



**UNITRONICS (1989) (R"G) LTD.**

**PRESS RELEASE**  
**Airport City, Israel**  
**August 21, 2014**

**\*\*\*Regulated Information\*\*\***  
**\*\*\*For Immediate Release\*\*\***

**Re: A presentation to be presented in the Capital Market**

**Airport City, Israel – August 21, 2014** – Unitronics published the attached Report, pursuant to the requirements of Israeli law, in concerning with a presentation to be presented in the Capital Market

**About Unitronics**

Unitronics (1989) (R"G) Ltd. is an Israeli company that engages, through its Products Department, in the design, development, production, marketing and sale of industrial automation products, mainly Programmable Logic Controllers ("PLCs"). PLCs are computer-based electronic products (hardware and software), used in the command and control of machines performing automatic tasks, such as production systems and automatic systems for industrial storage, retrieval and logistics. The Company also engages, through its Systems Department and/or its subsidiaries, in the design, construction and maintenance services in the framework of projects for automation, computerization and integration of computerized production and/or logistics systems, mainly automated warehouses, automated distribution centers and automated parking facilities. The Company's PLCs are distributed by over one hundred and forty distributors (and a wholly owned US subsidiary) in approximately fifty countries throughout Europe, Asia, America and Africa. The services of the Systems Department are provided to customers in Israel and also outside Israel.

This press release contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Management of the Company as well as assumptions made by and information currently available to the Management of the Company. Such statements reflect the current views of the Company with respect to future events, the outcome of which is subject to certain risks and other factors which may be outside of the Company's control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein as projected, anticipated, believed, estimated, expected or intended.



**Unitronics (1989) (R.G.) Ltd.**  
**("The Company")**

August 21, 2014

**Subject: A presentation to be presented in the Capital Market**

The Company hereby publishes a presentation it intends to present to various parties in the capital market (hereinafter: "the presentation").

The publication of the presentation follows the Immediate Report of the Company dated August 20, 2014 (reference no. 2014-01-137931) wherein the Company reported that it is considering an offering of Debentures (Series 5) of the Company to the public in Israel only, pursuant to the Shelf Prospectus dated August 20, 2014 (reference no. 2014-01-137235) and a Shelf Offering Report that shall be published as required by law.

The offering described above (if and when implemented) is subject to the obtaining of all the approvals required by law, including the approval of the institutions of the Company with respect to the terms and structure of the issue as well as the approval of the Tel Aviv Stock Exchange Ltd. to list the Debentures (Series 5) for trading. As of the date of this report, the date of the raising of the capital, its scope and the terms of the debentures to be offered to the public (if and when offered) have not yet been determined.

The Company is publishing this presentation as a precaution, since it may include information presented in a different manner to the manner in which it was presented in reports to the public published by the Company. This presentation was prepared mainly as a summation and for the sake of convenience, and is not intended to replace the need to review the reports issued to the public by the Company.

It is hereby clarified that the presentation does not constitute an offer to purchase securities of the Company or an invitation to receive such offers, and that it is intended solely for providing information. For the avoidance of doubt, it is further clarified that the Company does not undertake to amend and/or revise the information included in the presentation in order to reflect events and/or circumstances occurring after the date of the preparation of the presentation

**Sincerely,**  
**Unitronics (1989) (R.G) Ltd.**

# Unitronics

## Capital Market Presentation August 2014





This presentation by the Company includes forward-looking information as defined in the Securities Act, 1968. Such information includes, inter alia, forecasts, targets, assessments and estimates as well as other information with regard to future events or matters, whose materialization is uncertain and may be impacted by factors which may not be evaluated ahead of time and which are outside the Company's control.

Forward-looking information is based on estimates by Company management which are based, inter alia, on information available to management upon compiling this presentation, including assessment of the Company's operating markets, statistical data and other statistical publications by various entities, whose content has not been independently verified by the Company and therefore the Company is unable to vouch for their correctness.

Materialization of this forward-looking information, in whole or in part, or different from that anticipated, or non-materialization thereof would be impacted, inter alia, by marketing challenges to introduction of products, systems and services being developed and/or offered by the Company, challenges to increasing awareness of consumption of such products, systems and services, failures of distributor operations or of negotiations with potential distributors and/or customers, changes in layout of the markets or competition therein as well as by risk factors associated with Company operations, including developments in the macro-economic environment and external factors which impact Company business.

This presentation does not constitute an offer nor invitation to purchase and/or allot Company securities. This presentation is provided merely for conciseness and convenience and does not replace the need to peruse the Company's immediate reports.

The forecasts and estimates are based on data and information available to the Company upon compiling this presentation and the Company does not undertake to update and/or modify these forecasts and/or estimates so as to reflect events and/or circumstances which may prevail after the compilation of this presentation.

This presentation may include data and information not included on the Company's financial statements and immediate reports as made public, or which may be presented differently from how they were included on public reports issued by the Company. In any case of contradiction between reports made public and information in this presentation, the former shall prevail.





- **Long-established Israeli company with international presence**

International operations in fields of control, automation and logistics since 1989

- **Revenues in 2013: NIS 156 million**

Cumulative positive cash flow from current operations:  
NIS 55 million (from end of 2009 through March 31, 2014)

Shareholder equity: NIS 44 million, 22% of total assets  
(as of March 31, 2014).

- **Some 200 employees**

Departments: software, hardware, electric, control, mechanics, marketing, QA, management and all support disciplines

- **Active, expanding international marketing operations**

Some 165 distributors world-wide and two wholly-owned subsidiaries in USA

- **Three major operating segments**

- Products operating segment – (Control products) dozens of products and hundreds of thousands of active installations world wide
- Systems operating segment – (Logistics) design and construction of automated warehouses and logistic centers
- Parking operating segment – (Parking solutions) design and construction of automated parking garages and components for these



# Unitronics – stability based on 3 operating segments

- **Logistics systems operating segment**  
Project-based integration activity

Design, development, construction and integration of automated logistics systems, automated warehouses, distribution centers, sophisticated conveyance systems – one-stop shop approach



- **Parking solutions operating segment**  
Combined projects and off-the-shelf products

Design, development, manufacturing and international marketing of automated parking solutions

- **Products operating segment**  
Electronic off-the-shelf products

Design, development, manufacturing and international marketing of advanced industrial control and automation products, providing added value in specified niches for use in various industrial sectors



# Products operating segment





## Off-the-shelf control and automation products

- Unitronics is involved in design, development, manufacturing and international marketing PLC programmable controllers.
- Controller – the "brain" of the machine, electronic, computer-based products used to control machinery and processes.
- Controllers are used in all industrial sectors: pharmaceuticals, automotive, food, electronics, metal, plastics, agriculture, water, paper, recycling, energy etc.
- Major customers: Machine manufacturers and integrators (design and construction entities) for automated systems and plants. Hundreds of thousands of units sold world-wide.





## Unitronics controllers – examples in the field

- Attendance and access control systems
- Used by patients and medical staff
- Many installations in the USA



**LINXBERG**  
technologies



# Unitronics controllers – examples in the field



Milk pasteurization systems  
(Hungary)



Amonia cooling systems  
(Ireland)



Control of poultry farms and breeding  
facilities (USA)





# Unitronics controllers – examples in the field



Packaging machines  
(Croatia)



Automated weighing and packaging  
(Italy)



Tomato sauce bottling machines  
(Italy)





Theme park control  
(Efteling, Holland)



Extrusion plant  
for production of wires  
(USA)





## Outstanding achievements in 2013, and 2014

- **Launch of new generation controllers**
- Awarded prize in competition by Control Engineering magazine
- Continued development of the Chinese market:  
Sales in 2012 – approx. 40 thousand \$  
Sales in 2013 - approx. 170 thousand \$  
Sales on the First half 2014- approx. 350 thousand \$
- **Launching the first sign of Samba product line**  
The product line's new Low Cost Division
  - ❖ SM35 was launched last April
  - ❖ SM43 - The following product family.  
Scheduled for release in October
  - ❖ Very rapid penetration rate - sales of over 600,000 ₪  
And more than 1,000 units in the first three months launch

**UNI**STREAM™

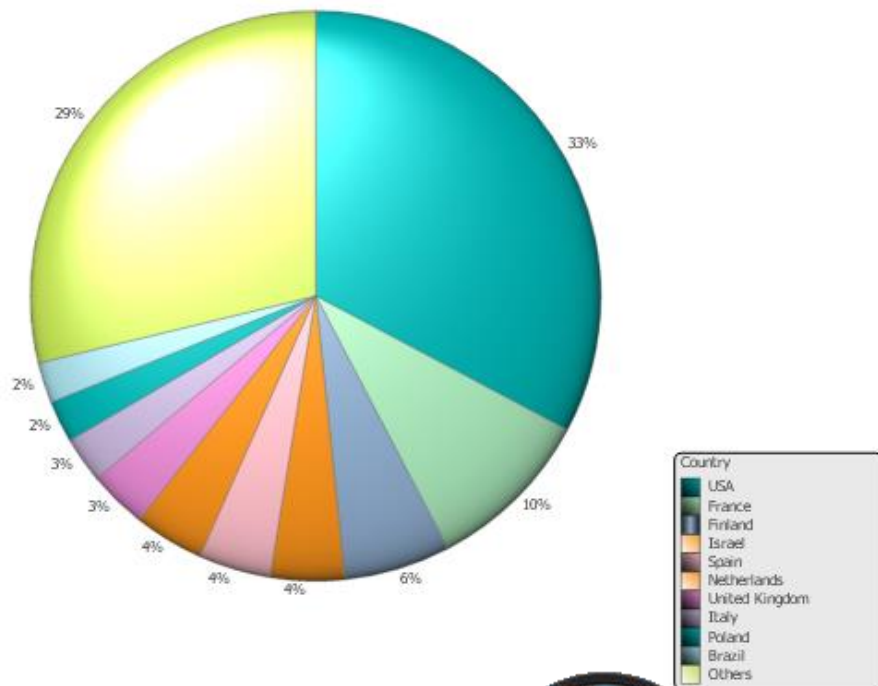




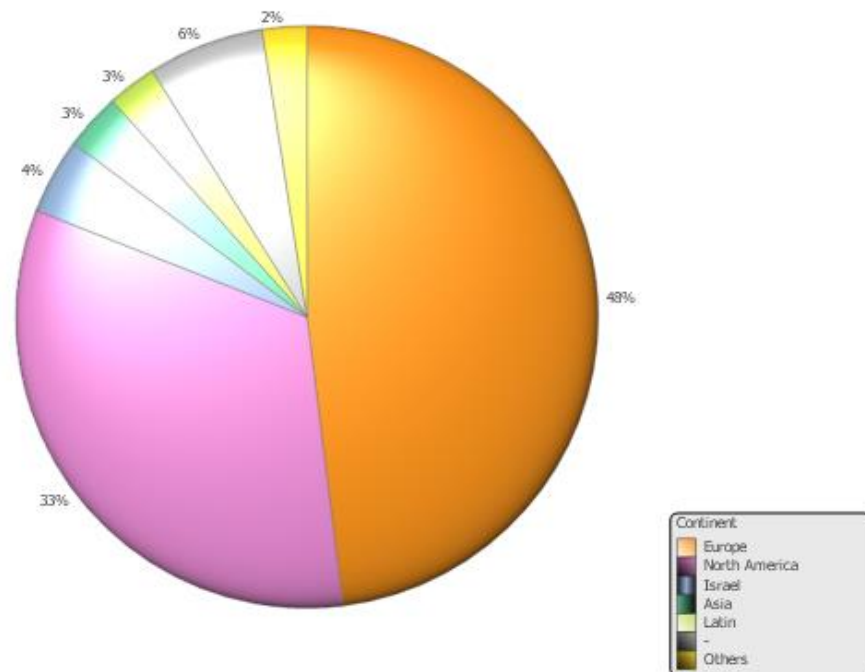
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# Unitronics – Products operating segment – by geography

**Sales by countries**



**Sales by continents**



2014 1<sup>st</sup> half, in NIS

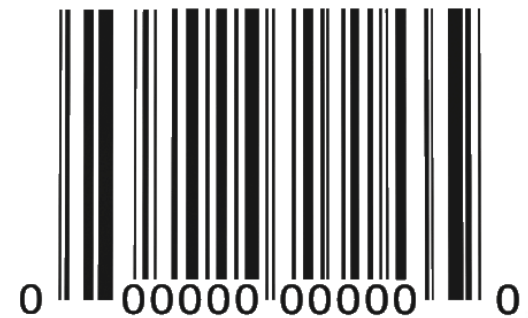


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# Logistics systems operating segment





## Project-based integration activity

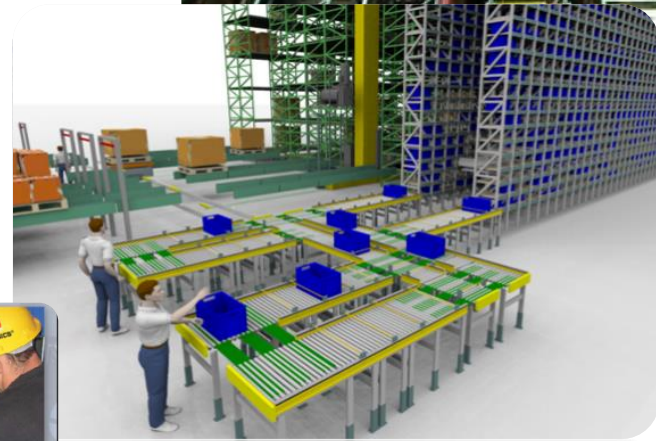
- Unitronics is engaged in design, development, construction and integration of automated logistics systems, automated warehouses, distribution centers, sophisticated conveyance
- Customized projects for customers
- Dominant in this area in Israel;

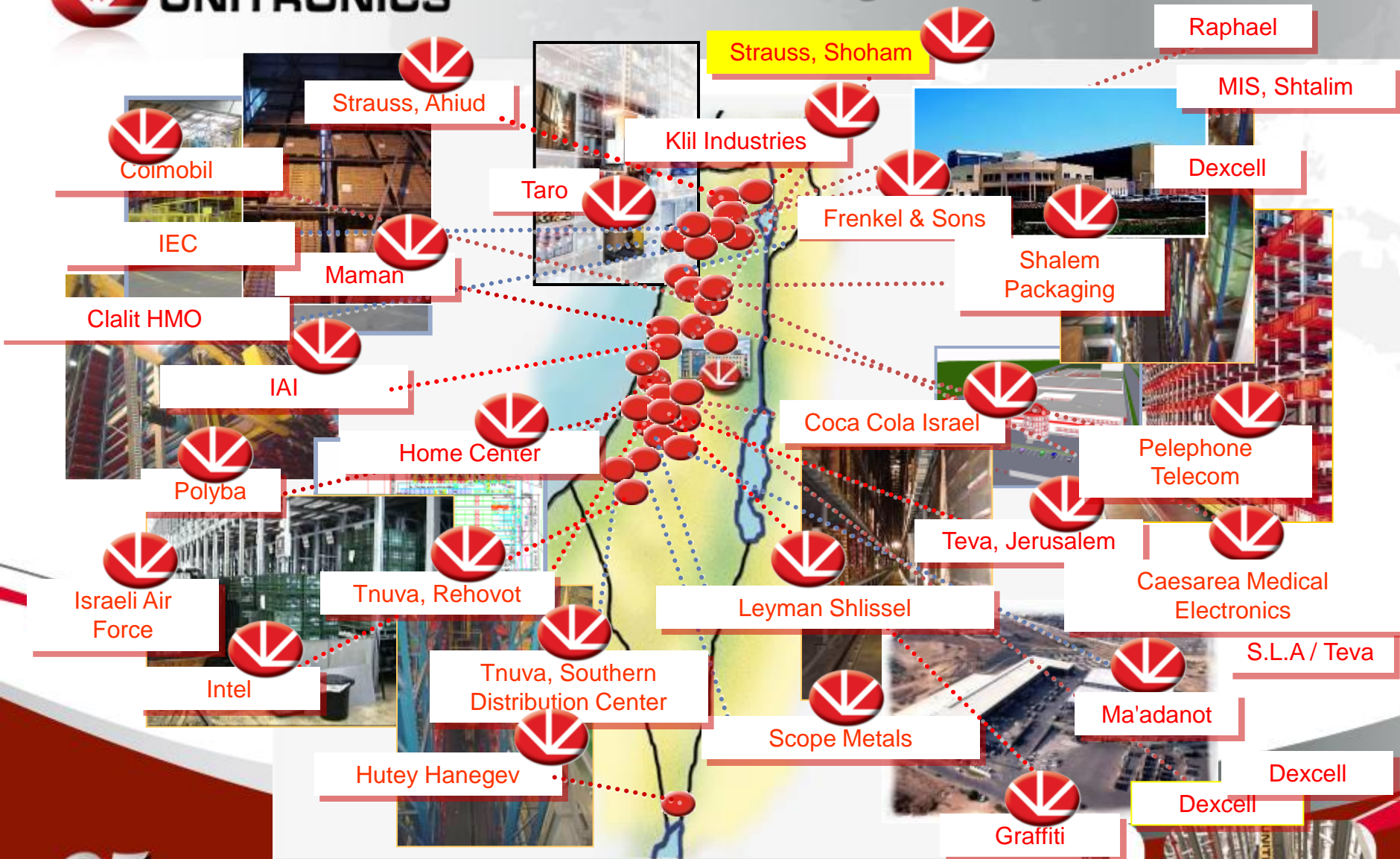




## Unique added value

- One-Stop shop
- Assisting customers prior to decision making, strategic, functional and engineering design, supply chain analysis and economic feasibility of solution
- Construction and integration of all system components (construction, mechanical, electric, control, software)
- Service and maintenance









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## Logistics systems – examples in the field

**Establishment of a national logistics center For Teva S.L.A. Group  
in Modiin industrial zone**



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## Logistics systems – examples in the field

**Construction of national logistics center for Strauss Group in Shoham Industrial Zone**



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# Parking solutions operating segment



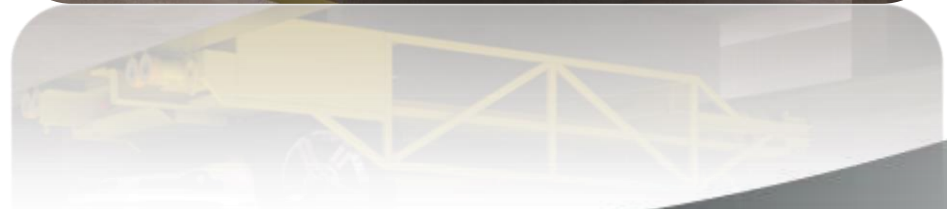
## Automated parking – unique added value

- This emerging field offers automated solutions to parking challenges in many cities around the world:
  - ❖ capable of providing 2-3 times more parking spaces for a given area
  - ❖ Price per parking space is similar to conventional parking
  - ❖ Improved driver experience, enhanced safety, time saving for drivers
  - ❖ "Green" solution (reduced pollution, reduced fuel consumption, reduced power consumption)
- Operating cost is lower than for conventional parking



## Combined projects and off-the-shelf products

- Design, development and construction of automated parking systems, project-oriented operations
- Development of building blocks (robotic components), control systems and management software for automated parking
- Direct sales and through distributors







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**Parking solutions – 916 Garden St.**



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## Parking solutions – 1415 Park Ave.



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## Systems and customers

- Long sales processes (2-4 years)
- Customers are mostly municipalities, institutions and private developers; to date, agreements have been signed with:
  - ✓ ▪ Hoboken, New Jersey, municipality (USD 2 million) 312 parking spaces
  - ✓ ▪ Mexico City, Mexico, private developer (USD 3 million) 200 parking spaces
  - Tel Aviv, Israel, private developer (NIS 5.2 million) 140 parking spaces
  - West Hollywood, California, municipality (USD 2.6 million) 200 parking spaces
  - Tel Aviv, Israel, private developer (NIS 1.2 million) 13 parking spaces
  - Hoboken, New Jersey, private developer (USD 3.8 million) 400 parking spaces





## Systems and customers

(continued) signed agreements

- Manhattan, New York, private developer  
(USD 0.9 million) 12 parking spaces
- Tel Aviv, Israel, (4 customers) private developers  
(NIS 7 million) 115 parking spaces
- Ramat Gan, Israel, (3 customers) private developers  
(NIS 5 million) 88 parking spaces
- Hoboken, New Jersey, private developer  
(USD 2.6 million) 150 parking spaces



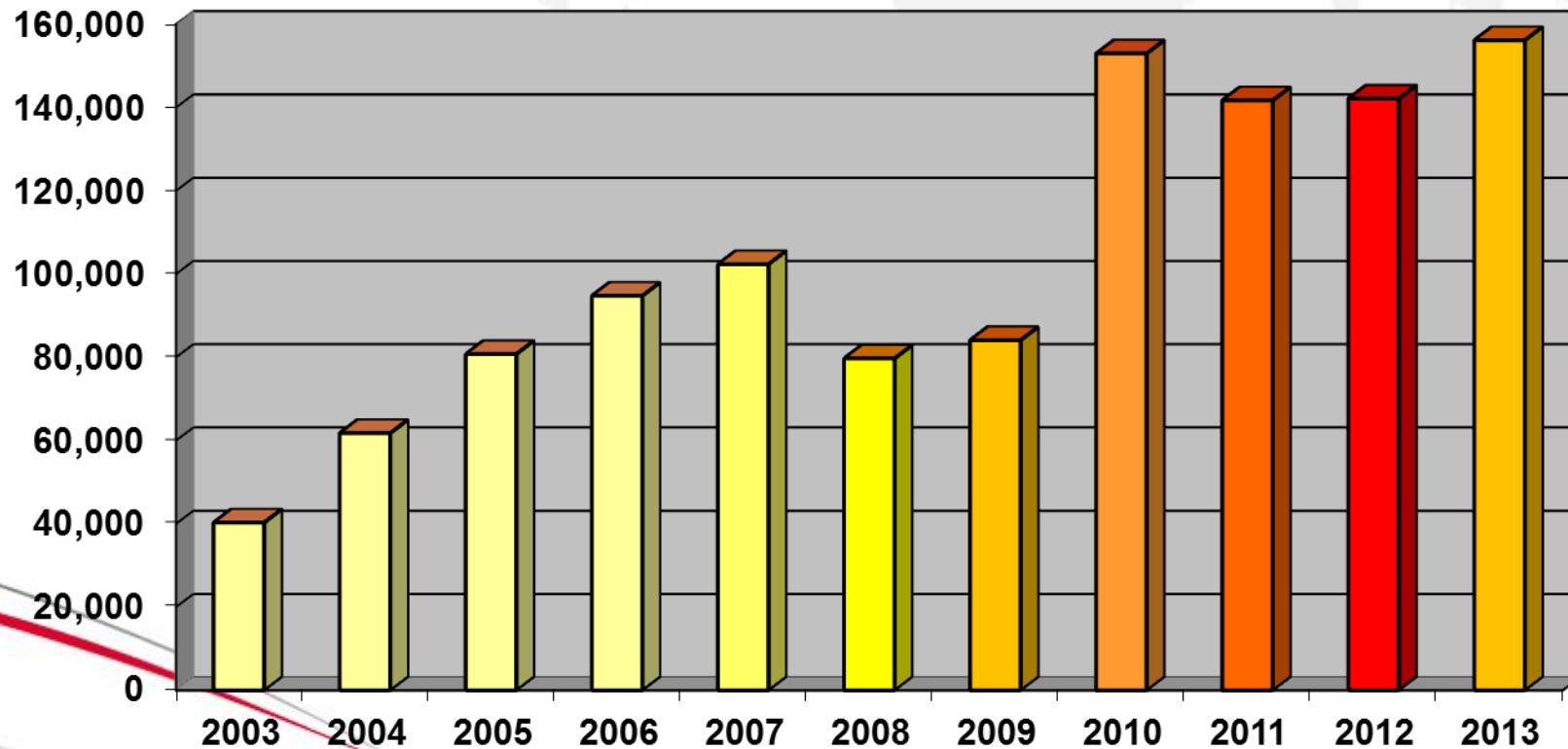


# Financial statements – Q1 2014



## Revenues – recent years

NIS in thousands

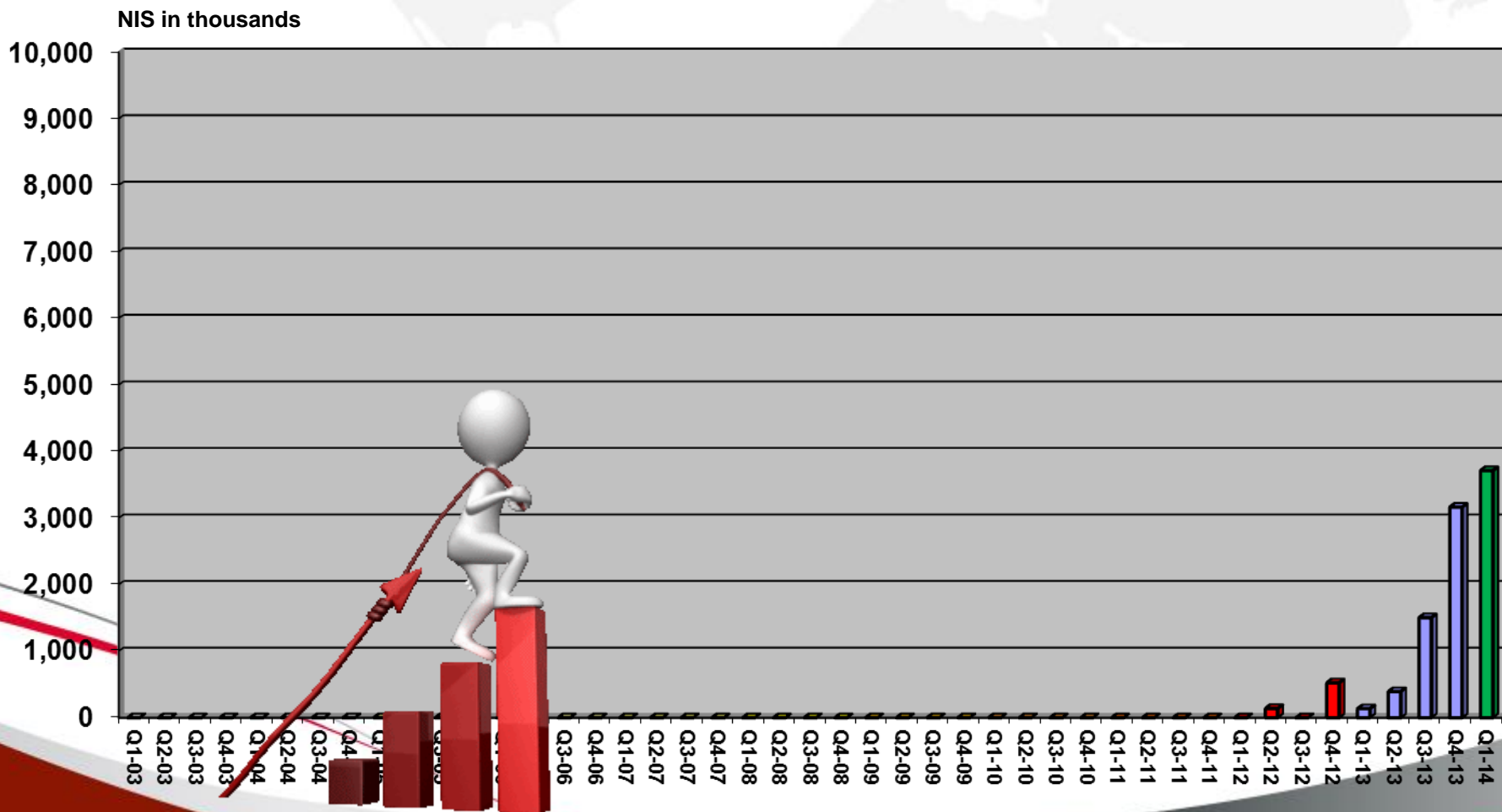






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## Revenues – Parking solutions – by quarter, recent years



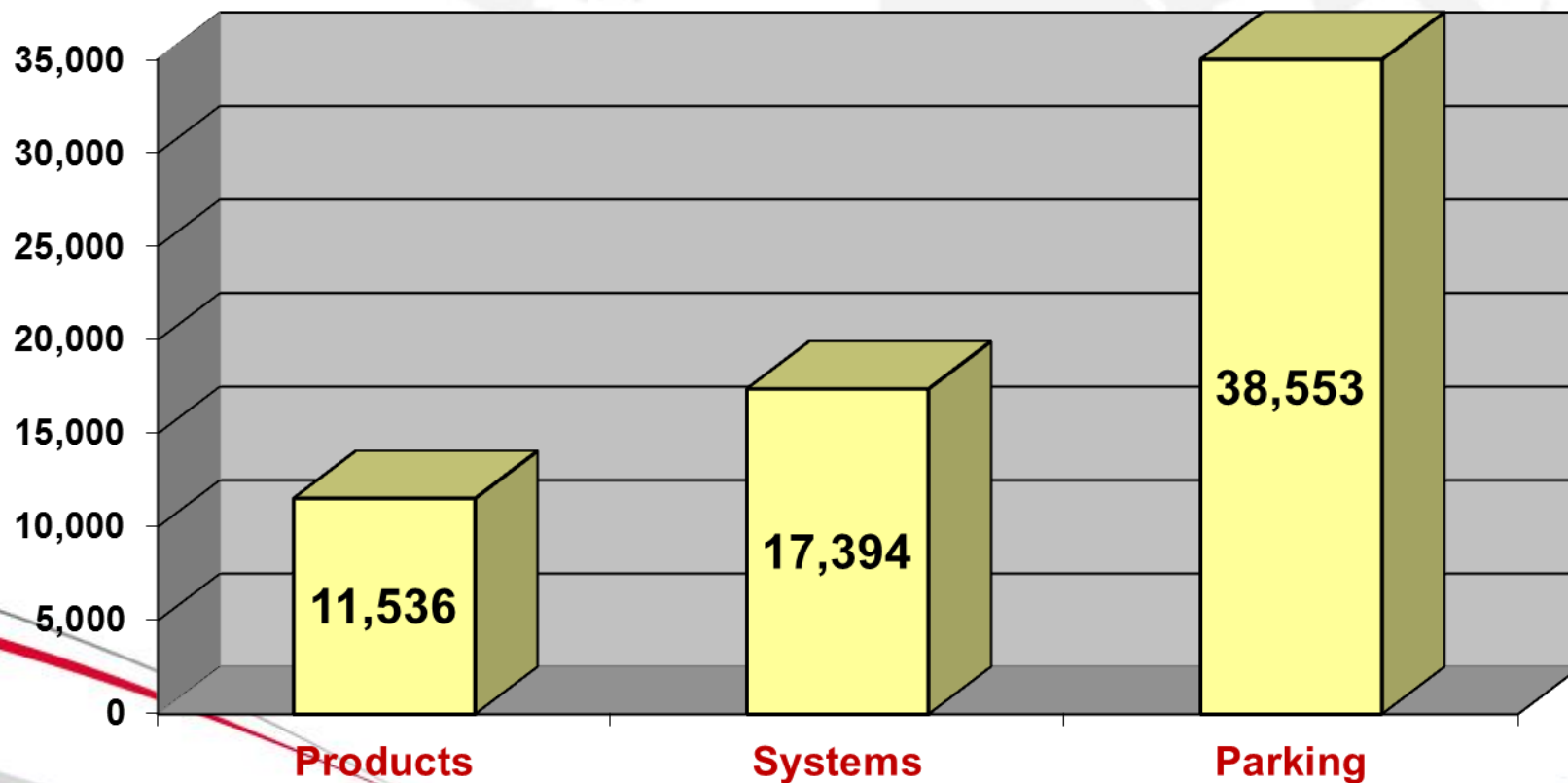
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## Order backlog (as of May 31, 2014) by operating segment

NIS in thousands





# Condensed income statement and cash flow data

NIS in thousands

	2013	2012	2011
<b>Revenues</b>	<b>156,179</b>	<b>142,126</b>	<b>141,702</b>
Gross income	43,451	36,804	38,983
Gross margin	27%	26%	27%
Development, net	5,706	5,576	2,991
Sales and marketing	17,056	17,616	14,091
General and administrative	11,247	8,828	8,201
Operating income	9,442	4,784	13,700
Financing Expenses, Net	7,832	3,498	5,767
Tax benefit (taxes on income)	(1,444)	114	-
<b>Net income</b>	<b>166</b>	<b>1,400</b>	<b>7,933</b>

<b>Cash flow provided by current operations</b>	<b>3,332</b>	<b>22,314</b>	<b>5,899</b>
<b>Cash flow provided by financing operations</b>	<b>29,002</b>	<b>(11,051)</b>	<b>47,857</b>
<b>Cash flow provided by investment operations</b>	<b>(12,579)</b>	<b>(8,574)</b>	<b>(54,828)</b>



# Condensed income statement and cash flow data – quarterly

NIS in thousands

	Q1 2014	Q4 2013	Q3 2013	Q2 2013
<b>Revenues</b>	<b>40,548</b>	<b>44,135</b>	<b>39,558</b>	<b>40,093</b>
Gross income	11,340	12,588	11,909	11,171
Gross margin	28%	29%	30%	28%
Development, net	1,301	1,206	1,143	1,103
Sales and marketing	4,395	4,707	4,275	4,193
General and administrative	2,626	3,156	2,533	2,850
Other expenses	2,191	-	-	-
<b>Operating income (loss)</b>	<b>827</b>	<b>3,519</b>	<b>3,958</b>	<b>3,025</b>
Financing Expenses, Net	385	1,209	2,043	1,612
Tax expenses	190	1,444	-	-
<b>Net income (loss)</b>	<b>252</b>	<b>866</b>	<b>1,915</b>	<b>1,413</b>

<b>Cash flow provided by current operations</b>	<b>9,652</b>	<b>21,753</b>	<b>(1,704)</b>	<b>(1,105)</b>
Cash flow provided by financing operations	(12,938)	(1,169)	(7,513)	(1,046)
Cash flow provided by investment operations	14,954	(4,646)	2,278	(4,621)





# Condensed balance sheet information and financial ratios

NIS in thousands

	31/3/2014	31/12/2013
<b>Total assets</b>	<b>196,592</b>	<b>206,153</b>
Total current assets	129,781	120,977
Cash, cash equivalents and negotiable securities	75,999	64,667
Inventory and work inventory in progress	31,074	33,769
Total non-current assets (including fixed assets, real estate and intangible assets)	66,811	85,176
Total current liabilities	72,618	63,837
Current maturities of debentures	17,751	11,864
Trade payables	20,628	15,452
Other accounts payable	30,410	31,889
Total non-current liabilities	79,916	98,553
Bank loans	6,764	7,319
Debentures	69,115	87,251
<b>Equity</b>	<b>44,058</b>	<b>43,763</b>
<i>Working capital</i>	<i>57,163</i>	<i>57,140</i>
<i>Current ratio</i>	<i>1.79</i>	<i>1.90</i>



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# Track record of timely debenture repayment



	2001 – EUR-denominated debentures (Euronext)	2004 – Debentures (Series 1) (Tel Aviv)	2006 – Debentures (Series 2) (Tel Aviv)	2011 – Debentures (Series 3) (Tel Aviv)	2013 – Debentures (Series 4) (Tel Aviv)
Type:	Convertible, EUR-denominated	Convertible, USD-denominated	CPI-linked	CPI-linked	CPI-linked
Principal amount	EUR 3 million par value	NIS 35 million par value	NIS 34 million par value	NIS 56.44 million par value	NIS 53.12 million par value
Repayment	75% converted into ordinary shares in 2003, the balance repaid in 10 installments in 2006-2008	4 installments in 2007-2010	5 installments in 2009-2013	5 installments in 2013-2017	6 installments in 2015-2020
Repaid to date	10 out of 10 installments	4 out of 4 installments	5 out of 5 installments	2 out of 5 installments	0 out of 6 installments
Principal balance	0	0	0	NIS 33.86 million	NIS 53.12 million



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- **Growing Israeli industrial company**

In business since 1989

- **Experienced, conservative management team**

- **Stable and growing operating segments over time**

International operations, international reputation

- **Financial robustness**

- ❖ Liquid means (cash, cash equivalents and negotiable securities): NIS 76 million (March 31, 2014)
- ❖ Long-term liabilities:  
Long-term bank loans: NIS 7 million, debentures: NIS 69 million (March 31, 2014)
- ❖ Cash flow provided by current operations  
NIS 55 million  
(from end of 2009 through March 31, 2014)
- ❖ Shareholder equity: NIS 44 million  
(22% of total assets, March 31, 2014)



# Thank you

