

# Investor Presentation

---

# Arçelik

February, 2023

# AGENDA

**Overview of  
Arçelik**  
(pg. 3-7)

**4Q22  
Highlights**  
(pg. 22-30)

**Guidance**  
(pg. 43-45)

**Investment  
Highlights**  
(pg. 8-21)

**Sustainability**  
(pg. 31-42)

**Appendix**  
(pg. 46-56)



## Investor Presentation

**Arçelik**

# Overview of Arçelik



**Investor Presentation**

**Arçelik**

**30**

Production plants

**80**

Subsidiaries

**13**

Brands

**c.45k**

Employees worldwide

**+150**

Countries we serve

**29**

R&D and Design Centres

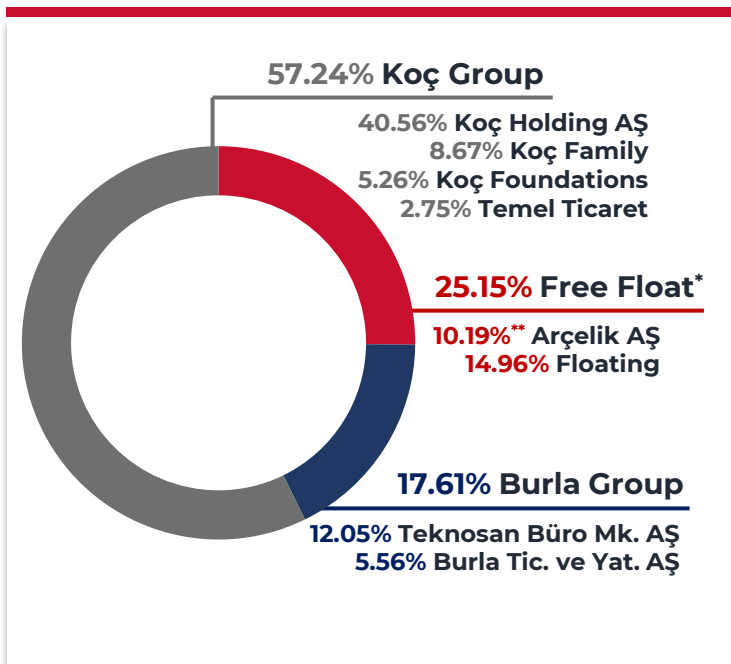
**+2,300**

Engineers & Researchers in R&D Centres

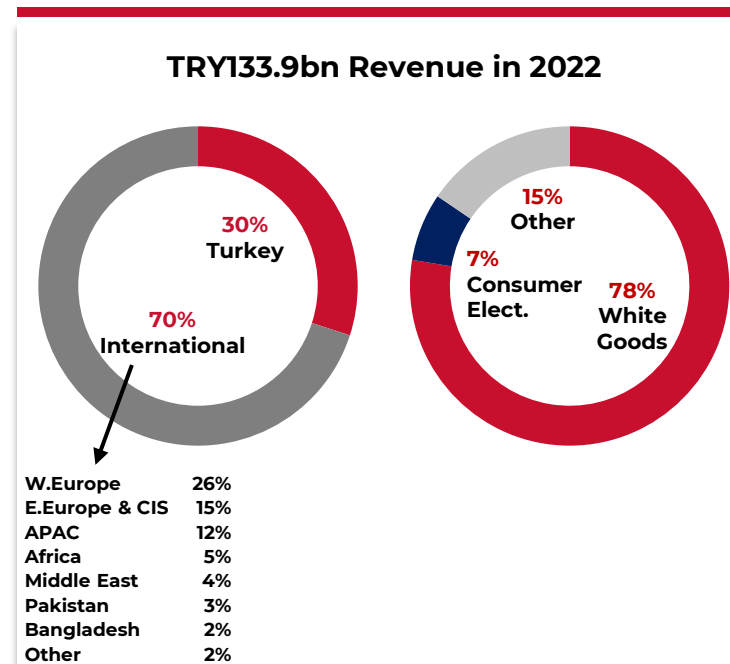
**c.3,000**

Patent Application

### 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)



market leader in the U.K. & among the top three players in major countries in Europe



market leader in Turkey



market leader in Romania

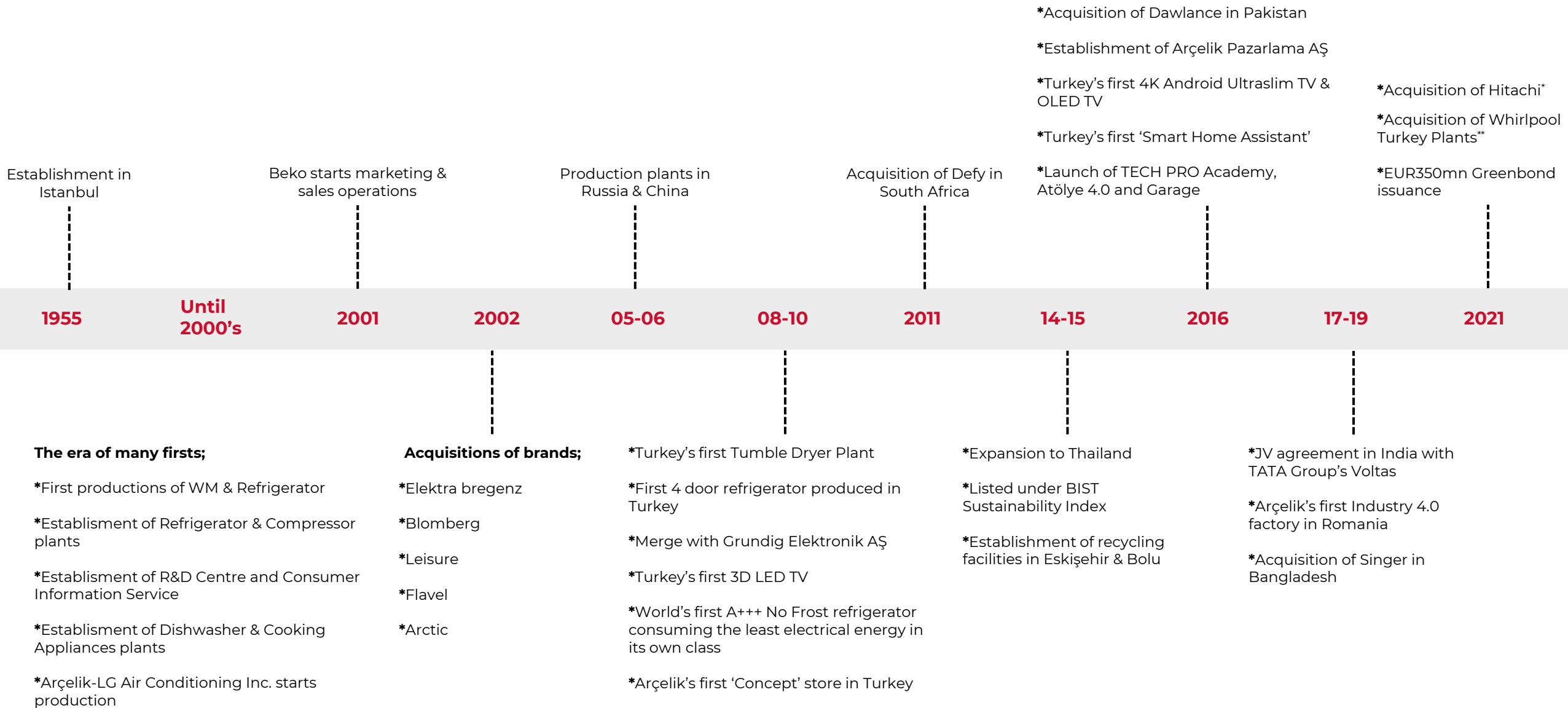


market leader in South Africa

\*Trading on Borsa Istanbul Stock Exchange. Total Mcap of Arçelik was USD4.2bn as of February 24, 2023.

\*\*Shares bought-back as of February 27, 2023.

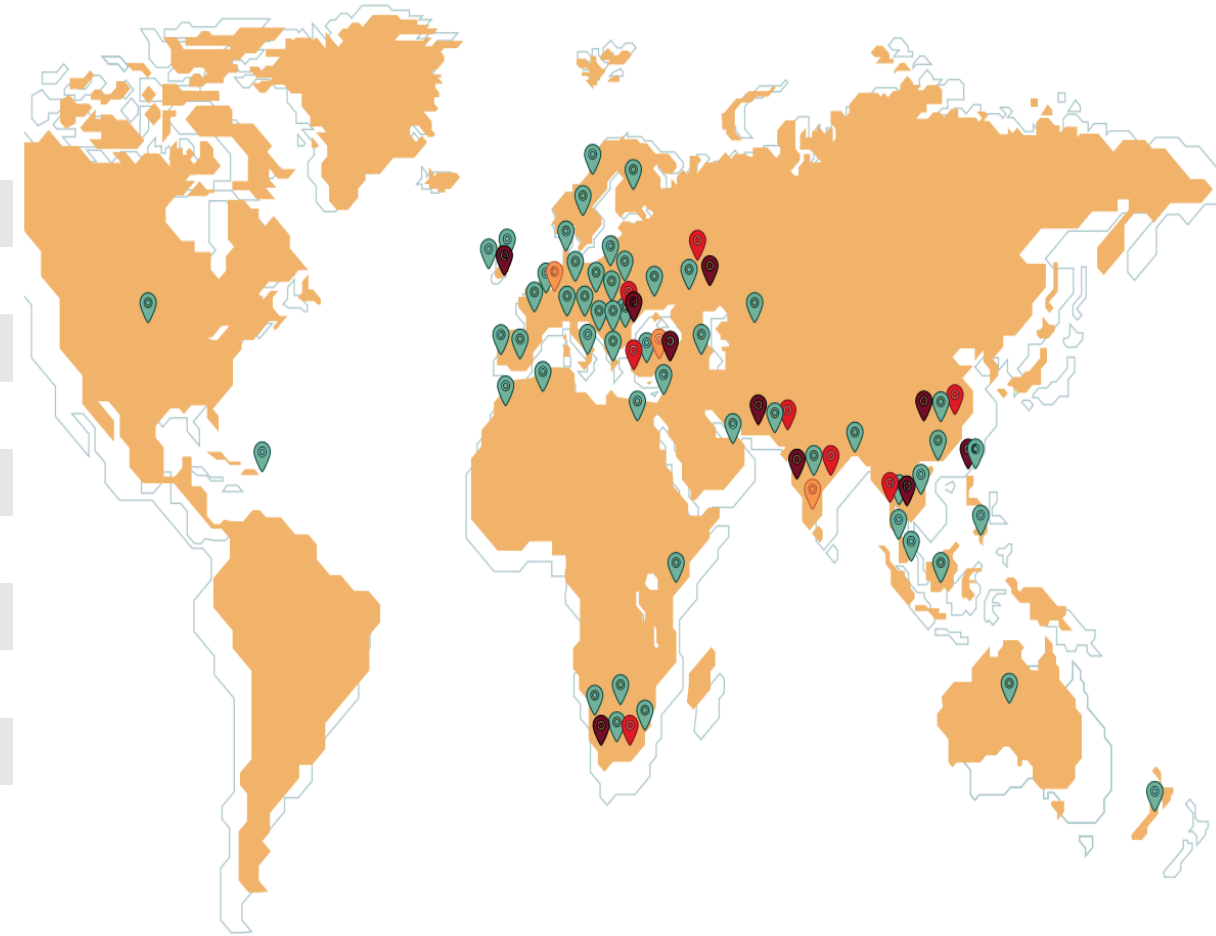
\*\*\*Market positionings reflect the data of a retail panel market as of December 31, 2022 and are in unit terms.



\*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	Cooking	A/C*	TV	SDA
Turkey	✓	✓	✓	✓	✓	✓	✓	✓
Romania	✓	✓						
S.Africa	✓	✓		✓	✓			
Pakistan	✓	✓			✓	✓	✓	
Russia	✓	✓						
Thailand	✓	✓						✓
Bangladesh	✓	✓				✓	✓	
India**	✓	✓						
China		✓						



Production Plants



R&D Centres & Offices



Partners



Subsidiaries & Affiliates

\*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 one of the top three largest brand in the European market and market leader in the U.K. (up from 7<sup>th</sup> position in 2004)
- 2<sup>nd</sup> largest market share in the European market 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 2022 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



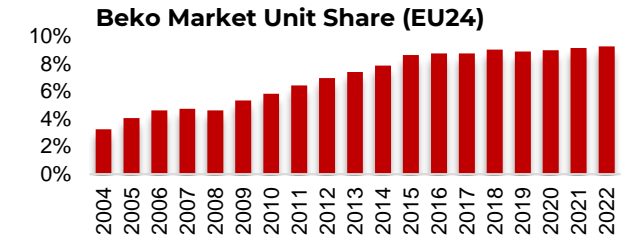
Premium brand in Turkey  
Continuously a significant market leader



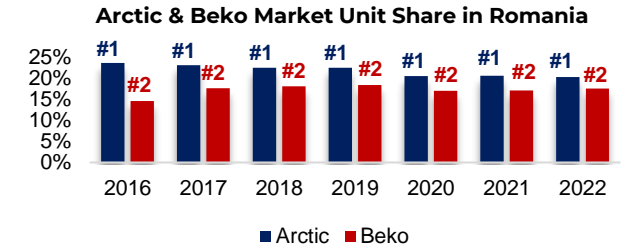
International brand  
Among top three in Turkey



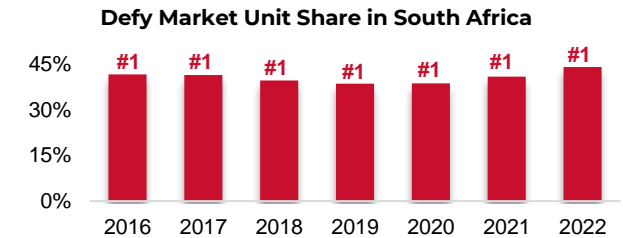
- ✓ Maintained 1<sup>st</sup> position in the U.K.
- ✓ Among top three brands in major countries in Europe including Austria, Belgium, Denmark, France, Italy, Spain, Poland, Russia, Ukraine, Serbia, Israel
- ✓ Fastest growing white goods brand in the European market since 2000



- ✓ 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**



**In Pakistan**



**In Bangladesh**



**In India**



**In Asia**

- 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
- Leading appliance company
- Strong position in the appliances market, widely recognised brand
- Increasing presence in one of the most populated country in the world
- Increasing presence in Asia with a well recognized brand

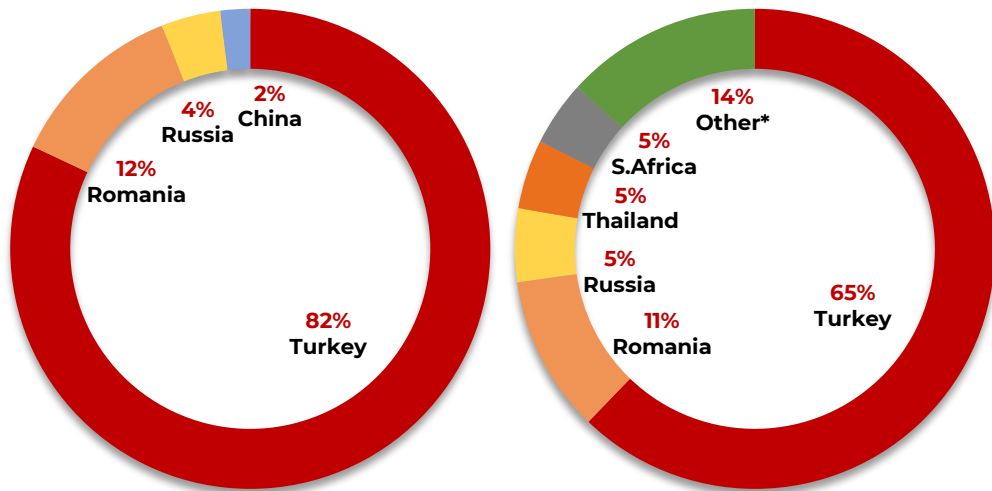
## EXPANDING PRODUCTION BASE THROUGH

- Acquisitions
- Greenfield investments

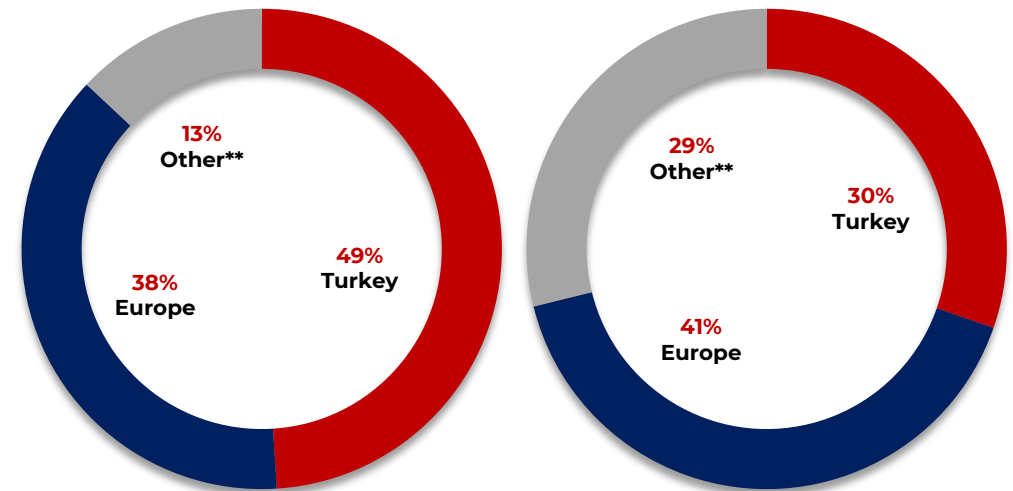
## INCREASING EMERGING MARKET EXPOSURE THROUGH

- Acquisitions
- Opening of new sales offices

2010 **Production Base** → 2022



2010 **Revenue Breakdown** → 2022



We serve more than 150 countries

\*Others include Pakistan, Bangladesh, India 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



1<sup>st</sup> Major Appliance Brand in the U.K. and among top three players in Europe



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

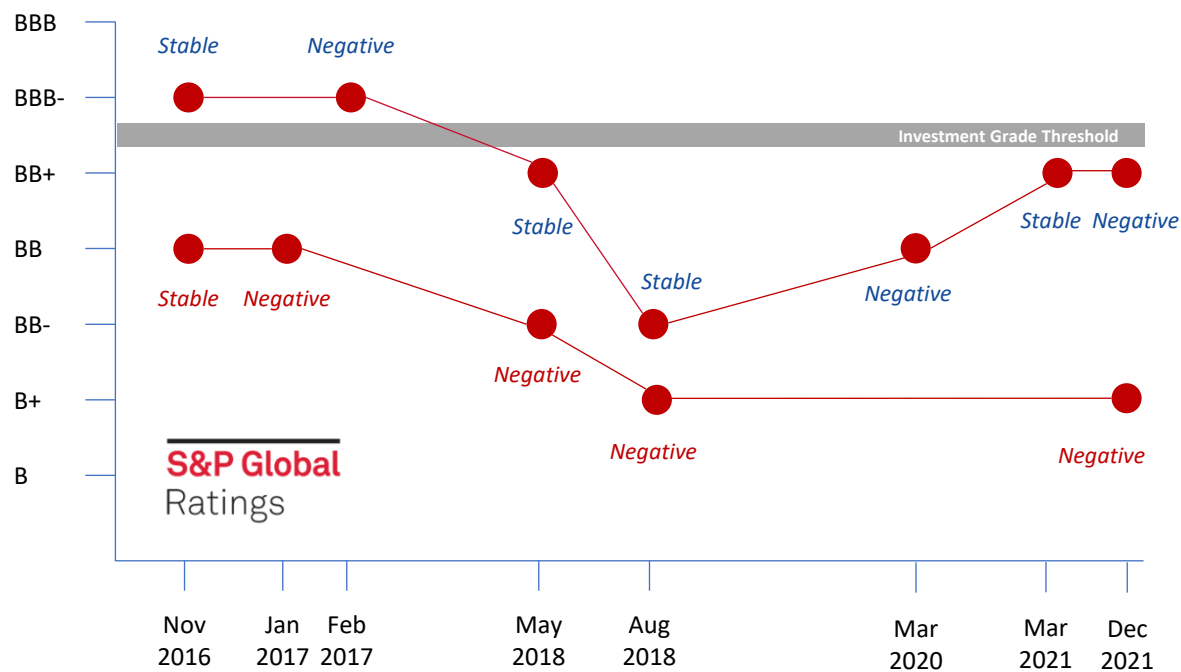


seit 1883



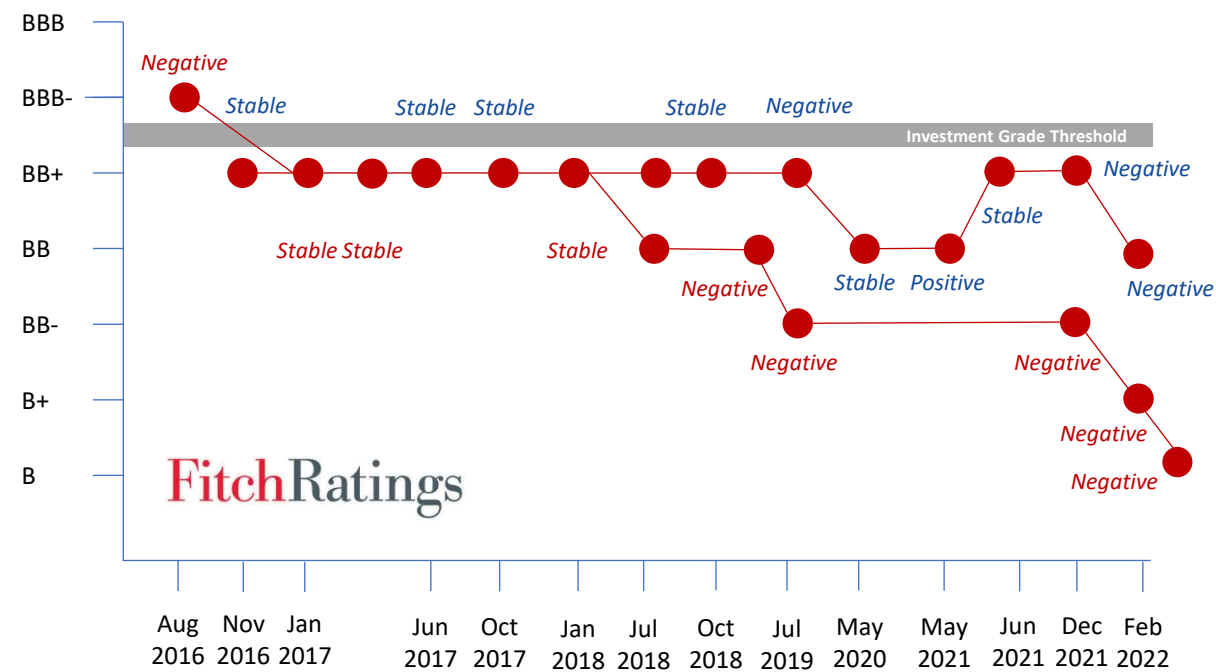
### Standard & Poor's

**BB+**  
Four notches above Turkey Sovereign



### Fitch

**BB-**  
Two notches above Turkey Sovereign



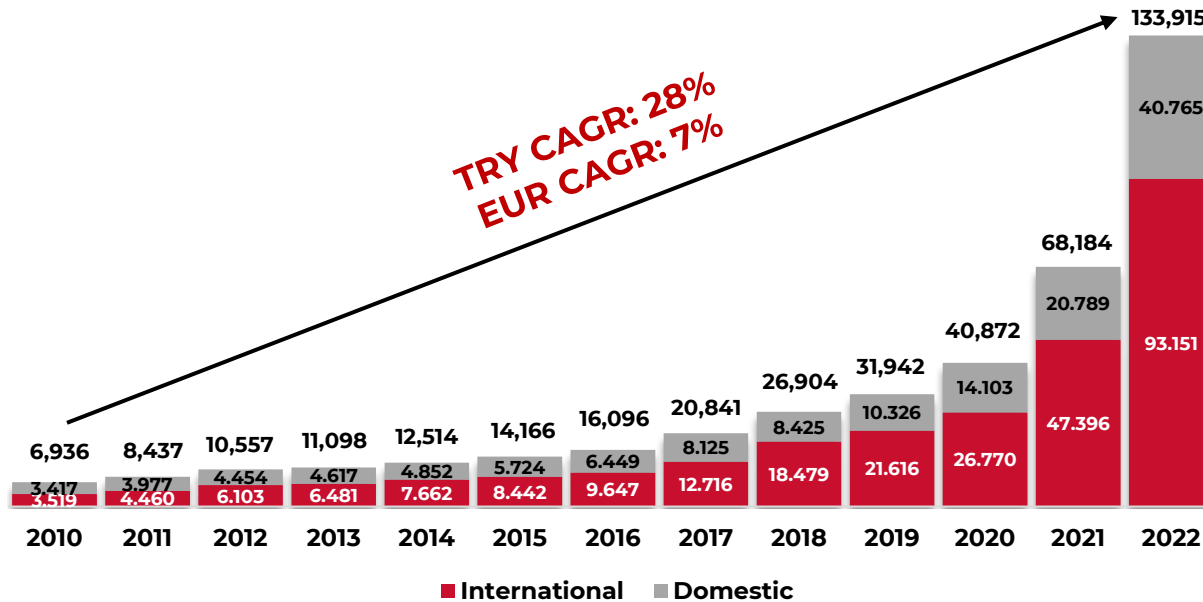
## SOLID REVENUE GROWTH THROUGH

- Organic growth
- Inorganic growth
- Pricing

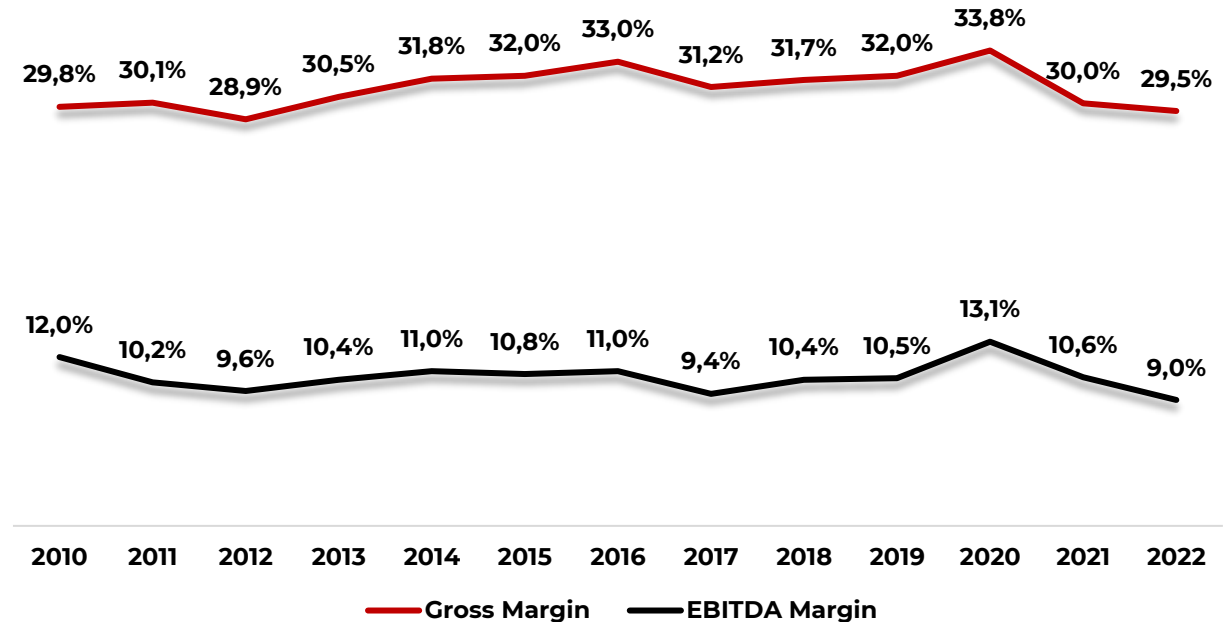
## SUSTAINABLE PROFITABILITY THROUGH

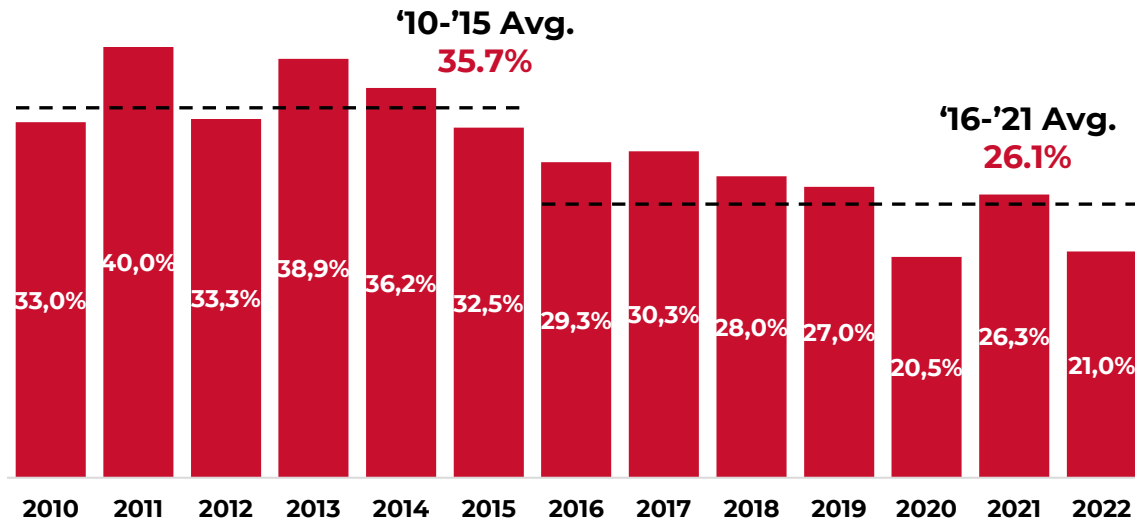
- Global sourcing power
- Strict cost management
- Operational efficiency

Revenue (TRYmn)



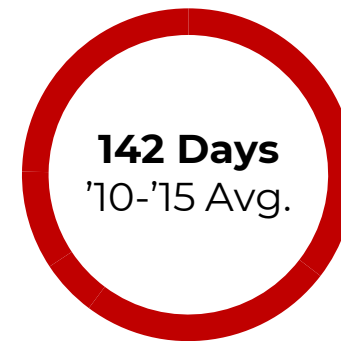
Margins (%)





### EFFECTIVE WC MANAGEMENT THROUGH

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



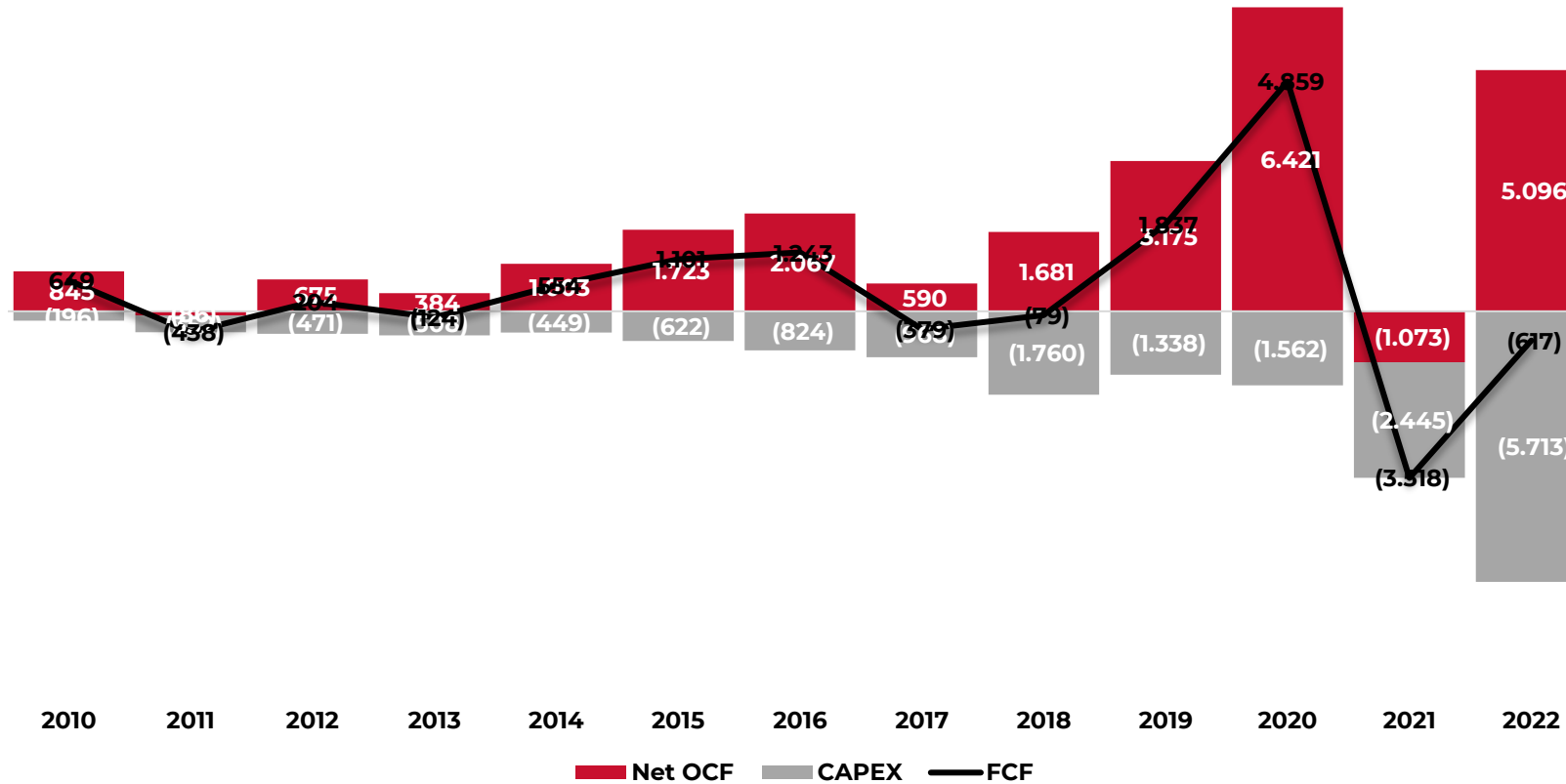
**Cash Conversion Cycle**





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

FCF (TRYmn)

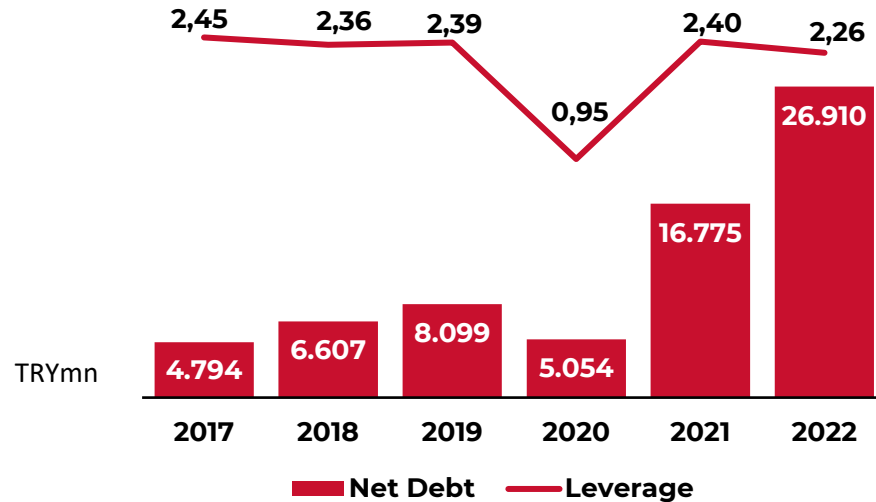


**FCF CREATION THROUGH**

- 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

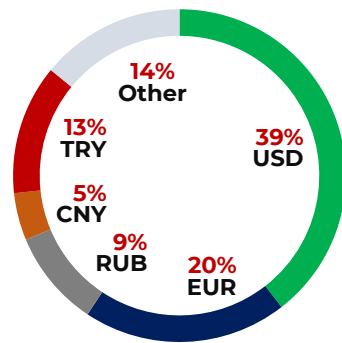


### Debt Currency & Rates Breakdown

Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)	Share (%)
TRY	21,6%	5.666	5.666	11,5%
EUR	2,5%	588	11.716	23,9%
USD	7,6%	54	1.009	2,1%
GBP	5,3%	7	161	0,3%
ZAR	6,4%	1.093	1.208	2,5%
AUD	3,3%	29	363	0,7%
PKR	16,0%	37.706	3.093	6,3%
BDT	7,0%	5.901	1.071	2,2%
RUB	13,0%	10	3	0,0%
RON	7,1%	141	566	1,2%
PLN	7,8%	138	588	1,2%
NOK	3,9%	26	49	0,1%
SEK	1,0%	95	170	0,3%
IDR	8,4%	90.872	109	0,2%
MYR	6,0%	32	136	0,3%
THB	4,4%	185	100	0,2%
<b>TOTAL LOANS</b>			<b>26.007</b>	<b>53,0%</b>
USD	5,0%	506	9.463	19,3%
EUR	3,0%	356	7.098	14,5%
TRY	22,6%	6.496	6.496	13,2%
<b>TOTAL BOND</b>			<b>23.057</b>	<b>47,0%</b>
<b>TOTAL</b>			<b>49.064</b>	

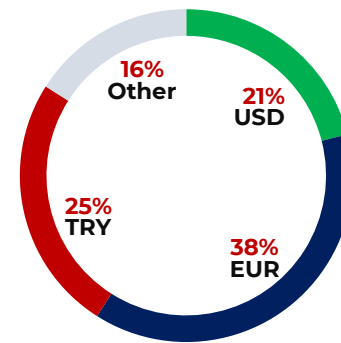
### Cash Currency Breakdown

TRY24.5bn (EUR1.2bn)



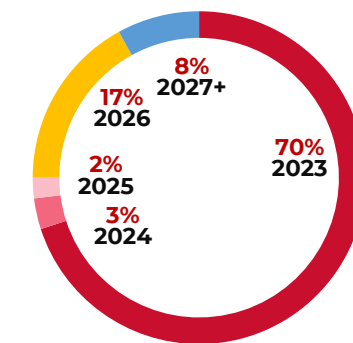
### Debt Currency Breakdown

TRY49.1bn (EUR2.5bn)



### Debt Maturity Profile

TRY49.1bn (EUR2.5bn)



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



**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**

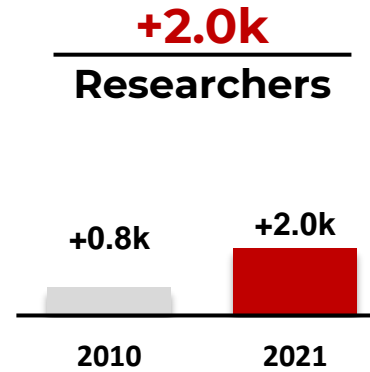
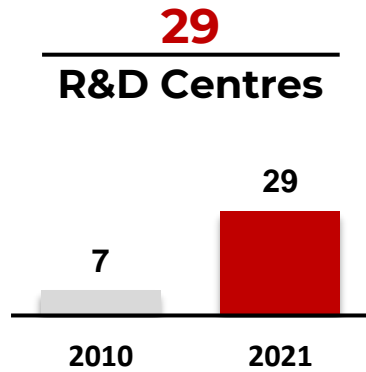
- Acquired Singer Bangladesh in 2019
- Strong position in the appliances market, widely recognised brand in Bangladesh
- Wide product range, extensive retail and service network
- International business partners



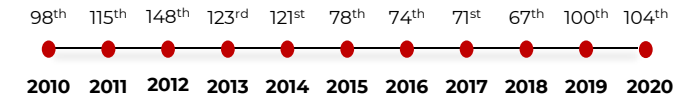
**United States**

- 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

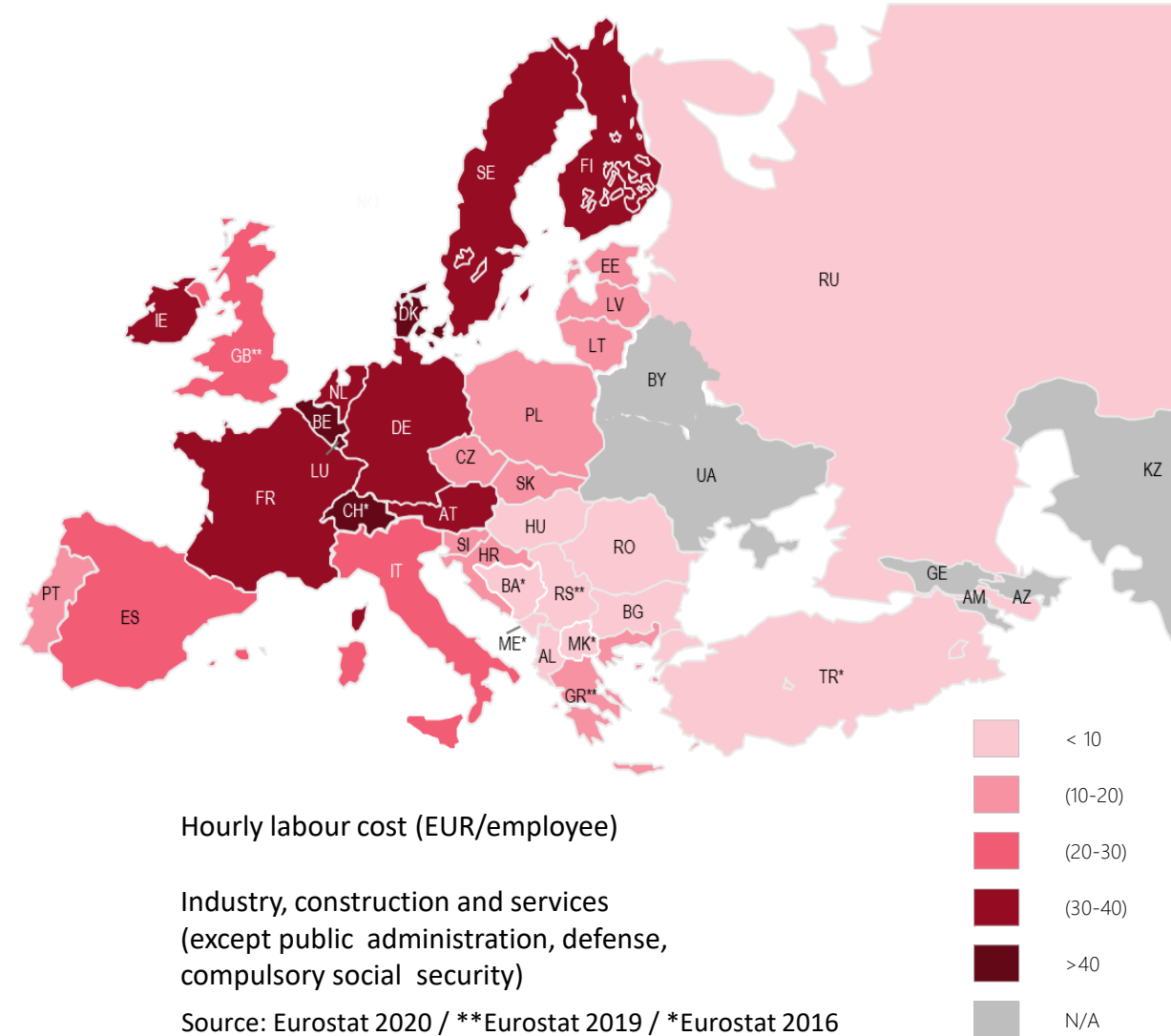
Huge production capacity in Turkey, Romania.

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



# 4Q22 Highlights



**Investor Presentation**

**Arçelik**



# 4Q22 HIGHLIGHTS

**TRY39.2bn**

**Revenue**

**9.1%**

**EBITDA Margin**

**22.2%**

**OPEX / Sales**

**21.0%**

**NWC / Sales**

**2.26x**

**Leverage**

**Solid revenue growth momentum on track as further eased material costs contributed margin expansion..**



Robust revenue growth of 74% y/y driven by price increases, higher units sold in Turkey and TRY depreciation. Organically, annual growth was 67%. On a quarterly basis, the revenue growth was 14% while organic growth were stood at 11%.



Sell-out and sell-in were positive in Turkey mainly thanks to pull forward demand, while contraction in consumer demand continued in both West & East Europe.



Eased costs, price increases and further improved OPEX/Sales ratio resulted in 42 bps q/q EBITDA margin expansion.



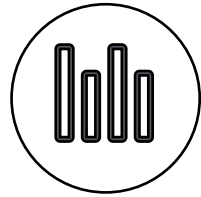
Net Working Capital/Sales was 21.0% thanks to decreasing inventories and strong collection.



Leverage was 2.26x, down by 0.42x compared to 3Q22 thanks to strong cash generation in the quarter.



A new business partnership with Whirlpool in Europe and acquisition of Whirlpool's MENA subsidiaries has been announced.

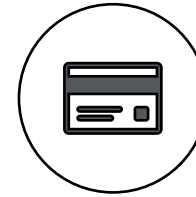
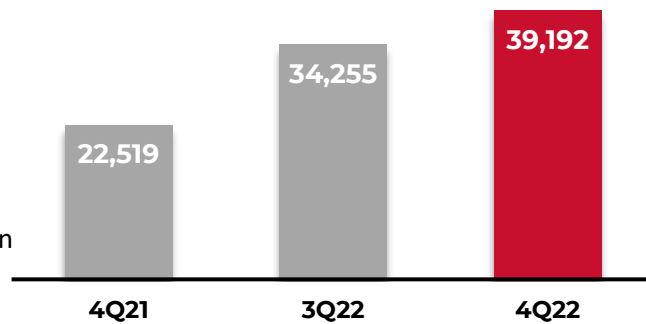


### REVENUE GROWTH

# 74%\*

- ↑ Price increases on both quarterly & yearly basis
- ↑ Significant TRY depreciation on a yearly basis
- ↑ Increased unit sales in Turkey on a yearly basis

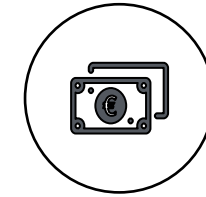
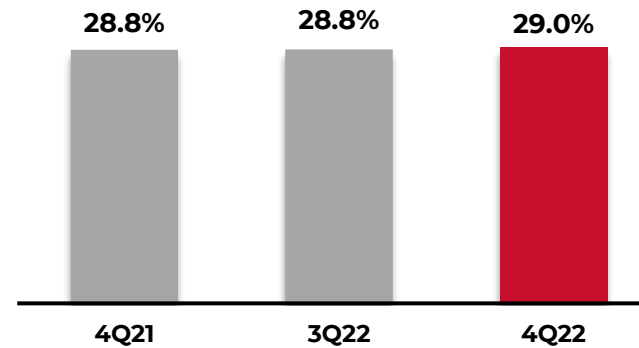
TRYmn



### GROSS MARGIN

# 29.0%

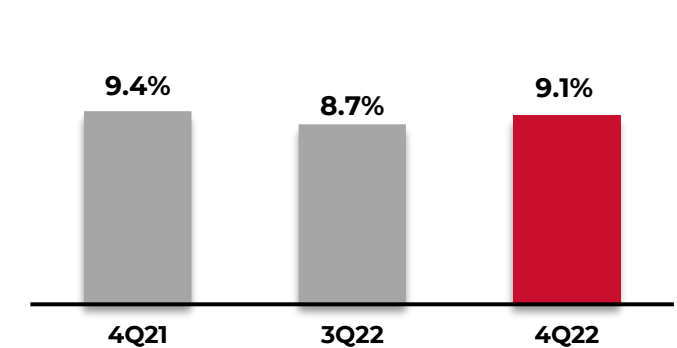
- ↑ Eased raw material costs
- ↑ Appreciated EUR against USD
- ↓ Lower capacity utilisation on both quarterly & yearly basis



### EBITDA MARGIN

# 9.1%

- ↑ Lower OPEX/Sales on a quarterly basis thanks to lower marketing and logistics expenses



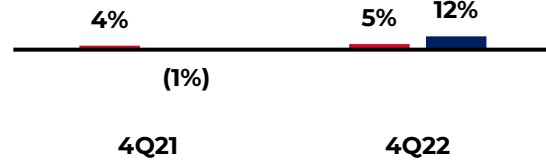
\*Includes inorganic revenue contribution of Indesit International JSC and Whirlpool RUS LLC acquisition. Organically, annual and quarterly revenue growth was 67% and 11% in 4Q22, respectively.





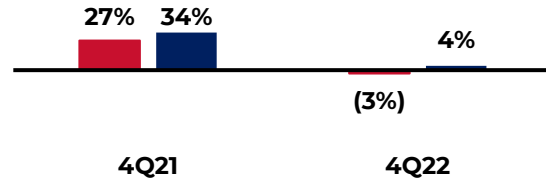
### MDA6\*

ARÇELİK y/y growth (%)  
TURKEY y/y growth (%)



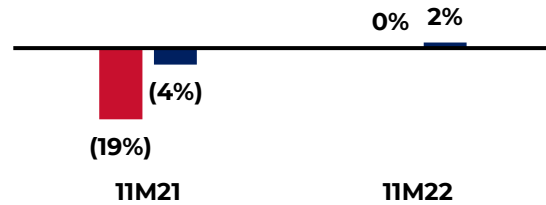
### AIR CONDITIONER\*

ARÇELİK y/y growth (%)  
TURKEY y/y growth (%)

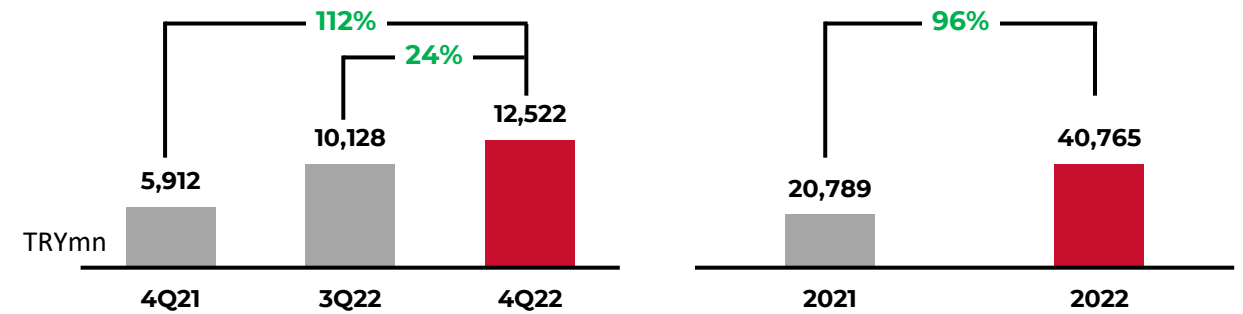


### TELEVISION\*\*

ARÇELİK y/y growth (%)  
TURKEY y/y growth (%)



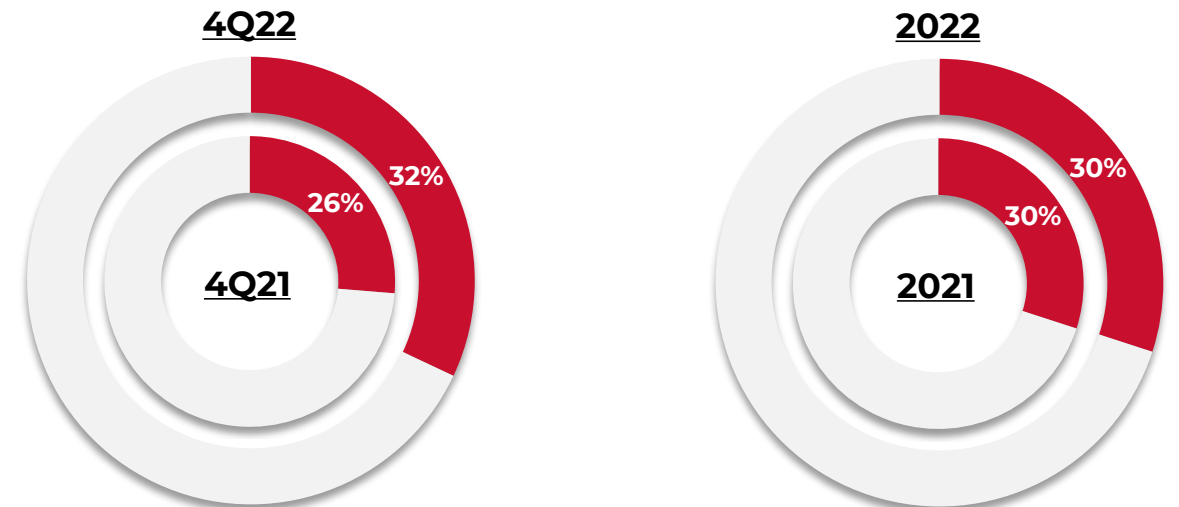
### Turkey Revenue Growth



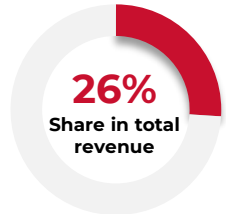
- Price increases on y/y & q/q
- Unit growth in MDA6 (sell-in) y/y

- Price increases
- Unit growth in A/C (sell-in)
- Unit contraction in MDA6 (sell-in)

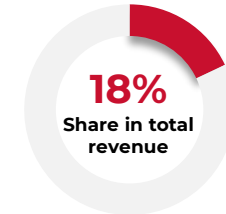
### Turkey Share in Total Revenue



\*MDA6 and A/C data (sell-in, in unit terms) is based on WGMA for 4Q22 period on a cumulative basis.  
\*\*TV market reflects the data of a retail panel market for 11M22 period in unit terms on a cumulative basis.



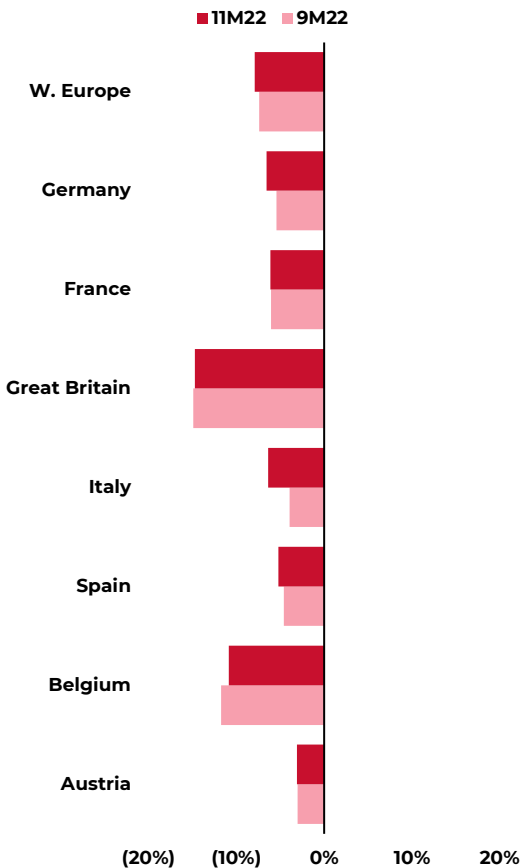
## Western Europe



## Eastern Europe

y/y market unit growth

### MDA6 Market



- Further slowdown in consumer demand in Western Europe market in October & November, leading to high single digit contraction in 11M22, on a yearly basis.
- Great Britain has been worst performer among Western European countries with a demand contraction at mid-teens percentage.
- Despite having been contracted in unit terms, market remained flattish in 11M22 y/y in value terms, reflecting price increases and higher share of premium segment sales. Yet, this trend has been vanished in Oct-Nov 2022 period with c.2% y/y contraction in value terms.

### Arçelik in Western Europe

- Flattish revenue in EUR terms in 4Q22 compared to a year ago.

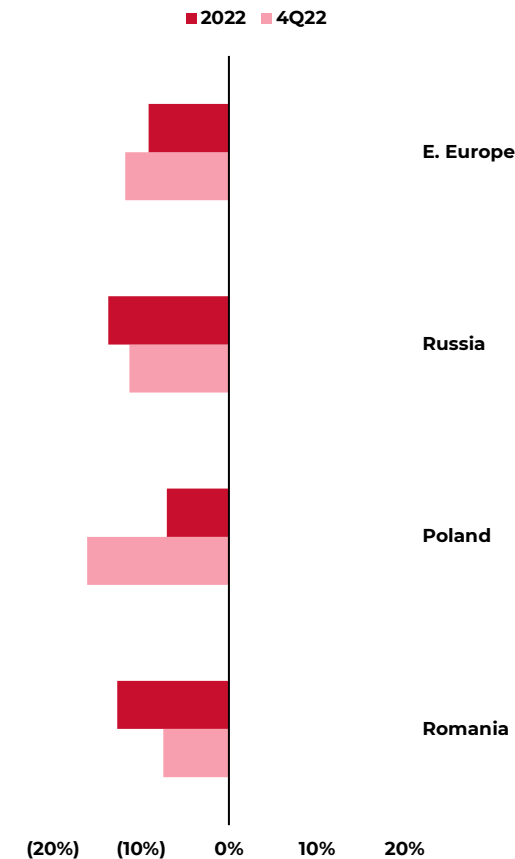
### MDA6 Market

- Consumer demand continued to contract by double-digit percentage in 4Q22, leading to c.10% contraction in 2022 on a yearly basis.
- Market grew significantly at mid-teens percentage in value terms in 2022 on thanks mainly to strong price increases in the market.

### Arçelik in Eastern Europe

- 46% y/y revenue growth in EUR terms thanks mainly to price increases and inorganic revenue contribution from recent acquisition. Organically, revenue growth was 16%.

y/y market unit growth





## Africa & Middle East

- Revenues from Africa & Middle East increased by c.27% y/y in 2022 in EUR terms thanks to significantly higher growth in both operations.
- Defy's domestic unit sales were significantly higher in the fourth quarter compared to 3Q22 thanks mainly to Black Friday campaigns. On a yearly basis, units were down by high single digit due to declining market. Export units were down by mid-to-high single digit on a quarterly basis and grew at low-teens on a yearly basis.
- Defy's revenue increased by c.15% in EUR terms and by c.20% in ZAR terms q/q in 4Q22 thanks to unit growth and price increases and grew by c.13% in EUR terms and c.15% in ZAR terms y/y mainly thanks to price increases.
- Defy further increased its market share significantly as of December 2022, compared to a year ago in South Africa and maintained its strong leadership in a declining demand environment.
- Beko Egypt registered c.29% y/y revenue growth in 4Q22 in EUR terms thanks mainly to price increases while on a quarterly basis, revenue fell by c.26% in EUR terms mainly due to the import regulation imposed in the country.
- Groundbreaking ceremony has been organised in Egypt for USD100mn greenfield investment which is expected to be established in 2023.



## Asia-Pacific

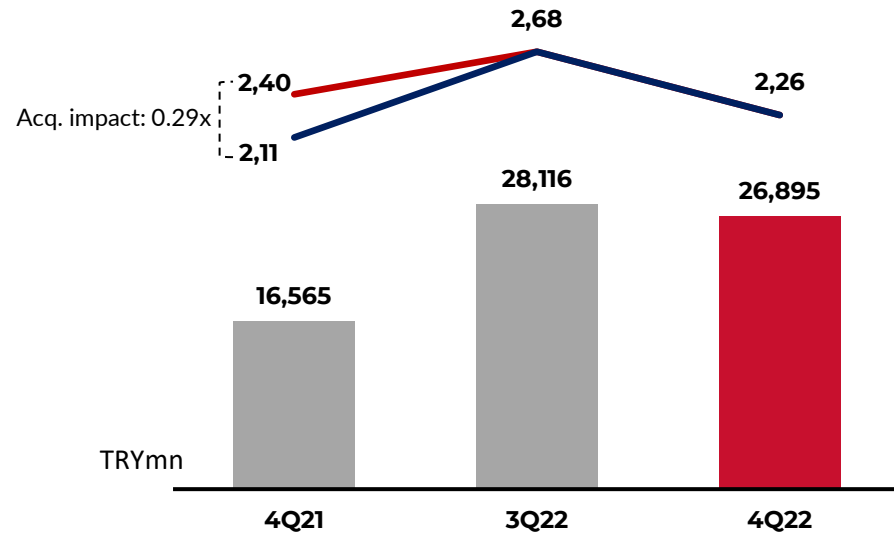
- Revenues from APAC were down by c.5% in EUR terms in 4Q22 y/y.
- In Pakistan, due to depreciated PKR against EUR, lower A/C sales and deteriorated purchasing power of consumers, units were contracted on both quarterly and yearly basis. Thus, net sales were down by c.9% q/q in PKR terms (c.11% in EUR terms). On a yearly basis, thanks to price increases, net sales were increased by c.6% in PKR terms while due to PKR depreciation, net sales were contracted by c.8% in EUR terms.
- In Bangladesh, net sales were increased by c.4% in BDT terms in 4Q22 y/y driven by higher television unit sales and price increases. In EUR terms, net sales were down by c.3% due to depreciated BDT against EUR.

TRYmn	4Q22	4Q21	y/y	3Q22	q/q	2022	2021	y/y
Revenue	39.192	22.519	74%	34.255	14%	133.916	68.184	96%
Gross Profit	11.377	6.477	76%	9.861	15%	39.493	20.478	93%
EBIT*	2.663	1.447	84%	2.100	27%	8.676	5.360	62%
EBIT* - exc. one-off items	2.663	1.156	130%	2.046	30%	8.593	5.068	70%
Profit Before Tax	2.231	974	129%	231	864%	4.218	3.623	16%
Net Income**	2.664	893	198%	495	438%	4.723	3.251	45%
Net Income** - exc. one-off items	1.265	601	110%	441	187%	3.242	2.959	10%
EBITDA	3.582	2.106	70%	2.986	20%	11.986	7.206	66%
EBITDA - exc. one-off items	3.582	1.814	97%	2.932	22%	11.903	6.914	72%
Gross Profit Margin	29,0%	28,8%	27 bps	28,8%	24 bps	29,5%	30,0%	(54 bps)
EBIT Margin	6,8%	6,4%	37 bps	6,1%	66 bps	6,5%	7,9%	(138 bps)
EBIT Margin - exc. one-off items	6,8%	5,1%	166 bps	6,0%	82 bps	6,4%	7,4%	(102 bps)
Net Profit Margin	6,8%	4,0%	283 bps	1,4%	535 bps	3,5%	4,8%	(124 bps)
Net Profit Margin - exc. one-off items	3,2%	2,7%	56 bps	1,3%	194 bps	2,4%	4,3%	(192 bps)
EBITDA Margin	9,1%	9,4%	(21 bps)	8,7%	42 bps	9,0%	10,6%	(162 bps)
EBITDA Margin - exc. one-off items	9,1%	8,1%	108 bps	8,6%	58 bps	8,9%	10,1%	(125 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

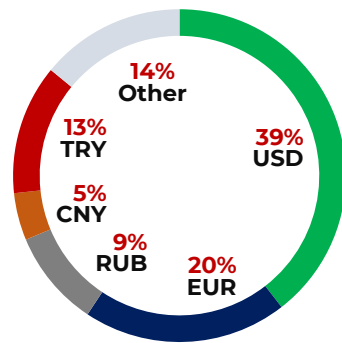


### Debt Currency & Rates Breakdown

Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)	Share (%)
TRY	21,6%	5.666	5.666	11,5%
EUR	2,5%	588	11.716	23,9%
USD	7,6%	54	1.009	2,1%
GBP	5,3%	7	161	0,3%
ZAR	6,4%	1.093	1.208	2,5%
AUD	3,3%	29	363	0,7%
PKR	16,0%	37.706	3.093	6,3%
BDT	7,0%	5.901	1.071	2,2%
RUB	13,0%	10	3	0,0%
RON	7,1%	141	566	1,2%
PLN	7,8%	138	588	1,2%
NOK	3,9%	26	49	0,1%
SEK	1,0%	95	170	0,3%
IDR	8,4%	90.872	109	0,2%
MYR	6,0%	32	136	0,3%
THB	4,4%	185	100	0,2%
<b>TOTAL LOANS</b>			<b>26.007</b>	<b>53,0%</b>
USD	5,0%	506	9.463	19,3%
EUR	3,0%	356	7.098	14,5%
TRY	22,6%	6.496	6.496	13,2%
<b>TOTAL BOND</b>			<b>23.057</b>	<b>47,0%</b>
<b>TOTAL</b>			<b>49.064</b>	

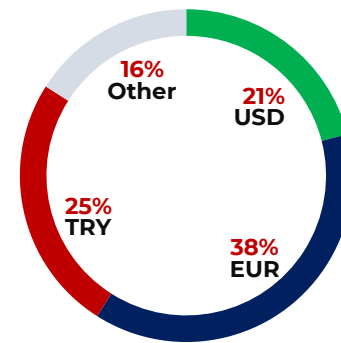
### Cash Currency Breakdown

TRY24.5bn (EUR1.2bn)



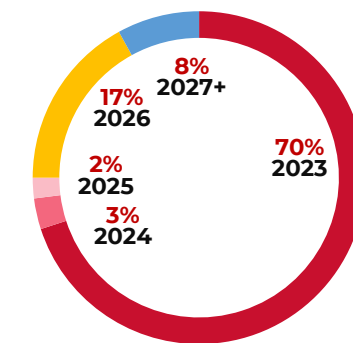
### Debt Currency Breakdown

TRY49.1bn (EUR2.5bn)



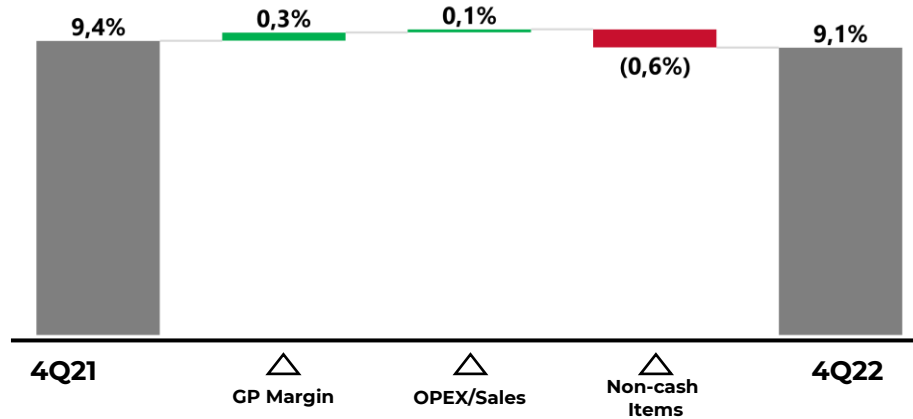
### Debt Maturity Profile

TRY49.1bn (EUR2.5bn)

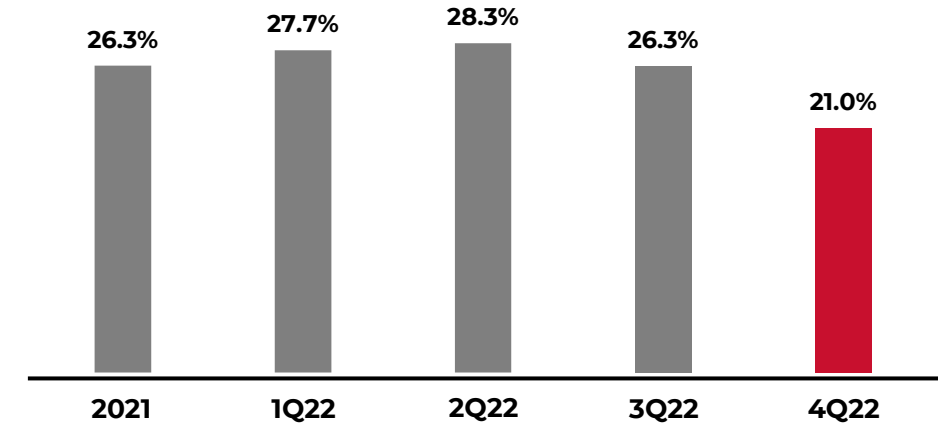


# Strong focus on NWC/Sales improvement paid off posting significant amount of free cash flow in 4Q22

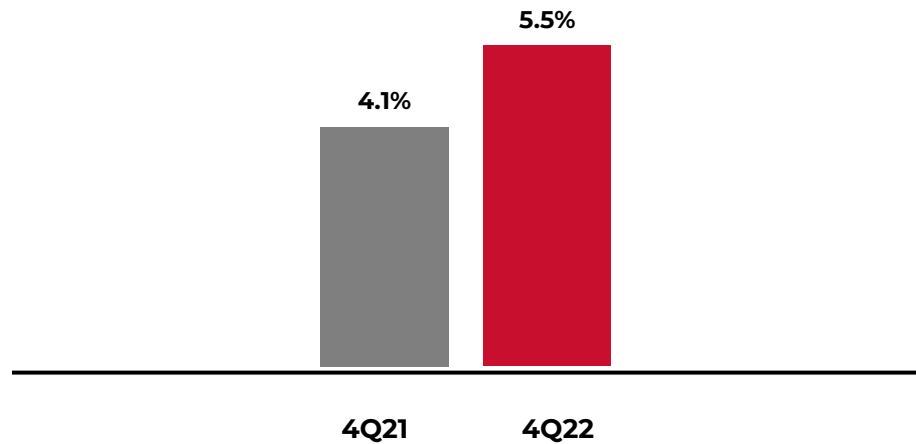
### EBITDA Margin



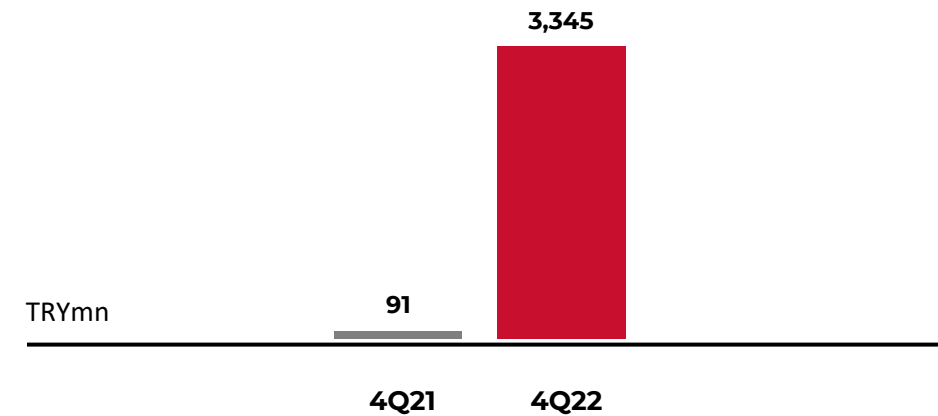
### Working Capital/Sales



### 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!



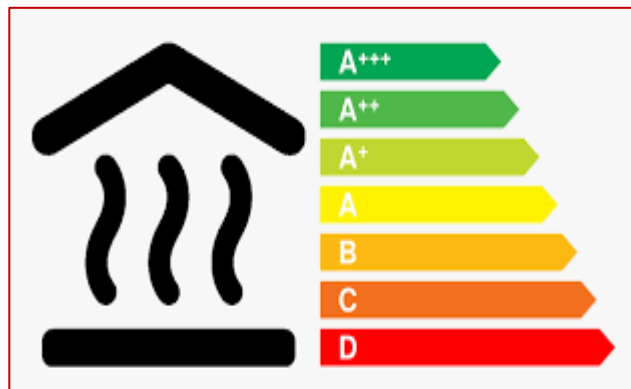
**In parallel with our SBTs;\***

**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 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 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 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

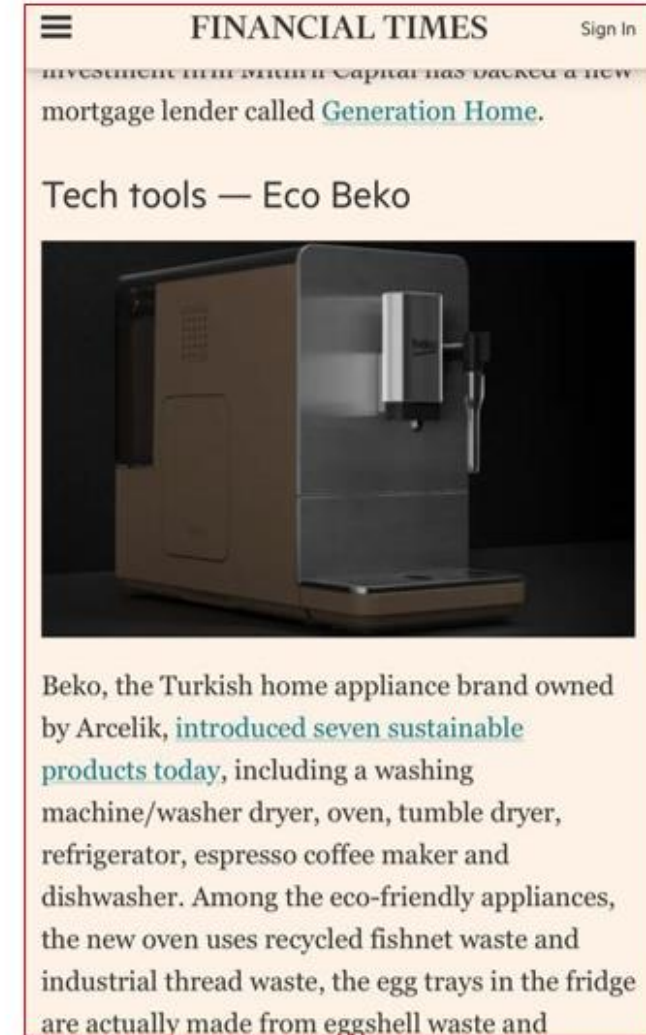
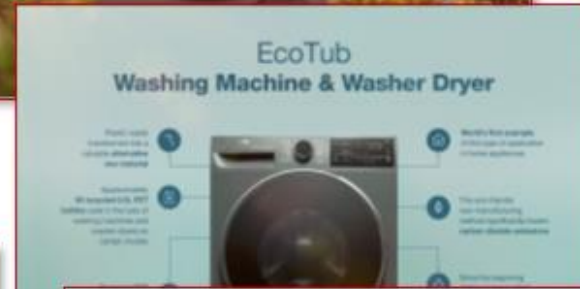


## Sustainable Packaging



## Blockchain Technology







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**

The Voice for Clean Capitalism  
**Corporate Knights**

**#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**



**RATED**  
**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**

Amount Issued

**EUR1.6bn**

Demand

**5 Years**

Maturity

**145**

# of investors

**3.0%**

Interest p.a.

**1<sup>st</sup>**

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) >70% growth
- International (in FX) >20% growth
- Consolidated (in TRY) >90% growth

## Actual

- ✓ 96% growth
- ✓ 18% growth
- ✓ 96% growth



## EBITDA Margin

c.9.5%



9.0%



## WC/Sales

c.25%



21.0%



## CAPEX

c.260 mio EUR



c.220 mio EUR



## Revenue

- Turkey (in TRY) **c.45% growth**
- International (in FX) **c.6% growth**
- Consolidated (in TRY) **c.45% growth**



## EBITDA Margin

**c.10%**



## WC/Sales

**23% - 25%**



## CAPEX

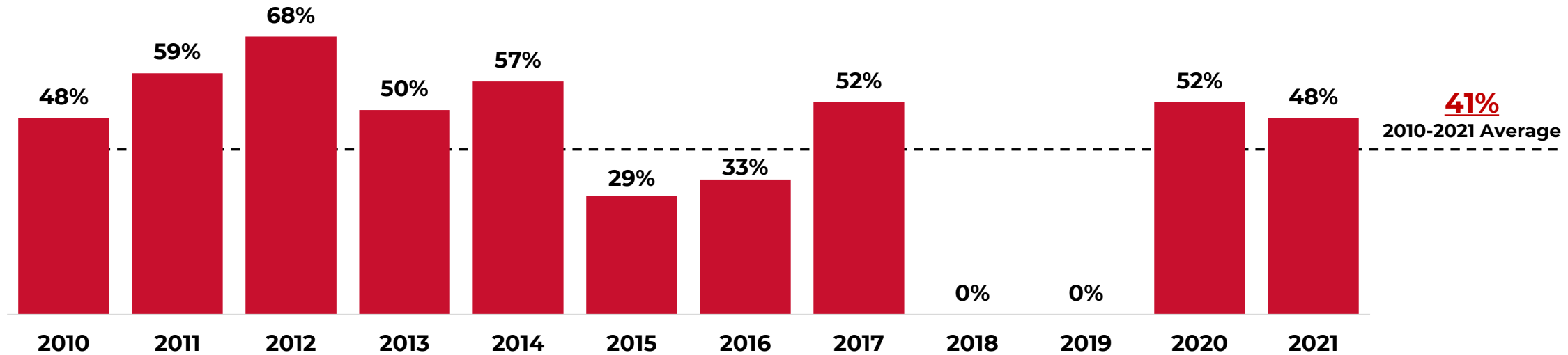
**c.300 mio EUR**

# 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

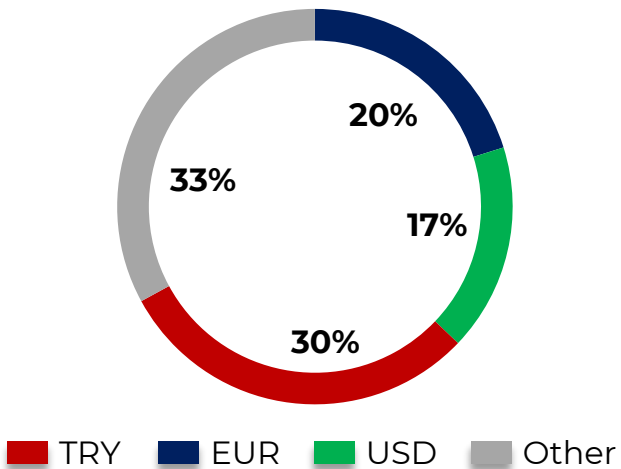
TRYmn	2017	2018	2019	2020	2021	2022
Revenue	20.841	26.904	31.942	34.255	68.184	133.916
Gross Profit	6.506	8.546	10.215	9.861	20.478	39.493
EBIT	1.406	2.107	2.296	2.100	5.360	8.676
EBIT - exc. one-off items	1.406	2.107	2.296	2.046	5.068	8.593
Profit Before Tax	821	949	1.114	231	3.623	4.218
Net Income	845	856	925	495	3.251	4.723
Net Income - exc. one-off items	845	856	925	441	2.959	3.242
EBITDA	1.954	2.797	3.351	2.986	7.206	11.986
EBITDA - exc. one-off items	1.954	2.797	3.351	2.932	6.914	11.903
Gross Profit Margin	31,2%	31,8%	32,0%	28,8%	30,0%	29,5%
EBIT Margin	6,7%	7,8%	7,2%	6,1%	7,9%	6,5%
EBIT Margin - exc. one-off items	6,7%	7,8%	7,2%	6,0%	7,4%	6,4%
Net Profit Margin	4,1%	3,2%	2,9%	1,4%	4,8%	3,5%
Net Profit Margin - exc. one-off items	4,1%	3,2%	2,9%	1,3%	4,3%	2,4%
EBITDA Margin	9,4%	10,4%	10,5%	8,7%	10,6%	9,0%
EBITDA Margin - exc. one-off items	9,4%	10,4%	10,5%	8,6%	10,1%	8,9%

\*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.

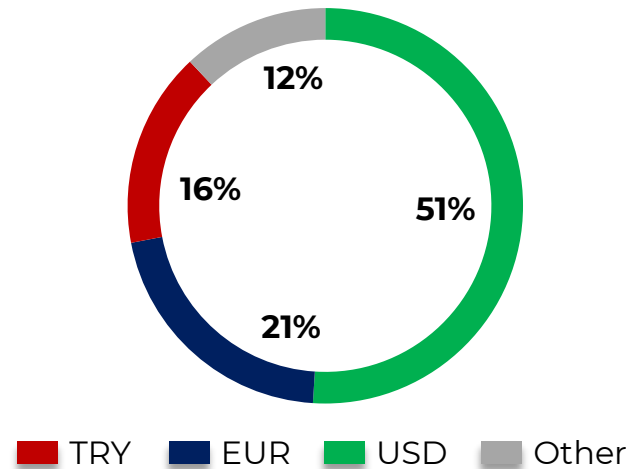
\*\*Net income before minority



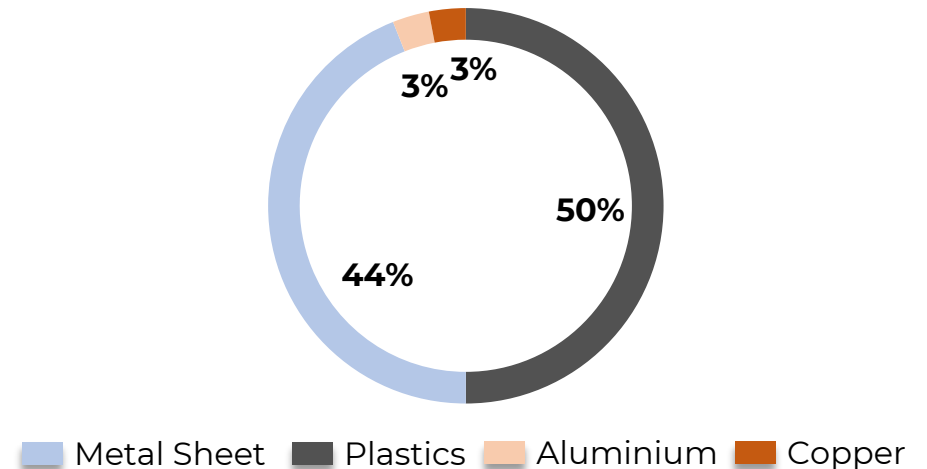
### Revenue Breakdown by Currency



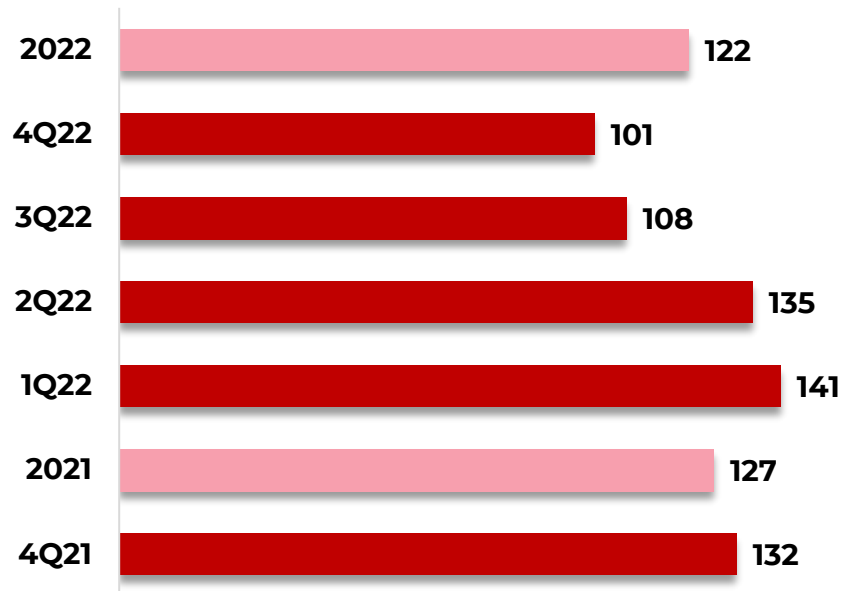
### COGS Breakdown by Currency



### Breakdown of Raw Material Cost



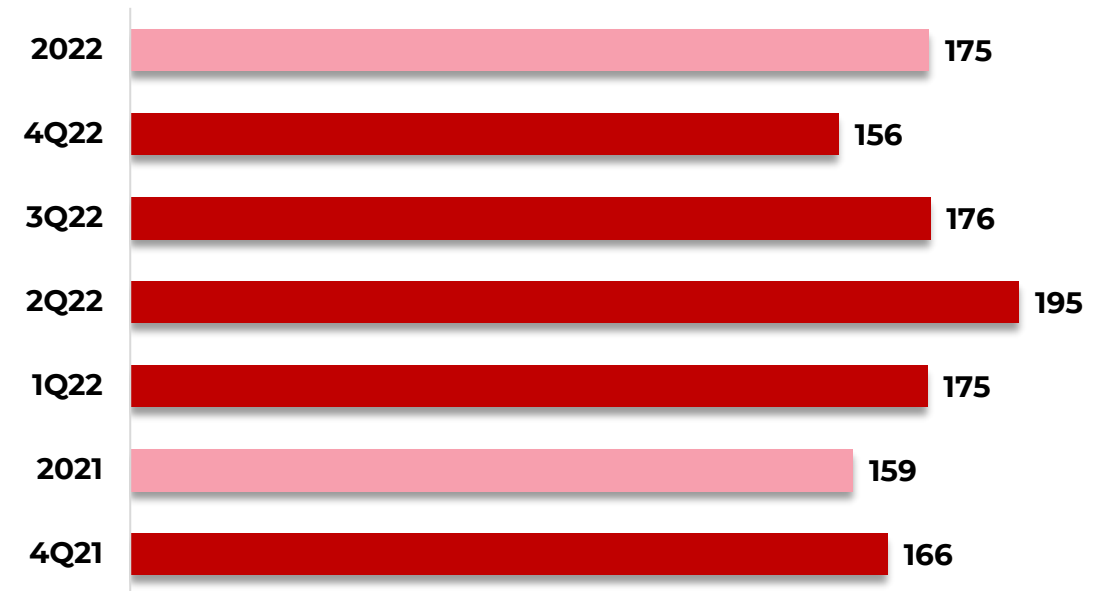
### Average Metal Prices Index - Market



- Continued easing of metal raw material prices as a result of further shrunk in demand.

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

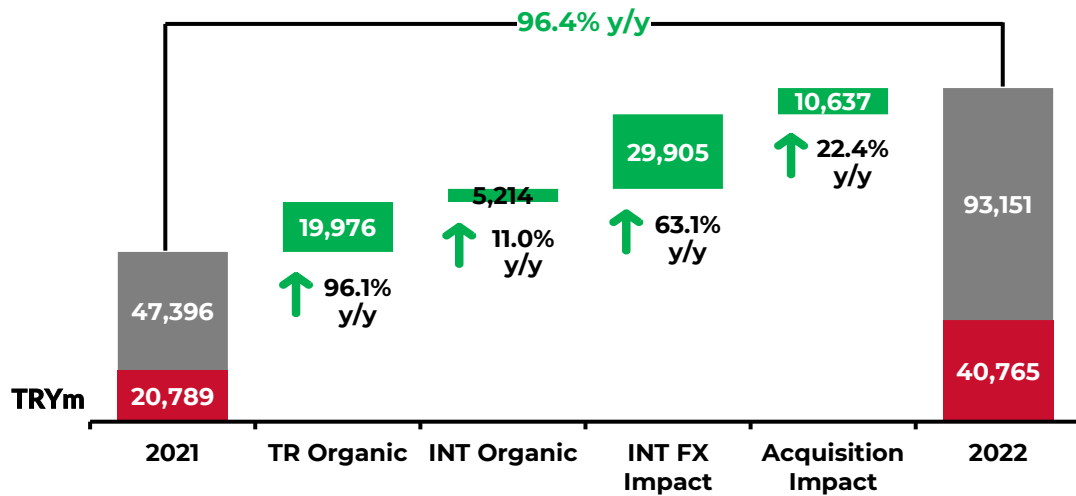
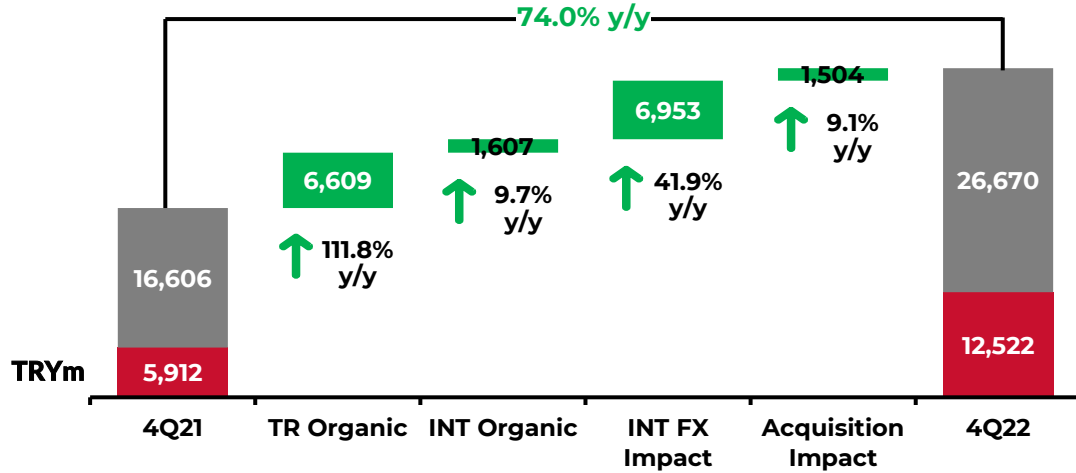
### Average Plastic Prices Index - Market



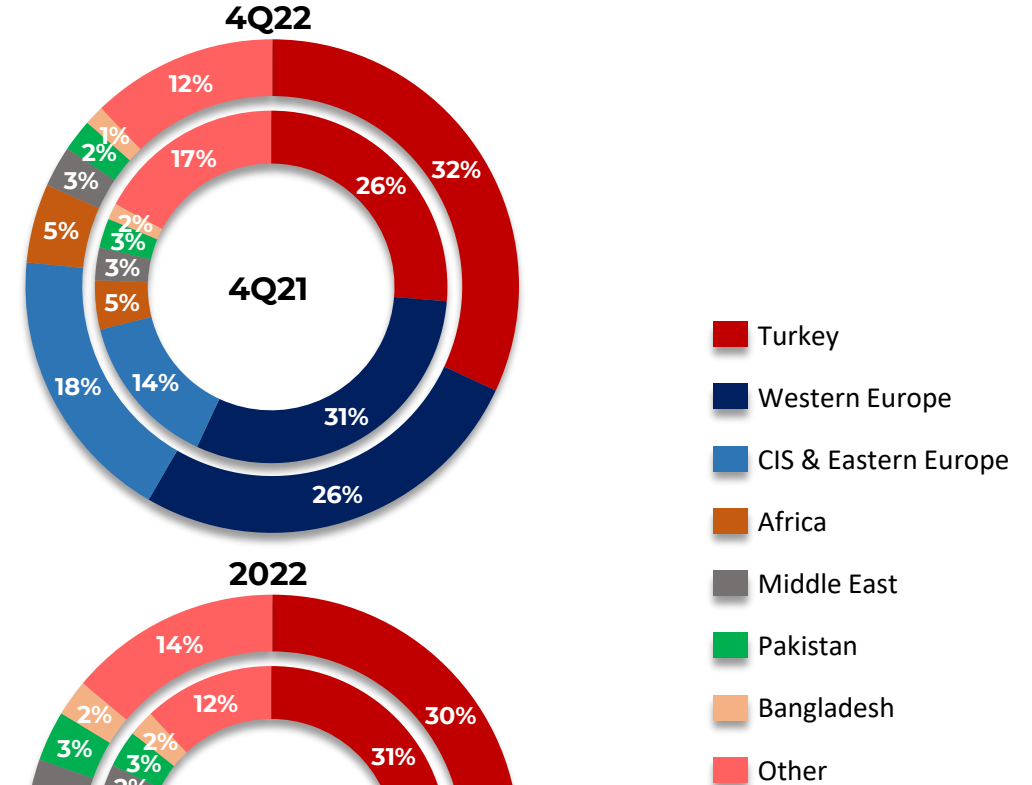
- Increased oil, gas and energy prices due to the war between Russia & Ukraine impacted plastic raw material prices negatively starting from March.
- Declining energy prices resulted in further lower plastic prices in 4Q22.

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

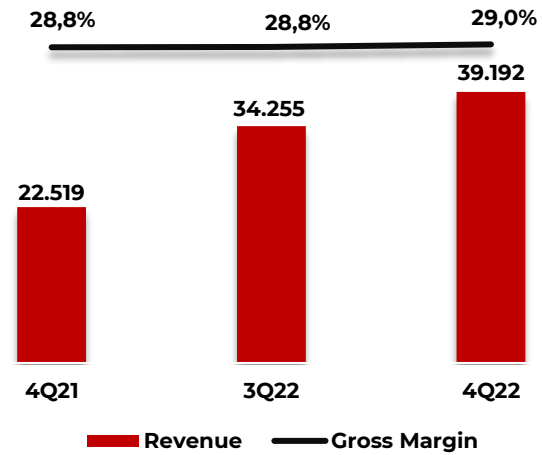
## Sales Bridge



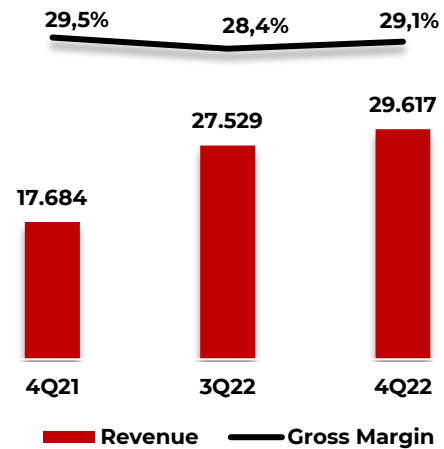
## Sales Breakdown by Geography



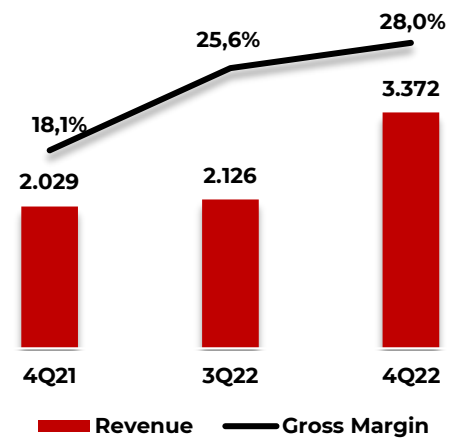
### Consolidated



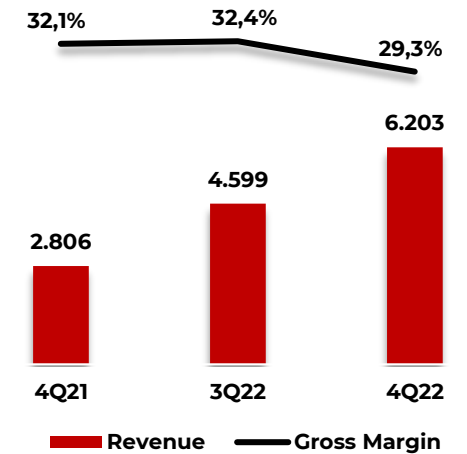
### White Goods

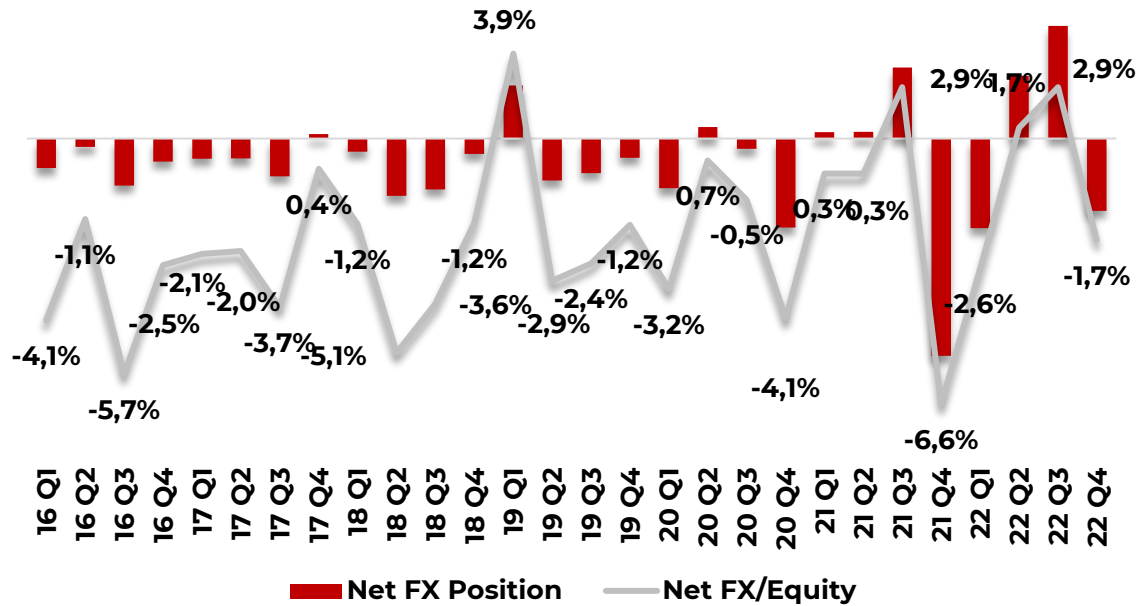


### Consumer Electronics



### Other





TRYm	Before Hedge	Hedged Position	Net Position
EUR	(10,717)	10,356	(361)
USD	(2,826)	3,306	480
GBP	1,045	(1,255)	(209)
Other	(751)	379	(372)
<b>TOTAL</b>	<b>(13,248)</b>	<b>12,785</b>	<b>(463)</b>
<b>Net FX Position / Equity</b>			<b>(1.7%)</b>

- 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.



### Özkan Çimen

CFO

(+90) 212 314 39 01

### Mine Şule Yazgan

Finance & Enterprise Risk Executive Director

(+90) 212 314 30 60

### Öktem Söylemez

Investor Relations Lead

(+90) 212 705 96 81

## Investor Relations App



[www.arcelikglobal.com](http://www.arcelikglobal.com)

[investorrelations@arcelik.com](mailto:investorrelations@arcelik.com)

**This presentation contains information and analysis on financial statements as well as forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the information and analysis are correct and expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.**

**Neither Arçelik nor any of its managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.**



**Thank You!**  
**Arçelik**