

Investor Presentation

Arçelik

December, 2023

AGENDA

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Investor Presentation

Arçelik

Overview of Arçelik



Investor Presentation

Arçelik

Turkey's Leading Investment Holding Company

- Turkey's largest industrial and services group
- Sustainability oriented business model focusing on profitable growth
- Leading positions with clear competitive advantages in sectors with long-term growth potential such as energy, automotive, consumer durables & finance

~9%

Combined Revenues/ GDP

~7%

Total Exports/Turkey's Exports

~7%

R&D expenditure/
Total private sector R&Ds*

19%

Koç Group's Mcap/
BIST100 Index**

**Fortune
Global 500**

Only company from Turkey***

~70%

CAGR in consolidated net profit in
the last 5 years****

A True Global and Diversified Player

>150

of export countries

~55%

International & FX linked
revenues / Total revenues¹

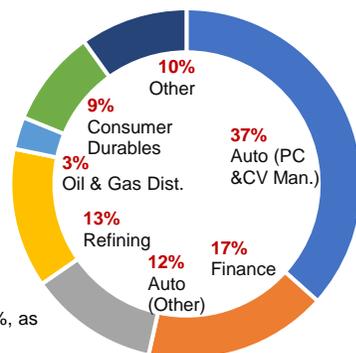
~90

Production facilities and sales &
marketing companies abroad

~27k

of employees abroad*****

Net Asset Value by Sector²



1. Excluding FX linked revenues of Tüpraş refinery, International revenues/Total revenues = ~31%, as of 31 March 2023

2. NAV based on company calculation. ~90% of NAV comes from listed assets (31 March 2023 Mcap of each, weighted with effective ownership). Other assets includes net cash including YKB and other assets.

***2022 report (based on consolidated revenues)

**** In TL terms between 2018-22.

***** Total number of employees = ~115K

Strategic Overview

Energy	Automotive	Consumer Durables	Finance	Other
Main Companies				
Tüpraş AYGAZ dpet ENTEK	FORD OTOSAN TOFAŞ TürkTraktör Otokar Otokoç Otomotiv	Arçelik A.Ş. arçelik LG bilkom Dijital Yaşam Koçunuz	YapıKredi Koçfinans	Food: tat Retailer: Koçtaş Procurement: ZER Innovation: iNVENTRAM! Tourism, D. Free, Mar.: Setur IT: KoçSistem Fintech: TOKEN KING FISHER KAGOME Sumitomo
International Alliances				
	Ford STELLANTIS CNH INDUSTRIAL	LG Electronics in air conditioners HITACHI		

Shareholder Structure

~61%

Share of Foreign
Investors in Free Float

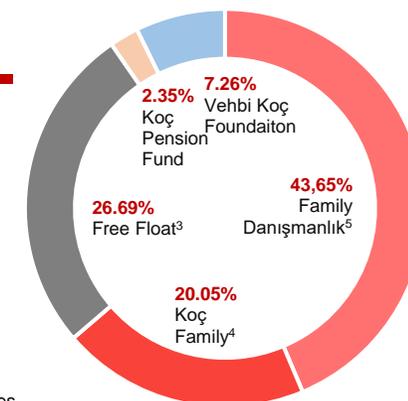
1/3

Women Board
Members

1/3

International Board
Members

- Koç Family has its own internal governance and investment vehicle which provides stability in shareholder structure (Family Danışmanlık)
- Majority of Koç Family's business ventures are via Koç Group
- Koç Family mainly assumes board-level responsibility.



3. Koç Holding initiated its first Share Buyback Program in July 2021. Total buyback is ~890K shares (equivalent to around 0.035% of capital) since initiation of the programme.

4. Includes personal holdings of 18.65% stake and 1.4% stake of RMK ve Mahdumları

5. As of 30 June 2023, total voting rights including A (2 voting rights) and B (1 voting right) shares is 55.55%. A shares do not have any other privileges

31

Production plants

82

Subsidiaries

14*

Brands

c.45k

Employees worldwide

+150

Countries we serve

30

R&D and Design Centres

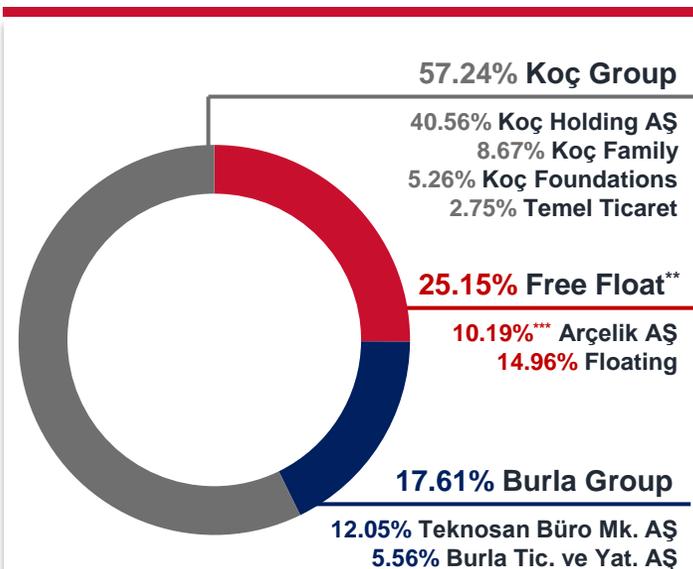
+2,300

Engineers & Researchers in R&D Centres

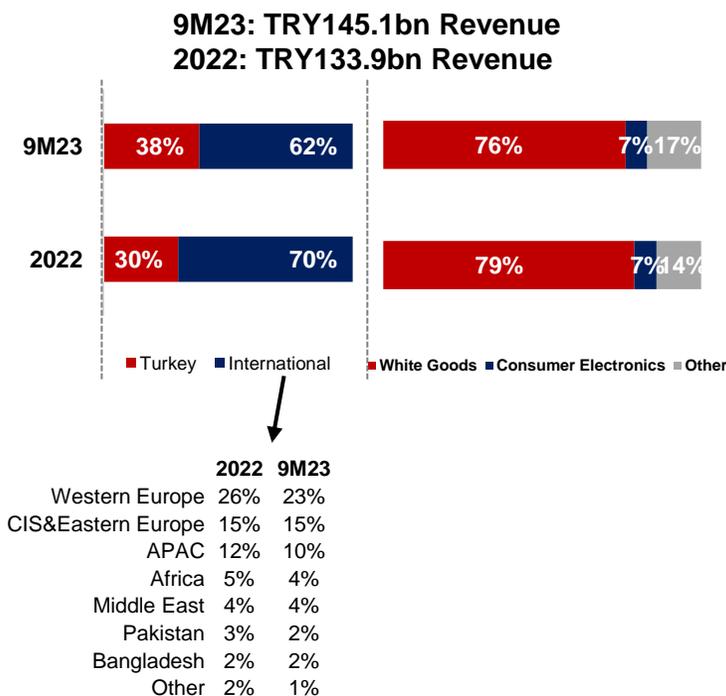
c.3,000

Patent Application

Strong Ownership Structure



Diversified Revenue Composition



Leading Positions****

Founded in 1955, Arçelik has grown to become one of the three 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

*Owned or used with limited license
**Trading on Borsa Istanbul Stock Exchange. Total Mcap of Arçelik is c.USD3.2bn.
***Shares bought-back as of November, 2023.
****Market positionings reflect the data of a retail panel market as of December 31, 2022 and are in unit terms.

Establishment

- Beko starts marketing & sales operations
- Acquisitions of Elektrabregenz, Blomberg, Leisure, Flavel, Arctic
- Acquisition of Defy in South Africa (2011)
- Groundbreaking of Thailand Refrigerator Plant (2015)
- Listed under BIST Sustainability Index
- Establishment of recycling facilities in Eskişehir & Bolu
- Establishing a new JV with Hitachi*
- Acquisition of Whirlpool Turkey Plants**
- Issuance of EUR350mn Greenbond

1955

Until
2000's

2001
-
2022

2005
-
2010

2011
-
2015

2016
-
2020

2021

2022
-
2023

The era of many firsts;

- First productions of WM & Refrigerator
- Establishment of Refrigerator & Compressor plants
- Establishment of R&D Centre and Consumer Information Service
- Establishment of Dishwasher & Cooking Appliances plants
- Arçelik-LG Air Conditioning starts production

- Production plants in Russia & China
- Acquisition of Grundig Multimedia and Grundig Brand
- Turkey's First Tumble Dryer Plant
- First 4 door refrigerator produced in Turkey
- Turkey's first 3D LED TV
- Issuance of USD500mn Eurobond

- Acquisition of Dawlance in Pakistan (2016)
- Launch of Voltas Brand and Groundbreaking of India Refrigerator Plant (2018)
- Opening of Çerkezköy Electronics Plant
- Acquisition of Singer in Bangladesh (2019)
- Arçelik's first Industry 4.0 factory in Romania

- Acquisition of Whirlpool's Russian assets (2022)
- Groundbreaking of Egypt plant (2022)
- Share purchase agreement for acquiring Asogem NV (2022)
- Achieving the highest scoring household durables company in Dow Jones Sustainability Index, four years in a row (2022)
- Announcement of contribution agreement*** with Whirlpool on European business and acquisition of Whirlpool's MENA subsidiaries (2023)
- Issuance of USD400mn Eurobond

*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.

***The transactions are subject to regulatory approvals and the approval process is ongoing.

	Refrigerator	Washing Machine	Dishwasher	Dryer	Cooking	A/C*	TV	SDA
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, Europe, 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 7th position in 2004)
- One of the three 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 14 brands
- Recognised diversification by rating agencies, resulting in ratings above the Turkey sovereign

Proven track record of inorganic growth

- Acquisition of 60% shares of Hitachi Home Appliances Netherlands B.V. (Hitachi home appliances 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
- Announcement of contribution agreement with Whirlpool Europe and acquisition of Whirlpool's MENA subsidiaries (subject to regulatory approvals)

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

Financial strength

- Prudent debt management - net leverage ratio consistently below 2.5x and hedging policy in place
- Robust revenue growth with a 96.4% increase vs 2021, resulting in a 92.9% growth in gross profit
- Improvement in NWC/sales ratio from 2019 to 2022 through efficiency

Leading R&D capabilities

- Manufacturing with its technology
- The only Turkish company repeatedly on the top 150 PCT applicants list of WIPO
- Strategy: delivering an innovative product pipeline with energy efficient products



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 14 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

Leading position in key markets – solid presence in Europe & leading positions in emerging markets with key brands

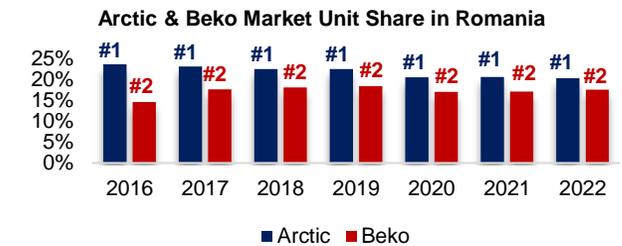
Investment Highlights



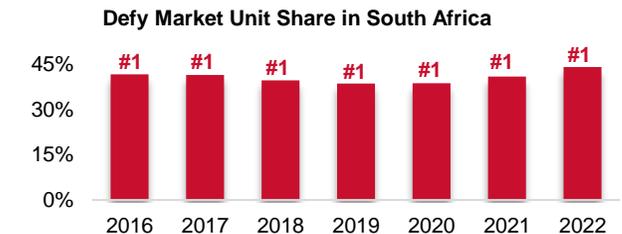
- ✓ Maintained 1st position in the U.K.
- ✓ Among top three brands in major countries in Europe including Austria, Belgium, Denmark, France, Italy, Spain, Poland, Russia, Ukraine, Serbia, Israel
- ✓ Fastest growing white goods brand in the European market since 2000



- ✓ 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

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



In Pakistan

- Leading appliance company



In Bangladesh

- Strong position in the appliances market, widely recognised brand



In India

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



In Asia

- Increasing presence in Asia with a well recognized brand

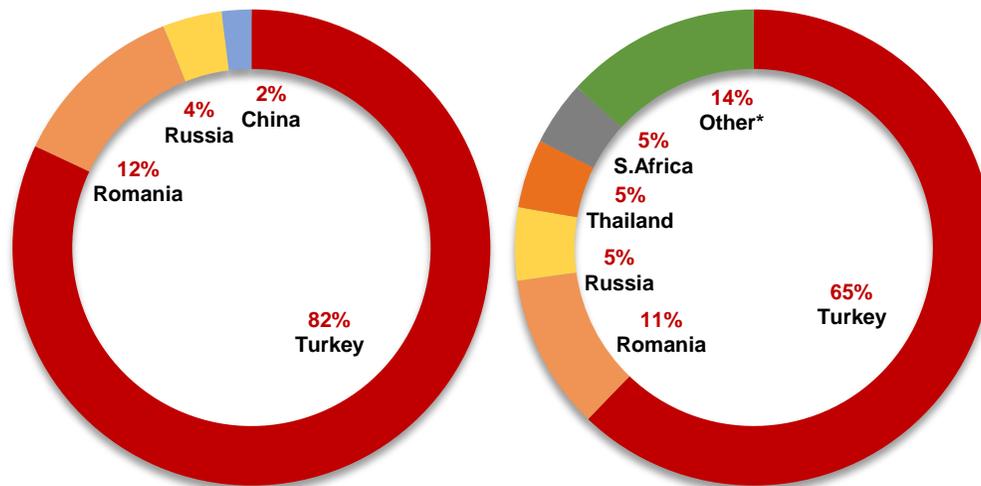
EXPANDING PRODUCTION BASE THROUGH

- Acquisitions
- Greenfield investments

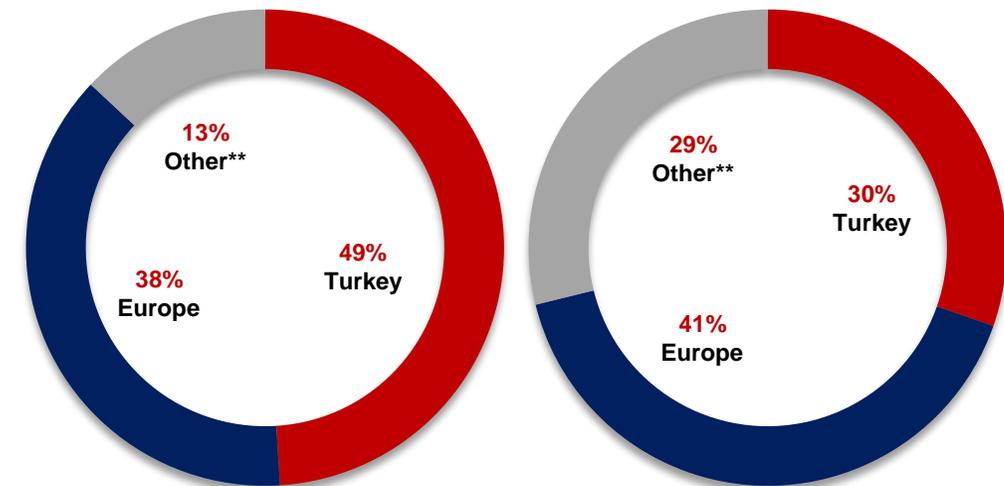
INCREASING EMERGING MARKET EXPOSURE THROUGH

- Acquisitions
- Opening of new sales offices

2010 **Production Base** → 2022



2010 **Revenue Breakdown** → 2022



We serve more than 150 countries

*Others include Pakistan (3.6%), Bangladesh (2.3%), India (2.0%) and China (0.9%).

**Others include APAC, EM countries and other 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



Heating Ventilation - AC

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



Components

- Hermetic Compressors
- Appliances Motor-pumps

BRAND PORTFOLIO

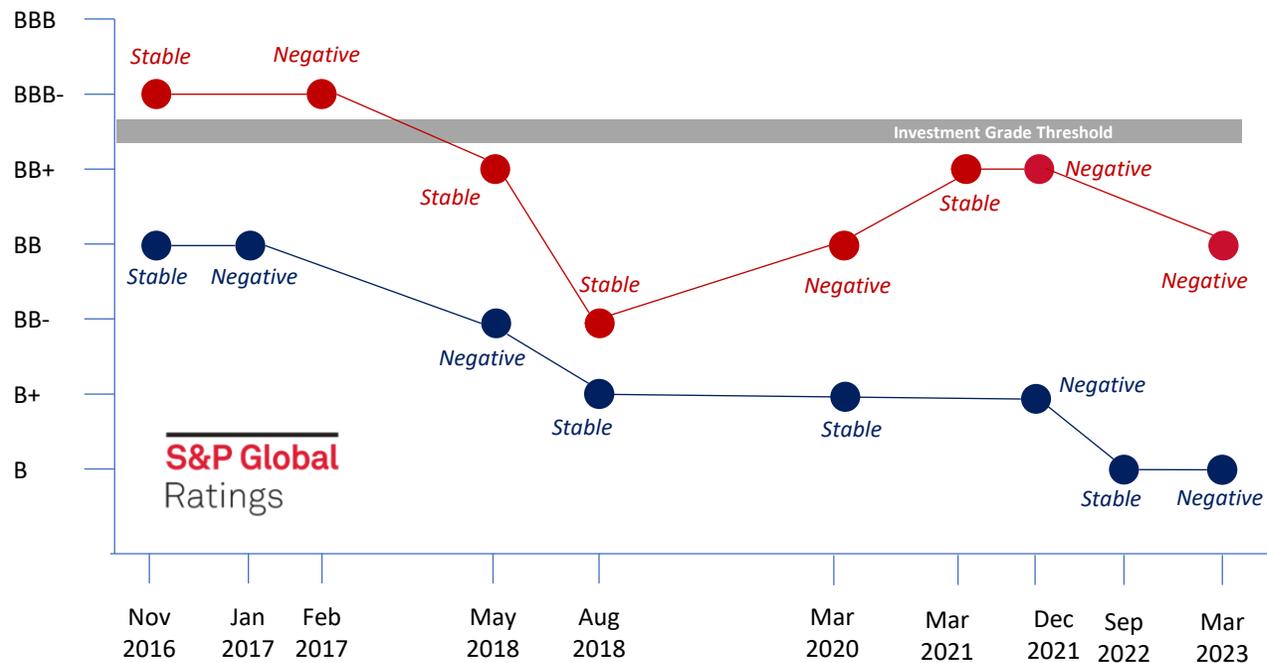
Arçelik

*Licensee limited to certain jurisdictions

Diversification of Arcelik recognised by S&P and Fitch

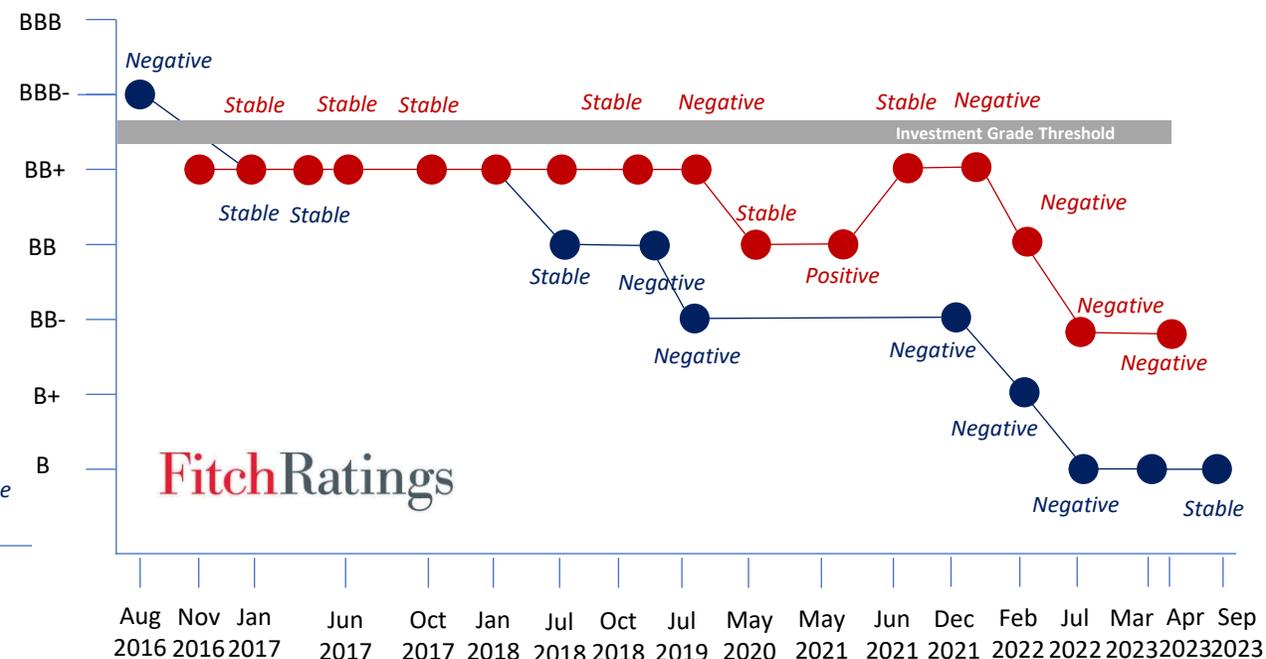
Standard & Poor's

BB
Three notches above Turkey Sovereign



Fitch

BB-
Two notches above Turkey Sovereign



— Arçelik
— Türkiye

ASEAN

- 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



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
- Arçelik started supplying products to the JV in 2H18



Bangladesh

- Acquired Singer Bangladesh in 2019
- Strong position in the appliances market, widely recognized brand in Bangladesh
- Wide product range (home appliances, consumer electronics, others)
- Extensive retail and service network
- International business partners



South Africa

- Acquired Defy 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



Low Cost Base

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

Economies of Scale

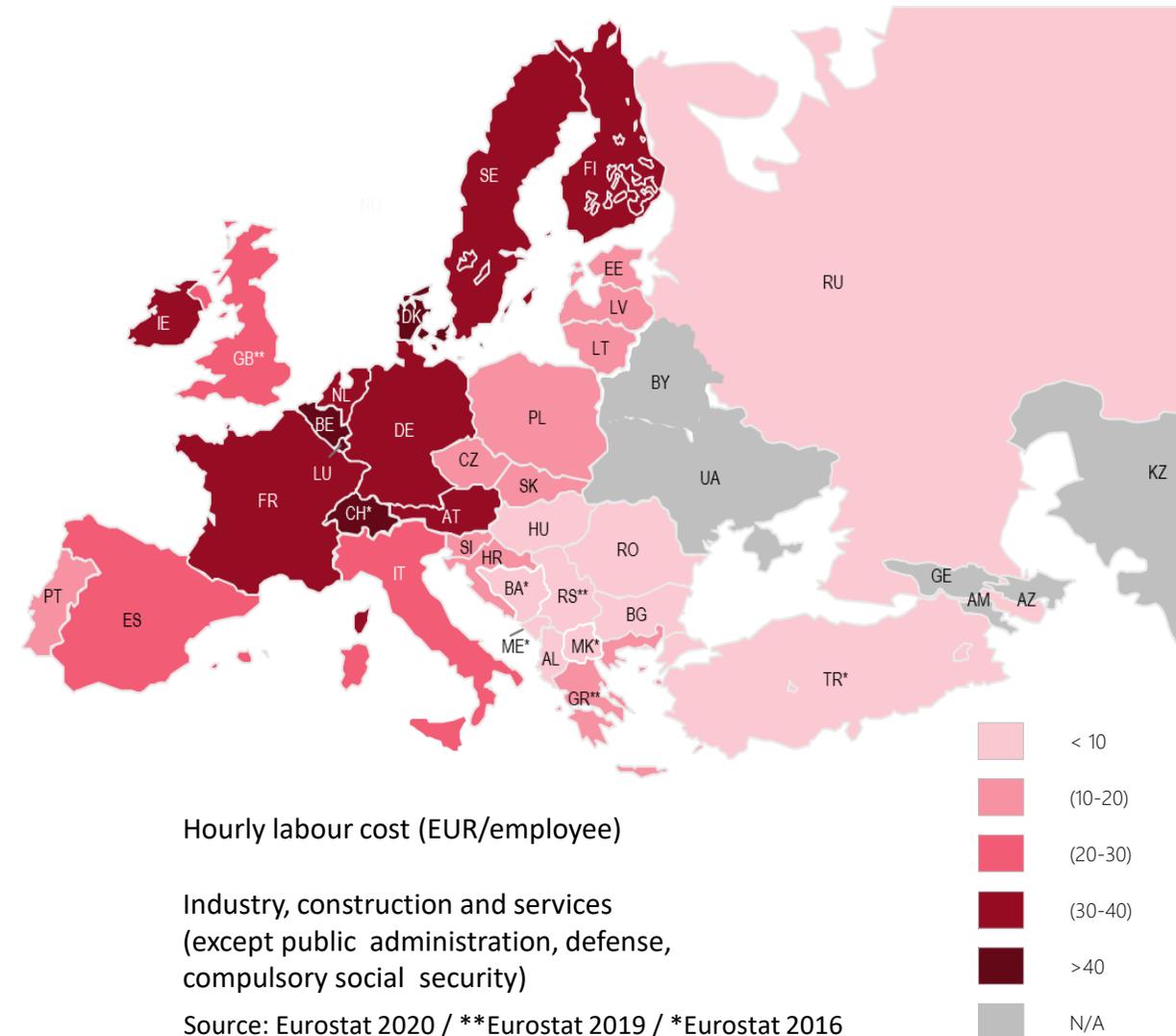
Huge production capacity in Turkey, Romania.

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



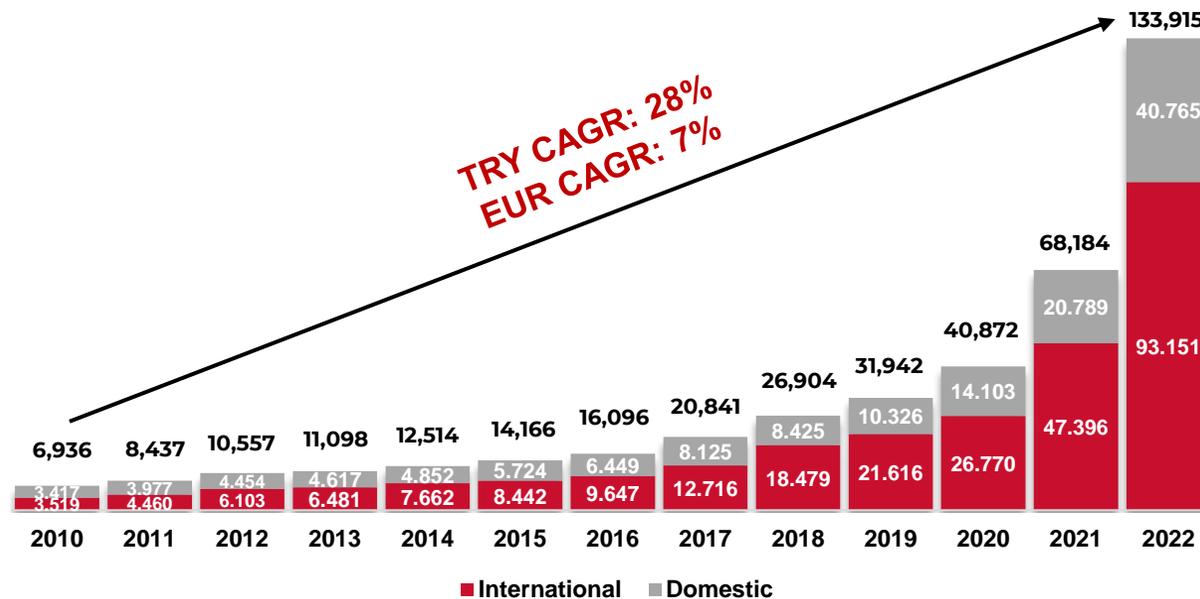
SOLID REVENUE GROWTH THROUGH

- Organic growth
- Inorganic growth
- Strategic pricing initiatives

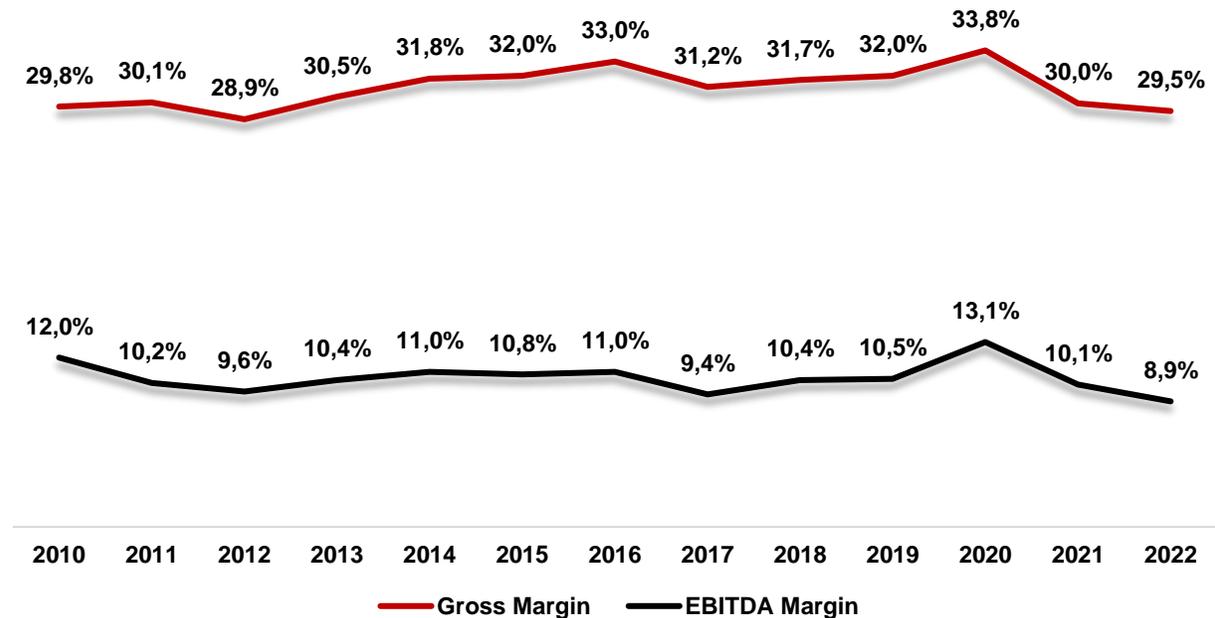
SUSTAINABLE PROFITABILITY THROUGH

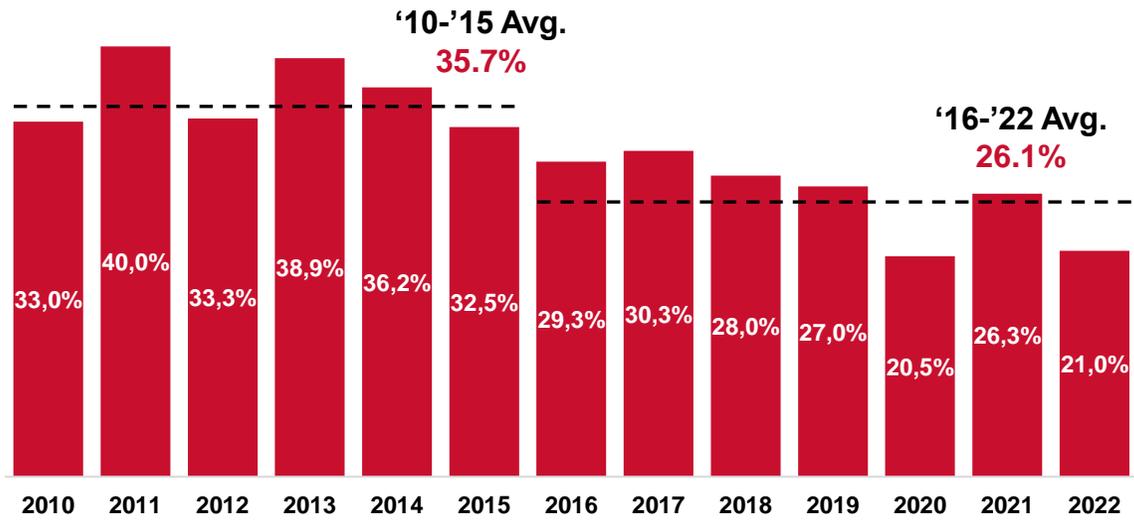
- Global sourcing power
- Strict cost management
- Operational efficiency

Revenue (TRYmn)



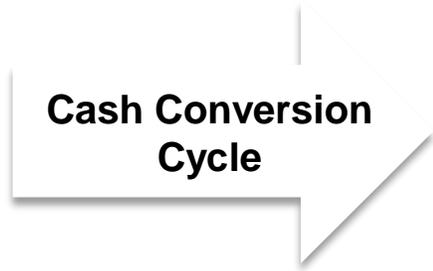
Margins (%)





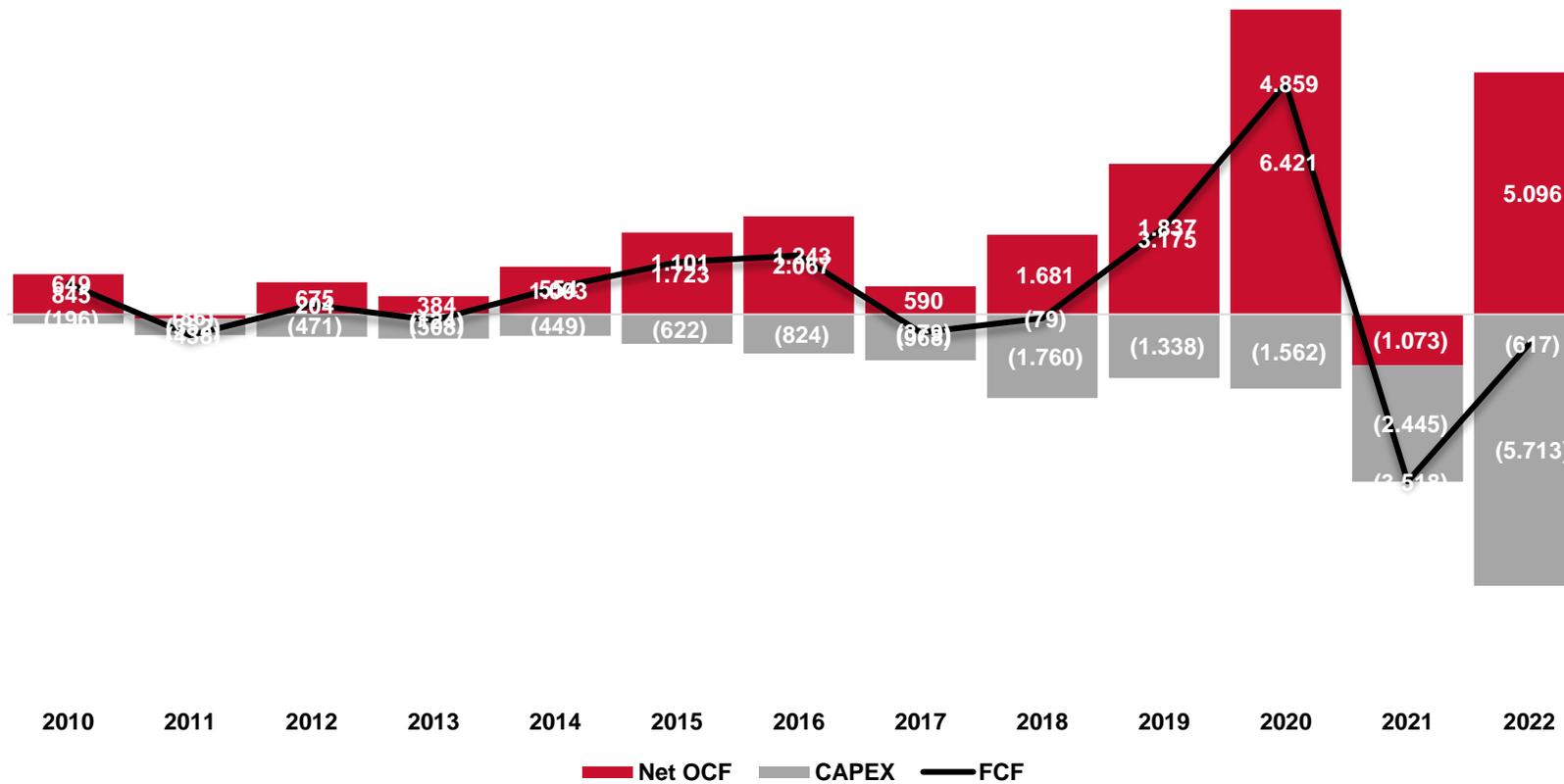
EFFECTIVE WC MANAGEMENT THROUGH

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



Financial strength – robust profitability leading to strong free cash flow

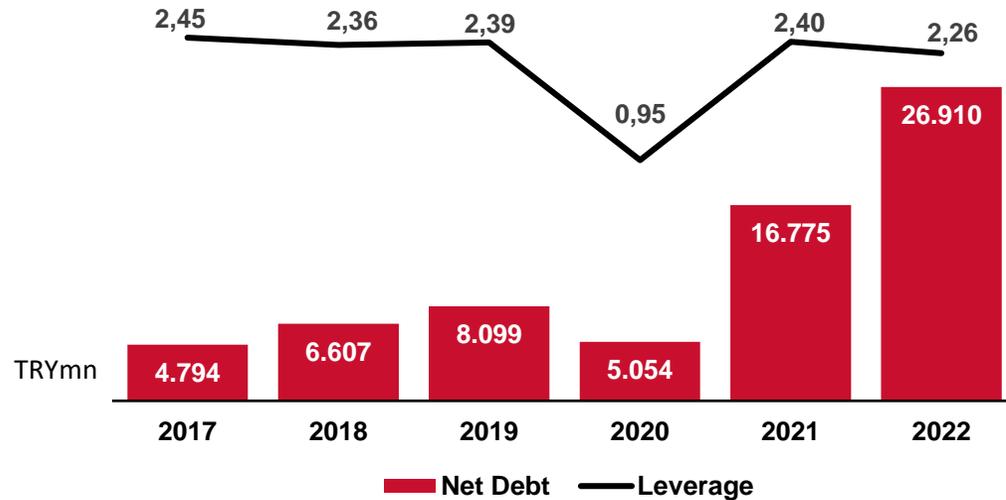
FCF (TRYmn)



FCF CREATION THROUGH

- Strong profitability
- Controlled NWC

Net Debt & Leverage

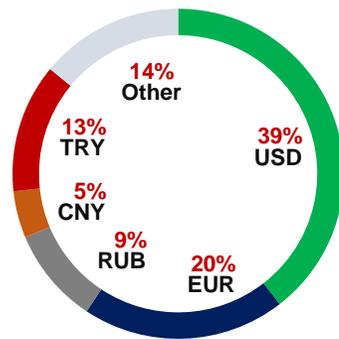


Debt Currency & Rates Breakdown

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%
TOTAL LOANS			26.007	53,0%
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%
TOTAL BOND			23.057	47,0%
TOTAL			49.064	

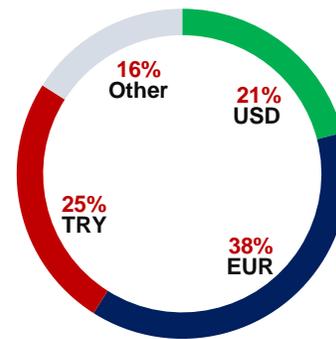
Cash Currency Breakdown

TRY24.5bn (EUR1.2bn)



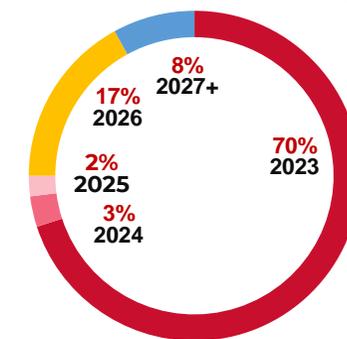
Debt Currency Breakdown

TRY49.1bn (EUR2.5bn)

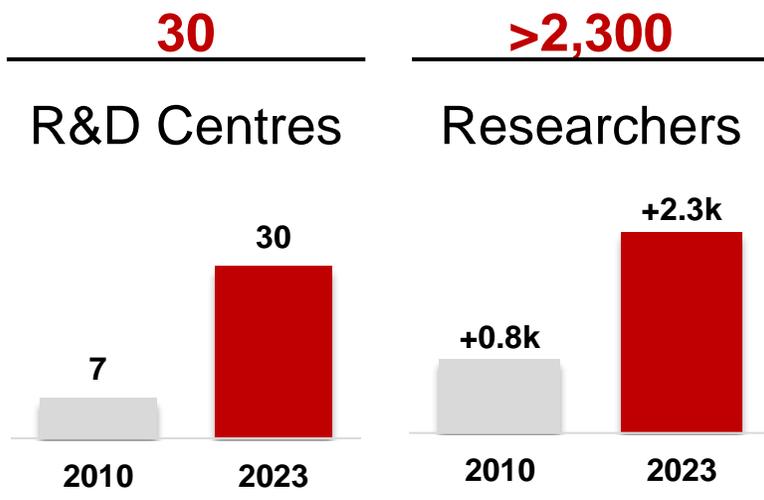


Debt Maturity Profile

TRY49.1bn (EUR2.5bn)



Leading R&D capabilities - we integrate rapidly developing technologies into our business model



>3,000
Patent Application



25 Horizon 2020 Projects – Performance leader of its sector
21 Horizon Europe Projects

Memberships and Collaborations



Sustainable Smart Spaces



Energy Efficiency & Management
Autonomous Products
Frontier Technologies for Sustainability
Computer vision & Personalization

Wellness @ Home



Air filtration and Indoor Air Quality
Water Filtration Technologies and Applications
Food as Thy Medicine
Personalized Healthy Recipes

Global and Digital R&D



Talent Development
Global Collaborations
Agile Transformation
Standardization of Platforms and Processes

Garage Innovation Hub



Garage Innovation Hub is the Innovation department of Arçelik acts as a bridge between the ecosystem and Arçelik by working as a facilitator in order to benefit from the knowledge, experience, and connections among ecosystem players such as startups, mentors, investors, and relevant non-governmental organizations, private and public institution representatives. Garage Innovation Hub has two main missions. The first one is to create, expand, and spin off new technologies and business models in areas other than Arçelik's core competencies. The second one is to implement innovation and entrepreneurship programs both within and outside of Arçelik.

University Collaborations



We collaborate with universities on graduation thesis. In 2023, 23 graduation thesis completed with 8 universities. Each thesis focused on finding innovative solutions to real life problems of Arçelik products and processes. For 2024, we provided more than 250 real life thesis subjects to universities. Besides, by this collaboration scheme, we provide recruitment opportunities for successful new graduates.

WE-inTech Program



WE-inTech aims to create an environment where future generations of female engineers and R&D professionals will feel encouraged and be enabled to thrive within the engineering and next-generation R&D fields in STEM. The program contains 3-day workshop including trainings, inspirational speeches, and product development teamwork ideation sessions. Afterward, participants have the opportunity to work together with their mentors one to one and trainings covers a range of topics regarding the current digital transformation and technology trends such as Design Thinking, Data Analytics, Agile, and Big Data.

3Q23 Highlights



Investor Presentation

Arçelik



3Q23 HIGHLIGHTS

TRY58.2bn

Revenue

10.6%

EBITDA Margin

24.0%

OPEX / Sales

23.4%

NWC / Sales

2.36x

Leverage

Solid revenue growth momentum and annual margin improvement at all lines maintained..



Consolidated revenue growth of 70% y/y driven by continued strong unit growth in Türkiye, strategic pricing initiatives and TRY depreciation.



Wholesale & retail demand in Türkiye remained strong while the demand in international markets continued to decline.



EBITDA margin was 10.6%, up by 190 bps y/y thanks to eased raw material costs, strong Türkiye operations and strategic pricing across regions.



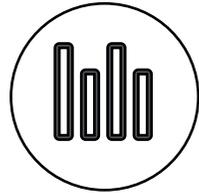
Net Working Capital/Sales was 23.4% as of 3Q23.



Leverage was down to 2.36x as of September, 2023.



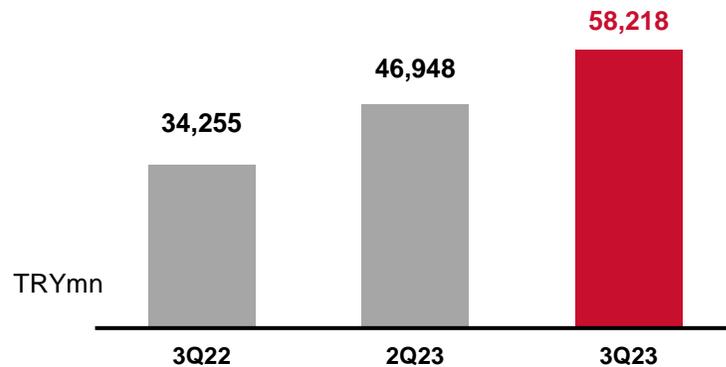
Successful issuance of USD400m Eurobond.



REVENUE GROWTH

70%

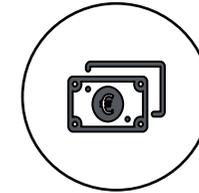
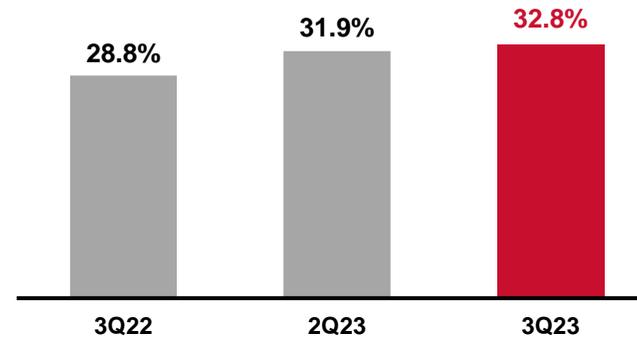
- ↑ Strong unit growth in Türkiye
- ↑ TRY depreciation on both q/q & y/y
- ↑ Price increases on both q/q & y/y



GROSS MARGIN

32.8%

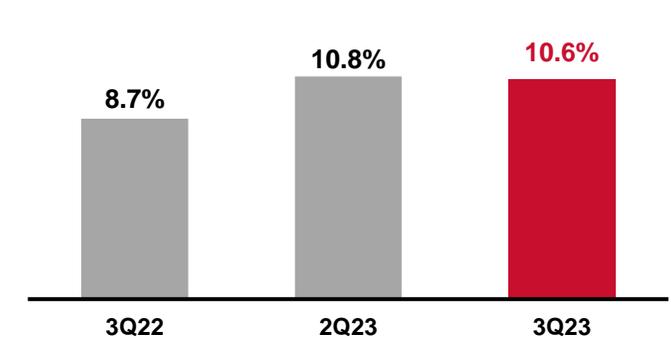
- ↑ Lower raw material costs on both q/q & y/y
- ↑ Favorable EURUSD parity on y/y



EBITDA MARGIN

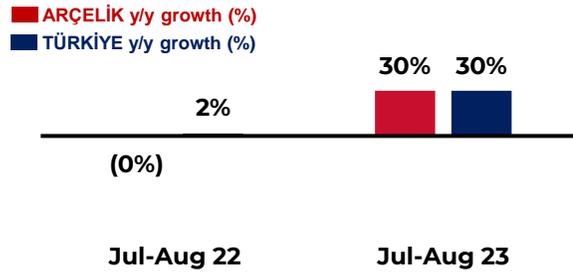
10.6%

- ↑ Better gross profitability on both q/q & y/y
- ↓ Increased OPEX/Sales on both q/q & y/y

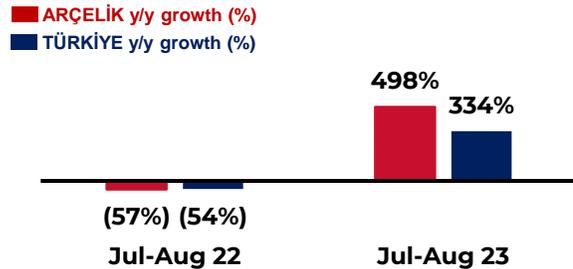




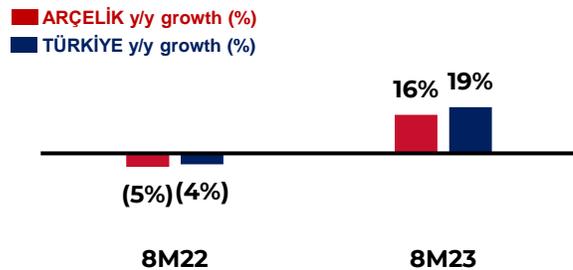
MDA6*



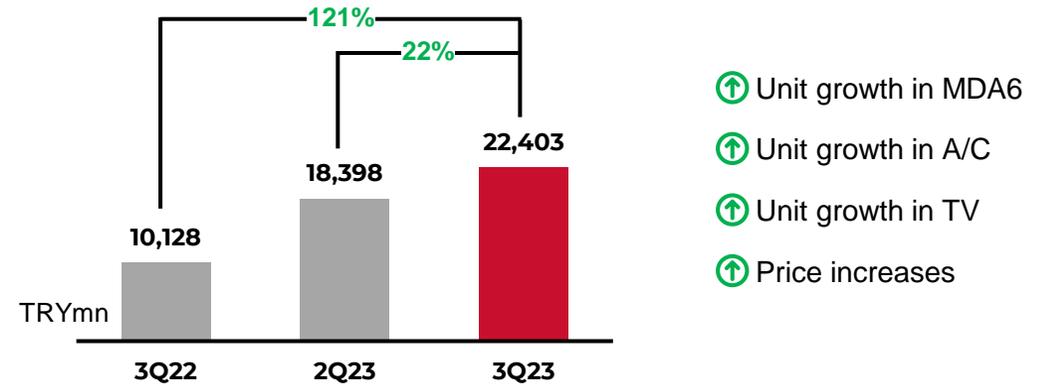
AIR CONDITIONER*



TELEVISION**

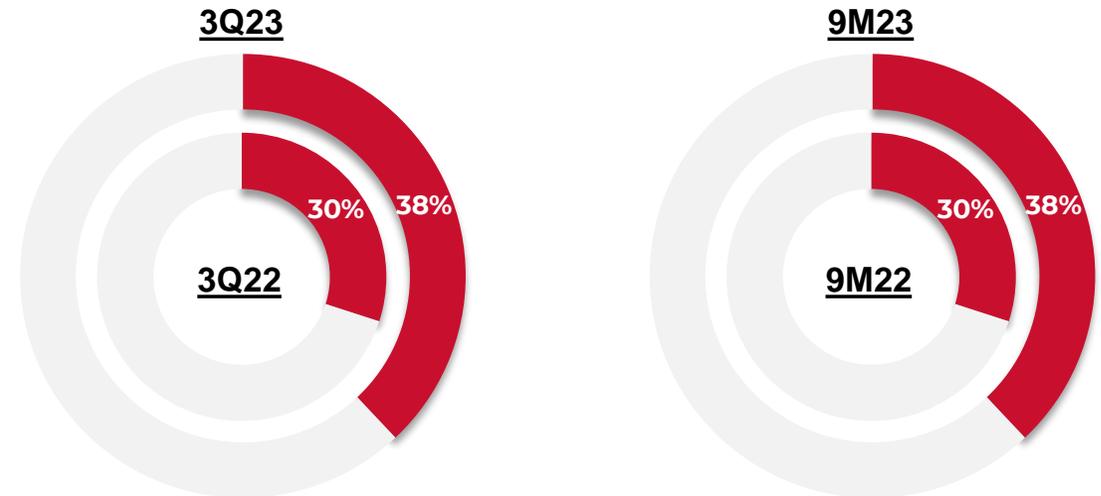


Türkiye Revenue Growth



- ↑ Unit growth in MDA6
- ↑ Unit growth in A/C
- ↑ Unit growth in TV
- ↑ Price increases

Türkiye Share in Total Revenue



*MDA6 and A/C data (sell-in, in unit terms) is based on WGMA for April-May period on a cumulative basis.
 **TV market reflects the data of a retail panel market for 5M23 period in unit terms on a cumulative basis.



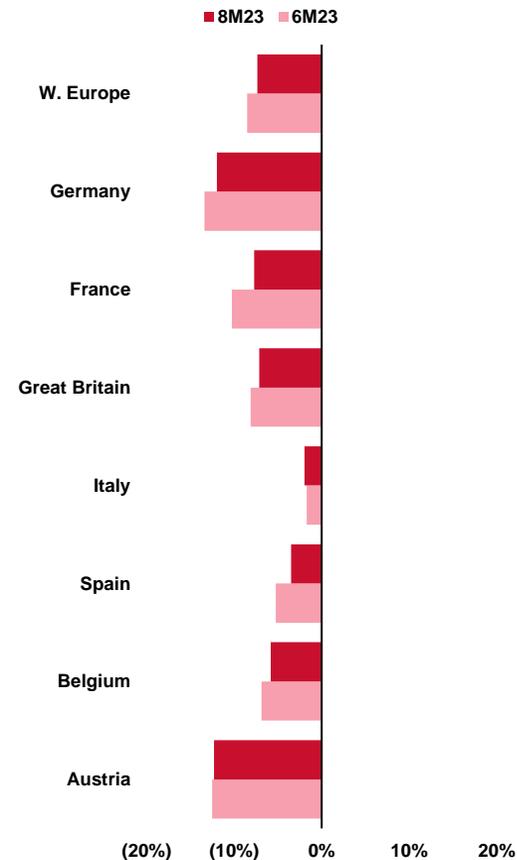
Western Europe



Eastern Europe

y/y market growth in unit terms

MDA6 Market



- The slowdown in consumer demand in the Western European markets continued in July and August, yet with a slower pace.
- Price increases across the industry has been continued in July and August yet with a lower rates given the weakness in demand. In the 8M23, despite price increases, market contracted by mid to low single digit percentage in value terms.

Arçelik in Western Europe

- The decline in the number of units sold was partially balanced by price increases; nevertheless, revenue in 3Q23 decreased by approximately a low-single-digit percentage in EUR terms y/y.
- Arçelik's price index as a group has increased in 8M23 in Western Europe.

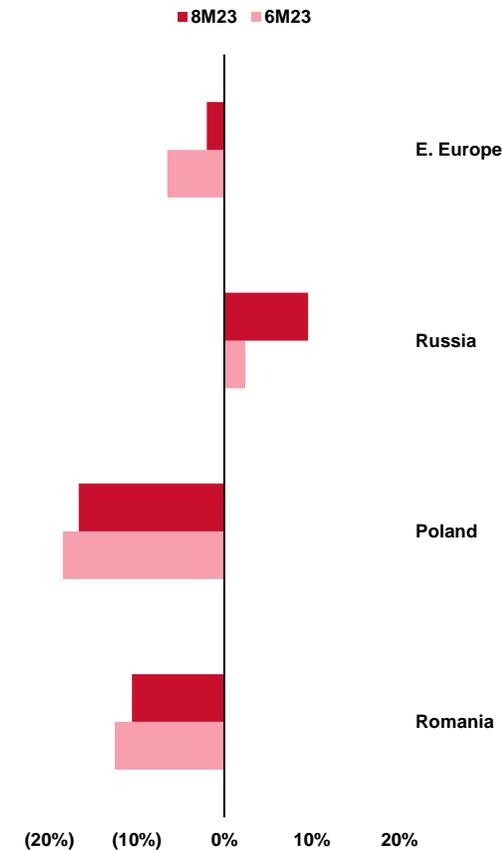
MDA6 Market

y/y market growth in unit terms

- Cycling quite a low base, consumer demand in Russia continued to grow significantly in both months of July and August.
- Demand continued to fall in other major countries in Eastern Europe in July-August period y/y on a cumulative basis.
- Driven by strong Russian market, consumer demand in Eastern Europe was increased by low-teens percentage in July-August period y/y on a cumulative basis.

Arçelik in Eastern Europe

- Despite higher units sold in Eastern Europe and price increases, annual revenue growth was c.2% in EUR terms due to appreciated EUR.





Africa & Middle East

- Revenues generated from Africa & Middle East increased by c.7% y/y in 3Q23 in EUR terms, mainly driven by strong Middle East operations.
- Defy's domestic unit sales increased by low-teens percentage in the third quarter on a yearly basis while export units declined by high single digit percentage.
- Defy's net sales increased by c.4% in ZAR terms in 3Q23 y/y. In EUR terms, net sales were contracted at around low-teens percentage, as a result of depreciated ZAR against EUR.
- Compared to the declining trend in the first and the second quarter of 2023, consumer demand improved in 3Q23 and was flattish compared to a year ago. Defy maintained its strong market leadership as of September 2023.
- Despite the declining market due to challenging macroeconomic conditions and restrictions on trade, Beko Egypt posted a solid revenue growth of %54 in EUR terms y/y thanks mainly to increased white goods sales.
- Compared to the first eight months of 2022, MDA6 market contracted at high-single digit percentage in Egypt. In this period, Beko increased its market share in the country, in both unit and value terms and also its price index.



Asia-Pacific

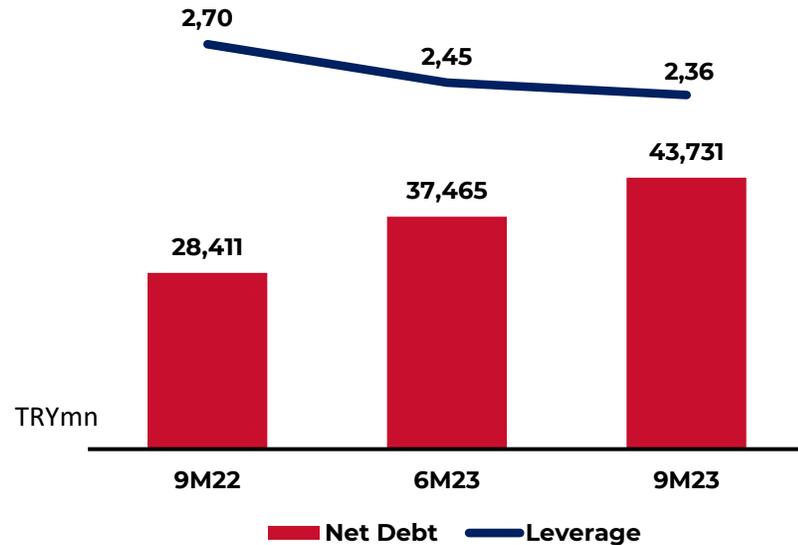
- Revenues from APAC were down by c.31% in EUR terms in 3Q23 y/y. The contraction was primarily as a result of weak demand environment.
- In Pakistan, net sales increased by c.16% y/y in PKR terms thanks mainly to price increases, despite lower units sold given the unfavourable economic conditions. In EUR terms, net sales were contracted by c.17%, reflecting the depreciation of PKR and contracted sales units.
- In Bangladesh, net sales were down by c.35% in BDT terms in 3Q23 y/y due to unit contraction in major products such as refrigerator, air conditioner, computer and sewing machine. BDT continued to depreciate against EUR which has led to c.47% y/y lower net sales in EUR terms.

TRYmn	3Q23	3Q22	y/y	2Q23	q/q	9M23	9M22	y/y
Revenue	58.218	34.255	70%	46.948	24%	145.057	94.724	53%
Gross Profit	19.077	9.861	93%	14.998	27%	46.491	28.116	65%
EBIT	4.844	2.100	131%	3.958	22%	11.495	6.013	91%
EBIT - exc. one-off items	5.118	2.046	150%	3.958	29%	11.769	5.930	98%
Profit Before Tax	1.354	231	485%	1.126	20%	3.191	1.987	61%
Net Income	1.146	495	132%	683	68%	2.988	2.059	45%
Net Income - exc. one-off items	1.420	441	222%	683	108%	3.262	1.977	65%
EBITDA	6.182	2.986	107%	5.047	22%	14.920	8.404	78%
EBITDA - exc. one-off items	6.456	2.932	120%	5.047	28%	15.194	8.321	83%
Gross Profit Margin	32,8%	28,8%	398 bps	31,9%	82 bps	32,1%	29,7%	237 bps
EBIT Margin	8,3%	6,1%	219 bps	8,4%	(11 bps)	7,9%	6,3%	158 bps
EBIT Margin - exc. one-off items	8,8%	6,0%	282 bps	8,4%	36 bps	8,1%	6,3%	185 bps
Net Profit Margin	2,0%	1,4%	52 bps	1,5%	51 bps	2,1%	2,2%	(11 bps)
Net Profit Margin - exc. one-off items	2,4%	1,3%	115 bps	1,5%	98 bps	2,2%	2,1%	16 bps
EBITDA Margin	10,6%	8,7%	190 bps	10,8%	(13 bps)	10,3%	8,9%	141 bps
EBITDA Margin - exc. one-off items	11,1%	8,6%	253 bps	10,8%	34 bps	10,5%	8,8%	169 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

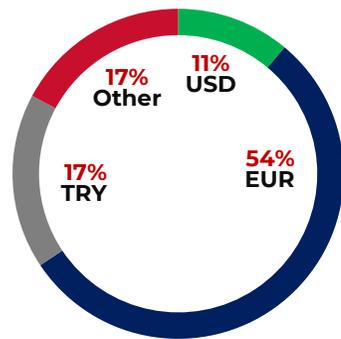


Debt Currency & Rates Breakdown

Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	29.4%	13,017	13,017
EUR	5.8%	1,262	36,627
USD	8.6%	116	3,183
GBP	7.0%	6	205
ZAR	9.8%	1,057	1,534
AUD	5.8%	30	529
PKR	23.2%	19,046	1,796
BDT	7.9%	7,733	1,922
RUB	15.3%	1,791	501
RON	7.7%	91	527
PLN	8.0%	148	929
NOK	5.9%	5	12
SEK	5.3%	118	296
CHF	4.0%	0.1	2
IDR	9.5%	89,105	158
MYR	6.0%	31	184
THB	5.5%	382	287
VND	7.2%	44,000	50
CZK	8.8%	145	173
TOTAL LOANS			61,932
USD	8.5%	400	10,941
EUR	3.0%	354	10,263
TRY	14.2%	671	671
TOTAL BOND			21,875
TOTAL			83,807

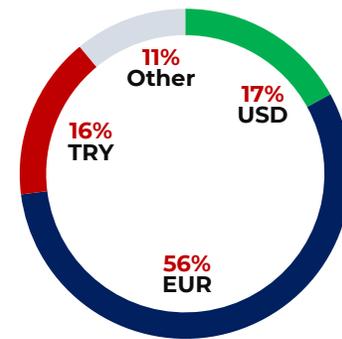
Cash Currency Breakdown

TRY39.6bn (EUR1.4bn)



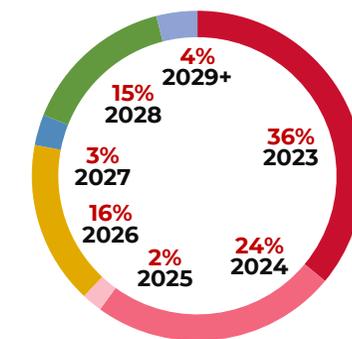
Debt Currency Breakdown

TRY83.8bn (EUR2.9bn)

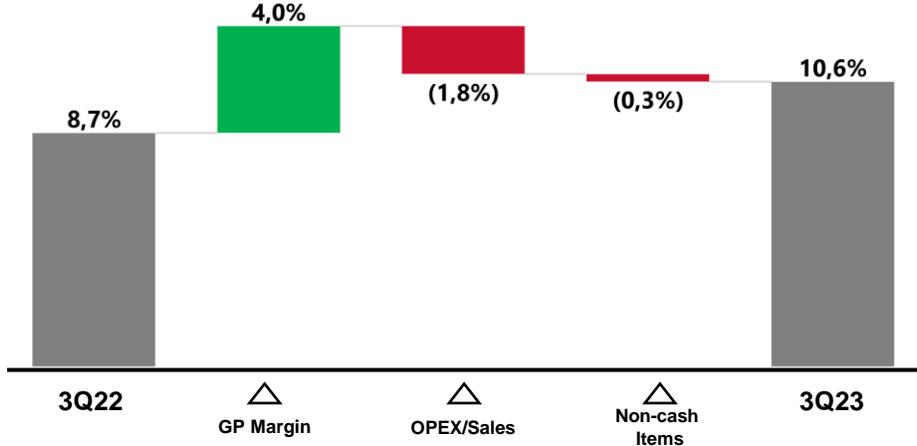


Debt Maturity Profile

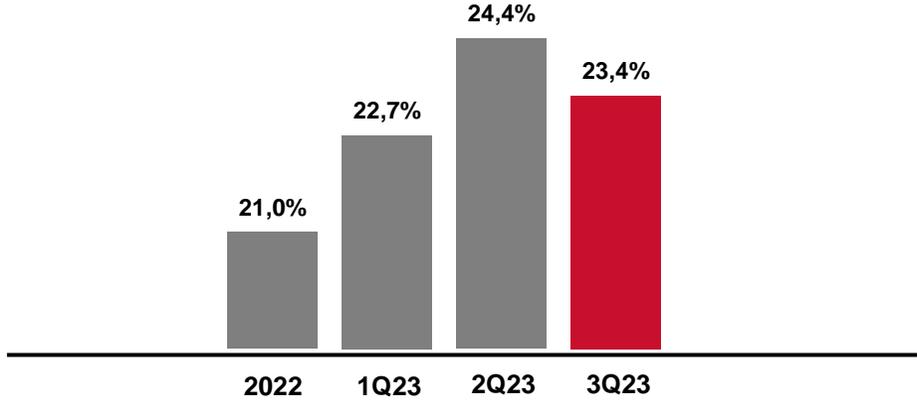
TRY83.8bn (EUR2.9bn)



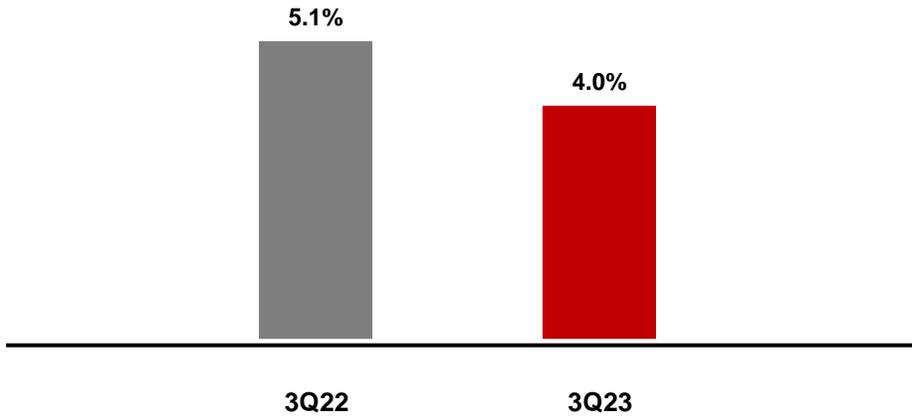
EBITDA Margin



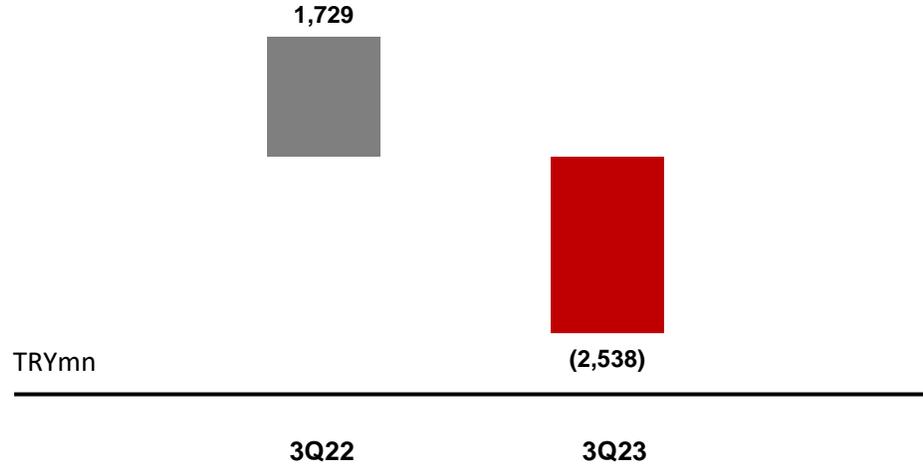
Working Capital/Sales



CAPEX/Sales



Free Cash Flow



Sustainability



Investor Presentation

—
Arçelik



Empowering Responsible and Sustainable Value Chain

Sustainable Innovations & Product Range

Improving the lives of people

Sustainability Leadership



Board of Directors

KH Consumer Durables president is responsible to report ESG issues to BoD

Board Level Climate Risk Management Committee

Risk Committee

Sustainability Council
(chaired by CFO)

Gathers quarterly

Human Rights Council
(chaired by CHRO)

Gathers quarterly

ESG Risk Management
Sustainability Department Enterprise Risk Department

Quantification of risks & presentation to Risk Management Committee

ESG Working Groups

Environment	Energy	Climate Change	Sustainable Supply Chain
Packaging	Plastics	OHS	Green Chemistry

Issues reported to Sustainability Council & Human Rights Council

	TARGETS	DETAILED KPI	INCLUDED IN THE PERFORMANCE EVALUATION SCORECARDS OF...
DECARBONIZATION	Decreasing Scope 1-2 GHG emissions	<ul style="list-style-type: none"> Increasing energy and water efficiency in production to decrease Scope 1-2 emissions Increasing the share of renewable energy systems' installed capacity for on-site consumption Increasing the waste reduction rate of factories in production 	CEO, CFO, Chief Technology Officer, Related Factory Executive Directors, Quality, Sustainability and Corporate Affairs Executive Director, related Business Unit Managers, and experts
	Decreasing Scope 3 use phase GHG emissions	<ul style="list-style-type: none"> Production and sale of energy efficient appliances aligned with Science Based Targets requirements to decrease Scope 3 emissions in customer use phase 	CEO, CFO, Chief Technology Officer, Chief Marketing Officer, Related Factory Executive Directors, R&D Executive Director, Quality, Sustainability and Corporate Affairs Executive Director, Product Management Executive Director, related Business Unit Managers, expert employees
SUSTAINABLE SUPPLY CHAIN STRATEGY	Supply Chain Sustainability Integration	<ul style="list-style-type: none"> Increasing number of in-house and third-party supplier ethics audits Increasing number of suppliers reporting their environmental and social data to the Supplier Sustainability Index system Increasing number of suppliers setting GHG emission reduction targets aligned with Arçelik's requirements & Arçelik's targets set for suppliers Reducing logistics emissions from transportation to decrease logistics-related Scope 3 emissions 	CEO, Chief Purchasing & Supply Chain Officer, Purchasing Executive Director, Supply Chain Executive Director, Quality, Sustainability and Corporate Affairs Executive Director, related Business unit managers and experts

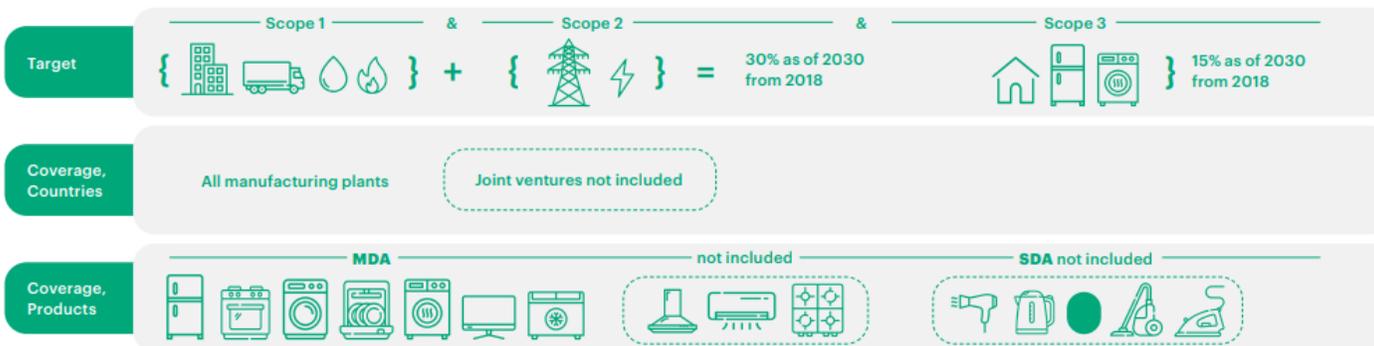
	TARGETS	DETAILED KPI	INCLUDED IN THE PERFORMANCE EVALUATION SCORECARDS OF...
CIRCULARITY	<ul style="list-style-type: none"> Recycled plastics- product Recycled cardboard-packaging 	<ul style="list-style-type: none"> Increasing recycled content in products Switching to hybrid and 100% EPS free designs in product packaging 	CEO, CTO, Related Factory Executive Directors, R&D Executive Director, Quality, Sustainability and Corporate Affairs Executive Director, Product Management Executive Director, related Business Unit Managers, and experts
SUSTAINABLE FINANCE	Green financing	<ul style="list-style-type: none"> Completion of green bond impact and allocation report process- determination of green investments, allocation of the investments to related projects and successful audit results. 	CFO, Finance Executive Director, Chief Technology Officer, Related Factory Executive Directors, Quality, Sustainability and Corporate Affairs Director, related Business unit managers and experts
	Sustainable Finance Reporting	<ul style="list-style-type: none"> Creating infrastructure for IFRS Sustainability Reporting Standards 	CFO, Executive Finance Director, Quality, Sustainability and Corporate Affairs Executive Director, related Business unit managers and experts
HUMAN RIGHTS & DEI & CULTURAL TRANSFORMATION	Human Rights	<ul style="list-style-type: none"> Seamless execution of human rights roadmap based on defined actions 	Chief Human Resources Officer, Human Rights Executive Director, related Business unit managers and experts
	DEI Transformation	<ul style="list-style-type: none"> Seamless execution of DEI roadmap based on defined actions 	Chief Human Resources Officer, Human Resources Executive Director, related Business unit managers and experts
	Employee Engagement & Turnover	<ul style="list-style-type: none"> A numerical increase targeted in the employee engagement rate Enabling a decreasing trend in employee turnover rate 	CEO, Chief Human Resources Officer, Human Resources Executive Director, related Business unit managers and experts

Approved Near Term Target

Aligned with a well below 2 degree scenario

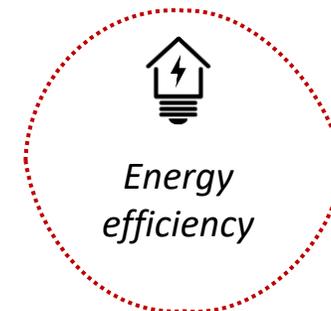
Joint ventures not included in scope & not all MDA included in the scope

Base Year 2018 - Target Year 2030



Approved SBTs (until 2030)

figures in MtCO₂e



Committed Net Zero 2050 Target

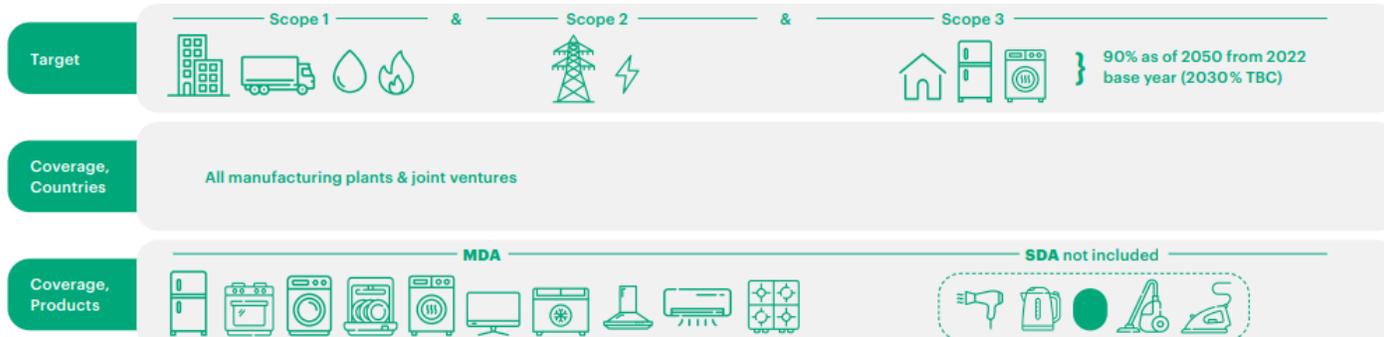
Aligned with a 1.5-degree scenario

All Arçelik production plants including joint ventures & all MDA products included in scope

Base Year - 2022 Near Term Target: 2030 Long Term Target: 2050

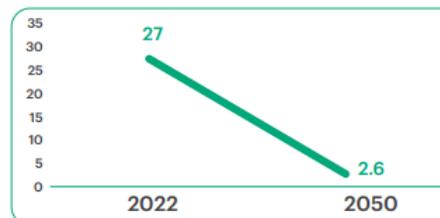
Reduce Scope 1, 2, 3 emissions 90% as of 2050 from 2022 baseline

Invest in permanent carbon removal credits for residual 10% emissions



Commitment to SBTi Net Zero

(until 2050) figures in MtCO₂e



Scope 3 GHG Emissions in 2022 (tonnes CO₂e)

Indirect-Other (Scope 3) (tonnes CO₂e)

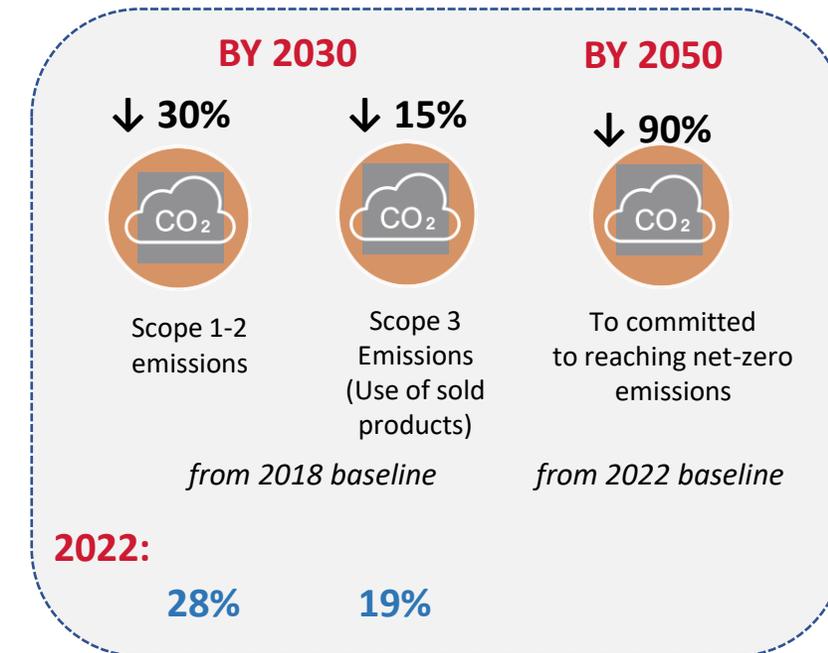
Purchased goods and services	3,571,364
Upstream transportation and distribution (raw material and components)	72,124
Business travel	3,020
Employee commuting	67,788
Waste generated in operations	5,501
Downstream transportation and distribution of products	122,661
Use phase of sold products	23,086,153
End of life of sold products	19,825
Others-upstream	26
Others-downstream	1,556
Total Scope 3	26,950,018

Scope 1 and Scope 2 GHG Emissions* (tonnes CO₂e)

2019	81,550	52,950
2020	71,379	43,261
2021	84,014	46,383
2022	69,797	47,285
	SCOPE 1	SCOPE 2

Total Scope 1&2&3 GHG Emissions
27,067,100 tonnes CO₂e

TARGETS



* Data covers all manufacturing plants in Turkey, Romania, Russia, South Africa, Thailand, Pakistan and Bangladesh. IHP Appliances JSC Refrigerator and Washing Machine Plant, Joint ventures, and subsidiaries are not included.

We have set all targets for 2030 to reduce our environmental footprint



50 MW

Establish renewable energy systems



↓ 45%

Energy consumption per product in manufacturing



↓ 45%

Water withdrawal per product in manufacturing



↑ 99%

Waste recovery rate in manufacturing



↑ 5%

Bio based material content in products



\$50M

Additional investment in renewable energy and energy efficiency



↑ 40%

Recycled plastic content in products



ISO 50001

Implement the ISO 50001 Energy Management Systems across all our production facilities



100%

Electricity from renewable sources in manufacturing where market allows



↑ 70%

Water recycling and reuse ratio in manufacturing

We have set our 2030 Targets for being a progressive global citizen



↑ **35 hours**

Training hours per employee



↑ **35%**

Ratio of women in the total workforce



↑ **32%**

Ratio of women in top management positions



ISO 50001

Ensure suppliers* exceeding 500 ToE obtain the ISO 50001 certificate



5000

Supplier employees that receive OHS trainings



100%

Collect, monitor and disclose environmental data of suppliers* by 2025



100%

Compliance of critical suppliers with Conflict Minerals Policy by 2023



ISO 14001

Ensure our suppliers* apply for ISO 14001 certification by 2023

*Approximately 90% of our purchasing volume

We have set all targets for 2030 to respond to the needs of society



241.3M People*

Raise awareness on healthy living



265.3M People*

Raise awareness on food waste



1,810 Tons Food

Save food from being wasted



Hero Brands

Support the needs of local communities in Türkiye, Romania, S.Africa, and Pakistan



15M People***

Raise awareness on climate change and eco-friendly living by 2025



100K Girls**

Provide STEM Training by 2026



↑ 25%**

Increase the ratio of women dealers by 2026



2500 Women**

Reach 2500 women through entrepreneurship programs by 2026



8M \$**

Total fund amount transferred in 2022 within the scope of the target that aims to contribute to fund transfers for women-led startups every year



↑ 14%**

Increase the ratio of women technicians by 2026

*Total reach numbers consist of unique people
**Included in the Action Coalition commitments
***Total reach numbers do not reflect number of unique people



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

Included since 2017
and having 85/100
which is the highest
score in the industry
2022



CDP
DRIVING SUSTAINABLE ECONOMIES

A- in Climate Change
and A in Water
Programs
2022



The Voice for Clean Capitalism
Corporate Knights

Global 100 Index,
89th
2022



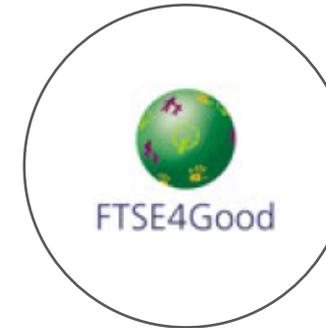
RealLeaders

Top 300 Impact
Companies, 16th
2022



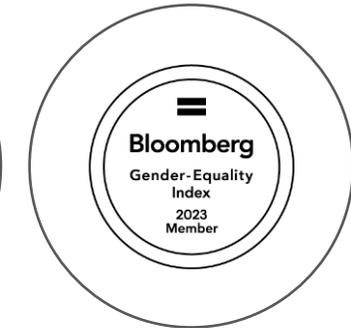
MSCI

AAA on the
Sustainability Index
since 2016



FTSE4Good

In the FTSE4Good
Emerging Market
Index since 2016



Bloomberg
Gender-Equality
Index
2023
Member

Bloomberg Gender
Equality (GEI),
higher score than the
average of 485
companies



SUSTAINALYTICS
a Morningstar company
RATED

11.6 (Low risk)
July, 2023



V.E

50/100
2022



ISS ESG

Rated as 'Prime'
Since 2020



GOLD
2023
ecovadis
Sustainability
Rating

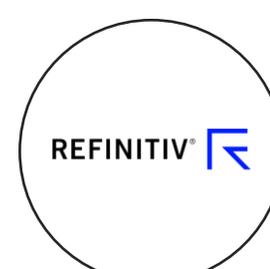
Score higher than
70/100 – Gold Medal
In the top 5% of
companies assessed
2022



S&P Global

Top 1% S&P Global ESG Score

S&P Gold Class
Award Sustainability
Yearbook 2023



REFINITIV

#1 in the Household
Goods sector
2022



**WORLD
ECONOMIC
FORUM**

Global Lighthouse Network
list:

- Arçelik Eskişehir 4.0 Refrigerator Factory in Turkey in 2021
- Arctic 4.0 Washing Machine Factory in Romania in 2018
- Sustainability Lighthouse recognition for Arctic 4.0 Washing Machine Factory

Greenbond – May 2021

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

Use of Proceeds

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

Guidance



Investor Presentation

Arçelik



Revenue

- Turkey (in TRY) >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.75% growth
- International (in FX) c. (-) 4%



EBITDA Margin

c.10.5%



WC/Sales

<25%



CAPEX

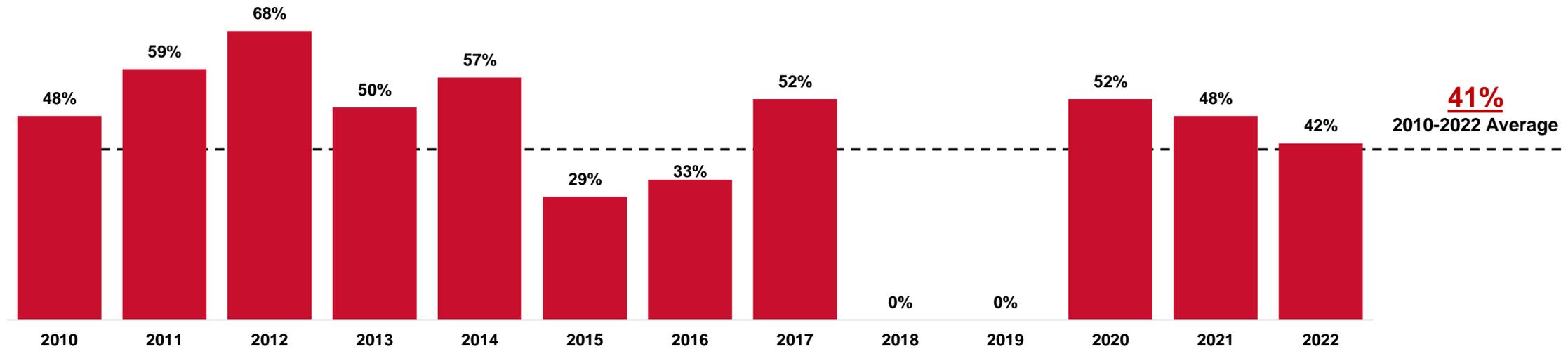
c.300 mio EUR

Appendix



Investor Presentation

Arçelik



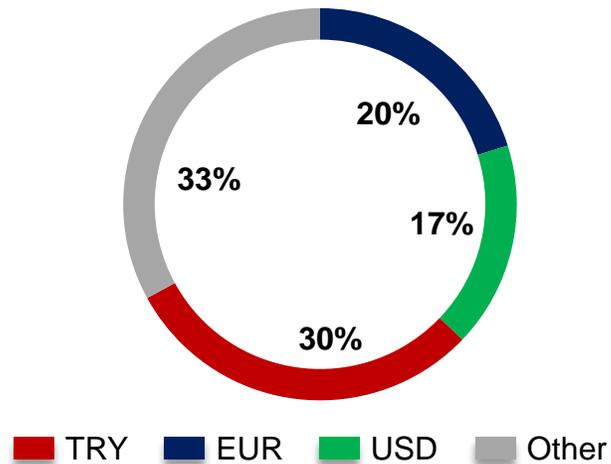
- Arçelik conducts a dividend policy within the framework of the provisions of the Turkish Commercial Code, Capital Markets Legislation, Tax Regulation, other relevant legislation and the provisions of the Articles of Association governing the distribution of profits. A balanced and consistent policy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

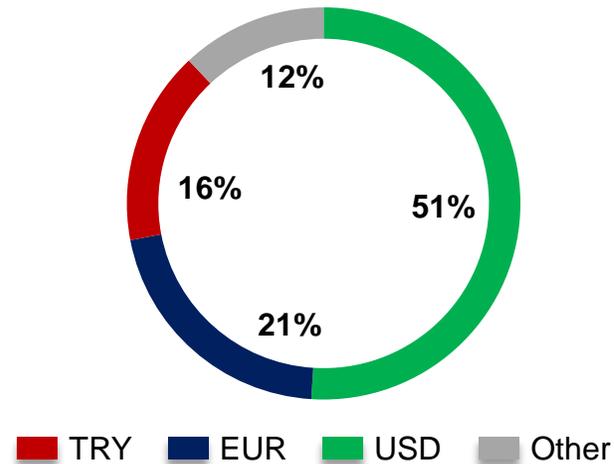
*EBIT was calculated by deducting the impact of FX gains and losses arising from trade receivables & payables, credit finance income and charges and cash discount expense and adding income & expenses from sale of property plant and equipment.

**Net income before minority

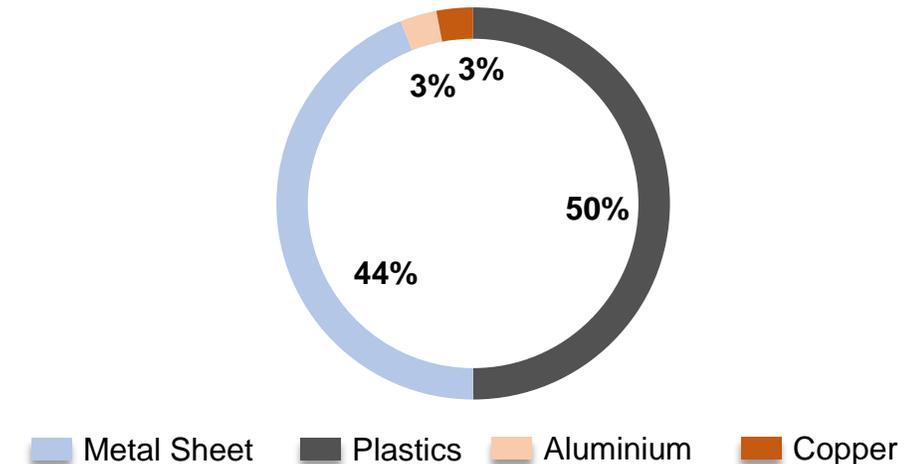
Revenue Breakdown by Currency



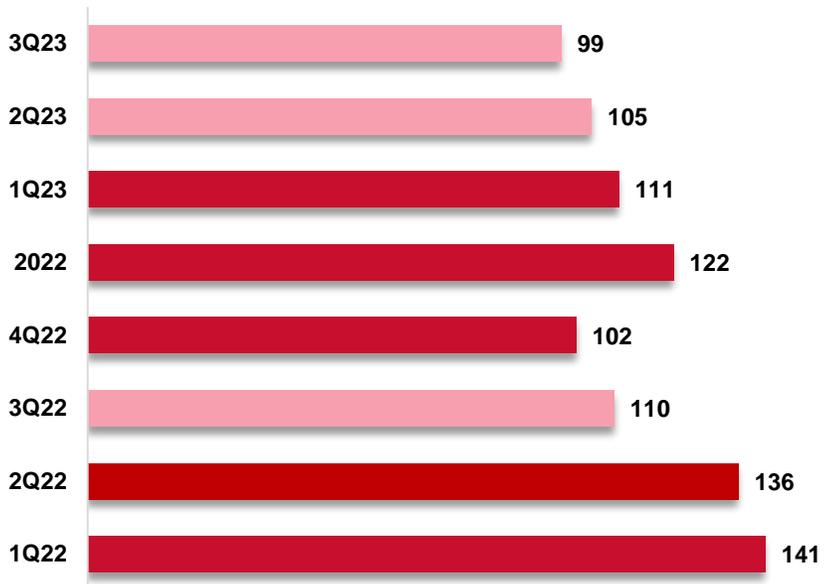
COGS Breakdown by Currency



Breakdown of Raw Material Cost



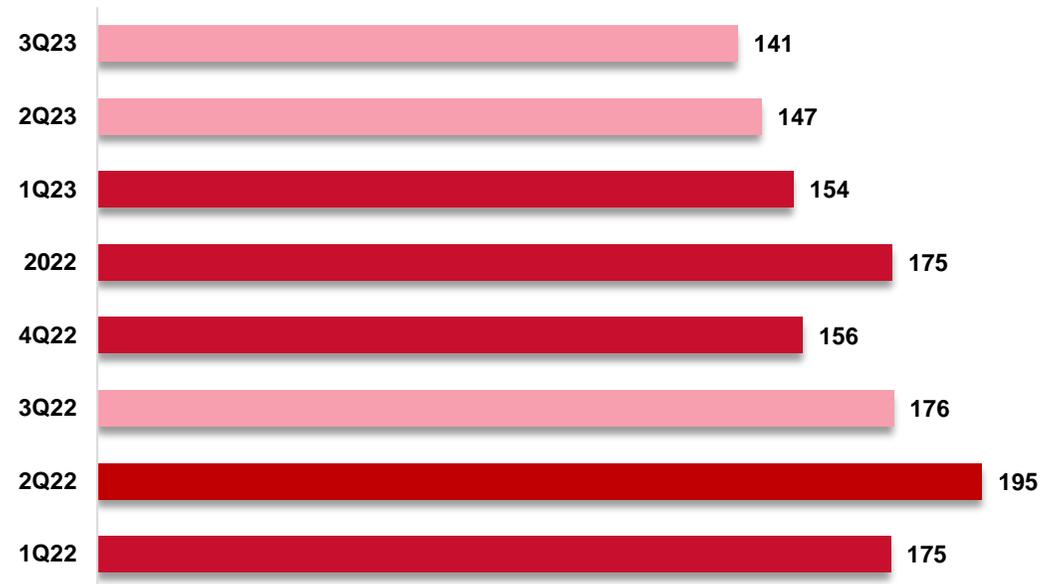
Average Metal Prices Index - Market



- Metal raw material prices have contracted on both quarterly and yearly basis mainly due to declined global demand, increased policy rates and decreased energy & input costs.

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

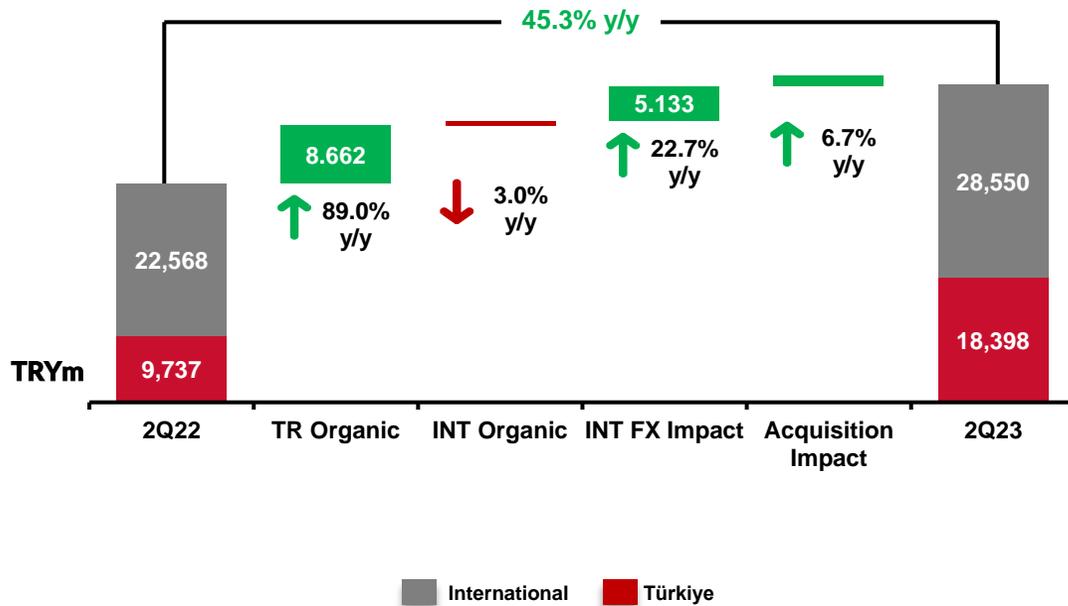
Average Plastic Prices Index - Market



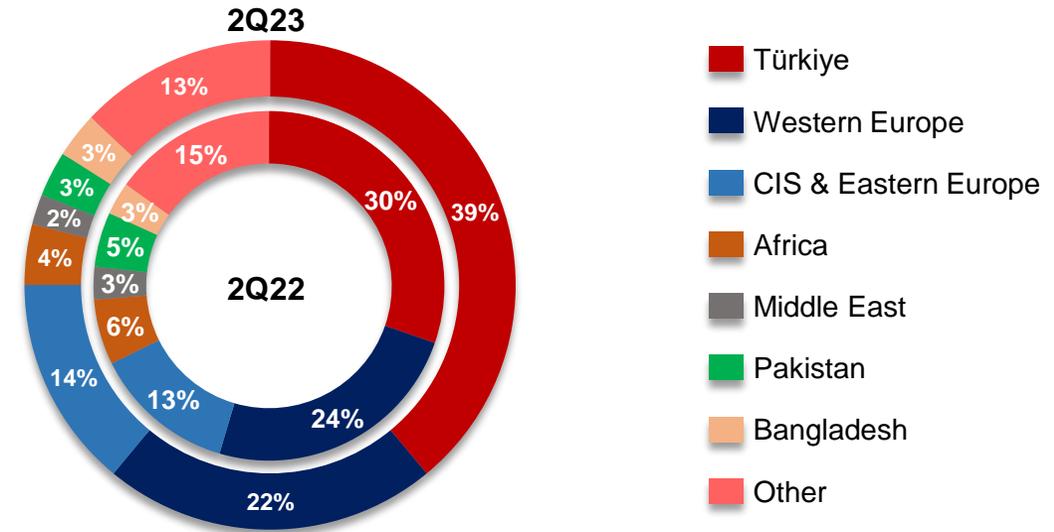
- Plastic raw material prices declined on both quarterly and yearly basis in 3Q23 as a result of lower demand and decreased energy and transportation costs.

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

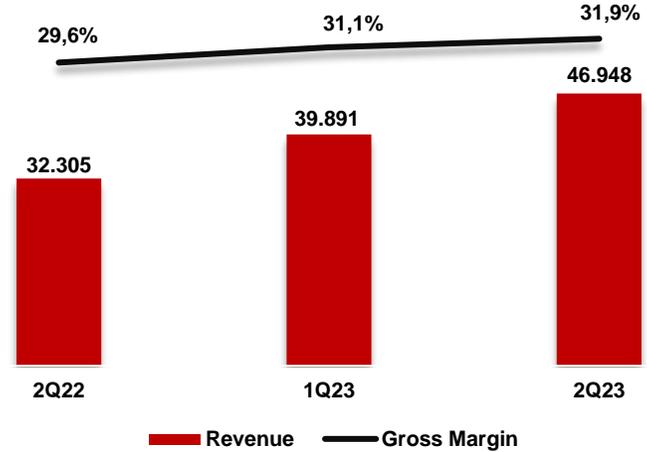
Sales Bridge



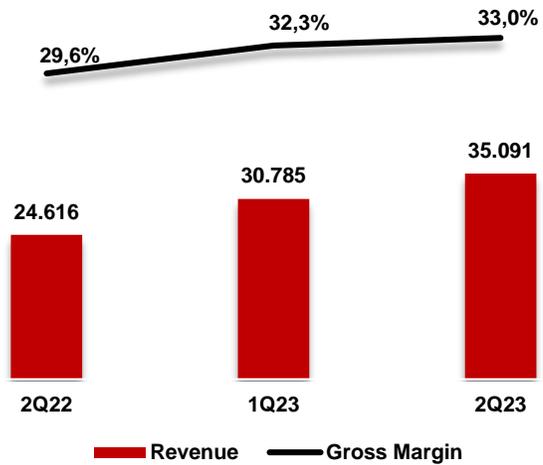
Sales Breakdown by Geography



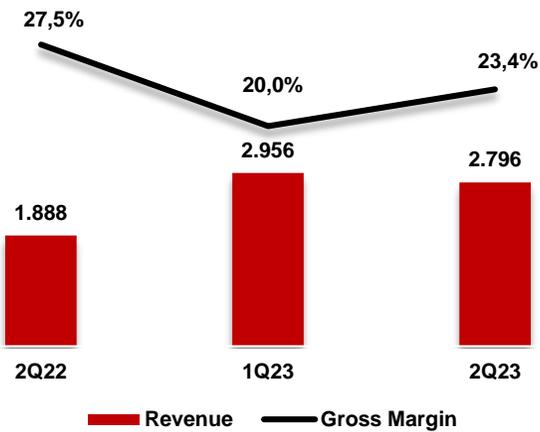
Consolidated



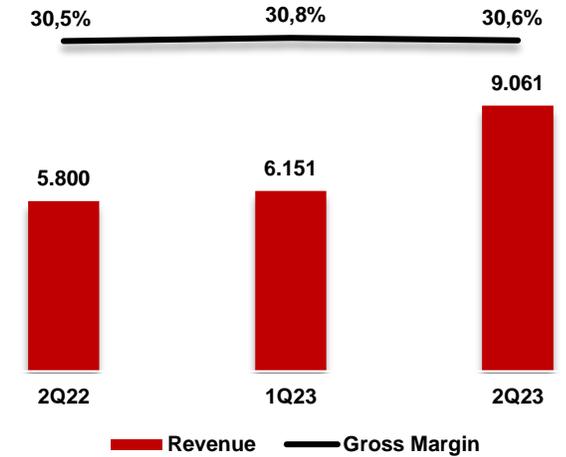
White Goods

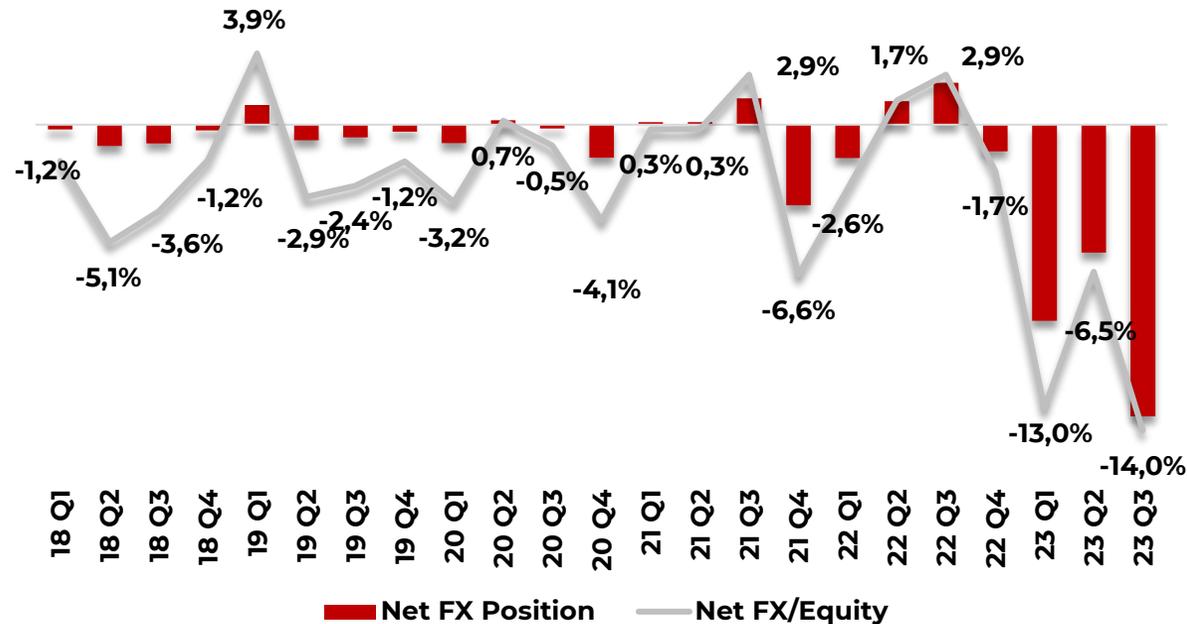


Consumer Electronics



Other





TRYm	Before Hedge	Hedged Position	Net Position
EUR	(17,162)	14,615	(2,546)
USD	(13,902)	12,369	(1,534)
GBP	2,002	(1,754)	247
Other	(961)	(243)	(1,204)
TOTAL	(30,023)	24,986	(5,037)
Net FX Position / Equity			(14.0%)

- FX hedging is a strictly pursued policy in Arçelik since more than 30 currencies are actively managed in global operations.
- It is a KPI for the company management not to have a FX exposure exceeding low single-digit % of equity.

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



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Thank You!
Arçelik