



Sabancı Holding Building Materials Day

December 11th, 2023 17:00 TR Time

Speakers:

Orhun Köstem, CFO

Burak Orhun, Building Materials SBU President

Şule Gençtürk Kardiçalıoğlu, IR Manager

Mrs. Şule Gençtürk Kardiçalıoğlu, IR Manager: Good afternoon and welcome to Sabancı Holding Building Materials Day. Today I have Orhun Köstem, Sabancı Holding Group Chief Financial Officer, and Burak Orhun Building Materials President Sabancı Holding to discuss about the segments current and recent developments and the strategic ambitions going forward. Before start I would like to draw your attention to our disclaimer on the screens right now and remind you that there will be a Q&A session at the end. With that I will leave the floor to Orhun Köstem.

Mr.Orhun Köstem, CFO: Thank you Şule. Good morning, good afternoon, everyone. Many thanks for joining us today in Sabancı Group's Building Materials Day. We're very happy to be able to talk to you about an important part of our overall portfolio. When I say important that's the third largest contributor to Sabancı Group's net asset value as you see. It does about 15% contribution to the total net asset value of Sabancı Holding or if you look on a non-bank basis, of course, it's the second largest, with about 24% contribution. So, we're talking about a fairly important value contributor to Sabancı Group's overall portfolio. Not only that we feel our performance, the financial performance of the segment is satisfactory. If you first look at the bottom of this page in the 9 months of 2023 versus 2022, we've seen quite serious top-line growth. Having said that we're also quite happy that our profit performance has been faster than the top-line growth and therefore we have looked at growth with margin expansion, which for those of you who listen to us quite frequently would know that we at least say a quality growth is taking place, and that's what we expect to deliver. Now, here, I would like to draw your attention to the fact that there has been some changes happening in our network. For example, last year, as you know, Kayseri and Niğde two plants in Türkiye have been divested. And these financials that you see at the bottom of this page have been adjusted. So, you see this performance on a like for like basis. And as far as

the EBIDTA contribution of the business segment is concerned, if you look at the non-bank contribution of all the businesses from 10% last year, the building materials segment EBIDTA contribution has increased to 15% between 9 months of 2023, and 9 months of 2022. So, in addition to the net asset value contribution, the profit contribution of the segment has been quite substantial. In 2023 given this good performance, given the fact that there has been a number of changes that has been taking place across the segment structurally, we have invited Burak Orhun, the business group president to tell us a bit about the strategy, the future, and the outlook for our Building Materials Unit.

Mr. Burak Orhun, Financial Building Materials SBU President: Thank you very much, Orhun, and thank you everyone for joining Sabancı Building Materials SBU Investor Day. It's been actually a while about 2 years since we have done our event, a Building Materials Day, and as such there has been a lot of progress and a good amount of changes within the group. So instead of going one by one over each change, we wanted to prepare a short film, a short video to share with you all the things that happened in the last 2 years, and then afterwards we can discuss and share some more, maybe information with you about how we see the future for our group.

Thank you for coming back again. And as you can see from the video, as I mentioned, a good amount of accomplishments and changes since our last meeting. But since it's been almost two years now, I just want to refresh who we are and companies make up the SBU, actually. So first of all, we have three companies. The first one is Akçansa, as you know it's a joint venture, a long and successful joint venture with Heidelberg Materials, 3 integrated Grinding Plants, 2 international ports. Through which highly export oriented in fact, one of the largest exporters of low alkali cement to US and the current market valuation hovers around \$1 billion. The next one is actually Çimsa. And Çimsa has also three integrated cement plants and but in Çimsa we have on top of grey we have white cement and calcium aluminate cement as well. In white cement Çimsa is one of the key players, in fact, in the Western Hemisphere, excluding China, has the largest white cement capacity. And as such one of the key players and through the latest expansion of calcium illuminate cement capacity, it's also becoming one of the key players in calcium aluminate cement market as well. Together with Afyon cement, which is also a public company and a subsidiary of Çimsa, the total market valuation is around 1.28 billion USD. And then the next one is Sabancı Building Solutions, which you might remember we have established about two years ago right before we acquired our Buñol Plant in Spain. And the purpose and the mission of the company was to combine the financial strength, the balance sheet strength of Sabancı Holding with the operational strength and know-how of Çimsa to to help the growth of Sabancı building materials actually outside of Turkey. But now we believe the Sabancı Building Solutions that purpose or that task has been completed, and as such, you might have seen the news on Friday. Çimsa has announced that it has acquired 10.1% of Sabancı Building Solutions shares and as such from now on, Çimsa will start consolidating all the financial and operational results of Sabancı Building Solutions and we will be operating basically and managing all our cement operations outside of Turkey under one entity and I will touch that transaction in a minute on a separate slide as well and under Sabancı Building Solutions as you know, we have our Spanish plant in Buñol white cement plant. We have one cement grinding station in US and six terminals across various countries mostly in Europe, which are very important and to get closer to our customers and and as such increased profitability.

Now, before we go any further, I would like to touch briefly on how we see the global cement world as of today. First of all, when we look at on the demand side. To fight inflation as you know, the policy rates are increased globally and as such , that dampened the investments to construction and meaning also cement demand. So going forward throughout the 2023 and going forward into 2024. We are expecting stable to negative growth actually across the world for cement, but that depends also a lot actually on the region. So for example, when we look into US, proves to be one of the more resilient regions as such it has grown in 2023, and we expect it will further grow and continue to grow in 2024 as well. However, when we look at the next region, China is unfortunately one of the problematic regions because of the real estate crisis, which also lowered the demand for construction materials as well as for cement. Low cement demand continued in 2023 and we expect it will continue so 2024 as well. But the low demand in China not only causes problems for demand specifically, but also causes problems for supply side as well, which I will touch in a second. Come to Europe, we know Europe is lagging in in terms of economic growth mainly because of the monetary tightening to fight inflation again. The impacts on cement and construction materials overall as well. So we expect low demand to continue as well in 2024. Coming to our country Türkiye, we had a very good year in terms of growth in terms of cement growth in 2023 for various reasons including the earthquake impact, some of the urban transformation projects, some infrastructure projects etc. But especially in the second-half, especially recently because of the interest rate increases, policy rate increases we see some early indications that 2024 will be maybe not as fast growth as 2023. The early indications include housing sales and construction permits which we observe coming down actually so for 2024 we expect more or less stable cement demand for 2024.

Now coming to supply side. Unfortunately for Türkiye cement industry, the supplies the issues faced by this industry, they are mainly on the supply side. So, the first one, new capacities are coming online across the world, including Turkey. In Turkey we have about 10 million around 50 million tons of excess capacity as of today. But we expect another 5 to 6 million tons additional capacity coming online within 24. As such the excess capacity will increase to 20 million tons. Now, if you look outside, though in our traditional export markets for Turkey, meaning Europe and Western Africa. We see that Northern African, Middle Eastern, and even Asian players are becoming more and more competitive mainly because of the subsidies they are receiving in their home countries energy subsidies, as well as the very low freight rates also driven again by the Chinese economy slowing down, which has an impact on the global trade. Speaking of Asia, Vietnam is something in a country we need to underline because Vietnam is the largest exporter of cement in the world, but it used to export everything to China now, with the Chinese demand coming down. It's looking for new distribution channels, new markets for itself, and as such reaching to Europe and to US East coast, where it has not been before so overall weak demand, combined with excess, capacity overall impacting price resilience globally. So, when we look at for Sabancı Group, we are actually working full capacity, and we will continue working full capacity at our plants as well as our

terminals. However, as I mentioned, price resiliency because of all supply issues, seems to be the major challenge for the upcoming year.

Now we talked about the cement market global. But I want to eliminate ourselves a little bit and maybe talk also for the macro trends we see in the construction materials world, because at the end of the day we are looking for not just 2024, but for the next 5 years. How we want to shape the portfolio. So when we look at the macro trends, we really see 3 main trends ongoing in the construction materials, one green construction. The consumers want low carbon materials to be used in the construction as well as they want the construction to be done in a sustainable fashion, meaning less water usage and less labor usage as well. So which brings the digitalization and modular construction actually to the front page. The second, consumers want to live, want the buildings to be sustainable through their lifecycle, lifetime, meaning lifecycle sustainability. And for that, obviously, that brings up the thermal insulation, external cladding and water, footprint, wood footprint and businesses around these subjects to the front, and they become more important. The last, but not least, the consumers now want once the building ends its lifetime. The consumer wants the materials, the demolition materials to be reused again, recycled or reused again. And that's something along with all the global cement players, we are working very closely as well, mostly focusing on recycled concrete. There's one more trend actually, that I have not put here, but I want to mention which is the so-called intention gap. While the consumer wants all of this, it is, we still observe that the consumer is not ready yet to pay the high premium some of these trends deserve or demand as such. There's this willingness to gap willingness to pay gap. So whatever solution we come up with to address these trends, they need to be also affordable. That's actually the fourth trend I wanted underline. So I'm not going to go too much over the accomplishments, because I believe the video was very clear on that. But we are very happy about the first one, the Sabancı Technology Center, because that's exactly the platform where we're going to come up with new solutions in an affordable fashion, so that the consumers we can address the concerns of the consumers, and so we can get closer to the consumers basically. There are some new investments we have already announced, including the US. Grinding plant. We are adding additional capacity to the US, for gray cement grinding capacity. So with that capacity or grinding capacity, actually what I just described a minute ago as excess capacity in Turkey, which is a concern for the overall industry. It will become an opportunity for Sabancı Group, because that excess capacity we will be able to utilize as our clinker source basically once this US Grinding plant becomes operational. We are working together with Enerjisa on Eskişehir waste heat recovery. And ultimately our ultimate goal is for all our group to be energy, self-sufficient meaning, at least in the next 3, 4 years, 50% of the electricity we want to produce through our own production or generation facilities, solar, wind and wasted recovery. And the last, but not least, including also not only in Turkey, but also in Spain we are investing into solar power plants. So our Spanish plant actually becomes energy self-sufficient as well. And all, obviously all these events are to help the profitability of our companies, but also to address the sustainability issue, which is one of the challenges that overall the cement industry is challenging, and sustainability has become is not an initiative for us anymore.

It's become a business, as usual, part of our operations. In every decision we make before even profitability, we make it the sustainability criteria, and then, together with sustainability, how we can generate more margins and more profitability from the sustainability, initiative, or product, etc. Obviously these are recognized for both by Akçansa and Çimsa. Through third parties, for example, Akçansa increased its Refinitive ESG performance to 87 which is one of the highest ones actually in the list. It's actually placed second, globally across construction materials. And Çimsa, for example is the first and only cement company listed in Bist 25 Sustainability Index.

I want to mention the alternative fuel usage ratio. Because that's one of the reasons or tools we use to achieve our sustainability targets. And over the years we have taken the necessary steps to increase our alternative fuel usage ratio much higher than Turkey, which is around 10% on the average in Turkey, ours is 26%. But it's even slightly higher than the 25% average of among global cement players. And for the coming years we are actually planning 30%. We can even go even higher. Technically, we can do that. But the lack of alternative fuel or limited availability of alternative fuel in Turkey, because RDF reused dried fuel, etc. imports limited in Turkey. As such we are limited by the availability of alternative fuel here in Turkey.

Now, after going all this on listing, what we have accomplished so far where we are today. So, what are we planning to do for the next 5 years? What is our strategy roadmap for Sabancı Building Materials group? I have shared this vision before. Let me repeat it again. Our high-level vision is to move from pure cement to building materials, from local to glocal and from grey to green. I believe that sums up really nicely, what we want to achieve in the next 5 years, and what we mean by glocal. Let me actually open that up a little bit. We define glocal as having local skill sets or capabilities within a global framework. So, our terminals, for example, or our new US grinding capacity in US is a perfect example for us, moving from local to glocal. Now we have based, or we are basing our strategy for the next 5 years on 3 pillars. Really, the first one is, we will maximize the value of our core business, which is the cement business. We will maximize the value of our core assets. Number 2, we will transform the value of the portfolio by expanding into other non-cement businesses to diversify the portfolio in terms of product and in terms of sustainability actually. And then the last one, the last pillar, is investing into future value because we believe we have to start investing now to catch up some of the trends which will become a reality in the next 10-15 years, and for that reason we have a very focused R&D at our global technology center in Munich. And we are investing into venture capital and startups that are directly involved in construction materials or new construction methodologies or technologies. Now, looking at the first pillar, how do we maximize value of the core? The first one is, or the first step is actually continuous. And I should add ruthless network optimization. And under network optimization, I just don't mean assets, but also carbon and energy optimization. So when I say asset optimization, I believe we gave a good example of how to create value through asset optimization, or what we call the portfolio reshuffling, because, as Orhun also mentioned a minute ago, in 2022, we have divested our Kayseri and Niğde plants, not because they were bad plants, but they were actually landlocked

and very limited export capabilities. We have divested those assets for 123 million dollars, and we are reinvesting those into a Çimsa into our new US grinding capacity, and in Turkey to our expansion of calcium aluminate capacity which will both of these investments will strengthen our global footprint and increase our so not only our gains or earnings will increase in terms of absolute value, but also the quality of earnings will increase, because almost 100% of these earnings will come from hard currency. and the capacity expansion will make us among the top 3 producers of calcium aluminate cement globally.

And another network value creation to through network optimization tool we have utilized is actually what I mention is this structural change in the SBS ownership. As you can see on the slide on the left, as end of first half 2023 Sabancı Holding used to own 60% of Sabancı Building Solutions and Çimsa owned 40% of the company. With our recent announcement on Friday a Çimsa acquired 10.1% of the shares, and from now on, as I mentioned, will consolidate operational and financial results which will bring more optimization opportunities more valued and bottom line increasing optimization opportunities, managerial efficiencies as well as operational efficiencies. So, all in all, with this transaction, we believe both Çimsa and Sabancı shareholders will see more value in the future as well.

And I mentioned already the energy optimization as well. This is a Çimsa example, but we are doing more or less the same actions, and on Akçansa side. So, as I mentioned, even today, we are procuring most of our electricity from renewable sources. But our aim is until in the next 5 years, to be able to actually generate half of our consumption on our own through renewable sources, such as wind, wasted recovery and solar.

So, going back to the strategy house again, we talked about the continuous network optimization. Second point is customer proximity in export markets. I mentioned, our terminals help us a lot to get closer to our customers, and as such increase our profitable margins. We want to actually expand on that. We want to increase what we call light asset expansions it can be terminal; it can be conversion warehouses in Europe and in various other countries. It can be in Latin America, etc. We are looking for different opportunities, but that will bring us closer to our customers. The third one is vertical integration. As we get closer to our customers, and as we know the market. For example, in the US, the idea is to go further down the value chain in areas we know, especially in ready mixed concrete. As you know, we know ready mixed concrete very well from Çimsa and Akçansa. And the next step on our value maximization for the core is in the export markets where we have presence going down further down, further on the value chain and expanding into ready mixed concrete. And the last, but not least, is commercializing, sustainability and innovation. We talked a lot on the sustainability. And we are doing a lot, and we have achieved a lot, and we will make sure that sustainability also pays off in terms of bottom line profitability as well, and creates value for all our shareholders of Sabancı Group that actually means coming up with new products that are sustainable as well as actually adds to the bottom line in terms of higher margin, and the customer is willing to pay for it, meaning is also affordable. So fly creed, for example, as shown in the video, is one of these examples. It directly addresses a concern of the customers. It's a sustainable product, but it also lowers the cost of the

customer and adds also to our margin. It's also a higher margin product compared to our other products. So, it's almost like a win-win-win product for the entire ecosystem on Akçansa side, we have all our greenforcement and green for concrete products which more or less help the same purpose. A coming to the transformation of the portfolio. We talked about maximizing the value of the core. But, as I mentioned a big task for us, and the and the big initiative for us is adding non cement businesses to our portfolio, so we can diversify our products, diversify the portfolio from sustainability, perspective and decrease the CO2 of our intensity per revenue decrease basically. So for that, we are looking constantly for opportunities and for sustainable building materials. For now, we have prioritized insulation, roofing, solutions, and prefabrication which are pretty much in line with the micro trends. I have shown you on a previous slide. Obviously, these are not written on stone, meaning, if there are further opportunities, we always do look into these other opportunities as well, but these are, as I mentioned for us, priority areas. We have our pipeline, and we have looked in the past in the last 2 years to some major opportunities, especially in the US as well. Some of them actually were in the news as well, showing Sabancı Group as one of the potential candidates to acquire some of the assets because of the macro volatilities in the world as well as in Turkey. We decided not to go forward, but I believe that's an indication that we are always looking, and we are ready to take the action if and when we find the right opportunity for us to transform the portfolio which in itself indicates, implies actually the opportunity has to be a big ticket item, because we cannot transform the portfolio by small ticket transactions, and the last one, as I mentioned, is investing into the future value of this portfolio by investing into venture capitals startups and basically being on the forefront of emerging new technologies. So, Net net, just repeat our vision again from pure cement building materials, from local to glocal and from grey to green. Where do we want to take this under this vision, as of today? Our revenues are about 45% FX-based revenue. It's not bad. But we want to make this higher, take it at least to 60%-70%. As of today, about 20% of our revenues come from our international operations. We want to make this definitely higher and maybe more importantly, only 2% of our revenues come from non-cement today. Definitely, we want to increase that with the transformation pillar, I just explained. And at the end we want to achieve a diversified and sustainable product portfolio. We really believe in this plan. Our major main shareholders from Sabancı Board believes in this plan. We have a hardworking team. Day in, day out, actually focusing on this plan and working on initiatives to achieve this plan, and I certainly believe that we will be able to achieve this in the next in the coming years basically. So, with that, I want to finish my presentation, and thank you again for everyone to join, and I'll give the word to Şule for maybe Q&A session.

Mrs. Şule Gençtürk Kardiçalıoğlu, IR Manager: Thank you, Burak Bey. That brings us to the end of the presentation. Now we can start Q&A section. So, we have a couple of questions on the line. Let me start with the first one.

Question: We observed that both Çimsa and Akçansa shifted their volumes from export to domestic market in 2023. Do you expect that it will continue in 2024 as well? Could we say that export volume levels will stay same in 2024?

Mr.Burak Orhun, Financial Building Materials SBU President: It is a good question actually, I believe yes, that is correct. We did shift both companies from export to domestic market in 2023, because the growth and the demand in domestic market needed that shift, basically. And we wanted to support our country rather than exporting that in a way shows also the agility and flexibility of our companies by shifting from domestic to from export to domestic, and, if need be, we can shift again from domestic. If there is excess lower demand here we can shift again to export. For 2024 we expect the domestic demand, as I mentioned around 2024 levels. So stable demand not too much growth because there are increasing rates. Investments are actually slowing down because macroeconomic policies are intentionally slowing down the economy to actually control inflation. Having said that there are upsides as well to compensate such as the urban transformation activities which might start actually, especially after the election. so we expect a stable demand, and the export versus domestic composition. We expect more or less to be the same in 2024 as well, however, as I said, we are agile and flexible. We can always shift from one to another, depending on the need depending on where we can create more value basically for all our stakeholders and including Türkiye as well.

Question: What are your expectations in fuel and electricity prices in 2024? Is normalization observed in 2023 to continue and support margins in 2024 as well?

Mr.Burak Orhun, Financial Building Materials SBU President: Thank you. Another good question. Yes, in 2023, actually, we ended 2022 at high levels. But throughout 2023 we observed the fuel and energy costs to come down for 2024. We expect them to be around these levels because as long as China low demand and the impact on global trend continues. If China recovers, if somehow, China shows a sudden recovery and starts to grow faster again, that the fuel and energy prices might start climbing up. However, that's not our base assumption. Our base assumption is that is that the electricity as well as energy costs will remain around today's levels throughout 2024.

Question: Is there any plan to merge Akçansa and Çimsa in the near future?

Mr.Burak Orhun, Financial Building Materials SBU President: You know that both Akçansa and Çimsa have a totally different partnership structures shareholder structure. They are both public companies. Akçansa is a very successful and a long-term joint venture Hidelberg materials. And they have different regions, different focus in a way. So, at this point in the short term there are no such plans to merge these two companies.

Question: How do you make your projections about sustainable operating margins and operating income for next 5 years as Sabancı Holding? Do you believe cement section is going to provide to holding growing cash flows?

Mr.Burak Orhun, Financial Building Materials SBU President: First of all, for the building materials group, if you respond as building materials group our operating margins, we expect them to go higher because we diversify our portfolio towards more sustainable products which either are lower cost or demand and deserve a premium when we are selling on the market. That obviously has a positive impact on the bottom

line and our profit margins. So, we expect, and as we diversify our portfolio also to more sustainable and high value-added products what I call the commercialization of sustainability and innovation. We expect our profit and earnings margins to go to, to slightly go up as well along with that portfolio transformation.

Mr.Orhun Köstem, CFO: We believe, first of all, the example you see in the building materials, as far as the portfolio expectations going forward should give you an idea what to expect across Sabancı portfolio as well. Here in the building materials, what we are talking about is two very successful companies, great domestic presence and operations which they complement with exports, which is a sizeable portion of their revenue. And today we hope we have been able to tell a little bit about you. As Burak was also explaining, on top of this base we are providing new revenue streams for these businesses in niche valued areas growth outside of Turkey and in many different ways now. And when we talk about just to make sure when Burak was talking about ESG or sustainability to be at the heart of our decision-making for us, at least from a financial point of view. This is ensuring our portfolio performance, profitability and value performance going forward because our investments there, we believe, is going to mitigate any potential incremental costs we may encounter as we go in the next 3, 5, 7, 10 years. Now you can take this and implemented in other segments like energy business. We have in a good base in Turkey with Enerjisa and the generation business of Enerjisa Üretim. And now we're complementing it with revenue streams outside of Turkey as well. Take our industrial business, Brisa, Temsa Skoda joint venture; these are great Turkish-based businesses with exports as well, and take Kordsa's business, who is an Avenue for growth, especially after the composite acquisition a few years back going forward. So, the pattern is the same. We're looking at obviously sustainable growth of our profits and cash flow generation.

Question: Could you please explain about your actions on reducing carbon footprints?

Mr.Burak Orhun, Financial Building Materials SBU President: I've been waiting for this question, actually, because we are taking a good amount of actions almost on par, maybe even better than some of the global cement players actually. So, for any global cement player, for any cement player, there are really certain ways, tools to reduce the carbon footprint, a) increasing the alternative fuel meaning instead of coal and petcoke, using bio-based fuels, b) renewable energy, as I mentioned, as we are doing, c) reducing the clinker ratio and the cement we are producing, meaning, releasing less CO₂, by using less limestone basically in our product. But and we are doing all these steps, and we are especially on the low clinker products. We have come up, and we are almost a market leader in promoting and bringing to our customers low-clinker ratio products. So that our CO₂ footprint is reduced not only ours but overall for the ecosystem, basically. And both of our companies made SBTi applications. And these science-based target initiative applications basically sets the target to reduce CO₂ per cementic material in line with the 1.5% global reduction target on top of that. Obviously, we can, any global as I mentioned, cement player after doing all this to reduce the CO₂ of the cement we are producing. There's really a certain level you can come down to afterwards. It's really new technology, meaning carbon capturing storage and utilization. So, we are also working very hard as a group, not only building materials group, but as Sabancı group, together with industrial group, energy group and building materials on carbon capturing

projects. And not only is carbon capturing, but utilization as well. Because carbon capturing methodologies and technologies are already technically and commercially available. However, the problem is what you will do with that carbon you have captured. And our country, unfortunately is, poor in terms of carbon storage sinks, natural carbon storage depositories. So, we have to utilize that. And that's what we are working on, how we can utilize that. CO₂, we will capture from our chimneys, from our kilns, such as in green hydrogen, for example, there are projects ongoing between our companies, and Enerjisa and with the authorities, as well in the hydrogen valley, to utilize some of the CO₂ that will be captured at our plants to produce green hydrogen. So these are basically all the steps reduce the clinker ratio, increase the alternative fuel, increase the alternative raw materials and the Nirvana of it all is invest into carbon capturing and utilization technologies.

Question: Any color on the M&A pipeline for SBS?

Mr. Burak Orhun, Financial Building Materials SBU President: I already mentioned the 3 areas, installation, roofing solutions and prefabrications that are as priority areas. But again, these are not just only the 3 limits. I mean, if there are opportunities outside of areas, we are more than happy and we do look into those opportunities as well. And the other color maybe I can share is that we are looking for opportunities mainly in Europe and US. And we are looking for opportunities that are above a certain size such that they will have the capacity and capability to transform the portfolio in terms of contribution, revenue as well as every contribution they will make. And first and foremost, they need to be in a sustainable building materials, basically and so that we can diversify and balance in a way our portfolio. So, these are the colors I can share maybe on the M&A pipeline. We do have all an existing pipeline. We do work with investment banks together to fill in the pipeline and make it a living and breathing pipeline. But it will be not appropriate to share in the names at this point.

Question: What will be the SBS contribution to Çimsa financials, and what will be the leverage after share purchase?

Mr. Burak Orhun, Financial Building Materials SBU President: After Çimsa starts consolidating SBS, which started actually, as of Friday. We expect that the earnings of Çimsa will go up around 25% let's say 25%-30% up. And that will be the contribution of SBS that's excluding the new investment we are making in the US, that's excluding the new CAC calcium aluminate cement capacity. This is just existing businesses existing assets. On top of that obviously, we will get the US Grinder contribution, the new calcium aluminate capacity contribution, etc. And when we look at the leverage projections, they are, when we combine these two assets or these two companies on a consolidated fashion. The leverage ratio are still below acceptable levels, I guess I can share. Numbers are still below 2 times EBIDTA levels which for us and for Sabancı group as well acceptable levels which still gives room to us to optimize our balance sheet basically.

Mrs. Şule Gençtürk Kardiçaloğlu, IR Manager: We do not have any more questions just to remind you can use the Q&A part on the bottom of the page. If you would like to send your questions. You can please use this tab. So, it looks like we have come to the

end of the Q&A part as well. Thank you everyone for participating us today in Sabanci Holding Building Materials Day 2023. This day will be uploaded in investor relations website for your convenience. And of course, in the follow-ups you can contact investor relations team. Thank you very much again, have a good day.