



UNITRONICS (1989) (R"G) LTD.

PRESS RELEASE
Airport City, Israel
January 31, 2017

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

Re: A presentation to be presented in the Capital Market

Airport City, Israel – January 31, 2017 – 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")

January 31, 2017

Subject: A presentation to be presented in the Capital Market

The Company hereby publishes a presentation it intends to present to investors and public institutions related to the capital market (hereinafter: "the presentation").

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, nor a recommendation, opinion or basis for investment decisions regarding securities of the company or in connection with the sale of such securities.

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 presenting the presentation.

Sincerely,

Unitronics (1989) (R"G) Ltd.

Unitronics

Capital Market Presentation

February 2017

www.unitronics.com

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.

West Hollywood, California (200 Parking spaces)



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

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

- **Revenues 1-9/2016: Over NIS 113 millions, Revenues in 2015: Over NIS 159 millions**

Shareholder equity: NIS 102 million, about 45% of total assets (as of September 30, 2016).

- In May 2016, FIMI Fund invested NIS 60 million in the Company's equity.

- **Over 200 employees**

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

- **Active, expanding international marketing operations**

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





Automated Solutions segment

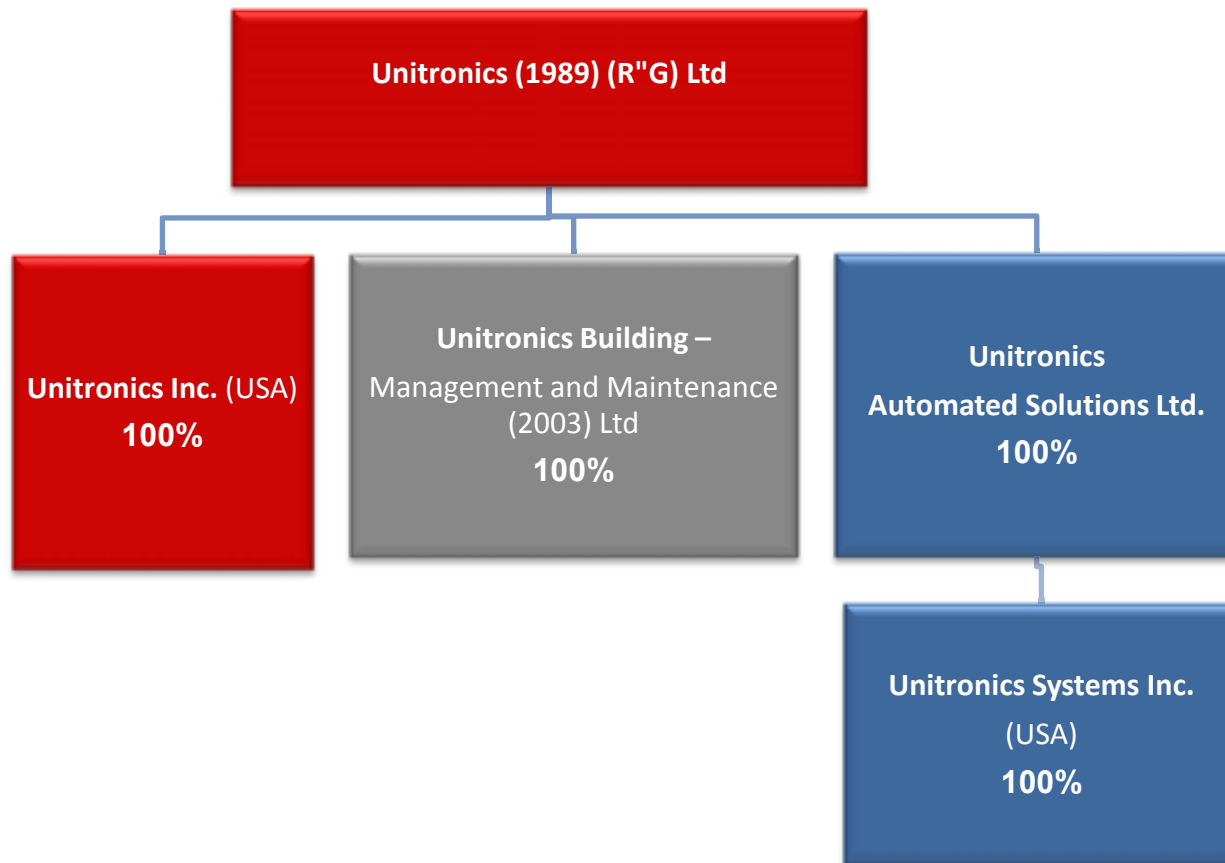
Project-based integration activity

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

Products 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 segment



Off-the-shelf control and automation products

- 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.
- Main customers: Machine manufacturers and integrators (design and construction entities) for automated systems and factories.



Off-the-shelf control and automation products

- Over 25 years of experience in design, development, manufacturing and international marketing of Programmable Logic Controllers - PLC
- Hundreds thousands of units sold over the world each year
- About 100 employees, offices in Boston and Israel
- Global Presence - about 165 distributors





Collection and processing
fuels (USA)



Tomato sauce bottling machines
(Italy)



Automated weighing and packaging
(Italy)



Theme park control
(Efteling, Holland)



Milk pasteurization systems
(Hungary)



Textile factories
(Turkey)

Automated Solutions segment

Logistics systems



Project-based integration activity

- Unitronics is engaged in design, development, construction and integration of automated logistics systems, automated warehouses, distribution centers, sophisticated conveyance
- Selling to industries such as food/beverage, dairy, fashion, e-commerce, office supplies, pharmaceuticals etc.
- Many systems in this area in Israel
- Value to customer:
 - Reduce construction costs
 - Increase productivity and support growth
 - Reduce inventory levels
 - Shortening response time

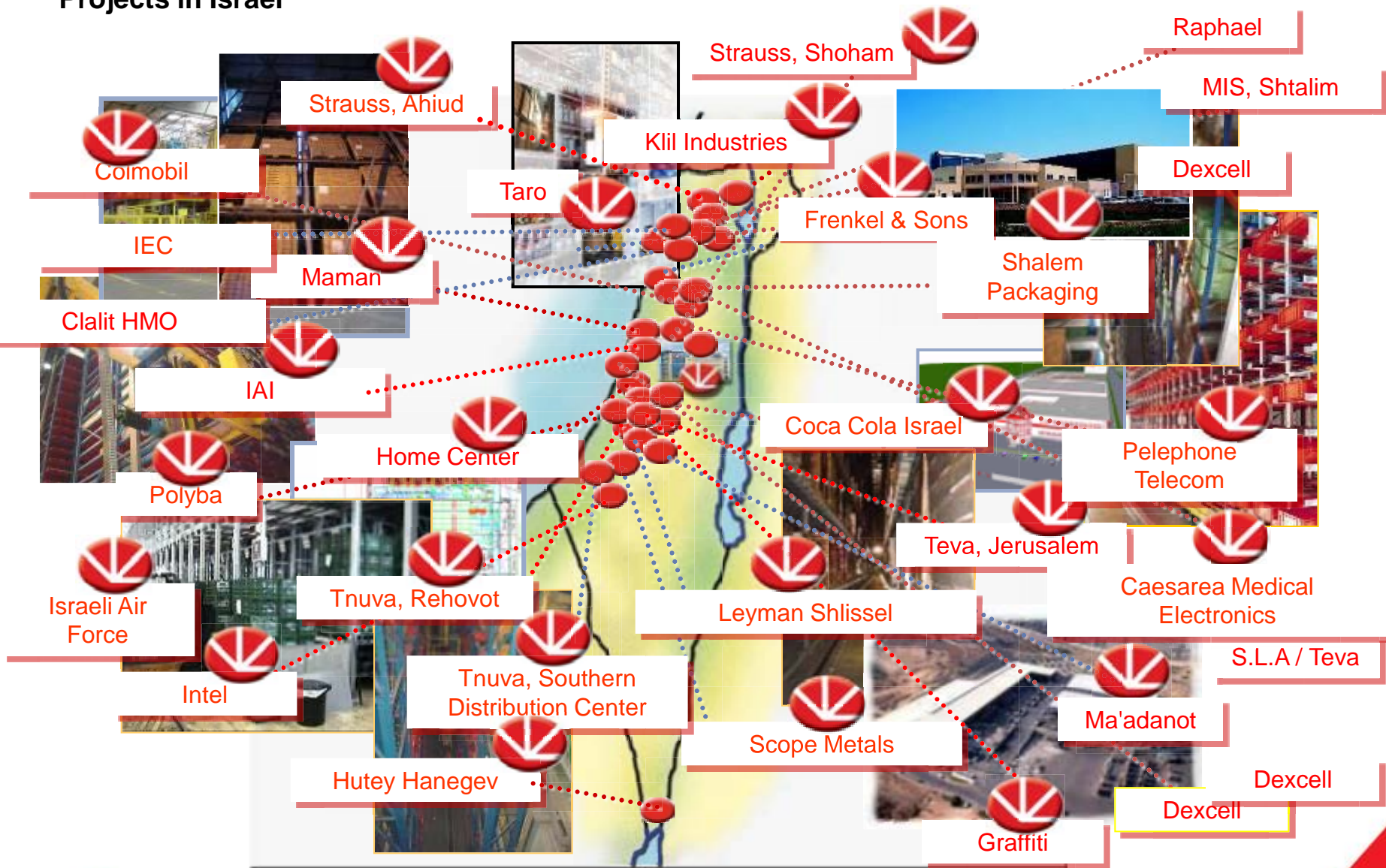


Unique added value

- One-Stop shop
- Customized projects for customers
- 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



Projects in Israel



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



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





Robotic Parking Systems

Robotic 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
 - ❖ In most cases price per parking space is lower than 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

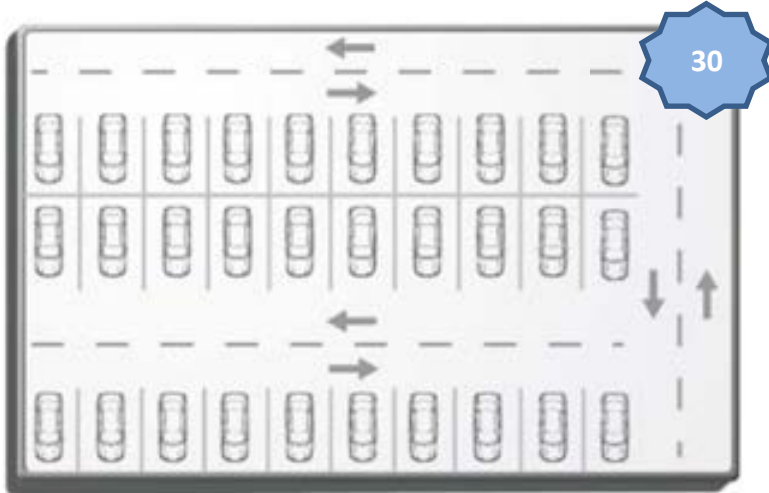
- Design, development and construction of automated parking systems, project-oriented operations
- Activity commenced 2007; subsidiary established 2011 in USA
- Offices in New Jersey, Los Angeles and Tel Aviv
- Development of building blocks (robotic components), control systems and management software for automated parking
- Direct sales and through distributors
- Main customers: entrepreneurs and investors in real estate and public institutions in Israel and around the world
- Value to customers:
 - Reduced construction costs
 - Reduced operating costs
 - capable of providing up to 3 times more parking spaces for a given area
 - Improved driver's experience, safety and personal security
 - Disabled access (ADA compliance)
 - "Green" solution



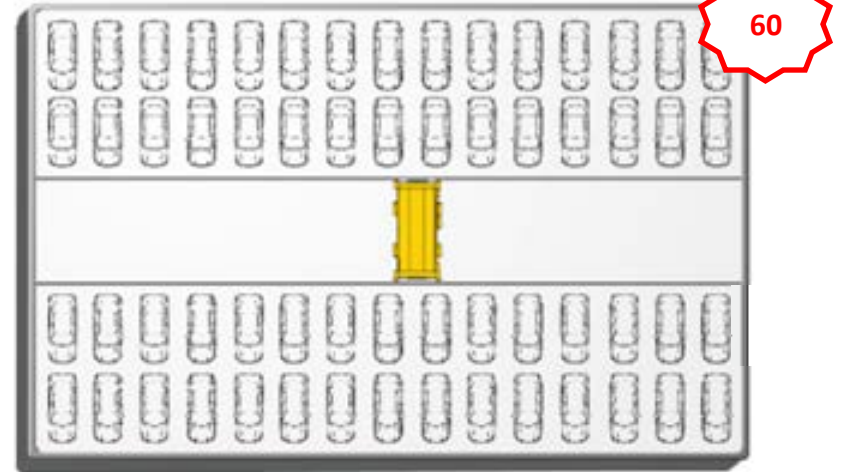
Capacity comparisons

Conventional parking

Same floor size – **x2** Parking space



Automated parking



Capacity increases **x3** to maximise revenue potential



Same building height - **More** floors

Financial data – Third Quarter 2016

Segments results - quarterly

NIS in thousands

Products	Q3-2016	Q2-2016	Q1-2016	Q4-2015	Q3-2015
Revenues	27,988	29,690	27,550	28,323	25,543
Segment results	5,984	7,208	6,570	6,144	5,244

Logistics Solutions	Q3-2016	Q2-2016	Q1-2016	Q4-2015	Q3-2015
Revenues	3,275	6,768	5,453	9,657	8,193
Segment results	94	1,179	570	4,384	3,128

Parking Solutions	Q3-2016	Q2-2016	Q1-2016	Q4-2015	Q3-2015
Revenues	5,053	5,455	2,217	1,898	1,696
Segment results	(6,640)	(6,485)	(7,189)	(6,858)	(4,584)

Consolidated Profit or Loss and Cash Flows - quarterly

NIS in thousands	Q3- 2016	Q3- 2015		1-9/ 2016	1-9/ 2015	1-12/2015
Revenues	36,447	35,562		113,772	119,175	159,149
Gross profit	7,292	12,050		24,347	43,076	55,948
Gross margin	20.0%	33.9%		21.4%	36.1%	35.1%
Development, net	1,171	1,414		3,734	4,613	6,336
Sales and marketing	5,956	5,673		16,854	16,669	23,081
General and administrative	3,381	3,231		10,245	10,124	13,196
Other Expenses, Net	-	-		10	-	-
Operating profit (loss)	(3,216)	1,732		(6,496)	11,670	13,335
Financing Expenses, Net	1,953	1,173		4,653	1,578	2,306
Taxes on income (tax benefit)	(218)	(186)		(249)	816	1,417
Net profit (loss)	(4,951)	745		(10,900)	9,276	9,612
Cash flows provided by operating activities	(1,968)	4,905		(421)	13,877	16,685
Cash flow provided by investing activities	(4,987)	(1,055)		(45,523)	(7,427)	(13,841)
Cash flow provided by financing activities	(4,290)	(4,380)		46,798	(12,249)	(12,544)

Consolidated Financial Position

NIS in thousands	30/9/2016	30/9/2015	31/12/2015
Total assets	226,145	188,356	192,725
Total current assets	114,377	104,094	104,710
<i>Cash, cash equivalents and negotiable securities</i>	56,316	49,183	45,389
<i>Customers and Account Receivables</i>	23,214	23,256	27,262
<i>Inventory</i>	25,983	21,949	22,039
<i>Work inventory in progress</i>	2,464	3,270	3,563
Total non-current assets (including, real estate and intangible assets)	111,768	188,356	88,015
<i>Long term deposits</i>	20,441	309	302
<i>Fixed assets, net</i>	22,964	19,236	20,047
<i>Intangible assets, net</i>	68,363	64,717	67,666
Total current liabilities	47,606	48,173	52,107
<i>Current maturities of debentures</i>	8,288	10,284	10,260
<i>Trade payables</i>	20,937	16,814	21,878
<i>Other accounts payable</i>	17,233	19,629	18,797
Total non-current liabilities	76,915	81,081	81,246
<i>Bank loans</i>	2,913	4,254	3,826
<i>Liability for share purchase option</i>	5,193	-	-
<i>Debentures</i>	62,369	70,935	70,753
Equity	101,624	59,102	59,372

Tradition of bond repayments on time



	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)	2014 – Debentures (Series 5) (Tel Aviv)
Type:	Convertible, EUR-denominated	Convertible, USD-denominated	CPI-linked	CPI-linked	CPI-linked	Not 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	NIS 40.00 million par value
Repayment	75% converted into shares, the balance repaid in 10 installments in 2006-2008	4 installments in 2007-2010	5 installments in 2009-2013	5 installments in 2013-2017. On October 2014, Early Redemption	6 installments in 2015-2020	9 installments in 2015-2023
Repaid to date	Fully repaid	Fully repaid	Fully repaid	Fully repaid	3 out of 6 installments	2 out of 9 installments
Current principal balance	0	0	0	0	NIS 33.2 million	NIS 32.00 million

- **Growing Israeli industrial company**

In business since 1989

- **Experienced, conservative management team**

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

International operations, international sales, international reputation

- **Financial robustness**

- ❖ Liquid means (cash, cash equivalents and Long term deposits): NIS 77 million (September 30, 2016)
- ❖ Long-term liabilities (September 30, 2016):
Long-term bank loans: NIS 2.9 million,
Debentures: NIS 62.3 million
- ❖ Shareholder equity: NIS 102 million
(45% of total assets, September 30, 2016)
- ❖ In May 2016, the Company issued shares to FIMI
in consideration of NIS 60 million in cash



Thank you