

aselsan

2024 1st Half
Earnings Release

September 10, 2024

HIGH GROWTH PERFORMANCE FROM ASELSAN

ASELSAN announced its financial results for the first six months of 2024 with inflation accounting applied. According to the statement made to the Public Disclosure Platform (KAP), turnover of ASELSAN, which made rapid entry to 2024, in the first half of 2024 grew by 8 percent compared to the same period of the previous year, reaching 35.7 billion TL. Its net income increased by 133 percent compared to the same period last year, reaching 3.6 billion TL. According to the results announced, the Company maintained its financial stability during this period.

Solid progress in turnover and backlog

ASELSAN's turnover in the first six months of 2024 grew by 8 percent compared to the same period last year, reaching 35.7 billion TL. The new contracts signed increased by 124 percent compared to the same period last year, reaching 2.6 billion USD. Thus, ASELSAN's backlog, which was 11 billion USD at the end of 2023, increased by 11 percent to 12.3 billion USD. The company's gross profit increased by 12 percent compared to the same period last year. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) increased by 9 percent compared to the same period in 2023, reaching 8.7 billion TL. EBITDA margin was realized as 24 percent. ASELSAN's net income increased by 133 percent compared to the same period last year and reached 3.6 billion TL. ASELSAN's total equity increased by 3 percent compared to the end of 2023. ASELSAN's equity-to-asset ratio also increased, reaching 61 percent.

Having improved its turnover, gross sales profit, EBITDA, net income, equity, contract size, backlog and many other financial indicators, ASELSAN has successfully completed the first half of 2024.

“We raise our success bar day by day ”

ASELSAN's CEO Ahmet Akyol said, “We are raising our success bar day by day with our high growth performance embodied in numbers.” Akyol, who evaluated ASELSAN's first half financial results, continued his words as follows:

“As our country's defense industry leader, we have achieved many new and important successes in the first six months of 2024. We have concreted with our financial data that we are walking towards the future with confident steps. Our financial results show that we have become a world power in technology with our reliable products and systems. In the first six months of 2024, we continued our rise by developing game-changing technologies, making the best-in class products and growing with an export focus. In this period, when we made infrastructure expenditure towards serial production and R&D expenditures for the technologies of the future, we increased our turnover by 8 percent and our net income by 133 percent. We have maintained our strong financial structure in line with our goals of producing game-changing technologies.

ASELSAN has transformed to a global company

During this period, we have achieved significant success that make us proud. We left ASELSAN's mark on the biggest projects of the defense industry. We exist with ASELSAN technologies from the depths of the ocean to the depths of space.

As a result of our hard work, we have become a global company with a presence in a very wide geography. We signed export contracts for the first time for eight of our products, including KORKUT, CENK, FERSAH, ASELFIR 500, and GÖZDE. We continued our activities to make ASELSAN a global brand.

In the six-month period, we delivered the ALP 300-G Portable Early Warning Radar System, which is a very critical project for our country's fully independent defense ecosystem, to our security forces. Thus, we have become a company that can produce radar in every frequency band. With the entry of our AESA Aircraft Nose Radar into the inventory, we will be able to meet all of our country's needs in the field of radar.

We continued the development phase of the GÖKSUR Close-in Air Defense System, which will play a critical role against all kinds of threats in the Blue Homeland. We showcased the 8x8 vehicle integrated version of the KORKUT Air Defense Weapon System in Europe for the first time. We equipped TÜRKSAT 6A, the symbol of Turkey's independence in space, with ASELSAN's advanced communication technology. With the Reis Class New Type Submarine TCG PİRİREİS, ASELSAN has provided a large number of systems, especially communication system solutions, for a submarine platform for the first time. We destroyed the target determined with the increased range firing test of HİSAR O, one of the systems we developed in the Gök Vatan field extending from the lowest to the highest, with a direct hit. We destroyed the target with the ASELSAN TOLUN ammunition fired from Bayraktar AKINCI.

ASELSAN is one of the 10 fastest growing defense industry companies in the world

Our rise in the list of the world's largest defense industry companies continued this year too. In 2023, we ranked as 47th on the Defense News Top 100 list, rising five places this year to 42nd place. As a result of our devoted efforts, we have become one of the 10 fastest growing defense industry companies in the world.

AselsaneXt 2030 Vision actualizing

While we were carrying out projects that made a splash in the global arena, we worked day and night to prepare ASELSAN, the pride of our nation, for the future. Within the scope of the aselsaneXt 2030 vision we have implemented, we aim to be among the top 30 companies in the defense industry worldwide in 2030. We make all our plans knowing that we are among the favorites of the world defense league. In line with this goal, as we move towards 2030, we primarily desire to deepen our knowledge in technology. We will continue to expand our export network and develop technologies that will leave their mark on the world with the offices we have opened in South America, the Balkans and the Gulf region.”

2024 1st Half Financial Highlights

(Million TL)

Income Statement Items	June'24	June'23	Δ%
Revenue	35.719	32.995	8
Gross Profit	11.410	10.181	12
<i>Gross Profit Margin</i>	%32	%31	▲
Operating Profit (EBIT)	7.282	6.397	14
<i>Operating Profit Margin (EBIT)</i>	%20	%19	▲
EBITDA	8.695	7.988	9
<i>EBITDA Margin</i>	%24	%24	▬
Net income	3.646	1.568	133
<i>Net Profit Margin</i>	%10	%5	▲

(Million TL)

Balance Sheet Items	June'24	Dec'23	Δ%
Current Assets	83.777	90.912	-8
Non-Current Assets	101.732	96.911	5
Total Assets	185.509	187.823	-1
Liabilities	72.248	77.582	-7
Equity	113.261	110.241	3
Liabilities & Equity	185.509	187.823	-1

(Billion USD)

Financial Highlights	June'24	June'23	Δ%
New Contracts	2,6	1,2	116
Backlog	12,3	8,4	46

Ratios	June'24	June'23
Current Ratio	1,44	1,32
Asset Turnover Ratio	0,51	0,50
Total Equity/Total Assets	0,61	0,55
Fixed Assets/Total Assets	0,55	0,52
Return on Equity	0,10	0,09
Return on Assets	0,06	0,05
Revenue per Employee (Million TL)	7,9	8,3
Number of Employees (Average)	12.020	11.050

2024 Guidance

	w/o IAS 29 (Nominal)	w/ IAS 29 (Real)
Increase in Revenues (TL)	> 70	> 10
EBITDA Margin	> 26	> 22
CAPEX	12 Billion TL	14 Billion TL

ASELSAN financial reports can be accessed through the link:
<https://www.aselsan.com/en/investor-relations/financial-reports>

ASELSAN investor presentations can be accessed through the link:
<https://www.aselsan.com/en/investor-relations/investor-presentations>

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FORWARD LOOKING STATEMENTS

With the Capital Markets Board of Türkiye Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies provisions.

Accordingly, this presentation on 2023 year-end financial results contain the Company's audited financial information prepared according to Turkish Accounting / Financial Reporting Standards by application of IAS 29 Financial Reporting in Hyperinflationary Economies provisions, in accordance with CMB's decision dated 28.12.2023. In addition to these, given that the guidance information and the 2023 interim financial results announced so far were presented without the application of inflation accounting, in order to enable investors and analysts to conduct a full-fledged analysis, supplementary historical information for selected key performance indicators used in prior periods' investor presentations were provided. Such supplementary information is made available only for this period, and contains unaudited financial information prepared for management reporting purposes.

This presentation does contain forward-looking statements and figures that reflect the Company management's current views with respect to certain future events based on the base-case assumptions. Although it is believed that the expectations reflected in these statements are reasonable under current conditions, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ. Neither ASELSAN nor any of its directors, managers, or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.