

Strauss Group Financial Results

Q3 2023 Earnings Presentation November 30th, 2023



Disclaimer

GAAP to Non-GAAP Reconciliations



This presentation does not constitute an offering to purchase or sell securities of Strauss Group Ltd. (the "Company") or an offer for the receipt of such offerings. The presentation's sole purpose is to provide information. The Information provided in the presentation concerning the analysis of the Company's activity is only an extract, and in order to receive a complete picture of the Company's activity and the risks it faces, one should review the Company's reports to the Israel Securities Authority and the Tel Aviv Stock Exchange.

The presentation may contain forward-looking statements as defined in the Israeli Securities Law, 5728-1968. All forward-looking statements in this presentation are made based on the Company's current expectations, evaluations and forecasts, and actual results may differ materially from those anticipated, in whole or in part, as a result of different factors including, but not limited to, changes in market conditions and in the competitive and business environment, regulatory changes, currency fluctuations or the occurrence of one or more of the Company's risk factors. In addition, forward-looking forecasts and evaluations are based on information in the Company's possession while preparing the presentation. The Company does not undertake any obligation to update forward-looking forecasts and evaluations made herein to reflect events and/or circumstances that may occur after this presentation was prepared.

In addition to reporting financial results in accordance with generally accepted accounting principles (GAAP), the Company provides non-GAAP operating results which include the results of jointly controlled entities as if they were proportionately consolidated. Strauss Group has a number of jointly controlled companies: the Três Corações joint venture (3C) – Brazil (a company jointly held by Strauss Group (50%) and by the São Miguel Group (50%) in Brazil), Sabra Dipping Company (a 50%/50% JV with PepsiCo in the U.S. and Canada), Strauss Frito-Lay Ltd. (a 50%/50% JV with PepsiCo Frito-Lay in Israel) and PepsiCo Strauss Fresh Dips & Spreads International (a 50%/50% JV with PepsiCo outside the U.S. and Canada).

In addition, non-GAAP figures exclude any share-based payments, mark to market of commodity hedging transactions as at end-of-period, other expenses or income and taxes referring to these adjustments.

Company Management believes that these measures provide investors with transparency by helping to illustrate the underlying financial and business trends relating to the Company's results of operations and financial position and comparability between current and prior periods. Management uses these measures to establish and monitor budgets and operational goals and to evaluate the performance of the Company. Please see the GAAP to non-GAAP reconciliation tables in the Company's MD&A Report for a full reconciliation of the Company's GAAP to non-GAAP results.





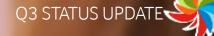
Shai Babad

Group CEO



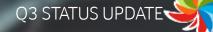


Our people on the frontlines

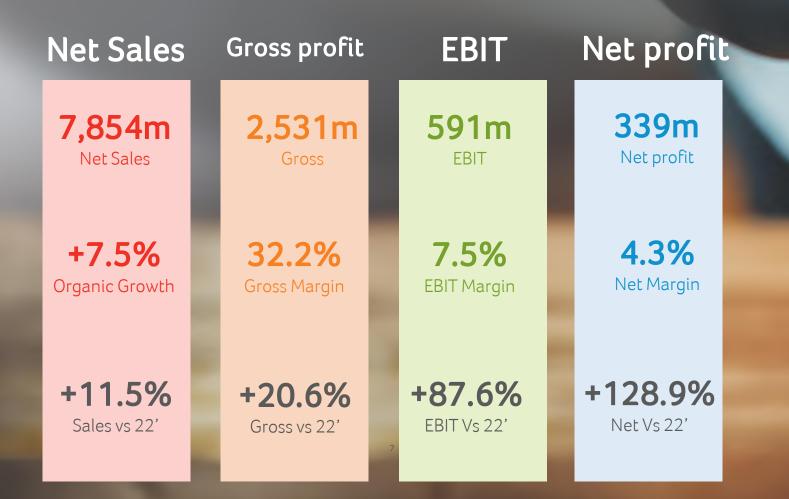


OUR Q3 PERFORMANCE

Net Sales	Gross profit	EBI	Γ	Net profit	26
2,675m Net Sales	855m Gross	212 EBIT		120m Net Profit	
+2.8% Organic Growth	32.0% Gross Margin	8.0 EBIT Ma		4.5% Net Margin	
+7.3% Sales vs 22'	+14.7% Gross vs 22'	+93. EBIT Vs		+236.7% Net Vs 22'	5



OUR YTD PERFORMANCE





44%

OfTotal

Q3 UPDATE | STRAUSS ISRAEL



Strauss Israel – Recovery in progress in confectionery; All categories increase market share

Highlights

- Confectionery back to market share at sweet snacks and regaining at tablets
- Growth in Health & Wellness (Yoghurt, Dairy desserts & drinks)
- New product launch Milky Bar, Pistachio, Alpro & new Olive oil squeezable package



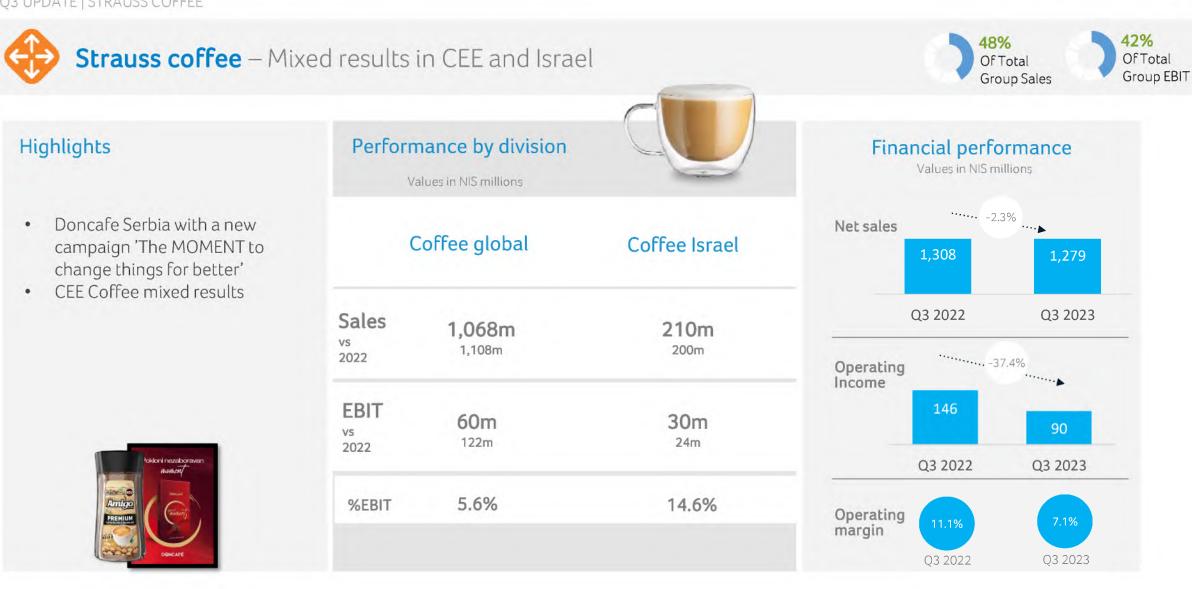
	mance by division	SU23
	Health & Wellness	Fun & Indulgence
Sales vs 2022	804m _{728m}	244m 143m
EBIT vs 2022	101m 66m	-8m -77m
%EBIT	12.5%	-3.1%



39%

OfTotal

O3 UPDATE | STRAUSS COFFEE



Q3 STATUS UPDATE 뇥

Q3 UPDATE | BRAZIL



Highlights

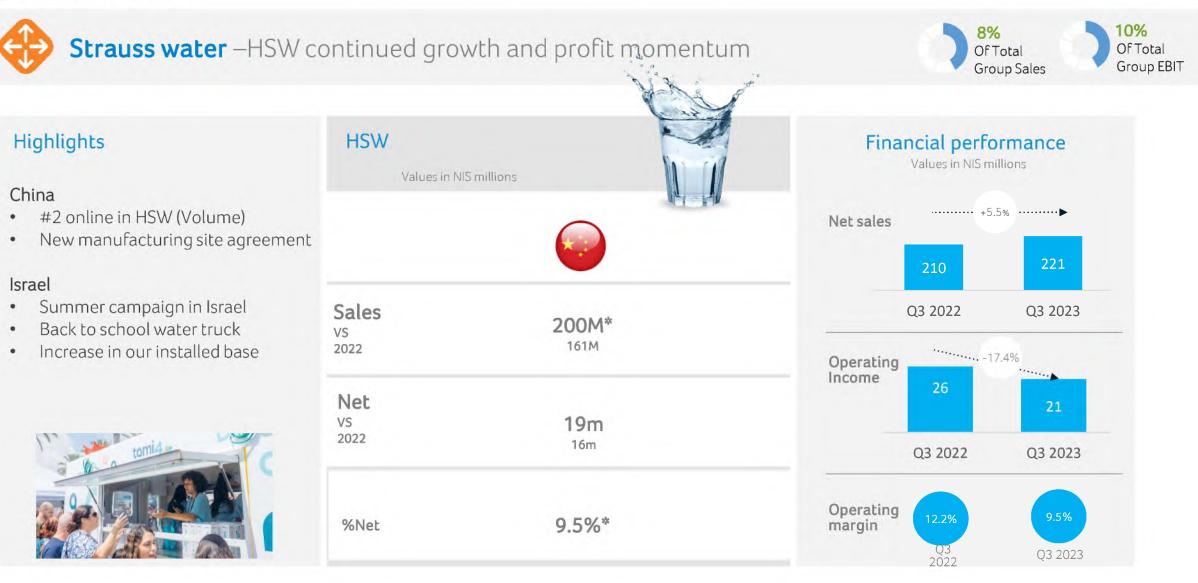
- New SAP platform
- Protein Coffee launch (no lactose)
- International coffee day activities across social media
- Taking part in the biggest music festival in Sao Paulo
- JDE & Marata deal pending approval



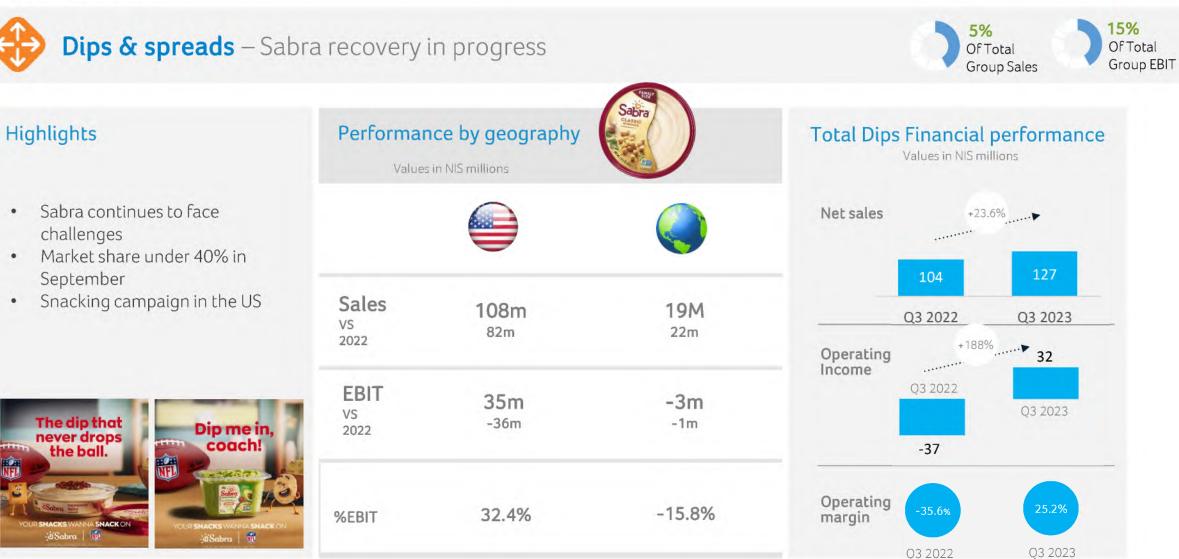








- HSW Net income, 100% Of total shares
- Source: CMM



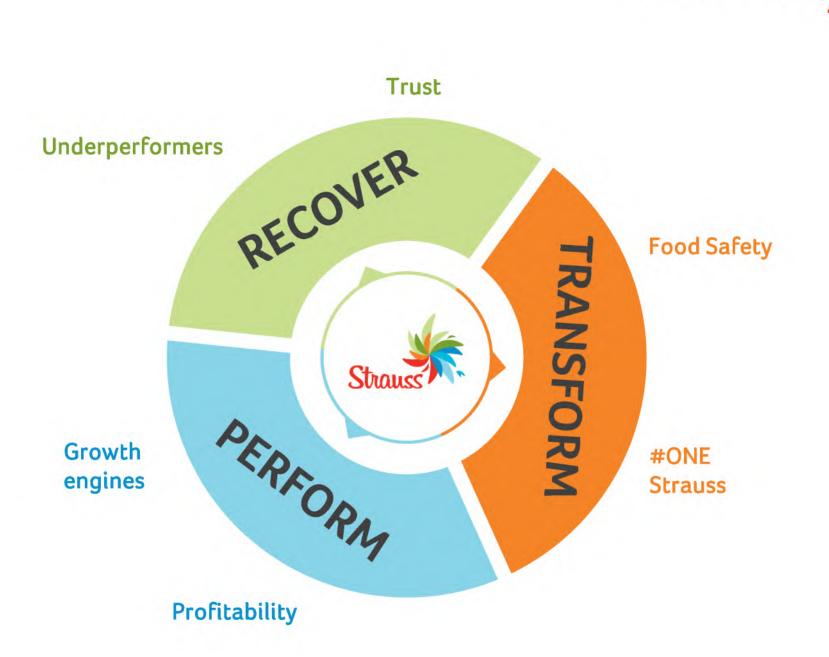
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YTD PERFORMANCE BY BUSINESSES

	olkove	Strauss	Sabra	Strauss WATER	Strauss	
Sales Vs 2022	3,068m 2,619m	3,784m 3,534m	387m 296m	613m 592m	7,854m 7,041m	
EBIT Vs 2022	279m -37m	280m 378m	22m -85m	66m 74m	591m 315m	
%EBIT	9.1%	7.4%	5.7%	10.9%	7.5%	

We have built a DETAILED **PLAN** for progress in 2023



Q3 STATUS UPDATE 🛁

Q3 STATUS UPDATE 🛁

TRANSFORM – ONE

We continue to build operational excellence

Consumer safety delivering high quality products through robust quality processes and culture

2

IT - Drive business growth through technology and data

3

Best-in-class Supply chain

4

Develop and empower our people

5

Lead Strauss' operational excellence across the entire value chain





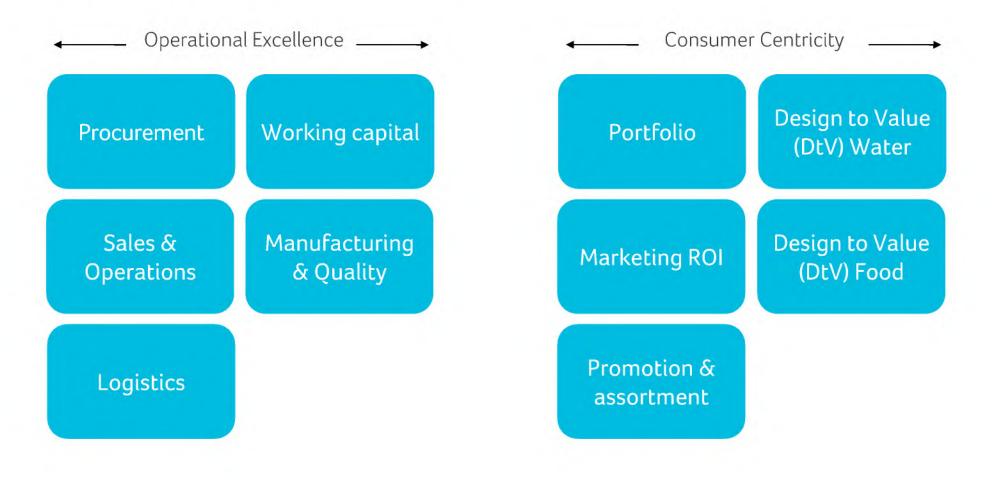






PERFORM - PROFITABILITY

Boosting our productivity efforts

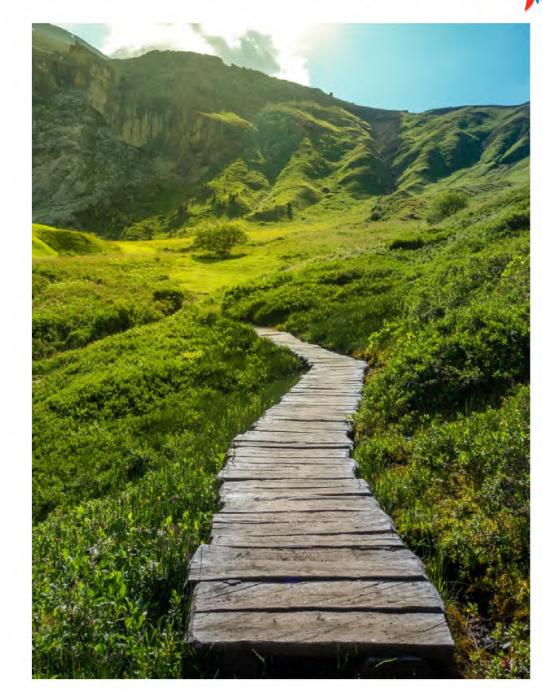


Q3 STATUS UPDATE 🛁



PUSHING AHEAD: OUR PLANS GOING FORWARD

Strategy review	Focus on improving profitability	Building growth engines		
Portfolio optimization	Digital transformation progress	ONE - Continue focus on operations, finance and HR excellence		





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Ariel Chetrit

Group CFO



Q3 Highlights – Strauss Group



Strauss Group

- Strauss Group posts net sales growth of 7.3% led by growth in Israel, mainly due to the return of confectionary sales, a strong growth in dairy and by FX tailwinds
- The group continues to face significant input inflation headwinds as green coffee, raw milk, sugar, cacao and packaging materials continue to rise, some to their peak level
- To combat profitability erosion, the Group continued to implement further productivity and efficiency measures among others
- The NIS continued to weaken against major and other currencies during the quarter adding to a total positive contribution to sales of NIS 109 million, led by the strengthening of the BRL which contributed NIS 127 million to sales, offset by the RUB, the only currency that weakened against the NIS and negatively impacted sales by NIS 65 million



21 (1)Storenext – includes barcoded products only



Q3 Highlights

Strauss Israel

- Strauss Israel sales grew by 20.2% in the guarter led by Confectionery (due to the recall last year) and dairy
- Pricing accounted for 6% of overall growth during the guarter
- Health & Wellness segment grew 10.4% and EBIT grew 53.4% to NIS 101 million in the third quarter mainly due to dairy supported by price increases; profitability improved to 12.5% from 9.0% in the corresponding quarter
- Fun & Indulgence segment posted significant growth in both sales and profits due to the recall in the corresponding guarter, however, it posted a small operating loss in the guarter due to elevated input inflation, the weak NIS and increased expenses following the recall and new food safety measurements implemented
- Confectionery market share continued to improve during the guarter and reached 24.5% in September although down slightly to 24% in October













Q3 Highlights



Strauss Coffee

- Sales decreased by 2.3% in the third quarter, or 9% in local currencyy led by Russia and Brazil
- Sales in Brazil declined 13.4% in local currency mainly due to lower volumes and lower selling prices; however, in NIS sales were up 2.2% due to the weak NIS
- Total Coffee EBIT declined 37.4% due to lower volumes and lower selling prices and higher expenses
- R&G market share in Brazil reached 33.7% YTD, up from 32.5% in the corresponding period
- Coffee Israel sales were up 5.0% led by higher prices

22

- Brazil, Russia & Ukraine and Poland sales declined during the quarter whilst sales in Israel, Romania and Serbia rose
- Positive FX translation effects on sales, except for the RUB, as a result of the weak NIS







Q3 Highlights



Dips & Spreads

- Sabra sales continued to improve from the previous quarter, up 19.4%, following the adjustments to the production plant last year
- EBIT improved due to income from the insurance settlement following the dispute
- Sabra's market share during the quarter was 38.2% compared to 31.0% in the corresponding quarter













Strauss Water

- Strauss water sales rose 5.5% during the third quarter as the installed base continues to grow
- However, EBIT declined 17.4% to NIS 21 million mainly due to increased input inflation and the NIS weakness which also eroded profitability that declined to 9.5% from 12.2% in the corresponding quarter
- Haier Strauss Water (HSW) sales grew an impressive 22.3% in local currency and net income rose
 21.9%









Q3 Highlights



$igodoldsymbol{Q}$ Growth and Innovation

- The total fair value of the 25 portfolio companies of the Kitchen FoodTech Hub amounted to NIS 624 million at the end of the 3rd quarter, compared to NIS 556 million as of September 30th 2022
- The Kitchen Hub 2.0 made its second investment



Financial Highlights | Reported Non GAAP



Q3 2023

Q3'23 Sales: NIS 2,675mm; growth: 7.3%, Organic Sales growth: 2.8%

Q3'23 Gross margins: 32% (up 210 bps vs. Q3'22)

EBIT and EBIT margins: NIS 212mm (up 93.2%); 8% (up 360 bps vs. Q3'22)

Net income and net margins: NIS 120mm (up 236.7%); 4.5% (up 310 bps vs. Q3'22) YTD 2023

YTD 2023 Sales: NIS 7,854mm; growth: 11.5%, YTD Organic Sales growth: 7.5%

> YTD 2023 Gross margins: 32.2% (up 240 bps vs. YTD 2022)

EBIT and EBIT margins: NIS 591mm (up 87.6%); 7.5% (up 300 bps vs. YTD 2022)

Net income and net margins: NIS 339mm (up 128.9%); 4.3% (up 220 bps vs. YTD 2022)



Q3 2023



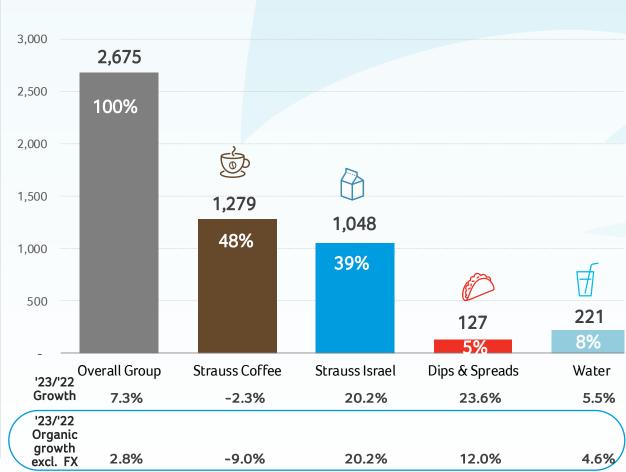
Sales



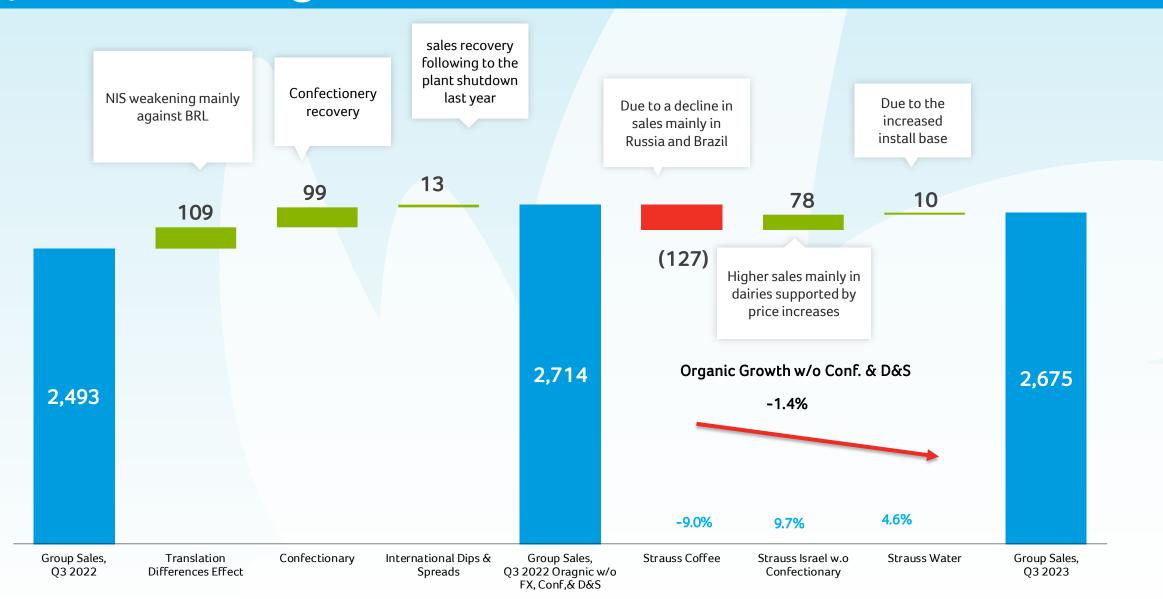


Q3 2023 Sales by Segment

NIS mm; Non-GAAP; % sales contribution

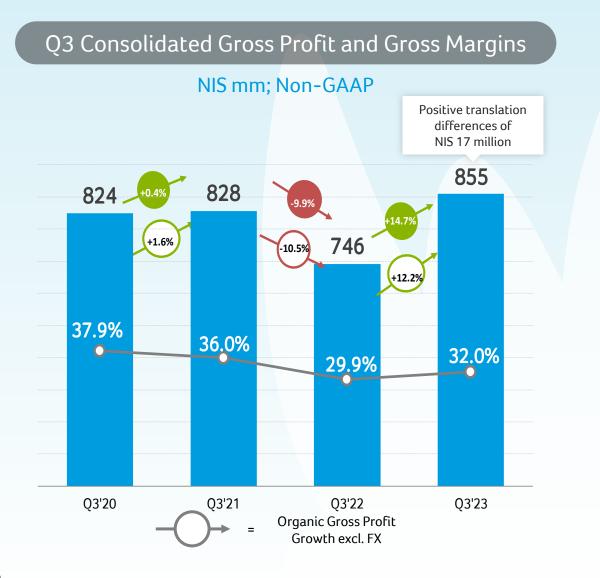


Q3 Sales Bridge NIS mm; Non-GAAP; Q3'22 to Q3' 23



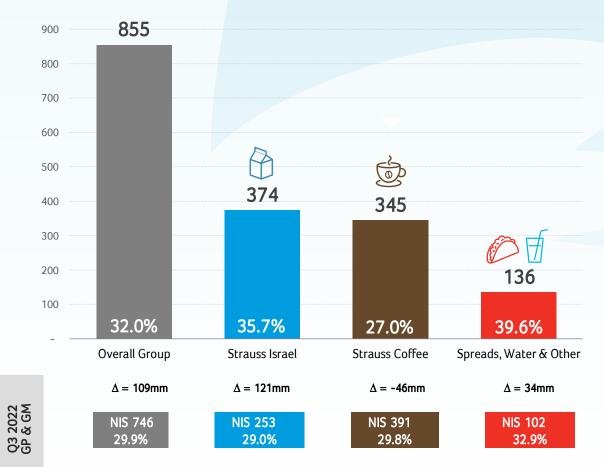
Gross Profit





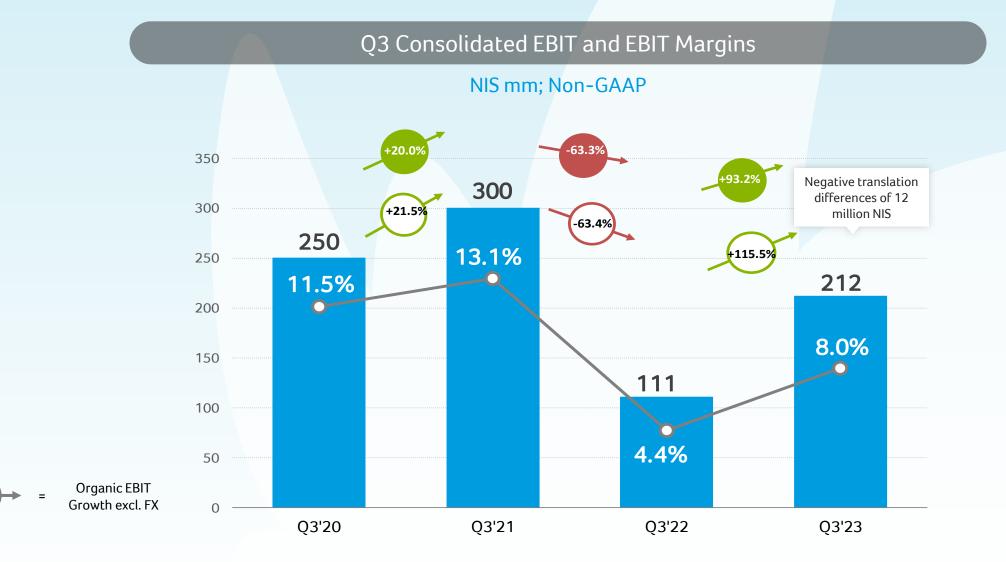
Q3 2023 Gross Profit and Gross Margins

NIS mm; Non-GAAP; % Margin

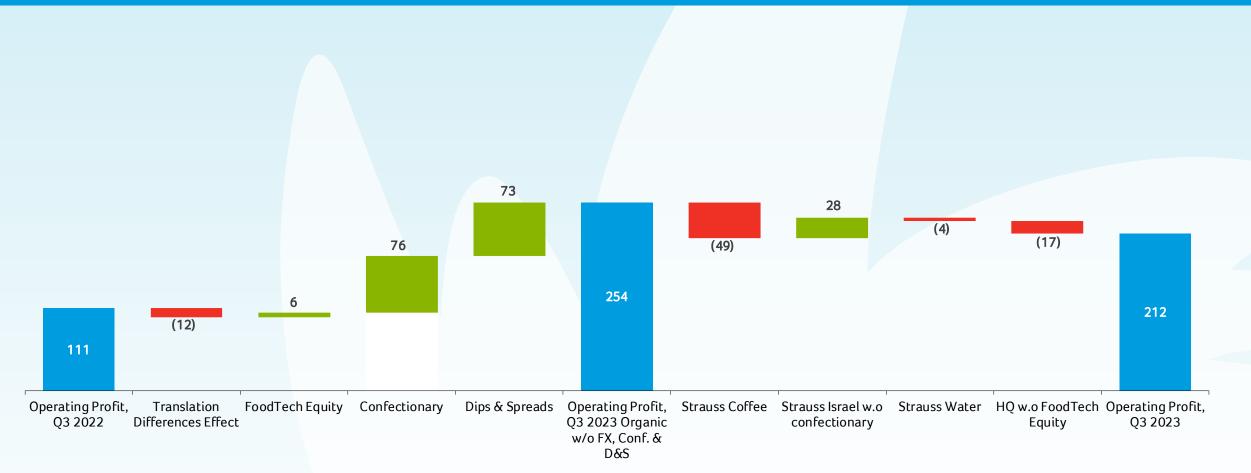






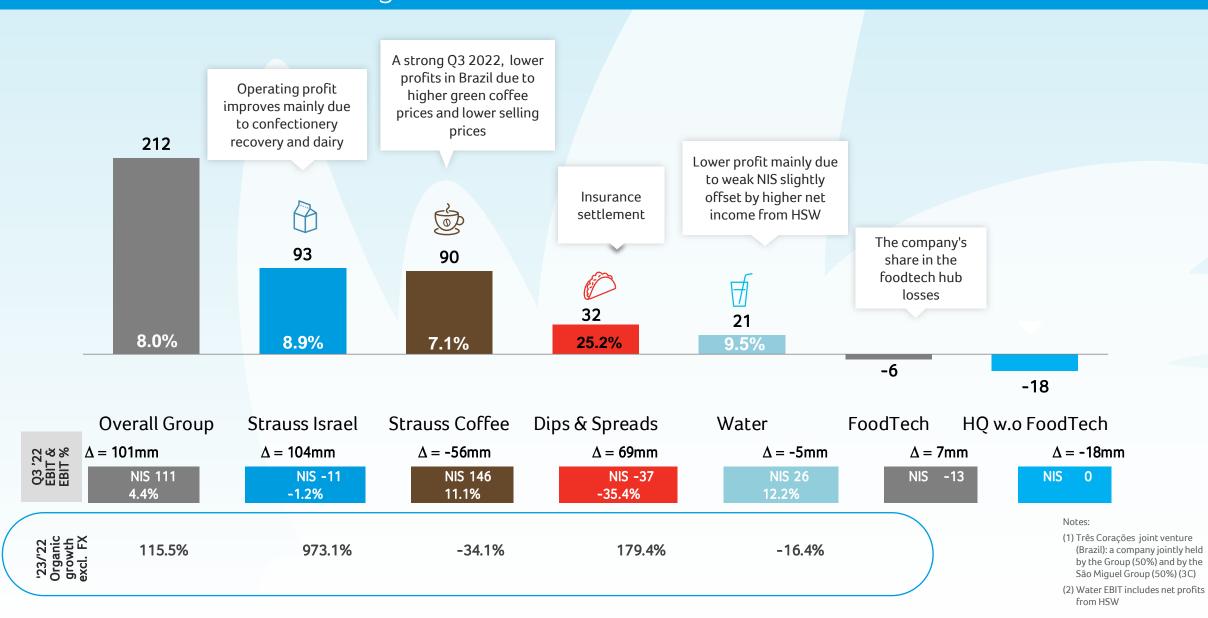


Q3 EBIT Bridge NIS mm; Non-GAAP; Q3'22 to Q2'23



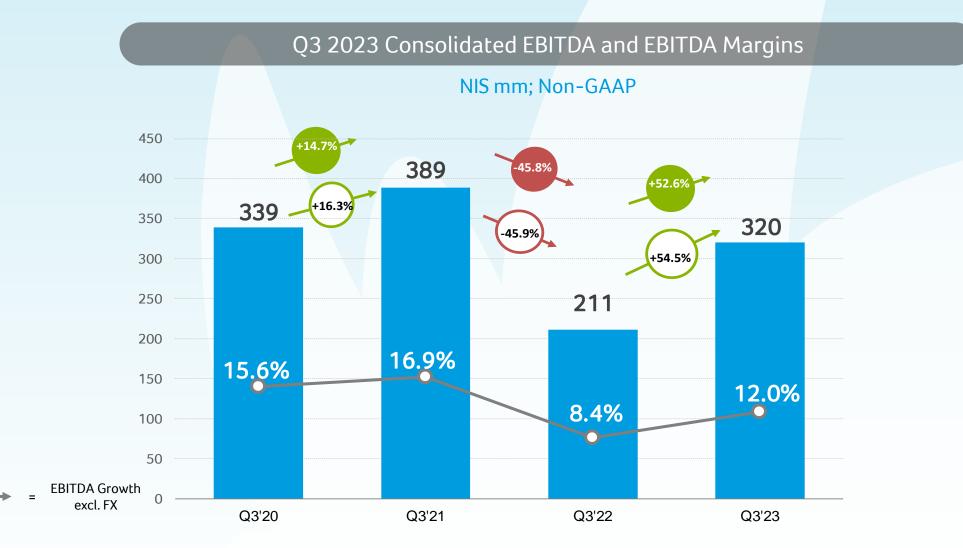
Q3 2023 EBIT and EBIT Margins NIS mm; Non-GAAP; % Margin





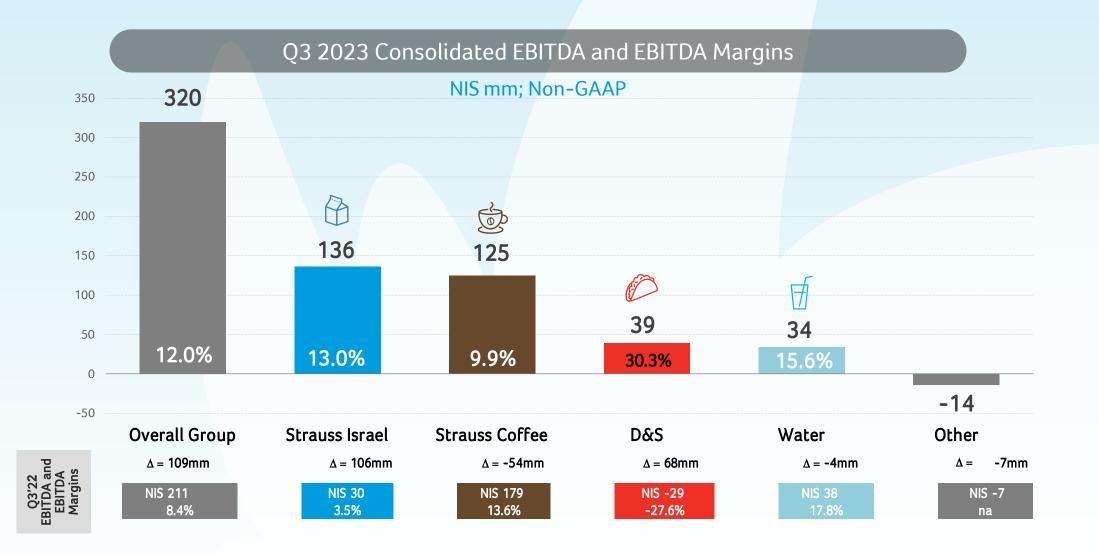
EBITDA











Três Corações Alimentos S.A. (Três Corações J.V.)



3corações

Q3 Snapshot | BRL mm for 100% ownership and including inter-company sales



Note: Três Corações joint venture (Brazil): a company jointly held by the Group (50%) and by the São Miguel Group (50%) (3C).

Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of September 30th , 2023.



Q3'21

97

Q3'21





recovery from last year plant adjustments **58** 03'23 Result of insurance 18 settlement 30.6% Q3'23

Higher sales due to

+19.4%

49

Q3'22

Q3²22

Q3'20

120

100 80

> 60 40 20

> > -25

Sales

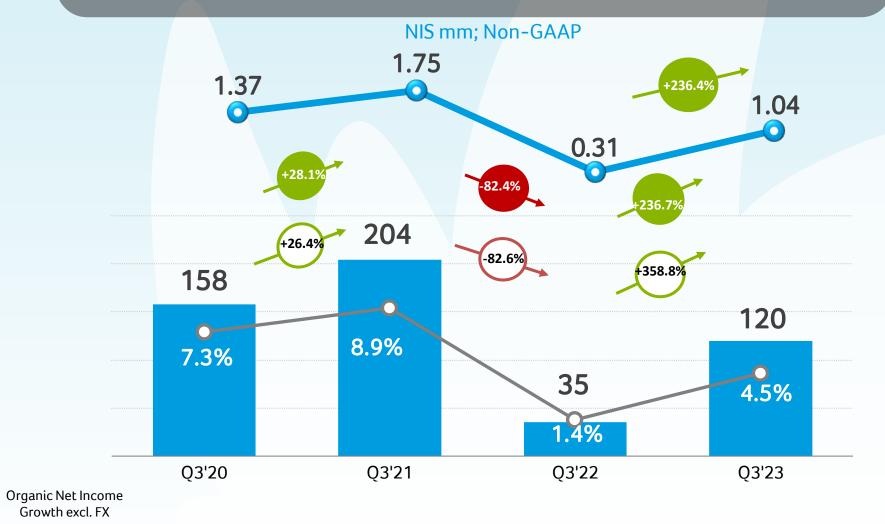
96

Q3'20

Net Income



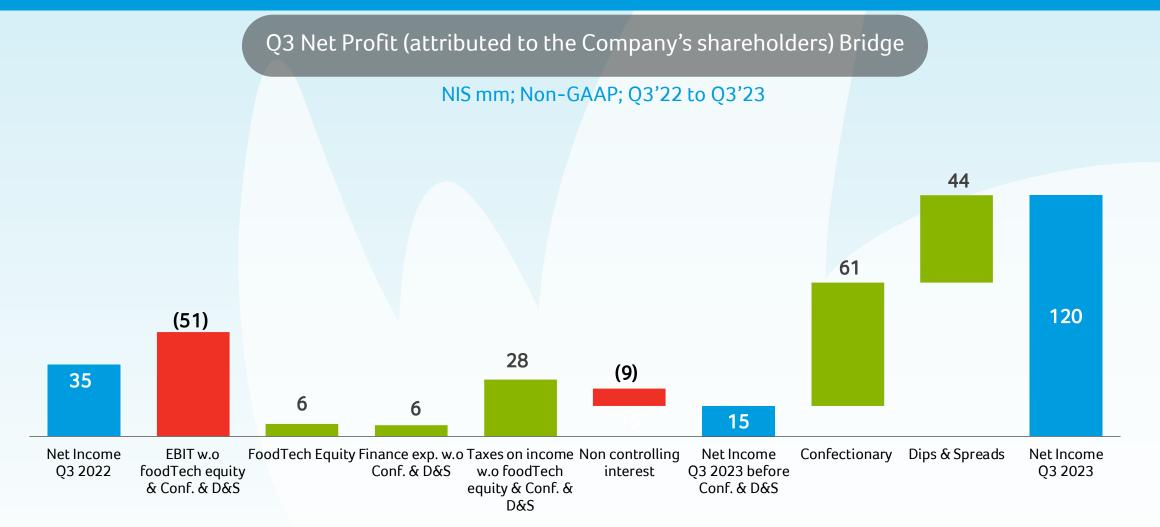
Q3 Net Profit (attributed to the Company's shareholders), Net Margins and EPS



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Net Income





Net Debt and Net Debt / EBITDA (LTM)

Non-GAAP EBITDA, net debt includes partnerships; NIS mm





Q3 GAAP and Non-GAAP | Financial Highlights, NIS mm



		GAAP	Adjusted Non-GAAP			
	Q3 2023	Q3 2022	% Chg.	Q3 2023	Q3 2022	% Chg.
Sales	1,746	1,608	8.6%	2,675	2,493	7.3%
Gross Profit	579	532	8.6%	855	746	14.7%
GP Margin	33.1%	33.1%		32.0%	29.9%	
Operating Profit	156	84	85.0%	212	111	93.2%
EBIT Margin	8.9%	5.2%		8.0%	4.4%	
Net Profit (to SH)	80	27	197.6%	120	35	236.7%
NP Margin	4.6%	1.7%		4.5%	1.4%	
Operating Cash Flow	211	42		300	75	
Capex ⁽¹⁾	(134)	(91)		(155)	(112)	
Net debt	2,416	2,123		2,880	2,517	
Change in WC (CF)	69	(57)		77	(66)	





YTD 2023



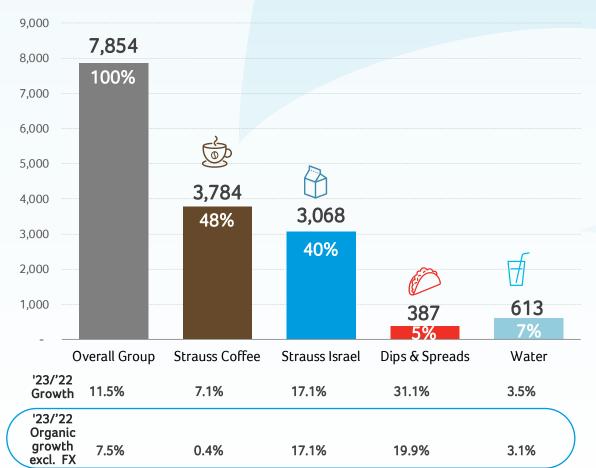




YTD 2023 Consolidated Sales NIS mm Non-GAAP 8300 7,854 +11.5% +8.5% 7,041 +3.3% 7300 +7.5% 6,490 6,280 +7.6% +5.6% 6300 5300 4300 Positive translation effect of 3300 NIS 263 mm 2300 1300 YTD20 YTD21 YTD22 YTD23 **Organic Sales** = Growth excl. FX

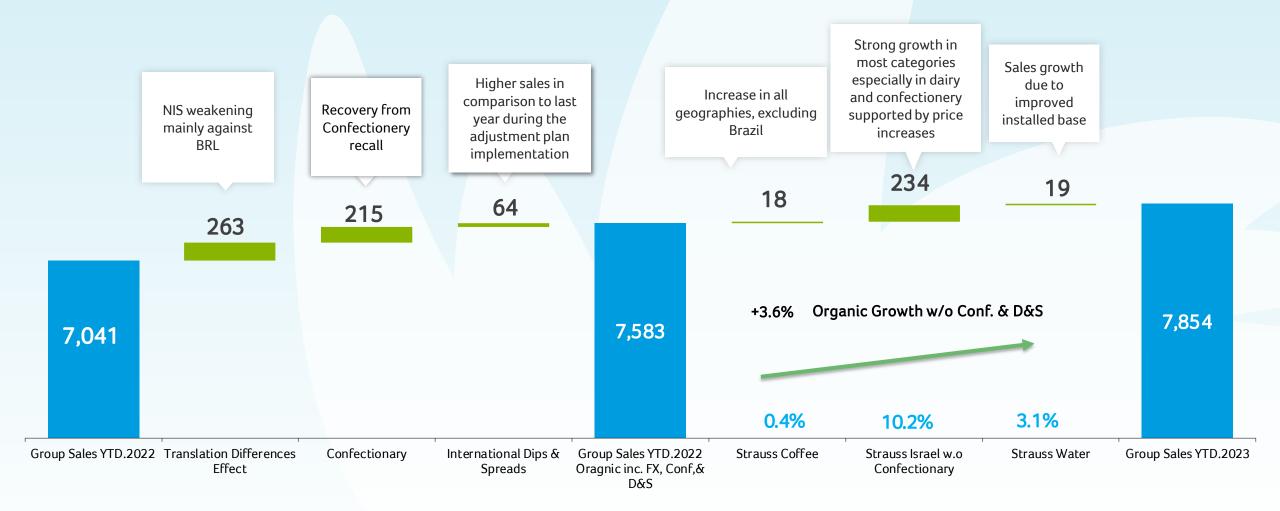
YTD 2023 Sales by Segment

NIS mm; Non-GAAP; % sales contribution



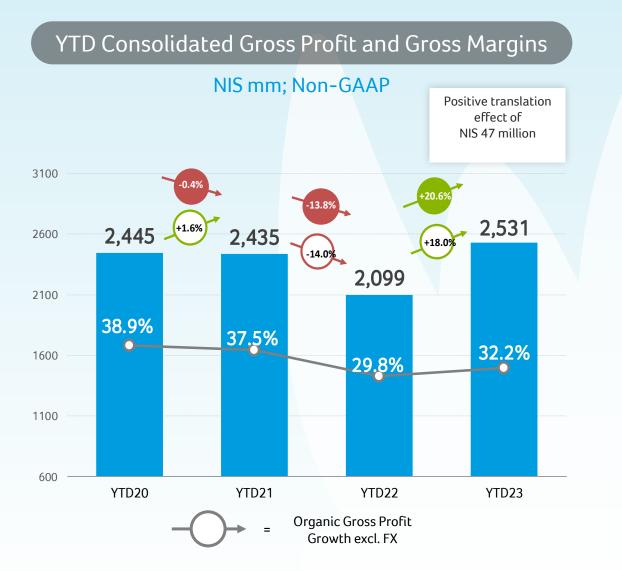
YTD Sales Bridge NIS mm; Non-GAAP; YTD 2022 to YTD 2023

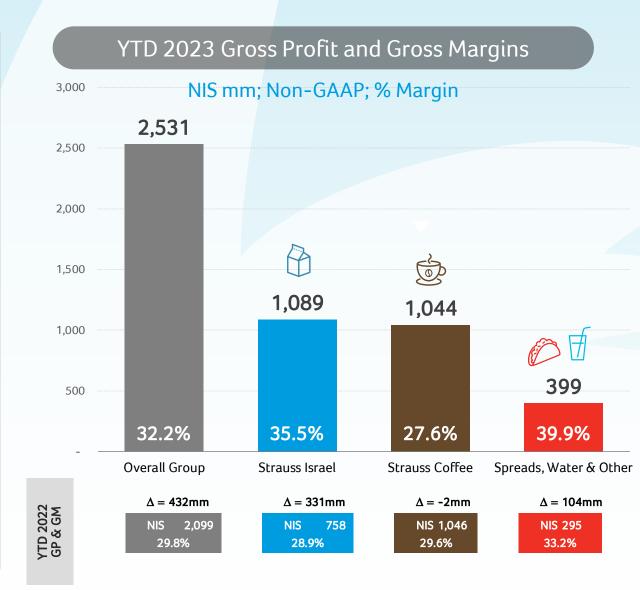




Gross Profit

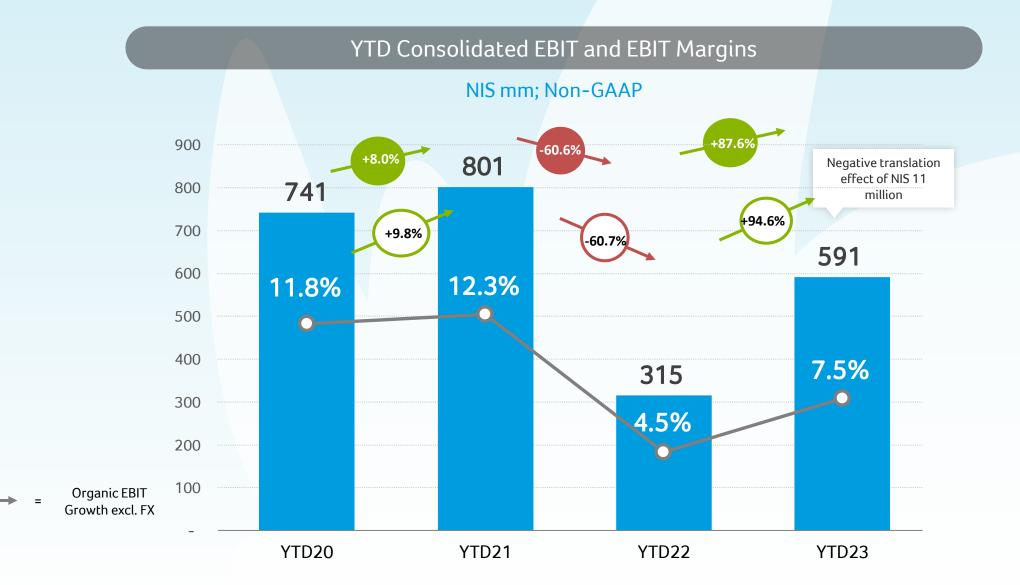


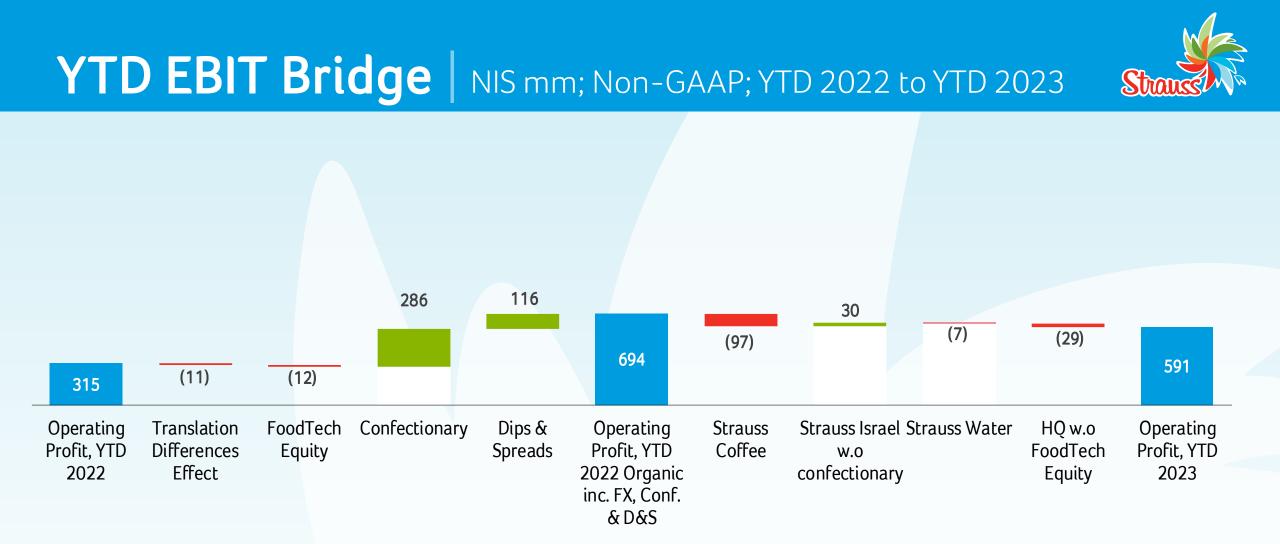




EBIT

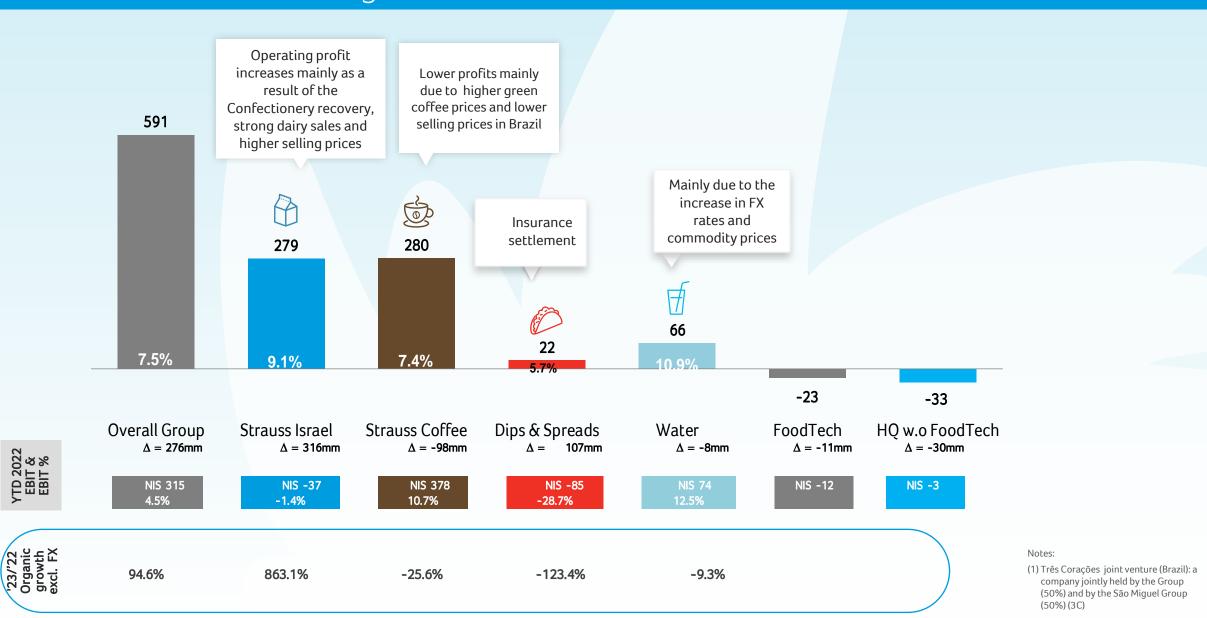






YTD 2023 EBIT and EBIT Margins NIS mm; Non-GAAP; % Margin





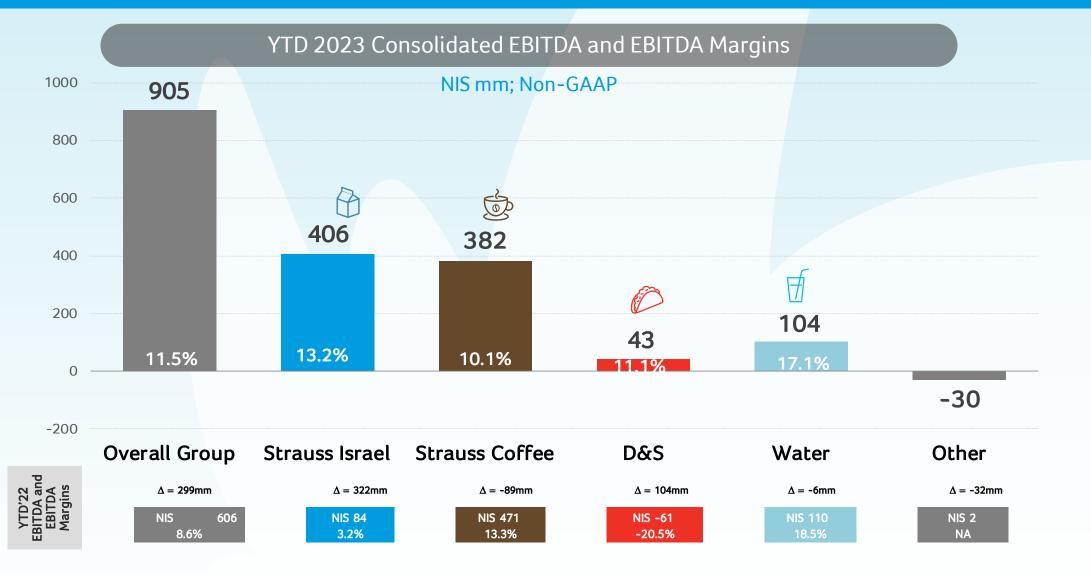
EBITDA





EBITDA



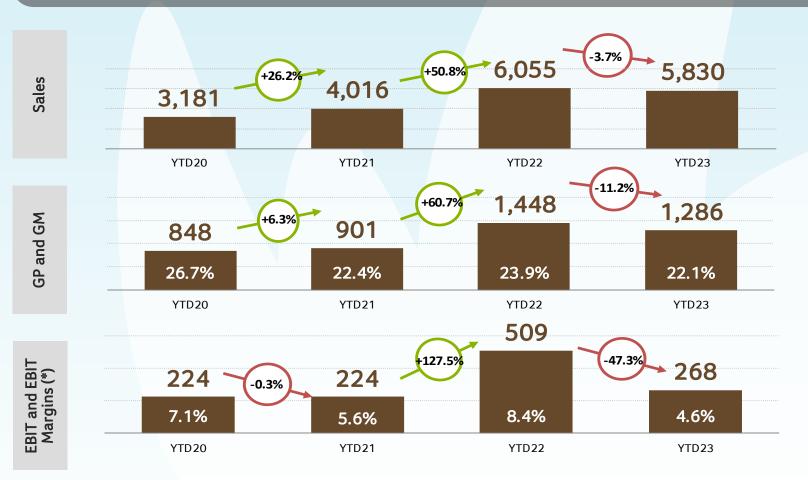


Três Corações Alimentos S.A. (Três Corações J.V.)



3corações

YTD Snapshot | BRL mm for 100% ownership and including inter-company sales



Note: Três Corações joint venture (Brazil): a company jointly held by the Group (50%) and by the São Miguel Group (50%) (3C).

Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of September 30th, 2023.



Sabra YTD Snapshot \$ mm; Non-GAAP; for 100% share



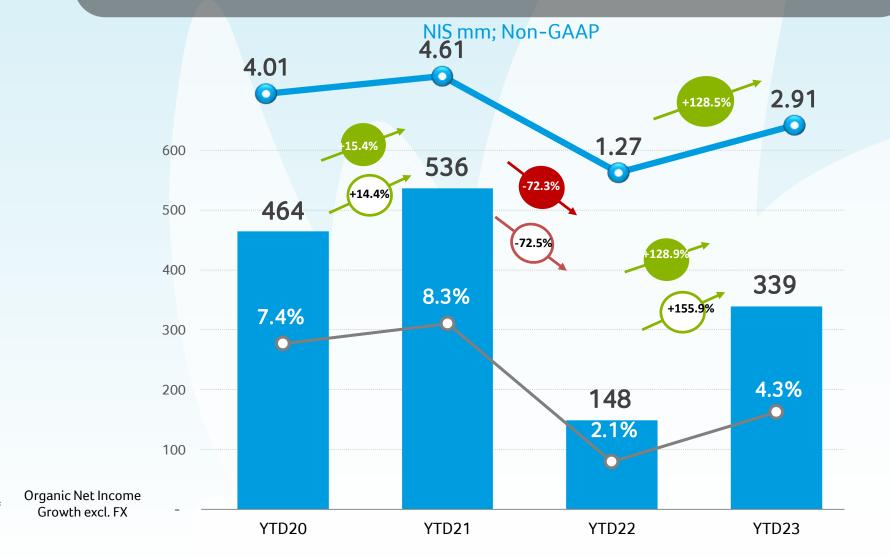


Strauss

Net Income



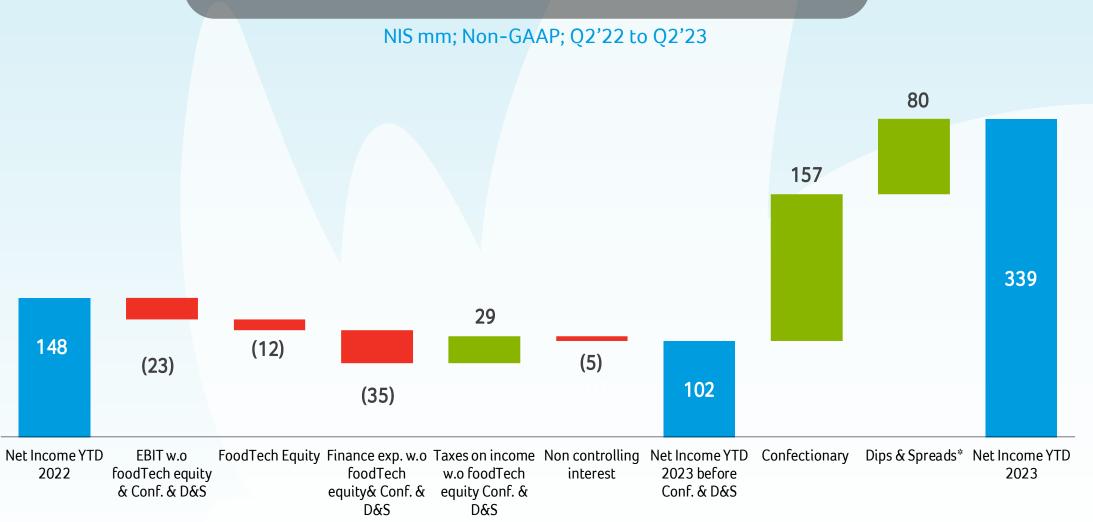
YTD Net Profit (attributed to the Company's shareholders), Net Margins and EPS



Net Income



YTD Net Profit (attributed to the Company's shareholders) Bridge



55 (1) Capex includes acquisitions of fixed assets and investment in intangible assets

YTD GAAP and Non-GAAP	Financial Highlights,
	0

	GAAP			Adj	Р	
	YTD 2023	YTD 2022	% Chg.	YTD 2023	YTD 2022	% Chg.
Sales	5,090	4,540	12.1%	7,854	7,041	11.5%
Gross Profit	1,826	1,493	22.3%	2,531	2,099	20.6%
GP Margin	35.9%	32.9%		32.2%	29.8%	
Operating Profit	561	241	132.7%	591	315	87.6%
EBIT Margin	11.0%	5.3%		7.5%	4.5%	
Net Profit (to SH)	384	96	299.8%	339	148	128.9%
NP Margin	7.5%	2.1%		4.3%	2.1%	
Operating Cash Flow	215	131		135	91	
Capex ⁽¹⁾	(341)	(228)		(407)	(291)	
Net debt	2,416	2,123		2,880	2,517	
Change in WC (CF)	(281)	(160)		(541)	(351)	



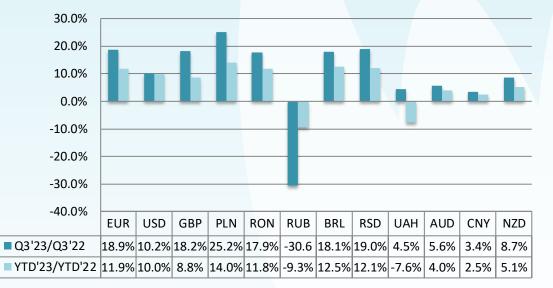


Currencies



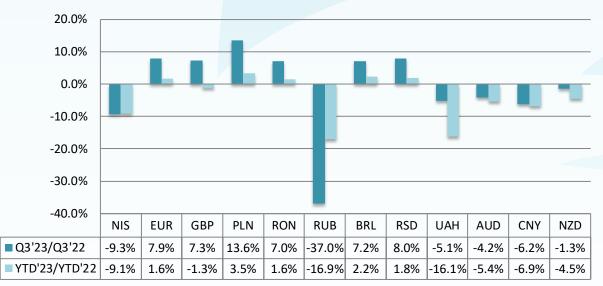
Local Currencies vs. the NIS

Change in average exchange rate (1 local currency = x NIS)



Local Currencies vs. the USD

Change in average exchange rate (1 local currency = x USD)



Strauss Israel Non-GAAP Financial Highlights Q3 and YTD 2023 NIS mm



	Stra	uss Israel (No	on GAAP)			
	Q3 2023	Q3 2022	% Chg.	YTD 2023	YTD 2022	% Chg
Revenue:						
H&W	804	728	10.4%	2,301	2,069	11.29
F&I	244	143	70.2%	767	550	39.4%
Total Revenue	1,048	871	20.2%	3,068	2,619	17.19
Total Gross Profit	374	253	47.9%	1,089	758	43.79
Gross Margins	35.7%	29.0%	6.7%	35.5%	28.9%	6.6%
EBIT:						
H&W	101	66	53.4%	263	212	23.99
Margins	12.5%	9.0%	3.5%	11.4%	10.2%	1.29
F&I	(8)	(77)	90.0%	16	(249)	106.49
Margins	(3.1%)	(53.3%)	50.1%	2.1%	(45.2%)	47.39
Total EBIT	93	(11)	966.2%	279	(37)	857.39
Margins	8.9%	(1.2%)	10.1%	9.1%	(1.4%)	10.59
EBITDA:						
H&W	126	89	42.0%	336	281	19.79
Margins	15.6%	12.2%	3.5%	14.6%	13.6%	1.09
F&I	10	(59)	118.3%	70	(197)	135.5%
Margins	4.4%	(40.7%)	45.0%	9.1%	(35.8%)	44.9%
Total EBITDA	136	30	349.8%	406	84	383.99
Margins	13.0%	3.5%	9.5%	13.2%	3.2%	10.09

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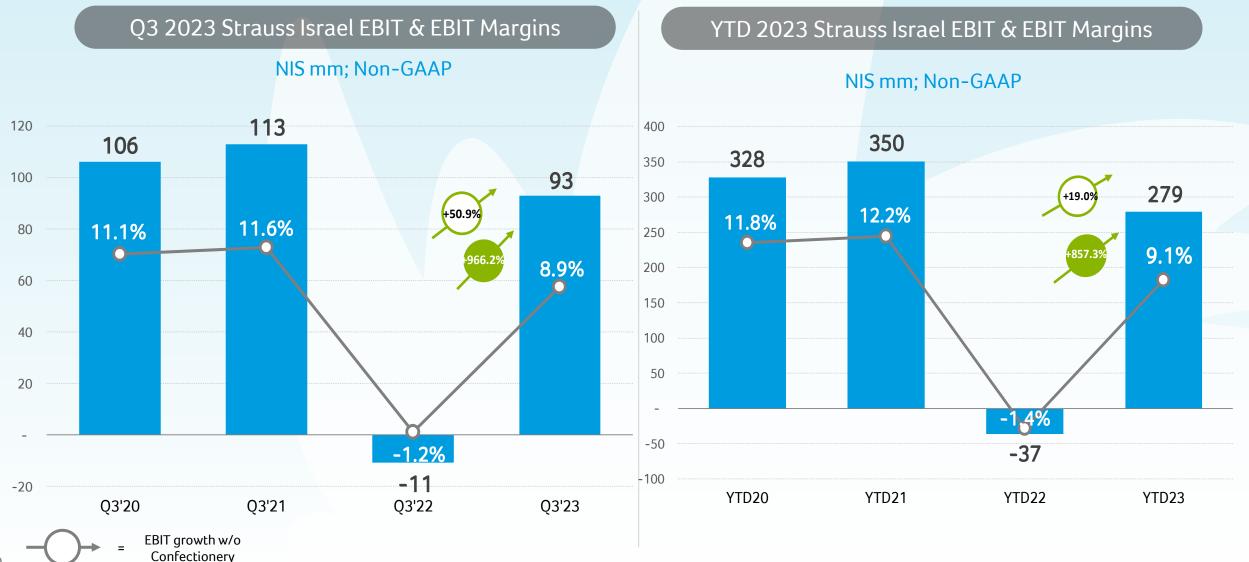




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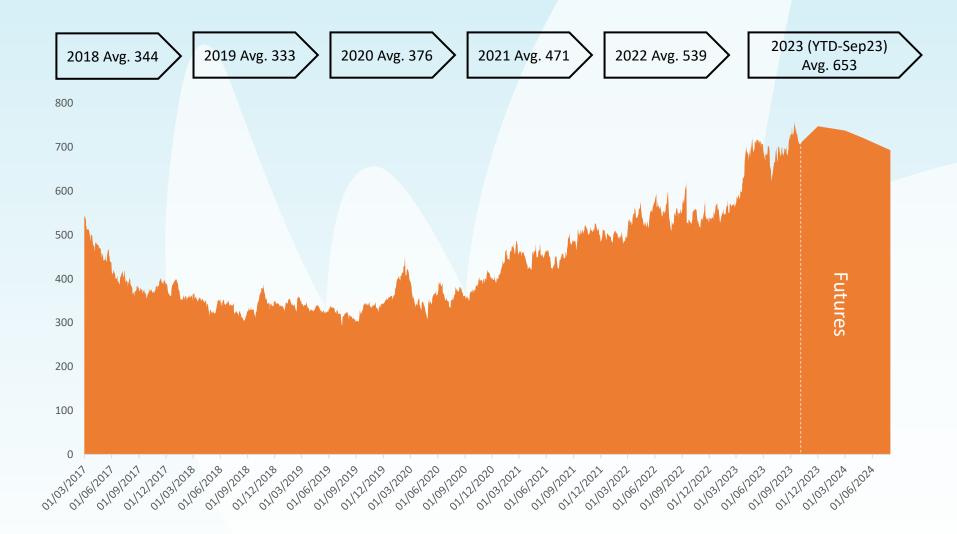
Target Milk Prices | 2012-2023 (ILS per Liter)



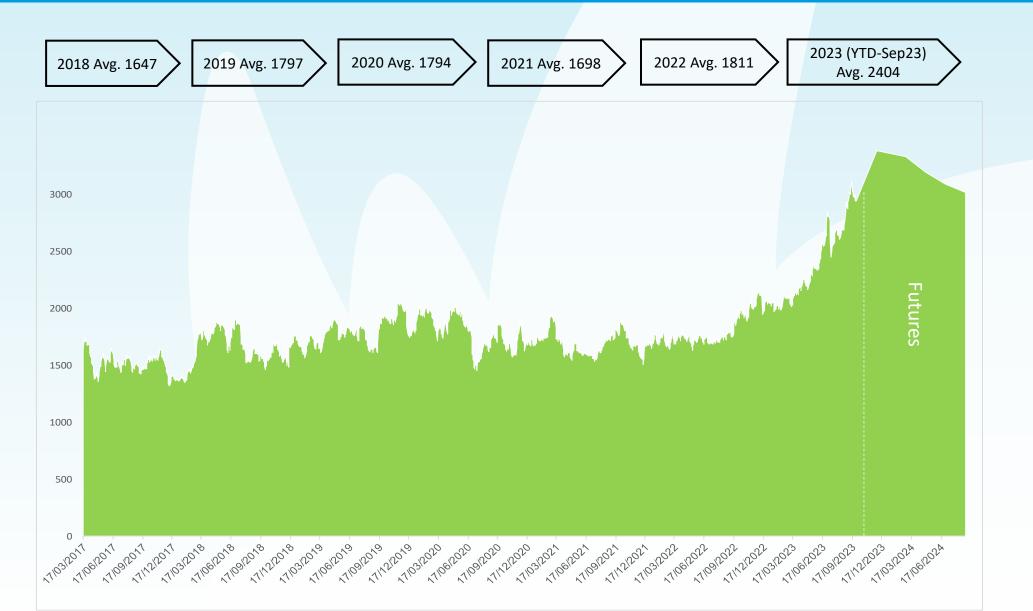


London Sugar Historical & Futures Prices | 2017-2023 (\$\T)





London Cocoa Historical & Futures Prices | 2017-2023 (GBP\T)



Strauss Coffee Non-GAAP Financial Highlights Q3 and YTD 2023 NIS mm



	Stra	uss Coffee (No	on GAAP)	and a second second	and the second second	
	Q3 2023	Q3 2022	% Chg.	YTD 2023	YTD 2022	% Chg.
Revenue:						
Israel	210	200	5.0%	617	595	3.7%
International	1,068	1,108	(3.6%)	3,167	2,939	7.7%
Total Revenue	1,278	1,308	(2.3%)	3,784	3,534	7.1%
Total Gross Profit	345	391	(11.6%)	1,044	1,046	(0.2%)
Gross Margins	27.0%	29.8%	(2.8%)	27.6%	29.6%	(2.0%)
EBIT:						
Israel	30	24	29.5%	83	91	(8.9%)
Margins	14.6%	11.8%	2.8%	13.5%	15.4%	(1.9%)
International	60	122	(50.4%)	197	287	(31.2%)
Margins	5.6%	10.9%	(5.3%)	6.2%	9.8%	(3.5%)
Total EBIT	90	146	(37.4%)	280	378	(25.8%)
Margins	7.1%	11.1%	(4.0%)	7.4%	10.7%	(3.3%)
EBITDA:						- 6.2.1
Israel	41	35	20.6%	116	122	(4.8%)
Margins	19.8%	17.3%	2.5%	18.9%	20.6%	(1.7%)
International	84	144	(41.3%)	266	349	(23.6%)
Margins	7.9%	12.9%	(5.0%)	8.4%	11.8%	(3.4%)
Total EBITDA	125	179	(29.2%)	382	471	(18.7%)
Margins	9.9%	13.6%	(3.7%)	10.1%	13.3%	(3.2%)

Note: (1) Três Corações joint venture (Brazil): a company jointly held by the Group (50%) and by the São Miguel Group (50%) (3C)

63 Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of September 30th, 2023



Strauss Coffee Non-GAAP Sales by Geography Q3 and YTD 2023 NIS mm



			Strau	ss Coffee Sa	les			
			% Ch	ange			% Change	
	Q3 2023	Q3 2022	NIS	Local Currency	YTD 2023	YTD 2022	NIS	Local Currency
Israel	210	200	5.0%	5.0%	617	595	3.7%	3.7%
International:								
Três Corações Joint Venture (Brazil) (1)	713	697	2.2%	(13.4%)	2,117	1,961	7.9%	(3.7%)
Russia & Ukraine	165	259	(36.2%)	(15.8%)	501	542	(7.6%)	6.5%
Poland	90	73	22.3%	(2.1%)	259	208	24.2%	8.5%
Romania	58	48	22.1%	3.4%	169	134	26.7%	12.8%
Serbia	42	31	34.8%	13.2%	121	94	28.5%	14.2%
Total International	1,068	1,108	(3.6%)	(11.4%)	3,167	2,939	7.7%	(0.2%)
Total Coffee	1,278	1,308	(2.3%)	(9.0%)	3,784	3,534	7.1%	0.4%

Note: (1) Três Corações joint venture (Brazil): a company jointly held by the Group (50%) and by the São Miguel Group (50%) (3C).

64 Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of September 30th, 2023



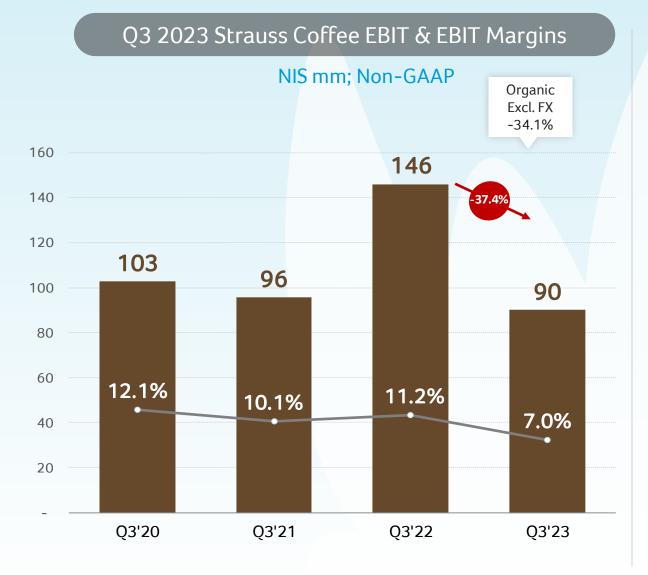




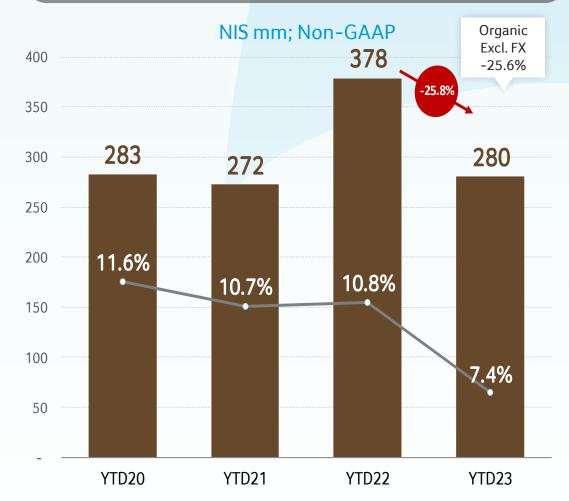






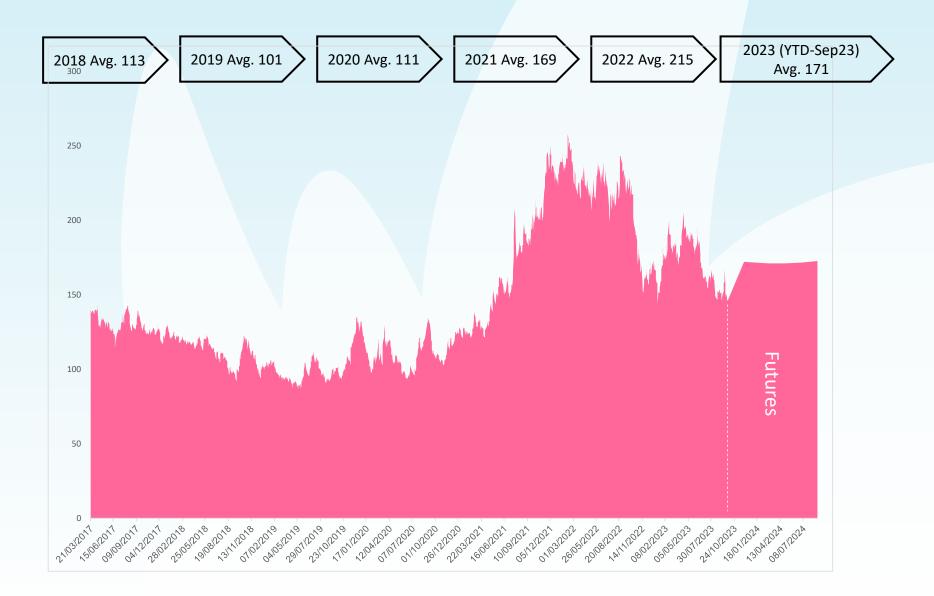


YTD 2023 Strauss Coffee EBIT & EBIT Margins



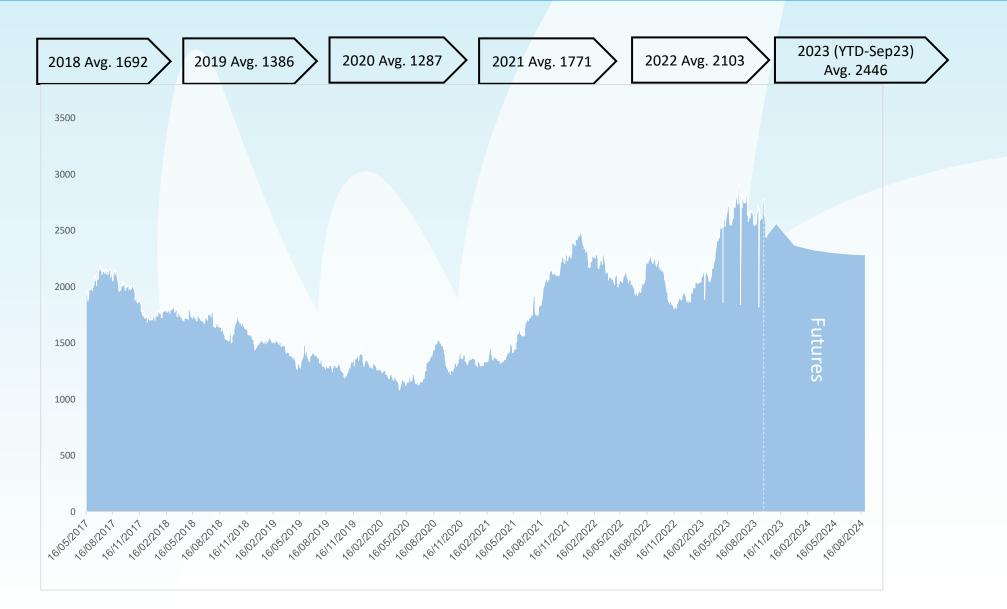
Arabica Historical & Futures Prices | 2017-2023 (C\Lbs.)





Robusta Historical & Futures Prices | 2017-2023 (\$\T)

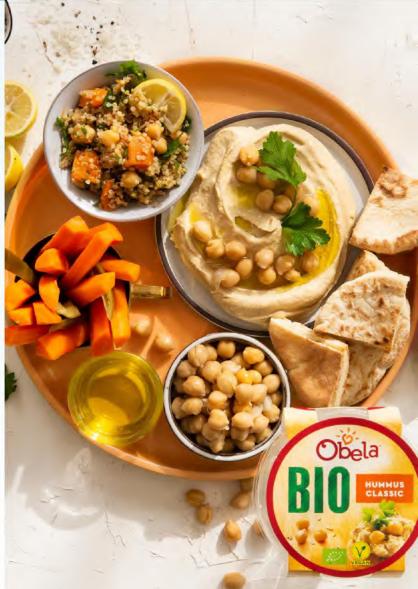




International Dips & Spreads Strauss D&S Non-GAAP Financial Highlights | Q3 and YTD 2023 NIS mm; 50% share

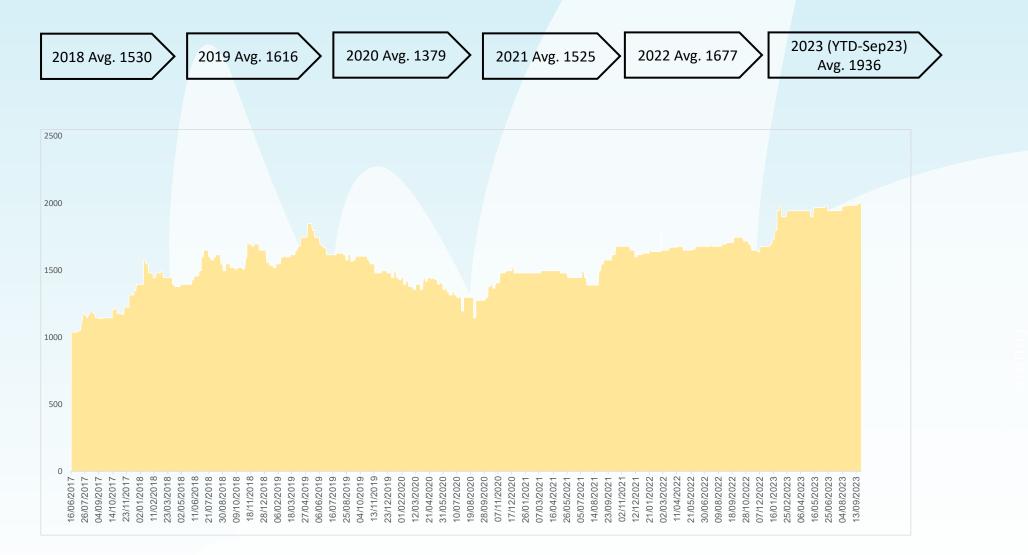


	Dips	& Spreads (N	lon GAAP)			
	Q3 2023	Q3 2022	% Chg.	YTD 2023	YTD 2022	% Chg.
Revenue:						
Sabra (50%)	108	82	31.4%	329	233	41.0%
Obela (50%)	19	22	(6.6%)	59	63	(6.1%)
Total Revenue	127	104	23.6%	387	296	31.1%
EBIT:						
Sabra (50%)	35	(36)	(199.0%)	28	(79)	136.2%
Margins	32.4%	(43.0%)	75.4%	8.6%	(33.7%)	42.3%
Obela (50%)	(3)	(1)	NM	(6)	(6)	NM
Margins	NM	NM	NM	NM	NM	NM
Total EBIT	32	(37)	NM	22	(85)	126.0%
Margins	25.2%	(35.4%)	60.5%	5.7%	(28.7%)	34.4%
EBITDA:						
Total EBITDA	39	(29)	235.6%	43	(61)	171.2%
Margins	30.3%	(27.6%)	58.0%	11.1%	(20.5%)	31.7%



Sesame Humera Historical Prices | 2017-2023











YTD 2023 Strauss Water Non-GAAP Sales

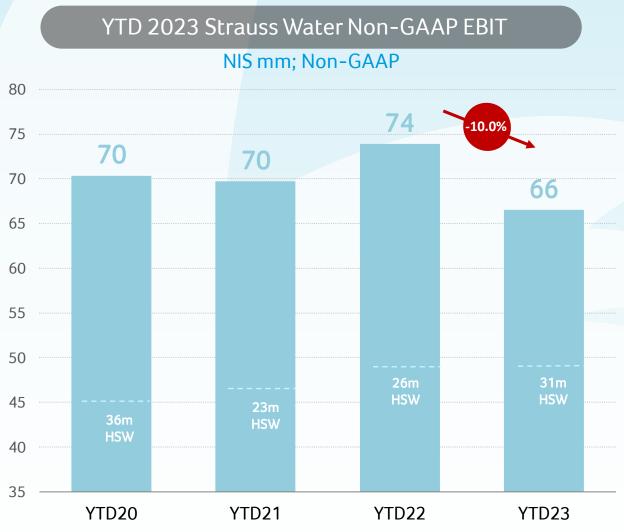
NIS mm; Non-GAAP



Strauss Water







Haier Strauss Water Q3 Snapshot ¥mm; Non-GAAP; for 100% share



Haier Strauss

Note: (1) Haier Strauss Water (HSW) is a company jointly held by Haier (51%) and Strauss Group (49%)



Haier Strauss Water YTD Snapshot ¥mm; Non-GAAP; for 100% share









Note: (1) Haier Strauss Water (HSW) is a company jointly held by Haier (51%) and Strauss Group (49%)



Thank You

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