Rami Levy-Hashikma Marketing

November 27, 2025

Announcement to investors

Rami Levy Shivuk Hashikma presents its second consecutive quarter with revenues above ILS 2 billion – The public is voting in its favor with its feet on the backdrop of the cost of living:

Revenues in the third quarter of 2025 grew to about ILS 2.04 billion – supported by growth of about 4% in food retail activity

The growth in revenues continues, stemming from the strategy of placing the customer at the center and offering the lowest-cost basket of products in the country, and of continuing to fight against the cost of living on the customer's behalf without compromising on improvement in the customer's experience of service or on quality

Gross profitability increased to about 24.2% compared with about 23.1% in the same period of last year – by virtue of the same strategy of not being at the consumer's expense, thanks to improving the terms of sale with suppliers, increasing direct imports and using technological resources developed for the chain, and despite deepening discounts for consumers in order to keep prices the cheapest for the chain's customers

Operating profit for the quarter totaled about ILS 101 million, compared with about ILS 89 million in the same period of last year;

The Company's EBITDA totaled about ILS 189 million in the quarter, compared with about ILS 167 million in the same period of last year

Net profit for the quarter totaled about ILS 55 million and for the first nine months of the year, totaled about ILS 172 million

During the coming year, the Company is expected to open 5 food discount branches and 12 drugstore branches; the Company intends to accelerate the pace of opening branches within the cities, opening dozens of "Rami Levy in the Neighborhood" branches in the coming years; presently the Company is establishing the first branch of "Rami Levy Stock"

Rami Levy, co-CEO of Rami Levy Shivuk Hashikma: **"The third quarter of 2025 is a direct result of our chain never deviating from its strategy of placing the customer at the center and continuing to fight for him against the cost of living and offering the lowest-cost basket. We shall reduce and eliminate middleman gaps through more competition over shelf space at the stores, directly import more products and increase the share of the private label, while improving the customer experience through technological improvements in addition to improving worker productivity by means of technology, which reaches directly to improvement of the customer experience. We shall continue to expand the chain into new areas where it has no presence, to enable everyone in Israel to shop at low cost. Revenues rose in the first nine months even through the price per item decreased. The number of customers increased and average number of items per basket increased, figures that are in compliance with the Company's strategy. We shall continue to stand by our customers and benefit them. We expect to shortly start introducing**

competition inside the neighborhoods and cities as well, in drugstores too, all with the aim of reaching hundreds of thousands more customers around the country, and supporting them in contending with the cost of living."

Yafit Atias, co-CEO of the Rami Levy Shivuk Hashikma chain: "The third-quarter results demonstrate persisting success and customer loyalty. This is the second consecutive quarter in which we present revenues passing ILS 2 billion, reflecting the fruits of our strategy of placing the customer at the center, being aware of the public's economic needs and providing a quality, innovative customer experience. The combination of smart shopping carts, digital pricing on shelves, logistical solutions and additional technological means improve efficiency at the branches, enabling us to continue to lower prices and increase the number of customers at the stores and online. We are implementing a methodical plan to accelerate the pace of growth by discount stores, drugstores and neighborhood groceries and now for the first time by activity in general stock, with the establishment of the first branch branded 'Rami Levy Stock'. In parallel we continue to develop the customer club and are working on promoting the partnership with Isracard and Israir, which will bring added value to our customers, and enable them to enjoy profound benefits, notably vacation in Israel and around the world by accruing points while shopping."

The Rami Levy Shivuk Hashikma chain of food retail stores today reports its financial results for the third quarter of 2025, showing revenues that passed ILS 2 billion for the second consecutive quarter, stability in same store sales in food retail, improvement in gross profitability due to improving the terms of trade with suppliers, and continuing to implement the strategic plan to accelerate the pace of opening new stores – discount branches, urban groceries, discounts and stock stores.

Key results in the third quarter of 2025

Revenues of the Rami Levy Shivuk Hashikma chain in the third quarter of 2025 grew by about 4.1% to about ILS 2.04 billion, compared with about ILS 1.96 billion in the same quarter of last year. The growth in revenues was due to opening three new discount branches in the framework of implementing the strategic plan to accelerate the pace of opening new stores, while same store sales in food retail remained unchanged, alongside growth in Good-Pharm sales due to a 4.5% increase in same store sales and opening five new drugstores.

Gross profit in the third quarter of 2025 increased by about 8.8% to about ILS 493 million compared with about ILS 453 million in the same quarter of last year. The increase in total gross profit was due to the described growth in revenues and improvement in gross profitability in the quarter, which increased to about 24.2%, compared with about 23.1% in the same period last year - due to improvement in the terms of trade with suppliers and technological improvements, increased importing activity characterized by higher profitability, and in spite of deepening discounts for customers together with an increase in costs due to opening new branches and an increase in wage costs.

The Company's **operating profit** in the third quarter of 2025 totaled about ILS 101 million, compared with about ILS 89 million in the parallel quarter last year. The double-digit increase in operating profit stemmed mainly from the described growth in gross profit, which was partially offset by the increase in operating costs as a result of opening new branches that have yet to fully mature, an increase in depreciation costs on technological investments, the termination of legal procedures, and the effect of the increase in the CPI on input prices. The **operating profit rate** in the quarter increased to about 5% of revenues compared with 4.6% in the same period of last year – an increase related to the described improvement in gross profitability that was partially offset by the increase in the rate of operating costs.

Net profit at the Rami Levy Shivuk Hashikma in the third quarter of 2025 totaled about ILS 55 million, compared with about ILS 66 million in the same period of last year. The decrease in profit despite the described increase in operating profit stemmed mainly from an increase in net financing costs to about ILS 29 million resulting from valuation of transactions hedging the exchange rate of the USD in order to preserve the cheapest prices for consumers. Excluding the effect of the financing costs, net profit in the third quarter in net terms totaled about ILS 84.3 million compared with about ILS 67.7 million in the same quarter of last year.

The Company's **EBITDA** in the third quarter of 2025 increased by about 12.7% to about ILS 189 million (about 9.2% of revenues) compared with about ILS 167 million (about 8.5% of revenues) in the same period of last year.

Key results in the nine months of 2025

Revenues of the Rami Levy Shivuk Hashikma chain in the first nine months of 2025 grew by about 6.4% to about ILS 5.89 billion, compared with about ILS 5.53 billion in the same period last year. The growth in revenues stemmed from an increase of about 2.5% in food retail same store sales, opening new discount branches, and growth in Good-Pharm activity due to a 6.6% in same store sales and opening new drugstore branches.

Gross profit in the first nine months of 2025 rose by about 7% to about ILS 1.39 million, compared with ILS 1.3 billion in the same period of last year. The increase in gross profit stemmed from the described growth in revenues and slight improvement in **gross profitability** in the period, which increased to about 23.6% of revenues, compared with about 23.5% of revenues in the same period of last year – a result of improving the terms of trade with suppliers and increased import activity, whose contribution was offset almost entirely by deepening discounts for consumers, in compliance with the Company's strategy of offering the lowest-cost basket to consumers.

Operating profit in the first nine months of 2025 increased by about 3.6% to about ILS 282 million compared with about ILS 272 million in the parallel period of last year. The increase in operating profit stemmed mainly from the described increase in gross profit that was partially offset by the growth in operating costs due to opening new branches that have yet to reach full maturity, an increase in wage costs and the and the effect of the increase in the CPI on the Company's input prices. **The operating profit rate** in the nine-month period was about 4.8% compared with about 4.9% in the same period of last year.

The **net profit of** the Rami Levy Shivuk Hashikma chain in the first nine months of 2025 totaled about ILS 172 million, compared with about 198 million in the same period of last year. the decrease in profit despite the described increase in operating profit was due mainly to an increase in net operating costs to about ILS 54 million compared with about ILS 21 million in the same period of last year because of changes in the value of the securities portfolio, financing costs on leasing new properties, the increase in the CPI and exchange rate differences.

EBITDA in the first nine months of 2025 rose by about 5% to about ILS 531 million (about 9.0% of revenues), compared with about ILS 505 million (about 9.1% of revenues) in the same period of last year.

Balance sheet as of September 30, 2025 and key points:

The Company has **cash and short-term investments** of about ILS 937 million, against which the Company has **negligible debt** of just about ILS 14 million. The Company's large amount of cash enables it to examine strategic business opportunities, including by way of mergers and acquisitions. The Company constantly, including at present, examines such offers.

Furthermore, in parallel with approving the financial statements, the Company's Board of Directors declared a **dividend distribution** of about ILS 41 million, adding to the roughly ILS 162 paid from the start of the year. From its initial public offering in May 2007 to date, the Company has distributed approximately ILS 2 billion in dividends.

The Company intends to continue to expand the discount branch activity – the Rami Levy Shivuk Hashikma chain presently operates 64 branches (of which 3 by franchise). The Company identifies the potential to establish about 25 more discount branches in new areas where it does not presently operate, and assesses that opening the new branches will not create cannibalization of the active branches. Accordingly, the Company intends to open about 5 more discount branches and about 12 drugstore branches during the coming year. In addition, the Company is investing in a range of advanced technological means to provide better service and a wider range of services to the Company's customers.

The Company intends to continue to expand its online activity – the Company intends to expand online, including by continuing to build and operate automated warehouses for distributing online orders and a better solution for delivering orders to customers.

The Company intends to continue to expand its urban activity through the "Rami Levy in the Neighborhood" chain – During the third quarter the Company acquired the outstanding minority rights in the seasonality Cofix, which has ceased to be a publicly traded company. The Company intends to significantly increase its activity in the cities and to open cozens of branches under the brand name "Rami Levy in the Neighborhood" over the coming years.

First step into stock stores – The Company is presently establishing the first branch of "Rami Levy Stock" (holding 51%) which will import and sell stock items retail.

The Rami Levy customer club – The Company operates a customer club under the brand "Rami Levy Customers Club". Club members receive a wealth of benefits they can exercise at the chain's stores and on its website. In July, 2025, the Company reported reaching a head of understanding about establishing a joint customer club for food and tourism with the Company, Isracard and Israir. Establishment of the joint club is contingent on receiving permits per the law. The collaboration with Israir could contribute to positioning the group's customers club as one of the most attractive customer clubs for consumers in Israel, giving the club members significant added value, mainly the possibility of vacationing in Israel or abroad with benefits accrued by purchases from the group and other businesses, which would contribute to increasing the number of club members and its volume of activity.

In the mobile communications industry, during the last year, another 37,000 subscribers joined the Rami Levy cellular activity. As of the end of the third quarter of 2025, the subscriber base had increased to about 435,000.

The Rami Levy Shivuk Hashikma chain, managed by Rami Levy and Yafit Atias-Levy, operates as a chain of discount stores selling food and toiletries. The chain operates in both retail and wholesale, today operating 64 supermarket branches (of which three are run as franchises) and 5 mini-market neighborhood groceries, as well as a wholesale point of sale in northern Israel. In addition, the Company owns about 52% of the Good Pharm chain, which has 72 drugstores around Israel, activity in cellular communications with about 435,000 subscribers as a mobile virtual network, and operates groceries and cafés in cities through the Cofix Group company.

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