

Corporate Credit Rating

New Update

Sector: Holding

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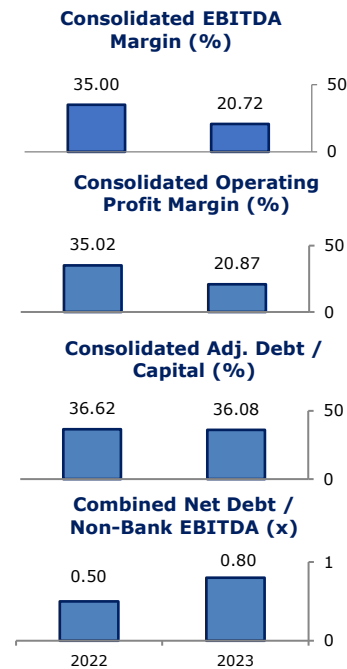
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| RATINGS | | Long Term | Short Term |
|--------------------------------------|-------------------------------|-------------|------------|
| ICRs (Issuer Credit Rating Profile) | National ICR | AAA (tr) | J1+ (tr) |
| | National ICR Outlooks | Stable | Stable |
| | International FC ICR | - | - |
| | International FC ICR Outlooks | - | - |
| | International LC ICR | - | - |
| | International LC ICR Outlooks | - | - |
| ISRs (Issue Specific Rating Profile) | National ISR | - | - |
| | International FC ISR | - | - |
| | International LC ISR | - | - |
| Sovereign* | Foreign Currency | BB (Stable) | - |
| | Local Currency | BB (Stable) | - |

* Assigned by JCR on May 10, 2024



*EBITDA= Gross Profit-OpEx (SG&A, Marketing and R&D expenses) + Depreciation & Amortization

**Non-bank; excludes Banking, net cash position of Financial Services, non-operational and non-recurring one-off items and IFRS16 impact in retail.

Hacı Ömer Sabancı Holding A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of "Hacı Ömer Sabancı Holding A.Ş." in the investment grade category with the highest credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AAA (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks.

Hacı Ömer Sabancı Holding A.Ş. (hereinafter "Sabancı Holding"; "the Company", "the Holding" or "the Group"), was established in 1967 and has rooted operational track record and diversified business activities in various fields such as banking, financial services, energy and climate technologies, material technologies, mobility solutions and digital sectors to take advantage of globalization, international competition, and a global economic integration. Sabancı Group focuses on strengthening further its diversified business ecosystem by seizing the opportunities in new growth platforms while maintaining its strong position in core businesses. Sabancı Holding aims to double its NAV from USD 10bn (as of 1H2024) to USD 20bn within five years, while increasing its capex-to-revenue ratio to a range of 15-20%. The main investment areas to be focused on are selective and scalable industries with higher multiples particularly in business areas of energy&climate technologies, material technologies & mobility solutions and digital technologies, which are described as the new economy in order to produce more foreign currency, reduce exposure to regulated industries and have a more sustainable ecosystem.

Sabancı Holding is registered with the Capital Markets Board and its shares have been listed on the Borsa Istanbul under the ticker symbol 'SAHOL' since July 8, 1997. As of September 30, 2024, the Sabancı Family jointly controls Sabancı Holding as a majority shareholder, while 53.2% of the Holding's shares are publicly traded. Sabancı Holding employs 62,450 people through 14 subsidiaries and 5 joint ventures under its umbrella as of September 30, 2024.

Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Increasing operational profitability in non-bank on quarterly basis in 9M2024 and moderate consolidated EBITDA generation capacity despite slight reduction in EBITDA margin in consolidated level due to IAS 29 impact,
- Satisfactory net debt to EBITDA multiplier in the analysed period in line with medium-term target of the Holding,
- Increasing trend in dividend income stream thanks to well-positioned Group companies and expected to continue through acquisitions of companies operating in high return industries,
- Maintenance of segmental and geographic diversification along with presence in strategic fields with high barriers to entry,
- Conformity to meet financing needs with national/international sources,
- Competitive advantages via its subsidiaries with high market shares and partnerships with worldwide recognized powerful brands,
- Compliance with corporate governance principles, well-established risk management structure and sustainability implementations,
- Deep-rooted operating history and proven track record in banking and financial services industry.

Constraints

- Relatively low level of equity compared to consolidated asset size,
- Concentration of banking business, though on a downward trend in terms of NAV share over the past five years and expected to continue declining over the next five years as new economy investments take priority,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned factors, the Group's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. Moderate financial leverage indicators, successful EBITDA generation capacity and other profitability metrics, as well as ongoing uncertainties globally have been evaluated as important for the stability of the ratings and the outlooks for Long- and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Group's debt and equity level, liquidity and profitability indicators will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.