

aselsan

2024 3rd Quarter
Earnings Release

October 15, 2024

ASELSAN REFLECTS ITS TECHNOLOGICAL SUPERIORITY ON ITS SUSTAINABLE GROWTH

ASELSAN announced its financial results for the first nine months of 2024 with inflation accounting applied. According to the statement made to the Public Disclosure Platform (KAP), the turnover of ASELSAN in the third quarter of 2024 reached 60,7 billion TL growing by 14% in real terms compared to the same period of the previous year.

ASELSAN's EBITDA margin was at 24%, while its net profit margin increased from 8% to 10% compared to the same period of the previous year.

Key Highlights in Sustainable Growth (First 9-Month Actuals of 2024):

- **New Contracts:** 3,2 Billion USD
- **Backlog:** 12,6 Billion USD
- **Revenue:** 60,7 Billion TL
- **Revenue Growth:** + 14%
- **EBITDA Margin:** 24%
- **Net Income Margin:** 10%
- **Book-to-Bill Ratio:** 1,5

Export is The First Priority in Our Agenda

ASELSAN's CEO Ahmet Akyol made significant statements while evaluating the successful nine-month financial results:

“As ASELSAN, we are pretty glad that the high performance we have demonstrated recently has been reflected in our financial results in the first three quarters of the year. As our financial results also reveal, we are growing consistently. Our revenues are increasing. We transfer these increasing revenues to critical projects for the future of ASELSAN and Türkiye. We are implementing new investments that will strengthen our R&D and mass production infrastructures to make this growth sustainable. We have determined exports as the first item of our agenda. We have increased the number of countries we operate in abroad to 20, with the new offices we have opened recently. The export contracts we signed in the first nine months of this year increased by 52% compared to the same period last year. These developments are among the first solid outputs of our export-oriented growth strategy that we have put forward with the aselsaneXt vision. To give some examples about our export activities from the recent period:

We have fulfilled the first export of ASEFLIR-500 which is the world's best camera in its field to Azerbaijan. We are also offering TOLUN Munition to our sister country Azerbaijan. We have also signed contracts with our customers in the Asia-Pacific region covering payloads consisting of Remote-Controlled Stabilized Weapon System, Radar, Inertial Navigation, Identification Friend or Foe Systems and Electronic Warfare Suite.

From Deep Ocean to Space

Recently, we have witnessed significant developments regarding many of our products. The first submarine of the New Type Submarine Project, PİRİREİS, was brought to the Blue Homeland. With PİRİREİS, we have taken our competence in military communication systems to the next level. For the first time, we have supplied a communication solution for a submarine platform. ASELSAN also provided the communication systems for TÜRKSAT 6A. As we would like to underline, ASELSAN continue to supply technology to every platform developed by our country from deep ocean to space.

The Technologies of ASELSAN Prove Themselves in the Field

AKINCI TİHA hit the target with full accuracy in the firing test conducted with the Guided Munition TOLUN IIR with infrared seeker developed by ASELSAN. ASEFLIR-500 was used in the successful first firing test of ANKA-III developed by TUSAŞ. The firing test of our Long-Range Air Defense System SİPER Product-2 System also made us proud. We also completed the first long range firing of the Air Defense Missile System HİSAR-O. We introduced ASELSAN ZMA-X for the first time at TEKNOFEST Adana which we have modernized by equipping it with indigenous sensors has remote control and autonomous driving capabilities that will protect our soldiers in the most difficult war conditions. In addition, our Unmanned Ground Vehicle ASLAN became the first vehicle in the middle class to enter the inventory of our security forces. We have added new capabilities to the MARLIN family, which is the first Unmanned Marine Vehicle to enter the inventory of our Naval Forces. We have successfully achieved the ballistic firing test of the KUZGUN Cruise Missile made from MARLIN. After MARLIN SİDA, our ALBATROS İDA also entered the inventory of our Naval Forces.

Intense Interest in ASELSAN from Engineers Abroad

Achievements of ASELSAN also draw the attention of our country's youth. We realize that our engineers living abroad intensely would like to return to ASELSAN. The number of applications to ASELSAN made in the first nine months of the year reached three times the number of applications made in the whole of last year. We believe that this is a concrete indicator of the trust in ASELSAN and its future. With the most talented engineers in Türkiye, we will produce the best-in class products, develop game-changing technologies and grow by expanding our global reach. With our aselsaNNext transformation program that we implemented this year, we will make ASELSAN one of the 30th largest defense companies in the world by the end of 2030.”

Solid Growth and Financial Results

Proceeding its solid growth, ASELSAN's first nine-month revenue reached 60,7 billion TL growing by 14% in real terms compared to the same period of the previous year. In the first nine month of 2024; it achieved significant progress in projects related to Guidance and Avionics Systems, Air Defense Systems, Naval Systems, Communication Systems, Radar and Electronic Warfare Systems, Modernization activities and Urban Security Systems. The company's gross profit increased by 26% compared to the same period last year. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) increased by 13% compared to the same period in 2023, reaching 14,4 billion TL. EBITDA margin was realized as 24%.

ASELSAN maintained its strong equity structure. Total equity increased by 4% compared to the end of 2023. Equity to assets ratio was 59%. ASELSAN, which improved its revenue, gross profit, EBITDA, equity, backlog and many other financial indicators, achieved the third quarter of 2024 with successful results. ASELSAN, which grows by expanding its global reach, produces the best-in class products, develops game-changing technologies, confirms its guidance in its investor presentation.

New Contracts

Maintaining its momentum in signing new contracts, ASELSAN signed contracts a total worth of 3,2 billion USD in the first nine months of 2024. Therefore, the backlog of ASELSAN which was 11 billion USD at the end of 2023, increased by 15% and reached to 12,6 billion USD. In the first nine months of 2024, ASELSAN received 17 large orders that each is worth over 50 million USD with a total worth of 2,4 billion USD. The export contracts we signed in the first nine months of this year increased by 52% compared to the same period last year.

• Significant Orders in the First Quarter of 2024:

- The Contract for the export of Intelligent Transportation Systems signed with an international customer.
- The Contract for the export of guidance kits and airborne electro-optical system to international end users.
- The Contract signed with TCDD Transportation On-Board Signaling equipment procurement contract signed with TCDD Transportation.
- The Contract signed with Ministry of National Defense of the Republic of Türkiye Smart Ammunition Supply contract for the Turkish Armed Forces.
- The procurement contract for the Close-In Weapon Systems signed with the Presidency of The Republic of Türkiye Secretariat of Defence Industries.

• Significant Orders in the Second Quarter of 2024:

- The Contract for the export of Defense Systems including Electronic Warfare, Radar, Sonar Systems and Guidance Kits signed with for end use by customers located in Asia and the Middle East.
- The contract regarding the satellite payloads signed with TAI - Turkish Aerospace Industries Inc.
- The Contract for MİLGEM 9-12 Ships Combat Systems and Payloads.
- The Contract for City Security Systems signed with the Presidency of The Republic of Türkiye Secretariat of Defence Industries.

• Significant Orders in the Third Quarter of 2024:

- The contract signed with customers in the Asia-Pacific region for the sale of payloads consisting of Remote-Controlled Weapon System for land platforms and Remote-Controlled Weapon System for Naval Platforms, Radar, Inertial Navigation, Friend or Foe Recognition Systems and Electronic Warfare Suite.
- The Contract for the export Air Defense Systems signed with end use of an international customer.
- The Contract for the export of Systems containing payloads to Naval Platforms signed with end use by an international customer.
- The Contract for Electronic Warfare Systems signed with the Presidency of The Republic of Türkiye Secretariat of Defence Industries.
- The Contract for the supply of Air Defense Missile Subsystems signed with ROKETSAN.

2024 3rd Quarter Financial Highlights

(Million TL)

Income Statement Items	September'24	September'23	Δ%
Revenue	60.716	53.063	14
Gross Profit	18.771	14.850	26
<i>Gross Profit Margin</i>	<i>%31</i>	<i>%28</i>	▲
Operating Profit (EBIT)	12.152	9.638	26
<i>Operating Profit Margin (EBIT)</i>	<i>%20</i>	<i>%18</i>	▲
EBITDA	14.396	12.714	13
<i>EBITDA Margin</i>	<i>%24</i>	<i>%24</i>	▬
Net income	6.075	4.357	39
<i>Net Profit Margin</i>	<i>%10</i>	<i>%8</i>	▲

(Million TL)

Balance Sheet Items	September'24	December'23	Δ%
Current Assets	92.709	99.020	-6
Non-Current Assets	119.600	105.555	13
Total Assets	212.309	204.576	4
Liabilities	86.955	84.502	3
Equity	125.354	120.074	4
Liabilities & Equity	212.309	204.576	4

(Billion USD)

Financial Highlights	September'24	September'23	Δ%
New Contracts	3,2	4	-20
Backlog	12,6	10,8	17

Ratios	September'24	September'23
Current Ratio	1,52	1,48
Asset Turnover Ratio	0,90	0,90
Total Equity/Total Assets	0,59	1
Fixed Assets/Total Assets	0,56	0,51
Return on Equity	0,10	0,09
Return on Assets	0,06	0,05
Revenue per Employee (Million TL)	8,80	8,73
Number of Employees (Average)	12.226	11.454

2024 Guidance

	w/o IAS 29 (Nominal)	w/ IAS 29 (Real)
Increase in Revenues (TL)	> 70	> 10
EBITDA Margin	> 26	> 22
CAPEX	12 Billion TL	14 Billion TL

ASELSAN financial reports can be accessed through the link:
<https://www.aselsan.com/en/investor-relations/financial-reports>

ASELSAN investor presentations can be accessed through the link:
<https://www.aselsan.com/en/investor-relations/investor-presentations>

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FORWARD LOOKING STATEMENTS

With the Capital Markets Board of Türkiye Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies provisions.

Accordingly, this presentation on 2023 year-end financial results contain the Company's audited financial information prepared according to Turkish Accounting / Financial Reporting Standards by application of IAS 29 Financial Reporting in Hyperinflationary Economies provisions, in accordance with CMB's decision dated 28.12.2023. In addition to these, given that the guidance information and the 2023 interim financial results announced so far were presented without the application of inflation accounting, in order to enable investors and analysts to conduct a full-fledged analysis, supplementary historical information for selected key performance indicators used in prior periods' investor presentations were provided. Such supplementary information is made available only for this period, and contains unaudited financial information prepared for management reporting purposes.

This presentation does contain forward-looking statements and figures that reflect the Company management's current views with respect to certain future events based on the base-case assumptions. Although it is believed that the expectations reflected in these statements are reasonable under current conditions, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ. Neither ASELSAN nor any of its directors, managers, or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.