

May
2024

Financial Results Overview Q1.2024

FORWARD LOOKING STATEMENT

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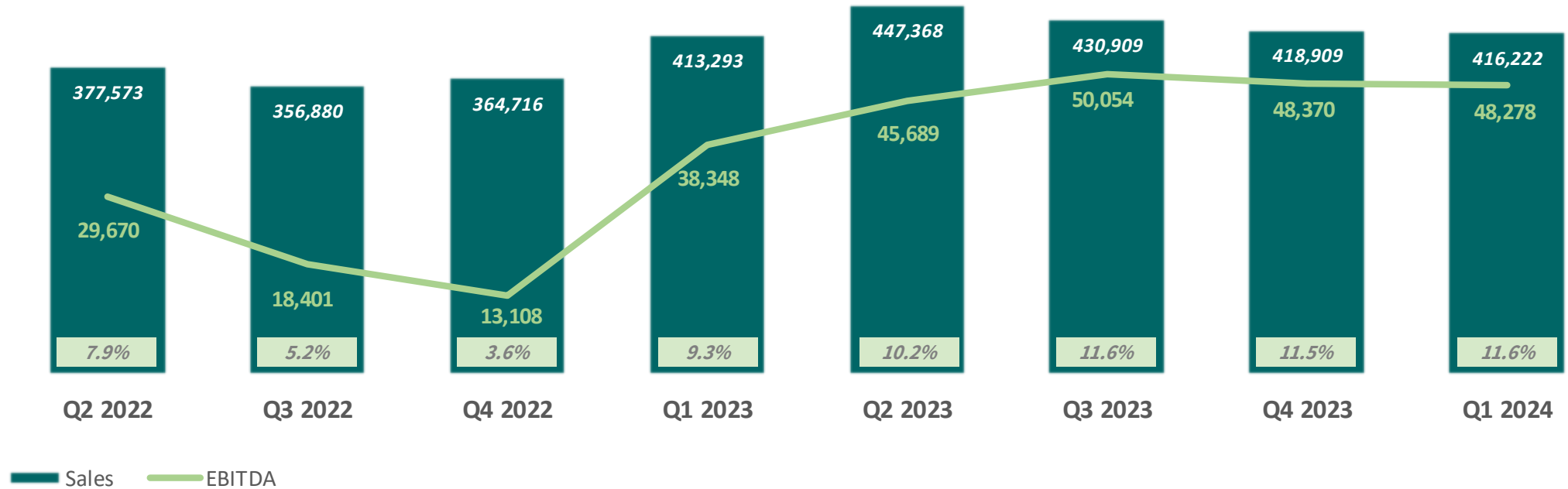
Q1.2024 COMPANY MAIN HIGHLIGHTS

CONCLUDING Q1.2024 WITH

- **SALES INCREASE OF 0.7% TO 416M NIS**
- **GROSS PROFIT MARGIN** improved to **20.2%**
- **EBIT*** INCREASE OF 46% TO **25.7M NIS**
- **EBITDA**** INCREASE OF 26% TO **48.3M NIS**
- **NET PROFIT**** INCREASE OF 37% TO **9.5M NIS**
- **OPERATING Cash Flow 31.5M NIS**
- **NET DEBT DECREASE TO 526M NIS**

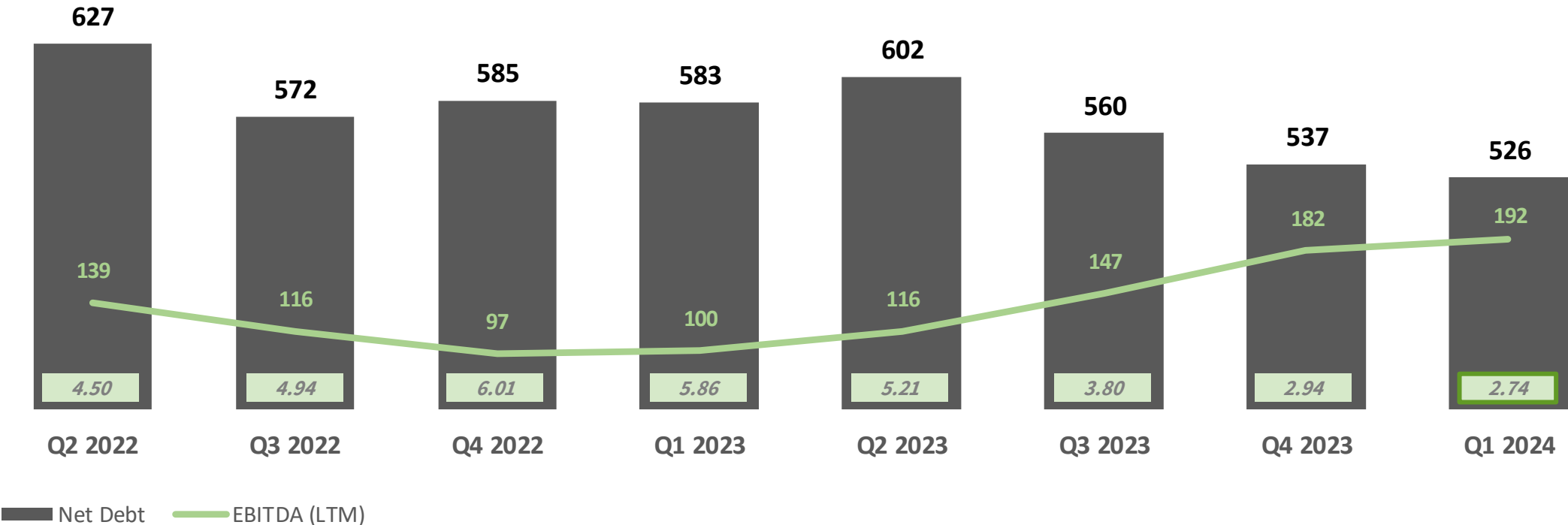
SALES & EBITDA* TRENDS 2022-2024

QUARTERLY BASIS (000 NIS)



NET DEBT TO EBITDA* TRENDS 2022-2024

QUARTERLY BASIS (000 NIS)



* EBITDA LTM from continued operation

HIGHLIGHTS

Q1.2024 Results VS. Last year (000 NIS)

+1%

Sales

Sales in original currency -3.4%

+46%

Operating Profit

+52% including others

+26%

EBITDA

+45% inc. discontinued operation

+37%

Net Profit

+13 M inc. discontinued operation

	Q1 2024	Q1 2023		Var	Var %
Sales	416,222	413,293	↑	2,929	0.7%
EBIT	25,755	16,925	↑	8,830	52.2%
EBIT (Before Others)	25,755	17,637	↑	8,118	46.0%
EBITDA (Continued operation)	48,278	38,348	↑	9,930	25.9%
EBITDA	48,626	33,440	↑	15,186	45.4%
Net Profit (Continued operation)	9,512	6,950	↑	2,562	36.9%
Net Profit	14,501	1,419	↑	13,082	↗

SALES & EBIT* BY DIVISION

Q1.2024 VS. Last year (000 NIS)

	Sales				EBIT	
	Q1 2024	Q1 2023	Var %	Var % (Org.)	Q1 2024	Q1 2023
Albaad Europe	326,010	302,129	7.9%	3.0%	23,087	7,878
% from sales					7.1%	2.6%
Albaad IL	55,829	56,372	(1.0%)	(2.5%)	3,073	(1,408)
% from sales					5.5%	(2.5%)
Albaad Fabric IL	77,044	99,342	(22.4%)	(26.0%)	3,089	13,312
% from sales					4.0%	13.4%
Albaad Fem IL	49,136	67,384	(27.1%)	(29.8%)	1,292	9,636
% from sales					2.6%	14.3%
Intercompany	(91,797)	(111,934)			732	(5,979)
HeadQuarter & Others					(5,518)	(5,802)
Total Company	416,222	413,293	0.7%	-3.4%	25,755	17,637
% from sales					6.2%	4.3%
Other Income/Expenses						(712)
Total Company	416,222	413,293	0.7%	-3.4%	25,755	16,925
% from sales					6.2%	4.1%

BALANCE SHEET

AS OF 31.03.2024 VS. 31.12.2023 (000 NIS)

18M Cash on hand

7M Reduction of inventory

417M Equity

27% Equity from total balance sheet

	31.03.2024	% from total	31.12.2023	% from total
<i>Cash and cash equivalents</i>	17,921	1%	19,133	1%
<i>Trade Receivables</i>	218,944	14%	213,956	14%
<i>Inventory</i>	321,982	21%	328,969	21%
<i>Other Current Assets</i>	34,925	2%	32,184	2%
Total Current Assets	593,772	38%	594,242	38%
Non Current Assets	969,348	62%	988,361	62%
Total Assets	1,563,120	100%	1,582,603	100%
<i>Credit banking & institutions</i>	408,829	26%	392,243	25%
<i>Trade Payables</i>	213,289	14%	222,718	14%
Total Current Liabilities	733,563	47%	713,183	45%
Total Long-Term Liabilities	412,976	26%	466,178	29%
Equity	416,581	27%	403,242	25%
Total liabilities	1,563,120	100%	1,582,603	100%

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
- Production is expected during H2 2024
- Approximately 158M NIS invested up to March 2024 from total budget of about 200M NIS



SUMMARY

Improving Banks Covenants*

- Net Liabilities to EBITDA Ratio **1.91** (Covenant <3.6) / Tangible Equity Ratio **27.4%** (Covenant >21%)

Completing USA project

- Selling/clearing all **wipes, fabric** and **chemicals** inventory
- Moving to a **sub-tenant** lease agreement, reducing the rental area & maintenance cost
- Receiving the deal **Escrow of \$1m**
- **Recognizing from the above 5.2m NIS net profit**

Maintaining positive performance for EBITDA Growth & Operating Cash Flow

- **Inventory** reduction of **7m NIS** since Dec 2023, reduction of 68m NIS vs. Q1.2023
- **Operating Cash Flow** of **31.5m NIS**
- **Free Cash Flow**** of **15.5m NIS** including Dimona line 2 investments

FURTHER STRENGTHENING & FUTURE GROWTH

Further Finance Strengthening

- **Optimizing our debt structure**, given our achievement in exceeding bank covenants
- Closing **Sale & Lease Back** transaction of Dimona facility

Future Growth

- **Dimona Green hybrid production line** as milestone for growth, aligns with our sustainability strategy
- Continues efforts to develop **Spunlace-based tampon** after getting **patent approval**
- Focusing on **new customers & Innovation products** - expanding Europe sales teams
- Establish **production excellence** project to enhance **efficiency**

A conceptual image showing a human hand holding a small green seedling with three leaves. The seedling is growing out of a mound of dark brown soil. The left side of the hand and the soil mound are covered in a dense, vibrant green forest landscape, suggesting a connection between nature and human stewardship. The background is a soft-focus green environment with sunlight filtering through.

THANK YOU