

DESA

DESA's revenue reached TL 1.95 billion in 2023

DESA, a sector leader with 52 years of experience in manufacturing, exports, and retail, has announced its financial figures for 2023. Prioritizing not only revenue growth but also efficiency, DESA continued to create value for its investors throughout the year by improving its profitability day by day. In this direction, DESA achieved significant growth by increasing its 2023 revenue by 43.6 percent to TL 1.95 billion.

DESA, Turkey's leading leather and leather products manufacturer, maintained its stable growth performance by preserving its profitability in 2023 with its strong financial structure. The company's financial results for this period showed a remarkable increase compared to the same period in 2022. DESA achieved significant growth at the end of the year by increasing its revenue from TL 1.3 billion in 2022 to TL 1.95 billion in 2023, marking a 43.6 percent increase.

DESA increased its EBITDA margin from 28.70 percent in 2022 to 32.85 percent in 2023. Thus, the company's net profit, which was TL 287 million before inflation adjustment in 2022, reached TL 635 million before inflation adjustment in 2023.

In 2023, when access to credit was limited and borrowing costs showed rapid increases, DESA increased its trading volume and market value while maintaining its strong financial stance, and increased its net cash position from TL 554.3 million in 2022 to TL 860.4 million in 2023.

DESA, which single-handedly accounts for 65 percent of Turkey's leather goods exports to Italy, achieved exports worth \$27.8 million in 2023, increasing its exports by 8 percent. With this performance, DESA continued its tradition of value-added exports and generating a 'current account surplus,' achieving a significant industry record with an export-to-import coverage ratio of 2.04.

*Highlighting their increased investments with their unique vertically integrated business model and noting that 2023 was specifically designated as an "investment year" for the company, **DESA CEO Burak Çelet** said, 'During this period, we strengthened the company's multi-channel and multi-market business model and made significant progress in consistently maintaining our operations as an internationally prestigious brand. We particularly focused on strengthening our investments in Italy and consolidating our position in global markets. In this context, we completed and commissioned Turkey's first production investment in Italy's fashion and leather industry in May. As a production partner for both our own brand and major global brands, we have produced over 10,000 luxury bags to date at our R&D and production facility in Tuscany.'*

*Speaking about the Italian facility's full capacity impact being fully reflected in the 2024 balance sheet, **Çelet** stated, 'At our Italian facility, where craftsmanship is blended with an industrial production perspective, we will increase our workforce from 55 at the end of 2023 to 100 people in 2024 and further deepen our relationships with global brands.'*

*Addressing their sustainability efforts where they have taken significant steps and continue their investments without interruption, **Çelet** added, 'Similar to the Solar Power Plant*

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Project we implemented at our Düzce facility in 2022, we completed another one at our Çorlu facility in 2023. Our 3,200 m² Solar Power Plant project, which we completed investment in during the year, was commissioned in early 2024. ”

About Desa

Established in 1972, DESA has achieved tremendous success as the leading producer of leather and leather products in Turkey. With its unique business model which is entirely vertically integrated, DESA is the leading exporter of leather products to Italy, accounting for 70% of Turkey's leather product exports to the country. Managing retail operations with 115 stores nationwide, DESA produces and sells both wholesale and retail leather clothing for both men and women, leather bags and leather accessories. The brand also operates e-commerce through desa.com.tr and 1972desa.com, and delivers DESA-branded products to European consumers in 5 countries through the Zalando platform. Serving international customers with its refined elegance under the brand 1972 DESA, the brand brings its leather clothing products to customers in more than 100 international sales points. As a publicly traded company listed on the Borsa Istanbul since May 2004, DESA operates with a leather production facility in Çorlu, Tekirdağ and two factories in Düzce and Sefaköy, Istanbul. The R&D and production facility in Italy which DESA started investing in 2022, recently entered operation.

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