2020 Q2

EARNINGS RELEASE

Q2 2020 Highlights

Solid non-bank results during the peak of COVID-19 pandemic

Robust B/S, strong cash flow generation, & low leverage are intact

Keeping all COVID-19 related health & business measures in place

- The second quarter has been marked by a solid non-bank operational performance in a very challenging period when the impact of COVID-19 pandemic was at its peak. Combined non-bank sales posted a 4% y/y increase, while improvement in operational profitability led to a 5% y/y growth in non-bank EBITDA, on a comparable basis. Net income was up by a remarkable 24% compared to last year.
- Sabancı group's balance sheet remained strong as well, combined non-bank liquidity excluding financial services and tobacco business as of end of June was TL 8 bn, including TL 1,6 bn cash at the Holding level. With the total TL 3,8 bn funds at the financial services, the group's total liquidity reached TL 12 bn.
- Group's non-bank indebtedness remained stable despite the tough operating environment. Net debt to EBITDA remained unchanged at 2,2x by end of June compared to end of 2019.
- Including 99,8%-FX-denominated holding level cash, non-bank consolidated FX position reached US$343mn, increasing from US$308mn as of end 2019 and from US$331mn in Q1.
- Local markets have gone through a very sharp slowdown in spending and economic activity until the end of May. Substantial recovery started in June, which is still valid as of today. This upward trend in the economy is indicating the increasing possibility of a V shape recovery.
- As expected, Sabancı group's local consumer facing businesses are doing better than the ones that have an exposure in international markets. Among these international markets, the economic activity in North America is still slow and operating environment is still challenging due to recurrence of COVID-19 cases. Europe is doing fairly better, while material recovery is seen in Asia.
- Second quarter results have once again proven the resilience of Sabancı Holding's balanced set of businesses that delivers solid performance even in the peak of very challenging conditions.

COVID-19 Responses – Success in all sustainability measures during COVID-19 peak

Business sustainability & continuity measures

Initiative: To focus on uninterrupted production & services mainly in the bank, energy and food retail

- **E-commerce demand met**: Both on food & technology retail through prior e-commerce investments
- **Operations sustained:** Bank, energy and food retail operations prevailed without any interruption

Spending & working capital management measures

Initiative: To reduce cash outflows by cutting non-essential spending, CAPEX, optimize working capital

- **Non-essential spending cut:** Combined EBIT margin was up by 2,6ppt y/y and 0,4ppt q/q
- **Non-essential CAPEX cut:** CAPEX timeline revisited
- **Working capital optimized:** Adjusted* combined working capital to sales ratio improved by 1,4ppt

Liquidity measures to keep robust balance sheet

Initiative: To maintain liquidity by preserving robust balance sheet at the Group level

- **Stable indebtedness:** Combined Net Financial Debt to Non-Bank EBITDA remained stable at 2,2x
- **Loans:** Loan limits updated, interest expenses down by 24% y/y and 4% q/q on lower interest rates
- **Long-FX position** Increased further to US$343nm in Q2 vs. US$331mn in Q1 20, US$308mn in FY19

Excludes Banking, Financial Services, Banking and Other segments. Total adjusted CAPEX to adjusted* sales.

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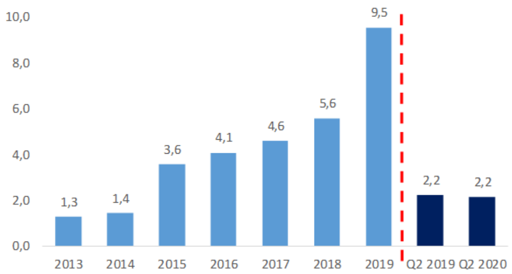
- Sabancı group has succeeded in the execution of all the financial measures that have been applied at the emergence of the pandemic by keeping the health and well-being of group's employees, their families and community as number one priority.
- Group's financial priorities are: business sustainability, cost control, working capital management and sustaining solid liquidity.
- The outcome of these initiatives are as follows:
    - As part of the business sustainability measures: major initiative is to keep providing uninterrupted production and services. The plant closures of the group companies have been temporary and apart from various scheduled shutdowns in some plants of Kordsa, all of the plants are currently operational. In the bank, energy and food retail businesses, services continued to be provided without any disruption. The demand surge in e-commerce channels was successfully met thanks to prior investments and adjustments to operations. Technology retail has shifted its entire operations to e-commerce until its stores reopened on June 1st.
    - On the spending and working capital measures at the group level: spending was reduced, which resulted in a solid improvement in combined EBIT margin. Non-essential CAPEX was cut by revisiting the timeline of plans. Working capital efficiency improved compared to last year owing to optimization efforts.
    - On balance sheet and liquidity measures: liquidity was kept rock solid and it reached TL 12 bn compared to March. Combined net debt to EBITDA remained stable. Not only were the limits updated but the group also benefited from declining interest rates and reduced interest expenses by 24% y/y. The share of interest

expenses in total financial expenses dropped to 68% in Q2 vs. 80% in Q2 19 and 79% in Q1 20.

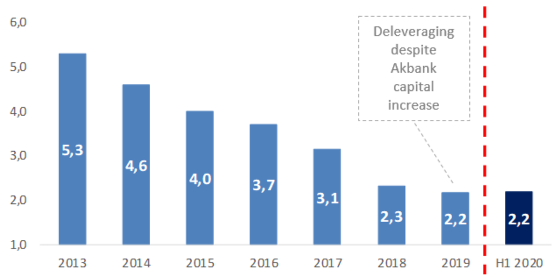
- Long-FX position reached US$343mn as of June, as focus on minimizing the impact of currency volatility on financials continues.

Q2 2020 – Stable operational cash flow and net debt/EBITDA

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



Combined Net Financial Debt to Non-Bank EBITDA**



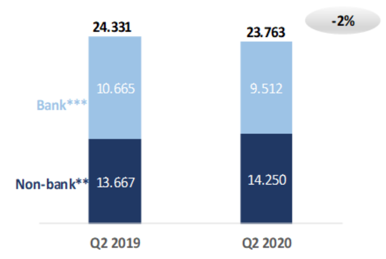
*Excludes Financial Services, Banking, Other segment (Financial services funds: TL 3,8 bn in H1 20 vs. TL 2,8 bn in H1 19)

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

- Operating cash flow remained solid compared to both Q1 (TL 1,2 bn) and the same period last year.
- Despite challenging operating environment, combined net debt to non-bank EBITDA remained stable at 2,2x by the end of June.

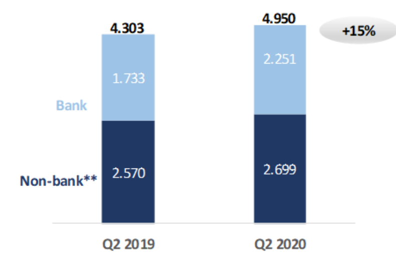
Q2 2020 – Financial performance summary

Combined Revenue* (TL mn)



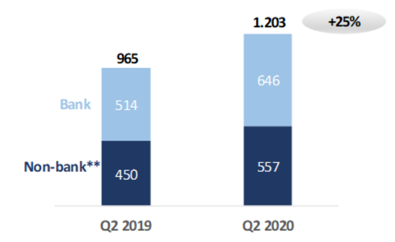
Non-bank revenue growth sustained

Combined EBITDA* (TL mn)



Improved on effective cost management

Consolidated Net Income* (TL mn)



Pass-through & well-managed financing

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

*Excludes non-operational one off items
**Excludes divested businesses in industrials, IFRS16 impact in retail, and IFRIC adjustment in energy

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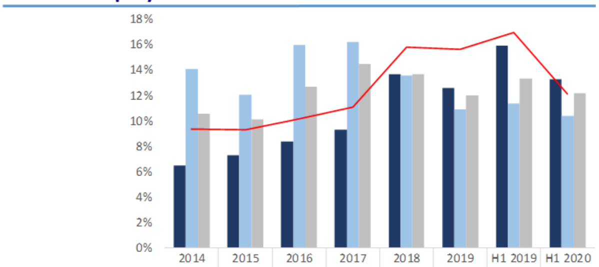
SABANCI

- Combined revenues remained flattish in Q2 but EBITDA increased by 15% y/y in Q2 20 on effective cost control.
- Consolidated bottom line grew by 25% y/y on a comparable basis led by solid operational improvement and effective refinancing activities.

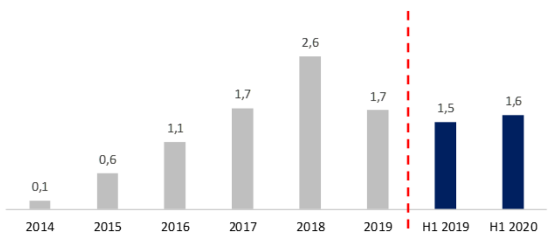
Q2 2020 – High ROE in a lower cost of capital environment

Return on Equity*



	2014	2015	2016	2017	2018	2019	H1 2019	H1 2020
Non-Bank Cons. ROE	6,5%	7,3%	8,4%	9,3%	13,7%	12,6%	15,9%	13,3%
Bank Cons. ROE**	14,1%	12,1%	16,0%	16,2%	13,6%	10,9%	11,4%	10,4%
Sahol Cons. ROE	10,6%	10,1%	12,7%	14,5%	13,7%	12,0%	13,3%	12,2%
10-year TR Bond Avg. Int. Rate***	9,4%	9,3%	10,2%	11,1%	15,8%	15,7%	17,0%	12,2%

Holding Only - Net cash position (TL bn)



Consolidated Long FX position (USD mn, excluding Bank)

	Dec 31, 2019	June 30, 2020
TOTAL CONSOLIDATED FX POSITION AFFECTING PL	308	343

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

Holding only cash breakdown: Almost 100% long in foreign currency

	Dec 31, 2019	June 30, 2020
SHARE OF FX	85,9%	99,8%
SHARE OF TRY	14,1%	0,2%

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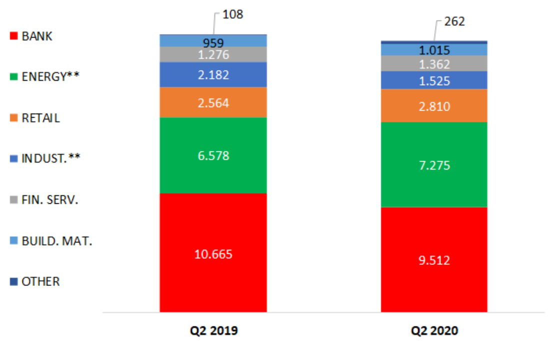
- The solid trend in non-bank ROE continued in Q2 as well. As of the second quarter, non-bank returns was resilient and reached 13,3%, surpassing Turkey’s 10-year average bond rate of 12,2%.
- Sabancı Holding’s standalone net cash position remains at TL 1,6 bn, which is fully composed of hard currencies. Total non-bank combined liquidity

excluding financial services and tobacco business stands at TL 8 bn, while the total funds at insurance companies is TL 3,8 bn.

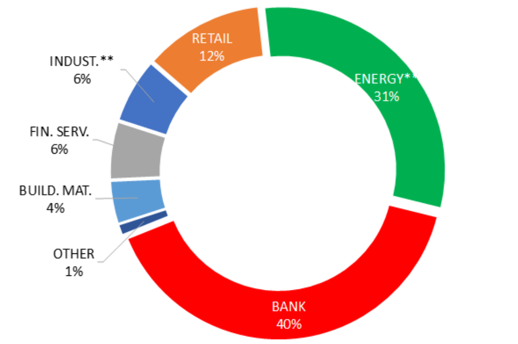
- Furthermore, long FX position remained intact, in fact it increased by 11% compared to year-end 2019, reaching US$343mn as of end of June.

Combined Revenues – Non-bank growth on Energy, Retail & Financial Services

Combined Revenue* (TL mn)



Combined Revenue* Breakdown



Key non-bank drivers

Energy: RAB growth in distribution and higher electricity prices in retail & generation businesses

Retail: Strong performance of food retail

Financial Services: Solid protection premium growth in life and pension business

*Holding dividend income is excluded **Excludes divested businesses in industrials and IFRIC adjustment in energy

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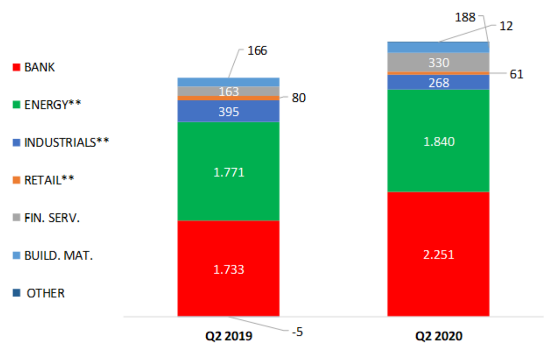
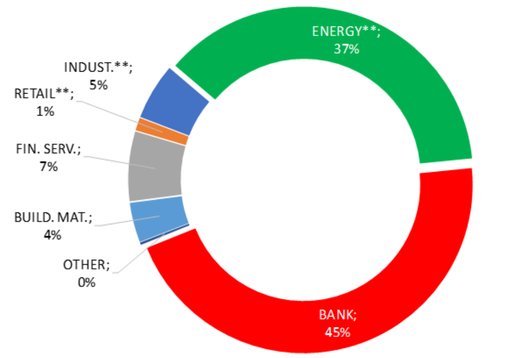
- Total comparable combined revenues remained almost unchanged in Q2.
- Excluding the bank, comparable combined revenue grew by 4% y/y, driven by the strong performances of energy, retail, and financial services segments.
  - In energy segment, top-line grew by 11% compared to same period last year thanks to RAB growth in distribution business and higher pricing in retail and generation businesses.
  - Retail segment's revenues grew by 10% y/y owing to strong LfL revenue growth in food retail business driven by the increase in overall basket size.
  - Financial services segment's revenues were up by 7% y/y driven by solid growth in total protection premiums on the life and pension business.
  - Building materials segment's topline grew by 6% compared to last year driven by increasing domestic and export volumes.
  - Industrial segment's top-line, excluding divested businesses, dropped by 30% y/y mainly due to demand collapse in global tire, tire reinforcement and aviation businesses due to COVID-19 pandemic, while domestic tire demand recovered much quicker than global demand.

Combined EBITDA – Non-bank growth driven by Energy and Financial Services

Combined EBITDA* (TL mn)



Combined EBITDA* Breakdown



Key non-bank drivers

Energy: Rise in RAB in distribution & retail business and positive impact from lignite and natural gas plants in generation

Financial Services: Decline in claim frequency due to Covid-19, creating high technical income

*Excludes non-operational one off items **Excludes divested businesses in industrials, IFRS16 impact in retail, and IFRIC adjustment in energy

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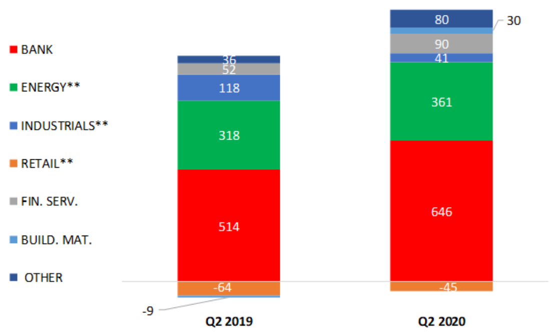
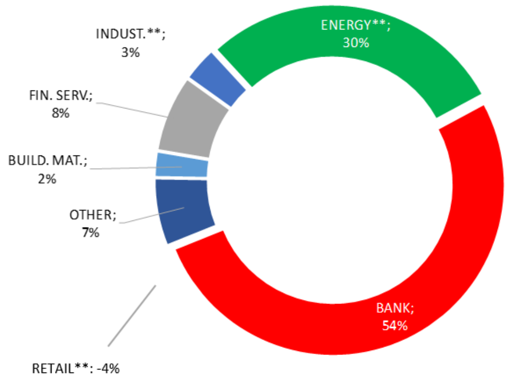
- Total comparable combined EBITDA was up by 15% y/y in Q2.
- Non-bank combined EBITDA growth was 5% y/y driven by energy, financial services and building materials segments, on a comparable basis.
  - Energy segment, accounting for 37% of combined EBITDA, posted a 4% y/y growth driven by solid RAB growth and positive impact from lignite performance and higher spark spreads captured in the natural gas plants thanks to the hedging strategy.
  - Financial services segment that has a 7% share in combined EBITDA posted a 102% y/y growth thanks to improved combined ratio in non-life and solid growth in life protection volumes.
  - Accounting for 5% of combined EBITDA, industrial segment posted a 32% y/y drop on a comparable basis in Q2 as a result of pass through of global weak demand that affected top-line. The contraction remained fairly limited compared to the drop in revenues thanks to solid cost controls.
  - In building materials segment, EBITDA increased by 14% y/y owing to higher exports and decline in fuel prices.
  - Retail segment’s comparable EBITDA dropped by 23% y/y on higher costs and operating expenses in food retail, driven mainly by personnel and hygiene expenses.

Consolidated Net Income – Solid profitability on pass-through and well-managed financing

Consolidated Net Income* (TL mn)



Consolidated Net Income* Breakdown



Key non-bank drivers

Energy: Higher financial income based on higher RAB in distribution & retail business and lower borrowing rates

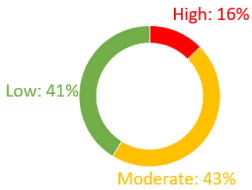
Financial Services: Led by high technical income offset lower financial income

*Excludes non-operational one off items **Excludes divested businesses in industrials, IFRS16 impact in retail, and IFRIC adjustment in energy

SABANCI

- Total comparable consolidated net income increased by 25% y/y in Q2.
- Non-bank comparable consolidated bottom-line grew by 24% y/y, driven by energy and financial services segments.
- Energy segment, accounting for 30% of consolidated net income, registered a 14% y/y growth, driven by strong operating performance and lower financial expenses in distribution & retail business thanks to strong refinancing initiatives.
- Financial services segment's bottom-line surged by 74% y/y owing to high technical profit contribution from both companies.
- Building materials segment's bottom-line sharply improved and reached positive territory in Q2 on improved operating profitability and lower financial expenses.
- Retail segment has reduced its losses in the second quarter, thanks to lower financial expenses.
- Industrial segment, accounting for 3% of consolidated net income, posted a 65% y/y drop in Q2 parallel to the sharp contraction in EBITDA and increased financial expenses at Kordsa due to Axiom acquisition.

Group’s cyclicality exposure – Relatively low exposure to highly cyclical industries limits downside risk



Business	Share in NAV*	Low cyclicality	Moderate cyclicality	High cyclicality	Q2 comparable EBITDA performance (y/y chg.)
Energy	22%	●			+4%
Food retail	8%	●			-27%
Other**	11%	●			sharp improvement
Banking	38%		●		+30%
Financial services	5%		●		+102%
Industrials	10%			●	-32%***
Building materials	5%			●	+14%
Technology retail	1%			●	-19%

**Excluding Holding-only cash that constitutes 4% of the NAV; as of end of June 2020 **Includes tobacco business and other small businesses ***Includes tobacco business in line with our financial segment reporting*

- 84% of NAV, excluding cash at the holding level, which constitutes 4% of total NAV, is defensive and resilient - but not immune - against the COVID-19 pandemic.
- Only 16% of the portfolio can be considered highly cyclical as industrials and building materials are exposed to demand volatility both on the local and global front and supply-chain distractions. And technology retail sells discretionary goods.
- Q2 results have proven that the operational performance of these businesses confirms view on cyclicality as it was a period when the impact of COVID-19 pandemic has reached its peak.
- The only exception was in food retail and building materials businesses due to company specific reasons, which resulted in a deviation from view on cyclicality. But overall, cumulative results of these two businesses mostly offset each other at the combined level.

Energy – Proven resilience with robust results in COVID-19

Energy Segment Summary Financials*

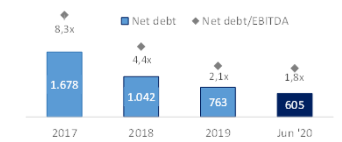
MILLION TL	Q2 2019	Q2 2020	% Change	H1 2019	H1 2020	% Change
SALES	6.569	7.275	11%	12.400	15.140	22%
EBITDA**	1.762	1.840	4%	3.265	3.608	11%
NET INCOME**	662	796	20%	1.362	1.602	18%
NET INCOME-Comparable	669	796	19%	1.369	1.602	17%
EBITDA** MARGIN	26,8%	25,3%		26,3%	23,8%	

**Before consolidation adjustments, combined **Excludes non-operational one off items. Comparable excludes IFRIC adjustment*

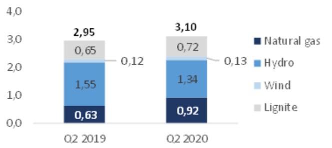
Enerjisa Generation Summary Financials

MILLION TL	Q2 2019	Q2 2020	% Change	H1 2019	H1 2020	% Change
Net sales	1.726	1.949	13%	3.073	4.035	31%
EBITDA*	**880**	**882**	**0%**	**1.536**	**1.688**	**10%**
EBITDA* margin (%)	**51%**	**45%**	**-5,7pp**	**50%**	**42%**	**-8,2pp**
Depreciation	111	128	16%	221	252	14%
Financial Income/(expense)	-227	-271	-20%	-335	-435	-30%
Net income*	**500**	**428**	**-14%**	**904**	**893**	**-1%**

Net Debt (EUR mn) & Net Debt/EBITDA



Generation volume (TWh)



Current Assessment

- **Distribution & Retail:** EBITDA was up by 4% y/y on higher RAB (+20% y/y in Q2) despite temporarily slowed down Theft & Loss detection activities
- **Generation:** Generation volume was up 5% y/y and stable EBITDA in Q2 despite high base and COVID-19 crisis

Factors to Watch

- Electricity demand and spot prices
- Inflation, interest rates
- New Regulatory Tariff Period

- In Q2, energy segment recorded solid results with the contribution of both distribution & retail and generation businesses.
- The distribution & retail business continued to benefit from increasing Regulated Asset Base and higher liberalized market gross profit in Q2. As of end of June, Regulated Asset Base was up by 20% y/y, keeping the company's RAB growth on track. Despite slow-down in theft detection and lower performance in theft & loss outperformance due to COVID-19 crisis, higher financial income based on higher RAB led to strong results in Enerjisa Enerji.
- Meanwhile on the retail side, higher liberalized margin and sales volume contributed positively to EBITDA growth in Q2. Despite higher procurement costs on a y/y basis on regulated side, volume contraction as a result of last resort tariff, limited the upside performance of the segment.
- Enerjisa Generation recorded net sales growth of 13% y/y due to higher average sales prices. Despite lower hydro generation due to lower water inflow, total generation volume was up by 5% y/y, mainly driven by natural gas plants based on higher spark spread thanks to hedging strategy and lignite plant's higher availability.
- Generation's EBITDA excluding one-off items, remained stable in Q2 due to positive contribution from
    - higher revenues from renewable plants on weaker TL compared to last year,
    - higher spark spreads captured in the natural gas plants thanks to hedging strategy and
    - higher availability and lower unit costs resulting from lower start-stops in lignite plant

- Meanwhile, lower renewable volumes due to last year's record-high-base and lower dispatch revenues based on market conditions led to a flat EBITDA in Q2.
- Generation's net income declined by 14% due to higher financial expenses as a result of weak TL on a y/y basis despite the positive contribution of lower interest rates.
- Generation business is predominantly USD linked and economically fully hedged for the current EUR debt in the balance sheet.
- Generation has further reduced its net debt to 605mn EUR as of June, from 763mn EUR at the end of 2019. Net Debt to EBITDA continued to decline to 1,8 times in Q2 from 2,0 times in Q1 and 2,1 times as of end of 2019.
- Going forward, recovery in electricity demand will be an important factor to watch for Energy companies. Looking at weekly electricity demand, formation of a positive trend could be observed.
- Being a merchant at the natural gas based production, Enerjisa Generation is also fairly resilient against demand volatility as most of its commodity purchases and sales volume are hedged for 2020.
- For distribution and retail business, demand trajectory is also vital as it affects the cash flow via the calculation of price equalization mechanism.
- In addition to demand dynamics, financing costs and the new regulatory period parameters, which are expected to be announced towards the year-end, will be the major factors to watch for distribution and retail businesses in the remainder of the year.

Financial Services (pension & insurance) – Strong technical profit and success of diversified products

Financial Services (pension & insurance) Summary Financials*

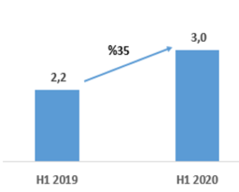
MILLION TL	Q2 2019	Q2 2020	% Change	H1 2019	H1 2020	% Change
SALES	1.276	1.362	7%	2.511	2.923	16%
EBITDA	163	330	102%	332	506	52%
LIFE	50	87	75%	105	147	39%
NON-LIFE	114	244	114%	227	360	59%
NET INCOME**	137	242	77%	269	367	36%
LIFE	64	78	21%	124	131	6%
NON-LIFE	73	165	126%	145	236	63%

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

Current Assessment

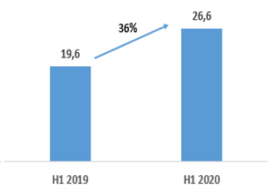
- Strong return performance in pension
- Life: focus on ROP (Return on Product) and success of long-term credit life product
- Declining claim frequency on COVID-19
- Lower financial income contribution

Aksigorta AUM* (TL BN)



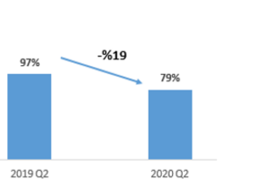
*Assets Under Management

Avivasa Pension AUM* (TL BN)



*Assets Under Management. Including auto enrolment

Aksigorta combined ratio*



*Combined Ratio = Claims Ratio + Opex Ratio + Commissions Ratio

Factors to Watch

- Natural disasters, pandemic and claims management
- Interest rates, FX, inflation, loan volume growth
- Regulatory changes

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- Financial services segment had another quarter with robust top-line growth, high technical profit and strong RoE.

- On the non-life business, premium production dropped by 5% y/y in Q2, due to the adverse impact of COVID-19.
- On the life and pension business, total protection premiums grew by 72% y/y in Q2, driven by a 147% y/y credit linked growth and a 55% y/y growth in non-credit linked life protection, underpinning the diverse business model.
- Despite higher claims due to the opt-out from credit linked life protection insurance products compared to last year, total technical income increased by 24% y/y, driven by the growth in life protection volumes.
- On non-life side, much lower claim frequency due to COVID-19 has created strong technical income and profit. Combined ratio has declined to %79 in Q2 from %97 in Q2 2019.
- Despite lower financial income, high technical profit contribution from both companies led to a double digit net income growth in financial services segment.
- Both businesses are cash rich and expanded their AUM to sustain solid profitability going forward.

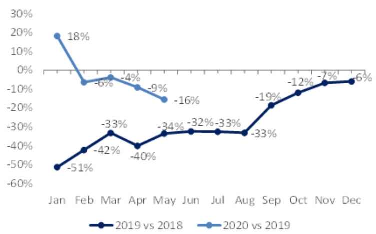
Building Materials – Recovery kicked-in on pent up demand

Building Materials Summary Financials*

MILLION TL	Q2 2019	Q2 2020	% Change	H1 2019	H1 2020	% Change
SALES	959	1.015	6%	1.702	1.812	6%
EBITDA**	166	188	14%	260	254	-2%
NET INCOME**	-21	60	n.m.	-30	6	n.m.
EBITDA** MARGIN	17,3%	18,6%		15,3%	14,0%	

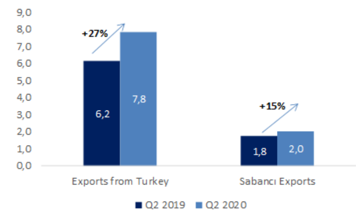
*Before consolidation adjustments, combined **Excludes non-operational one off items

Domestic cement demand change, y/y



Source: Turkish Cement Manufacturers' Association

Cement exports from Turkey (mn tons)



Source: Central Anatolian Exporters' Union

Current Assessment

- Recovery in Q2 domestic sales volumes despite weak sector outlook
- Supportive trend in petro-coke and coal prices
- Bottom-line improved on lower financing costs

Factors to Watch

- Pricing, demand and supply in local market
- Exports
- Productions costs (especially fuel)
- Infrastructure and construction projects

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- Based on Turkish Cement Manufacturers' Association data, Turkish domestic cement demand was down by 6% y/y in the first five months of the year.
- Contrary to local trend, cement businesses beat the sector by posting a 4% y/y increase in total domestic sales volume in Q2. Total sales volume increased by 10% y/y owing to 15% growth in export volume compared to last year.
- Despite the recovery in sales volume both in the domestic market and exports, weak pricing compared to last year limited the revenue growth and top-line increased by 6% y/y.
- Significantly lower fuel prices compared to last year and higher export volume led to margin improvement.

- On top of higher operational performance, lower financing expenses after refinancing loans and higher FX gains positively affected the bottom-line in Q2.
- Looking forward, key focus areas will be pricing, demand and competition in export markets, production costs (especially fuel), new demand driven by infrastructure investments, mega construction projects, and working capital management.

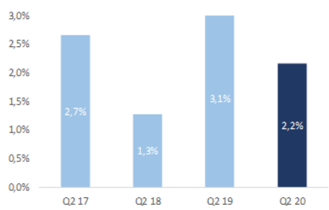
Retail – Bottom line continues to improve on lower financial expenses

Retail Summary Financials*

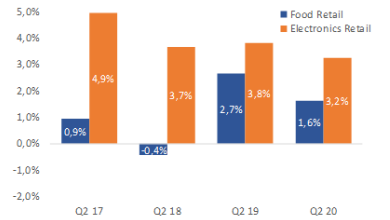
MILLION TL	Q2 2019	Q2 2020	% Change	H1 2019	H1 2020	% Change
SALES	2.564	2.810	10%	4.781	5.629	18%
EBITDA**	196	184	-6%	326	353	8%
EBITDA**-Comparable	80	61	-23%	98	106	8%
NET INCOME**	-142	-101	29%	-315	-227	28%
NET INCOME**-Comparable	-121	-86	29%	-272	-198	27%
EBITDA MARGIN**	7,6%	6,6%		6,8%	6,3%	
EBITDA** MARGIN-Comparable	3,1%	2,2%		2,1%	1,9%	

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

Comparable EBITDA margin**



Comparable EBITDA margin by segment**



***Excludes non-operational one off items; Comparable excludes IFRS16 impact*

Current Assessment

- Top line supported by food retail
- Slight EBITDA deterioration due to higher costs and operating expenses in food retail
- Improvement in bottom line driven by lower financing costs

Factors to Watch

- Course of COVID-19 pandemic and impact on consumers' buying behavior
- E-commerce trends
- Ongoing turnaround projects in both companies

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- Performance of the segment continued to improve in Q2.
- Store closures throughout most of the quarter in electronics retail limited top-line growth and segment's revenues increased by 10% y/y, mainly driven by food retail. On a positive note for electronics retail, e-commerce sales surged almost seven fold in Q2 with TL 446 mn e-commerce revenue compared to TL 66 mn a year ago, offsetting the negative impact of store closures.
- Despite positive revenue growth, higher costs and higher operating expenses in food retail, driven mainly by personnel and hygiene expenses, dragged down operational performance and the segment's EBITDA slid slightly by 6% y/y. In Q2, electronics retail managed to restrain the decrease in its operational profitability via effective cost management and rent negotiations. Segment's EBITDA, adjusted for the IFRS16 impact, declined by 23% y/y on slightly higher IFRS16 impact in Q2.
- Bottom-line continued to benefit from lower financial expenses with dropping credit card fees especially in electronics retail in Q2.
- Looking forward, course of Covid-19 pandemic and its impact on consumers' buying behavior as well as trends in e-commerce sales are likely to stand out as the key factors. Furthermore, impact of ongoing turnaround projects focusing on operating performance should be monitored closely.

Industrials – Sharp contraction in demand driven by COVID-19

Industrials Summary Financials*

MILLION TL	Q2 2019	Q2 2020	% Change	H1 2019	H1 2020	% Change
SALES	**2.547**	**1.525**	**-40%**	**5.030**	**3.701**	**-26%**
SALES-Comparable	2.182	1.525	-30%	4.225	3.701	-12%
EBITDA**	**448**	**268**	**-40%**	**763**	**657**	**-14%**
BRİSA	139	131	-6%	262	328	25%
KORDSA	216	120	-44%	413	281	-32%
OTHER	93	17	-82%	88	48	-45%
EBITDA**-Comparable	395	268	-32%	714	657	-8%
NET INCOME**	**192**	**60**	**-69%**	**269**	**221**	**-18%**
BRİSA	19	30	56%	17	106	537%
KORDSA	108	13	-88%	219	67	-70%
OTHER	64	17	-73%	33	48	44%
NET INCOME**-Comparable	167	60	-64%	275	221	-20%
EBITDA MARGIN**	**17,6%**	**17,6%**		**15,2%**	**17,7%**	

**Before consolidation adjustments, combined **Excludes non-operational one off items*
Comparable excludes divested businesses

Current Assessment

- Sharp slow-down in global tire and aviation industries on adverse impact of COVID-19
- Idle time impact at reinforcement business
- Disciplined cost management

Factors to Watch

- Further demand fluctuations driven by COVID-19
- Effective working capital management
- Pricing and commodity prices

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- In line with expectations, industrials was the most affected segment from COVID-19 pandemic.
- Comparable top-line dropped by 30% y/y as a result of demand collapse in global tire, tire reinforcement and aviation businesses due to COVID-19 pandemic. The drop in Brisa's top-line remained limited on faster recovery in domestic market, while Kordsa was affected negatively from weak global tire demand and increased competition from Asia.
- Yet, weak demand related revenue contraction was offset by optimizing fixed costs and increased focus on variable cost by benefiting from government's pandemic related incentives. Therefore, the segments' comparable EBITDA contraction remained limited at 32% y/y with mostly Kordsa contributing negatively.
- Production has been optimized at both Brisa and Kordsa in order to minimize working capital requirements with an increased focus on liquidity and cash flow management.
- On Brisa, topline contraction driven by moderate weakness in demand and negative impact of non-operating expenses due to shutdowns, have been partially offset by the downward trend in raw material prices, better pricing and managing FX volatility. Despite 17% y/y drop in revenues, EBITDA has only dropped by 6% in Q2.
- On Kordsa, sluggish demand, price competition related to excess supply in Asia and idle time expenses have negatively affected tire reinforcement profit margins. Lower top-line and weak industry margins has resulted in lower EBITDA.
- Coming down to the bottom line, higher financial expenses from the financing of Axiom Acquisition in July 2019 hurt Kordsa's net income margin.
- On Brisa, low interest rate environment led to lower financial expenses and contributed positively to Brisa's net income.

- Segment's comparable net income was down by 64% y/y, predominantly driven by Kordsa and weak performance at the tobacco business.

Bank – Well positioned to remain healthy & profitable

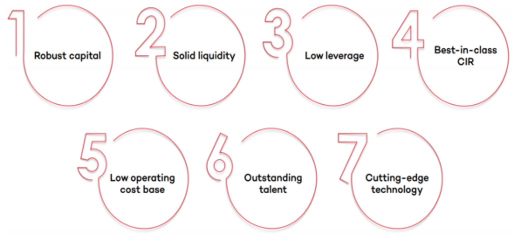
Summary Combined Financials*

MILLION TL	Q2 2019	Q2 2020	% Change	H1 2019	H1 2020	% Change
REVENUE	10.665	9.512	-11%	21.363	18.641	-13%
EBITDA	1.733	2.251	30%	3.804	4.431	16%
NET INCOME	1.262	1.586	26%	2.773	3.141	13%

Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses

Key Ratios

%	Q2 2019	Q2 2020	Change	H1 2019	H1 2020	Change
Leverage	7,6x	7,7x	0,1x	7,6x	7,7x	0,1x
NIM (swap adj.)	3,91%	4,42%	0,5%	3,86%	4,63%	0,8%
CIR [1]	34,2%	29,6%	-4,6%	33,8%	31,6%	-2,2%
CAR [2]	17,7%	19,0%	1,3%	17,7%	19,0%	1,3%
Tier 1 [2]	15,0%	16,1%	1,1%	15,0%	16,1%	1,1%



Current Assessment

- In Q2 20 Akbank, maintained solid core operating performance
- Leveraged superior digital capabilities
- Preserved best-in-class CIR
- Maintained significant capital buffers
- Realized ROE of 10.4% in 1H (free provision adj. 11.4%)

Despite

- Prudently increased loan loss provisions
- Lower fee income impacted by regulatory changes, Covid-19 related waivers & lower # of transactions
- LYY MtM negative adjustment of TL412mn

(1) CIR calculation excludes FX gain from long FX position related with stage 1&2 provisions as well as insurance penalty of TL 71 mn (2) Q2 20 CAR & Tier 1 ratios exclude forbearances announced by BRSA in 2020

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- Akbank successfully managed to preserve its solid core operating performance during the quarter with a continued balanced asset & liability management without changing any risk metrics. Fortress balance sheet and solid core operating performance enabled further reserve build while preserving best in class cost-income ratio. Its robust capital remains a source of strength with significant buffers, creating great competitive advantage to generate profitable growth going forward.

Group’s opportunities – Post-Covid-19 strategies and initiatives

Group

- Maintain a robust balance sheet and high liquidity
- Exploit new opportunities while the economy is rebooting
- Cautious/prepared for a relapse of infection risk

Strategic Business Unit

Bank

- **2020 Outlook:** Moderate impact from Covid-19
- **Long-term initiatives:** To create superior customer experience by leveraging digitization, AI & continuous investments in people & infrastructure

Building materials

- **2020 Outlook:** High impact from Covid-19
- **Long-term initiatives:** Explore local/global consolidation opportunities; diversify export markets

Energy

- **2020 Outlook:** Low impact from Covid-19
- **Long-term initiatives:** Market share gains in non-regulated segment, speed up grid investments to increase returns

Financial services

- **2020 Outlook:** Moderate impact from Covid-19
- **Long-term initiatives:** Focus on remote & digital sales, digital channels and partnerships

Industrials

- **2020 Outlook:** High impact from Covid-19
- **Long-term initiatives:** Invest in products that sell to healthcare; replace Far East exports with Europe

Retail

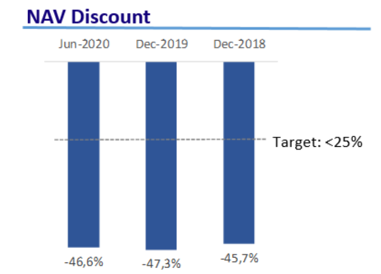
- **2020 Outlook:** Moderate impact from Covid-19
- **Long-term initiatives:** Intensify omni-channel / e-commerce penetration, reduce SKUs to efficiently manage inventory

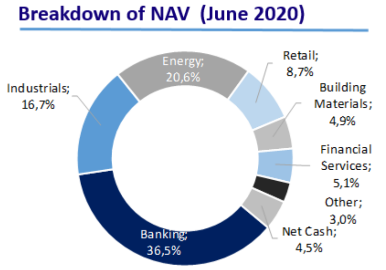
- During the post-COVID-19 era, at the Group level, focus will be on maintaining a robust balance sheet and high liquidity; taking advantage of new inorganic growth opportunities as the economy reboots; and maintaining vigilant stance against the risk of a relapse in cases.
- Although strong H1 results have proven the resilience of Sabancı Holding’s diverse mostly non-cyclical businesses, short-term guidance is refrained to be provided as the pace of recovery, either locally or globally, remains uncertain.
- A longer-term guidance by Q3 will be provided once there is clearer visibility about the global economy and group businesses.

Sabancı Holding Discount to NAV

USDmn Companies	Direct Stakes (%)	Valuation Method	Jun-2020 Mcap	Jun-2020 Value of Stake	Jun-2020 % of NAV	Dec-2019 Value of Stake	Dec-2019 % of NAV
Akbank	40,8%	Market value	4.618	1.882	36,5%	2.891	46,5%
Enerjisa Enerji	40,0%	Market value	1.483	593	11,5%	587	9,5%
Aksigorta	36,0%	Market value	304	110	2,1%	113	1,8%
Avivasa	40,0%	Market value	386	155	3,0%	169	2,7%
Akçansa	39,7%	Market value	361	143	2,8%	128	2,1%
Çimsa	54,5%	Market value	196	107	2,1%	113	1,8%
Brisa	43,6%	Market value	562	245	4,8%	213	3,4%
Kordsa	71,1%	Market value	354	252	4,9%	304	4,9%
Carrefoursa	50,6%	Market value	759	384	7,5%	281	4,5%
Teknosa	60,3%	Market value	110	66	1,3%	47	0,8%
Total Listed				**3.936**	**76,4%**	**4.845**	**78,0%**
Enerjisa Üretim	50,0%	1.0 x Book Value	941	471	9,1%	511	8,2%
Philsa	25,0%	Analyst Estimates*	1.455	364	7,1%	422	6,8%
Other		1.0 x Book Value		152	3,0%	153	2,5%
Total Non-listed				**986**	**19,1%**	**1.086**	**17,5%**
Total				**4.923**	**95,5%**	**5.932**	**95,5%**
Sabancı Holding Net Cash				230	4,5%	279	4,5%
Sabancı Holding NAV				5.152	100,0%	6.211	100,0%
Sabancı Holding Mcap				**2.754**		**3.274**	
Sabancı Holding Discount				**-46,6%**		**-47,3%**	

Source: Bloomberg, Sabancı Holding Finance Department
*# of Analyst Estimates: 13





APPENDIX-CONSOLIDATED FINANCIALS

Balance Sheet (000 TL)

	30.06.2020	**31.12.2019**
ASSETS		
Current Assets	**249.770.316**	**206.970.925**
Cash and Cash Equivalents	19.360.673	22.447.203
Financial Assets	38.047.515	28.210.697
- Financial assets measured of fair value through profit or loss	8.193.454	7.289.522
- Financial assets measured of fair value through other comprehensive income	15.020.686	16.750.747
- Financial assets measured of amortised cost	14.833.375	4.170.428
Trade Receivables	1.393.360	1.625.419
Receivables from Finance Sector Operations	134.418.707	117.257.770
Reserve Deposits with the Central Bank of the Republic of Turkey	38.827.817	26.541.745
Other Receivables	4.228.261	2.101.358
Derivative Financial Instruments	6.859.505	3.137.883
Inventories	3.649.106	3.124.669
Prepaid Expenses	1.436.717	893.037
Current Tax Assets	1.396	4.733
Other Current Assets	1.209.759	952.864
	249.432.816	**206.297.378**
Assets Classified As Held for Sale	337.500	673.547
Non-current Assets	**214.315.951**	**199.376.954**
Financial Assets	69.294.571	62.169.382
- Financial assets measured of fair value through other comprehensive income	41.782.302	50.773.699
- Financial assets measured of amortised cost	27.512.269	11.395.683
Trade Receivables	1.229	17
Receivables From Finance Sector Operations	107.216.865	100.134.183
Other Receivables	3.394.715	3.025.117
Derivative Financial Instruments	12.876.310	13.490.781
Investments Accounted Through Equity Method	7.495.585	7.335.503
Investment Property	222.490	191.035
Property, Plant and Equipment	7.673.469	7.295.877
Asset Right on Use	1.827.224	1.885.463
Intangible Assets	3.570.020	3.348.497
- Goodwill	1.503.137	1.475.337
- Other Intangible Assets	2.066.883	1.873.160
Prepaid Expenses	35.026	21.719
Deferred Tax Assets	588.031	353.154
Other Non Current Assets	120.416	126.226
Total Assets	**464.086.267**	**406.347.879**

LIABILITIES		
Short Term Liabilities	**326.409.923**	**278.812.101**
Financial Liabilities	17.554.087	10.342.807
Current Portion of Long-Term Financial Liabilities	17.029.024	15.005.313
Lease Liabilities	345.515	306.876
Trade Payables	3.913.034	3.995.658
Payables from Finance Sector Operations	272.739.179	237.928.489
Payables Related with Employee Benefits	169.460	62.430
Other Payables	7.299.268	6.078.721
Derivative Financial Instruments	2.437.595	1.790.818
Deferred Income	197.084	186.978
Income Taxes Payable	1.015.752	355.895
Short Term Provisions	1.034.728	900.438
- Short Term Provisions for Employee Benefits	436.004	422.063
- Other Short Term Provisions	598.724	478.375
Other Short Term Liabilities	2.671.635	1.854.561
	326.406.361	**278.808.984**
Liabilities Classified As Held for Sale	3.562	3.117
Long Term Liabilities	**67.610.412**	**61.058.335**
Financial Liabilities	33.861.695	32.736.661
Lease Liabilities	1.647.701	1.677.959
Payables from Finance Sector Operations	17.662.475	14.463.018
Other Payables	4.421.873	3.374.173
Derivative Financial Instruments	8.761.880	7.271.155
Deferred Income	99.303	83.279
Long Term Provisions	763.626	669.814
- Long Term Provisions for Employee Benefits	613.656	547.820
- Other Long Term Provisions	149.970	121.994
Income Taxes Payable	-	5.094
Deferred Tax Liabilities	345.489	737.000
Other Long Term Liabilities	46.370	40.182
EQUITY	**70.065.932**	**66.477.443**
Equity Attributable to the Parent	**34.717.818**	**33.258.317**
Share Capital	2.040.404	2.040.404
Adjustment to Share Capital	3.426.761	3.426.761
Share Premium	22.237	22.237
Treasury Shares (-)	(190.470)	(190.470)
Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss	(122.328)	(116.253)
- Actuarial Gains/Losses	(122.328)	(116.253)
Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss	452.373	531.823
- Currency Translation Reserve	2.098.378	1.688.674
- Gains / Losses on Hedge	(1.559.247)	(1.213.290)
- Revaluation Reserve	(86.758)	56.439
Restricted Reserves	1.223.543	1.173.886
Retained Earnings	25.635.926	22.590.193
Net Income for the Period	2.229.372	3.779.736
Non-controlling Interests	**35.348.114**	**33.219.126**
TOTAL EQUITY AND LIABILITIES	**464.086.267**	**406.347.879**

Income Statement (000 TL)

	01.01-30.06.2020	01.01-30.06.2019
CONTINUING OPERATIONS		
Sales (net)	8.951.048	9.101.548
Cost of Sales (-)	(7.147.496)	(7.178.311)
Gross Profit From Non-Financial Operations	**1.803.552**	**1.923.237**
Interest, Premium, Commission and Other Income	18.538.692	21.270.670
Interest, Premium, Commission and Other Expense (-)	(10.276.915)	(14.250.900)
Gross Profit From Financial Operations	**8.261.777**	**7.019.770**
GROSS PROFIT	**10.065.329**	**8.943.007**
General Administrative Expenses (-)	(4.432.012)	(3.741.707)
Marketing, Selling and Distribution Expenses (-)	(1.135.038)	(1.108.715)
Research and Development Expenses (-)	(12.385)	(7.430)
Other Income From Operating Activities	1.662.443	604.317
Other Expense From Operating Activities (-)	(1.481.450)	(591.744)
Share of Profit of Investments Accounted for using the Equity Method	828.291	805.667
OPERATING PROFIT	**5.495.178**	**4.903.395**
Income From Investing Activities	25.592	36.308
Expense From Investing Activities (-)	(1.970)	(66.935)
OPERATING PROFIT BEFORE FINANCIAL INCOME / (EXPENSES)	**5.518.800**	**4.872.768**
Financial Income	53.921	46.749
Financial Expenses (-)	(526.978)	(586.719)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**5.045.743**	**4.332.798**
Tax Income / (Expense) from Continuing Operations		
Current Tax Expense	(1.309.479)	(563.762)
Deferred Tax Income / Expense	311.319	(227.764)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	**4.047.583**	**3.541.272**
DISCONTINUED OPERATIONS		
Net Income After Tax From Discontinued Operations	(6)	(60)
NET INCOME FOR THE PERIOD	**4.047.577**	**3.541.212**
ALLOCATION OF NET INCOME		
- Non-controlling Interests	1.818.205	1.595.010
- Equity Holders of the Parent	2.229.372	1.946.202
Earnings per share		
- hundreds of ordinary shares (TRY)	1,09	0,95
Earnings per share from continuing operations		
- hundreds of ordinary shares (TRY)	1,09	0,95

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