

# Arçelik

## 2014 H1

### Financial Results



# 2014 H1...

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- Continued overall revenue growth and margin expansion
- Exceptional revenue growth and market share gains in international markets
- Ongoing positive trend in electronics revenue and gross margin
- Slowdown in the domestic market

# Sales Performance

# REVENUE and GROSS PROFIT

TL Million	2014 Q2	2013 Q2	Δ%	2014 H1	2013 H1	Δ%	2014 Q1
Revenue	3.076	2.665	15,4	5.878	5.096	15,4	2.802
Gross Profit %	32,2	30,0		32,0	30,2		31,8
White Goods Revenue	2.243	1.801	24,6	4.191	3.477	20,6	1.948
Gross Profit %	34,1	33,0		34,0	33,4		33,8
Electronics Revenue	409	313	30,8	861	649	32,8	452
Gross Profit %	25,1	17,7		24,8	16,5		24,5
Other	424	552	-23,2	826	970	-14,9	402
Gross Profit %	28,8	27,1		29,5	27,8		30,2

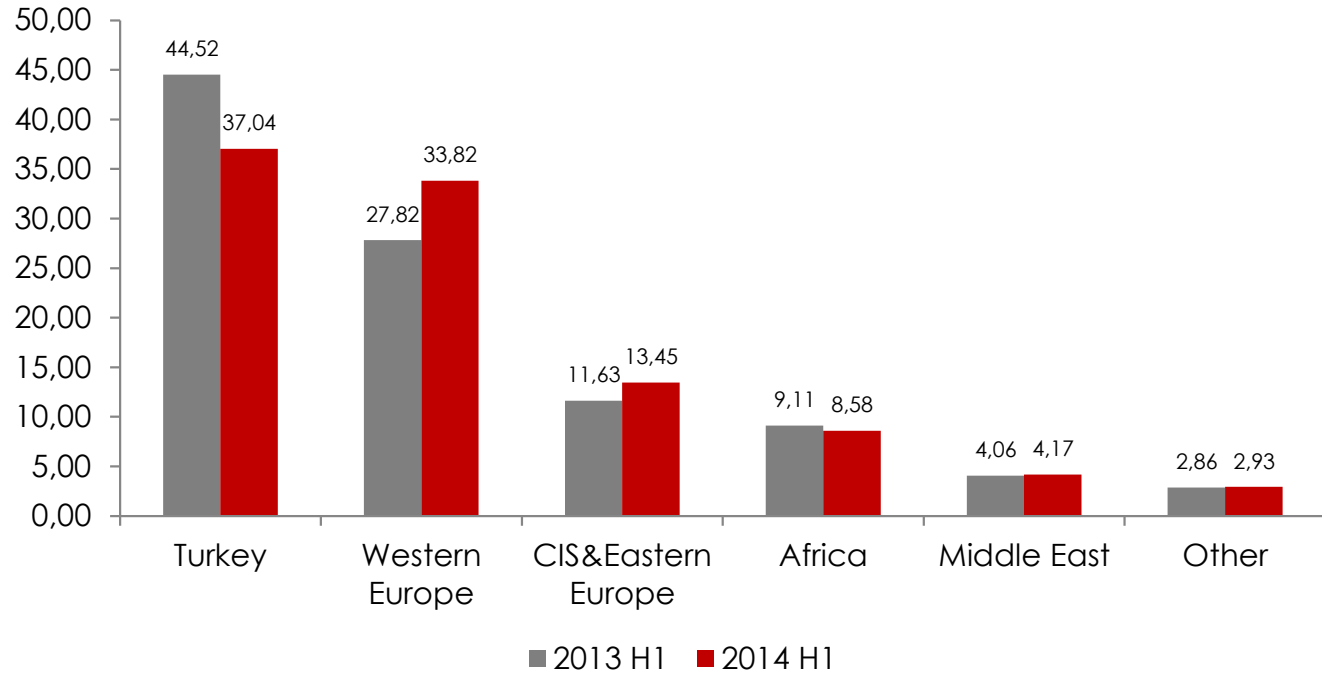
# BRIDGE OF THE SALES

TL Million	2013 H1	Organic	Currency effect	2014 H1
<b>Revenue</b>			636	
		238 International (91) Turkey		3.701 International
	2.827 International			
	2.268 Turkey			2.178 Turkey
<b>% International Growth</b>		8	23	31
<b>% Total Growth</b>		3	12	15

# REGIONAL BREAKDOWN OF REVENUE - I

TL Million	2014 H1	2013 H1	Δ%
Total Revenue	5.878	5.096	15,4
Turkey	2.178	2.268	-4,0
International	3.701	2.827	30,9

# REGIONAL BREAKDOWN OF REVENUE (%) -II



# Financial Performance



# INCOME STATEMENT – Quarterly Comparison

TL Million	2014 Q2	2013 Q2	YoY Δ %	2014 Q1
Revenue	3.076	2.665	15,4	2.802
Gross Profit	990	800	23,8	892
margin	32,2	30,0		31,8
EBITDA*	362	260	39,0	293
margin	11,8	9,8		10,5
EBIT*	276	187	47,7	209
margin	9,0	7,0		7,5
Net Income	167	154	8,2	135
margin	5,4	5,8		4,8

\*The effects of foreign exchange gains and losses arising from trade receivables and payables, credit finance income and charges and cash discount expense are deducted from operating profit and the effects of income and expenses from sale of property plant and equipment are added to operating profit in order to maintain consistency in the presentation with prior years EBITDA calculation.

# INCOME STATEMENT – H1

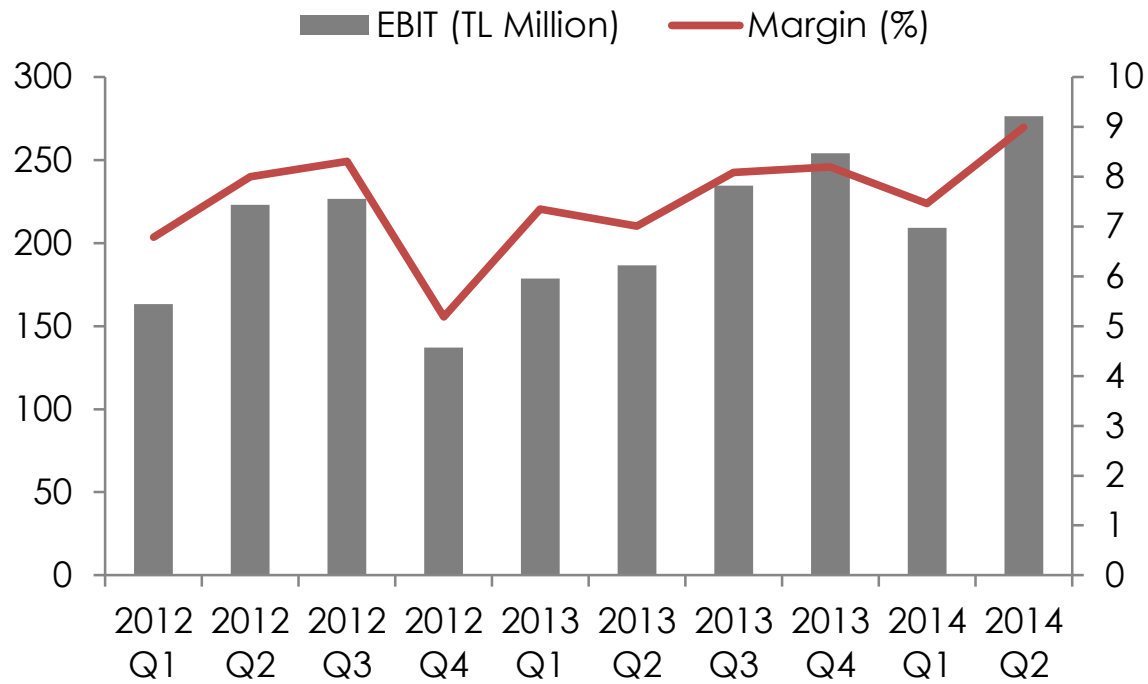
TL Million	2014 H1	2013 H1	Δ %
Revenue	5.878	5.096	15,4
Gross Profit	1.882	1.539	22,3
margin	32,0	30,2	
EBITDA*	656	512	28,2
margin	11,2	10,0	
EBIT *	487	365	33,3
margin	8,3	7,2	
Net Income	302	289	4,6
margin	5,1	5,7	

*\*The effects of foreign exchange gains and losses arising from trade receivables and payables, credit finance income and charges and cash discount expense are deducted from operating profit and the effects of income and expenses from sale of property plant and equipment are added to operating profit in order to maintain consistency in the presentation with prior years EBITDA calculation.*

# EBIT DEVELOPMENT

**EBIT (TL Million)**

**Margin (%)**



# BALANCE SHEET

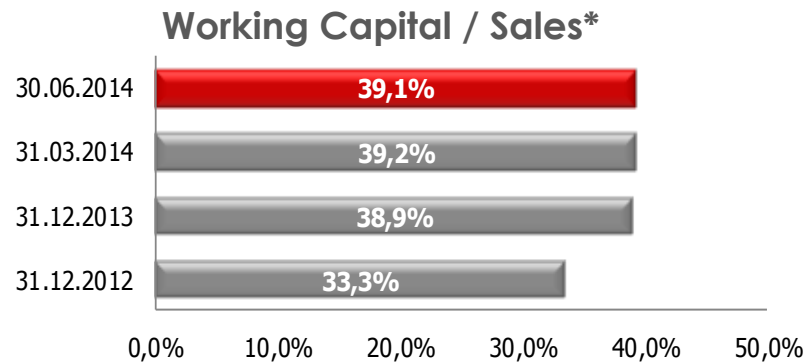
TL Million	30.06.2014	31.12.2013		30.06.2014	31.12.2013
Current Assets	7.928	7.659	Current Liabilities	4.957	4.091
Cash and Cash Equivalents	1.098	1.267	ST Bank Borrowings	2.445	1.673
Trade Receivables	4.493	4.182	Trade Payables	1.682	1.645
Inventories	2.066	1.988	Provisions	297	259
Other	270	222	Other	533	514
Non-current Assets	3.836	3.752	Non-current Liabilities	2.621	3.181
Property, Plant and Equipment	1.827	1.837	LT Bank Borrowings	1.986	2.581
Financial Investments	828	732	Other	636	600
Other	1.181	1.183	Equity	4.185	4.139
<b>Total Assets</b>	<b>11.764</b>	<b>11.411</b>	<b>Total Liabilities</b>	<b>11.764</b>	<b>11.411</b>

	30.06.2014	31.12.2013	31.12.2012	31.12.2011
Net Financial Debt/Equity	0,80	0,72	0,58	0,54
Total Liabilities/Total Assets	0,64	0,64	0,62	0,60

# WORKING CAPITAL

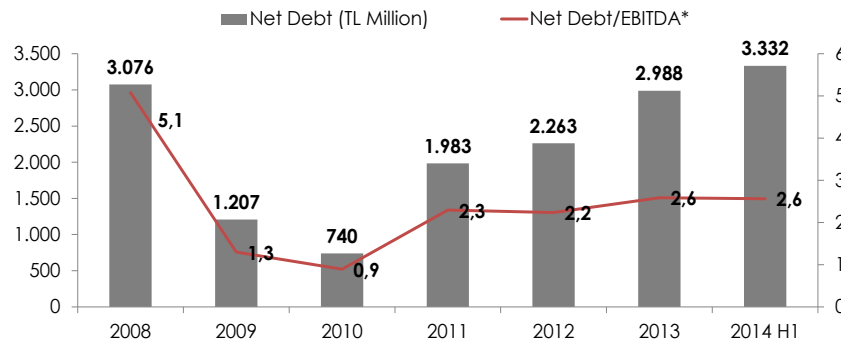
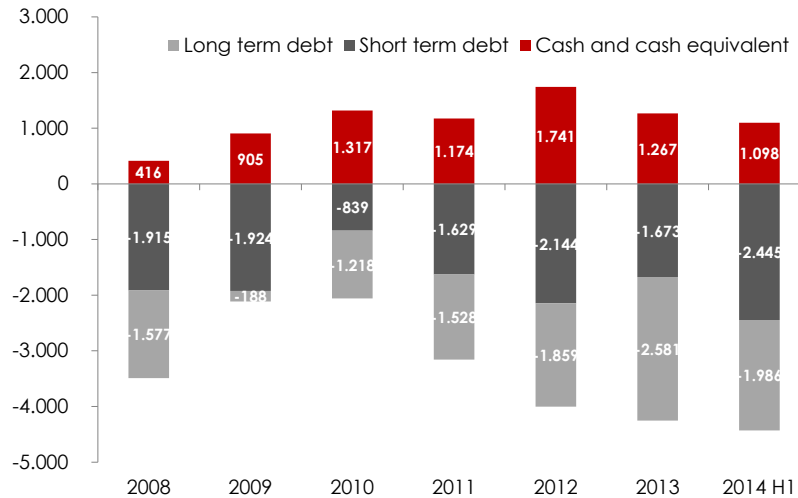
TL Million	FX Basis	TL Basis	30.06.2014		FX Basis	TL Basis	Total
ST Trade Rec.	2.037	2.456	4.493	ST Trade Payables	697	985	1.682
Other Receivables	33	51	84	Other Payables	197	121	318
Inventory	1.001	1.065	2.066	<b>Working Capital</b>	<b>2.177</b>	<b>2.466</b>	<b>4.643</b>

TL Million	FX Basis	TL Basis	31.12.2013		FX Basis	TL Basis	total
ST Trade Rec.	1.939	2.243	4.182	ST Trade Payables	619	1.026	1.645
Other Receivables	17	15	32	Other Payables	219	24	243
Inventory	954	1.034	1.988	<b>Working Capital</b>	<b>2.072</b>	<b>2.242</b>	<b>4.314</b>



\* Total Sales of Last Twelve Months

# DEBT PROFILE



\* Total EBITDA of Last Twelve Months

## Total Bank Borrowings

	Effective Interest Rate p.a. (%)	Original Currency	TRY Equivalent
TRY	11,0%	1.599.274.080	1.599.274.080
EUR	2,5%	478.593.965	1.384.045.888
USD	3,1%	50.081.051	106.342.103
ZAR	8,0%	1.000.000.000	200.300.000
RUB	8,8%	1.007.161.156	63.209.434
CNY	5,6%	38.039.200	12.916.591
Other			1.534.107
<b>Total</b>			<b>3.367.622.203</b>

## Eurobond

	Effective Interest Rate p.a. (%)	Original Currency	TRY Equivalent
USD	5,1%	500.458.214	1.062.672.972
<b>Total</b>			<b>1.062.672.972</b>

# CASH FLOW

<b>TL Million</b>	<b>30.06.2014</b>	<b>30.06.2013</b>
Beginning Balance	1.266	1.739
<i>Net Operational Cash Flow</i>	285	158
<i>Fixed Asset Sales</i>	1	3
<i>CapEx</i>	-188	-188
<i>Dividend Paid</i>	-300	-355
<i>Changes in Bank Borrowings</i>	178	-651
<i>Bonds Issued</i>	0	889
<i>Other Financial &amp; Investing Activities</i>	-131	-2
<i>Differences due to FX Conversion</i>	-12	53
Changes in Cash	-168	-93
Ending Balance	1.098	1.646

# 2014 Expectations



# 2014 EXPECTATIONS

## Expectations for Arçelik ;

- Stable or increasing market share in key regions
- White goods volume growth :
  - Turkey\* : 0 to -5 %
  - International : > 8%
- Total revenue growth: > 10% in TL
- 2014 EBITDA margin \*\*:  $\geq 10.5\%$

## Long-term expectations;

- EBITDA margin \*\*:  $\sim 11\%$

*\*5 main products, in compliance with WGMA data.*

*(This forecast is revised from previously announced «0 to 2% growth», due to ongoing slow demand in Turkey. The latest -6,9% WGMA 1H sector data proves that Turkish consumer demand is still sluggish.)*

*\*\*EBITDA margin calculations are inline with the methodology used on page 9*

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