

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 second quarter of 2024.

Comments from the CEO of Alarko Holding

Umit Nuri Yildiz, CEO of Alarko Holding, commented:

“We are pleased to share our consolidated financial results for the second half of 2024 with the public.

Despite the challenges of high inflation and difficult price/demand balances, Alarko Holding Group has managed to maintain strong performance. Although inflation accounting continues to affect our net profit, our solid balance sheet structure remains intact, ensuring ongoing financial stability.

In the second quarter of 2024, one of our subsidiaries in the energy sector, Altek Alarko, signed a joint venture agreement with Gotion Singapore PTE. Ltd., the Singapore affiliate of Gotion Group, one of the world’s leading lithium-ion battery producers. This agreement, which includes technology transfer to Turkey, marks a significant investment in electric storage systems and lithium-ion prismatic battery production in our country. This partnership holds strategic importance for Turkey in producing high-value-added products and increasing export revenues as part of the transition to a low-carbon economy.

Thanks to our dynamic and efficient management approach, we continue to transform our operations and grow our investments despite challenging conditions. As we celebrate Alarko Holding’s 70th anniversary, we are maintaining investments across a range of sectors, including tourism, energy, industry, and agriculture. While we expand our geothermal greenhouse farming activities using the latest in modern agriculture and sustainability practices within Turkey, we aim to strengthen our cooperation with Kazakhstan, aspiring to become one of the leading global agricultural investors.

On our journey of growth and transformation, we will continue to set ambitious goals in sustainability, technology, innovation, and organizational development. Creating lasting positive impacts across business, economy, people, and the planet while generating value in every aspect of life for our stakeholders will remain our top priority. I would like to express my sincere gratitude to all our business partners, customers, employees, and our Board of Directors, whose strong support we have always felt by our side”.

Summary Financials*

(TL mn)	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
Revenue	9.307	11.964	(22%)	17.118	24.289	(30%)
EBITDA	2.265	4.453	(49%)	4.220	8.665	(51%)
EBITDA Margin	24%	37%		25%	36%	
Net Profit	161	3.081		(1.221)	3.822	

* The figures represent the combined figures with considering Alarko's stake in JV's after eliminations, while EBITDA as per company calculation.

Financial Highlights – Combined*

- Sales revenue came in at TL 9 bn, down by 22% in Q2 2024 over Q2 2023
- In Q2 2024, EBITDA came in at TL 2,3 bn, indicating an EBITDA margin of 24%
- Combined net profit came in at TL 161 mn in Q2 2024
- In Q2 2024, solo (holding only) net cash stands at TL 2,3 bn, whereas combined net debt stands at TL 7,5 bn

* The figures represent the combined figures with considering Alarko's stake in JV's after eliminations

In the second quarter of 2024, our combined revenue reached 9.3 billion TL, marking a 22% decline compared to the same period last year. The primary reasons behind the lower revenue were decreased income from both the energy segment and construction activities.

The main reason for the revenue decrease in the energy production segment is the reduced output from both our thermal power plants and renewable assets compared to the previous period, as well as the implementation of TAS-29.

Our combined EBITDA for the second quarter of 2024 was 2.3 billion TL, with an EBITDA margin of 24%. However, combined net profit for the second quarter was recorded at 161 million TL, significantly lower than the indexed net profit of 3.1 billion TL recorded in the second quarter of 2023. This was due to monetary losses resulting from the application of inflation accounting and other factors shared above.

In the second quarter of 2024, the energy sector contributed 69% to the total combined revenue, a slight decrease from 70% in the second quarter of 2023.

Alarko Holding's total electricity generation in the second quarter of 2024 decreased by 12% compared to the same period last year. The most notable reason for this decline was reduced production at the Karabiga Imported Coal Plant due to maintenance. While major maintenance occurred on Unit 1 last year, this year it took place on Unit 2, impacting production during the second quarter. However, the total electricity produced in the first half of 2024 remained at the same level as in 2023.

In Turkey, total electricity generation increased by 4% in the second quarter of 2024 compared to the same period last year.

At the Cenal Thermal Power Plant, 1,450,579 MWh of electricity was produced in the second quarter of 2024, reflecting a 12% decline compared to the previous year. Karakuz Hydroelectric Power Plant (HES) generated 36,999 MWh of electricity in the second quarter of 2024, while Gönen HES produced 12,362 MWh by the end of the second quarter of 2024.

Revenue from electricity generation fell by 57% in the second quarter of 2024. The average electricity price during this period was 2,015 TL and 62 USD per megawatt, representing a 14% increase in TL terms but a 28% decrease in USD terms compared to the same period last year.

Revenue from the electricity distribution and retail business reached 5.2 billion TL in the second quarter of 2024, showing a 5% decline.

Overall, revenue from the energy business decreased by 23% in the second quarter of 2024 compared to the comparable period in 2023.

EBITDA from the electricity generation business in the second quarter of 2024 was 558 million TL, marking an 81% decrease from the same period last year.

The EBITDA from the electricity distribution and retail business was 1.3 billion TL in the second quarter of 2024.

Overall, the energy segment's EBITDA decreased by 48% in the second quarter of 2024, reaching 3.6 billion TL.

Revenue from the contracting business segment reached 1.6 billion TL in the second quarter of 2024, showing a 30% contraction compared to the same period last year.

EBITDA from the contracting business was 273 million TL in the second quarter of 2024.

A net profit of 16 million TL was recorded in the second quarter of 2024, compared to a loss of 590 million TL in the second quarter of 2023.

Revenue from the land development business reached 24 million TL in the second quarter of 2024.

EBITDA from the land development business was 10 million TL in the second quarter of 2024, compared to 415 million TL in the second quarter of 2023.

A net loss of 84 million TL was recorded in the second quarter of 2024.

Revenue from the Industry and Trade segment was 556 million TL in the second quarter of 2024, representing a 26% decline compared to the second quarter of 2023.

EBITDA from the Industry and Trade segment was 4 million TL in the second quarter of 2024, down from 90 million TL in the second quarter of 2023.

The net loss in the second quarter of 2024 was 57 million TL, compared to a loss of 43 million TL in the second quarter of 2023.

Revenue from the tourism business reached 516 million TL in the second quarter of 2024.

EBITDA from the tourism business was 155 million TL in the second quarter of 2024, compared to 160 million TL in the second quarter of 2023.

The net profit in the second quarter of 2024 was 103 million TL, compared to 238 million TL in the second quarter of 2023.

Revenue from the agricultural business reached 171 million TL in the second quarter of 2024.

EBITDA from the agricultural business was -39 million TL in the second quarter of 2024, compared to -7 million TL in the same period last year.

A net profit of 309 million TL was recorded in the second quarter of 2024, compared to a loss of 7 million TL in the same period last year.

Combined & Consolidated P&L *

Combined (TL mn) **	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
Revenue	9.307	11.964	(22%)	17.118	24.289	(30%)
EBITDA	2.265	4.453	(49%)	4.220	8.665	(51%)
EBITDA Margin	24%	37%		25%	36%	
Net Profit	161	3.081		(1.221)	3.822	

Consolidated (TL mn)	H1 2024	H1 2023	Change
Revenue	4.098	5.568	(26%)
EBITDA	696	2.920	(76%)
EBITDA Margin	17%	52%	
Net Profit	(1.221)	3.822	

* TAS – 29 Applied

** The figures represent the combined figures with considering Alarko's stake in JV's and after eliminations

Consolidated B&S *

mn TL	2023	2Q 2024	2Q24/FY23
Current Assets	19.590	18.283	-7%
Cash and Cash Equivalents	4.084	3.899	-5%
Financial Investments	8.049	6.101	-24%
Trade Receivables	3.653	4.323	18%
Inventory	1.377	1.610	17%
Other	2.427	2.349	-3%
Non-Current Assets	54.451	58.299	7%
Investments Evaluated by Equity Pick-Up Method	35.690	34.339	-4%
Investment Real Estate Properties	3.615	3.578	-1%
Tangible Assets	8.209	10.642	30%
Other	6.938	9.739	40%
Total Assets	74.041	76.581	3%
Current Liabilities	16.422	17.343	6%
Short Term Borrowings	6.184	6.987	13%
Short Term Portions of Long Term Borrowings	198	519	163%
Trade Payables	2.425	1.919	-21%
Payables from continuing Construction, Contracting and Service Contracts	972	655	-33%
Other	6.644	7.264	9%
Non-Current Liabilities	2.802	6.129	119%
Long Terms Borrowings	713	4.114	477%
Other Payables	731	699	-4%
Deferred Tax	571	660	16%
Other	787	656	-17%
Shareholder's Equity	54.818	53.110	-3%
Total Liabilities and Shareholder Equity	74.041	76.581	3%

* TAS – 29, all figures carried to current period

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 70 years and operations in 7 different fields of activity, 41 subsidiaries including an international joint venture, 7.500 employees and annual combined revenues of 42 billion TL as of end of 2023.

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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