

MAX

Dream Big, Pay Small

Q1'22 Earnings
Conference Call
May 31, 2022

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Q1'22 Financial Highlights

- Roughly flat Revenue vs. Q1'21, despite macro headwinds and negative impact of the timing of Passover
- Gross Margins @ 39.0% despite high logistics costs

SSSG	Revenue growth	Gross Margins	Adj. EBITDA ⁽¹⁾	Adj. EPS ⁽²⁾
-10% vs. Q1'21 +22% vs. Q1'19	-0.4% vs. Q1'21 +44.2% vs. Q1'19 <i>Q1'19-Q1'22 CAGR: 13.0%</i>	39.0% <i>Down 60 bps vs. Q1'21</i> <i>Up 40 bps vs. Q1'19</i> <i>Q1'19-Q1'22 CAGR: 13.3%</i>	NIS 31.8mm <i>Pre IFRS 16</i> <i>12.7% of Revenue</i> <ul style="list-style-type: none">– <i>Down 410 bps vs. Q1'21</i>– <i>Down 70 bps vs. Q1'19</i> <i>Up 36.0% vs. Q1'19</i> <i>Q1'19-Q1'22 CAGR: 10.8%</i>	NIS 0.13 <i>Adjusted EPS attributable to shareholders</i> <i>Down 32.2% vs. Q1'21</i> <i>Up 29.5% vs. Q1'19</i> <i>Q1'19-Q1'22 CAGR: 9.0%</i>

(1) Adjusted EBITDA pre IFRS 16 = EBIT + D&A + other costs + stock-based compensation (SBC) – the impact of IFRS 16.

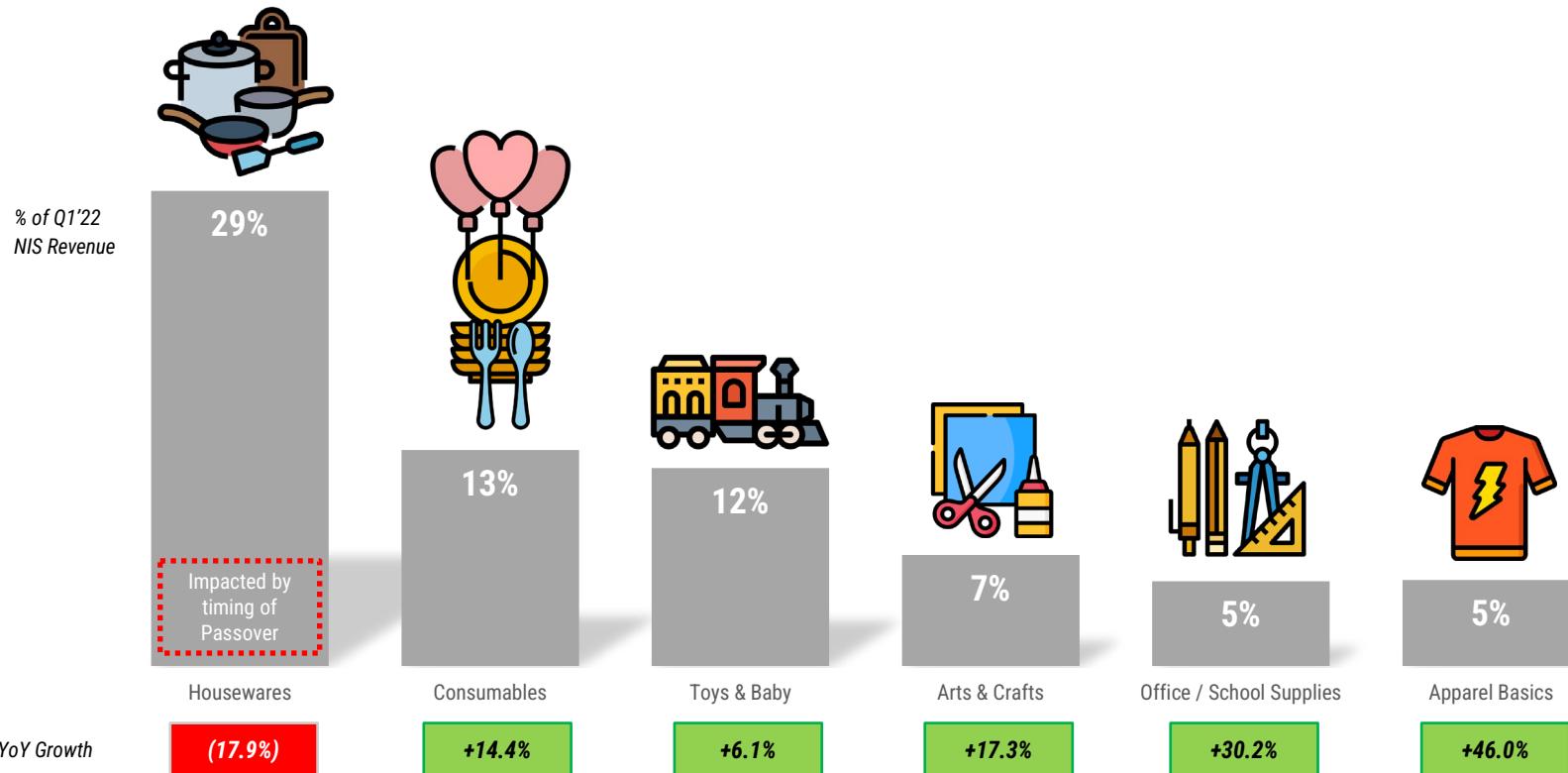
(2) EPS adjusted for stock-based compensation (SBC).

- **Strong Operating Cash Flow generation in Q1'22**
- **Invested NIS 10.1mm in capex**
- **Ample liquidity and conservative debt on the balance sheet to ensure financial flexibility and support future growth**



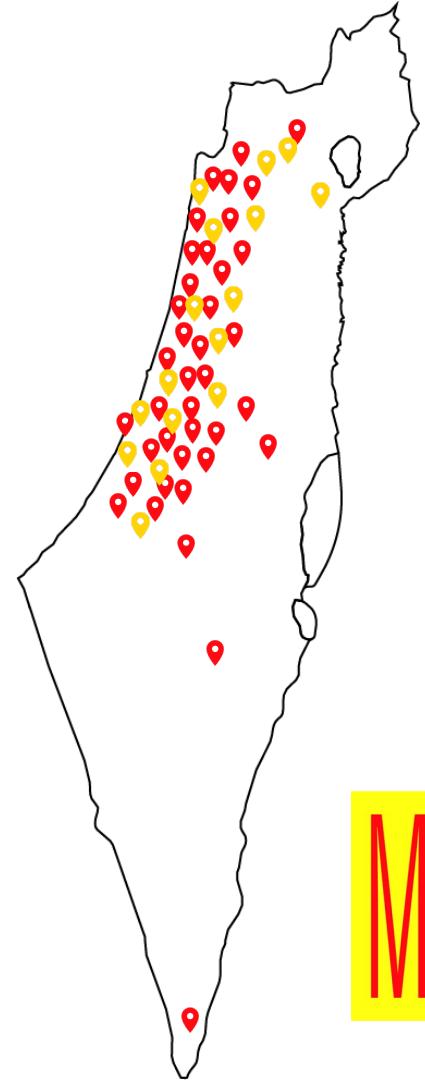
Revenue Contribution and Growth, per Category

% of Q1'22 NIS Revenue and YoY growth



📍 x39

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MAX 20

📍 x16

Nahariya

- North-Western District of Israel
- Nahariya alone has population of ~58,000
- @ Hamed Center, by Route #4
- 4.0k gross SqM
- 2.8k net SqM
- **Opened Feb. 2022**



Note: Net SqM defined as commercial area in SqM excluding e.g., storage and office spaces.

**Nof Hagalil**

- Northern District of Israel
- Nof Hagalil alone has population of ~40,000
- @ Zim Urban Nof Hagalil
- 2.7k gross SqM
- 2.2k net SqM
- **Opened March 2022**

Note: Net SqM defined as commercial area in SqM excluding e.g., storage and office spaces.



Store Pipeline – Kfar Saba

Pipeline: Kfar Saba

- Central District of Israel
- Kfar Saba's population is ~110,000
- Replacing an existing store in an adjacent location (1.5k gross SqM, 1.2k net SqM)
- @ Oshiland mall
- 5.8k gross SqM
- 4.1k net SqM
- Adding 2.9k net SqM
- **Expected to be opened in H2'22**



Note: Net SqM defined as commercial area in SqM excluding e.g., storage and office spaces.

Store Pipeline

Pipeline: Be'erot Yitzhak

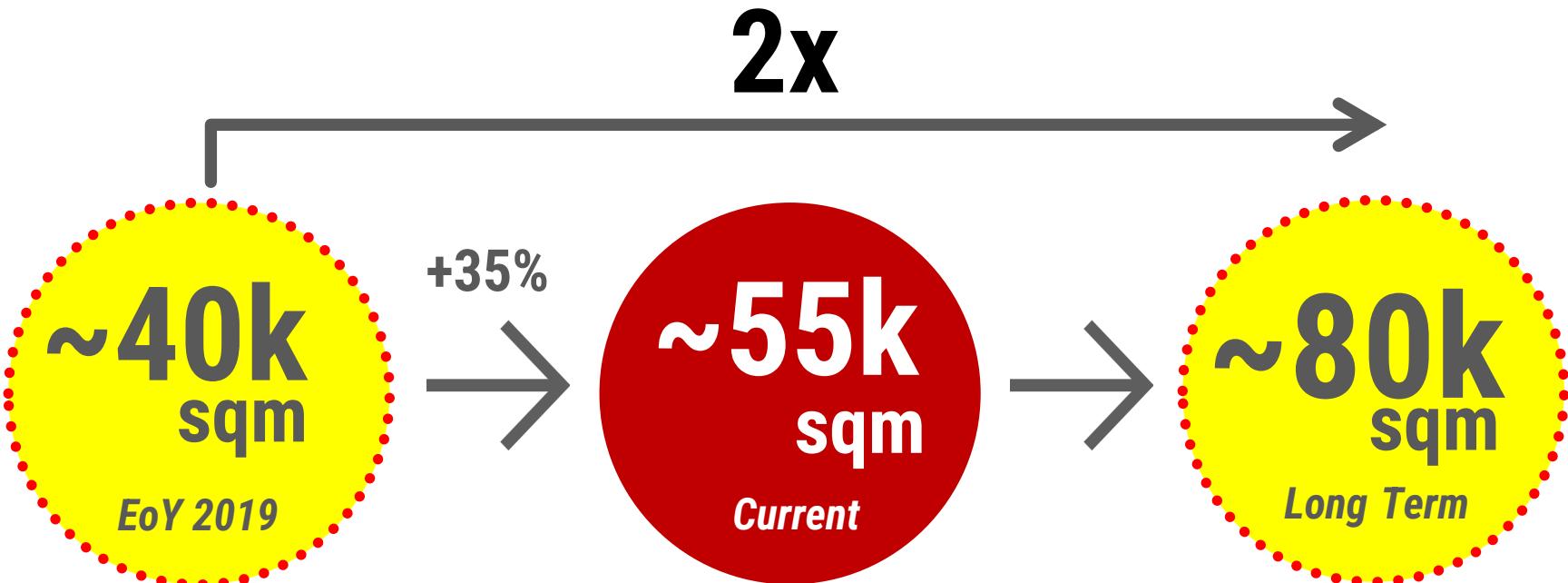
- Central District of Israel, near Kiryat Ono and Yehud
- Total population of over 70,000
- @ Mivne Be'erot Yitzhak Outlet
- 3.3k gross SqM

Other stores in negotiation stages

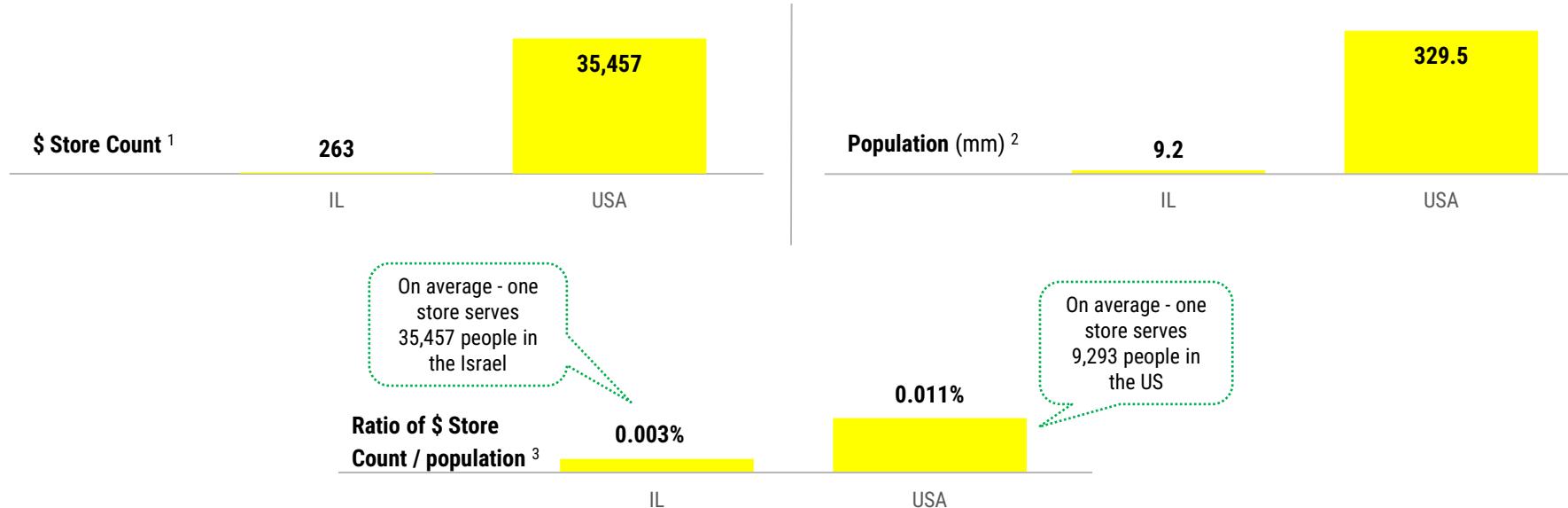


Looking forward: Double Net SqM vs. 2019 over the next 2-3 years

Significant whitespace opportunity



Israel and US Estimated Dollar Store Count / Population



(1) US store count based on combined 2021 Dollar General, Dollar Tree (inc. Family Dollar) and Five Below stores. Israel store count based on 11 combined players; source: Geo Cartography survey dated May 2022.
(2) Source: World Bank; 2020 data

Counter cyclical attributes



~60% Non-discretionary, everyday needs



Treasure hunt



Low price



Sourcing model



“Partner” store-level managers



Strong new store model



Significant whitespace opportunity

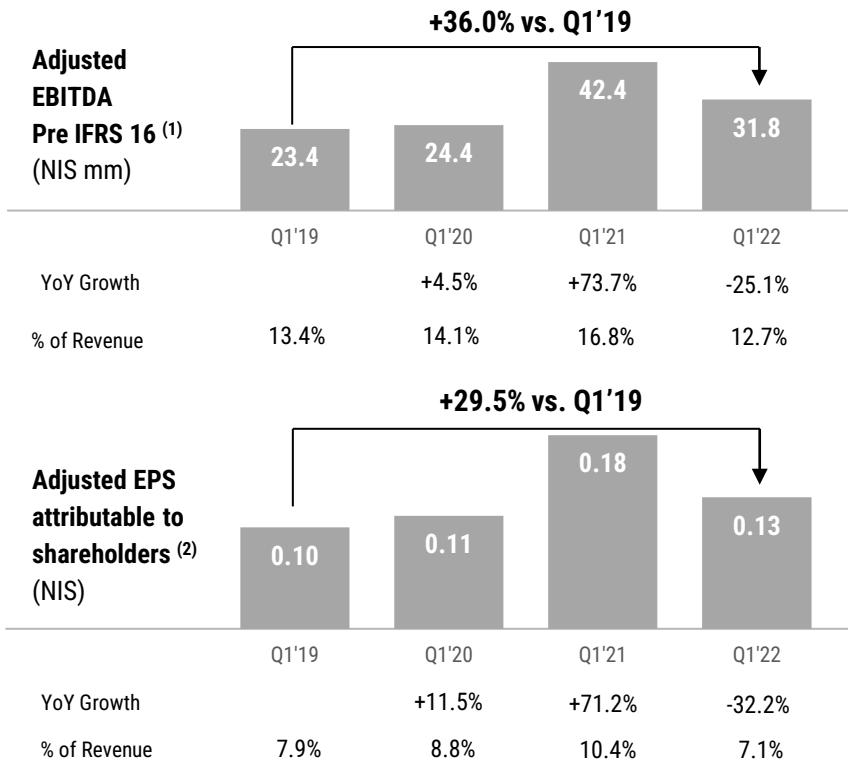
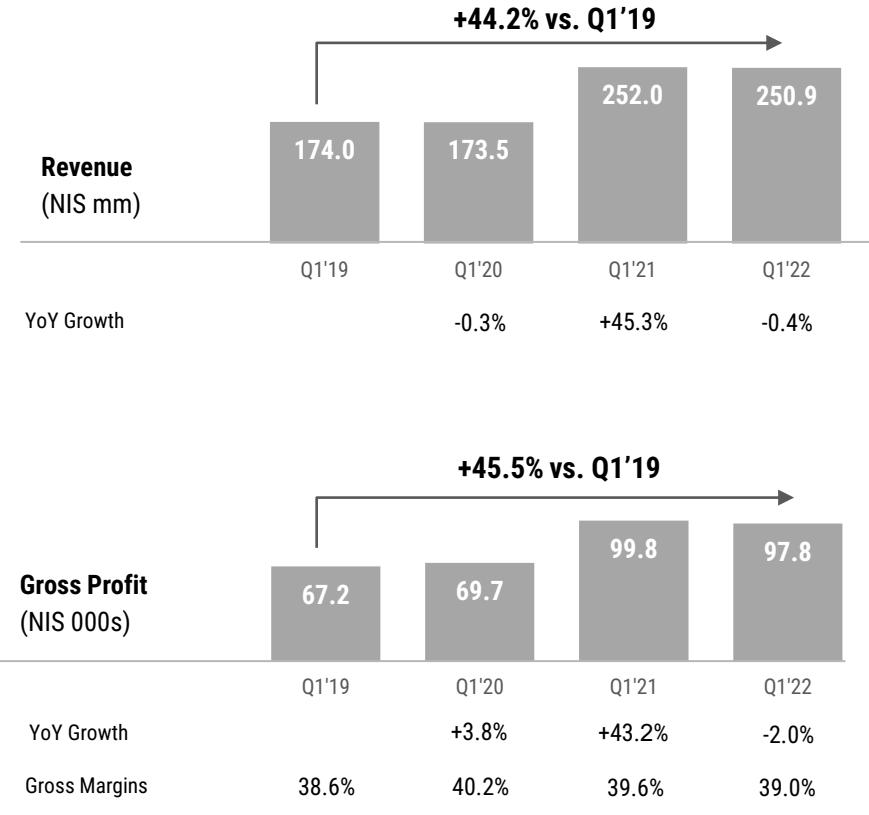


Q1'22 Financial Highlights



Q1 Financial Highlights

(2019-2022)

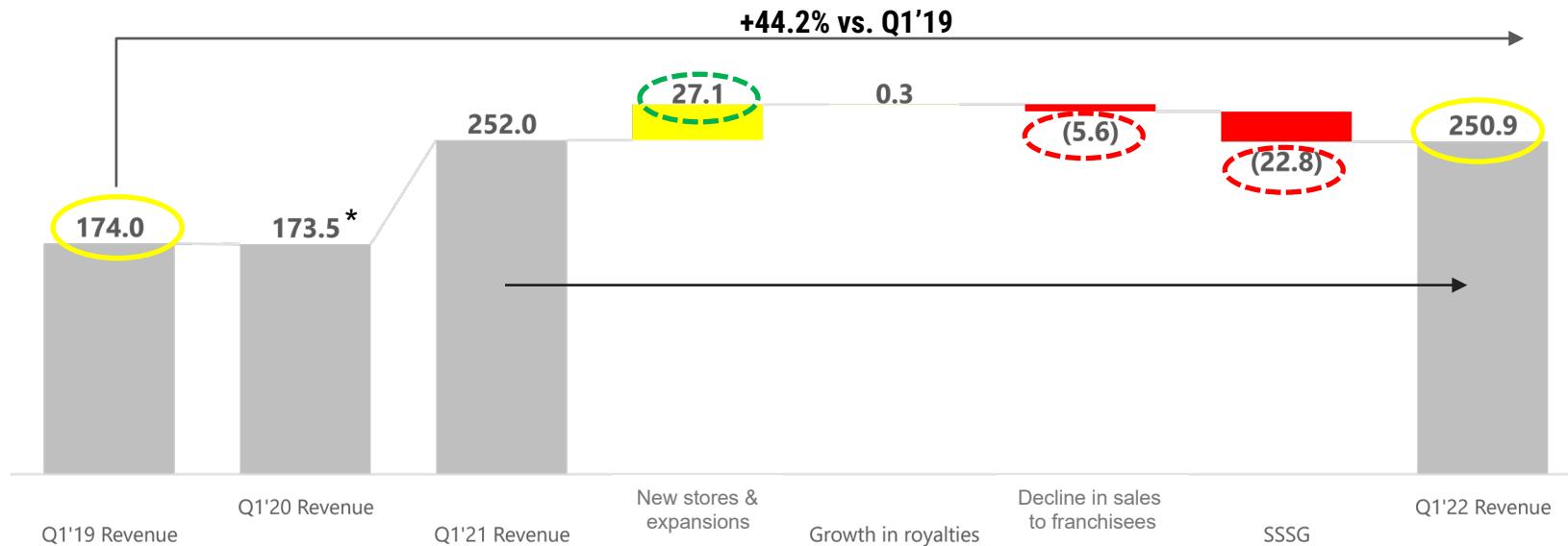


(1) Adjusted EBITDA pre IFRS 16 = EBIT + D&A + other costs (including IPO costs in 2020) + stock-based compensation (SBC) + one-time bulk operation (in 2020) – the impact of IFRS 16.

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

Revenue Bridge

(Q1'19; Q1'20; Bridge from Q1'21 to Q1'22; NIS mm)

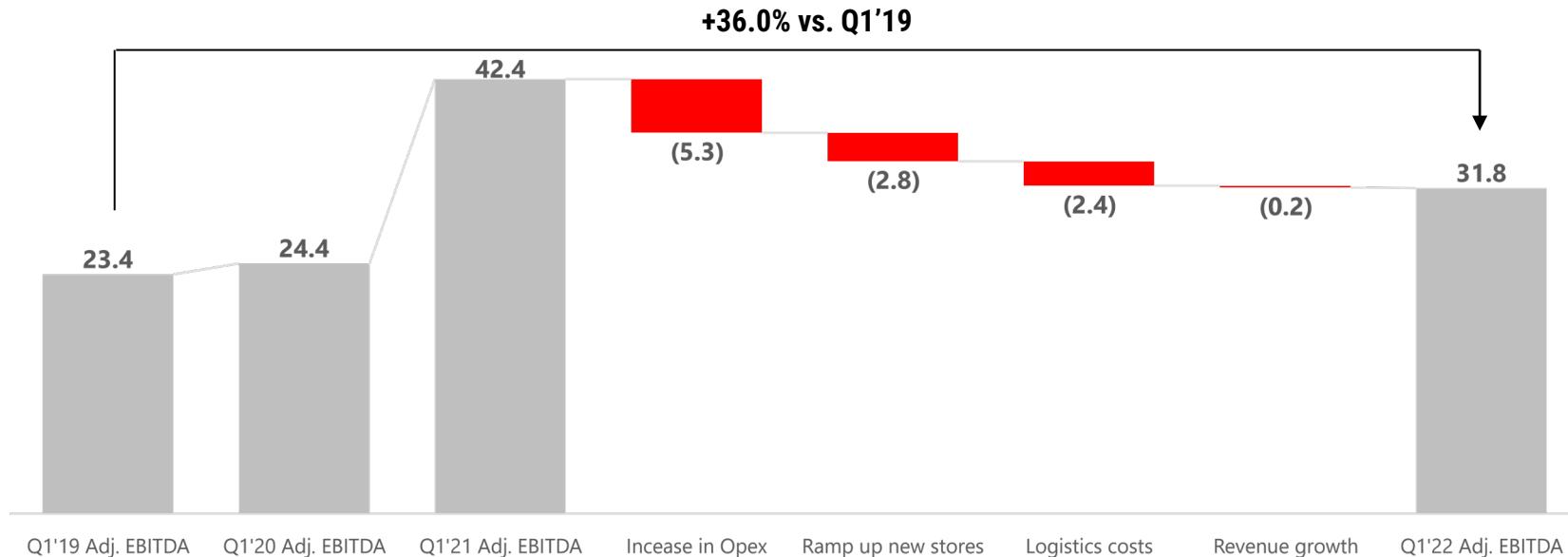


* Excluding one-time bulk operations in 2020.

Totals may be slightly impacted by minor rounding differences.

Adjusted EBITDA Bridge

(Q1'19; Q1'20; Bridge from Q1'21 to Q1'22; NIS mm)

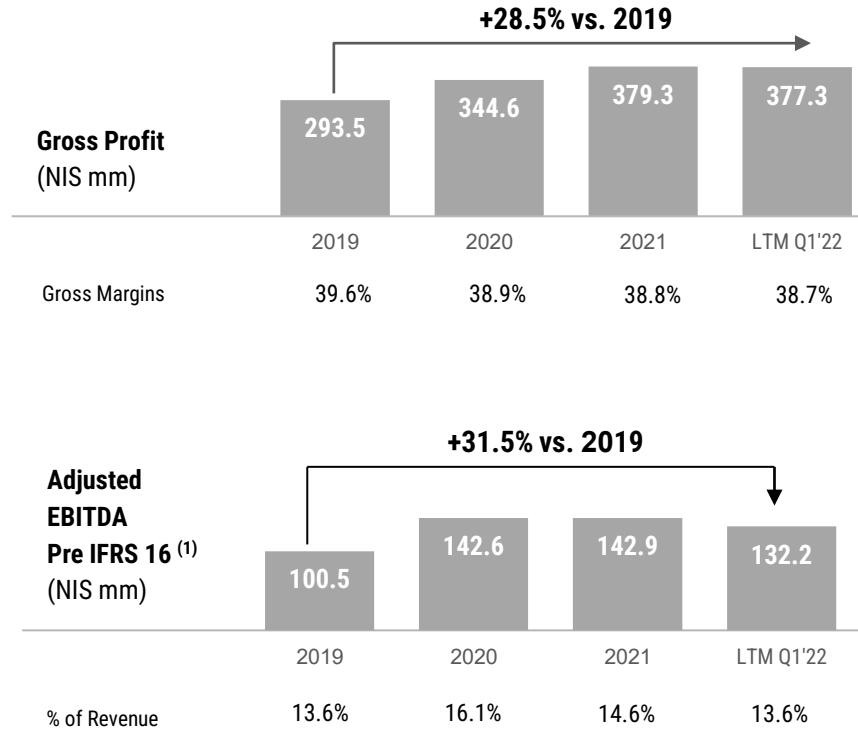
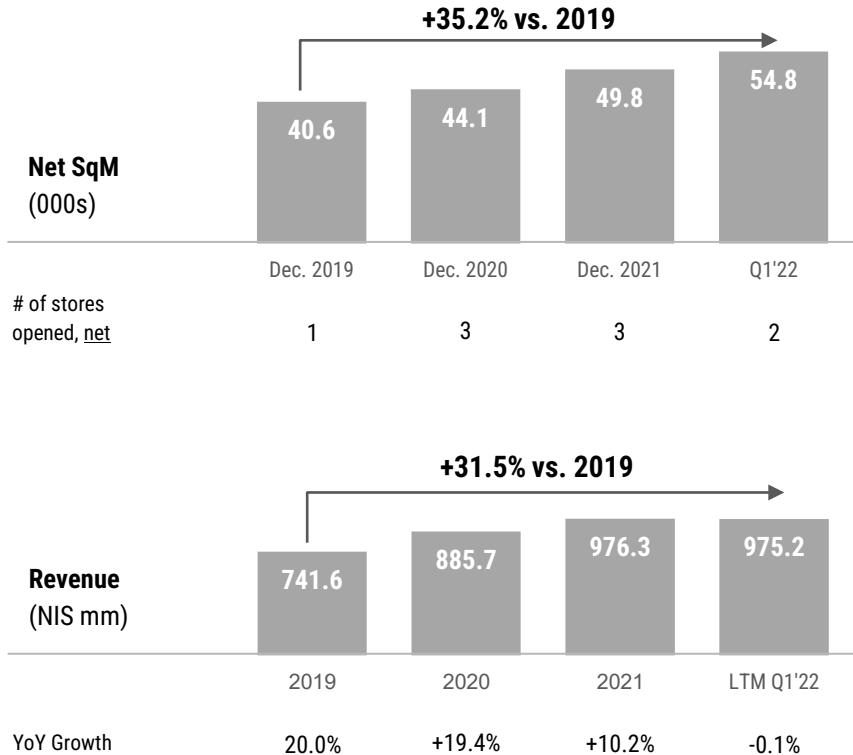


Adjusted EBITDA pre IFRS 16 = EBIT + D&A + other costs + stock-based compensation (SBC) – the impact of IFRS 16.

Note: Totals may be slightly impacted by minor rounding differences.

Annual Financial Highlights

(2019 - LTM Q1'22)



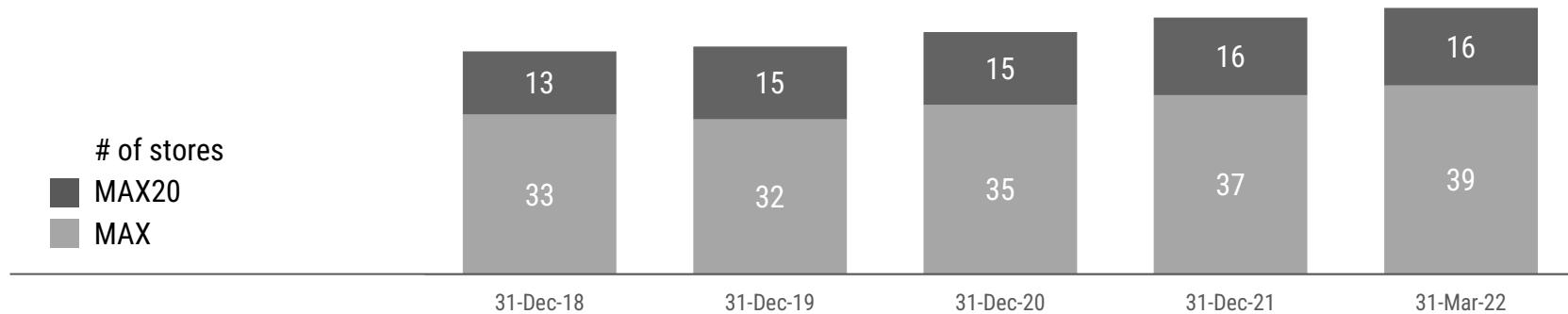
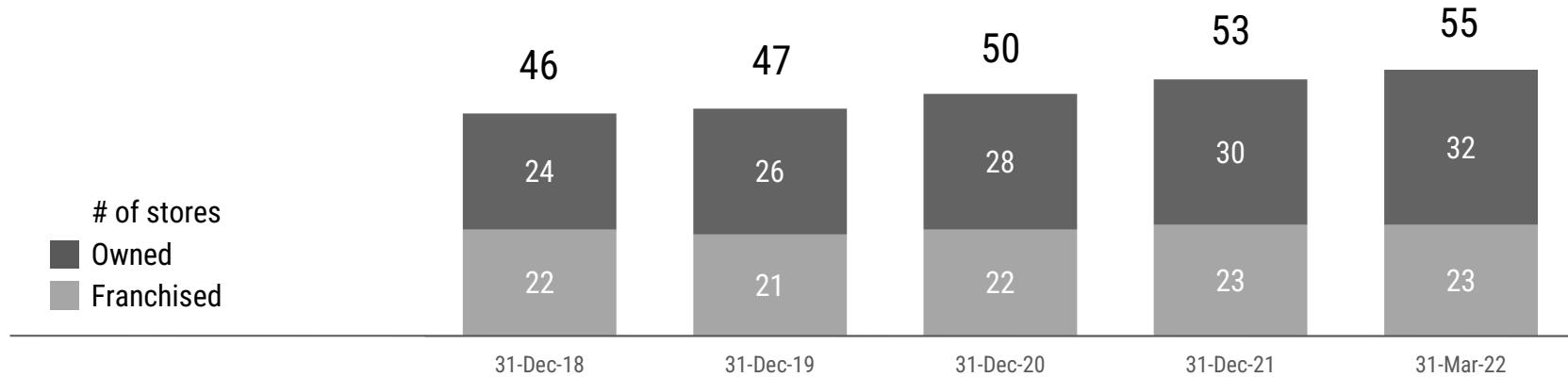
(1) Adjusted EBITDA pre IFRS 16 = EBIT + D&A + other costs (including IPO costs in 2020) + stock-based compensation (SBC) + one-time bulk operation (in 2020) – the impact of IFRS 16.



MAX Appendix



Stores by Format and Ownership Model





Historical Annual P&L

NIS mm

	Q1-2019	Q1-2020	Q1-2021	Q1-2022
Revenue from sales	172.7	172.3	248.6	247.2
Revenue from commissions / fees	1.3	1.2	3.4	3.7
Total Revenue, excluding onetime bulk operation	174.0	173.5	252.0	250.9
YoY growth		-0.3%	45.3%	-0.4%
Revenue from onetime bulk operation	0.0	12.6	0.0	0.0
Total Revenue	174.0	186.1	252.0	250.9
YoY growth		6.9%	35.4%	-0.4%
Gross profit, excluding onetime bulk operation	67.2	69.7	99.8	97.8
% of Revenue	38.6%	40.2%	39.6%	39.0%
Gross profit onetime bulk operation		4.7		
% of onetime bulk operation		37.0%		
S&M	37.7	39.0	48.5	57.6
G&A	5.9	5.9	12.3	12.5
Total SG&A	43.6	44.9	60.8	70.1
Less: SBC	0.0	0.0	(3.8)	(3.9)
SG&A excluding SBC	43.6	44.9	56.9	66.3
% of Revenue, excluding onetime bulk operation	25.1%	25.9%	22.6%	26.4%
% of Revenue	25.1%	24.1%	22.6%	26.4%
Other income	0.0	(0.0)	0.0	(0.3)
Other expenses	0.0	0.0	0.0	0.1
GAAP EBIT	23.6	29.5	39.0	27.9
% of Revenue	13.6%	15.9%	15.5%	11.1%
Adj. EBIT (exc. SBC, onetime and other)	23.6	24.8	42.9	31.6
% of Revenue, excluding onetime bulk operation	13.6%	14.3%	17.0%	12.6%

Note: Totals may be slightly impacted by minor rounding differences.



Historical Annual P&L and Net Income Reconciliations

NIS mm

	Q1-2019	Q1-2020	Q1-2021	Q1-2022
Interest expenses, net	2.5	2.2	2.9	4.4
Interest expenses onetime bulk operation	0.0	3.5	0.0	0.0
EBT	21.1	23.9	36.2	23.4
Adj. EBT (exc, SBC, onetime and other)	21.1	22.7	40.0	27.1
Taxes	4.9	5.8	9.2	6.4
GAAP Net Income	16.2	18.1	27.0	17.0
% of Revenue	9.3%	9.7%	10.7%	6.8%
Adj. Net Income (exc, SBC, onetime and other)	16.2	17.1	30.8	20.9
% of Revenue, excluding onetime bulk operation	9.3%	9.9%	12.2%	8.3%
Net income attributable to shareholders	13.8	16.3	22.4	14.0
Net income attributable to non-controlling interests	2.5	1.8	4.6	3.1
	16.2	18.1	27.0	17.0
Net Income Adjustments:				
SBC	0.0	0.0	3.8	3.9
Onetime bulk operation, net of taxes	0.0	(0.9)	0.0	0.0
Total Net Income Adjustments		0.0	(0.9)	3.8
Adjusted Net Income - Attributable to shareholders	13.8	15.3	26.3	17.8
Adjusted Net Income - Attributable to non-controlling interests	2.5	1.8	4.6	3.1
Adjusted Net Income	16.2	17.1	30.8	20.9
Basic Shares O/S (000s)	142.3	142.3	142.3	142.3
EPS, attributable to shareholders	0.10	0.11	0.16	0.10
Adj. EPS attributable to shareholders	0.10	0.11	0.18	0.13

Note: Totals may be slightly impacted by minor rounding differences.



Annual EBITDA Reconciliations NIS mm

	Q1-2019	Q1-2020	Q1-2021	Q1-2022
Net Income	16.2	18.1	27.0	17.0
Plus Interest Expense, net	2.5	5.6	2.9	4.4
Plus Income Taxes	4.9	5.8	9.2	6.4
Plus D&A	9.5	10.5	12.4	15.0
Plus Other Expense	0.0	(0.0)	0.0	(0.2)
EBITDA Post IFRS 16 (exc. Other Expenses)	33.1	40.0	51.4	42.7
Plus SBC		0.0	3.8	3.9
Minus IFRS 16	(9.8)	(10.9)	(12.8)	(14.7)
Adjusted EBITDA Pre IFRS 16 (exc. SBC and Other Expenses)	23.4	29.1	42.4	31.8
Onetime bulk operation	0.0	(4.7)	0.0	0.0
Adjusted EBITDA Pre IFRS 16, excluding onetime bulk operation	23.4	24.4	42.4	31.8
% of Revenue	13.4%	14.1%	16.8%	12.7%

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THANK YOU!

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