

Investor Presentation

Arçelik

August, 2022

AGENDA

**Overview of
Arçelik**
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Investor Presentation

Arçelik

Overview of Arçelik



Investor Presentation

Arçelik

28

Production plants

48

Countries with Sales & Marketing Offices

12

Brands

+40k

Employees worldwide

+150

Countries we serve

29

R&D and Design Centres

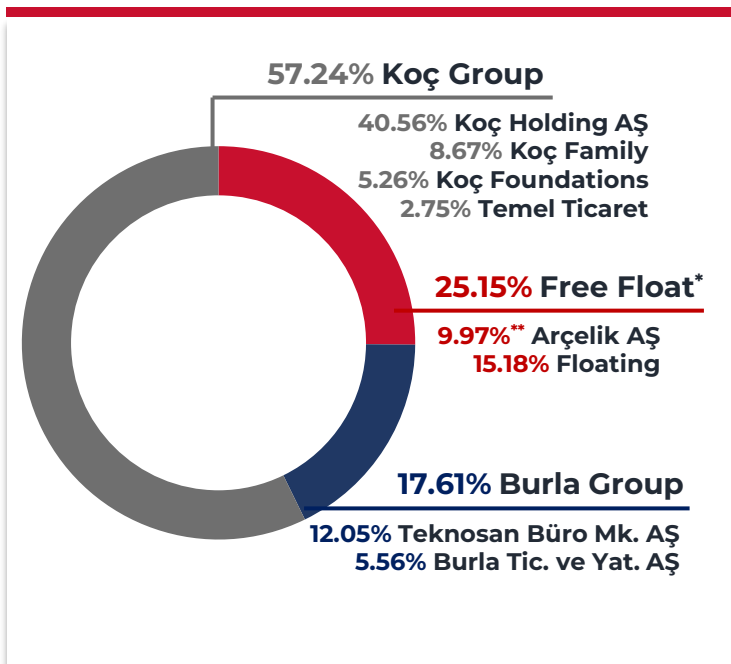
+2,000

Engineers & Researchers in R&D Centres

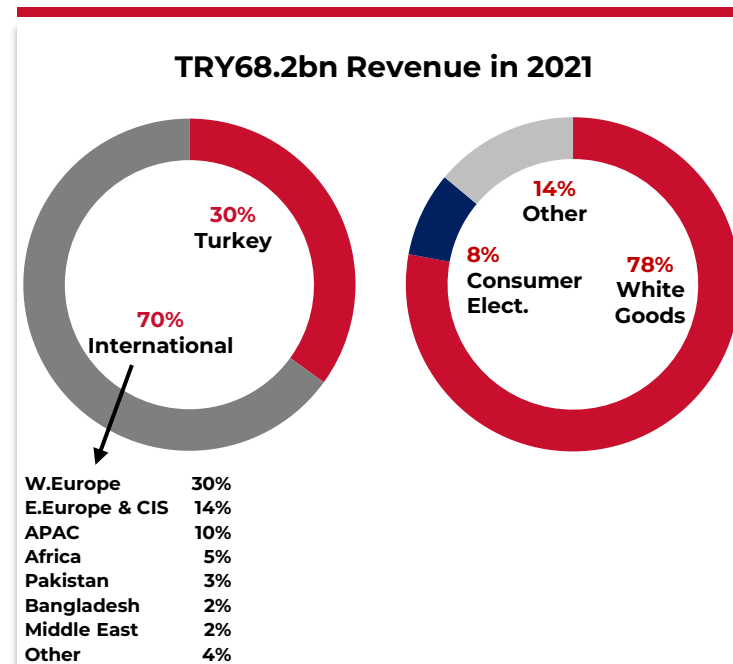
+2,300

Registered patents

Strong Ownership Structure



Diversified Revenue Composition



Leading Positions***

Founded in 1955, Arçelik has grown to become the 2nd largest white goods company in Europe (24CTR)



#2 in Europe (24CTR) & among top three in core markets

#1 in;

- ✓ The U.K.
- ✓ France
- ✓ Poland

#2 in;

- ✓ Romania
- ✓ Serbia
- ✓ Turkey

#3 in;

- ✓ Italy
- ✓ Spain
- ✓ Belgium



market leader in Turkey



market leader in Romania

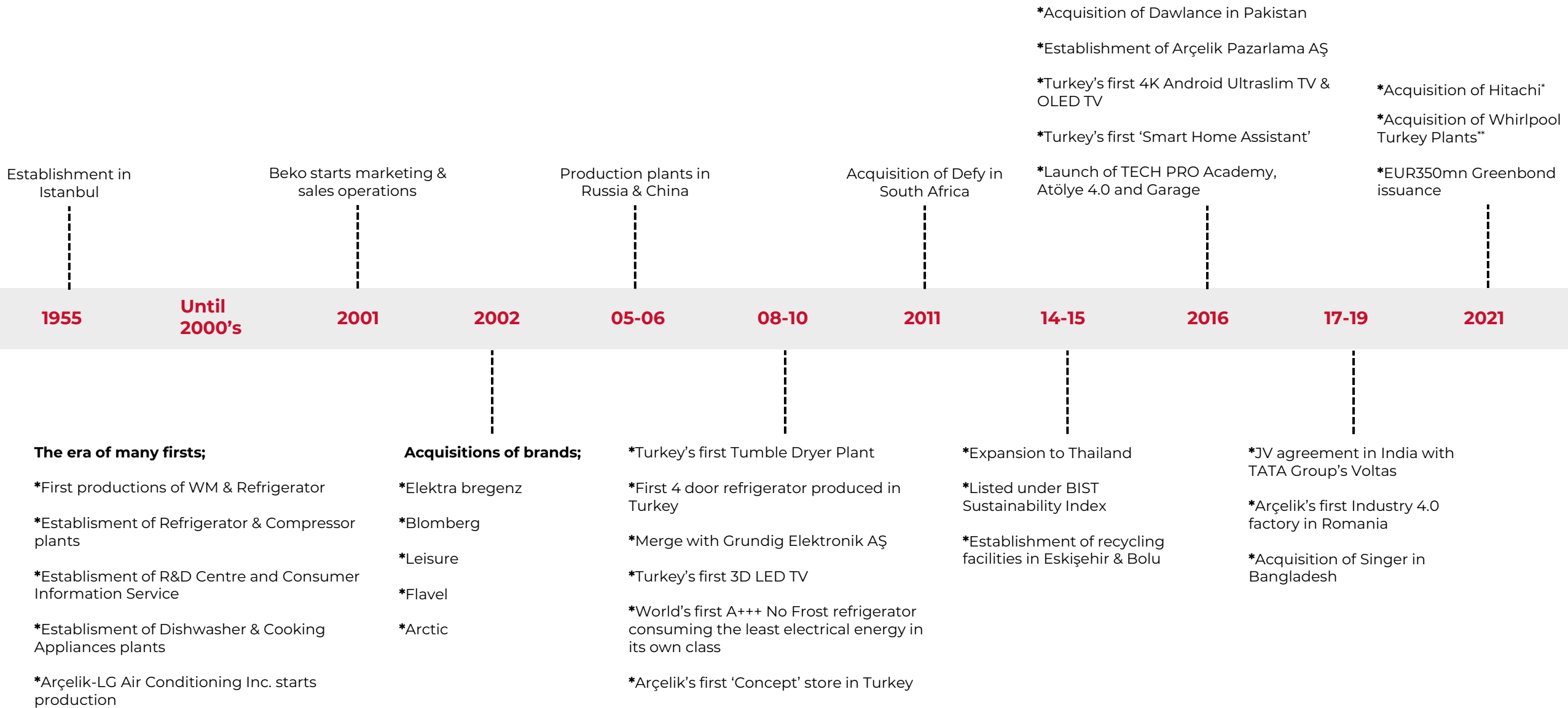


market leader in South Africa

*Trading on Borsa Istanbul Stock Exchange. Total Mcap of Arçelik was USD3.1bn as of May 25, 2022.

**Shares bought-back as of May 25, 2022.

***Market positionings reflect the data of a retail panel market as of December 31, 2021 and are in unit terms.



*A J.V., in which Arçelik has 60% share, has been established to operate in the global home appliances market outside the Japanese market.

**Arçelik has purchased the entire share capital of Whirlpool Beyaz Eşya Sanayi ve Ticaret Anonim Şirketi which manufactures refrigeration units and washing machines, a wholly owned subsidiary of the white goods manufacturer Whirlpool Global Holdings S.A.R.L.

	Refrigerator	Washing Machine	Dishwasher	Dryer	Oven	Cooking	TV	A/C*
Turkey	✓	✓	✓	✓	✓	✓	✓	✓
Romania	✓	✓						
S.Africa	✓	✓		✓	✓	✓		
Pakistan	✓	✓				✓		✓
Russia	✓	✓						
Thailand	✓	✓						
Bangladesh	✓						✓	✓
India**	✓							
China	✓							



*Air Conditioner JV With LG Electronics in Turkey.

**Refrigerator JV with Voltas in India

Where we will play

Reinforcing our core

- Continue to strengthen our leading positions in Turkey, Pakistan, Bangladesh, European and South African market

Expanding our boundaries (geographies)

- Increasing international market share through organic & inorganic growth particularly in Asia-Pacific, North America, Middle East, India and Africa

Expanding our boundaries (products)

- Broader range of innovative products such as smart and connected home products, health and wellness products

Building a new engine of growth

- New business models and services that increase recurring revenue such as integrated product and service offerings

Investment Highlights



Investor Presentation

Arçelik

Leading positions in key markets

- Leading producer of white goods in Turkey
- Beko is the 2nd largest brand in the European market (up from 7th position in 2004)
- 3rd largest market share in the European market (excluding Turkey) as a Group, whilst holding leading positions in its key international markets such as South Africa, Pakistan and Bangladesh

Diversification

- Acquisitions, greenfield investments and new sales offices to further boost global presence
- Serving customers in over 150 countries with wide product range and enhanced brand portfolio including 12 brands
- Recognised diversification by rating agencies, resulting in ratings above the Turkey sovereign

Financial strength

- Robust revenue growth with sustainable margins
- Significant improvement in NWC/sales ratio from 2010 to 2021 through effective management
- Prudent debt management - net leverage ratio consistently below 2.5x and hedging policy in place

Proven track record of inorganic growth

- Acquisition of 60% shares of Hitachi Home Appliances Netherlands B.V. (Hitachi home appliance business outside Japan)
- Acquisition of leading brands; Dawlance in Pakistan, Singer in Bangladesh, Defy in South Africa
- Joint venture with Voltas, a Tata Group Company, in India and greenfield investment in Thailand

Leading R&D capabilities

- Manufacturing with its technology
- The only Turkish 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 labour cost regions which are in close proximity to key markets
- Manufacturing facilities are among the largest of their kind leading to economies of scale
- Understanding flexible manufacturing to address different local needs efficiently



Exclusive Dealer Network

- Around 3,000 exclusive dealers in Turkey for Arçelik and Beko brands on long term relationship
- Providing Arçelik customer royalty, proximity and brand awareness
- Arçelik manages marketing, store formats and dealer training
- Arçelik supports dealers via payment terms while dealers bearing consumer risk, providing indirect consumer financing



After-Sales Services

- Widest after-sales network in Turkey; 10 regional after-sales service centers & +600 exclusive after-sales service points
- Delivery, assembly, installation, repair and general customer support processes
- Strong technology infrastructure; extensive database and immediate feedback on product performance
- Local call center to address customer issues quickly and effectively (7/24)



Strong Brand Recognition

- Arçelik brand, being Turkey's Lovemark for 13 consecutive years and Beko among top three brands in same research made by Ipsos and Mediacat.
- Areas questioned in the survey; Spontaneous Awareness, Feeling Close to, Fulfilling Expectations, Most Loved, Never Give up



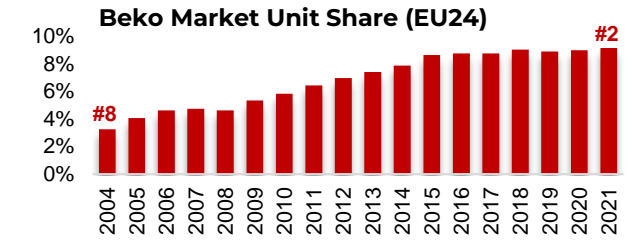
Premium brand in Turkey
Continuously a significant
market leader



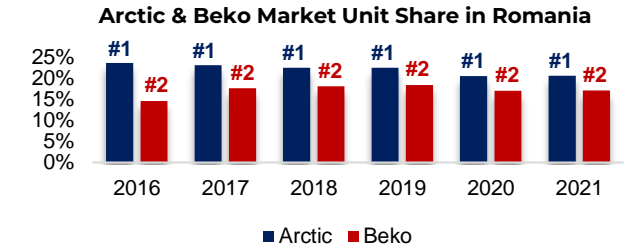
International brand
Among top three in
Turkey



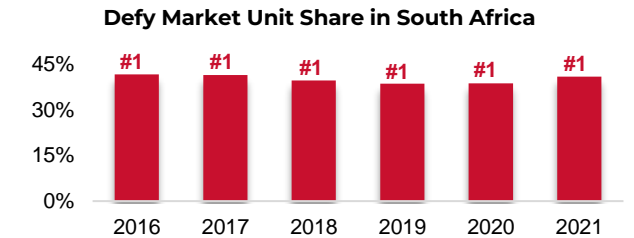
- ✓ Maintained 1st position in the U.K. and Poland in 2021 in unit terms
- ✓ Captured leadership position in France in 2021 in unit terms
- ✓ The 2nd largest brand in total & the largest brand in free-standing segment in EU24
- ✓ Market leader in total Eastern Europe in unit terms
- ✓ 2nd in Romania and Serbia & 3rd in Italy, Spain and Belgium in unit terms
- ✓ Fastest growing white goods brand in the European market since 2000; moved from 21st position in 2000 to 2nd position in 2013 in unit terms



- ✓ Continuous strong leadership in Romania with Arctic brand, followed by Beko brand in unit terms, strengthening the positioning of Arçelik Group
- ✓ Having the most widespread distribution network in Romania and also most dominant after sales service network



- ✓ Market leader with Defy brand in South Africa in both unit & value terms
- ✓ A premium brand in the South African market and its target demographic is mid-tier income consumers
- ✓ Products are sold mostly through independent retailers and national chains



Also;



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 MDA, SDA and Consumer Electronics



In Pakistan

- Leading appliance company



In Bangladesh

- Strong position in the appliances market, widely recognised brand



In India

- Increasing presence in one of the most populated country in the world



In Asia

- Increasing presence in Asia with a well recognized brand

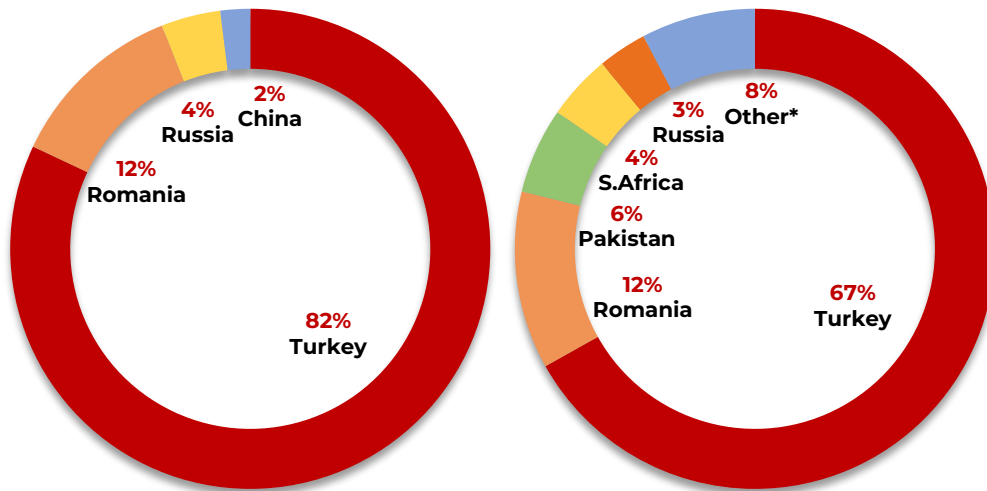
EXPANDING PRODUCTION BASE THROUGH

- Acquisitions
- Greenfield investments

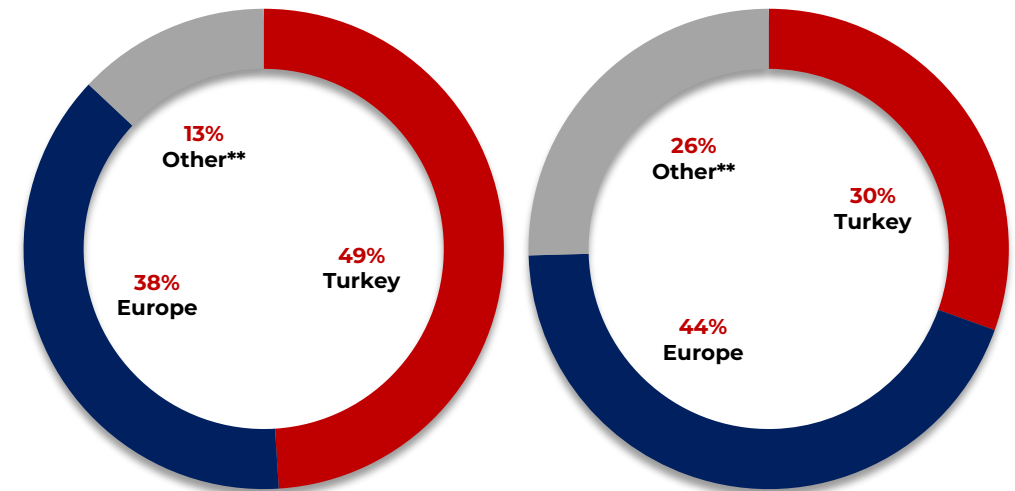
INCREASING EMERGING MARKET EXPOSURE THROUGH

- Acquisitions
- Opening of new sales offices

2010 **Production Base** → 2021



2010 **Revenue Breakdown** → 2021



We serve more than 150 countries

*Others include Thailand, Bangladesh and China.

**Others include APAC and other EM countries.

PRODUCT PORTFOLIO



Built-in & Freestanding Major Appliances

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



Heating Ventilation – A/C

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



Consumer Electronics

- TV's
- Smart Phone's
- Notebook's & Tablets
- POS Cash Register
- Hi-Fi Systems
- Portable Audio Systems



Small Domestic Appliances

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



Components

- Hermetic Compressors
- Appliances Motor-pumps

BRAND PORTFOLIO



The leading home-appliances brand and Lovemark in Turkey



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



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

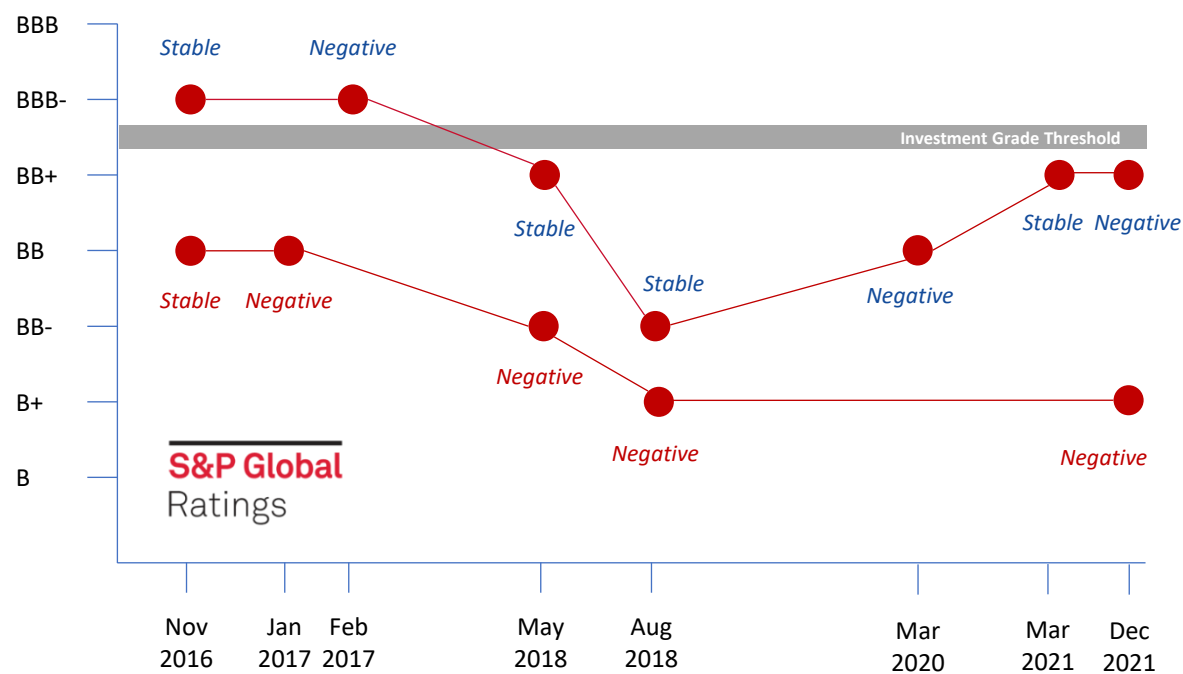


seit 1883



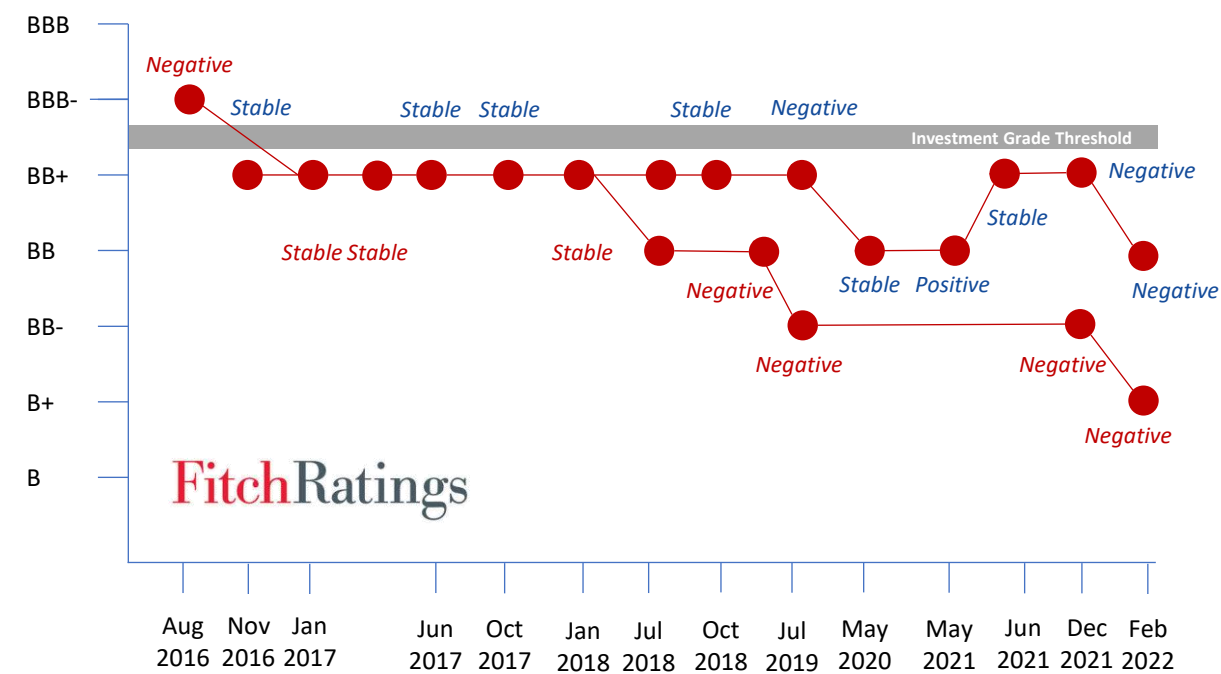
Standard & Poor's

BB+
Three notches above Turkey Sovereign



Fitch

BB
Two notches above Turkey Sovereign



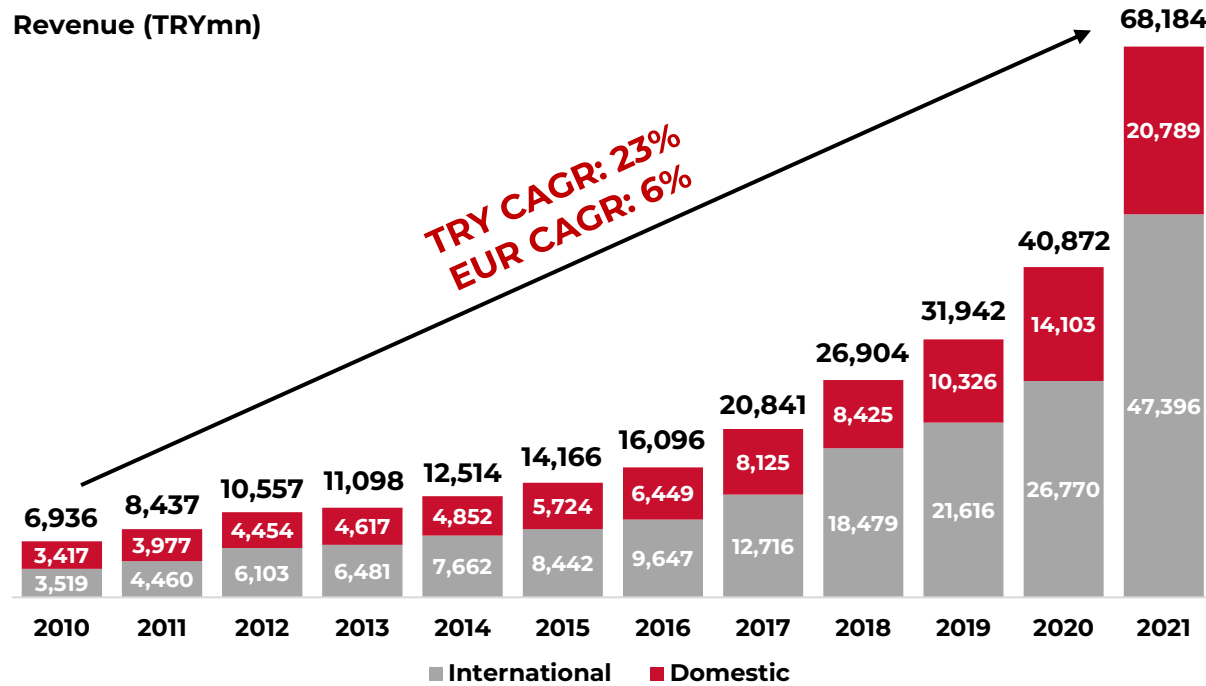
SOLID REVENUE GROWTH THROUGH

- Organic growth
- Inorganic growth
- Pricing

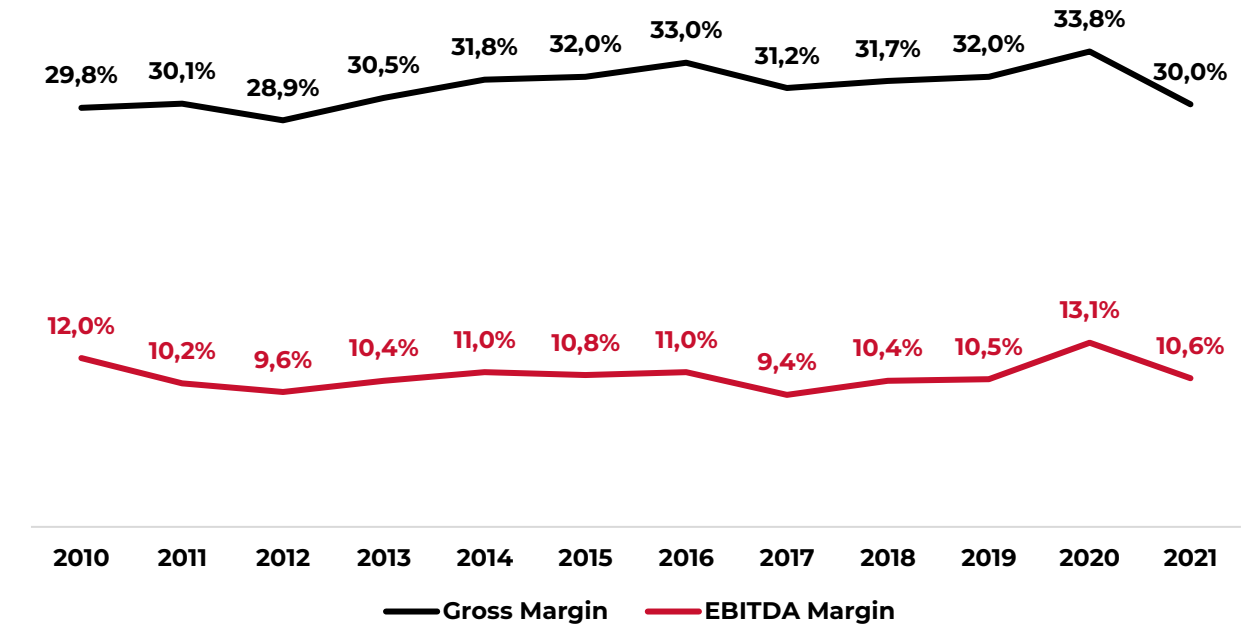
SUSTAINABLE PROFITABILITY THROUGH

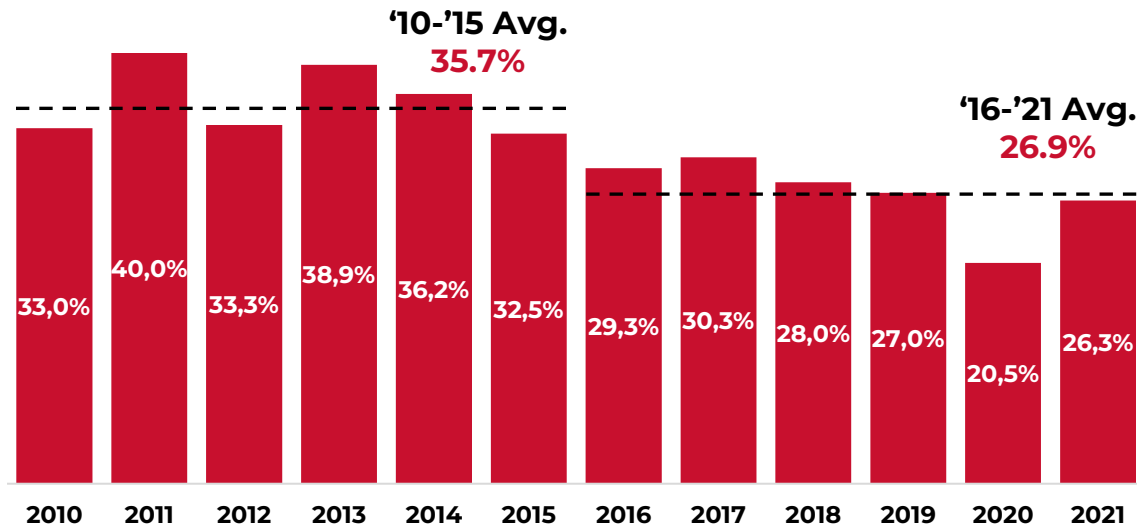
- Global sourcing power
- Strict cost management
- Operational efficiency

Revenue (TRYmn)



Margins (%)





EFFECTIVE WC MANAGEMENT THROUGH

- Reducing receivable days
- Extending payable days
- Healthy levels of inventory

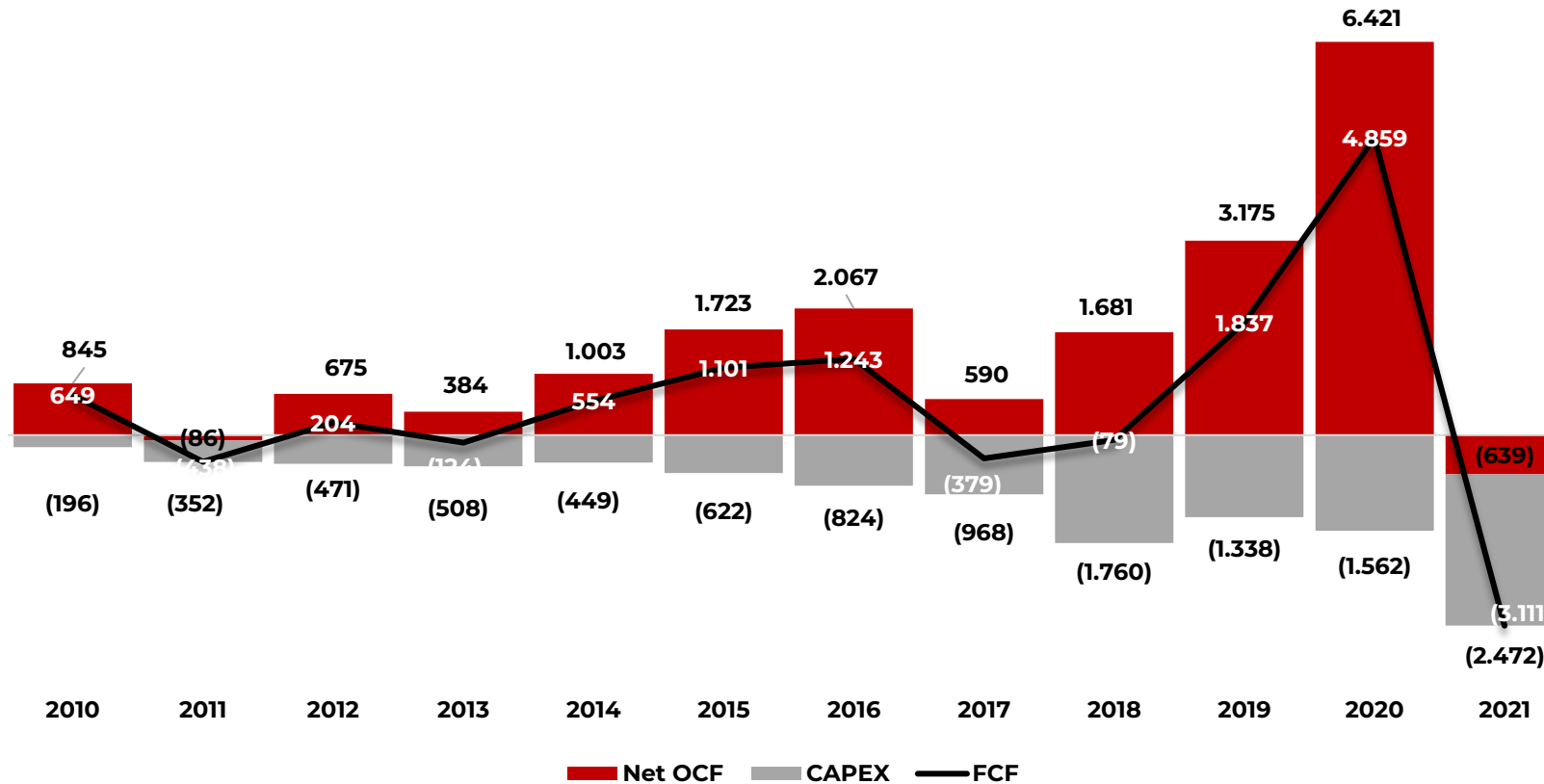


**Cash Conversion
Cycle**



Financial strength – robust profitability leading to strong free cash flow

FCF (TRYmn)

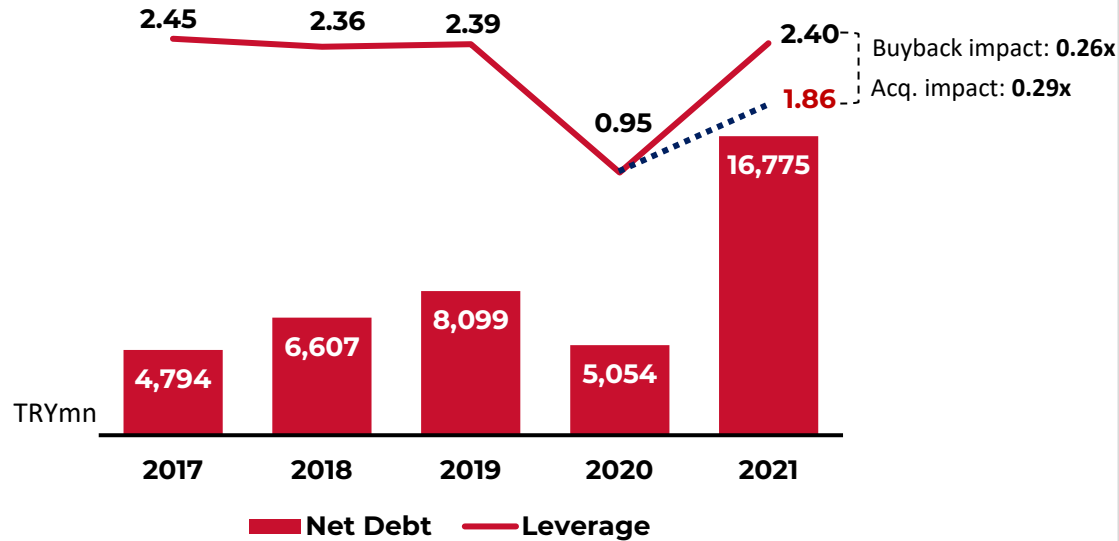


FCF CREATION THROUGH

- Strong profitability
- Controlled NWC

Net OCF is Cash flows provided by/(used in) operating activities
 FCF is calculated as deducting Cash outflows from purchases of property, plant and equipment and intangible assets amount and cash inflows from sale of property, plant and equipment and intangible assets from Net OCF

Net Debt & Leverage

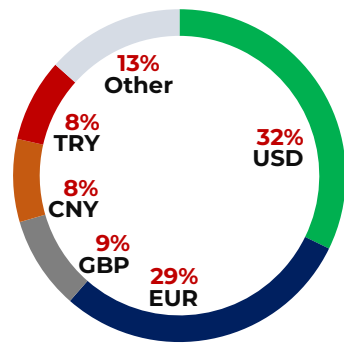


Debt Currency & Rates Breakdown

Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	17.8%	6,836	6,836
EUR	1.4%	464	6,818
USD	1.8%	20	266
GBP	0.6%	7	124
ZAR	5.5%	904	736
AUD	3.3%	24	228
PKR	9.1%	24,286	1,755
BDT	5.1%	4,655	705
RUB	8.4%	1,405	243
RON	3.4%	22	65
NOK	1.6%	23	33
TOTAL LOANS			17,810
USD	5.0%	506	6,566
EUR	3.0%	356	5,225
TRY	19.9%	1,544	1,544
TOTAL BOND			13,335
TOTAL			31,145

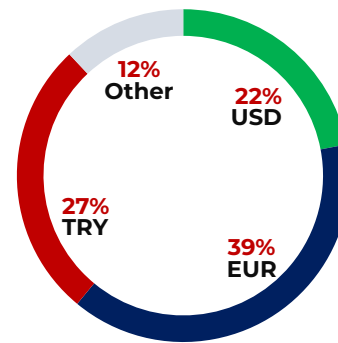
Cash Currency Breakdown

TRY16bn (EUR1.1bn)



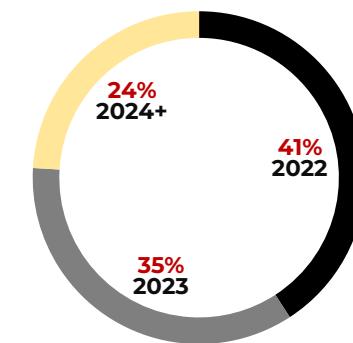
Debt Currency Breakdown

TRY31.1bn (EUR2.1bn)



Debt Maturity Profile

TRY31.1bn (EUR2.1bn)



ASEAN Region

- Thailand greenfield investment for leveraging Beko brand and its European positioning across the region
- Hitachi acquisition to benefit from its market positioning across the region, the synergies (cost & CAPEX) and premium image with price index at 130-150



Pakistan

- Acquired Dawlance, the leading home appliances brand in Pakistan, in 2016
- Market leader in cooling and microwave ovens
- Runner up in laundry and AC segments
- Three production facilities in Hyderabad and Karachi



India

- Voltas, our JV Partner, is part of India's largest conglomerate TATA Group
- Leading player in Indian A/C market
- Leverage both parties' strengths: Arçelik's technology and brand image combined with Voltas' local expertise and sales network
- Products are labelled under Voltas-Beko co-brand



South Africa

- Acquired Defy, market leader by far, in South Africa in 2011
- The strongest appliance brand positioning in South Africa and in the countries of Southern African Customs Union fitting well with our growth strategy
- Offering a full range of kitchen and laundry appliances
- Acquired for USD324mn



Bangladesh

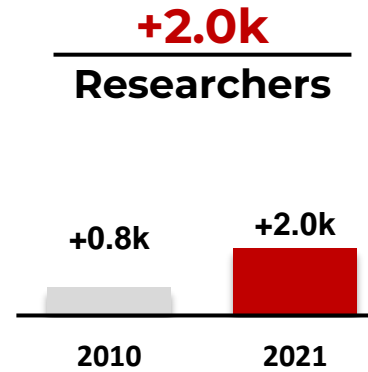
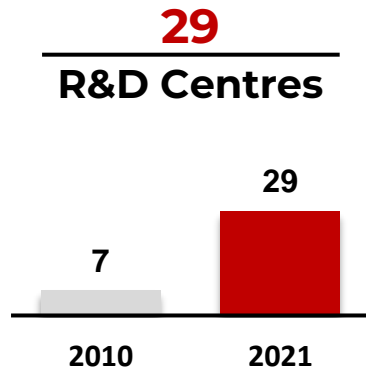
- Acquired Singer Bangladesh in 2019
- Strong position in the appliances market, widely recognised brand in Bangladesh
- Wide product range, extensive retail and service network
- International business partners



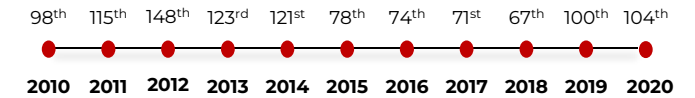
United States

- 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
- Always on the look-out for a possible acquisition to enter into mass market





The one & only Turkish company in the first 150 since 2010



ARÇELİK GARAGE

The new-generation R&D center, accelerates the process of turning an idea into an actual product and introducing it to the market thanks to its;

- Creative & collaborative work environment,
- Design-oriented techniques,
- Advanced digital prototype infrastructure

Start-Ups & Garage;

We provide start-ups;

- The means to make prototypes
- Our R&D capabilities
- Mentorship from our experts

They can have their products sold;

- Arçelik dealers
- Expand globally

ATÖLYE 4.0

Atölye 4.0 reveals our vision for digital transformation.

Employees from various fields of specialisation come together with universities, institutes and industrial companies in the Atölye 4.0 ecosystem to advance our level of knowledge and develop projects that support digital transformation.

The technologies experienced by our employees in Atölye 4.0 range from;

- Basic logic control
- Three-dimensional image processing,
- Mobile and collaborative robots,
- Automation systems of their own design

TECH PRO ACADEMY

TechPro Academy is a long-term programme that incorporates numerous technical training courses. The objectives of the program are to improve technical competencies within a corporate framework, develop critical talent aligned with strategies, and support a multidisciplinary workplace.

Modular programs designed in collaboration with Koç University, on-the-job and classroom training, and specialization training. We pick our trainers among the leading universities and institutions in Turkey.

Low Cost Base

Most labour intensive functions including HQ, R&D and production plants located in low cost countries.

Economies of Scale

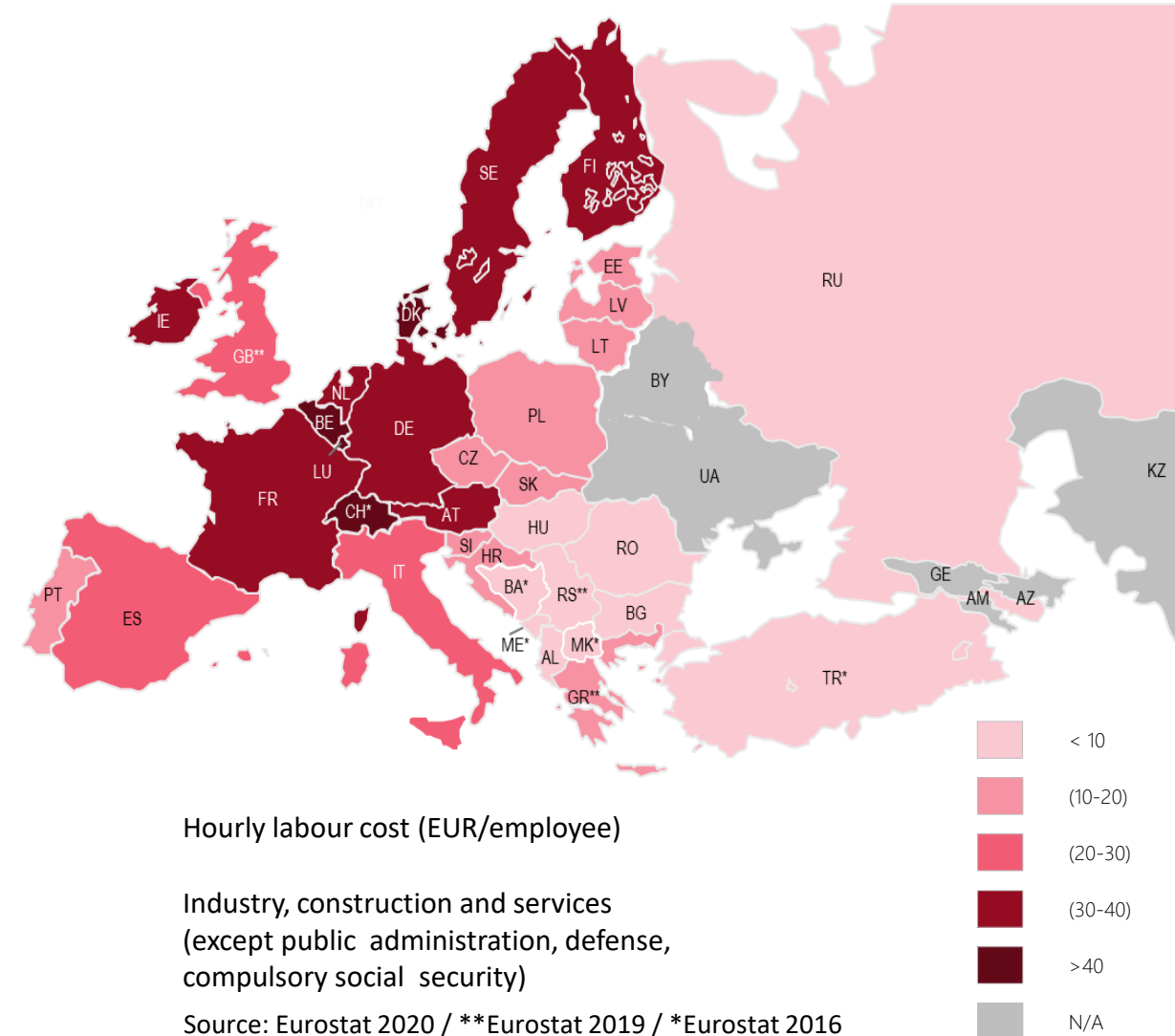
Huge production capacity in Turkey, Romania.

High capacity utilization rates in largest production hubs.

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



2Q22 Highlights



Investor Presentation

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.



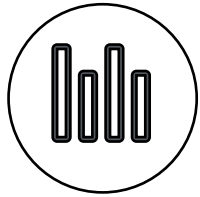
Increased costs impacting gross and operating margin, resulted in 232 bps of yearly & 312 bps of quarterly EBITDA margin contraction.



Net Working Capital/Sales was 28.3%.



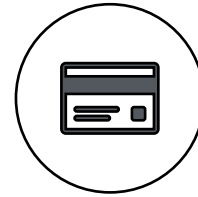
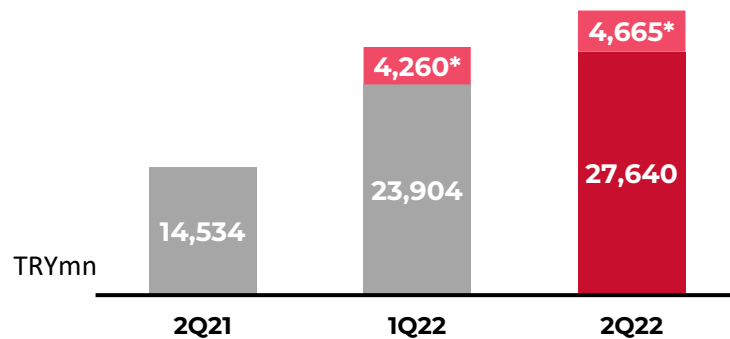
Leverage was 3.15x. Excluding the impact of share buyback as of June, 2022 (0.32x impact) and annualizing EBITDA & cash contribution of acquisitions (0.13x impact), the leverage would be 2.70x.



REVENUE GROWTH

122%

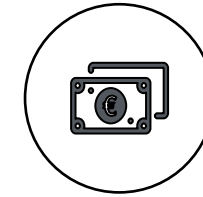
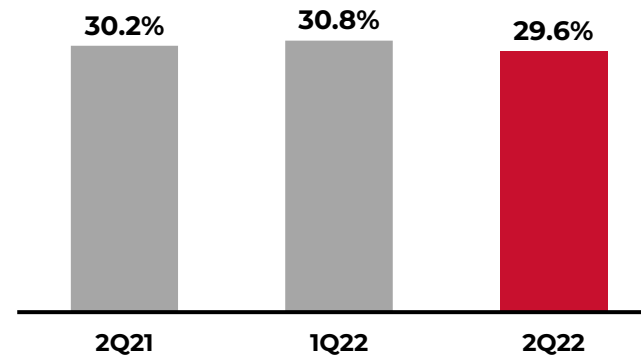
- ↑ Price increases on both quarterly & yearly basis
- ↑ TRY depreciation on both quarterly & yearly basis
- ↑ Inorganic growth on a yearly basis



GROSS MARGIN

29.6%

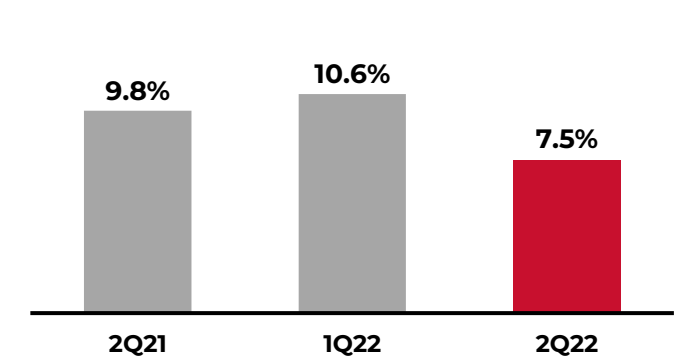
- ↓ Higher raw material prices coupled with further depreciated TRY
- ↓ Lower capacity utilization on both quarterly & yearly basis
- ↓ Weakened EUR against USD



EBITDA MARGIN

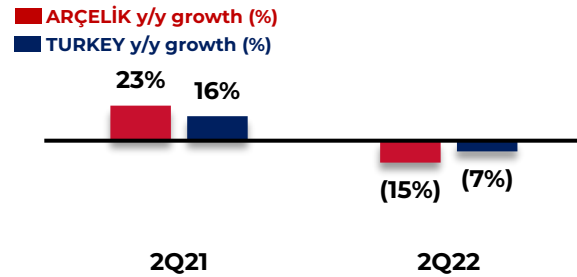
7.5%

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

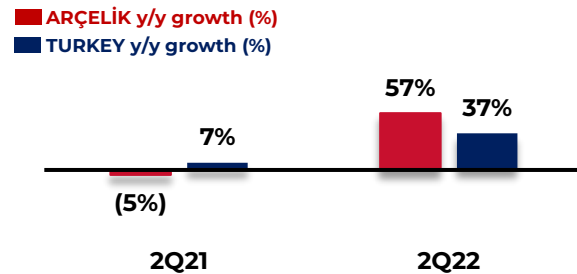


*Total inorganic net sales contribution.

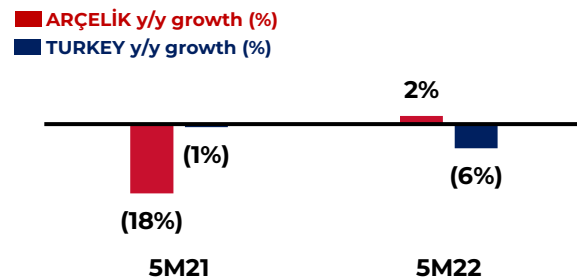
MDA6*



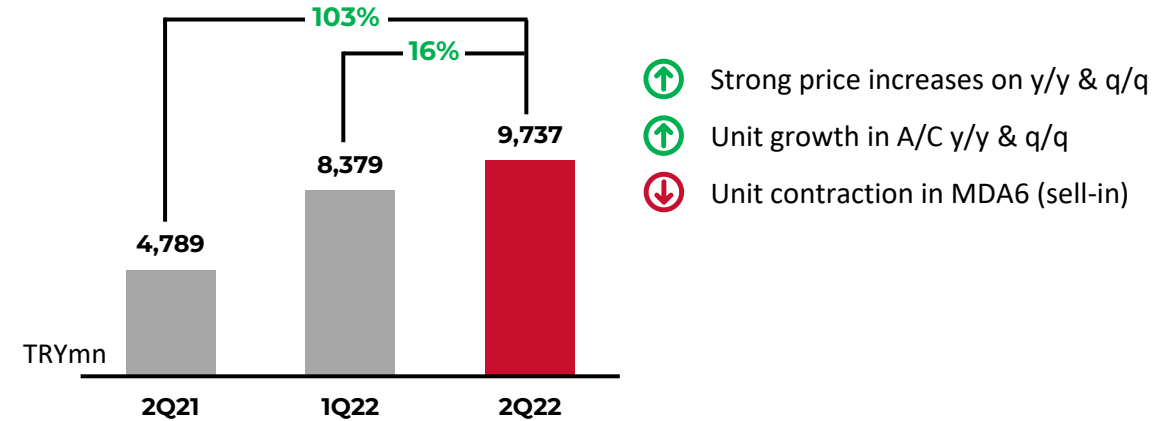
AIR CONDITIONER*



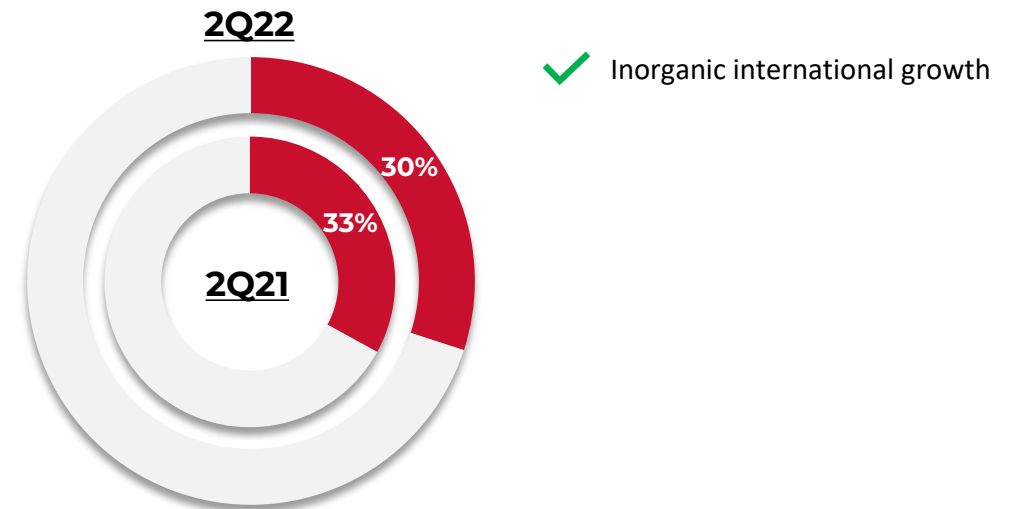
TELEVISION**



Turkey Revenue Growth



Turkey Share in Total Revenue



*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

2Q22 Highlights

Arçelik



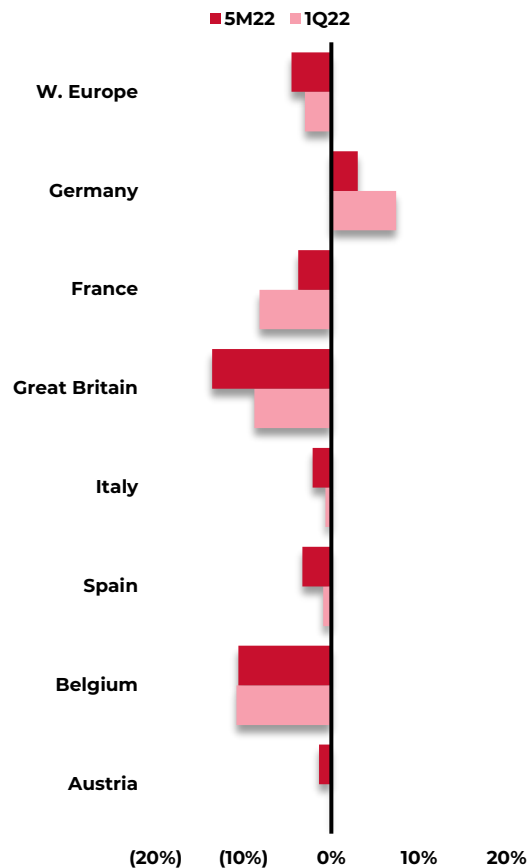
Western Europe



Eastern Europe

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.

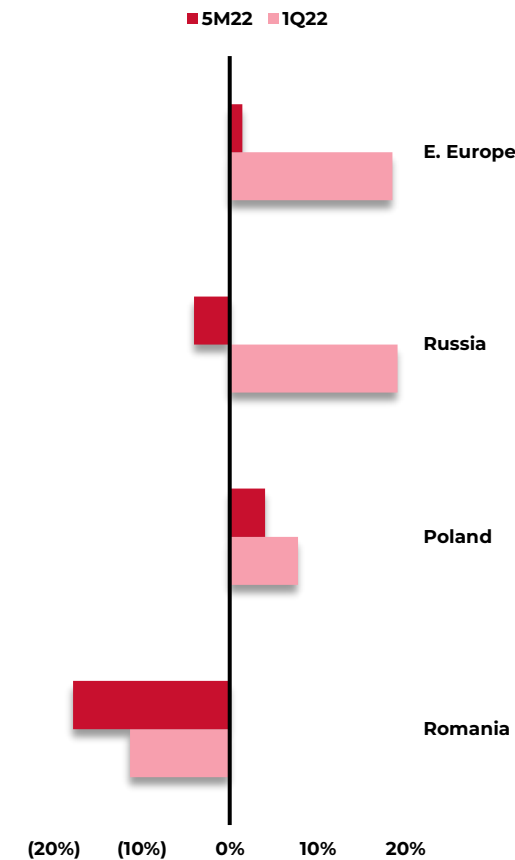
MDA6 Market

- 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%).



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 campaigning 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.

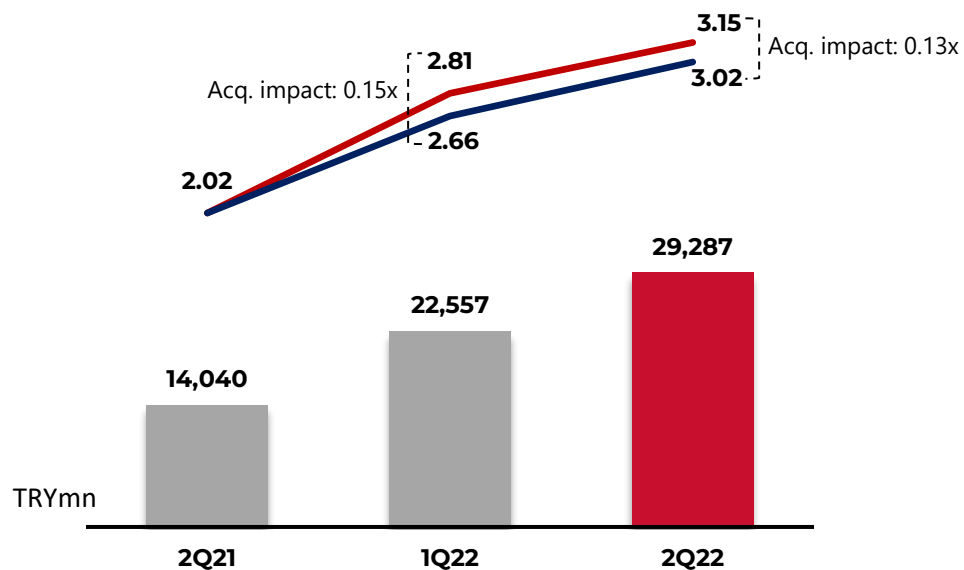
TRYmn	2Q22	2Q21	y/y	1Q22	q/q	6M22	6M21	y/y
Revenue	32,305	14,534	122%	28,164	15%	60,469	27,518	120%
Gross Profit	9,568	4,393	118%	8,687	10%	18,255	8,876	106%
EBIT*	1,602	1,047	53%	2,282	(30%)	3,884	2,591	50%
Profit Before Tax	304	584	(48%)	1,451	(79%)	1,755	1,878	(7%)
Net Income**	340	541	(37%)	1,224	(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

Net Debt & Leverage

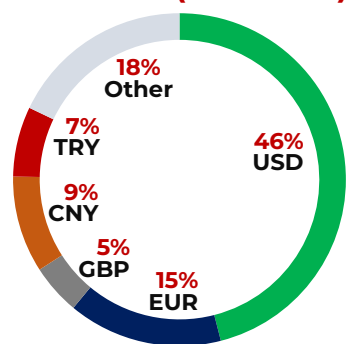


Debt Currency & Rates Breakdown

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

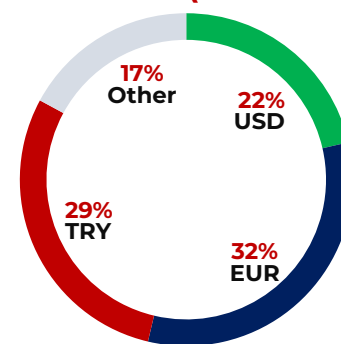
Cash Currency Breakdown

TRY15.0bn (EUR0.9bn)



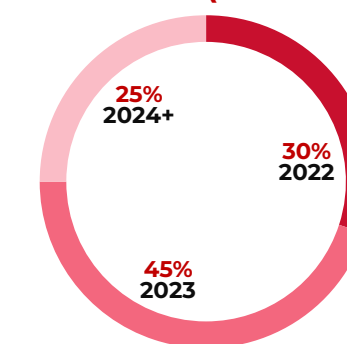
Debt Currency Breakdown

TRY42.2bn (EUR2.4bn)

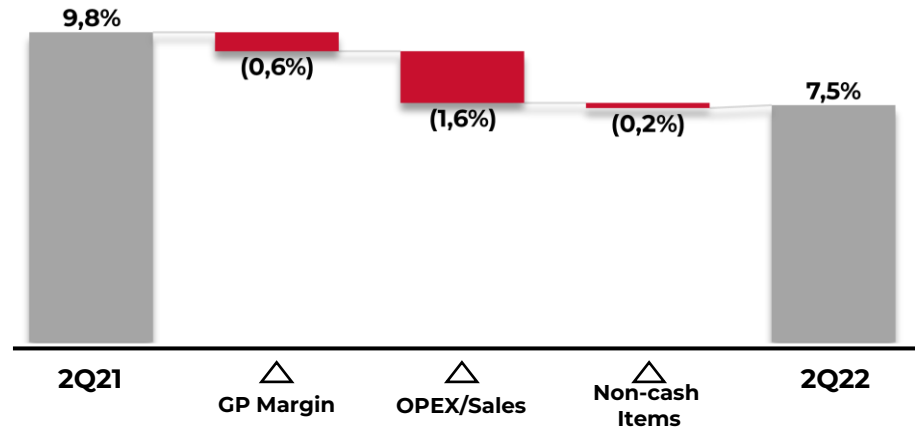


Debt Maturity Profile

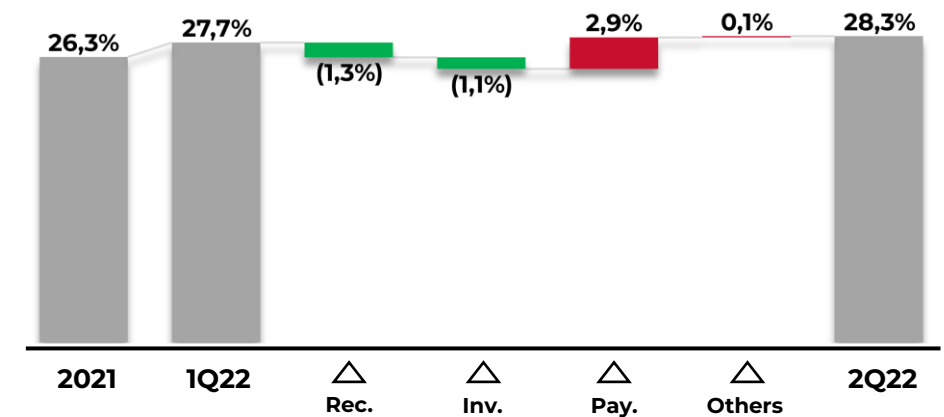
TRY42.2bn (EUR2.4bn)



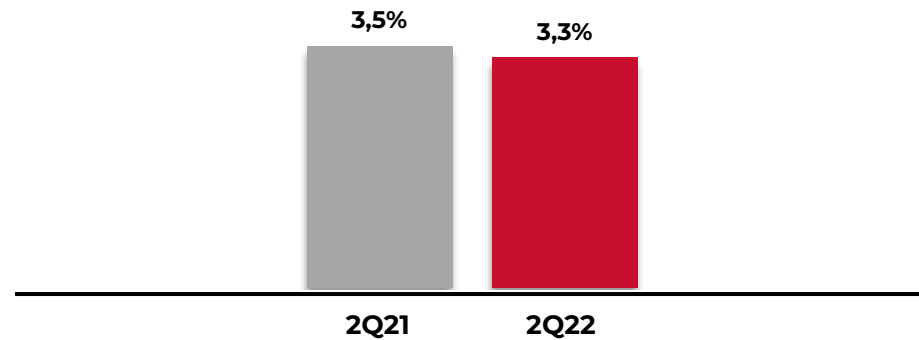
EBITDA Margin



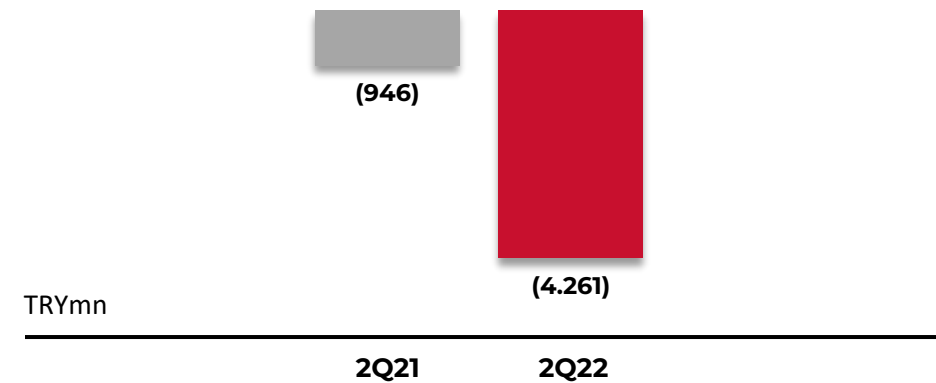
Working Capital/Sales



CAPEX/Sales



Free Cash Flow



We See Sustainability



Investor Presentation

—
Arçelik
—

Empowering Responsible & Sustainable Value Chain

As of 2023, Arçelik Global will not work with suppliers that do not have **ISO140001** and as of 2030 that do not have **ISO 50001** certifications



Sustainable Innovations & Product Range

R&D expertise journey for;

- **Providing** energy efficient products
- **Reduction** of petroleum based raw materials
- **Increasing** recycled content and bio plastics content range

Improving the Lives of People

Focused on **healthy living**, partnering with **UNICEF** and **FC Barcelona**



2030 Target: raise awareness among 80M people about healthy living



Focused on projects to **help food waste** and turn food with **Chef Massimo Bottura**

2030 Target: 1 million meals to 500,000 people

A strategy has been conducted aligned with internationally accepted standards and baselines for sustainable development and for a greener future





What are science-based targets?



Partner Organizations:



In collaboration with **WE MEAN BUSINESS**

Science-based targets show companies how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change.

Arçelik

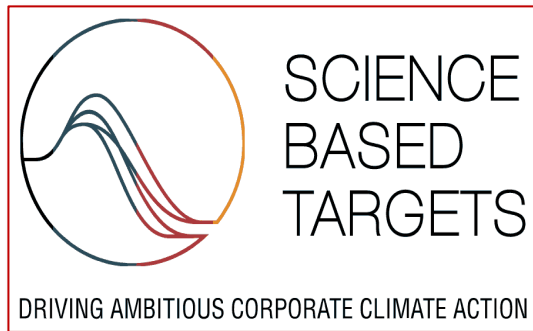
1.5°C SBTs in line with Paris Climate Agreement

Scope 1+2+3 considering the whole supply chain

50.4% ambitious reduction target



2050 is the year that Arçelik announced net-zero emissions in all our operations!



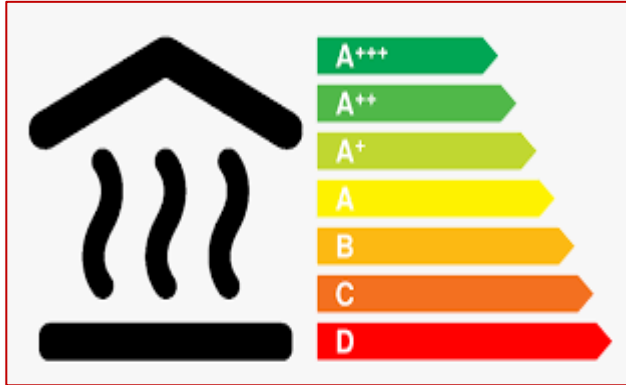
In parallel with our SBTs;*

2030 Scope 1: -50.4%

2030 Scope 2: -50.4%

2030 Scope 3: -50.4%

**2050 Net-Zero
Carbon Emissions**

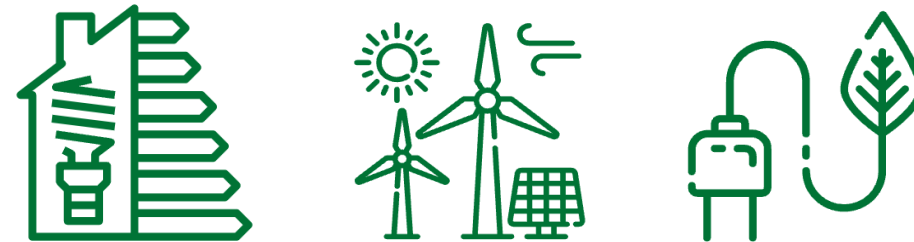


Within the scope of the Carbon Financing Project for Energy Efficient Refrigerators in Turkey, Arçelik Global received the right to **305,407** tons of CO₂e emission reductions between 2013 and 2018.

For **2019 & 2020**, Arçelik Global became **carbon neutral** in global production by using the company's own carbon credits.



Carbon Financing Project, was verified by a 3rd party verification company RINA in compliance with the Verified Carbon Standard.



Arçelik Global will continue to be **carbon neutral** in **global production** by investing **USD50 million** in

- energy efficiency,
- renewable energy,
- procuring green electricity.

Improving gender equality

emphasis on

female members in the Board,

management positions & revenue generating functions

STEM

Female member in Board of Directors

2020

17%



Target for 2025

25%

2020

24.2%

Women in the total workforce



Targets for 2030

26%

20.8%

Women in all management positions**



30%

25.6%

Women in junior management positions



35%

13.3%

Women in top management positions***



20%

18.4%

Women in management positions in revenue-generating functions



25%

16.1%

Women in STEM-related positions



25%

*Includes junior, middle and senior management positions.

**Maximum two levels away from the CEO or comparable positions.

Funded by EU: EUR 700k grant (EUR 340k received in 2018)- the highest grant to be received by Arçelik for an environment project

Electronics Plant;

30% recycled PC_ABS_v0 in TV back cover

- to be expanded in the TV range, EUR 0,30-0,40 potential cost up

WM Plant

- LeoPET formulation in tub
- Eco PP in detergent box gr. (except drawer) and inner cover (first time for Grundig product line)
- 100 WM's produced, 2 sent to Italy, 25 sent to Spain

First time applications with the project:

- Rent model
- Second-hand product sale
- Use of blockchain technology and QR codes in recycled material tracking (Showcase with Circularise at CES 2020)
- Use of recycled PC_ABS_v0 in TV backcover



International Partners



Recycled PC_ABS_V0



CIRCULARISE

Blockchain and QR code to track recycled materials



Repair and refurbishment of second hand products



2030 Targets

↓ 45%



Energy consumption & water withdrawal per product in manufacturing

15 MW



Establish renewable energy systems

100%



Electricity from renewable sources in manufacturing where market allows

100%



Energy Productivity (net sales/GJ)

↑ 40%



Recycled plastic content in products

↑ 70%



Water recycling ratio in all manufacturing plants

Products

PET Tub



Waste Fishnet



Bio Fridge



Fiber Catcher



Production Systems (2020)

302 tons of CO₂e



~ 53k GJ



353K m³



↑ 98



Waste Recycling in TR

WEEE Recycling Facilities

~1.3M Units recycled



6.5M tons



326 GWh



~160K tons



Landmark Products



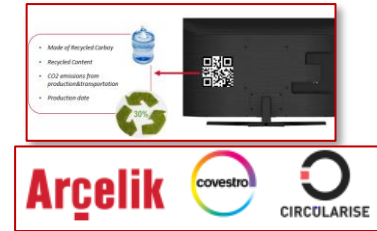
From waste to product parts



Sustainable Packaging



Blockchain Technology





FINANCIAL TIMES Sign In

INVESTMENT BANKING CAPITAL HAS BACKED A NEW mortgage lender called [Generation Home](#).

Tech tools — Eco Beko

Beko, the Turkish home appliance brand owned by Arçelik, introduced seven sustainable products today, including a washing machine/washer dryer, oven, tumble dryer, refrigerator, espresso coffee maker and dishwasher. Among the eco-friendly appliances, the new oven uses recycled fishnet waste and industrial thread waste, the egg trays in the fridge are actually made from eggshell waste and

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

**Included since 2017 and
having 86/100 which is
the highest score in 2021**



**Terra Carta Seal holder
as the first and only
company from our
industry and Turkey**



**Score higher than
66/100 – Gold Medal
In the top 5% of
companies assessed
2021**



**#34 in the Global 100
Most Sustainable
Companies**

S&P Global

- S&P Global Gold Class
- S&P Global Industry Movers

**S&P Gold Class Award
Sustainability
Yearbook 2021**



FTSE4Good
**With strong ESG
Performance
since 2016**



**50/100
#1 in the Technology-
Hardware Emerging
Market**



12.4 (Low risk)



**A- for 2020 Climate
Change-Water & A
for 2020 Supplier
Engagement
Program**



**Ranked 13th Top 150
Impact Companies of
2021**

ISS ESG

Rated as 'Prime'



**#34 Global 100 Most
Sustainable Companies
World's most sustainable
home appliances and
houseware company**

REFINITIV 

TOP 100 COMPANY 2021
Diversity and Inclusion Index

**#17 Refinitiv 2021 D&I
Top 100
#1 in the Household
Goods sector**



**Received by Arçelik's
Arctic 4.0 Washing
Machine Factory in
Romania**

Greenbond – May 2021

EUR350mn	EUR1.6bn
Amount Issued	Demand
5 Years	145
Maturity	# of investors
3.0%	1st
Interest p.a.	Of its kind

Use of Proceeds

- Energy Efficient Products
- Eco-efficient and/or Circular Economy Adapted Products
- Energy Efficiency in Production
- Green Buildings
- Renewable Energy
- Sustainable Water and Wastewater Management
- Pollution Prevention and Control

Guidance



Investor Presentation

Arçelik



Revenue

- Turkey (in TRY) c.35% growth
- International (in FX) c.35% growth
- Consolidated (in TRY) c.55% growth

Actual

- ✓ 47% growth
- ✓ 36% growth
- ✓ 67% growth



EBITDA Margin

c.11.0%

10.6%



WC/Sales

c.25%

26.3%



CAPEX

c.220 mio EUR

228 mio EUR



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

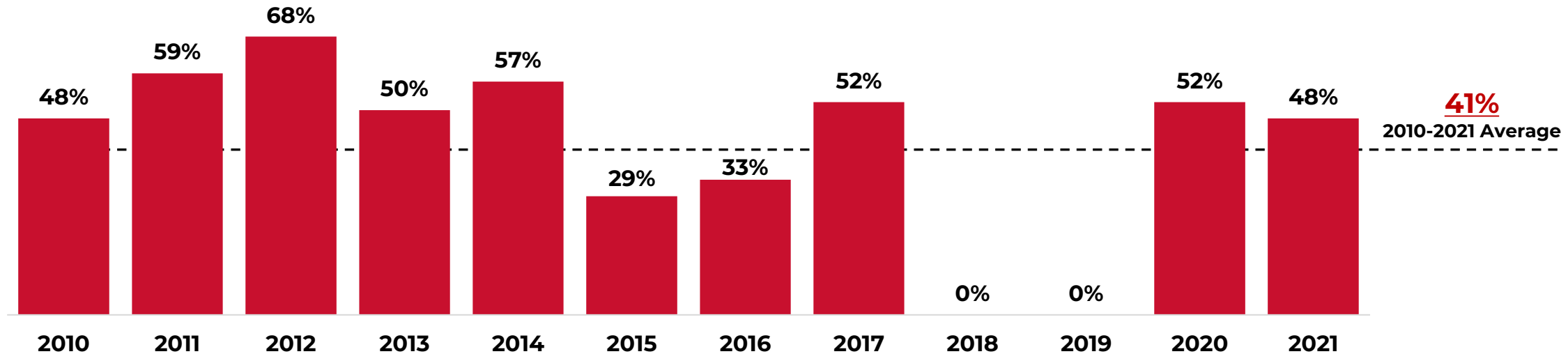
c.220 mio EUR

Appendix



Investor Presentation

Arçelik



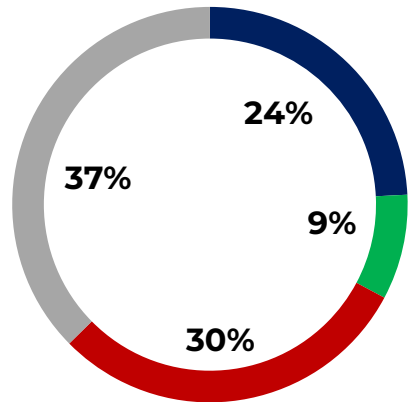
- Arçelik conducts a dividend policy within the framework of the provisions of the Turkish Commercial Code, Capital Markets Legislation, Tax Regulation, other relevant legislation and the provisions of the Articles of Association governing the distribution of profits. A balanced and consistent policy 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 authorised 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 authorised and compliant with Capital Markets Legislation

TRYm	2016	2017	2018	2019	2020	2021
Revenue	16,096	20,841	26,904	31,942	40,872	68,184
Gross Profit	5,340	6,506	8,546	10,215	13,806	20,478
EBIT*	1,331	1,406	2,107	2,296	4,135	5,068
Profit Before Tax	1,202	821	949	1,114	3,498	3,623
Net Income**	1,304	845	856	925	2,848	3,251
EBITDA	1,769	1,954	2,797	3,351	5,357	7,206
EBITDA – exc. <i>one-offs</i>	1,769	1,954	2,797	3,351	5,073	6,914
Gross Profit Margin	33.2%	31.2%	31.8%	32.0%	33.8%	30.0%
EBIT Margin	8.3%	6.7%	7.8%	7.2%	10.1%	7.4%
Net Profit Margin	8.1%	4.1%	3.2%	2.9%	7.0%	4.8%
EBITDA Margin	11.0%	9.4%	10.4%	10.5%	13.1%	10.6%
EBITDA Margin – ex. <i>one-offs</i>	11.0%	9.4%	10.4%	10.5%	12.4%	10.1%

*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.

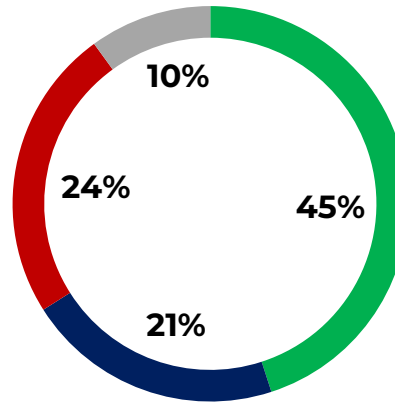
**Net income before minority

Revenue Breakdown by Currency



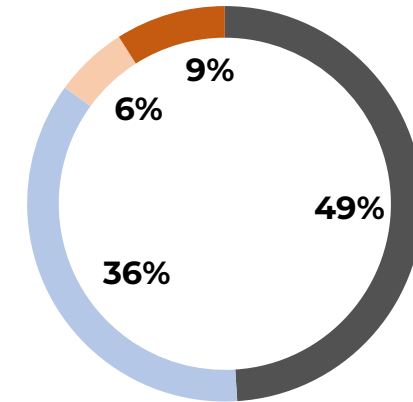
TRY EUR USD Other

COGS Breakdown by Currency



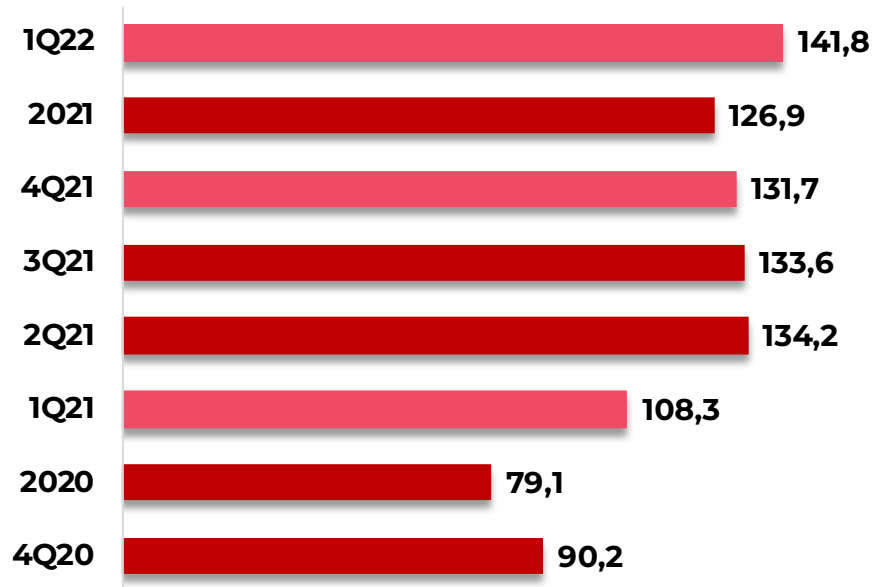
TRY EUR USD Other

Breakdown of Raw Material Cost



Metal Sheet Plastics Aluminium Copper

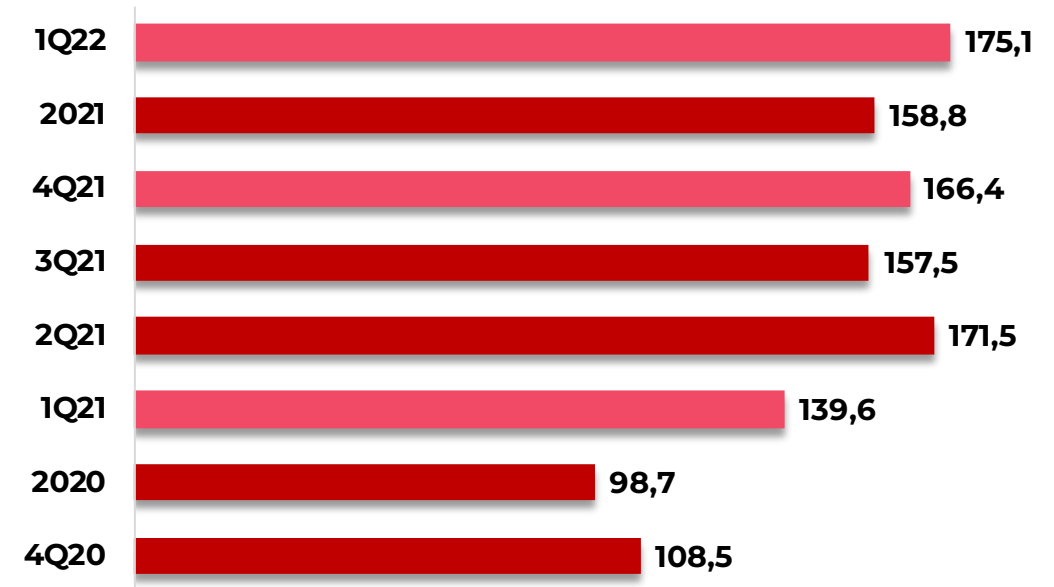
Average Metal Prices Index - Market



- Supply shortage due to growing consumer demand starting from 2H20
- China's cancellation of the export incentives for steels
- Deterioration of supply & demand equilibrium due to the war between Russia & Ukraine impacted metal raw material prices negatively starting from March.

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

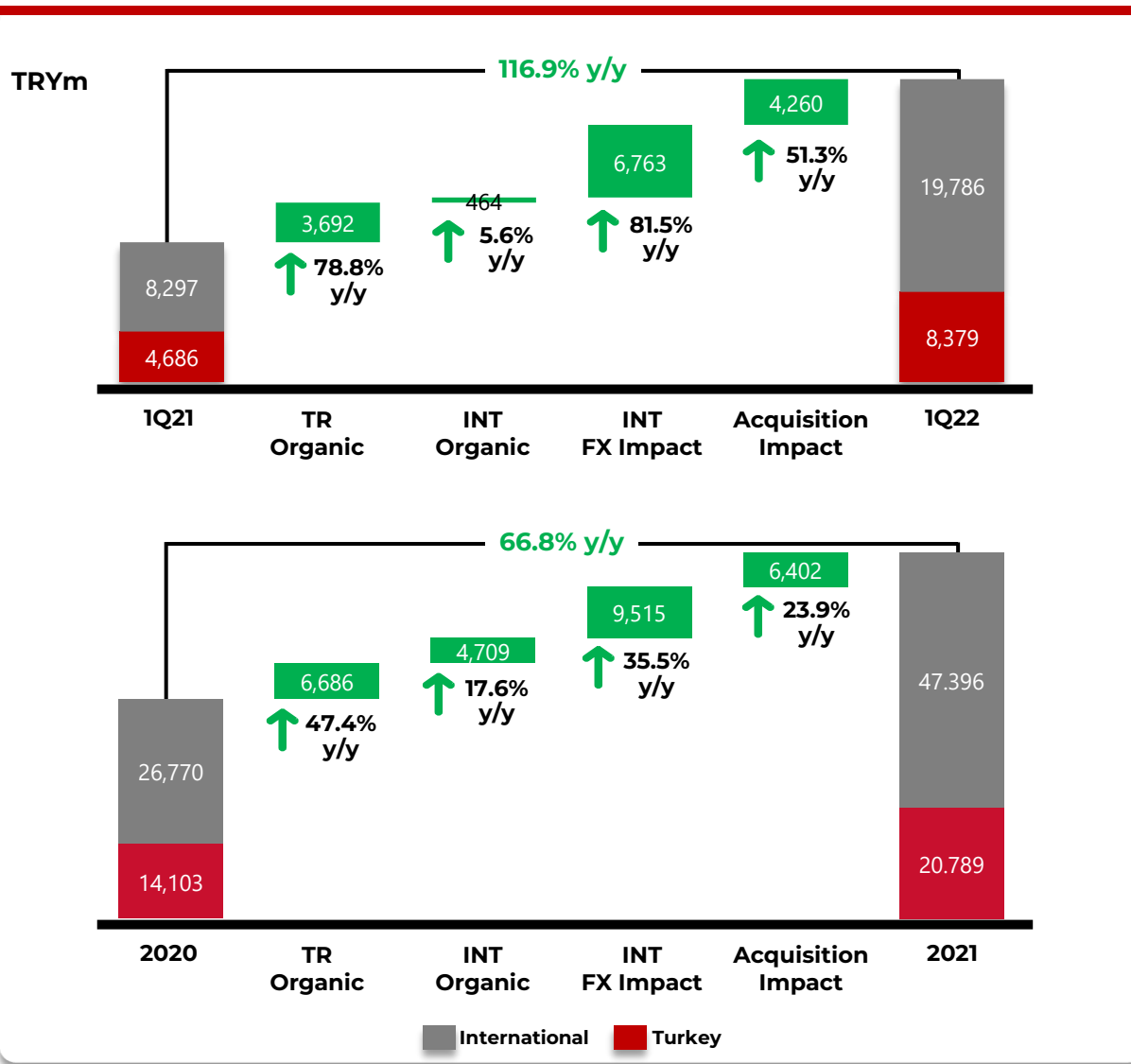
Average Plastic Prices Index - Market



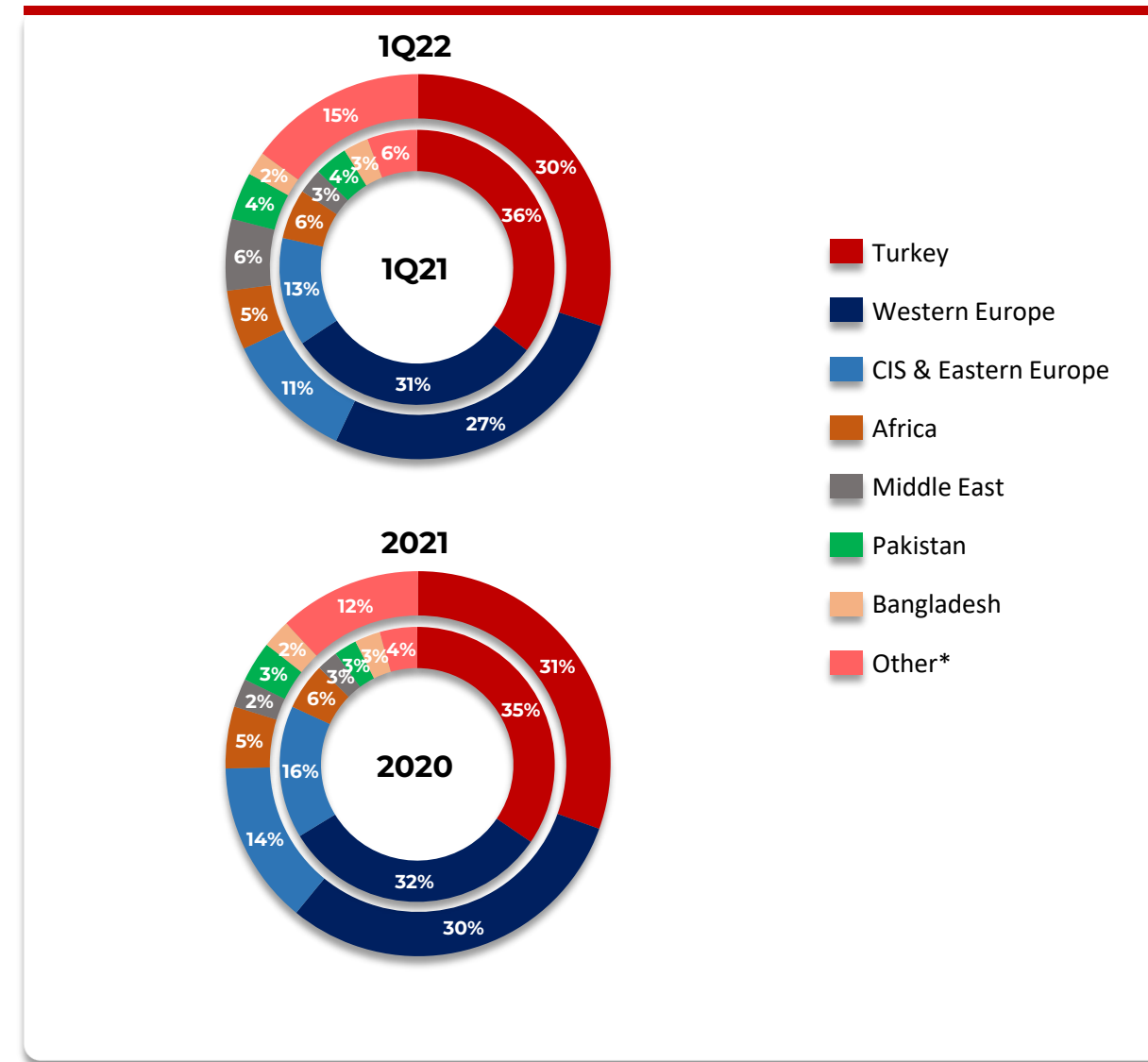
- High consumer demand for the products of industries such as automotive, furniture and white goods, & disposable products
- Global logistic crisis
- Global energy crisis
- Power cut in China due to their 'blue sky' motto
- Increased oil, gas and energy prices due to the war between Russia & Ukraine impacted plastic raw material prices negatively starting from March.

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

Sales Bridge

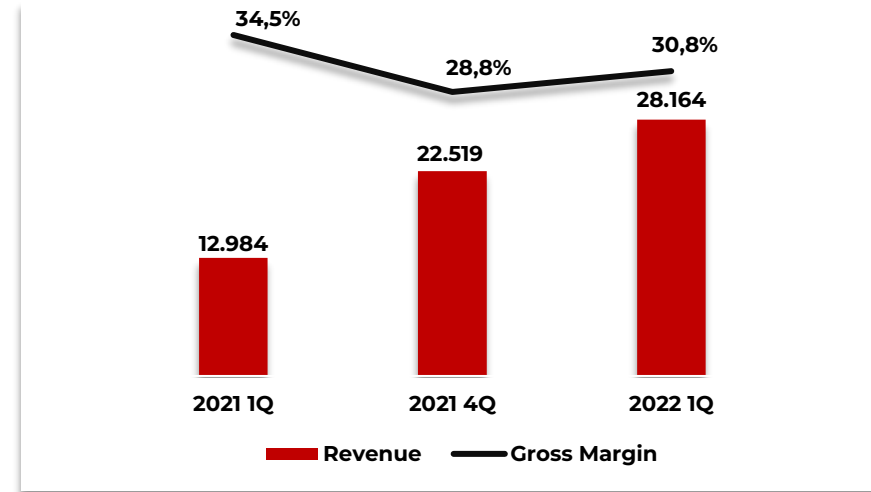


Sales Breakdown by Geography

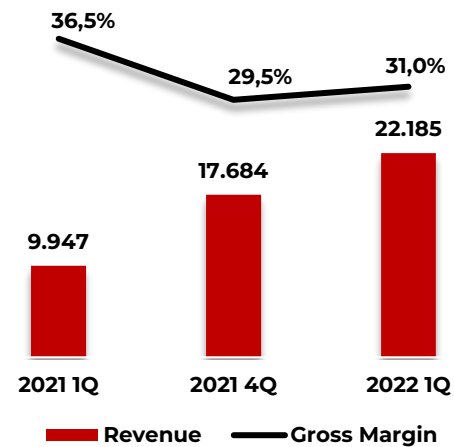


*The net sales of Arçelik-Hitachi Home Appliances has been shown in Other. In 2021, the share of Arçelik Hitachi Home Appliances in total net sales was 7%, while in 1Q22 it was 13%.

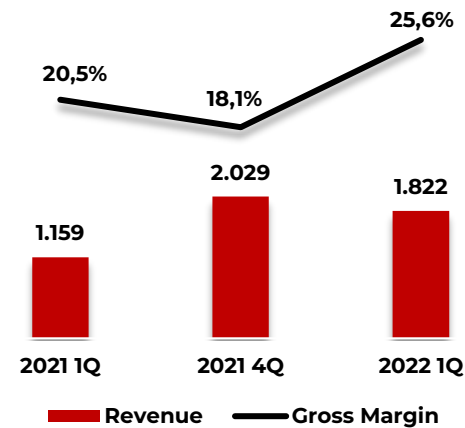
Consolidated



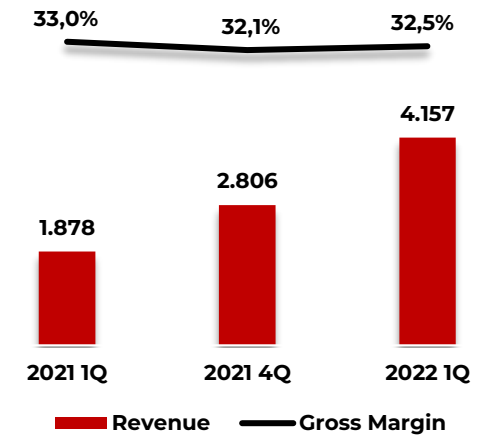
White Goods

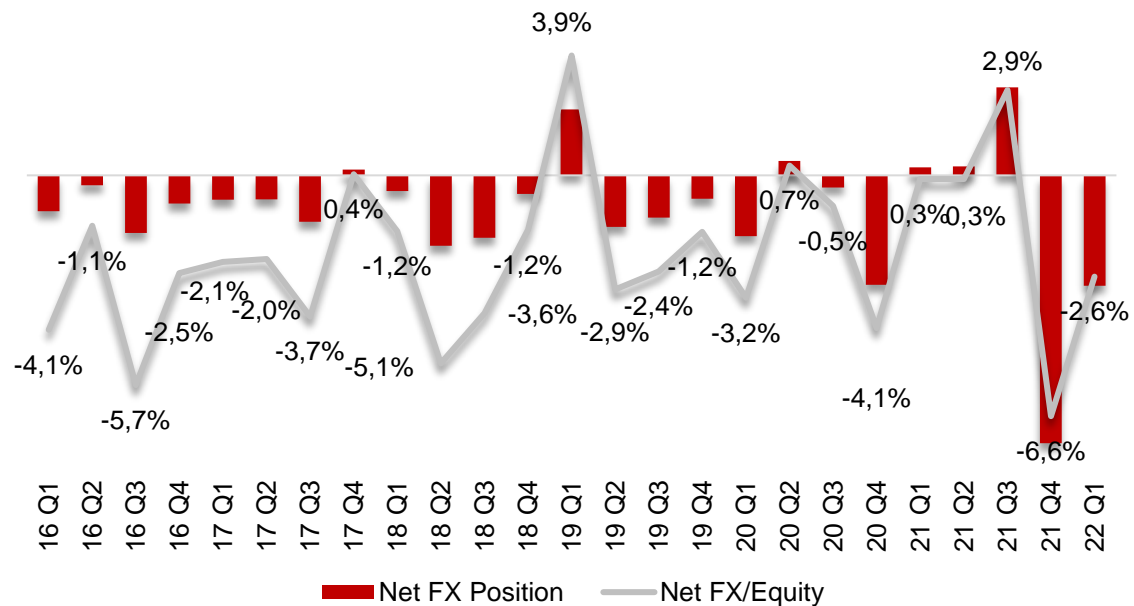


Consumer Electronics



Other





TRYm	Before Hedge	Hedged Position	Net Position
EUR	(7,892)	7,720	(172)
USD	(3,170)	2,484	(685)
GBP	2,001	(1,839)	162
Other	1,697	(1,577)	120
TOTAL	(7,363)	6,789	(575)
Net FX Position / Equity			(2,6%)

- 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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Thank You!
Arçelik