



Eltek

Corporate Presentation April 2013

25 April, 2013

CEO Colin Howe

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The ELTEK Brand promise

**EXCEPTIONAL POWER CONVERSION
– GREAT CUSTOMER VALUE**



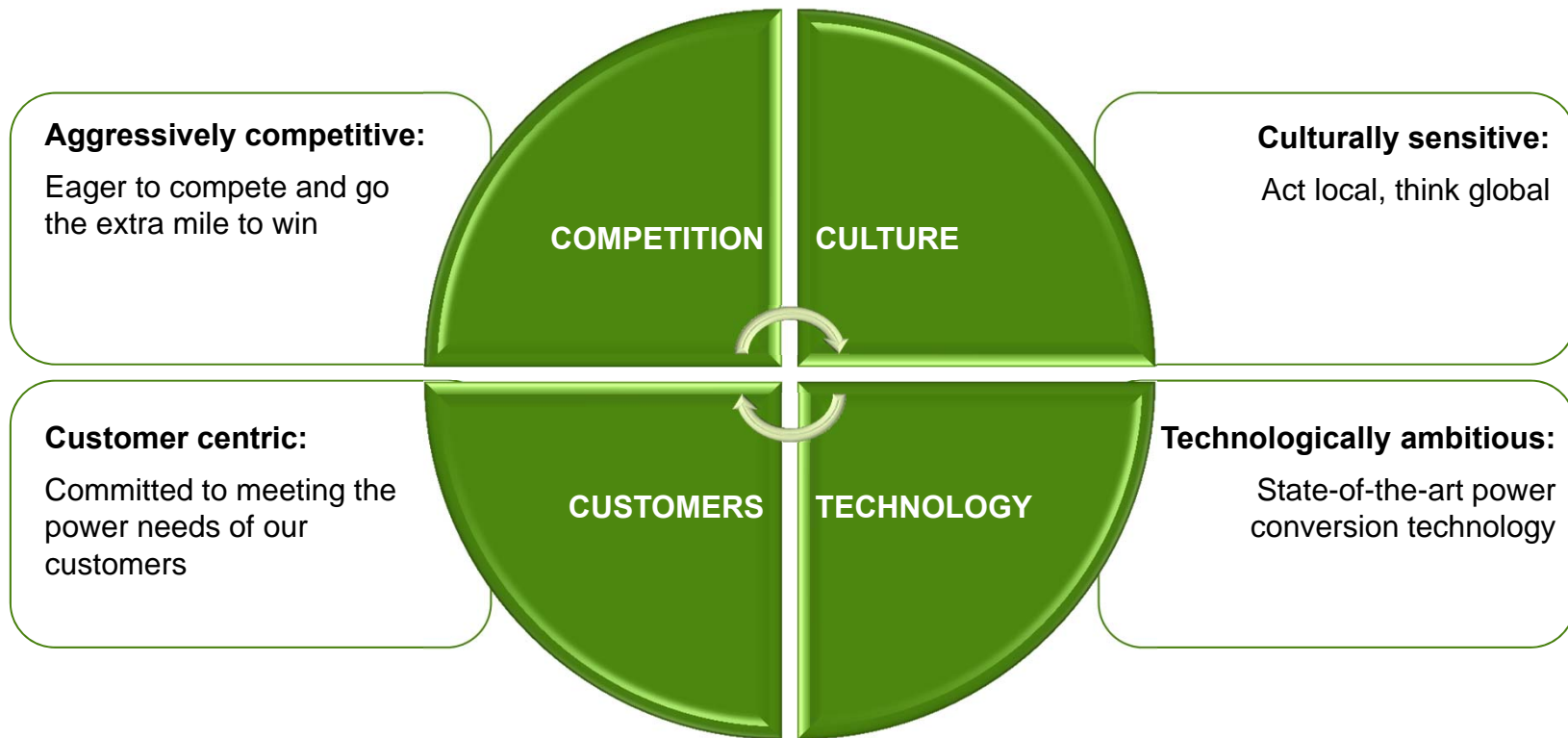
A global leader in power conversion

- > A very strong industry brand
- > A global supplier and market leader in Telecom power solutions
- > A growing force in Power Utilities and Railway & Metro markets
- > A niche challenger within Renewable markets and E-vehicles

- > Our vision is to become:

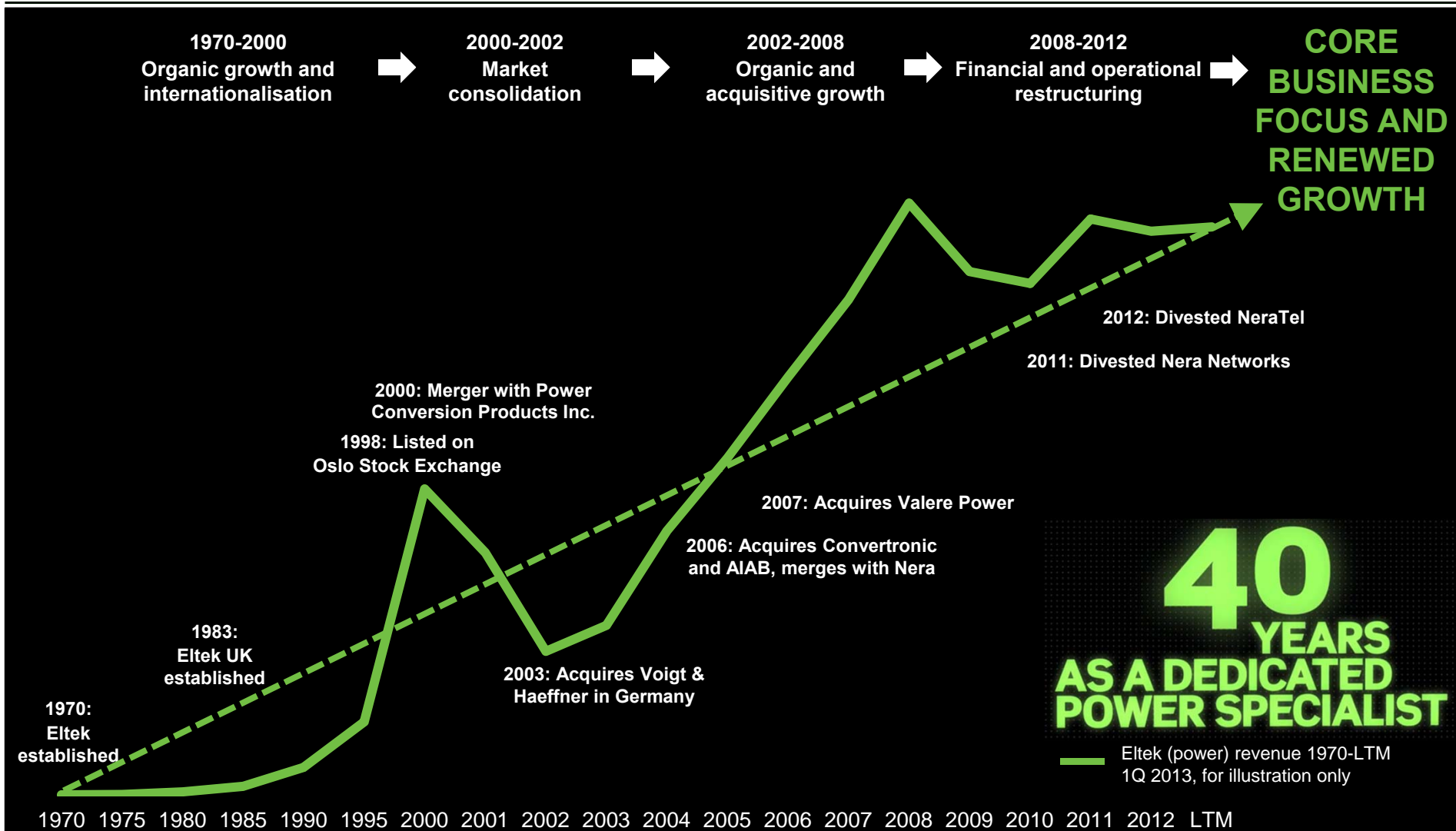
THE GREATEST POWER IN THE INDUSTRY

Vision built on 4 core values



”EXCEPTIONAL **POWER CONVERSION,**
GREAT **CUSTOMER VALUE**”

A long-term growth story



One of only a handful global players

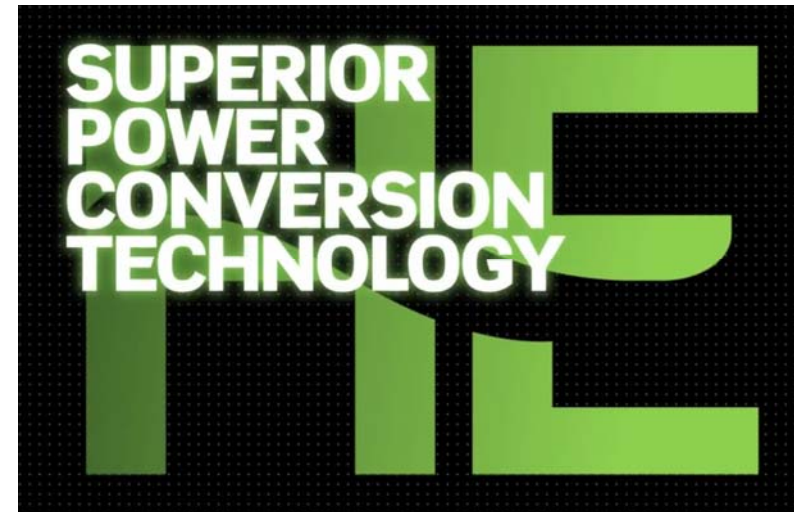


Broad blue-chip customer base



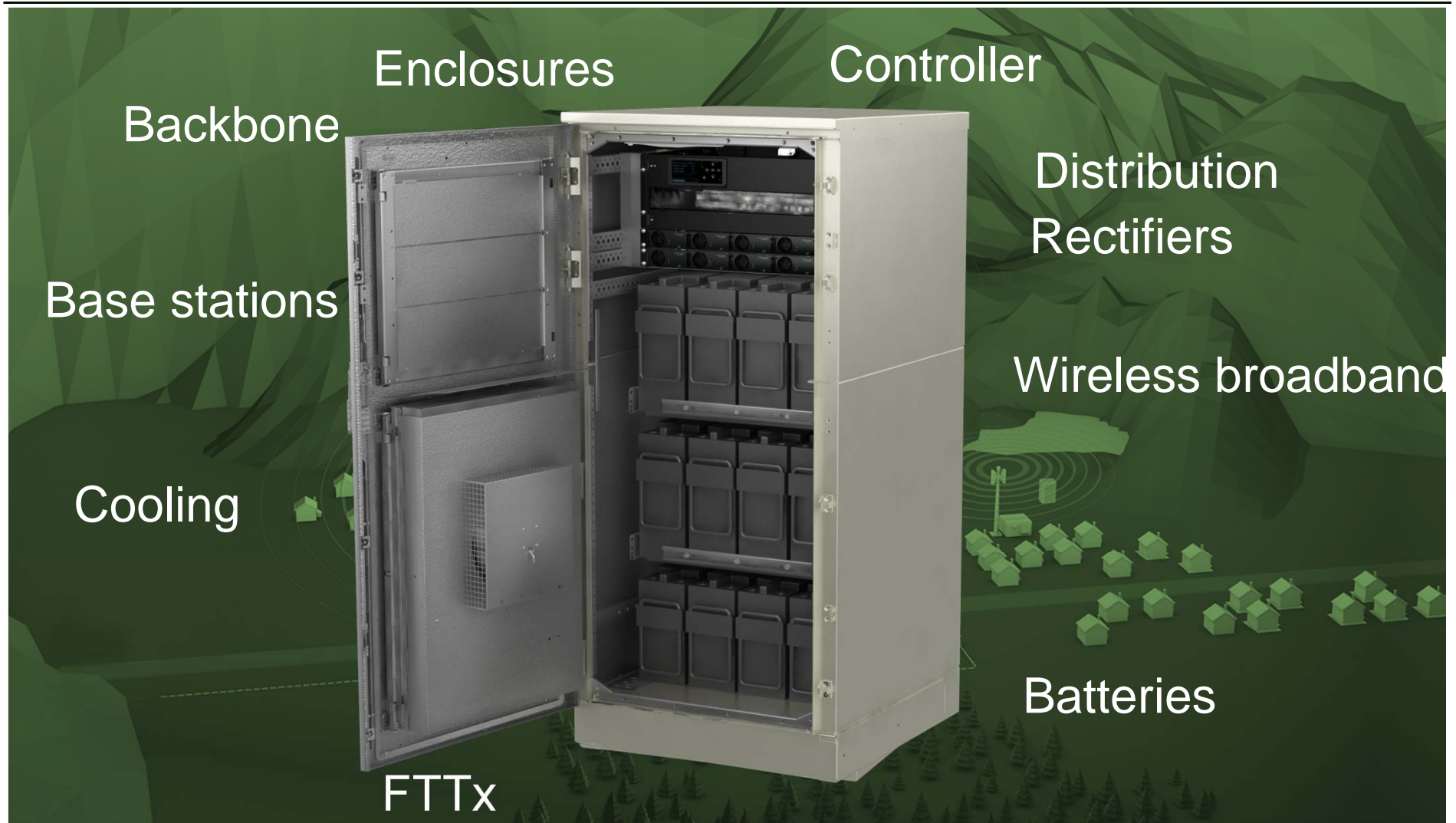
Technology leadership

- > High power efficiency
- > Power density
- > Flexibility
- > Cost effectiveness



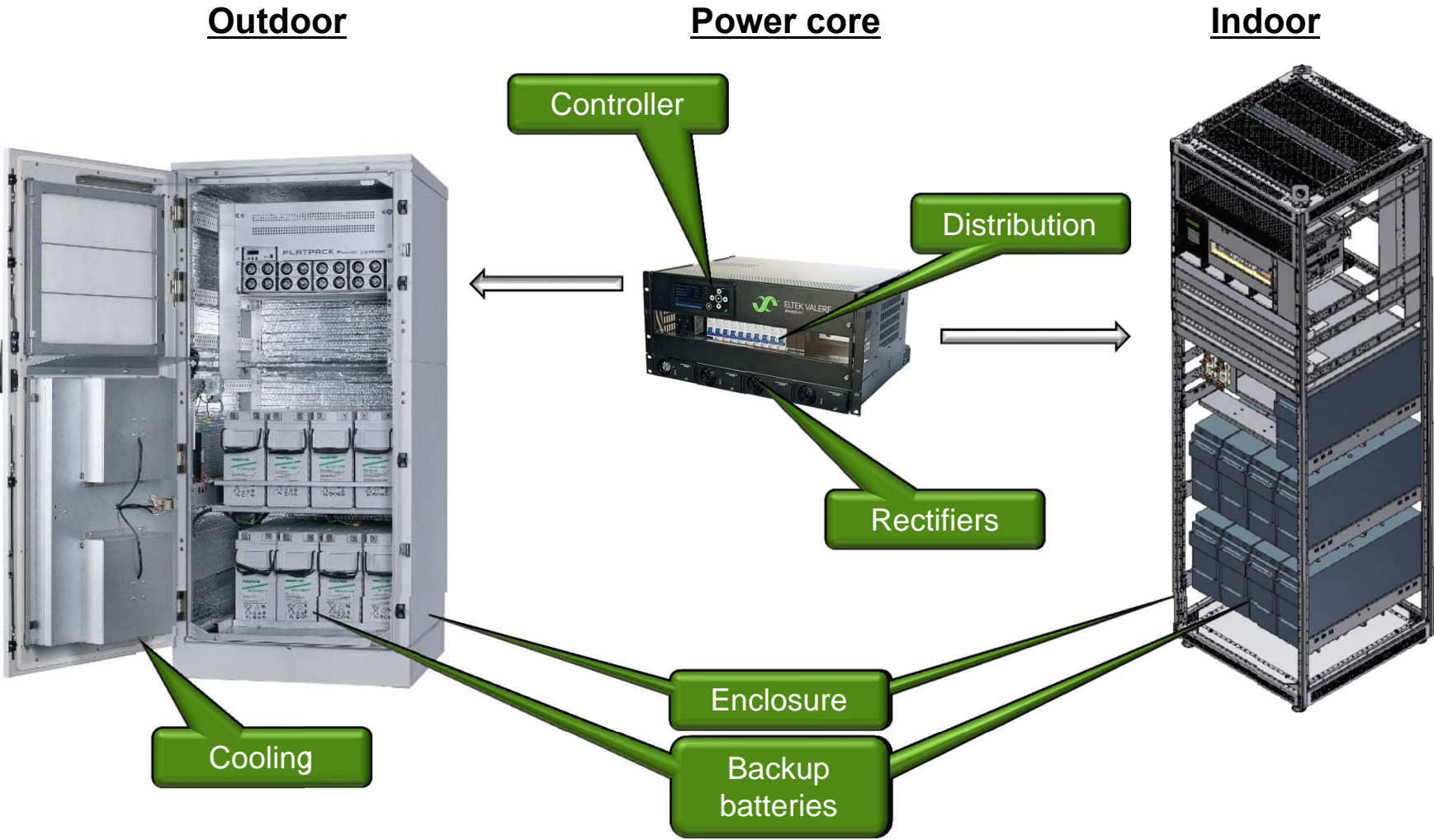
- > Delivered > 600,000 modules
- > 730 GWh energy savings
- > USD 90m energy cost savings
- > 520,000 tons CO₂ reduction

Product areas and applications



Deliverables to Telecom and Industrial customers

Modules → Power Cores → Systems

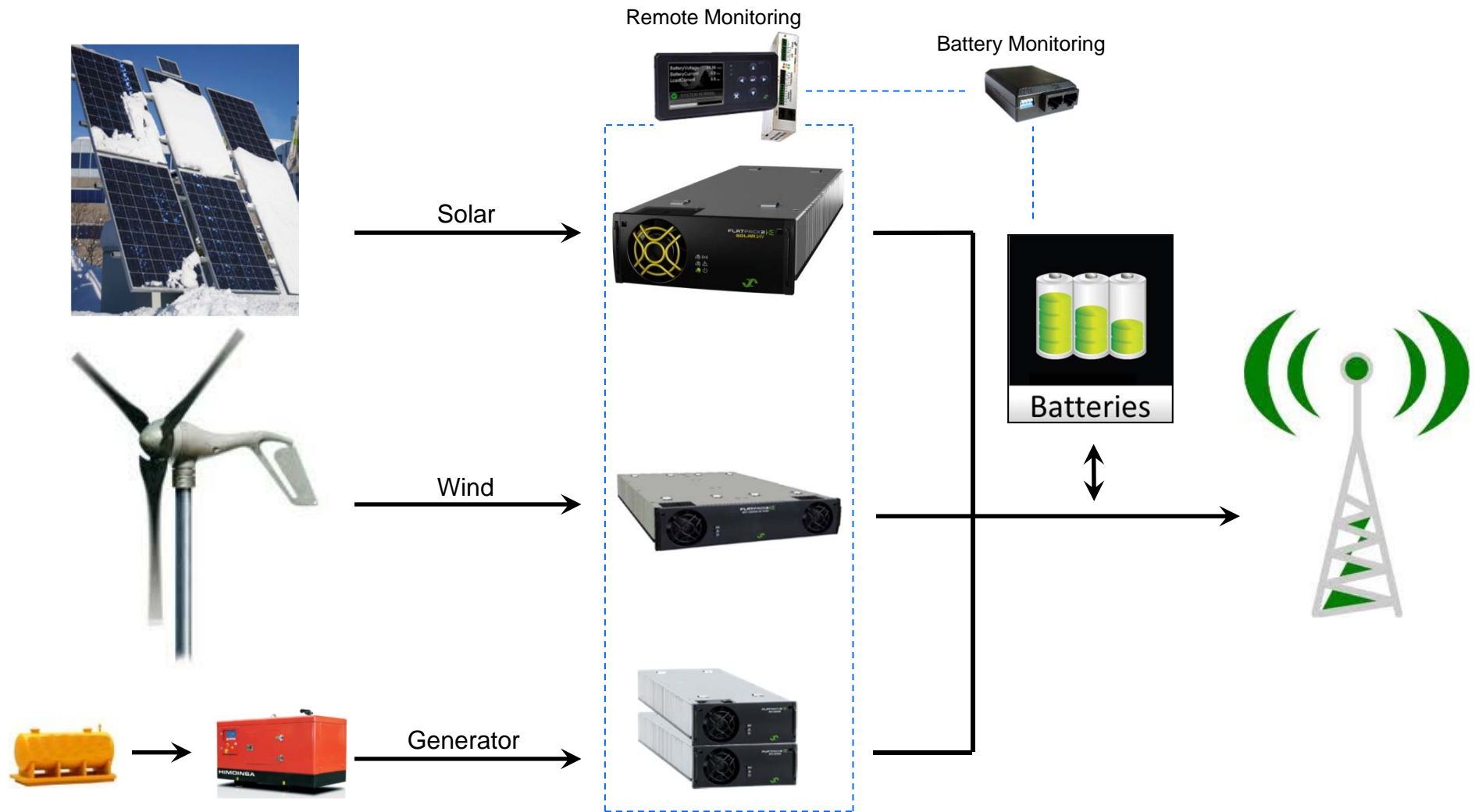


Growing replacement market

- > Need for replacement of old, large, and low-efficiency equipment
- > Added value for customers
 - Saved space
 - Saved energy costs and emissions
 - Fast return on investment
- > Applies for all applications from cellular to large central office plants

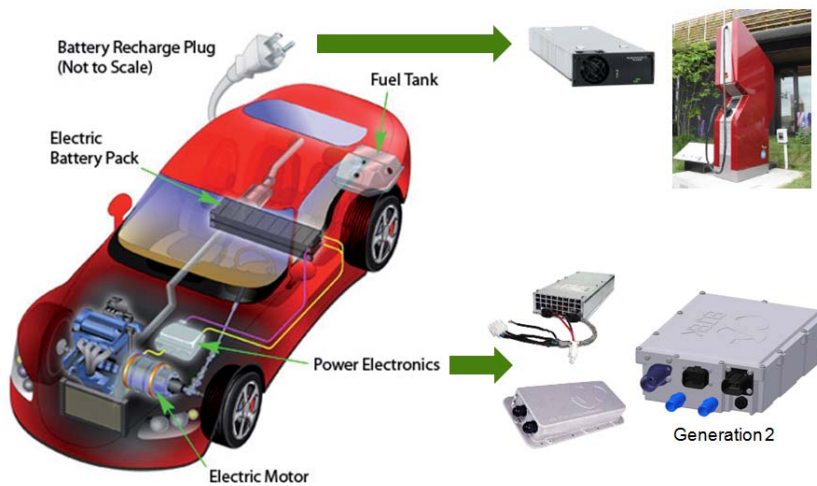
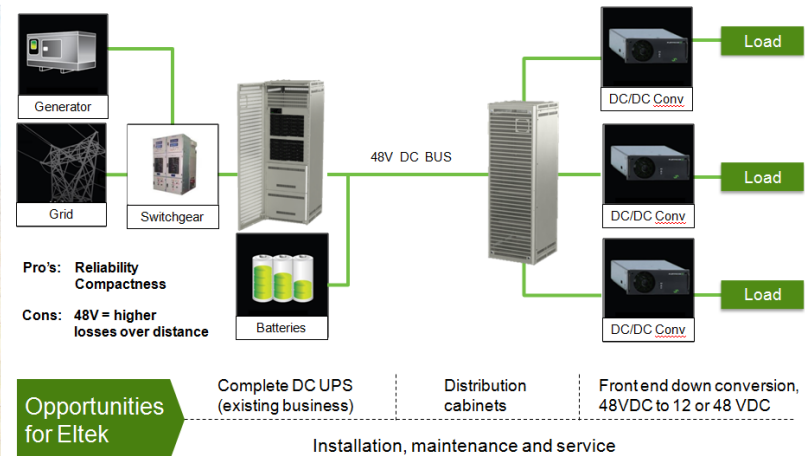
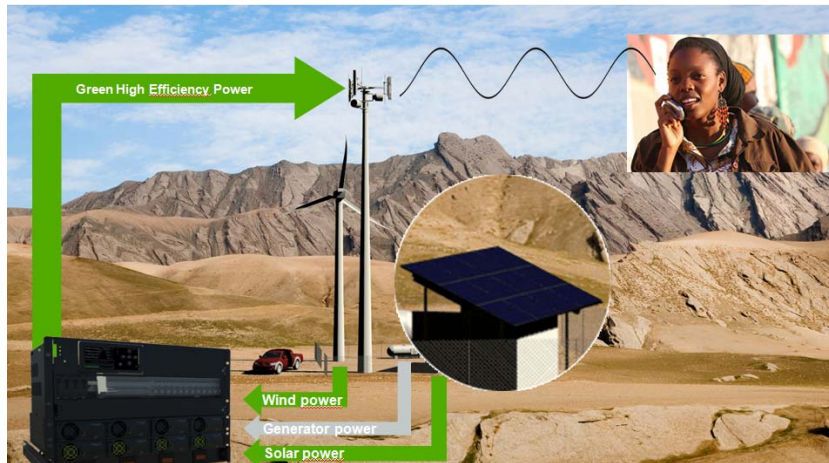


Hybrid DC power systems sites



Utilizing our technology in new areas

Hybrid power - Datacenters – E-mobility - Renewables



SETTING THE STANDARD IN STRING INVERTERS

THEIA 4.6 HE-T

96.9% Euro Efficiency

97.0% Californian Efficiency

96.7% Photon Efficiency – Medium irradiation

96.5% Photon Efficiency – High irradiation

Broadening the business scope

Taking the High-Efficiency product portfolio into new markets

Primary market



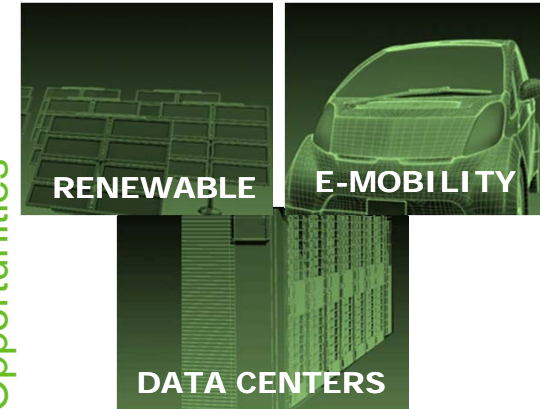
- > ~86% of revenue*
- > USD 3.1 billion market
- > Market growth of ~3%
- > Seeking growth niches

Secondary market



- > ~10% of revenue*
- > USD 1.2 billion market
- > Market growth of ~5%
- > Exploiting technology shift

Opportunities




- > ~4% of revenue*
- > Large potential market opportunities
- > Strong fit with Eltek core technology

> **Eltek target:** Keeping pace with market growth

> **Eltek target:** Average growth of 20% annually

> **Eltek target:** Develop profitable niche businesses

Key Investment Highlights

<p>Focus on core business based on more than 40 years of experience</p>	<p>Highly regarded brand, built on strong core values</p>	<p>Global reach, local presence and balanced geographical footprint</p>
<p>Skilled, experienced and dedicated management team</p>		<p>Blue chip customer base</p>
<p>Opportunities for growth and margin expansion</p>	<p>High-Efficiency product portfolio offers entry into new markets</p>	<p>Technology leader in power conversion through best in class R&D</p>



Financial Review

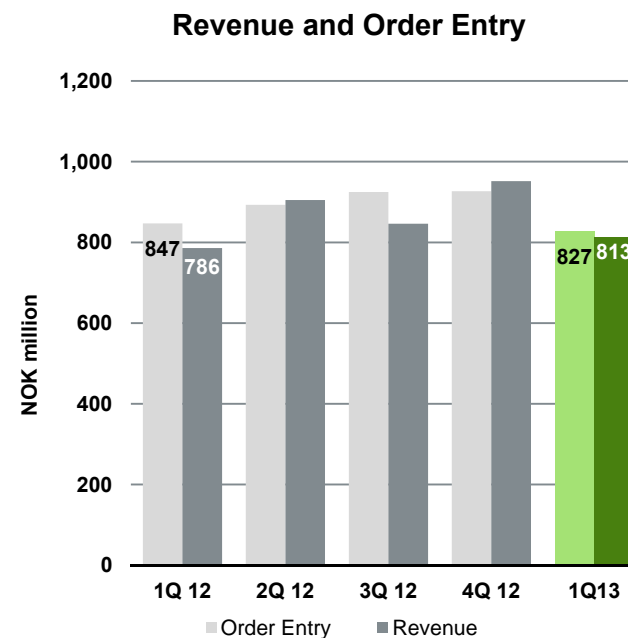
1Q 2013

Key Financial Highlights

(Continuing business for all periods, i.e. excluding divested businesses)

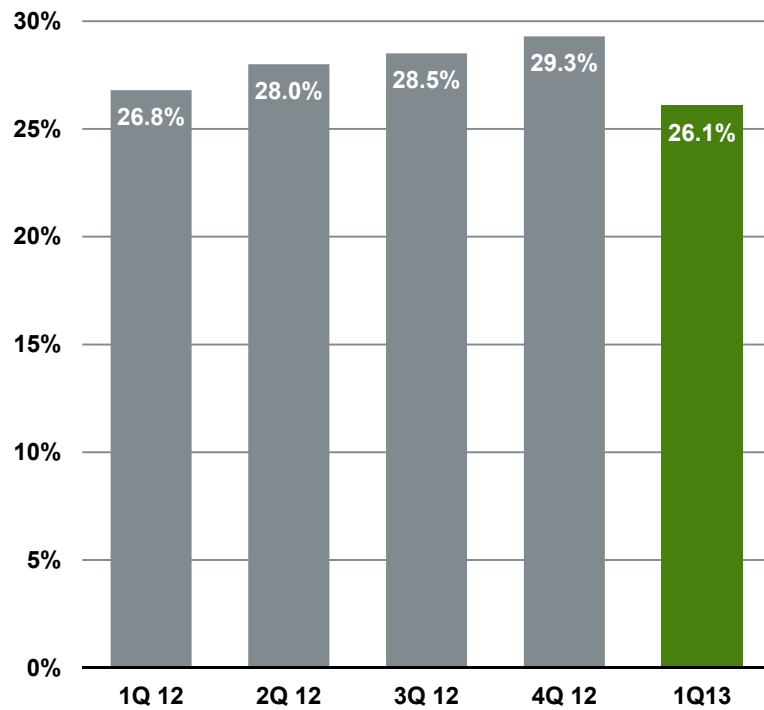
- > Revenue +3%
 - +7% adjusted for currency
- > Order entry -2%
 - +1% adjusted for currency
- > Stable gross profit
 - Gross margin decline reflecting customer mix
- > EBIT +31%
 - Cost reduction
- > Sharp pre-tax profit increase
 - Supported by improved net finance

NOKm	1Q'13	1Q'12
Order entry	827	847
Revenue	813	786
Gross margin	26.1	26.8
EBIT	35	27
Profit before tax	30	7

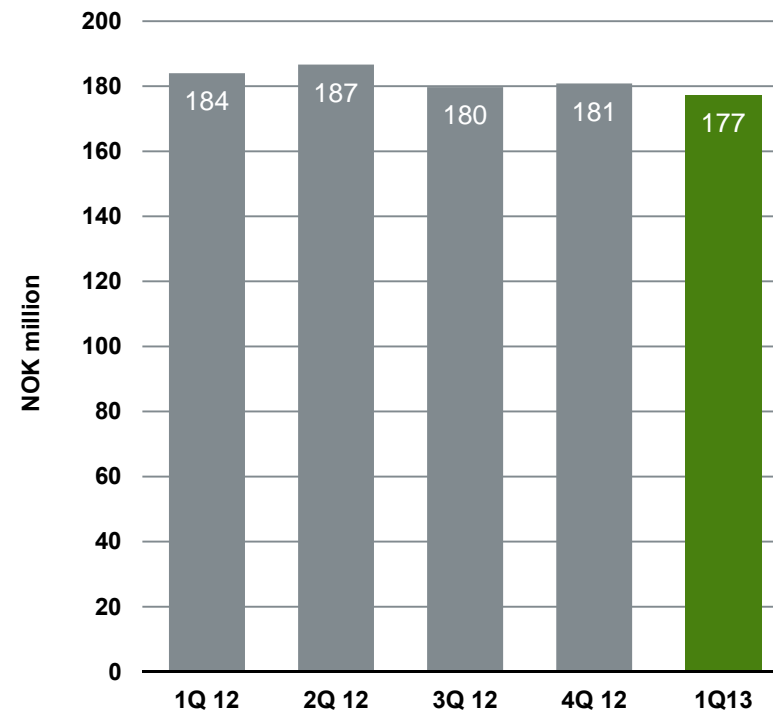


Gross Margin and OPEX

Gross Margin development



OPEX



Business review – 1Q 2013

Telecom:

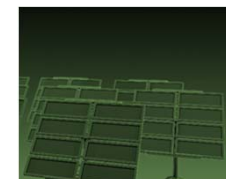
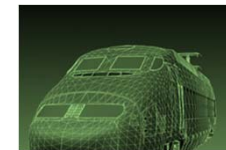
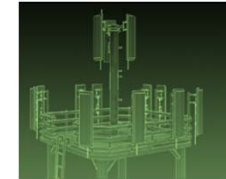
- > Increasing networks capacity requirements set to drive growth
- > Growth in replacement of old, inefficient equipment
- > Gaining traction for hybrid power solutions, notably in Asia

Industrial applications:

- > **Power Utilities:** Major project win in Brazil
- > **Metro:** Significant new contracts in India
- > **Railways:** Positive development in UK/France, slow in Scandinavia

Business development initiatives:

- > Increased activity and revenue, although from modest levels



Summary and Outlook

- > Stable business and positive result development
- > Strong financial position enabled dividend of NOK 0.50 per share in January and Board proposal for further dividend of NOK 0.50 per share in May
- > Market outlook, order backlog and seasonal demand patterns support sequential revenue growth into the second quarter
- > Active telecom market, driven by increasing network capacity requirements and replacement of old, inefficient equipment
- > Continue to see growth opportunities in Industrial applications