

Sabancı Holding

Q4 2024 Financial Results

Earnings Release

March 3, 2025

Sabancı Holding has announced its consolidated financial results for the fourth quarter of 2024. Parallel to previous quarters, the non-bank segment demonstrated an improvement in operational profitability in the last quarter and Q4 marked as the strongest non-bank EBITDA margin across all quarters of 2024, driven by energy and financial services. Despite the significant impact of monetary losses on the banking and the holding levels, both of which maintain robust balance sheets with strong cash positions, the bottom-line remained resilient in Q4, particularly in non-bank, of which net income registered at TL1.3billion, excluding non-recurring items and holding only monetary losses. Banking's operational performance in Q4 also improved compared to the previous quarter.

B2B-dominated portfolio and effective working capital management resulted in a stronger non-bank operational cash flow in the second half - well above the first half of the year. The balance sheet remained solid, while net debt to EBITDA was at 1.4x at the Group level, well below the 2.0x Group policy and Holding-only net cash increased further to TL12.4billion, providing increased ability for capital allocation. Holding's net asset value increased by 16% to USD10.2billion as of February compared to 2023 level. Sabancı Holding Board of Directors proposes to distribute TL6.3billion gross dividends (TL3 DPS), to be submitted to the General Assembly's approval, which, if approved, will represent 23 years of uninterrupted dividend distribution.

In 2024, a transition year for the Turkish economy that adversely impacted certain sectors, including banking, Sabancı Holding navigated these challenges through strong performance of its non-bank businesses and remained well-positioned to deliver on its medium-term targets. Acquisitions of Mannok, which offers wide range of products such as insulation materials and sustainable packaging in addition to cement and cement base products in Ireland and Bulutistan, one of the market leaders in cloud technologies in Türkiye, serve as concrete examples of Sabancı Holding's dynamic portfolio management and global growth strategies aligned with net zero transmission. Holding is also on track with its USD 5 billion commitment to spend for SDG-linked activities by 2027 and its net zero target by 2050. This commitment with all our efforts around sustainability is reflected in its global recognition, securing a place on the CDP Global A List, included in S&P Global's Sustainability Yearbook for two consecutive years and strong rankings across key sustainability indices.

Sabancı Holding CEO Cenk Alper said:

"Amid global uncertainties driven by elections and widespread disinflation programs, 2024 presented significant challenges. Despite this, I am very pleased that we navigated these challenges with resilience, staying committed to our long-term strategy. We expanded our global footprint with Çimsa's acquisition of Irish Mannok, which offers wide range of products such as insulation materials and sustainable packaging in addition to cement and cement base products, for EUR253million, our largest overseas investment in recent history. In

renewable energy, we increased our capacity to 3.9GW and secured over USD1billion financing for YEKA-2 while our U.S. solar projects progressed, with Oriana set to become online in Q2'25. In digital, we acquired an additional 65% stake in Bulutistan, leading cloud company in Türkiye, reaching over 75% effective ownership. We have made direct investments in 15 companies to date, reaching a total investment amounting of over 14 million dollars through Sabancı Ventures and recently invested in Quera, one of the leaders in quantum computing, aligning with our focus on scalable, technology-driven growth. While doing all these executions in this volatile period, I am happy to note that we maintained our strong balance sheet, with a solid cash position of ~USD350million. We increased our capex to sales ratio to 13.5% in line with our medium-term target through disciplined capital allocation. As we enter 2025, we remain focused on strategic investments and disciplined capital execution, and we are well prepared to capture new opportunities and drive sustainable growth."

Financial Highlights

- The combined revenue¹ reached TL330billion in Q4'24, increased by 9% YoY, led by 22% YoY increase in banking revenue (54% share in total), while non-bank revenue (46% share in total) decreased by 4% YoY.
- The combined EBITDA realized at TL31billion with a 9% margin in Q4'24. The non-bank EBITDA margin reached its strongest level in Q4'24 at 13%, led by better performance in energy and financial services. Banking EBITDA contribution improved quarter on quarter, remained lower compared to previous years.
- Consolidated net loss reached TL3.6billion in Q4'24 versus TL19billion net income in Q4'23, in which TL3billion loss was recorded in banking. A total impairment of TL1.4bn was recorded, impacting both Q4 and full year results. Out of this, TL1bn was recorded by non-bank, while TL405mn was recorded by bank.
- The consolidated ROE was negative at 5.1% in 2024 versus 7.0% at the end of 2023. (non-bank ROE was negative at 2.3 in 2024 versus 11.2% in 2023)
- Combined non-bank operational cash flow decreased YoY, reaching TL58billion from TL73billion in 2023, while its improvement continued a quarterly basis, thanks to operational profitability along with disciplined working capital management.
- Net Debt/EBITDA was 1.4x at Group level, well below the Group's policy of 2.0x for non-bank businesses.
- Holding-only net cash was at TL12.4 billion, increasing from TL 7.0 billion at the end of 2023 with the net of dividend inflows/outflows amid increased investments.
- Non-bank Capex/Sales rose to 13.5% with increased investments in energy, material technologies and digital segments.

Strategic Highlights

- Acquisition of 94.7% of the share capital of Mannok by Cimsa Ireland Ltd, a wholly owned subsidiary of our subsidiary Cimsa Building Solutions B.V. have been completed as of 02.10.2024

¹Revenue excludes Holding dividend income

- The Group presented its five-year roadmap for 2024-2029 with its medium-term targets to international investors, at its Capital Markets Day in London on 9th of October, which was attended by over 100 representatives from leading global financial institutions.
- Enerjisa Üretim has secured up to USD1billion in financing from local and international institutions to support 750 MW of the YEKA-2, aiming for a total installed capacity of 1000 MW to be commissioned gradually until the first quarter of 2026. The loan will fund various ongoing wind power projects in Turkey, with repayment scheduled by the end of 2034 in the form of semi-annual payments after a 1.5-year grace period. Efforts are underway to finance the remaining 250 MW of YEKA-2 projects.
- Çimsa signed a green loan agreement with IFC on 01.11.2024 for a total of USD70million with a 5-year maturity, including a 2-year grace period for principal repayment to be used to finance product transformation and other efficiency investments.
- USD31.75million investment decision has been made by Çimsa to increase the capacity of the CAC at their Mersin plant in line with the Company's strategy to grow in the sustainable building materials sector
- Teknosa has committed through SBTi, to set near-term carbon emission reduction targets in accordance with climate science. Carbon emission reduction targets for official approval by SBTi will be submitted within the next 24 months

Subsequent Events Highlights After the Balance Sheet Date

- Agesa made a capital increase with a nominal value of TL650million at TL 1 per share in Medisa, a 100% subsidiary of the Company.

Segments Highlights

- **Energy:** Distribution & Retail driven EBITDA improvement offset by higher financial expenses
- **Material Technologies:** Volumes stood resilient; profitability hit by one-offs & market pressures
- **Mobility Solutions:** Visible EBITDA margin expansion in tire business, bottom line lower on higher financing & tax expenses
- **Financial Services:** Strong reversal in Q4 bottom line mainly led by life
- **Digital:** Solid recovery in tech retailer's EBITDA on effective cost management pressured by financial expenses
- **Retail:** Higher financial expenses continued to pressure bottom line

ENERJİSA ÜRETİM (ENERGY GENERATION AND TRADING) KEY FINANCIALS

| in millions TL | Q4'23 | Q4'24 | YoY | 2023 | 2024 | YoY |
|---------------------|--------|--------|---------|--------|--------|----------|
| Combined Revenue | 15,006 | 15,868 | 6% | 69,416 | 56,073 | -19% |
| Combined EBITDA | 2,922 | 4,134 | 41% | 19,473 | 10,959 | -44% |
| EBITDA Margin | 19% | 26% | 658 bps | 28% | 20% | -851 bps |
| Combined Net Income | 17,178 | 936 | -95% | 24,896 | 4,526 | -82% |

| in millions USD | Q4'23 | Q4'24 | YoY | 2023 | 2024 | YoY |
|-------------------------|-------|-------|------|------|------|------|
| Combined EBITDA | 69 | 117 | 70% | 458 | 311 | -32% |
| Hedge impact | 42 | 14 | -67% | 106 | 152 | 43% |
| EBITDA w/o hedge impact | 111 | 131 | 18% | 564 | 462 | -18% |

- In generation business, the company achieved a 6% YoY revenue growth in Q4'24, mainly driven by higher generation volumes which also led to an improved EBITDA performance compared to Q4'23. Despite the stronger EBITDA, lower bottom-line was mainly driven by a higher base from tax incentives and revaluation effects recorded in the previous year, along with the impairment recorded in Q4'24. Decline in revenue and profitability for the full year is attributed to lower electricity prices as well as decline in trading activities in the current market, which was less liquid and more stable compared to the previous year. Please also note that combined EBITDA, which was recorded at TL11billion (USD311million) in 2024 includes synthetic hedge in this representation. Excluding hedge reversal impact, EBITDA was realized at USD462million in 2024.

SABANCI HOLDING COMBINED SEGMENT RESULTS

| SABANCI HOLDING COMBINED RESULTS in thousands TL | 12M 2024 | 12M 2023 | Q4 2024 | Q4 2023 | CHANGE % |
|---|----------------------|----------------------|--------------------|--------------------|---------------|
| REVENUES⁽¹⁾ | 1,243,518,569 | 1,172,561,929 | 330,434,935 | 304,054,588 | 8.7 |
| Bank | 661,681,027 | 511,070,978 | 178,759,928 | 146,799,606 | 21.8 |
| Non-Bank | 581,837,542 | 661,490,951 | 151,675,007 | 157,254,982 | -3.5 |
| Mobility Solutions | 52,529,175 | 55,421,179 | 13,705,806 | 15,123,358 | -9.4 |
| Material Technologies | 83,760,623 | 95,161,825 | 20,104,053 | 20,220,689 | -0.6 |
| Digital | 73,266,272 | 71,524,763 | 20,617,102 | 21,641,428 | -4.7 |
| Energy | 247,053,642 | 312,933,549 | 65,017,723 | 66,445,468 | -2.1 |
| Financial Services | 59,118,842 | 62,069,042 | 15,245,290 | 17,360,070 | -12.2 |
| Other | 66,108,988 | 64,380,593 | 16,985,033 | 16,463,969 | 3.2 |
| EBITDA | 128,973,694 | 231,165,847 | 30,797,396 | 50,589,958 | -39.1 |
| Bank | 62,103,581 | 161,257,086 | 11,728,426 | 39,702,272 | -70.5 |
| Non-Bank | 66,870,113 | 69,908,761 | 19,068,970 | 10,887,686 | 75.1 |
| Mobility Solutions | 7,485,920 | 7,535,135 | 2,058,647 | 711,641 | 189.3 |
| Material Technologies | 10,822,997 | 13,717,000 | 1,636,815 | 2,545,881 | -35.7 |
| Digital | 2,421,226 | -392,715 | 1,279,280 | -650,614 | -296.6 |
| Energy | 39,016,896 | 45,264,671 | 10,590,018 | 6,147,487 | 72.3 |
| Financial Services | 6,102,196 | 4,730,508 | 3,098,525 | 1,893,207 | 63.7 |
| Other | 1,020,878 | -945,839 | 405,685 | 240,086 | 69.0 |
| NET INCOME | -27,338,502 | 51,979,873 | -3,286,941 | 43,902,968 | -107.5 |
| Bank | -27,509,513 | 5,629,184 | -7,280,599 | 18,828,685 | -138.7 |
| Non-Bank | 171,011 | 46,350,689 | 3,993,658 | 25,074,283 | -84.1 |
| Mobility Solutions | 1,664,377 | 7,279,659 | 1,036,356 | 4,181,560 | -75.2 |
| Material Technologies | 3,072,478 | 8,337,282 | -673,676 | 3,347,616 | -120.1 |
| Digital | -2,089,786 | 242,325 | -384,461 | -105,399 | 264.8 |
| Energy | 60,244 | 31,073,162 | 1,230,100 | 15,635,663 | -92.1 |
| Financial Services | 3,583,418 | -1,368,292 | 4,168,496 | -315,362 | -1,421.8 |
| Other | -6,119,720 | 786,553 | -1,383,158 | 2,330,205 | -159.4 |

(1) Revenue excludes Holding dividend income

(2) Inflation accounting is applied to financial statements in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies

SABANCI HOLDING CONSOLIDATED SEGMENT RESULTS

| SABANCI HOLDING CONSOLIDATED RESULTS in thousands TL | 12M 2024 | 12M 2023 | CHANGE % | Q4 2024 | Q4 2023 | CHANGE % |
|---|--------------------|--------------------|---------------|--------------------|--------------------|---------------|
| REVENUES | 906,986,486 | 766,319,684 | 18.4 | 242,223,666 | 213,089,278 | 13.7 |
| Bank | 661,681,027 | 511,070,978 | 29.5 | 178,759,928 | 146,799,606 | 21.8 |
| Non-Bank | 253,665,079 | 262,026,548 | -3.2 | 65,953,058 | 68,115,792 | -3.2 |
| Mobility Solutions | 335,556 | 798,046 | -58.0 | 75,922 | 125,805 | -39.7 |
| Material Technologies | 57,488,250 | 63,547,343 | -9.5 | 14,194,782 | 12,606,560 | 12.6 |
| Digital | 73,035,289 | 71,271,349 | 2.5 | 20,506,961 | 21,570,211 | -4.9 |
| Energy | 395,971 | - | - | 107,942 | - | - |
| Financial Services | 56,311,824 | 62,069,042 | -9.3 | 14,081,906 | 17,360,071 | -18.9 |
| Other | 66,098,189 | 64,340,767 | 2.7 | 16,985,545 | 16,453,146 | 3.2 |
| Intersegment eliminations | -8,359,620 | -6,777,842 | 23.3 | -2,489,320 | -1,826,121 | 36.3 |
| EBITDA | 80,138,476 | 192,236,038 | -58.3 | 18,120,467 | 52,907,608 | -65.8 |
| Bank | 62,103,581 | 161,257,086 | -61.5 | 11,728,426 | 39,702,273 | -70.5 |
| Non-Bank | 18,034,895 | 30,978,952 | -41.8 | 6,392,041 | 13,205,335 | -51.6 |
| Mobility Solutions | 761,868 | 3,608,608 | -78.9 | 410,773 | 1,926,889 | -78.7 |
| Material Technologies | 7,453,936 | 9,340,901 | -20.2 | 929,554 | 2,031,108 | -54.2 |
| Digital | 2,421,227 | -392,715 | -716.5 | 1,279,280 | -650,615 | -296.6 |
| Energy | 274,791 | 14,670,422 | -98.1 | 268,223 | 7,810,079 | -96.6 |
| Financial Services | 6,102,196 | 4,730,509 | 29.0 | 3,098,526 | 1,893,209 | 63.7 |
| Other | 1,020,877 | -978,773 | -204.3 | 405,685 | 194,666 | 108.4 |
| NET INCOME | -15,474,560 | 22,273,810 | -169.5 | -3,648,334 | 19,355,503 | -118.8 |
| Bank | -11,208,527 | 2,293,893 | -588.6 | -2,965,245 | 7,672,690 | -138.6 |
| Non-Bank | -4,266,033 | 19,979,917 | -121.4 | -683,089 | 11,682,813 | -105.8 |
| Mobility Solutions | 695,776 | 3,218,870 | -78.4 | 485,046 | 1,874,149 | -74.1 |
| Material Technologies | 1,073,286 | 3,737,952 | -71.3 | -604,079 | 1,349,305 | -144.8 |
| Digital | -2,126,176 | -122,913 | 1,629.8 | -1,072,928 | -93,692 | 1,045.2 |
| Energy | 354,187 | 14,711,926 | -97.6 | 657,924 | 7,818,922 | -91.6 |
| Financial Services | 1,391,398 | -503,586 | -376.3 | 1,597,767 | -129,436 | -1,334.4 |
| Other | -5,654,504 | -1,062,332 | 432.3 | -1,746,819 | 863,565 | -302.3 |

(1) Revenue excludes Holding dividend income

(2) Inflation accounting is applied to financial statements in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies

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