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Financial Results Overview Q2.2023

Forward looking statement

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The company is the **largest manufacturer in Europe** and one of the leaders in the world as production of wet wipes for the "**private label**" market



The company has **7 production sites** in the world in a wide layout that allows proximity to the customer

The company is a **vertical manufacturer** of wet wipes, and produces most of the non-woven fabric for itself, which accounts for about 60% of the product's cost



In 2017, the company operated a new **green production site** in Dimona. The site produces flushable and dispersible paper in accordance with the advanced European regulation



The company continues to **invest in innovation** in its variety of products in accordance with the needs of advanced customers



The company is the **largest manufacturer for USA** and one of the leaders in the world as production of **tampons** for the "private label" market

2023 Operating Plan

- Focusing on **Wipes** core activity **Europe**
- Focusing on **Tampons** PL players in **USA**
- Dimona **Green hybrid product Line**
- Executing our **finance strength plan**



Highlights

Q2.2023 results vs. Last year (000 NIS)

+18% Sales
Sales in original currency +8%

+178% Operating Profit

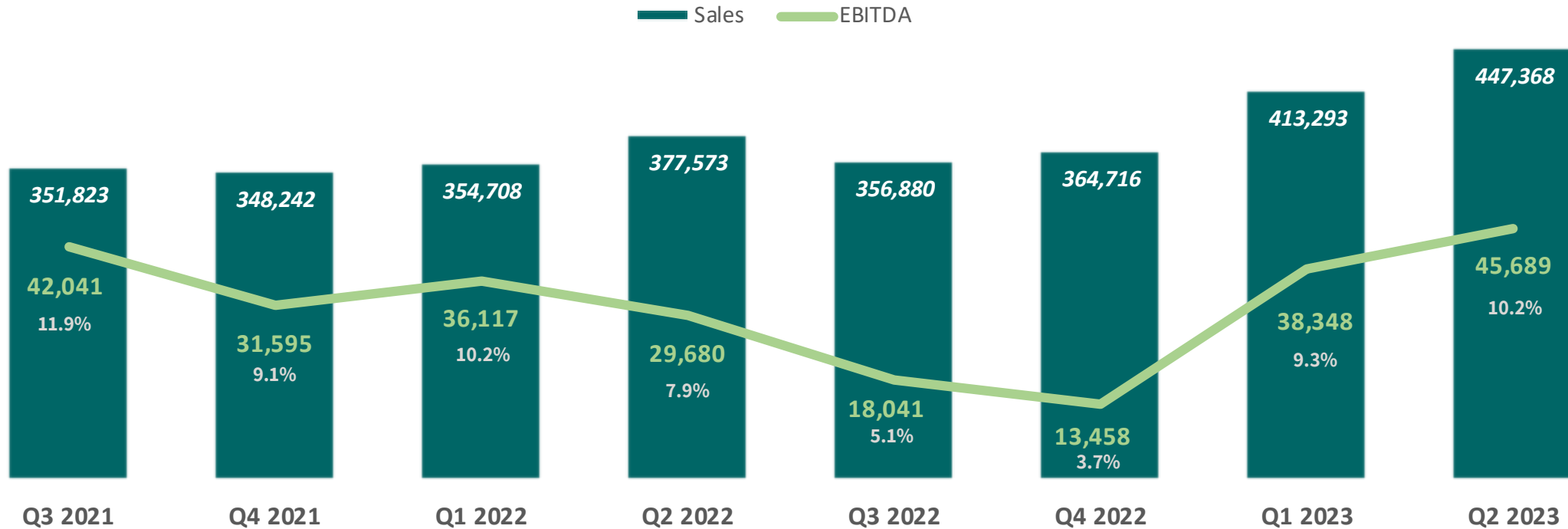
+54% EBITDA
+394% inc. discontinued operation

+20M Net Profit
From negative to positive

	Q2 2023	Q2 2022	Var	Var %
Sales	447,368	377,573	↑ 69,795	18.5%
EBIT	23,583	8,482	↑ 15,101	178.0%
EBIT (Before Others)	23,583	8,491	↑ 15,092	177.7%
EBITDA (Continued operation)	45,689	29,670	↑ 16,019	54.0%
EBITDA	44,507	9,007	↑ 35,500	394.1%
Net Profit (Continued operation)	9,993	9,209	↑ 784	8.5%
Net Profit	6,622	(13,816)	↑ 20,438	
CF - Operating activities	56,254	(3,025)	↑ 59,279	

Sales and EBITDA* trends 2021-2023

Quarterly basis (000 NIS)



Sales and EBIT* by Division

Q2.2023 VS. Last year (000 NIS)

	Sales				EBIT	
	Q2 2023	Q2 2022	Var %	Var % (Org.)	Q2 2023	Q2 2022
Albaad Europe	336,531	277,727	21.2%	9.0%	12,274	10,738
% from sales					3.6%	3.9%
Albaad IL	59,040	57,661	2.4%	(1.3%)	997	2,475
% from sales					1.7%	4.3%
Albaad Fabric IL	83,268	95,609	(12.9%)	(21.7%)	7,056	1,379
% from sales					8.5%	1.4%
Albaad Fem IL	64,699	51,785	24.9%	15.0%	10,655	(1,975)
% from sales					16.5%	(3.8%)
Intercompany	(96,170)	(105,209)			(637)	864
HeadQuarter & Others					(6,762)	(4,990)
Total Company	447,368	377,573	18.5%	7.8%	23,583	8,491
% from sales					5.3%	2.2%
Other Income/Expenses						(9)
Total Company	447,368	377,573	18.5%	7.8%	23,583	8,482
% from sales					5.3%	2.2%

Highlights

H1.2023 results vs. Last year (000 NIS)

+17%

Sales

Sales in original currency +9%

+74%

Operating Profit

Before Others

+28%

EBITDA

+110% inc. discontinued operation

+24M

Net Profit

From negative to positive

	H1 2023	H1 2022	Var	Var %
Sales	860,661	732,281	↑ 128,380	17.5%
EBIT	40,508	23,648	↑ 16,860	71.3%
EBIT (Before Others)	41,220	23,648	↑ 17,572	74.3%
EBITDA (Continued operation)	84,037	65,785	↑ 18,252	27.7%
EBITDA	77,947	37,091	↑ 40,856	110.2%
Net Profit (Continued operation)	16,943	16,644	↑ 299	1.8%
Net Profit	8,041	(16,392)	↑ 24,433	
CF - Operating activities	90,397	(30,067)	↑ 120,464	

Sales and EBIT* by Division

H1.2023 VS. Last year (000 NIS)

	Sales				EBIT	
	H1 2023	H1 2022	Var %	Var % (Org.)	H1 2023	H1 2022
Albaad Europe	638,660	539,730	18.3%	9.0%	20,152	26,825
% from sales					3.2%	5.0%
Albaad IL	115,412	116,710	(1.1%)	(4.0%)	(411)	7,088
% from sales					(0.4%)	6.1%
Albaad Fabric IL	182,610	182,903	(0.2%)	(7.9%)	20,368	4,700
% from sales					11.2%	2.6%
Albaad Fem IL	132,083	97,561	35.4%	25.0%	20,291	(6,047)
% from sales					15.4%	(6.2%)
Intercompany	(208,104)	(204,623)			(6,617)	1,106
HeadQuarter & Others					(12,563)	(10,024)
Total Company	860,661	732,281	17.5%	8.7%	41,220	23,648
% from sales					4.8%	3.2%
Other Income/Expenses					(712)	
Total Company	860,661	732,281	17.5%	8.7%	40,508	23,648
% from sales					4.7%	3.2%

Diverse Product Range

Home Care

Wipes
Disinfecting / All Purpose Cleaning /
Windows / Floors / Furnitures / Automotive

Hygiene

Wipes
Moist Toilet Paper
Consumer Healthcare
Adult Care

Baby Care

Wipes
Based formulas:
Aqua / Gel / Rich Lotion /
Diaper Rash Cream / Bathing Wipes

Cosmetics

Wipes
Makeup Remover / Hydrating /
Exfoliating (abrasive) / Anti-aging

Fem. Care

Tampons, Wipes
Tampons:
Tampon with a plastic applicator
Tampon without applicator
Tampon with a paper applicator
Intimate Wipes



Albaad's Added Value



Global deployment

- ✓ Avoid Supply chain disruption
- ✓ Back up plan in case of disruption in one of our facilities
- ✓ Sufficient capacity in case market needs fast growing
- ✓ Nonwoven Production – Albaad produces majority of its own nonwoven consumption



Marketing

- ✓ Identify and adjust the needs of each customer
- ✓ Highly qualified team - well experienced with A brands needs
- ✓ Well informed on innovative raw materials (fabrics, laminate, Chemicals), products and customers trends worldwide



R&D

- ✓ Well trained and highly educated R&D corporate's team – led by PhD.
- ✓ Focuses on innovation
- ✓ Expertise in all production chain – Fibers, Fabrics and End-Products

Innovation & Future Growth

Green product line in Dimona - the next generation

- **Green hybrid production line** that enables production in both paper technology and green non-woven technology
- The Hydrofine® Products from the new hybrid line will serve both flushable MTT wipes as well as traditional baby, cosmetic and cleaning wipes
- All Hydrofine® Products are made from 100% natural, plant based components
- The line assembly will be completed at the end of 2023, production is expected during H1 2024
- Approximately 100 MNIS invested up to June 2023 from total budget of about 200 MNIS



ESG

For the 4th time in a row, Albaad has been awarded the Maala ESG “Platinum”

Albaad has been participating in Maala ESG rating since 2011
As a result of our significant efforts and improvements in Environmental and Social areas complying with the GRI standard

The company awarded the prestigious “**Platinum**” rating three years ago and has managed to maintain this ranking since then



Continuous improvement

2023-Forming an environmental strategy aligned to Albaad’s business plan using the shared-value principle ESG and business goals



Finance strength plan – Update

- Dec. 2022 Successful **Rights issue** of **48.3 MNIS** to Strengthen Albaad BS

- Mar. 2023 **Closing USA wipes activity**

Receiving \$6M mainly for the inventory & Stop losses in USA

- **Exceed Bank waivers** expectation for Q1 & Q2.2023

Net Liabilities to EBITDA Ratio: Q1 **4.56** (Waiver <6)

Q2 **3.95** (Waiver <7)

Equity Ratio*: Q1 **21.3%** (Waiver >20%)

Q2 **23.3%** (Waiver >20%)

- Positive performance signs for **EBITDA Growth & Operating Cash Flow**

Inventory reduction of **44 MNIS** since Dec.2022

Cumulated **Free Cash Flow**** of **42 MNIS** (16M in Q1 & 26M in Q2) including Dimona line 2 investments

Balance Sheet

AS OF 30.06.2023 vs. 31.12.2022 (000K NIS)

		30.06.2023	% from total	31.12.2022	% from total	
31M	Cash on hand	Cash and cash equivalents	31,423	2%	27,186	2%
		Trade Receivables	250,077	16%	254,547	16%
		Inventory	349,149	22%	393,313	25%
		Other Current Assets	38,876	2%	37,580	2%
44M	Reduction of inventory	Total Current Assets	669,525	42%	712,626	45%
		Non Current Assets	919,416	58%	883,964	55%
		Total Assets	1,588,941	100%	1,596,590	100%
379M	Equity	Credit banking & institutions	569,437 *	36%	538,805	34%
		Trade Payables	217,042	14%	252,518	16%
		Total Current Liabilities	887,113	56%	910,734	57%
		Total Long-Term Liabilities	322,986	20%	331,194	21%
24%	Equity from total balance sheet	Equity	378,842	24%	354,662	22%
		Total liabilities	1,588,941	100%	1,596,590	100%

Finance strength plan – Going forward

- Focus on Company performance :
 - **EBITDA Growth**
 - **Operating Cash Flow**
 - **Working Capital** (including factoring)
- **Sale & Lease Back** of Dimona facility
- Strive to meet **Banks Initial Covenants**

A conceptual image where a human hand is cupping a small green seedling with three leaves. The seedling is growing out of a mound of dark soil. The arm and hand are covered in a dense, vibrant green forest landscape, with trees and foliage visible. The background is a soft-focus green, suggesting a natural environment.

THANK YOU