

## **Delta Galil Reports Fourth Quarter and Full Year 2025 Results**

*Record Fourth Quarter and Full Year Sales*

*Record Fourth Quarter Direct-To-Consumer Sales*

*Record Fourth Quarter Gross Profit Expanded 5% to \$263.2 Million*

*Strong Cash Flow from Operating Activities, Excluding IFRS 16, in the Fourth Quarter of \$89.5 Million, Compared to \$64.3 Million in the Same Period Last Year.*

*\$10 Million Dividend Declared for the Fourth Quarter 2025*

*For 2026, the Company is Focused on Achieving High-Single Digit Sales Growth and Double-Digit Profitability Growth Compared to 2025*

Caesarea, Israel—February 18, 2026—Delta Galil Industries, Ltd. (DELG/Tel Aviv Stock Exchange), the global designer, manufacturer and marketer of branded and private label intimate, activewear, loungewear and denim apparel for ladies, men, and children, today reported financial results for the fourth quarter and year ended December 31, 2025.

- Fourth quarter sales increased 2% to a record \$611.1 million, compared to \$599.2 million in the fourth quarter of last year
- Full year sales increased 4% to a record \$2,118.9 million
- Fourth quarter gross profit expanded 5% to a record \$263.2 million
- Full year gross profit increased 5% to a record \$900.3 million
- Own-web sales (excluding Bare Necessities) in the fourth quarter increased 27%, representing the 12<sup>th</sup> consecutive quarter of double-digit growth
- Strong Balance sheet with \$135.8 million in cash and record shareholders' equity of \$903.6 million at December 31, 2025
- Declares a \$10 million dividend for the fourth quarter of 2025, compared to \$10 million for the fourth quarter last year

Isaac Dabah, CEO of Delta Galil, stated, “Our fourth quarter capped an outstanding year of execution in what has been a challenging retail environment. We successfully navigated the impact of U.S. tariffs, expanded programs with key global customers, and delivered record sales driven by organic growth across most of our channels, geographies, and product lines. At the same time, we continued to make strategic investments in our factories and distribution centers to improve efficiencies, which enhanced our operations, brands and capabilities.

“I am proud of our performance throughout 2025, which reflects the strength and commitment of our team, the resilience of our balance sheet, our culture of continuous improvement, and the power of

our global platform. Together, these fundamentals give us confidence that we are well positioned for another year of profitable growth,” concluded Mr. Dabah.

### **Sales**

Fourth quarter sales increased 2% to a record \$611.1 million, compared to \$599.2 million in the fourth quarter of 2024. Sales for the full year were a record \$2,118.9 million, a 4% increase from \$2,045.7 million in the prior year period.

DTC sales of the Company’s owned brands (excluding Bare Necessities) increased 15% in the fourth quarter and the 2025 full year, compared to the same periods last year.

### **Gross Margin**

Gross profit in the fourth quarter grew 5% to a record of \$263.2 million compared to \$250.1 million in the fourth quarter of 2024. Gross profit for the 2025 full year grew 5% to a record \$900.3 million compared to \$856.3 million in the prior-year period.

Gross margin in the fourth quarter of 2025 increased by 140-basis points to 43.1%, compared to 41.7% in the fourth quarter of 2024. The year-over-year increase in the fourth quarter gross margin was due primarily to a higher portion of DTC sales, continued improved efficiency of our factories and positive exchange rates, partially offset by the U.S. tariff impact. Gross margin for the 2025 full year was a record 42.5%, up 60-basis points compared to 41.9% in the prior year period.

### **EBIT**

EBIT excluding non-core items in the fourth quarter of 2025 was \$59.3 million, compared to \$64.7 million in the prior year. EBIT in the fourth quarter of 2025 was \$51.1 million, compared to \$53.1 million, in the fourth quarter last year.

EBIT excluding non-core items in the full year 2025 was \$174.2 million, or 8.2% of sales, compared to \$184.1 million, or 9.0% of sales, in the prior year period. EBIT in the full year 2025 was \$164.4 million, compared to \$169.2 million in the same period last year.

The year-over-year decrease in EBIT for the fourth quarter and 2025 full year was primarily due to the impact of the U.S. tariff and higher SG&A expenses mainly due to retail expansion, partially offset by ongoing improvement in efficiencies in the Company’s factories.

### **Non-Core Items**

Below are details regarding non-core items in the reporting periods of 2025 and 2024, in millions:

	<b>Fourth Quarter</b>		<b>Full Year</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
Realignment plans	-	6.2	-	9.6
Impairment of non-financial assets	4.7	5.3	4.7	5.3
Impairment of fixed assets	2.7	-	2.7	-
Inventory adjustment due to purchase price allocation	1.1	-	1.1	-
Change in fair value of liability due to contingent consideration	(0.5)	-	(0.5)	-
Deal cost	0.2	-	1.9	-
Total non-core items	<u>8.2</u>	<u>11.5</u>	<u>9.8</u>	<u>14.9</u>

### **Net Income**

Net income excluding non-core items, net of tax, in the fourth quarter of 2025 decreased 13% to \$35.5 million, compared to \$41.0 million in the fourth quarter of 2024. Net income in the fourth quarter of 2025 was \$28.0 million, compared to \$29.5 million in the same period last year.

Net income excluding non-core items, net of tax, in the full year 2025 decreased 5% to \$102.6 million, compared to \$108.5 million in the 2024 full year. Net income in the 2025 full year was \$93.7 million, compared to \$94.6 million in the same period last year.

### **Diluted Earnings Per Share**

Diluted earnings per share, excluding non-core items, net of tax, were \$1.21 in the fourth quarter of 2025, compared to \$1.43 in the fourth quarter of 2024. Diluted earnings per share in the fourth quarter of 2025 was \$0.93, compared to \$1.00 in the fourth quarter last year.

Diluted earnings per share, excluding non-core items, net of tax, were \$3.55 in the full year 2025, compared to \$3.82 in the same period of 2024. Diluted earnings per share in the full year 2025 were \$3.21, compared to \$3.29 in the same period last year.

## **EBITDA, Cash Flow, Net Debt, Equity, and Dividend**

EBITDA, excluding IFRS 16, in the fourth quarter of 2025 was \$69.9 million, compared to \$72.4 million in the fourth quarter of 2024. In the full year 2025, EBITDA excluding IFRS 16 impact, was \$209.1 compared to \$217.1 million in the full year 2024.

Cash flow generated from operating activities, excluding IFRS 16, in the fourth quarter was \$89.5 million, compared to \$64.3 million in the fourth quarter of 2024. Cash flow generated from operating activities, excluding IFRS 16, was \$131.8 million in the full year 2025, compared to \$153.1 million in the full year 2024.

Net Debt to EBITDA, excluding IFRS 16, as of December 31, 2025, was 0.9x, compared to 0.6x on December 31, 2024.

Equity on December 31, 2025, was a record \$903.6 million, compared to \$803.6 million on December 31, 2024.

Delta Galil declared a dividend of \$10 million, or \$0.3825 per share, which will be distributed on March 11, 2026, with a record and “ex-dividend” date of February 25, 2026.

## **2026 Financial Guidance**

The Company’s guidance excludes non-core items and changes in fair value of liability with respect to contingent consideration, includes IFRS 16, and is based on 1.15 US \$ per 1 Euro and 3.15 NIS per 1 US \$ and on current tax and duty rates:

	Full Year 2026 Guidance (in millions, except per share amount)	Full Year 2025 (in millions, except per share amount)
Sales	\$2,328 – 2,294	\$2,118.9
EBIT	\$212 - 204	\$174.2
EBITDA	\$332 - 324	\$282.8
Net income	\$123 - 116	\$102.6
Diluted EPS (\$)	\$4.23 - 4.00	\$3.55

## **Constant Currency - Excluding the Impact of Foreign Currency**

This release refers to “reported” amounts in accordance with IFRS accounting principles (“GAAP”), which include translation and transactional impacts from foreign currency exchange rates. The release also refers to “constant dollar” amounts, which exclude the impact of translating foreign currencies into U.S. dollars, and are considered a non-GAAP financial measure. These constant currency performance measures should be viewed in addition to, and not in lieu of, or superior to, Delta Galil’s operating performance measures calculated in accordance with GAAP.

## **About Delta Galil Industries**

Delta Galil is an innovative, global intimate apparel and activewear company engaged in the design, development, production and marketing of products. The Company offers products in a wide range of categories - Ladies intimates, men's underwear, loungewear, activewear, sleepwear, shapewear and socks. The Company's main markets are the U.S., Europe and Israel.

Delta Galil's leading customers include Nike, Victoria's Secret, Lululemon, Skims, Walmart and others. In addition, the Company holds a wide portfolio of owned brands such as Delta, Schiesser, Eminence, Athena, Splendid, PJ Salvage and under license agreements for leading brands such as adidas, Columbia, Calvin Klein, Tommy Hilfiger and others. The Company also designs, develops, markets and sells denim under the Seven for All Mankind brand.

Delta Galil has a vertically integrated and global production and distribution platform that includes the entire value chain, from the design stage to the delivery of the final product, which allows for operational flexibility, high efficiency and rapid response to market changes.

The Company's CEO and controlling shareholder is Mr. Isaac Dabah, who has extensive global experience in the fashion and apparel sector.

## **Safe Harbor Statement**

Matters discussed in this press release contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this press release, the words "anticipate," "believe," "estimate," "may" "intend," "expect" and similar expressions identify such forward-looking statements. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein, and while expected, there is no guarantee that we will attain the aforementioned anticipated developmental milestones. These forward-looking statements are based largely on the expectations of the Company and are subject to a number of risks and uncertainties. These include, but are not limited to, risks and uncertainties associated with: the impact of economic, tax rates in the various countries the Company operates in, competitive and other factors affecting the Company and its operations, markets, product, and distributor performance, the impact on the national and local economies resulting from terrorist actions, and U.S. actions subsequently; and other factors detailed in reports filed by the Company.

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Source: Delta Galil Industries, Ltd.

# DELTA GALIL INDUSTRIES LTD.

Concise Consolidated Balance Sheets

As of December 31, 2025

	December 31	
	2025	2024
	(Audited)	
	Thousands of Dollars	
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	133,973	120,509
Restricted Cash	1,802	1,305
Trade receivables	223,418	271,873
Income taxes receivable	2,569	1,927
Other accounts receivable	64,229	56,998
Financial derivative	1,390	160
Inventory	430,348	400,533
Asset held for sale	2,997	1,773
<b>Total current assets</b>	<b>860,726</b>	<b>855,078</b>
<b>Non-current assets:</b>		
Investments accounted using the equity method and long-term receivables	13,150	12,824
Investment property	2,513	2,401
Property, plant and equipment, net and assets under construction	356,365	288,346
Goodwill	188,877	138,033
Brand names	157,704	132,389
Intangible assets, net of accumulated amortization	165,186	162,510
Right of use assets	294,733	257,629
Deferred tax assets	36,562	30,537
Financial derivative	3,202	511
<b>Total non-current assets</b>	<b>1,218,292</b>	<b>1,025,180</b>
<b>Total assets</b>	<b>2,079,018</b>	<b>1,880,258</b>

# DELTA GALIL INDUSTRIES LTD.

Concise Consolidated Balance Sheets

As of December 31, 2025

	December 31	
	2025	2024
	(Audited)	
	Thousands of Dollars	
<b>Liabilities and Equity</b>		
<b>Current liabilities:</b>		
Short-term bank loans	96,437	2,335
Current maturities of long term bank loans	23,759	20,939
Current maturities of bonds	31,625	29,476
Financial derivative	-	1,314
Current maturities of leases liabilities	72,690	53,663
Trade payables	188,055	237,371
Income taxes payable	21,146	23,805
Provision for realignment plan	2,898	8,142
Others payables	207,634	194,900
<b>Total current liabilities</b>	<b>644,244</b>	<b>571,945</b>
<b>Non-current liabilities:</b>		
Bank loans	141,455	124,163
Post-employment benefits obligation, net	6,081	5,810
Lease Liability	253,299	225,802
Other non-current liabilities	54,695	49,105
Bonds	38,274	64,712
Deferred taxes liabilities	37,371	33,394
Financial derivative	-	1,765
<b>Total non-current liabilities</b>	<b>531,175</b>	<b>504,751</b>
<b>Total liabilities</b>	<b>1,175,419</b>	<b>1,076,696</b>
<b>Equity:</b>		
Equity attributable to equity holders of the parent company:		
Share capital	23,714	23,714
Share premium	123,184	124,025
Other capital reserves	56,352	15,590
Retained earning	678,210	625,912
Treasury shares	(8,848)	(9,832)
	872,612	779,409
Minority interests	30,987	24,153
<b>Total equity</b>	<b>903,599</b>	<b>803,562</b>
<b>Total liabilities and equity</b>	<b>2,079,018</b>	<b>1,880,258</b>

# DELTA GALIL INDUSTRIES LTD.

Concise Consolidated Statement of Income  
For the year and three-month periods ending December 31, 2025

	Year ended December 31		% Increase/(Decrease)	Three months ended December 31		% Increase/(Decrease)
	2025	2024		2025	2024	
<b>Thousands of Dollars</b>						
<b>(Excluding earning per share figures)</b>						
<b>Sales</b>	<b>2,118,914</b>	2,045,666	4%	<b>611,141</b>	599,227	2%
Cost of sales	<b>1,218,634</b>	1,189,374		<b>347,984</b>	349,099	
<b>Gross profit</b>	<b>900,280</b>	856,292	5%	<b>263,157</b>	250,128	5%
% of sales	<b>42.5%</b>	41.9%		<b>43.1%</b>	41.7%	
Selling and marketing expenses	<b>616,938</b>	568,151	9%	<b>173,798</b>	156,674	11%
% of sales	<b>29.1%</b>	27.8%		<b>28.4%</b>	26.1%	
General and administrative expenses	<b>110,344</b>	105,222	5%	<b>30,854</b>	29,593	4%
% of sales	<b>5.2%</b>	5.1%		<b>5.0%</b>	4.9%	
Other expenses (income), net and Share in losses (profits) of investees, accounted using the equity method	<b>(1,194)</b>	(1,167)		<b>(761)</b>	(812)	
<b>Operating income excluding non-core items</b>	<b>174,192</b>	184,086	(5%)	<b>59,266</b>	64,673	(8%)
% of sales	<b>8.2%</b>	9.0%		<b>9.7%</b>	10.8%	
Non-core items	<b>9,802</b>	14,922		<b>8,152</b>	11,562	
<b>Operating income</b>	<b>164,390</b>	169,164	(3%)	<b>51,114</b>	53,111	(4%)
Finance expenses, net	<b>39,059</b>	44,779	(13%)	<b>12,126</b>	13,244	(8%)
<b>Income before taxes on income</b>	<b>125,331</b>	124,385		<b>38,988</b>	39,867	
Income taxes expenses	<b>31,621</b>	29,747		<b>11,026</b>	10,344	
<b>Net income for the period</b>	<b>93,710</b>	94,638	(1%)	<b>27,962</b>	29,523	(5%)
<b>Net income for the period excluding non-core items, net of tax</b>	<b>102,612</b>	108,509	(5%)	<b>35,462</b>	40,957	(13%)
<b>Net income for the period attributed to the company's shareholders excluding non-core items, net of tax</b>	<b>93,793</b>	100,281		<b>32,073</b>	37,693	
<b>Attribution of net earnings for the period:</b>						
<b>Attributed to company's shareholders</b>	<b>84,891</b>	86,410		<b>24,573</b>	26,259	
<b>Attributed to non-controlling interests</b>	<b>8,819</b>	8,228		<b>3,389</b>	3,264	
	<b>93,710</b>	94,638		<b>27,962</b>	29,523	
<b>Net diluted earnings per share attributed to company's shareholders</b>	<b>3.21</b>	3.29	(2%)	<b>0.93</b>	1.00	(7%)
<b>Net diluted earnings per share, before non-core items, net of tax, attributable to Company's shareholders</b>	<b>3.55</b>	3.82	(7%)	<b>1.21</b>	1.43	(15%)

# DELTA GALIL INDUSTRIES LTD.

## Concise Consolidated Cash Flow Reports

For the year and three-month periods ending December 31, 2025

	Year ended December 31	
	2025	2024
	(Audited)	
Thousands of Dollars		
<b>Cash flows from operating activities:</b>		
Net income for the period	93,710	94,638
Adjustments required to present cash flows from operating activities	169,221	182,506
Interest paid in cash	(33,259)	(31,222)
Interest received in cash	1,808	3,511
Taxes on income paid in cash, net	(42,420)	(46,410)
<b>Net cash generated from operating activities</b>	<b>189,060</b>	<b>203,023</b>
<b>Cash flows from investment activities:</b>		
Acquisition of property, plant and equipment and assets under construction	(79,764)	(73,994)
Acquisition of intangible assets	(23,422)	(32,807)
Acquisition of subsidiary	(65,417)	-
Repayment of a loan from a business partner	-	981
Proceeds from sale of property plant and equipment	6,403	600
Others	(1,328)	1,207
<b>Net cash used in Investing activities</b>	<b>(163,528)</b>	<b>(104,013)</b>
<b>Cash flows from financing activities:</b>		
Dividend paid to non-controlling interests in subsidiary	(5,137)	(14,488)
Payment of long-term payable in connection with acquisition of property, plant and equipment under construction	(5,366)	(5,051)
Principal elements of lease payments	(57,261)	(49,932)
Repayment of bonds	(31,202)	(31,202)
Dividend paid	(34,016)	(32,972)
Receipt of long-term bank loans	38,561	6,616
Repayment of long-term bank loans	(21,984)	(24,146)
Short-term credit from banking corporations, net	93,585	1,929
Others	(433)	394
<b>Net cash used in financing activities</b>	<b>(23,253)</b>	<b>(148,852)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,279</b>	<b>(49,842)</b>
<b>Exchange rate differences and revaluation of cash and cash equivalents, net</b>	<b>11,185</b>	<b>(4,112)</b>
<b>Balance of cash and cash equivalents at the beginning of the period, net</b>	<b>120,509</b>	<b>174,463</b>
<b>Balance of cash and cash equivalents at the end of the Period, net</b>	<b>133,973</b>	<b>120,509</b>

# DELTA GALIL INDUSTRIES LTD.

## Concise Consolidated Cash Flow Reports

For the year and three-month periods ending December 31, 2025

### Year ended December 31

2025	2024
(Audited)	
Thousands of Dollars	

#### Reconciliations required to present cash flows generated by operating activities:

Adjustments in respect of:

Depreciation	34,890	33,024
Amortization	73,750	65,731
Impairment of non-financial assets	4,665	5,344
Interest in respect of bonds and loans	18,939	19,351
Interest received in cash	(1,808)	(3,511)
Taxes on income paid in cash, net	42,420	46,410
Deferred taxes on income, net	(5,642)	(2,738)
Interest expenses recognized in respect of lease agreements	14,320	11,871
Post-employment benefit obligation, net	235	(557)
Change in realignment provision	(5,244)	4,568
Income from decrease of earn-out liability	(545)	-
Gain from disposal of property, plant and equipment	(1,741)	(512)
Share-based payments expenses	1,413	2,188
Share in profits (losses) of investees, accounted using the equity method	560	(342)
Others	5,761	729
	<u>181,973</u>	<u>181,556</u>

#### Changes to operating assets and liabilities:

Decrease (increase) in trade receivables	61,772	(37,762)
Increase in other receivable	(6,040)	(7,822)
Increase (decrease) in trade payables	(68,696)	76,460
Increase (decrease) in other payables	(3,387)	18,294
Decrease (increase) in inventory	3,599	(48,220)
	<u>(12,752)</u>	<u>950</u>
	<u>169,221</u>	<u>182,506</u>