

## **RAFAEL Registers Record Breaking Year in Sales & Orders**

RAFAEL concludes 2022 with record-highs in sales of approximately \$3.45 billion, orders of approximately \$4.8 billion, backlog of approximately \$10.1 billion, and a net profit of \$150 million

Today (Wednesday), Rafael Advanced Defense Systems Ltd. announces its financial results for 2022, as approved by the company's board of directors, with sales amounting to \$3.45 billion and a net profit (without the special tax for previous years' profits) of \$150 million. The volume of orders is \$4.8 billion and the order backlog is \$10.1 billion, which is about 3 years of sales. \*In 2022, Rafael paid the State of Israel a special tax on retained profits from previous years amounting to some \$128 million.

The backlog of orders breaks a record, crossing the 10 billion dollar mark and standing at approximately \$10.2 billion compared to approximately \$9.2 billion in the corresponding period last year- the increase is mainly due to orders received in Israel and abroad.

The net profit (without the special tax) in 2022 amounted to about \$150 million, compared to the net profit of about \$133 million in 2021. The company's sales in 2022 totaled approximately \$3.45 billion, compared to approximately \$3.07 billion in 2021.

### **CEO and President of RAFAEL, Maj. Gen. (Ret.) Yoav Har-Even:**

**"2022 was a challenging year in many respects: Starting with the continued impact of the COVID-19 Pandemic, the challenge of recruiting and retaining manpower, difficulties in the supply chain, and of course the changes and transformations in the markets in Israel and globally which were impacted by the campaign in Ukraine and other major events. Through proper preparation and the practical implementation of the company's strategic vision, RAFAEL completed 2022 with a successful year. This financial year brought with it technological breakthroughs and marketing achievements, both in Israel and worldwide, and again with very promising financial results. Even through the challenges and complexity of the past year, RAFAEL continued to be a central pillar supporting the country's security, with significant contributions to the IDF and the defense establishment as a whole by providing a wide range of capabilities and advanced systems that are the products of the considerable investments in research and development. Above all, we rely on the quality of our manpower, this is what allows us to overcome challenges and achieve the goals set before us. In this regard, we have taken major steps on all levels to preserve, develop and recruit the best candidates for our workforce and we will continue to do so moving forward in 2023. We are already in the midst of another very successful year. I would like to take this opportunity to thank the outgoing Chairman of RAFAEL,**

**Dr. Uzi Landau, for his 6 years of leadership and invaluable work for the company and on behalf of RAFAEL's management and board of directors, I would like to thank the RAFAEL employees and their families."**

In 2022, Rafael recorded several monumental achievements both in terms of development and testing, as well as commercial success and business operations. The company continued to position itself as a global leader in the realm of air defense and strengthened its presence in markets worldwide. Through the successful testing of the IRON BEAM High Energy Laser Weapon System - a powerful laser system designed to intercept aerial threats that will be a complementary capability to the IRON DOME system. The development of the system is a technological breakthrough at the global level and joins the list of RAFAEL systems that feature sophisticated technologies not seen in other systems in their respective class. Also in 2022, RAFAEL signed a strategic teaming agreement for the development of the IRON BEAM system with Lockheed Martin. The company also completed a live fire test of the 'IRON DOME' battery in cooperation with the US Army. RAFAEL unveiled the new SPIKE NLOS 6th Generation Missile - the most advanced anti-tank missile in the world and conducted a successful test of the C-DOME - the naval application of the IRON DOME. RAFAEL introduced ICE BREAKER, the advanced air-to-ground missile, the first Israeli missile to incorporate an advanced electro-optical homing warhead capable of autonomously classifying targets.

The 2022 Fiscal Year also saw other major commercial achievements as RAFAEL acquired two international companies to support the company's increase in activity: American-based PVP and British-based Pearson Engineering.

Continuing its track record of excellence, RAFAEL again secured the Israel Security Award (the 58th in its history) for a unique project.

In 2022, RAFAEL also reached a feat in the recruitment of employees with approximately 1,300 employees joining the company.

RAFAEL is the largest employer in the northern part of Israel with some 8,000 employees and annual acquisitions in the amount of about 4 billion dollars from subcontractors, most of them in the north of the country. Since becoming a private government-owned company, RAFAEL has transferred to the state dividends totaling over 2.5 billion NIS.

**President & CEO**  
Corporate Spokesman

About 8.9% of the company's total sales are allocated to investment in research and development. The investment also includes joint activities with academic institutions in Israel and abroad and involvement in various civic activities, including collaborations with startups and innovation centers.

Data for the 4th quarter of 2022 (in NIS):

The financial results for the fourth quarter of 2022, which ended on 12/31/2022, show sales amounting to 3,863 million shekels, an increase of about 15% from the corresponding period last year and a net profit of 301 million shekels (excluding the special tax for previous years' profits) against net profit of 270 million shekels in the corresponding period last year. In the fourth quarter, Rafael paid a special tax to the State of Israel in the amount of 227 million shekels for retained profits from previous years (over 10 years).

Category	2022 Results	2021 Results
Net Profits after taxes	\$150 M (503M Shekels)	\$133 M (431M Shekels)
Sales	\$3,445M (11,586M Shekels)	\$3,075M (9,931M Shekels)
Orders	\$4,793M (16,104 Shekels)	\$4,774M (15,421M Shekels)
Order Backlog	\$10,127M (35,636 Shekels)	\$9,248M (28,760M Shekels)

For additional information or to coordinate an interview, please contact Daniel Tsemach at [DANIELT5@rafael.co.il](mailto:DANIELT5@rafael.co.il)