Arcelik

EBITDA Beats Expectations, But Net Loss Widens…

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Arçelik reported a net loss of TRY 6,205 mn in 3Q26, including the impact of IAS 29, compared with our estimate of TRY 1,043 mn and the market median estimate of TRY 5,463 mn. Despite TRY 2,018 mn of income from investing activities related to the sale of the Koç Finansman stake and fixed asset disposals, the following items drove the net loss:

- The decline in operating profit from TRY 3,601 mn to TRY 113 mn,
- The 9% YoY increase in net financial expenses to TRY 10,298 mn,
- The 20% decline in the net monetary gain to TRY 3,840 mn.

The pre-tax loss widened from TRY 918 mn to TRY 4,740 mn, and the Company recorded a tax expense despite the pre-tax loss.

Net sales declined by 13.9% YoY and 6.9% QoQ in real terms to TRY 138,973 mn in 3Q26, coming in 4.9% below our estimate of TRY 146,100 mn and in line with the market median estimate of TRY 139,652 mn. In real TRY terms, Türkiye sales decreased by 4.5%, while international sales contracted by 18.2%. In EUR terms, total sales declined by 2.4%:

- International sales decreased by 7.3%, driven mainly by lower volumes (-EUR 90 mn) and an unfavorable price/mix (-EUR 49 mn).
- Türkiye sales grew by 8.3%, supported by higher volumes (+EUR 75 mn).

Reported EBITDA declined by 47% YoY and 5% QoQ to TRY 5,874 mn, coming in 45% above our estimate of TRY 4,048 mn and 5% above the market median estimate of TRY 5,619 mn. The reported EBITDA margin contracted by 267 bps to 4.2%. Adjusted EBITDA, excluding one-off expenses, declined by 35% YoY to TRY 7,392 mn, with the margin falling from 7.0% to 5.3% (2Q26: 5.2%). Effective raw material cost management despite regional conflicts, and a diversified supplier base kept the gross margin at 29.0%, marking a limited 10 bps YoY decline. However, pressure from operating expenses and wage inflation compressed the EBITDA margin. The increase in the adjustment amount from TRY 167 mn in 3Q25 to TRY 1,519 mn indicates a rise in one-off expenses.

OUTPERFORM
TP: 111,00 TL
Previous TP: 149,50 TL
Upside: %60

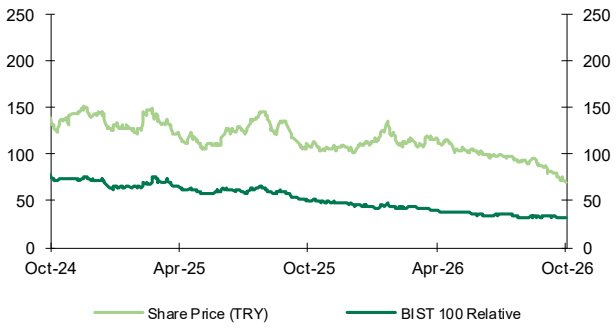
	TRY	US$
Close	69,20	1,39
BIST 100	11.152	225
US$/TRY (CB Bid Rate):	49,76	
52 Week High:	135,30	3,11
52 Week Low:	69,20	1,39
Bloomberg/Reuters Ticker:	ARCLK.TI /ARCLK.IS	

Number of Shares (Mn):	675,7	
	(TRY Mn)	(US$ Mn)
Current Mcap:	46.760	941
Free Float Mcap:	8.417	169

	1 M	YOY	YTD
TRY Return (%):	-19,3	-37,9	-31,5
US$ Return (%):	-20,6	-47,5	-40,8
BIST 100 Relative (%):	-6,7	-39,1	-30,8
Avg. Daily Vol. (TRY Mn):	273,76		
Avg. Daily Vol. (US$ Mn):	6,18		

Beta	0,93
Volatility (Stock)	0,31
Volatility (BIST 100)	0,24

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… In Western Europe, white goods demand rose by 1.6% in unit terms in 8M26, while market value declined by 0.7% in EUR terms amid pricing pressure; the Group's market share in the region remained below the previous year's level. Regional performance diverged:

- Growing markets (EUR-based revenue): Defy grew by 9.8%, Dawlance by 34.4% and India by 23%. Beko Egypt's USD-based sales rose by 119.8%.
- Declining markets: Arçelik-Hitachi sales fell by 13% and Middle East sales by 8%.

Although metal and plastic prices declined QoQ, they remain above the previous year's levels. The renewed rise in raw material cost pressure toward the end of the quarter and in October poses a risk to 4Q26 margins. As part of portfolio simplification, the sale of Koç Finansman generated a USD 61.4 mn cash inflow and the sale of the Taşdelen property a TRY 1.41 bn cash inflow. The Arçelik-Hitachi sale remains subject to regulatory approvals.

Balance Sheet, Cash Flow and Leverage… Adjusted net debt increased from TRY 171,644 mn at end-2025 to TRY 211,779 mn, partly reflecting seasonal working capital needs. The adjusted net debt-to-adjusted EBITDA ratio rose from 4.50x to 6.32x (2Q26: 5.22x). Adjusted for inventory-related monetary gains/losses, the ratio stands at 5.18x, and at 4.09x when adjusted for all monetary gain/loss items. The increase in the share of short-term debt from 63% to 67% and the average debt maturity of 0.9 years increase refinancing risk. On the positive side:

- Free cash flow improved from negative TRY 10,983 mn in 9M25 to negative TRY 5,744 mn in 9M26.
- The capital expenditure-to-sales ratio declined from 2.9% to 2.4%.
- The net working capital-to-sales ratio stood at 21.9%, in line with the target.

Company Guidance for 2026... The Company revised its 2026 guidance downward, reflecting weaker-than-expected demand, ongoing pricing pressure, cost pressures stemming from regional conflicts and higher operating expenses:

- International sales guidance in foreign-currency terms was lowered from a single-digit to a low double-digit decline.
- A single-digit decline is expected in Türkiye sales in TRY terms.
- Adjusted EBITDA margin guidance was lowered from 6.25–6.50% to 5.75–6.00%.
- Capital expenditure guidance was reduced from approximately EUR 250 mn to EUR 200–225 mn.
- The net working capital-to-sales guidance of approximately 22% was maintained.

The 9M26 adjusted EBITDA margin of 5.7% indicates that a significant margin improvement will be required in 4Q26 even to achieve the revised target.

Overall Assessment… … We assess Arçelik's 3Q26 results as above our expectations operationally, but weak in terms of the overall outlook. Despite the positive EBITDA surprise, the resilient gross margin and market share gains in Türkiye, the following factors limit the quality of the results:

- The wider net loss despite asset disposals,
- The downward revision to full-year guidance,
- Leverage rising to 6.32x.

Pricing and market share in Europe, the 4Q26 margin recovery, raw material costs, the Arçelik-Hitachi transaction and progress in the deleveraging process are the key factors to monitor.

Following the 3Q26 results and the revised Company guidance, we lower our 12-month target price for Arçelik from TRY 149.50 to TRY 111.00 per share. Our target price implies 60% upside potential relative to the latest closing price, and we reiterate our "OUTPERFORM" recommendation on the stock.

Figure 1: Financials (Including IAS -29)

TRY Million	9M25	9M26	YoY	3Q25	3Q26	YoY
Revenues	**492.032**	**435.342**	**-11,5%**	**161.445**	**138.973**	**-13,9%**
Gross Profit	**141.253**	**127.907**	**-9,4%**	**46.937**	**40.263**	**-14,2%**
Gross Profit Margin	*28,7%*	*29,4%*		*29,1%*	*29,0%*	
EBIT	**7.464**	**3.574**	**-52,1%**	**3.601**	**113**	**-96,9%**
EBIT Margin	*1,5%*	*0,8%*		*2,2%*	*0,1%*	
EBITDA	**29.456**	**20.815**	**-29,3%**	**11.127**	**5.874**	**-47,2%**
EBITDA Margin	*6,0%*	*4,8%*		*6,9%*	*4,2%*	
Adjusted EBITDA*	**30.456**	**24.738**	**-18,8%**	**11.294**	**7.392**	**-34,5%**
Adjusted EBITDA Margin	*6,2%*	*5,7%*		*7,0%*	*5,3%*	
Net Profit	**-8.349**	**-4.629**	**N.M.**	**-2.667**	**-6.205**	**N.M.**
Net Profit Margin	*-1,7%*	*-1,1%*		*-1,7%*	*-4,5%*	

Source: Finnet, Seker Invest Research

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

**Adjustments mainly comprise one-off expenses.*

Figure 2: Key Financials (Including IAS-29)

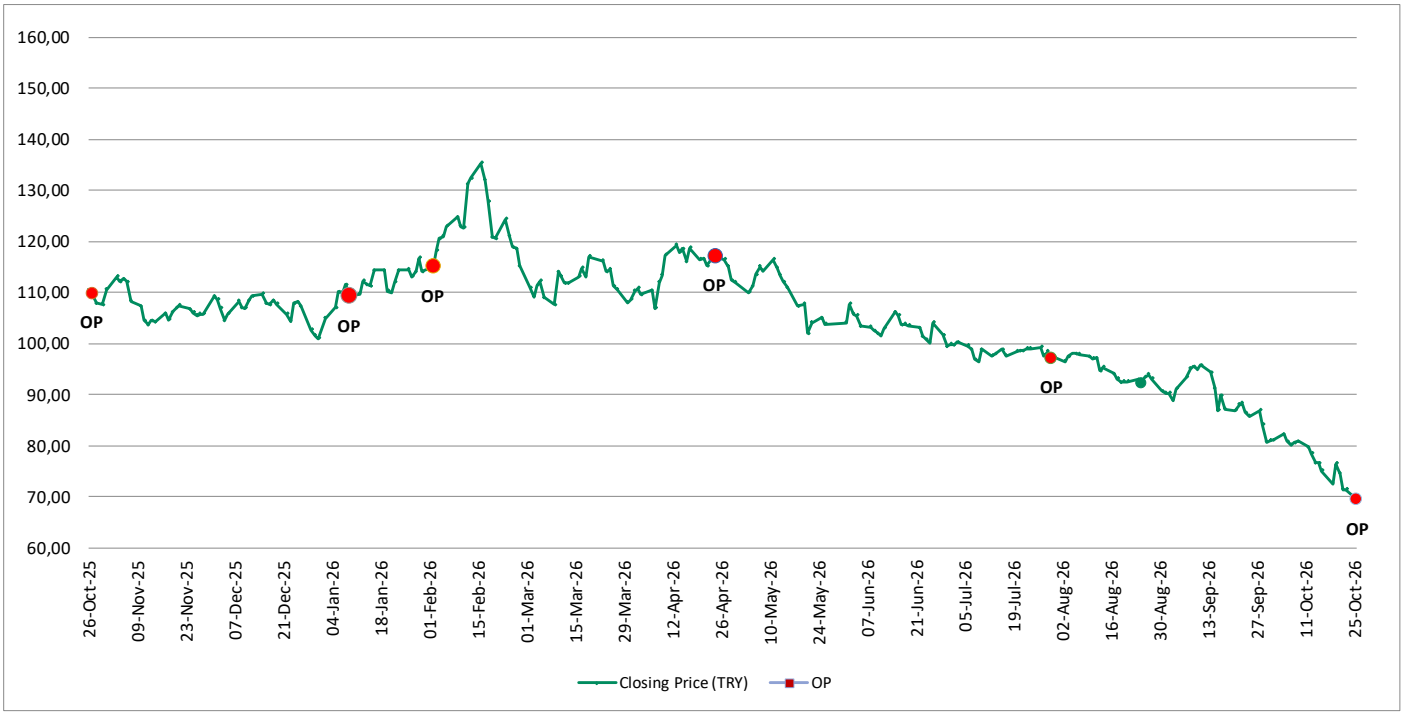
BALANCE SHEET (TRY Mn)	2025/12K	2026/09K	Chg%
PP&E	139.425	121.142	(13)
Intangibles	75.922	62.563	(18)
Other Non-Current Assets	49.182	45.067	(8)
Trade Receivables	144.970	148.636	3
Cash&Equivalents	121.619	70.080	(42)
Other Current Assets	144.587	169.738	17
Total Assets	**675.704**	**617.225**	**(9)**
Long Term Debt	109.337	95.820	(12)
Other Non current liabilities	48.510	30.887	(36)
Short Term Debt	183.926	192.403	5
Trade Payables	162.064	145.164	(10)
Other Current Liabilities	77.504	76.968	(1)
Total Liabilities	581.341	541.242	(7)
Total Equity	94.363	75.983	(19)
Total Equity&Liabilities	**675.704**	**617.225**	**(9)**

Source: Finnet, Seker Invest

INCOME STATEMENT (TRY Mn)	2025/09K	2026/09K	Chg%
Net Sales	492.032	435.342	(12)
COGS	350.780	307.434	(12)
Gross Profit/(Loss)	141.253	127.907	(9)
Operating Expenses	133.788	124.333	(7)
Operating Profit/(Loss)	10.280	5.658	(45)
Net Other Operational Gain/(Loss)	2.815	2.084	(26)
Income/(Loss) from Investing Activities	53	1.842	3.403
Financial Income/(Expense)	(31.649)	(23.774)	N.M.
Monetary Gain/Loss	16.012	15.624	(2)
Share of profit of equity accounted investments	(195)	(217)	N.M.
Profit Before Tax (Loss)	**(5.500)**	**(866)**	**N.M.**
Tax	4.539	4.908	8
Net Profit/(Loss)	**(10.039)**	**(5.774)**	**N.M.**
Minority Interest	(1.690)	(1.145)	N.M.
Parent Equity	(8.349)	(4.629)	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
26-Oct-26	Outperform (OP)	111,00

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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