

#SabanciofNewGeneration

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# BUILDING MATERIALS SBU INVESTOR PRESENTATION

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September 16, 2021

**SABANCI**



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## On Stage Today



**Orhun Köstem**

**CFO**  
Sabancı Holding



**Burak Orhun**

**Building Materials SBU President**  
Sabancı Holding

01 Building Materials in SABANCI

02 Building Materials SBU

03 Q&A

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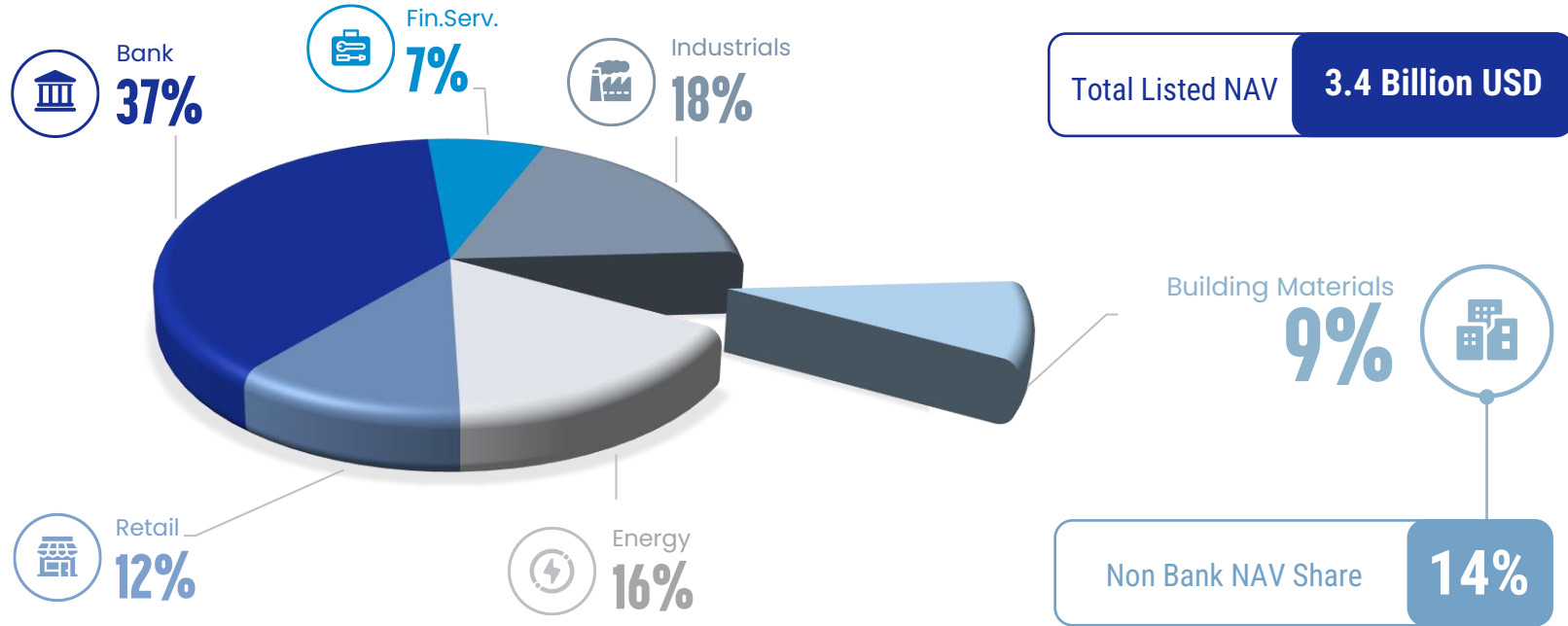
# BUILDING MATERIALS IN SABANCI

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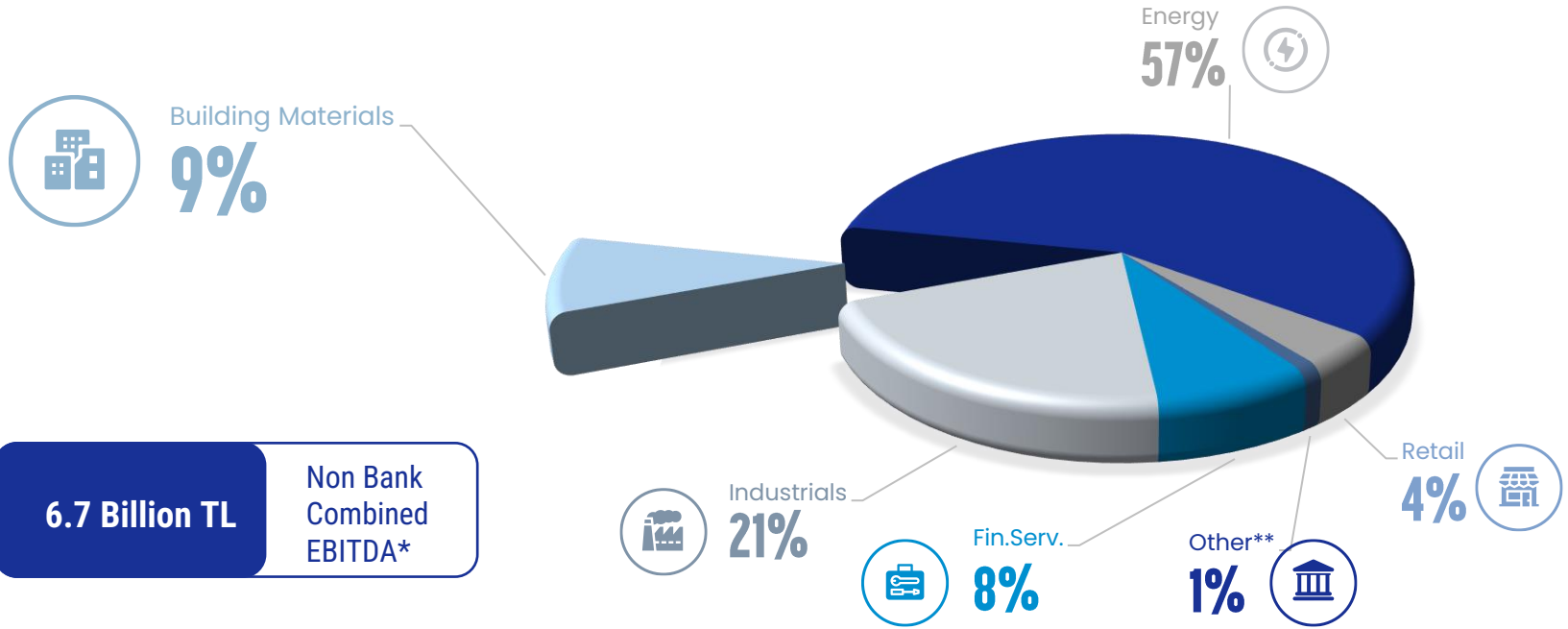
01



# Sabancı with 3.4 bn USD listed NAV is one of the largest holdings in Turkey



# 9% of the total non-bank EBITDA of Sabancı constitutes from Building Materials SBU



All figures are for 2021 H1 period.  
\*Excludes non-operational and non-recurring one off items & IFRS16 impact in retail  
\*\*Other includes Holding Solo, AEO, Tursa, Exsa, Sabancı DX

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# BUILDING MATERIALS SBU

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02



# Leader in the Turkish Cement Market with total capacity of 14 million tons



Total clinker capacity: **7,1mt, 3 factories** in İstanbul, Çanakkale, Samsun and 1 grinding station in Karabük



Port ownership in Ambarlı, İstanbul



High export focus and capability due to Çanakkale plant. Exports half of its volume.



Total clinker capacity: **6,8mt, 5 factories** in Mersin, Eskişehir, Afyon, Kayseri, Niğde and 1 grinding station in Ankara



Major white cement player with International footprint through terminals in Europe (Spain, Germany, Italy and MENA) and grinding station in Houston, US







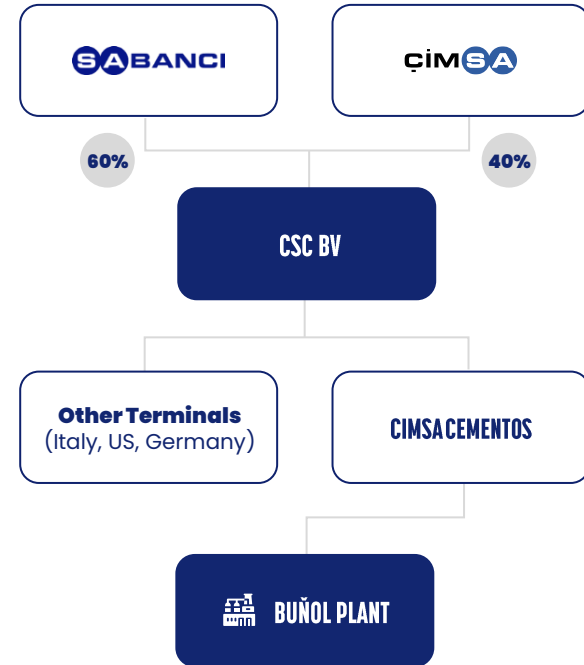
Only Calcium Aluminate producer in Turkey

# With the closing of Bunol acquisition, Sabancı became one of the largest white cement players globally



## BUNOL PLANT ACQUISITION

-  Bunol White Cement plant acquired on 9th of July by Cimsa Cementos, Cimsa terminals and US grinding transferred under CSC BV
-  Cemex's white cement customer portfolio in Spain and Europe (c.230k ton annually), Latin America (c.170k ton annually) and other markets (100k ton annually)
-  Total 111 employees (including 15 white collar)
-  Alicante terminal was divested as a remedy for Spanish anti-trust .



# Global trends dictate geographical diversification and increased focus on sustainability



**SUPPLY CHAIN  
RESILIENCY**



**GREEN  
CONSTRUCTION**



**SUSTAINABLE  
BUILDINGS**



**BIM ENABLED  
MODULAR  
CONSTRUCTION**



**EMERGING  
KEY MOVES**

## **GEOGRAPHICAL DIVERSIFICATION**

Growth in Overseas Operations &  
Regional Focus

## **PRODUCT DIVERSIFICATION**

Alternative Fuel & Raw Material Usage

New generation/sustainable building materials

From Pure Cement to Building Materials  
From Local to Glocal  
From Grey to Green

## 01 PROTECT AND GROW THE CORE

### Network Optimization and Integration

### Strengthen White Cement Position



- Light Asset Investments globally
- Explore other value creation opportunities

### Internationalize Grey Cement



- Light Asset Investments and Vertical Integration in Export Markets
- Improve Trading Capability

## 02 TRANSFORM



### New Growth and Diversification

- Expand in Calcium Aluminate
- Exploration of Building Materials in Adjacent Segments
  - eg. Precast Concrete & Insulation

**Global R&D Center for Sustainable Building Materials  
Innovations & Disruptions**

# Two sub-sectors emerged for Sabancı to explore in light of global trends



**SUPPLY CHAIN  
RESILIENCY**



**GREEN  
CONSTRUCTION**



**SUSTAINABLE  
BUILDINGS**



**BIM ENABLED  
MODULAR CONSTRUCTION**

## PRECAST CONCRETE



- Total Market Size: 90 Billion USD/Year (2021-2026 CAGR 6,3%)
- Rapid growing market due to high demand on prefabricated products
- Offers lower operational costs and efficiency

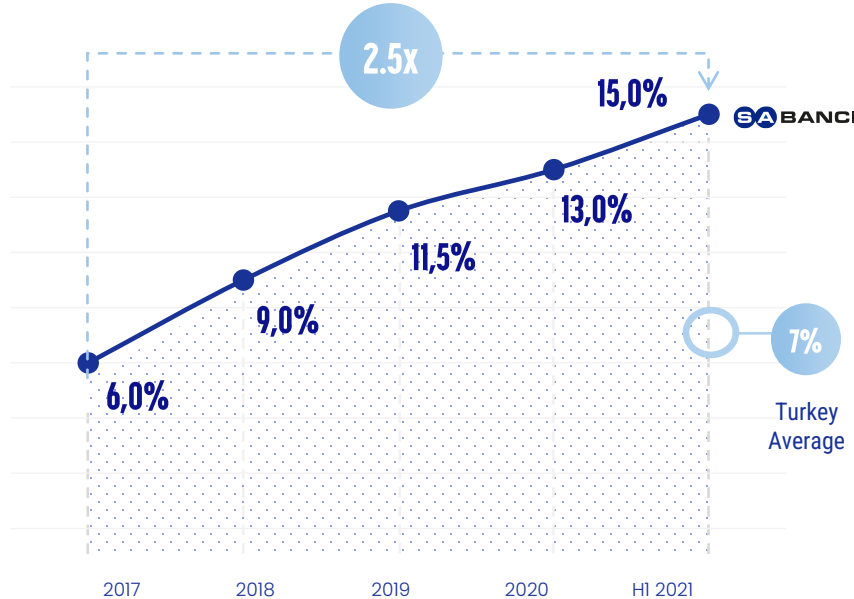
## INSULATION



- Total Market Size: 35 Billion USD/Year (2021-2026 CAGR 4,6%)
- Sustainable product lines due to its offer on heat and energy efficiency
- Increasing demand in residential construction

# Building Materials SBU is committed to Sabancı Holding's 2050 Net Zero emission targets

## ALTERNATIVE FUEL USAGE RATIO %



## CURRENT ACTIONS

- İstanbul's Waste Solution Provider
- Waste Tyre Shredder Investment in Afyon, Kayseri, Niğde, Çanakkale
- Büyükçekmece RDF Screen Integration Project
- Sewage Sludge Dozing Unit investment

## INITIATIVES FOR 2022 AND BEYOND

- Decreasing Clinker Ratio by Using More Alternative Raw Materials
- Increase in Alternative Fuel Usage
- **CO<sub>2</sub> Roadmap**

# Our future vision as a Global Building Materials Group

## Transformation into a Global Building Materials Group

### 2020

- 55% FX Based Revenue Generation
- 5% Revenue from International Operations
- 3% Revenue Share from Non-Cement
- CO2 Intensive Product Portfolio

### POST BUNOL

- >70% FX Based Revenue Generation
- >15% Revenue from International Operations
- Higher alternative fuel usage through know-how transfer

### FUTURE

- Higher FX Based Revenue Generation
- Higher Revenue Share from International Operations
- Growth in Non-Cement Businesses
- More Sustainable Product Portfolio
- Global R&D Center and organization

# Q&A

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