

April 28, 2025

Arcelik

Despite the improvement in operating profitability, net loss recorded due to financial expenses and tax expense

Esra Uzun Ozbaskin

Analyst

euzun@sekeryatirim.com

Arcelik recorded a net loss of TRY 1,640mn in 1Q25, including the impact of IAS-29, compared to our expectation of a TRY 341mn net profit and the market consensus of an TRY 885mn net loss. Higher-than-expected financial expenses (net TRY 7,722mn) and a tax expense of TRY 998mn versus our expectation of a tax income were the primary reasons for the deviation. TRY 4,342mn of monetary gain is recorded in this quarter.

The company's net sales revenue, including the IAS-29 impact, increased by 9% YoY in 1Q25, reaching TRY 109,118mn— slightly below our expectation of TRY 111,094mn and the market's estimate of TRY 111,411mn. Recall that Whirlpool operations were not yet reflected in the 1Q24 financials while assessing the annual growth. During 1Q25, domestic demand contracted due to a high base effect and export sales remained weak except in Africa, Bangladesh, and Pakistan. In real terms, domestic sales contracted by 12% in TRY terms, while international sales grew by 25%. The contraction in domestic demand is in line with our expectations, reflecting the impact of tight monetary policy.

Average prices of key raw materials, plastics and metals, decreased on both a quarterly and annual basis. However, operational profitability declined on a yearly basis due to increased expenses related to Whirlpool operations. Thanks to cost transformation efforts regarding Whirlpool operations, there was an improvement on a quarterly basis. In 1Q25, EBITDA came in at TRY 5,723mn, in line with our estimate of TRY 5,897mn and the market consensus of TRY 5,749mn. The EBITDA margin was 5.2% (1Q24: 7.9%, 4Q24: 4.4%).

2025 guidance maintained: In 2025, the company anticipates stable real growth in the domestic market and approximately 15%+ growth in international revenues in FX terms. The adjusted EBITDA margin is expected to improve to 6.5%, while capital expenditures of approximately EUR 300mn are planned.

OUTPERFORM
TP: TRY 190.59
Previous TP: TRY 195.65
Upside: 55%

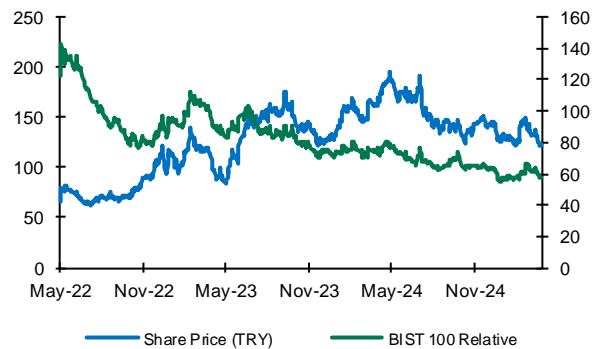
	TRY	US\$
Close	123,10	3,22
BIST 100	9.433	247
US\$/TRY (CB Bid Rate):	38,31	
52 Week High:	195,00	6,07
52 Week Low:	121,40	3,19
Bloomberg/Reuters Ticker:	ARCLK.TI / ARCLK.IS	

	675,7	
Number of Shares (Mn):	(TRY Mn)	(US\$ Mn)
Current Mcap:	83.182	2.175
Free Float Mcap:	12.477	326

	1 M	YOY	YTD
TRY Return (%):	-13,7	-27,1	-13,3
US\$ Return (%):	-14,6	-38,1	-20,1
BIST 100 Relative (%):	-11,1	-24,9	-9,7
Avg. Daily Vol. (TRY Mn):	427,81		
Avg. Daily Vol. (US\$ Mn):	12,56		

Beta	0,86
Volatility (Stock)	0,36
Volatility (BIST 100)	0,25

Shareholder Structure	%
Koç Group	57,2
Burla Group	17,6
Arcelik	10,2
Free Float	15,0
Total	100,0



Following the inclusion of Whirlpool operations in the financials, the share of Europe – the main market – in total sales has exceeded 50%. In Europe, disinflation and interest rate cuts are ongoing. In 2Q25, white goods demand increased across Eastern and Western Europe (excluding Germany and France) compared to last year. Supported by last year's low base effect, we expect the recovery to continue. In Turkey, due to the high base effect from last year and the postponement of rate cuts to the second half of the year, we anticipate a more noticeable recovery in white goods demand towards year-end. In 2025, we expect cost management to become more effective and margins to gradually recover as idle operations related to Whirlpool are closed. (As of 1Q25, more than half of the restructuring process, initially projected to take three years, has already been completed within one year.) In summary, we may see better results from Arçelik in the second half of the year.

According to revisions to our macroeconomic estimates and risk-free rate, we have revised our 12-month target price for Arçelik from TRY 195.65/share to TRY 190.59/share. We maintain our OUTPERFORM recommendation. Our target price has 55% upside potential.

Figure 1: Financials (Including IAS-29)

TRY Million	1Q24	1Q25	YoY	4Q24	1Q25	QoQ
Revenues	99.801	109.118	9,3%	119.187	109.118	-8,4%
Gross Profit	29.619	31.275	5,6%	32.000	31.275	-2,3%
<i>Gross Profit Margin</i>	<i>29,7%</i>	<i>28,7%</i>		<i>26,8%</i>	<i>28,7%</i>	
EBIT	4.355	1.003	-77,0%	539	1.003	86,0%
<i>EBIT Margin</i>	<i>4,4%</i>	<i>0,9%</i>		<i>0,5%</i>	<i>0,9%</i>	
EBITDA	7.888	5.723	-27,4%	5.278	5.723	8,4%
<i>EBITDA Margin</i>	<i>7,9%</i>	<i>5,2%</i>		<i>4,4%</i>	<i>5,2%</i>	
Net Profit	2.425	-1.640	N.M.	16.182	-1.640	N.M.
<i>Net Profit Margin</i>	<i>2,4%</i>	<i>-1,5%</i>		<i>13,6%</i>	<i>-1,5%</i>	

Source: Finnet, Seker Invest Research

Figure 2: Key Financials (Including IAS-29)

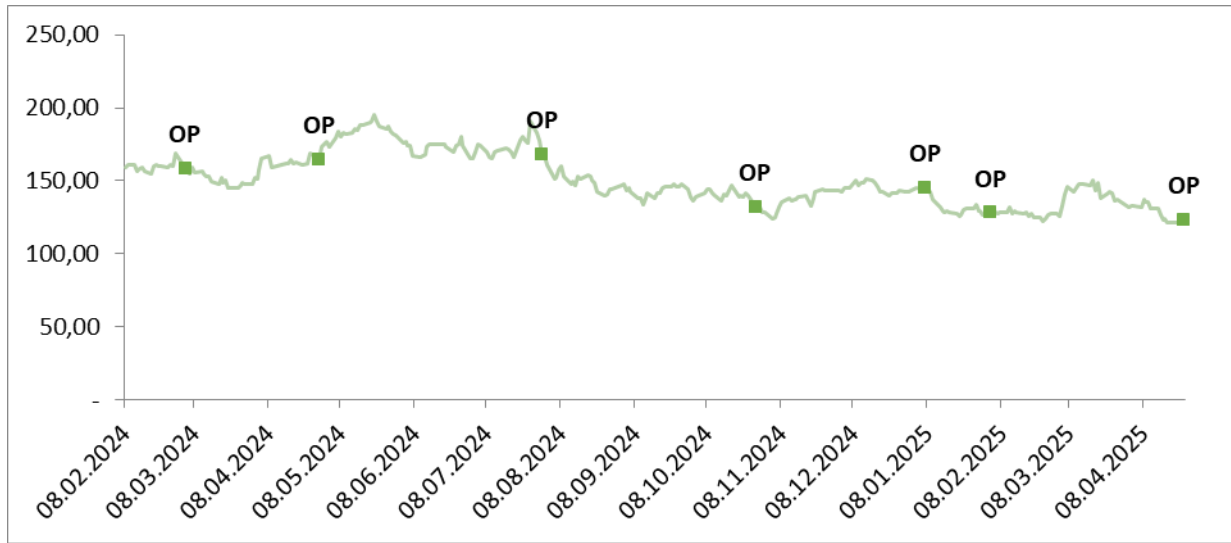
BALANCE SHEET (TRY Mn)	2024/12	2025/03	%
PP&E	99.955	100.082	0,1%
Intangibles	49.375	49.700	0,7%
Other Non-Current Assets	35.863	37.648	5,0%
Trade Receivables	102.278	112.852	10,3%
Cash&Equivalents	55.929	43.867	-21,6%
Other Current Assets	94.350	103.569	9,8%
Total Assets	437.749	447.718	2,3%
Long Term Debt	83.402	79.329	-4,9%
Other Non current liabilities	28.230	29.861	5,8%
Short Term Debt	56.548	67.734	19,8%
Trade Payables	112.693	119.191	5,8%
Other Current Liabilities	74.259	71.917	-3,2%
Total Liabilities	355.132	368.032	3,6%
Total Equity	82.617	79.686	-3,5%
Total Equity&Liabilities	437.749	447.718	2,3%

INCOME STATEMENT (TRY Mn)	2024/12	2024/03	2025/03	%
Net Sales	471.673	99.801	109.118	9
COGS	341.686	70.182	77.843	11
Gross Profit/(Loss)	129.987	29.619	31.275	6
Operating Expenses	123.661	25.264	30.272	20
Operating Profit/(Loss)	6.326	4.355	1.003	(77)
Net Other Operational Gain/(Loss)	1.513	(537)	1.502	N.M.
Income/(Loss) from Investing Activities	970	0	26	7.036
Financial Income/(Expense)	(27.789)	(6.386)	(7.722)	N.M.
Monetary Gain / (Loss)	15.810	6.355	4.342	(32)
Share of profit of equity accounted investments	(194)	(140)	(103)	N.M.
Profit Before Tax (Loss)	(1.772)	3.648	(953)	N.M.
Tax	657	1.025	999	(3)
Net Profit/(Loss)	(2.429)	2.623	(1.952)	N.M.
Minority Interest	(4.288)	198	(312)	N.M.
Parent Equity	1.859	2.425	(1.640)	N.M.

ARCLK

Source: Seker Invest

Historical Recommendations and Target Prices



Date	Rec	Target Price (TRY)
23-Oct-23	Outperform (OP)	190,88
11-Jan-24	Outperform (OP)	217,97
4-Mar-24	Outperform (OP)	217,97
29-Apr-24	Outperform (OP)	217,97
31-Jul-24	Outperform (OP)	282,90
28-Oct-24	Outperform (OP)	267,50
7-Jan-25	Outperform (OP)	235.52
3-Feb-25	Outperform (OP)	195.65
28-Apr-25	Outperform (OP)	190,59

ARCLK

Basis for 12m Equity Ratings

Outperform: The total return is expected to exceed the return of the BIST 100 by more than 10%.

Underperform: The total return is expected to fall below the return of the BIST 100 by more than 10%.

Market Perform: The total return is expected to be in line with the return of the BIST 100.

ŞEKER INVEST RESEARCH

Şeker Yatırım Menkul Değerler A.Ş.
Buyukdere Cad. No:171 Metrocity
A Blok Kat 4-5 34330 SİSLİ /İST
TURKEY

TEL: +90 (212) 334 33 33
Fax: +90 (212) 334 33 34
E-mail: research@sekeryatirim.com
Web: <http://www.sekeryatirim.com/english/index.aspx>

For additional information, please contact:

Research

Kadir Tezeller	Head	+90 (212) 334 33 81	ktezeller@sekeryatirim.com
Burak Demirbilek	Utilities, Pharmaceutical	+90 (212) 334 33 33-128	bdemirbilek@sekeryatirim.com
Sevgi Onur	Banks	+90 (212) 334 33 33-150	sonur@sekeryatirim.com
Engin Degirmenci	Cement	+90 (212) 334 33 33-201	edegirmenci@sekeryatirim.com
A. Can Tuglu	Food & Bev., Retail, Auto, Aviation	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com
Esra Uzun Ozbaskin	Telcos, Iron & Steel, Cons. Dur. Oil&Gas	+90 (212) 334 33 33-245	euzun@sekeryatirim.com
Basak Kamber	Glass, Defense Industry	+90 (212) 334 33 33-251	bkamber@sekeryatirim.com

Economy & Politics

Abdulkadir Dogan	Economist	+90 (212) 334 91 04	adogan@sekeryatirim.com
------------------	-----------	---------------------	--

Institutional Sales

Batuhan Alpman	Head	+90 (212) 334 91 01	balpman@sekeryatirim.com
Deniz Keskin	Trader	+90 (212) 334 33 36	dkeskin@sekeryatirim.com
Kerim Culum	Trader	+90 (212) 334 33 33-316	kculum@sekeryatirim.com.tr

DISCLAIMER

I, Esra Uzun Ozbaskin, hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest). The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Invest. By accepting this document you agree to be bound by the foregoing limitations.

Copyright © 2025 Şeker Invest