

August 2024

FINANCIAL RESULTS OVERVIEW

Q2.2024



FORWARD LOOKING STATEMENT

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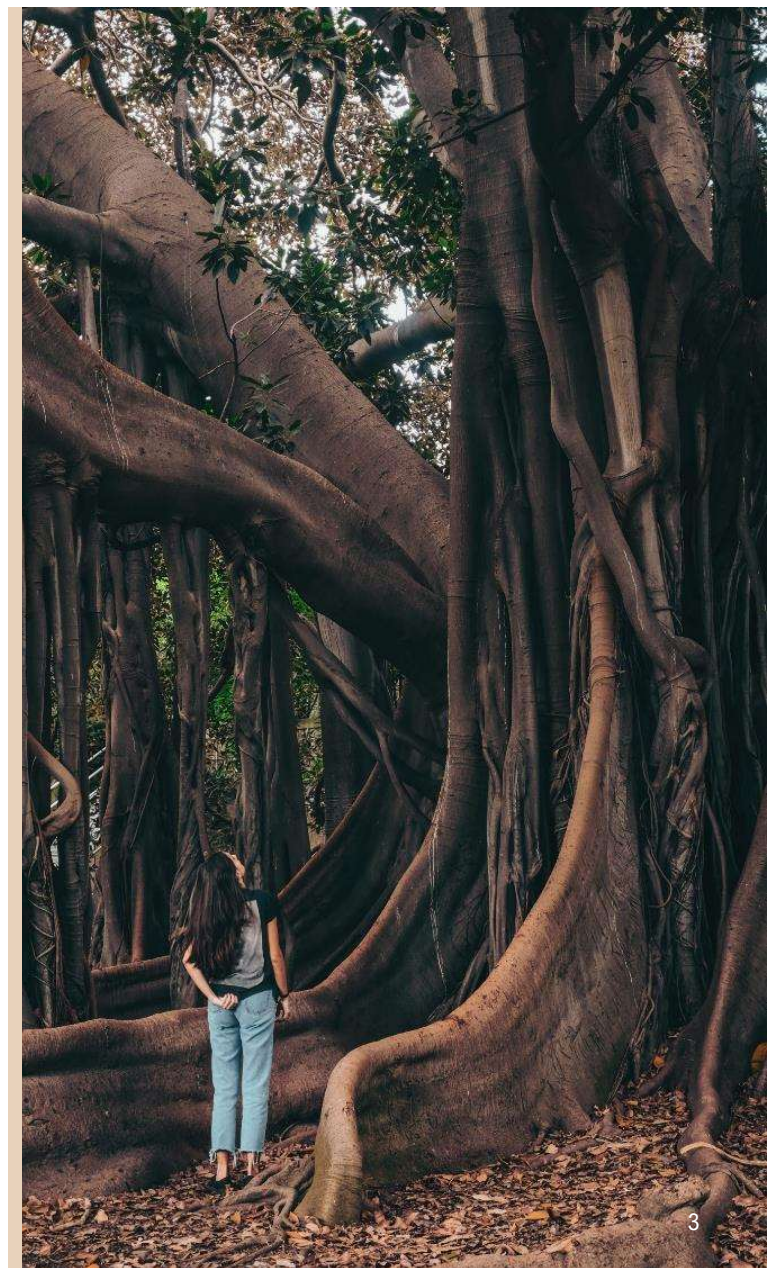
Q2.2024 COMPANY MAIN HIGHLIGHTS

- **SALES 440M** NIS -1.6% vs. LY
- **GROSS PROFIT MARGIN 21.1%** +1.6% vs. LY
- **EBIT⁽¹⁾ 34M** NIS +43.3% vs. LY
- **EBITDA⁽²⁾ 58M** NIS +26.5% vs. LY
- **NET PROFIT⁽²⁾ 15M** NIS +49.1% vs. LY
- **OPERATING CF 52.1M** NIS, Free Cash Flow⁽³⁾ **46.9M** NIS
- **NET DEBT** DECREASE TO **493M** NIS

(1) EBIT before others

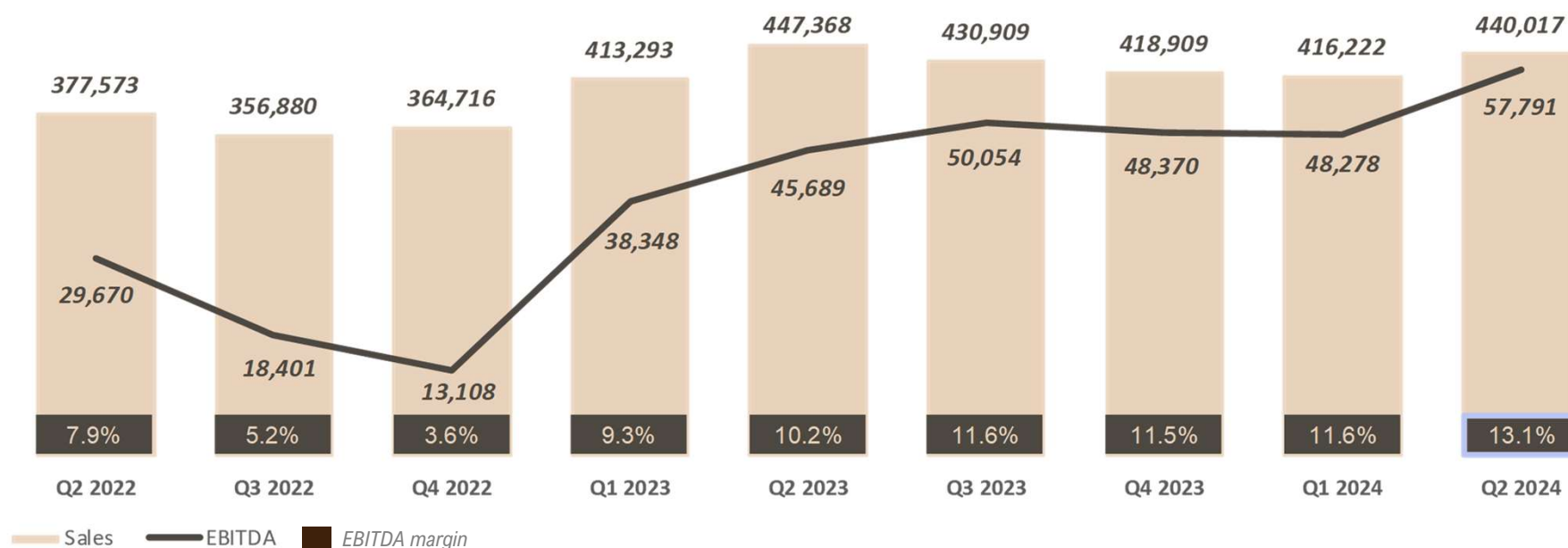
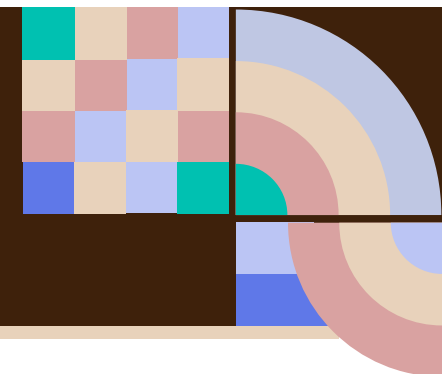
(2) EBITDA & NET PROFIT from continued operation

(3) FCF 46.9 M = Operating CF 52.1 M - Repayment of Liabilities for lease 7.3 M + Interest paid 11.3 M – CAPEX 9.2 M



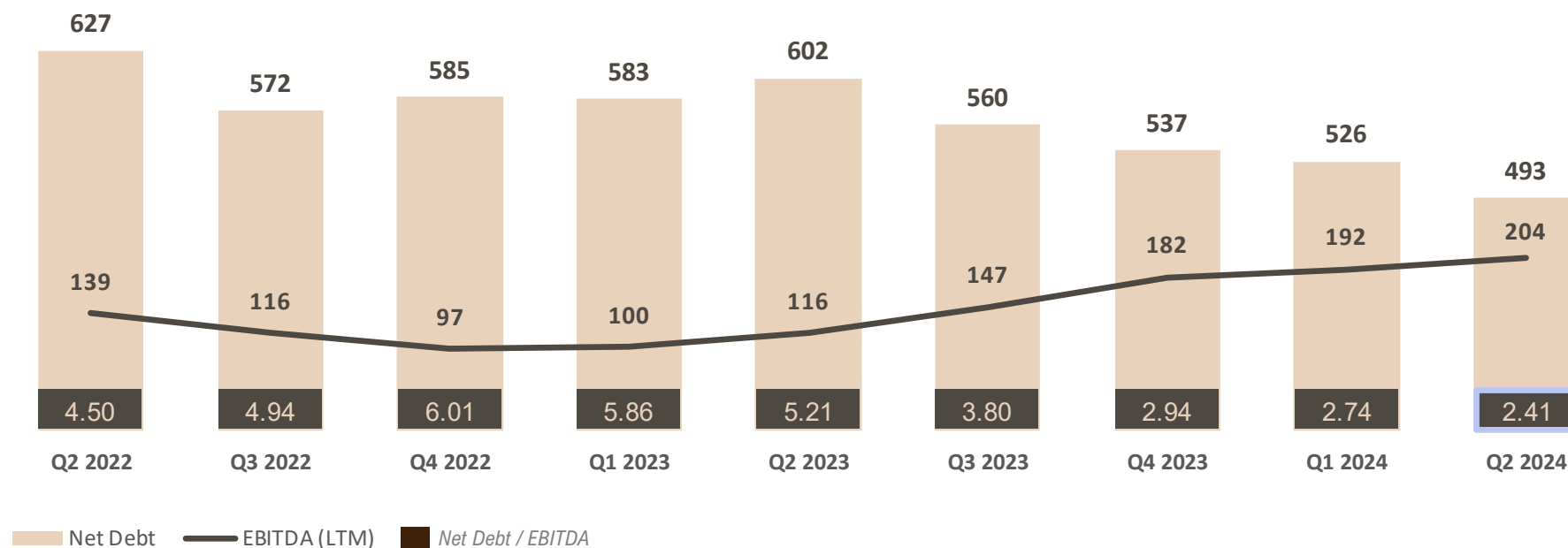
SALES & EBITDA^{*} TRENDS 2022-2024

QUARTERLY BASIS (K NIS)



NET DEBT TO EBITDA^{*} TRENDS 2022-2024

QUARTERLY BASIS (K NIS)



HIGHLIGHTS

Q2.2024 Results VS. Last year (K NIS)

-1.6%

Sales

Sales in original currency -3.3%

+43%

Operating Profit

+46% including others

+26%

EBITDA

+31% inc. discontinued operation

+49%

Net Profit

+130% inc. discontinued operation

	Q2 2024	Q2 2023	Var	Var %
Sales	440,017	447,368	↓ -7,351	-1.6%
EBIT	34,396	23,583	↑ 10,813	45.9%
EBIT (Before Others)	33,790	23,583	↑ 10,207	43.3%
EBITDA (Continued operation)	57,791	45,689	↑ 12,102	26.5%
EBITDA	58,414	44,507	↑ 13,907	31.2%
Net Profit (Continued operation)	14,900	9,993	↑ 4,907	49.1%
Net Profit	15,247	6,622	↑ 8,625	130.2%

SALES & EBIT^{*} BY DIVISION

Q2.2024 Results VS. Last year (K NIS)

	Sales				EBIT [*]	
	Q2 2024	Q2 2023	Var %	Var % (Org.)	Q2 2024	Q2 2023
Albaad Europe	348,597	336,531	3.6%	2.7%	30,688	12,274
% from sales					8.8%	3.6%
Albaad IL	55,216	59,040	(6.5%)	(6.9%)	3,128	997
% from sales					5.7%	1.7%
Albaad Fabric IL	82,760	83,268	(0.6%)	(1.5%)	3,547	7,056
% from sales					4.3%	8.5%
Albaad Fem IL	51,952	64,699	(19.7%)	(21.2%)	2,581	10,655
% from sales					5.0%	16.5%
Intercompany	(98,508)	(96,170)			(687)	(637)
HeadQuarter & Others					(5,467)	(6,762)
Total Company	440,017	447,368	(1.6%)	(3.3%)	33,790	23,583
% from sales					7.7%	5.3%
Other Income/Expenses					606	
Total Company	440,017	447,368	(1.6%)	(3.3%)	34,396	23,583
% from sales					7.8%	5.3%

HIGHLIGHTS

H1.2024 Results VS. Last year (K NIS)

-0.5%

Sales

Sales in original currency -3.5%

+44%

Operating Profit

+48% including others

+26%

EBITDA

+37% inc. discontinued operation

+44%

Net Profit

+270% inc. discontinued operation

	H1 2024	H1 2023	Var	Var %
Sales	856,239	860,661	↓ -4,422	-0.5%
EBIT	60,151	40,508	↑ 19,643	48.5%
EBIT (Before Others)	59,545	41,220	↑ 18,325	44.5%
EBITDA (Continued operation)	106,069	84,037	↑ 22,032	26.2%
EBITDA	107,040	77,947	↑ 29,093	37.3%
Net Profit (Continued operation)	24,412	16,943	↑ 7,469	44.1%
Net Profit	29,748	8,041	↑ 21,707	270.0%

SALES & EBIT^{*} BY DIVISION

H1.2024 Results VS. Last year (K NIS)

	Sales				EBIT [*]	
	H1 2024	H1 2023	Var %	Var % (Org.)	H1 2024	H1 2023
Albaad Europe	674,607	638,660	5.6%	2.7%	53,775	20,152
% from sales					8.0%	3.2%
Albaad IL	111,045	115,412	(3.8%)	(4.9%)	6,201	(411)
% from sales					5.6%	(0.4%)
Albaad Fabric IL	159,804	182,610	(12.5%)	(15.0%)	6,636	20,368
% from sales					4.2%	11.2%
Albaad Fem IL	101,088	132,083	(23.5%)	(25.7%)	3,873	20,291
% from sales					3.8%	15.4%
Intercompany	(190,305)	(208,104)			46	(6,617)
HeadQuarter & Others					(10,986)	(12,563)
Total Company	856,239	860,661	(0.5%)	(3.5%)	59,545	41,220
% from sales					7.0%	4.8%
Other Income/Expenses					606	(712)
Total Company	856,239	860,661	(0.5%)	(3.5%)	60,151	40,508
% from sales					7.0%	4.7%



* EBIT before others

BALANCE SHEET

AS OF 30.06.2024 VS. 31.12.2023 (K NIS)

22M

Cash on hand

21M

Reduction of inventory

434M

Equity

28%

Equity from total balance sheet

	30.06.2024	% from total	31.12.2023	% from total
Cash and cash equivalents	22,079	1%	19,133	1%
Trade Receivables	225,546	15%	213,956	14%
Inventory	307,916	20%	328,969	21%
Other Current Assets	30,112	2%	32,184	2%
Total Current Assets	585,653	38%	594,242	38%
Non Current Assets	961,429	62%	988,361	62%
Total Assets	1,547,082	100%	1,582,603	100%
Credit from banking & institutions	405,047	26%	392,243	25%
Trade Payables	203,314	13%	222,718	14%
Other Current Liabilities	148,048	10%	98,222	6%
Total Current Liabilities	756,409	49%	713,183	45%
Long-Term Loans from banks	109,817	7%	163,422	10%
Other Long-Term Liabilities	246,781	16%	302,756	19%
Total Long-Term Liabilities	356,598	23%	466,178	29%
Equity	434,075	28%	403,242	25%
Total liabilities	1,547,082	100%	1,582,603	100%

ESG FOCUS

- **Achieved Platinum rating** in Maala ESG Index
- **5th consecutive year** of high-tier recognition
- Reflects our **commitment to sustainable** business practices and demonstrates consistent excellence and improvement in:
 - 🌿 Environmental stewardship
 - 🤝 Social responsibility
 - 🏢 Corporate governance



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 next year
- Approximately 161M NIS invested up to June 2024 from total budget of about 200M NIS



SUMMARY

Improvement in our result

- EBIT
- EBITDA
- GROSS PROFIT
- NET PROFIT

Maintaining positive performance for H1.2024

- **Operating Cash Flow** of **83.6M NIS**
- **Free Cash Flow**⁽¹⁾ of **62.4M NIS** inc. Dimona line 2 investments
- Improving **Banks Covenants**⁽²⁾

Net Liabilities to EBITDA Ratio **1.59** (Covenant <3.6)

Tangible Equity Ratio **29.2%** (Covenant >21%)



(1) FCF 62.4 M = Operating CF 83.6 M - Repayment of Liabilities for lease 14.7 M + Interest paid 20.9 M - CAPEX 27.4 M

(2) Banks covenants are excluding intangible assets



FINANCE STRENGTHENING PLAN

SIX QUARTERS SUMMARY

Q1.2023 up to Q2.2024 (M NIS)

SOURCES* = 282M

EBITDA continued operation **289 M**

IFRS16** impact, Interest & Tax **-121 M**

Working Capital & Others **114 M**

USES = 172M

On Going Investments **38 M**

Dimona line 2 Investment **102 M**

Optimal Care second payment **32 M**



NET Debt Reduction >>> 110 M

FURTHER STRENGTHENING & FUTURE GROWTH

Further Finance Strengthening

- **Optimizing our debt structure**, launching a refinancing program 50M NIS long term loans was done in July 2024
- To Close **Sale & Lease Back** transaction of Dimona facility

Future Growth

- **Dimona Green hybrid production line** as milestone for growth, aligns with our sustainability strategy
- Focusing on **new customers & Innovation products** expanding Europe sales teams
- Expand Poland warehouse to **improve logistics costs & to support more capacity**
- Establish **production excellence** project to enhance **efficiency**



THANK YOU

