

# **Presentation to the capital market Q4-2022**

## **Accessible**

### **Slide 1 - Header**



**Israel's Construction & Infrastructure Company**

**Build the Future**

**2022 (Annual results)**

### **Slide 2 - Disclaimer**

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### **Slide 3**

Denya. The Leading Construction and Infrastructure Company in Israel for more than 80 years

- **80** simultaneous projects
- **Tens of thousands** of residential units delivered in the past decade
- **Millions** of square meters of commercial, public, and office spaces built in the past decade
- **Tens** Kilometers of tunnels
- **Hundreds** of bridges built
- **Hundreds** of Km of Roads paved
- **PPP** Franchising projects
- **2,046** employees
- **Thousands** of apartments under development in the previous years
- Industrial factories
- Geotechnics and ground basing
- Electromechanics and air conditioning systems
- International activity in 3 countries

### **Slide 4 - Proven Financial Fortitude**

- NIS **11.6** Billion Orders backlog
- NIS **4.5** Billion annual turnover
- NIS **175** Million net profit
- **33%** - Increase in annual profit
- NIS **135** Million dividends (including NIS 40 Million announced subsequent to reporting date)
- NIS **793** Million Cash, restricted deposits and marketable securities
- **0** Corporate Debt

### **Slide 5 - Business Strategy**

- **Outer circle:** The company's business strategy is to act at five segments: Residential Construction, Non-Residential construction, Residential Development and Construction, Infrastructure, Franchising
- **Inner circle:** Fulfilling the strategy using the significant strengths of the company: Human capital, operational efficiency, safety

- **Arrows coming out of the circles:** The company expects that fulfilling its strategy will bring: Revenue mix with high profit margins, stable cash flow over time, efficiency through innovation and technology

## **Slide 6 - Financial Stability**

Balance sheet which enables growth ability even at an interest increase environment

Red arrow reflects the **market's interest increase**

Green arrows reflecting the subjects below:

- NIS **375** Million **positive working capital**
- NIS **793** Million **financial assets**
- **0** Corporate Debt
- Contract indexation

## **Slide 7 - Financial Growth (In NIS million)**

The net profit of the company for the report period totaled approximately **NIS 175 Million**.

### **BAR graph - Profit from Ongoing Operations**

<b>Period</b>	<b>NIS Million</b>
<b>2019</b>	63
<b>2020</b>	105
<b>2021</b>	132
<b>2022</b>	175

**Increase of 33% from 2021**

### **BAR graph - Turnover**

<b>Period</b>	<b>NIS Million</b>
<b>2019</b>	3,365
<b>2020</b>	3,559
<b>2021</b>	4,060
<b>2022</b>	4,486

**Increase of 10% from 2021**

### **BAR graph - Backlog by Operating Segments**

<b>Period</b>	<b>Residential Construction</b>	<b>Non Residential Construction</b>	<b>Infrastructure</b>	<b>Residential Development &amp; Construction</b>	<b>Total</b>
<b>2019</b>	3,427	1,562	1,267	141	<b>6,397</b>
<b>2020</b>	3,926	2,086	2,610	81	<b>8,703</b>
<b>2021</b>	5,323	2,043	2,430	425	<b>10,221</b>
<b>2022</b>	5,901	3,203	2,384	94	<b>11,581</b>

### **BAR graph - EBITDA**

<b>Period</b>	<b>NIS Million</b>
<b>2019</b>	84
<b>2020</b>	143
<b>2021</b>	218
<b>2022</b>	288

Increase of 32% from 2021

### **Slide 8 - Balance Sheet Liabilities and Capital – 31.12.2022** **(NIS Thousands)**

	<b>31.12.2022</b>	<b>31.12.2021</b>
Total Balance Sheet	2,297,570	2,255,342
Total Current Assets	1,904,307	1,882,933
Investments and Loans to investee Companies and related Parties	115,325	126,137
Inventory of lands	70,664	66,390
Fixed Assets and Other Non-Current Assets	207,274	179,882
Total Non-Current Assets	393,263	372,409
Total Current Liabilities	1,529,074	1,558,012
Total Non-Current Liabilities	63,597	67,880
Equity	704,899	629,450

### **Slide 9 - Quarterly profit for 2022 (NIS Million)**

Integrated graph (BAR+LINE) from the data in the table:

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Turnover	1,034	1,069	1,150	1,234
Net Profit	40	41	45	49

## **Slide 10 - Consolidated Order backlog – By Operating segments (NIS M)**

	<b>Backlog Balance 2022</b>	<b>Backlog Balance 2021</b>	<b>Backlog Balance 2020</b>	<b>Backlog Balance 2019</b>
Residential Construction	5,901	5,323	3,926	3,427
Non-Residential Construction	3,203	2,043	2,086	1,562
Infrastructure	2,384	2,430	2,610	1,267
Residential Development and Construction	94	425	81	141
<b>Total Backlog in the Financial Statements</b>	<b>11,581</b>	<b>10,221</b>	<b>8,703</b>	<b>6,397</b>

**Updating:** As of December 31, 2022, and to the financial statements date, projects at a total amount of NIS 1 Billion entered to the backlog.

## **Slide 11 - Four main activities segments**

- Infrastructure
- Non-Residential Construction
- Residential Construction
- Residential Development and Construction

## **Slide 12 - Synergetic Revenue Structure Enabling a Distribution of Risks and Growth**

### **Pie graph - Turnover by Operating Segments**

<b>Operating Segment</b>	<b>Revenue distribution</b>
Residential Construction	36%
Non Residential Construction	30%
Infrastructure	26%
Residential Development & Construction	8%

**Turnover in 2022 - approx. NIS 4.5 Billion**

### **Pie graph - Backlog by Operating Segments**

<b>Operating Segment</b>	<b>Backlog distribution</b>
Residential Construction	51%

Operating Segment	Backlog distribution
Non Residential Construction	28%
Infrastructure	20%
Residential Development & Construction	1%

**Backlog at 31.12.22 - NIS 11.6 Billion**

### **Slide 13 - Infrastructure - Backlog, Turnover & Profits (In NIS million)**

#### **Turnover – Bar Graph**

Period	Turnover
2020	768
2021	932
2022	1,159

#### **Gross Profit – Bar Graph**

Period	Gross Profit
2020	17
2021	21
2022	78

#### **Backlog – Bar Graph**

Period	Backlog
2020	2,610
2021	2,430
2022	2,384

### **Slide 14 - Infrastructure - Prominent Projects**

Name of the Project	Estimated Financial Scope (NIS Million)	Completion Rate	Estimated Completion Date
Eastern Track – Section B	741	91%	Q1, 2023
Fast Lanes – Shefayim parking lot and 541 Road	903	13%	Q4, 2025

## **Slide 15 - Non-Residential - Backlog, Turnover & Profits**

(In NIS million)

### **Turnover – Bar Graph**

<b>Period</b>	<b>Turnover</b>
<b>2020</b>	919
<b>2021</b>	1,084
<b>2022</b>	1,350

### **Gross Profit – Bar Graph**

<b>Period</b>	<b>Gross Profit</b>
<b>2020</b>	9
<b>2021</b>	33
<b>2022</b>	77

### **Backlog – Bar Graph**

<b>Period</b>	<b>Backlog</b>
<b>2020</b>	2,086
<b>2021</b>	2,043
<b>2022</b>	3,203

## **Slide 16 - Non-Residential - Prominent Projects**

<b>Name of the Project</b>	<b>Estimated Financial Scope (NIS Million)</b>	<b>Completion Rate</b>	<b>Estimated Completion Date</b>
District Government Campus, Jerusalem	482	46%	Q3, 2024
Ministry of Justice	527	92%	Q4, 2023
TOHA 2	530	5%	Q3, 2026

## **Slide 17 – Residential - Backlog, Turnover & Profits**

(In NIS million)

### **Turnover – Cumulative Bar Graph**

<b>Period</b>	<b>Turnover</b>	<b>Zero Margin Turnover</b>	<b>Total Turnover</b>
<b>2020</b>	1,522	294	1,816
<b>2021</b>	1,562	235	1,797
<b>2022</b>	1,177	458	1,635

**Increase at zero margin** – turnover from projects at zero margin increased in the previous years

### **Gross Profit – Bar Graph**

<b>Period</b>	<b>Gross Profit</b>
<b>2020</b>	111
<b>2021</b>	101
<b>2022</b>	74

**Profit's rate** – Profit's rate, without zero margin turnover, remains without a change in the previous year

### **Backlog – Bar Graph**

<b>Period</b>	<b>Backlog</b>
<b>2020</b>	3,926
<b>2021</b>	5,323
<b>2022</b>	5,901

**Increase in the Backlog** – significant projects has entered into the backlog

## **Slide 18 – Residential Construction - Prominent Projects**

<b>Name of the Project</b>	<b>Estimated Financial Scope (NIS Million)</b>	<b>Completion Rate</b>	<b>Estimated Completion Date</b>
Carmay Hanadiv Phase A+B	493	5%	Q3, 2024
Aura Ramat Chen	556	3%	Q3, 2026
Upper House - Yad Eliyahu	596	37%	Q2, 2025
Bat-Yam Moment (Ha'Shvatim)	688	10%	Q1, 2025
DUO Semel south *	444	2%	Q2, 2027
Aura Ramat Ha'Sharon Phase B	446	0%	Q2, 2026
Gindi Towers Tel Aviv – Tower 3	480	89%	Q4, 2023
Gindi Towers Tel Aviv – Tower 4	499	32%	Q4, 2025
Nofey Ben Shemen	419	31%	Q3, 2024

\* Share of the Company



## **Slide 19 - Residential Development & Construction**

### **Developing Projects**

- **Projects under construction**

Name of the Project	Location	Share of the Company	No. of Residential Units (Total)	No. of Free Market Residential Units	Estimated Completion Date
Narkisim	Rishon Lezion	50%	554	160	2023
Savyonei Ir Hayayin	Ashkelon	100%	423	127	2023
Unique Urban	Be'er Ya'acov	50%	98	20	2023
Timisoara – bloc I	Romania	100%	116	116	2023
Timisoara – bloc H	Romania	100%	116	116	2024

- **Finished projects**

Name of the Project	Location	Share of the Company	No. of Units in stock
Unique Top	Rishon Lezion	50%	11

## **Slide 20 - Residential Development & Construction**

### **Developing Projects**

Name of the Project	Description	Details
SWOMIN	Plot of land at Swomin village, southern to Warsaw, for building 148 residential units at two phases	<ul style="list-style-type: none"> <li>• Location: Warsaw</li> <li>• Project Scope: 148 Residential Units</li> <li>• Land cost: NIS 11 Million</li> <li>• Has building permission</li> </ul>
PRAGA	Saturated construction next to the American School at Pipera neighborhood. Consists out of four phases at a total scope of EUR 100 Millions	<ul style="list-style-type: none"> <li>• Location: Bucharest</li> <li>• Project Scope: 900 Residential Units</li> <li>• Land cost: NIS 25 Million</li> <li>• Under TBA process</li> </ul>
DENYA LAKE	Plot of land at Piper neighborhood for building approx. 75 ground houses.	<ul style="list-style-type: none"> <li>• Location: Bucharest</li> <li>• Project Scope: 77 Plots of land / Ground houses Units</li> <li>• Land cost: NIS 18 Million</li> <li>• Under TBA process</li> </ul>

<b>Name of the Project</b>	<b>Description</b>	<b>Details</b>
DENYA FOREST - BLOC I	Building 2 out of 3 with 12 floors and 116 residential units at a sole development of Denya Romania. The construction started during 2021 and will be finalized at Q3.2023	<ul style="list-style-type: none"> <li>• Location: Timisoara</li> <li>• Project Scope: 116 Residential Units</li> <li>• Land cost: NIS 3 Million</li> <li>• Under Construction</li> </ul>
DENYA FOREST - BLOC H	Building 3 out of 3 with 12 floors and 116 residential units at a sole development of Denya Romania. The construction started during 2022 and will be finalized at Q4.2024	<ul style="list-style-type: none"> <li>• Location: Timisoara</li> <li>• Project Scope: 116 Residential Units</li> <li>• Land cost: NIS 3 Million</li> <li>• Under Construction</li> </ul>
DENYA CORBEANCA	Plot of land at Corbeanca neighborhood at a total size of 223 thousand Sq. for building approx. 350 ground houses.	<ul style="list-style-type: none"> <li>• Location: Bucharest</li> <li>• Project Scope: 350 Plots of land / Ground houses Units</li> <li>• Land cost: NIS 14 Million</li> <li>• Has TBA</li> </ul>

### **Developing Strengths**

- Financing land purchasing out of own capital
- No project debt
- Non-disclosure of interest increase

## **Slide 21 – Franchise – Franchising projects**

### **At Founding/Operation phase:**

- **Roads**

#### **HaYovel lines**

Efficient holdings at the Franchiser -	15%
Holdings at the operator -	100%
Franchise expiration -	Until 2031

#### **Fast Lanes**

Holdings at the Franchiser -	25%
Holdings at the constructor -	50%
Construction starts -	11/2022

**An offer has been made to the Tenders:**

- **light rail**

- **Jerusalem light rail (Blue Line)**

Holdings at the Franchiser -	47.5%
Holdings at the constructor -	75%
An offer has been made -	08/2022

- **Construction**

- **Generi 3 (Government's ministries)**

Holdings at the Franchiser -	100%
Holdings at the constructor -	100%
An offer has been made -	11/2022