Max Stock Limited Reports Second Quarter and First Half 2026 Financial Results

Declares ILS 50 million (~ ILS 0.36 per share) One-Time Dividend

Second Quarter Revenue Increased 12.7% to ILS 379.0 million; Comparable Store Sales Increased 7.0%; Gross Margin Increased 330 Basis Points; Adjusted EBITDA Increased 37.1%

ISRAEL – August 11, 2026 – Max Stock Limited (TASE: MAXO) (the "Company") today reported financial results for the second quarter ended June 30, 2026.

Second Quarter 2026 Summary

- Revenue increased 12.7% to ILS 379 million.
- Comparable store sales increased 7.0%.
- Gross margin increased 330 basis points to 47.1%.
- GAAP Net income (100%) increased 30.4% to ILS 35.9 million.
- Adjusted EPS[1] (attributable to shareholders) increased 35.3% to ILS 0.23.
- Adjusted EBITDA[2] increased 37.1% to ILS 77.5 million.

First Half 2026 Summary

- Revenue increased 15.5% to ILS 780.0 million.
- Comparable store sales increased 12.0%.
- Gross margin increased 330 basis points to 46.3%.
- GAAP Net income (100%) increased 44.5% to ILS 85.8 million.
- Adjusted EPS[1] (attributable to shareholders) increased 46.5% to ILS 0.56.
- Adjusted EBITDA[2] increased 46.4% to ILS 152.9 million.

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

[1] As used throughout this release, adjusted Net Income (attributable to shareholders) defined as Net Income + Share-based payment, multiplied by the portion attributable to shareholders. Adjusted EPS (attributable to shareholders) is then divided by the number of basic shares.

[2] As used throughout this release, adjusted EBITDA Pre IFRS 16 defined as Net Income + Income Tax Expenses + Net Interest Expenses + D&A + Other Expenses – the impact of IFRS 16 + Share-based payment.

Ori Max, Founder and Chief Executive Officer, stated, “Our strong first half performance underscores how well our teams are executing across all facets of the business. Compelling merchandise assortments across multiple categories combined with a fun in-store shopping experience fueled low double digit comparable store sales growth year-to-date. At the same time, favorable foreign exchange rates along with past investments in our distribution center and sourcing capabilities, has allowed us to translate our improved top-line results into even stronger earnings growth and robust cash flows that we are utilizing to fund our store expansions and return directly to shareholders through dividends. We are encouraged by our recent momentum and look forward to capitalizing on the opportunities still ahead of this year and beyond.”

Second Quarter Results (2026 compared with 2025)

Revenue increased 12.7% to ILS 379.0 million in the second quarter 2026 as compared with revenue of ILS 336.3 million in the second quarter 2025. The increase over the same period last year was largely attributable to a 7.0% increase in comparable store sales combined with the opening of new branches. The increase in comparable store sales was driven by an increase in traffic and an increase in average basket size, reflecting a favorable product mix and growth in sales of items characterized by a higher average price. These results were achieved despite the Passover festival falling at the end of Q1 2026, as opposed to it falling in Q2 in 2025.

Gross profit increased 21.2% to ILS 178.5 million in the second quarter 2026 from ILS 147.3 million in the second quarter 2025. Gross margin was 47.1% in the second quarter of 2026, an increase of 330 basis points compared with 43.8% in the second quarter last year. The year-over-year improvement was primarily attributable to the strengthening of the ILS vs. the USD alongside improved terms of trade. In addition, logistics expenses in the second quarter 2025 reflected increased costs resulting from the transition and ramp-up period for the operation of the new distribution center, which had not yet reached full capacity.

Selling, general and administrative expenses were ILS 101.5 million in the second quarter 2026 compared to ILS 90.5 million in the second quarter 2025, primarily driven by an increase in payroll expenses (resulting from higher revenue this quarter and the opening of new branches), alongside higher municipal taxes and increased depreciation of right-of-use assets in the period. As a percent of sales, Selling, general and administrative expenses improved 10 basis points and declined from 26.9% in the second quarter 2025 to 26.8% in the second quarter 2026.

Financing expenses, net, totaled approximately ILS 31.0 million in the second quarter of 2026 compared to ILS 21.4 million in the second quarter of 2025. The increase in net financing expenses was largely attributable to loss of approximately ILS 26.7 million related to revaluation of future dollar hedging transactions resulting from the USD's depreciation against the NIS, compared to a loss of ILS 15.9 million in the second quarter of 2025.

As of June 30, 2026, the Company holds forward hedging transactions to purchase US dollars at exchange rates ranging from ILS 2.80 to ILS 3.43. As of the reporting date, these forward hedging transactions are for the purchase of approximately $34.5 million USD in 2026, approximately $51.3 million USD in 2027, and approximately $26.3 million USD in 2028.

GAAP net income (100%) increased 30.4% to ILS 35.9 million in the second quarter of 2026, as compared with GAAP net income (100%) of ILS 27.5 million in the second quarter of 2025.

Adjusted EPS attributable to shareholders increased 35.3% to ILS 0.23 per share, in the second quarter of 2026, as compared with adjusted EPS attributable to shareholders of ILS 0.17 per share, in the second quarter of 2025.

Adjusted EBITDA increased 37.1% to ILS 77.5 million in the second quarter of 2026 from ILS 56.5 million in the second quarter of 2025. Adjusted EBITDA margin increased 360 basis points to 20.4% in the second quarter of 2026 compared with 16.8% in the second quarter of 2025.

First Half Results (2026 compared with 2025)

Revenue for the first half of 2026 increased 15.5% to ILS 780.0 million, compared with revenue of ILS 675.4 million in the first half of 2025. The increase in revenue was driven by a 12.0% gain in comparable store sales and the sales contribution from new branches. The increase in comparable store sales was fueled by an increase in average basket size, increased store traffic and higher seasonal sales. The increase in average basket size reflected a favorable product mix and growth in sales of items characterized by a higher average price.

Gross profit increased 24.4% to ILS 361.4 million in the first half of 2026 from ILS 290.6 million a year ago. Gross margin was 46.3% as compared to 43.0% in the prior year period. The 330-basis point improvement in gross margin year-over-year was primarily attributable to the strengthening of the ILS vs. the USD alongside, lower shipping costs, and improved terms of trade. In addition, logistics expenses in the first half of 2025 reflected increased costs resulting from the transition and ramp-up period for the operation of the new distribution center, which had not yet reached full capacity.

Selling, general and administrative expenses increased to ILS 207.3 million in the first half of 2026 from ILS 186.1 million in the first half of 2025. The increase in operating expenses was driven by an increase in payroll expenses, higher municipal taxes and increased depreciation of right-of-use assets in the period, resulting from higher revenue in the current year period and branch expansion. As a percentage of sales, selling, general and administrative expenses improved 90 basis-points and were 26.6% in the first half of 2026 compared with 27.5% in the first half of 2025, primarily reflecting operating leverage.

Financing expenses, net, totaled approximately ILS 43.2 million in the first half of 2026 compared to ILS 22.2 million in the first half of 2025. The increase in net financing expenses was largely attributable to loss of approximately ILS 31.6 million in the first half of 2026, related to revaluation of future dollar hedging transactions resulting from the USD's depreciation against the NIS, compared to a loss of ILS 10.9 million in the first half of 2025.

GAAP net income (100%) increased 44.5% to ILS 85.8 million, as compared with GAAP net income (100%) of ILS 59.4 million in the first half of 2025.

Adjusted EPS[1] (attributable to shareholders) increased 46.5% to ILS 0.56 in the first half of 2026 as compared with adjusted EPS[1] (attributable to shareholders) of ILS 0.38 per share, in the first half of 2025.

Adjusted EBITDA[2] increased 46.4% to ILS 152.9 million in the first half 2026 from ILS 104.5 million in 2025. Adjusted EBITDA margin increased 410 basis points year-over-year to 19.6% compared with 15.5% in the first half of 2025

Balance Sheet and Cash Flow Highlights

The Company's cash and cash equivalents balance at June 30, 2026 was ILS 132.5 million compared with ILS 161.8 million at December 31, 2025 and ILS 92.6 million at June 30, 2025. The Company ended the second quarter of 2026 with total debt of ILS 30.9 million compared with total debt of ILS 32.7 million at December 31, 2025 and ILS 37.2 million at June 30, 2025.

On August 10, 2026, the Board of Directors declared a one-time dividend of ILS 50 million or ILS, or ILS 0.36 per share, payable to shareholders of record as of August 18, 2026 and payable on September 9, 2026.

Inventories at June 30, 2026 were ILS 244.4 million compared with ILS 210.2 million at December 31, 2025 and ILS 202.6 million at June 30, 2025.

Conference Call Information

The Company will host a conference call on August 11, 2026 at 8:00 a.m. Eastern Standard Time to discuss second quarter 2026 results (LINK). The conference call will also be accessible at https://ir.maxstock.co.il/en/event-en/.There will be a slide presentation that accompanies the call. The slides will be accessible at https://ir.maxstock.co.il/en/presentation-en/. An archived webcast of the conference call will be available at https://ir.maxstock.co.il/en/presentation-en/.

About Max Stock

Max Stock is Israel's leading extreme value retailer, currently present in 65 locations throughout Israel. We offer a broad assortment of quality products for customers' everyday needs at affordable prices, helping customers "Dream Big, Pay Small". For more information, please visit https://ir.maxstock.co.il

Forward-Looking Statements

It should be emphasized that this report includes forward-looking information as defined under the Securities Law, 5728-1968. Forward-looking information is uncertain information regarding the future, including forecasts, projections, estimates or other information which refer to a future event or matter, the eventuation of which is uncertain and/or not within the Company's control. The forward-looking information included in this report is based on the current information held by the Company or its current assessments, as of the publication date of this report.

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