

#SabanciofNewGeneration

Q4 2020 EARNINGS

February 24, 2021

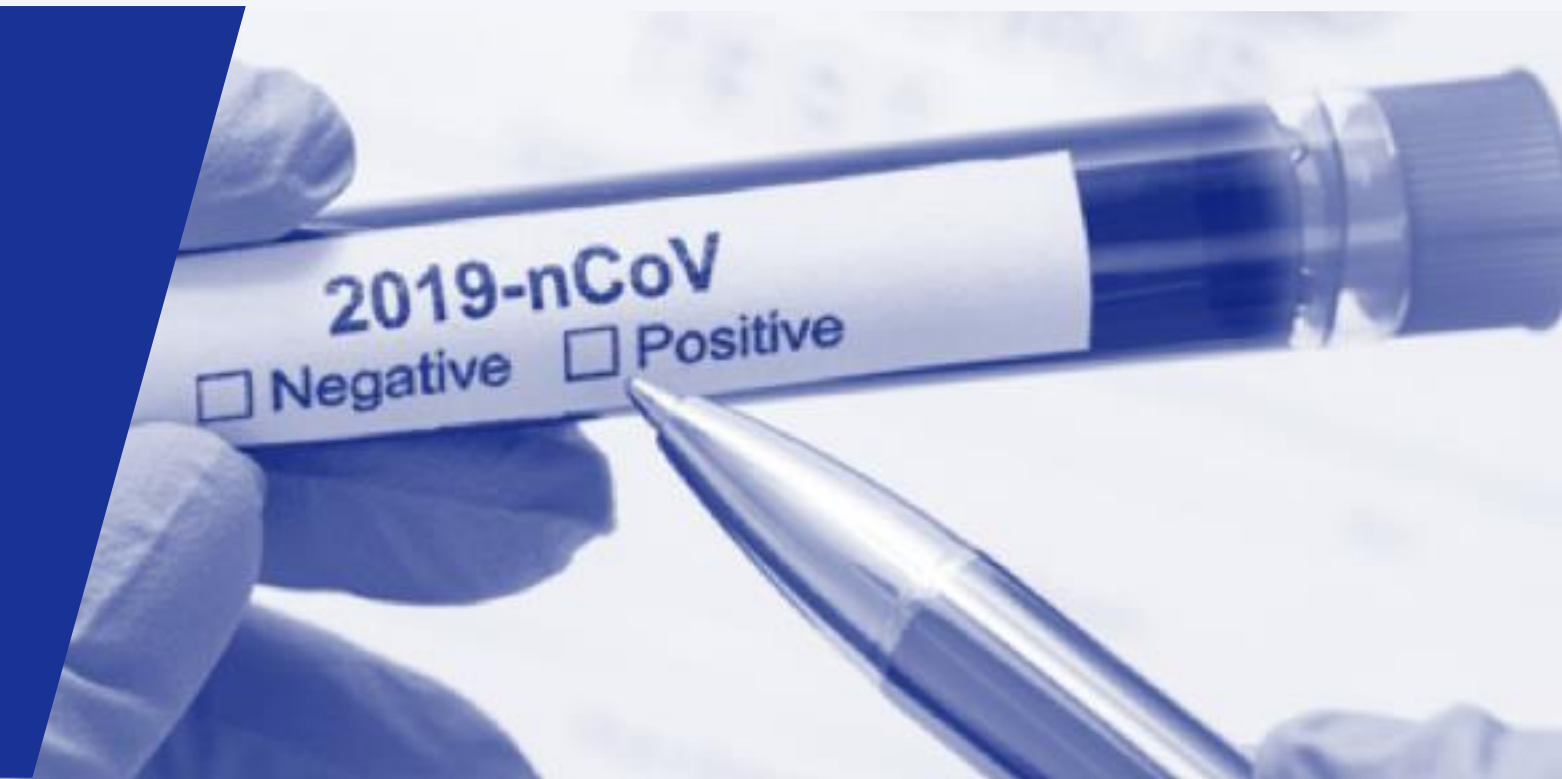


The information and opinions contained in this document have been compiled by Hacı Ömer Sabancı Holding A.Ş. ("Holding") from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness or correctness. No undue 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.

Sharp improvement in **non-bank** results during an unprecedentedly challenging year

Robust **B/S**, rock-solid **cash flow** generation, maintained **deleveraging**, a record-high **non-bank ROE**

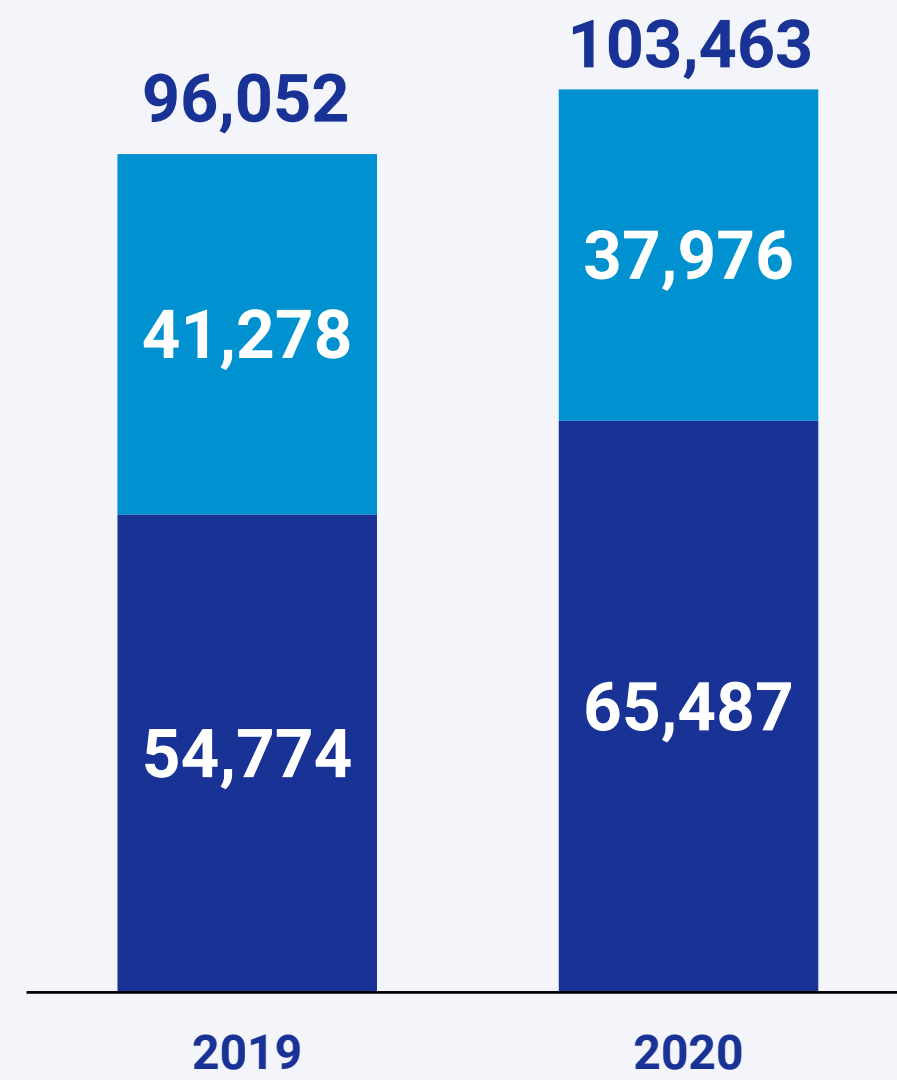
Continue to keep all **COVID-19** measures in place, closely watching **vaccine** rollout



Combined Revenue* (TL mn)

■ Non-bank**
■ Bank***

+8%



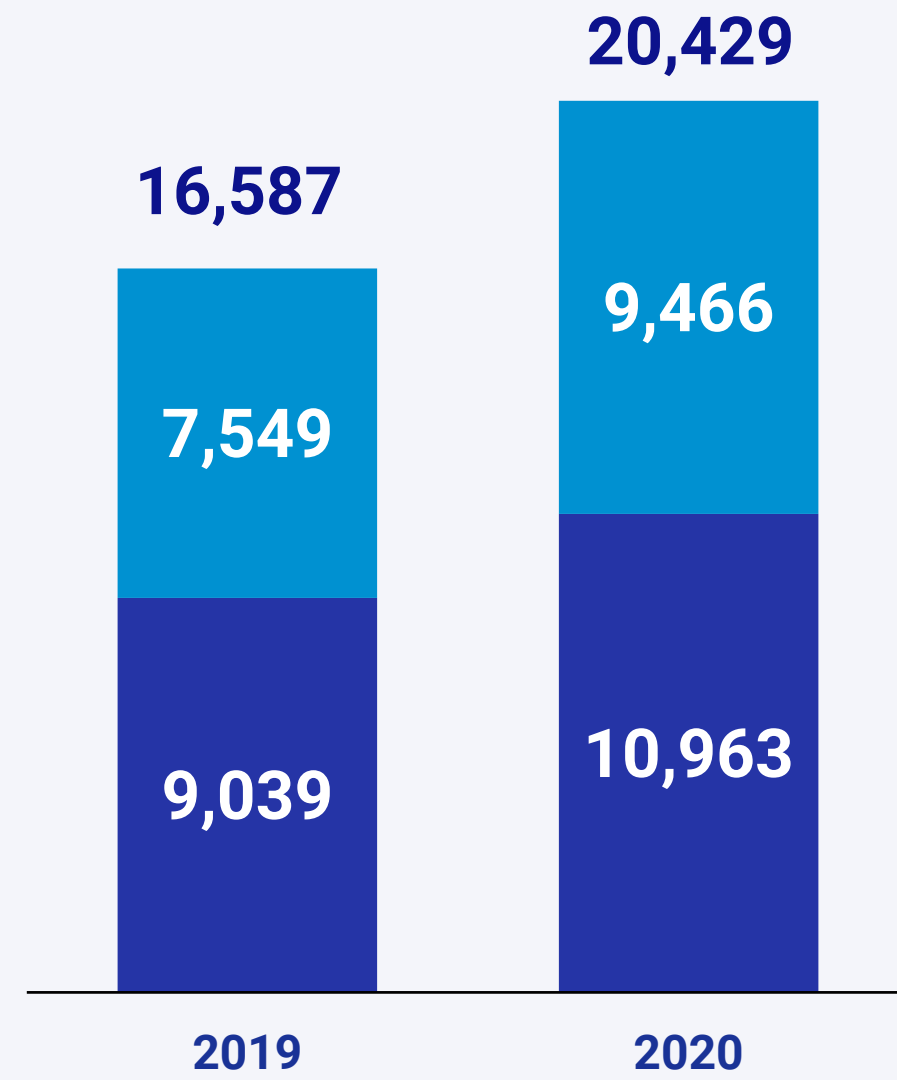
**Non-bank driven growth amid
challenging conditions**

*Excludes Holding dividend income **Excludes divested businesses *** Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses

Combined EBITDA* (TL mn)

■ Non-bank**
■ Bank

+23%



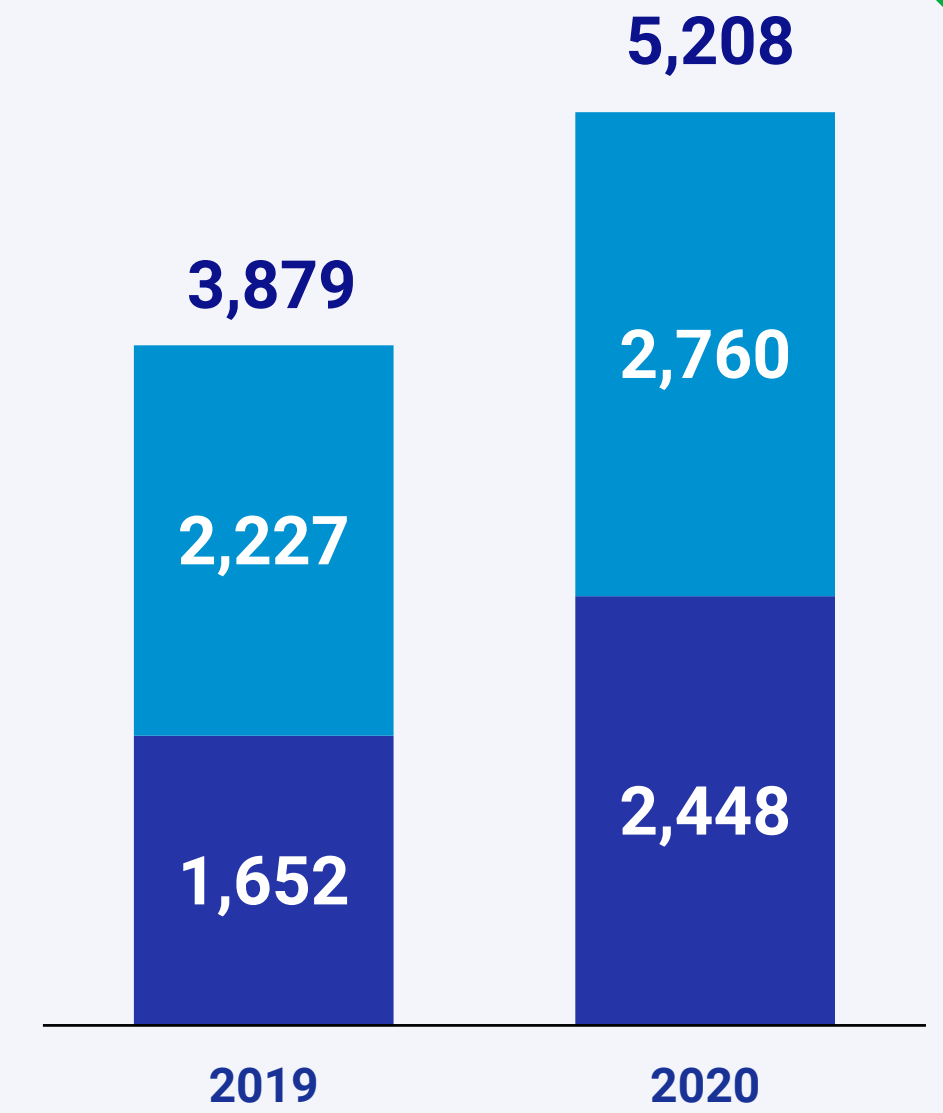
**Disciplined cost
management**

*Excludes non-operational and non-recurring one off items
**Excludes divested businesses in industrials and IFRS16 impact in retail

Consolidated Net Income* (TL mn)

■ Non-bank**
■ Bank*

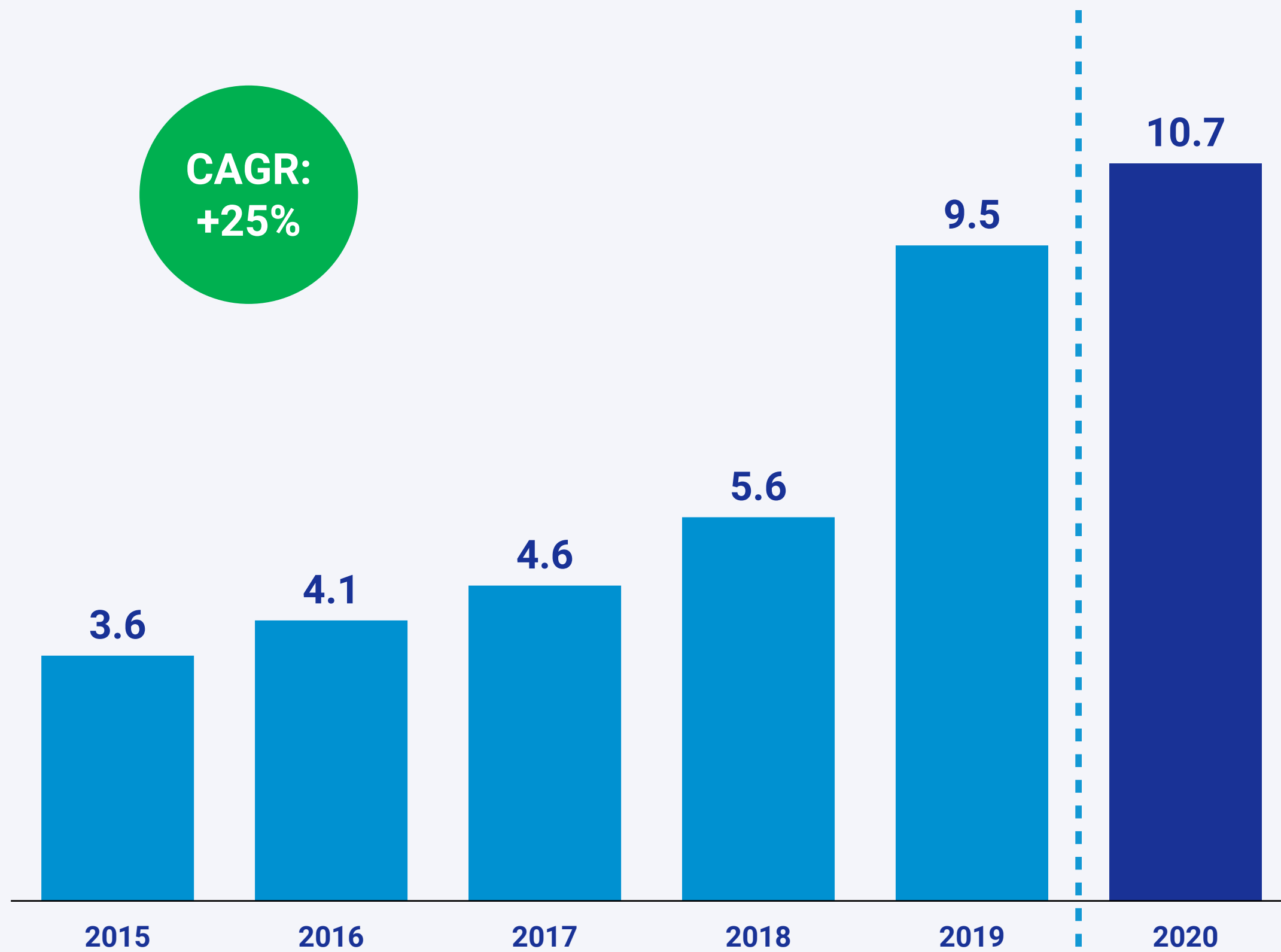
+34%



**Eye-catching growth trough
well-managed financing**

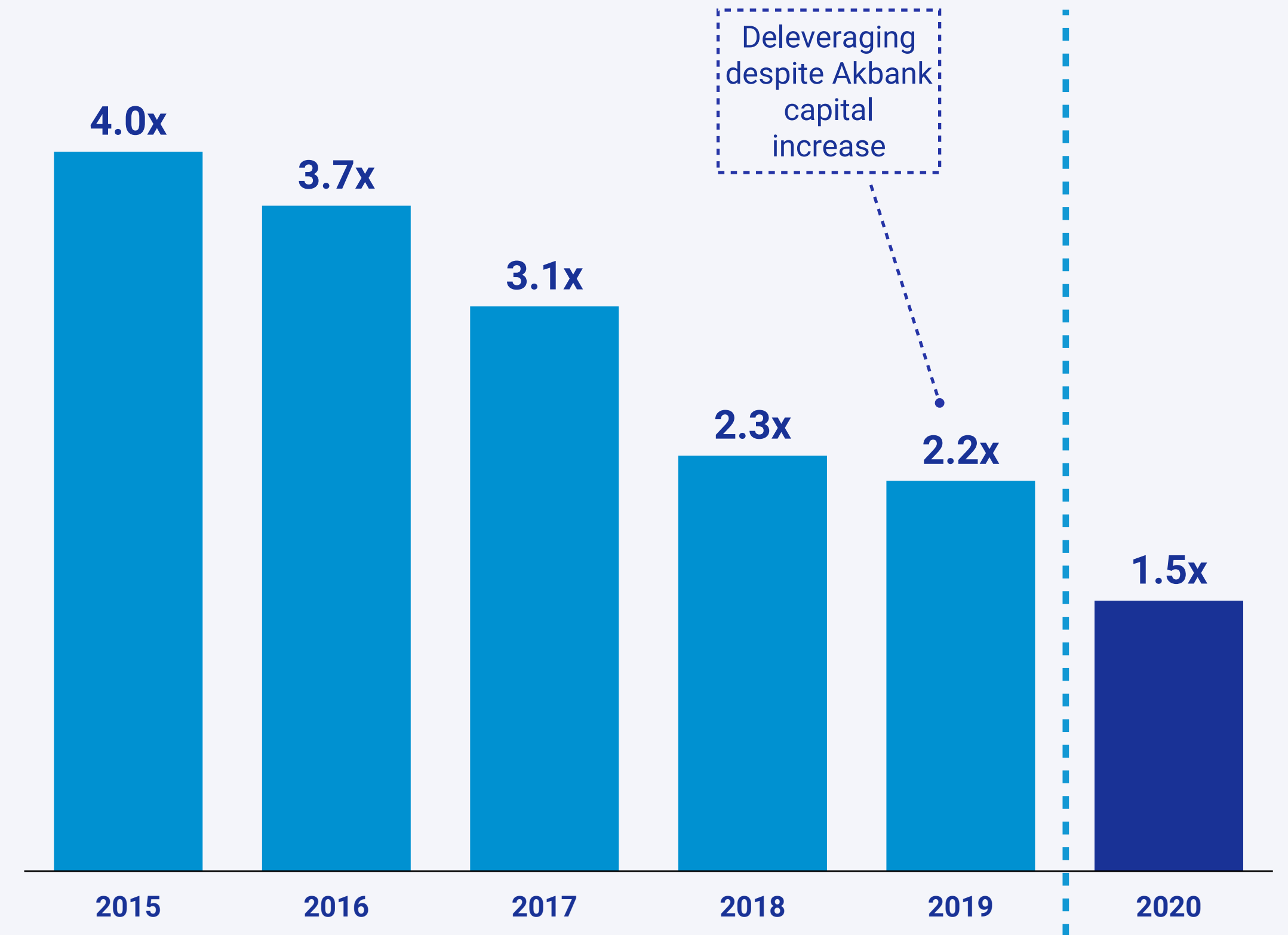
*Excludes non-operational and non-recurring one off items
**Excludes divested businesses in industrials and IFRS16 impact in retail

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



*Excludes Financial Services, Banking, Other segment (Financial services funds: TL 4,3 bn in 2020 vs. TL 3,5 bn in 2019)

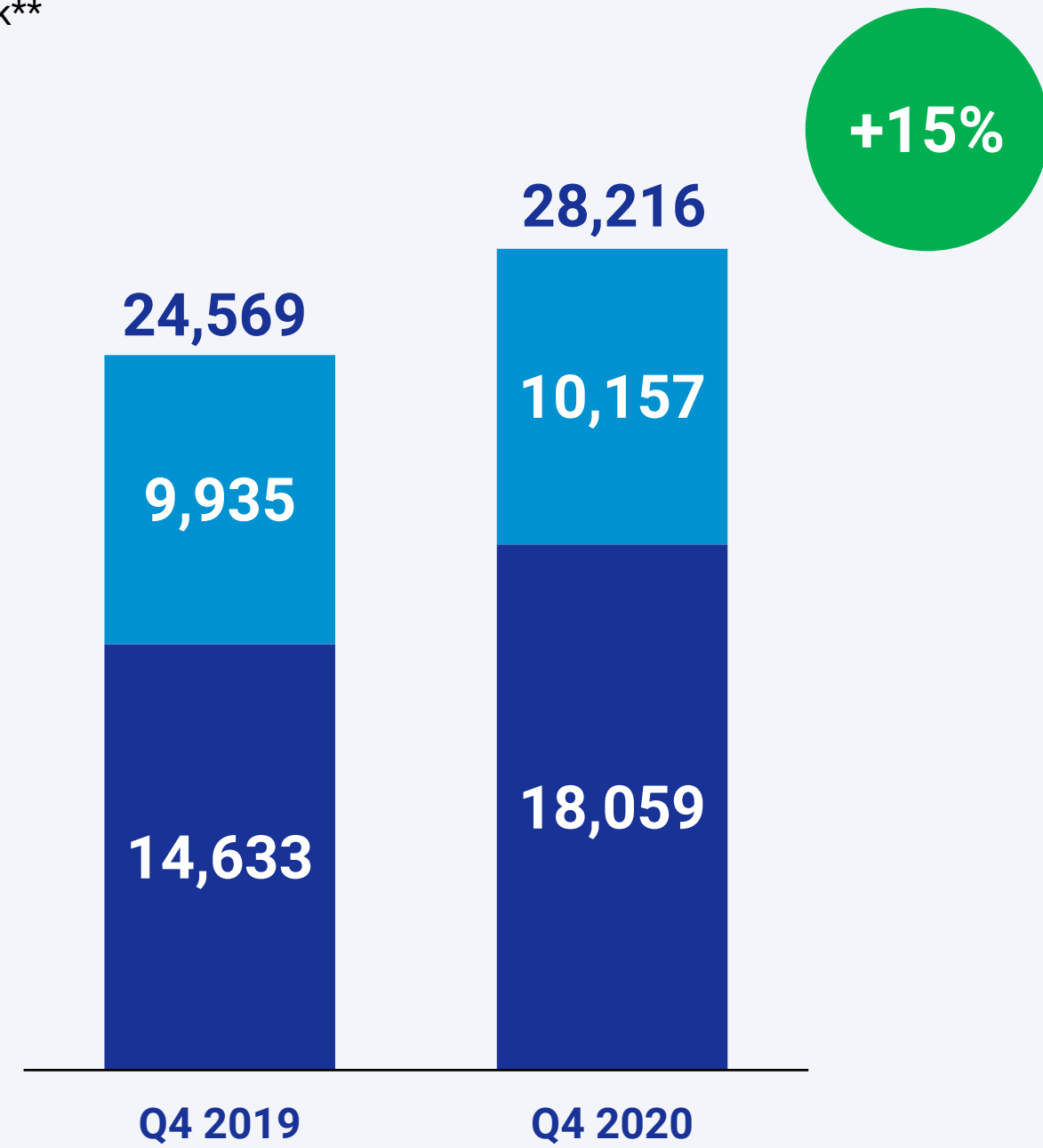
Combined Net Financial Debt to Non-Bank EBITDA**



**Excludes Banking, net cash position of Financial Services, and IFRS16 impact; EBITDA excludes non-operational and non-recurring one-off items and IFRS16 impact

Combined Revenue* (TL mn)

■ Non-bank**
■ Bank***

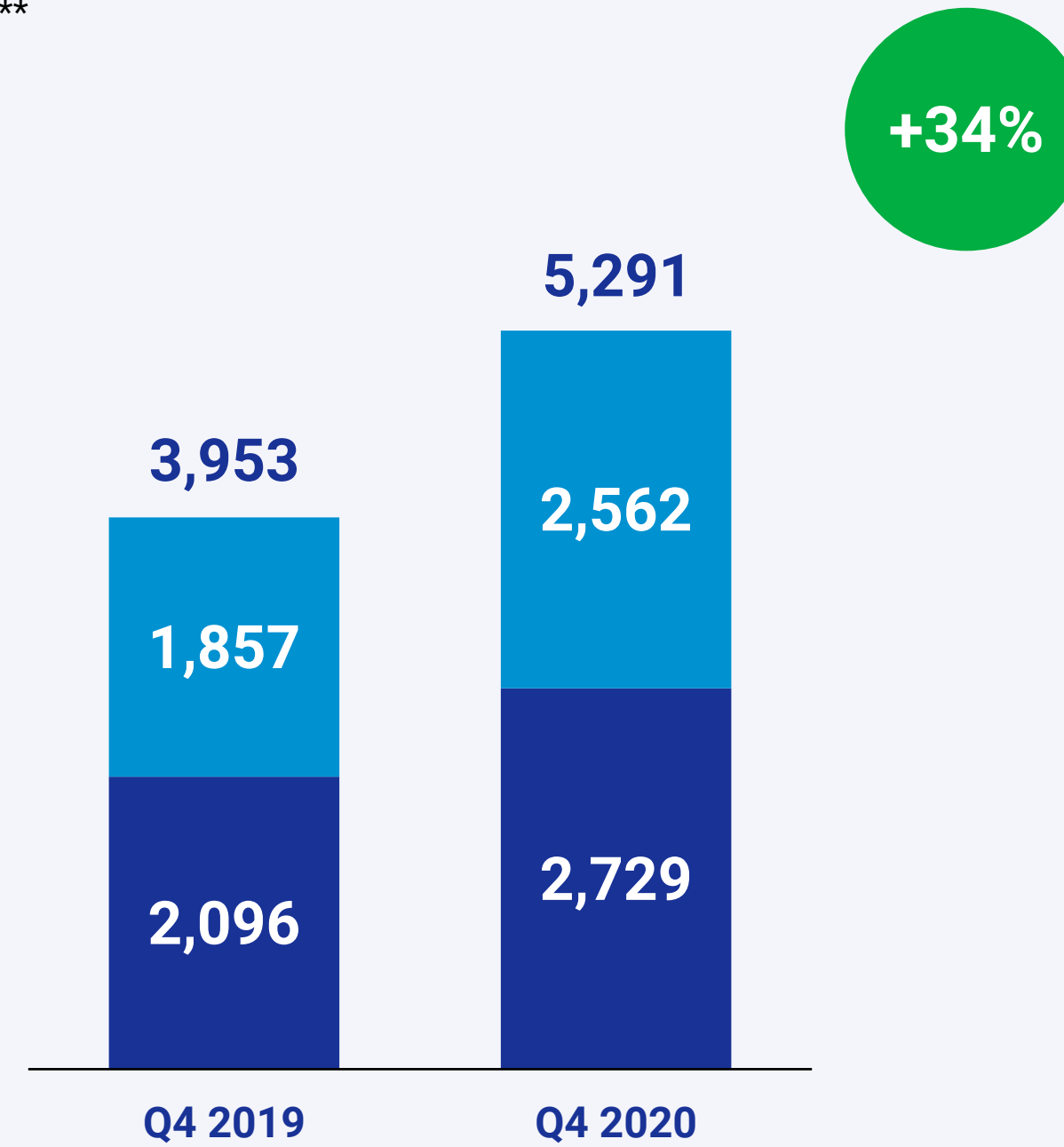


Non-bank performance once again beats headline growth

*Excludes Holding dividend income **Excludes divested businesses *** Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses

Combined EBITDA* (TL mn)

■ Non-bank**
■ Bank

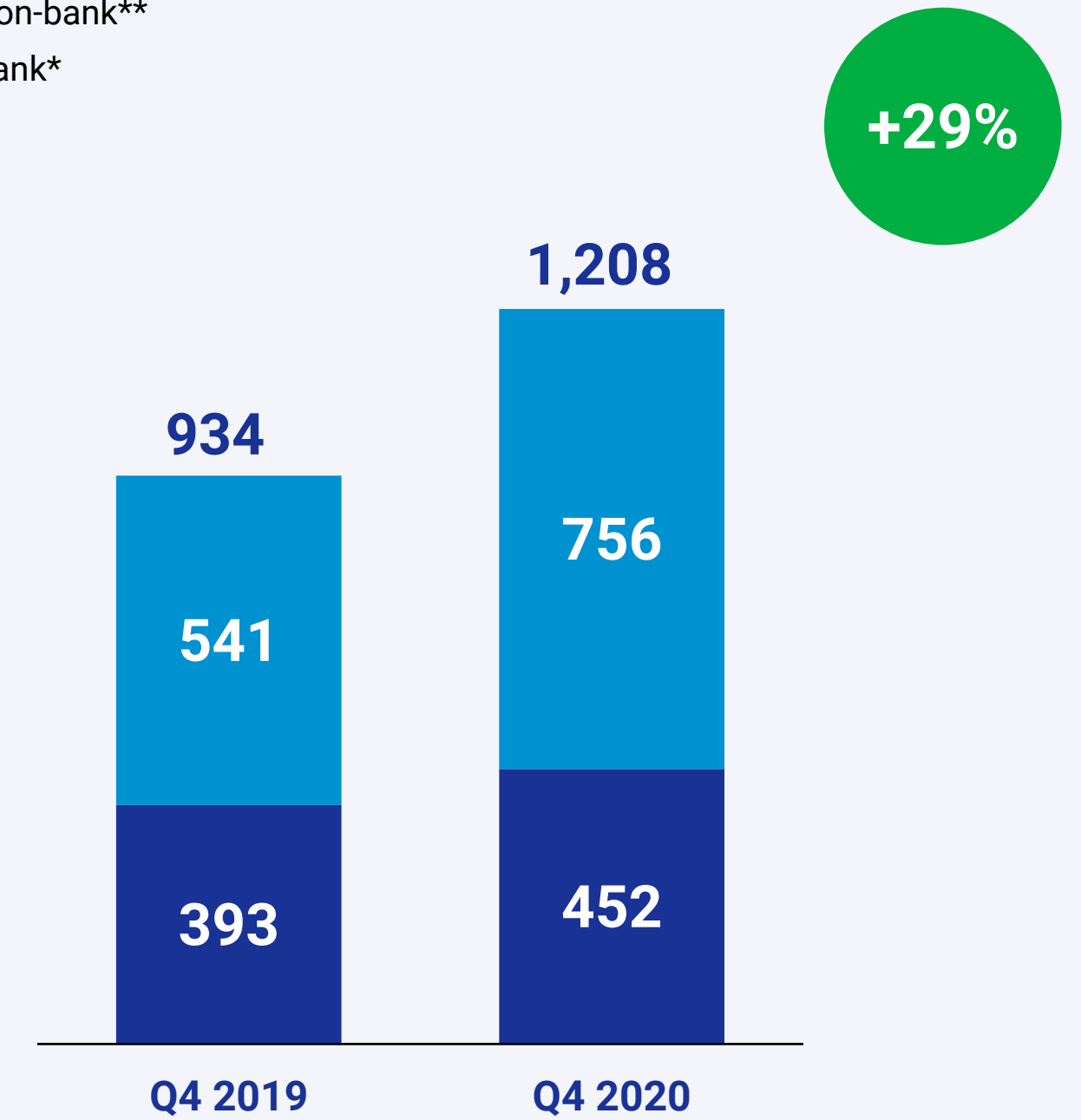


Robust domestic demand and profitable exports

*Excludes non-operational and non-recurring one off items **Excludes divested businesses in industrials and IFRS16 impact in retail

Consolidated Net Income* (TL mn)

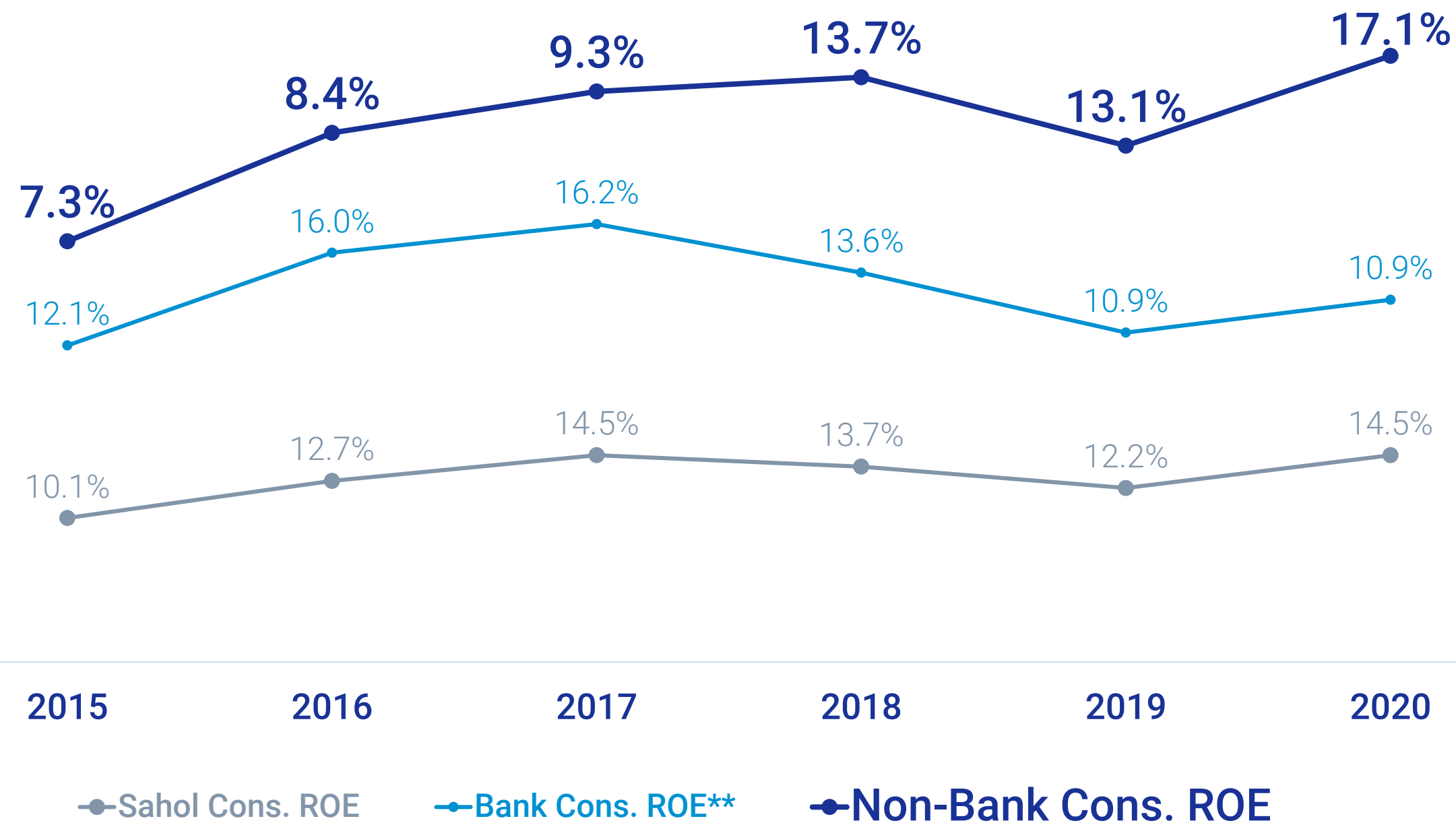
■ Non-bank**
■ Bank*



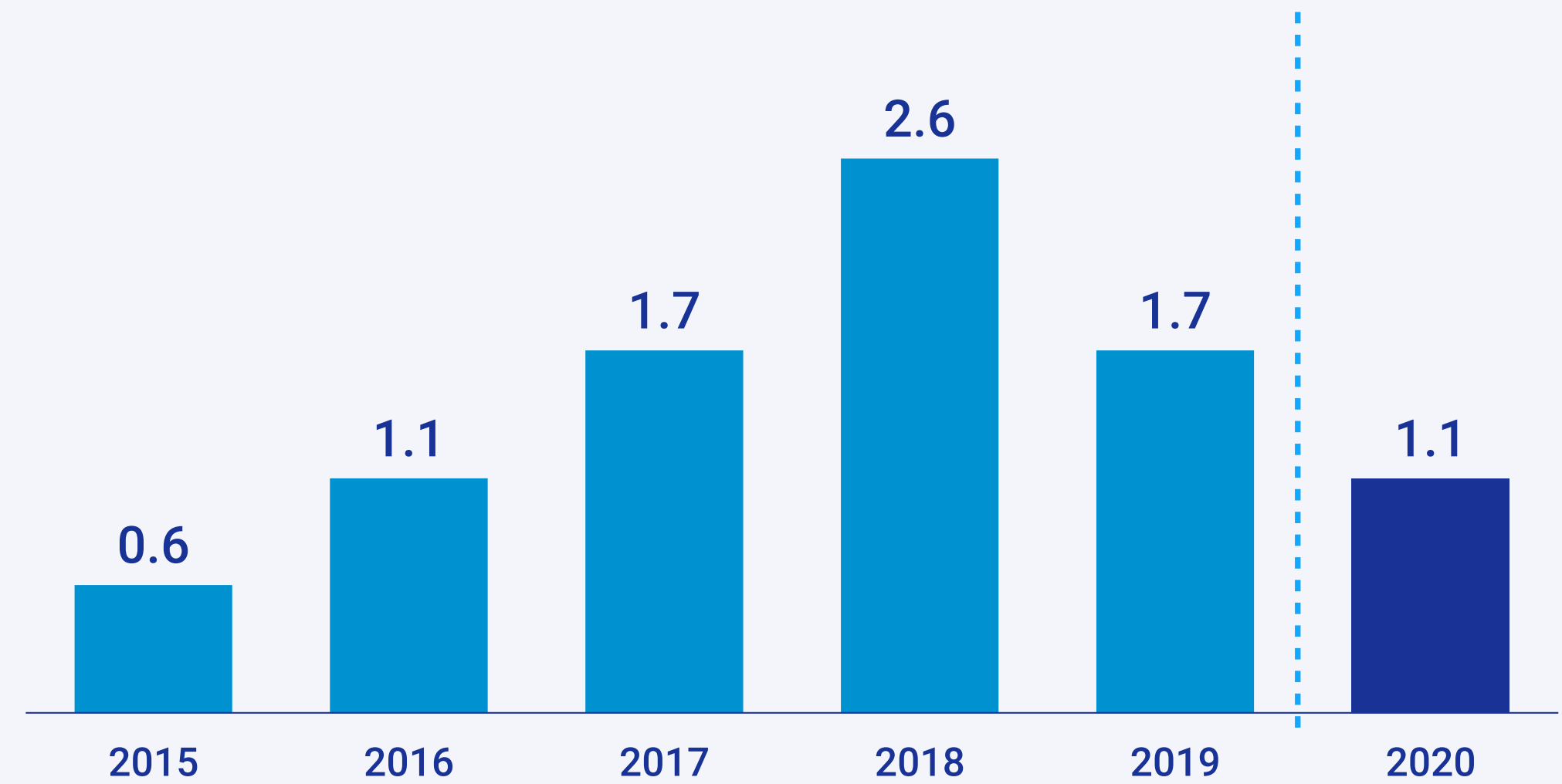
Bottom-line remained solid on strong TRY

*Excludes non-operational and non-recurring one off items **Excludes divested businesses in industrials and IFRS16 impact in retail

Return on Equity*



Holding Only - Net cash position (TL bn)



Consolidated Long FX position (USD mn, excluding Bank)

	Dec 31,2019	Dec 31,2020
TOTAL CONSOLIDATED FX POSITION AFFECTING PL	308	155

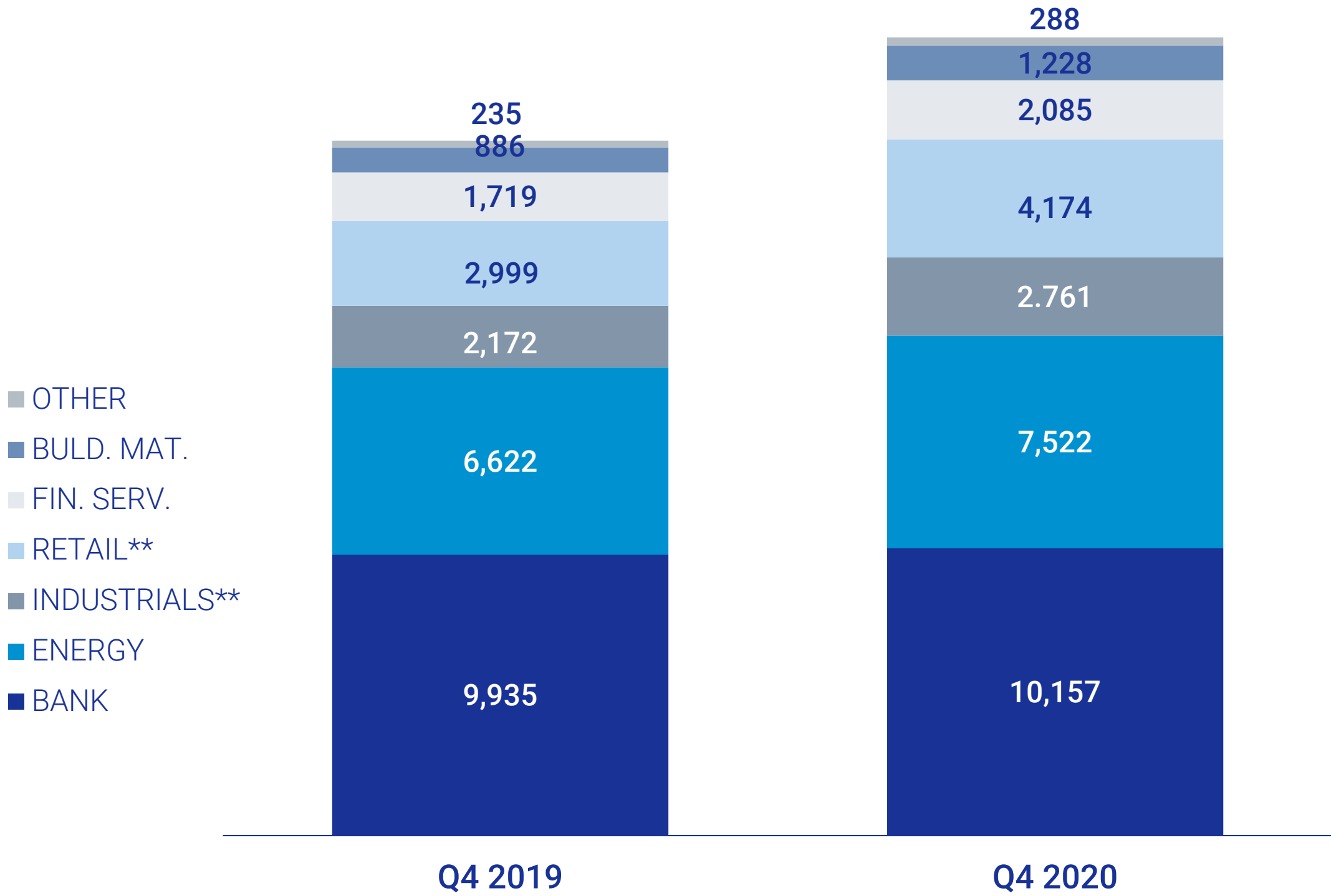
Holding only cash breakdown

	Dec 31,2019	Dec 31,2020
SHARE OF FX CASH	86%	92%

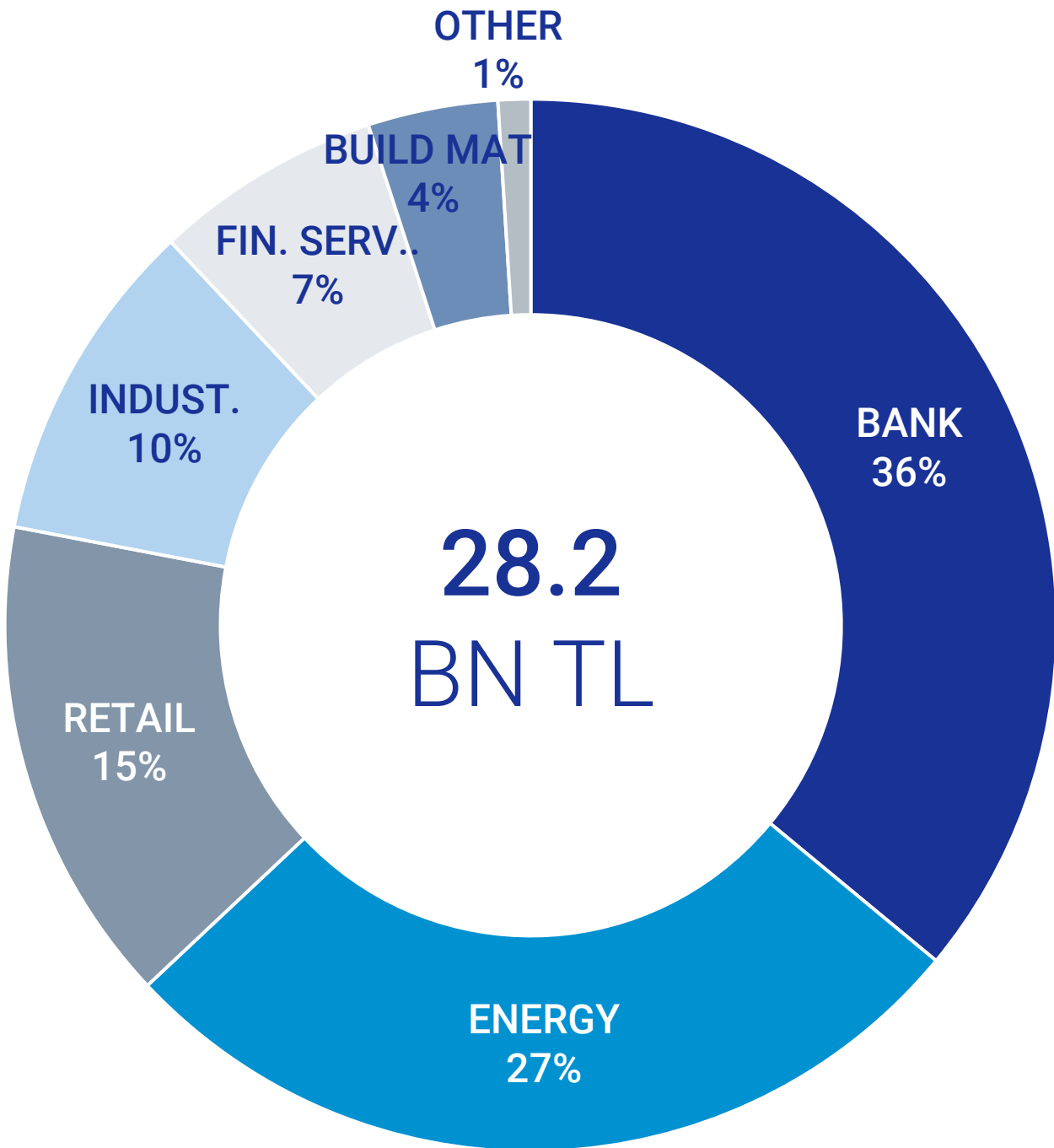
*Excludes non-operational and non-recurring one off items **Source: Akbank earnings presentation

Combined Revenues, Q4 / Non-bank growth driven by Energy, Retail & Industrials

Combined Revenue* (TL mn)



Combined Revenue* Breakdown



**KEY
NON-BANK
DRIVERS**

ENERGY

Generation: higher pricing & volume

RETAIL

Accelerated growth on transformed consumers' purchasing behavior

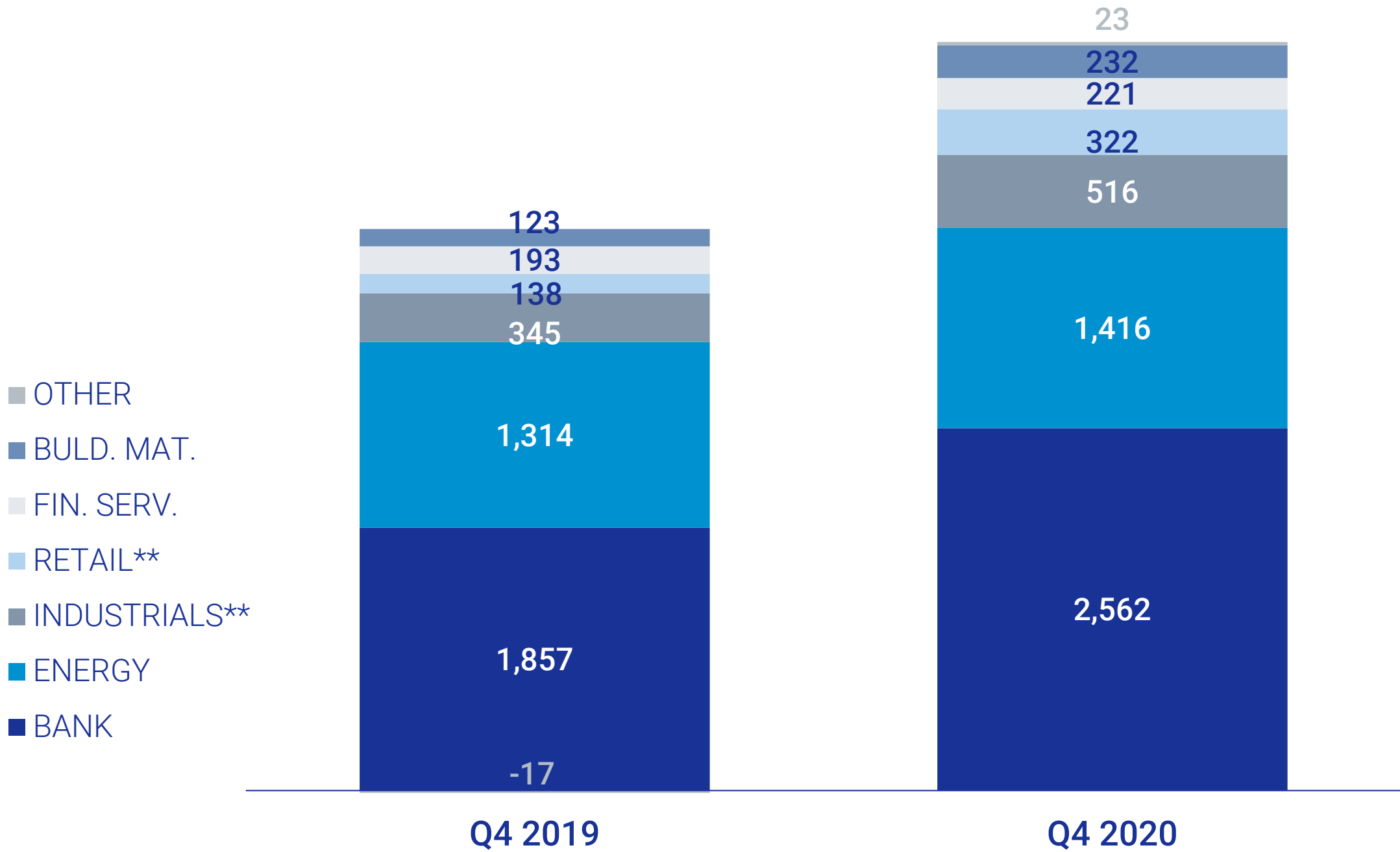
INDUSTRIALS

Higher volume driven by bounce back in mobility

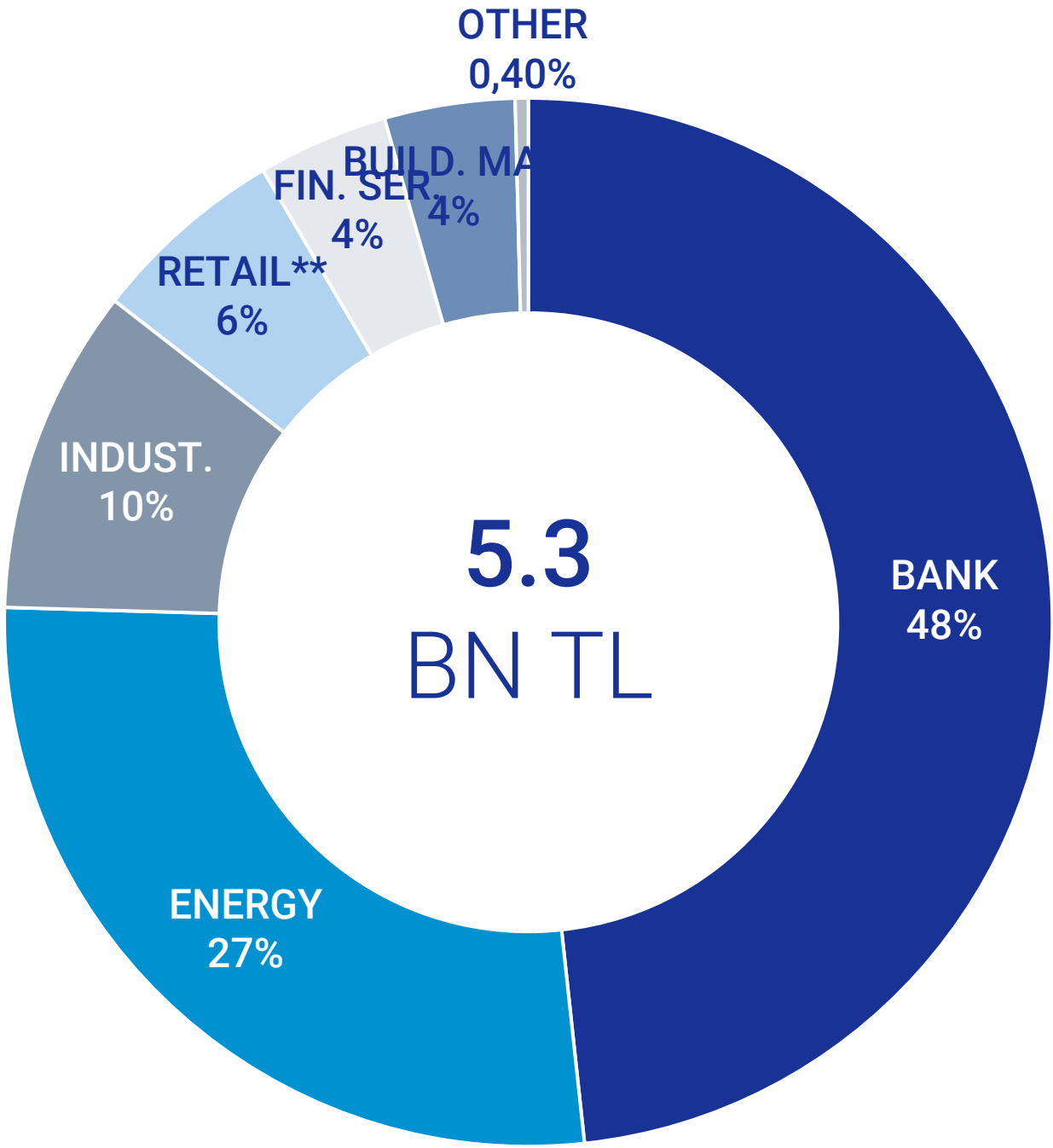
*Holding dividend income is excluded **Excludes divested businesses in industrials

Combined EBITDA, Q4 / Strong performance across the board

Combined EBITDA* (TL mn)



Combined EBITDA* Breakdown



KEY NON-BANK DRIVERS

ENERGY

Generation: Higher profitability in natural gas power plants

INDUSTRIALS

Higher capacity utilization & better cost management

BUILDING MATERIALS

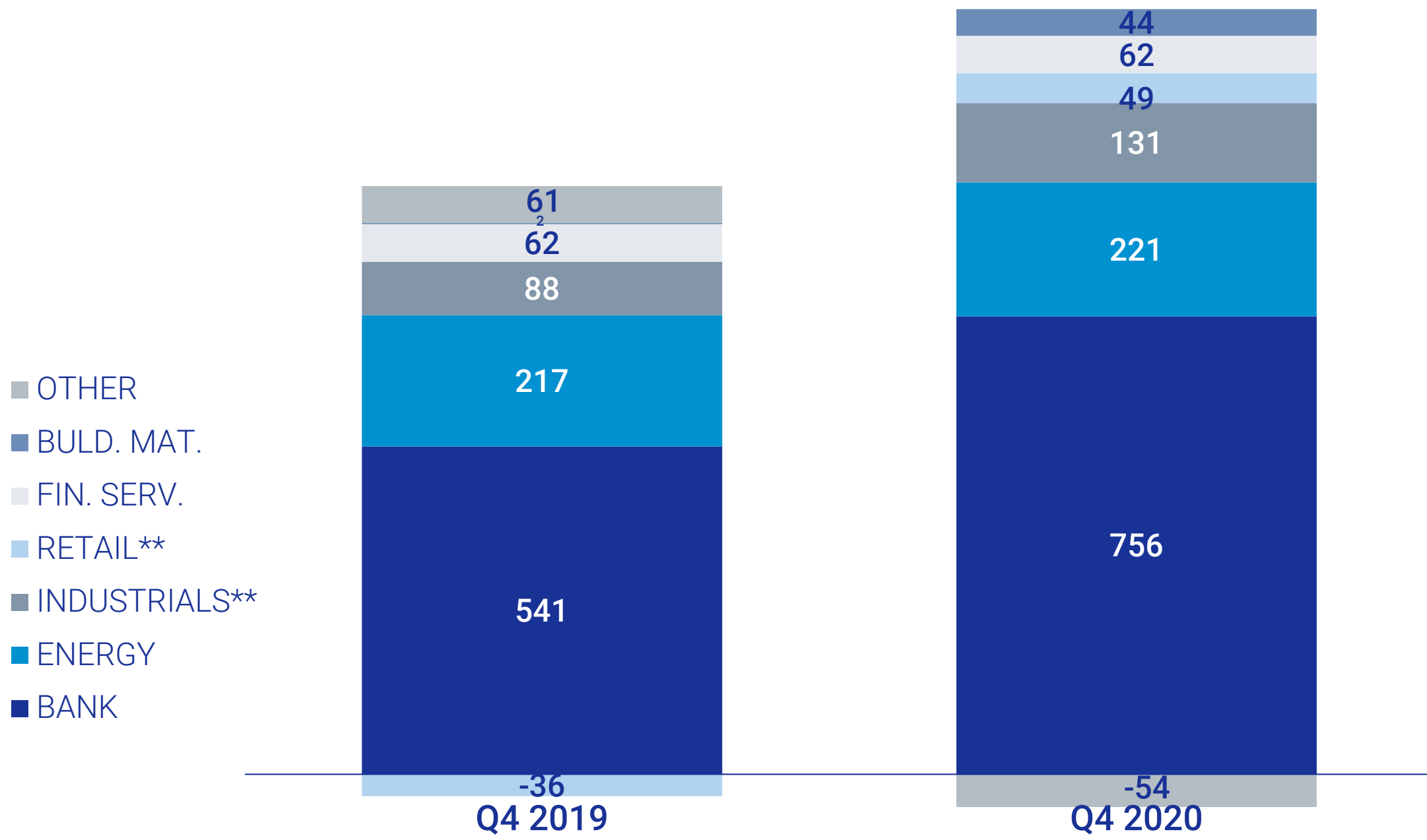
Strong sales volume & pricing offsetting higher input costs

RETAIL

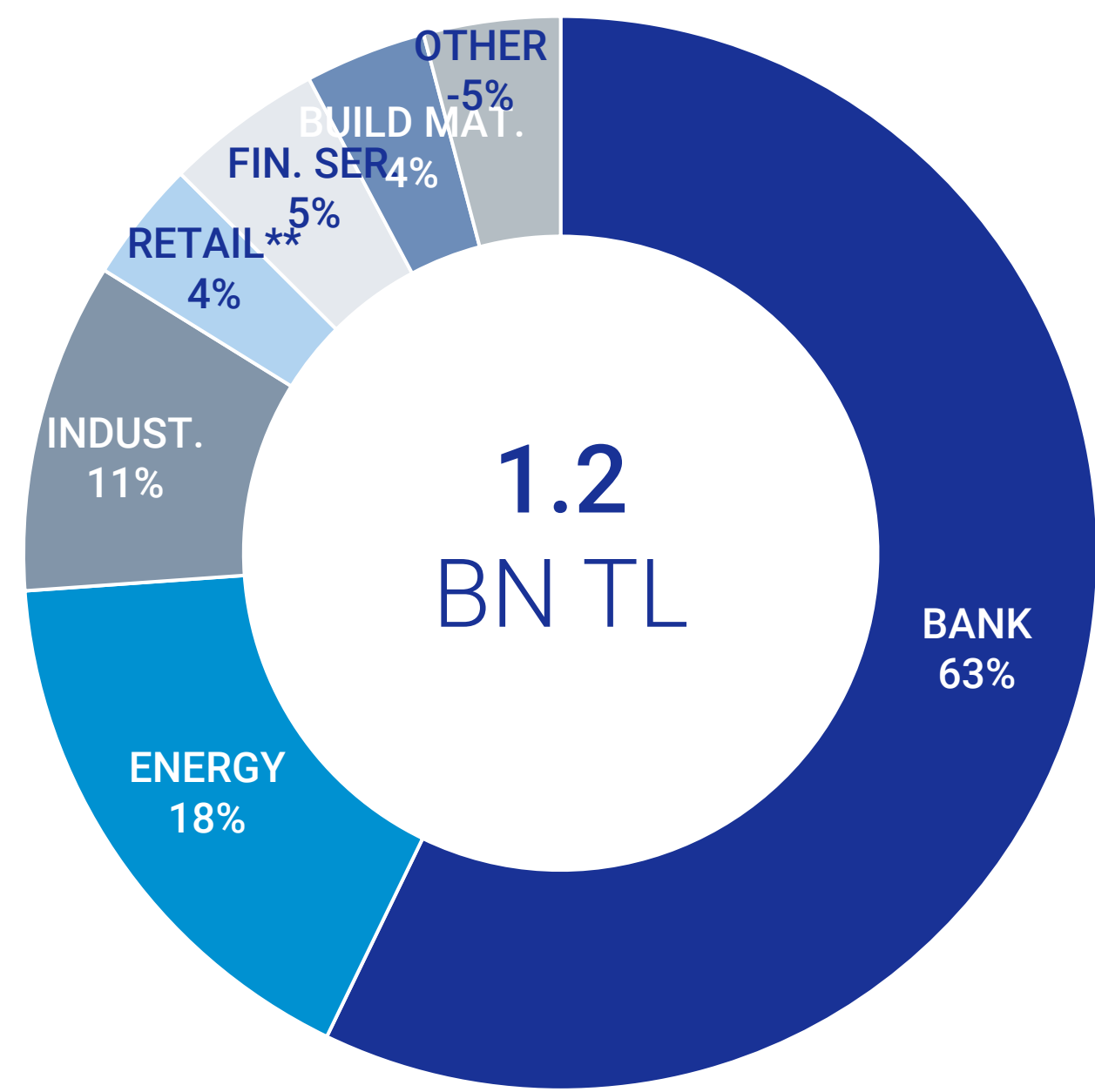
Solid top-line pass-through

*Excludes non-operational and non-recurring one off items **Excludes divested businesses in industrials and IFRS16 impact in retail

Consolidated Net Income* (TL mn)



Consolidated Net Income* Breakdown



KEY NON-BANK DRIVERS

BUILDING MATERIALS
Strong operational performance pass-through

INDUSTRIALS
Strong EBITDA reflected to the bottom-line performance

RETAIL
Lower financing expenses

*Excludes non-operational and non-recurring one off items **Excludes divested businesses in industrials and IFRS16 impact in retail

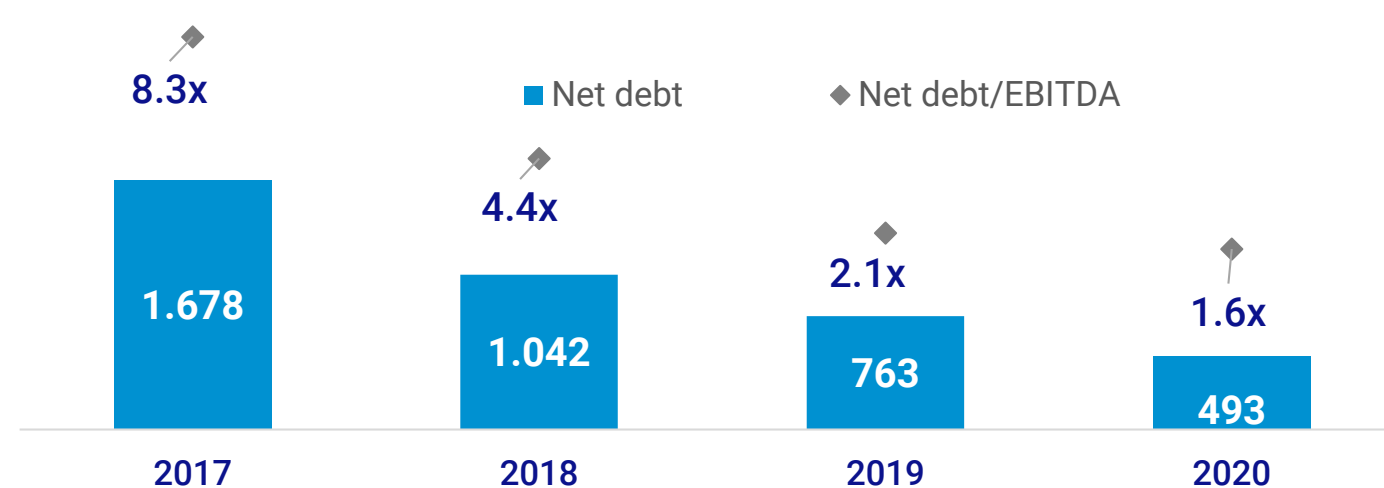
Energy Segment Summary Financials*

MILLION TL	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change
SALES	6,622	7,522	14%	26,013	31,103	20%
EBITDA**	1,314	1,416	8%	5,952	6,838	15%
NET INCOME**	505	502	-2%	2,356	2,960	26%
EBITDA** MARGIN	20%	19%		23%	22%	

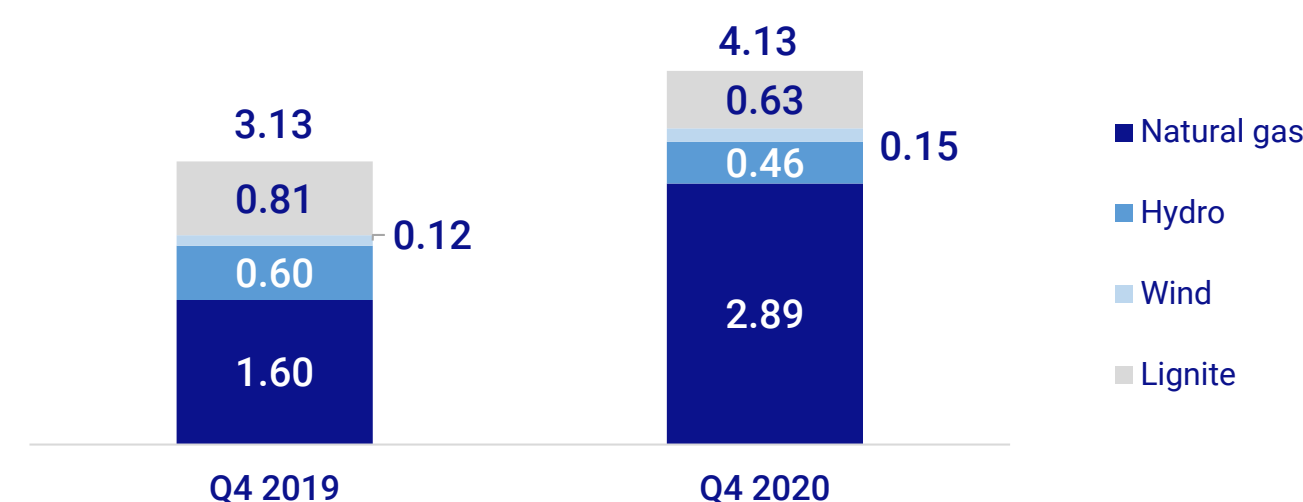
Enerjisa Generation Summary Financials

MILLION TL	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change
SALES	1,735	2,652	53%	6,559	9,345	42%
EBITDA**	451	541	20%	2,413	2,777	16%
EBITDA** MARGIN (%)	26%	20%		37%	30%	
Depreciation	123	132	7%	466	514	10%
Financial Income/(Expense)	-168	-211	-25%	-658	-857	-30%
NET INCOME**	125	199	69%	1,179	1,311	12%

Net Debt (EUR mn) & Net Debt/EBITDA**



Generation volume (TWh)



Current Assessment

- ✓ **Distribution & Retail:** EBITDA up by 15% y/y in 2020 on solid distribution & retail performance
- ✓ **Generation:** 25% y/y volume growth in 2020 on favorable technology mix

Factors to Watch

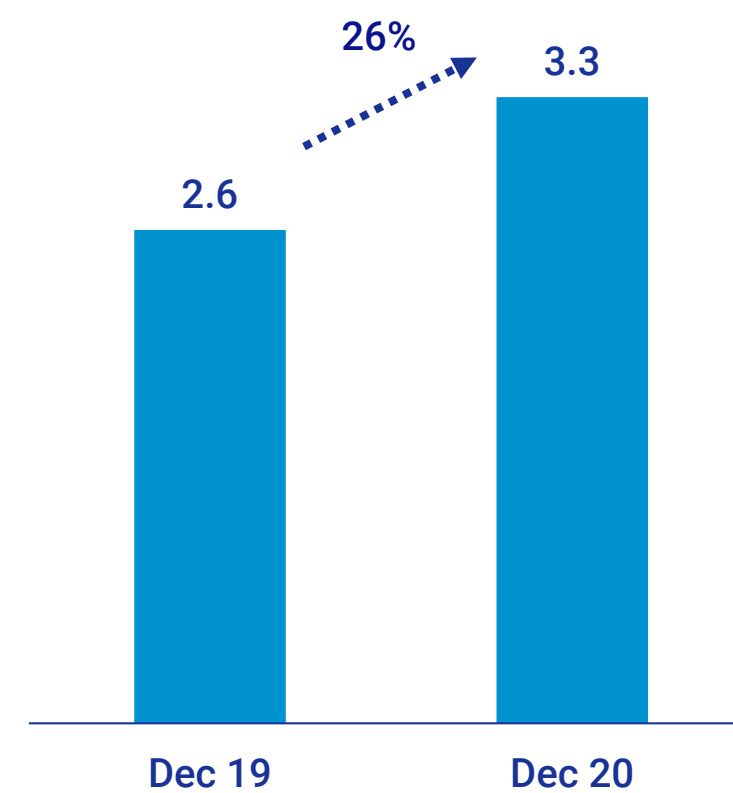
- ✓ Electricity demand, spot prices & BOTAS tariff
- ✓ Hydrology
- ✓ Inflation and interest rates

Financial Services (pension & insurance) Summary Financials*

MILLION TL	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change
SALES	1,719	2,085	21%	5,461	6,604	21%
EBITDA**	193	221	14%	697	999	43%
LIFE	60	104	75%	220	411	87%
NON-LIFE	133	116	-13%	477	588	23%
NET INCOME**	163	164	0%	569	734	29%
LIFE	69	86	24%	254	353	39%
NON-LIFE	94	78	-17%	315	380	21%

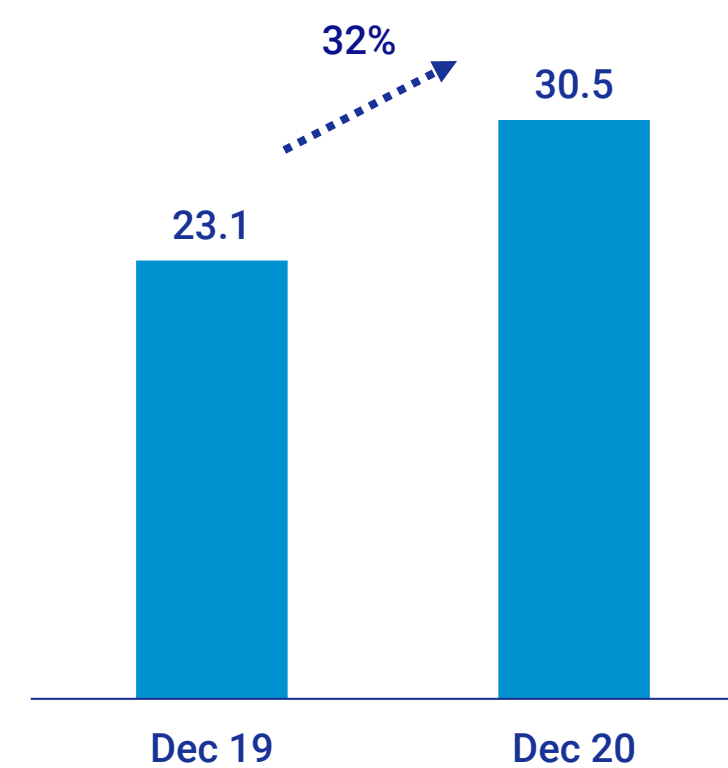
*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one off items

Aksigorta AUM* (TL BN)



*Assets Under Management

Avivasa Pension AUM* (TL BN)



*Assets Under Management. Including auto enrolment

Current Assessment

- ✔ **Pension:** Strong return performance & strong AUM growth
- ✔ **Life:** Strong technical profit on premiums from credit-linked & non-credit-linked RoP
- ✔ **Life & Non-Life:** Lower financial income on lower interest rates & strong TRY

Factors to Watch

- ✔ Natural disasters, pandemic & claims management
- ✔ Interest rates, FX, inflation, loan volume growth, market volume growth, new vehicles and mortgage home sales
- ✔ Regulatory changes

Building Materials Summary Financials*

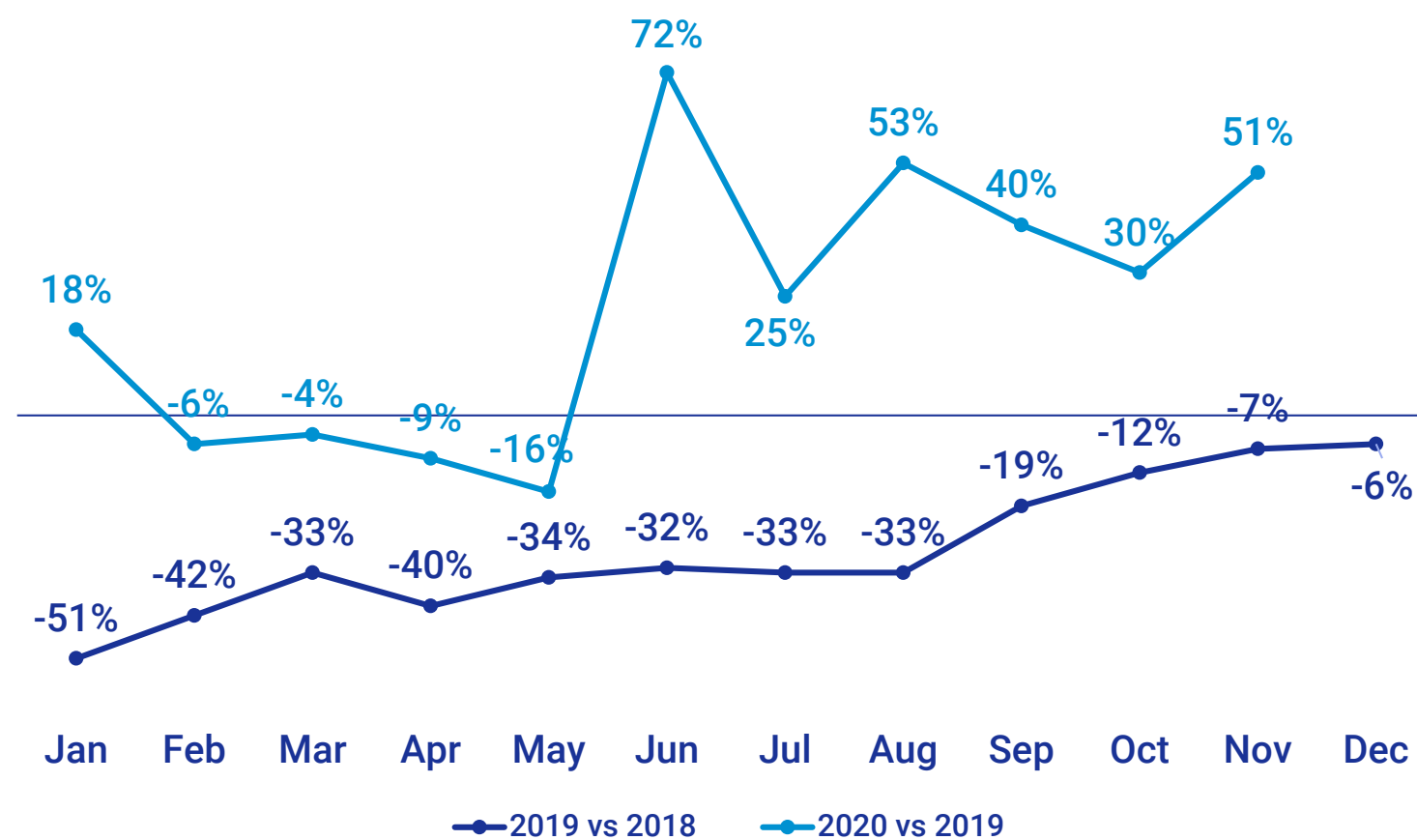
MILLION TL	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change
SALES	886	1,228	39%	3,552	4,238	19%
EBITDA**	123	232	88%	548	764	39%
NET INCOME**	-7	92	n.m.	-23	226	n.m.
EBITDA** MARGIN	14%	19%		15%	18%	

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

Current Assessment

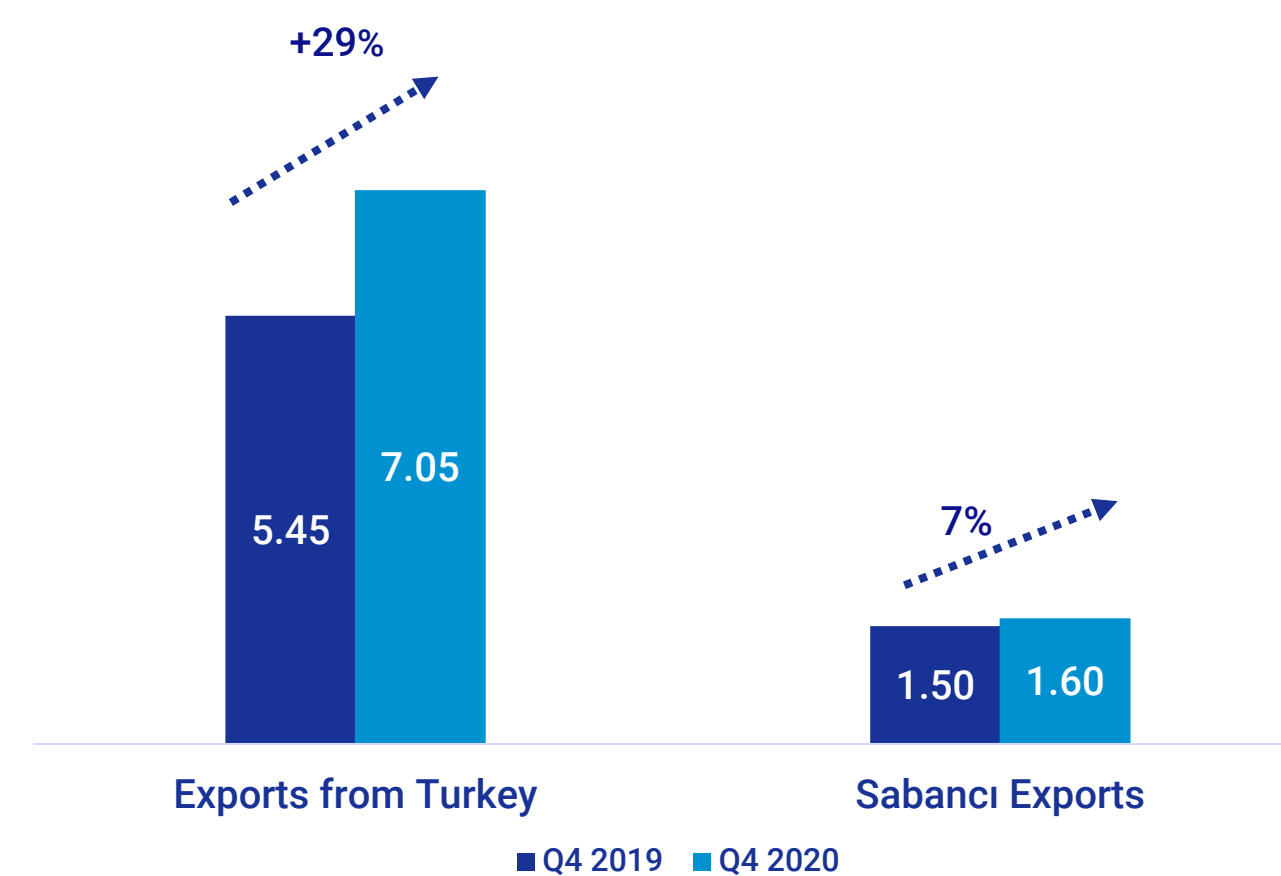
- ✓ Higher sales volume & prices
- ✓ Strong top-line growth offset petro-coke cost inflation
- ✓ Significant bottom-line improvement on strong EBITDA & lower financial expenses

Domestic cement demand change, y/y



Source: Turkish Cement Manufacturers' Association

Cement exports from Turkey (mn tons)



Source: Central Anatolian Exporters' Union

Factors to Watch

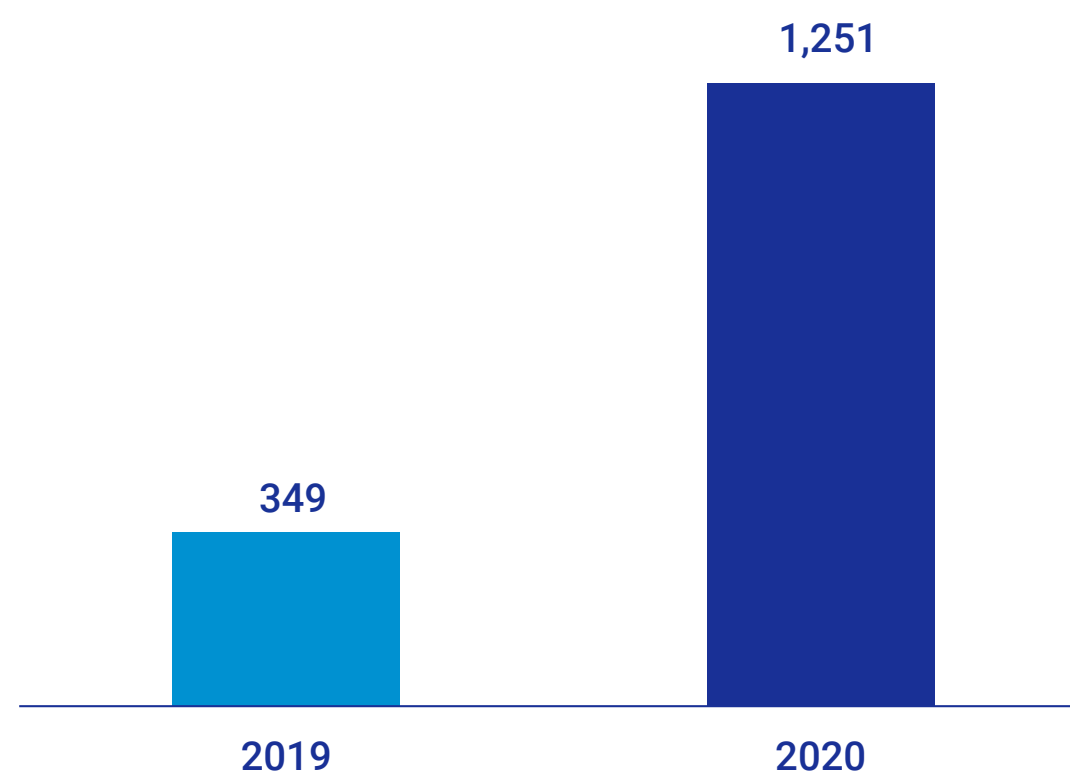
- ✓ Pricing, demand/supply in local market & exports
- ✓ Petro-coke costs
- ✓ Infrastructure and construction projects

Retail Summary Financials*

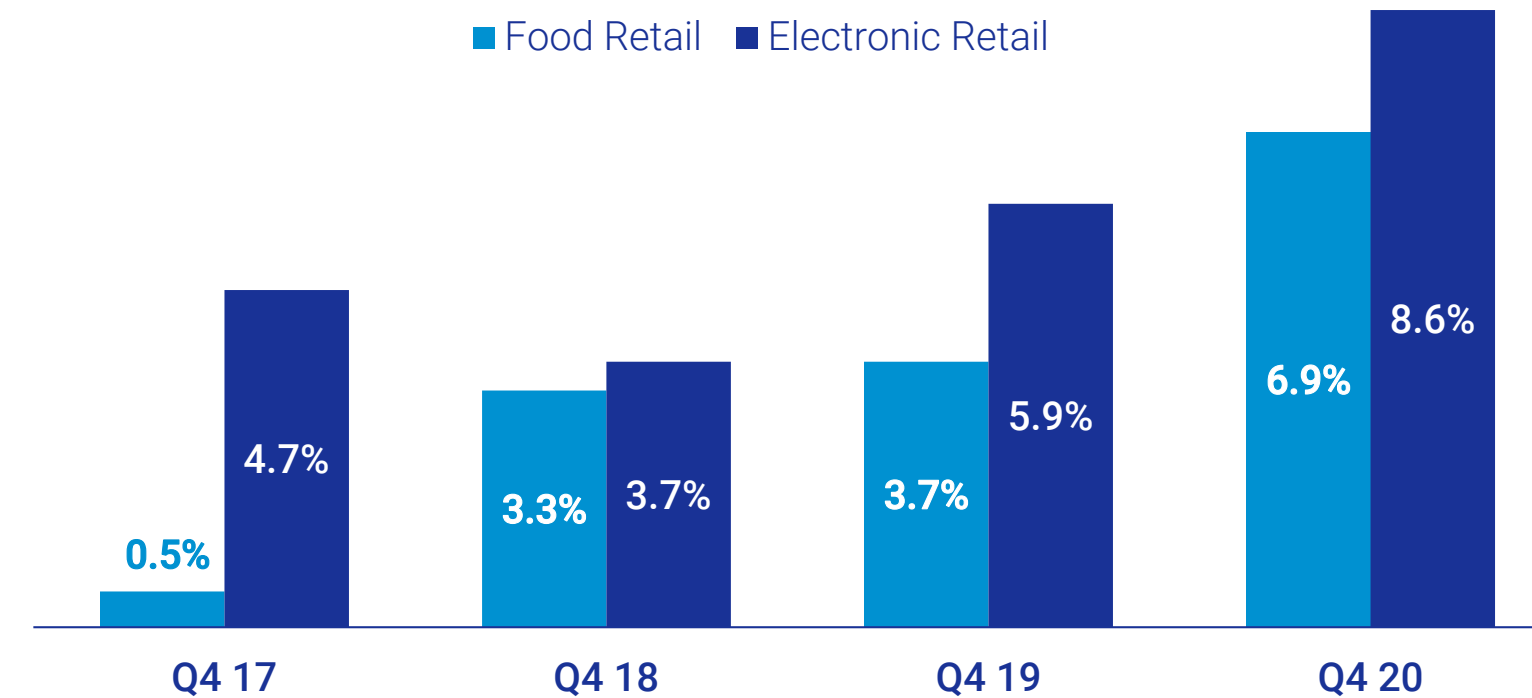
MILLION TL	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change
SALES	2,999	4,174	39%	10,523	13,522	28%
EBITDA**	259	448	73%	806	1,135	41%
EBITDA**-Comparable	138	322	68%	341	640	87%
NET INCOME**	-87	70	180%	-516	-141	73%
NET INCOME**-Comparable	-68	82	221%	-436	-83	81%
EBITDA** MARGIN	9%	11%		8%	8%	
EBITDA** MARGIN-Comparable	5%	8%		3%	5%	

*Before consolidation adjustments, combined **Excludes non-operational and non-recurring one off items. Comparable excludes IFRS16 impact

E-commerce sales, (TL MN)



Comparable EBITDA** margin by segment



Current Assessment

- ✓ Solid top line growth
- ✓ Pass-through impact on EBITDA
- ✓ Effective financing management

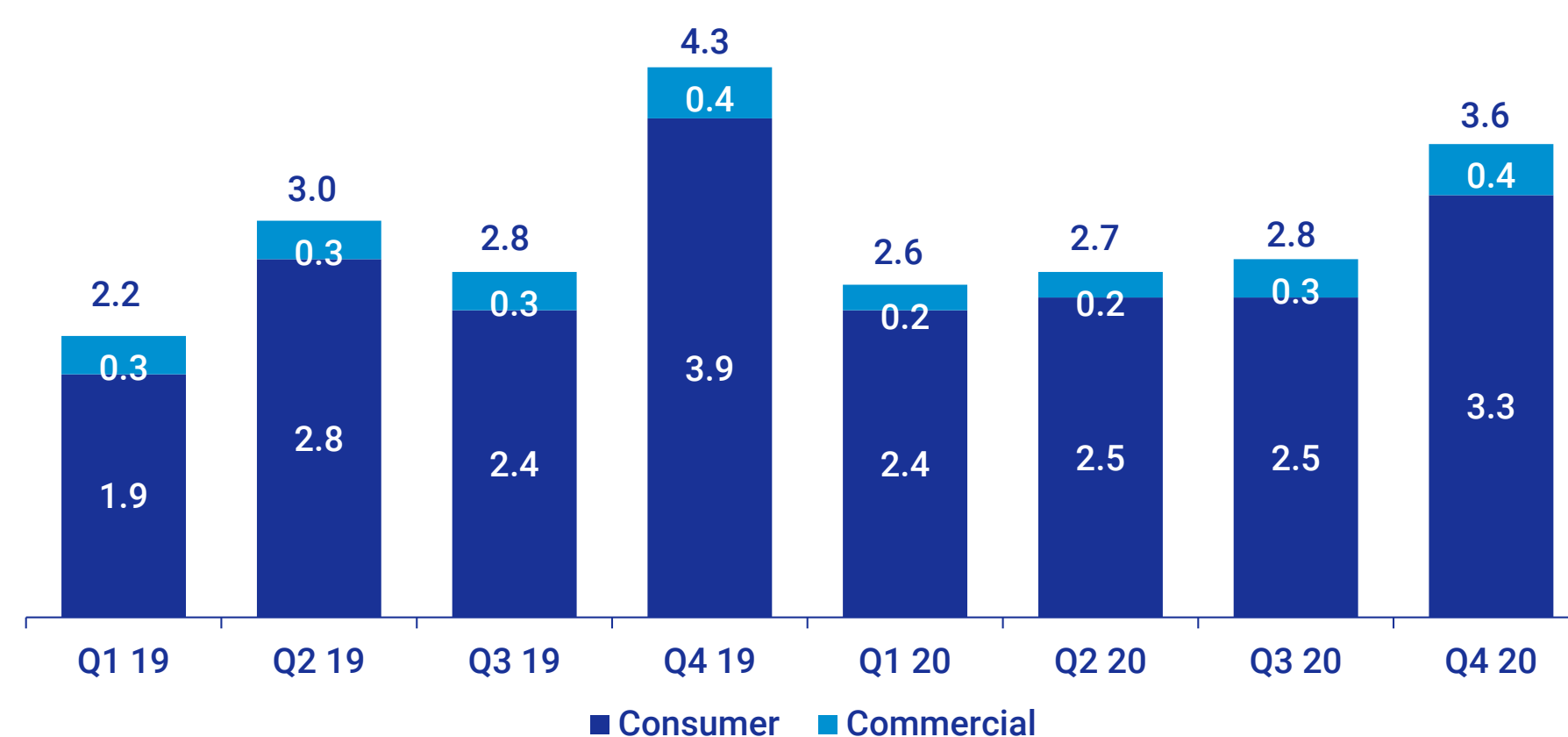
Factors to Watch

- ✓ Economic activities and sectoral trends
- ✓ Consumer sentiment & shift in buying behavior
- ✓ Regulatory backdrop

Industrials Summary Financials*

MILLION TL	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change
SALES	2,258	2,761	22%	9,691	8,674	-10%
SALES-Comparable	2,172	2,761	27%	8,696	8,674	0%
EBITDA**	351	516	47%	1,596	1,623	2%
EBITDA**-Comparable	345	516	50%	1,539	1,623	5%
NET INCOME**	133	294	122%	639	776	21%
NET INCOME**-Comparable	133	294	121%	650	776	19%
EBITDA** MARGIN	15%	19%		17%	19%	

Tire Demand Sell Out*** (M Units)



Current Assessment

- ✓ Demand recovery boosted tire & tire reinforcement volumes
- ✓ Competitive logistic cost advantage of global footprint
- ✓ Absolute leadership in Turkish replacement market

Factors to Watch

- ✓ Recovery in aviation sector
- ✓ Pricing vs. commodity prices
- ✓ Effective working capital management

Summary Combined Financials

MILLION TL	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change
REVENUE	9,935	10,157	2%	41,278	37,976	-8%
EBITDA	1,857	2,562	38%	7,549	9,466	25%
NET INCOME*	1,327	1,855	40%	5,464	6,773	24%

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

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

Key Ratios

%	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change
Leverage	7.1x	7.6x	0.5x	7.1x	7.6x	0.5x
NIM (swap adj.)	4.71%	3.61%	-1.1%	4.14%	4.12%	0.0%
CIR¹	29.7%	38.5%	8.8%	32.9%	33.8%	0.9%
CAR²	19.7%	19.8%	0.1%	19.7%	19.8%	0.1%
Tier 1²	16.9%	16.9%	0.0%	16.9%	16.9%	0.0%



Achievements

- ✓ Maintained solid core operating performance despite increased funding costs
- ✓ Sustained best-in-class CIR
- ✓ Continued prudent ALM with a focus on maturity mismatch
- ✓ Market share gains in consumer loans in line with 2021 guidance
- ✓ Improved CoC is a harbinger of gradual normalization for 2021
- ✓ Further enhanced capital buffers to be supportive of growth in 2021

1) CIR calculation excludes FX gain from long FX position related with stage 1&2 provisions and LYY hedge as well as insurance penalty of TL71mn & BRSA penalty of TL117mn

(2) 2020 figures are w/o forbearances that will end by YE2020 (Fixing MtM losses of securities & FX rate for RWA calculation to YE2019)

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

Zero Waste

Net Zero Emissions

by 2050

MSCI ESG Score

Upgrade to

BBB or above

from current (2020)⁷ **BB**



APPENDIX

MILLION TL	Combined Revenue* (TL mn)						Combined EBITDA* (TL mn)						Consolidated Net Income* (TL mn)					
	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change	Q4 2019	Q4 2020	% Change	12M 2019	12M 2020	% Change
TOTAL*	24,655	28,216	14%	97,047	103,463	7%	4,080	5,416	33%	17,109	20,925	22%	924	1,202	30%	3,830	5,178	35%
TOTAL*-Comparable	24,569	28,216	15%	96,052	103,463	8%	3,953	5,291	34%	16,587	20,429	23%	934	1,208	29%	3,879	5,208	34%
BANK	9,935	10,157	2%	41,278	37,976	-8%	1,857	2,562	38%	7,549	9,466	25%	541	756	40%	2,227	2,760	24%
NON-BANK*	14,719	18,059	23%	55,769	65,487	17%	2,223	2,855	28%	9,560	11,459	20%	383	446	16%	1,604	2,418	51%
NON-BANK*-Comparable	14,633	18,059	23%	54,774	65,487	20%	2,096	2,729	30%	9,039	10,963	21%	393	452	15%	1,652	2,448	48%
ENERGY	6,622	7,522	14%	26,013	31,103	20%	1,314	1,416	8%	5,962	6,838	15%	217	221	2%	1,063	1,315	24%
BUILDING MATERIALS	886	1,228	39%	3,552	4,238	19%	123	232	88%	548	764	39%	2	44	1,786%	4	109	2,671%
RETAIL	2,999	4,174	39%	10,523	13,522	28%	259	448	73%	806	1,135	41%	-46	42	n.m.	-276	-63	77%
RETAIL-Comparable							138	322	134%	341	640	87%	-36	49	n.m.	-232	-33	86%
FINANCIAL SERVICES	1,719	2,085	21%	5,461	6,604	21%	193	221	14%	697	999	43%	62	62	1%	215	278	30%
INDUSTRIALS	2,258	2,761	22%	9,691	8,674	-10%	351	516	47%	1,596	1,623	2%	87	131	50%	448	413	-8%
INDUSTRIALS-Comparable	2,172	2,761	27%	8,696	8,674	0%	345	516	50%	1,539	1,623	5%	88	131	50%	453	413	-9%
OTHER*	235	288	23%	529	1,348	155%	-17	23	n.m.	-48	100	n.m.	61	-54	n.m.	150	366	144%

*Holding dividend income excluded; Comparable excludes divested businesses in industrials

*Excludes non-operational and non-recurring one off items; Comparable excludes divested businesses in industrials and IFRS16 impact in retail

*Excludes non-operational and non-recurring one off items; Comparable excludes divested businesses in industrials and IFRS16 impact in retail

Non-Operational and Non-Recurring Items (TL mn)

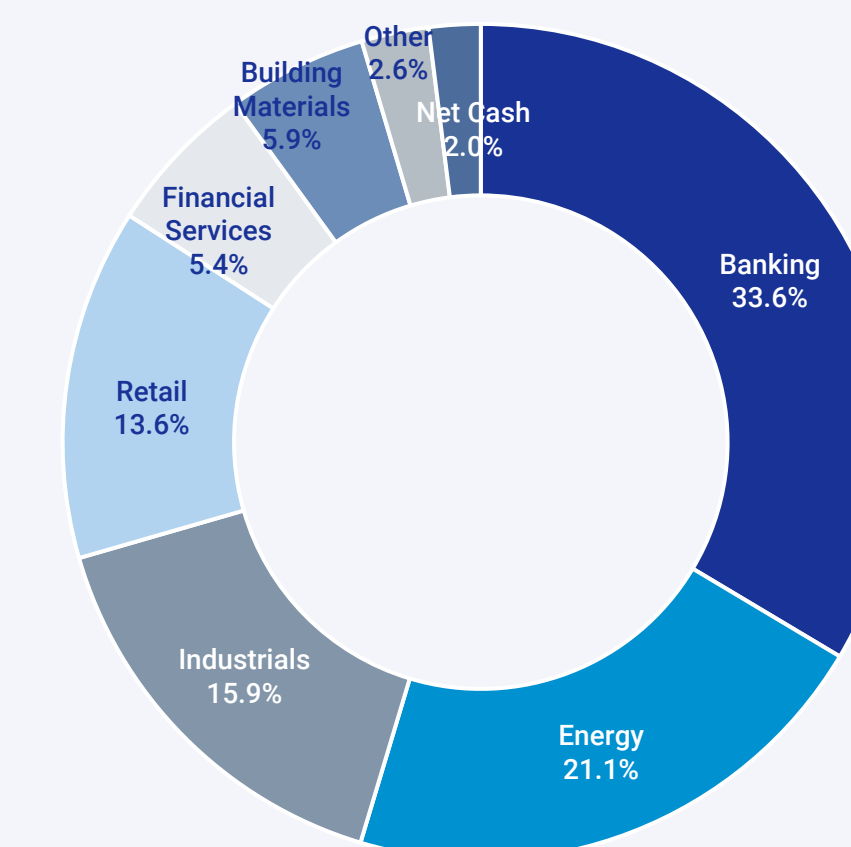
	Q4 2019	Q4 2020	12M 2019	12M 2020
CONSOLIDATED NET INCOME EXCLUDING NON OPERATIONAL & NON RECURRING ITEMS	924	1,202	3,830	5,178
Carrefoursa one-offs	2	-30	12	-31
Loss on sale of Temsa Ulaşım	0	0	-66	0
Avivasa one-offs	-2	0	-2	17
Enerjisa Generation Pervari Impairment	0	-1	0	-149
Enerjisa Enerji IFRIC	-68	-270	-71	-270
Gain on sale of Yünsa	19	0	19	0
Other	6	26	58	22
CONSOLIDATED NET INCOME	881	927	3,780	4,768

Appendix / Sabancı Holding Discount to NAV

USD mn	Direct Stakes (%)	Valuation Method	Mcap	Dec-2020		Dec-2019	
				Value of Stake	% of NAV	Value of Stake	% of NAV
Companies							
Akbank	40.8%	Market Value	4,854	1,978	33.6%	2,891	46.5%
Enerjisa Enerji	40.0%	Market Value	1,990	796	13.5%	587	9.5%
Aksigorta	36.0%	Market Value	383	138	2.3%	113	1.8%
Avivasa	40.0%	Market Value	445	178	3.0%	169	2.7%
Akçansa	39.7%	Market Value	427	169	2.9%	128	2.1%
Çimsa	54.5%	Market Value	324	177	3.0%	113	1.8%
Brisa	43.6%	Market Value	820	358	6.1%	213	3.4%
Kordsa	71.1%	Market Value	407	290	4.9%	304	4.9%
Carrefoursa	57.1%	Market Value	1,236	706	12.0%	281	4.5%
Teknosa	50.0%	Market Value	189	95	1.6%	47	0.8%
Total Listed				4,884	82.9%	4,485	78.0%
Enerjisa Üretim	50.0%	1.0 x Book Value	888	444	7.5%	511	8.2%
Philsa	25.0%	Analyst Estimates**	1,167	292	5.0%	422	6.8%
Other		1.0 x Book Value		155	2.6%	153	2.5%
Total Non-listed				890	15.1%	1,086	17.5%
Total				5,775	98.0%	5,932	95.5%
Sabancı Holding Net Cash				115	2.0%	279	4.5%
Sabancı Holding NAV				5,890	100.0%	6,211	100.0%
Sabancı Holding Mcap				3,150		3,274	
Sabancı Holding Discount				-46.5%		-47.3%	



Breakdown of NAV (December 2020)

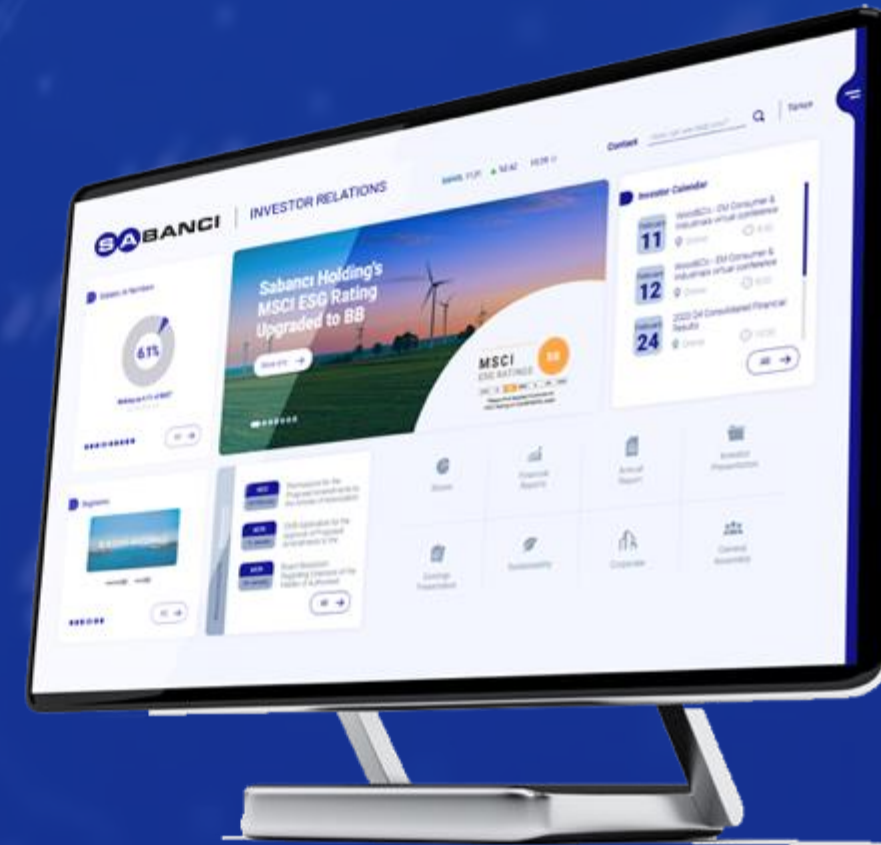


- ① In accordance with In IFRS16, most leased items with a duration longer than one year have to be included as an asset in the company books. In addition, the payments that will be made on the lease agreement have to be reported as a liability on the balance sheet. The depreciation of the asset and interest on the lease liability have to be included in the P&L instead of rent expenses. This leads to higher operating profit compared to the periods before the application of IFRS16. For comparison purposes, 2019 and 2020 figures are adjusted to reflect the IFRS16 impact.
- ① Enerjisa Enerji uses IFRIC 12 “service concession arrangements: government or other body grants contracts for supply of public services” for valuing its network. Changes in long-term assumptions (e.g. Regulatory parameters) lead to changes in the fair value of the networks-related financial asset. These changes are IFRS P&L-effective, can be material because they relate to the remaining concession period and are fully non cash-effective. As a result they are treated as one-off items and adjusted for comparisons.

THANK YOU

Discover
**4Q 2020
Consolidated
Financial
Results**

on renewed Sabancı IR website



INVESTOR RELATIONS CONTACTS

Kerem TEZCAN
Investor Relations Director

ktezcan@sabanci.com

Şule GENÇTÜRK KARDIÇALIOĞLU
Investor Relations Specialist

skardicalioglu@sabanci.com

investor.relations@sabanci.com

