



Investor Presentation

August 2023



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Turpaz - A Leading Global F&F Company



Founded
in 2011



14 Production
sites globally



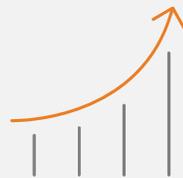
485 employees
61 in R&D (15 PhD)



Multinational
fragrance
& flavor house



Enhancement and
expansion of global
management to support
global growth strategy



Continuous growth via
M&A and organic growth



Fragrance, taste, specialty fine
ingredients (including citrus products
& aroma chemical ingredients)



IPO on TASE in May 2021
Trade on TA-125 since
February 2022.
Symbol: **TRPZ**

H1 2023 Highlights (US \$)

Sales

\$ 61.5M

+ 6.6% Sales growth
(2.7%) Organic

Sales were impacted by continued customer destocking, driven by global interest rate increases and market economic uncertainties

Gross Profit

\$ 23.0M

+ 3.0% growth

Gross profit increased mainly due to the increase in sales. Profitability declined primarily due to an organic sales decrease compounded by fixed expenses, rising energy prices, and increased payroll costs

Adjusted EBITDA

\$ 12.6M

(5.2%)

The change in adjusted EBITDA stems mainly from the organic decline in sales



Q2 2023 Highlights (US \$)

Sales

\$ 30.6M

+ 1.1% Sales growth
(6.6%) Organic

Sales were impacted by continued customer destocking, driven by global interest rate increases and market economic uncertainties

Gross Profit

\$ 11.2M

(3.8%)

Profitability declined primarily due to an organic sales decrease compounded by fixed expenses, rising energy prices, and increased payroll costs

Adjusted EBITDA

\$ 6.0M

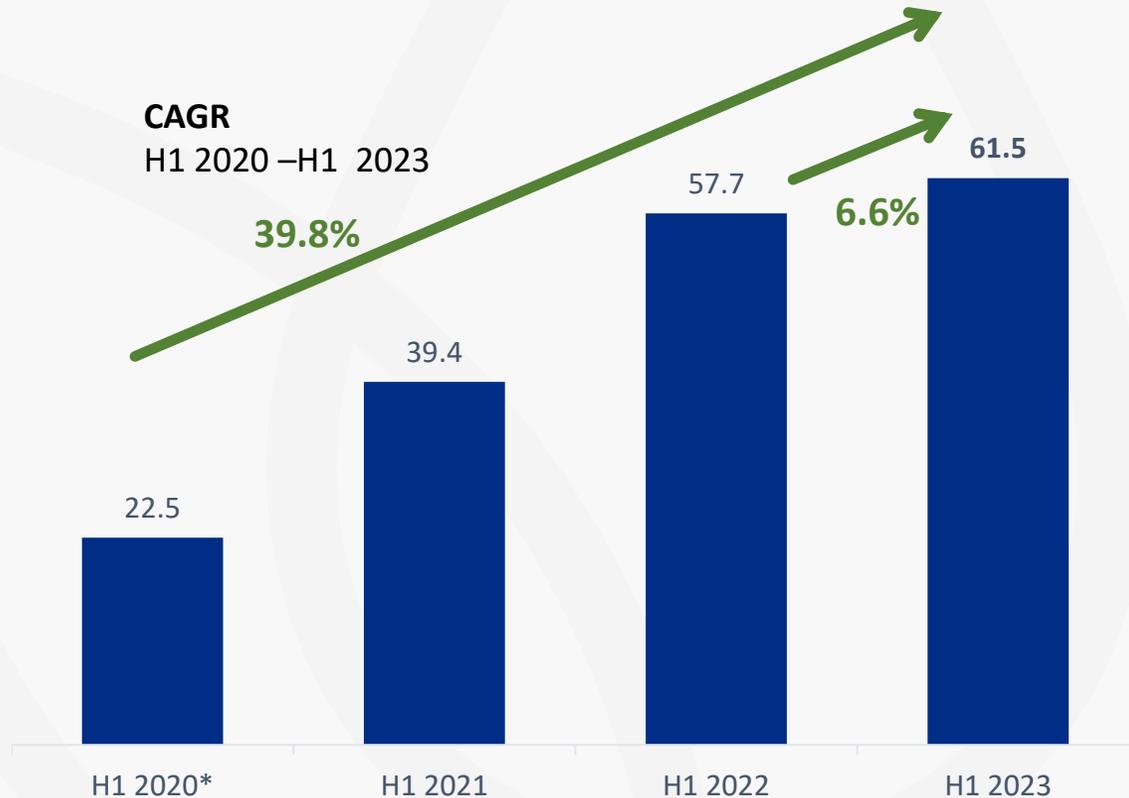
(13.8%)

The change in adjusted EBITDA stems mainly from the organic decline in sales

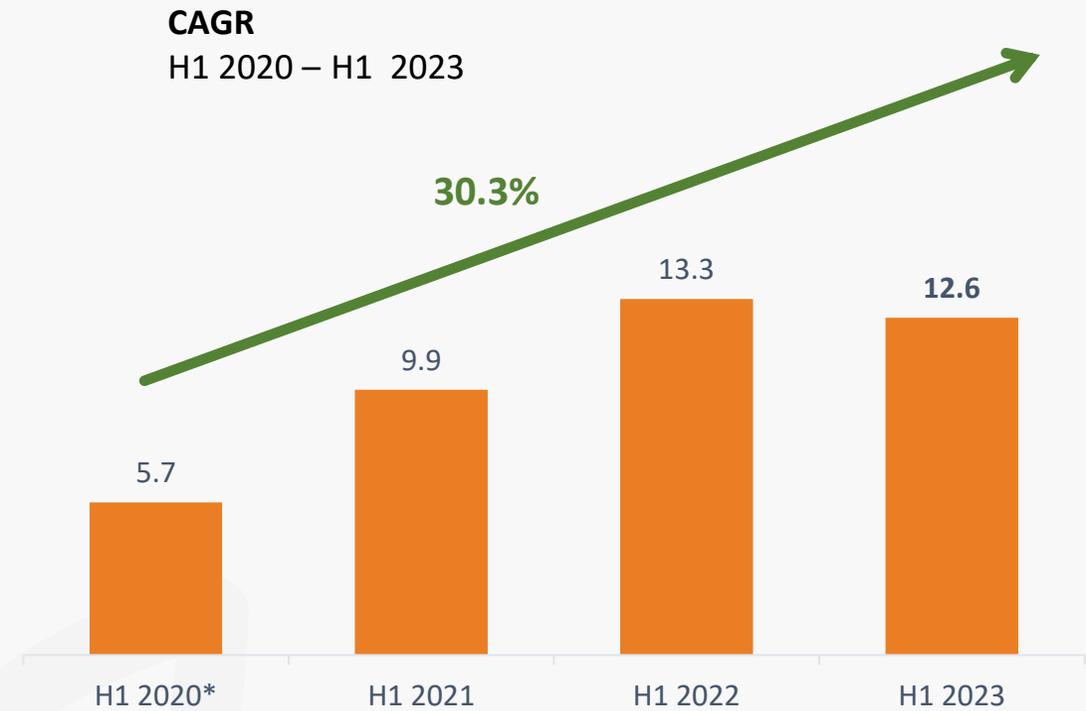


Growth – H1 2023

Sales (M US \$)



Adj. EBITDA (M US \$)

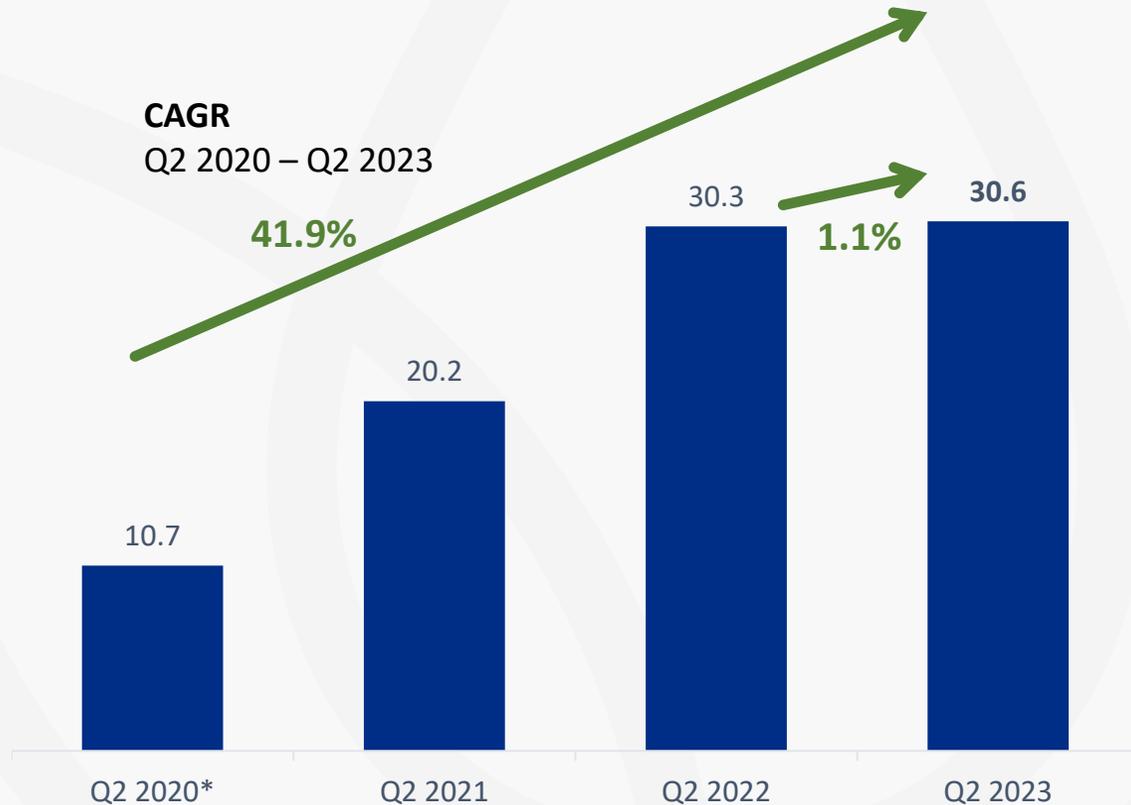


(*) based on the company's internal reporting

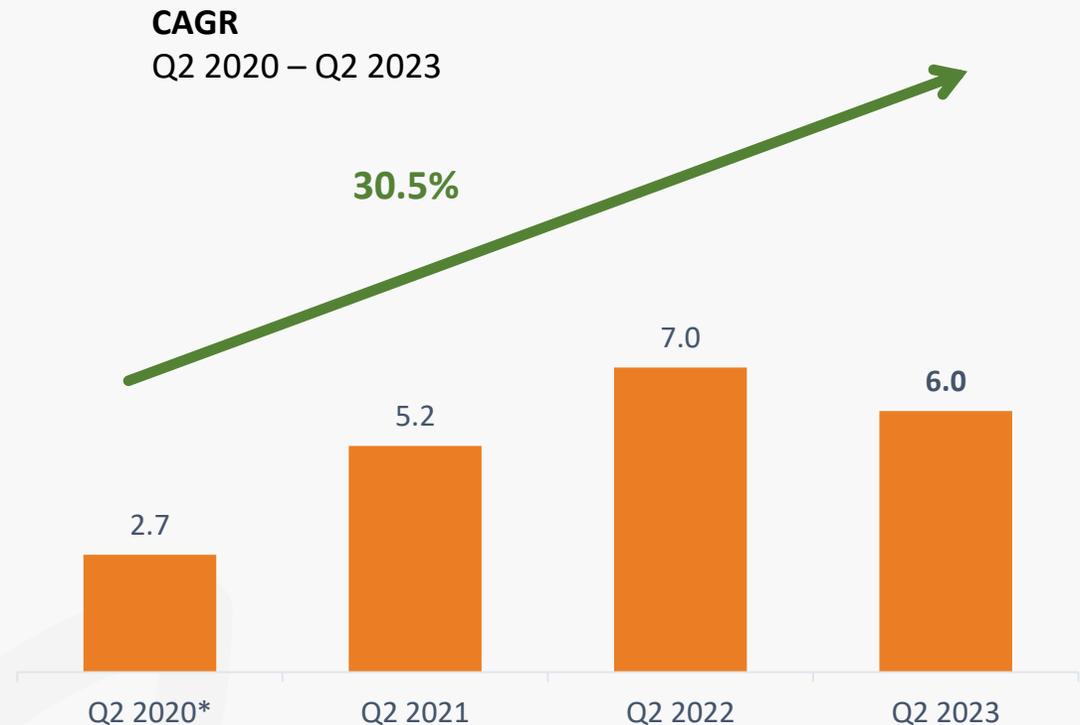
(**)Adj. EBITDA - earnings before interest, taxes, depreciation, and amortization neutralization of one-time expenses of acquisitions and structural change.

Growth – Q2 2023

Sales (M US \$)



Adj. EBITDA (M US \$)

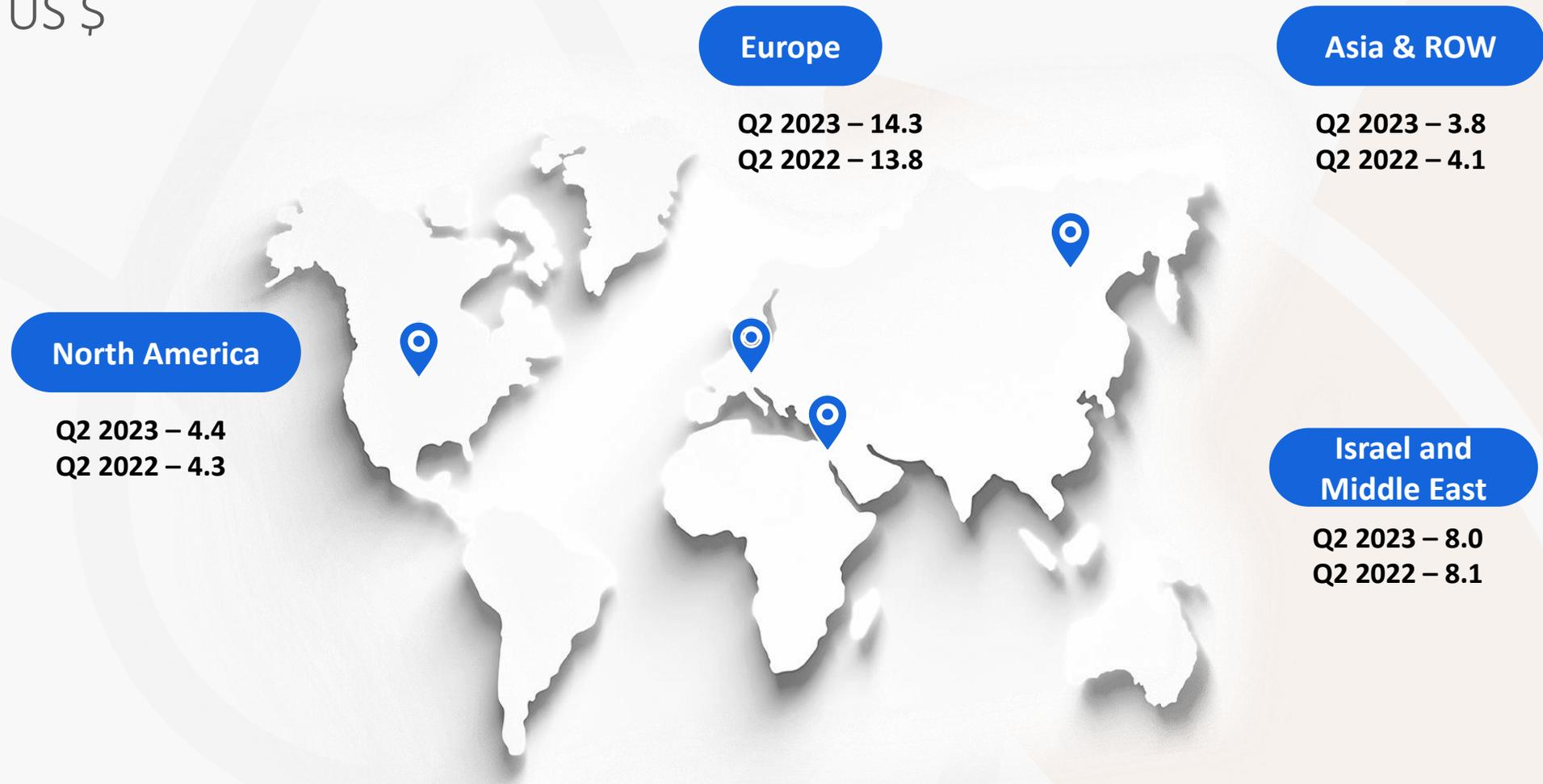


(*) based on the company's internal reporting

(**) Adj. EBITDA - earnings before interest, taxes, depreciation, and amortization neutralization of one-time expenses of acquisitions and structural change.

Sales Breakdown By Territory

In M US \$



North America

Q2 2023 – 4.4
Q2 2022 – 4.3

Europe

Q2 2023 – 14.3
Q2 2022 – 13.8

Asia & ROW

Q2 2023 – 3.8
Q2 2022 – 4.1

**Israel and
Middle East**

Q2 2023 – 8.0
Q2 2022 – 8.1

H1 2023

Segments Performance



In K US \$ / %	Net Sales		Operating Profit*	
	H1 2022	H1 2023	H1 2022	H1 2023
Fragrance	13,066	16,107	3,936 30.1%	3,693 22.9%
Taste	29,420	31,807	4,400 15.0%	4,275 13.4%
Specialty Fine Ingredients	15,224	13,712	4,208 27.6%	3,011 22.0%

*Operating profit was impacted by organic sales decrease from customer destocking, alongside fixed expenses, rising energy prices, and increased payroll costs.

Q2 2023

Turpaz – Consolidated

In K US \$ / %	Q2 2022	Q2 2023
Sales	30,305	30,626
Gross Profit	11,660 38.5%	11,215 36.6%
Operating Profit	4,954 16.3%	3,680 12.0%
Adjusted EBITDA	6,990 23.1%	6,026 19.7%



Q2 2023 Fragrance

In K US \$ / %	Q2 2022	Q2 2023
Sales	7,074	8,139 +15.1%
Operating profit	2,143 30.3%	2,111 25.9%
Organic		(5.6%)
Acquisitions		Klabin

Highlights

The increase in sales stems from the acquisition of Klabin in the fourth quarter of 2022. Organic decrease arises from an increase in orders placed in the first quarter of 2023, which experienced an organic growth of 15.0%, impacting the second quarter. Operating profit was influenced by an operational streamlining plan in USA, involving non-recurring expenses due to the closure of Turpaz USA site and relocating of manufacturing, development, and sales operations to Klabin's site.



Q2 2023

Taste

In K US \$ / %	Q2 2022	Q2 2023
Sales	16,222	15,662
Operating profit	2,657 16.4%	1,415 9.0%
Organic	(9.4%)	
Acquisitions	Aromatique Food	
Highlights	Sales decrease is mainly attributed to SDA, as intensified market competition and entry of new players into the market prompted the company to reduce sales to low-profitability customers, coupled with destocking among customers.	

Q2 2023

Specialty Fine Ingredients

In K US \$ / %	Q2 2022	Q2 2023
Sales	7,009	6,911 (1.4%)
Operating profit	2,010 28.7%	1,675 24.2%
Organic		0.1%

Highlights Sales mainly affected by customer destocking, and exchange rate impact. The change in profitability was driven by higher raw materials prices, coupled with fixed operating costs.

P&L

K US \$	2022	Q2 2022	Q2 2023	H1 2022	H1 2023
Revenues	118,556	30,305	30,626	57,710	61,540
Gross Profit	47,659	11,660	11,215	22,364	23,034
Gross Profit %	40.2%	38.5%	36.6%	38.8%	37.4%
R&D Expenses	3,607	717	1,203	1,502	2,297
Sales & Marketing Expenses	10,016	2,171	2,573	4,514	5,099
Management & General Expenses	15,055	3,837	3,631	6,864	7,494
Other Expenses (Income)	(8,349)	(19)	128	(27)	304
Operating Profit	27,330	4,954	3,680	9,511	7,840
Operating Profit %	23.1%	16.3%	12.0%	16.5%	12.7%
Adj. Operating profit (*)	19,153	5,065	3,785	9,727	8,117
Net Profit	21,331	4,239	2,512	8,199	5,519
EBITDA	35,039	6,879	5,921	13,092	12,343
Adjusted EBITDA	26,862	6,990	6,026	13,308	12,620
Adjusted EBITDA %	22.7%	23.1%	19.7%	23.1%	20.5%
Cash flow from operation	31,938	(4,259)	4,953	1,109	218



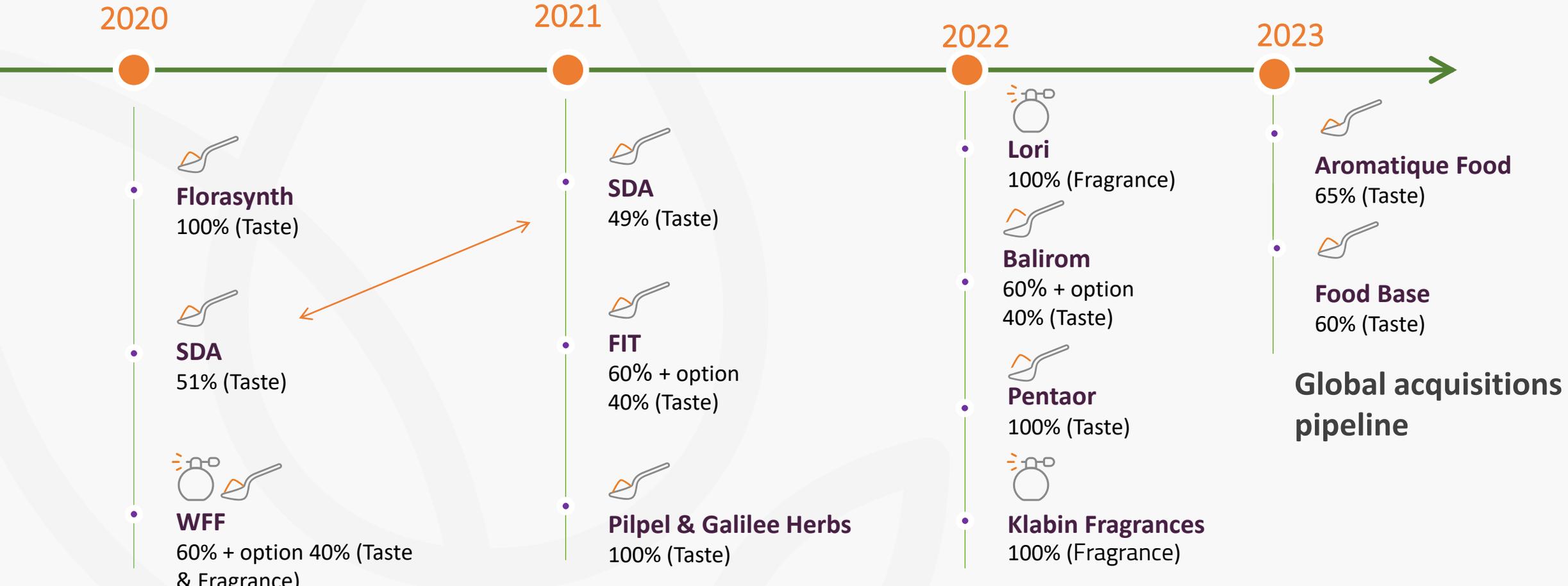
Balance Sheet

K US \$	31/12/2022	30/6/2022	30/6/2023
Assets			
Current Assets	89,913	91,769	72,370
Non-Current Assets	124,267	95,954	132,232
Total Assets	214,180	187,723	204,602
Liabilities & Equity			
Current Liabilities	46,674	35,437	33,202
Non-Current Liabilities	63,981	63,137	66,842
Equity	103,525	89,149	104,558
Total Liabilities and Equity	214,180	187,723	204,602
Ratio			
Working Capital to Sales	26.1%	24.6%	32.5%
Cash and Cash Equivalent	35,675	31,476	14,964
Net Cash (Net Debts)(*)	19,107	16,039	6,989
Equity to total balance sheet	48.3%	47.5%	51.1%

Turpaz's strong equity structure, low leverage, cash flow from operations, funding availability and the strengthening of management and managerial infrastructures enable the implementation of the group's combined growth strategy.

(*) Debts = Short and long-term loans from banks and other.

Proven Acquisitions Track Record



Global acquisitions pipeline

Multinational Company

 **Belgium**

Taste
Sales
Production
R&D

 **Poland**

Taste &
Fragrance
Sales
Production
R&D

 **Latvia**

Fragrance
Sales
Production
R&D

 **Romania**

Taste
Sales
Production
R&D

 **Hungary**

Taste
Sales
Production
R&D

 **USA**

Fragrance &
Taste
Sales
Production
R&D

 **Israel**

7 sites – Taste, Fragrance &
Specialty fine Ingredients
Sales
Production
R&D

 **Vietnam**

Taste & Fragrance
Sales
Production
R&D

Thank You

