

aselsan

2021 1st Half Year
Earnings Release

August 10, 2021

ASELSAN CONTINUED ITS STEADY PROFITABLE GROWTH

ASELSAN's 2021 first half financial results have been announced. The company completed the period with strong growth and profitability. ASELSAN's 6-month turnover increased by 33% compared to the same period of the previous year and reached 7 billion TL.

While the company's gross profit increased by 66% compared to the first half of last year; Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA) increased by 49% compared to the same period of the previous year and reached 1,9 billion TL. The EBITDA margin was 27,3%. ASELSAN's net profit increased by 37% compared to the same period of the previous year and reached 2,5 billion TL. The company's equity to assets ratio was 57%. Total backlog is 9,2 billion USD.

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

"The first half of 2021 was a period when the effects of the pandemic started to ease with the accelerated vaccination and the economic activity was noticeably active compared to the same period of the previous year. As ASELSAN, which continues its activities uninterruptedly as always, we continued to progress on the path of stable growth while maintaining our profitability."

In the first half of 2021, we achieved to receive new orders of 711 million USD

"We not only received orders to meet critical defense needs at home but also have accomplished important works abroad. While the number of countries we export to was 70 at the end of 2020, this number increased to 71 by the end of the first half. ASELSAN will continue to increase its contributions to the Turkish defense industry and transfer this experience to non-defense areas such as health, energy and financial technologies in the upcoming period."

ASELSAN Gears Up in Nationalization

"As ASELSAN; we work with great devotion to make the most of domestic and national opportunities in every field, including design, production and logistics support, to increase the competencies of our suppliers, and to contribute to the sustainability of our country's defense industry ecosystem. We know that nationalization efforts are of vital importance in this entire process. We see it as our duty to nationalize all critical components by our domestic companies in order to ensure the full independence of our country in the defense industry and to continue our support to our security forces without slowing down. In the last 3 years, we have managed to nationalize 400 products together with our business partners. By placing orders for these products worth 56 million USD, we ensured that the size of 145 million USD remains in our country, according to the projection for the next 3 years. We are proud of raising our domestic procurement rate, which was 38% in 2008, to over 70%.

We are constantly improving our ecosystem with over 4,000 suppliers. In the first half of 2021, we continued to nurture our supplier ecosystem with new orders and within this framework, we placed orders worth of 760 million USD. Nearly 70% of these orders were placed to our local companies. In the first half, we supported our suppliers financially by paying more than 7 billion TL. In addition, we continued to add new rings to ASELSAN's strong supplier ecosystem by means of the protocols we signed in 2021, the cooperation agreement we signed with KOSGEB, and the supplier event we held together with SAHA Istanbul."

Leading Civilian, Reliable Technology

“With the experience we have gained in engineering, technology, design and infrastructure in the defense industry since 1975, we continue to produce solutions in civilian areas, and most importantly, with our qualified human resources. After the "National Ventilator" project, which we developed under the leadership of our Ministry of Health during the pandemic period, we have entered a period where we will work with our municipalities on the electric bus project, which we developed with our business partners, 100% domestically, within the scope of the Industry Cooperation Project under the leadership of our Ministry of Industry and Technology. In addition, we are also putting our smart city traffic safety systems into operation. We anticipate that these projects, which we started for a metropolitan municipality in the first stage, will become widespread in the coming period. In this way, we have no doubt that it will make a serious contribution to the country's economy and Turkey will be a strong player in this field in global markets.”

We Continued To Be the World's 48th Largest Defense Company

“ASELSAN has maintained its sustainable success among the world defense industry giants (Defense News Top 100), to which it appeared in the 97th place in 2008, and continued to be in the 48th place this year. Prof. Dr. Haluk GÖRGÜN; “As we provide solutions for the strategic system needs of all institutions and organizations of our country, our achievements continue to be recognized worldwide. From the first day of the pandemic, we said, "ASELSAN will not stop, it cannot stop," and we did not take a break from our activities for a day. As ASELSAN, we have become the only Turkish company in the top 50 list by keeping our 48th place in the "Defense News Top 100" list organized by Defense News magazine.”

Sustainability Is Always In Our Focus

“As a company that focuses on continuous growth and looks up to the future with confidence, we are also aware of our environmental responsibilities. In addition to taking decisive steps to reduce our carbon burden, we keep our natural resource consumption to a minimum with the Zero Waste Practice. We were entitled to receive the "ISO 50001:2018 Energy Management System" certificate on the way we set out with the slogan "Livable Future, Future with Efficiency". We will continue to produce projects that will contribute to our environment, our country and future generations. I would like to take this opportunity to thank deeply our employees and all our stakeholders, especially our Presidency and Defense Industry Presidency.”

The Company with the Highest Brand Value

ASELSAN became the company that increased its brand value the most according to the "100 Most Valuable Turkish Brands" list prepared by Brand Finance. ASELSAN, which was in the 30th place last year, rose 11 steps to the 19th place in the list during the pandemic process where the value of many brands decreased. ASELSAN became the leader among the companies operating in the defense industry sector as the company that increased its brand value the most with 66 percent. ASELSAN, which received an AA rating in the brand evaluation last year, has increased its rating to AA+ this year.



2021 1st Half Year Financial Highlights

(Million TL)

Balance Sheet Items	June'21	Dec'20	Δ%	Balance Sheet Items	June'21	Dec'20	Δ%
Current Assets	19.278	19.594	-2	Liabilities	15.418	15.996	-4
Non-Current Assets	16.426	14.500	13	Equity	20.287	18.098	12
Total Assets	35.704	34.094	5	Liabilities & Equity	35.704	34.094	5

(Million TL)

Income Statement Items	June'21	June'20	Δ%
Revenue	6.975	5.231	33
Gross Profit	2.576	1.555	66
<i>Gross Profit Margin</i>	<i>36,9%</i>	<i>29,7%</i>	-
Operating Profit (EBIT)	1.706	1.138	50
<i>Operating Profit Margin (EBIT)</i>	<i>24,5%</i>	<i>21,8%</i>	-
EBITDA	1.901	1.274	49
<i>EBITDA Margin</i>	<i>27,3%</i>	<i>24,4%</i>	-
Net Profit	2.534	1.848	37
<i>Net Profit Margin</i>	<i>36,3%</i>	<i>35,3%</i>	-

- ✓ Revenues are 6.975 million TL and increased by 33% compared to the same period of the previous year.
- ✓ The newly signed contracts reached 711 million USD and the backlog is 9,2 billion USD.
- ✓ Total assets increased by 5% compared to the year-end and reached 35.704 Million TL.
- ✓ EBITDA is 1.901 Million TL and increased by 49% compared to the same period of the previous year.
- ✓ Gross profit margin was 36,9% and increased by 720 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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