



Tadiran Group

Company Presentation, November 2024



TADIRAN

Forward-looking information

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The facts and data that served as a basis for the information detailed in this presentation are based on information as known to the company at the time of preparation of this presentation, including data published by entities external to the company, the content of which has not been independently checked by the company and therefore the company is not responsible for their correctness, and they do not constitute company presentations.

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estimates and information regarding future events. The forward-looking information refers only to the date to which it refers and is uncertain, cannot be estimated in advance, is affected by factors that are not within the control of the company, each of which or a combination of them, as well as the realization of which risk factors that characterize the company's activity, may materially harm the results of the company's activity and cause the actual results to be materially different from the forward-looking information.

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company's business in particular and trends in the market in which the company operates in general, as well as the company's management's assessments regarding the potential and trends in the market in Israel and the international markets as of this date. These estimates may not materialize and/or materialize in a materially different manner from the company's estimates, among other things, as a result of factors external to the company and which are beyond the company's control, including, among other things, changes in the economic situation in the Israeli economy in general and in the market in which the company operates in particular, the development of new trends and/or Different from those that the company's management estimates as of this date, regulatory changes and the realization of which of the risk factors described in the company's reports and the possible effects of the war of iron swords, etc. To the extent that there is a contradiction between what is stated in this presentation and what is stated in the company's reports required by law, what is stated in the company's reports will prevail.





Comprehensive End-to-End Solutions

Group Structure

Tadiran Group



Home and commercial air conditioning

Development capabilities.
Independent Advanced production, service and logistics systems.
Heat pumps – water heating solutions

White consumer goods

Import, marketing and distribution of electrical appliances for home use.

VP Solar

One-stop shop in Europe for solar energy systems and heat pumps

Tadiran Arava

Planning, engineering and installation of cladding, curtain walls and BIPV (in the future)

Tadiran Aluminum

Extrusion plant and trade in aluminum profiles

Tadiran Solar

One-stop shop for solar energy systems in Israel

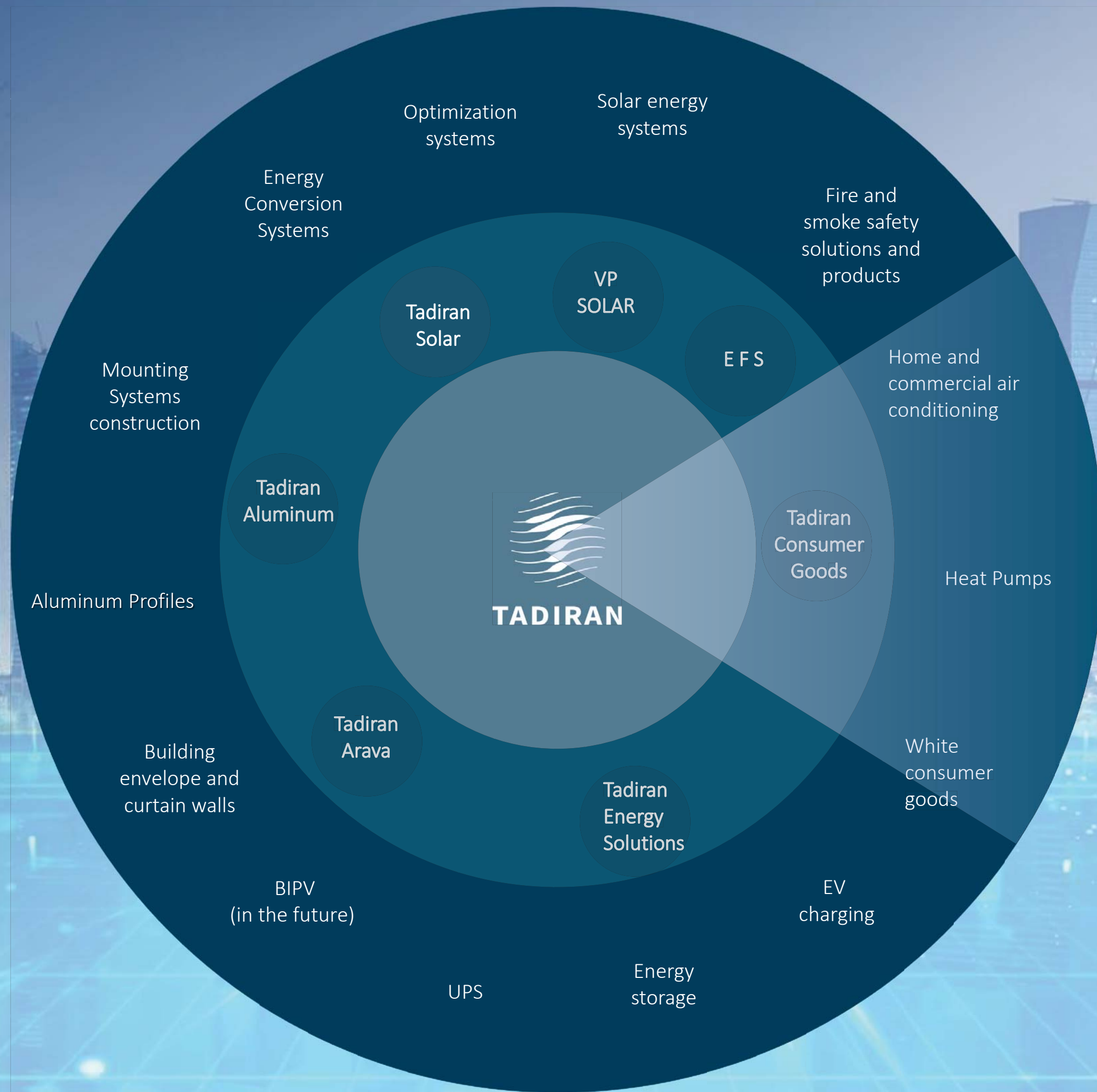
Tadiran Energy Solutions

Energy storage systems, UPS, batteries, and vehicle charging management systems

EFS

Fire and smoke safety solutions and products





Full End-to-End Value Chain

Trade

Management of a broad product portfolio of leading global brands in both air conditioning and new energy

Service

Leading in-house customer service department. Tadiran Xpert team to support every complex project

Innovation

Local Israeli R&D department. Connection to startups and nurturing entrepreneurship

Supply Chain

Complex logistics system of import, production, storage and distribution. Efficient inventory process that allows for work in dynamic market conditions and a wide range of projects.

Manufacturing

Factories in Israel including advanced laboratories and rigorous quality control.



Energy storage systems

End-to-end project execution, from the planning stage, through product selection, implementation, and ongoing service for years to come.



EV charging

Smart AC and DC charging stations managed by an app for remote control.
Service and warranty by Tadiran



Solar systems – End to end solutions

World-Leading Products
With Professional Support from Experts Throughout the Entire Process
And Construction Manufactured in Israel to Suit Each Project



Aluminum profile manufacturing

- Innovative technological solutions for a wide range of sectors
- Israeli local production
- Production capacity of 800 tons per month
- Aluminum profiles for the industrial sector
- Aluminum anodizing plant located in Karmiel
- Constructions for Tadiran solar systems
- Fully automated factory with no human touch
- Green factory
- Utilization of natural gas



Fire and smoke protection solutions

Factory expertise:

Development, production, installation and sale of products for passive fire protection and related products for air movement - with Israeli, European and American standards.

Products:

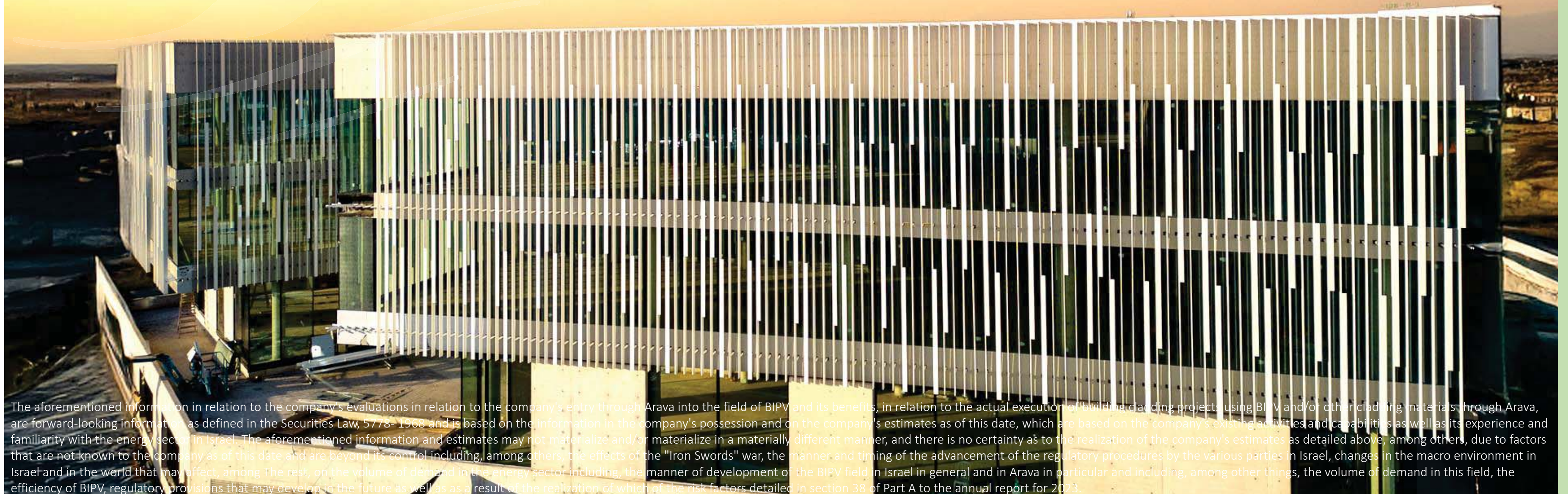
Fire and smoke shelves, silencers, fire and smoke curtains, ceramic sheets and related products.



Tadiran Arava

Expertise:

Arava operates in the field of planning and execution of aluminum cladding, curtain walls and in the future BIPV cladding (structure integrated solar panels).



The aforementioned information in relation to the company's evaluations in relation to the company's entry through Arava into the field of BIPV and its benefits, in relation to the actual execution of building cladding projects using BIPV and/or other cladding materials through Arava, are forward-looking information, as defined in the Securities Law, 5778-1968 and is based on the information in the company's possession and on the company's estimates as of this date, which are based on the company's existing activities and capabilities as well as its experience and familiarity with the energy sector in Israel. The aforementioned information and estimates may not materialize and/or materialize in a materially different manner, and there is no certainty as to the realization of the company's estimates as detailed above, among others, due to factors that are not known to the company as of this date and are beyond its control including, among others, the effects of the "Iron Swords" war, the manner and timing of the advancement of the regulatory procedures by the various parties in Israel, changes in the macro environment in Israel and in the world that may affect, among The rest, on the volume of demand in the energy sector including, the manner of development of the BIPV field in Israel in general and in Arava in particular and including, among other things, the volume of demand in this field, the efficiency of BIPV, regulatory provisions that may develop in the future as well as as a result of the realization of which of the risk factors detailed in section 38 of Part A to the annual report for 2023.



Italian company

Expertise:

- Design, import, distribution and trade of energy solutions for the private and industrial market.
- Photovoltaic systems for renewable energy and energy storage.

Products:

- Solar panels, inverters, energy storage systems, mounting systems, heat pumps and EV charging stations.



Main developments in the third quarter and nine months of 2024

- **Consumer goods segment** – Revenues and operating profit in the first nine months and the third quarter of 2024 increased compared to the corresponding periods last year, as a result of a quantitative increase in air conditioner sales and the seasonality that characterizes the sector and the improvement of procurement and transportation costs.
- **Energy segment in Europe** – We experienced a slowdown starting at the beginning of 2023 and this is mainly due to a macro change, including a drop in electricity prices, an increase in the interest rate, surplus batteries, a drop in panel prices and the update of incentives in the domestic sector.
- **Energy segment in Israel** – It was characterized by an increase in income compared to the corresponding nine months last year mainly as a result of the timing of the recognition of income from the storage projects.

Q3-2024 & 9m-2024 Financial Results

Tadiran Group (NIS in millions)	Q3 2024	Q3 2023	Change %	9m 2024	9m 2023	Change %	FY 2023
Revenues	599.0	642.3	-6.8%	1,416.1	1,494.3	-5.2%	1,954.5
Gross profit <i>Gross margin</i>	124.7 20.8%	105.9 16.5%	17.7%	281.4 19.9%	256.8 17.2%	9.6%	327.5 16.8%
Operating profit <i>Operating margin</i>	53.5 8.9%	49.3 7.7%	8.4%	64.6 4.6%	132.5 8.9%	-51.3%	157.1 8.0%
Operating profit adjusted for one-off items <i>Operating margin</i>	53.7 9.0%	49.0 7.6%	9.7%	94.5 6.7%	85.7 5.7%	10.2%	110.2 5.6%
EBITDA <i>EBITDA margin</i>	67.2 11.2%	61.6 9.6%	9.2%	135.2 9.5%	123.3 8.3%	9.6%	162.3 8.3%
Net profit <i>Net profit margin</i>	32.8 5.5%	40.0 6.2%	-18.0%	42.6 3.0%	90.9 6.1%	-53.2%	96.2 4.9%

The first nine months of 2023 include a one-time profit from the sale of the "Escotec" activity in the amount of approximately NIS 45.8 million.

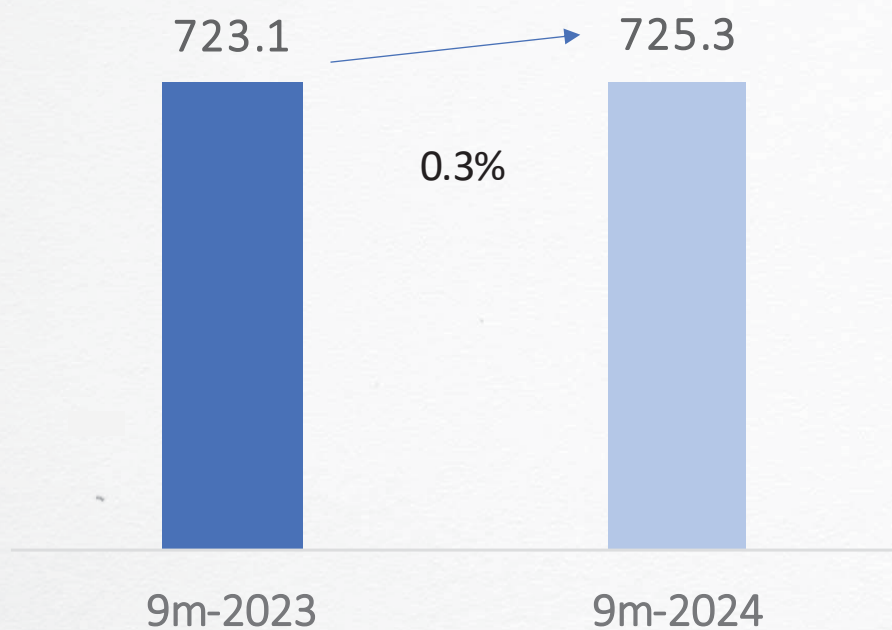
The first nine months of 2024 include a one-time expense for goodwill impairment in the amount of NIS 29.5 million.

The net profit for the third quarter 2023 also includes a profit from revaluation of liabilities for a put option in the amount of NIS 15.4 million

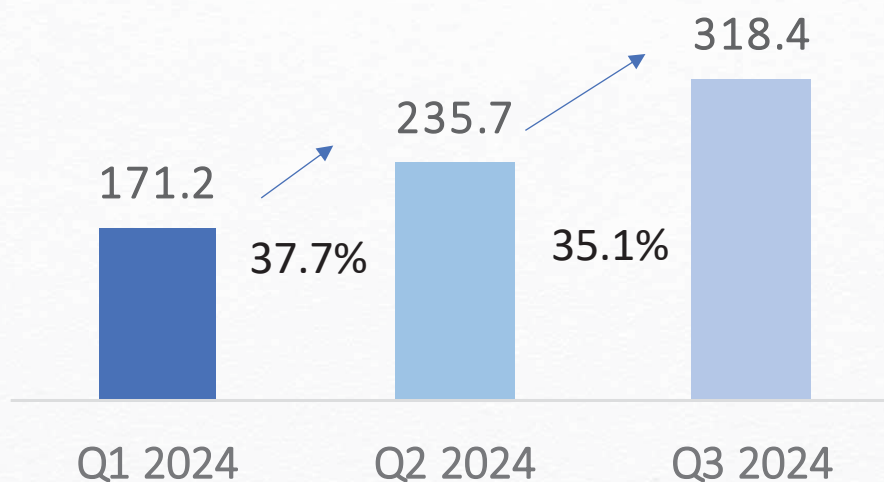
Consumer Goods Division

- Revenues and operating profit in the first nine months and the third quarter of 2024 increased compared to the corresponding periods last year, as a result of a quantitative increase in air conditioner sales and the seasonality that characterizes the sector and the improvement of procurement and transportation costs.
- Third quarter revenues increased by approximately 5.7% and operating profit increased by approximately 9.6% compared to the corresponding period last year.
- The operating profit margin in the quarter is approximately 11.1% and in the nine months approximately 8%.
- We estimate that the operating profit margin for 2024 will be approximately 8-7%.

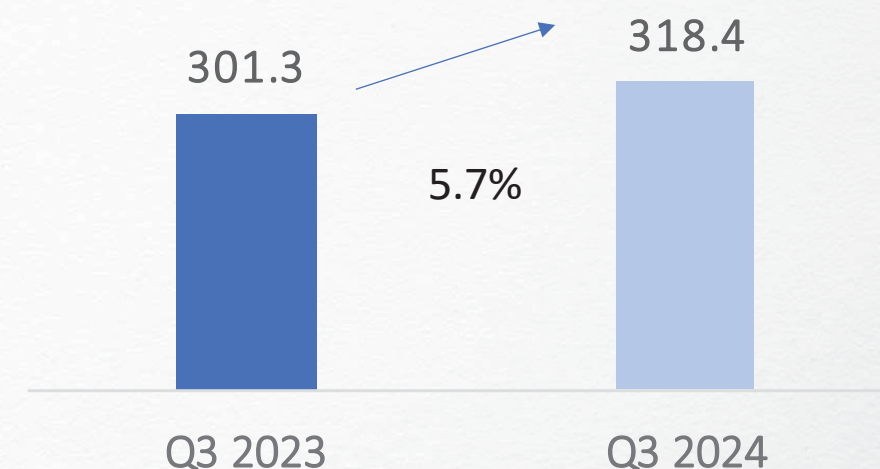
Revenues 9m 2023/2024



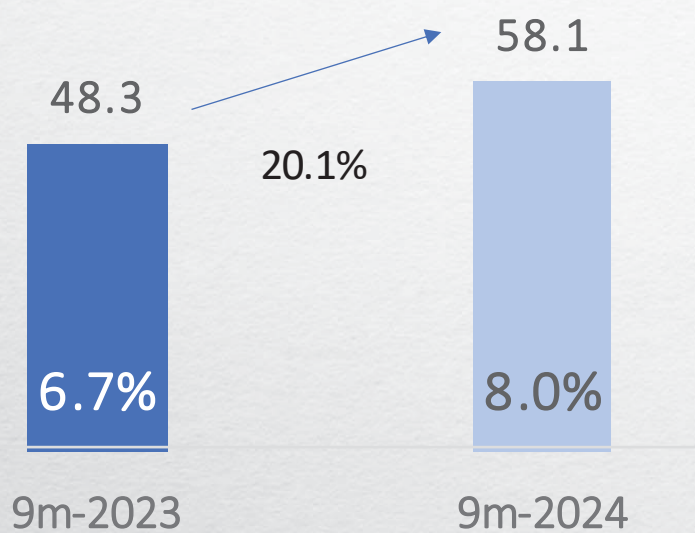
Quarterly revenues 2024



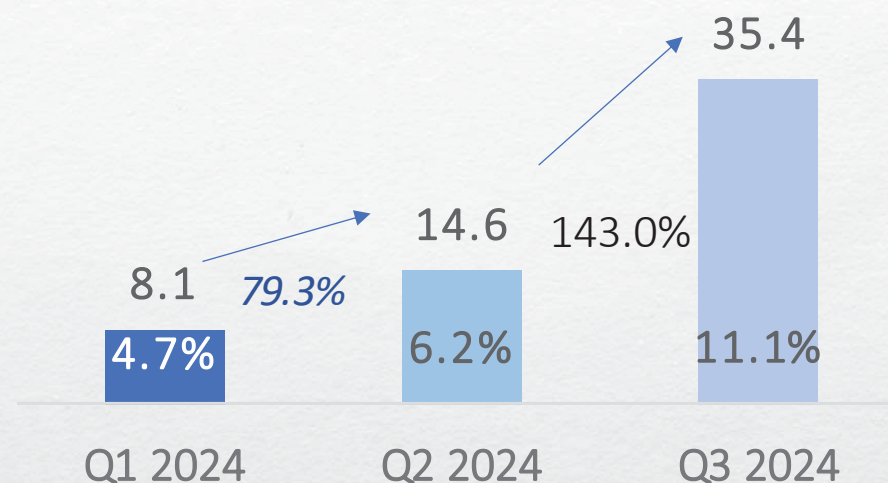
Revenues Q3 2023/2024



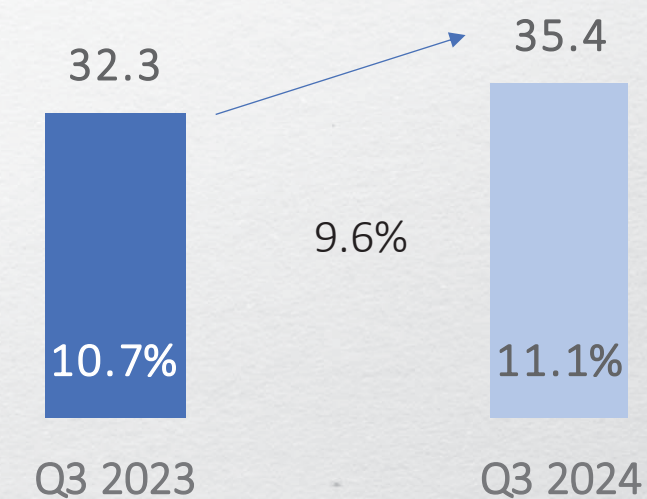
Segment operating profit and margin 9m 2023/2024



Quarterly segment operating profit and margin 2023/2024



Segment operating profit and margin Q3 2023/2024



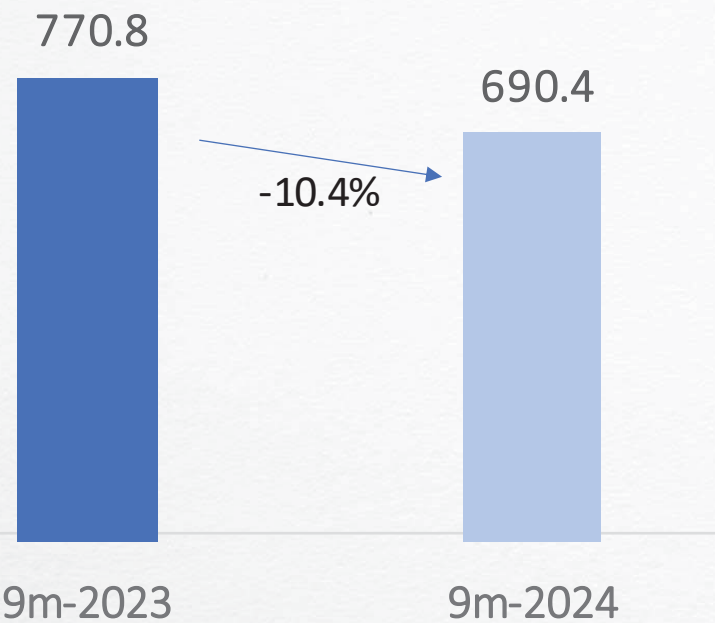
NIS in millions

The aforementioned information in relation to the company's estimates regarding the expected annual operating profit rate in the field of consumer products, is forward-looking information as defined in the Securities Law, 5778-1968 based on the information available to the company and the company's estimates as of this date. The aforementioned information and estimates may not materialize and/or materialize in a materially different manner, and there is also no certainty as to the realization of the company's estimates as detailed above, among other things, due to factors that are unknown to the company as of this date and are beyond its control, including, among other things, the continued development of the war and its direct and indirect effects on the economic and business situation and security in the State of Israel, changes in the macro environment in Israel and in the world which may affect, among other things, the scope of demand for the company's products, as well as a result of the realization of which of the risk factors listed in section 38 of part A of the company's periodic report for 2023.

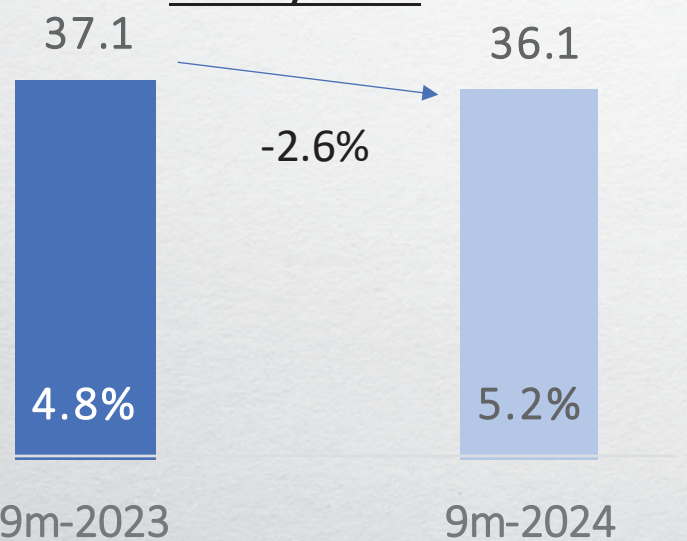
Renewable Energy Division

- The decrease in income in the third quarter compared to the corresponding quarter last year, is mainly a result of the timing of the recognition of the income of energy storage projects.
- The operating profit margin excluding one-time expenses was about 6.5% compared to a rate of about 4.9% in the corresponding quarter last year, the improvement in operating profitability is mainly a result of the improvement of procurement costs in the energy storage projects and solar systems.
- An improvement in the operating profit margin for the nine months of 2024, which was mainly due to the improvement of procurement costs in the energy storage projects and solar systems.

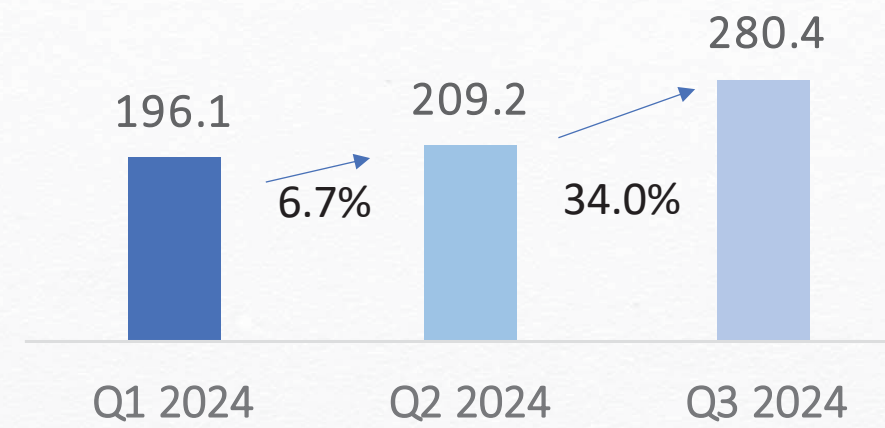
Revenues 9m 2023/2024



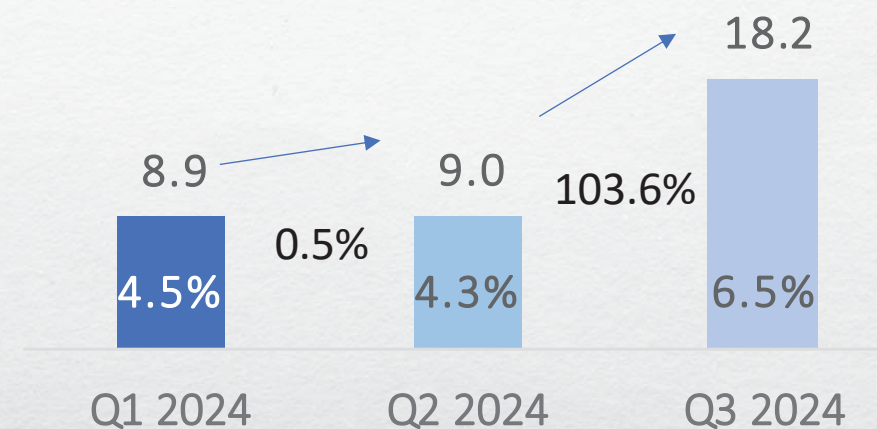
Segment operating profit before other income (expenses) and margin 9m 2023/2024



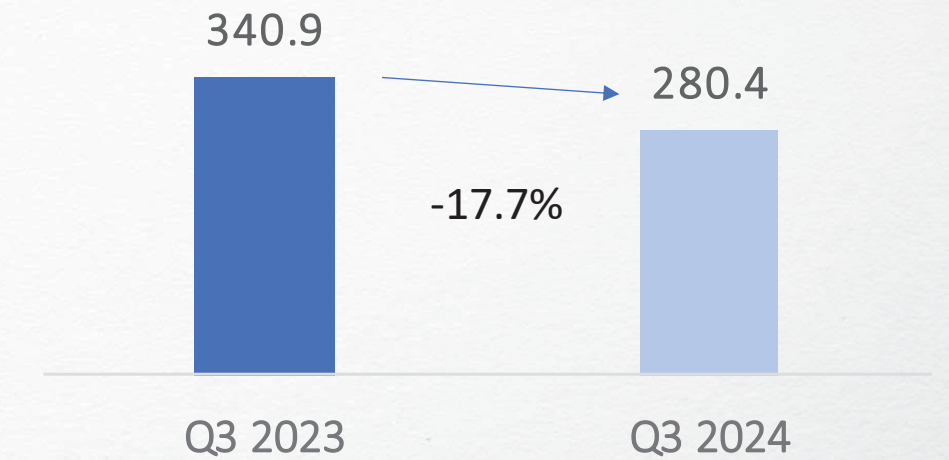
Quarterly revenues 2024



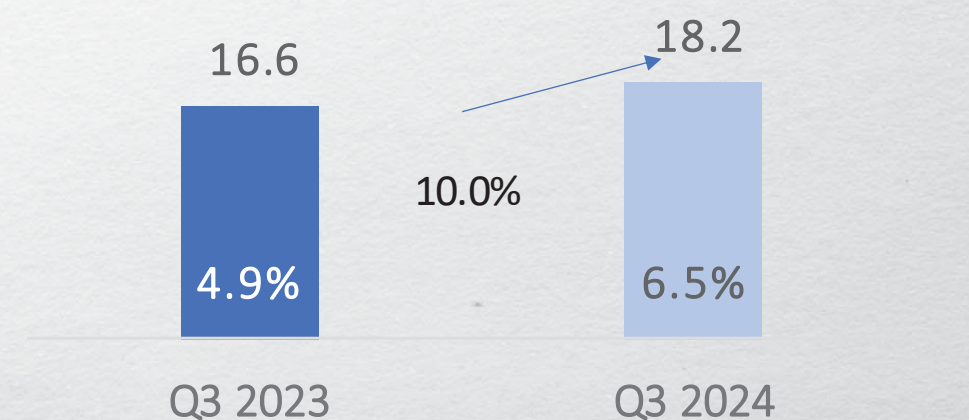
Quarterly Segment operating profit before other income (expenses) and margin 2023/2024



Revenues Q3 2023/2024



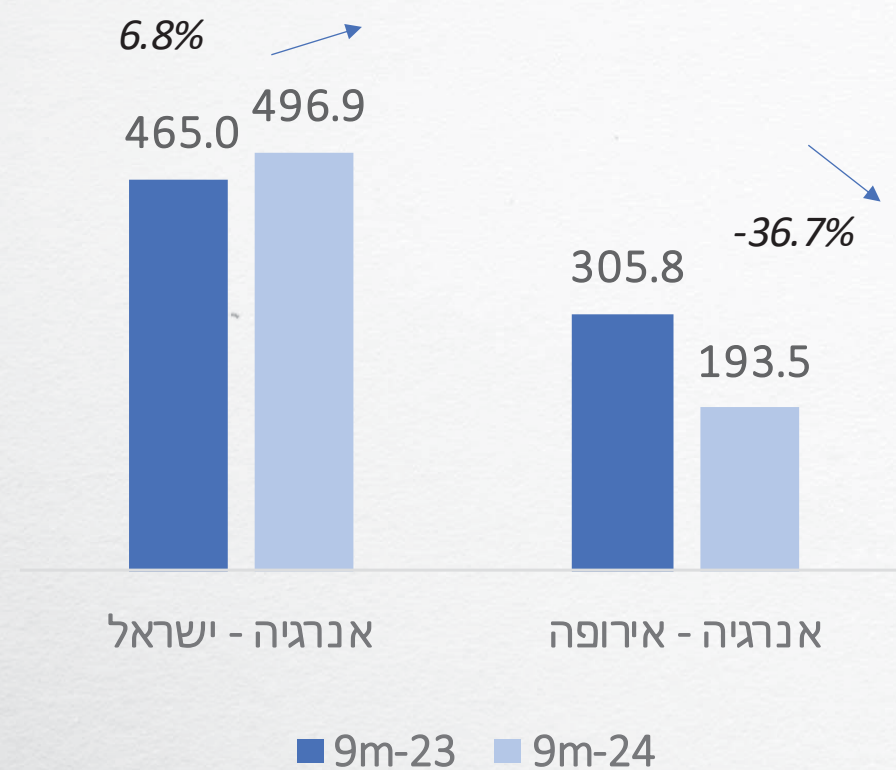
Segment operating profit before other income (expenses) and margin Q3 2023/2024



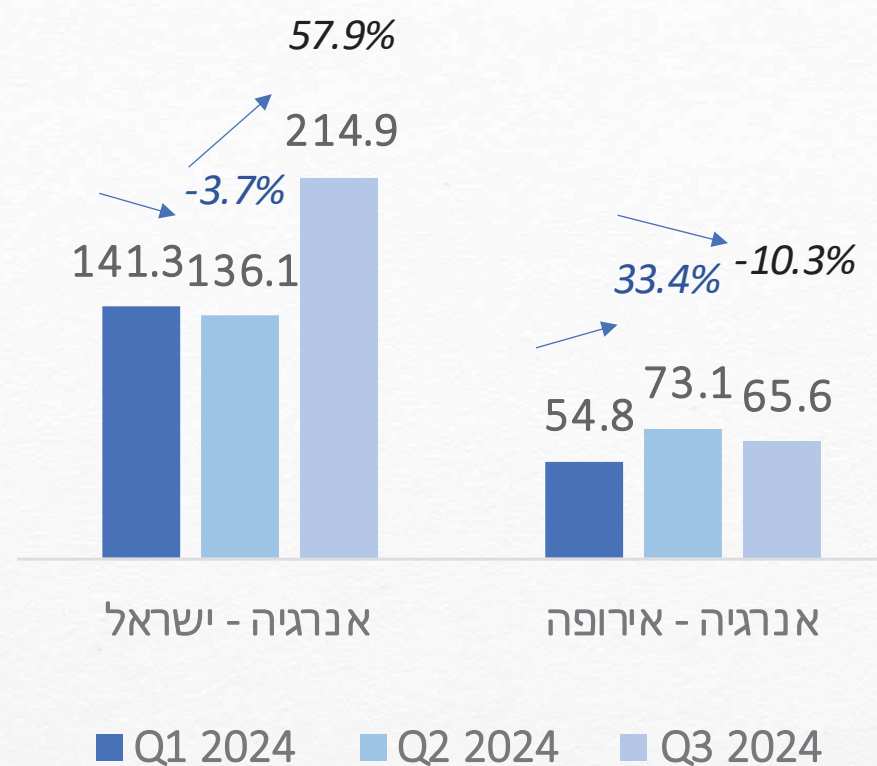
Renewable Energy Division

- The **energy sector in Israel** was characterized by an increase in income compared to the corresponding nine months last year mainly as a result of the timing of the recognition of income from the energy storage projects.
- The **energy sector in Europe** is experiencing a slowdown that started at the beginning of 2023 and this is mainly due to a macro change, including a drop in electricity prices, an increase in the interest rate, surpluses, a drop in panel prices and the update of incentives in the domestic sector..

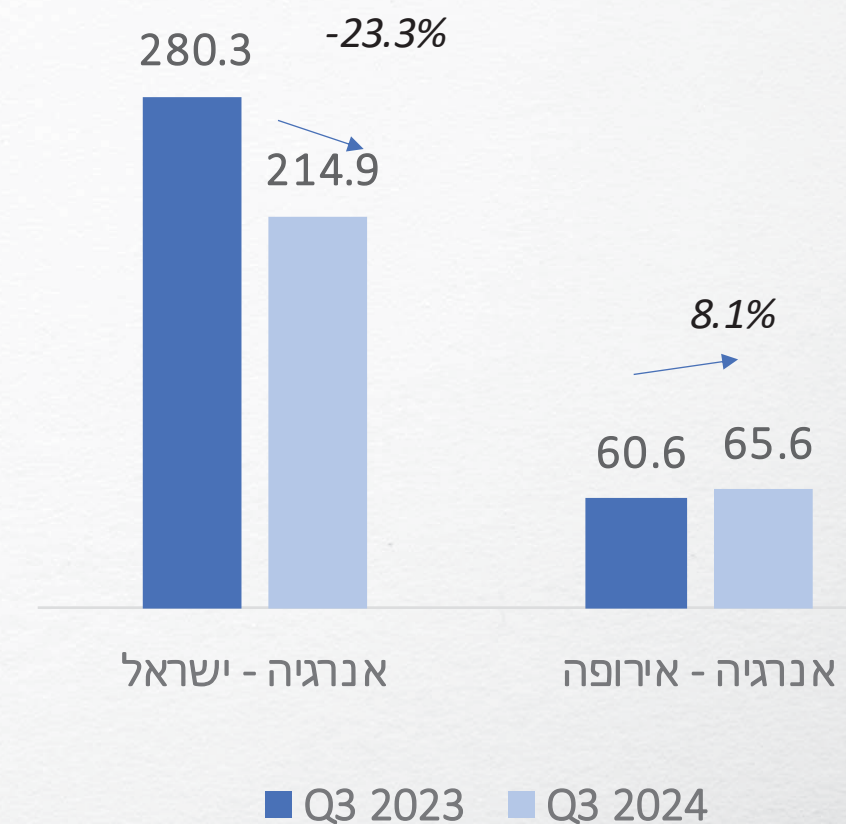
Revenues 9m 2023/2024



Quarterly revenues 2024



Revenues Q3 2023/2024



Updating the company's strategic plan for 2026



TADIRAN
NEW ENERGY

2023 Revenue:
NIS 1.1 billion

The growth of the existing activities based on the company's capabilities as well as the expected regulatory developments in the solar market in Europe, Italy and Israel, including in the field of energy storage

2026 Revenue: **NIS 1.8 billion**



TADIRAN
CONSUMER GOODS

2023 Revenue:
NIS 0.9 billion

Maintaining the leadership and expanding the air conditioning activity in Israel by increasing market share in the local market

2026 revenue: **NIS 1.2 billion**

2026
3.0
Billion NIS

Target operating profit margin of about 10%

Thank you



TADIRAN