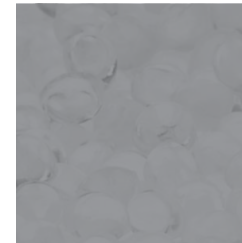




# Company Presentation

March 2023



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- Polyram's assessments regarding Polyram's objectives are based, inter alia, on Polyram's assessments regarding trends in the Company's business in particular and trends in the market in which Polyram operates in general, as well as Polyram's management assessments regarding potential and market trends in Israel and international markets as of this report. These assessments may not materialize and/or materialize significantly differently from Polyram's assessments, inter alia, as a result of factors external to Polyram and which are not under control, including, inter alia, changes in the economic situation in Israel and abroad.
- To the extent that there is a conflict 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.

# Polyram – Overview



Polyram is a global solution provider, manufacturer and marketer of advanced functional raw materials for the plastic industry worldwide



Three operating divisions:

- **Bondyram**
- **Engineering Plastics (EP)**
- **Polytron**

Established in  
**1986**

**1,300** products

**Sophisticated**  
manufacturing processes

**Tailor Made** solutions

Over **800** customers

## Financial Data (ILS in millions)

|            | 2021 | 2022  |
|------------|------|-------|
| Revenues   | 907  | 1,104 |
| Net Income | 100  | 104   |
| EBITDA     | 166  | 166   |



# Management

## Solid, Loyal and Experienced Management Team



**Ishay Davidi**  
Chairman of the Board  
Founder and CEO of the FIMI Fund



**Yuval Peleg | CEO**  
32 years in the company  
CEO since 2015



**Netanel Guez**  
CFO  
6 years



**Dror Zur**  
CPO  
36 years



**Idan Rephaeli**  
COO  
4 years



**Amit Koren**  
Local Market Manager  
2 year



**Ziv Herling**  
Bondyram Manager  
and VP Global Sales  
22 years



**Eliyahu Katan**  
Bondyram TL Manager  
8 Years



**Gabriela Marziparo**  
Polytron Manager  
12 Years



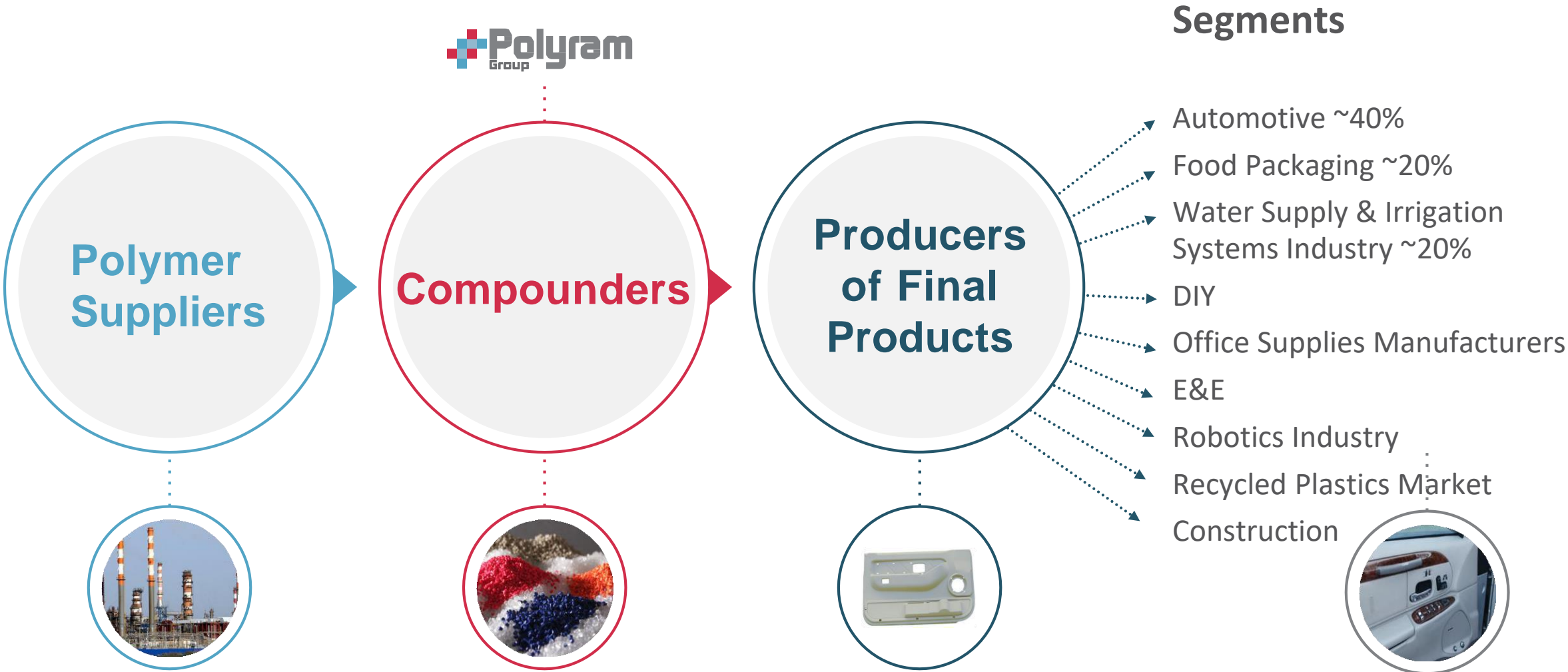
**Ofir Kayam**  
EP Export Manager  
8 Years



**Yaara Avrahami**  
Quality Manager  
22 Years



# The Plastic Industry - Value Chain



# Growth engines of Polyram

**Recycling, innovation, and sustainability** are the core values of the firm. The company develops sophisticated recycled raw materials to lead the industry in the coming years through its recycling plants in UK, Germany, and Israel.

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**Polyram has established its presence in the American market** by producing thermoplastic compound products in the USA and building a distribution system.

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**The company aims to develop synergies in the German market**, the most industrialized country in Europe, by distributing Polyram products to MCT customers.

---

**Expanding the market for elastomer products**, particularly thermoplastic rubber produced at MCT, throughout Europe using its subsidiaries and the local market.

---

**Intending to penetrate the field of electric vehicles and charging stations** by developing advanced materials for new applications.



**Polyram's field of material recycling is regarded as one of the company's primary growth engines**

## **Development and marketing of recycled materials**

Polyram UK specializes in recycled materials.

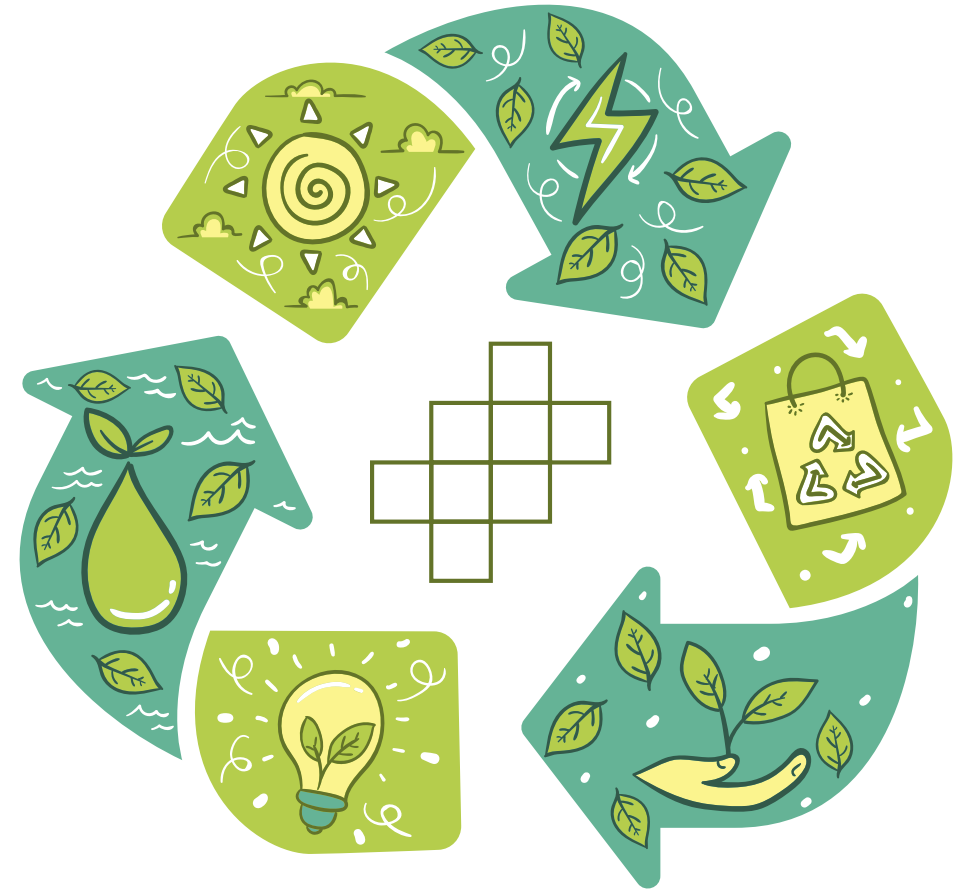
## **Entering to recycling market through the acquisition of MCT-**

Polyram MCT **produces** two major products **with recycled materials**: (1) Polyolefins with minerals and glass fibers (2) Thermoplastic rubber (elastomers).

**Dedicated production lines**-to meet the increasing demand in the field of recycling, dedicated production lines have been established at a factory in UK and a factory in Israel.

## **Entering into new projects in the automotive industry-**

In a bid to improve the sustainability of their operations, more automotive manufacturers are making use of recycled material in vehicle interiors.



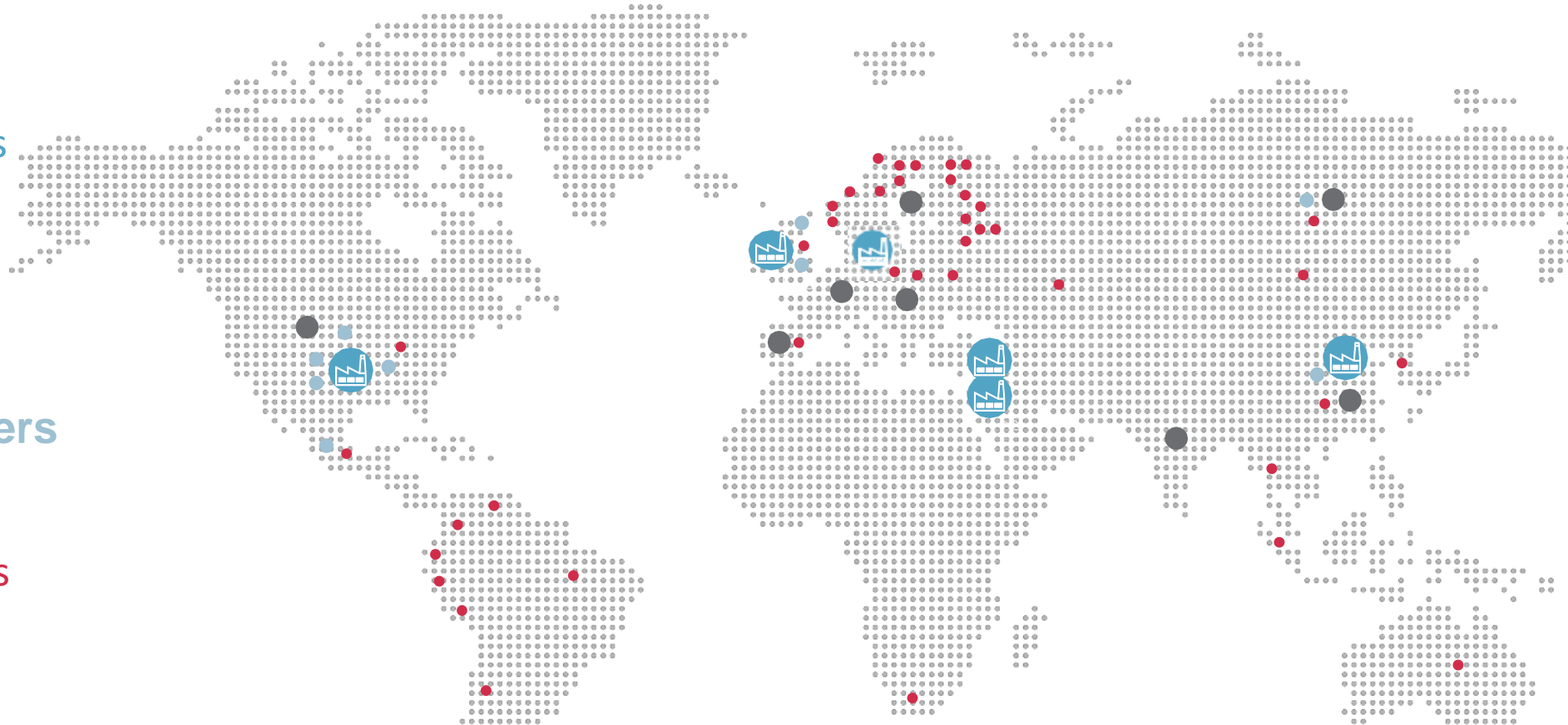
# Global Footprint

 **6** Production sites

 **10** Subsidiaries

 **9** Logistic centers

 **40+** Distributors



Headquarters and Plant - Israel



Israel – Afula Plant



China Plant



U.S.A Plant



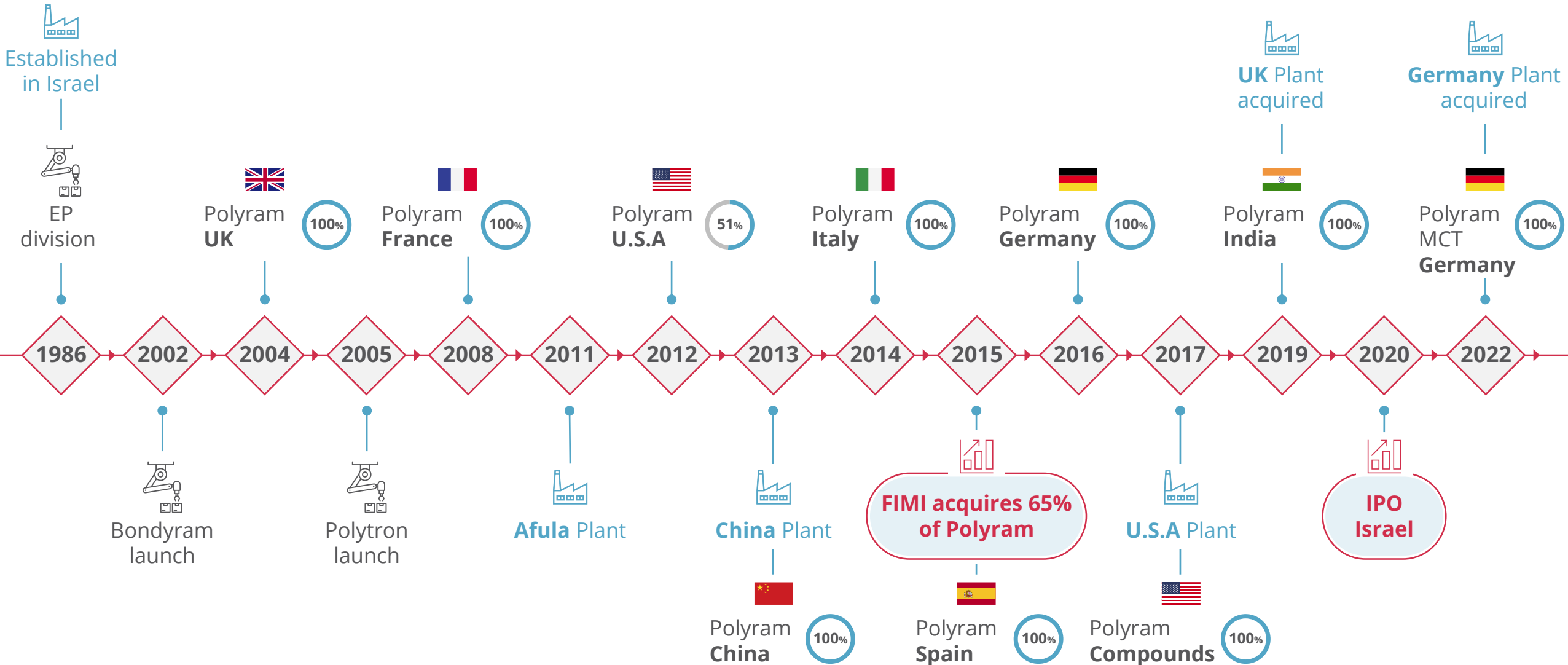
UK Plant



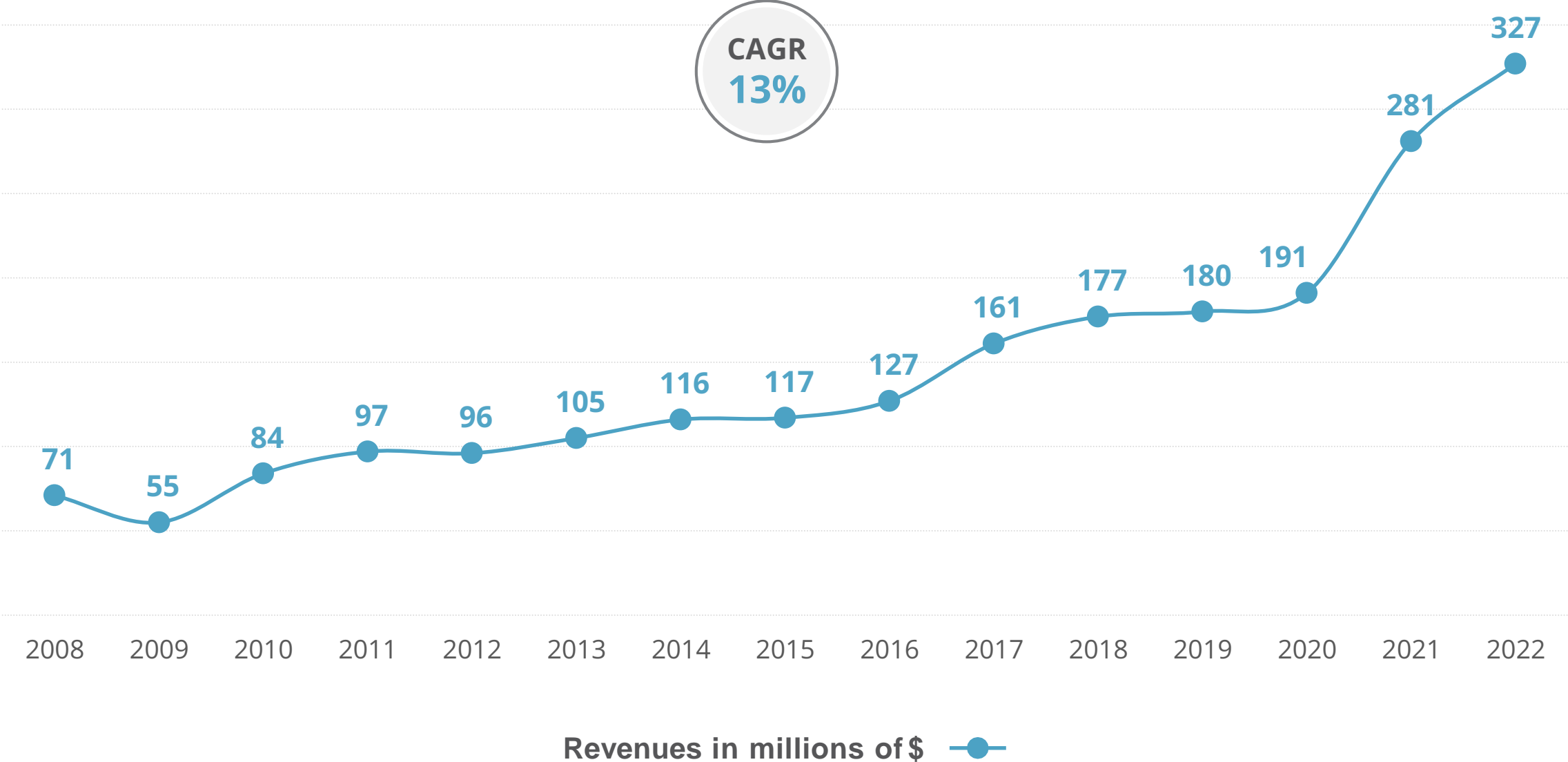
Germany Plant



# Polyram - Milestones

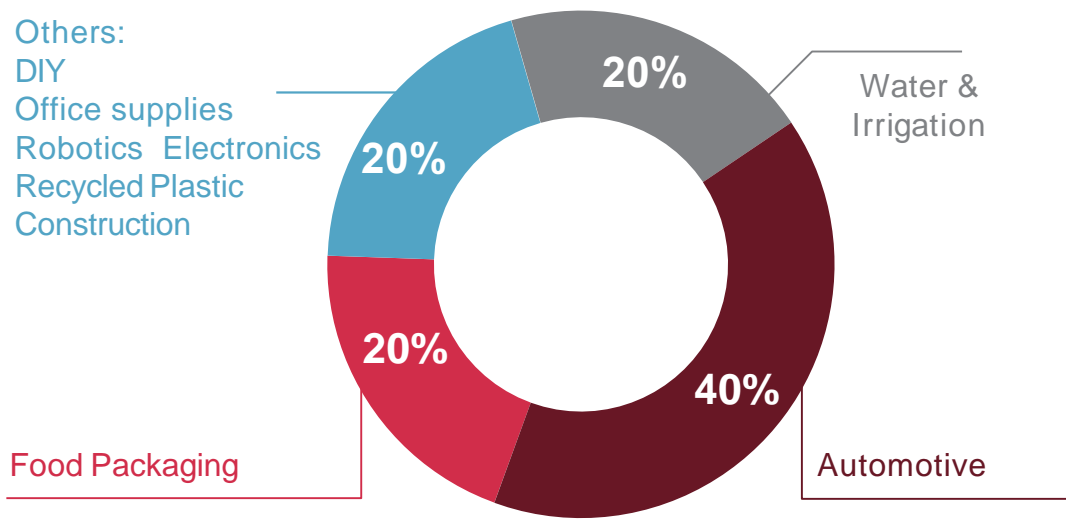


# Strong and Consistent Growth

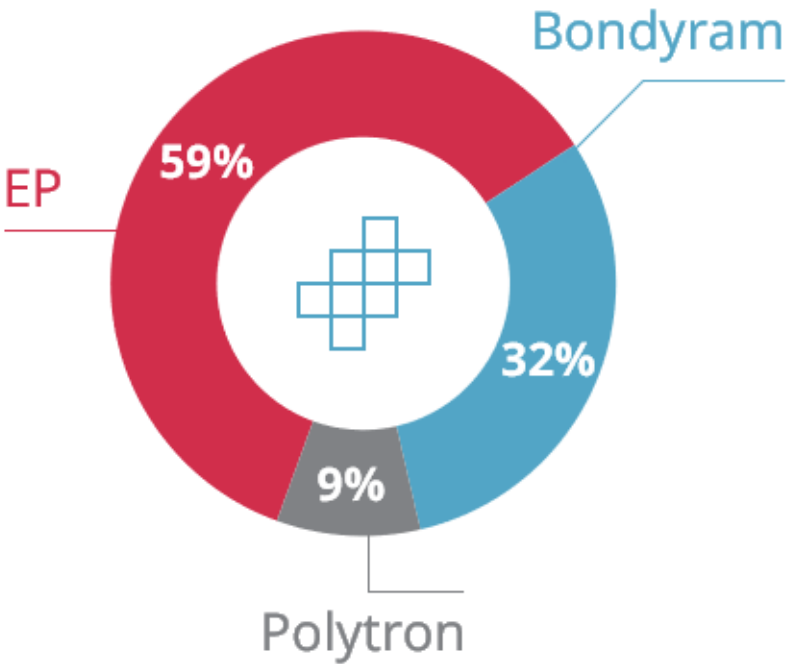


# Diversification and risk reduction

## End Markets

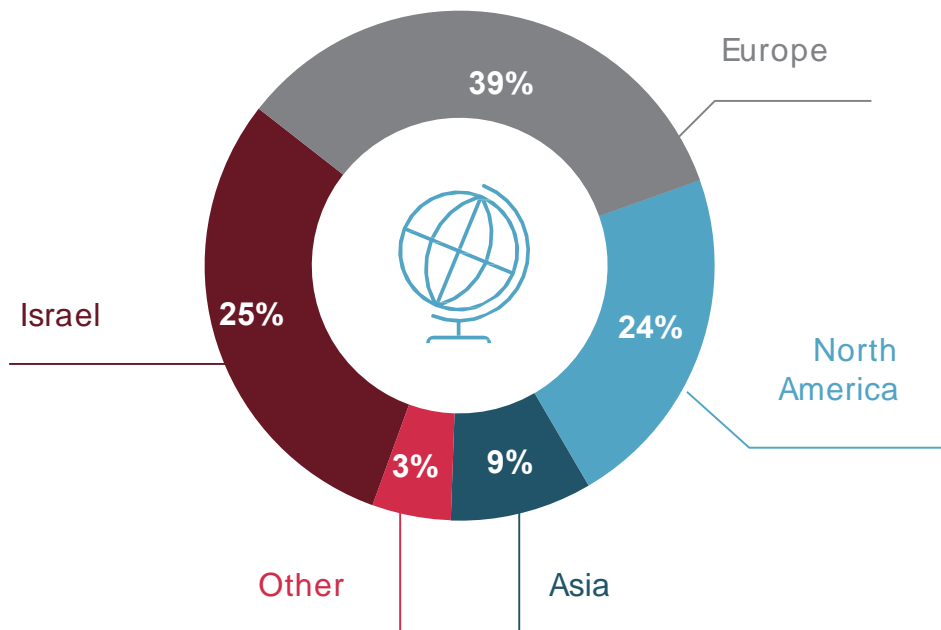


## Product Lines

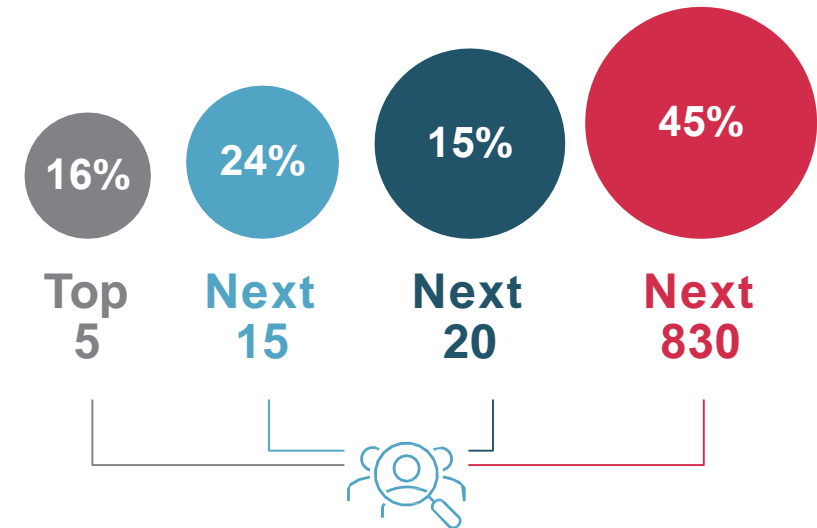


# Diversification and risk reduction

## Geographic Diversification



## Customer Diversification



Biggest customer < **5%** of total revenue

20 of the Biggest customers = only **40%** of total revenue

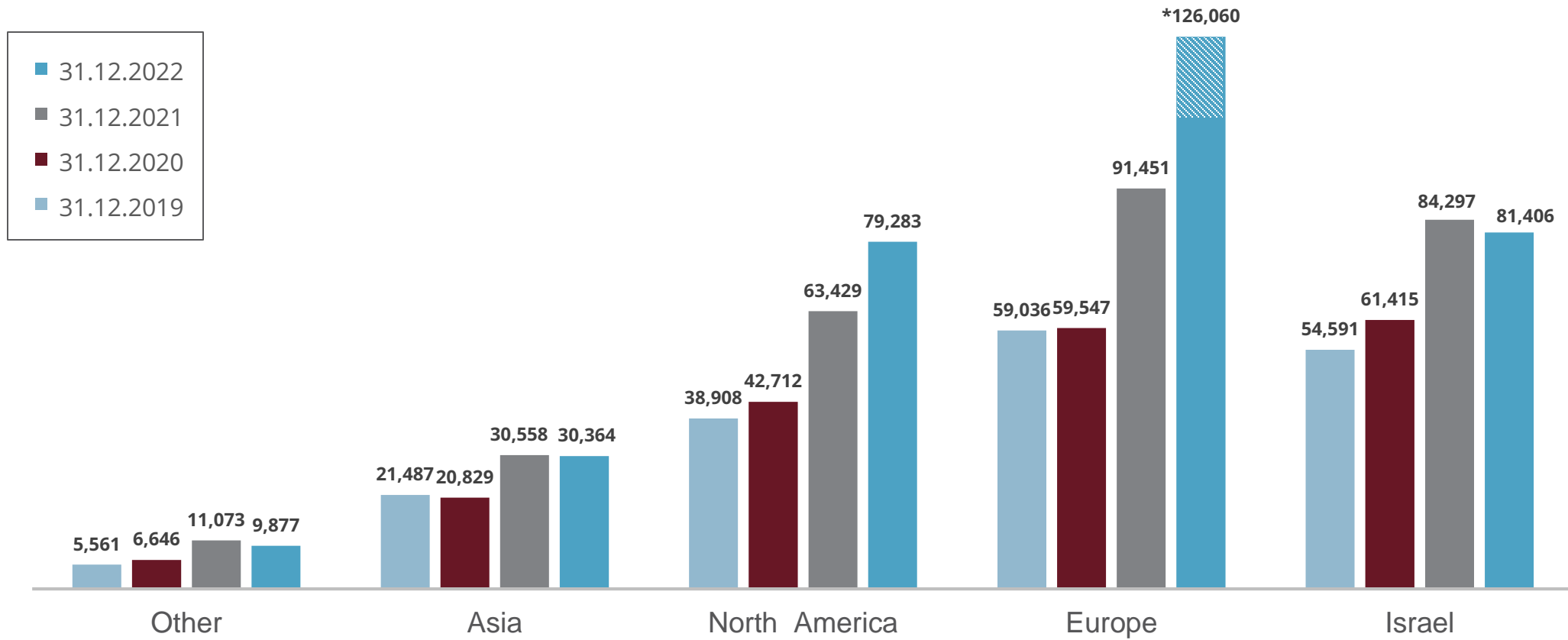
Direct sales to end producers > **87%**

**98%** > Of the company's customers are covered by full credit insurance



# Diversification and risk reduction

## Sales by geographic markets K-USD

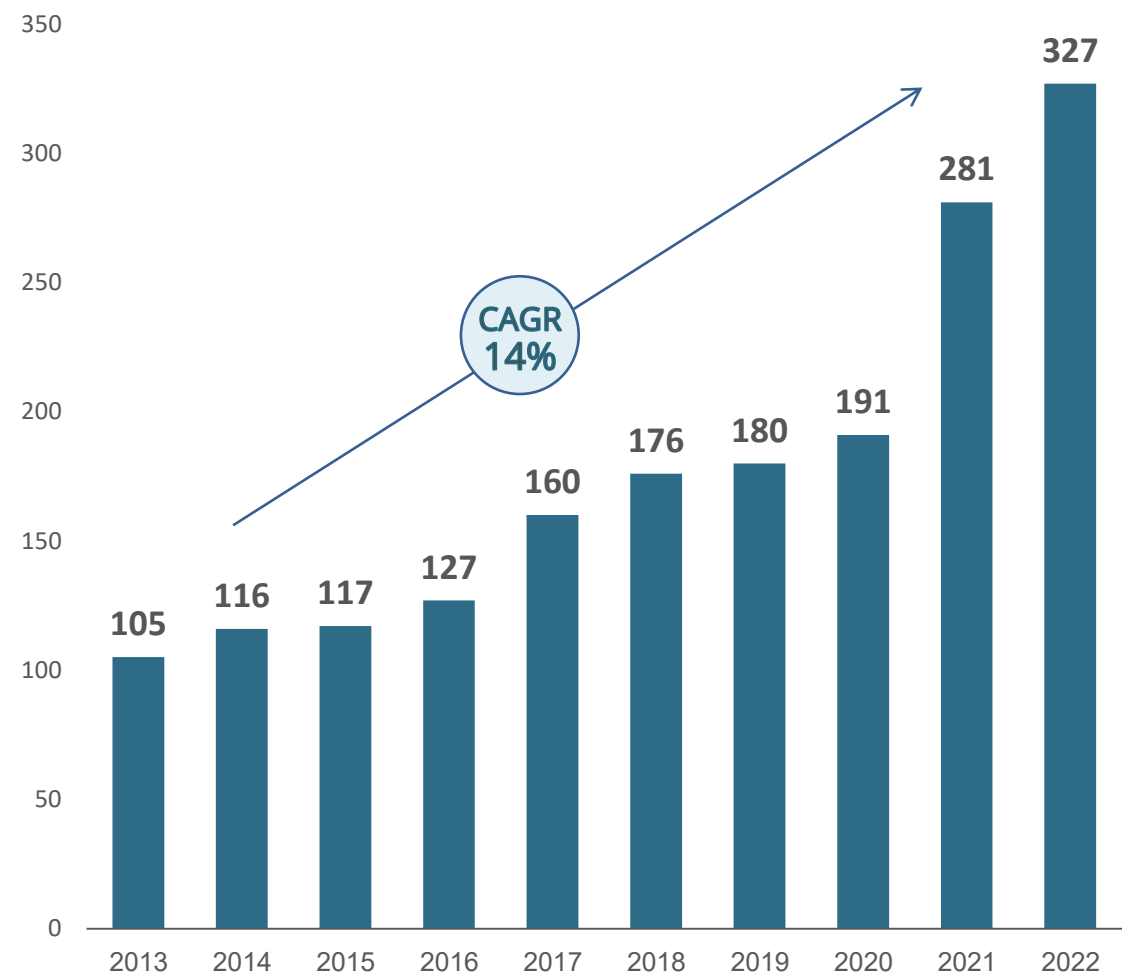


\*Including MCT  21,375\$

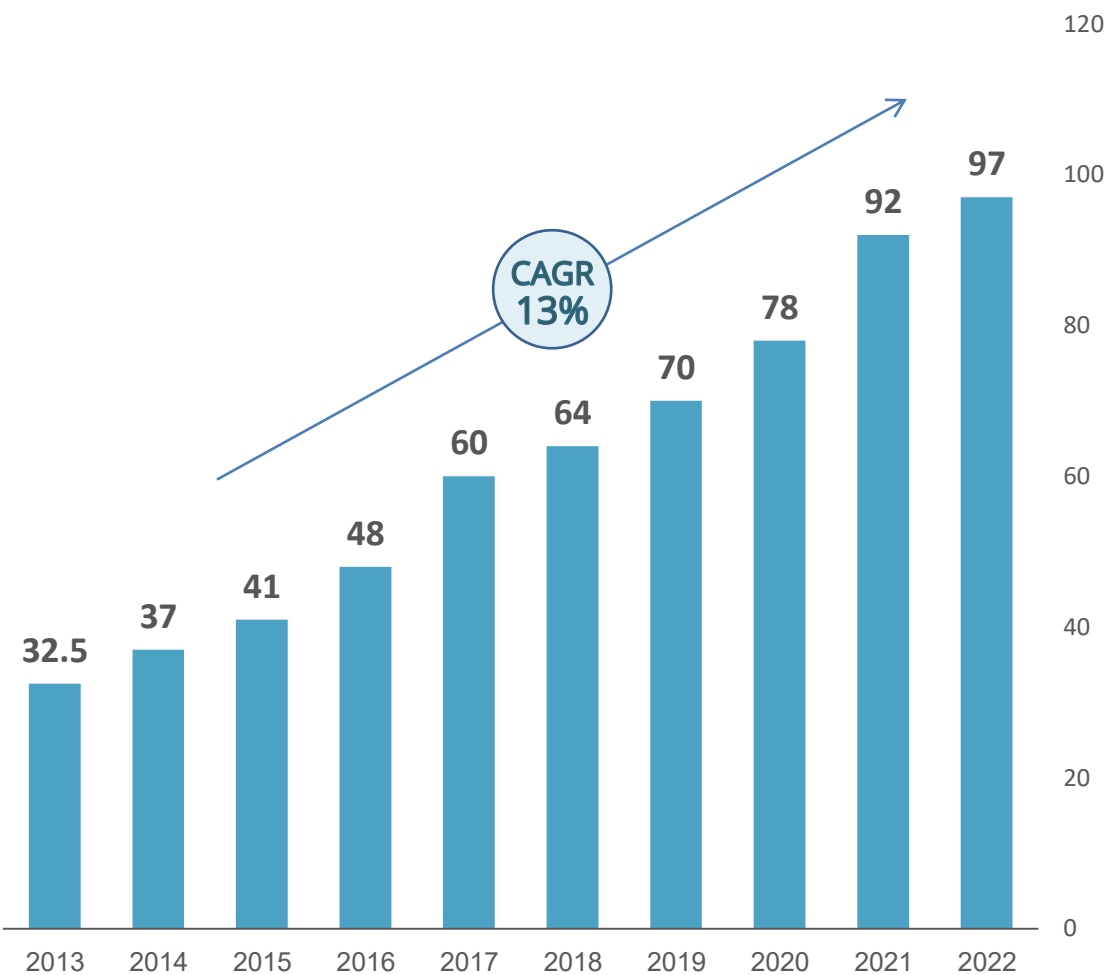
# Sales - USD (M) & Tons



## Turnover



## Tons



# Product Lines



 **Bondyram**<sup>®</sup>

 **EP** Engineering  
Plastics

 **Polytron**<sup>®</sup>

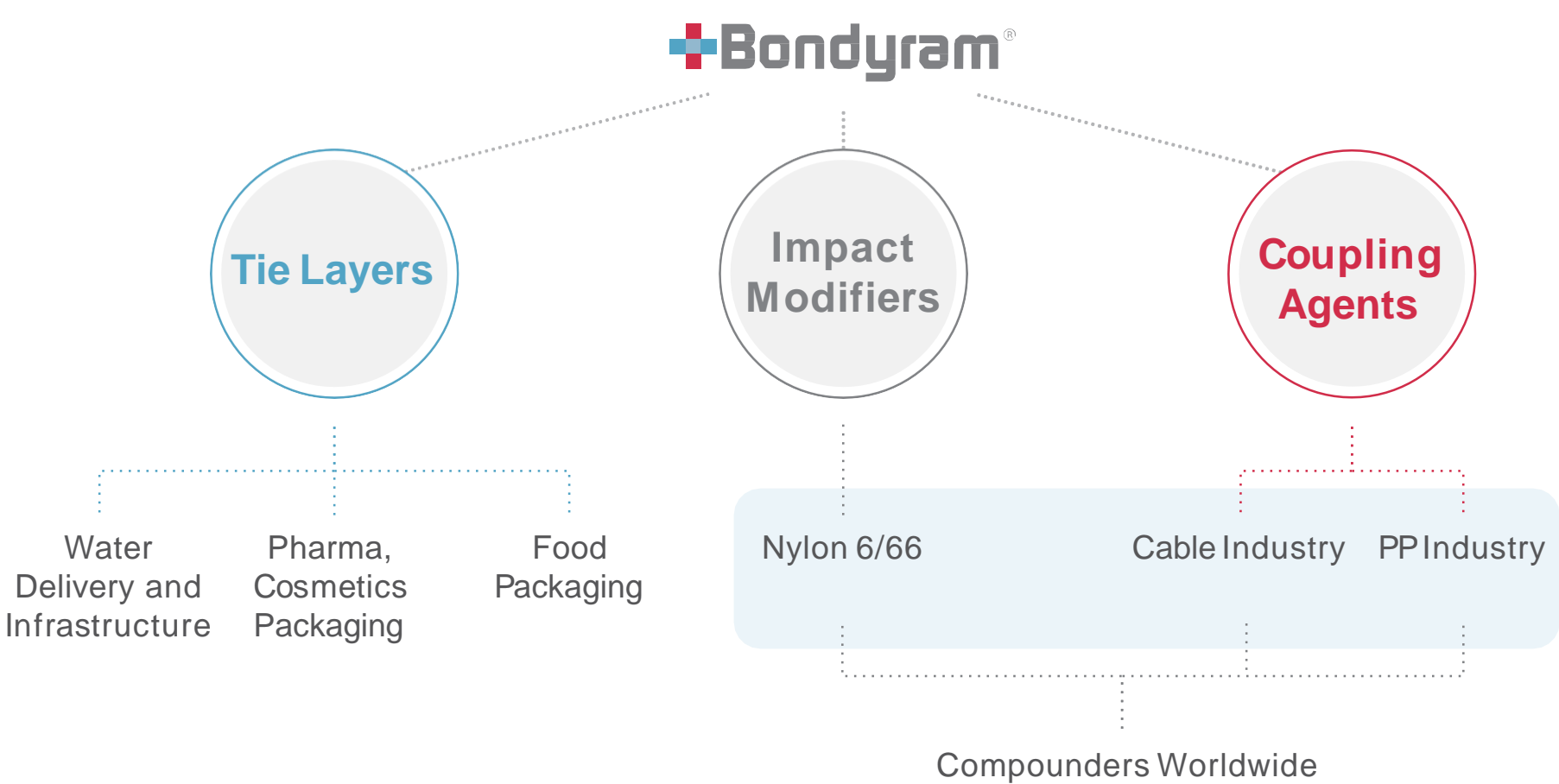
Maximum annual production capacity ~\***137,850 Tons**

Current available capacity for growth ~**70%**

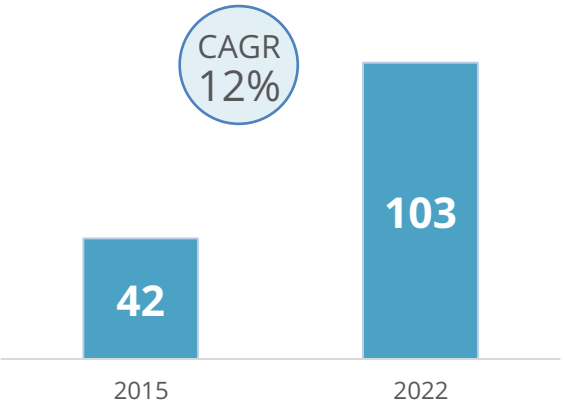
**In order to meet the anticipated demand in the upcoming years,**  
there was a significant investment during **2021-2022**  
to increase production capacity and operational efficiency.

By the first half of **2023**, **two more production lines will be operational**, resulting in  
an **increase of approximately 7,000 tons of production capacity.**

\*Including 24,000T MCT



**Bondyram Revenues**  
\$ in millions( 2015-2022)





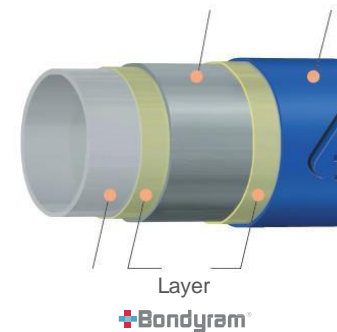
# Tie Layers

Tie Layers are used in extrusion-based products. It enables integration of several layers with different functionalities.



## Products and Applications

### Construction



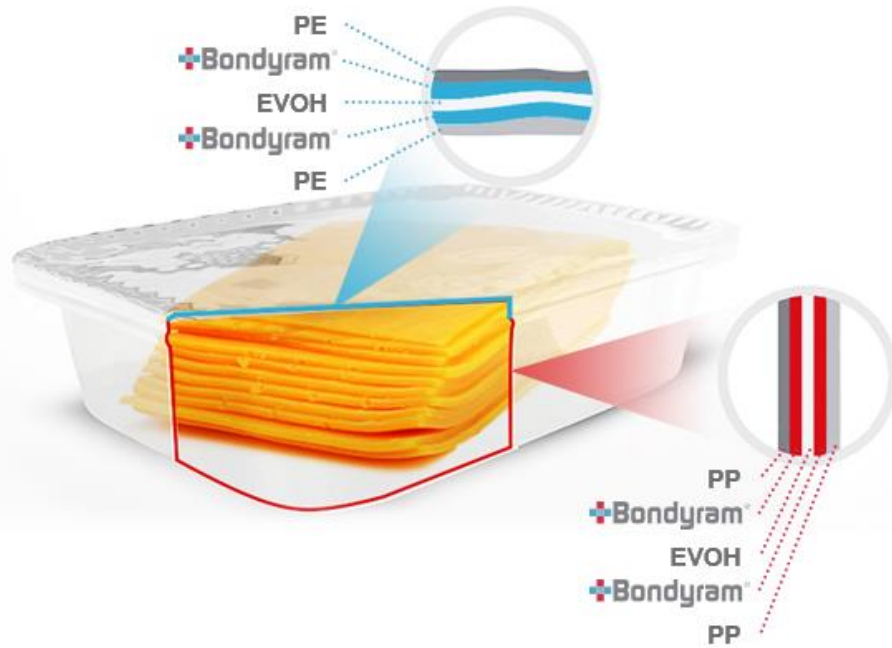
### Pharma and Cosmetics Packaging



### Chemicals Packaging



### Food Packaging



# Tie Layer – one of our Key Growth Engine



**Polyram established a new production plant in the US (Greenfield),**  
dedicated to Tie Layers to serve the North American market

**Successful penetration to major customers in the US**

Food packaging industry

**Developing new market segments** such as the transportation of liquids for  
infrastructure and construction activities

**Increasing sales activities in Asia** (China, India, and Southeast Asia)

**5 large key suppliers supply 80% of the total global market** of Tie Layers

The total global market is estimated at ~\$1.3 billion and still growing



- **Coupling Agents** – solutions to couple between different polymers and glass-fibers
- **Impact Modifiers** – provide compounds with special functionalities

## Products and Applications

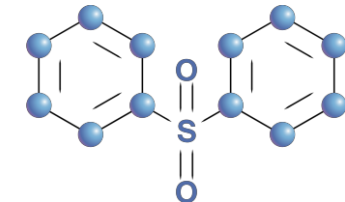
General plastic and wood products



Cables



Compounders  
(such as Polyram)



# Key Growth Engines



## Coupling Agents and Impact Modifiers

Polyram is a **global leader** in these product lines

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Establishing a plant in the US to provide solutions to the **local market**

---

**New products and applications** -A new Product Line for the US market is in final stages of development

---

Total global market is estimated at ~\$500 million and still growing

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After five year development process, Polyram launched an **innovative Impact Modifier in the US market**



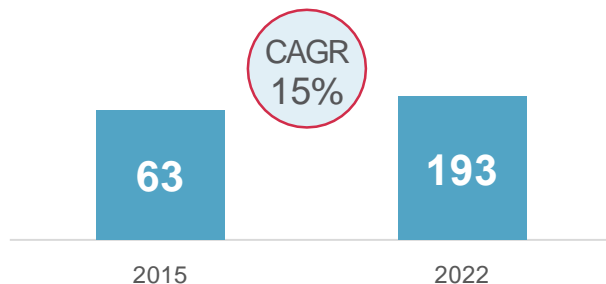


## Solutions

- **Polyram develops tailor-made solutions** and raw materials for plastic-based applications
- We provide customers with **special functional** raw materials with **unique characteristics** such as fire resistance, flexibility, UV resistance, and more
- Q1/2023 - Establishment of the first **EP production line in the US**
- Establishment of **2 production lines in the UK** in order to produce prime products for the European market and increase production capacity
- 2022 – **Additional 3 new production lines** in Israel.
- **Entering the world of recycling engineering materials** at the Israeli site, in order to provide solutions to our customers locally and worldwide
- Purchase/Acquisition of MCT plant in **Germany-entering the world of thermoplastic rubber**

### EP revenues

(in millions) \$ 2015-2022



## Products and Applications

Automotive



Irrigation



Other



# Key Growth Engines

**Geographic expansion** – New geographical markets, fast-growing markets such as South East Asia, and traditional markets such as Germany, North America, and more

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**Add-on acquisitions of small/medium size compounders** in Europe and North America (family-owned, active players, etc.)

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**Penetration into the plastic recycling market** through the UK subsidiary production site

---

**Development of innovative products** - advanced materials with unique properties

---

**Global supplier** for the European and American markets

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**Entering the German market and the thermoplastic rubber sector** through the acquisition of MCT and its distribution in Europe and Israel through Polyram's subsidiaries and distributors

---

The total global market is estimated at ~\$3 billion and growing



# Polyram MCT



Belongs to Engineering Plastics Product Line and includes 2 sectors:

- Polyolefins with minerals and glass fibers
- Thermoplastic rubber (elastomer)

The acquisition of MCT is in correlation with Polyram's strategy for expansion in the European market and production in Europe

- **Production and distribution in Europe**- allows obtaining large projects of polyolefins and Bulk supplies.
- **Penetration into the German market** by the company's distribution system with Polyram's products.
- **Penetration into the thermoplastic rubber market** through the European subsidiaries and Polyram Israel.
- Potential expedition of the production line.
- Acquisition based on EBITDA ratio X6

## Financial results

| 3-12/2022 | K-EUR              |
|-----------|--------------------|
| 20,419    | Sales              |
| 1,038     | Operating profit*  |
| 950       | Profit before tax* |
| 2,138     | EBITDA             |

\*Adjusted



Center console



Springs for an adjustable bed

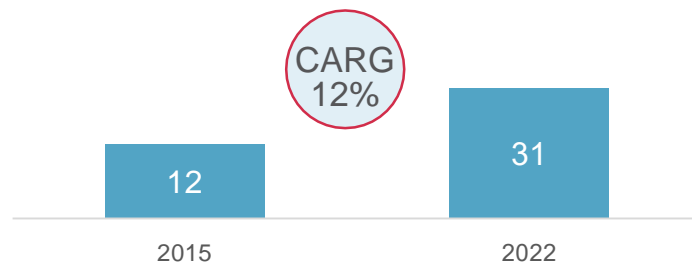


Gear cover

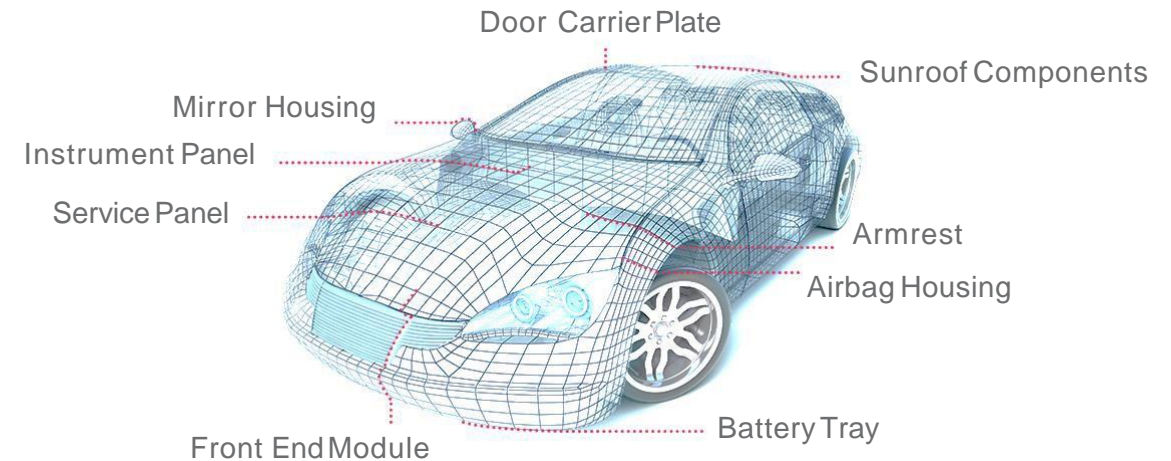
- Polyram is recognized as **one of the 10 largest suppliers** of long fiber solutions to the global automotive industry
- Polytron products mainly serve the Automotive Industry
- **Unique qualities** of Polytron based products allow the replacement of metal components with light-weight plastic based solutions
- Key customers of the Polytron products include large OEMs such as VW, BMW, and DAIMLER.
- Polyram has **production sites in 3 continents** (North America, Israel and China)
- **Providing solutions** for improving mechanical properties to end products in the automotive industry.
- Entering the electricity cabinets market in the US.
- Q1/2022 - Establishing a **second production** line in the US

## Polytron revenues

(\$ in millions) 2015-2022



## Each new car contains 4-6 kg of long-fiber products





# Key Growth Engines



Geographic expansion - further **penetration to the US market** leveraging newly established plant in the US

**Growth with the natural expansion** of our large customer base

**Innovation** – development of new long-fiber-based solutions to the automotive industry

**Leverage the weight reduction trend** in the automotive industry

Maintaining the status of Polyram, as a **leading supplier to the automotive industry**, with global distribution channels on **three continents**

Polyram **obtains OEMs and Tier 1 certifications** which are a **major barrier** to market development

Polyram is one of the **top ten suppliers in the global market**

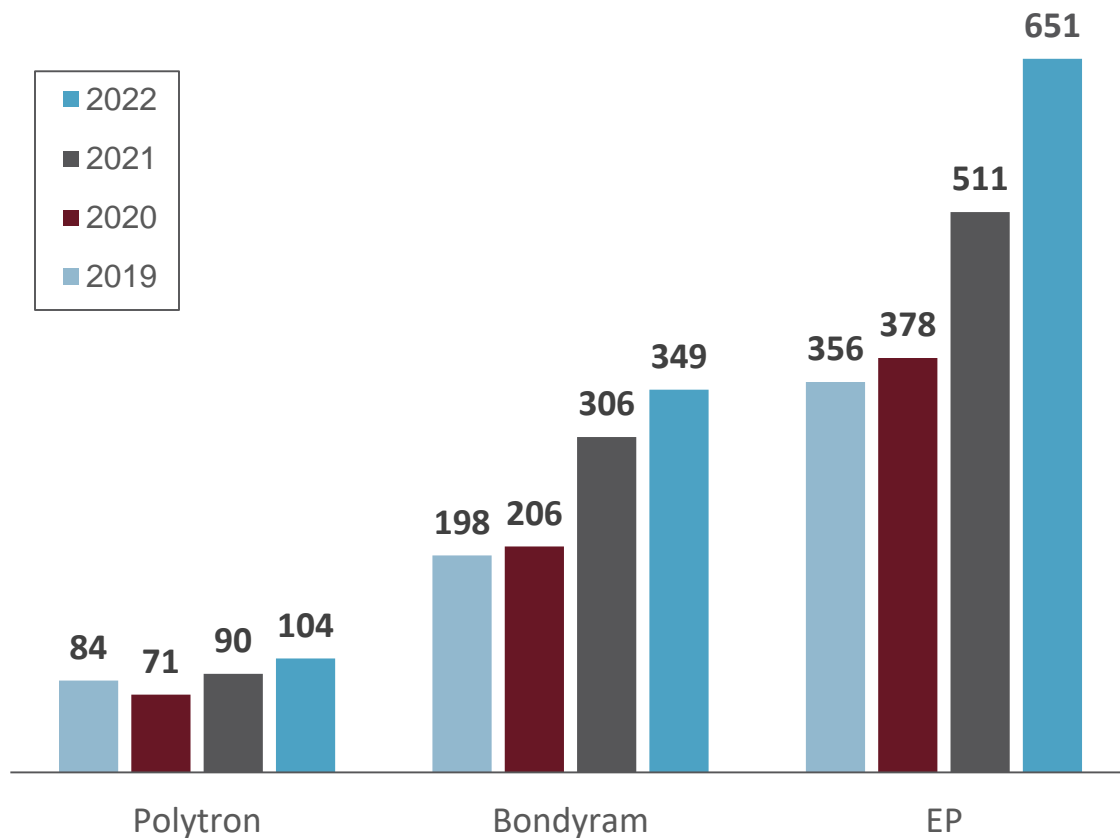
The total global market is estimated at ~\$650 millions and growing





# Financial Statements

## Turnover by operating divisions



|                       | 2019       | 2020       | 2021       | 2022         |
|-----------------------|------------|------------|------------|--------------|
| EP                    | 356        | 378        | 511        | 651          |
| Bondyram              | 198        | 206        | 306        | 349          |
| Polytron              | 84         | 71         | 90         | 104          |
| <b>Sales turnover</b> | <b>638</b> | <b>655</b> | <b>907</b> | <b>1,104</b> |

|                            |              |              |              |              |
|----------------------------|--------------|--------------|--------------|--------------|
| <b>Gross profit</b>        | <b>117</b>   | <b>140</b>   | <b>201</b>   | <b>201</b>   |
| <i>Gross profit margin</i> | <i>18.3%</i> | <i>21.3%</i> | <i>21.1%</i> | <i>18.2%</i> |

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| R&D expenses  | 3            | 3            | 3            | 3            |
| S&M expenses  | 35           | 35           | 40           | 46           |
| G&A expenses  | 13           | 13           | 19           | 21           |
| Other expenses (income), net                        | 3-           | 3            | -            | 3            |
| <b>Operating profit</b>                             | <b>69</b>    | <b>86</b>    | <b>139</b>   | <b>129</b>   |
| <i>Operating profit margin (w/o other expenses)</i> | <i>10.8%</i> | <i>13.1%</i> | <i>15.4%</i> | <i>11.9%</i> |

|                          |             |             |              |             |
|--------------------------|-------------|-------------|--------------|-------------|
| Financing expenses, net  | 21          | 11          | 21           | 11          |
| Income taxes             | 7           | 12          | 18           | 13          |
| <b>Net profit</b>        | <b>41</b>   | <b>63</b>   | <b>100</b>   | <b>104</b>  |
| <i>Net profit margin</i> | <i>6.4%</i> | <i>9.6%</i> | <i>11.0%</i> | <i>9.4%</i> |

|                      |              |              |              |              |
|----------------------|--------------|--------------|--------------|--------------|
| <b>EBITDA</b>        | <b>87</b>    | <b>113</b>   | <b>166</b>   | <b>166</b>   |
| <i>EBITDA margin</i> | <i>13.7%</i> | <i>17.3%</i> | <i>18.3%</i> | <i>15.0%</i> |
| <b>CAPEX</b>         | <b>26</b>    | <b>11</b>    | <b>21</b>    | <b>*33</b>   |

\* In addition to the MCT acquisition of 89M-ILS.

|   | 2021       | 2022         |
|---|------------|--------------|
| Total current assets                                  | 576        | 640          |
| Total non-current assets                              | 397        | 508          |
| <b>Total assets</b>                                   | <b>973</b> | <b>1,148</b> |
| Total current liabilities                             | 402        | 365          |
| Total non-current liabilities                         | 131        | 189          |
| Capital attributed to the owner of the parent company | 430        | 581          |
| Capital attributed to minority interest               | 10         | 13           |
| <b>Total liabilities and capital</b>                  | <b>973</b> | <b>1,148</b> |

From the beginning of 2021, **132 M-ILS dividends** were distributed

Net liabilities to EBITDA  
**1.84X**

Current ratio  
**1.75**

# SUMMARY



Technological leadership, customer loyalty and high quality products



Industry and geographical distribution (a variety of industries such as: irrigation and water supply, packaging and food, vehicles and automotive, using worldwide production and distribution channels)



Significant growth engines in the TL and adhesives divisions, the automotive industry and the plant in the US



Significant growth potential in all product divisions



Entering the recycling engineering materials world, in the Israeli and UK sites



Dividend and cash flow policy in correlation with the company's growth



Powerful platform for mergers and acquisitions



Strength and economic resilience





# Thank You