

STRAUSS GROUP Q1-2025

Earnings Presentation
28 MAY 2025



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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.

Financial data is rounded to NIS millions. Percentages changes were calculated on the basis of the exact figures in NIS thousands. All changes are on a YoY basis, unless indicated otherwise.

GAAP to Non-GAAP Reconciliations

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), Strauss Frito-Lay Ltd. (a 50%/50% JV with PepsiCo Frito-Lay in Israel) and until the completion of the sale in December 2024, Sabra Dipping Company (a 50%/50% JV with PepsiCo in the U.S. and Canada)(“Sabra”), and PepsiCo Strauss Fresh Dips & Spreads International⁽¹⁾(a 50%/50% JV with PepsiCo outside the U.S. and Canada) (“Obela”). For more information on this sale, please refer to the Description of the Company's Business Report for 2024, section 11.1.

In addition, non-GAAP figures exclude any share-based payments, mark to market of commodity hedging transactions as at end-of-period, certain 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.

Business Update



Strauss Group | Q1-2025 Summary

Strong growth across all segments, supported by pricing & volume growth in most categories

Gross profit & EBIT continue to be **under pressure** due to raw material inflation, while productivity measures drive improved operational excellence

Continued focus on **executing our long-term strategy** to shape the company for future success

Maalot S&P iAA+, Stable outlook **rating affirmed**

Returning capital to our shareholders with a dividend of NIS 200m paid & an additional NIS 160m announced during Q1-25



Strauss Group Q1-2025 Non-GAAP Financial Results | NIS m

2,990 Net sales	15.5% Growth in sales	20.9% Growth excluding foreign currency effects
181 EBIT	-11.2% Change in EBIT	6.0% EBIT margin
73 Net Profit attributable to shareholders	-54.8% Change in net profit attributable to shareholders	NIS 0.62 Earnings per share
-347 Operating cash flow	-232 Change in operating cash flow	
-495 Free cash flow	-217 Change in free cash flow	



Strauss Israel

1,396

NIS millions
Net sales

+6.6%

Sales growth

113*

NIS million
EBIT

-25.7%*

EBIT change

8.1%*

EBIT margin

Strauss Coffee International

1,388

NIS millions
Net sales

+45.4%

Sales growth

65.0%

Sales growth excl. FX effect

55

NIS million
EBIT

+43.9%

EBIT change

3.9%

EBIT margin

Strauss Water

206

NIS millions
Net sales

+6.9%

Sales growth

26

NIS million
EBIT

+8.7%

EBIT change

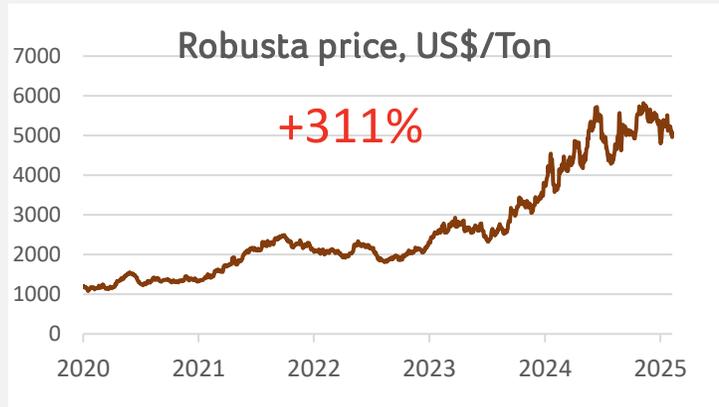
12.5%

EBIT margin



Commodities Price Development: 2020-2025

ROBUSTA



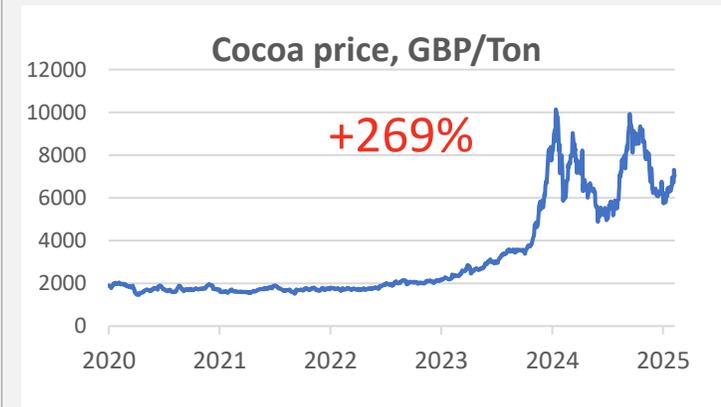
+66%
Avg. Q1-25 vs. Q1-24

ARABICA



+98%
Avg. Q1-25 vs. Q1-24

COCOA



+54%
Avg. Q1-25 vs. Q1-24

Strauss Israel

Highlights:

- New products launched & market share growth* across most categories
- Price updates in Q1-25 in response to significant raw material inflation in F&I Snacks & Confectionery and Coffee
- Productivity initiatives driving operational excellence improvement
- Excluding realization of non-recurring loss on cocoa derivatives of NIS 49m**, Strauss Israel's EBIT would have increased by 6.7% with a margin of 11.6%, in line with Q1-24, while Fun & Indulgence's EBIT margin would have reached 8.3% vs. 11.9% in 2024

Next Steps:

- Diversify cocoa sourcing to increase supply chain resilience
- Supporting growth with continued innovation



STRAUSS ISRAEL				
NIS m	H&W	F&I (Snacks & Confectionery)	F&I (Coffee Israel)	TOTAL
SALES				
Q1-25	742	394	260	1,396
Q1-24	731	361	217	1,309
EBIT				
Q1-25	88	-16	41	113
Q1-24	74	42	35	151
EBIT %				
Q1-25	11.9%	-4.2%	15.7%	8.1%
Q1-24	10.2%	11.5%	16.3%	11.6%

H&W – Health & Wellness; F&I – Fun & Indulgence

* According to Storenext

** The outstanding loss balance due to cocoa derivatives, totaling approximately NIS 49 million, was realized in the Q1-2025 non-GAAP financial results, but has already been accounted for in the FY 2024 GAAP financial results



Coffee International

Highlights:

- Volume growth in 3C Brazil & Central Eastern Europe (CEE)
- Maintaining #1 market position in Brazil
- Price updates in Q1-25 in response to significant green coffee price inflation
- Continued growth of non-R&G products in 3C Brazil
- Operational efficiencies
- Improvement in EBIT, in 3C Brazil EBIT nearly tripled

Next Steps:

- 3C Brazil –expand non R&G categories (organic & non organic) and improve the R&G profitability.
- CEE - Diversify coffee portfolio with value added products and innovation



COFFEE INTERNATIONAL

NIS m	Q1-25	Q1-24	% change	% change w/o FX
SALES	1,388	954	45.4%	65.0%
EBIT	55	38	43.9%	51.5%
EBIT%	3.9%	4.0%		

Strauss Water

Highlights:

- Sales growth supported mainly by an increase in the install base, and an increase in appliances sold
- Improvement in EBIT, mainly following:
 - Increase in sales and improved sales mix
 - Productivity initiatives
- Haier Strauss Water (HSW) sales & net income continued to grow
- New brand launched in Strauss Water UK in March 2025 with Culligan

Next Steps:

- New products and expansion of the portfolio
- Double down on market presence in China & UK
- 2nd manufacturing facility being built in China
- Geographical expansion



Sino-German Plant Construction Progress

our
taap



WATER

NIS m	Q1-25	Q1-24	% change
SALES	206	193	6.9%
EBIT	26	24	8.7%
EBIT%	12.5%	12.3%	

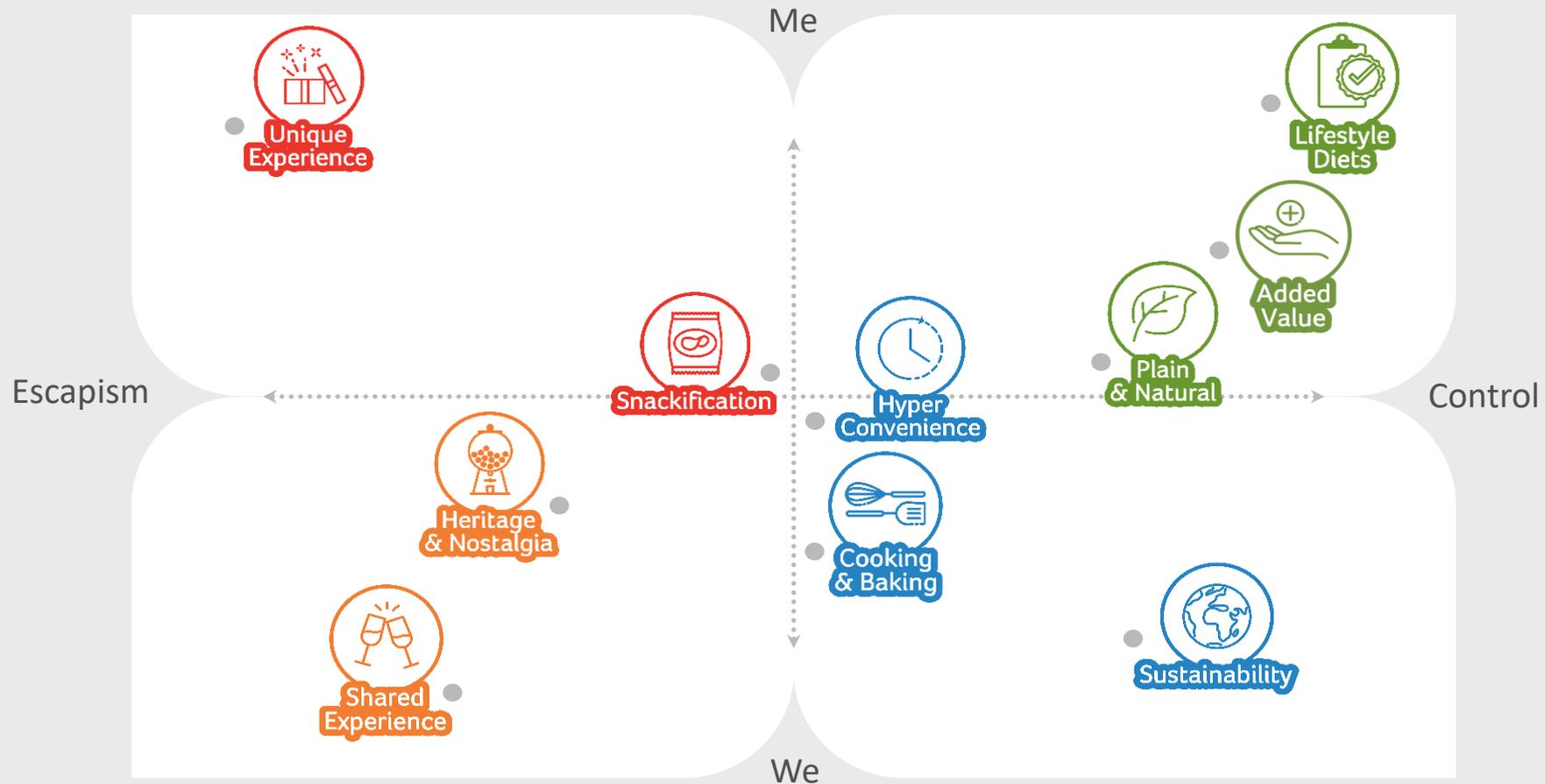
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FOCUS & MOVING FORWARD

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Focusing on Consumer Centric Food Trends



STRATEGIC INSIGHTS DRIVING PRODUCT INNOVATION

Snacking Innovation Examples



Added Value

(Functional Nutrition)



WELLNESS



FITNESS & HIGH PROTEIN DIETS



Lifestyle Diets



GLUTEN FREE



PORTION CONTROL



Heritage & Nostalgia



SUPPORTING POSITION AS AN INNOVATION POWERHOUSE*



PLANT BASED EXPANSION - DEDICATED FACILITY

completion expected by the end of 2025



NEW FACILITY AT YOTVATA TO INCREASE GROWTH

completion expected by the end of 2025





FOCUS ON NON ROAST & GROUND CATEGORIES IN BRAZIL



Productivity Roadmap

SUPPLY CHAIN



STRATEGIC PROCUREMENT

- Building supply chain resilience by implementing a strategic approach:
- Optimization of procurement processes
- Data driven decision making
- Direct purchasing (cutting out middle-man)
- Diversifying supply source (direct & indirect)
- Sales & Operation Planning (S&OP) – optimization of orders and shipments

OPERATIONAL EXCELLENCE



- Implementation of best-practice programs in manufacturing facilities in order to improve efficiency
- Revisiting operational model focusing on optimization of in-house resources (logistics, warehouse ...)



REVENUE GROWTH MANAGEMENT & MARKETING ROI

- Focus on revenue management capabilities
- Design to Value (DTV) across all business units
- Optimization of Marketing Efforts (media mix, length of campaigns...)



CAPABILITY BUILDING AND MINDSET

- Ensuring operational continuity through employee learning and capability building
- Focus on excellence

ON TRACK TO ACHIEVING NIS 300-400M IN RUN RATE SAVINGS BY 2026



Top-line Growth Playbook	5% CAGR 2024-2026
Expanding Margins	10%-12% EBIT margin in 2026
Enhancing Cost Structure Productivity	300-400m NIS by 2026
Investing In The Future	CAPEX to reach 5%-7% of sales 2024-2026
Focusing on the Core	85% of total sales in 2026

REMINDER OF LONG TERM TARGETS & 2026 OUTLOOK

Q1-25 Financial Results



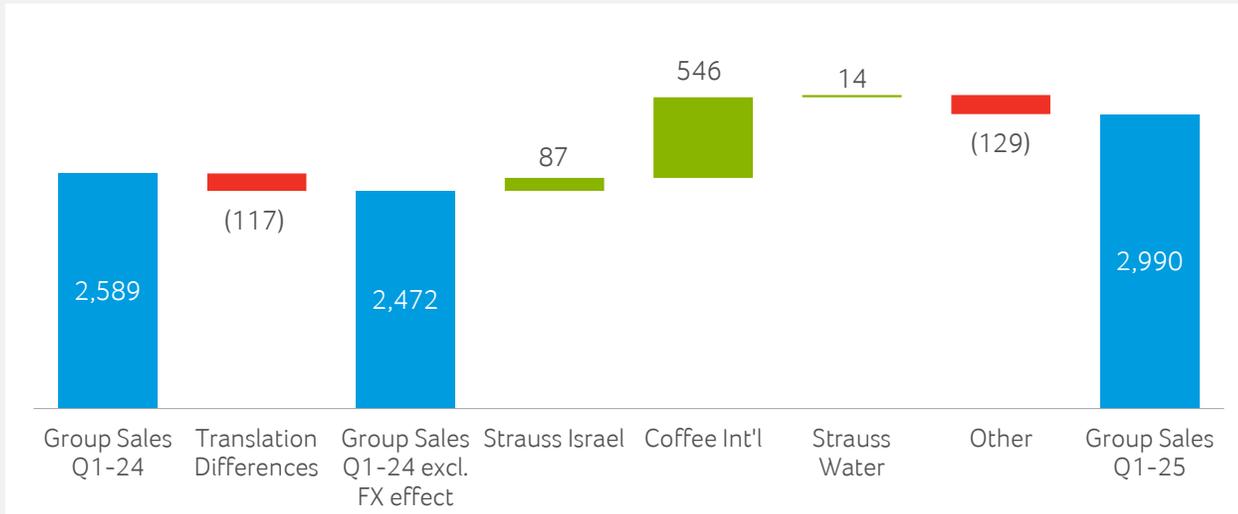
Group Q1-2025 Performance | NIS m; Non-GAAP

	Q1-2025	Q1-2024	% change	% change w/o FX impact
Net Sales	2,990	2,589	+15.5%	+20.9%
Gross profit	781 26.1% Gross Margin	874 33.7% Gross Margin	-10.6%	-7.7%
EBIT	181 6.0% EBIT Margin	204 7.8% EBIT Margin	-11.2%	-10.4%
Net income*	73 2.4% Net Margin	159 6.2% Net Margin	-54.8%	-54.2%
EBITDA	282 9.4% EBITDA Margin	318 12.3% EBITDA Margin	-11.1%	-10.0%
FCF	-495	-278	-78%	

- **Net Sales** – strong growth supported by pricing, improved sales mix and higher volumes following improved market position in Brazil, Poland, Romania and in key categories in Israel. Pro-forma sales growth reached +23.3%**.
- **Gross Profit** – decline reflects ongoing raw material price inflation, sale of Sabra & Obela and realization of NIS 49m non-recurring loss on cocoa derivatives.
- **EBIT** – excluding the NIS 49m non-recurring loss on cocoa derivatives, EBIT would have reached NIS 230m, reflecting a margin of 7.7%. Protection of margins reflects productivity measures throughout the group.
- **Net income** – reflects higher tax provision due to an increase in payable profits, mainly due to currency translations, in comparison to tax income in Q1-2024.
- **FX** – weakening of currencies against NIS, mainly BRL, impacting translation.
- **FCF** – impacted by an increase in WC needs in light of raw material price inflation.

Group & Segment Q1-2025 Sales | NIS m; Non-GAAP

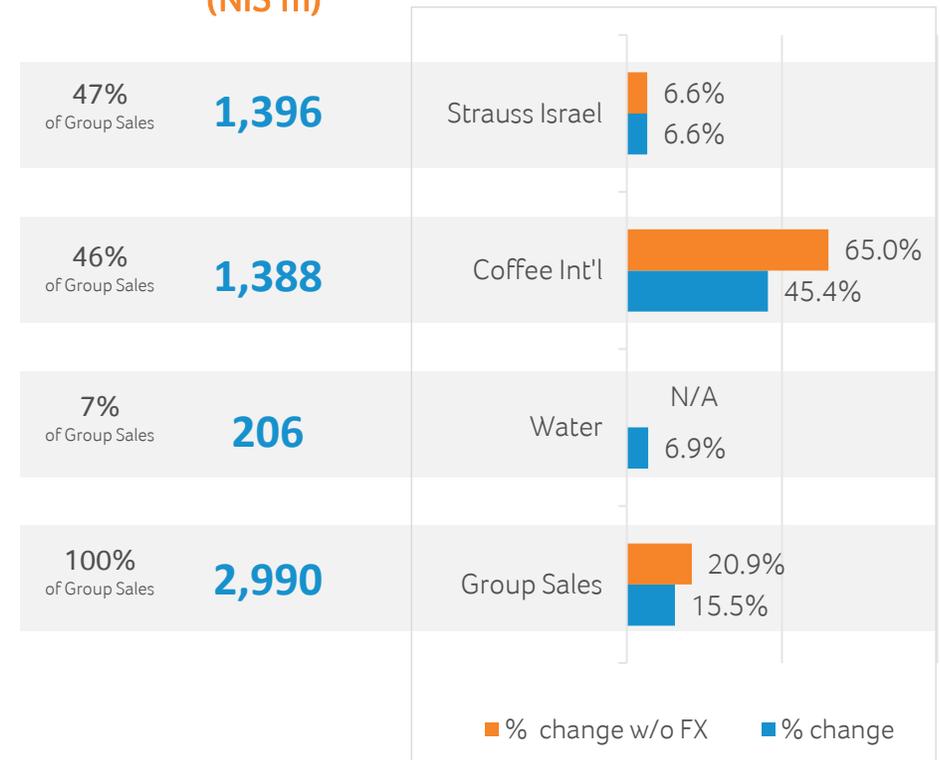
Strauss Israel Q1 Sales Bridge:



- **Strauss Israel** – pricing, improved sales mix and higher volumes across most categories following improved market position
- **Coffee International** – pricing and higher volumes as well as market share
- **Strauss Water** - higher install base
- **Other** – Divestment of Sabra & Obela during Q4-2024
- **FX** – Weakening of currencies against NIS, mainly BRL

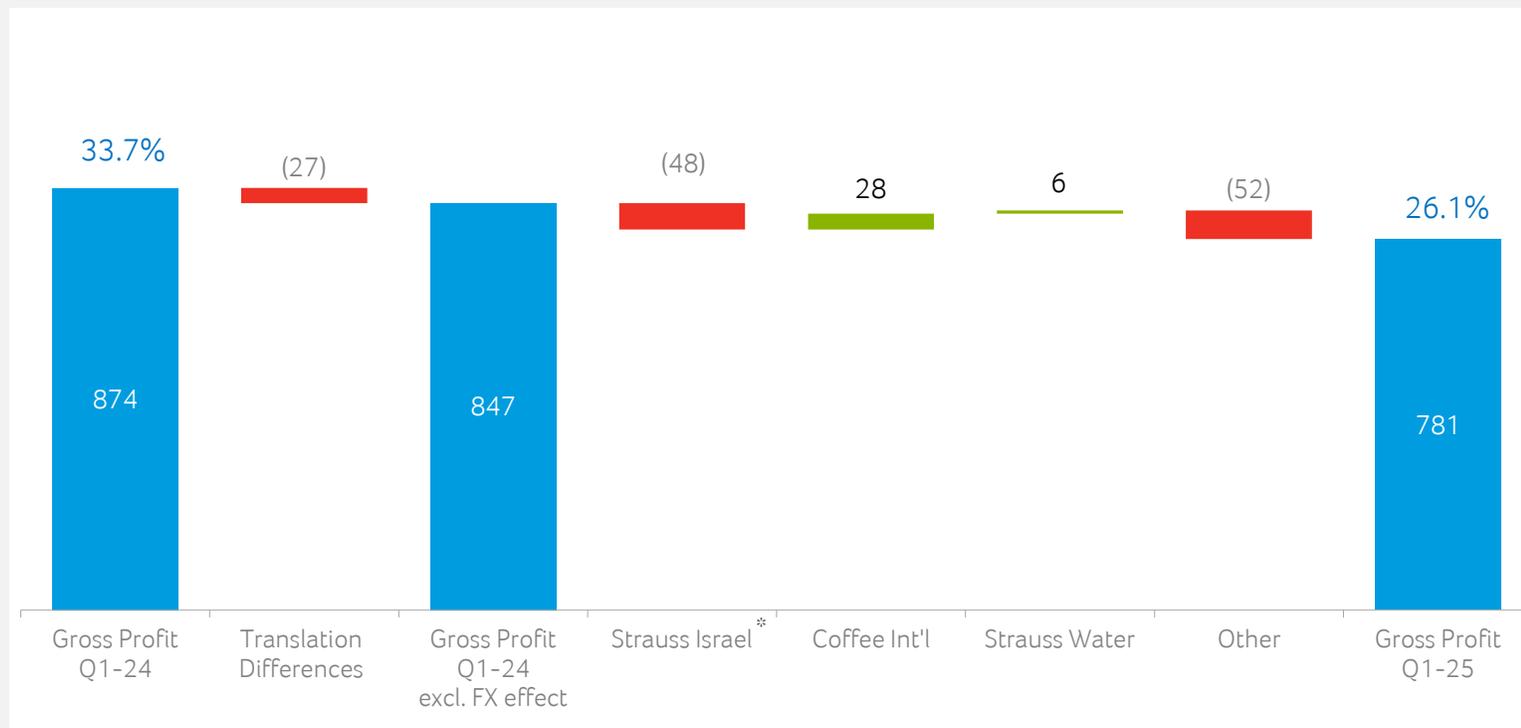
Q1-2025 Segment Sales (NIS m)

Q1-2025 Segment Change



Group Q1-2025 Gross Profit | NIS m; Non-GAAP

Strauss Group Q1 Gross Profit Bridge:

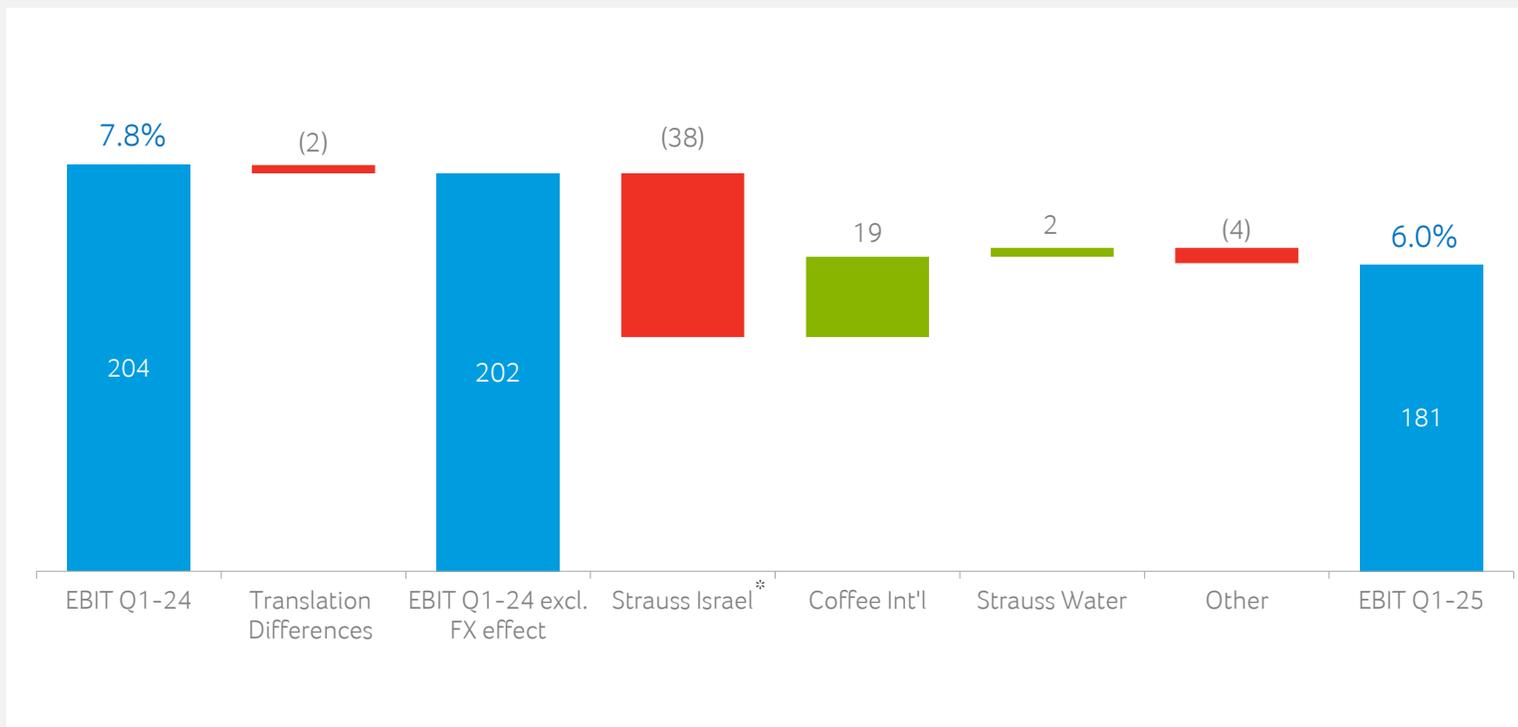


KEY IMPACTS:

- **Strauss Israel** – ongoing raw material price inflation and realization of NIS 49m non-recurring loss on cocoa derivatives
- **Coffee International** – pricing & volume growth compensated green coffee price inflation
- **Strauss Water** - higher install base
- **Other** – divestment of Sabra & Obela during Q4-2024
- **FX** – weakening of currencies against NIS, mainly BRL
- Excluding the NIS 49m non-recurring loss on cocoa derivatives, Gross Profit would have reached NIS 830m, reflecting a 27.7% margin

Group Q1-2025 EBIT | NIS m; Non-GAAP

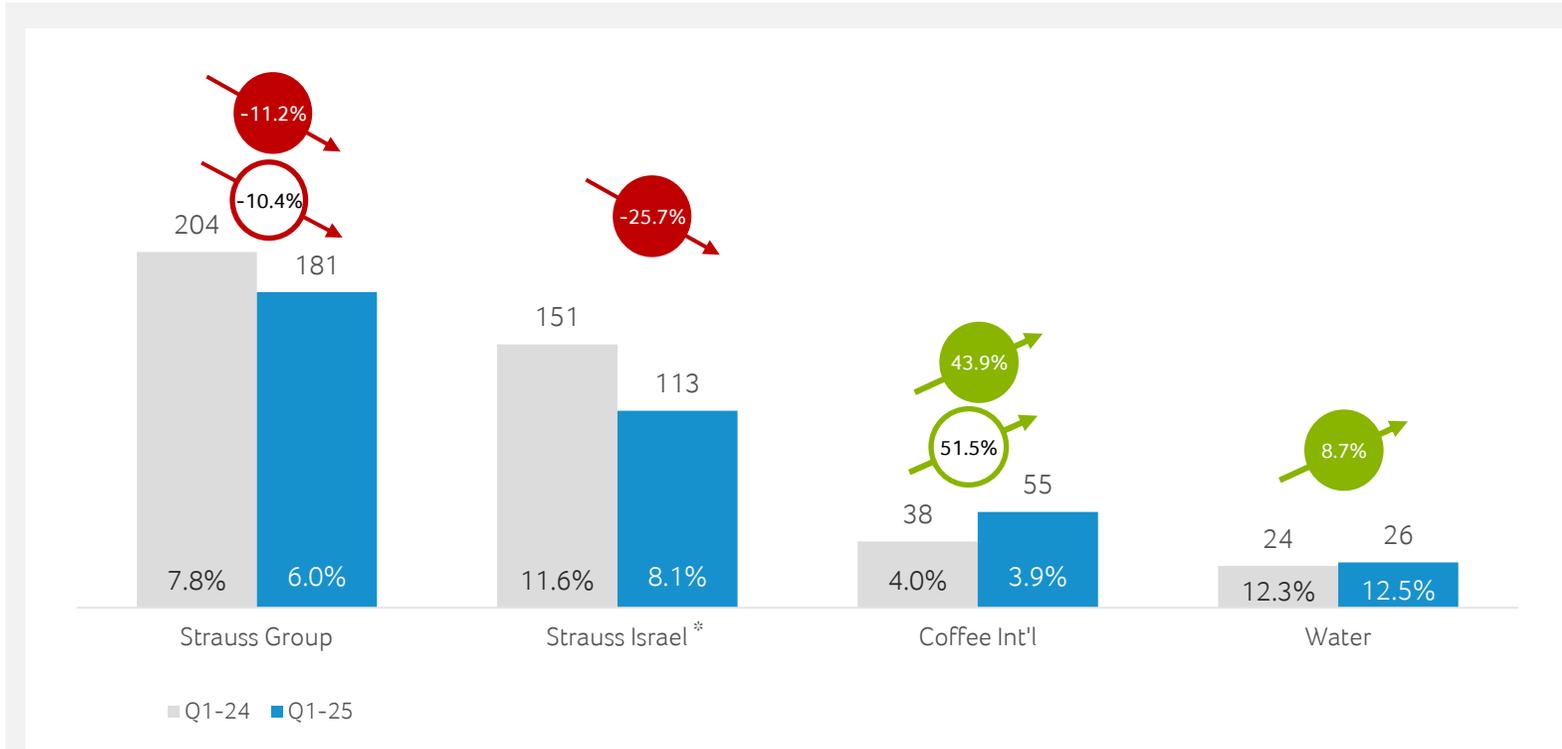
Strauss Group Q1 EBIT Bridge:



KEY IMPACTS:

- **Strauss Israel** – raw material price inflation and realization of NIS 49m non-recurring loss on cocoa derivatives offset by productivity measures
- **Coffee International** – decrease in OPEX following operational efficiencies in Brazil & Romania
- **Strauss Water** – productivity measures & higher profits from Haier Strauss Water
- **Other** – higher “The Kitchen” losses and divestment of Sabra and Obela
- Excluding the NIS 49m non-recurring loss on cocoa derivatives, EBIT would have reached NIS 230m, reflecting a 7.7% margin

Q1-2025 EBIT and EBIT margins | NIS m; Non-GAAP

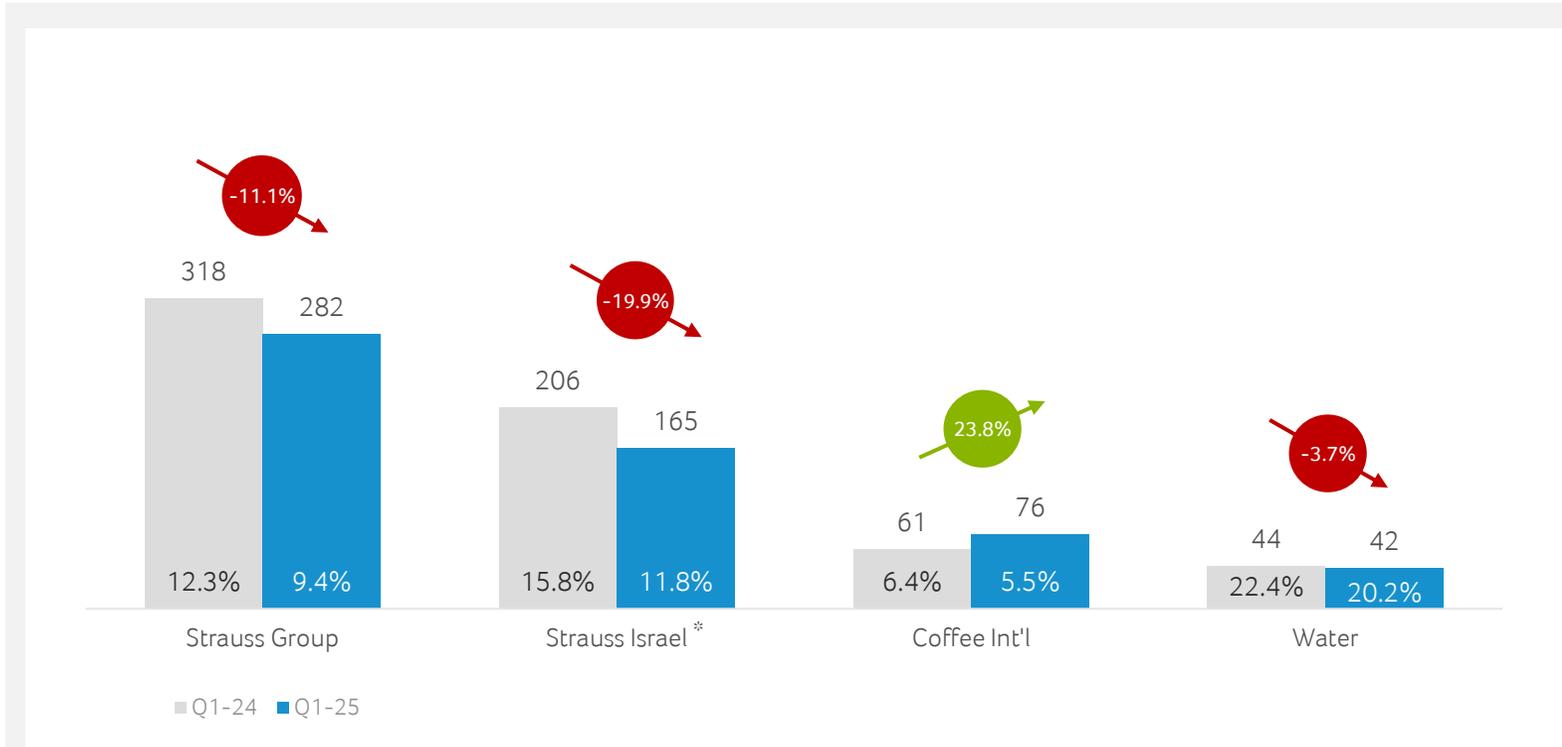


→ ○ → = EBIT growth excl. FX



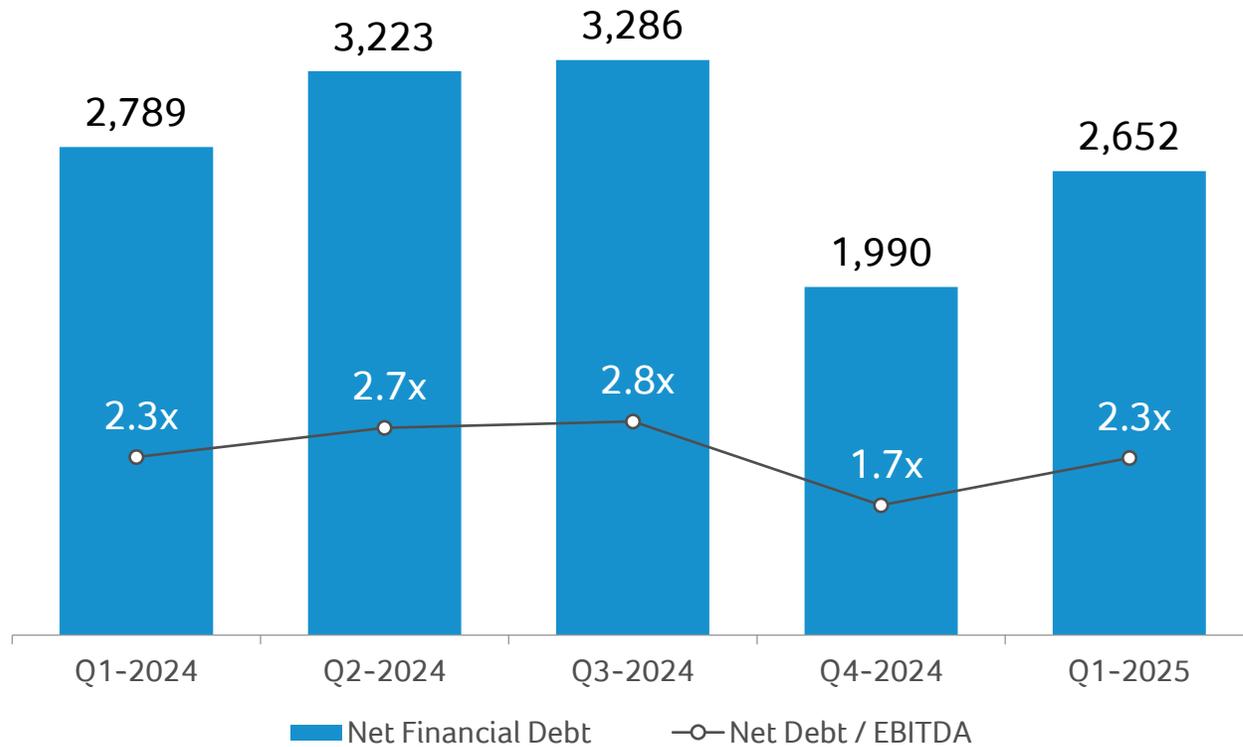
* Including the NIS 49m non-recurring loss on cocoa derivatives in Q1-2025

Q1-2025 EBITDA and EBITDA margins | NIS m; Non-GAAP



* Including the NIS 49m non-recurring loss on cocoa derivatives in in Q1-2025

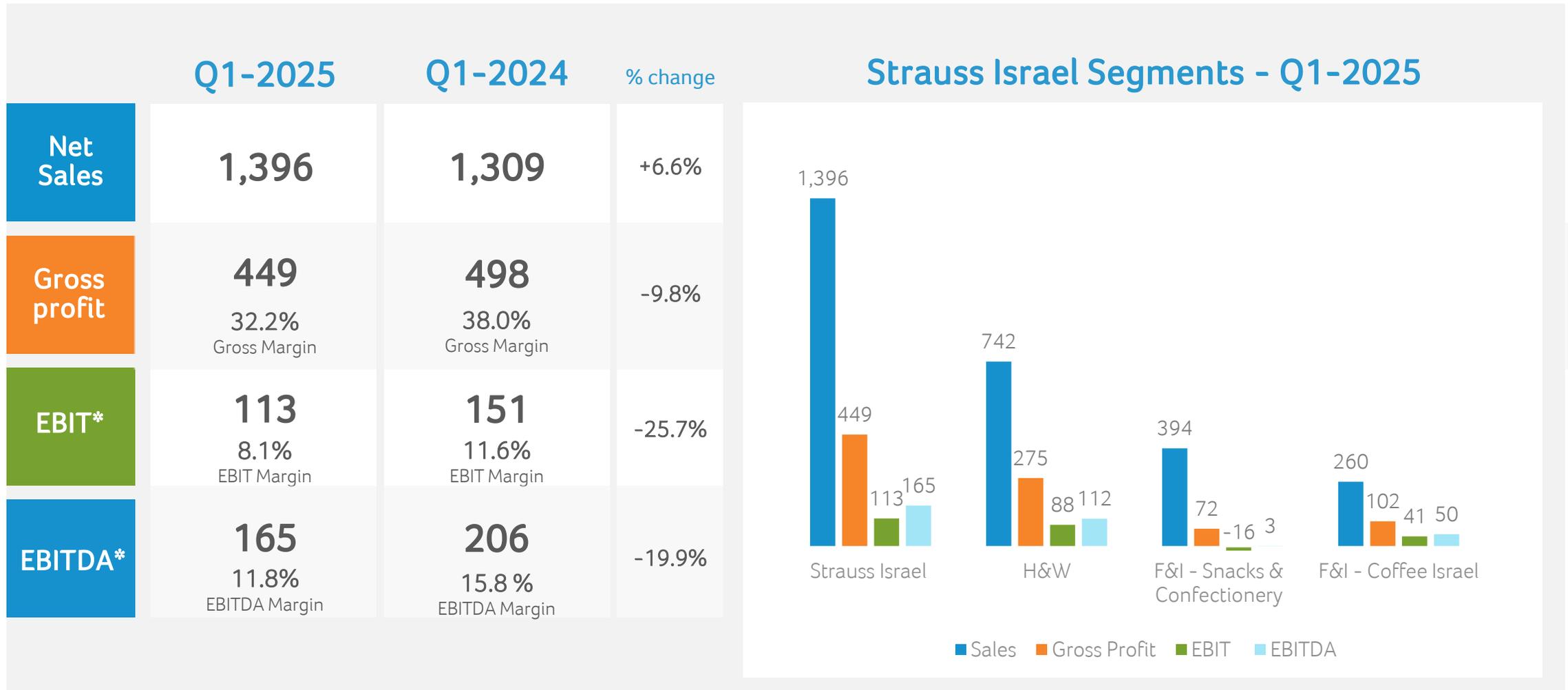
NET Debt and Net Debt / EBITDA (LTM) | NIS m; Non-GAAP



- Increase in Net Debt due to:
 - Increase in Working Capital
 - Dividend payment in Q1 of NIS 200m
- Maalot S&P iAA+, Stable outlook rating affirmed



Strauss Israel Q1-2025 Performance | NIS m; Non-GAAP

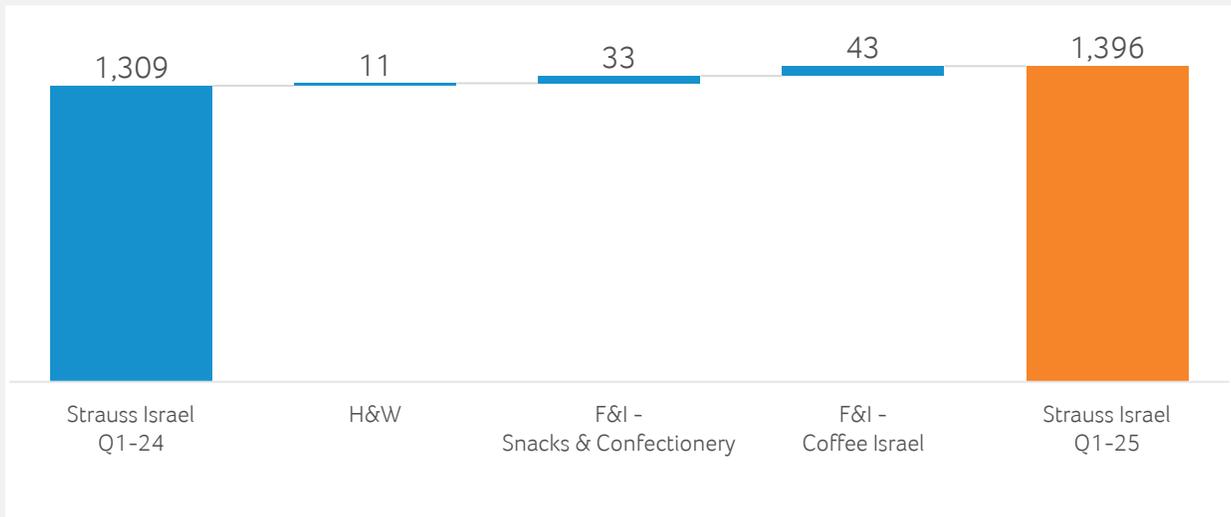


• Excluding the NIS 49m non-recurring loss on cocoa derivatives, EBIT would have reached NIS 162m, reflecting a margin of 11.6%; EBITDA would have reached NIS 214m, reflecting a margin of 15.4%
 • H&W – Health & Wellness; F&I – Fun & Indulgence



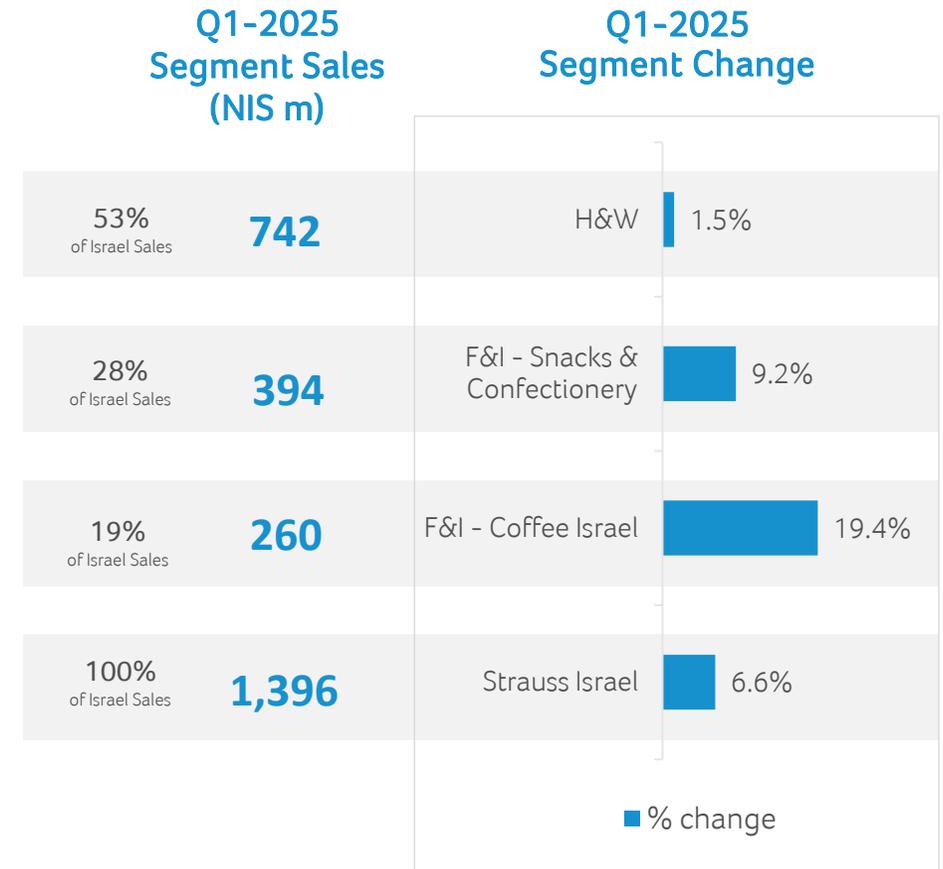
Strauss Israel Q1-2025 Sales | NIS m; Non-GAAP

Strauss Israel Q1 Sales Bridge:



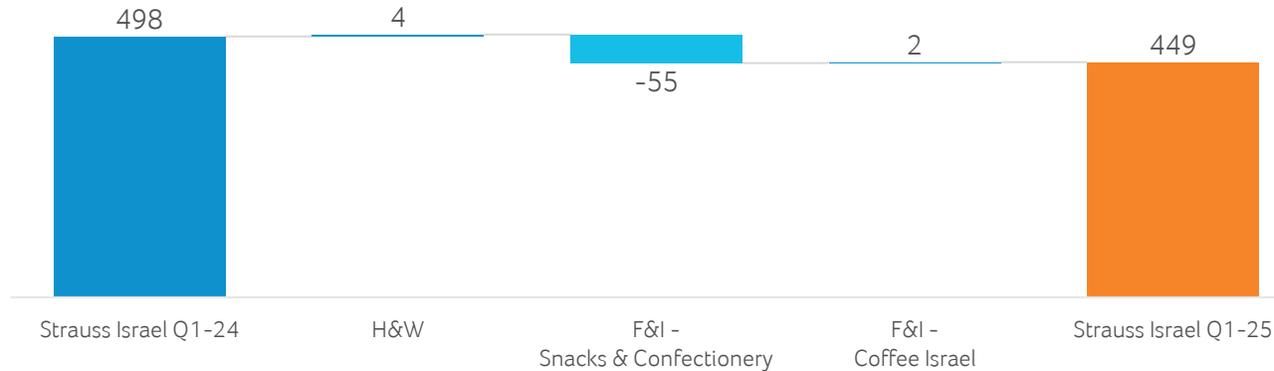
KEY IMPACTS:

- **Health & Wellness** – mainly higher pricing following updates during 2024
- **Fun & Indulgence – Snacks & Confectionery** – higher pricing with continued volume growth in confectionary and stable salty snacks performance
- **Fun & Indulgence – Coffee Israel** – higher pricing and volumes



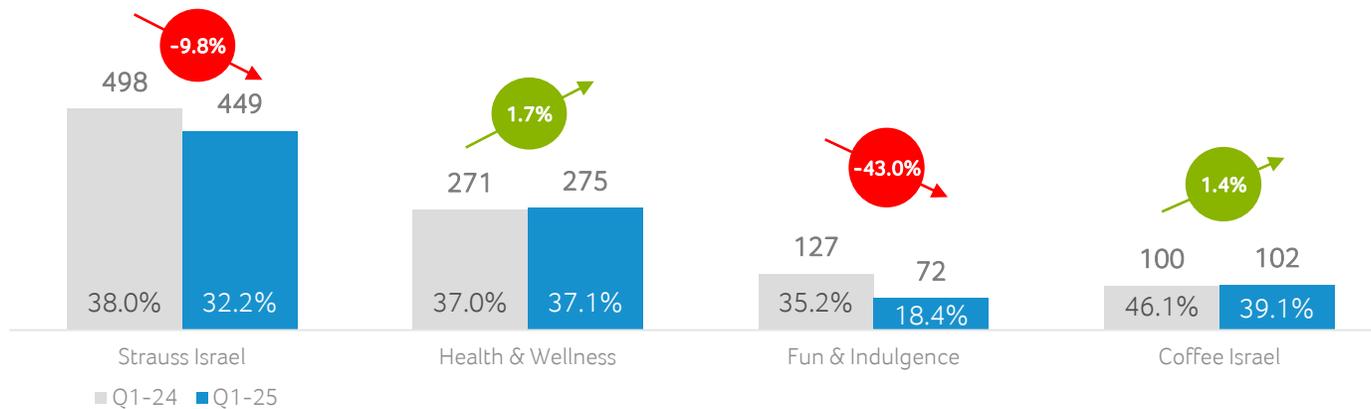
Strauss Israel Q1-2025 Gross Profit | NIS m; Non-GAAP

Strauss Israel Q1 Gross Profit Bridge:



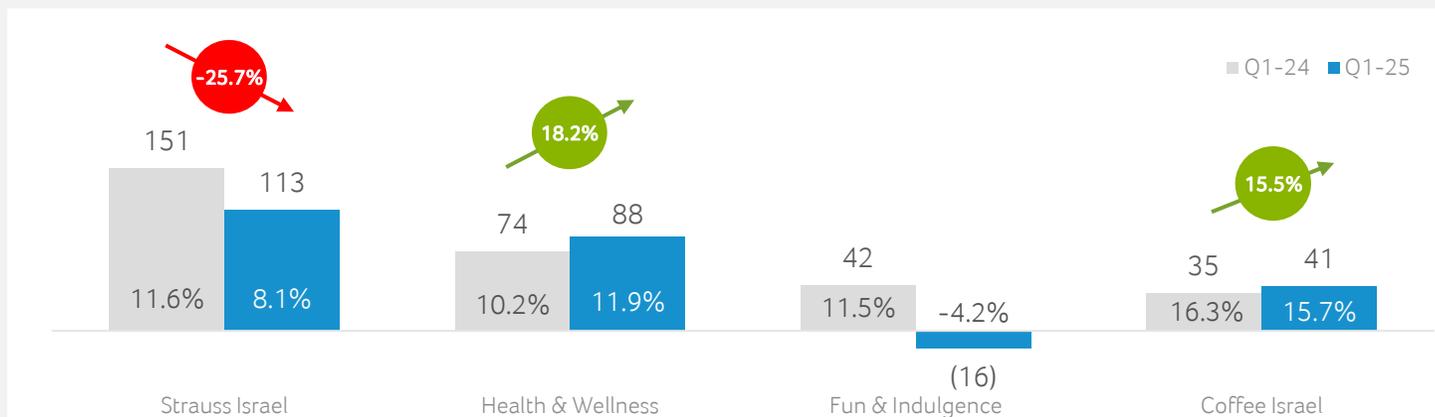
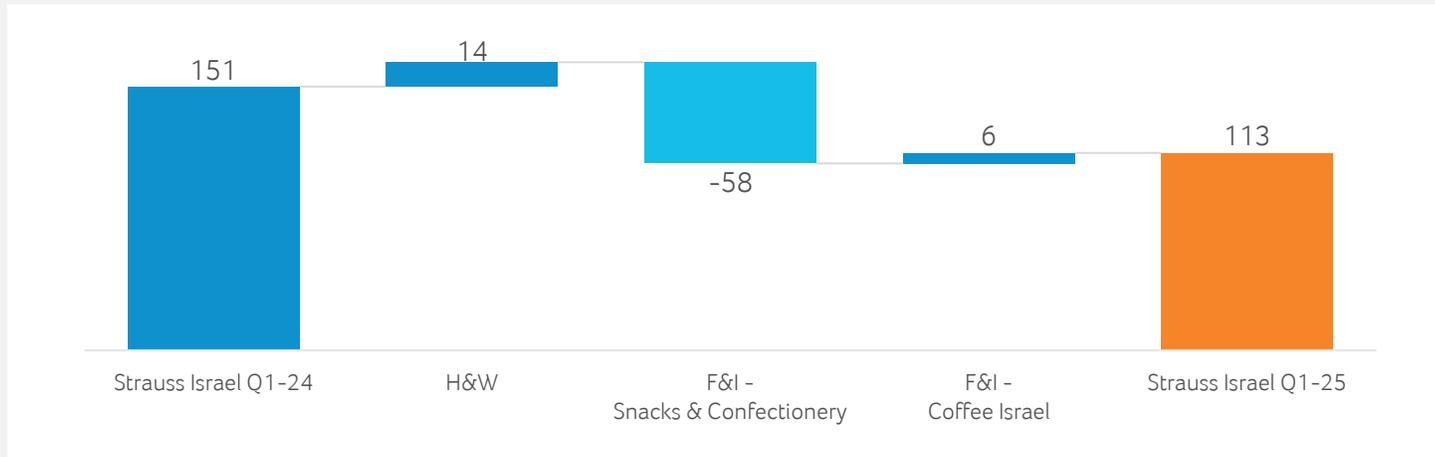
KEY IMPACTS:

- **Health & Wellness** – improvement in profit margins driven by productivity measures and improvement in sales mix
- **Fun & Indulgence – Snacks & Confectionery** – excluding the NIS 49m non-recurring loss on cocoa derivatives, Gross Profit would have reached NIS 121m, reflecting a margin of 30.8%, impacted by cocoa price inflation
- **Fun & Indulgence – Coffee Israel** – price updates moderated the impact of green coffee price inflation



Strauss Israel Q1-2025 EBIT | NIS m; Non-GAAP

Strauss Israel Q1 EBIT Bridge:



KEY IMPACTS:

- Implementation of productivity initiatives throughout the business
- Excluding the NIS 49m non-recurring loss on cocoa derivatives:
 - Strauss Israel EBIT would have reached NIS 162m, reflecting a 7.7% margin
 - Fun & Indulgence EBIT would have reached NIS 33m, reflecting an 8.3% margin

Coffee International

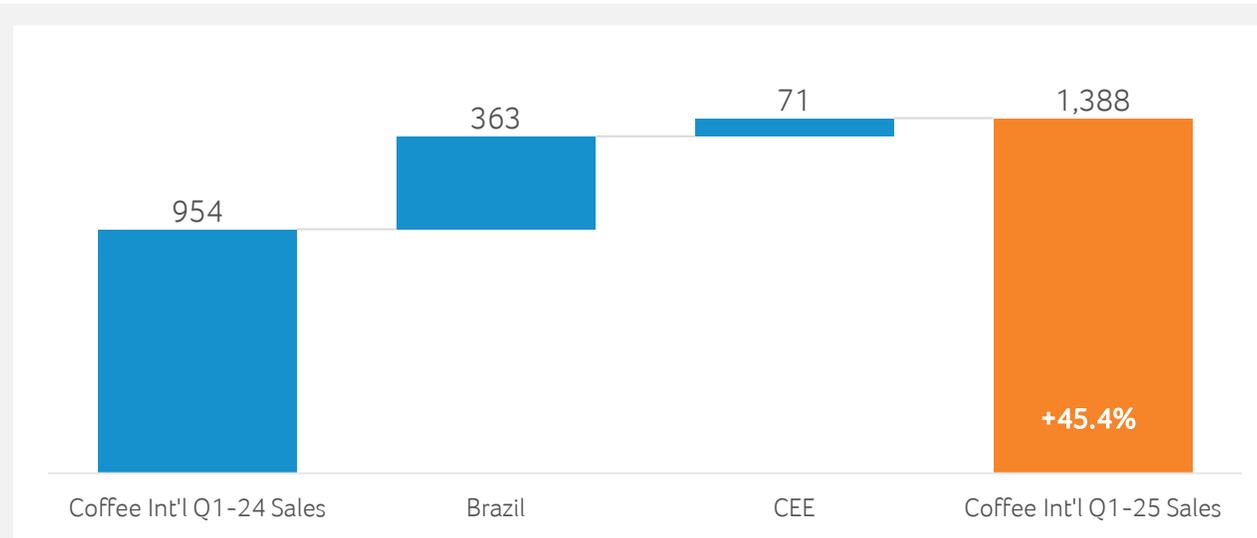


Strauss Coffee International Performance | NIS m; Non-GAAP

	Q1-2025	Q1-2024	% change	% change excl. FX effect	
Net Sales	1,388	954	+45.4%	+65.0%	KEY IMPACTS: <ul style="list-style-type: none"> ▪ Net Sales – growth driven by higher pricing and volume growth in most geographies ▪ Gross Profit – higher prices offset green coffee price inflation, resulting in lower margins ▪ EBIT – Operational efficiencies supporting margins despite green coffee price inflation
Gross profit	233 16.7% Gross Margin	230 24.1% Gross Margin	+0.9%		
EBIT	55 3.9% EBIT Margin	38 4.0% EBIT Margin	+43.9%	+51.5%	
EBITDA	76 5.5% EBITDA Margin	61 6.4% EBITDA Margin	+23.8%		

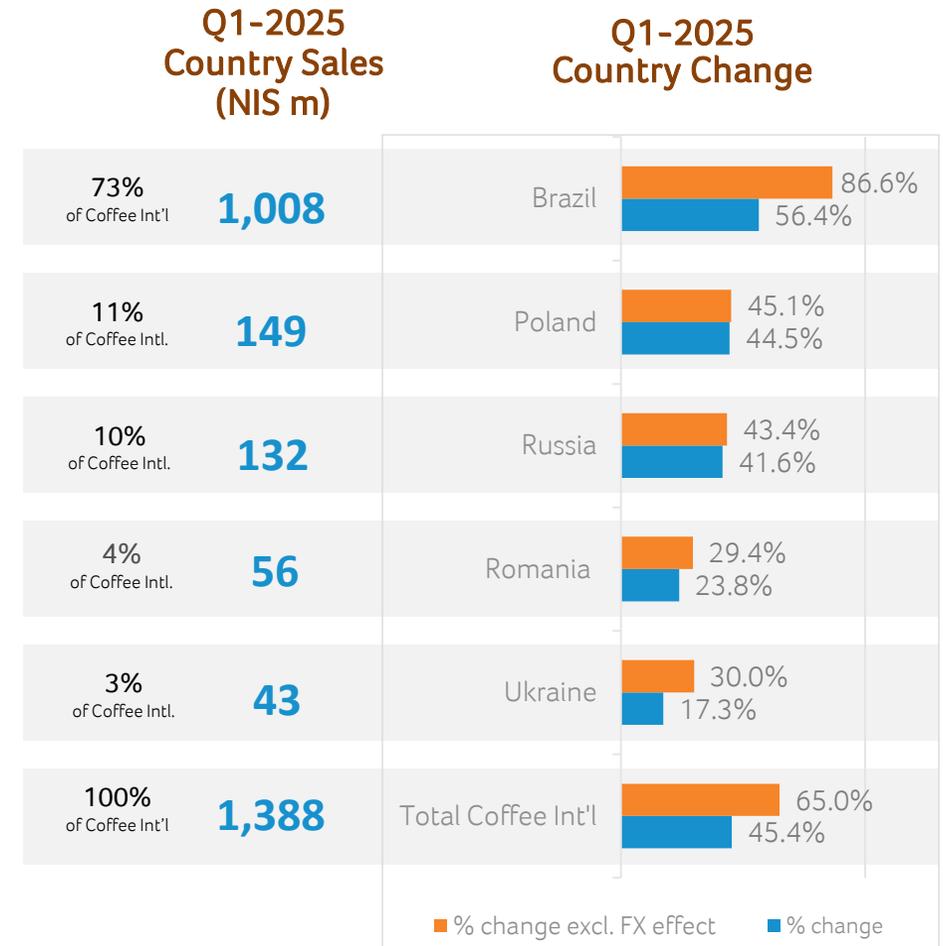
Strauss Coffee International Q1-2025 Sales | NIS m; Non-GAAP

Strauss Israel Q1 Sales Bridge:



KEY IMPACTS:

- **3C*** – higher pricing in light of green coffee price inflation and volume growth, maintaining #1 positioning in the market
- **Central Eastern Europe (CEE)** – higher pricing in light of green coffee price inflation and volume growth in most geographies



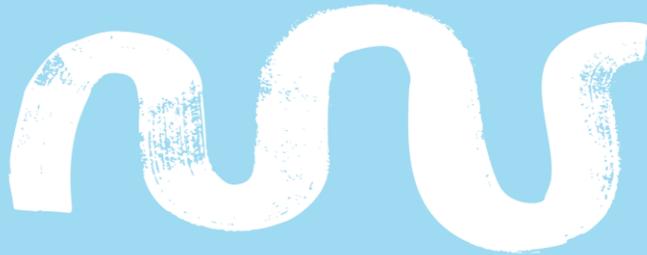
Três Corações Alimentos S.A. | 100%; BRL m

	Q1-2025	Q1-2024	% change
Net Sales	3,282	1,759	+86.5%
Gross profit	493 15.0% Gross Margin	392 22.3% Gross Margin	+25.6%
EBIT	96 2.9% EBIT Margin	36 2.1% EBIT Margin	+167%

KEY IMPACTS:

- Higher sales, reflecting:
 - Price updates
 - Volume growth
- Continued growth of non-R&G products in 3C Brazil
- Operational efficiencies
- EBIT nearly tripled & improvement in EBIT margin

Strauss Water



Strauss Water Performance | NIS m; Non-GAAP

	Q1-2025	Q1-2024	% change
Net Sales	206	193	+6.9%
Gross profit	99 48.2% Gross Margin	94 48.7% Gross Margin	+5.8%
EBIT*	26 12.5% EBIT Margin	24 12.3% EBIT Margin	+8.7%
EBITDA*	42 20.2% EBITDA Margin	44 22.4% EBITDA Margin	-3.7%

KEY IMPACTS:

- Sales – mainly increase in install base and an increase in appliances sold
- Gross Profit supported by improved sales mix and implementation of productivity measures
- Increase in Haier Strauss Water (HSW) equity gains despite negative impact of FX translation

Haier Strauss Water Q1 Snapshot | 100%; ¥m; Non-GAAP

	Q1-2025	Q1-2024	% change
Net Sales	456	421	+8.2%
Net Income	62 13.6% Net Margin	52 12.4% Net Margin	+19.3%

KEY IMPACTS:

- Haier Strauss Water (HSW) - sales growth combined with net income expansion




Summary Q1-2025 Performance by Key Segment | NIS m; Non-GAAP

	Strauss Israel	Strauss Coffee Int'l	Strauss Water	Strauss Group
Sales vs 2024	1,396 1,309	1,388 954	206 193	2,990 2,589
% Sales Growth	6.6%	45.4%	6.9%	15.5%
Gross Profit vs 2024	449 -9.8%	233 +0.9%	99 +5.8%	781 -10.6%
% Gross Profit	32.2%	16.7%	48.2%	26.1%
EBIT vs 2024	113 -25.7%	55 +43.9%	26 +8.7%	181 -11.2%
% EBIT	8.1%	3.9%	12.5%	6.0%
EBITDA vs 2024	165 -19.9%	76 +23.8%	42 -3.7%	282 -11.1%
% EBITDA	11.8%	5.5%	20.2%	9.4%



Thank you 


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Appendix

- Non-GAAP to GAAP reconciliation
- Currencies
- Três Corações Alimentos S.A.
- Raw Materials Prices



Q1 GAAP and Non-GAAP | NIS m

	GAAP				Adjusted Non-GAAP			
	Q1-2025	Q1-2024	Chg.	% Chg.	Q1-2025	Q1-2024	Chg.	% Chg.
Sales	1,887	1,726	161	9.3%	2,990	2,589	401	15.5%
Gross Profit	612	565	47	8.3%	781	874	(93)	(10.6%)
<i>GP Margin</i>	<i>32.4%</i>	<i>32.7%</i>	<i>-0.3ppt</i>		<i>26.1%</i>	<i>33.7%</i>	<i>-7.6ppt</i>	
EBIT	190	117	73	62.6%	181	204	(23)	(11.2%)
<i>EBIT Margin</i>	<i>10.1%</i>	<i>6.8%</i>	<i>3.3ppt</i>		<i>6.0%</i>	<i>7.8%</i>	<i>-1.8ppt</i>	
Net Profit to Shareholders	86	51	35	67.8%	73	159	(86)	(54.8%)
<i>NP Margin</i>	<i>4.5%</i>	<i>3.0%</i>	<i>1.6ppt</i>		<i>2.4%</i>	<i>6.2%</i>	<i>-3.7ppt</i>	
Change in WC	(313)	(93)	(220)	(235.4%)	(617)	(282)	(335)	(119.4%)
Operating Cash Flow	(93)	25	(118)	-	(347)	(115)	(232)	(200.7%)
CAPEX, net	(132)	(133)	1	0.0%	(148)	(163)	15	9.2%
FCF	(225)	(108)	(117)	(108.3%)	(495)	(278)	(217)	(78.1%)
Net Debt	2,029	2,326	(297)	(12.8%)	2,652	2,789	(137)	(4.9%)



GAAP to Non-GAAP Reconciliation Items

- Adjustments for IFRS 11 – transition from the equity method in the financial accounting (GAAP) reports to the proportionate consolidation method (according to the segmental information based on the Group’s internal management reports). 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), Strauss Frito-Lay Ltd. (a 50%/50% JV with PepsiCo Frito-Lay in Israel) and until the completion of the sale in December 2024, Sabra Dipping Company (a 50%/50% JV with PepsiCo in the U.S. and Canada) (“Sabra”), and PepsiCo Strauss Fresh Dips & Spreads International⁽¹⁾ (a 50%/50% JV with PepsiCo outside the U.S. and Canada) (“Obela”). For more information on this sale, please refer to the Description of the Company’s Business Report for 2024, section 11.1.
- Mark-to-market at end-of-period of open positions in the Group in respect of financial derivatives used to hedge commodity prices and all adjustments necessary to delay recognition of most of the gains or losses arising from commodity derivatives until the date when the inventory is sold to outside parties and/or the financial derivative is exercised
- Additional adjustments for the management (non-GAAP) reports (share-based payment, valuation of hedging transactions, certain other expenses/income net and taxes referring to those adjustments)

Currencies

Local Currencies vs. NIS

Currency vs. NIS	Q1-2025	Q1-2024	Change YoY
USD	3.613	3.661	-1.3%
EUR	3.801	3.974	-4.4%
GBP	4.549	4.642	-2.0%
PLN	0.904	0.917	-1.4%
RON	0.763	0.799	-4.5%
RUB	0.039	0.04	-3.6%
BRL	0.616	0.739	-16.7%
RSD	0.032	0.034	-4.2%
UAH	0.087	0.096	-9.7%
CNY	0.497	0.511	-2.8%

Local Currencies vs. USD

Currency vs. USD	Q1-2025	Q1-2024	Change YoY
NIS	0.277	0.273	1.3%
EUR	1.052	1.086	-3.1%
GBP	1.259	1.268	-0.7%
PLN	0.25	0.25	-0.1%
RON	0.211	0.218	-3.2%
RUB	0.011	0.011	-2.3%
BRL	0.171	0.202	-15.6%
RSD	0.009	0.009	-3.0%
UAH	0.024	0.026	-8.5%
CNY	0.138	0.14	-1.5%

Raw Materials Prices

Category	Q1-2024 average	Q1-2025 average	Change %
Arabica	189 c/lbs	376 c/lbs	98%
Robusta	3275 \$/T	5436\$/T	66%
Sugar	634.8 \$/T	524\$/T	-17%
Cocoa	5,012 GBP/T	7697 GBP/T	54%
Sesame	1,845 \$/T	1668 \$/T	-10%
Milk (Israel)	2.39 ILS/L	2.40 ILS/L	0.4%