



Sabancı Holding Q4 2025 Financial Results Webcast

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Speakers:

Kıvanç Zaimler, CEO
Orhun Köstem, CFO
Kerem Tezcan, IR Director

Mr. Kerem Tezcan, IR Director: Sabancı Holding Investor Relations: Good afternoon, good morning, depending on your time zone. Welcome to Sabancı Holding's year-end results webcast. Before we begin, please refer to our disclaimers. We have our CEO Kıvanç Zaimler and our CFO Orhun Köstem joining us today. Without further ado, let me give the floor to our CEO.

Mr. Kıvanç Zaimler, CEO: Good morning, good afternoon to everyone, and thanks for joining us. And this is going to be my first webcast in my new role as the CEO, and we are here to discuss our 2025 results, and I'm happy to announce a relatively positive picture to all of you. Yes, the year is over, but the world is still shaped by the same volatility. And it is obvious that the year 2025 tested the resilience across the board. For those who stay disciplined, translated into strategic strength. And in this environment, we stayed focused on three things. The first one is our execution discipline, second one, our financial balance, and third one, long-term value creation. So, 2025 also confirmed that our main platforms are scaling in a structured and disciplined way.

As shown on the left-hand side of the presentation, starting with energy and climate technologies. They remain our core growth engine. Our global generation capacity exceeded 5GW in 2025, and this is the operational capacity. In Türkiye, Enerjisa Üretim reached 4.5 GW with the YEKA 2 wind projects gradually, which are coming online. We passed 1GW wind, and we remain on track to exceed our 6GW target by 2028. Over the last two and a half years, we secured around 1.5 billion US dollars of YEKA 2 financing from leading local and global banks. This covers close to 90% of investment costs and extends to 2034. It shows strong confidence in Türkiye's clean energy potential. Our delivery capability, and our capital discipline. Internationally, Sabancı Climate

Technologies continue to expand its footprint in the United States. Our US portfolio has reached 790MW, including two acquisitions totaling 286 MW. And importantly, the projects we started in 2022 began to deliver real results in 2025. The Cutlass II was fully operational, and Oriana has been successfully commissioned. These assets started to contribute meaningfully to our bottom line. And most of the new capacity is also backed by secured power purchase agreements, improving revenue visibility. On the other hand, and again in Türkiye, in our electricity distribution business. The new tariff period, so-called 2026-2030 regulatory period, also reinforces cash flow's visibility of our energy segment. With a secure, regulated return and, this has been increased from 12.3% to 13.49%.

When we are moving to the right column. Material technologies continue to improve portfolio quality and international exposure. Çimsa–Mannok integration continued to deliver strong results, with 68 million euro EBITDA above last year, and with higher margins. The integration process allowed us to extend Çimsa's operational capabilities across the markets, while strengthening our hard currency revenue base. Again, Çimsa's United States Grinding Facility is now commissioned. It increases capacity, and strengthens our position in one of the world's largest construction markets. Kordsa faced a difficult year, including the flooding in Indonesia. Still, the company took steps to strengthen the balance sheet by refinancing short-term debt into longer-term funding.

And when we are moving to banking and financial services, Akbank. Effectively navigated a challenging macro environment in 2025 through disciplined balance sheet management, superior fee momentum, and selective market share gains. While the bank faced pressures on its net interest margin due to the tighter-than-expected monetary policy, it exceeded its guidance in several key operational areas, including loan growth and fee generation. This trajectory is strategically important for Sabancı Holding, supporting sustainable revenue growth, and improved capital efficiency. And the strategic leadership shift in our banking and financial services business, and the unified group structure across Akbank, Agesa, and Aksigorta started to show positive results through strong bancassurance alignment, shared technical excellence, and integrated product development.

And in digital, Bulutistan, our cloud company has expanded into 3 new countries across Europe and Central Asia, advancing our ambition to build a scalable regional cloud platform.

Last but not least, Sabancı Holding continued to receive strong external ESG recognition, maintaining AA ratings from MSCI, achieving an A score from LSEG, and strengthening its presence across global and local sustainability indicators. Including a record representation on the CDP Global A-List.

Overall, 2025 showed resilient performance in a volatile year. Which translated into both external recognition and sustained shareholder returns. Our organizational strength and talent program were recognized internationally as Sabancı Holding became the highest-ranked Turkish company in the list of Times World's Best Companies, and Forbes and Statista's World's Best Employers. With this foundation, our board proposed a dividend

of 1.4 Turkish lira per share, marking 24 consecutive years of uninterrupted distributions and while maintaining financial flexibility to pursue opportunistic value-accretive growth, and enhance portfolio returns. While these results reflect strong execution across our platforms, they also point to a deeper shift in how Sabancı Holding is governed and managed. And that's what I will cover on the next slide.

2025 was not just another year. It marked the start of a structural evolution in how we run Sabancı toward portfolio-level ownership and integrated decision-making. With the leadership transition and my appointment as CEO in June, we entered a new phase grounded in execution discipline, disciplined capital allocation, and collective accountability. We have now formalized this under our new executive board structure. This moves us beyond silo-based management to a truly portfolio-driven approach. Today, capital allocation, strategic priorities, and transformation initiatives are evaluated together through our lens of return discipline, and long-term value creation. This also improves recurring earnings visibility across our portfolio, shared accountability strengthens coordination, increases speed, and helps us rebalance resources across platforms when needed. This governance upgrade is not structural in name only. It fundamentally improves how we scale, streamline, and steer our portfolio. One early example is the binding offer we have received from an unrelated third party for our stake in Akçansa. We are evaluating every strategic option with the same discipline and with a clear focus on long-term value creation.

Now, let's look at how our strategy, operations, and sustainability efforts translated clearly into financial performance in 2025. Operationally, the improvement in non-bank EBITDA margin came from two sources: stronger performance focus, and tight cost discipline. This was both structural and execution driven. The turnaround started to become visible in quarter two and quarter three, and the momentum strengthened further in the last quarter. At the bottom line, we moved from a significant loss in 2024 to a clear profit in 2025, with the strongest contribution in the last quarter. Banking supported the recovery, but I also want to highlight the resilience of our non-bank businesses. If we exclude the one-off impact related to the suspension of inflation accounting in tax financials, the non-bank contribution to bottom line would have been higher. Margin discipline, portfolio balance and operational execution across all segments created a durable earnings base.

As you can see on the right-hand side of the slide. Financial discipline remained central to our performance. Prudent balance sheet management, and stronger operating cash generation supported both deleveraging and continued investments. Orhun will cover further details on those metrics. But in short, 2025 was a year in which operational execution cost discipline, and prudent financial management worked together. The result was not only a return to profitability, but also an improvement in earnings quality, balance sheet strength, and portfolio resilience.

Before I hand over, a brief word on the geopolitical environment, we are monitoring developments closely. At this stage, we do not see a direct impact on our physical assets or operations, and we continue to manage risks with the same disciplined approach that Sabancı has used in the past volatility. In today's environment, volatility is not the exception, it is the baseline. What matters is whether you have clarity; a plan,

and the ability to execute, and I want to be very clear, we do. Sabancı has a diversified portfolio, and we run it with dynamic strategy planning. We are not guessing what to do next, we are not waiting to see how events unfold. We have a clear roadmap, clear priorities, and clear decision rules. Our plans are ready, on growth, on efficiency, on capital allocation, and on portfolio optimization. And our focus now is simple: delivery. We know what we will execute, in what sequence, and with what return expectations. That's why I am confident in our direction, and this confidence is not based on words. It is based on the platforms that we have built, the discipline we have strengthened, and the governance model we have put in place. In short, we are prepared, we are focused, and we are executing. By the way, it also happens to be my birthday today, so thank you for spending part of today with me, with us. Now, let's go into the results. I will now hand over to Orhun to walk you through the financial results in more detail. Thank you.

Mr. Orhun Köstem, CFO: Thank you, Kivanç. Happy birthday once again. And good morning, good afternoon, everyone. We welcome you in Sabancı Holding's 2025 results webcast again.

As always, on page 7, I'd like to give you a little bit on the backdrop of the results, and what's happening in the outside world. Obviously, it's fair to say, as we concluded 2025, it was a year where the disinflation program in Türkiye continued. Presumably, we have seen the most severe monetary policy execution in 2025, that was obviously reflected onto the relatively high real interest rates that we've seen in the market. The global markets, in general, had different tunes on the geopolitical side. We have seen talks starting between Russia and Ukraine, and a settlement in Gaza etc., which was relatively better news. Obviously, there were negatives there as well. In general, oil prices, gas prices, and energy prices remained quite subdued. And that was basically a snapshot of what 2025 looked like.

Last week, when our teams were preparing this presentation, the picture they wanted to show us started with the graph you see on the bottom left side of this page, which shows you the geopolitical risk index at the end of February, this is relatively calm. It's not necessarily very low, but however, compared to what we have seen in the course of past few years, we were heading into a calmer direction. Or on the bottom right-hand corner, as you see the Turkish Lira reference rates, you've seen them coming down in general, in the course of past, let's say, 6 months, if you take this as a benchmark. Now, fast forward a week, obviously, these graphs have changed. Unfortunately, we can't yet update what the geopolitical risk index may look like today. But it's, I think, safe to assume that there could be a spike in this graph when you take March or if you take a look at the Turkish Lira reference rate, there you see, already a spike in the numbers. Now, obviously, without saying, Kivanç has alluded to that, what's been happening, significantly elevated so far, the geopolitical risks added a lot of uncertainty at the start of 2026, and we will obviously continue monitoring what's happening, and make sure that we manage our business to the best of our ability. And I think our portfolio allows us to be able to deliver good execution and good results.

Now, on the next page I want to talk about what happened in 2025 in a bit more detail. Starting from the last quarter of the year, there you see we've seen a slight revenue contraction of 5%, a little bit about the bank, but revenue growth in bank is not

necessarily something very relevant, but we're happy that at least our non-bank businesses posted slight real growth in the last quarter. The bank's profitability improved quite significantly in the last quarter, I'm sure you must have followed what Akbank has disclosed, and therefore, the total EBITDA has grown by about 35%. This time, there was a slight contraction in the non-bank business's EBITDA, which is usually related to the calendarization of our business execution, therefore you see some 50-basis points contraction in EBITDA, which you don't see on the annual basis. But as you see, the consolidated bottom line, the consolidated net income, we passed to the 4.6 billion Turkish lira of net income, compared to 4.8 in the same period of last year, so that's in excess of 9 billion Turkish lira swing in the last quarter this year, the majority coming from the bank. But as, again, Kivanç was underlining, had there not been a change in the inflation accounting application to the statutory accounts in the last quarter, we would have seen our net income just about 7.2 billion Turkish lira for the last quarter of the year.

Now, what that means for the full year on the next page, that's page 9, we've mostly seen flattish revenue. A percent up on bank, a percent down on non-bank, but mostly flattish. We've seen, earnings profitability growth, there you see in EBITDA, 6% in non-bank businesses and some 9% in the bank, so overall 8% that resulted in some 90 basis points of margin expansion, and if you look at the bottom line again, now you see a 24 billion Turkish lira swing between 2 years, from minus 20.3 billion Turkish lira to plus 3.8 billion Turkish lira on a consolidated basis. Now, the bank's contribution was about 17 billion Turkish lira to that shift, whereas the non-bank businesses has contributed some 7 billion Turkish lira between 24 and 25. Now again, if you analyze the impact of the elimination of inflation accounting on the statutory accounts, our net income would have been about 2.5 billion Turkish lira higher at 6.3 billion Turkish lira at the end of the year.

This, on the next page you see, has resulted in our return on equity coming to the positive territory. So, on a consolidated basis, we're seeing about a percent return on equity. Now, great to be on the positive territory, nothing necessarily to boast about. I think one thing that's important for us, again here, is about 620 basis points improvement year on year on our ROE, we would be keen to continue growing as we move forward.

Our operational cash flow, the non-bank operational cash flow that you see on the left-hand side of this page has grown some 16% to TRY 89.3 billion. That's coming on top of a 17% growth between 24 to 23, so therefore continue to deliver strong cash flow generation, which is becoming important, because you see on the next page, even though we still invest on our non-bank businesses with a run rate of 12.3% of our non-bank revenue. Our indebtedness stays at 1.6 times, as measured on the basis of net debt to EBITDA. So, strong cash flow generation, and even though our capex levels are not low, we still can maintain a very healthy balance sheet. Depending on how you approach, it's very useful, either to mitigate any potential risks going forward, or useful to capitalize on any opportunities as we move into 2026. The cash that we hold, free cash that we hold is 8.5 billion Turkish lira at the end of 2025. The level could have been quite similar had we not realized our capital contributions to various of our subsidiaries amounting to 3.8 billion Turkish lira within 2025. So, substantial cash holdings as well.

In the next page, you see the breakdown of our NAV, which was at USD 11 billion. 44% was contributed by Banking and financial services, some 34% by energy and climate technologies businesses, and material technologies contribute to under 14%, and of course, still there's a very attractive discount of about 56%, that's at the end of February.

So, with that, I'll ask Kerem to join us, to walk you through the details of our business segments, Kerem?

Mr. Kerem Tezcan, IR Director: Thank you, Orhun.

Let me begin with the bank. And just to remind, the banking numbers presented on this page are based on BRSA financials, as the banks are exempt from inflation accounting.

Akbank's agile balance sheet management and strong adaptability to challenging regulatory landscape coupled with net interest income momentum, and resilient fee performance remain the key contributors to profitability. At the same time, Akbank's strong capital position enables growth, providing flexibility to manage the balance sheet with agility, and dynamically allocating assets and liabilities across sites. This disciplined approach is supported by prudent provisioning and solid coverage ratios. While continuing to grow, effective risk management has kept Stage 2 and 3 loans limited below 11% of total loans, and the Stage 2 and 3 coverage ratios robust at above 28%. In addition, operational discipline is reflected in Akbank's leading 106% fee to OPEX performance. Supported by continued focus on customer acquisition and deepening relationships, the bank has sustained strong momentum in fee-income market share, reaching 17.8% by the end of 2025. Meanwhile, OPEX growth already stabilized at inflation levels amid disciplined cost management. All these positions Akbank to further scale a resilient earnings platform and unlock sustained long-term growth potential in the period ahead.

As for the core metrics of the bank, swap-adjusted net interest margins started to recover during the third quarter, thanks to improved funding dynamics. This trend was sustained during the fourth quarter, backed by disciplined balance sheet management. Accordingly, renewed net interest income support and strong fee income reinforced core revenues. Looking ahead, focused growth and funding adaptability will remain key drivers supporting the anticipated gradual net interest margin expansion throughout the year. Additionally, with a total capital adequacy ratio of 16.8%, and a Tier 1 ratio of 13.6%, Akbank continues to maintain solid capital strength, anchoring resilience, and long-term profitable growth.

On financial services segment, in the life business, growth continued to be driven mainly by credit-linked life products and expanding contribution from Medisa. While the pension business maintained strong momentum and leadership among private players. In non-life, the company continued to prioritize technical profitability and capital efficiency over the volume growth. This selective underwriting approach supported stronger technical results and led to an improvement in the capital adequacy ratio of 166%.

Segment's inflation-adjusted top line declined year on year, reflecting the deliberate shift toward profitability in the non-life business, resulting in moderation in premium production. This was partly offset by the continued strength of the life and pension business. EBITDA performance for the year was mainly driven by the life segment, supported by strong production in credit-linked life products, and increasing contribution from Medisa. Year-on-year comparison was also affected by a high base in the fourth quarter of 2024, when reclassification of deferred income, which created a one-off positive impact under inflation accounting. In non-life business, lower reinsurance increased the monetary position on the balance sheet, leading to higher monetary losses. In life, higher financial income supported profitability, but this effect was largely offset by higher monetary losses and tax expenses.

Let me now turn to our largest non-bank segment, energy. On the generation side, production volumes increased mainly due to additional wind capacity commissioned this year, benefiting from a relatively low maintenance base. This was more than offset by weaker output from other technologies, particularly hydrology. From a pricing perspective, strong spot electricity prices in dollar terms continued to trend lower compared to last year, with higher natural gas prices with the latest hike back in April. Coupled with the unchanged regulated price cap, the pressure on spreads prevailed. Together with lower committed trading contribution, Enerjisa Üretim closed the year with \$375 million of EBITDA, reflecting the market dynamics that I mentioned. Looking ahead, early indications suggest rainfall regime at the start of 2026 may become more supportive for hydrology compared to last year. Capacity expansion remained a key focus for our generation operations. As Kıvanç mentioned earlier, Enerjisa Üretim surpassed 1 gigawatt of installed wind capacity, supported by continued access to favourable financing, including the recent 200 million euro EBRD loan. As expected, these investments led to a higher leverage profile.

In climate technologies, EBITDA contributions became increasingly visible, supported by the full operational impact of Cutlass II, and the commissioning of the Oriana project by the beginning of Q4.

Turning to our distribution business, Enerjisa Enerji, the company delivered solid operational performance in the fourth quarter. Distribution remained the main contributor to operational earnings, while retail continued to operate in a soft environment. Efficiency and quality gains, together with the higher financial income, supported the core earnings performance. Finally, under the new five-year regulatory framework of after-tax WACC, increased from 12.3% to 13.49%, reinforcing the investment case for grid stability and growth.

Looking at the overall performance of the energy segment, EBITDA margin was mainly supported by the distribution and climate technologies. On the back of strong EBITDA, bottom line was further supported by monetary gains in generation. Positive tax impacts, including the suspension of inflation accounting in tax financials for the distribution business, and step-up gain recorded in Climate Technologies. On the other hand, the suspension of inflation accounting had a negative impact on the generation business at the net income levels. While the nominal contribution of Bus Operations

remained relatively limited within the segment, operational improvement in the business supported both EBITDA and the bottom line.

On materials technology segment, in building materials, cement volumes increased year on year, mainly driven by international operations. Çimsa's expanding global footprint, together with the successful integration of Mannok, supported both revenue growth and profitability. Higher alternative fuel usage, plant-level efficiencies and disciplined cost management also contributed positively to Çimsa's results. Meanwhile, Brisa's operations showed gradual improvement in Q4 despite mixed domestic demand conditions. Premium-centric solutions, the premium-focused product mix, and strict cost discipline, mitigating margin pressure in a softer domestic demand environment. While the consumer segment remained weak, Brisa continued to strengthen its position in premium segments. Additionally, company observed demand recovery in the commercial segments, particularly in Q4. In tire reinforcement and composites, composites contribution, and cost control supported its performance. However, subdued global demand intensified Asian competition, and the flood-related impacts in Indonesia weighed on tire reinforcements. The stronger performance of international cement operations and composites more than offset the soft environment in tire-related businesses.

On the financial performance of the segments, building materials account for a larger share compared to tire operations, and most of the EBITDA performance relative to last year was driven by this business. Bottom line results were supported by a strong EBITDA contribution from the building materials, despite several one-off items affecting the year-on-year improvements. In tire reinforcement, one-off impacts, such as business interruption following the flood disaster, and workforce optimization initiatives affected results. Brisa also recorded a 392 million provision in 2025, related to an ongoing competition authority investigation. Excluding this provision, the company's bottom line turned positive territory in the second half. In addition, the suspension of inflation accounting in statutory accounts, together with the related asset revaluation impact, put additional pressure on the bottom line.

Let me continue with digital and other segments.

In retail electronics, revenues declined on persistent macroeconomic pressure and intensified competition, with that additional impact from store network optimization. Although margins remain pressured in Q4 due to seasonal promotional intensity, the full year performance reflects structural improvement in profitability, supported by disciplined pricing, effective inventory management, and a stronger focus on higher margin categories, continued cost discipline and operational efficiency. Initiatives also supported margin performance on a full-year basis.

In the food retail segment, even though revenue generation was affected by the continued pressure on consumer purchasing power, growing contribution of alternative channels and franchise operations helped offset top line pressure during the quarter. The increase in online services stores, and prevailing shift toward alternative channels supported the strength. Ongoing network optimization efforts temporarily weighed on

reported revenues and profitability, while further strengthening the efficiency and sustainability of the operating model.

In the digital segment, revenues remained broadly stable in the quarter, while full-year performance benefited from the contribution from Bulutistan. EBITDA improved meaningfully, reflecting operational efficiency and strong execution across segments. At the bottom line, net loss narrowed on a year-on-year basis, reflecting these improvements and the low base effect created by the impairment recorded at the end of 2024.

In the other segments, revenues contracted on weak consumer demand and ongoing optimization efforts across both retail operations. EBITDA declined on year-on-year basis as profitability remained under pressure in both retail electronics and food retail during the quarter. At the bottom line, higher financing costs, and lower monetary gains across both retail operations, weighed on the profitability, resulting in a wider net loss.

With this, we conclude our presentation. We now would like to open the floor for Q&A. Please type your question on the Q&A section of the Zoom. So we'll get your questions answered. Thank you.

We have a question from Matthias. In an event of successful sale of portfolio holdings, such as Akçansa, would the resulting substantial cash inflow be partially used for several share repurchases? Your shares discount to NAV and the potential described by you stand in the sharp contrast, creating a very strong rationale for buybacks and subsequent cancellations. What is holding you back?

Mr. Orhun Köstem, CFO: Hi, and thank you, Matthias, for the question.

Obviously, let me start from there is a discount to NAV, and as we've discussed earlier. One part that we expect that discount to narrow is how the portfolio works, as Kivanç was alluding, as there are some, let's say, like the one that you have seen and commenting on, developments that may further streamline the portfolio, we would expect a positive impact on the discount. Now, a share buyback program is something we have done in the past, that is true, twice. And it's part of our capital allocation framework in general, and it depends on how the board views vis-a-vis other, capital allocation alternatives. But again, it's part of our playbook, and going forward, maybe, that could be something that we may do again, depending on weighing it against the other alternatives in place, we'll see. And I'm coming to your first question, Matthias. We'll see if any transaction occurs or is consummated, then we'll be happy to talk about how we're going to deploy the cash. It's a great problem to have. Thank you very much.

Kerem Tezcan, IR Director: Another question for Özgür. Can you give an update on Kordsa after the rejection of capital increase plan?

Mr. Orhun Köstem, CFO: Many thanks, Özgür. As you've seen in Kordsa, last year, the company has started restructuring its balance sheet, the company has successfully refinanced some of the short-term indebtedness and then, converted it into long-term indebtedness on its balance sheet. And the capital increase was part of that

restructuring program. We, and our teams, look into what the CMB is saying, but we're quite keen to continue with that restructuring effort. Thank you.

Kerem Tezcan, IR Director: Okay, it seems there are no further questions. I now would like to leave the floor to Kivanç, our CEO, for closing remarks. Thank you.

Mr. Kivanç Zaimler, CEO: Thank you, Kerem. Thank you, everyone for joining us this evening, today. As we have turned to profitability by the end of 2025, we will continue this performance with improved earnings quality, balance sheet strength, and with the resilience of our portfolio. We have the clarity, we have our plan, and we have the ability to execute. Once again, thank you very much.