

#SabanciofNewGeneration

SABANCI Capital Markets Day 2020

A Leap Forward



November 30, 2020



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Cenk Alper
Board Member and CEO

Joined Sabancı Group in 1996. 5 years of international experience in the US and Europe with N.V. Bekaert. Led Kordsa's transformation and SPO as CEO. After managing Industrials SBU between 2017 and 2019, appointed as the CEO of Sabancı Holding in August 2019 to lead Next Generation Sabancı vision.



Barış Oran – CFO

After 10 years of US and international experience, joined Sabancı Group in 2006. Holds CFO position of Holding Company since 2016, and completed multiple IPOs and financial restructurings successfully. Board member of TÜSİAD.



Eyüp Engin – Banking

Joined Akbank in 1978. Appointed as Head of Internal Audit in 2007. Served on BoD of subsidiaries in 2017-2019 and elected as Executive Board member in 2019.



Haluk Dinçer – Financial Services

24 years within Sabancı Group. Served as Retail and Financial Services Group President from 2011 to 2016 and leading Financial Services Group since 2016 with the successful transformation of Aksigorta and Avivasa. Former chairman of TÜSİAD.



Hakan Timur – Human Capital & Sustainability

22 years of Human Resources expertise in multiple industries. Holds BOD memberships. President of the HR Group since 2018 and leads group's sustainability initiative. Board Member of Business Council for Sustainable Development, Turkey.



Tamer Saka – Building Materials

First joined Sabancı Group in 2004 as Chief Risk Officer. Served as the CEO of another conglomerate between 2014-2018. Rejoined the group in 2018 as the President of the Building Materials Group. President of Turkish Cement Manufacturers Association.



Kıvanç Zaimler – Energy

Started his career in 1992, joined Sabancı Group in 2008. Appointed as the CEO of Enerjisa Enerji in 2016. Transformed and listed the business successfully. Is in charge of Energy Group since 2018 and leads Group's digital initiative as the Chairman of SabancıDx. Vice chairman of World Energy Council, Turkey.



Cevdet Alemdar – Industry

27 years within Sabancı Group. 6 years of international experience in South America and Asia. Turned around Temsa Construction Equipments and Brisa as CEO. President of the Industry Group since April 2020.

01

Sabancı at a Glance

02

Delivered on
Key KPIs

03

Resilient Business Model
in High Volatility

04

Group Strategy and
Growth Themes

05

Capital Allocation and
Mid-term Guidance





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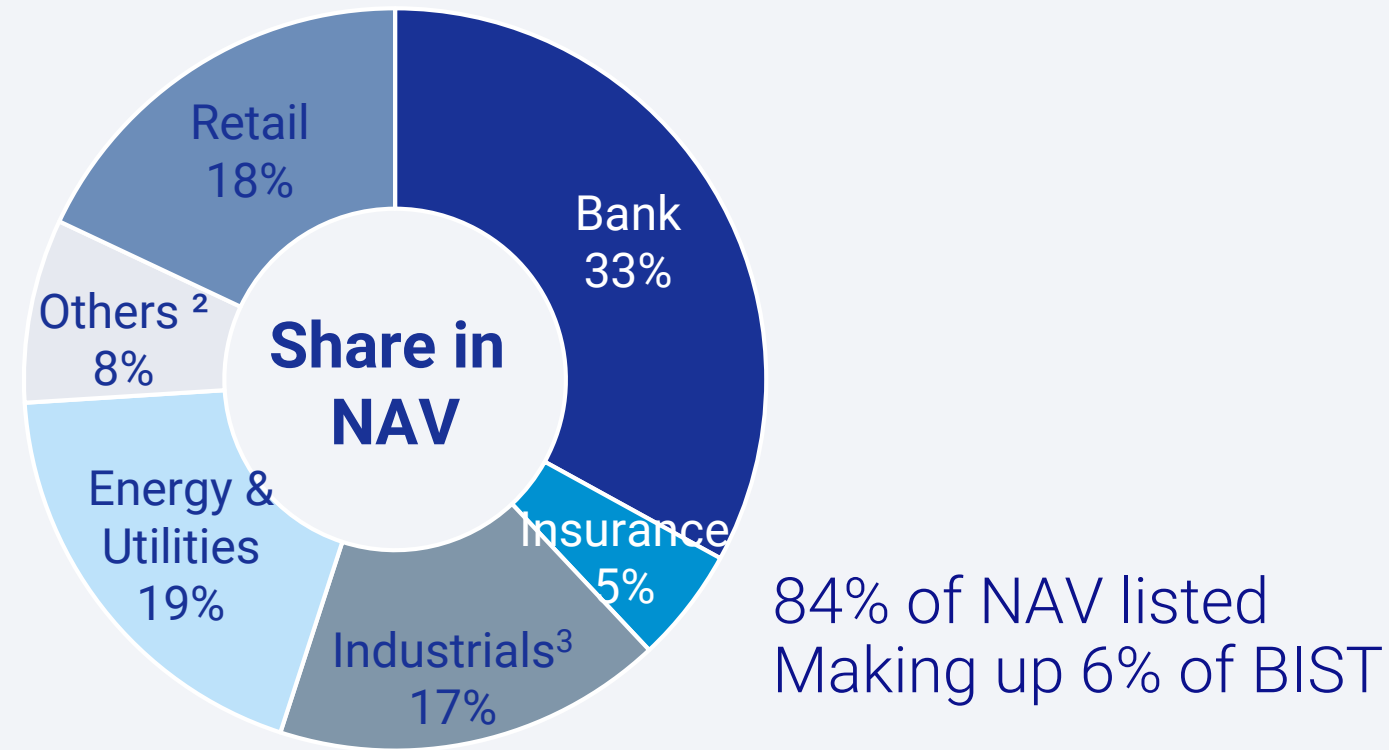
Capital Allocation and Mid-term Guidance

01 Growth

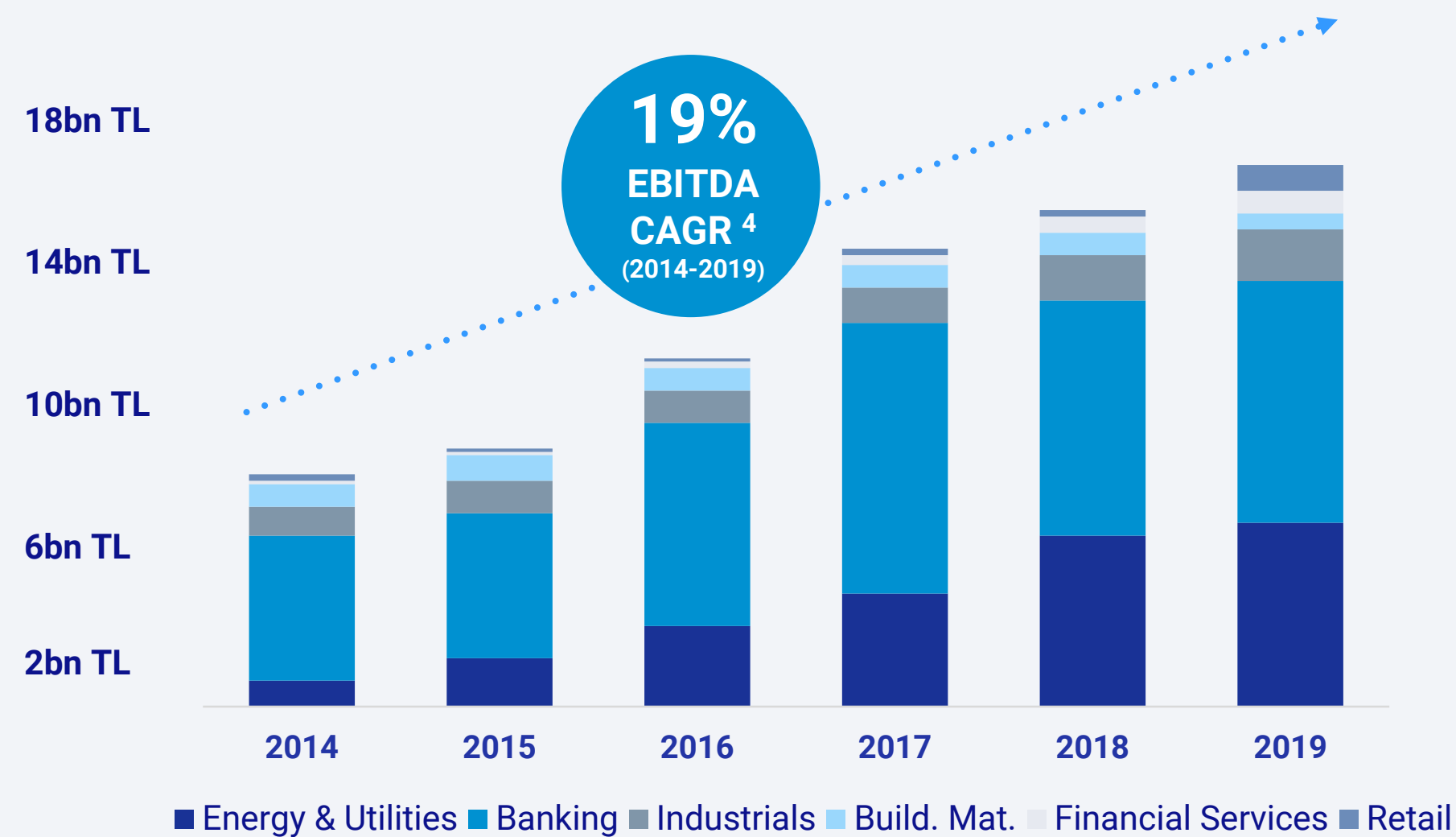
02 Capital Return

03 Sustainability

Complementary business units¹



Strong track record of sustainable growth



A solid global footprint
A large customer base
Strong global partnerships



40M+

Customers⁵

9

Partnerships

14

Countries

60K+

Employment

1. Values as at 27.11.2020 (excluding cash) 2. Exsa, Tursa, AEO, 'Digital' and Philsa are considered under Others
3. Includes Building Materials 4. Excludes one-offs

5. Includes Enerjisa, Akbank, Teknosa and Carrefoursa customers, excludes overlaps in between the companies

Our companies are market leaders

Energy & Utilities



Industry pioneer in upstream / downstream electrification

Leadership in renewable generation

Industrials



Leader in global and regional markets

Operational excellence and competitive cost position

Innovation through technology

Financial Services



World's Best Digital Bank 2019 (Euromoney)

World's Best Bank in Emerging Markets 2020

Leading player in pension

Leader in digitalization in non-life insurance

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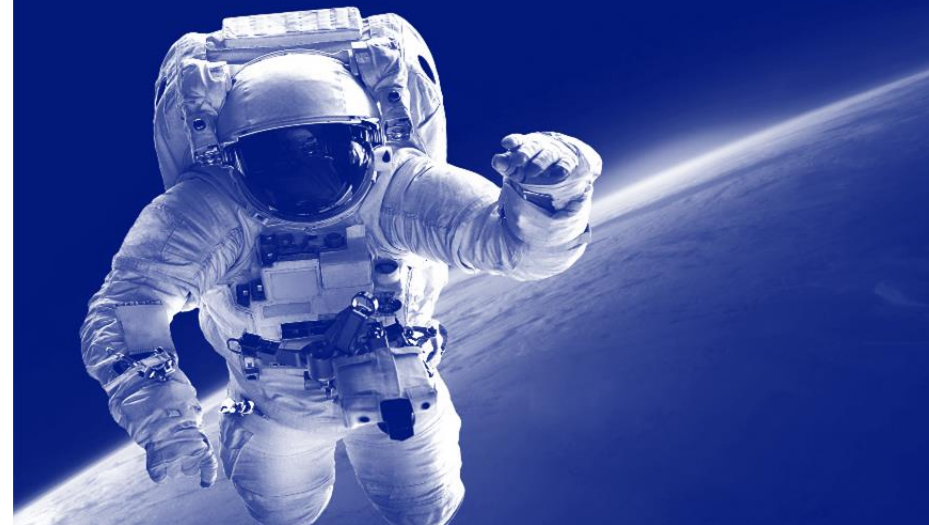
Group Strategy and
Growth Themes

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Capital Allocation and
Mid-term Guidance



Transforming businesses



- Massive **turnaround** via operational excellence and financial restructuring in **Energy**
- Aerospace value chain positioning with **four complementing acquisitions in composites in the US**
- From a systems integrator to a **digital enterprise**

Growth through technology & digital



- World leader in **green reinforcement technologies**
- **US\$30mn worth CVC fund** established, first investment made in wearable technologies
- **Advanced analytics** and **cyber security**

Topline growth

2.2x
2014-19

Net debt / non-bank EBITDA¹

down to **1.8x** in 9M20
from **4.6x** in 2014

Non-bank combined OCF² growth

~7.0x
2014-19

Holding DPS³

3.3x
2014-19



- **Expansion in distribution network** investments (RAB: +43%, 2014-19 CAGR)
- Renewable energy assets reached **45%** of overall portfolio
- Secured renewable capacity expansion (**Wind 560 MW**)



- **Global white cement leadership** with Spain acquisition and Texas operations
- **Smart concrete** and **100+ cement** developed for bridges that connect continents
- Delivering growth and deleveraging in **tires**



- Smart Digital Banking applications driving **lowest Cost Income Ratio** in the sector
- Share of credit linked product reached **40%** of its total premium generation since 2019
- **Digital Assistant (ADA)** replacing 100+ processes with AI, a first in the sector

E

Reducing
environmental
impact

- Reduced energy intensity by **20%¹**, greenhouse gas intensity by **14%¹** and wastewater by **17%¹**
- Reduced **~5.8mn tons of CO₂ emissions** by financing of renewable energy projects (Akbank, 2019)
- Sabancı Holding **Sustainability Report** granted with **GRI Standards**
- **CDP Turkey Climate Leader** (Brisa)

S

Being an anchor
for a better
society

- **Sabancı Volunteers** named “Best Case” by UN Volunteers (July 2020)
- Supported healthcare professionals by **making Group’s infrastructure and technology available for Covid-19 studies**
- Through **Sabancı Foundation**: Built **120 schools & hospitals**, supporting **173 NGO projects**, **48,000+ scholarships**
- **World Business Council for Sustainable Development (WBCSD) member**

G

Aligning
governance to
international
best practices

- Number of **non-family members** increased to **56%**, **women** to **44% of BoD**
- **Chairperson no longer executive, CEO & management team are fully empowered**
- Differentiates itself with **transparency** and **stellar governance** practices both at group and subsidiaries

01 Sabancı at a Glance

02 Delivered on Key KPIs

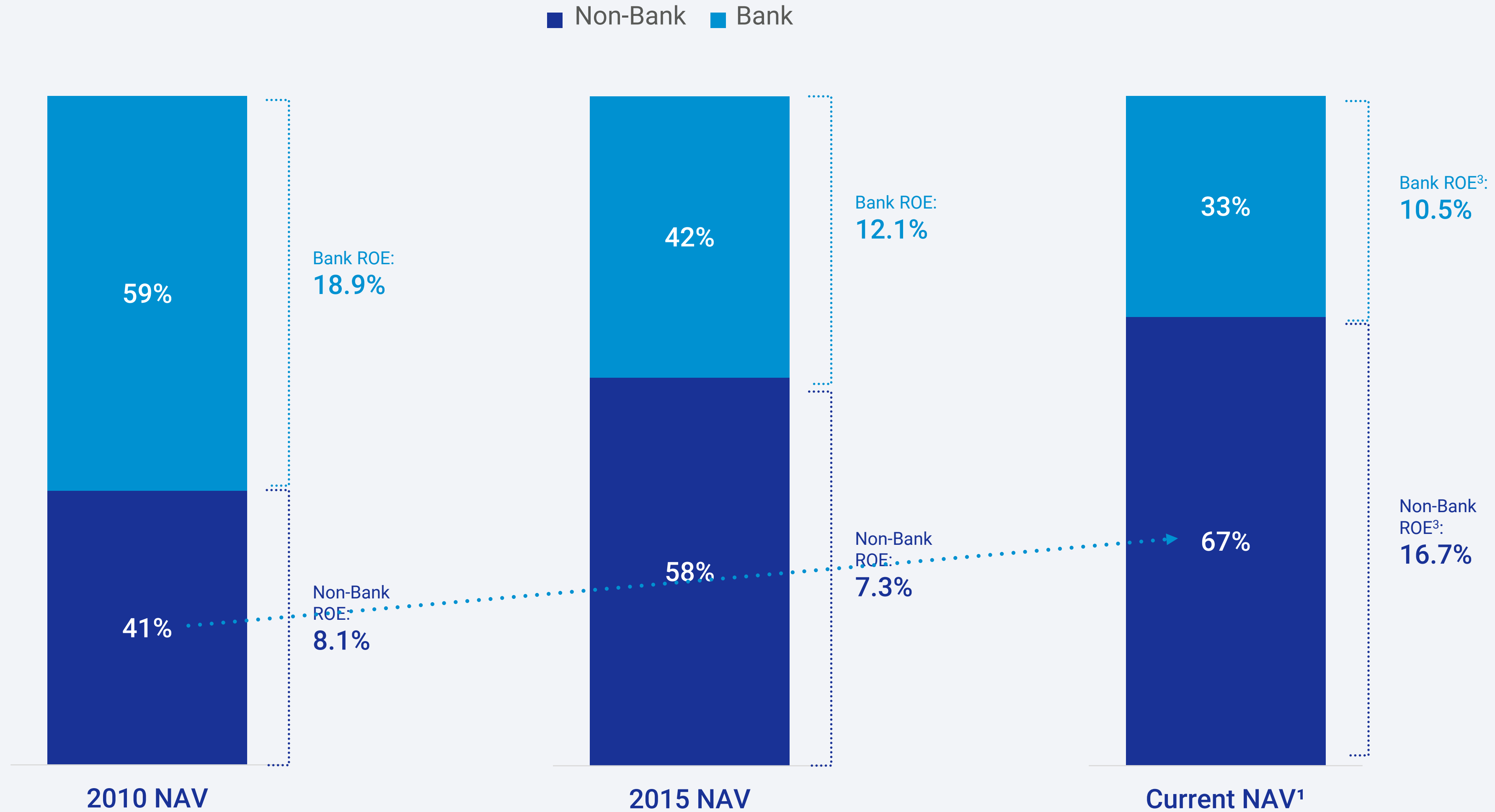
03 Resilient Business Model in High Volatility

04 Group Strategy and Growth Themes

05 Capital Allocation and Mid-term Guidance

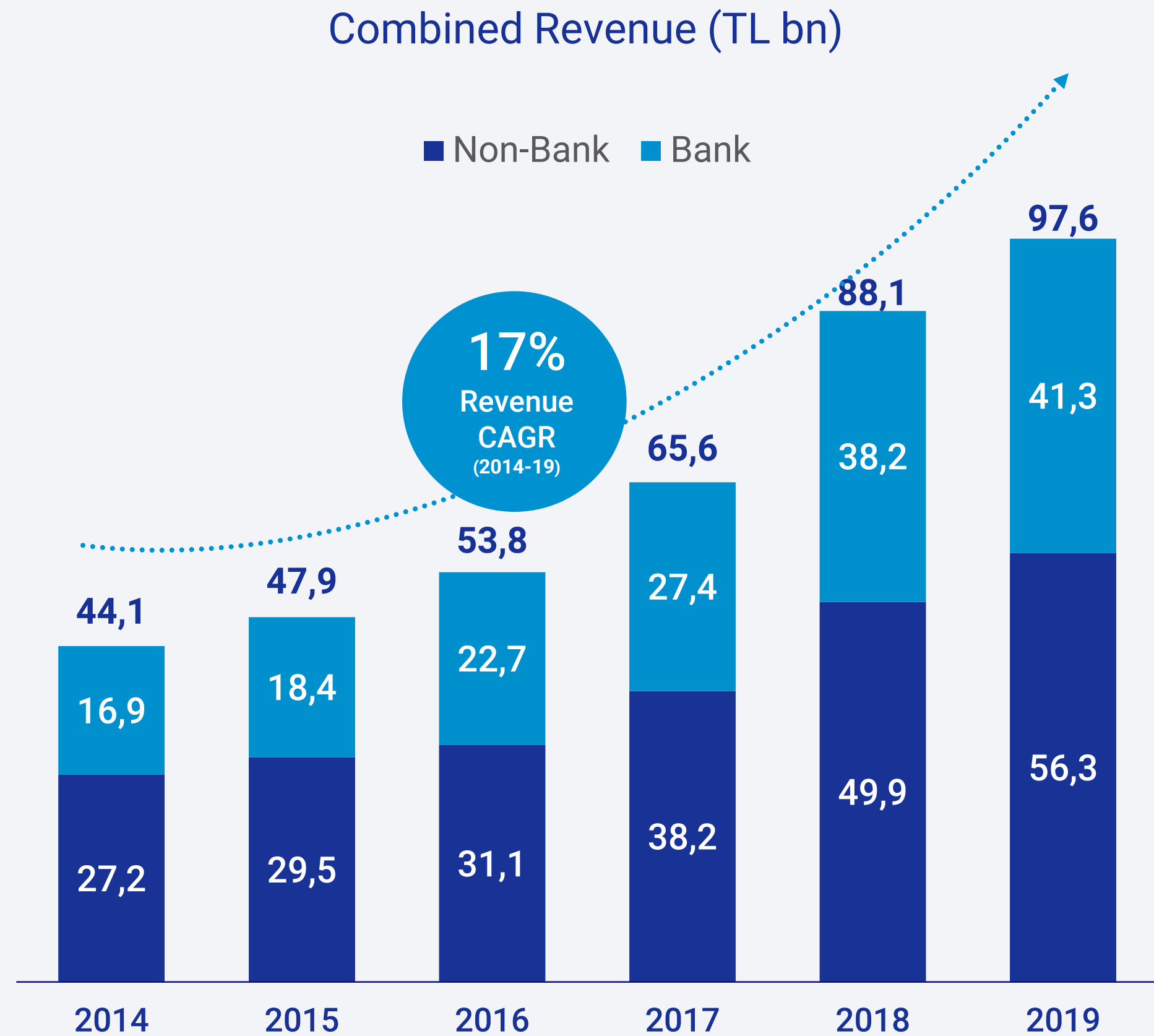


... resulting in lower dependence on the Banking sector, whilst increasing the share of the Energy & Utilities business unit ...

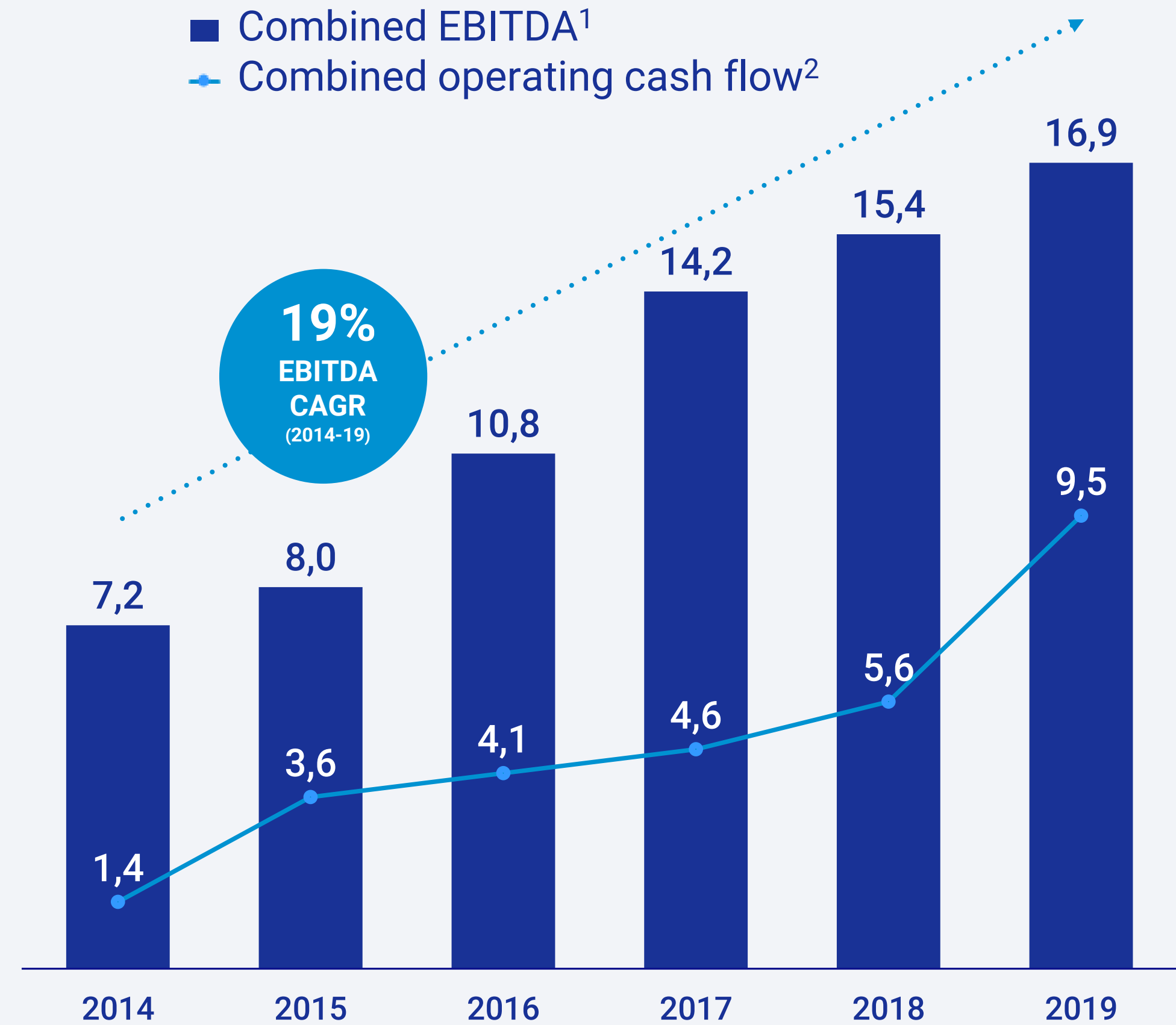


1 Values as at 27.11.2020 (excluding cash) 2 Exsa, Tursa, AEO, 'Digital' and Philsa are considered under Others

3. As of 9M20, all ROE data excludes one-offs



Revenue growth accelerated

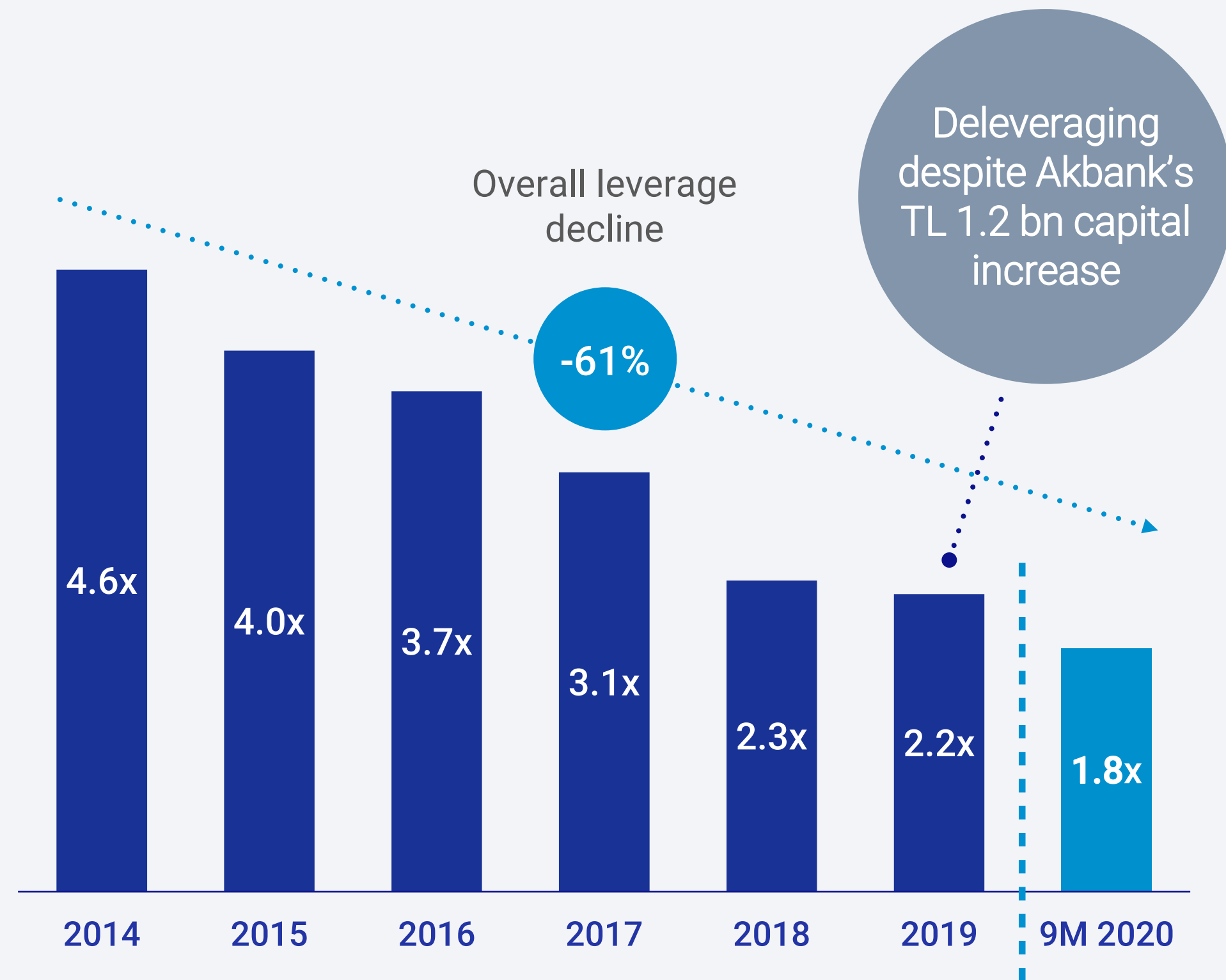


Higher quality earnings

1. Excludes one-offs

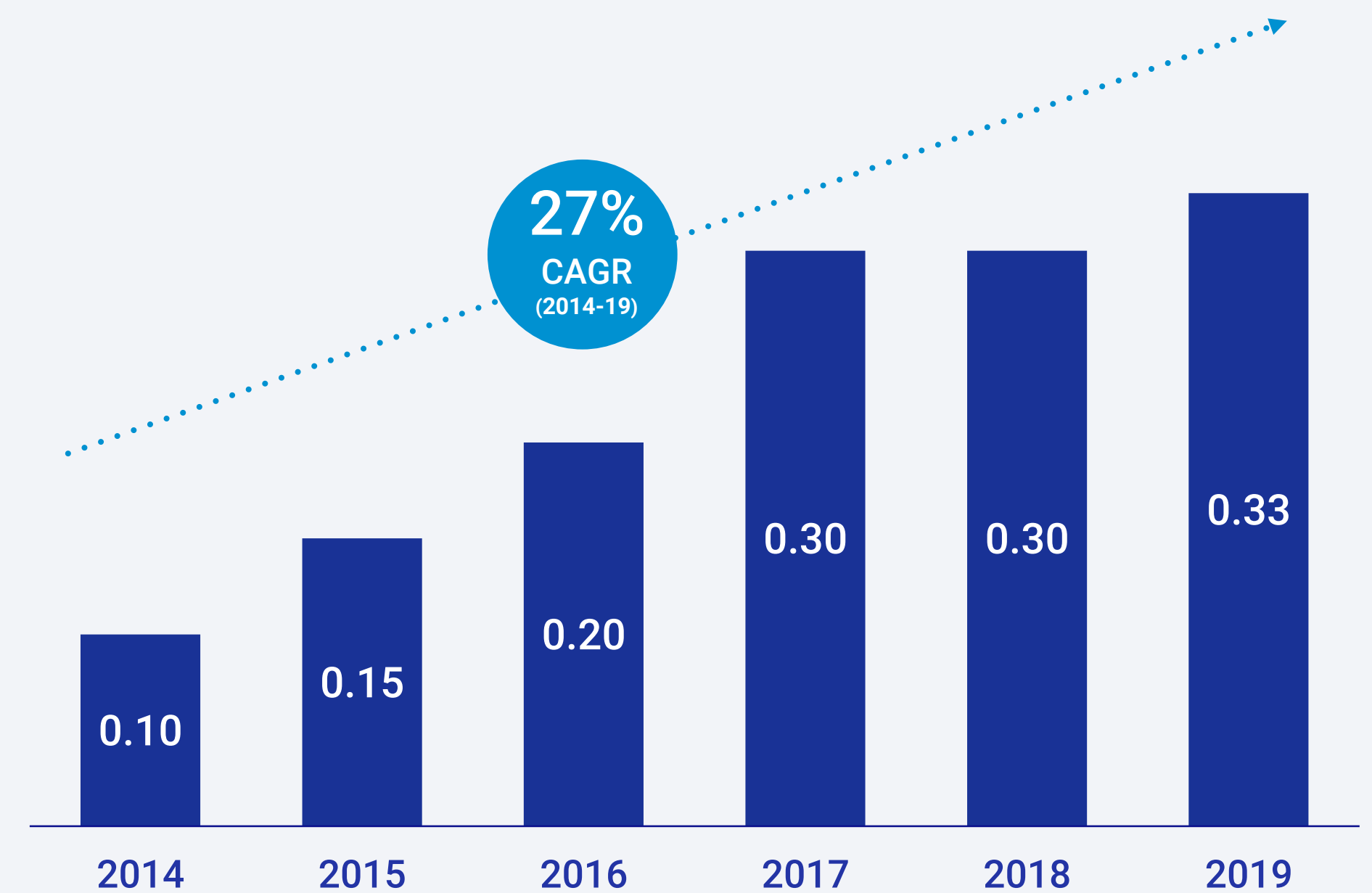
2. Excludes Financial Services, Banking, Other segment

Combined leverage ratio¹



Creating cash

DPS² (TL)



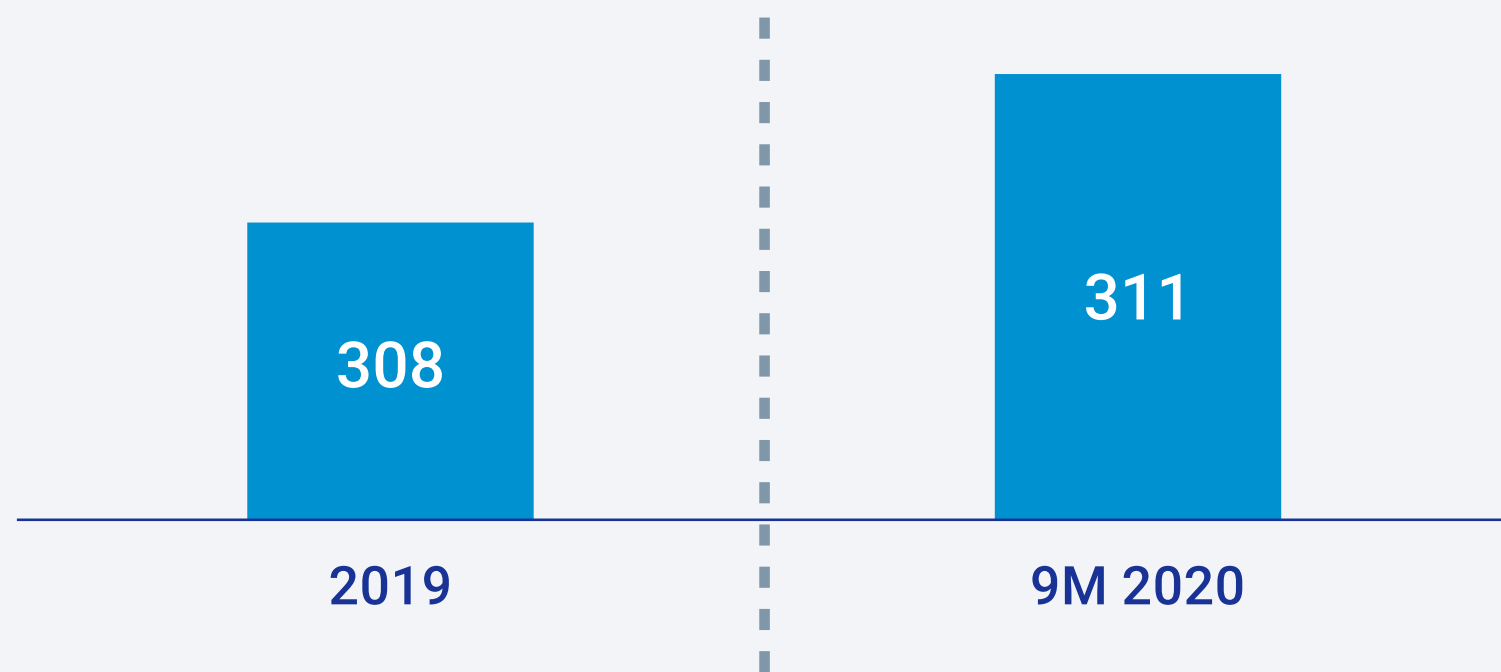
Increasing pay-out – 18 years uninterrupted

1. Combined net financial debt / non-bank EBITDA; Debt excludes Banking, net cash position of Financial Services, and IFRS16 impact, EBITDA excludes one-offs and IFRS16 impact

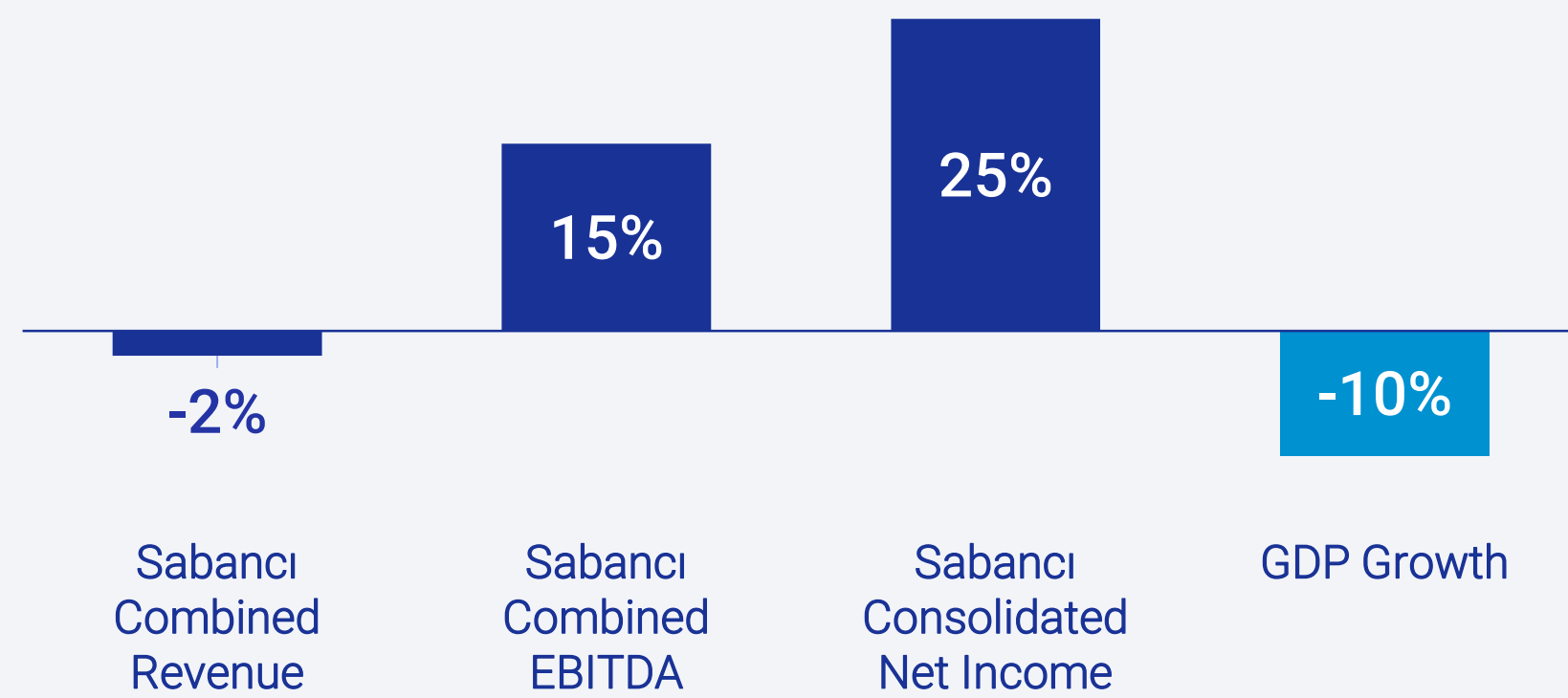


2. Dividend to be paid in the following year

Consolidated long FX position (\$m, excl. Bank)

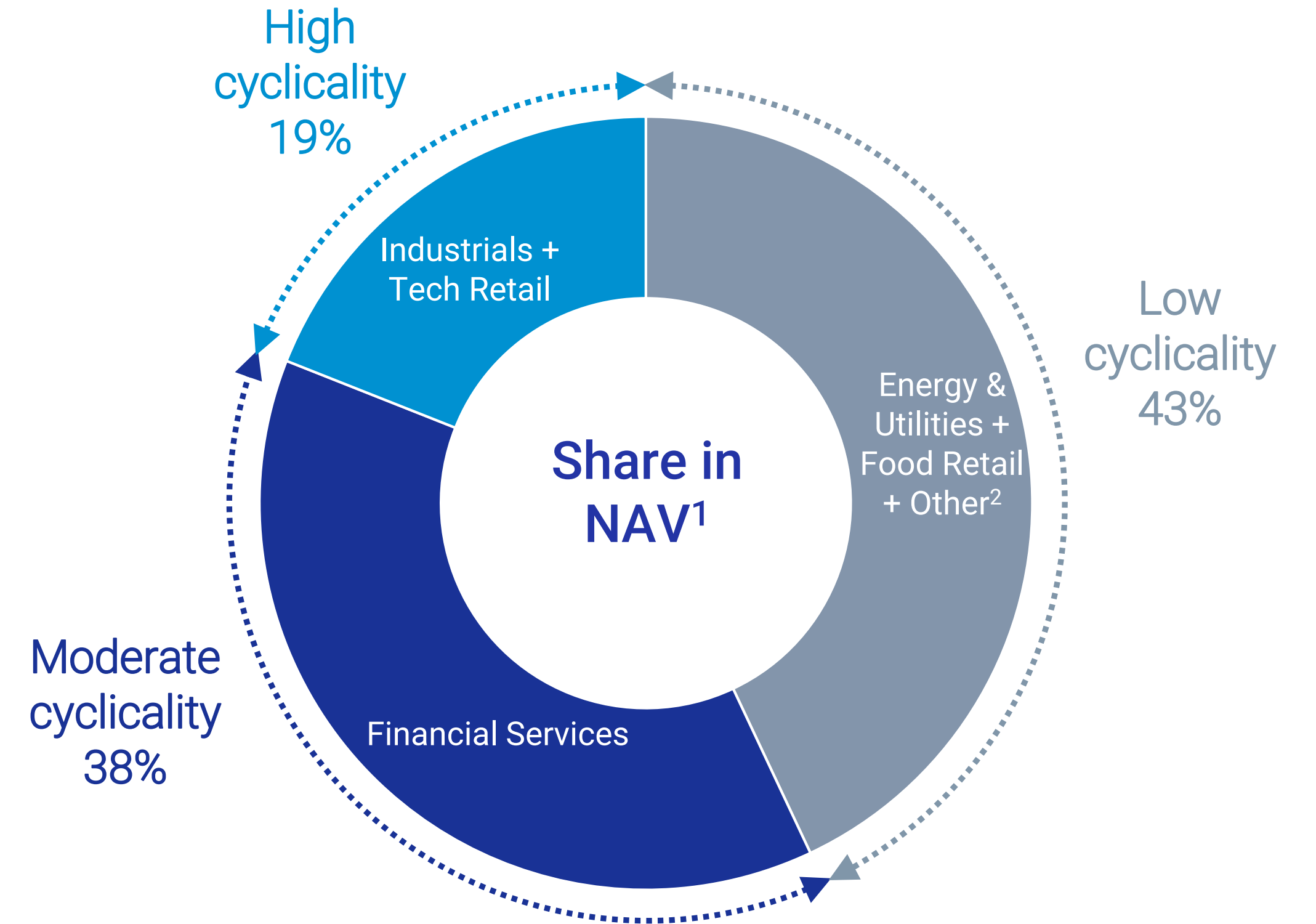


Q2 2020 (y/y) - Sabanci vs. GDP growth Turkey



Delivered even in pandemic

Cyclicality of businesses



Share in NAV¹

Well-positioned for rebooting economy post-Covid

1. Values as at 27.11.2020 (excluding cash) 2. Philsa, Exsa, Tursa, AEO, 'Digital', are considered under Other



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**Group Strategy and
Growth Themes**

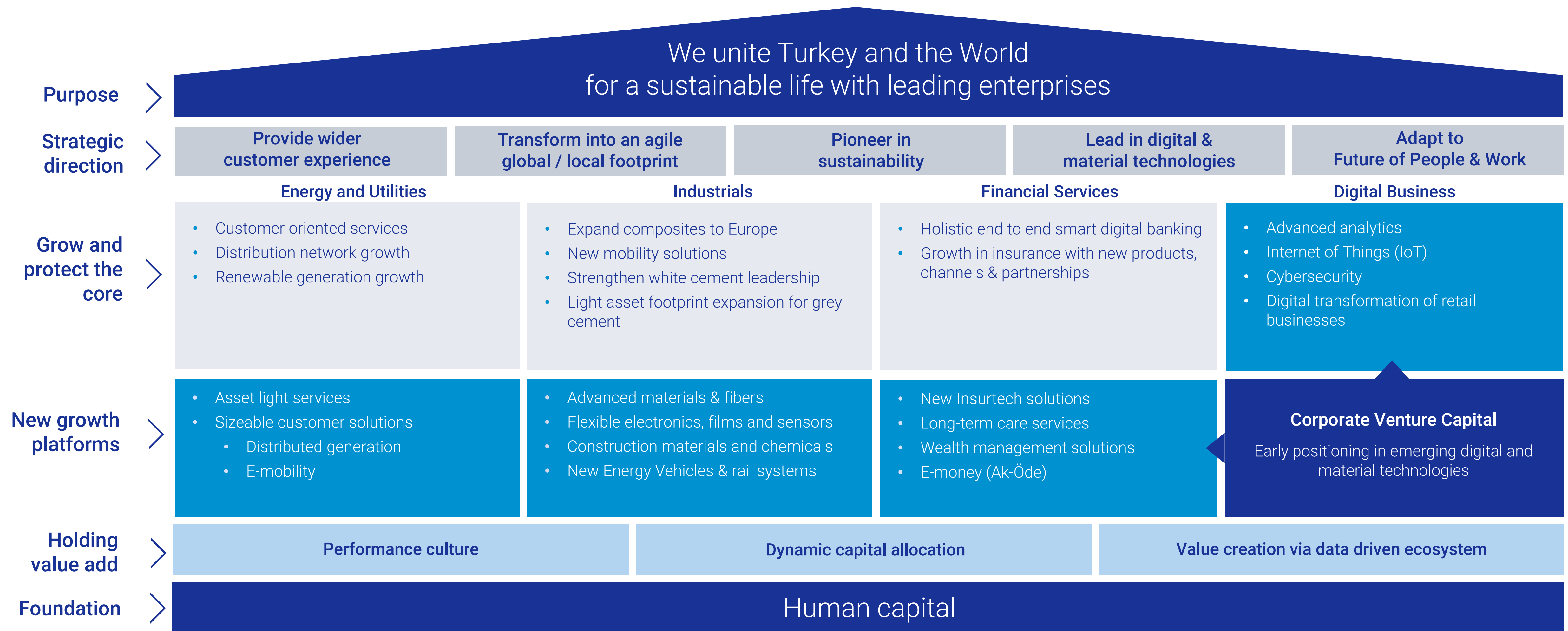
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Capital Allocation and
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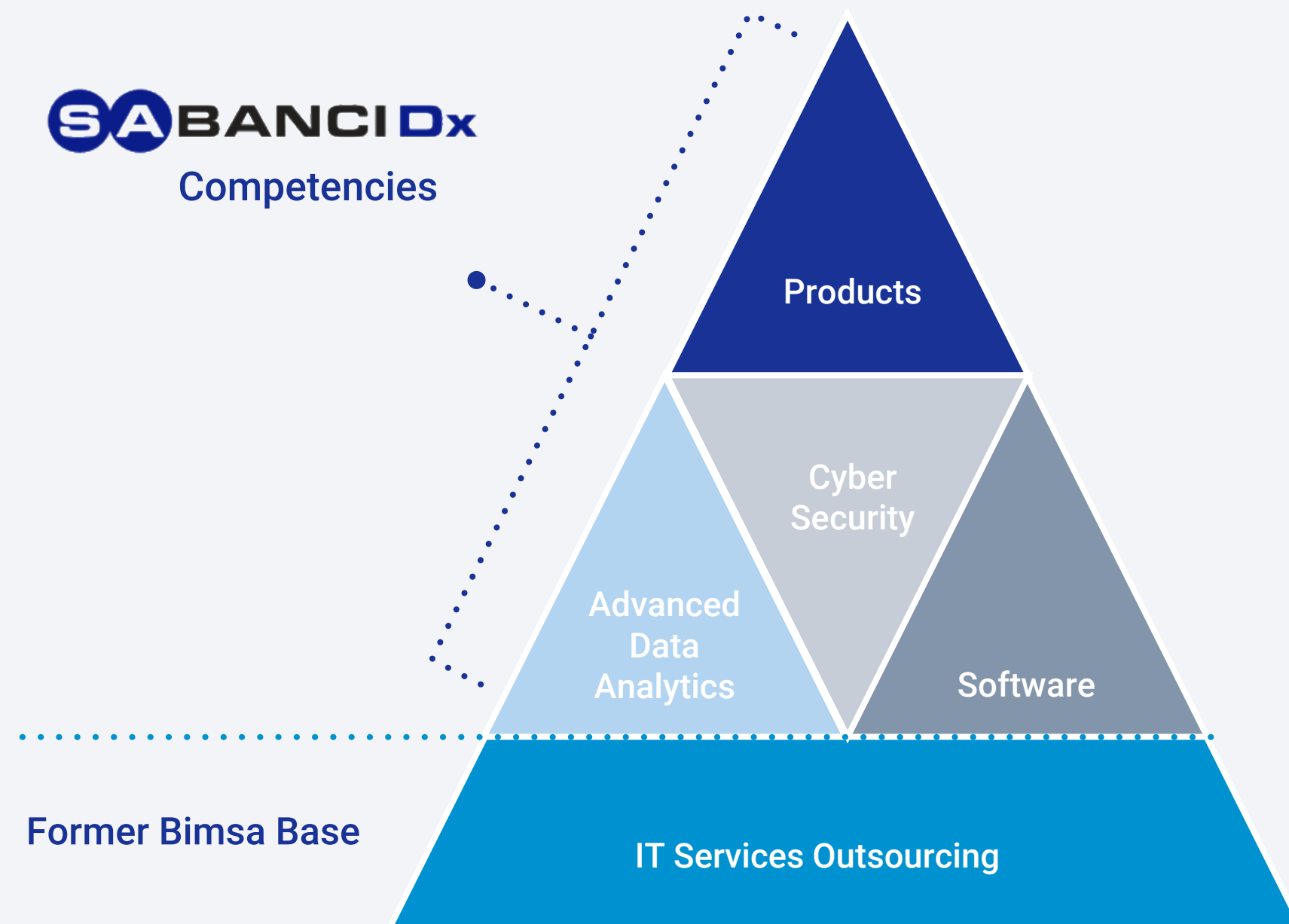
We unite Turkey and the World for

a sustainable life

with leading enterprises



Transform SabancıDx into a leading industrial next generation solutions provider in the region through organic and inorganic growth



Organic growth

- 01 Accelerate digital and analytical transformation in the Group
- 02 Establish Sabancı Big Data Lake and driving value Sabancı ecosystem
- 03 Going international with innovative products

2019-2020

2021-2025

04 Advanced Analytics and Cyber Security

05 Start-up investments

Inorganic growth

Long-term strategic focus on

Digitalization and Innovation including Technological Transformation

Environmental Responsiveness including Climate Crises, Circular Economy

People & Society including Talent Management, Equal Opportunity, Diversity and Social Contribution

To pioneer sustainability,

With our uncompromising approach on **Corporate Governance** and **Responsible Investment**

With our strong **Financial Performance, Integrated Risk Management** processes

With our solid **Collaborations** and **Partnerships** we have established both locally and internationally



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Objectives

01 Sustain business unit growth/performance

02 Rigorously implementing capital allocation policy with a tilt towards

- Sustainability
- High-tech
- FX generation

Capital allocation priorities

Stringent capital allocation to further improve returns

Predictably growing dividend

To keep 18 years of uninterrupted dividend



Capital growth

01 Growth

| | 2014-19 | Mid-term targets |
|--|-----------------------|------------------------------|
| Revenue growth | CPI ² + 6% | CPI¹ + 8% |
| EBITDA ³ growth | CPI ² + 8% | CPI¹ + 10% |
| Consolidated ROE ³ | 12.0% ⁴ | High teens |
| FX revenue as % of combined revenue ⁵ | 25% ⁴ | 30%+ |
| Net debt / EBITDA ⁵ | 2.2x ⁴ | <2.0x |
| Share of new economy ⁶ in combined revenue ⁵ | 6% ⁴ | ~13% |

02 Capital Return

Dividend payment

High dividend coupled with higher ROE

Distribution to shareholders
Holding DPS 2014-19

3.3x

03 Sustainability

MSCI ESG Score

**Upgrade to
BBB or above**

MSCI ESG Score⁷
in 2020

BB

Today

- 01** Driving high performance through culture
- 02** Transparent and sustainable corporate practices
- 03** Complementing & resilient set of businesses
- 04** Seeding growth via future technologies
- 05** Uninterrupted dividend supported with strong cash generation

Future

- 01** Value creation from a large customer base of Sabancı ecosystem
- 02** A committed leader in sustainability and future of people & work
- 03** Balancing risk via an agile global / local footprint
- 04** Growth through renewables, digital & material technologies
- 05** Maintain strong cash generation and high dividend



INVESTOR RELATIONS CONTACTS



Kerem TEZCAN
Investor Relations Director



ktezcan@sabanci.com
investor.relations@sabanci.com

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