Earnings Update
Consumer Durables

July 31, 2026

Arcelik

Net Income Beat Expectations, but the Operational Outlook Remains Weak…

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OUTPERFORM
TP: 149,50 TL
Previous TP: 149,50 TL
Upside: %54

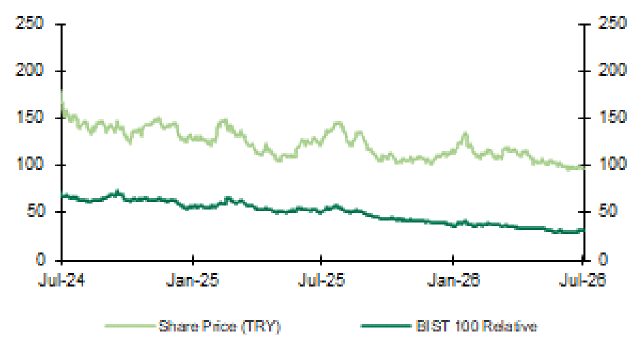
Arçelik reported net income attributable to the parent of TRY 3,438mn in 2Q26, including the impact of IAS 29, exceeding the market median estimate of TRY 2,526mn by 36.1%. The key driver behind the earnings beat was TRY 6,662mn one-off income recorded following the termination of Whirlpool-related contingent liabilities. Excluding this income, the Company would have posted a pre-tax loss of approximately TRY 3,314mn. Although the 36.7% YoY decline in net financial expenses to TRY 7,041mn and a TRY 4,575mn monetary gain supported the bottom line, the substantial contribution from non-operating items limits the quality of earnings.

Net sales declined by 11.9% YoY in real terms to TRY 141,324mn in 2Q26, coming in 0.4% below the market median estimate of TRY 141,884mn. Türkiye sales decreased by 5.6% to TRY 51,035mn, while international sales contracted by 15.0% to TRY 90,289mn. By region, sales in Europe and Asia-Pacific declined by 15.6% and 17.7%, respectively, whereas Africa demonstrated greater resilience with a limited decline of 3.3%. Sales of white goods, consumer electronics and other products decreased by 11.3%, 25.9% and 10.5%, respectively. Despite market share gains in Türkiye, weak demand, pricing pressure, an unfavorable product mix and intense competition in international markets weighed on sales performance.

Reported EBITDA declined by 37.3% YoY and 29.3% QoQ to TRY 5,863mn, coming in 2.9% below the market median estimate of TRY 6,037mn. The reported EBITDA margin contracted by 168 bps to 4.1%, while the adjusted EBITDA margin stood at 5.2%. Purchasing savings, material improvement initiatives, a supportive EUR/USD exchange rate and favorable steel procurement agreements lifted the gross margin by 94 bps to 29.3%. However, the increase in the operating expenses-to-sales ratio to approximately 28.6%, wage pressures, price competition and TRY 670mn of restructuring expenses limited the translation of the gross margin improvement into EBITDA.

	TRY	US$	
Close	96,90	2,05	
BIST 100	13.293	281	
US$/TRY (CB Bid Rate):	47,41		
52 Week High:	145,80	3,57	
52 Week Low:	96,50	2,05	
Bloomberg/Reuters Ticker:	ARCLK.TI /ARCLK.IS		
Number of Shares (Mn):	675,7		
	(TRY Mn)	(US$ Mn)	
Current Mcap:	65.478	1.384	
Free Float Mcap:	11.786	249	
	1 M	YOY	YTD
TRY Return (%):	-2,5	-22,9	-4,1
US$ Return (%):	-4,0	-34,0	-13,1
BIST 100 Relative (%):	3,6	-38,4	-18,7
Avg. Daily Vol. (TRY Mn):	338,27		
Avg. Daily Vol. (US$ Mn):	7,86		
Beta	0,95		
Volatility (Stock)	0,31		
Volatility (BIST 100)	0,23		

Shareholder Structure	%
Koç Holding A.Ş.	48,53
Teknosan Büro Makine ve Levazımı Tic. ve Sa	12,05
Burla Ticaret ve Yatırım A.Ş.	5,56
Other	33,86
Total	100,00



Operational Developments and Sector Outlook… The Company acquired Whirlpool's remaining 25% stake in Beko Europe for TRY 3,801mn, becoming the sole shareholder of the business. The sale of treasury shares to Whirlpool generated a TRY 2,030mn cash inflow. Restructuring initiatives and production footprint optimization continue in Europe and Asia-Pacific. While tight financing conditions in Türkiye and price competition in Europe continue to suppress demand, Africa, Pakistan and Egypt have maintained a relatively more resilient performance. Rising plastic prices represent a risk to margins in the second half of the year, while purchasing savings, capacity optimization and potential proceeds from the sale of the Arçelik-Hitachi business constitute the principal catalysts.

Balance Sheet, Cash Flow and Leverage… Adjusted net debt increased from TRY 162,588mn at end-2025 to TRY 187,468mn as of June 2026, while the adjusted net debt-to-adjusted EBITDA ratio rose from 4.50x to 5.22x. The net working capital-to-sales ratio stood at 21.9%, broadly in line with the Company's full-year target of approximately 22%. Cash flow from operating activities amounted to negative TRY 11,949mn in 1H26, while free cash flow came in at negative TRY 18,139mn. Despite improving by TRY 13.3bn YoY, free cash flow remained negative. The decline in the capital expenditure-to-sales ratio to 2.2% was positive in terms of capital discipline; however, high short-term debt and weak cash generation continue to increase refinancing risk.

Company Guidance for 2026... The Company has maintained its 2026 guidance, which calls for flat sales in Türkiye, a single-digit contraction in international sales in foreign-currency terms, an adjusted EBITDA margin of 6.25–6.50%, a net working capital-to-sales ratio of approximately 22% and capital expenditures of approximately EUR 250mn. The 1H26 adjusted EBITDA margin of 5.9% indicates that a significant margin improvement will be required in the second half to achieve the full-year target. Weak demand, price competition, wage pressures and rising plastic costs represent downside risks, while cost savings, restructuring benefits and potential asset disposals could support the outlook.

Overall Assessment… We assess Arçelik's 2Q26 results as operationally weak. Although the improvement in the gross margin, lower net financial expenses and the YoY recovery in free cash flow were positive, the substantial contribution of one-off income to net profit, the contraction in the EBITDA margin, negative cash flow and increasing leverage limit the overall quality of the results. Demand and pricing conditions, cost savings at Beko Europe, the Arçelik-Hitachi transaction and progress in the deleveraging process will be the key factors to monitor.

Following the 2Q26 results, we maintain our 12-month target price for Arçelik at TRY 149.50 per share. Our target price implies 54% upside potential relative to the latest closing price, and we reiterate our "OUTPERFORM" recommendation on the shares.

Figure 1: Financials (Including IAS -29)

TRY Million	1H25	1H26	YoY	2Q25	2Q26	YoY
Revenues	**313.145**	**280.733**	**-10,4%**	**160.332**	**141.324**	**-11,9%**
Gross Profit	**89.340**	**83.021**	**-7,1%**	**45.541**	**41.476**	**-8,9%**
Gross Profit Margin	*28,5%*	*29,6%*		*28,4%*	*29,3%*	
EBIT	**3.660**	**3.279**	**-10,4%**	**2.255**	**1.009**	**-55,2%**
EBIT Margin	*1,2%*	*1,2%*		*1,4%*	*0,7%*	
EBITDA	**17.362**	**14.153**	**-18,5%**	**9.347**	**5.863**	**-37,3%**
EBITDA Margin	*5,5%*	*5,0%*		*5,8%*	*4,1%*	
Adjusted EBITDA*	**17.540**	**16.552**	**-5,6%**	**9.439**	**7.415**	**-21,4%**
Adjusted EBITDA Margin	*5,6%*	*5,9%*		*5,9%*	*5,2%*	
Net Profit	**-5.383**	**1.493**	**N.M.**	**-3.086**	**3.438**	**N.M.**
Net Profit Margin	*-1,7%*	*0,5%*		*-1,9%*	*2,4%*	

Source: Finnet, Seker Invest Research

**Adjusted EBITDA: Gross Profit – Operating Expenses (excluding one-off expenses) + Depreciation and Amortization.*

**Adjustments mainly comprise one-off expenses related to restructuring initiatives.*

Figure 2: Key Financials (Including IAS-29)

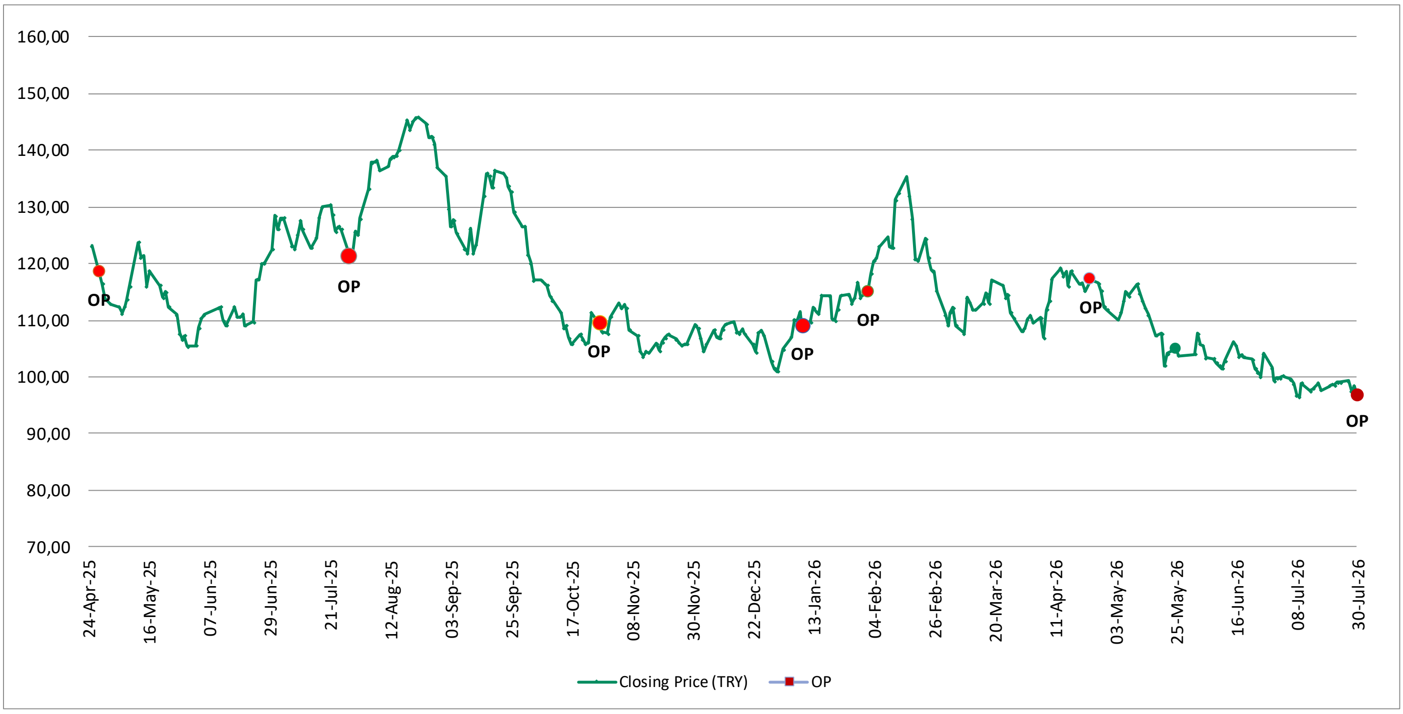
BALANCE SHEET (TRY Mn)	2025/12K	2026/06K	Chg%
PP&E	132.069	120.036	(9)
Intangibles	71.916	58.779	(18)
Other Non-Current Assets	46.587	41.806	(10)
Trade Receivables	137.322	143.508	5
Cash&Equivalents	115.202	64.288	(44)
Other Current Assets	136.959	166.828	22
Total Assets	**640.055**	**595.244**	**(7)**
Long Term Debt	103.568	107.423	4
Other Non current liabilities	45.951	29.855	(35)
Short Term Debt	174.222	150.519	(14)
Trade Payables	153.514	154.551	1
Other Current Liabilities	73.415	71.348	(3)
Total Liabilities	550.670	513.696	(7)
Total Equity	89.385	81.549	(9)
Total Equity&Liabilities	**640.055**	**595.244**	**(7)**

Source: Finnet, Seker Invest

INCOME STATEMENT (TRY Mn)	2025/06K	2026/06K	Chg%
Net Sales	313.145	280.733	(10)
COGS	223.805	197.712	(12)
Gross Profit/(Loss)	89.340	83.021	(7)
Operating Expenses	85.680	79.742	(7)
Operating Profit/(Loss)	6.997	6.008	(14)
Net Other Operational Gain/(Loss)	3.337	2.728	(18)
Income/(Loss) from Investing Activities	73	(37)	N.M.
Financial Income/(Expense)	(21.934)	(13.544)	N.M.
Monetary Gain/Loss	10.616	11.162	5
Share of profit of equity accounted investments	(91)	82	N.M.
Profit Before Tax (Loss)	**(4.340)**	**3.670**	**N.M.**
Tax	2.296	3.226	41
Net Profit/(Loss)	**(6.636)**	**444**	**N.M.**
Minority Interest	(1.253)	(1.050)	N.M.
Parent Equity	(5.383)	1.493	N.M.

ARCLK *Source: Finnet, Seker Invest*

Historical Recommendations and Target Price



Date	Recommendation	Target Price (TRY)
28-Apr-25	Outperform (OP)	190,59
28-Jul-25	Outperform (OP)	185,00
27-Oct-25	Outperform (OP)	185,00
9-Jan-26	Outperform (OP)	149,50
2-Feb-26	Outperform (OP)	149,50
24-Apr-26	Outperform (OP)	149,50
30-Jul-26	Outperform (OP)	149,50

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.

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