

MAX

Dream Big, Pay Small

FY2021 EARNINGS

March 23, 2022

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We are
Israel's
leading
extreme
value
retailer



=

DOLLAR GENERAL



=



=



MAX Our secret sauce



Right
Product



Right
Price



Superior
Customer
Service

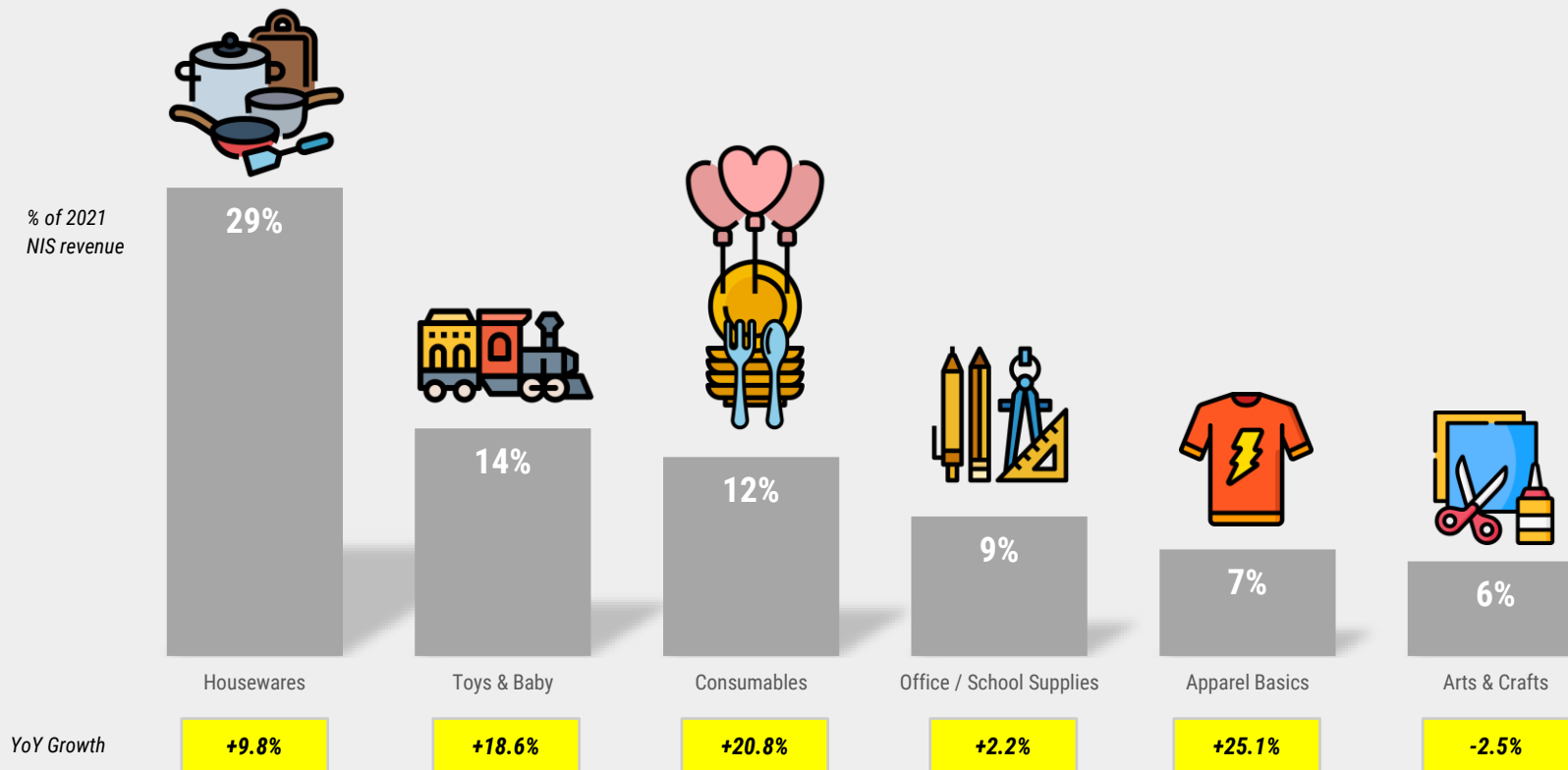
MAX

We continue to expand our assortment of quality products for customers' everyday needs



Growth experienced across all of our core categories*

% of 2021 NIS revenue and YoY growth



* Defined as categories that accounted for over 10% of revenue (in value terms) in 2021, 2020 or 2019. Arts & Crafts presented on slide although not defined as a core category.

LET'S TAKE IT TO THE

MAX

Our management team



Ori Max
Founder & CEO



Shlomo Cohen
Deputy CEO



Nir Dagan
Chief Financial Officer



Ifat Nir-Katz
General Counsel and
Corporate Secretary



Talia Sessler
Chief Corporate Development
and Investor Relations Officer



Oz Corsia
Chief Trade Officer



Roy Ben-Nun
Chief Overseas Operations



Eran Tsairi
Chief Logistics Officer



Maya Goldin
Chief HR Officer



Chen Goldfarb
Director of IT



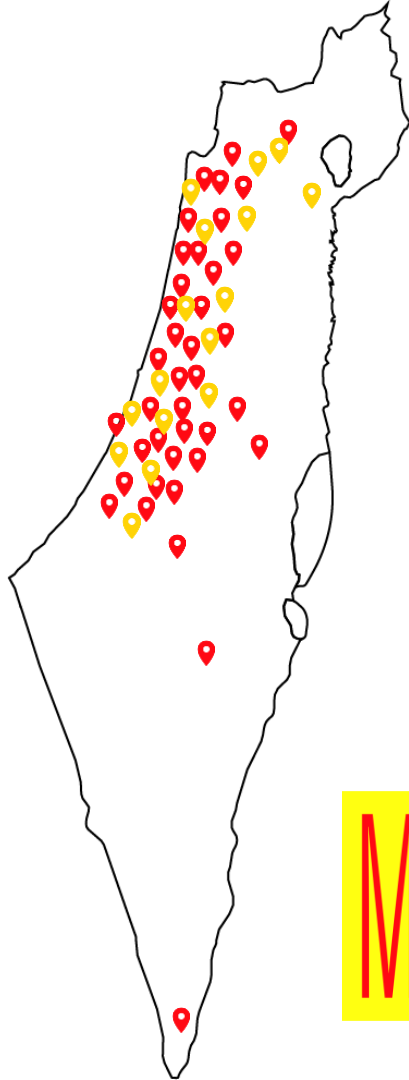
Moran Ironi
Director of Marketing



Ofir Edri
Stores General Manager

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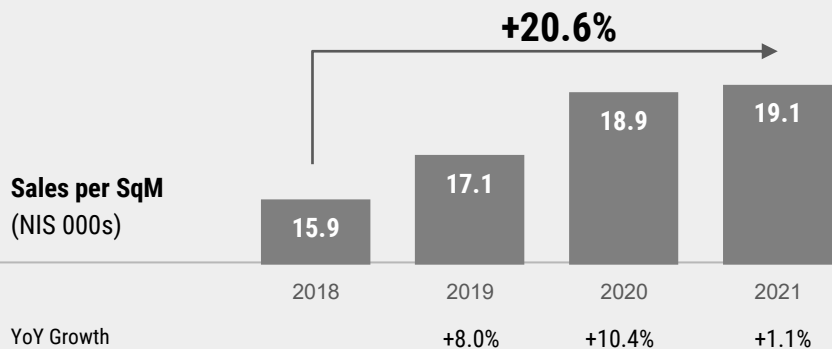
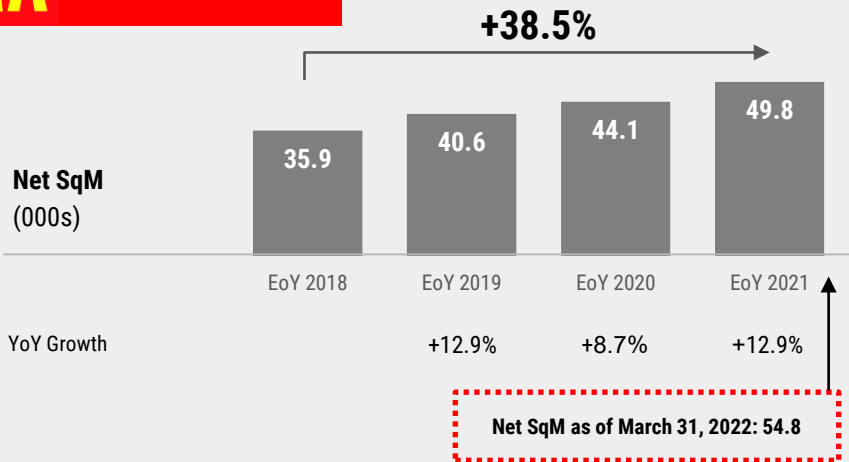
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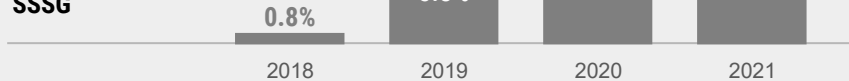
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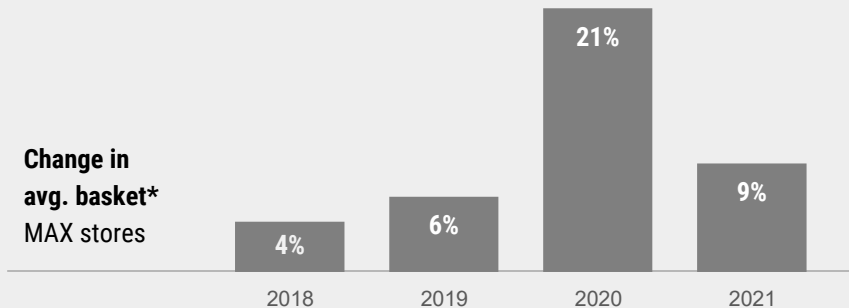
MAX Our KPIs



SSSG



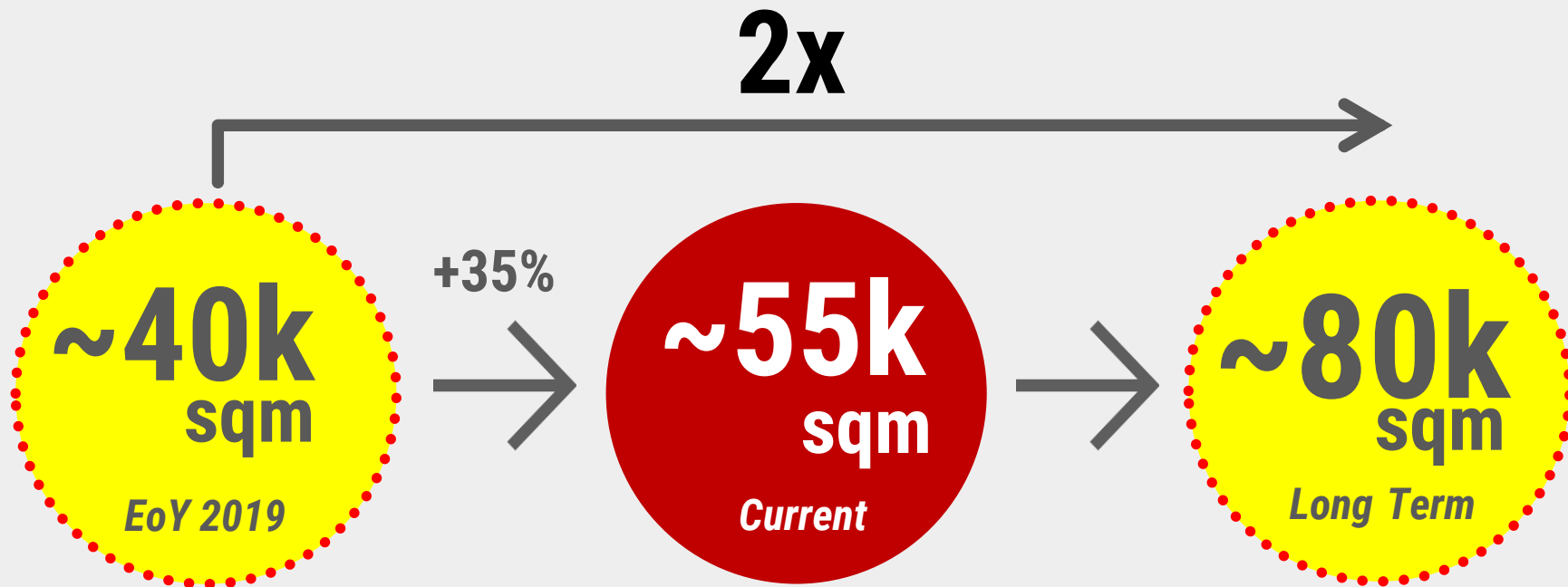
Change in avg. basket* MAX stores



* vs. the prior year

Looking forward: Double SqM vs. 2019 within 2-3 additional years

Significant whitespace opportunity



Portugal and Spain

- On March 22, 2022 Max Stock executed a non-binding MoU with a local partner in Portugal regarding a joint venture controlled by the Company, whose objective is to establish and manage the Max Stock store chain in Portugal and Spain
- In the event that the parties execute a binding agreement and subject to an agreed-upon business plan, the joint venture is anticipated to open its first store in Portugal in the next 12 months
- The forecasted financing for the first three years of the venture is up to EUR 5 million, which shall be extended to the joint venture in accordance with milestones established in the business plan. The sources of financing may be from the Company's internal sources and/or from external sources



Exceeding our Long-Term Financial Targets

(2021 Results Measured vs. 2019 numbers)

Metric	Long-Term Target	Commentary	
Unit Growth	3 – 5 New Max Stores Annually <i>(Potential to double SqM long-term)</i>	Four new owned stores in 2021 (two stores, net ⁽²⁾); + one franchised store. Three signed contracts for 2022 (two stores, net ⁽³⁾), two of which already opened	
Annual Revenue Growth ⁽¹⁾	Low-to-Mid Teens	'19-'21 CAGR of 14.7%	
Annual SSS	3%	'19-'21 CAGR of 10.2%	
Adjusted EBITDA Margin Expansion	~200bps	+100bps vs. 2019	
Adj. annual EPS Growth ⁽⁴⁾	18% - 20%	'19-'21 CAGR of 19.2%	

(1) Excluding one-time bulk operations (in 2020).

(2) Two new stores (Rishon and Dimona) replaced two other existing stores, which were then closed.

(3) Kfar Saba is expected to replace an existing store.

(4) EPS attributable to shareholders and adjusted for share-based payments (SBC), one-time bulk operations (in 2020) and issuance costs (in 2020).



MAX

2021 and Q4'21 Financial Highlights

Strong performance in 2021 on top of exceptional growth and profitability in 2020, which was positively impacted by COVID

+6.5%

SSSG

*On top of historic
+11.5% in 2020*

+21.5% vs. 2019

38.8%

Gross Margins ⁽¹⁾

*-10bps vs. 2020 ⁽¹⁾
-80bps vs. 2019
Despite disruption in global
supply chain and increased
freight costs*

+10.2%

Revenue growth ⁽¹⁾

*On top of historic
+19.4% in 2020**

+31.7% vs. 2019

7.0%

EPS growth

*NIS 0.59 in adjusted EPS ⁽²⁾
attributable to shareholders*

NIS 70mm

**Dividend paid in
2021**

NIS 0.49 per share

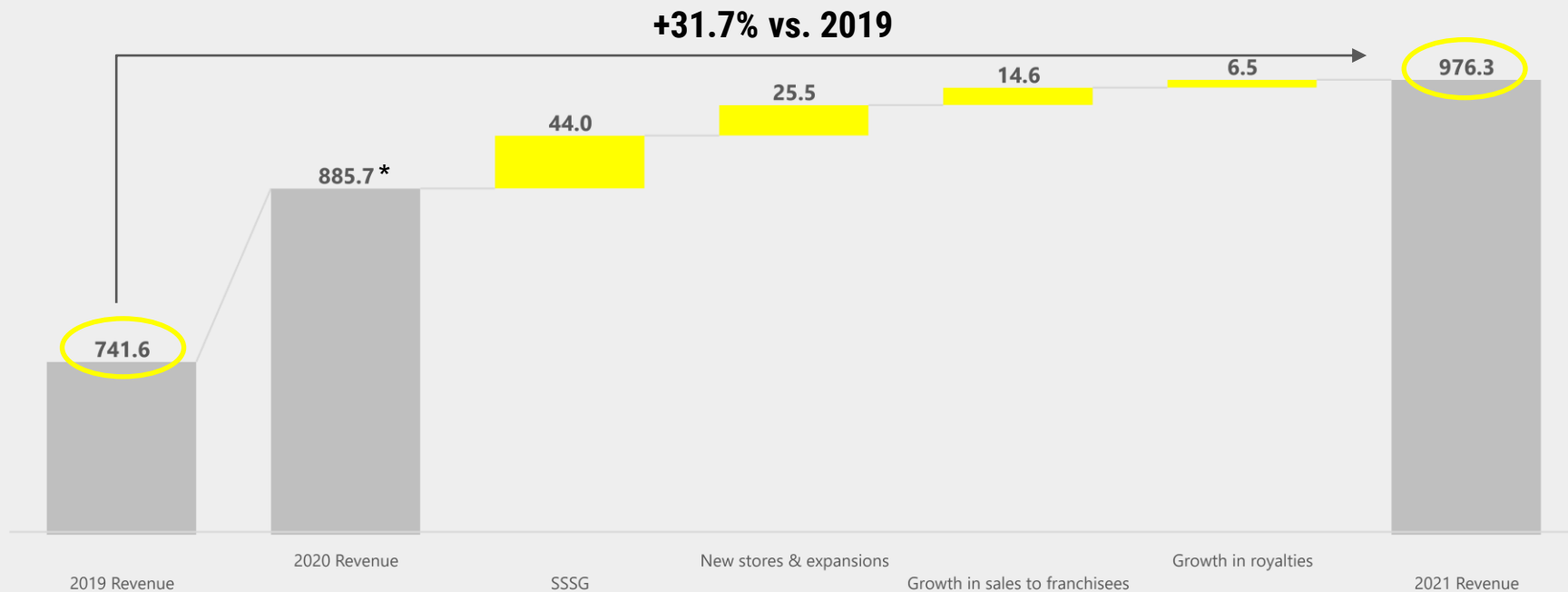
(1) Excluding one-time bulk operations in 2020.

(2) EPS adjusted for stock-based compensation (SBC), one-time bulk operation in 2020 and IPO costs in 2020.



Revenue Bridge

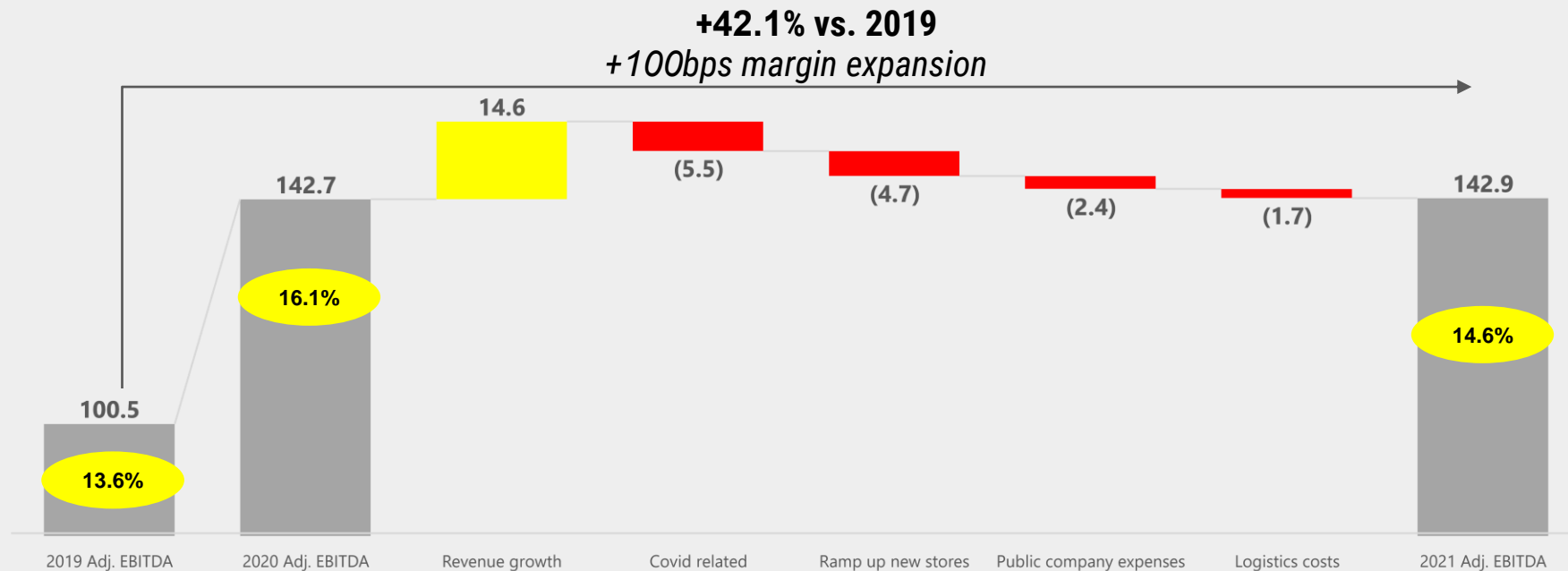
(2019; 1-12/2021 vs. 1-12/2020; NIS mm)



* Excluding one-time bulk operations in 2020.

Adjusted EBITDA Bridge

(2019; 1-12/2021 vs. 1-12/2020; NIS mm & % of Revenue)



Note: Covid related amounts include discounts and grants given in 2020 .

Adjusted EBITDA pre IFRS 16 = EBIT + D&A + other costs (including IPO costs in 2020) + stock-based compensation (SBC) + one-time bulk operation (in 2020) + IFRS 16.

Q4'21 Financial Highlights

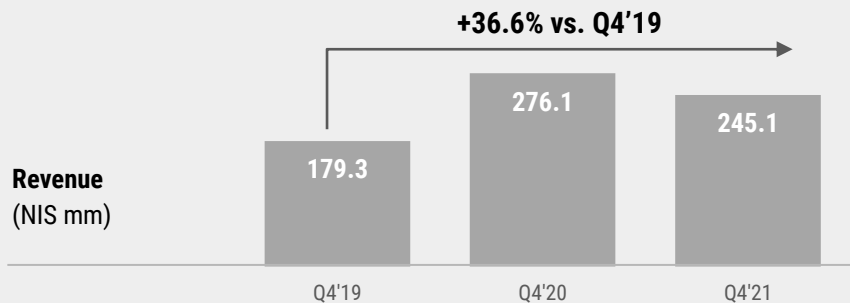
- **Strong two-year stacked growth (vs. Q4'19) and two-year CAGRs**
- Q4'20 revenue reflected an abnormal growth of 53.9% vs. Q4'19 and SSSG of 43%. Growth in Q4'20 was positively impacted by Israeli regulations, which allowed essential businesses (such as some of Company's stores) to remain open during lockdowns

SSSG	Revenue growth	Gross Margins	Adj. EBITDA ⁽¹⁾	Adj. EPS ⁽²⁾
+22% vs. Q4'19 -17.1% vs. Q4'20	+36.6% vs. Q4'19 -11.2% vs. Q4'20 '19-'21 CAGR of 16.9%	38.9% Up 80 bps vs. Q4'20 Down 100 bps vs. Q4'19	NIS 33.4mm <i>Pre IFRS 16</i> -22.2% vs. Q4'20 +61.8% vs. Q4'19 '19-'21 CAGR of 27.2%	NIS 0.12 <i>Adjusted EPS attributable to shareholders</i> -17.5% vs. Q4'20 +44.2% vs. Q4'19 '19-'21 CAGR of 20.1%

(1) Adjusted EBITDA pre IFRS 16 = EBIT + D&A + other costs (including IPO costs in 2020) + stock-based compensation (SBC) + one-time bulk operation (in 2020) + IFRS 16.

(2) EPS adjusted for stock-based compensation (SBC), one-time bulk operation in 2020 and IPO costs in 2020.

Q4 Financial highlights



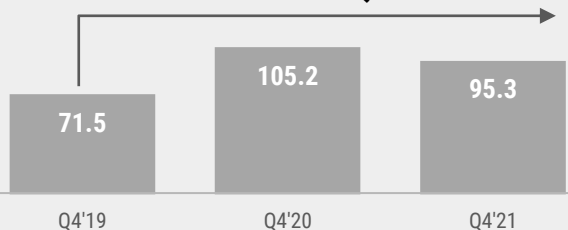
YoY Growth

+53.9%

-11.2%

Gross Profit
(NIS 000s)

+33.3% vs. Q4'19

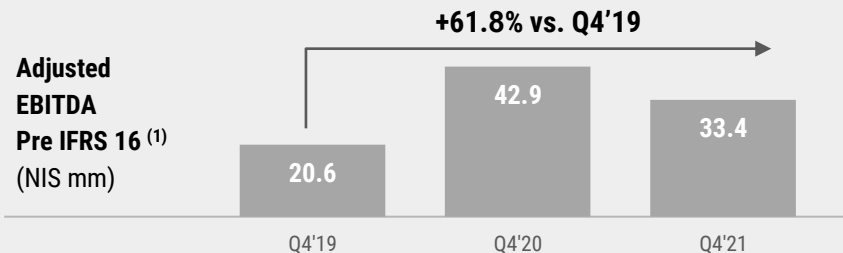


Gross Margins

39.6%

38.1%

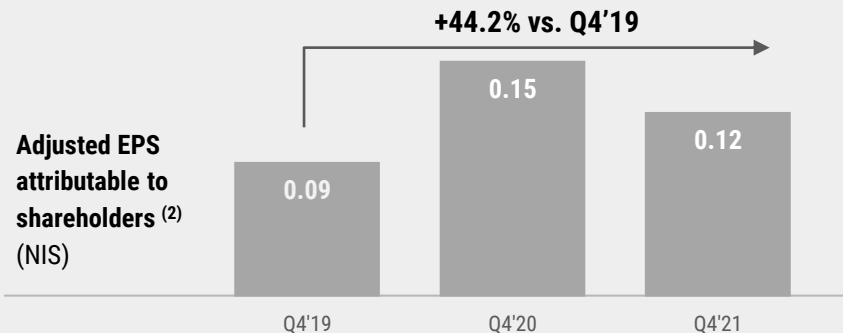
38.9%



Adjusted EBITDA Pre
IFRS 16 Margins

+108.0%

-22.2%



YoY Growth

+74.8%

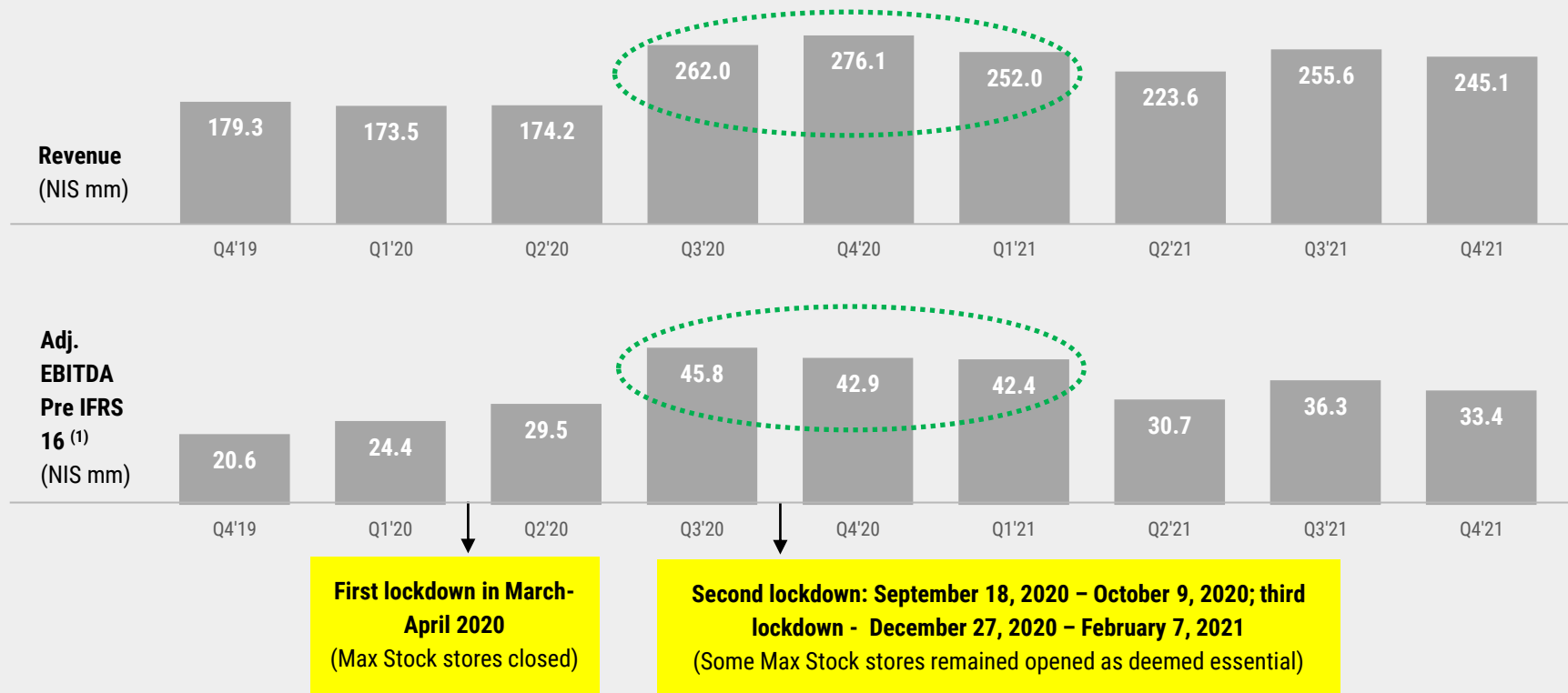
-17.5%

(1) Adjusted EBITDA pre IFRS 16 = EBIT + D&A + other costs (including IPO costs in 2020) + stock-based compensation (SBC) + one-time bulk operation (in 2020) + IFRS 16.

(2) EPS adjusted for stock-based compensation (SBC), one-time bulk operation in 2020 and IPO costs in 2020.

Historical revenue, by quarter

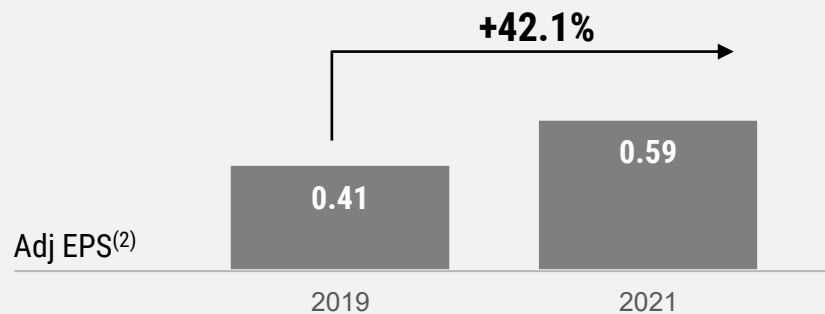
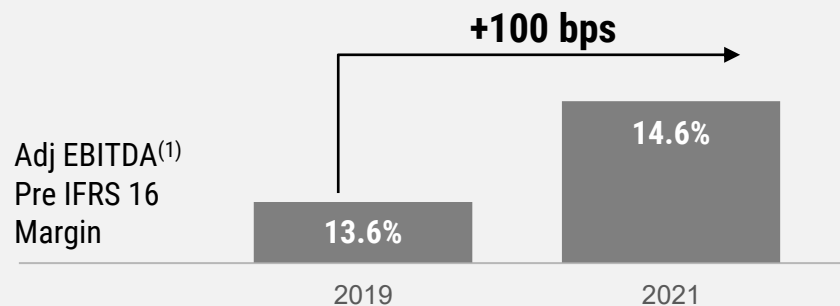
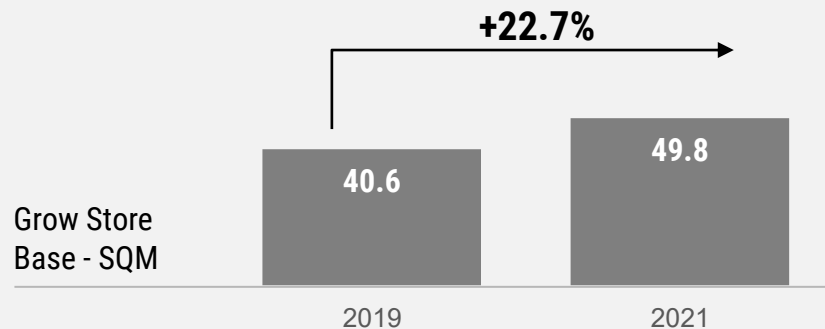
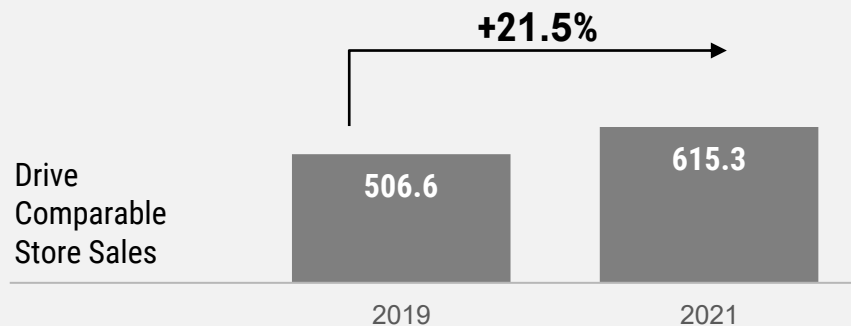
Excluding one-time bulk operations in 2020



(1) Adjusted EBITDA pre IFRS 16 = EBIT + D&A + other costs (including IPO costs in 2020) + stock-based compensation (SBC) + one-time bulk operation (in 2020) + IFRS 16.

Bottom line: Outperforming on our Growth Strategy

(NIS mm, except per share data; Two-Year Stacked Growth)



(1) Adjusted EBITDA pre IFRS 16 = EBIT + D&A + other costs (including IPO costs in 2020) + stock-based compensation (SBC) + one-time bulk operation (in 2020) + IFRS 16.
(2) Adjusted EPS defined as EPS + Net Share-based Payment + Issuance Costs - Onetime Bulk Operation.

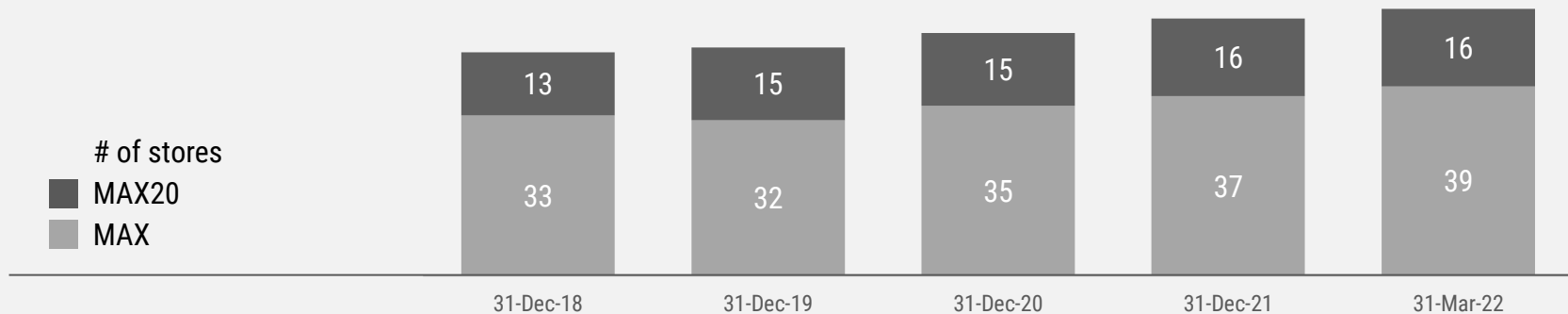
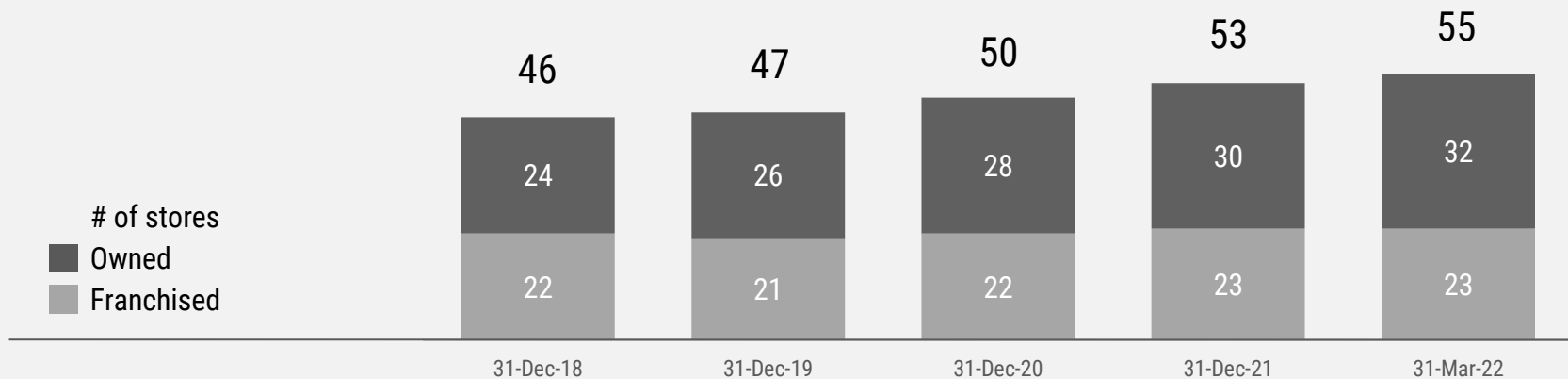
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Appendix





Stores by format and ownership model



Historical Annual P&L

NIS 000s

	FY 2019	FY 2020	FY 2021
Revenue from sales	735,582	879,213	963,472
Revenue from commissions / fees	5,968	6,482	12,801
Total Revenue, excluding onetime bulk operation	741,550	885,695	976,273
YoY growth		19.4%	10.2%
Revenue from onetime bulk operation		124,800	
Total Revenue	741,550	1,010,495	976,273
YoY growth		36.3%	-3.4%
Gross profit (Excluding onetime bulk operation)	293,547	344,589	379,273
% of Revenue (Excluding onetime bulk operation)	39.6%	38.9%	38.8%
Gross profit onetime bulk operation		14,344	
% of Revenue		11.5%	
S&M	164,683	170,167	207,440
G&A	26,566	33,782	43,772
Total SG&A	191,249	203,949	251,212
Less: SBC		(2,345)	(15,502)
SG&A excluding SBC	191,249	201,604	235,710
% of Revenue, excluding onetime bulk operation	25.8%	22.8%	24.1%
% of Revenue	25.8%	20.0%	24.1%
Other income	(733)	(1,224)	(1,613)
Other expenses, net	1,499	5,479	1,100
EBIT	101,532	150,729	128,574
% of Revenue	13.7%	14.9%	13.2%
Adj. EBIT (exc. SBC, onetime and other)	102,298	142,985	143,563
% of Revenue, excluding onetime bulk operation	13.8%	16.1%	14.7%

Historical annual P&L and net income reconciliation

NIS 000s

	FY 2019	FY 2020	FY 2021
Interest expenses, net	10,397	19,282	17,116
Interest expenses onetime bulk operation		13,276	
EBT	91,135	118,171	111,458
Adj. EBT (exc, SBC, onetime and other)	91,901	123,703	126,447
Taxes	20,861	30,542	28,909
GAAP Net Income	70,274	87,629	82,549
% of Revenue	9.5%	8.7%	8.5%
Adj. Net Income (exc, SBC, onetime and other)	70,274	93,226	98,051
% of Revenue, excluding onetime bulk operation	9.5%	10.5%	10.0%
Net Income - Attributable to shareholders	58,892	72,647	68,197
Net Income - Attributable to non-controlling interests	11,382	14,982	14,352
GAAP Net Income	70,274	87,629	82,549
Net Income Adjustments:			
Total net income adjustments, net of taxes - one-time bulk operation		(822)	
SBC		1,806	15,502
Issuance costs / IPO expenses		4,613	
Total Net Income Adjustments:	0	5,597	15,502
Adjusted Net Income - Attributable to shareholders	58,892	78,244	83,699
Adjusted Net Income - Attributable to non-controlling interests	11,382	14,982	14,352
Adjusted Net Income	70,274	93,226	98,051
Basic Shares O/S	142,345	142,345	142,345
EPS, attributable to shareholders	0.41	0.51	0.48
Adj. EPS attributable to shareholders	0.41	0.55	0.59

Annual EBITDA reconciliation

NIS 000s

	FY 2019	FY 2020	FY 2021
Net Income	70,274	87,629	82,549
Plus Interest Expense, net	10,397	32,558	17,116
Plus Income Taxes	20,861	30,542	28,909
Plus D&A	38,891	45,347	52,428
Plus Other Expense	766	4,255	(513)
EBITDA Post IFRS 16 (exc. Other Expenses)	141,189	200,331	180,489
Plus SBC		2,345	15,502
Minus IFRS 16	(40,662)	(45,680)	(53,110)
Adjusted EBITDA Pre IFRS 16 (exc. SBC and Other Expenses)	100,527	156,996	142,881
Onetime bulk operation		(14,344)	
Adjusted EBITDA Pre IFRS 16 (exc. Onetime bulk operation, SBC and Other Expenses)	100,527	142,652	142,881
% of Revenue, excluding onetime bulk operation	13.6%	16.1%	14.6%

	Q4 2019	Q4 2020	Q4 2021
Revenue from sales	177,796	273,973	238,592
Revenue from commissions / fees	1,546	2,111	6,478
Total Revenue	179,342	276,084	245,070
YoY growth		53.9%	-11.2%
Gross profit, excluding onetime bulk operation	71,482	105,226	95,291
% of Revenue	39.9%	38.1%	38.9%
S&M	42,686	52,078	57,825
G&A	7,430	13,624	10,989
Total SG&A	50,116	65,702	68,814
Less: SBC		(2,345)	(3,900)
SG&A excluding SBC	50,116	63,357	64,914
% of Revenue	27.9%	22.9%	26.5%
Other income	(264)	(126)	
Other expenses	308	199	1,100
GAAP EBIT	21,322	39,451	25,377
% of Revenue	11.9%	14.3%	10.4%
Adj. EBIT (exc. SBC, onetime and other)	21,366	41,869	30,377
% of Revenue	11.9%	15.2%	12.4%

Historical Q4 P&L and Q4 net income reconciliation

NIS 000s

	Q4 2019	Q4 2020	Q4 2021
Interest expenses, net	2,461	7,545	5,167
EBT	18,861	31,906	20,210
Adj. EBT (exc, SBC, onetime and other)	18,905	34,324	25,210
Taxes	3,946	8,429	4,006
GAAP Net Income	14,915	23,477	16,204
% of Revenue	8.3%	8.5%	6.6%
Adj. Net Income (exc, SBC, onetime and other)	14,915	25,415	20,104
% of Revenue	8.3%	9.2%	8.2%
Net income attributable to shareholders	12,411	19,458	13,755
Net income attributable to non-controlling interests	2,504	4,019	2,449
	14,915	23,477	16,204
Net Income Adjustments:			
SBC		1,806	3,900
Issuance Costs / IPO Expenses		132	
Total Net Income Adjustments	0	1,938	3,900
Adjusted Net Income - Attributable to shareholders	12,411	21,396	17,655
Adjusted Net Income - Attributable to non-controlling interests	2,504	4,019	2,449
Adjusted Net Income	14,915	25,415	20,104
Basic Shares O/S	142,345	142,345	142,345
EPS, attributable to shareholders	0.09	0.14	0.10
Adj. EPS attributable to shareholders	0.09	0.15	0.12

Q4 EBITDA reconciliations

NIS 000s

	Q4 2019	Q4 2020	Q4 2021
Net Income	14,915	23,477	16,204
Plus Interest Expense, net	2,461	7,545	5,167
Plus Income Taxes	3,946	8,429	4,006
Plus D&A	10,209	13,643	14,657
Plus Other Expense	44	73	1,100
EBITDA Post IFRS 16 (exc. Other Expenses)	31,575	53,167	41,134
Plus SBC		2,345	3,900
Minus IFRS 16	(10,943)	(12,590)	(11,651)
Adjusted EBITDA Pre IFRS 16 (exc. SBC and Other Expenses)	20,632	42,922	33,383
% of Revenue	11.5%	15.5%	13.6%