

*Lighter & Safer ■ Smarter & Cleaner*

August 2021

מצגת זו נועדה למסירת מידע בלבד, היא אינה מהווה חוות דעת, המלצה או הצעה לרכישה ו/או מכירה של ניירות הערך של החברה ואינה מהווה תחליף לשיקול דעת או לאיסוף וניתוח מידע עצמאי של כל משקיע פוטנציאלי.

המידע והפרטים המובאים במצגת זו הינם חלקיים בלבד, מוצגים בתמצית למטרות נוחות בלבד, ויש לקרוא אותם ביחד עם הפרטים, התיאורים, ההבהרות, ההנחות, ההסתייגויות, ההערכות ותיאור גורמי הסיכון הנכללים בדו"ח התקופתי של החברה לשנת 2020, לרבות בפרק תיאור עסקי התאגיד לשנת 2020 כפי שפורסם ביום 18 במרץ 2021.

התמונות המוצגות במצגת זו הינן בגדר הדמיה.

המצגת כוללת מידע צופה פני עתיד, כהגדרתו בחוק ניירות ערך, התשכ"ח-1968. מידע כאמור כולל, בין היתר, תחזיות, מטרות, הערכות ואומדנים המתייחסים לאירועים ו/או לעניינים עתידיים, שהתממשותם אינה ודאית ואינה בשליטת החברה. מידע צופה פני עתיד אינו מהווה עובדה מוכחת והוא כפוף מטבעו לסיכוני אי-התממשות משמעותיים. מידע כאמור הינו בלתי ודאי, בלתי ניתן להערכה מדויקת מראש, הוא מבוסס רק על נקודת ראותה והערכתה הסובייקטיבית של הנהלת החברה, המתבססת בין השאר, על הידע של החברה בקשר עם הפעילויות השונות המבוצעות על ידה, על ניסיונה בתחום וכן על ניתוח מידע כללי הידוע להנהלת החברה. התממשותו או אי התממשותו של מידע כאמור תושפע, בין היתר, מגורמי סיכון המאפיינים את פעילות החברה וכן מהתפתחויות בסביבה הכלכלית ובגורמים חיצוניים המשפיעים על פעילות החברה, אשר אינם ניתנים להערכה מראש ואשר אינם מצויים בשליטת החברה. כמו כן, התממשותו או אי התממשותו של המידע צופה פני עתיד תושפע, בין היתר, אם יסתבר כי הערכות שונות שהניחה החברה היו לא נכונות. לפיכך, קוראי מצגת זו מוזהרים, כי תוצאותיה והישגיה בפועל של החברה בעתיד עלולים להיות שונים באופן מהותי מאלה שהוצגו במידע הצופה פני עתיד המוצג במצגת זו.

כמו כן, התחזיות וההערכות הצופות פני עתיד מתבססות על נתונים ומידע המצויים בידי החברה במועד עריכת המצגת. החברה אינה מתחייבת לעדכן ו/או למסור דיווח בדבר שינוי תחזיות ו/או הערכות הכלולות במצגת זו.

Revenue

**€125.3**  
million

EBITDA

**€24.3**  
million

Total Group Backlog  
under “frame agreements”

**€1,270**  
million  
(as of August 2021)

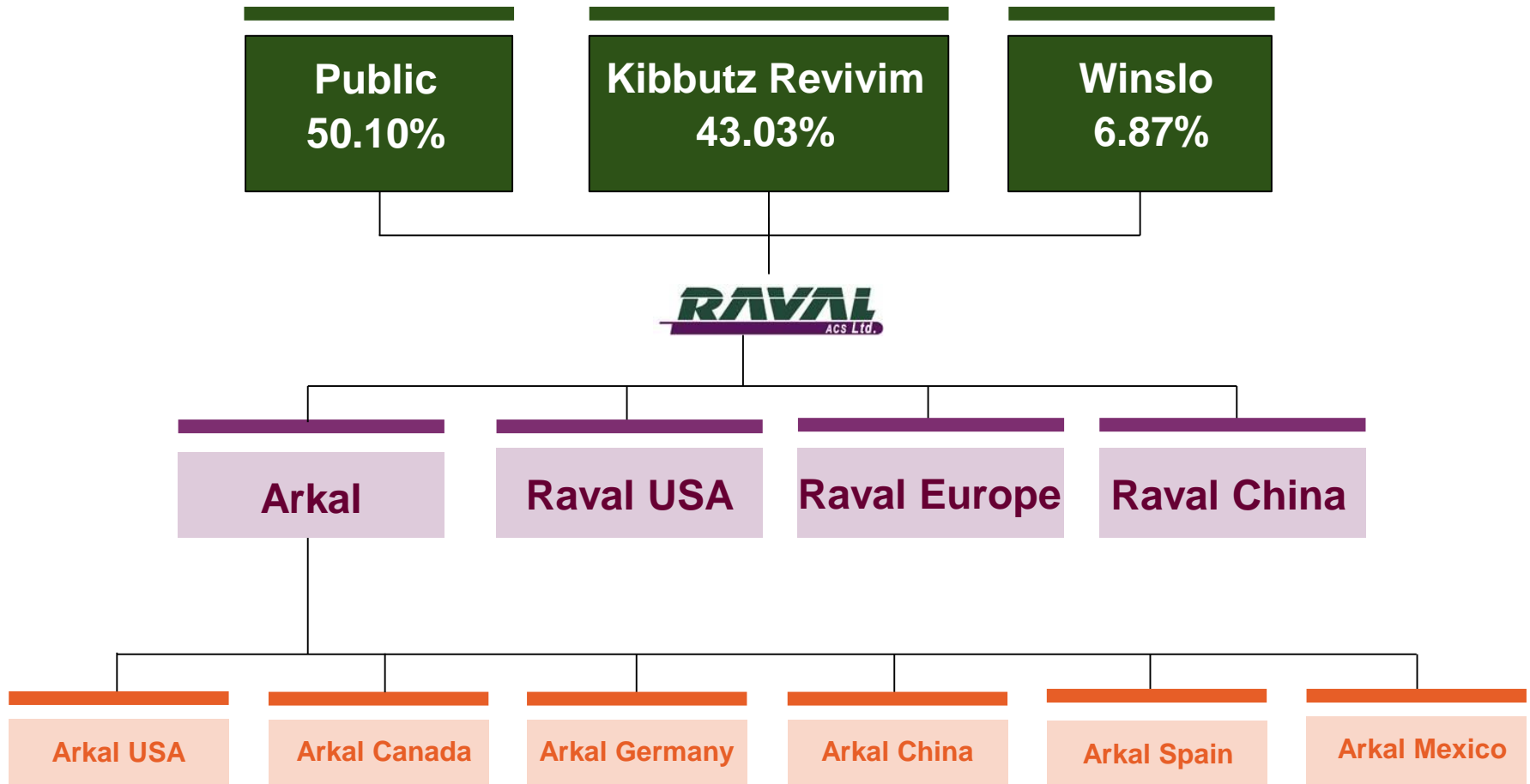
Global Presence

11 facilities in  
North America,  
Western and  
Eastern Europe,  
China and Israel.

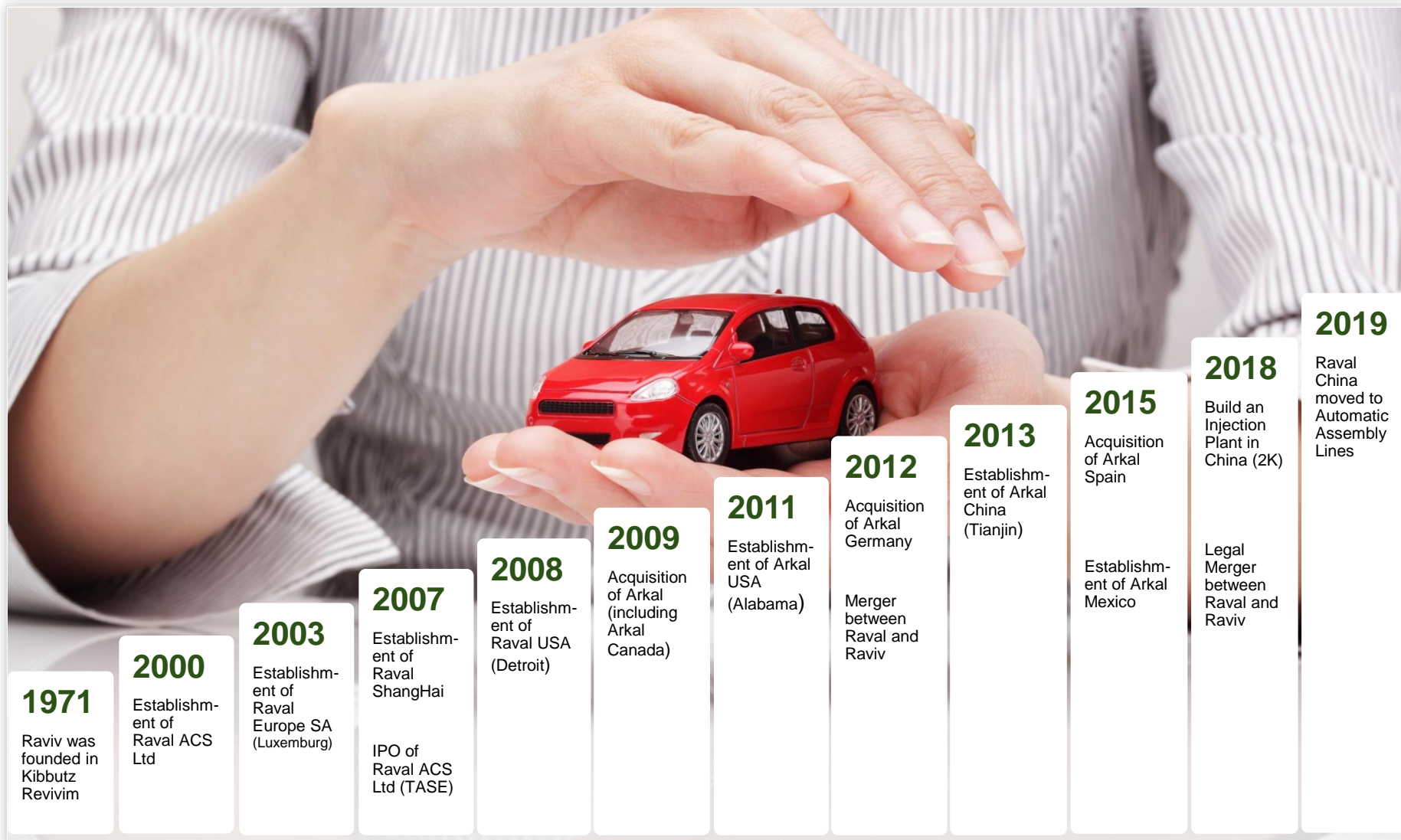
Key Customers  
include  
major OEMs and  
Tier-1 suppliers

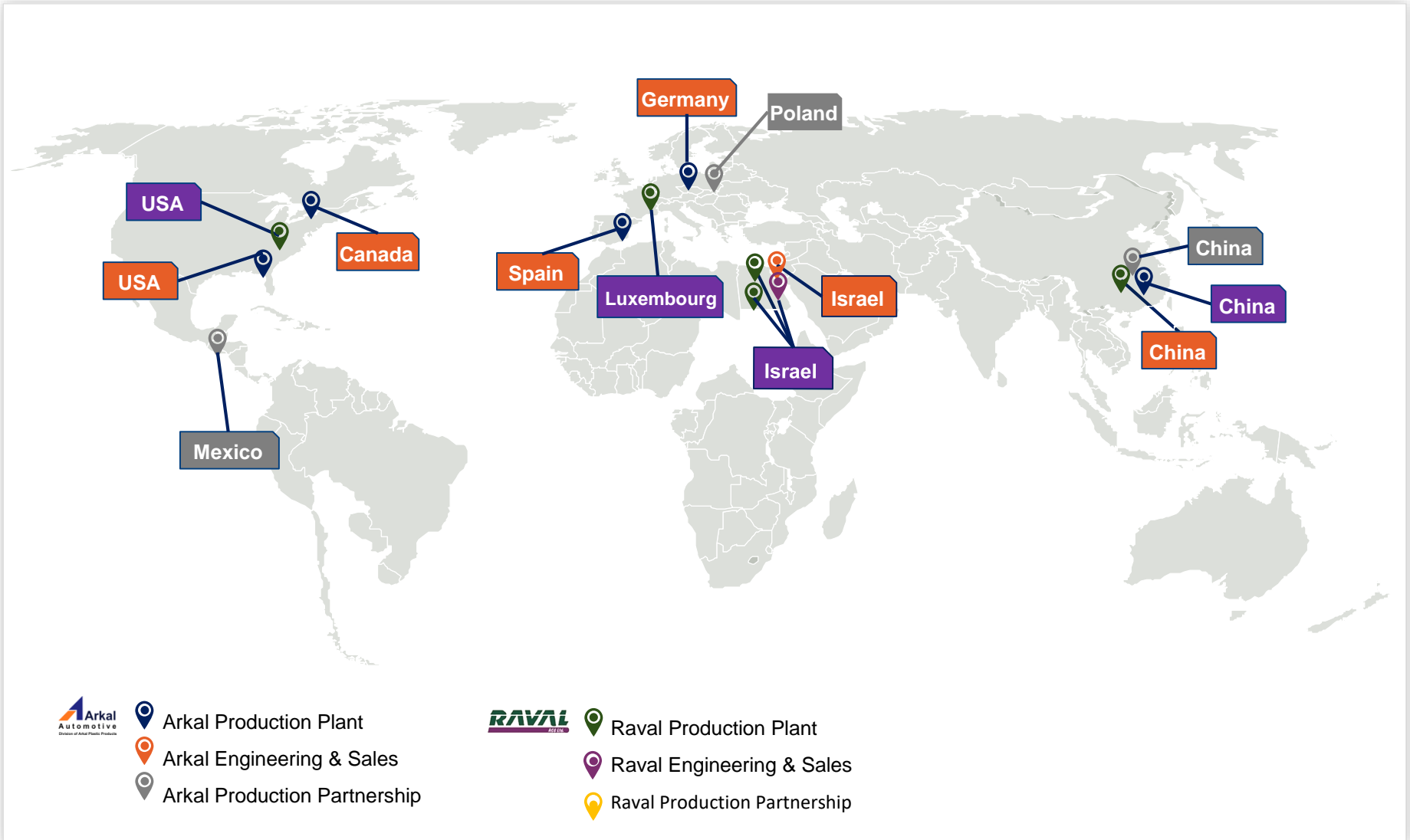
**1,678**  
Employees  
worldwide

# Shareholders and Company Structure\*



(\*) Raval holds 100% of all the companies.





Raval is a **global supplier** for the automotive industry consisting **two of expertise**

## Automotive Systems

- Venting Systems for fuel tanks
- Vacuum Valves for brakes system
- Head Lamp Cleaner

## Automotive Lightweighting Components

Thermoplastic Solutions For Intelligent Structures (“Black Functional Parts”)

Group core activity is based upon innovative solutions for regulatory requirements for **weight reduction**, **higher passenger safety** and **clean environment**.

# Automotive Systems

- Venting Systems for fuel tanks
- Vacuum Valves for brakes system
- Head Lamp Cleaner



# Automotive Systems, Products Offering & Market Share

**Strong IP and Engineering Capabilities** to provide comprehensive solutions to fuel tanks manufacturers (large tier-1 suppliers).

**High Performance Materials** to tolerate extreme conditions.

**Fully Automated**, high volume, product assembly lines.

**Niche Market** (Fuel venting systems) - four main suppliers (including Raval) and six main customers.

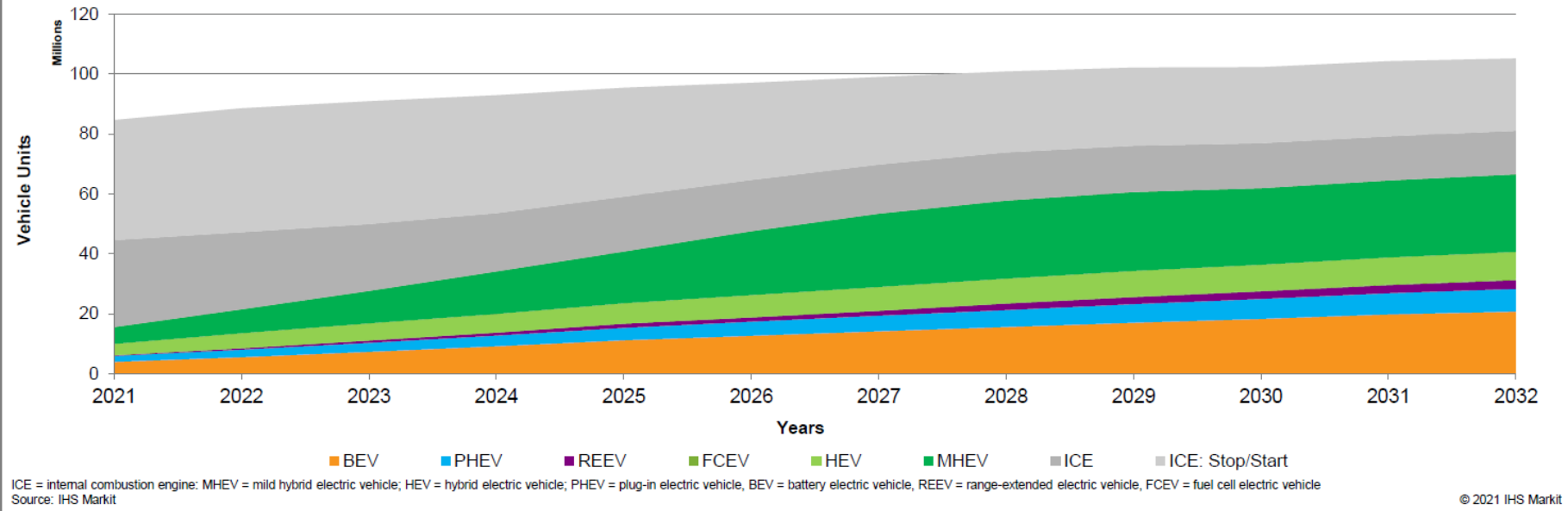
## Estimated Market Share

Far East	30%
Europe	40%
America	20%



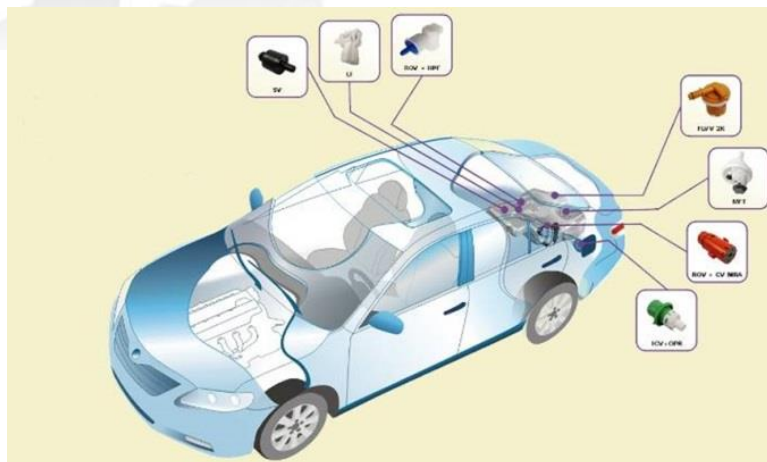
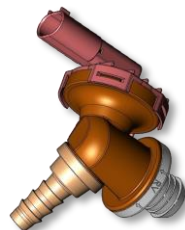
# Automotive System, Global Prod. by Engine Types

Global Production of Alternative Propulsion Vehicles 2021 to 2032



According to market's estimations, the total volume of vehicles production will increase from 84.7 millions in 2021 to 104.7 millions in 2032 (about 2.0%/year) and the total volume of vehicles which will be assembled with fuel tanks (PHEV ,REEV ,HEV ,MHEV ,ICE and ICE: stop/start) will vary between 82.4-86.4 millions, compared to 73.0 millions in 2020.

The implementation of China 6 ,PL7 and Euro 7 regulations during the next few years, which obliged the manufactures to decrease the amount of emissions from vehicles, and the increasing the volume of hybrid vehicles (PHEV ,REEV ,HEV ,MHEV) expected to increase our fuel venting systems sales and added value.



## ❑ **FTIV (Fuel Tank Isolation Valve)**

- Fuel Tank Isolation Valve (FTIV) for XHEV cars.
- Approved by VW and BMW.
- Approval in process by GM and PSA.



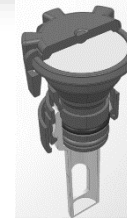
## ❑ **PRV (Pressure Relief Valve)**

- Pressure Relief Valve (PRV) for **EV Batteries pack**.
- Developed with Samsung.



## ❑ **Membrane Valve**

- Breather Valve for **EV Batteries pack**.
- Development of concept for BMW.



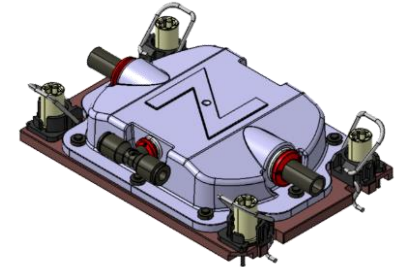
## ❑ **LSC (Laser Scanners Cleaning)**

- Laser Scanners Cleaning (LSC) - 2 LSC Valves, Tubes and Connectors for each scanner in the car.
- Developing with a Leading Company.
- Prototype samples sent for trials.



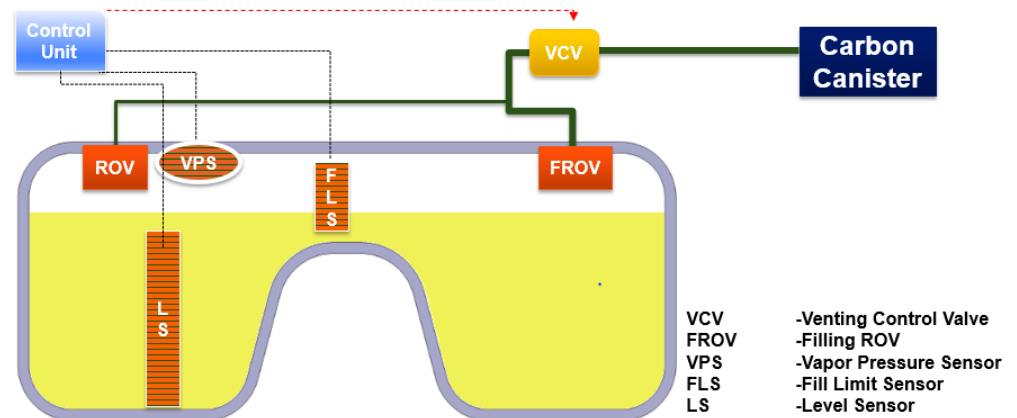
## □ ENE (Enhanced Nucleation Evaporator)

- Non Automotive.
- Direct-on-Chip evaporative liquid cooling system for Chips, Servers and Data centers.
- Developing with a business partner.
- Prototype samples developed for the latest processor microarchitectures developed by Intel (such “Skylake” and “Sapphire rapids”) and by AMD.



## □ SVS (Smart Venting System)

- Control unit acting in accordance with tank sensors indications.
- Venting Systems for Euro7 regulation (higher then current).
- Preforming Lab Test with VW.



# Automotive Lightweighting Components

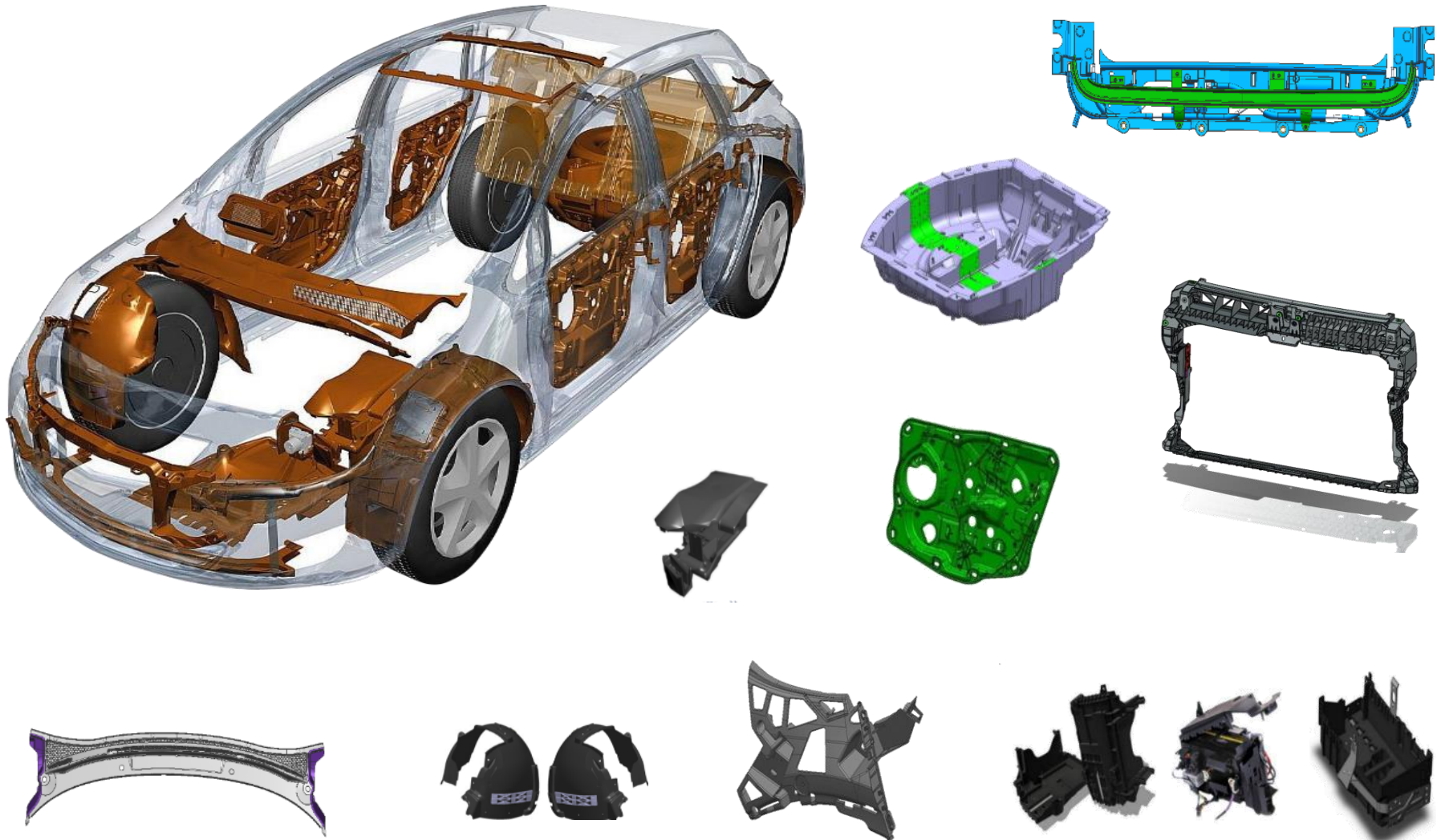
## Thermoplastic Solutions For Intelligent Structures (“Black Functional Parts”)



# Automotive Lightweighting Components, Products Offering

- Engineering solutions to **support the automotive industry trend of light weighting** in order to reduce pollution by improve fuel consumption & increase driving range for electrical cars.
- Develop and produce plastic parts as **replacement to metal parts**.
- Product offering includes plastic based solutions “Structural and Semi structural parts”.



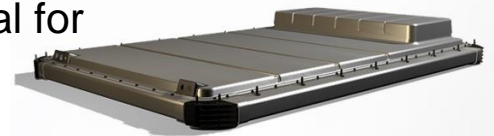




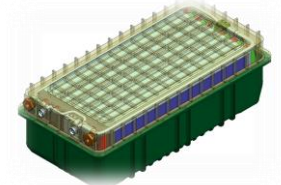
## BEV - Battery pack, Module Enclosure, NVH damping

- Modular multi Battery pack for variety of E-vehicles configurations.
- Arkal participates in Global Consortium that “builds” Design manual for Li-ion battery pack.
- Joint development with Raval-thermoplastic enclosure to serve 2 phase cooling technology.
- Light weighting and Noise & Vibration damping for “noise generators”.
- Early concept presented to GM, Ford, PSA, Renault & Porsche.

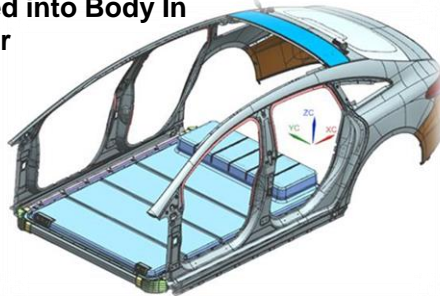
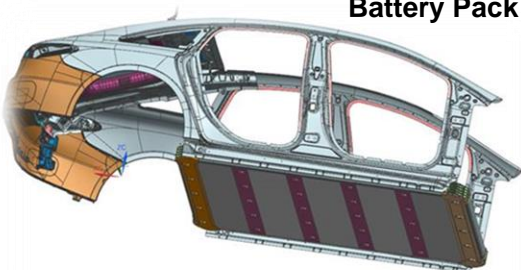
Battery Pack



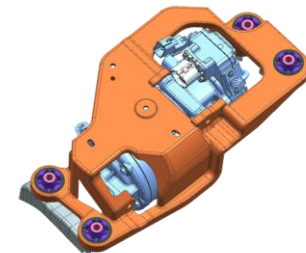
Module Thermoplastic Li-ion enclosure



Battery Pack integrated into Body In White Car

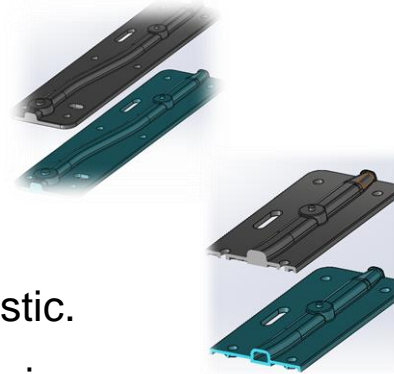


Air Condition compressor Damping bracket



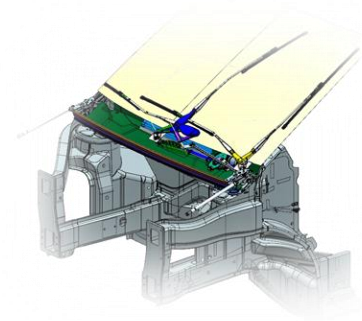
## New Technologies

- Robotic injection molding for hybrid large structures.
- Unidirectional tapes winding.
- Water assist injection molding (w/o over flow) for revolutionary structure parts stiffness.



## Water Deflector - Wipers support

- Green part - Converting from metal to plastic.
- Daimler deepen the trust in Arkal Engineering capabilities. LEK (development) order placed.
- Target vehicle for first implementation VS21 Vito/Viano.
- Potential for all vehicles.



# Direct OEM Customers



SHANGHAI GM



**HONDA**



**Audi**



**SEAT**



**HYUNDAI**



**MAZDA**



**Great Wall**



**mitsubishi**



**CITROËN**



**PORSCHE**



**BENTLEY**



**MASERATI**



**JAGUAR**



**CHERY**



**CHRYSLER**



**RENAULT**



# Tier 1 Customers



# Group Backlog<sup>(\*)</sup>

As of August 2021, Euro in millions

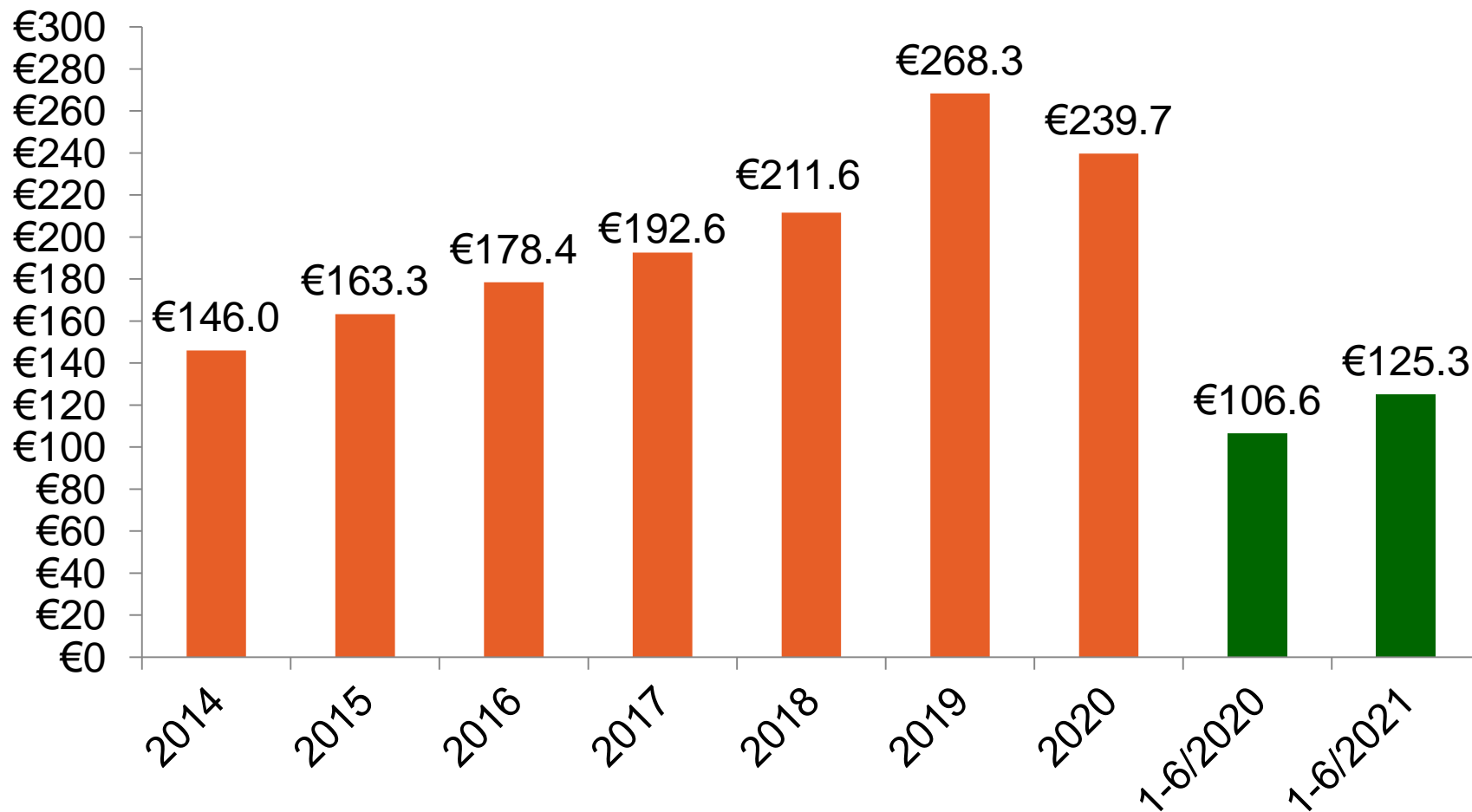
	<sup>(**)</sup> 2021	2022	2023	2024	2025	2026 - 2032	Total
Automotive Systems	57.1	162.1	148.4	128.4	102.9	133.3	732.2
Automotive Lightweighting Components	43.4	114.0	98.8	83.2	69.5	129.2	538.1
<b>Total</b>	<b>100.5</b>	<b>276.1</b>	<b>247.2</b>	<b>211.6</b>	<b>172.4</b>	<b>262.5</b>	<b>1,270.3</b>

<sup>(\*)</sup> As mentioned in sections 3.5.7 and 4.5.4 of the periodic report of the company for 2020, the above backlog don't constitute binding orders. For additional information please see section 3.5.7 of the periodic report of the company for 2020, which is provided herein by a reference.

<sup>(\*\*)</sup> The Group Backlog at 2021 is shown after deduction of the proportion of time that has been passed since the beginning of the year (deduction of about 66.67%).

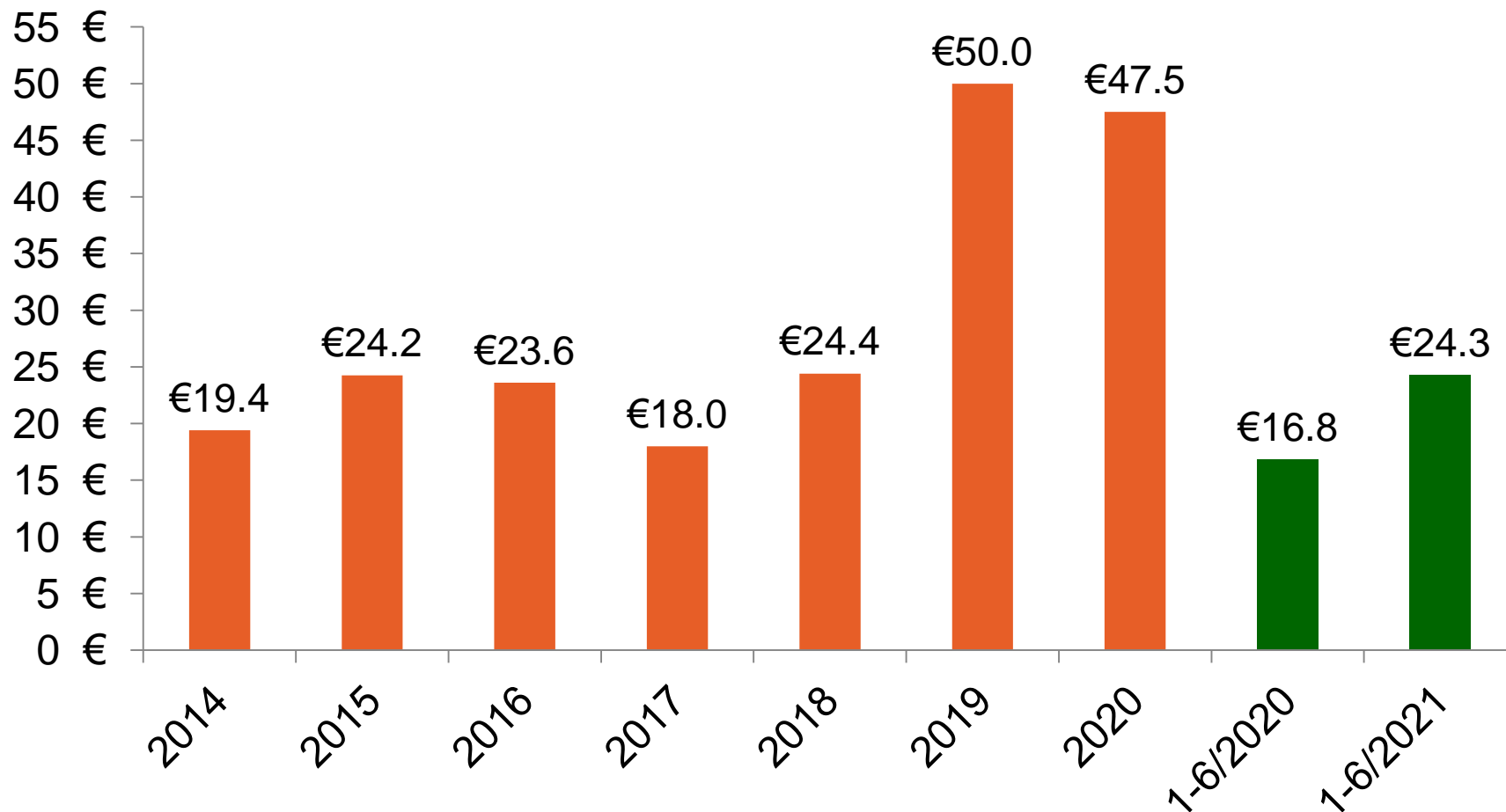
# Revenue Trends

Euro in millions



# EBITDA Trends

Euro in millions



# Income Statement, Summary

Euro in millions

	2016	2017	2018	2019	2020
Revenue	178.4	192.6	211.6	268.3	239.7
<i>growth</i>	9.2%	7.9%	9.9%	26.8%	-10.6%
Gross Profit	39.6	35.6	38.2	64.8	61.2
<i>gross margins</i>	22.2%	18.5%	18.0%	24.2%	25.5%
Operating Profit	12.3	5.3	6.7	29.5	25.6
<i>operating margins</i>	6.9%	2.7%	3.2%	11.0%	10.7%
Net Profit	8.1	0.2	1.4	17.8	17.3
EBITDA	23.6	18.0	24.4	50.0	47.5
<i>EBITDA margins</i>	13.2%	9.4%	11.5%	18.6%	19.8%



# Income Statement, Summary

Euro in millions

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Revenue	43.0	61.8	71.3	65.0	60.4
<i>growth</i>	-32.5%	43.7%	15.4%	-8.8%	-7.1%
Gross Profit	9.9	15.7	22.7	16.1	14.3
<i>gross margins</i>	23.0%	25.4%	31.8%	24.7%	23.7%
Operating Profit	2.3	6.5	13.3	7.2	6.0
<i>operating margins</i>	5.4%	10.5%	18.6%	11.1%	9.9%
Net Profit	0.8	4.6	8.6	5.7	3.9
EBITDA	7.7	11.8	18.9	12.7	11.6
<i>EBITDA margins</i>	17.9%	19.1%	26.5%	19.5%	19.2%

# Cash Flow, Summary

Euro in millions

	2016	2017	2018	2019	2020	1-6/ 2021
Operating Cash Flow	19.5	15.6	19.5	40.9	40.1	19.6
Change in Working Capital	(9.6)	(2.8)	(4.3)	(4.6)	10.1	0.7
<b>Cash Flow From Operating Activity</b>	<b>9.9</b>	<b>12.8</b>	<b>15.2</b>	<b>36.3</b>	<b>50.2</b>	<b>20.3</b>
Investment in Fixed Assets, Net	(15.8)	(18.7)	(24.6)	(22.5)	(11.3)	(4.3)
Investment in Intangible Assets	(6.1)	(6.1)	(6.0)	(6.2)	(4.2)	(1.8)
<b>Cash Flow For Investing Activity</b>	<b>(21.9)</b>	<b>(24.7)</b>	<b>(30.6)</b>	<b>(28.7)</b>	<b>(15.5)</b>	<b>(6.1)</b>
Stock issue	0.0	0.0	0.0	9.7	0.0	0.0
Dividend	(6.8)	(2.0)	0.0	0.0	0.0	(18.2)
Repayment of lease liability	0.0	0.0	0.0	(3.1)	(3.2)	(1.8)
<b>Cash Flow From (For) Fin. Activity</b>	<b>(6.8)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>6.6</b>	<b>(3.2)</b>	<b>(20.0)</b>
<b>Decrease (increase) in Loans, Net</b>	<b>(18.8)</b>	<b>(13.9)</b>	<b>(15.4)</b>	<b>14.2</b>	<b>31.5</b>	<b>(5.8)</b>

# Balance Sheet, Summary

Euro in millions

	12/2017	12/2018	12/2019	12/2020	06/2021
Working capital, net <sup>(*)</sup>	50.4	54.1	55.0	43.8	45.8
Fixed assets, net	64.1	76.0	87.2	81.5	80.0
Other assets, net	18.8	21.0	23.3	23.7	23.3
Right of use of assets	-	-	18.3	20.0	20.5
Deferred tax assets, net	2.6	1.3	0.5	1.1	1.0
Accrued reserve for severance payment, net	1.2	1.2	0.9	1.0	1.1
Financing lease	1.3	0.4	17.0	18.6	18.8
Convertible Bonds - Conversion Component	1.1	0.3	1.4	0.9	0.7
Debt, net <sup>(**)</sup>	68.2	85.1	72.1	41.6	46.8
Equity	64.1	65.4	93.4	108.0	103.3

(\*) Not including cash, cash equivalents and short-term loans

(\*\*) Including cash, cash equivalents and short-term loans

Euro in millions

	June 30, 2021
Net Debt	46.8
Equity	103.3
Total Assets	272.7

Net Debt/EBITDA*	1.0
Equity/Total Assets	37.9%

(\*) Not including IFRS 16 impacts as agreed with the banks.

**Thank You**

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