

Tiv Taam 2016



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Tiv Taam Group



Tiv Taam Group

The retail market leader in retailing non-kosher foods and household goods,
import and wholesale of kosher and non-kosher foods,
and production of meat and fish products

Retail – 47 Stores	Food Import & Wholesale	Production
 Tiv Taam	 Israco FOOD BRANDS MARKETING	 Mizra
 Domo	 The Scottish Company	
 EDEN TEVA MARKET		

Tiv Taam Group



- ✓ Israel's largest **non-kosher** food group
- ✓ Synergistic activities throughout the value chain: production, import, wholesale marketing, and retail sales
- ✓ Sales turnover of approx. NIS 1.5 billion, EBITDA of approx. NIS 56 million in 2016
- ✓ 1,700 employees
- ✓ Market value of approx. NIS 300 million, correct as of 30.12.2016

Tiv Taam Group - Milestones

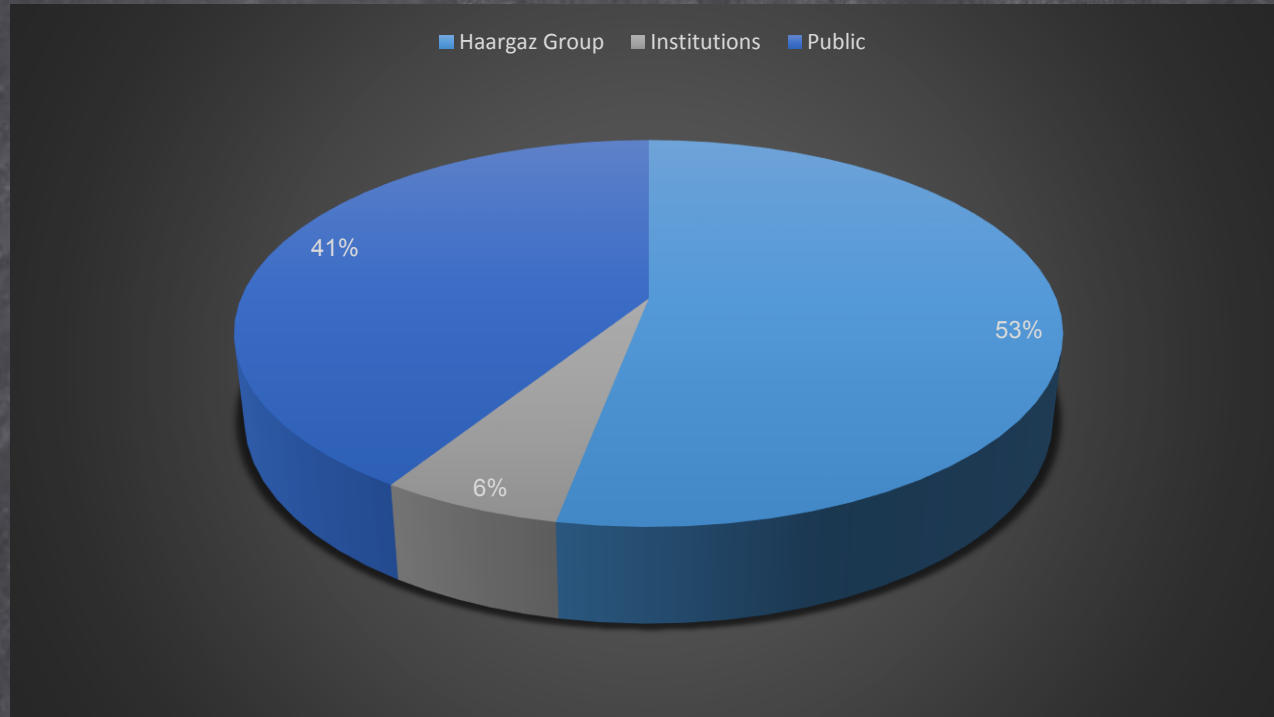
- ✓ **1965:** Company founded
- ✓ **1994:** Becomes a public company via a reverse merger
- ✓ **11/2009:** The Haargaz Group acquires control of the company following financial difficulties experienced by the Tiv Taam Group
- ✓ **2010:** Fully acquires Mizra (100%)
- ✓ **2011-2012:** Completes reorganization of the industrial sector and the Group
- ✓ **2013:** Fully acquires Domo (100%)
- ✓ **1/2014:** Acquires the operations of the Scottish Company
- ✓ **9/2015:** Acquisition of Eden Teva Market



Tiv Taam Holding Structure



Tiv Taam Holding Structure



- The data apply to 14.7.16



Haargaz Group

- ✓ Established in 1932 as a cooperative owned by the Histadrut union
- ✓ Gen. (ret.) Hagai Shalom purchased the company from the court in 2000, and is still the Group's sole owner
- ✓ Focuses on the M&A of companies in difficulty
- ✓ Operates 5 factories:
 - ✓ Haargaz Storage, Cooling & Display Systems (Ramle)
 - ✓ Haargaz Building Industries (Ramle)
 - ✓ Haargaz Taditel Automotive Industries (Timorim, USA, China)
 - ✓ Haargaz Transportation (Timorim)
 - ✓ Haargaz Technopach Metal Processing (Barkan)

Management Team

Hagai Shalom – Owner

Owner – Haargaz Group

General (res.), former member of the general staff and head of the IDF's Technology & Logistics Division

Degree in Industrial Engineering and Management from the Technion

MBA in finance and business administration from NYU



Aaron Midan – Chairman

Chairman – Golf-Kitan Group

Former chairman, CEO, and founder of Home Center in Israel, Russia, Serbia, and Cyprus



Adi Cohen – CEO

Led the turnaround of companies within the Haargaz Group and the Tiv Taam Group

BSc in Aerospace Engineering (Technion), BA in Accounting (Tel Aviv University), MBA in Finance & Marketing (Tel Aviv University)



The Retail Sector



The Retail Sector

Including:

**Chains : Tiv Taam and Domo & Delicates and Eden
Teva Market**



The Retail Sector



The leading chain in:
Quality
Service
Culinary Experience
Unique Product Variety
Unbeatable Opening Hours
All at Competitive Prices!

The Retail Sector

Tiv Taam Chain	
Tiv Taam	In The City
17 stores	21 stores

The Retail Sector

Loyalty Club Tiv Taam

Approx. **200,000** members

Accounts for approx. 65% of sales



The Retail Sector

Eden Teva Market leader in the field of health food kosher in Israel, as a network, with an emphasis on service quality, unique products and a variety of healthy shopping experience



And all this at a competitive price!



טיה • טעם



The Retail Sector

Eden Teva Market Chain

8 independent shops

Online Sales

The Retail Sector

Loyalty Club Eden Teva Market

Approx. **50,000** members

Accounts for approx. 66% of sales



Tiv Taam and Eden Branches



In The City Branches

Raanana
Rishon LeZion
Herzliya
Givatayim
Ramat Gan
Tel Aviv-Jaffa -14
branches
Hod Hasharon

Eden Teva Market Branches

Netanya
Rishon Lezion
Tel Aviv
Ramat Gan
Kfar Saba
Ashdod
Beer Sheva

Main Branches

Ashdod
Ashkelon
Beersheva
Bat Yam
Herzliya
Holon
Yehud
Karmiel
Modiin
Netanya
Emek Hefer
Kibbutz Mizra
Krayot
West Rishon
LeZion
East Rishon
LeZion
Rehovot
Ramat Hahayal

סניפי עדן טבע מרקט


סניפי טיב טעם

In The City

Selling Space: Approx
70,000 square meter

טייטל

The Retail Sector

 DOMO & DELICATES	Domo & Delicates
Shop-in-shop stores within Tiv Taam branches	Standalone stores
7 stores	2 stores

Domo Branches

Domo Branches in Tiv Taam

Beersheva
Ashdod
Rehovot
Rishon LeZion
Tel Aviv
Netanya
Ashkelon

Domo Branches

Herzliya
Tel Aviv

נתניה

הרצליה

ת"א

ת"א

ראשלי"צ

רחובות

אשדוד

באר שבע

סניפי דומו בטיב טעם

סניפי דומו

Advantages of the Tiv Taam

Chain



- ✓ Distinct from competitors (which focus on price), in terms of **quality, service, visibility, culinary experience, unique product variety & opening hours** – all at competitive prices
- ✓ **Strong brand** with high-level positioning
- ✓ Branches **nationwide** in top-quality locations
- ✓ Vertical integration with **production and importing operations** contributes to differentiation from competitors in the market and gross profit
- ✓ Unique, broad product **variety**
- ✓ Active, attractive **loyalty club**
- ✓ **Online Sales**

Food Production, Import & Marketing



Food Production, Import & Marketing

One Stop Shop

in the kosher and non-kosher food wholesale market, locally-produced and imported in most main categories:

Mizra

A unique, high quality, leading brand in the field of frozen, ground, and thermally-processed meat. Experts in the production of fresh “ready-to-cook” meat for restaurants/retail.



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Food Production, Import & Marketing

One Stop Shop
in the kosher and non-kosher food wholesale market, locally-
produced and imported in most main categories:

Israco – Import & Wholesale Marketing

of fresh and processed meat, fish, seafood, cheese,
wine, alcohol, and dry goods



ISRACO
FOOD BRANDS MARKETING



טובה ♦ טעים

Food Production, Import & Marketing

One Stop Shop

in the kosher and non-kosher food wholesale market, locally-produced and imported in most main categories:

Snapir Yam – Import & Wholesale Marketing

Production and trade of frozen and fresh kosher fish from Israel and around the world



טיה טעם

Food Production, Import & Marketing

One Stop Shop

in the kosher and non-kosher food wholesale market, locally-produced and imported in most main categories:



The Scottish Company

Proven operations in the import and marketing of wine and alcohol. Broad customer base in chilled and hot beverages.

טיה טעם

Food Production, Import & Marketing

Production: Maadanei Mizra Food Industries Ltd.	Israco Ltd., Snapir Yam Ltd. Import & Wholesale Marketing:		
Kibbutz Mizra	Fish products - Jaffa	Logistics center for fresh & frozen products in Emek Hefer	Logistics center for dry goods in Kanat
Production of fresh, ground, and thermally- processed meat products	Production, import & marketing of fresh fish and seafood	Import and marketing of dry goods (oils, pasta, sauces, canned goods), frozen products, cheese, wine, alcohol, and other products	

Companies Exclusively Represented in Israel by Israco

Wine & Alcohol



Companies Exclusively Represented in Israel by Israco

Wine & Alcohol

Asahi

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Joseph Drouhin
L'ÉLÉGANCE NATURELLE
DES GRANDS BOURGOGNES

**AMARULA
CREAM**

**Evan
Williams®**
Bourbon

Companies Exclusively Represented in Israel by Israco

Fish & Seafood



Companies Exclusively Represented in Israel by Israco

Dry Goods



Companies Exclusively Represented in Israel by Israco

Cheese



Advantages

- ✓ Sales of approx. NIS 435 million per year, of which approx. 60% is to **third parties**
- ✓ Snapir Yam coordinates **kosher wholesale** activities and Israco operates in the **non-kosher** market
- ✓ **Logistics** – Distribution via approx. 40 refrigerated trucks
- ✓ Primarily **active** in the restaurant, catering, delicatessen, and retail fields
- ✓ Advantage in Min Drop

The Israeli Wholesale Food Market

Group Advantages

Active in the **kosher and non-kosher sectors**

Wider product range appealing to
different segments of the Israeli public

Emphasizing:

Quality, variety, service

**Logistics infrastructure
manufacturer**



Synergy in the Value Chain



Synergy in the Value Chain

Diverse Areas of Activity

Contributes to decentralization of risk while maintaining high synergy between different operations

Contribution to Gross Profit

Enhanced Differentiation due to unique variety



The Tiv Taam Group's Growth Engines



The Tiv Taam Group's Growth Engines



- ✓ Opening more stores (Tiv Taam, Eden Teva Market, Domo & Delicates)
- ✓ Proven M&A experience with companies in difficulty
- ✓ Expanding kosher wholesale activities
- ✓ Expanding non-kosher wholesale activities: alcohol, wine, fish & new categories
- ✓ Expanding import activities to increase differentiation and gross profit
- ✓ Strong, high quality, growing loyalty club

Financial Data

**TEAM
WORK
MAKES THE
DREAM
WORK**

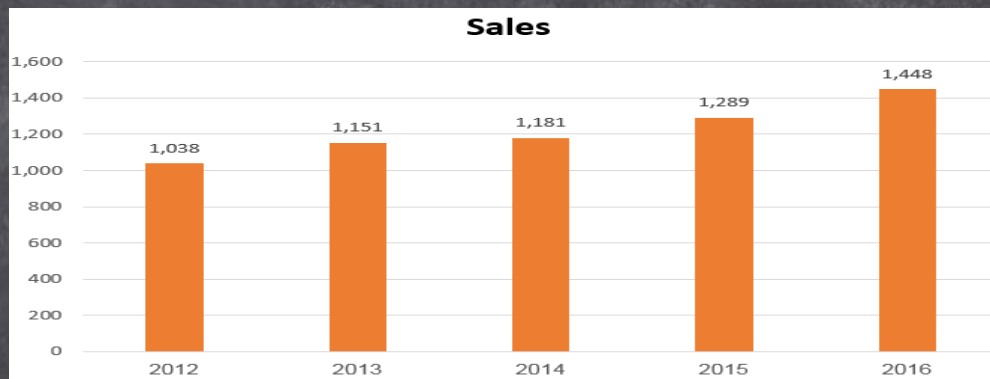


Financial Data

	2016	2015	2014	2013	2012
Sales	1,448	1,289	1,181	1,151	1,038
Gross Profit	415	370	343	333	330
% of Sales	28.7%	28.7%	29%	28.9%	31.8%
Operating Profit	17*	37	32	29	28
Net Profit	(34)	22	19	18	16

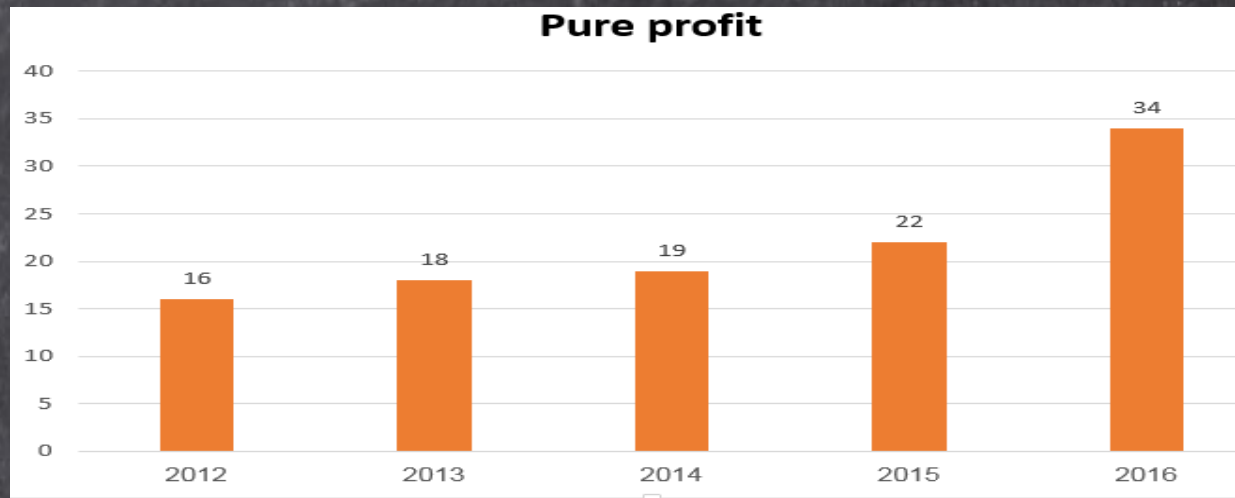
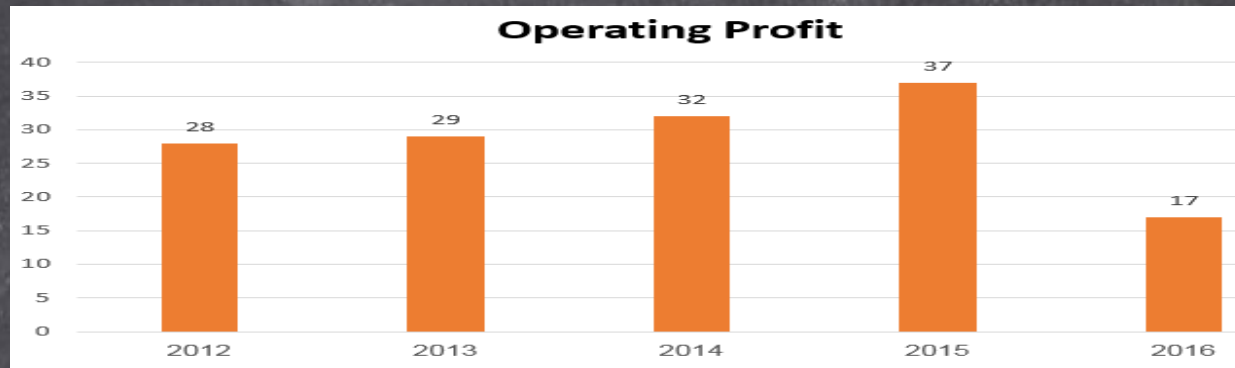
- Group consolidated NIS millions. Operating profit before other expenses (in 2016)

Financial Data



- Group consolidated NIS millions

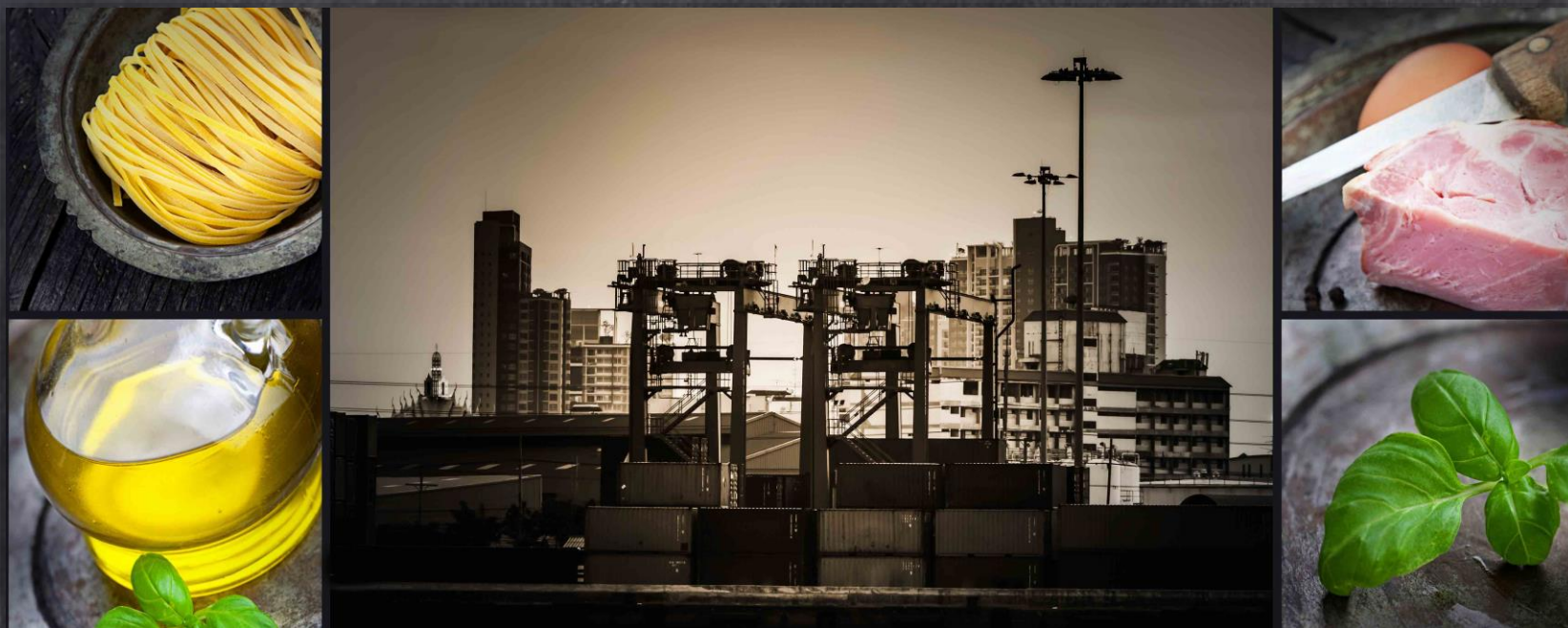
Financial Data



- Group consolidated NIS millions

Financial Data

Breakdown by Sector



Financial Data

The company operates in two main sectors:

Retail Sector

Tiv Taam Chains & Domo & Eden Teva Market

Industrial Sector, Import and marketing of food products

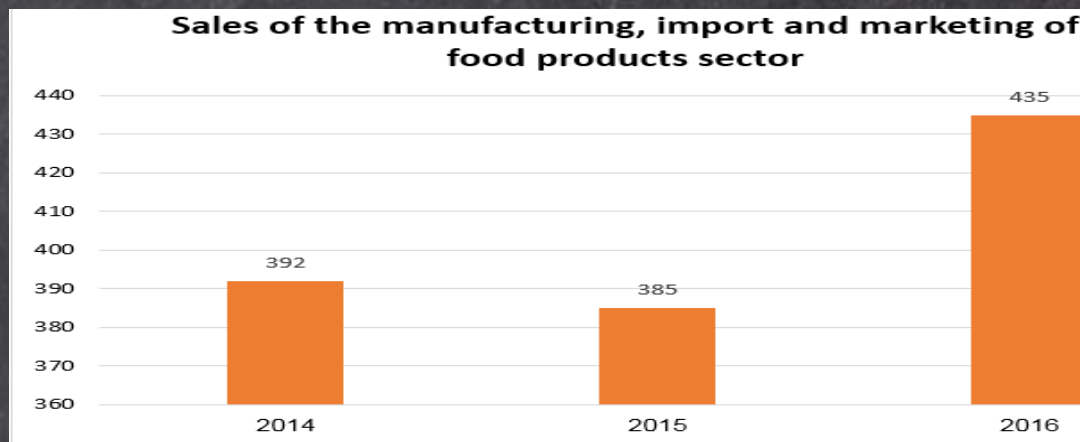
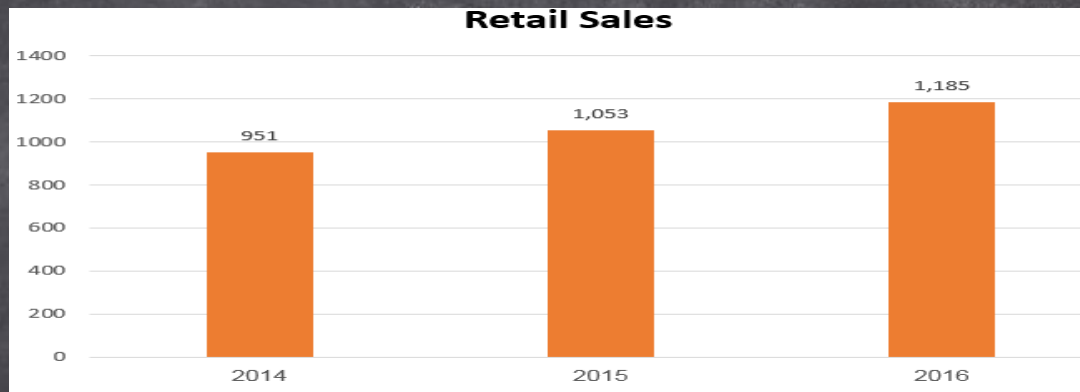
Israco, Snapir Yam & Mizra

Financial Data- Breakdown by Sector

Sales (NIS millions)	2014	2015	2016
Industrial Sector	392	385	435
Growth Rate	5%	(1.8%)	13%

Sales (NIS millions)	2014	2015	2016
Retail Sector	951	1,053	1,185
Growth Rate	(0.4%)	10.7%	12.5%
SSS Growth	(3.6%)	3.3%	1.6%

Financial Data- Breakdown by Sector



Financial Data- Breakdown by Sector

Sales (NIS millions)	2014	2015	2016
Industrial Sector	15	8	10
Retail Sector	17	26	8

Data in NIS millions, before reorganization expenses (in 2016) •

Balance (consolidated) Key Points

NIS (millions)	2012	2013	2014	2015	2016
Customers	135	92	87	97	106
Stock	93	102	115	123	122
Suppliers	164	171	166	217	214
Net Debt to Banks	201	151	145.6	122.3	143.3
Shareholders' Loans	32	32	17	-	-
Equity at End of Period	111	128	145	164	125
Equity/Balance Sheet	20%	23%	26%	27.5%	20.7%
Debt Ratio	3.9	2.8	2.1	1.68	2.56

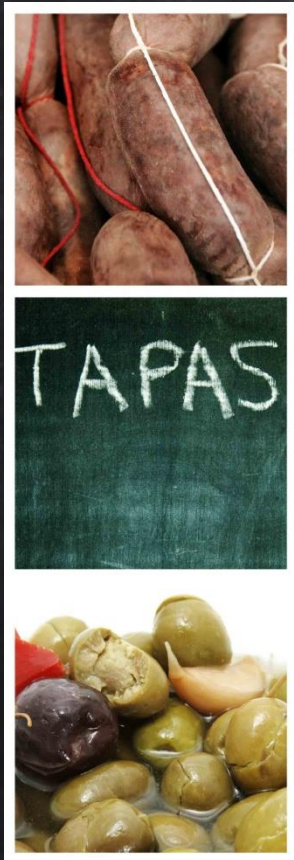
Tiv Taam 6 Years After Acquisition by Haargaz

	2009	2015	2016
No. of Branches	29	47	47
Sales	996	1,289	1,448
Operating Profit (Loss)	(8)	37	*17
Net Profit (Loss)	(31)	22	(34)
Equity	57	164	125

- Operating profit before reorganization expenses

Summary

Unique, strong, distinctive retail operations alongside growing import and production activities, all in the kosher and non-kosher sectors, paired with financial stability and strong, experienced management





Thank you