2Q24
Financial Results

July 30, 2024

Arçelik Investor Relations

Disclaimer

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 the second quarter 2024 financial results contain the Company's 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.

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.

BEKO & WHIRLPOOL TRANSACTIONS

On January 17, 2023[*], Arçelik A.Ş. and Whirlpool signed an agreement for the establishment of a new company, «Beko Europe», where Arçelik will control the majority stake, which includes European operations in its scope. Parties also agreed on the acquisition of Whirlpool companies by Beko, operating in the Middle East and North Africa.

Both transactions were completed and share transfers were made on April 1, 2024[**], after obtaining competition authority clearances.

Europe

- **Arçelik's and Whirlpool's production, sales, and marketing subsidiaries operating in Europe was transferred under a structure where Arçelik will control a 75% majority stake, Arçelik's wholly-owned subsidiary Beko B.V.**
- **Revenue generated by acquired entities at the end of 2023 was approximately EUR 3.0 bn.**
- **Arçelik's net sales from the region was around EUR 2.4 bn for FY23.**
- **Total revenue in the region adds up to EUR 5.4 billion on annual basis.**

MENA

- **Arçelik acquired full ownership of Whirlpool's MENA operations, including UAE and Morocco entities for EUR 20 M (subject to adjustments for net indebtedness and net working capital) and manages Whirlpool's MDA business operations in the MENA region.**
- **The consolidated net revenue of the subsidiaries acquired in the MENA transaction for the year 2023 was approximately EUR 121 M.**

* *https://www.kap.org.tr/tr/Bildirim/1102748*
** *https://www.kap.org.tr/en/Bildirim/1265248*

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Beko

Beko Europe

Number one player in Europe, with the launch of Beko Europe!

Transaction:

Beko Europe has transferred Whirlpool Europe's white goods production, sales and marketing subsidiaries in Europe, by way of in-kind capital contribution.

Ownership:

75% of the capital of Beko Europe was allocated to Beko and 25% to Whirlpool. The ultimate partnership structure will be determined based on the closing adjustment mechanism based on the closing financial statements.

*Arçelik fully consolidates Beko Europe's financials.

Subsidiaries:

Beko Europe now includes 69 subsidiaries, of which 39 subsidiaries were transferred by Whirlpool and the remaining 30 subsidiaries were transferred by Beko B.V.

Employees:

Beko Europe now has around 19k employees in total of which approximately 13k comes with the transaction, based on 2023 actual information.

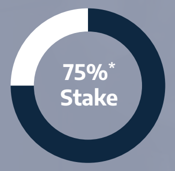
Facilities:

Beko Europe owns 11 production facilities, of which 9 production facilities (14 plants) obtained with the transaction, located in Italy, Poland, Slovakia and the United Kingdom and Romania (2 Beko legacy facilities).

- Italy: 6 Plants – 4 Facilities
- Poland: 6 Plants – 3 Facilities
- United Kingdom*: 1 Plant – 1 Facility
- Slovakia: 1 Plant – 1 Facility
- Romania: 2 Plant – 2 Facilities

*Consultations have been initiated regarding the closure of the factory in UK.
https://www.kap.org.tr/tr/Bildirim/1307013

Beko Europe



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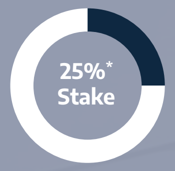


Whirlpool

Beko Europe

Beko Europe's consolidated sales revenue is EUR 1.26 bn in 2Q24.
Europe transaction has contributed to Beko Europe's total revenue by ≈ EUR 0.72 bn in 2Q24.

Leading Positions & Brands:

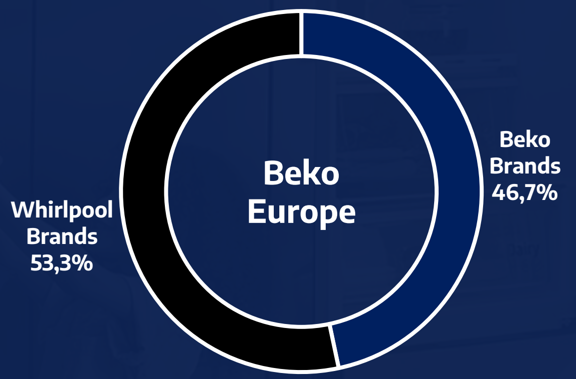
With a wide range of brands, Beko Europe now has the leading positions in:

- **Europe (WE & EE)**
- **UK & Ireland**
- **France**
- **Italy**
- **Belgium**
- **Romania**
- **Ukraine**

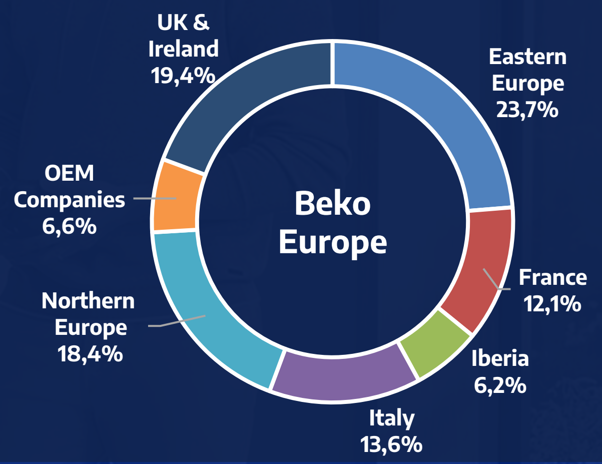
With the transaction, Beko Europe has acquired brands such as Whirlpool*, Hotpoint, Indesit, Bauknecht, Privileg, and Ignis in addition to current brands as Beko, Grundig, Arctic, Elektrabregenz, Flavel and Leisure.

* Licensee limited to certain jurisdictions.

2Q24 Sales in EUR by Brand:



2Q24 Sales in EUR by Region:



Synergies in 5 Years Time

- Increased efficiency by footprint optimization.
- Procurement advantages due to economies of scale.
- Lower logistics costs due to geographical proximity.
- SG&A Savings including headcounts.

EUR 300M per/year Synergy Impact (Run Rate*)

** In year-5.*

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2Q24 HIGHLIGHTS

TRY 101.6bn
Revenue

27.7%
Gross Margin

4.8%
Adj. EBITDA Margin*

26.6%
OPEX**/Sales

22.1%
NWC/Sales

3.45x
Leverage

Normalization of demand in Türkiye, slowdown in APAC & inorganic growth in challenging international markets with the contribution of Whirlpool transactions.

- Consolidated revenues grew by 23.0% y/y in real terms. (7.6% lower w/o the acquisition impact)
- Wholesale & retail demand in Türkiye has almost remained flattish y/y, while the demand in international markets was substantially weaker.
- EBITDA margin is ≈200 bps weaker due to Whirlpool transaction impact.
- Adj. EBITDA margin was 4.8% in 2Q24 due to higher raw material costs, production transformation costs and growing OPEX.
- Improving Net Working Capital/Sales as of 2Q24, 22.1%.
- Leverage was 3.45x due to growing debt and weaker EBITDA.

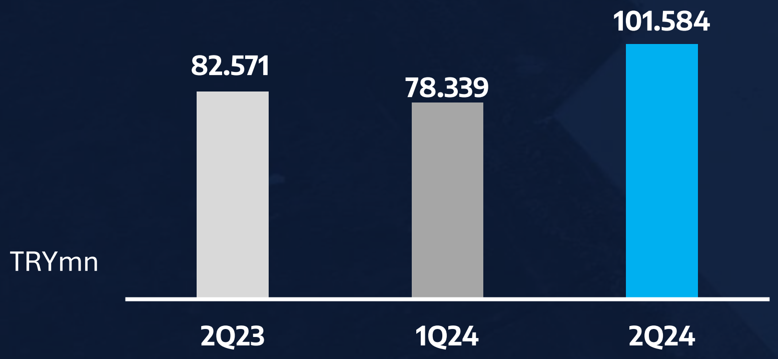
* *Adj. EBITDA is calculated by excluding net income from investments and one-off expenses regarding Whirlpool transactions.*
** *OPEX is adjusted by excluding one-off expenses regarding Whirlpool transactions.*

Key Factors Sales/Margins

REVENUE GROWTH

23.0%

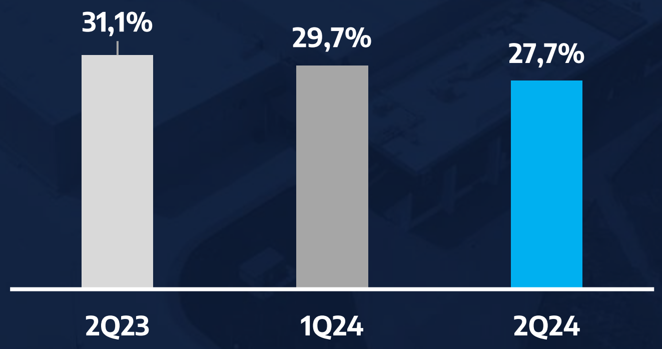
- Inorganic growth due to Whirlpool transactions
- Consumer demand normalization in Türkiye
- Weaker international demand



GROSS MARGIN

27.7%

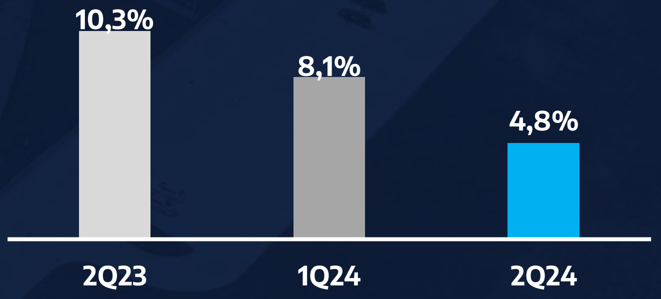
- Challenging pricing environment
- Higher raw material costs
- Production transformation costs



ADJ. EBITDA MARGIN

4.8%

- Lower gross margin
- Higher OPEX



**Adj. EBITDA is calculated by excluding net income from investments and one-off expenses regarding the Whirlpool transactions.*

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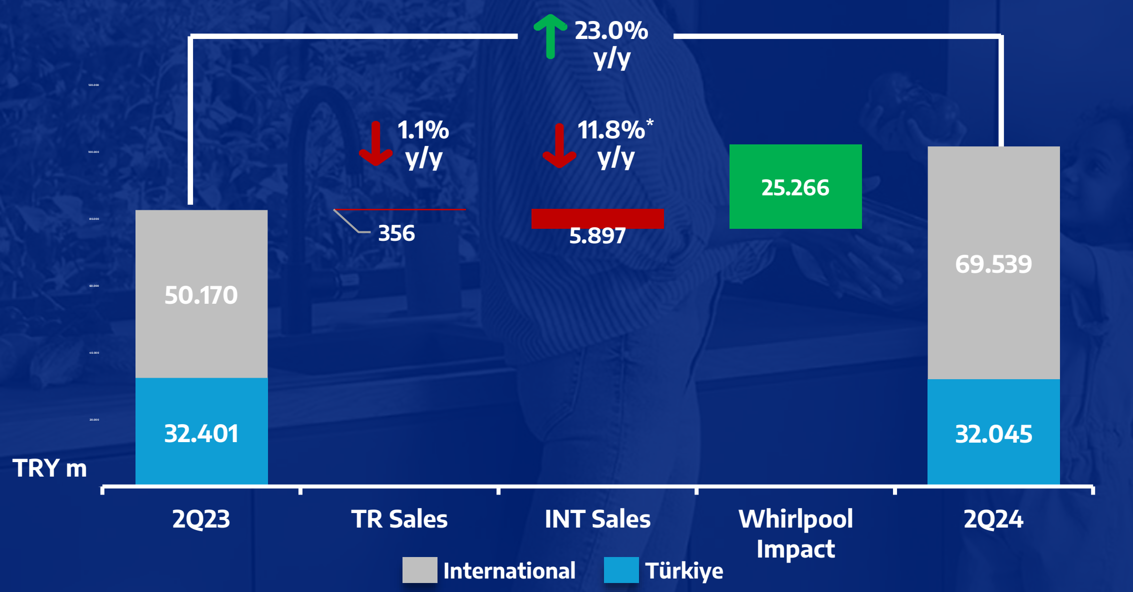
Operational Performance

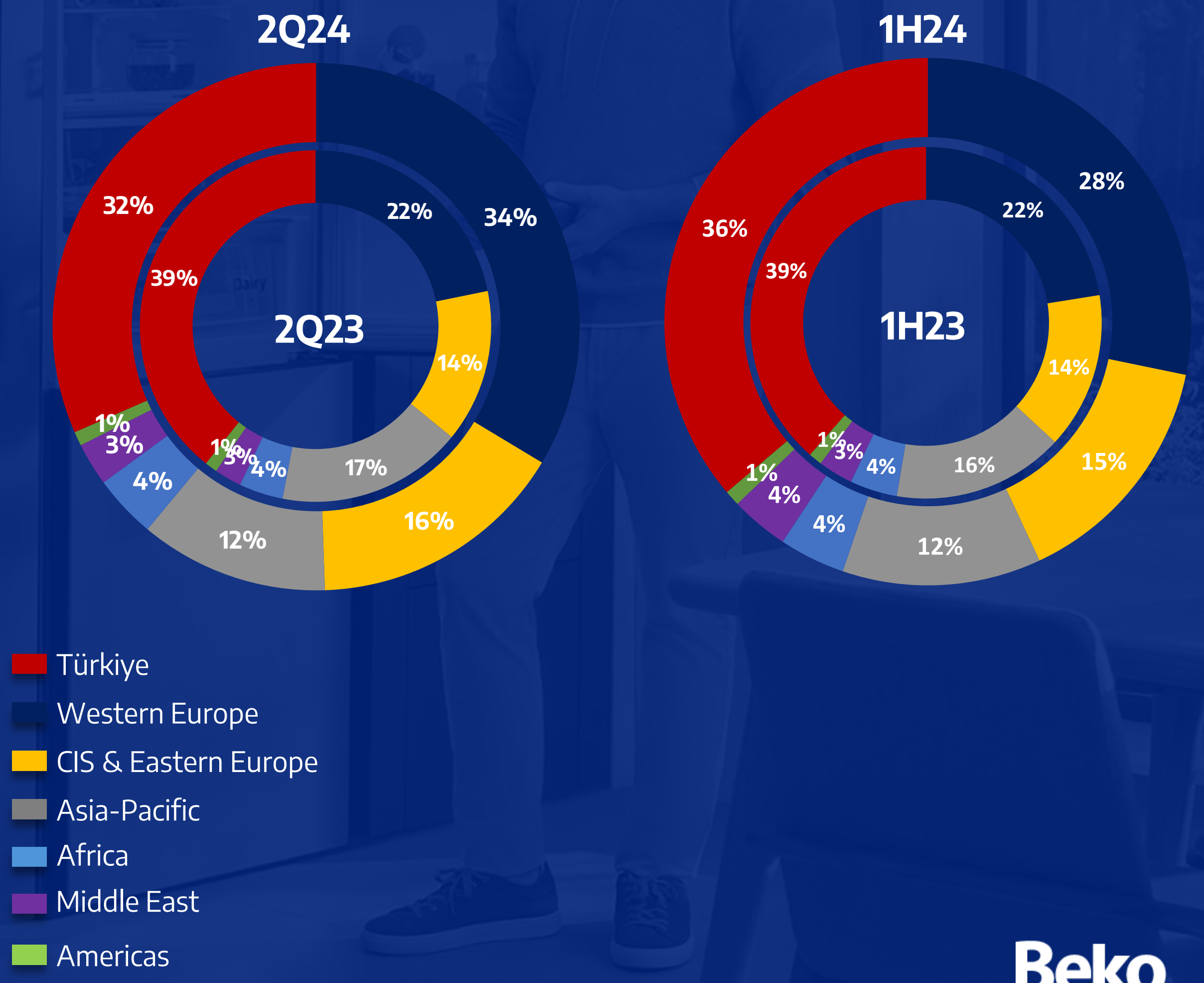
2Q24 Financial Results

Sales Bridge



*TRY figures reflect inflation adjusted prices. Since the increase in Consumer Price Index was greater than the change in EUR/TRY FX rate international sales point out 11.8% decline in TRY terms. Decline in international sales is -1.5% in EUR terms.

Sales Breakdown by Geography



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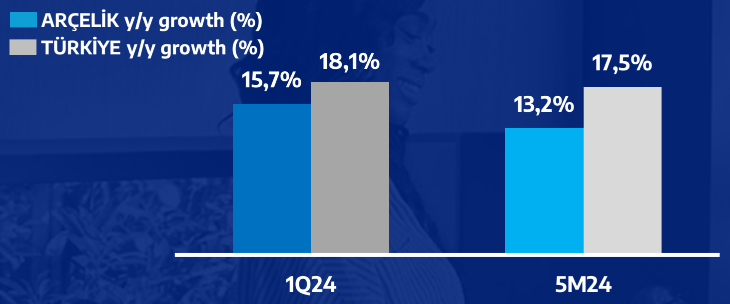
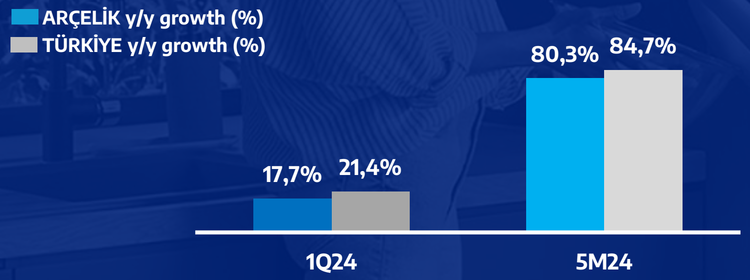
Normalization in consumer demand and sustained strong leadership in Türkiye

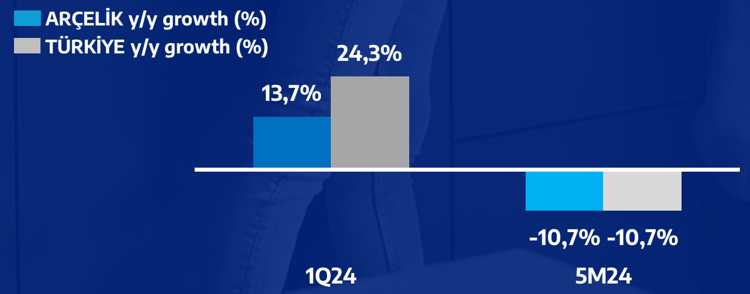
MDA6*



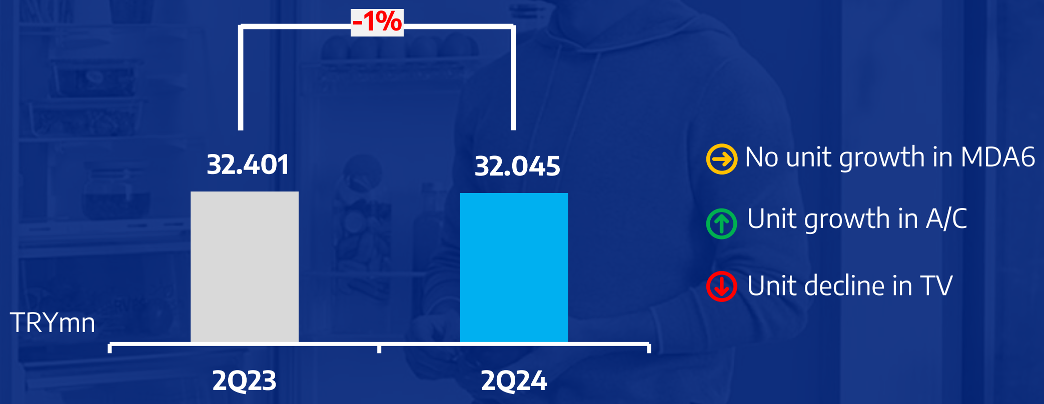
AIR CONDITIONER**



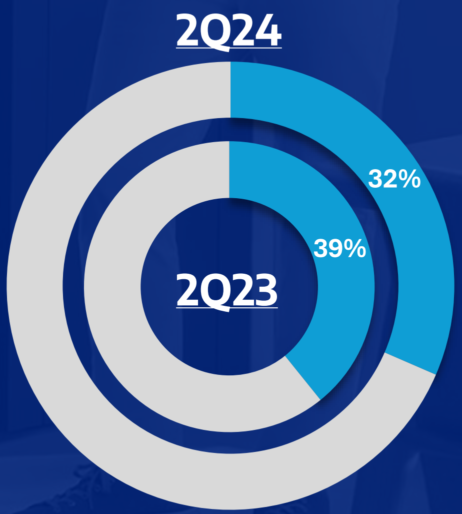
TELEVISION**



Türkiye Revenue Growth



Türkiye Share in Total Revenue



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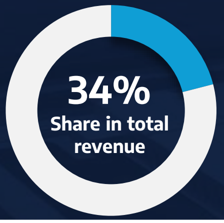
* MDA6 is data is based on WGMA for the given periods.
** A/C data and TV market (sell-in, in unit terms) reflects the data of a retail panel market for the given period in unit terms.

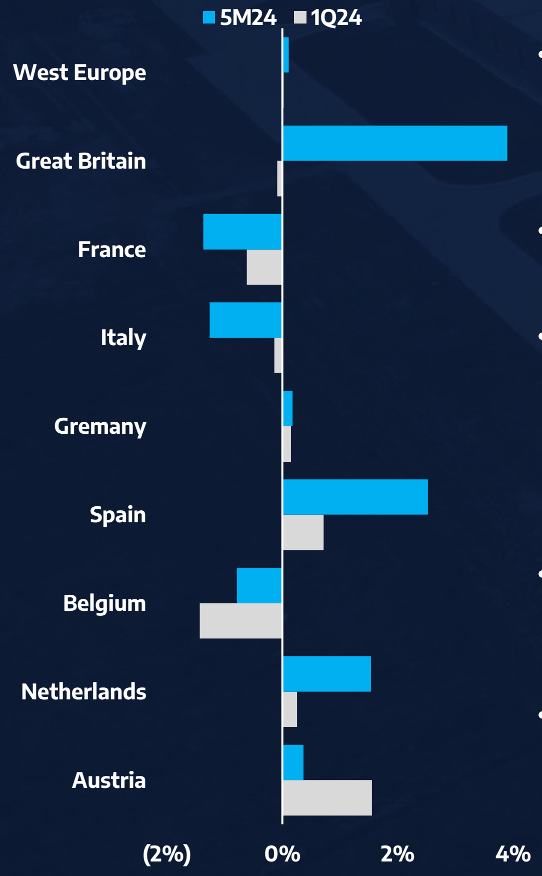
Beko

Significant improvement in Western Europe whereas demand continues to grow in Eastern Europe



Western Europe

y/y market growth in unit terms



MDA6 Market

- Substantial recovery has been recorded in markets such Great Britain, Spain, Netherlands and Austria in 5M24, whereas slowdown continues in France, Italy and Belgium.
- In unit terms, consumer demand was flattish both in 5M24 and 1Q24 in Western Europe.
- In value terms, consumer demand declined by 1.8% y/y in value terms in 5M24 where the demand was flattish in 1Q24.

Beko in Western Europe

- Beko has managed to remain its competitiveness y/y both in units sold and value terms in the region.
- Market leadership after the Whirlpool transaction!

Eastern Europe

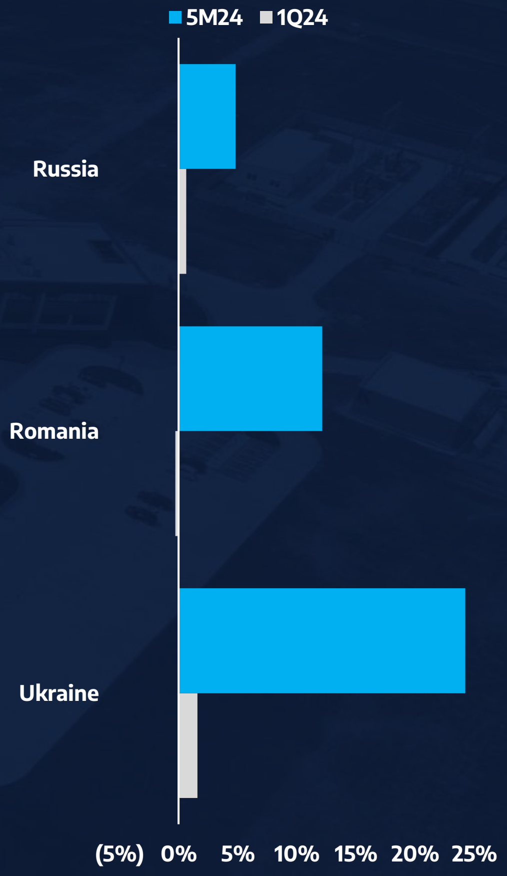
MDA6 Market

- Consumer demand in Eastern Europe has continued to grow strongly both in unit and value terms in 5M24.
- In Ukraine, consumer demand was up by over 20% y/y in 5M24 both in units and value terms in 5M24.
- Romania market grew by more than 10% in 5M24, both in units and value terms.

Beko in Eastern Europe

- Revenue growth in Eastern Europe was weaker compared to the market for the period.
- Beko maintained its leadership position in Eastern Europe in 5M24.

y/y market growth in unit terms



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MDA6 market charts and the market positionings reflect the data of a retail panel market for the given period in unit terms.

Beko

Robust demand in Africa & Middle East region whereas Asia-Pacific facing challenges

7%
Share in total revenue

Africa & Middle East

- Revenues generated from Africa & Middle East grew by 36% y/y in 2Q24 in EUR terms. Middle East market has surpassed the solid sales growth in the region. Acquired Whirlpool operations contributed to the growth.
- Defy's domestic unit sales and exports increased by 18% and 36% y/y respectively. In comparison with the previous quarter, domestic sales decreased by %15 whereas exports grew by 12% in unit terms.
- In EUR terms, Defy's domestic sales and exports increased by almost 10% and 23% y/y respectively. Domestic sales declined by %5 whereas exports in the region grew by 6% q/q.
- In Egypt, MDA6 market demand was substantially weaker both y/y and q/q in 2Q24 due to market instability and currency fluctuations. In EUR terms Beko Egypt's net sales decreased by 30% y/y whereas in local currency sales were up 8%.

12%
Share in total revenue

Asia-Pacific

- APAC home appliance landscape faces continued challenges caused by rising cost of living, political instability, and housing crisis.
- Revenues generated from APAC were down by 7% in EUR terms in 2Q24 y/y. The contraction was primarily due to ongoing weak consumer demand within the region.
- In Pakistan, net sales grew by 43% y/y in EUR terms, in 2Q24, whereas unit growth was %36 in the same period. Net sales and unit sales have grown by 53% and 39% respectively compared to previous quarter, reflecting strong growth trend in demand.
- In Bangladesh, significant revenue growth has been observed both y/y and q/q respectively by 9% and 10% in local currency which corresponds to a similar level in unit growth.

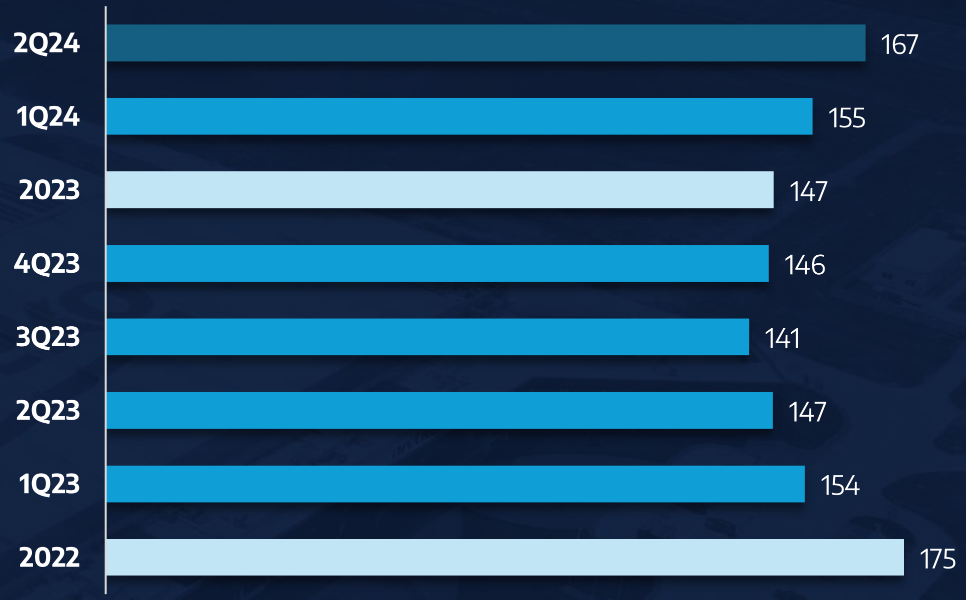
Increasing raw material costs in 2Q24

Average Metal Prices Index - Market

- Metal raw material prices slightly contracted y/y mainly due to declined global demand, increased policy rates and decreased energy & input costs whereas prices have started to reflect a minor increase in the last quarter.

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

Average Plastic Prices Index - Market



- Plastic raw material prices increased substantially y/y. The increase in the input costs accelerated in the last quarters.

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

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Financial Performance

2Q24 Financial Results

Summary Financials

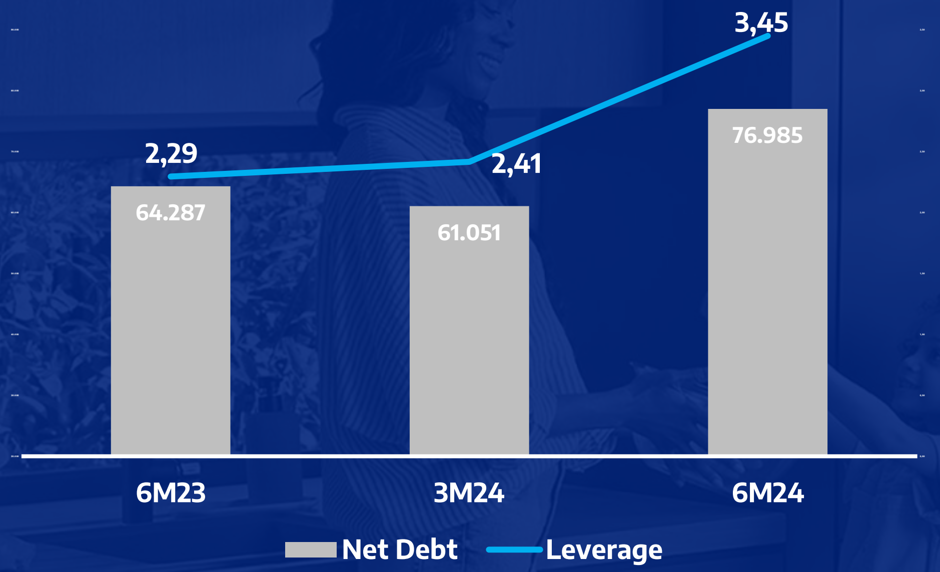
TRYmn	2Q24*	2Q23*	y/y	1Q24*	q/q	6M24*	6M23*	y/y
Revenue	101.584	82.571	23%	78.339	30%	179.923	157.337	14%
Gross Profit	28.117	25.646	10%	23.250	21%	51.367	47.156	9%
EBIT	1.616	5.727	(72%)	3.461	(53%)	5.078	8.408	(40%)
Adj. EBIT	978	5.727	(83%)	3.461	(72%)	4.527	8.408	(46%)
Net Financial Income/Expense	(4.831)	(4.957)	(3%)	(5.476)	(12%)	(10.307)	(8.642)	19%
Monetary Gain/Loss	1.786	1.477	21%	3.513	(49%)	5.299	4.524	17%
Profit Before Tax	(1.551)	2.286	(168%)	1.388	(212%)	(163)	4.104	(104%)
Net Income	(805)	1.942	(141%)	584	(238%)	(222)	3.497	(106%)
EBITDA	5.478	8.535	(36%)	6.234	(12%)	11.712	14.008	(16%)
Adj. EBITDA	4.840	8.535	(43%)	6.234	(22%)	11.162	14.008	(20%)

Gross Profit Margin	27,7%	31,1%	(338 bps)	29,7%	(200 bps)	28,5%	30,0%	(142 bps)
EBIT Margin	1,6%	6,9%	(534 bps)	4,4%	(283 bps)	2,8%	5,3%	(252 bps)
Adj. EBIT Margin	1,0%	6,9%	(597 bps)	4,4%	(346 bps)	2,5%	5,3%	(283 bps)
Monetary Gain(Loss)/Sales	1,8%	1,8%	(3 bps)	4,5%	(273 bps)	2,9%	2,9%	7 bps
Net Income Margin	-0,8%	2,4%	(314 bps)	0,7%	(154 bps)	-0,1%	2,2%	(235 bps)
EBITDA Margin	5,4%	10,3%	(494 bps)	8,0%	(257 bps)	6,5%	8,9%	(239 bps)
Adj. EBITDA Margin	4,8%	10,3%	(557 bps)	8,0%	(319 bps)	6,2%	8,9%	(270 bps)

* All results are indexed to reflect 1H24 prices.
** Adj. EBIT / EBITDA: Net income from investment activities are excluded.
*** Net income before minority.

Higher leverage due to increasing net debt and weaker Adj. EBITDA

Net Debt* & Leverage**

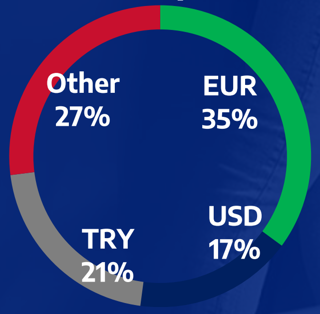


Debt Currency & Rates Breakdown

Currency	Effective Interest Rate*** p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	45,1%	22.175	22.175
EUR	5,1%	1.128	39.640
USD	8,3%	266	8.717
GBP	8,4%	16	655
ZAR	9,5%	1.674	3.020
AUD	6,1%	31	680
PKR	22,8%	19.949	2.340
BDT	12,4%	12.183	3.406
RUB	18,1%	4.048	1.546
RON	7,3%	195	1.370
PLN	7,0%	28	230
NOK	6,1%	97	299
DKK	5.0%	0	0
CNY	3,7%	46	205
SEK	5,4%	96	295
IDR	9,5%	95.525	192
MYR	6,0%	33	230
CZK	6,5%	82	115
THB	5,7%	835	747
TOTAL LOANS			**85.862**
EUR	3,0%	351	12.250
USD	8,5%	511	16.785
TRY	45,6%	6.358	6.358
TOTAL BOND			**35.393**
TOTAL			**121.255**

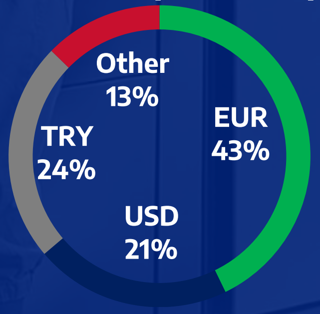
Cash Currency Breakdown

TRY45.3bn (EUR1.3bn)



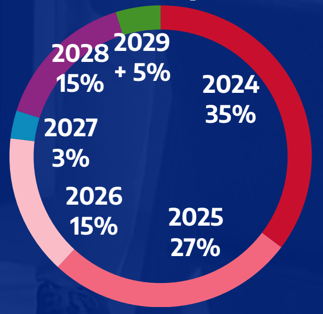
Debt Currency Breakdown

TRY121.3bn (EUR3.2bn)



Debt Maturity Profile****

TRY121.3bn (EUR3.2bn)



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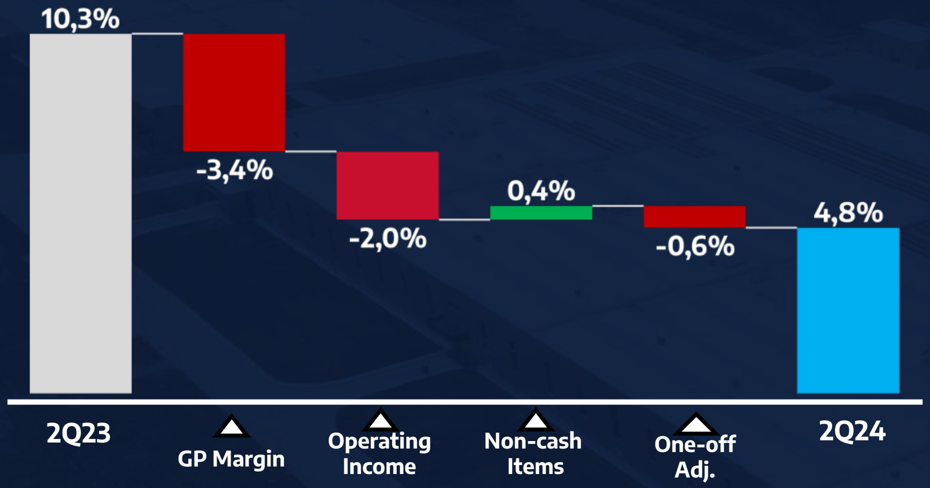
* Net Debt = Financial Debt + Derivatives (Net) – Cash and Cash Equivalents
** Periodic Adj. EBITDA data is annualized in calculation of Leverage.
*** Average effective TRY, EUR, USD funding (loans + bonds) rate was 45.1%, 4.7% and 8.5%, respectively.
**** The average duration of the consolidated debt portfolio was 2 years.

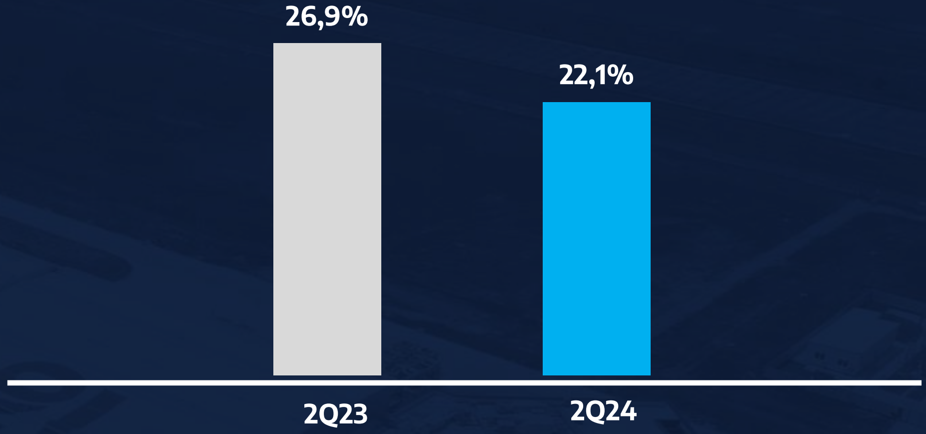
Beko

Key Performance Indicators

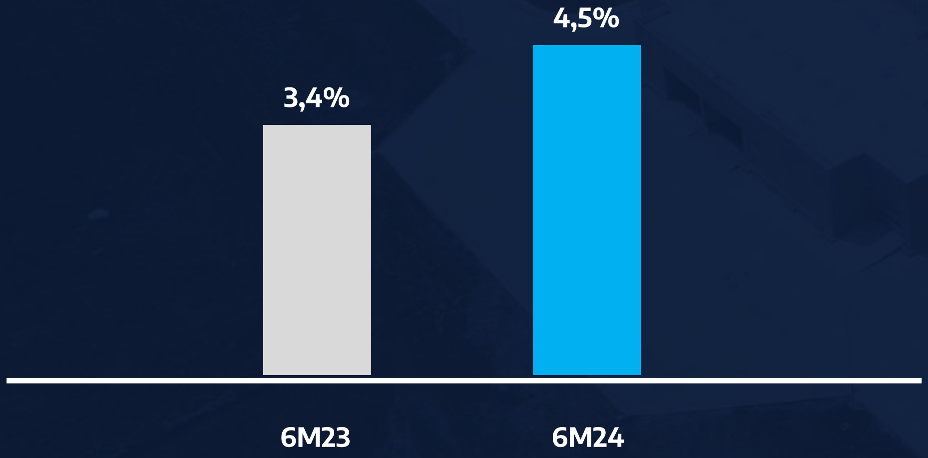
Adj. EBITDA Margin



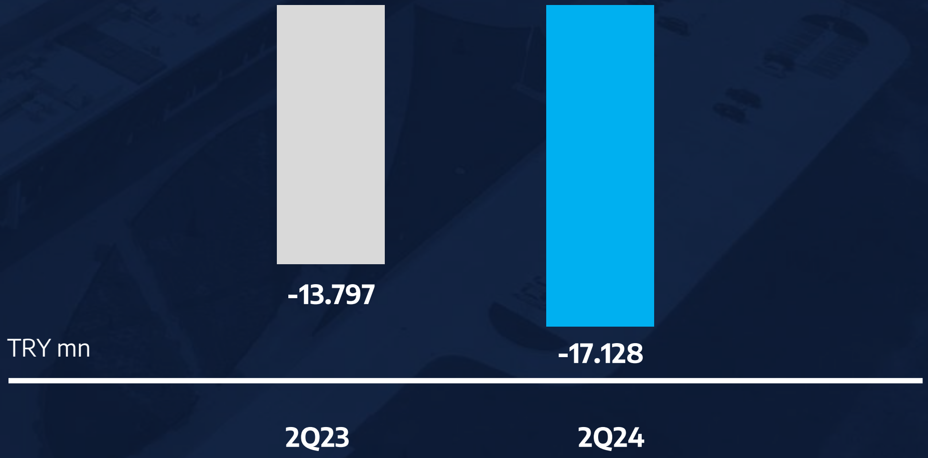
Working Capital/Sales*



CAPEX/Sales**



Free Cash Flow



* NWC period end / annualized 6M sales
** 6M CAPEX / 6M sales

Guidance

2Q24 Financial Results

2024 Guidance

	Initial Guidance	New Guidance[*]
Revenue		
Türkiye (in TRY)	Flattish	Flattish
International (in FX)	≈ 2%	≈ 50%
EBITDA Margin	≈ 8%	≈ 6.5%[**]
NWC/Sales	< 25%	c.22%
CAPEX	≈ EUR 300 m	≈ EUR 350 m[***]

[*] Whirlpool transactions impact is included.
[**] Excluding net income from investments and one-off transaction costs.
[***] Including integration and optimization costs.

Efficiency improvements to deliver long-term sustainable growth and profitability

Investing in technology and AI tools to work in an agile manner and drive efficiency in all our operations around the world.

Ongoing and planned investments would help to create operational efficiency after the merger through;

- optimizing processes,
- maximizing resource utilization,
- executing cost saving opportunities,
- evaluating, aligning and consolidating roles,
- eliminating duplicate roles.

- Driving productivity through organizational restructuring, process integration and optimization
- Advanced AI and automation tools to streamline operations
- Leveraging analytics for more informed, strategic decisions
- Integration of systems

- Estimated EUR 140m savings through eliminating approximately 2,000 office positions over the next three years across our global operations*.

* Realized figures would be updated in the earnings presentations.

Q&A

2Q24 Financial Results

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Arçelik

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Contacts

Özkan Çimen
Chief Financial Officer
(+90) 212 314 34 34

Mine Şule Yazgan
Finance & ERM
Executive Director
(+90) 212 314 30 60

Delal Alver
Capital Markets Compliance
Senior Lead
(+90) 212 314 39 56

Sezer Ercan
Investor Relations
Senior Lead
(+90) 212 705 96 81

www.arcelikglobal.com

investorrelations@arcelik.com

Thank You!