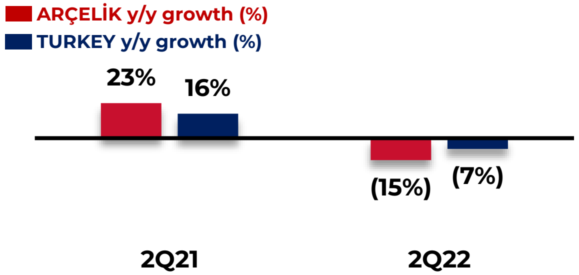
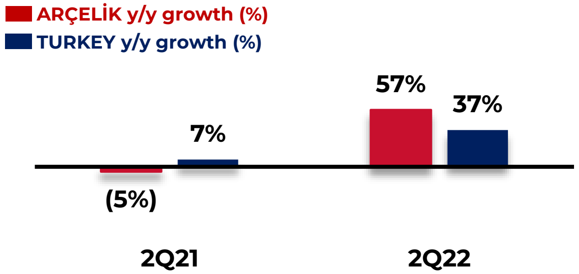
Solid revenue growth maintained in Turkey through pricing
High base and inflation leading to contraction in MDA6 market

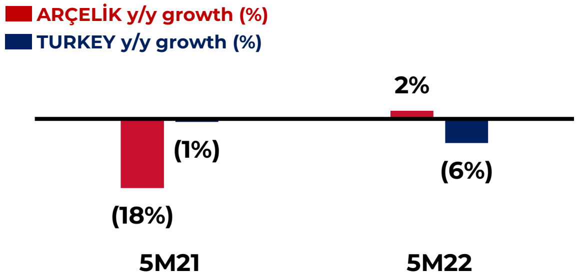
MDA6*



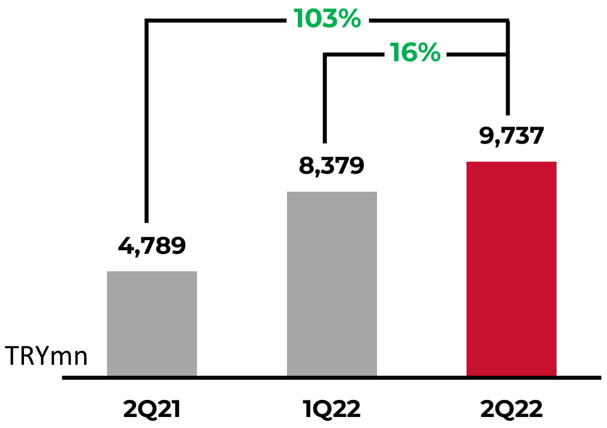
AIR CONDITIONER*



TELEVISION**

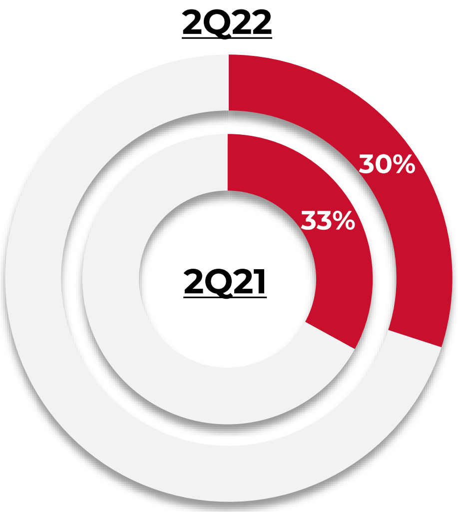


Turkey Revenue Growth



- Strong price increases on y/y & q/q
- Unit growth in A/C y/y & q/q
- Unit contraction in MDA6 (sell-in)

Turkey Share in Total Revenue



- Inorganic international growth

*MDA6 and A/C data (sell-in, in unit terms) is based on WGMA for 2Q22 period.

**TV market reflects the data of a retail panel market for 5M22 period in unit terms on a cumulative basis.

Strong revenue growth in Europe in 2Q22 y/y through price increases & inorganic growth

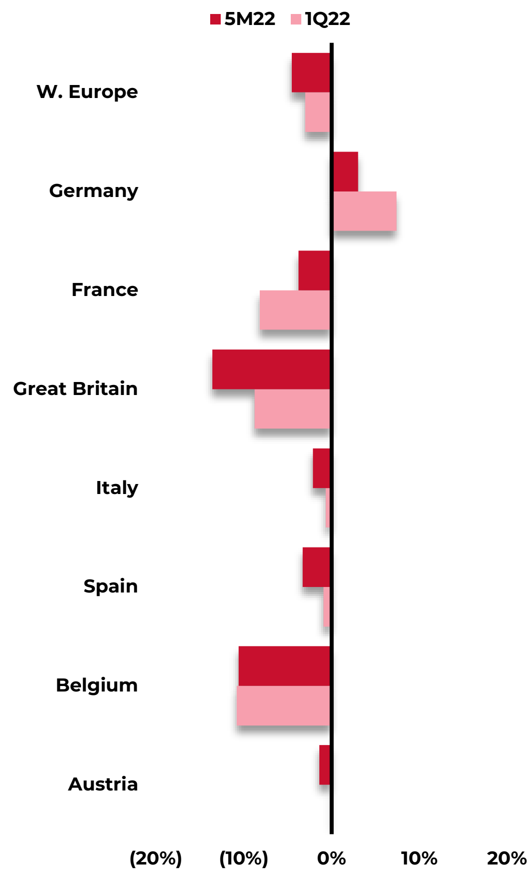
24%
Share in total revenue

Western Europe

Eastern Europe

13%
Share in total revenue

y/y market unit growth



MDA6 Market

- Slowdown in consumer demand in Western Europe market got even weaker in April & May mainly due to strong base impact and inflationary environment.
- Thanks mainly to the positive performance in the first quarter, consumer demand increased at low single digit in 5M22 y/y in Germany, despite falling demand in April & May.
- Market growth in value terms also slowed down in April & May, however still higher by mid-to-low single digit in 5M22 y/y thanks to price increases and higher share of more premium segment sales.

Arçelik in Western Europe

- 6% y/y revenue growth in EUR terms thanks mainly to price increases and inorganic revenue contribution.
- Beko maintained leadership in the U.K.

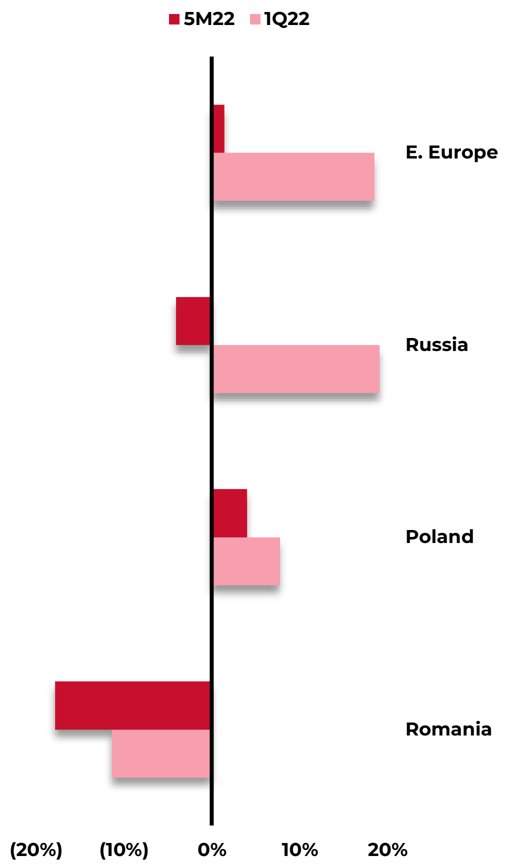
MDA6 Market

- Consumer demand contracted significantly in April & May in Eastern Europe.
- Consumer demand in other major countries such as Poland and Romania slowed down in April & May on a cumulated basis, as expected.
- Market growth in value terms also slowed down in April & May, however still higher by high-teens in 5M22 y/y thanks to unit growth, price increases and higher share of more premium segment sales.

Arçelik in Eastern Europe

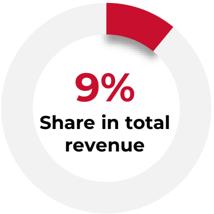
- 20% y/y revenue growth in EUR terms thanks mainly to price increases.
- Beko maintained leadership in Poland with slightly increased market share in 5M22 compared to 2021 year-end.
- Arctic & Beko brands continued to hold the first and second position respectively in Romania in 5M22.

y/y market unit growth



MDA6 market charts show the growth of sell-out demand in the countries and the regions in both 1Q22 and 5M22 y/y and reflect the data of a retail panel market.
Eastern European MDA6 market chart excludes Ukraine's figures.
Russia's share in Arçelik's total revenue in 6M22 was 2.7% (6M21: 1.8%). Ukraine's share in total revenue in 6M22 was 0.3% (6M21: 0.4%).

APAC sales more than doubled thanks to Arçelik-Hitachi Growth momentum in Africa & Middle East maintained



Africa & Middle East

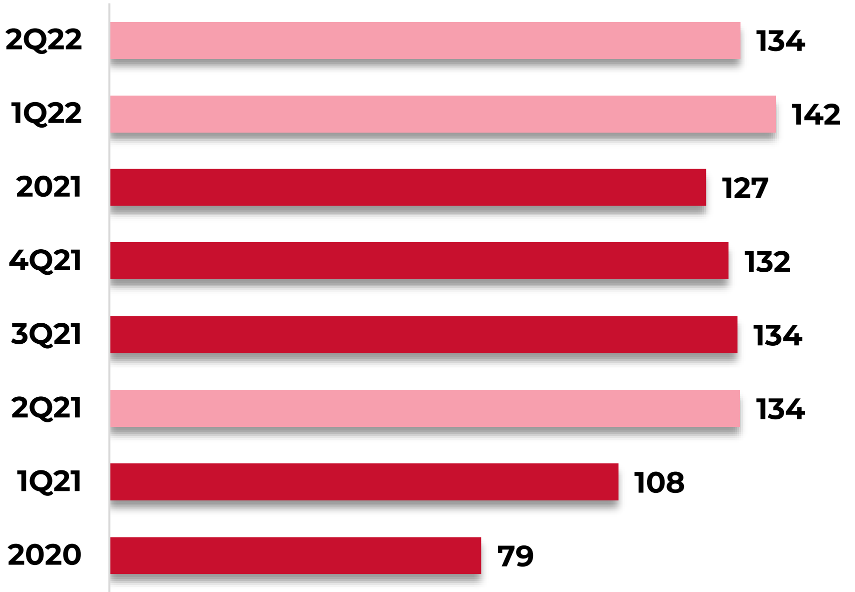
- Revenues from Africa & Middle East increased by c.49% y/y in 2Q22 in EUR terms with balanced growth contribution from both region.
- Defy's domestic unit sales delivered mid-single digit growth on a yearly basis while contracting by mid-to-low single digit on a quarterly basis mainly due to the flood disaster in South Africa. Export units contracted due to high base.
- Defy's revenue increased by c.16% in EUR terms y/y in 2Q22 thanks to higher units sold and price increases while contracted by c.4% in EUR terms q/q due to lower units.
- Strong market leadership of Defy in South Africa maintained.
- Beko Egypt registered c.68% y/y revenue growth in EUR terms thanks mainly to increased units and price increases while on a quarterly basis, revenue fell by c.25% in EUR terms mainly attributable to unit contraction due to the seasonality as the first quarter contained successful campaing activities.

Asia-Pacific

- Revenues from APAC grew by c.147% in EUR terms in 2Q22 y/y thanks to Arçelik-Hitachi contribution (Arçelik-Hitachi's share in total revenue was c.12% in 2Q22). Organically, APAC revenue grew by c.15% y/y in EUR terms in 2Q22.
- In Pakistan, significant unit growth and continued price increases resulted in c.54% y/y higher (c.45% higher q/q) sales in PKR terms in 2Q22. The revenue growth was also substantial in EUR terms, registering c.38% y/y and c.39% q/q growth despite weaker PKR against EUR.
- In Bangladesh, sales were increased by c.9% in BDT terms in 2Q22 y/y driven by higher refrigerator, washing machine, television sales.

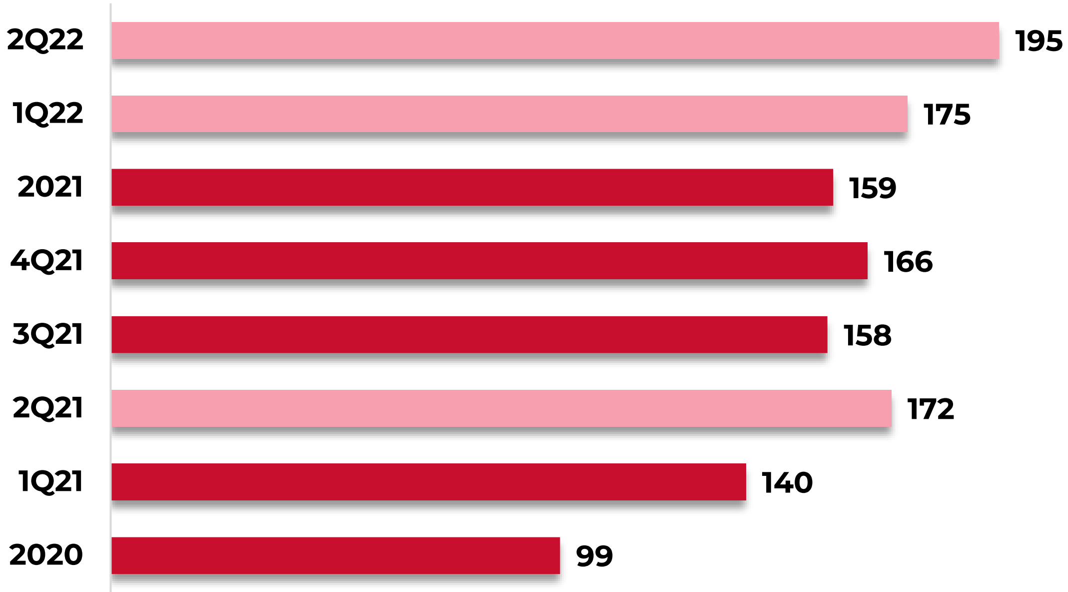
Raw material prices were volatile and steered by declining demand, recession concerns and high energy prices

Average Metal Prices Index - Market



- Increasing global recession concerns and shrinking consumer demand resulted in drop in metal raw material prices.

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.

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

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

Sales Performance

2Q22 Financial Results

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Resilient revenue composition through diversification

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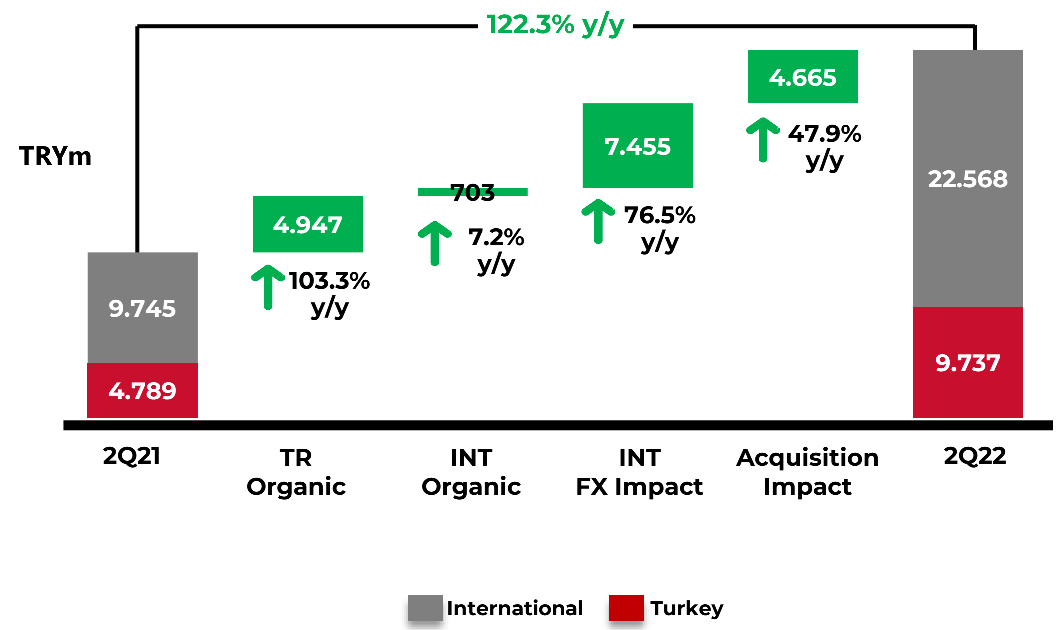
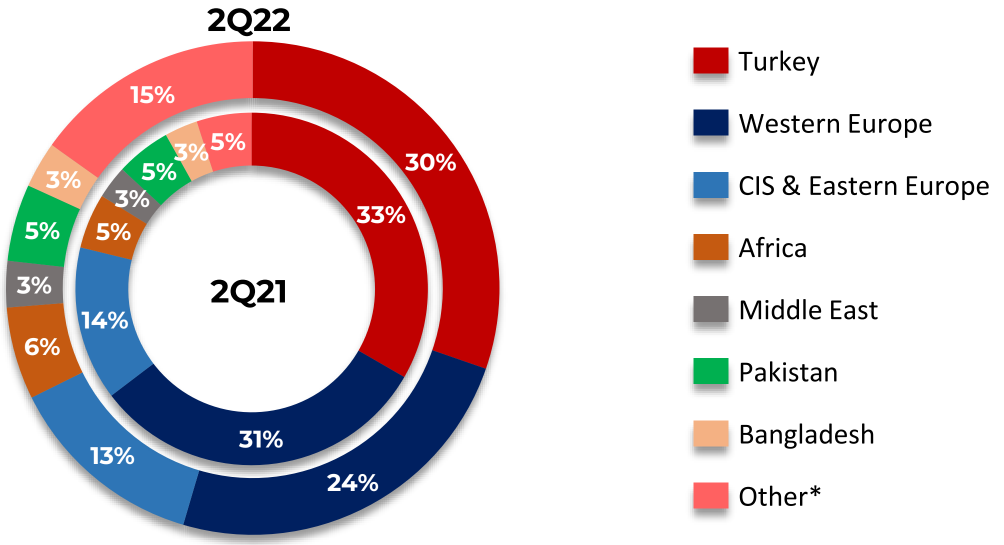
Sales Bridge



Sales Breakdown by Geography



*The net sales of Arçelik-Hitachi Home Appliances (c.12% share in total sales) has been shown in Other. In 2Q22, the share of Arçelik Hitachi Home Appliances in total net sales was c.12%.

Financial Performance

2Q22 Financial Results

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Summary financials

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TRYmn	2Q22	2Q21	y/y	1Q22	q/q	6M22	6M21	y/y
Revenue	32,305	14,534	122%	28,164	15%	60,469	27,518	120%
Gross Profit	9,568	4,393	118%	8,687	10%	18,255	8,876	106%
EBIT*	1,602	1,047	53%	2,282	(30%)	3,884	2,591	50%
Profit Before Tax	304	584	(48%)	1,451	(79%)	1,755	1,878	(7%)
Net Income**	340	541	(37%)	1,224	(72%)	1,564	1,641	(5%)
Net Income** - *exc. one-off items*	311	541	(42%)	1,224	(75%)	1,536	1,641	(6%)
EBITDA	2,424	1,427	70%	2,993	(19%)	5,418	3,317	63%
EBITDA - *exc. one-off items*	2,395	1,427	68%	2,993	(20%)	5,388	3,317	62%
Gross Profit Margin	29.6%	30.2%	(61 bps)	30.8%	(122 bps)	30.2%	32.3%	(207 bps)
EBIT Margin	5.0%	7.2%	(224 bps)	8.1%	(314 bps)	6.4%	9.4%	(299 bps)
Net Profit Margin	1.1%	3.7%	(267 bps)	4.3%	(329 bps)	2.6%	6.0%	(338 bps)
Net Profit Margin - *exc. one-off items*	1.0%	3.7%	(276 bps)	4.3%	(338 bps)	2.5%	6.0%	(343 bps)
EBITDA Margin	7.5%	9.8%	(232 bps)	10.6%	(312 bps)	9.0%	12.1%	(309 bps)
EBITDA Margin - *exc. one-off items*	7.4%	9.8%	(241 bps)	10.6%	(321 bps)	8.9%	12.1%	(314 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

Increasing working capital funding together with share buyback resulted in higher leverage in 2Q22

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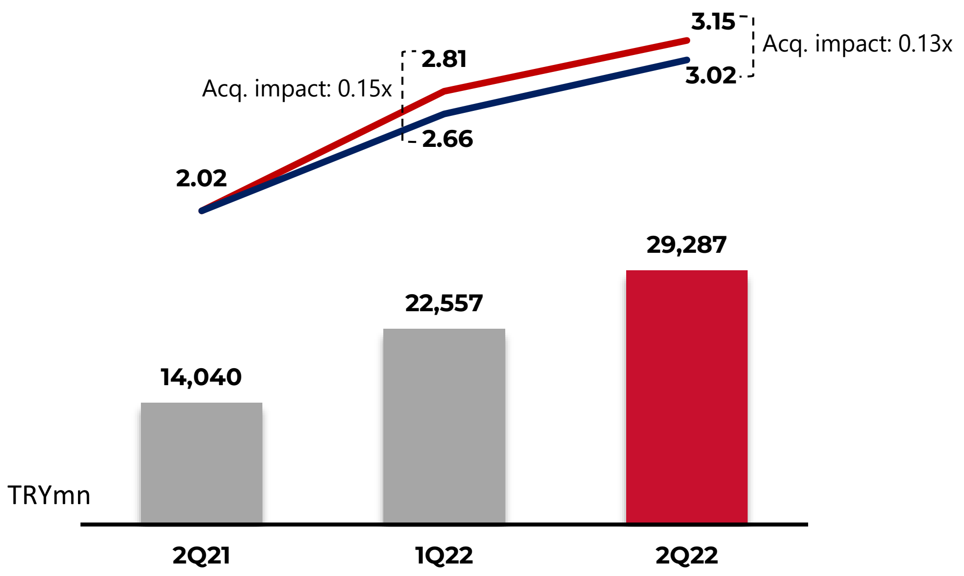
Net Debt & Leverage

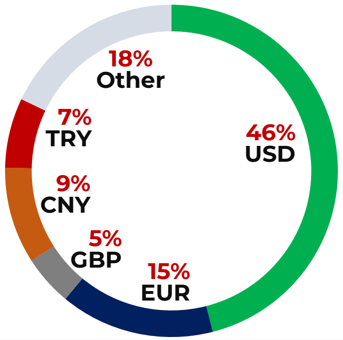


Debt Currency & Rates Breakdown

Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	21,5%	8.943	8.943
EUR	1,6%	426	7.464
USD	5,1%	37	612
GBP	2,1%	7	139
ZAR	5,9%	963	998
AUD	2,6%	26	293
PKR	13,8%	38.017	3.075
BDT	6,5%	9.380	1.675
RUB	10,6%	956	307
RON	6,3%	147	519
PLN	8,6%	39	146
NOK	2,4%	25	43
SEK	1,2%	1	1
DKK	2,4%	0	0
TOTAL LOANS			**24.214**
USD	5,0%	506	8.435
EUR	3,0%	351	6.145
TRY	21,6%	3.386	3.386
TOTAL BOND			**17.966**
TOTAL			**42.180**

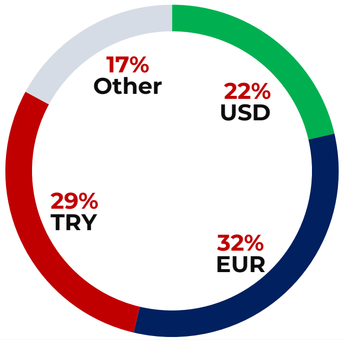
Cash Currency Breakdown

TRY15.0bn (EUR0.9bn)



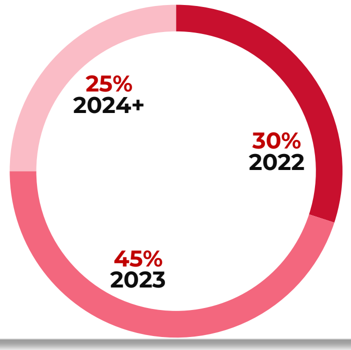
Debt Currency Breakdown

TRY42.2bn (EUR2.4bn)



Debt Maturity Profile

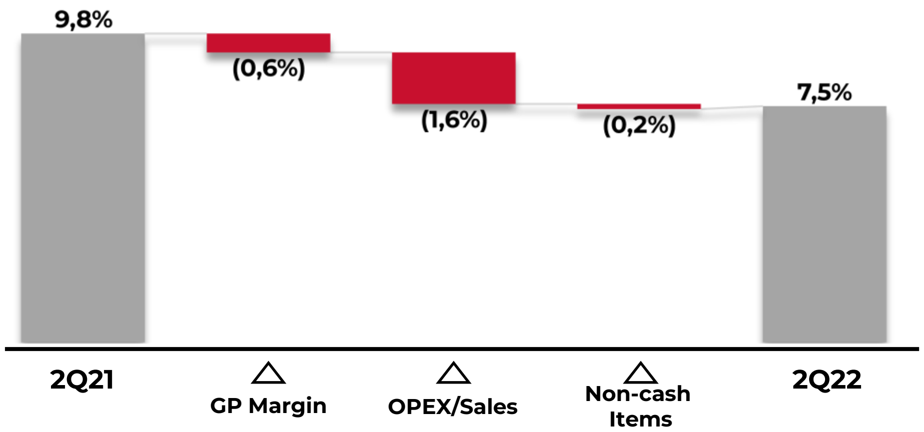
TRY42.2bn (EUR2.4bn)



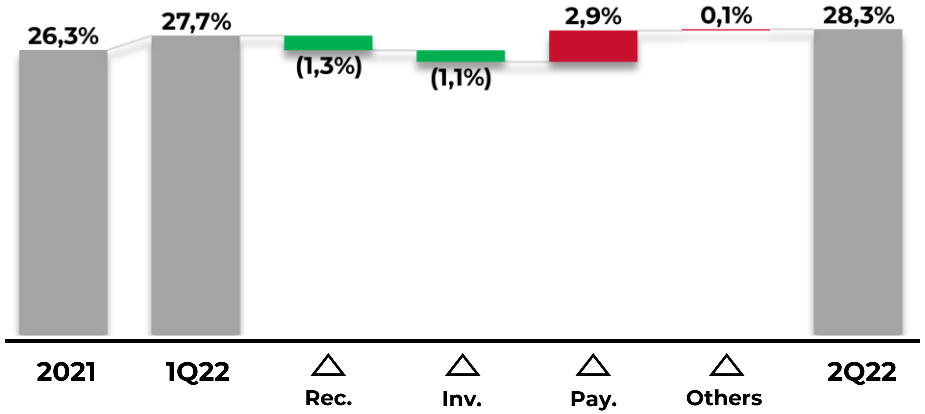
In 2Q22, the impact of share buyback on leverage was 0.32x.

Negative FCF in 2Q22 mainly due to NWC

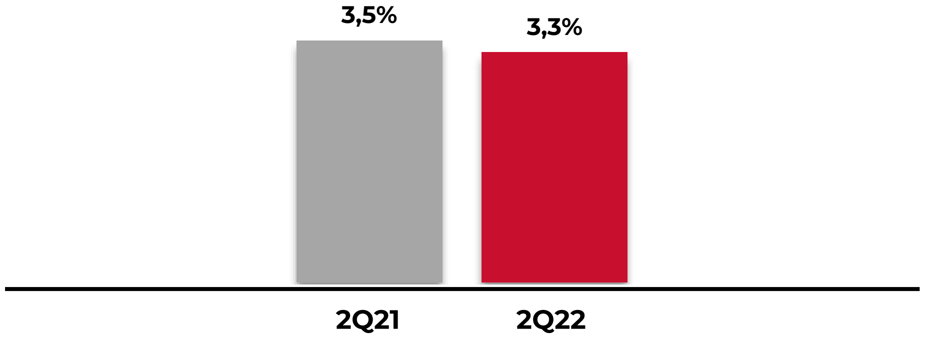
EBITDA Margin



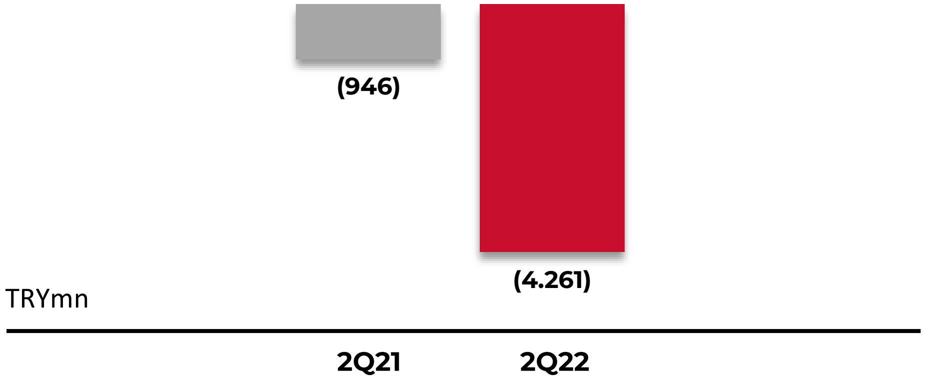
Working Capital/Sales



CAPEX/Sales



Free Cash Flow



Guidance

2Q22 Financial Results

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2022 Guidance

Revenue

• Turkey (in TRY)	c.70% growth
• International (in FX)	>20% growth
• Consolidated (in TRY)	>90% growth

EBITDA Margin

c.10%

WC/Sales

c.25%

CAPEX

c.220 mio EUR

Q&A

2Q22 Financial Results

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Appendix

2Q22 Financial Results

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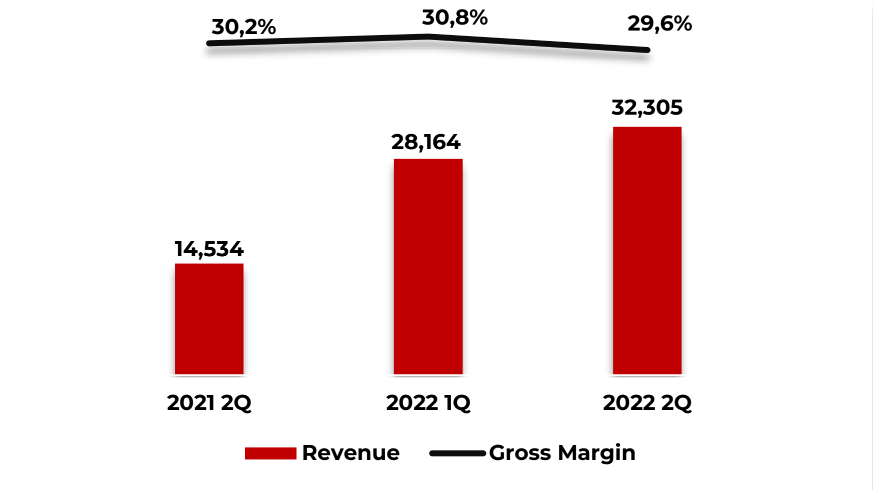
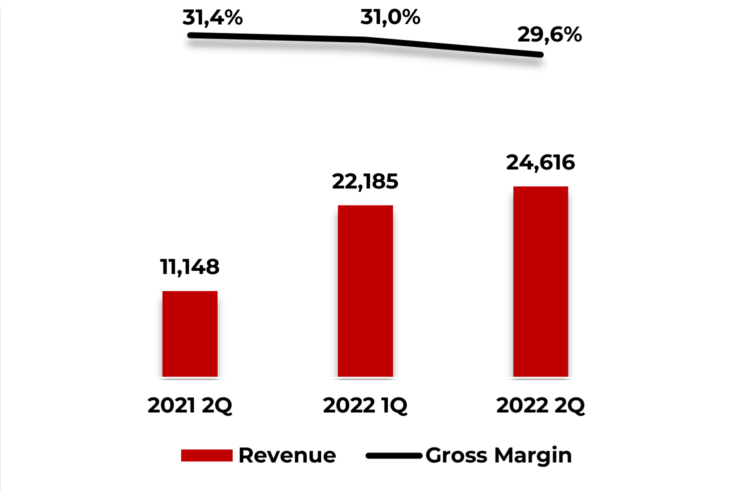
Margins by segments

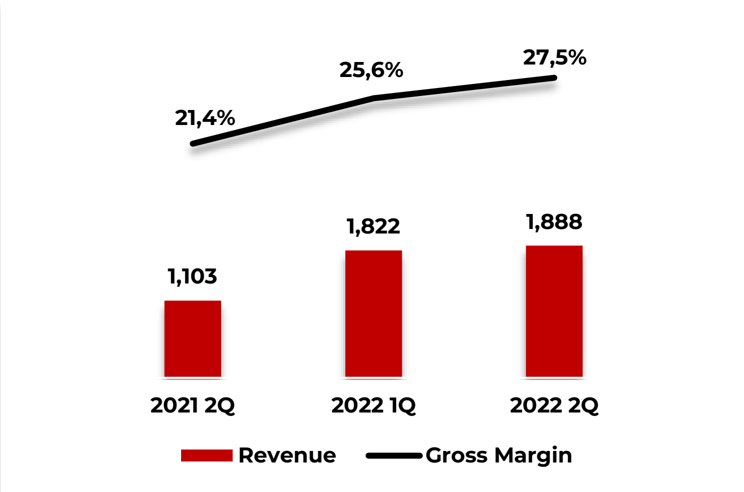
Consolidated



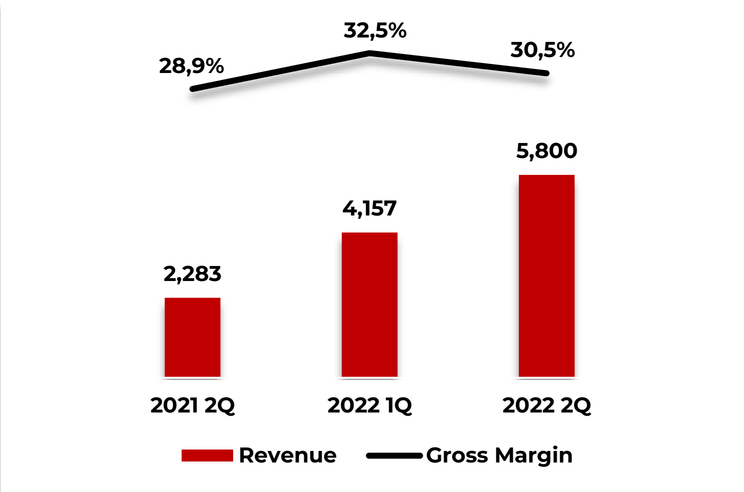
White Goods



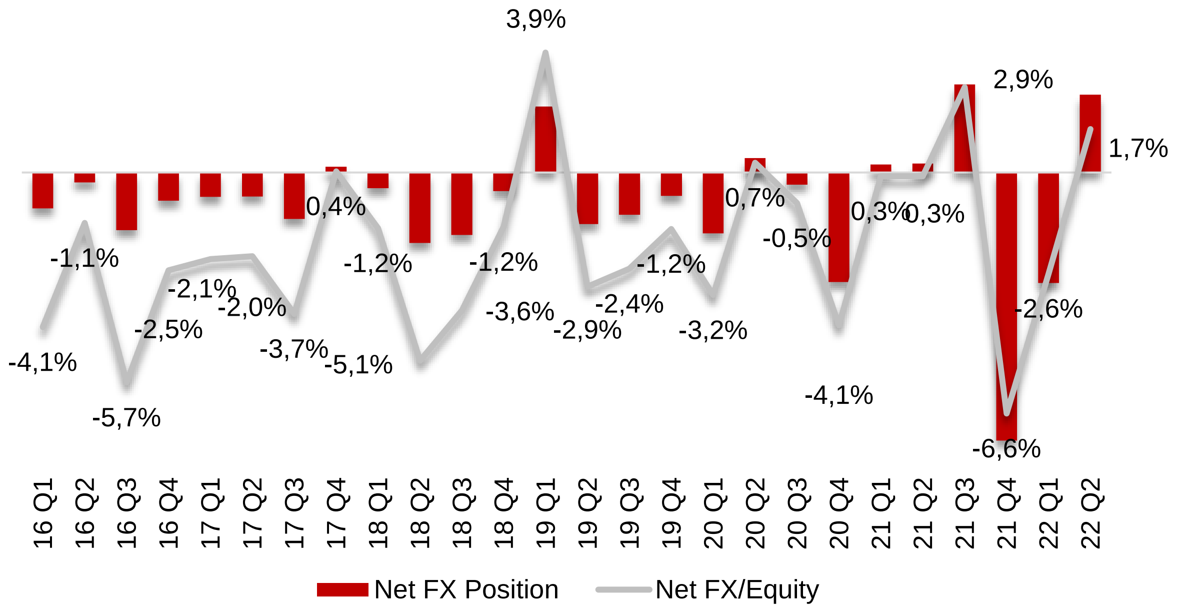
Consumer Electronics



Other



Close watch on FX risk, proactively taken actions



TRYm	Before Hedge	Hedged Position	Net Position
EUR	(8,063)	7,953	(109)
USD	(4,758)	5,219	461
GBP	1,451	(1,397)	54
Other	2,622	(2,623)	(2)
TOTAL	**(8,747)**	**9,151**	**404**
Net FX Position / Equity			**1,7%**

- 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.

- 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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