



**aselsan**

# Investor Presentation

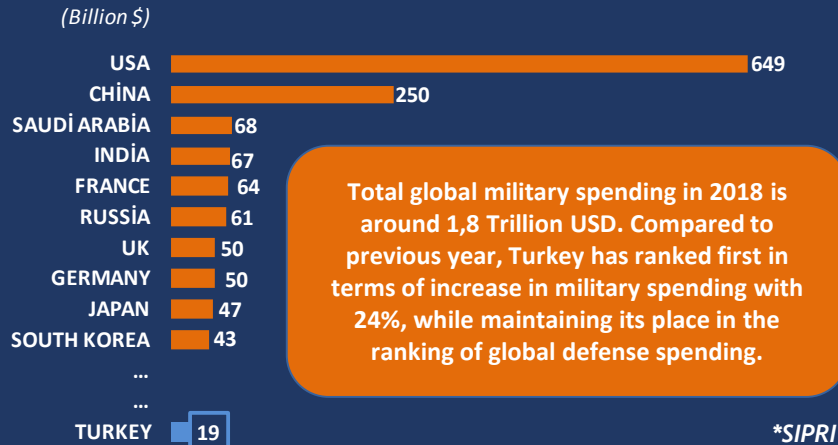
November 2019

# Turkey and ASELSAN's Place in Global Defense

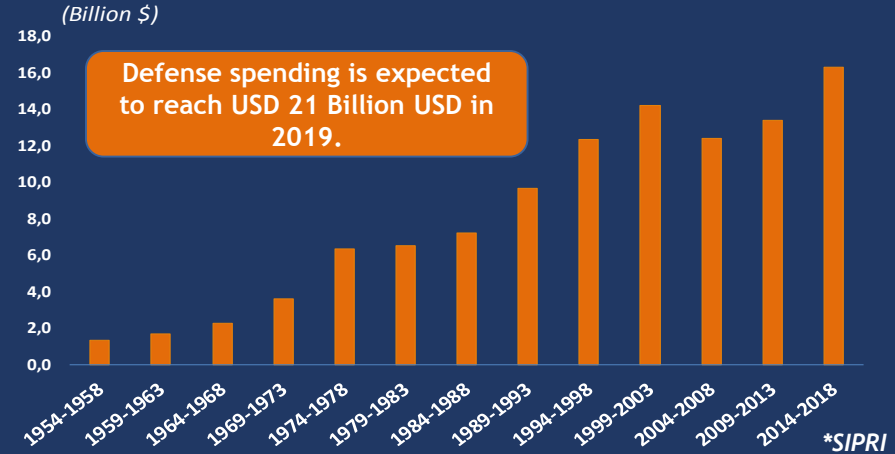
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As being the 2nd biggest army in NATO, Turkey has healthy growth rate of defense budget.

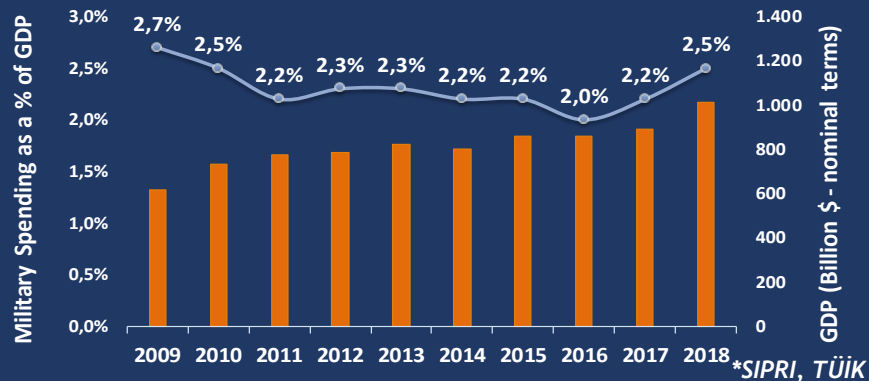
## 2018 Top 10 Spenders vs. Turkey



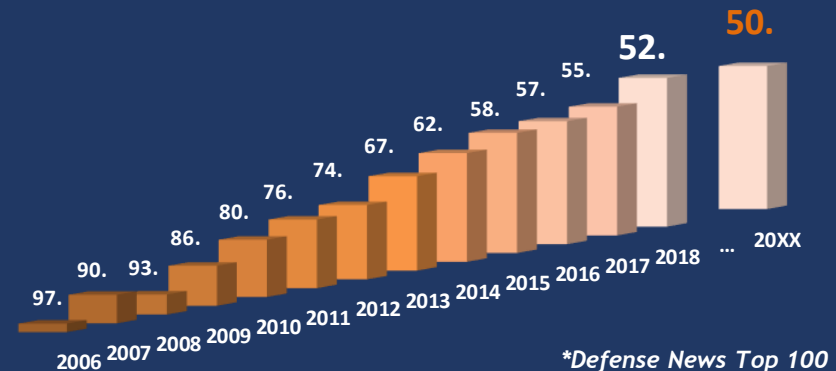
## Military Spending of Turkey (5-year averages)



## Military Spending as a % of GDP (TURKEY)



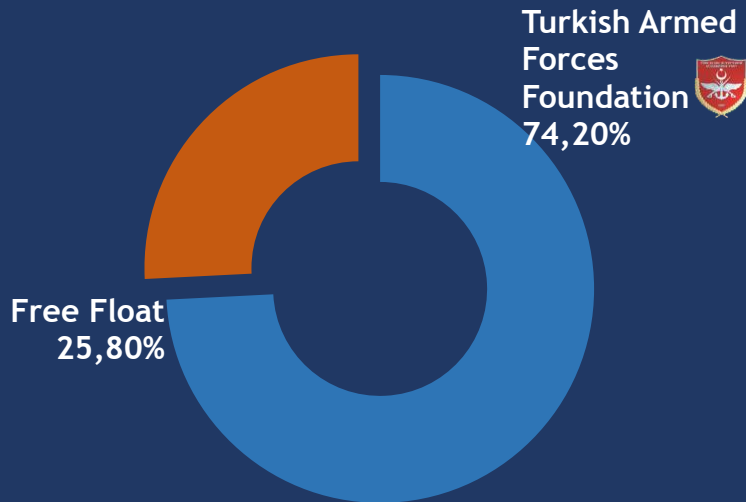
## ASELSAN Global Defense Ranking\*





## Shareholder Structure

ASELSAN is the only defense company listed on BIST.



## Turkish Armed Forces Foundation (TAFF)



- TAFF was established by the merger of Land, Navy and Air Forces Foundations.
- TAFF's objective is to enhance the warfare capability of Turkish Armed Forces through national defense industry.
- TAFF owns several defense companies operating in separate fields.
- The only privilege of the shares owned by TAFF have is nominating 6 members of the 9 members of Board of Directors.



## COMMUNICATION INFORMATION TECHNOLOGIES



COMMUNICATION



SATELLITE SYSTEMS



IT and CYBER SECURITY

## MICROELECTRONICS GUIDANCE and ELECTRO-OPTICS



AVIONIC



ELECTRO-OPTIC



GUIDANCE and UNMANNED SYSTEMS



MICROELECTRONICS

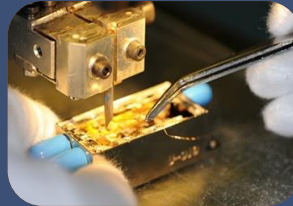
## RADAR, ELECTRONIC WARFARE



RADAR SYSTEMS



ELECTRONIC WARFARE



MICROWAVE PRODUCTS

## DEFENSE SYSTEMS TECHNOLOGIES



AIR and MISSILE DEFENSE



LAND and WEAPON SYSTEMS



COMMAND CONTROL



NAVAL SYSTEMS

## TRANSPORTATION, SECURITY, ENERGY and AUTOMATION



SECURITY



TRANSPORTATION



TRAFFIC and AUTOMATION



ENERGY and HEALTH



## Local

### ROKETSAN



Share : 15%  
Partner: TSKGV  
Founded: 1988  
Assets: 1,2 Mio \$\*

### ASELSANNET



Share: 100%  
Founded: 2004  
Assets: 226 Mio \$

### ASELSAN BİLKENT MİKRO NANO



Share: 50%  
Partner: BİLKENT Üniv.  
Founded: 2014  
Assets: 28,6 Mio \$

### ASELSAN HASSAS OPTİK



Share: 50%  
Partner: Sivas Optik Malzemeleri  
Founded: 2014  
Assets: 28,3 Mio \$

### ULAK



Share: 51%  
Partner: SSTEK A.Ş.  
Founded: 2017  
Assets: 22,8 Mio \$

### ASELSAN KONYA SİLAH SİST.



Share: 51%  
Partner: Konya Savunma Sanayi  
Founded: 2018  
Assets: 17,9 Mio \$

### EHSİM A.Ş.



Share: 50%  
Partners: Havelsan, SSTEK  
Founded: 1998  
Assets: 13,8 Mio \$

### ASPİLSAN



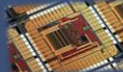
Share : 1%  
Partner: TSKGV  
Founded: 1981  
Assets: 10,3 Mio \$\*

### MİKROELEKTRONİK



Share: 85%  
Partner: İTÜ ETA Vakfı  
Founded: 2004  
Assets: 5,4 Mio \$

### TÜYAR



Share: 51%  
Partners: TÜBİTAK, SSM  
Founded: 2017  
Assets: 3,1 Mio \$

### BİTES



Share: 51%  
Partner: Gerçek Kişi  
Founded: 2001  
Assets: 2,4 Mio \$

### TEKNOHAB



Share: 30%  
Partner: HAB,TUSAŞ  
GAZİ Üniv.  
Founded: 2018  
Assets: 1,4 Mio \$

### TR EĞİTİM VE TEKNOLOJİ A.Ş.

Share: 50%  
Partner: TUSAŞ  
Founded: 2018  
Assets: 0,26 Mio \$

### ASELSAN GLOBAL

Share : 100%  
Founded: 2019  
Assets: 9 Thousand \$



## International

### KAZAKHSTAN ASELSAN ENGINEERING (KAZAKHSTAN)



Share: 49%  
Partner: Kazakhstan Engineering  
Founded: 2011  
Assets: 42,1 Mio \$

### ASELSAN MIDDLE EAST (JORDAN)



Share: 49%  
Partner: KADDB Investment Group  
Founded: 2012  
Assets: 13,8 Mio \$

### MACEDONIA BRANCH



Share: 100%  
Founded: 2014  
Assets: 5,1 Mio \$

### IGG ASELSAN INTEGRATED SYSTEMS (UNITED ARABIAN EMIRATES)



Share: 49%  
Partner: IGG  
Founded: 2011  
Assets: 4,6 Mio \$

### ASELSAN-BAKU (AZERBAIJAN)



Share: 100%  
Founded: 1998  
Assets: 1,7 Mio \$

### SOUTH AFRICA BRANCH



Share: 100%  
Founded: 2011  
Assets: 1,2 Mio \$

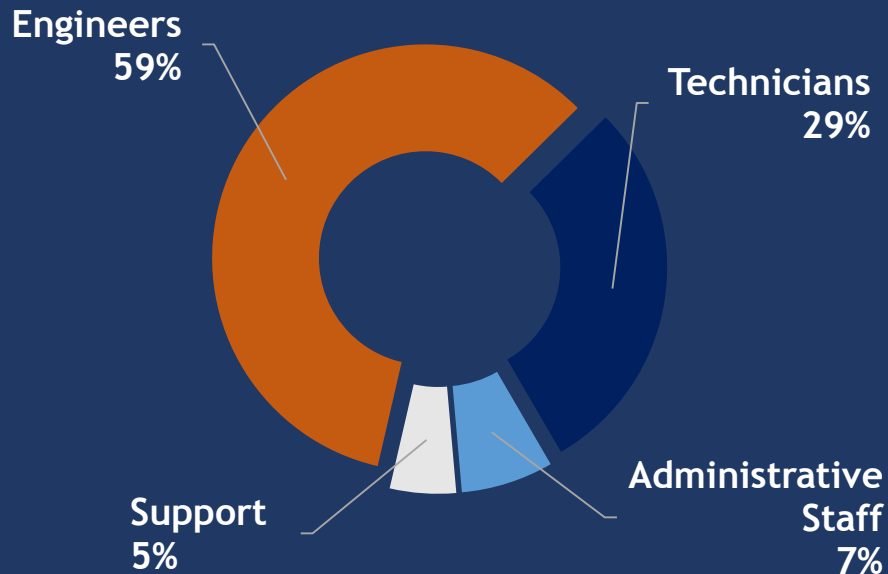
### SADEC (SAUDI ARABIA)

Share: 50%  
Partner: TAQNIA DST  
Founded: 2016  
Assets: 1,1 Mio \$

### BARQ QSTP (QATAR)

Share: 48%  
Partner: BARZAN Holding, SSTEK A.Ş.  
Founded: 2018  
Assets: 0,3 Mio \$

Total Employees : 7.285  
Engineers : 4.326



## Talent Management

University-Industry Cooperation

Location and Fringe Benefits

Back to Turkey Project

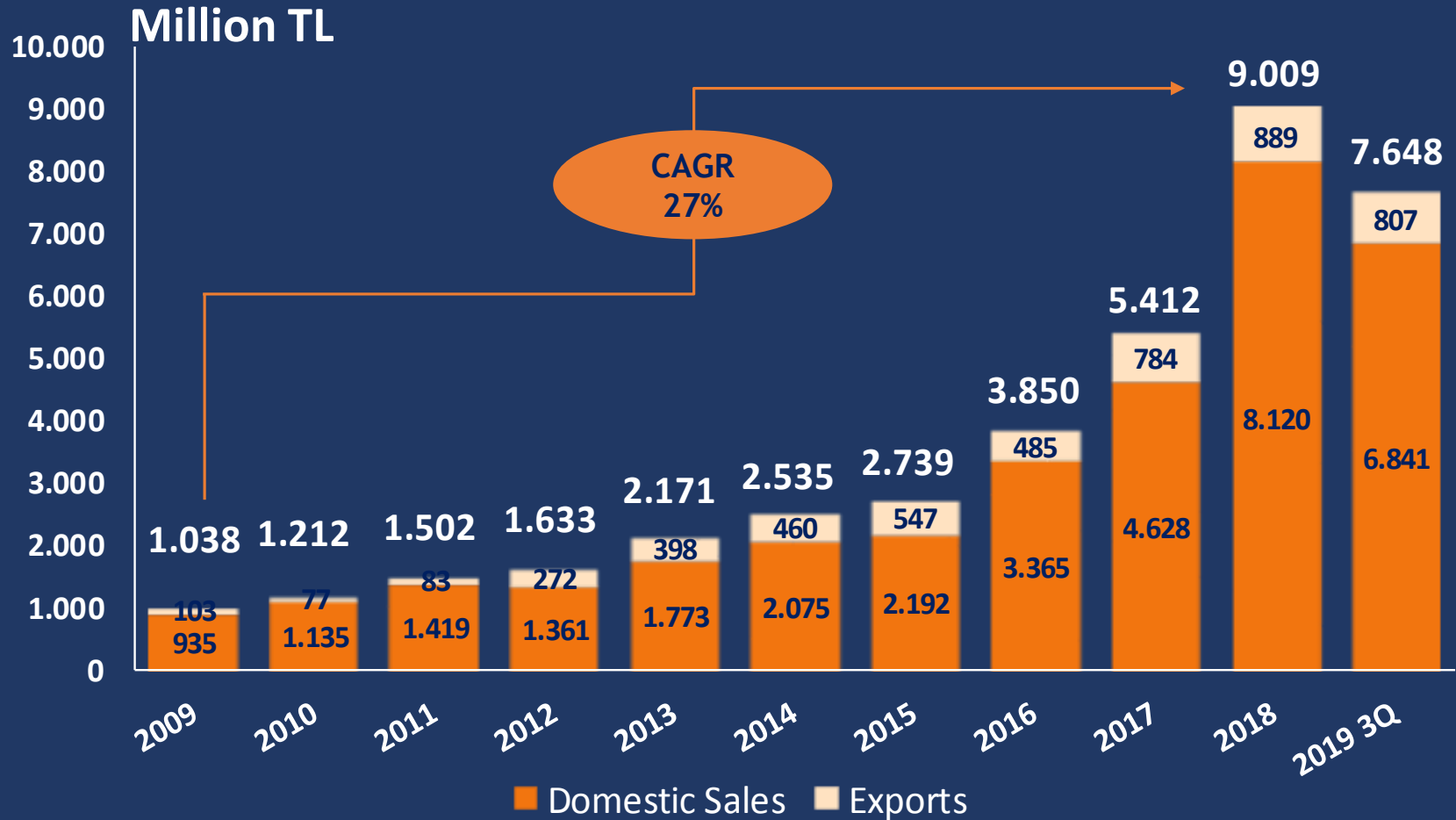
Projects Carried Out with Universities

Internship and Co-op Opportunities for High school and University Students

Masters and Doctorate Program Incentives for Employees

ASELSAN Academy





1,9  
Billion \$

NEW  
CONTRACTS

9,8  
Billion \$

BACKLOG

+47%

INCREASE in  
REVENUE  
(TL)

+44%

INCREASE in  
EBITDA

20,4%

EBITDA  
MARGIN



## Financial Highlights

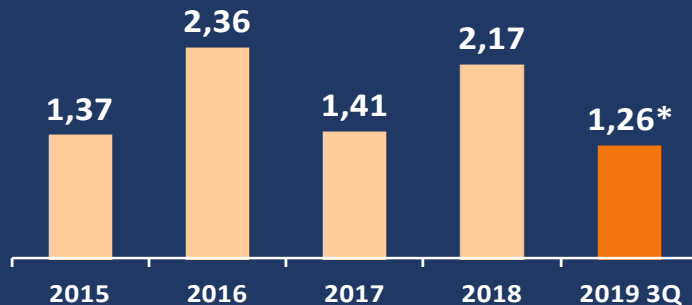
(Million TL)	Sep'18	Sep'19	Δ%
Net Sales	5.214	7.648	47
Gross Profit	1.273	1.850	45
Gross Profit Margin	24,4%	24,2%	
Operating Profit (EBIT)	958	1.391	45
Operating Profit (EBIT) Margin	18,4%	18,2%	
EBITDA	1.083	1.558	44
EBITDA Margin	20,8%	20,4%	
Net Profit	1.736	1.979	14
Net Profit Margin	33,3%	25,9%	



Backlog History (Billion USD)

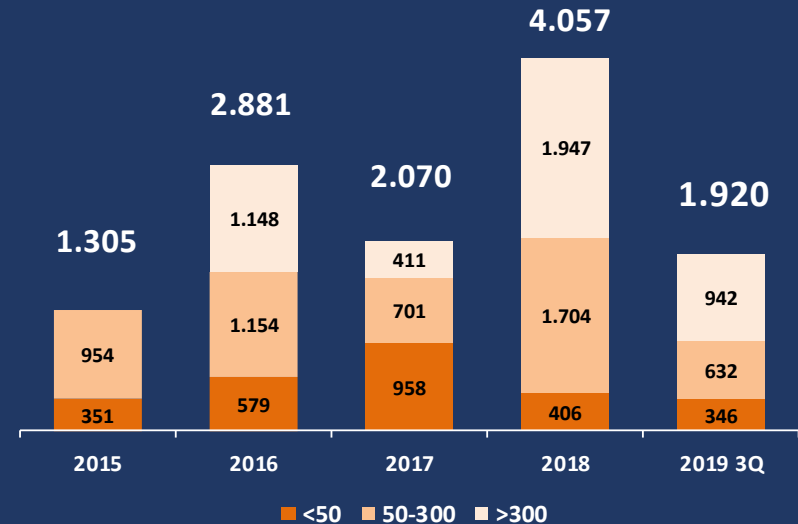


Book-to-Bill Ratio



(\*) Annualized.

New Contract Awards (Million USD)

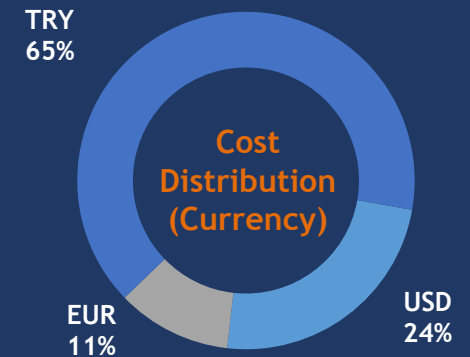
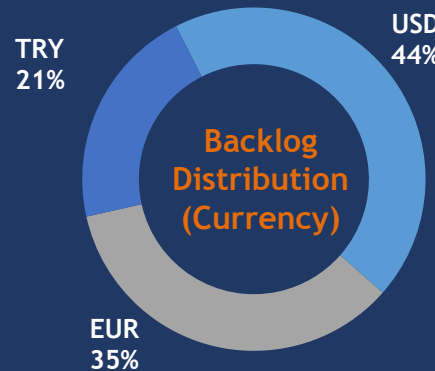
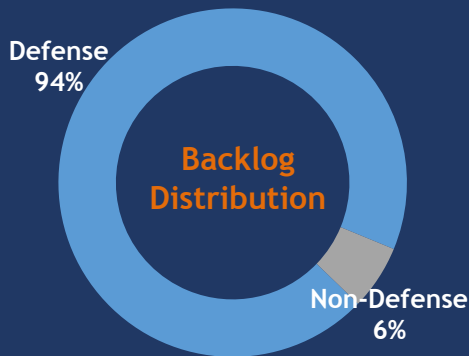
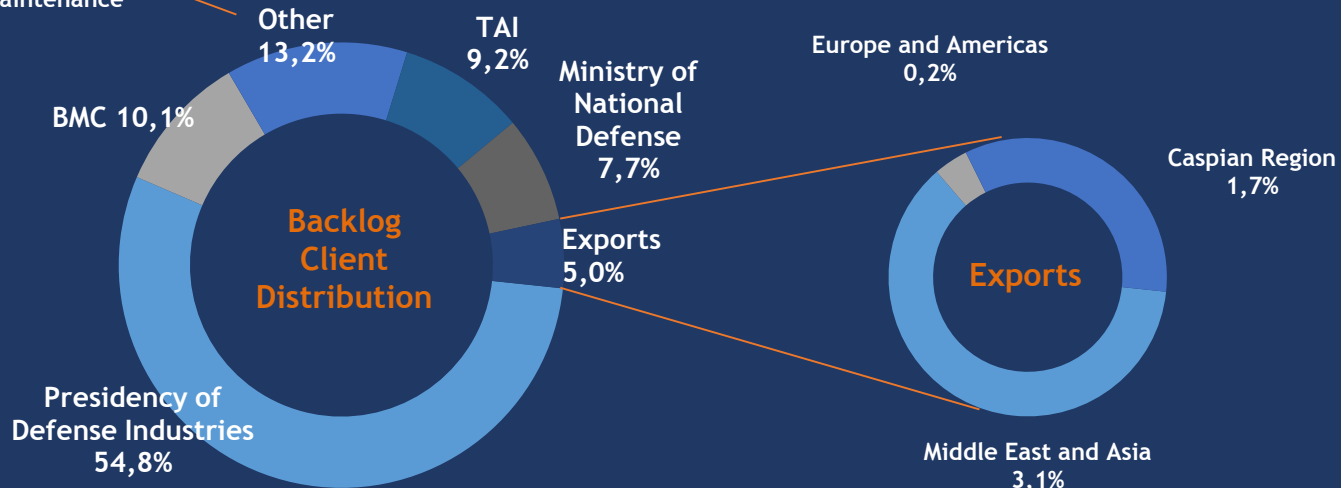


Backlog Aging  
(Billion USD)

2019*	0,9 - 1,2
2020	2,4 - 2,8
2021	1,9 - 2,2
2022	1,1 - 1,4
2023 and Beyond	2,1 - 2,5

(\*) Backlog for the remaining 3 months.

Turkish Land Forces Maintenance  
ROKETSAN  
STM Savunma Teknolojileri Müh.  
Turkish Land Forces Maintenance  
Central Finance Unit





## Prospective Projects



**MILGEM I-Class  
Frigate**



**Indigenous  
Helicopter**



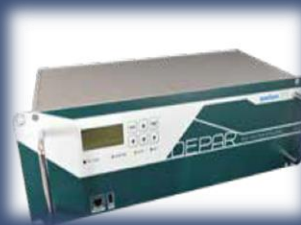
**Laser Guidance  
Kit**



## Non-Defense Areas



**Railway Signaling Systems**



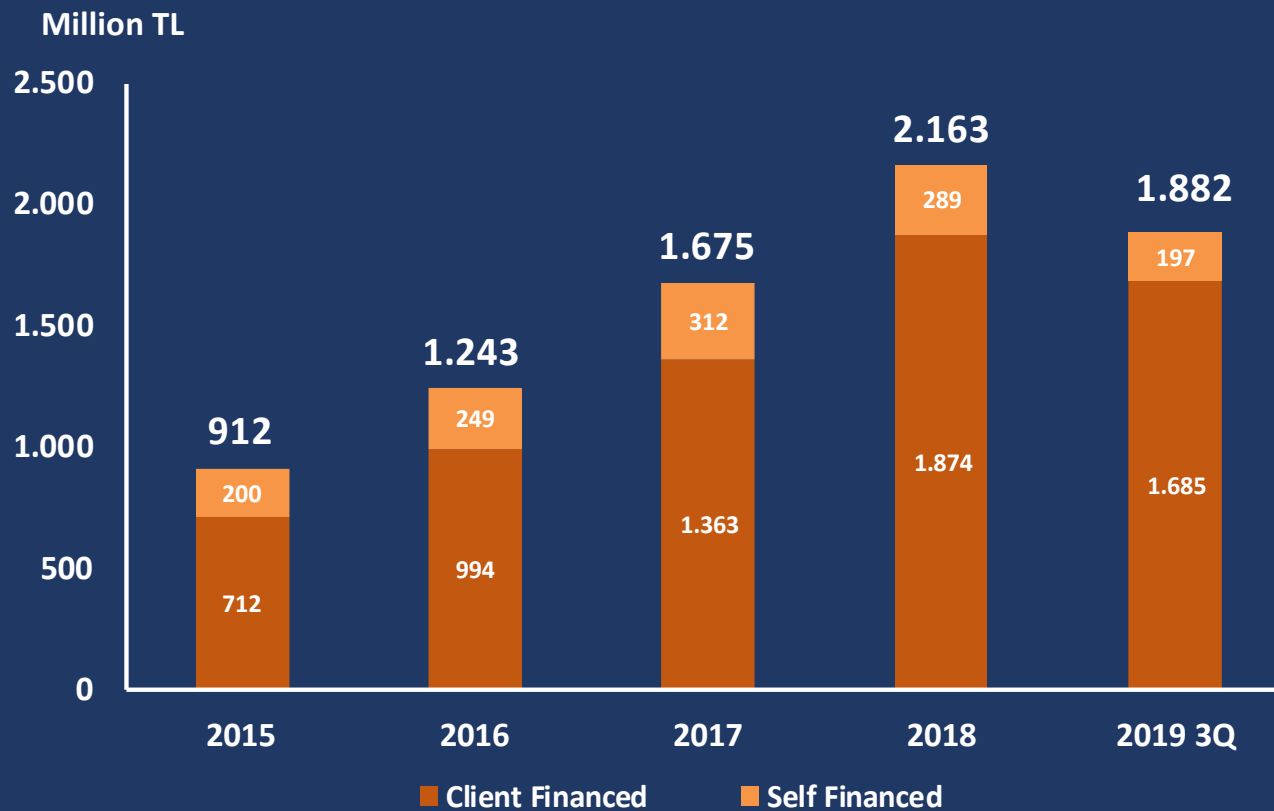
**Energy Management and Smart  
Grid Systems**



**Health Systems**

ASELSAN will not pay any corporate taxes till the end of 2023 due to tax incentives on R&D activities.

## R&D Spending

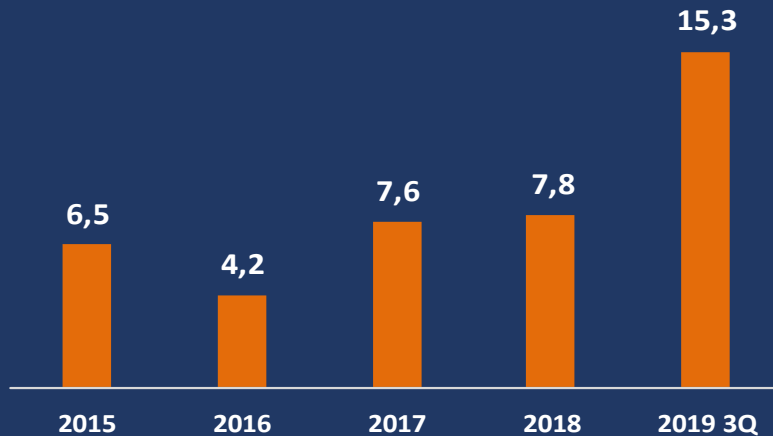


	2018	2019 3Q	2019 Guidance
Net Sales	9.009 Million TL	7.648 Million TL	40%-50% Growth
EBITDA Margin	21%	20,4%	19-21%
CAPEX	738 Million TL <small>Tangible 342 M TL Intangible 396 M TL</small>	498 Million TL <small>Tangible 243 M TL (37%) Intangible 255 M TL (73%)</small>	1.000 Million TL <small>Tangible 650 M TL Intangible 350 M TL</small>

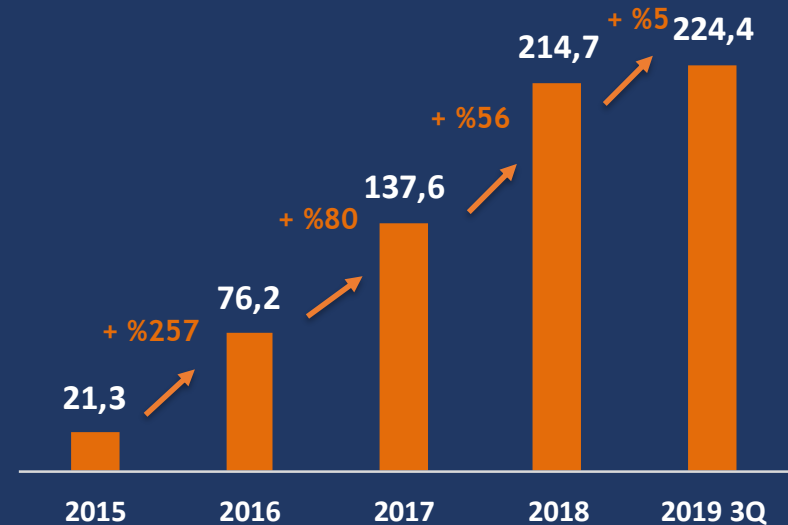




Dividend Per Share (per 100 shares)



Earnings Per Share TL\* (per 100 shares)



(\*) Annualized.



## Address

ASELSAN Elektronik Sanayi ve Ticaret A.Ş.  
Mehmet Akif Ersoy Mah. 296. Cad. No:16  
06370 Yenimahalle, Ankara  
Phone: +90 312 592 10 00



## Web

[www.aselsan.com.tr](http://www.aselsan.com.tr)



## E-Mail

[aselsan.ir@aselsan.com.tr](mailto:aselsan.ir@aselsan.com.tr)

# APPENDIX

# Consolidated Balance Sheet (Million TL)

**aselsan**

## Assets

(Million TL)	31.12.2018	30.09.2019
<b>CURRENT ASSETS</b>	<b>11.617</b>	<b>12.089</b>
Cash and Cash Equivalents	3.116	1.764
Trade Receivables	3.072	3.232
Inventories	3.577	4.935
Prepaid Expenses	1.319	1.520
Other Current Assets	533	638
<b>NON-CURRENT ASSETS</b>	<b>7.857</b>	<b>10.301</b>
Financial Investments	779	774
Long-term Trade Receivables	2.827	4.610
Property, Plant and Equipment	1.336	1.466
Intangible Assets	1.082	1.229
Prepaid Expenses	504	497
Deferred Tax Assets	734	862
Other Long-term Assets	595	863
<b>TOTAL ASSETS</b>	<b>19.474</b>	<b>22.390</b>

## Liabilities

(Million TL)	31.12.2018	30.09.2019
<b>CURRENT LIABILITIES</b>	<b>4.685</b>	<b>6.564</b>
Short-term Financial Liabilities	766	1.948
Trade Payables	2.549	3.076
Deferred Income	633	485
Other Short-Term Liabilities	737	1.055
<b>NON-CURRENT LIABILITIES</b>	<b>4.612</b>	<b>3.836</b>
Long-term Financial Liabilities	20	229
Long-term Trade Payables	1.768	1.348
Deferred Income	2.297	1.737
Other Long-term Liabilities	527	522
<b>(Million TL)</b>	<b>31.12.2018</b>	<b>30.09.2019</b>
<b>EQUITY</b>	<b>10.177</b>	<b>11.990</b>
Share Capital	1.140	1.140
Share Premiums	2.797	2.797
Other Funds	1.260	1.376
Retained Earnings	2.662	4.702
Net Profit for the Period	2.318	1.975
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19.474</b>	<b>22.390</b>

## Consolidated Income Statement (Million TL)

(Million TL)	30.09.2018	30.09.2019
<b>PROFIT OR LOSS</b>		
Revenue	5.214	7.648
Cost of sales (-)	(3.941)	(5.798)
<b>GROSS PROFIT</b>	<b>1.273</b>	<b>1.850</b>
General administrative expenses (-)	(159)	(239)
Marketing expenses (-)	(99)	(129)
Research and development expenses (-)	(57)	(91)
Other operating income	4.624	2.506
Other operating expenses (-)	(3.588)	(2.227)
<b>OPERATING PROFIT</b>	<b>1.994</b>	<b>1.670</b>
Income from investing activities	6	2
Share of Losses of Equity-Accounted Investments	(8)	6
<b>OPERATING PROFIT BEFORE FINANCIAL EXPENSE</b>	<b>1.992</b>	<b>1.678</b>
Financial income	481	828
Financial expenses (-)	(699)	(650)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>1.774</b>	<b>1.856</b>
Tax income/ (expense) from continuing operations	(39)	122
- Current tax expense	(8)	(5)
- Deferred tax income / (expense)	(31)	127
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>1.735</b>	<b>1.978</b>
Profit for the period attributable to:		
Non-controlling interest	(0,01)	3
Shareholders of the parent	1.735	1.975

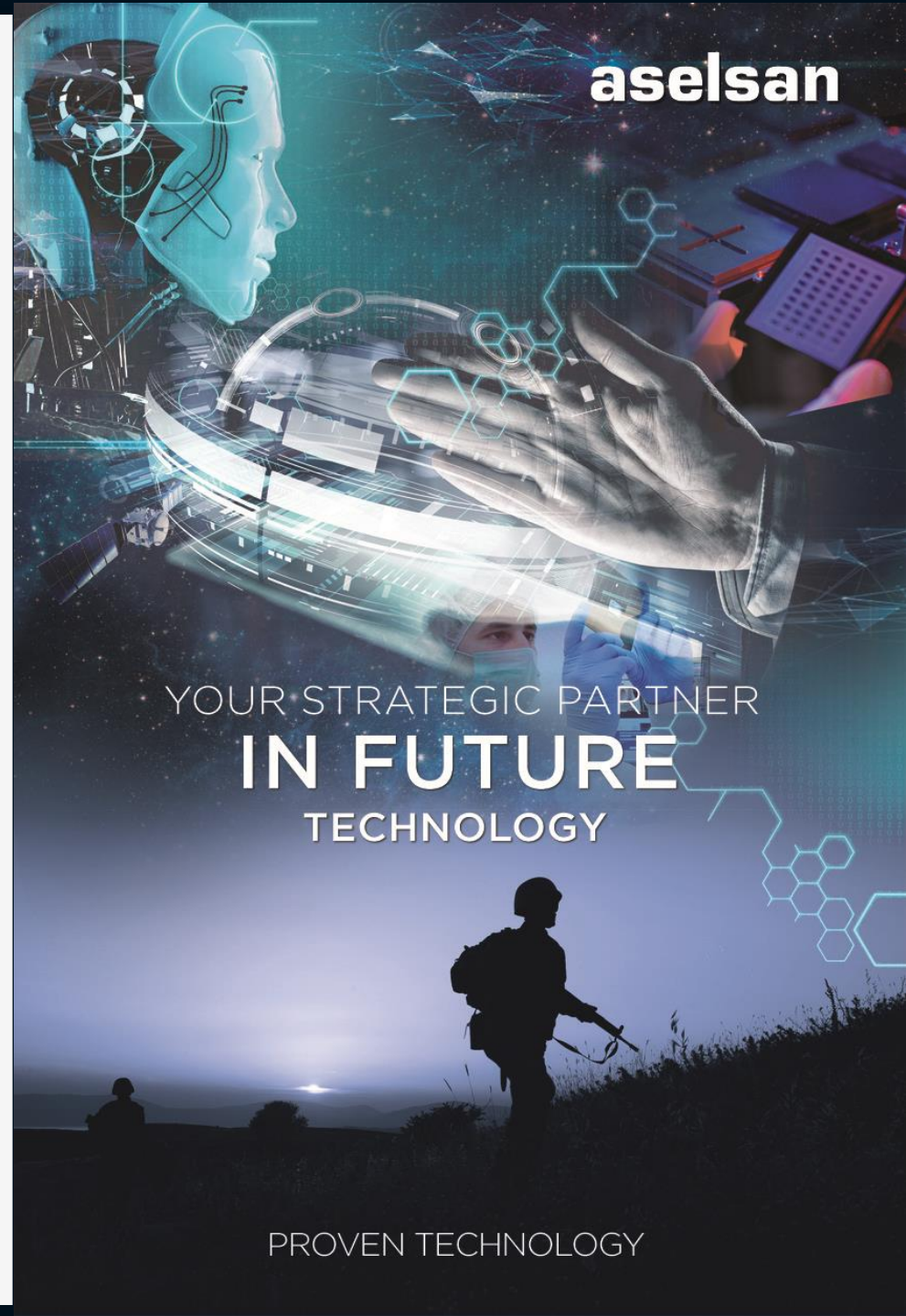


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**IN FUTURE**  
TECHNOLOGY

PROVEN TECHNOLOGY