



Q3 2022 EARNINGS PRESENTATION

November 4, 2022

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Resilient growth and high-quality earnings despite accelerating cost inflation
Strong balance sheet maintained ahead of upcoming investment cycle
Strategic transformation momentum continues at full speed



Consolidated ROE* tripled, reaching 59% in Q3
Net Debt/EBITDA fell below 1.0x
Operational cash flow almost doubled, exceeding FY21



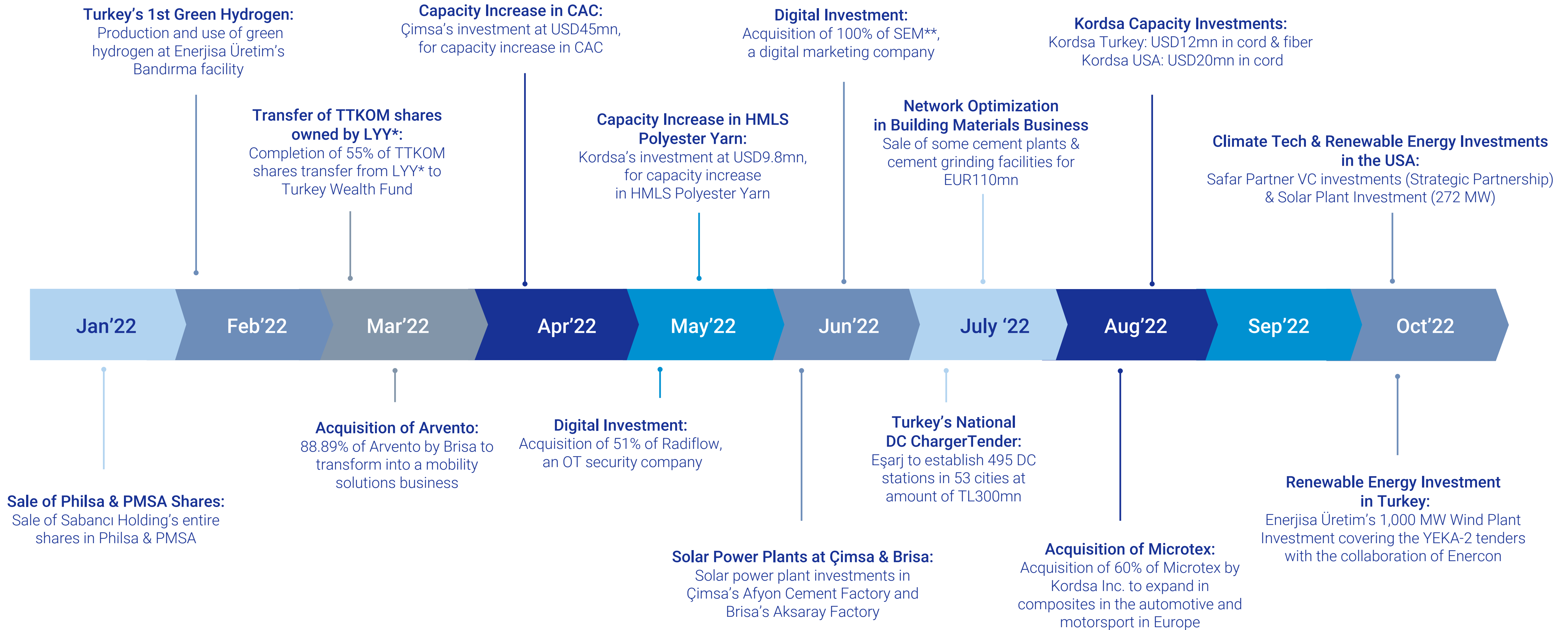
Renewable Capacity expansion in Turkey
Initiating the footprint in the US Energy Market
Investments in Disruptive Climate Technologies in the US



Continuing to deliver on our strategic initiatives



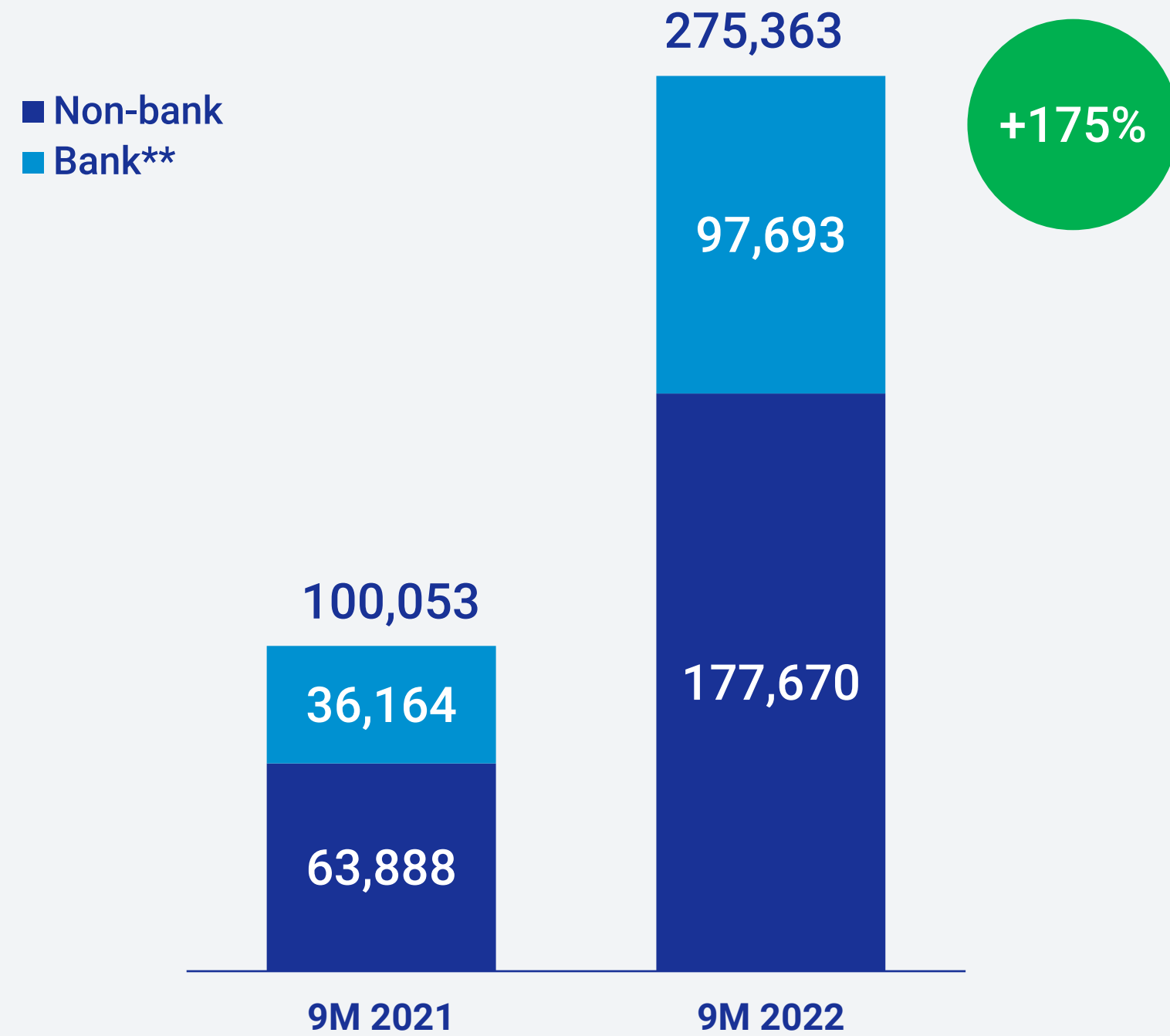
Dynamic Portfolio Management



*Akbank had 35.6% shares in LYY Telekomünikasyon A.Ş. ** Refers to SEM and its subsidiary Liberdatum together

Faster topline growth with improvement in earnings quality...

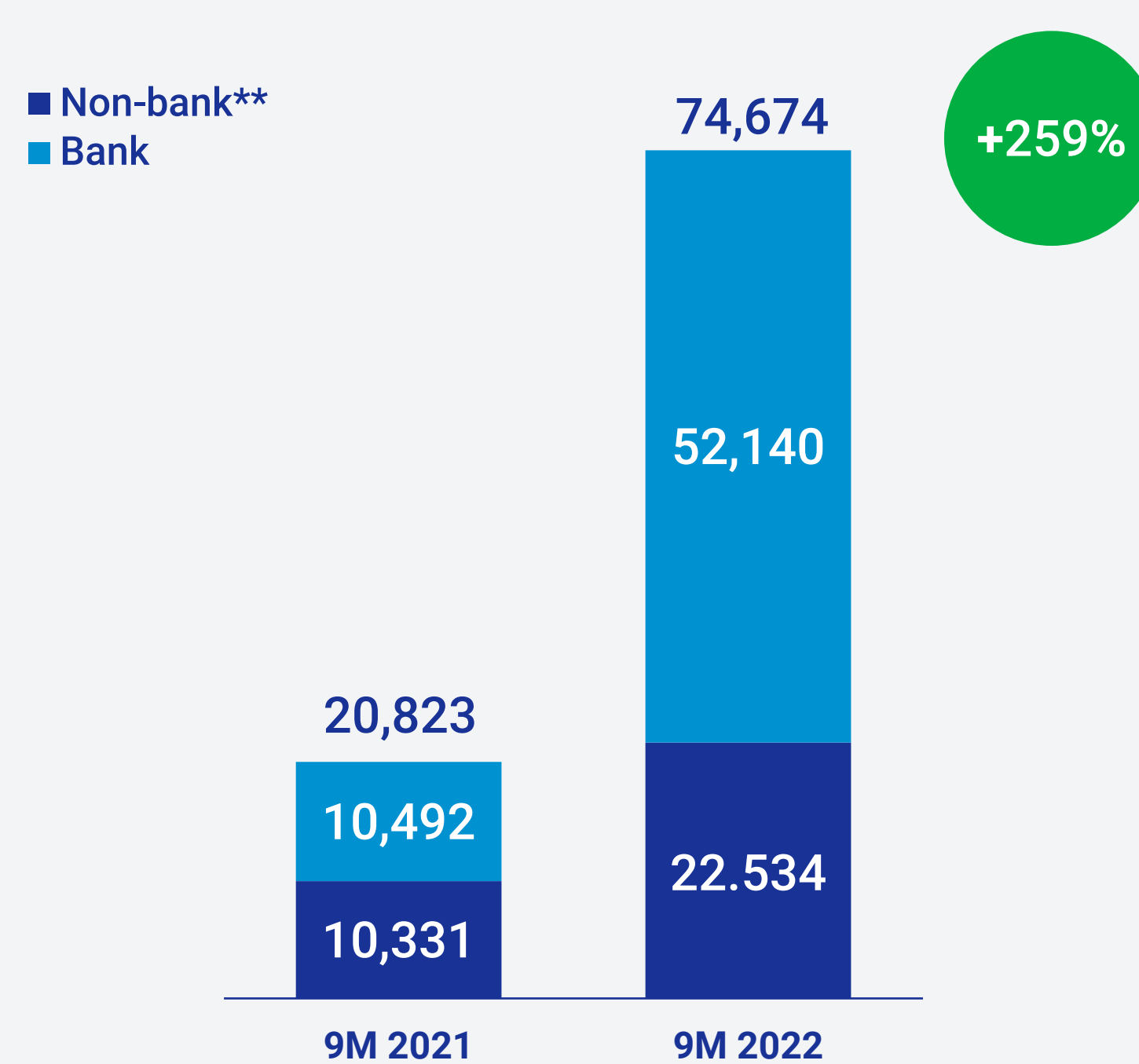
Combined Revenue* (TL mn)



Revenue growth management & inflation

*Excludes Holding dividend income ** Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses

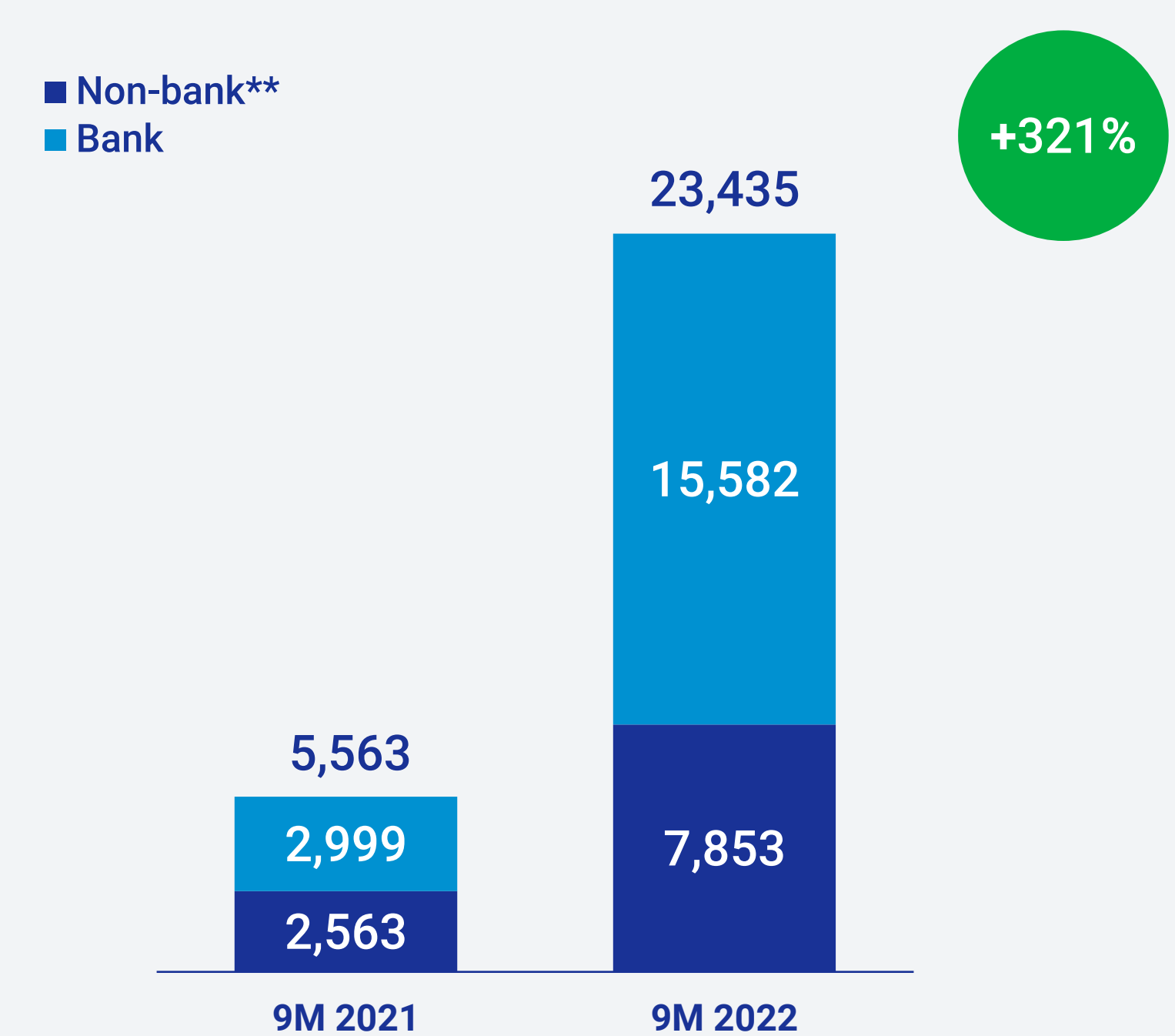
Combined EBITDA* (TL mn)



Effective cost management amid rising inflationary pressures

*Excludes non-operational and non-recurring one off items
**Excludes IFRS16 impact in retail

Consolidated Net Income* (TL mn)

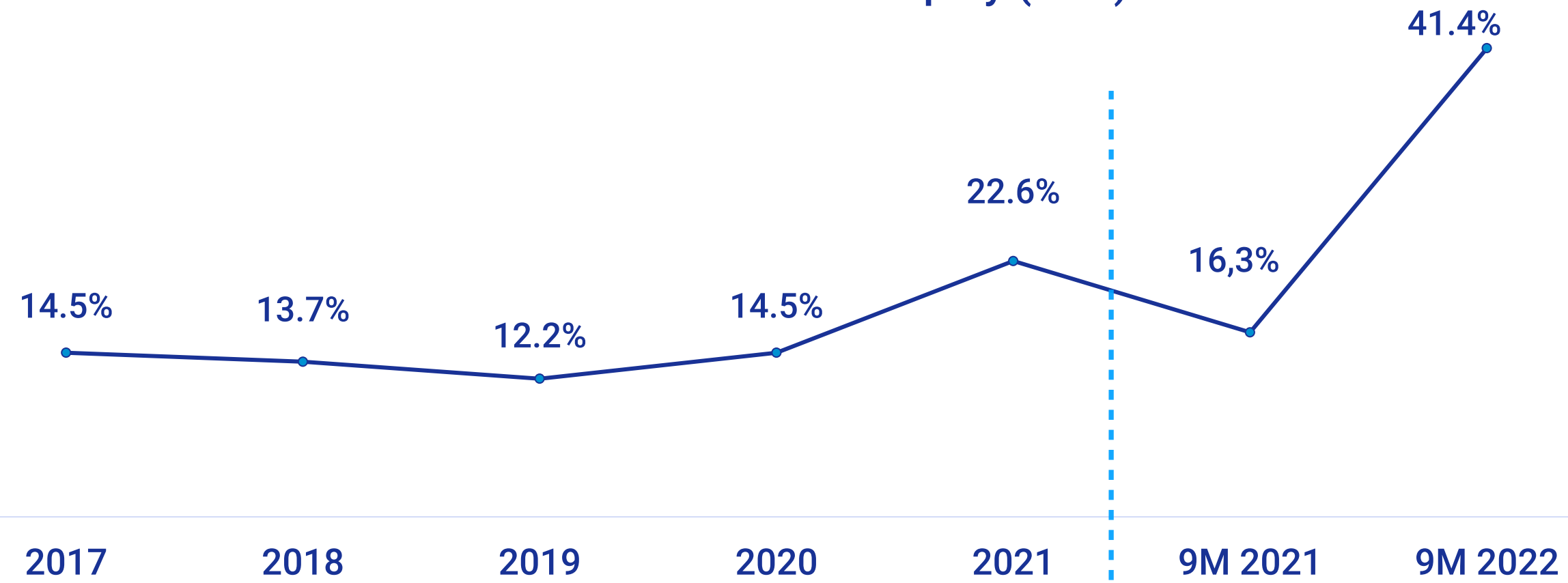


Deleveraging & strong cash position

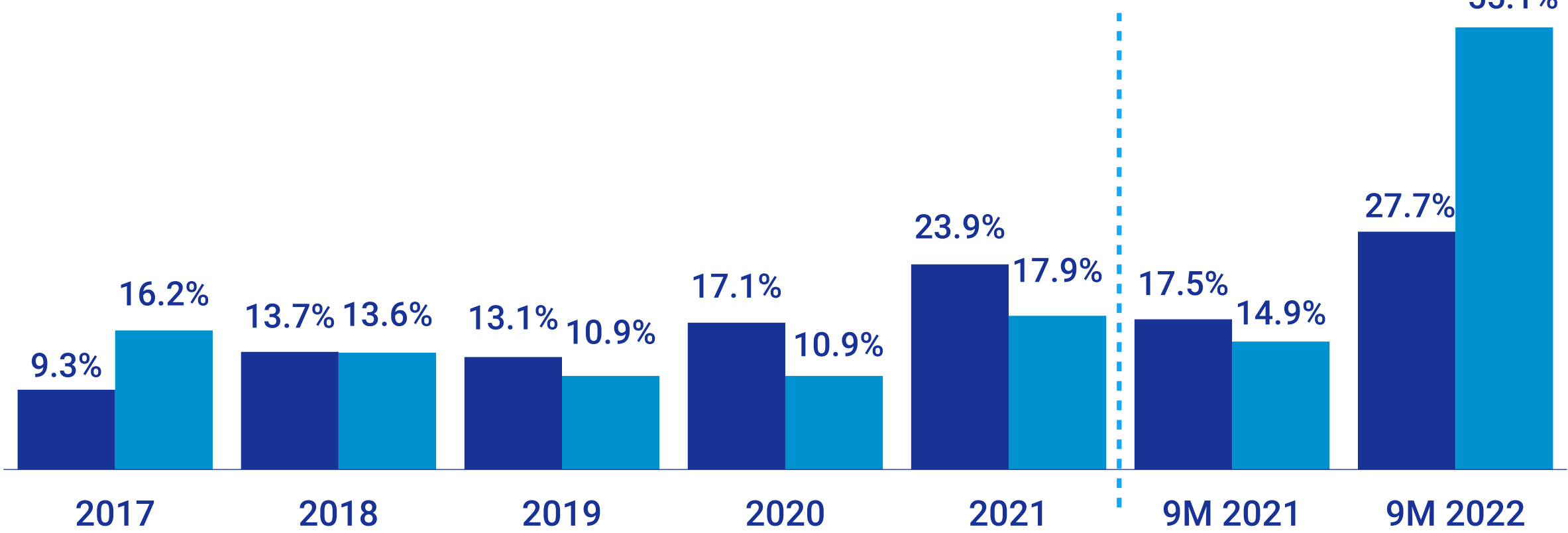
*Excludes non-operational and non-recurring one off items
**Excludes IFRS16 impact in retail

...led to a further improvement in ROE coupled with solid liquidity

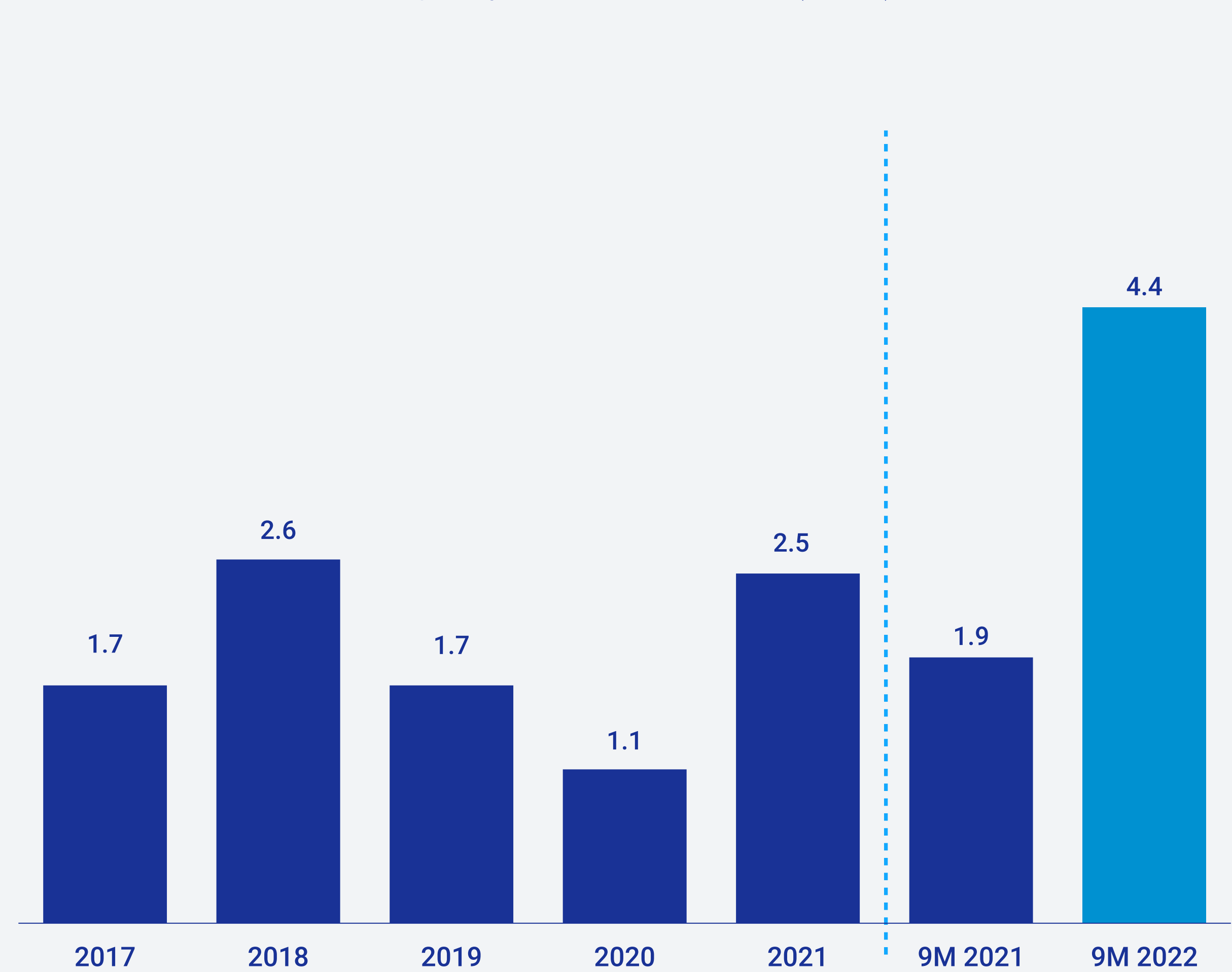
Consolidated Return on Equity (ROE)*



■ Non-Bank ROE ■ Bank ROE**



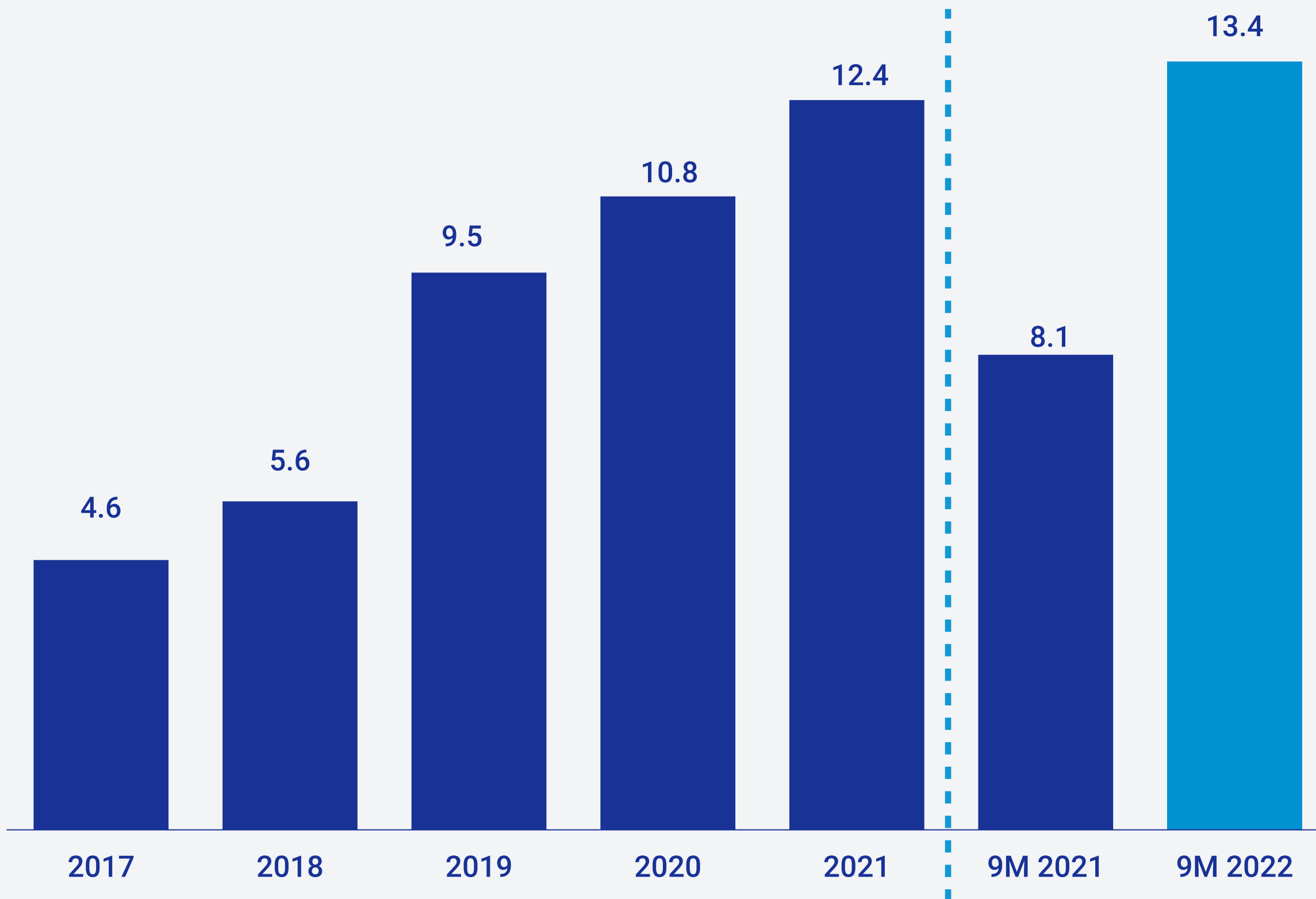
Holding Only - Net cash position (TL bn)



*Excludes non-operational and non-recurring one off items **Source: Akbank earnings presentation

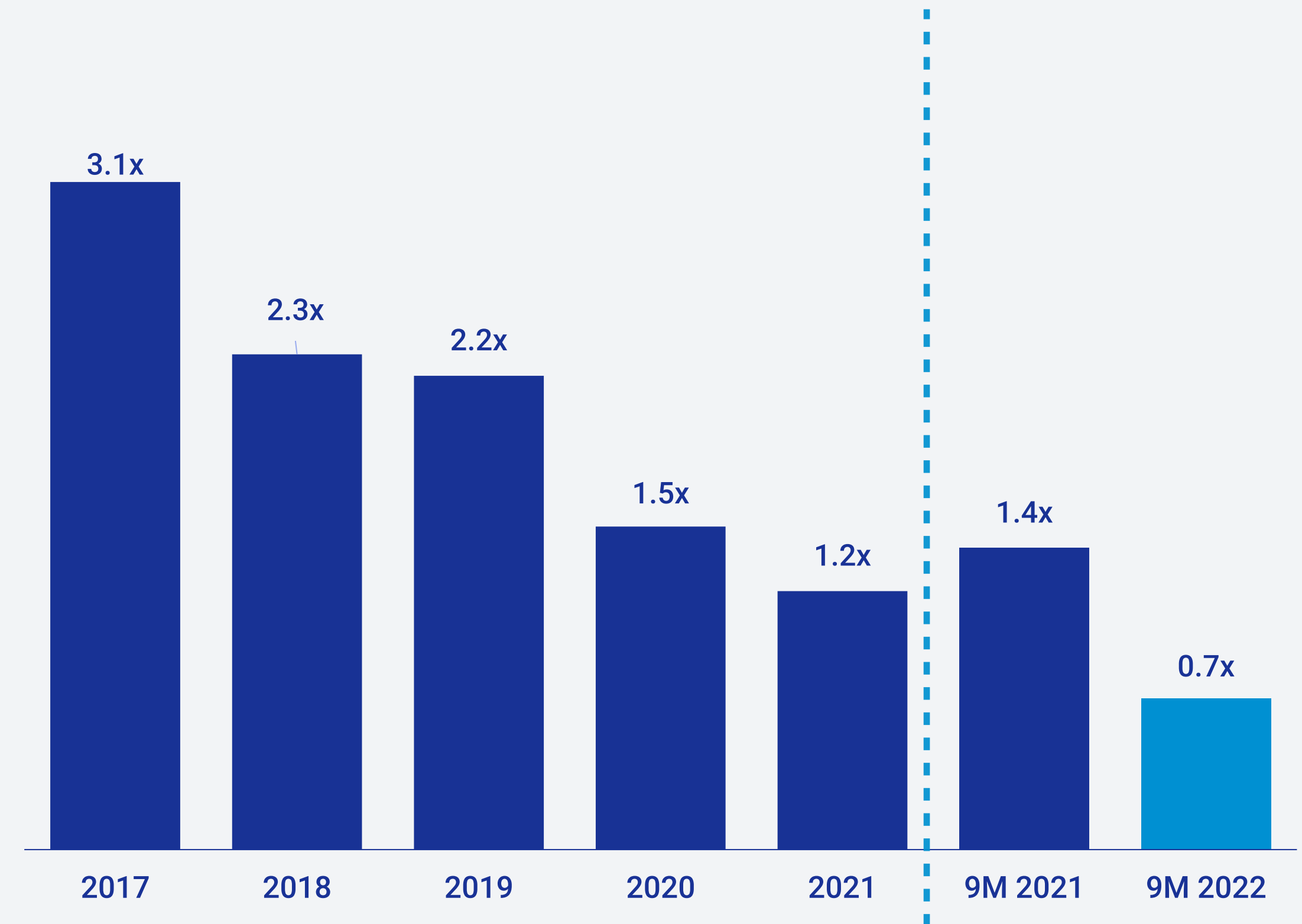
Swift recovery in operational cash flow & substantial deleveraging

Operational Cash Flow, Combined for Non-Bank*
(TL bn)



*Excludes Financial Services, Banking & Other segment

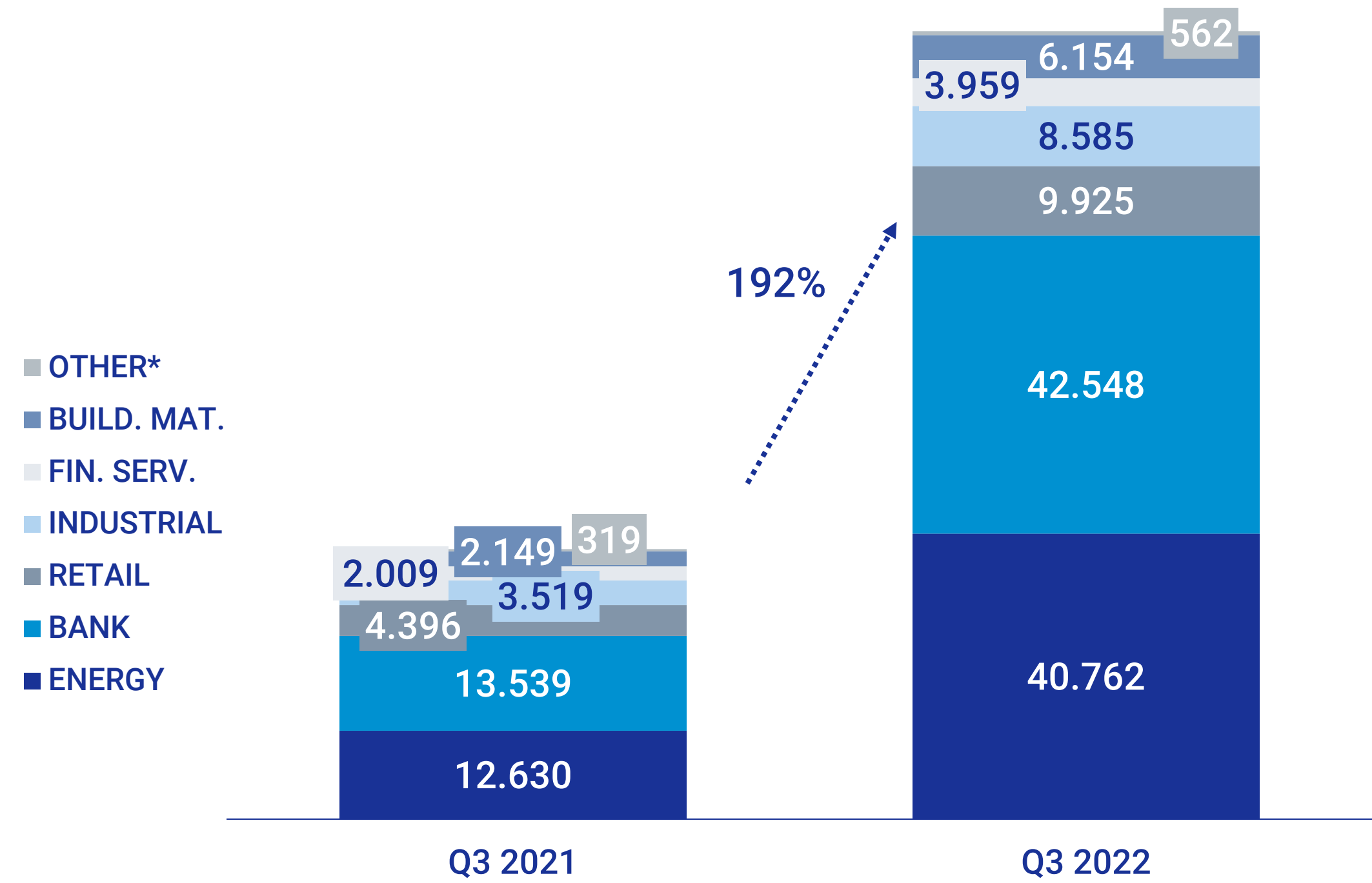
Combined Net Financial Debt to Non-Bank EBITDA*



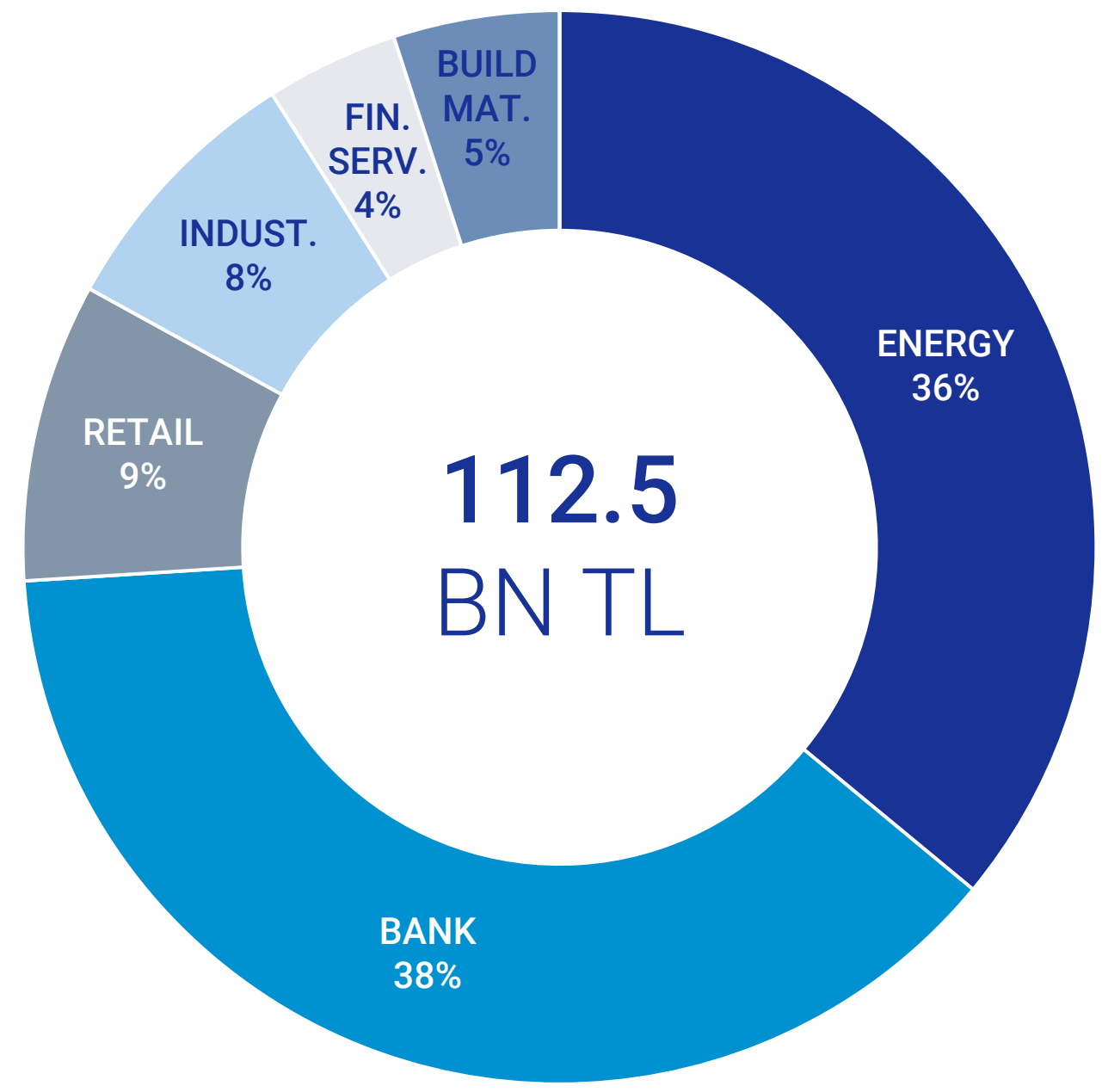
*Excludes Banking, net cash position of financial services, IFRS 16 impact; and non-operational and non-recurring one-off items in EBITDA

Combined Revenues / Energy segment driven non-bank topline growth accelerated

Combined Revenue* (TL mn)



Combined Revenue* Breakdown



KEY NON-BANK DRIVERS

ENERGY

Unparalleled portfolio composition benefiting from competitive positioning in energy segment

RETAIL

Like for like growth in both electronics & food retail businesses

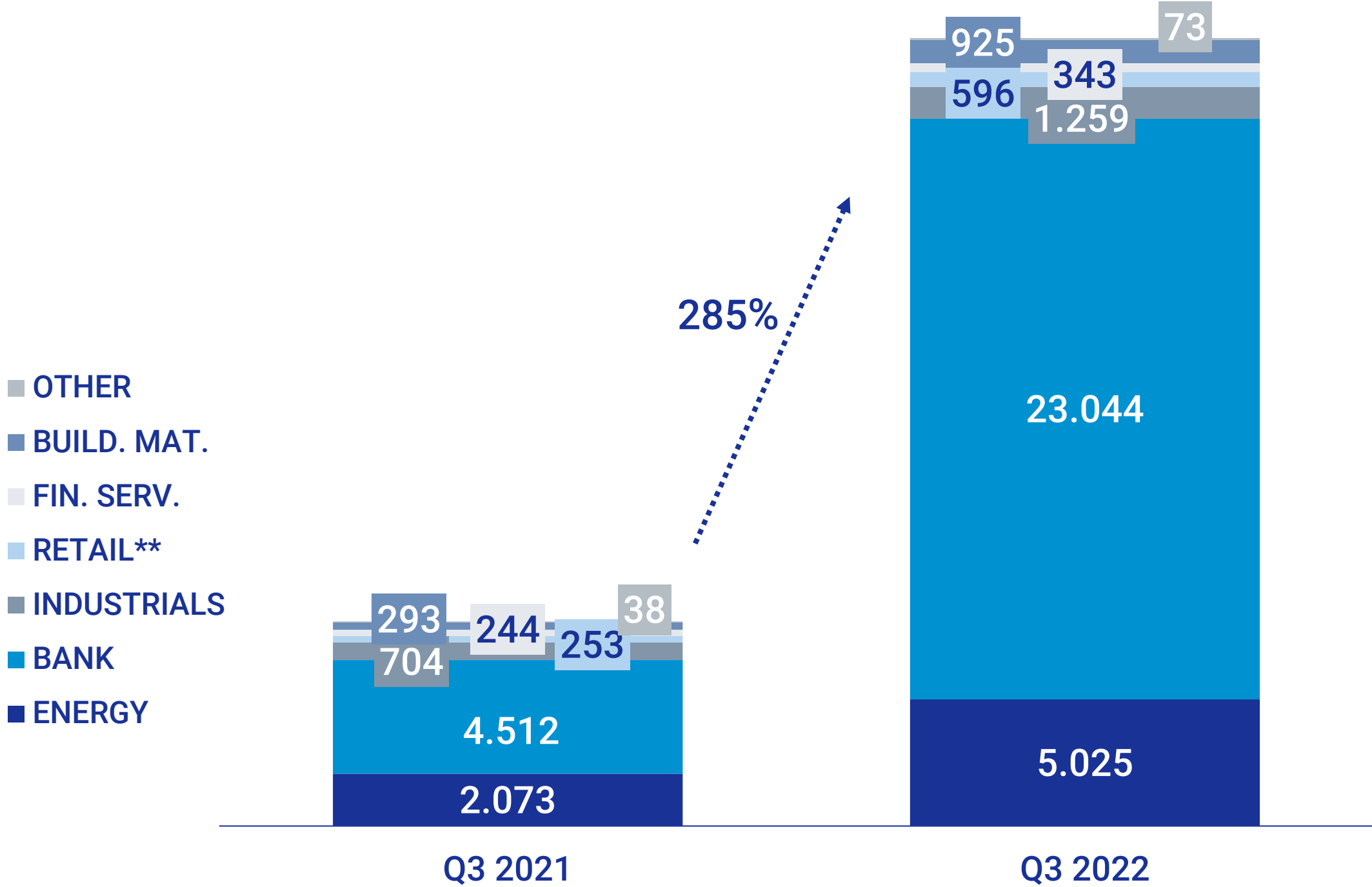
INDUSTRIALS

Unchanged sales volumes & favorable pricing

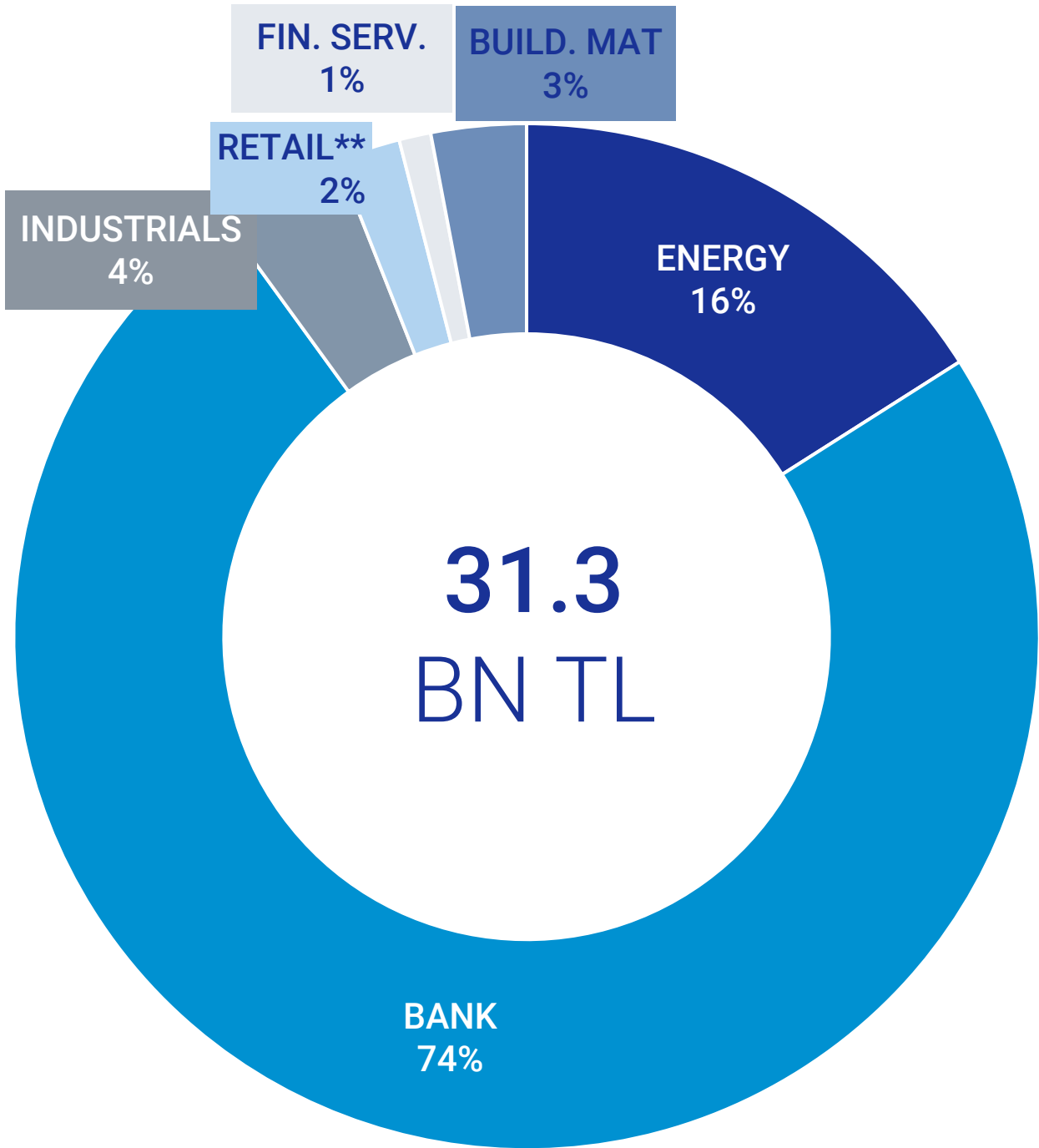
*Holding dividend income is excluded

Combined EBITDA / Four-fold EBITDA growth despite accelerating inflationary pressures

Combined EBITDA* (TL mn)



Combined EBITDA* Breakdown



KEY NON-BANK DRIVERS

ENERGY

Dynamic portfolio optimization & higher RAB growth

BUILDING MATERIALS

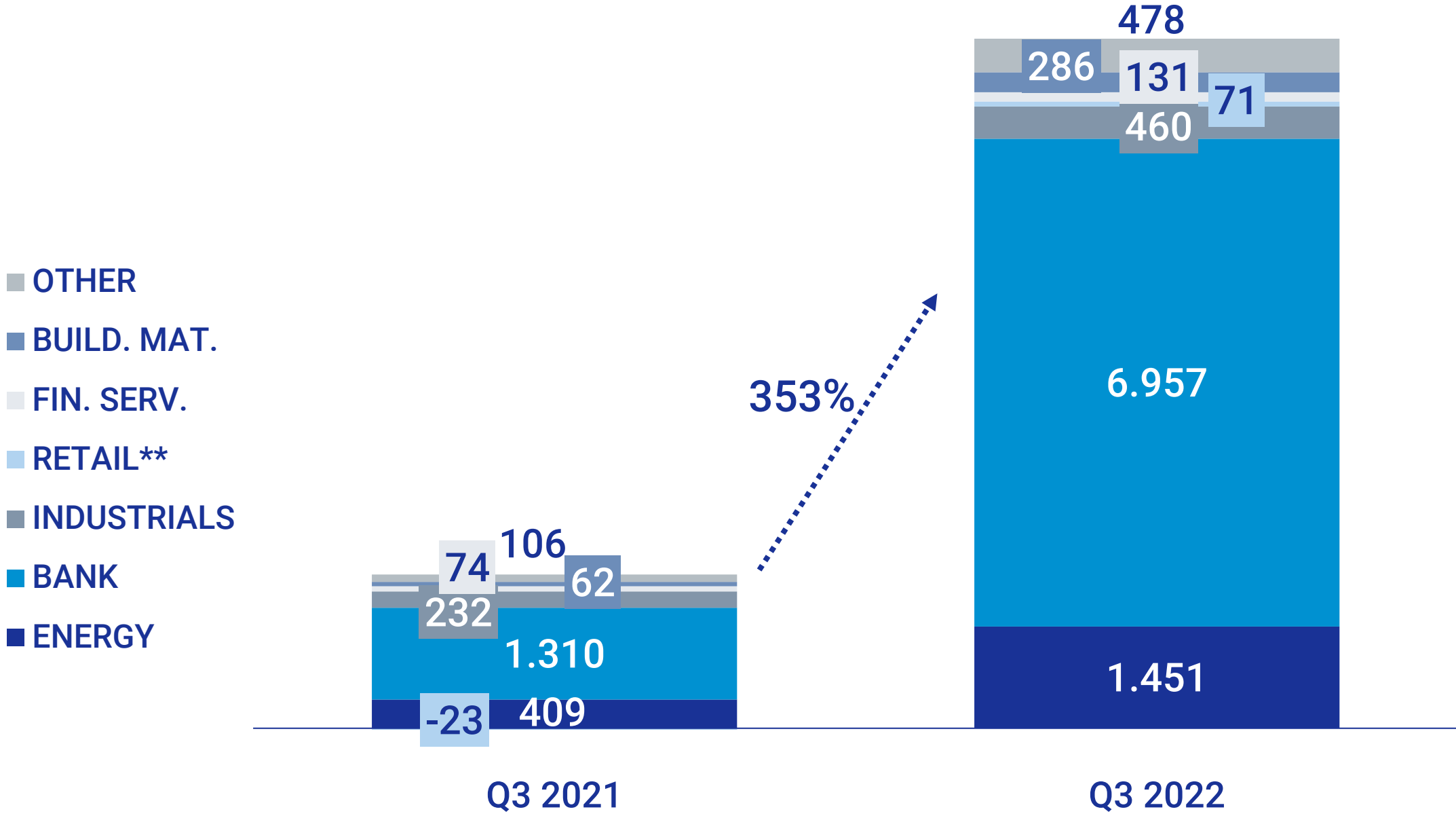
Effective opex management & fuel mix optimization

INDUSTRIALS

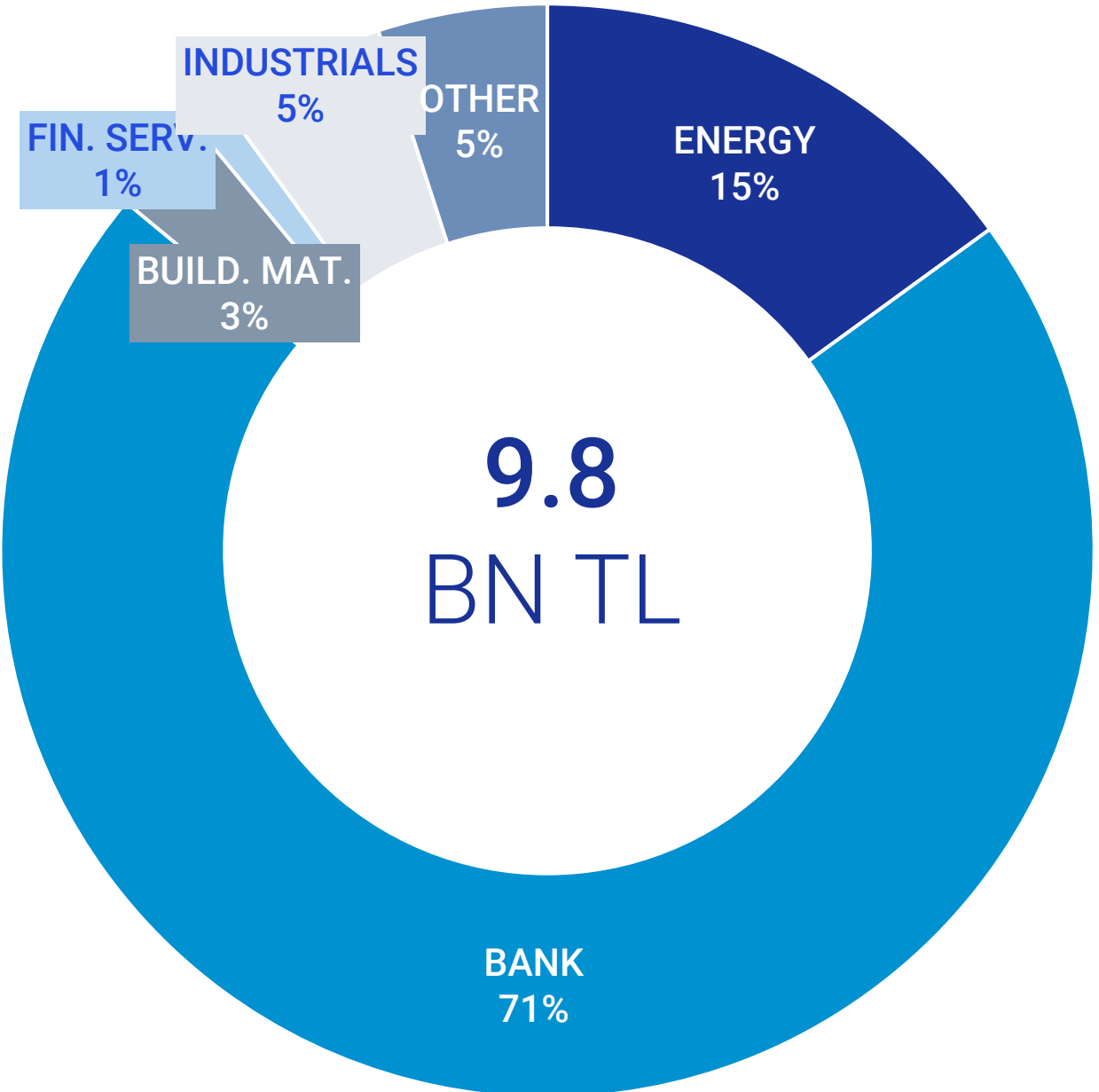
Strong EBITDA growth despite unfavorable parity impact

*Excludes non-operational, non-recurring one off items and IFRS16 impact in retail **Excludes IFRS16 impact

Consolidated Net Income* (TL mn)



Consolidated Net Income* Breakdown



KEY NON-BANK DRIVERS

ENERGY
Solid operational profitability pass through

INDUSTRIALS
Declining net financial expenses & tax incentive in tire business

BUILDING MATERIALS
Solid operational profitability pass through

*Excludes non-operational, non-recurring one off items and IFRS16 impact in retail **Excludes IFRS16 impact
Since the corporate tax rate of %25 became permanent for financial institutions as of April 2022, one-off notation of tax rate changes for financial institution has been reversed for 2021.

Energy / Exceptionally strong performance driven by stronger returns in both businesses

Energy Segment Summary Financials*

MILLION TL	Q3 2021	Q3 2022	% Change	9M 2021	9M 2022	% Change
SALES	12,630	40,762	223%	30,355	102,819	239%
EBITDA**	2,073	5,025	142%	5,884	13,947	137%
EBITDA**MARGIN	16.4%	12.3%		19.4%	13.6%	
NET INCOME**	935	3,143	236%	2,599	7,449	187%

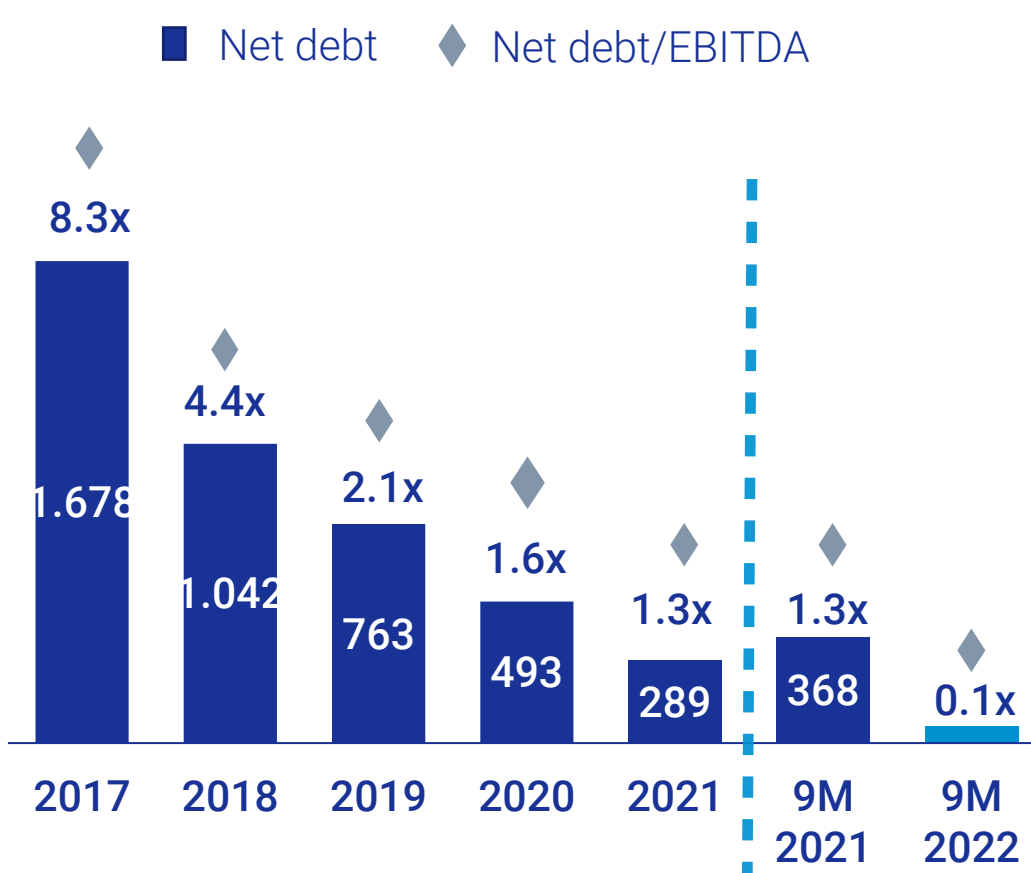
Enerjisa Generation Summary Financials

MILLION TL	Q3 2021	Q3 2022	% Change	9M 2021	9M 2022	% Change
SALES	4,235	16,437	288%	9,996	42,377	324%
EBITDA**	771	2,271	195%	2,307	6,587	186%
EBITDA** MARGIN	18.2%	13.8%		23.1%	15.5	
NET INCOME**	351	1,873	433%	1,002	4,895	389%

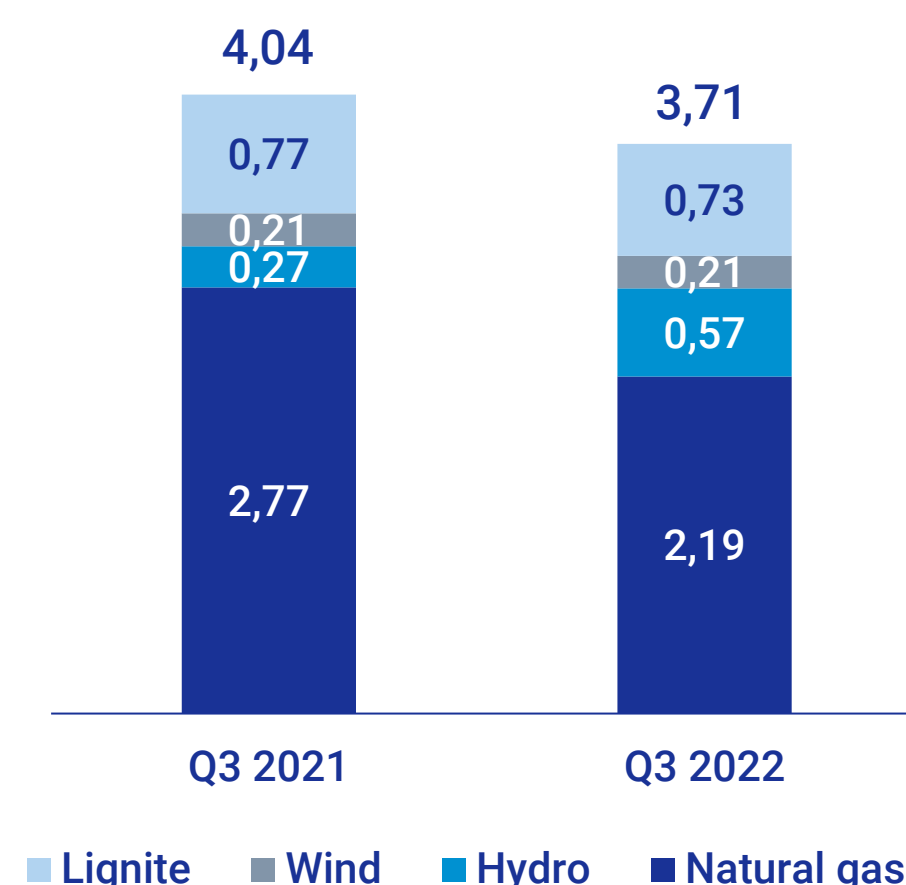
Current Assessment

- ✔ **Distribution & Retail:** Strong net income growth, acceleration in investments and recovery in cash flow in Q3 2022
- ✔ **Generation & Energy Trading:** Exceptionally strong profitability coupled with significant deleveraging

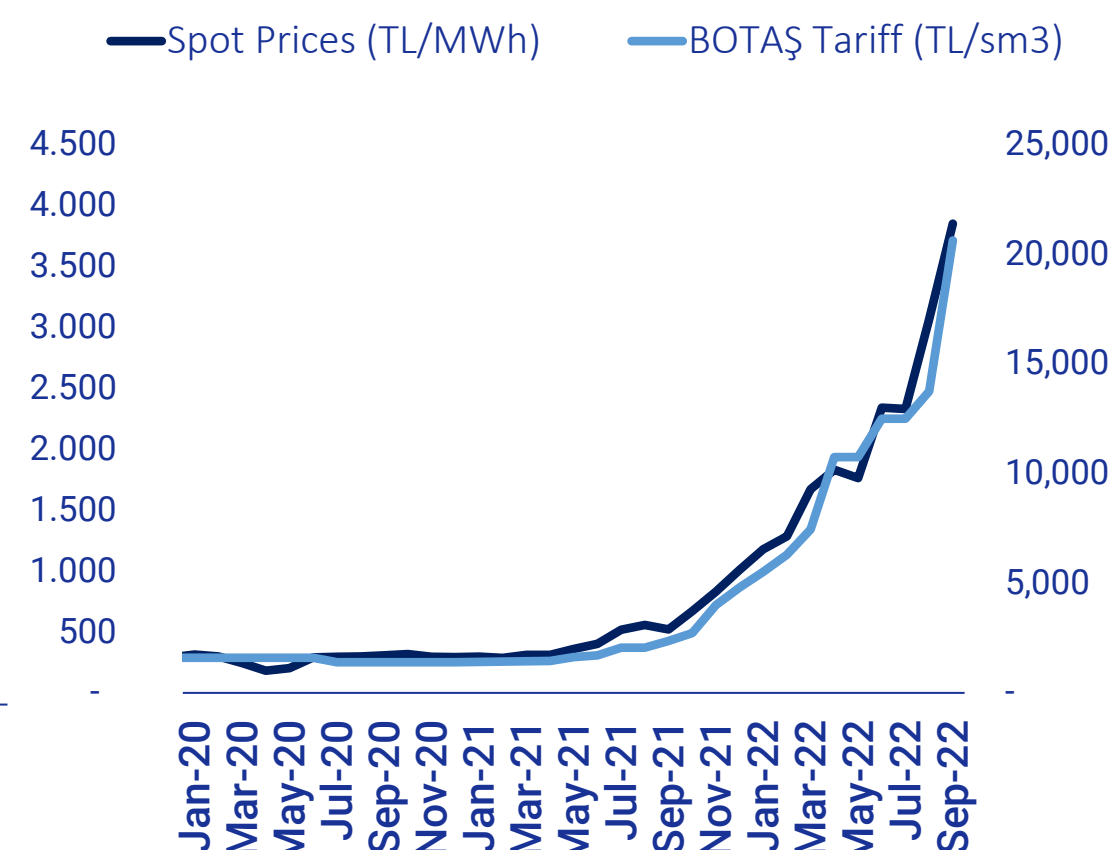
Generation's Debt Profile (EUR mn)



Generation volume (TWh)



Spot Prices vs BOTAŞ Tariff



Factors to Watch

- ✔ Electricity demand, national tariff, spot prices and global commodity prices
- ✔ Hydrology
- ✔ Inflation, fx and interest rates

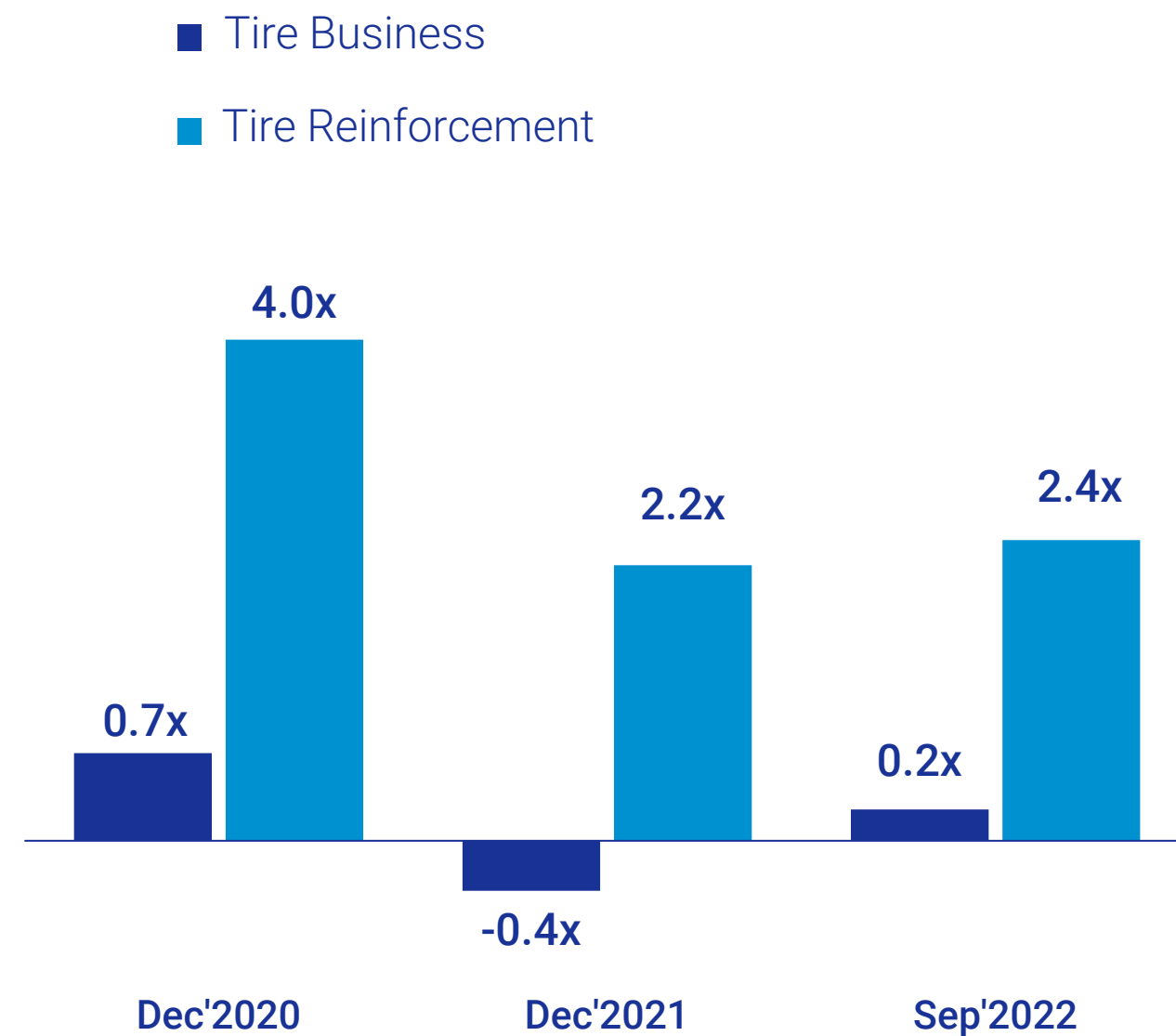
Industrials / Escalated cost side pressures partly offset by sales mix & pricing strategy

Industrials Summary Financials*

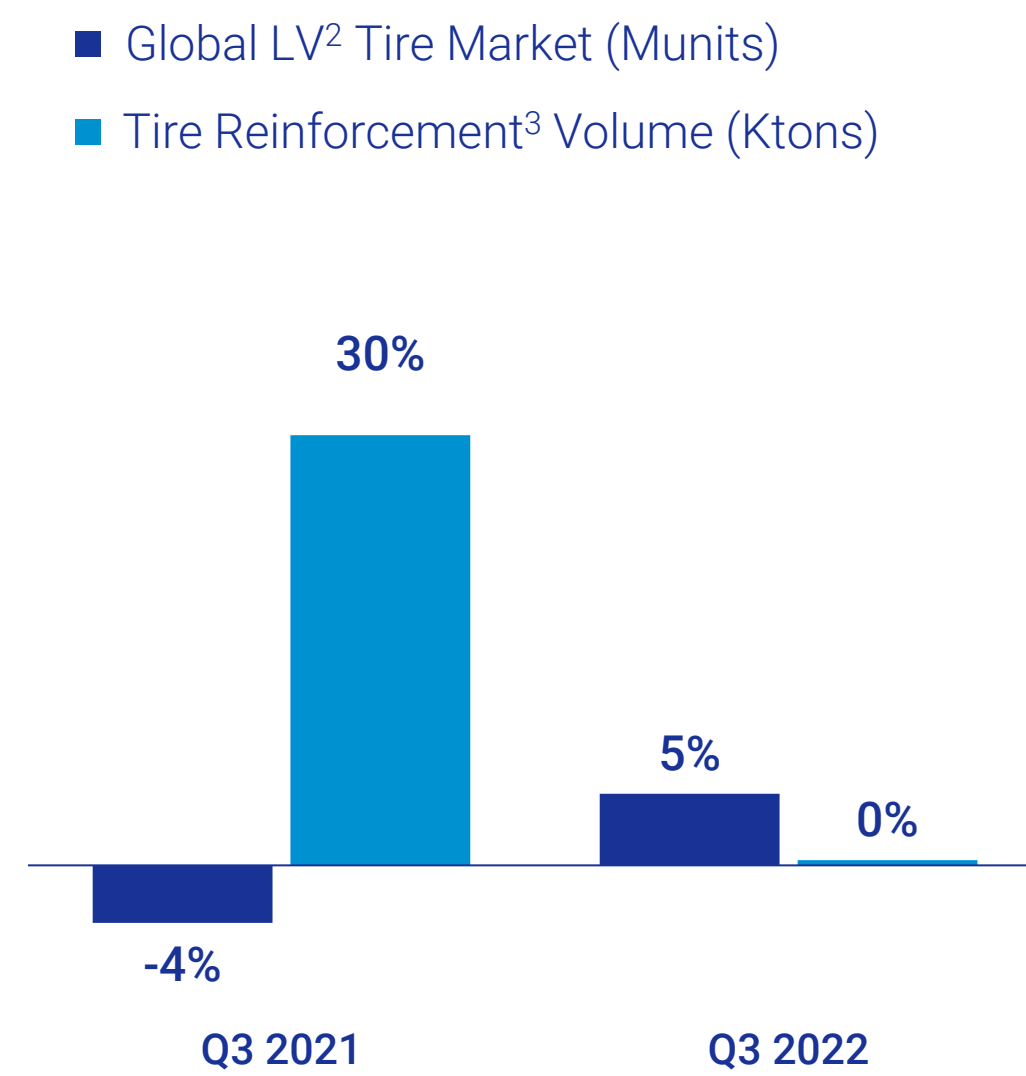
MILLION TL	Q3 2021	Q3 2022	% Change	9M 2021	9M 2022	% Change
SALES	3,519	8,585	144%	9,694	23,336	141%
EBITDA	704	1,259	79%	2,115	3,982	88%
EBITDA MARGIN	20.0%	14.7%		21.8%	17.1%	
NET INCOME**	400	928	132%	1,342	2,765	106 %

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one-off items

Net Financial Debt/ EBITDA



Global Tire Market vs. TCF¹ Business (y/y)



Source: Kordsa, LYC Tyre & Rubber

Current Assessment

- ✓ Signals of global and local slow down both in tire and tire reinforcement business.
- ✓ Topline pass through driven by well managed pricing strategy amid soaring costs in tire business
- ✓ Shrinking margins due to cost side pressures in tire reinforcement

Factors to Watch

- ✓ Global recession and domestic demand
- ✓ Pricing vs. commodity prices
- ✓ Effective working capital management
- ✓ Inflation and fx rates

Building Materials Summary Financials*

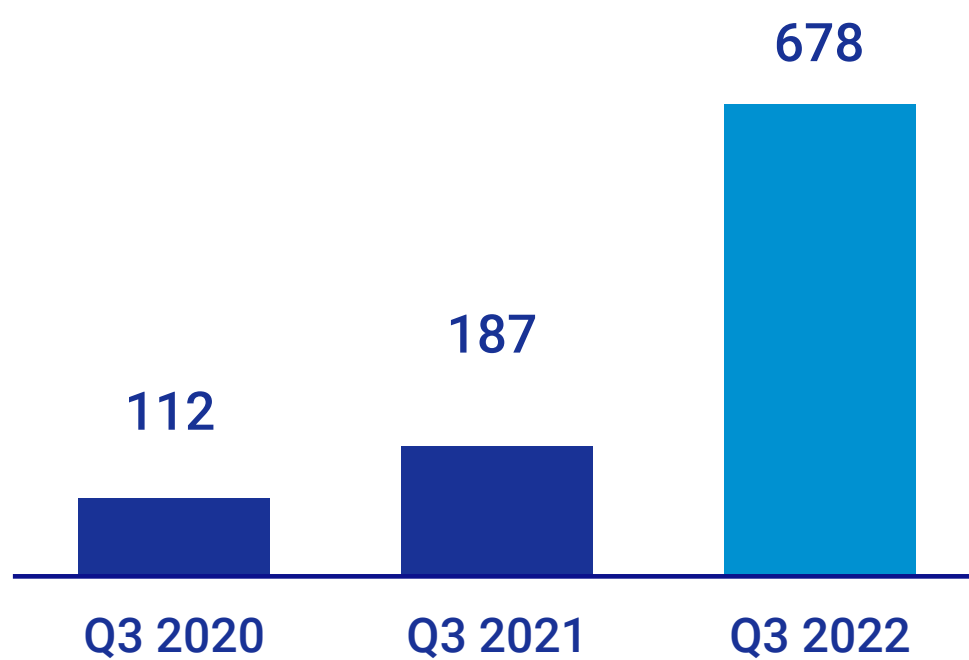
MILLION TL	Q3 2021	Q3 2022	% Change	9M 2021	9M 2022	% Change
SALES	2,149	6,154	186%	5,182	14,992	189%
EBITDA**	293	925	215%	905	2,299	154%
EBITDA** MARGIN	13.6%	15.0%		17.5%	15.3%	
NET INCOME**	123	577	368%	457	1,370	200%

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one off items

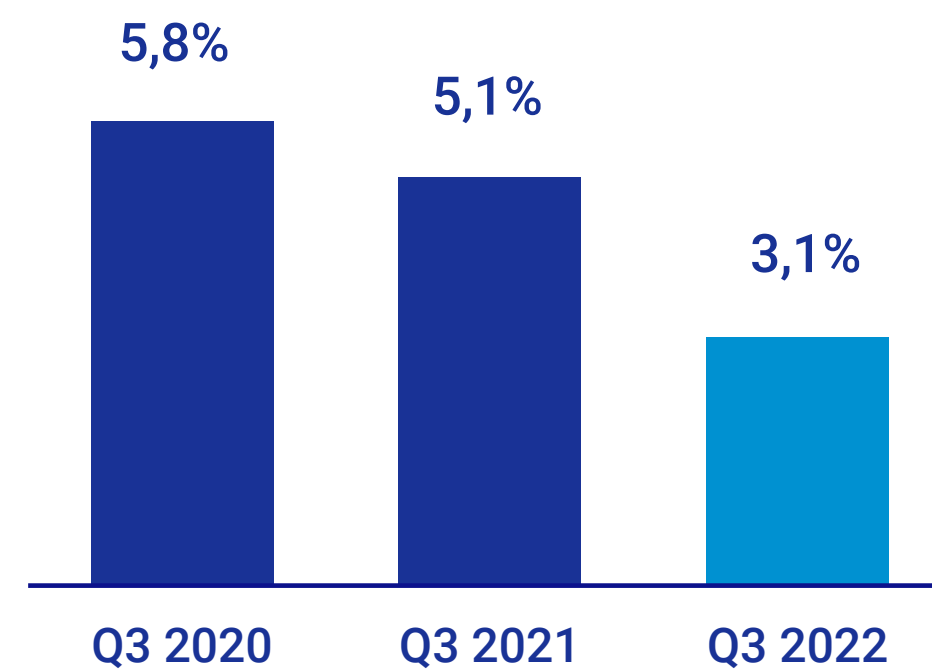
Current Assessment

- ✓ Sales mix optimization
- ✓ Topline pass-through & better energy margin
- ✓ Bottom-line improved on strong operating performance

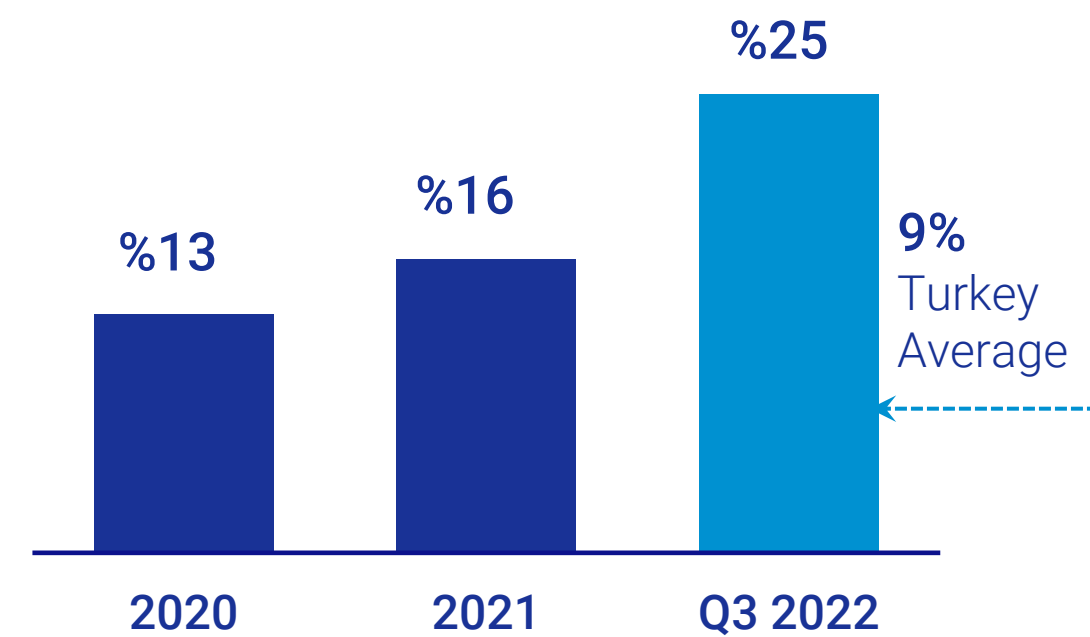
Fuel and Electricity Costs in COGS*** (Q2 2019=100)



Opex/Sales Trend***



Alternative Fuel Usage in Fuel Mix***



Factors to Watch

- ✓ Cost side pressures, i.e. fuel & electricity
- ✓ Pricing, supply/demand & sectoral dynamics
- ✓ Carbon footprint & alternative fuel usage

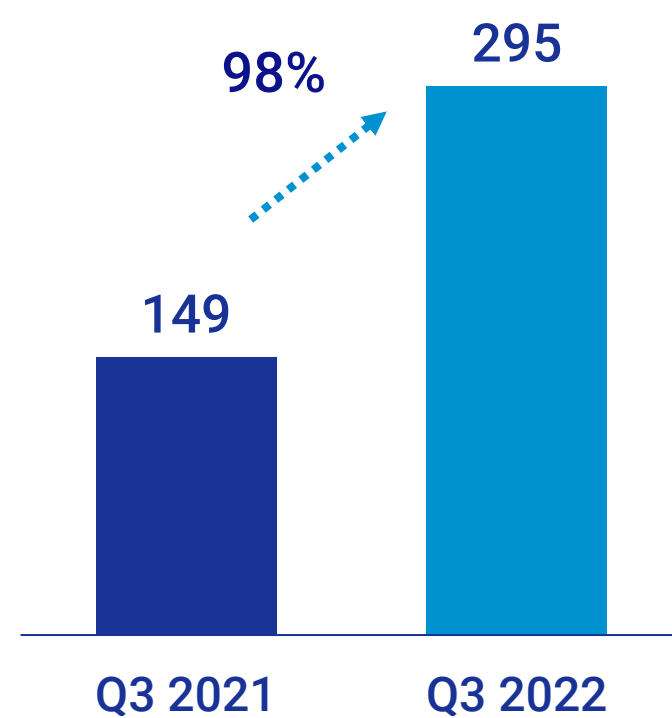
***For comparison purposes, Akçansa and Çimsa only

Retail / Accelerated top-line growth & improving operational profitability

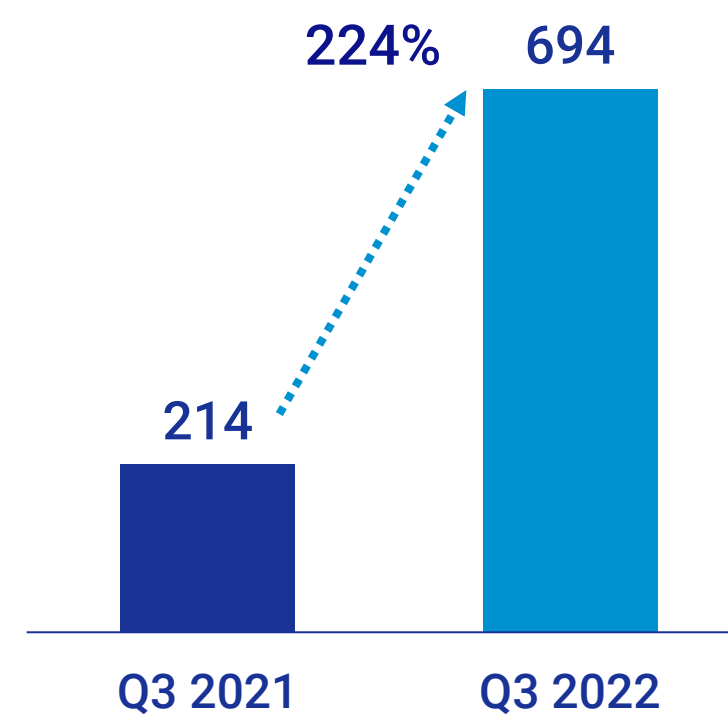
Retail Summary Financials*

MILLION TL	Q3 2021	Q3 2022	% Change	9M 2021	9M 2022	% Change
SALES	4,396	9,925	126%	11,584	23,658	104 %
EBITDA**	395	785	99%	937	1,828	95%
EBITDA**-Comparable	253	596	136%	518	1,297	151%
EBITDA** MARGIN	9.0%	7.9%		8.1%	7.7%	
EBITDA** MARGIN-Comparable	5.7%	6.0%		4.5%	5.5%	
NET INCOME**	-48	115	n.m.	-264	129	n.m.
NET INCOME**-Comparable	-42	131	n.m.	-241	168	n.m.

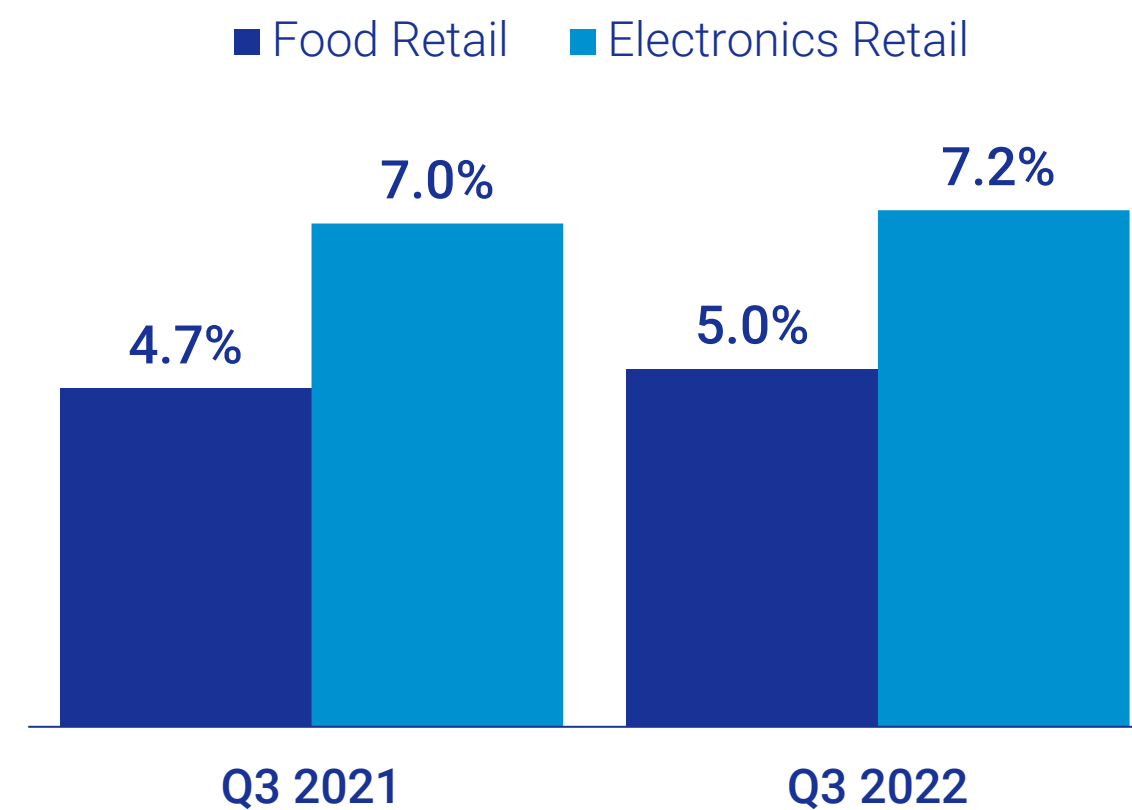
Food Retail E-Commerce Sales (TL mn)



Electronic Retail GMV (TL mn)



Comparable EBITDA*** Margin by segment



Current Assessment

- ✓ Both companies recorded top line growth well above inflation
- ✓ Comparable EBITDA margin improvement
- ✓ Improvement at bottom line

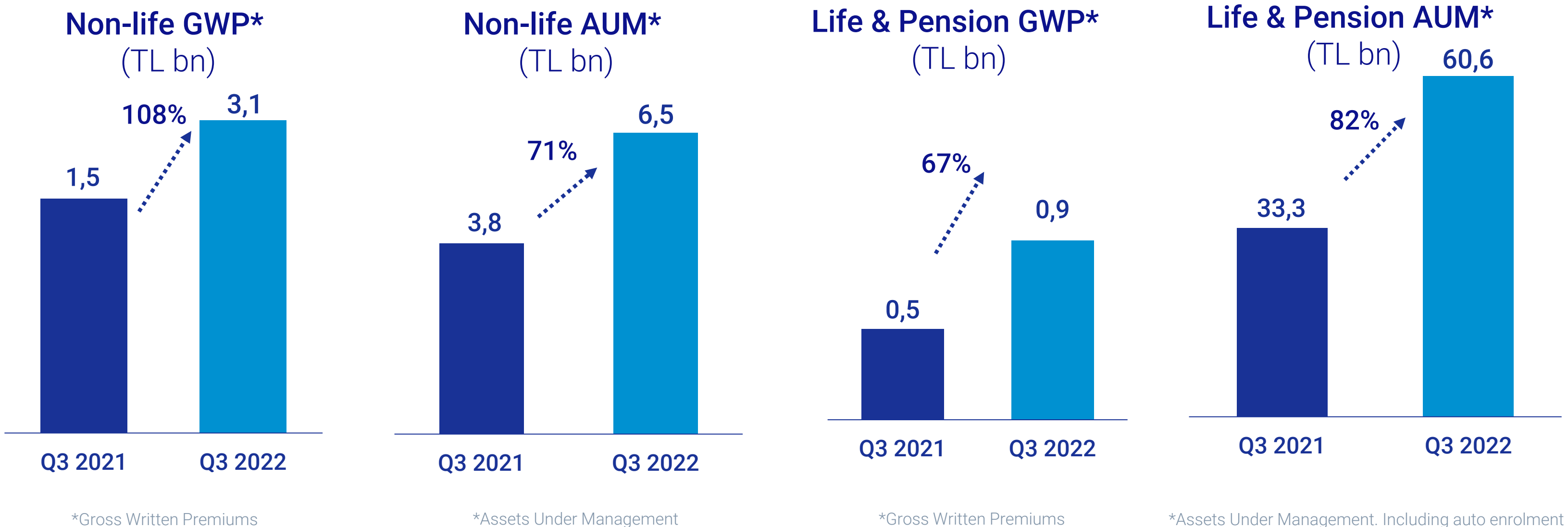
Factors to Watch

- ✓ Growth, inflation, interest rate & sector trends, purchasing power & changes in consumer behavior
- ✓ Consumer sentiment & shift in purchasing behavior

Financial Services Summary Financials*

MILLION TL	Q3 2021	Q3 2022	% Change	9M 2021	9M 2022	% Change
SALES	2,009	3,959	97%	5,870	11,047	88%
EBITDA**	244	343	40%	784	742	-5%
LIFE	166	243	46%	466	714	53%
NON-LIFE	78	100	28%	318	28	-91%
NET INCOME**	188	331	76%	602	799	33%
LIFE	147	293	99%	409	852	108%
NON-LIFE	41	38	-7%	193	-53	n.m.

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one-off items



Current Assessment

- ✓ **Life:** Strong technical income driven by life protection & pension profitability growth
- ✓ **Non-Life:** Higher combined ratio due to increased claims
- ✓ **Non-Life & Life:** Strong AUM growth

Factors to Watch

- ✓ Regulatory changes
- ✓ Macro economic developments: Inflation, interest rates, FX rates, loan growth
- ✓ Pricing liberalization in motor
- ✓ Minimum wage increase

Bank / Solid core operating performance with stellar customer acquisition



Summary Combined Financials

MILLION TL	Q3 2021	Q3 2022	% Change	9M 2021	9M 2022	% Change
REVENUE	13,539	42,548	214%	36,164	97,693	170%
EBITDA	4,512	23,044	411%	10,492	52,140	397%
NET INCOME	3,215	17,072	431%	7,360	38,239	420%

Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses. Net income differs from reported consolidated bank financials due to different accounting treatment for amortisation and free provision.

Key Ratios

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	% Change (QoQ)	% Change (YTD)
Leverage	10,0x	9,4x	9,6x	8,5x	-1,1x	-1,6x
CIR ¹	34,8%	23,5%	18,4%	18,2%	-0,2 pp	-16,6 pp
CAR ²	17,2%	17,7%	18,0%	19,3%	1,3 pp	2,1 pp
Tier 1 ²	12,9%	14,4%	14,7%	16,1%	1,4 pp	3,2 pp

	Q3 2021	Q3 2022	% Change	9M 2021	9M 2022	% Change
ROE	18,7%	59,6%	41,0 pp	14,9%	51,5%	36,7 pp
ROA	2,3%	6,7%	4,4 pp	1,8%	5,6%	3,7 pp
NIM (swap adj.)	3,4%	8,6%	5,2 pp	3,0%	7,1%	4,1 pp

3Q22 Achievements

- ✓ Reached an outstanding 6.7% quarterly RoA & 59.6% RoE with 8.5x leverage
- ✓ Maintained momentum in customer acquisition leading to outstanding fee performance
- ✓ Increased customer business & diversified product offerings supported strong trading income
- ✓ Continued prudent ALM with maturity mismatch focus
- ✓ Further strengthened solid solvency ratios create ammunition for sustainable profitability (19.3% CAR & 16.1% Tier 1) ⁽²⁾

Despite

- ✓ Regulatory changes
- ✓ Slowdown in lending activity
- ✓ Ongoing cost pressure with operating expenses up 27% QoQ

Since the corporate tax rate of %25 became permanent for financial institutions as of April 2022, one-off notation of tax rate changes for financial institution has been reversed for 2021.

(1) CIR calculation excludes FX gain from hedge position related with stage 1&2 provisions and LYY hedge

(2) w/o forbearances: Fixing FX rate for RWA calculation to average last 12-month FX rate for 9M21; fixing MtM losses of securities & FX rate for RWA calculation to 2021YE FX rate for 9M22

Resilient growth and high-quality earnings despite accelerating cost inflation
Strong balance sheet maintained ahead of upcoming investment cycle
Strategic transformation momentum continues at full speed
Mid-term guidance maintained post 9M performance



Consolidated ROE* more than doubled, reaching 41.4% in 9M
Net Debt/EBITDA fell below 1.0x
Operational cash flow almost doubled, exceeding FY21



Renewable Capacity expansion in Turkey
Initiating the footprint in the US Energy Market
Investments in Disruptive Climate Technologies in the US





APPENDIX

Appendix / Financials in detail



MILLION TL	Combined Revenue*						Combined EBITDA*						Consolidated Net Income*					
	Q3 2021	Q3 2022	% Change	9M 2021	9M 2022	% Change	Q3 2021	Q3 2022	Change	9M 2021	9M 2022	Change	Q3 2021	Q3 2022	Change	9M 2021	9M 2022	Change
TOTAL*	38,560	112,496	192%	100,053	275,363	175%	8,259	31,455	281%	21,243	75,205	254%	2,164	9,818	354%	5,549	23,413	322%
TOTAL*-Comparable	38,560	112,496	192%	100,053	275,363	175%	8,116	31,266	285%	20,824	74,674	259%	2,169	9,834	353%	5,563	23,435	321%
BANK	13,539	42,548	214%	36,164	97,693	170%	4,512	23,044	411%	10,492	52,140	397%	1,310	6,957	431%	2,999	15,582	420%
NON-BANK*	25,022	69,947	180%	63,888	177,670	178%	3,747	8,411	124%	10,751	23,064	115%	854	2,861	235%	2,550	7,831	207%
NON-BANK*-Comparable	25,022	69,947	180%	63,888	177,670	178%	3,605	8,222	128%	10,331	22,534	118%	859	2,877	235%	2,553	7,853	206%
ENERGY	12,630	40,762	223%	30,355	102,819	239%	2,073	5,025	142%	5,884	13,947	137%	409	1,451	255%	1,140	3,479	205%
BUILDING MATERIALS	2,149	6,154	186%	5,182	14,992	189%	293	925	215%	905	2,299	154%	62	286	364%	226	682	203%
RETAIL	4,396	9,925	126%	11,584	23,658	104%	395	785	99%	937	1,828	95%	-28	55	n.m.	-152	50	n.m.
RETAIL*-Comparable	4,396	9,925	126%	11,584	23,658	104%	253	596	136%	518	1,297	151%	-23	71	n.m.	-138	72	n.m.
FINANCIAL SERVICES	2,009	3,959	97%	5,870	11,047	88%	244	343	40%	784	742	-5%	74	131	78%	233	322	38%
INDUSTRIALS	3,519	8,585	144%	9,694	23,336	141%	704	1,259	79%	2,115	3,982	88%	232	460	98%	779	1,431	84%
OTHER*	319	562	76%	1,203	1,817	51%	38	73	93%	126	267	112%	106	478	350%	324	1,867	477%

*Holding dividend income excluded

*Excludes non-operational and non-recurring one off items . Comparable excludes IFRS16 impact in retail

*Excludes non-operational and non-recurring one off items Comparable excludes IFRS16 impact in retail

MILLION TL	Non-Operational and Non-Recurring Items		Q3 2021	Q3 2022	9M 2021	9M 2022
CONSOLIDATED NET INCOME EXCLUDING NON OPERATIONAL & NON RECURRING ITEMS			2,164	9,818	5,549	23,413
Cimsa's Gain on Asset Sale			0	892	9	894
Corporate Tax Change			-56	-71	-41	-253
Revaluation Impact in Building Materials			0	325	0	587
Gain on Philsa Sales			0	0	0	2,595
Carrefoursa's Gain on Asset Sale			0	0	0	70
Consolidation Impact of Insurance Segment			1,359	0	1,359	0
Other			-75	-91	-19	-91
CONSOLIDATED NET INCOME			3,392	10,873	6,857	27,215

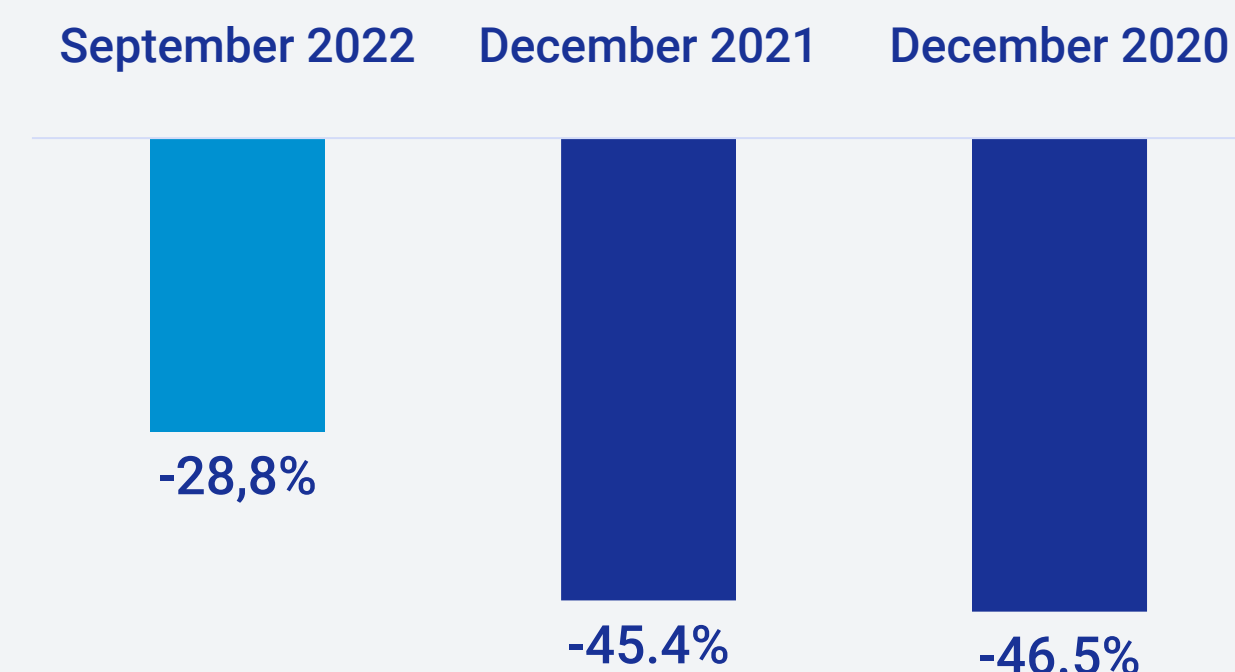
Since the corporate tax rate of %25 became permanent for financial institutions as of April 2022, one-off notation of tax rate changes for financial institution has been reversed for 2021.

Appendix / Sabancı Holding Discount to NAV & Cash

USDmn Companies	Direct Stakes	Valuation Method	Mcap	September 2022		December 2021	
				Value of Stake	% of NAV	Value of Stake	% of NAV
Akbank	41%	Market value	3,170	1,292	32.4%	1,144	30.8%
Enerjisa Enerji	40%	Market value	1,107	443	11.1%	456	12.3%
Aksigorta	36%	Market value	120	43	1.1%	88	2.4%
Agesa	40%	Market value	249	100	2.5%	111	3.0%
Akçansa	40%	Market value	301	120	3.0%	103	2.8%
Çimsa	55%	Market value	424	231	5.8%	170	4.6%
Brisa	44%	Market value	596	260	6.5%	290	7.8%
Kordsa	71%	Market value	600	427	10.7%	327	8.8%
Carrefoursa	57%	Market value	253	145	3.6%	209	5.6%
Teknosa	50%	Market value	134	67	1.7%	48	1.3%
Total Listed				3,127	78.4%	2,945	79.4%
Total Non-listed*				621	15.6%	581	15.7%
Total				3,748	94.0%	3,526	95.0%

Sabancı Holding Net Cash	239	6.0%	184	5.0%
Sabancı Holding NAV	3,987	100.0%	3,710	100.0%
Sabancı Holding Mcap	2,840		2,024	
Sabancı Holding Discount	-28.8%		-45.4%	

NAV Discount



Consolidated Long FX position (USD mn, excluding Bank)

September 30, 2022	December 31, 2021
+415	+255

Holding Only Cash Breakdown (Share of FX)

September 30, 2022	December 31, 2021
100%	90%

01 Growth

	2017-2021	Mid-term targets*
Revenue growth	CPI ¹ + 5%	CPI + 8%
EBITDA ² growth	CPI ¹ + 5%	CPI + 10%
Capex/Revenues	5%	~14%
FX revenue as % of combined revenue ⁴	25% ³	30%+
Net debt / EBITDA ⁵	1.2x ³	<2.0x
Share of new economy ⁶ in combined revenue ⁴	6% ³	~13%

02 Capital Return

Dividend policy
5%-20% of net income

Share Buyback
Up to 5% of paid-in capital:
102 mn shares
Total funds allocated:
TL1.75bn

Consolidated ROE
High Teens

03 Sustainability

Zero Waste
Net Zero Emissions
by 2050

Until 2030 (Akbank)

TL 200 bn
Sustainable Loan
Financing

TL 15 bn
Sustainable Investment
Funds

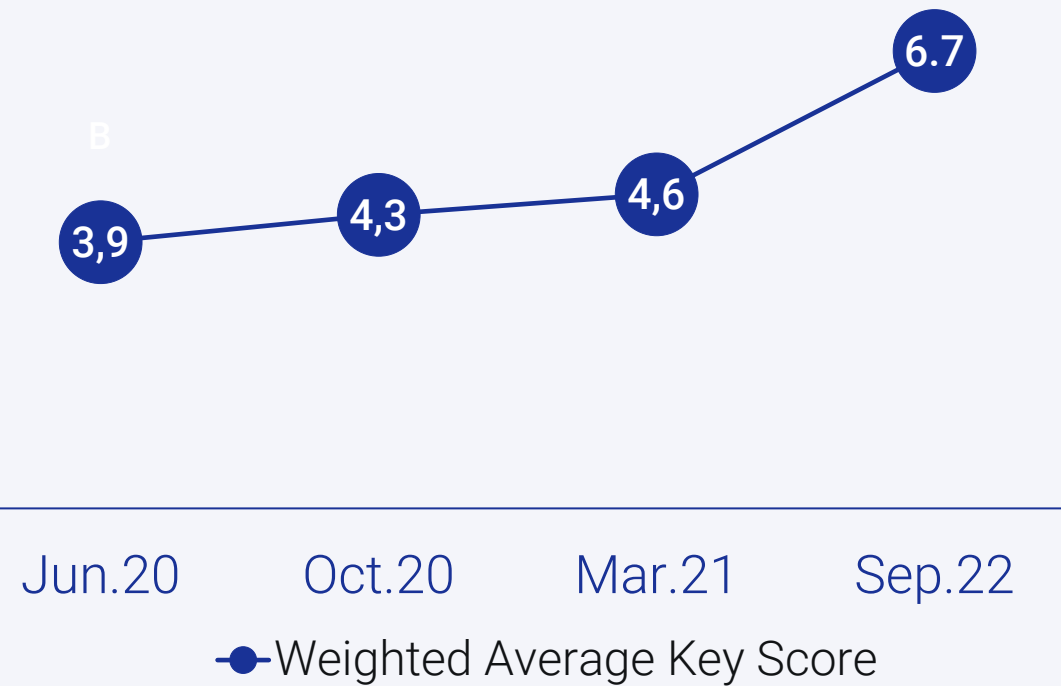
01 MSCI

2022 MSCI
72% increase in WAKI*

in 2 years
Successful Execution in All Aspects of

E, S & G

MSCI Rating



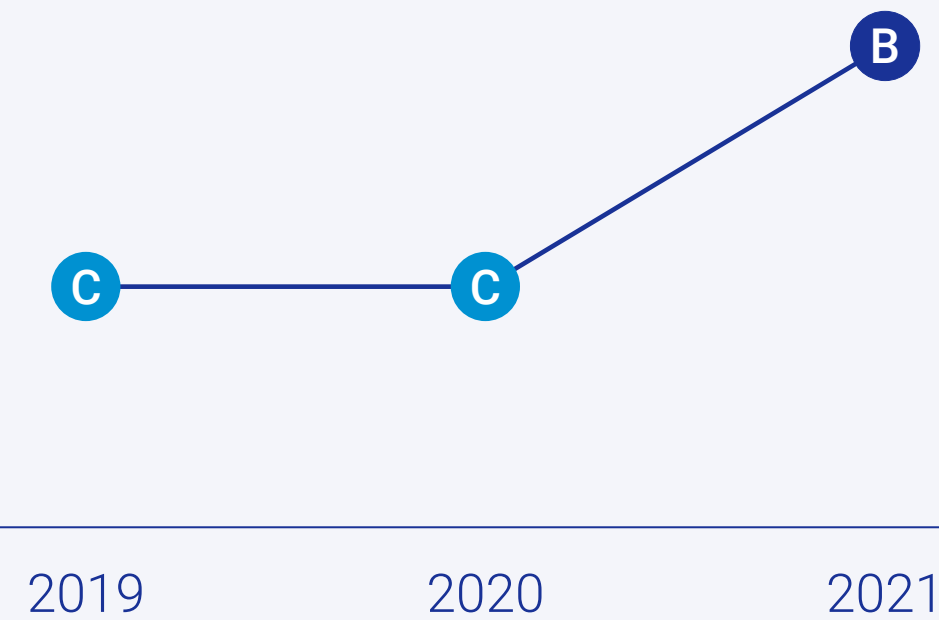
02 CDP

2021 CDP Climate
2 notches increase

Management Level on
Climate Performance

B Climate **B Water**

CDP Climate Change Rating



03

2022 GEI
Only Turkish Hold Co.

Bloomberg Gender
Equality Index

Score: 75/100

Bloomberg GEI Key Pillars

- ▶ Female Leadership & Talent Pipeline
- ▶ Equal Pay & Gender Pay Parity
- ▶ Inclusive Culture
- ▶ Anti-Sexual Harassment Policies
- ▶ Pro-Women Brand

04 REFINITIV

2022 Refinitiv
Excellent Performance

Out of 50+ Companies in
Investment Holdings Category

Rating **A**

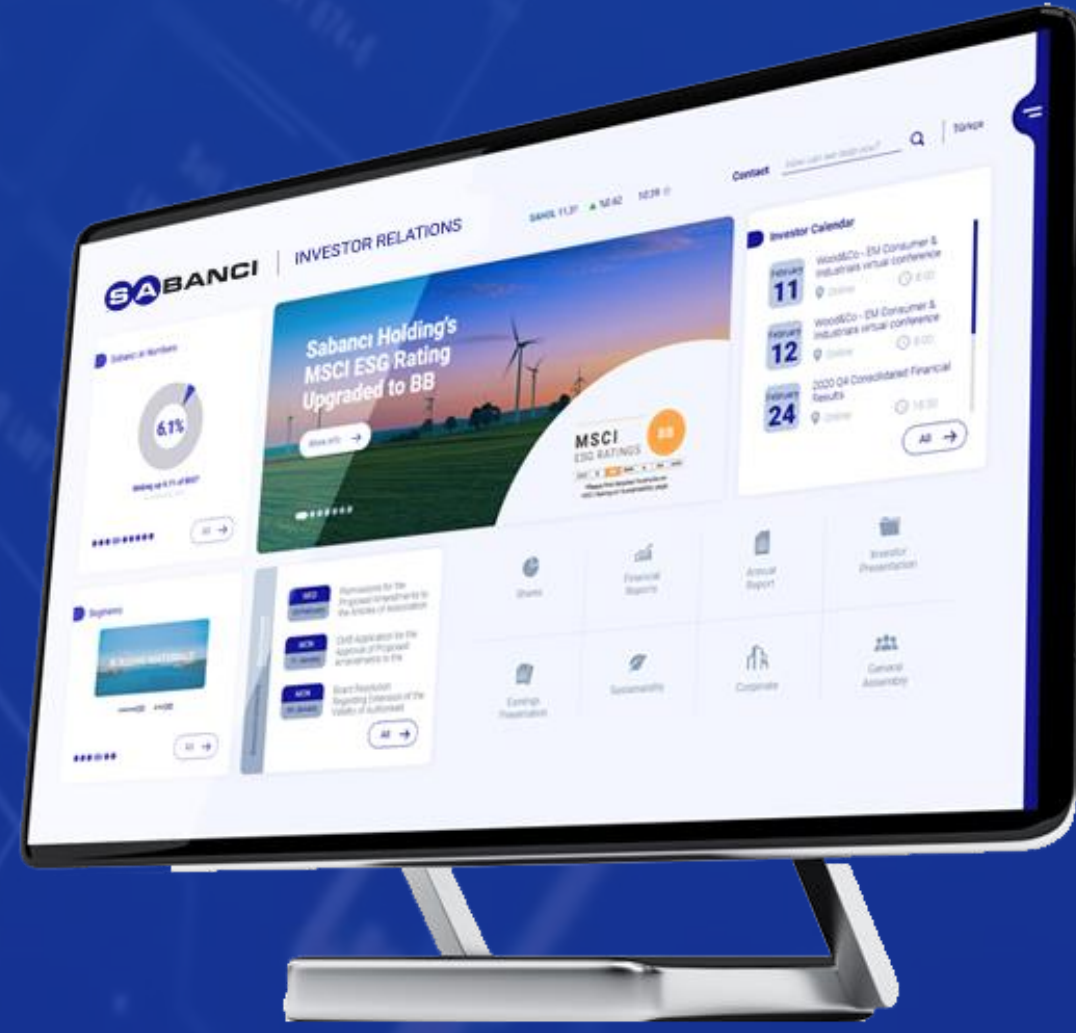
Refinitiv Key Pillars

- ▶ Environment
- ▶ Social
- ▶ Governance

- In accordance with In IFRS16, most leased items with a duration longer than one year have to be included as an asset in the company books. In addition, the payments that will be made on the lease agreement have to be reported as a liability on the balance sheet. The depreciation of the asset and interest on the lease liability have to be included in the P&L instead of rent expenses. This leads to higher operating profit compared to the periods before the application of IFRS16. For comparison purposes, IFRS16 impact in retail segment is excluded.

For Further Details

ir.sabanci.com



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