



Payton Industries

Company presentation
Tel Aviv- October 22nd, 2018



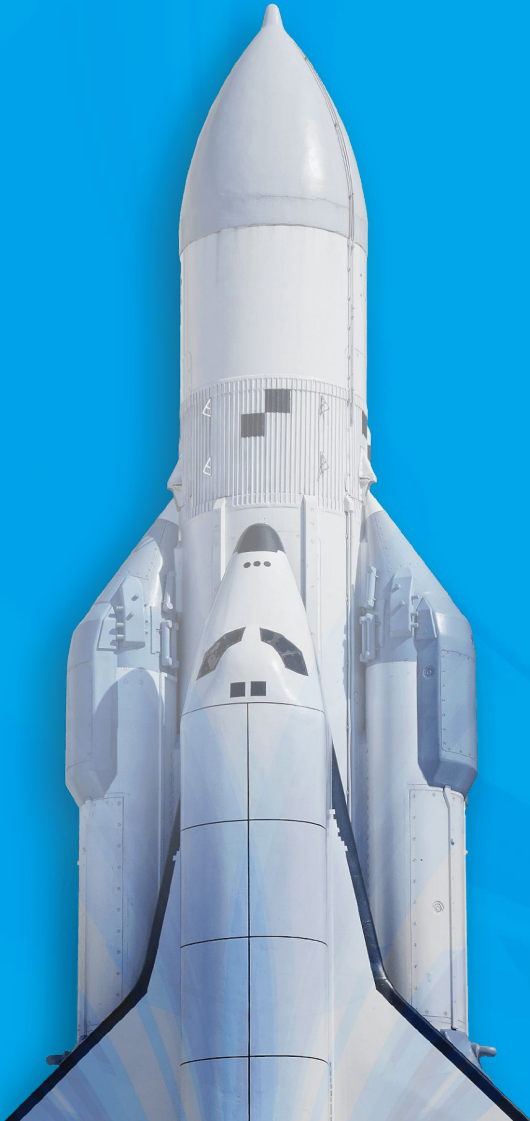
Forward-Looking Statements

This presentation 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 Management emphasizes that the assumptions do not in any way imply commitment towards realization. The outcome of which is subject to certain risks and other factors (such as: Currency exposure, material prices, manufacturing partners, global economy), 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.

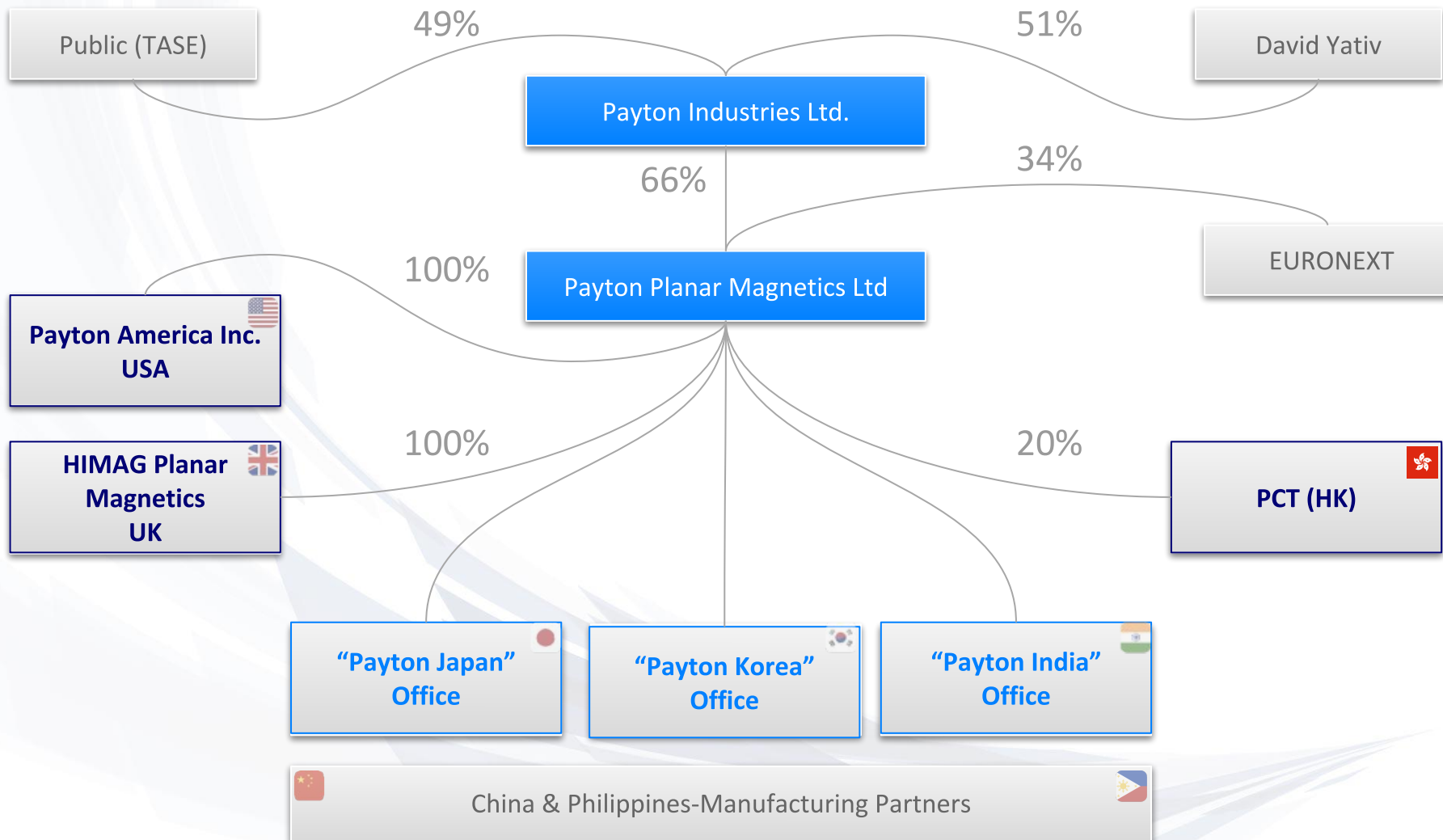
Our Vision

Innovation, Design, Performance

Payton designs the best technological products that are providing the customer with a competitive advantage.



Payton Group Structure





Payton House

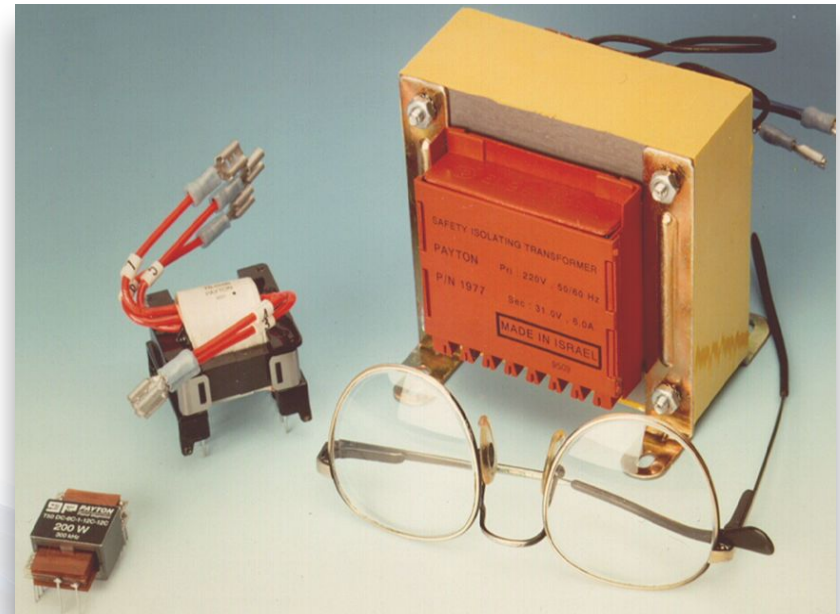
Payton in a nutshell



- Established in 1987, publicly traded since 1993.
- Design manufacture and sell Magnetic components.
- Publicly traded in Tel Aviv since 1993.
- Payton Planar is Publicly traded in Brussels since 1998.
- World leader in Planar Magnetics Technology.
- Custom design, Problem solving.
- “Creativity, Innovation and Service ” as the driving moto.
- Planar technology is widely used in Automotive, Defense, Power Electronics and Telecom application.
- Long term partnership with customers suppliers and our team.
- Worldwide offices and sales network.

What do we sell and the Planar Technology

- Magnetic passive component (transformers and inductors)
- Planar technology Vs Conventional one
- Customization, 100's designs per year
- Large R&D team
- Long design-in and implementation cycle
- Power range from 0.5W-100KW



Our products (diversification)



Payton Planar Advantages



- Full customization- long design cycle.
- We have patience, “long distance” runner.
- R&D to keep leading the market, innovation and close cooperation with the customers R&D.
- Reduced Size and Weight (smaller package).
- Higher efficiency.
- Easy to use- thermal management.

Market Trends

- Miniaturization
- Increased frequency/power density
- Green Energy/ electrification/efficiency
- Customization and fast reaction



Markets & Applications

- Highly diversified
- We follow the requests (not the market) and design for it
- Examples are:
 - ◆ Portable equipment
 - ◆ Avionics
 - ◆ Automotive
 - ◆ Power electronics systems
 - ◆ Space
 - ◆ Welding
 - ◆ Consumer goods
 - ◆ Telecom equipment

We do not focus on the market
but on the projects

Automotive market

- OEM / Tier 1 / Tier 2
- EV/HEV demand is driven by the regulation
- Wide spectrum of applications
- Long design-in cycle
- DC-DC converters and Chargers.
- Increased demand for high power/compact size/weight

Growth Engines

- Demand for compact solution
- Supporting technology (semiconductors)
- Green
- Diversification (currently 3 biggest customers are from 3 different sectors)

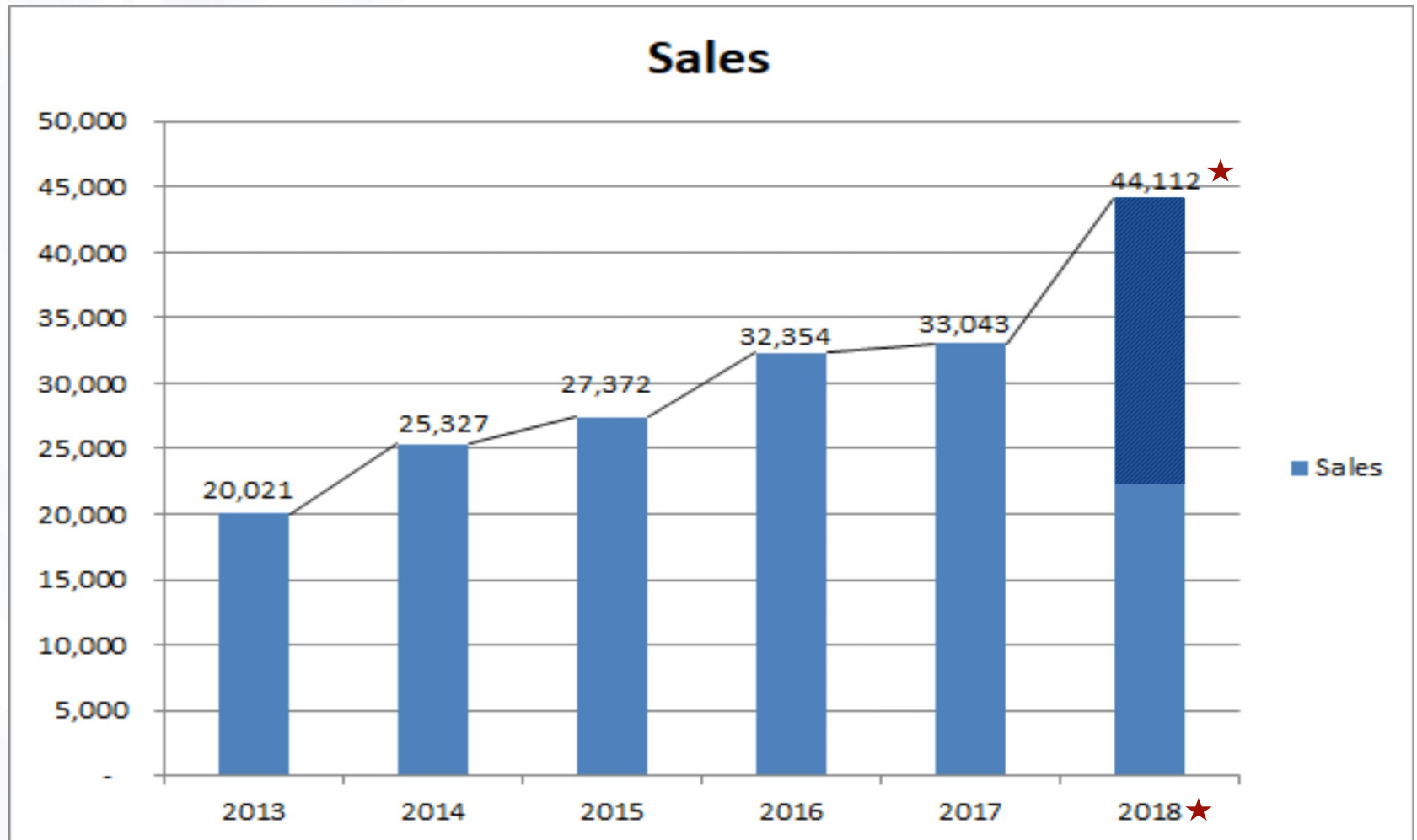


Potential Risks

- Automotive business- no guarantees.
- Regulation changes.
- Duties.
- Increased competition.



4 Years sales (in US\$ thousands)



★ 2018 sales are a result of HY2018 X 2 calculation. Not to be considered as an estimation and/or forecast.

→ USD/NIS/£ Influence

- ◆ The Group is exposed to currencies fluctuations, especially of the US\$ in relation to the NIS and the Pound (£). Most of the Group's salaries and other operating costs are in local currencies. Revaluation of the local currencies drives to an increase/decrease in labor costs and other operating costs, thus, affects the operating results of the Company.

→ Backlog

- ◆ Only firm orders are shown in the 'Order Backlog' (No forecasts of any kind)

→ Dividends

- ◆ Decided every year by the BOD based on the Business status/needs.
- ◆ Distributed \$3M/Yr in PPM in last 3 years (\$2M/yr in PI)
- ◆ For the Automotive market, need very strong cash position.
- ◆ Payton is constantly looking for business opportunities to expand its core business with synergetic product lines.

*Thank
you*

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“ The best way to predict the future is
TO INVENT IT ”

Alan Kay