maytronics | Exceptional Experience

MAYTRONICS LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

NIS in thousands

(AUDITED)

MAYTRONICS LTD.

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2023	2022
	Audited	
	NIS in thousands	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	130,044	120,891
Short-term investments	18,720	17,617
Trade receivables, net	234,143	187,504
Other accounts receivable	82,530	64,295
Inventory	971,824	1,016,098
	1,437,261	1,406,405
NON-CURRENT ASSETS:		
Long-term receivables	1,364	1,751
Fixed assets, net	229,564	200,312
Right-of-use assets, net	152,361	144,395
Intangible assets, net	317,171	297,453
Deferred taxes, net	41,584	41,298
	742,044	685,209
	2,179,305	2,091,614

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2023	2022
	Audited	
	NIS in thousands	
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Credit from banks	644,702	477,422
Current maturities of lease liability	28,070	26,910
Current maturities of deferred liability of acquired subsidiary	-	25,882
Deferred contingent consideration from acquired subsidiary	11,548	-
Trade payables	182,705	240,094
Income taxes payable	1,610	3,476
Other accounts payable	122,364	161,438
Provisions	16,910	20,171
	1,007,909	955,393
NON-CURRENT LIABILITIES:		
Loans from banks	190,409	248,157
Lease liability	132,637	124,151
Deferred contingent consideration from acquired subsidiary	-	13,112
Employee benefit liabilities, net	2,991	4,259
Other long-term liabilities	6,786	5,786
Deferred taxes	1,691	1,502
	334,514	396,967
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:		
Share capital	11,257	11,229
Share premium	119,018	115,472
Treasury shares	(500)	(500)
Retained earnings	609,428	555,179
Capital reserve from share-based payment transactions	30,775	20,613
Capital reserve from transactions with controlling shareholder	164	164
Capital reserve from remeasurement of defined benefit plans	1,038	388
Revaluation surplus	2,147	2,147
Capital reserve from transactions with non-controlling interests	(6,895)	(6,895)
Adjustments arising from translating financial statements of foreign operations	(8,208)	(23,720)
	758,224	674,077
Non-controlling interests	78,658	65,177
Total Equity	836,882	739,254
	2,179,305	2,091,614

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,		
	2023	2022	2021
		Audited	
	NIS in thousands (except earnings per share data)		
Revenues from sales	1,889,565	1,786,896	1,409,395
Cost of sales	1,099,640	1,068,587	816,132
Gross profit	789,925	718,309	593,263
Research and development expenses	55,060	52,641	46,582
Selling and marketing expenses	332,562	238,088	155,408
General and administrative expenses	144,339	134,919	113,553
Other income, net	(247)	-	-
Operating income	258,211	292,661	277,720
Other income (expenses), net	21	29	(114)
Financial income	33,166	15,689	34,384
Financial expenses	(99,505)	(44,644)	(30,156)
Income before taxes	191,893	263,735	281,834
Taxes on income	28,334	35,986	41,580
Net income	163,559	227,749	240,254
Adjustments arising from translating financial statements of foreign operations	18,323	23,908	(21,276)
Remeasurement gain from defined benefit plans	650	2,042	327
Total other comprehensive income (loss)	18,973	25,950	(20,949)
Total comprehensive income	182,532	253,699	219,305
Net income attributable to:			
Equity holders of the Company	148,249	218,296	224,012
Non-controlling interests	15,310	9,453	16,242
	163,559	227,749	240,254
Total comprehensive income attributable to:			
Equity holders of the Company	164,411	240,699	207,227
Non-controlling interests	18,121	13,000	12,078
	182,532	253,699	219,305
Net basic earnings per share attributable to equity holders of the Company (in NIS):	1.35	2.00	2.05
Net diluted earnings per share attributable to equity holders of the Company (in NIS):	1.35	1.99	2.04

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2022	2021
		Audited	
		NIS in thousands	
Cash flows from operating activities:			
Net income	163,559	227,749	240,254
Adjustments to reconcile net income to net cash provided by operating activities:			
Adjustments to the profit or loss items:			
Taxes on income	40,840	57,931	47,043
Deferred taxes, net	548	(13,499)	(3,329)
Financial expenses, net	62,045	18,105	7,049
Depreciation and amortization	88,426	69,678	56,211
Impairment of an intangible asset	10,600	-	-
Cost of share-based payment	13,708	11,311	8,327
Revaluation of options to Kibbutz members	(140)	(2,068)	(582)
Increase (decrease) in employee benefits liabilities, net	(618)	1,853	246
Interest accrued on long-term deposit and exchange differences from investments	166	(188)	(947)
Capital loss (gain) from sale of fixed assets	(183)	391	(139)
Revaluation of securities measured at fair value through profit or loss, net	(663)	1,962	(1,006)
Revaluation of derivatives	(30,550)	47,185	(23,133)
Deferred Contingent consideration from acquired subsidiary	(1,865)	-	-
Exchange differences from cash and cash equivalents	(25)	(6,098)	8,656
	182,289	186,563	98,396
Changes in asset and liability items:			
Increase in trade receivables	(40,889)	(55,189)	(41,111)
Decrease (increase) in other accounts receivable (including long-term)	(10,394)	7,793	(20,459)
Decrease (increase) in inventories	67,179	(360,183)	(216,265)
Increase (decrease) in trade payables	(73,916)	(166,597)	90,691
Increase (decrease) in other accounts payable, provisions and taxes payable	(23,471)	15,099	33,801
Increase in other liabilities	2,903	4,052	630
	(78,588)	(555,025)	(152,713)
Cash paid and received during the period for:			
Interest and dividend received	459	459	468
Interest paid	(62,504)	(18,564)	(7,517)
Taxes paid	(40,840)	(57,931)	(47,043)
	(102,885)	(76,036)	(54,092)
Net cash provided (used in) by operating activities	164,375	(216,749)	131,845

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2022	2021
		Audited	
		NIS in thousands	
Cash flows from investing activities:			
Purchase and capitalization of intangible assets	(48,723)	(59,059)	(39,613)
Purchase of fixed assets	(61,809)	(58,311)	(52,941)
Proceeds from sale of fixed assets	476	204	266
Receipt of investment grants	3,734	-	-
Acquisition of initially consolidated subsidiary (B)	-	3,029	-
Repayment of deferred liability of acquired subsidiary	(27,123)	(16,538)	(15,962)
Proceeds from sell (purchase of) securities measured at fair value through profit or loss, net	(440)	41	(311)
Net cash used in investing activities	(133,885)	(130,634)	(108,561)
Cash flows from financing activities:			
Proceeds from exercise of options	28	19	94
Receipt of short-term credit, net	159,999	145,944	147,709
Receipt of long-term loan	12,056	270,000	32,030
Repayment of long-term loan	(69,409)	(46,146)	(24,208)
Dividend paid to shareholders of the Company	(94,000)	(125,010)	(120,082)
Dividend paid to non-controlling interests	(4,640)	(4,100)	(5,149)
Repayment of lease liability	(29,443)	(23,303)	(19,192)
Net cash provided by (used in) financing activities	(25,409)	217,404	11,202
Exchange differences on balances of cash and cash equivalents	25	6,098	(8,656)
Translation differences from cash balances of foreign operations	4,047	6,993	(14,568)
Increase (decrease) in cash and cash equivalents	9,153	(116,888)	11,262
Cash and cash equivalents at the beginning of the year	120,891	237,779	226,517
Cash and cash equivalents at the end of the year	130,044	120,891	237,779
(A) Significant non-cash transactions:			
Purchase of fixed assets and intangible assets on credit	3,368	18,059	12,161
Recognition of the right of use assets against lease liability	37,891	59,962	35,299
Deferred liability of acquisition subsidiary	-	24,751	-

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2022	2021
		Audited	
		NIS in thousands	
(B) Acquisition of initially consolidated subsidiary:			
Working capital (excluding cash and cash equivalents)	-	32,427	-
Fixed assets	-	(769)	-
Right-of-use assets	-	(6,896)	-
Intangible assets	-	(47,705)	-
Goodwill	-	(36,229)	-
Lease liability	-	7,000	-
Deferred liability	-	24,751	-
Deferred Contingent consideration	-	12,791	-
Non-controlling interests	-	17,659	-
	-	3,029	-