

Capital Markets Presentation

August 19, 2026

Based on the Company's Financial
Statements for Q2 2026

**Bet Shemesh Engines
Holdings (1997) Ltd.**



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Company Overview

Bet Shemesh Engines,
58 years of experience and a
proven track record across a
wide range of capabilities in
the field of jet propulsion

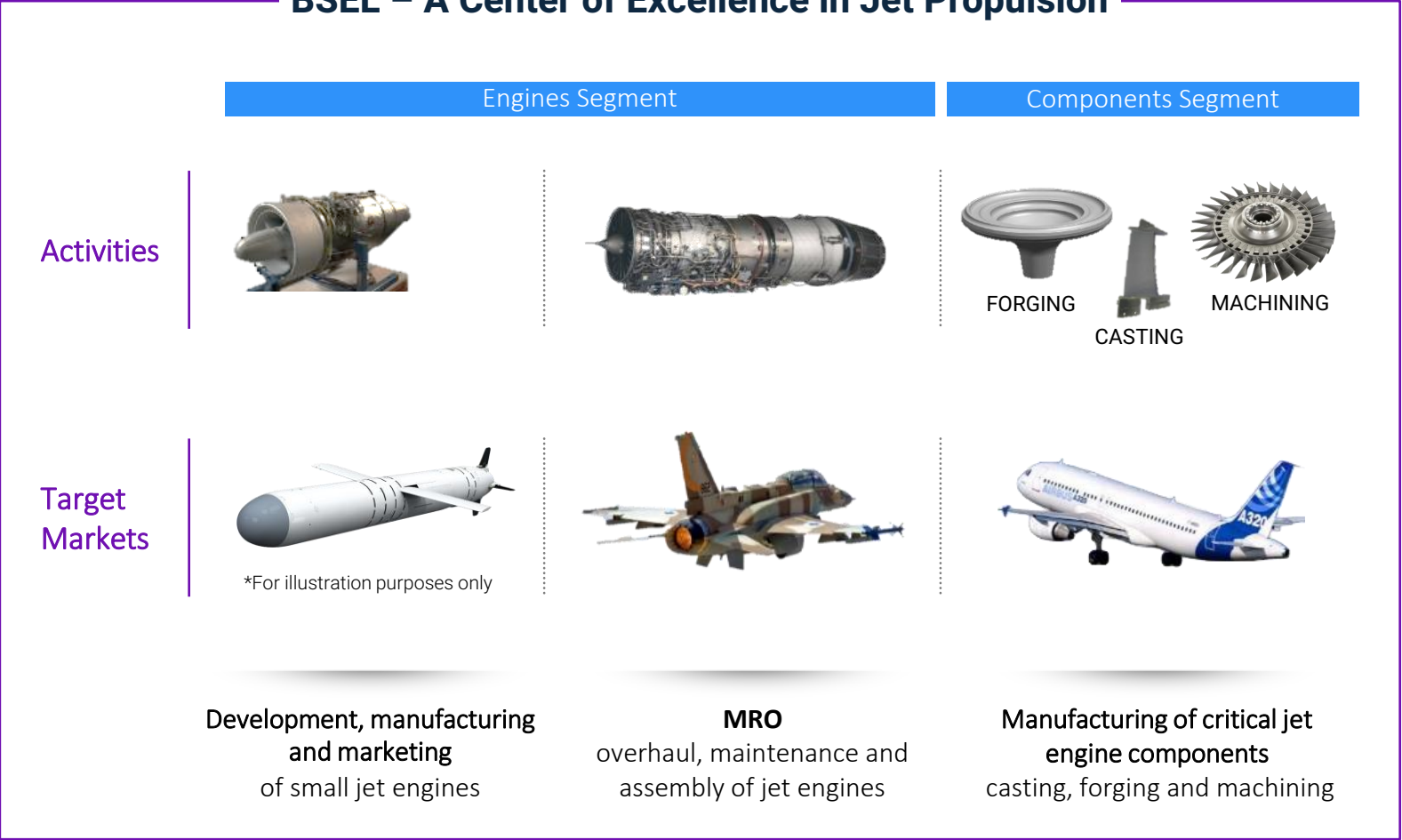


Ram Drori,
Chief Executive
Officer



Gillon Beck,
Chairman of the
Board of Directors

BSEL – A Center of Excellence in Jet Propulsion



Bet Shemesh Engines

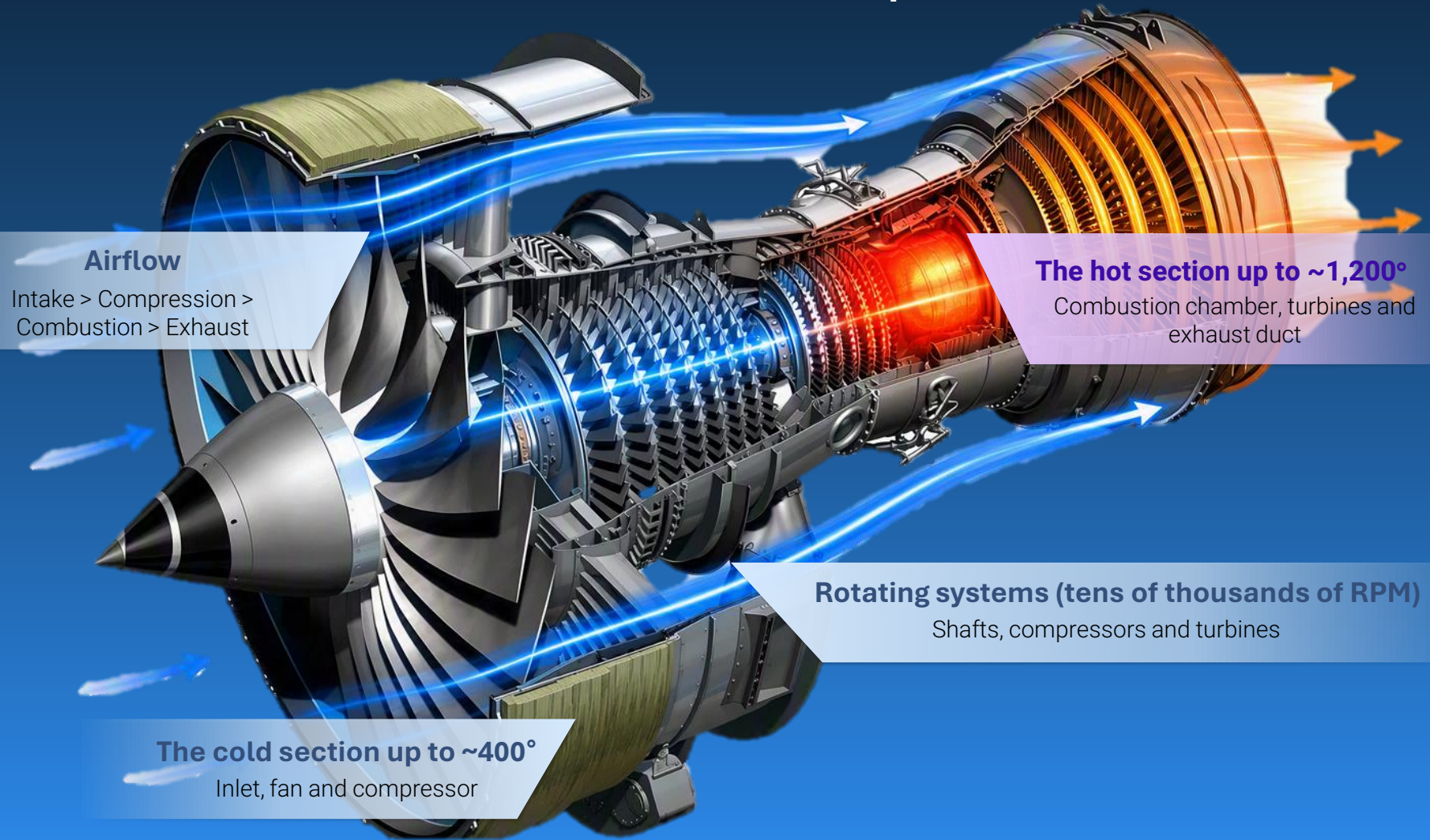
Israel's Center of Excellence in Jet Propulsion

Jet Engine

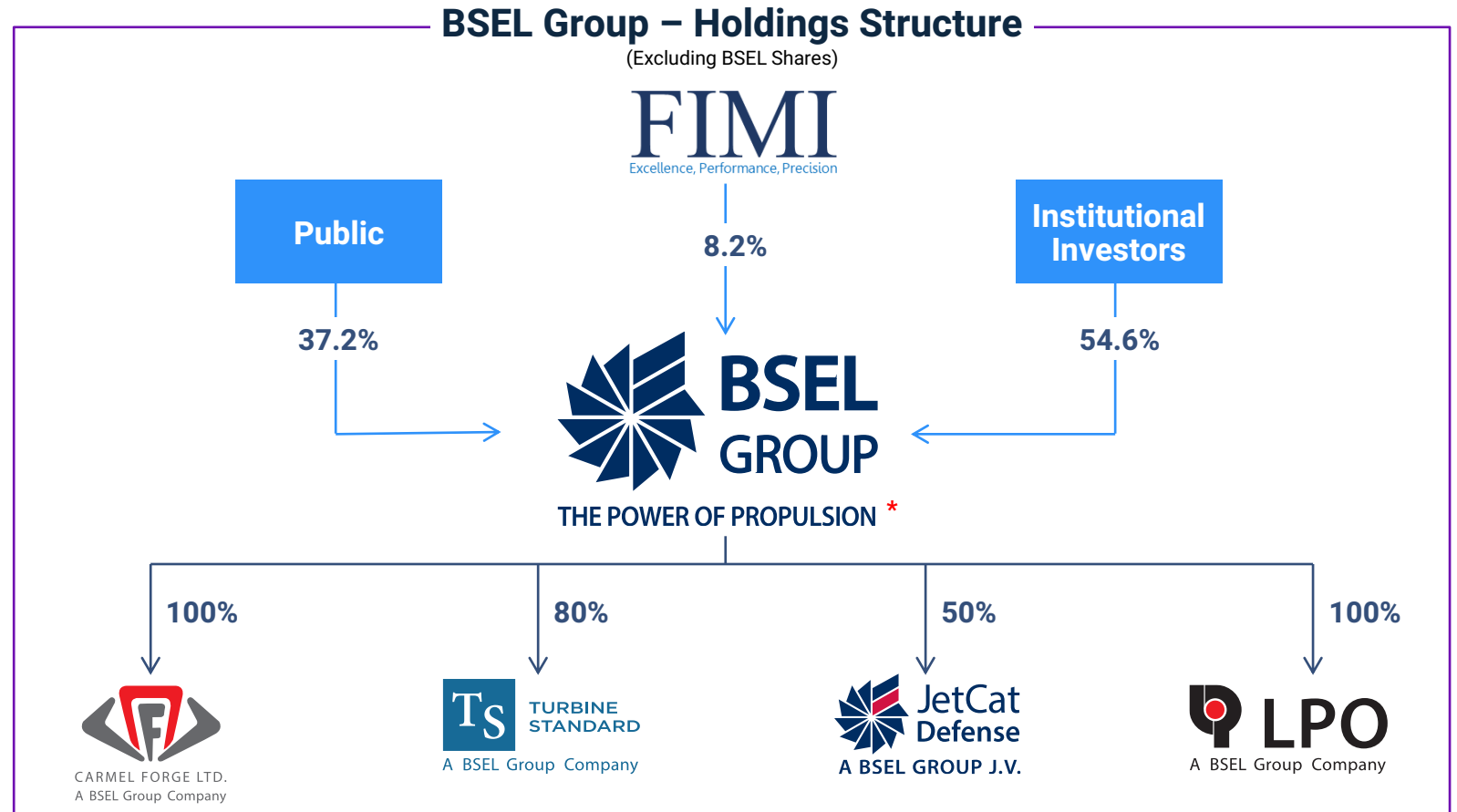
One system.
Thousands of parts.
Extreme precision

High engineering complexity
Advanced materials
Precision and durability under
extreme conditions

*For illustration purposes only



Business Holdings Structure



* by Bet Shemesh Engines Holdings (1997) Ltd. (the "Public Company"), through its subsidiary Bet Shemesh Ltd., which holds 4% of the Public Company (the "BSEL Shares").



58 years of blue and white industrial excellence



Mr. Joseph Szydlowski establishes the first Bet Shemesh Engines facility



Pratt & Whitney acquires a 40% stake in Bet Shemesh Engines



IPO on the Tel Aviv Stock Exchange



Ministry of Finance facility



TS, Ohio, USA



New small engine facility

Establishment of a new campus for small engines in Beit Shemesh.

Bet Shemesh Engines was founded by Mr. Joseph Szydlowski and the State of Israel

The State of Israel acquires full ownership of BSEL

Ormat acquires 100% of Bet Shemesh Engines

LPO acquisition



FIMI acquires a controlling stake in BSEL (45%)



Acquisition of Carmel Forge from Pratt & Whitney



New GTF engine facility



Acquisition of Turbine Standard (USA)

Establishment of the JetCat JV partnership



Establishment of an assembly and testing facility for small engines at TS Ohio.



President Ezer Weizman visits the facility



Lavie Project



LPO Ada Serbia



New GTF engine facility, Bet Shemesh



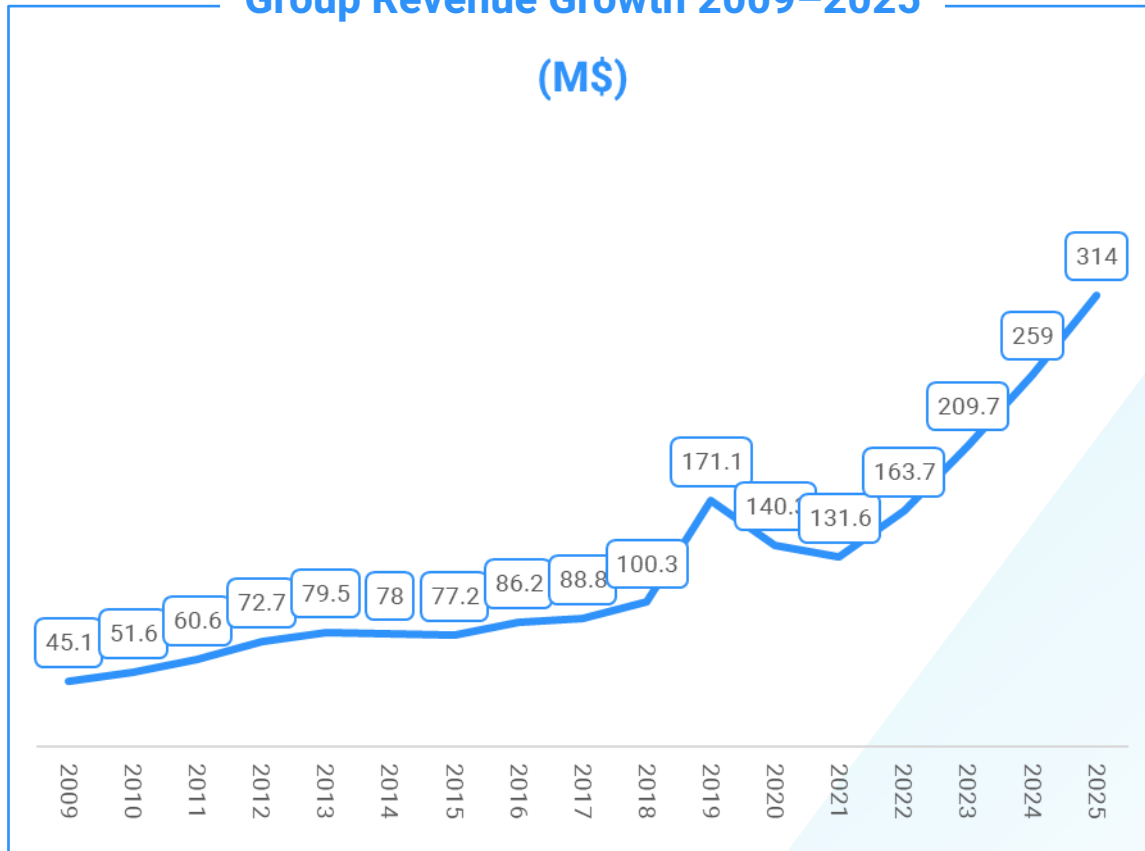
JetCat



Framework Agreements and Group Revenue Growth

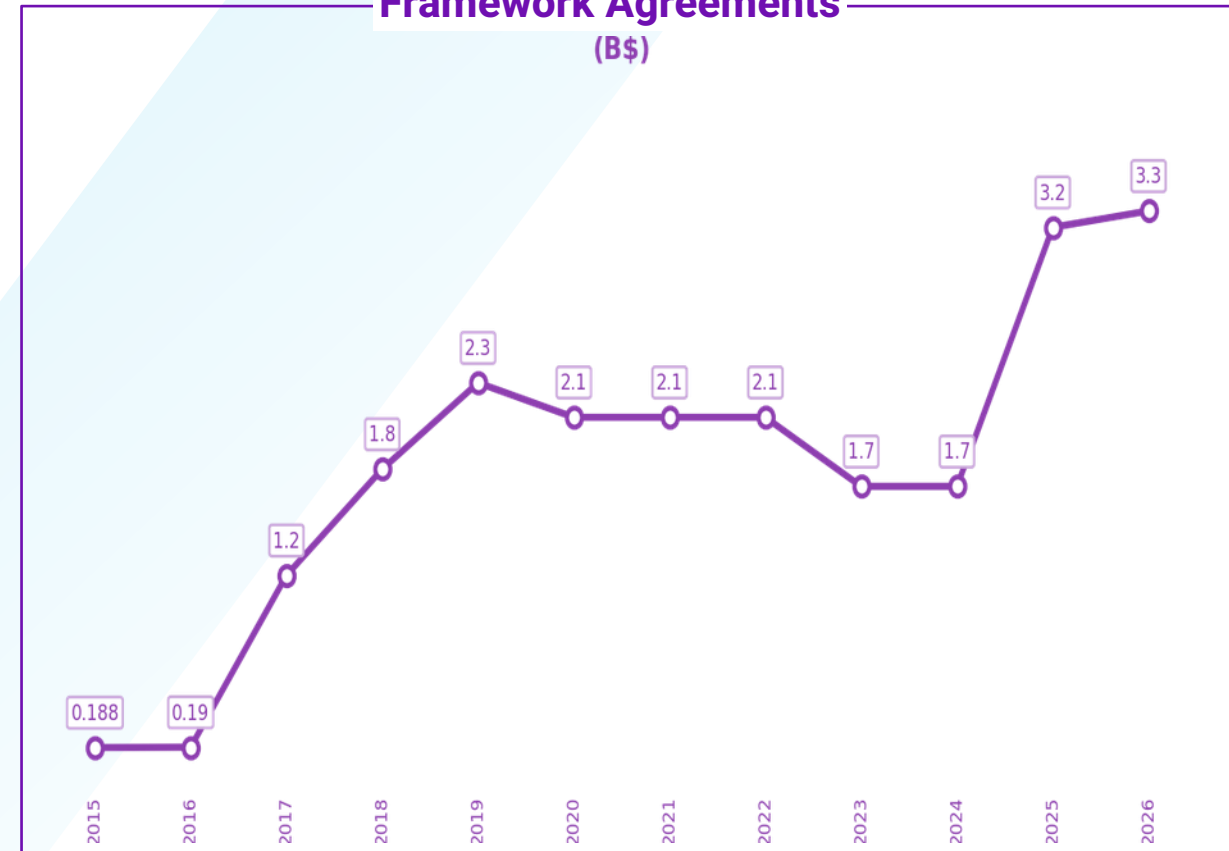
Group Revenue Growth 2009–2025

(M\$)



Framework Agreements

(B\$)





BSEL The power of Propulsion

GROUP 3 Continents, 5 Locations, 9 Facilities, 1400 Employees



Customers

Small Engines
& MRO



Critical
Engine Parts



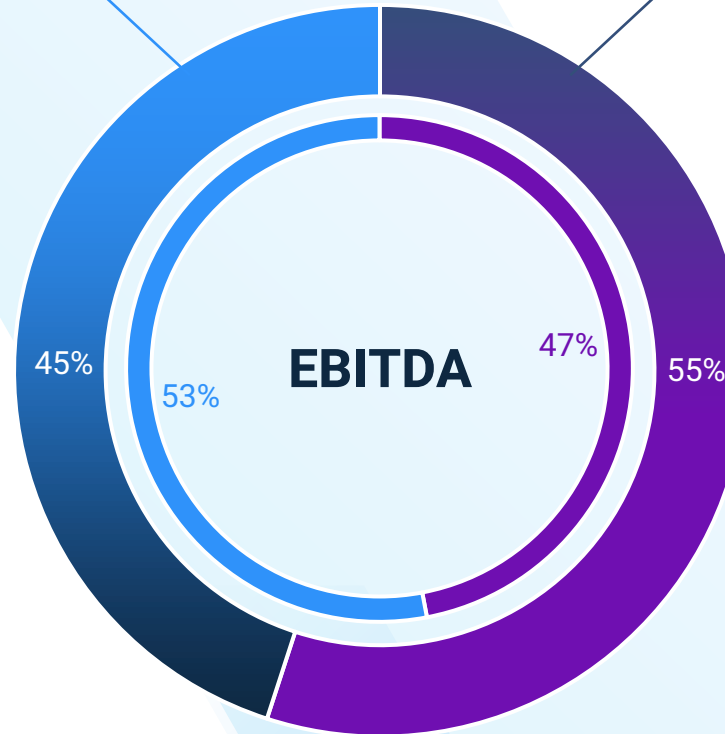
Collins Aerospace

Honeywell



Operating Segments

Revenue Breakdown



Engines Segment

Development, manufacturing, maintenance and assembly of jet engines:

Maintenance, repair and overhaul (MRO) of civil and military jet engines (IAF and foreign air forces), both domestic and international



Development, manufacturing and marketing of small jet engines



L12M | Sales **159M\$** | Ebitda **41M\$** (26%)

Components Segment

Manufacturing of jet engine components:

Forging of disks and rings (pressing and rolling)



Casting of blades and advanced engine components



Precision machining of critical rotating components



L12M | Sales **199M\$** | Ebitda **37M\$** (19%)



Recent Key Developments

Engines Segment

01
2026

Receipt of orders from a foreign air force, which is an air force of significant size, for MRO of F100 engine cores totaling approximately USD 21.5 million, which, in the Company's estimation, may grow to approximately USD 30 million.

03
2026

JetCat Defense received a first order of approximately USD 10 million from the U.S.-based company CoAspire, which specializes in the development, design and manufacture of cruise missiles under defense programs for the U.S. Government and additional defense agencies. For delivery during 2026.

04
2026

JetCat Defense received several orders totaling approximately USD 49 million from new customers, for delivery during 2027. The orders may grow by an additional USD 40 million for delivery during 2028.

05
2026

The Company received additional orders from leading customers for the manufacture of jet engines totaling approximately USD 148 million (approximately NIS 455 million). The Company raised its overall estimate for these engagements from approximately NIS 1.3 billion to a total of NIS 1.9 billion.

Components Segment

10
2025

Signing of an approximately 15-year agreement with an expected total value of approximately USD 1.2 billion, with an existing customer of the Company, one of the world's leading aviation engine manufacturers (OEM). The agreement includes an option for a 5-year extension, such that the agreement may grow by an additional approximately USD 400 million.

03
2026

Expansion of an agreement with an existing international customer in the Components Segment totaling approximately USD 80 million, under which new items were added to the most advanced engine programs in the aviation world, item prices were updated, and the Company's supply share was increased. The product supply period is until the end of 2032.



Components Segment

Components Segment Involvement in Advanced Engine Programs

Addition of New Engine Programs Since 2017 to Date

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

(*) New generation

New Engine Programs

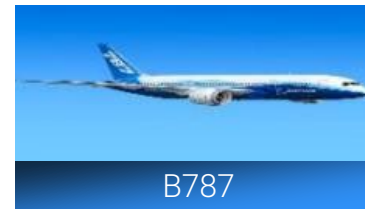
PW1100, LEAP A, B, C



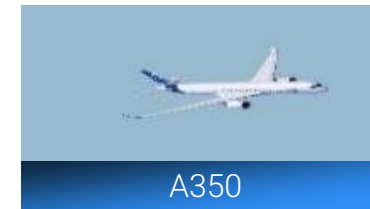
PW 307



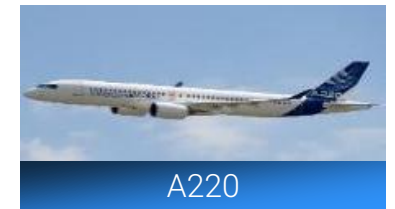
RR T1000



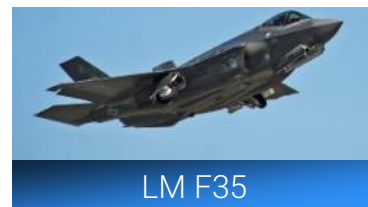
RR TXWB



PW 1500



F135



GE T408



PW 812



PW 814, 815

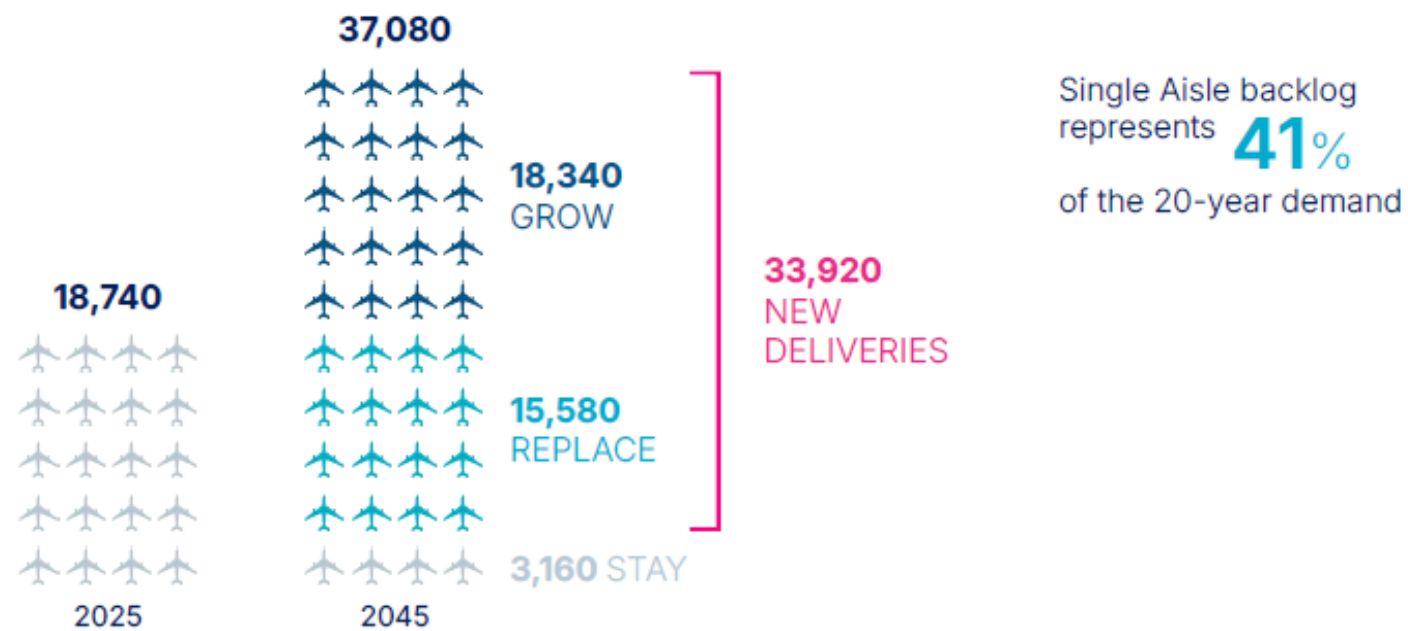


Global Civil Aviation Market Outlook

Airbus forecast for the production and delivery of Single Aisle passenger aircraft, by type, through 2045:

33,920 Single Aisle will be needed up to 2045

Fleet in service (# aircraft)



35

GMF 2026

Source: Airbus GMF 2026, Cirium May 2026
Notes: Passenger aircraft only (≥ 100 seats)
Figures rounded to nearest 10 | totals rounded separately

AIRBUS



Global Civil Aviation Market Outlook

Airbus forecast for the production and delivery of widebody passenger aircraft, by type, through 2045

8,140 Widebodies will be needed up to 2045

Fleet in service (# aircraft)



36

GMF 2026

Source: Airbus GMF 2026, Cirium May 2026
Notes: Passenger aircraft only (≥ 100 seats)
Figures rounded to nearest 10 | totals rounded separately

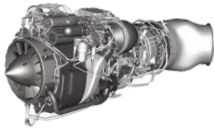
AIRBUS **S**



Engines Segment

*For illustration purposes only

Engines Segment – Certified MRO Engines (MRO)

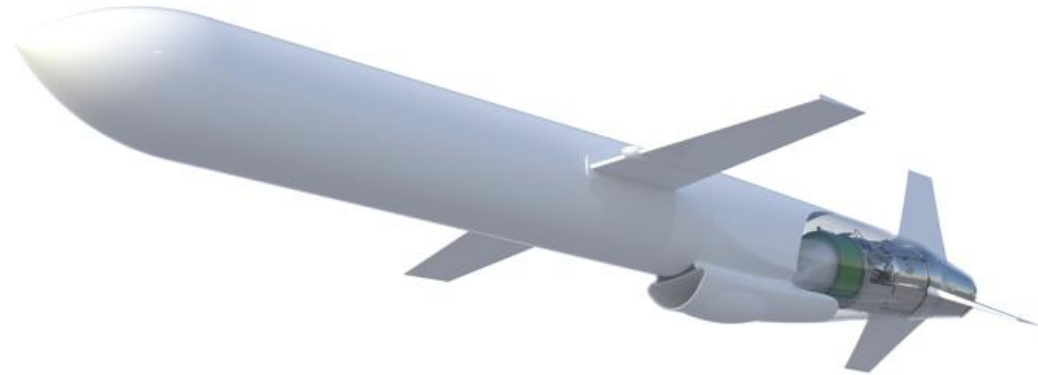
	F-100	T-700	PT6	Allison 250	TPE331	CT7
Engine Type						
OEM						
Platform	 F16 / F15	 Blackhawk, Apache	 Various Aircraft	 Various Helicopters	 Various Aircraft	 Various Aircraft
Main Customers						

We serve a wide variety of customers worldwide



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

Expendable Jet Engines with proven high-rate production



From COTS to Combat

Affordable Mass Propulsion
US Market Overview



19 AUGUST 2026

Agenda

- 01 | The Department of War Challenge
.....
- 02 | US Market Validation
.....
- 03 | The New Non-Traditional Primes
.....
- 04 | JetCat Defense Differentiation
.....
- 05 | Strategic Approach

“Quantity has
a Quality all
its own”

The Department of War Challenge

Convergence of (1) Chinese industrialization, (2) combat utilization and lessons learned, and (3) US Executive Orders mandating domestic weapon supply chain resilience

Demand far exceeds current domestic expendable engine production capacity across multiple new cruise missile programs of record: ERAM, FAMM, LCCM, CHAOS

US suppliers have limited experience manufacturing **small expendable engines at scale** to support these “Affordable Mass” programs

US Market Validation

“Affordable Mass” Cruise Missile Programs

More than USD 25 billion over the next five years at the prime contractor level identified across ERAM, FAMM, LCCM, and CHAOS missile programs

Each Cruise Missile requires a low-cost, expendable turbine engine in the 100 – 200 lbf thrust class

Prime contractors **are required** to integrate engines **from at least two suppliers** into their platforms to mitigate supply chain risk

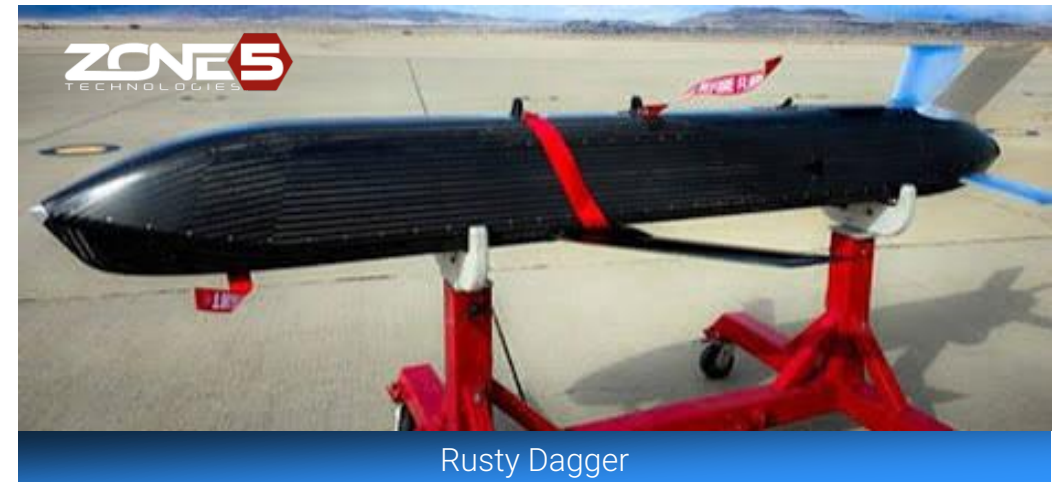
Extended Range Attack Munition (ERAM)

Family of Affordable Mass Missiles (FAMM)

Low-Cost Containerized Missiles (LCCM)

Coalition Heterogeneous Affordable
Offensive Strike (CHAOS)

The New “Non-Traditional” Prime Contractors



JetCat Defense Product Differentiation

A fundamentally different approach to the scalability problem with **non-traditional DNA**

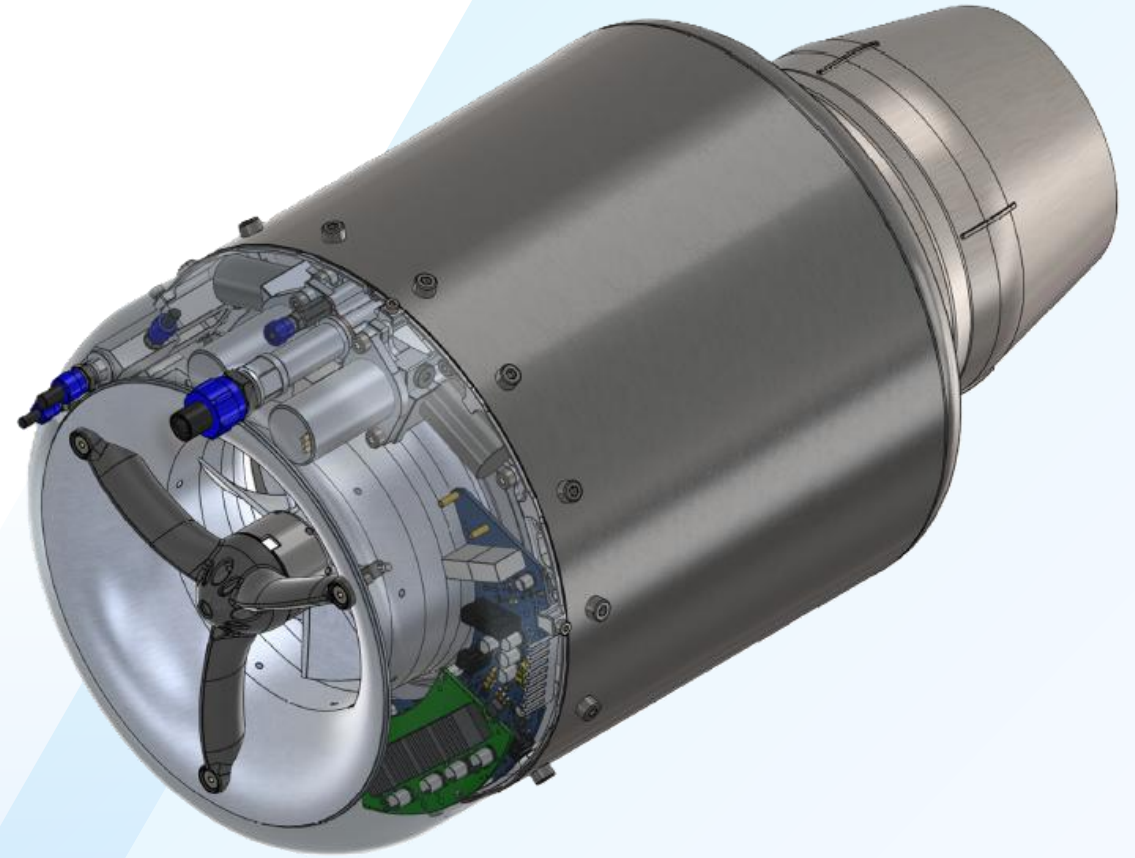
Engines designed for lowest cost, highest thrust-per-volume, and system integration simplicity

Proven capability to manufacture and deliver high volume of small turbine engines

Portfolio of multiple COTS engine options in the thrust classes of interest (between 50 – 350 lbf)

Innovative, compact designs that integrate all required peripherals into the deliverable engine

Near-vertical supply chain integration and quality assurance



Our Strategic Approach

Approach the problem from a COTS perspective

- Standardize components and interfaces
- Avoid rare or exotic materials and/or subsystems
- Relax manufacturing tolerances when applicable
- Leverage automotive supply chains and production methods

Eliminate the constraint of limited expendable engine supply

- Add significant domestic US small engine capacity
- Leverage international partner past performance, innovation, and financial resources
- Deliver expendable engines to the weapon primes at scale

Financial data



Financial Results for Q2 2026 Compared to the Corresponding Quarter

\$ in thousands	Q2/2026		Q2/2025		Change	
		%		%		%
Revenue	91,447		76,887		14,560	18.9%
Gross Profit	21,168	23.1%	19,315	25.1%	1,853	9.6%
Operating Profit	17,292	18.9%	13,139	17.1%	4,153	31.6%
Net Profit for the Period	16,003	17.5%	7,558	9.8%	8,445	111.7%
EBITDA	21,016	23.0%	17,002	22.1%	4,014	23.6%

Financial Results for Q2 2026 by Operating Segments

\$ in thousands

External Revenue

Intersegment Revenue

Total Revenue

Operating Profit

Q2/2026

%

49,491

94.3%

2,986

5.7%

52,477

100.0%

8,537

16.3%

Q2/2025

%

41,627

94.7%

2,315

5.3%

43,942

100.0%

4,789

10.9%

Change

%

7,864

18.9%

671

29.0%

8,535

19.4%

3,748

78.3%

Components
Segment

\$ in thousands

External Revenue

Intersegment Revenue

Total Revenue

Operating Profit

Q2/2026

%

41,956

99.8%

78

0.2%

42,034

100.0%

9,431

22.4%

Q2/2025

%

35,260

99.2%

281

0.8%

35,541

100.0%

9,003

25.3%

Change

%

6,696

19.0%

(203)

(72.2%)

6,493

18.3%

428

4.8%

Engines
Segment



Financial Results for the First Half of 2026 Compared to the Corresponding Period

\$ in thousands	01-06/2026	%	01-06/2025	%	Change	%
Revenue	180,624		150,842		29,782	19.7%
Gross Profit	43,630	24.2%	38,982	25.8%	4,648	11.9%
Operating Profit	34,686	19.2%	27,210	18.0%	7,476	27.5%
Net Profit for the Period	30,709	17.0%	18,371	12.2%	12,338	67.2%
EBITDA	42,143	23.3%	34,408	22.8%	7,735	22.5%

Financial Results for the First Half of 2026 by Operating Segments

\$ in thousands

External Revenue

Intersegment Revenue

Total Revenue

Operating Profit

01-06/2026 %

98,371 95.1%

5,067 4.9%

103,438 100.0%

14,910 14.4%

01-06/2025 %

84,418 94.9%

4,566 5.1%

88,984 100.0%

11,265 12.7%

Change %

13,953 16.5%

501 11.0%

14,454 16.2%

3,645 32.4%

Components
Segment

\$ in thousands

External Revenue

Intersegment Revenue

Total Revenue

Operating Profit

01-06/2026 %

82,253 99.8%

198 0.2%

82,451 100.0%

21,152 25.7%

01-06/2025 %

66,424 99.5%

346 0.5%

66,770 100.0%

17,016 25.5%

Change %

15,829 23.8%

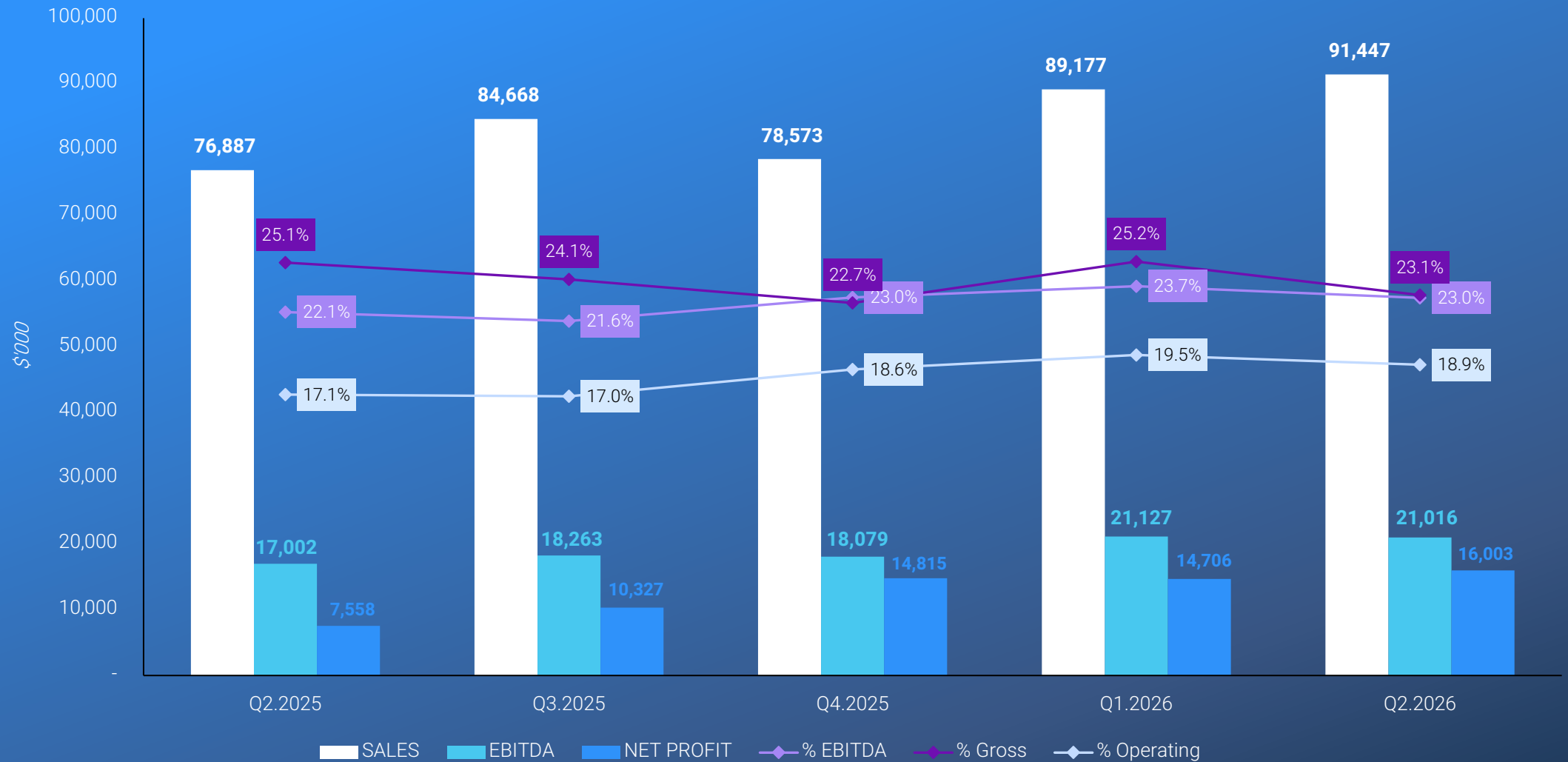
(148) (42.8%)

15,681 23.5%

4,136 24.3%

Engines
Segment

Quarterly Trend of the Group (\$ in thousands)



Balance Sheet and Key Financial Ratios

	For the Period Ended				Financial Ratios (Period-End)		
	30.06.2026	31.12.2025	31.12.2024		30.06.2026	31.12.2025	31.12.2024
Current Assets	309,623	287,123	189,711	Equity to Total Assets	66%	64%	59%
Non-Current Assets	187,386	180,070	137,117	Financial Debt to Equity	2%	3%	19%
Total Assets	497,009	467,193	326,828	Net Financial Debt to EBITDA	0.1	0.1	0.6
Current Liabilities	116,298	125,836	101,899	Leverage Ratio (Net Financial Debt to Total Assets)	1%	2%	11%
Long-Term Liabilities	50,806	42,656	31,603	Total Net Financial Debt on the Balance Sheet	5,425	9,439	36,239
Equity	329,905	(*)298,701	193,326				
Total Liabilities and Equity	497,009	467,193	326,828				

*Including a capital raise of \$63M on December 30, 2025



Future Readiness

Growth Drivers of Bet Shemesh Engines Group



In the military market

Increasing demand and growth in the Engines Segment, both in small jet engines (including penetration into the U.S. market) and in MRO (engine overhaul) activities, among others through TS and JetCat, while maintaining high profitability margins

Occupancy and commissioning of a new advanced complex at the Bet Shemesh Engines site in Israel

Completion of the construction of an advanced assembly and testing line for small engines at JetCat Defense in the U.S.

Continued investment in the development and nurturing of human capital

as a central component of the Company's ability to execute its strategy in the coming years



In the civil aviation market

Continued growth in demand is expected in the civil aviation market – primarily for narrow-body aircraft with more efficient and fuel-efficient engines such as:

LEAP and GTF, which will increase demand for the Company's Components Segment

Severe bottlenecks in the global supply chain create an opportunity for BSEL to gain additional market share and expand its product portfolio

Continued focus on expanding the scope of activity for the new engines, through long-term agreements, based on the upgrading of manufacturing capabilities and the new technologies developed in recent years in order to support the qualification of components for advanced engines

Continued conservative and responsible operations

while taking into account risks and current market conditions, alongside identifying opportunities arising from this environment



Summary

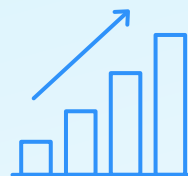
BSEL operates with a strategy of **continued development, growth and improved profitability** in the coming years. Growth is based on:



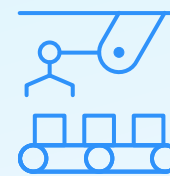
A strong business foundation across all core activities



Long-term framework agreements totaling approximately \$3.2 billion



A market environment of high demand and limited supply



Strong positioning with manufacturing capabilities, technologies and products aligned with future market requirements



A well-balanced distribution between business units, providing stability and reducing exposure to extreme market fluctuations



Thank You to Our Partners in the Capital Markets