

2021 Financial Results

Arçelik



4Q21 HIGHLIGHTS

TRY22.5bn

Revenue

9.4%

EBITDA Margin

23.8%

OPEX / Sales

26.3%

NWC / Sales

2.40x

Leverage

FX appreciation leading substantial net sales growth in 4Q21.. Closing 2021 with satisfying profitability..



Solid sales growth of 69% y/y & 24% q/q, the organic growth was 42% y/y



Pull forward demand was effective starting from November in Turkey mainly due to the anticipation of further rising prices



EBITDA margin of 9.4% (8.1% exc. one-off items) in 4Q21, bringing yearly consolidated margin to 10.6% (10.1% exc. one-off items)



Net Working Capital / Sales was 26.3%, in line with the guidance despite the volatile exchange rates



Leverage was 2.4x. Adding the value of shares bought back as of year-end (0.26x impact) and annualized EBITDA & cash contribution of acquisitions (0.29x impact), the leverage would be 1.86x.



The highest score in Dow Jones Sustainability Index achieved for the third year in a row & Terra Carta Seal

REACHING THE HIGHEST SCORE IN DJSI THREE YEARS IN A ROW & AWARDED THE TERRA CARTA SEAL

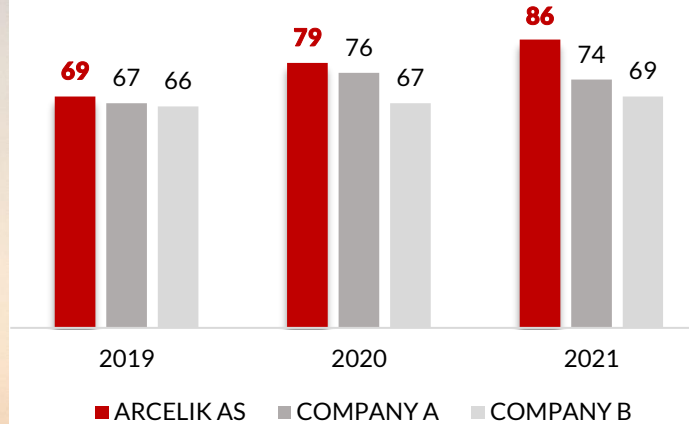
Arçelik

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

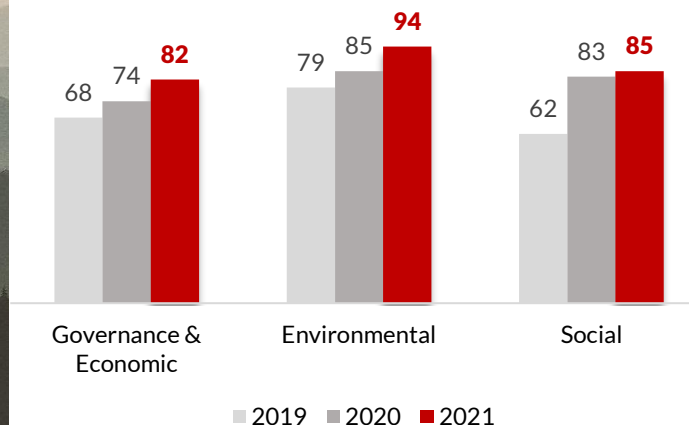
2021 S&P Global Corporate Sustainability Assessment
DHP Household Durables Industry | Highest Score

as of Nov 12, 2021

TOP 3 RANKING



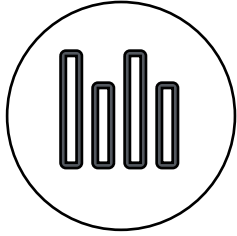
ARÇELIK AS - DIMENSIONS



Arçelik is one of 45 companies in the world who received HRH The Prince of Wales' Terra Carta Seal in recognition of the company's commitment to creating a sustainable future

- ✓ **The first & only company of its industry across the world**
- ✓ **The first & only company in Turkey**

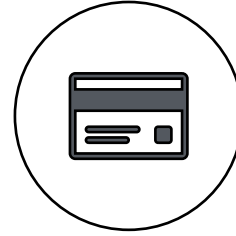
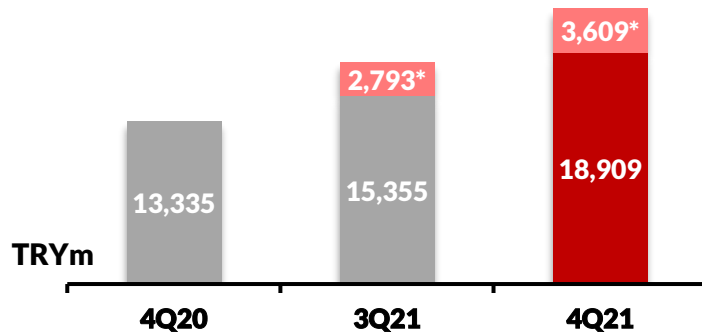
KEY FACTORS SALES / MARGINS



REVENUE GROWTH

69%

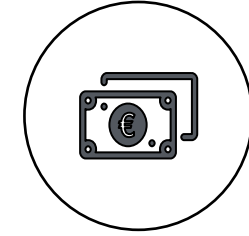
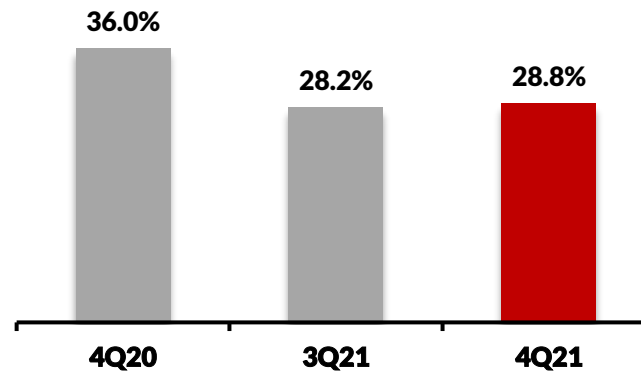
- Significant TRY depreciation (q/q & y/y)
- Price increases (q/q & y/y)
- Inorganic unit growth (y/y)



GROSS MARGIN

28.8%

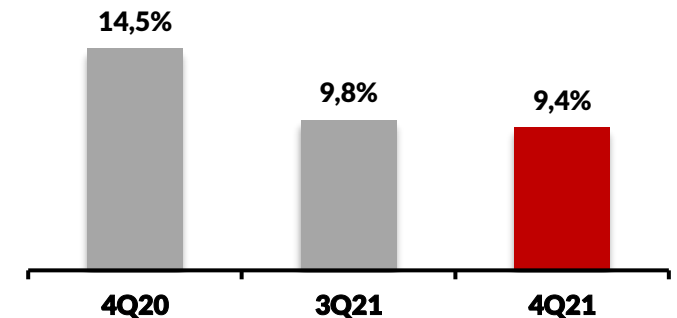
- Higher raw material prices with appreciated EUR & USD (y/y)
- Lower capacity utilization (y/y)
- Strengthened USD against EUR (y/y)



EBITDA MARGIN

9.4%

- 271 bps increase in OPEX/Sales ratio (q/q)
- Declining GP margin due to cost inflation (y/y)
- 129 bps positive impact from one-off items in 4Q21



Operational Performance



4Q21 Financial Results

Arçelik

CYCLING A STRONG GROWTH, PULL FORWARD DEMAND LEADING TO A LIMITED CONTRACTION IN TURKISH MDA6 MARKET IN 4Q21



MDA6*

ARÇELİK



MARKET



AIR CONDITIONER*

ARÇELİK



MARKET



TELEVISION**

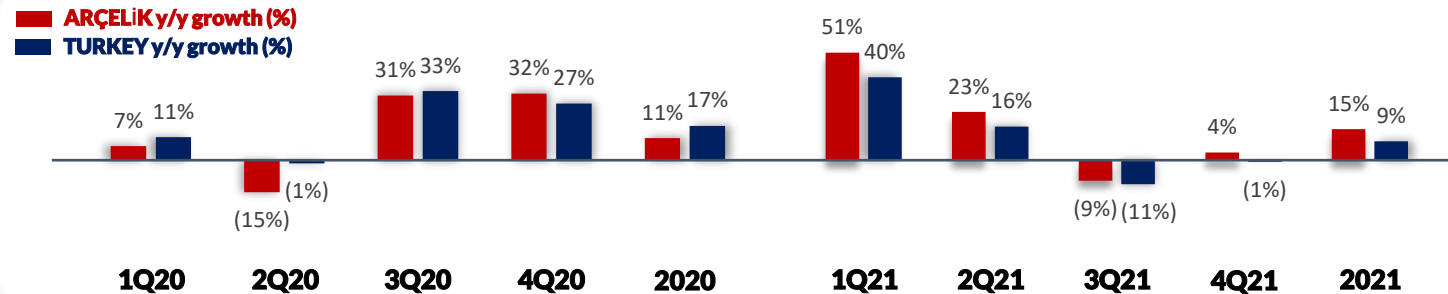
ARÇELİK



MARKET

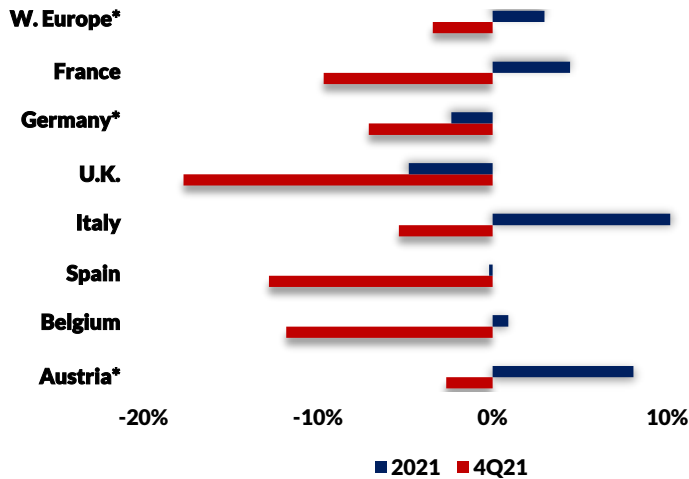


TURKISH MDA6 MARKET GROWTH vs ARÇELİK (% y/y)

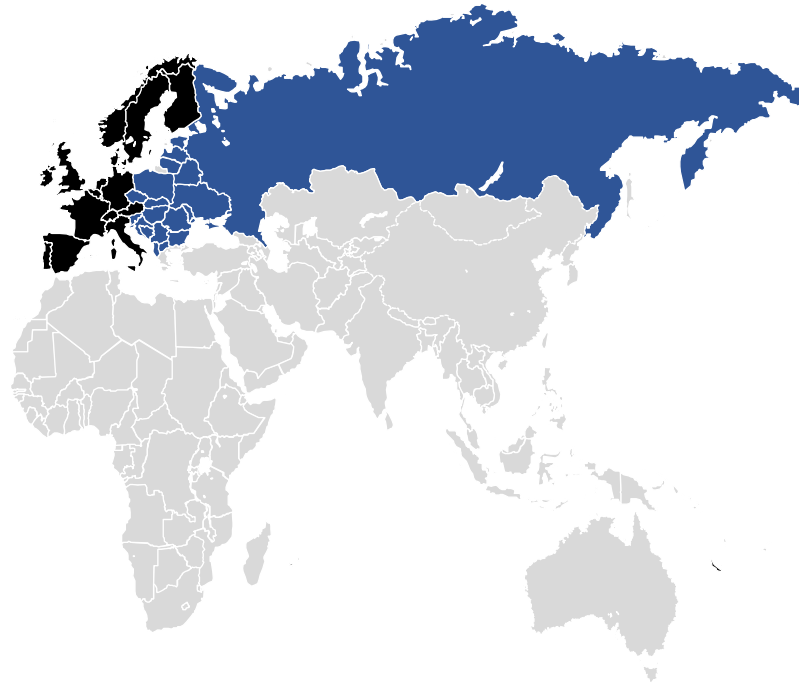


4Q21 WAS CHALLENGING IN EUROPE AS MARKETS WERE CYCLING HIGH BASE

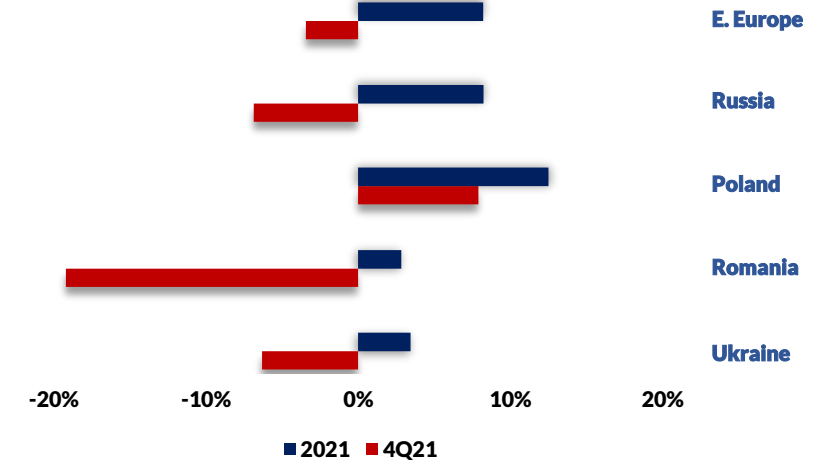
Western Europe



- Mainly due to the high base, consumer demand in the majority of the W.European countries declined on a yearly basis in 4Q21.
- Except for France, Italy and Belgium, the demand in other Western European countries fell in 2021 y/y, as expected.

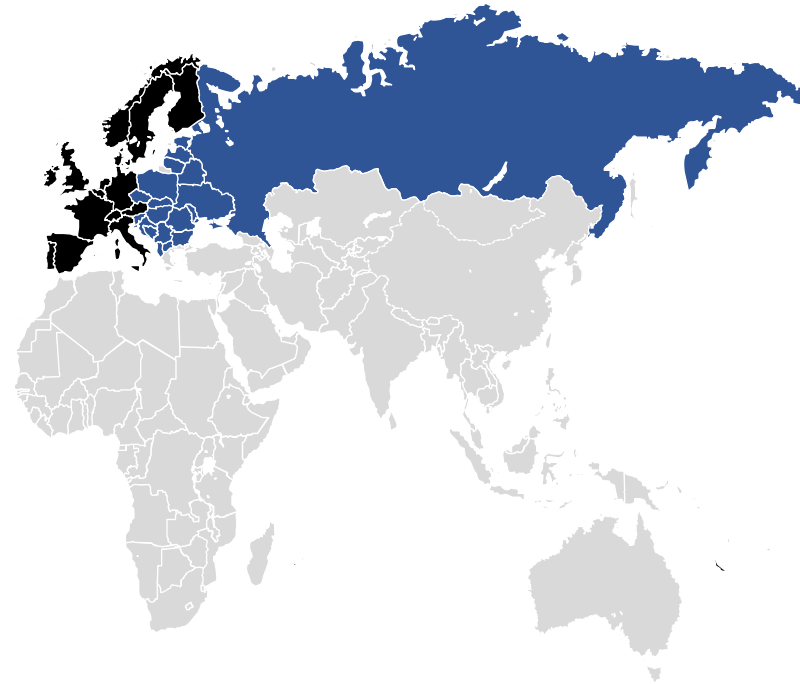


Eastern Europe



- Despite strong November figures, except for Poland, Eastern European countries contracted in 4Q21 y/y.
- While on a quarterly basis, demand was remained strong in Poland, Ukraine and Romania in 4Q21.
- However, on a yearly basis, the demand in Russia, Poland, Romania and Ukraine posted growth in 2021.

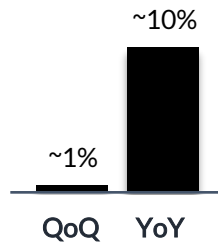
ARÇELİK STRENGTHENED ITS POSITION IN CORE COUNTRIES OF EUROPEAN MARKET



Arçelik Western Europe Highlights

- Double-digit top-line growth in EUR terms in 4Q21 y/y thanks to unit growth (mainly additional units from Whirlpool Manisa Factory acquisition) & price increases, while on q/q units were slightly increased.
- Beko has captured the leadership position in France as of 2021 year-end.
- Beko strengthened its leadership position in the U.K. as of 2021 year-end, gaining market share compared to 2020.

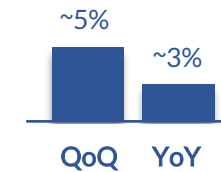
Sales Growth (EUR)



Arçelik Eastern Europe Highlights

- Top-line growth stood at mid single digit in EUR terms in 4Q21 on q/q thanks to price increases, while the growth was low single digit on y/y.
- Arçelik Group maintained its leadership in Poland while Beko was the number one brand as of 2021 year-end.
- With its Arctic & Beko brand being no.1 & 2 respectively, Arçelik Group sustained its leadership in Romania as of 2021 year-end.
- Improvement in price index in Russia in 2021 on a yearly basis without losing market share.
- Arçelik Group improved its market share in Ukraine in 2021 vs 2020

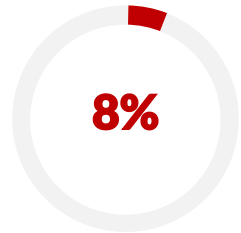
Sales Growth (EUR)



31%
Share in total
revenue

14%
Share in total
revenue

HIGHER CONTRIBUTION FROM ARÇELIK-HITACHI, AFRICA CYCLING HIGH BASE

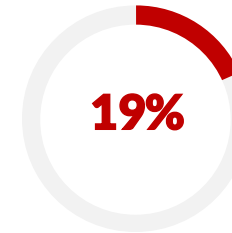
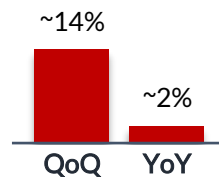


AFRICA & M. EAST

(Share in total revenue)

- Defy's units & revenues was increased by double digit in 4Q21 on a quarterly basis in both ZAR & EUR terms due to Black Friday sales, while, on a yearly basis, units and revenue were declined mainly due to the strong base.
- Market leadership position has been strengthened further as of October 2022 compared to a year ago.
- Defy's export units to Sub Saharan Africa countries was down by c.8% on q/q & c.25% mainly due to the strong base.
- Beko Egypt posted 63% y/y growth in 4Q21 in EUR terms due to price increases y/y and increasing share of Beko in a growing market. Beko became market leader in dishwasher category in Egypt as of 4Q21.

Sales Growth (EUR)

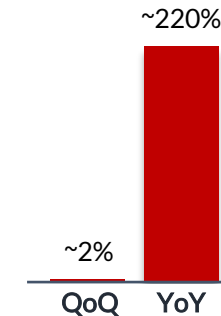


APAC

(Share in total revenue)

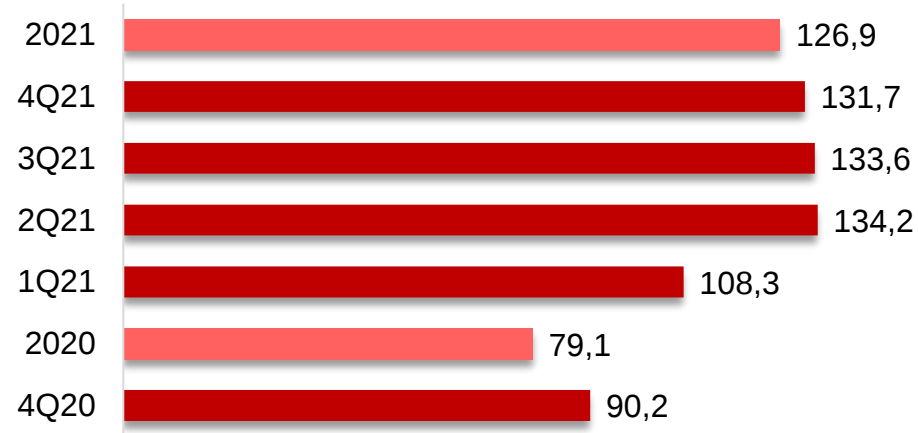
- Higher contribution from Arçelik-Hitachi to both consolidated & APAC net sales compared to the previous quarter, having c.13% share in total net sales (c.11% in 3Q21)
- Robust revenue growth of c.25% y/y in PKR terms (c.20% in EUR terms) in Pakistan in 4Q21 thanks to price increases y/y while inflationary pressure & off-season impact resulted in lower sales on a quarterly basis with c.7% contraction in PKR terms (c.9% in EUR terms).
- In Bangladesh, sales were contracted in 4Q21 y/y in BDT terms due to the ongoing pandemic impact. In 2021, net sales were grew by mid-single digit y/y with strong performance of 1st & 2nd quarter.

Sales Growth (EUR)



RAW MATERIAL PRICES HIT RECORD HIGH LEVELS IN 2021

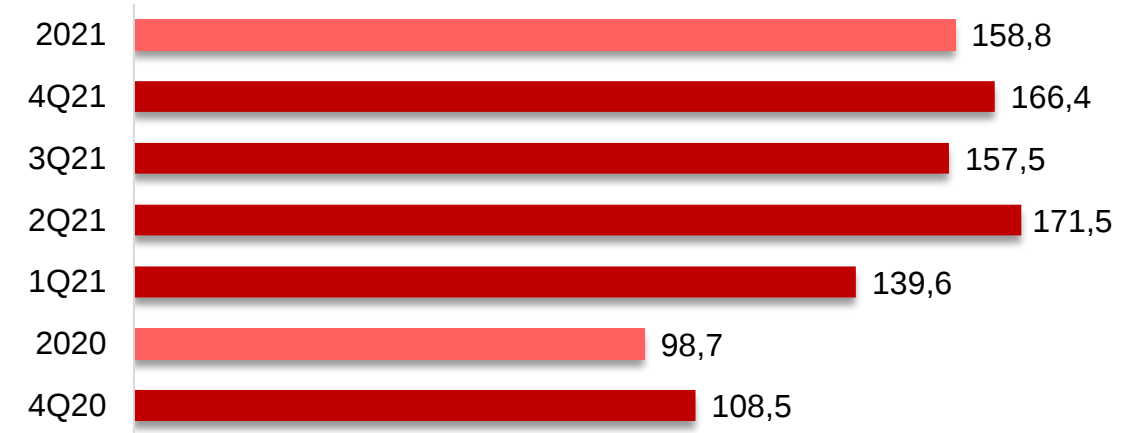
Average Metal Prices Index - Market



- Moderate soften in metal prices in 4Q21 compared previous quarter mainly due to the increase in capacity usage in China and relatively lower demand.

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

Average Plastic Prices Index - Market



- Average plastic prices went up in 4Q21 compared to last quarter due to energy crisis, power cut in China due to their 'blue sky' motto.

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

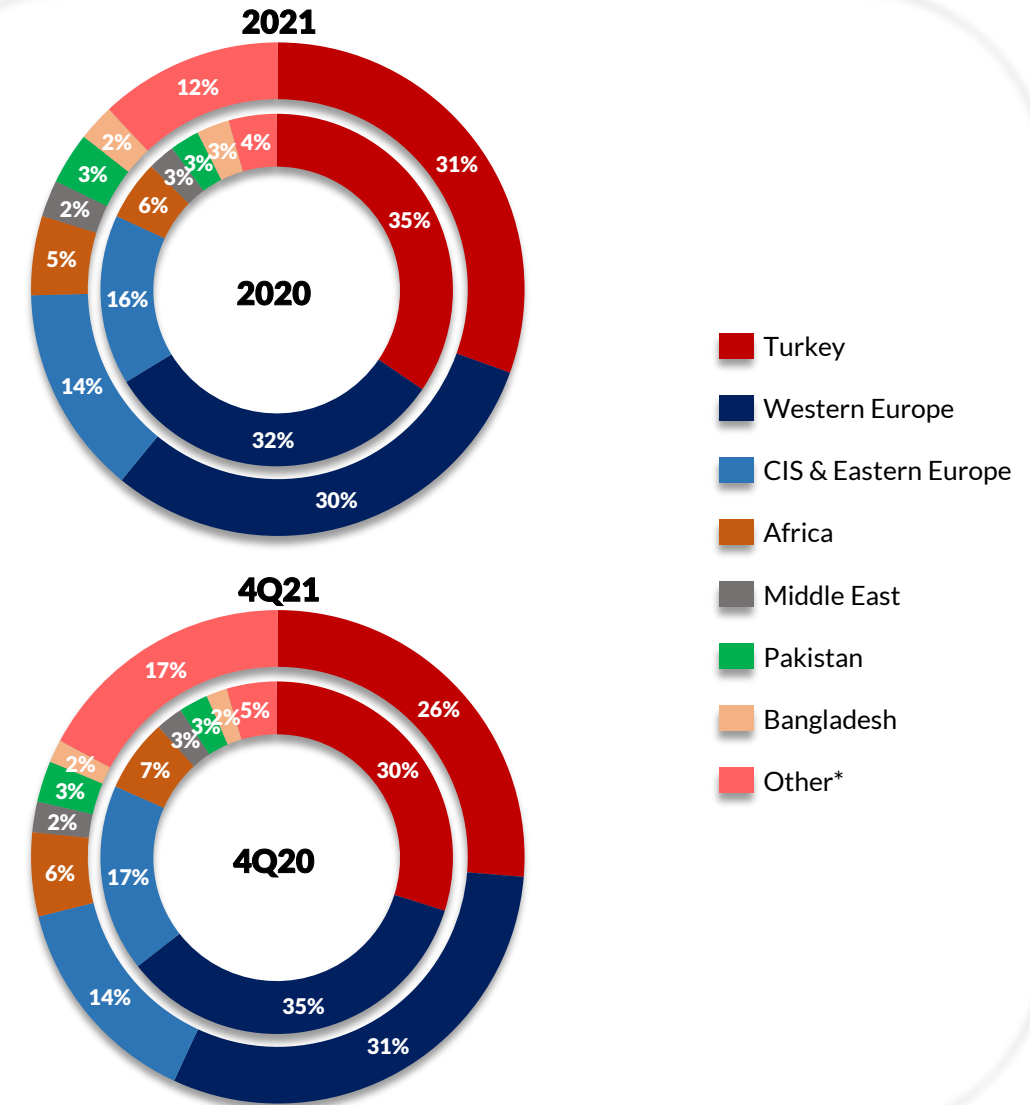
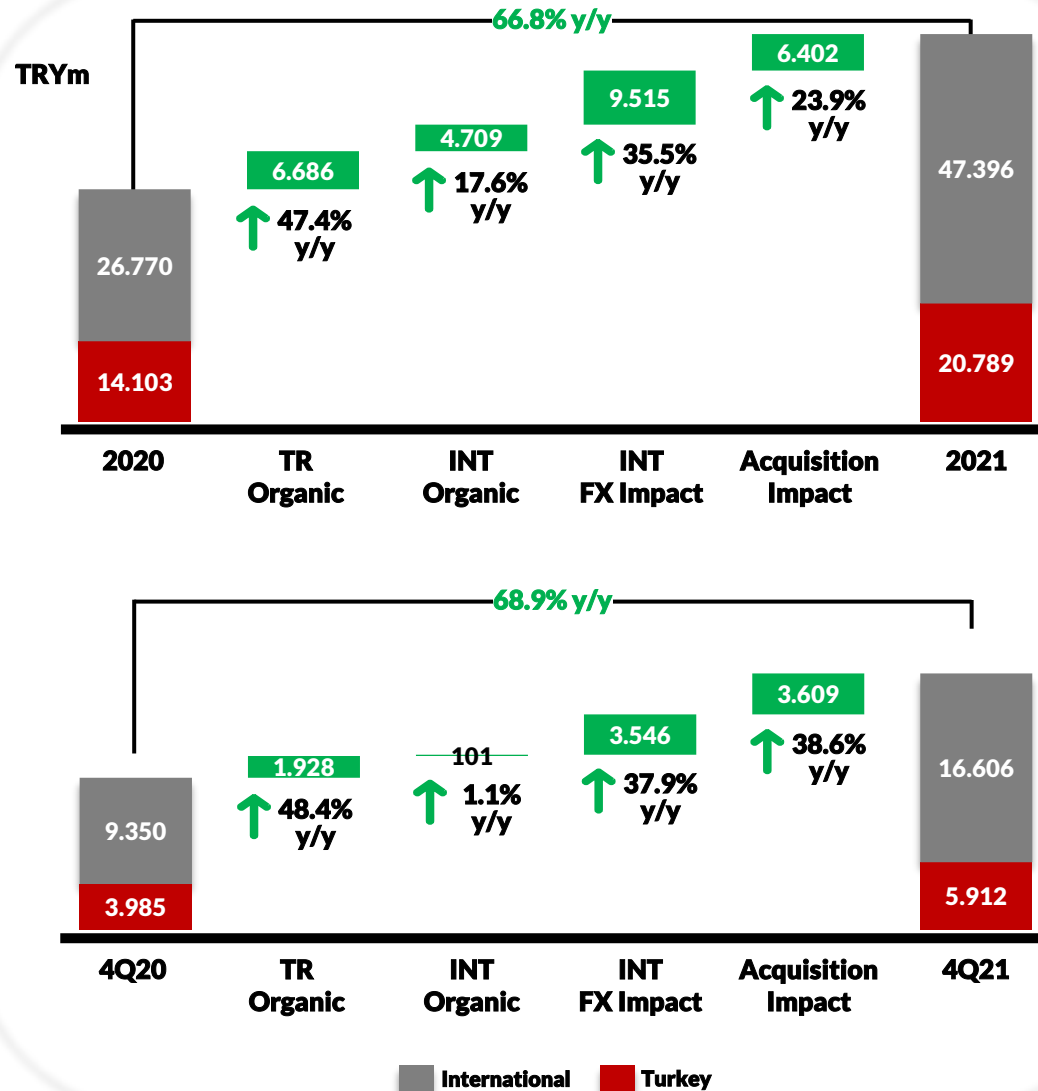
Sales Performance



4Q21 Financial Results

Arçelik

RESILIENT REVENUE COMPOSITION THROUGH DIVERSIFICATION



*The net sales of Arçelik-Hitachi Home Appliances has been shown in Other. In 4Q21, the share of Arçelik Hitachi Home Appliances in total net sales was c.13% while the share was 7% in 2021.

Financial Performance



4Q21 Financial Results

Arçelik

SUMMARY FINANCIALS

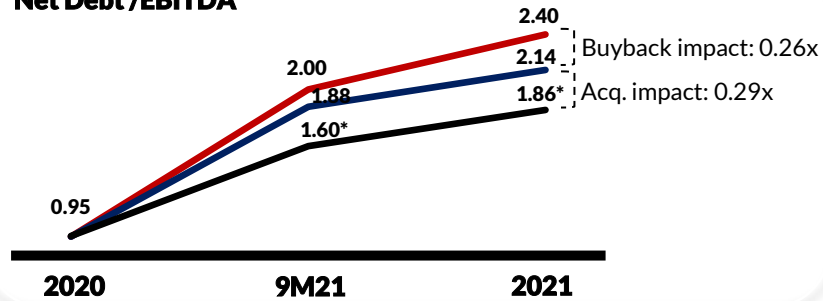
TRYm	4Q21	4Q20	Δ y/y	3Q21	Δ q/q	2021	2020	Δ y/y
Revenue	22,519	13,335	69%	18,148	24%	68,184	40,872	67%
Gross Profit	6,477	4,803	35%	5,125	26%	20,478	13,806	48%
EBIT	1,156	1,607	(28%)	1,321	(13%)	5,068	4,184	21%
Profit Before Tax	974	1,379	(29%)	770	26%	3,623	3,498	4%
Net Income	893	1,170	(24%)	717	25%	3,251	2,879	13%
Net Income – exc. one-offs	601	1,170	(49%)	717	(16%)	2,959	2,417	22%
EBITDA	2,106	1,932	9%	1,782	18%	7,206	5,584	29%
EBITDA – exc. one-offs	1,815	1,932	(6%)	1,782	2%	6,914	5,122	35%
Gross Profit Margin	28.8%	36.0%	(726 bps)	28.2%	52 bps	30.0%	33.8%	(375 bps)
EBIT Margin	5.1%	12.0%	(692 bps)	7.3%	(215 bps)	7.4%	10.2%	(280 bps)
Net Profit Margin	4.0%	8.8%	(481 bps)	3.9%	2 bps	4.8%	7.0%	(228 bps)
Net Profit Margin - exc. one-offs	2.7%	8.8%	(610 bps)	3.9%	(128 bps)	4.3%	5.9%	(157 bps)
EBITDA Margin	9.4%	14.5%	(513 bps)	9.8%	(47 bps)	10.6%	13.7%	(309 bps)
EBITDA Margin – ex. one-offs	8.1%	14.5%	(643 bps)	9.8%	(176 bps)	10.1%	12.5%	(239 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.

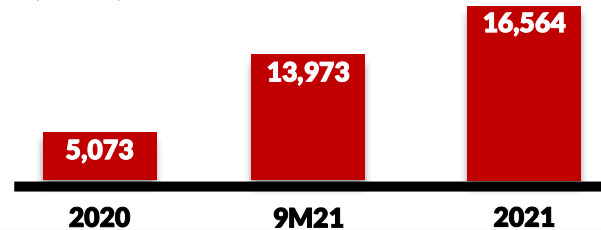
**Net income before minority

HEALTHY LEVERAGE SUSTAINED DESPITE ACQUISITIONS, SHARE BUYBACK, FX VOLATILITY

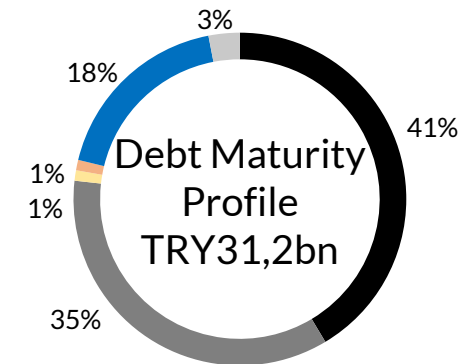
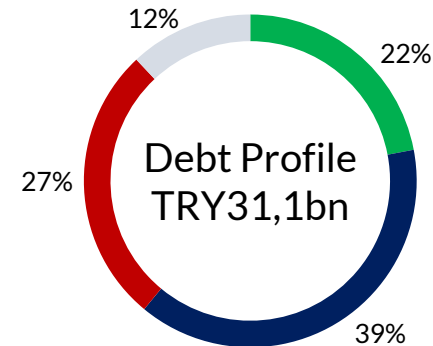
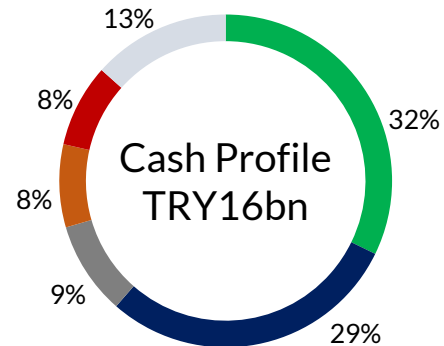
Net Debt /EBITDA



Net Debt (TRYm)



Currency	Effective Interest Rate p.a.	Original Currency (mn)	TRY Equivalent (mn)
TRY	17.8%	6,836	6,836
EUR	1.4%	464	6,818
USD	1.8%	20	266
GBP	0.6%	7	124
ZAR	5.5%	904	736
AUD	3.3%	24	228
PKR	9.1%	24,286	1,755
BDT	5.1%	4,655	705
RUB	8.4%	1,405	243
RON	3.4%	22	65
NOK	1.6%	23	33
PLN	-	0	0
TOTAL LOANS			17,810
USD	5.0%	506	6,566
EUR	3.0%	356	5,225
TRY	19.9%	1,544	1,544
TOTAL BOND			13,335
TOTAL			31,145



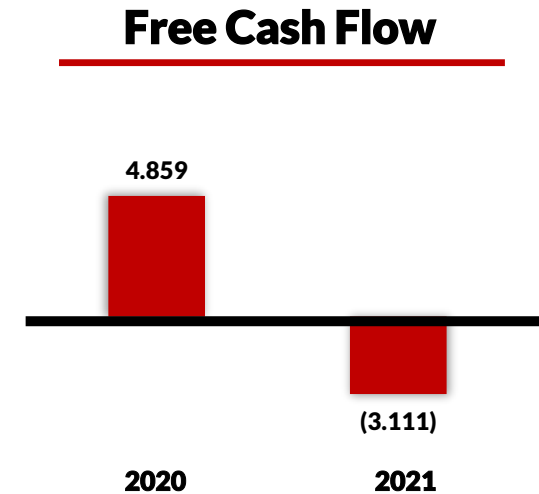
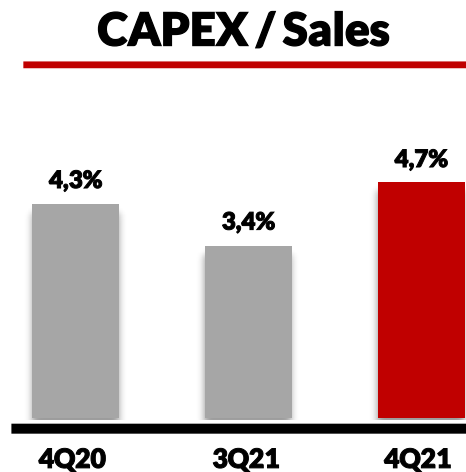
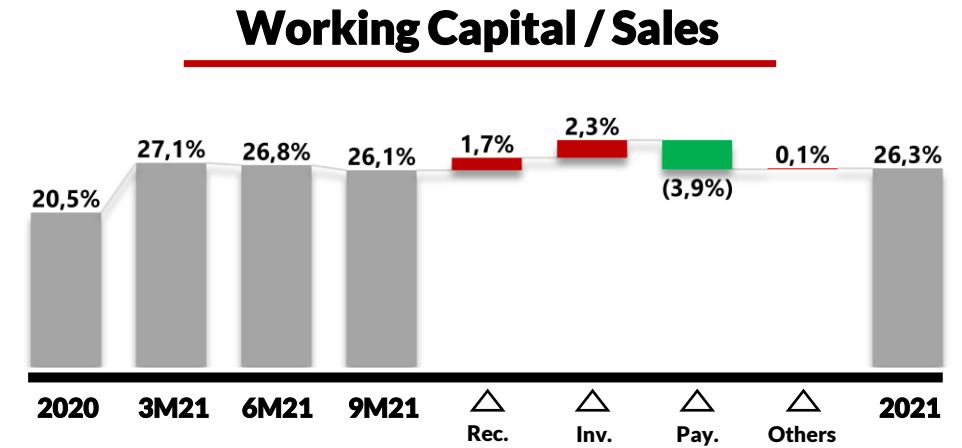
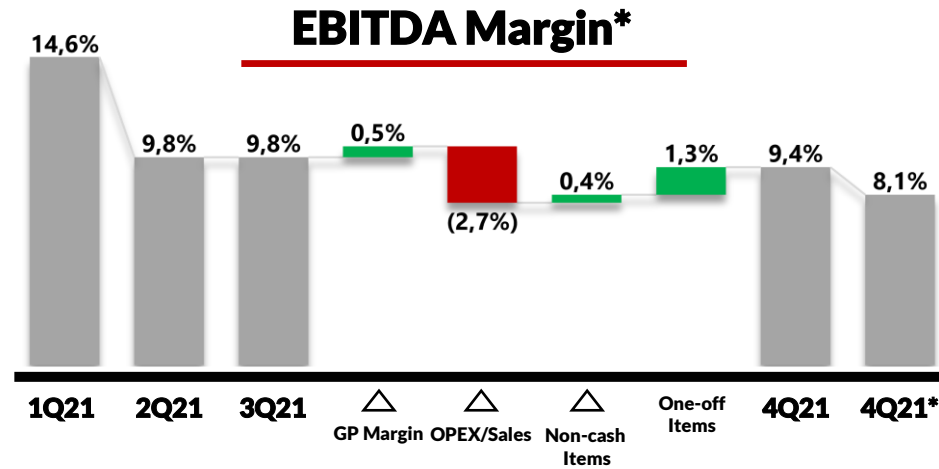
USD EUR GBP CNY TRY Other

USD EUR TRY Other

2022 2023 2024 2025 2026 2026+

*If the value of the shares acquired as of 31.12.2021 were deducted from net debt and EBITDA & cash contributions of our recent acquisitions were annualized the leverage is calculated as 1.60x as of 9M21 and as 1.86x as of 2021.

NEGATIVE FCF IN 2021 MAINLY DUE TO NWC



*Excluding the impact of one-off items, 4Q21 EBITDA margin was 8.1%.

Guidance



4Q21 Financial Results

Arçelik

4Q21 Financial Results

2021 GUIDANCE



Revenue

- Turkey (in TRY) c.35% growth
- International (in FX) c.35% growth
- Consolidated (in TRY) c.55% growth

Actual

- ✓ 47% growth
- ✓ 36% growth
- ✓ 67% growth



EBITDA Margin

c.11.0%



10.6%



WC/Sales

c.25%



26.3%



CAPEX

c.220 mio EUR



228 mio EUR

4Q21 Financial Results

2022 GUIDANCE



Revenue

- Turkey (in TRY) c.35% growth
- International (in FX) c.20% growth
- Consolidated (in TRY) >60% growth



EBITDA Margin

c.10.5%



WC/Sales

c.25%



CAPEX

c.220 mio EUR

Q&A



4Q21 Financial Results

Arçelik

Appendix



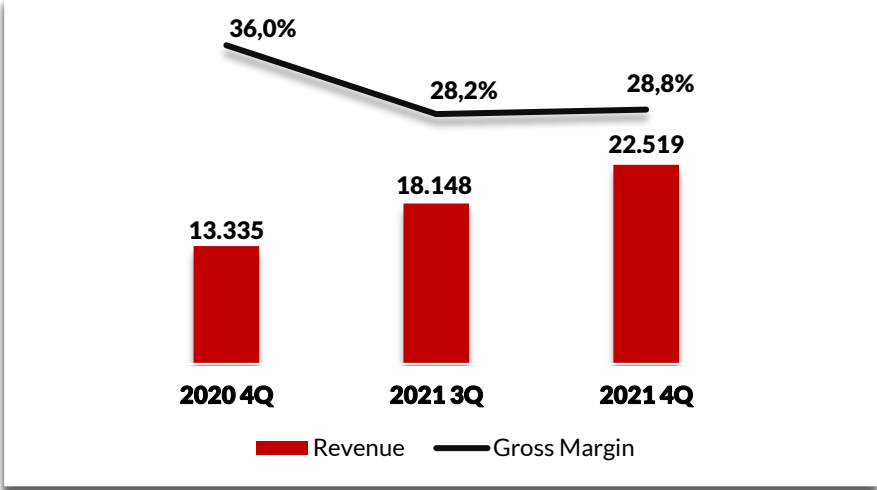
4Q21 Financial Results

Arçelik

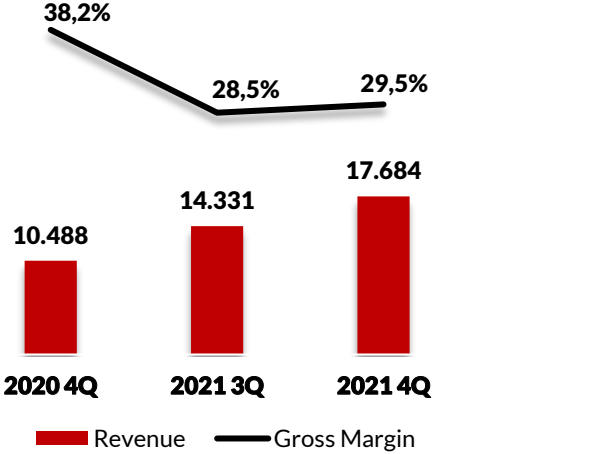
4Q21 Financial Results

MARGINS BY SEGMENTS

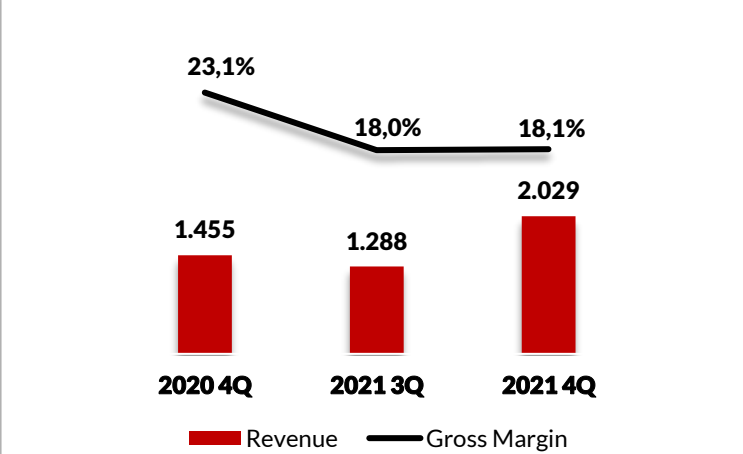
Consolidated



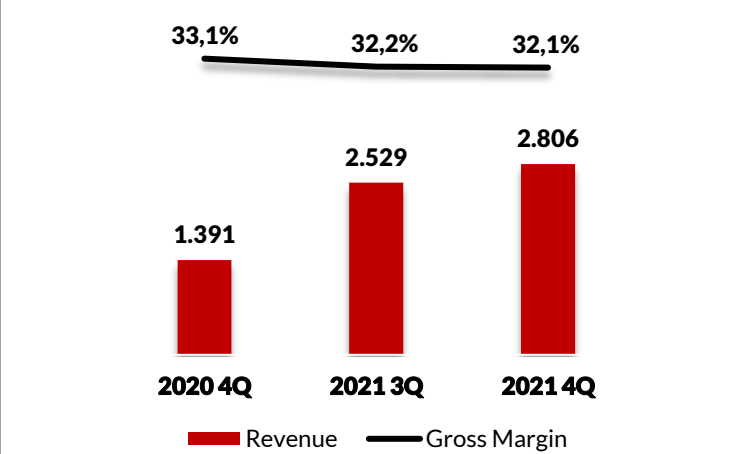
White Goods



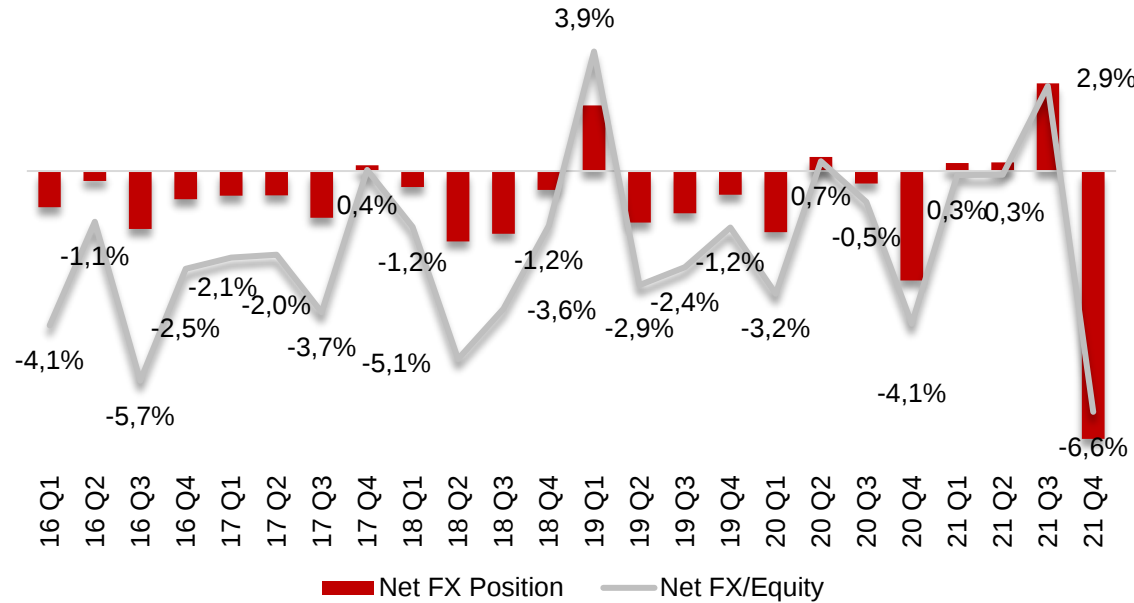
Consumer Electronics



Other



CLOSE WATCH ON FX RISK, PROACTIVELY TAKEN ACTIONS



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

TRYm	Before Hedge	Hedged Position	Net Position
EUR	(3,238)	2,905	(332)
USD	(3,843)	3,065	(778)
GBP	1,993	(1,990)	4
Other	1,672	(1,960)	(288)
TOTAL	(3,415)	2,021	(1,394)
Net FX Position / Equity			(6,6%)

- 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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