

aselsan

2019 Earnings Release

February 11, 2020

Record Financial Results from ASELSAN

2019 financial results of ASELSAN have been announced. The growth trend in the company's revenues continued to accelerate in 2019. ASELSAN's revenue grew 44% over the previous year, exceeding 13 Billion TL. Export deliveries have increased by 50% compared to previous year and reached 330 Million USD, its historical peak.

2019 was a year in which the increase in ASELSAN's profitability indicators exceeded the growth in revenues. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) has increased by 51% compared to previous year and reached 2.9 Billion TL. The EBITDA margin exceeded the 19-21% range, which was the company's guidance for the end of the year, reaching 21.9%. The net profit of the company reached 3.4 Billion TL with an increase of 45% compared to previous year.

Strong Cash Position

Thanks to the effective cash and receivable management maintained throughout 2019, ASELSAN closed the year with a net cash position of 1.3 Billion TL. The company's year-end cash on hand level also broke a historical record, reaching 3.5 Billion TL. ASELSAN continued to add new products to its product range in 2019 and receive new orders within this framework. The amount of new orders received in 2019 was 3 Billion USD and the total backlog reached 9.7 Billion USD.

ASELSAN Chairman of the Board and CEO Prof. Dr. Haluk GÖRGÜN said the following in his evaluation of the company's financial results for the end of 2019: “We have left behind a year in which deliveries and receivable collections have intensified in recent months and we have achieved success both operationally and financially. ASELSAN showed the results of its efforts both domestically and abroad by reaching historical revenue and profitability figures. Our equity, which reached 13.5 Billion TL as of the end of 2019, constituted 53% of our balance sheet and became the main indicator of our strong financial structure. 2019 was a year in which ASELSAN's exports reached its peak. Increasing its effectiveness in international markets, ASELSAN is taking firm steps forward in its journey of transformation into a global defense industry company with a total of 26 subsidiaries and branches, 11 of which are abroad. We trust that the growth trend of our country's economy will accelerate in 2020; accordingly, we anticipate that ASELSAN's revenues will increase within the range of 40-50% next year. We believe that the positive impact of our organizational efforts and efficiency practices we have on profitability will be clearly reflected in 2020 and we increase our EBITDA margin guidance to 20-22%.”

ASELSAN is Growing Together with its Business Partners

“We continue our work without slowing down with the goal of meeting the needs of our security forces with national resources and becoming a reliable business partner at a global level. ASELSAN continues its nationalization activities, not limited to defense but also in non-defense areas such as transportation, security, energy and health. ASELSAN's most effective power in a wide range of activities is our competent human assets that we have created in 45 years and our supplier companies that exceed 5,000. In 2019, we continued to support all of our small and large subcontractors that we worked with, and shared our financial opportunities and R&D capacity with our suppliers. I am confident that we will achieve new successes in 2020 with the continuous efforts of our stakeholders.”

2019 Financial Highlights

(Million TL)

Balance Sheet Items	Dec'19	Dec'18	Δ%	Balance Sheet Items	Dec'19	Dec'18	Δ%
Current Assets	13.976	11.617	20	Liabilities	12.064	9.297	30
Non-Current Assets	11.657	7.857	48	Equity	13.569	10.177	33
Total Assets	25.633	19.474	32	Liabilities and Equity	25.633	19.474	32

(Million TL)

Income Statement Items	Dec'19	Dec'18	Δ%
Revenue	13.013	9.009	44
Gross Profit	3.372	2.211	52
<i>Gross Profit Margin</i>	<i>%25,9</i>	<i>%24,5</i>	
Operating Profit (EBIT)	2.613	1.724	52
<i>Operating Profit Margin (EBIT)</i>	<i>%20,1</i>	<i>%19,1</i>	
EBITDA	2.854	1.896	51
<i>EBITDA Margin</i>	<i>%21,9</i>	<i>%21,0</i>	
Net Profit	3.353	2.319	45
<i>Net Profit Margin</i>	<i>%25,8</i>	<i>%25,7</i>	

- ✓ Revenues are 13.013 Million TL and increased by 44% compared to the same period of the previous year.
- ✓ The newly signed contracts in 2019 reached 3.043 Million USD and the backlog is 9.656 Million USD.
- ✓ Cash on hand increased by 14% compared to the year-end and reached 3.513 Million TL.
- ✓ Total assets increased by 32% compared to the year-end and reached 25.633 Million TL.
- ✓ EBITDA is 2.854 Million TL and increased by 51% compared to the same period of the previous year.
- ✓ Return on Assets (ROA) is 15%.
- ✓ Asset Turnover Rate was 58%.
- ✓ Revenue per employee is 337 Thousand USD.
- ✓ Operating profit per employee is 68 Thousand USD.

2020 Guidance

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Increase in Revenues (TL)	40% - 50%
EBITDA Margin	20% - 22%
CAPEX	1.500 Million TL

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>

CONTACT

Address

ASELSAN Elektronik Sanayi ve Ticaret A.Ş.
Mehmet Akif Ersoy Mah. 296. Cad. No:16
06370 Yenimahalle, Ankara
Phone: +90 850 828 1 828

E-Mail

aselsan.ir@aselsan.com.tr

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