



INVESTOR PRESENTATION MAY 2022





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Leading the market for almost a century

Israel's leading provider of concrete products and solutions for environmental development, landscape design, construction and infrastructure

97

Years of Excellence

Est. 1925

556

Employees

Israel, U.S.
Incl. engineers & architects

16

Production facilities

Israel (13)
U.S. (3)

640^M ILS

2021 Revenues

101^M ILS

2021 EBITDA ^{1,2}

974^M ILS

Equity

59% equity ratio
31.12.21

(1) EBITDA includes operating profit, depreciation and amortization less income from real estate reappraisal

(2) EBITDA excludes other expenses for 2021

Operating across 4 synergetic segments in thriving sectors

Industry

Infrastructure and
landscape design products



Civil & Industrial Engineering

Customized solutions
for diverse projects



Overseas Industry

Landscape design products
in western U.S.



Real Estate

Commercial, industrial
and retail properties



Below



At rest



Above



Wherever you
look ...



On the go



North



South





Ackerstein is an integral part
of infrastructure & construction projects in Israel



What the
future hold?

Every 5 years, approximately

1 Million

Residents will be added to Israel's population

Israel's needs by 2040



HOUSING

Construction of over **1 million housing units**¹



INFRASTRUCTURES

Construction & replacement of infrastructure

Transportation, water, drainage & sewerage



WORKERS

Significant shortage of construction industry workers reinforces the **need for precast concrete construction**



SUPPORT INFRASTRUCTURE

**30k additional classrooms &
kindergartens**²

(1) Strategic Housing Plan, Prime Minister's Office and the Company's Assessments

(2) Student Forecast for the Education System, for the Years 2030-2021, CBS and the Company's Assessments

Israel is on the verge of a tremendous building momentum



Infrastructure plan¹

240 projects
>288B ILS

~**184B ILS** transportation
~ **25B ILS** water & sewage infrastructure
~ **34B ILS** government constructions & social infrastructure

Expected investment

>300B ILS
in housing & infrastructure by 2030



Housing plan²

500,000
housing units
by 2025

~ **13.5B ILS**
Infrastructure investments
for housing support



Additional projects

~**150B ILS**
Tel Aviv area metro
estimated cost³

Israel Railways:
Doubling the length of the tracks
in next decade, 46B ILS
investment in the next five years⁴

Going from plans to implementation



02
2022

Tel Aviv metropolitan area metro law passed by the Committee for National Infrastructure Projects; project estimated at ~150B ILS¹

06
2021

New sewage project in Tel Aviv metropolitan area estimated at ~2.6B ILS³

01
2022

Construction teams selected for Tel Aviv metropolitan area light rail - green and purple lines at cost of ~30B ILS²

01
2021

Expansion of the Tel Aviv metropolitan area sewage treatment plant estimated at ~605M ILS⁵

01
2022

Connection of the desalination plant in the Western Galilee at cost of ~300M ILS⁴

Unique core competences

Allows integration into any construction or infrastructure project in Israel



Financial strength
enables investments
in innovative products
and processes



Extensive professional knowledge
experience across diverse projects



**Widest variety of
products & solutions**
under one roof



Nationwide deployment
of advanced production
facilities and delivery
capacity

ACKERSTEIN

A 3D architectural rendering of a city grid. Most buildings are represented by white rectangular blocks. A central area is highlighted with red blocks of varying heights, indicating a focus on development or renovation. A blue, glowing line representing a transit route or infrastructure corridor runs diagonally across the city, passing through the red-highlighted area. Yellow grid patterns are visible on the ground in some areas, possibly representing parks or specific land use zones.

ACKERSTEIN

Solutions that integrate
into future developments

from the municipal to the national level

An aerial photograph of a densely populated city, likely Tel Aviv, taken from a high vantage point. The city is packed with multi-story apartment buildings and commercial structures. A wide, multi-lane highway runs vertically through the center of the frame. In the background, the city meets the Mediterranean Sea at the horizon. The sun is low on the horizon, creating a bright, shimmering reflection on the water and a warm, golden glow across the sky. A semi-transparent red rectangular banner is superimposed over the middle of the image, containing white text.

Ackerstein is paving the way for the future

Strategic focus for continued profitable growth

Industry

Infrastructure and
landscape design products



Civil & Industrial Engineering

Customized solutions
for diverse projects



Overseas Industry

Landscape design products
in western U.S.



Real Estate

Commercial, industrial
and retail properties



Strategic focus for continued profitable growth

Industry

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landscape design products



Civil & Industrial Engineering

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for diverse projects



Overseas Industry

Landscape design products
in western U.S.



Real Estate

Commercial, industrial
and retail properties



Development, design and production of
products for construction, infrastructure,
and landscape design



INDUSTRY



Industry segment

Diverse customers & projects

Provide products for hundreds of public and private projects across a broad base of customers

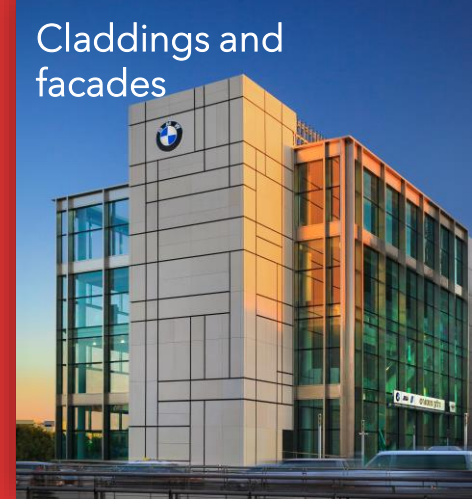
Wide range of products

Offering the widest selection of products under one roof strengthens the competitive advantage and market leadership

Concrete tiles



Claddings and facades



Retaining wall

Landscape design



Pipes for infrastructure

Strategic focus

Maintain market leadership and enter new categories



Increasing production capacity

Preparing to support a significant increase in expected demand for the company's products

Leverage core capabilities to enhance offerings

New products in existing categories

Enter other categories in the industry

Utilization of existing resources:
Production lines and reputation



Strategic focus for continued profitable growth

Industry

Infrastructure and
landscape design products



Civil & Industrial Engineering

Customized solutions
for diverse projects



Overseas Industry

Landscape design products
in western U.S.



Real Estate

Commercial, industrial
and retail properties



Unique solutions for complex projects,
above and below ground,
with uncompromising quality



CIVIL & INDUSTRIAL ENGINEERING



Customized solutions for customers and the environment

Diverse client base

Infrastructure contractors, developers,
government, and more

Authorized supplier for Israel Railways

Authorized supplier for State of Israel

Customer-focused

Wide range of tailor made solutions

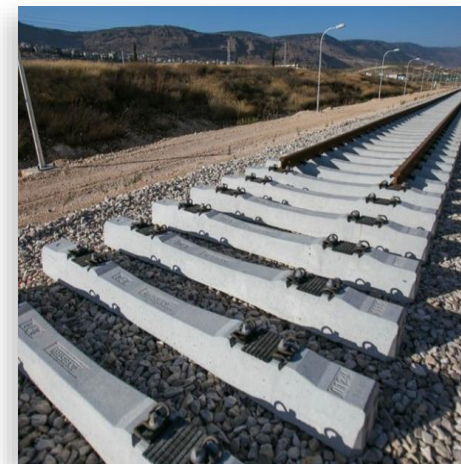
Deep knowledge and extensive
experience to provide accurate,
expert, quality solution

Innovative production capabilities

Based on latest trends in construction industry

Green construction - energy savings

Prefabricated building
For shorter schedules



Infrastructure projects

Water and sewage infrastructure:

Drainage and sewage channeling
Shafdan wastewater treatment Project

Desalination plan
The Sorek desalination plant project

Transport infrastructure:

Railway ties
Expansion of railway tracks by Israel Railways

Acoustic walls
Expansion of road infrastructure in Israel



Railway ties



Mega-pipes
Shafdan project

Acoustic walls



Prefabricated construction

Prefabricated buildings & elements for residential, industrial, and commercial buildings

Protective rooms and shelters

Railway sleepers

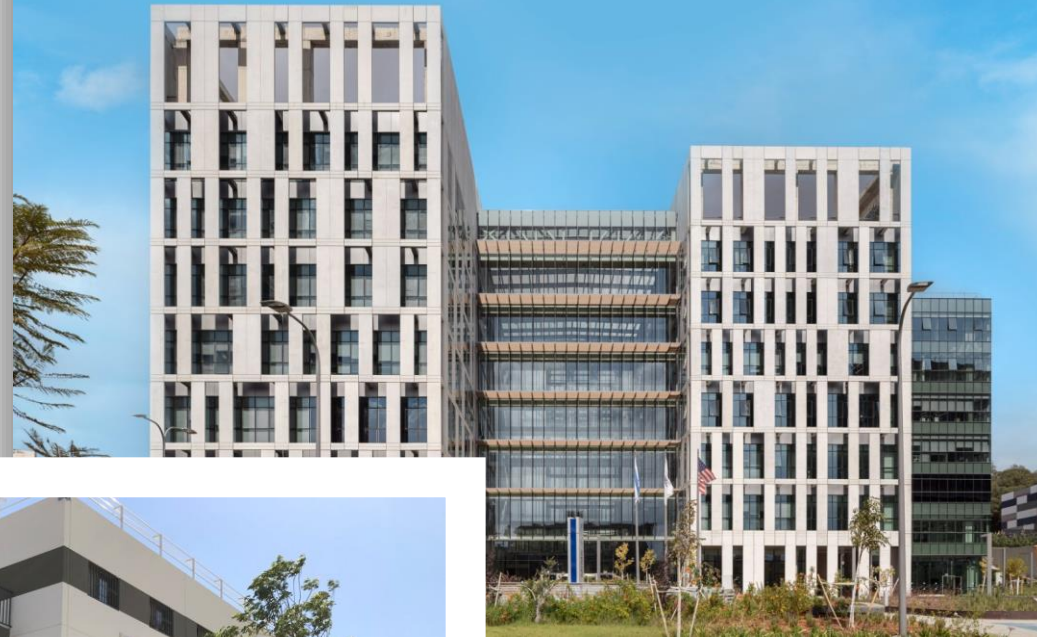
Expansion of railway tracks by Israel Railways

Shield walls

Protective
rooms and
shelters



Prefabricated concrete element for **Stratasys** building



Prefabricated building

Synergetic approach

GREENFIELD TO CITY

Prefabricated construction:
Concrete buildings and walls

Prefabricated elements:
Tribunes, shooting range, protective rooms

Perimeter walls:
Decorative fence, cladding

Landscape design products:
Curb stones, paving, pipes, seats, benches

Infrastructure products:
Drainage pipes and trenches, control cell



Business focus

Activity expansion

Increase activity in industrial construction


Increase the diversity of customers and projects

Integrate into future national construction and infrastructure projects

Investing in innovation

Constant expansion of products and solutions

Maximizing the scope of the work for each project



Ackerstein Group won a construction tender for a company in the defence sector: expected revenue is 74 M ILS

February 2022

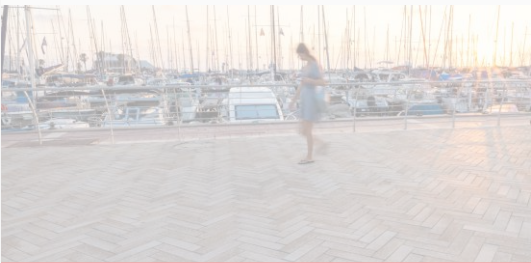
Ackerstein Group was awarded with contract for the Production and supply of wall elements for the National Northern Border Protection Project expected revenue is 141 M ILS

April 2022

Strategic focus for continued profitable growth

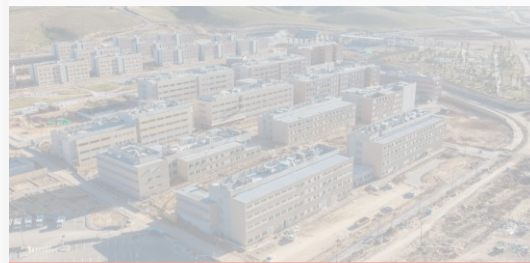
Industry

Infrastructure and
landscape design products



Civil & Industrial Engineering

Customized solutions
for diverse projects



Overseas Industry

Landscape design products
in western U.S.



Real Estate

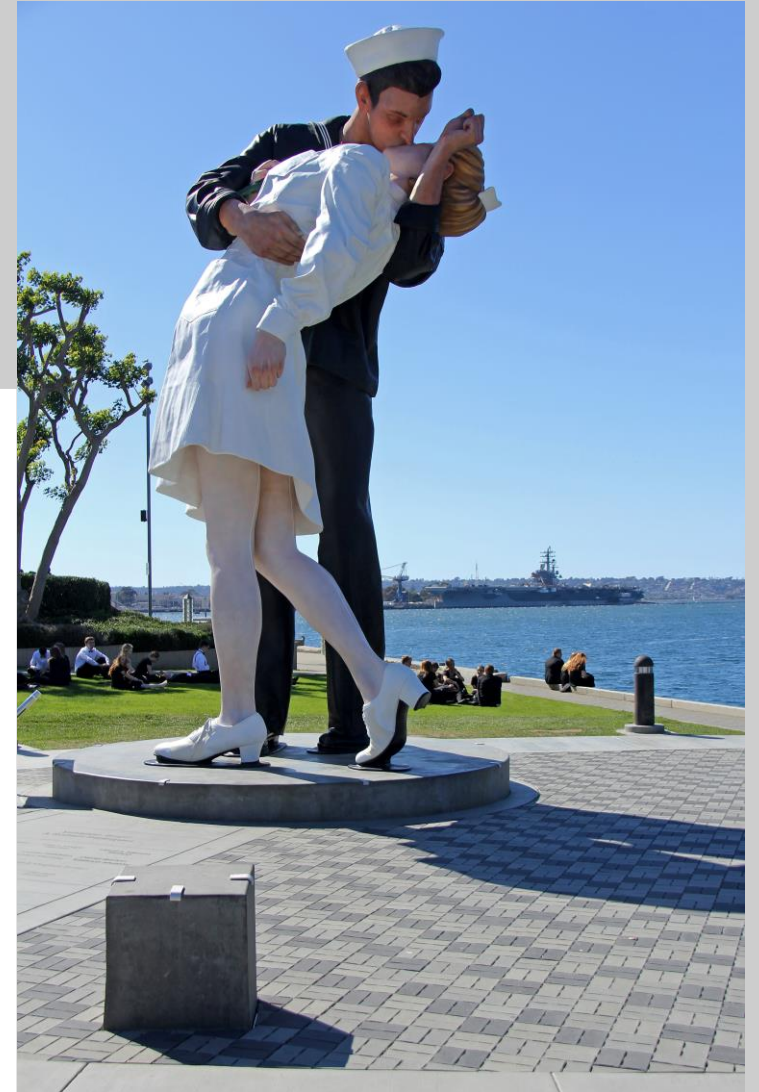
Commercial, industrial
and retail properties



Pioneer in the production of landscape design products in the West Coast, through its subsidiary Aker-stone



UNITED STATES



Acker-stone: Snapshot

86

employees

3

production facilities
in California and Arizona

30+

years of activity



Local connections and strong reputation

Diverse commercial and residential projects

Customers:

- Distributors with building materials stores
- Landscape design contractors

Establishing relationships with leading architectural firms in each region



CONTRACTORS DISTRIBUTORS



Market features

Demand

Depends on the execution of projects in the industry

Influenced by the macroeconomic environment

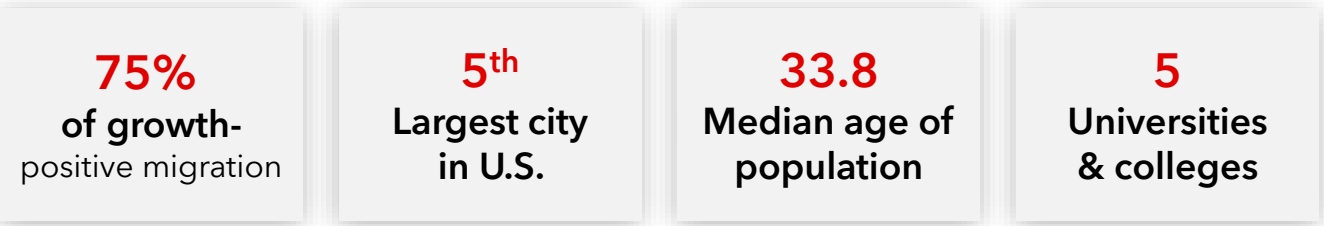
Local production and supply


Need for high availability and continuous supply of products

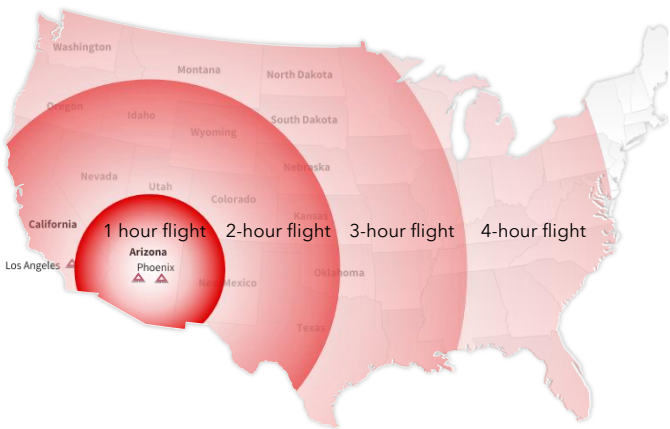
Proximity to the customer

Market Opportunity in Arizona: Phoenix metropolin

 **Phoenix is the fastest growing city in the U.S.**
for the fifth year in a row



 **Strategic location:**
up to 4 hour flight to
all major destinations



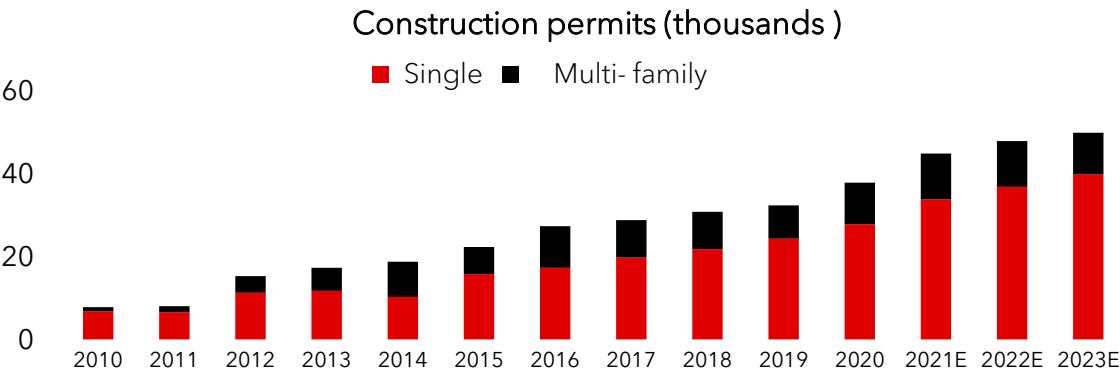
Significant growth potential



Phoenix attracts leading companies
across diverse industries



Residential real estate:
development momentum of private homes



Source: **CBRE** Phoenix Metro Market Overview , 2019 [AZBIGMEDIA](#)



California market opportunity

Significant size and economic resilience
create many opportunities

Products are positioned as premium products,
suitable for residential and commercial projects

Completed major projects on the West Coast:
Disneyland, Apple offices complex, Google offices,
Universal Studios, US Navy headquarters, others

Potential demand from different sectors



Technology

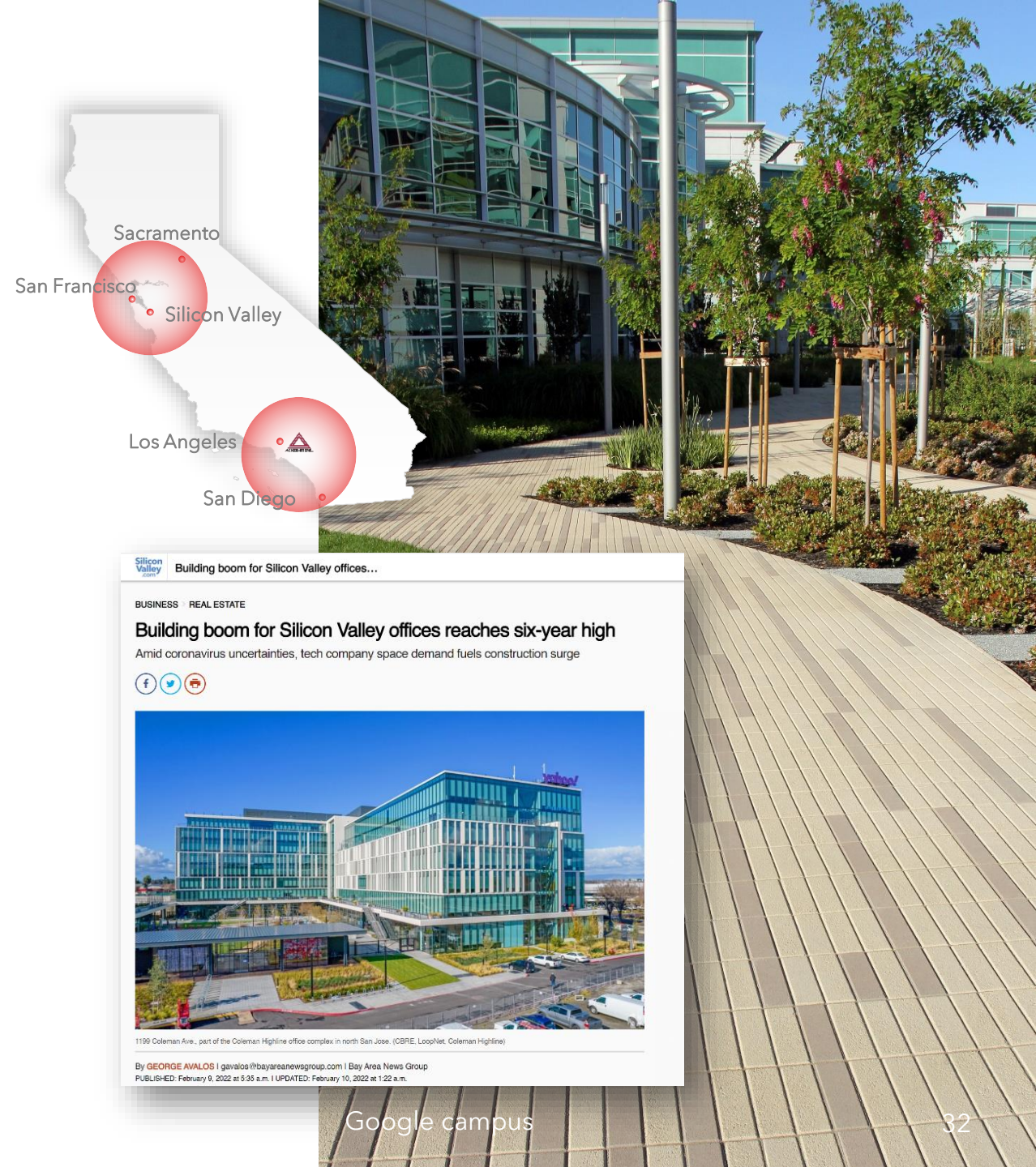


Academic



Entertainment

Source: siliconvalley.com



Starting sales in additional regions



Las Vegas, Nevada



Leading distributors



Strategic focus

Revenue target of \$100 million
in coming years



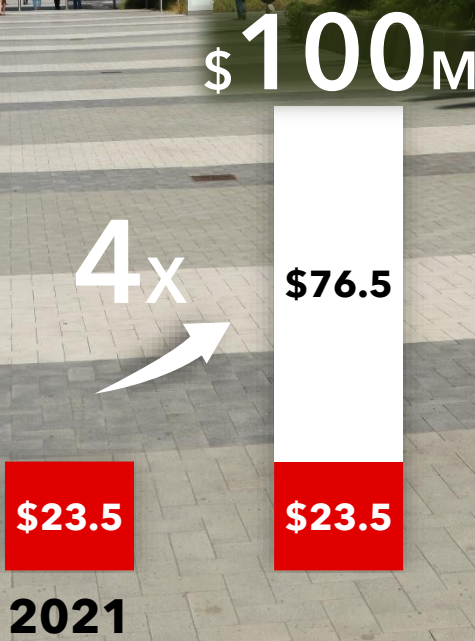
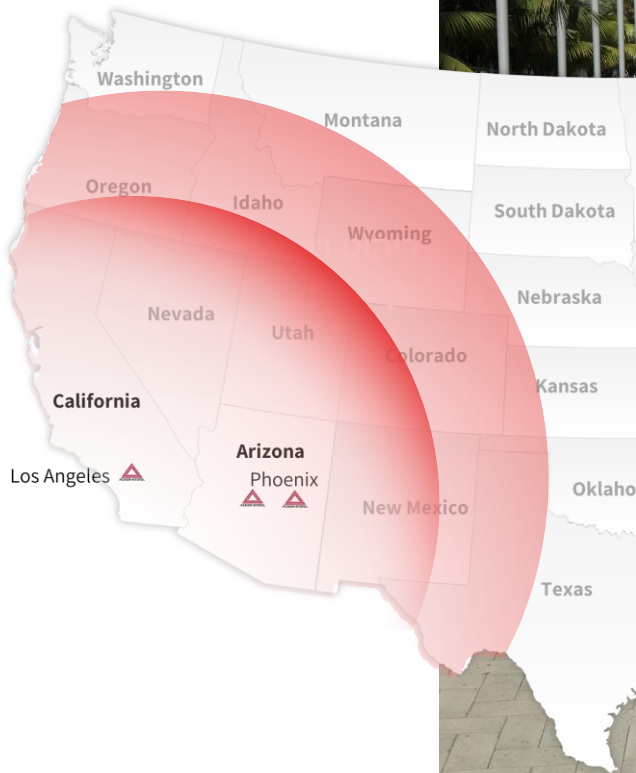
Increase production capacity
of existing production facilities



Expand geographic reach
Acquisition of production facilities



Strength marketing and distribution capabilities



AT&T Campus

Strategic focus for continued profitable growth

Industry

Infrastructure and
landscape design products



Civil & Industrial Engineering

Customized solutions
for diverse projects



Overseas Industry

Landscape design products
in western U.S.



Real Estate

Commercial, industrial
and retail properties





Strategic holding
significant potential
for value overflow

577k sq m

across 9 assets¹

About 364k sq m
classified as fixed assets

86k sq m

(Built)

About 60k sq m
classified as fixed assets

870M ILS

real estate value

387M investment properties
483M classified as fixed assets

25k sq m (built)

yielding

5.7%

LTV

(1) 7 assets in Israel, 1 in the U.S. and 1 in Romania



Optimal financial flexibility
for future development

26.3^M ILS

Rental revenue

12.5^M ILS

EBITDA

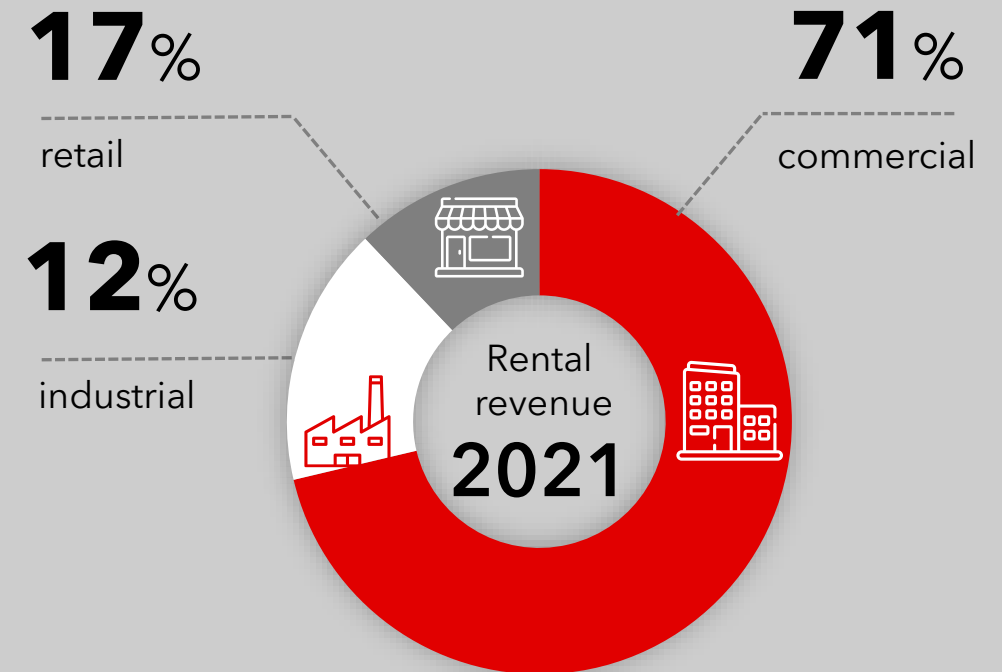
20.4^M ILS

NOI

All the data above are for 2021 and originate from a third party that is not related to the group

Our customers

Local and international leading companies from diverse sectors



Strategic focus



Illustration

577
sqm

31.12.21

Value add
stages

Ackerstein Towers
Ackerstein House

Potential
value -add

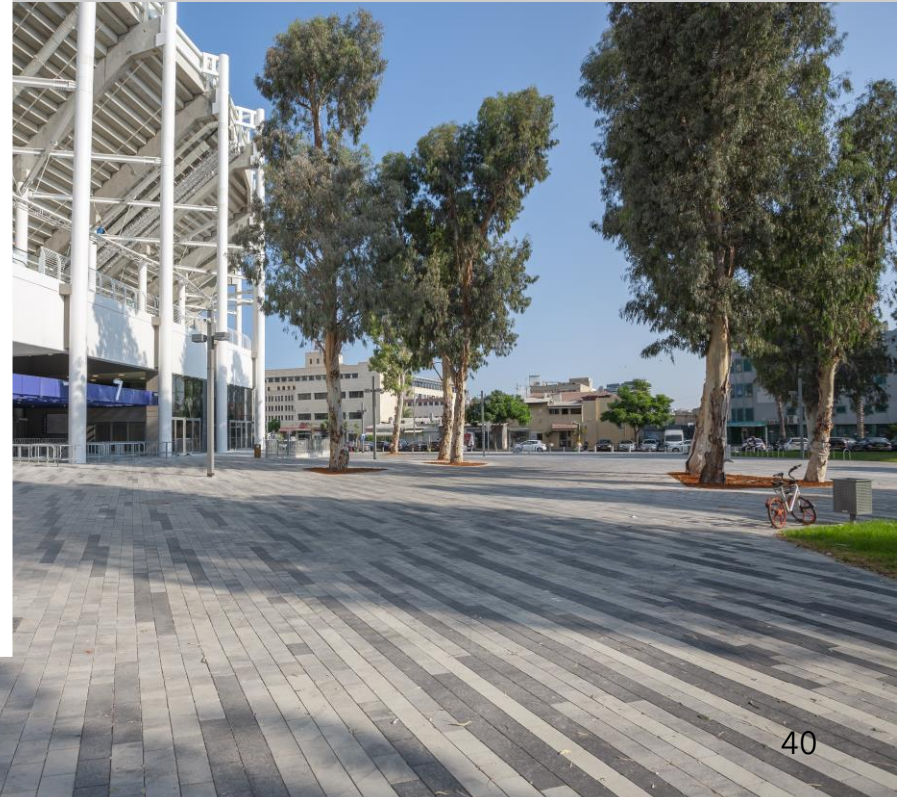
Ashdod
factory

Portfolio
expansion

Potential for growth and
value creation



FINANCIAL DATA



Revenue and EBITDA

Consolidated basis, in thousands ILS

	2021	2020	2019
Revenue	640,491	662,771	679,594
EBITDA	100,713	93,977	102,185

Industry and Civil & Industrial Engineering segments

Revenue	538,285	571,783	575,700
EBITDA	79,872	81,139	75,523

Oversea Industry segment

Revenue	75,887	64,923	78,911
EBITDA	8,359	(1,037)	13,840

Real Estate segment

Revenue	26,319	26,065	24,983
EBITDA	12,482	13,875	12,822

The EBITDA presented above does not include other expenses and income and unallocated expenses (at the total level)



Credit: Amit Giron

Consolidated balance sheet

As of December 31, 2021, and 2020 in million ILS

Current assets:	2021	2020
Cash and cash equivalents	172	74
Short-term investments	-	57
Customers	226	228
Receivables and others	20	31
Inventory	111	97
Total	529	487

Non-current assets		
Right of use asset, net	31	21
Investment properties	387	361
Fixed assets	701	535
Other	3	4
Total	1,122	921

Total assets	1,651	1,408
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Current liabilities	2021	2020
Credit from banks and other credit providers	151	181
Lease current liabilities	5	2
Trade payables	79	89
Other current liabilities	71	84
Total	306	356

Non-current liabilities		
Liabilities to banks and other credit providers	130	75
Lease liabilities	27	20
Liabilities with respect to other benefits after employment termination	6	19
Deferred taxes, net	208	159
Total non-current liabilities	371	273

Equity	974	779
Total liabilities and equity	1,651	1,408

140M ILS

Net debt
Financial + Leases

8.5%

Debt ratio

1.4x

Net debt to EBITDA

Ackerstein is paving the way for our future

**Expected high demand
from construction boom in Israel**

Expand our offerings

US: Leverage momentum

**Value creation potential
from real estate holdings**

Value-add potential

Proven development and
financing capabilities

Portfolio expansion

**Financial strength
to support future growth**

Strong and stable cash flow

Low leverage

Dividend distribution policy
Not less than 50% of net income*

* Net profit without revaluation of real estate investment

Thank you

ACKERSTEIN