

aselsan

2020

Earnings Release

February 23, 2021

ASELSAN REACHED THE HIGHEST REVENUE AND PROFITABILITY OF ALL TIME

2020 year-end financial results of ASELSAN have been announced. The company's revenues grew by 24% in 2020 compared to the previous year and exceeded 16 Billion TL. The net profit of the company reached 4.5 Billion TL with an increase of 33% compared to the previous year. ASELSAN, which increased its receivable collections significantly with the revenues from exports, completed the year with a strong cash position.

ASELSAN, the world's 48th largest defense company with its sales and production network spanning over 12 countries in 3 continents, completed 2020 with record results. The company's consolidated net sales increased by 24% compared to the previous year and exceeded 16 Billion TL. The company's Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA) increased by 38% to its all time high of 4 Billion TL. The EBITDA margin exceeded expectations and reached its highest level in the history of the company with 24.4%.

1 Billion Dollar Export Backlog Threshold is Exceeded

ASELSAN's acceleration in exports continued 2020, when the mobility between countries stopped completely due to the pandemic. In 2020, the company signed contracts with 6 new countries for a total amount of 446 Million Dollars and contributed to the export volume of our country. With the contribution of new orders received from abroad, export backlog reached its historical peak by exceeding the 1 Billion Dollar threshold. Total backlog is 9.5 Billion Dollars.

ASELSAN Did Not Stop During The Pandemic!

ASELSAN Chairman, President and CEO Prof. Dr. Haluk GÖRGÜN said the following in his evaluation of the 2020 year-end financial results:

"Being aware of the responsibility we bear for our country, in 2020, when the negative effects of the pandemic are felt in every field, our motto was "ASELSAN does not stop, cannot stop! " and we did not stop our activities for a single day. We have implemented a very effective decision mechanism within ASELSAN since the first effects of the pandemic began to appear. While observing the needs and expectations of our government on the one hand, we also tried to take all kinds of precautions for the health of our employees. In 2020, ASELSAN continued its activities in the field of technology and R&D by making R&D expenditures of 3.3 Billion TL. We mobilized all our financial and operational resources to ensure that more than 4 thousand suppliers, who provide products and services to ASELSAN, are not adversely affected by the pandemic. Our high revenue and profitability figures by the end of 2020 are the result of these management strategies that we have implemented with the awareness of being a family.

We Achieved Development With Our Values

The new conditions brought by the pandemic have completely reshaped the ways of doing business around the world that have been accustomed to for decades. The fact that this change took place at an unaccustomed speed negatively affected companies that were unprepared in terms of infrastructure and human resources. ASELSAN has been a change leading company for many years and invested in qualified human resources, which it sees as its most valuable asset. Our human assets of ASELSAN came together around our company values consisting of Unity, Excellence, Development, Innovation and Trust and formed the driving force of our development in the challenging conditions of 2020. With approximately 1.500 employees, who joined our ASELSAN family in 2020, we further strengthened this ring of values and completed the year with the highest employment rate of all time.

ASELSAN Is Growing Rapidly Globally

As ASELSAN, we continue to rapidly expand our global activity with our sales and production network spanning over 12 countries in 3 continents. We are pleased to start gaining from our global leadership vision that we initiated 2 years ago. 2020 has been a very productive year in which the highest export receivable collection was made, the most export orders were received and the number of export countries was increased to 70. As part of our strategy to resolve our processes with our overseas customers in the country where they are located, in a timely and effective manner, we established companies, opened offices and branches in 3 countries last year. With these breakthroughs, our total number of offices and branches at home and abroad reached 28.

Cash Management Approach Covering the Whole Ecosystem Was Adopted

Prof. Dr. Haluk GÖRGÜN stated that in 2020 they worked with an understanding that prioritized the financial needs of not only ASELSAN and its affiliates, but also more than 4 thousand suppliers. Prof. Dr. GÖRGÜN said that they had reduced the liquidity pressure caused by the pandemic in the ecosystem by paying out more than 12 Billion TL to their business partners last year. The share of local companies in ASELSAN's total procurement increased to 73% in 2020. 9 out of every 10 orders placed were forwarded to SMEs. While ASELSAN completed the year with a record level of cash collection, the company closed the year with a net cash position thanks to the successful working capital management throughout the year. The Company's cash level by the year end stood at 4 Billion TL.

Our Country's Goals Are Our Goals

ASELSAN Chairman, President and CEO Prof. Dr. Haluk GÖRGÜN concluded his statements with the following words. "From defense electronics to health, from communication systems to financial Technologies, from energy and transportation systems to space technologies; we proudly observe the benefits of our products and services for our nation in every field we operate. In a period when pandemic conditions were getting worse, our ventilators, offered to the usage of our nationis one of these products. ASELSAN, together with the members of the consortium it cooperates with, produced more than 20,000 ventilators in a very short time and provided a very important support to our health community in the fight against Covid-19. Our ventilators were made available to our friend and brother countries under the coordination of Turkish Government.

As ASELSAN, our goal is to reduce our country's dependence on imports by producing high-standard technological products and services in all areas we operate. With its experience of more than 45 years, high engineering skills and financial strength, ASELSAN is able to achieve these goals. We will continue to work diligently to carry ASELSAN, which is of crucial importance to Turkish nation and entrusted to us, beyond these successful results. I would like to thank all of our stakeholders, especially our employees, for their trust in us and for always being with us, and I hope that our success will continue to increase. "



2020 Financial Highlights

(Million TL)

Balance Sheet Items	Dec'20	Dec'19	Δ%	Balance Sheet Items	Dec'20	Dec'19	Δ%
Current Assets	19.594	13.976	40	Liabilities	15.996	12.064	33
Non-Current Assets	14.500	11.657	24	Equity	18.098	13.569	33
Total Assets	34.094	25.633	33	Liabilities & Equity	34.094	25.633	33

(Million TL)

Income Statement Items	Dec'20	Dec'19	Δ%
Revenue	16.104	13.013	24
Gross Profit	4.605	3.372	37
<i>Gross Profit Margin</i>	28,6%	25,9%	-
Operating Profit (EBIT)	3.642	2.613	39
<i>Operating Profit Margin (EBIT)</i>	22,6%	20,1%	-
EBITDA	3.927	2.854	38
<i>EBITDA Margin</i>	24,4%	21,9%	-
Net Profit	4.461	3.353	33
<i>Net Profit Margin</i>	27,7%	25,8%	-

- ✓ Revenues are 16.104 Million TL and increased by 24% compared to the same period of the previous year.
- ✓ The newly signed contracts reached 1.279 Million USD and the backlog is 9.5 Billion USD.
- ✓ Total assets increased by 33% compared to the year-end and reached 34.094 Million TL.
- ✓ EBITDA is 3.927 Million TL and increased by 38% compared to the same period of the previous year.
- ✓ Gross profit margin was 28,6% and increased 270 bp compared to the same period of the previous year.
- ✓ Return on Assets (ROA) is 15% (December 2019: 15%).
- ✓ Revenue per employee is 296 Thousand USD.

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>

CONTACT

Address

ASELSAN Elektronik Sanayi ve Ticaret A.Ş.
Mehmet Akif Ersoy Mah. 296. Cad. No:16
06200 Yenimahalle, Ankara
Phone: +90 850 828 1 828

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.