

MAY 9, 2023

Q1 2023 **EARNINGS**
PRESENTATION



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Q1'23 Highlights

Solid Results Amid Challenges & Uncertainties

Topline* growth

76%

EBITDA* growth

27%

Net income* growth

18%

ROE

35%



Resilient Balance Sheet with Strong Liquidity

Net debt/EBITDA*

0.4x

Consolidated Long FX position**

USD318mn

Holding-only cash

USD338mn



Improved ESG Performance

42%

Decrease in Scope 1 & 2 emissions by 2030

7

Number of Group Companies already defined / in the process of defining Scope 3 targets



NAV*** growth (y/y): **54% in USD**

NAV*** discount: **26.1%** down by **8pps** compared to a year ago

In line with capital allocation criteria, **TL548mn** spent to buyback 13.6mn shares, **TL3.6bn** spent for dividend payment

*Topline excludes Holding dividend income. Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses. EBITDA and Net Income excludes non-operational and non-recurring one-off items.

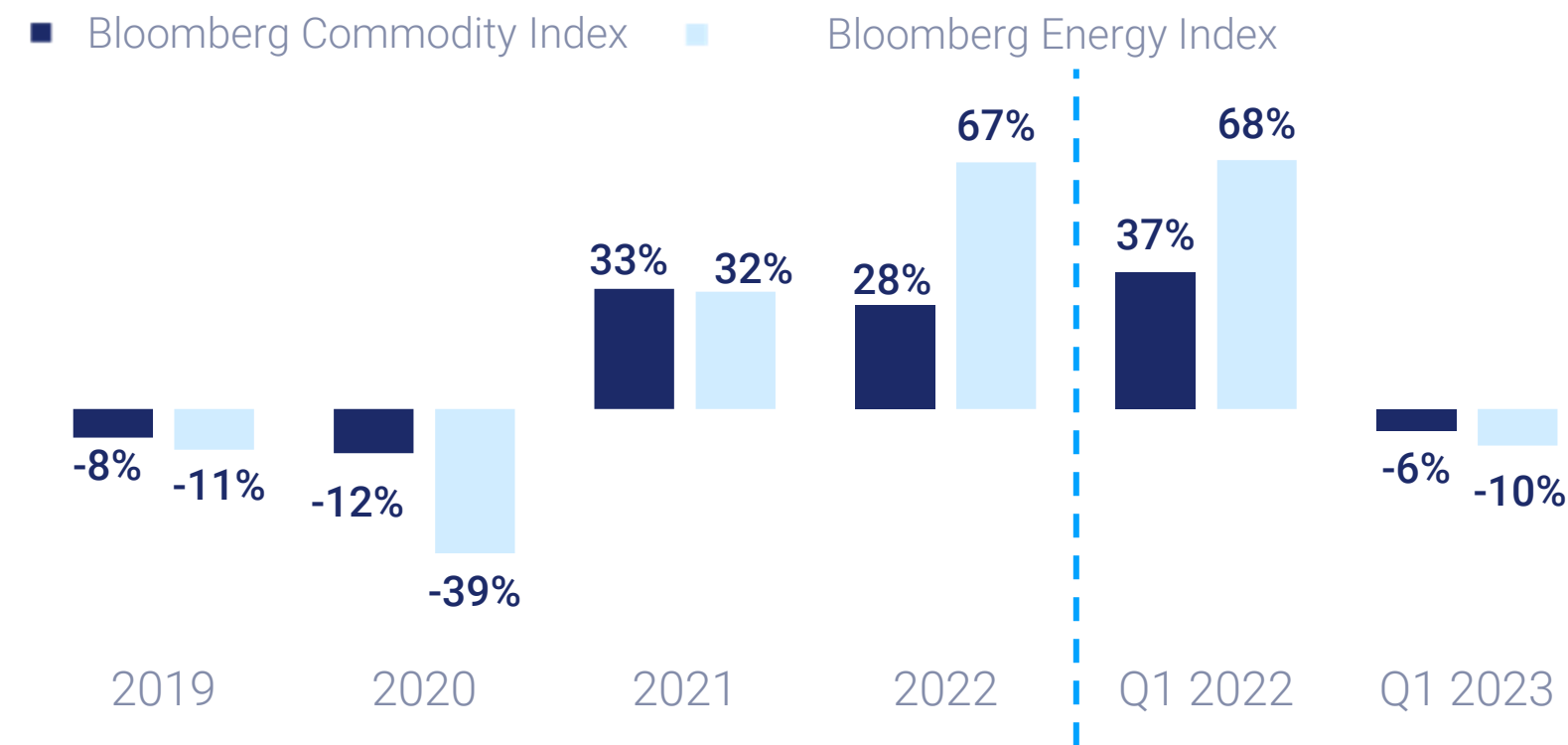
Non-bank *Please refer to Appendix for the details of our NAV.

Combined Financials

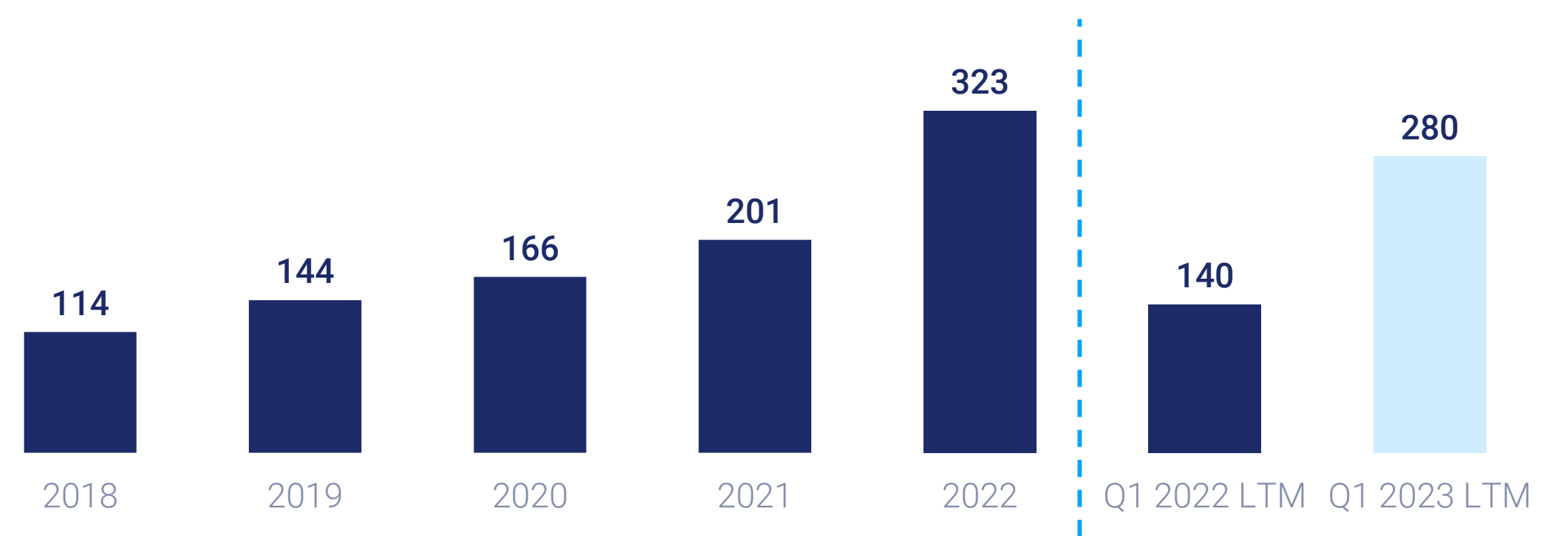


Despite global & local macroeconomic volatility with continued inflationary pressures...

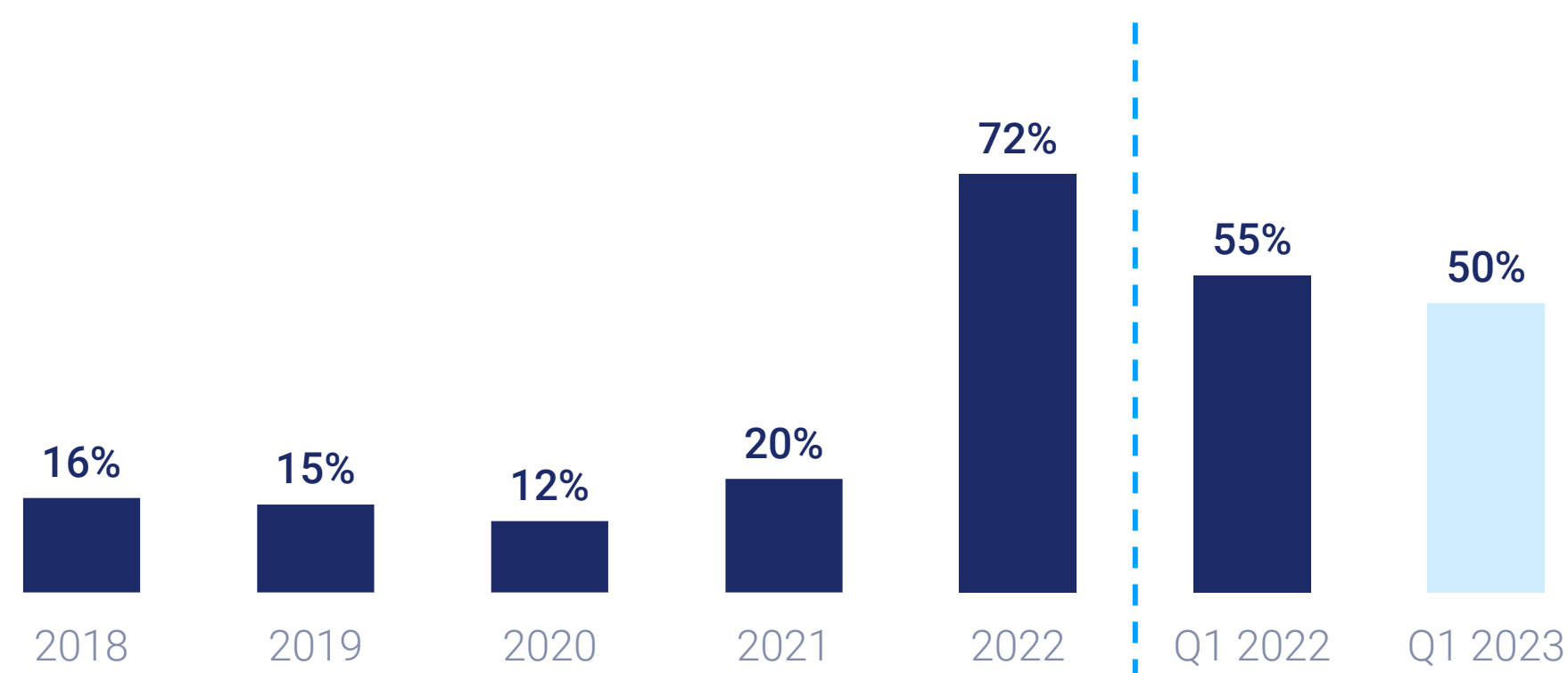
Bloomberg Commodity & Energy Index (YoY Change)



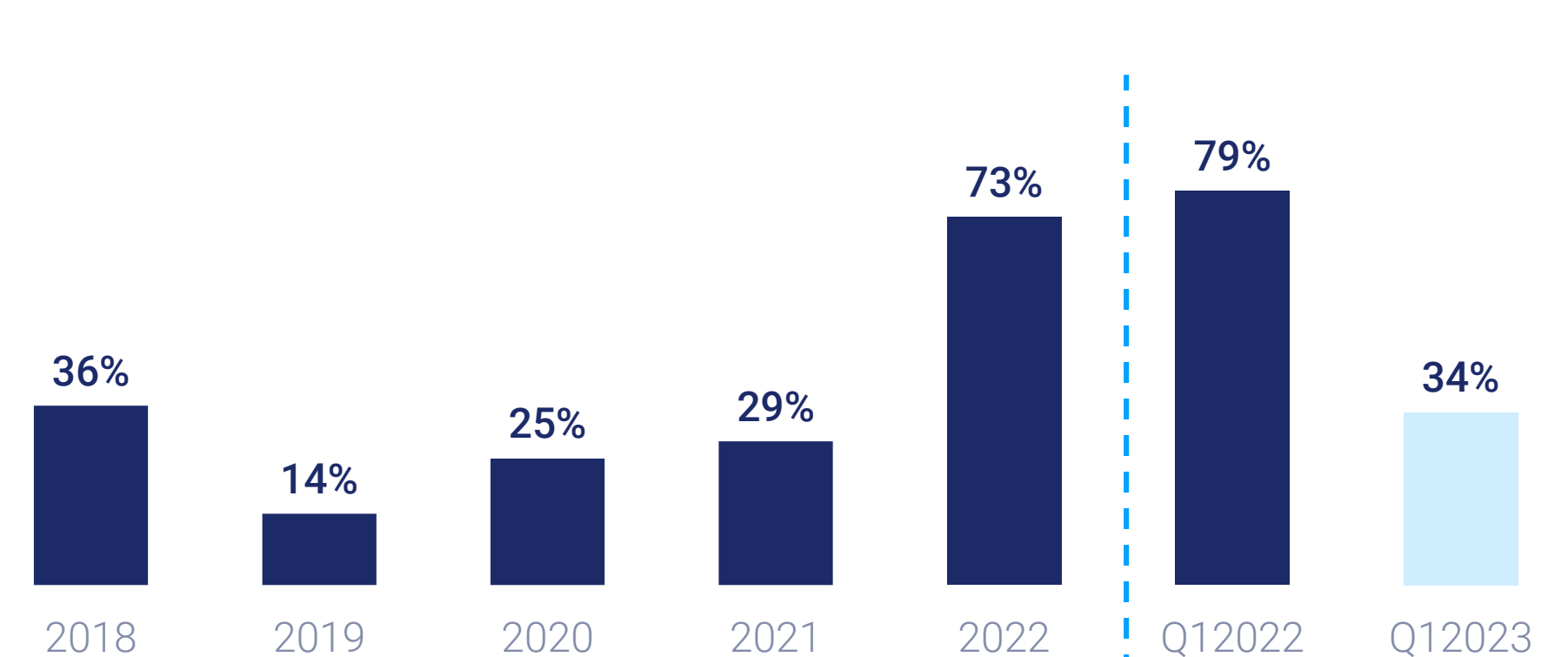
Wage Increase* (Minimum Wage, Gross)



Average Turkish Consumer Price Index (YoY Change)



Average Foreign Exchange Rates* Change (YoY Change)

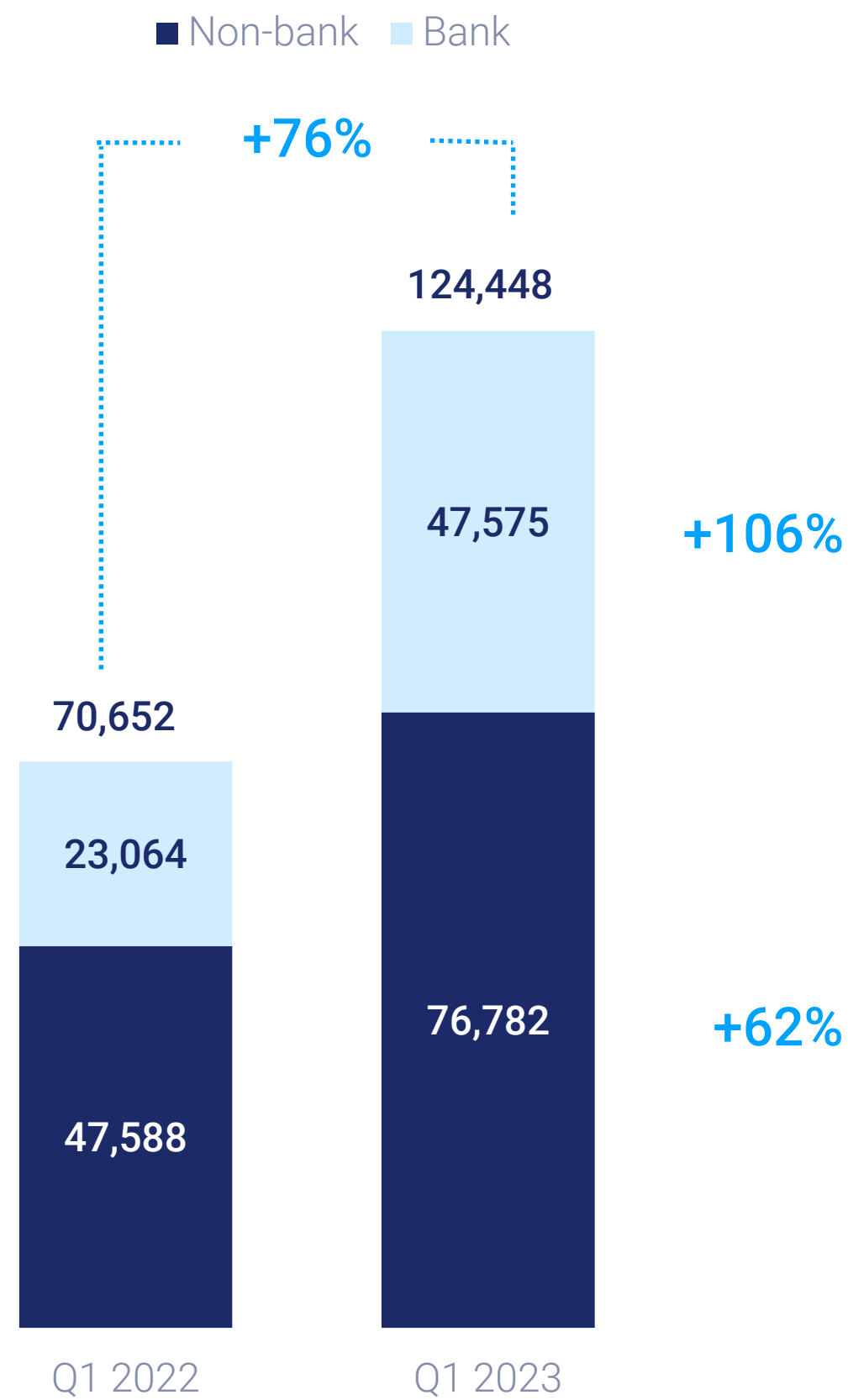


*Years are indexed to 2017=100 and quarters are indexed to 2021=100.

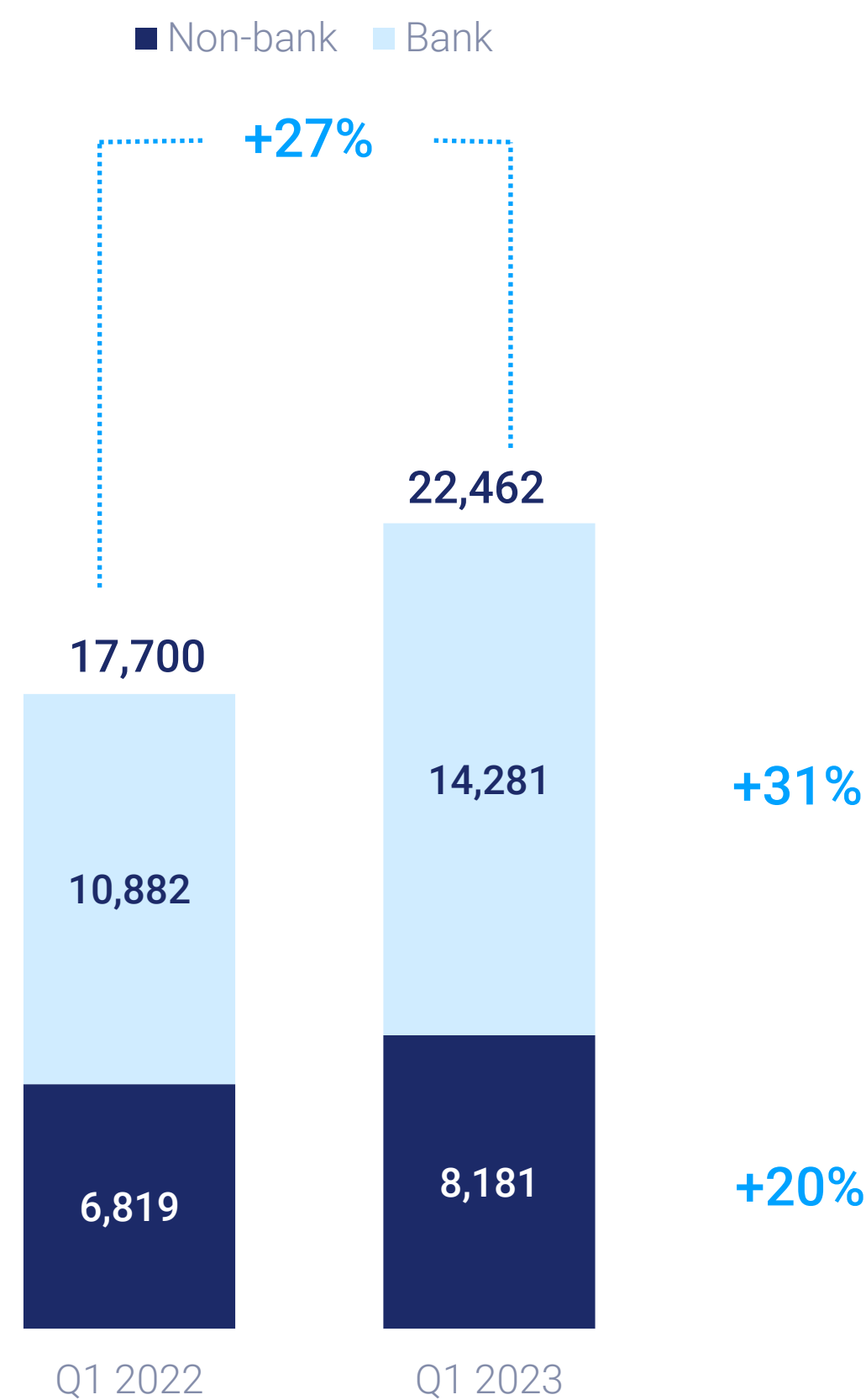
Basket (0.5USD+0.5EUR)

...a healthy growth achieved driven by our balanced portfolio & well-executed transformation strategy...

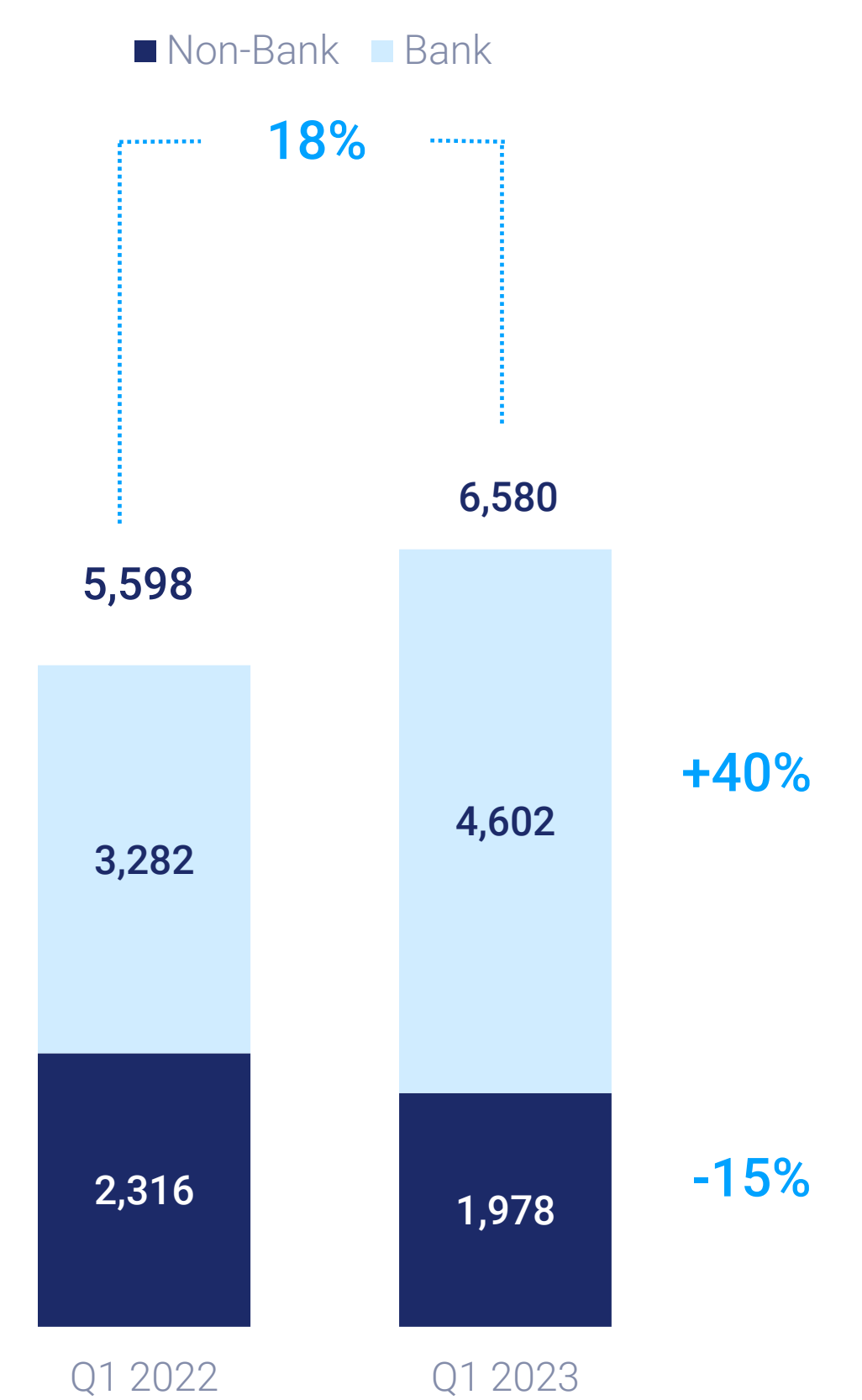
Combined Revenue* (TL mn)



Combined EBITDA* (TL mn)



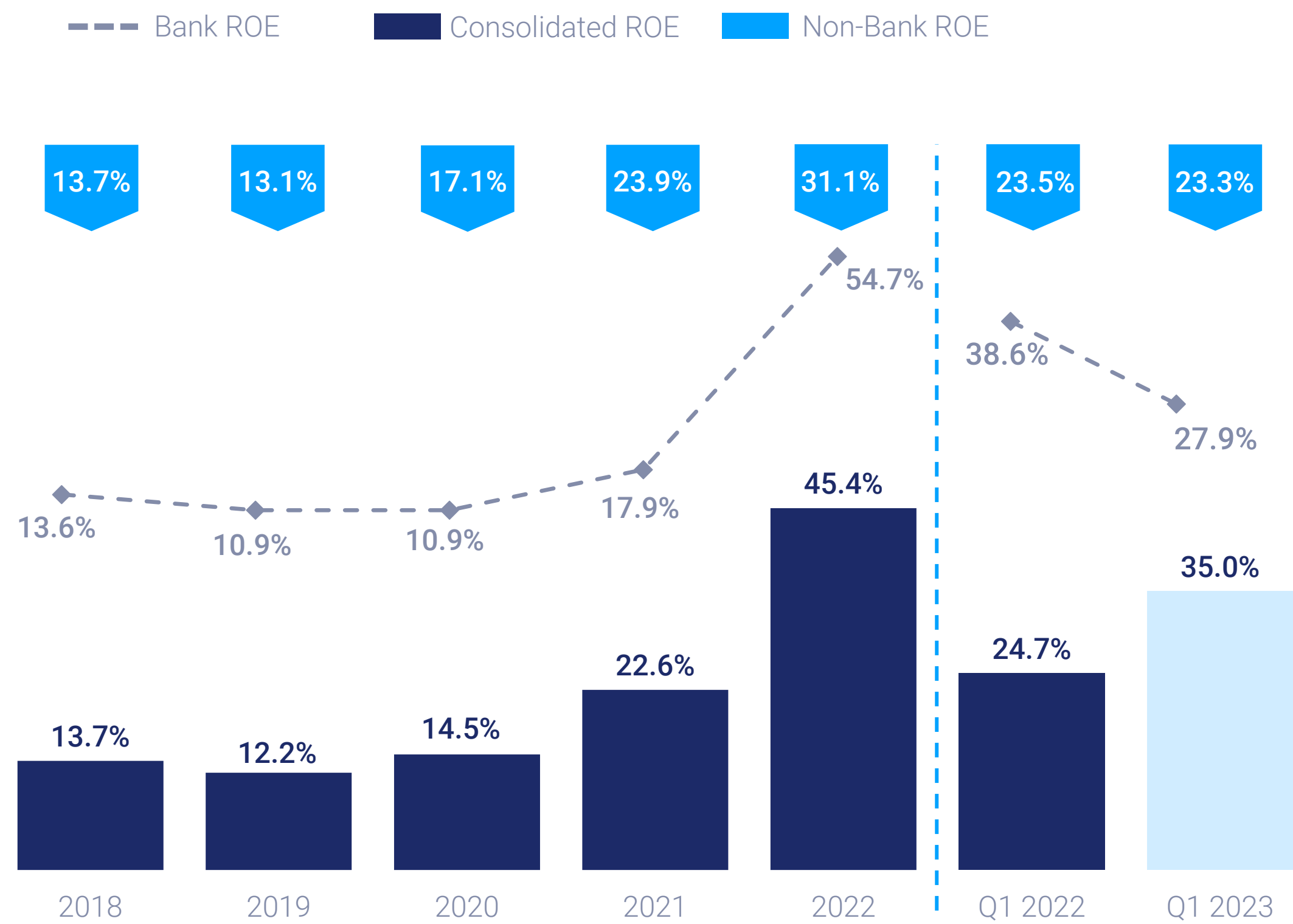
Consolidated Net Income* (TL mn)



*Combined Revenue excludes Holding dividend income. Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses. Combined EBITDA and Consolidated Net Income excludes non-operational and non-recurring one-off items.

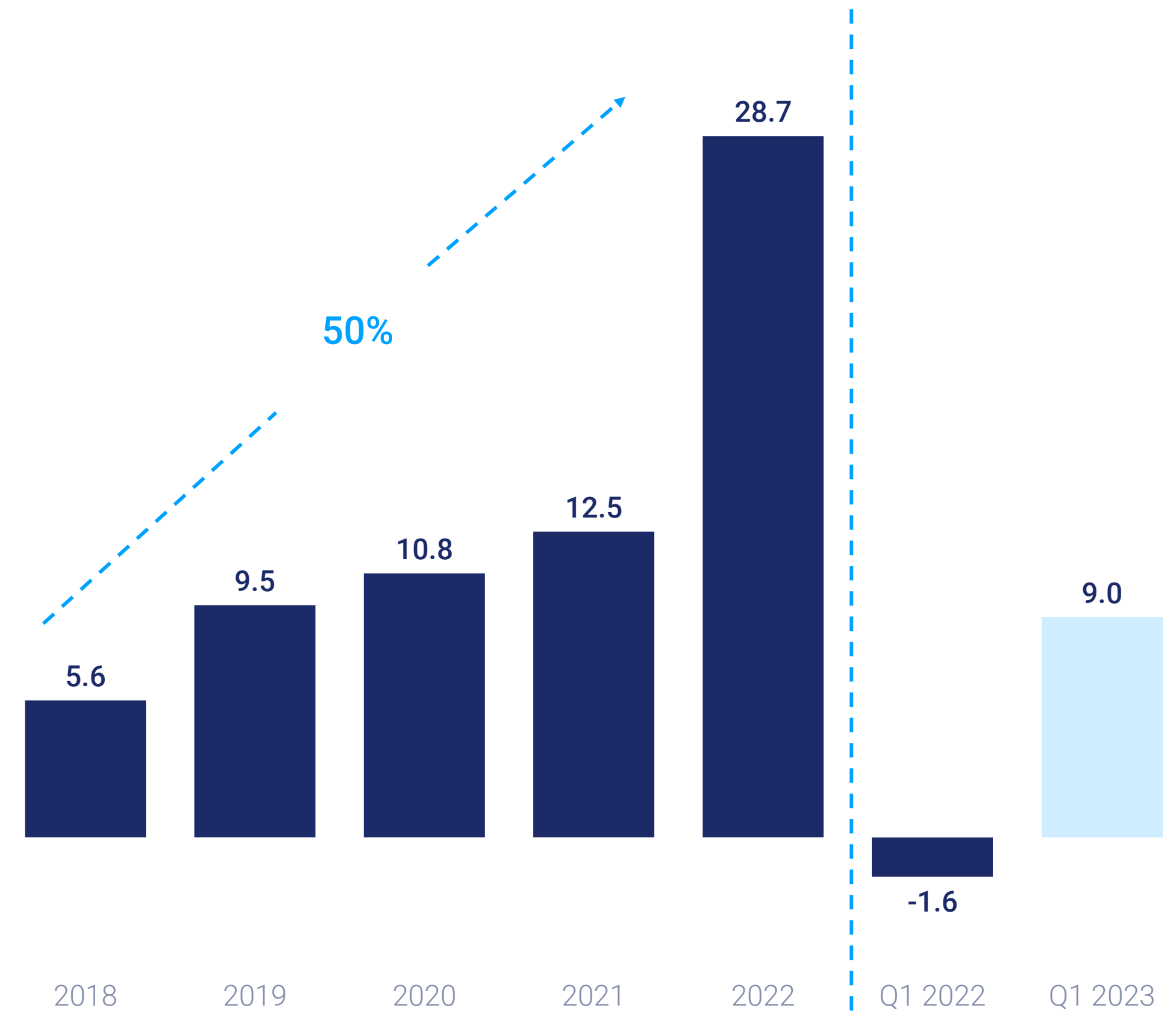
...that led to a further improvement in ROE & strong cash generation...

Return on Equity (ROE)*



*Excludes non-operational and non-recurring one-off items

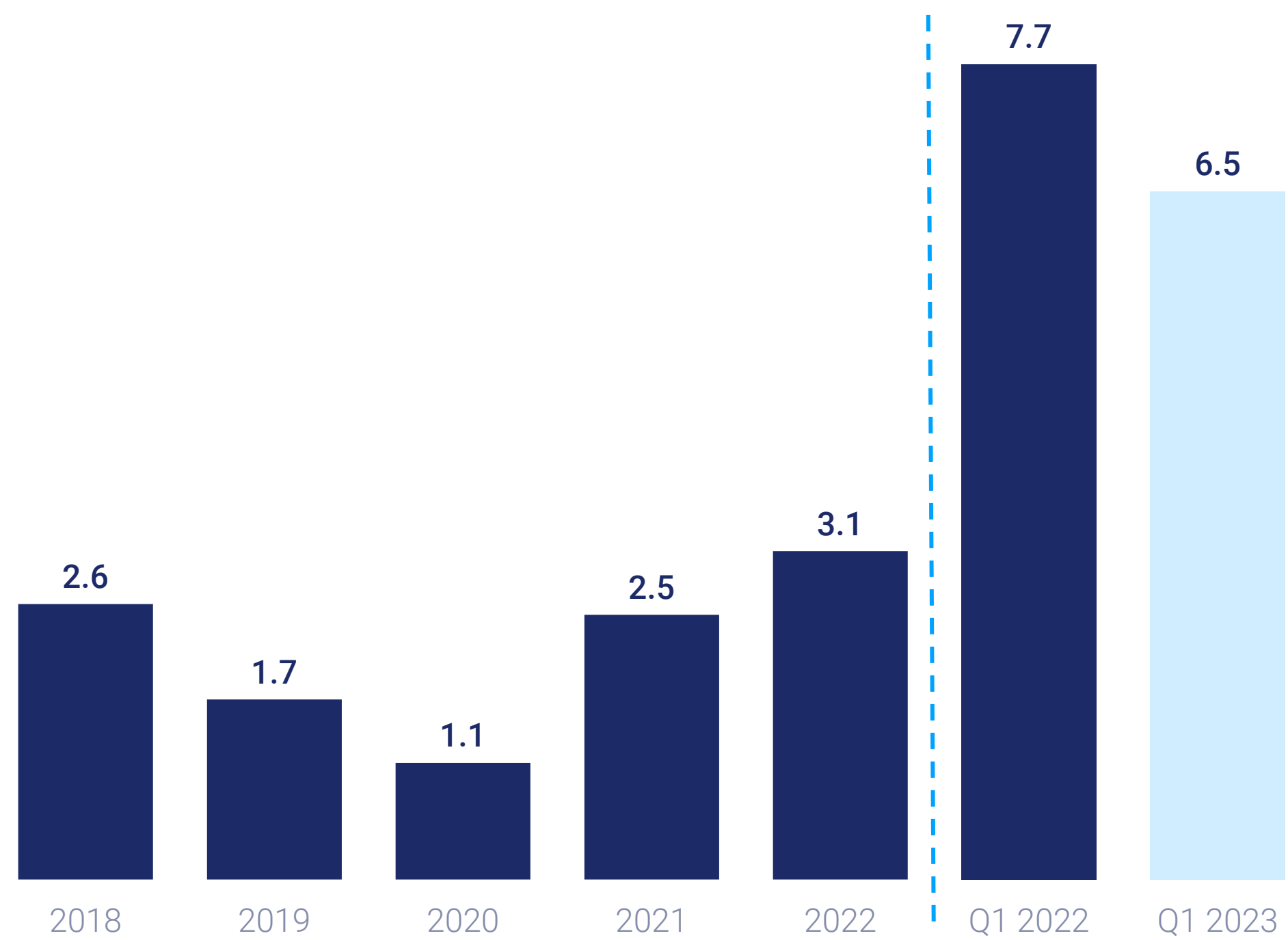
Operational Cash Flow, Combined for Non-Bank* (TL bn)



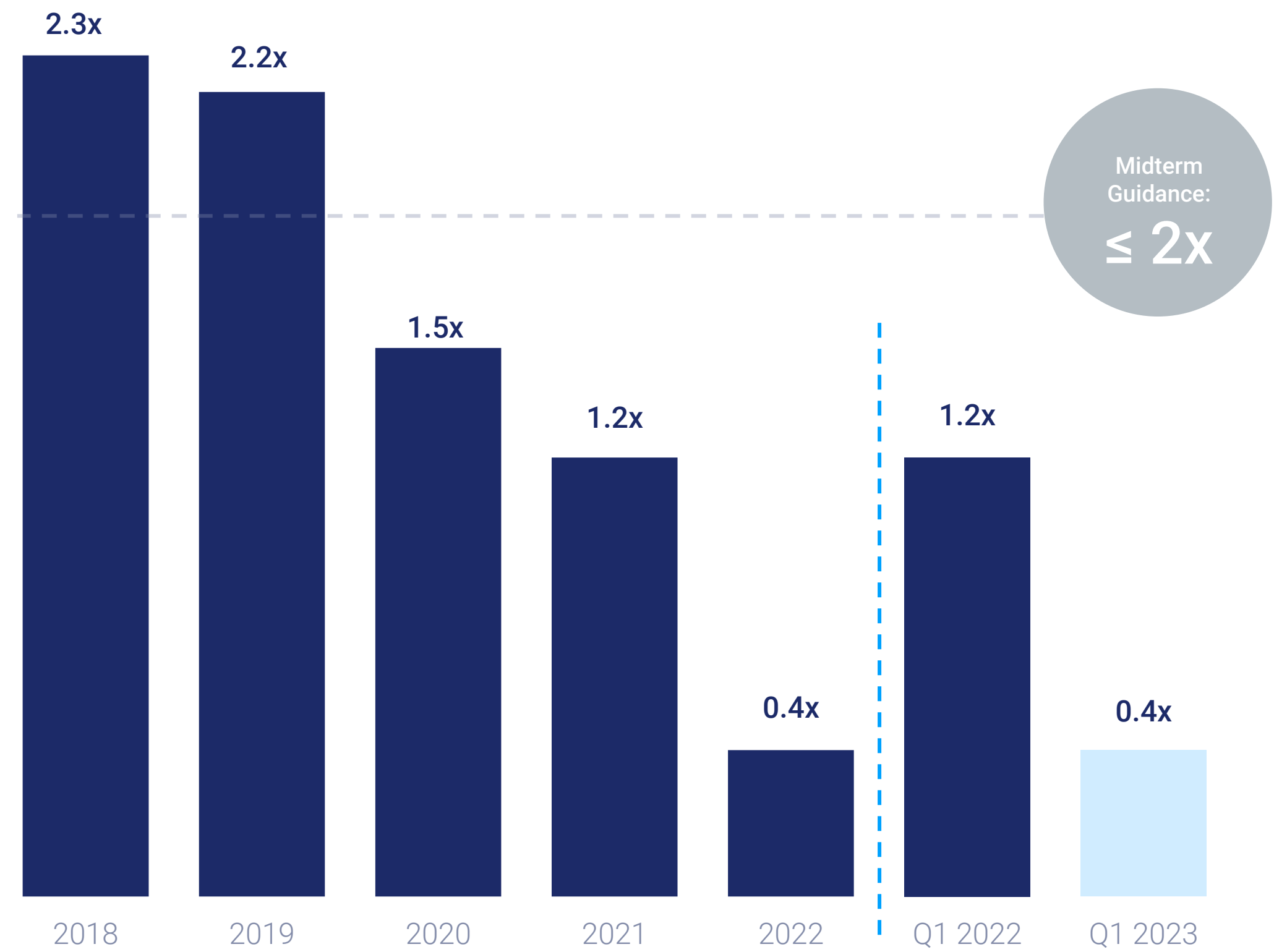
*Excludes Financial Services, Banking and other segment.

...with a strong balance sheet to weather through volatility & capitalize on opportunities

Holding Only - Net cash position (TL bn)



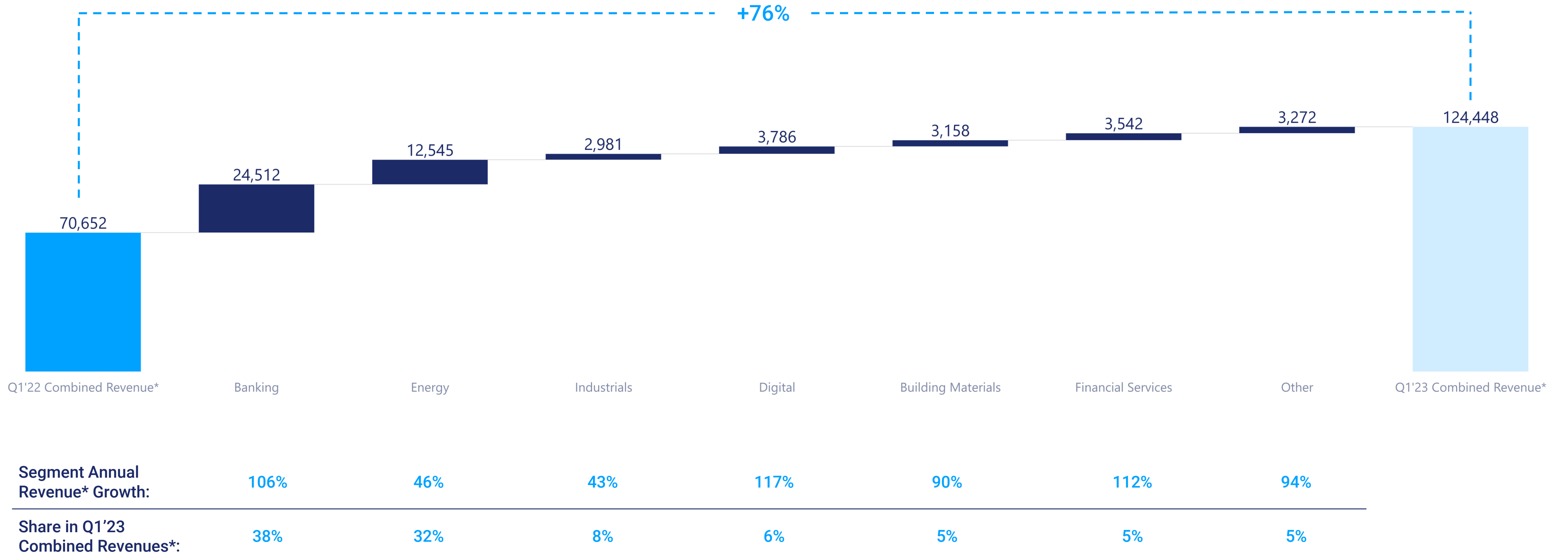
Combined Net Financial Debt to Non-Bank EBITDA*



*Excludes Banking, net cash position of financial services and non-operational and non-recurring one-off items in EBITDA

Combined Revenues / Topline growth driven by Banking & Energy segments

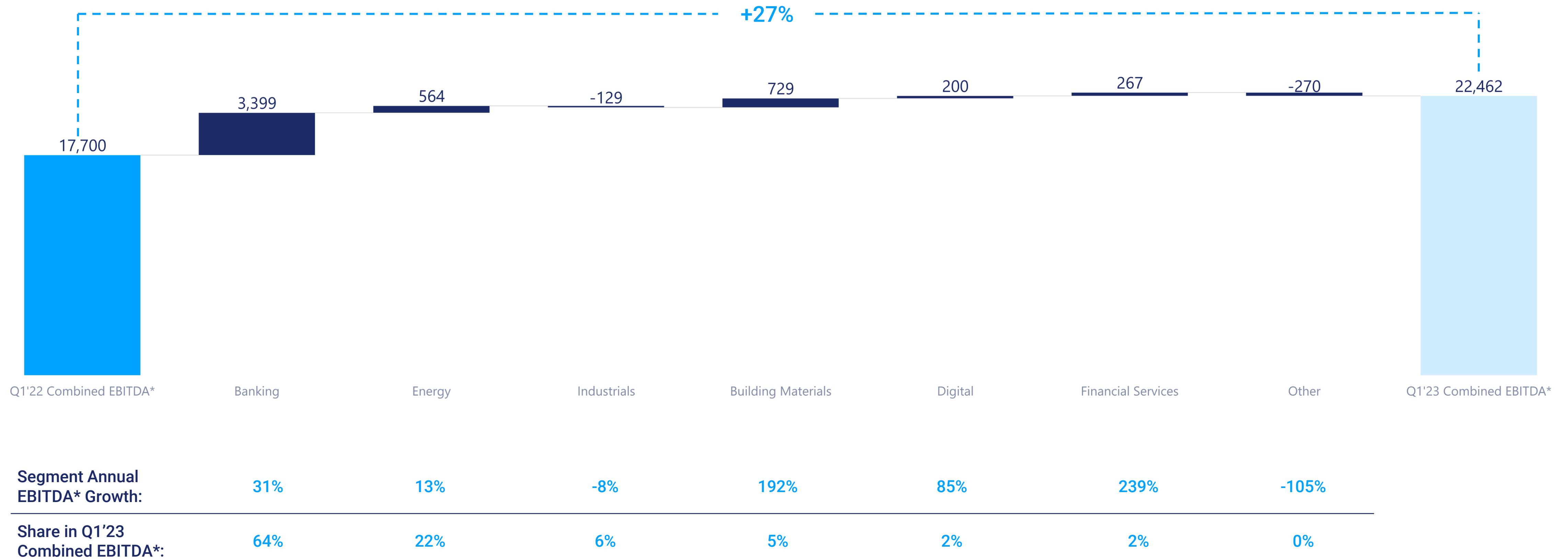
Segments' Contribution to Combined Revenues* (TL Mn)



*Holding dividend income is excluded.

Combined EBITDA / Strong contribution from Banking & Energy units

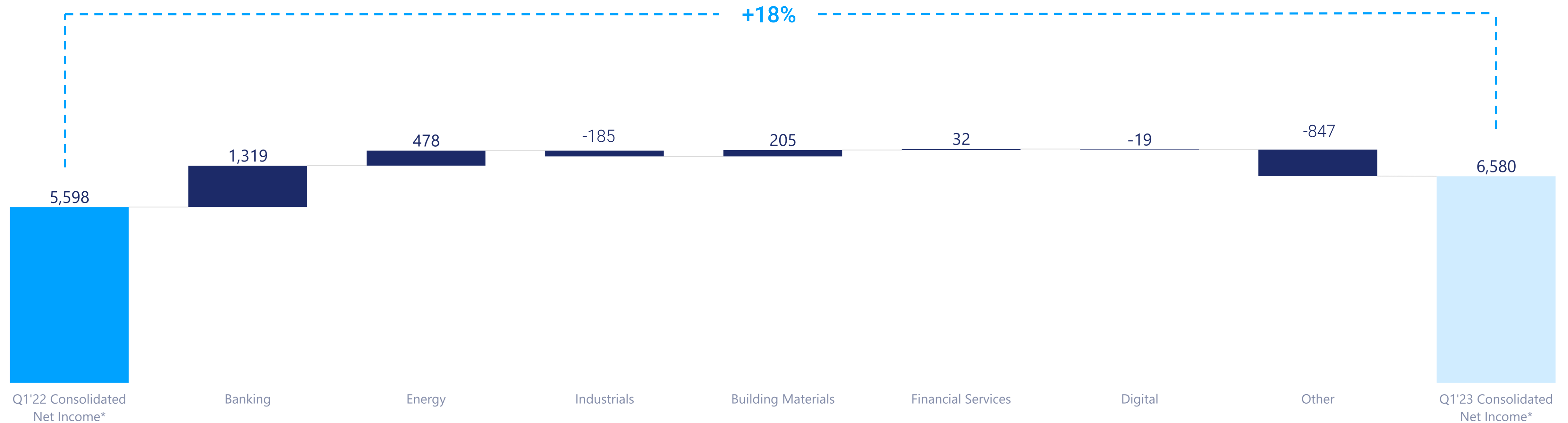
Segment's Contribution to Combined EBITDA* (TL Mn)



*Excludes non operational , non recurring one off items.

Consolidated Net Income / Led by Banking & Energy businesses

Segments' Contribution to Consolidated Net Income*(TL Mn)



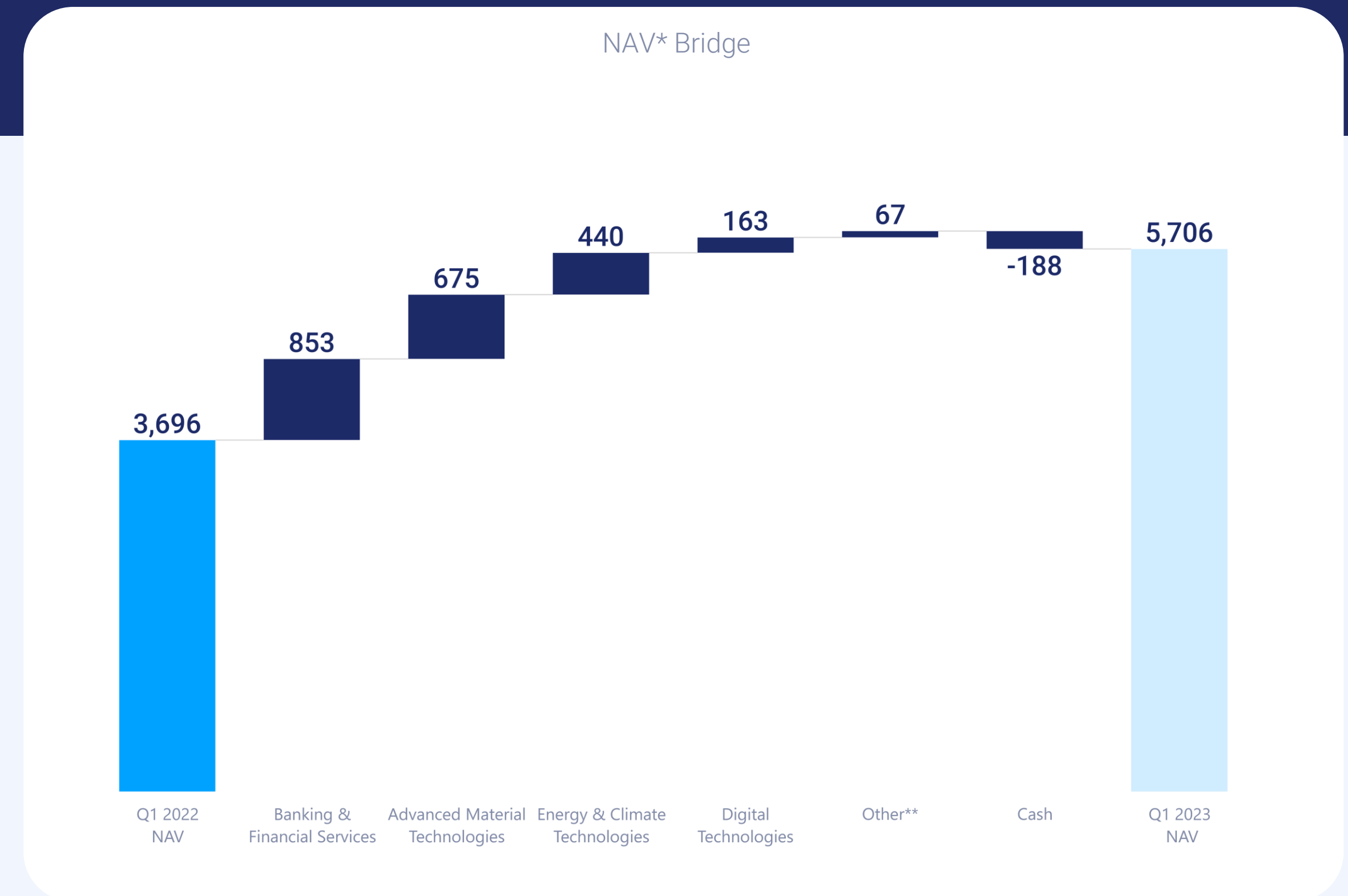
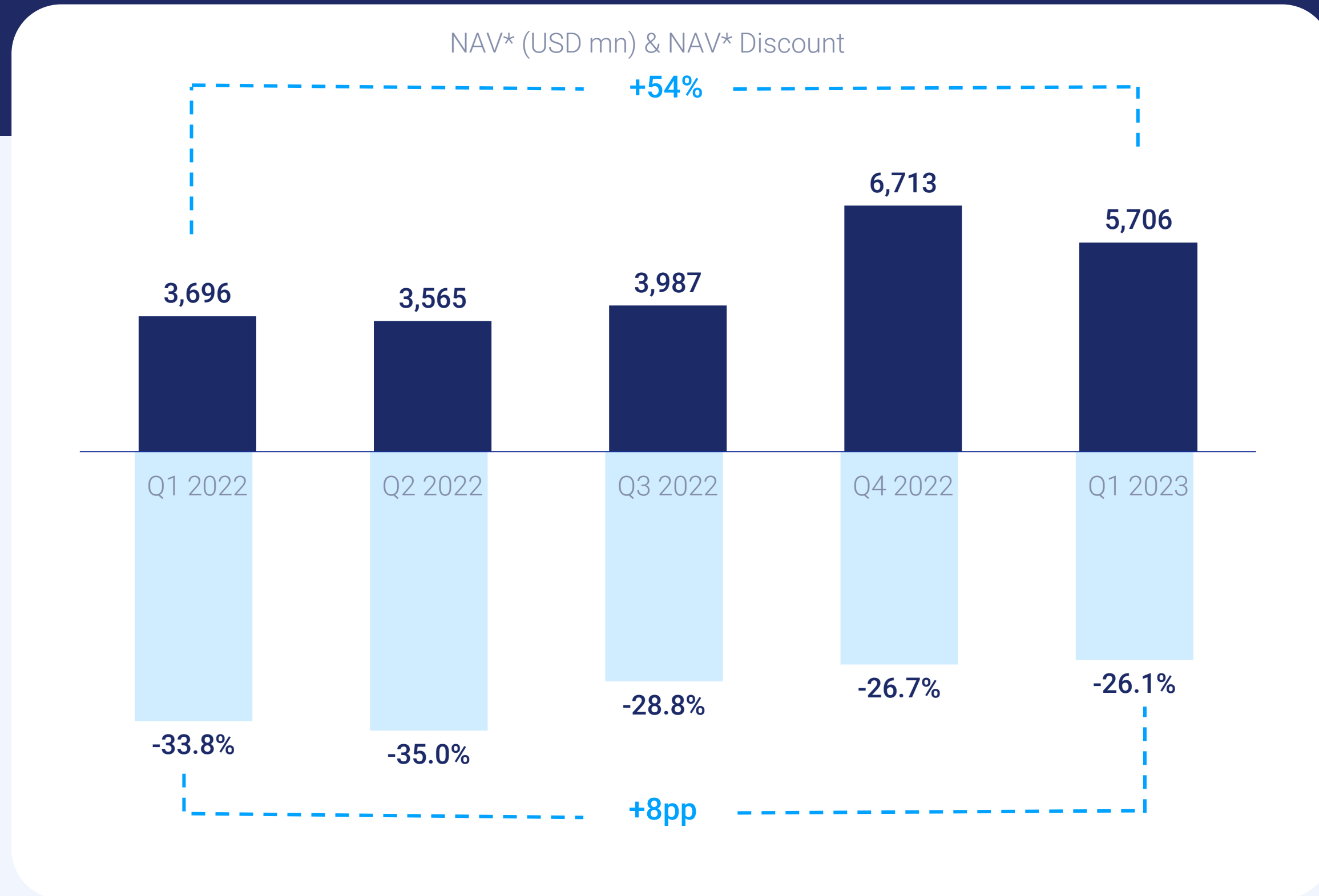
| | | | | | | | |
|---|------------|------------|-------------|-------------|------------|-------------|--------------|
| Segment Annual Net Income* Growth: | 40% | 49% | -33% | 329% | 42% | -53% | -140% |
| Share in Q1'23 Net Income*: | 70% | 22% | 6% | 4% | 2% | 0% | -4% |

*Excludes non operational , non recurring one off items.

Stock Performance



Despite declining NAV discount amid solid growth in NAV in USD terms...



| Average NAV Discount: | Last 3-Year | Last 5-Year | Last 10-Year |
|-----------------------|-------------|-------------|--------------|
| | 42.3% | 42.2% | 39.1% |

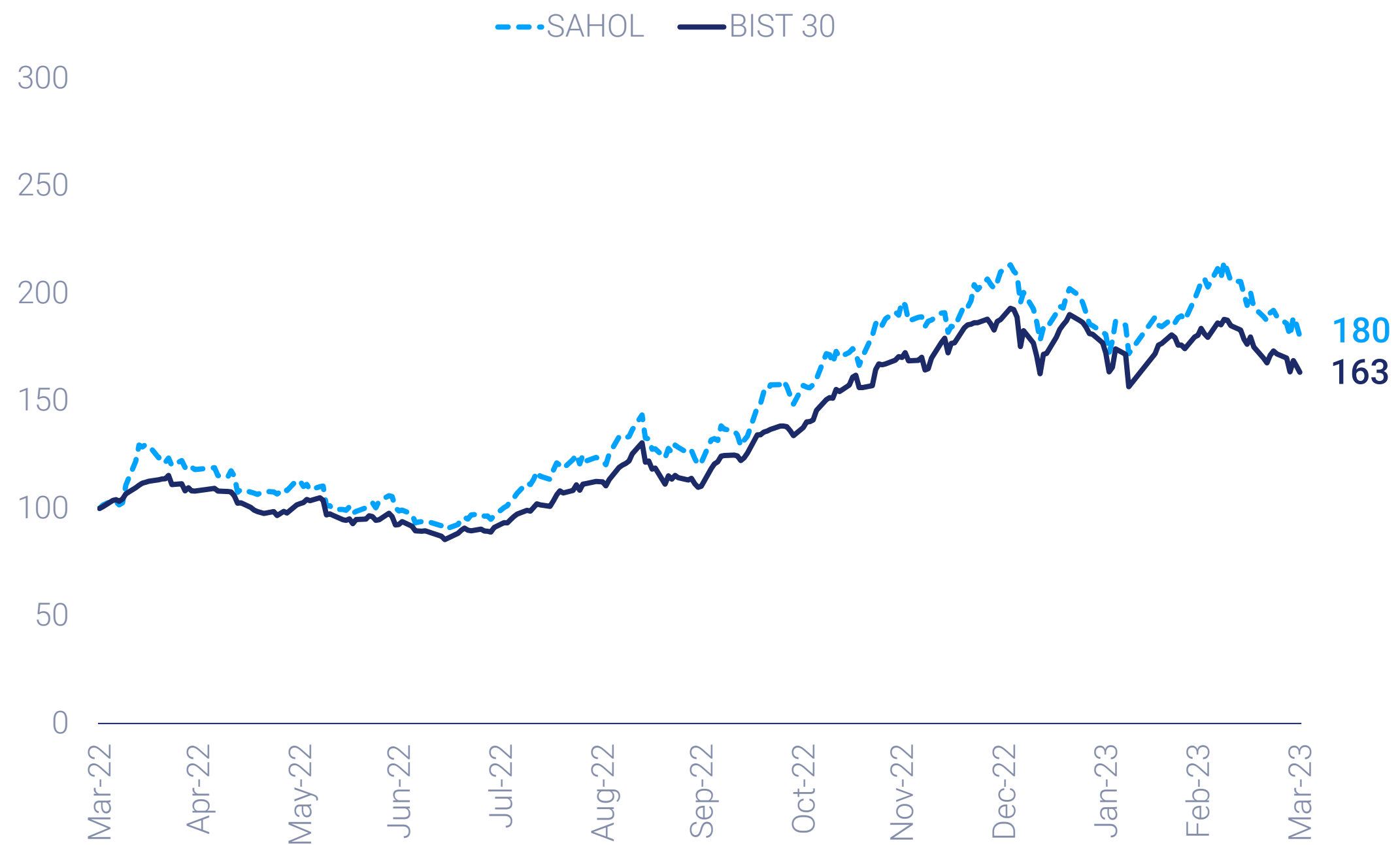
| NAV Shares: | 36% | 28% | 21% | 4% | 5% | 6% |
|-------------|-----|-----|-----|----|----|----|
| | | | | | | |

*Please refer to Appendix for the details of our NAV.

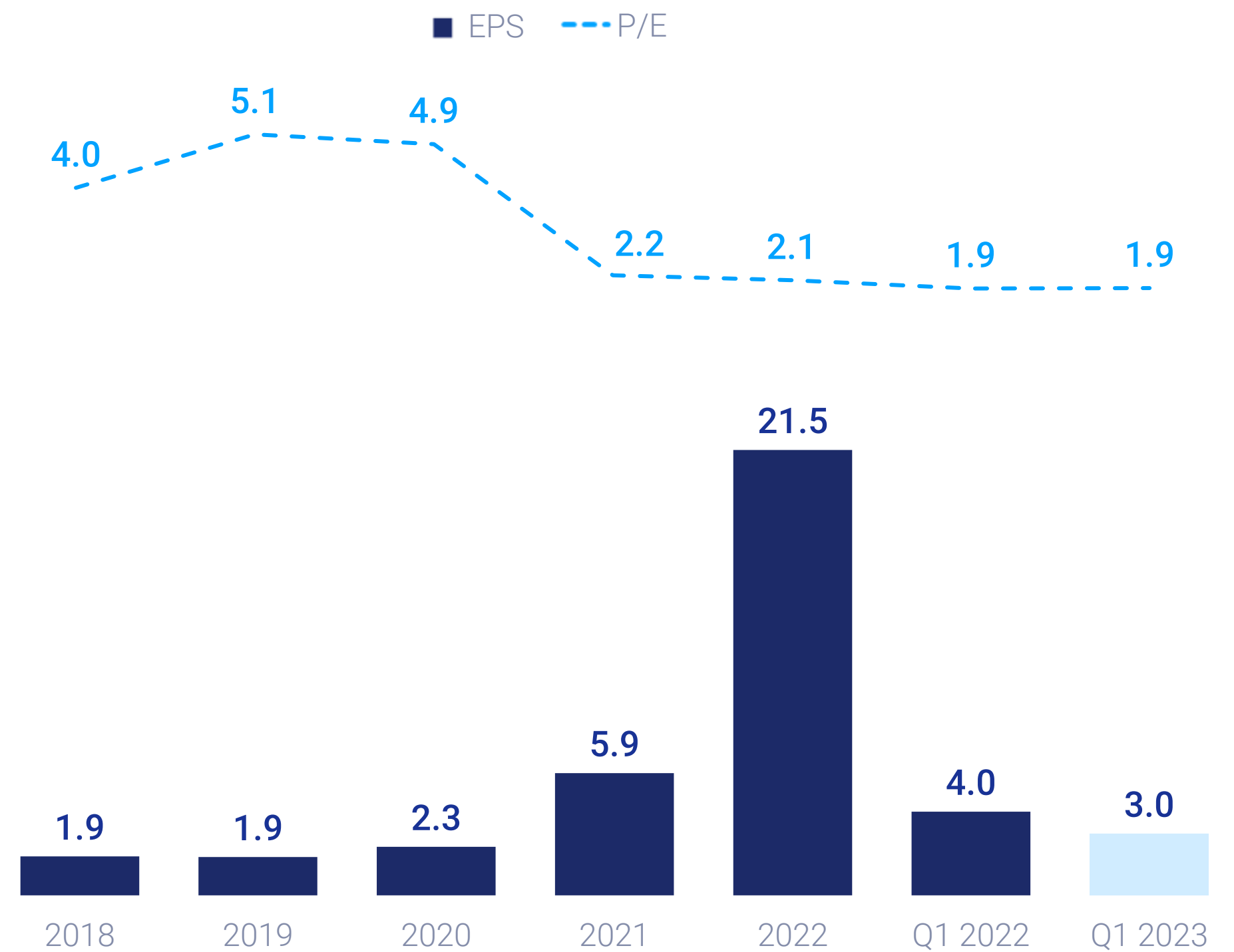
**Includes Carrefoursa, Exsa, Tursa, AEO.

...SAHOL shares are trading at a material discount to its historical P/E multiple averages

Stock Relative-Performance (USD basis)



Earnings Per Share vs. Price/Earnings*



*Trailing

Segment Financials



Energy / Strong profitability continued in generation business despite drought

Energy Segment Summary Financials*

| MILLION TL | Q1 2022 | Q1 2023 | Change |
|-----------------|---------|---------|--------|
| SALES | 27,332 | 39,877 | 46% |
| EBITDA** | 4,268 | 4,833 | 13% |
| EBITDA** MARGIN | 15.6% | 12.1% | |
| NET INCOME** | 1,989 | 3,091 | 55% |

Enerjisa Generation Summary Financials*

| MILLION TL | Q1 2022 | Q1 2023 | Change |
|-----------------|---------|---------|--------|
| SALES | 9,802 | 11,236 | 15% |
| EBITDA** | 2,466 | 2,795 | 13% |
| EBITDA** MARGIN | 25.2% | 24.9% | |
| NET INCOME** | 1,776 | 2,621 | 48% |

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one-off items

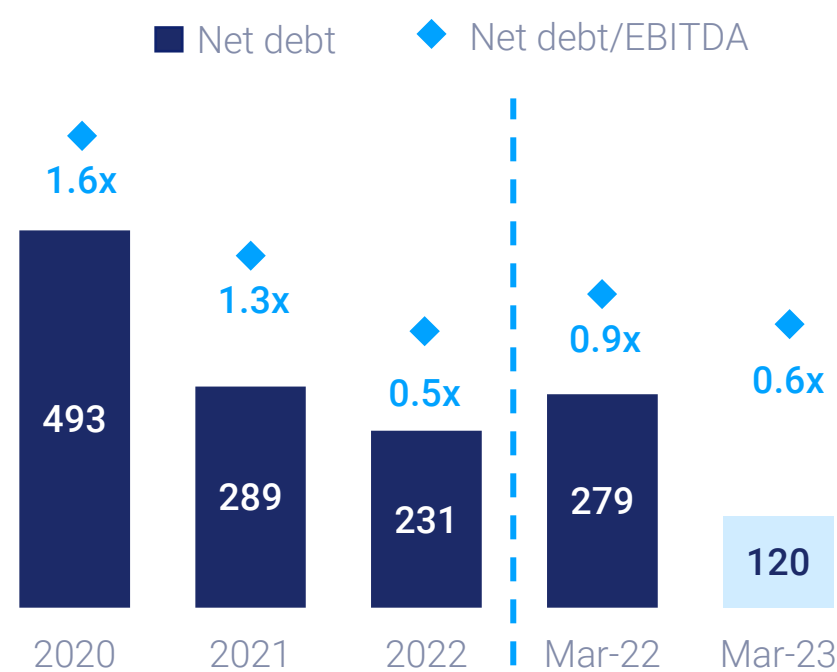
Current Assessment

- **Distribution and Retail:** Strong net income growth, with higher inflation in combination with decrease in net debt.
- **Generation and Energy Trading:** Despite lower hydrology, higher spread and availability in lignite provided strong profitability.

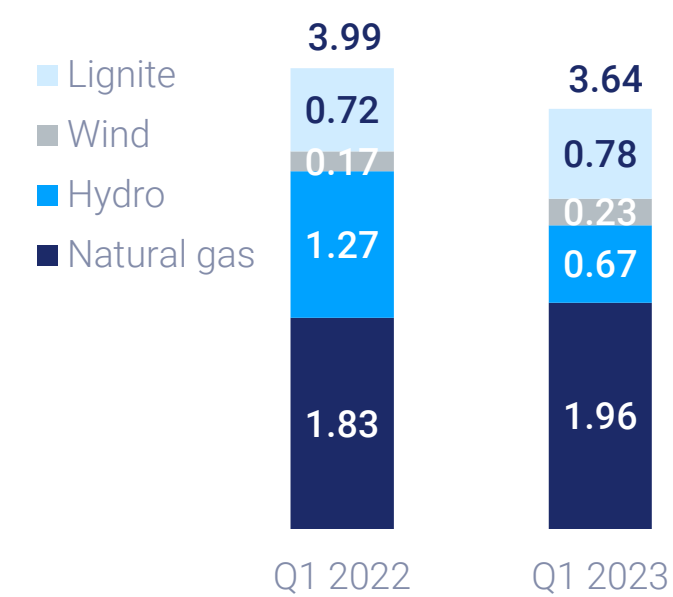
Factors to Watch

- Electricity demand, national tariff, spot prices and global commodity prices
- Hydrology
- Inflation, FX and interest rates

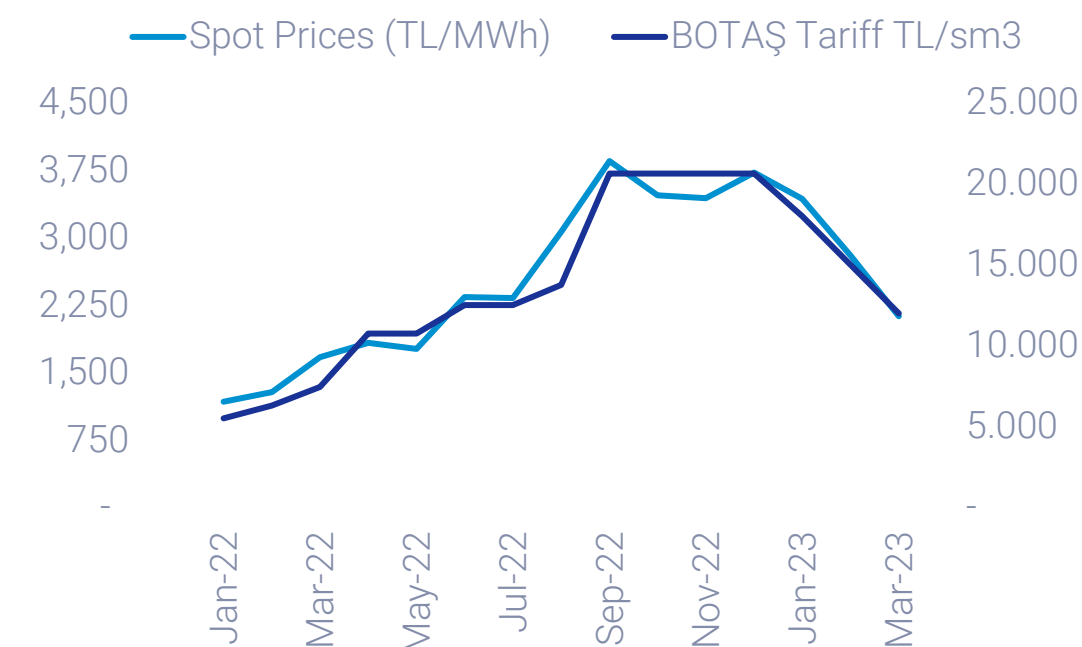
Generation's Debt Profile (EUR mn)



Generation volume (TWh)



Spot Prices vs BOTAŞ Tariff



Industrials / Lower margins on high base, weak demand & wage hikes exceeding TL depreciation

Industrials Summary Financials*

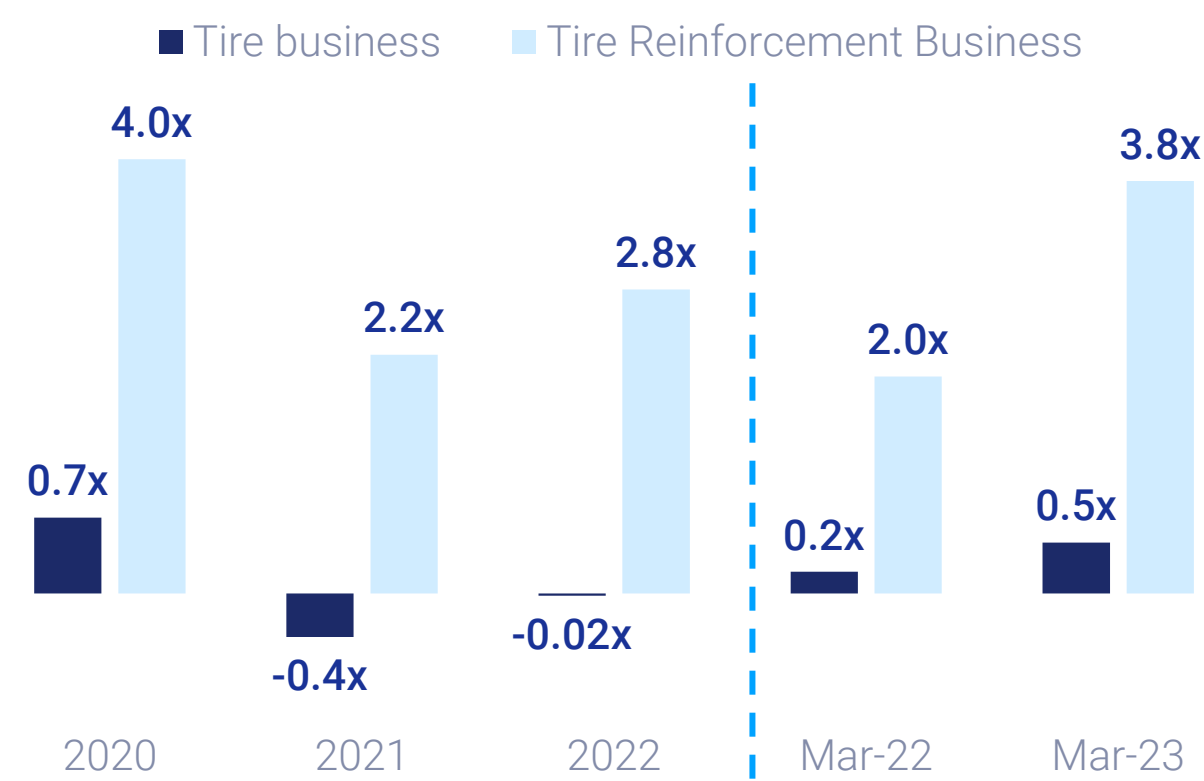
| MILLION TL | Q1 2022 | Q1 2023 | Change |
|----------------|---------|---------|--------|
| SALES | 6,875 | 9,856 | 43% |
| EBITDA* | 1,569 | 1,440 | -8% |
| EBITDA* MARGIN | 22.8% | 14.6% | |
| NET INCOME** | 1,099 | 895 | -19% |

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one-off items

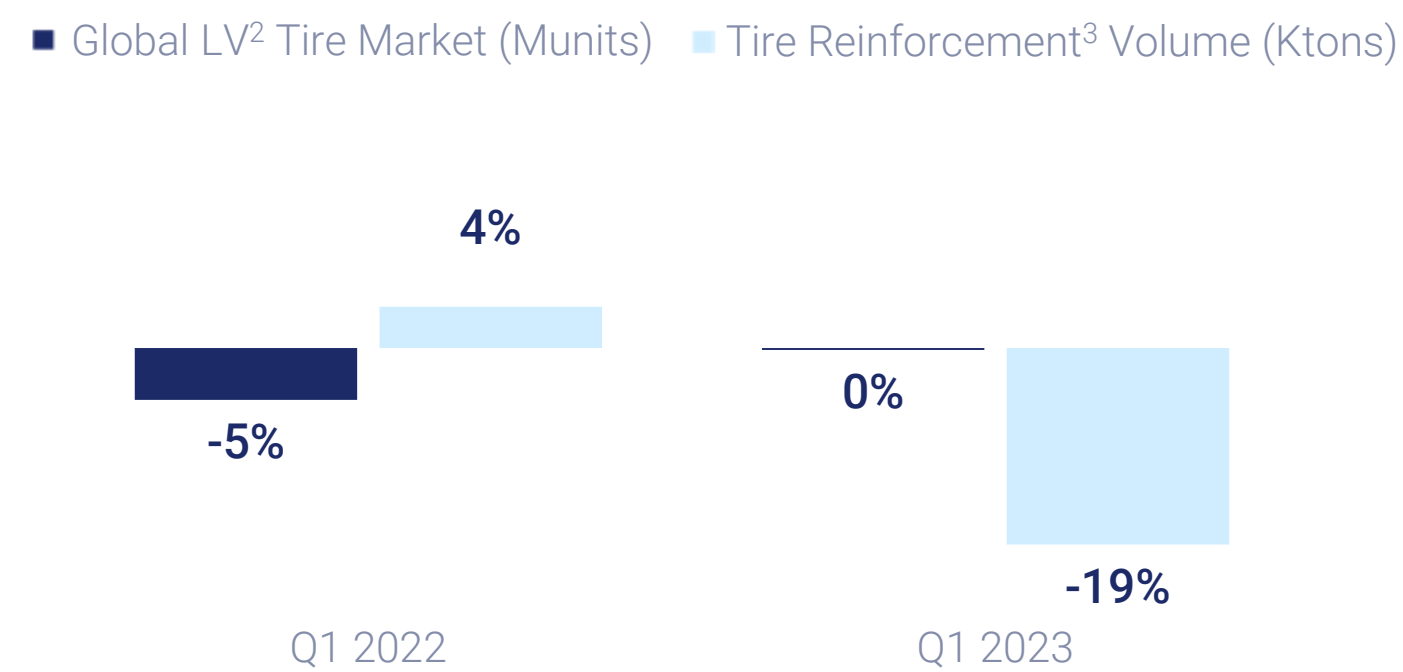
Current Assessment

- Global slowdown in tire reinforcement business
- Continued strong domestic demand in tire business
- Cost side pressures due to global inflationary environment

Net Financial Debt/ EBITDA



Global Tire Market vs. TCF¹ Business (y/y)



Source: Kordsa, LYC Tyre and Rubber

Factors to Watch

- Global recession and domestic demand
- Pricing vs. commodity prices
- Effective working capital management
- Inflation and FX rates

1) Tire Cord Fabrics 2) Light Vehicle 3) Tire Reinforcement (PET + N66)

Building Materials/ Almost five-fold net income growth on robust operating performance

Building Materials Summary Financials*

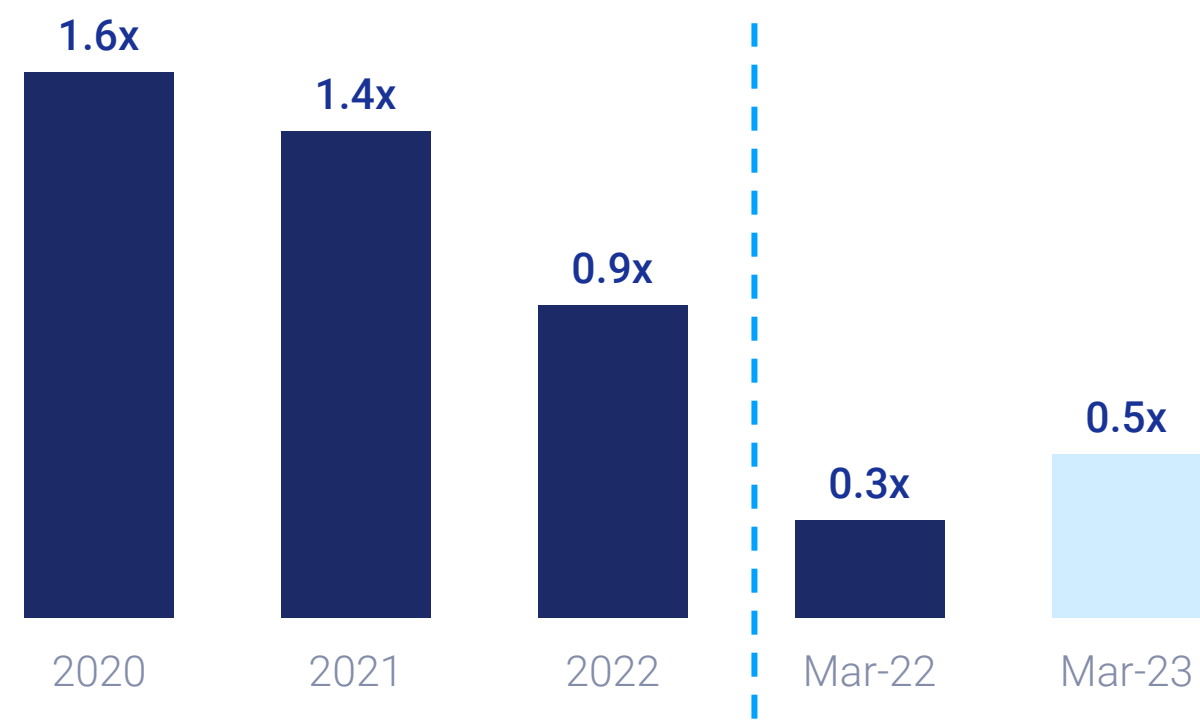
| MILLION TL | Q1 2022 | Q1 2023 | Change |
|-----------------|---------|---------|--------|
| SALES | 3,490 | 6,648 | 90% |
| EBITDA** | 379 | 1,108 | 192% |
| EBITDA** MARGIN | 10.9% | 16.7% | |
| NET INCOME** | 140 | 650 | 364% |

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one-off items

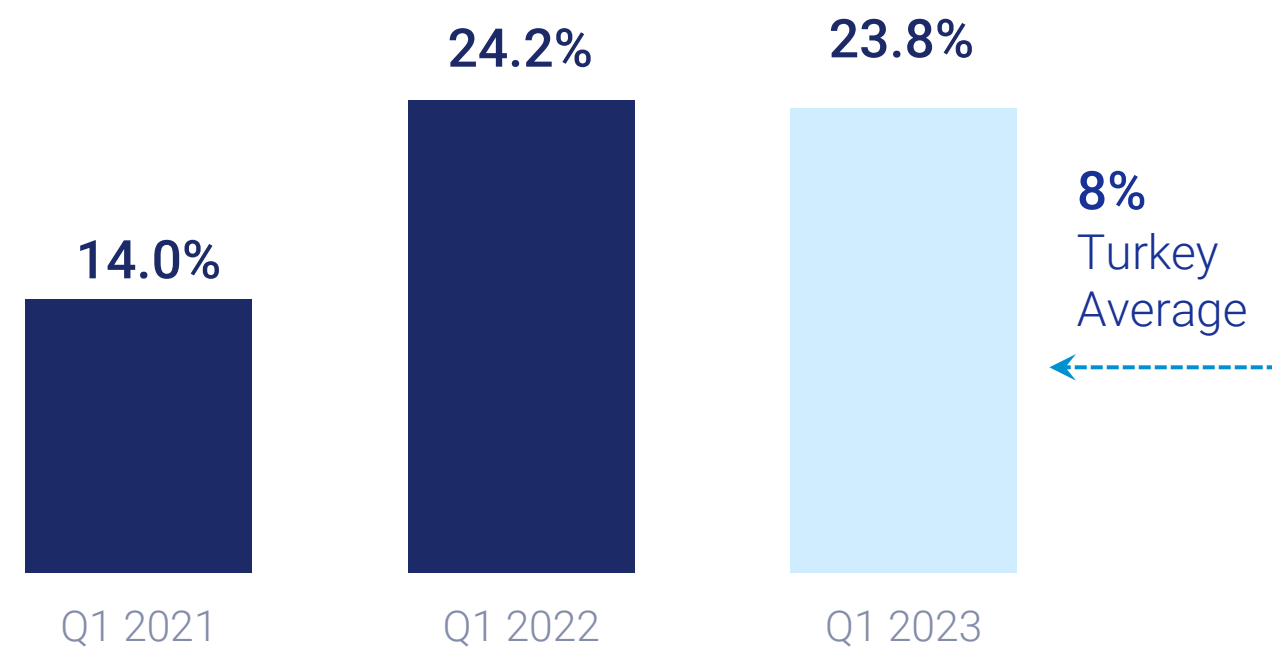
Current Assessment

- Sales mix optimization
- Muted cost side pressures
- Bottom-line improved on strong operating performance

Net Financial Debt/ EBITDA ***



Alternative Fuel Usage in Fuel Mix



Factors to Watch

- Further expansion in domestic demand on reconstruction
- Pricing, supply/demand and sectoral dynamics
- Carbon footprint and alternative fuel usage

***For comparison purposes, Akçansa and Çimsa only

Digital / Rapid top-line growth meeting with expectations

Digital Summary Financials*

| MILLION TL | Q1 2022 | Q1 2023 | Change |
|-----------------|---------|---------|--------|
| SALES | 3,242 | 7,027 | 117% |
| EBITDA** | 235 | 436 | 85% |
| EBITDA** MARGIN | 7.3% | 6.2% | |
| NET INCOME** | 66 | 73 | 9% |

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one-off items

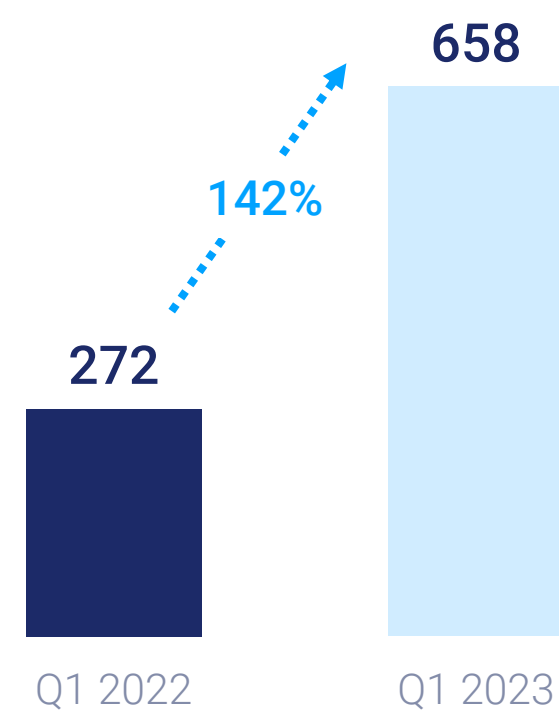
Current Assessment

- ⌚ Top line growth exceeding inflation
- ⌚ Diversified revenue stream
- ⌚ Revenue growth and margins are in-line with expectations

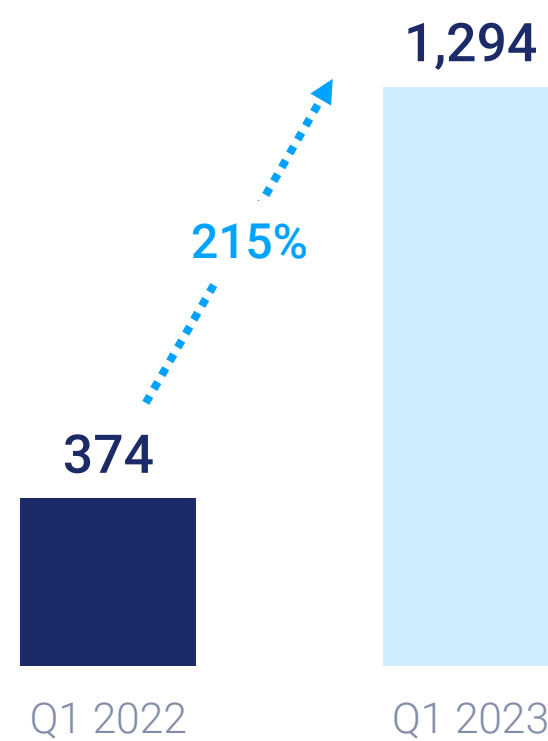
Factors to Watch

- ⌚ Consumer sentiment and changing buying behavior and Sector trends
- ⌚ Inflation, interest rate and FX rates
- ⌚ Integration of New Acquisitions

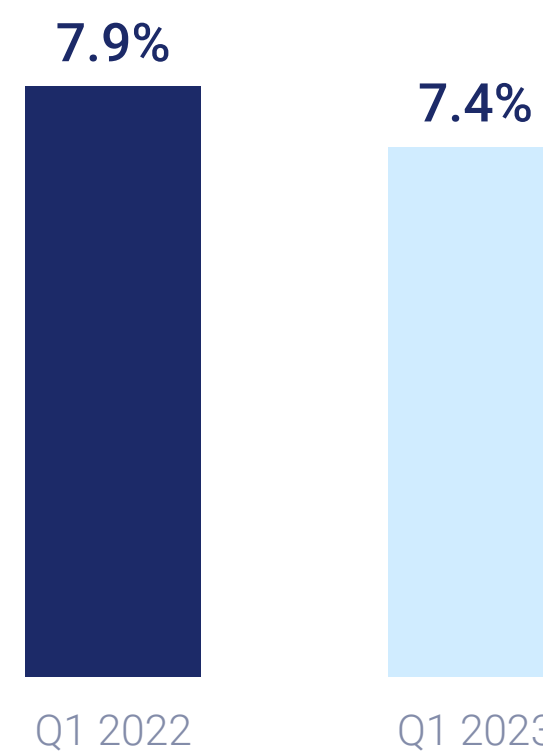
Teknosa E –Commerce Sales (TL mn)



Teknosa GMV (TL mn)



Teknosa EBITDA** Margin



Financial Services / Robust growth in top-line & technical profits

Financial Services Summary Financials*

| MILLION TL | Q1 2022 | Q1 2023 | Change |
|--------------|---------|---------|--------|
| SALES | 3,157 | 6,699 | 112% |
| EBITDA** | 112 | 379 | 239% |
| LIFE | 206 | 261 | 27% |
| NON-LIFE | -94 | 118 | N.M. |
| NET INCOME** | 178 | 267 | 51% |
| LIFE | 266 | 248 | -7% |
| NON-LIFE | -88 | 19 | N.M. |

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one-off items

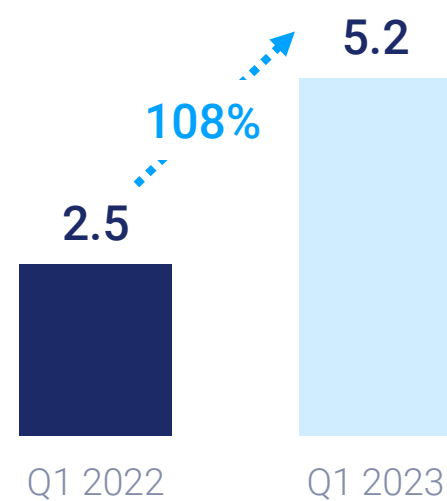
Current Assessment

- Strong top line growth in both businesses
- **Life:** Strong technical income driven by life protection and pension profitability growth
- **Non-Life:** Decreased combined ratio thanks to improvement in loss ratio on MTPL and MOD products.

Factors to Watch

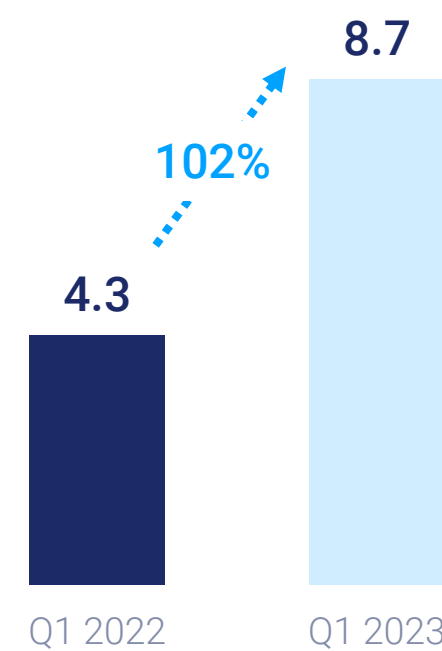
- Regulatory changes
- Macro economic developments: Inflation, interest rates, loan growth, minimum wage increase
- Economic growth and volatility in TL

Non-life GWP* (TL bn)



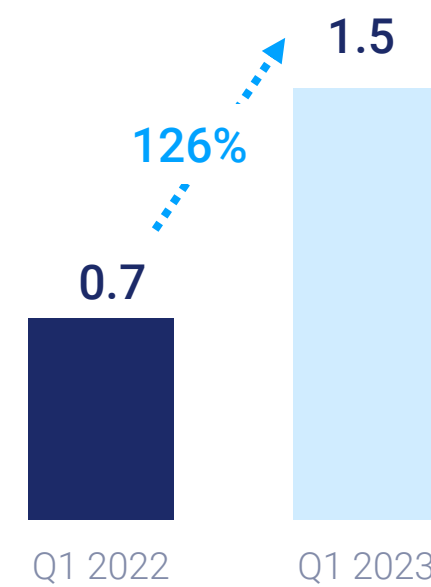
*Gross Written Premiums

Non-life AUM* (TL bn)



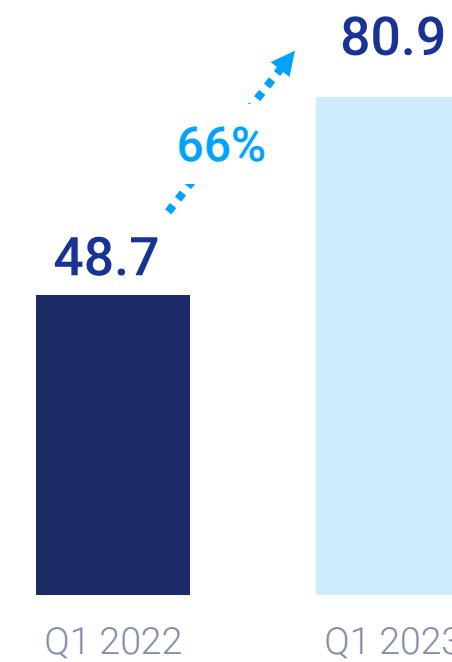
*Assets Under Management

Life & Pension GWP* (TL bn)



*Gross Written Premiums

Life & Pension AUM* (TL bn)



*Assets Under Management. Including auto enrolment

Retail / Strong top-line growth despite earthquake impact

Retail Summary Financials*

| MILLION TL | Q1 2022 | Q1 2023 | Change |
|-----------------|---------|---------|--------|
| SALES | 3,203 | 6,575 | 105% |
| EBITDA** | 205 | 301 | 47% |
| EBITDA** MARGIN | 6.4% | 4.6% | |
| NET INCOME** | -107 | -167 | -57% |

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one-off items

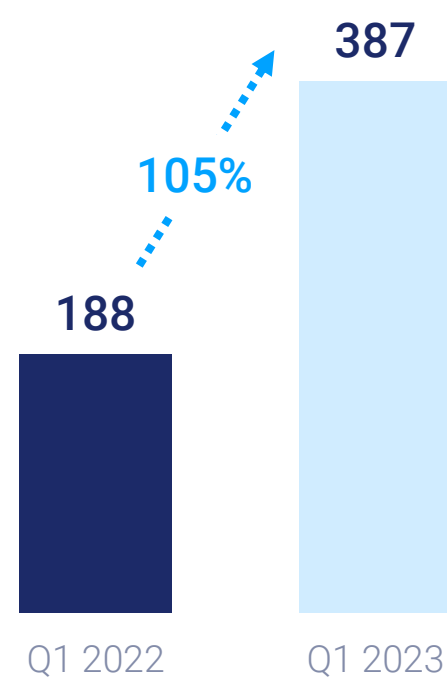
Current Assessment

- Strong LFL revenue growth
- Against cost-side pressures, revenue growth supported EBITDA
- Net Income deterioration due to higher financial expenses

Factors to Watch

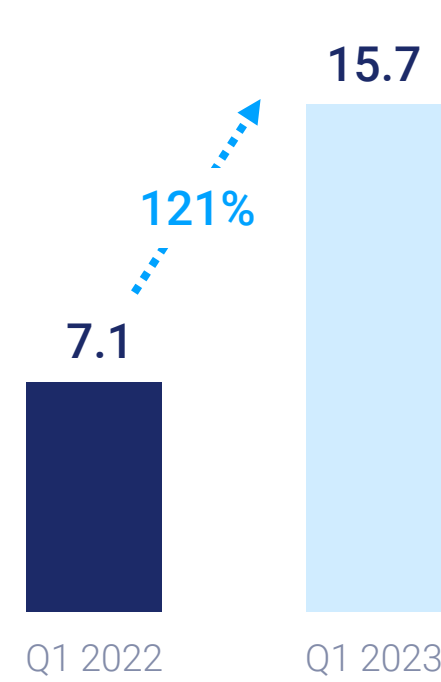
- Purchasing power and changes in consumer behavior
- Growth, inflation and interest rates

B2B Sales*
(TL mn)

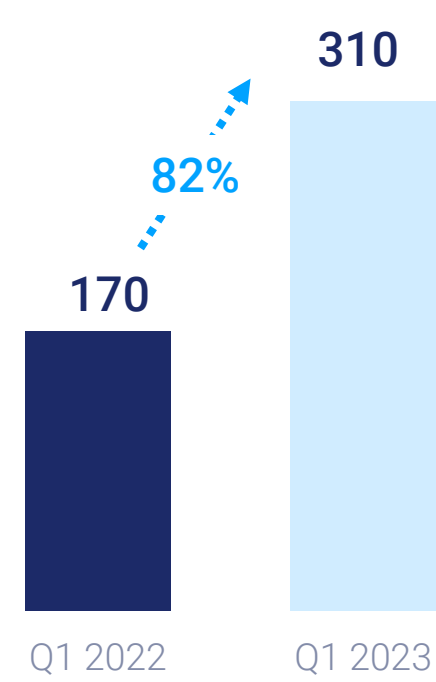


*Excluding exports

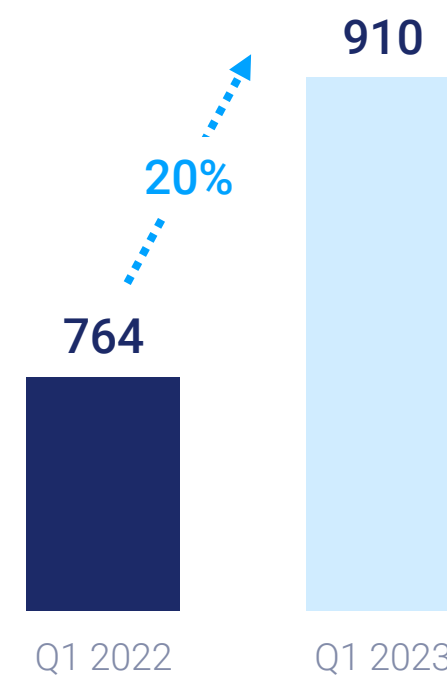
Exports
(TL mn)



E-Commerce Sales
(TL mn)



Number of Stores*



*Total including franchises

Bank / Strong momentum in customer acquisition & agile ALM

Bank Summary Financials

| MILLION TL | Q1 2022 | Q1 2023 | Change |
|------------|---------|---------|--------|
| REVENUE | 23,064 | 47,575 | 106% |
| EBITDA | 10,882 | 14,281 | 31% |
| NET INCOME | 8,055 | 11,293 | 40% |

Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses. Net income differs from reported consolidated bank financials due to different accounting treatment for amortisation and free provision.

Since the corporate tax rate of %25 became permanent for financial institutions as of April 2022, one-off notation of tax rate changes for financial institution has been reversed for 2021.

Key Ratios

| | 1Q22 | 2022 | 1Q23 | Y/Y Change | YTD Change |
|-----------------------|-------|-------|-------|------------|------------|
| Leverage | 9.4x | 7.5x | 8.2x | -1.2x | 0.7x |
| CIR ⁽¹⁾ | 23.5% | 19.0% | 40.3% | 16.8 pp | 21.3 pp |
| CAR ⁽²⁾ | 17.7% | 20.9% | 18.6% | 0.9 pp | -2,3 pp |
| Tier-1 ⁽²⁾ | 14.4% | 17.9% | 15.7% | 1.3 pp | -2,2 pp |

| | 1Q22 | 2022 | 1Q23 | Y/Y Change | YTD Change |
|-----------------|-------|-------|-------|------------|------------|
| ROE | 38.6% | 54.7% | 27.9% | -10.7 pp | -26.8 pp |
| ROA | 4.0% | 6.2% | 3.6% | -0.4 pp | -2.6 pp |
| NIM (swap adj.) | 5.05% | 8.25% | 4.84% | -0.2 pp | -3.4 pp |

(1) CIR calculation excludes FX gain from hedge position related with stage 1&2 provisions.

(2) w/o forbearances: Fixing MtM losses of securities and FX rate for RWA calculation to 2022YE FX rate.

(3) Change in Economic Value of Equity calculation for 500 bps increase in TL interest rate according to BRSA (2022 YE, Unconsolidated Financials)

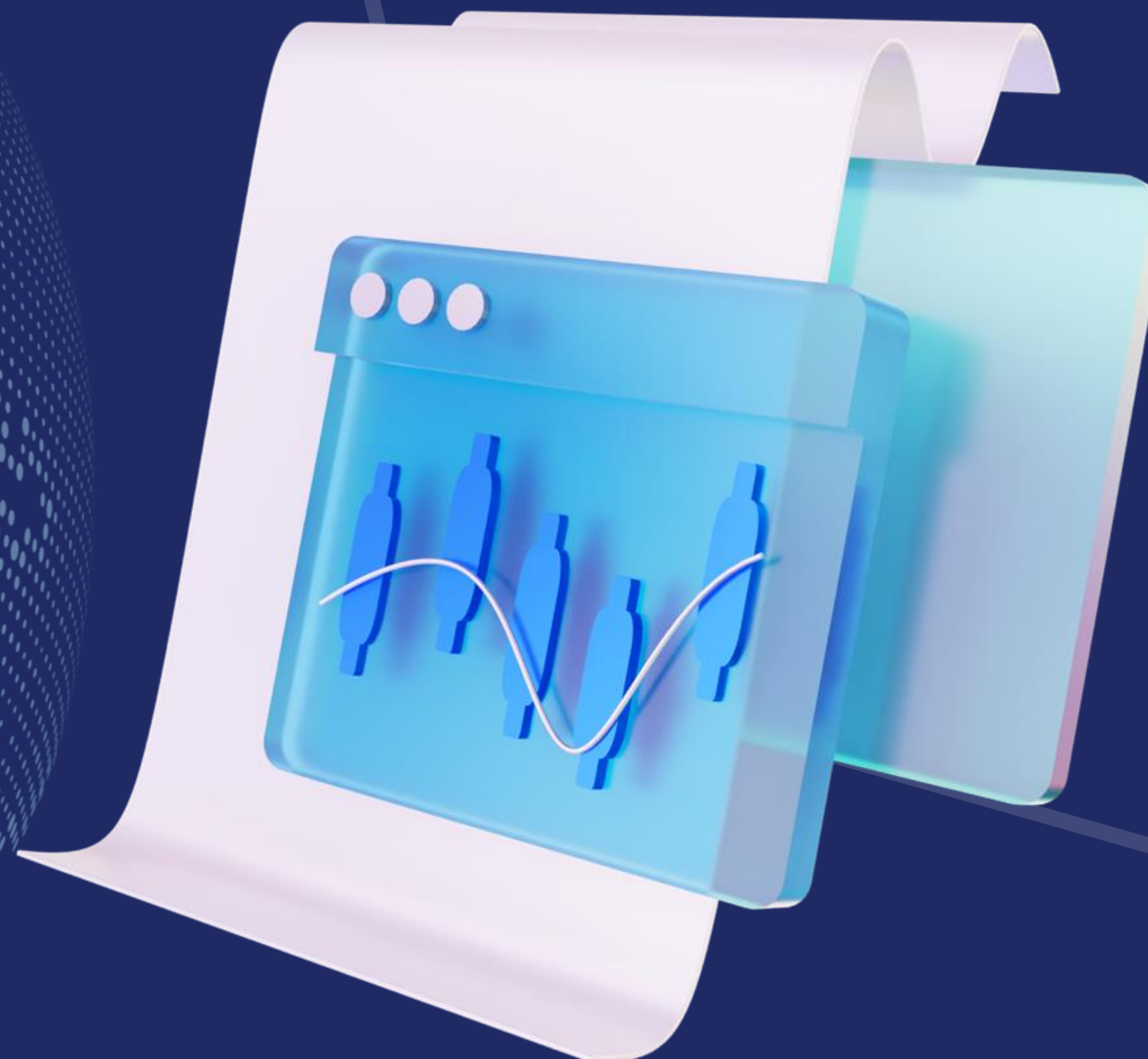
Current Assessment

- Added 730K net active customers on top of 2.3mn gained in 2022
- Accelerated momentum in customer acquisition led to outstanding fee performance
- Achieved record-high quarterly market share gain in consumer loans, broad -based TL and demand deposits.
- Continued agile and prudent ALM with maturity mismatch focus
 - Lowest TL interest rate risk among peers with 2.9% Δ EVE⁽³⁾
 - Fixed rate bonds for CBRT pledge is limited at TL 30 bn as of Apr'23 and only 2% of its total assets

Factors to Watch

- Global and domestic inflation outlook
- Monetary policy implementation
- Regulatory environment

Guidance



Mid-Term Guidance Maintained

Growth

Mid-term targets*

CPI + 8%

Revenue growth

30%+

FX revenue as % of combined revenue ⁽²⁾

CPI + 10%

EBITDA ⁽¹⁾ growth

<2.0x

Net debt / EBITDA ⁽³⁾

~14%

Capex/Revenues ⁽²⁾

~13%

Share of new economy ⁽⁴⁾ in combined revenue ⁽²⁾

Capital Return

Dividend policy

5%-20%

of net income

Share Buyback

Up to 5% of paid-in capital:

102mn shares

Total funds allocated:

TL3.25bn

Consolidated ROE

High Teens

Sustainability

42% Reduction in Scope 1 & 2 emissions
by 2030

TL 200bn

Sustainable Loan Financing

TL 15bn

Sustainable Investment Funds

Until 2030 (Akbank)

*It covers 2022-2026.

1.Excludes one-offs. 2. Non-bank. 3. Excludes Banking, net cash position of financial services and non-operational and non-recurring one-off items in EBITDA 4. New economy refers to revenue generated from renewables, advanced materials and digital services.

Q1'23 Highlights

Solid set of results amid challenges and uncertainties owing to its balanced portfolio and successfully executed transformation process

Slowdown in net income growth on demand normalization in Industrials segment, specifically originating from tire reinforcement business

Improvement in cash flow generation with a major contribution from Energy segment

Resilient non-bank ROE with a solid contribution from Energy business

Achieved 54% y/y NAV** growth while reducing discount by 8pps to 26.1%

Strong balance sheet with 0.4x non-bank combined Net Debt / EBITDA*, solid holding-only cash and high consolidated long FX position

Commitment to reduce Scope 1 and Scope 2 carbon emissions by 42% by 2030, in line with global standards SBTi

*Excludes Banking, net cash position of financial services and non-operational and non-recurring one-off items in EBITDA **Please refer to Appendix for the details of our NAV.

The word "Appendix" is written in a large, white, sans-serif font, positioned in the lower-left area of the slide.

Financials in detail

| MILLION TL | Combined Revenue* | | | Combined EBITDA* | | | Consolidated Net Income* | | |
|--------------------|-------------------|----------------|--------|------------------|---------------|--------|--------------------------|--------------|--------|
| | Q1 2022 | Q1 2023 | Change | Q1 2022 | Q1 2023 | Change | Q1 2022 | Q1 2023 | Change |
| TOTAL | 70,652 | 124,448 | 76% | 17,700 | 22,462 | 27% | 5,598 | 6,580 | 18% |
| BANK | 23,064 | 47,575 | 106% | 10,882 | 14,281 | 31% | 3,282 | 4,602 | 40% |
| NON-BANK | 47,588 | 76,872 | 62% | 6,819 | 8,181 | 20% | 2,316 | 1,978 | -15% |
| ENERGY | 27,332 | 39,877 | 46% | 4,268 | 4,833 | 13% | 973 | 1,451 | 49% |
| BUILDING MATERIALS | 3,490 | 6,648 | 90% | 379 | 1,108 | 192% | 62 | 267 | 329% |
| DIGITAL | 3,242 | 7,027 | 117% | 235 | 436 | 85% | 36 | 17 | -53% |
| FINANCIAL SERVICES | 3,157 | 6,699 | 112% | 112 | 379 | 239% | 75 | 106 | 42% |
| INDUSTRIALS | 6,875 | 9,856 | 43% | 1,569 | 1,440 | -8% | 564 | 379 | -33% |
| OTHER | 3,493 | 6,765 | -14% | 256 | -14 | N.M. | 605 | -242 | N.M. |

*Holding dividend income excluded

*Excludes non-operational and non-recurring one off items

*Excludes non-operational and non-recurring one off items

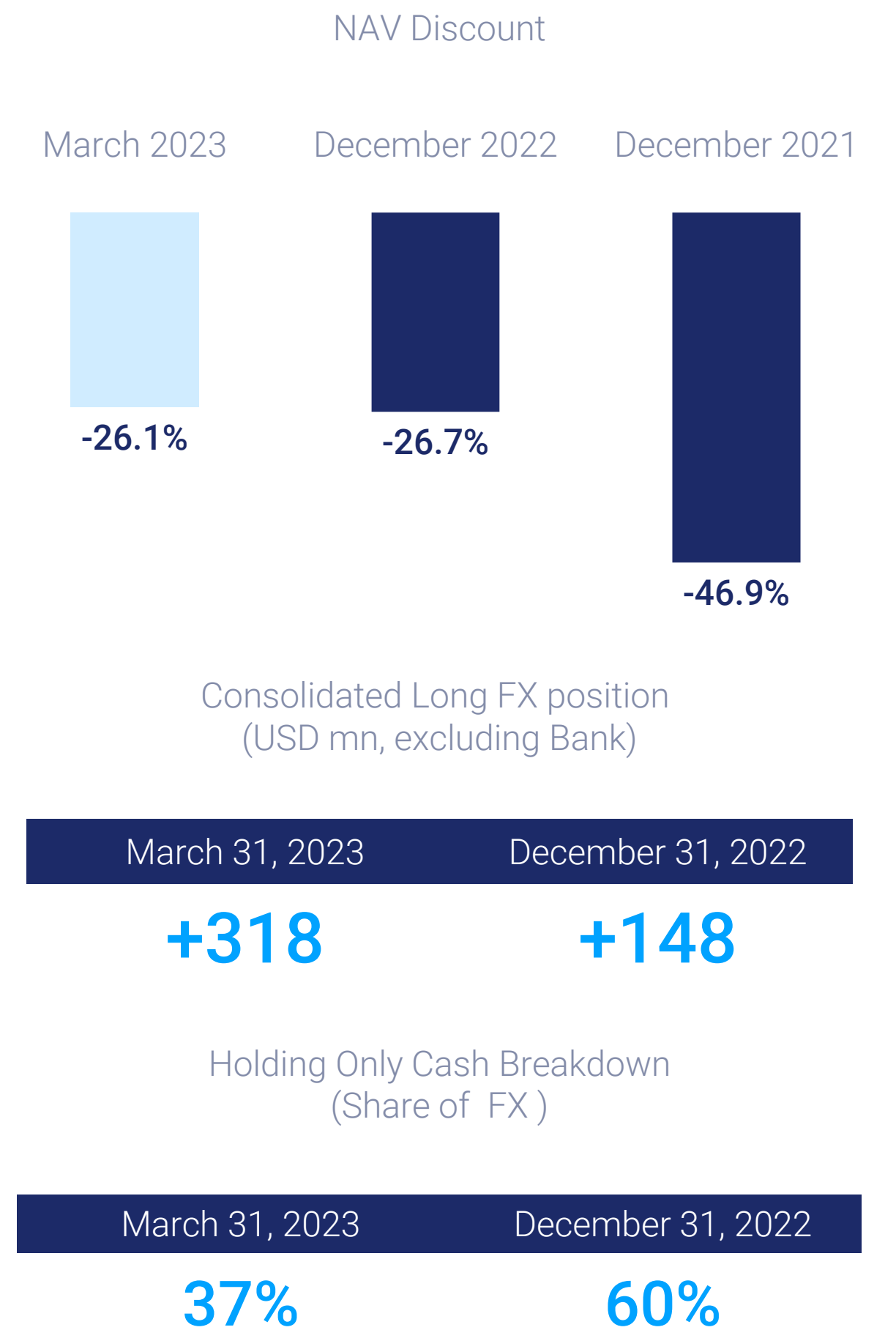
Non-Operational and Non-Recurring Items

| MILLION TL | Q1 2022 | Q1 2023 |
|---|---------|--------------|
| CONSOLIDATED NET INCOME EXCLUDING NON-OPERATIONAL and NON-RECURRING ITEMS | 5,598 | 6,580 |
| Gain on Philsa Sale | 2,643 | 0 |
| Earthquake Impact (Donations and Taxes) | 0 | -765 |
| Tax Impact due to Revaluation of Assets | 12 | 399 |
| Early Retirement Effect | 0 | -47 |
| Other | -3 | -80 |
| CONSOLIDATED NET INCOME | 8,250 | 6,087 |

Sabancı Holding Discount to NAV & Cash

| USDmn | | | | March 2023 | | December 2022 | |
|---------------------------------|--------------|------------------|-------|--------------------------|---------------|--------------------------|---------------|
| Companies | Direct Stake | Valuation Method | Mcap | Value to Sabancı Holding | % of NAV | Value to Sabancı Holding | % of NAV |
| Akbank | 41% | Market value | 4,599 | 1,874 | 32.8% | 2,216 | 33.0% |
| Enerjisa Enerji | 40% | Market value | 1,690 | 676 | 11.8% | 911 | 13.6% |
| Aksigorta | 36% | Market value | 243 | 88 | 1.5% | 121 | 1.8% |
| Agesa | 40% | Market value | 231 | 92 | 1.6% | 155 | 2.3% |
| Akçansa | 40% | Market value | 577 | 229 | 4.0% | 252 | 3.7% |
| Çimsa | 55% | Market value | 659 | 359 | 6.3% | 396 | 5.9% |
| Brisa | 44% | Market value | 752 | 328 | 5.8% | 424 | 6.3% |
| Kordsa | 71% | Market value | 790 | 562 | 9.8% | 715 | 10.7% |
| Carrefoursa | 57% | Market value | 388 | 221 | 3.9% | 293 | 4.4% |
| Teknosa | 50% | Market value | 179 | 90 | 1.6% | 142 | 2.1% |
| Total Listed | | | | 4,519 | 79.2% | 5,624 | 83.8% |
| Enerjisa Üretim | 50% | 1xBook value | 771 | 386 | 6.8% | 335 | 5.0% |
| Exsa | 29% | 1xBook value | 172 | 50 | 0.9% | 50 | 0.7% |
| Sabancı Building Solutions B.V. | 60% | 1xBook value | 186 | 111 | 2.0% | 109 | 1.6% |
| Sabancı İklim Teknolojileri | 100% | 1xBook value | 155 | 155 | 2.7% | 159 | 2.4% |
| DxBV | 100% | 1xBook value | 120 | 120 | 2.1% | 120 | 1.8% |
| Other* | 100% | 1xBook value | 28 | 28 | 0.5% | 149 | 2.2% |
| Total Non-listed | | | | 849 | 14.9% | 922 | 13.7% |
| Total | | | | 5,368 | 94.1% | 6,546 | 97.5% |
| Sabancı Holding Net Cash | | | | 338 | 5.9% | 167 | 2.5% |
| Sabancı Holding NAV | | | | 5,706 | 100.0% | 6,713 | 100.0% |
| Sabancı Holding Mcap | | | | 4,214 | | 4,919 | |
| Sabancı Holding Discount | | | | -26.1% | | -26.7% | |

*Other segment consists of Tursa, AEO and Sabancı DX.





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