



Strauss Group Reports Second Quarter & First Half 2025 Results: Operating Profit up 61% in the Quarter while Sales Grew 12% to NIS 3.1b

Brazil coffee JV more than doubled operating profit with sales growth of 33%, leading improvement in Group operating profit¹

PETAH TIKVA, Israel, August 26, 2025 – Strauss Group Ltd. (TASE: STRS) reported its financial statements for the second quarter and first half of 2025, that ended June 30, 2025.

Shai Babad, CEO and President of Strauss Group: “In the second quarter, we continued our growth momentum across all our global activities. I would like to express my gratitude to our people for their dedication and sense of mission as we navigated ongoing challenges posed by the war in Israel and maintained business continuity during the conflict with Iran. Our coffee JV in Brazil continue to deliver strong results, with sustained growth and improved profitability. In Israel, we have maintained innovation within our core brands, and our water business continued to expand in Israel, China, and the UK. As part of the ongoing implementation of our group strategy, we continued to drive productivity initiatives and remain committed to generating new growth engines and innovation, both in Israel and globally.”

Highlights²:

- Strong growth in Strauss Group sales led by higher pricing in the Coffee International segment
- Higher Group EBIT achieved mainly from the Coffee International segment and profitability improvement in the Health & Wellness segment
- Strauss Israel: Higher sales and EBIT led by the Health & Wellness segment
- Coffee International: Significant revenue and profit growth in international coffee operations, with marked improvement in Brazil
- Lower Group Net Income due to higher financial expenses mainly due to Shekel appreciation and higher tax expenses due to profit mix
- Aa1.il rating affirmed with upgraded outlook from Negative to Stable by Midroog (Moody's affiliate)
- Successful expansion of bonds series F with net proceeds of NIS 461m, with high investor interest
- Improved market share in most categories in the Group

¹ The data presented in this document are based on the company's Non-GAAP figures, which include the proportionate consolidation of jointly controlled entities and exclude the following: share-based payments; end-of-period mark-to-market valuations of open financial derivative positions used for commodity hedging; timing adjustments for gains and losses from commodity derivatives, which are deferred until the related inventory is sold to third parties; other net income and expenses; and the related tax effects, unless stated otherwise. All changes are in comparison with the corresponding period last year, unless stated otherwise.

² Q2-2025 and H1-2025 results in this earnings release are presented in comparison to Q2-2024 and H1-2024, respectively, unless otherwise stated.

Table 1. Financial Performance Summary (Non-GAAP):

NIS million	Q2-2025	Q2-2024	% Change	% Change excl. FX	H1-2025	H1-2024	% Change	% Change excl. FX
Group Sales	3,073	2,754	11.5%	15.5%	6,063	5,343	13.5%	18.1%
Gross Profit	868	841	3.2%	5.9%	1,649	1,715	-3.9%	-1.0%
<i>Gross margin</i>	28.3%	30.5%			27.2%	32.1%		
Operating Profit (EBIT)	245	151	60.8%	64.8%	426	355	19.8%	21.7%
<i>EBIT margin</i>	8.0%	5.5%			7.0%	6.7%		
Net Income attributable to shareholders	80	83	-1.8%	0.7%	153	242	-36.7%	-35.7%
<i>Net margin</i>	2.6%	3.0%			2.5%	4.5%		
EPS	0.69	0.71	-1.9%		1.31	2.07	-36.7%	
EBITDA	349	262	32.4%		631	580	8.6%	
<i>EBITDA margin</i>	11.3%	9.6%			10.4%	10.9%		
Free Cash Flow	-89	-119	25.0%	14.7%	-584	-397	-46.7%	-63.3%

Second Quarter 2025 Financial Highlights:

- The Group's **sales** grew by approximately 11.5% to NIS 3.1 billion, with growth excluding FX of approximately 15.5%, y-o-y.
- **Operating profit** increased by approximately 60.8% to NIS 245 million, representing 8.0% of sales, in comparison to operating profit of approximately NIS 151 million, 5.5% of sales.
- **Net profit** attributable to shareholders declined by approximately 1.8% to NIS 80 million, 2.6% of sales, in comparison to profit of approximately NIS 83 million, 3.0% of sales.
- **Negative free cash flow** of NIS 89 million, compared to negative free cash flow of NIS 119 million.

First Half 2025 Financial Highlights:

- The Group's **sales** grew by approximately 13.5% to NIS 6.1 billion, with growth excluding FX reaching approximately 18.1%.
- **Operating profit** increased by approximately 19.8% to NIS 426 million, representing 7.0% of sales, compared to profit of approximately NIS 355 million, 6.7% of sales.
- **Net profit** attributable to shareholders decreased by approximately 36.7% to NIS 153 million, representing 2.5% of sales, compared to profit of approximately NIS 242 million, 4.5% of sales.
- **Negative free cash flow** of NIS 584 million, in comparison to negative free cash flow of NIS 397 million.

Segment Q2 & H1 Financial Highlights

Table 2. Sales Summary by Operating Segment (Non-GAAP):

NIS million	Q2-2025	Q2-2024	% Change	% Change excl. FX	H1-2025	H1-2024	% Change	% Change excl. FX
Group Sales	3,073	2,754	11.5%	15.5%	6,063	5,343	13.5%	18.1%
Strauss Israel	1,319	1,212	8.9%	8.9%	2,715	2,521	7.7%	7.7%
Health & Wellness	806	754	6.8%	N.M.	1,548	1,485	4.2%	N.M.
Fun & Indulgence (Snacks and Confectionary) (2)	301	271	11.0%	N.M.	695	632	10.0%	N.M.
Fun & Indulgence (Coffee Israel) (2)	212	187	14.0%	N.M.	472	404	16.9%	N.M.
Strauss International Coffee ⁽²⁾	1,536	1,205	27.4%	37.5%	2,924	2,159	35.4%	49.3%
Strauss Water ⁽²⁾	218	210	3.9%	N.M.	424	403	5.3%	N.M.
Other ⁽³⁾	0	127			0	260		

(1) The data presented in this document are based on the company's non-GAAP figures, which include the proportionate consolidation of jointly controlled entities and exclude the following: share-based payments; end-of-period mark-to-market valuations of open financial derivative positions used for commodity hedging; timing adjustments for gains and losses from commodity derivatives, which are deferred until the related inventory is sold to third parties and/or the derivative is exercised; other net income and expenses; and the related tax effects, unless stated otherwise. All changes are in comparison with the corresponding period last year, unless stated otherwise.

(2) Fun & Indulgence (Snacks and Confectionery) figures include Strauss's 50% interest in the salty snacks business. International Coffee figures include Strauss's 50% interest in the Três Corações joint venture (3C) in Brazil (a company jointly held by the Group (50%) and by the local São Miguel Group (50%)).

(3) Comparative figures include the data for Sabra and Obela (based on 50%), which were sold during 2024.

Note: Financial data were rounded to the nearest NIS million. Percentages changes were calculated based on the exact figures in NIS thousands. The figures for total International Dips & Spreads were derived from the exact figures for Sabra and Obela, in NIS thousands.

Table 3. Operating Profit Summary by Operating Segment (Non-GAAP):

NIS million	Q2-2025	Q2-2024	% Change	% Change excl. FX	H1-2025	H1-2024	% Change	% Change excl. FX
Group Operating Profit (EBIT)	245	151	60.8%	64.8%	426	355	19.8%	21.7%
<i>EBIT margin</i>	<i>8.0%</i>	<i>5.5%</i>			<i>7.0%</i>	<i>6.7%</i>		
Strauss Israel	135	99	37.1%	37.1%	248	250	-0.9%	-0.9%
<i>EBIT margin</i>	<i>10.3%</i>	<i>8.2%</i>			<i>9.1%</i>	<i>9.9%</i>		
Health & Wellness	113	92	23.4%	N.M.	201	166	21.1%	N.M.
<i>EBIT margin</i>	<i>14.0%</i>	<i>12.2%</i>			<i>13.0%</i>	<i>11.2%</i>		
Fun & Indulgence (Snacks and Confectionery) (2)	1	-12	N.M.	N.M.	-15	30	N.M.	N.M.
<i>EBIT margin</i>	<i>0.5%</i>	<i>-4.1%</i>			<i>-2.1%</i>	<i>4.8%</i>		
Fun & Indulgence (Coffee Israel) (2)	21	19	14.7%	N.M.	62	54	15.3%	N.M.
<i>EBIT margin</i>	<i>10.1%</i>	<i>10.1%</i>			<i>13.2%</i>	<i>13.4%</i>		
Strauss International Coffee	102	61	67.0%	N.M.	157	99	58.2%	N.M.
<i>EBIT margin</i>	<i>6.7%</i>	<i>5.1%</i>			<i>5.4%</i>	<i>4.6%</i>		
Strauss Water	26	25	4.0%	N.M.	52	49	6.3%	N.M.
<i>EBIT margin</i>	<i>12.1%</i>	<i>12.0%</i>			<i>12.3%</i>	<i>12.1%</i>		
Other	-18	-34	-43.7%	N.M.	-31	-43	-27.2%	N.M.
<i>EBIT margin</i>	<i>N.M.</i>	<i>-26.8%</i>			<i>N.M.</i>	<i>-16.5%</i>		

- (1) The data presented in this document are based on the company's non-GAAP figures, which include the proportionate consolidation of jointly controlled entities and exclude the following: share-based payments; end-of-period mark-to-market valuations of open financial derivative positions used for commodity hedging; timing adjustments for gains and losses from commodity derivatives, which are deferred until the related inventory is sold to third parties and/or the derivative is exercised; other net income and expenses; and the related tax effects, unless stated otherwise. All changes are in comparison with the corresponding period last year, unless stated otherwise.
- (2) Fun & Indulgence (Snacks and Confectionery) figures include Strauss's 50% interest in the salty snacks business. International Coffee figures include Strauss's 50% interest in the Três Corações joint venture (3C) in Brazil (a company jointly held by the Group (50%) and by the local São Miguel Group (50%)). Strauss Water EBIT figures include Strauss's interest in Haier Strauss Water (HSW) in China (49%).
- (3) Comparative figures include the data for Sabra and Obela (based on 50%), which were sold during 2024.
- (4) The decrease to a loss of approximately 49 million shekels in the Fun & Indulgence (Snacks and sweets) is mainly due to a one-time loss in derivative activities.

Note: Financial data were rounded to the nearest NIS million. Percentages changes were calculated based on the exact figures in NIS thousands. The figures for total International Dips & Spreads were derived from the exact figures for Sabra and Obela, in NIS thousands.

Strauss Israel

- **Strauss Israel** sales in Q2-2025 reached NIS 1.32 billion, up 8.9%, y-o-y. **EBIT** increased by 37.1% to NIS 135 million, 10.3% of sales. In H1-2025 sales increased by 7.7% to NIS 2.72 billion, **EBIT** decreased by 0.9% to NIS 248 million, 9.1% of sales. The increase in sales is mainly attributed to higher quantities, sales mix and pricing. Higher EBIT in Q2-2025 was achieved following lower operating expenses which offset the impact of higher cocoa and coffee prices, supporting H1-2025 EBIT, which was also impacted by realization of non-recurring loss of NIS 49m on cocoa derivatives in Q1-2025.

The group realized non-recurring loss on cocoa derivatives amounting to NIS 49 million in Q1-2025 and NIS 27 million in Q2-2024. Excluding these losses, Strauss Israel EBIT for Q2-24 would have totaled NIS 126m (10.4% margin), for H1-25 Strauss Israel EBIT would have totaled NIS 297m (10.9% margin) and in H1-24, NIS 277m (11.0% margin).

- **Health & Wellness segment** sales in Q2-2025 reached NIS 806 million, up 6.8% y-o-y, while the segment's operating profit increased by 23.4% to NIS 113 million, 14.0% of sales. In H1-2025 sales reached NIS 1,548 million, up 4.2% y-o-y, while the segment's operating profit increased by 21.1%, reaching NIS 201 million, 13.0% of sales. Sales were supported by improved sales mix and higher quantities, while the Group continued with the implementation of productivity initiatives, despite the higher milk target price.
- **Fun & Indulgence (Snacks and Confectionery) segment** sales in Q2-2025 reached NIS 301 million, up 11.0% y-o-y, while the segment's operating profit recovered from NIS 12 million loss to NIS 1 million, 0.5% of sales. In H1-2025 sales reached NIS 695 million, up 10.0% y-o-y, while recording an operating loss of NIS 15 million. Sales were supported by higher quantities, improved sales mix and higher pricing, while EBIT was impacted by higher cocoa prices, moderated by productivity initiatives.

Excluding losses on cocoa derivatives, as noted above, F&I EBIT for Q2-24 would have totaled NIS 15m (5.9% margin), for H1-25 F&I EBIT would have totaled NIS 34m (4.9% margin) and in H1-24, NIS 57m (9.1% margin).

Fun & Indulgence (Israel Coffee) segment sales in Q2-2025 reached NIS 212 million, up 14.0%, y-o-y, while the segment's operating profit increased by 14.7% reaching NIS 21 million, 10.1% of sales. Sales in H1-2025 reached NIS 472 million, up 16.9%, y-o-y, with the segment's operating profit increasing by 15.3%, reaching NIS 62 million, 13.2% of sales. Sales were supported by higher quantities and pricing, while higher green coffee prices impacted the EBIT.

Strauss International Coffee

- **Strauss International Coffee** sales in Q2-2025 reached NIS 1.5 billion, up 27.4% y-o-y. EBIT increased by 67%, reaching NIS 102 million, 6.7% of sales. Sales in H1-2025 reached NIS 2.9 billion, up 35.4% y-o-y. EBIT increased by 58.2%, reaching NIS 157 million, 5.4% of sales. Sales increased primarily due to higher pricing, which together with pricing and operational efficiencies offset higher green coffee prices.

- **Central Eastern Europe (CEE)**³ sales in Q2-2025 reached NIS 424 million, an increase of 16.8%, y-o-y, moderated by the impact of exchange rates. Sales in H1-2025 reached NIS 804 million, an increase of 19.6%, y-o-y. Sales were primarily supported by higher pricing, moderated by the impact of exchange rates.
- **Três Corações** Q2-2025 sales (in 50% terms) reached NIS 1.1 billion, up 32.7%, y-o-y, while operating profit reached NIS 88 million, an increase of 130.8%, y-o-y. H1-2025 sales (in 50% terms) reached NIS 2.1 billion, up 43.0%, y-o-y, while EBIT reached NIS 118 million, an increase of 129.4%, y-o-y. Sales were primarily supported by higher pricing, moderated by the impact of exchange rates. The EBIT was supported by higher pricing and operating efficiencies, offsetting the higher cost of green coffee.

Strauss Water

- **Strauss Water** Q2-2025 sales reached NIS 218 million, up 3.9%, y-o-y. EBIT was up 4.0% y-o-y, reaching NIS 26 million, 12.1% of sales. H1-2025 sales were up 5.3% y-o-y, reaching NIS 424 million. EBIT was up 6.3% y-o-y, reaching NIS 52 million, 12.3% of sales. Sales were supported by higher install base and higher Israel & UK sales, improved mix, moderated by to the impact of the war. EBIT was supported by productivity initiatives and impacted by lower net profit in Haier Strauss Water.
- **Haier Strauss Water** Q2-2025 sales (in 100% terms) reached NIS 236 million, up 2.6% y-o-y, and reached net profit of NIS 20 million, down 21.2%, y-o-y. H1-2025 sales reached NIS 463 million, up 3.8% y-o-y, and reached net profit of NIS 51 million, down 2.9% y-o-y. Sales increased as the company continued to expand in the market, while profit margins were impacted by the initiation of promotions to support market share.

³ CEE – Poland, Romania, Ukraine, Russia

Webinar Earnings Call

On Tuesday, August 26th, 2025, at 14:00 Israel time/12:00 UK time/7:00 a.m. ET, Strauss Group will host a webinar earnings call in Hebrew to review the financial statements of the company. The webinar will be hosted by the company's management.

To participate in the webinar please use the following link:

https://us02web.zoom.us/webinar/register/WN_imQMqurXSGmnt1S59hq0jQ

Webinar ID: 876 2108 4103

In addition, on Tuesday, August 26th, 2025, at 15:30 Israel time/13:30 UK time/8:30 a.m. ET, Strauss Group will host a webinar earnings call in English to review the financial statements of the company. The webinar will be hosted by the company's management.

To participate in the webinar please use the following link:

https://us02web.zoom.us/webinar/register/WN_eJldWUbjS6aHdW8sDiWF8Q

Webinar ID: 893 5585 0153

Questions for the questions and answers session may be submitted (up to 2 hours) in advance to:

ir@strauss-group.com

Management's review will be accompanied by a presentation which will be available on the Investor Relations section of our website on Tuesday, August 26th, 2025:

<https://ir.strauss-group.com/company-presentations/quarterly-presentations/>

Strauss Group's Q2 & H1-2025 earnings press release and financial statements will be available on the Company's website:

<https://ir.strauss-group.com/financial/>

<https://ir.strauss-group.com/earning-releases/>

A recording of the webinar will be available on the company's website shortly following the webinar.

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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), 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, 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.

Table 4: Key financial data, based on the company's managerial (non-GAAP) reports⁽¹⁾:

NIS million	Q2-2025	Q2-2024	% Change	% Change excl. FX	H1-2025	H1-2024	% Change	% Change excl. FX
Total Group Sales	3,073	2,754	11.5%	15.5%	6,063	5,343	13.5%	18.1%
Gross Profit	868	841	3.2%	5.9%	1,649	1,715	-3.9%	-1.0%
<i>Gross margin</i>	28.3%	30.5%			27.2%	32.1%	0.0%	
EBIT	245	151	60.8%	64.8%	426	355	19.8%	21.7%
<i>EBIT margin</i>	8.0%	5.5%			7.0%	6.7%	0.0%	
Net Income Attributable to the Company's Shareholders	80	83	-1.8%	0.7%	153	242	-36.7%	-35.7%
<i>Net margin</i>	2.6%	3.0%			2.5%	4.5%	0.0%	
EPS (NIS)	0.69	0.71	-1.9%	N.M.	1.31	2.07	-36.7%	
EBITDA	349	262	32.4%	N.M.	631	580	8.6%	N.M.
<i>EBITDA margin</i>	11.3%	9.6%			10.4%	10.9%		
Operating Cash Flow	51	14	264.3%	N.M.	-296	-101	193.1%	N.M.
Free Cash Flow	-89	-119	-25.0%	14.7%	-584	-397	-46.7%	-63.3%
Capex	-140	-133	5.3%		-288	-296	-2.7%	
Net debt	2,966	3,223	-8.0%	0.0%	2,966	3,223	-8.0%	0.0%
Net debt / EBITDA	2.4	2.7			2.4	2.7		

Table 5: Key financial data, based on the company's GAAP reports:

NIS million	Q2-2025	Q2-2024	% Change	H1-2025	H1-2024	% Change
Total Group Sales	1,875	1,701	10.2%	3,762	3,427	9.8%
Gross Profit	583	583	0.0%	1,195	1,148	4.1%
<i>Gross margin</i>	<i>31.1%</i>	<i>34.3%</i>		<i>31.8%</i>	<i>33.5%</i>	
EBIT	183	151	21.6%	373	268	39.5%
<i>EBIT margin</i>	<i>9.8%</i>	<i>8.9%</i>		<i>9.9%</i>	<i>7.8%</i>	
Net Income Attributable to the Company's Shareholders	64	82	-21.5%	150	133	12.8%
<i>Net margin</i>	<i>3.4%</i>	<i>4.8%</i>		<i>4.0%</i>	<i>3.9%</i>	
EPS (NIS)	0.55	0.7	-21.4%	1.28	1.14	12.3%
EBITDA	271	240	12.9%	549	450	22.0%
<i>EBITDA margin</i>	<i>14.5%</i>	<i>14.1%</i>		<i>14.6%</i>	<i>13.1%</i>	
Operating Cash Flow	20	134	-85.1%	-73	159	-145.9%
Free Cash Flow	-102	26		-327	-82	298.8%
Capex	-93	-76	22.4%	-199	-178	11.8%
Net debt	2,383	2,641	-9.8%	2,383	2,641	-9.8%
Net debt / EBITDA	2.2	2.7		2.2	2.7	

Forward Looking Statement Disclaimer

This press release does not constitute an offering to purchase or sell securities of Strauss Group Ltd. (the "Company") or an offer for the receipt of such offerings. The press release's sole purpose is to provide information. The Information provided in the press release concerning the analysis of the Company's activity is only an extract, and in order to receive a complete picture of the Company's activity and the risks it faces, one should review the Company's reports to the Israel Securities Authority and the Tel Aviv Stock Exchange .

The press release may contain forward-looking statements as defined in the Israeli Securities Law, 5728-1968. All forward-looking statements in this press release 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 press release. 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 press release was prepared.