

CASTRO-HOODIES GROUP

Q2 2021



HOODIES.®

URBANICA
WEAR ♦ HOUSE

CAROLINA LEMKE
BERLIN



YVES ROCHER
Bretagne, France

KIKO
MILANO

TOPTEN
ACCESSORIES

Castro HOME

DISCLAIMER

This Presentation contains forward-looking statements, which are based on current expectations, projections and assumptions about future events and may differ materially from actual results. Statements contained in the Presentation, other than statements of historical fact, regarding future events or prospects, are forward-looking statements, including, without limitation, statements regarding the Company's future financial or business performance, the industry, plans, prospects, trends or strategies, objectives of management, competition and other financial and business matters. Statements that the Company makes in this Presentation that are not statements of historical fact also may be forward-looking statements. The forward-looking statements contained in this presentation are based on expectations and assumptions that the Company has made in light of its industry experience and perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances.

There may be events in the future that the Company is not accurately able to predict, or over which the Company has no control. The Company believes that these factors include, but are not limited to: changes in the overall economy; the duration and severity of the COVID-19 (Corona virus) pandemic and its impact on the Company and on the local and global economy and the Company's ability to manage and develop its business. Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove to be incorrect, the Company's actual operating and financial performance may differ in material respects from the performance projected in these forward-looking statements.

Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance.

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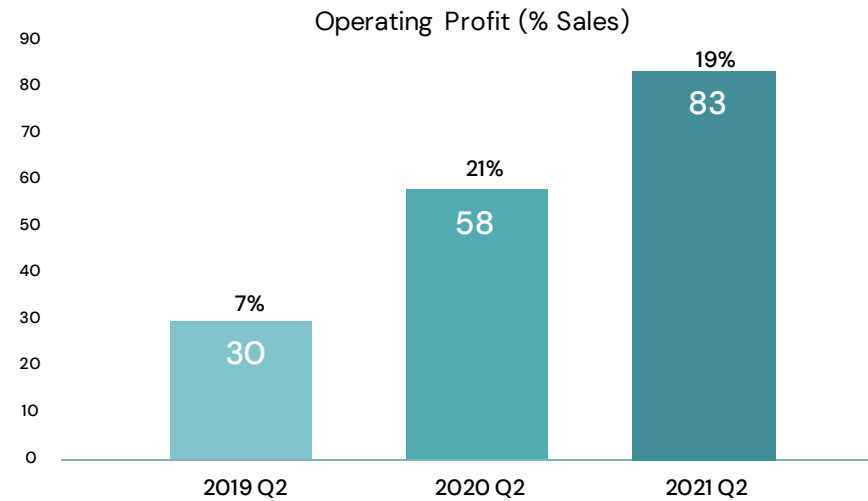
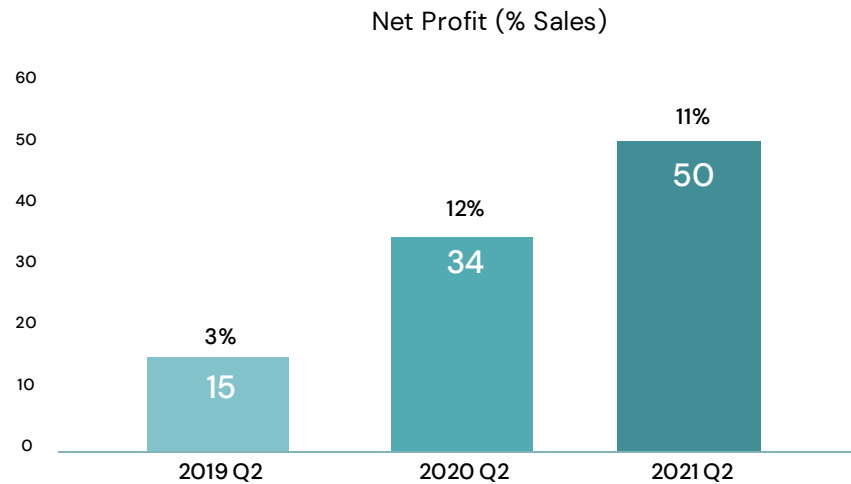
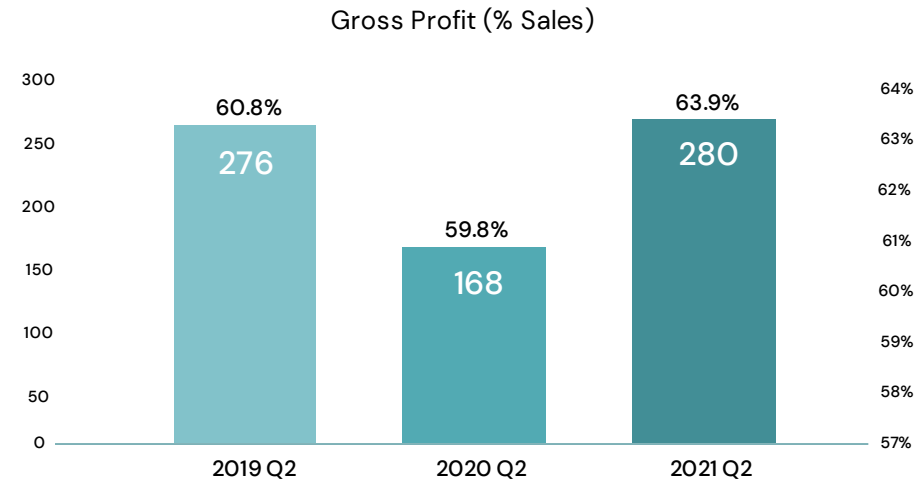
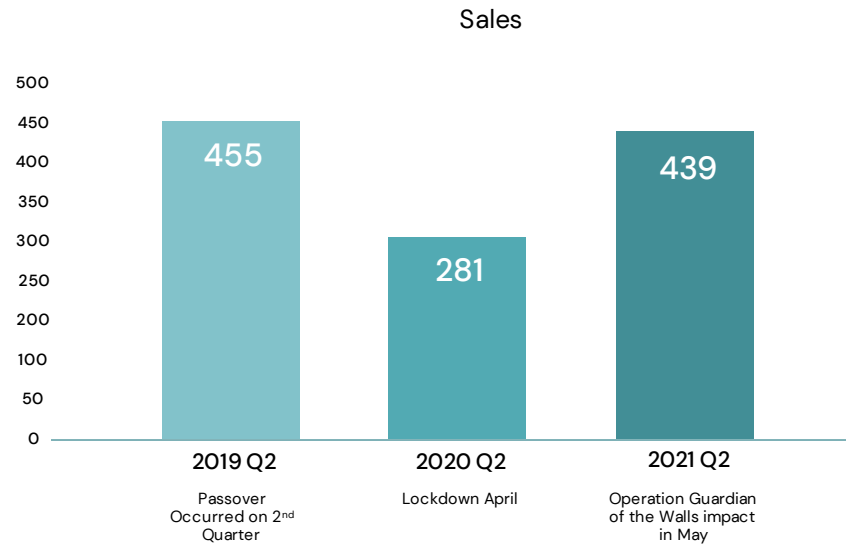
castro HOME

FINANCIAL RESULTS – LAST 12 MONTHS

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	LTM 6/21
REVENUE	353,413	282,404	262,992	438,596	1,337,405
GROSS PROFIT	199,903	142,499	150,347	280,305	773,054
GROSS PROFIT MARGIN	<i>56.6%</i>	<i>50.5%</i>	<i>57.2%</i>	<i>63.9%</i>	<i>57.8%</i>
OPERATING PROFIT	67,730	25,047	25,852	82,653	201,282
OPERATING PROFIT MARGIN	<i>19.2%</i>	<i>8.9%</i>	<i>9.8%</i>	<i>18.8%</i>	<i>15.1%</i>
NET PROFIT	41,212	434	15,068	50,040	106,754
	Sep Lockdown	Oct–Nov Lockdown	Jan–Feb Lockdown	May – Operation Guardian of the Walls	

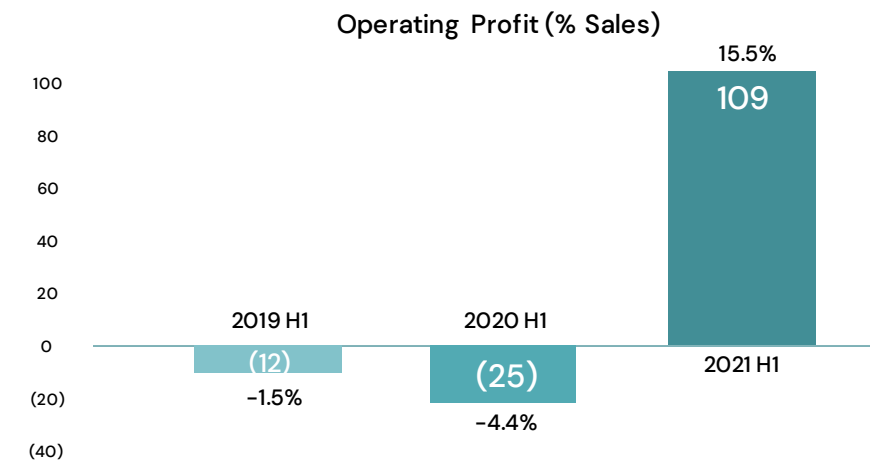
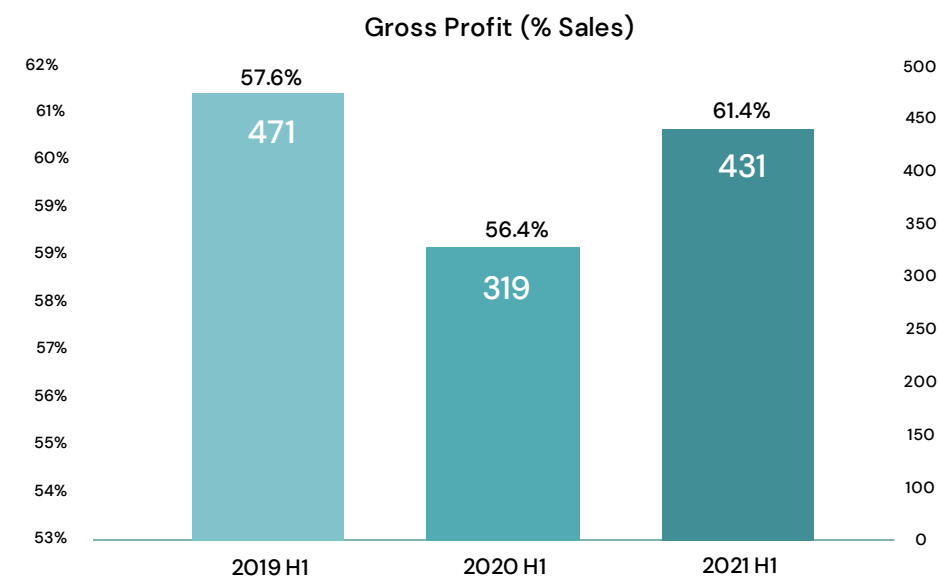
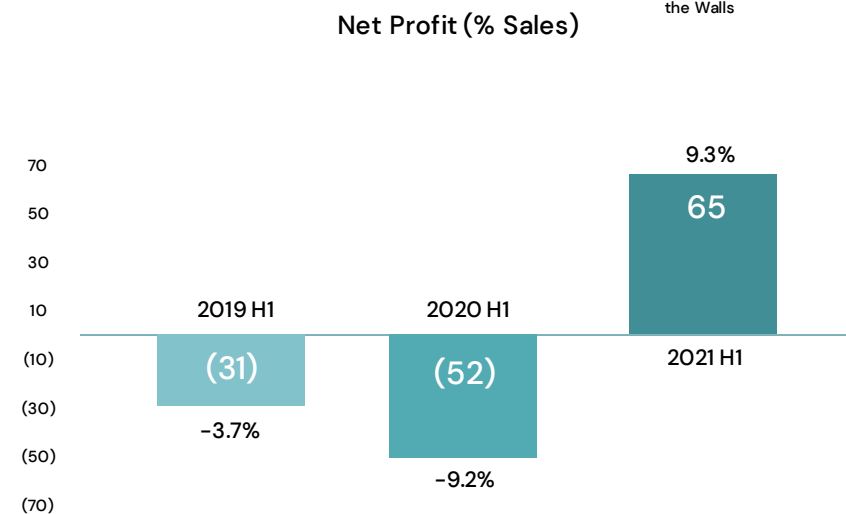
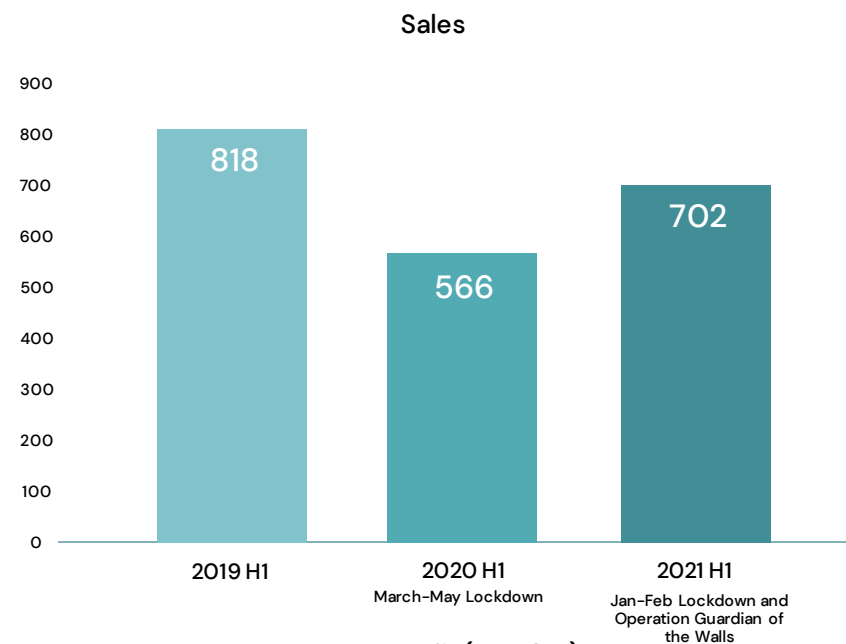
*Thousands ILS | inc. IFRS 16

Q2 FINANCIAL RESULTS



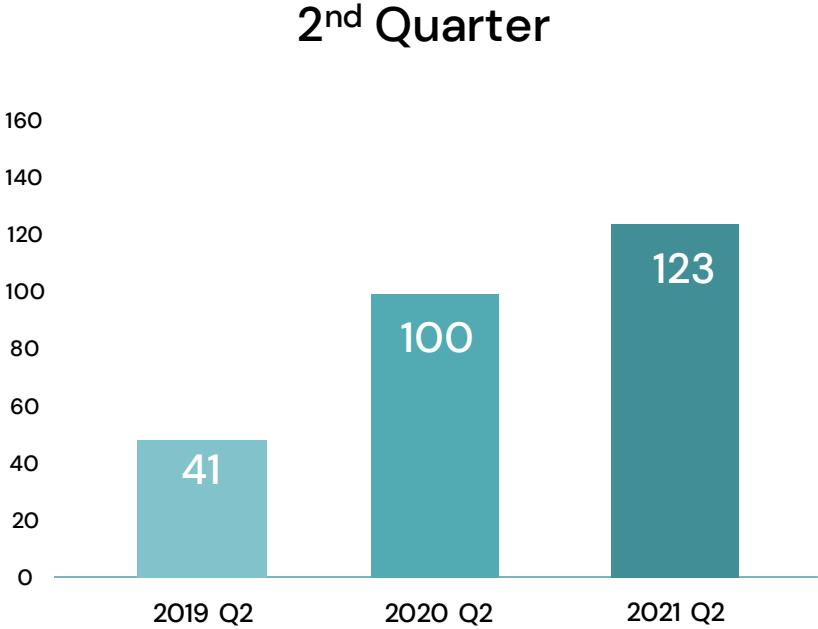
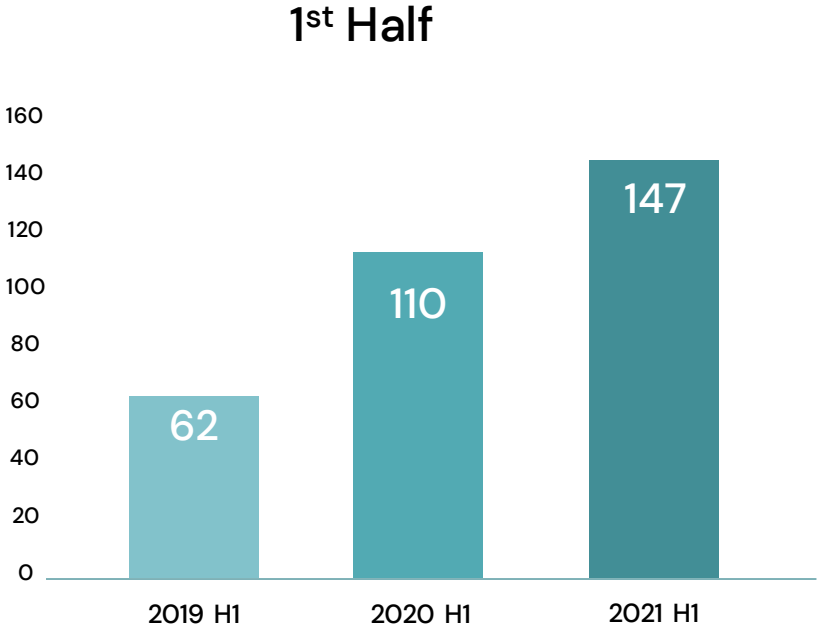
Millions ILS

FIRST HALF FINANCIAL RESULTS

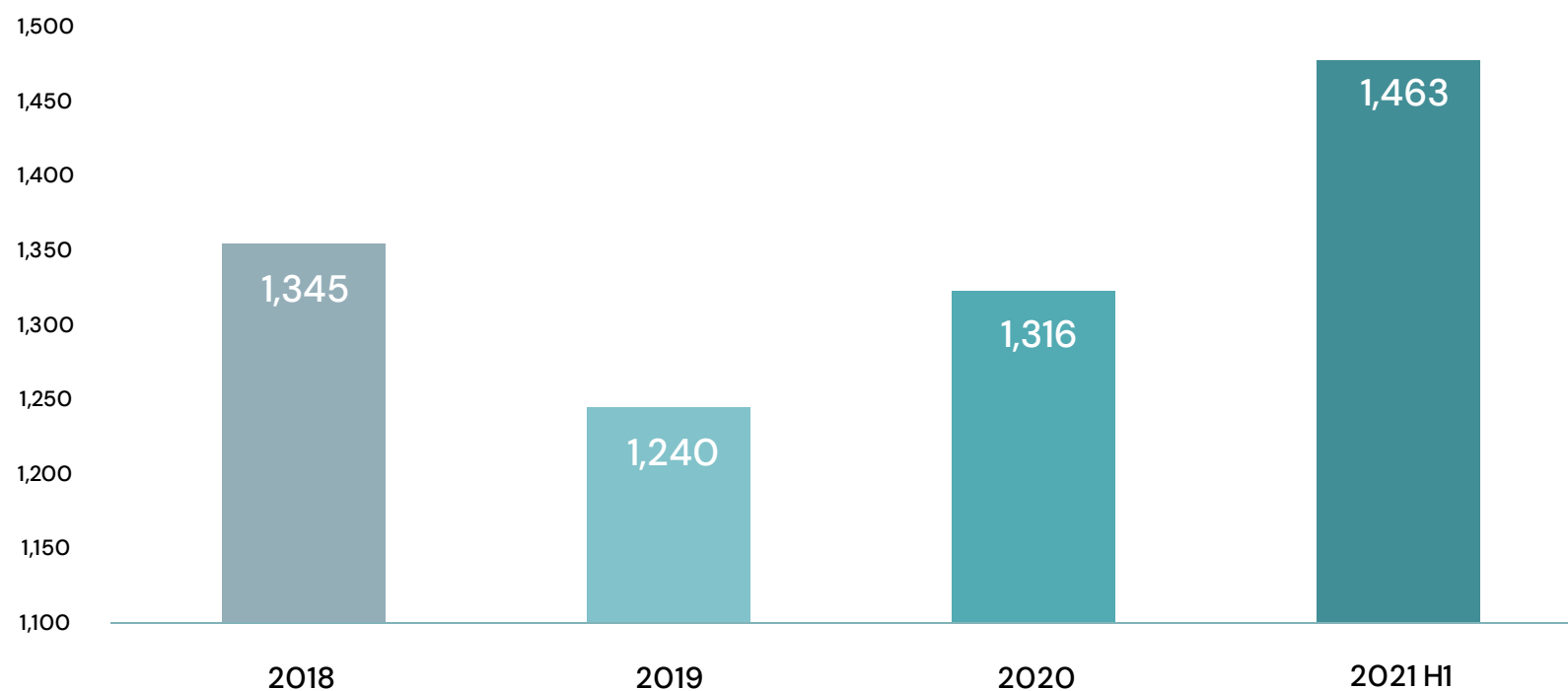


Millions ILs

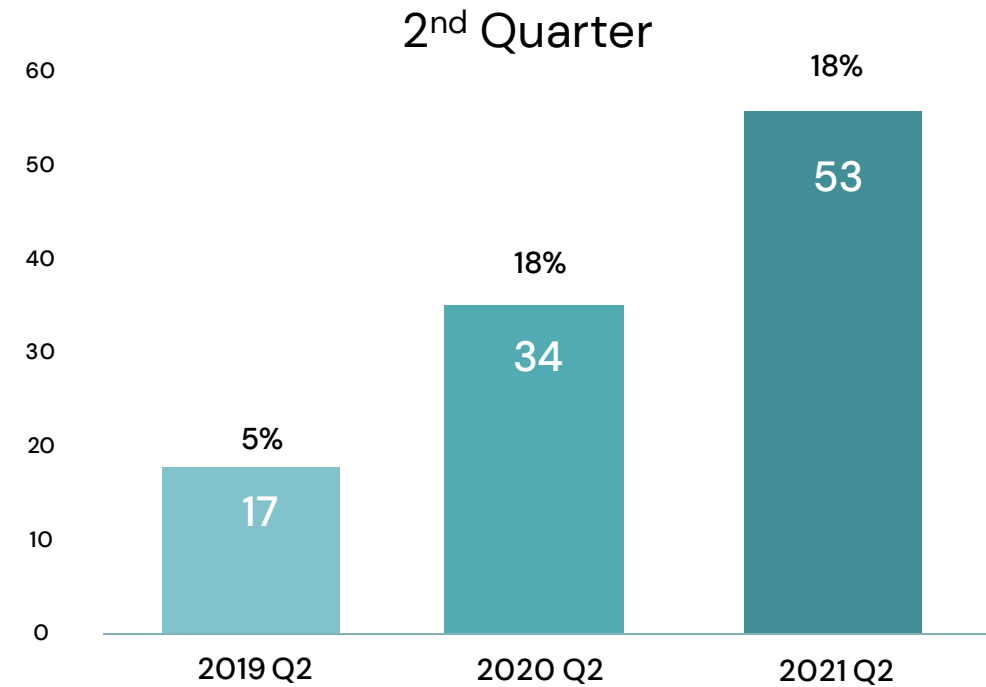
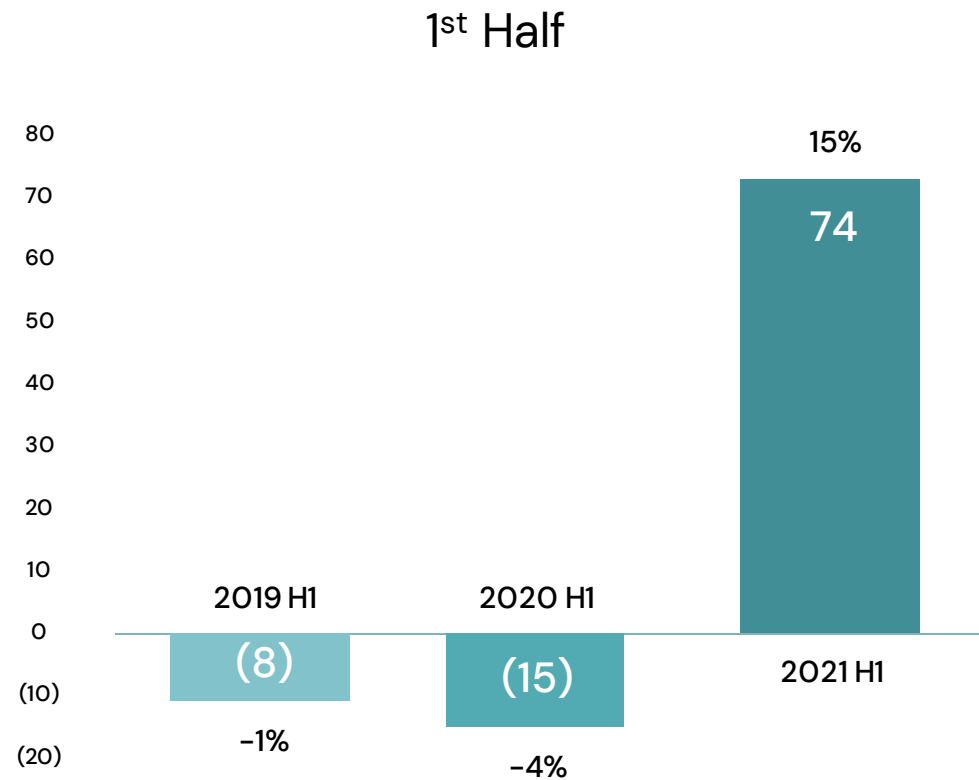
OPERATING CASH FLOW



MONTHLY SALES (ILS) PER GROSS SQM (INC. PUBLIC AREAS)



APPAREL SEGMENT OPERATING PROFIT



Millions ILS (% Sales), inc. IFRS 16

CASH OVERVIEW

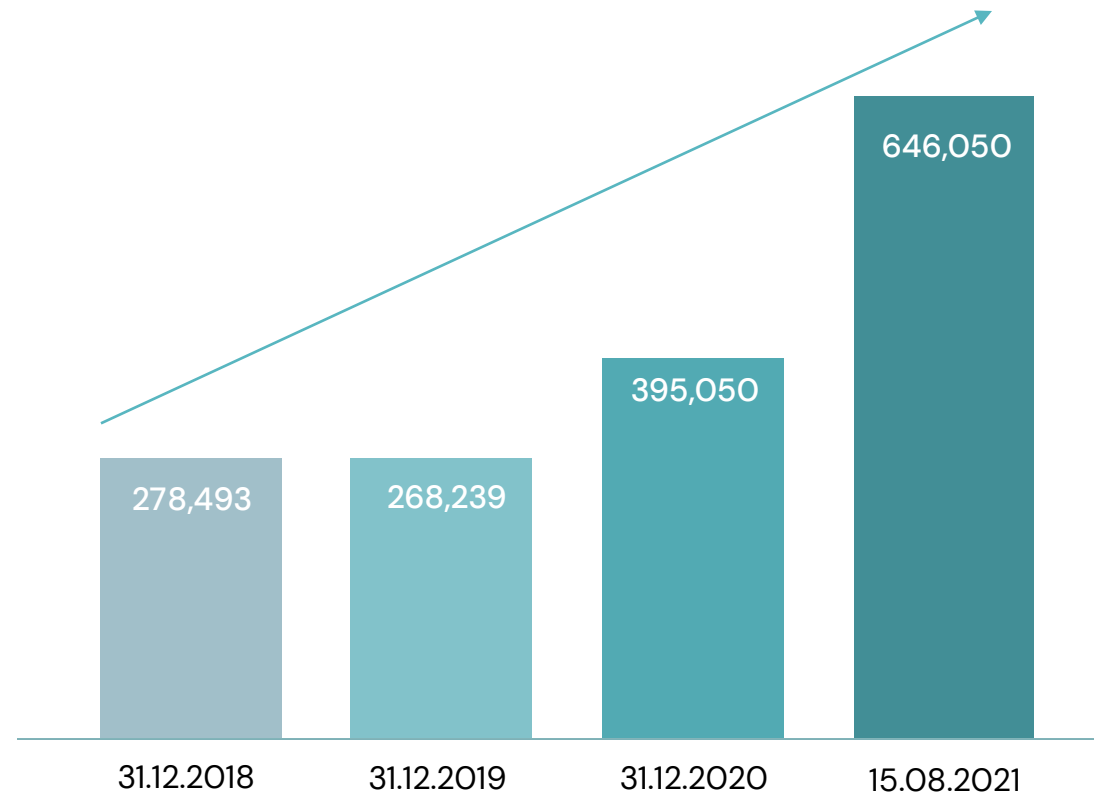
	30.06.19	31.12.19	30.06.20	31.12.20	30.06.21
TOTAL CASH AND CASH EQUIVALENTS	252,766	241,703	285,536	393,019	436,836
FINANCIAL DEBT	312,285	283,600	271,867	319,387	297,045
NET CASH (DEBT)	(59,519)	(41,897)	13,669	73,626	139,791
EQUITY TO BALANCE SHEET RATIO (EXC. IFRS 16)	52%	54%	51%	52%	57%

Thousands ILS

RAPID GROWTH IN LOYALTY CLUB MEMBERSHIPS



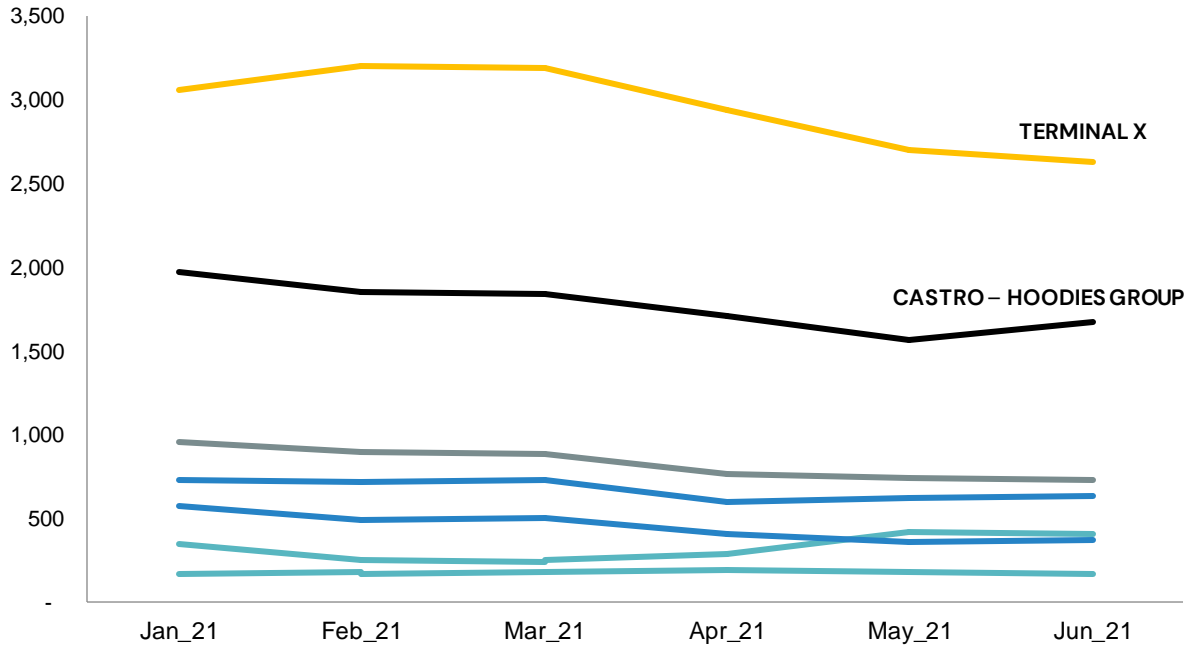
Number of Members in CU Club



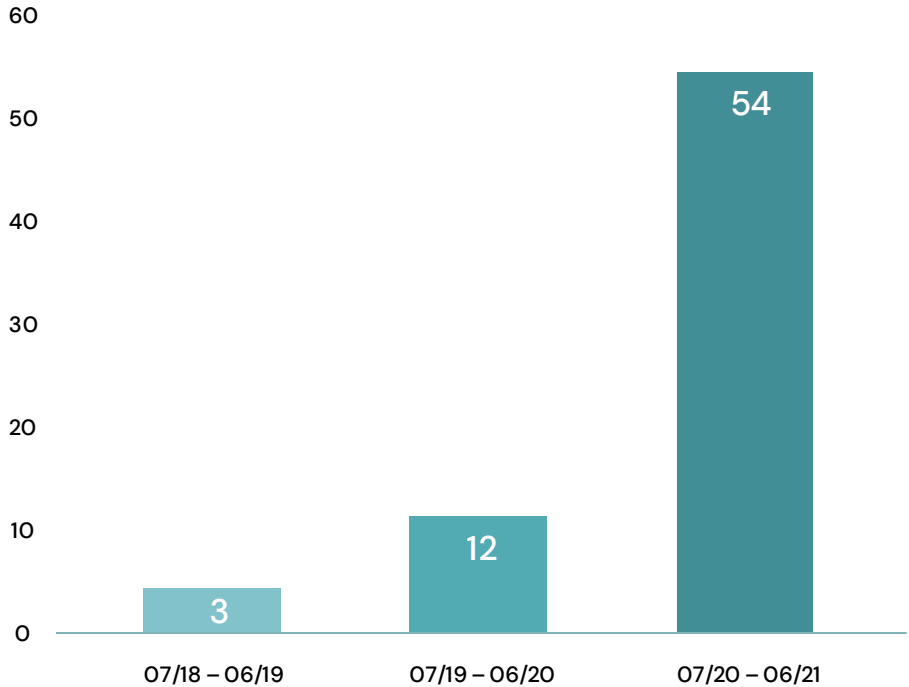
GROUP E-COM CHANNEL

GROUP E-COM CHANNEL

Monthly Sessions
(Thousands)



Operating Profit
(Exc. IFRS 16)



Source: SEMRUSH

Millions ILS

ADVANCED LOGISTIC CAPABILITIES

- In the last quarter the group has implemented a new high-velocity automatic sorting machine that can sort 30,000 items in one day – more than 10,000 orders
- Same day delivery in collaboration with **Gett** 🚚
- Daily orders record at 19,458 orders – more than 5m ILS



SIGNIFICANT PRESENCE ON THE LEADING SOCIAL MEDIA PLATFORMS, COLLABORATING WITH THE LEADING INFLUENCERS IN ISRAEL

- Number of Followers -

								
Instagram	327k	54k	15k	34k	85k	87k	97k	104k
facebook	614k	150k	44k	4.7M*	148k	138k	147k	199k



LIRON ROSEN
85.9K followers
11.9% engagement



YUVAL MIARA
25K followers
6.7% engagement



NASTYA LISANSKY
61K followers
1.2% engagement



MILAN HALPERN
10K followers
1.4% engagement



ADI CHOANIM
7K followers
3% engagement



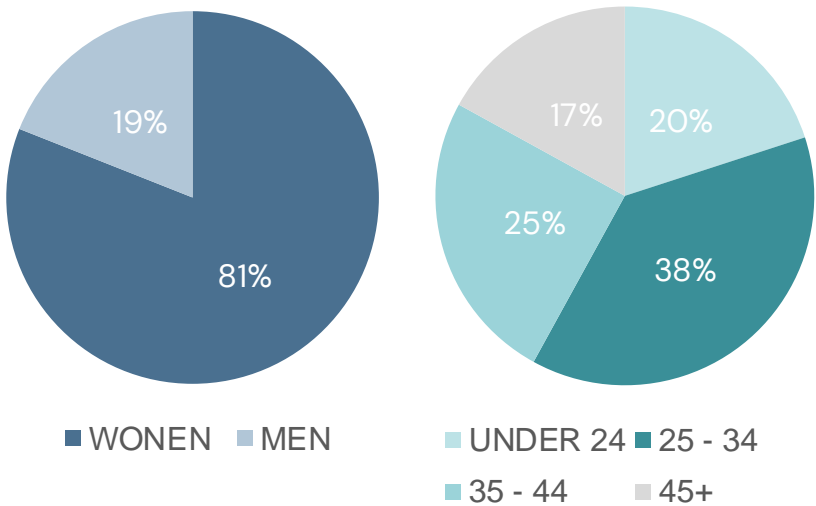
ROSIE EZRA
11.6K followers
1.5% engagement

* Global Account

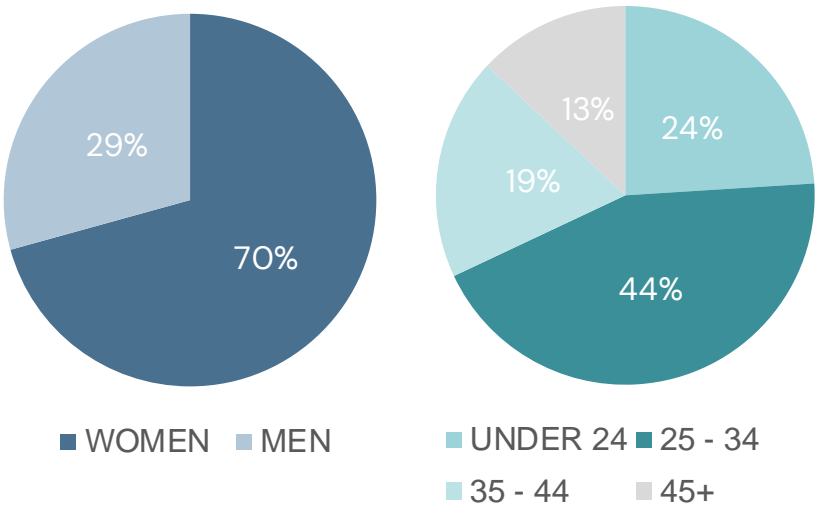
AGE DISTRIBUTION OF FOLLOWERS – CASTRO

Strength Among Generation Z and Millennials

Instagram



facebook



COLLABORATIONS WITH THE LEADING GLOBAL BRANDS



RAPIDLY GROWING B2B BUSINESS

- The Group has signed a collaboration agreement with Adidas and BabyStar, which will join as partners to the Group's Love Gift Card
- The collaboration widens the Group's Gift Card offering to provide full coverage in Fashion, Lifestyle, Cosmetics, Home Design, Optics, Accessories, Sports, Toys and Babies
- The Group estimates the B2B Gift Card Market (Non-Food) at 0.5B ILS Annually





LAUNCHING CASTRO HOME



LAUNCHING NATIONWIDE ON DAY 1 (AUGUST 22ND)

Cities where Castro Home will open stores this year:

- | | |
|-------------------|----------------|
| 📍 JERUSALEM | 📍 TEL AVIV |
| 📍 RISHON LETSIYON | 📍 HAIFA |
| 📍 ASHKELON | 📍 BE'ER SHEVA |
| 📍 ASHDOD | 📍 KIRYAT ATA |
| 📍 KARMIEL | 📍 SAKHNIN |
| 📍 ROSH HAAYIN | 📍 HADERA |
| 📍 NETIVOT | 📍 ROSH PINNA |
| 📍 PETAH TIKVA | 📍 HOD HASHARON |

Also available online at www.castro.com



LAUNCHING TWO SUB-BRANDS UNDER URBANICA



URBANICA'S EXPANSION



Expanding the brand's activity with two sub-brands:

- **URBANICA STATION**

Medium sized stores (~500sqm)
focused mainly on Non-Fashion offering
– competing with the small variety
chains

- **URBANICA LOFT**

Large format stores (>2000SQM)
focused on variety ("Stock") categories
– competing with large variety ("Stock")
chains



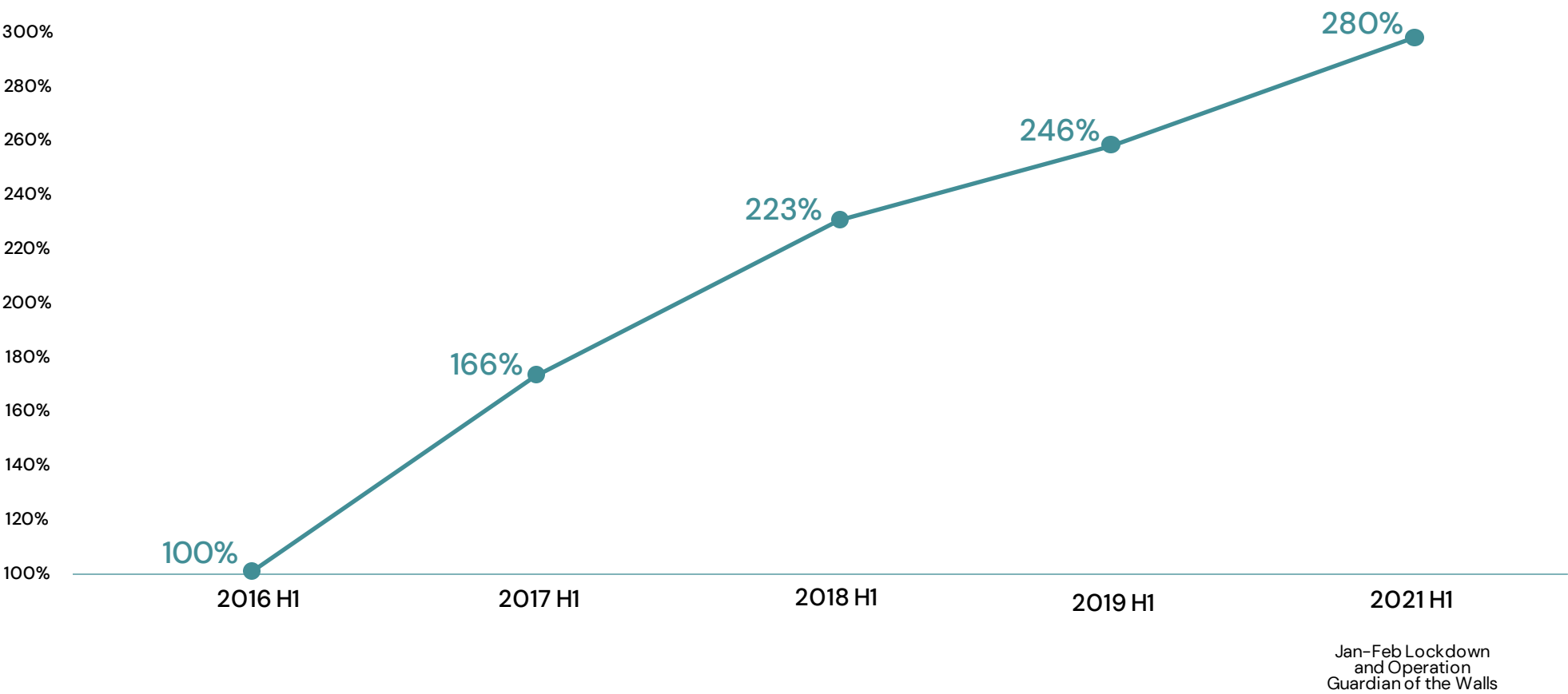
URBANICA'S EXPANSION



- Opening of two ~2,000 SQM stores in the Grand Mall in Petah Tikva and Melisron Mall in Rehovot
- Planning to open 3 more large format stores within 6 months
- Total area planned for the coming year: 36,570 gross SQM (inc. public areas)

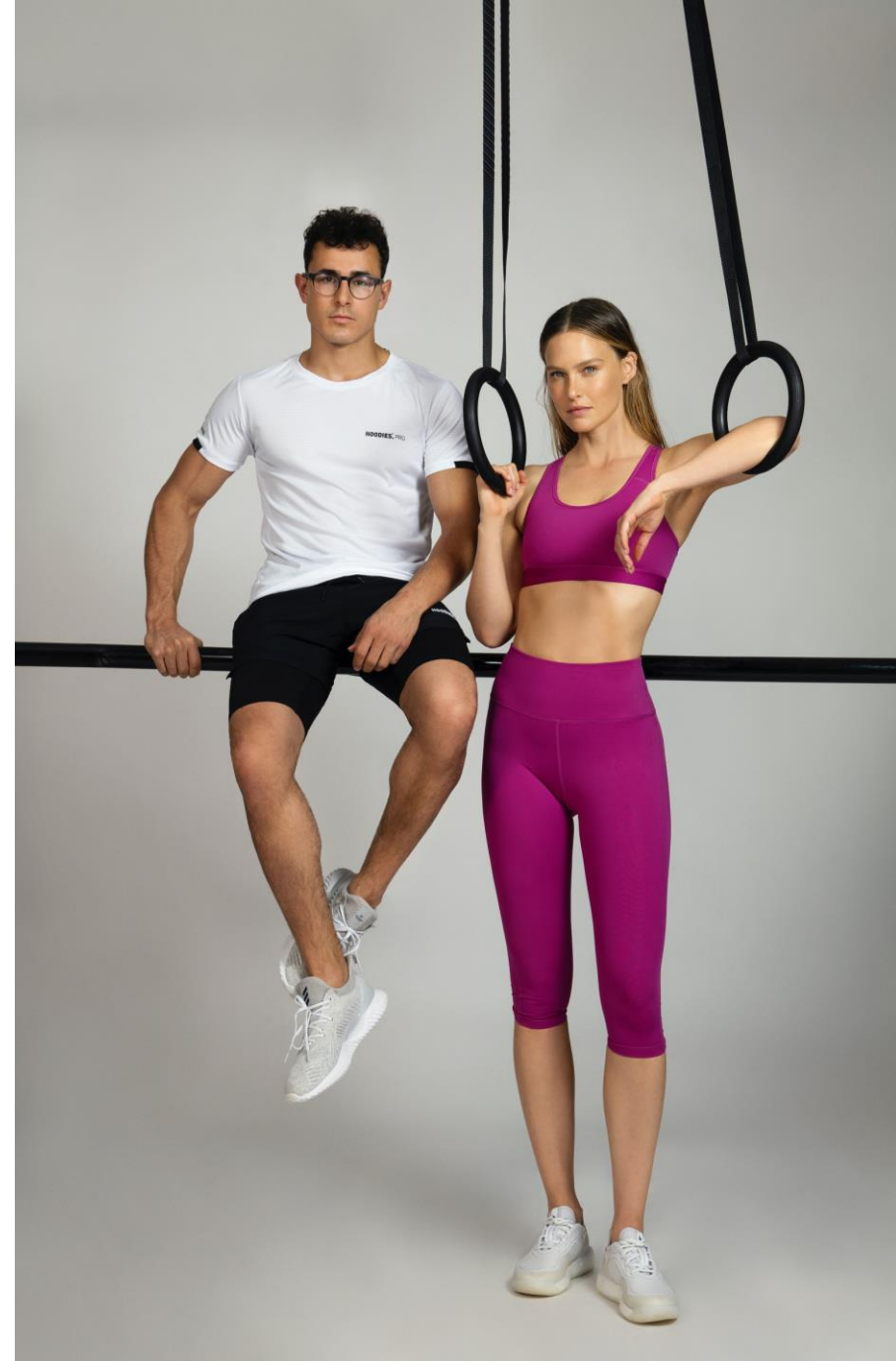


URBANICA'S REVENUE PROGRESSION (2016=100%)

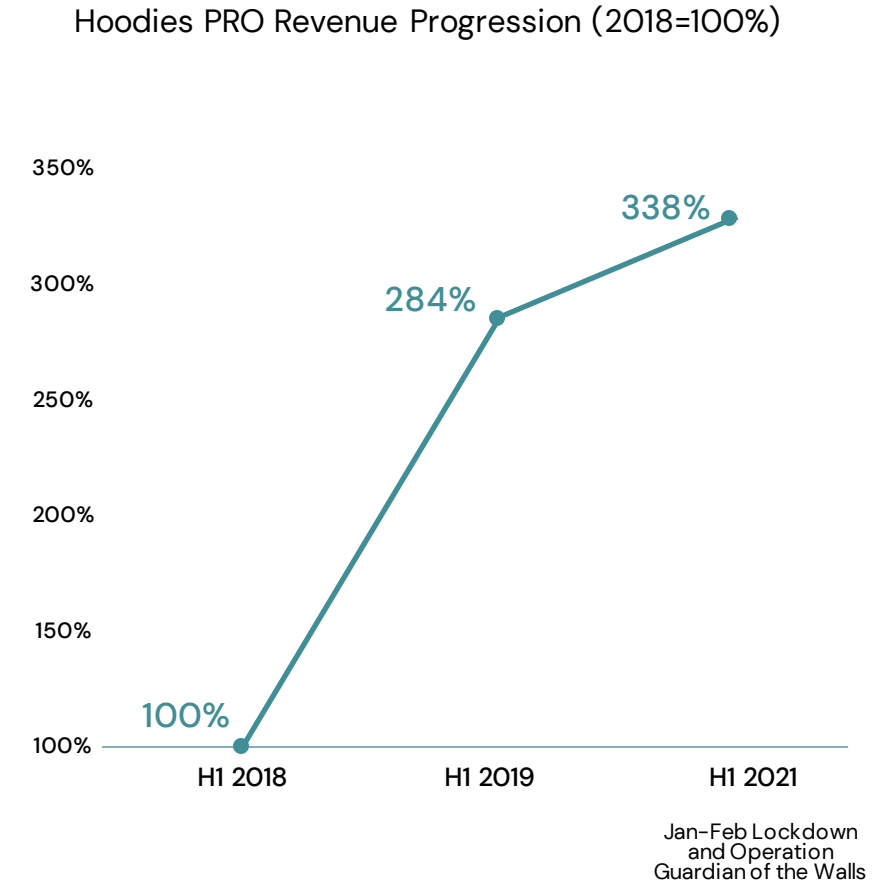
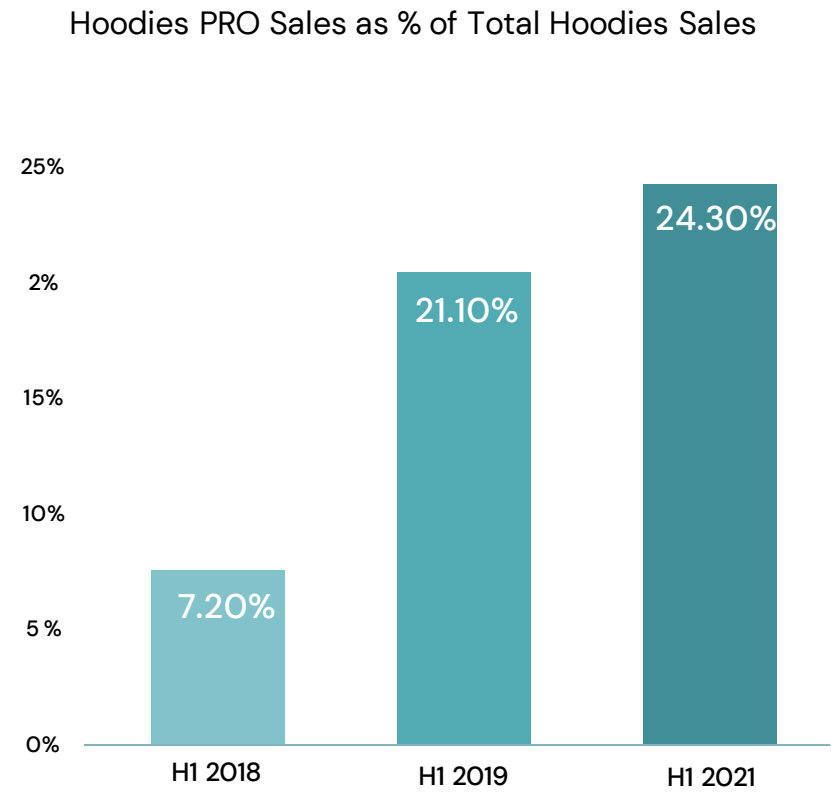


* 2020 was excluded due to prolonged Coronavirus lockdowns

HOODIES EXPANSION TO SPORTS-WEAR



HOODIES PRO REVENUES



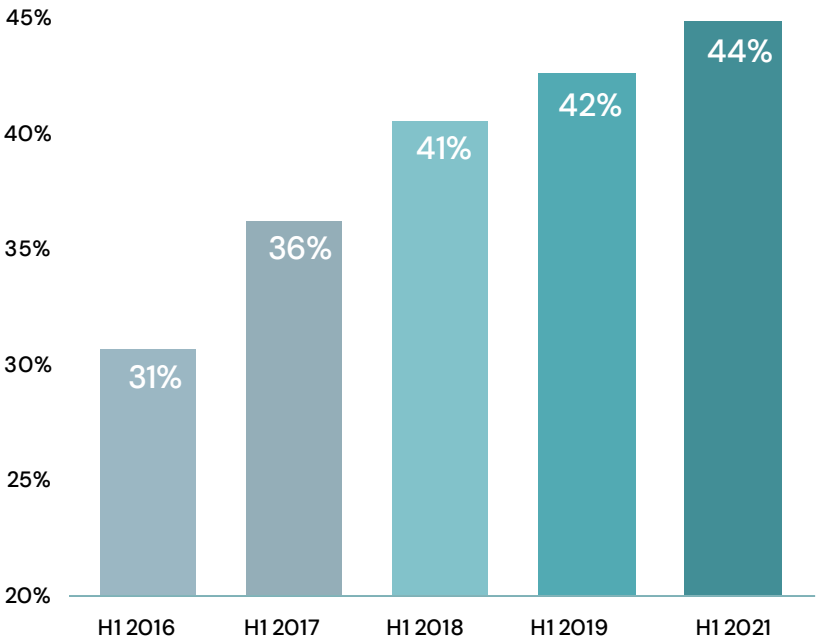
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CAROLINA LEMKE OPTICS CONTINUED EXPANSION

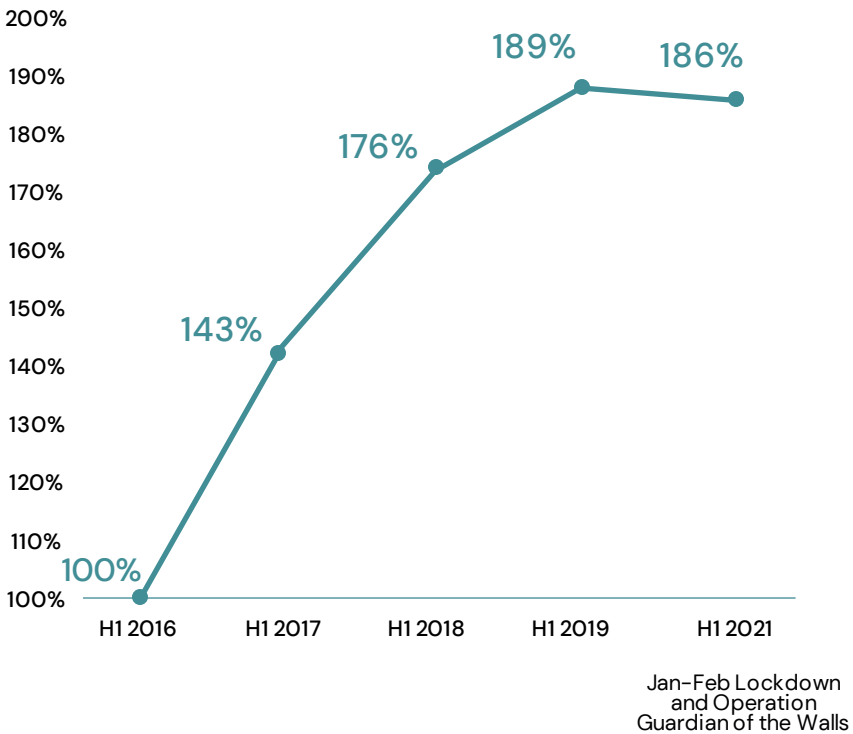


CAROLINA LEMKE OPTICS REVENUES

Carolina Lemke Optics Sales as % of Total Carolina Sales



Carolina Lemke Optics Revenue Progression (2016=100%)

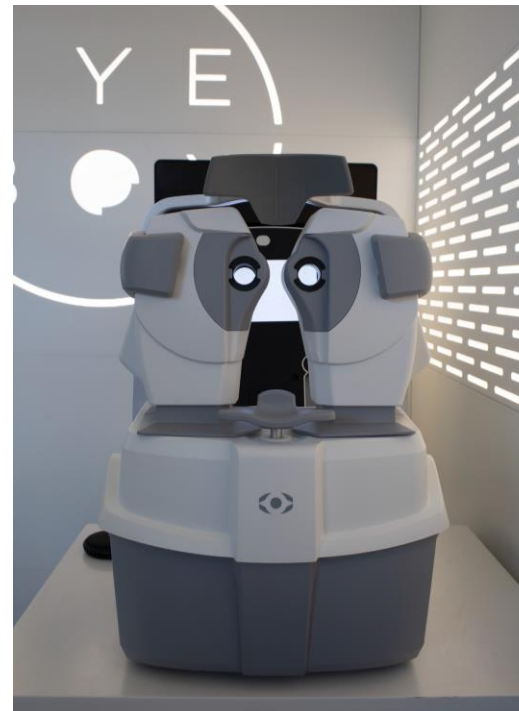


* 2020 was excluded due to prolonged Coronavirus lockdowns

EYEBOX

BY
CAROLINA LEMKE
BERLIN

- Current Number of Optometrist Examination Rooms: 10
- EYEBOX Current Number of Locations: 10
- Planned New EYEBOX Locations in the Coming Year: 12



COMING SOON



THE ALL-NEW CASTRO TLV

THANK YOU!



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