



STRAUSS GROUP

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GAAP to Non-GAAP Reconciliations

In addition to reporting financial results in accordance with generally accepted accounting principles (GAAP), the Company provides non-GAAP adjusted 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)⁽¹⁾.

In addition, non-GAAP adjusted 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 condition and comparability between current and prior periods. Management uses the measures to establish and monitor budgets and operational goals and to evaluate the performance of the Company. Please see the GAAP to Non-GAAP Adjusted Reconciliation tables in the Company's MD&A report for a full reconciliation of the Company's GAAP to non-GAAP adjusted results.

(1) In Q2'15 the subsidiary Strauss Water signed a series of share exchange and transfer agreements with companies of the Haier Group, as well as a joint venture agreement, with the aim of restructuring the Haier Strauss Water joint venture in China. The change in respect of the above agreements was reflected in the non-GAAP reports commencing in the third quarter of 2015. For further information, see Note 12.6 to the Consolidated Financial Statements as at December 31, 2015.



**Strauss is a branded,
multi-category
Global Food &
beverage company**



**Our Mission: Creating
Wonders Out of Basics**





Our Strategy

Selective Global Expansion

Right Product

Right Geography

Right Global Partner

Whilst maintaining home base excellence

Strauss Group At A Glance

2017 Key Financials (Non-GAAP)

2017 Sales:

NIS 8,492

(Million)

(Q1 2018 NIS 2,

Constant Currency Organic
Sales growth 2017 :

8.0%

2017 EBIT:

NIS 780

2017 Net Income:

23.7%

2017 Stock Performance:

+25%

Net Debt / EBITDA:

2.0x

**Another Year of Progress with Strong, Sustainable,
Profitable Growth - A Solid Execution**

A collage of fresh ingredients including blueberries, raspberries, almonds, and a jar of yogurt, with text overlays.

**A strong home base
in Israel**

**Leading global
business in Coffee,
Water & Dips and
Spreads**

Local Excellence. Global Reach.



PEPSICO

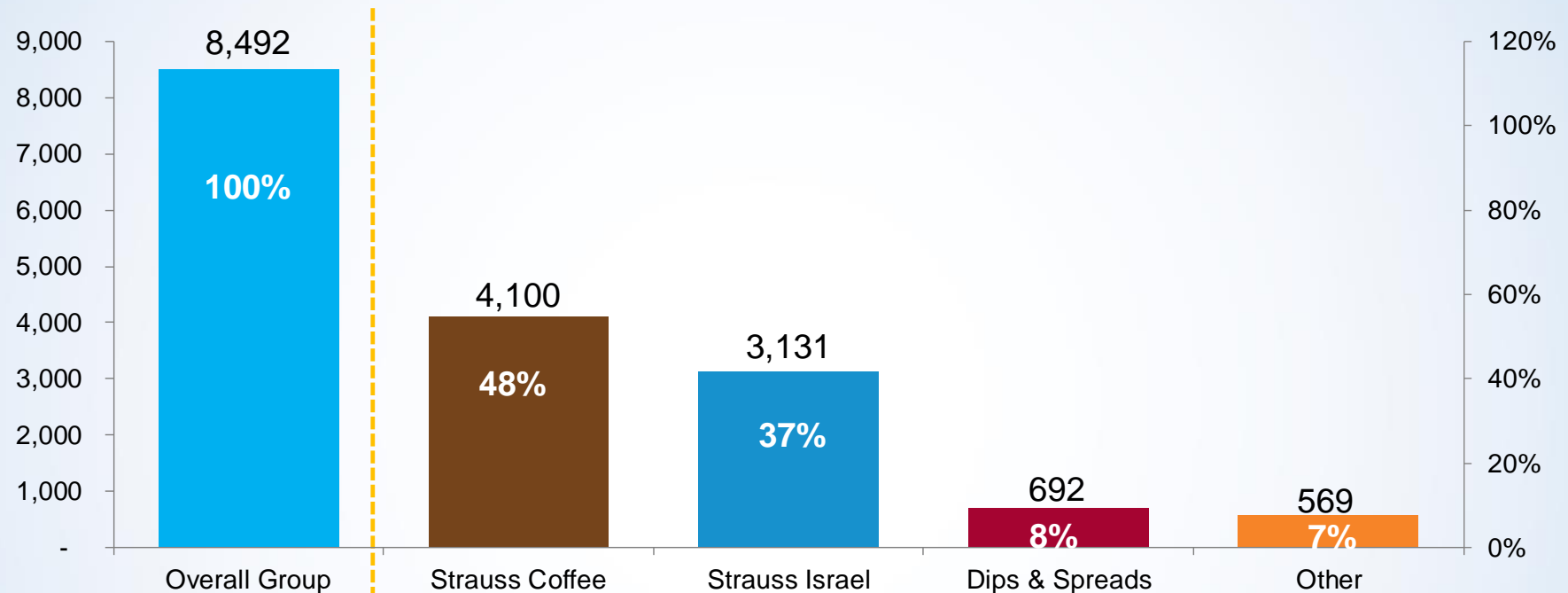


Haier



2017 Sales by Segment

NIS mm; Non-GAAP; % sales contribution



'17/'16 Growth

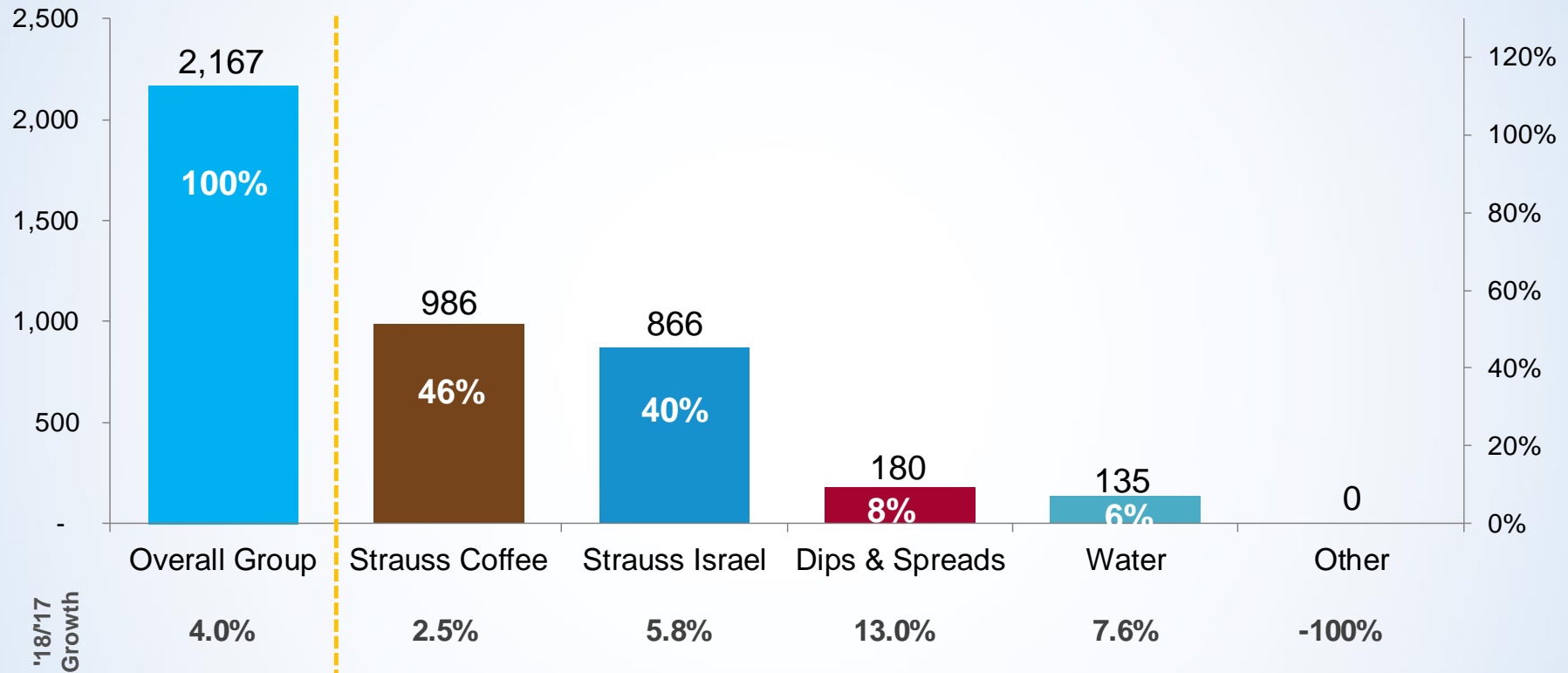
Segment	'17/'16 Growth
Overall Group	6.9%
Strauss Coffee	11.6%
Strauss Israel	5.6%
Dips & Spreads	-3.4%
Other	-3.5%

'17/'16 Organic growth excl. FX

Segment	'17/'16 Organic growth excl. FX
Overall Group	8.0%
Strauss Coffee	11.0%
Strauss Israel	5.6%
Dips & Spreads	2.2%
Other	7.7%

Q1 2018 Sales by Segment

NIS mm; Non-GAAP; % sales contribution



'18/'17
Organic
growth excl.
FX

7.8%

7.3%

5.8%

21.3%

7.5%

na



Strauss Israel

We are the largest F&B company in Israel

- **12.2% market share**
- **We have been growing 3-5% top line for the past 9 consecutive quarters**
- **Our top line growth stems from our leading brand positioning, scale and innovation**
- **70% of our products are the leading brand, 30% a strong number 2**
- **We continue to focus on delivering healthier products with less sugar, salt and fat contents**



A close-up photograph of a white ceramic cup filled with dark coffee, topped with a thick layer of golden-brown foam. The foam is covered in small, dark bubbles. The cup sits on a matching white saucer. Three golden-brown sugar cubes are arranged on the saucer: two in the foreground and one to the right of the cup. A silver spoon lies on the saucer to the right of the cup. The entire set is placed on a light-colored wooden surface with visible grain. A semi-transparent white rectangular box is overlaid on the cup, containing the text 'Strauss Coffee' in a bold, brown, sans-serif font.

Strauss Coffee

Note: Três Corações Joint Venture, a company jointly held by the Group (50%) and by the São Miguel Group (50%), (3C).

**Among the top 5
coffee companies
globally**

**We operate in three
geographies – Brazil,
Eastern Europe and Israel**



Brazil – c45% of Revenues

- Tres Coracoes is a Joint Venture between Strauss Group and Brazilian based Sao Miguel
- sales grew 600% in a decade to over US\$1 billion
- EBIT grew c30X
- EBIT margins improved from 2% to 9%
- Mkt share increased to 27% from 11%
- We are the #1 coffee company in Brazil



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

Eastern Europe – c30% of Revenues

We operate in Russia, Ukraine, Poland, Romania and Serbia

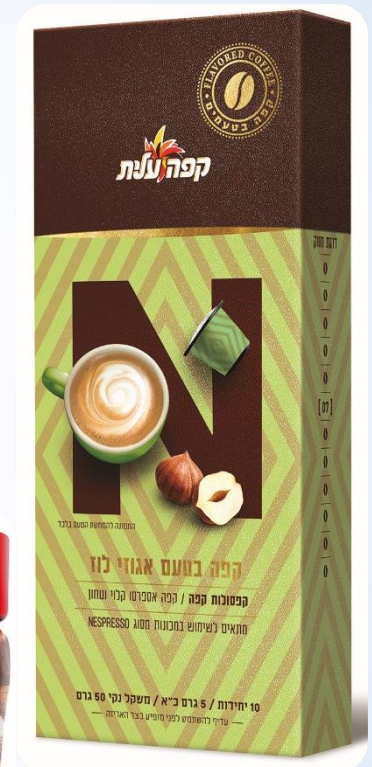
- We have been selling coffee in EE since the 1990's
- #1 in Instant in Romania
- #2 in R&G in Romania and Serbia



Israel – c25% of Revenues

We Are the number 1 coffee brand in Israel with over 50% Market Share

- Dominant position in R&G market
- EBIT margins in Israel were 19% in Q1 2018
- Successful launch of Nespresso compatible capsules





Sustainability Coffee Project

- Partnership with women coffee growers
- Support women led coffee cooperatives
- Empowering women and promoting gender equality in coffee communities in the developing world



Sabra-Obela

International Dips & Spreads



Vision:

To become a **global leader** of the fresh dips and spreads category

International Dips and Spreads



- Sabra is a global market leader and the no. 1 producer of Hummus in North America with a c60% market share
- There is no obvious global leader in the category
- Global penetration includes Australia, Mexico and recently Europe
- Sales and EBIT grew over 700% in North America in the past decade





Rediscover the

Wonder of Water

The Strauss Water Story



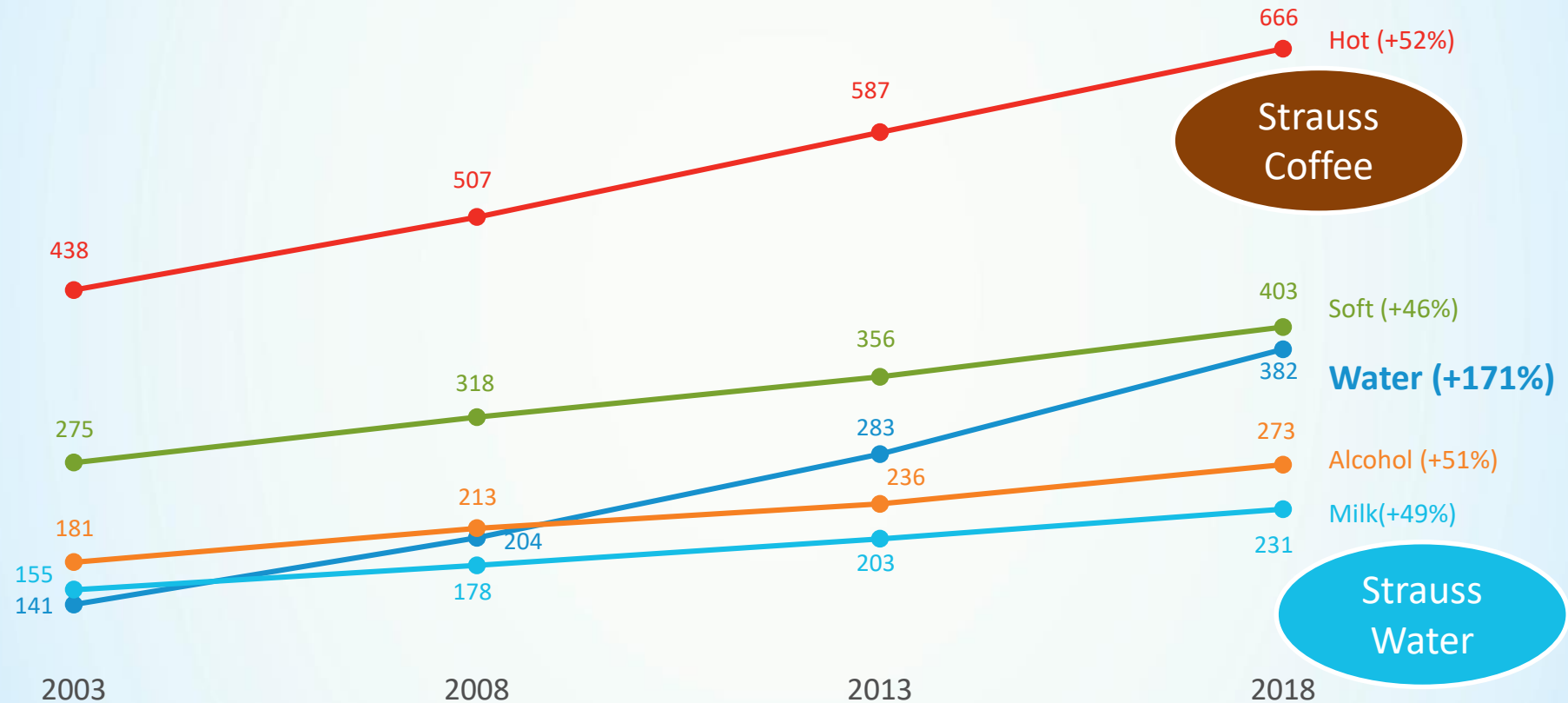
Strauss Water – Israel

- Strauss Water was the first to introduce drinking water bars globally
- Proprietary and patented technology developed in Israel
- Sales in Israel grew c8% in 2017
- Number 1 brand leader



Beverage consumption is constantly growing - water presenting the highest rate

Global beverage consumption, 2003-2018, (Billions of Liters)



Already a globally substantial \$11B growing market

North America

\$2.6B market

4.1% 5-year

CAGR

South America

\$0.8B market

7.4% 5-year

CAGR

Europe

\$1.4B market

3.3% 5-year

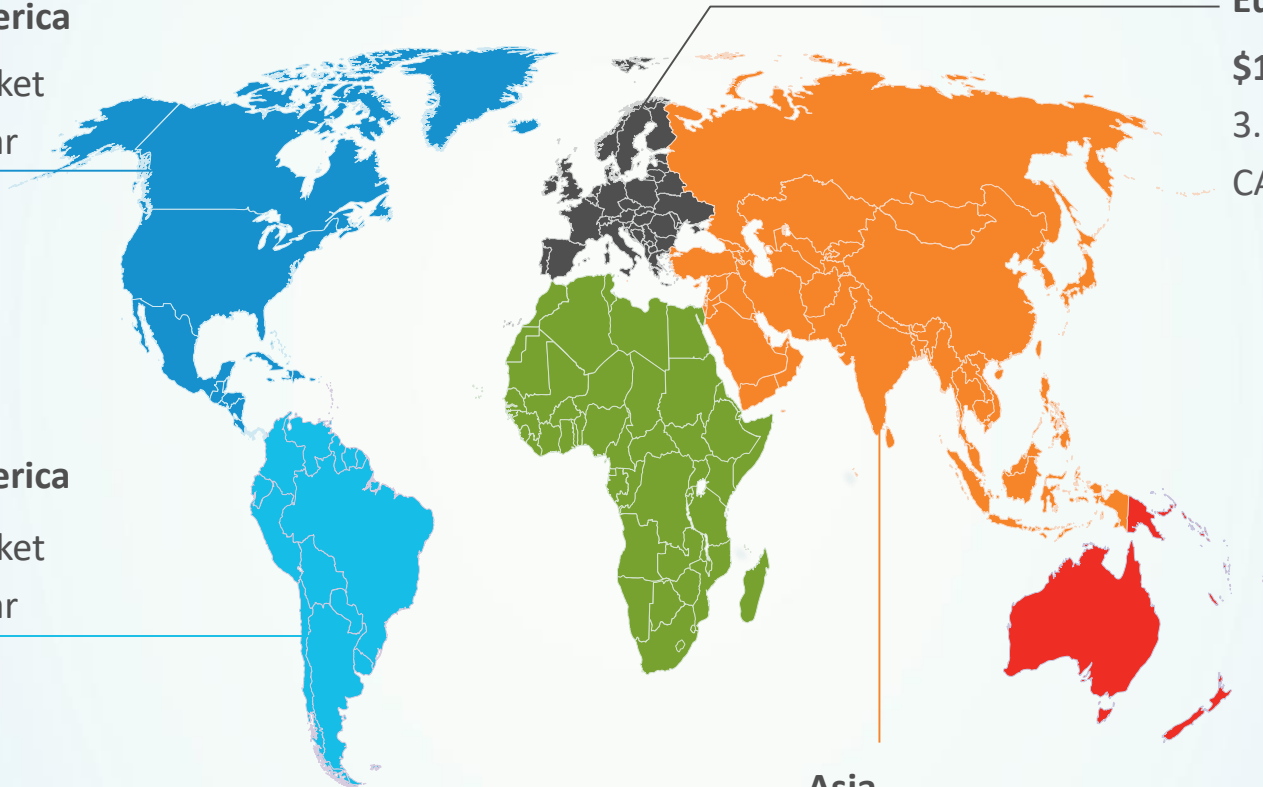
CAGR

Asia

\$6.1B market

7.8% 5-year

CAGR



Strauss Water China

Haier Strauss Water is in the Early stage of a fast growing company aimed to be one of top 4 purification companies

Product Offering:



Quick view



2017 Revenues
NIS 505M



More than **2,000**
selling points



55% 2017
Growth (local
currency)



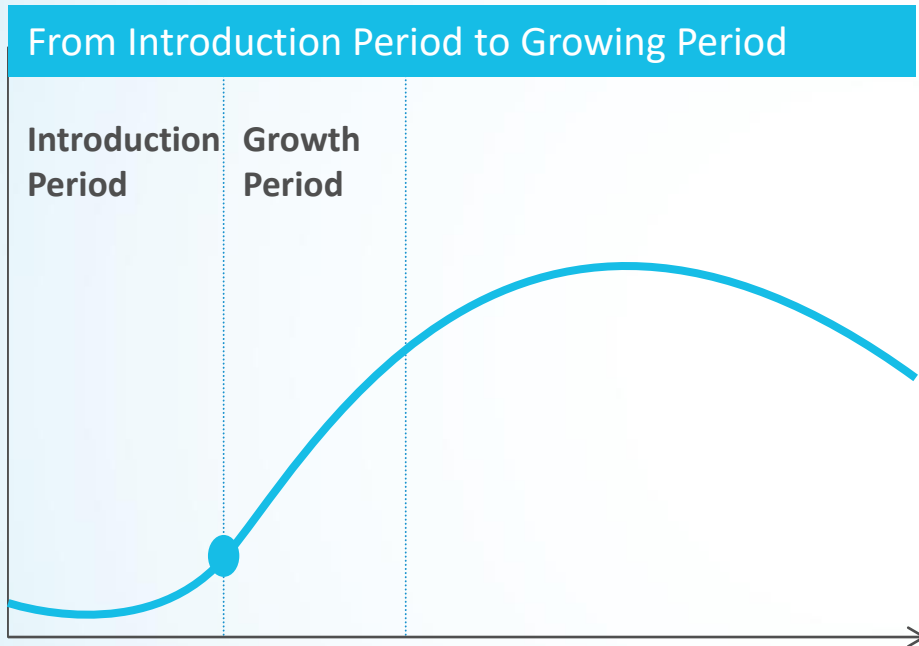
6 SKU's achieved
best seller award



**Retail Distributors
& Online**



China water purifier market is still Nascent penetration is lower than 8% nationwide



In 2015 Water purifiers presented annual growth rate of 41.4% vs. 2.2% of whole home appliances

- The increasing early adopters drive the rapid growth of the market
- Housing decorating is the key driver, of which children/special events are triggers for water purifier purchase
- High cost of filter replacement has a negative impact on the market expansion.



ICONIC BRANDS - HEALTHY PORTFOLIO FOR BALANCED EATING



GREAT PORTFOLIO OF SNACKS AND CONVENIENT PRODUCTS

Snacking



Convenient solutions



**FURTHER GROWTH ENGINES FOR
THE NEXT 10 YEARS...**



Alpha Strauss FoodTech community

A lever to create

competitive edge



Israel

Our home base is
a technology
goldmine



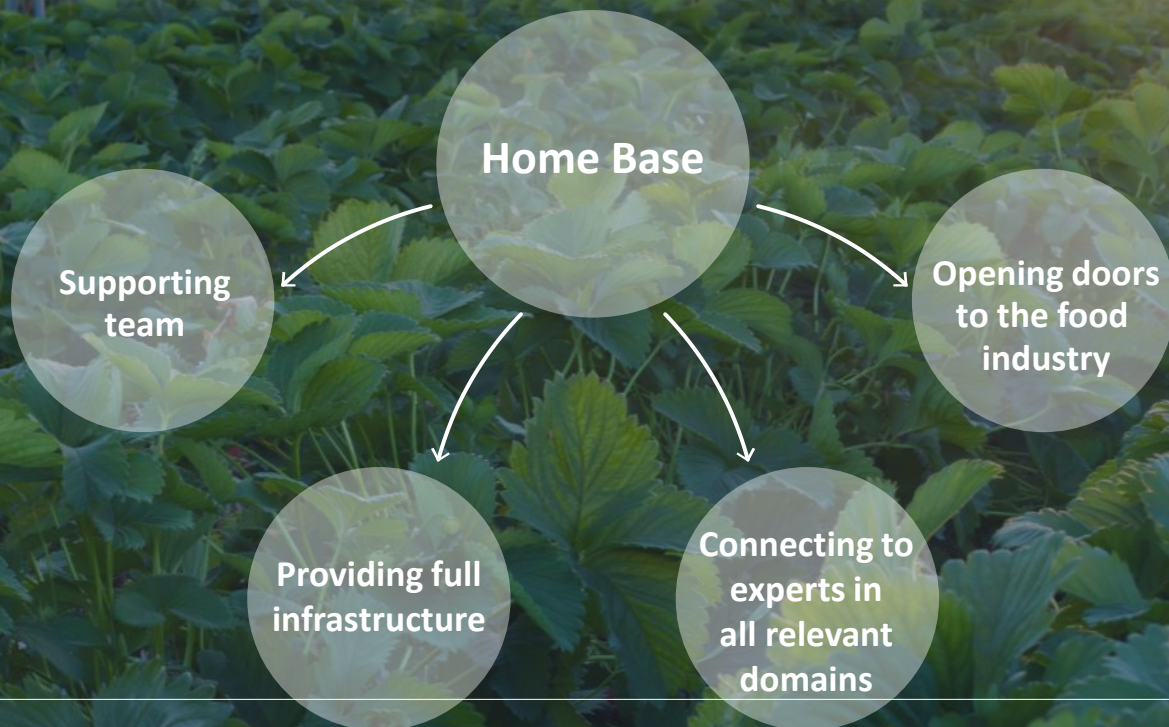
Technology

Is a transformative
key



The
Strauss Way
is our guide

Become the natural habitat of the FoodTech industry



Investment Rational

- **Balanced portfolio - Strong home base with fast growing global businesses**
- **Long standing, leading global partners**
- **Strong Brand leadership**
- **Family owned – interest aligned with those of investors**
- **Above average growth rates**
- **2.2 % Dividend yield**
- **Independent Board of Directors**



Thank You!

