

STRAUSS GROUP

UPDATED STRATEGY
2024-2026



SHAI BABAD / CEO & PRESIDENT, STRAUSS GROUP / MARCH 2024

A photograph of a family in a garden. A man with a white beard and a young girl are in the foreground, smiling and looking at a tomato plant. A woman is visible in the background. The garden is lush with green plants and ripe tomatoes.

EVERYTHING WE DO IS
DRIVEN BY OUR
PURPOSE OF

Nourishing a better tomorrow

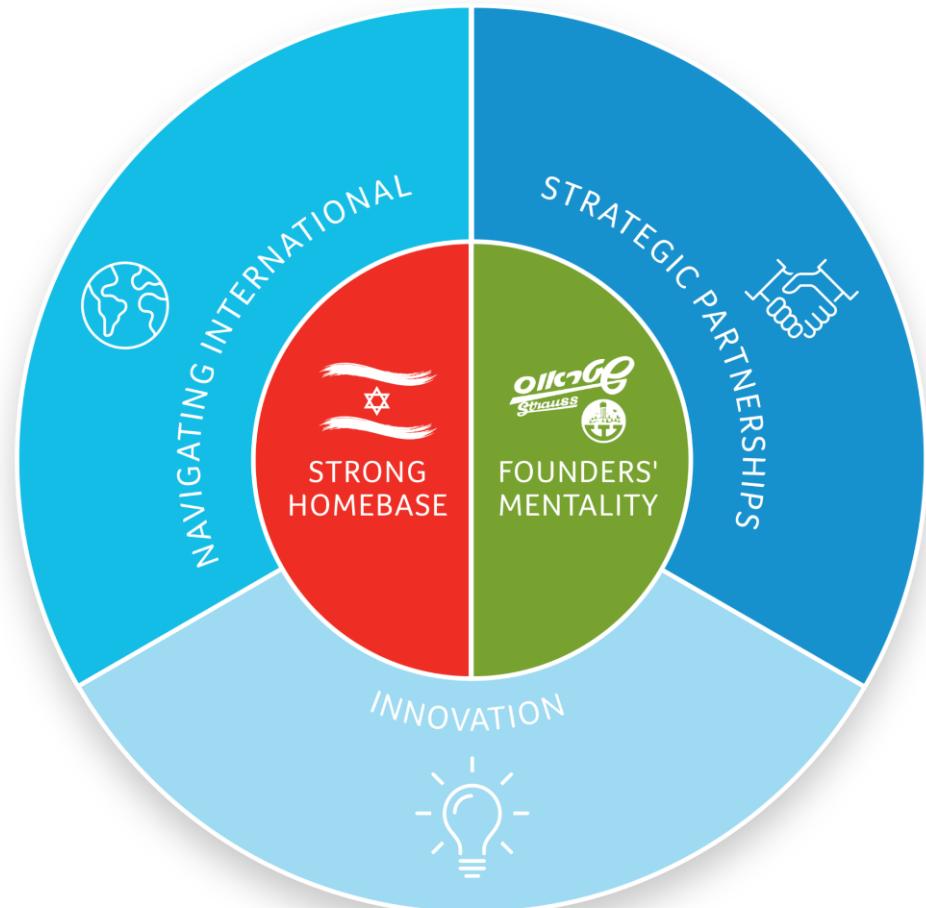


STRONG FUNDAMENTALS

ASSETS

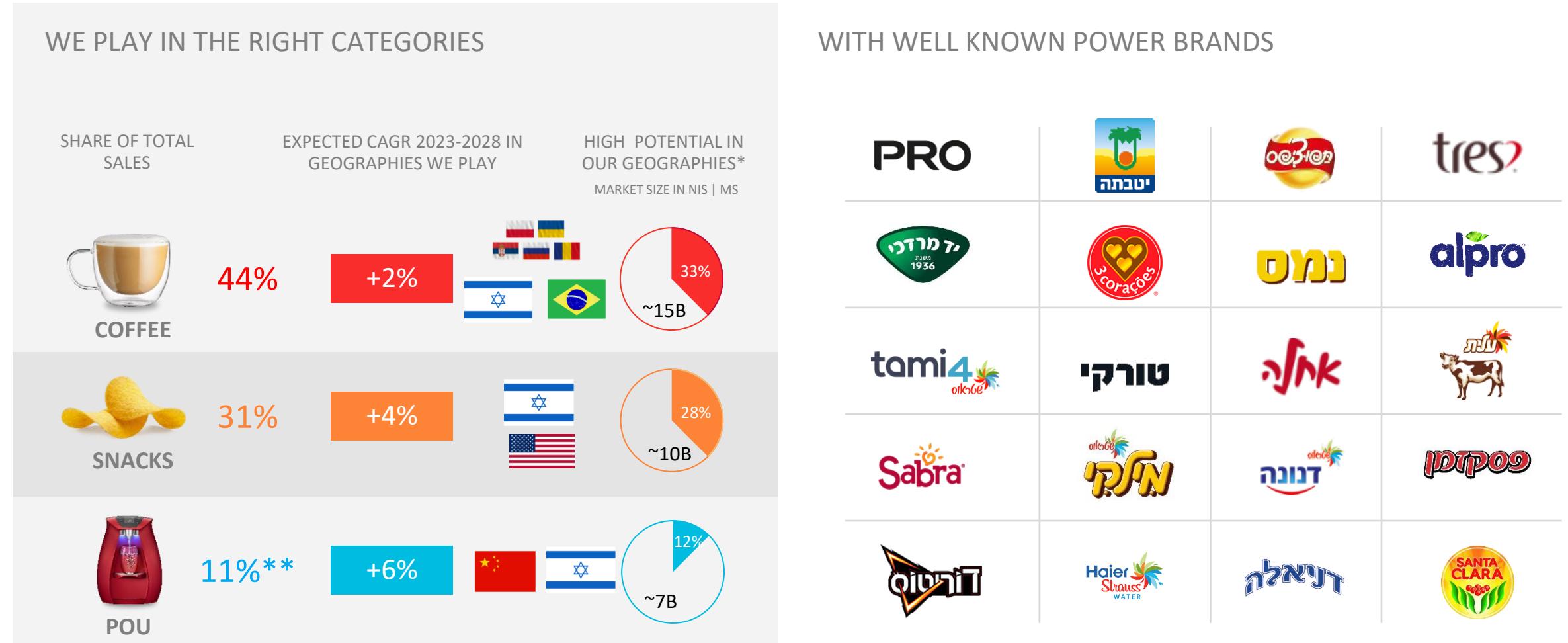
PEOPLE	Highly devoted and capable people with a shared sense of pride & commitment
INFRASTRUCTURE	Widespread manufacturing facilities and a unique leveraged Go To Market
BRANDS	Strong well known and loved brands with consumer loyalty
PORTFOLIO	Growing, on-trend & diverse categories, geographies and partners

UNIQUE COMPETITIVE EDGE





WE PLAY IN THE RIGHT CATEGORIES SUPPORTED BY LEADING POWER BRANDS



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



2026+

ACCELERATE
GROWTH



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

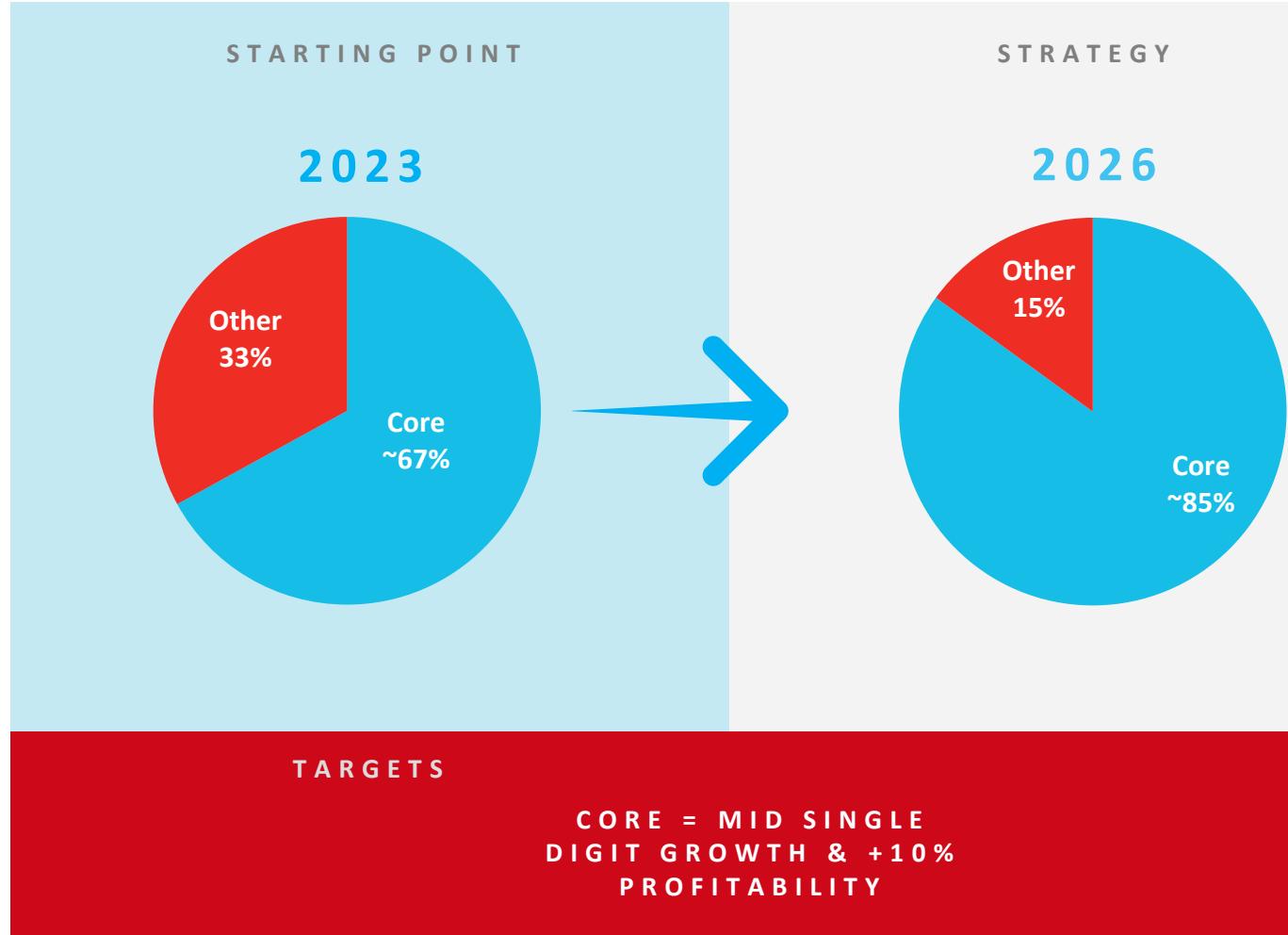
- Build **plant-based solutions & Innovation** around the core in **Israel**
- Expand **Non-R&G** and beyond **coffee** in **Brazil** through M&As and organic growth
- Grow **China** and enter **new geographies** in Water

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

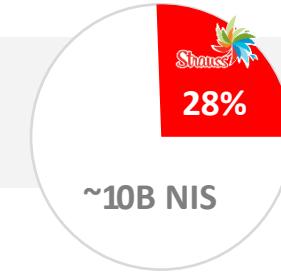
**Consumer
centricity**

Improving engagement with
communities, occasions & choices





MARKET SIZE**



WE ARE A UNIQUE SNACKING POWERHOUSE



46%
Out of Total
SG Sales*

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



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

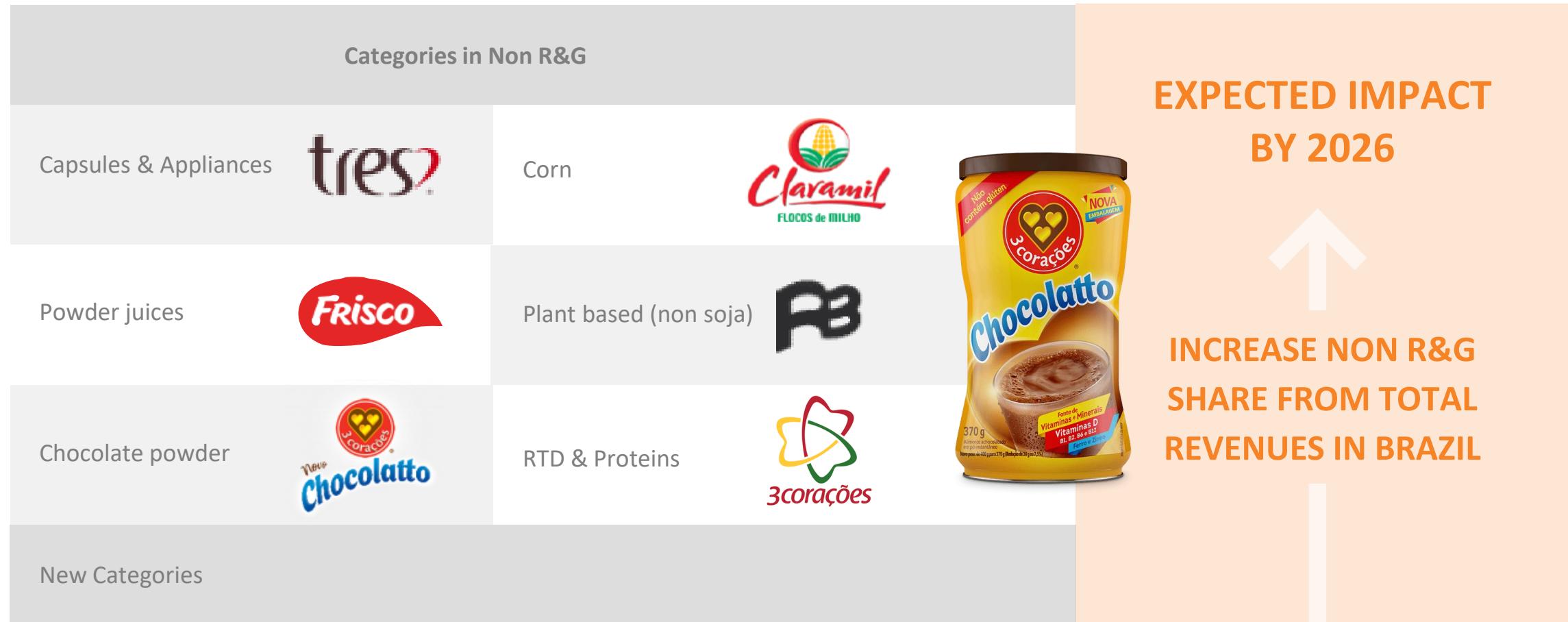
#1	Maintain No.1 position in Coffee
↑	Increase share of Non- R&G sales by 2026
~200K	2026 Customers in Brazil, 3X vs 2021
Growth and profitability	Continuous improvement



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



Increase Non-R&G activities & Beyond coffee





DOUBLE DOWN ON PRODUCTIVITY TO INCREASE PROFITABILITY

28%
Out of Total
SG Sales*



2026 TARGET

EXPECTED IMPACT BY 2026

IMPROVE OPERATING MARGIN

2026 TARGET	EXPECTED IMPACT BY 2026
Higher coffee gross profit per kg	↑
✓ Optimize RGM	IMPROVE OPERATING MARGIN
Focus on business transformation	IMPROVE OPERATING MARGIN
Productivity improvement	IMPROVE OPERATING MARGIN
✓ Logistics and selling	
✓ G&A and marketing focus	
✓ Infrastructure Scalability	
Increase non-R&G, less volatile activities	
Increase from overall business	

2026 TARGET

- Higher coffee gross profit per kg
- ✓ Optimize RGM

EXPECTED IMPACT BY 2026

IMPROVE OPERATING MARGIN

2026 TARGET

- Focus on business transformation
- Productivity improvement
- ✓ Logistics and selling
- ✓ G&A and marketing focus
- ✓ Infrastructure Scalability

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

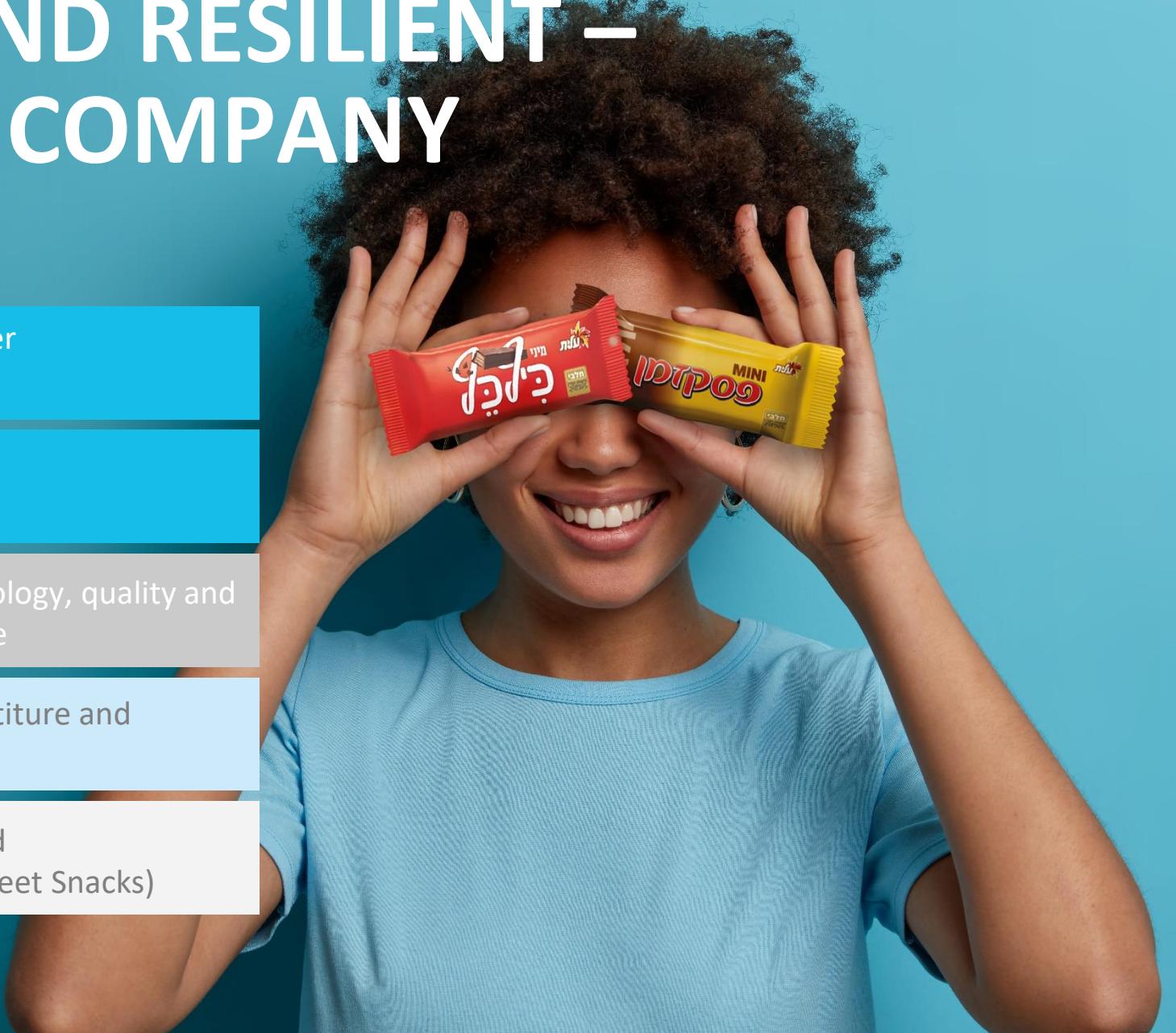
**Product
portfolio**

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

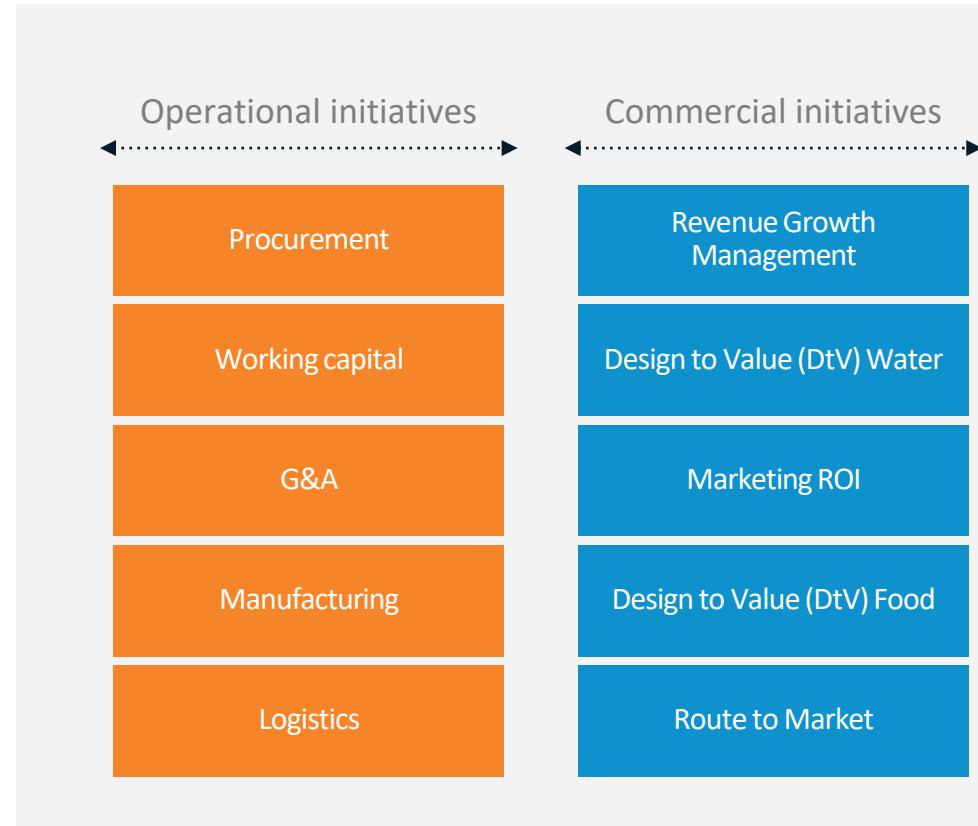
- Purpose-driven
- Caring and inclusive
- Employee experience for joy, belonging and inspiration

CULTURE TRANSFORMATION WILL BOOST PERFORMANCE



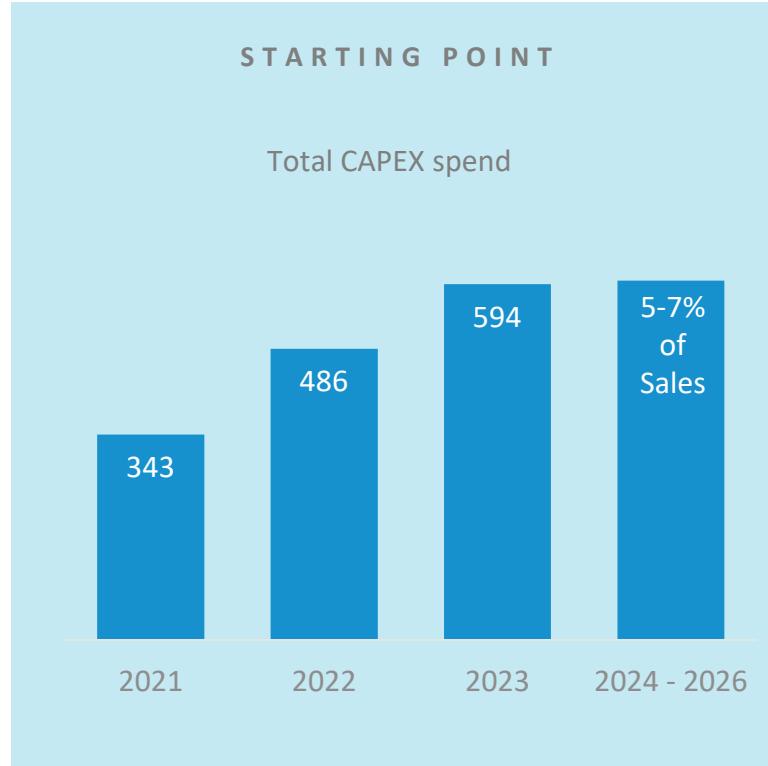
WE HAVE EMBARKED ON A TRANSFORMATION JOURNEY

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





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





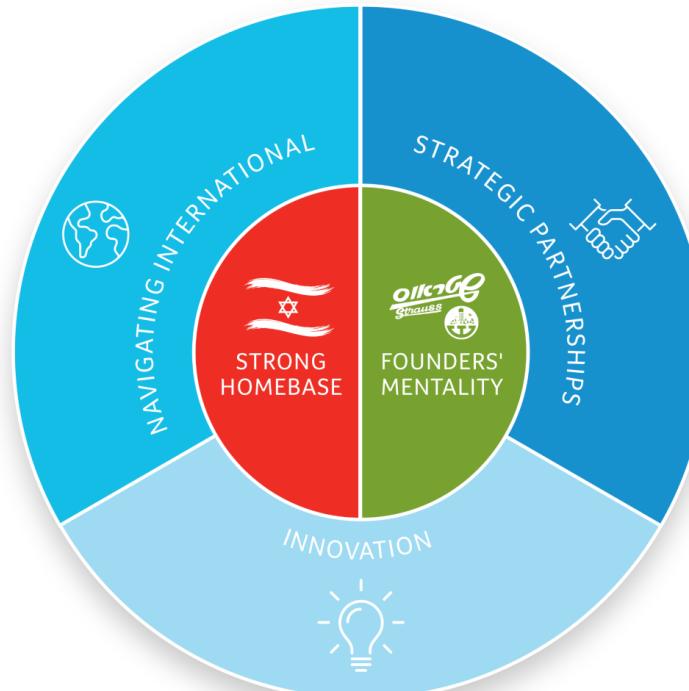
WE STRIVE TO HAVE A POSITIVE IMPACT ON SOCIETY AND ON THE ENVIRONMENT

ESG PRIORITIES BY 2026	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	
 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	<ul style="list-style-type: none">One global sustainability agenda and targetsIncrease number of women in leadership positionsMaintain top-tier Maala ESG rankings
 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

- ✓ Optimize core categories & brands in Israel with a focus on snacking
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EXPAND & BUILD

- ✓ Build plant-based solutions & Innovation around the core in Israel
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- ✓ Grow China and Enter new geographies in Water

TRANSFORM

- ✓ Embark on a journey of Performance transformation
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TARGETS

5%

ORGANIC CAGR
2024-2026

10-12%

EBIT MARGIN



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

MICHAEL STRAUSS

