

aselsan

2021 1st Quarter
Earnings Release

April 27, 2021

ASELSAN CONTINUES ITS STEADY GROWTH

ASELSAN's 2021 first quarter financial results have been announced. Despite the global economic contraction experienced during the pandemic, the company completed the period with stable growth and high profitability. ASELSAN's 3-month turnover grew by 22% compared to the same period of the previous year and reached 3.2 Billion TL.

While the company's gross profit increased by 24% compared to the first quarter of last year; Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA) increased by 23% compared to the same period of the previous year and reached 761 Million TL. EBITDA margin reached 24%, exceeding the 20-22% range that was the company's guidance for the end of the year. ASELSAN's net profit also increased by 34% compared to the same period of the previous year and reached the level of 1.2 Billion TL. The ratio of company's equity to assets was 56%. Total backlog is 9 Billion Dollars.

“We are the Address of National and Local Technology”

ASELSAN Chairman, President and CEO Prof. Dr. Haluk GÖRGÜN said the following in his evaluation of the 2021 first quarter financial results:

“The first quarter of 2021 has been a period in which the world enters its second year of combating the pandemic, and countries are trying all methods to minimize the economic damage of the pandemic. As ASELSAN, with the full awareness of the responsibility we assumed for our country, we left behind a quarter in which we continued our activities without interruption. We worked with our usual discipline by taking all kinds of health measures without exception, from our customers to our employees, from our suppliers to our society. As a result, we experienced a significant acceleration in our growth and profitability indicators in the first quarter of 2021.

The first months of 2021 were a period when the founding mission of ASELSAN and the reason for its existence were once again visible. Embargoes, which are tried to be applied directly or indirectly to our country, once again revealed the importance of self-sufficiency in defense. The introduction of the CATS Electro-Optical Reconnaissance, Surveillance and Targeting System developed and produced by ASELSAN has been the most recent example of the struggle for independence that we have been continuing for more than 45 years.”

“We Continue to Support Our Supplier Ecosystem During the Pandemic Period”

“We are an important part of Turkey's ever growing supplier ecosystem for the technological independence struggle with the vision of the Defense Industry Presidency . We continued our efforts to financially support our suppliers in 2021 under the umbrella of the empowerment strategy we created. In this context, we made a financial contribution to more than 4 thousand of our suppliers by paying nearly 4 Billion TL in the first quarter.

In order to manage our supplier network more effectively, to accelerate our nationalization efforts and to increase our competitiveness in the international arena, we have structured our Industrialization and Supply Directorate, which is at the level of a directorate, as the Supply Chain Management Vice Presidency.”

“ASELSAN Continues Its Growth In The Field Of Health”

Touching on ASELSAN's activities in non-defense areas, Prof. Dr. Haluk GÖRGÜN: “We have put tens of thousands of ventilators into the service of our Ministry of Health by doing our part in the breathing apparatus production campaign, which was initiated to find a solution to the needs of our nation in the difficult conditions of 2020. In the first quarter of 2021, we exported our Automatic External Defibrillator device to France and Italy which will perform critical cardiopulmonary resuscitation in sudden cardiac arrest.”

In the first quarter of 2021, we exported our Automatic External Defibrillator (AED) device to France and Italy, which will perform critical intervention in sudden cardiac arrest.

“We Focus on Financial Technologies”

“We have structured our organization in order to follow the developments in financial technologies and to take advantage of business development opportunities in this field, taking into account the rapid changes in the financial sector. We aim to be an important technology provider in the field of financial technologies with our strong financial structure and experience. We will work day and night to develop national technologies in this field that requires serious engineering skills.

The global pandemic entering its second year and the accompanying economic difficulties revealed the importance of companies having a strong financial structure. With our strong equity, low financial leverage and strong balance sheet, we will continue to move forward with the same determination to work in the rest of 2021 and transfer this to our financial results. I would like to thank Mr. President, who has always encouraged and led us in the process of transferring our experience in the defense industry to many civilian areas, and to our almost 9 thousand employees who contributed to this success.”



2021 1st Quarter Financial Highlights

(Million TL)

Balance Sheet Items	March'21	Dec'20	Δ%	Balance Sheet Items	March'21	Dec'20	Δ%
Current Assets	19.291	19.594	-2	Liabilities	15.013	15.996	-6
Non-Current Assets	15.060	14.500	4	Equity	19.338	18.098	7
Total Assets	34.351	34.094	1	Liabilities & Equity	34.351	34.094	1

(Million TL)

Income Statement Items	March'21	March'20	Δ%
Revenue	3.173	2.595	22
Gross Profit	932	752	24
<i>Gross Profit Margin</i>	<i>29,4%</i>	<i>29,0%</i>	-
Operating Profit (EBIT)	664	555	20
<i>Operating Profit Margin (EBIT)</i>	<i>20,9%</i>	<i>21,4%</i>	-
EBITDA	761	621	23
<i>EBITDA Margin</i>	<i>24,0%</i>	<i>23,9%</i>	-
Net Profit	1.229	920	34
<i>Net Profit Margin</i>	<i>38,7%</i>	<i>35,5%</i>	-

- ✓ Revenues are 3.173 Million TL and increased by 22% compared to the same period of the previous year.
- ✓ The newly signed contracts reached 114 Million USD and the backlog is 9 Billion USD.
- ✓ Total assets increased by 1% compared to the year-end and reached 34.351 Million TL.
- ✓ EBITDA is 761 Million TL and increased by 23% compared to the same period of the previous year.
- ✓ Gross profit margin was 29,4% and increased by 40 bp compared to the same period of the previous year.
- ✓ Return on Assets (ROA) is 16% (December 2020: 15%).

2021 Guidance

	2021 Guidance
Increase in Revenues (TL)	40% - 50%
EBITDA Margin	20% - 22%
CAPEX	2.000 Million TL

ASELSAN financial reports can be accessed through the link:

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

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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