

# Investor Presentation

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# Arçelik

December, 2022

# AGENDA

**Overview of  
Arçelik**  
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**3Q22  
Highlights**  
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**Guidance**  
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## Investor Presentation

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# Arçelik

# Overview of Arçelik



## Investor Presentation

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# Arçelik

30

Production plants

52

Subsidiaries

12

Brands

c.45k

Employees worldwide

+150

Countries we serve

29

R&D and Design Centres

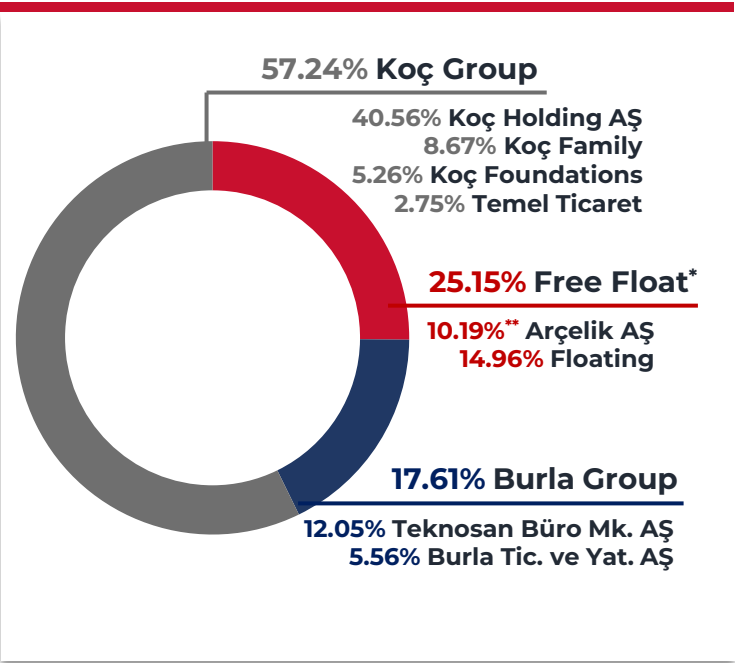
+2,000

Engineers & Researchers in R&D Centres

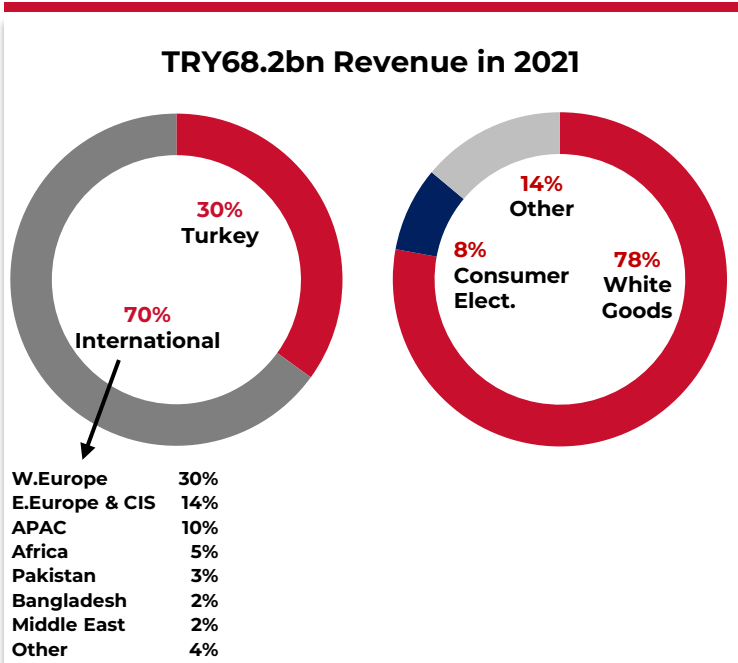
+2,300

Registered patents

Strong Ownership Structure



Diversified Revenue Composition



Leading Positions\*\*\*

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

**#1 in Europe (24CTR)**

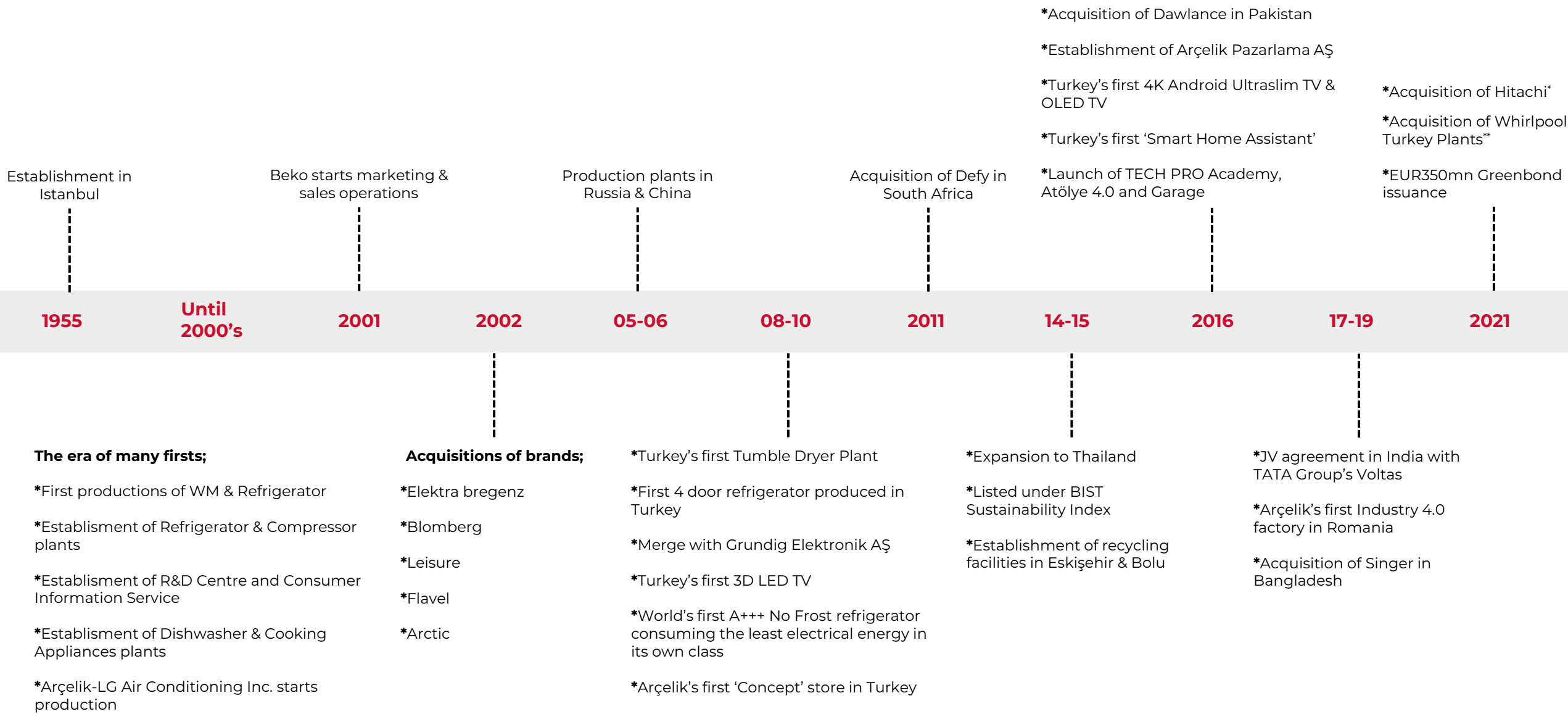
<b>#1 in;</b> ✓ The U.K. ✓ France ✓ Poland	<b>#2 in;</b> ✓ Romania ✓ Serbia ✓ Turkey	<b>#3 in;</b> ✓ Italy ✓ Spain ✓ Belgium
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**market leader in Turkey**

**market leader in Romania**

**market leader in South Africa**

\*Trading on Borsa Istanbul Stock Exchange. Total Mcap of Arçelik was USD3.2bn as of December 8, 2022.  
\*\*Shares bought-back as of December 8, 2022.  
\*\*\*Market positionings reflect the data of a retail panel market as of December 31, 2021 and are in unit terms. Beko has captured the leadership position in Europe as of June, 2022.



\*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

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**Arçelik**



### Leading positions in key markets

- Leading producer of white goods in Turkey
- Beko is the 2<sup>nd</sup> largest brand in the European market (up from 7<sup>th</sup> position in 2004)
- 3<sup>rd</sup> 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**


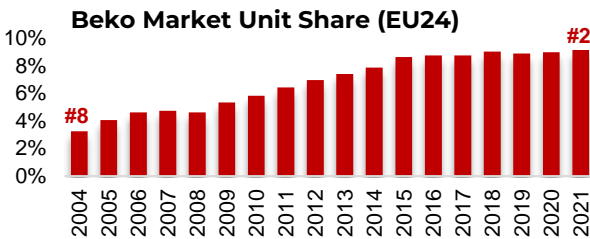

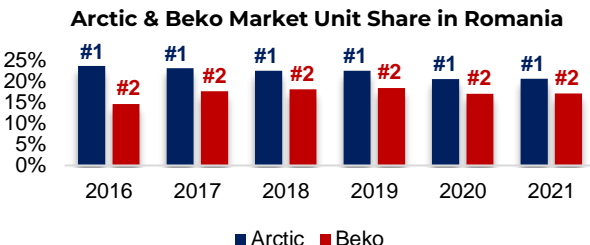

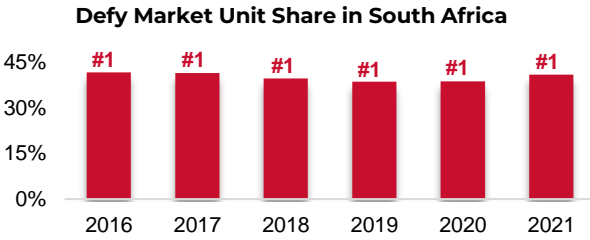
- Arçelik brand, being Turkey’s Lovemark for 13 consecutive years and Beko among top three brands in same research made by Ipsos and Mediacat.
- Areas questioned in the survey; Spontaneous Awareness, Feeling Close to, Fulfilling Expectations, Most Loved, Never Give up



**Premium brand in Turkey  
Continuously a significant  
market leader**



**International brand  
Among top three in  
Turkey**

	<ul style="list-style-type: none"><li>✓ Maintained 1<sup>st</sup> position in the U.K. and Poland in 2021 in unit terms</li><li>✓ Captured leadership position in France in 2021 in unit terms</li><li>✓ The 2<sup>nd</sup> largest brand in total &amp; the largest brand in free-standing segment in EU24</li><li>✓ Market leader in total Eastern Europe in unit terms</li><li>✓ 2<sup>nd</sup> in Romania and Serbia &amp; 3<sup>rd</sup> in Italy, Spain and Belgium in unit terms</li><li>✓ Fastest growing white goods brand in the European market since 2000; moved from 21<sup>st</sup> position in 2000 to 2<sup>nd</sup> position in 2013 in unit terms</li></ul>	<p><b>Beko Market Unit Share (EU24)</b></p>  <table><tr><th>Year</th><th>Rank</th></tr><tr><td>2004</td><td>#8</td></tr><tr><td>2005</td><td></td></tr><tr><td>2006</td><td></td></tr><tr><td>2007</td><td></td></tr><tr><td>2008</td><td></td></tr><tr><td>2009</td><td></td></tr><tr><td>2010</td><td></td></tr><tr><td>2011</td><td></td></tr><tr><td>2012</td><td></td></tr><tr><td>2013</td><td></td></tr><tr><td>2014</td><td></td></tr><tr><td>2015</td><td></td></tr><tr><td>2016</td><td></td></tr><tr><td>2017</td><td></td></tr><tr><td>2018</td><td></td></tr><tr><td>2019</td><td></td></tr><tr><td>2020</td><td></td></tr><tr><td>2021</td><td>#2</td></tr></table>	Year	Rank	2004	#8	2005		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	#2
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	<ul style="list-style-type: none"><li>✓ Continuous strong leadership in Romania with Arctic brand, followed by Beko brand in unit terms, strengthening the positioning of Arçelik Group</li><li>✓ Having the most widespread distribution network in Romania and also most dominant after sales service network</li></ul>	<p><b>Arctic &amp; Beko Market Unit Share in Romania</b></p>  <table><tr><th>Year</th><th>Arctic Rank</th><th>Beko Rank</th></tr><tr><td>2016</td><td>#1</td><td>#2</td></tr><tr><td>2017</td><td>#1</td><td>#2</td></tr><tr><td>2018</td><td>#1</td><td>#2</td></tr><tr><td>2019</td><td>#1</td><td>#2</td></tr><tr><td>2020</td><td>#1</td><td>#2</td></tr><tr><td>2021</td><td>#1</td><td>#2</td></tr></table> <p>■ Arctic ■ Beko</p>	Year	Arctic Rank	Beko Rank	2016	#1	#2	2017	#1	#2	2018	#1	#2	2019	#1	#2	2020	#1	#2	2021	#1	#2																	
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2020	#1	#2																																						
2021	#1	#2																																						
	<ul style="list-style-type: none"><li>✓ Market leader with Defy brand in South Africa in both unit &amp; value terms</li><li>✓ A premium brand in the South African market and its target demographic is mid-tier income consumers</li><li>✓ Products are sold mostly through independent retailers and national chains</li></ul>	<p><b>Defy Market Unit Share in South Africa</b></p>  <table><tr><th>Year</th><th>Rank</th></tr><tr><td>2016</td><td>#1</td></tr><tr><td>2017</td><td>#1</td></tr><tr><td>2018</td><td>#1</td></tr><tr><td>2019</td><td>#1</td></tr><tr><td>2020</td><td>#1</td></tr><tr><td>2021</td><td>#1</td></tr></table>	Year	Rank	2016	#1	2017	#1	2018	#1	2019	#1	2020	#1	2021	#1																								
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Also;

**GRUNDIG**

**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

 **Dawlance**

**In Pakistan**

- Leading appliance company

**SINGER**  
BANGLADESH LIMITED

**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

**Arçelik**  
HITACHI  
Home Appliances

**In Asia**

- Increasing presence in Asia with a well recognized brand

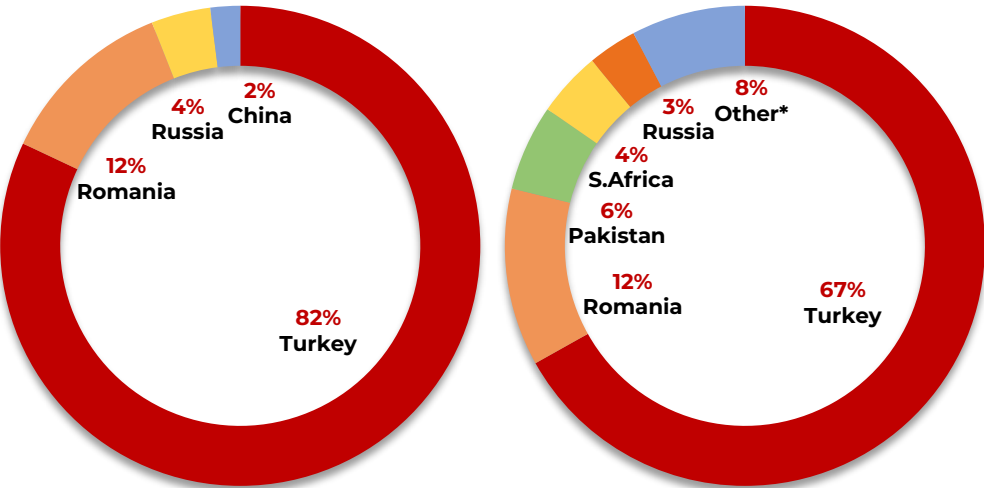
EXPANDING PRODUCTION BASE THROUGH

- Acquisitions
- Greenfield investments

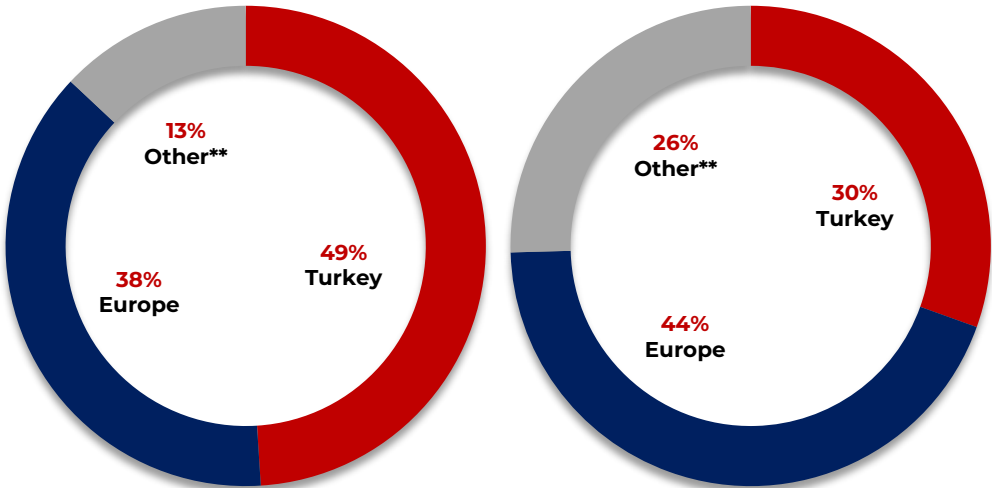
INCREASING EMERGING MARKET EXPOSURE THROUGH

- 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



#### 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



#### Heating Ventilation – A/C

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

### BRAND PORTFOLIO



The leading home-appliances brand and Lovemark in Turkey



**1<sup>st</sup>** in European Free-Standing Major Appliance Market  
**2<sup>nd</sup> Largest** Major Appliance Brand in Europe

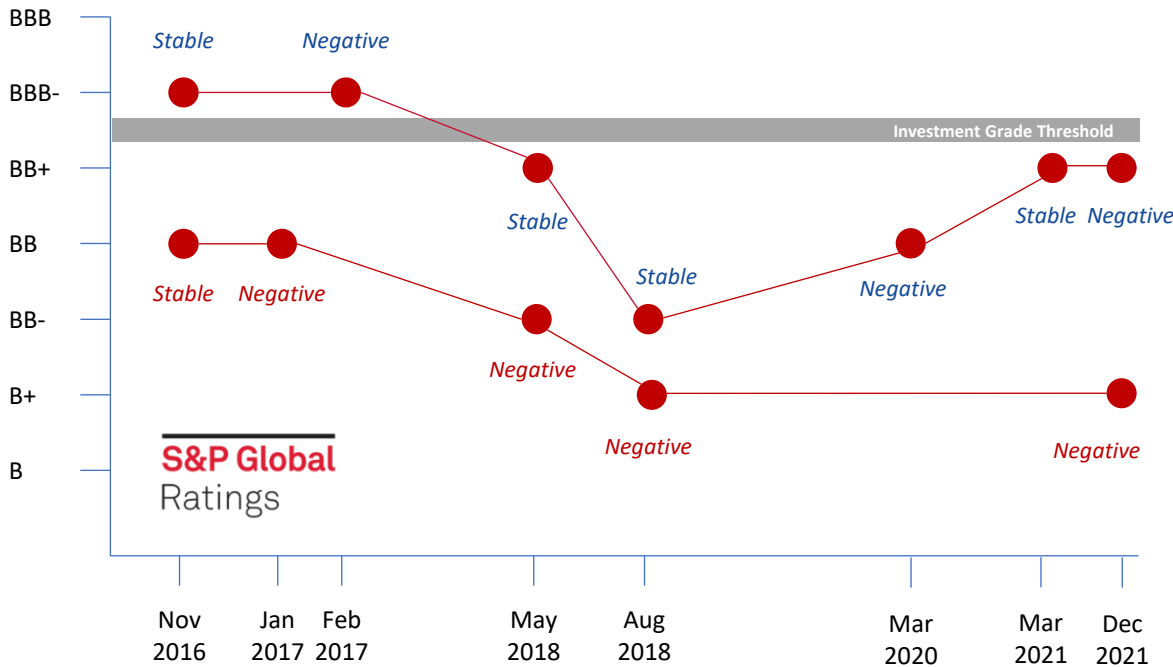


European **Full-range\*** Premium Home Appliance Brand, Offering a Solution For Every Room in The Modern Home



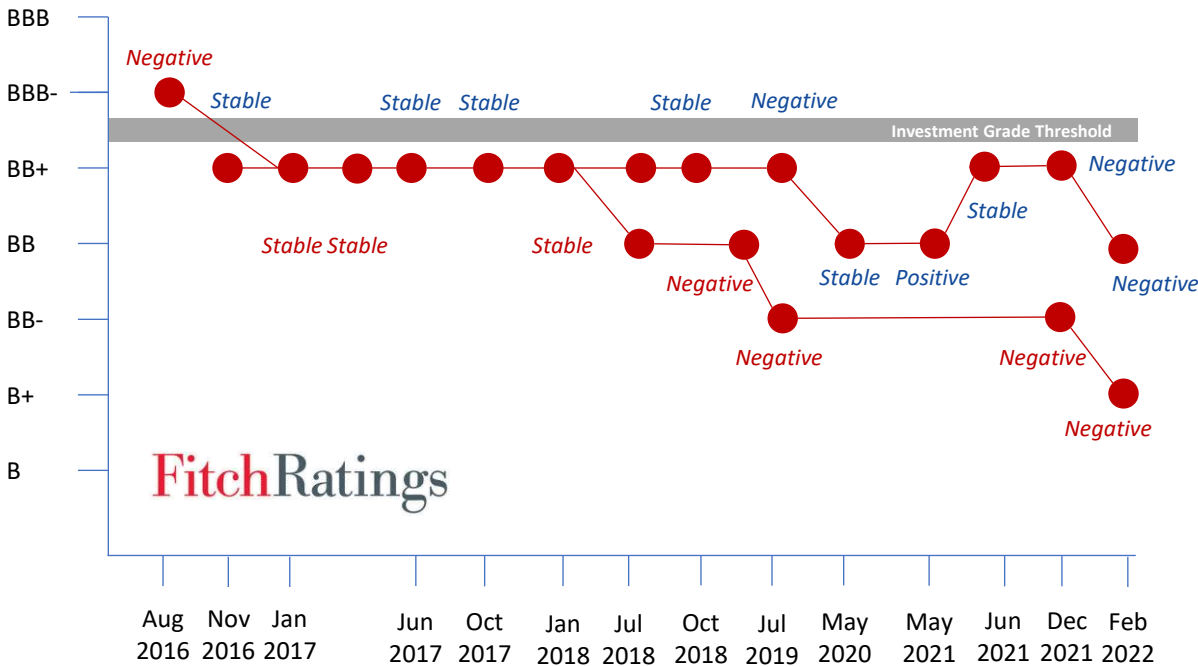
Standard & Poor's

**BB+**  
**Three notches above** Turkey Sovereign



Fitch

**BB**  
**Two notches above** Turkey Sovereign



# Financial strength – solid revenue growth with sustainable margins throughout the years

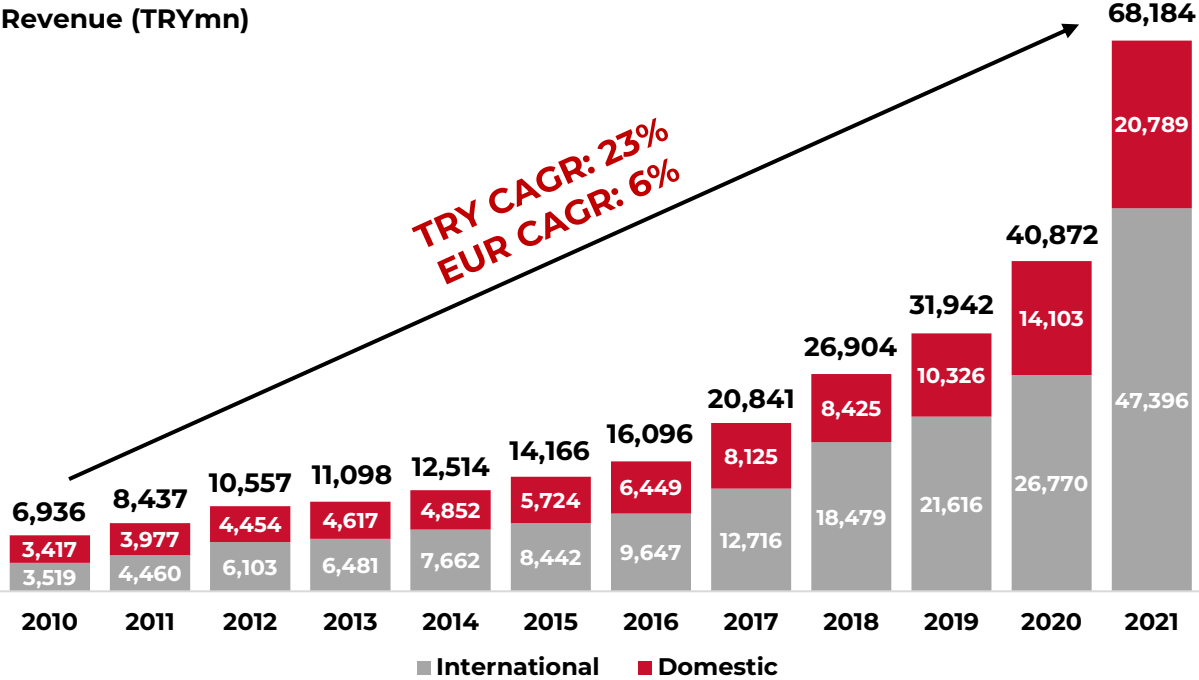
## SOLID REVENUE GROWTH THROUGH

- Organic growth
- Inorganic growth
- Pricing

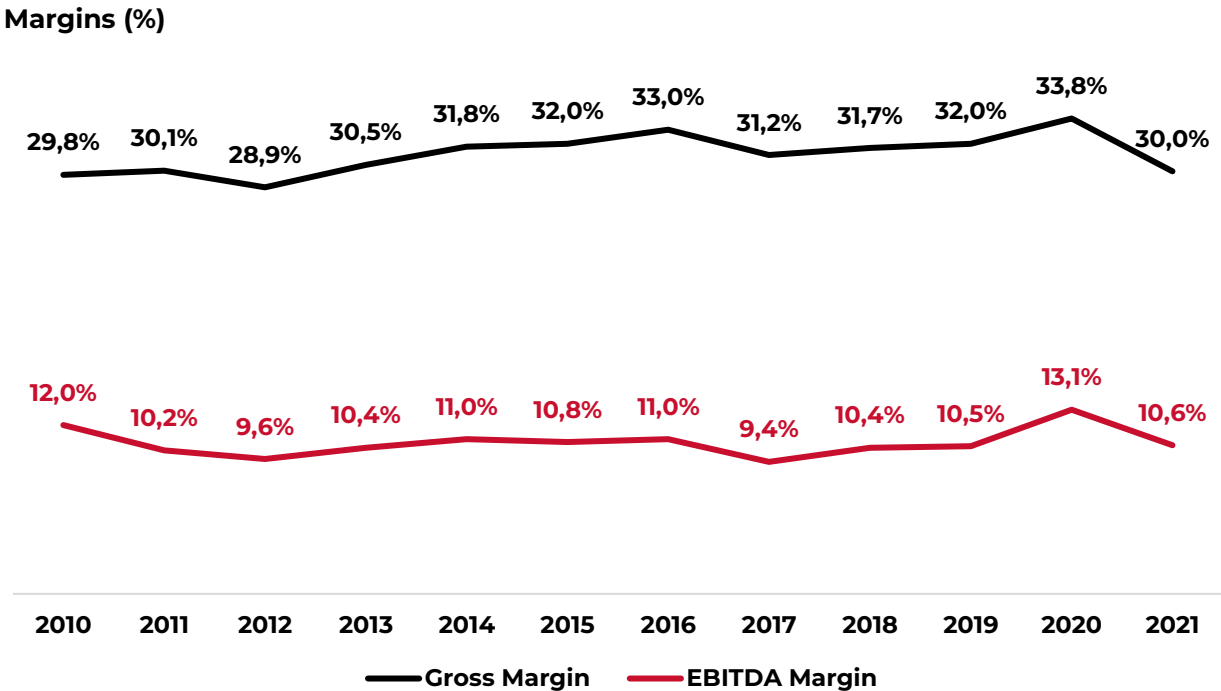
## SUSTAINABLE PROFITABILITY THROUGH

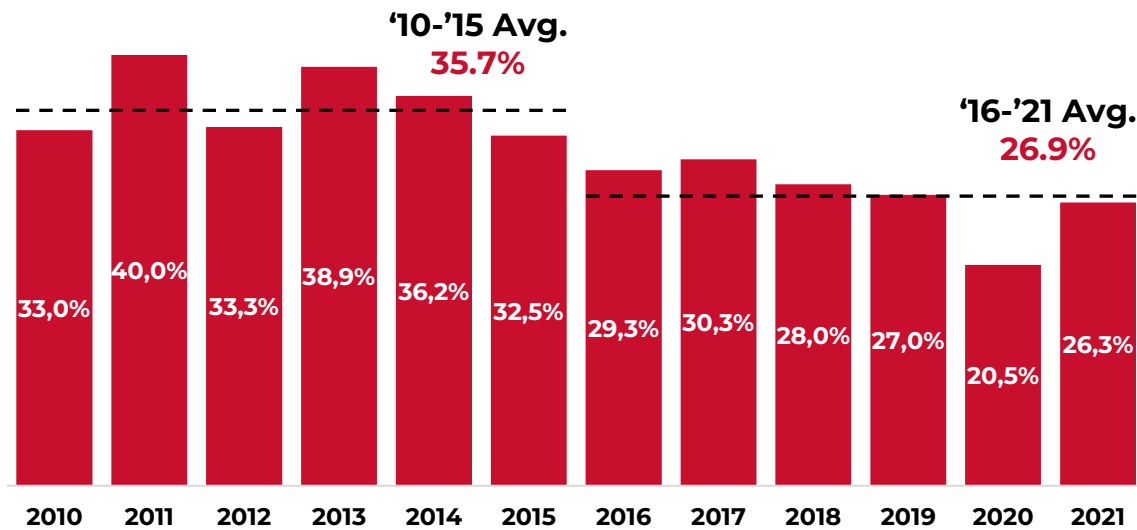
- Global sourcing power
- Strict cost management
- Operational efficiency

Revenue (TRYmn)



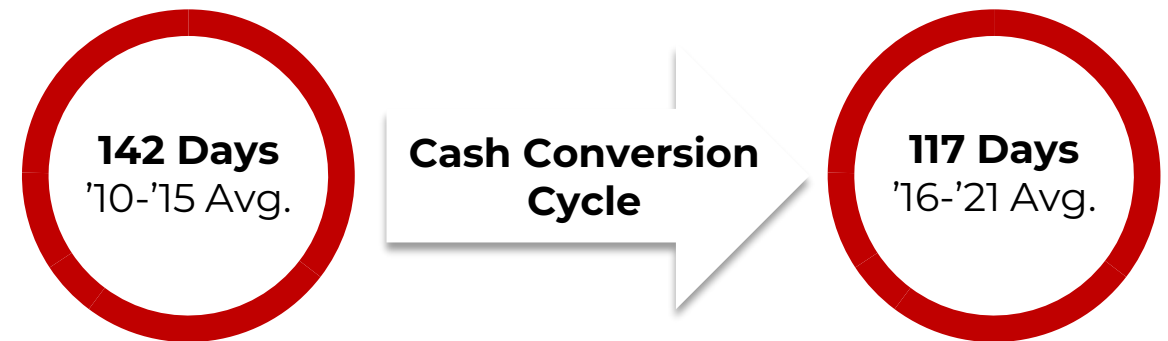
Margins (%)





#### EFFECTIVE WC MANAGEMENT THROUGH

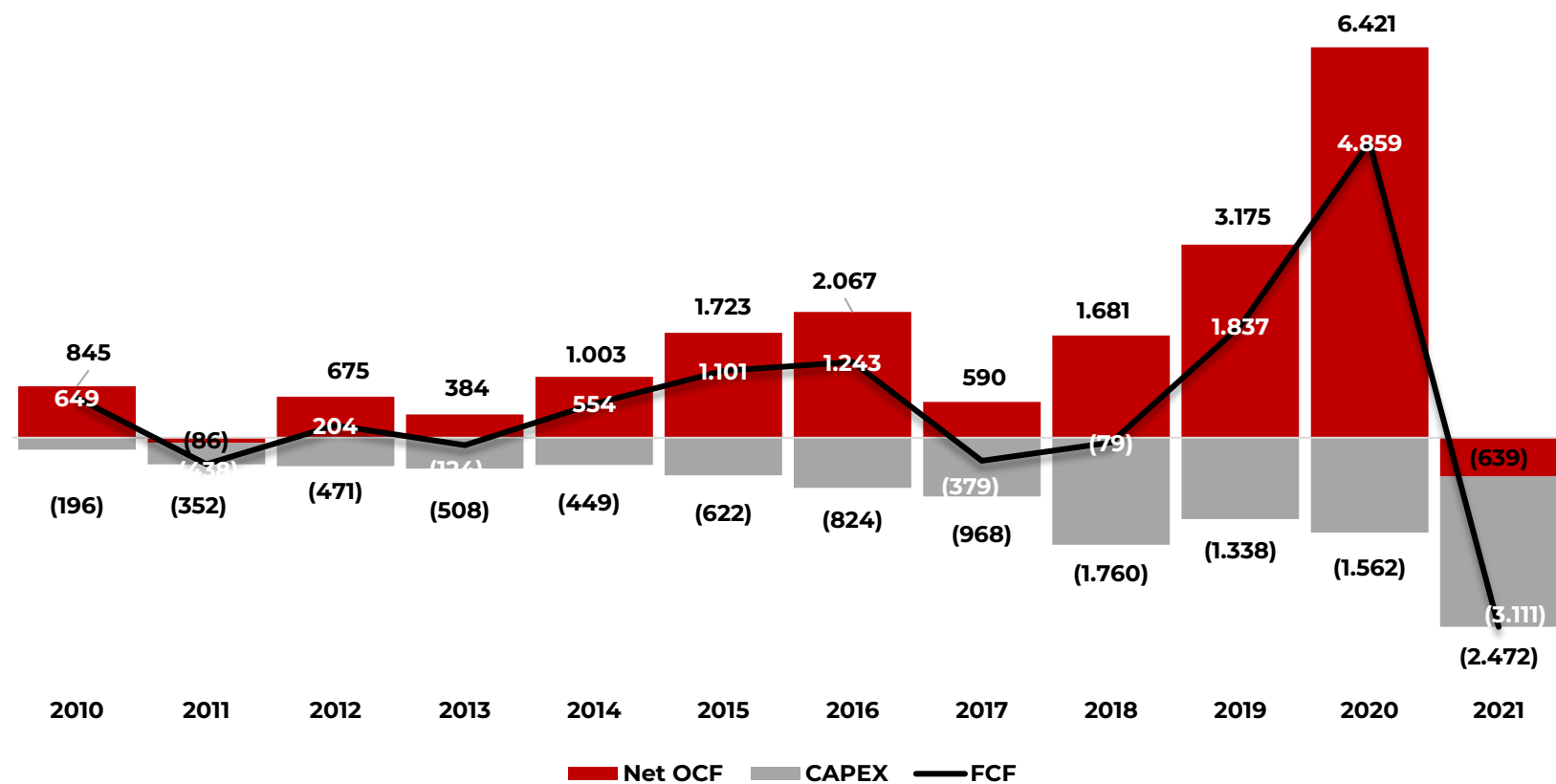
- Reducing receivable days
- Extending payable days
- Healthy levels of inventory





# Financial strength – robust profitability leading to strong free cash flow

FCF (TRYmn)



FCF CREATION THROUGH

- Strong profitability
- Controlled NWC

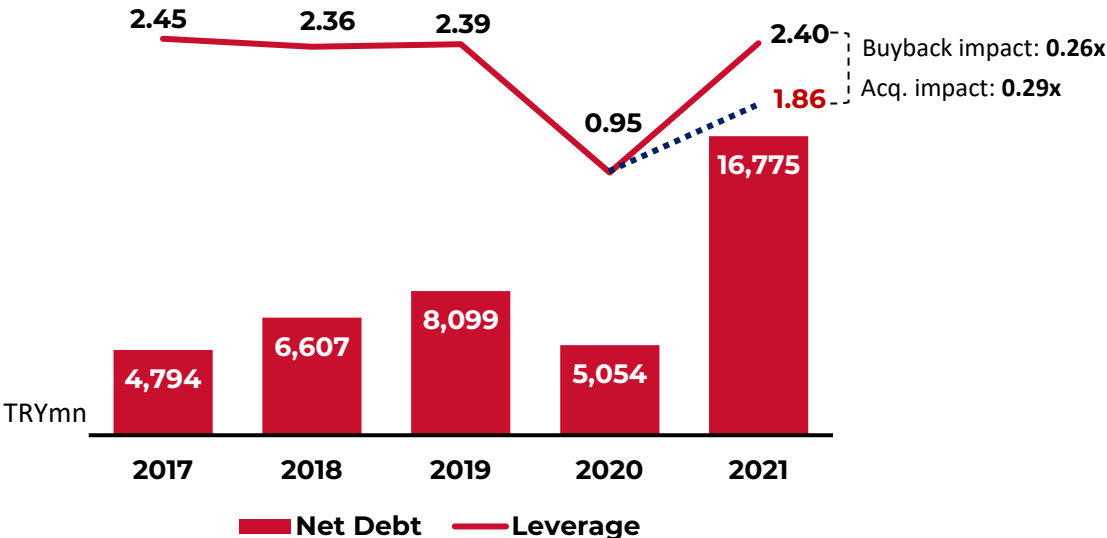
Net OCF is Cash flows provided by/(used in) operating activities  
FCF is calculated as deducting Cash outflows from purchases of property, plant and equipment and intangible assets amount and cash inflows from sale of property, plant and equipment and intangible assets from Net OCF

# Financial strength – strong balance sheet management led healthy leverage despite acquisitions & share buyback

## Investment Highlights



### Net Debt & Leverage

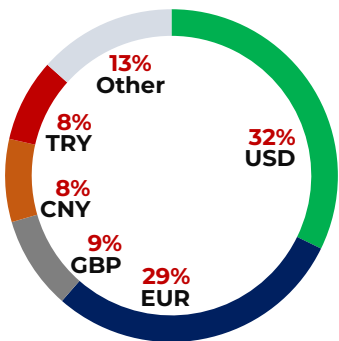


### Debt Currency & Rates Breakdown

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

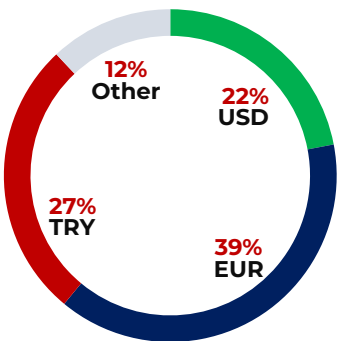
### Cash Currency Breakdown

TRY16bn (EUR1.1bn)



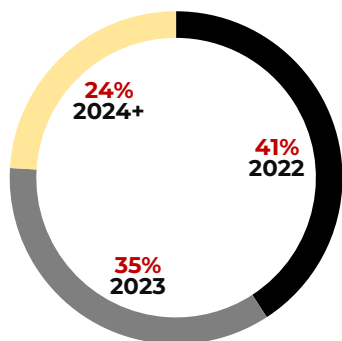
### Debt Currency Breakdown

TRY31.1bn (EUR2.1bn)



### Debt Maturity Profile

TRY31.1bn (EUR2.1bn)



Cash & Debt figures are based on 2021 financial results.

\*If the value of the shares acquired as of 31.12.2021 were deducted from net debt and EBITDA & cash contributions of our recent acquisitions were annualized the leverage is calculated as 1.86x as of 2021.

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



HITACHI

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

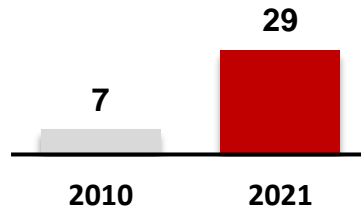


United States

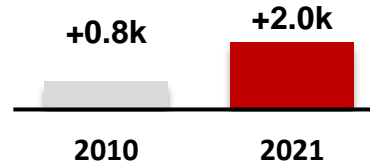
- Small but highly profitable
- Mainly serving to residential projects with higher-end products under Blomberg brand
- Continuing to build retail distribution by signing new deals under Beko and Grundig brands
- Capability to produce compact products with strong features is the key in this niche market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



### 29 R&D Centres

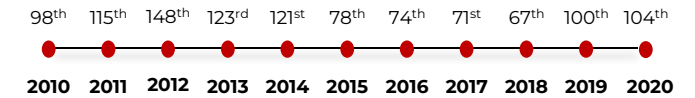


### +2.0k Researchers



### 104<sup>th</sup> in WIPO\* List

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

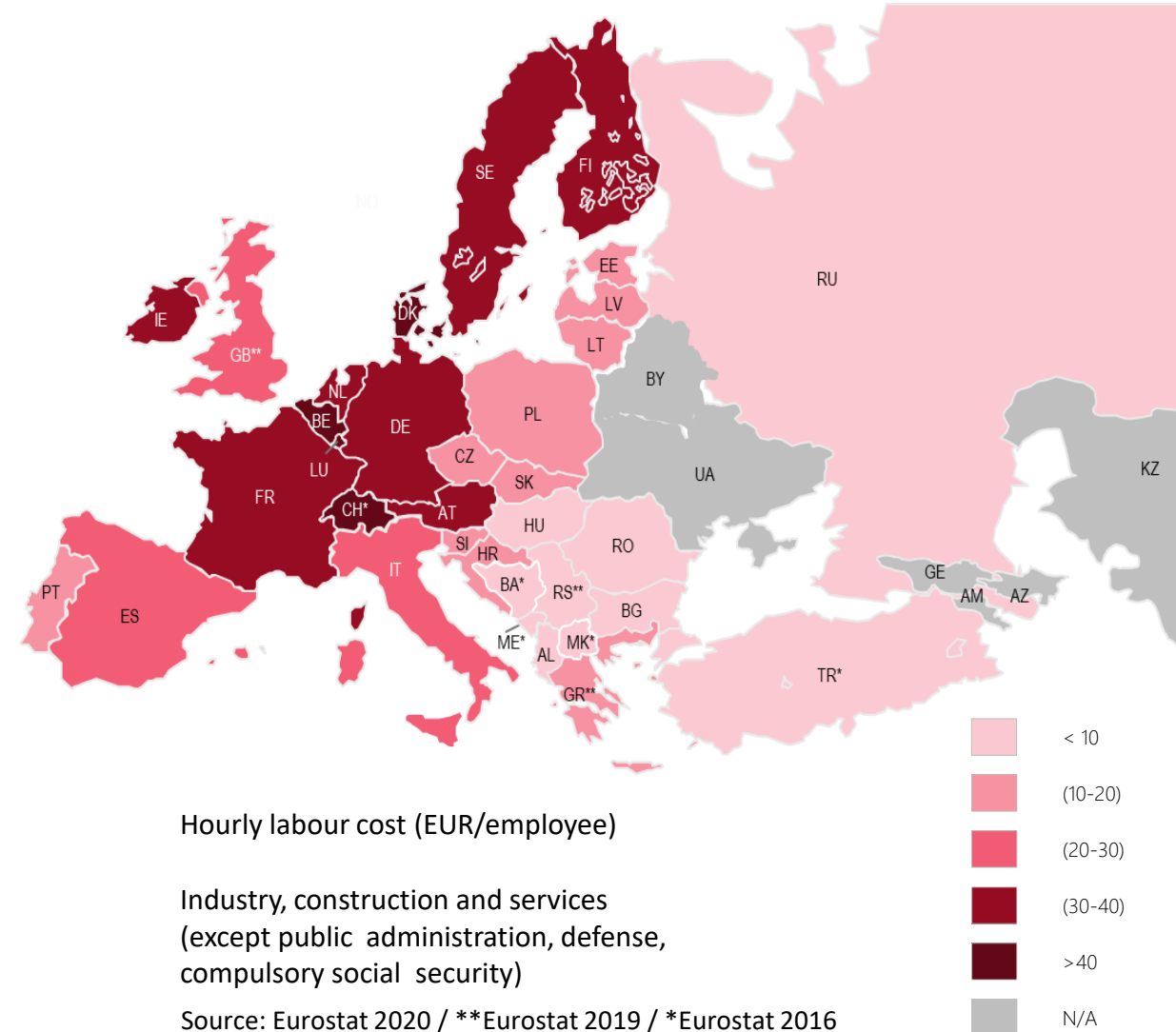
Huge production capacity in Turkey, Romania.

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



# 3Q22 Highlights



**Investor Presentation**

**Arçelik**



# 3Q22 HIGHLIGHTS

**TRY34.3bn**

**Revenue**

**8.7%**

**EBITDA Margin**

**22.8%**

**OPEX / Sales**

**26.3%**

**NWC / Sales**

**2.68x**

**Leverage**

**Steady solid revenue growth on y/y while the cost pressure were persistent.. Diminishing costs on q/q resulted in slightly better operating margins..**



Robust revenue growth of 89% y/y driven by price increases & TRY depreciation. On a quarterly basis, the revenue growth was 6%.



Sell-out and sell-in were weak in Turkey, while contraction in consumer demand accelerated in both West & East Europe.



Improved OPEX/Sales ratio resulted in 125 bps EBITDA margin expansion, despite having contracted gross margin on a quarterly basis mainly as a result of further declining EURUSD parity.



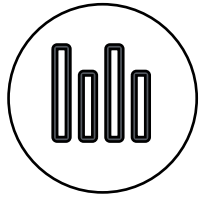
Net Working Capital/Sales was 26.3% thanks to strong collection.



Leverage was 2.68x, down by 0.47x compared to 2Q22 thanks to cash generation in the quarter. Excluding the impact of share buyback as of September, 2022 (0.29x impact), the leverage would be 2.38x.



Beko captured the market leadership position in Europe in 8M22 with an increased market share.

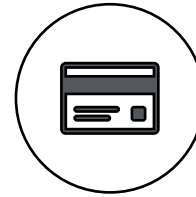
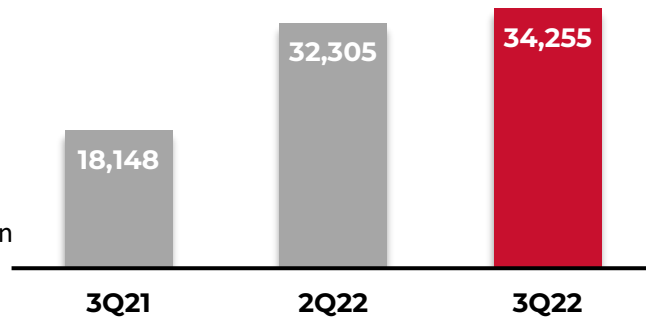


### REVENUE GROWTH

# 89%

- ↑ Price increases on both quarterly & yearly basis
- ↑ TRY depreciation on both quarterly & yearly basis
- ↓ Weaker demand on both quarterly & yearly basis

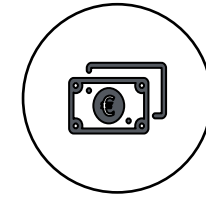
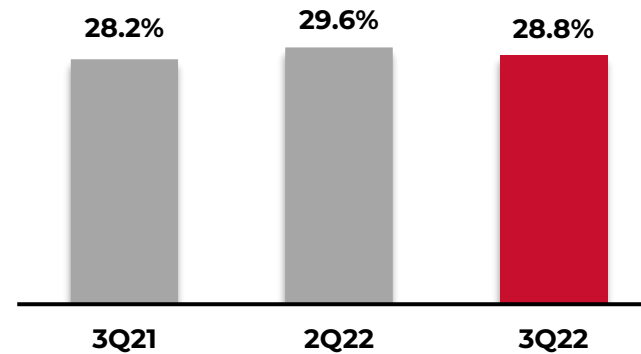
TRYmn



### GROSS MARGIN

# 28.8%

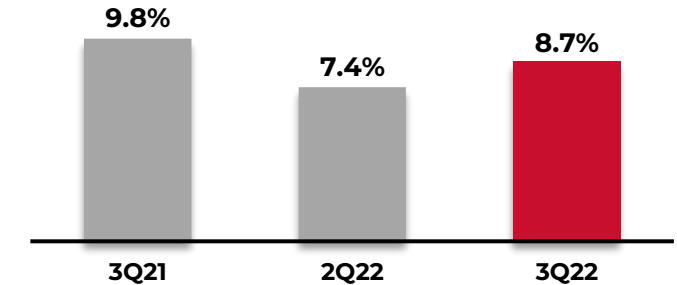
- ↓ Further weakened EUR against USD
- ↓ Minimum wage increase within the quarter
- ↓ Increased energy costs
- ↑ Eased raw material prices on a quarterly basis



### EBITDA MARGIN

# 8.7%

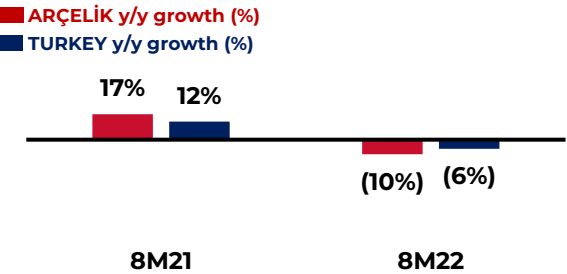
- ↑ Lower marketing & logistics expenses on a quarterly basis
- ↓ Higher logistic expenses on a yearly basis



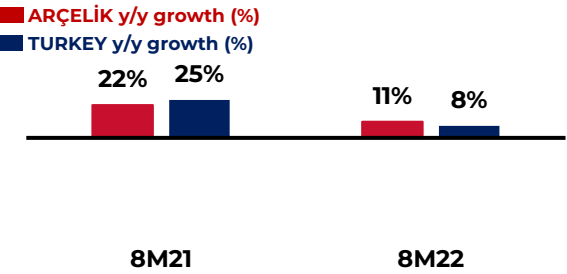




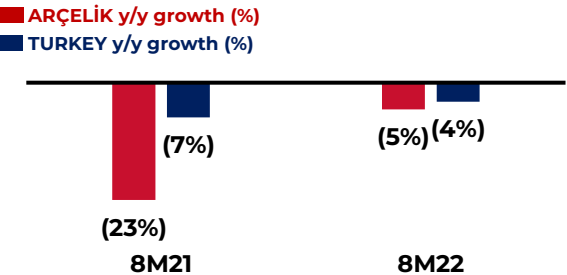
MDA6\*



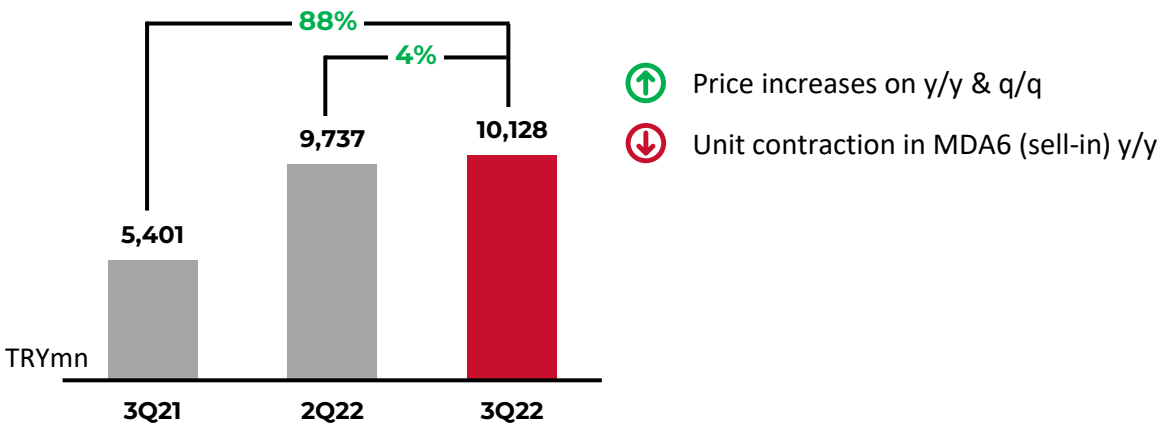
AIR CONDITIONER\*



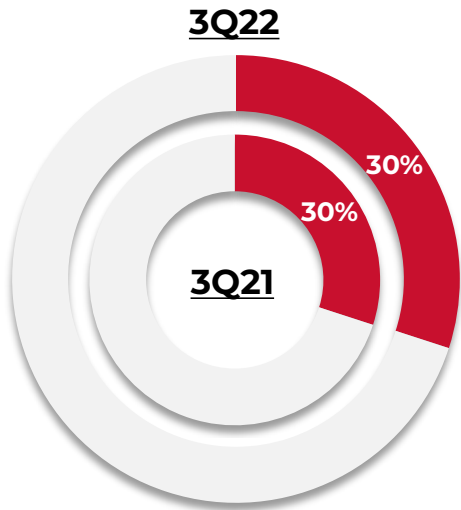
TELEVISION\*\*



Turkey Revenue Growth



Turkey Share in Total Revenue



\*MDA6 and A/C data (sell-in, in unit terms) is based on WGMA for 8M22 period on a cumulative basis.  
\*\*TV market reflects the data of a retail panel market for 8M22 period in unit terms on a cumulative basis.



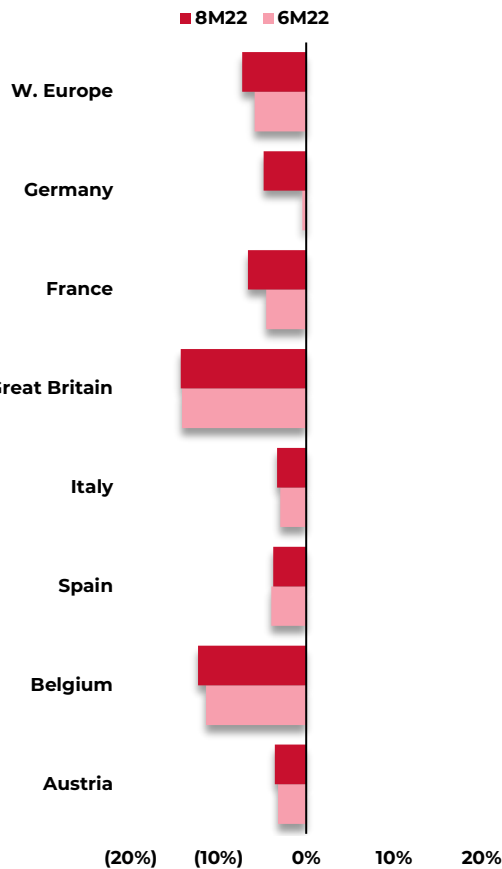
Western Europe



Eastern Europe

y/y market unit growth

MDA6 Market



- Slowdown in consumer demand in Western Europe market accelerated in July & August mainly due to inflationary environment and changing consumer spending priorities.
- In Germany, Great Britain and France, consumer demand fell by double-digits on a yearly basis in both July and August.
- Despite having been contracted in unit terms, market remained flattish in 8M22 y/y in value terms, reflecting price increases and higher share of premium segment sales.

Arçelik in Western Europe

- 14% y/y revenue contraction in EUR terms mainly due to lower units.
- Beko maintained leadership in the U.K.

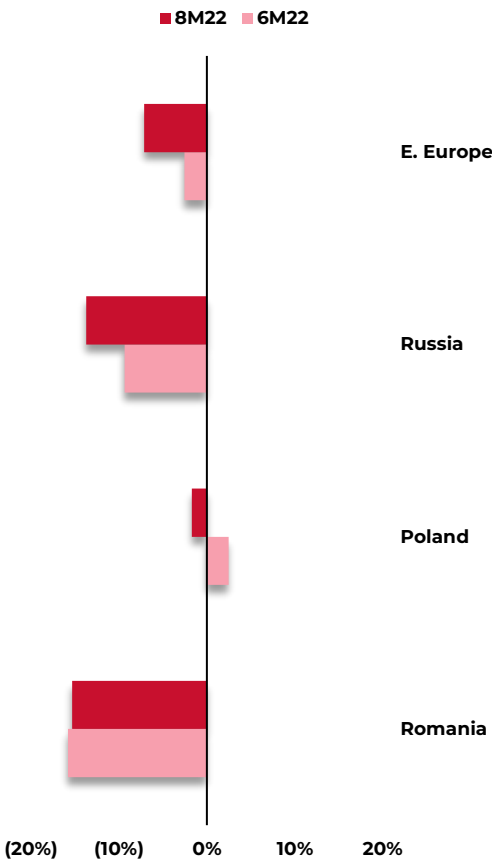
MDA6 Market

- Consumer demand continued to contract significantly in July and August in Eastern Europe as it was accelerated in the major countries compared to previous months.
- Market grew significantly in value terms in July & August period on a cumulative basis thanks mainly to strong price increases in the market.

Arçelik in Eastern Europe

- 35% y/y revenue growth in EUR terms thanks mainly to price increases and inorganic revenue contribution from recent acquisition. Organically, revenue growth was 30%.
- Arctic & Beko brands continued to hold the first and second position respectively in Romania in 8M22.

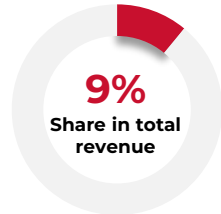
y/y market unit growth



MDA6 market charts show the growth of sell-out demand in the countries and the regions in both 6M22 and 8M22 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 9M22 was 3.5% (9M21: 1.9%). Ukraine's share in total revenue in 9M22 was 0.6% (9M21: 0.4%).



## Africa & Middle East

- Revenues from Africa & Middle East increased by c.48% y/y in 3Q22 in EUR terms thanks to significantly higher contribution of Middle East operations.
- Defy's domestic unit sales were flattish in the third quarter compared to a year ago while delivering mid single digit growth on a quarterly basis. Export units were down by mid-to-high single digit on a yearly basis and grew at low-teens on a quarterly basis.
- Defy's revenue increased by c.16% in both EUR & ZAR terms y/y in 3Q22 mainly thanks to price increases and grew by c.11% in EUR terms q/q due to higher units and price increases.
- Defy increased its market share significantly as of August y/y in South Africa and maintained its strong leadership in a declining demand environment.
- Beko Egypt registered c.48% y/y revenue growth in EUR terms thanks mainly to increased dishwasher and air conditioner units and price increases while on a quarterly basis, revenue fell by c.15% in EUR terms mainly due to the import regulation imposed by the government.



## Asia-Pacific

- Revenues from APAC were down by c.2% in EUR terms in 3Q22 y/y.
- In Pakistan, mainly due to the flood disaster in the country, units were contracted significantly on a quarterly basis. Thus, net sales were down by c.48% q/q in PKR terms (52% in EUR terms). On a yearly basis, thanks to price increases, net sales were increased by c.9% in PKR terms while due to PKR depreciation, net sales were contracted by c.7% in EUR terms.
- In Bangladesh, net sales were increased by c.13% in BDT terms in 3Q22 y/y driven by higher A/C, washing machine and SDA unit sales and price increases.

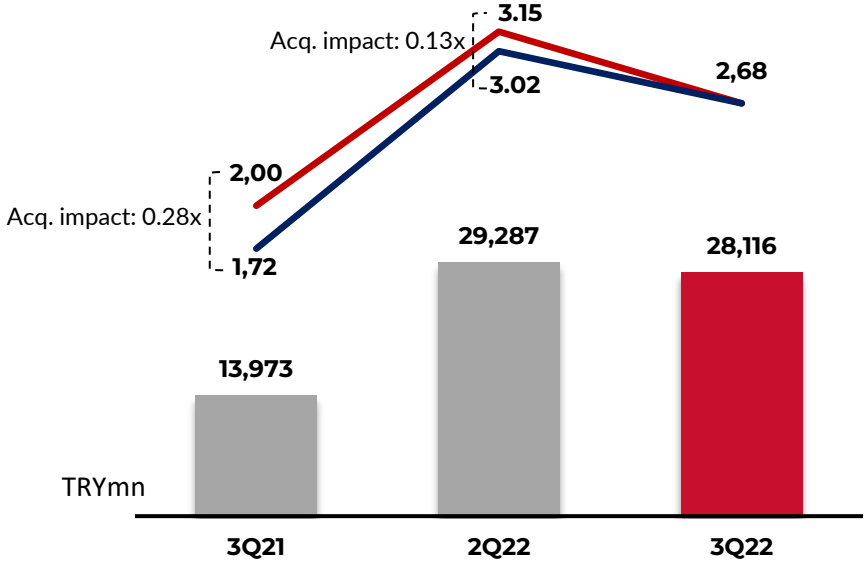
TRYmn	3Q22	3Q21	y/y	2Q22	q/q
Revenue	34.255	18.148	89%	32.305	6%
Gross Profit	9.861	5.125	92%	9.568	3%
EBIT	2.100	1.321	59%	1.631	29%
EBIT - exc. one-off items	2.046	1.321	55%	1.602	28%
Profit Before Tax	231	770	(70%)	304	(24%)
Net Income	495	717	(31%)	340	46%
Net Income - exc. one-off items	441	717	(38%)	311	42%
EBITDA	2.986	1.782	68%	2.412	24%
EBITDA - exc. one-off items	2.932	1.782	65%	2.383	24%
Gross Profit Margin	28,8%	28,2%	54 bps	29,6%	(83 bps)
EBIT Margin	6,1%	7,3%	(115 bps)	5,0%	108 bps
EBIT Margin - exc. one-off items	6,0%	7,3%	(131 bps)	5,0%	101 bps
Net Profit Margin	1,4%	3,9%	(251 bps)	1,1%	39 bps
Net Profit Margin - exc. one-off items	1,3%	3,9%	(266 bps)	1,0%	32 bps
EBITDA Margin	8,7%	9,8%	(110 bps)	7,5%	125 bps
EBITDA Margin - exc. one-off items	8,6%	9,8%	(126 bps)	7,4%	118 bps

	9M22	9M21	y/y
Revenue	94.724	45.666	107%
Gross Profit	28.116	14.002	101%
EBIT	6.013	3.912	54%
EBIT - exc. one-off items	5.930	3.912	52%
Profit Before Tax	1.987	2.648	(25%)
Net Income	2.059	2.358	(13%)
Net Income - exc. one-off items	1.977	2.358	(16%)
EBITDA	8.404	5.099	65%
EBITDA - exc. one-off items	8.321	5.099	63%
Gross Profit Margin	29,7%	30,7%	(98 bps)
EBIT Margin	6,3%	8,6%	(222 bps)
EBIT Margin - exc. one-off items	6,3%	8,6%	(231 bps)
Net Profit Margin	2,2%	5,2%	(299 bps)
Net Profit Margin - exc. one-off items	2,1%	5,2%	(308 bps)
EBITDA Margin	8,9%	11,2%	(229 bps)
EBITDA Margin - exc. one-off items	8,8%	11,2%	(238 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

Net Debt & Leverage

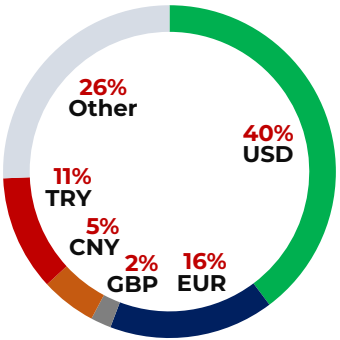


Debt Currency & Rates Breakdown

Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	22,1%	6.609	6.609
EUR	1,7%	503	9.015
USD	5,8%	49	906
GBP	3,4%	7	142
ZAR	6,5%	1.027	1.058
AUD	4,1%	28	338
PKR	14,8%	42.064	3.379
BDT	6,6%	8.492	1.554
RUB	13,2%	7	2
RON	8,1%	127	456
PLN	9,0%	119	440
NOK	3,4%	28	47
SEK	1,0%	92	150
IDR	8,4%	88.966	108
MYR	6,0%	31	126
THB	3,9%	43	21
TOTAL LOANS			24.351
USD	5,0%	512	9.480
EUR	3,0%	353	6.334
TRY	23,2%	6.255	6.255
TOTAL BOND			22.069
TOTAL			46.419

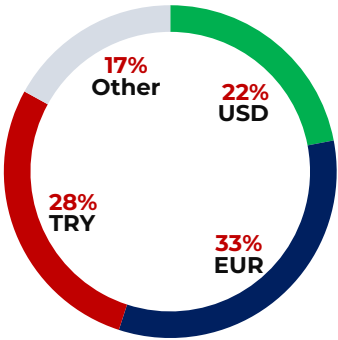
Cash Currency Breakdown

TRY20.4bn (EUR1.1bn)



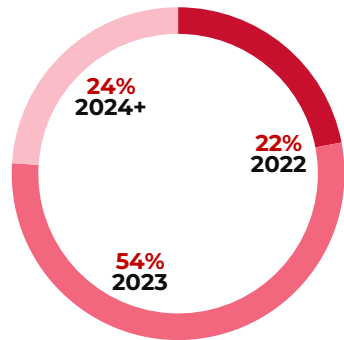
Debt Currency Breakdown

TRY46.4bn (EUR2.6bn)

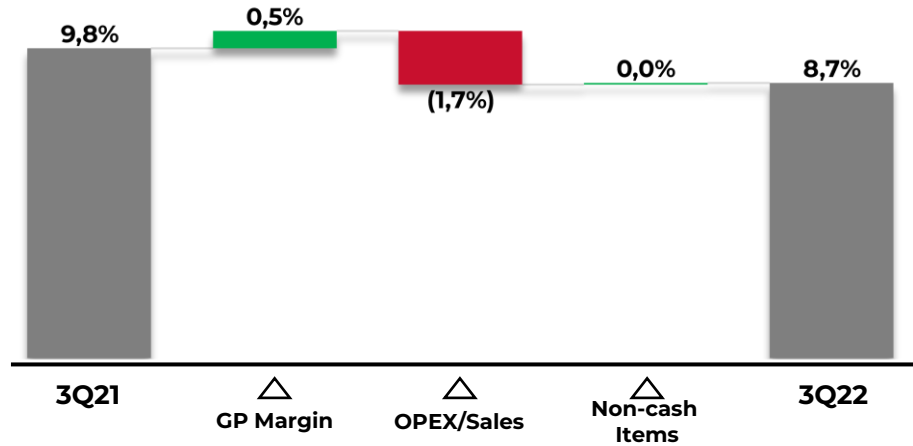


Debt Maturity Profile

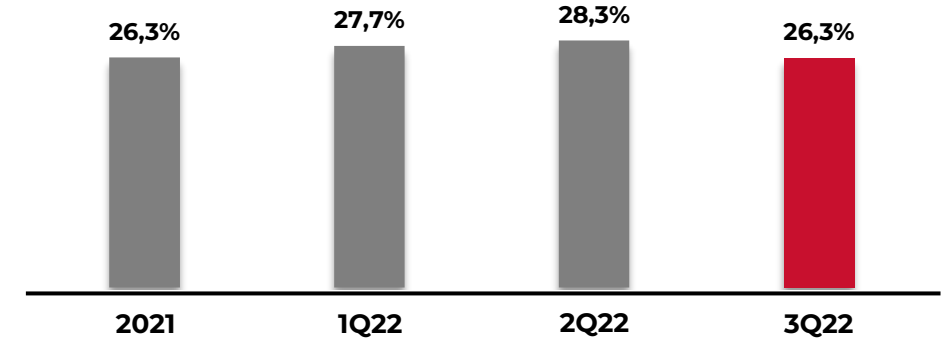
TRY46.4bn (EUR2.6bn)



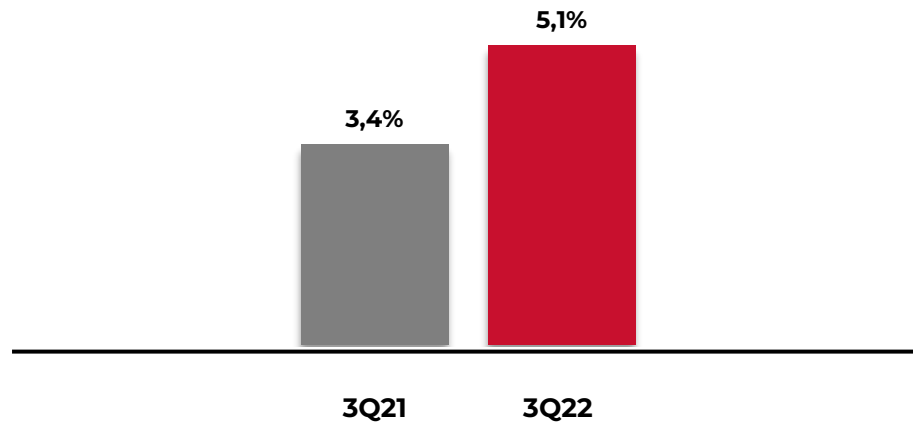
### EBITDA Margin



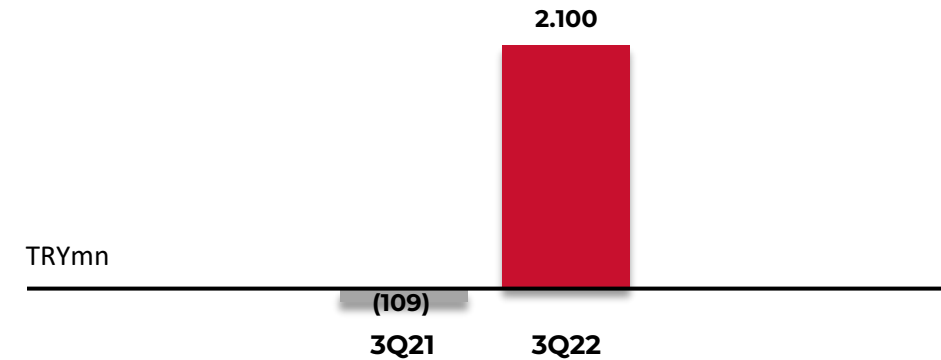
### Working Capital/Sales



### CAPEX/Sales



### Free Cash Flow



# **We See Sustainability**



## **Investor Presentation**

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# **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

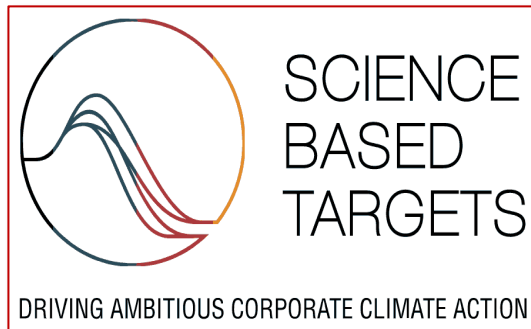
**1.5°C** SBTs in line with Paris Climate Agreement

**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!



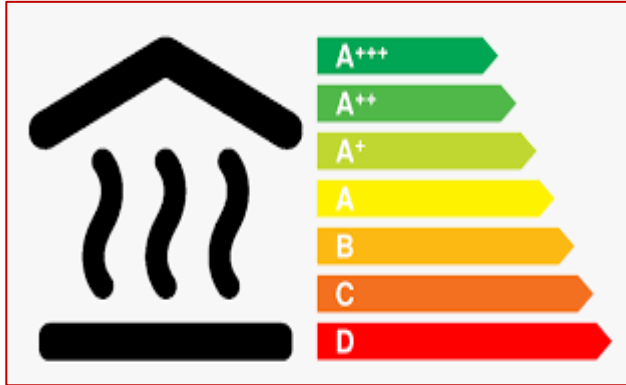
**In parallel with our SBTs;\***

**2030** Scope 1: -50.4%

**2030** Scope 2: -50.4%

**2030** Scope 3: -50.4%

**2050 Net-Zero  
Carbon Emissions**

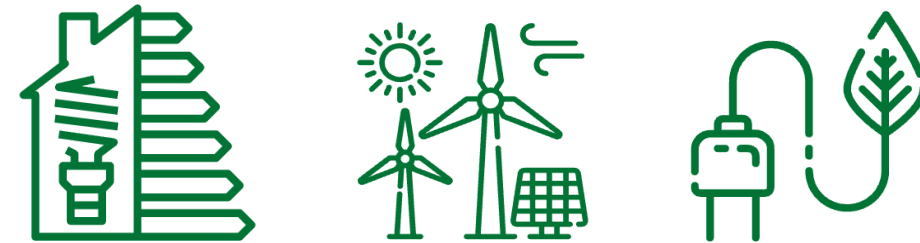


Within the scope of the Carbon Financing Project for Energy Efficient Refrigerators in Turkey, Arçelik Global received the right to **305,407** tons of CO<sub>2</sub>e emission reductions between 2013 and 2018.

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 3<sup>rd</sup> 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

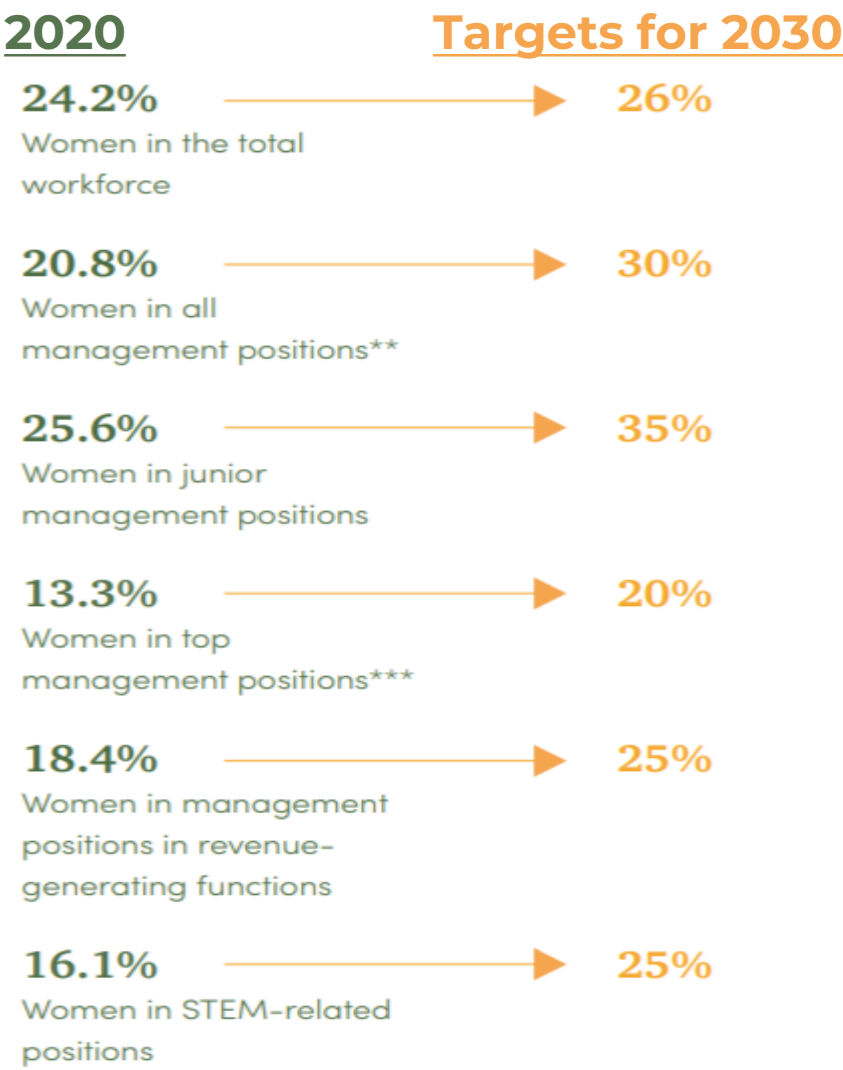
- energy efficiency,
- renewable energy,
- procuring green electricity.

# Improving gender equality

emphasis on  
female members in the Board,  
management positions & revenue generatig  
functions

STEM

Female member in Board of  
Directors



\*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



Activating Circular Services in the Electric and Electronic Sector




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 CO<sub>2</sub>e




~ 53k GJ



353K m<sup>3</sup>




↑ 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: Capgemini 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 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



Rated as 'Prime'



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



TOP 100 COMPANY 2021  
Diversity and Inclusion Index

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



CERTIFIED

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

## Greenbond – May 2021

<b>EUR350mn</b>	<b>EUR1.6bn</b>
Amount Issued	Demand
<b>5 Years</b>	<b>145</b>
Maturity	# of investors
<b>3.0%</b>	<b>1<sup>st</sup></b>
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) >70% growth
- International (in FX) >20% growth
- Consolidated (in TRY) >90% growth



## EBITDA Margin

c.9.5%



## WC/Sales

c.25%



## CAPEX

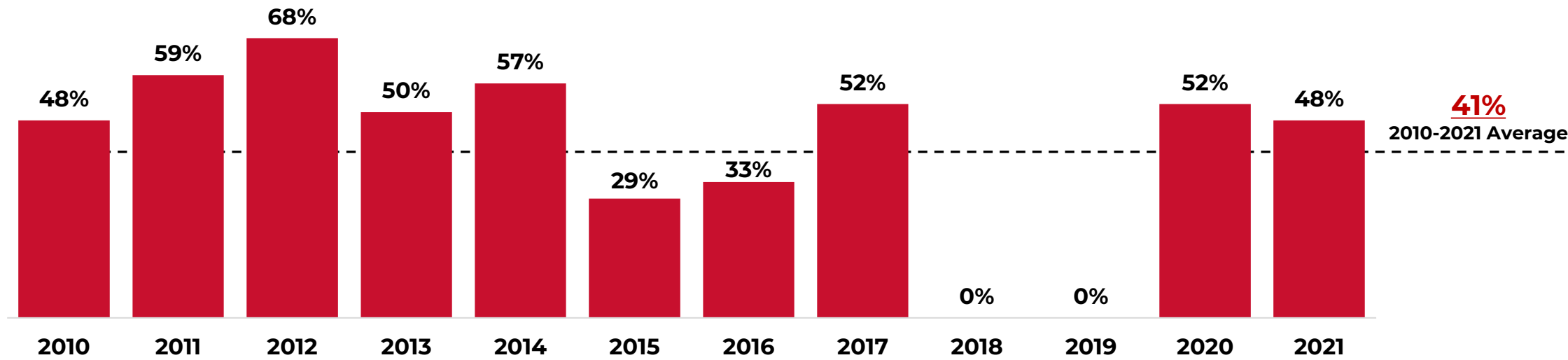
c.260 mio EUR

# 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

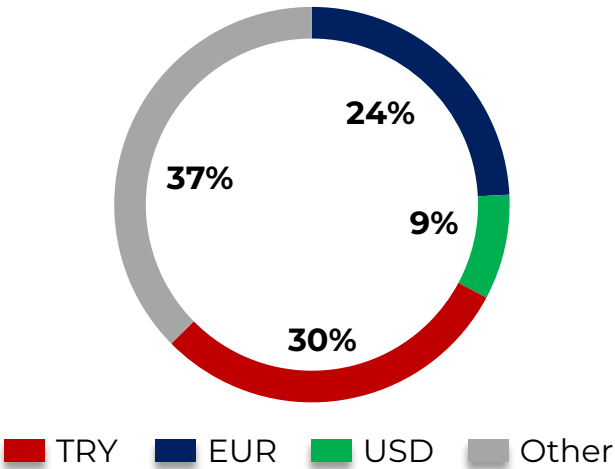
TRYm	2016	2017	2018	2019	2020	2021
Revenue	16,096	20,841	26,904	31,942	40,872	68,184
Gross Profit	5,340	6,506	8,546	10,215	13,806	20,478
EBIT*	1,331	1,406	2,107	2,296	4,135	5,068
Profit Before Tax	1,202	821	949	1,114	3,498	3,623
Net Income**	1,304	845	856	925	2,848	3,251
EBITDA	1,769	1,954	2,797	3,351	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.

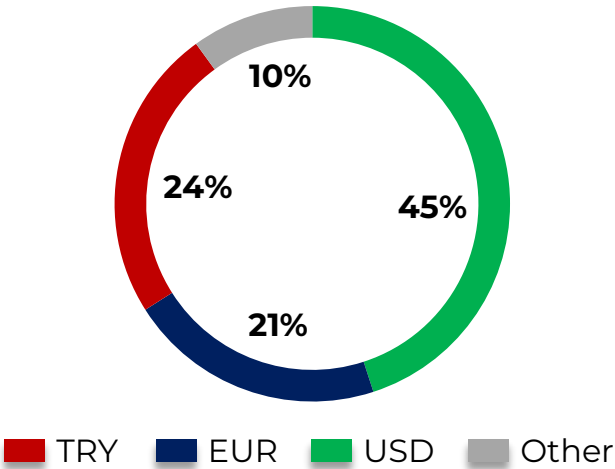
\*\*Net income before minority



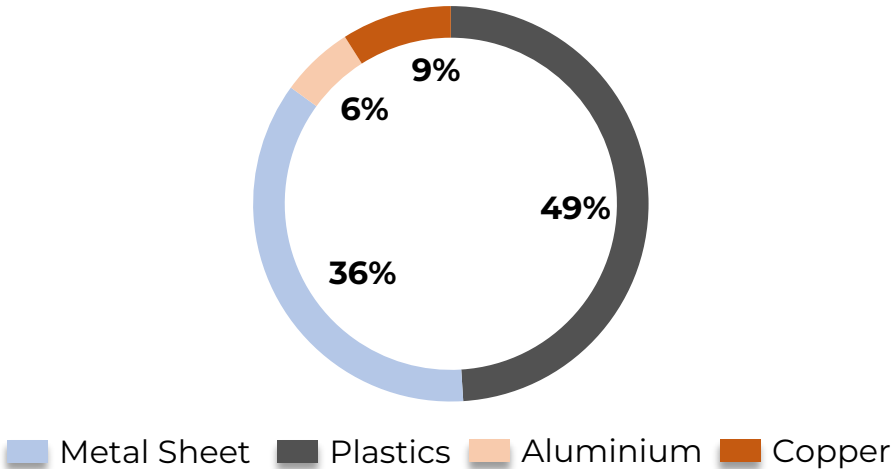
Revenue Breakdown  
by Currency



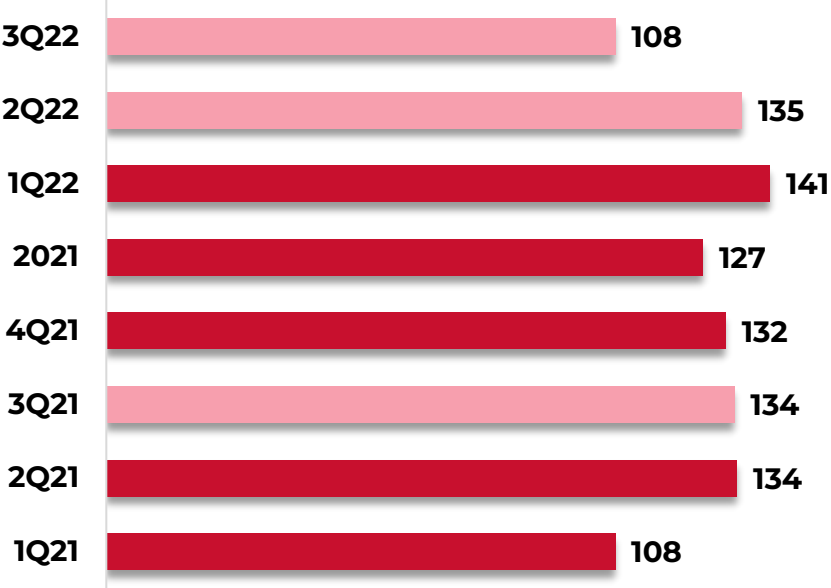
COGS Breakdown  
by Currency



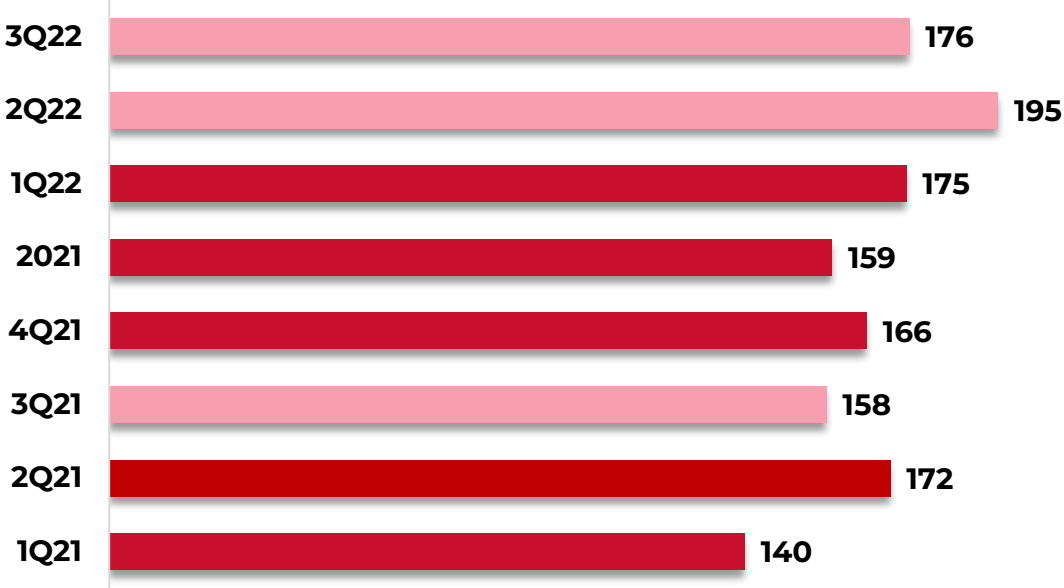
Breakdown of  
Raw Material Cost



Average Metal Prices Index - Market



Average Plastic Prices Index - Market



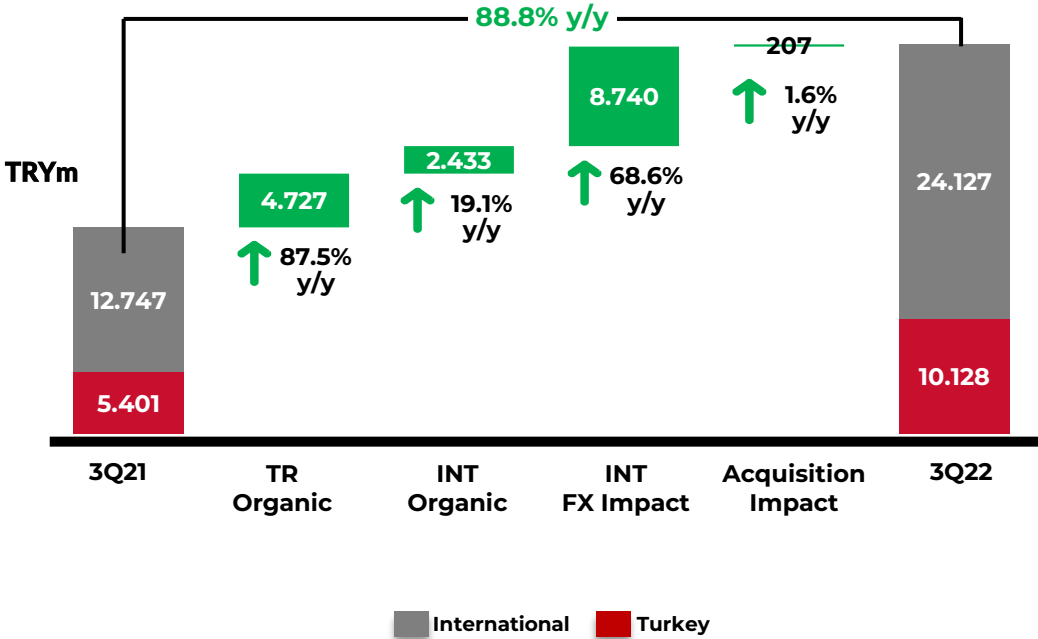
- Shrunk demand continued to weigh on metal raw material prices in 3Q22.

- Increased oil, gas and energy prices due to the war between Russia & Ukraine impacted plastic raw material prices negatively starting from March.
- Declining demand resulted in lower plastic prices in 3Q22.

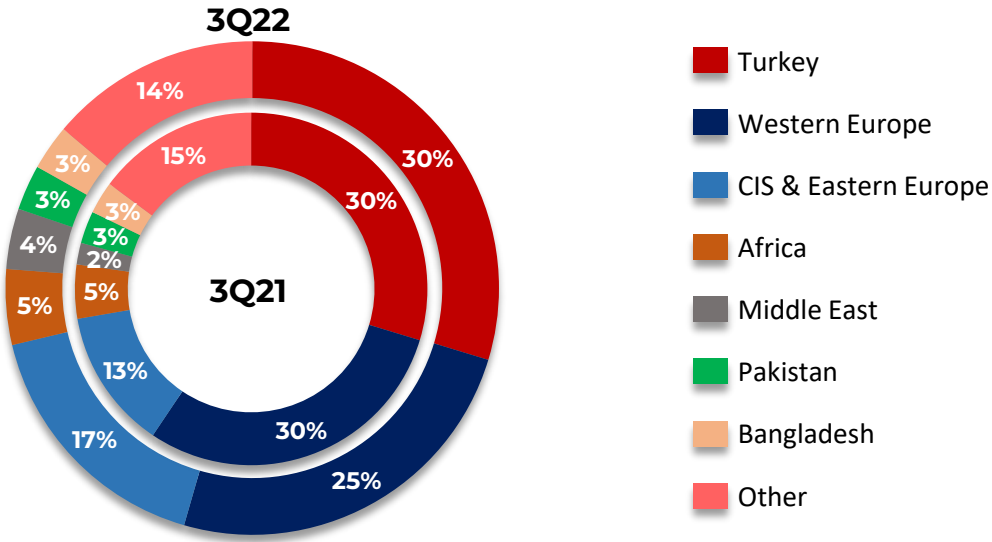
Source: Steel BB, Steel Orbis  
Index includes: CRC, HRC, Galvanized Steel, Stainless Steel, Copper, Aluminium

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

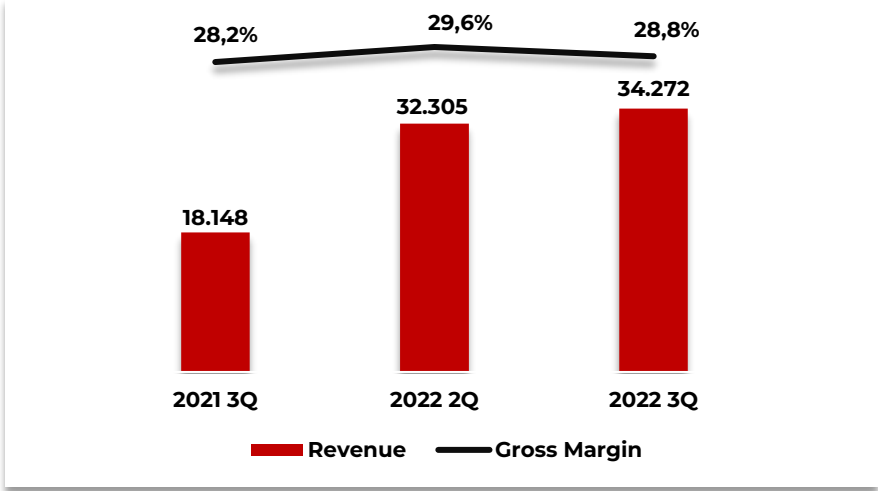
Sales Bridge



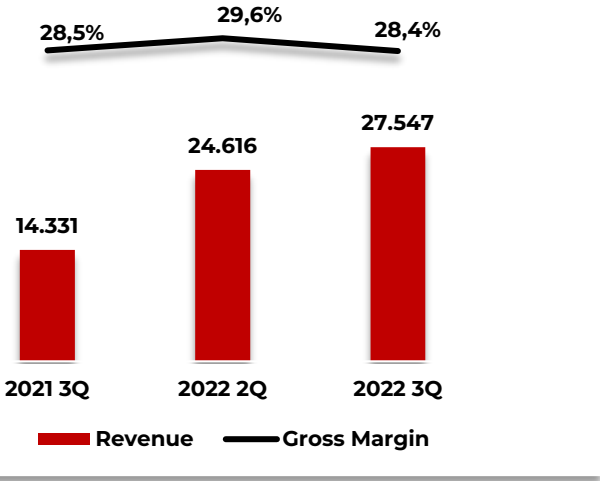
Sales Breakdown by Geography



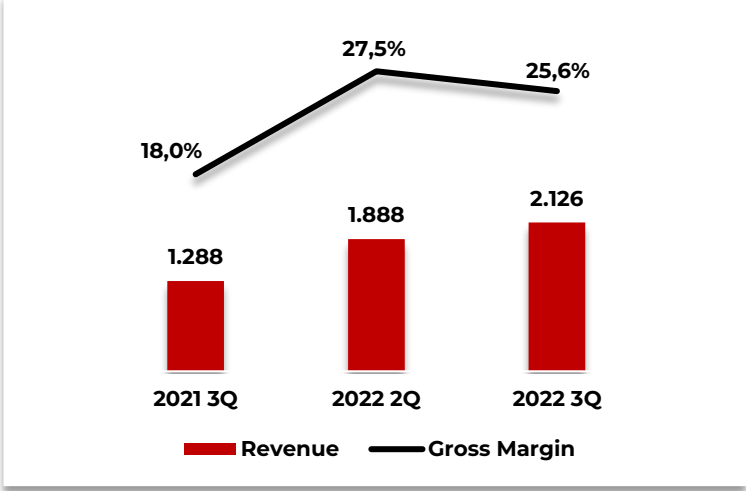
Consolidated



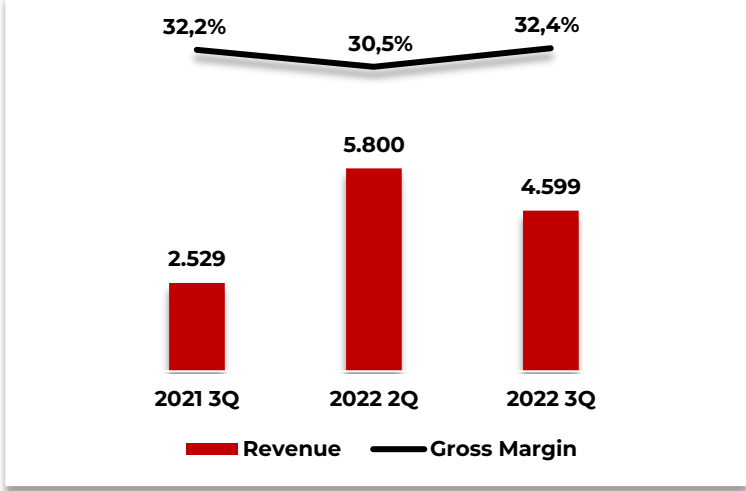
White Goods

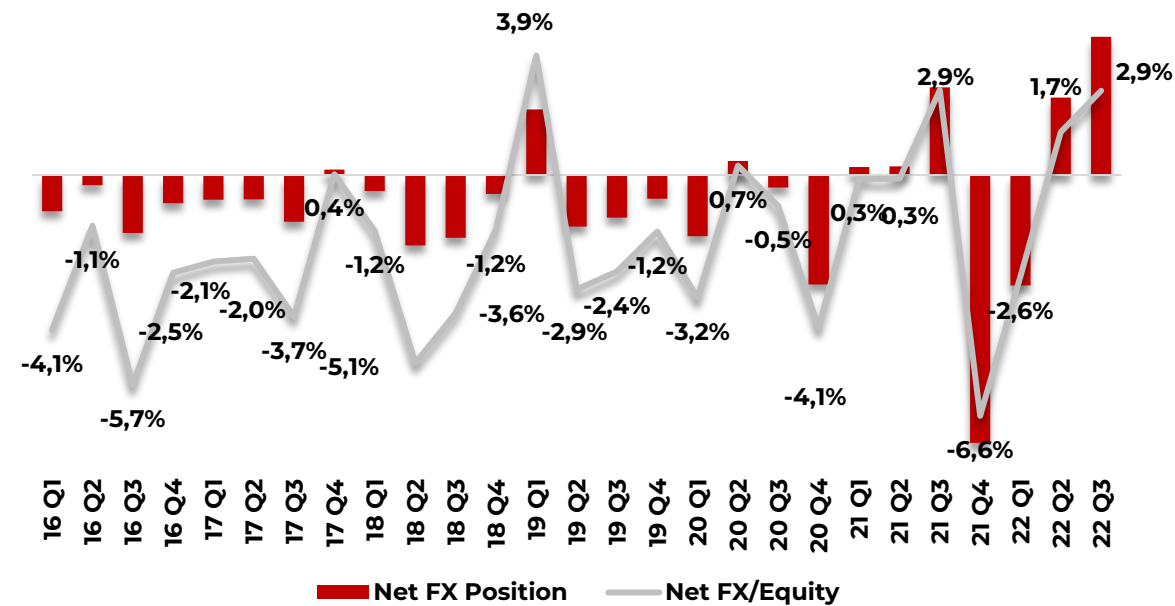


Consumer Electronics



Other





- 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.

TRYm	Before Hedge	Hedged Position	Net Position
EUR	(8,962)	8,830	(133)
USD	(4,306)	5,047	742
GBP	1,553	(1,384)	169
Other	(3,443)	3,385	(54)
TOTAL	(15,158)	15,882	724
Net FX Position / Equity			2,9%

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



**Özkan Çimen**

CFO

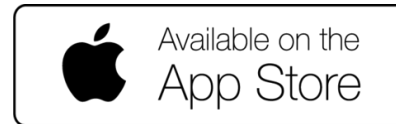
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# Thank You!

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## Arçelik