

aselsan

2019 3rd Quarter Earnings Release

November 5, 2019

ASELSAN's Revenue Growth is 47% in the First 9 Months of 2019

ASELSAN has announced its financial results dated 30 September 2019. The record growth trend of the company's total revenue in recent years continued in this period as well. ASELSAN's total revenue grew by 47% compared to the same period of the previous year and reached 7,6 Billion TL. Exports, which were 93 Million USD in the same period last year, increased by 54% in the current period and became 143 Million USD.

ASELSAN's profit (EBITDA) increased by 44% compared to the previous period and reached its historic peak of 9-month results with 1,6 Billion TL. The EBITDA margin is 20,4%, between 19-21%, which is the Company's forecast for the year-end;. As of the end of September, ASELSAN has a backlog of 9,8 Million USD and has continued to receive new orders in October. The Company announced that it has received additional orders of approximately 290 Million USD on 25 October 2019 via Public Disclosure Platform.

ASELSAN Chairman of Board of Directors and CEO Prof. Dr. Haluk GÖRGÜN made evaluations about the company's 9-month financial results. Prof. Dr. Haluk GÖRGÜN said; "The 9 months we left behind was a period in which we achieved very successful results in terms of revenue, growth and profitability. We continue our deliveries in accordance with our year-end targets and calendar. Accordingly, we maintain our 40-50% TL based revenue growth forecast at the end of the year."

Strong Collection Performance Continues in October

Prof. Dr. Haluk GÖRGÜN made comments regarding the receivable collection performance of the Company and said: "The July-September period was stronger in terms of collection than the first half of the year. The strong trend in collections continued in October as well, which was well above the first 9-month average." Prof. Dr. Haluk GÖRGÜN stated that he believes that the recovery trend in macroeconomic indicators will accelerate in the coming period and expect that this momentum will have a positive effect on ASELSAN's activities.

ASELSAN Grows Together with its Suppliers

GÖRGÜN underlined that ASELSAN started to work with more than 975 new suppliers in 2019 and carried the number of its suppliers to over 4.600. He emphasized that ASELSAN is one of the leading companies with the largest supplier ecosystem. Prof. Dr. Haluk GÖRGÜN said: "We focused on our new supplier relationships in order to continuously develop and strengthen the supplier ecosystem, which has an important share in ASELSAN's achievements. In this context, we increased the number of strategic partners with whom we signed a strategic cooperation agreement by 50% to support our long-term cooperation. We are working hard with our suppliers for the localization and nationalization of 7.500 items of imported material."

ASELSAN's Power; Our Qualified Human Resources

Emphasizing that ASELSAN continues to contribute to employment as an indicator of its belief in the future of our country, Prof. Dr. Haluk GÖRGÜN stated that they included approximately 1.200 new employees to ASELSAN family in 2019, 70% of whom are engineers. ASELSAN's total number of employees exceeds 7.500 and with this dynamic power; according to the results of the Universum survey conducted with participants from 50 universities in 2019, the Company ranked 1st in the list of companies most preferred to work in the Engineering/Information Technologies lane.

ASELSAN, the utmost company that allocates resources for R&D in Turkey with an R&D spending of more than 2,1 Billion TL, is also the company that employs the most female R&D employees in Turkey.

Emphasizing that ASELSAN's activities are carried out with a sense of responsibility not only in the economic field but also in social and environmental areas, GÖRGÜN stated that ASELSAN has been included in the Borsa İstanbul Sustainability Index since 2014 without interruption and said "In order to maintain our sustainable growth, we will continue to work with determination to maximize the contribution of all our stakeholders as we have done for 44 years."



2019 3Q Financial Highlights

Balance Sheet Items	Sept'19	Dec'18	Δ%	Balance Sheet Items	Sept'19	Dec'18	Δ%
Current Assets	12.089	11.617	4	Liabilities	10.400	9.297	12
Non-Current Assets	10.301	7.857	31	Equity	11.990	10.177	18
Total Assets	22.390	19.474	15	Liabilities and Equity	22.390	19.474	15

Income Statement Items	Sept'19	Sept'18	Δ%
Revenue	7.648	5.214	47
Gross Profit	1.850	1.273	45
<i>Gross Profit Margin</i>	24,2%	24,4%	
Operating Profit (EBIT)	1.391	958	45
<i>Operating Profit Margin (EBIT)</i>	18,2%	18,4%	
EBITDA	1.558	1.083	44
<i>EBITDA Margin</i>	20,4%	20,8%	
Net Profit	1.979	1.736	14
<i>Net Profit Margin</i>	25,9%	33,3%	

- ✓ Revenues are 7.648 Million TL and increased by 47% compared to the same period of the previous year.
- ✓ Backlog is 9.825 Million USD and increased by 14% compared to the same period of the previous year.
- ✓ In the first 9 months, the newly signed contracts reached 1.920 Million USD.
- ✓ Total assets increased by 15% compared to the year-end and reached 22.390 Million TL.
- ✓ EBITDA is 1.558 Million TL and increased by 44% compared to the same period of the previous year.
- ✓ Return on Assets (ROA) is 13%.
- ✓ Asset Turnover Rate was 57%.
- ✓ Revenue per employee is 313.456 USD.
- ✓ Operating profit per employee is 59.084 USD.

We Are Moving Forward To Reach Our Year-End Targets

	Financial Targets for 2019 (Rate / Amount)	Realization of 2019/9 Period (Rate / Amount)
Increase in Revenues (TL)	40% - 50%	47%
EBITDA Margin	19% - 21%	20,4%
CAPEX	1.000 Million TL	498 Million TL (50%)
<i>Tangible Assets</i>	<i>650 Million TL</i>	<i>243 Million TL (37%)</i>
<i>Intangible Assets</i>	<i>350 Million TL</i>	<i>255 Million TL (73%)</i>

ASELSAN financial reports can be accessed through the link:

<https://www.aselsan.com.tr/en-us/InvestorRelations/financial-data/Pages/Financial-Reports.aspx>

ASELSAN investor presentations can be accessed through the link:

<https://www.aselsan.com.tr/en/investor-relations/financial-data/investor-presentations>

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