

STRAUSS GROUP

Q1-2026 Financial Results

May 20th 2026



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Financial data is rounded to NIS millions. Percentages changes were calculated on the basis of the exact figures in NIS thousands. 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 (*Três Corações*) - 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).

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 and equity income/(loss) from incubator (The Kitchen Hub) activities and related tax effects from neutralizing these items, unless otherwise stated

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.

Strauss Group | Q1-2026 Summary

Record high first quarter EBIT of NIS 316m, up 68% y-o-y with strong EBIT margin of 10.5%, reflecting solid profitability in both Coffee Int'l and Strauss Israel

Solid net sales growth of 3.3% excluding FX and divestments, driven by volume and mix, despite lower coffee int'l sales, following lower green coffee costs

Net income to shareholders of NIS 181m, up 126% y-o-y, combined with substantial FCF improvement of NIS 449m y-o-y

Continued focus on strategy execution with Yoki's acquisition¹ by 3C (50%-owned JV)² to enable non-R&G expansion in Brazil

Accelerated core brands growth by introducing innovative products

Turnaround of the confectionery business, moving to high single digit EBIT margin



¹ Announced March 17, 2026, closing is subject to the satisfaction of conditions precedent

² 3C: 3corações – a joint venture in Brazil jointly held by Strauss Coffee B.V. (50%) and São Miguel Group (50%)



SUPPORTING OUR PEOPLE AND OUR COMMUNITIES

INTERNAL



Support Packages for Reservists



“Check-in” Calls with Strauss Retirees



Online Activities for Children



“You Are Not Alone”



Wellbeing Touchpoints

Across various sites, for frontline employees



Digital Voucher 220NIS

For reservists & their spouses + permanent service members



Structuring Communication Alongside Support



Resilience Kit for Managers

EXTERNAL

MOMENTS OF RELIEF

We distributed 2,000 Strauss product kits and board games to families and children in shelters across the country

VULNERABLE POPULATIONS

We delivered 1,000 basic food packages to elderly people in emergency situations

EMERGENCY AND RESCUE FORCES

We donated equipment and supplies to emergency and security organizations, including MDA, Fire & Rescue Services, Home Front Command, and the Ministry of Defense

MEDICAL SYSTEM

We distributed packages to medical teams and patients in Schneider, Rambam, Shaare Zedek, and Ma’ayanei HaYeshua hospitals

FIGHTERS IN THE FIELD

We provided support and products to air force squadrons and more than 20 battalions operating in multiple locations



Group Q1-2026 Financial Highlights | NIS m; Non-GAAP

	Q1-2026	Q1-2025	% change	% change w/o FX impact ³
Net Sales¹	3,001	2,990	0.4%	2.5%
Gross profit	957	781	22.6%	24.4%
Gross Margin	31.9%	26.1%		
EBIT	316	189	67.9%	71.0%
EBIT Margin	10.5%	6.3%		
Net income²	181	81	126.1%	N/A
Net Margin	6.0%	2.7%		
EBITDA	423	290	45.6%	N/A
EBITDA Margin	14.1%	9.7%		
FCF	-46	-495	-90.7%	N/A



¹ Net sales growth excluding FX impact (excluding divested activities included in Q1-2025 results and without FX impact) reached 3.3% in Q1-2026

² Net income attributable to shareholders of the Company

³ FX – foreign exchange

Strauss Israel Highlights



Highlights

- Solid sales growth led by volume, mix and pricing
- Fun and Indulgence – price adjustments, volume growth and business turnaround
- Health & Wellness - volume increase and pricing following milk regulated price changes
- Coffee Israel – CTG¹ exit impacted sales but higher profitability due to lower MCOS and pricing

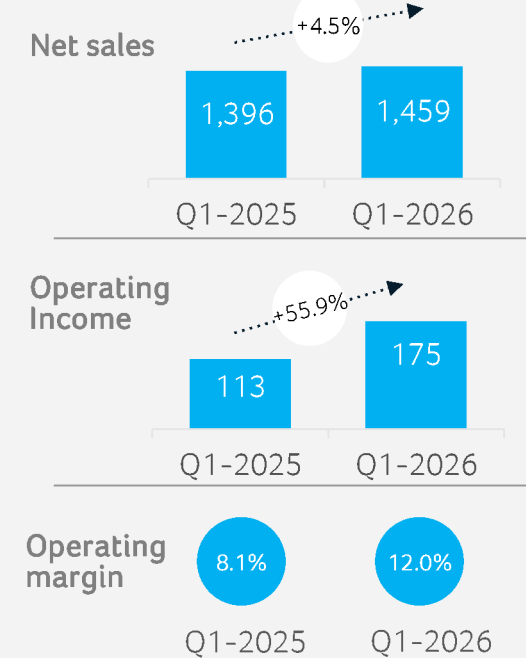
Next Steps

- Focus on plant-based innovation leveraging new Shaked factory
- Newly launched Yotvata production line to support capacity growth
- Support volume growth with continued innovation

Q1-26 Performance by division (Non-GAAP, NIS m)

	Health & Wellness	Fun & Indulgence ²	Coffee Israel
Sales vs Q1-2025	775 742	428 394	256 260
EBIT vs Q1-2025	90 88	40 (-16)	45 41
%EBIT vs Q1-2025	11.6% 11.9%	9.5% (-4.2%)	17.5% 15.7%

Strauss Israel Q1-2026 performance (Non-GAAP NIS m)



¹ CTG – Coffee-To-Go retail chain, sold in 2025

² Loss on cocoa derivative of NIS 49m recorded in Q1-2025

We expanded our core brands with a significant lineup of new product launches in Q1-2026

CORE BRANDS



Coffee International Highlights



Highlights

- Lower sales following pricing adjustments to lower green coffee costs in Brazil
- Record Q1 EBIT driven by successful commercial strategy, ongoing productivity gains and lower green coffee prices
- Maintaining strong position in Brazil (3C), Poland and Russia

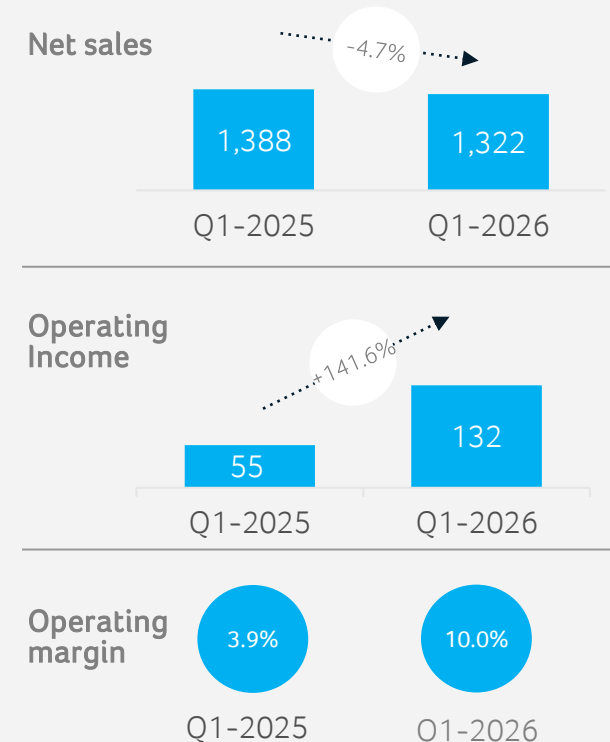
Next Steps

- Brazil² - safeguard R&G platform, market position and expand non-R&G categories
- Yoki's acquisition³ - Integrate into 3C and focus on turnaround
- CEE⁴- Growth through market share and coffee categories

3C Brazil Q1-2026 Performance (Non-GAAP, 50%, NIS m)

Sales vs 2025	917⁵ 1,014
EBIT vs 2025	92 30
EBIT margin vs 2025	10.0% 2.9%

Coffee International Q1-2026 performance (Non-GAAP, NIS m)



¹ R&G- Roast & Ground coffee ² Through 3corações - a joint venture in Brazil jointly held by Strauss Coffee B.V. (50%) and São Miguel Group (50%)

³ Announced March 17, 2026, closing expected by YE2026 subject to the satisfaction of conditions precedent

⁴ CEE - Central Eastern Europe includes activities in Poland, Romania, Ukraine and Russia ⁵ 3C sales declined by 9.6% (or by 5.8% excluding FX effect)

Strauss Water Highlights

Highlights

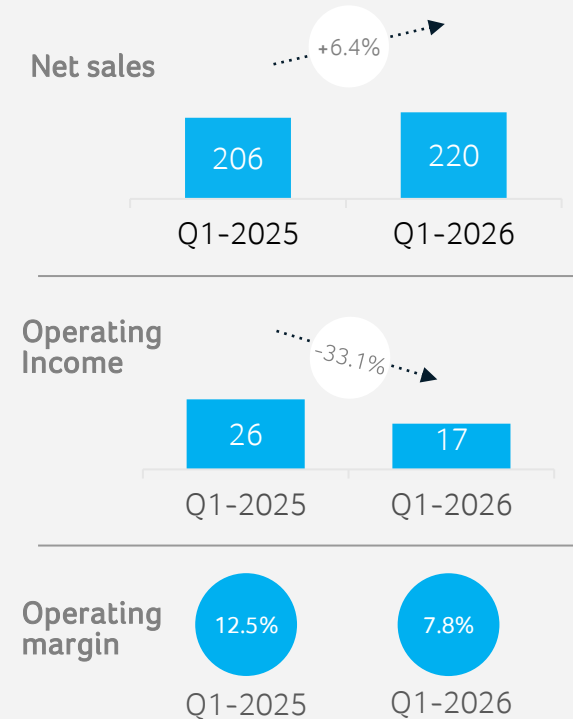
- Sales growth supported by higher install base in Israel and improved sales mix
- Lower EBIT mainly due to war impact in Israel and competition in China
- China sales growth of 9.2% (in local currency) helped secure market leadership following enhanced sales and marketing efforts

Next Steps

- Increase new product's share of total sales
- New HSW facility in China on track for initial ramp up in H2-2026 to support capacity and growth



Strauss Water Q1-2026 performance (Non-GAAP, NIS m)





Our Strategy – Double Down On The Core

**STRONGER
HOME BASE**



**BRAZIL COFFEE
& BEYOND**



**INTERNATIONAL
WATER PLAYER**



FUTURE READY & RESILIENT



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

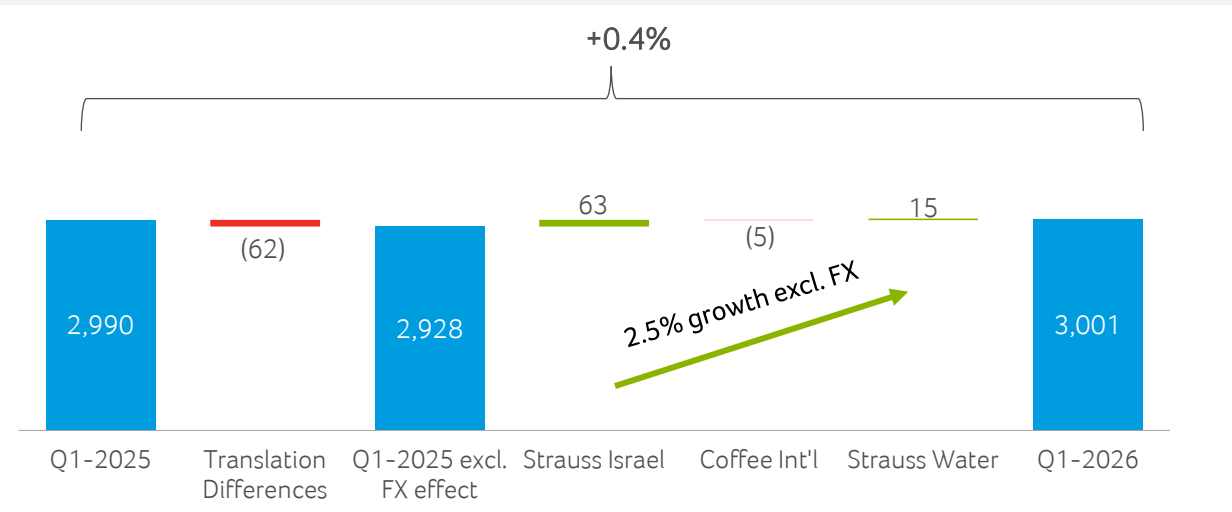
as published in March 2024

Financial Results



Strauss Group & Segment Sales Q1-2026 | NIS m; Non-GAAP

Strauss Group Q1 Sales Bridge:



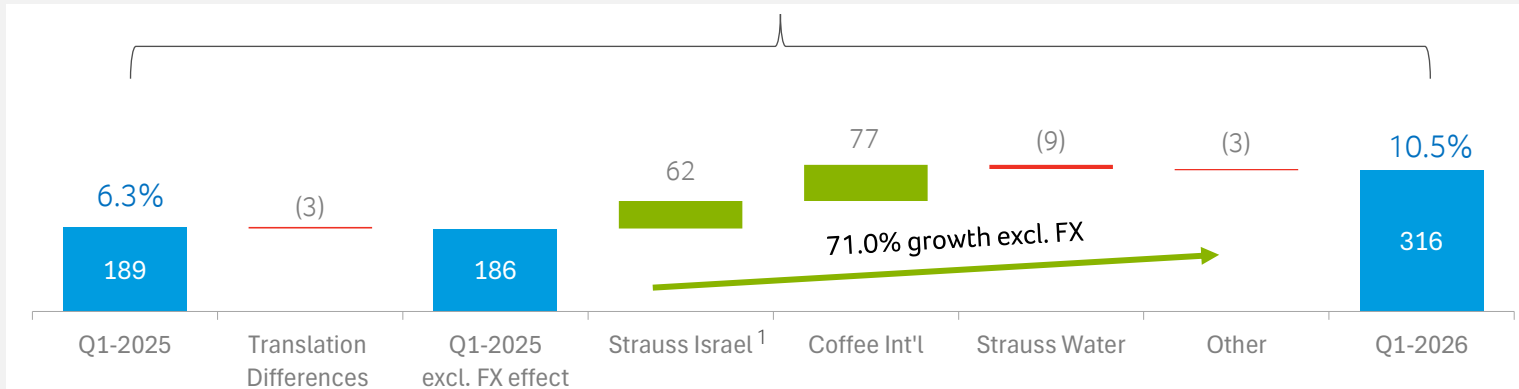
- **Strauss Israel** - Solid sales growth driven by volume and pricing and offset by divestment of activities.
- **Coffee International** - Sales growth across CEE markets helped mitigate lower selling prices in Brazil
- **Strauss Water** - Install base growth in Israel and better sales mix
- **FX** - Weakening of most foreign operating currencies against NIS

% of Group Sales	Q1-2026 Segment Sales (NIS m)	Q1-2026 Change
49%	1,459	Strauss Israel 4.5%
44%	1,322	Coffee Int'l -0.3% -4.7%
7%	220	Water 6.9% 6.4%
100%	3,001	Group Sales 2.5% 0.4%

■ % change w/o FX ■ % change

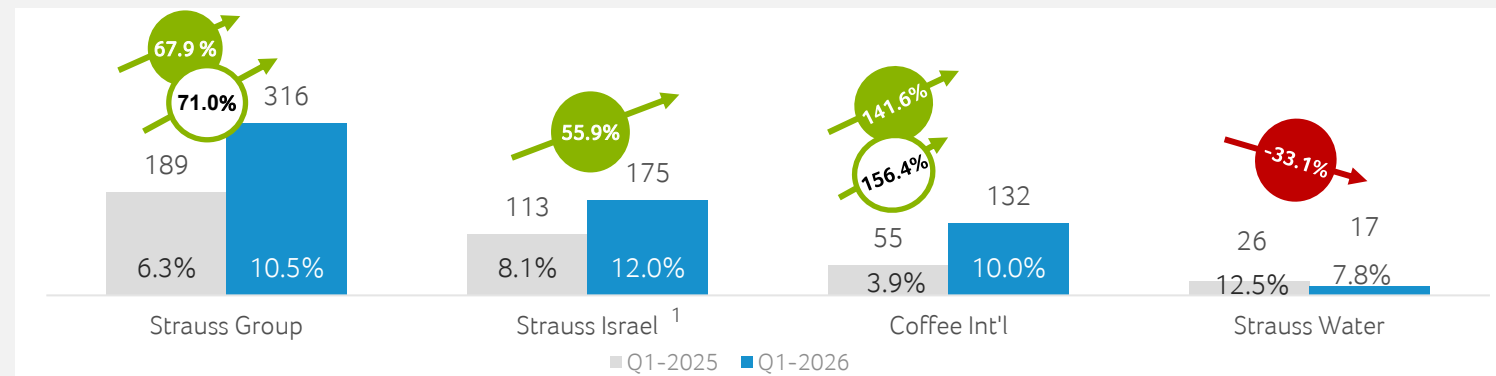
Strauss Group EBIT Q1-2026 | NIS m; Non-GAAP

Strauss Group Q1 EBIT Bridge:



- **Strauss Israel** – EBIT growth on all segments led by Fun & Indulgence
- **Coffee International** – Record Q1 profitability following pricing and lower green coffee costs
- **Strauss Water** – lower EBIT reflects mainly war impact in Israel and lower HSW equity gains

Strauss Group & Segments Q1 EBIT and margin



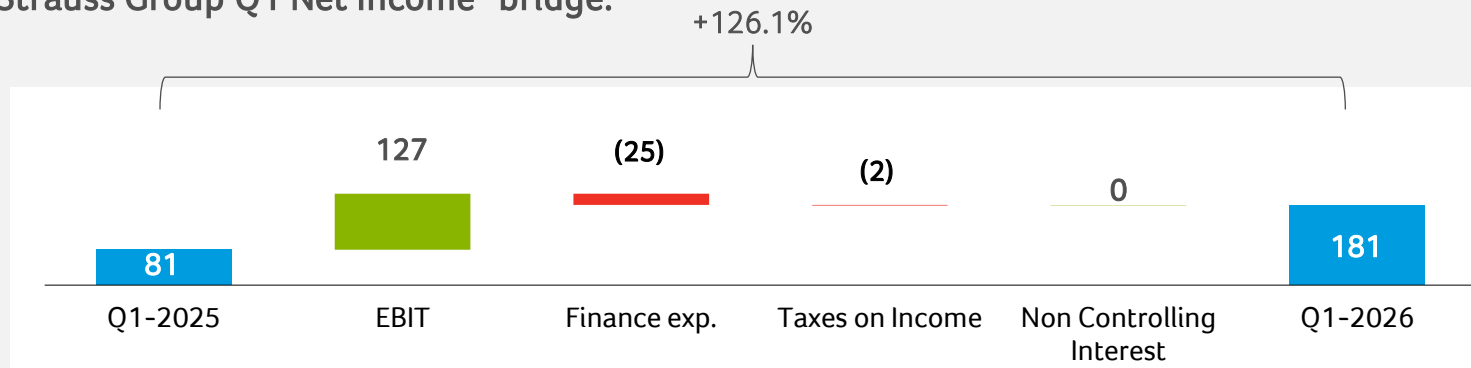
= growth excl. FX

¹ Loss on cocoa derivative of NIS 49m recorded in Q1-2025

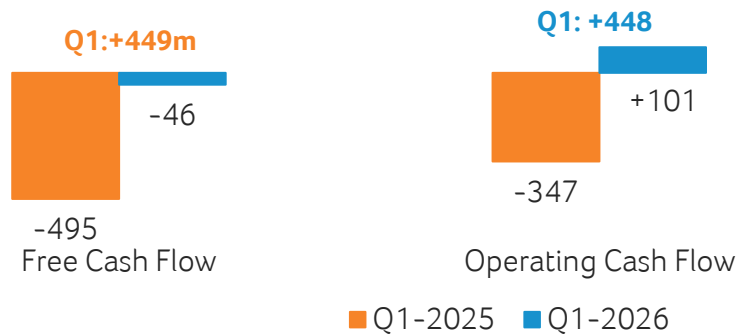
Strauss Group Net Income¹ and Cash flow Q1-2026

NIS m; Non-GAAP

Strauss Group Q1 Net Income¹ bridge:



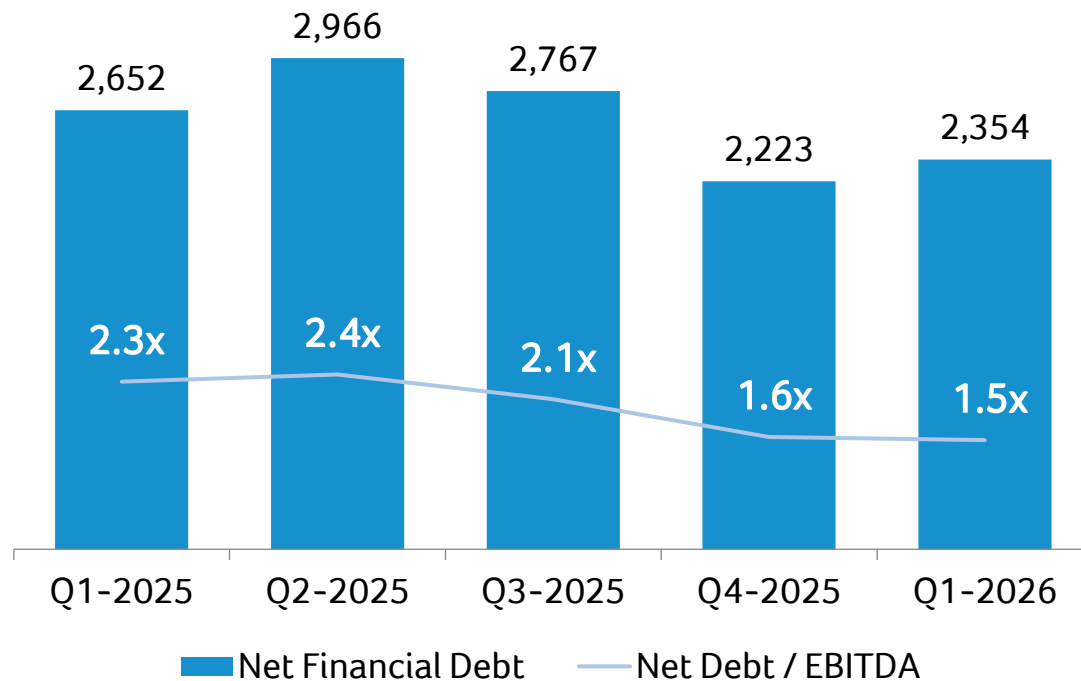
FCF and OCF:



- Significant Net Income increase driven by strong EBIT growth and lower effective tax rate, partially offset by higher finance expenses
- Free cash flow substantial improvement driven mainly by lower working capital, EBIT growth, lower financing and tax payments

Strauss Group Net Debt and Net Debt /EBITDA

NIS m; Non-GAAP



- Net Debt/EBITDA y-o-y improvement due to robust EBITDA growth and lower working capital impact on net debt.
- GAAP Net Debt as of March 31st 2026 – NIS 2,138m; Net Debt/EBITDA ratio of 1.6x vs. 1.9x in Q1-2025

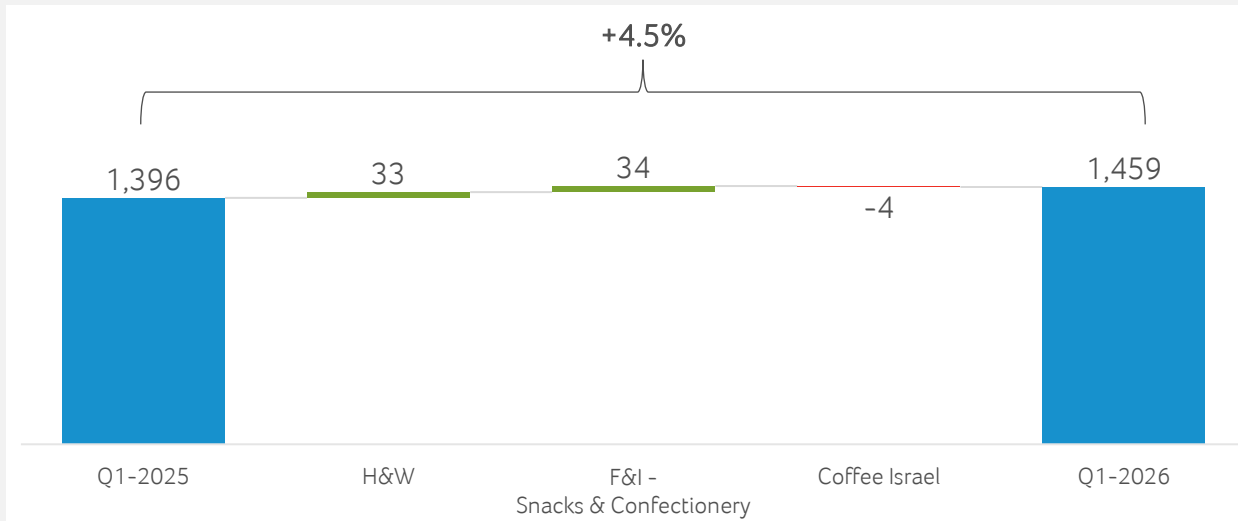


Strauss Israel



Strauss Israel Sales Q1-2026 | NIS m; Non-GAAP

Strauss Israel Q1 Sales Bridge:



- **Health & Wellness** – Growth supported by volume growth and pricing following regulated milk price changes
- **Fun & Indulgence (Snacks & Confectionery)** – Growth driven by pricing and volume
- **Fun & Indulgence (Coffee Israel)** – lower revenues following CTG² divestment in Q2-2025. Excluding CTG, Coffee Israel saw higher volume and net sales

% of Israel Sales	Q1-2026 Segment Sales (NIS m)	Q1-2026 Change
53%	775	H&W 4.4%
29%	428	F&I 8.5%
18%	256	Coffee Israel -1.2%
100%	1,459	Strauss Israel 4.5%

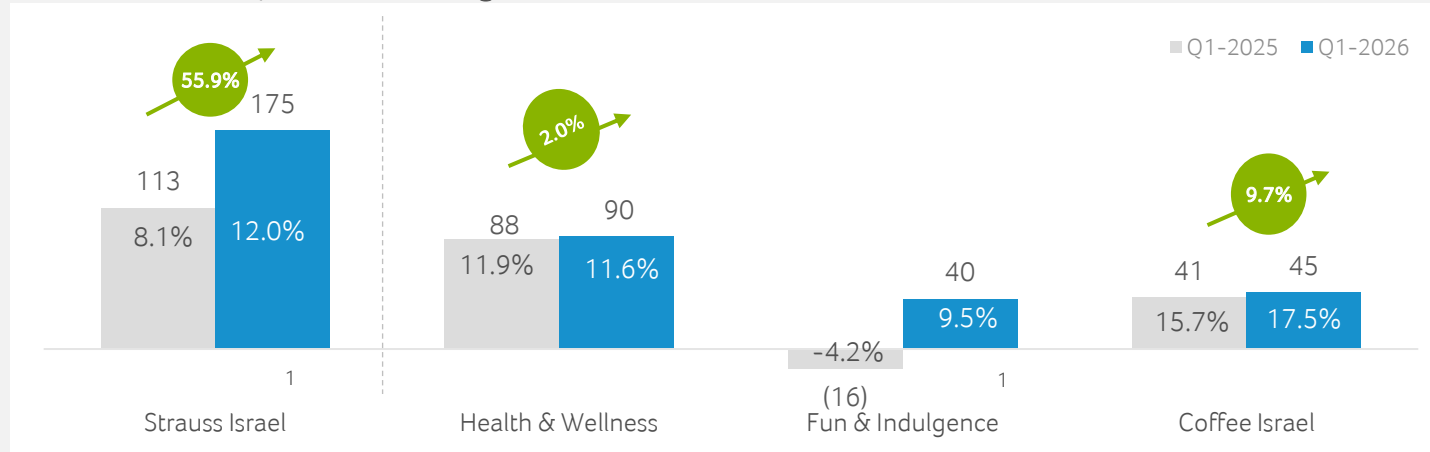
¹ H&W – Health & Wellness; F&I – Fun & Indulgence (Snacks & Confectionery)

² CTG – Coffee-To-Go retail chain

Strauss Israel & Segments EBIT Q1-2026

NIS m; Non-GAAP

Strauss Israel Q1 EBIT & Margins:



- Health & Wellness – Higher EBIT due to higher sales and productivity, partially offset by higher raw material costs and marketing expenses.

- Fun & Indulgence (Snacks & Confectionery) – EBIT improvement due to Q1-25 derivative loss exclusion¹, higher volumes, cocoa cost inflation-adjusted pricing, FX positive impact and

- Coffee Israel – higher EBIT and margin due to due to lower MCOS and pricing



¹ Cocoa derivative revaluation expense of NIS 49m in Q1-2025.

Coffee International



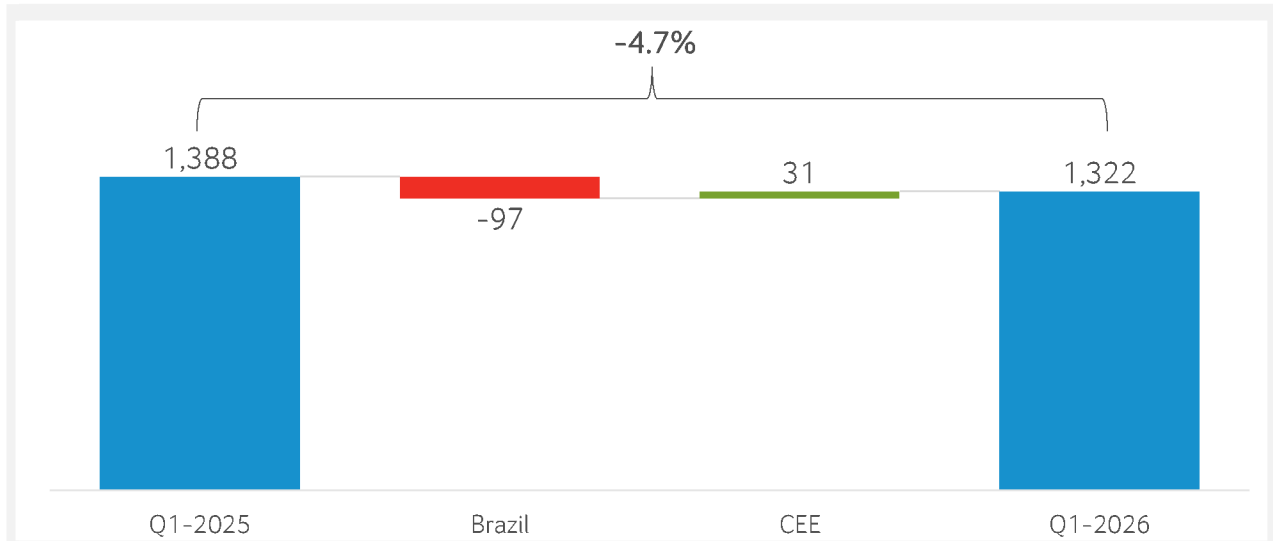
Strauss Coffee International Financial Highlights | NIS m; Non-GAAP

	Q1-2026	Q1-2025	% change	% change w/o FX impact
Net Sales	1,322	1,388	-4.7%	-0.3%
Gross profit	326	233	40.3%	N/A
Gross Margin	24.6%	16.7%		
EBIT	132	55	141.6%	156.4%
EBIT Margin	10.0%	3.9%		
EBITDA	153	76	102.0%	N/A
EBITDA Margin	11.6%	5.5%		



Strauss Coffee International Sales Q1-2026 | NIS m; Non-GAAP

Strauss Coffee International Q1 Sales Bridge:



- **3C¹** – Sales decline due to pricing and stronger NIS vs BRL, partially offset by non-R&G sales growth
- **CEE²** – Sales grew ~8% YoY, driven by pricing, volume and successful sales execution, in most countries

% of Coffee Int'l Sales	Q1-2026 Country Sales (NIS m)	Country	Q1-2026 Change
69%	911	Brasil (3C)	-5.8% -9.6%
11%	151	Russia	15.8% 14.6%
12%	156	Poland	10.7% 4.6%
5%	61	Romania	16.3% 9.1%
3%	43	Ukraine	21.6% 1.3%
100%	1,322	Total Coffee Int'l	-0.3% -4.7%

■ % change excl. FX effect ■ % change

¹ 3C – Três Corações a joint venture in Brazil jointly held by Strauss Coffee B.V. (50%) and São Miguel Group (50%)

² CEE- Central Eastern Europe includes activities in Poland, Romania, Ukraine Russia and NDKW (100%-owned coffee manufacturing plant in Germany)



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

	Q1-2026	Q1-2025	% change
Net Sales	3,092	3,282	-5.8%
Gross profit	746	493	51.4%
Gross Margin	24.1%	15.0%	
EBIT	310	96	220.7%
EBIT Margin	10.0%	2.9%	


- Profitability sharply improved despite lower prices: Net sales decline reflected passthrough of green coffee lower costs
- Sales strategy and execution led to higher gross profitability while maintaining market leadership
- Record first quarter EBIT and EBIT margin following strong gross profit performance




Strauss Water



Strauss Water Financial Highlights | NIS m; Non-GAAP

 Q1-2026	Q1-2025	% change	
Net Sales	220	206	6.4%
Gross profit Gross Margin	106 48.1%	99 48.2%	6.2%
EBIT¹ EBIT Margin	17 7.8%	26 12.5%	-33.1%
EBITDA¹ EBITDA Margin	36 16.7%	42 20.2%	-12.2%

HAIER STRAUSS WATER² Q1-2026 SNAPSHOT 100%; ¥m; Non-GAAP

 Q1-2026	Q1-2025	% change	
Net Sales	498	456	9.2%
Net Income Net Margin	56 11.2%	62 13.6%	-9.5%

- Sales growth driven mainly by higher install base in Israel and UK as well as improved sales mix
- Gross profit increased due to higher sales, improved mix and productivity as well as stronger shekel
- Lower EBIT mainly due to war impact in Israel, lower HSW contribution due to increased marketing efforts in China

¹ EBIT & EBITDA include equity share in Haier Strauss Water (HSW) net income

² Haier Strauss Water (HSW) is a company jointly held by Haier (51%) and Strauss Group (49%), also includes expenses attributed to the additional manufacturing facility

Thank you 


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Appendix

- GAAP to Non-GAAP reconciliation
- Currencies
- Commodities Market Prices



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 (*3corações*) - 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).
- 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)

Q1-2026 GAAP and Non-GAAP | NIS m

	GAAP			Non-GAAP		
	Q1-2026	Q1-2025	Change	Q1-2026	Q1-2025	Change
Sales	1,986	1,887	99	3,001	2,990	11
Gross Profit	651	612	39	957	781	176
<i>Gross Margin</i>	<i>32.8%</i>	<i>32.4%</i>	<i>0.4ppt</i>	<i>31.9%</i>	<i>26.1%</i>	<i>5.8ppt</i>
Operating Profit	245	190	55	316	189	127
<i>EBIT Margin</i>	<i>12.4%</i>	<i>10.1%</i>	<i>2.3ppt</i>	<i>10.5%</i>	<i>6.3%</i>	<i>4.2ppt</i>
Net Profit to Shareholders	146	86	60	181	81	100
<i>Net Margin</i>	<i>7.4%</i>	<i>4.5%</i>	<i>2.8ppt</i>	<i>6.0%</i>	<i>2.7%</i>	<i>3.4ppt</i>
Change in WC	-104	-313	209	-275	-617	342
Operating Cash Flow	157	-93	250	101	-347	448
CAPEX, net	-132	-132	0	-147	-148	1
FCF	25	-225	250	-46	-495	449
Net Debt	2,138	2,029	109	2,354	2,652	-298

Currencies

Currencies vs. NIS

Currency vs. NIS	Q1-2026	Q1-2025	Change vs. LY
USD	3.12	3.61	-13.6%
EUR	3.66	3.80	-3.8%
GBP	4.21	4.55	-7.5%
PLN	0.86	0.90	-4.5%
RON	0.72	0.76	-6.0%
RUB	0.04	0.04	2.6%
BRL	0.59	0.62	-3.8%
RSD	0.03	0.03	-4.0%
UAH	0.07	0.09	-16.8%
AUD	2.17	2.27	-4.3%
CNY	0.45	0.50	-9.3%

Currencies vs. USD

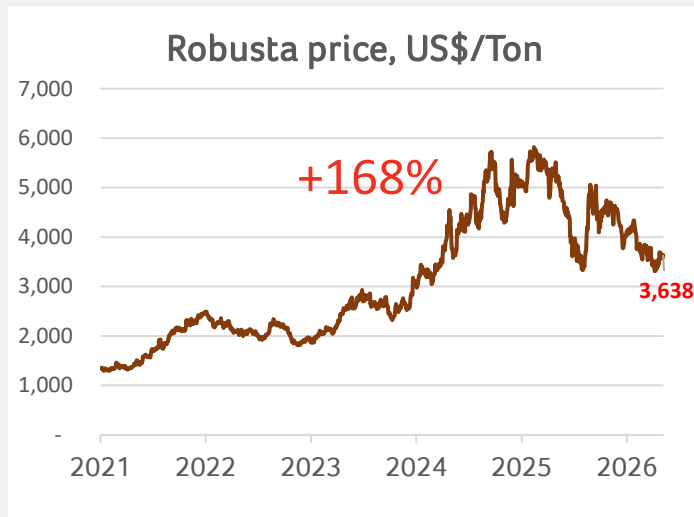
Currency vs. USD	Q1-2026	Q1-2025	Change vs. LY
NIS	0.32	0.28	15.7%
EUR	1.17	1.05	11.3%
GBP	1.35	1.26	7.0%
PLN	0.28	0.25	10.5%
RON	0.23	0.21	8.8%
RUB	0.01	0.01	18.7%
BRL	0.19	0.17	11.4%
RSD	0.01	0.01	11.1%
UAH	0.02	0.02	-3.7%
AUD	0.70	0.63	10.8%
CNY	0.14	0.14	5.0%

Raw Materials Market Prices¹

Category	Q1-2025 average	Q1-2026 average	% Change
Arabica	376 c/lbs	c/lbs 317	-16%
Robusta	5,436 \$/T	3,872 \$/T	-29%
Sugar	525 \$/T	419\$/T	-20%
Cocoa	7,697 GBP/T	2,828 GBP/T	-63%
Sesame	1,669 \$/T	1,251 \$/T	-25%
Milk (Israel)	2.40 ILS/L	2.47 ILS/L	3.1%

Commodities Price Development 2021-2026

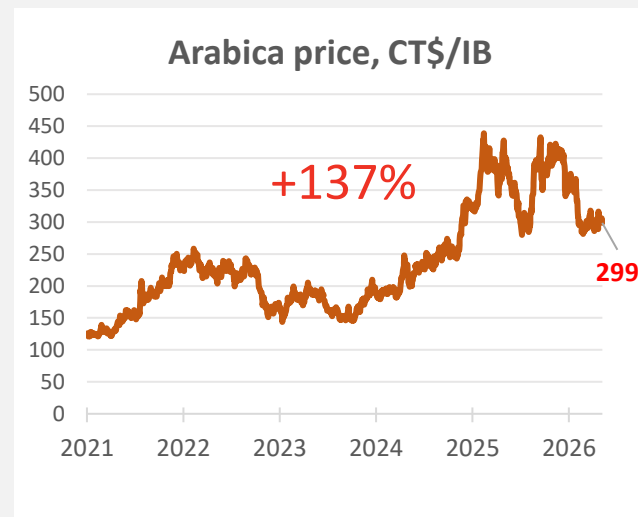
ROBUSTA



-29%

Avg. Q1-26 vs. Q1-25

ARABICA



-16%

Avg. Q1-26 vs. Q1-25

COCOA



-63%

Avg. Q1-26 vs. Q1-25