



Strauss Group Financial Results

Q3 and YTD Earnings Presentation
November 14th, 2018



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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.

Financial Highlights

Q3 2018

Q3'18 Sales: NIS 2158mm; growth: -2.4%

Q3'18 Organic growth excluding FX: 2.9%

Q3'18 gross margins: 37.6% (up 100 bps vs. Q3'17)

EBIT and EBIT margins: NIS 235mm (up 6.1%); 10.9% (up 90 bps vs. Q3'17)

Net income and net margins: NIS 144mm (up 15.1%); 6.6% (up 100 bps vs. Q3'17)

EPS: 1.25 (up 14.8% VS. Q3'17)

YTD 2018

YTD 2018 Sales: NIS 6428mm; growth: 1.5%

YTD 2018 Organic growth excluding FX: 5.6%

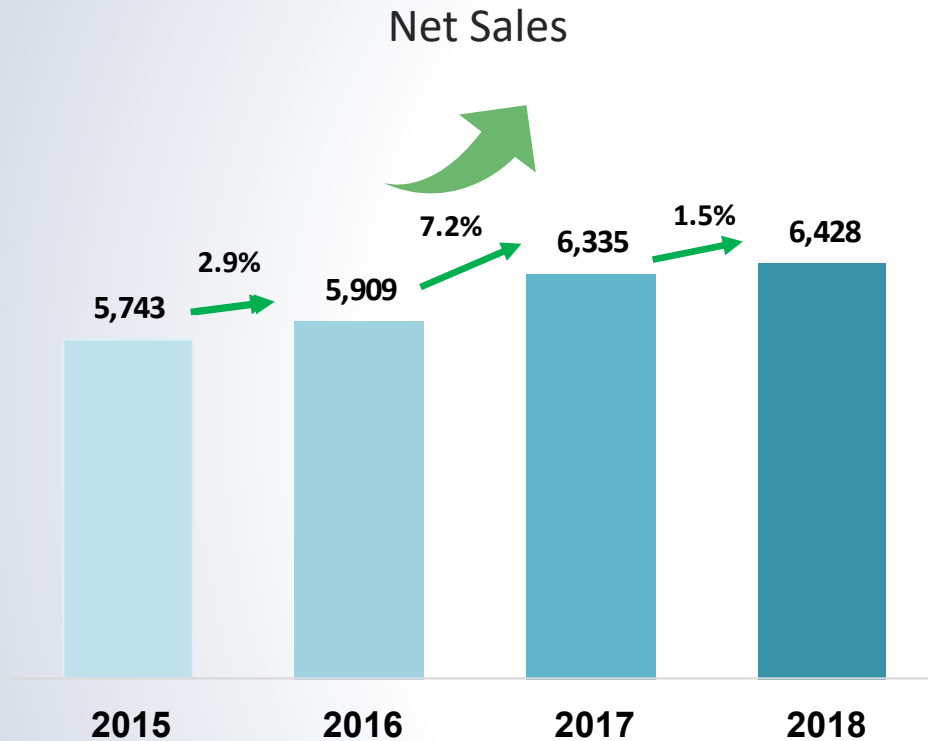
YTD 2018 Gross margins: 38.2% (up 120 bps vs. YTD 2017)

EBIT and EBIT margins: NIS 696mm (up 10.4%); 10.8% (up 80 bps vs. YTD 2017)

Net income and net margins: NIS 402mm (up 18.8%); 6.2% (up 90 bps vs. YTD 2017)

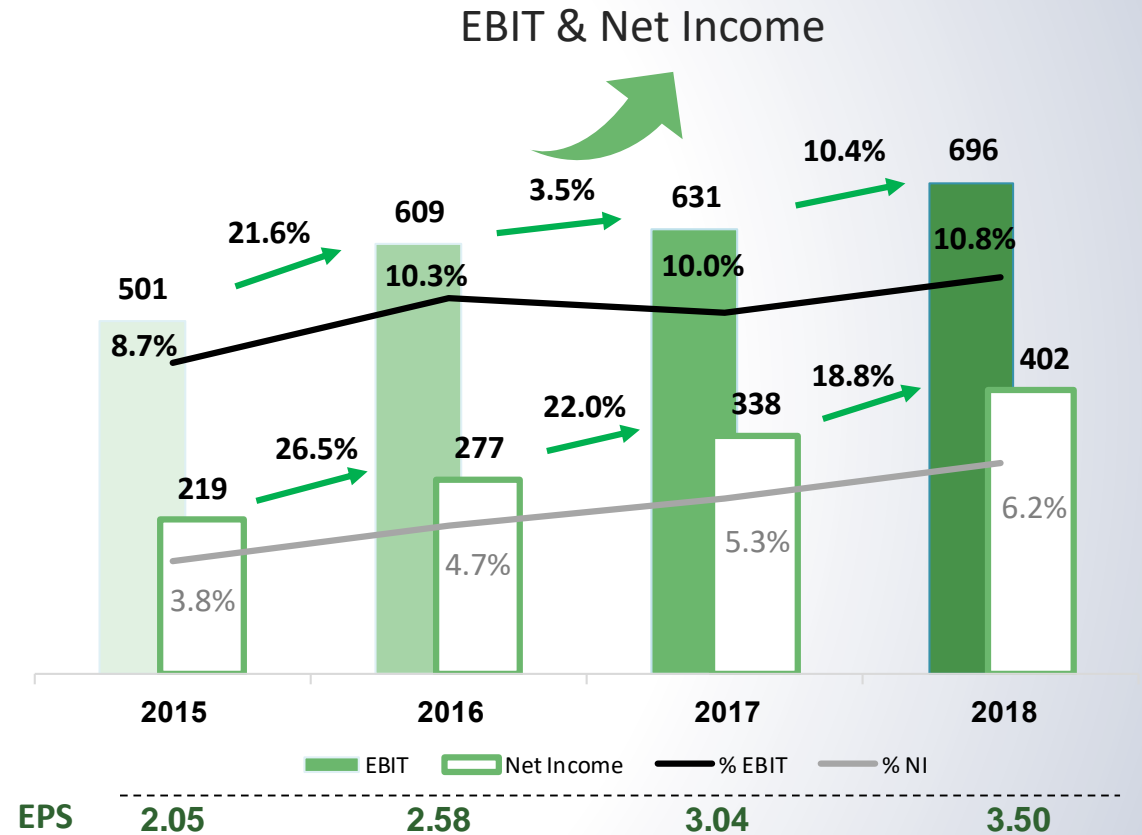
EPS: 3.5 (up 15% VS. YTD 2017)

2015-2018 YTD | Strauss Group growth journey



>4% CAGR growth from 2015

With key currencies devaluing



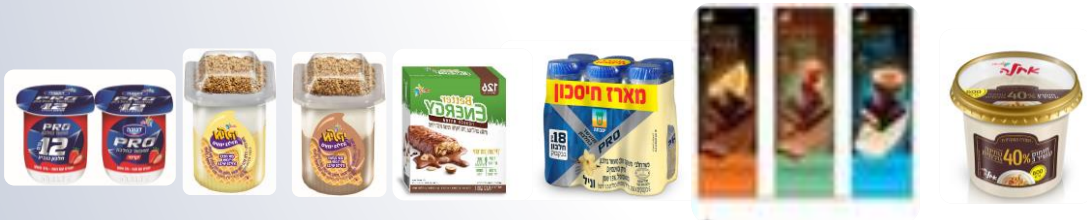
+39% EBIT increase in 3Y

+83% Net Income increase in 3Y

Quarter Highlights

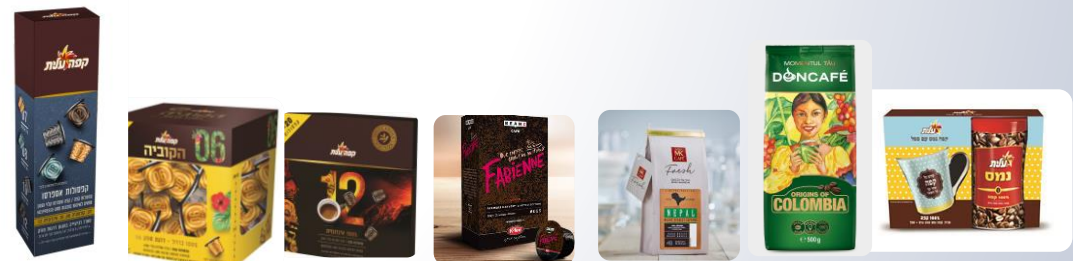
Strauss Israel

- Another quarter for S. Israel with top line growth of 3.6%
- With a focus on our Health and Wellness portfolio which grew 4.2% during the quarter
- Market share continues to expand to 11.9% from 11.6% in the corresponding quarter
- Innovation continues to lead growth
- Gross margins slightly erode due to product mix and higher milk prices



Strauss Coffee

- Top line growth in NIS declines due to FX effect, mainly BRL with a negative impact of NIS 101 mm
- Brazil 3C(1) continues to lead growth with 4.9% increase in local currency for the quarter and 9.1% for YTD 2018
- 3C(1) market share in Brazil R&G grew to 27.1%(2) for the 9 months, up from 25.5%
- Increased competition in Russia negatively impacts revenue growth



- (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 Highlights

International Dips & Spreads

- Sabra continues to improve on all fronts during the quarter with sales up 4.2%
- Hummus market share in North America continue to rise and was at 59.9% at the end of the quarter
- Sabra EBIT continues to improve dramatically up to NIS 28 million from NIS7 in Q2 2017 (for 100% company)
- Sabra profit margins continue to expand and are at 8%
- Obela sales were up 12.9% during the quarter
- Market penetration efforts continue in new markets – Germany and New Zealand
- Sabra continues to be a global market leader and the no. 1 producer of Hummus in North America



Strauss Water

- In Q3 Strauss Water continued the strong momentum of the previous quarters
- Sales at Strauss water (excluding HSW) are up 9.4% during the quarter, following increased sales in Israel
- Sales of HSW (100%), water JV in China, grew by 8.8% (8.9% excluding FX) in Q3 2018 to NIS 142 million from NIS 131 million in Q3 2017 and by 8.6% in YTD 2018 to NIS 408 million from NIS 376 million in YTD 2017 (6% excluding FX)
- Net profits at HSW grew by 3.3% (4.2% excluding FX) during the quarter to NIS 13 million and declined -1.2% (-3.9% excluding FX) in YTD 2018 to NIS 38 million



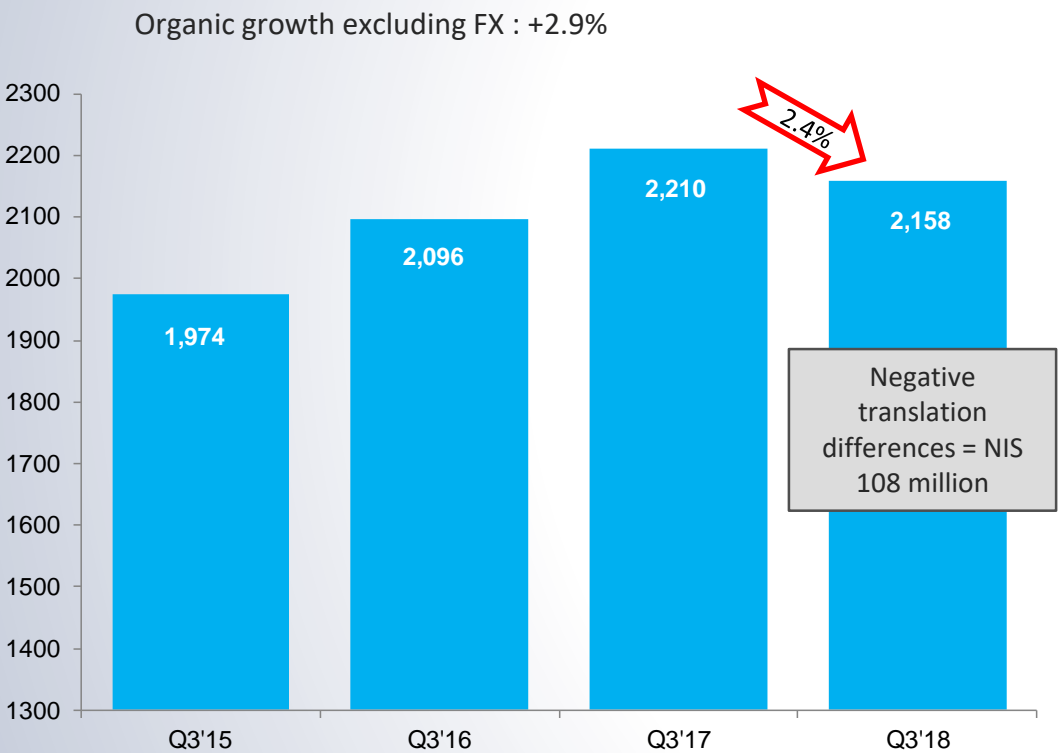


Q3 2018

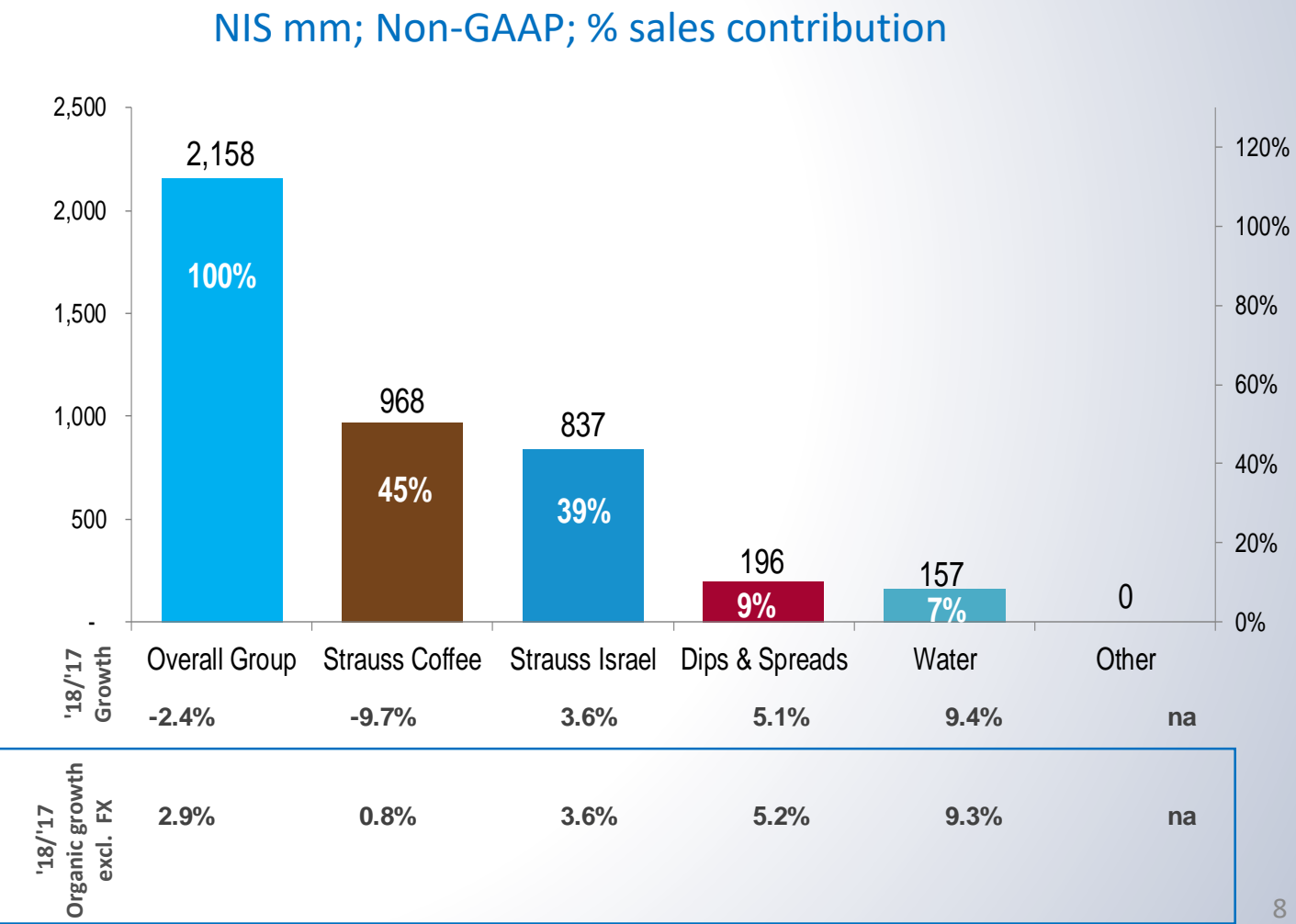


Sales

Q3 2018 Consolidated Sales NIS mm Non-GAAP

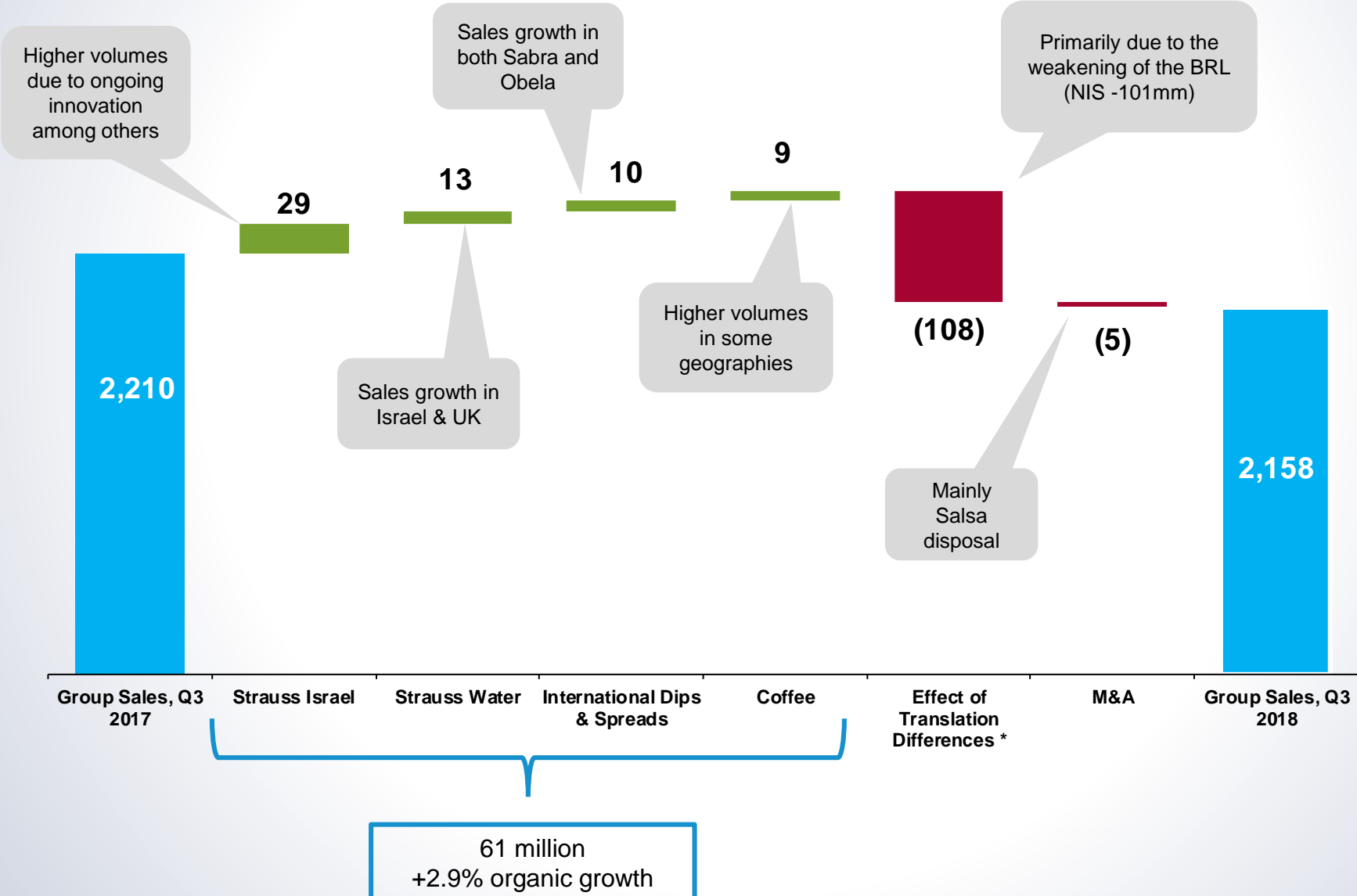


Q3 2018 Sales by Segment



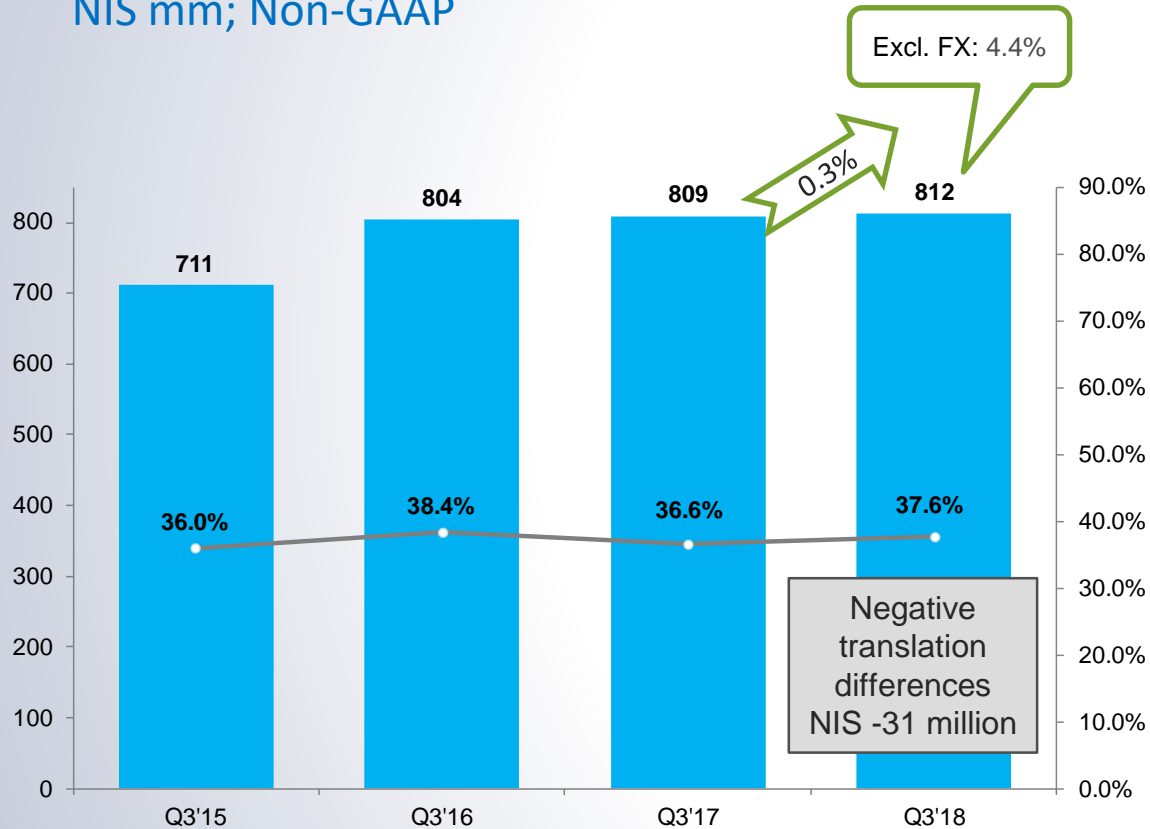
Q3 Sales Bridge

NIS mm; Non-GAAP; Q3'17 to Q3'18

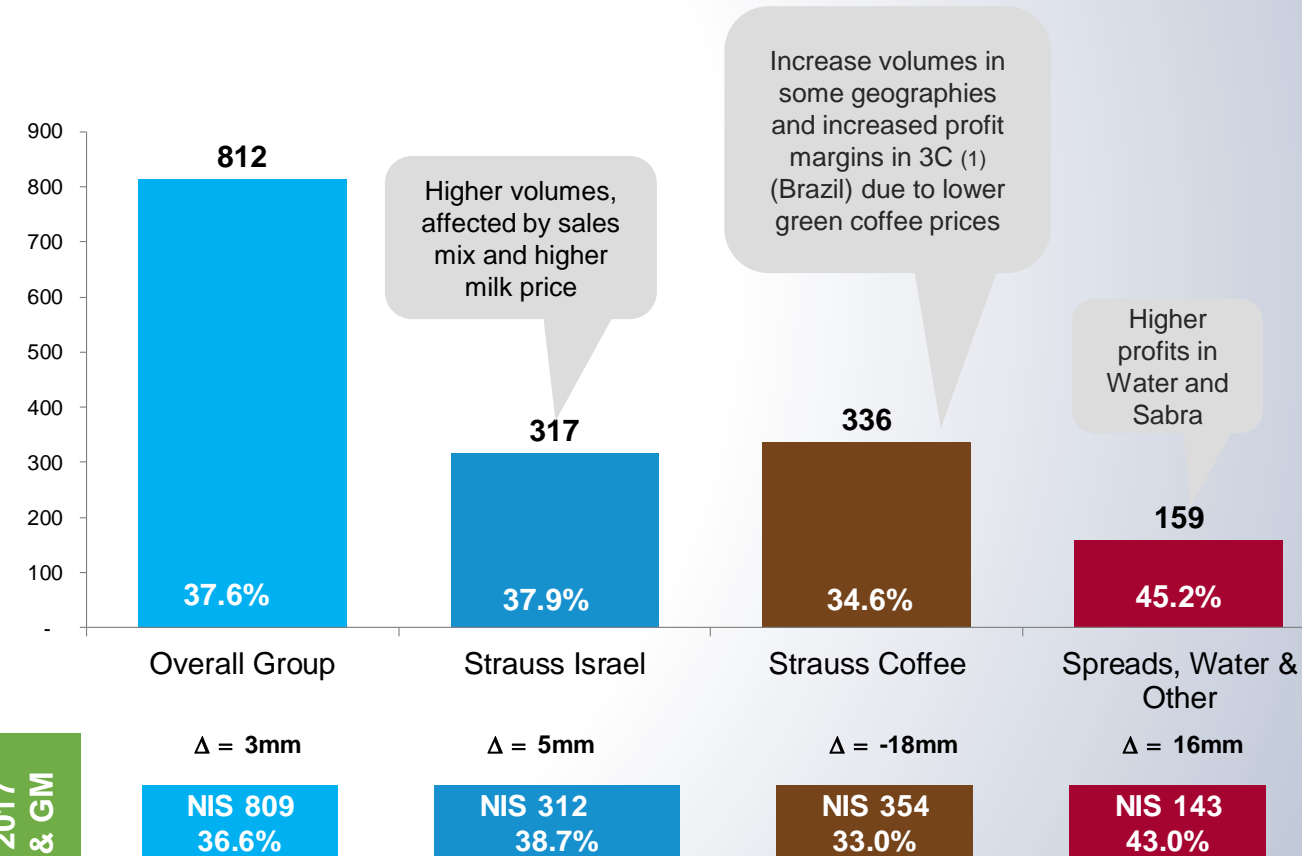


Gross Profit

Q3 Consolidated Gross Profit and Gross Margins
NIS mm; Non-GAAP



Q3 2018 Gross Profit and Gross Margins NIS mm;
Non-GAAP; % Margin



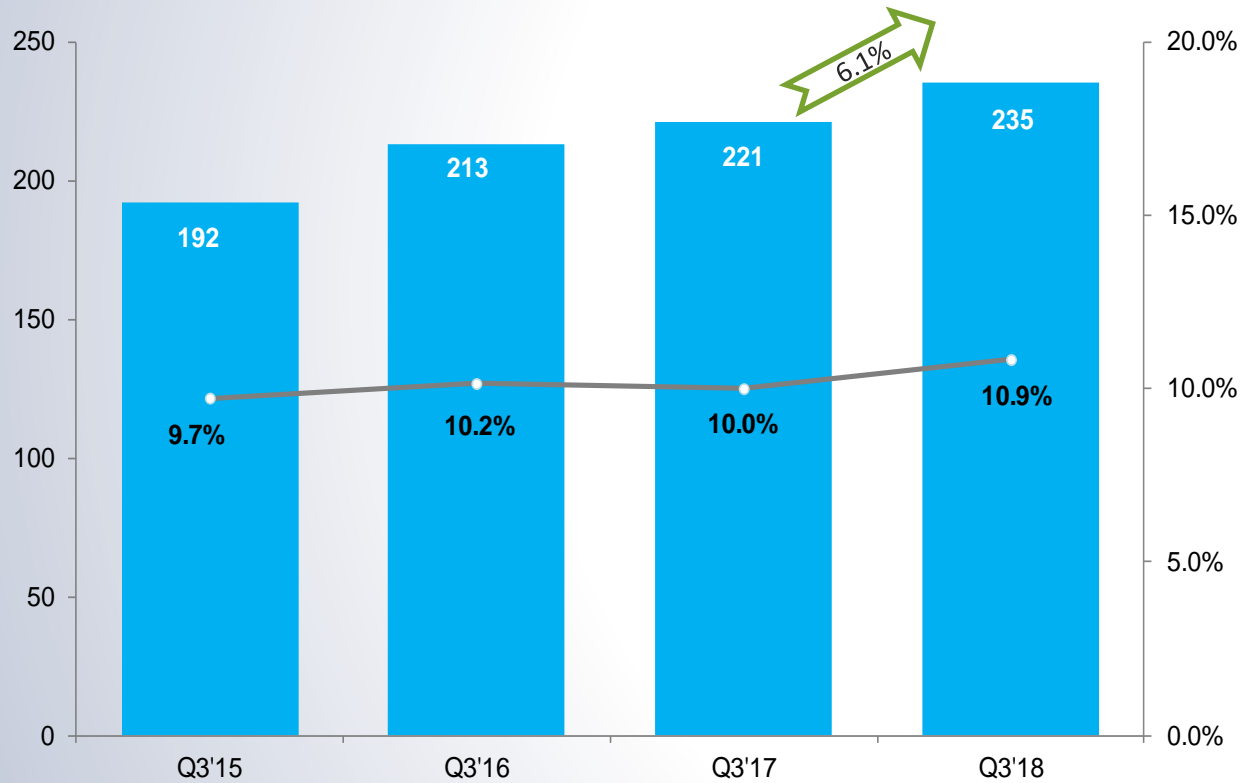
Q3 2017
GP & GM

Δ = 3mm	Δ = 5mm	Δ = -18mm	Δ = 16mm
NIS 809 36.6%	NIS 312 38.7%	NIS 354 33.0%	NIS 143 43.0%

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

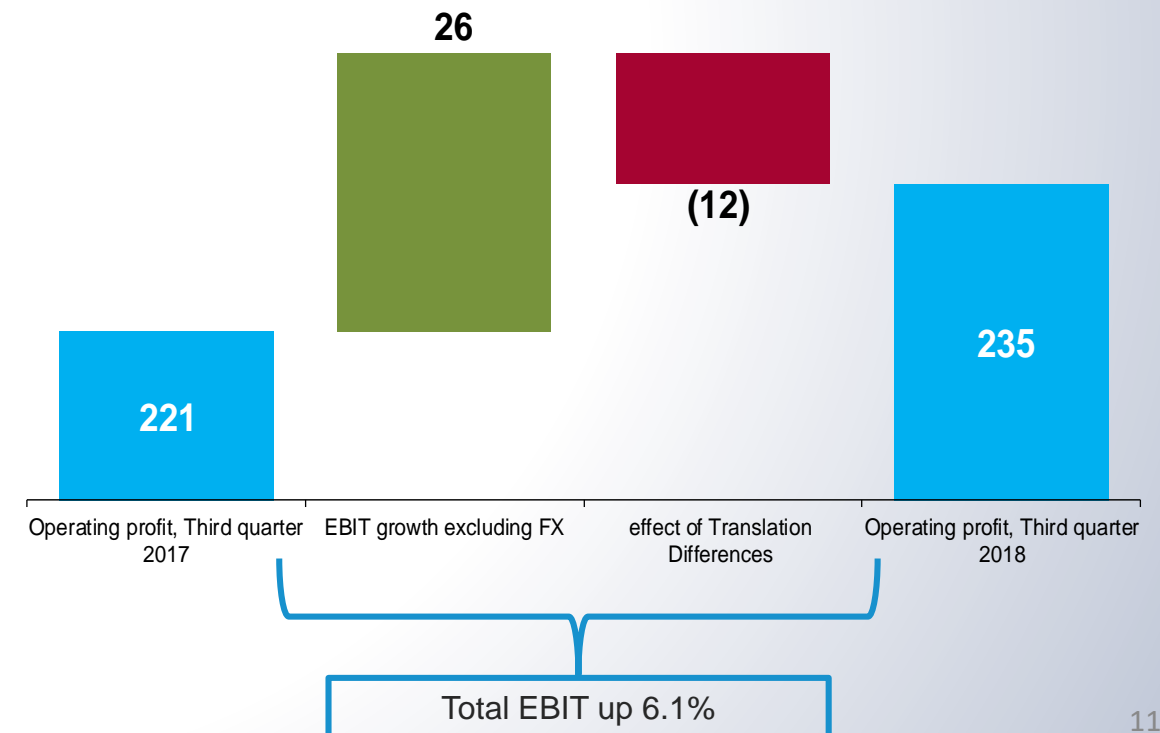
EBIT

Q3 Consolidated EBIT and EBIT Margins
NIS mm; Non-GAAP

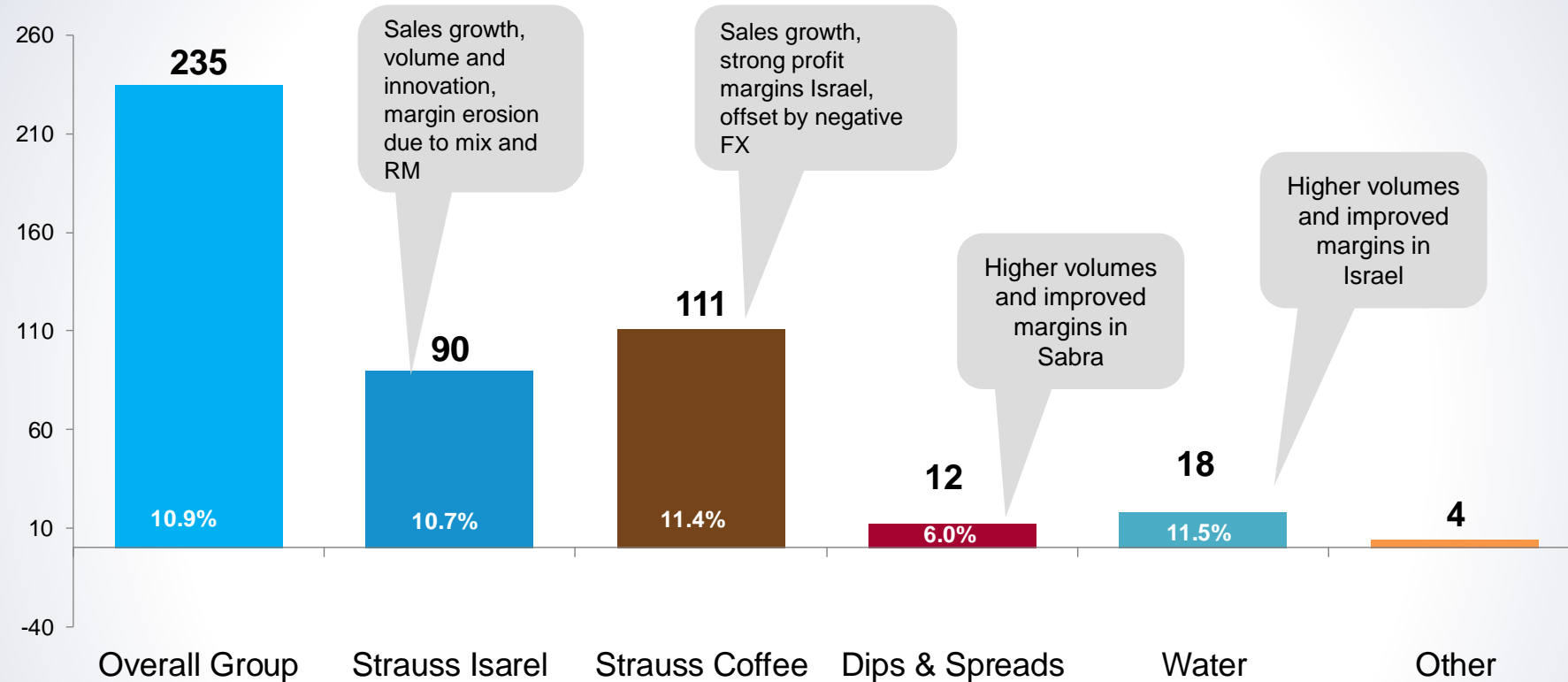


- Q3'18 / Q3'17: 6.1%
- excluding FX : 12.8%

Q3 EBIT Bridge NIS mm; Non-GAAP; Q3'17 to Q3'18



Q3 2018 EBIT and EBIT Margins | NIS mm; Non-GAAP; % Margin

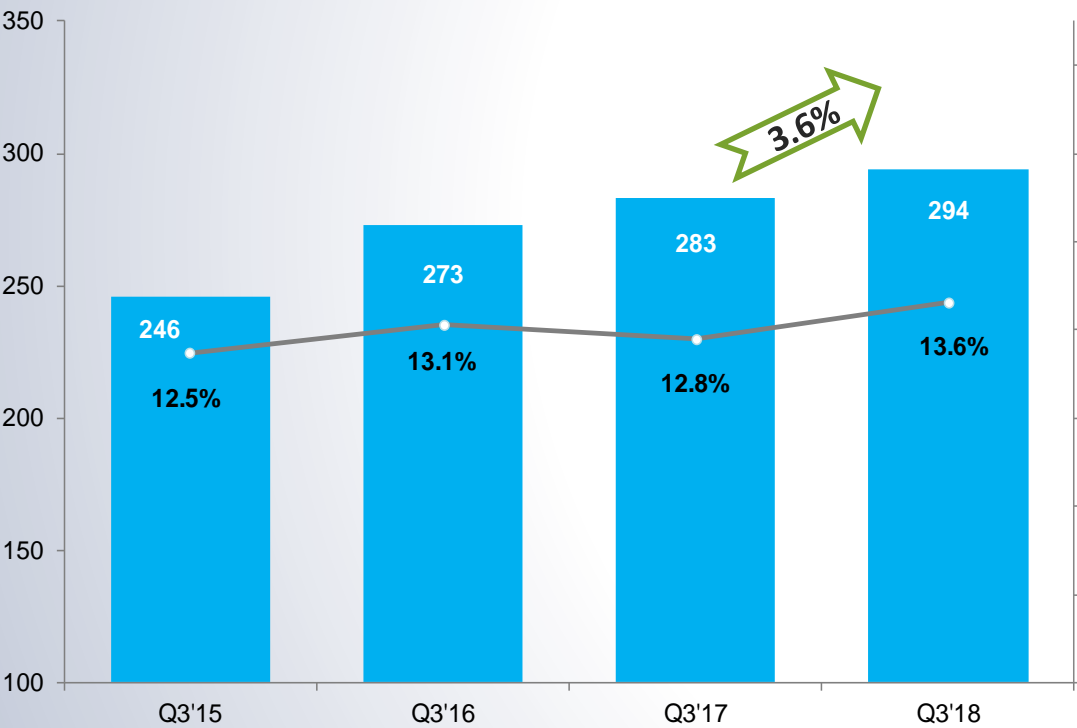


Q3'17 EBIT & EBIT %	Δ = 14mm	Δ = 2mm	Δ = -11mm	Δ = 12mm	Δ = 9mm	Δ = 2mm
	NIS 221 10.0%	NIS 88 10.9%	NIS 122 11.3%	NIS 0 0.1%	NIS 9 6.3%	NIS 2 NA

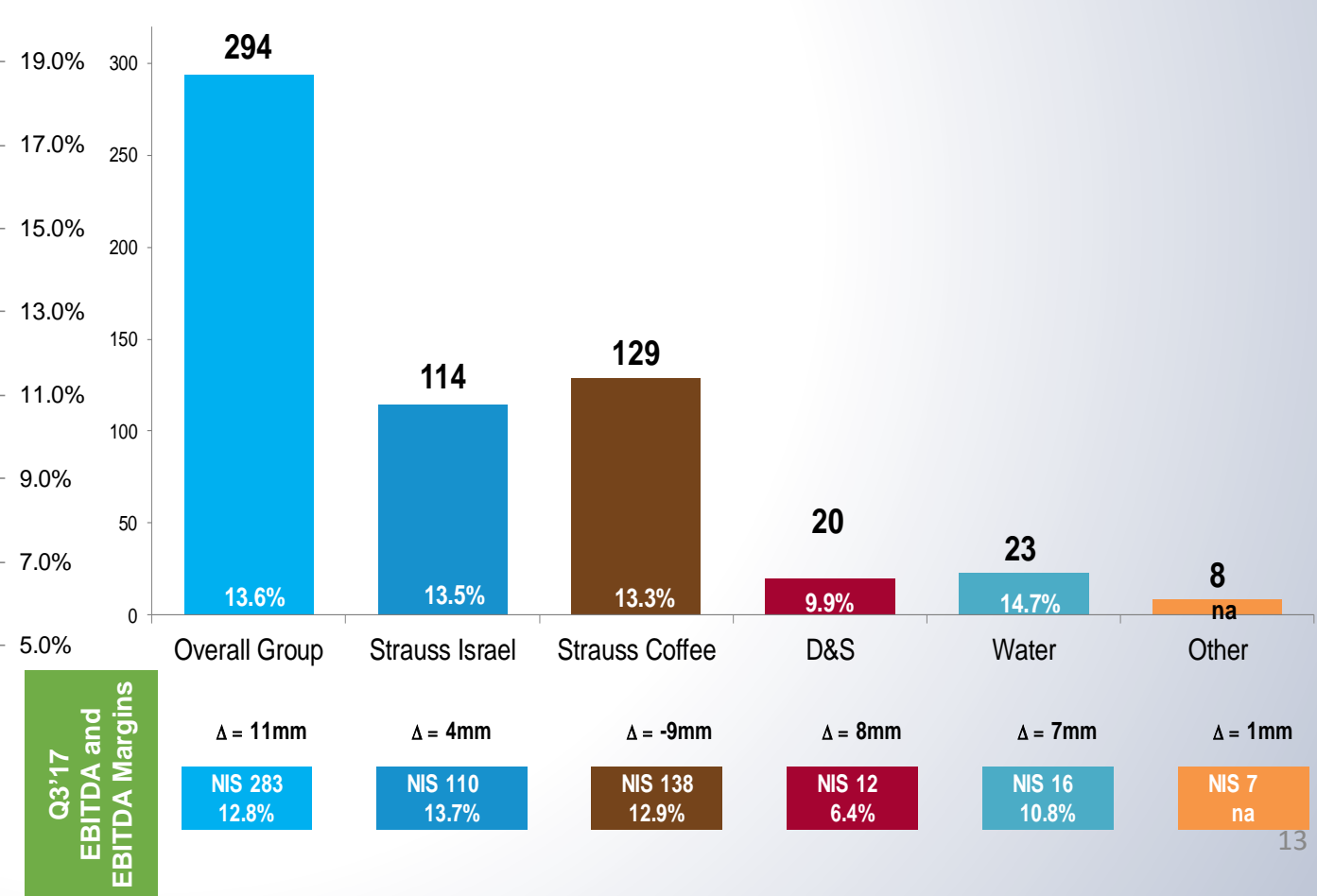
Note: 1. Water EBIT includes net profits from HSW
 2. Excluding FX Strauss Coffee EBIT was up NIS 2mm on Q3 2017

EBITDA

Q3 2018 Consolidated EBITDA and EBITDA Margins
NIS mm; Non-GAAP

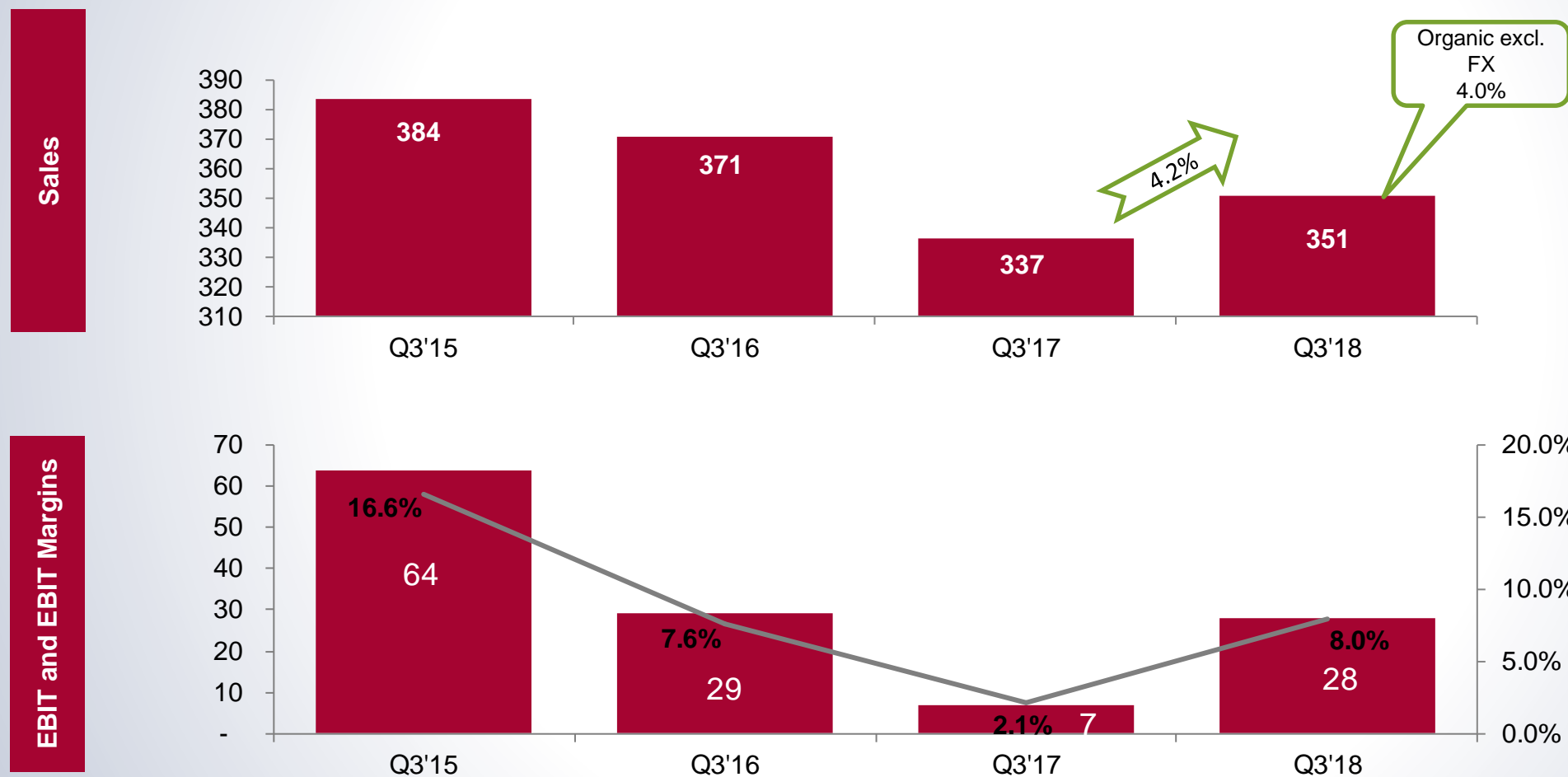


Q3 2018 EBITDA and EBITDA Margins NIS mm; Non-GAAP; % Margin



Sabra Q3 Snapshot

NIS mm; Non-GAAP; for 100% share



Note: Sabra Dipping Company ("Sabra") is a company jointly held by PepsiCo (50%) and Strauss Group (50%) .

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

Q3 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).

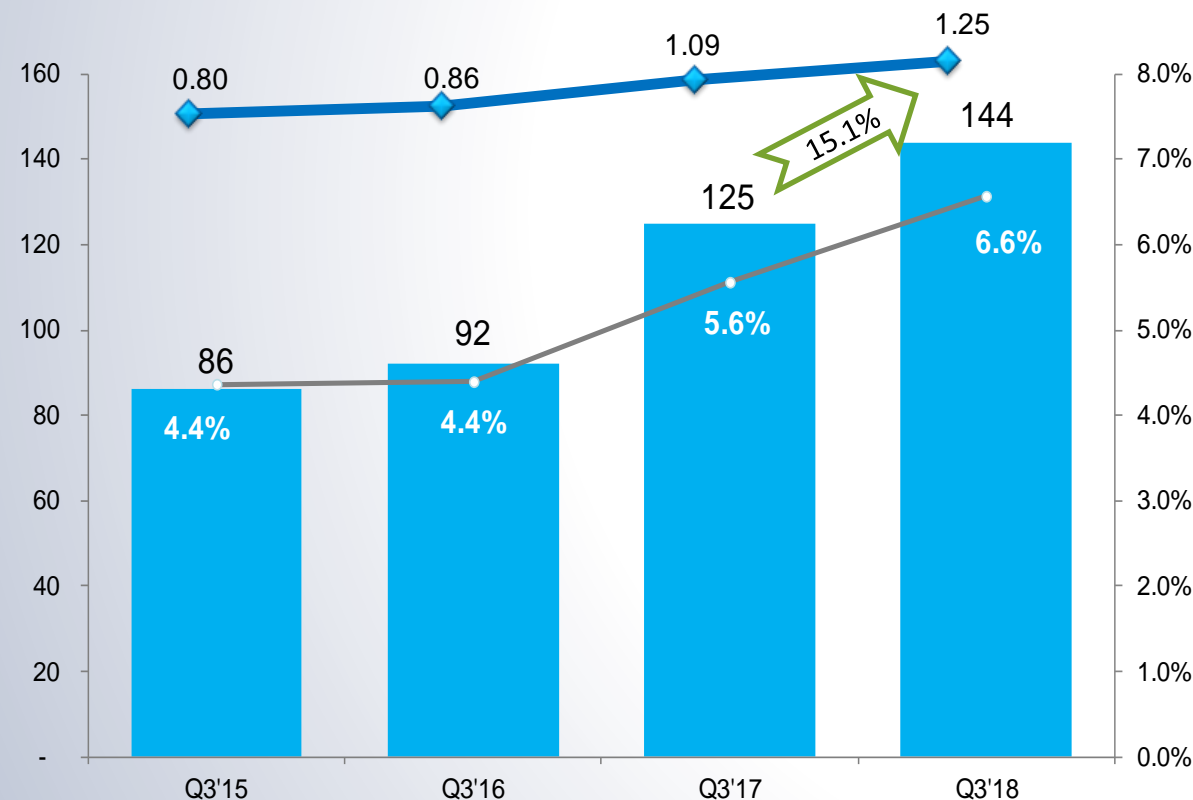
Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of September 30th, 2018.

(1) EBIT before Other Expenses/ Income.

Net Income

Q3 Net Profit (attributed to the Company's shareholders),
Net Margins and EPS

NIS mm; Non-GAAP



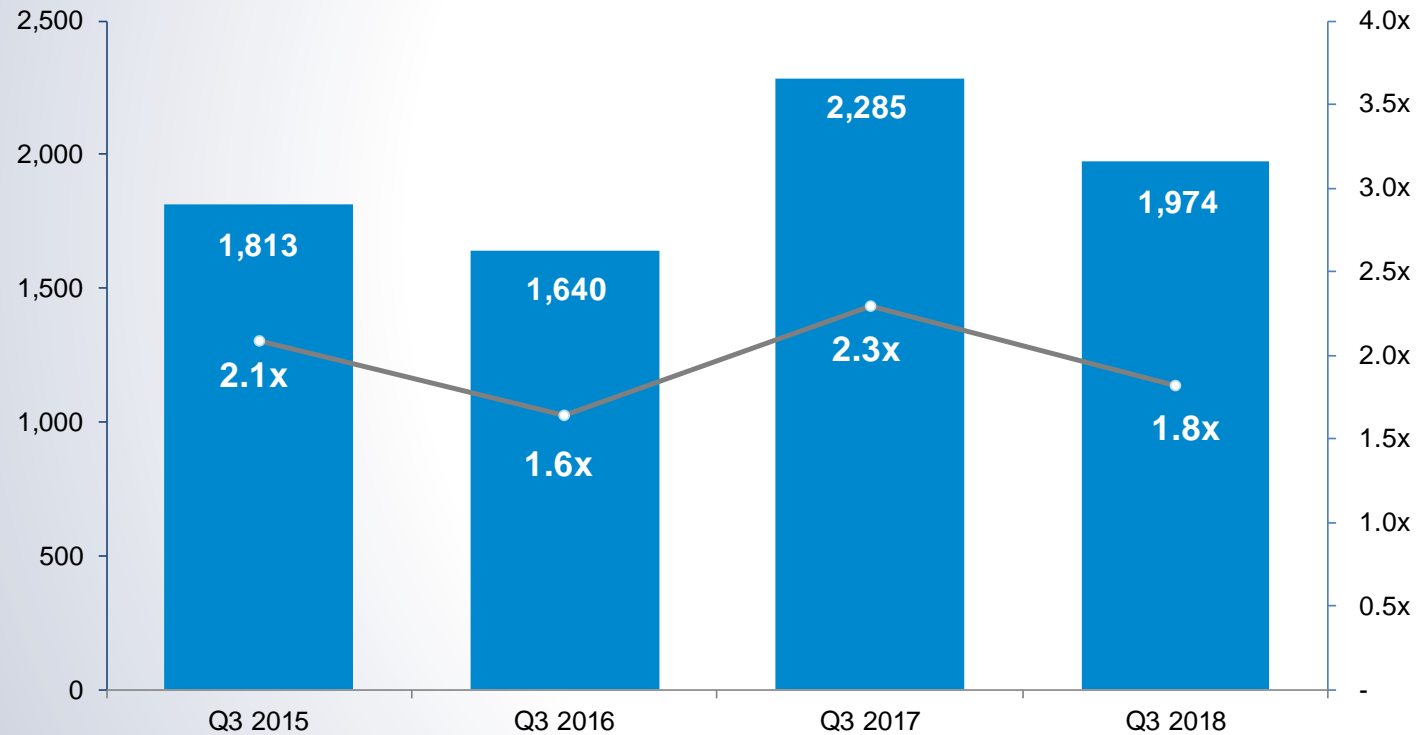
Q3 Net Profit (attributed to the Company's shareholders)
Bridge NIS mm;

Non-GAAP; Q3'17 to Q3'18



Net Debt and Net Debt /EBITDA (LTM)

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



Successfully lowered gearing
to 1.8X

Q3 GAAP and Non-GAAP | Financial Highlights

NIS mm

	GAAP			Adjusted Non-GAAP		
	Q3 2018	Q3 2017	% Chg.	Q3 2018	Q3 2017	% Chg.
Sales	1,411	1,399	0.8%	2,158	2,210	(2.4%)
Gross Profit	542	545	(0.7%)	812	809	0.3%
<i>GP Margin</i>	38.4%	39.0%		37.6%	36.6%	
Operating Profit	208	167	24.2%	235	221	6.1%
<i>EBIT Margin</i>	14.7%	12.0%		10.9%	10.0%	
Net Profit (to SH)	129	94	35.7%	144	125	15.1%
<i>NP Margin</i>	9.1%	6.7%		6.6%	5.6%	
Operating Cash Flow	208	86		248	181	
Capex ⁽¹⁾	(49)	(37)		(82)	(57)	
Net debt	1,789	2,033		1,974	2,285	
Change in WC (CF)	47	(54)		18	(41)	



YTD 2018



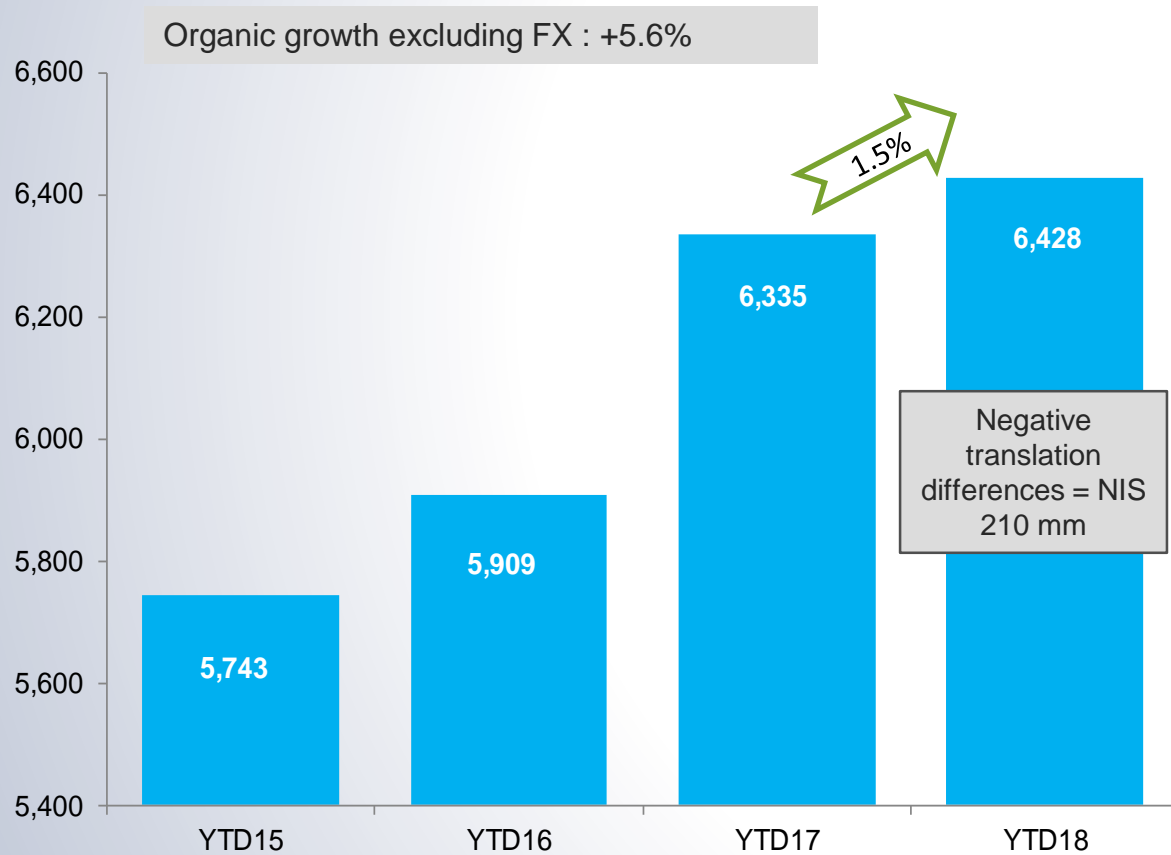
YTD GAAP and Non-GAAP Financial Highlights

NIS mm

	GAAP			Adjusted Non-GAAP		
	YTD 2018	YTD 2017	% Chg.	YTD 2018	YTD 2017	% Chg.
Sales	4,205	4,095	2.7%	6,428	6,335	1.5%
Gross Profit	1,685	1,604	5.1%	2,458	2,342	4.9%
<i>GP Margin</i>	40.1%	39.2%		38.2%	37.0%	
Operating Profit	647	514	25.8%	696	631	10.4%
<i>EBIT Margin</i>	15.4%	12.6%		10.8%	10.0%	
Net Profit (to SH)	392	274	42.7%	402	338	18.8%
<i>NP Margin</i>	9.3%	6.7%		6.2%	5.3%	
Operating Cash Flow	445	182		544	294	
Capex ⁽¹⁾	(144)	(129)		(228)	(189)	
Net debt	1,789	2,033		1,974	2,285	
Change in WC (CF)	2	(198)		(132)	(285)	

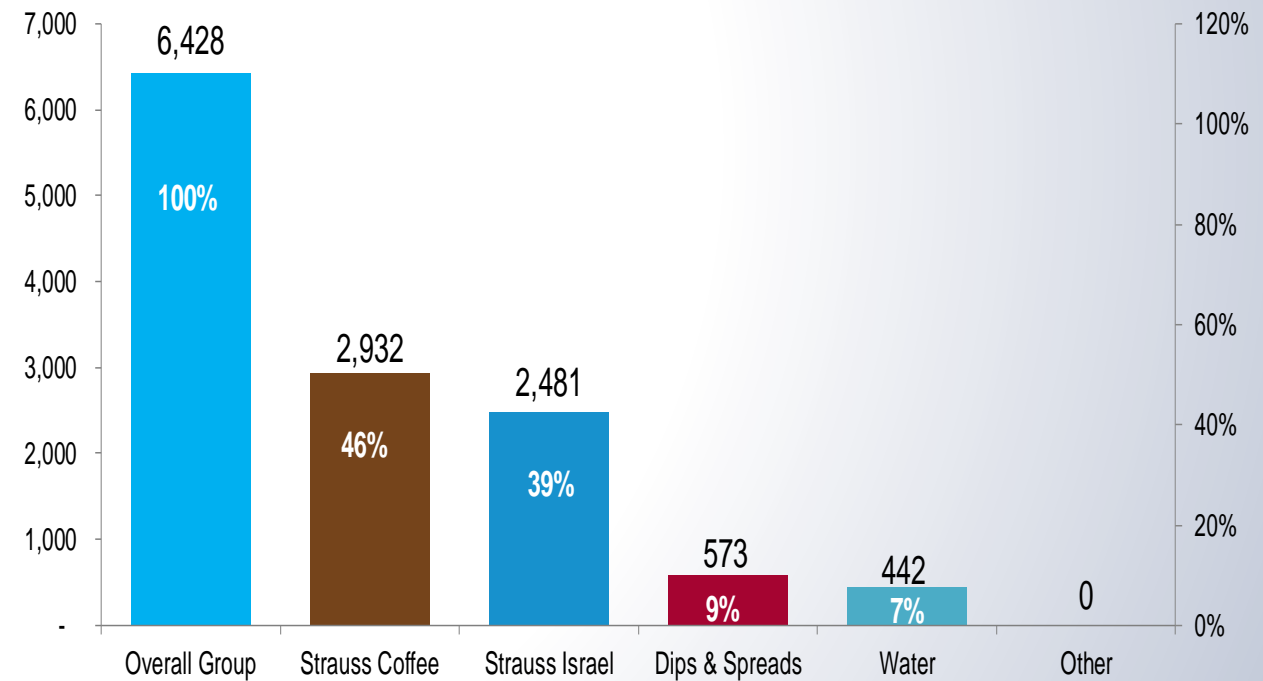
Sales

YTD 2018 Consolidated Sales NIS mm Non-GAAP



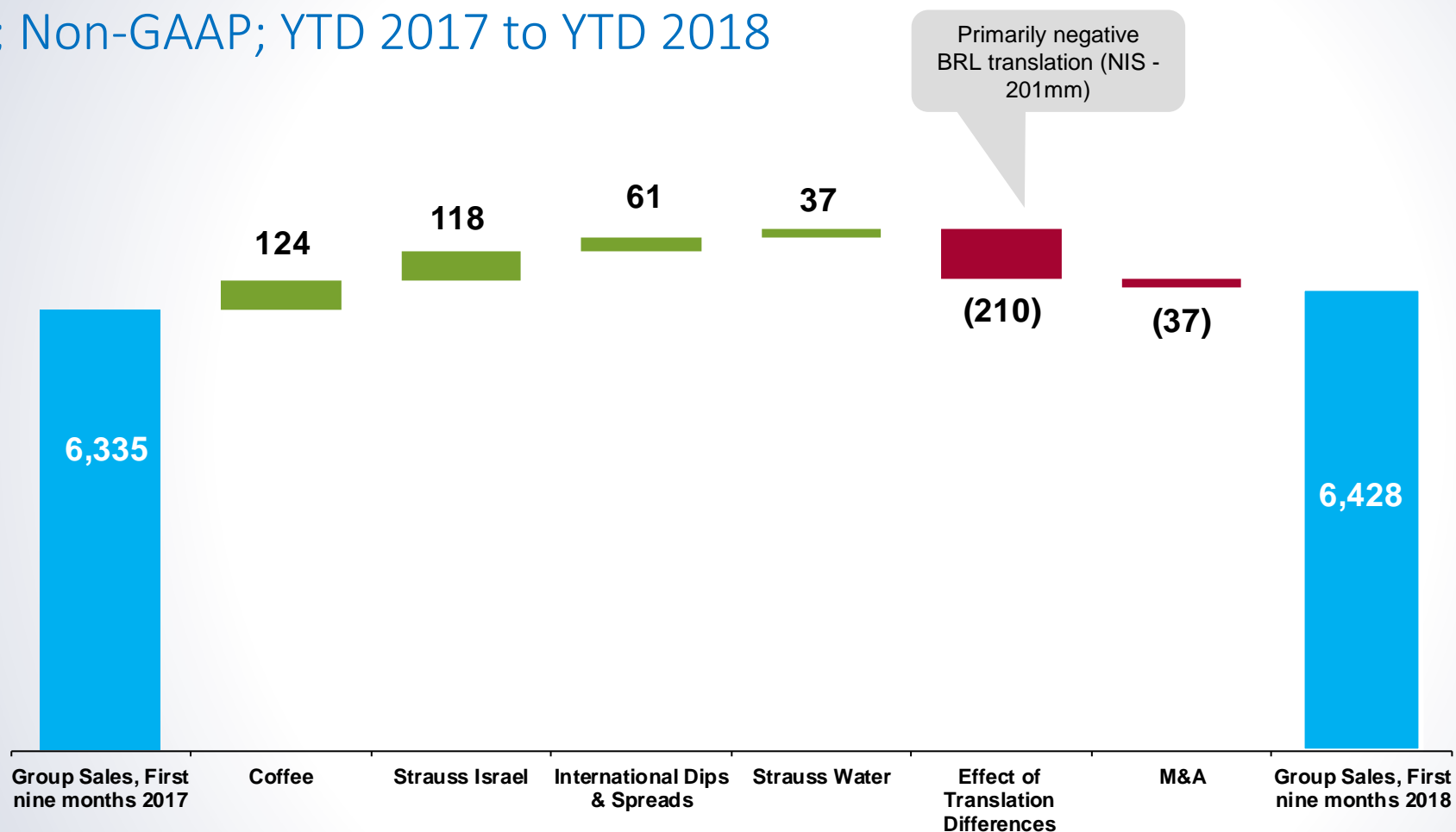
Q3 2018 Sales by Segment

NIS mm; Non-GAAP; % sales contribution



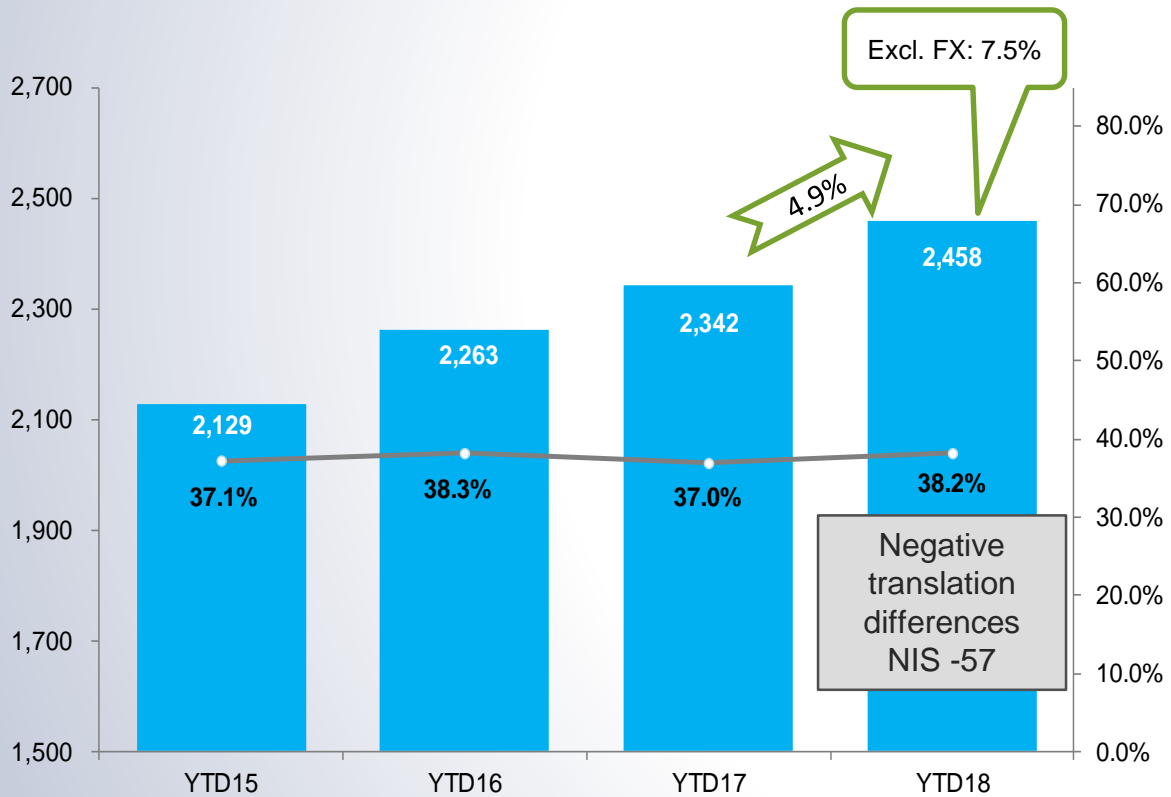
YTD Sales Bridge

NIS mm; Non-GAAP; YTD 2017 to YTD 2018

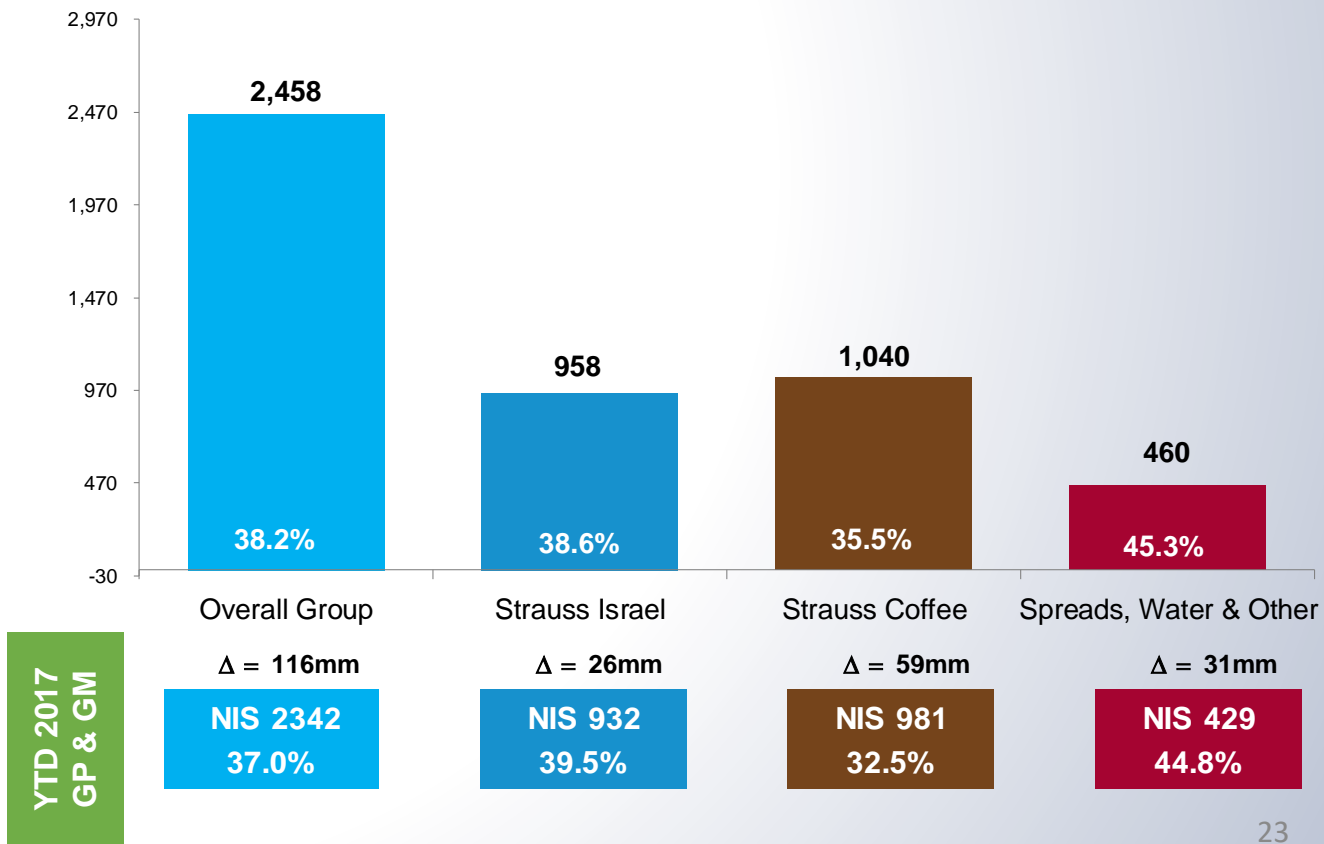


Gross Profit

YTD Consolidated Gross Profit and Gross Margins
NIS mm; Non-GAAP

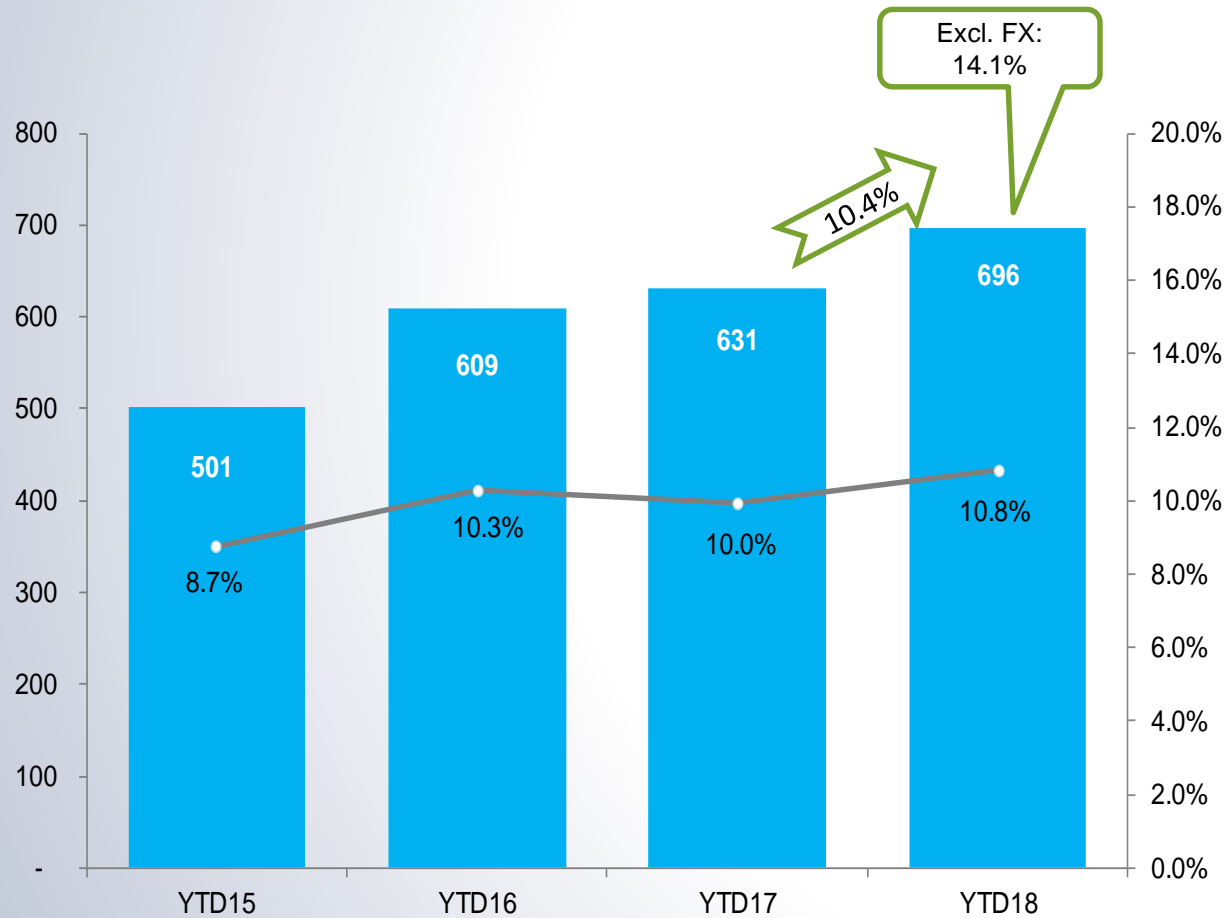


YTD 2018 Gross Profit and Gross Margins
NIS mm; Non-GAAP; % Margin

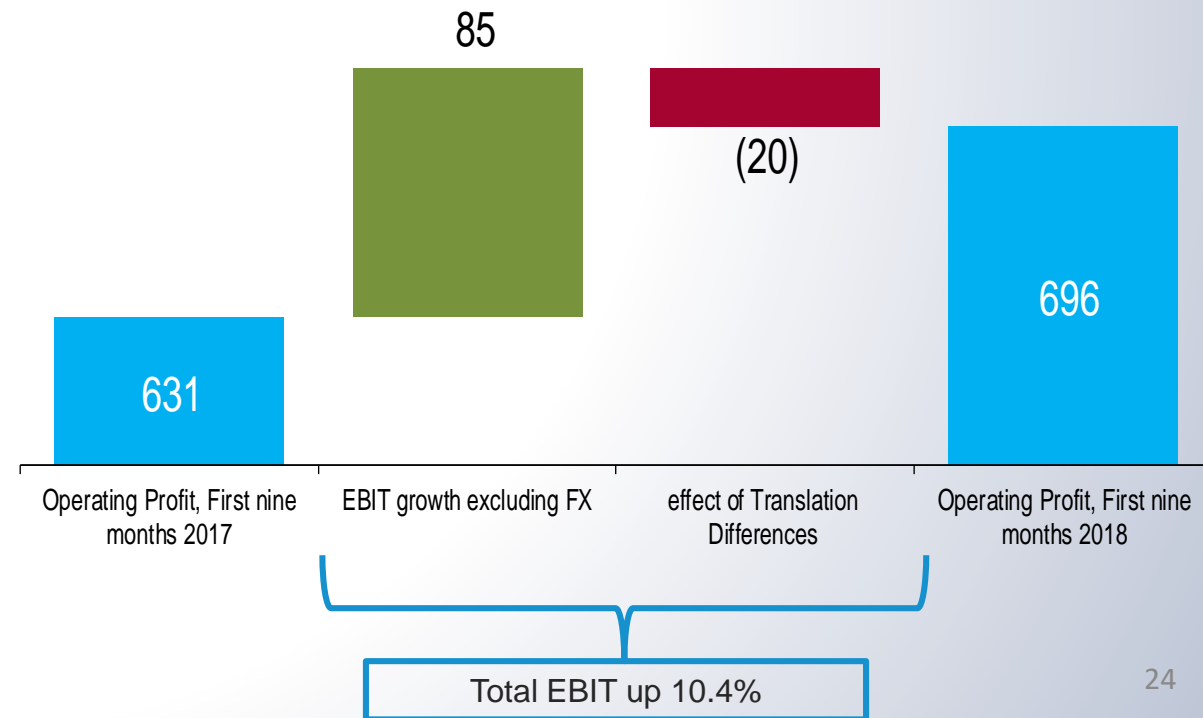


EBIT

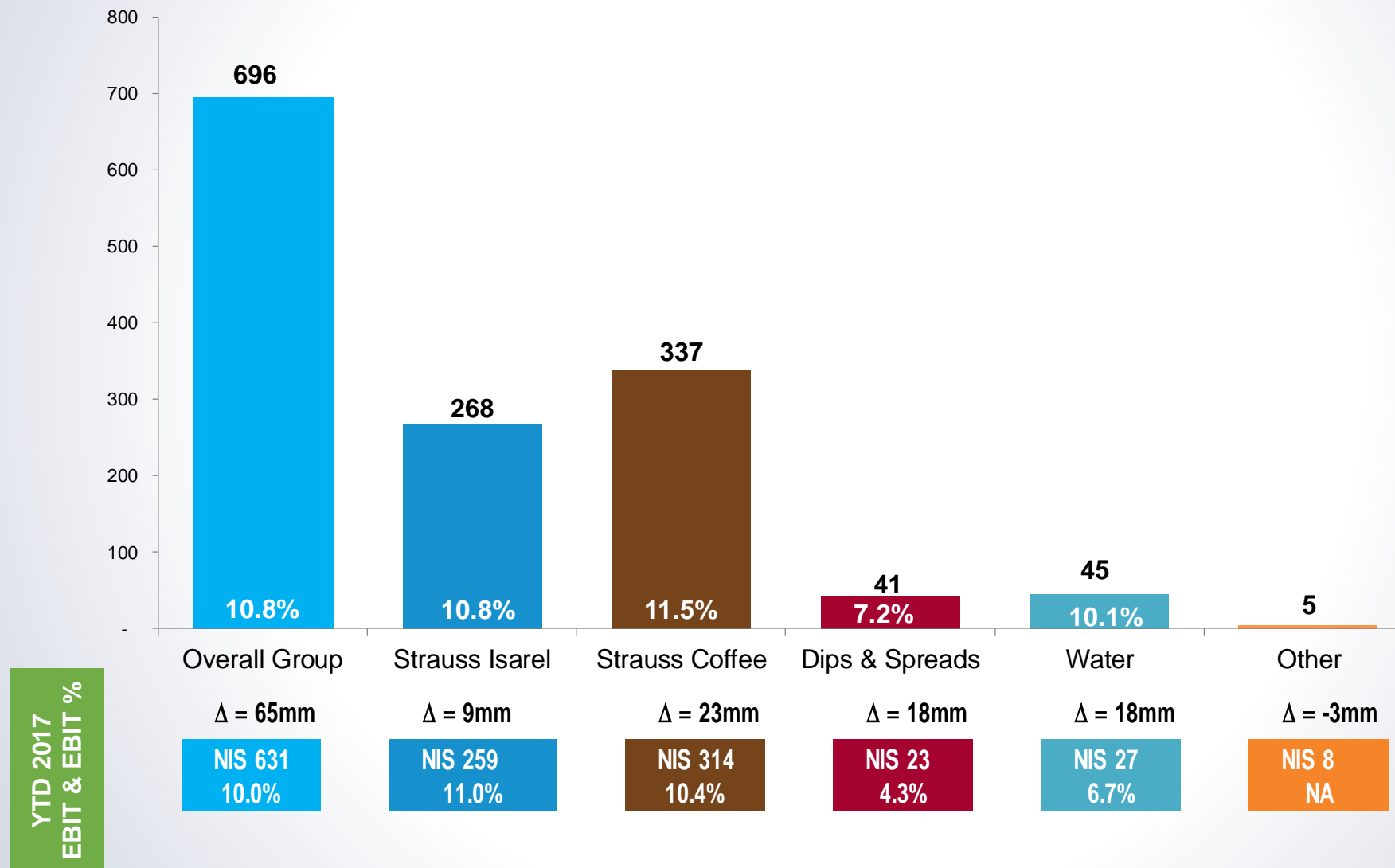
YTD Consolidated EBIT and EBIT Margins
NIS mm; Non-GAAP



YTD EBIT Bridge NIS mm; Non-GAAP; YTD 2017 to
YTD 2018

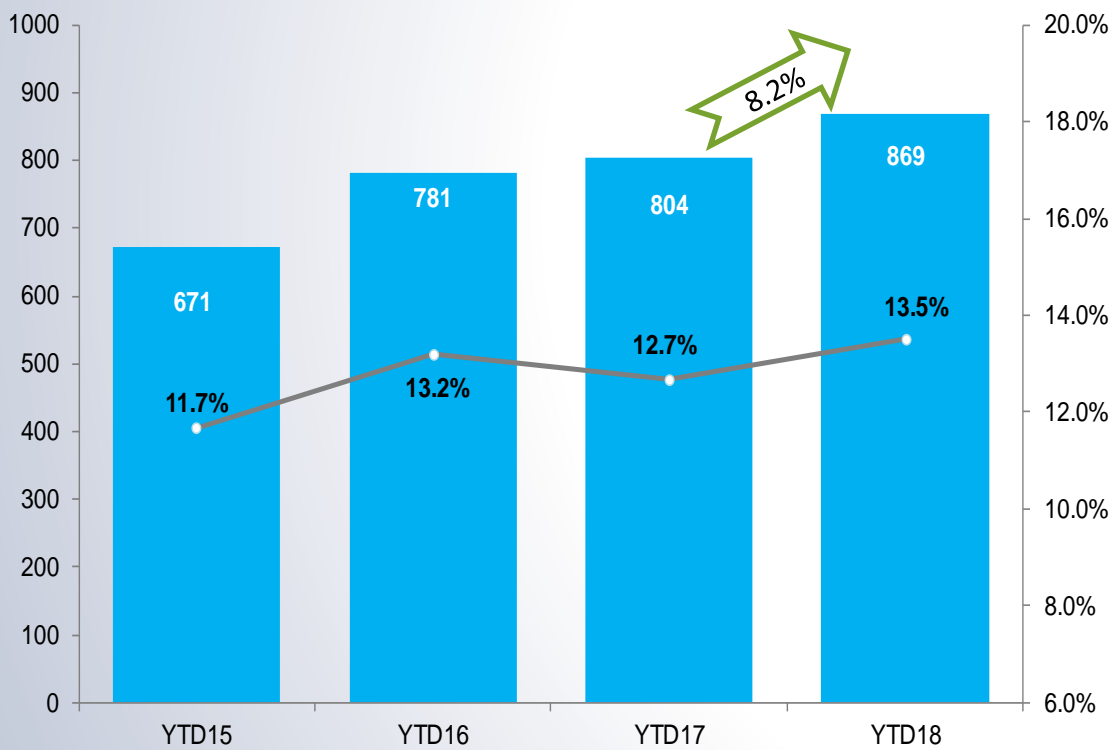


YTD 2018 EBIT and EBIT Margins NIS mm; Non-GAAP; % Margin

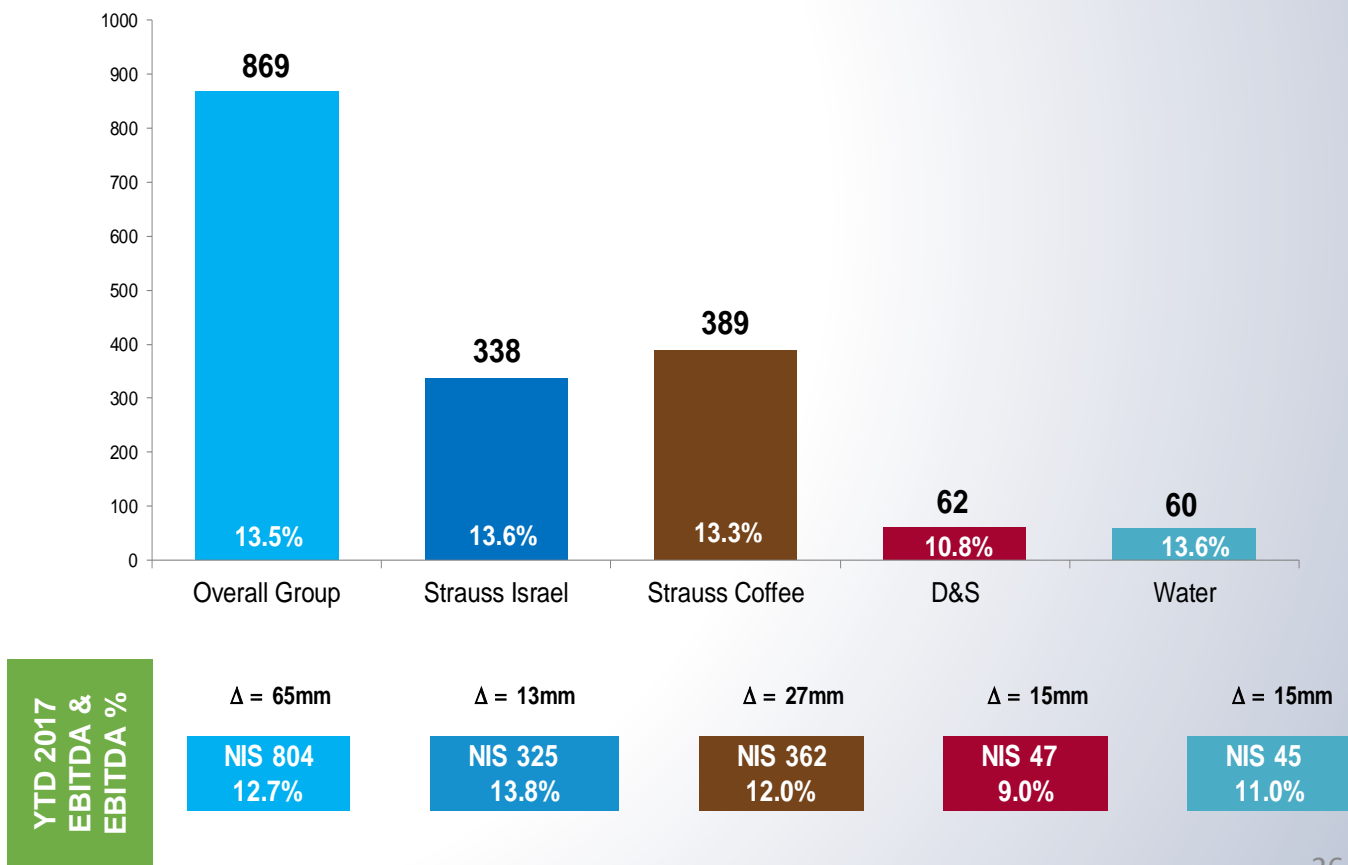


EBITDA

YTD 2018 Consolidated EBITDA and EBITDA Margins
NIS mm; Non-GAAP



YTD 2018 EBITDA and EBITDA Margins NIS mm; Non-GAAP; % Margin

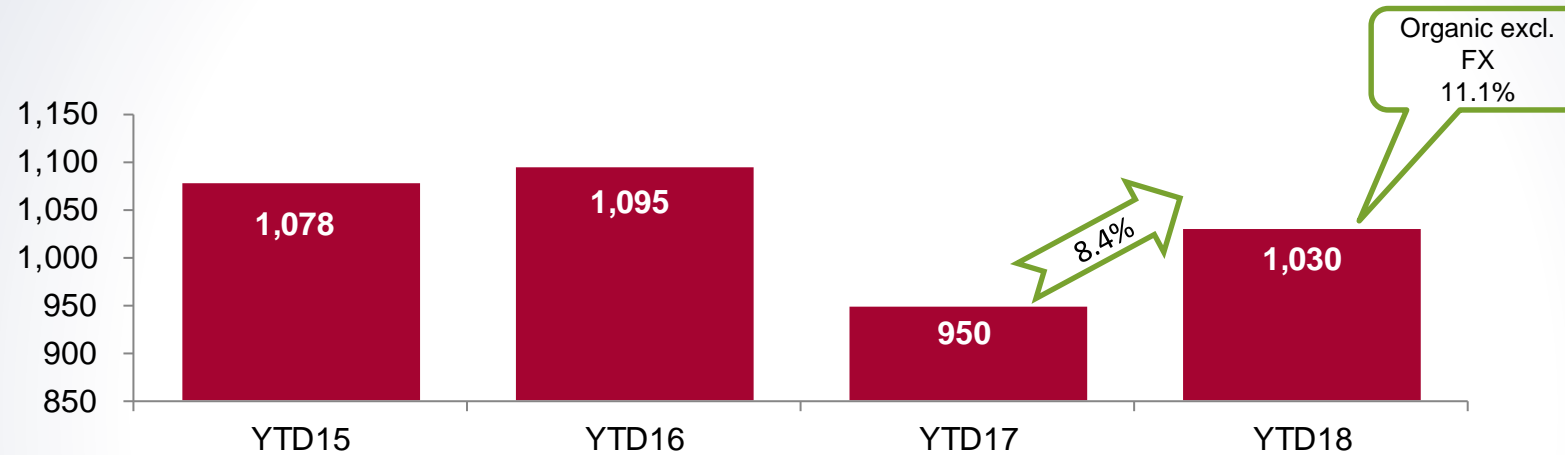


Sabra YTD Snapshot

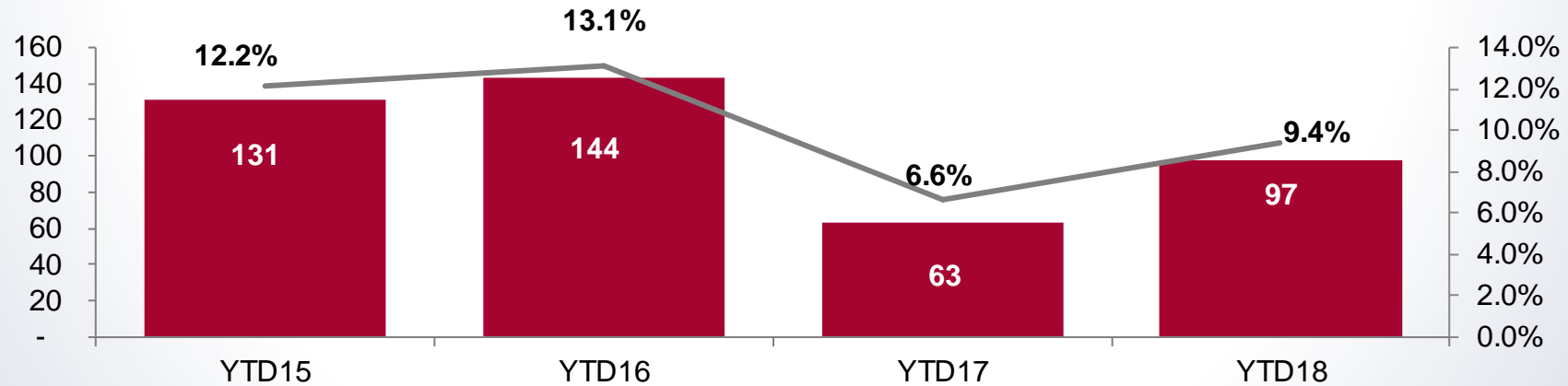
NIS mm; Non-GAAP; for 100% share



Sales



EBIT and EBIT Margins



Note: Sabra Dipping Company ("Sabra") is a company jointly held by PepsiCo (50%) and Strauss Group (50%) .

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).

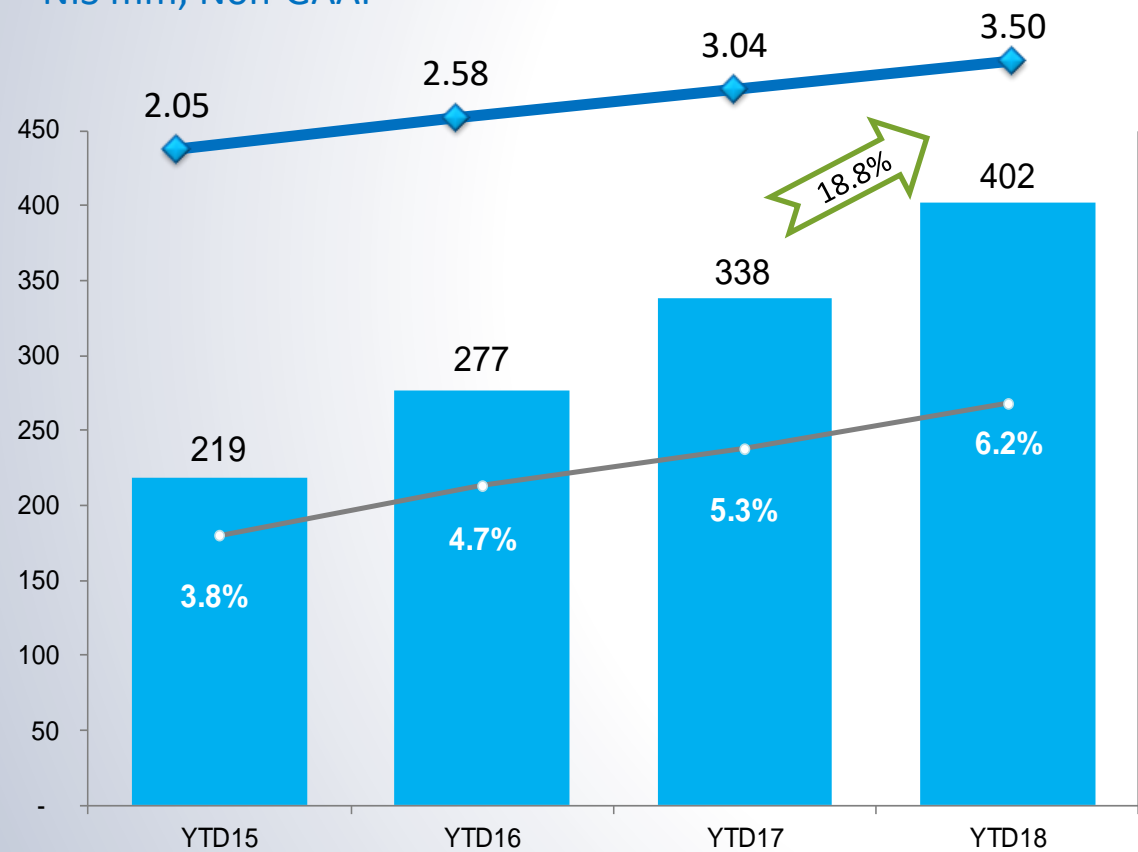
Source: Três Corações Alimentos S.A. Consolidated Interim Financial Statements as of September 30th, 2018.

(1) EBIT before Other Expenses/ Income.

Net Income

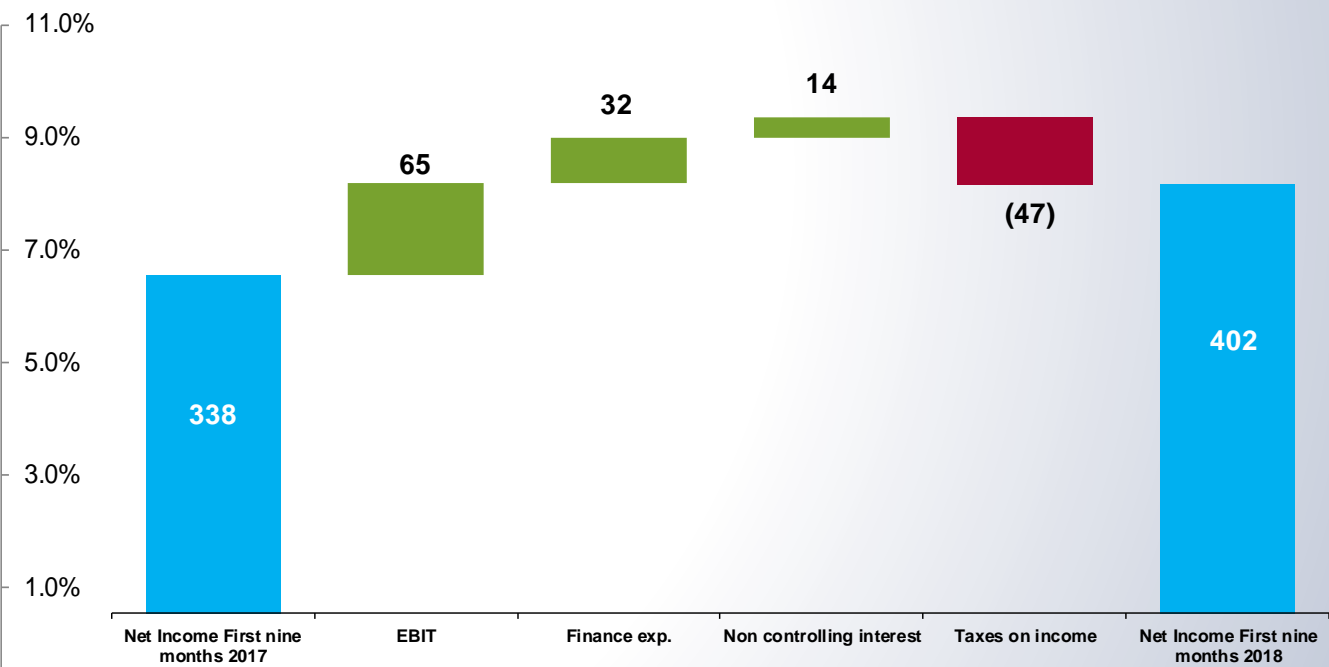
YTD Net Profit (attributed to the Company's shareholders),
Net Margins and EPS

NIS mm; Non-GAAP



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

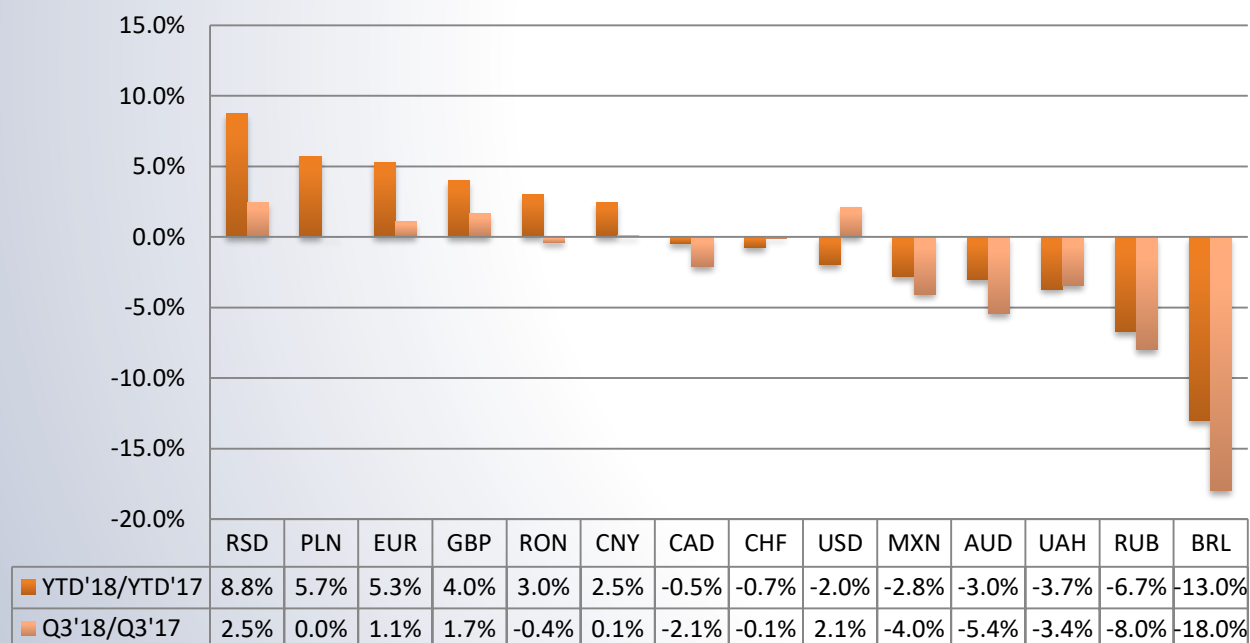
Non-GAAP; YTD 2017 to YTD 2018



Currencies

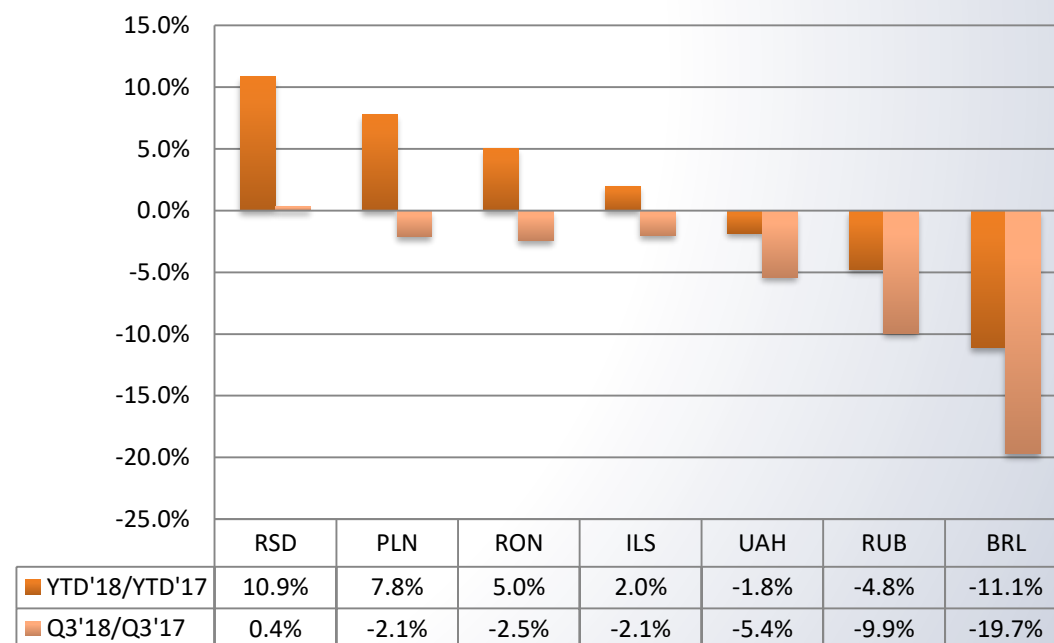
Local Currencies vs. the NIS

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)



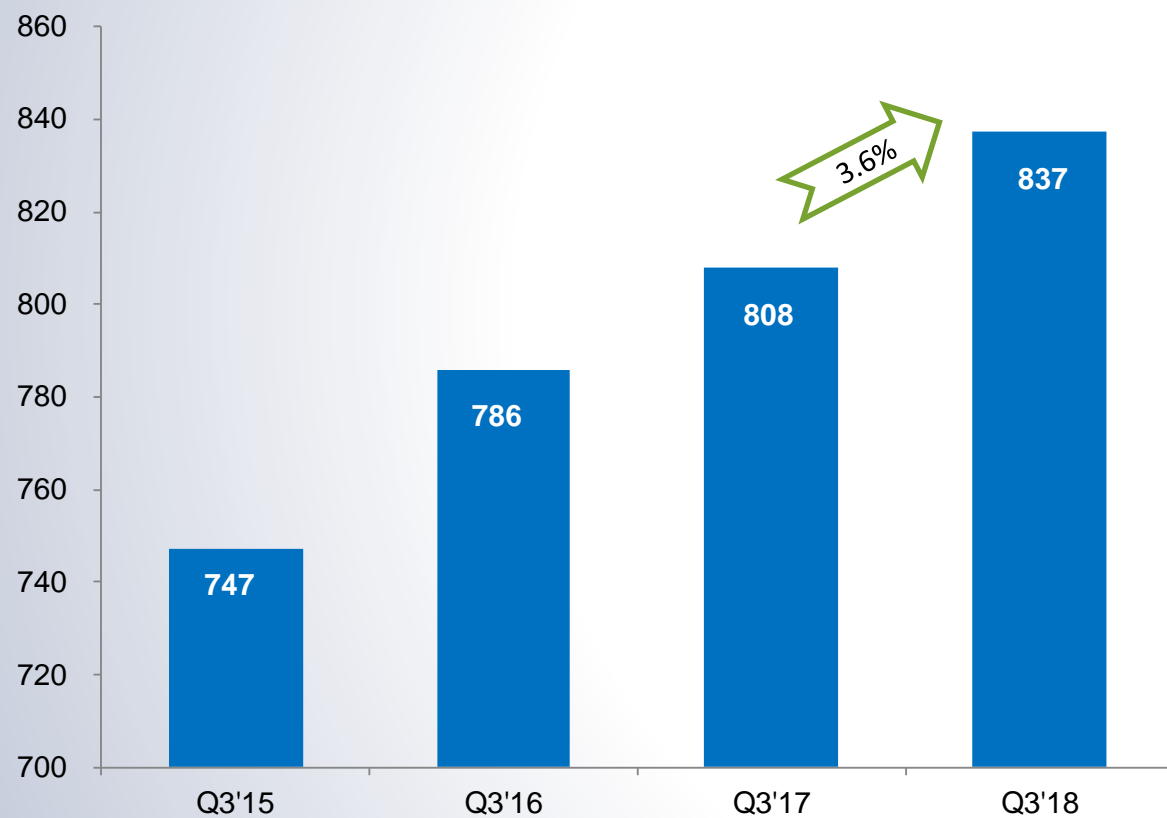
Strauss Israel

Strauss Israel Non-GAAP Financial Highlights

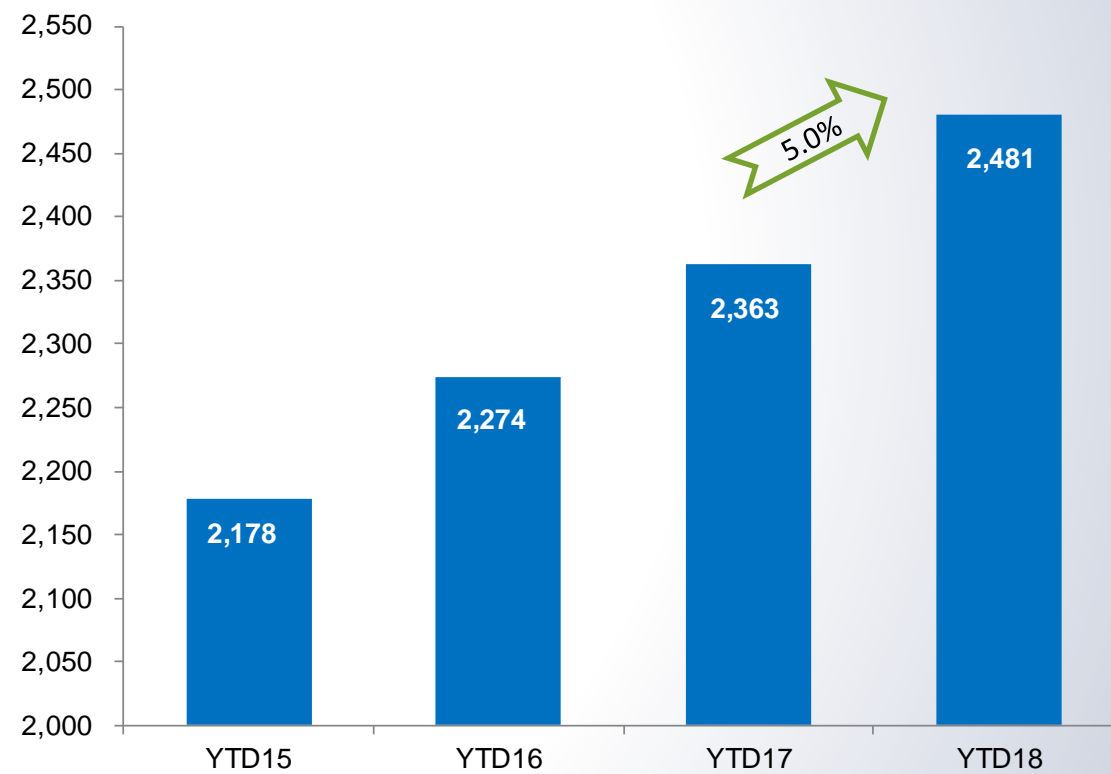
Q3 and YTD 2018 NIS mm

Strauss Israel (Non GAAP)						
	YTD 2018	YTD 2017	% Chg.	Q3 2018	Q3 2017	% Chg.
Revenue:						
H&W	1,643	1,554	5.7%	575	552	4.2%
F&I	838	809	3.6%	262	256	2.4%
Total Revenue	2,481	2,363	5.0%	837	808	3.6%
Total Gross Profit	958	932	2.7%	317	312	1.3%
<i>Gross Margins</i>	38.6%	39.5%	(0.9%)	37.9%	38.7%	(0.8%)
EBIT:						
H&W	172	170	1.4%	62	62	0.5%
<i>Margins</i>	10.5%	10.9%	(0.4%)	10.9%	11.3%	(0.4%)
F&I	96	89	7.7%	28	26	4.8%
<i>Margins</i>	11.5%	11.0%	0.5%	10.3%	10.1%	0.2%
Total EBIT	268	259	3.5%	90	88	1.6%
<i>Margins</i>	10.8%	11.0%	(0.2%)	10.7%	10.9%	(0.2%)
EBITDA:						
H&W	214	211	1.6%	77	76	0.8%
<i>Margins</i>	13.0%	13.6%	(0.6%)	13.3%	13.8%	(0.5%)
F&I	124	114	8.1%	37	34	6.8%
<i>Margins</i>	14.8%	14.1%	0.7%	14.0%	13.4%	0.6%
Total EBITDA	338	325	3.9%	114	110	2.7%
<i>Margins</i>	13.6%	13.8%	(0.2%)	13.5%	13.7%	(0.2%)

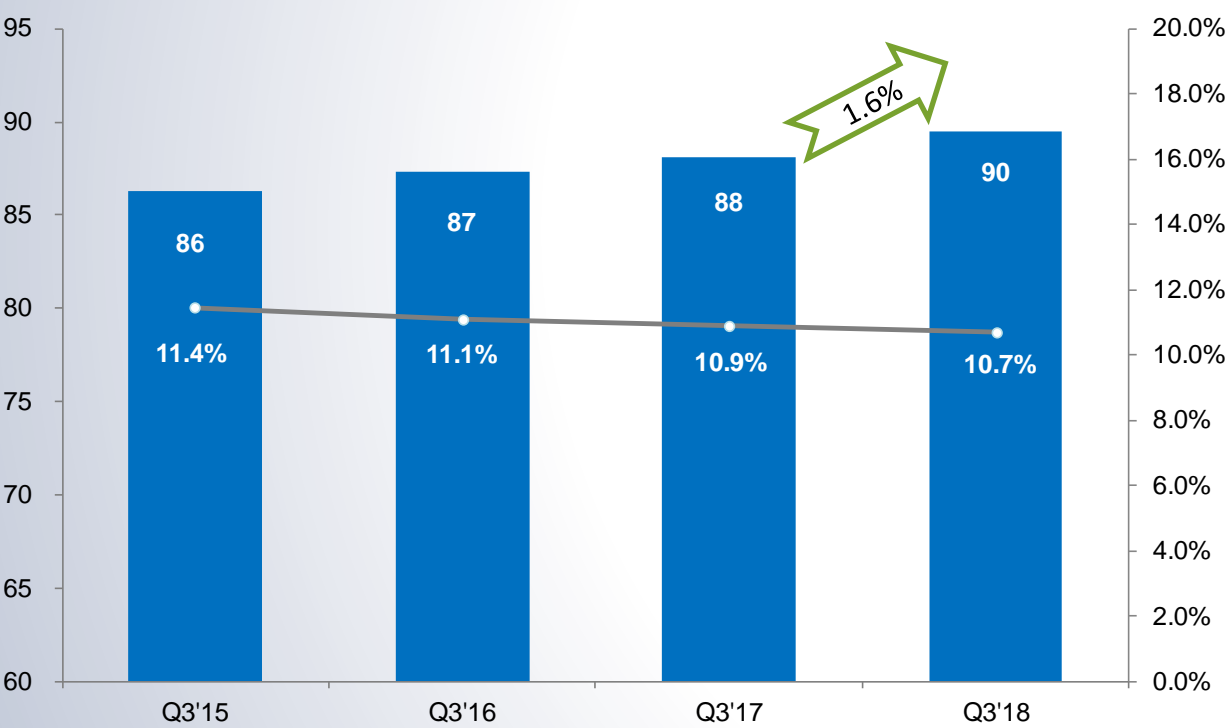
Q3 2018 Strauss Israel Sales
NIS mm; Non-GAAP



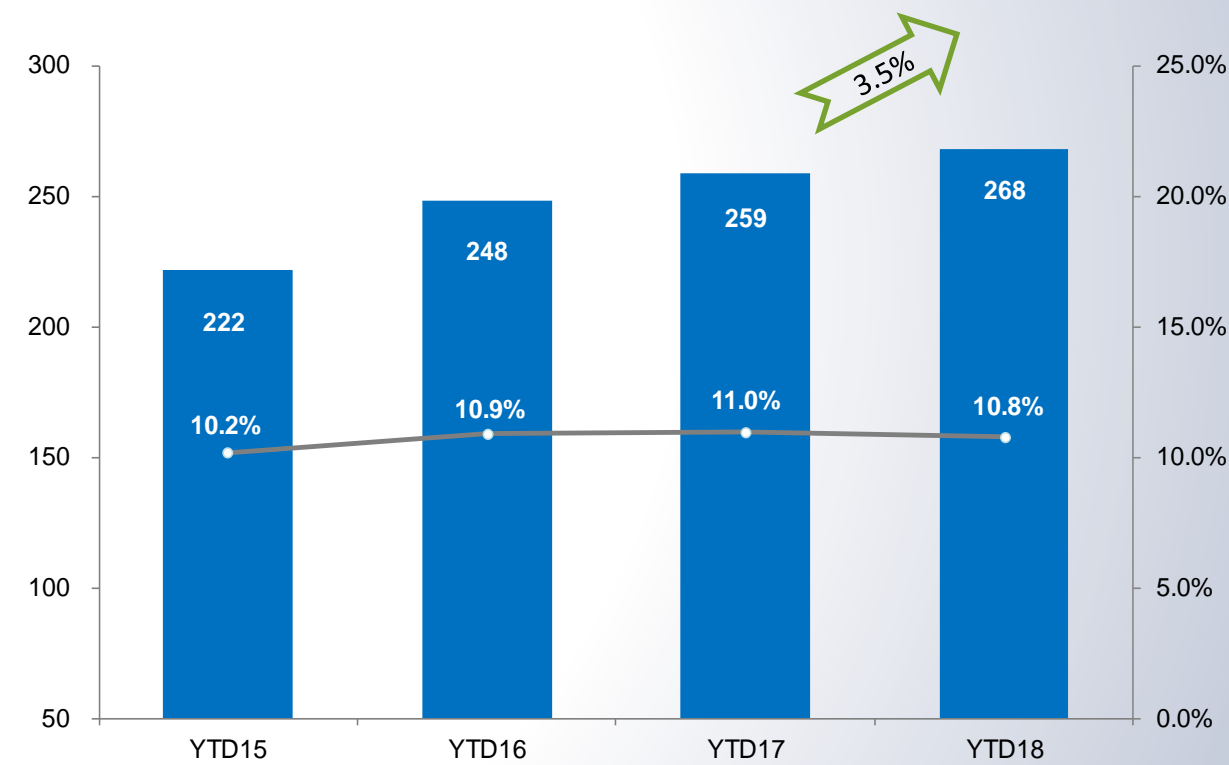
YTD 2018 Strauss Israel Sales
NIS mm; Non-GAAP



Q3 2018 Strauss Israel EBIT & EBIT Margins
NIS mm; Non-GAAP



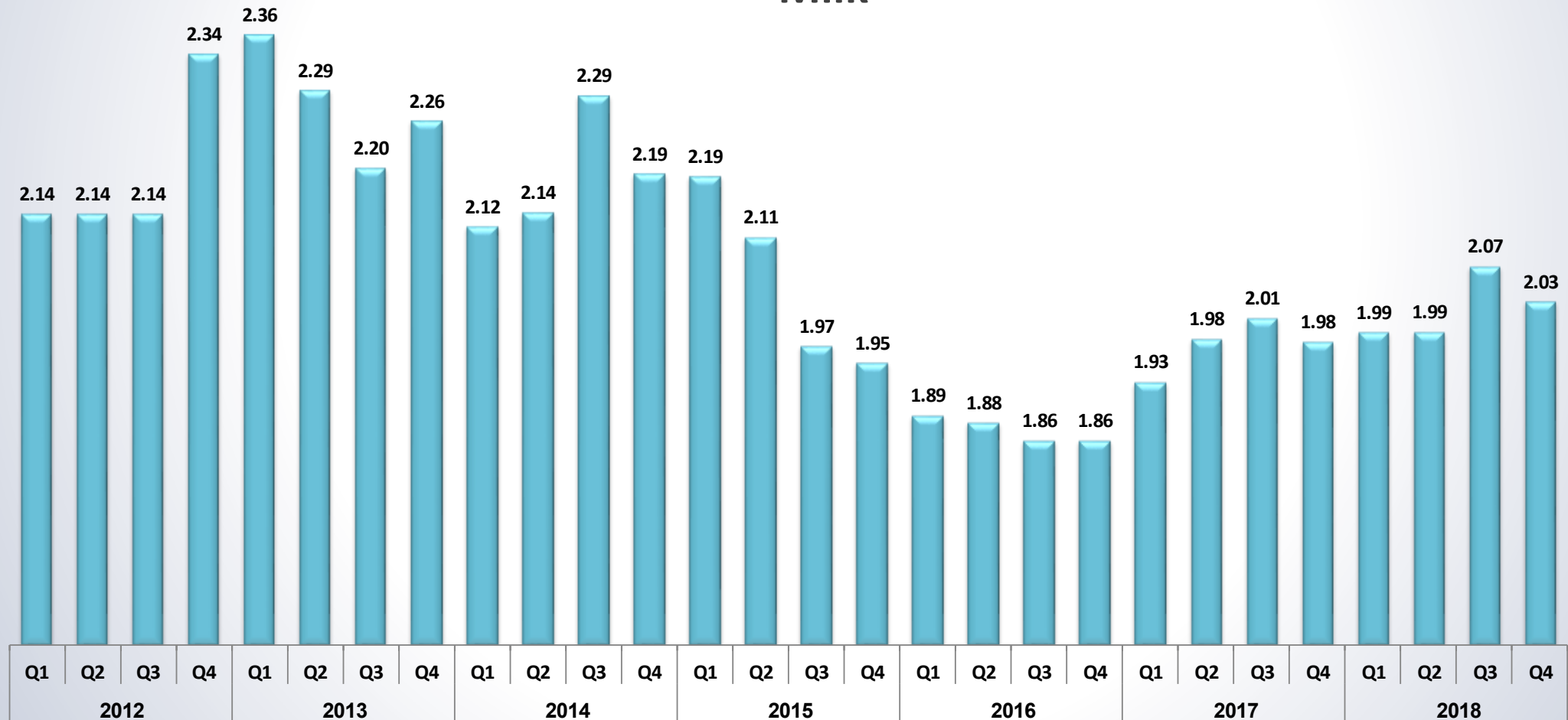
YTD 2018 Strauss Israel EBIT & EBIT Margins
NIS mm; Non-GAAP



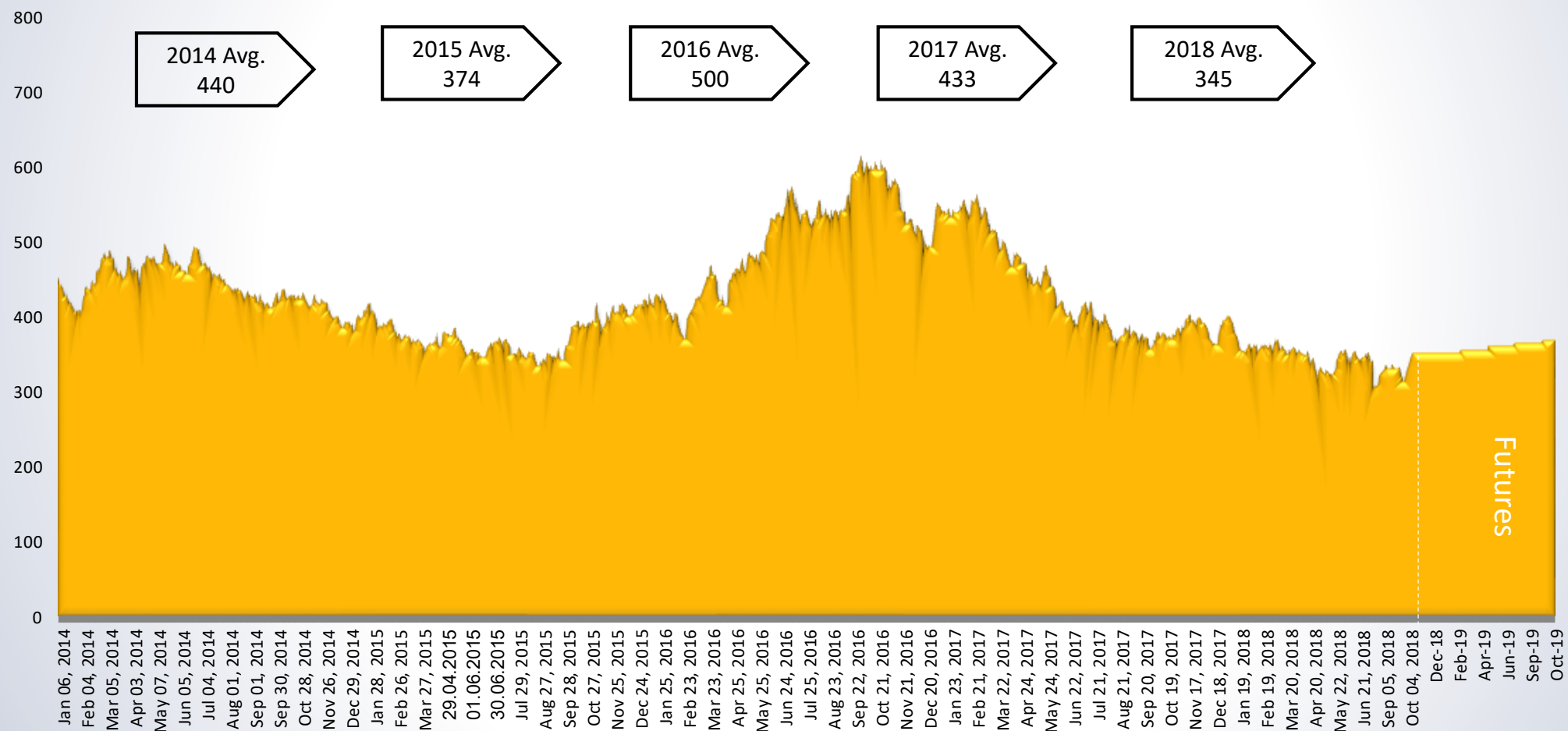
Target Milk Price (NIS per liter)

Prices exclude Strauss transportation costs

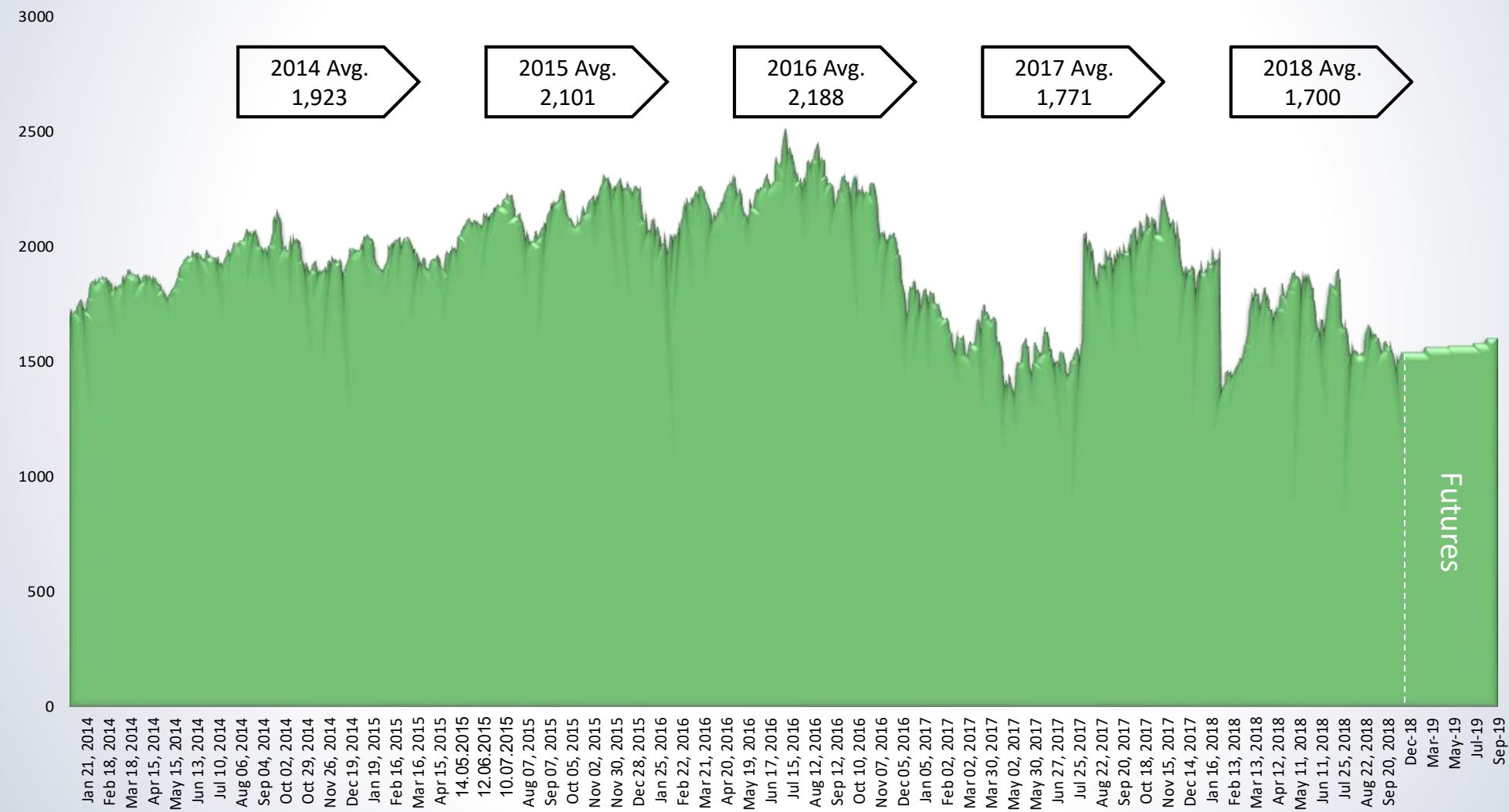
Milk



London Sugar Historical & Futures Prices 2014-2018 (\$\T)



London Cocoa Historical & Futures Prices 2014-2018 (GBP\T)



Strauss Coffee Non-GAAP Financial Highlights

Q3 and YTD 2018 NIS mm

Strauss Coffee (Non GAAP)						
	YTD 2018	YTD 2017	% Chg.	Q3 2018	Q3 2017	% Chg.
Revenue:						
Israel	551	537	2.7%	176	176	0.7%
International	2,381	2,478	(3.9%)	792	896	(11.7%)
Total Revenue	2,932	3,015	(2.7%)	968	1,072	(9.7%)
Total Gross Profit	1,040	981	6.0%	336	354	(5.4%)
<i>Gross Margins</i>	35.5%	32.5%	3.0%	34.6%	33.0%	1.6%
EBIT:						
Israel	90	84	8.0%	31	27	14.3%
<i>Margins</i>	16.4%	15.6%	0.8%	17.4%	15.3%	2.1%
International	247	230	7.2%	80	95	(14.9%)
<i>Margins</i>	10.3%	9.3%	1.0%	10.1%	10.5%	(0.4%)
Total EBIT	337	314	7.4%	111	122	(8.4%)
<i>Margins</i>	11.5%	10.4%	1.1%	11.4%	11.3%	0.1%
EBITDA:						
Israel	100	93	8.5%	34	30	14.2%
<i>Margins</i>	18.3%	17.3%	1.0%	19.4%	17.1%	2.3%
International	289	269	7.3%	95	108	(12.1%)
<i>Margins</i>	12.1%	10.9%	1.2%	12.0%	12.0%	0.0%
Total EBITDA	389	362	7.6%	129	138	(6.4%)
<i>Margins</i>	13.3%	12.0%	1.3%	13.3%	12.9%	0.4%

Strauss Coffee Non-GAAP Sales by Geography

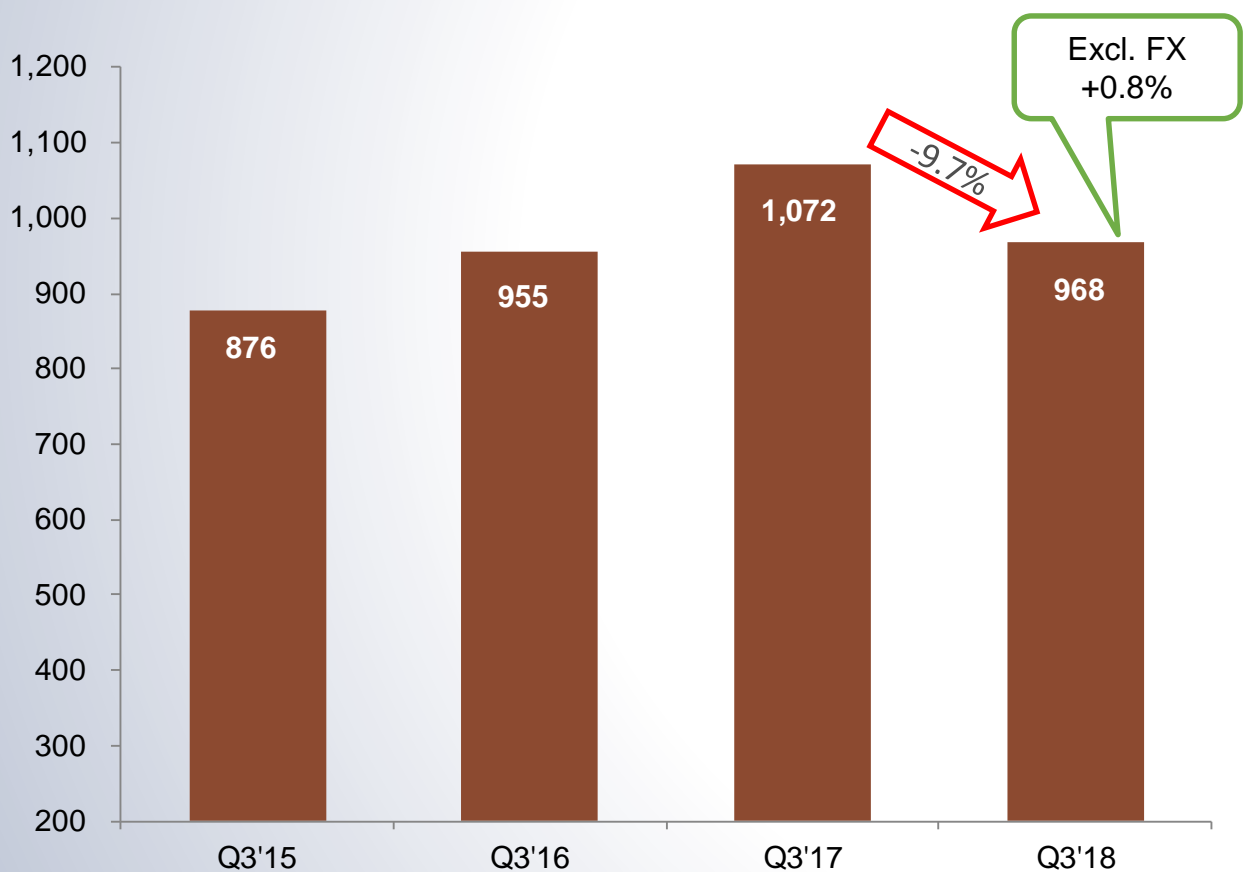
Q3 and YTD 2018 NIS mm

Strauss Coffee Sales								
	YTD 2018	YTD 2017	% Change		Q3 2018	Q3 2017	% Change	
			NIS	Local Currency			NIS	Local Currency
Israel	551	537	2.7%	2.7%	176	176	0.7%	0.7%
International:								
Três Corações Joint Venture (Brazil)	1,459	1,539	(5.2%)	9.1%	486	565	(13.9%)	4.9%
CIS	424	457	(7.1%)	(1.3%)	138	160	(14.1%)	(7.7%)
Poland	228	222	2.8%	(2.7%)	72	78	(8.1%)	(8.0%)
Romania	163	162	0.2%	(2.7%)	58	56	3.2%	3.6%
Serbia	107	98	8.7%	(0.0%)	38	37	1.1%	(1.3%)
Total International	2,381	2,478	(3.9%)	4.6%	792	896	(11.7%)	0.9%
Total Coffee	2,932	3,015	(2.7%)	4.3%	968	1,072	(9.7%)	0.8%



Note: 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 September 30th, 2018.

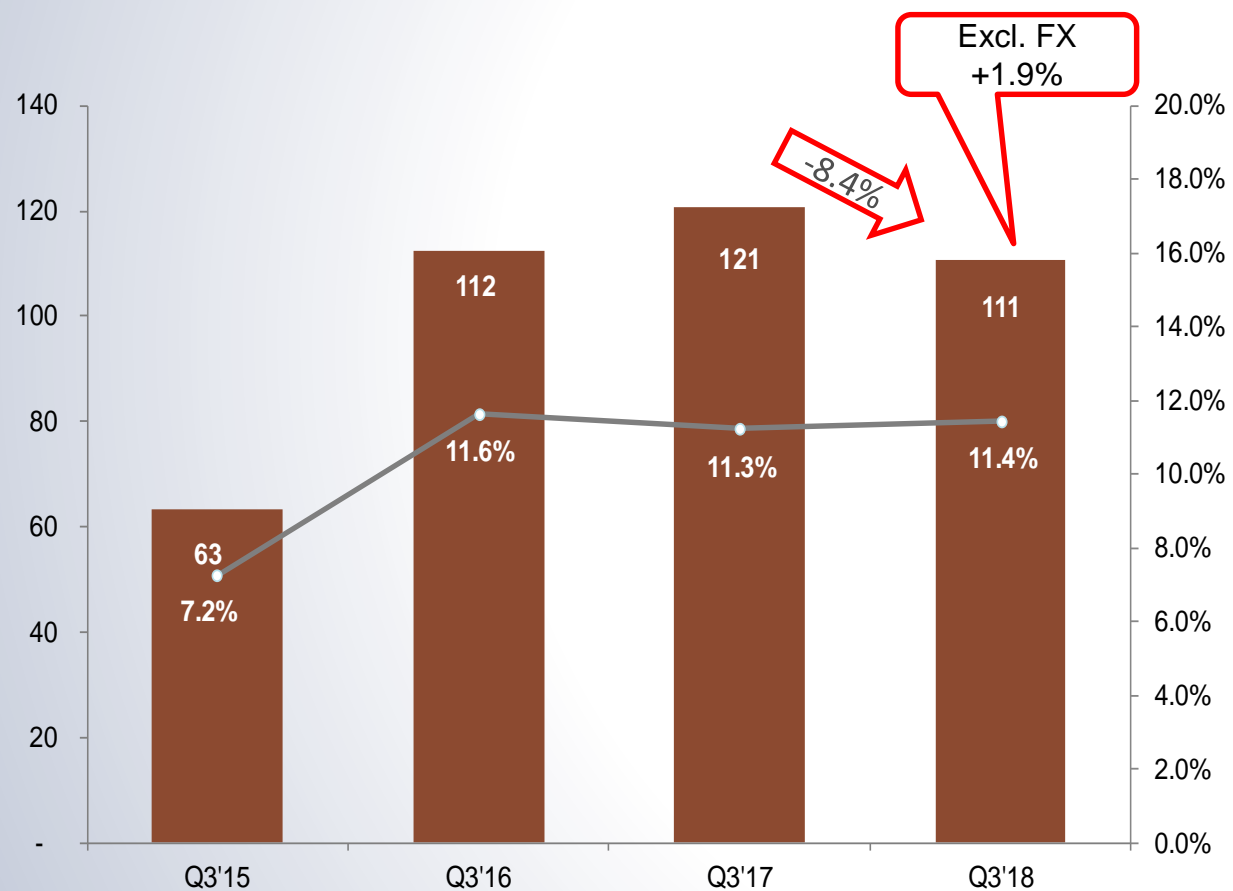
Q3 2018 Strauss Coffee Sales
NIS mm; Non-GAAP



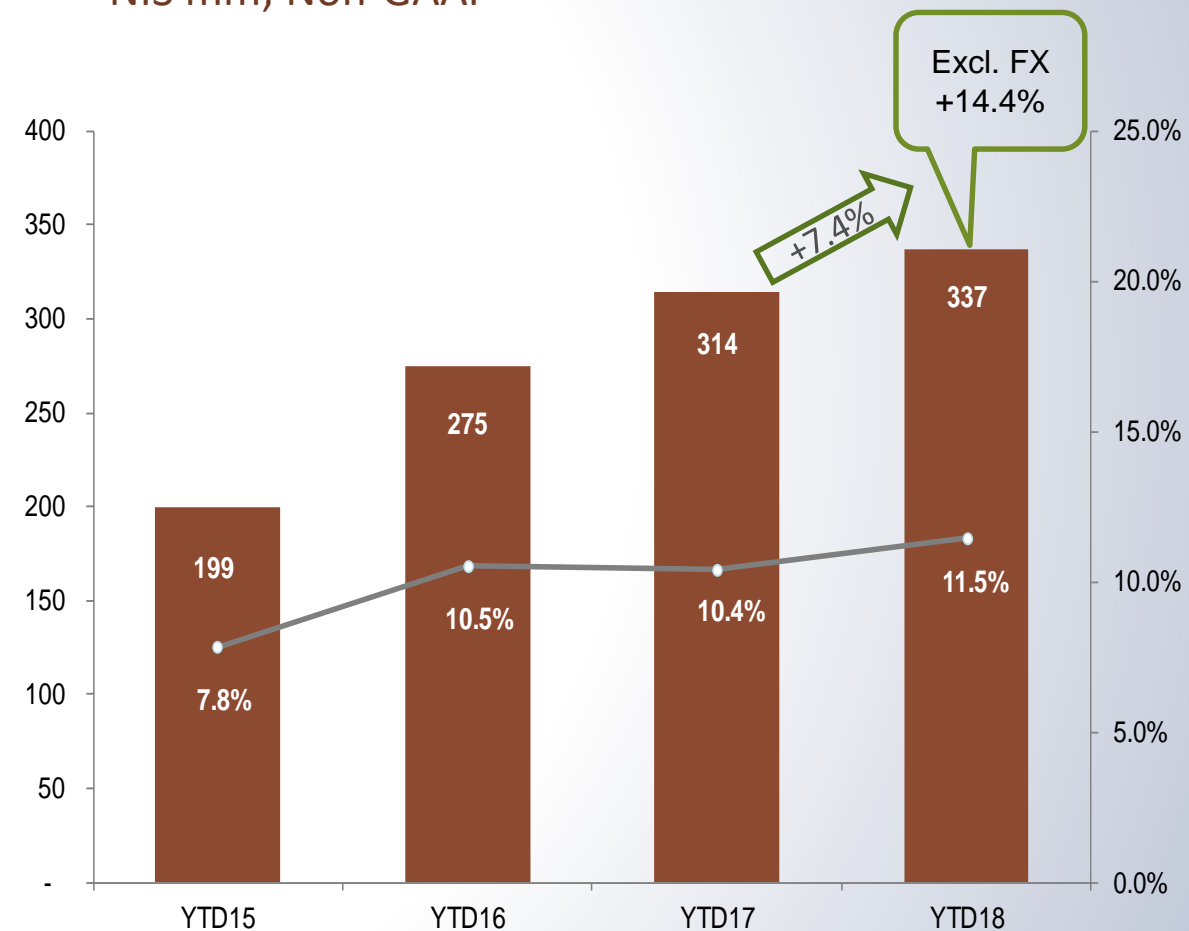
YTD 2018 Strauss Coffee Sales
NIS mm; Non-GAAP



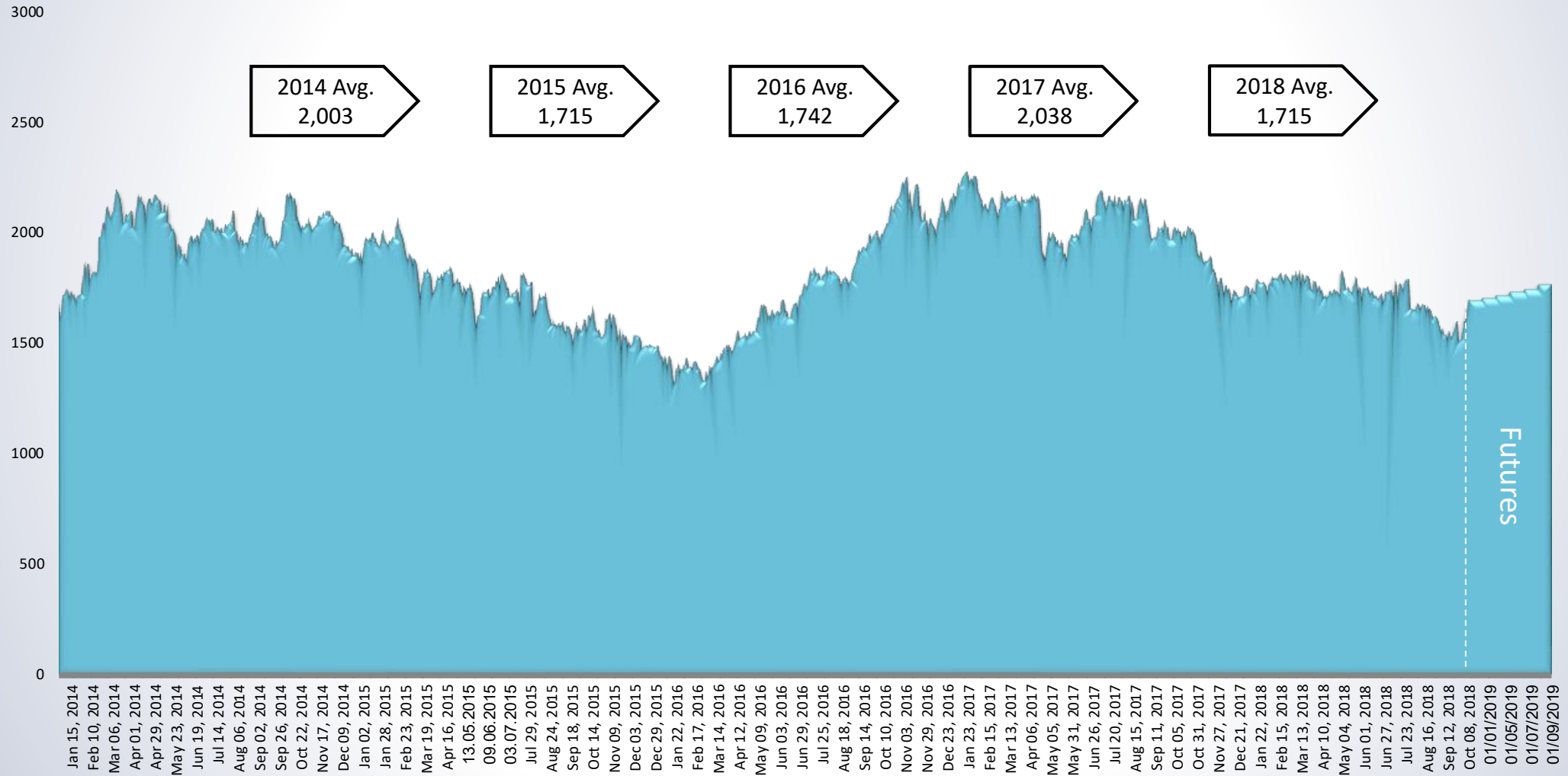
Q3 2018 Strauss Coffee EBIT & EBIT Margins
NIS mm; Non-GAAP



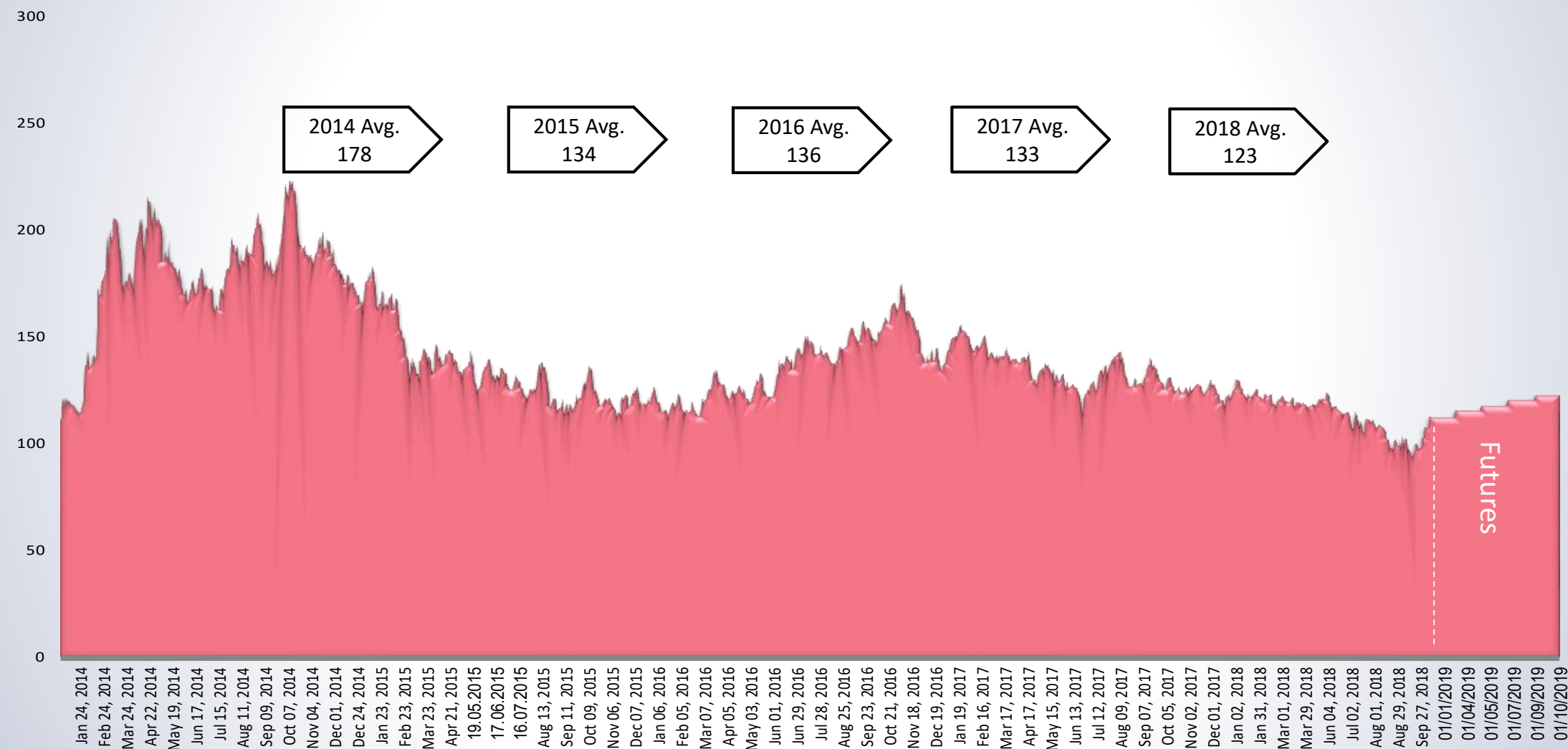
YTD 2018 Strauss Coffee EBIT & EBIT Margins
NIS mm; Non-GAAP



Robusta Historical & Futures Prices 2014-2018 (\$\T)

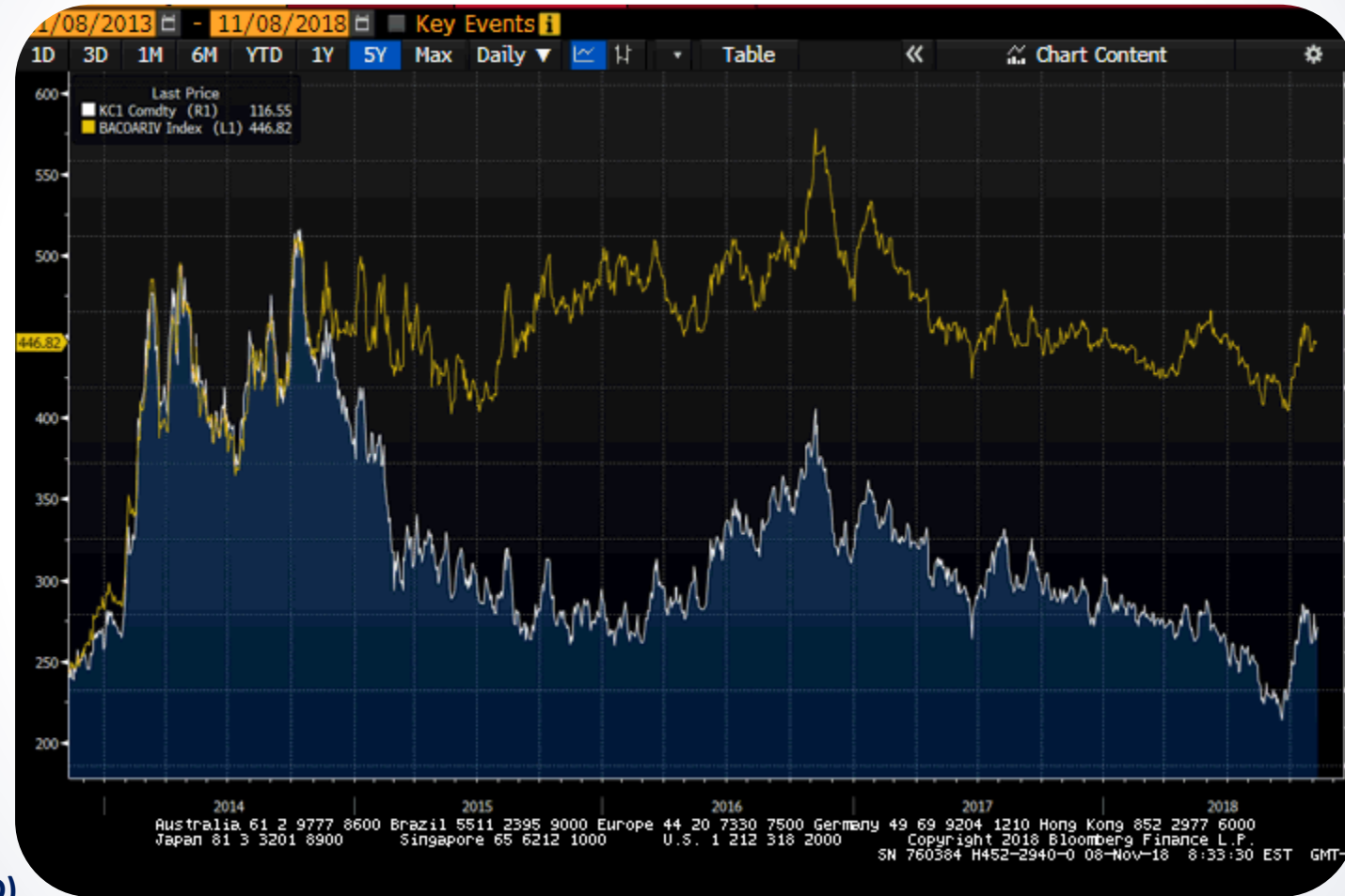


Arabica Historical & Futures Prices 2014-2018 (Cent\Lb)



NY Arabica and Brazil Arabica

Indexed since 8.11.2013



NY Arabica (traded in USD)
Brazil Arabica (traded in BRL)

INTERNATIONAL DIPS & SPREADS

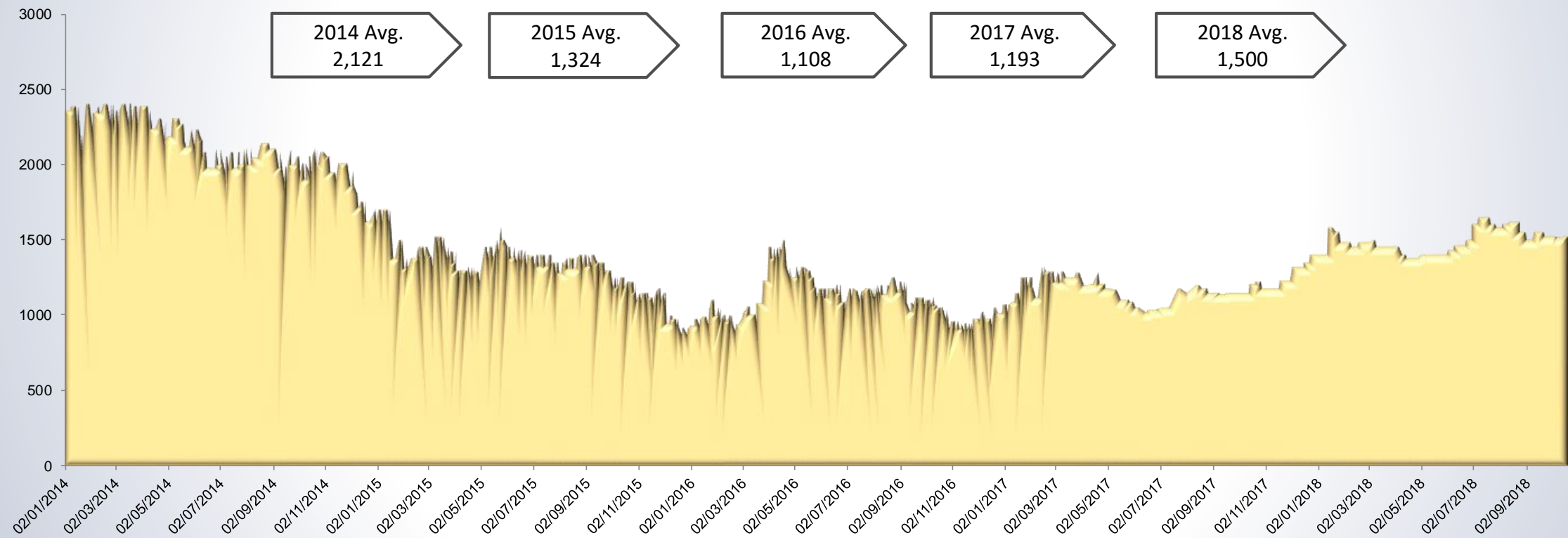
Strauss D&S Non-GAAP Financial Highlights

YTD and Q3 2018 NIS mm; 50% share

	Dips & Spreads (Non GAAP)					
	YTD 2018	YTD 2017	% Chg.	Q3 2018	Q3 2017	% Chg.
Revenue:						
Sabra (50%)	515	475	8.4%	175	168	4.2%
Obela (50%)	58	49	19.1%	20	17	12.9%
Total Revenue	573	524	9.4%	196	186	5.1%
EBIT:						
Sabra (50%)	48	31	53.6%	14	3	307.8%
Margins	9.4%	6.6%	2.8%	8.0%	2.0%	6.0%
Obela (50%)	(7)	(9)	NM	(2)	(3)	NM
Margins	NM	NM	NM	NM	NM	NM
Total EBIT	41	23	82.0%	12	--	8756.6%
Margins	7.2%	4.3%	2.9%	6.0%	0.1%	5.9%
EBITDA:						
Total EBITDA	62	47	31.5%	20	12	62.1%
Margins	10.8%	9.0%	1.8%	9.9%	6.4%	3.5%

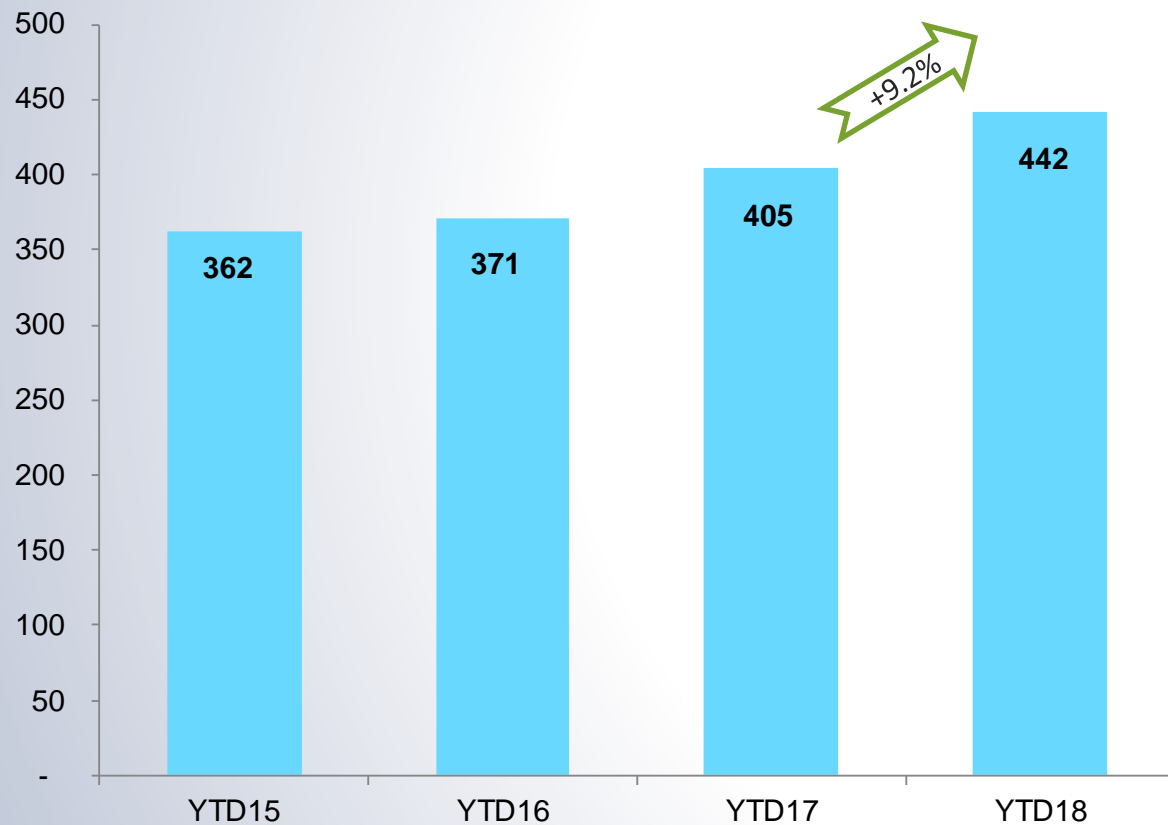
- Figures were rounded to NIS millions. Totals were calculated on the basis of the exact figures in NIS thousands.

HUMERA SESAME PRICES 2014-2018 (USD/METRIC TON)

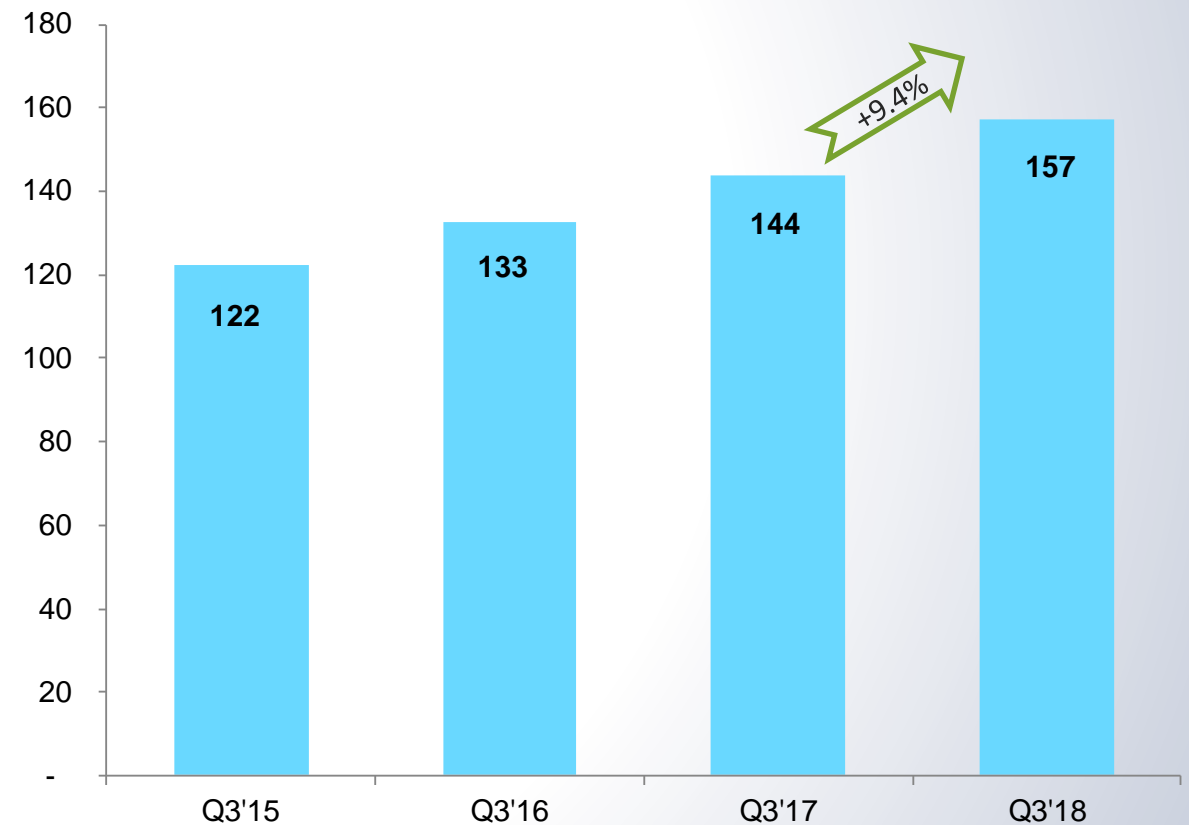


Strauss Water

Non-GYTD 2018 Strauss Water Non-GAAP Sales AAP;
NIS mm

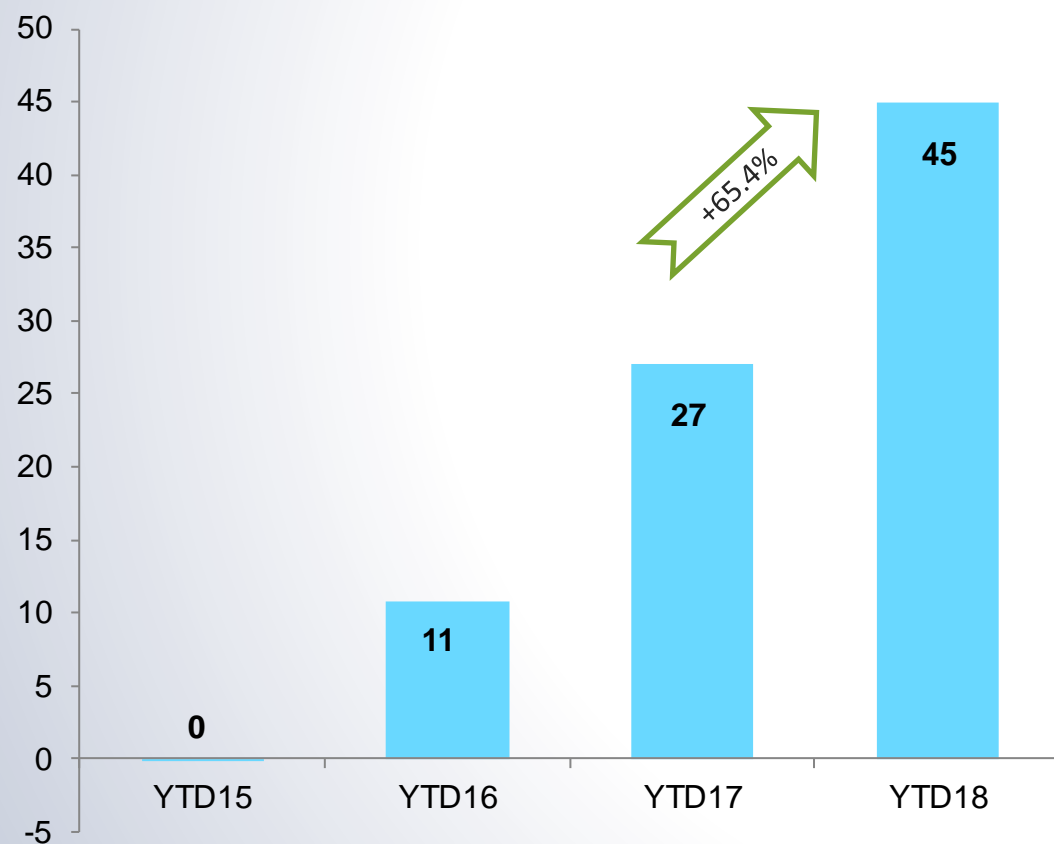


Q3 2018 Strauss Water Non-GAAP Sales
Non-GAAP; NIS mm



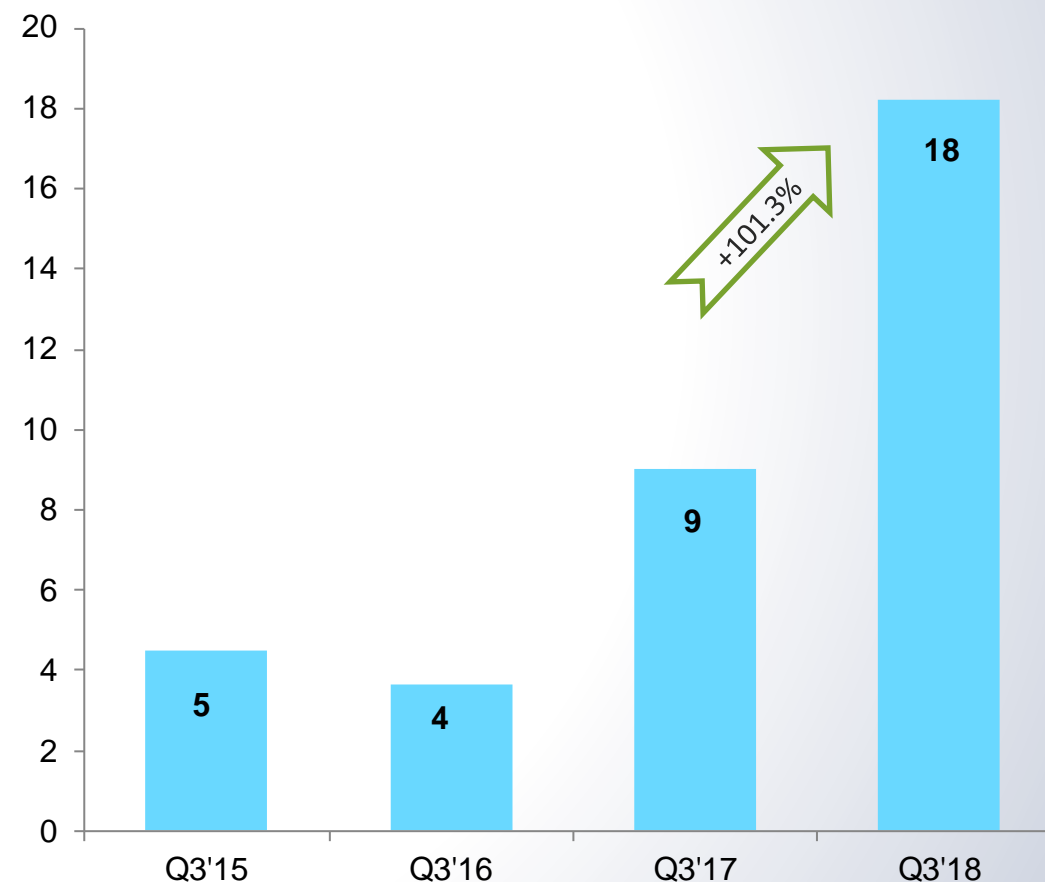
Strauss Water

YTD 2018 Strauss Water Non-GAAP EBIT
Non-GAAP; NIS mm



Note: 1. Water EBIT includes net profits from HSW

Q3 2018 Strauss Water Non-GAAP EBIT
Non-GAAP; NIS mm



Thank You

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