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# SABANCI HOLDING INDUSTRIALS DAY

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November 12, 2021

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# On Stage Today



**Orhun Köstem**

Group Chief Financial Officer  
Sabancı Holding



**Cevdet Alemdar**

Industrials SBU President  
Sabancı Holding

01 Industrials in Sabancı

02 Industrials SBU

03 Q&A



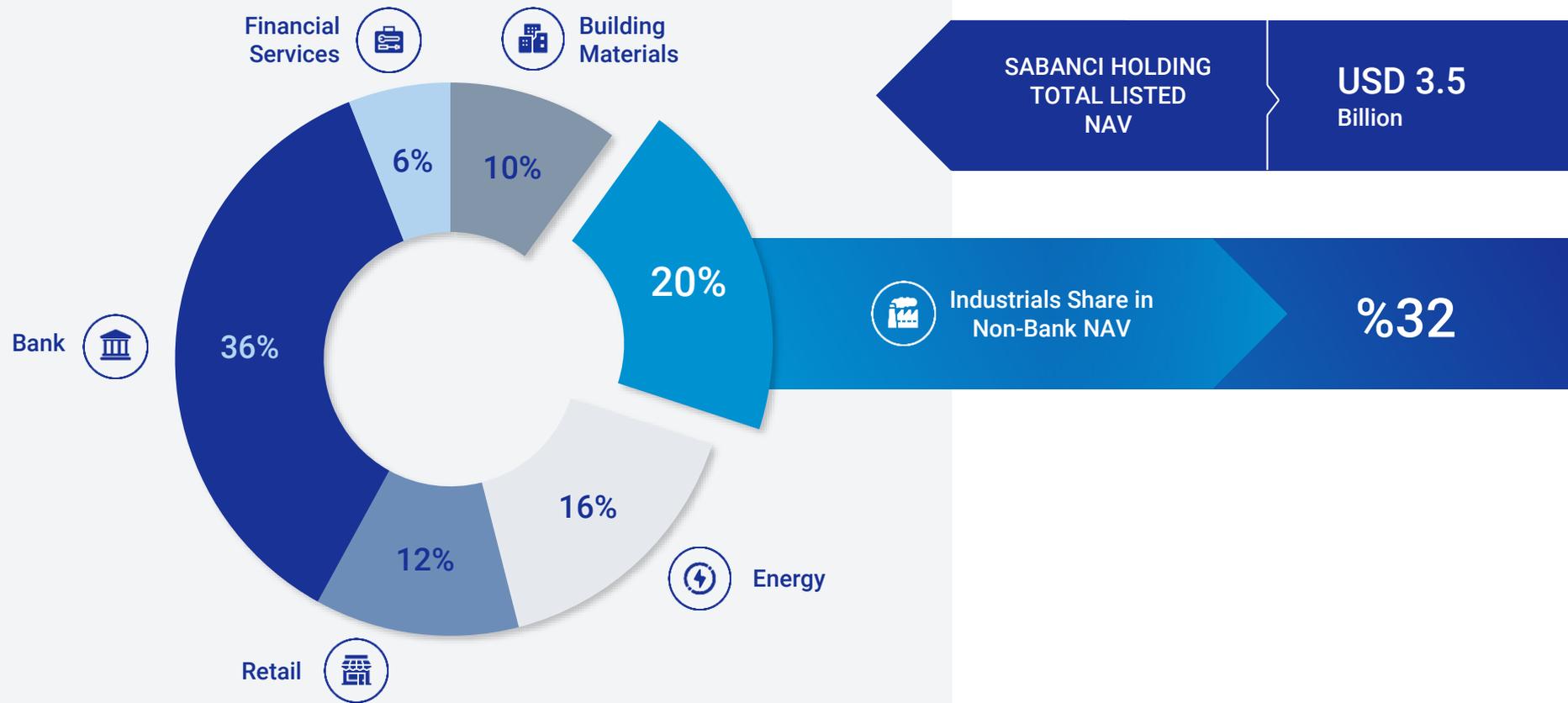
**01** Industrials in Sabanci

**02** Industrials SBU

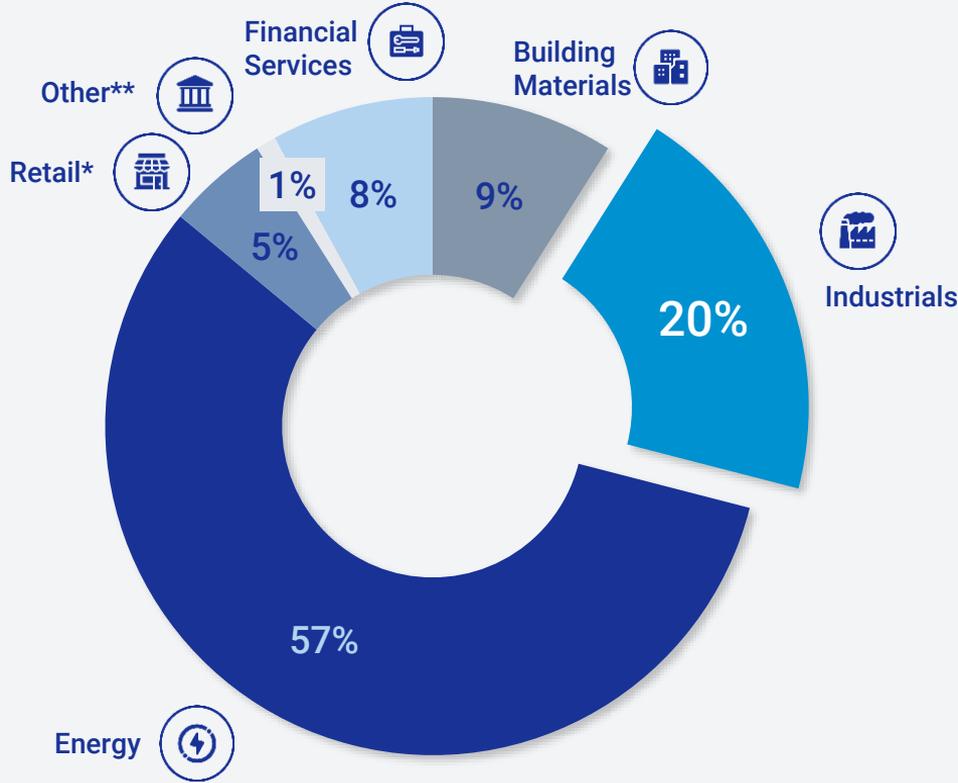
**03** Q&A



# Industrials with 20% share is the largest nonbank SBU in Sabancı Holding Listed NAV



# 20% of total non-bank EBITDA of Sabancı Holding constitutes from Industrials SBU



SABANCI HOLDING  
NON BANK  
COMBINED EBITDA\*

TL 10.3  
Billion

All figures are for 2021 9M period.  
\*Excludes non-operational and non-recurring one off items & IFRS16 impact in retail  
\*\*Other includes Holding Solo, AEO, Tursa, Exsa, Sabancı DX

# Doubling CAPEX to accelerate both organic and inorganic growth

## 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

### 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



### 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

### Keep Healthy Balance Sheet

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

The background of the slide is a blue-tinted photograph of a car's rear wheel and body. The wheel is in the foreground, and the car's body extends towards the right. The background shows a blurred road surface.

01 Industrials in Sabanci

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COMPOSITES & TIRE  
REINFORCEMENT



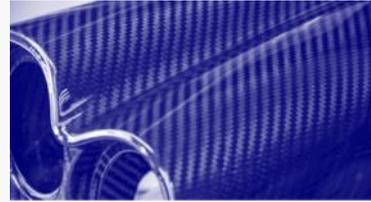
TIRES



BUS & LIGHT  
TRUCKS



MOBILITY SOLUTIONS  
FOR END-USERS



**KORDSA**

- Global #1 in Tire Reinforcement, Nylon6.6 and PET
- High-end Composites manufacturer
- 12 Manufacturing centers in Turkey (2), US (6), Brazil (1), Indonesia (2), Thailand (1)



**BRI SA**

- Distinct leader in Turkish Market
- Prominent exporter, Lassa & Bridgestone brands to 83 countries equivalent to half of its total capacity in its 2 factories
- Consumer & Commercial fleet solutions with its Pratik chains and Profleet brand



**TEMSA**

- >30% Market Share in Turkey
- Prominent exporter, 70% of its capacity is exported to 66 countries
- eBus Designer & Manufacturer with Skoda Group

# Macro Trends prompt three Key Moves for Sabancı Industrials

MACRO  
TRENDS  
REALM



## SUSTAINABILITY

Pioneer in Sustainability



## DIGITALIZATION

Wider Customer Experience



## CHANGING OPERATING MODELS

Agile Footprint

ADVANCED  
MATERIALS

MOBILITY

- Lightweight Materials
- Sustainable Chemicals
- New Energy Vehicles and Components
- Connectivity & Customer Solutions

We unite Turkey and the World for a sustainable life with leading enterprises

## 1 CORE



### Business As Usual (BaU)

- Carry excellence far & beyond



### Advanced Materials

- Composites Grow in Uses and to Europe

## 2 EXTEND



### New Mobility Solutions

Extensive Customer Experience, Connected



### New Energy Vehicles and Components

## 3 TRANSFORM



### Advanced Materials

Sustainable Chemicals

# Excellence provides the Foundation for Strategy



**70%**  
International Revenues

**4**  
R&D Centers

**210+**  
Patents

- Highest Technology level composites used in Aerospace
- eBuses to champion markets : Sweden, UK
- 6000+ point of sales of Lassa Tires outside of Turkey
- Suppliers to eCar OEMs in Europe
- Global benchmark level operational parameters (first pass yield, energy efficiency, productivity)
- > 5 ppt increase on EBITDA Margins on pre-covid levels
- Human capital in locations around the World (Best place to work and Best Employer awards)



Climate Change and Water Security leaders



Out of 75000 companies



Science based objectives for challenging 1.5°C scenario



x2 Energy Efficiency Improvement, compared to IEA's Global Industry Performance Estimate <sup>(1)</sup>



68% Reduction of Groundwater <sup>(2)</sup>



Social and NGO Leaderships



Scope 3: Light Materials

(1) Last 10 year's Bris and Kordsa performance, in comparison to [iea.org/estimated-savings-of-final-energy-use-in-iea-countries-2000-2018](https://www.iea.org/estimated-savings-of-final-energy-use-in-iea-countries-2000-2018)

(2) Brisa performance in Izmit

We unite Turkey and the World for a sustainable life with leading enterprises

## 1 CORE



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## 2 EXTEND



### New Mobility Solutions

Extensive Customer Experience, Connected



### New Energy Vehicles and Components

## 3 TRANSFORM



### Advanced Materials

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## TODAY's Base



Global Nylon 6.6 TCF market share 27%  
Global PET TCF market share 9%



96% of Composites sold in US,  
70% of Composites to Aerospace



30+ eBus design and international sales



Widest Tire Sales Network and 90 points of new concept Otopratik Network in Turkey

## For FUTURE



### Maximize b2b customer utility

Leverage global operating model, advance connectivity, analysis and VMI as services



### Extend Composites to automotive and parts for other components

Grow and composition evolving to: beyond US and Aerospace



### 350+ points of Otopratik Network in Turkey

Telematics solutions attached to (1) tire-centered Otopratiks (2) Further Mobility Segments



### Exponential growth in eVehicles and Components

Leverage Battery Management System and Integration



### Sustainable Chemicals

Leverage competencies in current technologies (composites, polymers, epoxies, tires, recycling)

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**Thank You**

