



**June 2020**

The background of the slide features a blue-tinted image of two hands holding a smartphone. Overlaid on the phone's screen is a stylized cityscape with various icons representing technology and infrastructure, such as a lightbulb, a flame, and a gear, connected by a network of lines.

# Experienced

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Leader in water measurement  
for over 75 years

The background of the slide features a blue-tinted image of two hands holding a smartphone. Overlaid on the phone's screen is a digital cityscape with various icons representing smart infrastructure: a Wi-Fi symbol, a flame (fire), a lightbulb, and a network of interconnected nodes. The overall theme is smart technology and urban infrastructure.

# Focused

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High-end, full scale solution  
provider

# Transparent

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Public group, traded in  
TASE 125 Index

The background of the slide features a pair of hands holding a smartphone. Overlaid on the phone's screen is a stylized cityscape with various icons representing different sectors: a factory, a lightbulb, a flame, and a gear. The entire image is tinted with a warm, orange-brown color.

# Global

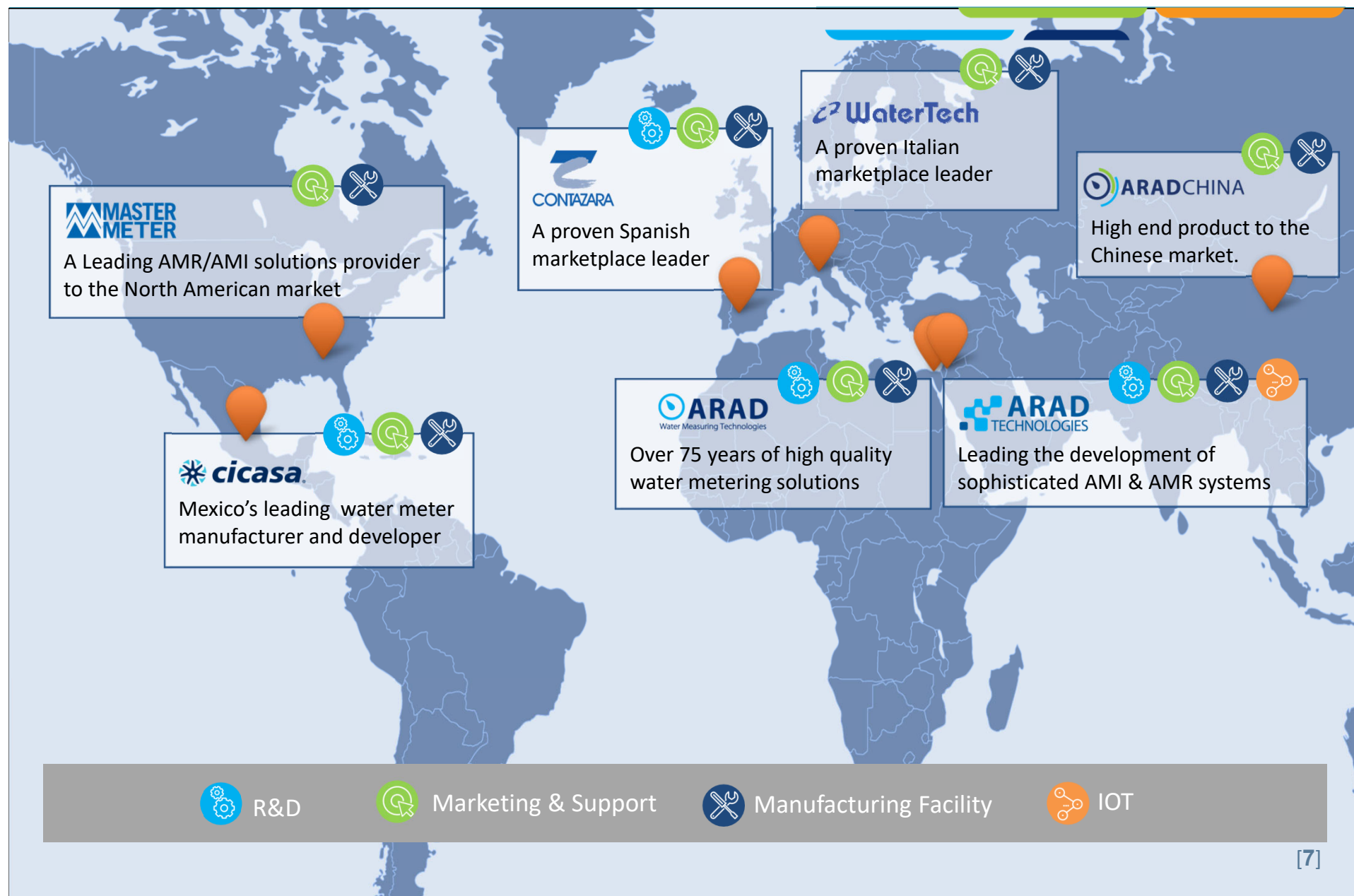
Products sold in more than 50 countries , 5 operation bases

# Innovative

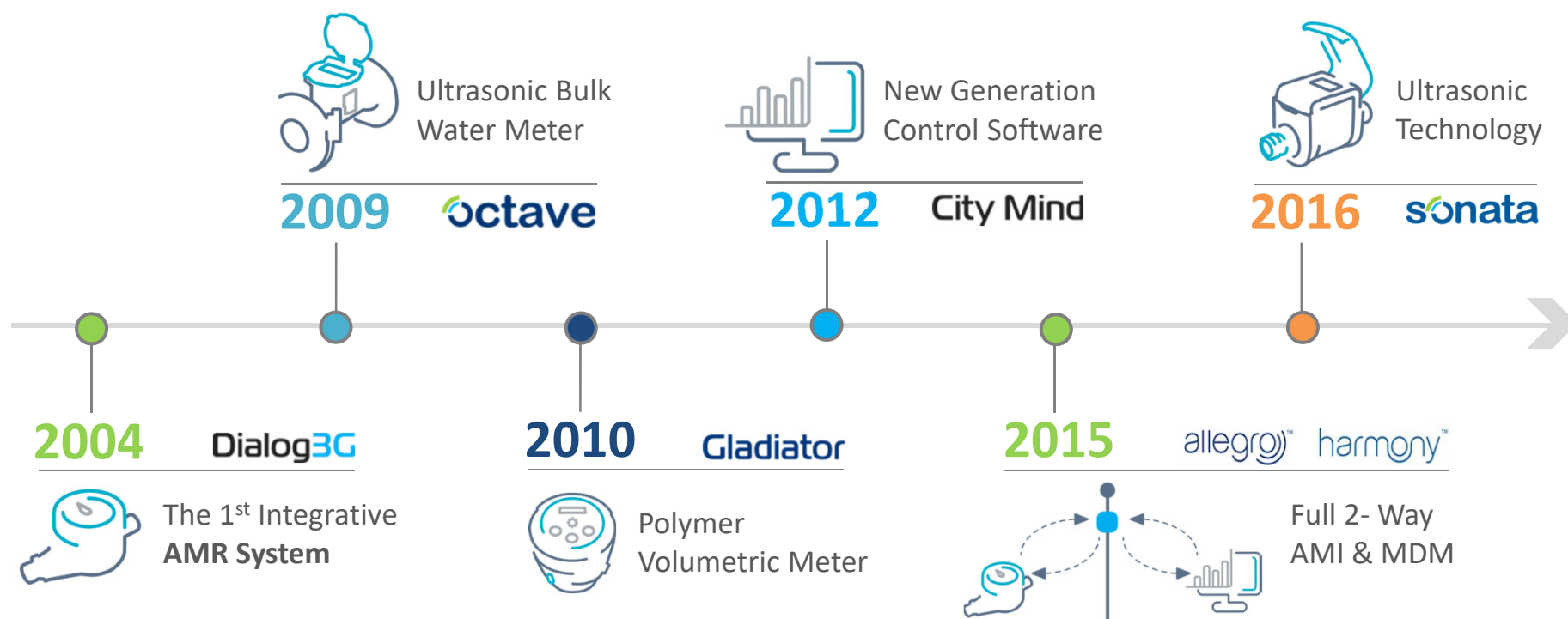
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6% of all revenues reinvested  
in R&D

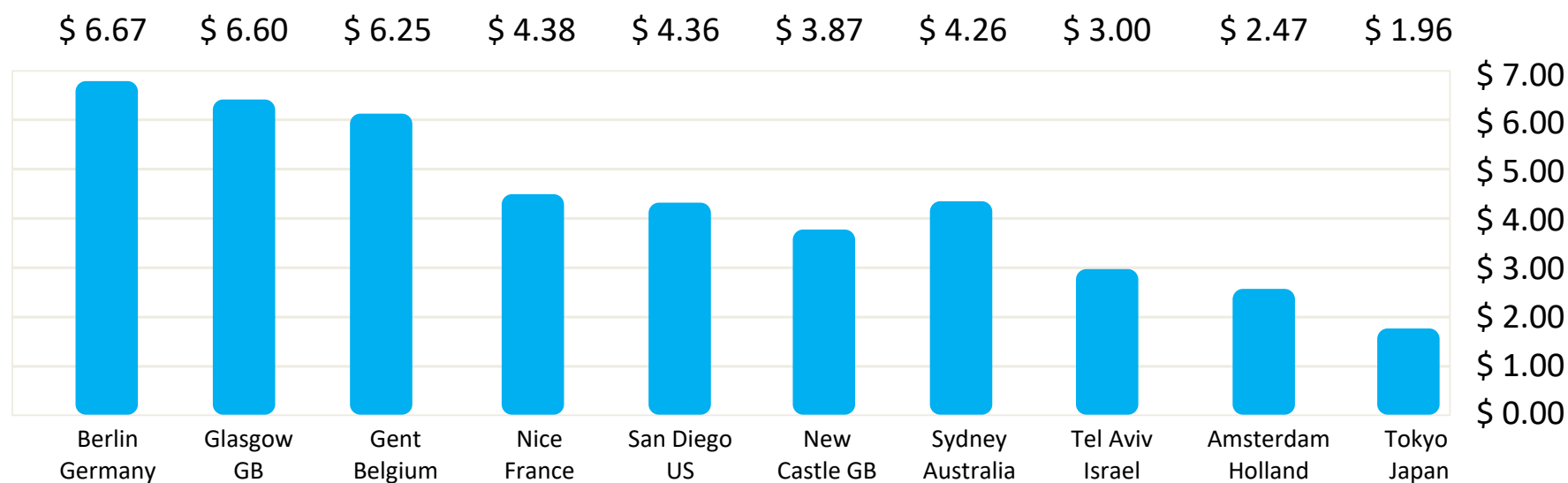
# Arad Group worldwide



# Continuous innovation



# Water prices in selected cities in the world



■ USD per 1 cubic meter

# Water meter expansion will be fueled by:



Water shortage



Severe draughts  
throughout the world



Increased demand



Significant worldwide  
water price increase

**NRW (Non revenue water)  
estimated to 16 Billion \$ a year**



Water breaches  
and leaks



International regulations  
requiring water metering  
devices to be installed as  
standard

# ARAD GROUP - Full scale solution provider





## Technology leaders

**WATER METERS**

**AMR/AMI**

**MDM &  
ANALYTICS**

**CONSUMER  
APPLICATIONS**





## Water meters



**octave**

Revolutionary, precise and super reliable ultrasonic bulk water meter for utilities



**sonata**

Highly precise ultrasonic residential water meter

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WATER METERS

AMR/AMI

MDM & ANALYTICS

CONSUMER APPLICATIONS



## AMR / AMI solutions



IOT Compatible

Dialog3G

AMR for Drive By

harmony<sup>™</sup>  
allegro<sup>™</sup>

2-way AMI Fixed  
Network

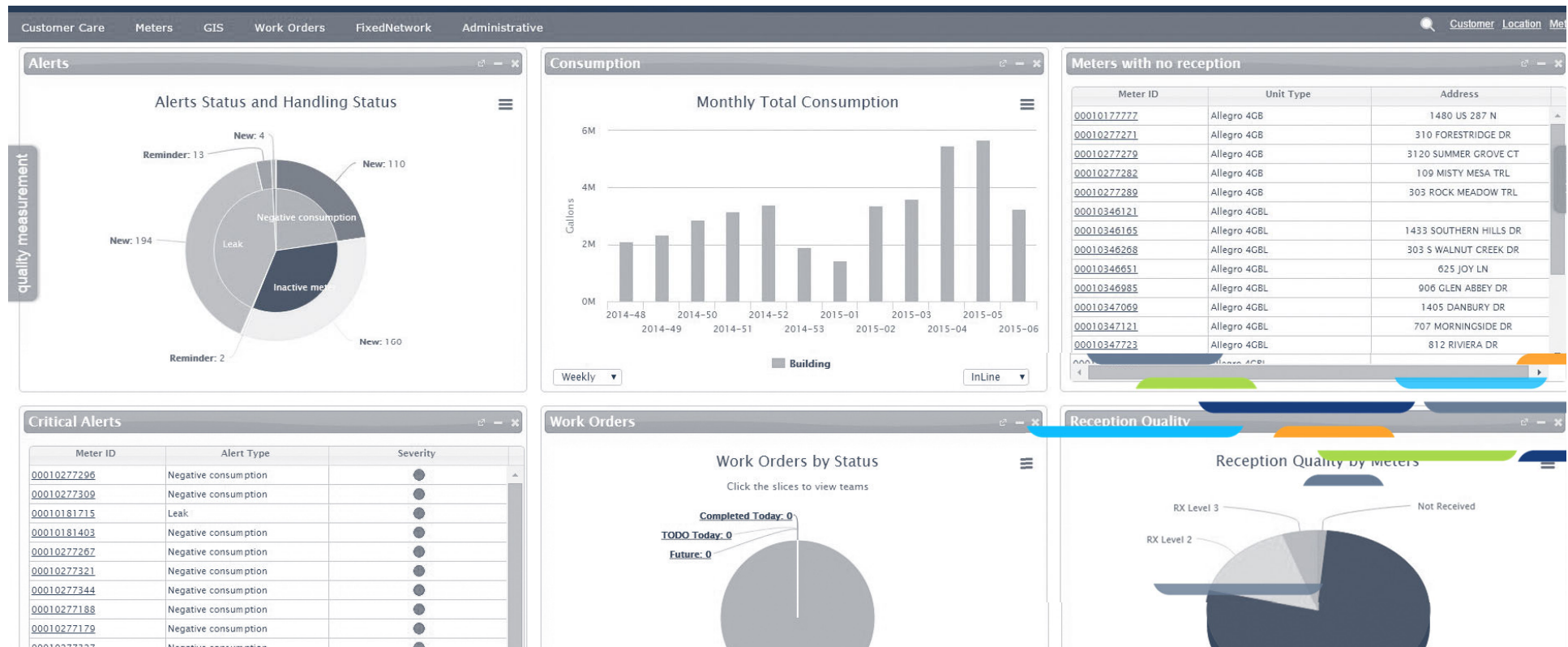
[14]

WATER METERS

AMR/AMI

MDM & ANALYTICS

CONSUMER APPLICATIONS



## MDM & Analytics



IOT Compatible

- Varied collection of reports and statistical analyses
- Real-time location specific alerts on breaches, leaks and suspected theft
- Seamless interface with automated software systems

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WATER METERS

AMR/AMI

MDM & ANALYTICS

CONSUMER APPLICATIONS



## consumer applications



Extensive real time information of personal water consumption:

- Web application
- Smartphone app

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WATER METERS

AMR/AMI

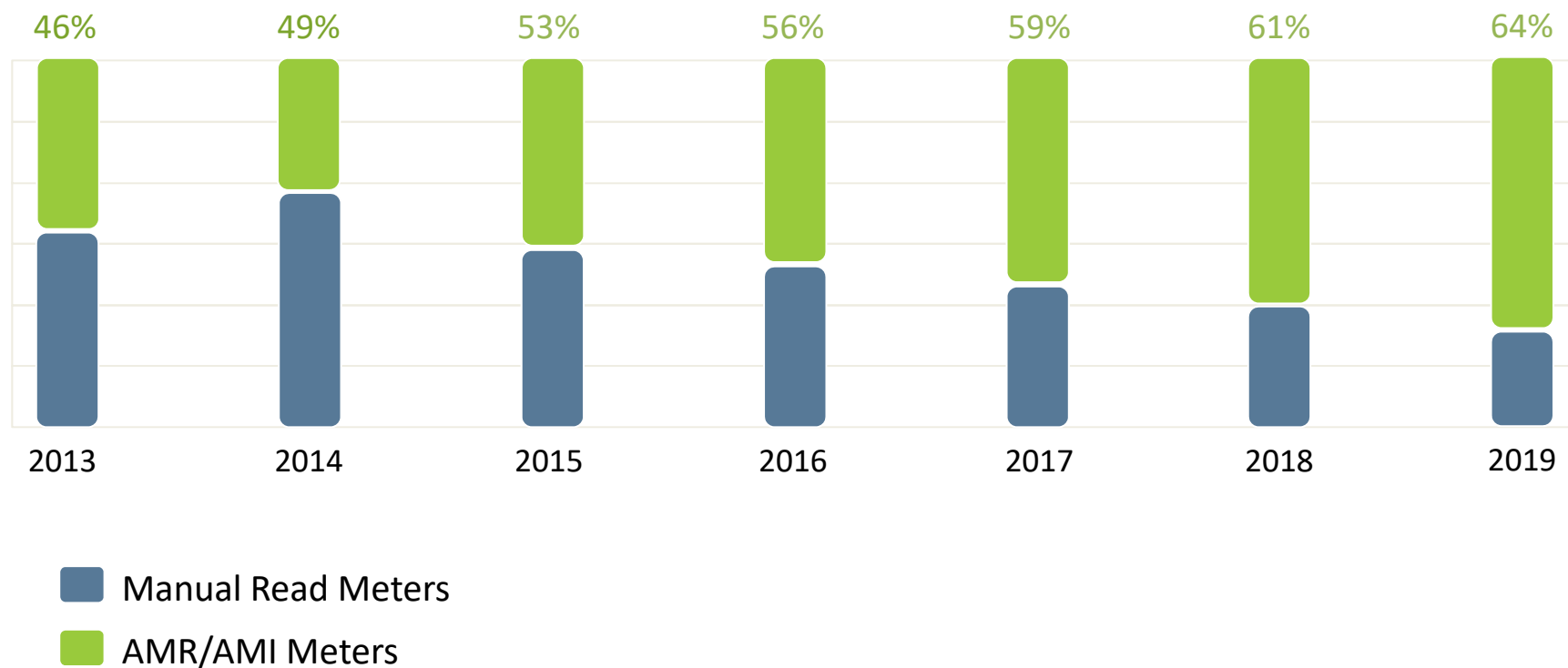
MDM & ANALYTICS

CONSUMER APPLICATIONS

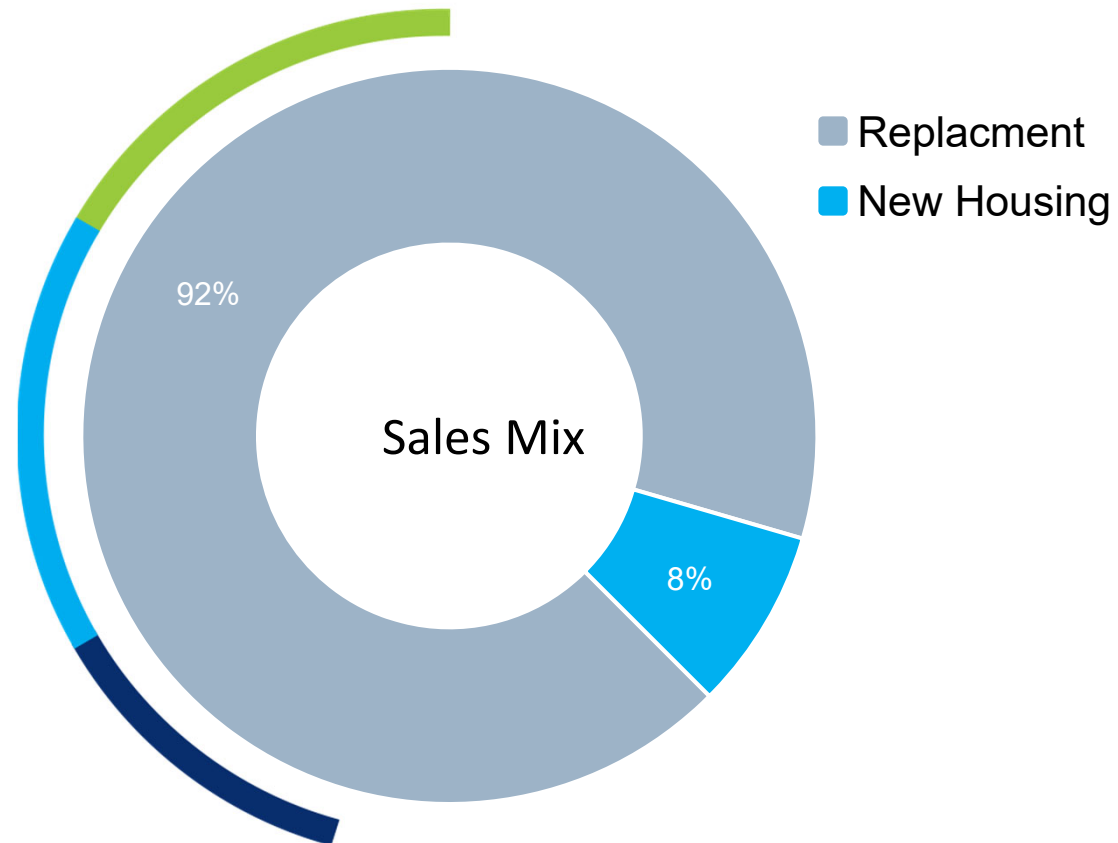
# The American market



Water meter market projected  
conversion to connectivity



# The American market



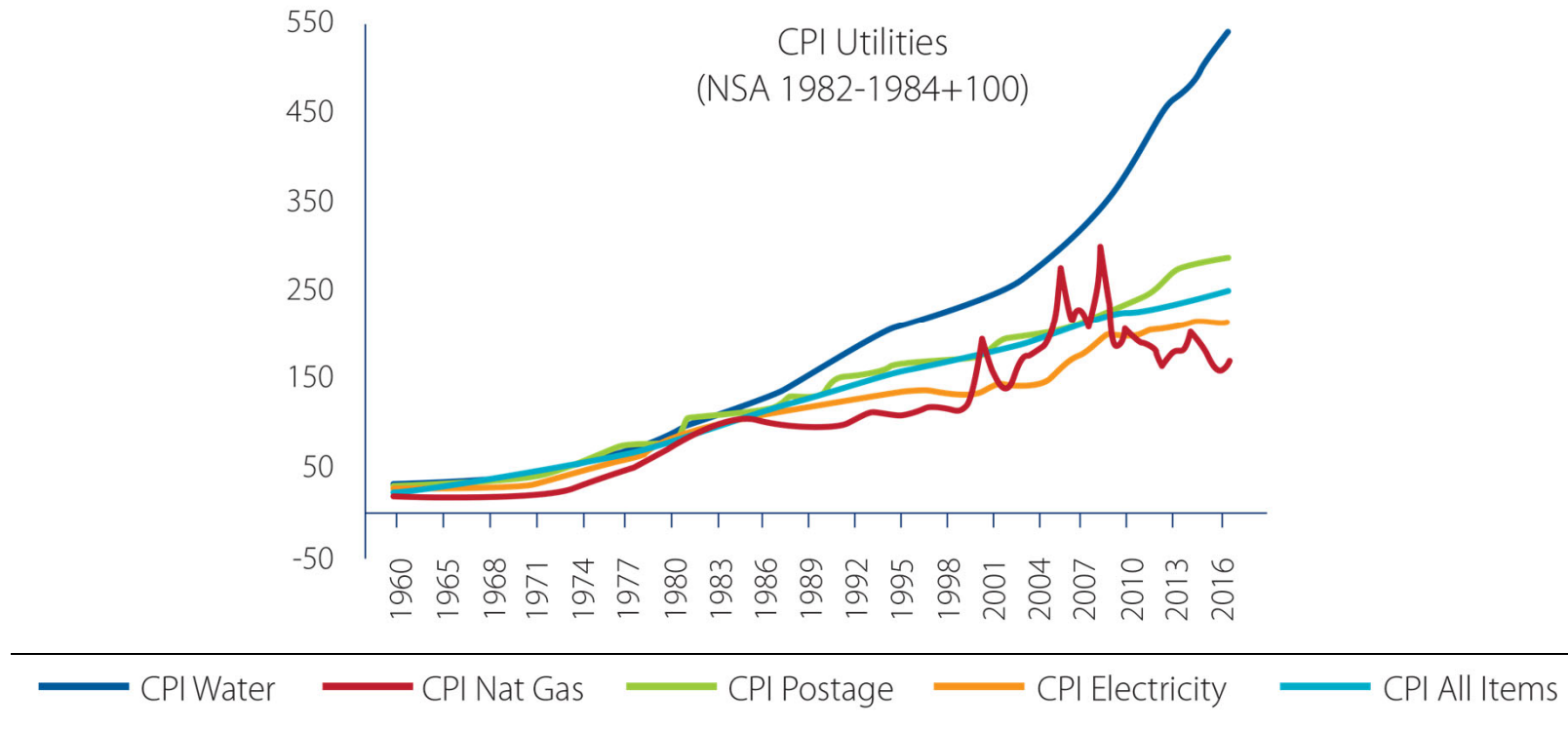
Source HIS, 2015

# The American market



## The rise of water prices Vs. other utilities

Historical Water Rates Compared to Other Utilities <sup>(1)</sup>



Long-term trends in consumer prices (CPI) for utilities (1953-2016)

# The American market







- The north American leg of the ARAD GROUP
- Strong presence in most of the USA states
- Technology partner to water utilities for more than four decades
- 12% US market share

# The American market



## Major - US market Players

Mark	Traded	Market share	
Neptune	-	24%	
BMI	Nasdaq	21%	
Sensus	-	21%	
Arad Group	-	12%	

# The Israeli market



- Significant movement towards AMI
- Installed base of more than 1,000,000 Arad AMI meters
- Promoting additional offerings to water utilities through IoT technologies





# The European market

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- **Spain:** Contazara market leader. In Spain major customers: Madrid, Barcelona, Malaga, Sevilla, Valencia
- **Italy:** WaterTech – Market leader in Italy. Major costumers: Milano, Rome, ItalGas (AMI Gas Meters)

# The Mexican & South American markets

- Cicasa as a Mexican market leader
- Utilizing the assembly and manufacturing capacity of Cicasa





# ARAD Group Strategy and Directions

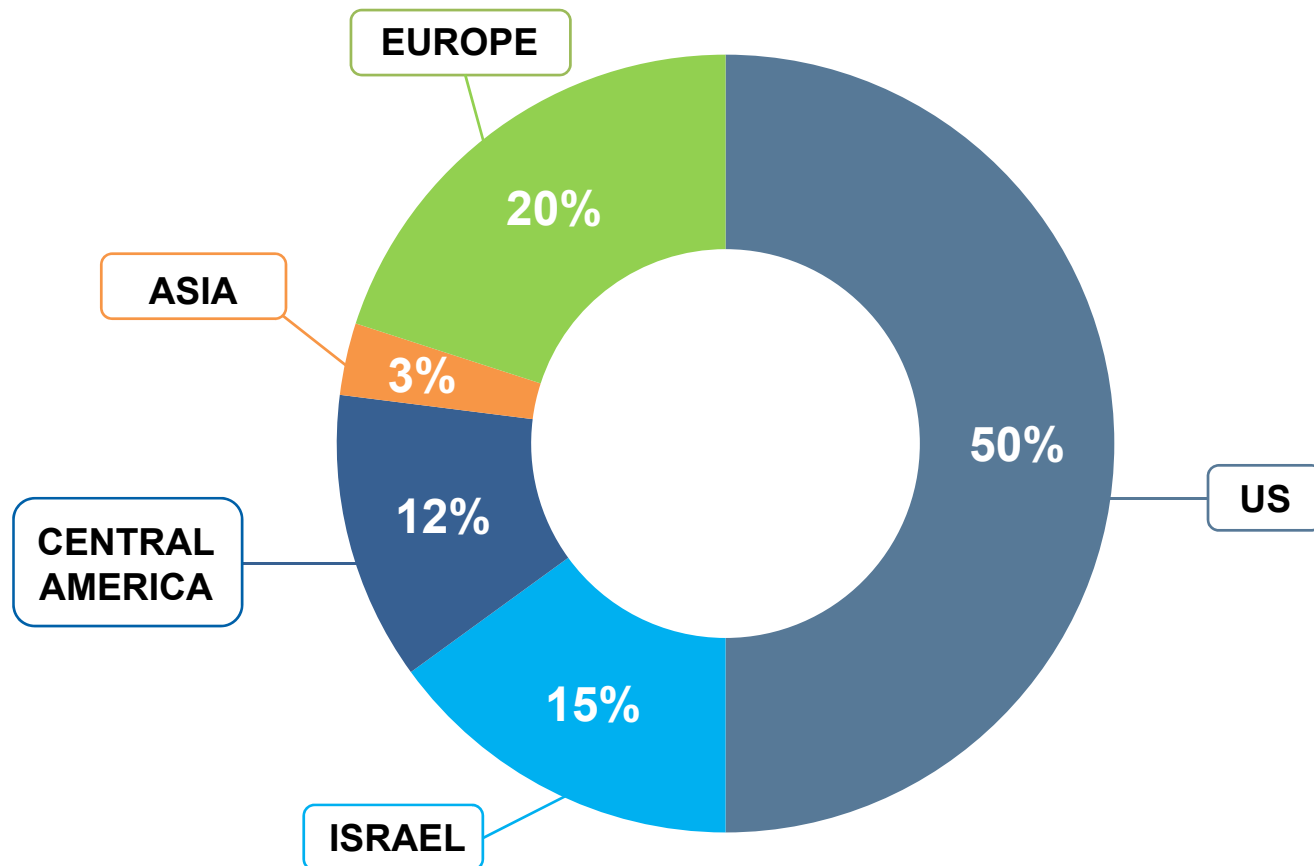
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- Focusing on AMR/AMI driven markets
- Focusing on high profitability territories.
- Focusing on technology leadership
- Alliances with partners, leaders in electricity and smart city
- M&A as additional growing engine

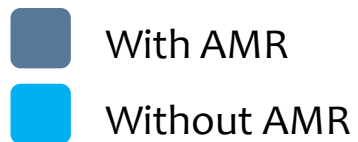


## Financial Data

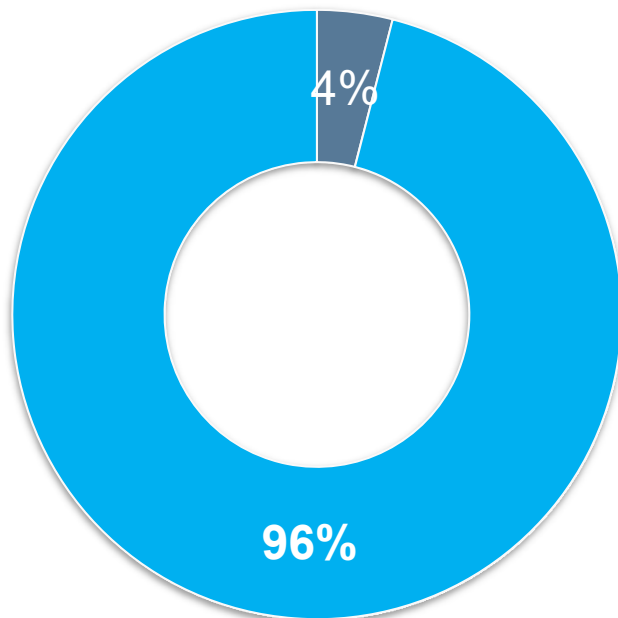
# Sales by Regions - 2019



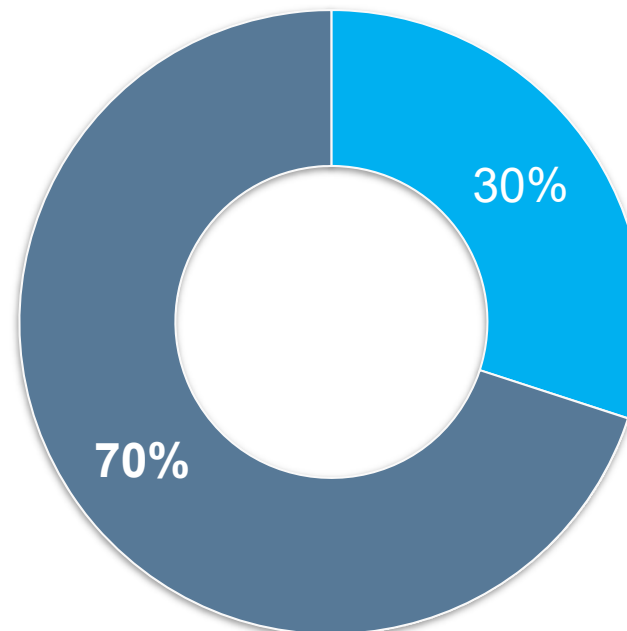
# Focus on AMR / AMI



**2003**



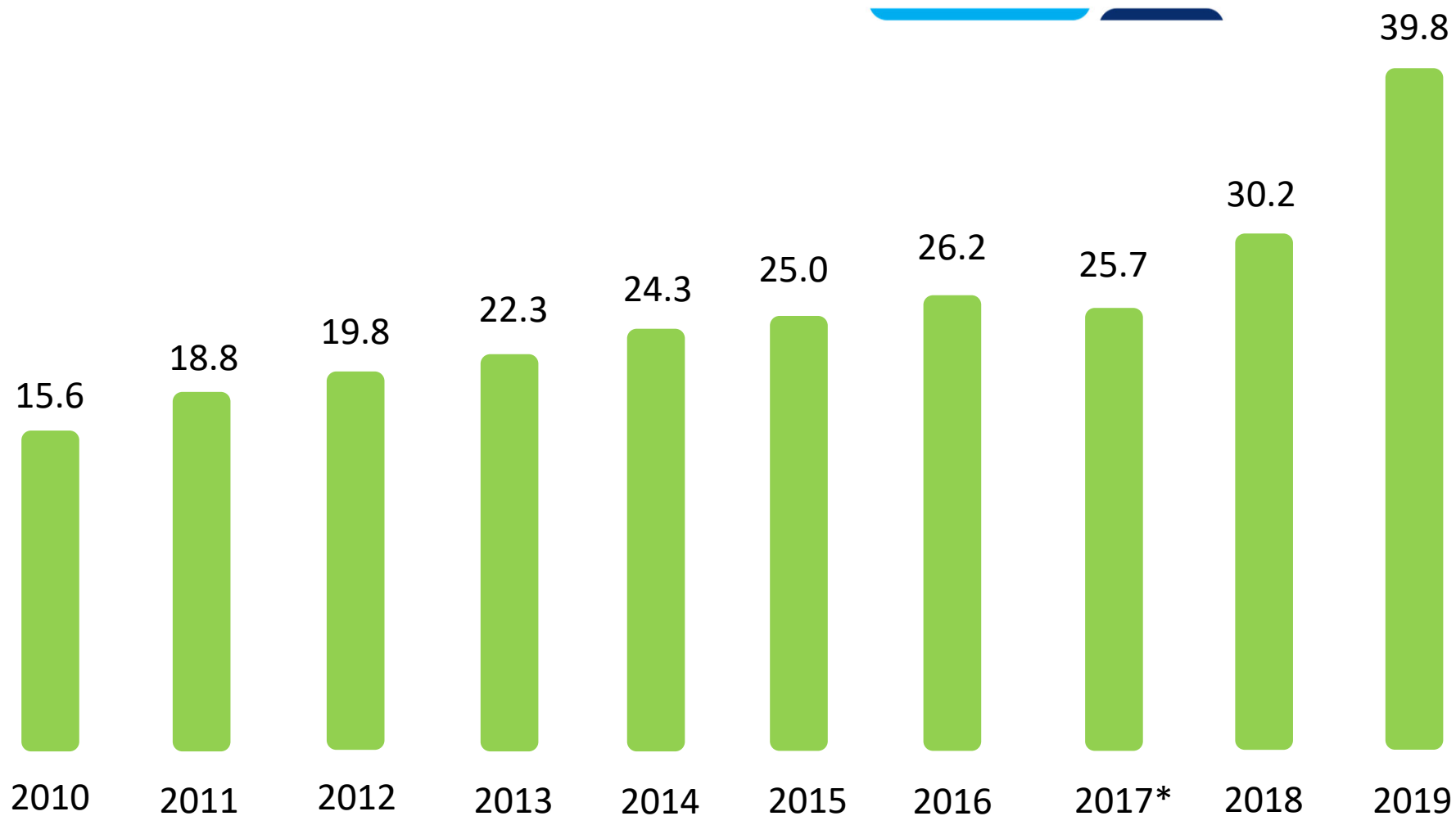
**2019**



# Sales (M\$)

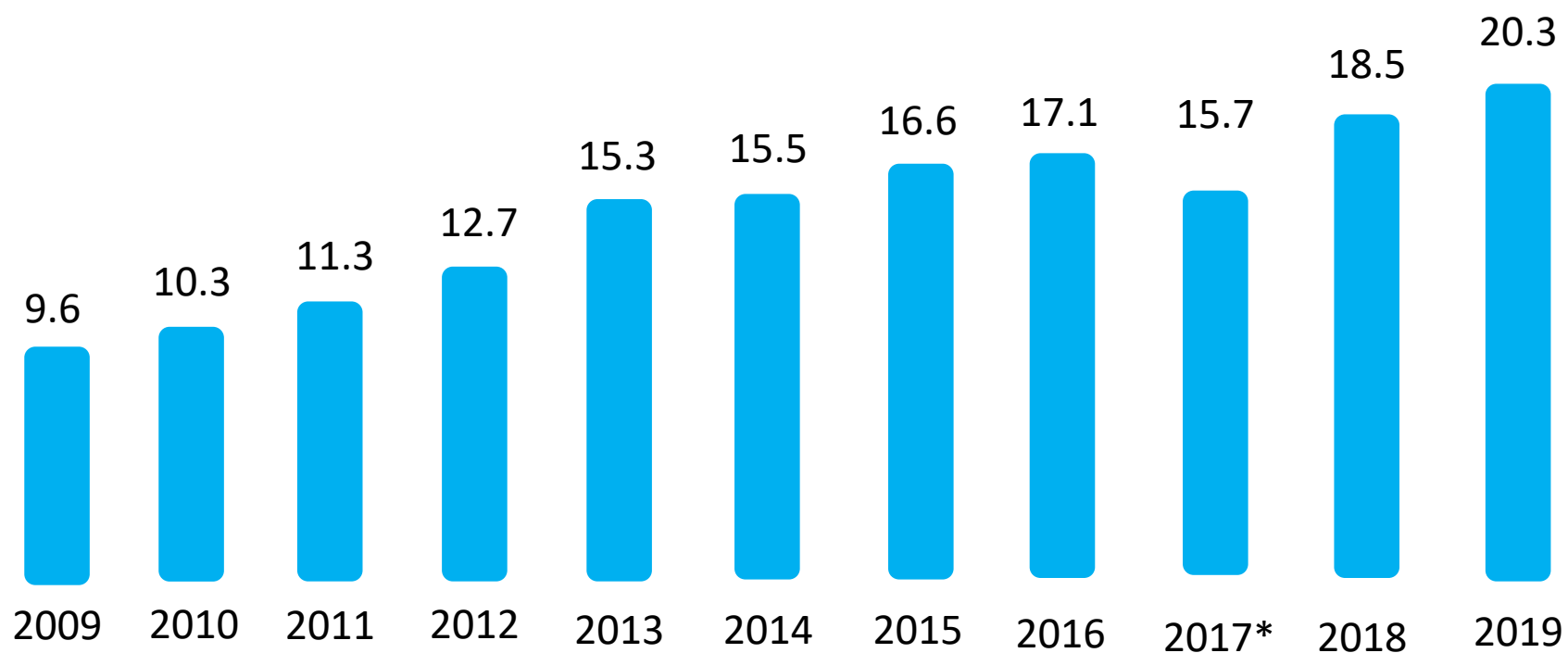


# EBITDA (M\$)



\*Year 2017 Adjusted Net Profit eliminating the 8.5 M\$, one time event.

# Net Profit (M\$)



\*Year 2017 Adjusted Net Profit eliminating the 8.5 M\$, one time event.



# Disclaimer

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