

Strauss Group Financial Results

Q4 and YTD 2020 Earnings Presentation | March 22nd, 2021



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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 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 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.



Coronavirus Update



General

- Group Management is vigilantly managing the event and continues to assess and manage the risks on an ongoing basis in all countries of operations, since due to its nature this is an unfolding event that is evolving and changing constantly, sometimes on a daily basis.
- At the date of this report and throughout the quarter in general, the Group's manufacturing facilities have continued to operate. The Group is cooperating closely with its suppliers and customers to ensure that the supply chain is able to meet the continuing elevated demand that continued during the fourth quarter, and is taking steps to increase production capacity and maximize the availability of products and services.
- During the quarter the Group continued to take action to preserve financial stability and flexibility and ensure adequate liquidity in all geographies. The Company has also continued to invest in developing its brands and to strengthen its partnerships, while exploring various business opportunities and making advance preparations for the challenges that lie ahead as the year progresses.

Impacts of COVID-19 crisis on the Group's business

- **Consumer behavior** – Trends include increased in-home consumption of food and beverages and a decline in away-from-home (AFH) consumption due to social distancing and second/ third lockdowns imposed on consumers in some countries of operations; continued growth in online shopping; a drop in purchases of impulse products, leading brands grew stronger than private labels, however during mindful spending continued in the fourth quarter, a trend which could continue. Vaccinations in some geographies have started and these may impact consumer behavior going forward.
- **Geographies** – Above average sales growth in Israel continued, due to increased in-home food consumption following the second and third lockdowns and ongoing social distancing which manifested itself in the continued closure of AFH entertainment and dining venues. In the US sales continue to come under pressure as category demand declines during the fourth quarter; in Brazil and China sales increased in local currencies in comparison to Q4 2019
- **Product categories** – Growth in demand for the Group's products was evident once again mainly in dairy products, salads, dips, chocolate tablets, jams, sauces and honey. By contrast, sales of confectionery, single serve snacks and small packs that mainly serve for AFH consumption as well as portability products (particularly in Israel and the US) remained weak. These could potentially recover gradually as economies come out of lockdowns and as vaccinations become widespread.
- **Sales channels** – Group's sales to the retail chains increased, offset by a drop in sales in the institutional and AFH market, such as hotels, offices, cafés (including the Elite Coffee To Go chain), restaurants and open-air markets, and impulse (on-the-go (OTG)) sales.

Impacts on the Group's business units

- **Strauss Israel** – Increased demand for dairy products, salads and home cooking products, offset by lower demand for single serve snacks; consumer preference for larger pack sizes. Online grocery shopping continues to support increased sales to retailers offset by a drop in sales to the institutional and AFH channel. Demand for the Group's products remains high, but has slowed in relation to initial pandemic outbreak and first lockdown. Most of the manufacturing sites and the accompanying supply chain facilities remained open. Supply chain and manufacturing costs continued to rise due to the costs of personal hygiene, separation of shifts, support of production-line and front-line employees, and contribution to the community.
- **Strauss Coffee** – Impact on the coffee business was mixed. Modern trade sales (sales to the large retail chains) rose moderately as consumers had stocked up on basic coffee brands, coffee beans and capsules for home consumption in preparation for the lockdowns in most countries of operations. Growth was also observed in online sales. These were offset by sales to the traditional trade channel, which includes stores, groceries and open-air markets, which suffered due to restrictions on opening hours and a drop in customer traffic following further lockdowns. Sales to the institutional and AFH channel dropped significantly as a result of the discontinuation of the activities of hotels, cafés, restaurants, offices and the points of sale of the Elite Coffee To Go chain in Israel. The coffee business was impacted by rising green coffee prices particularly in Brazil. The coffee company's supply and distribution chain was operational throughout the quarter.

Impacts on the Group's business units

- **Strauss Water – Israel** – fourth quarter sales continued to be robust as well as sales in the UK. IT, and transportation costs remain high as employees shifted to working from home, as well as costs related to hygiene and personal protective equipment.
- **Strauss Water - China** - a significant improvement in sales as China continues to emerge from the pandemic, sales grew in local currency as online sales in China continue to gain momentum during the fourth quarter.
- **The International Dips & Spreads business** – sales mainly in the US were lower mainly due to demand decline as well as continued lower sales of portability products and the continued drop in sales to the AFH segment. Supply chain challenges were partially resolved. Wage costs continued to rise due to incentives and support for production, operations and sales employees. Obela experienced weak demand for its dip products as well, and high supply chain costs due to the impacts of the lockdown in Australia.



Giora Bardea

Group CEO



Cash cushions

+600 m in credit lines;
700 m debt issuance

Strong Home base Growth

S. Israel: +7.9%; S. Water: +6.4%

Our Frontline Heroes



Resilience

Loyalty to brands

M&A's

Mitsui, Tal Castania

Home consumption

S. Israel: +c8%; H&W +c11/5%

S. Water: +c6.5%



Momentum

Address Premiumization
at home

Best year in
service SW

Top Customer satisfaction

PLANT BASED



Consumer





Growth –
Develop growth
opportunities

Emerging categories –
Initiate and build
new categories

Channels –
Explore channels for a
better connection to
consumers

Competitive edge –
Strong build of competitive
advantage in categories we
operate & emerging ones

Acceleration

Supply chain –

implementing all investments
for : growth-safety-
productivity –innovation

Operational Excellence –

People & food safety,
quality, service

Financial –

Debt optimization;
Financial flexibility

Governance

Risk management, audit,
control & compliance

Excellence



**Launching SG's 2030
Sustainability Strategy**
Addressing Environmental,
Social & Governance issues

**Mainstreaming
SDGs & ESG**
Improving rating scores in
ESG and Joining international
GCF's coalitions

Plastic Waste & NetZero
increasing % of recycled
plastic and developing
milestones for NetZero

Social Impact

- Long term & meaningful impact on our leadership & partners
- lead 2 new multisector partnership

Sustainability



Ariel Chetrit

Group CFO



Financial Highlights

Organic Excluding FX Non GAAP



Q4 2020

Q4'20 Organic growth : 4.8%

Q4'20 organic gross profit growth: -0.2%

Organic EBIT and EBIT margin growth:
9% profit margin up 30 bps vs. Q4'19

Organic Net income and Net margin growth:
-4.2%; profit margin down 40 bps vs. Q4'19

The group declared dividend of NIS 270mm
(NIS 2.3 per share) to be paid on April 13th

YTD 2020

YTD Organic growth : 4.6%

YTD organic gross profit growth: 0.5%

Organic EBIT and EBIT margin growth:
5.4% profit margin up 10 bps

Organic Net income and Net margin growth:
9.2%; profit margin up 30 bps

Financial Highlights | Reported Non GAAP



Q4 2020

Q4'20 Sales: NIS 2070mm; growth: -2.1%

Q4'20 gross margins: 37.8% (down 120 bps vs. Q4'19)

EBIT and EBIT margins:
NIS 183mm (up 1.1%); 8.8% (up 20 bps vs. Q4'19)

Net income and net margins:
NIS 87mm (up -14.1%); 4.2% (down 60 bps vs. Q4'19)

EPS: 0.74 (down 14.3% VS. Q4'19)

The group declared dividend of NIS 270mm
(NIS 2.3 per share) to be paid on April 13th

YTD 2020

YTD 2020 Sales: NIS 8350mm; growth: -2.2%

YTD 2020 Gross margins: 38.7% (down -90 bps vs. YTD 2019)

EBIT and EBIT margins: NIS 924mm (down 1%); 11.1% (up 20 bps vs. YTD 2019)

Net income and net margins: NIS 551mm (up 0.7%); 6.6% (up 20 bps vs. YTD 2019)

EPS: 4.75 (up 0.5% VS. YTD 2019)

Quarter and Full Year Highlights



Strauss Israel

- Once again Strauss Israel posts a strong quarterly growth of 7.5% on the back of ongoing elevated consumption of food at home; growth for 2020 was 7.9%
- Dairy and salads once again led the growth, salty snacks improved
- Market share was at 12% for the quarter slightly lower than the 12.1% recorded last year due to significant growth in categories Strauss is not active in
- F&I categories, continue to come under pressure as social distancing affects on consumer behavior continue and impact channel mix; the AFH channel was still largely closed during Q4 and virtually no impulse sales led to a muted growth of 0.7% led by chocolate slabs
- Overall EBIT grew 11.2% and EBIT margins expanded to 10% during the quarter despite the negative impact from the F&I categories
- Strauss continues to focus on expanding its alternative dairy offering and approves investment in new production site



Quarter and Full Year Highlights



Strauss Coffee

- Strauss Coffee sales declined across geographies during the quarter except for Brazil due to the continued closures globally and the subsequent decline in the AFH markets
- Higher green coffee prices continued to erode margins in Q4
- Headline sales impacted mainly by currency devaluation vs. the strong Israeli Shekel, namely the BRL which is down -c30% and the RUB -20% on average vs last quarter
- Sales in 3C ⁽¹⁾ were up during the quarter an impressive 13.4% in local currency during the quarter on the back of higher volume that were offset by the AFH channel
- Sales in Eastern Europe were soft across the board in Q4
- Sales in Israel declined 1.7% in Q4, better than the last quarter (Q3 2020), due to continued sharp declines in the AFH segment and at ECTG
- 3C ⁽¹⁾ market share in Brazil R&G value was 31.2% ⁽²⁾ for 2020, compared to 31.1% in 2019 including the addition of Mitzui Coffee; excluding the Mitzui acquisition market share rose by 0.4% from 28.1% to 28.5%



(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



Quarter and Full Year Highlights



International Dips & Spreads

- The Int'l D&S business declined 9.8% during the quarter in local currency as a result of lower sales at the AFH channels, convenience stores and of portability products across channels
- Currency headwinds had a negative impact on results as the USD weakened against the NIS
- Challenges in the supply chain remain during the quarter and supply chain costs remain elevated due to ongoing uncertainties associated with COVID-19
- An increase in costs associated with support of production line employees had a negative impact on profit margins
- Obela sales were down 3.9% in local currency in Q4
- Hummus category in North America was down 0.9% during the quarter and was up 3.3% YTD
- Hummus market share in North America was slightly down to 61.9% for the year from 62.0%



Quarter and Full Year Highlights



Strauss Water

- Strauss water posted another very strong quarter with sales up 13% and operating income up 5.3%
- The strong performance is attributed to continued strong momentum sales in Israel and the UK; people spending more time at home requiring better quality drinking water
- Growth in sales was led by the increased sale of new water bars and by increasing the company's installed base
- Operating profit was strongly supported by HSW profitability
- Sales at Haier Strauss Water (HSW), the JV in China, were up during the quarter by 11.3% in local currency and net income was up by 53.9% in local currency as the economic activity in China returns to growth after the slowdown during the peak of the Corona virus pandemic earlier this year
- The building of the production site in China is advancing as planned and is expected to be completed by Q2 2021





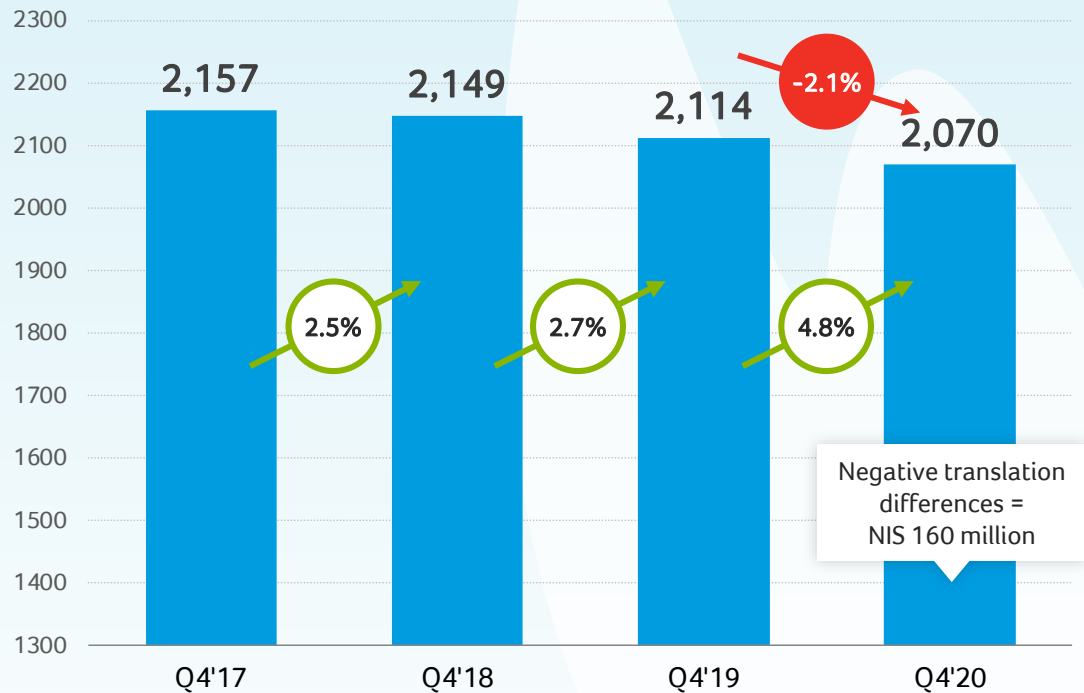
Q4 2020



Sales



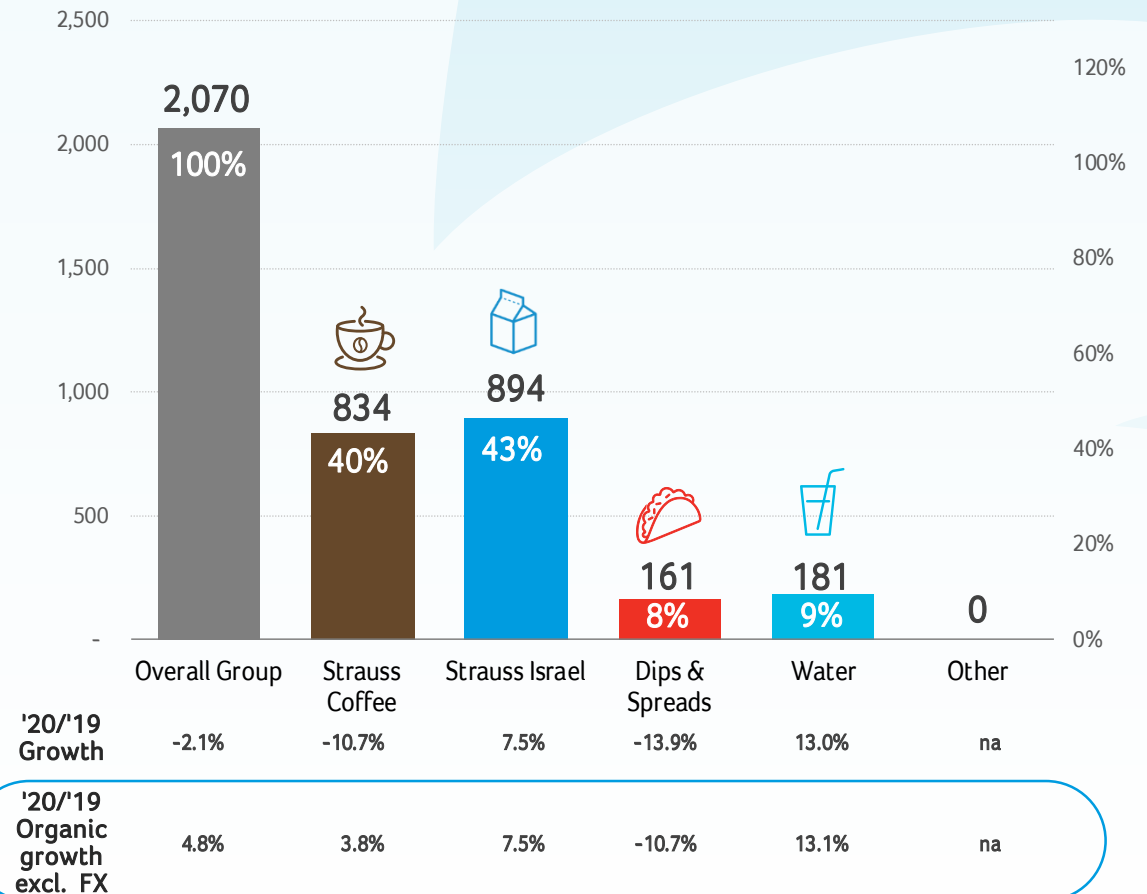
Q4 2020 Consolidated Sales NIS mm Non-GAAP



= Organic Sales Growth excl. FX

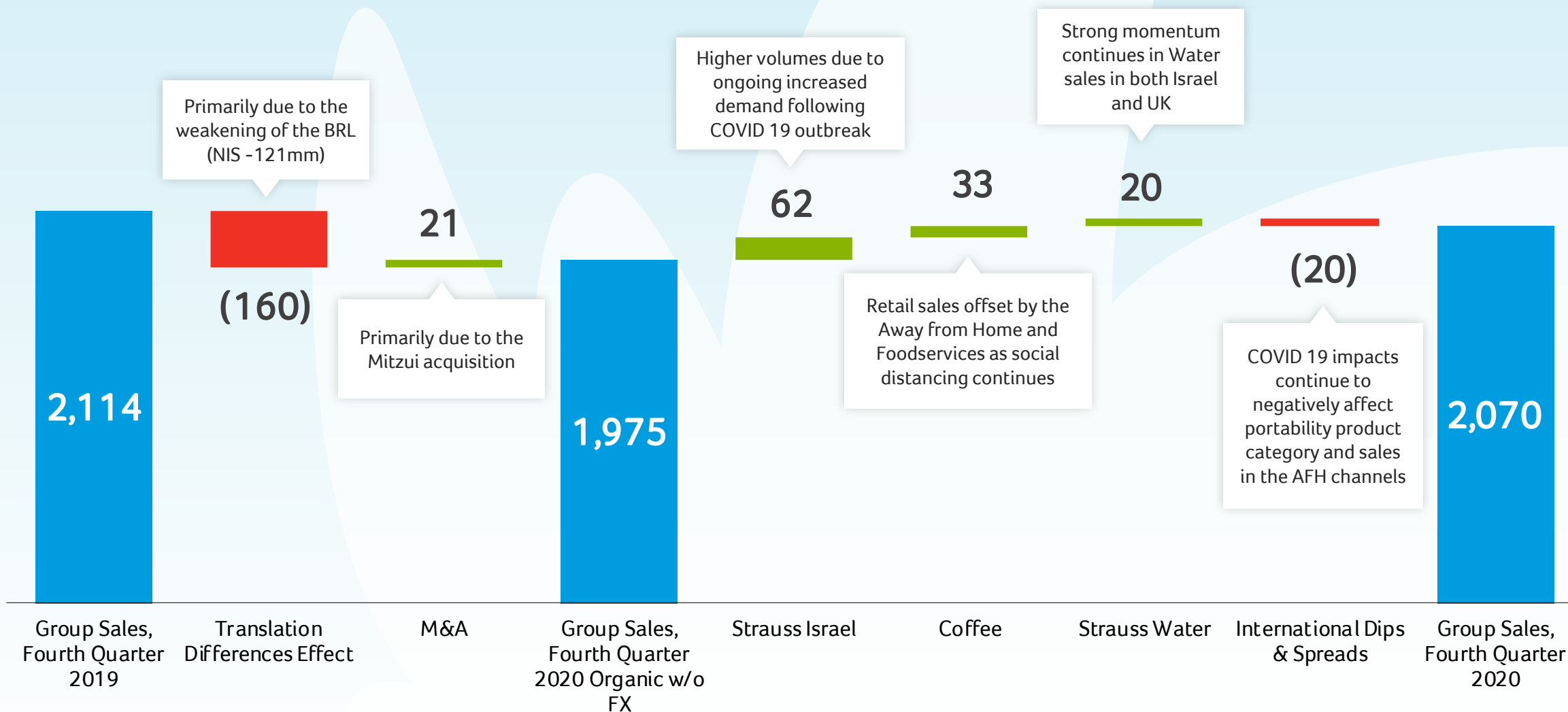
Q4 2020 Sales by Segment

NIS mm; Non-GAAP; % sales contribution



Q4 Sales Bridge

NIS mm; Non-GAAP; Q4'19 to Q4' 20

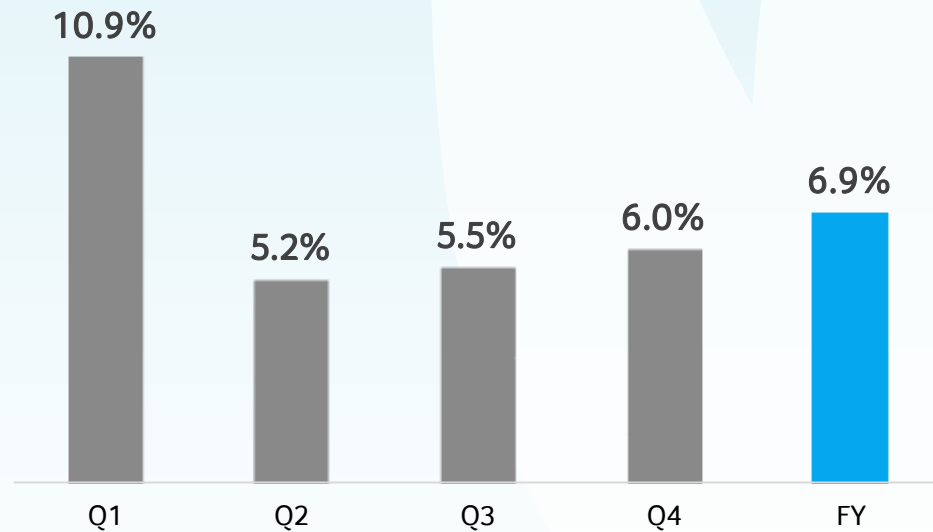


Channel Quarterly Sales Development during Pandemic

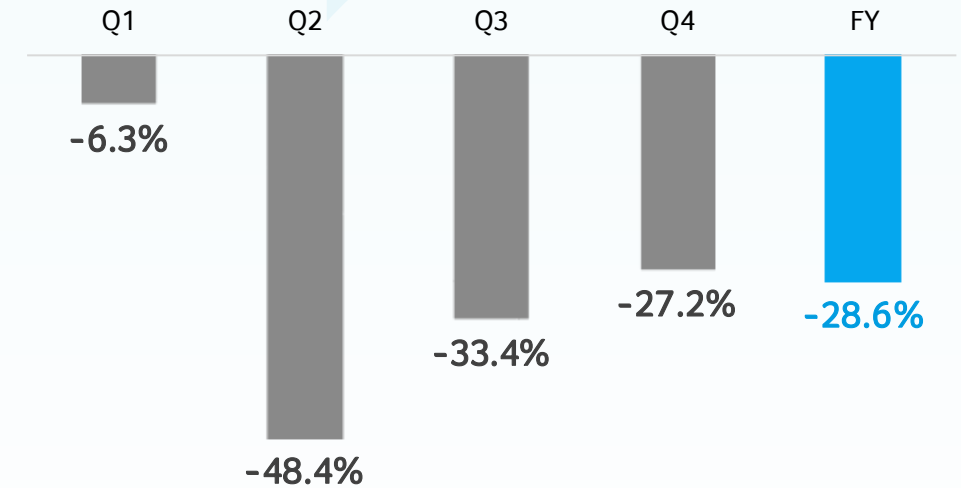


Growth rates in the retail channels were elevated but offset by declines in the Away From Home channels due to lockdowns and social distancing and the closure of restaurants, cafes, hotels, etc.

Change in Retail Sales



Change in Away From Home Sales

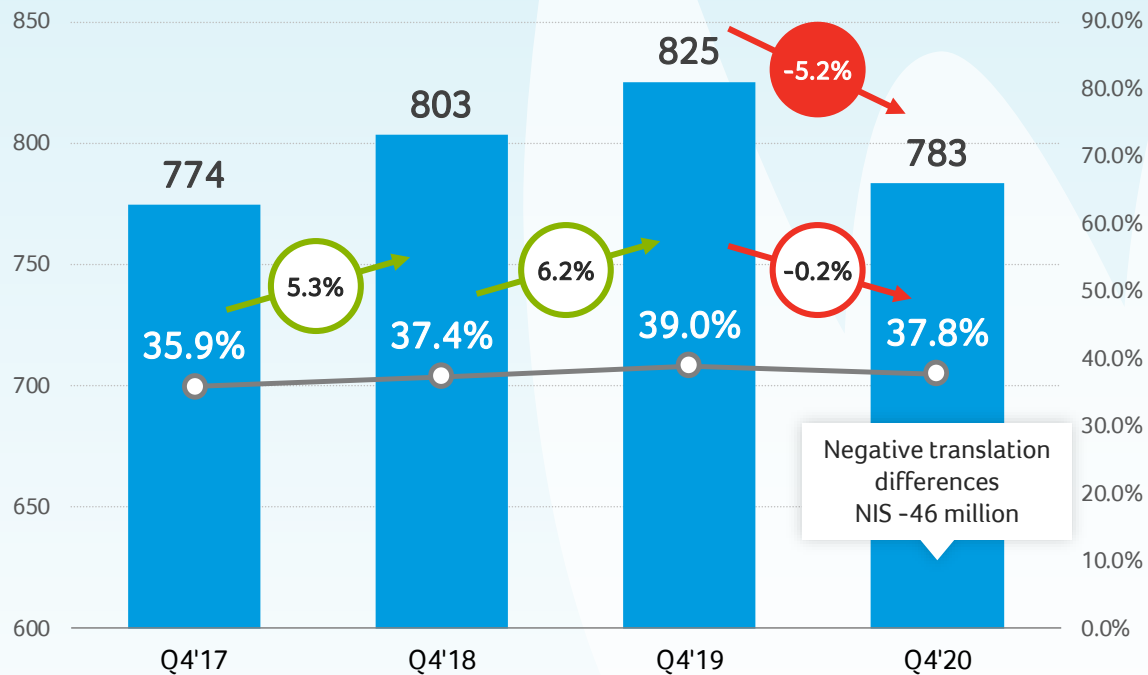


Gross Profit



Q4 Consolidated Gross Profit and Gross Margins

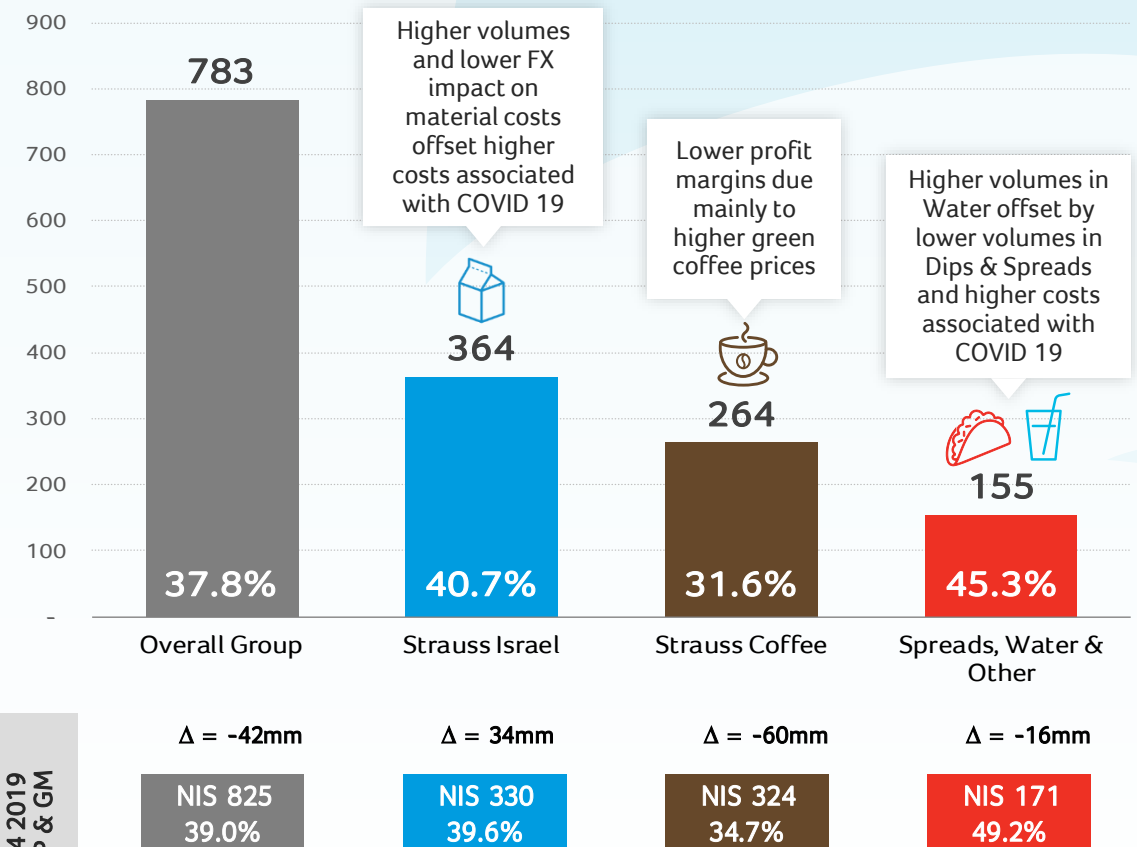
NIS mm; Non-GAAP



= Organic Gross Profit Growth excl. FX

Q4 2020 Gross Profit and Gross Margins

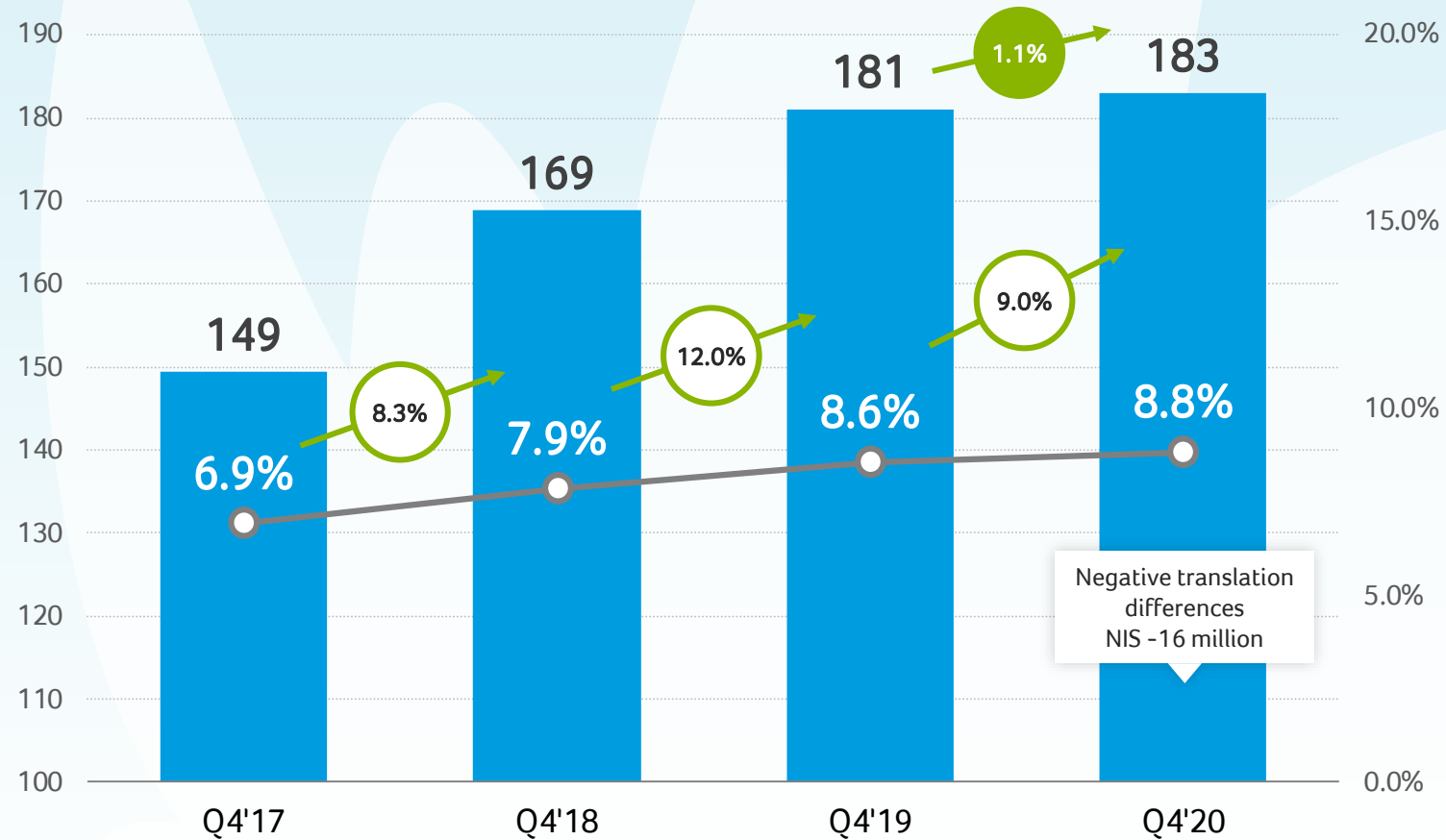
NIS mm; Non-GAAP; % Margin




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

Q4 Consolidated EBIT and EBIT Margins

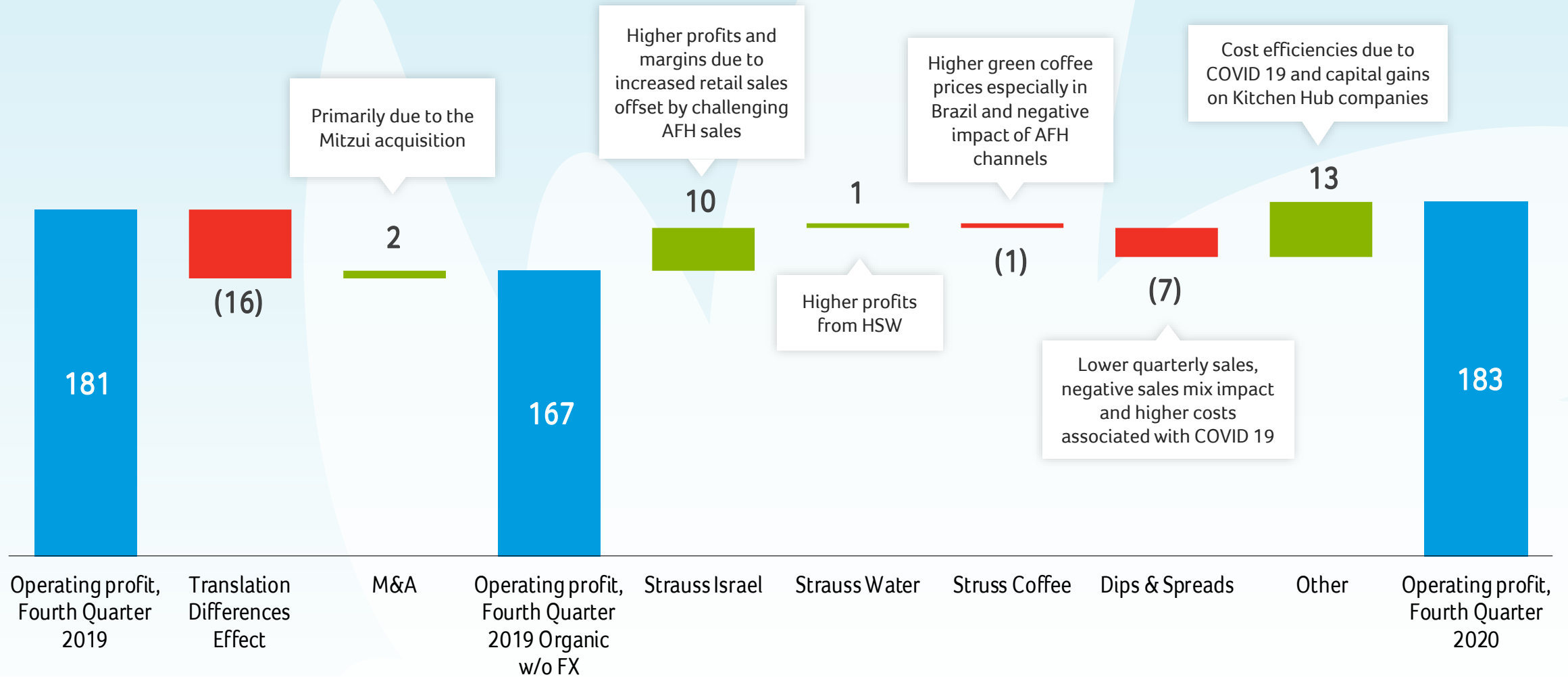
NIS mm; Non-GAAP



 = Organic EBIT Growth excl. FX

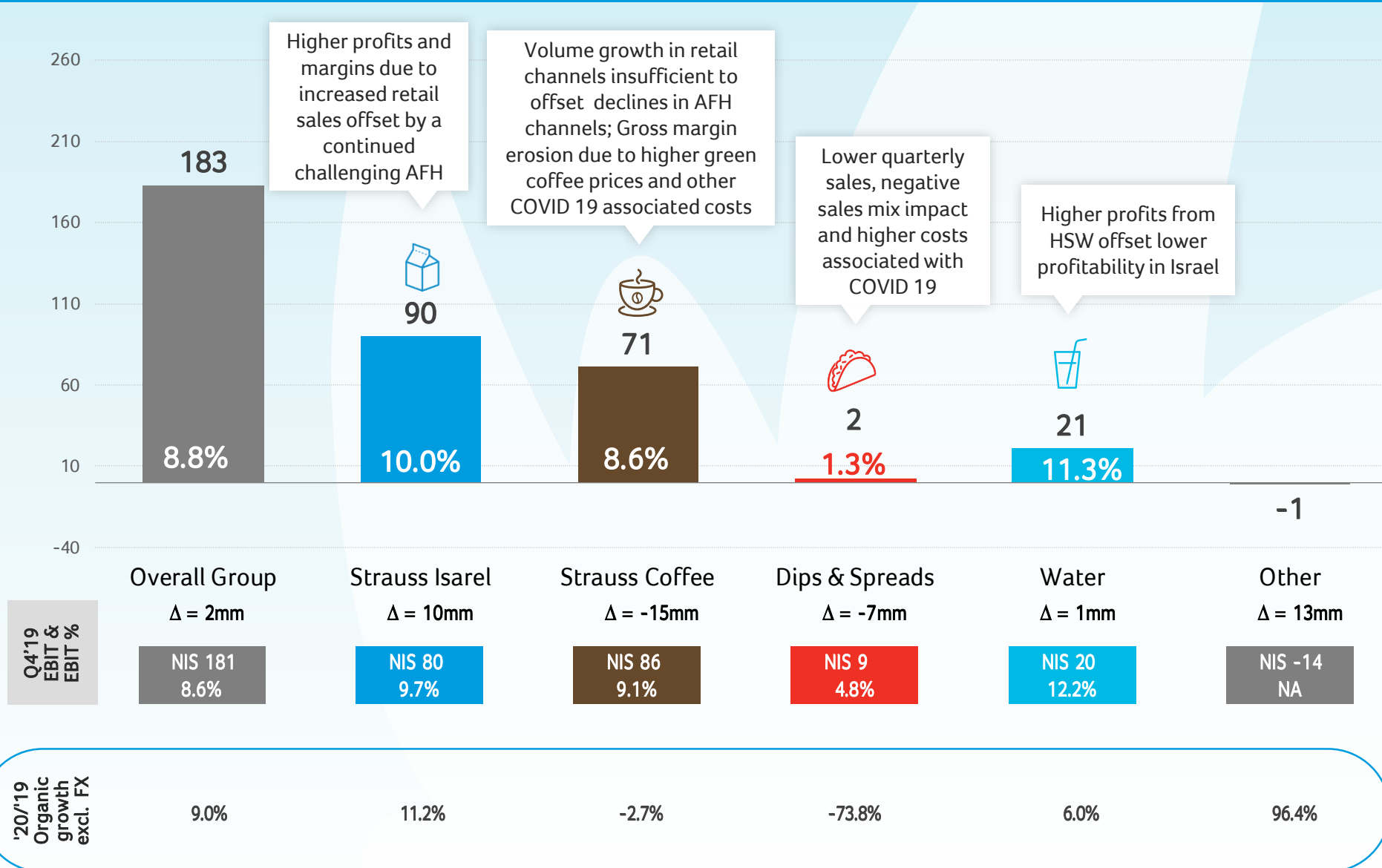
Q4 EBIT Bridge

NIS mm; Non-GAAP; Q4'19 to Q4'20



Q4 2020 EBIT and EBIT Margins

NIS mm; Non-GAAP; % Margin



Notes:

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

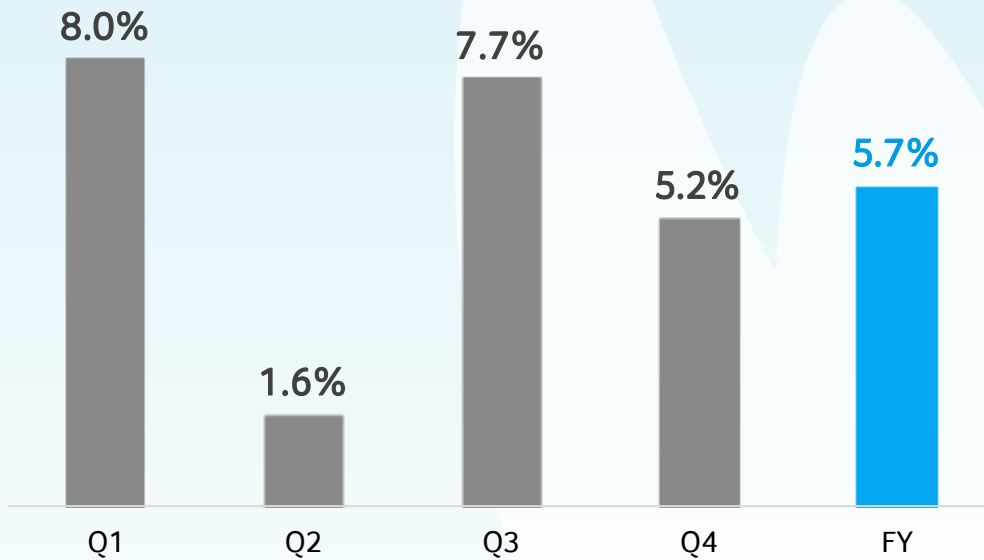
(2) Water EBIT includes net profits from HSW

(3) Excluding FX Strauss Coffee EBIT was down 11m NIS on Q4 2019

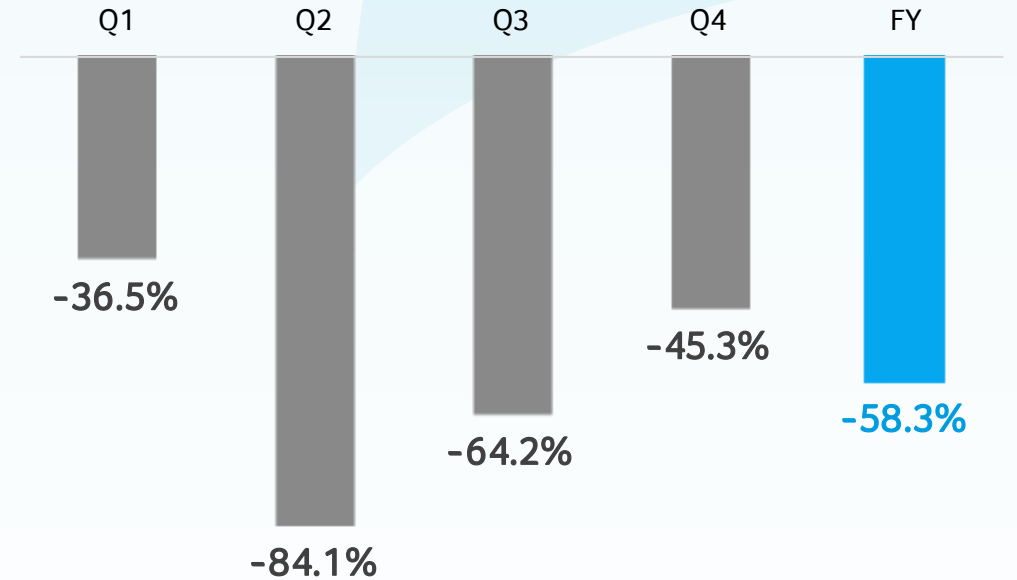
Channel Quarterly EBIT Development during Pandemic



Retail EBIT



Away From Home EBIT

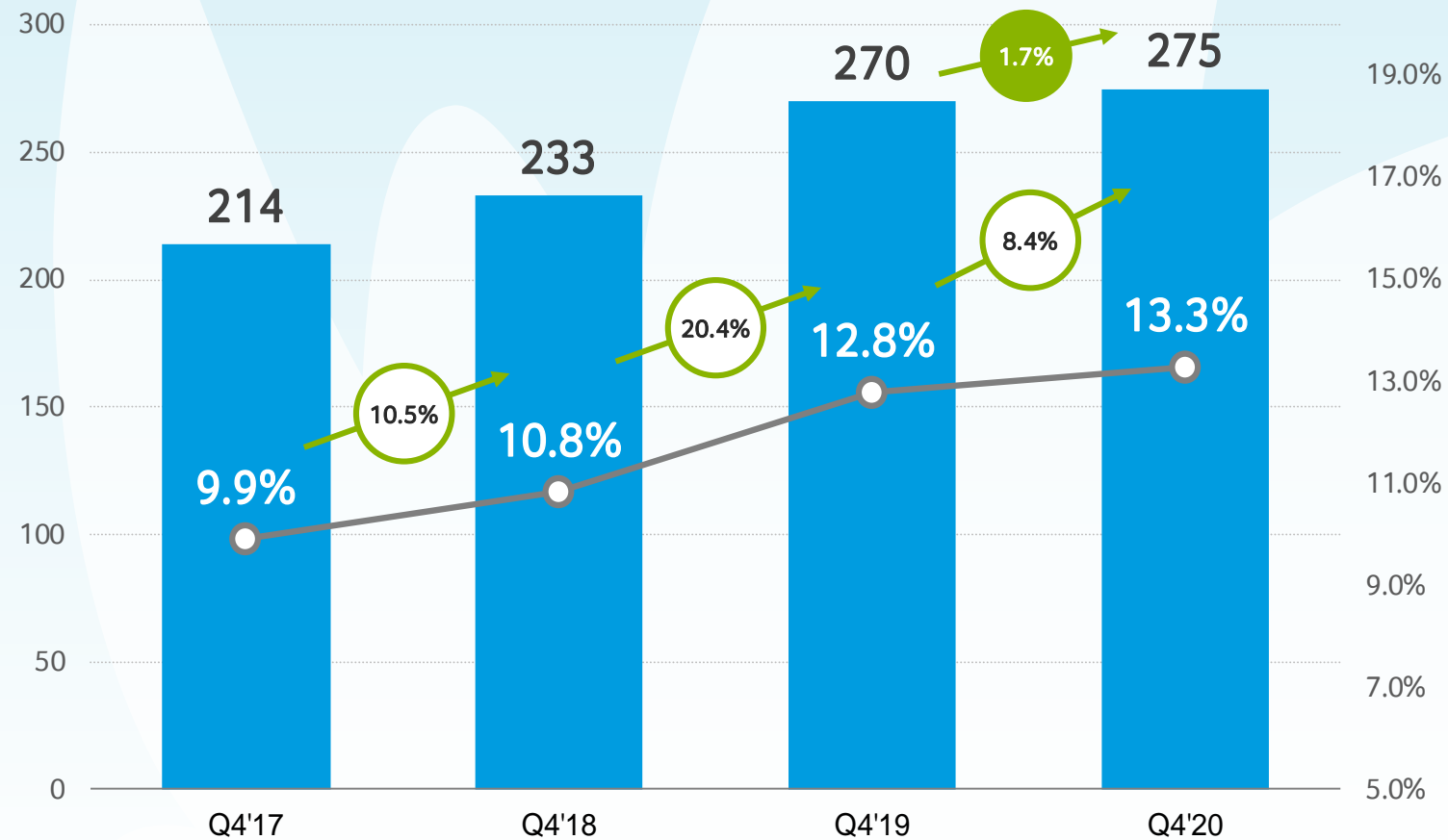



EBITDA



Q4 2020 Consolidated EBITDA and EBITDA Margins

NIS mm; Non-GAAP



 = EBITDA Growth excl. FX

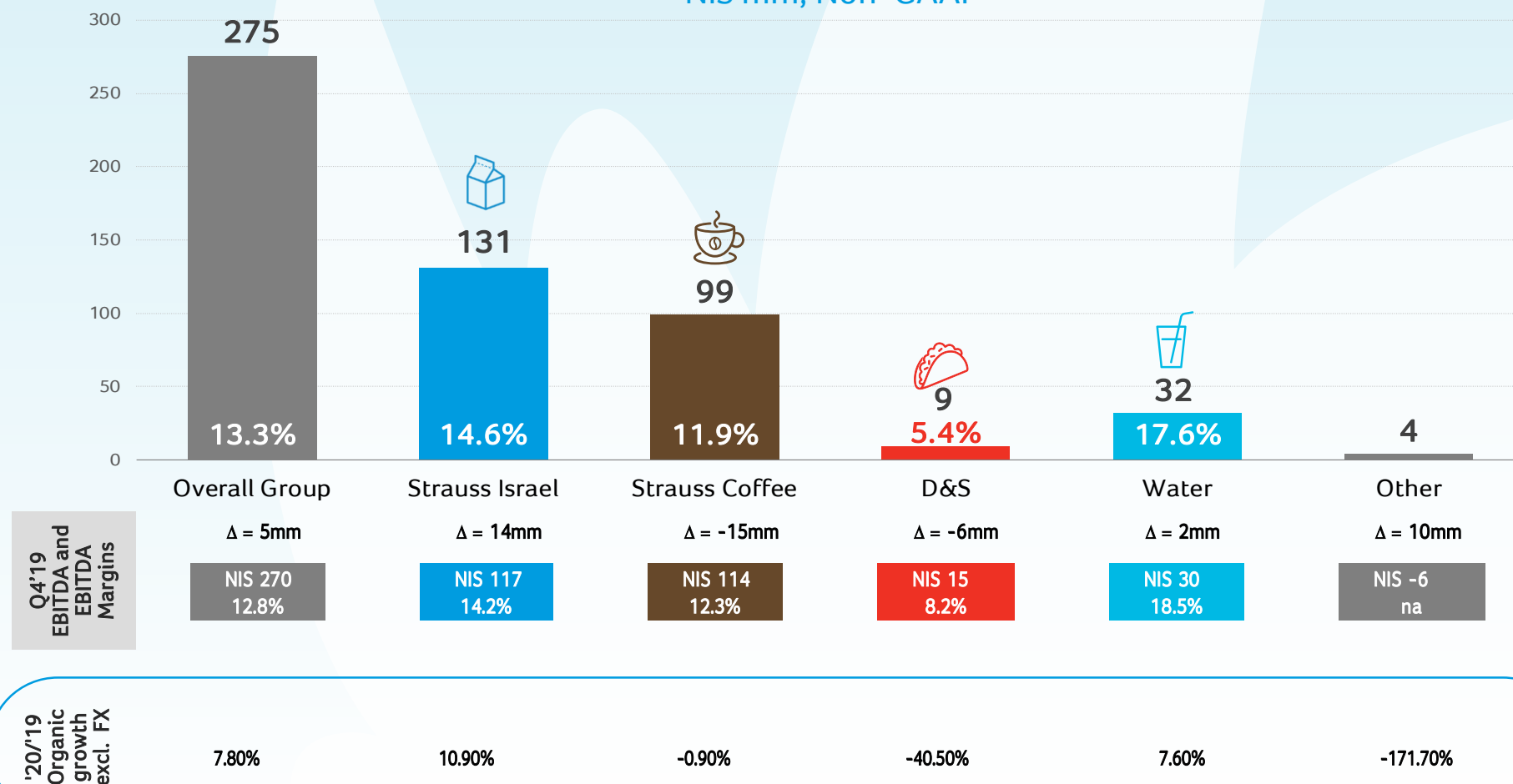
* Note change in EBITDA due to new IFRS16 rules as of 2019

EBITDA



Q4 2020 Consolidated EBITDA and EBITDA Margins

NIS mm; Non-GAAP

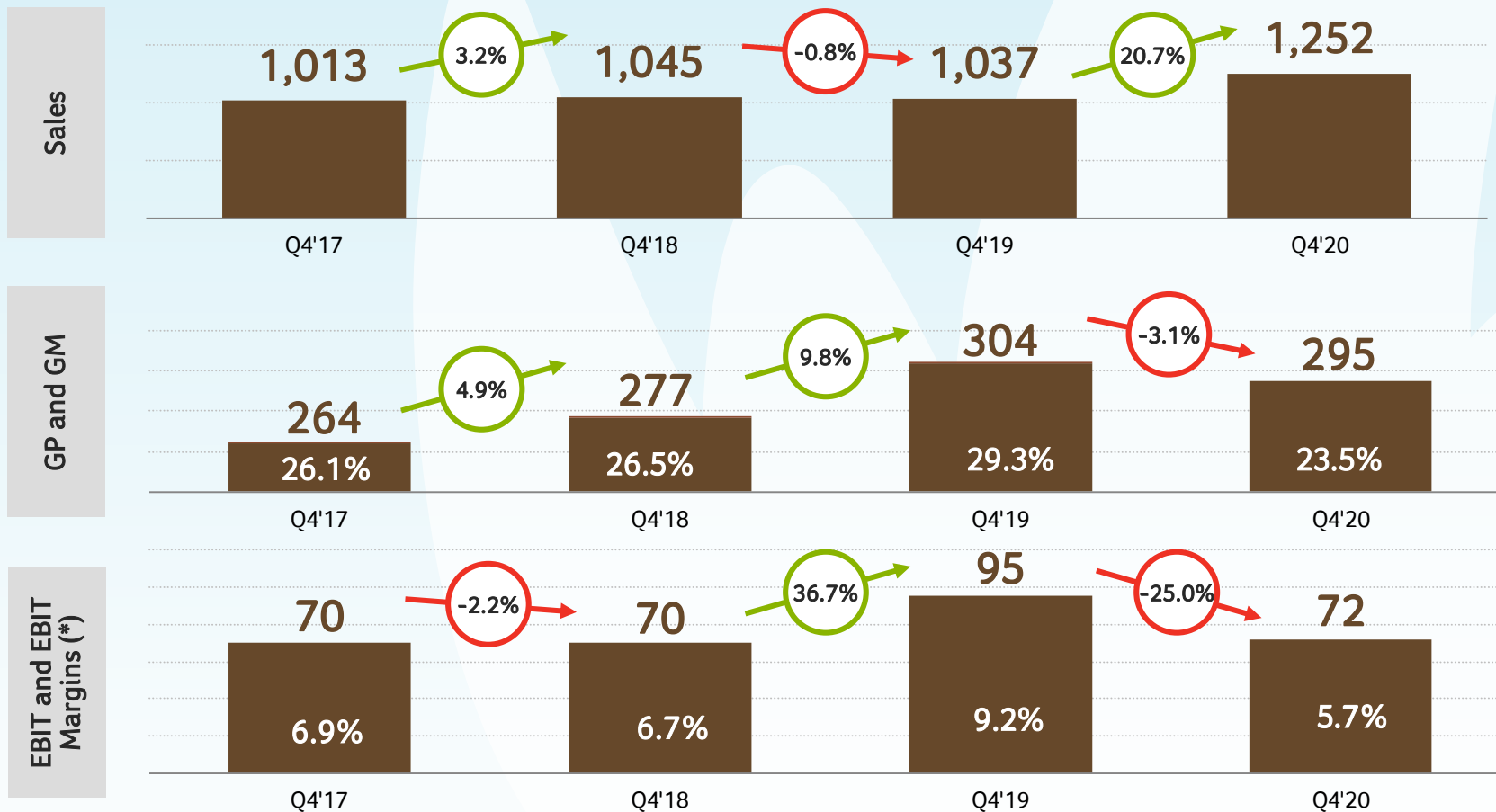




Três Corações Alimentos S.A. (Três Corações J.V.)



Q4 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).

Note: Q4 2020 figures include Mitzui revenues

Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of December 31st, 2020.

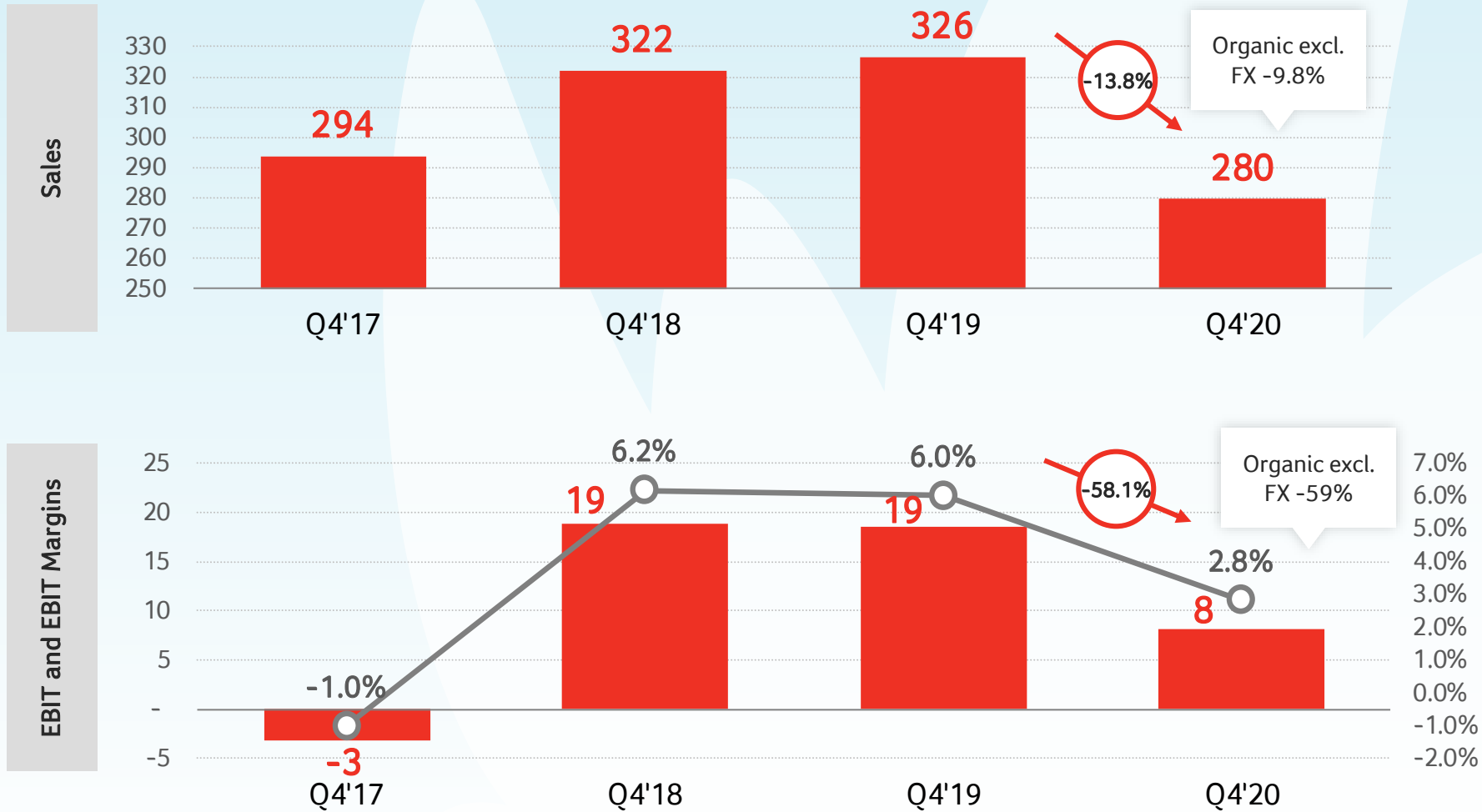
(*) EBIT before Other Expenses/ Income.





Sabra Q4 Snapshot

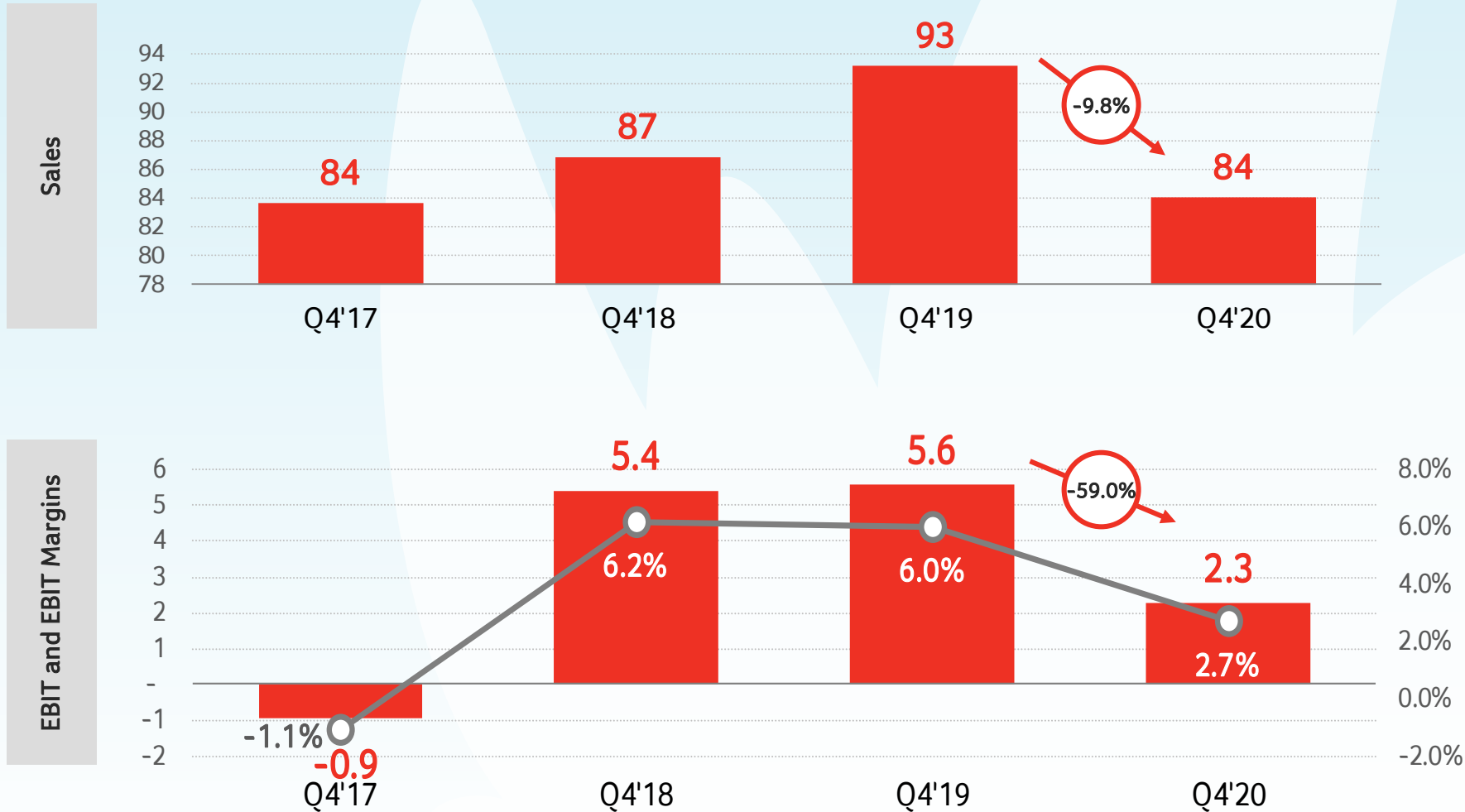
NIS mm; Non-GAAP; for 100% share





Sabra Q4 Snapshot

\$ mm; Non-GAAP; for 100% share

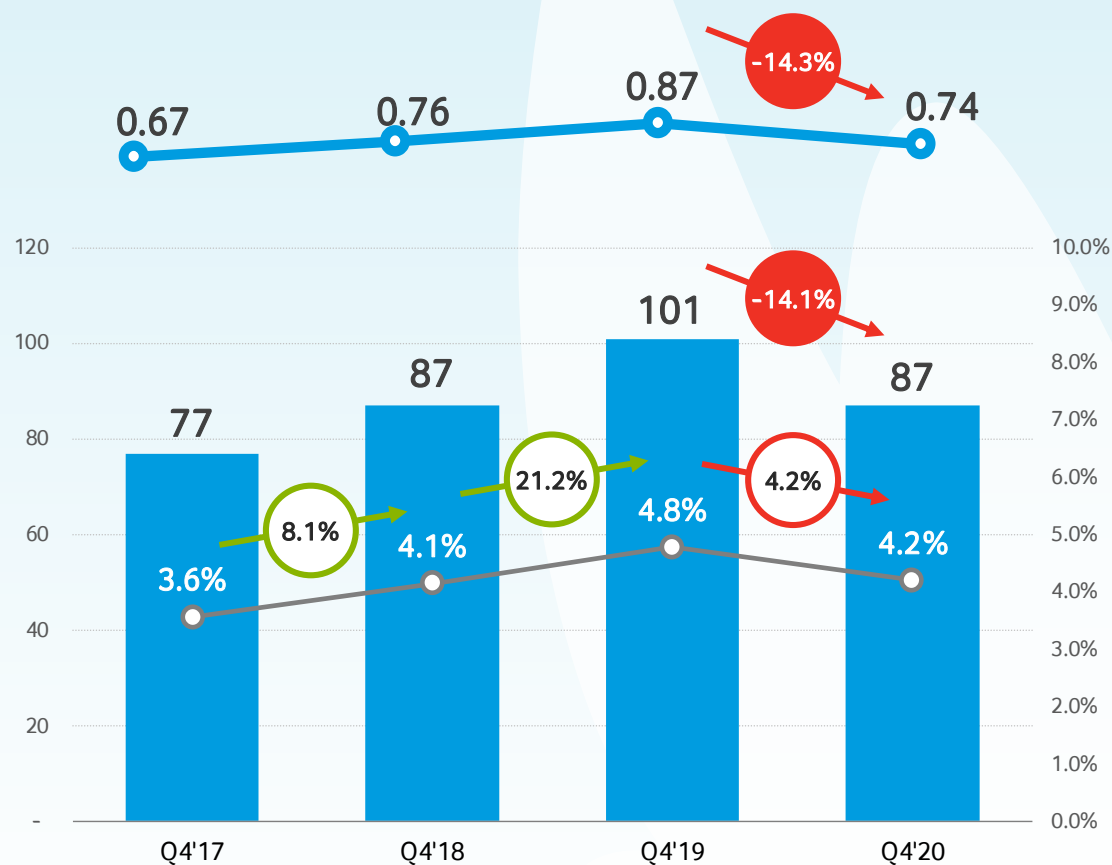


Net Income



Q4 Net Profit (attributed to the Company's shareholders), Net Margins and EPS

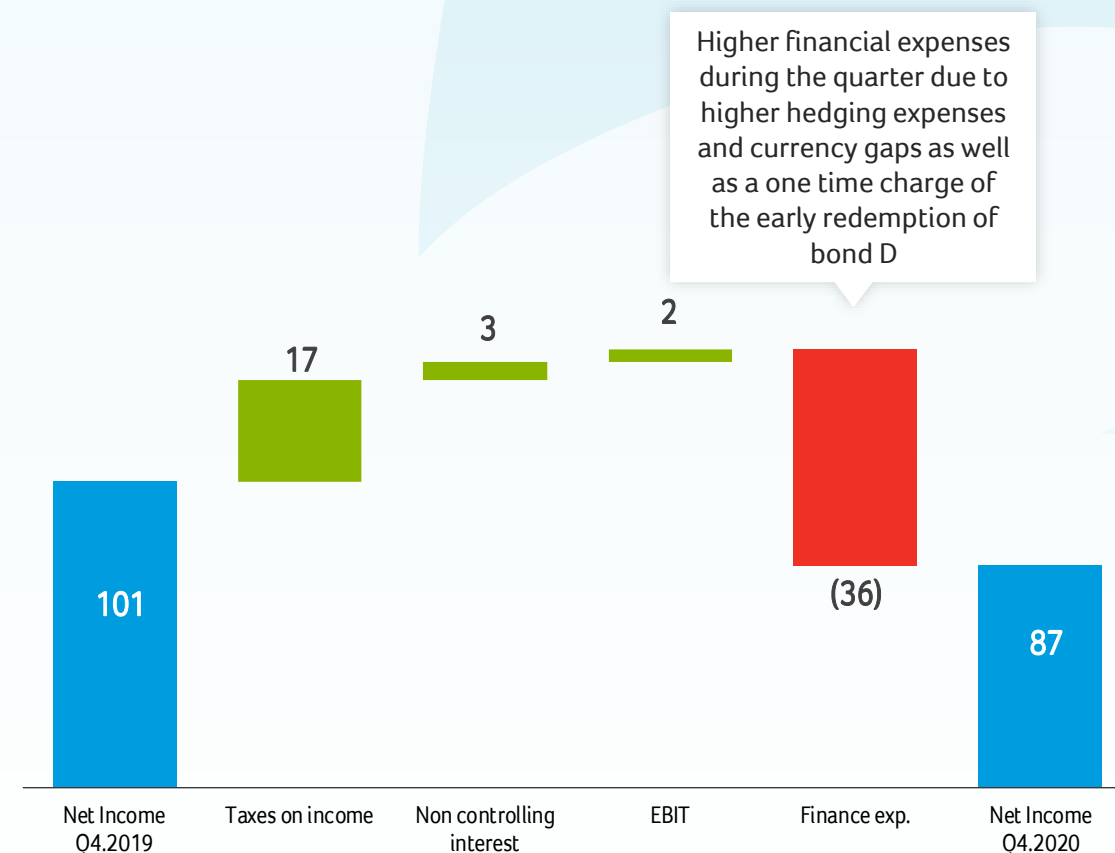
NIS mm; Non-GAAP



= Organic Net Income Growth excl. FX

Q4 Net Profit (attributed to the Company's shareholders) Bridge

NIS mm; Non-GAAP; Q4'19 to Q4'20



Higher financial expenses during the quarter due to higher hedging expenses and currency gaps as well as a one time charge of the early redemption of bond D

Currency headwinds continue during Q4



Currency devaluations in various geographies continue to negatively impact results:

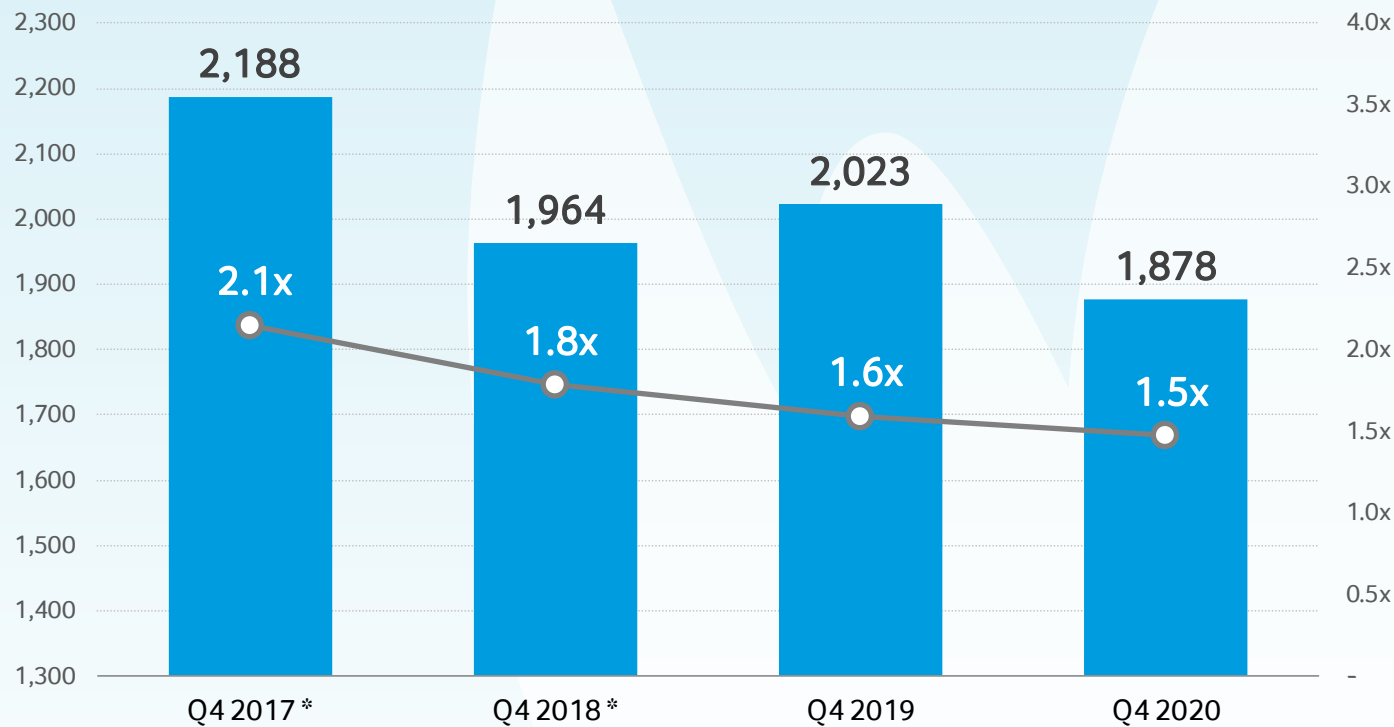
| | YTD | Q4 |
|----------------------|--------------|--------------|
| Revenues | -589 | -160 |
| <i>% of revenues</i> | <i>-7.1%</i> | <i>-7.7%</i> |
| Gross Profit | -176 | -46 |
| <i>% of GP</i> | <i>-5.4%</i> | <i>-5.9%</i> |
| EBIT | -58 | -16 |
| <i>% of EBIT</i> | <i>-6.2%</i> | <i>-8.4%</i> |

Material cost tailwind on the back of strong NIS partially offset impact on P&L



Net Debt and Net Debt / EBITDA (LTM)

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



Q4 GAAP and Non-GAAP

Financial Highlights, NIS mm



| | GAAP | | | Adjusted Non-GAAP | | |
|-----------------------------|---------|---------|---------|-------------------|---------|---------|
| | Q4 2020 | Q4 2019 | % Chg. | Q4 2020 | Q4 2019 | % Chg. |
| Sales | 1,454 | 1,423 | 2.2% | 2,070 | 2,114 | (2.1%) |
| Gross Profit | 591 | 591 | 0.0% | 783 | 825 | (5.2%) |
| <i>GP Margin</i> | 40.7% | 41.5% | | 37.8% | 39.0% | |
| Operating Profit | 181 | 183 | (1.1%) | 183 | 181 | 1.1% |
| <i>EBIT Margin</i> | 12.4% | 12.8% | | 8.8% | 8.6% | |
| Net Profit (to SH) | 83 | 109 | (23.8%) | 87 | 101 | (14.1%) |
| <i>NP Margin</i> | 5.7% | 7.7% | | 4.2% | 4.8% | |
| Operating Cash Flow | 78 | 241 | | 263 | 384 | |
| Capex ⁽¹⁾ | (83) | (85) | | (105) | (114) | |
| Net debt | 1,707 | 1,894 | | 1,878 | 2,023 | |
| Change in WC (CF) | 31 | 103 | | 216 | 187 | |





YTD 2020



YTD GAAP and Non-GAAP

Financial Highlights, NIS mm



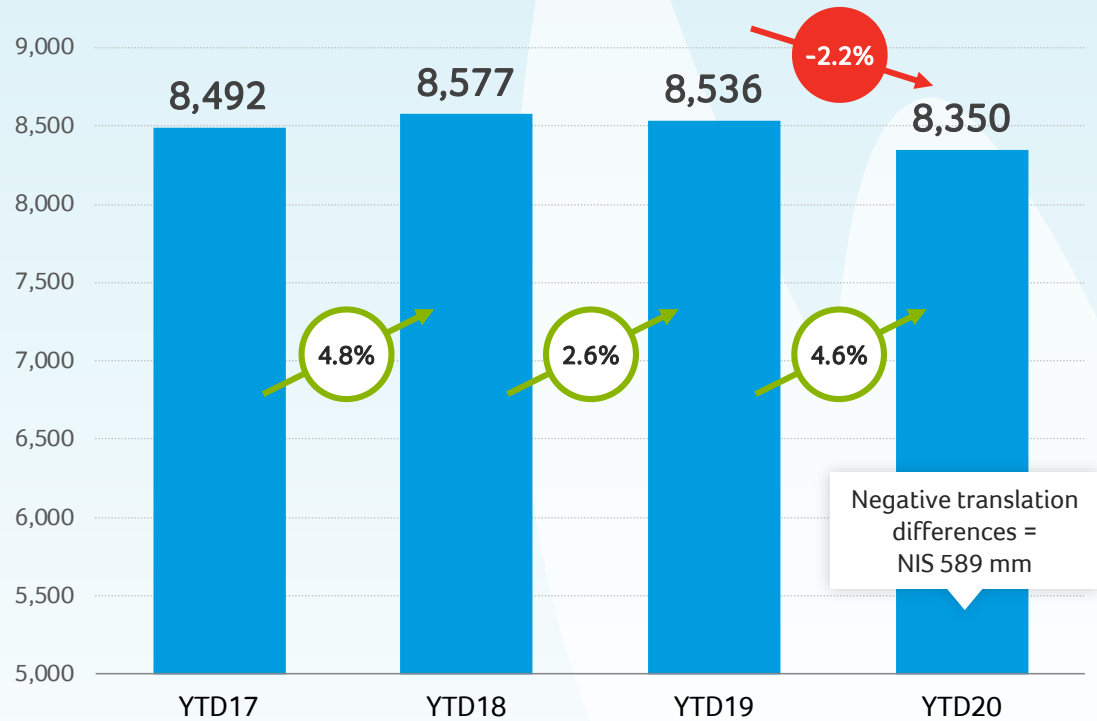
| | GAAP | | | Adjusted Non-GAAP | | |
|-----------------------------|----------|----------|--------|-------------------|----------|--------|
| | YTD 2020 | YTD 2019 | % Chg. | YTD 2020 | YTD 2019 | % Chg. |
| Sales | 5,873 | 5,695 | 3.1% | 8,350 | 8,536 | (2.2%) |
| Gross Profit | 2,388 | 2,348 | 1.7% | 3,228 | 3,379 | (4.5%) |
| <i>GP Margin</i> | 40.7% | 41.2% | | 38.7% | 39.6% | |
| Operating Profit | 887 | 882 | 0.6% | 924 | 933 | (1.0%) |
| <i>EBIT Margin</i> | 15.1% | 15.5% | | 11.1% | 10.9% | |
| Net Profit (to SH) | 533 | 537 | (0.8%) | 551 | 547 | 0.7% |
| <i>NP Margin</i> | 9.1% | 9.4% | | 6.6% | 6.4% | |
| Operating Cash Flow | 610 | 672 | | 844 | 930 | |
| Capex ⁽¹⁾ | (239) | (230) | | (317) | (348) | |
| Net debt | 1,707 | 1,894 | | 1,878 | 2,023 | |
| Change in WC (CF) | 6 | (57) | | (7) | (128) | |



Sales



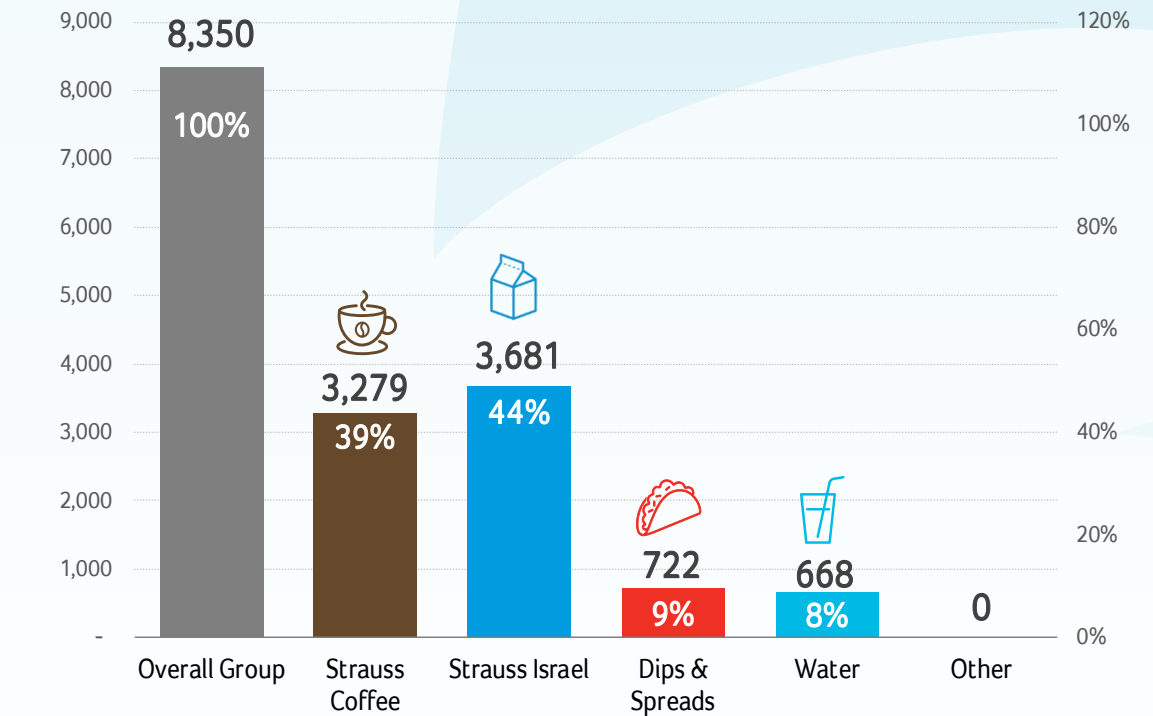
YTD 2020 Consolidated Sales NIS mm Non-GAAP



= Organic Sales Growth excl. FX

YTD 2020 Sales by Segment

NIS mm; Non-GAAP; % sales contribution



'20/'19 Growth

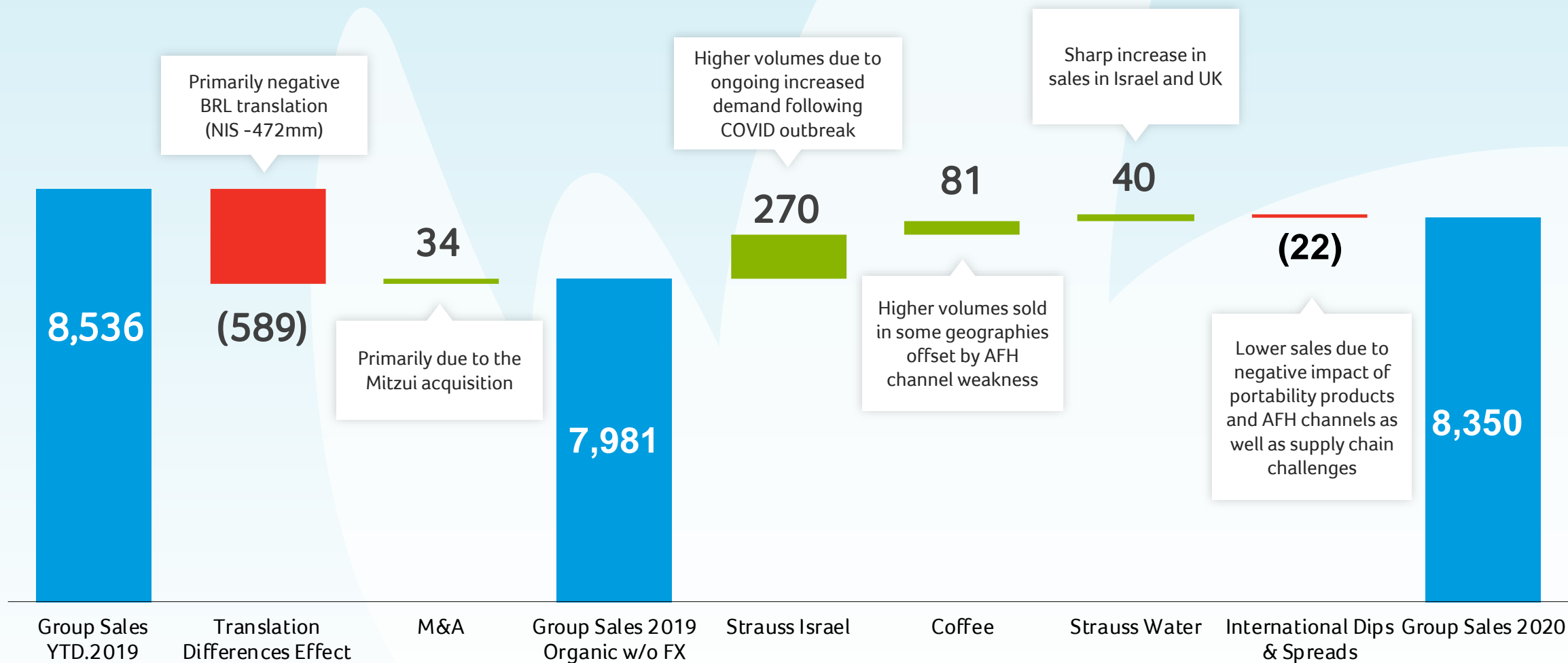
-2.2% -12.0% 7.9% -6.3% 6.4% na

'20/'19 Organic growth excl. FX

4.6% 2.5% 7.9% -3.0% 6.4% na

YTD Sales Bridge

NIS mm; Non-GAAP; YTD 2019 to YTD 2020

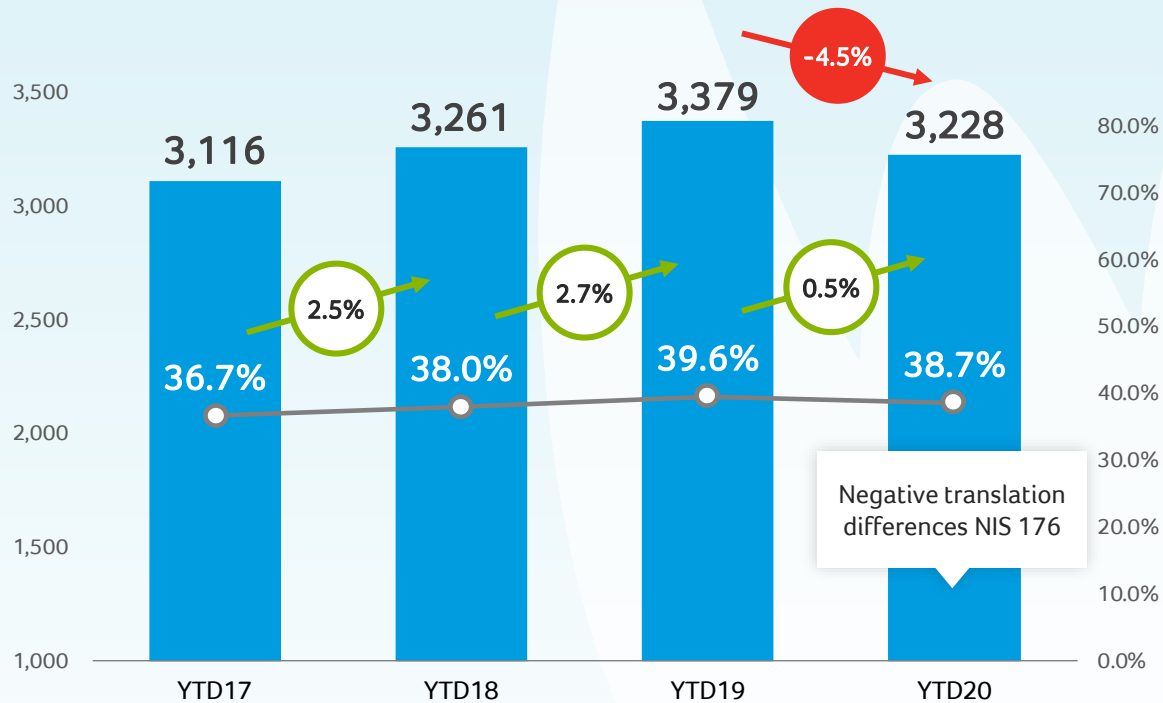


Gross Profit



YTD Consolidated Gross Profit and Gross Margins

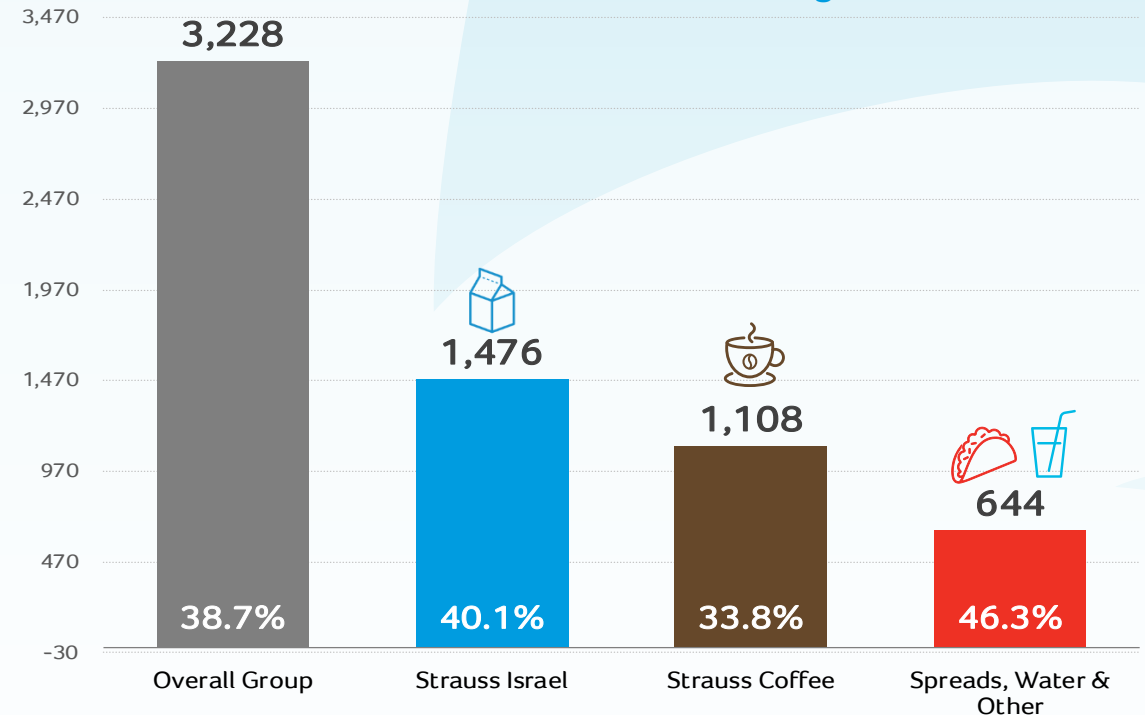
NIS mm; Non-GAAP



= Organic Gross Profit Growth excl. FX

YTD 2020 Gross Profit and Gross Margins

NIS mm; Non-GAAP; % Margin



YTD 2019
GP & GM

Δ = -151mm

NIS 3379
39.6%

Δ = 122mm

NIS 1354
39.7%

Δ = -238mm

NIS 1346
36.1%

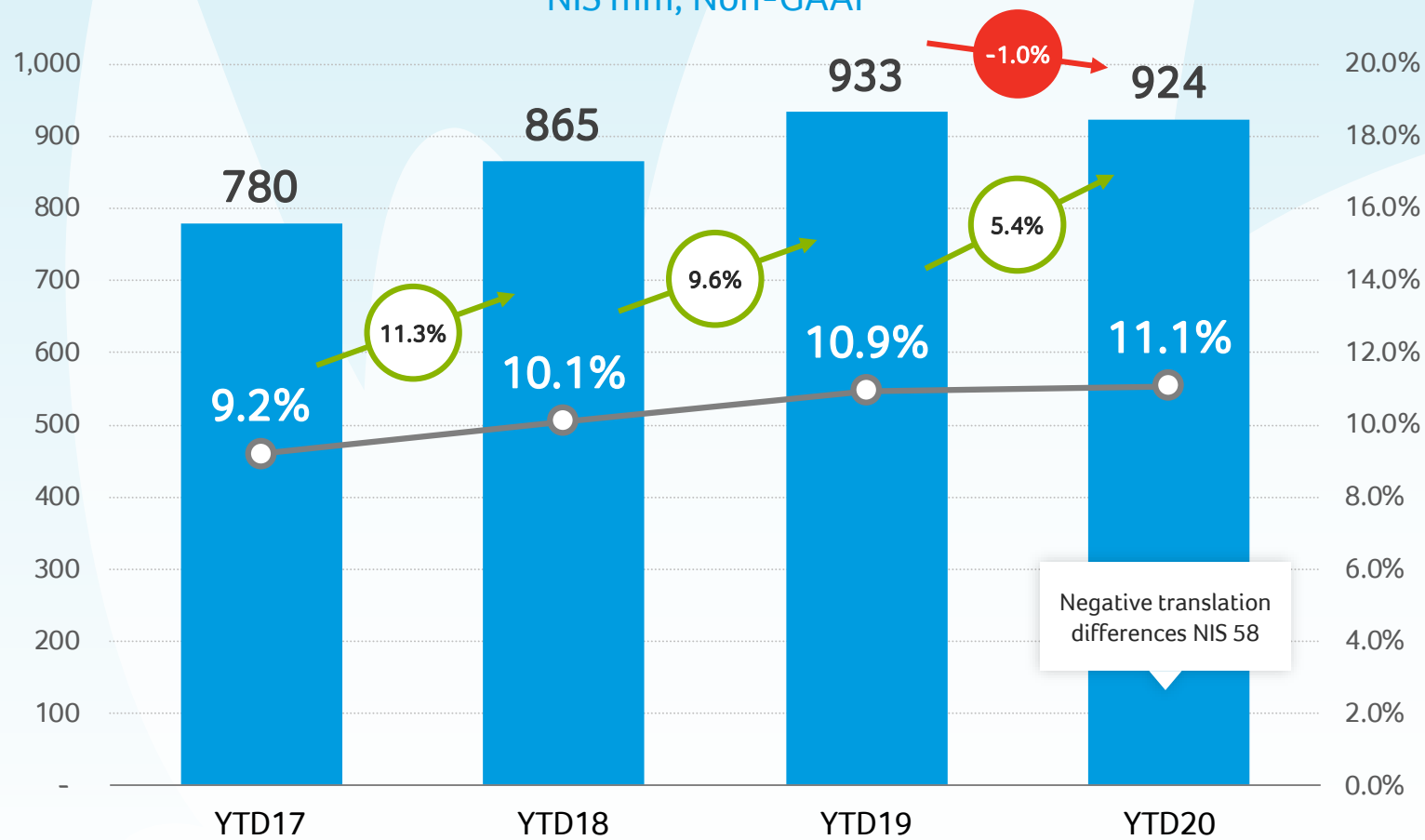
Δ = -35mm


NIS 679
48.5%

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

YTD Consolidated EBIT and EBIT Margins

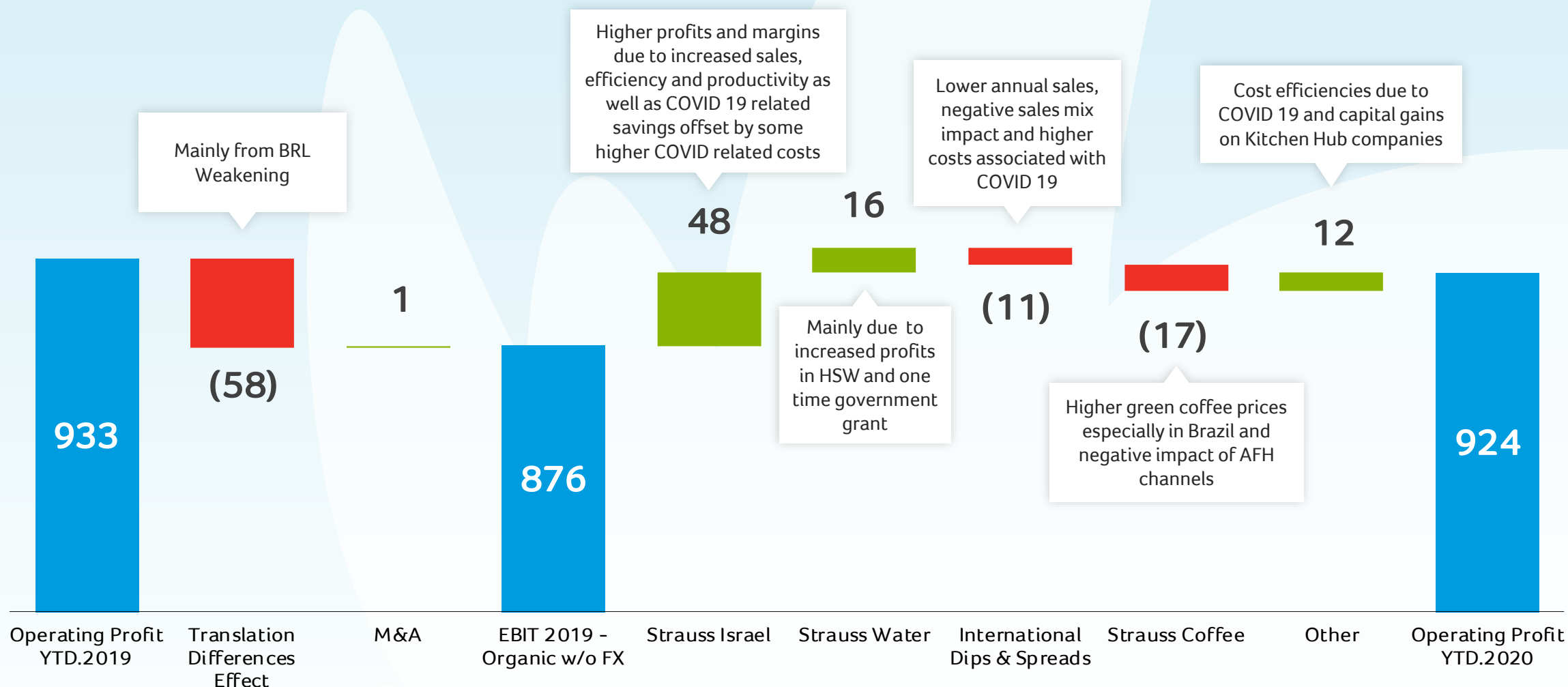
NIS mm; Non-GAAP



 = Organic EBIT Growth excl. FX

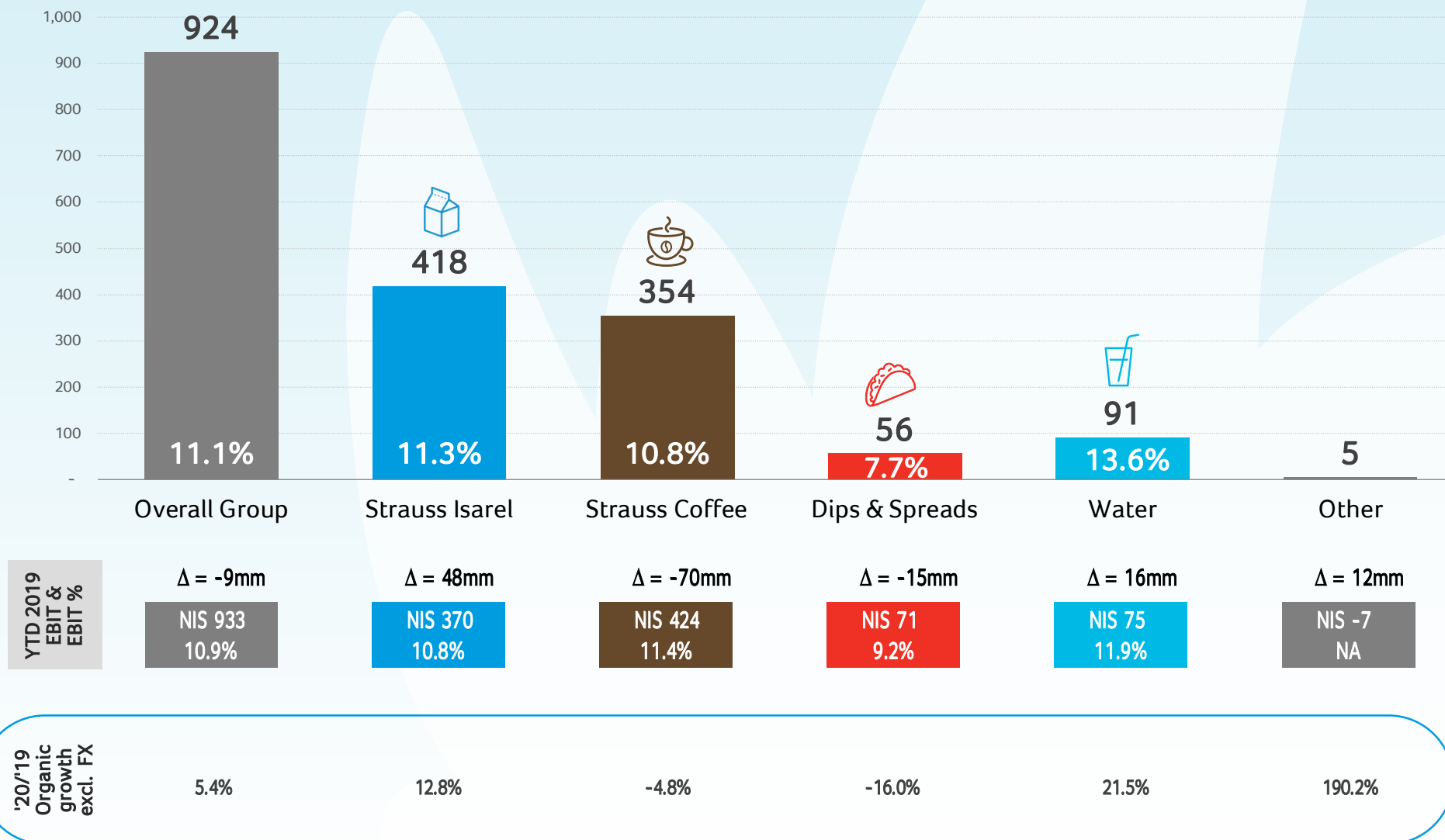
YTD EBIT Bridge

NIS mm; Non-GAAP; YTD 2019 to YTD 2020



YTD 2020 EBIT and EBIT Margins

NIS mm; Non-GAAP; % Margin



Notes:

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

(2) Water EBIT includes net profits from HSW

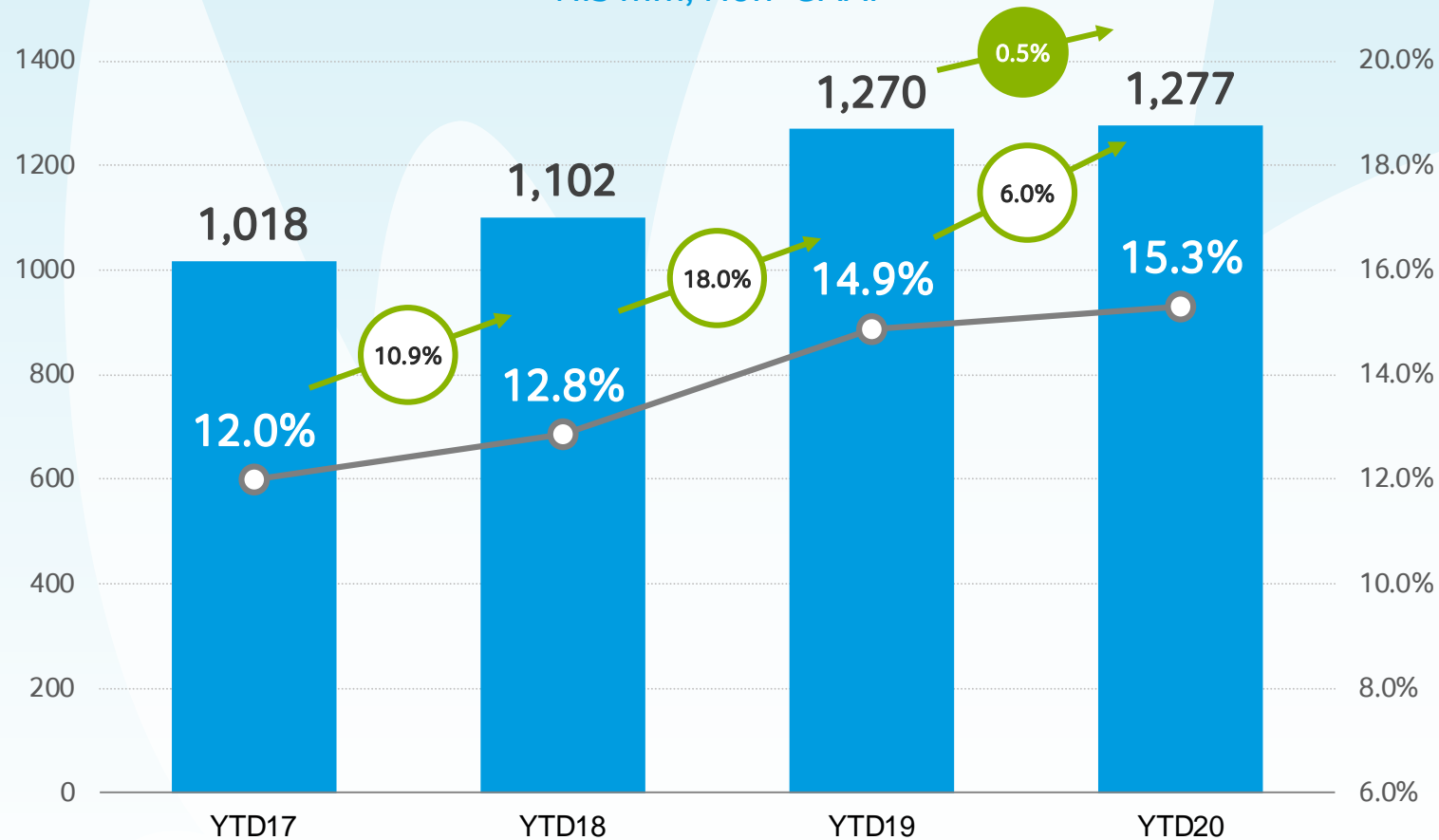
(3) Excluding FX Strauss Coffee EBIT was down 44m NIS on FY 2020

EBITDA



YTD 2020 Consolidated EBITDA and EBITDA Margins

NIS mm; Non-GAAP



= EBITDA Growth excl. FX

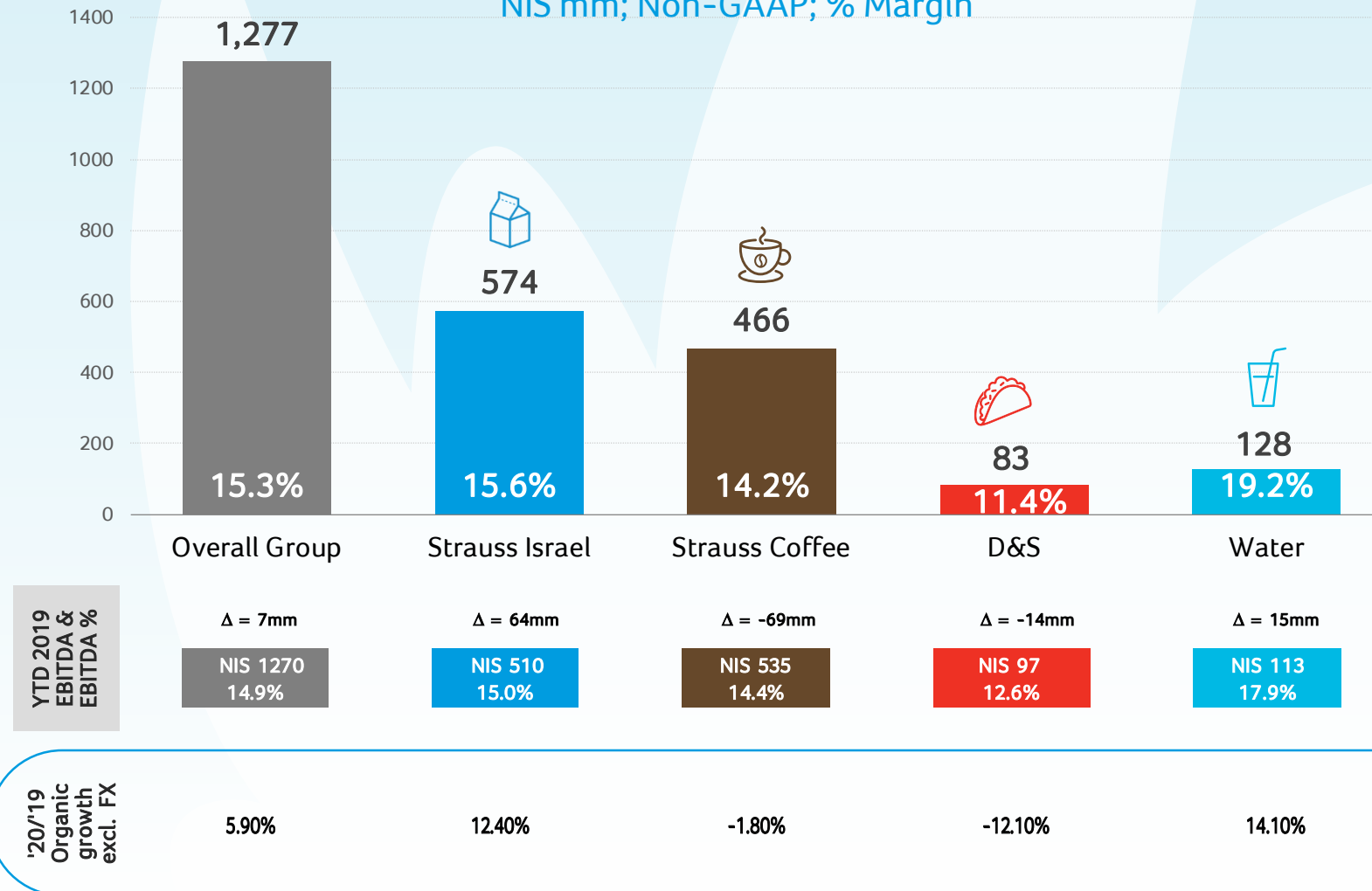
* Note change in EBITDA due to new IFRS16 rules as of 2019

EBITDA



YTD 2020 EBITDA and EBITDA Margins

NIS mm; Non-GAAP; % Margin





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



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).

Note: Q4 2020 figures include Mitzui revenues

Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of December 31st, 2020.

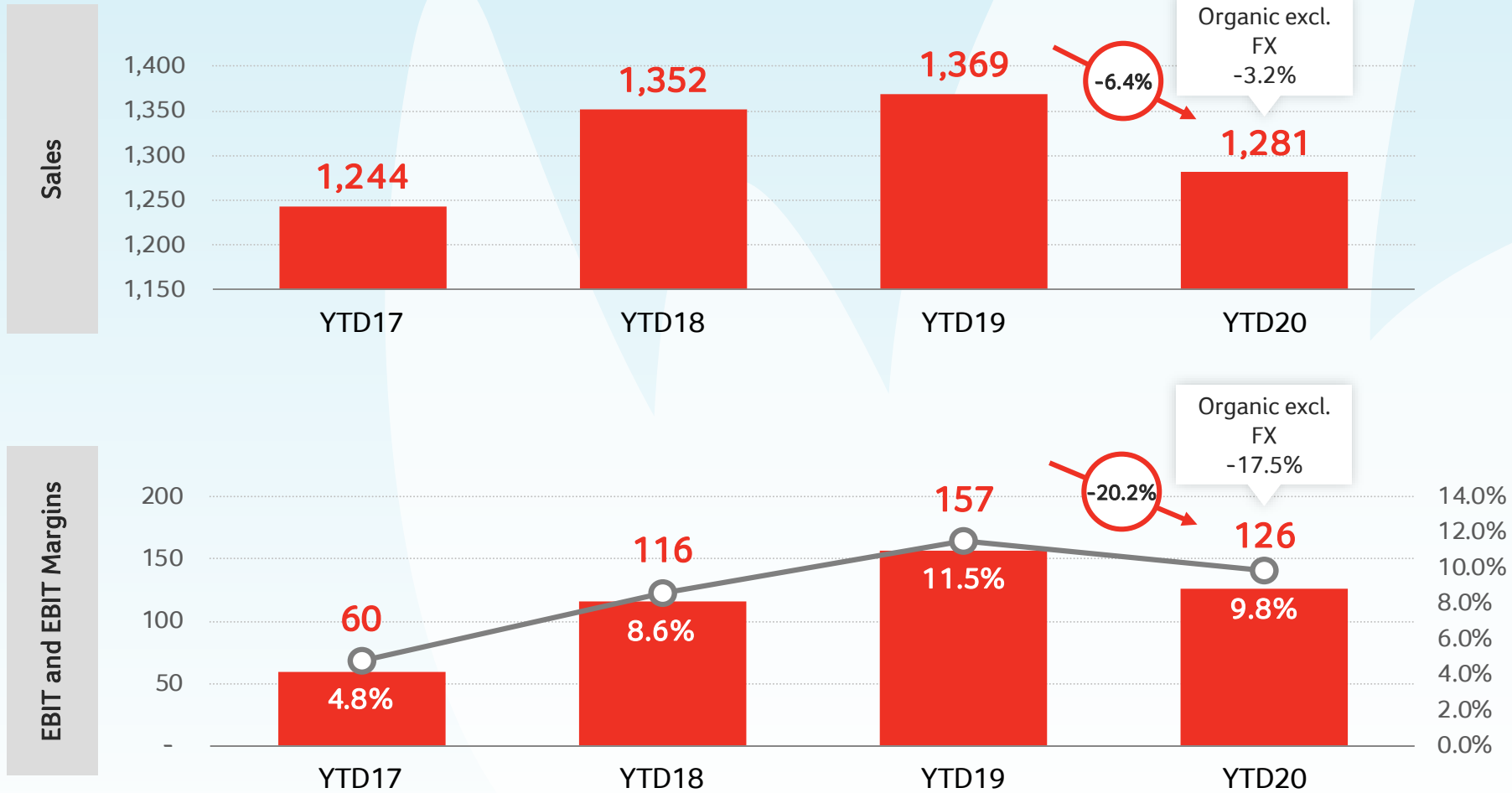
(*) EBIT before Other Expenses/ Income.





Sabra YTD Snapshot

NIS mm; Non-GAAP; for 100% share 



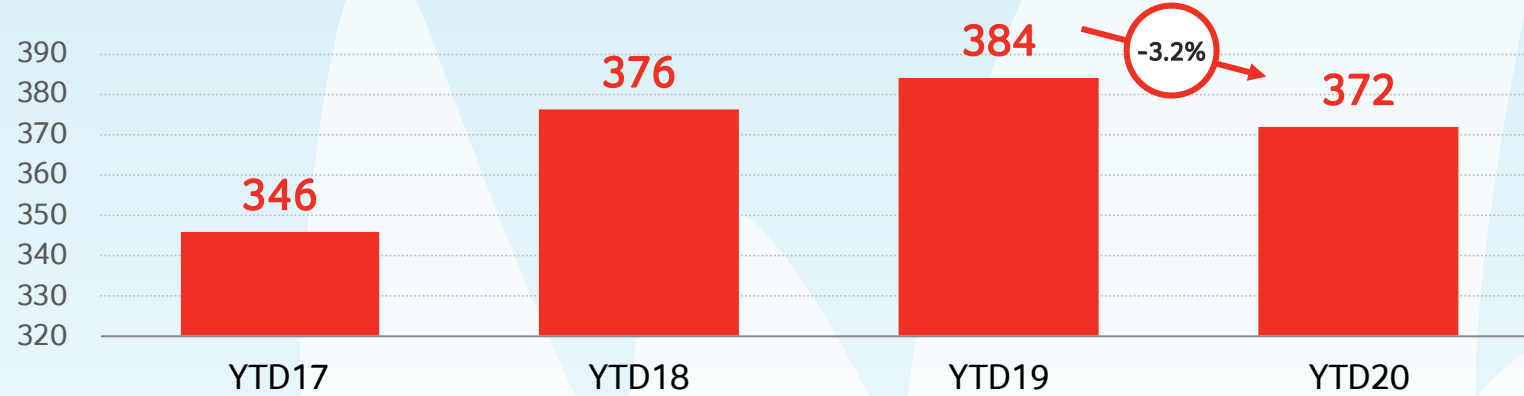


Sabra YTD Snapshot

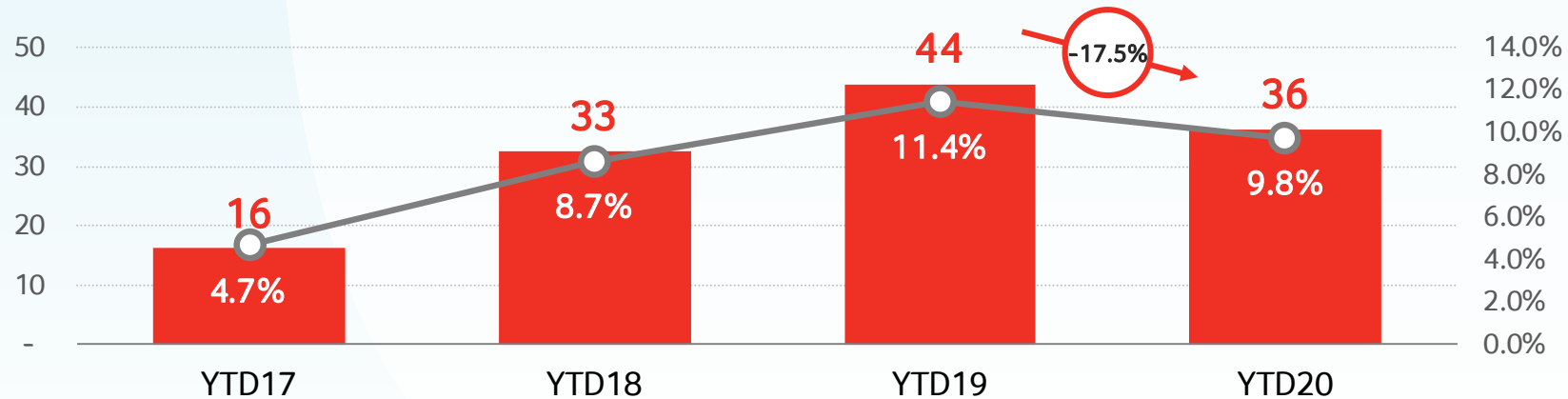
\$ mm; Non-GAAP; for 100% share



Sales



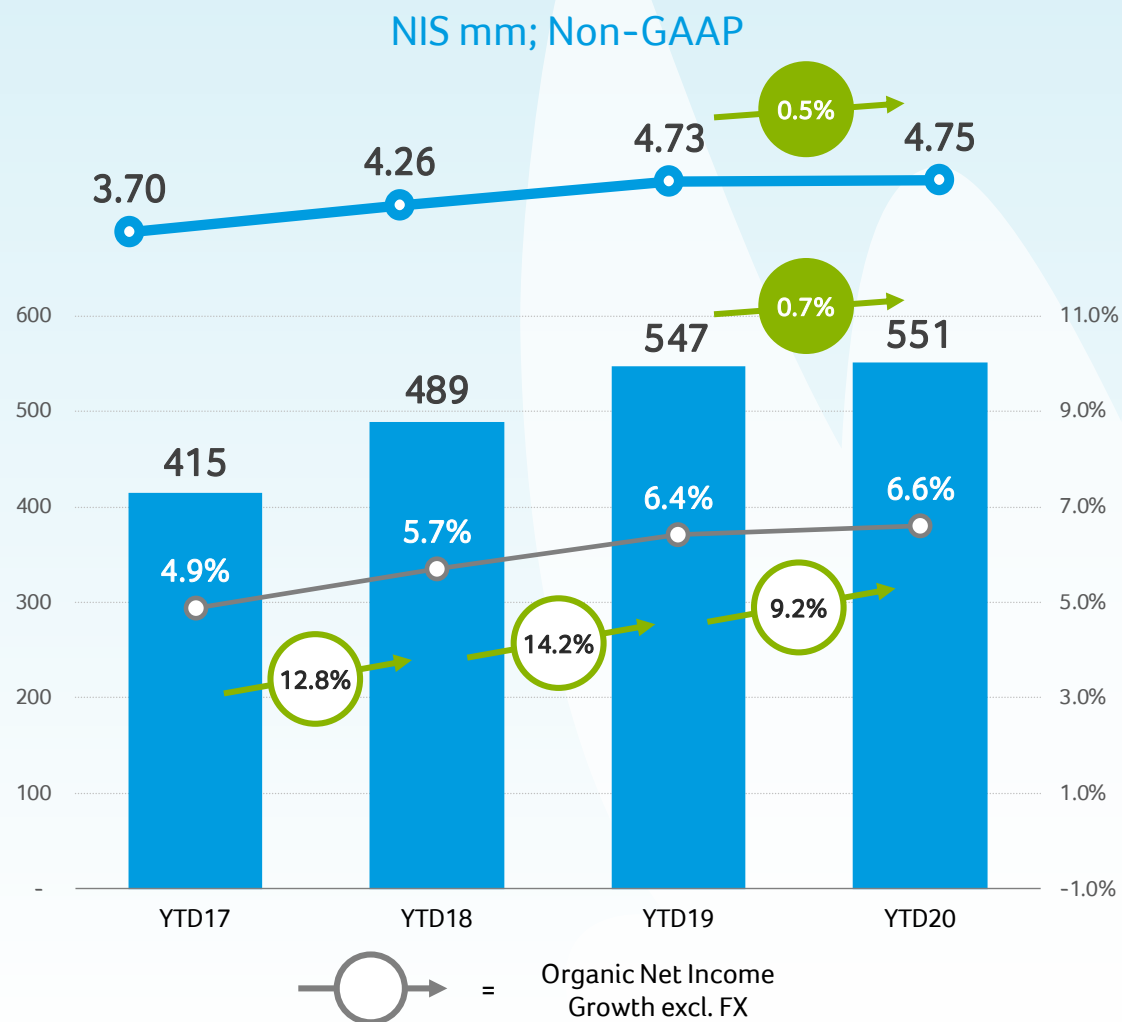
EBIT and EBIT Margins



Net Income

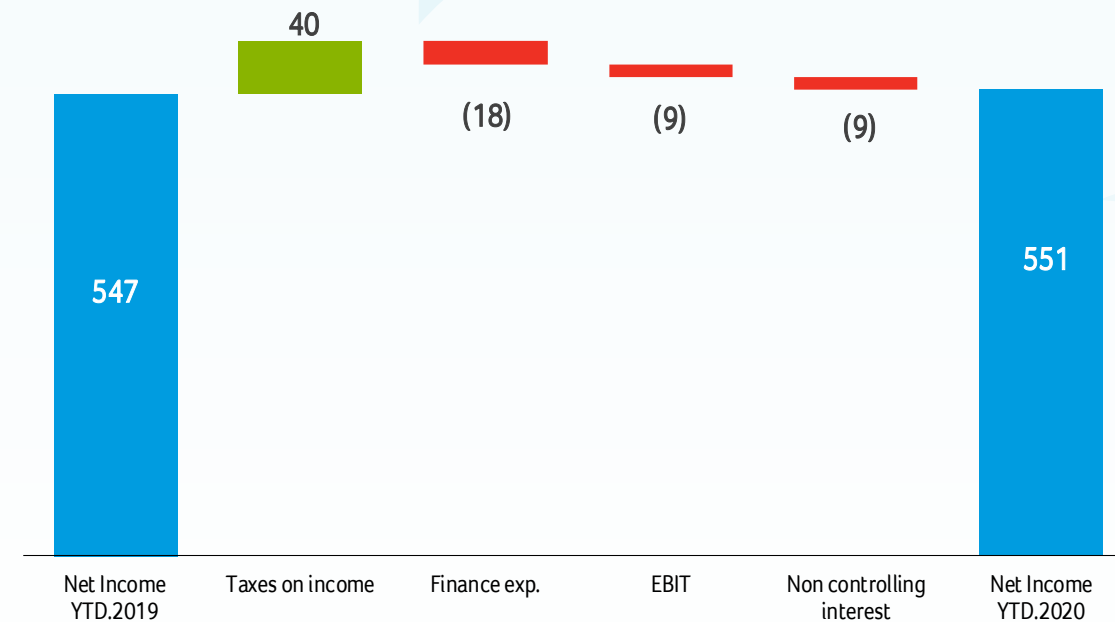


YTD Net Profit (attributed to the Company's shareholders), Net Margins and EPS



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

NIS mm; Non-GAAP; YTD 2019 to YTD 2020

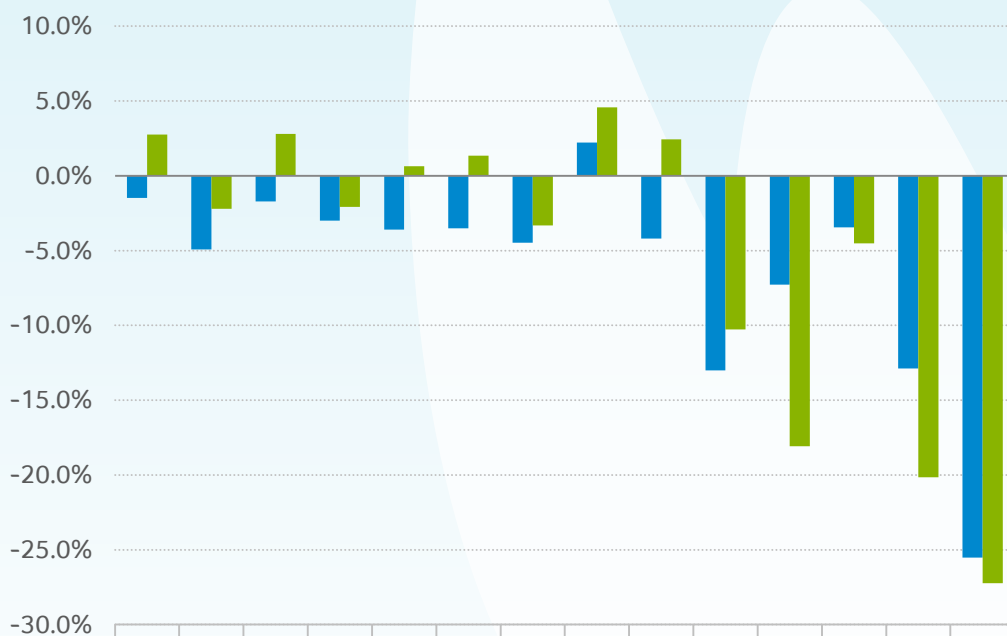


Currencies



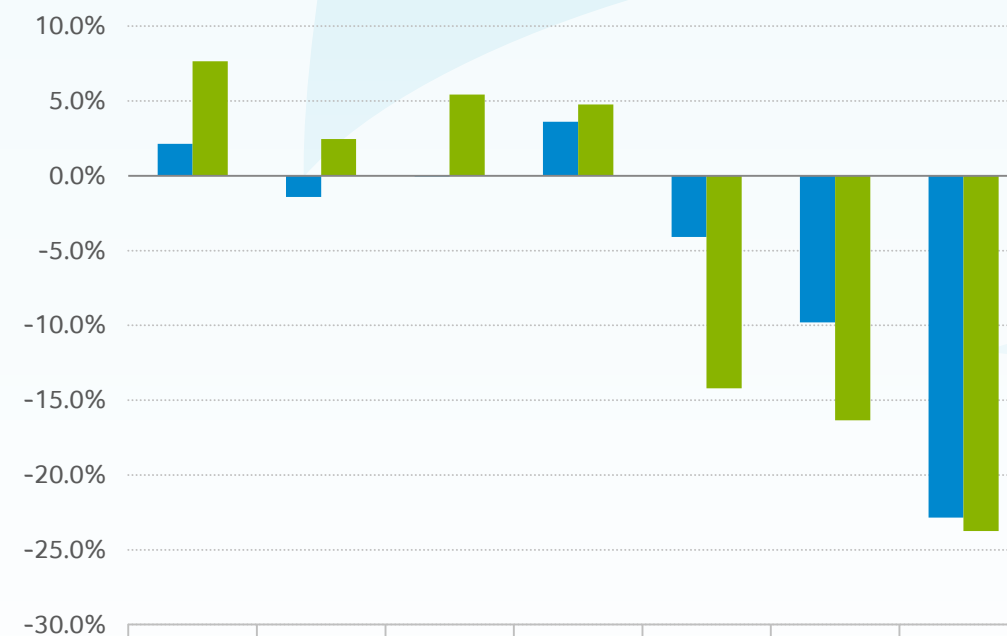
Local Currencies vs. the NIS

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)





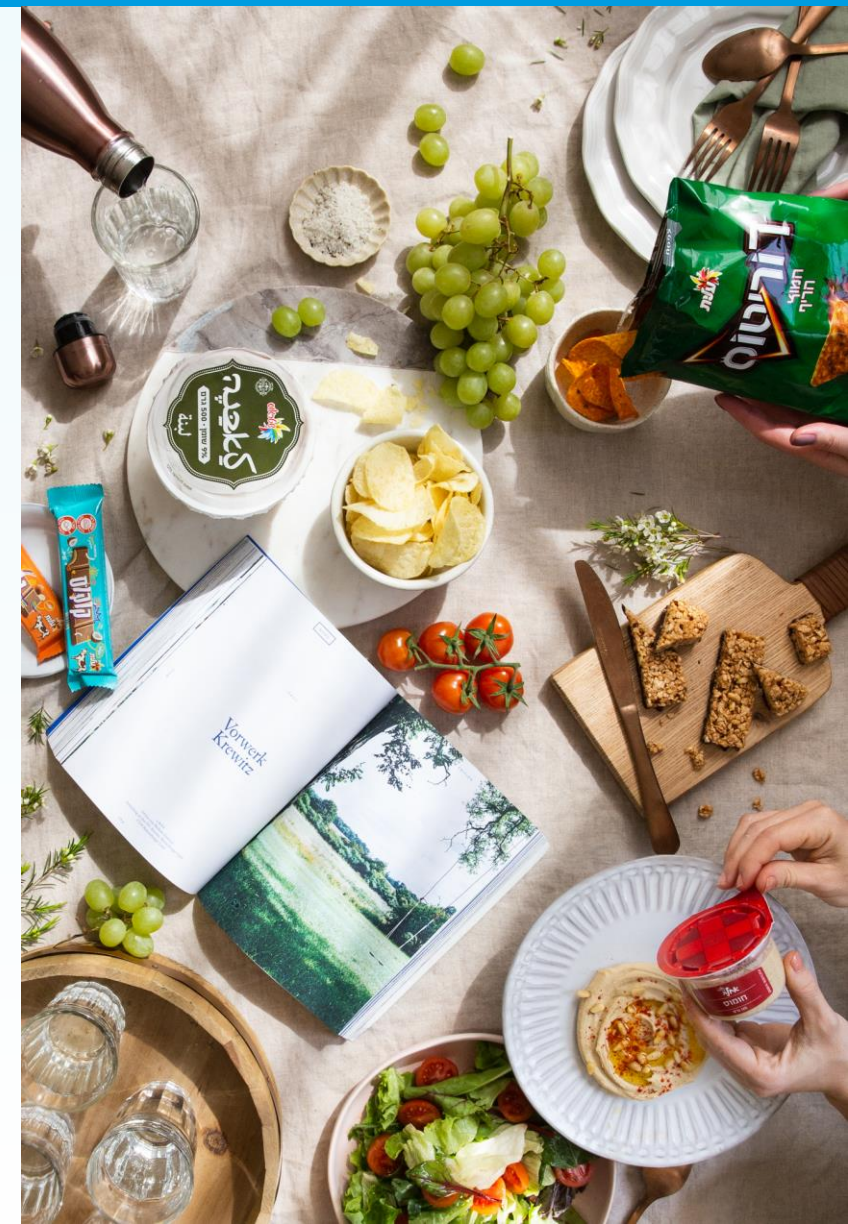
Strauss Israel

Non-GAAP Financial Highlights

Q4 and YTD 2020 NIS mm



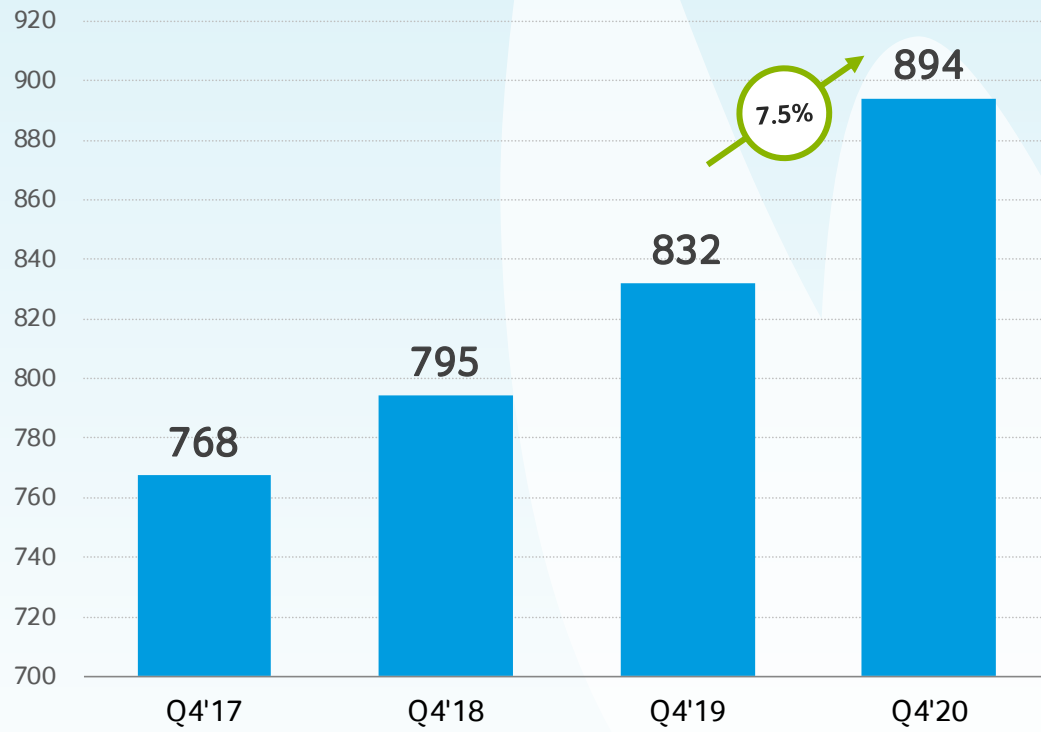
| Strauss Israel (Non GAAP) | | | | | | |
|---------------------------|--------------|--------------|---------------|--------------|--------------|---------------|
| | YTD 2020 | YTD 2019 | % Chg. | Q4 2020 | Q4 2019 | % Chg. |
| Revenue: | | | | | | |
| H&W | 2,537 | 2,277 | 11.4% | 626 | 565 | 10.7% |
| F&I | 1,144 | 1,134 | 0.9% | 268 | 267 | 0.7% |
| Total Revenue | 3,681 | 3,411 | 7.9% | 894 | 832 | 7.5% |
| Total Gross Profit | 1,476 | 1,354 | 9.0% | 364 | 330 | 10.2% |
| <i>Gross Margins</i> | <i>40.1%</i> | <i>39.7%</i> | <i>0.4%</i> | <i>40.7%</i> | <i>39.6%</i> | <i>1.0%</i> |
| EBIT: | | | | | | |
| H&W | 307 | 251 | 22.3% | 72 | 62 | 14.5% |
| <i>Margins</i> | <i>12.1%</i> | <i>11.0%</i> | <i>1.1%</i> | <i>11.4%</i> | <i>11.0%</i> | <i>0.3%</i> |
| F&I | 111 | 119 | (7.1%) | 18 | 18 | (0.1%) |
| <i>Margins</i> | <i>9.7%</i> | <i>10.5%</i> | <i>(0.8%)</i> | <i>6.8%</i> | <i>6.8%</i> | <i>(0.1%)</i> |
| Total EBIT | 418 | 370 | 12.8% | 90 | 80 | 11.2% |
| <i>Margins</i> | <i>11.3%</i> | <i>10.8%</i> | <i>0.6%</i> | <i>10.0%</i> | <i>9.7%</i> | <i>0.2%</i> |
| EBITDA: | | | | | | |
| H&W | 403 | 333 | 20.9% | 99 | 85 | 15.6% |
| <i>Margins</i> | <i>15.9%</i> | <i>14.6%</i> | <i>1.2%</i> | <i>15.7%</i> | <i>15.1%</i> | <i>0.7%</i> |
| F&I | 171 | 177 | (3.6%) | 32 | 32 | (1.3%) |
| <i>Margins</i> | <i>15.0%</i> | <i>15.7%</i> | <i>(0.7%)</i> | <i>12.0%</i> | <i>12.3%</i> | <i>(0.2%)</i> |
| Total EBITDA | 574 | 510 | 12.4% | 131 | 117 | 10.9% |
| <i>Margins</i> | <i>15.6%</i> | <i>15.0%</i> | <i>0.6%</i> | <i>14.6%</i> | <i>14.2%</i> | <i>0.5%</i> |





Q4 2020 Strauss Israel Sales

NIS mm; Non-GAAP



YTD 2020 Strauss Israel Sales

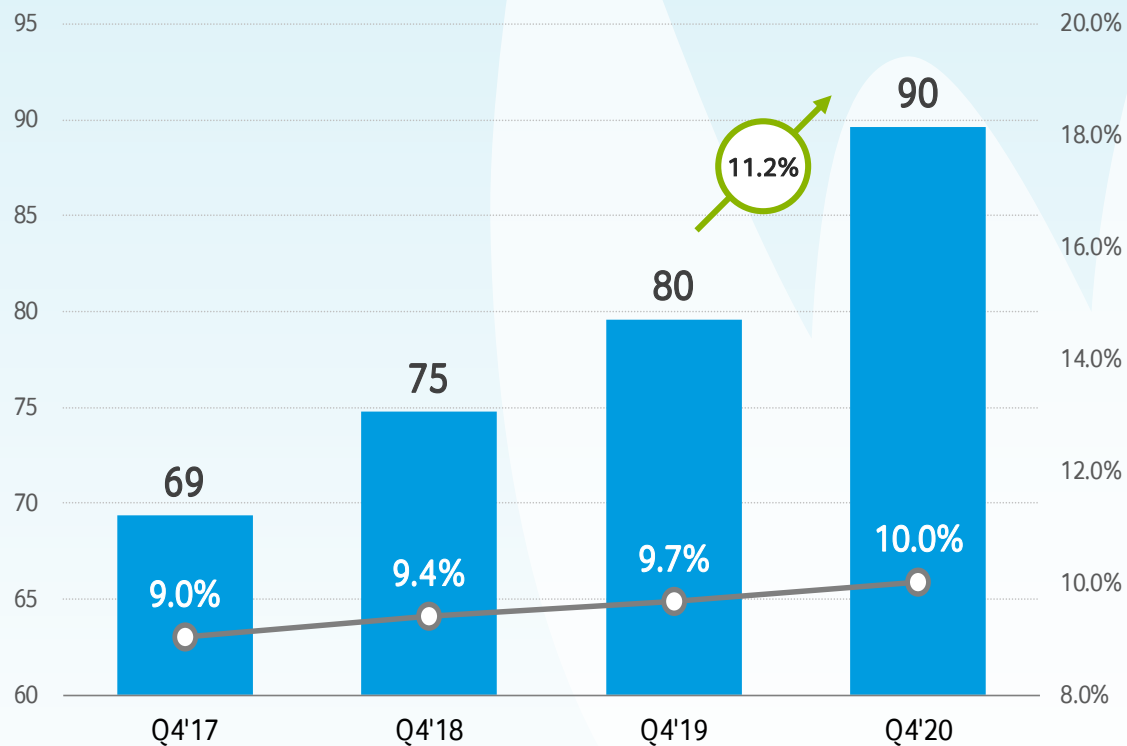
NIS mm; Non-GAAP





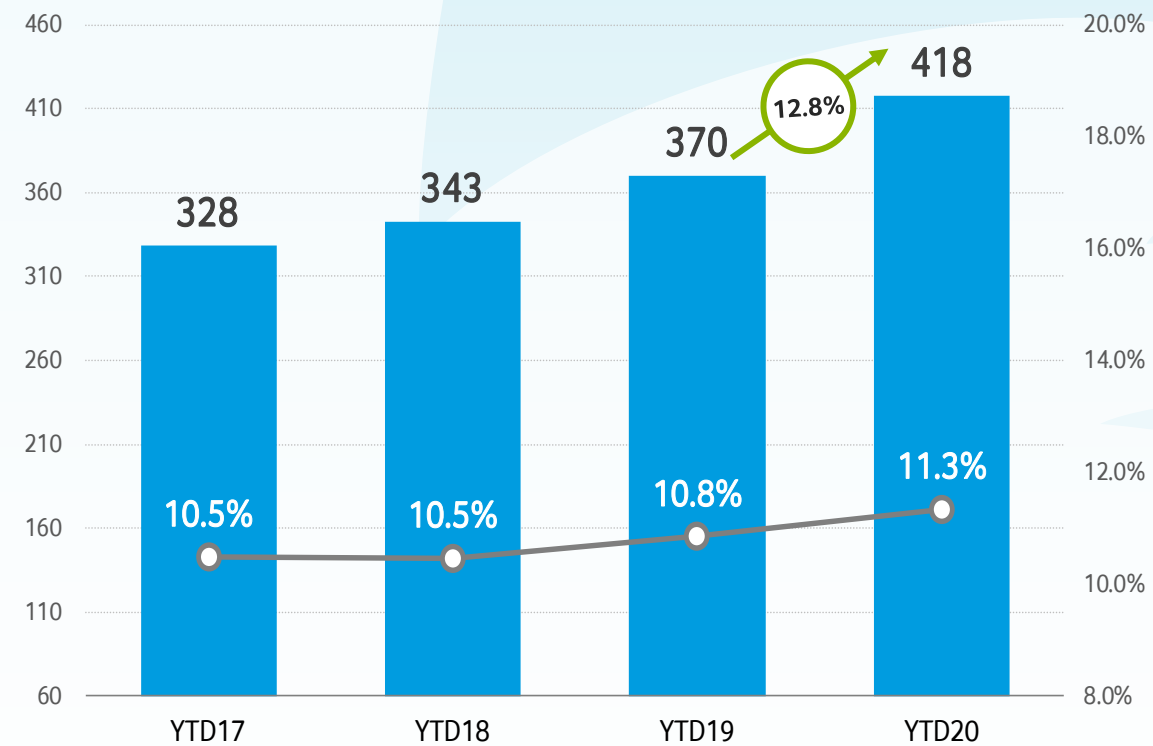
Q4 2020 Strauss Israel EBIT & EBIT Margins

NIS mm; Non-GAAP



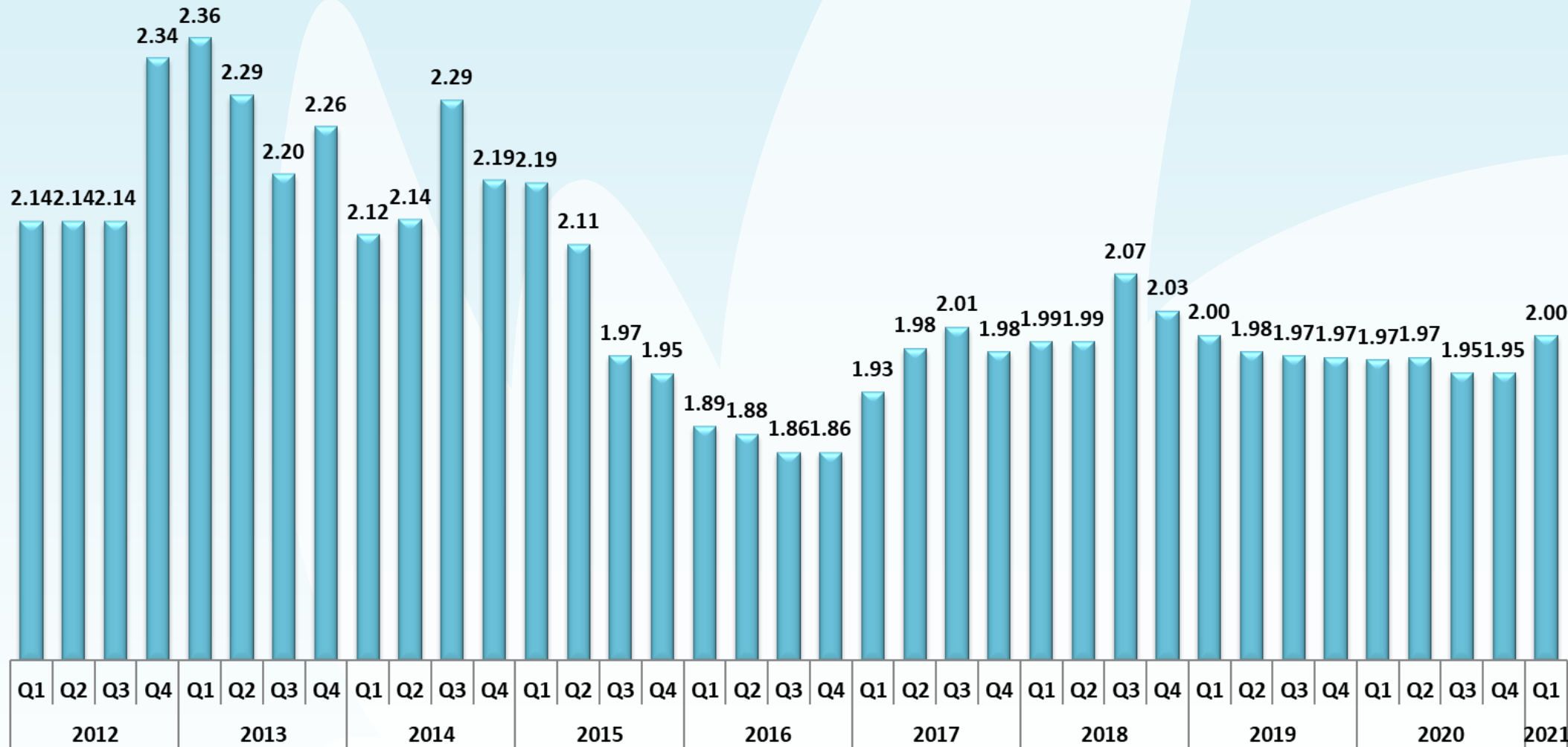
YTD 2020 Strauss Israel EBIT & EBIT Margins

NIS mm; Non-GAAP



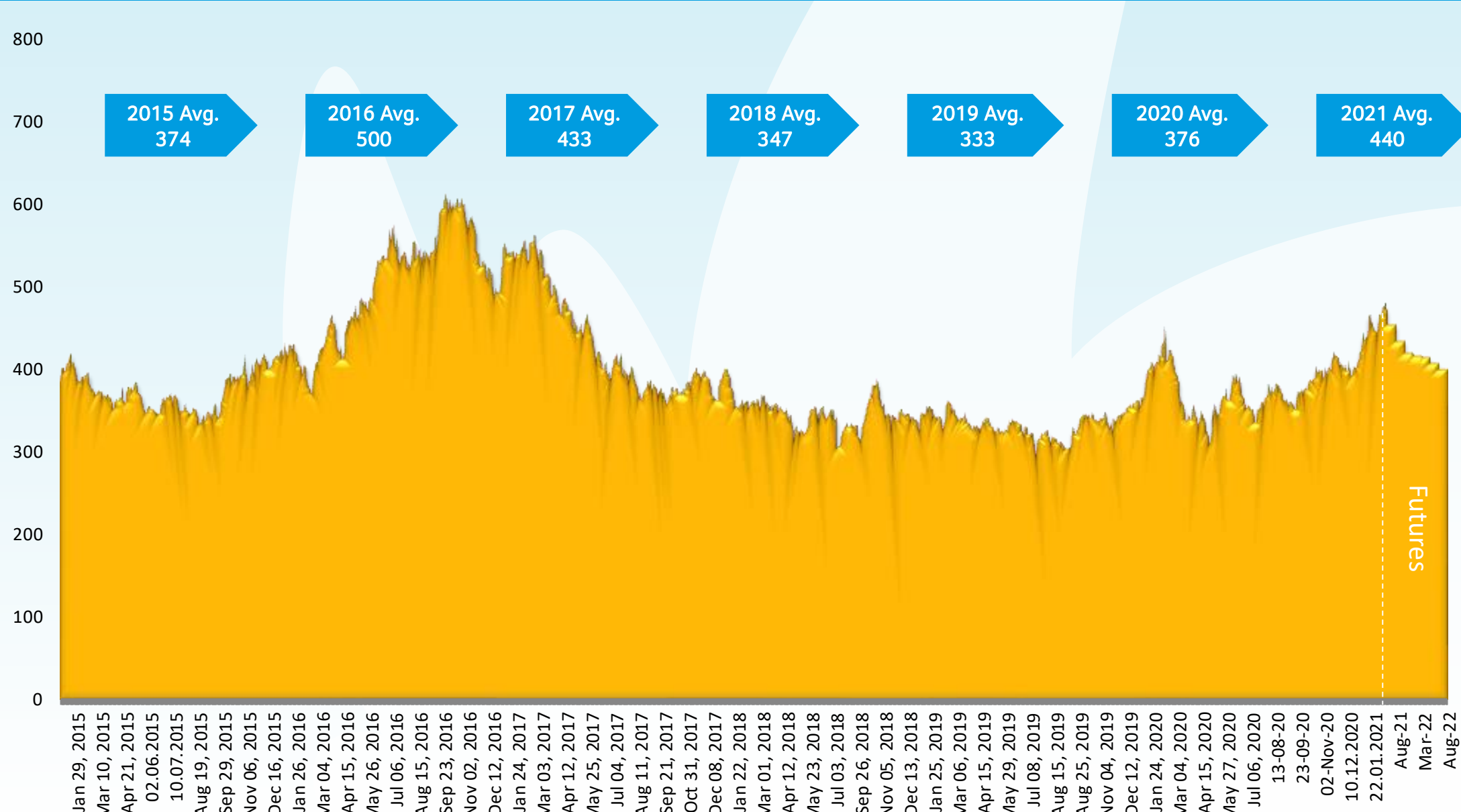
Target Milk Price | (NIS per liter)

Prices exclude Strauss transportation costs



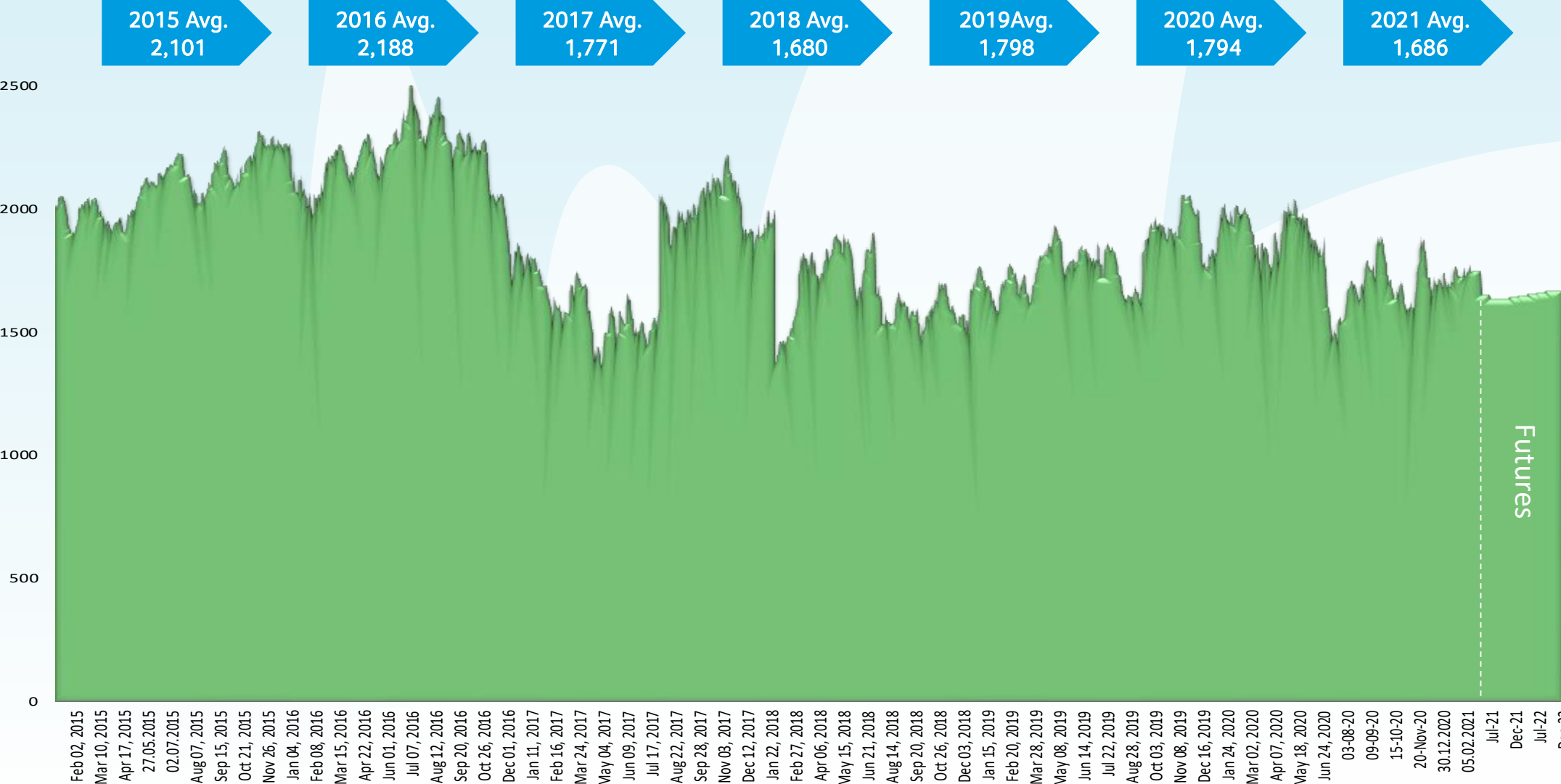
London Sugar Historical & Futures Prices

2015-2021 (\$\text{T})



London Cocoa Historical & Futures Prices

2015-2021 (GBP/T)





Strauss Coffee

Q4 and YTD 2020 NIS mm

Non-GAAP Financial Highlights



| Strauss Coffee (Non GAAP) | | | | | | |
|---------------------------|--------------|--------------|----------------|--------------|--------------|----------------|
| | YTD 2020 | YTD 2019 | % Chg. | Q4 2020 | Q4 2019 | % Chg. |
| Revenue: | | | | | | |
| Israel | 712 | 754 | (5.6%) | 169 | 171 | (1.7%) |
| International | 2,567 | 2,972 | (13.6%) | 665 | 762 | (12.8%) |
| Total Revenue | 3,279 | 3,726 | (12.0%) | 834 | 933 | (10.7%) |
| Total Gross Profit | 1,108 | 1,346 | (17.7%) | 264 | 324 | (18.7%) |
| <i>Gross Margins</i> | <i>33.8%</i> | <i>36.1%</i> | <i>(2.4%)</i> | <i>31.6%</i> | <i>34.7%</i> | <i>(3.1%)</i> |
| EBIT: | | | | | | |
| Israel | 158 | 143 | 10.7% | 32 | 15 | 118.4% |
| <i>Margins</i> | <i>22.3%</i> | <i>19.0%</i> | <i>3.3%</i> | <i>19.4%</i> | <i>8.8%</i> | <i>10.8%</i> |
| International | 196 | 281 | (30.2%) | 39 | 71 | (45.1%) |
| <i>Margins</i> | <i>7.6%</i> | <i>9.4%</i> | <i>(1.7%)</i> | <i>5.8%</i> | <i>9.2%</i> | <i>(3.4%)</i> |
| Total EBIT | 354 | 424 | (16.4%) | 71 | 86 | (16.5%) |
| <i>Margins</i> | <i>10.8%</i> | <i>11.4%</i> | <i>(0.5%)</i> | <i>8.6%</i> | <i>9.1%</i> | <i>(0.5%)</i> |
| EBITDA: | | | | | | |
| Israel | 197 | 179 | 9.9% | 43 | 25 | 73.4% |
| <i>Margins</i> | <i>27.6%</i> | <i>23.7%</i> | <i>3.9%</i> | <i>25.3%</i> | <i>14.3%</i> | <i>10.9%</i> |
| International | 269 | 356 | (24.4%) | 56 | 89 | (37.0%) |
| <i>Margins</i> | <i>10.5%</i> | <i>12.0%</i> | <i>(1.5%)</i> | <i>8.5%</i> | <i>11.8%</i> | <i>(3.3%)</i> |
| Total EBITDA | 466 | 535 | (13.0%) | 99 | 114 | (13.3%) |
| <i>Margins</i> | <i>14.2%</i> | <i>14.4%</i> | <i>(0.2%)</i> | <i>11.9%</i> | <i>12.3%</i> | <i>(0.4%)</i> |

Note: (1) 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 December 31st, 2020.





Strauss Coffee

Q4 and YTD 2020 NIS mm

Non-GAAP Sales by Geography



| Strauss Coffee Sales | | | | | | | | |
|--|--------------|--------------|----------------|----------------|------------|------------|----------------|----------------|
| | YTD 2020 | YTD 2019 | % Change | | Q4 2020 | Q4 2019 | % Change | |
| | | | NIS | Local Currency | | | NIS | Local Currency |
| Israel | 712 | 754 | (5.6%) | (5.6%) | 169 | 171 | (1.7%) | (1.7%) |
| International: | | | | | | | | |
| Três Corações Joint Venture (Brazil) (1) | 1,469 | 1,793 | (18.1%) | 11.2% | 385 | 437 | (12.0%) | 20.8% |
| CIS | 536 | 579 | (7.4%) | 5.1% | 128 | 165 | (22.1%) | (3.1%) |
| Poland | 276 | 279 | (1.2%) | 3.7% | 69 | 72 | (5.7%) | (3.6%) |
| Romania | 165 | 183 | (9.5%) | (6.5%) | 45 | 48 | (4.7%) | (5.2%) |
| Serbia | 121 | 138 | (12.1%) | (11.4%) | 38 | 40 | (5.3%) | (7.8%) |
| Total International | 2,567 | 2,972 | (13.6%) | 6.5% | 665 | 762 | (12.8%) | 8.8% |
| | | | | | | | | |
| Total Coffee | 3,279 | 3,726 | (12.0%) | 3.6% | 834 | 933 | (10.7%) | 6.5% |

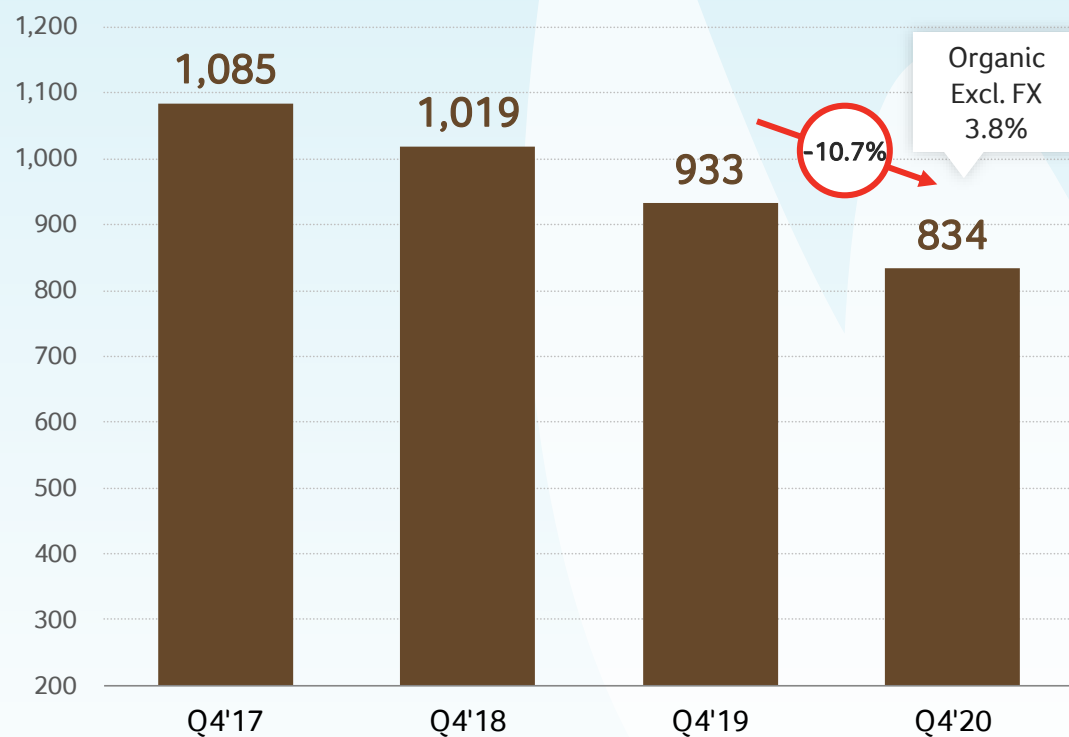
Note: (1) Três Corações joint venture (Brazil): a company jointly held by the Group (50%) and by the São Miguel Group (50%) (3C).

Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of December 31st, 2020.



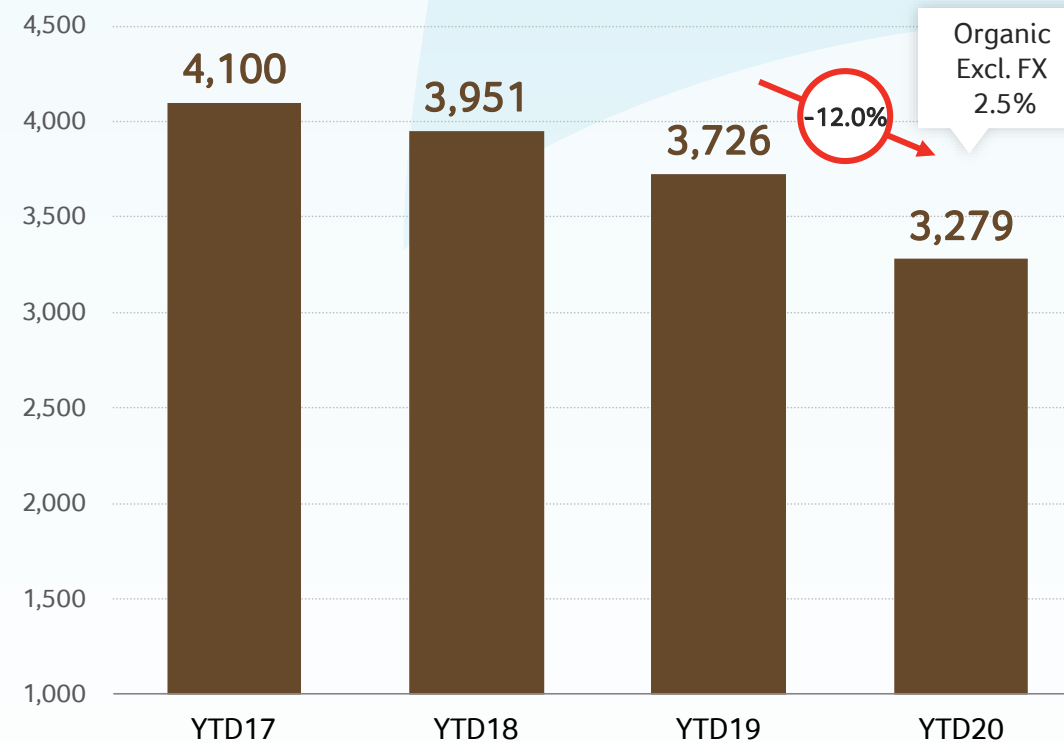
Q4 2020 Strauss Coffee Sales

NIS mm; Non-GAAP



YTD 2020 Strauss Coffee Sales

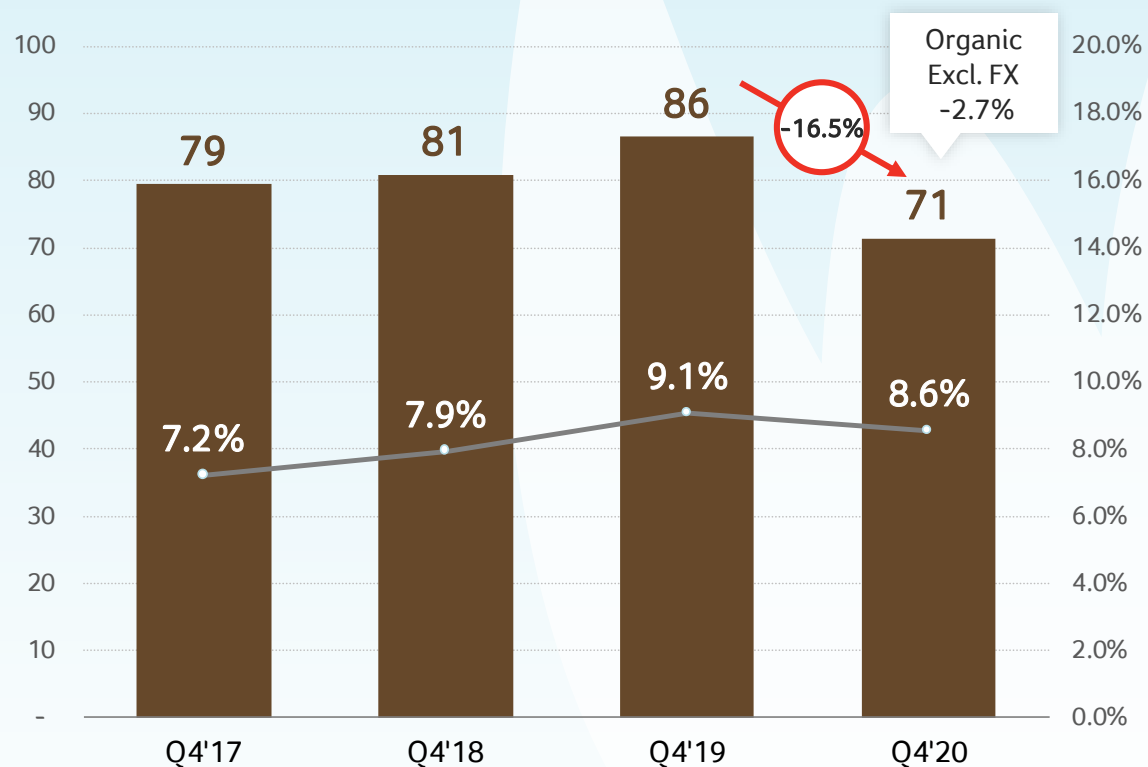
NIS mm; Non-GAAP





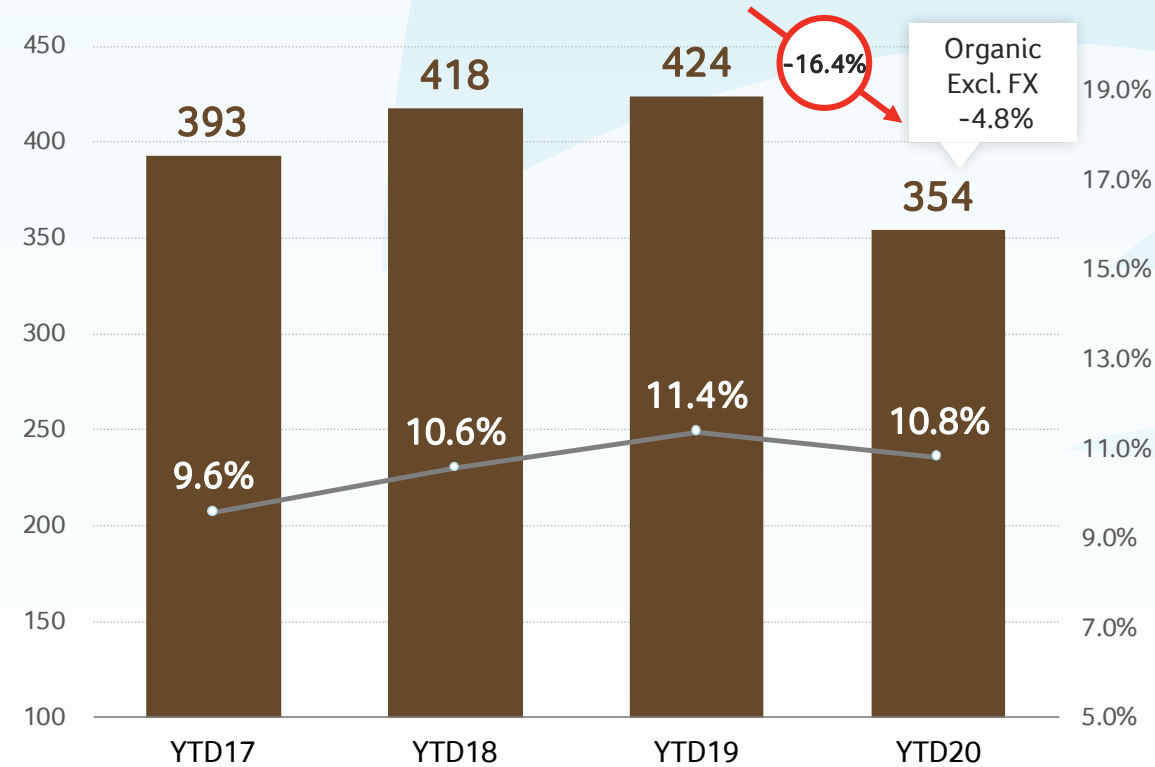
Q4 2020 Strauss Coffee EBIT & EBIT Margins

NIS mm; Non-GAAP



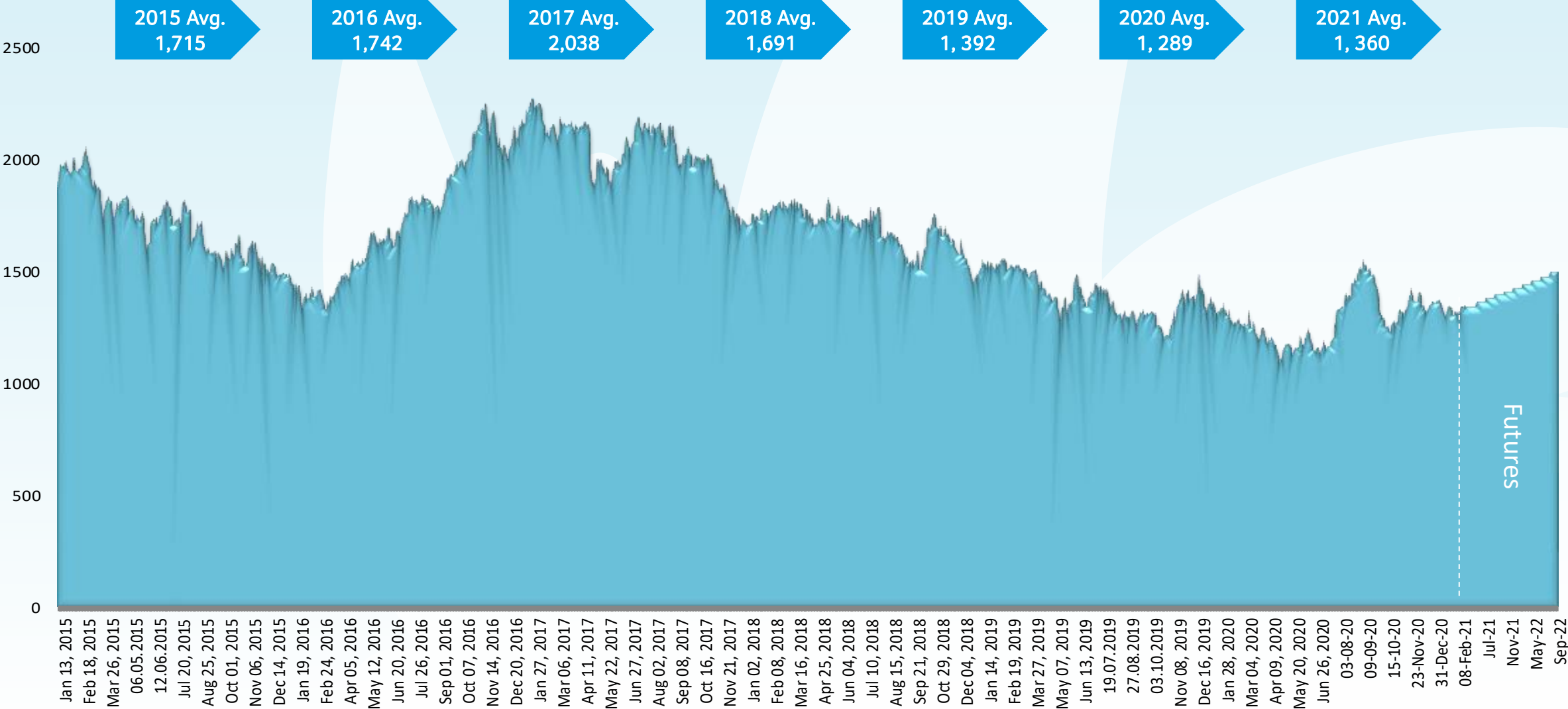
YTD 2020 Strauss Coffee EBIT & EBIT Margins

NIS mm; Non-GAAP



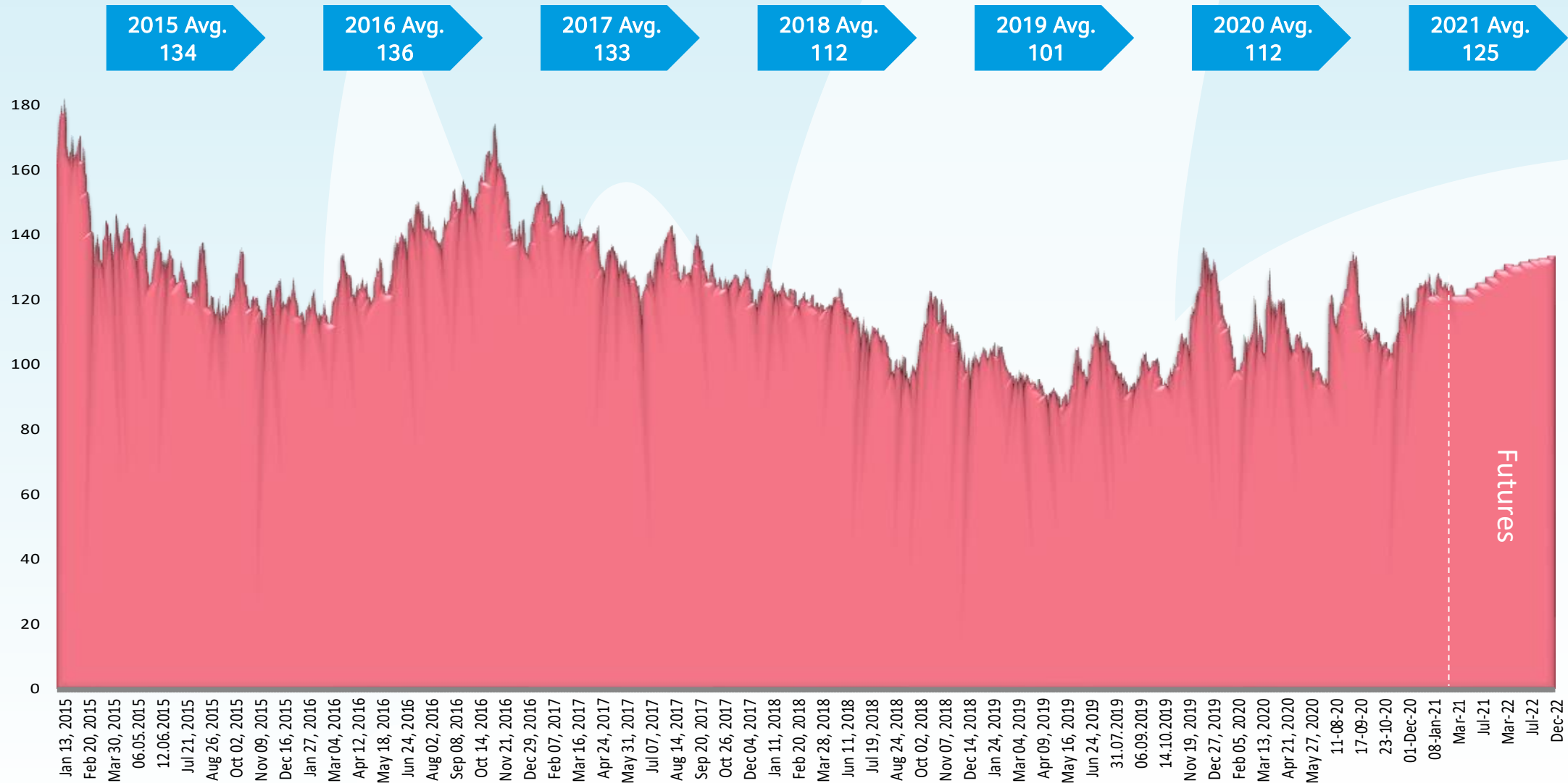
Robusta Historical & Futures Prices

2015-2021 (\$\T)



Arabica Historical & Futures Prices

2015-2021 (Cent\Lb)



Futures



International Dips & Spreads

Strauss D&S Non-GAAP Financial Highlights | YTD and Q4 2020 NIS mm; 50% share

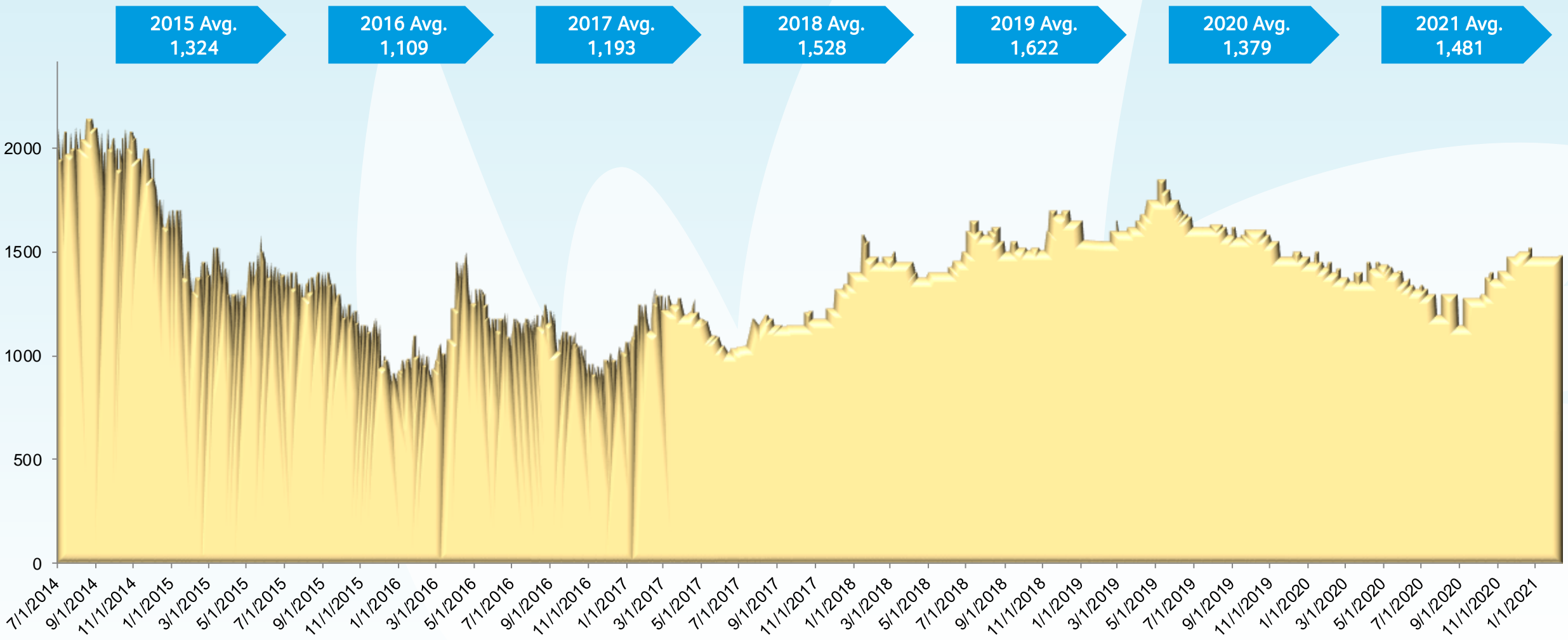


| Dips & Spreads (Non GAAP) | | | | | | |
|---------------------------|--------------|--------------|----------------|-------------|-------------|----------------|
| | YTD 2020 | YTD 2019 | % Chg. | Q4 2020 | Q4 2019 | % Chg. |
| Revenue: | | | | | | |
| Sabra (50%) | 642 | 684 | (6.5%) | 140 | 163 | (13.8%) |
| Obela (50%) | 82 | 86 | (5.3%) | 21 | 25 | (14.9%) |
| Total Revenue | 722 | 771 | (6.3%) | 161 | 188 | (13.9%) |
| EBIT: | | | | | | |
| Sabra (50%) | 63 | 79 | (20.0%) | 4 | 10 | (58.0%) |
| <i>Margins</i> | <i>9.8%</i> | <i>11.5%</i> | <i>(1.7%)</i> | <i>2.9%</i> | <i>6.0%</i> | <i>(3.1%)</i> |
| Obela (50%) | (7) | (8) | NM | (2) | (1) | NM |
| <i>Margins</i> | <i>NM</i> | <i>NM</i> | <i>NM</i> | <i>NM</i> | <i>NM</i> | <i>NM</i> |
| Total EBIT | 56 | 71 | (21.3%) | 2 | 9 | (76.6%) |
| <i>Margins</i> | <i>7.7%</i> | <i>9.2%</i> | <i>(1.4%)</i> | <i>1.3%</i> | <i>4.8%</i> | <i>(3.6%)</i> |
| EBITDA: | | | | | | |
| Total EBITDA | 83 | 97 | (15.1%) | 9 | 15 | (43.2%) |
| <i>Margins</i> | <i>11.4%</i> | <i>12.6%</i> | <i>(1.4%)</i> | <i>5.4%</i> | <i>8.2%</i> | <i>(2.8%)</i> |



Humera Sesame Prices

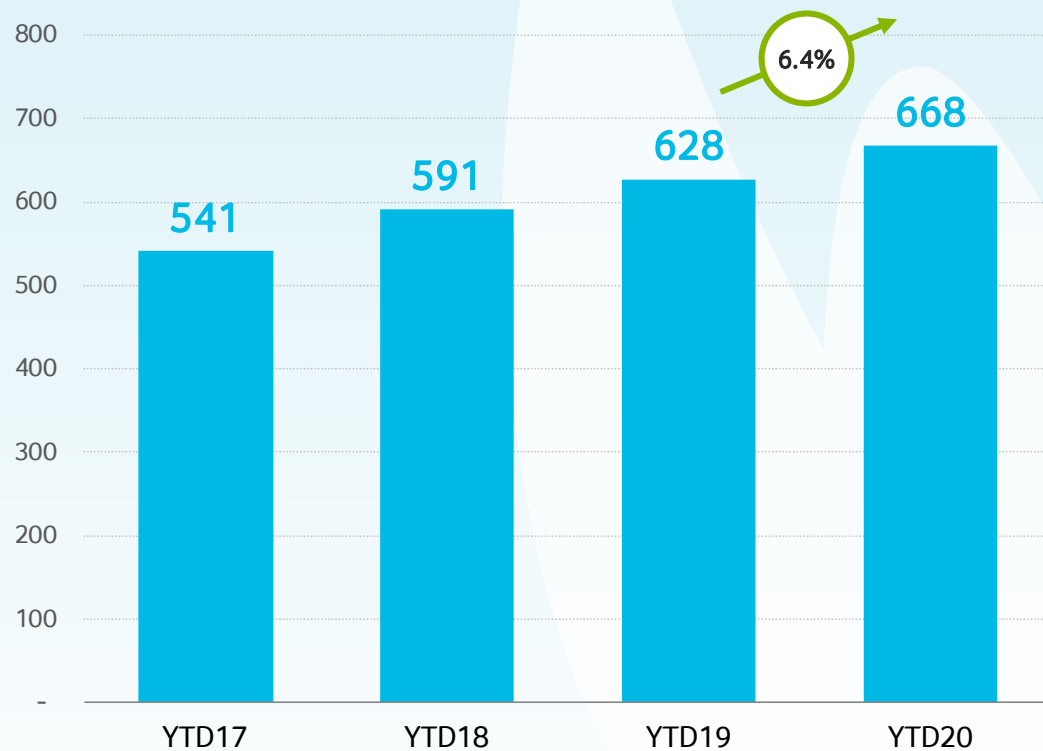
2015-2021 (USD/Metric Ton)





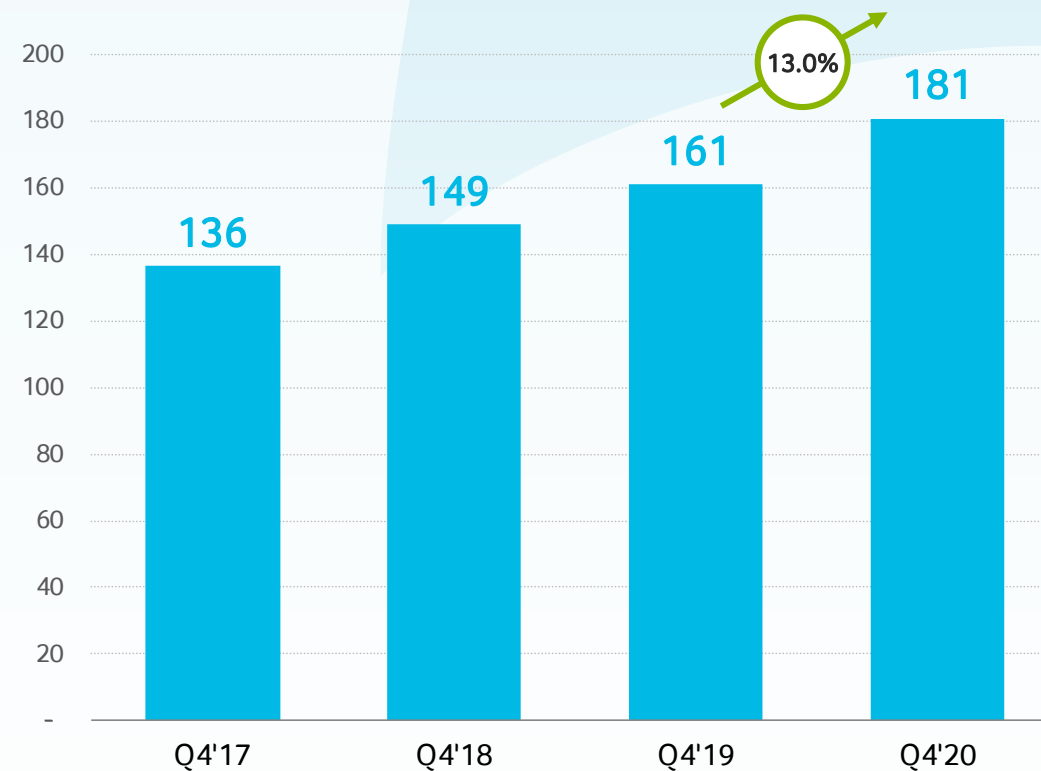
YTD 2020 Strauss Water Non-GAAP Sales

NIS mm; Non-GAAP



Q4 2020 Strauss Water Non-GAAP Sales

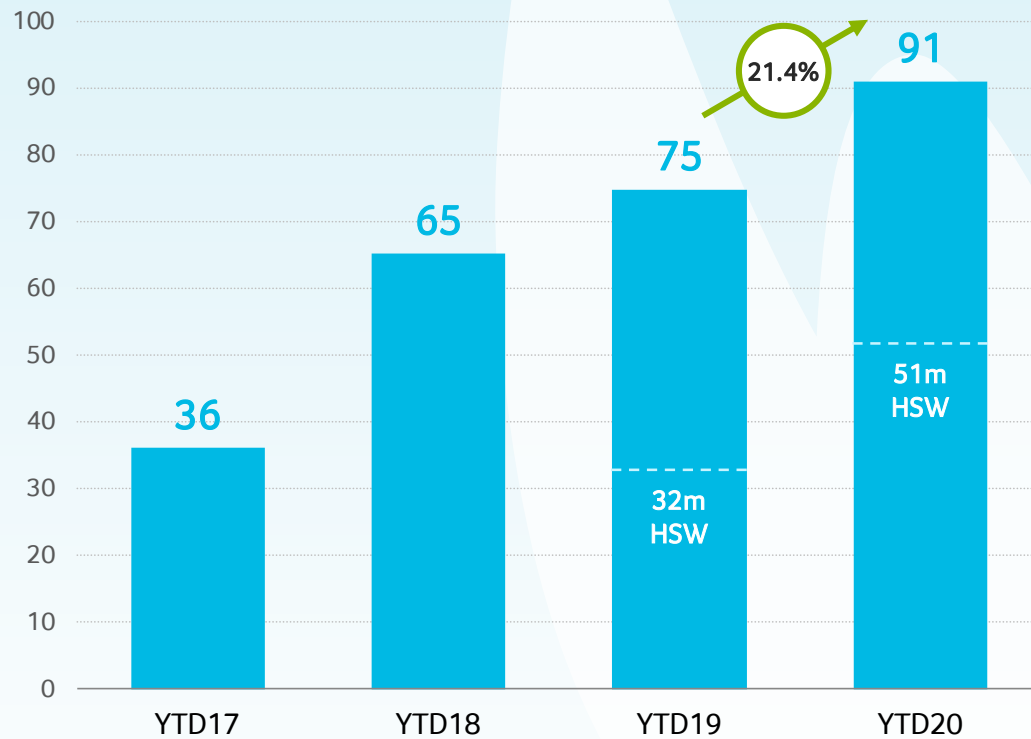
NIS mm; Non-GAAP





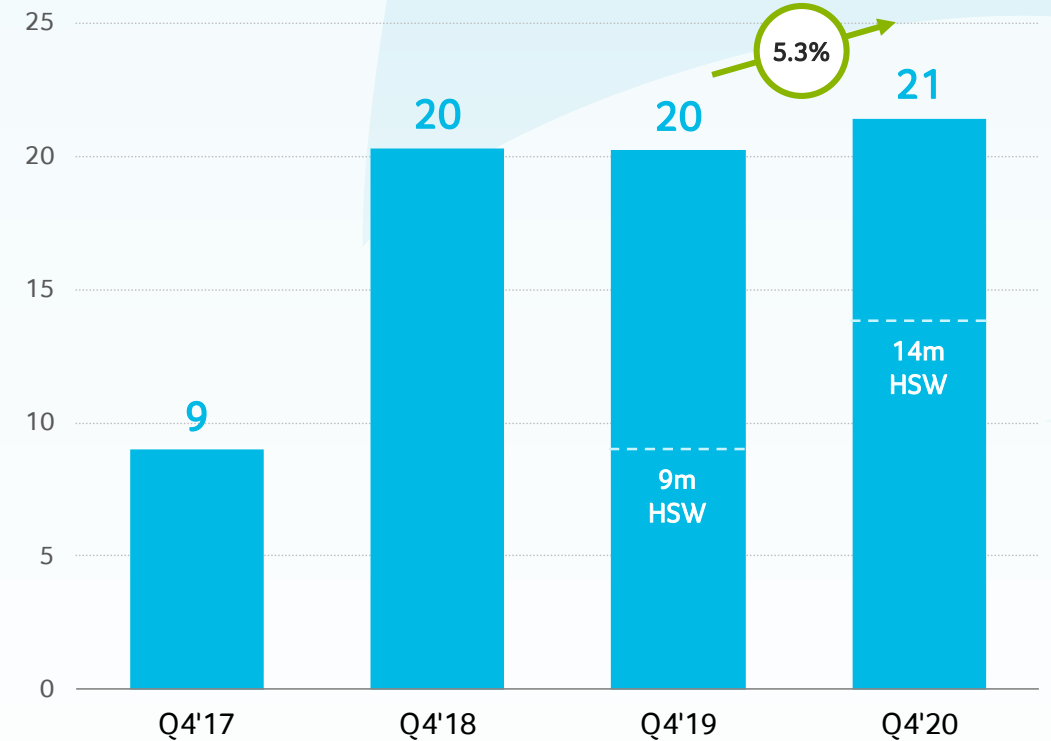
YTD 2020 Strauss Water Non-GAAP EBIT

NIS mm; Non-GAAP



Q4 2020 Strauss Water Non-GAAP EBIT

NIS mm; Non-GAAP



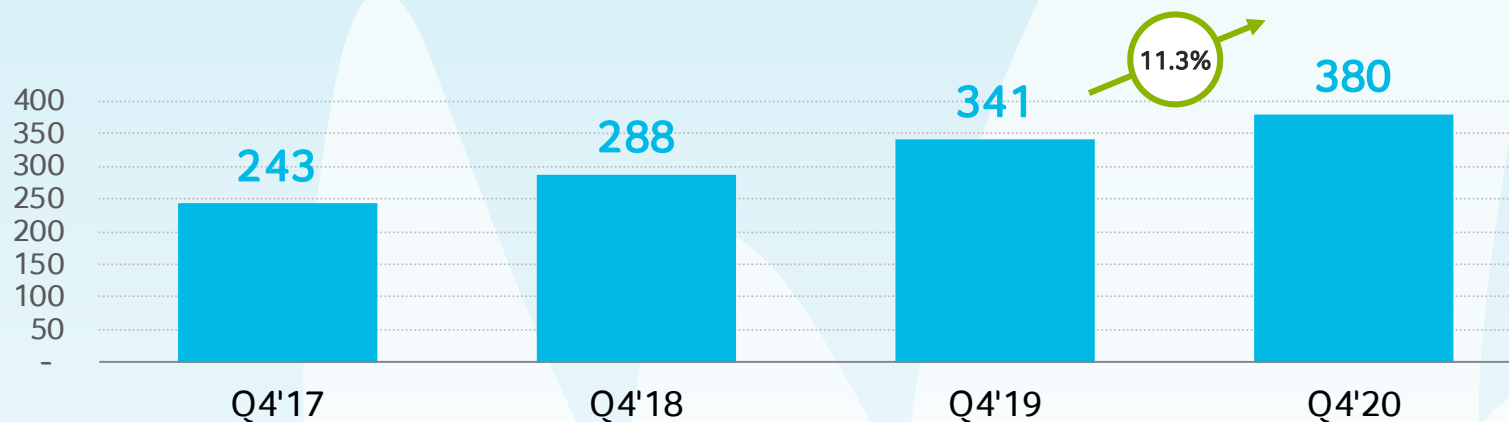


Haier Strauss Water Q4 Snapshot

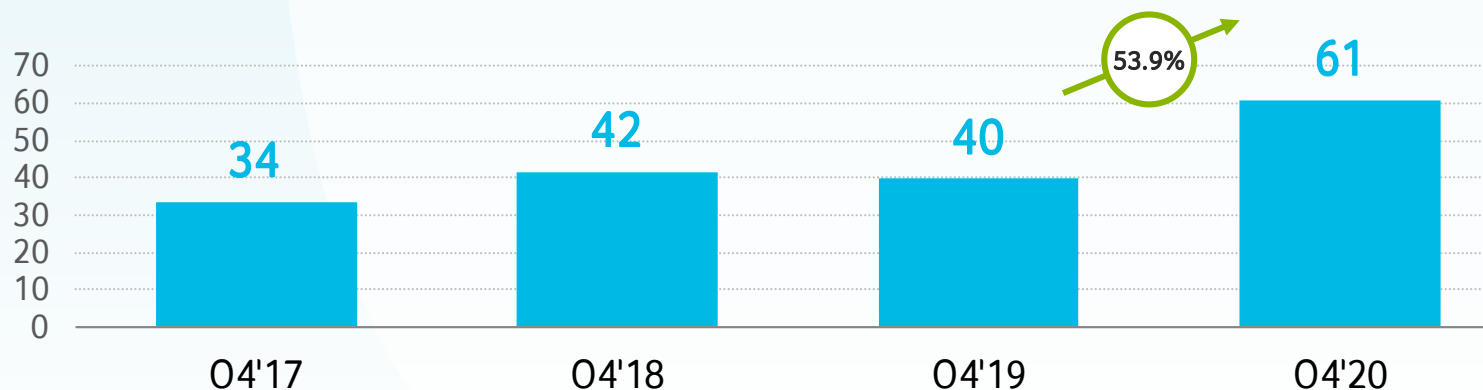
¥mm; Non-GAAP; for 100% share



Sales



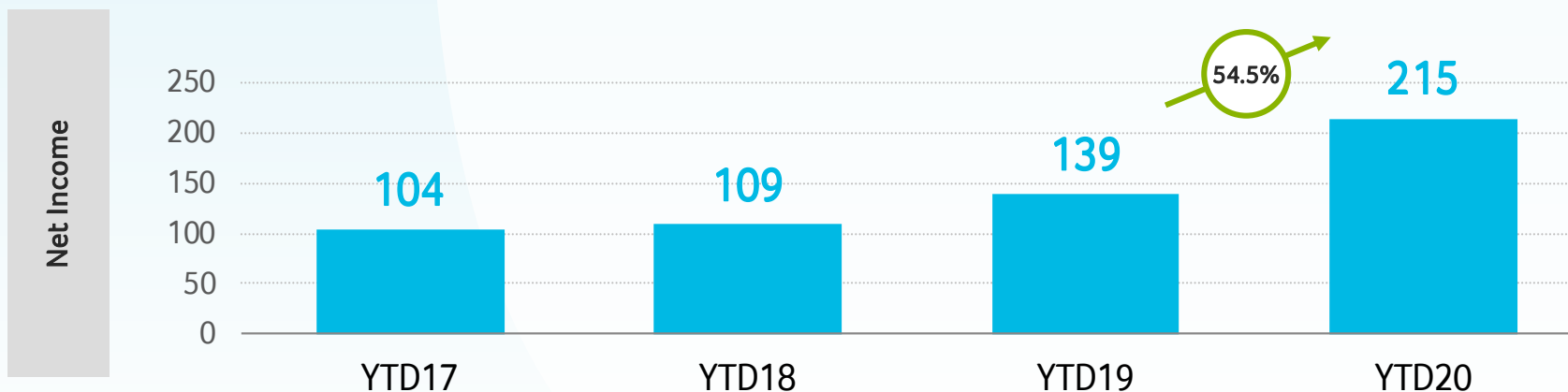
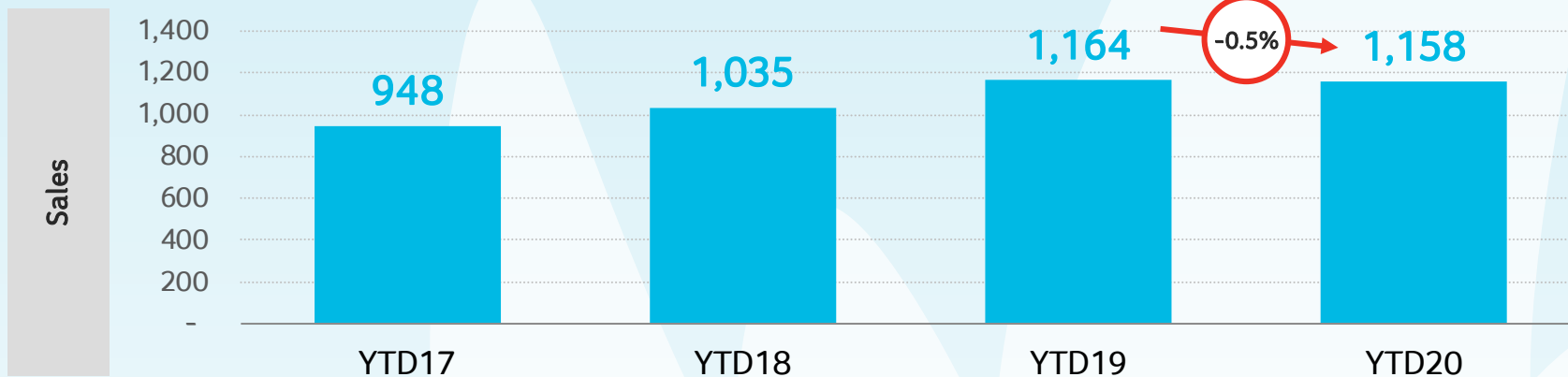
Net Income





Haier Strauss Water YTD Snapshot

¥mm; Non-GAAP; for 100% share





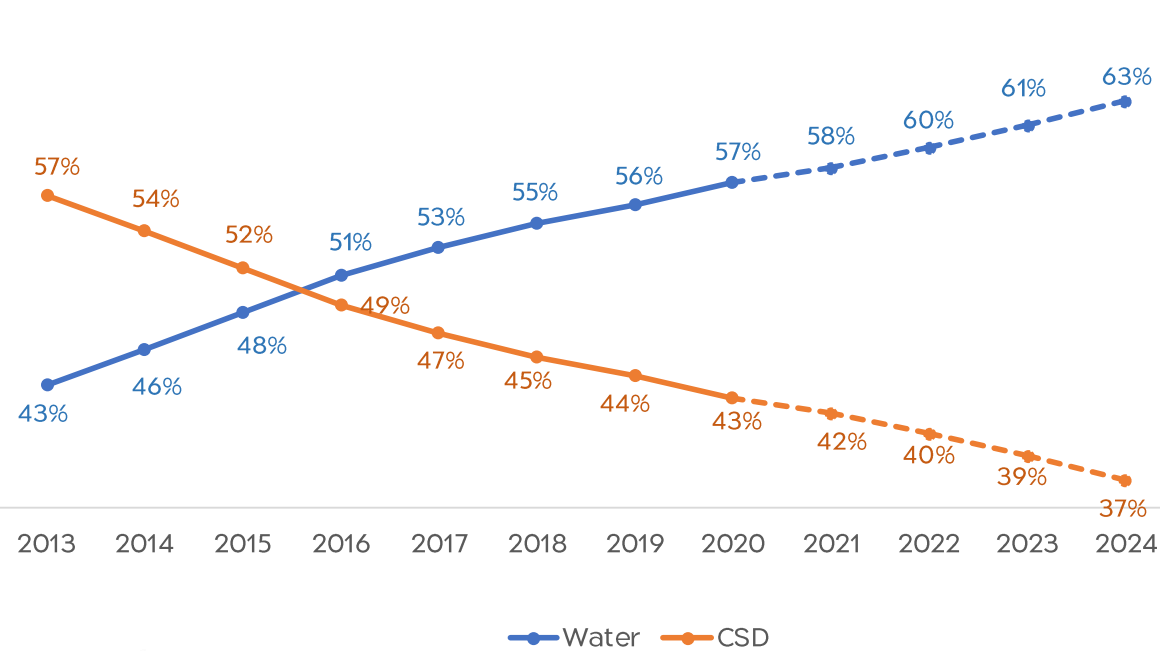
Strauss Water Overview

Ronen Zohar – Deputy CEO Strauss Group
Chun Hoe Fong – Deputy CEO Haier Strauss Water

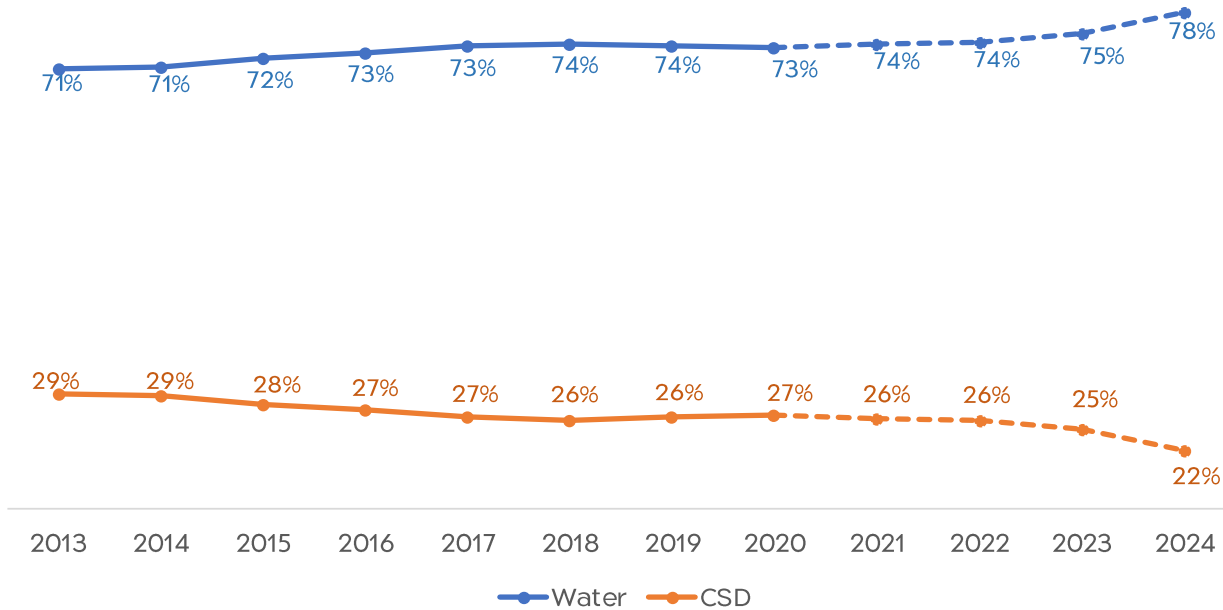
People all over the world prefer and consume more water over carbonated soft drinks



Volume market share in USA (%)



Volume market share in Western Europe (%)



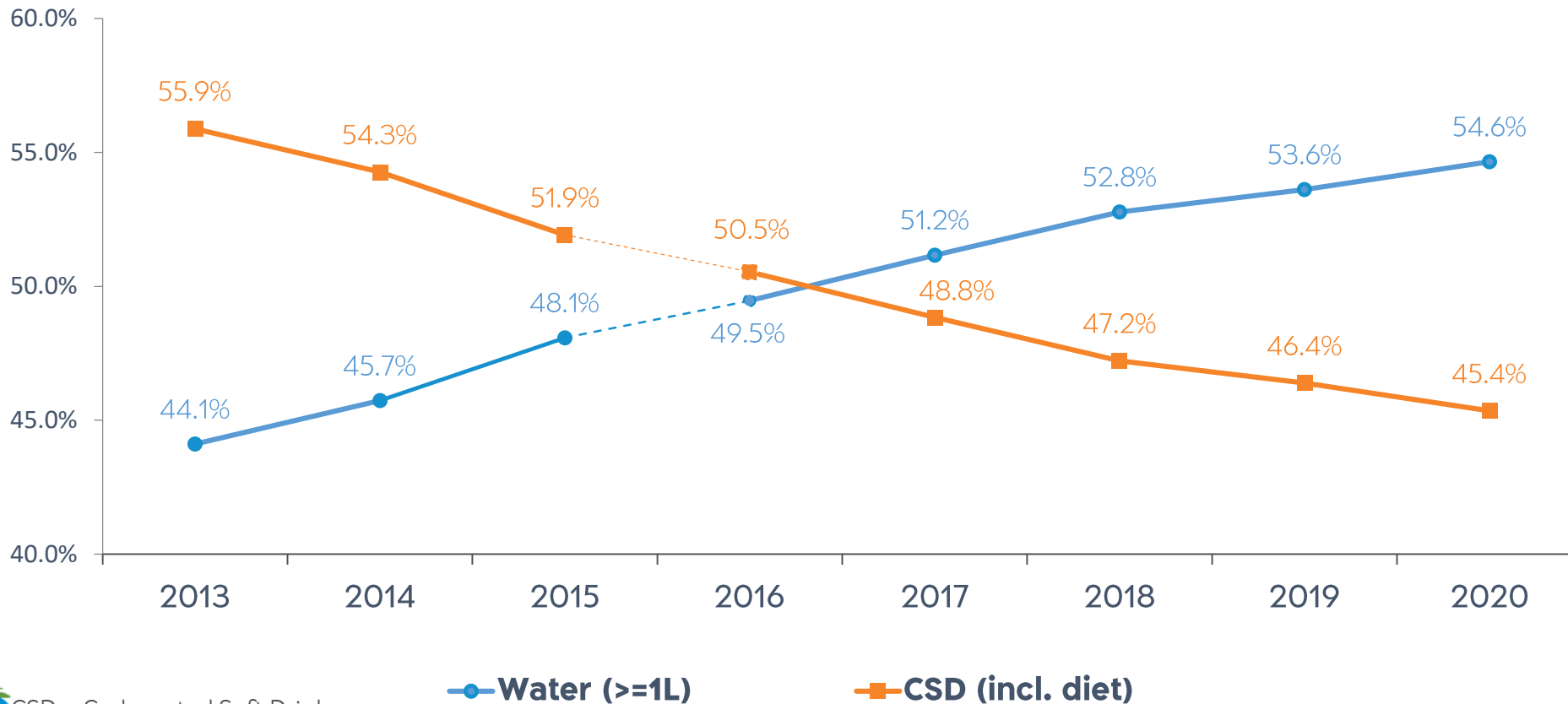
CSD = Carbonated Soft Drinks
Source: 2021 Mintel Group Limited.

We can see it also in our home base



Volume market share in Israel (%)

As a percentage of all types of beverages



CSD = Carbonated Soft Drinks
Source: Storenext,



**Experience
& Convenience**



**Health
Wellness
& Trust**



Sustainability

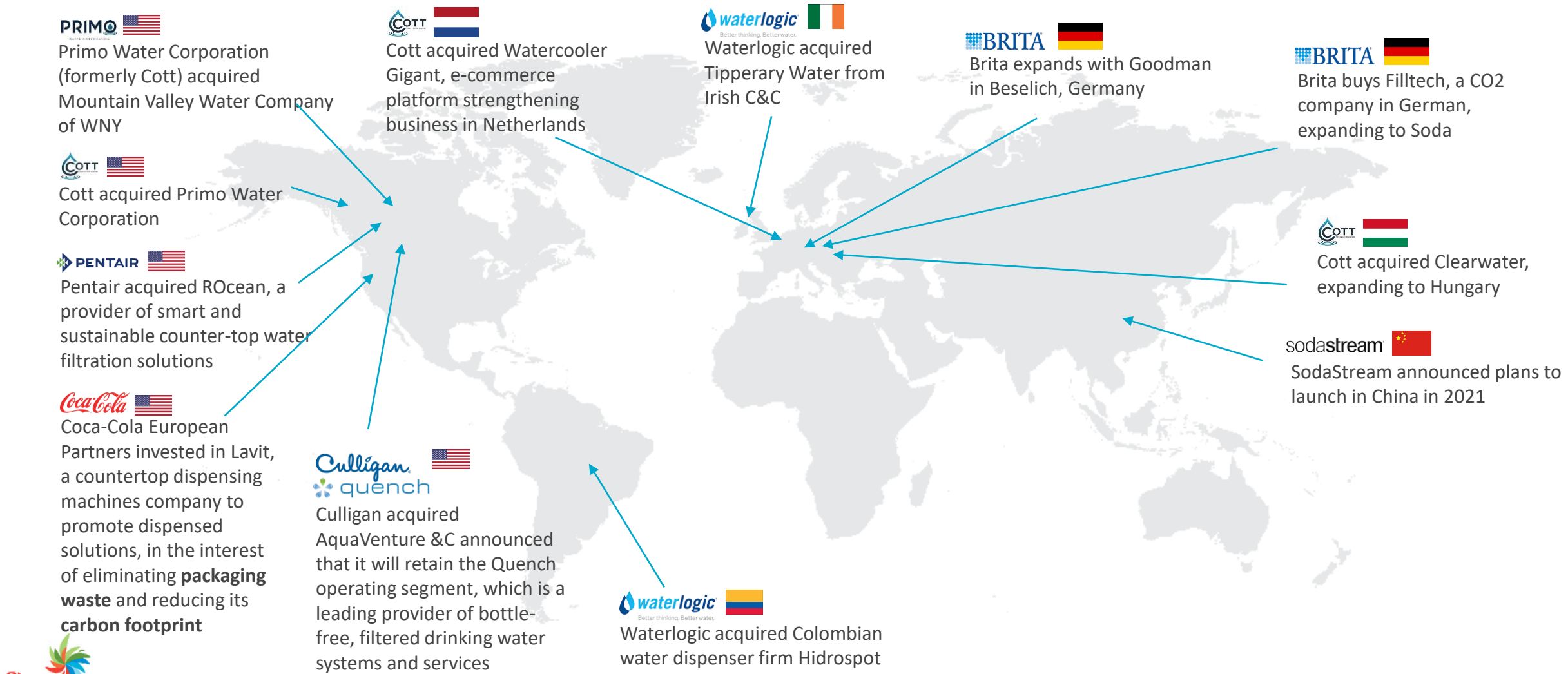


Personalization

Point of Use (POU) Market Aligned With Mega Trends That Shape Our Offering



The global Point-Of-Use water treatment systems market size is projected to grow from USD 15.0 bn in 2020 to USD 23.4 bn by 2025, at a CAGR of 9.29%*
In 2020 we saw the continuation of the consolidation trend



* source: Markets & Markets



**Experience
& Convenience**



**Health
Wellness
& Trust**



Sustainability



Personalization

The developing post Corona "new normal" is an opportunity to accelerate Strauss Water's growth



In China, a transition was made during the Corona pandemic, from quality water to healthy water



The Corona pandemic accelerated health trends and the avoidance of plastic

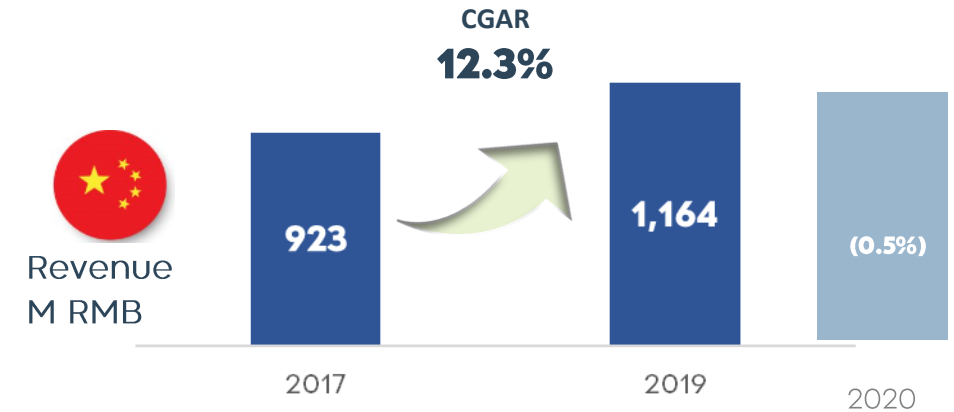
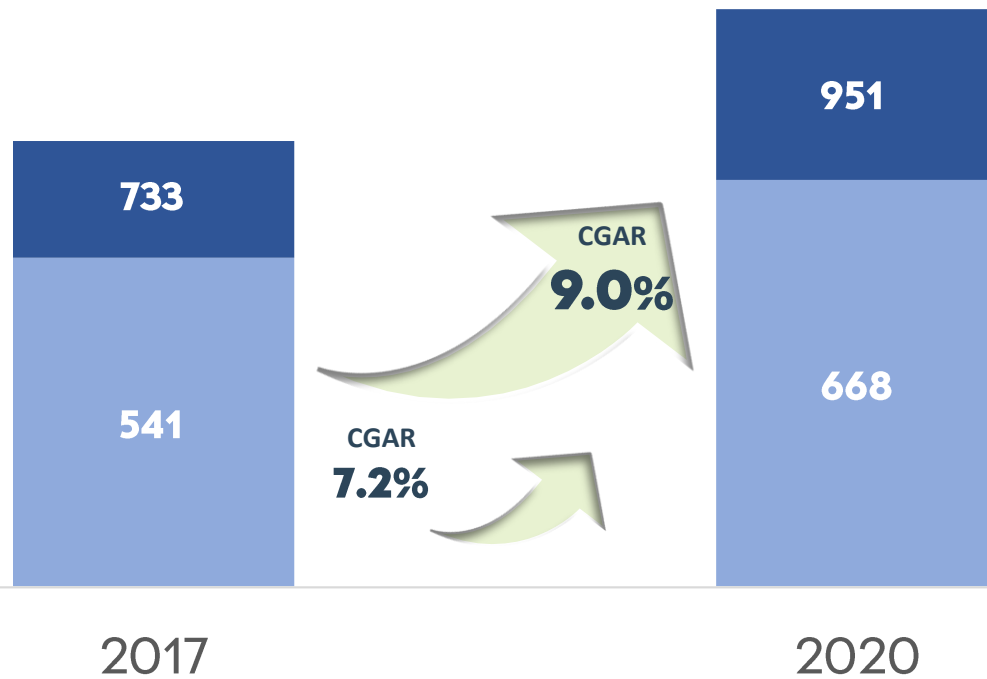


30% of Israelis say they are drinking more water compared to the period before the corona pandemic

Our Water solutions provide a perfect response to leading global trends

This results in 4 year CAGR of 9%

Revenue in M NIS



■ SW ■ SW including our share in HSW





Strauss Water Israel

**SWI keeps leading
the POU market**

**Maintaining a strong and a stable
market leadership with 30%
household penetration**

More than 730,000 customers

**A leap forward in the
digital transformation
journey**

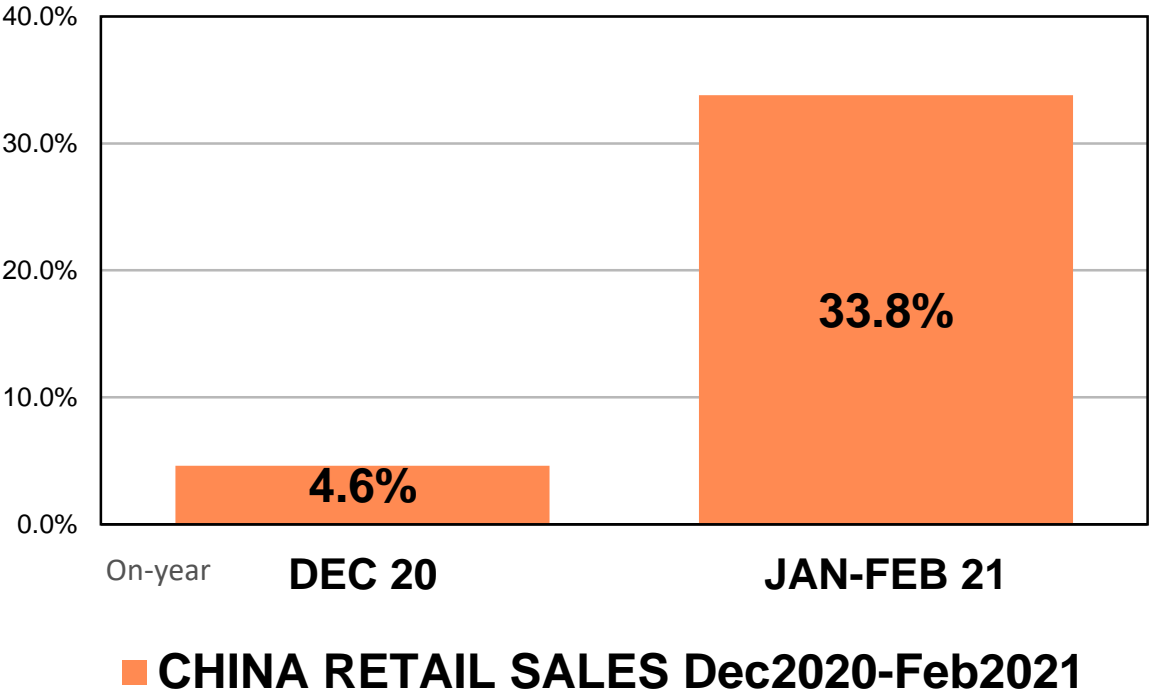
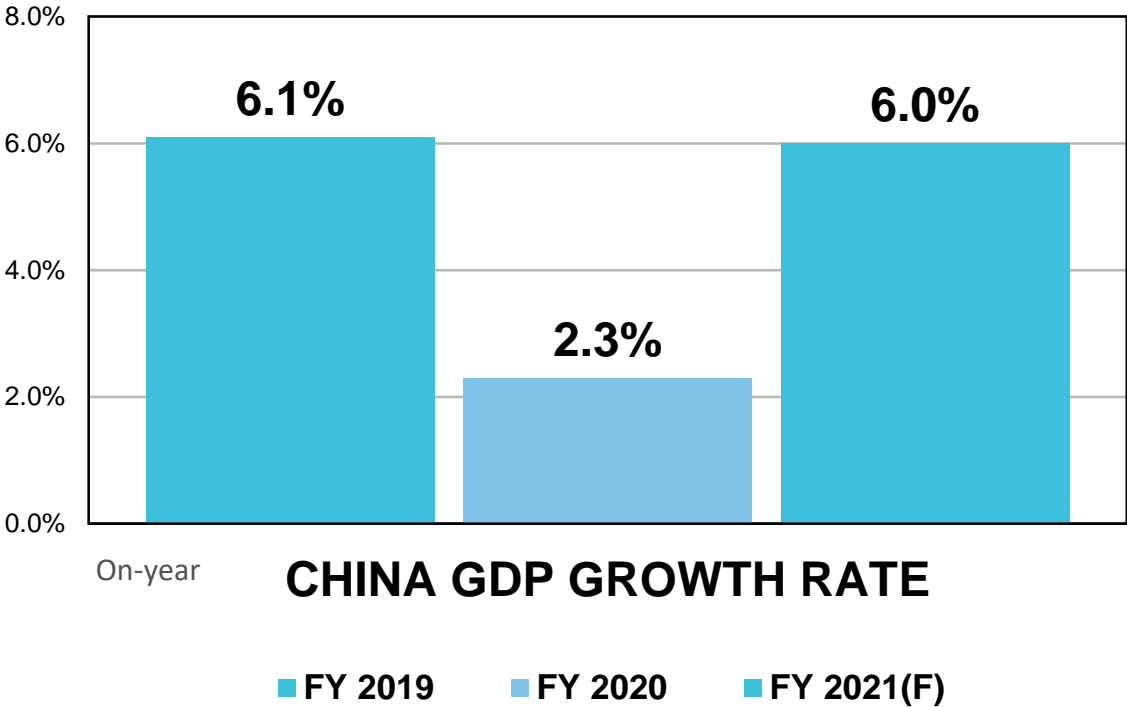
**~55% of our customers use digital
channels for service**

~15% of our customers buy online



China Haier Strauss-Water (HSW)

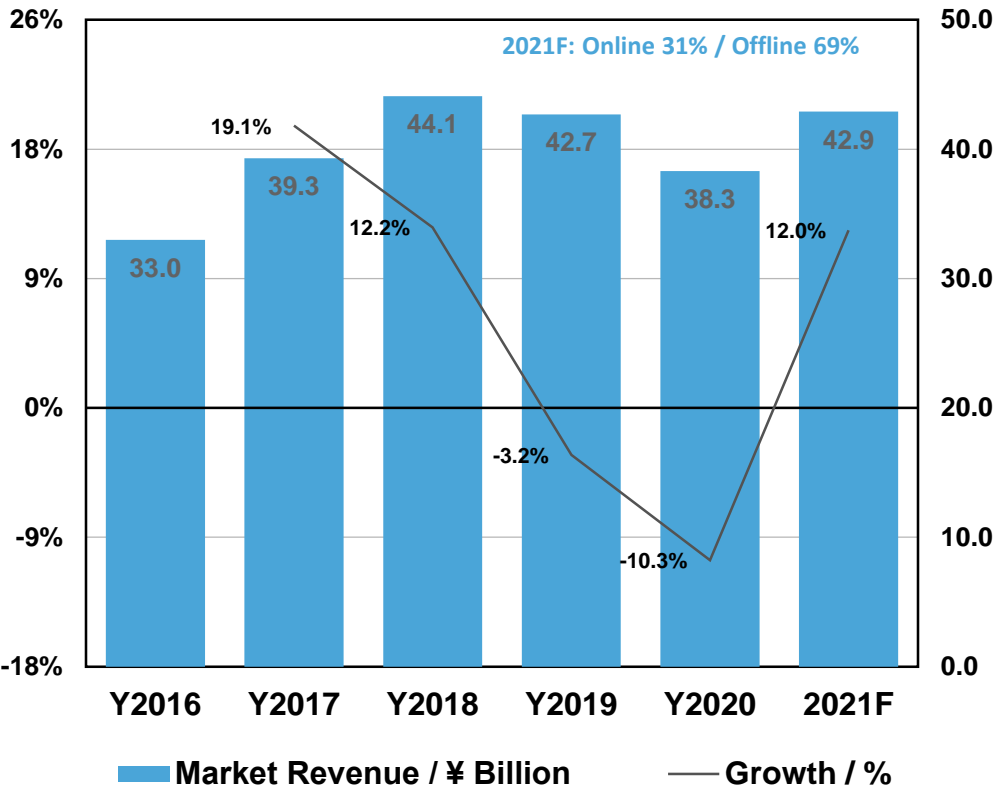
China GDP & Retail Sales Rebound in 2021



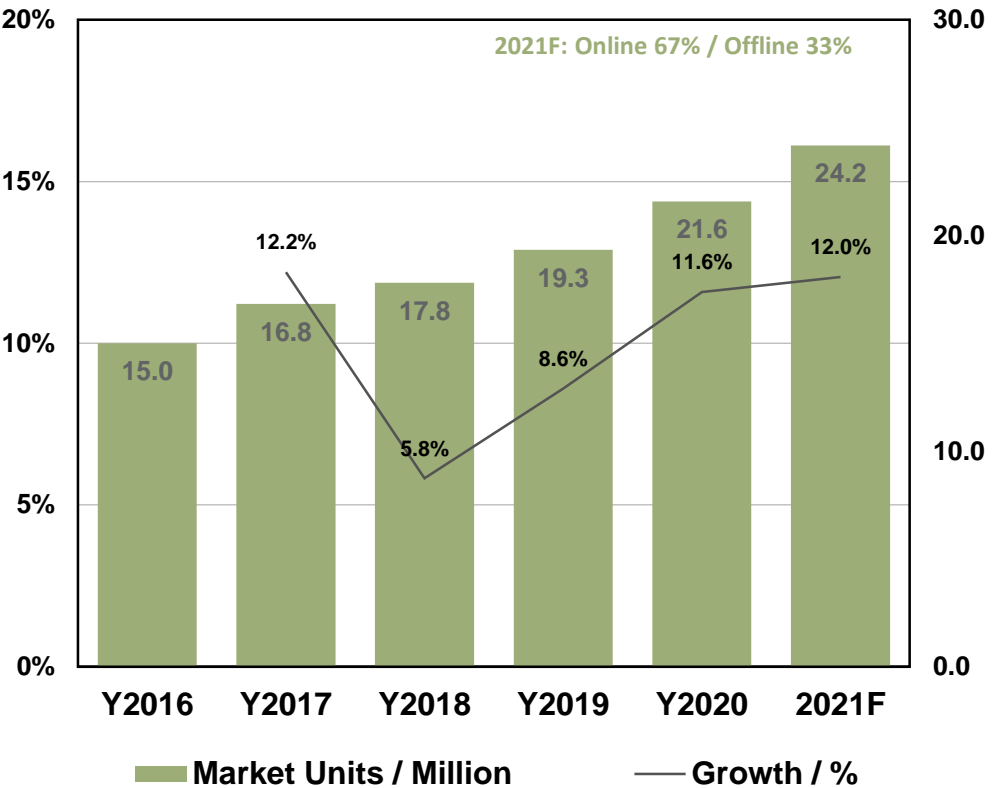
Source: CNA Channel News Asia

China Filtered Water Market Y2016-2021F

China Filtered Water Market Value
Y2016-2021F



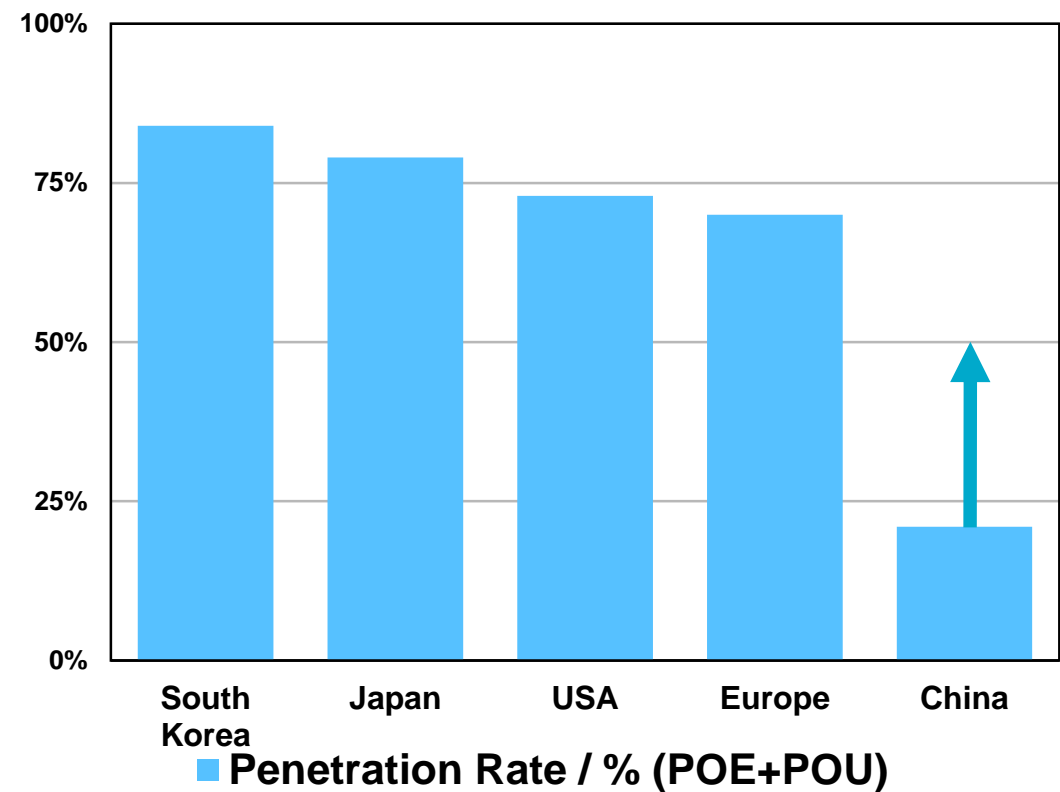
China Filtered Water Market Units
Y2016-2021F



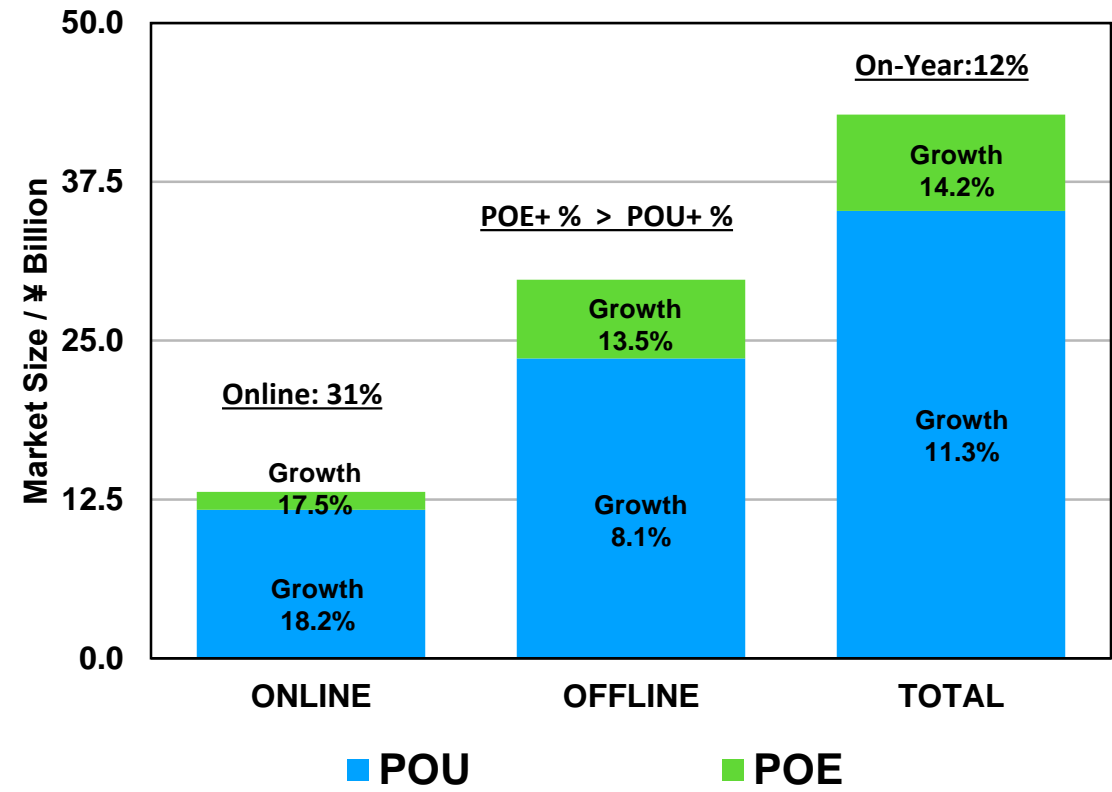
Source: Beijing ZhongYiKang / 北京中怡康

China Filtered Water Market Dynamics

Y2019 Filtered Water Penetration Rates



2021F Point-of-use (POU) & Point-of-Entry (POE) Market Size & Growth Forecast

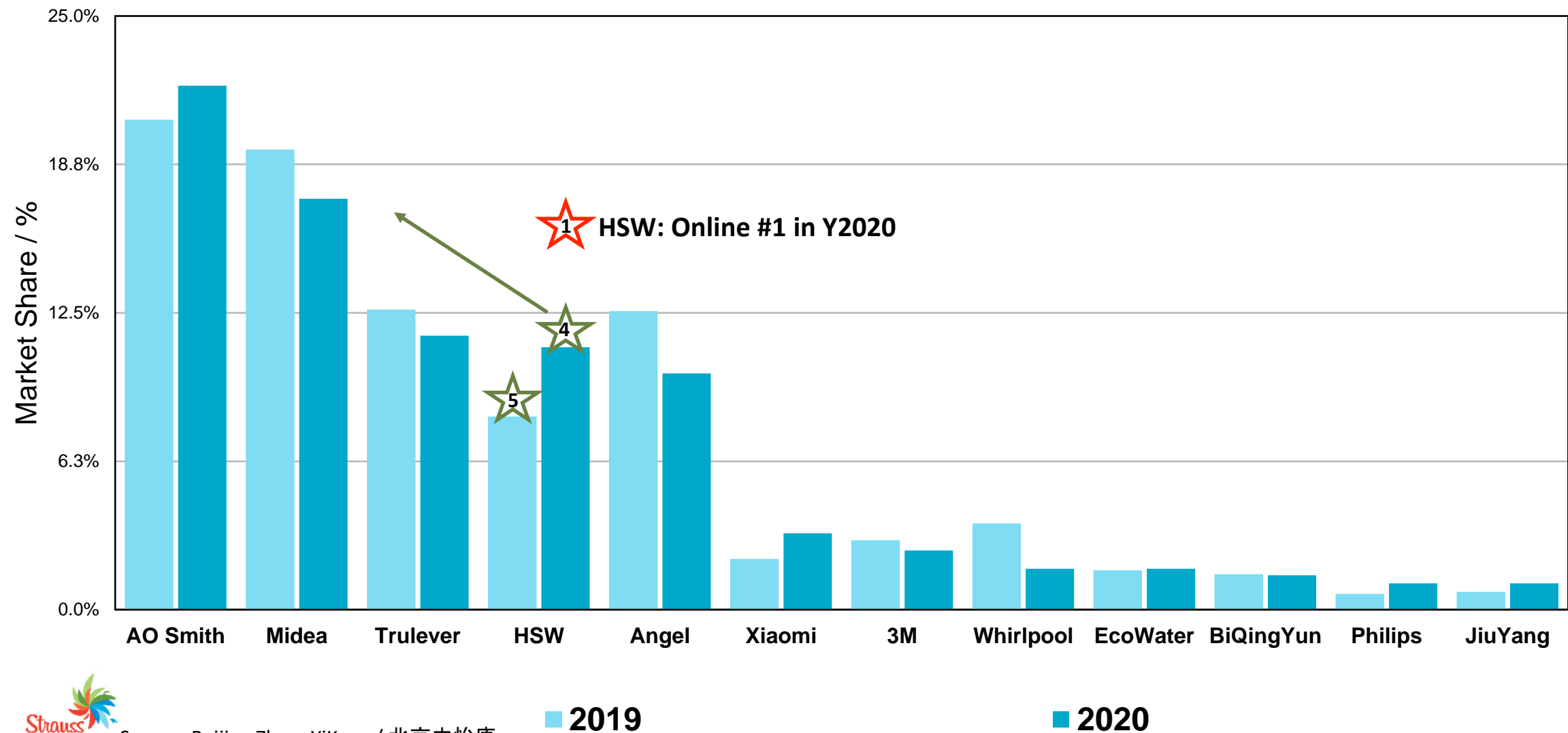


Source: askci.com / 中商产业研究院

Source: Beijing ZhongYiKang / 北京中怡康

China Water Market Competition / 2019-2020

Competitive Lanscape of Filtered Water Industry 2019-2020



Source: Beijing ZhongYiKang / 北京中怡康

HSW Growth Impetus

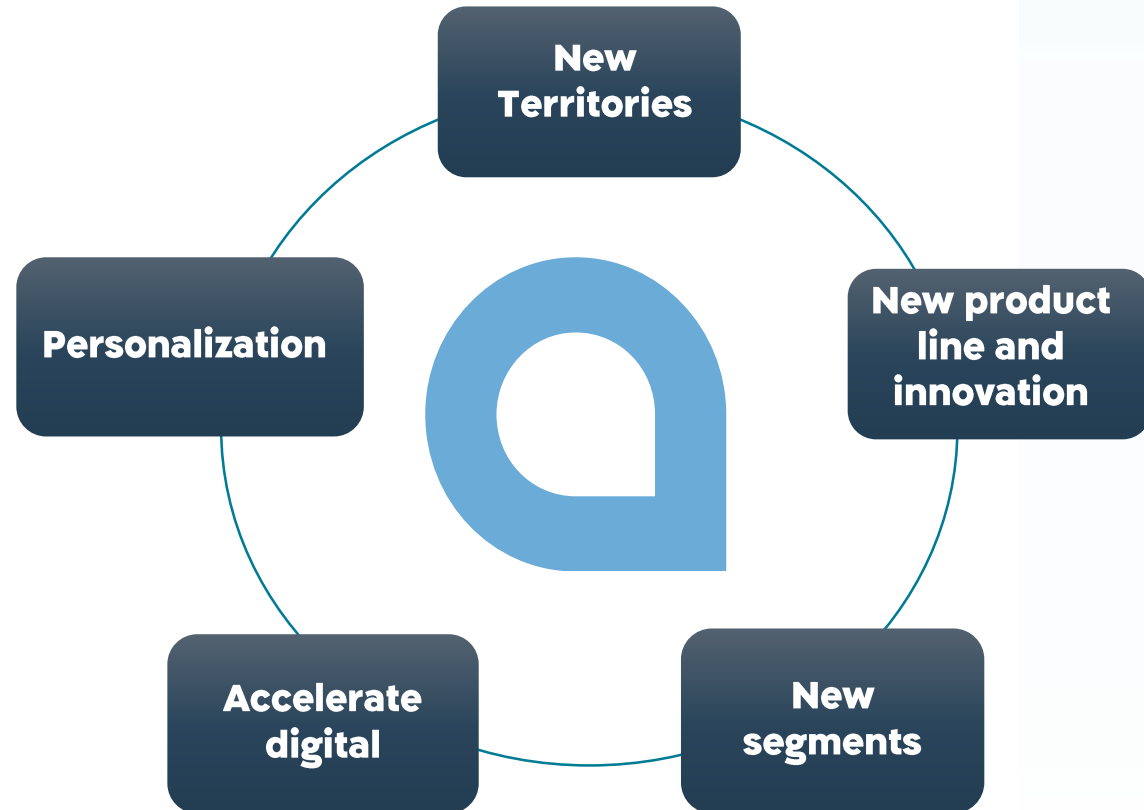
Key Strengths:

1. Quick COVID Recovery & Market Response
2. Directed more focus to Online Channel
3. Safe Water to Healthy Water solutions
4. Integration of Strauss-Water Technology Innovations
5. Add-on focus to Whole-House & Point-of-Entry segments
6. Setup New Manufacturing & Technology Hub



New Manufacturing & Technology Hub

And we plan to do more





Thank You

For further details please contact:

Daniella Finn | Investor Relations

Phone: + 972-3-675-2545

Daniella.finn@Strauss-Group.com

www.strauss-group.com

