

maytronics | *Exceptional Experience*

Second Quarter 2024 Earnings Conference Call

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2024 Key Trends



Macro Economic

B2B

Continued Inventory scrutiny

End Consumer

Pressure on Consumers Share of Wallet

Pressure on Discretionary spending

Demand Mix trading down



Channels Mix Transitions

- Increased Product offering Online
- Increased Pool Owners Comfort To Buy Online



Online Channel Gaining Share



Increased Competition



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Key Strategic Initiatives

1 | **Technology** Reinforce Robotic Cleaners' Product Leadership

2 | **Cost** Restructure Cost to Optimize Competitiveness

3 | **GTM**
(Go to Market) Optimize GTM & Sustainable Partnerships

4 | **Offering & Ecosystem** Expand Offering



Key Strategic Initiatives

2024 Planned Initiatives

1

Technology

Reinforce Robotic Cleaners' Product Leadership

LIBERTY™ 100, 200, 300, 400



niya sonar 10/30/50

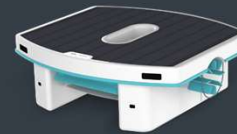


4

Offering & Ecosystem

Expand Offering

skimmi™



3

GTM
(Go to Market)

Optimize GTM & Sustainable Partnerships



*Establish the eCommerce
Global Organization*



*Formalizing and expand
the eCommerce business at NA*



*Build the operations and business
development for eCommerce at EU*



Strategic Focus on Margin Improvements

STRATEGY PILLARS

GTM
(Go to Market)

Optimize GTM & Sustainable Partnerships

Cost

Restructure cost to Optimize Competitiveness

MARGIN DRIVERS

Go-to-market initiatives
Optimize GTM

COGS optimization
Operational Excellence, Design for Cost, Product Rationalization

Organizational alignment
Org. Excellence & infrastructure optimization

COGS Optimization


TARGETS

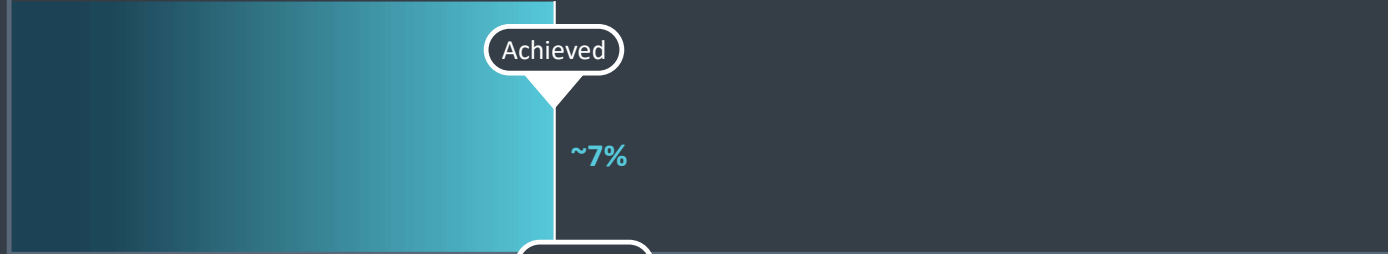



STATUS UPDATE
(Full Year proforma)

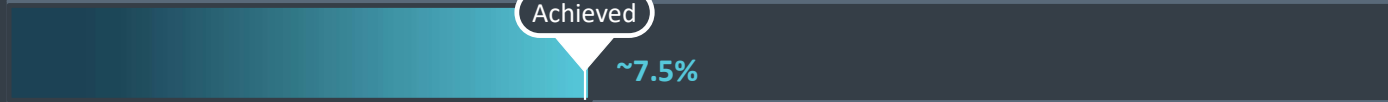
 **Direct Labor Saving**



 **BOM Saving**



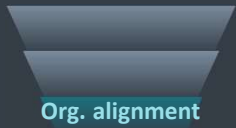
 **In-direct COGS Saving**



Aggregated Achieved ~7%

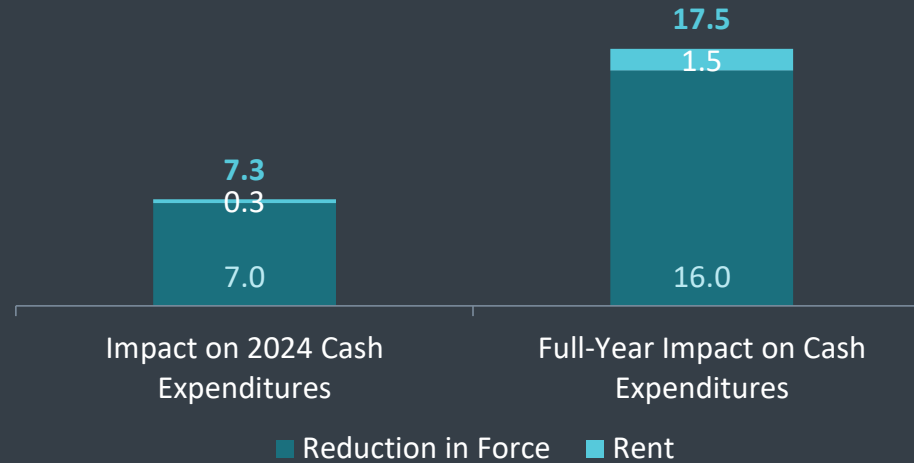
Aggregated Target FY 2026
10-15%





Organizational Alignment (M NIS)

OPEX and CAPEX Saving Initiatives (M NIS)



Additional activities that reduce OPEX and CAPEX cash expenditure including projects prioritization, IT workplans adjustments, marketing spend rationalization, T&A, benefits and others.

Impact estimated at ~15M NIS vs. initial planning



Go-to-market

GTM

Go-to-market initiatives

Optimize GTM

Adjustments to B2B model in selected markets to increase competitiveness and route-to-market sustainability

Eccxi growth strategy: geographies, categories, infrastructure



Q2 2024 - Territories



North America -16% (-18% in US\$)

B2B Channel:

- Distribution Channel Continued reducing inventory levels
- Softness on big ticket & discretionary items
- Unfavorable Weather
- Normalized demand in the commercial channel

Online Channel:

- High growth in Electronic Cleaners (Robotic cleaners & Basic Vacuum cleaners)
- Alternative Cleaners: Suction & Pressure Down 20% -30% LTM
- Niya launch was delayed. Encouraging store test results and the short period sales with Amazon
- Dolphin unit sales Up low single digits translated to a decline in revenues (Price & Mix shift to lower priced cleaners)
- ECCXI's 'other Products' segment grew ~30% in Q2 as product portfolio expands
- Chinese competitors continue big spending online, driving cost of advertising up.



Q2 2024 - Territories



Europe **-21%** (-23% in Euro)

- Demand in the European market is more challenged than in other regions, with steep decline in pool construction, decline in consumer spending on discretionary products, and unfavorable weather conditions.
- Generally average to high inventories at the distribution level, as dealer demand was soft in the quarter.
- Increased competition from both traditional competitors and new competitors from China
- ECCXI Europe expansion plan was behind schedule.
- Unfavorable weather patterns continue in July



Oceania **+12%** (+11%)

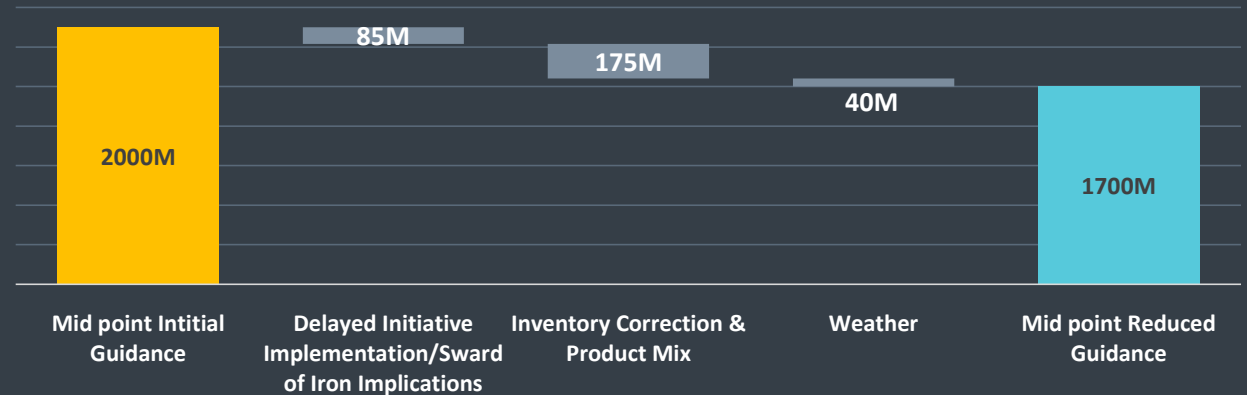
- Normalized inventory levels following a good pool season with weather favorably impacting the demand in industry
- Strong business fundamentals and market characteristics support growth outlook for 2024
- launched the MineralSwim V2 bringing an innovative and enhanced sanitation and water experience to the consumer.



2024 Outlook

- **Update Revenue guidance - Decline of 5% to 15%**
- **Update GP margin expected range of 39% – 40%**

2024 Revenue Guidance Gap Analysis



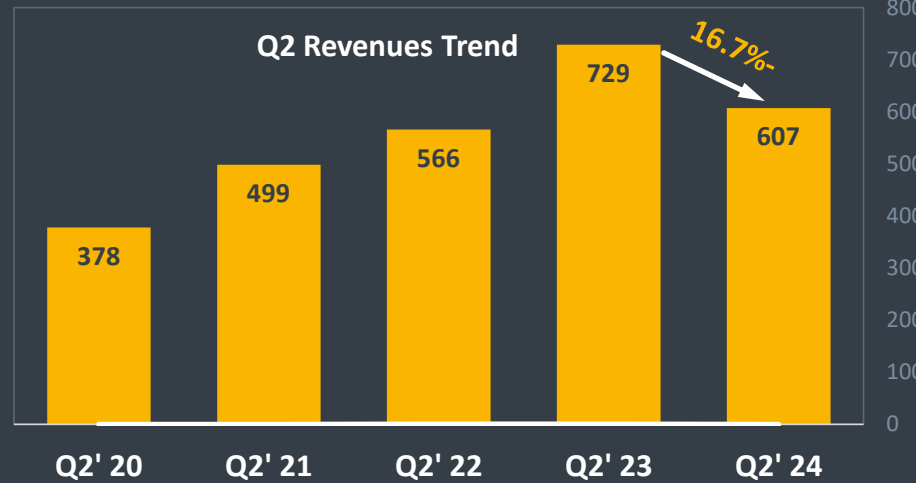
- NIS 300M Gap from initial guidance
- ~30% of the Gap relates to delayed implementation of strategic initiative related mainly to Sword of Iron war
- Initial assumption of return to positive volume growth vs continued inventory levels the B2B to be very low
- Delayed Niya launch amplified as the demand mix reflects a trade down by pool owners
- Initial assumption of a standard pool season opening mid may vs. delayed start due weather stabilizing in late June

Financial Results Analysis

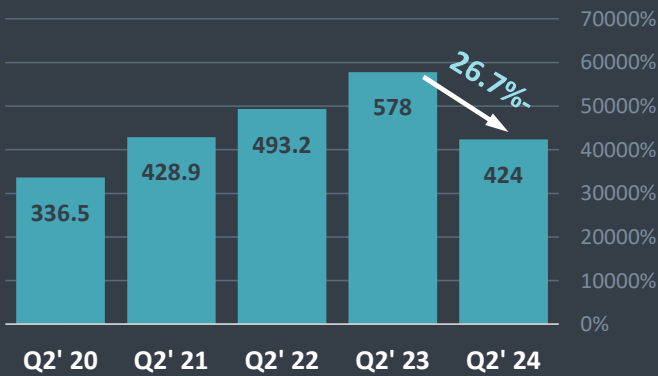


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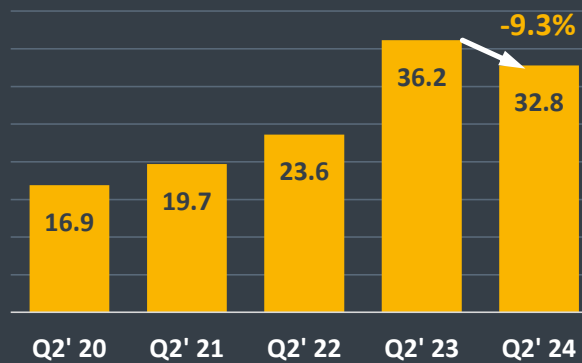
Q2 2024 Revenues



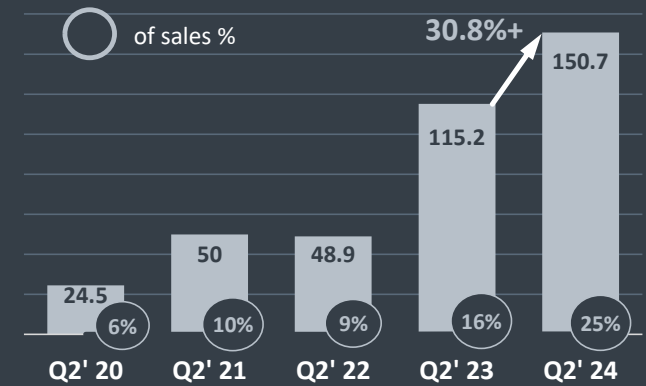
Residential Robotic Sales



Commercial Robotic Sales

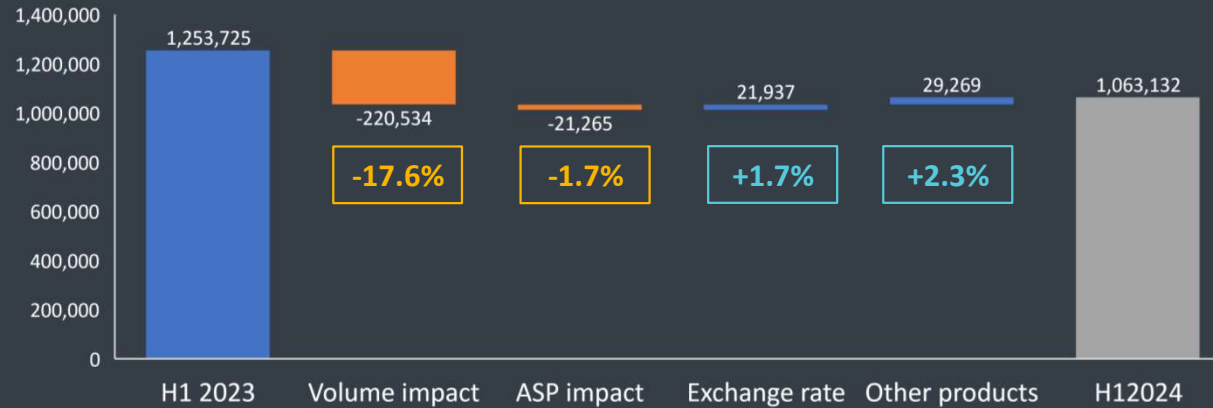


Safety & Other Sales

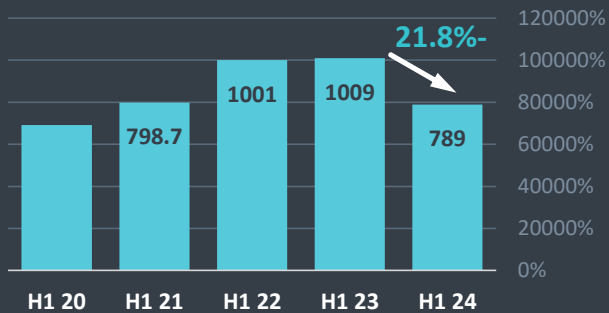


H1 2024 Revenues

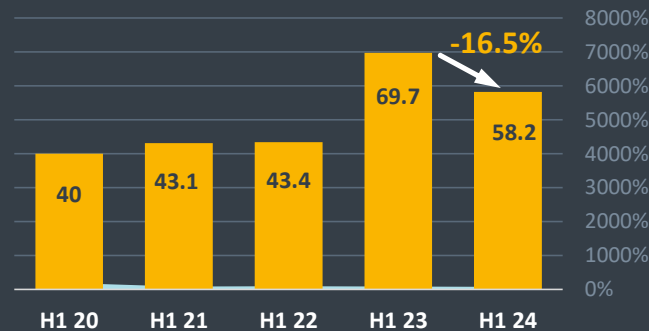
H1 2024 Vs H1 2023 Main Impacts



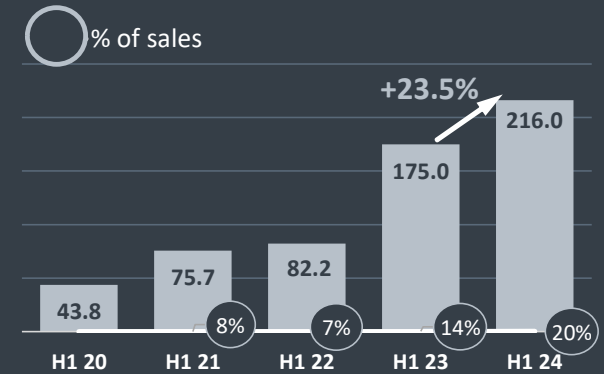
Residential Robotic Sales



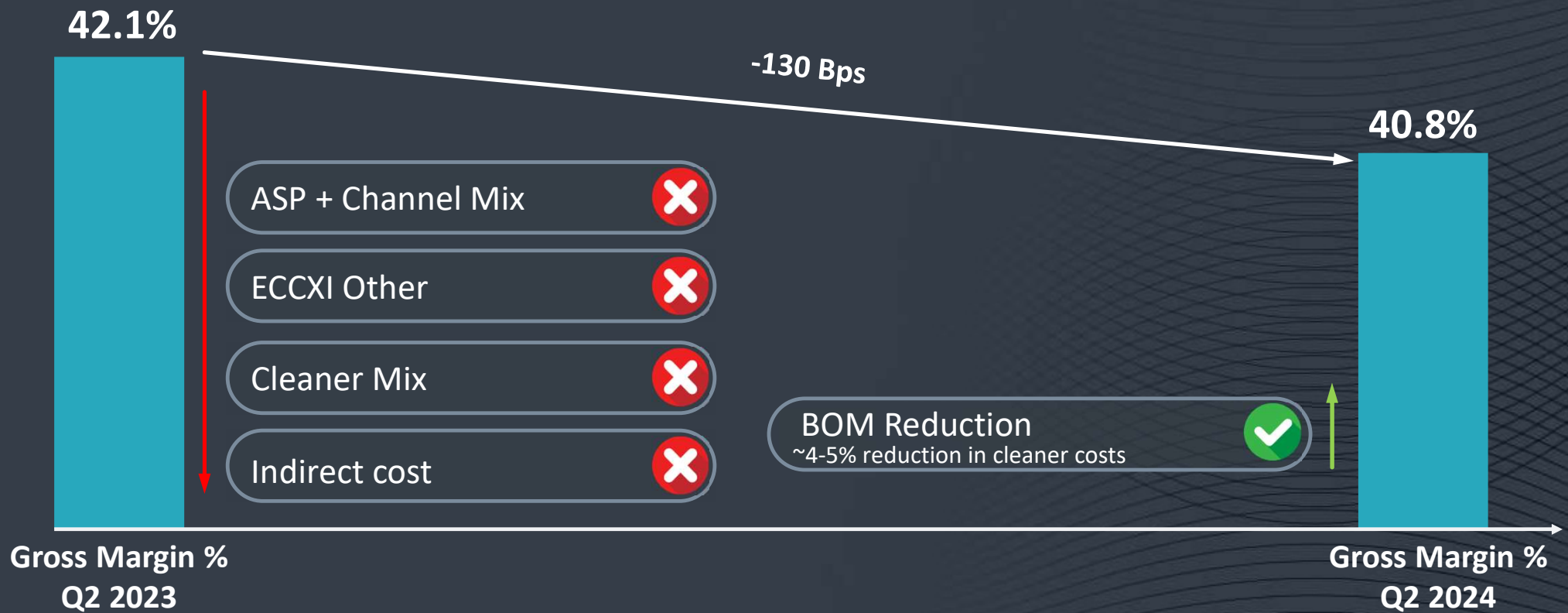
Commercial Robotic Sales



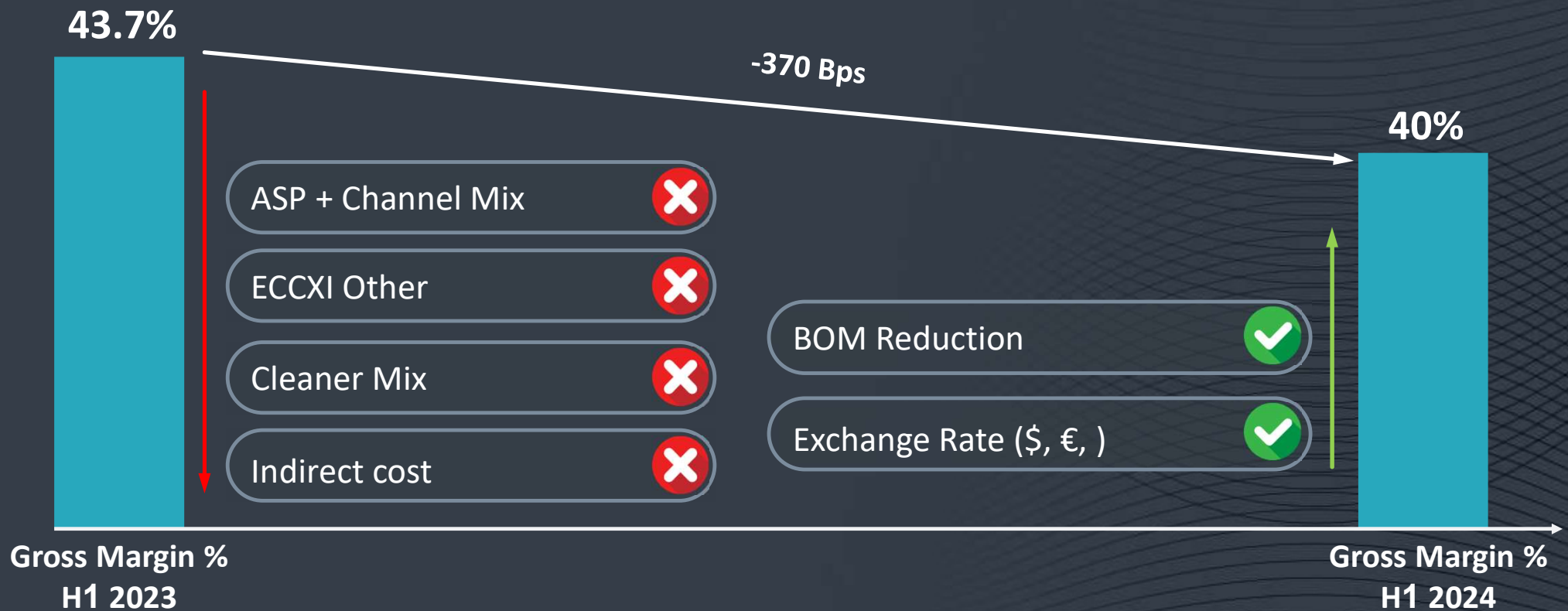
Safety & Other Sales



Q2 2024 Gross Margin Main Factors



H1 2024 Gross Margin Main Factors



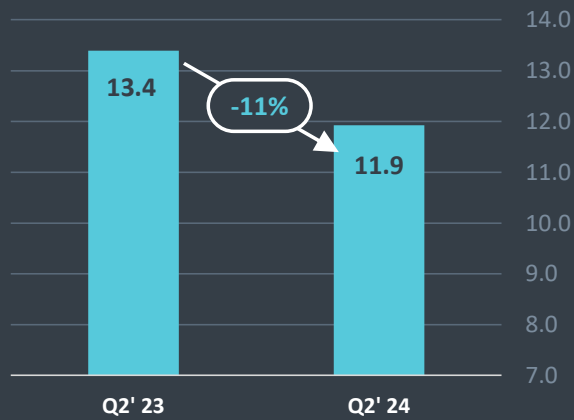
OPEX analysis



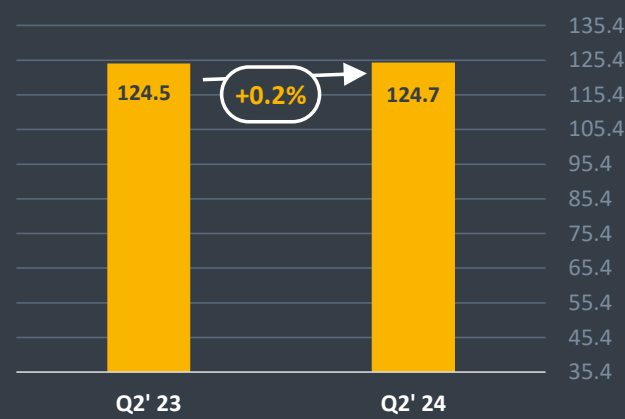
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Q2 OPEX

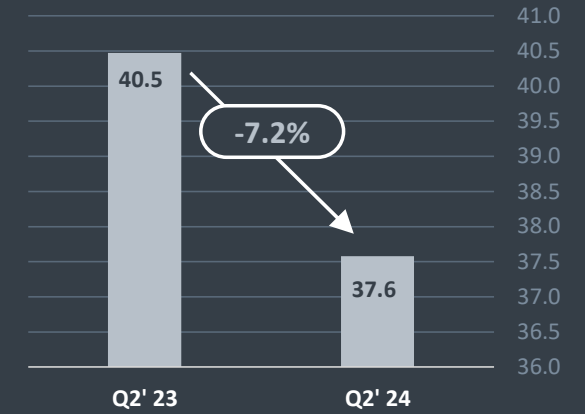
R&D



Sales & Marketing



G&A



Debt & Finance Expenses K NIS

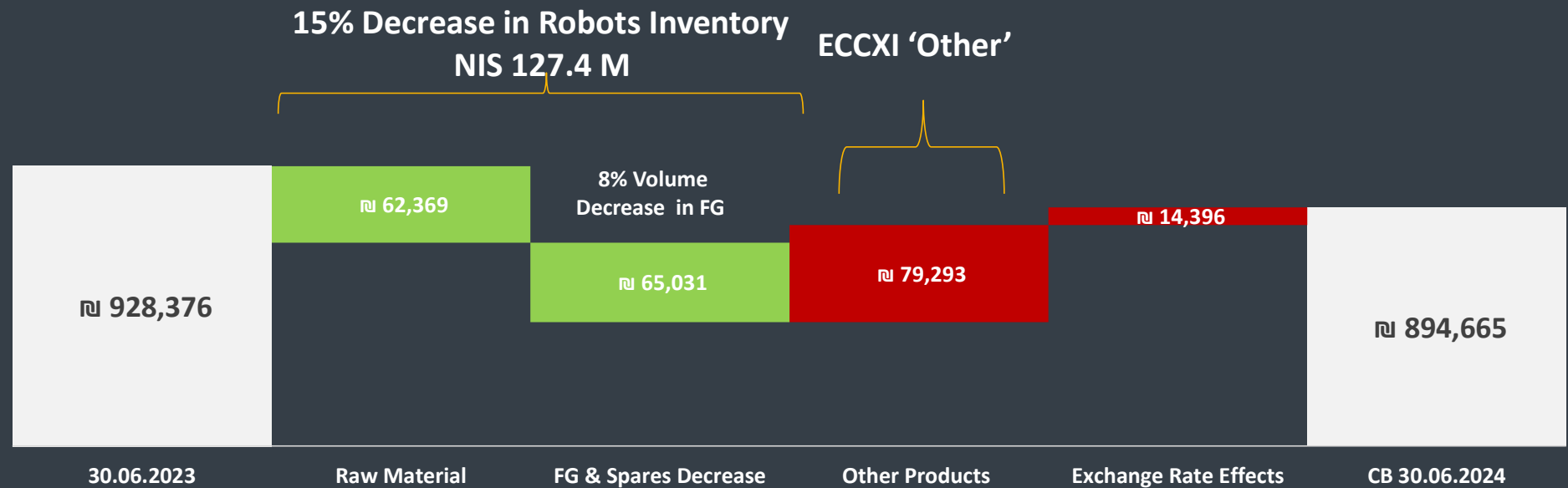
	Q1' 23	Q2' 23	Q3' 23	Q4' 23	Q1' 24	Q2' 24
Cash and Short Term Investments	139,174	169,139	125,413	148,764	105,633	137,175
Total Debt	948,074	794,634	752,480	835,111	897,559	789,452
Net Debt	808,900	625,495	627,067	686,347	791,926	652,277
Interest Expenses	11,023	14,157	12,087	12,488	13,807	13,636
Net Financial Expenses	18,353	17,325	14,721	15,940	10,288	18,744

Cash Flow – Main Points

	Q2'24	Q2'23	H1 2024	H1 2023
Net cash provided by operating activities	225,466	270,084	156,144	84,323
Decrease (increase) in trade receivables	145,558	131,347	(109,912)	(246,932)
Decrease in inventories	91,449	134,556	96,738	123,220
Decrease in trade payables	(106,649)	(55,494)	(7,626)	(25,164)
Net cash used in investing activities	(42,108)	(27,046)	(64,407)	(48,110)
Purchase and capitalization of intangible assets	(15,931)	(14,747)	(28,648)	(24,049)
Purchase of fixed assets	(14,522)	(16,280)	(24,239)	(29,952)

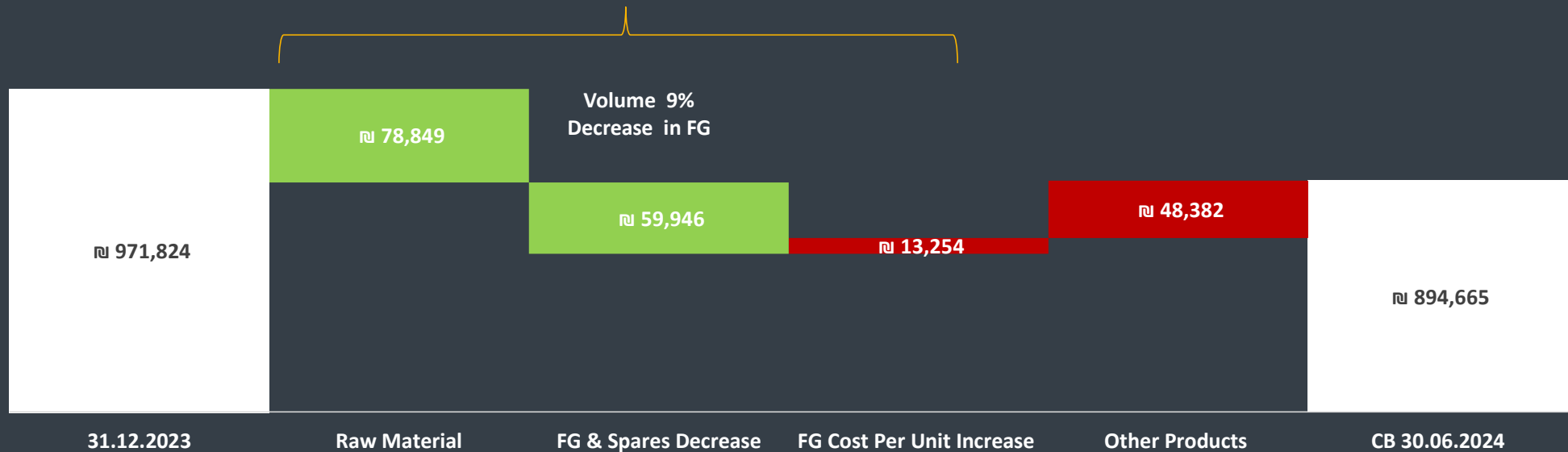


Inventory Changes 30.06.23 VS 30.06.2024



Inventory Changes 31.12.23 VS 30.06.2024

14% Decrease in Robots Inventory
NIS 125.5 M



Financial Ratios

	6M.2024	6M.2023
Working capital	554,847	546,577
Current ratio	1.59	1.51
Quick ratio	0.64	0.64
Customers Days	74	77
Suppliers Days	79	73
Inventory Days	269	266



Q&A



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Thank You.