

# Sabancı Holding

## Q1 2025 Financial Results

### Earnings Release

May 7, 2025

Sabancı Holding has announced its consolidated financial results for the first quarter of 2025. Holding's diversified non-bank portfolio continued to demonstrate operational resilience in Q1'25, achieving the highest first-quarter-non-bank EBITDA margin over the past three years, thanks to solid contribution from financial services while energy segment maintained healthy margin performance primarily driven by distribution business.

Amid a challenging market environment, Sabancı Holding sustained operational resilience through prudent financial and liquidity management. This was reflected below EBIT, with lower consolidated net financial expenses and monetary losses compared to last year, effectively navigating the volatility that intensified towards the end of the quarter. Consequently, consolidated bottom-line loss narrowed materially and reached TL 2.9billion in Q1'25 from TL7.4billion in net losses in Q1'24. Improvement in net working capital was also supportive in this quarter, which resulted in a stronger non-bank operational cash flow at TL 5.7billion in Q1'25 vs TL 330million in Q1'24.

Strong balance sheet maintained despite no material drop in investments. Net debt/EBITDA standing at 1.6x at the Group level, well below the 2.0x Group policy. Holding-only net cash reached TL18.4billion at the end of Q1'25, increased by dividend inflows during the quarter. After deducting TL 6.3billion gross dividend payment made in early April, Holding-only net cash remained broadly in line with its 2024 level of TL 12.4billion. Holding's net asset value decreased to USD 8.8billion as of April, compared to 2024 level of USD 10.6billion, because of the significant market volatility, which kicked-in mid-March. Sabancı Holding's robust balance sheet, low leverage and focused capital allocation provide a strong foundation to deliver on its medium-term targets.

#### **Sabancı Holding CEO Cenk Alper said:**

"In a quarter that continued to pose challenges, we demonstrated resilience by improving non-bank EBITDA margin, effectively managed risks and steadily progressed towards our medium-term targets, thanks to our diversified and resilient portfolio structure. This resilient structure enables us to mitigate potential impact of changes in U.S. trade policy. According to our initial analysis, majority of our businesses that drive our NAV have limited exposure to potential tariff measures.

Our proven track record in financial and operational resilience has enabled us to deliver on our strategic priorities despite a rapidly shifting global and local landscape. Our electricity generation company, Enerjisa Üretim, secured 750 MW capacity out of 1,200 MW in the YEKA Wind 2024 tender and is steadily moving towards at least 6,250 MW of installed capacity by 2028. The 1,000 MW capacity awarded in the previous YEKA Wind tender is also gradually being commissioned.

This quarter also marked a historic governance milestone with the Chair transition to a non-family executive, a testament to our commitment to international best practices in governance. In line with our strategic priorities, we have conducted an organizational review aimed at bolstering the growth of our core businesses and enhancing our focus on investing in new growth platforms. In this restructuring, the Mobility Solutions Group has been discontinued, and Brisa will operate under the Materials Technologies Group. Additionally, we have streamlined our operations under the Digital Group to sharpen our strategic focus on datacenter investments. As the second quarter progresses, we continue to closely monitor market dynamics, particularly considering the uncertainty around potential tariff actions and remain agile in adapting to evolving landscape. Looking forward, we remain focused on executing our strategy with agility and discipline, leveraging our strong liquidity to deliver higher returns to our shareholders”.

### Financial Highlights

- The combined revenue<sup>1</sup> reached TL337billion in Q1'25, up by 4% year on year. This growth was primarily driven by 13% annual increase in banking revenue, which constitutes 56% of total revenue. However, non-bank revenue, which accounts for 44% of total revenue, declined by 5% year on year.
- The combined EBITDA was realized at TL38billion with an EBITDA margin of 11.3% Q1'25. While the non-bank nominal EBITDA remained flat year on year, it recorded the highest first quarter EBITDA margin over the past three years at 11%, primarily driven by the improvement in financial services and healthy margin levels maintained in energy segment.
- Consolidated net loss narrowed to TL2.9billion in Q1'25, a significant improvement from TL7.4billion net loss in Q1'24, as net loss from the banking segment remained limited at TL614 million. Excluding the monetary loss recorded at the holding level, non-bank net loss stood at ~TL875million.
- The consolidated ROE was at -4.1% in Q1'25 versus -5.1% at the end of 2024. (non-bank ROE was at -2.1% in Q1'25 versus -2.3% at the end of 2024)
- Combined non-bank operational cash flow increased to TL 5.7billion in Q1'25 compared to TL 330million generated in Q1'24, driven by disciplined working capital management.
- Net Debt/EBITDA was 1.6x at Group level, well below the Group's policy of 2.0x for non-bank businesses.
- Holding-only net cash was TL18.4billion at the end of Q1'25, mainly driven by dividend inflows during the quarter. After deducting TL 6.3billion gross dividend payment made in early April, it remained broadly in line with its 2024 level. Dividend inflow/outflow ratio registered at 74%.
- Non-bank Capex/Sales was at 10.0% in parallel with the midterm target range of 15%-20%.

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<sup>1</sup>Revenue excludes Holding dividend income

## Strategic Highlights

- As a milestone step to strengthen Sabancı Holding's commitment to strong corporate governance and continuity, Ms. Güler Sabancı stepped down as the Chair of the Board of Directors of Sabancı Holding following the Annual General Meeting on March 27<sup>th</sup>, 2025. Mr. Hayri Çulhacı, who has been a part of Sabancı Group for approximately 35 years and has held various positions, including Member of the Executive Board at Sabancı Holding, Vice Chair of the Board of Directors at Akbank, and Board Member at Sabancı Holding and its subsidiaries has assumed the role of Chair and Executive Director.
- The Financial Services and Banking Group Presidencies of Sabancı Holding were merged following the departure of Haluk Dinçer from his role as Financial Services Group President as of March 31, 2025. Accordingly, Hakan Binbaşgil, who previously served as Banking Group President, was appointed as Banking and Financial Services Group President.
- To reinforce its leadership in Türkiye's renewable energy market, Enerjisa Üretim, 50% indirectly owned by Sabancı Holding, joined the YEKA-2024 tender (total capacity of 1,200 MW) and secured the two largest projects of Edirne (410 MW) and Balkaya (340 MW). Enerjisa Üretim aims to reach at least 6,250 MW installed capacity by the end of 2028.
- Çimsa's 14.2 MWp DC Solar Power Plant at its Eskişehir facility has been installed and commissioned, expected to generate 19 million kWh annually. The plant will reduce energy costs, support SBTi-aligned carbon reduction targets, and cover 14% of the facility's annual electricity consumption.

## Subsequent Events Highlights After the Balance Sheet Date

- Sabancı Holding and Sabancı Group companies held their 2024 Annual General Meetings by March 27, 2025. As decided in these meetings, Sabancı Holding generated TL8.5 billion dividend income and paid out TL6.3 billion to its shareholders in dividends on April 2, 2025, representing a DPS of TL3.00 and a yield of 3.57% with 23 consecutive uninterrupted years of dividend payments
- In line with Sabancı Holding's strategic priorities, the organizational structure has been reviewed to support the growth of our core businesses and to strengthen the focus on investing in new growth platforms. Mobility Solutions Group has been discontinued, and Brisa will operate under the Material Technologies Group following the restructuring while Teknosa and Carrefoursa will continue its operations under the Strategy and Business Development Group and Temsa wil continue its operations under Energy and Climate Technologies.

## Segments Highlights

- **Banking:** Solid start to the year driven by sustained fee income momentum and agile asset-liability management
- **Energy:** Sustained EBITDA margin by Dist. & Retail, while financial expenses weigh on the bottomline
- **Material Technologies:** Market headwinds pressured EBITDA, offset by monetary gains
- **Mobility Solutions:** Weak margins in tire business, pressured segment's bottomline
- **Financial Services:** EBITDA recovery led by life, yet monetary losses led to a bottomline contraction
- **Digital:** EBITDA improvement via cloud & MSDT, yet financial expenses pressured bottomline
- **Retail:** EBITDA growth amid challenging consumer environment & financial pressures

## ENERJİSA ÜRETİM (ENERGY GENERATION AND TRADING) KEY FINANCIALS

in millions TL	Q1'24	Q1'25	YoY Change
Combined Revenue	13,922	16,871	21%
Combined EBITDA	2,462	2,556	4%
EBITDA Margin	18%	15%	-253bps
Combined Net Income	2,090	-29	NM

in millions USD	Q1'24	Q1'25	YoY Change
Combined EBITDA	55	68	22%
Hedge impact	-41	0	NM
EBITDA w/o hedge impact	96	68	-30%

- In the generation business, the company achieved a 21% year-on-year revenue growth in Q1'25, primarily driven by higher generation volumes, compared to the previous year's low base, which was impacted by maintenance activities at the CCGT plant. However, the EBITDA margin contracted, mainly due to a reduced contribution from hydrology, reflecting the effects of drought and lower dispatch contribution. While trading's contribution was lower year on year, the bottom-line was negatively affected by higher net financial expenses, reflecting increased indebtedness, and a higher deferred tax expense related to lignite asset's tax incentives. Please also note that combined EBITDA, which was recorded at TL2.6billion (USD68million) in Q1'25 excludes synthetic hedge impact in this representation, as the maturity of these hedges was due at the end of 2024.

## SABANCI HOLDING COMBINED SEGMENT RESULTS

<b>SABANCI HOLDING COMBINED RESULTS</b> in thousands TL	<b>MARCH</b> <b>2025</b>	<b>MARCH</b> <b>2024</b>	<b>CHANGE</b> <b>%</b>
<b>REVENUES</b>	<b>336,846,999</b>	<b>324,258,338</b>	<b>3.9</b>
<b>Bank</b>	<b>187,606,041</b>	<b>166,718,718</b>	<b>12.5</b>
<b>Non-Bank</b>	<b>149,240,958</b>	<b>157,539,620</b>	<b>-5.3</b>
Mobility Solutions	13,183,075	15,486,558	-14.9
Material Technologies	22,400,175	24,573,651	-8.8
Digital	18,051,918	21,038,975	-14.2
Energy	62,608,909	61,575,259	1.7
Financial Services	16,136,559	18,309,187	-11.9
Other	16,860,322	16,555,990	1.8
<b>EBITDA</b>	<b>38,022,612</b>	<b>45,998,628</b>	<b>-17.3</b>
<b>Bank</b>	<b>21,666,154</b>	<b>29,684,880</b>	<b>-27.0</b>
<b>Non-Bank</b>	<b>16,356,458</b>	<b>16,313,748</b>	<b>0.3</b>
Mobility Solutions	1,606,676	2,731,271	-41.2
Material Technologies	1,897,347	2,482,533	-23.6
Digital	392,073	301,275	30.1
Energy	11,563,912	11,196,847	3.3
Financial Services	1,259,580	-18,472	n.m
Other	-363,129	-379,706	4.4
<b>NET INCOME</b>	<b>-5,176,081</b>	<b>-15,306,354</b>	<b>66.2</b>
<b>Bank</b>	<b>-1,509,605</b>	<b>-11,208,047</b>	<b>86.5</b>
<b>Non-Bank</b>	<b>-3,666,476</b>	<b>-4,098,307</b>	<b>n.m</b>
Mobility Solutions	-305,172	1,162,810	n.m
Material Technologies	347,425	338,773	2.6
Digital	-484,012	-404,959	n.m
Energy	-747,906	-1,765,707	n.m
Financial Services	-349,922	-1,080,914	67.6
Other	-2,126,889	-2,348,310	0.1

(1) Combined figures do not include 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

<b>SABANCI HOLDING CONSOLIDATED RESULTS in thousands TL</b>	<b>MARCH 2025</b>	<b>MARCH 2024</b>	<b>CHANGE %</b>
<b>REVENUES</b>	<b>250,615,195</b>	<b>237,217,620</b>	<b>5.6</b>
<b>Bank</b>	<b>187,606,041</b>	<b>166,718,718</b>	<b>12.5</b>
<b>Non-Bank</b>	<b>65,683,327</b>	<b>72,798,125</b>	<b>-9.8</b>
Mobility Solutions	61,758	97,015	-36.3
Material Technologies	16,722,839	16,835,810	-0.7
Digital	17,967,475	20,997,731	-14.4
Energy	111,589	3,802	2.834.9
Financial Services	13,962,791	18,309,187	-23.7
Other	16,856,876	16,554,580	1.8
<b>Intersegment eliminations</b>	<b>-2.674.173</b>	<b>-2.299.223</b>	
<b>EBITDA</b>	<b>24,038,758</b>	<b>31,512,571</b>	<b>-23.7</b>
<b>Bank</b>	<b>21,666,154</b>	<b>29,684,879</b>	<b>-27.0</b>
<b>Non-Bank</b>	<b>2,372,604</b>	<b>1,827,692</b>	<b>29.8</b>
Mobility Solutions	-124,190	611,322	n.m
Material Technologies	1,558,540	1,839,802	-15.3
Digital	392,073	301,275	30.1
Energy	-350,268	-526,529	33.5
Financial Services	1,259,579	-18,470	n.m
Other	-363,131	-379,707	4.4
<b>NET INCOME</b>	<b>-2,939,775</b>	<b>-7,410,883</b>	<b>60.3</b>
<b>Bank</b>	<b>-614,243</b>	<b>-4,567,280</b>	<b>86.6</b>
<b>Non-Bank</b>	<b>-2,325,532</b>	<b>-2,843,603</b>	<b>18.2</b>
Mobility Solutions	-134,580	469,324	n.m
Material Technologies	88,713	158,090	-43.9
Digital	-261,121	-306,540	14.8
Energy	-288,740	-525,307	45.0
Financial Services	-100,159	-415,554	75.9
Other	-1,629,645	-2,223,616	26.7

(1) Consolidated figures do not include 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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