Bet Shemesh Engines
Holdings (1997) Ltd.

Company presentation, May 2025

BSEL GROUP
THE POWER OF PROPULSION

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Business card

Bet Shemesh Engines, which is under the control of FIMI Fund, has 57 years of experience and a reputation in a wide range of capabilities in the jet propulsion field

Ram Drori,
Company Group CEO

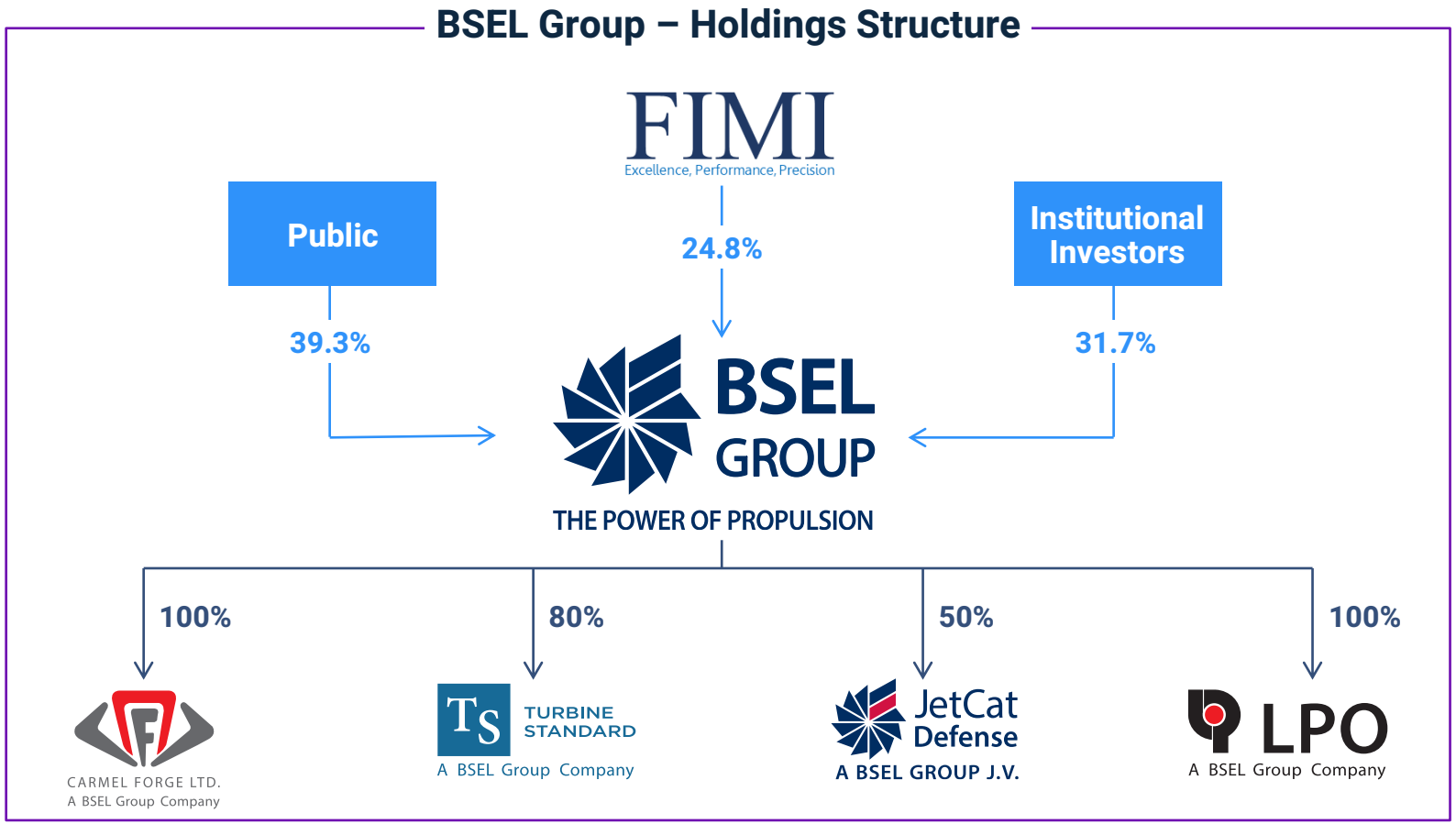
Gillon Beck,
Chairman of the Board

One-Stop-Shop

	Parts sector	Engines sector	
Activity	 FORGING  CASTING  MACHINING		
Target market			
	Manufacturing of critical parts for jet engines casting, forging and machining	**MRO** Maintenance, repair, overhaul & assembly of jet engines	**Development, manufacturing and marketing** of small jet engines

THE POWER OF **PROPULSION**

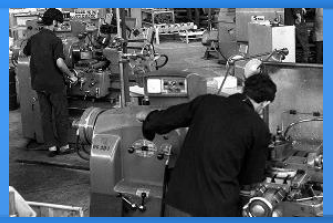
Holdings structure



BSEL LTD, a subsidiary company, holds – **4.2%**

57 years of excellence

Mr. Joseph Szydlowski,
the founder of the first BSEL factory



Carmel Forge factory

TS Ohio USA

1968 — Bet Shemesh Engines was established by Mr. Joseph Szydlowski and the State of Israel

1981 — The State of Israel acquires all shares in BSEL

1984 — Pratt & Whitney acquire 40% of BSEL

1992-1995 — Ormat acquires 100% of BSEL shares

1997 — IPO on the Israeli exchange

2003 — LPO acquisition

2005 — Clal Industries becomes the key shareholder of BSEL

2016 — FIMI Fund acquires control of BSEL (45%)

2019 — Acquisition of Carmel Forge from Pratt & Whitney

2020 — New GTF plant for Bet Shemesh Engines

2024 — Acquisition of Turbine Standard USA

2025 — Establishing the JETCAT JV partnership

Ezer Weizmann, President of Israel, visiting BSEL

The Lavi Project

LPO ADA Serbia

New factory for GTF engines, Bet Shemesh

JETCAT

THE POWER OF **PROPULSION**

BSEL GROUP The Power of Propulsion

3 Continents, **5** Locations, **9** Facilities, **1300** Employees

Holland | Ohio
BSEL USA

Holland | Ohio
Turbine Standard
MRO, Small Engine Assembly

Holland | Ohio
JetCat Defence
JV

Tamarac | Florida
Turbine Standard
MRO, Customer Service

Ada | Serbia
LPO
Casting, Machining

Haifa | Israel
Carmel Forge
Forging House

Bet Shemesh | Israel
BSEL – Bet Shemesh Engines
Machining, 3D Printing, Casting,
MRO, Small Engine Production

Customers

Small Engines & MRO

IAI · RAFAEL ADVANCED DEFENSE SYSTEMS LTD. · U.S. AIR FORCE · WZL 2

Critical Engine Parts

GE · SAFRAN · MTU Aero Engines · cfm · ITP Aero · Collins Aerospace · Honeywell

Activity sectors

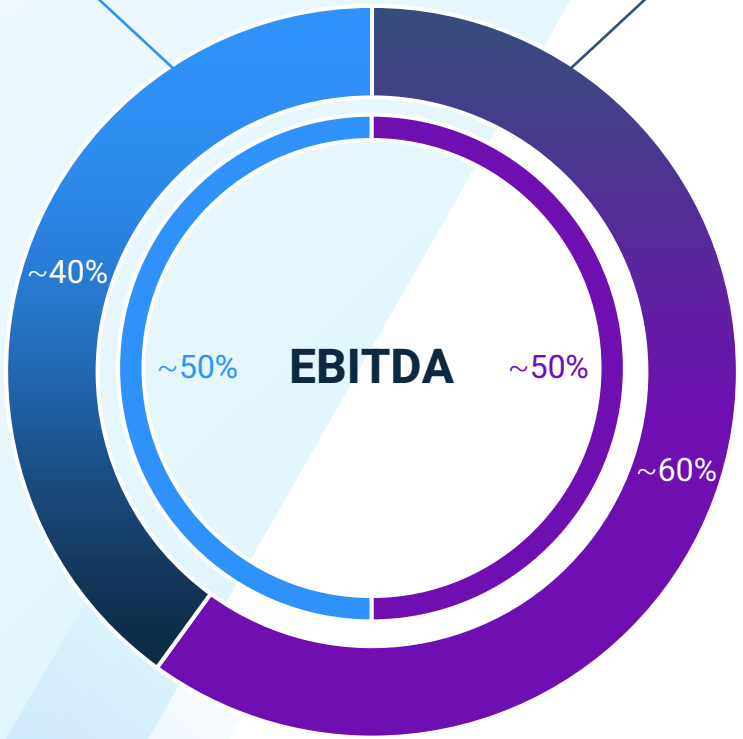
Engines sector

Development, manufacturing, maintenance and assembly of jet engines:

Maintenance, Repair, Overhaul & Assembly of civilian and military jet engines (IAF and other air forces), domestic and international

Development, manufacturing and marketing of small jet engines

Income segmentation



Parts sector

Manufacturing jet engine parts:

Forging of disks and rings by pressing and rolling

Castings of blades and advanced engine parts

Machining of critical rotating parts

*As of December 31, 2024, the company has long-term open agreements totaling approximately USD 1.7 billion. Given the balance sheet date, the company reported renewal and expansion of an open agreement with a leading customer in the aviation world for approximately 16 years with a scope of about USD 530 million (the balance from the original agreement standing at approximately USD 56 million).

Inclusion of our manufactured parts in advanced engine programs

New engine programs

PW1100, LEAP A, B, C


Airbus Neo 319-321

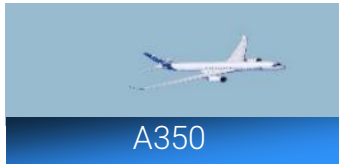

Boeing 737MAX


Comac 919

RR T1000


B787

RR TXWB


A350

PW 1500


A220

PW 812


Falcon 6x

PW 814, 815


Gulfstream G500, G600

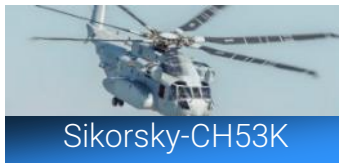
PW 307


Falcon 7X

F135


LM F35

GE T408


Sikorsky-CH53K

Legacy engine programs prior to 2017

APS 2300
APS 3200
APS 5000
PW 4000
JT8
F100
APS 1000
PWC 305, 306, 307, 530, 545
FT8
PW 210
V2500
FT8

Addition of new engine programs from 2017 to today

PW 1100 (*)
LEAP A, B, C (*)
PW 1500 (*)
RR Trent 1000 (*)
RR TXWB (*)
PW 812, 814, 815
F135 (*)
T408 (*)
GT 7500

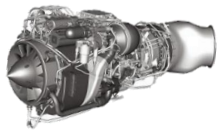
(*) New generation

Participants in the engine industry for the civil aviation market

Aero Engine Industry Characteristics

- Industry players specialize in different modules/technologies
- Oligopolistic structure of market
- High barriers to entry
  - High technology expertise required
  - Substantial up-front investment (R&D, concessions, etc.) required
  - Long term contracts
  - Structurally captive spare parts business
  - Certification requirements and regulatory approvals

The engines sector is qualified to overhaul these engines (MRO)

	F-100	T-700	PT6	Allison 250	TPE331	CT7
Engine Type						
OEM	Pratt & Whitney – Dependable Engines	GE	Pratt & Whitney Canada – A United Technologies Company	Rolls-Royce	Honeywell Aerospace	GE
Platform	 F16/F15	 Blackhawk, Apache	 Various Airplanes	 Various Helicopters	 Various Airplanes	 Various Airplanes
Main Customers	WZL 2; U.S. AIR FORCE					

We serve a wide variety of customers worldwide

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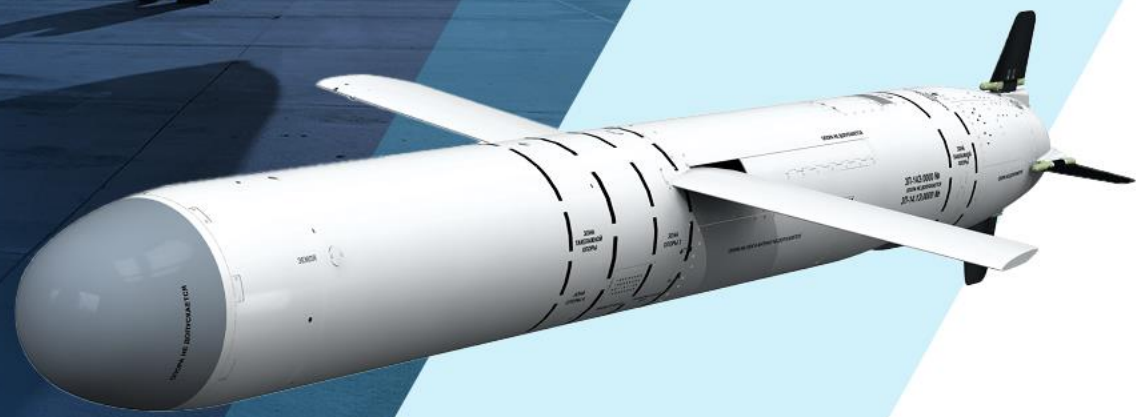
- Full MRO capabilities with FAA and EASA certifications
- Highly skilled and trained manpower (mainly veterans from the Israeli Air Force)
- Test cells for all the above mentioned engine types

Review of the civil and military market



Status of the civil aviation market

In 2024 the number of passengers worldwide reached the 2019 figures and even increased by more than half a billion passengers.

The aircraft manufacturers, mainly Airbus and Boeing, are experiencing difficulties in meeting the increasing demand from airlines. Some of the delays in aircraft delivery are due to new generation engines not being delivered and difficulties in parts supply chains.

As of February 2025, the total order backlog for Airbus and Boeing aircraft stands at approximately 15,000 aircraft (through to 2040 the demands will be more than 40,000 aircraft).

The current situation offers BSEL opportunities for increasing its market share, which is already starting to show in an improvement in the parts sector's financial results.

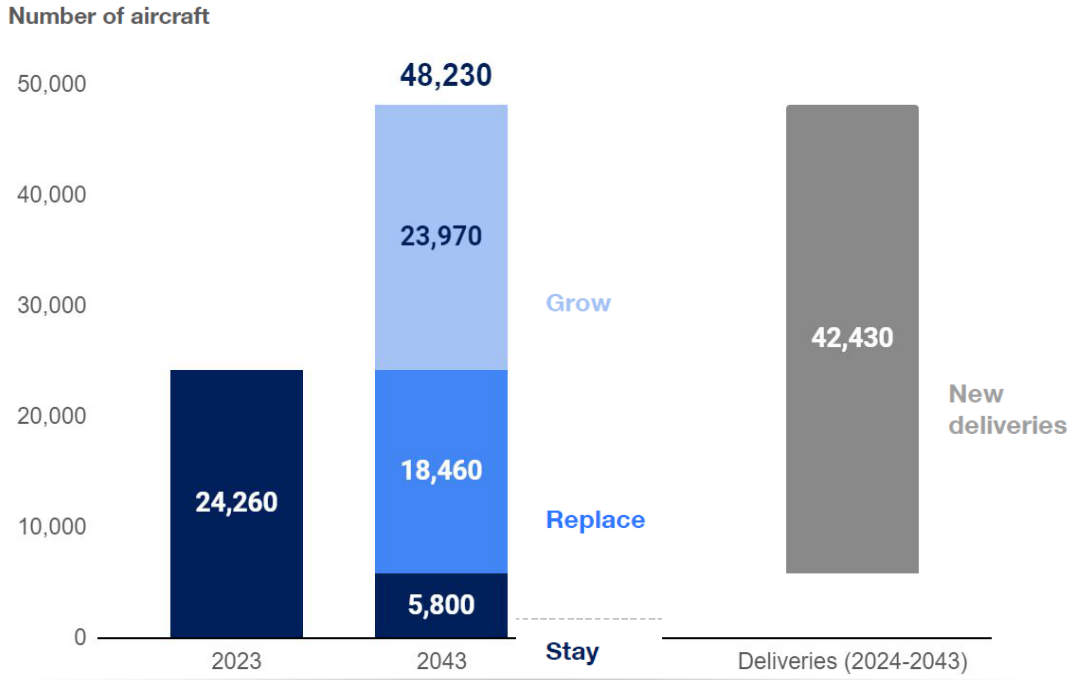
Backlog

OEM Backlogs as of 28 Feb. 2025					
Airbus	A220	A320	A330	A350	TOTAL
	508	7,188	238	718	8,652
Boeing	737	767	777	787	TOTAL
	4,747	104	559	787	6,197

Source: flightplan.forecastinternational.com

OEM Monthly Production Targets and Rates by Model, April 2025					
Airbus			Boeing		
Model	Monthly Target	Produced	Model	Monthly Target	Produced
A220	6 to 8	7	737 MAX	38	31
A320neo	50	40	767	3	1
A330neo	4	2	777	3	4
A350	6	7	787	5	1

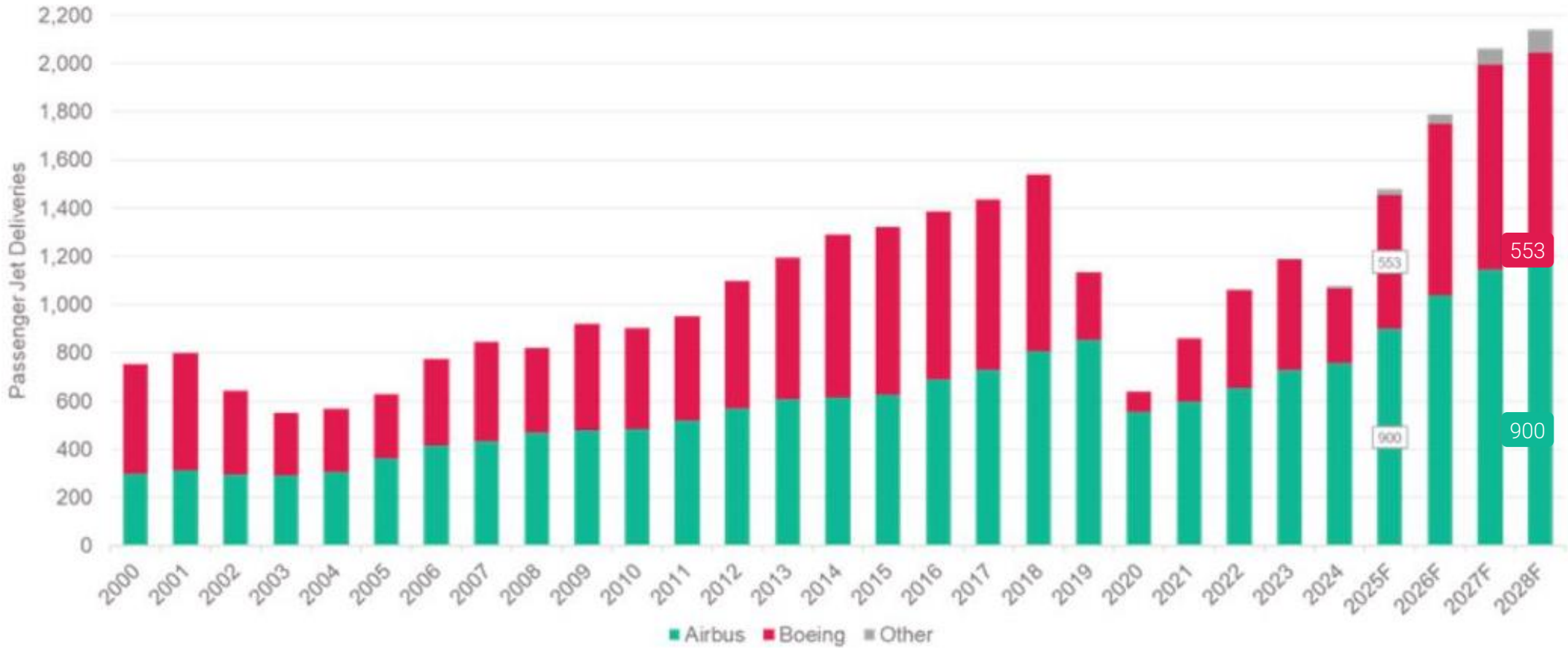
Source: flightplan.forecastinternational.com



Source: Airbus Global Market Forecast 2024

Status of the civil aviation market

The forecast of aircraft manufacturers for airliner deliveries in the coming years 2025-2028:



Source: IBA

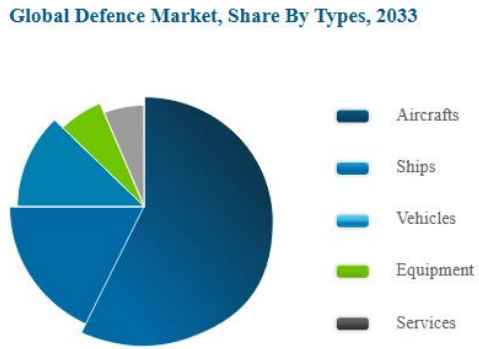
Status of the global military aviation market

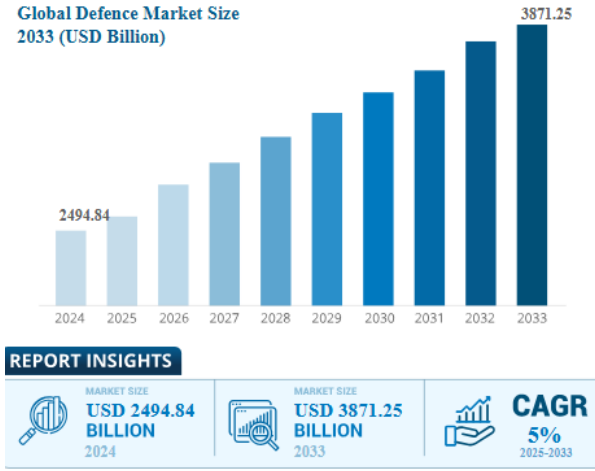
Geopolitical events such as the Russia-Ukraine war, the situation in the Middle East, Trump's return to the White House and tension between China and the United States influence structural and strategic changes in national and state military infrastructures, resulting in increased procurement budgets, mainly in Israel, the United States, Asia-Pacific and Europe.

There is a global shortage of spare parts for engine maintenance repair and overhaul (MRO).

A high demand for small jet engines for powering unmanned aircraft combined with a global shortage in manufacturing capacity for supplying engines.

The company identifies a marked increase in demands in the engines sector in general and in the military market in particular, which is also reflected in results and with entry into significant major projects in the domestic market and overseas.





Source: Business Research insights - Defense Market Forecast 2025–2033

Significant recent events

Parts manufacturing sector

03 2025 Renewal and expansion of an existing agreement with a leading customer in the aviation world to approximately 16 years at a volume of about USD 530 million.

09 2024 Completion of signing a long-term agreement to a total volume of USD 205 million with an option for increasing it to approximately USD 280 million with Pratt and Whitney (USA). The agreement is for 2024 to 2030, with an option for an extension by two more years. The agreement refers to two leading engine programs in the global aviation world in which the customer is a key player. The agreement stipulates that besides extension and expansion of its current activity; the company will develop and manufacture new parts for leading programs in the parts sector's activity.

Engines sector

03 2025 The company is purchasing for approximately USD 33 million, 80% of **Turbine Standard (TS),** a jet engine maintenance and overhaul (MRO) company, located in the United States. TS will also deal with small engines activity during BSEL's entry to the U.S. market and aid with operational infrastructure.

02 2025 Signing a joint venture agreement with the German company **Jet Cat** for development, manufacturing and sale of small engines to the military market in the United States and in Israel.

09 2024 Expansion by an estimated USD 28 million of an existing multiannual agreement for providing maintenance service for F100 engines and their parts for a foreign customer in a European country.

03 2024 Expansion of significant orders totaling approximately USD 75 million from a leading customer within the development and manufacture of jet engines in the engines sector. The company estimates that it is expected to receive additional future orders in relation to this activity totaling up to approximately USD 143 million.

Financial figures

Financial Results for 2024

In $ thousand	2024	%	*2023	%	Change	%
Sales	258,981		209,687		49,294	23.5%
Gross profit	63,745	24.6%	34,339	16.4%	29,406	85.6%
Operating income	48,446	18.7%	22,745	10.8%	25,701	113.0%
Net income for period	37,629	14.5%	13,304	6.3%	24,324	182.8%
EBITDA	59,798	23.1%	33,546	16.0%	26,252	78.3%

*The figures do not include the effect of a real estate deal from August 2023

Financial Results for 2024 by Sectors

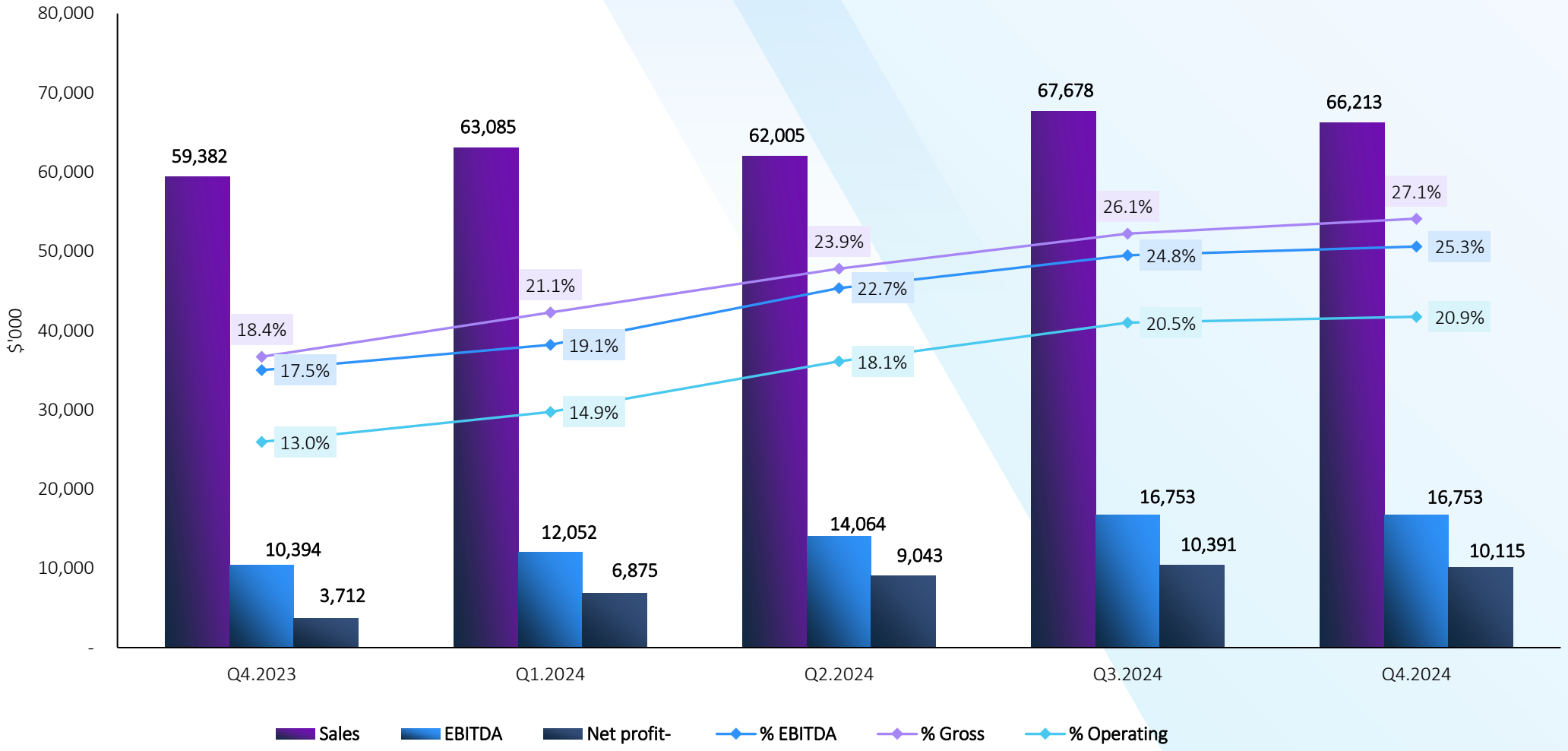
Parts sector

$ thousand	2024	%	2023	%	Change	%
Sales to third parties	161,107	94.6%	148,343	97.4%	12,764	8.6%
Internal sales between sectors	9,169	5.4%	3,990	2.6%	5,179	129.8%
Total sales	**170,276**	**100.0%**	**152,333**	**100.0%**	**17,943**	**11.8%**
Gross profit	29,452	17.3%	14,877	9.8%	14,575	98.0%
Operating income	21,238	12.5%	8,249	5.4%	12,989	157.5%
EBITDA	31,125	18.3%	17,423	11.4%	13,702	78.6%

Engines sector

$ thousand	2024	%	2023	%	Change	%
Sales to third parties	97,874	99.6%	61,344	99.5%	36,530	59.5%
Internal sales between sectors	430	0.4%	280	0.5%	150	53.6%
Total sales	**98,304**	**100.0%**	**61,624**	**100.0%**	**36,680**	**59.5%**
Gross profit	34,852	35.5%	20,017	32.5%	14,835	74.1%
Operating income	28,281	28.8%	14,987	24.3%	13,294	88.7%
EBITDA	29,063	29.6%	15,931	25.9%	13,132	82.4%

Quarterly trend BSEL Group (in thousands of dollars)



Balance sheet and key financial ratios

For the year ended 31st December

	2024	2023
Current assets	189,711	161,331
Non-current assets	137,117	127,607
Total assets	**326,828**	**288,938**
Current liabilities	101,899	87,551
Long-term liabilities	31,603	47,067
Equity	193,326	154,320
Total liabilities and equity	**326,828**	**288,938**

End of period financial ratios

	2024	2023
Equity to total assets	59%	53%
Financial debt to equity	19%	34%
Net financial debt to EBIDTA	0.6	1.6
Leverage ratio (net balance sheet financial debt)	11%	18%
Total financial debt	36,239	53,226

Planning for the future

Strategy and growth engines

The company is planning to continue to grow in all activities based on the following factors:

01

In the military market – increasing demand and an increase in activity of the engines sector, both small jet engines (including entering the U.S. market) and MRO activity inter alia through TS and JETCAT, while maintaining high profitability rates. Completing the construction of an advanced new complex in the engines sector

02

Forecast for continued increase of demand in the civil aviation market – primarily for narrow bodied airliners with efficient, economical engines such as: LEAP and GTF, which will increase the demand for the company's parts sector

03

In the civil market – continued focus on expanding activity volumes for new engines, through long-term agreements, based on upgrading of manufacturing capabilities and new technologies that have been made in recent years to support certifications for new engines

04

Continuing investment and development of our employees as a key part in the company's ability to execute its strategy for the coming years

05

Continuing our conservative and responsible approach taking into account current market conditions and risks, while identifying opportunities as they occur

TURBINE STANDARD

A BSEL Group Company

- The company engages in jet engine maintenance and overhaul (MRO), located in Ohio, the United States, and was founded in 2003 by Dave Corwin.
- In March 2025, the acquisition of 80% of the company for approximately USD 33 million with an option for future acquisition of the balance was completed. The company's results are included in the engines sector.
- The acquisition of the U.S. company serves a significant synergy fit in both companies' MRO activity.
- This constitutes an important milestone as part of the focus on expansion of MRO activity, which is one of BSEL's strategic growth areas, with emphasis on significant entry into the U.S. market.
- TS will promote the small engines activity during the entry into the U.S. market serving as an operational infrastructure under BAA (Buy American Act) requirements.
- This move will strengthen BSEL's presence in North America with an operating base and will allow for a more diversified answer for customers in terms of operational flexibility and workload balancing.
- Potential for significant expansion of operational activity based on the existing infrastructure.

PT6A ENGINES

TPE331 ENGINES

CT7 ENGINES

JetCat Defense

A BSEL GROUP J.V.

- In February 2025, Bet Shemesh Engines signed a joint venture agreement with **JetCat**, a German company which engages in the development, manufacture and sale of small engines.
- The joint activity is intended for the small engines field for the military market and will be assigned to the company's engines sector.
- The focus will be on two key activities that will follow from the forming of two special purpose companies:
  - JetCat Defense - which will engage in supplying small engines for small airborne platforms for potential customers in the U.S. military market.
  - The two parties will establish an Israeli company to engage in supplying small engines for customers in the Israeli military market.
- A strategic step combining BSEL's great experience in the field of developing and manufacturing small engines for the defense industry along with JetCat's innovation in development and manufacturing processes which is considered revolutionary, and is also commercially capable of high-volume manufacturing, provides a solution to the urgent need that the parties have identified for accessible, mass production of military jet propulsion systems.

P1000 PRO

P850 PRO

P550 PRO

Thank you!

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