



INVESTOR PRESENTATION GROUP STRATEGY

December 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.

01

Financial Track Record

02

Capital Allocation

03

Strategic Business Units & Digital

04

Mid-Term Guidance

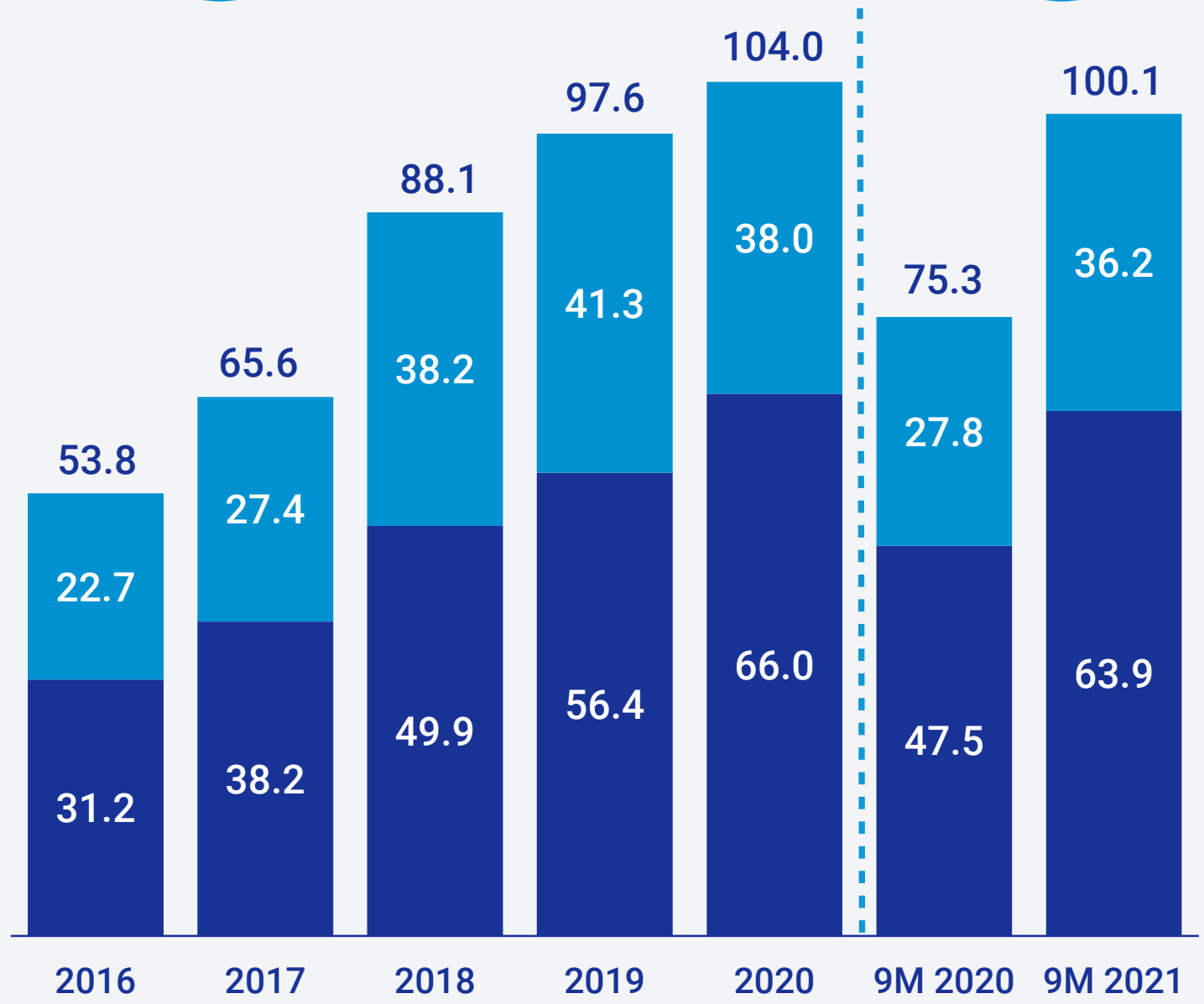


Combined Revenue* (TL Bn)

■ Non-bank** ■ Bank

CAGR: 18%

Y/Y: 33%



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

Combined EBITDA* (TL Bn)

■ Non-bank** ■ Bank

CAGR: 18%

Y/Y: 38%



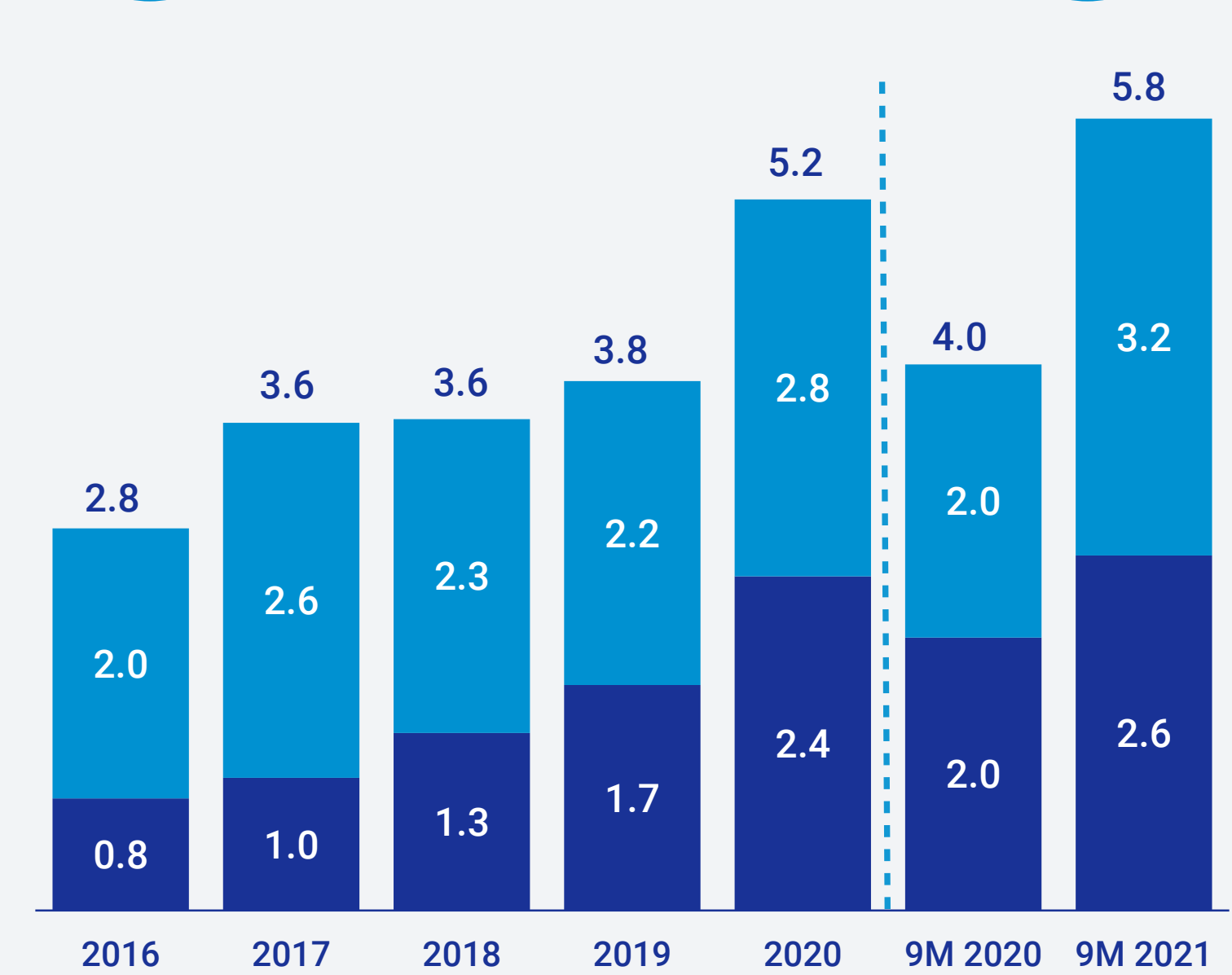
*Excludes non-operational and non-recurring one off items **Excludes IFRS16 impact in retail

Consolidated Net Income* (TL Bn)

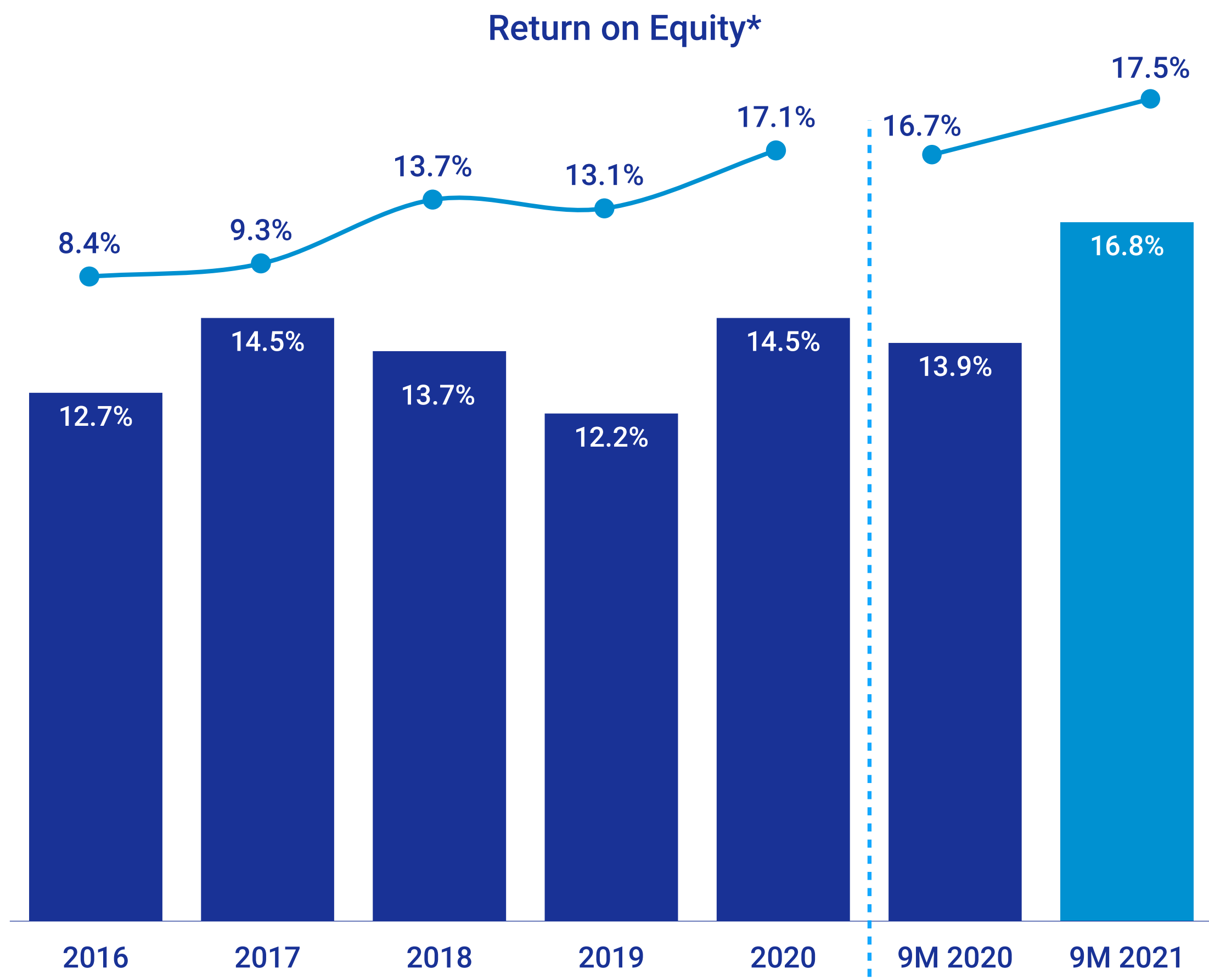
■ Non-bank** ■ Bank

CAGR: 17%

Y/Y: 45%

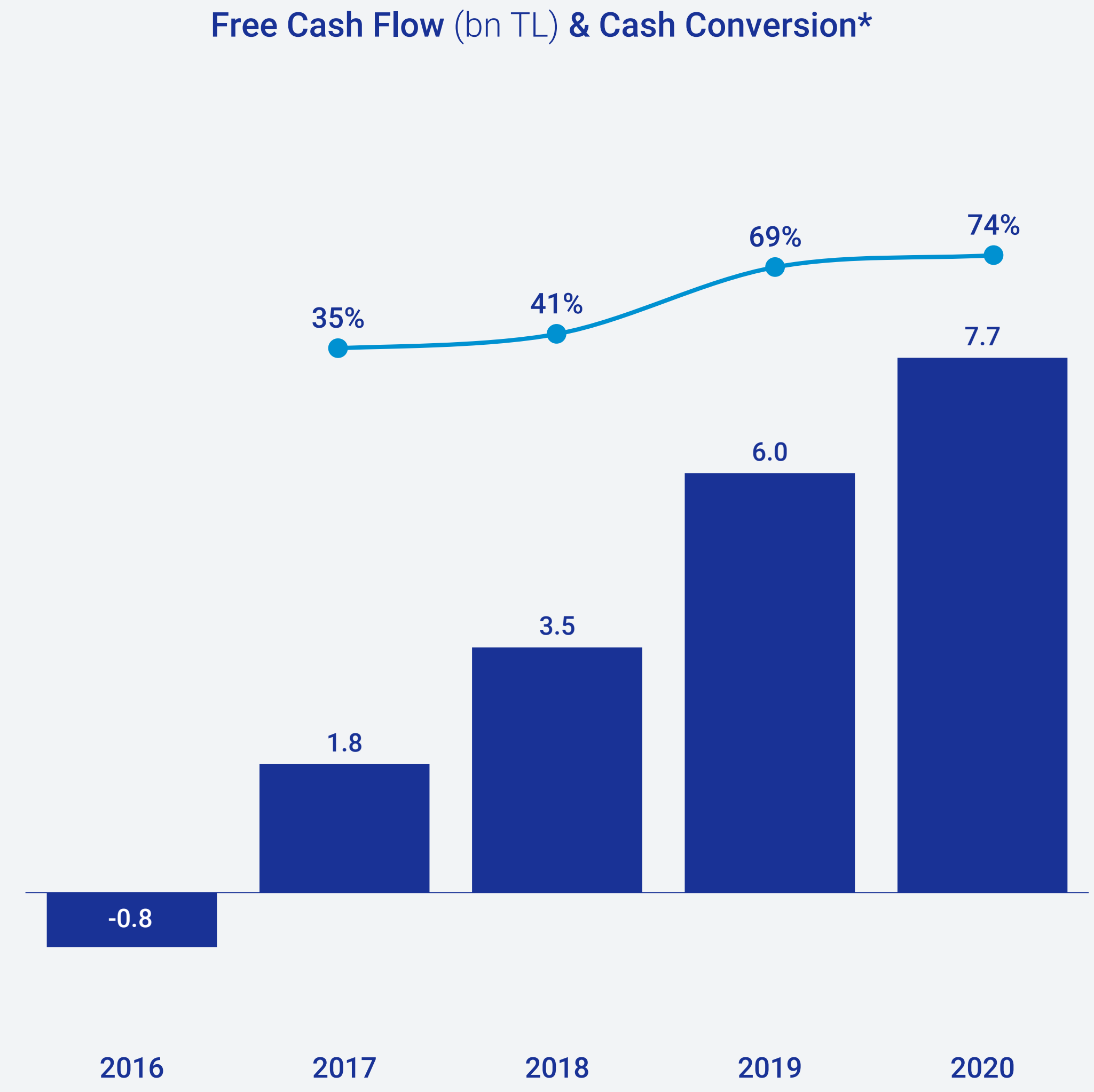


*Excludes non-operational and non-recurring one off items **Excludes IFRS16 impact in retail



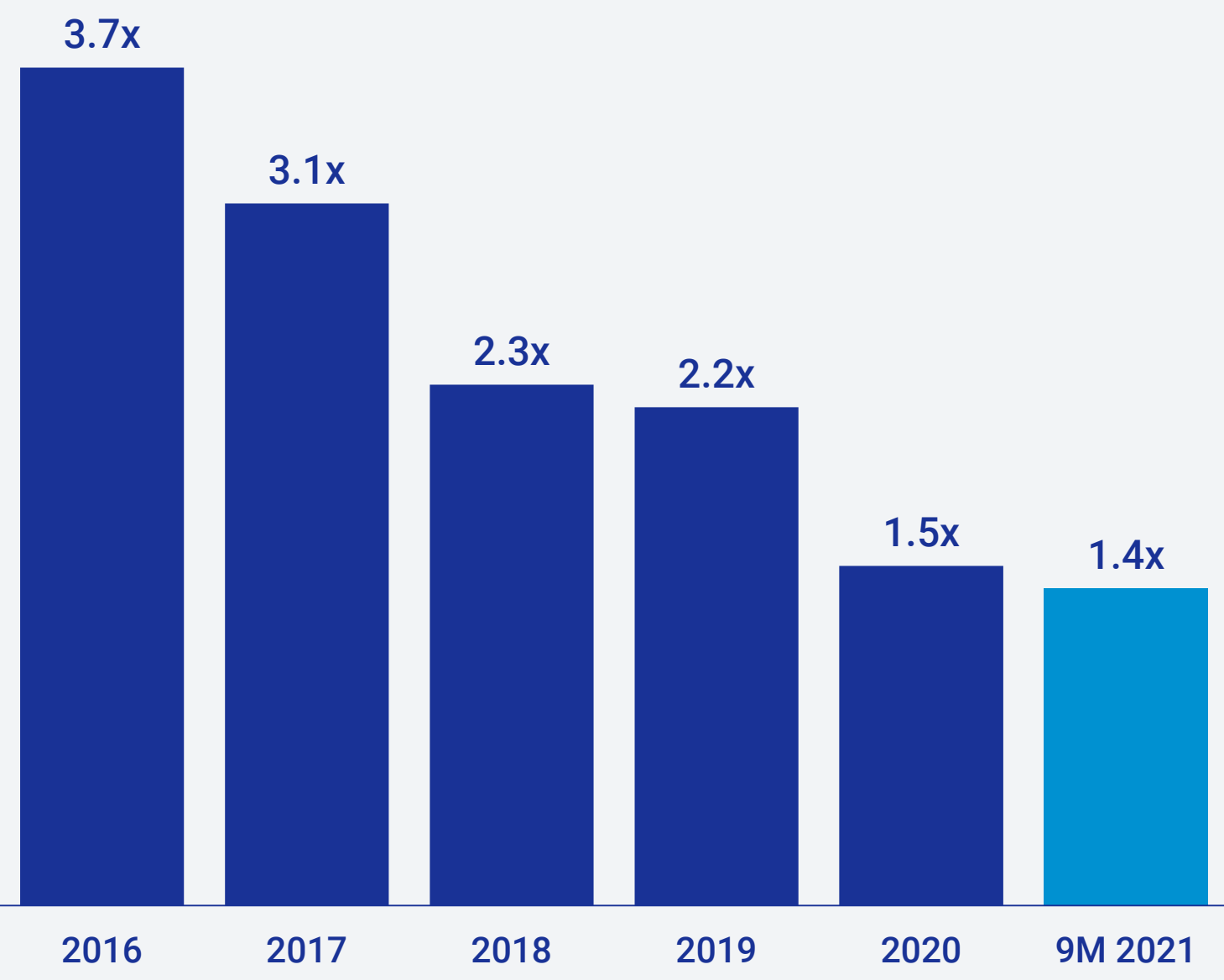
■ Consolidated ROE ● Non-Bank ROE

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

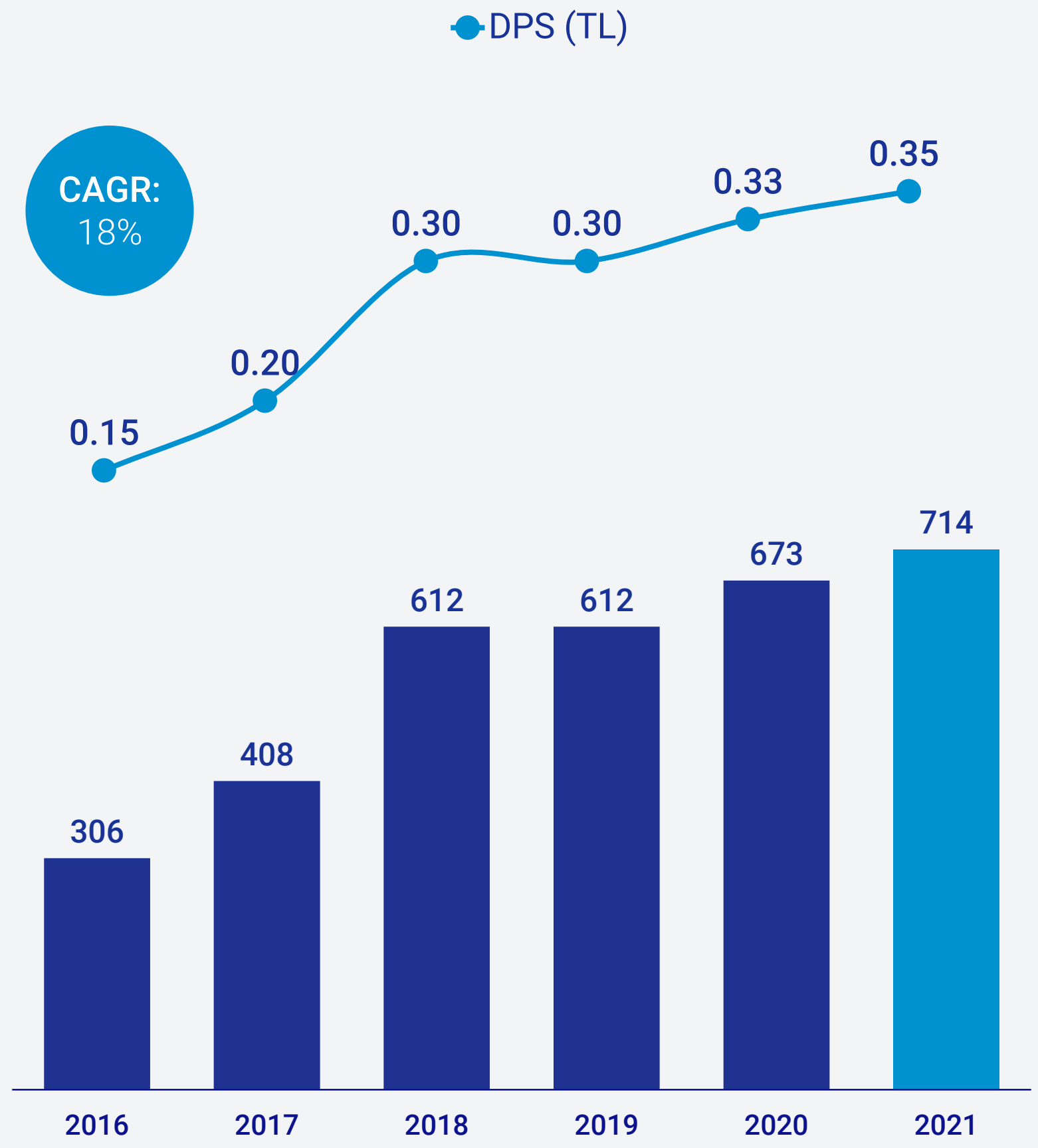


*Excludes Financial Services, Banking & Other segment. Cash Conversion ratio is free cash flow over EBITDA

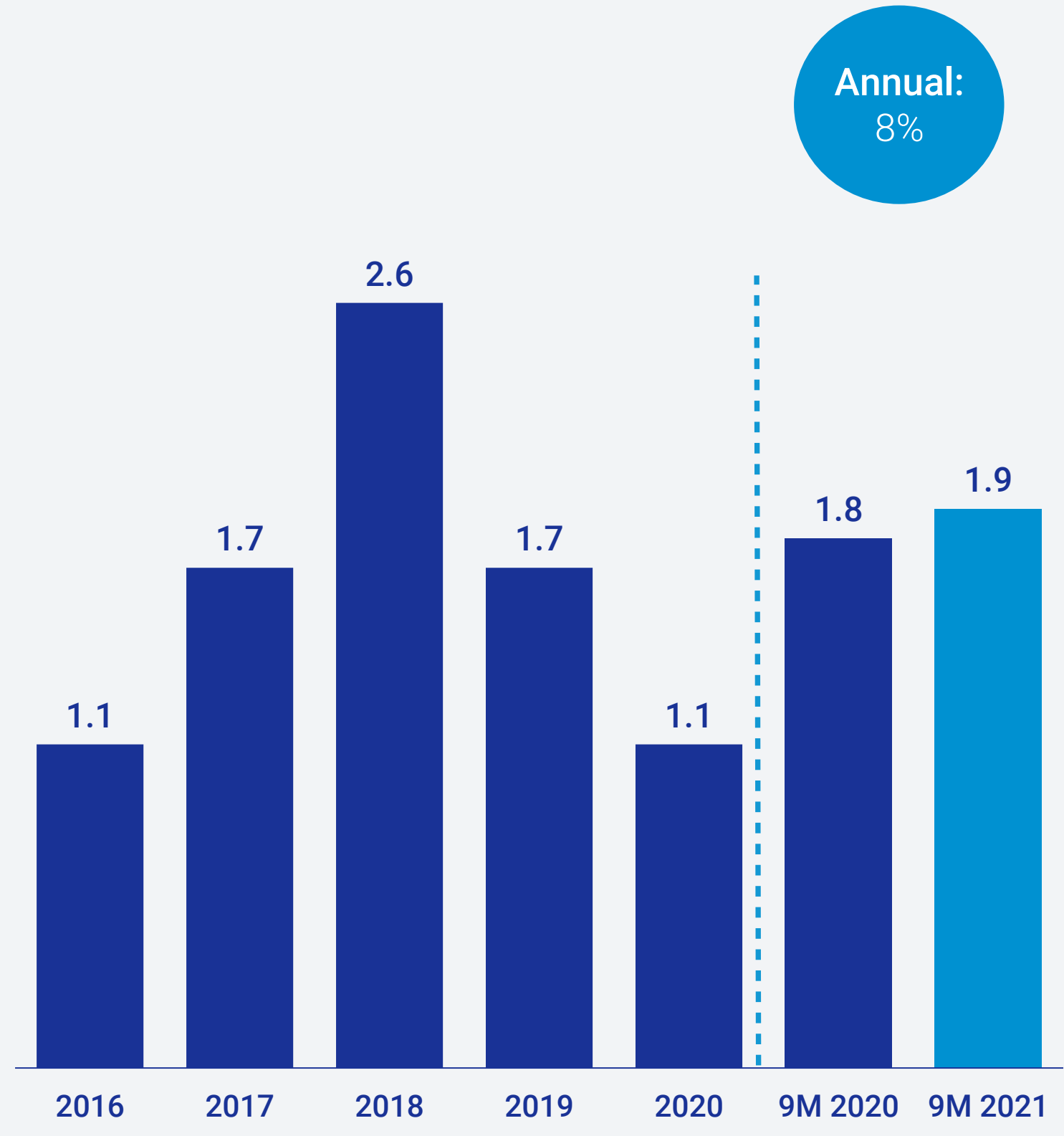
Combined Net Financial Debt to Non-Bank EBITDA*



Dividends Paid (TL Mn)



Holding Only - Net cash position (TL bn)



*Excludes Banking, net cash position of Financial Services, IFRS 16 impact; and non-operational and non-recurring one-off items in EBITDA

01 Financial Track Record

02 Capital Allocation

03 Strategic Business Units & Digital Roadmap

04 Mid-Term Guidance



DOUBLING CAPEX | 25/75 SPLIT BETWEEN CORE & NEW INVESTMENTS

Grow and Protect the Core

- Strengthen our market leading positions
- Profitable growth driven by customer centricity

Invest in New Platforms

- Increasing share of new economy: from 6% in 2020 to ~13% in midterm
- 75% of non-bank capex for transformation & adjacencies focusing on:
 - FX generation
 - Digital
 - Sustainability
- ROIC > WACC & favorable technical analysis

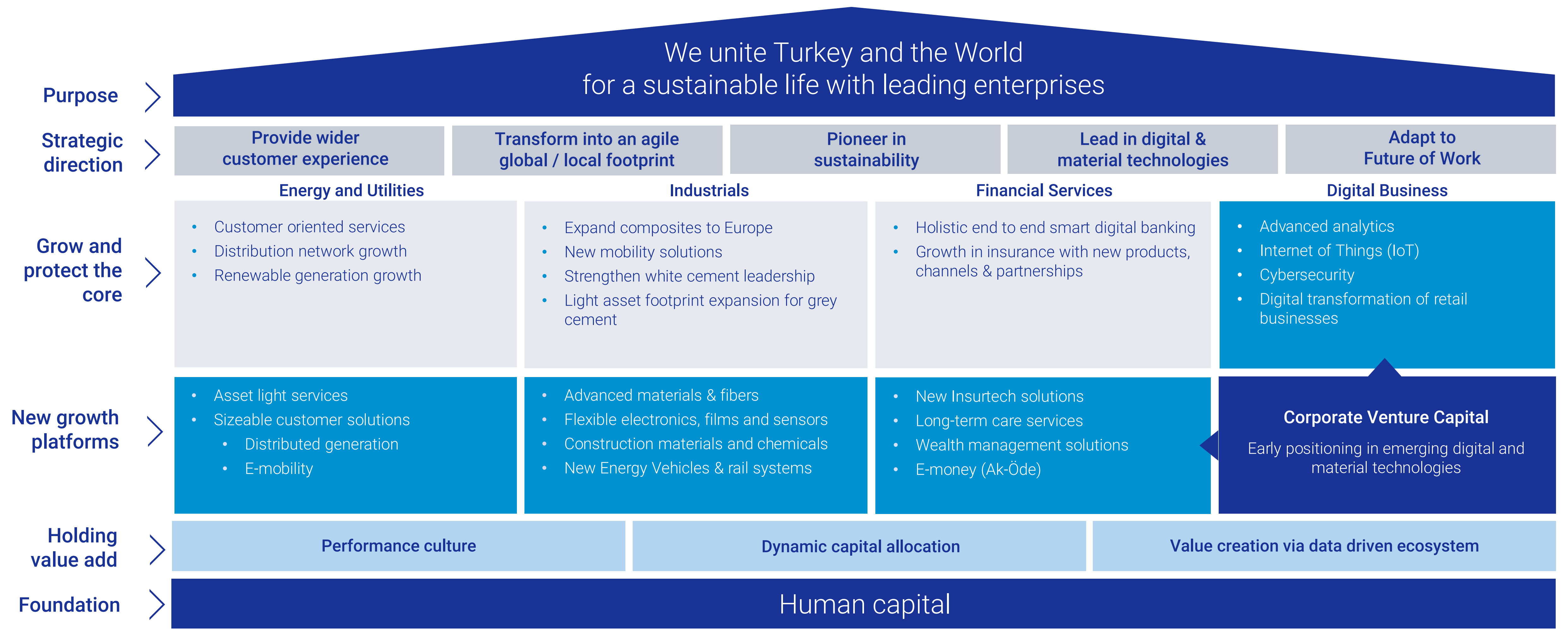
Maximize Shareholder Return

- Dividend Policy: 5%-20% of net income
- DPS (2015-2020): up by 2.3 times
- Tools to support: Share Buyback
 - Up to 5% of paid-in capital: 102 mn shares
 - Total funds allocated: TL1.75bn
- Long-term Incentive Plan: NAV Growth & rTSR
- ROE at 14.5% in 2020 to high-teens in midterm

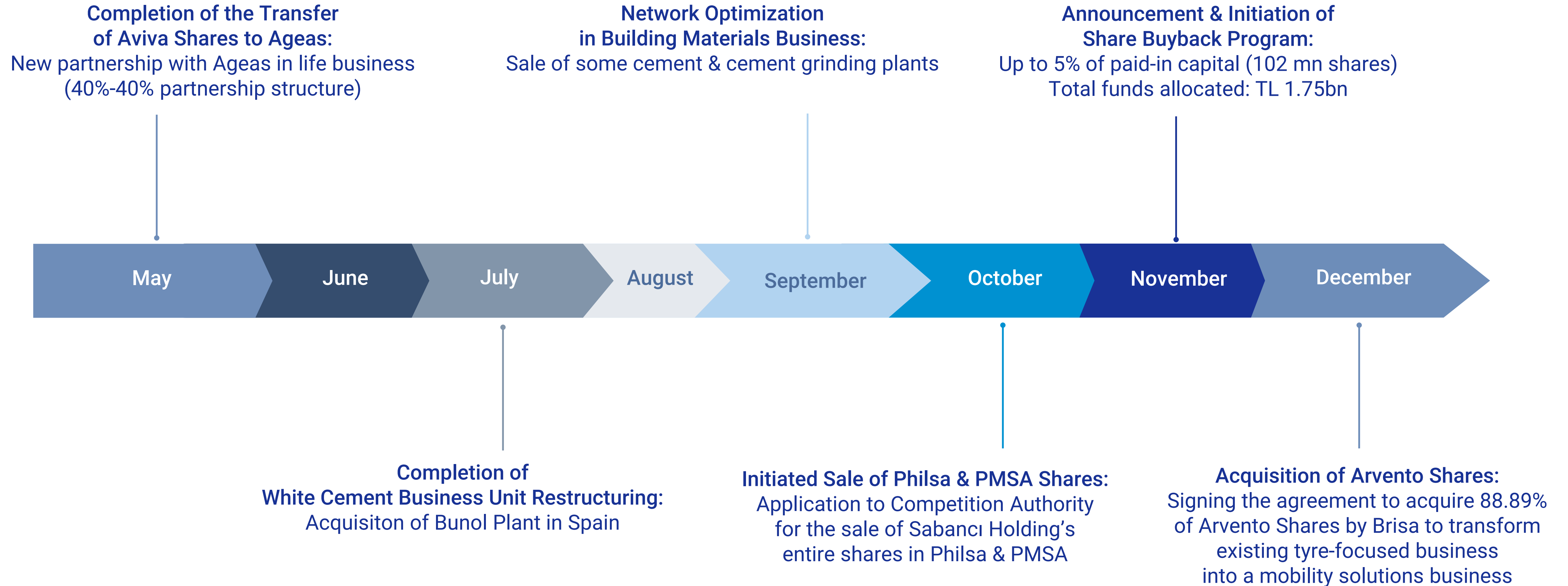
Keep Healthy Balance Sheet

- Net debt to EBITDA \leq 2x
- Healthy use of capital & debt
- Managing B/S as if an investment grade company





Dynamic Portfolio Management



we transform the core

BBB MSCI ESG Rating

TL5.9BN¹

SDG-linked net sales revenues

44%²

SDG-oriented R&D

87%³

waste recovery

12.5GWh

energy recovery

2x

more alternative fuel use than Turkey average

19%⁴

water recovery

30%

female employee ratio

1

female-to-male pay ratio⁵

1. & Only

Turkish Company in World's Top Female-Friendly Companies⁶

44%

ratio of women in the BoD

...and grow in sustainable platforms

Among our growth platforms...



E-mobility



Electrification



Renewables



New Energy Vehicles & Components



Telematics IoT 4.0



Digitalization & Cybersecurity



Sustainable Chemicals



Lightweight materials



Sustainable Finance



Distributed generation



New electricity sources



Sustainable building materials



Offset technologies & solutions

...because it *makes* business sense.



Lower
cost of debt & cost of capital



Broader
investor base



Lower
ESG risks

01

Strong Track Record

02

Capital Allocation

03

Strategic Business Units &
Digital Roadmap

04

Mid-Term Guidance



Pioneer in Turkey Beyond Power: Green, Sustainable and Digital

1 PROTECT AND GROW THE CORE

Renewable Generation Growth

- Additional Wind and Solar Projects
- Hybrid Projects

Asset Light Growth (3rd Party Services, Trading etc.)

Distribution Network Investments Growth (organically / inorganically)

Additional Retail Offerings (Home Services etc.)

Sizeable Customer Solutions

- Distributed generation
- E-mobility

2 TRANSFORM

Evaluating Opportunities Within the Natural Gas Value Chain

New Energy Technologies Investment - Abroad

Exploring New fuel Economics (Hydrogen)

Operational Excellence With a Focus On Sustainability

Access to Sustainability Linked Financing

X

Digitization of Processes Through Accurate Communication and Competent Human Capital

Preparing For a Sustainable Future With Valuable Competencies

2020

Well-positioned energy portfolio in a vertical way (generation, trading, distribution and retail)

Turkey's leading companies

Strong historical growth and untapped potential

Well-balanced generation mix in line with the country; as well as fx based revenue through FiT

Access to competitive and sustainability linked financing

Operational excellence, strong human capital, benchmark digitalized processes

Regular dividend stream

FUTURE

Sustained market leadership position through aggressive growth in core businesses;

- Maximizing renewables potential
- Maximizing regulated asset and customer base

Technology Focused Growth

- Asset light services and products
- New Fuel Technologies
- Customer solutions
 - . Distributed generation (solar)
 - . E-mobility and e-charging

Maintaining fx based revenue

Increased dividend ability over years

Grow into an Advanced Material Group
Strengthen our core in Mobility
Provide wider customer experience

1

PROTECT AND GROW THE CORE

Strengthen Export and International Sales

- New Operating models in Tire and Reinforcement Businesses
- Grow in new uses and beyond US in Composites

Grow in New Mobility Solutions

- Increase number of Otopratik shops
- Explore new services to Customers

New Energy Vehicles and Components

- Increase eBus & eTruck sales
- Establish eVehicle sales network
- Explore complementary components

2

TRANSFORM

Advanced Materials Growth

- Expand in Sustainable Chemicals

Telematics & IoT

- Transform Industry 4.0 know-how into a wider solutions business
- Provide wider mobility solutions also utilizing Telematics technologies

Buy & Build to Grow into a sizeable Advanced Material Player in Composites & Sustainable Chemicals

Growing into Advanced Materials Group

2020

- Established mobility group
- Strategic supplier to all tire producers
- Strategic supplier to aerospace Industry
- Well diversified export & international sales
- Strong cash flow
- Superior operational profitability compared to benchmarks
- Companies with proven sustainability leadership within their sectors

FUTURE

- Sustainable chemicals buy & build in addition to the composites
- Growth in composites uses beyond aerospace and expand beyond US
- New mobility solutions and increased sales through telematics and IoT
- Strong revenue growth
- Established new energy vehicles dealership network in Turkey
- New energy vehicles & components sales to global network
- New operating models and global footprint optimization for a stronger core business

From Pure Cement to Building Materials
From Local to Glocal, From Grey to Green

1

PROTECT AND GROW THE CORE

Network Optimization and Integration

Strengthen White Cement Position

- Light asset investments globally
 - Explore other value creation opportunities
-

Internationalize Grey Cement

- Light asset investments and vertical integration in export markets
- Improve trading capability

2













TRANSFORM

New Growth and Diversification

- Expand in calcium aluminate
- Exploration of building materials in adjacent segments eg. precast concrete & insulation

**Global R&D Center for Sustainable Building Materials
Innovations & Disruptions**

Transformation into a Global Building Materials Group

2020	POST BUNOL	FUTURE
 55% FX based revenue generation	 >70% FX based revenue generation	 Higher FX based revenue generation
 5% Revenue from international operations	 >15% Revenue from international operations	 Higher revenue share from international operations
 3% Revenue share from non-cement	 Higher alternative fuel usage through know-how transfer	 Growth in non-cement businesses
 CO2 Intensive product portfolio		 More sustainable product portfolio
		 Global R&D center and organization

To become the leading new generation
insurance services provider

1

PROTECT AND GROW THE CORE

Act as a multi-line insurer with Aksigorta & Agesa

Develop distribution

- Expand our network & productivity
- Increase penetration at Akbank channels

Achieve commercial excellence

- Diversify product portfolio
- Improve acquisition, cross sell and retention

Keep efficiency and improve services

- Automated and intelligent - smart processes
- Improved customer and stakeholder experience

2

GROW INTO ADJACENCIES

Reconfigure health insurance business
for growth

3

TRANSFORM

Pursue new opportunities in digital platforms
and ecosystems

Smart and Sustainable Growth Towards 2026

2020

Agesa, leadership position in Pension & AE AUM: #3 player in total life and personal accident

Aksigorta, strong presence in the non-life insurance #4 player

Strong distribution network ~3.300 agencies

Exclusive partnership with Akbank

Strong operational and financial performance

Continuous investment on digital, analytics and customer capabilities

FUTURE

Leadership & growth in savings and protection

Profitable growth and strengthened market positioning in non-life

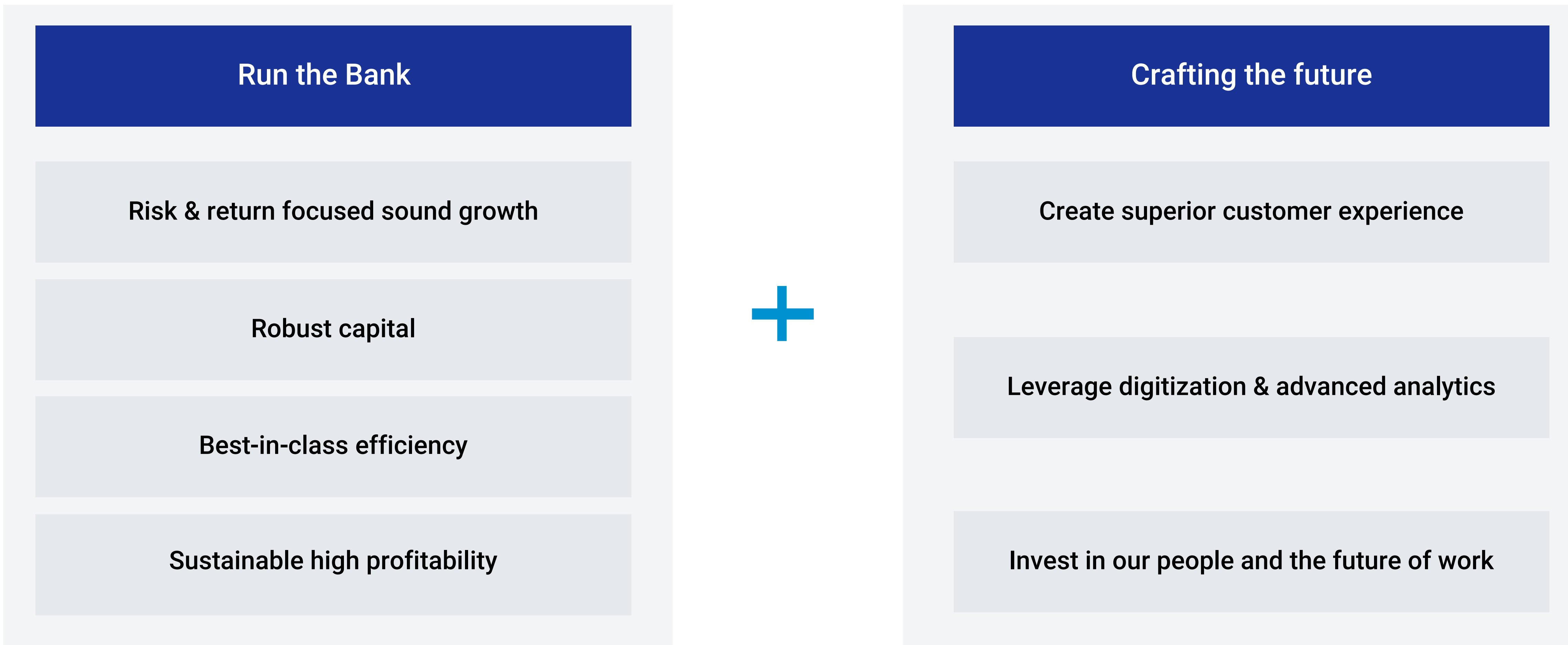
Best in class customer and stakeholder experience

New digital engines via platforms and strategic partnerships

Operational and technical excellence with technology and analytics

Future of work & end to end IT and cultural transformation

Sustainability at the heart of business to build a better future



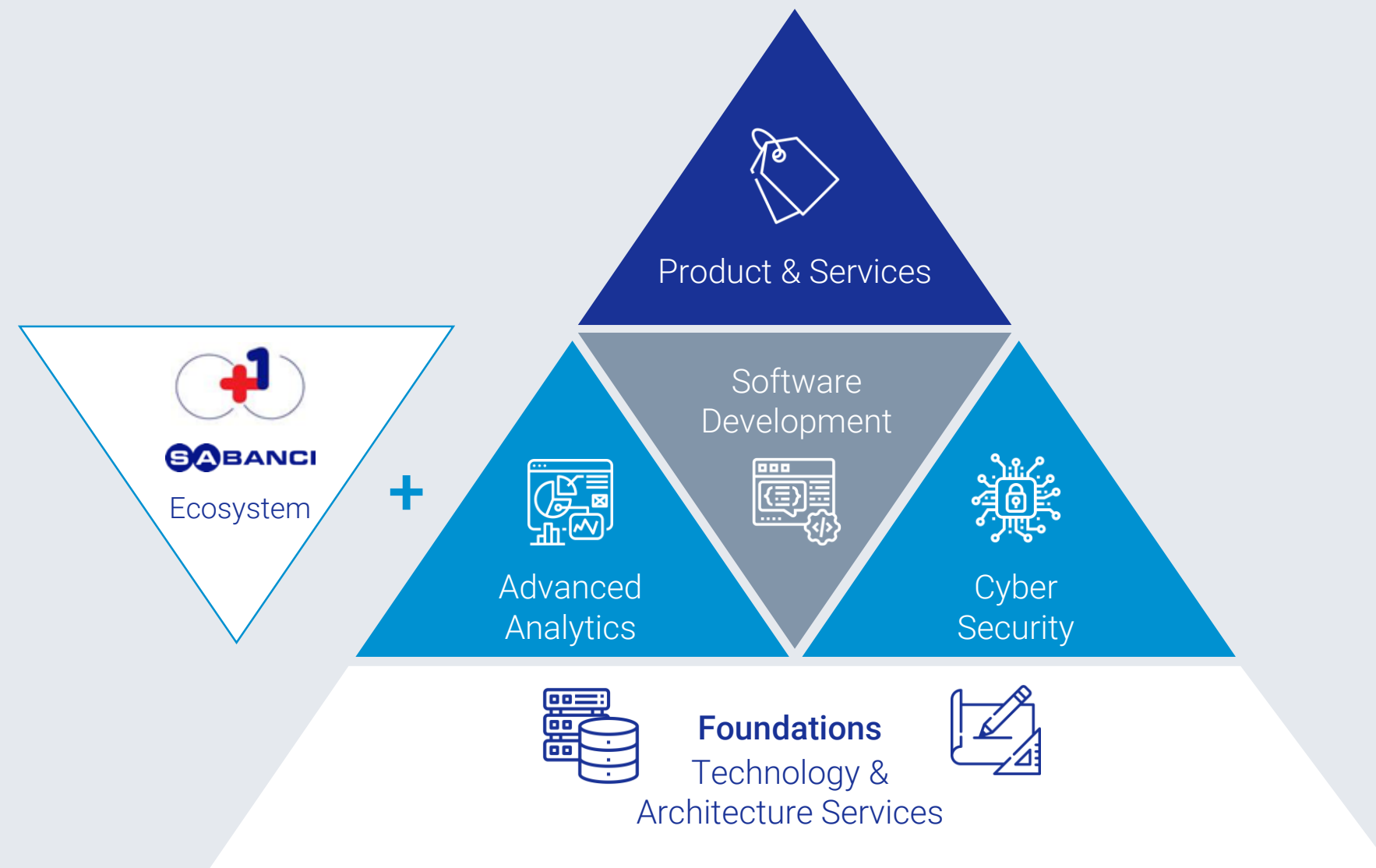
Mitigate environmental footprint while increasing positive impact



Digital Accelerators



The leading digital and analytics solutions & product company in the region



A Digital Ce Retail Platform With Physical Presence & Human Touch

Transforming from a "traditional retailer" to a digital / Marketplace platform with physical presence: "phygital"

Providing a broader tech offering and improved customer experience both in online and stores

Transforming from a "product driven customer relation" to a "holistic customer experience owner for tech"

Sabancı Ventures: Focus on Growth, Technology and Innovation



01

Financial Track Record

02

Capital Allocation

03

Strategic Business Units &
Digital Roadmap

04

Mid-Term Guidance

01 Growth

	2015-2020	Mid-term targets
Revenue growth	CPI ² + 4%	CPI¹ + 8%
EBITDA ³ growth	CPI ² + 8%	CPI¹ + 10%
Capex/Revenues	6%	~14%
FX revenue as % of combined revenue ⁵	25% ⁴	30%+
Net debt / EBITDA ⁶	1.5x ⁴	<2.0x
Share of new economy ⁷ in combined revenue ⁵	6% ⁴	~13%

02 Capital Return

Dividend policy
5%-20% of net income

Share Buyback
Up to 5% of paid-in capital:
102 mn shares
Total funds allocated:
TL1.75bn

Consolidated ROE
High Teens

03 Sustainability

Zero Waste
Net Zero Emissions
by 2050

MSCI ESG Score⁸
in 2021

BBB

Until 2030 (Akbank)

TL 200 bn
Sustainable Loan
Financing

TL 15 bn
Sustainable Investment
Funds

1

STRONG FINANCIAL TRACK RECORD & HEALTHY BALANCE SHEET...

2

...PAVING THE WAY TO ACCELERATE GROWTH

3

...BY SOUND AND COHERENT INVESTMENT STRATEGY

4

...UNDER A CLEAR INVESTMENT CRITERIA

5

...TO FOSTER SHAREHOLDER RETURN



APPENDIX

Appendix / Dividend Performance



TL mn	2016	2017	2018	2019	2020	2021
Akbank	245	367	652	-	-	255
Akçansa	102	94	51	61	18	42
Aksigorta	-	-	40	73	73	110
Agesa	12	9	19	40	64	64
Brisa	68	-	-	-	12	107
Carrefoursa	-	-	-	-	-	-
Çimsa	99	95	33	-	-	-
Kordsa	43	41	48	48	35	-
Teknosa	-	-	-	-	-	-
Yünsa	2	-	-	3	-	-
Enerjisa Enerji	-	-	142	189	283	454
Unlisted Companies	183	274	227	187	7	530
Total dividends received	755	879	1,212	601	492	1,562
Total dividends paid out	306	408	612	612	673	714
Outflows/Inflows	41%	46%	51%	102%	137%	46%
Payout Ratio	13.7%	15.3%	17.6%	16.0%	17.8%	15.0%

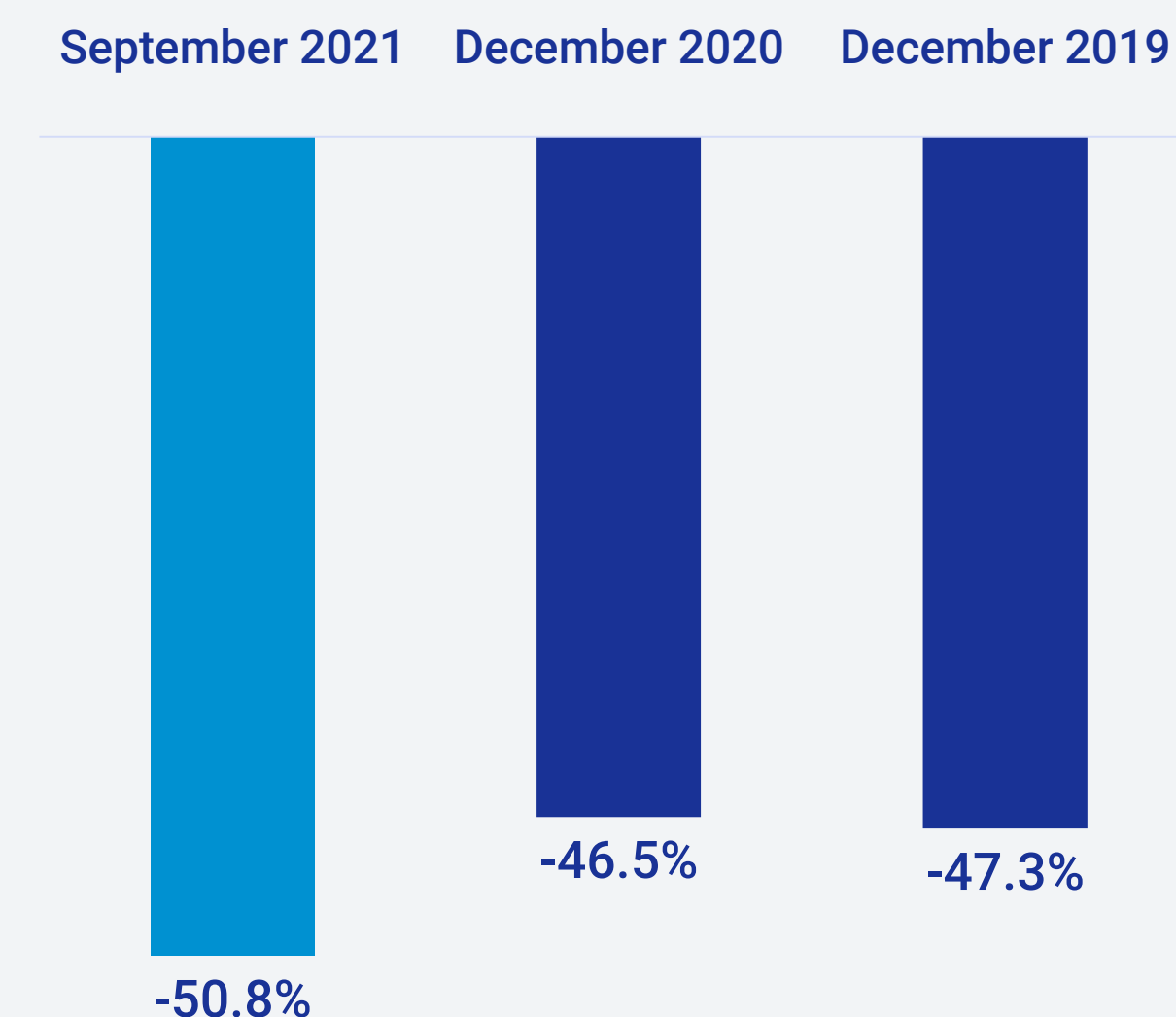
Dividend Policy:

5% - 20% of distributable consolidated IFRS net income

USDmn Companies	Direct Stakes	Valuation Method	Mcap	September 2021		December 2020	
				Value of Stake	% of NAV	Value of Stake	% of NAV
Akbank	41%	Market value	3,120	1,271	27.8%	1,978	33.6%
Enerjisa Enerji	40%	Market value	1,385	554	12.1%	796	13.5%
Aksigorta	36%	Market value	242	87	1.9%	138	2.3%
Agesa	40%	Market value	350	140	3.1%	178	3.0%
Akçansa	40%	Market value	294	117	2.6%	169	2.9%
Çimsa	55%	Market value	419	228	5.0%	177	3.0%
Brisa	44%	Market value	746	325	7.1%	358	6.1%
Kordsa	71%	Market value	554	394	8.6%	290	4.9%
Carrefoursa	57%	Market value	632	361	7.9%	706	12.0%
Teknosa	50%	Market value	133	66	1.5%	95	1.6%
Total Listed				3,545	77.5%	4,884	82.9%
Total Non-listed¹				815	17.8%	890	15.1%
Total				4,360	95.3%	5,775	98.0%

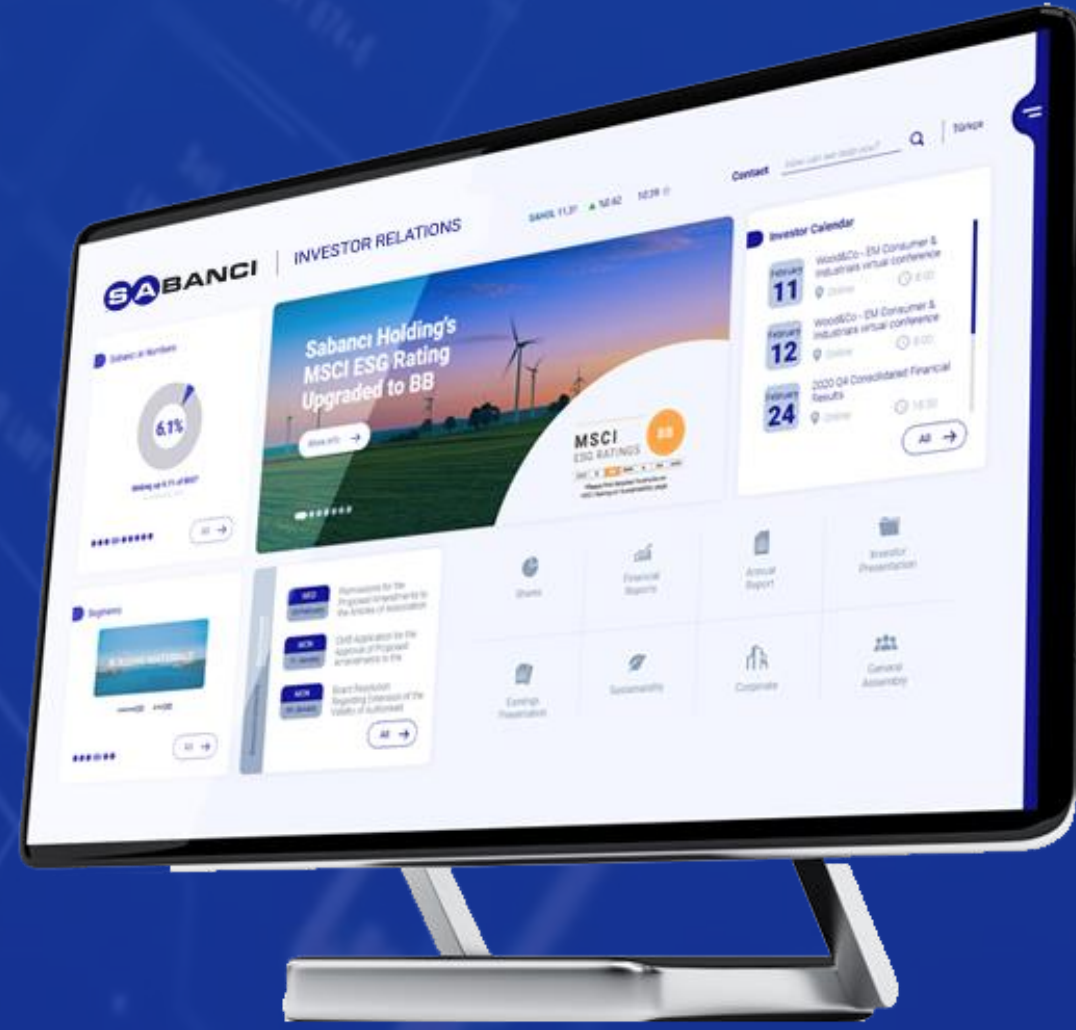
Sabancı Holding Net Cash	213	4.7%	115	2.0%
Sabancı Holding NAV	4,573	100.0%	5,890	100.0%
Sabancı Holding Mcap	2,249		3,150	
Sabancı Holding Discount	-50.8%		-46.5%	

NAV Discount



For Further Details

ir.sabanci.com



INVESTOR RELATIONS CONTACTS

Kerem TEZCAN
Investor Relations Director

ktezcan@sabanci.com

Şule GENÇTÜRK KARDIÇALIOĞLU
Investor Relations Specialist

skardicalioglu@sabanci.com

investor.relations@sabanci.com

