

#SabanciofNewGeneration

# SABANCI INDUSTRIALS

SOLID POSITIONS &  
PERFORMANCE FOR  
THE FUTURE OF  
MOBILITY

20 Nov 2020





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# INDUSTRIALS DAY

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BARIŞ ORAN, CFO SABANCI HOLDİNG

Our companies are market leaders in critical areas within their respective sectors

Banking & Financial Services

- ✓ The best bank in Turkey in 2019 (Euromoney, Global Finance, World Finance), World’s Best Digital Bank 2019 (Euromoney), World’s Best Bank in the Emerging Markets in 2020, Leading player in pension

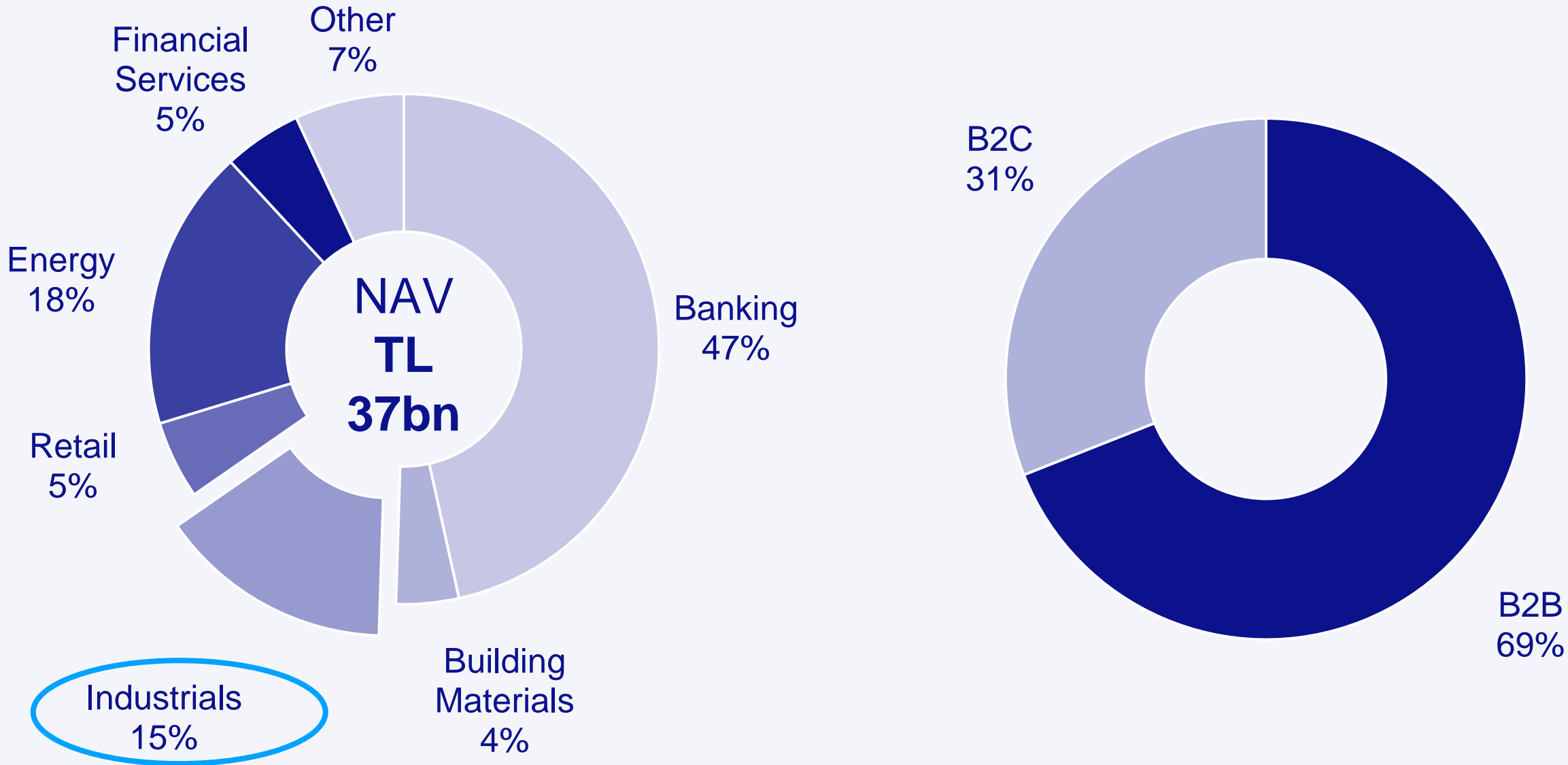
Energy & Utilities

- ✓ The industry pioneer in upstream / downstream electricity markets; leadership in rapidly growing segments

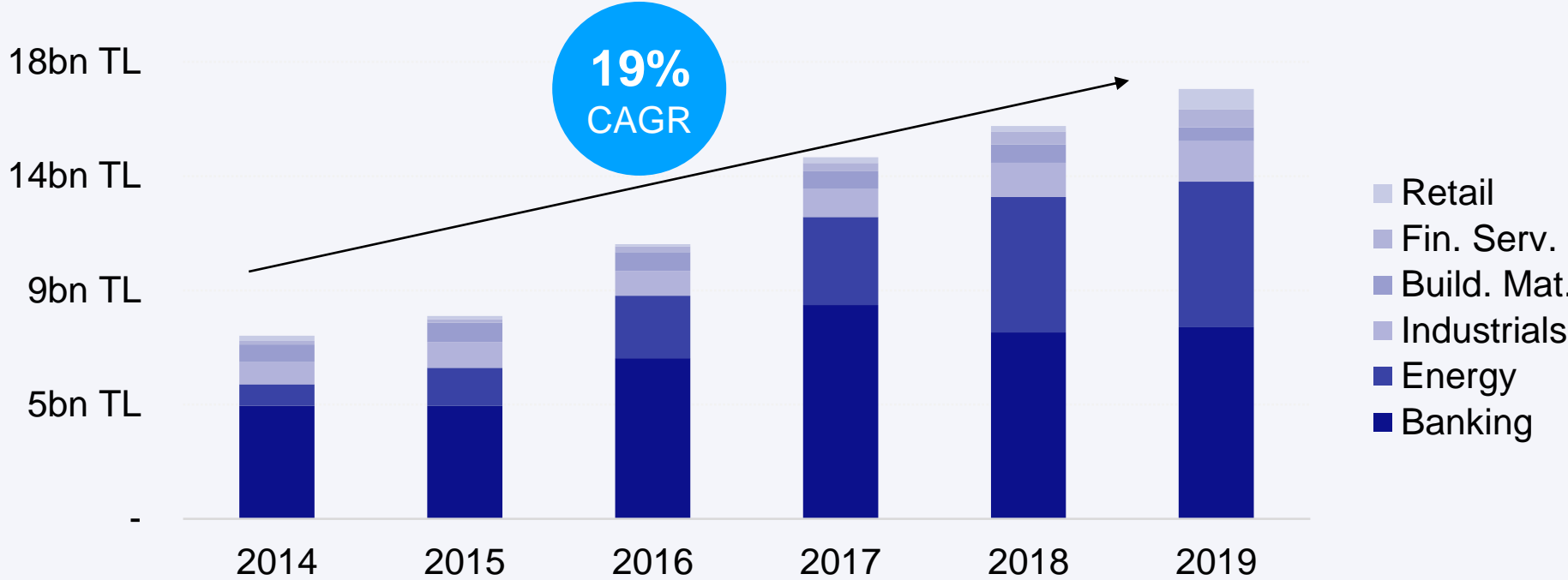
Industrials (Reinforcement & Cement)

- ✓ Innovative culture / global leader in international markets / leader in Turkey with strategic positioning in the market

Diversified portfolio (Dec-2019)



Track record of real growth (above inflation + GDP growth of Turkey)<sup>2</sup>  
Combined EBITDA<sup>1</sup>

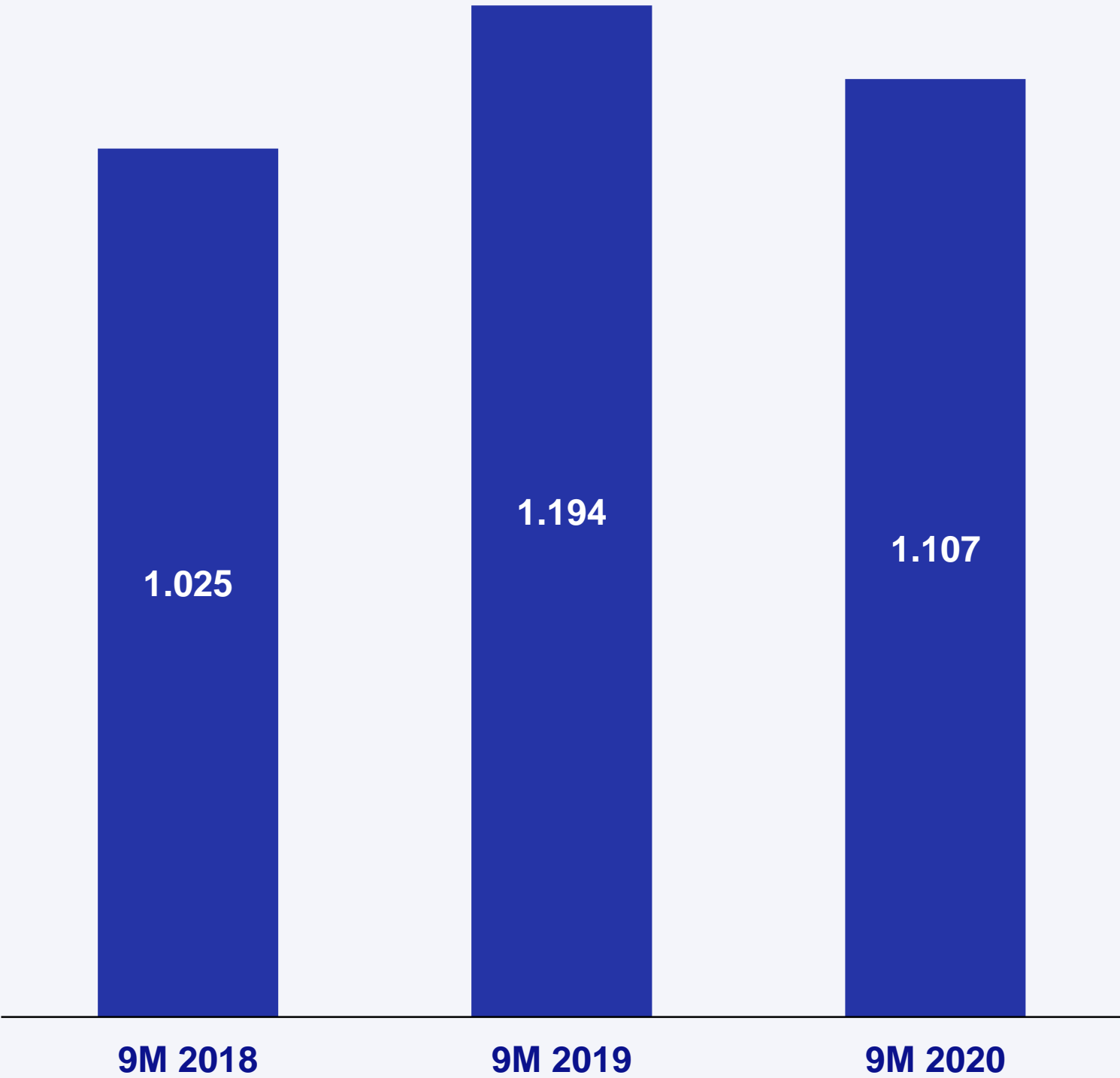


1-Total EBITDA before consolidation adjustments. Excludes one-offs. 2-2014-2019 Ave. Inflation: 11%

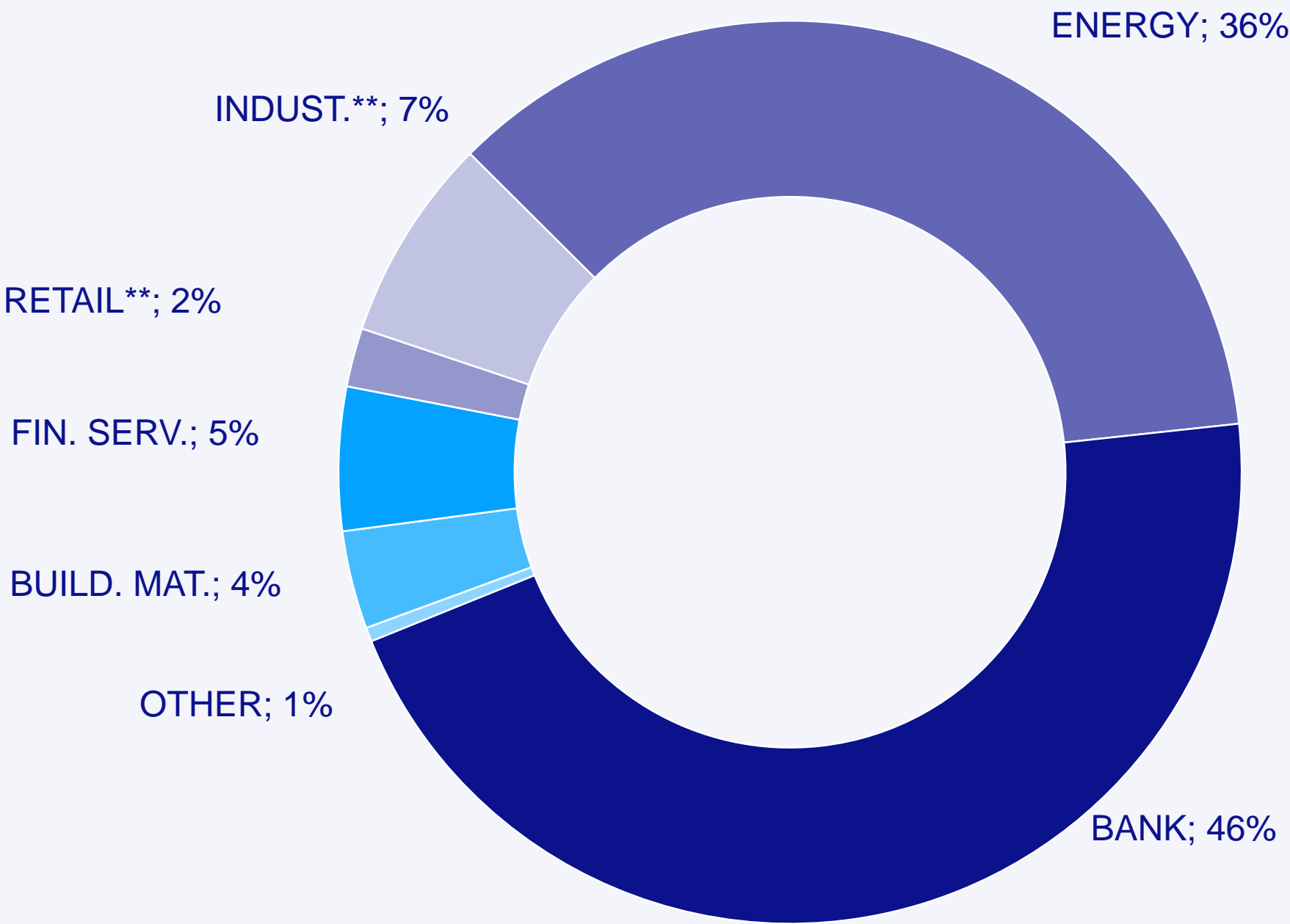
# Industrials / One of the major contributors of Group's profitability



Combined EBITDA\* (TL mn)  
Limited impact of collapse in mobility

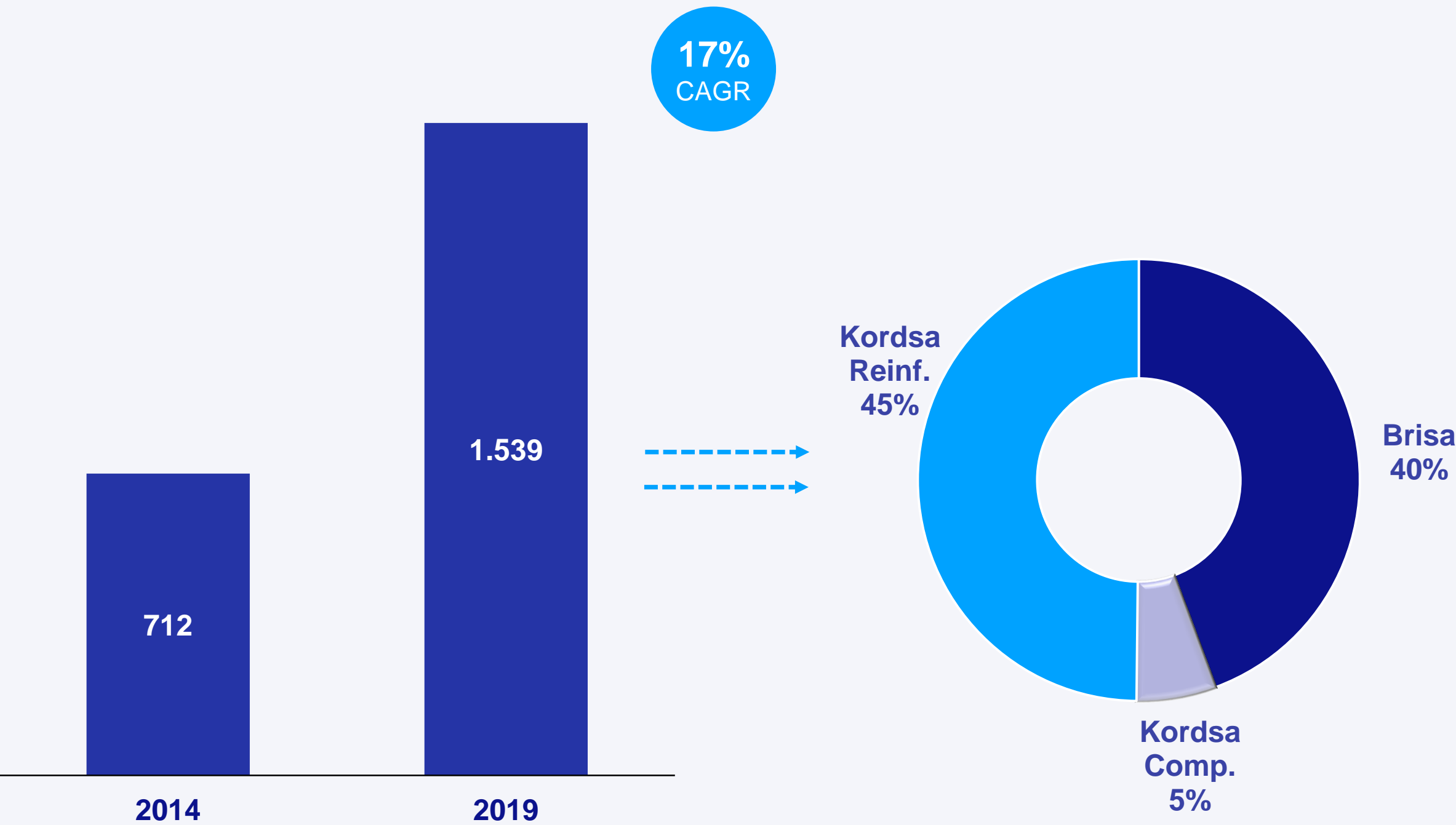


Combined EBITDA\* Breakdown (9M 2020)  
Third largest contributor

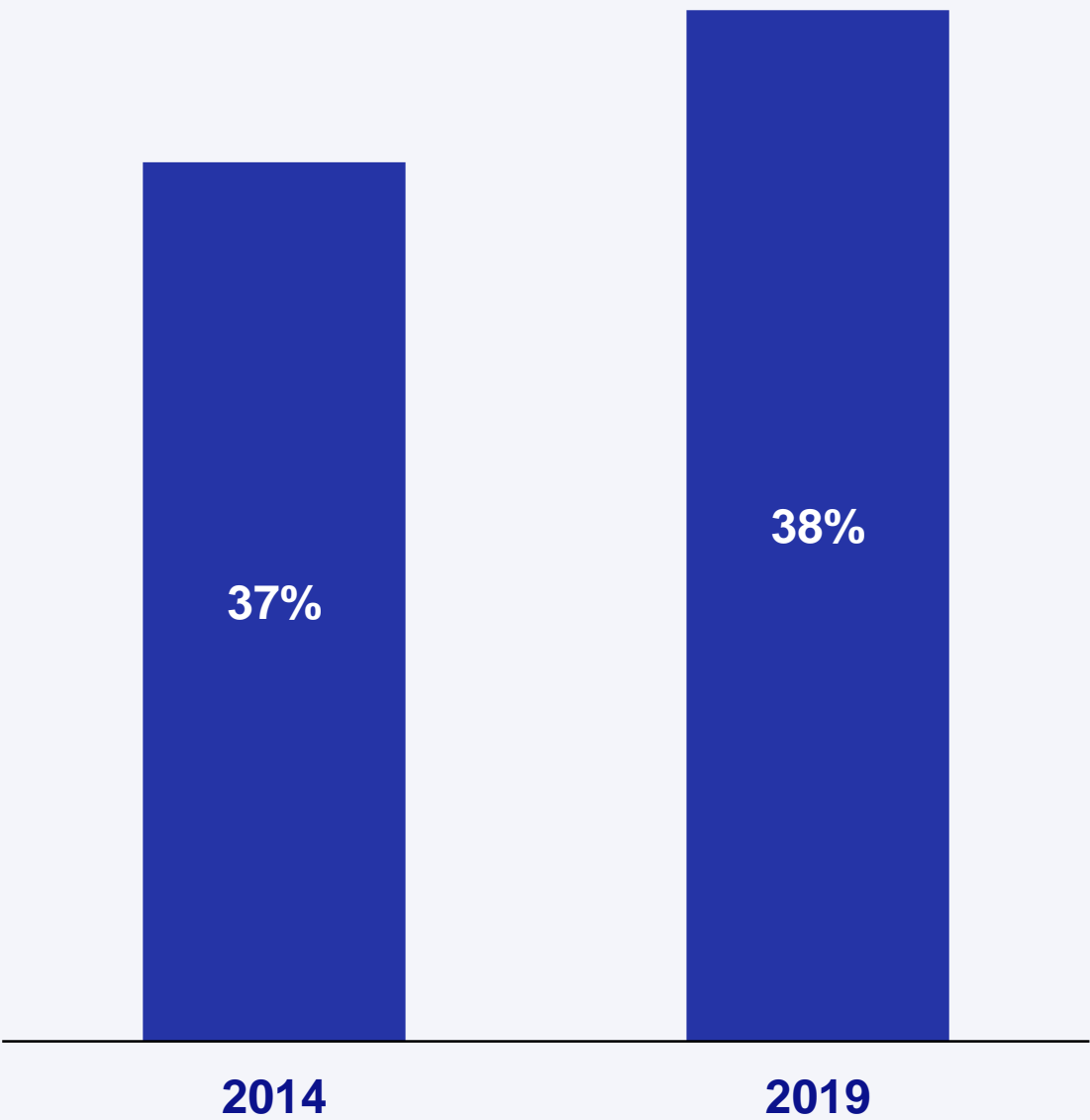


\*Excludes non-operational and non-recurring one off items \*\*Excludes divested businesses in industrials and IFRS16 impact in retail

Industrials SBU Combined EBITDA\* (TL mn)  
Double digit growth in the past five years

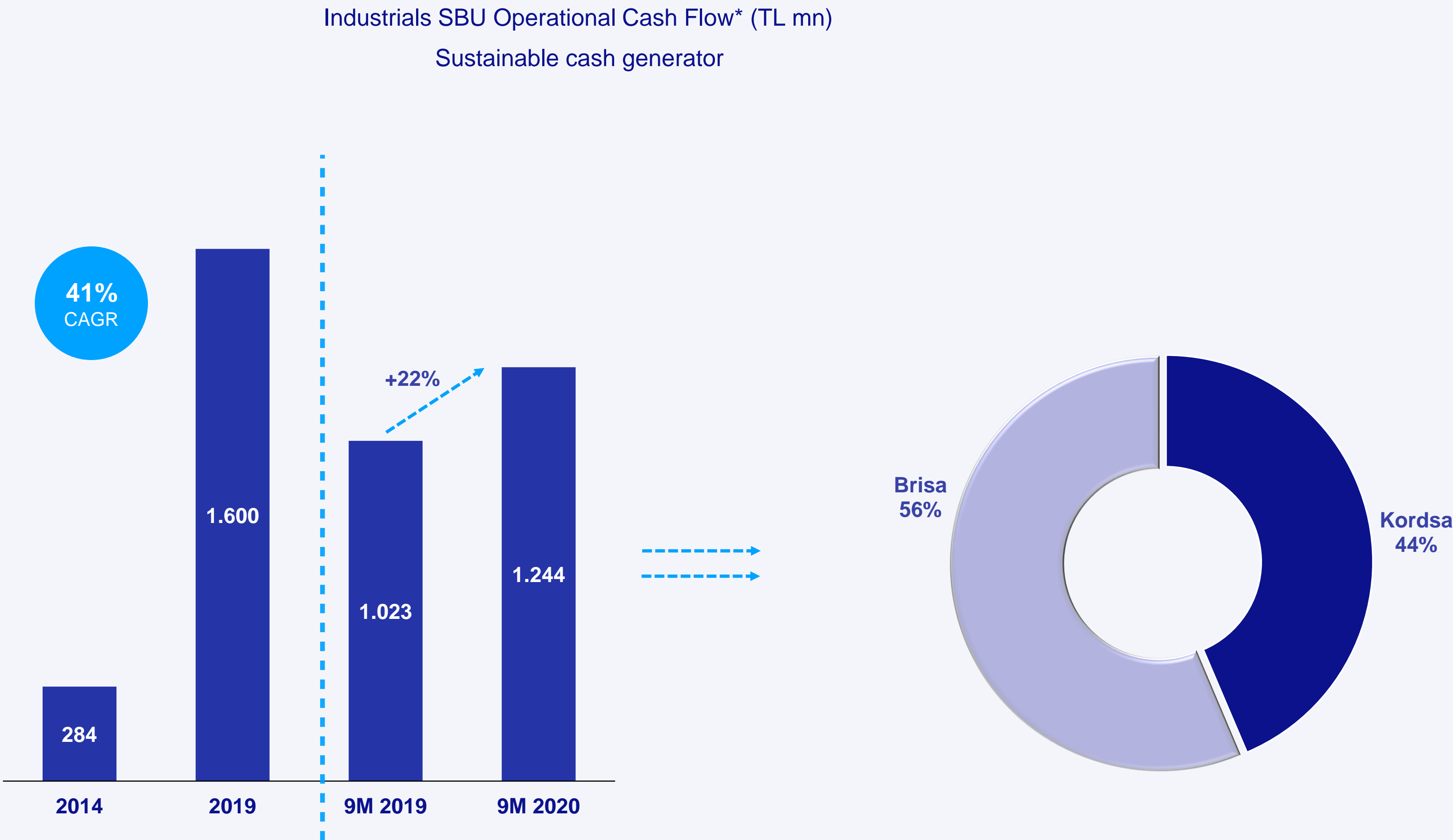


Industrials SBU Dividend Share in Group's Dividend Income\*\*  
Double digit share in dividend stream



\*Excludes non-operational and non-recurring one off items and divested businesses

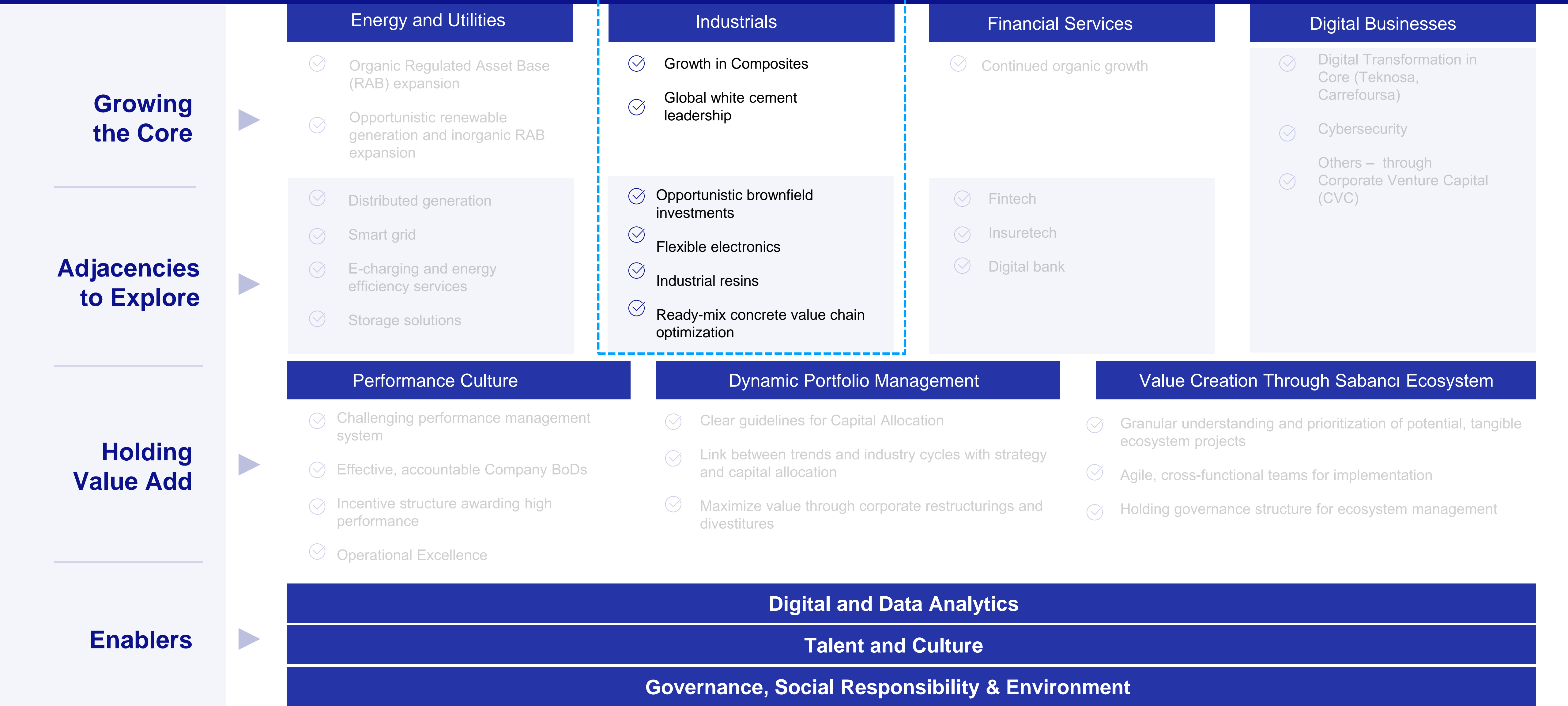
\*\*Excludes divested businesses



\*Excludes divested businesses



# Industrials / An important pillar in building “New Generation’s” Sabancı





# INDUSTRIALS DAY

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CEVDET ALEMDAR, INDUSTRY SBU PRESIDENT SABANCI  
HOLDING

SOLID  
POSITIONS

AND  
PERFORMANCE

FOR THE FUTURE  
OF MOBILITY

KORDSA

ADVANCED MATERIALS



YARNS & FABRICS FOR  
TIRE, COMPOSITES,  
CONSTRUCTION



COMPOSITE  
INTERMEDIATES



BRI SA

TIRE



MOBILITY  
SERVICES



BRIDGESTONE

LASSA

profleet

DAYTON

bandag

OTO PRATİK



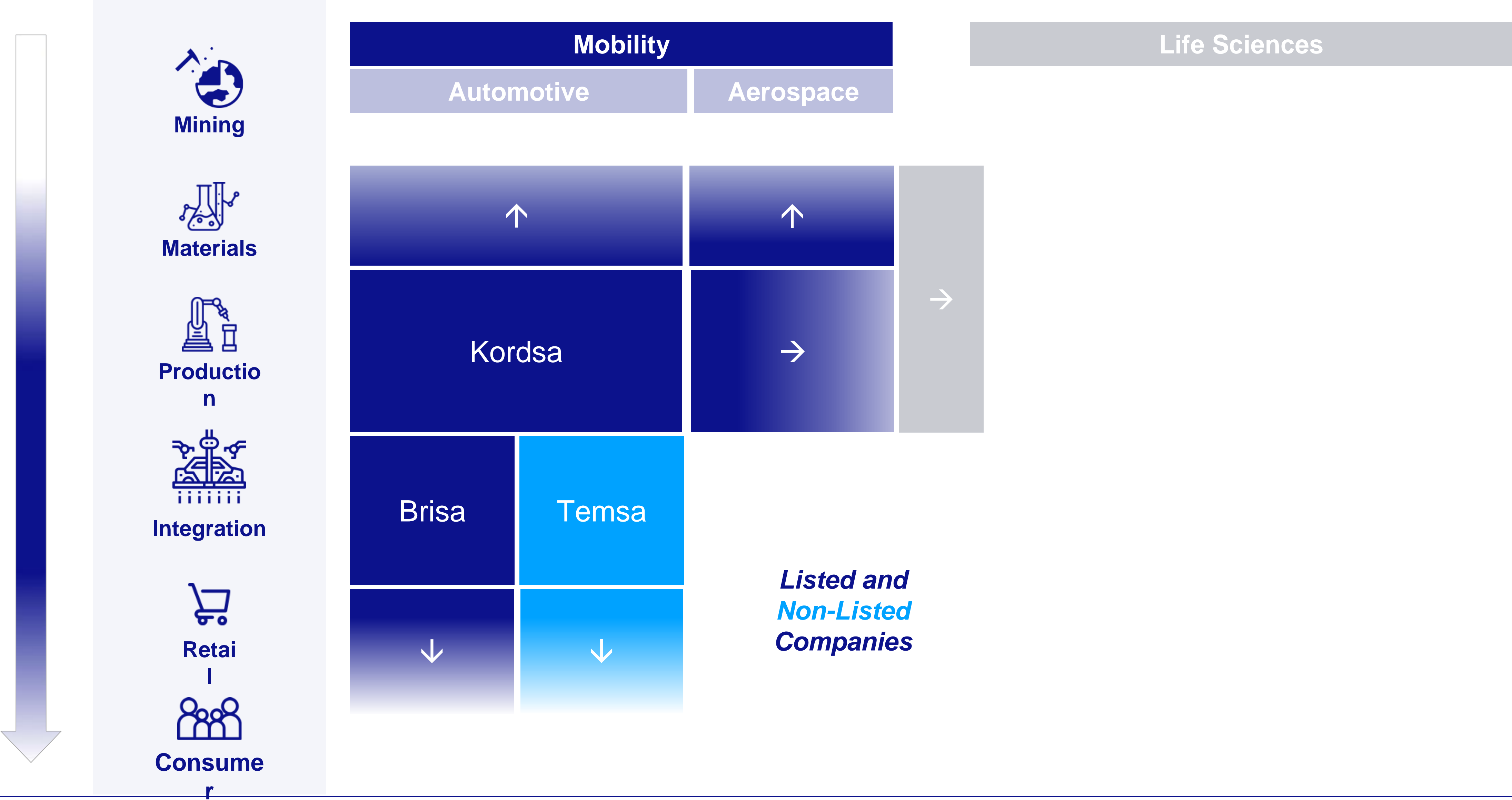
TEMSA

MITSUBISHI



TEMSA

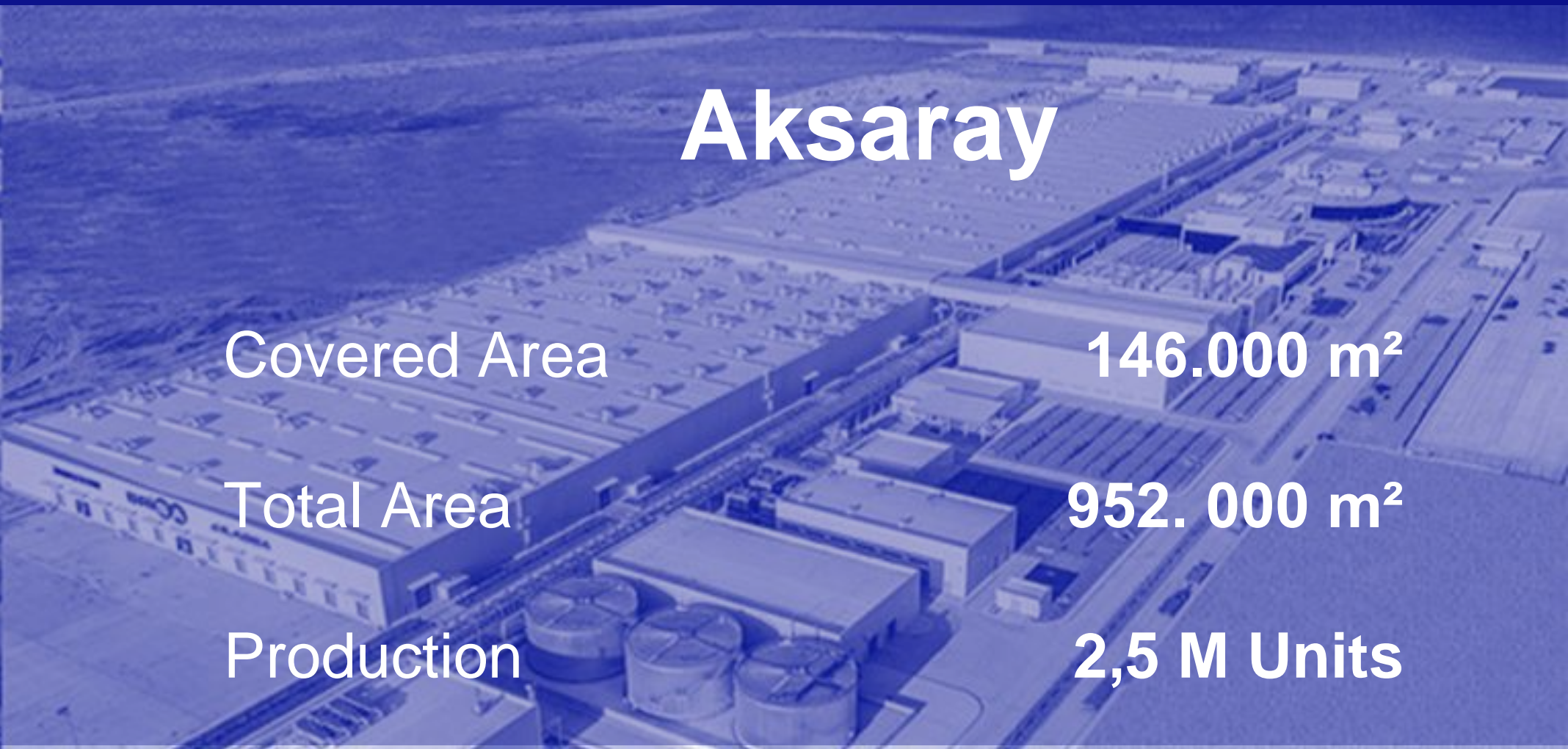
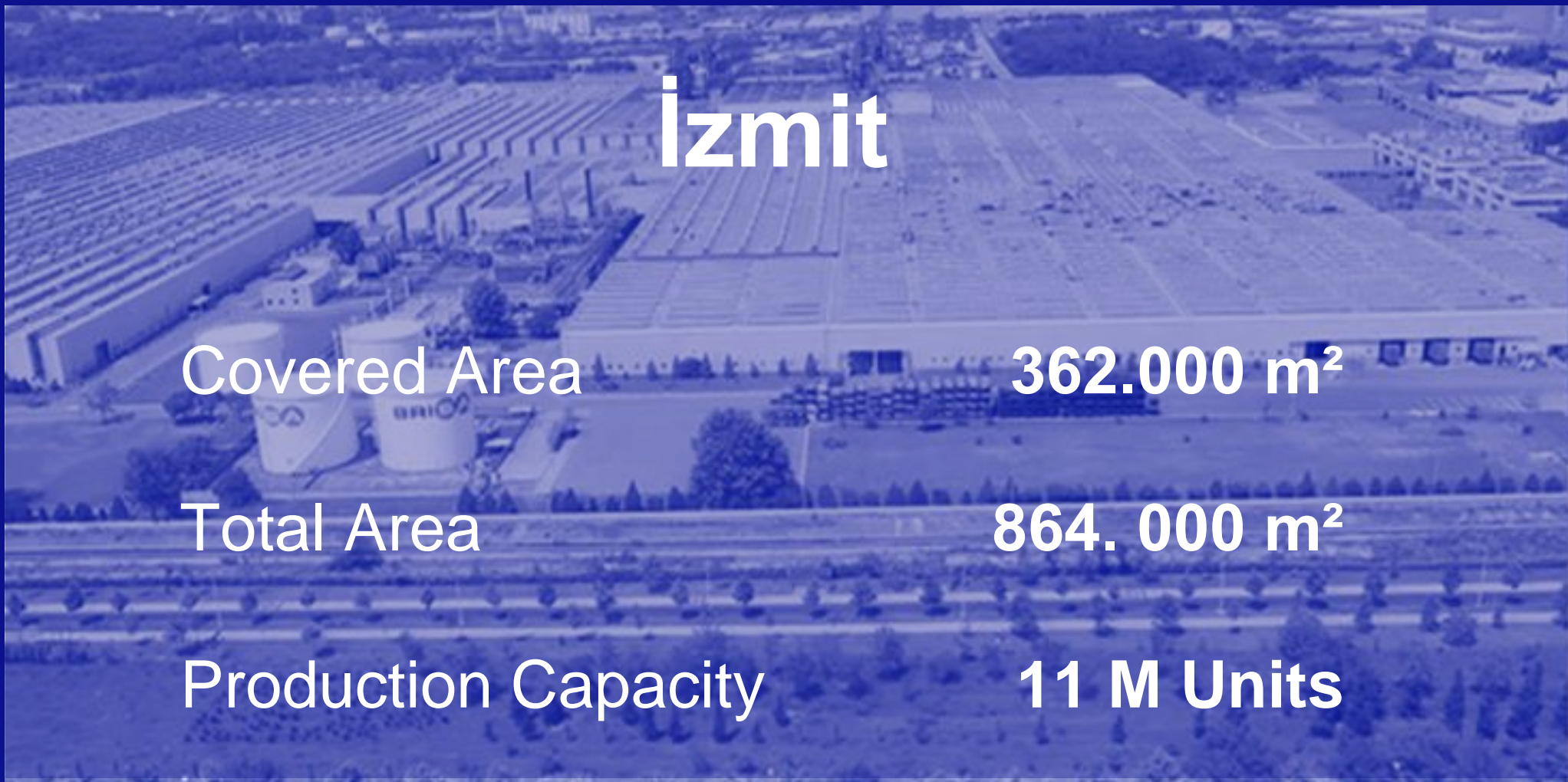






2  
Plants

2.869  
Employees



01 Market Leadership

- ✓ With **30+% Replacement market share**, Undisputable leader in Turkey. **55% Market Share** in Best & Better Category
- ✓ With **1400+ Point of Sales, Strongest Sales Network in Turkey** (A Brisa Point of Sales makes 2.5x Revenue of Competitors')
- ✓ Solution Business Leader in the industry (**15.812 fleet customers** are in the database)

02 Operations

- ✓ Inside the **Top 5** Quality & Cost Competitiveness parameters (within 48 Bridgestone Factories)
- ✓ Aksaray Plant - Bridgestone EMIA **Environment Leader (Sep)**
- ✓ Certified **R&D Center**
- ✓ Bridgestone Global Big Award in Environment in 2019 and Gold Award in Biodiversity

Capacity

03 Exports & OE

- ✓ **Sales in 85 Countries**, 600+ Lassa Branded Stores, 6000+ Point of Sales
- ✓ **50% of the Revenue is from OE and Exports**
- ✓ **Exports to OE's**, Quadrupled in 1 year. 12% of the Export is to OE, increased from 3% in 2018
- ✓ **Tires for Electric Cars**, first in Turkey, developed and sizeable orders acquired



12  
Plants

4500+  
Employees



01 Market Leadership

- ✓ Reinforcing 1 out of every 3 automobile tire
- ✓ Reinforcing 2 out of every 3 aircraft tire
- ✓ **Strategic supplier** of all prominent tire makers

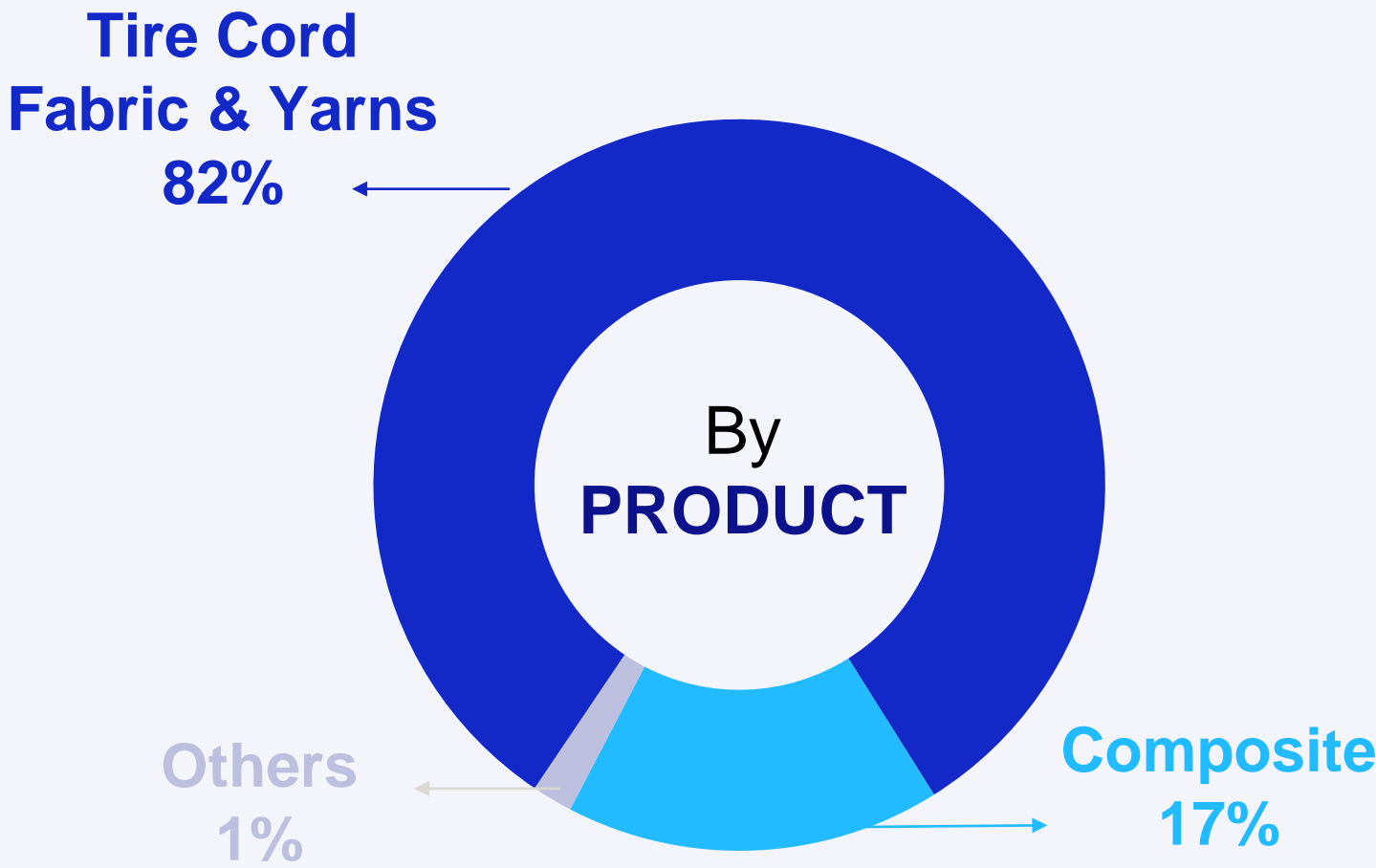
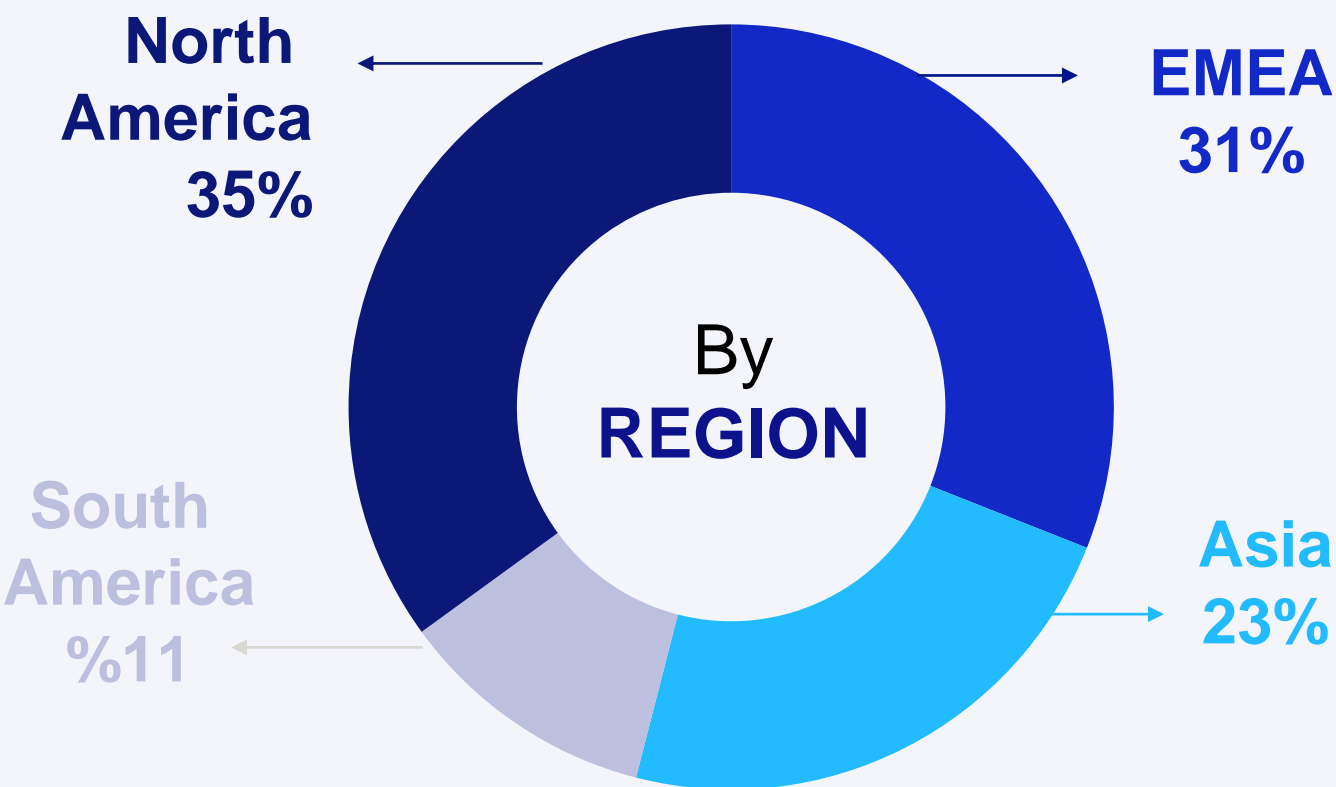
02 Operations

- ✓ **Global #1** in Nylon 6.6 Tire Cord Fabric
- ✓ Global #3 in Polyester Tire Cord Fabric
- ✓ **Pioneer in open innovation:** Composite Technologies Center of Excellence built on 15000m2 with 139 Sabancı University employees

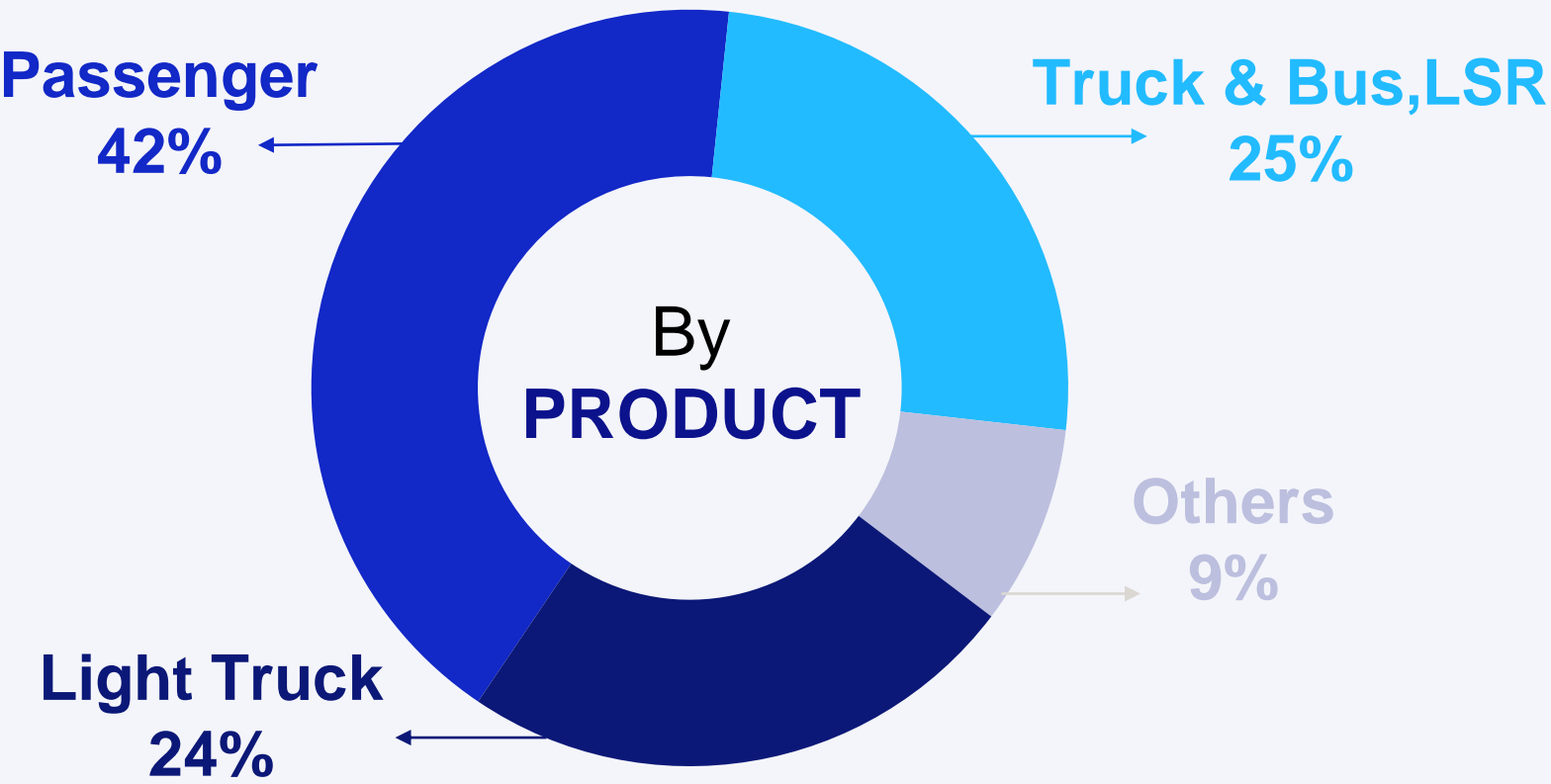
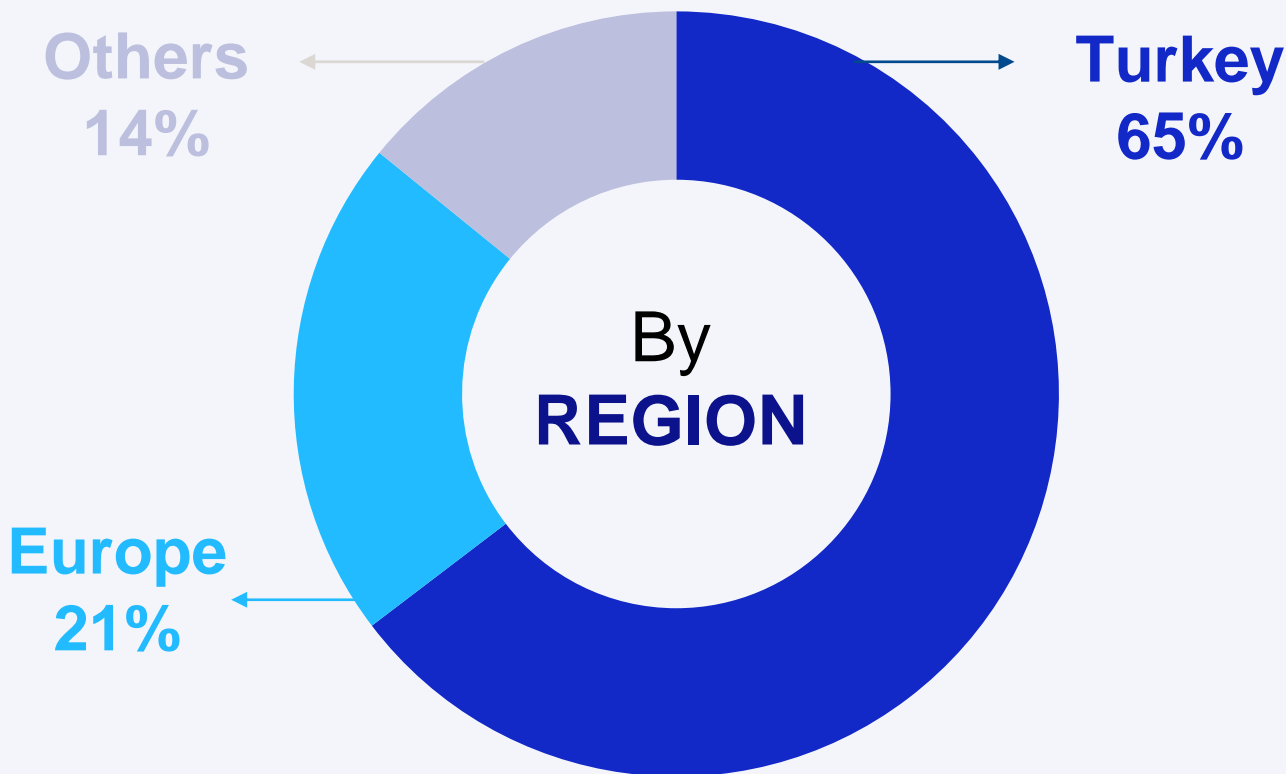
03 Exports & OE

- ✓ **World Leader** in Ceramic Matrix Composite intermediates (Axiom)
- ✓ **Strategic supplier** of the US Aerospace Industry
- ✓ **Extensive know-how** in intermediates, Manufacturing over 2000 different style fabrics
- ✓ First and only Honeycomb producer using green Chemistry in the World

KORDSA



BRISA



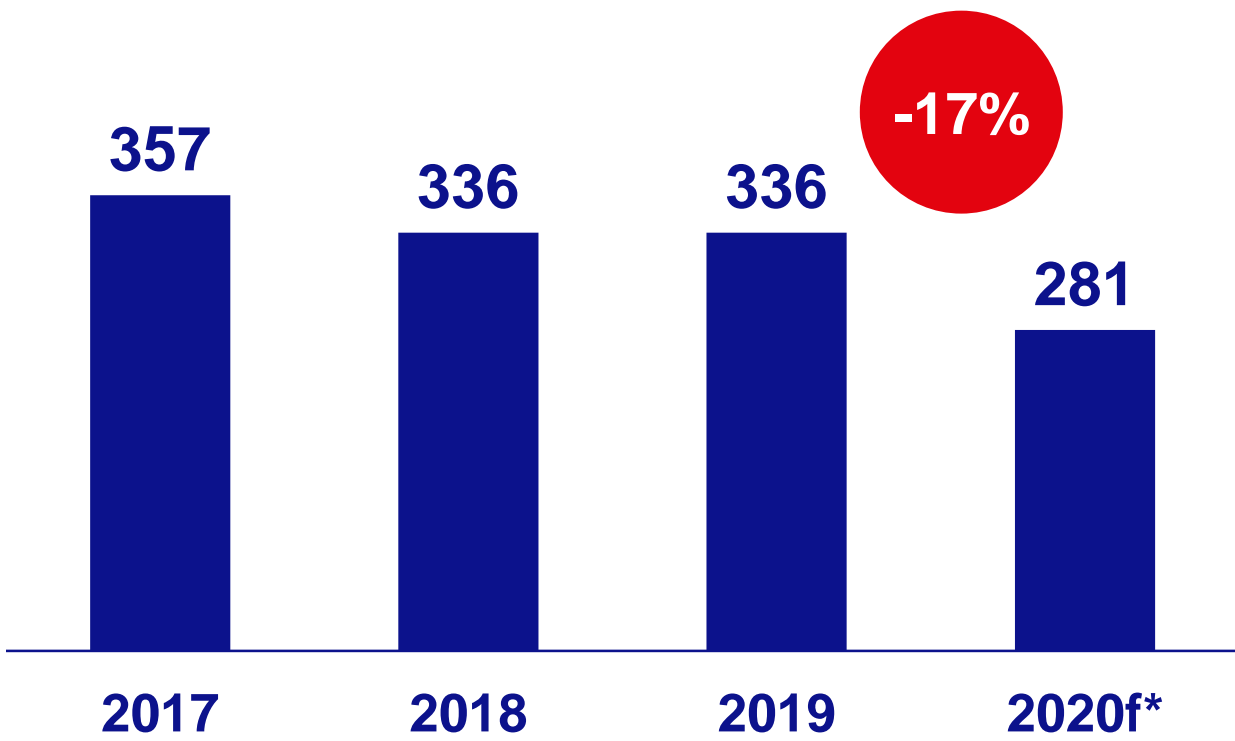
SOLID  
POSITIONS

AND  
PERFORMANCE

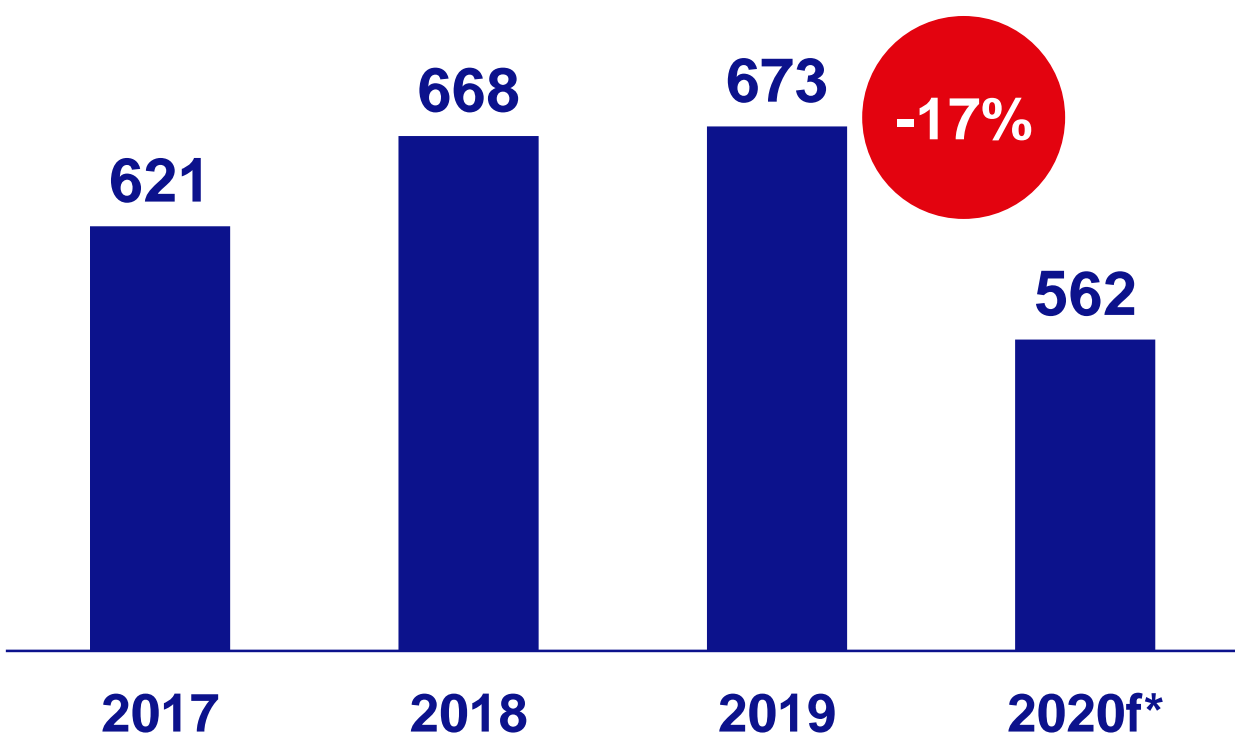
FOR THE FUTURE  
OF MOBILITY



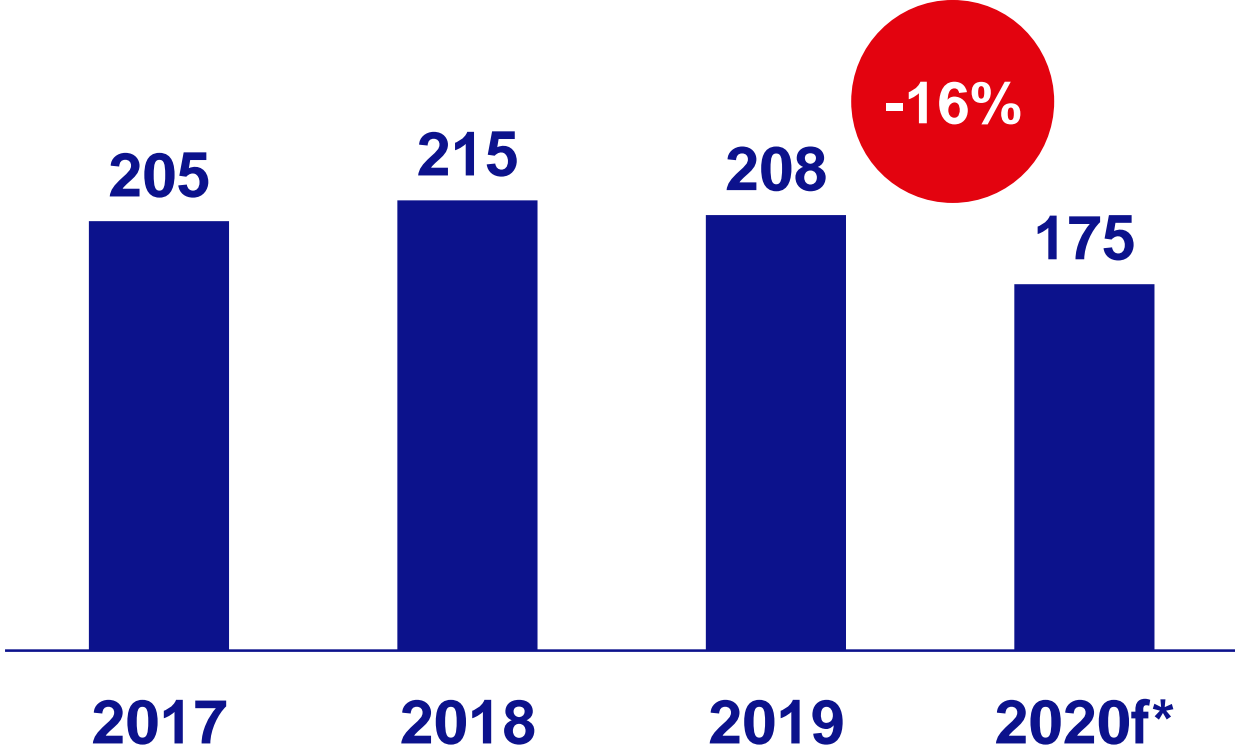
Global Nylon 6.6 Tire Cord ('000 tons)



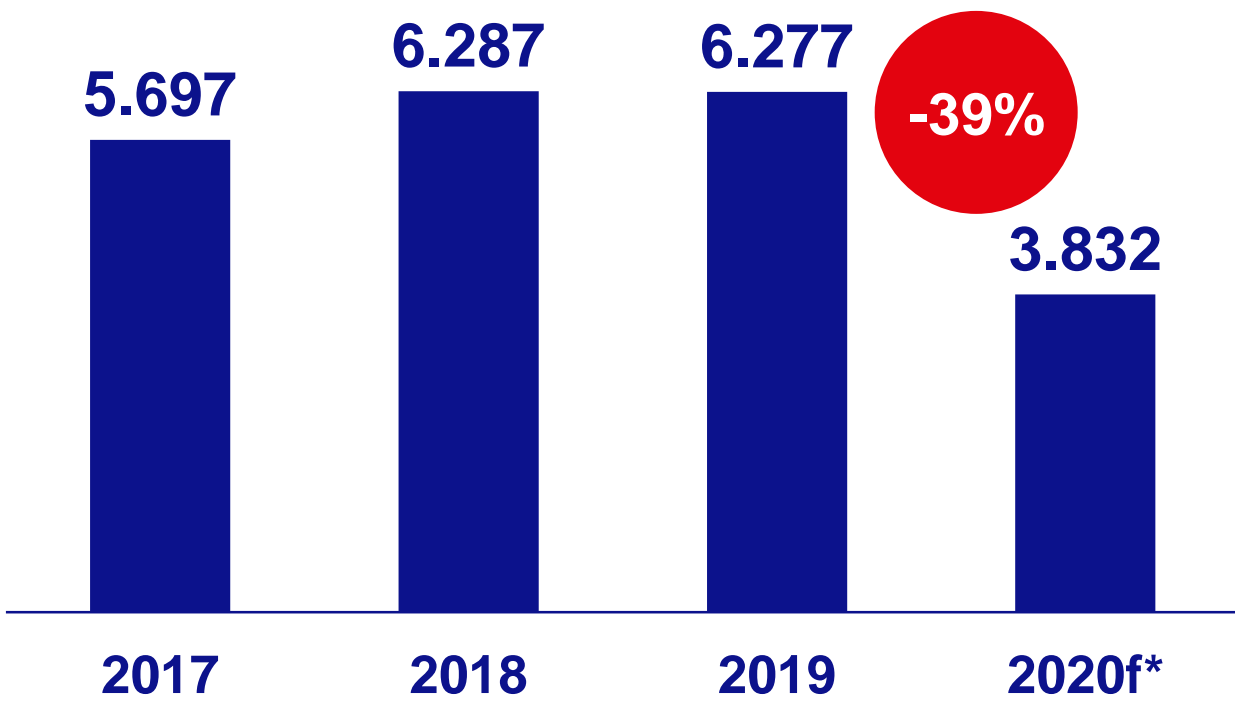
Global Polyester Tire Cord ('000 tons)



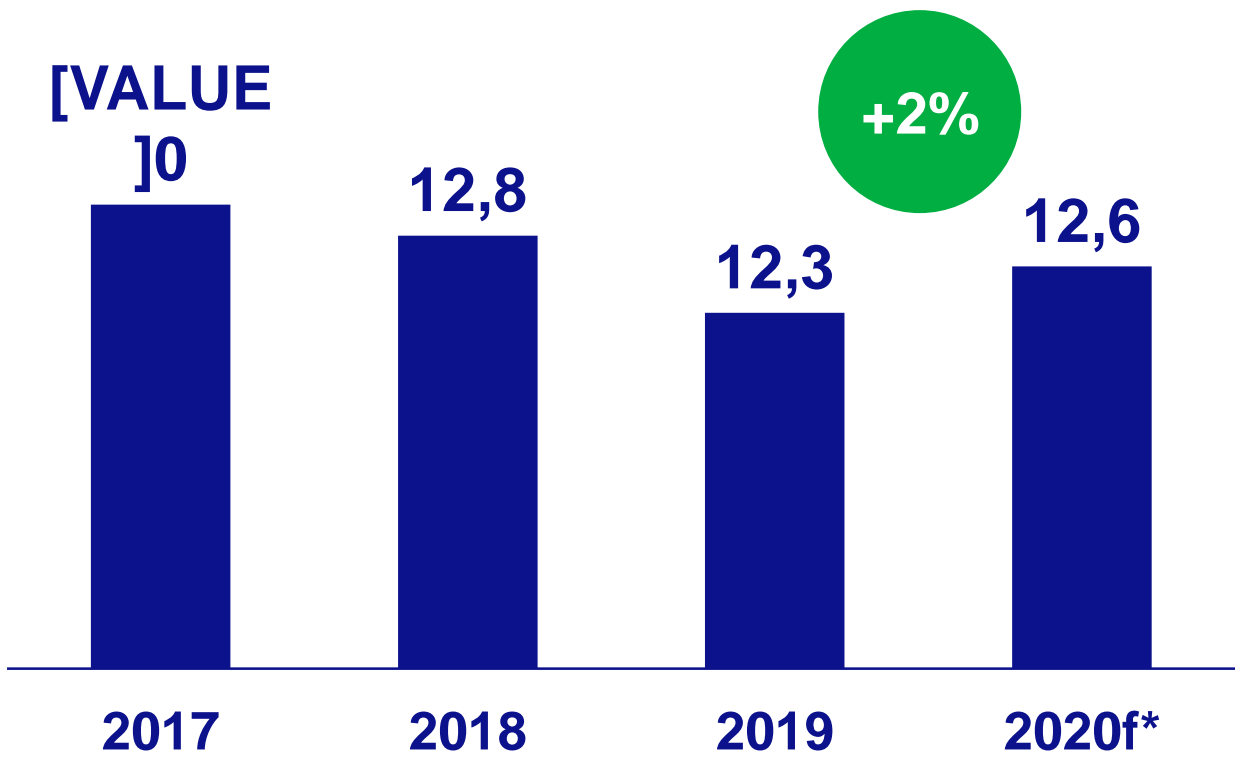
Europe Consumer Tires (M tires)



Composites for Aerospace (M \$)



Turkey All Tires (M tires)



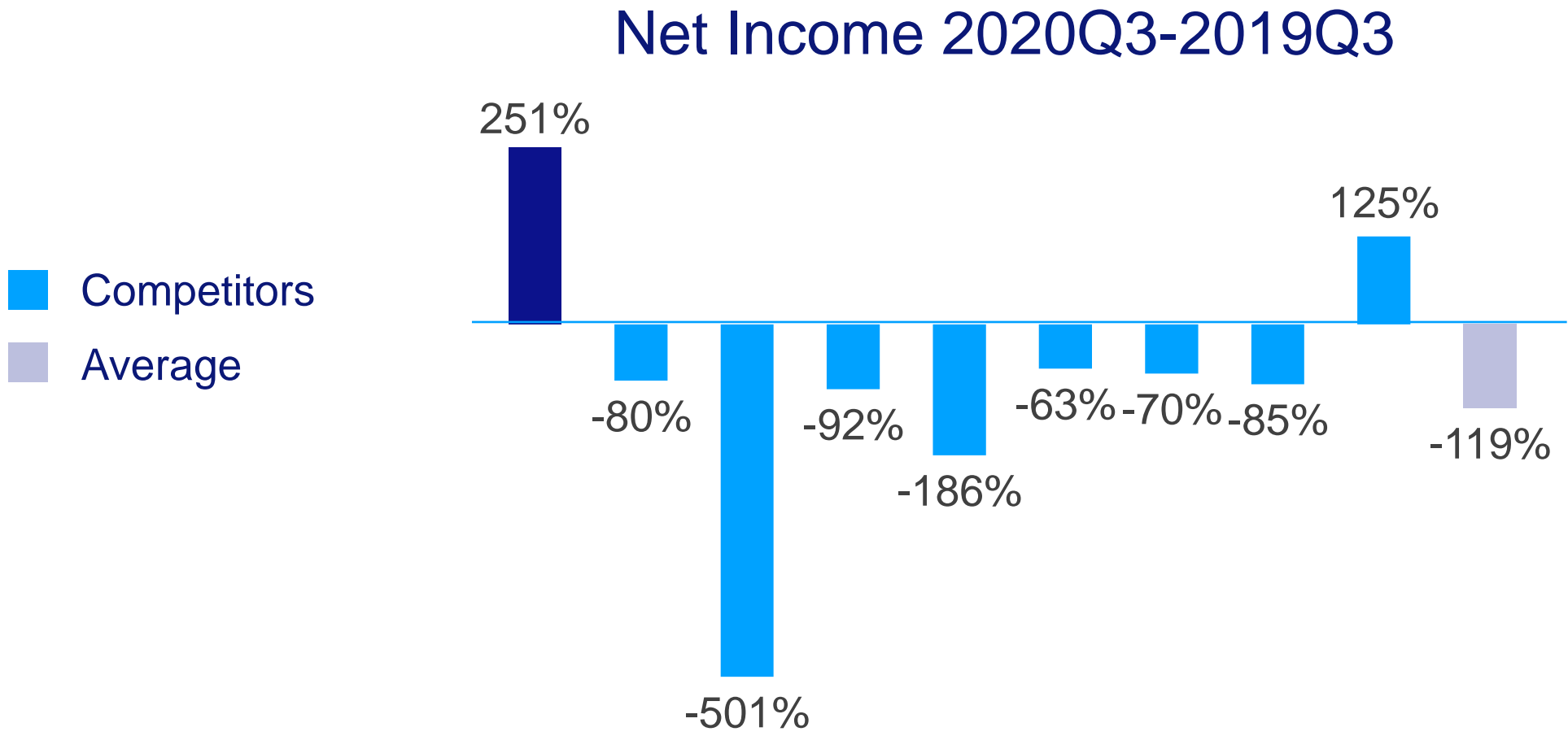
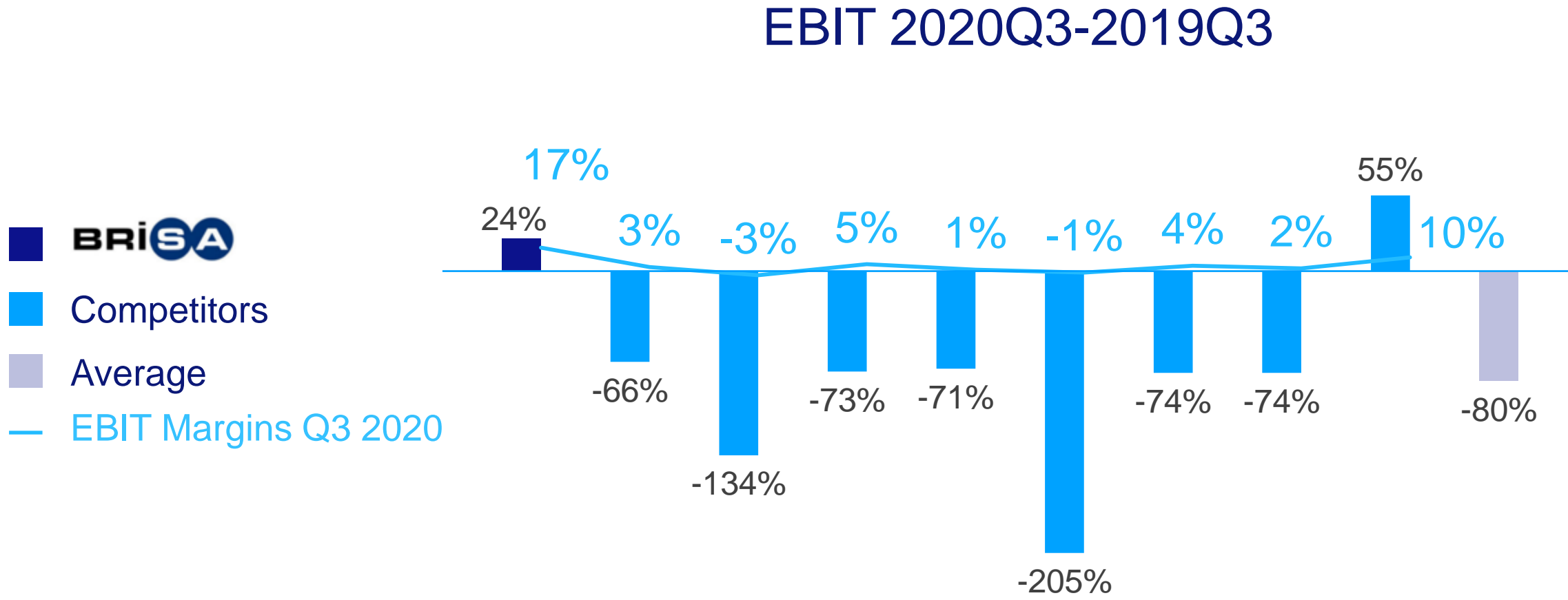
\* Independent Sabancı Holding Forecasting from 3Qs

Sep YTD MTL			
MILLION TL	2020	2019	%
EBITDA	641	463	+38%
EBITDA* Margin (%)	22.7%	17.4%	
Operating Profit <sup>1</sup>	472	317	+49%
Oper. Profit Margin (%)	16.7%	11.9%	
NET PROFIT	313	74	+321%
Net Profit (%)	11.1%	2.8%	
Free Cash Flow	584	302	
Operating Cash Flow	702	498	

← (as Operational Indicator)  
In MUSD terms:  
From 2019Q3 to 2020Q3  
From 82 MUSD to 95 MUSD

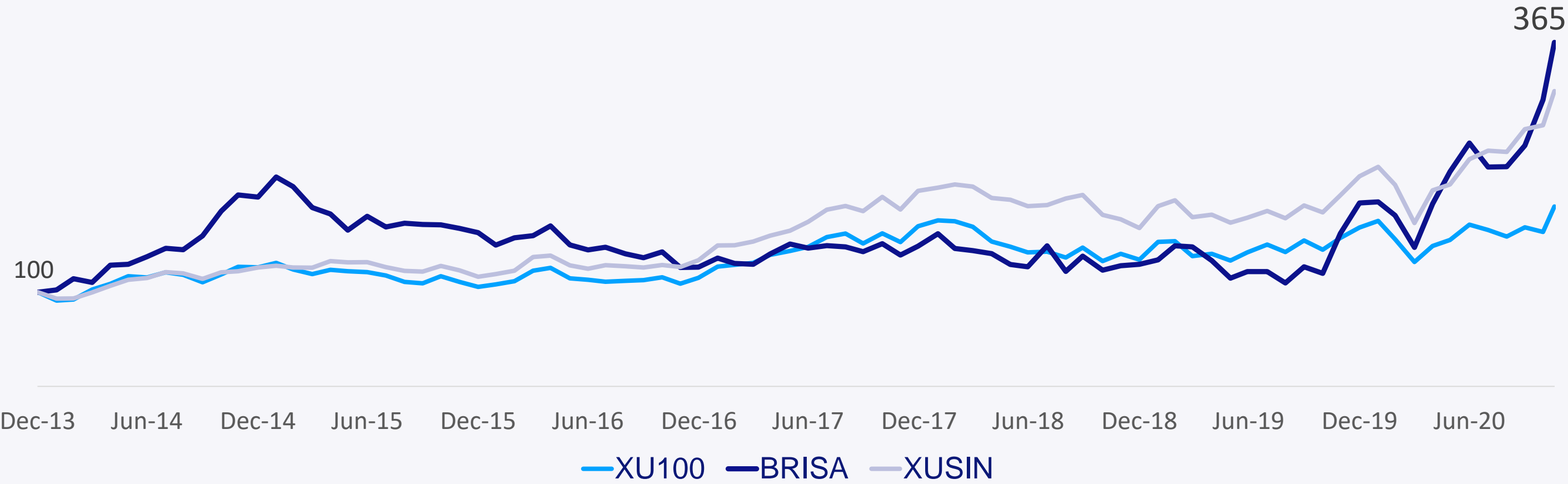
← 8 Players  
Benchmark Margin Range  
in 2020Q3:  
Min -3% max 10%

# Key Financials / 2020 Q3 – 2019 Q3 Brisa Benchmarks in USD



Benchmark Analysis (Indexed), Sep 2020

Bist 100 , Brisa, Industry Index



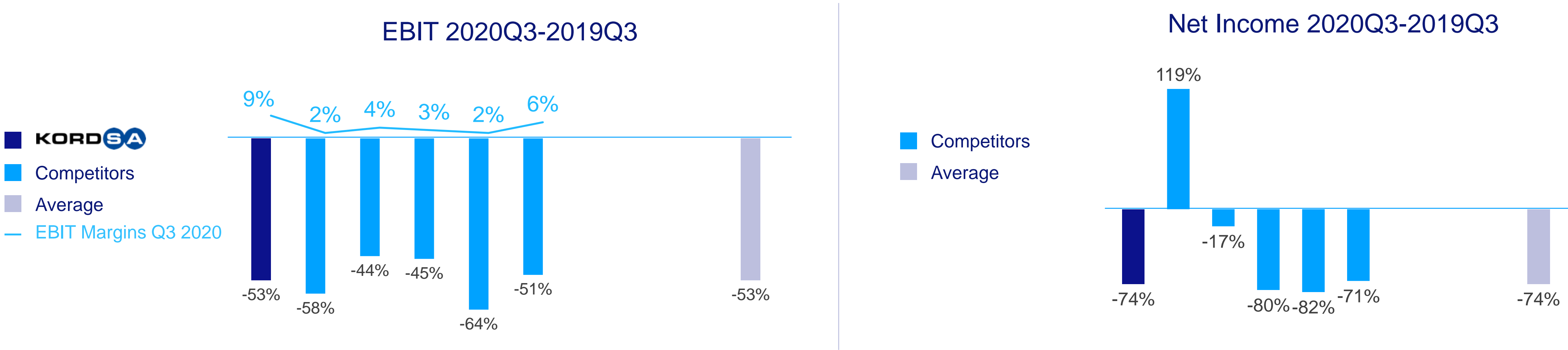
Sep YTD MTL			
MILLION TL	2020	2019	%
EBITDA	364	583	-38%
EBITDA* Margin (%)	11.8%	15.0%	
Operating Profit <sup>1</sup>	264	473	-44%
Oper. Profit Margin (%)	8.5%	11.4%	
NET PROFIT	94	301	-69%
Net Profit (%)	3.0%	7.8%	
Free Cash Flow	430	-574	
Operating Cash Flow	543	567	

← (as Operational Indicator)  
In MUSD terms:  
From 2019Q3 to 2020Q3  
From 103 MUSD to 54 MUSD

← 5 Players  
Benchmark Margin Range  
in 2020Q3:  
Min 2% max 6%

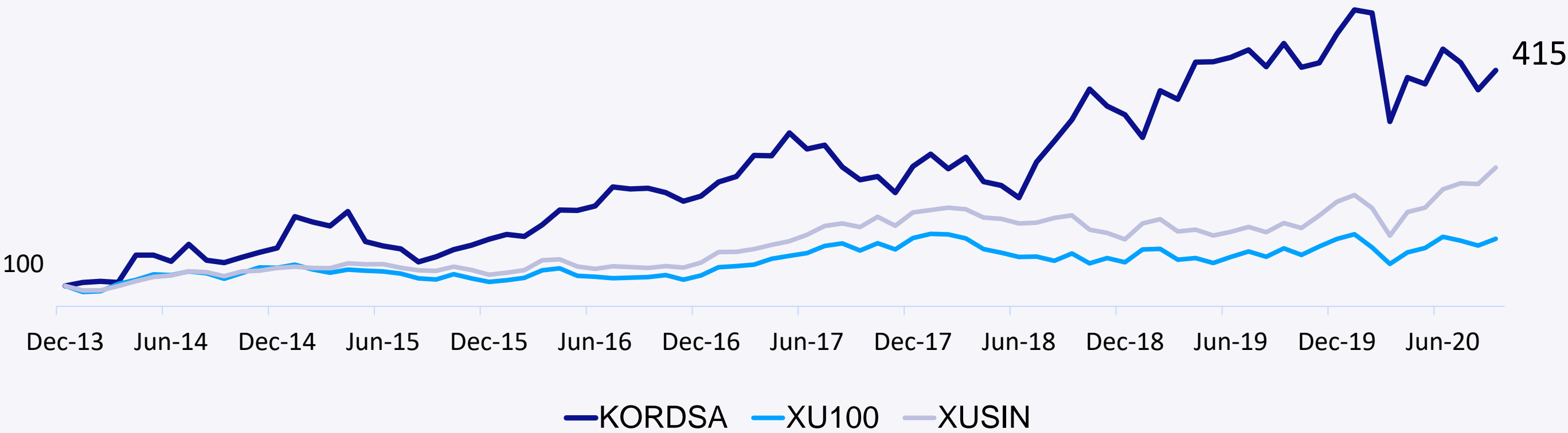


# Key Financials / 2020 Q3 – 2019 Q3 Kordsa Benchmarks in USD



Benchmark Analysis (Indexed), Sep 2020

Bist 100 , Kordsa, Industry Index



# Performance will sustain... because;



- ✓ **Market Leadership** 27% Global market share in Nylon 6.6 and 9% global market share in Polyester tire cord. This is based on longstanding strategic partner status with all global tire players (65% of sales) who are market and technology leaders
- ✓ Capitalization on **global footprint and entrenched supplier status** with all key tire manufacturers.
- ✓ Composites : **at least 2x higher growth** than the tire market during non-crisis periods because of the demand for lighter products in every sector, market leadership position in **ceramic composite intermediates**



- ✓ **Strategic Supply Chain position close to Europe and CIS**
- ✓ **Comprehensive range of products:** Passenger, LT, TBR, agriculture and others with high-end products (Strategic Mix) improving by two-digits growth
- ✓ **Growing Turkey cars per capita compared to EU** : 282 Vehicles/person vs 602 EU Average (4.5% CAGR 2019-14)
- ✓ **Center of Excellence plants:** Aksaray and İzmit. Producing 1 tire in every 2.5secs
- ✓ **Otopratik:** A platform, **leveraging the strong sales network**, to touch mobility customer needs with more than 15 thousand fleet customers in database



2019	Climate Change 2019	Submitted	B
2019	Water Security 2019	Submitted	B
2018	Climate Change 2018	Submitted	C
2018	Water 2018	Submitted	B-
2017	Climate Change 2017	Submitted	D
2017	Water 2017	Submitted	C



2019	Climate Change 2019	Submitted	A-
2019	Water Security 2019	Submitted	B
2018	Climate Change 2018	Submitted	B
2018	Water 2018	Submitted	B
2017	Climate Change 2017	Submitted	A-
2017	Water 2017	Submitted	A-



CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

Leaderships	A / A-
Management	B / B-
Awareness	C / C-
Disclosure	D / D-

SOLID  
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01 **Lightweighting and Durability**

- ✓ Next Generation Tire
- ✓ UD and Woven fabrics (Carbon, Sp.Glass, Hybrid)
- ✓ Polymer matrix composites (Prepregs: Carbon, Glass, Aramid)

02 **Battery and Fuel Cell Electric Mobility**

- ✓ Ceramic matrix prepregs for EVs
- ✓ Honeycomb core materials
- ✓ Adhesive films
- ✓ Flame retardant materials

03 **Connectivity and Digitalization**

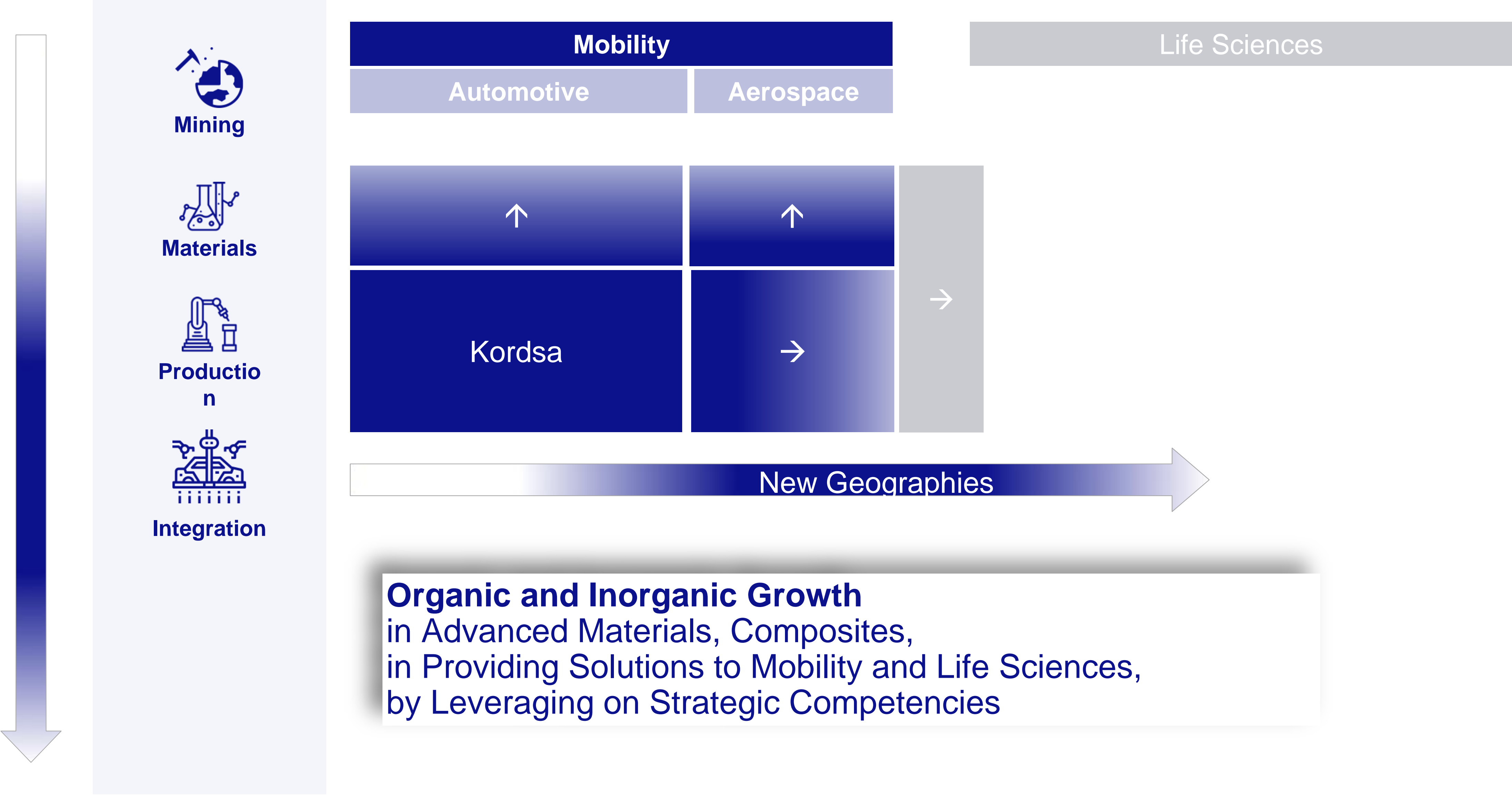
- ✓ Smart tire applications
- ✓ Films and flexible electronics

04 **Sustainable Urban Mobility**

- ✓ Sustainable honeycomb cores
- ✓ Recycled reinforcement materials
- ✓ Lightweight material solutions

Strategic Competencies

- ➔ **Dry reinforcement materials**  
(fibers, weaving, processing)
- ➔ **Resin formulation**  
(prepregs or standalone)
- ➔ **Composite cores**  
(cores and sandwich panels)
- ➔ **Prepregs**  
(prepreg processing)
- ➔ **Flexible Electronics and Films**

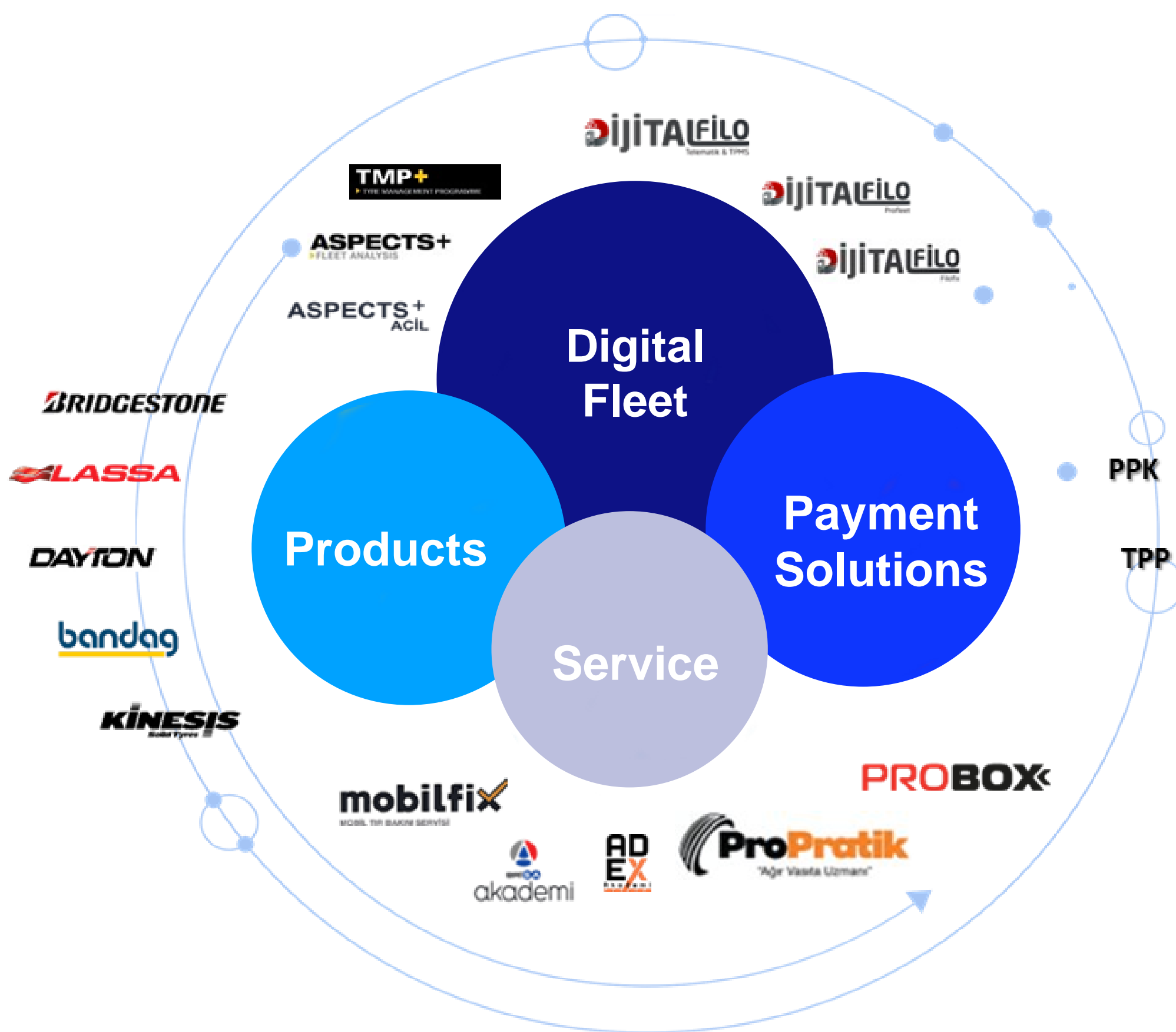


B2C

E-CHARGE for ELECTRICAL

B2B

PASSENGER CAR FLEET SERVICE MODULE

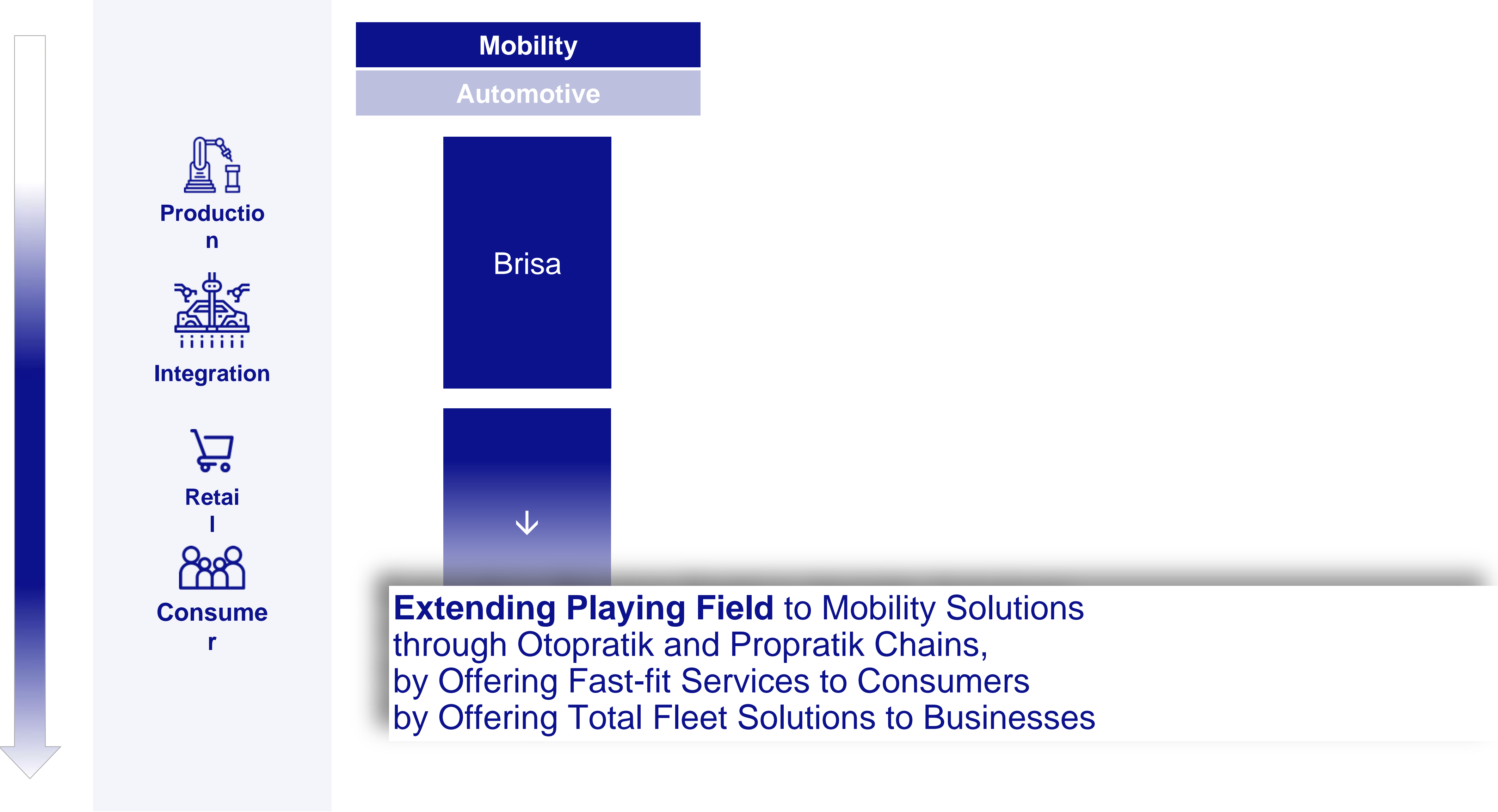


BRISA- Solution  
Business Leader in  
the Industry

Measured  
**3.7 Million**  
tires until today

**15.812 Fleet**  
Customer tires until today

**97 Profleet**  
Consultants in the field





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OF MOBILITY**