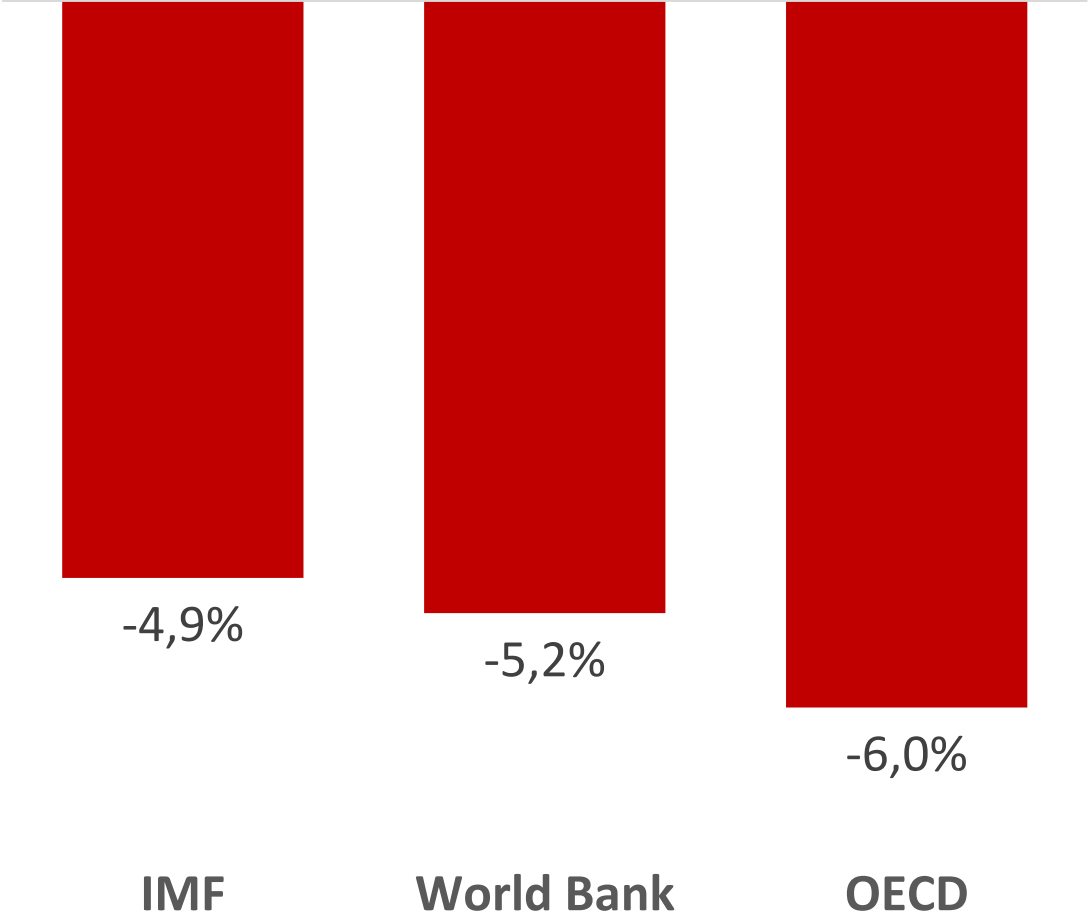


Arçelik

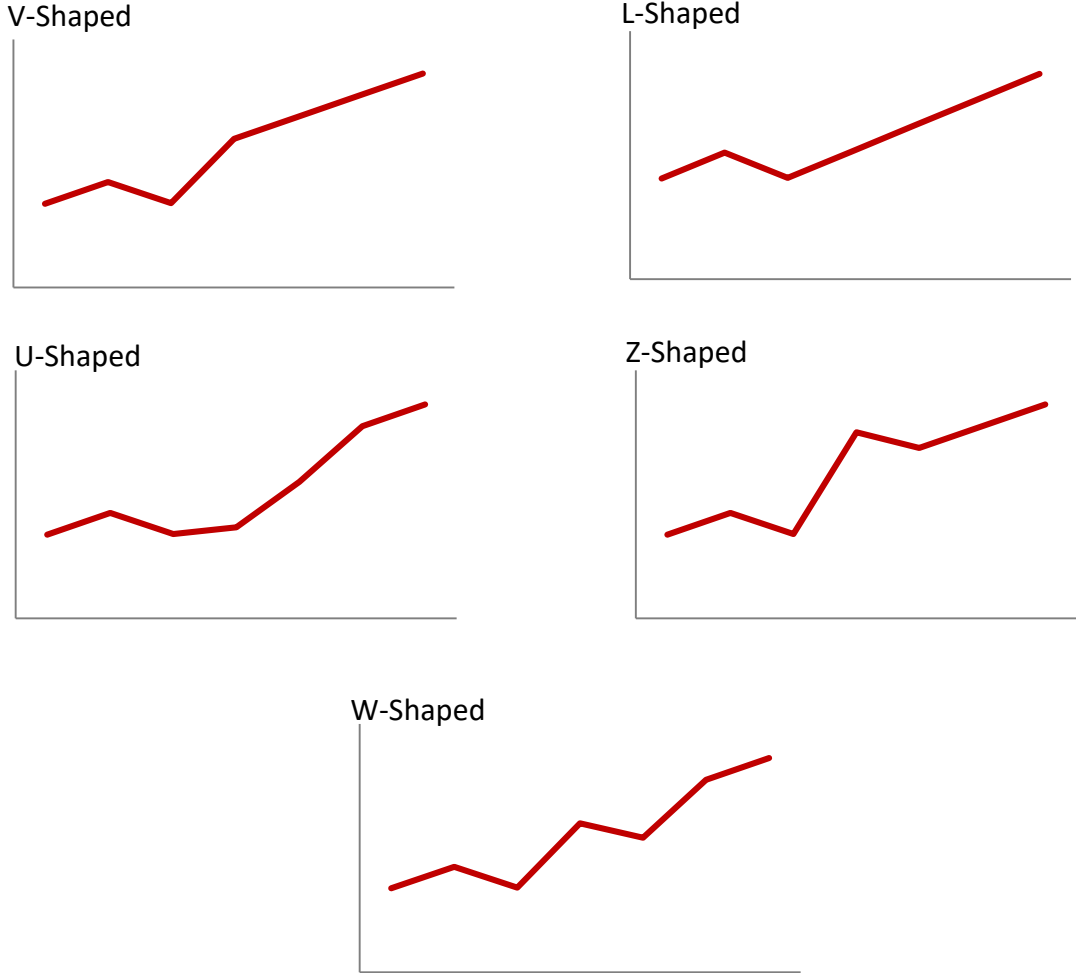
2020 – 6 Month
Financial Results

A Crisis Like No Other: **COVID-19**

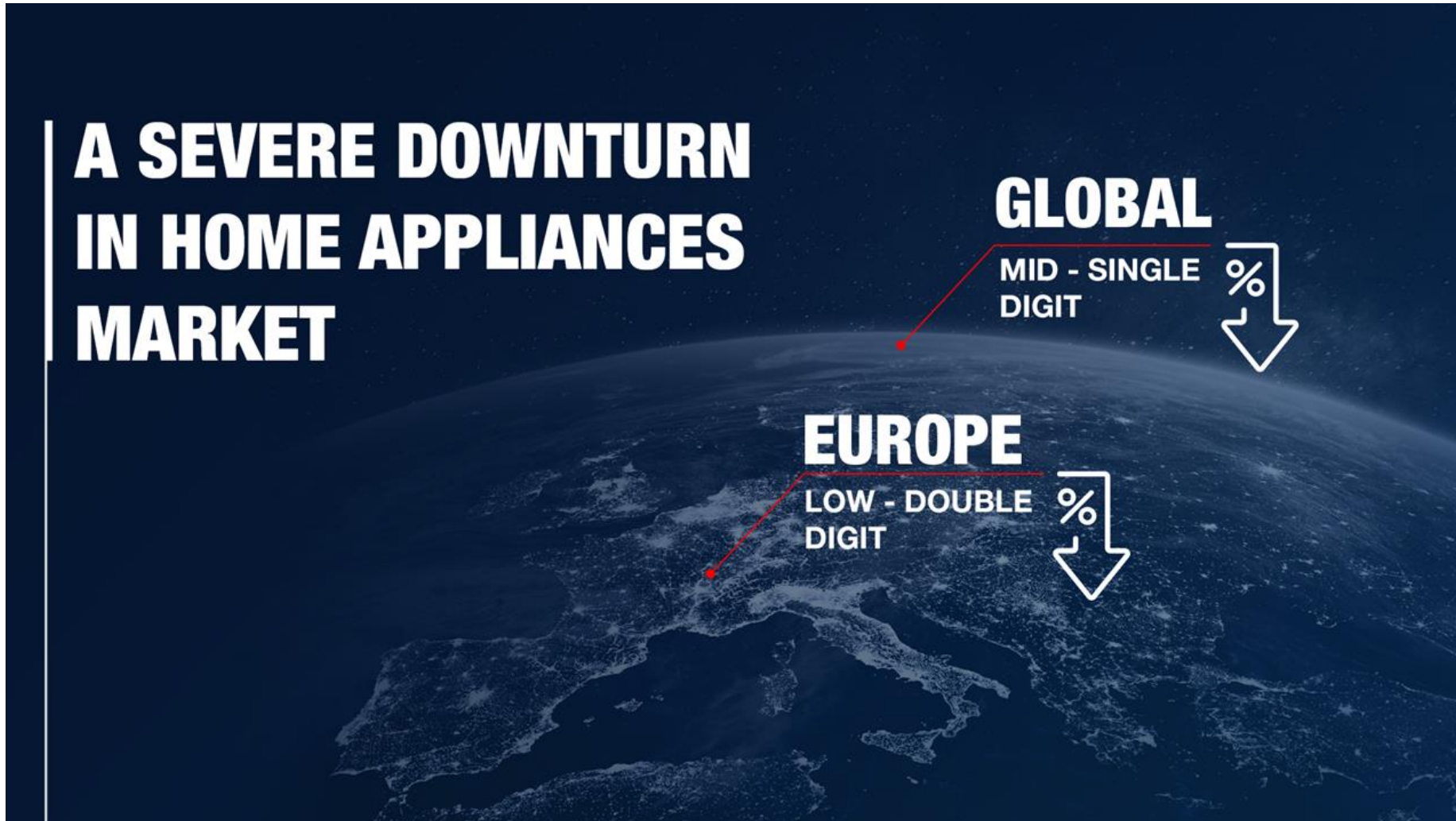
A Deep Global Recession in 2020



Different Recovery Scenarios



COVID-19 Impact: Appliance Market



COVID-19 Impact: Evolving Needs

Evolving Consumer Needs



- Conscious Consumption



- Re-Prioritizing What is Important

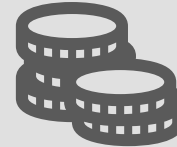


- E-Commerce Boom

Seizing Opportunities



- Reliability



- Value for Money



- Resource Efficiency

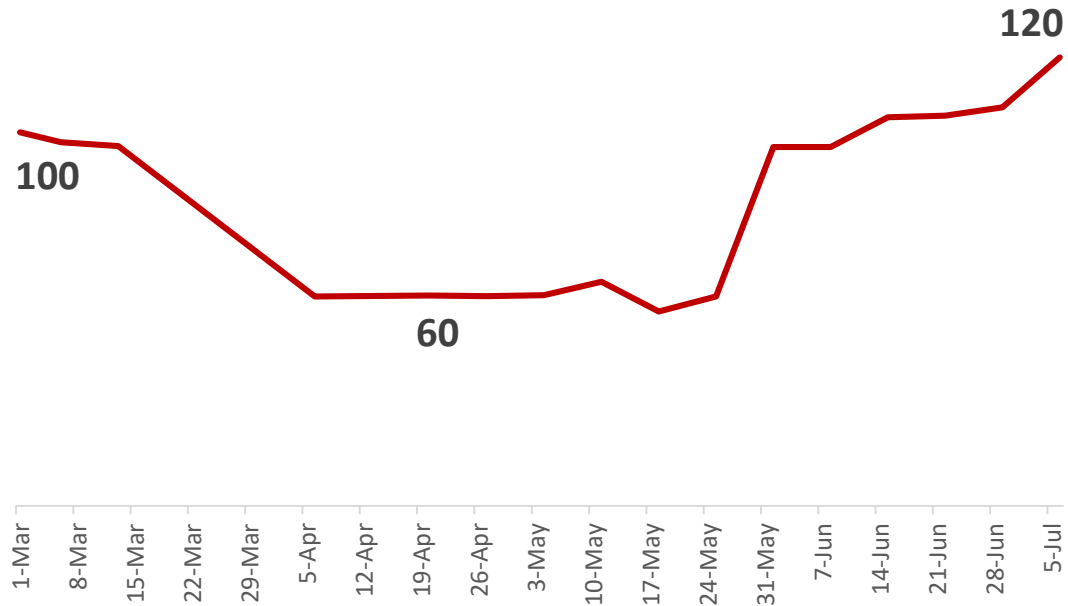
COVID-19 Impact: **Building Resilience**

Solid Business Continuity

In our production facilities, all necessary precautions were taken at world standards and production was maintained with maximum capacity.

- Utilizing 90% Capacity with World Class Protective Measures

Daily Production Capacities

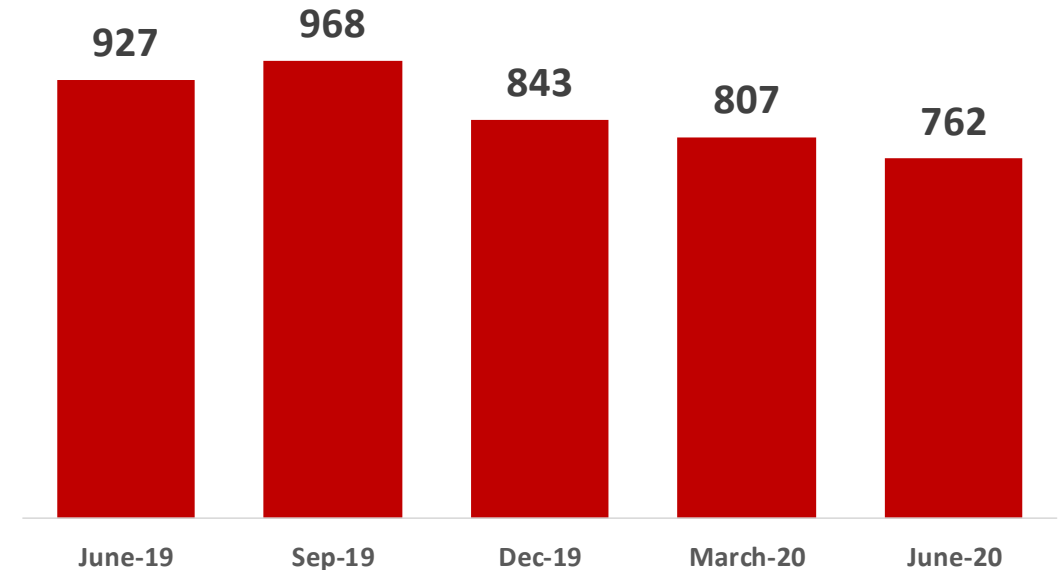


Inventory Optimization

Consolidated inventory value was reduced to EUR 762 mio. with effective stock management

- Around 18% improvement compared to last year

Inventory (EURmn)



COVID-19 Impact: **Serving Communities**

Ventilator Production

- The project started on March 25, the first prototype was produced on March 31, mass production began on April 25, and 5,000 ventilator production was completed on June 20.
- **Nearly 3.000 ventilators have been exported.**
- Arcelik donated 59 ventilators to different countries.



Turkey, Brazil, Azerbaijan, Uzbekistan, Chad, Niger, Bangladesh, Somalia, Afghanistan, Nigeria, Dagestan, UAE, Libya, Syria, Romania, Philippines, Ukraine, Russia, Kazakhstan, Indonesia, Pakistan, Kenya, S.Africa

Hospital Donations

- In **Turkey**, more than 2000 Arcelik and Beko brand products were donated.
- Nearly 8,800 products were donated to more than **550 hospitals in 20 countries.**



Turkey, Romania, France, Spain, Poland, Kosovo, Serbia, Bosnia and Herzegovina, Slovenia, Philippines, Ukraine, United Kingdom, Czech Republic, Ghana, Thailand, Nigeria, Angola, Germany, Pakistan, Bangladesh



COVID-19 Arcelik "New Normal" Program

- 1** Identifying the changing consumer habits and behaviours; re-designing the brand approach to fulfil their needs
- 2** Creating a more competitive and profitable product portfolio to fulfill the needs in hygiene, quality and lifestyle based on shifting consumer behaviour
- 3** Growing e-commerce in potential markets, deploying the new e-commerce strategy in 2020
- 4** Transition to «New Normal» and ensuring health and safety of the employees and the business continuity in production and offices in the following 12-36 months

2020 Q2 Highlights

- Limited top line contraction at 7%
- Slight decline in gross margin due to lower CUR (QoQ)
- ~2.5ppt QoQ improvement in OPEX/Sales
- One-off contribution of ~TRY67mn in EBITDA
- Strong FCF sustained: TRY1,859 mn. FCF* in 2Q20
- Improvement in working capital and leverage in a challenging environment
- Arçelik is now among the supporters of TCFD (Task Force on Climate-related Financial Disclosures)

TRY7.8bn

Revenue

11.1%

EBITDA Margin

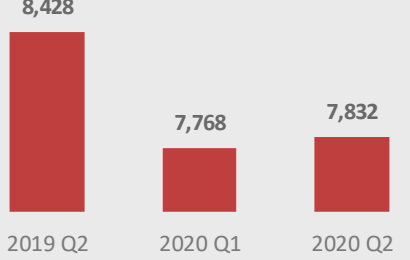

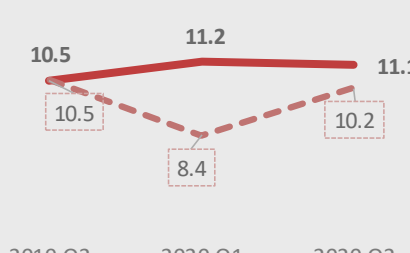
26%

NWC/Sales Ratio

1.9x

Leverage

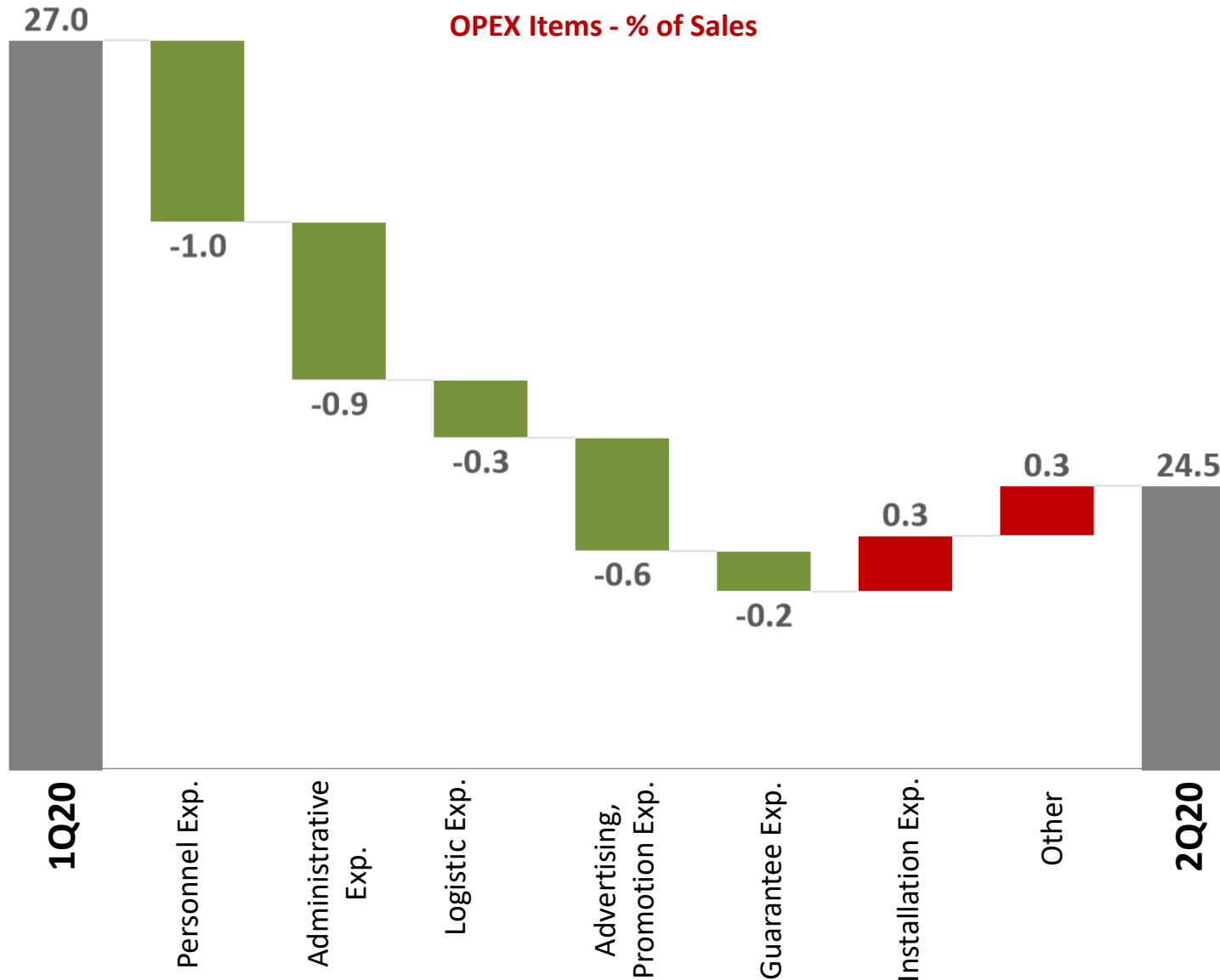
2020 Q2 Key Factors **Sales/Margins**

Revenue Growth	-7%	<p>-25%</p> <p>-17%</p> <p>+20%</p>	<p>↓ Organic decline in international sales due to lock-downs</p> <p>↓ Contraction in domestic unit sales</p> <p>↑ TRY Depreciation</p>	
Gross Margin	30.9%	<p>28.7%</p> <p>28.7%</p> <p>33.8%</p>	<p>↓ Lower CUR in TR and RO, factory closures in ZA, PK, BD</p> <p>↑ Slightly better raw material prices</p> <p>↑ Stronger EUR/USD towards the end of 2Q</p>	
EBITDA Margin	11.1%	<p>7.6%</p> <p>7.3%</p> <p>15.8%</p>	<p>↑ Stricter OPEX Management</p> <p>↓ Lower contribution from one-off items (QoQ)</p>	

Apr-20
May-20
Jun-20

--- EBITDA margin excluding one off items

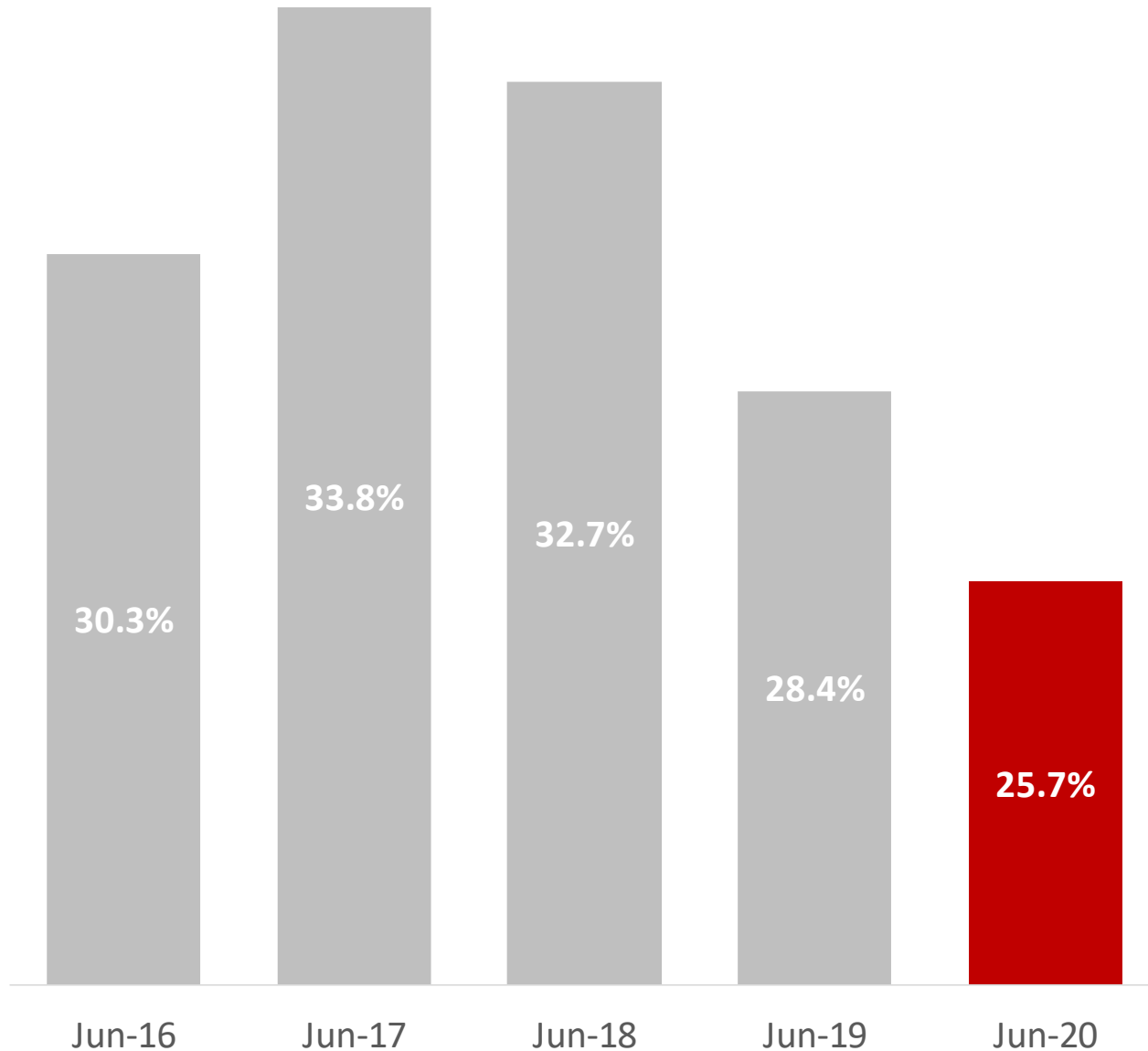
2020 Q2 Improvement in **OPEX/Sales**



Successful Cost-Cutting Measures

- Support of government incentives
- Significant cut in administrative expenses
- Lower marketing investments, cancellation of some trade fairs
- Better inventory management
- Measures taken and rebound in revenue in June led to lowest monthly OPEX/Sales since 2013.

2020 Q2 Historically Low WC/Sales

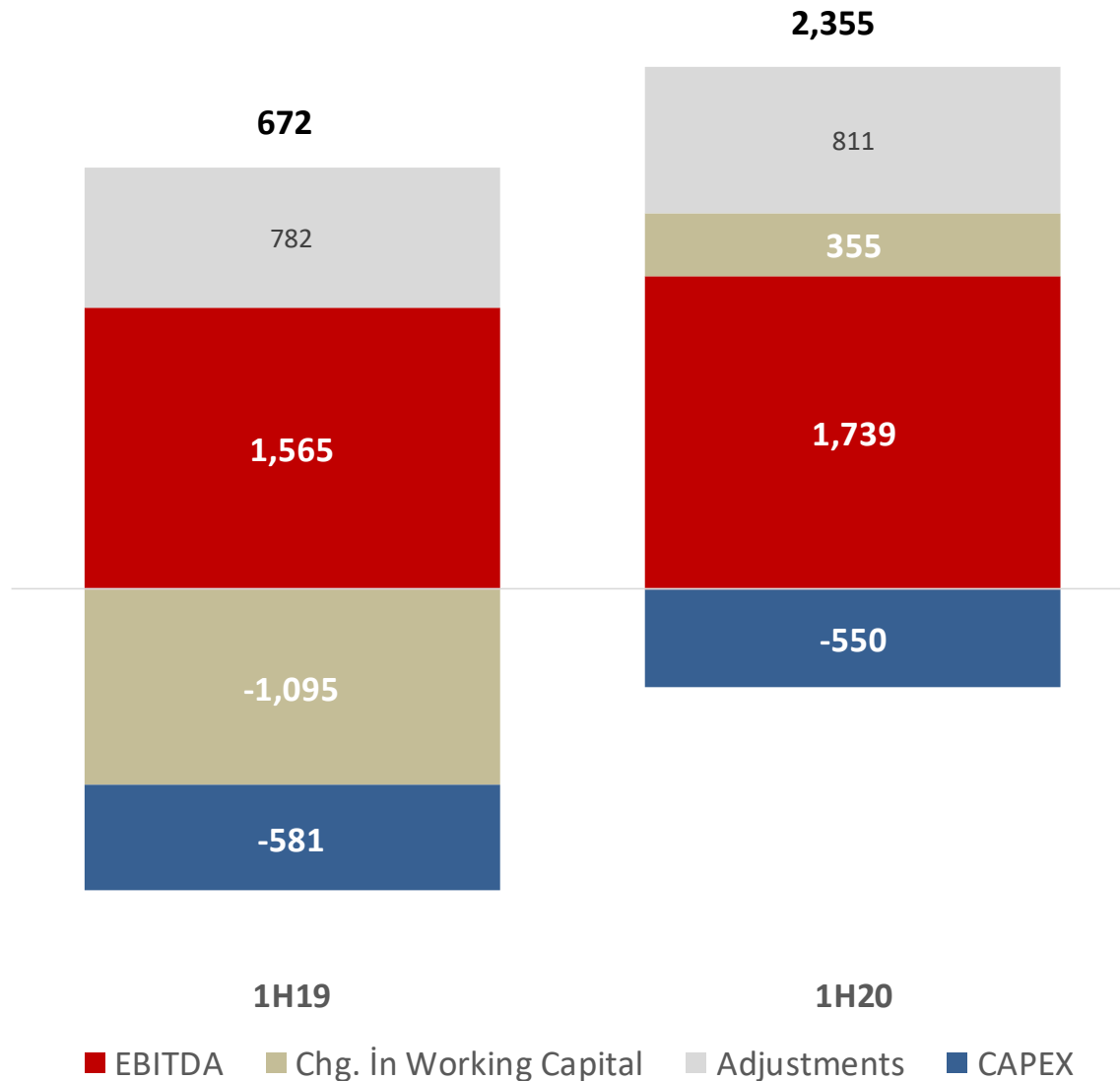


Continuing Improvement in WC Management

- Decreasing receivables days in domestic market
- Continuation of measures in inventory management, such as SKU optimization, elimination of aged inventory and toxic SKUs
- Achieving better terms from large, international suppliers
- Supplier financing programme

2020 H1 Strong Cash Generation

FCF Generation (TRYmn)

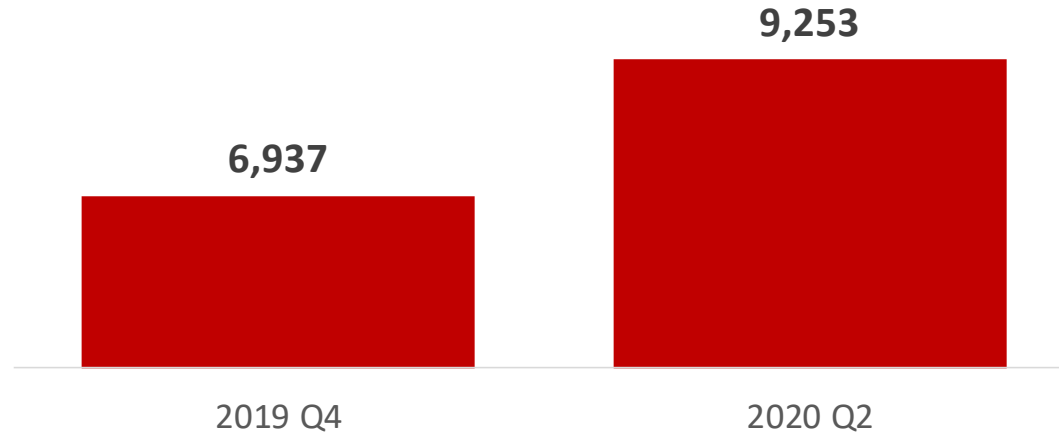


FCF Performance Further Improved

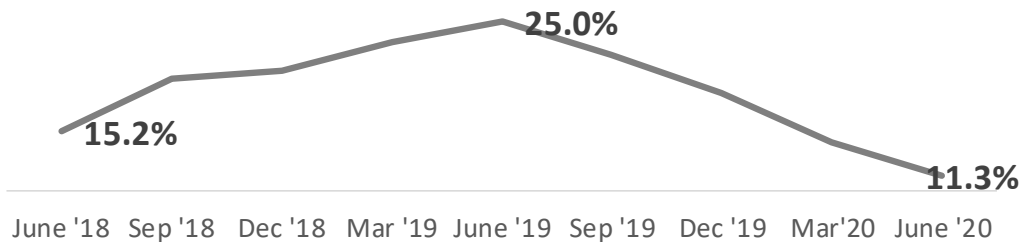
- Higher EBITDA generation in 1H20 in TRY terms
- Slightly lower CAPEX in TRY, ~15% decline in EUR
- Substantially stronger performance in WCR

2020 Q2 Strong **Balance Sheet**

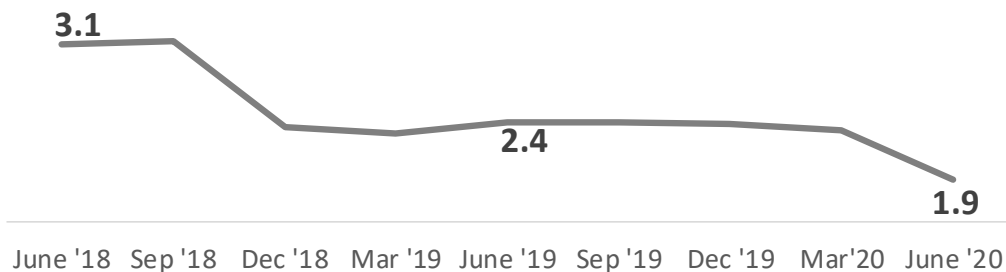
Cash and Equivalents (TRYmn)



TRY Average Interest Rate (Period End)



Net Leverage



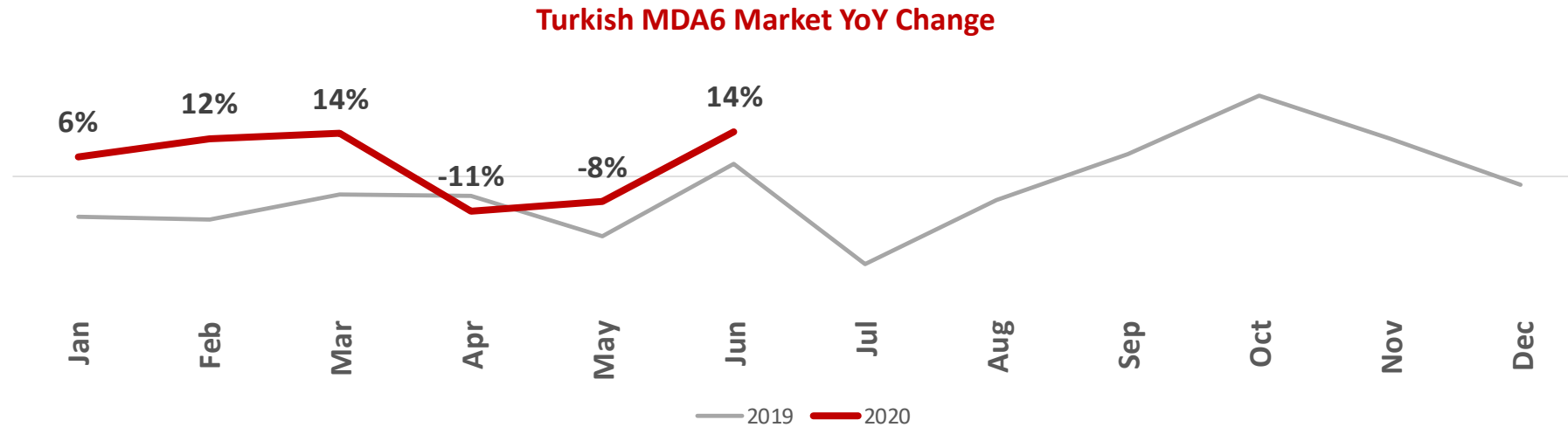
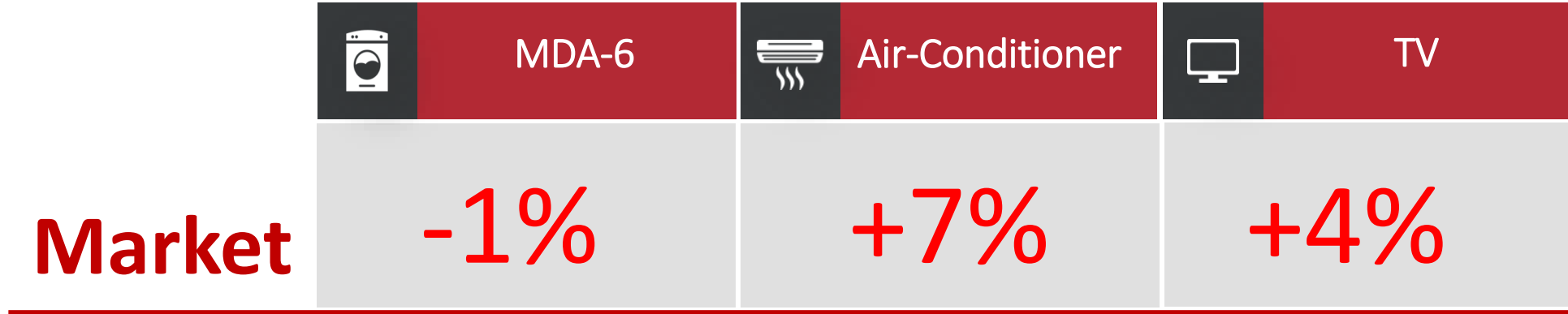
FCF Performance Further Improved

- TRY 9,3 bln. in cash (80% in hard currency)
- Undistributed dividend of TRY 500 mio. and Token sale of TRY 310 mio. to support liquidity
- Successfully rolled over H1 TRY-redemptions and have also done prefinancing at convenient rates
- Hard currency FX debt service is limited with Eurobond coupon payments
- Continuation of strict hedging policy
- Net leverage below 2X

The image shows a white front-loading washing machine positioned in the center of an anechoic chamber. The chamber's walls, ceiling, and floor are covered with dark, pyramid-shaped acoustic absorbers designed to eliminate reflections. To the right of the machine, a mannequin torso is mounted on a tripod, facing the machine. Several microphones are suspended from the ceiling on thin wires, aimed at the machine. In the background, a large, complex mechanical structure, possibly a drum or part of a testing rig, is visible. The overall lighting is dim, highlighting the machine and the mannequin.

Regional Market Dynamics

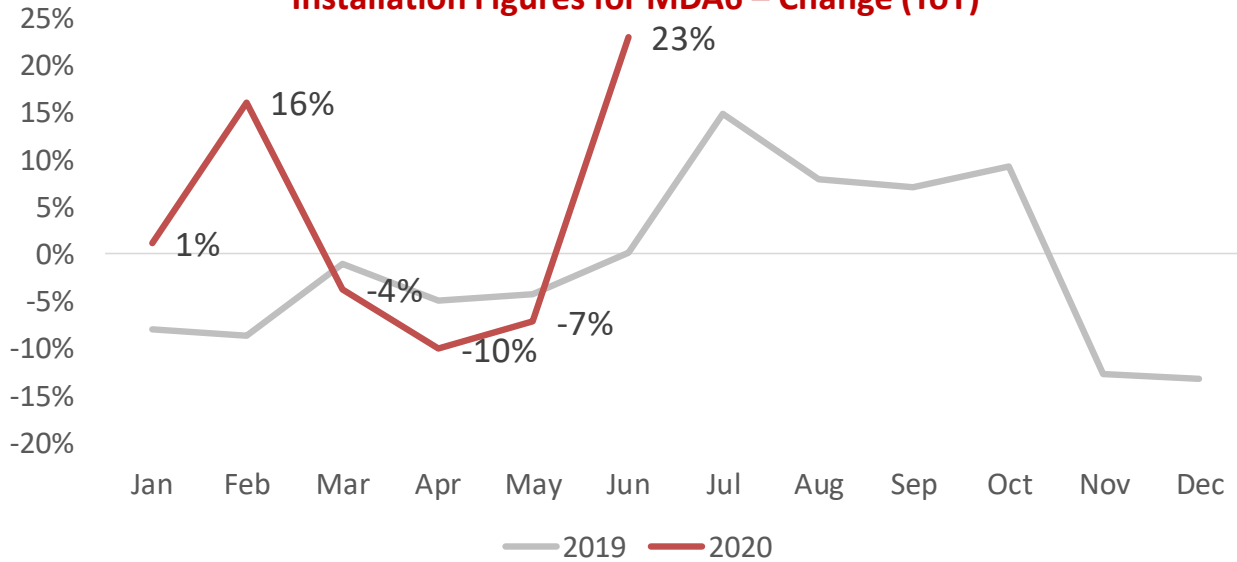
2020 Q2 Turkish Market



MDA-6 and A/C data (sell-in) is based on WGMA for 2Q20. TV market reflects the data of a retail panel market for April-May 2020 (Junes figures are not released yet).

2020 Q2 Arçelik Performance in Turkey: MDA6

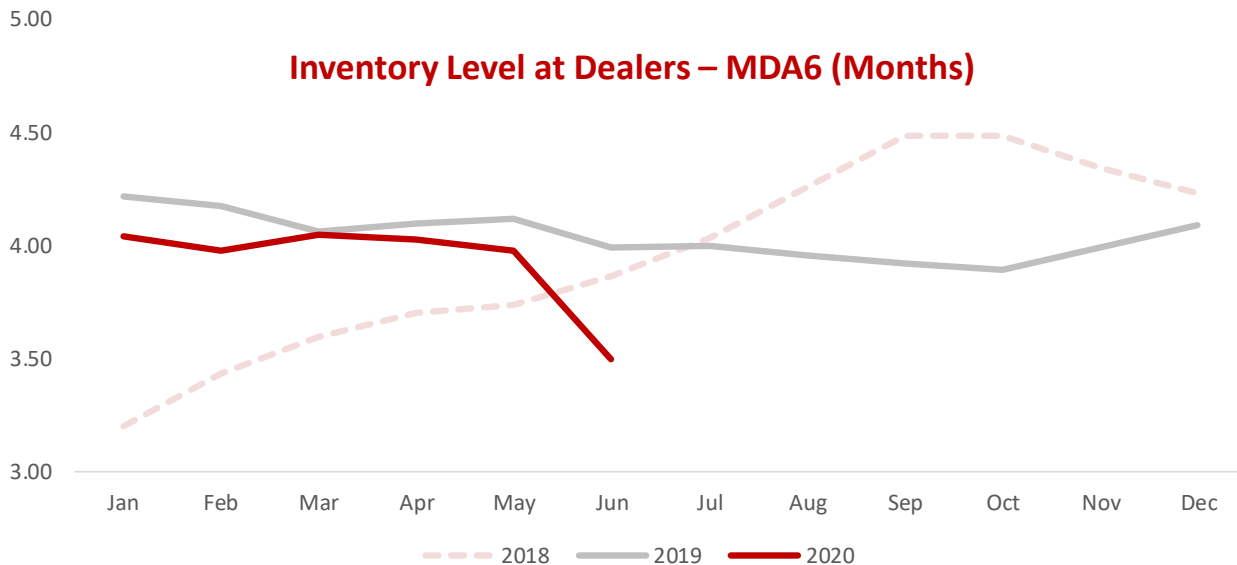
Installation Figures for MDA6 – Change (YoY)



Strong Performance in Sell-Out

- Intentionally cautious approach in sell-in sales, combined with high base of 2019, resulting in YoY decline in 2Q20 (-15%)
- However, sell-out was much stronger than sell-in during whole quarter
- More room for sell-in growth in 2H2020 due to low level of dealer inventory

Inventory Level at Dealers – MDA6 (Months)



Omnichannel Transformation

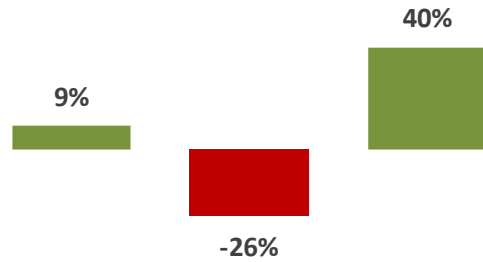
- E-com fulfilment increased from 121 to 1.469 dealers in a month after Covid-19.
- Daily e-commerce revenue is 10-fold after e-com mobilisation
- Web traffic increased 43% compared to last year (32,6 Mio people visited our websites in 2020).
- We leveraged our competitive advantage focusing speed and service (Delivery in 48-hours, unconditional return in 14 days)

2020 Q2 Arçelik Performance in Turkey: TV, A/C, SDA

Strong Performance in Sell-in

Unit Change (YoY)

2Q20 (YoY)

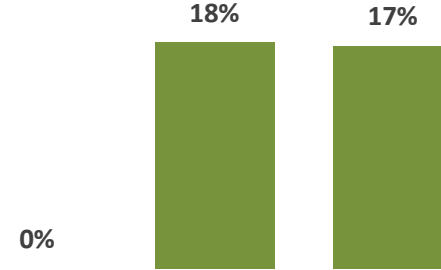


+5%

Stronger Performance in Sell-Out

Sell-out/Sell-in (Units)

2Q20 (Sell-Out/Sell-in)

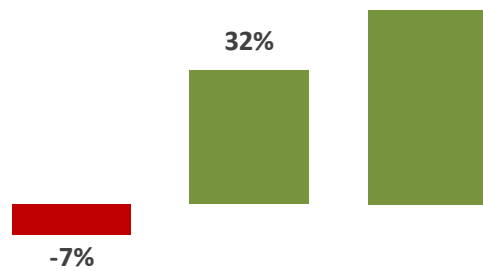


+15%

Unit Change (YoY)

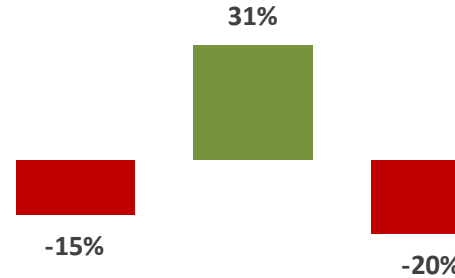
46%

+29%



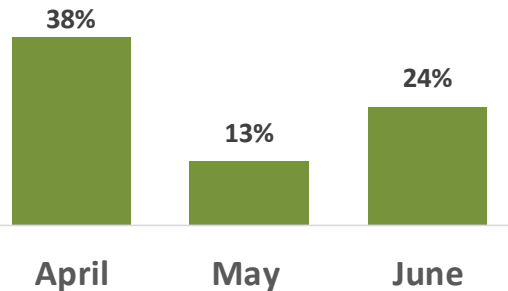
31%

+3%



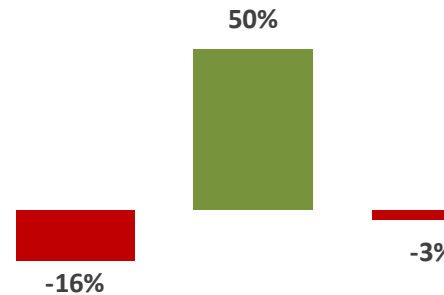
Revenue Change (TL, YoY)

+24%

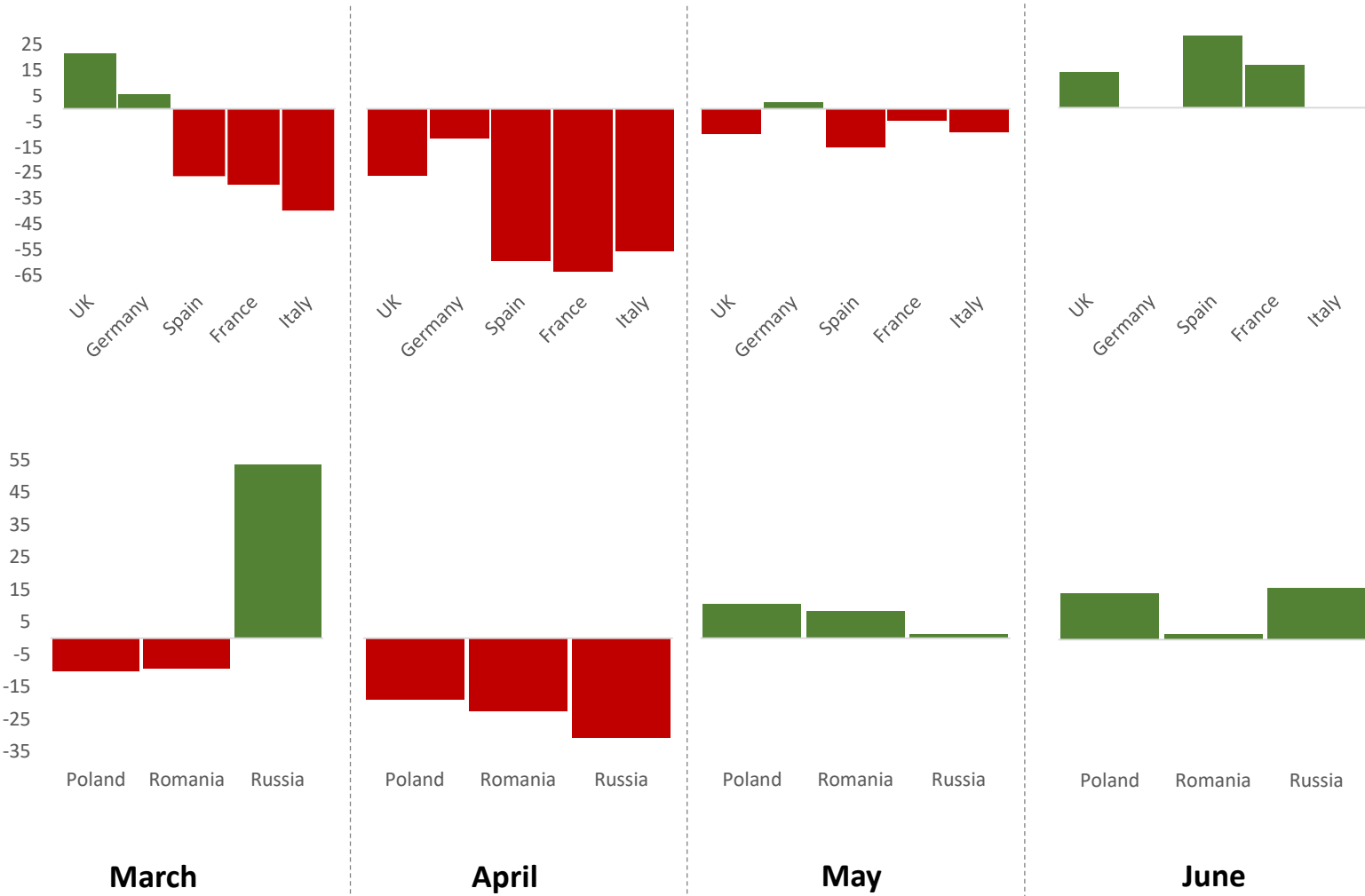


50%

+15%



2020 Q2 European Market



Recovery after the shock

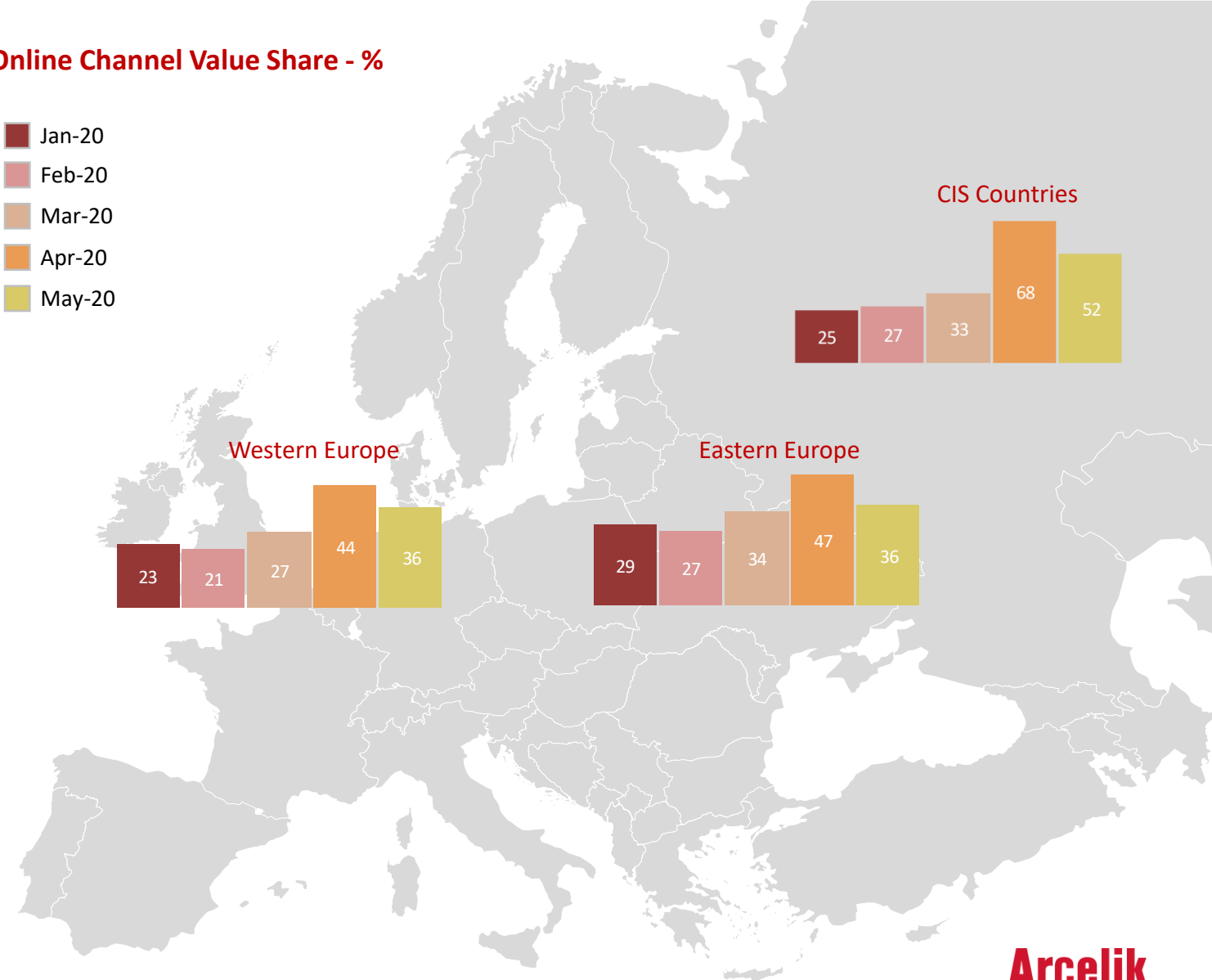
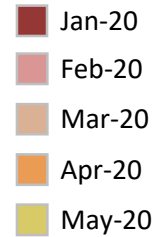
- Some markets started already feeling the negative impact in March
- All major markets were negative in April
- Recovery started in May in Germany and E. Europe
- Almost all markets turned green in June
- July and August orders signals continuation of this trend

2020 Q2 European Market

Booming Online Sales

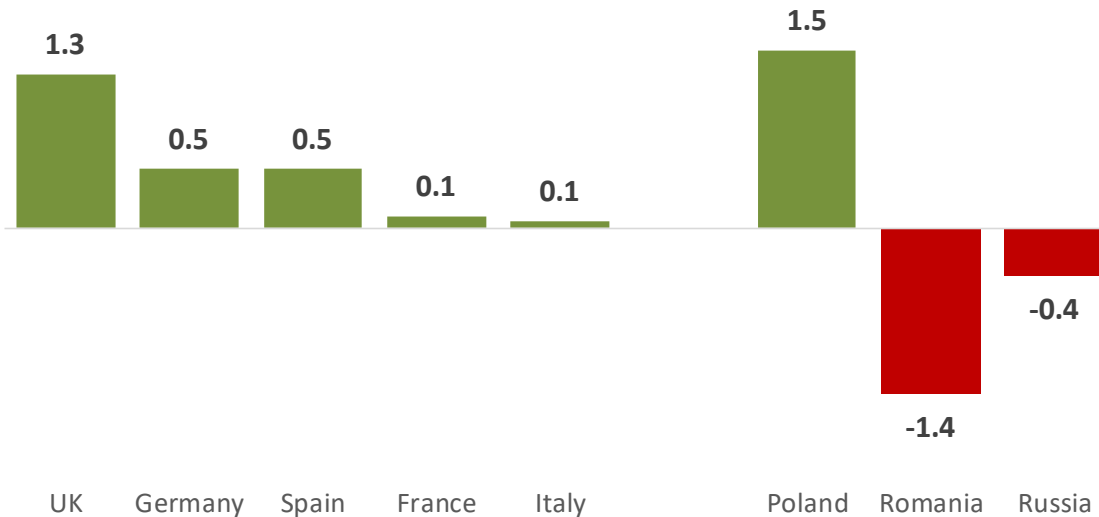
- Significant increase in online channel share, especially during lockdown periods
- Loyal customers accelerated rise of click & mortar business more than pure online players
 - 56% YTD increase in click&mortar
 - 16% YTD increase in pure online

Online Channel Value Share - %



2020 Q2 Arçelik Performance in Europe

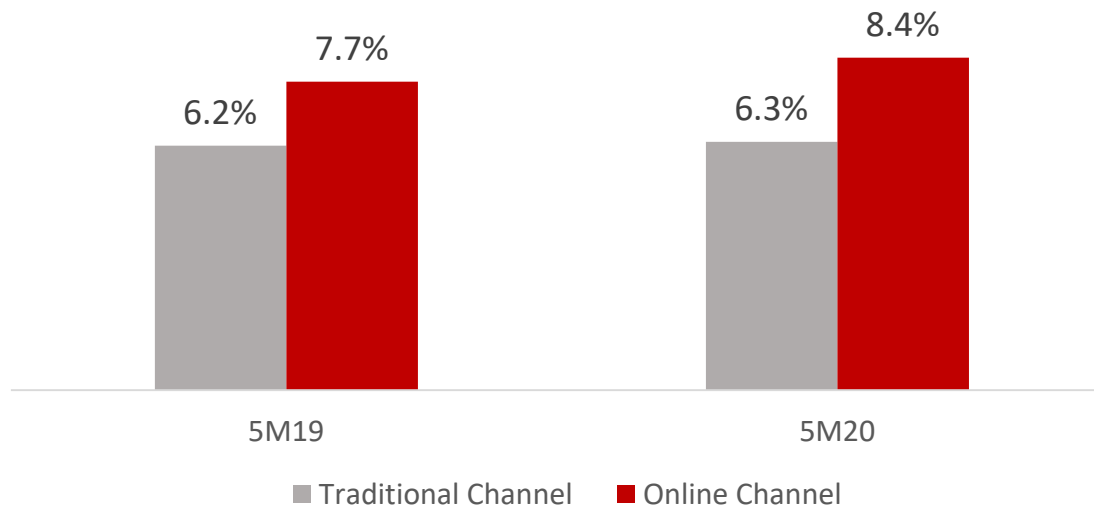
Arçelik Group Unit Market Share Change – YoY



Market Share Gains

- Strong crisis performance with market share gains in major markets in Europe

Arçelik Group Value Market Share – MDA 8



Winner in the Online

- Successfully managed structural change
- Gained market share in online channels
- Product range has a good fit with online sales

2020 Q2 Arçelik Performance in **International**

42%

Europe

- Online sales support in April, May
- Significant contraction in France, Spain and Italy in April and May
- Visible recovery especially in W. Europe in June led by Germany
- Contraction in E. Europe slowed down in June and some countries turned positive
- Market share gains continued in 2Q20

4%

Africa

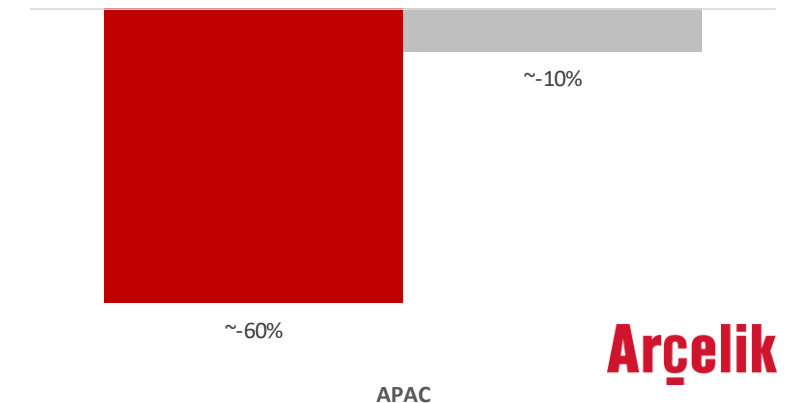
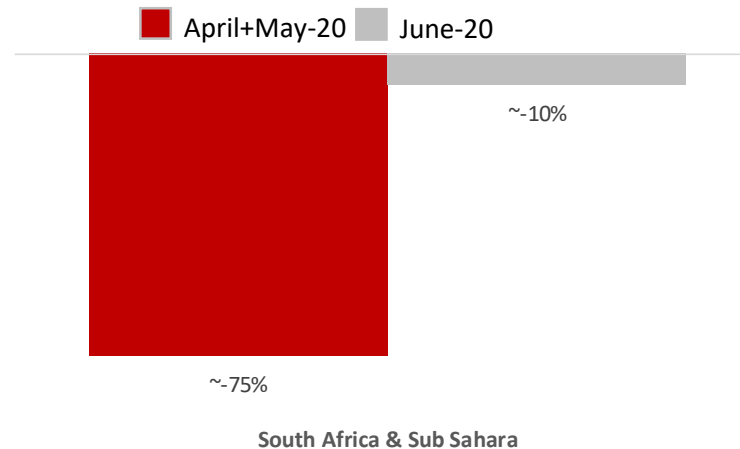
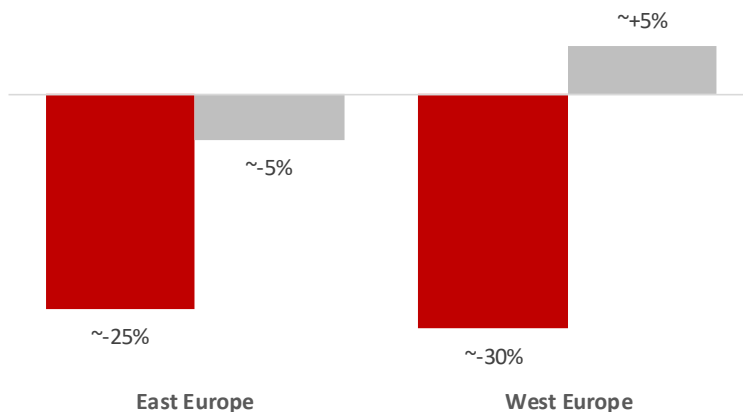
- Almost no sales in **S. Africa** in April due to lock-down
- Reopening of retailers started on June 1st.
- June contraction in MDA-9 was limited at 5-10% range
- Defy's exports in June was up by ~20% in EUR terms
- Profitability normalized in June

9%

Asia-Pacific

- ~55% revenue contraction in **Pakistan** in **PKR** terms reflecting both macro conditions and COVID19 impact.
- **Singer Bangladesh** had ~40% contraction in top-line despite a strong recovery in June
- **ASEAN** revenue realized at USD21mn, indicating to 27% YoY decline.

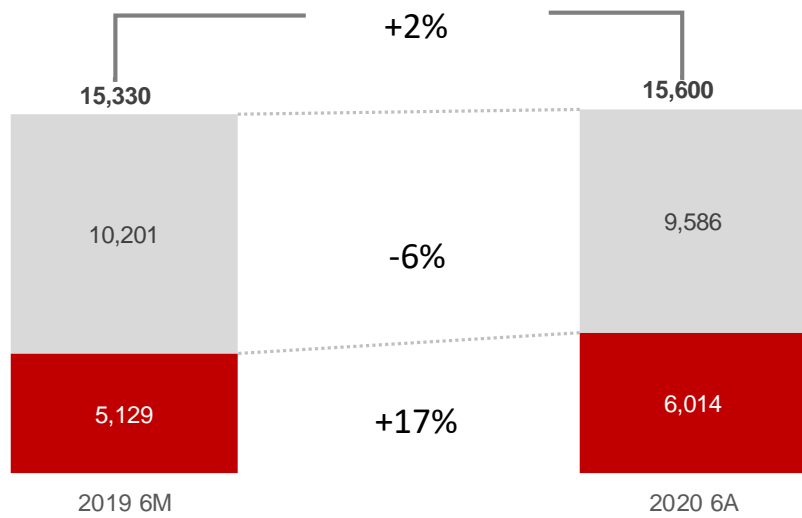
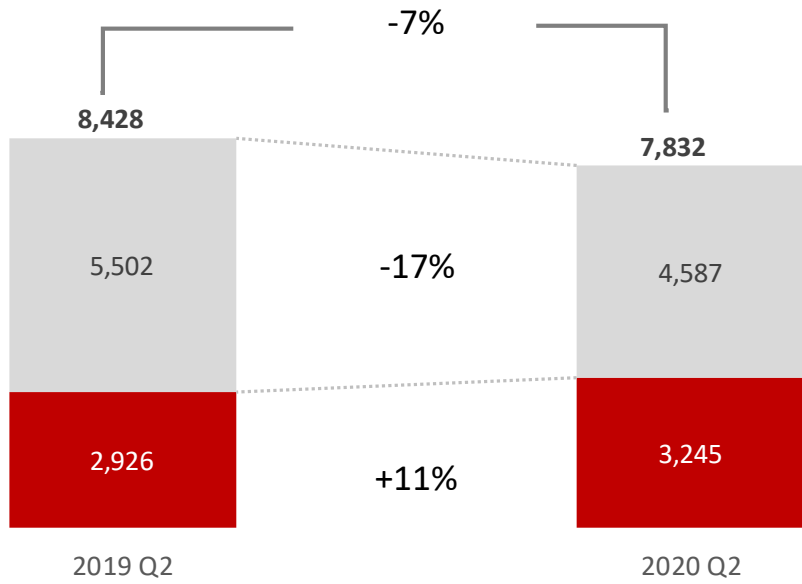
Arcelik Regional Sales Growth (YoY % in EUR)



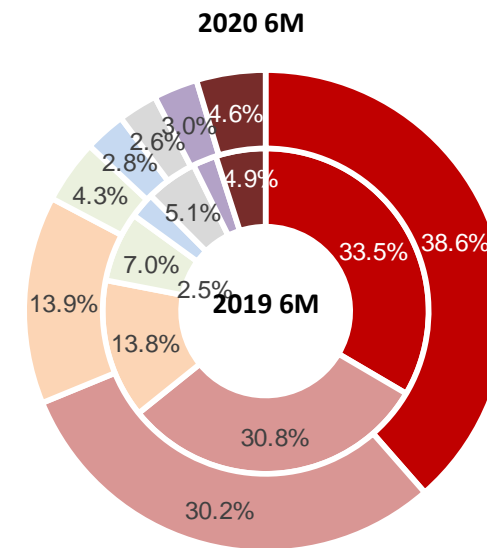
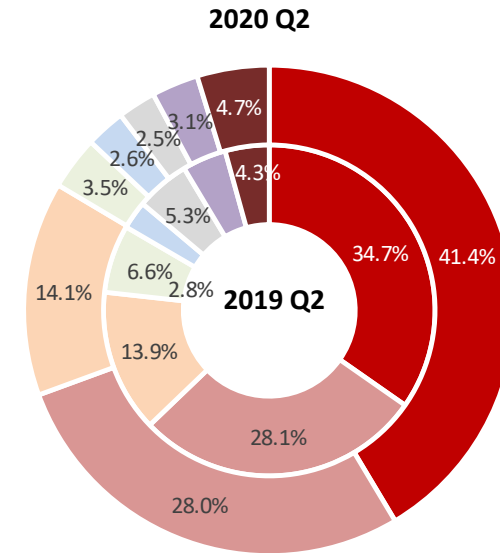
Sales Performance



2020 Q2 Sales by Region

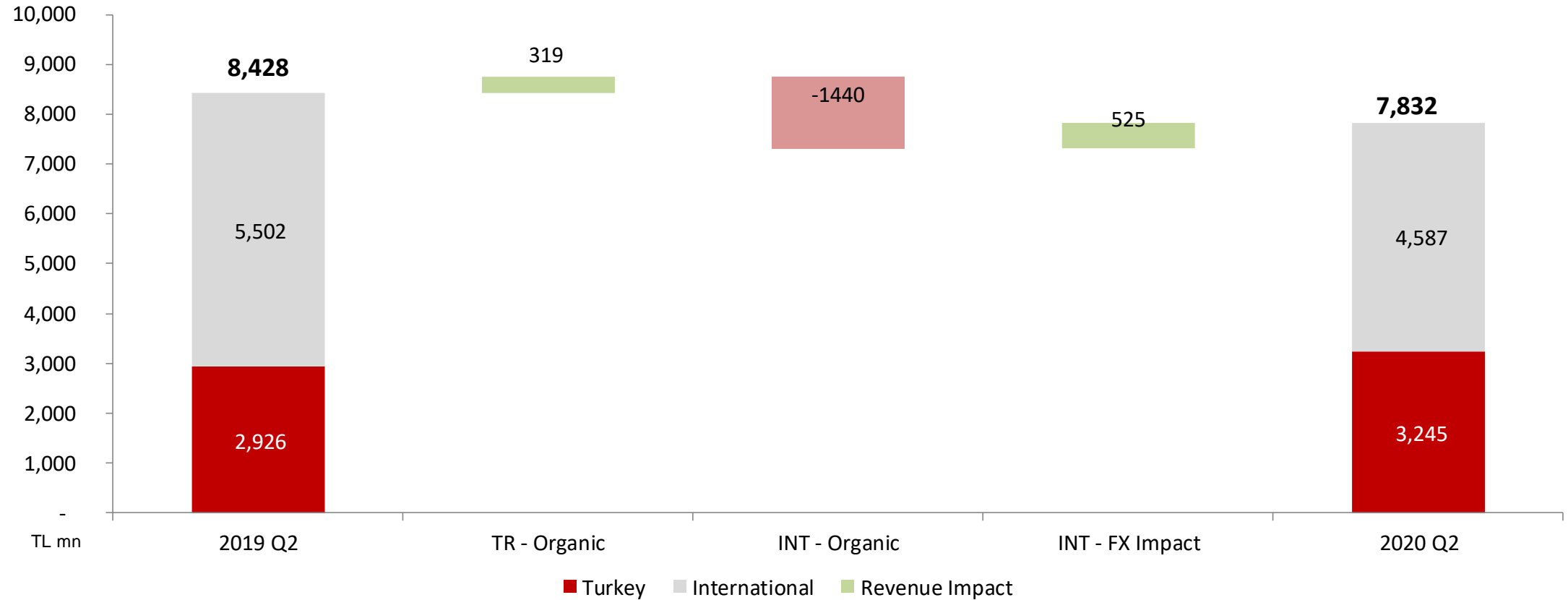


■ Turkey ■ International



■ Western Europe ■ CIS&Eastern Europe ■ Africa ■ Middle East ■ Pakistan ■ Bangladesh ■ Other

2020 Q2 Sales Bridge



2020 Q2	Organic	Currency Effect	Acquisition	TOTAL
Domestic Growth	10.9%	0.0%	0.0%	10.9%
International Growth	-26.2%	9.5%	0.0%	-16.6%
Total Growth	-13.3%	6.2%	0.0%	-7.1%

P&L Performance

The image shows a white front-loading washing machine positioned in the center of an anechoic chamber. The chamber's walls, floor, and ceiling are covered with dark, pyramid-shaped acoustic absorbers designed to eliminate reflections. To the right of the machine, a mannequin torso is mounted on a tripod, facing the machine. A microphone is suspended from the ceiling on a boom arm, positioned to capture sound from the machine. In the background, a large, complex mechanical structure, likely a drum or part of a testing rig, is visible. The floor is covered with a grid of small, square absorbers. The overall scene is dimly lit, emphasizing the technical and scientific nature of the environment.

2020 Q2 Income Statement

TL mn		2020 Q2	2019 Q2	2020 Q1	Δ% YoY	Δ%			
						QoQ	2020 6M	2019 6M	Δ% YoY
Revenue		7,832	8,428	7,768	-7	1	15,600	15,330	2
Gross Profit		2,419	2,643	2,470	-8	-2	4,889	4,882	0
	<i>margin</i>	30.9	31.4	31.8			31.3	31.8	
EBIT *		572	629	589	-9	-3	1,161	1,058	10
	<i>margin</i>	7.3	7.5	7.6			7.4	6.9	
Profit Before Tax		526	302	308	74	70	834	562	48
	<i>margin</i>	6.7	3.6	4.0			5.3	3.7	
Net Income**		409	232	259	76	57	668	458	46
	<i>margin</i>	5.2	2.8	3.3			4.3	3.0	
EBITDA*		869	887	871	-2	0	1,739	1,565	11
	<i>margin</i>	11.1	10.5	11.2			11.2	10.2	
EBITDA - <i>ex.one-offs</i>		801	887	654	-10	23	1,455	1,565	-7
	<i>margin</i>	10.2	10.5	8.4			9.3	10.2	

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

** Net income before minority

2020 Guidance



2020 Expectations

- In the mid of this global pandemic, the first priority of company management has been to ensure the **health and well-being of all employees and their families** all over the world.
- The second critical issue is to keep the **high liquid position** of the company to be prepared against any scenario.
- After a weak demand in second quarter, we expect **strong demand in Q3**. (mid-single digit growth in EUR)
- **Raw-material prices** and **EUR:USD parity** are expected to continue act as **tail-wind** in 2H20.
- Though there are still **uncertainty around Q4** related with COVID-19, the business impact may not be as hard as April and May.
- With all measures taken and implemented in all our factories and suppliers globally, we aim to **keep our factories running while keeping all our employees safe**.
- Thanks to our operational competitive advantages and strong balance sheet, we continue to see **more opportunities in the market aftermath of COVID-19**.

2020 Guidance

Arçelik Revenue

Turkey (in TRY)

15-20% growth

International (in FX)

Around 5% decline

} 10-15%
growth in TRY

Profitability

2020 EBITDA Margin

10.5-11.0%

Long term EBITDA Margin

>11.5%

CAPEX

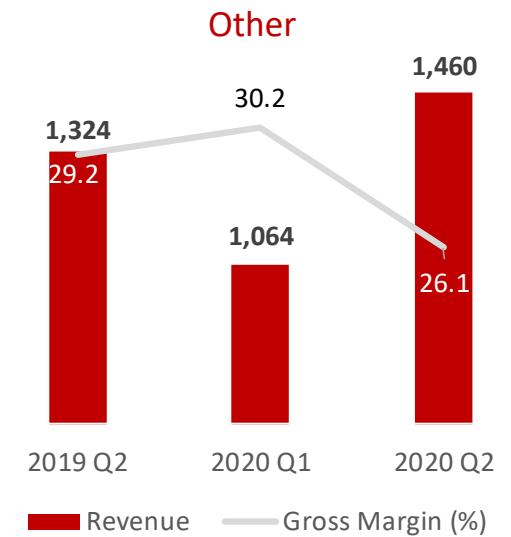
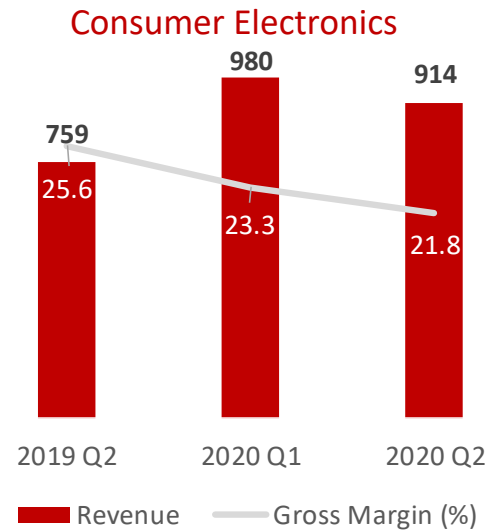
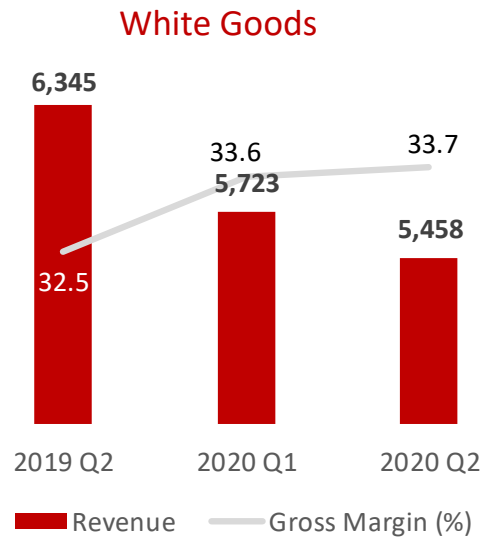
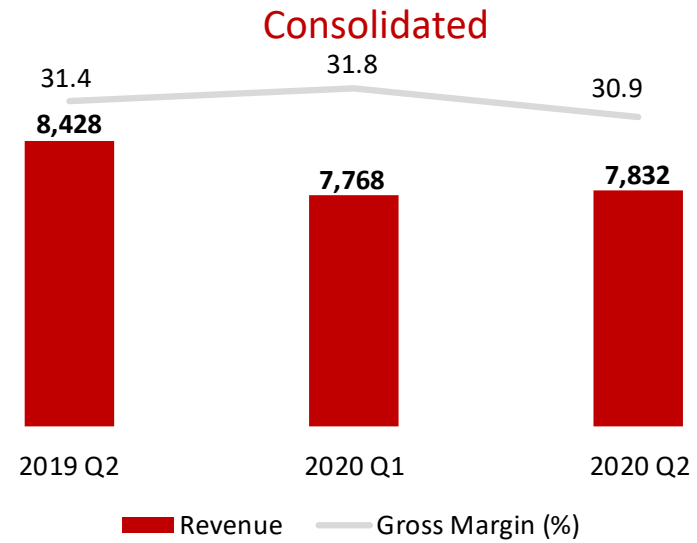
Around EUR
150-160 mio.

WC/Sales

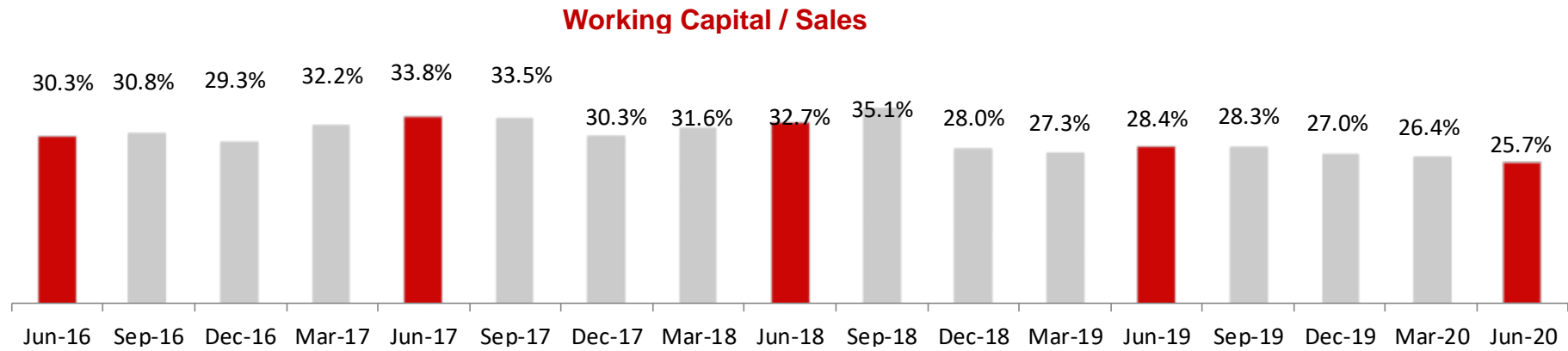
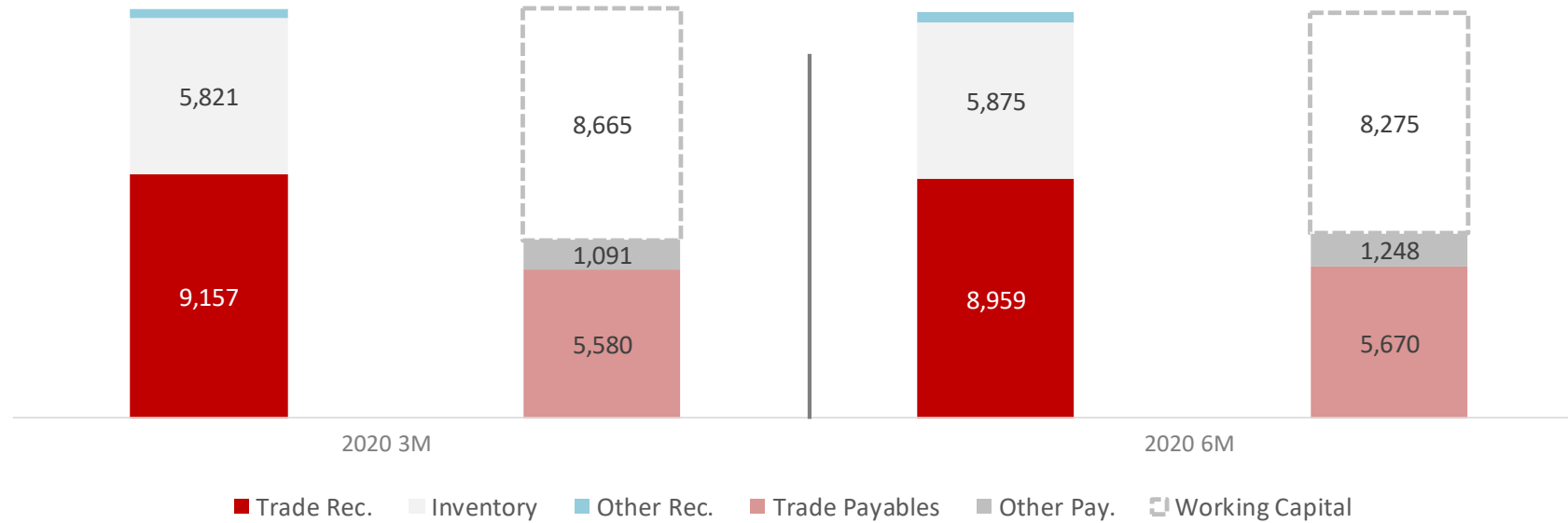
Below 30%

APPENDIX: Other Financial Statements

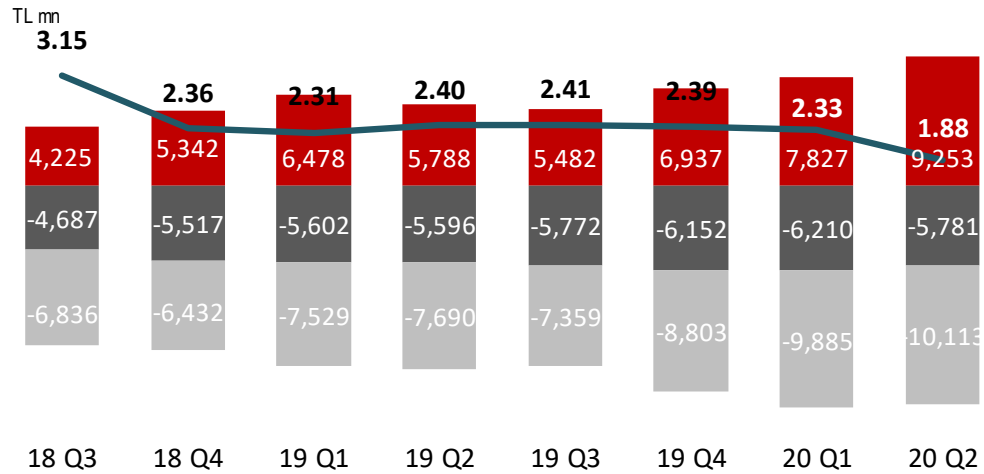
2020 Q2 Margin by Segments



2020 Q2 Working Capital



2020 Q2 Cash & Financial Debt



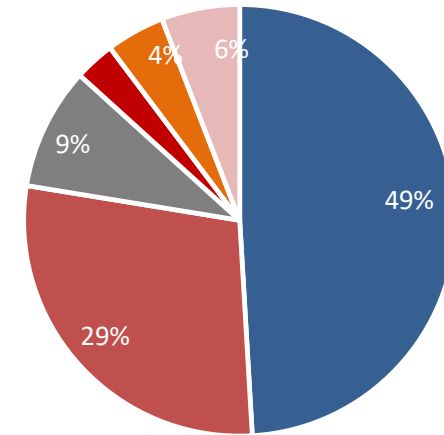
■ Cash and cash equivalent ■ Short term debt ■ Long term debt — Net Debt/EBITDA

Financial Debt profile (as of Jun 30 2020)

	Effective Interest Rate p.a. (%)	mn Original Currency	TL mn Equivalent
TRY	11.3%	4,183	4,183
EUR	0.9%	233	1,799
GBP	0.7%	3	28
USD	1.9%	47	322
ZAR	6.9%	980	390
AUD	3.3%	13	63
RUB	2.0%	27	3
PKR	10.0%	10,892	442
BDT	9.0%	6,722	543
Total			7,773
USD	5.1%	506	3,459
EUR	4.0%	360	2,778
TRY*	19.1%	1,015	1,015
Total Bond			7,253
Total			15,026

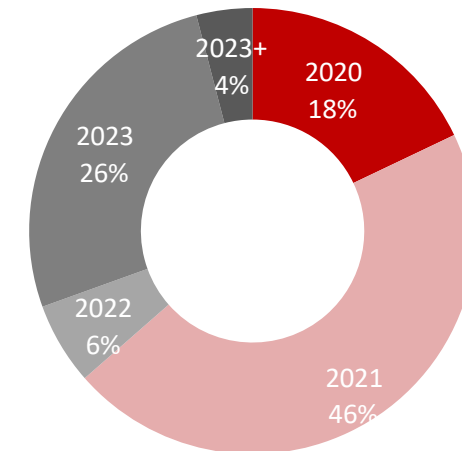
*Average fixed rate at 19.1% through Interest Rate Swaps

Cash Breakdown by Currency

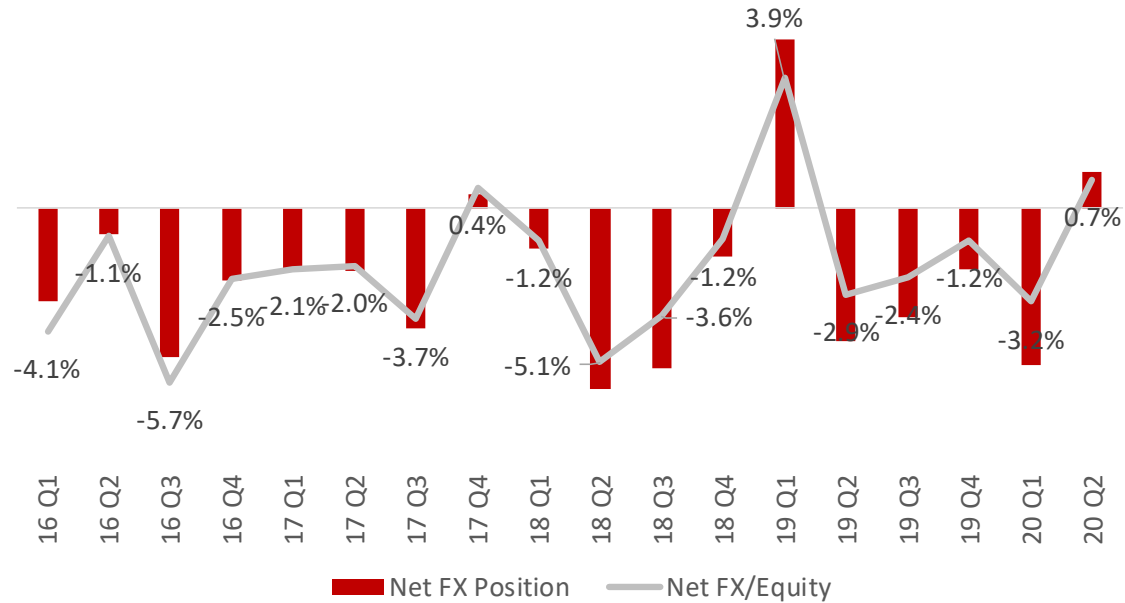


■ USD ■ EUR ■ TRY ■ GBP ■ RUB ■ Diğer

Debt Maturity Profile



2020 Q2 FX Hedging



- 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 an FX exposure exceeding low single-digit % of equity.

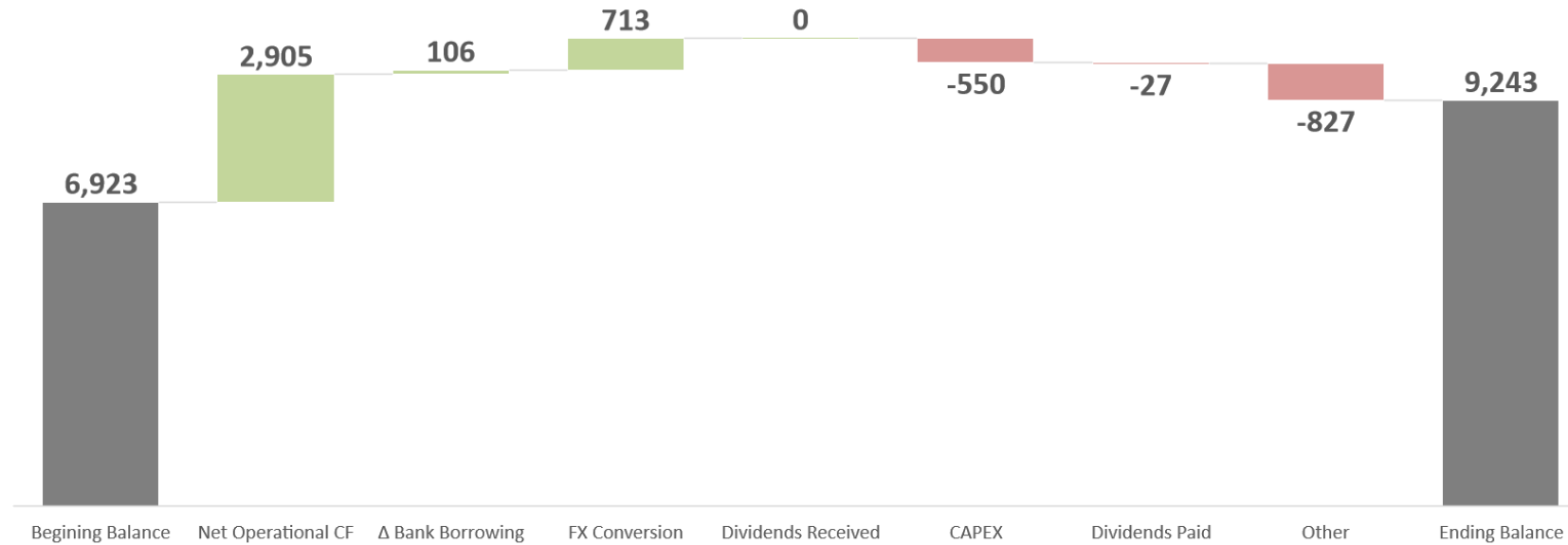
(TRYmn)	Before Hedge	Hedged Position	Net Position
EUR	-1,170	1,261	91
USD	147	-231	-84
GBP	458	-431	26
Other	848	-807	41
TOTAL	282	-208	74

Net FX Position/Equity	0.7%
-------------------------------	-------------

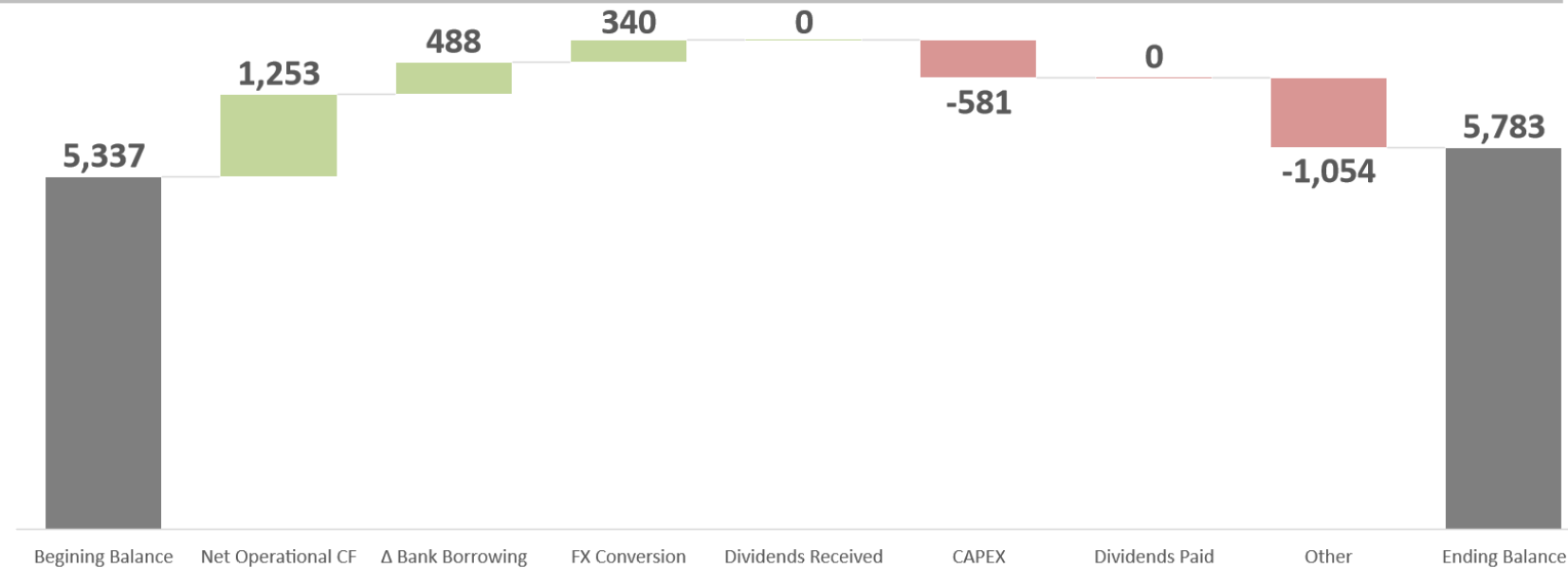
- The primary strategy is on balance sheet hedging mainly through cash, receivables, payables and financial liabilities, and the remaining part is hedged through financial derivatives.

2020 H1 Cash Flow

2020 1H



2019 1H



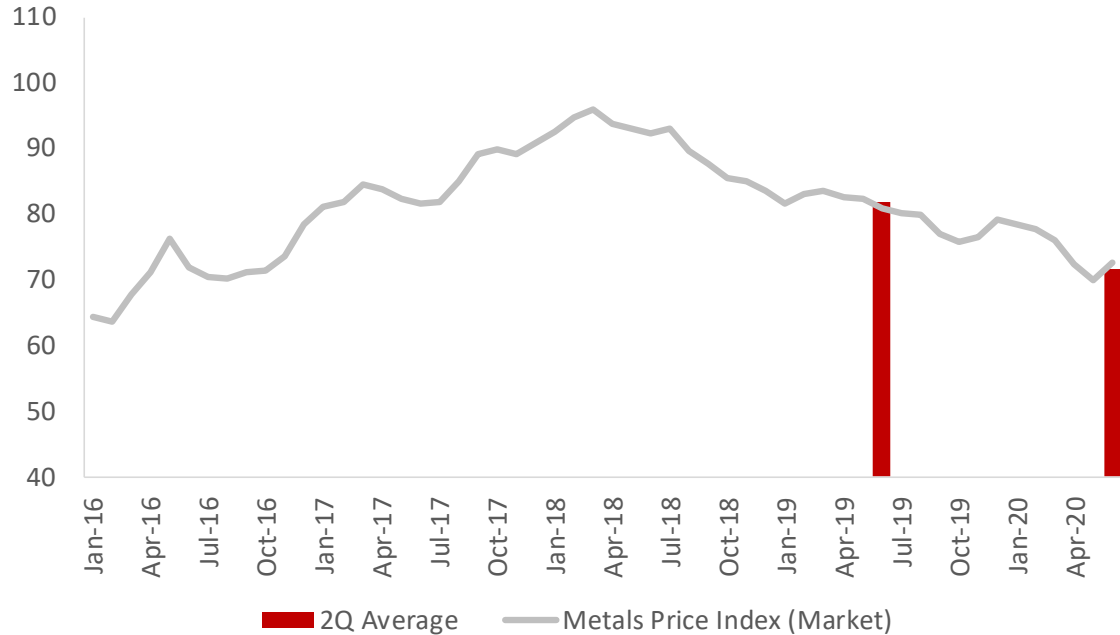
2020 Q2 Singer Bangladesh Results

BDT mn	2020 Q2	2019 Q2	2020 Q1	Δ% YoY	Δ% QoQ	2020 6M	2019 6M	Δ% YoY
Revenue	2,995	5,198	3,064	-42	-2	6,059	7,941	14
Gross Profit	830	1,442	825	-42	1	1,655	2,233	16
<i>margin</i>	<i>27.7</i>	<i>27.7</i>	<i>26.9</i>			<i>27.3</i>	<i>28.1</i>	
EBIT	266	695	266	-62	0	532	997	18
<i>margin</i>	<i>8.9</i>	<i>13.4</i>	<i>8.7</i>			<i>8.8</i>	<i>12.6</i>	
Profit Before Tax	129	560	163	-77	-21	292	745	15
<i>margin</i>	<i>4.3</i>	<i>10.8</i>	<i>5.3</i>			<i>4.8</i>	<i>9.4</i>	
Net Income	79	389	111	-80	-29	191	512	12
<i>margin</i>	<i>2.6</i>	<i>7.5</i>	<i>3.6</i>			<i>3.2</i>	<i>6.4</i>	

2Q20 Highlights

- Lockdowns and other measures led to ~40% top-line contraction in 2Q20
- Double-digit increase in June sales
- Washing Machine, SDA and MW Oven performed relatively better
- Better product mix helped gross margin throughout the quarter.
- EBIT margin declined on a YoY basis mainly due to revenue contraction

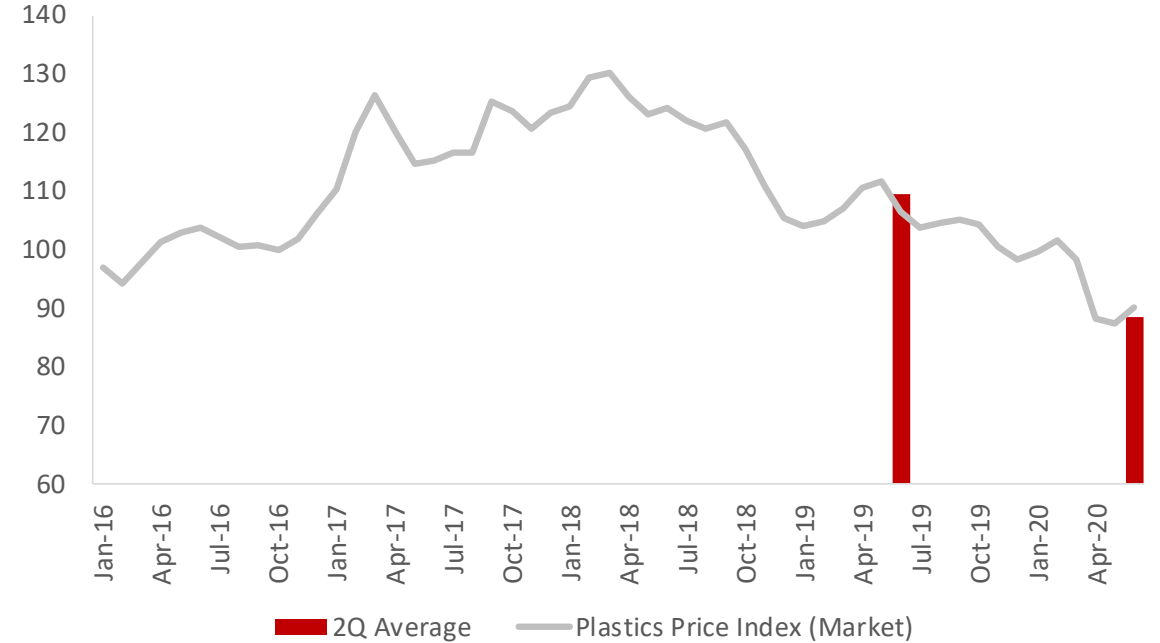
2020 Q2 Raw Material Trends



Metal Prices Index Quarterly Average - Market

3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
90	85	83	82	79	77	77	72

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



Plastic Prices Index Quarterly Average - Market

3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
121	111	105	110	104	101	100	89

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

Contacts for Investor Relations

Polat Şen

CFO

Tel: (+90 212) 314 34 34

Hande Sarıdal

Finance Director

Tel: (+90 212) 314 31 85

Orkun İnanbil

Investor Relations Manager

Tel: (+90 212) 314 31 14

Kerimcan Uzun

Investor Relations Specialist

Tel: (+90 212) 705 96 81

Investor Relations App



www.arcelikas.com

investorrelations@arcelik.com

Disclaimer

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

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



Arçelik

Thank You