

2023 Financial Results

Arçelik

March 1, 2024

With the Capital Markets Board of Turkey's Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS 29 inflationary accounting provisions.

Accordingly, this presentation on 2023 year-end financial results contain the Company's audited financial information prepared according to Turkish Accounting / Financial Reporting Standards by application of IAS 29 inflation accounting provisions, in accordance with CMB's decision dated 28.12.2023. In addition to these, given that the guidance information and the 2023 interim financial results announced so far were presented without the application of inflation accounting, in order to enable investors and analysts to conduct a full-fledged analysis, supplementary historical information for selected key performance indicators used in prior periods' investor presentations were provided. Such supplementary information is made available only for this period, and contains unaudited financial information prepared for management reporting purposes.

This presentation does contain forward-looking statements and figures that reflect the Company management's current views with respect to certain future events based on the base-case assumptions. Although it is believed that the expectations reflected in these statements are reasonable under current conditions, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ. Neither Arçelik nor any of its directors, managers, or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.



2023 HIGHLIGHTS

TRY257.1bn

Revenue

7.8%

EBITDA Margin

24.8%

OPEX/Sales

24.2%

NWC/Sales

2.67x

Leverage

**Resilient demand in Türkiye, weakness in international markets.
Margin expansion at all lines thanks to eased costs in 2023.**



Consolidated revenues were flattish in 2023 compared to 2022.



Wholesale & retail demand in Türkiye was solid throughout 2023 while the demand in international markets remained weak.



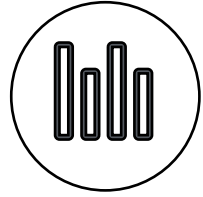
EBITDA margin was 7.8% in 2023, up by 145 bps y/y thanks to declined raw material costs.



Net Working Capital/Sales was 24.2% as of 2023.



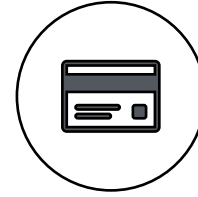
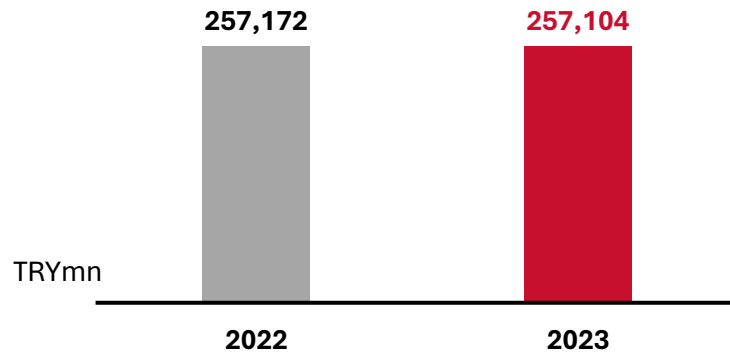
Leverage was 2.67x as of 2023.



REVENUE GROWTH

Flattish

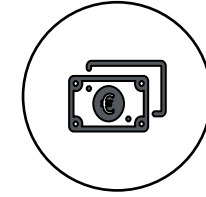
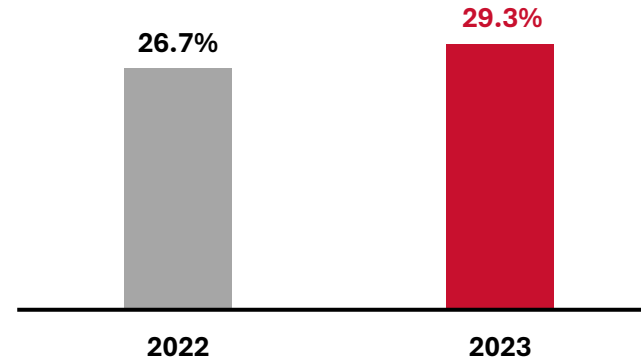
- ↑ Strong unit growth in Türkiye
- ↑ Strategic pricing initiatives
- ↓ Declined international MDA6 unit sales



GROSS MARGIN

29.3%

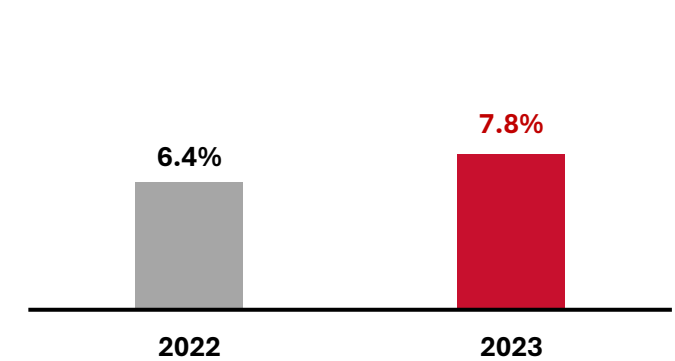
- ↑ Lower raw material costs
- ↑ Favorable EURUSD parity
- ↓ Lower capacity utilisation



EBITDA MARGIN

7.8%

- ↑ Better gross profitability
- ↓ Increased OPEX/Sales



Operational Performance

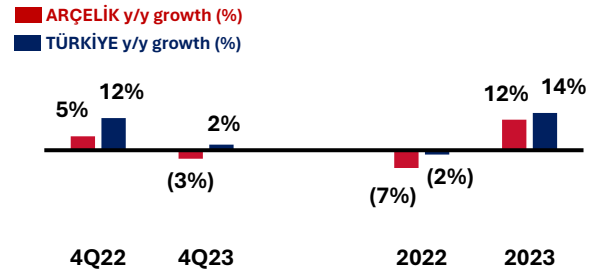


2023 Financial Results

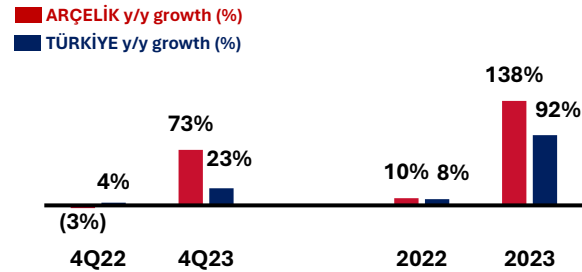
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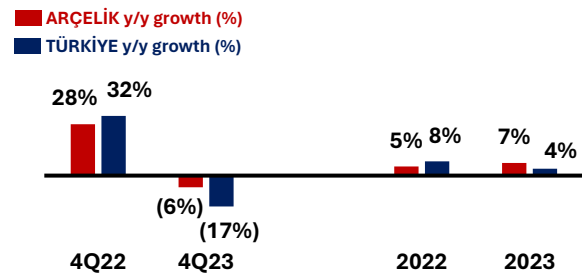
MDA6*



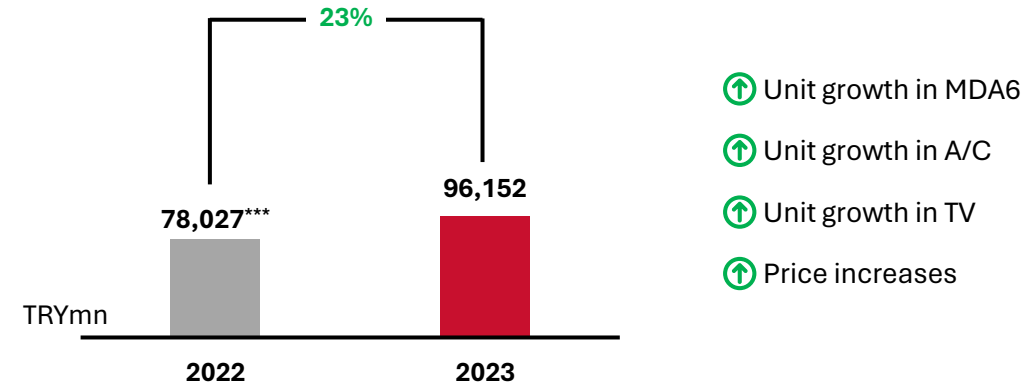
AIR CONDITIONER*



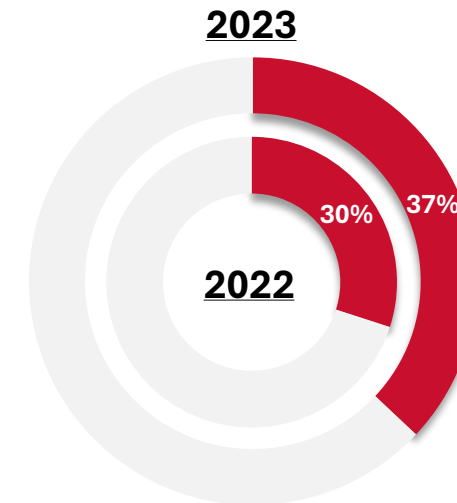
TELEVISION**



Türkiye Revenue Growth



Türkiye Share in Total Revenue



*MDA6 and A/C data (sell-in, in unit terms) is based on WGMA for the given periods.
 **TV market reflects the data of a retail panel market for the given period in unit terms.
 ***Adjusted with the rate of 1.64773.



Western Europe



Eastern Europe

y/y market growth in unit terms

MDA6 Market



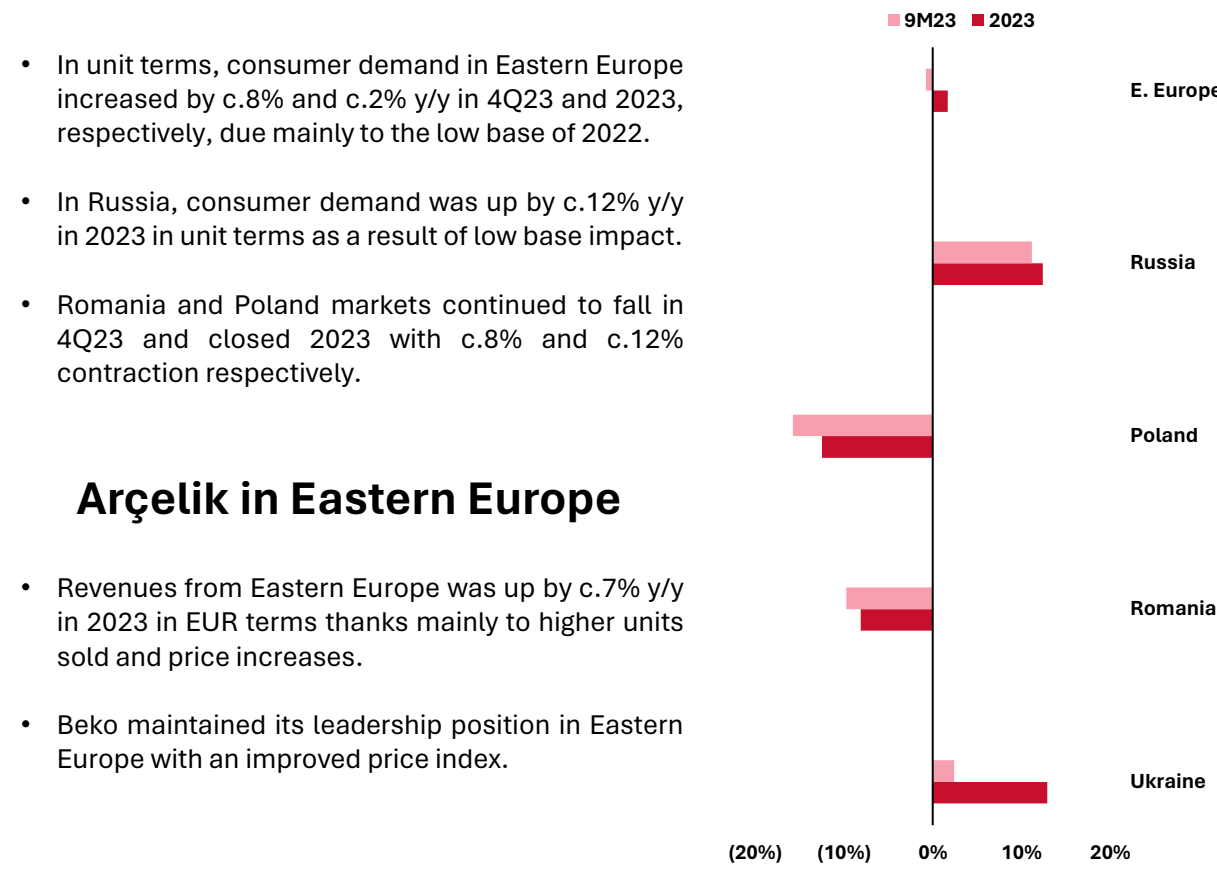
- Negative consumer sentiment resulted in lower demand across Western European countries. However, the level of contraction gradually decreased towards the end of 2023.
- In unit terms, consumer demand declined by c.1% y/y and c.6% y/y in 4Q23 and 2023, respectively.
- In value terms, consumer demand declined by c.2% y/y and c.3% y/y in 4Q23 and 2023, respectively.

Arçelik in Western Europe

- The decline in the number of units sold was partially mitigated by price increases; nevertheless, revenue in 2023 decreased by c.4% in EUR terms y/y.
- Arçelik's price index as a group improved in 2023 in Western Europe.

MDA6 Market

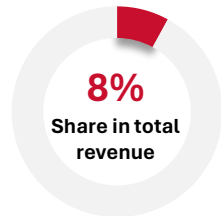
y/y market growth in unit terms



- In unit terms, consumer demand in Eastern Europe increased by c.8% and c.2% y/y in 4Q23 and 2023, respectively, due mainly to the low base of 2022.
- In Russia, consumer demand was up by c.12% y/y in 2023 in unit terms as a result of low base impact.
- Romania and Poland markets continued to fall in 4Q23 and closed 2023 with c.8% and c.12% contraction respectively.

Arçelik in Eastern Europe

- Revenues from Eastern Europe was up by c.7% y/y in 2023 in EUR terms thanks mainly to higher units sold and price increases.
- Beko maintained its leadership position in Eastern Europe with an improved price index.



Africa & Middle East

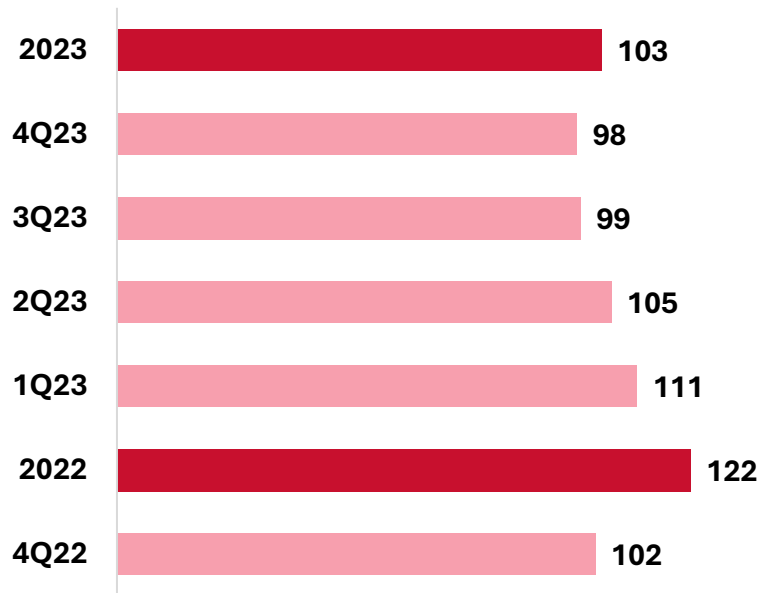
- Revenues generated from Africa & Middle East decreased by c.6% y/y in 2023 in EUR terms.
- Defy's domestic unit sales increased c.4% y/y in 2023 while export units declined by c.8%.
- Defy's net sales increased by 3% in ZAR terms in 2023 y/y. In EUR terms, net sales were contracted at low-teens percentage, as a result of depreciated ZAR against EUR.
- South African MDA6 market was contracted by c.6% y/y in 2023. Defy maintained its strong market leadership in 2023.
- In Egypt, MDA6 market was down by c.9% y/y in 2023 in unit terms. Beko Egypt outperformed the market and gained market share in unit terms in 2023.
- Beko Egypt posted a solid revenue growth of %27 in EUR terms y/y in 2023 thanks mainly to increased white goods sales.



Asia-Pacific

- Revenues generated from APAC were down by c.18% in EUR terms in 2023 y/y. The contraction was primarily as a result of weak demand environment throughout 2023.
- In Pakistan, net sales decreased by c.2% y/y in 2023 in PKR terms due to lower units sold given the unfavorable economic conditions impacting the demand negatively. In EUR terms, net sales were contracted by c.30%, reflecting the depreciation of PKR and contracted sales units.
- In Bangladesh, net sales were flattish in BDT terms in 2023 y/y. As a result of depreciated BDT against EUR, net sales contracted by c.16% y/y in EUR terms.

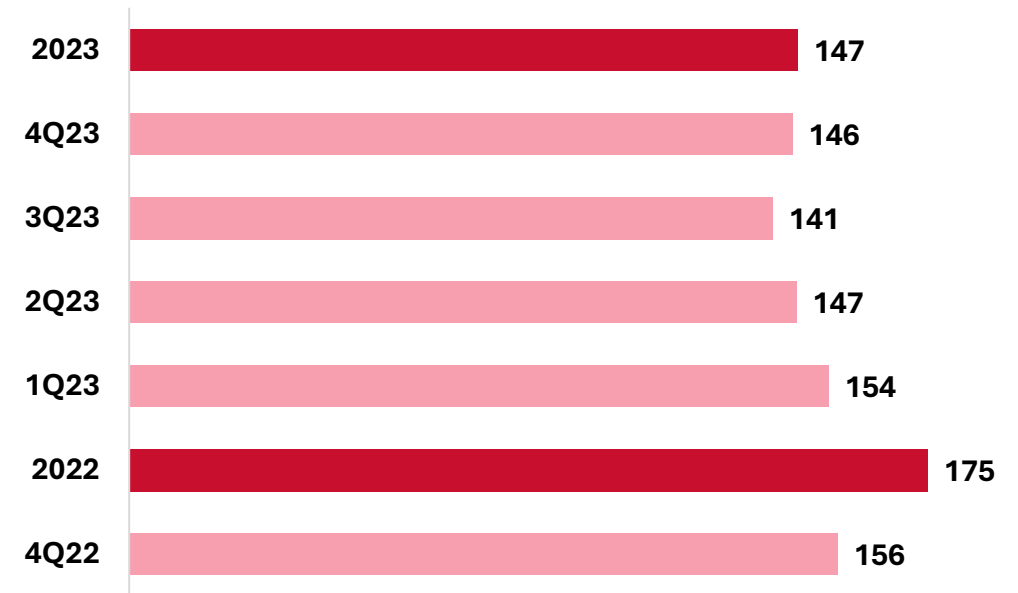
Average Metal Prices Index - Market



- Metal raw material prices contracted in 2023 on a 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 a yearly basis in 2023 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

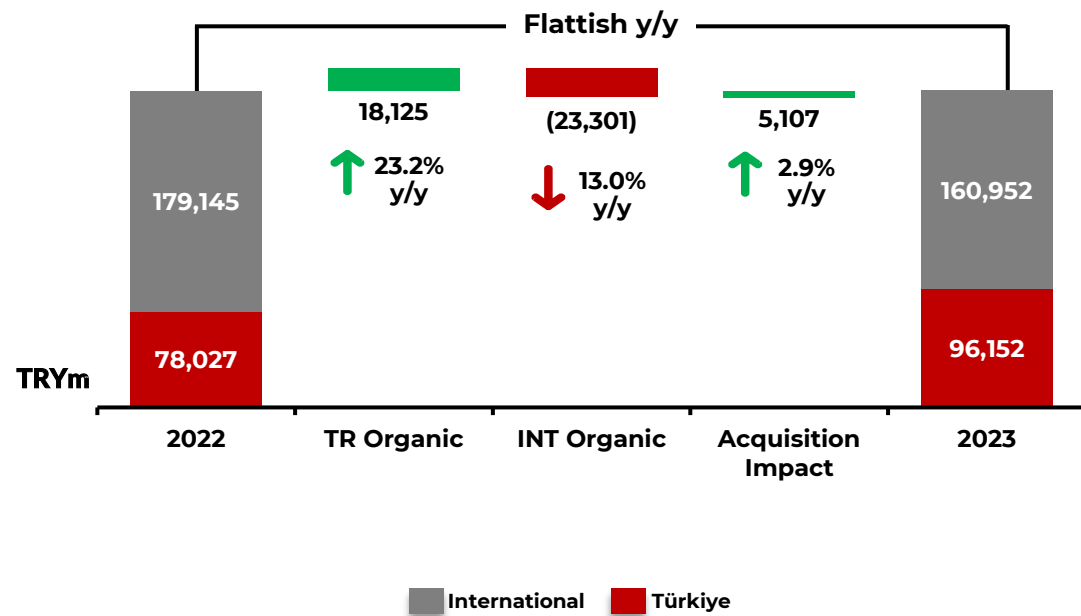
Sales Performance



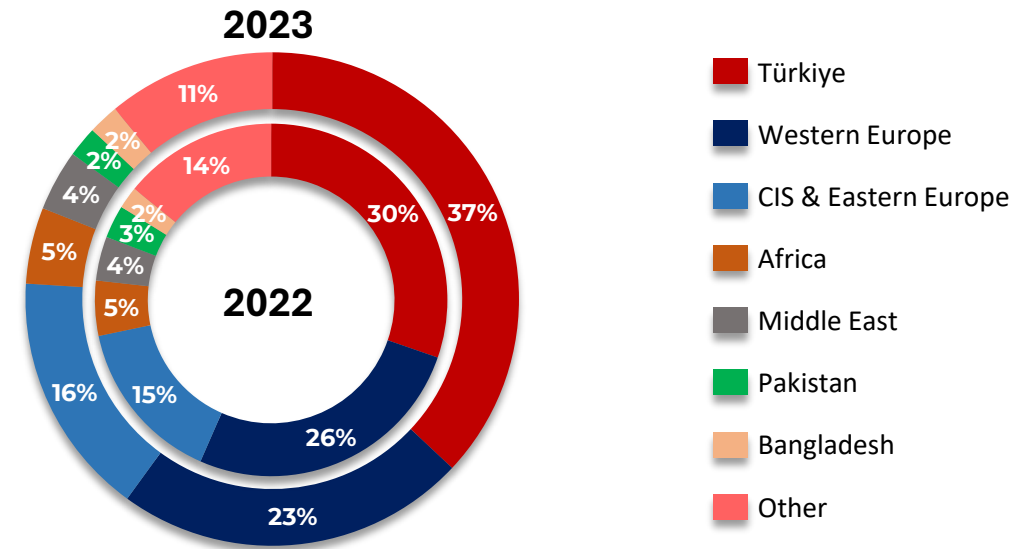
2023 Financial Results

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Sales Bridge



Sales Breakdown by Geography



Financial Performance



2023 Financial Results

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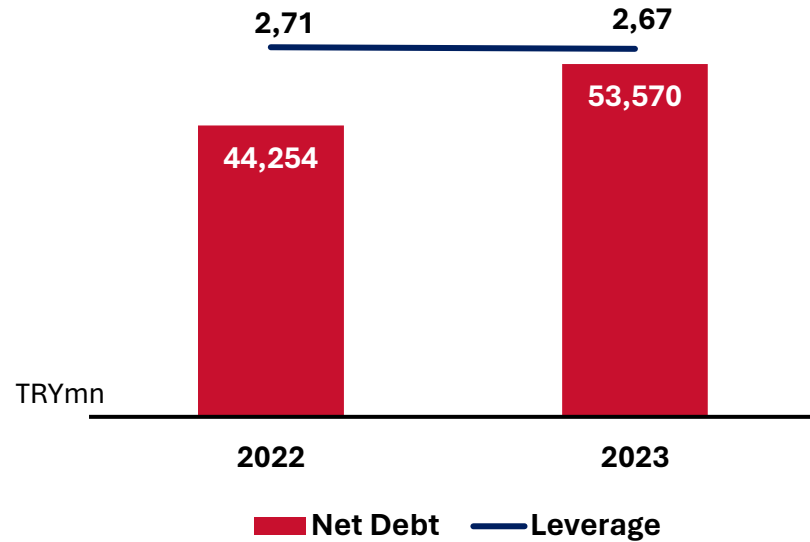
TRYmn	2022	2023	y/y
Revenue	257,172	257,104	(0%)
Gross Profit	68,671	75,378	10%
EBIT*	8,295	11,362	37%
Net Financial Income/Expense	(11,960)	(12,354)	3%
Monetary Gain/Loss	7,928	9,888	25%
Profit Before Tax	7,239	7,158	(1%)
Net Income**	7,008	8,395	20%
EBITDA	16,358	20,077	23%
Gross Profit Margin	26.7%	29.3%	262 bps
EBIT Margin	3.2%	4.4%	119 bps
Monetary Gain(Loss)/Revenue	3.1%	3.8%	76 bps
Net Income Margin	2.7%	3.3%	54 bps
EBITDA Margin	6.4%	7.8%	145 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.

Note: 2022 EBIT & EBITDA figures exclude the one-off impact of TRY2.7bn relating to acquisition of IHP Appliances JSC and IHP Appliances Sales LLC shares. If included, it would have 104 bps positive impact on EBIT & EBITDA margins.

Net Debt & Leverage

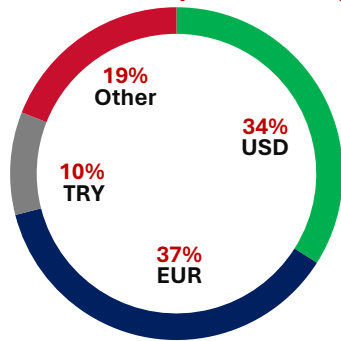


Debt Currency & Rates Breakdown

Currency	Effective Interest Rate** p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	41.3%	14,566	14,566
EUR	4.8%	1,326	43,201
USD	9.2%	117	3,453
GBP	7.1%	31	1,176
ZAR	9.4%	1,446	2,309
AUD	6.1%	30	607
PKR	23.4%	22,087	2,320
BDT	9.5%	8,290	2,226
RUB	18.0%	2,428	792
RON	7.5%	88	572
PLN	0.3%	245	1,844
NOK	6.1%	49	141
SEK	5.2%	225	659
CHF	2.4%	0	3
IDR	9.5%	91,260	174
MYR	6.0%	32	205
THB	5.5%	327	281
CZK	8.5%	78	103
CNY	4.7%	3	14
TOTAL LOANS			74,646
USD	8.5%	511	14,966
EUR	3.0%	356	11,606
TRY	28.3%	692	692
TOTAL BOND			27,264
TOTAL			101,910*

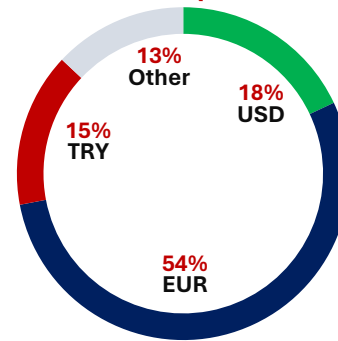
Cash Currency Breakdown

TRY48.8bn (EUR1.5bn)



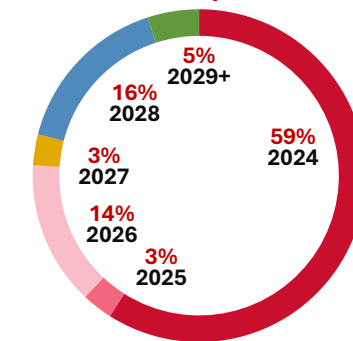
Debt Currency Breakdown

TRY101.9bn (EUR3.1bn)



Debt Maturity Profile***

TRY101.9bn (EUR3.1bn)

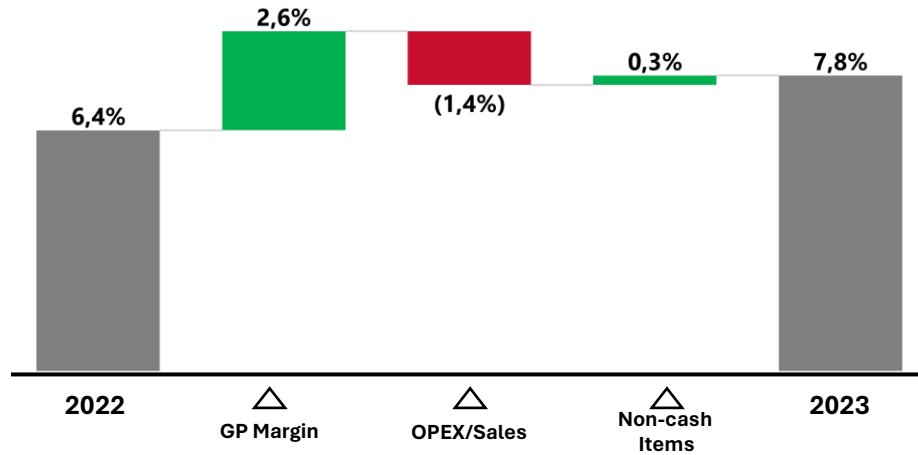


*Total financial debt is equal to TRY75.8bn when cash pool and company credit card balances are excluded.

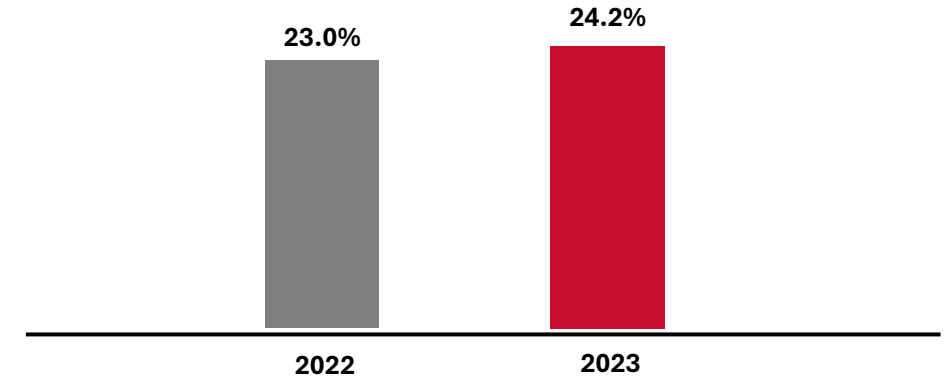
**Average effective TRY, EUR, USD funding (loans + bonds) rate was 41.0%, 4.1% and 8.6%, respectively.

***The average duration of the consolidated debt portfolio was 2 years.

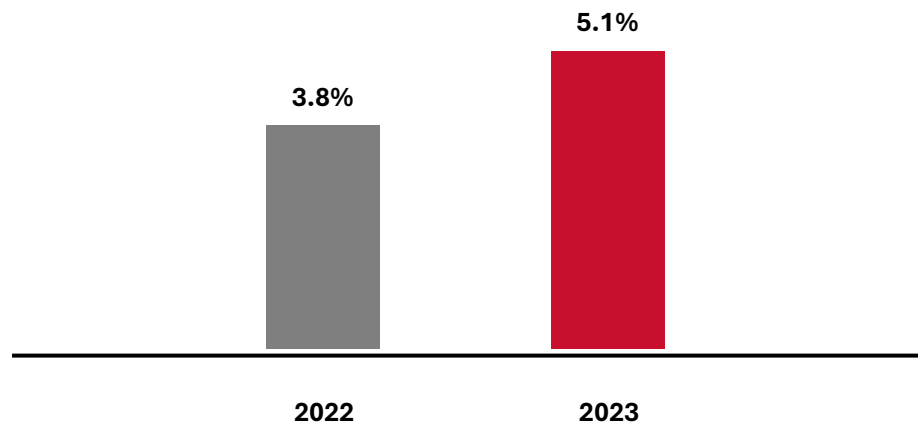
EBITDA Margin



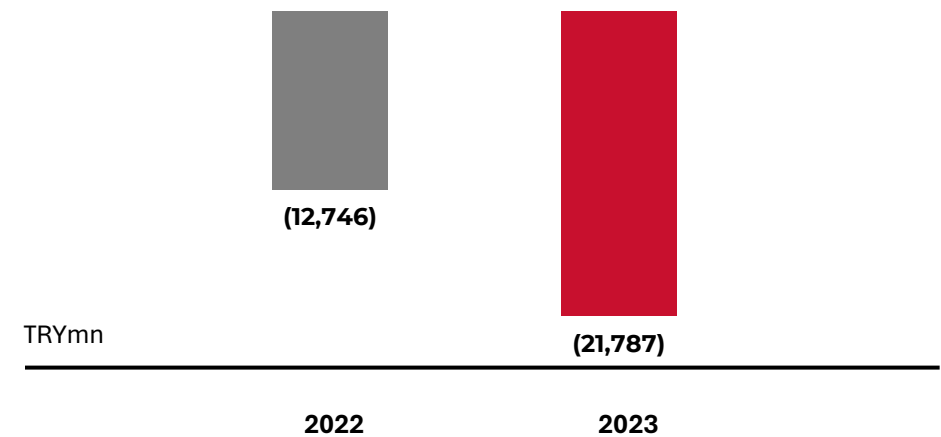
Working Capital/Sales



CAPEX/Sales



Free Cash Flow



Guidance



2023 Financial Results

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	Guidance
Revenue	
Turkey (in TRY)	Flattish
International (in FX)	c.2%
EBITDA Margin	c.8%
NWC/Sales	<25%
CAPEX	c.300 EUR mio

Q&A



2023 Financial Results

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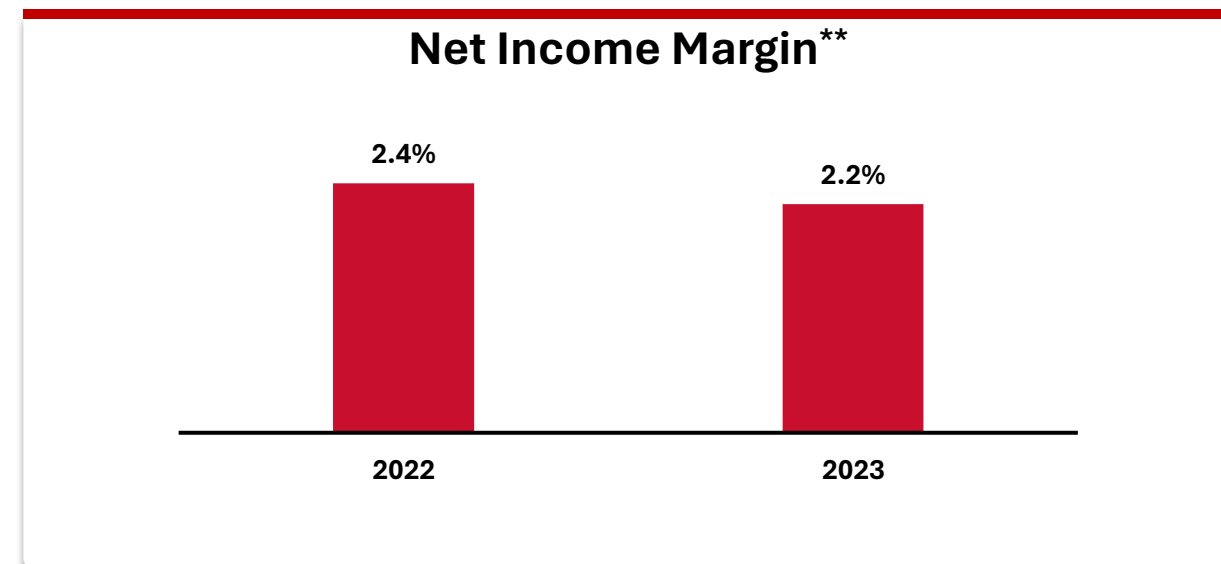
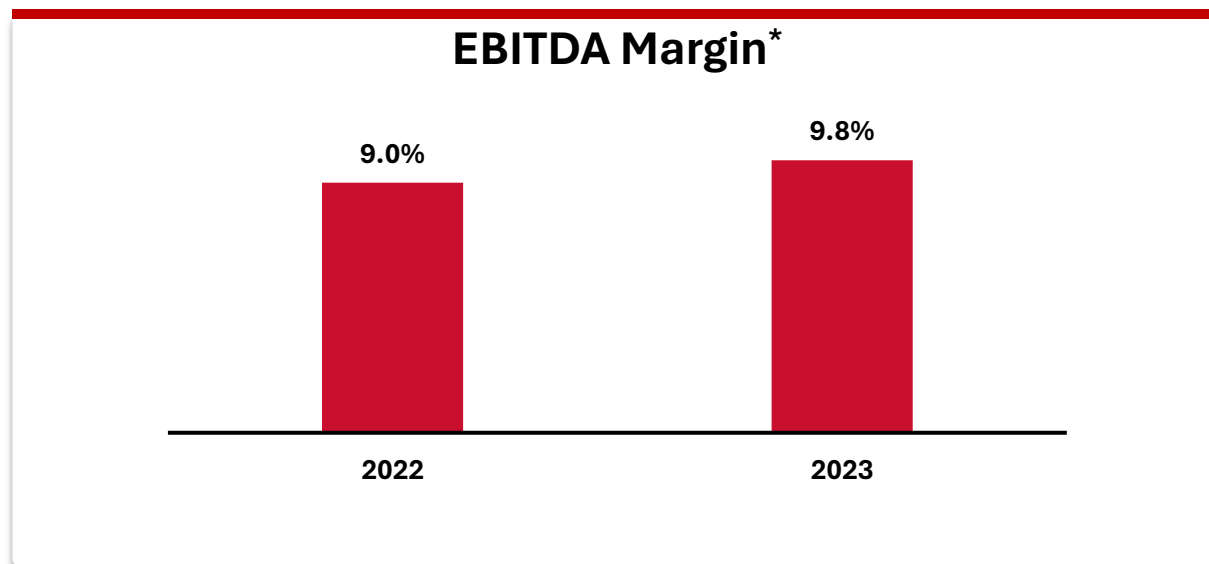
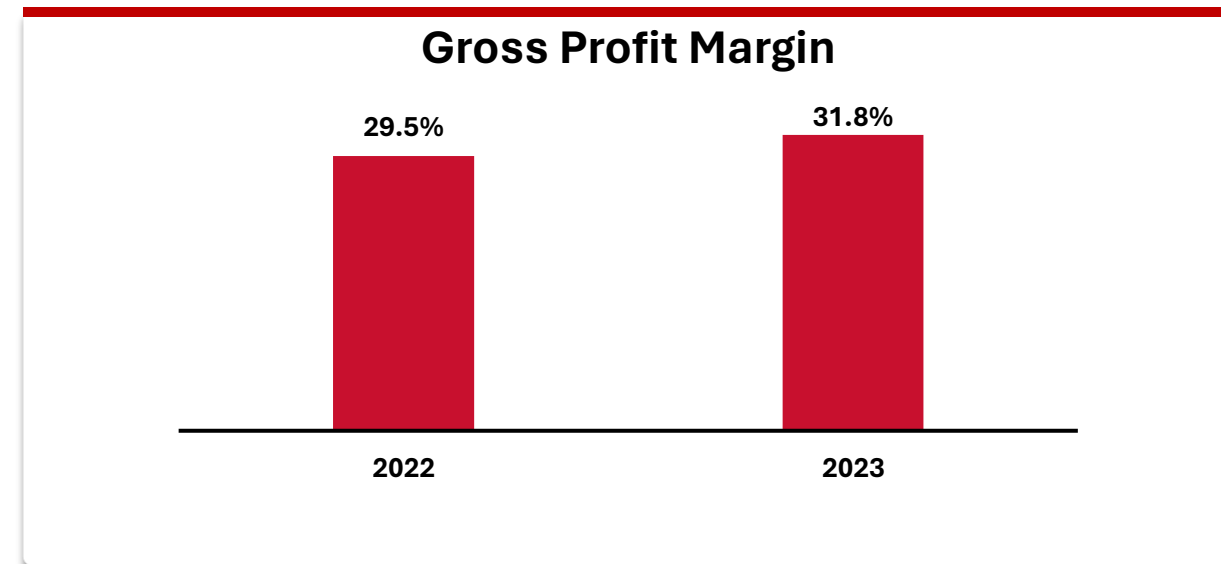
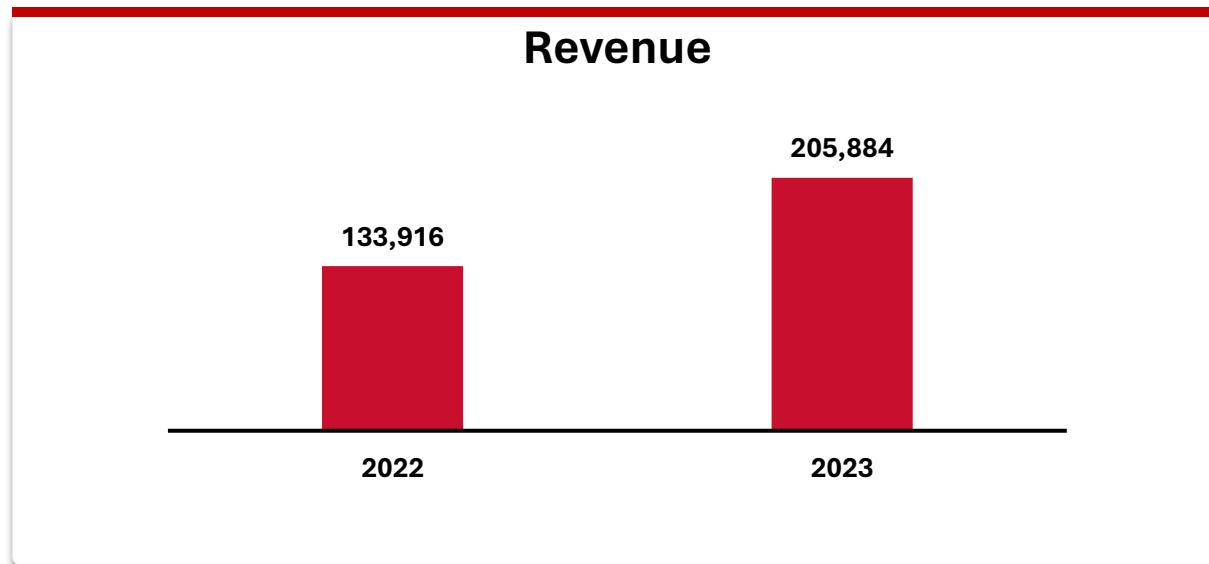
Appendix



2023 Financial Results

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	Guidance	Actual
Revenue		
Turkey (in TRY)	c.75% growth	87%
International (in FX)	c. (-) 4%	(-) 6%
EBITDA Margin	c.10.5%	9.8%
NWC/Sales	<25%	23.4%
CAPEX	c.300 mio EUR	314 mio EUR



*EBITDA 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.

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Thank You!
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