

STRAUSS GROUP

UPDATED STRATEGY
2024-2026



A photograph of a family in a tomato field. An elderly man with a white beard and a red and blue plaid shirt is leaning over a young girl with long brown hair, smiling. The girl is also smiling and looking at a tomato. In the background, a woman is partially visible, also smiling. The field is filled with green and red tomatoes on the vine. The lighting is warm and golden, suggesting late afternoon or early morning. The text "EVERYTHING WE DO IS DRIVEN BY OUR PURPOSE OF" is in the top left, and "Nourishing a better tomorrow" is in the center in a large, white, cursive font. A small number "2" is in the bottom left corner, and a small logo is in the top right corner.

EVERYTHING WE DO IS
DRIVEN BY OUR
PURPOSE OF

Nourishing a better tomorrow

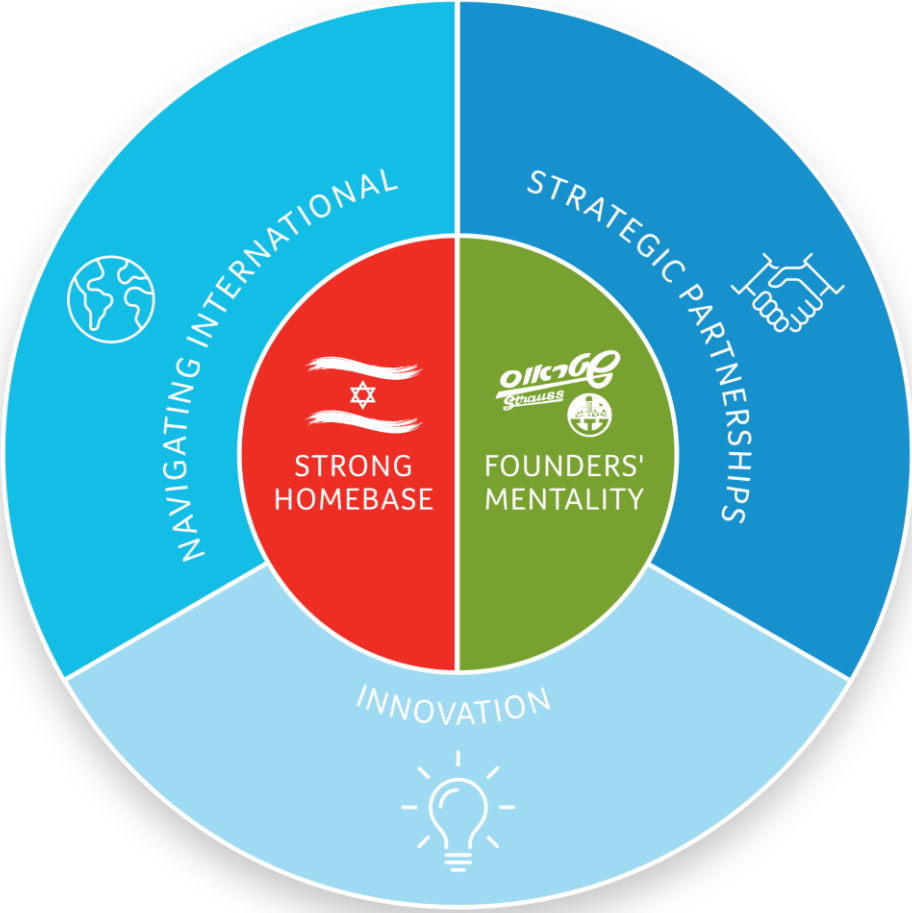


STRONG FUNDAMENTALS

ASSETS

PEOPLE	Highly devoted and capable people with a shared sense of pride & commitment
INFRASTRUCTURE	Widespread manufacturing facilities and a unique leveraged Go To Market
BRANDS	Strong well known and loved brands with consumer loyalty
PORTFOLIO	Growing, on-trend & diverse categories, geographies and partners

UNIQUE COMPETITIVE EDGE





WE PLAY IN THE RIGHT CATEGORIES SUPPORTED BY LEADING POWER BRANDS

WE PLAY IN THE RIGHT CATEGORIES

SHARE OF TOTAL
SALES

EXPECTED CAGR 2023-2028 IN
GEOGRAPHIES WE PLAY

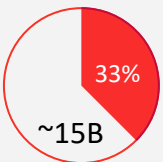
HIGH POTENTIAL IN
OUR GEOGRAPHIES*
MARKET SIZE IN NIS | MS



COFFEE

44%

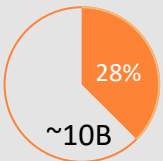
+2%



SNACKS

31%

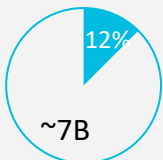
+4%



POU

11%**

+6%



WITH WELL KNOWN POWER BRANDS

PRO



tres?



נחם

alpro

tami4
טמיה

טורקי

אחלה



Sabra

אחלה

דבנה

פסקדון



Haier
Strauss
WATER

דניאלה



4 * Market potential refers to Brazil in Coffee category, Israel in snacks and China in POU. Snacking Including dairy, sweets & salty snacks
Source: Mintel, Storenext, Euromonitor ** including China sales



WE STRIVE TO
OFFER A
HEALTHY
PORTFOLIO FOR
BALANCED
NUTRITION

~15%
FUN FOR YOU

Salty & Sweet
snacks, Dairy
desserts



~85%
GOOD FOR YOU
Nutritious Dairy,
Dips and spreads,
Coffee & Water



WE ARE IN THE MIDDLE OF A STRATEGIC JOURNEY

TASTE THE FUTURE

2021-2023 TRANSFORM OUR WAY



- Strauss one
- Portfolio management
- Cost savings
- Transforming the way our company operates
- Increased investments

2024-2026 UPDATED STRATEGY



- Culture of performance
- Focus and improve the core
- Snacking in homebase
- Expanding in Brazil
- Developing water solutions
- Planting seeds for future growth

2026+ ACCELERATE GROWTH



- Harvest seeds of growth engines
- Expand into new categories and geographies through our competitive edge



2023 PERFORMANCE DEMONSTRATES SOLID GROWTH BUT A DECLINE IN MARGINS vs ~11% EBIT MARGIN IN THE PAST

Net Sales	Gross profit	EBIT	Net profit	FCF
10,549m Net Sales	3,383m Gross	772m EBIT	439m Net profit	354m FCF
+11% Growth	32.1% Gross Margin	7.3% EBIT Margin	4.2% Net Margin	81.7% Cash conversion*



* Cash Conversion = FCF / NI

THE OVERALL DECLINE IN PERFORMANCE NECESSITATES
A REVIEW AND UPDATE OF STRATEGY



WHERE WE WANT TO GO

UPDATED STRATEGY – DOUBLE DOWN ON THE CORE

**STRONGER
HOME BASE**



**BRAZIL COFFEE &
BEYOND**



**INTERNATIONAL
WATER PLAYER**



FUTURE READY & RESILIENT



HOW WE PLAN TO GET THERE



RENEW THE CORE

- Optimize **core categories & brands** in **Israel** with a focus on **snacking**
- Optimize and maintain **R&G leadership** in **Brazil**
- Optimize and increase **portfolio offering** of **water** solutions

EXPAND & BUILD

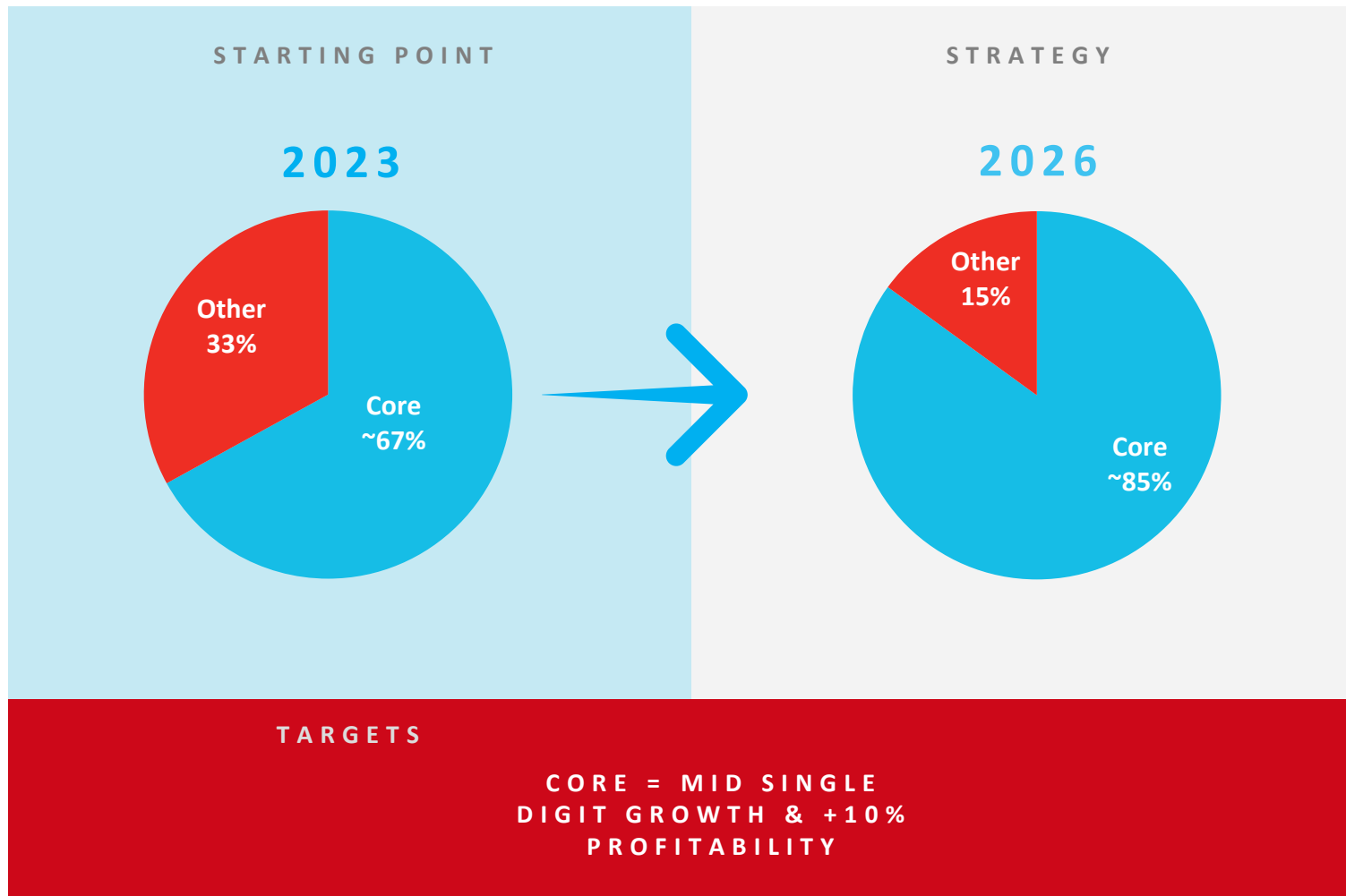
- Build **plant-based** solutions & **Innovation** around the core in **Israel**
- Expand **Non-R&G** and **beyond coffee** in **Brazil** through M&As and organic growth
- Grow **China** and enter **new geographies** in Water

TRANSFORM

- Embark on a journey of **Performance transformation**
- Maintain values while adopting a **high-performance culture**
- Optimize **portfolio** to focus on the core



STRATEGY WILL LEAD TO GROW CORE



STRONGER HOMEBASE BY 2026

#1

Snacking company in Israel

**Growth and
profitability**

Continuous improvement

**Unique
GTM**

High Tech & High Touch, fit to
snacking portfolio

**Consumer
centricity**

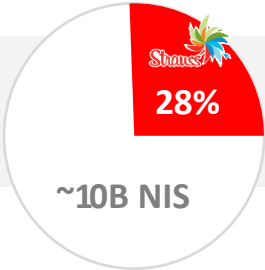
Improving engagement with
communities, occasions & choices





WE ARE A UNIQUE SNACKING POWERHOUSE

MARKET SIZE**



46%
Out of Total
SG Sales*

We have a diverse brand portfolio that is highly snacking oriented - dairy, sweet & salty




*in 2023 ** Source: Storenext

WE PLAN
TO BUILD
PLANT BASED
SOLUTIONS AS
AN ENGINE
FOR GROWTH
IN ISRAEL





TASTE THE JOY OF UNIQUE CHOICE ALONG THE DAY THANKS TO A DIVERSIFIED PORTFOLIO IN ISRAEL

 **46%**
Out of Total
SG Sales*

We provide unique taste with high quality that delivers joy to consumers throughout the whole day



*in 2023



LEAD COFFEE AND EXPAND BEYOND IN BRAZIL

#1	Maintain No.1 position in Coffee
↑	Increase share of Non- R&G sales by 2026
~200K	2026 Customers in Brazil, 3X vs 2021
Growth and profitability	Continuous improvement



EXPAND NON-R&G AND BEYOND COFFEE THROUGH M&A AND ORGANIC GROWTH

 **28%**
Out of Total
SG Sales*

Increase Non-R&G activities & Beyond coffee





DOUBLE DOWN ON PRODUCTIVITY TO INCREASE PROFITABILITY



2026 TARGET

Higher coffee gross profit per kg

✓ Optimize RGM

Focus on business transformation

Productivity improvement

- ✓ Logistics and selling
- ✓ G&A and marketing focus
- ✓ Infrastructure Scalability

Increase non-R&G, less volatile activities

Increase from overall business

EXPECTED IMPACT BY 2026

↑

IMPROVE OPERATING MARGIN

INTERNATIONAL WATER PLAYER

#1

Leadership position in China & Israel
Point of Use market by 2026

**Geographic
expansion**

Plant the seeds for geographic
expansion in 2026 and beyond

**Growth &
profitability**

Continuous improvement

**Product
portfolio**

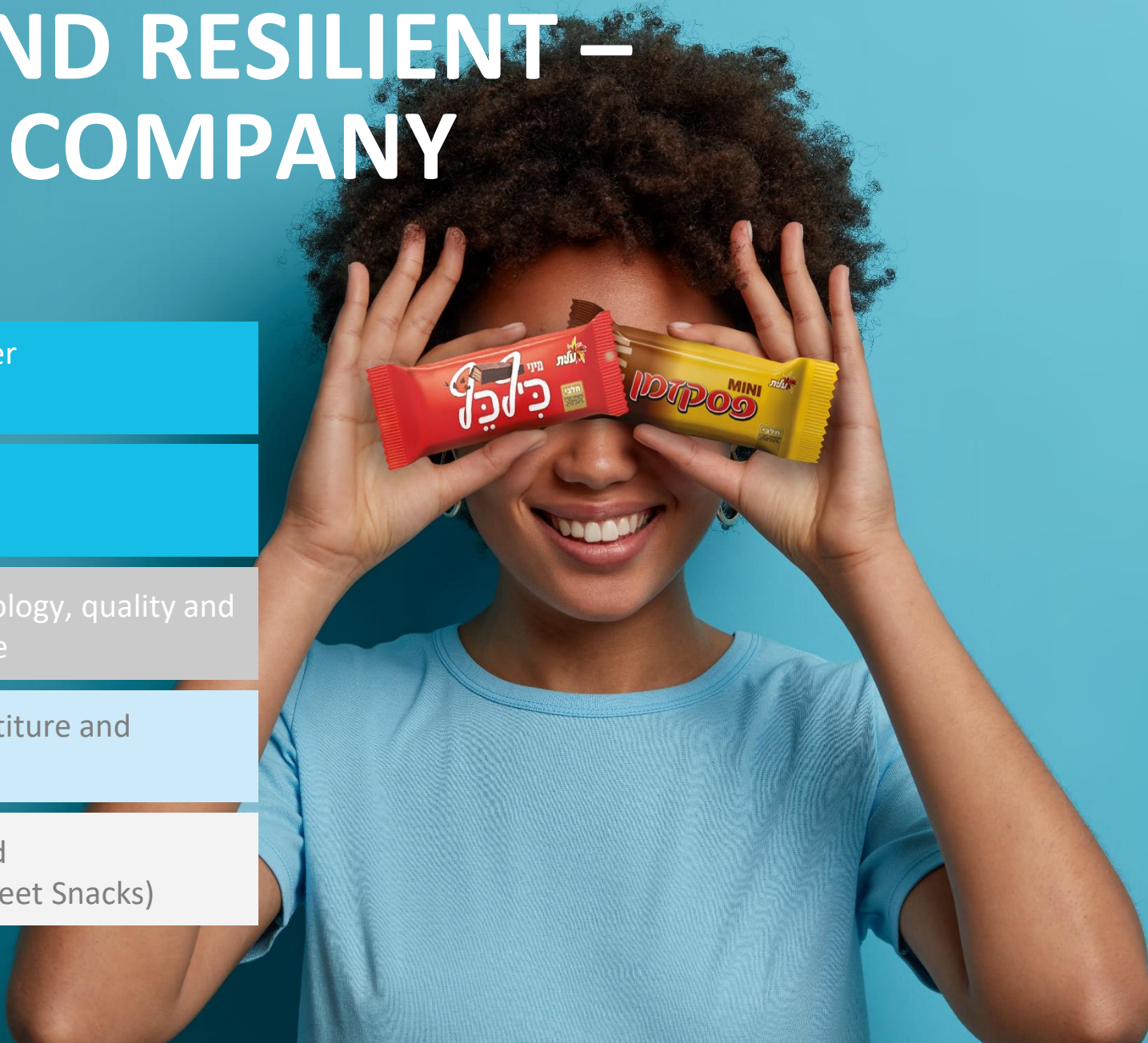
Multi-product portfolio





FUTURE READY AND RESILIENT – TRANSFORM THE COMPANY

People	Enhance values and pursue higher performance-oriented culture
~300-400M	Productivity via Performance transformation as of 2026
5-7%	Yearly investment to drive technology, quality and operational excellence in the core
Rotation	Optimize portfolio through divestiture and M&A to align with strategy
~10%	Of portfolio will be turned around (underperforming - Sabra and Sweet Snacks)





WE WILL FOSTER A HIGH-PERFORMANCE CULTURE

FOCUS ON EXECUTION & ACCOUNTABILITY

- Can-do approach
- Disagree & commit
- Strive for excellence
- Fast decision making
- Adaptive to changes

NURTURE TALENT

- Right people in the right places
- Leadership for on-going change
- Upskilling and reskilling

STRENGTHEN OUR VALUES

- Purpose-driven
- Caring and inclusive
- Employee experience for joy, belonging and inspiration

CULTURE TRANSFORMATION WILL BOOST PERFORMANCE



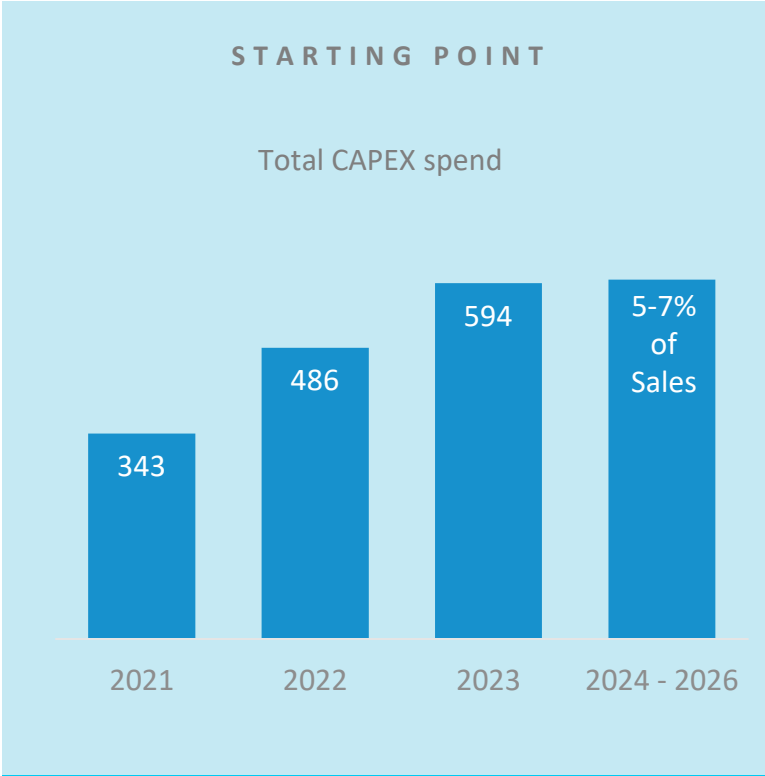
WE HAVE EMBARKED ON A TRANSFORMATION JOURNEY

A 360 PERFORMANCE PROGRAM TO ACHIEVE HIGHER PRODUCTIVITY & CAPABILITIES





WE PLAN TO INCREASE INVESTMENTS IN THE COMING 3 YEARS



- STRATEGY
- A** Increase investments in infrastructure, Quality & Growth
 - B** Invest in core assets in homebase
 - C** Additional investment to develop innovative solutions

TARGETS

Majority

Of investments in core

ROIC<IRR

High return on investments





THIS REQUIRES US TO OPTIMIZE THE PORTFOLIO FOR INCREASED FOCUS AND DOUBLING DOWN ON THE CORE

1

Limit investments in non-core activities

3

Divest underperforming activities that cannot be turned around

2

Turnaround underperforming activities, with a clear path to profitability

4

Maintain a **clear strategic rationale** for keeping non-core activities



WHERE WE STRIVE TO BE: GOALS FOR 2026

GROUP	5% CAGR 2024-2026	10-12% EBIT Margin	~300-400m Productivity platform
ISRAEL	#1 Snacking company	↑ EBIT Margin	Expand Plant based offering
BRAZIL	#1 Maintain market position	↑ EBIT Margin	Expand Non-R&G share of total sales
WATER	#1 In China & Israel	↑ EBIT Margin	Expand Product offering





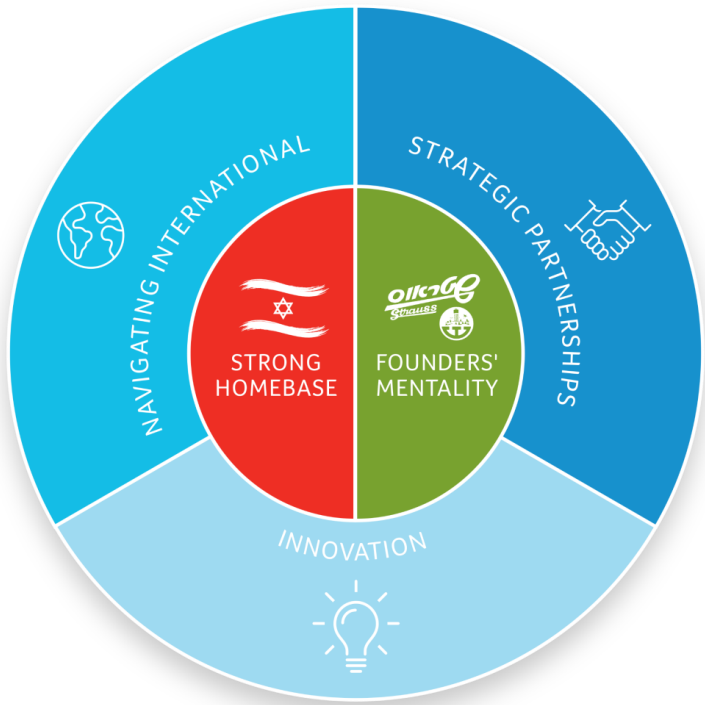
WE STRIVE TO HAVE A POSITIVE IMPACT ON SOCIETY AND ON THE ENVIRONMENT

	ENVIRONMENT	SOCIAL	GOVERNANCE
HOME BASE	<ul style="list-style-type: none">100% electricity from renewable sources by 2030Reducing food waste	<ul style="list-style-type: none">Significant investments in a dedicated farmers fundAiding Underrepresented communitiesProvide food to people in need	<ul style="list-style-type: none">One global sustainability agenda and targetsIncrease number of women in leadership positionsMaintain top-tier Maala ESG rankings
INTERNATIONAL WATER	<ul style="list-style-type: none">Reduce plastic by replacing single-use plastic bottles	<ul style="list-style-type: none">Water bars donation	
BRAZIL COFFEE & BEYOND	<ul style="list-style-type: none">Optimize PackagingExpand energy efficiencyReduce operational WasteReduce Gas Emissions	<ul style="list-style-type: none">Expand hiring of local suppliersDevelop the Coffee Chain through impact initiatives	



ACTION PLAN FOR 2026

COMPETITIVE EDGE



STRATEGY

RENEW THE CORE

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EXPAND & BUILD

- ✓ Build plant-based solutions & Innovation around the core in Israel
- ✓ Expand Non-R&G and beyond coffee in Brazil through M&A's and organic growth
- ✓ Grow China and Enter new geographies in Water

TRANSFORM

- ✓ Embark on a journey of Performance transformation
- ✓ Maintain values while adopting a high-performance culture
- ✓ Optimize portfolio to focus on the core

TARGETS

5%

ORGANIC CAGR
2024-2026

10-12%

EBIT MARGIN



“
I DON'T WANT TO
BE THE BIGGEST,
I WANT TO BE
THE BEST AT
WHAT WE DO

MICHAEL STRAUSS