

**aselsan**

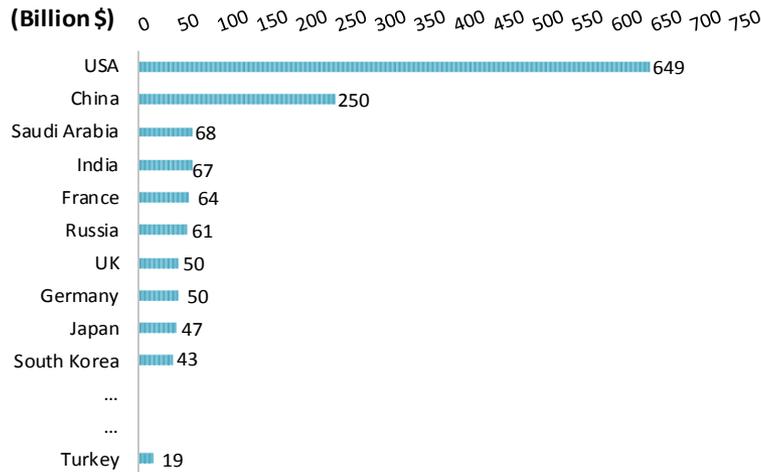
# Investor Presentation

February 2020

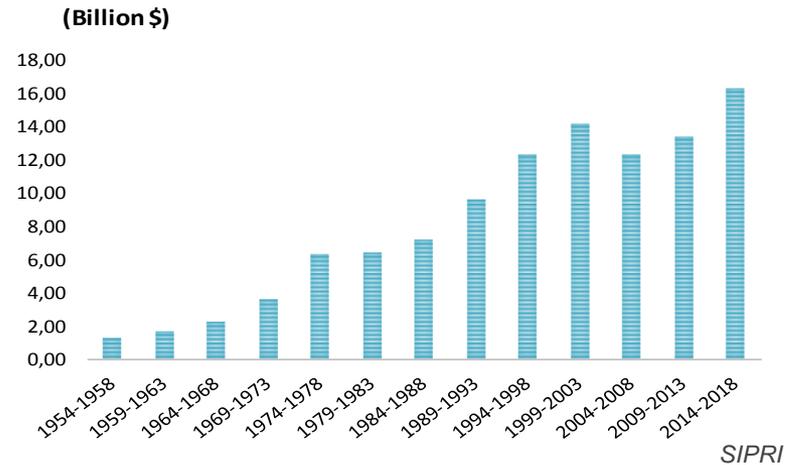


# Turkey and ASELSAN's Place in Global Defense

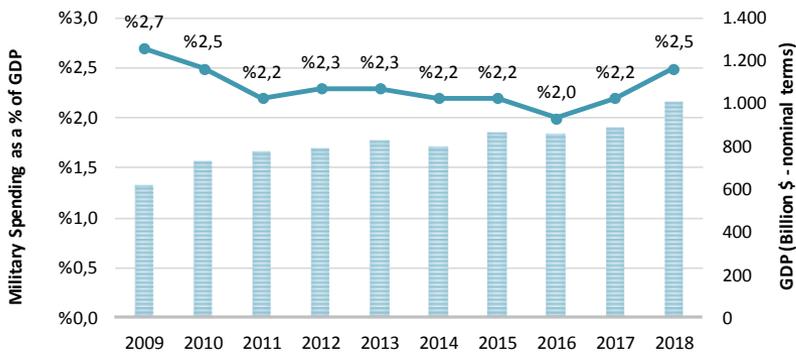
## 2018 Top 10 Spenders vs. Turkey



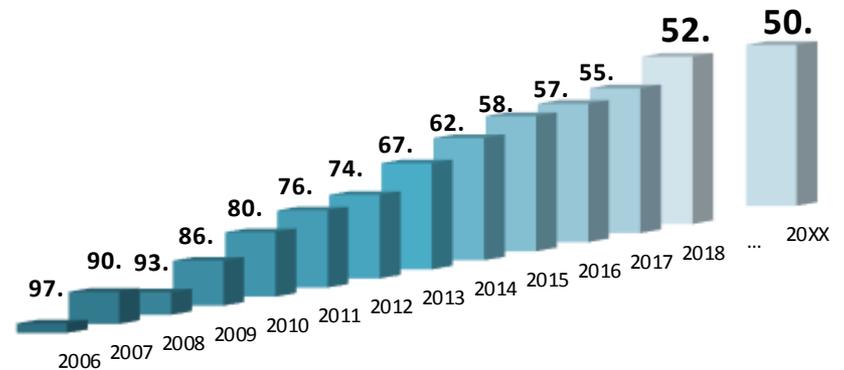
## Military Spending of Turkey (5-year averages)



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



## ASELSAN Global Defense Ranking



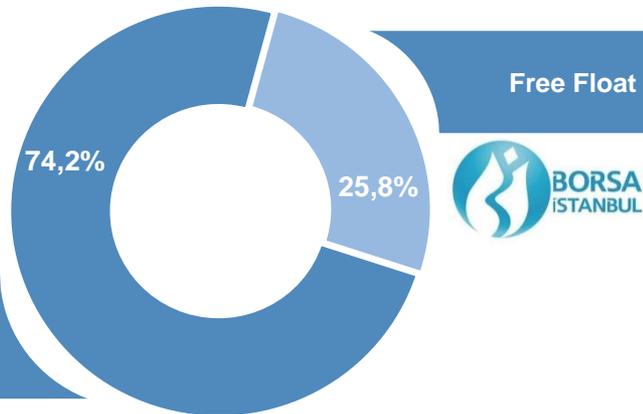
# Shareholder Structure

## Shareholder Structure

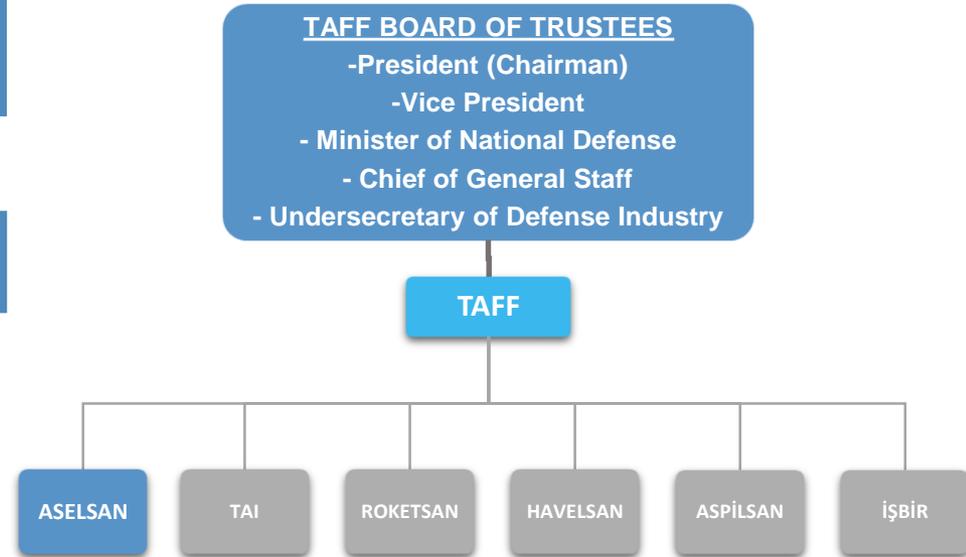
ASELSAN,  
is the only defense company listed on BIST.



Turkish Armed  
Forces Foundation



## 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.

# Field of Activities

## COMMUNICATION INFORMATION TECHNOLOGIES



COMMUNICATION



SATELLITE SYSTEMS



IT and CYBER  
SECURITY

## MICROELECTRONICS GUIDANCE and ELECTRO- OPTICS



AVIONIC



ELECTRO-OPTIC



GUIDANCE and  
UNMANNED SYSTEMS



MICROELECTRONICS

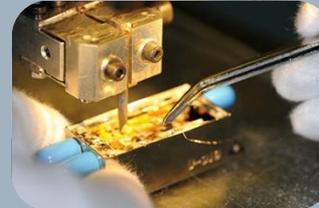
## RADAR, ELECTRONIC WARFARE



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

# Our Affiliates

## ROKETSAN



Share : 15%  
Partner: TAFF  
Founded: 1988  
Assets: 1,2 Bio \$\*

## ASPILSAN



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

## ASELSANNET



Share: 100%  
Founded: 2004  
Assets: 236 Mio \$

## MİKROELEKTRONİK



Share: 85%  
Partner: İTÜ ETA Vakfı  
Founded: 2004  
Assets: 6,2 Mio \$

## ASELSAN BİLKENT MİKRO NANO



Share: 50%  
Partner: BİLKENT Ün.v.  
Founded: 2014  
Assets: 31,9 Mio \$

## TEKNOHAB



Share: 30%  
Partner: HAB,TUSAŞ  
GAZİ Ün.v.  
Founded: 2018  
Assets: 3,3 Mio \$

## ASELSAN HASSAS OPTİK



Share: 50%  
Partner: Sivas Optik  
Malzemeleri  
Founded: 2014  
Assets: 26,1 Mio \$

## BİTES



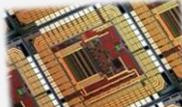
Share: 51%  
Partner: Real Person  
Founded: 2001  
Assets: 2,9 Mio \$

## ASELSAN KONYA SİLAH SİS.



Share: 51%  
Partner: Konya Savunma  
Sanayi  
Founded: 2018  
Assets: 17,8 Mio \$

## TÜYAR



Share: 51%  
Partners: TÜBİTAK, SSM  
Founded: 2017  
Assets: 2,7 Mio \$

## ULAK



Share: 51%  
Partner: SSTEK A.Ş.  
Founded: 2017  
Assets: 16,9 Mio \$

## TR EĞİTİM VE TEKNOLOJİ A.Ş.

Share: 50%  
Partner: TAI  
Founded: 2018  
Assets: 0,2 Mio \$

## EHSİM A.Ş.



Share: 50%  
Partners: Havelsan, SSTEK  
Founded: 1998  
Assets: 14,4 Mio \$

## ASELSAN GLOBAL

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

## KAZAKHSTAN ASELSAN ENGINEERING (KAZAKHSTAN)



Share: 49%  
Partner: Kazakhstan  
Engineering  
Founded: 2011  
Assets: 37,9 Mio \$

## ASELSAN BAKÜ (AZERBAIJAN)



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

## ASELSAN MIDDLE EAST (JORDAN)



Share: 49%  
Partner: KADDB Investment  
Group  
Founded: 2012  
Assets: 19,7 Mio \$

## SOUTH AFRICA BRANCH



Share: 100%  
Founded: 2011  
Assets: 1,4 Mio \$

## MACEDONIA BRANCH



Share: 100%  
Founded: 2014  
Assets: 3,8 Mio \$

## SADEC (SAUDI ARABIA)

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

## IGG ASELSAN INTEGRATED SYSTEMS (UNITED ARABIAN EMIRATES)



Share: 49%  
Partner: IGG  
Founded: 2011  
Assets: 2,1 Mio \$

## BARQ QSTP (QATAR)

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

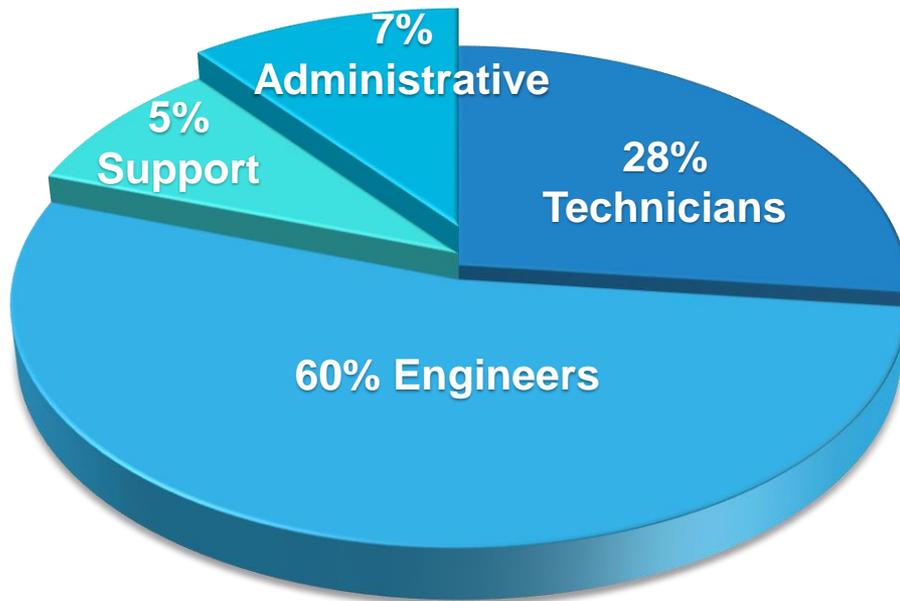
Assets are given as of 31.12.2019.

(\*) As of 31.12.2018.

(\*\*) As of 30.09.2019.

# Human Resources

**Total Employees : 7.806**  
**Engineers : 4.691**



## 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

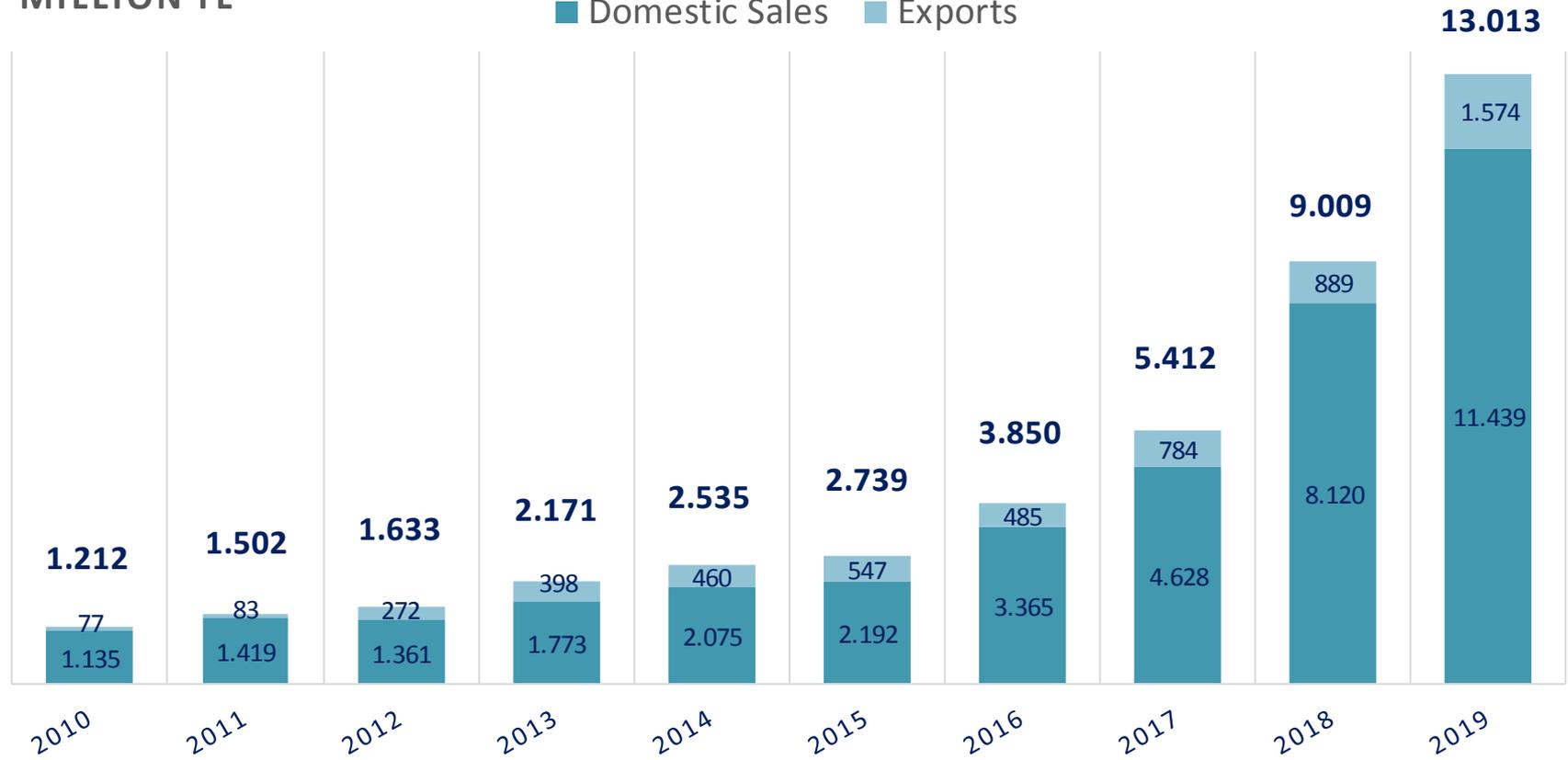
ASELSAN Academy



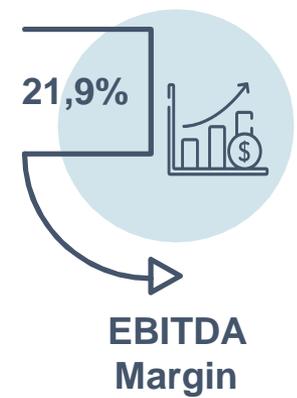
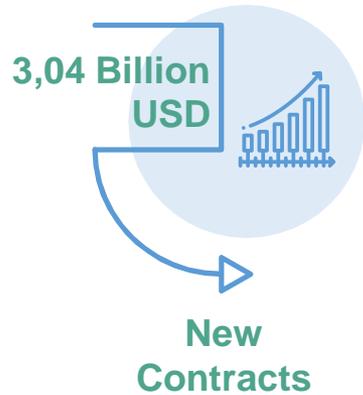
# Domestic Sales and Exports

MILLION TL

■ Domestic Sales ■ Exports



# 2019 Summary Financials



## Financial Highlights

(Million TL)	Dec'18	Dec'19	Δ%
Net Sales	9.009	13.013	44
Gross Profit	2.211	3.372	52
Gross Profit Margin	%24,5	%25,9	↑
Operating Profit (EBIT)	1.724	2.613	52
Operating Profit (EBIT) Margin	%19,1	%20,1	↑
EBITDA	1.896	2.854	51
EBITDA Margin	%21,0	%21,9	↑
Net Profit	2.319	3.353	45
Net Profit Margin	%25,7	%25,8	↑

# Our Backlog

## Backlog History (Billion USD)



## New Contract Awards (Million USD)



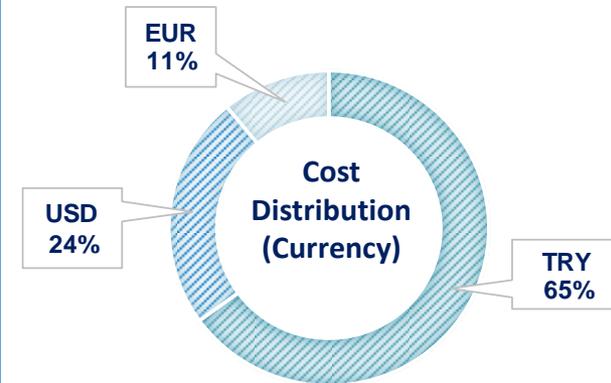
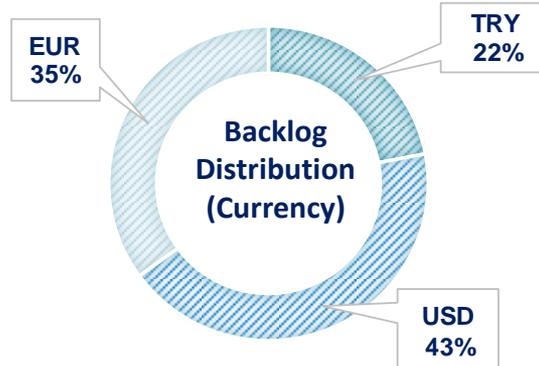
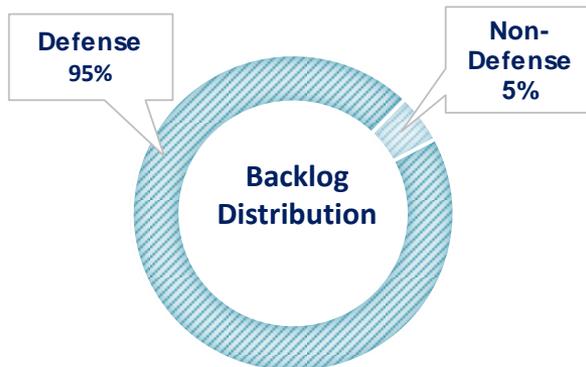
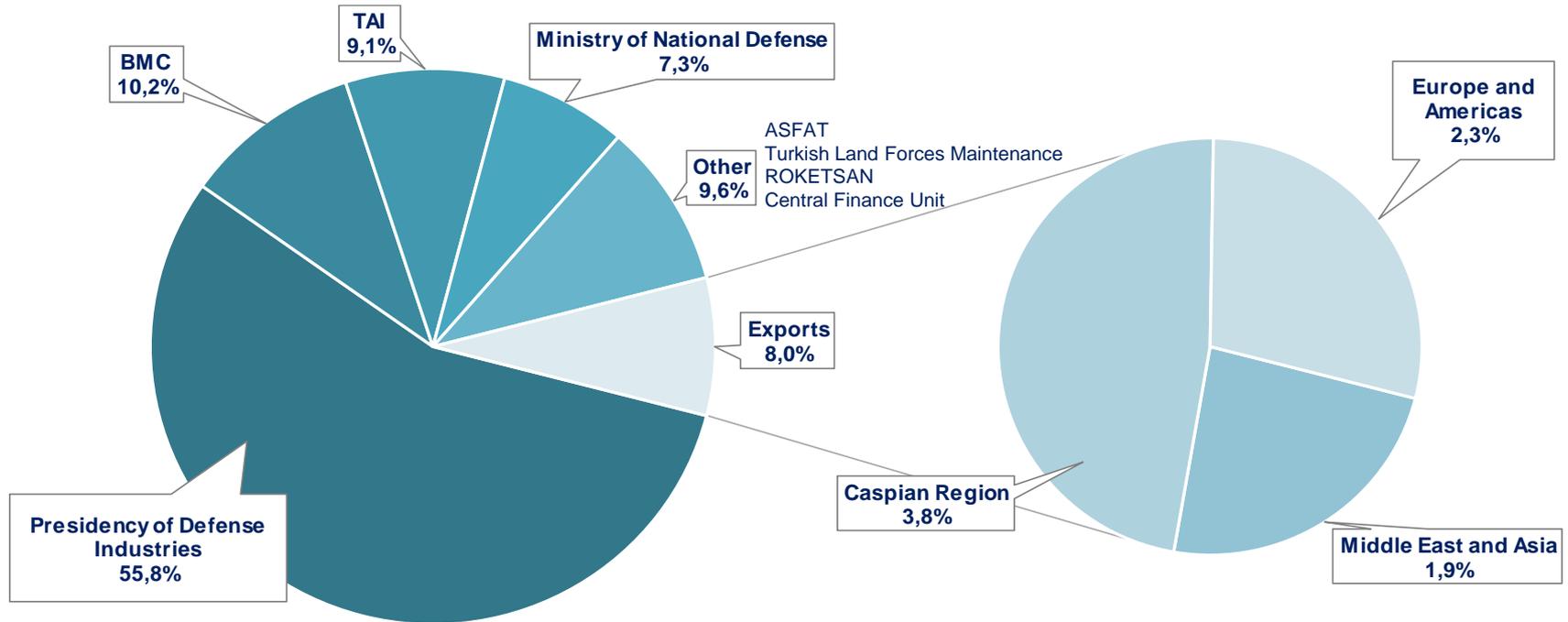
## Book-to-Bill Ratio



## Backlog Aging (Billion USD)

<b>2020</b>	2,8 - 3,2
<b>2021</b>	2,2 - 2,6
<b>2022</b>	1,7 - 2,1
<b>2023</b>	1,0 - 1,4
<b>2024 and beyond</b>	1,1 - 1,4

# Our Backlog



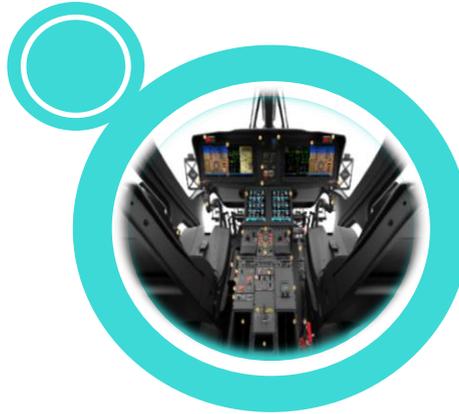
# Prospective Projects and Potential Business Areas

## Prospective Projects

MILGEM I-Class  
Frigate



Indigenous  
Helicopter



Laser Guidance Kit

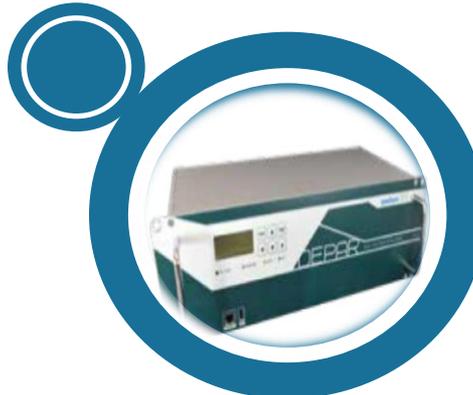


## Non-Defense Areas

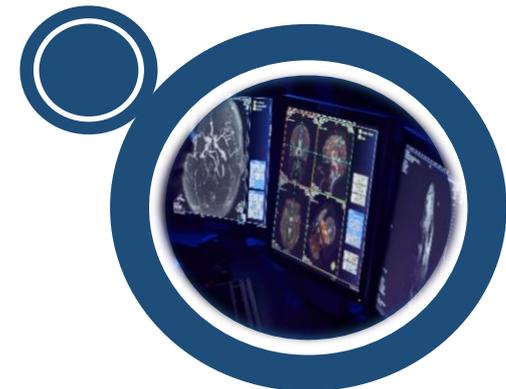
Railway Signaling  
Systems



Energy Management and  
Smart Grid Systems



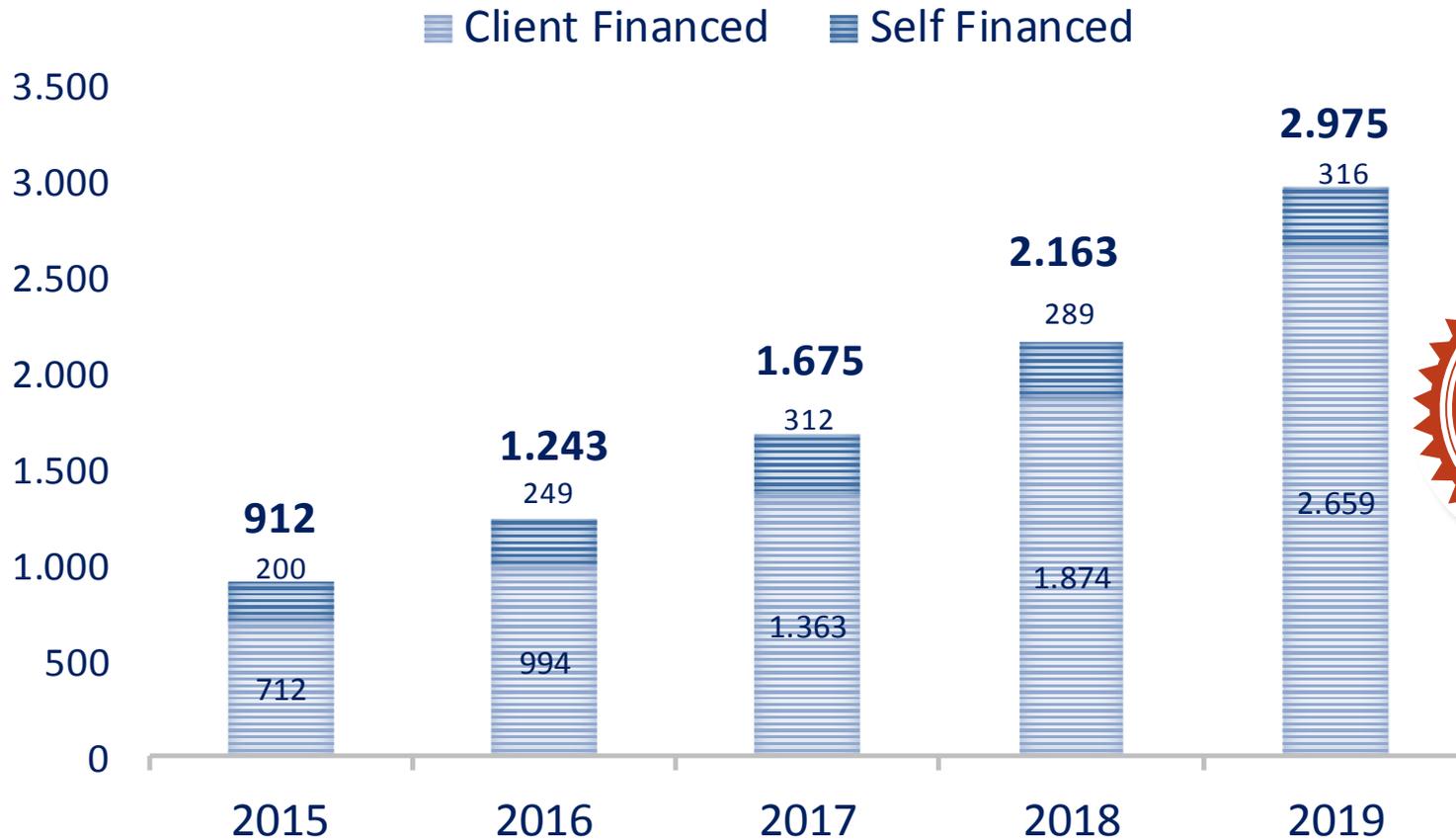
Health Systems



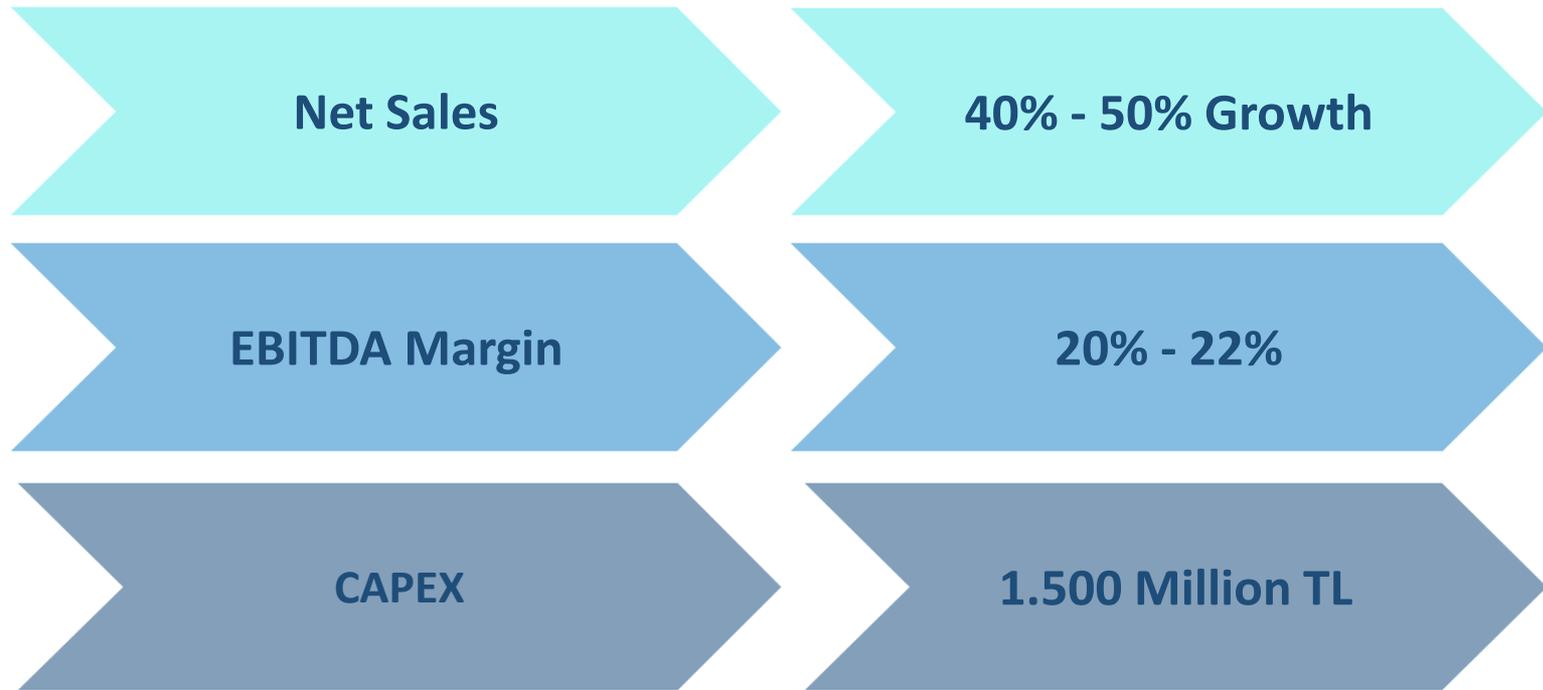
# The Biggest R&D Spender in Turkey

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

## R&D Spending



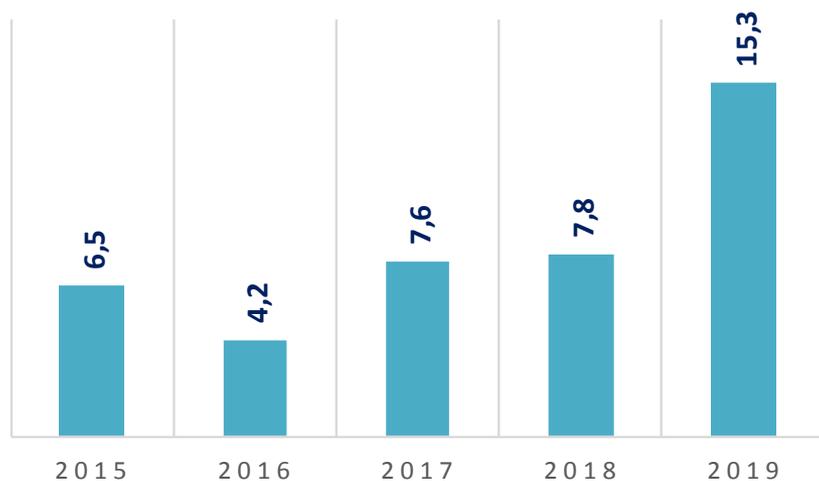
# 2020 Guidance\*



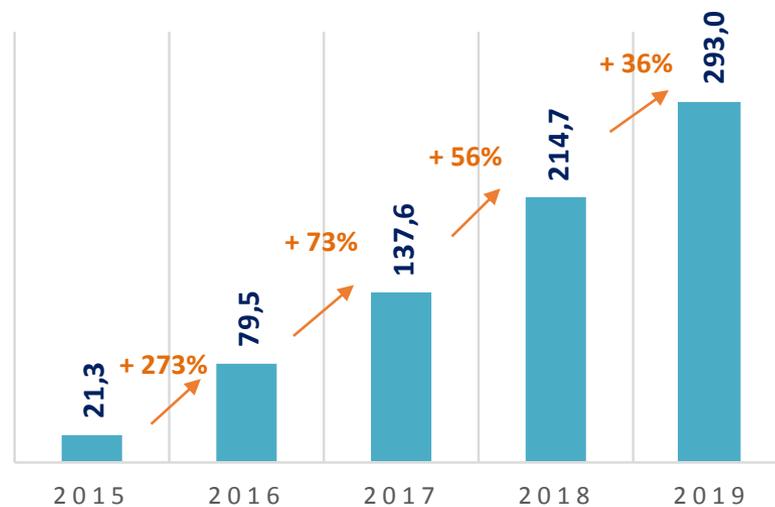
*\* These expectations are based on the yearly average of USD/TL parity to be 6,18 and EURO/TL parity to be 6,98.*

# Dividends and EPS

## Dividend Per Share (per 100 shares)



## Earnings Per Share TL (per 100 shares)



# APPENDIX

# Consolidated Balance Sheet (Million TL)

## Assets

(Million TL)	31/12/2018	31/12/2019
<b>CURRENT ASSETS</b>	<b>11.617</b>	<b>13.976</b>
Cash and Cash Equivalents	3.116	3.514
Trade Receivables	3.072	3.885
Inventories	3.577	4.474
Prepaid Expenses	1.319	1.320
Other Current Assets	533	783
<b>NON-CURRENT ASSETS</b>	<b>7.857</b>	<b>11.657</b>
Financial Investments	779	988
Long-term Trade Receivables	2.827	5.585
Property, Plant and Equipment	1.336	1.574
Intangible Assets	1.082	1.277
Prepaid Expenses	504	585
Deferred Tax Assets	734	786
Other Long-term Assets	595	862
<b>TOTAL ASSETS</b>	<b>19.474</b>	<b>25.633</b>

## Liabilities

(Million TL)	31/12/2018	31/12/2019
<b>CURRENT LIABILITIES</b>	<b>4.685</b>	<b>7.744</b>
Short-term Financial Liabilities	766	2.224
Trade Payables	2.549	3.608
Deferred Income	633	580
Other Short-Term Liabilities	737	1.332
<b>NON-CURRENT LIABILITIES</b>	<b>4.612</b>	<b>4.320</b>
Long-term Financial Liabilities	20	9
Long-term Trade Payables	1.768	1.860
Deferred Income	2.297	1.838
Other Long-term Liabilities	527	613
<b>(Million TL)</b>	<b>31/12/2018</b>	<b>31/12/2019</b>
<b>EQUITY</b>	<b>10.177</b>	<b>13.569</b>
Share Capital	1.140	1.140
Share Premiums	2.797	2.797
Other Funds	1.260	1.590
Retained Earnings	2.662	4.702
Net Profit for the Period	2.318	3.340
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19.474</b>	<b>25.633</b>

# Income Statement

## Consolidated Income Statement (Million TL)

(Million TL)	31/12/2018	31/12/2019
<b>PROFIT OR LOSS</b>		
Revenue	9.009	13.013
Cost of sales (-)	(6.797)	(9.641)
<b>GROSS PROFIT</b>	<b>2.212</b>	<b>3.372</b>
General administrative expenses (-)	(223)	(344)
Marketing expenses (-)	(151)	(204)
Research and development expenses (-)	(114)	(212)
Other operating income	5.654	3.819
Other operating expenses (-)	(5.153)	(3.254)
<b>OPERATING PROFIT</b>	<b>2.225</b>	<b>3.177</b>
Income from investing activities	5	6
Share of Losses of Equity-Accounted Investments	(9)	3
<b>OPERATING PROFIT BEFORE FINANCIAL EXPENSE</b>	<b>2.221</b>	<b>3.186</b>
Financial income	877	986
Financial expenses (-)	(856)	(863)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>2.242</b>	<b>3.309</b>
Tax income/ (expense) from continuing operations	77	44
- Current tax expense	(11)	(15)
Deferred tax income / (expense)	88	59
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>2.319</b>	<b>3.353</b>
Profit for the period attributable to:		
Non-controlling interest	1	12
Shareholders of the parent	2.318	3.341

# Forward Looking Statements

The information contained herein has been prepared by ASELSAN (the Company). The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice.

These materials contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except to the extent required by law, we assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

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