

JUNE 6, 2024

# Q1 2024 **EARNINGS** **PRESENTATION**





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## 2024 YTD Highlights

### Execution on “new economy” prevails

- ✓ **Launch of 272 MW** Cutlass Solar II project in Texas **ahead of schedule**
- ✓ **Securing the financing** of **Oriana Solar** project
- ✓ **New production line in CAC**, positioning Çimsa as **3<sup>rd</sup>** largest globally
- ✓ **Restructuring** towards **Material Technologies** and **Mobility Solutions**

### Continued Focus on ESG

- ✓ Establishment of **circular economy** framework
- ✓ Launch of **Sustainability Academy**



### Healthy financial position on inflation adjusted basis

- ✓ Holding-only cash: **Doubling to TL14.4bn**
- ✓ Capex/Sales<sup>(1)</sup>: **11.3%**
- ✓ Net debt/EBITDA<sup>(1)</sup>: **0.9x**
- ✓ Consolidated ROE: **5.9%**
- ✓ Consolidated Long FX position<sup>(1)</sup>: **USD324mn**



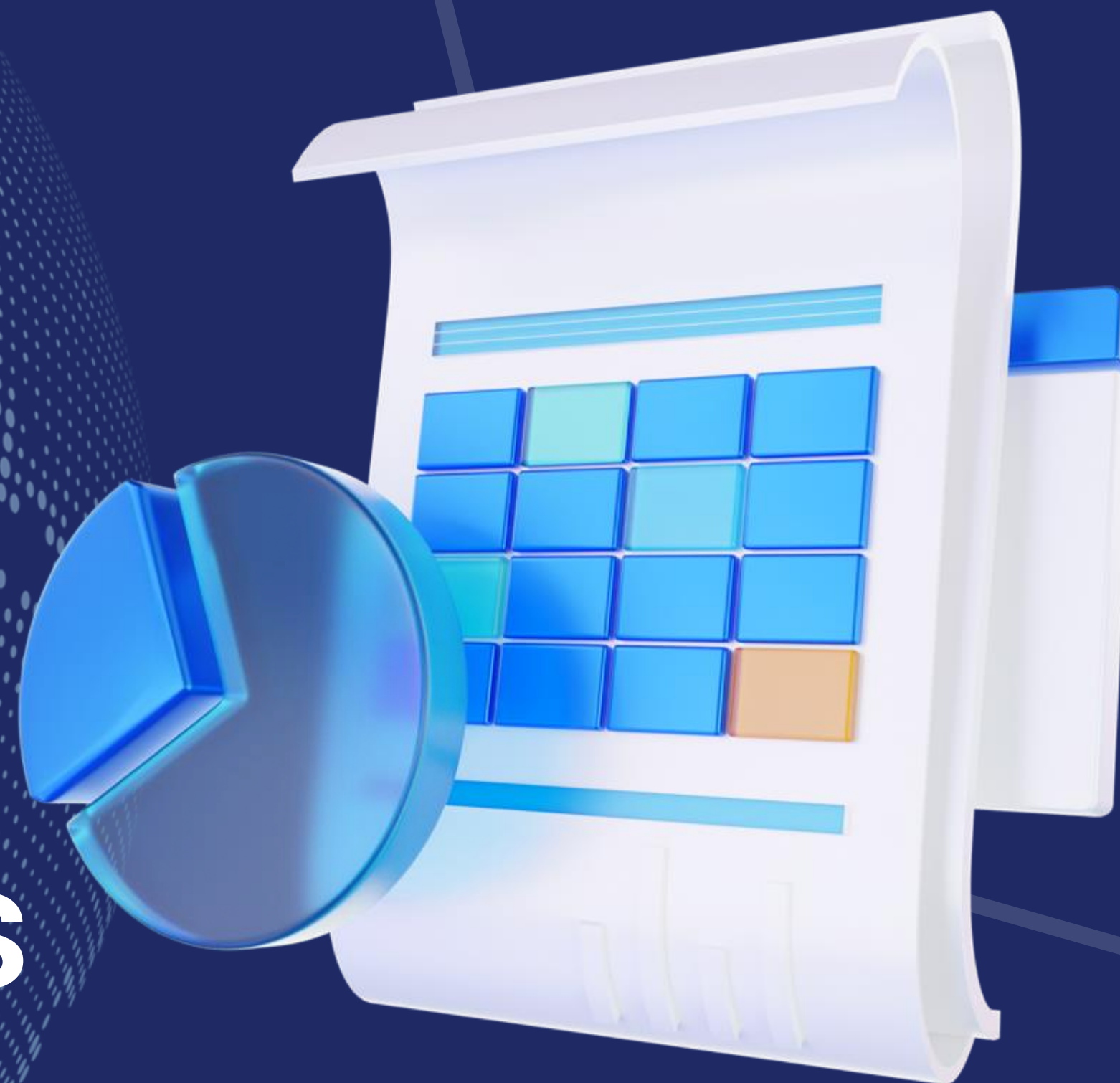
NAV<sup>(3)</sup> growth: 28% in USD

NAV<sup>(3)</sup> discount: 43%

(1) Non-bank (2) Non-bank operational (3) Please refer to Appendix for the details of our NAV.



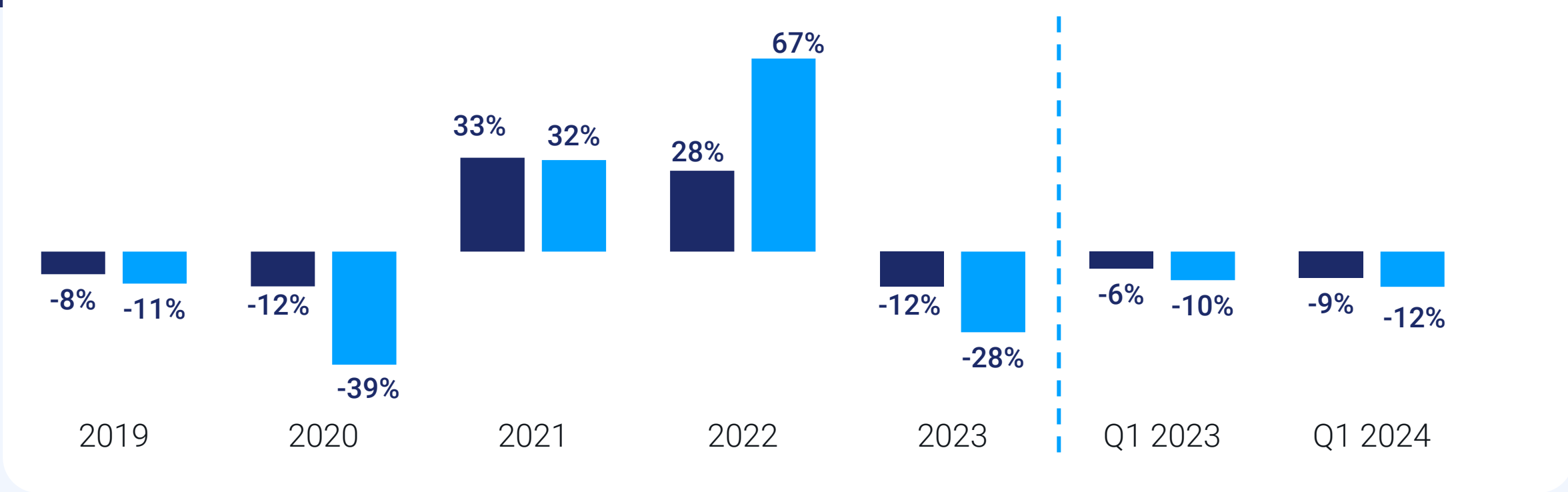
# Combined Financials Q1 2024 Results



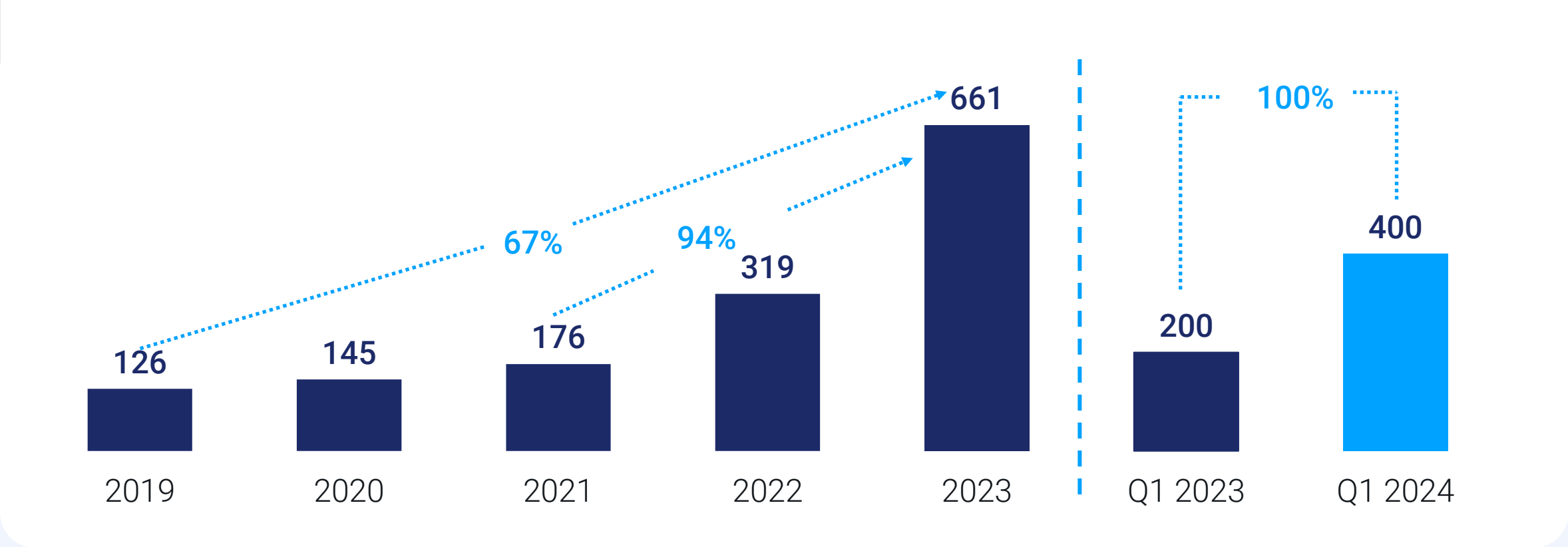
Despite wage adjustments and prevailing inflationary pressures...

Bloomberg Commodity & Energy Index (YoY Change)

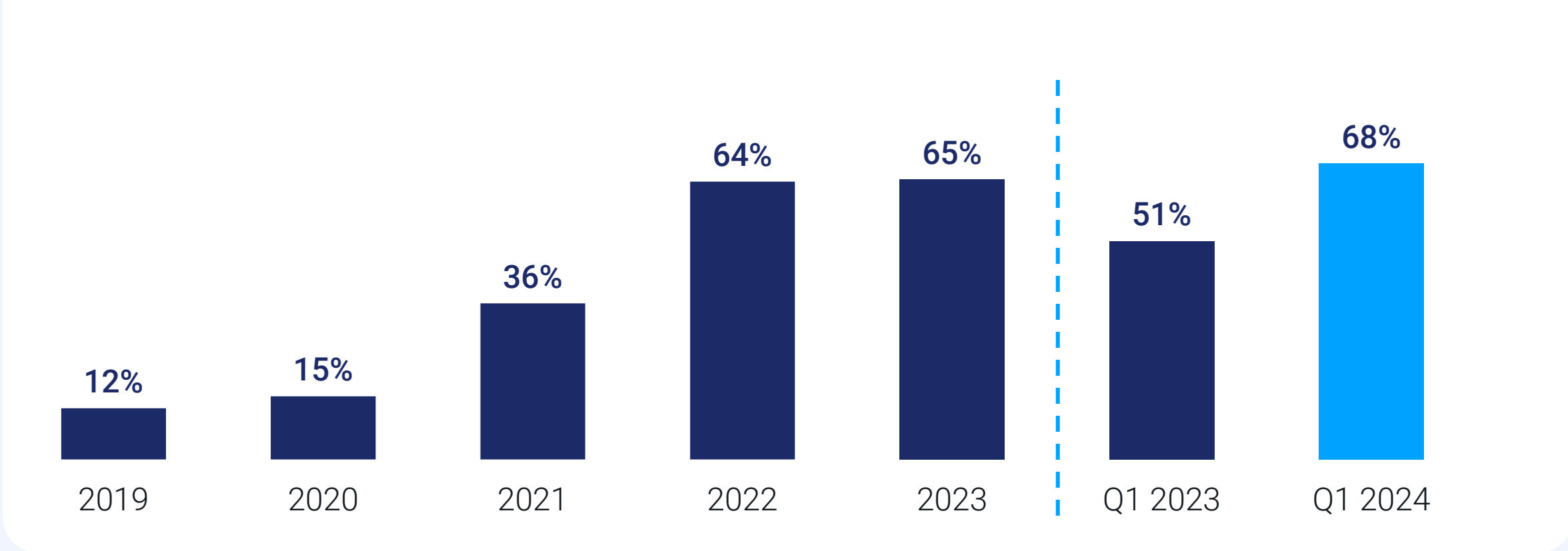
■ Bloomberg Commodity Index   ■ Bloomberg Energy Index



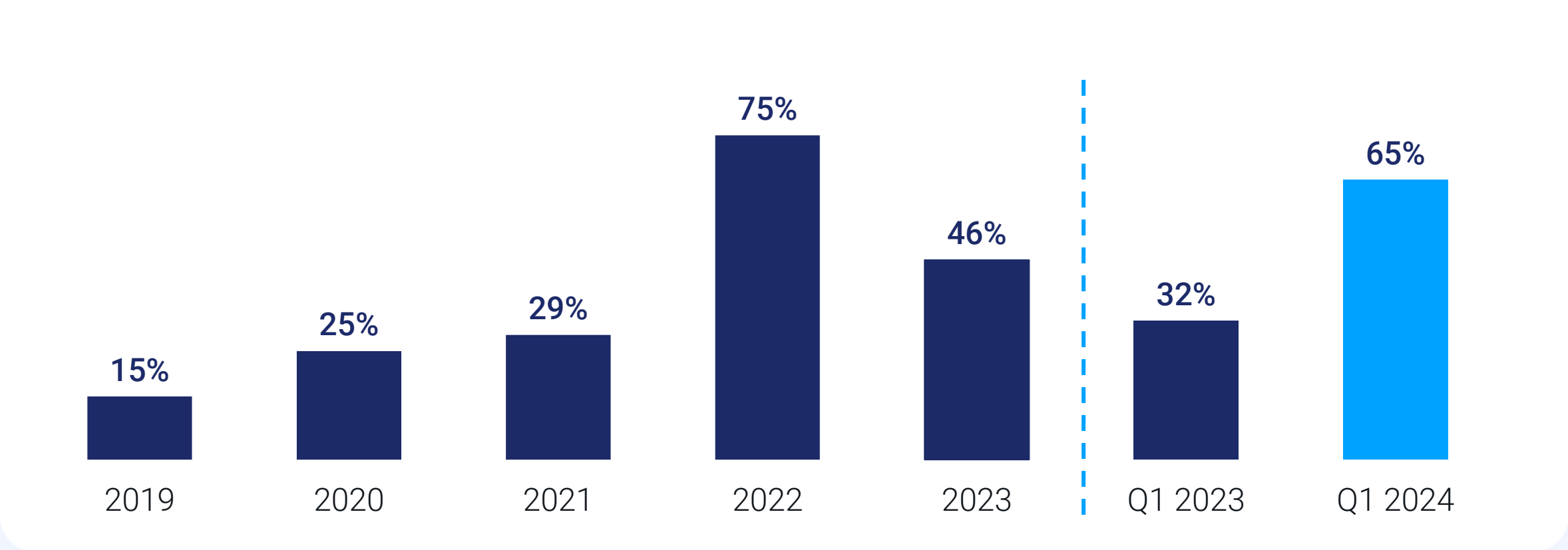
Wage Increase<sup>(1)</sup> (Minimum Wage, Gross)



Annual Turkish Consumer Price Index (YoY Change)



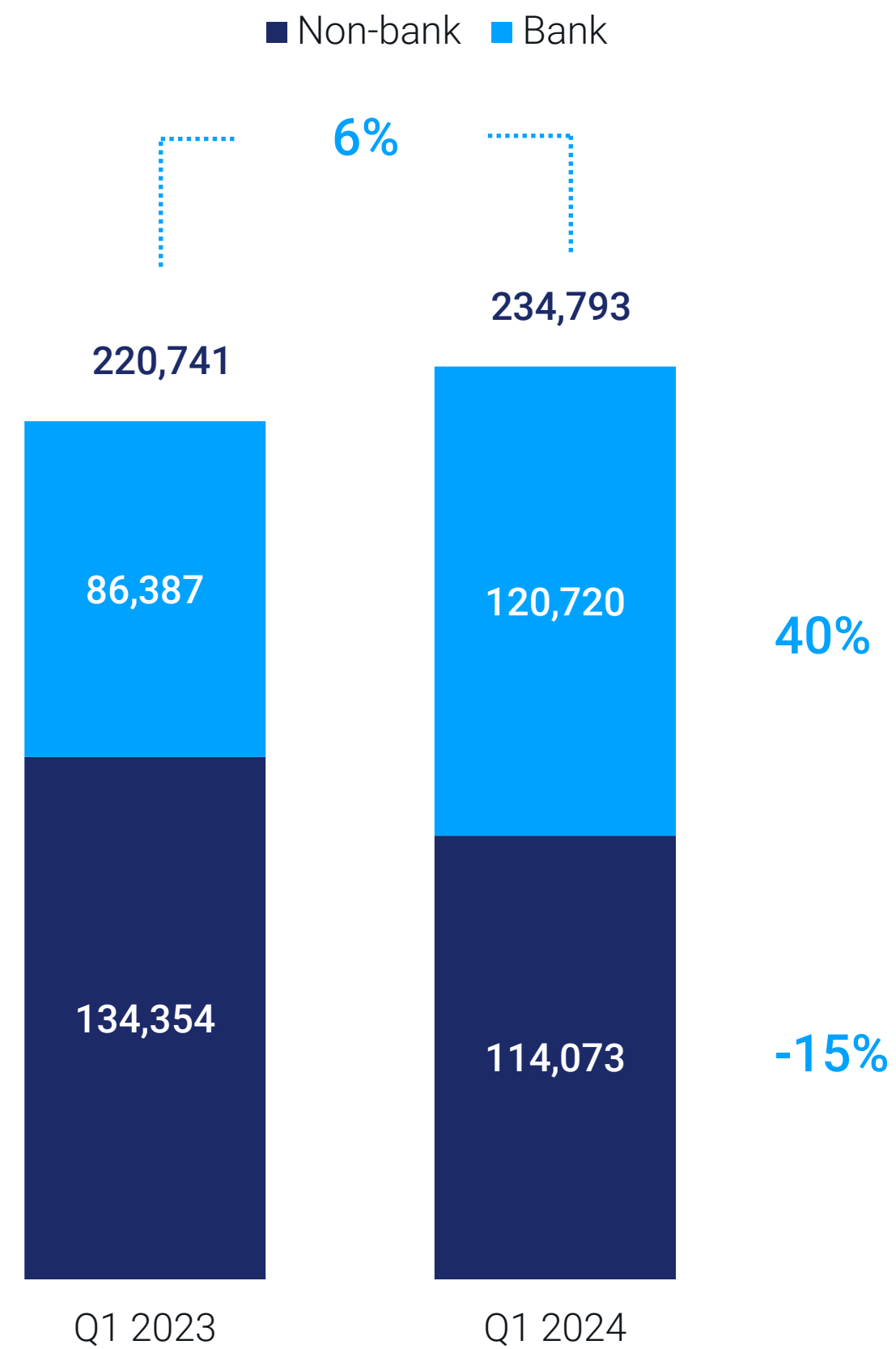
Average Foreign Exchange Rates<sup>(2)</sup> Change (YoY Change)



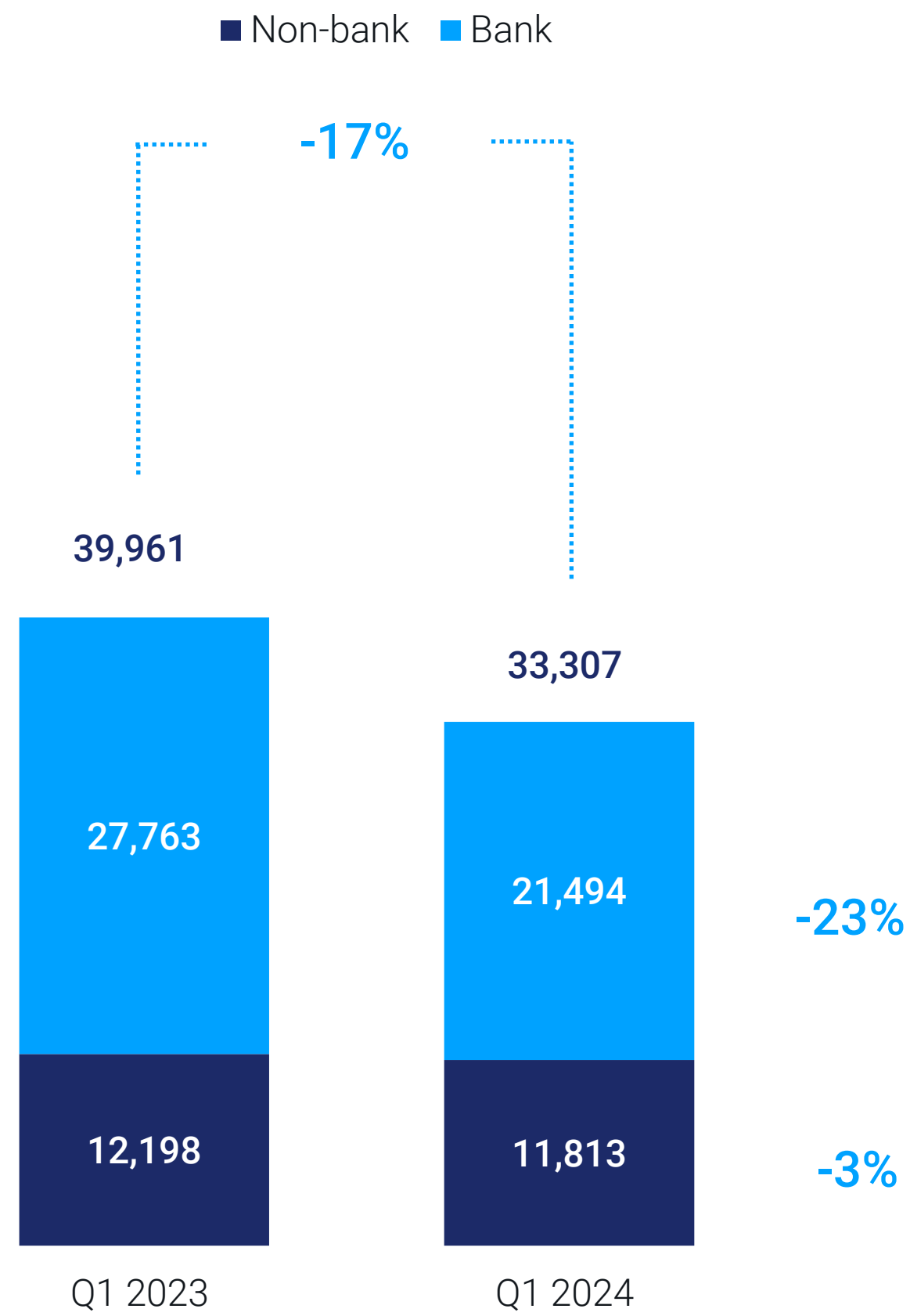
(1) Years are indexed to 2018=100  
(2) Basket (0.5USD+0.5EUR)

## ...solid non-bank operational performance maintained with EBITDA margin expansion

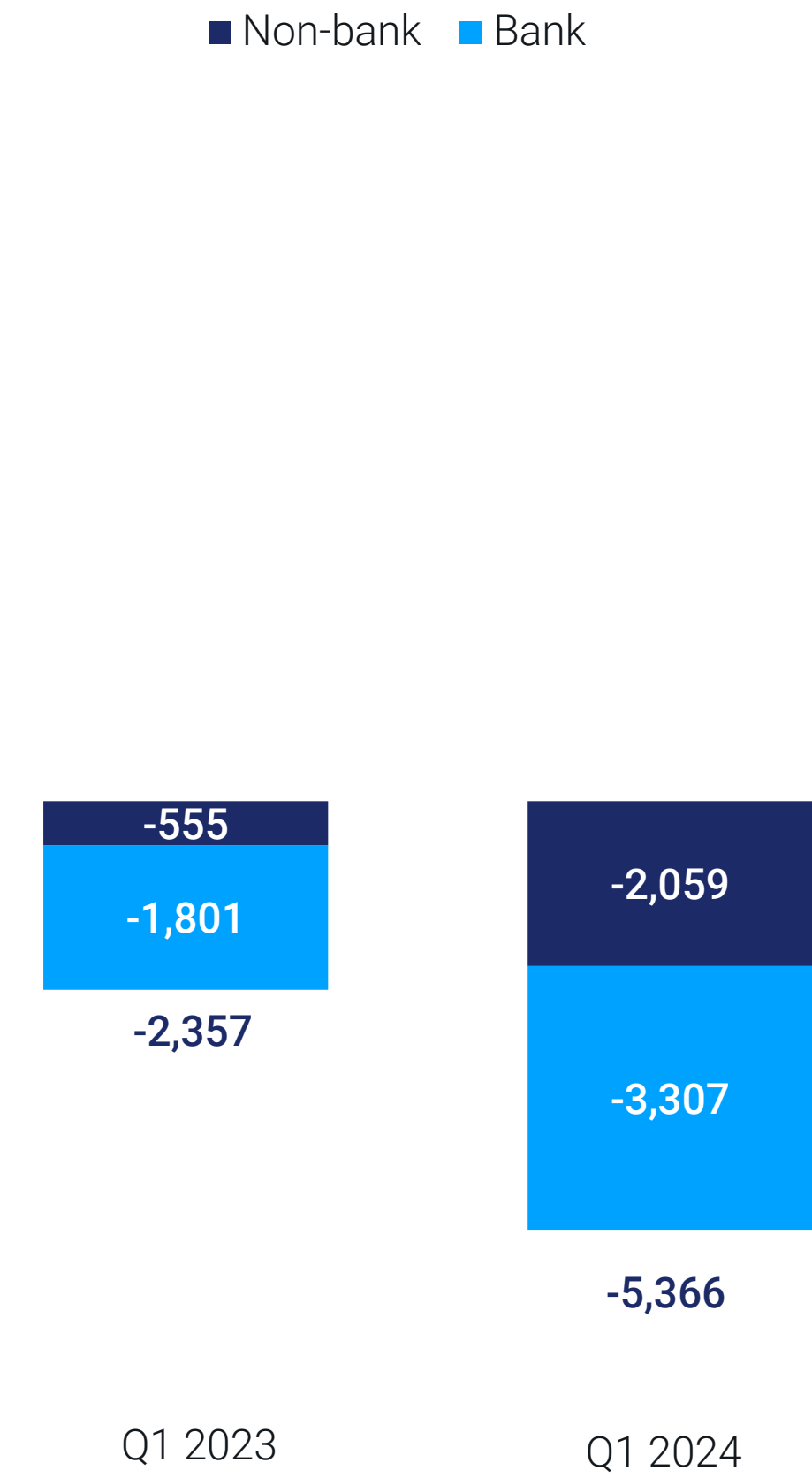
Combined Revenue (TL mn)



Combined EBITDA (TL mn)

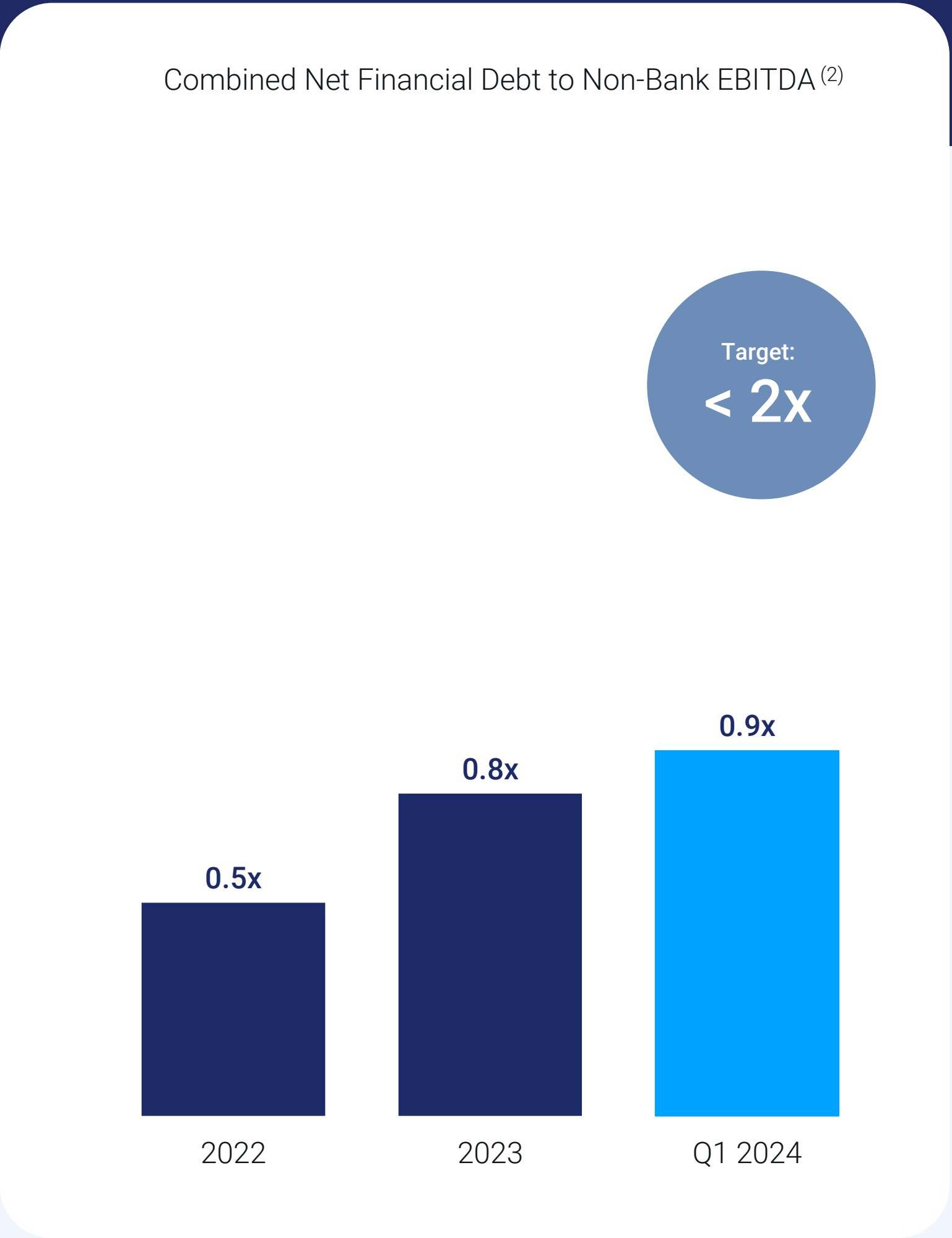
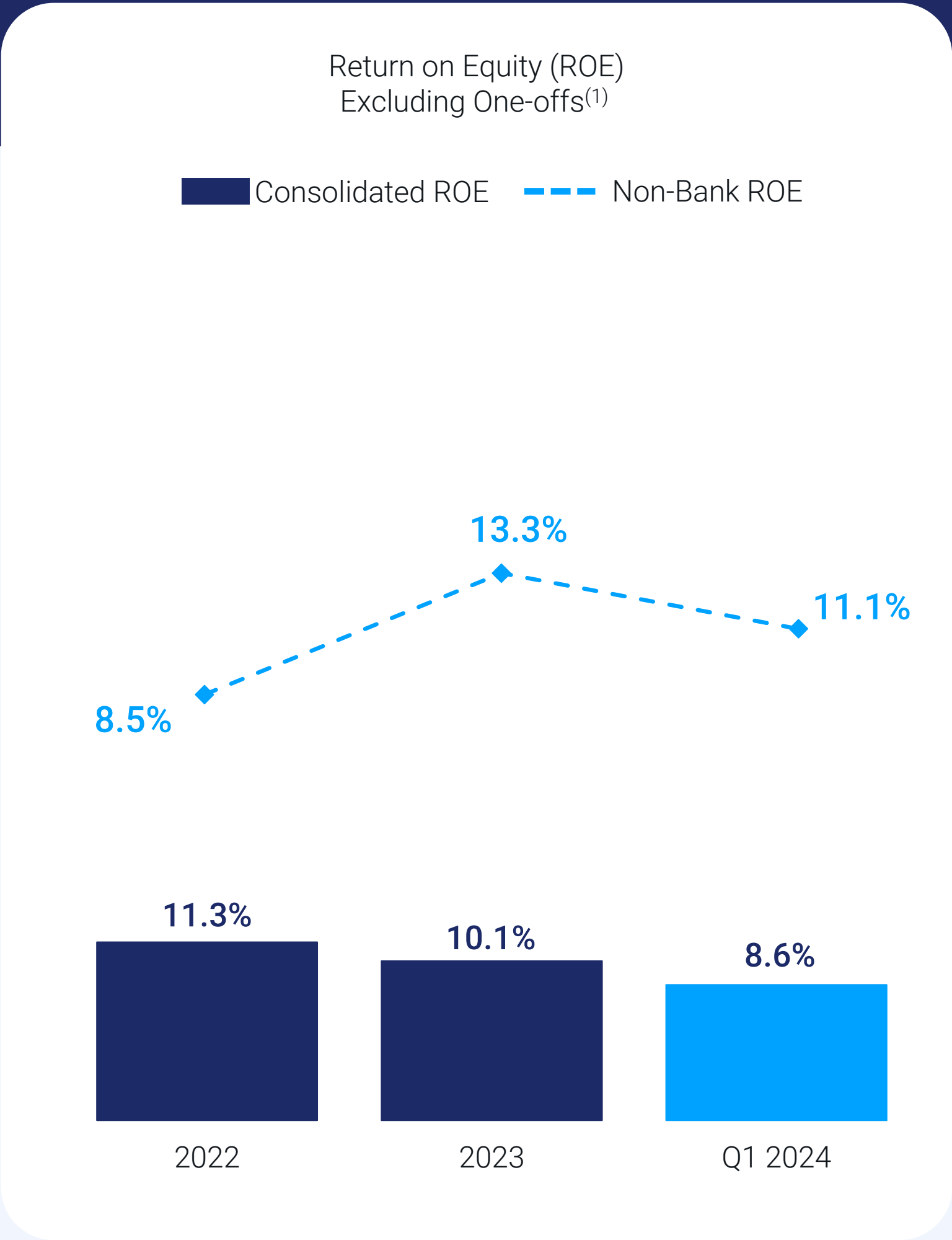
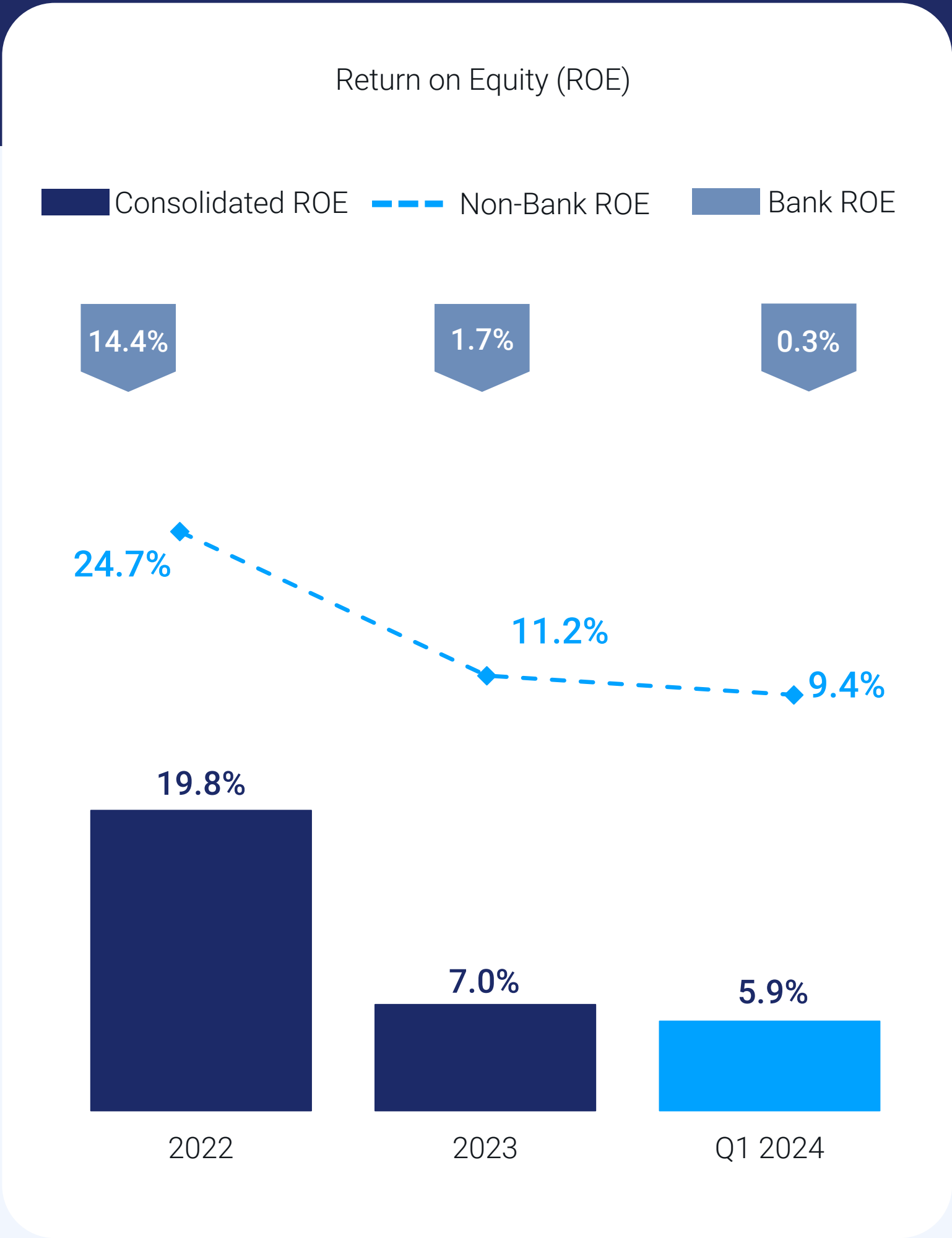


Consolidated Net Income (TL mn)



(1) Combined Revenue excludes Holding dividend income. Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses.

# ROE continues to reflect the impact of inflation accounting, indebtedness remained below target

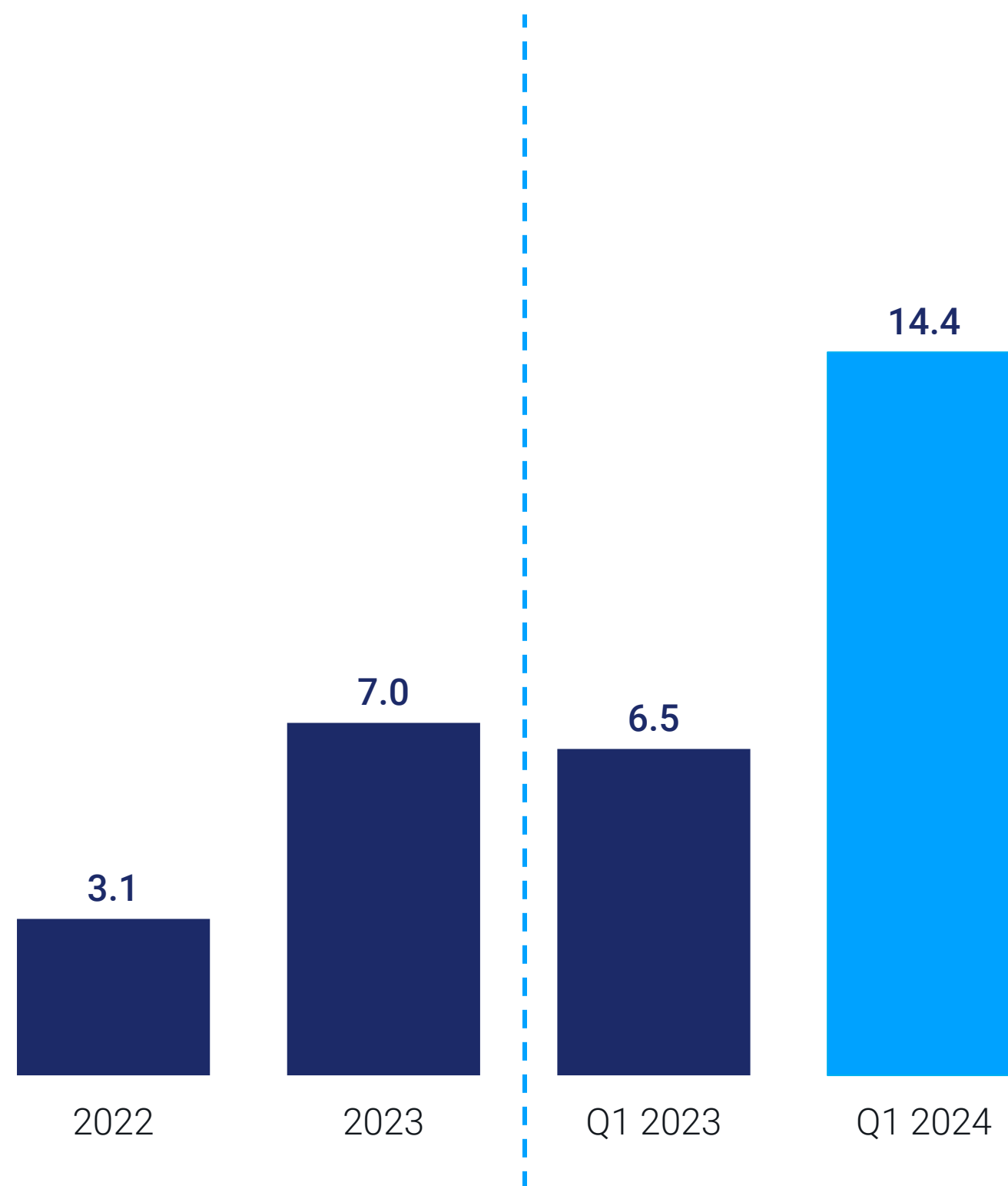


(1) One-offs amounting to TL18.1 bn includes asset valuation, Philsa sales gain and Çimsa sales gain (Kayseri-Niğde facilities) for 2022, TL15.6 bn includes asset revaluation, earthquake related spendings and early retirement payments for 2023 and TL1.1 bn includes asset revaluations and several provisions for Q12024.

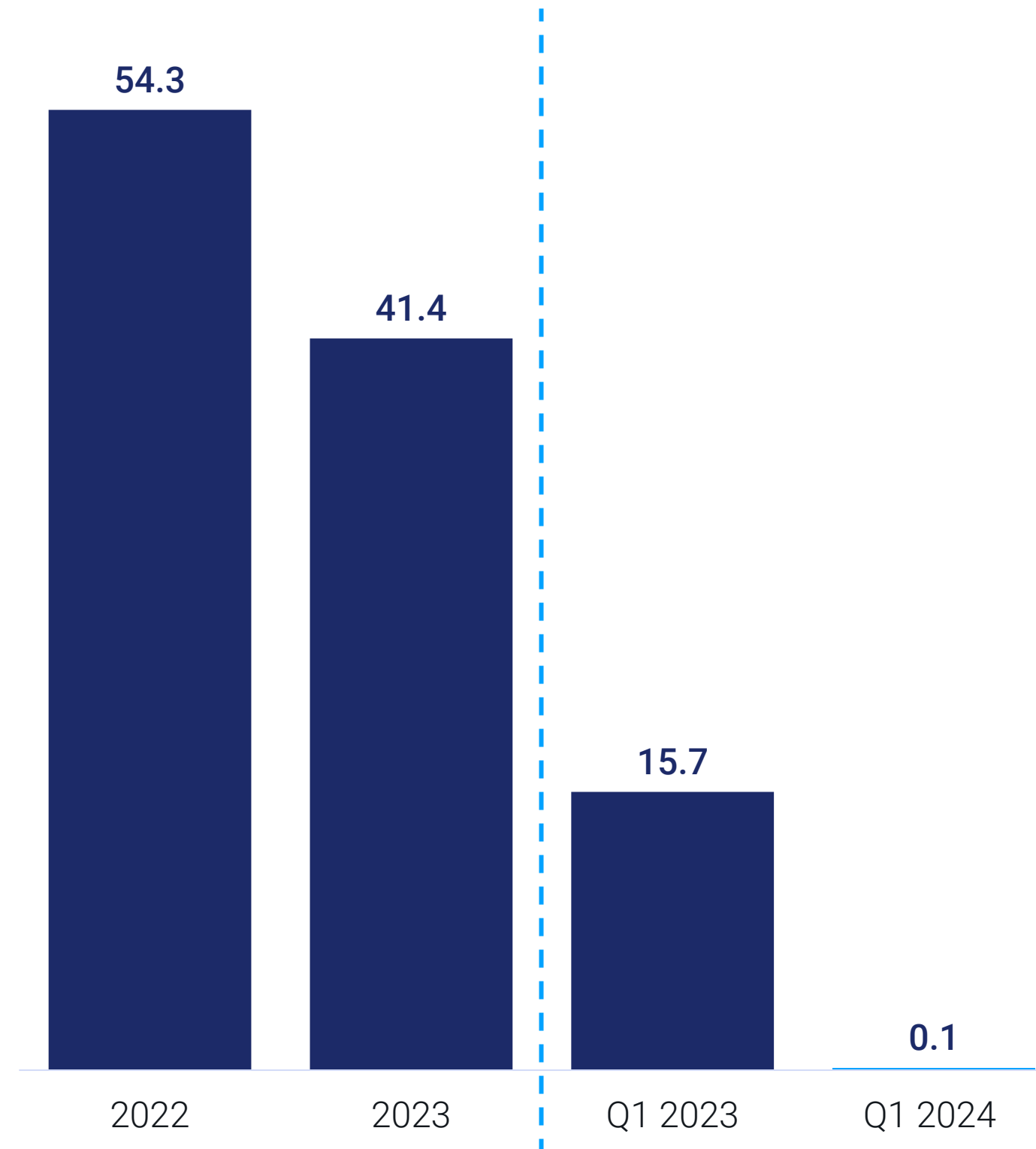
(2) Excludes Banking, net cash position of financial services.

## Holding cash more than doubled, investments accelerated

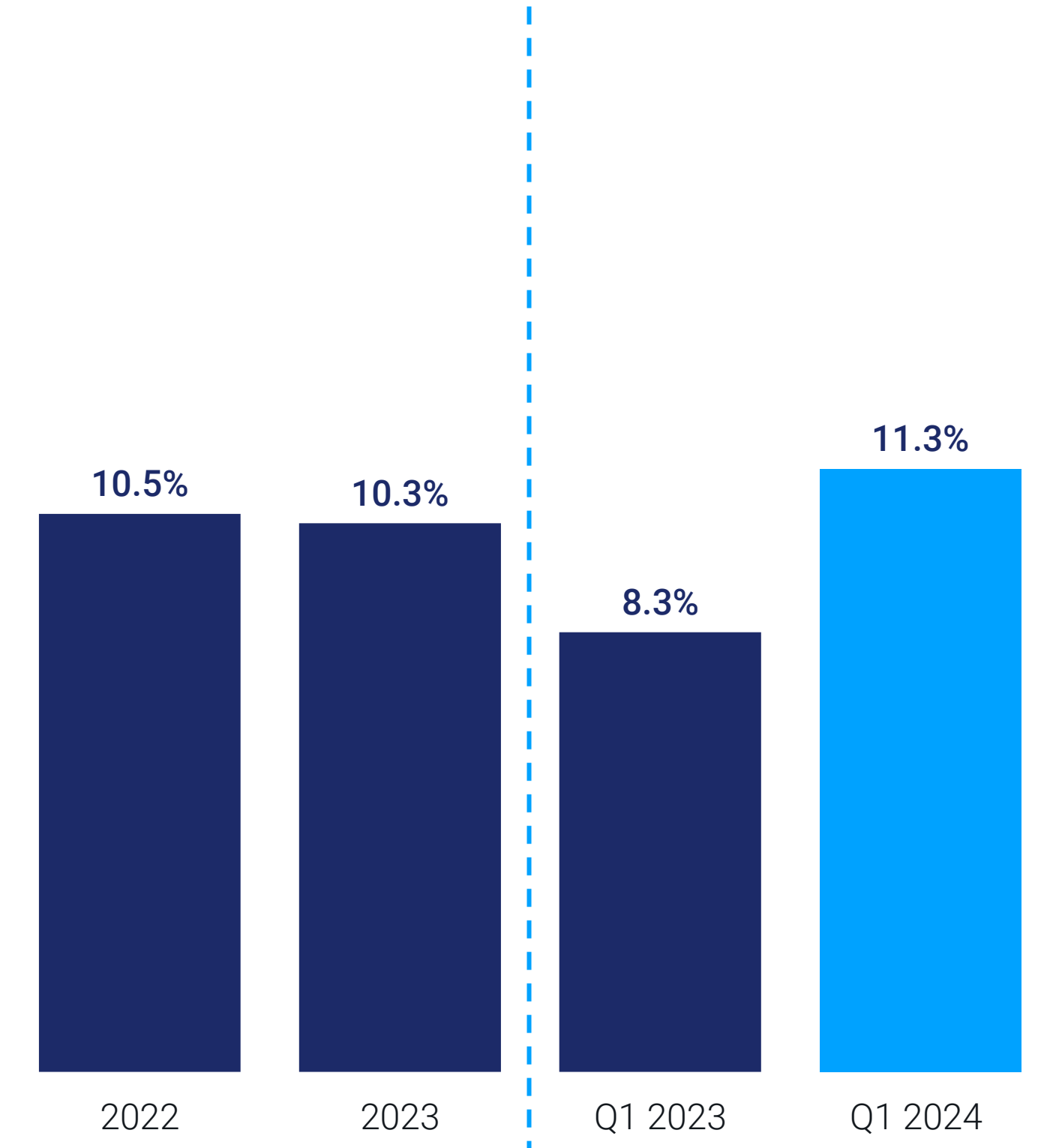
Holding Only - Net cash position (TL bn)



Operational Cash Flow, Combined for Non-Bank <sup>(1)</sup> (TL bn)



Non-Bank Capex/Sales



(1) Excludes Banking, net cash position of financial services. OCF figures for 2022, 2023 and Q1 2023 are different from those previously disclosed as they have been restated to reflect the purchasing power of the related period in accordance with inflation accounting





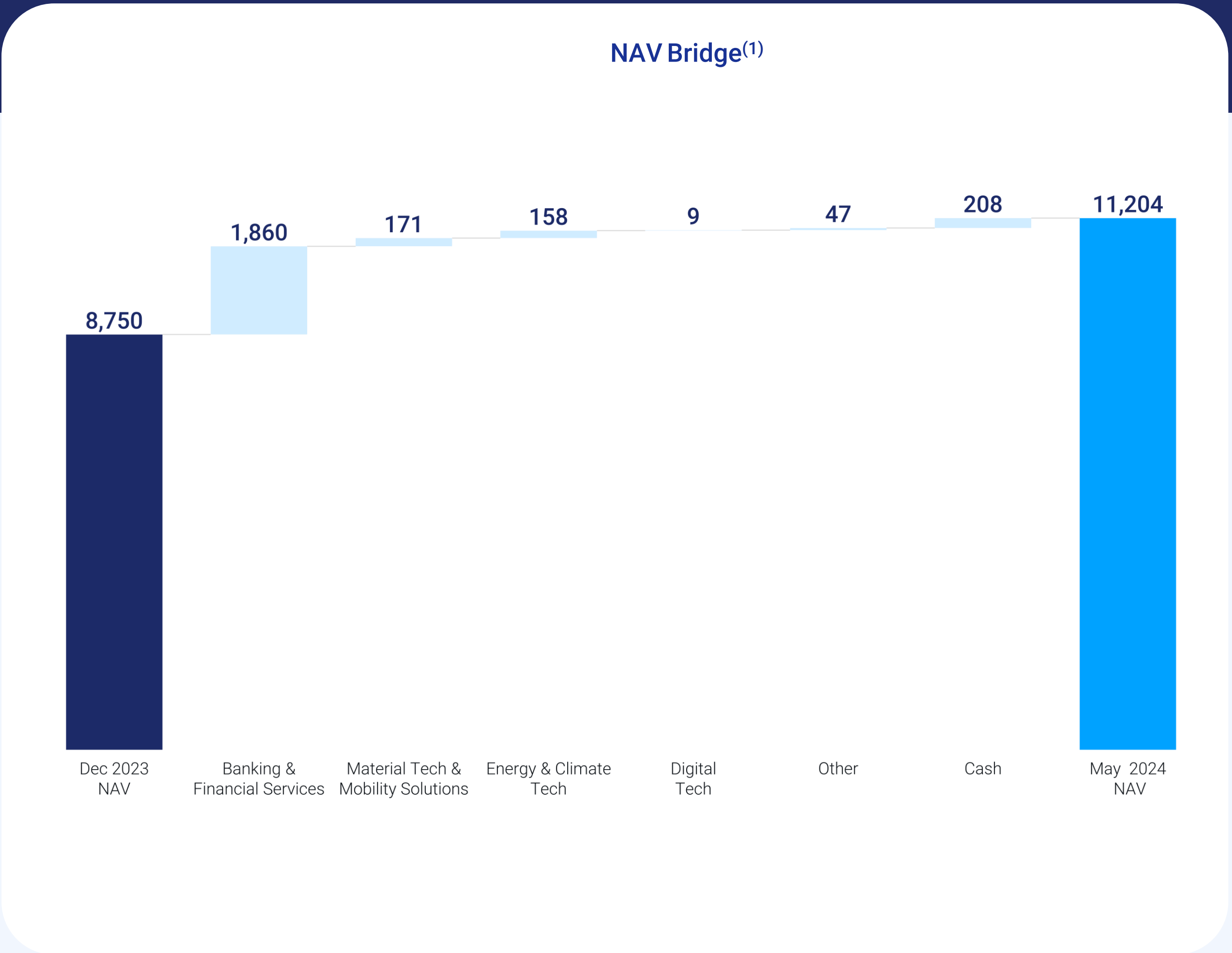
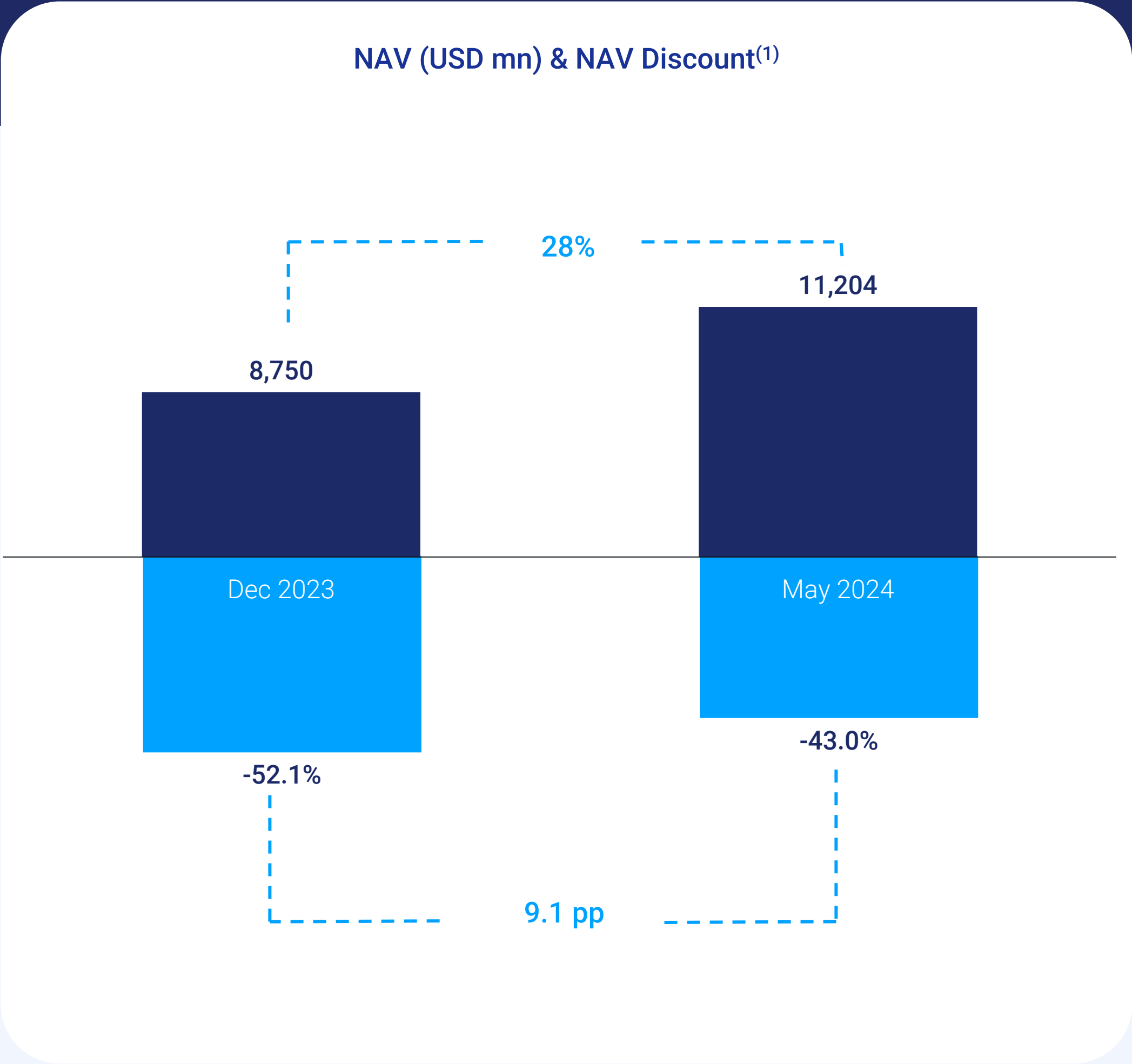
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/03

# NAV & Stock Performance



# Strong NAV growth with an attractive discount

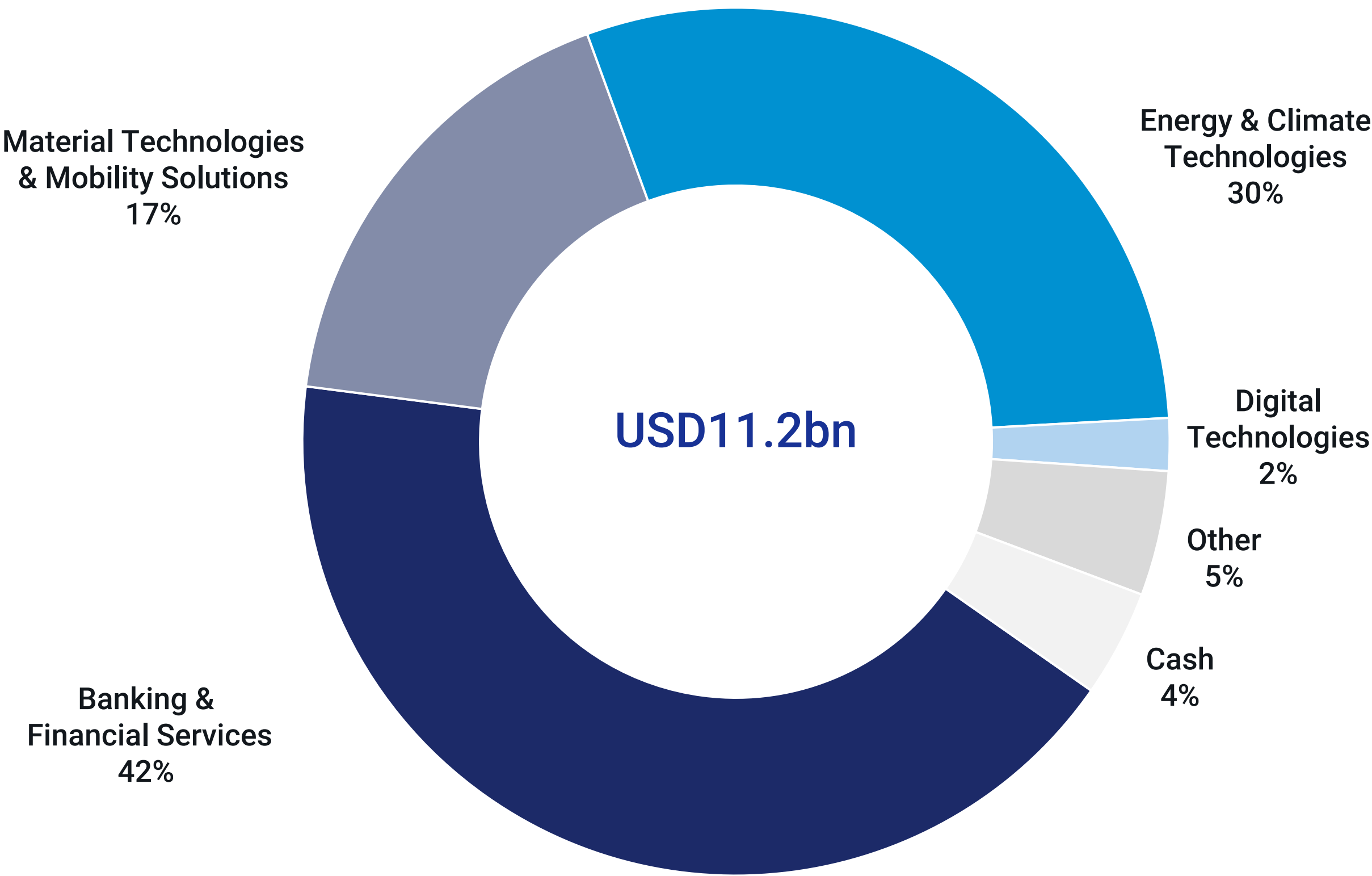


(1) Please refer to page 26 for the details of NAV.



# A more balanced portfolio with increasing share of new economy

May 2024 NAV Breakdown Based on Independent Valuation for Unlisted Assets<sup>(1)</sup>



(1) Please refer to page 26 for the details of NAV.

# Segment Financials





# Bank / Superior customer acquisition with customer-driven revenue growth in focus

## Key Financial Metrics

	Q1 2023	2023	Q1 2024	Y/Y Change	YTD Change
Leverage	8.2x	<b>9.0x</b>	<b>9.7x</b>	1.5x	0.7x
CIR <sup>(1)</sup>	40.3%	<b>32.7%</b>	<b>52.8%</b>	-12.5 pp	20.1 pp
CAR <sup>(2)</sup>	18.4%	<b>18.5%</b>	<b>17.3%</b>	-1.1 pp	-1.2 pp
Tier-1 <sup>(2)</sup>	15.6%	<b>15.6%</b>	<b>14.6%</b>	-1.0 pp	-1.0 pp

## Key Ratios

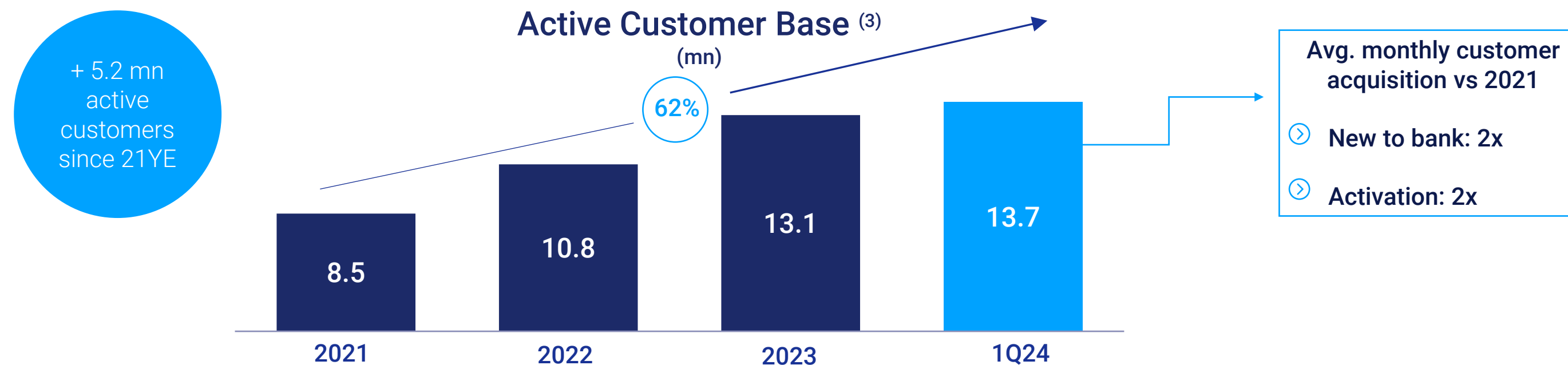
	Q1 2023	2023	Q1 2024	Y/Y Change	YTD Change
ROE	27.9%	<b>37.9%</b>	<b>24.9%</b>	-3.0 pp	-13.0 pp
ROA	3.6%	<b>4.4%</b>	<b>2.7%</b>	-0.9 pp	-1.7 pp
NIM (swap adj.)	5.0%	<b>4.7%</b>	<b>2.7%</b>	-2.3 pp	-2.0 pp

## Current Assessment

- Started the year as projected with RoE of **24.9%** & RoA of **2.7%**
- Achieved **17.3%** CAR; **14.6%** Tier-1 <sup>(2)</sup> leading to superior capital buffers despite dividend payment & sector wide once a year operational risk impact
- Continued agile & prudent ALM with maturity mismatch & regulatory compliance in focus
- Sustained strong momentum in customer acquisition (**+0.6 mn** YtD) <sup>(4)</sup>, with cumulative increase since 21YE exceeding 60%
- Preserved high yielding small ticket focus with **90 bps** market share <sup>(5)</sup> gain in consumer loans (+300 bps in 2023)

## Factors to Watch

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



Figures are based on consolidated BRSA financials as banks are exempt from inflation accounting for 2024 whereas bank's contribution to Holding's financial is based on inflation Figures in tables are based on consolidated BRSA financials as banks are exempt from inflation accounting for 2024. Whereas bank's contribution to Holding's financials are subject to inflation accounting adjustment.

(1) CIR calculation excludes FX gain from hedge position related with stage 1&2 provisions (2) w/o forbearances. Forbearance: Fixing MtM losses of securities & FX rate for RWA calculation to 26.06.2023 FX rate for 2024 (3) Based on MIS data (4) Net active customer (5) Market share data based on bank only BRSA weekly data as of 29.03.2024, among private banks

# Energy / Increasing investments with the start of the new capex cycle started to weigh on quarterly financial results

## Energy Segment Summary Financials<sup>(1)</sup>

MILLION TL	Q1 2023	Q1 2024	Change
REVENUE	69,014	<b>44,586</b>	-35%
EBITDA	7,945	<b>8,108</b>	2%
EBITDA MARGIN	11.5%	<b>18.2%</b>	
NET INCOME	877	<b>-1,279</b>	n.m

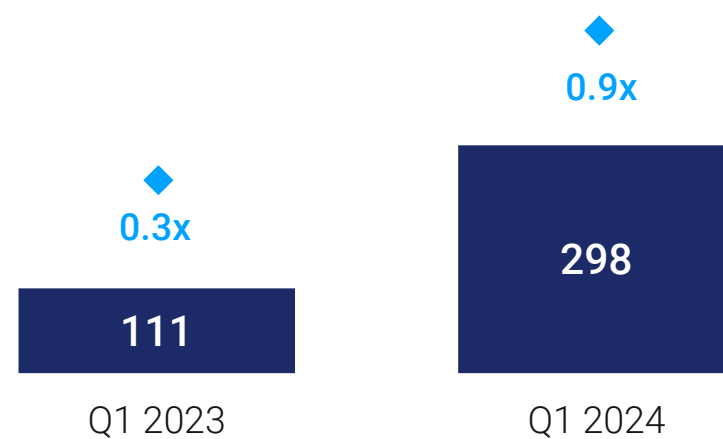
## Enerjisa Generation Summary Financials<sup>(1)</sup>

MILLION TL	Q1 2023	Q1 2024	Change
REVENUE	19,461	<b>10,081</b>	-48%
EBITDA	4,770	<b>1,783</b>	-63%
EBITDA MARGIN	24.5%	<b>17.7%</b>	
NET INCOME	3,482	<b>1,514</b>	-57%

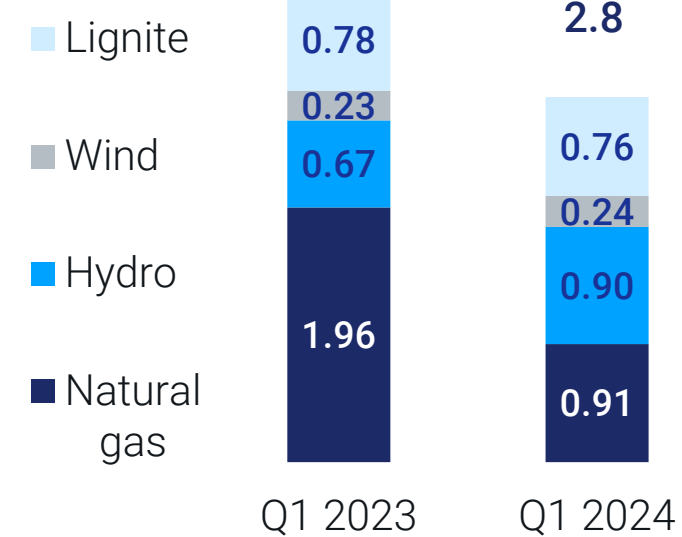
(1) Before consolidation adjustments, combined

### Generation's Debt Profile (EUR mn)

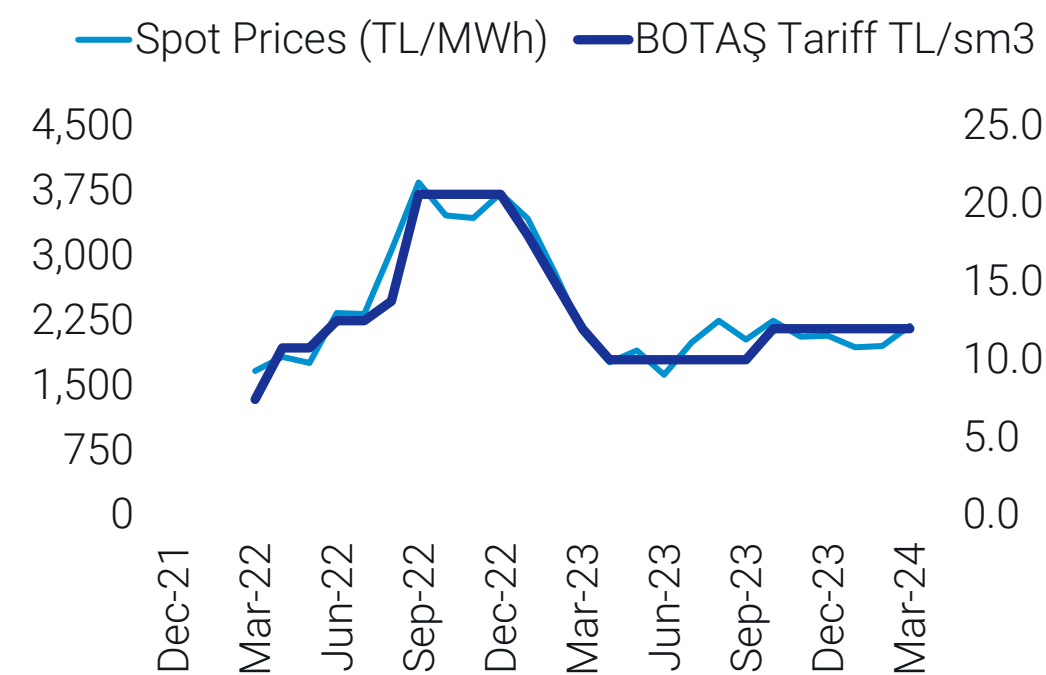
■ Net debt ◆ Net debt/EBITDA



### Generation volume (TWh)



### Spot Prices vs BOTAŞ Tariff



## Current Assessment

- **Distribution & Retail & Customer Solutions :** Higher capex reimbursements, yet higher financing cost & deferred tax asset impact
- **Generation & Energy Trading:** Lower electricity prices and lower spark spread, in spite of a strong hydrology

## Factors to Watch

- Electricity demand, national tariff, spot prices & global commodity prices
- Hydrology & wind regime
- Inflation, FX & interest rates



# Building Materials/ Increasing inflationary pressures had an impact on profitability in short-term

Building Materials Summary Financials<sup>(1)</sup>

MILLION TL	Q1 2023	Q1 2024	Change
REVENUE	11,428	10,554	-8%
EBITDA	1,829	1,135	-38%
EBITDA MARGIN	16.0%	10.8%	
NET INCOME	1,029	202	-80%

(1) Before consolidation adjustments, combined

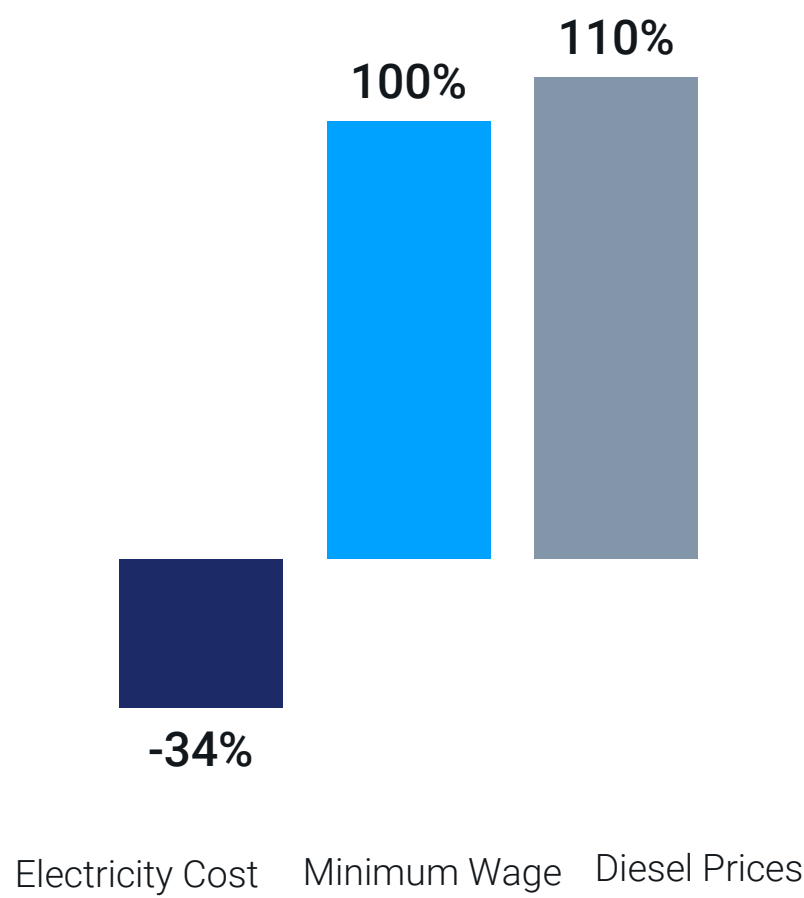
## Current Assessment

- Competition in export market
- Strong domestic demand
- Declining profitability due to increasing fixed & transportation costs despite lower energy costs

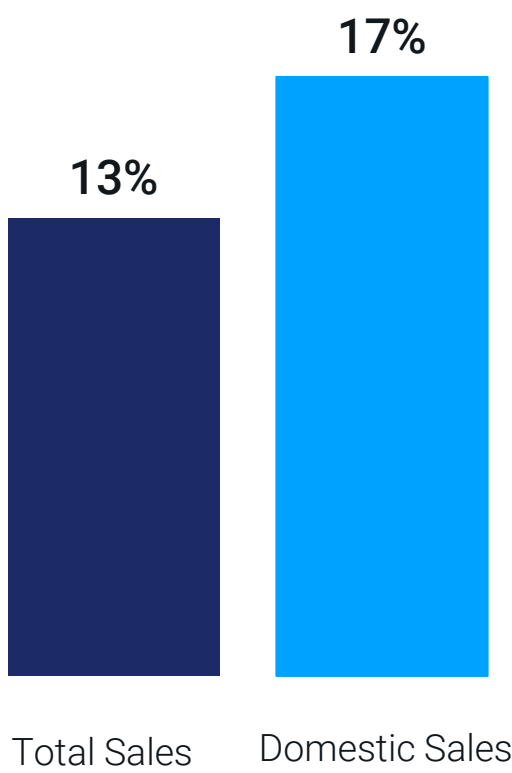
## Factors to Watch

- Continuation of strong demand in the domestic market
- Sales mix optimization
- Carbon footprint & fuel mix optimization

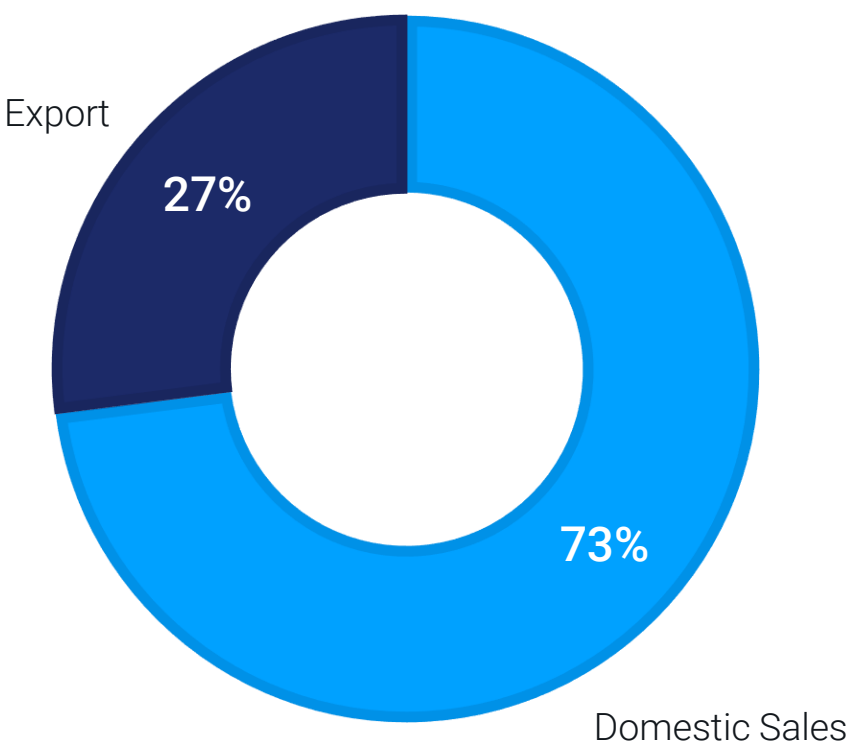
Yoy Change in Cost Drivers in Q1 2024



Q1 2024 Sales Volume YoY Growth



Q1 2024 Sales Breakdown



\*Grey business only

# Industrials / Solid margin improvement on better sales mix

Industrials Summary Financials<sup>(1)</sup>

MILLION TL	Q1 2023	Q1 2024	Change
REVENUE	18,963	<b>18,453</b>	-3%
EBITDA	2,215	<b>2,641</b>	19%
EBITDA MARGIN	11.7%	<b>14.3%</b>	
NET INCOME	530	<b>886</b>	67%

(1) Before consolidation adjustments, combined

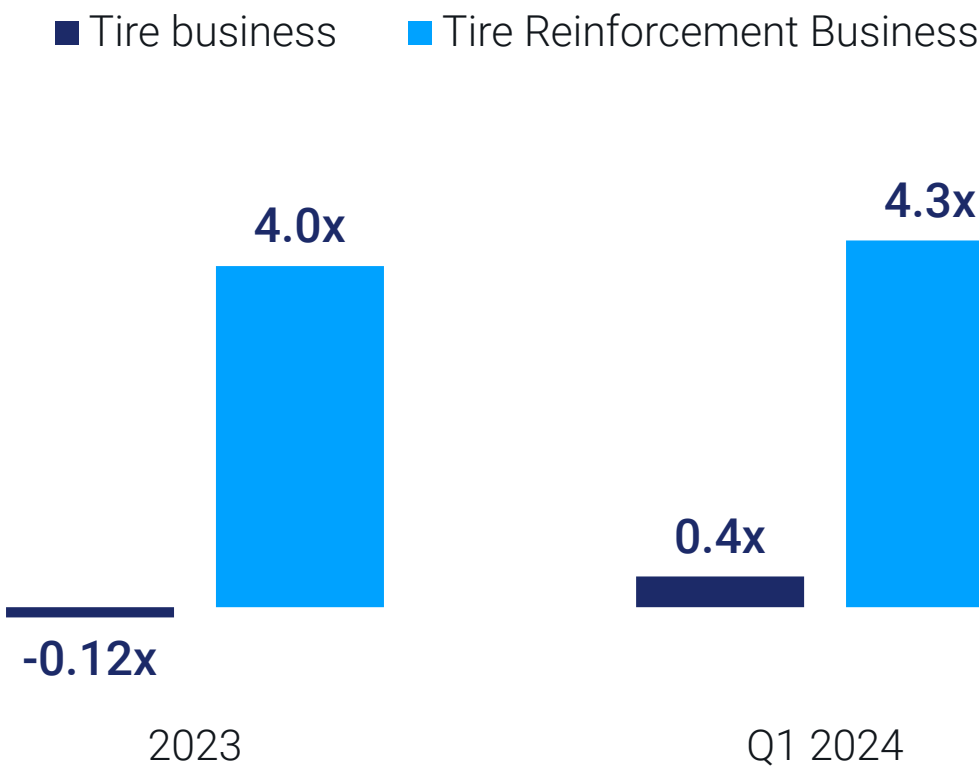
## Current Assessment

- Strong domestic demand in tire business
- Higher contribution of composite business
- Improvement signals started for high profit Tire Cord Fabric business

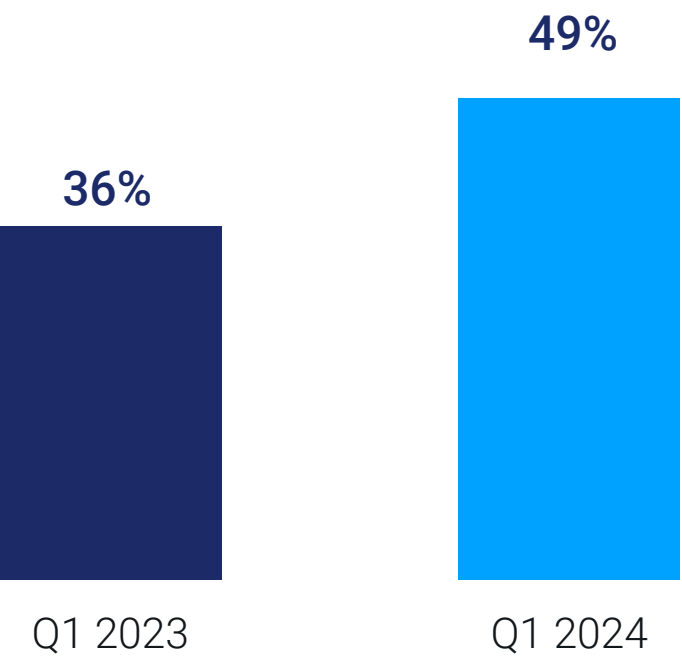
## Factors to Watch

- Global recession & demand dynamics
- Pricing vs. commodity prices
- Effective working capital management
- Inflation & FX trends

Net Financial Debt/ EBITDA



Share of High-margin<sup>(2)</sup> Products in Segment's Revenue



(2) Tire Replacement, Composite and Bus



# Financial Services / Solid premium generation failed to pass through to the bottom-line due to high monetary assets

Financial Services Summary Financials<sup>(1)</sup>

MILLION TL	Q1 2023	Q1 2024	Change
REVENUE	11,574	13,258	15%
EBITDA	959	-13	n.m
LIFE	271	-342	n.m
NON-LIFE	688	328	-52%
NET INCOME	-784	-783	0%
LIFE	-167	-478	-187%
NON-LIFE	-617	-304	51%

(1) Before consolidation adjustments, combined

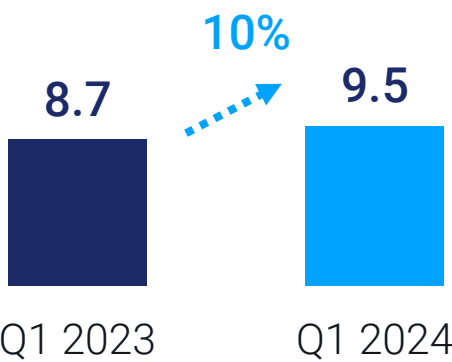
### Current Assessment

- Top-line growth in both businesses
- **Life:** Robust technical profit driven by both Pension and Risk Life businesses
- **Non-Life:** Increasing costs in both Motor and Non-Motor segments overshadowing revenue growth

### Factors to Watch

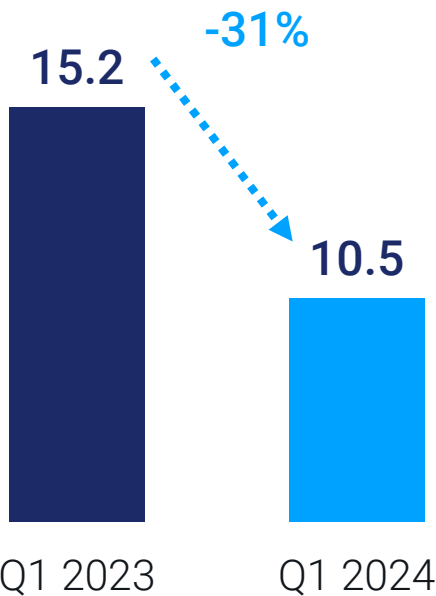
- Regulatory changes
- Macro economic backdrop
- Economic growth & volatility in TL

Non-life GWP <sup>(2)</sup> (TL bn)



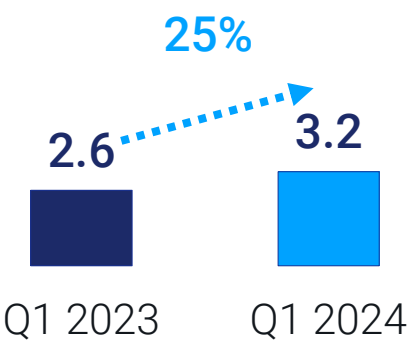
(2) Gross Written Premiums

Non-life AUM <sup>(3)</sup> (TL bn)



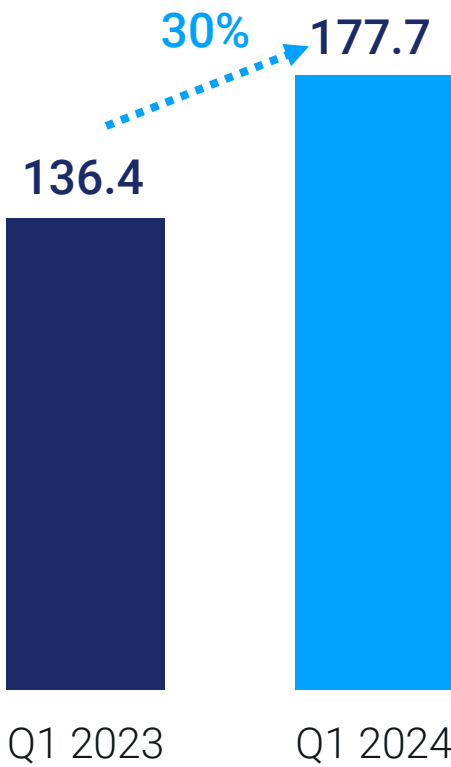
(3) Assets Under Management

Life & Pension GWP <sup>(4)</sup> (TL bn)



(4) Gross Written Premiums

Life & Pension AUM <sup>(5)</sup> (TL bn)



(5) Assets Under Management. Including auto enrolment

# Digital / Solid top-line growth via Omnichannel structure with a stable EBITDA margin

Digital Summary Financials<sup>(1)</sup>

MILLION TL	Q1 2023	Q1 2024	Change
REVENUE	12,014	15,234	27%
EBITDA	173	218	26%
EBITDA MARGIN	1.4%	1.4%	
NET INCOME	179	-293	n.m

(1) Before consolidation adjustments, combined

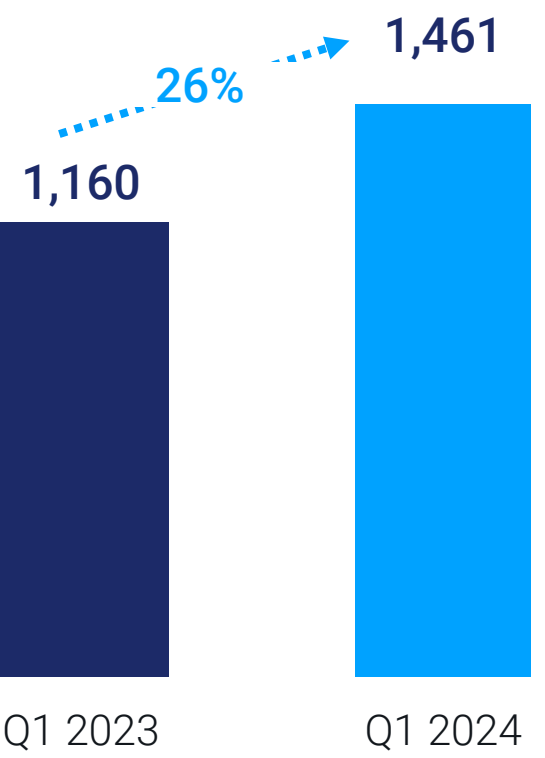
## Current Assessment

- Strong top-line growth beating panel & Techonline market growth
- Higher financing cost
- Ongoing integration process in new digital marketing and cyber security companies

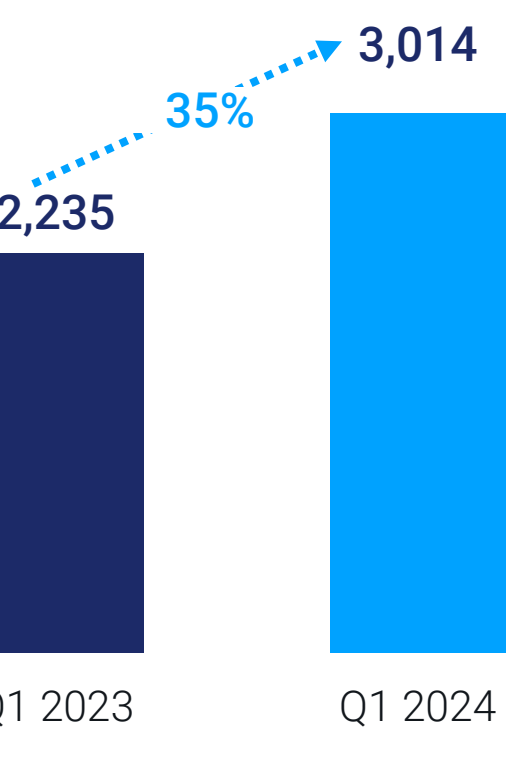
## Factors to Watch

- Consumer sentiment & changing purchasing behavior
- Inflation, interest rate & FX rates

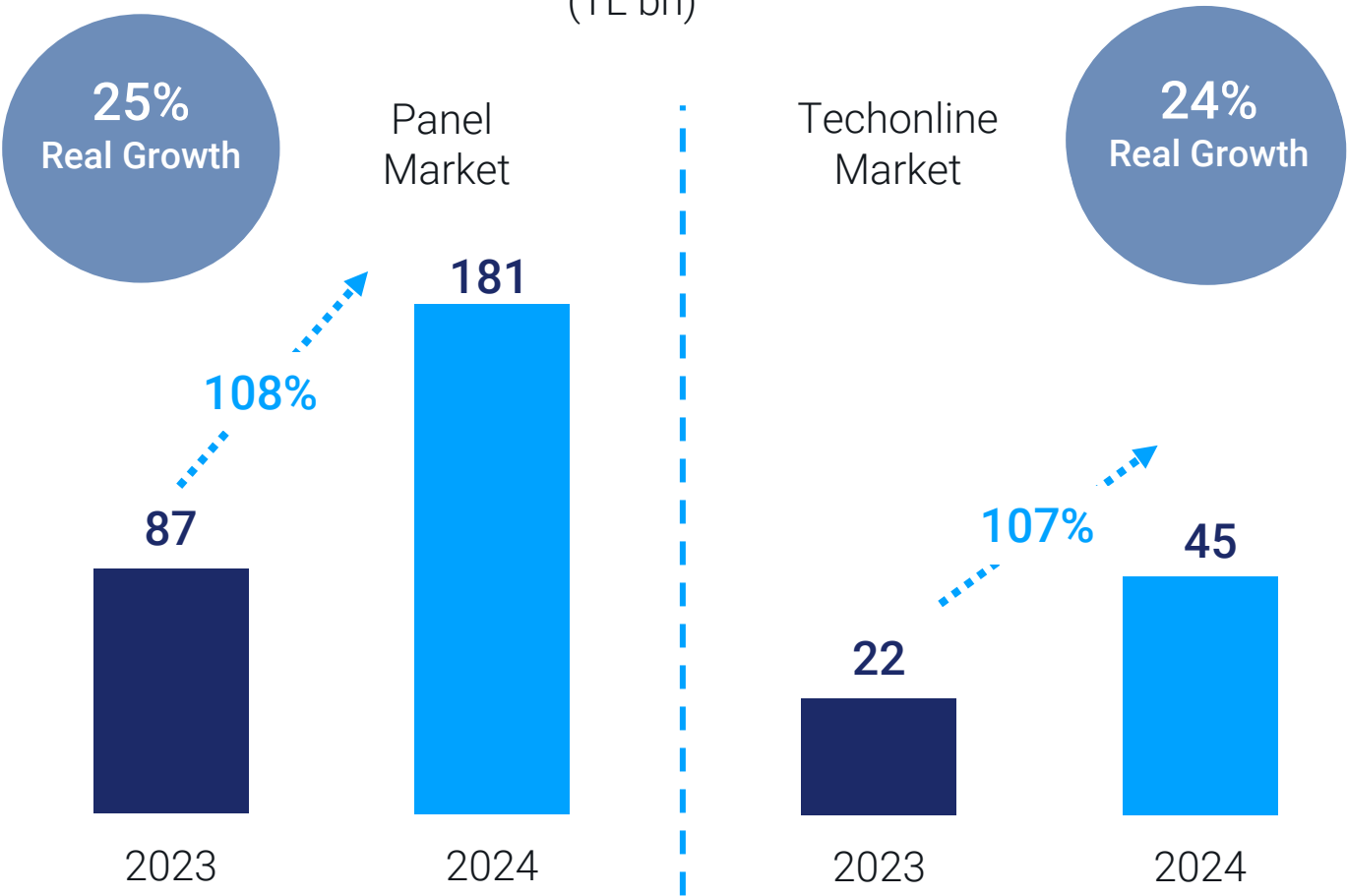
Teknosa E –Commerce Sales (TL bn)



Teknosa E-commerce GMV (TL mn)



Panel & Techonline Market Growth (TL bn)



Source: Growth from Knowledge (GfK)



# Retail / Improvement in operational profitability failed to pass through to the bottom-line on financial expenses

Retail Summary Financials<sup>(1)</sup>

MILLION TL	Q1 2023	Q1 2024	Change
REVENUE	11,321	11,939	5%
EBITDA	-81	83	n.m
EBITDA MARGIN	-0.7%	0.7%	
NET INCOME	104	-171	n.m

(1) Before consolidation adjustments, combined

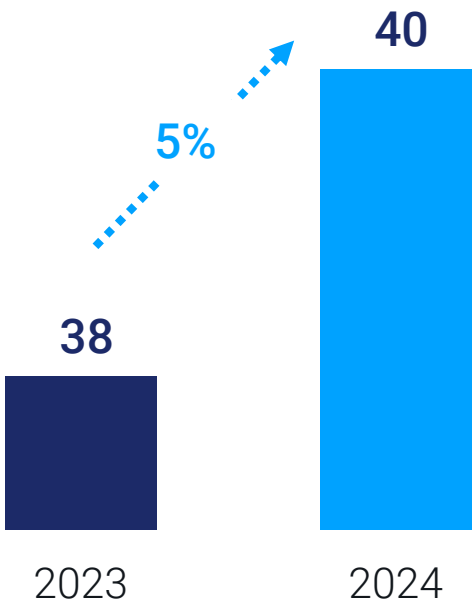
## Current Assessment

- Improvement in alternative channels
- Disciplined cost management
- Higher financing cost

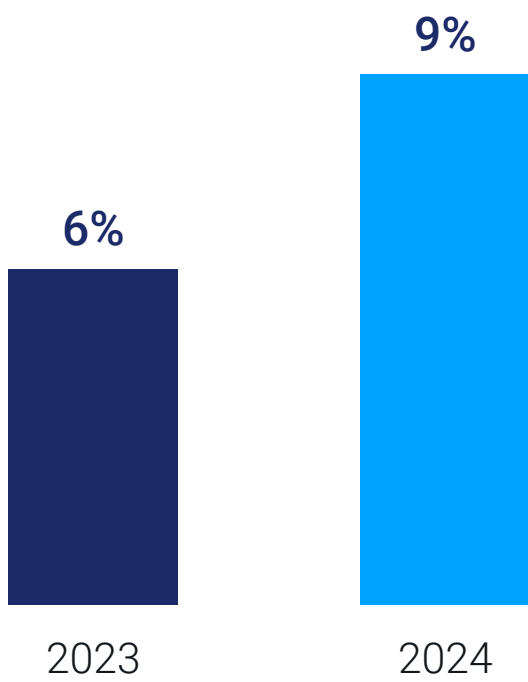
## Factors to Watch

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

Customer (mn)

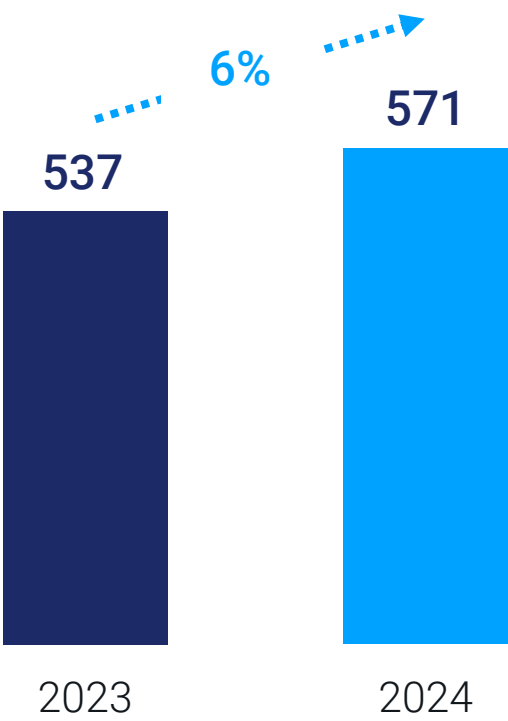


Alternative Channels Share in Revenue<sup>(2)</sup>



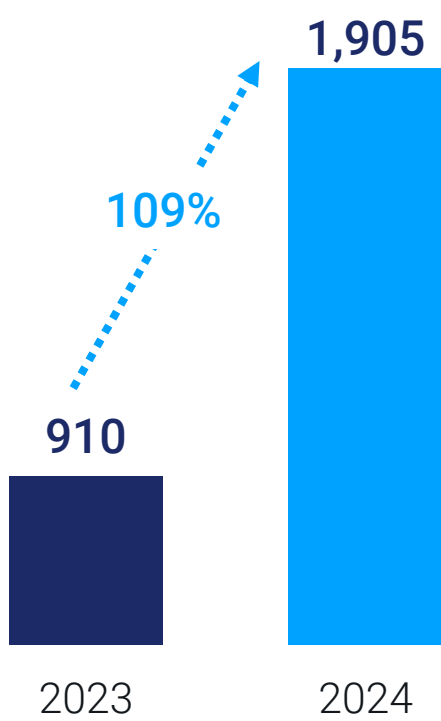
(2) Including E-Commerce, Wholesale, Export, Corporate & Horeca sales

Sales Area <sup>(3)</sup>(km<sup>2</sup>)



(3) Total including franchises

Number of Stores <sup>(4)</sup>



(4) Total including franchises

All data is as of 2024 otherwise stated  
(1) Last 3 months

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- ✓ **Securing the financing** of **Oriana Solar** project
- ✓ **New production line in CAC**, positioning Çimsa as **3<sup>rd</sup>** largest globally
- ✓ **Restructuring** towards **Material Technologies** and **Mobility Solutions**

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- ✓ Capex/Sales<sup>(1)</sup>: **11.3%**
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- ✓ Consolidated ROE: **5.9%**
- ✓ Consolidated Long FX position<sup>(1)</sup>: **USD324mn**



NAV<sup>(3)</sup> growth : 28% in USD

NAV<sup>(3)</sup> discount : 43%

(1) Non-bank (2) Non-bank operational (3) Please refer to Appendix for the details of our NAV.



# Appendix



# Solid non-bank operational performance maintained with EBITDA margin expansion



Excludes non-operational and non-recurring one-off items for w/o IAS29 figures.

(1) Combined Revenue excludes Holding dividend income. Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses.



Dividend Performance

TLmn	2020	2021	2022	2023	2024
Akbank	-	255	494	3,666	4,063
Akçansa	18	42	36	99	457
Aksigorta	73	110	-	-	-
Agesa	64	64	-	60	120
Brisa	12	107	270	479	452
Carrefoursa	-	-	-	-	-
Çimsa	-	-	109	218	545
Kordsa	35	-	114	41	-
Teknosa	-	-	-	-	-
Enerjisa Enerji	283	454	586	1,087	1,318
Sabancı Holding <sup>(1)</sup>	-	-	26	89	14
Unlisted Companies	7	530	479	1,338	2,444
Total dividends received	492	1,562	2,114	7,076	9,414
Total dividends paid out	673	714	1,530	3,571	6,181
Outflows/Inflows	137%	46%	72%	50%	66%
Payout Ratio	17.8%	15.0%	12.7%	8.1%	40.1%

Dividend Policy: 5% - 20% of distributable consolidated net income

(1) Dividends paid to 35.1 million shares representing share buyback as of March 30, 2022 , 50.6 million shares representing share buyback as of March 30, 2023 and 4.85 million shares representing share buyback as of May 2, 2024

Financials in detail

MILLION TL	Combined Revenue			Combined EBITDA			Consolidated Net Income		
	Q1 2023	Q1 2024	Change	Q1 2023	Q1 2024	Change	Q1 2023	Q1 2024	Change
TOTAL	220,741	234,793	6.4%	39,961	33,307	-17%	-2,357	-5,366	-127.7%
BANK	86,387	120,720	39.7%	27,763	21,495	-23%	-1,801	-3,307	-83.6%
NON-BANK	134,354	114,073	-15.1%	12,198	11,813	-3%	-555	-2,059	-270.8%
ENERGY	69,014	44,586	-35.4%	7,945	8,108	2%	619	-380	n.m
INDUSTRIALS	18,963	18,453	-2.7%	2,215	2,641	19%	200	325	62.5%
BUILDING MATERIALS	11,428	10,554	-7.6%	1,829	1,135	-38%	481	129	-73.1%
DIGITAL	12,014	15,234	26.8%	173	218	26%	59	-222	n.m
FINANCIAL SERVICES	11,574	13,258	14.5%	959	-13	n.m	-289	-301	-4.2%
OTHER	11,362	11,988	5.5%	-923	-275	70%	-1,626	-1,610	1.0%

(1) Combined Revenue excludes Holding dividend income.



# Sabancı Holding Current NAV & Cash Breakdown

USDmn					May 2024		December 2023	
Companies	Free Float	Direct Stake	Valuation Method	Mcap	Value to Sabancı Holding	% of NAV	Value to Sabancı Holding	% of NAV
Akbank	53%	41%	Market value	10,745	4,379	41.8%	2,629	33.2%
Enerjisa Enerji	20%	40%	Market value	2,222	889	8.5%	731	9.2%
Aksigorta	28%	36%	Market value	378	136	1.3%	103	1.3%
Agesa	20%	40%	Market value	566	227	2.2%	149	1.9%
Akçansa	21%	40%	Market value	849	337	3.2%	368	4.6%
Çimsa	45%	55%	Market value	912	497	4.7%	514	6.5%
Brisa	10%	44%	Market value	1,107	483	4.6%	349	4.4%
Kordsa	29%	71%	Market value	547	389	3.7%	364	4.6%
Carrefoursa	11%	57%	Market value	495	283	2.7%	279	3.5%
Teknosa	50%	50%	Market value	223	112	1.1%	101	1.3%
Total Listed					7,731	73.8%	5,588	70.6%
Enerjisa Üretim		50%	1xBook value	3,023	1,512	14.4%	1,401	17.7%
Sabancı Building Solutions B.V.		50%	1xBook value	197	98	0.9%	98	1.2%
Sabancı Climate Technologies		100%	1xBook value	231	231	2.2%	229	2.9%
DxBV		100%	1xBook value	103	103	1.0%	104	1.3%
TUA <sup>(1)</sup>		50%	1xBook value	175	87	0.8%	42	0.5%
Other <sup>(2)</sup>		100%	1xBook value	262	262	2.5%	209	2.6%
Total Non-listed <sup>(3)</sup>					2,293	21.9%	2,083	26.3%
Total					10,024	95.7%	7,671	97.0%
Sabancı Holding Net Cash					447	4.3%	239	3.0%
Sabancı Holding NAV					10,471	100.0%	7,910	100.0%
Sabancı Holding Mcap					6,386		4,190	
Sabancı Holding Discount					-39.0%		-47.0%	

Numbers are based on IAS29 (inflation accounting). All figures adjusted with 32.1339 USD/TRY for May 2024 and 29.4382 USD/TRY for December 2023.

(1) As of January, direct stake of TUA is increased from 23.95% to 50% (2) Other segment consists of Tursa, AEO, TMA,TUA, SabancıDx and Exsa (As of January Exsa Gayrimenkul)

(3) Book values of unlisted assets are as of the end of March 2024 and adjusted with 32.1339 USD/TRY



# Sabancı Holding NAV After Independent Valuation Reports

USDmn					May 2024	
Companies	Free Float	Direct Stake	Valuation Method	Mcap	Value to Sabancı Holding	% of NAV
Akbank	53%	41%	Market value	10,745	4,379	39.1%
Enerjisa Enerji	20%	40%	Market value	2,222	889	7.9%
Aksigorta	28%	36%	Market value	378	136	1.2%
Agesa	20%	40%	Market value	566	227	2.0%
Akçansa	21%	40%	Market value	849	337	3.0%
Çimsa	45%	55%	Market value	912	497	4.4%
Brisa	10%	44%	Market value	1,107	483	4.3%
Kordsa	29%	71%	Market value	547	389	3.5%
Carrefoursa	11%	57%	Market value	495	283	2.5%
Teknosa	50%	50%	Market value	223	112	1.0%
Total Listed					7,731	69.0%
Enerjisa Üretim <sup>(1)</sup>		50%	10.0xEV/EBITDA	3,952	1,976	17.6%
Sabancı Building Solutions B.V. <sup>(2)</sup>		50%	Adjusted Net Asset Value	270	135	1.2%
Sabancı Climate Technologies <sup>(3)</sup>		100%	Adjusted Book Value	463	463	4.1%
DxBV		100%	Book Value	103	103	0.9%
TUA		50%	Book Value	175	87	0.8%
Other <sup>(4)</sup>		100%	Book Value	262	262	2.3%
Total Non-listed <sup>(5)</sup>					3,026	27.0%
Total					10,757	96.0%
Sabancı Holding Net Cash					447	4.0%
Sabancı Holding NAV					11,204	100.0%
Sabancı Holding Mcap					6,386	
Sabancı Holding Discount					-43.0%	

Listed figures adjusted with 32.1339 USD/TRY

(1) Enerjisa Üretim was calculated using 25.82 USD/TL based on the EY report published on 24.10.2023. (2) Sabancı Building Solutions B.V. was calculated using 1.0782 EUR/USD based on the value of partial sale of the shares of SBS BV. (3) The 40% of the project was valued by USD185mn during tax equity financing. (4) Other segment consists of Tursa, AEO, TMA, SabancıDx and Exsa Gayrimenkul (5) Book values of DxBV, TUA and other are as of end of March 2024 and adjusted with 32.1339 USD/TRY







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