LIFE IN STONE
Caesarstone
Investor Presentation 2021
February 2022
caesarstone

DISCLAIMER

Information provided in this press release may contain statements relating to current expectations, estimates, forecasts and projections about future events that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These forward looking statements relate to the Company's plans, objectives and expectations for future operations, including estimations relating to the impact of the COVID 19 pandemic and mitigation measures in connection thereto, expectations of the results of the Company's business optimization initiative, integration of the company s acquisitions and its projected outlook and results of operations. These forward looking statements are based upon management's current estimates and projections of future results or trends. Actual results may differ materially from those projected as a result of certain risks and uncertainties, both known or unknown. These factors include, but are not limited to: the impact of the COVID 19 pandemic on end consumers, economic conditions in our key markets, raw material shortages and prices, fluctuations in home renovation and construction sectors; the company's ability to compete with lower priced products and other intense competitive pressures; the outcome of silicosis and other bodily injury claims; regulatory requirements relating to hazards associated with exposure to silica dust; ability to efficiently manufacture products and managing required changes in production and supply chain in light of our recent acquisitions; fluctuations in currency exchange rates; the success of our expansion efforts in the United States; unpredictability of seasonal fluctuations in revenues and other factors discussed under the heading "Risk Factors" in our most recent annual report on Form 20-F and other documents filed with the Securities and Exchange Commission.

These forward looking statements are made only as of the date hereof, and neither the Company, nor any of its respective agents, employees or advisors intend, undertake or have any duty or obligation to supplement, amend, update or revise any of the forward looking statements contained in this presentation, whether as a result of new information, future events or otherwise. The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

This presentation includes certain non GAAP measures, which should all be considered in addition to, and not as a substitute for, comparable GAAP measures. A reconciliation of GAAP net income to adjusted EBITDA, reconciliation of GAAP gross profit to adjusted gross profit, and adjusted net income are provided below. To calculate revenues growth rates that exclude the impact of changes in foreign currency exchange rates, the Company converts actual reported results from local currency to U.S. dollars using constant foreign currency exchange rates in the current and comparable period. The Company provides these non GAAP financial measures because it believes that they present a better measure of the Company s core business and management uses the non GAAP measures internally to evaluate the Company s ongoing performance. Accordingly, the Company believes that they are useful to investors in enhancing an understanding of the Company s operating performance. However these measures should not be considered as substitutes for GAAP measures and may be inconsistent with similar measures presented by other companies.

COMPANY OVERVIEW

Leading designer and producer of Premium multi-material engineered surfaces used in residential and commercial projects

High Quality Premium Products

Multi Material

Quartz Countertop Inventor and Pioneer quartz category expansion via powerful Caesarstone® brand

+100

Models of quartz and porcelain

Strong Established, Global Premium Brand

Customer-centered approach built on culture of safety and high-quality reputation

$100M

Of vast investments in R&D and manufacturing technology functions over the last 3 years

Global Reach

+50

Countries

4

Production sites in Israel, U.S and India

Strong Growth Platform

~$644M

Revenues in fiscal 2021 (Growth of 32% Vs. 2020)

~$68M

Adj. EBITDA[1] of in 2021

CSTE

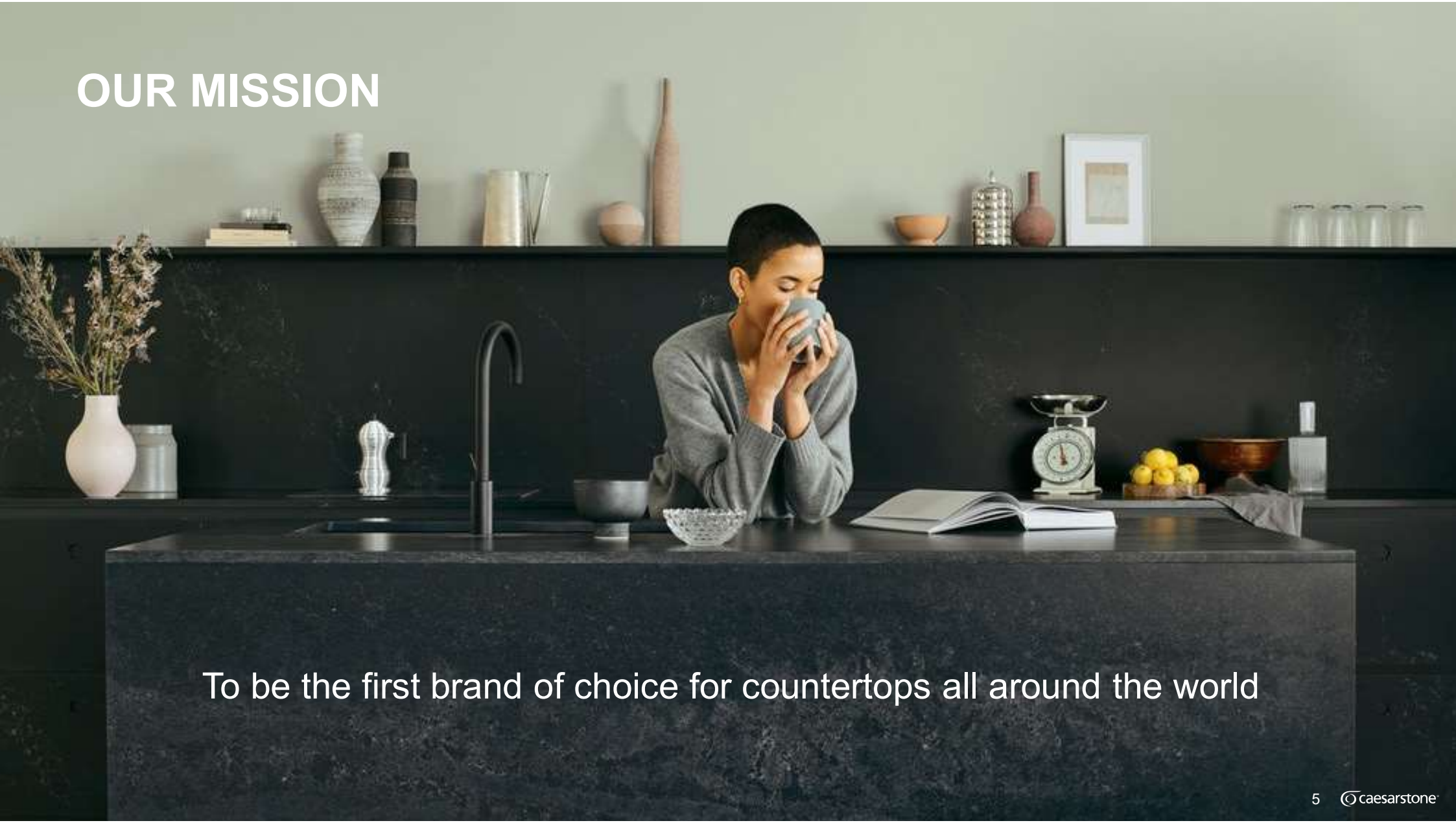
Our stock is traded on NASDAQ

[1] A reconciliation of GAAP metrics to non-GAAP metrics is included at the end of this presentation

OUR STORY

We take a grain of sand and turn it into your favorite countertop, a vibrant space of inspiration that is the heart of your home

OUR MISSION



To be the first brand of choice for countertops all around the world

ESTABLISHED ESG VISION AND FRAMEWORK

Our success is tightly linked to how well we take care of our customers, employees, communities, and planet.

We are commited to

Sustainable Products

Developing environmentally friendly and low-silica products with a lifetime warranty.

Environmentally Responsible Production

Reducing our carbon footprint, reducing styrene emissions, increasing our use of renewable energy, reducing water use, and reducing waste.

Health & Safety

Achieving a world class Health & Safety system, aligned with our global plan for a best practice approach in our facility practices and processes.

Social Responsibility

Acting in a socially responsible manner and having a positive impact across the value chain, including for our employees, suppliers, customers, and the communities we operate in.

STRATEGIC PILLARS BOOST LONG TERM PROFITABLE GROWTH

1.

Multi-material, premium countertop player

2.

Global footprint expansion

3.

Consumer experience and customer engagement

GLOBAL GROWTH ACCELERATION PLAN

GLOBAL GROWTH ACCELERATION PLAN

Strong infrastructure, Operational excellence and innovation all in serve of our vision and strategy, boosting long term profitable growth

Production Efficiency

Supply Chain Excellence

Technology Transformation

Innovative GTM by channel

Global strong brand

Company culture & talent management

Infrastructure & Efficiency

Growth & Innovation

Health & Safety across the value chain

Processes Re-engineering

BD plans & M&As

Product Innovation

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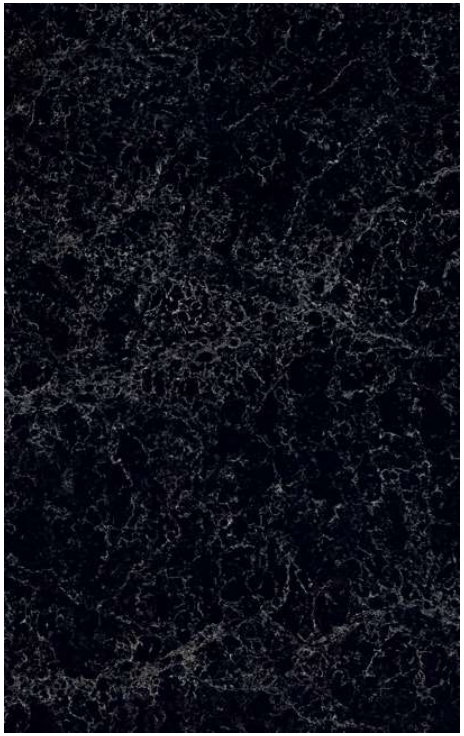
GLOBAL GROWTH ACCELERATION PLAN

PREMIUM MULTI-MATERIAL OFFERING

Transforming materials into innovative countertops with Caesarstone’s engineering know-how, craftsmanship and care



Quartz

Porcelain

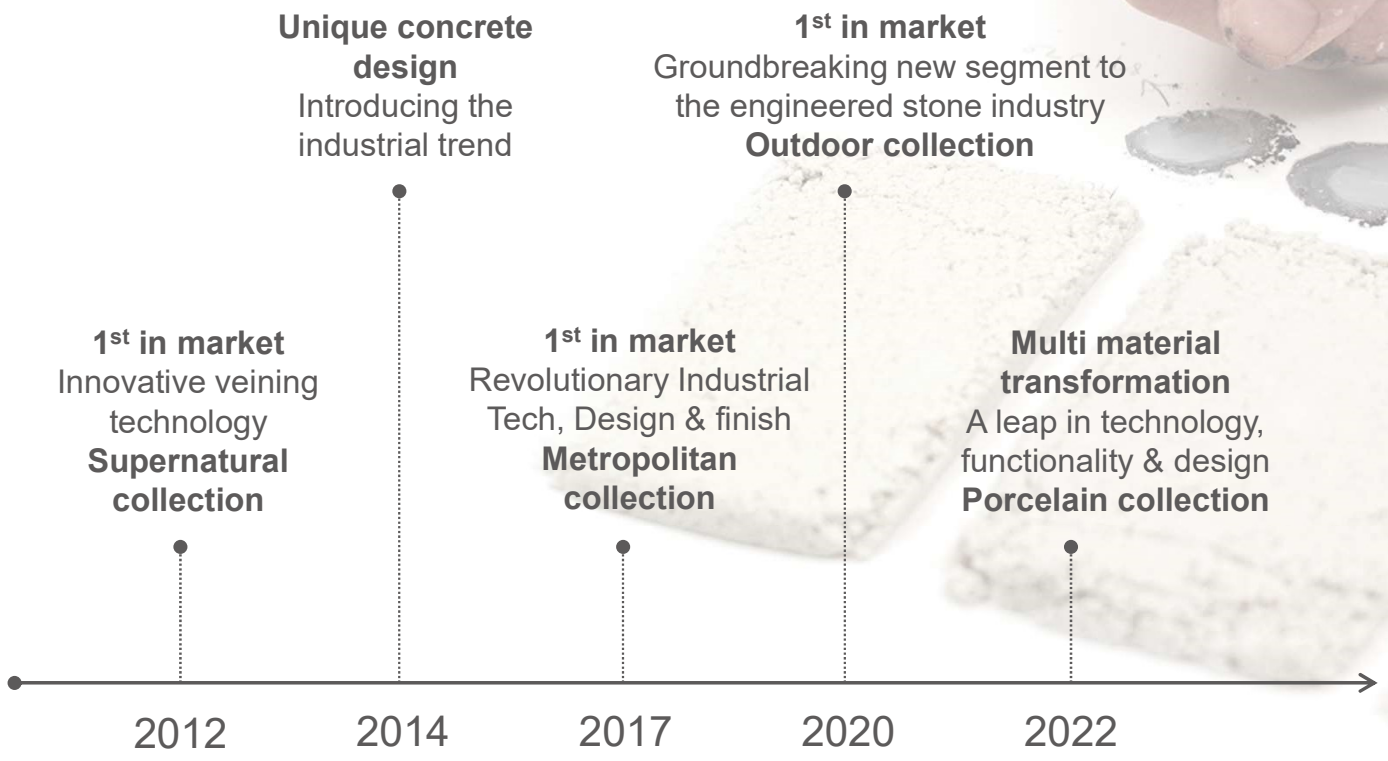
Natural Stone

R&D CAPABILITIES

One step ahead of the competition with our unique skills and decades of experience – Innovation, technology, design, research

+100

of Quartz and Porcelain top of the line portfolio



CAESARSTONE COLLECTIONS

Design trendsetter powered by proprietary in-house technology

Classico

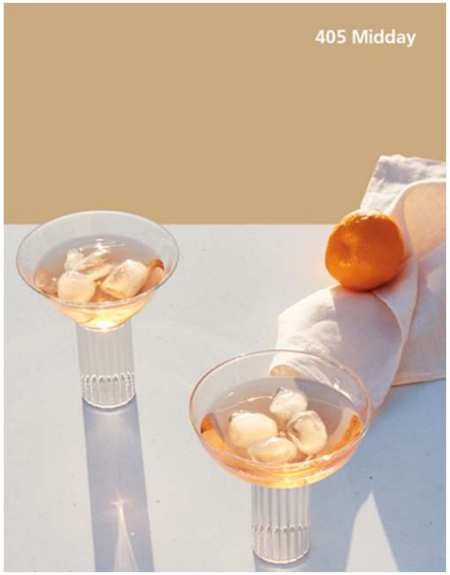
A classic, multi-color collection ranges from salt-and-pepper motifs to vivid color blends

Supernatural

Luxurious marble & stone designs inspired by nature

Metropolitan

Inspired by the trend of raw industrial design



Outdoor

Inspired by outdoor culture and trends, with breakthrough proprietary technology

SUPERIOR VALUE PROPOSITION

Quartz & Porcelain

- Scratch Resistant
- Stain Resistant
- Heat Resistant
- Enduring Quality
- Easy to Clean
- Hygienic
- Nonporous
- Environmentally Friendly

Quartz

- Durable
- Impact Resistant

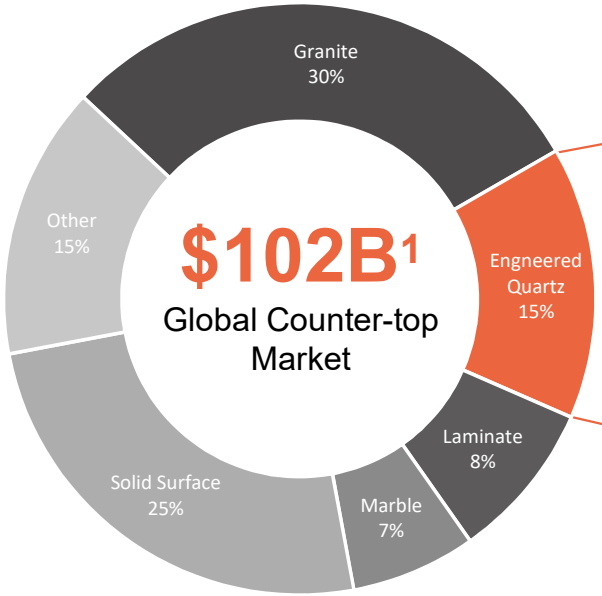
Porcelain

- Extreme Heat Resistant
- Indoor & Outdoor

LARGE & ATTRACTIVE ADDRESSABLE MARKET

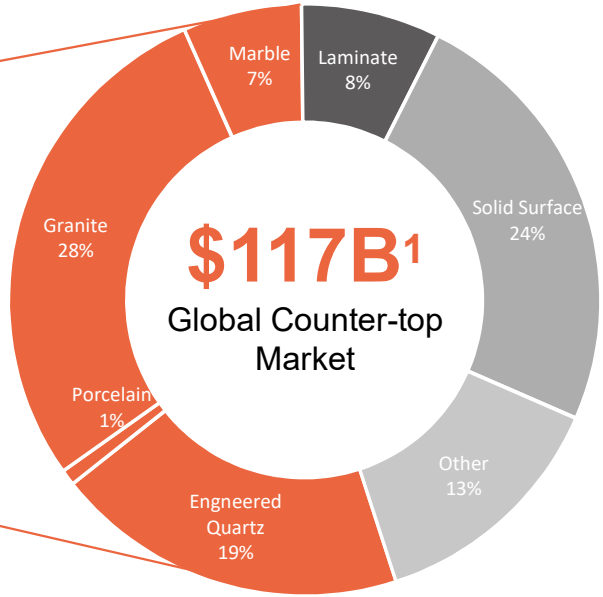
We have more than tripled our addressable market through penetration of new product categories

Material Segmentation Sales
2016 (By Value)



X3

Material Segmentation Sales
2020 (By Value)



[1] Source: Freedonia March 2021 study (End user prices)

USA - OUR PRIMARY MARKET

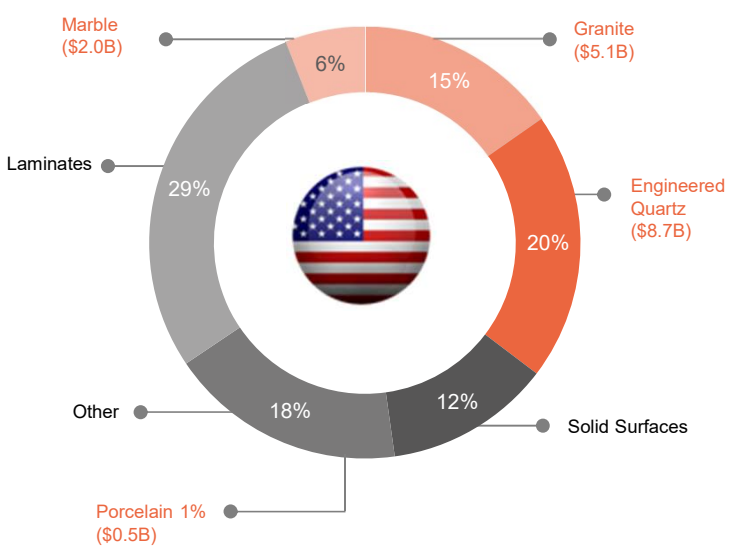
Accelerated growth of Quartz & Porcelain market share in the fastest growing countertop market

USA Total Market Size
(By Volume)

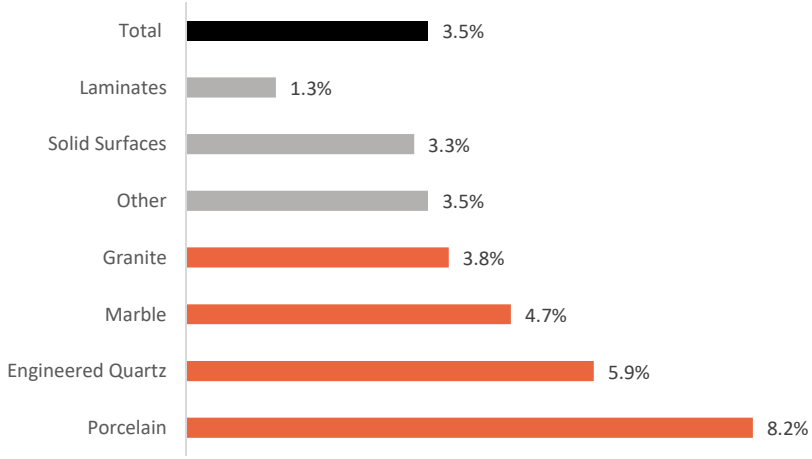
71.2M SQM

($28.5B[1])

Countertop Demand by Material
(% Volume, $ Value[1])



20-25 CAGR
(By Volume)



[1] Source: Freedonia March 2021 study (End user prices)
(%) CAGR 2020-2025

STRATEGIC PILLARS BOOST LONG TERM PROFITABLE GROWTH

1.

Multi-material, premium countertop player

2.

Global footprint expansion

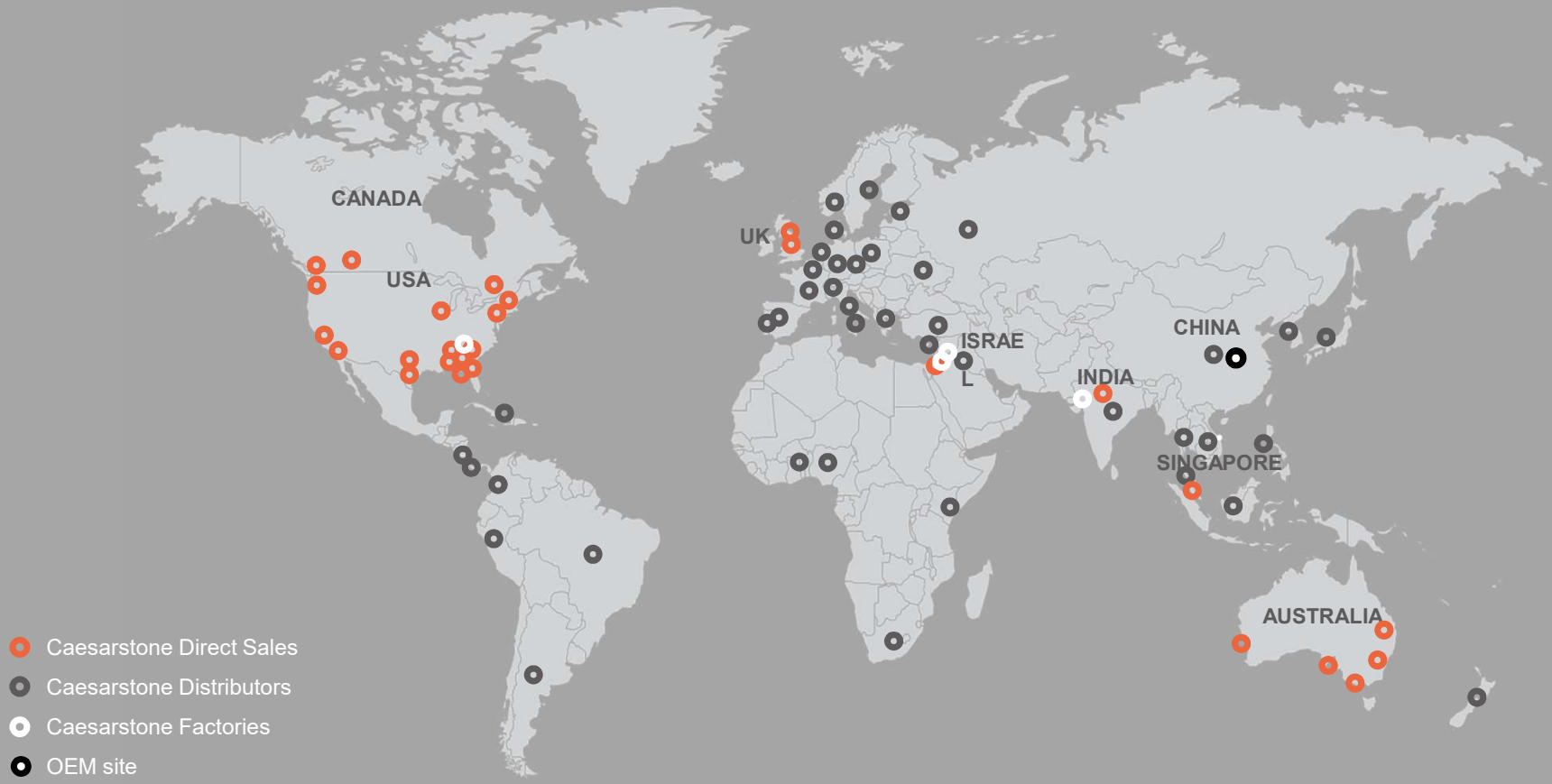
3.

Consumer experience and customer engagement

GLOBAL GROWTH ACCELERATION PLAN

OUR GLOBAL PRESENCE

Our products are available worldwide in more than 50 countries



Revenue 2021

AMERICAS
61.3%

APAC
23.2%

EMEA
9.4%

ISRAEL
6.1%

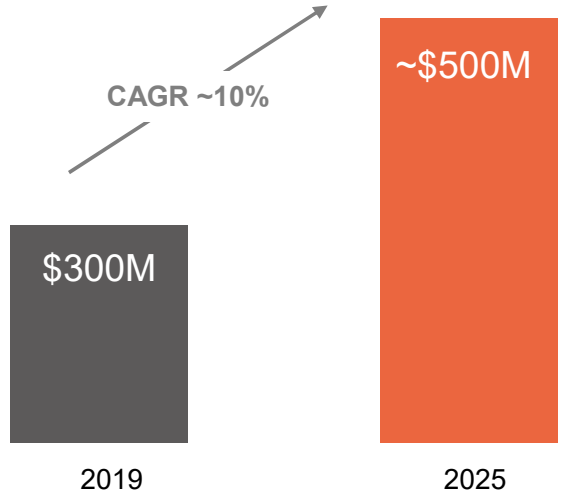
ACQUISITION OF LIOLI CERAMICA OPENS A $300M MARKET

Accelerating global footprint expansion through a multi material growth strategy

- First step in becoming a leading, premium, multi-material player
- Complements the established presence in the Engineered Quartz Surfaces segment
- Porcelain represents one of the fastest growing countertop segments
- Lioli is an India-based producer of cutting-edge porcelain slabs
- Leveraging synergies through global sales force and supply chain
- Larger offering of products to become available in 2022 under the Caesarstone brand

Global Porcelain Countertop Market[1]

($M)



[1] Source: Management estimated based on manufactures prices

ACQUISITION OF OMICRON EXTENDS USA FOOTPRINT

Accelerating global footprint expansion

- A vertically integrated approach to enhance go-to market capabilities in the U.S.
- Omicron augments Caesarstone's existing network with strategically located distribution centers throughout attractive U.S. markets
- Omicron portfolio extends CS offering to natural stone
- Enhanced ability to service our customers
- Improved logistical efficiency in the U.S.
- Established path to increase market share with a more direct approach to our end markets
- Based in Pompano Beach, Florida, owns and operates 17 showrooms and indoor warehouses

STRATEGIC PILLARS BOOST LONG TERM PROFITABLE GROWTH

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GLOBAL GROWTH ACCELERATION PLAN

CAESARSTONE DIGITAL & TECHNOLOGY VISION

Leverage digital technologies to **own the value** chain and create **new revenue channels**, with closer engagement to our **consumers & business partner**

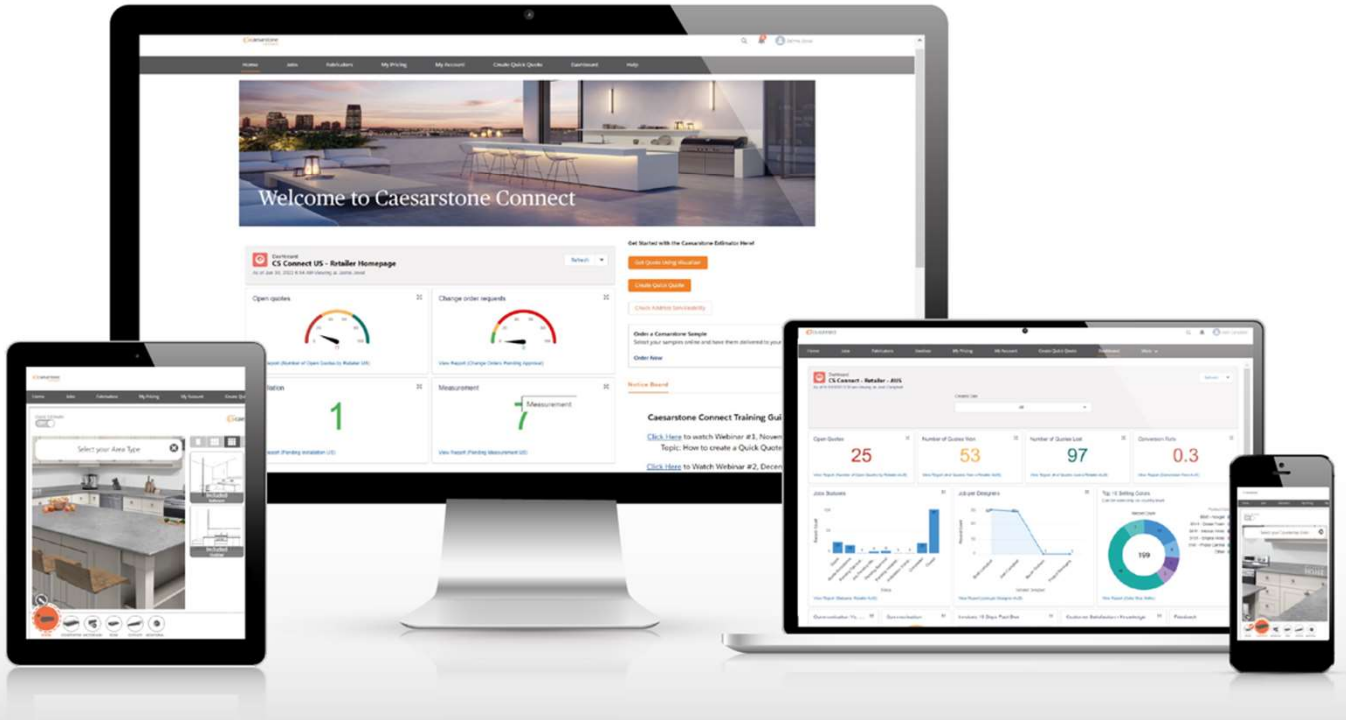
Data and **analysis**	›	**Market Trends & insights**
Omni-Channel touchpoints	›	**Personalized** Offering & Superior **Customer Experience**
Trusted Companion approach	›	**Simplified** & **Digitalized** purchase journey

CAESARSTONE CONNECT; PIONEERING DISRUPTIVE MOVE, A UNIQUE COMPETITIVE ADVANTAGE

A gamechanger solution for kitchen retailers that transforms the way people buy a countertop

cs connect

Platform of a one-stop-shop Quote-to-Cash for Retailers' including real-time visualization, quotation & order management



IN THE NEXT 4 YEARS CS CONNECT EXPECTED TO BECOME SIGNIFICANT REVENUE CHANNEL

BUSINESS CASE HIGHLIGHTS:

- Monthly quotes pipeline growth
- Integration with kitchen design solutions
- Moving from product to services

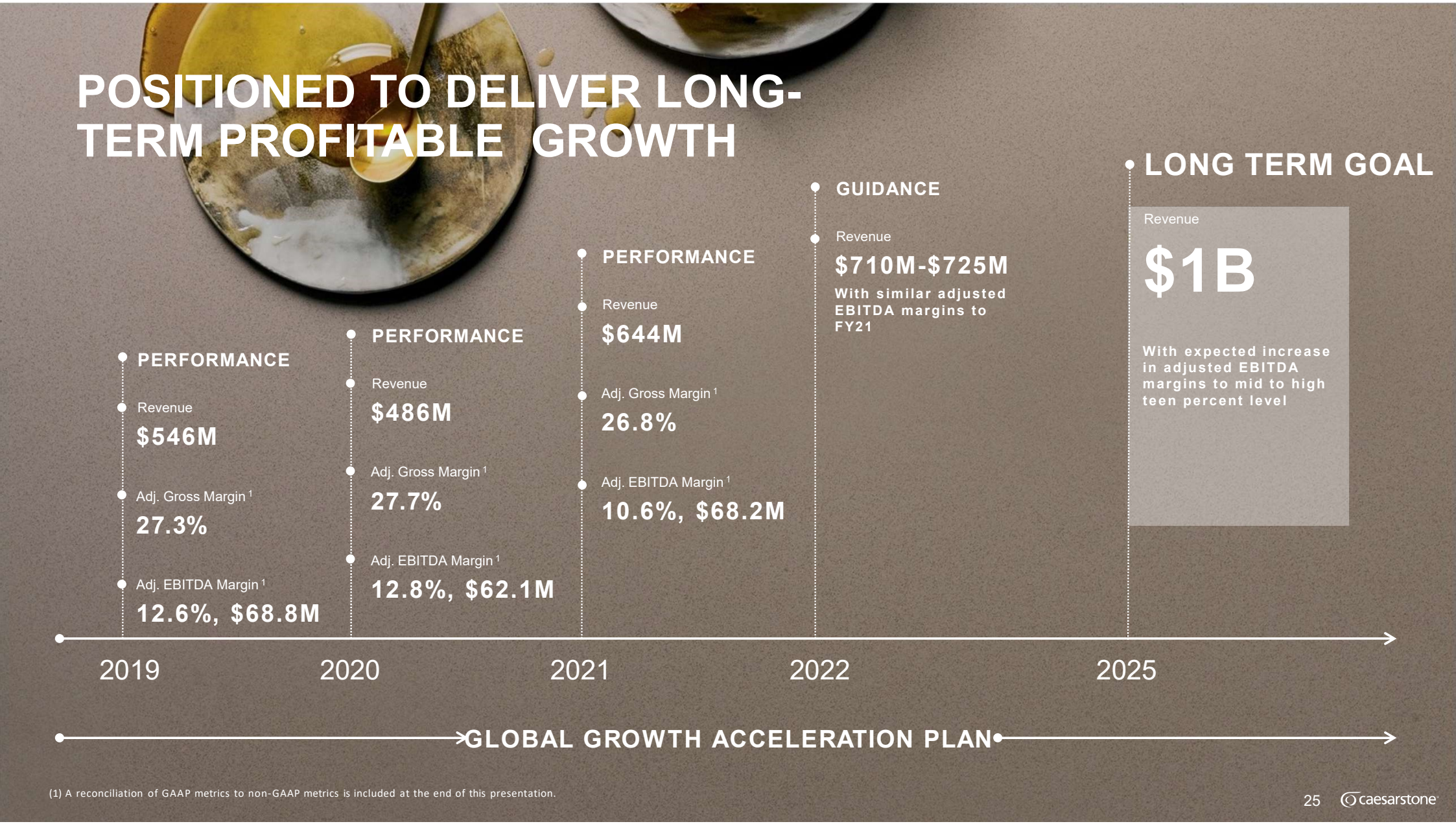
700 Retailers Onboard

CS Connect Phase 1
Global rollout in K&B's Retailers

CS Connect Phase 2
Big boxes & Commercial Projects

Financial Summary
& Outlook
caesarstone

POSITIONED TO DELIVER LONG-TERM PROFITABLE GROWTH



2019 — PERFORMANCE

Revenue
$546M

Adj. Gross Margin [1]
27.3%

Adj. EBITDA Margin [1]
12.6%, $68.8M

2020 — PERFORMANCE

Revenue
$486M

Adj. Gross Margin [1]
27.7%

Adj. EBITDA Margin [1]
12.8%, $62.1M

2021 — PERFORMANCE

Revenue
$644M

Adj. Gross Margin [1]
26.8%

Adj. EBITDA Margin [1]
10.6%, $68.2M

2022 — GUIDANCE

Revenue
$710M-$725M

With similar adjusted EBITDA margins to FY21

2025 — LONG TERM GOAL

Revenue
$1B

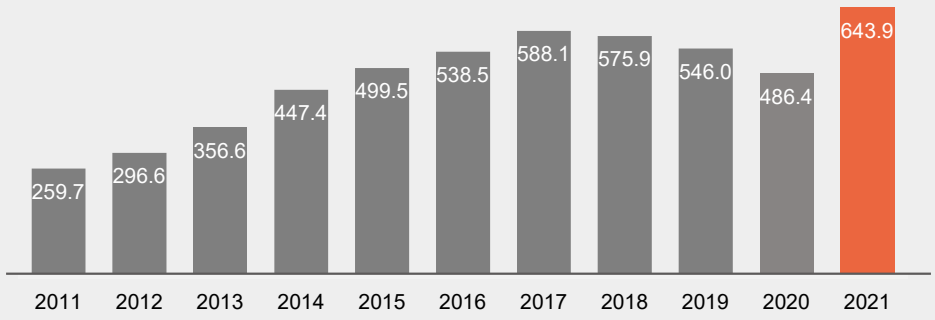
With expected increase in adjusted EBITDA margins to mid to high teen percent level

GLOBAL GROWTH ACCELERATION PLAN

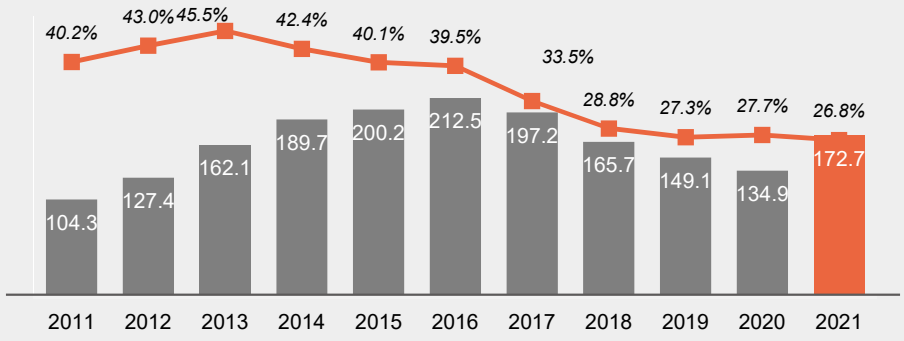
(1) A reconciliation of GAAP metrics to non-GAAP metrics is included at the end of this presentation.

REVENUE & PROFITABILITY

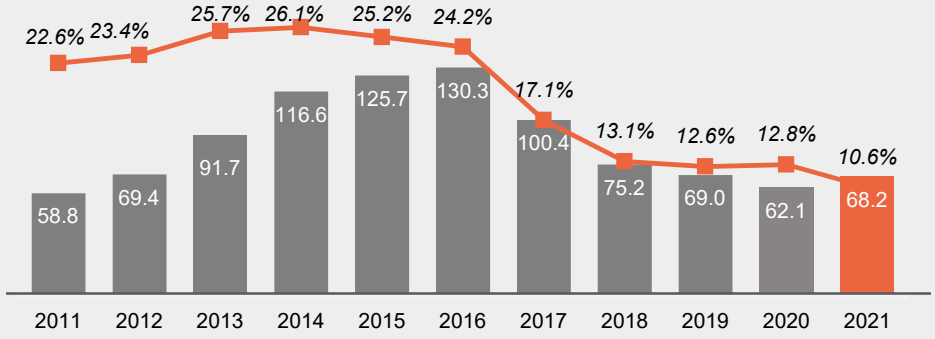
Revenue ($M)



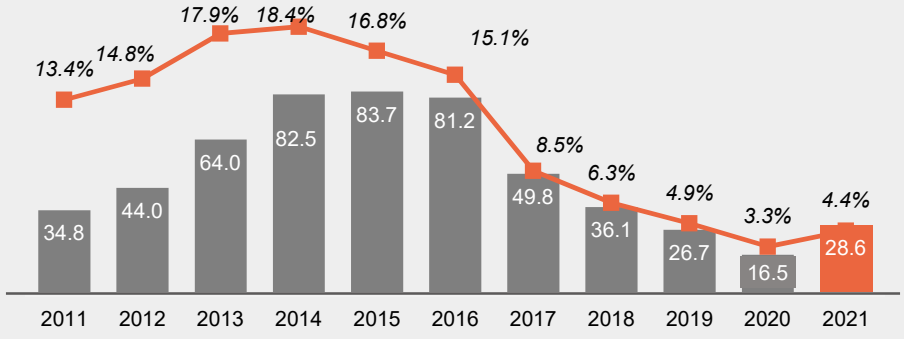
Adjusted Gross Profit and % Margin ($M)



Adj. EBITDA and % Margin ($M)

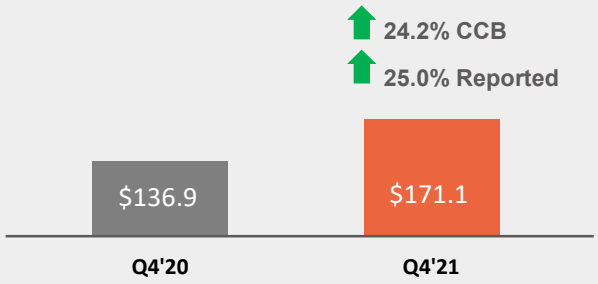


Adj. Net Income and % Margin ($M)



Q4 2021 FINANCIAL PERFORMANCE (*)

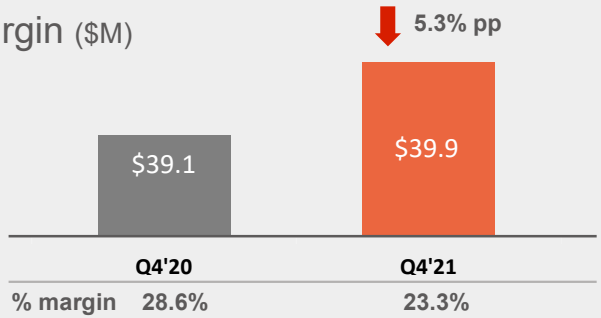
Revenue ($M)



CCB: 44.8% 5.8% 2.3% 20.1%

Organic increase of 16.7%YoY | $13.8M contribution from Omicron acquisition | * Constant Currency Basis

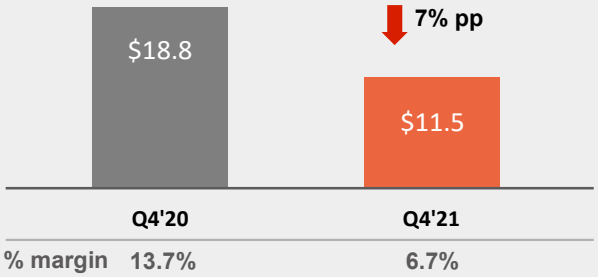
Adjusted Gross Margin ($M)



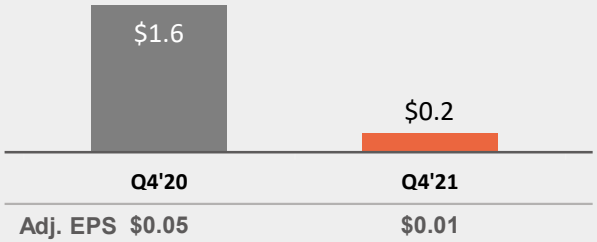
- Higher selling prices
- Improved product and regional mix

- higher RM cost
- Higher shipping cost
- Higher expenses in the Israeli plants

Adj. EBITDA ($M)



Adj. Net Income ($M)



STRONG LIQUIDITY, CASH FLOW AND CAPITAL DEPLOYMENT

STRONG CAPITAL POSITION

Cash Position

$94.2M[1,2]

Net Cash Position

$81.7M[3]

PROVEN RECORD OF CASH GENERATION

3-year[4] avg.

+50%

operating cash flow of Adj. EBITDA

Prudent management of capital expenditures at a range of

4-5%

of sales since 2016

Excess capacity to scale up operations

DISCIPLINED CAPITAL DEPLOYMENT

- Global growth acceleration plan–strong returns M&A flexibility
- Quarterly dividend policy aligned with profits

1.As of December 31, 2021
2. Cash position - Cash and cash equivalents and short-term bank deposits and marketable securities
3.Net cash position - Cash and cash equivalents and short-term bank deposits and marketable securities less debt from financial institutions
4.2019-2021

ADJUSTED GROSS MARGIN RECONCILIATION

USD (0,000)	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A
Gross profit	$78,288	$104,294	$127,395	$162,118	$189,651	$200,225	$212,486	$197,223	$163,414	$148,639	$133,942	$171,498
Non- recurring import related (income) expenses	-	-	-	-	-	-	-	-	2,104	(1,501)	0	-
Share based compensation expense (1)	-	-	185	149	75	121	452	285	163	285	416	321
Amortization of assets related to acquisitions	-	-	-	-	-	-	-	-	-	-	529	852
Other Non- recurring expenses (2)	-	-	-	-	-	-	-	-	-	1,661	0	-
Adjusted Gross profit	$78,288	$104,294	$127,580	$162,267	$189,726	$200,346	$212,938	$197,508	$165,681	$149,084	$134,887	$172,671
% of sale	39.4%	40.2%	43.0%	45.5%	42.4%	40.1%	39.5%	33.6%	28.8%	27.3%	27.7%	26.8%

(1) Share based compensation includes expenses related to stock options and restricted stock units granted to employees of the Company.
(2) Includes one time inventory write down due to discontinuation of certain product group manufacturing and one time amortization of machinery equipment with no future alternative use.

ADJUSTED EBITDA RECONCILIATION

USD (0,000)	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A
Net Income	$29,006	$29,304	$40,367	$64,353	$80,256	$79,458	$76,483	$27,558	$24,568	$12,862	$7,622	$17,889
Interest Expense, net	2,370	4,775	2,773	1,314	1,048	3,085	3,318	5,583	3,639	5,578	10,199	7,590
Taxes on income	7,399	3,600	6,821	10,336	13,738	13,843	13,003	7,402	4,560	6,243	4,700	1,950
Depreciation and Amortization	10,034	14,615	14,368	14,994	17,176	22,334	28,254	29,926	28,590	28,587	29,460	35,407
Legal settlements and loss contingencies (1)	-	-	-	-	-	4,654	5,868	24,797	8,903	12,359	6,319	3,283
Equity in losses of affiliate, net	-296	-67	-	-	-	-	-	-	-	-	-	-
Minority Share in Canada (45%)	348	252	-	-	-	-	-	-	-	-	-	-
Compensation paid by a shareholder (2)	-	-	-	-	-	-	266	-	-	-	-	-
Excess cost of acquired inventory (3)	-	4,021	885	188	231	-	-	-	-	-	-	-
Share-based compensation expense (4)	1,384	1,259	3,007	2,514	2,642	2,293	3,068	5,277	1,684	3,631	2,858	1,845
Inventory - change of estimate	-	-	-	-3,458	0	-	-	-	-	-	-	-
Follow-on expenses (5)	-	-	-	1,470	657	-	-	-	-	-	-	-
IPO bonus	-	-	1,970	-	-	-	-	-	-	-	-	-
Caesarstone USA contingent consideration adjustment	-	-	255	-	-	-	-	-	-	-	-	284
Litigation gain	-	-1,783	-1,001	-	-	-	-	-	-	-	-	-
Microgil loan and inventory write down	-	2,916	-	-	-	-	-	-	-	-	-	-
Provision for employees fringe benefits (6)	-	-	-	-	939	-	-	-114	-	-	-	-
Settlement with the tax authorities	-	-	-	-	-134	-	-		-	-	-	-
Acquisition related expenses	-	-	-	-		-	-	-	-	-	921	-
Non- recurring items (7)	-	-	-	-	0	-	-		3,261	-214	-	-
Adjusted EBITDA	$50,489	$58,774	$69,445	$91,711	$116,553	$125,667	$129,994	$100,429	$75,205	$69,046	62,079	$68,248
% of sale	*25.4%*	*22.6%*	*23.4%*	*25.7%*	*26.1%*	*25.2%*	*24.1%*	*17.1%*	*13.1%*	*12.6%*	*12.8%*	*10.6%*

(1) Consists of legal settlements expenses and loss contingencies, net, in 2017 related primarily to Kfar Giladi arbitration, as well as to product liability claims and other adjustments to on-going legal claims.
(2) One time bonus paid by a shareholder to Company's employees.
(3) Consists of charges to cost of goods sold for the difference between the higher carrying cost of the inventory of two of the Company's subsidiaries- Caesarstone USA's inventory at the time of its acquisition and inventory that was purchased from its distributor and Caesarstone Australia Pty Limited's inventory that was purchased from its distributor, and the standard cost of the Company's inventory- which adversely impacts the Company's gross margins until such inventory is sold. The majority of the inventory acquired from Caesarstone USA was sold in 2011, and the majority of the inventory acquired from the Australian distributor was sold in 2012.
(4) Share-based compensation includes expenses related to stock options and restricted stock units granted to employees of the Company. In addition, includes expenses for phantom awards granted and related payroll expenses as a result of exercises.
(5) Consists of direct expenses related to a follow-on offering that closed in June 2014.
(6) Relates to an adjustment of provision for taxable employee fringe benefits as a result of a settlement with the Israel Tax Authority and with the National Insurance Institute of Israel.
(7) Relates mainly to non-recurring import related expenses and relocation expenses of Caesarstone USA headquarters (Company's subsidiary).

ADJUSTED NET INCOME RECONCILIATION

USD (0,000)	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A
Net income attributable to controlling interest	$28,658	$29,052	$39,632	$63,344	$78,436	$77,766	$74,596	$26,202	$24,405	$12,862	$7,218	$18,966
Legal settlements and loss contingencies (1)	-	-	-	-	-	4,654	5,868	24,797	8,903	12,359	6,319	3,283
Compensation paid by a shareholder (2)	-	-	-	-	-	-	266	-	-	-	-	-
Excess cost of acquired inventory (3)	-	4,021	885	188	231	-	-	-	-	-	-	-
Share-based compensation expense (4)	1,384	1,259	3,007	2,514	2,642	2,293	3,068	5,277	1,684	3,631	2,858	1,845
IPO bonus	-	-	1,970	-	-	-	-	-	-	-	-	-
Caesarstone USA contingent consideration adjustment	-	-	255	-	-	-	-	-	-	-	-	284
Inventory - change of estimate	-	-	-	-3,458	-	-	-	-	-	-	-	-
Follow-on expenses (5)	-	-	-	1,470	657	-	-	-	-	-	-	-
Litigation gain	-	-1,783	-1,001	-	-	-	-	-	-	-	-	-
Microgil loan and inventory write down	-	2,916	-	-	-	-	-	-	-	-	-	-
Provision for employees fringe benefits (6)	-	-	-	-	939	-	-	-114	-	-	-	-
Settlement with the tax authorities	-	-	-	-	-134	-	-	-	-	-	-	-
Non cash revaluation of lease liabilities (7)	-	-	-	-	-	-	-	-	-	3,615	3,189	2,918
Amortization of assets related to acquisitions, net of tax	-	-	-	-	-	-	-	-	-	-	446	2,391
Acquisitions related expenses	-	-	-	-	-	-	-	-	-	-	921	-
Non- recurring items (8)	-	-	-	-	-	-	-	-	3,261	986	-	-
Tax adjustment (9)	-	-	-	-	342	-	-1,158	-	-	-	-	-
Total adjustments before tax	$1,384	$6,413	$5,116	$714	$4,677	$6,947	$8,044	$29,960	$13,848	$20,591	$13,733	$10,721
Less tax on above adjustments	$279	$700	$740	$99	$618	$1,031	$1,456	$6,343	$2,168	$6,729	$4,488	$1,054
Total adjustments after tax	$1,105	$5,713	$4,376	$615	$4,059	$5,916	$6,588	$23,617	$11,680	$13,862	$9,245	$9,667
Adjusted Net Income	$29,763	$34,765	$44,008	$63,959	$82,495	$83,682	$81,184	$49,819	$36,085	$26,724	$16,463	$28,633
% of sales	*15.0%*	*13.4%*	*14.8%*	*17.9%*	*18.4%*	*16.8%*	*15.1%*	*8.5%*	*6.3%*	*4.9%*	*3.4%*	*4.4%*

(1) Consists of legal settlements expenses and loss contingencies, net, in 2017 related primarily to Kfar Giladi arbitration, as well as to product liability claims and other One time bonus paid by a shareholder to Company's employees.

(2) Consists of charges to cost of goods sold for the difference between the higher carrying cost of the inventory of two of the Company's subsidiaries- Caesarstone USA's inventory at the time of its acquisition and inventory that was purchased from its distributor and Caesarstone Australia Pty Limited's inventory that was purchased from its distributor, and the standard cost of the Company's inventory- which adversely impacts the Company's gross margins until such inventory is sold. The majority of the inventory acquired from Caesarstone USA was sold in 2011, and the majority of the inventory acquired from the Australian distributor was sold in 2012.

(3) Share-based compensation includes expenses related to stock options and restricted stock units granted to employees of the Company. In addition, includes expenses for phantom awards granted and related payroll expenses as a result of exercises.

(4) Consists of IPO expenses related to a follow-on offering that closed in June 2014.

(5) Relates to an adjustment of provision for taxable employee fringe benefits as a result of a settlement with the Israel Tax Authority and with the National Insurance Institute of Israel.

(6) Relates to an adjustment of provision for taxable employee fringe benefits as a result of a settlement with the Israel Tax Authority and with the National Insurance Institute of Israel.

(7) Exchange rate differences deriving from revaluation of lease contracts in accordance with ASC 842.

(8) Relates mainly to non-recurring import-related expenses and relocation expenses of Caesarstone USA headquarters (Company's subsidiary).

(9) Tax adjustments for the three and twelve months ended December 31, 2017 and 2016 were based on the effective tax rates for these periods, respectively.

THANK YOU.
caesarstone