Rami Levy Hashikma Marketing

The cheapest shopping basket in Israel

Presentation for Investors – August 2026

Financial results for the second quarter of 2026 – Key points

- **Quarterly revenues** grew by about 3% to about ILS 2.07 billion, versus ILS 2 billion in the same period of 2025
- The increase in revenues stemmed mainly from implementing the strategy to accelerate the rate of opening new stores:
  4 in food retail, 2 Rami Levy in the Neighborhood groceries, and one stock store.
- In the Good Pharm drugstore chain – Same store sales increased by 2%
- **The gross profit rate** reached about 23.6% in the quarter, compared with about 22.9% in the same period of 2025. The increase was due to commercial improvement, introducing technology and efficiency measures.
- **The operating profit rate** was about 4.7% in the quarter, compared with about 4.5% in the same period of 2025. Operating margins were affected by an increase in operating costs due to opening new branches that had not matured yet, and an increase in depreciation costs on technological investments.
- **Net profit** in the quarter totaled about ILS 59 million, compared with about ILS 62 million in the same period of last year, mainly due to the increase in net financing costs due to exchange rate differentials (foreign exchange hedging transactions, chiefly the shekel versus the dollar).

Developments in business

- **The SuperFly club:**
  - Last week the company launched the SuperFly club, enabling Rami Levy credit card holders accrue dollars on each purchase, usable on Israir flights and in vacation packages.
  - Israir owns 10% of the shares in the club partnership, Isracard owns about 18% and the Rami Levy company owns 72%

- **Opening food discount branches –** The company means to open two more discount branches in the coming year; it sees the potential to open 30 more discount branches in the coming years; saving on operating costs using 'smart' shopping carts has yet to fully impact the company's financial results
- **Opening urban groceries under the 'Rami Levy in the Neighborhood' brand –** The company means to open 10 more discount branches in the coming year (for most, leases have been signed). Over the next three years the company intends to open about 70 new 'Rami Levy in the Neighborhood' branded stores.
- **Opening Rami Levy Stock –** Following the success of the first branch, which opened in February in Pardes Hana, the company intends to open another 3 stock branches in the year to come.
- **Growing private label sales** – Rose to 27% of sales due to broadening the range of products and the agreement with Warner Brothers
- **Significant growth in mobile communications** – This activity grows quarterly by tens of thousands of users. The subscriber base is approaching half a million.
- **Rami Levy for businesses** – In recent weeks another 'Rami Levy for Businesses' logistics center opened; the company intends to continue developing the business of selling to businesses.

P&L precis – Second quarter 2026 (in NIS k)

	Q2.2025	Q2.2026
Revenues	2,006,270	2,065,496
Cost of sales	1,547,752	1,578,487
Gross profit	458,518	487,009
Gross margin	22.9%	23.6%
Sales and marketing costs	343,769	360,869
Management and general costs	23,730	25,976
Other income, net	(351)	(2,567)
Profit from ordinary activity	90,668	97,597
Operating margin	4.5%	4.7%
Financing costs, net	7,384	24,699
Profit before tax	82,094	74,040
Net profit	62,216	59,318
Net profit for shareholders	58,791	52,817

*The table includes the main sections of the profit and loss report

P&L precis – First half 2026 (in NIS k)

	H1.2025	H1.2026
Revenues	3,852,426	4,183,835
Cost of sales	2,955,447	3,209,491
Gross profit	896,979	974,344
Gross margin	23.3%	23.3%
Sales and marketing costs	671,354	710,691
Management and general costs	47,415	51,110
Other income, net	2,169	(3,210)
Profit from ordinary activity	180,379	209,333
Operating margin	4.7%	5.0%
Financing costs, net	25,055	44,333
Profit before tax	154,384	166,225
Net profit	117,060	133,077
Net profit for shareholders	109,754	121,249

*The table includes the main sections of the profit and loss report

Balance sheet precis (ILS m), 30 June 2026

Obligations and capital		Assets	
0	Short term bank credit	**825**	Cash and equivalents
0	Current liabilities on bonds	**60**	Short-term investments
1,338	Suppliers	**64**	Accounts receivable and debit balance
4	Taxes to pay	**341**	Accounts receivable
476	Accounts payable	**452**	Inventory
214	Current maturities on lease liabilities	**1**	Net investment in lease
2,032	**Total current obligations**	**1,769**	**Total current assets**
52	Long-term liabilities (including for worker benefits and unearned revenue)	**731**	Fixed assets, net
2,052	Long-term liabilities on leasing	**2,032**	Usage rights assets, net
0	Long-term bank credit	**109**	Deferred taxes
620	Shareholders' equity	**78**	Intangible assets, net
4,757	**Total balance sheet**	**4,757**	**Total balance sheet**

*The table includes the main sections of the balance sheet

Forward-looking information

The information appearing in this presentation regarding revenues, costs and profit from various projects initiated and to be initiated by the company is forward-looking information as defined by the Securities Law 5728-1968, that is not entirely under the company's control. This information is based on data collected and analyzed by the company and based on published information and research.

The information reflects the company's current position regarding future events whose manifestation or occurrence is based on assessments, hence there is a degree of risk and uncertainty regarding their materialization. The manifestation or occurrence of events in practice may be materially different from the company's assessment, as set forth above, due to the existence of various elements that do not depend on the company.

Thank you