

# Sabancı Holding

## Q3 2024 Financial Results

### Earnings Release

November 6, 2024

Sabancı Holding announced its consolidated financial results for the third quarter of 2024. During this period, as the impact of inflationary pressures and challenging market conditions specifically in pricing flexibility persist, Sabancı Holding's resilient and B2B-dominated portfolio continued to support operating profitability. This quarter, non-bank businesses' margins improved compared to last year, mainly driven by higher operational profitability in financial services and building materials. The improvement in operational performance failed to pass through to the bottom-line due to monetary loss driven by holding only net cash position, and several non-operational one-off items.

Operational cash flow showed a sharp improvement in the third quarter thanks to the significant improvement in non-bank profitability and disciplined working capital management. Balance sheet remained strong with a tad lower leverage of 1.1x compared to last quarter, while Holding's standalone net cash position increased further and reached TL12.2 billion, which is underpinning a greater potential for future investments.

Holding's net asset value increased by 6% to USD 9.4 billion as of October. The ambition of growing in the new economy remained intact via acquisitions in digital and material technologies. Moreover, medium-term targets that is aiming to double the NAV in the next five years announced recently at Capital Markets Day, with an increasing focus on energy & climate technologies, digital, material technologies and mobility solutions.

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

"We successfully navigated another quarter with resilient performance of our B2B business as inflationary pressures continued to persist and impact market dynamics. In this period, we remained committed to our long-term objectives and executed our strategy accordingly. In renewable energy, Enerjisa Üretim expanded its wind power capacity in the third quarter and secured up to USD1 billion in financing for ongoing projects (YEKA), with the goal of reaching 5,000 MW, 60% of which will be renewable by 2026. Sabancı Renewables also made progress in the U.S., completed its financing package including funding from Tax Equity Investor for the Oriana Solar Project, reinforcing our target of 1000 MW installed capacity in this region in the first phase.

As we expand our presence in renewable energy, we are also pursuing a vision of becoming a leading innovator in climate technologies through disruptive initiatives in US. We have demonstrated our determination to provide permanent and clean solutions to the global energy problem by investing in startups working in different fields such as fusion, deep geothermal, and hydrogen. In the last quarter, with our investment in Tokamak Energy, one of the most promising fusion startups globally, we increased the number of funds and company investments we have realized through Sabancı Climate Ventures to 13.

Our recent organizational changes and investments demonstrate our commitment to advancing in the field of digital technologies. The latest step in this strategic direction was during the third quarter, when we proceeded to acquire an additional 65% of shares in Bulutistan, a local cloud service provider that serves both Turkey and the global market. In material technologies, Çimsa's acquisition of Mannok<sup>1</sup>, as being the largest overseas acquisition in the history of Sabancı Holding, paves the way for new opportunities in the U.K. following Spain and U.S., which aligns with our sustainability-focused growth strategy."

## Financial Highlights

- The combined revenue <sup>2</sup> reached TL 304 billion in Q3'24, remained flat with decreased revenue from non-bank business balanced by an increase in banking revenue, which grew by 14% year on year.
- The combined EBITDA realized at TL 25 billion with an 8% margin in Q3'24. The banking business' contribution significantly decreased year on year with lower profitability while non-bank business EBITDA margin improved by 120 bps year on year with better operational performance.
- Consolidated net loss is registered at TL 3 billion in Q3'24 versus TL 11 billion net loss in Q3'23, as the bank's contribution to bottom-line was not limited as it was for EBITDA. Deferred tax related non-operational one-offs limited the recovery in non-bank operations.
- The consolidated ROE was 2.5 % in the nine months of 2024 versus 7.0% at the end of 2023. (non-bank ROE was at 4.3 in 9M'24 versus 11.2% in 2023)
- Combined non-bank operational cash flow significantly improved compared to previous quarters within this year, reaching TL 39 billion thanks to operational profitability along with disciplined working capital management.
- Net Debt/EBITDA was 1.1x, well below the Sabancı Group's midterm target of maximum 2.0x, for non-bank businesses.
- Holding-only net cash was at TL12.2 billion, increasing from TL 7.0 billion at the end of 2023 with the net of dividend inflows/outflows amid increased investments.
- Non-bank Capex/Sales rose to 12.6% with increased investments in energy and digital segments despite the high-interest rate environment.

## Strategic Highlights

- Enerjisa Üretim has completed a 7 MW capacity increase at the Akhisar Wind Power Plant (WPP), bringing its total capacity to 62 MW, following its acquisition on December 1, 2022. Additionally, on August 23, 2024, Enerjisa Üretim acquired all shares of the companies operating Aydos WPP, which has a 14 MW capacity with the right to expand by 8.4 MW. As a result, Enerjisa Üretim's total wind power capacity across 9 plants increased to 417 MW, with a total installed capacity of 3,813 MW across all facilities. Once the ongoing investments are completed and the capacity increases are deployed, Enerjisa Üretim will solidify its leading position as electricity generator in Turkish

---

<sup>1</sup>Please refer Strategic Highlights for further information on page 3

<sup>2</sup>Revenue excludes Holding dividend income

private sector by reaching an installed capacity of approximately 5,000 MW with a share of 60% renewables by 2026.

- In line with the accelerating new investments and initiatives in respective areas of digital business vision, Sabancı Holding's wholly owned subsidiary DxBV has acquired 65% of shares of ICT Bulut Bilişim A.Ş. (Bulutistan), with a nominal value amounting to USD 39 million, one of the market leaders in cloud technologies in Türkiye.
- On 27.08.2024, Çimsa signed an agreement to acquire 94.7% of Ireland-based Mannok Holdings DAC through its subsidiary Cimsa Ireland Ltd. Mannok engages in the production and sale of cement, downstream cement products (such as roof tiles and precast concrete), insulation materials, and recycled plastic packaging products. As of 30.06.2024, Mannok reported EUR 293.7 million in sales and EUR 57.5 million in EBITDA. The acquisition aligns with Çimsa's strategy to grow in sustainable building materials and to increase the share of foreign currency denominated revenues to over 70% of total. Mannok's total enterprise value is EUR 330 million, with the final purchase price set at EUR 253.5 million after deducting for financial debt and other adjustments. The transaction was completed on 02.10.2024. Additionally, on 28.08.2024, it was decided to increase CBS BV's capital from EUR 187 million to EUR 294.5 million to support the Mannok acquisition and ongoing investments. Following this, Çimsa's share in CBS BV increased to 68.31%.
- Sabancı Renewables Inc. completed financing transactions of the Oriana Solar Project including USD 137 million financing of Tax Equity Investor. This project includes a 232 MW solar plant, and a 60 MW energy storage facility set to launch in Q2 2025. and will increase Sabancı's U.S. renewable energy portfolio to 504 MW, with about 25% of funding from Sabancı and 75% from external sources

### Subsequent Events Highlights After the Balance Sheet Date

- The Group presented its five-year roadmap for 2024-2029 with its medium-term targets to international investors, at its Capital Markets Day in London on 9th of October, which was attended by over 100 representatives from leading global financial institutions.
- Enerjisa Üretim has secured up to USD 1.012 billion in financing from local and international institutions to support 750 MW of the YEKA-2, aiming for a total installed capacity of 1000 MW to be commissioned gradually until the first quarter of 2026. The loan will fund various ongoing wind power projects in Turkey, with repayment scheduled by the end of 2034 in the form of semi-annual payments after a 1.5-year grace period. Efforts are underway to finance the remaining 250 MW of YEKA-2 projects.

### Segments Highlights

- Energy: Generation business bottom-line improved, higher borrowing costs continued to pressure distribution & retail business in Q3
- Bank: Successfully navigating challenges in a transitional year & empowered by resilience to achieve sustainable growth and profitability

- Financial Services: Non-life profitability optimization more visible in Q3, life business continued to benefit from market leadership
- Material Technologies: Domestic volume growth accelerated in building materials, tire reinforcement remained under pressure on prevailing global competition in Q3
- Mobility Solutions: Volume contraction remained much limited in Q3 compared to H1 as market leadership sustained on replacement market
- Digital: Effective cost management offset by higher financial expenses
- Retail: Cost optimization efforts failed to ease the bottom-line pressure on high financial expenses

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

ENERJISA ÜRETİM KEY FINANCIALS in millions TL	9M 2024	9M 2023	CHANGE %	Q3 2024	Q3 2023	CHANGE %
REVENUES	37,833	51,199	-26.1	16,058	14,663	9.5
EBITDA	6,422	15,575	-58.8	3,361	4,337	-22.5
EBITDA Margin	17.0%	30.4%		20.9%	29.6%	
NET INCOME	3,378	7,263	-53.5	1,263	448	181.9

In generation business, despite the challenging market conditions, the company achieved a 10% year-on-year revenue increase in the third quarter, much better than in previous quarters and driven by higher generation volumes. Even though EBITDA performance improved, it was still below that of last year due to a combination of factors, including lower electricity prices and reduction in generation volumes, as well as decline in trading activities in the current market, which is less liquid and more stable. On a more positive note, net income almost tripled in the third quarter compared to last year, driven by higher monetary gains and lower corporate tax expenses.

## SABANCI HOLDING COMBINED SEGMENT RESULTS

SABANCI HOLDING COMBINED RESULTS in thousands TL	9M 2024	9M 2023	CHANGE %	Q3 2024	Q3 2023	CHANGE %
<b>REVENUES<sup>(1)</sup></b>	<b>859.211.098</b>	<b>817.264.835</b>	<b>5,1</b>	<b>304.173.812</b>	<b>302.959.986</b>	<b>0,4</b>
<b>Bank</b>	<b>454.428.436</b>	<b>342.779.121</b>	<b>32,6</b>	<b>157.955.977</b>	<b>138.202.063</b>	<b>14,3</b>
<b>Non-Bank</b>	<b>404.782.662</b>	<b>474.485.714</b>	<b>-14,7</b>	<b>146.217.834</b>	<b>164.757.923</b>	<b>-11,3</b>
Mobility Solutions	36.532.765	37.920.223	-3,7	11.680.339	14.000.561	-16,6
Material Technologies	59.900.790	70.519.560	-15,1	18.344.247	23.230.437	-21,0
Digital	49.542.834	46.940.185	5,5	16.814.784	17.134.769	-1,9
Energy	171.295.680	231.945.122	-26,1	68.466.229	80.253.272	-14,7
Financial Services	41.284.984	42.071.113	-1,9	14.650.474	13.826.868	6,0
Other	46.225.609	45.089.511	2,5	16.261.761	16.312.016	-0,3
<b>EBITDA</b>	<b>92.383.832</b>	<b>169.921.791</b>	<b>-45,6</b>	<b>25.100.102</b>	<b>55.193.571</b>	<b>-54,5</b>
<b>Bank</b>	<b>47.402.988</b>	<b>114.383.000</b>	<b>-58,6</b>	<b>6.871.875</b>	<b>36.623.918</b>	<b>-81,2</b>
<b>Non-Bank</b>	<b>44.980.844</b>	<b>55.538.790</b>	<b>-19,0</b>	<b>18.228.227</b>	<b>18.569.652</b>	<b>-1,8</b>
Mobility Solutions	5.107.060	6.420.903	-20,5	1.465.443	2.132.266	-31,3
Material Technologies	8.644.191	10.512.015	-17,8	3.331.209	3.467.465	-3,9
Digital	1.074.571	242.683	342,8	634.222	-400.331	-258,4
Energy	26.749.674	36.809.245	-27,3	10.346.491	12.937.966	-20,0
Financial Services	2.826.452	2.669.898	5,9	1.620.889	480.100	237,6
Other	578.896	-1.115.954	-151,9	829.973	-47.814	-1.835,8
<b>NET INCOME</b>	<b>-22.632.503</b>	<b>7.600.361</b>	<b>-397,8</b>	<b>-6.633.528</b>	<b>-19.787.349</b>	<b>-66,5</b>
<b>Bank</b>	<b>-19.035.395</b>	<b>-12.420.722</b>	<b>53,3</b>	<b>-6.952.560</b>	<b>-27.670.869</b>	<b>-74,9</b>
<b>Non-Bank</b>	<b>-3.597.108</b>	<b>20.021.083</b>	<b>-118,0</b>	<b>319.032</b>	<b>7.883.522</b>	<b>-96,0</b>
Mobility Solutions	590.967	2.915.309	-79,7	-248.717	1.364.329	-118,2
Material Technologies	3.525.128	4.695.272	-24,9	1.571.490	680.503	130,9
Digital	-1.604.709	327.208	-590,4	-522.321	235.522	-321,8
Energy	-1.100.834	14.526.676	-107,6	381.476	8.733.459	-95,6
Financial Services	-550.558	-990.806	-44,4	-26.798	-1.702.952	-98,4
Other	-4.457.102	-1.452.576	206,8	-836.098	-1.427.339	-41,4

(1) Revenue excludes 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

SABANCI HOLDING CONSOLIDATED RESULTS in thousands TL	9M 2024	9M 2023	CHANGE %	Q3 2024	Q3 2023	CHANGE %
<b>REVENUES</b>	<b>625,541,376</b>	<b>520,589,448</b>	<b>20.2</b>	<b>215,374,828</b>	<b>198,870,958</b>	<b>8.3</b>
<b>Bank</b>	<b>454,428,436</b>	<b>342,779,121</b>	<b>32.6</b>	<b>157,955,977</b>	<b>138,202,063</b>	<b>14.3</b>
<b>Non-Bank</b>	<b>176,636,888</b>	<b>182,469,893</b>	<b>-3.2</b>	<b>59,440,641</b>	<b>62,426,546</b>	<b>-4.8</b>
Mobility Solutions	244,316	632,579	-61.4	83,178	147,575	-43.6
Material Technologies	40,739,125	47,935,243	-15.0	12,139,851	14,941,867	-18.8
Digital	49,429,122	46,768,738	5.7	16,802,489	17,198,153	-2.3
Energy	271,035	-	-	146,451	-	-
Financial Services	39,738,325	42,071,113	-5.5	14,013,922	13,826,868	1.4
Other	46,214,965	45,062,220	2.6	16,254,750	16,312,083	-0.4
<b>Intersegment eliminations</b>	<b>-5,523,948</b>	<b>-4,659,566</b>	<b>18.6</b>	<b>-2,021,789</b>	<b>-1,757,650</b>	<b>15.0</b>
<b>EBITDA</b>	<b>58,358,906</b>	<b>131,107,962</b>	<b>-55.5</b>	<b>12,453,965</b>	<b>42,896,121</b>	<b>-71.0</b>
<b>Bank</b>	<b>47,402,988</b>	<b>114,383,000</b>	<b>-58.6</b>	<b>6,871,875</b>	<b>36,623,918</b>	<b>-81.2</b>
<b>Non-Bank</b>	<b>10,955,918</b>	<b>16,724,962</b>	<b>-34.5</b>	<b>5,582,089</b>	<b>6,272,202</b>	<b>-11.0</b>
Mobility Solutions	330,380	1,582,497	-79.1	-100,848	725,216	-113.9
Material Technologies	6,139,439	6,878,511	-10.7	2,332,944	2,002,071	16.5
Digital	1,074,571	242,683	342.8	634,222	-400,330	-258.4
Energy	6,180	6,455,579	-99.9	264,910	3,525,015	-92.5
Financial Services	2,826,452	2,669,897	5.9	1,620,888	480,098	237.6
Other	578,896	-1,104,205	-152.4	829,973	-59,868	-1,486.3
<b>NET INCOME</b>	<b>-11,128,471</b>	<b>2,746,125</b>	<b>-505.2</b>	<b>-2,816,497</b>	<b>-9,029,576</b>	<b>-68.8</b>
<b>Bank</b>	<b>-7,756,923</b>	<b>-5,061,444</b>	<b>53.3</b>	<b>-2,833,167</b>	<b>-11,275,880</b>	<b>-74.9</b>
<b>Non-Bank</b>	<b>-3,371,548</b>	<b>7,807,569</b>	<b>-143.2</b>	<b>16,669</b>	<b>2,246,304</b>	<b>-99.3</b>
Mobility Solutions	198,297	1,265,382	-84.3	-106,618	570,478	-118.7
Material Technologies	1,578,399	2,247,715	-29.8	649,981	394,059	64.9
Digital	-991,106	-27,497	3,504.4	-320,499	56,943	-662.8
Energy	-285,816	6,486,312	-104.4	310,924	3,535,129	-91.2
Financial Services	-194,193	-352,075	-44.8	7,601	-639,230	-101.2
Other	-3,677,129	-1,812,268	102.9	-524,720	-1,671,075	-68.6

(1) Revenue excludes Holding dividend income

(2) Inflation accounting is applied to financial statements in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies

## DISCLAIMER

The information and opinions contained in this document have been compiled by Hacı Ömer Sabancı Holding A.Ş. ("Holding") from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness or correctness. No undue reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. This document contains forward-looking statements by using such words as "may", "will", "expect", "believe", "plan" and other similar terminology that reflect the Holding management's current views, expectations, assumptions and forecasts with respect to certain future events. As the actual performance of the companies may be affected by risks and uncertainties, all opinions, information and estimates contained in this document constitute the Holding's current judgement and are subject to change, update, amend, supplement or otherwise alter without notice. Although it is believed that the information and analysis are correct and expectations reflected in this document are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially. Holding does not undertake any obligation and disclaims any duty to update or revise any forward-looking statements, whether as a result of new information or future events. Neither this document nor the information contained within can construe any investment advice, invitation or an offer to buy or sell Holding and/or Its group companies' shares. Holding cannot guarantee that the securities described in this document constitute a suitable investment for all investors and nothing shall be taken as an inducement to any person to invest in or otherwise deal with any shares of Holding and its group companies. The information contained in this document is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. You must not distribute the information in this document to, or cause it to be used by, any person or entity in a place where its distribution or use would be unlawful. Neither Holding, its board of directors, directors, managers, nor any of its employees shall have any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.