

Beko Lays Foundation Stone for new \$100mn Home Appliance Plant in Egypt

Beko unveils new investment in an event attended by GAFI & senior government officials

- Arçelik, the parent company of Beko, plans to make Egypt an export hub, allocating 60% of its production to foreign markets
- The plant is projected to start manufacturing by Q4 2023, with an annual capacity of 1.5 million household appliances, providing 2,000 direct job opportunities for Egyptians
- The first phase will produce eco-friendly cookers & refrigerators

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Beko Egypt for home appliances, a subsidiary of Arçelik, today celebrated laying the foundation stone for its first factory in Egypt on the 10th of Ramadan Industrial Zone, in the received land allocation with a total area of 114,000 m²

The event was attended by Counselor Mohamed AbdelWahab, GAFI CEO, Minister Plenipotentiary Mr. Mohamed ElSayed, Director of the European affairs & Turkey Department at ECS, Mr. Mohamed Youssef, Head of Investment Promotion at GAFI, and Dr. Ahlam Farouk, Head of the Central Administration for the Protection and Improvement of Industrial Environment and Energy at Ministry of Environment, in addition to H.E. Salih Mutlu Şen, Turkey's Ambassador to Egypt, Mr. Fatih Kemal Ebiçlioğlu, Koç Holding, Consumer Durables Group President, Hakan Bulgurlu, Arçelik CEO and Ümit Günel, Beko Egypt General Manager and high-level government officials.

The state-of-the-art manufacturing site is on the heels of fruitful discussions between the Egyptian government and Arçelik, a global household appliances manufacturer and a subsidiary of Koç Holding. Both parties had come together to explore investment opportunities and means to increase local employment and create value for local industries and communities.

The investment marks a significant milestone and is expected to boost the regional economy by creating more than 2,000 jobs and transferring technical know-how. In addition, the factory will develop local supplier ecosystems to create sustainable value for all industries while supporting the government's long-term strategy to drive industrial localization and establish Egypt as a significant production and export hub to overseas markets.

Scheduled to begin operations by Q4 2023, the plant is projected to manufacture an annual capacity of 1.5 million household appliances, more than 60% planned for export to Europe, the Middle East & Africa as "Made in Egypt", with around \$250mn in annual export potential. The first phase of the investment will focus on producing eco-friendly cookers and refrigerators

**Source Euromonitor International Limited: Consumer Appliances 2022 ed., 'a leading brand' defined as one of the top 3 in Europe, retail volume, based on 2021 data.*

The “Zero Waste” factory will also support Egypt’s vision 2030 for a green economy and use cutting-edge technologies, including rooftop solar panels and renewable energy, as it works towards meeting local market needs and supporting government efforts to achieve its SDGs.

Counselor Mohamed Abdel Wahab, GAFI CEO, expressed his happiness at laying the foundation stone for Beko Egypt factory stating "Today, Egypt is witnessing radical changes that transfers it to the encyclopedia of the most attractive countries for investment in various fields, with the participation of the private sector. This comes in line with the country’s economic roadmap and within the framework of free market mechanisms and support for competition." “The government, with all its authorities, seeks to provide a supportive environment for the performance of business in which transparency, governance and the rule of law prevail, in addition to the keenness of the General Investment Authority to provide all means of support for such projects from the private sector and to address all the challenges it might face.” He added

Minister Plenipotentiary Mohamed El-Sayed, Head of the European and Turkish Relations Sector at the Commercial Representation Authority, stressed that Turkish investments in Egypt are highly regarded, respected, and welcomed by both the government and people as these investments represent important steps in implementing Egypt’s vision, stating, “We are very glad that Arçelik is a new and important member joining the Turkish investment community in Egypt bringing to the market a vital product sector which is home appliances. We really look forward to seeing Beko tag made in Egypt very soon in the Egyptian market as well as foreign markets.”

For her part, **Dr. Ahlam Farouk, Head of the Central Department of Improving the Industrial Environment and Energy at the Ministry of Environment**, expressed her happiness to be present at this event that sees great interest in technology, and reduction of environmental pollutants and harmful emissions, by bringing together those calling for change to deploy environmentally friendly technologies towards achieving the SDGs, highlighting that the Egyptian Ministry of Environment seeks to improve the industrial environment by raising energy efficiency and rationalization, reducing pollution rates, and increasing public awareness of environmental aspects, in line with 2030 Sustainable Development Goals.

Additionally, **Koç Holding Consumer Durables Group President, Fatih Kemal Ebiçlioğlu** stated “We strongly believe in Egypt's potential. The pace of growth is promising, and Egypt plays a vital role in our strategy. We are confident that this strategic investment will reinforce our long-standing commitment as we are highly motivated to use our global expertise, scale, and knowledge to make this investment a remarkable success. With Arçelik’s sound vision and vigorous sustainability drive, this investment, for sure, will be a model for sustainable growth and advanced manufacturing.”

Arçelik CEO Hakan Bulgurlu commented "With a growing population and thriving economy, Egypt provides vast opportunities for the business community. We are poised to combine our innovative manufacturing approach with the strategic opportunities Egypt offers. As Europe’s leading brand, Beko

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will replicate its achievements in Egypt. Sustainability is incorporated as an essential strategy in every facet of our business, from sourcing our materials to our product design and recycling programs. We will also reflect on our sustainability know-how, insights, and learnings in this new facility to quickly turn this investment into an exemplary success story.”

On his part, Beko Egypt General Manager Ümit Günel stated “Today, we are witnessing a new milestone and opening a new gateway with the Beko factory in Egypt. This journey is just the beginning. We are currently studying the extension of the factory with new product categories. We also have another investment project which we call a retail factory. We will open 250 new showrooms and 50 service centers across Egypt and deliver world-class quality to our customers. This project will add new employment opportunities and create value for the Egyptian economy. We proudly received the market leadership position in the dishwasher category this year, and we aim to continue our leadership and work towards becoming the top 3 home appliances brands in Egypt.”

-The End-

About Koç Holding

As Arçelik’s parent company, Koç Holding is Turkey’s leading investment holding company and the Koç Group is Turkey’s largest industrial and services group in terms of revenues, exports, number of employees, taxes paid, and market capitalization on Borsa Istanbul. Being the only Turkish company to be ranked in the Fortune Global 500 List and Forbes’ World’s Best Employers List, Koç Holding has leading positions with strong competitive advantages in the energy, automotive, consumer durables, and finance sectors.

About Arçelik

With 45,000 employees throughout the world, Arçelik’s global operations include subsidiaries in 53 countries, 30 production facilities in 9 countries, and 12 brands (Arçelik, Beko, Grundig, Blomberg, ElektraBregenz, Arctic, Leisure, Flavel, Defy, Altus, Dawlance, Voltas Beko). Arçelik, among the three

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largest white goods companies in Europe with its market share (based on volumes), reached a consolidated turnover of 6.5 billion Euros in 2021. Arçelik's 29 R&D and Design Centers & Offices across the globe are home to over 2,300 researchers and hold up to 3,000 internationally registered patent applications to date. In 2021, Arçelik achieved the highest score in the DHP Household Durables category for the 3rd year in a row (based on the results dated November 2021) in the Dow Jones Sustainability Index of the S&P Global Corporate Sustainability Assessment. Through its leadership position in sustainability and credible decarbonization roadmap for achieving net zero, Arçelik became the first and only company from its industry to receive the Terra Carta Seal by His Majesty King Charles III. Arçelik's vision is 'Respecting the World, Respected Worldwide.'

www.arcelikglobal.com

About Beko

Beko is the international home appliance brand of Arçelik, a multinational household appliances manufacturer with 12 brands and employs 45,000 people worldwide. Beko is one of the top 3 large home appliances brands in Europe*. The brand is the naming partner of the Fenerbahçe Men's Basketball Team and the official supplier of European League of Legends Championship (LEC).

Beko Egypt is currently gaining a larger share of the Egyptian market with more than 750 sales and 83 customer service centers. The company provides a wide range of eco-friendly products, including ovens, refrigerators, washing machines, dishwashers, hoods, and coffee machines.

Beko has been focusing on healthy living for years, raising awareness and developing products that make healthy living possible and convenient. Beko's brand mission is 'healthy living is only possible on a healthy planet'. Beko is committed to protecting the planet by designing and manufacturing energy-efficient products and investing in resource efficiency in production.

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