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Offering Summary



Issuer	Max Stock Ltd.
Ticker / Exchange	MAXO / TASE
Ordinary Shares Offered	37,777,777 Million Shares (100% Secondary)
Over-Allotment Option:	15% (100% Secondary)
Filing Range	NIS 9.00 – NIS 11.00
Selling Shareholders	Moose Holdco Ltd. / AMI Opportunities Fund (advised by Apax Partners) and other selling shareholders
Expected Pricing	September 14 th Post Market Close
Lock-up Period	90 Days
Active Bookrunners	Jefferies (Global Coordinator) Leumi Partners (Co-Lead Local Manager), Leader Capital Markets (Lead Local Manager)
Co-Managers	Barak Capital, Discount Capital, Poalim IBI

Today's Presenters



Evan Neumann

Co-CEO



Nir Dagan

CFO

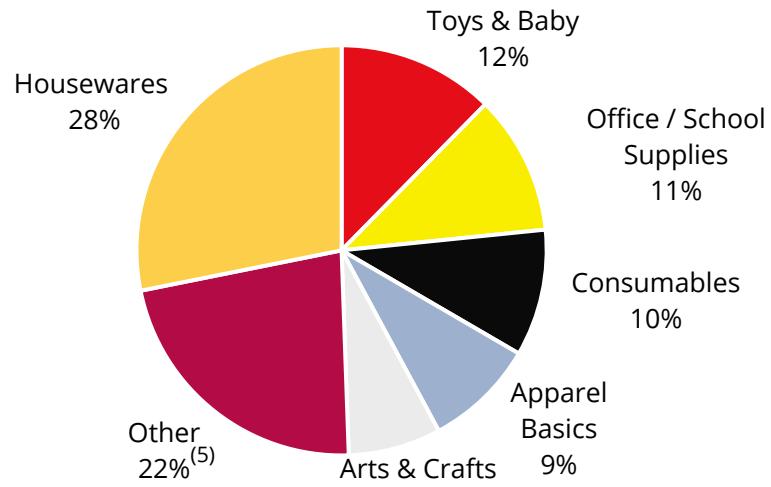
The Value Leader of Israeli Retail



Company Overview

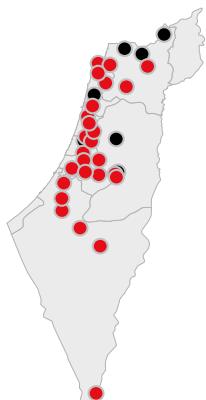
- A leading extreme value retailer of everyday essential items in Israel
 - Up to 50% lower prices than conventional retailers
- Broad selection of merchandise across six major categories
 - Known for exciting entry aisle of constantly rotating seasonal favorites
- Operate 50 stores⁽¹⁾ across all market segments via dual format strategy
 - Max: Large format (average ~1,800 SqM / ~19,500 SqFt⁽²⁾) mostly company operated store in suburban markets
 - Max 20: Smaller format (average ~200 SqM / ~2,150 SqFt) mostly franchised store in city centers; all products priced under NIS 20 (~\$6)
- “Partner” manager model drives superior store level execution
- Attractive new store model supports compelling whitespace opportunity with ability to more than double store count in Israel⁽³⁾
- Deep and developed management team with collaborative culture

Broad Selection of Quality Products⁽⁴⁾

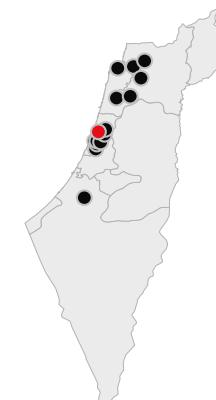


50 Locations Across Israel⁽¹⁾

Max
(35 Stores)



Max 20
(15 Stores)



● Company Operated Stores ● Franchised Stores

1) Operates 50 stores as of July 31, 2020.

2) Represents company owned stores.

3) Whitespace study per Geocartography Group and Company estimates.

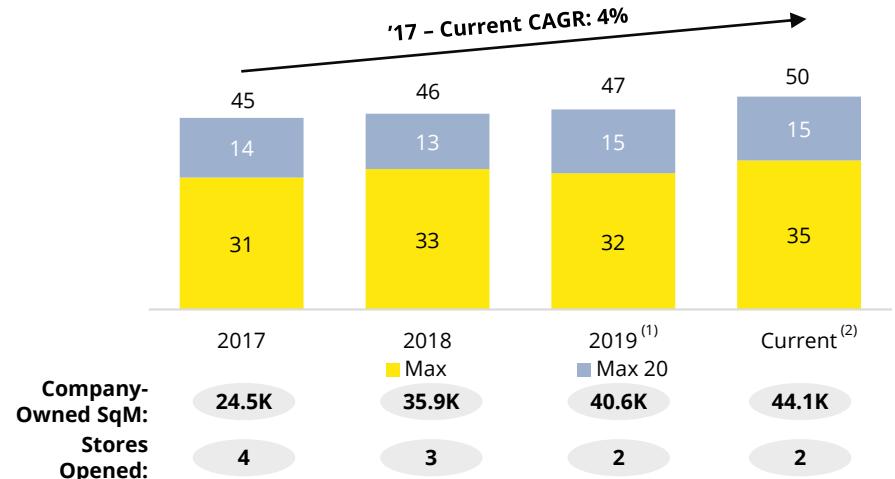
4) Product mix representative of fiscal year 2019 figures.

5) Other comprised of over 25 subcategories with the largest being OTC Pharmaceutical, Candy, Tools/Hardware, Electronics, Winter Goods, Phone Accessories and Outdoors.

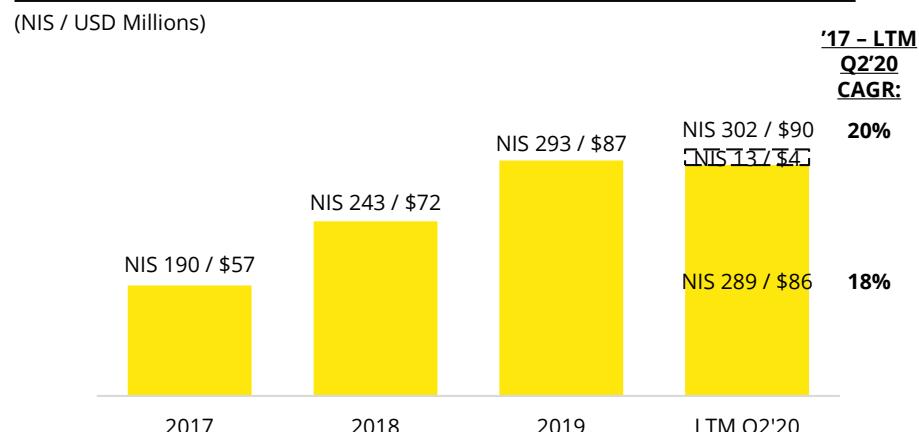
Track Record of Strong Financial Performance



Number of Stores and SqM



Gross Profit



Margin %:

40%

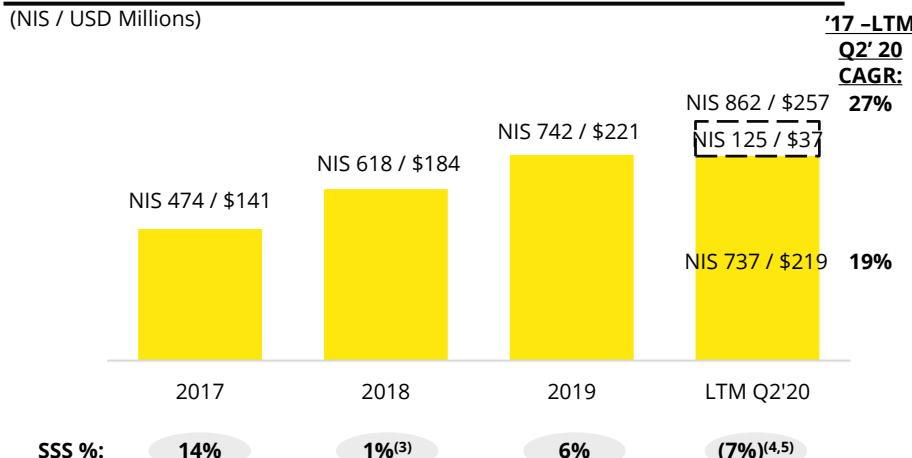
39%

39%

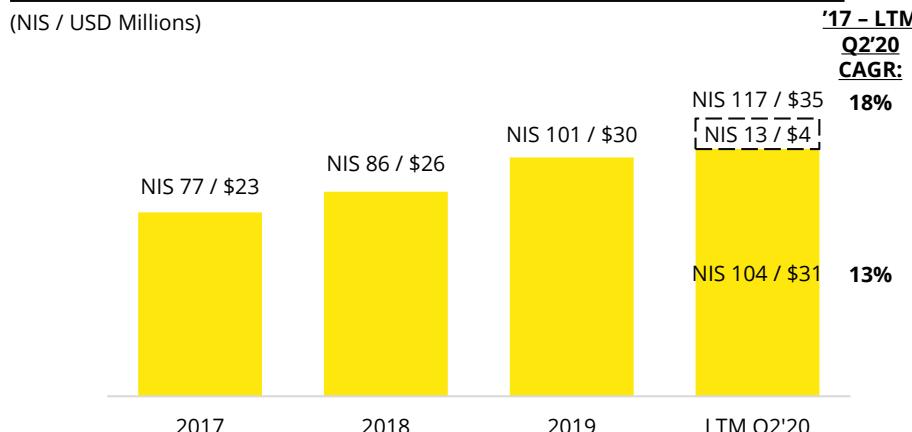
39%⁽⁴⁾

Represents opportunistic sales from personal protective equipment

Revenue



Adjusted EBITDA⁽⁶⁾



Note: Financials presented are on a pre-IFRS 16 basis; see appendix for a reconciliation to post-IFRS 16. Comparable store sales figures reflective of company-owned stores. Israeli Shekels converted to U.S. Dollars at the August 30th, 2020 exchange rate of 0.298.

1) 2019 "Max" store decline due to conversion of two stores to a "Max 20" format; Max has never closed a company-owned store.

4) LTM Q2'20 margins exclude the impact of sales from personal protection equipment.

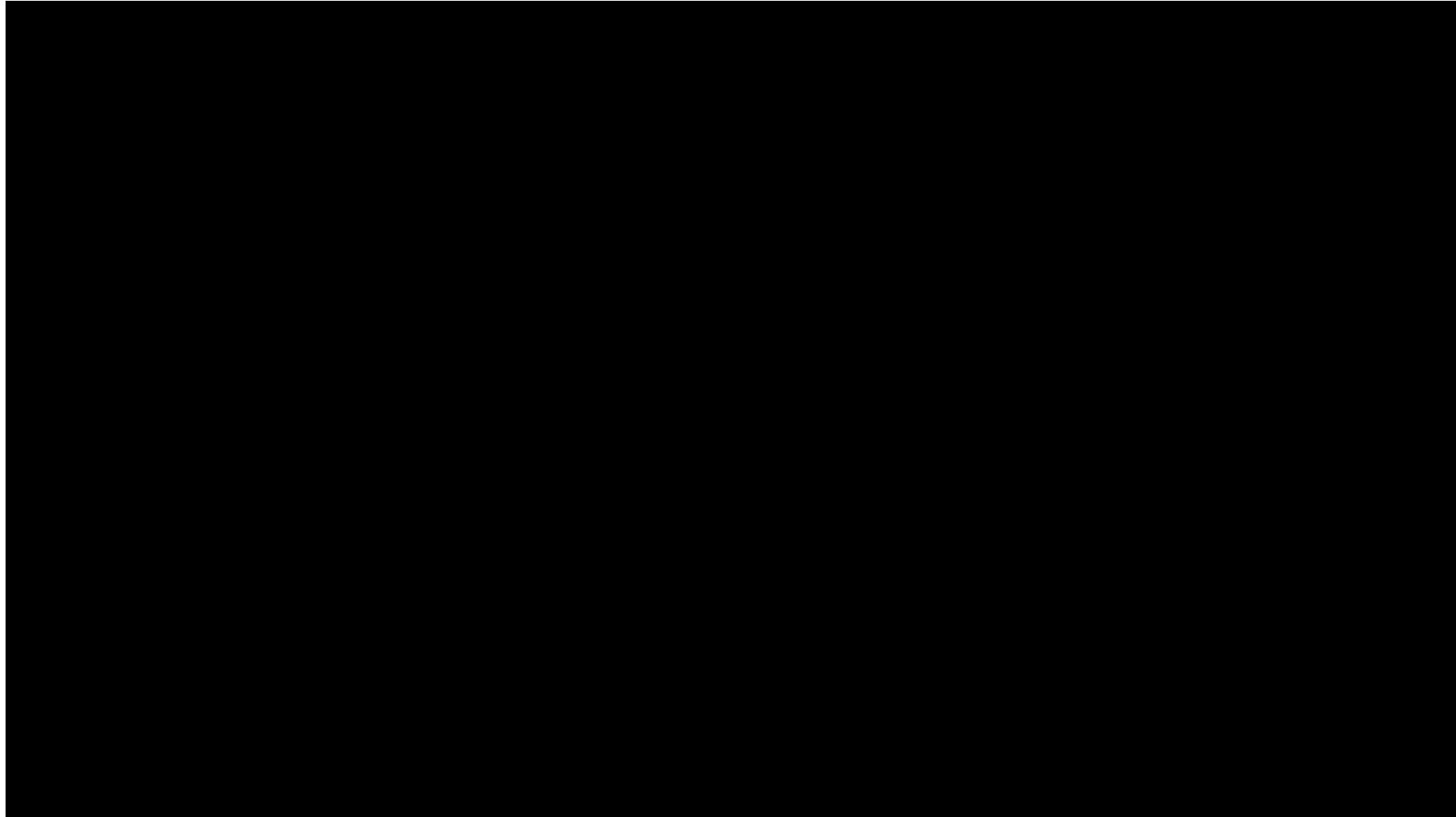
2) Operates 50 stores as of March 31, 2020.

5) Represents 1H'20 comparable store sales; negative due to COVID-19 related store closures in the months of March and April.

3) Company saw increased margin pressure from rapid company expansion (see page 23).

6) Adjusted EBITDA defined as Net Income + Net Interest Expenses + D&A + Other Expenses - the impact of IFRS 16; see appendix for a reconciliation.

Video: Introduction to Max



Our Secret Sauce



Right Product,
Right Price



Superior
Customer Service



Energetic,
Preferred Shopping
Experience



Our Mission is to Help Customers
“Dream Big, Pay Small” for Everyday Essentials

Strong Underlying Israeli Macro Trends

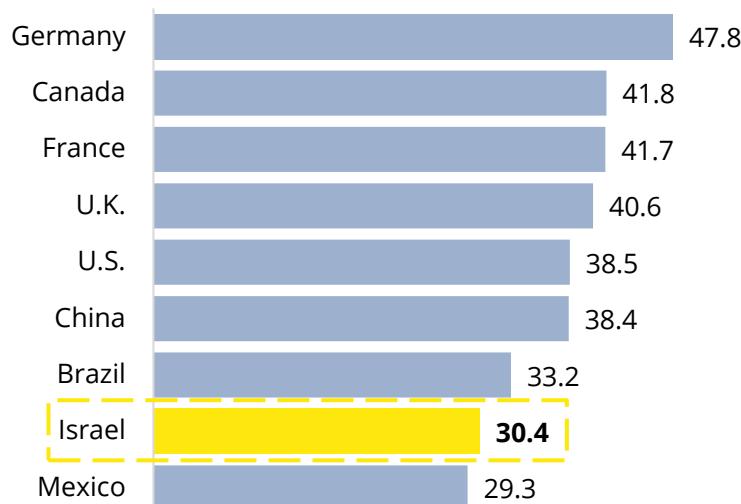
Key Highlights of Economy (Through 2/29/20)⁽¹⁾

- ✓ Low interest rates and inflation
- ✓ Low public debt to GDP (61%)
- ✓ High savings rate: NIS 1.6 trillion of domestic AUM and growing fast (up 250% over 10 years)

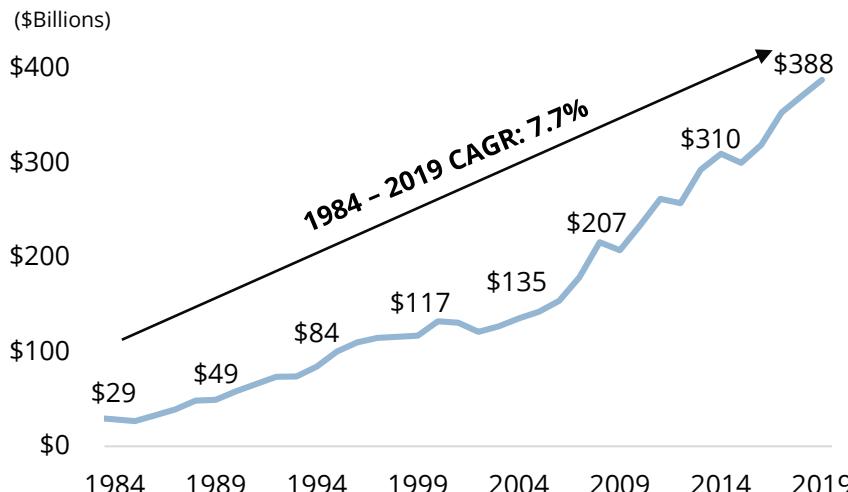
"Israel's economy continues to register remarkable macroeconomic and fiscal performance. Growth is strong and unemployment low and falling. With low interest rates and price stability, financial policy is prudent, and public debt is comparatively low and declining."

- OECD, March 2018

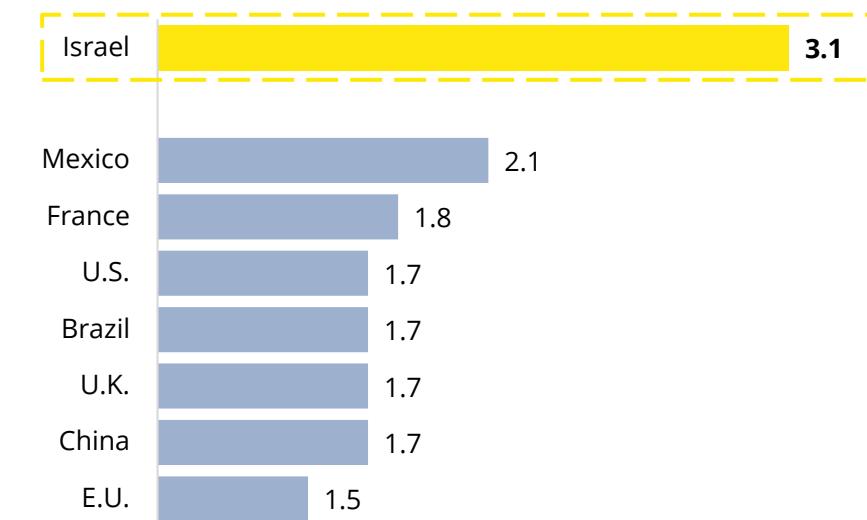
Young Population With Median Age of 30⁽³⁾



Rapid Historical (Pre-COVID) GDP Growth⁽²⁾



Highest Fertility Rate in the OECD (2018)⁽⁴⁾



Investment Highlights



Investment Highlights



1 Broad Assortment of Quality Products for Customers' Everyday Needs

2 Treasure Hunt Experience in an Energetic, Preferred Shopping Environment

3 Low Price Leader With Powerful Value Proposition

4 Differentiated Sourcing Model Led by Tenured Procurement Team

5 "Partner" Store-Level Managers Drive Superior Store Level Execution

6 Compelling New Store Model With Tremendous Whitespace Opportunity

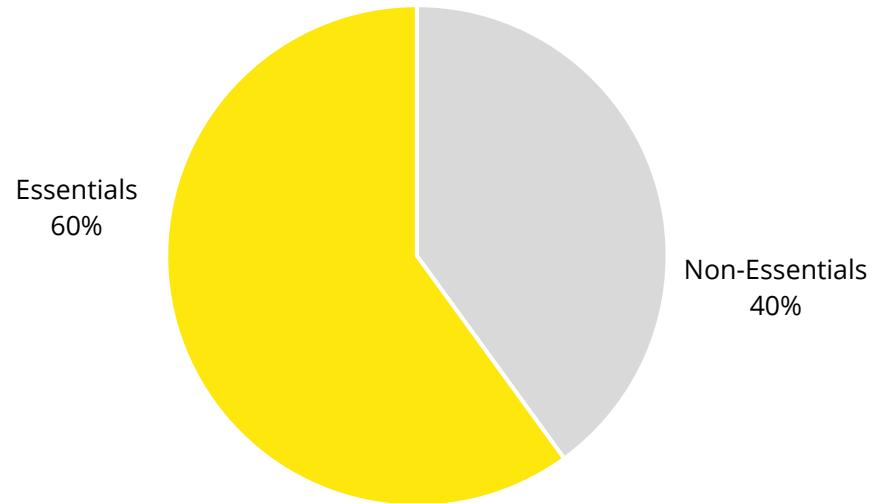
7 Significant Infrastructure Investment Completed to Scale Growth

Broad Assortment of Quality Products for Customers' Everyday Needs



Overview

- Offers a mixture of Max labeled and branded products of everyday essentials
 - 60% essentials vs. 40% non-essentials
- Up to 50% lower prices than conventional retailers
- Rotating first aisle of seasonal favorites driving traffic
- Max 20 offers the most popular SKUs in a smaller box format



Broad Selection of Products Across Merchandise Departments



Hardware



Kitchenware



Toys



Arts & Crafts



Office / School



Holidays



Household Products



Bath



Apparel

Treasure Hunt Experience in an Energetic, Preferred Shopping Environment



Preferred Shopping Environment



Shopping Made Easy Via Well Organized Layout

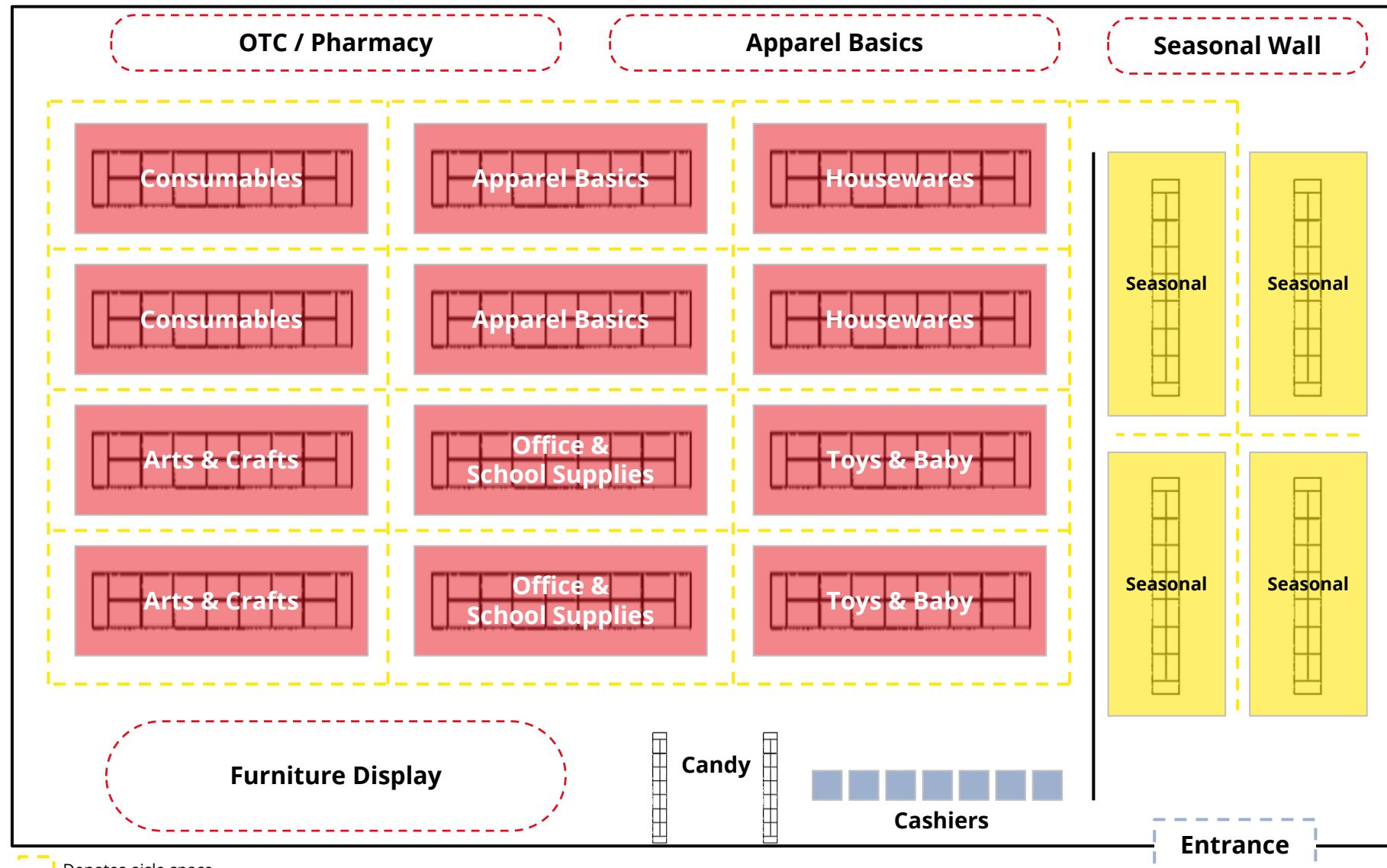


High Energy Environment



Friendly and Passionate Employee Partners

Easy-to-Navigate Store Layout



Denotes aisle space

Our First Aisle of Ever-Changing Products Captures Seasonal Shopping Trends



Israeli Calendar Constantly Presents Opportunities to Drive Shopping Frequency

January



February



March



April



May



June



July



August



September



October



November



December



Weekly Shabbat Celebration Drives Traffic Year-Round

Low Price Leader With Powerful Value Proposition



Our First Price is the Final Price...

Essentials: 60% of Sales



Competitor



NIS 15.90⁽¹⁾
~USD 4.75

NIS 39.90⁽¹⁾
~USD 11.90

Nivea Skin Lotion

60%
Savings



Competitor



NIS 25.90⁽¹⁾
~USD 7.70

NIS 39.00⁽¹⁾
~USD 11.60

1 kg Workout
Weights

34%
Savings



NIS 5.90⁽¹⁾
~USD 1.75

NIS 14.90⁽¹⁾
~USD 4.45

Disney 3-Ring
Binder

60%
Savings



NIS 30.00⁽¹⁾
~USD 8.95

NIS 149.90⁽¹⁾
~USD 44.65

Children's Wooden
Maze

80%
Savings

...Driving Brand Loyalty as Customers Recognize Max as the Value Retailer of Choice

Note: Israeli Shekels converted to U.S. Dollars at the August 30th, 2020 exchange rate of 0.298. Savings vs. competitors based on Company price comparison of competitors in Israeli local markets as of June 22, 2020.

(1) Includes mandatory VAT of 17%.

Differentiated Sourcing Model Led by Tenured Procurement Team

Product Sourcing Overview⁽¹⁾

Internationally Sourced

- 95% of imported containers are unloaded at two distribution centers (~15,000 SqM) in Caesarea
- Most products sourced internationally are from importers located in Asia
- Significant opportunity to increase margins via an increase in direct sourcing
- Growing closeout merchandise sourcing

Locally Sourced

- Buy through 50% Israeli importers
- No supplier accounts for more than 20% of local purchases
- Product is processed through Max's distribution center
- Growing closeout merchandise sourcing



"Partner" Store-Level Managers Drive Superior Store Execution



The "Partner" Store-Level Manager Model...

- As Max opens new Company-owned stores, store-level managers are given the opportunity to make a minority investment in the store
 - Store-level managers are promoted internally after working in store operations for several years
- Max's family-like culture promotes strong company loyalty and has resulted in extremely low turnover
 - Managers average ~7 years of tenure

Illustrative Manager Profit Share Overview

(NIS Thousands)

	Max	Manager
Sales	20,000	2,000
Net Income		
Net Income Profit Share	90%	10%
Store Operations	✗	✓
Purchasing, Finance & Logistics	✓	✗

Stores Pay Max a 2.5% Management Fee and Local Suppliers Pay Max a 2.0% Fee on All Store Purchases

...Drives Considerable Benefits to Max

- 1 Strongly Aligned Economic Incentives
- 2 Scaled Authenticity and Community Engagement
- 3 Less Corporate Attention Required
- 4 Attracts Top-Tier Industry Talent

Selected Manager Responsibilities

- Ability to alter merchandising mix for some products based on local preferences
 - New IT investments facilitate inventory / order management via an iPad / tablet application
- Hiring and training of store employees
- Deliver superior customer service and a connection to local community

Dual Format Store Strategy for All Real Estate Markets



Max (Large Box Format)

- Full assortment of merchandise
- Located in suburban markets
- Company majority owned with manager owning a minority stake in the store
- Main format for new store model expansion
- Average store sizes of ~1,800 SqM (~19,500 sq. ft.)⁽²⁾

Highly Accessible Locations With Ample Parking



Max 20 (Small Box Format)

- Curated merchandise priced at NIS 20 (~\$6) or below⁽¹⁾
- Located in city centers
- Mostly franchised concept; franchisees responsible for initial capital outlay and initial fee
 - Average revenue royalty rate of ~3%⁽³⁾
- Average store sizes of ~200 SqM (~2,150 sq. ft.)

Conveniently Located in Urban Centers



(1) Includes mandatory VAT of 17%. Israeli Shekels converted to U.S. Dollars at the August 30th, 2020 exchange rate of 0.298.

(2) Represents company owned stores.

(3) Additional 2.0% payment on all store purchases and a profit margin on merchandise imported directly by Max and sold to the franchised store.

Compelling New Store Model With Tremendous Whitespace Opportunity...



Max New Store Economic Model Overview

- Payback period of less than two years
- Four year ramp until maturity
- Target same payback for all geographies and store sizes



Max New Store Economic Model (Large Store Format)⁽¹⁾

(NIS / USD Thousands)

Model Assumptions	Year 1	
	Revenue	~30,000 NIS / \$8,925
	Max Store-Level EBITDA Contribution ⁽²⁾	~3,250 NIS / \$975
	Store-Level EBITDA Margin %	~11%
	Cash-on-Cash Return	~75%
	Tremendous Whitespace Opportunity; Ability to Double Store Count in Medium-to-Long-Term	

Note: Cash-on-cash returns defined as store-level EBITDA divided by total initial net cash investment. Israeli Shekels converted to U.S. Dollars at the August 30th, 2020 exchange rate of 0.298.

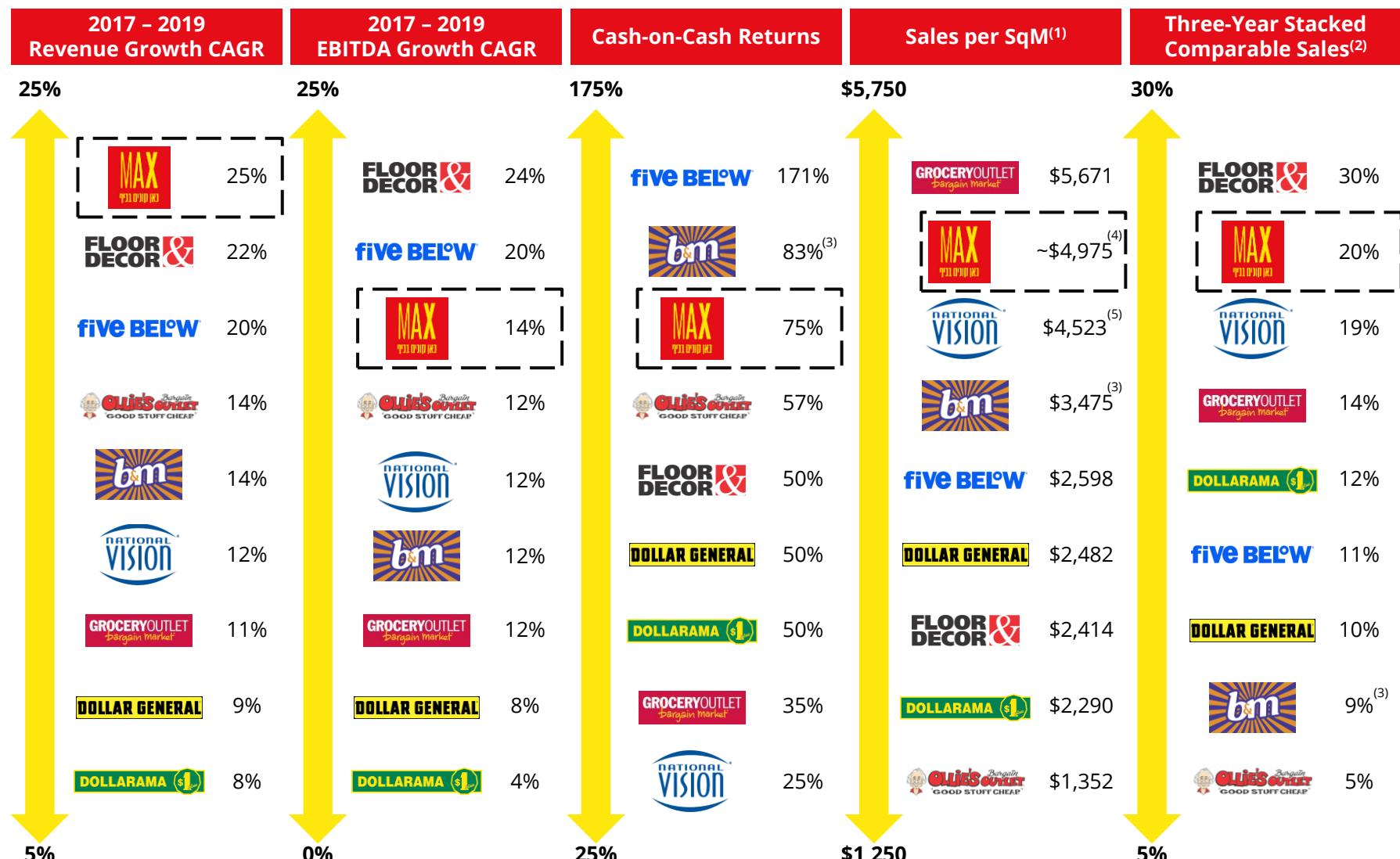
(1) Expected new store economics. Actual results may differ.

(2) Store-Level EBITDA defined as Revenue less Cost of Goods Sold less Operating Expenses plus D&A; includes 3% of additional costs allocated at the store level relating to the sale of goods from Max Stock.

...And Superior Financial Metrics



Operational Metrics



Source: Wall Street research and public company filings as of July 31, 2020.

(1) Calculated as 2019 Revenues divided by total selling SqM.

(2) Three-year stacked comparable sales represents fiscal year 2017 - 2019.

(3) B&M financial metrics represent B&M U.K. stores.

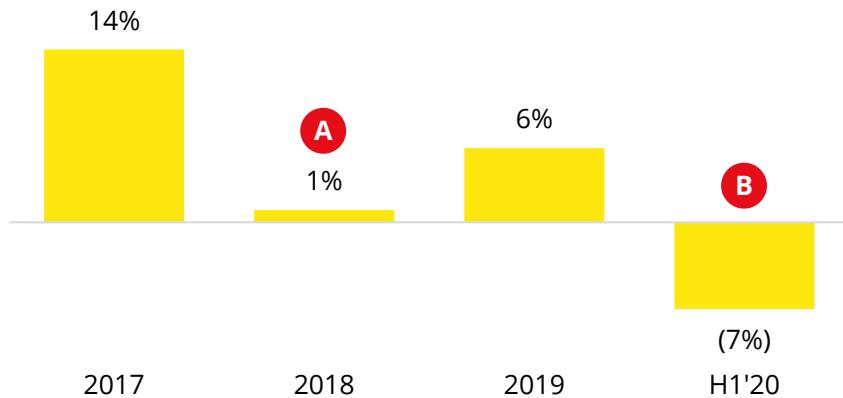
(4) Reflects total company-owned store sales divided by total company-owned store square meters in 2019; Israeli Shekels converted to U.S. Dollars at the August 30th, 2020 exchange rate of 0.298.

(5) Represents blended Sales per SqM for America's Best and Eyeglass World banners.

Significant Infrastructure Investment Completed to Scale Growth



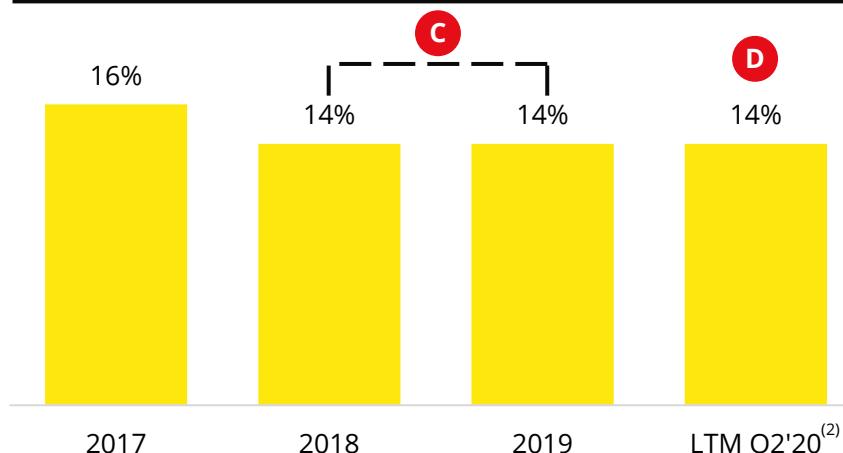
Comparable Store Sales Impact



Commentary

- A** In 2018, constructed a new Distribution Center in Caesarea to keep up with high product demand
 - Difficulty getting the Distribution Center running at full capacity caused operational issues at stores
- B** Max's stores were closed during April 2020 due to COVID-19, which is driving negative comparable store sales for H1'20
- C** In 2018, the Company saw increased margin pressure due to:
 - 6% minimum wage increase in Israel
 - Investment in IT infrastructure to support growth
 - Built out corporate operations teams to support growth
 - Increased rent expense due to larger box size of new store format that will mature in a few years
- D** Second Distribution Center (6,800 SqM) opened in 2020 to support future growth

Adjusted EBITDA Margin Impact⁽¹⁾



Completed Corporate Initiatives to Support Future Store Growth

Note: Financials presented are on a pre-IFRS 16 basis; see appendix for a reconciliation to post-IFRS 16.

1) Adjusted EBITDA defined as Net Income + Net Interest Expenses + D&A + Other Expenses - the impact of IFRS 16; see appendix for a reconciliation of Adjusted EBITDA.

2) LTM Q2'20 Adjusted EBITDA margin excludes the impact of sales from personal protection equipment.

Passionate Founder-Led Management Team With Collaborative Culture



Best-in-Class Management Team...

...Supported by Highly Committed Employees



Ori Max
Founder and Co-CEO

Years in Retail

20+ Years



Evan Neumann
Co-CEO

20+ Years



Shlomo Cohen
Chief Operating Officer

20+ Years



Nir Dagan
Chief Financial Officer

4 Years



Ifat Nir Katz
General Counsel

14 Years



Oz Korsia
Chief Logistics Officer

15 Years



Roy Ben Nun
VP of Trade

18 Years



~1,800 Employees⁽¹⁾ Committed to Helping Customers “Dream Big, Pay Small”



22 “Partner” Managers Help Cultivate an Immersive and Satisfying Shopping Experience



Max Prioritizes Hiring People With Disabilities to Build a Culture of Inclusion and Diversity

Scaled Management Team With Deep Bench of Talent With Over 100 Years of Combined Retail Experience

(1) Represents the approximate number of current employees, including approximately 1,700 employees of the Company's subsidiaries, as of July 31, 2020.



Growth Strategies

Our Focus on Future Growth



Drive Comparable Store Sales



Grow Store Base



Increase Brand Awareness and Customer Engagement



Expand Omni-Commerce Capabilities



Execute on Operating Margin Enhancements



Creating Israel's Leading Value Retailer

Drive Comparable Store Sales

Leverage Infrastructure Investments To Drive Consistent Future Growth



1

Increase Traffic and Basket Size By Providing a Differentiated Shopping Experience

2

Enhance Customer Experience Through Exceptional Service and Digital Engagement

3

Provide Value and Variety to Customers Through Dynamic Merchandising Offering

4

Leverage First Aisle of Ever-Changing Products to Capture Seasonal Demand

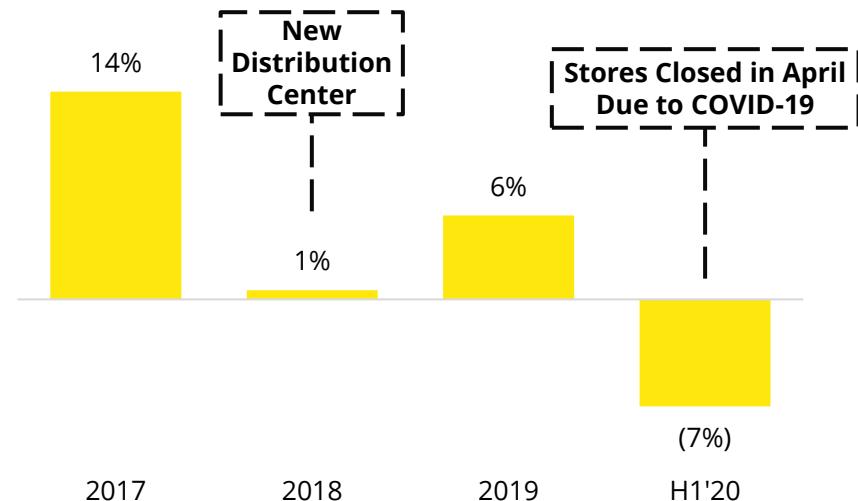
5

Roll-Out Loyalty Program and Track Customer Data Analytics

6

Enhance Distribution Capabilities to Drive Increased Inventory Replenishment Rates

Historical Comparable Store Sales



Drive Comparable Store Sales

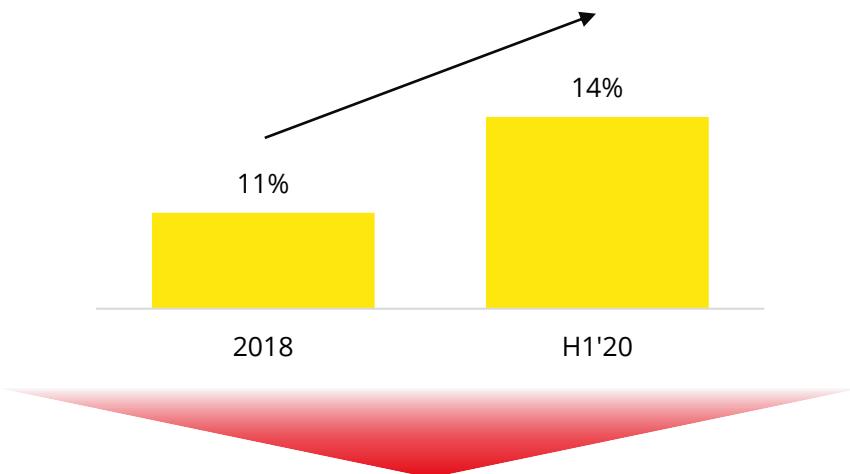
Continue to Expand Product Offering



Case Study: Expansion into Toys

- Expanded toy category in 2018 to offer greater selection of products
- Sourcing model creates flexibility to quickly shift the product mix as economic and consumer preferences evolve
 - Secondary market continues to drive opportunities for SKU diversification

Toy Sales as a % of Revenue



Opportunity for Adjacent Category Expansion



Grow Store Base

Tremendous Whitespace Opportunity



- Opportunity to more than double the store base and square meters in Israel over the medium-to-long-term⁽¹⁾
- The Company's site selection process targets new locations with ~30K population within a 15 - 20 minute drive, ~2,000 square meter store size and easy access / ample parking
- Proven portability across multiple market segments
 - Dual store format allows the Company to serve customers in urban and suburban locations
- In 2018, the Company opened a new 8,200 SqM distribution center in Caesarea and an additional 6,800 SqM of distribution center space in 2020, also in Caesarea
 - Consolidates the Company's logistics operations, facilitates future revenue growth and increases the percent of direct imports (private label)
- Ability to test opportunities outside of Israel



Increase Brand Awareness and Customer Engagement



128K
Followers

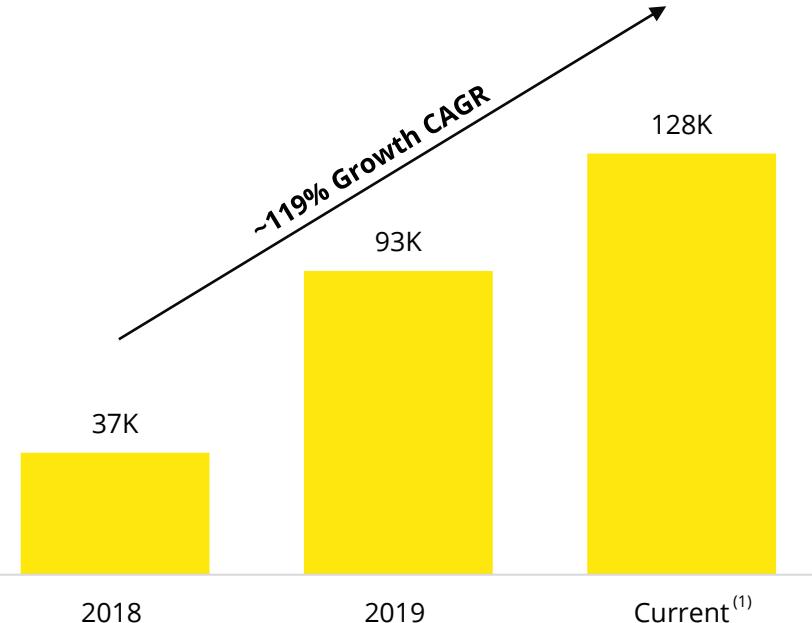
1.2M

LTM Maxstock.co.il Site Visits

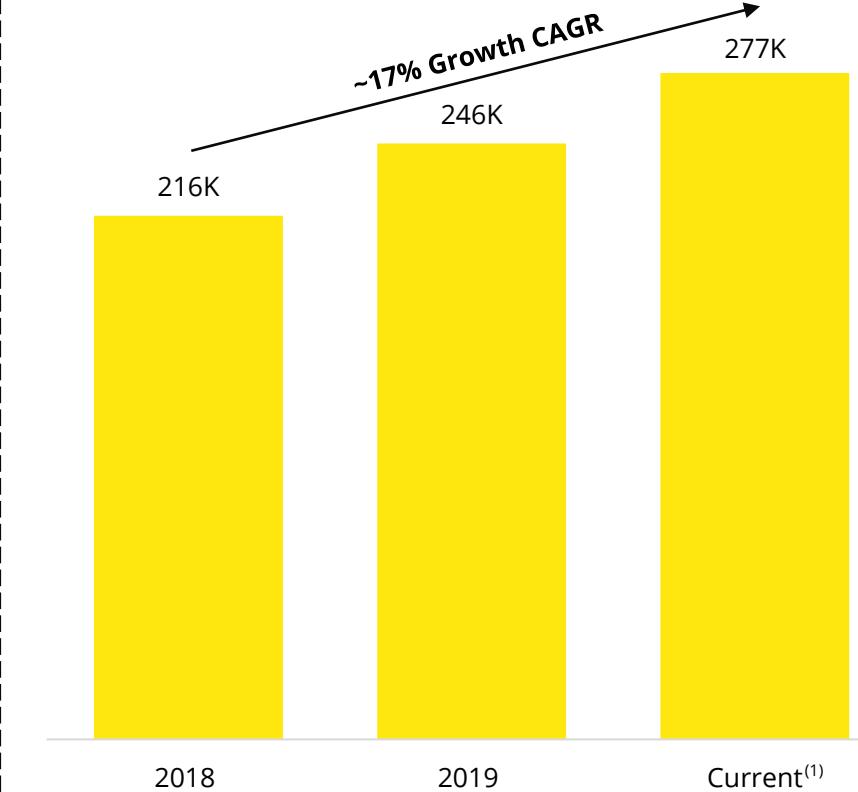


277K
Likes

Instagram Followers Growth



Facebook Likes Growth



Expand Omni-Commerce Capabilities



Planned Rollout of a Digitally Integrated Omni-Commerce Platform

- We are currently working on our omni-commerce strategy and plan to implement elements of our strategy in the next twelve months
- Given the lack of scaled eCommerce players in Israel, Max's planned omni-commerce strategy has the potential to strongly resonate with customers and reinforce Max's position as the value retailer of choice in Israel



Execute on Operating Margin Enhancements



1

Capitalize on Infrastructure Investments Through Productivity Initiatives

2

Improve Purchasing Power With Scale

3

Increase Direct Sourcing of Merchandise

4

Identify and Implement Productivity Initiatives



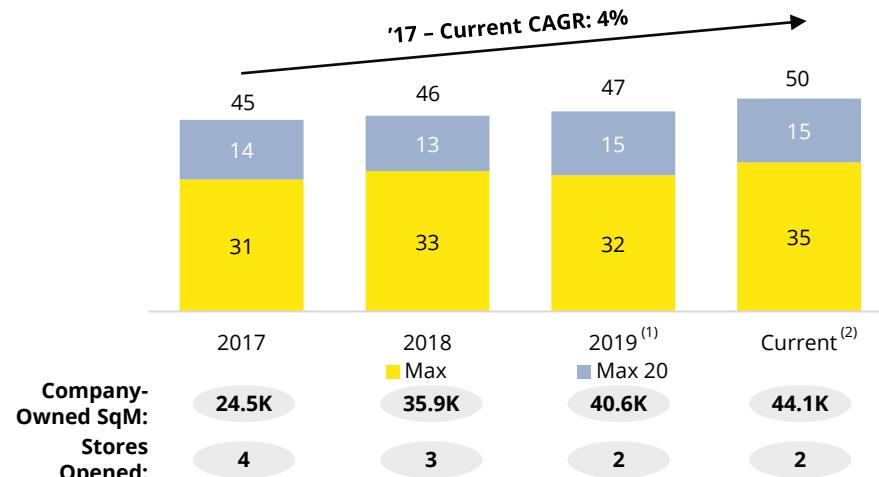
Historical Financial Review



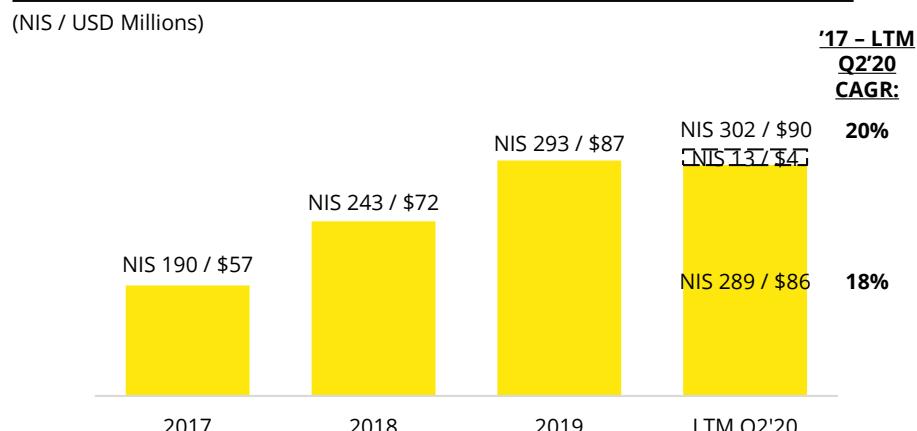
Historical Financial Performance



Number of Stores and SqM



Gross Profit



Margin %:

40%

39%

39%

39%⁽⁴⁾

Represents opportunistic sales from personal protective equipment

Revenue



Adjusted EBITDA⁽⁶⁾



Note: Financials presented are on a pre-IFRS 16 basis; see appendix for a reconciliation to post-IFRS 16. Comparable store sales figures reflective of company-owned stores. Israeli Shekels converted to U.S. Dollars at the August 30th, 2020 exchange rate of 0.298.

1) 2019 "Max" store decline due to conversion of two stores to a "Max 20" format; Max has never closed a company-owned store.

4) LTM Q2'20 margins exclude the impact of sales from personal protection equipment.

2) Operates 50 stores as of July 31, 2020.

5) Represents 1H'20 comparable store sales; negative due to COVID-19 related store closures in the months of March and April.

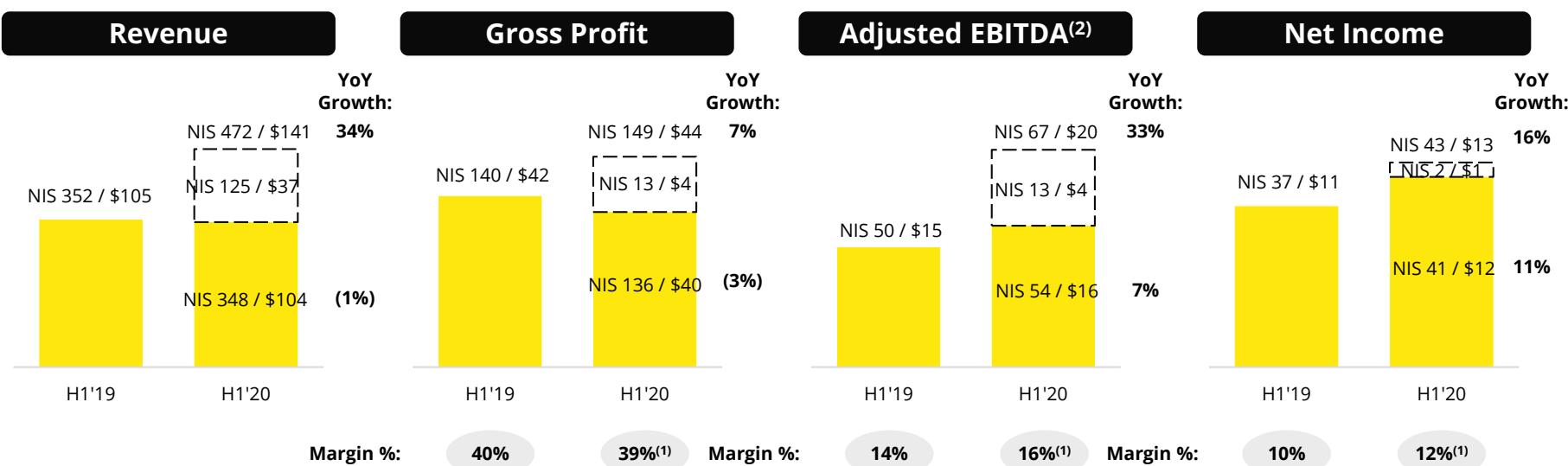
3) Company saw increased margin pressure from rapid company expansion (see page 23).

6) Adjusted EBITDA defined as Net Income + Net Interest Expenses + D&A + Other Expenses - the impact of IFRS 16; see appendix for a reconciliation.

H1'20 Financial Update

(NIS / USD Millions)

- Due to COVID-19, on March 15th, 2020, the Israeli government began to restrict travel and retail operations, resulting in business disruptions and store closures for Max until May 1st, 2020
- Despite temporary store closures due to COVID-19, Max drove 34% year-over-year sales growth in H1'20 including sales of COVID-19 related goods to businesses and government entities
 - Max leveraged its sourcing capabilities and distribution centers to sell COVID-19 related goods directly to businesses and government entities
 - Considerable demand for personal protection equipment temporarily lowered operating margins for the quarter
- Comparable store sales declined (7%) in H1'20 driven by store closures during March and April
- Despite store closures in March and April and excluding one-time COVID-19 related goods sales, Max grew Adjusted EBITDA and Net Income in H1'20 by 7% and 11%, respectively, vs. the same period last year



Strong H1'20 Financial Performance Despite Store Closures Throughout April

Note: Financials presented on a pre-IFRS 16 basis; see appendix for a reconciliation to post-IFRS 16. Israeli Shekels converted to U.S. Dollars at the August 30th, 2020 exchange rate of 0.298.

(1) H1'20 margins exclude impact of sales from personal protection equipment.

(2) Adjusted EBITDA defined as Net Income + Net Interest Expenses + D&A + Other Expenses - the impact of IFRS 16; see appendix for a reconciliation.

Strong Balance Sheet



Key Points

- Max has ample liquidity and strong free cash flow generation to support future growth
- Conservative debt on the balance sheet to ensure financial flexibility
- Modest capital expenditures and working capital needs

Summary Balance Sheet

(NIS Thousands)

Balance Sheet as of	6/30/2020	6/30/2019	12/31/2019
Current Assets	310,255	206,169	217,777
Right of Use Assets	359,452	294,900	370,165
Other Non-Current Assets	51,834	43,807	44,955
Total Assets	721,541	544,876	632,897
Short-Term Lease Liabilities	48,242	43,811	47,216
Other Current Liabilities	162,596	115,273	100,204
Long-Term Lease Liabilities	336,910	271,922	344,162
Other Non-Current Liabilities	25,318	26,861	21,259
Total Liabilities	573,066	457,867	512,841
Equity	148,475	87,009	120,056
Total Liabilities and Equity	721,541	544,876	632,897

Capitalization Structure at IPO

(NIS / USD Thousands)

Capitalization as of 6/30/2020	Balance (NIS / \$)	Leverage
Cash and Cash Equivalents	NIS 122,486 / \$36,470	
Line of Credit	NIS 40,000 / \$11,910	0.3x
Short-Term Debt	NIS 17,434 / \$5,191	0.1x
Long-Term Debt	NIS 23,354 / \$6,954	0.2x
Total Debt	NIS 80,788 / \$24,055	0.7x
Net Debt / (Cash)	(NIS 41,698) / (\$12,416)	(0.4x)

Based on LTM Q2'20 Adjusted EBITDA of:⁽¹⁾

NIS 116,977 / \$34,830

Note: Israeli Shekels converted to U.S. Dollars at the August 30th, 2020 exchange rate of 0.298.

(1) Adjusted EBITDA defined as Net Income + Net Interest Expenses + D&A + Other Expenses - the impact of IFRS 16; see appendix for a reconciliation.

Long-Term Financial Targets



Metric

Long-Term Target

Unit Growth

3 - 5 New Max Stores Annually

(Potential to Double Store Count Long-Term)

Annual Revenue Growth

Low-to-Mid Teens

Annual SSS

3%

Adjusted EBITDA
Margin Expansion

~200bps

Annual Net Income Growth

18% - 20%

Investment Highlights

1 Broad Assortment of Quality Products for Customers' Everyday Needs

2 Treasure Hunt Experience in an Energetic, Preferred Shopping Environment

3 Low Price Leader With Powerful Value Proposition

4 Differentiated Sourcing Model Led by Tenured Procurement Team

5 "Partner" Store-Level Managers Drive Superior Store Level Execution

6 Compelling New Store Model With Tremendous Whitespace Opportunity

7 Significant Infrastructure Investment Completed to Scale Growth

Appendix



Overview of Franchise Economics



Franchisee's Penetrate Urban Centers

- Max uses a franchise model to open smaller-box locations in highly-trafficked urban markets
 - Max 20 stores are an average of ~200 SqM (~2,150 sq. ft.) with a curated merchandize priced at NIS 20 (~\$6) or below
- Max currently has 22 franchised locations⁽¹⁾ throughout Israel
- Franchisees deploy all initial capital requirements
- Average revenue royalty rate of ~3% for franchised stores
- Marketing and technical assistance provided to all franchisees on an ongoing basis
- Max has experienced tremendous success in its franchisee vetting process:
 - All franchisees must be former Max employees and pass suitability standards to insure operational success of each location



Adjusted EBITDA Reconciliation



Reconciliation of Net Income to Adjusted EBITDA

(NIS Thousands)

	2017	2018	2019	LTM Q2'20 ⁽²⁾
Net Income	53,621	58,814	70,274	72,880
(+) Interest Expense, Net	1,728	1,676	10,397	23,750
(+) Income Tax Expense	17,836	19,414	20,861	22,267
(+) Depreciation and Amortization	2,667	4,554	38,891	39,657
(+) Other Expenses ⁽¹⁾	1,573	1,682	766	643
(-) IFRS 16 Adjustment	NA	NA	(40,662)	(42,220)
Adjusted EBITDA (Pre-IFRS 16)	77,425	86,140	100,527	116,977
(+) IFRS 16 Adjustment	NA	NA	40,662	42,220
Adjusted EBITDA (Post-IFRS 16)	NA	NA	141,189	159,197

(1) Other expenses include losses on sales of fixed assets.

(2) LTM Q2'20 financials include impact of sales from personal protection equipment.

Application of IFRS 16

Impact of IFRS 16 on the 2019 Income Statement

(NIS Thousands)

Section	Before Application of IFRS 16	Effect of IFRS 16	After Application of IFRS 16	After Application of IFRS 16 (Excl. PPE)
Gross Profit	292,669	878	293,547	293,547
Adjusted EBITDA	100,527	40,662	141,189	141,189
Operating Profit	93,933	7,599	101,532	101,532
Profit Before Tax	93,246	(2,110)	91,135	91,135
Net Income	71,898	(1,624)	70,274	70,274

Impact of IFRS 16 on the H1'19 Income Statement

(NIS Thousands)

Section	Before Application of IFRS 16	Effect of IFRS 16	After Application of IFRS 16	After Application of IFRS 16 (Excl. PPE)
Gross Profit	139,684	293	139,977	139,977
Adjusted EBITDA	50,300	19,545	69,845	69,845
Operating Profit	47,819	3,241	51,060	51,060
Profit Before Tax	47,886	(1,730)	46,156	46,156
Net Income	36,713	(1,332)	35,381	35,381

Impact of IFRS 16 on the H1'20 Income Statement

(NIS Thousands)

Section	Before Application of IFRS 16	Effect of IFRS 16	After Application of IFRS 16	After Application of IFRS 16 (Excl. PPE)
Gross Profit	148,834	922	149,756	136,900
Adjusted EBITDA	66,750	21,104	87,854	74,998
Operating Profit	63,930	4,495	68,425	55,570
Profit Before Tax	54,656	(4,488)	50,168	47,644
Net Income	42,598	(4,611)	37,987	36,042