

Alarko Holding A.Ş. (“ALARK”)

Alarko Holding A.Ş. (BIST: ALARK), one of the most respected conglomerates of the Turkish economy with its leading brands, extensive knowledge and experience in various fields, today announces its financial results for the first quarter of 2023.

Comments from the CEO of Alarko Holding

Umit Nuri Yildiz, CEO of Alarko Holding, commented:

“After making a very strong start to the year, we delivered another solid set of results and created value for our investors as well as for all of our stakeholders in the first quarter of 2023. We continued to deliver successful results thanks to diversified business segments, prudent financial policy, conservative risk policy and digitally-enabled strategy. In this period, our consolidated net profit exceeded over 1,8 bn TL, significantly higher than 1 bn TL realized in the first quarter of 2022.

The financial results that we have achieved in the end of first quarter of 2023 validates Alarko Holding’s management capability and capacity to perform successfully in all segments thanks to our dynamic and effective management system even if the macro environment is challenging.

Even tough ongoing global inflation has a limiting impact on overall business, corporate actions including cautious and successful positioning, cost management, effective sales planning and hedging activities across our group of companies enabled us to achieve positive results in line with our expectations. Our combined EBITDA expanded by 36% and reached 4,2 bn TL in this quarter over the same quarter in 2022.

We remain cautious for the rest of the year based on the uncertainties lying ahead, considering the developments on macroeconomics and the uncertainties in commodity prices. Yet, I am certain in reaching our goals for 2023, thanks to our execution capabilities, and limitless efforts of our employees”.

Summary Financials*

(TL mn)	Q1 2023	Q1 2022	Change	12M2022	12M2021	Change
Revenue	15,570	10,713	45%	73,823	25,672	188%
EBITDA	4,172	3,066	36%	23,501	4,643	406%
EBITDA Margin	27%	29%		32%	18%	
Net Profit	12,675	2,394	429%	24,944	3,731	569%

* The figures represent the combined figures and before eliminations, while EBITDA as per company calculation

Financial Highlights – Combined*

- Sales revenue elevated to TL 15,6 bn, up by 45% in Q1 2023 over Q1 2022
- In Q1 2023, EBITDA came in at TL 4,2 bn, indicating an EBITDA margin of 27%
- Combined net profit came in at TL 12,7 bn in Q1 2023
- In Q1 2023, solo (holding only) net cash stands at TL 1,6 bn, whereas combined net debt stands at around TL 6,5 bn

*Figures in this report represent the combined figures before eliminations, assuming full ownership in JV’s and partnerships

Combined revenue increased by 45% and reached TL 15,6 bn in Q1 2023 over Q1 2022, on the back of strong performance across all the business segments. In particular, strong performance both in power generation along with the power distribution & retail segment were the main reasons behind the improvement at the top line.

The elevated revenue mainly stemmed from YoY growth in tariffs at power distribution and retail segment. In addition, jump in revenue at the power generation segment thanks to higher prices assisted the growth at the top line.

Combined EBITDA was realized at TL 4,172 mn in Q1 2023, whereas EBITDA Margin parked at 26.8%.

The significant improvement at the EBITDA compared to last year is mainly attributable to improvement at the power distribution & retail segment thanks to rise in financial income.

Combined net profit was recorded as TL 12,675 mn in Q1 2023 versus a net profit of TL 2,394 mn in Q1 2022.

The share of energy in total combined revenue reached 83% in Q1 2023. Energy segments contribution in combined EBITDA reached 96% in Q1 2023.

Total electricity generated by Alarko Holding in Q1 2023 was down by 19% compared to Q1 2022, mainly due to limited production at all facilities except our solar power plant.

In the meantime, total power produced in the market in Q1 2023 demonstrated a contraction of 5,8% over Q1 2022.

Our thermal plant Cenal generated 2.346.986 MWh, indicating a contraction of 17% in Q1 2023. The lower in production in Q1 2023 is resulted from the regular maintenance took place in one of the two existing units throughout the end of the period.

Due to lack of rainfall and drought in the region, power generation was limited at Karakuz HES in Q1 2023.

Revenue from electricity generation was up by 59% in Q1 2023. Average electricity price was realized at 2.786 TL and 148 USD per MWh in Q1 2023, representing an increase of 96% and 46% over comparable period, respectively.

Revenue from electricity distribution & retail grew by 26% in Q1 2023. The growth at the top line was due to higher electricity tariffs.

Revenue from energy business elevated by 42% in Q1 2023 over the comparable period in 2022.

EBITDA from energy generation business was realized at TL 2,2 bn in the first quarter of 2023, implying a decrease of 5% over Q1 2022. Lower EBITDA is mainly attributable to lower power production at our thermal plant due to maintenance and lower production Karakuz HES due to limited capacity.

Electricity distribution & retail business's EBITDA came in at TL 1,804 mn in Q1 2023, up by 221% over comparable period thanks to rise in financial income.

Energy segment's EBITDA was up by 38% and reached TL 4,0 bn in Q1 2023.

Revenue from construction business expanded by 35% and came in at TL 1.581 mn in Q1 2023 over comparable period. As of end of March 31st 2023, backlog stands at US\$ 324 mn, where international projects account for 89% of the total backlog.

EBITDA from construction business realized at TL 28 mn in Q1 2023, versus TL 5 mn in Q1 2022.

Net loss was realized at TL 40 mn in Q1 2023 over a loss of TL 15 mn in Q1 2022.

Revenue from land development business reached TL 27 mn in Q1 2023.

EBITDA generated from land development business was TL 50 mn in Q1 2023, versus TL 90 mn in Q1 2022.

Net profit realized at TL 49 mn in Q1 2023.

Revenue from industrial segment was TL 1.063 mn in Q1 2023, improving 126% over Q1 2022.

EBITDA generated from industrial segment was TL 138 mn in Q1 2023, representing a rise of 52% over Q1 2022.

Net profit came in at TL 75 mn in Q1 2023 versus TL 88 mn in Q1 2022.

Revenue from tourism business reached TL 11 mn in Q1 2023.

EBITDA generated from tourism business was TL -35 mn in Q1 2023, whereas TL -22 mn was recorded as EBITDA in Q1 2022.

Net loss realized at TL 73 mn in Q1 2023 versus a loss of TL 93 mn in Q1 2022.

Combined & Consolidated P&L

Combined (TL mn)	Q1 2023	Q1 2022	Change	12M2022	12M2021	Change
Revenue	15.570	10.713	45%	73.823	25.672	188%
EBITDA	4.172	3.066	36%	23.501	4.643	406%
EBITDA Margin	27%	29%		32%	18%	
Net Profit	12.675	2.394	429%	24.944	3.731	569%

Consolidated (TL mn)	Q1 2023	Q1 2022	Change	12M2022	12M2021	Change
Revenue	1.391	980	42%	7.123	2.017	253%
EBITDA	234	274	-15%	1.122	505	122%
EBITDA Margin	17%	28%		16%	25%	
Net Profit	1.835	1.031	78%	11.441	1.274	798%

Consolidated B&S

mn TL	2016	2017	2018	2019	2020	2021	2022	1Q23	Change 1Q23/FY22
Current Assets	1.172	1.216	1.567	1.491	1.665	2.434	8.596	7.797	-9%
Cash and Cash Equivalents	430	348	438	346	375	840	5.089	1.193	-77%
Financial Investments	354	423	567	564	737	485	721	4.137	474%
Trade Receivables	65	129	162	317	297	535	1.626	854	-47%
Inventory	135	156	228	107	113	279	586	704	20%
Other	188	160	172	156	142	295	575	908	58%
Non-Current Assets	1.257	1.478	1.445	1.706	2.428	4.698	16.077	18.075	12%
Investments Evaluated by Equity Pick-Up Method	425	647	423	604	1.188	2.471	11.740	13.139	12%
Investment Real Estate Properties	214	276	379	423	472	727	1.570	1.552	-1%
Tangible Assets	518	471	410	352	365	892	956	1.236	29%
Other	100	84	234	327	403	608	1.811	2.148	19%
Total Assets	2.429	2.694	3.012	3.197	4.093	7.132	24.673	25.872	5%
Current Liabilities	477	640	872	667	750	2.126	7.470	6.890	-8%
Short Term Borrowings	147	165	77	45	6	104	1.513	1.658	10%
Short Term Portions of Long Term Borrowings	77	74	91	103	94	61	41	12	-71%
Trade Payables	75	125	380	301	144	385	1.069	796	-25%
Payables from continuing Construction, Contracting and Service Contracts	109	240	245	121	160	833	804	249	-69%
Other	68	37	79	97	344	743	4.044	4.175	3%
Non-Current Liabilities	438	309	521	524	458	447	951	940	-1%
Long Terms Borrowings	188	122	207	196	100	52	141	139	-1%
Other Payables	37	30	60	84	95	173	287	298	4%
Deferred Tax	70	82	130	149	145	122	160	212	32%
Other	143	76	124	96	119	99	363	291	-20%
Shareholder's Equity	1.514	1.744	1.620	2.005	2.886	4.559	16.252	18.042	11%
Total Liabilities and Shareholder Equity	2.429	2.694	3.012	3.197	4.093	7.132	24.673	25.872	5%

WEBINAR

The company plans to host a webinar for all stakeholders and interested parties on Wednesday, May 10th, 2023 at 05:00 PM (TRT) / 2:00 PM (GMT) / 10:00 AM (EDT).

Relevant material will be available at the Investor Relations section of the Company's website at <https://www.alarko.com.tr/en/investor-relations/presentations-releases/webcast-presentation> on the same day.

There will be an online presentation with regards to Q1 2023 Results and a Q&A session will be available following the result presentation. Questions should be submitted via the platform and presenters will respond in order.

Webinar Link: Please visit [Webinar Link](#) and register 5 min ahead of the webinar.

ABOUT ALARKO HOLDING

Founded in 1954 as a limited partnership by İshak Alaton and Üzeyir Garih, Alarko was incorporated as a holding company in 1973 and went public in 1974. Today, the company is one of Turkey's leading industrial enterprises with a strong history of over 65 years and operations in 6 different fields of activity, 25 subsidiaries including an international joint venture, 7.500 employees and annual combined revenues of 74 billion TL as of end of 2022.

Alarko Holding is one of the most respected enterprises of the Turkish economy with its leading brands, extensive knowledge and experience in various fields, high-technology driven R&D investments, national sales network, international projects and ambition for global competition. Alarko Holding has become a symbol of trust and prestige with its corporate ethical values which have not been compromised since the very first day of its foundation, principle of superior quality in all products and services, and policy of investing in people.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

ENQUIRIES

For financial reports and further information regarding Alarko Holding, please visit our website at

<https://www.alarko.com.tr/en/investor-relations/overview> or you may contact:

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