

STABLE GROWTH CONTINUED



2019 2Q Financial Highlights

+41%

4,6 Billion TL
Revenues

+35%

947 Million TL
EBITDA

+42%

1.335 Million TL
Net Profit

24,3%

Gross Profit
Margin

21%

EBITDA
Margin

29%

Net Profit
Margin

(Million TL)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	q/q	y/y
Revenues	1.365	1.915	1.934	3.795	1.998	2.626	31%	41%
Gross Profit	332	488	453	938	466	660	42%	37%
Margin	24%	25%	23%	25%	23%	25%		
EBITDA	283	420	380	813	395	552	40%	35%
Margin	21%	22%	20%	21%	20%	20%		
Net Profit	351	591	794	583	630	705	12%	42%
Margin	26%	31%	41%	15%	32%	27%		

MAIN INDICATORS

Growth

In the first six months of 2019, revenues, EBITDA, net profit and backlog has increased compared to the same period of previous year. ASELSAN's backlog has increased by 1.806 Million USD compared to the end of the year and reached 10,2 Billion USD.

In the first six months, revenues increased by 41% compared to the same period of the previous year and reached 4,6 Billion TL. The largest increase in revenue was recorded in domestic sales. The fact that a large portion of revenues are indexed to foreign exchange caused the increase in exchange rates to have a positive effect on revenues.

Profitability

EBITDA was TL 947 Million in the first half of 2019, with an EBITDA margin of 20,5%, consistent with the year-end target of 19-21%.

Net Working Capital

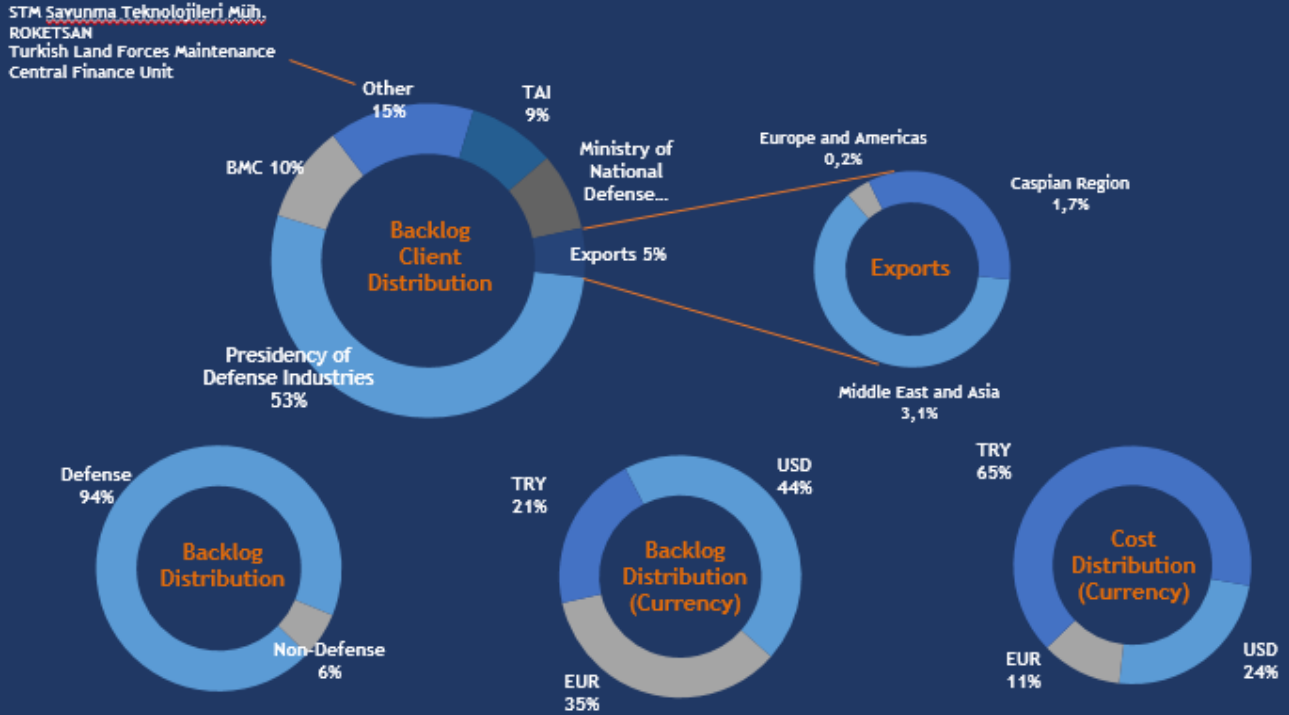
Due to the 29% increase in inventories and 15% increase in short-term trade receivables, Net Working Capital requirement has increased by 55% compared to year-end and the ratio of Net Working Capital to annualized revenue is 46% (31 December 2018: 34%).

Cash

The increase in net working capital requirements led to changes in cash-related ratios and continued negative course of operating cash flow and free cash flow. The increase in net working capital requirement in the related period was financed by using Eximbank Foreign Currency Loans, whose cash amount was increased as much as possible by the export orders.

As of 30.06.2019, net cash is TL 155 million (31.12.2018: TL 2.330 million) and the Net Cash / Annualized EBITDA ratio is 7% (31.12.2018: 123%). Similar net cash levels were last seen at the end of 2015.

Backlog has reached to 10,2 Billion USD level with a 25% increase compared to the same period of previous year.



New Contracts Signed

In the first six months of 2019, a total of USD 1.806 million worth contracts were signed. New contracts mainly fall into the following areas of activity.

- Avionic Systems
- Border Security
- Missile Seeker and Guidance Systems
- Land Platform
- Naval Systems
- Transportation Systems
- Electro-optic Systems
- Satellite Ground Systems

Backlog Aging (Billion USD)	
2019*	1,5 - 1,8
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 6 months.

We Are Moving Forward To Reach Our Year-End Targets

	Financial Targets for 2019 (Rate / Amount)	Realization of 2019/6 Period (Rate / Amount)
Increase in Consolidated Revenues (TL)	40% - 50%	41%
Consolidated Foreign Exchange Adjusted EBITDA Margin	19% - 21%	20,5%
Consolidated CAPEX	1.000 Million TL	324 Million TL (32%)
<i>Tangible Assets</i>	<i>650 Million TL</i>	<i>170 Million TL (26%)</i>
<i>Intangible Assets</i>	<i>350 Million TL</i>	<i>154 Million TL (44%)</i>

ASELSAN financial reports can be accessed through the link:
<https://www.aselsan.com.tr/en-us/InvestorRelations/financial-data/Pages/Financial-Reports.aspx>

CONTACT

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

E-Mail

aselsan.ir@aselsan.com.tr

FORWARD LOOKING STATEMENTS

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.

This release does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this release or on its completeness, accuracy or fairness. None of the Company nor any of its shareholders, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection therewith.