

Presentation to the capital market Q1-2023

Accessible

Slide 1 - Header



Israel's Construction & Infrastructure Company

Build the Future

Q1 - 2023

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 **12.3** Billion Orders backlog
- NIS **1.3** Billion Period turnover
- NIS **50** Million Net profit
- **25%** - Increase in profit with compare to same period last year
- NIS **40** Million dividends announced for the period
- NIS **788** 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 **423** Million **positive working capital**
- NIS **788** 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 50 Million**.

BAR graph – Net Profit

Period	NIS Million
2020	105
2021	132
2022	175
Q1-2022	40
Q1-2023	50

Increase of **25%** compared to the same period last year

BAR graph - Turnover

Period	NIS Million
2020	3,559
2021	4,060
2022	4,486
Q1-2022	1,034
Q1-2023	1,335

Increase of **29%** compared to the same period last year

BAR graph - Backlog by Operating Segments

Period	Residential Construction	Non Residential Construction	Infrastructure	Residential Development & Construction	Total
2020	3,926	2,086	2,610	81	8,703
2021	5,323	2,043	2,430	425	10,221
2022	5,901	3,203	2,384	94	11,581
Q1-2022	5,470	2,729	2,510	299	11,008
Q1-2023	6,472	3,314	2,403	71	12,261

BAR graph - EBITDA

Period	NIS Million
2020	143
2021	218
2022	288
Q1-2022	67
Q1-2023	79

Increase of 18% compared to the same period last year

Slide 8 - Balance Sheet Liabilities and Capital – 31.3.2023

(NIS Thousands)

	31.3.2023	31.12.2022
Total Balance Sheet	2,431,925	2,297,570
Total Current Assets	2,064,577	1,904,307
Investments and Loans to investee Companies and related Parties	86,103	115,325
Inventory of lands	74,159	70,664
Fixed Assets and Other Non-Current Assets	207,086	207,274
Total Non-Current Assets	367,348	393,263
Total Current Liabilities	1,641,628	1,529,074
Total Non-Current Liabilities	64,241	63,597
Equity	726,056	704,899

Slide 9 - Consolidated Order backlog – By Operating segments (NIS M)

	Backlog Balance 31/3/2023	Backlog Balance 2022	Backlog Balance 2021	Backlog Balance 2020
Residential Construction	6,472	5,901	5,323	3,926
Non-Residential Construction	3,314	3,203	2,043	2,086
Infrastructure	2,403	2,384	2,430	2,610
Residential Development and Construction	71	94	425	81
Total Backlog in the Financial Statements	12,261	11,581	10,221	8,703

Updating: As of March 31, 2023, and to the financial statements date, projects at a total amount of **NIS 600 Million** entered to the backlog.

Slide 10 - Four main activities segments

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

Slide 11 - Synergetic Revenue Structure Enabling a Distribution of Risks and Growth

Pie graph - Turnover by Operating Segments

Operating Segment	Revenue distribution
Residential Construction	43%
Non Residential Construction	33%
Infrastructure	22%
Residential Development & Construction	2%

Turnover in Q1-2023 - approx. NIS 1.3 Billion

Pie graph - Backlog by Operating Segments

Operating Segment	Backlog distribution
Residential Construction	53%
Non Residential Construction	27%
Infrastructure	20%
Residential Development & Construction	0.6%

Backlog at 31.3.23 - NIS 12.3 Billion

Slide 12 - Infrastructure - Backlog, Turnover & Profits (In NIS million)

Turnover – Bar Graph

Period	Turnover
2021	932
2022	1,159
Q1-2022	249
Q1-2023	297

Gross Profit – Bar Graph

Period	Gross Profit
2021	21
2022	78
Q1-2022	15
Q1-2023	23

Backlog – Bar Graph

Period	Backlog
2021	2,430
2022	2,384
Q1-2022	2,510
Q1-2023	2,403

Slide 13 - Infrastructure - Prominent Projects

Name of the Project	Estimated Financial Scope (NIS Million)	Completion Rate	Estimated Completion Date
Eastern Track – Section B	743	97%	Q2, 2023
Fast Lanes – Shefayim parking lot and 541 Road	886	21%	Q4, 2025

Slide 14 - Non-Residential - Backlog, Turnover & Profits

(In NIS million)

Turnover – Bar Graph

Period	Turnover
2021	1,084
2022	1,350
Q1-2022	286
Q1-2023	433

Gross Profit – Bar Graph

Period	Gross Profit
2021	33
2022	77
Q1-2022	14
Q1-2023	22

Backlog – Bar Graph

Period	Backlog
2021	2,043
2022	3,203
Q1-2022	2,729
Q1-2023	3,314

Slide 15 - Non-Residential - Prominent Projects

Name of the Project	Estimated Financial Scope (NIS Million)	Completion Rate	Estimated Completion Date
District Government Campus, Jerusalem	524	53%	Q3, 2024
Ministry of Justice	527	96%	Q4, 2023
TOHA 2	531	9%	Q3, 2026

Slide 16 – Residential - Backlog, Turnover & Profits

(In NIS million)

Turnover – Cumulative Bar Graph

Period	Turnover	Zero Margin Turnover	Total Turnover
2021	1,562	235 *	1,797
2022	1,177	458 *	1,635
Q1-2022	286	84 *	370
Q1-2023	439	141 *	580

* Zero Margin Turnover

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

Gross Profit – Bar Graph

Period	Gross Profit
2021	101
2022	74
Q1-2022	19
Q1-2023	25

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

Backlog – Bar Graph

Period	Backlog
2021	5,323
2022	5,901
Q1-2022	5,470
Q1-2023	6,472

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

Slide 17 – Residential Construction - Prominent Projects

Name of the Project	Estimated Financial Scope (NIS Million)	Completion Rate	Estimated Completion Date
Carmay Hanadiv Phase A+B	493	8%	Q3, 2024
Aura Ramat Chen	600	5%	Q3, 2026
Upper House - Yad Eliyahu	599	45%	Q2, 2025
Bat-Yam Moment (Ha'Shvatim)	719	15%	Q1, 2025
Carasso Jerusalem	438	0%	Q4, 2027
DUO Semel south *	452	5%	Q2, 2027
Aura Ramat Ha'Sharon Phase B	446	0%	Q2, 2026
Gindi Towers Tel Aviv – Tower 3	482	94%	Q4, 2023
Gindi Towers Tel Aviv – Tower 4	512	40%	Q4, 2025
Nofey Ben Shemen	425	40%	Q3, 2024

* Share of the Company

Slide 18 - Residential Development & Construction

Residential Development Projects

Name of the Project	Location	Share of the Company	No. of Residential Units (Total)	No. of Residential Units sold	Estimated Completion Date
Narkisim – bloc 71	Rishon Lezion	50%	76	76	2023
Savyonei Ir Hayayin	Ashkelon	100%	423	423	2023
Unique Urban	Be'er Ya'acov	50%	98	96	2023
Timisoara – bloc I	Romania	100%	116	70	2023
Timisoara – bloc H	Romania	100%	116	7	2024
Unique Top	Rishon Lezion	50%	377	366	Finished

Slide 19 - Residential Development & Construction

Prominent 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"> • Location: Warsaw • Project Scope: 148 Residential Units • Land cost: NIS 11 Million • Has building permission
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"> • Location: Bucharest • Project Scope: 900 Residential Units • Land cost: NIS 25 Million • TBA is about to be received soon
DENYA LAKE	Plot of land at Piper neighborhood for building approx. 77 ground houses.	<ul style="list-style-type: none"> • Location: Bucharest • Project Scope: 77 Plots of land / Ground houses Units • Land cost: NIS 18 Million • Under TBA process
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"> • Location: Timisoara • Project Scope: 116 Residential Units • Land cost: NIS 3 Million • Under Construction
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"> • Location: Timisoara • Project Scope: 116 Residential Units • Land cost: NIS 3 Million • Under Construction
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"> • Location: Bucharest • Project Scope: 350 Plots of land / Ground houses Units • Land cost: NIS 14 Million • Has TBA

Developing Strengths

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

Slide 20 – 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