

DESA maintained its strong financial structure with a net profit of 285 million TL in the first 9 months of 2024.

DESA, one of Turkey's leading leather brands with over half a century of experience in manufacturing, exports, and retail, has announced its third quarter financial results for 2024. Combining consistent growth in revenues with operational efficiency, DESA continued to create long-term value for its investors with robust EBITDA margins.

DESA, Turkey's leading leather and leather goods manufacturer and retailer, demonstrated successful performance in the third quarter of 2024 by maintaining its profitability with its strong financial structure. DESA continued to create value for its investors by increasing its net profit margin compared to the same period last year and recording a steady rise in EBITDA margin.

Financial Stability and Consistent Profitability

In the first nine months of 2024, DESA's total revenue reached TL 2,074.20 million. While net profit was TL 207 million in the first half of the year, it increased to TL 285.2 million in the nine-month period, with an EBITDA margin of 32.1 percent. The company's net cash position maintained its strong trajectory, reaching TL 1,140 million. These results, supporting DESA's sustainable financial structure, continue to provide strong confidence to investors.

DESA CEO Burak Çelet made the following statement regarding the financial results: "As DESA, we maintain a strong presence in both domestic and international markets with our innovative business model. With our new facility in Italy reaching full capacity, we aim to offer our high value-added products to an even wider customer base in global markets. We will continue to play a leading role in our sector through our investments in sustainable growth and international partnerships."

Facility Investment in Italy and Rise in Global Market

The R&D and production facility that commenced operations in Tuscany, Italy in 2023 has become a crucial element of DESA's international market growth strategy. This facility strengthens DESA's value-added exports by manufacturing for luxury segment brands worldwide. DESA has achieved a significant position by single-handedly accounting for 65 percent of Turkey's leather goods and products exports to Italy. Speaking about the Italian investment, Burak Çelet stated, "This new facility, which combines craftsmanship with industrial production, is an important step towards strengthening DESA's global brand perception. We expect to see the balance sheet impact in 2025 as our Italian facility reaches full capacity in the coming days."

Sustainability and Social Responsibility Projects

DESA demonstrates an exemplary approach in the industry with its pioneering work in environmental sustainability. Solar energy projects implemented at Düzce and Çorlu facilities to increase energy efficiency stand out as part of steps to reduce carbon footprint. DESA also materializes its respect for the environment with the "A Green Legacy for the Future" forestation project. The project aims to plant a total of 50,000 saplings by the end of 2024.

In terms of social responsibility, DESA makes a difference in the sector with its projects that increase women's employment. The company, where 50 percent of employees are women, plans to have 90 percent women in its workforce as it aims to increase the number of employees to 100 by the end of the year at its facility in Italy. Through the "Celentano Artisans" project in Turkey, DESA continues to contribute to society by providing flexible working opportunities and economic independence to more than 100 women.

Export and Global Growth Strategy

DESA holds a significant position in Turkey's leather and leather goods sector in the global market. With its new production facility in Europe, it continues to increase its exports with value-added products by manufacturing specially for luxury segment brands worldwide. With this investment, it aims to increase the recognition of the Turkish leather industry in Europe and further strengthen its global brand perception.

DESA CEO Burak Çelet made the following statement regarding the company's future goals: "As DESA, we are further strengthening our competitiveness in global markets by increasing our high-quality and value-added production capacity. We will continue to enhance our international brand value with our sustainability projects and new investments. We aim to increase our global market share by expanding our collaboration with world-renowned brands and leveraging the production power provided by our facility in Italy."

In this context, DESA continues to grow by integrating not only financial success but also social and environmental responsibilities into its business model through its environmentally conscious production and community-focused projects. This vision stands out among the factors that strengthen DESA's leading position in the sector.

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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