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## KRAFT HEINZ REPORTS THIRD QUARTER 2024 RESULTS

**Narrows Full Year Outlook for Organic Net Sales<sup>(1)(2)</sup>, Adjusted Operating Income<sup>(1)(2)</sup>, and Adjusted EPS<sup>(1)(2)</sup>**

### Third Quarter Highlights

- Net sales decreased 2.8%; Organic Net Sales<sup>(1)</sup> decreased 2.2%
- Gross profit margin increased 20 basis points to 34.2%; Adjusted Gross Profit Margin<sup>(1)</sup> increased 30 basis points to 34.3%
- Operating income decreased 115.5%, driven by non-cash impairment losses of \$1.4 billion; Adjusted Operating Income<sup>(1)</sup> increased 1.4%
- Diluted EPS was \$(0.24), down 214.3%; Adjusted EPS<sup>(1)</sup> was \$0.75, up 4.2%
- Year-to-date net cash provided by operating activities was \$2.8 billion, up 6.7%; Free Cash Flow<sup>(1)</sup> was \$2.0 billion, up 9.7%
- Year-to-date return of capital to stockholders was \$2.0 billion

PITTSBURGH & CHICAGO – Oct. 30, 2024 – The Kraft Heinz Company (Nasdaq: KHC) (“Kraft Heinz” or the “Company”) today reported financial results for the third quarter of 2024.

“In the third quarter, our top-line performance across two of our strategic pillars, Global Away From Home and Emerging Markets, grew in-line with our expectations,” said Kraft Heinz CEO Carlos Abrams-Rivera. “As we look forward, we are expecting continued momentum in these two pillars. When we look at our U.S. Retail business, we are expecting more of an elongated recovery, driven by specific categories that continue to experience pressure.”

“We continue to make investments in marketing, research and development, and technology as we look to bring solutions to the table that both create value for our consumers and support future top-line growth. We

are supporting these investments by our proven ability to sustainably unlock efficiencies and generate strong cash flow.”

Abrams-Rivera continued, “While a recovery is taking longer than originally anticipated, we are not losing sight of our long-term strategy. We remain confident in our ability to drive profitable growth, generate strong cash flow, and return capital to our stockholders.”

## Net Sales

In millions

	Net Sales			Organic Net Sales <sup>(1)</sup>		
	September 28, 2024	September 30, 2023	% Chg vs PY	YoY Growth Rate	Price	Volume/Mix
<b>For the Three Months Ended</b>						
North America	\$ 4,826	\$ 4,995	(3.4)%	(3.2)%	1.2 pp	(4.4) pp
International Developed Markets	882	883	(0.2)%	(1.8)%	(1.0) pp	(0.8) pp
Emerging Markets <sup>(a)</sup>	675	692	(2.4)%	4.9 %	3.8 pp	1.1 pp
Kraft Heinz	\$ 6,383	\$ 6,570	(2.8)%	(2.2)%	1.2 pp	(3.4) pp

## Net Sales

In millions

	Net Sales			Organic Net Sales <sup>(1)</sup>		
	September 28, 2024	September 30, 2023	% Chg vs PY	YoY Growth Rate	Price	Volume/Mix
<b>For the Nine Months Ended</b>						
North America	\$ 14,575	\$ 14,959	(2.6)%	(2.5)%	1.6 pp	(4.1) pp
International Developed Markets	2,622	2,675	(2.0)%	(2.4)%	(0.1) pp	(2.3) pp
Emerging Markets <sup>(a)</sup>	2,073	2,146	(3.4)%	4.6 %	3.3 pp	1.3 pp
Kraft Heinz	\$ 19,270	\$ 19,780	(2.6)%	(1.7)%	1.6 pp	(3.3) pp

(a) Emerging Markets represents the aggregation of our West and East Emerging Markets (“WEEM”) and Asia Emerging Markets (“AEM”) operating segments.

## Net Income/(Loss) and Diluted EPS

In millions, except per share data

	For the Three Months Ended			For the Nine Months Ended		
	September 28, 2024	September 30, 2023	% Chg vs PY	September 28, 2024	September 30, 2023	% Chg vs PY
Gross profit	\$ 2,186	\$ 2,235	(2.2)%	\$ 6,723	\$ 6,609	1.7 %
Operating income/(loss)	(101)	653	(115.5)%	1,723	3,272	(47.3)%
Net income/(loss)	(290)	254	(214.2)%	614	2,089	(70.6)%
Net income/(loss) attributable to common shareholders	(290)	262	(210.7)%	613	2,098	(70.8)%
Diluted EPS	\$ (0.24)	\$ 0.21	(214.3)%	\$ 0.50	\$ 1.70	(70.6)%
Adjusted EPS <sup>(1)</sup>	0.75	0.72	4.2 %	2.22	2.20	0.9 %
Adjusted Operating Income <sup>(1)</sup>	\$ 1,330	\$ 1,312	1.4 %	\$ 3,975	\$ 3,908	1.7 %

## Q3 2024 Financial Summary

- **Net sales** decreased 2.8 percent versus the year-ago period to \$6.4 billion, including a negative 0.4 percentage point impact from foreign currency and a negative 0.2 percentage point impact from divestitures. **Organic Net Sales**<sup>(1)</sup> decreased 2.2 percent versus the prior year period. Price increased 1.2 percentage points versus the prior year period, with increases in the North America and Emerging Markets segments partially offset by lower price in International Developed Markets. Favorable price was primarily due to pricing taken in certain categories to mitigate higher input costs. Volume/mix declined 3.4 percentage points versus the prior year period, with declines in the North America and International Developed Markets segments partially offset by volume/mix growth in Emerging Markets. Unfavorable volume/mix was primarily driven by continued shifts in consumer behavior due to economic uncertainty and a decline in *Lunchables*.
- **Operating Income** decreased 115.5 percent versus the year-ago period to \$(0.1) billion, as a result of non-cash impairment losses of \$1.4 billion in the current year period. This impairment charge was due to an intangible asset impairment largely on the *Lunchables* brand and a goodwill impairment related to the Continental Europe reporting unit. Excluding the impact of these non-cash impairment losses, operating income increased \$12 million due to factors noted in Adjusted Operating Income. **Adjusted Operating Income**<sup>(1)</sup> increased 1.4 percent versus the year-ago period to \$1.3 billion, primarily driven by higher pricing, the beneficial impact from our efficiency initiatives mostly in procurement, and lower variable compensation expense. These factors more than offset unfavorable volume/mix, increased manufacturing expenses due in part to increased labor costs, and an unfavorable impact from foreign currency (0.2 pp).
- **Diluted EPS** decreased 214.3 percent versus the prior year period to \$(0.24), driven by non-cash impairment losses in the current year period. **Adjusted EPS**<sup>(1)</sup> was \$0.75, up 4.2 percent versus the prior year period, primarily driven by higher Adjusted Operating Income, fewer shares outstanding, and lower taxes on adjusted earnings.
- Year-to-date **net cash provided by/(used for) operating activities** was \$2.8 billion, up 6.7 percent versus the year-ago period. This increase was primarily due to favorable changes in working capital driven by accounts payable and the lapping of prior year cash payments associated with the settlement of the consolidated securities class action lawsuit, which were partially offset by higher cash outflows from inventory and variable compensation in the 2024 period compared to the 2023 period. Further, net cash by operating activities was favorably impacted by increased Adjusted Operating Income. **Free Cash Flow**<sup>(1)</sup> was \$2.0 billion, up 9.7 percent versus the prior year period, driven by the same net cash provided by/(used for) operating activities discussed above.

- **Capital Return:** Year to date, the Company paid \$1.5 billion in cash dividends and repurchased \$538 million of common stock. Of the \$538 million in share repurchases in 2024, \$350 million were repurchased under the Company's publicly announced share repurchase program and \$188 million were purchased to offset the dilutive effect of equity-based compensation. As of Sept. 28, 2024, the Company had remaining authorization to repurchase approximately \$2.4 billion of common stock under the publicly announced share repurchase program.

## Outlook

For fiscal year 2024, the Company now expects:

- **Organic Net Sales<sup>(2)</sup>** to be at the low end of the previous guidance range of down 2 percent to flat versus the prior year.
- **Adjusted Operating Income<sup>(2)</sup>** growth to be at the low end of the previous guidance range of 1 to 3 percent versus the prior year. This also contemplates expected Adjusted Gross Profit Margin<sup>(1)(2)</sup> expansion at the lower end of the previous range of 75 to 125 basis points versus the prior year.
- **Adjusted EPS<sup>(2)</sup>** growth to be at the low end of the previous guidance range of 1 to 3 percent, or in the range of \$3.01 to \$3.07. The Company expects an effective tax rate on Adjusted EPS to be approximately 21 percent. Additionally, the Company expects interest expense and other expense/(income) to be relatively flat versus the prior year. This guidance does not reflect any impact from future potential share repurchases.

## End Notes

- (1) Organic Net Sales, Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Operating Income, Adjusted EPS, and Free Cash Flow are non-GAAP financial measures. Please see discussion of non-GAAP financial measures and the reconciliations at the end of this press release for more information.
- (2) Guidance for Organic Net Sales, Adjusted Gross Profit Margin, Adjusted Operating Income, and Adjusted EPS is provided on a non-GAAP basis only because certain information necessary to calculate the most comparable GAAP measure is unavailable due to the uncertainty and inherent difficulty of predicting the occurrence and the future financial statement impact of such items impacting comparability, including, but not limited to, the impact of currency, acquisitions and divestitures, divestiture-related license income, restructuring activities, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, certain non-ordinary course legal and regulatory matters, equity award compensation expense, nonmonetary currency devaluation, and debt prepayment and extinguishment (benefit)/costs, among other items. Therefore, as a result of the uncertainty and variability of the nature and amount of future adjustments, which could be significant, the Company is unable to provide a reconciliation of these measures without unreasonable effort.

## Earnings Discussion and Webcast Information

A pre-recorded management discussion of The Kraft Heinz Company's third quarter 2024 earnings is available at [ir.kraftheinzcompany.com](http://ir.kraftheinzcompany.com). The Company will host a live question-and-answer session

beginning today at 9:00 a.m. Eastern Daylight Time. A webcast of the session will be accessible at [ir.kraftheinzcompany.com](http://ir.kraftheinzcompany.com).

## **ABOUT THE KRAFT HEINZ COMPANY**

We are driving transformation at The Kraft Heinz Company (Nasdaq: KHC), inspired by our Purpose, *Let's Make Life Delicious*. Consumers are at the center of everything we do. With 2023 net sales of approximately \$27 billion, we are committed to growing our iconic and emerging food and beverage brands on a global scale. We leverage our scale and agility to unleash the full power of Kraft Heinz across a portfolio of eight consumer-driven product platforms. As global citizens, we're dedicated to making a sustainable, ethical impact while helping feed the world in healthy, responsible ways. Learn more about our journey by visiting [www.kraftheinzcompany.com](http://www.kraftheinzcompany.com) or following us on LinkedIn.

## Forward-Looking Statements

This press release contains a number of forward-looking statements. Words such as “accelerate,” “anticipate,” “believe,” “commit,” “continue,” “expect,” “will,” “guidance,” and “outlook,” and variations of such words and similar future or conditional expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding the Company's plans, impacts of accounting standards and guidance, growth, legal matters, taxes, costs and cost savings, impairments, dividends, expectations, investments, innovations, opportunities, capabilities, execution, initiatives, and pipeline. These forward-looking statements reflect management's current expectations and are not guarantees of future performance and are subject to a number of risks and uncertainties, many of which are difficult to predict and beyond the Company's control.

Important factors that may affect the Company's business and operations and that may cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, operating in a highly competitive industry; the Company's ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation; changes in the retail landscape or the loss of key retail customers; changes in the Company's relationships with significant customers or suppliers, or in other business relationships; the Company's ability to maintain, extend, and expand its reputation and brand image; the Company's ability to leverage its brand value to compete against private label products; the Company's ability to drive revenue growth in its key product categories or platforms, increase its market share, or add products that are in faster-growing and more profitable categories; product recalls or other product liability claims; climate change and legal or regulatory responses; the Company's ability to identify, complete, or realize the benefits from strategic acquisitions, divestitures, alliances, joint ventures, or investments; the Company's ability to successfully execute its strategic initiatives; the impacts of the Company's international operations; the Company's ability to protect intellectual property rights; the Company's ability to realize the anticipated benefits from prior or future streamlining actions to reduce fixed costs, simplify or improve processes, and improve its competitiveness; the influence of the Company's largest stockholder; the Company's level of indebtedness, as well as our ability to comply with covenants under our debt instruments; additional impairments of the carrying amounts of goodwill or other indefinite-lived intangible assets; foreign exchange rate fluctuations; volatility in commodity, energy, and other input costs; volatility in the market value of all or a portion of the commodity derivatives we use; compliance with laws and regulations and related legal claims or regulatory enforcement actions; failure to maintain an effective system of internal controls; a downgrade in the Company's credit rating; the impact of sales of the Company's common stock in the public market; the impact of the Company's share repurchases or any change in the Company's share repurchase activity; the Company's ability to continue to pay a regular dividend and the amounts of any such dividends; disruptions in the global economy caused by geopolitical conflicts, unanticipated business disruptions and natural events in the locations in which the Company or the Company's customers, suppliers, distributors, or regulators operate; economic and political conditions in the United States and in various other nations where the Company does business (including inflationary pressures, instability in

financial institutions, general economic slowdown, recession, or a potential U.S. federal government shutdown); changes in the Company's management team or other key personnel and the Company's ability to hire or retain key personnel or a highly skilled and diverse global workforce; our dependence on information technology and systems, including service interruptions, misappropriation of data, or breaches of security; increased pension, labor, and people-related expenses; changes in tax laws and interpretations and the final determination of tax audits, including transfer pricing matters, and any related litigation; volatility of capital markets and other macroeconomic factors; and other factors. For additional information on these and other factors that could affect the Company's forward-looking statements, see the Company's risk factors, as they may be amended from time to time, set forth in its filings with the Securities and Exchange Commission ("SEC"). The Company disclaims and does not undertake any obligation to update, revise, or withdraw any forward-looking statement in this press release, except as required by applicable law or regulation.

We use our investor relations website, [ir.kraftheinzcompany.com](http://ir.kraftheinzcompany.com), as a routine channel for distribution of important, and often material, information about Kraft Heinz, including quarterly and annual earnings results and presentations, press releases and other announcements, webcasts, analyst presentations, investor days, sustainability initiatives, financial information, and corporate governance practices, as well as archives of past presentations and events. We encourage you to follow our investor relations website in addition to our filings with the SEC to receive timely information about the Company. The information on our website is not part of this press release and shall not be deemed to be incorporated by reference into any filings we make with the SEC.

## Non-GAAP Financial Measures

The non-GAAP financial measures provided in this press release should be viewed in addition to, and not as an alternative for, results prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

To supplement the financial information provided, the Company has presented Organic Net Sales, Adjusted Operating Income, Constant Currency Adjusted Operating Income, Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Net Income/(Loss), Adjusted EPS, Free Cash Flow, and Net Leverage which are considered non-GAAP financial measures. The non-GAAP financial measures presented may differ from similarly titled non-GAAP financial measures presented by other companies, and other companies may not define these non-GAAP financial measures in the same way. These measures are not substitutes for their comparable GAAP financial measures, such as net sales, net income/(loss), gross profit, diluted earnings per share ("EPS"), net cash provided by/(used for) operating activities, or other measures prescribed by GAAP, and there are limitations to using non-GAAP financial measures.

Management uses these non-GAAP financial measures to assist in comparing the Company's performance on a consistent basis for purposes of business decision making by removing the impact of certain items that management believes do not directly reflect the Company's underlying operations. The Company believes:

- Organic Net Sales, Adjusted Operating Income, Constant Currency Adjusted Operating Income, Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Net Income/(Loss), and Adjusted EPS provide important comparability of underlying operating results, allowing investors and management to assess the Company's operating performance on a consistent basis; and
- Free Cash Flow and Net Leverage provide measures of the Company's core operating performance, the cash-generating capabilities of the Company's business operations, and are factors used in determining the Company's borrowing capacity and the amount of cash available for debt repayments, dividends, acquisitions, share repurchases, and other corporate purposes.

Management believes that presenting the Company's non-GAAP financial measures is useful to investors because it (i) provides investors with meaningful supplemental information regarding financial performance by excluding certain items, (ii) permits investors to view performance using the same tools that management uses to budget, make operating and strategic decisions, and evaluate historical performance, and (iii) otherwise provides supplemental information that may be useful to investors in evaluating the Company's results. The Company believes that the presentation of these non-GAAP financial measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provides investors with additional understanding of the factors and trends affecting the Company's business than could be obtained absent these disclosures.



## Definitions

**Organic Net Sales** is defined as net sales excluding, when they occur, the impact of currency, acquisitions and divestitures, and a 53rd week of shipments. The Company calculates the impact of currency on net sales by holding exchange rates constant at the previous year's exchange rate, with the exception of highly inflationary subsidiaries, for which the Company calculates the previous year's results using the current year's exchange rate.

**Adjusted Operating Income** is defined as operating income/(loss) excluding, when they occur, the impacts of restructuring activities, deal costs, unrealized gains/(losses) on commodity hedges (the unrealized gains and losses are recorded in general corporate expenses until realized; once realized, the gains and losses are recorded in the applicable segment's operating results), impairment losses, and certain non-ordinary course legal and regulatory matters. The Company also presents Adjusted Operating Income on a constant currency basis (**Constant Currency Adjusted Operating Income**). The Company calculates the impact of currency on Adjusted Operating Income by holding exchange rates constant at the previous year's exchange rate, with the exception of highly inflationary subsidiaries, for which it calculates the previous year's results using the current year's exchange rate.

**Adjusted Gross Profit, Adjusted Net Income/(Loss), and Adjusted EPS** are defined as gross profit, net income/(loss), and diluted earnings per share, respectively, excluding, when they occur, the impacts of restructuring activities, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, certain non-ordinary course legal and regulatory matters, losses/(gains) on the sale of a business, other losses/(gains) related to acquisitions and divestitures (e.g., tax and hedging impacts), nonmonetary currency devaluation (e.g., remeasurement gains and losses), debt prepayment and extinguishment (benefit)/costs, and certain significant discrete income tax items (e.g., U.S. and non-U.S. tax reform), and including when they occur, adjustments to reflect preferred stock dividend payments on an accrual basis.

**Adjusted Gross Profit Margin** is defined as Adjusted Gross Profit divided by net sales.

**Net Leverage** is defined as debt less cash, cash equivalents and short-term investments divided by Adjusted EBITDA. **Adjusted EBITDA** is defined as net income/(loss) from continuing operations before interest expense, other expense/(income), provision for/(benefit from) income taxes, and depreciation and amortization (excluding restructuring activities); in addition to these adjustments, the Company excludes, when they occur, the impacts of divestiture-related license income, restructuring activities, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, certain non-ordinary course legal and regulatory matters, and equity award compensation expense (excluding restructuring activities).

**Free Cash Flow** is defined as net cash provided by/(used for) operating activities less capital expenditures. The use of this non-GAAP measure does not imply or represent the residual cash flow for discretionary expenditures since the Company has certain non-discretionary obligations such as debt service that are not deducted from the measure.

The Kraft Heinz Company  
Condensed Consolidated Statements of Income  
(in millions, except per share data)  
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net sales	\$ 6,383	\$ 6,570	\$ 19,270	\$ 19,780
Cost of products sold	4,197	4,335	12,547	13,171
Gross profit	2,186	2,235	6,723	6,609
Selling, general and administrative expenses, excluding impairment losses	859	920	2,718	2,675
Goodwill impairment losses	707	510	1,561	510
Intangible asset impairment losses	721	152	721	152
Selling, general and administrative expenses	2,287	1,582	5,000	3,337
Operating income/(loss)	(101)	653	1,723	3,272
Interest expense	230	228	685	683
Other expense/(income)	(48)	(35)	(56)	(94)
Income/(loss) before income taxes	(283)	460	1,094	2,683
Provision for/(benefit from) income taxes	7	206	480	594
Net income/(loss)	(290)	254	614	2,089
Net income/(loss) attributable to noncontrolling interest	—	(8)	1	(9)
Net income/(loss) attributable to common shareholders	\$ (290)	\$ 262	\$ 613	\$ 2,098
Basic shares outstanding	1,210	1,229	1,212	1,228
Diluted shares outstanding	1,210	1,235	1,217	1,235
Per share data applicable to common shareholders:				
Basic earnings/(loss) per share	\$ (0.24)	\$ 0.21	\$ 0.51	\$ 1.71
Diluted earnings/(loss) per share	(0.24)	0.21	0.50	1.70

The Kraft Heinz Company  
Reconciliation of Net Sales to Organic Net Sales  
For the Three Months Ended  
(dollars in millions)  
(Unaudited)

	Net Sales	Currency	Acquisitions and Divestitures	Organic Net Sales	Price	Volume/Mix
<b>September 28, 2024</b>						
North America	\$ 4,826	\$ (8)	\$ —	\$ 4,834		
International Developed Markets	882	15	—	867		
Emerging Markets	675	(23)	—	698		
Kraft Heinz	<u>\$ 6,383</u>	<u>\$ (16)</u>	<u>\$ —</u>	<u>\$ 6,399</u>		

<b>September 30, 2023</b>						
North America	\$ 4,995	\$ —	\$ —	\$ 4,995		
International Developed Markets	883	—	—	883		
Emerging Markets	692	11	16	665		
Kraft Heinz	<u>\$ 6,570</u>	<u>\$ 11</u>	<u>\$ 16</u>	<u>\$ 6,543</u>		

<b>Year-over-year growth rates</b>						
North America	(3.4)%	(0.2) pp	0.0 pp	(3.2)%	1.2 pp	(4.4) pp
International Developed Markets	(0.2)%	1.6 pp	0.0 pp	(1.8)%	(1.0) pp	(0.8) pp
Emerging Markets	(2.4)%	(4.9) pp	(2.4) pp	4.9 %	3.8 pp	1.1 pp
Kraft Heinz	(2.8)%	(0.4) pp	(0.2) pp	(2.2)%	1.2 pp	(3.4) pp

The Kraft Heinz Company  
Reconciliation of Net Sales to Organic Net Sales  
For the Nine Months Ended  
(dollars in millions)  
(Unaudited)

	Net Sales	Currency	Acquisitions and Divestitures	Organic Net Sales	Price	Volume/Mix
<b>September 28, 2024</b>						
North America	\$ 14,575	\$ (15)	\$ —	\$ 14,590		
International Developed Markets	2,622	10	—	2,612		
Emerging Markets <sup>(a)</sup>	\$ 2,073	\$ (69)	\$ 12	\$ 2,130		
Kraft Heinz	<u>\$ 19,270</u>	<u>\$ (74)</u>	<u>\$ 12</u>	<u>\$ 19,332</u>		
<b>September 30, 2023</b>						
North America	\$ 14,959	\$ —	\$ —	\$ 14,959		
International Developed Markets	2,675	—	—	2,675		
Emerging Markets <sup>(a)</sup>	\$ 2,146	\$ 59	\$ 50	\$ 2,037		
Kraft Heinz	<u>\$ 19,780</u>	<u>\$ 59</u>	<u>\$ 50</u>	<u>\$ 19,671</u>		
<b>Year-over-year growth rates</b>						
North America	(2.6)%	(0.1) pp	0.0 pp	(2.5)%	1.6 pp	(4.1) pp
International Developed Markets	(2.0)%	0.4 pp	0.0 pp	(2.4)%	(0.1) pp	(2.3) pp
Emerging Markets <sup>(a)</sup>	(3.4)%	(6.1) pp	(1.9) pp	4.6 %	3.3 pp	1.3 pp
Kraft Heinz	(2.6)%	(0.7) pp	(0.2) pp	(1.7)%	1.6 pp	(3.3) pp

(a) Emerging Markets represents the aggregation of our WEEM and AEM operating segments.

The Kraft Heinz Company  
Reconciliation of Operating Income/(Loss) to Adjusted Operating Income  
(dollars in millions)  
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Operating income/(loss)	\$ (101)	\$ 653	1,723	3,272
Restructuring activities	—	45	—	25
Unrealized losses/(gains) on commodity hedges	3	(48)	(30)	(53)
Impairment losses	1,428	662	2,282	662
Certain non-ordinary course legal and regulatory matters	—	—	—	2
Adjusted Operating Income	<u>\$ 1,330</u>	<u>\$ 1,312</u>	<u>\$ 3,975</u>	<u>\$ 3,908</u>
Segment Adjusted Operating Income:				
North America	\$ 1,237	\$ 1,245	\$ 3,793	\$ 3,701
International Developed Markets	135	129	397	376
Total Segment Adjusted Operating Income	1,372	1,374	4,190	4,077
Emerging Markets Segment Adjusted Operating Income <sup>(a)</sup>	84	88	232	286
General corporate expenses	(126)	(150)	(447)	(455)
Adjusted Operating Income	<u>\$ 1,330</u>	<u>\$ 1,312</u>	<u>\$ 3,975</u>	<u>\$ 3,908</u>

(a) Segment Adjusted Operating Income for Emerging Markets, which represents the combination of our WEEM and AEM operating segments, is defined and presented consistently with the Segment Adjusted Operating Income of our reportable segments - North America and International Developed Markets.

The Kraft Heinz Company  
Reconciliation of Adjusted Operating Income to Constant Currency Adjusted Operating Income  
For the Three Months Ended  
(dollars in millions)  
(Unaudited)

	Adjusted Operating Income	Currency	Constant Currency Adjusted Operating Income
<b>September 28, 2024</b>			
North America	\$ 1,237	\$ (3)	\$ 1,240
International Developed Markets	135	3	132
Emerging Markets	84	(1)	85
General corporate expenses	(126)	—	(126)
Kraft Heinz	<u>\$ 1,330</u>	<u>\$ (1)</u>	<u>\$ 1,331</u>
<b>September 30, 2023</b>			
North America	\$ 1,245	\$ —	\$ 1,245
International Developed Markets	129	—	129
Emerging Markets	88	2	86
General corporate expenses	(150)	—	(150)
Kraft Heinz	<u>\$ 1,312</u>	<u>\$ 2</u>	<u>\$ 1,310</u>
<b>Year-over-year growth rates</b>			
North America	(0.6)%	(0.2) pp	(0.4)%
International Developed Markets	4.2 %	2.2 pp	2.0 %
Emerging Markets	(4.5)%	(3.5) pp	(1.0)%
General corporate expenses	(15.9)%	0.3 pp	(16.2)%
Kraft Heinz	1.4 %	(0.2) pp	1.6 %

The Kraft Heinz Company  
Reconciliation of Adjusted Operating Income to Constant Currency Adjusted Operating Income  
For the Nine Months Ended  
(dollars in millions)  
(Unaudited)

	Adjusted Operating Income	Currency	Constant Currency Adjusted Operating Income
<b>September 28, 2024</b>			
North America	\$ 3,793	\$ (4)	\$ 3,797
International Developed Markets	397	7	390
Emerging Markets	232	(9)	241
General corporate expenses	(447)	(1)	(446)
Kraft Heinz	<u>\$ 3,975</u>	<u>\$ (7)</u>	<u>\$ 3,982</u>
<b>September 30, 2023</b>			
North America	\$ 3,701	\$ —	\$ 3,701
International Developed Markets	376	—	376
Emerging Markets	286	11	275
General corporate expenses	(455)	—	(455)
Kraft Heinz	<u>\$ 3,908</u>	<u>\$ 11</u>	<u>\$ 3,897</u>
<b>Year-over-year growth rates</b>			
North America	2.5 %	(0.1) pp	2.6 %
International	5.6 %	1.7 pp	3.9 %
Emerging Markets	(19.0)%	(6.5) pp	(12.5)%
General corporate expenses	(1.8)%	0.3 pp	(2.1)%
Kraft Heinz	1.7 %	(0.5) pp	2.2 %

The Kraft Heinz Company  
Reconciliation of GAAP Results to Non-GAAP Results  
(dollars in millions)  
(Unaudited)

For the Three Months Ended											
September 28, 2024											
	Gross profit	Selling, general and administrative expenses	Operating income/(loss)	Interest expense	Other expense/(income)	Income/(loss) before income taxes	Provision for/(benefit from) income taxes	Net income/(loss)	Net income/(loss) attributable to noncontrolling interest	Net income/(loss) attributable to common shareh	Diluted EPS
GAAP Results	\$2,186	\$2,287	\$ (101)	\$ 230	\$ (48)	\$ (283)	\$ 7	\$ (290)	\$ —	\$ (290)	\$(0.24)
Items Affecting Comparability											
Restructuring activities	—	—	—	—	7	(7)	(2)	(5)	—	(5)	—
Unrealized losses/(gains) on commodity hedges	3	—	3	—	—	3	1	2	—	2	—
Impairment losses	—	(1,428)	1,428	—	—	1,428	229	1,199	—	1,199	0.99
Losses/(gains) on sale of business	—	—	—	—	—	—	(4)	4	—	4	—
Nonmonetary currency devaluation	—	—	—	—	(3)	3	—	3	—	3	—
Adjusted Non-GAAP Results	<u>\$2,189</u>		<u>\$1,330</u>					<u>\$ 913</u>			<u>\$ 0.75</u>



The Kraft Heinz Company  
Reconciliation of GAAP Results to Non-GAAP Results  
(dollars in millions)  
(Unaudited)

For the Three Months Ended											
September 30, 2023											
	Gross profit	Selling, general and administrative expenses	Operating income/(loss)	Interest expense	Other expense/(income)	Income/(loss) before income taxes	Provision for/(benefit from) income taxes	Net income/(loss)	Net income/(loss) attributable to noncontrolling interest	Net income/(loss) attributable to common shareh	Diluted EPS
GAAP Results	\$2,235	\$1,582	\$ 653	\$ 228	\$ (35)	\$ 460	\$ 206	\$ 254	\$ (8)	\$ 262	\$ 0.21
Items Affecting Comparability											
Restructuring activities	44	(1)	45	—	—	45	8	37	—	37	0.03
Unrealized losses/(gains) on commodity hedges	(48)	—	(48)	—	—	(48)	(12)	(36)	—	(36)	(0.03)
Impairment losses	—	(662)	662	—	—	662	36	626	6	620	0.50
Nonmonetary currency devaluation	—	—	—	—	(9)	9	—	9	—	9	0.01
Adjusted Non-GAAP Results	<u>\$2,231</u>		<u>\$1,312</u>					<u>\$ 890</u>			<u>\$ 0.72</u>

The Kraft Heinz Company  
Reconciliation of GAAP Results to Non-GAAP Results  
(dollars in millions)  
(Unaudited)

For the Nine Months Ended											
September 28, 2024											
	Gross profit	Selling, general and administrative expenses	Operating income/(loss)	Interest expense	Other expense/(income)	Income/(loss) before income taxes	Provision for/(benefit from) income taxes	Net income/(loss)	Net income/(loss) attributable to noncontrolling interest	Net income/(loss) attributable to common shareh	Diluted EPS
GAAP Results	\$6,723	\$5,000	\$1,723	\$ 685	\$ (56)	\$1,094	\$ 480	\$ 614	\$ 1	\$ 613	\$ 0.50
Items Affecting Comparability											
Restructuring activities	2	2	—	—	8	(8)	(2)	(6)	—	(6)	—
Unrealized losses/(gains) on commodity hedges	(30)	—	(30)	—	—	(30)	(8)	(22)	—	(22)	(0.02)
Impairment losses	—	(2,282)	2,282	—	—	2,282	229	2,053	—	2,053	1.69
Losses/(gains) on sale of business	—	—	—	—	(78)	78	21	57	—	57	0.05
Nonmonetary currency devaluation	—	—	—	—	(7)	7	—	7	—	7	—
Adjusted Non-GAAP Results	<u>\$6,695</u>		<u>\$3,975</u>					<u>\$2,703</u>			<u>\$ 2.22</u>

The Kraft Heinz Company  
Reconciliation of GAAP Results to Non-GAAP Results  
(dollars in millions)  
(Unaudited)

For the Nine Months Ended

September 30, 2023

	Gross profit	Selling, general and administrative expenses	Operating income/(loss)	Interest expense	Other expense/(income)	Income/(loss) before income taxes	Provision for/(benefit from) income taxes	Net income/(loss)	Net income/(loss) attributable to noncontrolling interest	Net income/(loss) attributable to common shareh	Diluted EPS
GAAP Results	\$6,609	\$3,337	\$3,272	\$ 683	\$ (94)	\$2,683	\$ 594	\$2,089	\$ (9)	\$2,098	\$ 1.70
Items Affecting Comparability											
Restructuring activities	44	19	25	—	(2)	27	5	22	—	22	0.02
Unrealized losses/(gains) on commodity hedges	(53)	—	(53)	—	—	(53)	(13)	(40)	—	(40)	(0.03)
Impairment losses	—	(662)	662	—	—	662	36	626	6	620	0.50
Certain non-ordinary course legal and regulatory matters	—	(2)	2	—	—	2	—	2	—	2	—
Losses/(gains) on sale of business	—	—	—	—	(2)	2	—	2	—	2	—
Nonmonetary currency devaluation	—	—	—	—	(27)	27	—	27	—	27	0.02
Certain significant discrete income tax items	—	—	—	—	—	—	17	(17)	—	(17)	(0.01)
Adjusted Non-GAAP Results	<u>\$6,600</u>		<u>\$3,908</u>					<u>\$2,711</u>			<u>\$ 2.20</u>

The Kraft Heinz Company  
Adjusted Gross Profit Margin  
(dollars in millions)  
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Adjusted Gross Profit	\$ 2,189	\$ 2,231	\$ 6,695	\$ 6,600
Net sales	6,383	6,570	19,270	19,780
Adjusted Gross Profit Margin	34.3 %	34.0 %	34.7 %	33.4 %

The Kraft Heinz Company  
Key Drivers of Change in Adjusted EPS  
(Unaudited)

	For the Three Months Ended		
	September 28, 2024	September 30, 2023	\$ Change
Key drivers of change in Adjusted EPS:			
Results of operations <sup>(a)(b)</sup>	\$ 0.84	\$ 0.83	\$ 0.01
Interest expense	(0.15)	(0.15)	—
Other expense/(income)	0.04	0.04	—
Effective tax rate	0.01	—	0.01
Effect of share repurchases	0.01	—	0.01
Adjusted EPS	\$ 0.75	\$ 0.72	\$ 0.03

(a) Includes non-cash amortization of definite-lived intangible assets, which accounted for a negative impact to Adjusted EPS from results of operations of \$0.04 for the three months ended September 28, 2024 and September 30, 2023.

(b) Includes divestiture-related license income, which accounted for a benefit to Adjusted EPS from results of operations of \$0.01 for the three months ended September 28, 2024 and September 30, 2023.

The Kraft Heinz Company  
Key Drivers of Change in Adjusted EPS  
(Unaudited)

	For the Nine Months Ended		\$ Change
	September 28, 2024	September 30, 2023	
Key drivers of change in Adjusted EPS:			
Results of operations <sup>(a)(b)</sup>	\$ 2.60	\$ 2.56	\$ 0.04
Interest expense	(0.45)	(0.45)	—
Other expense/(income)	0.09	0.09	—
Effective tax rate	(0.05)	—	(0.05)
Effect of share repurchases	0.03	—	0.03
Adjusted EPS	<u>\$ 2.22</u>	<u>\$ 2.20</u>	<u>\$ 0.02</u>

(a) Includes non-cash amortization of definite-lived intangible assets, which accounted for a negative impact to Adjusted EPS from results of operations of \$0.13 for the nine months ended September 28, 2024 and \$0.12 for the nine months ended September 30, 2023.

(b) Includes divestiture-related license income, which accounted for a benefit to Adjusted EPS from results of operations of \$0.03 for the nine months ended September 28, 2024 and September 30, 2023.

The Kraft Heinz Company  
Condensed Consolidated Balance Sheets  
(in millions, except per share data)  
(Unaudited)

	September 28, 2024	December 30, 2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,284	\$ 1,400
Trade receivables, net	2,178	2,112
Inventories	3,872	3,614
Prepaid expenses	228	234
Other current assets	633	566
Assets held for sale	7	3
Total current assets	8,202	7,929
Property, plant and equipment, net	7,137	7,122
Goodwill	28,946	30,459
Intangible assets, net	41,802	42,448
Other non-current assets	2,479	2,381
<b>TOTAL ASSETS</b>	<b>\$ 88,566</b>	<b>\$ 90,339</b>
<b>LIABILITIES AND EQUITY</b>		
Commercial paper and other short-term debt	\$ 13	\$ —
Current portion of long-term debt	695	638
Accounts payable	4,553	4,627
Accrued marketing	752	733
Interest payable	273	258
Income taxes payable	—	—
Other current liabilities	1,442	1,781
Liabilities held for sale	—	—
Total current liabilities	7,728	8,037
Long-term debt	19,383	19,394
Deferred income taxes	10,023	10,201
Accrued postemployment costs	140	143
Long-term deferred income	1,386	1,424
Other non-current liabilities	1,437	1,418
<b>TOTAL LIABILITIES</b>	<b>40,097</b>	<b>40,617</b>
Redeemable noncontrolling interest	6	34
<b>Equity:</b>		
Common stock, \$0.01 par value	12	12
Additional paid-in capital	52,106	52,037
Retained earnings/(deficit)	521	1,367
Accumulated other comprehensive income/(losses)	(2,547)	(2,604)
Treasury stock, at cost	(1,764)	(1,286)
Total shareholders' equity	48,328	49,526
Noncontrolling interest	135	162
<b>TOTAL EQUITY</b>	<b>48,463</b>	<b>49,688</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 88,566</b>	<b>\$ 90,339</b>

The Kraft Heinz Company  
Condensed Consolidated Statements of Cash Flows  
(in millions)  
(Unaudited)

	<u>For the Nine Months Ended</u>	
	<u>September 28, 2024</u>	<u>September 30, 2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income/(loss)	\$ 614	\$ 2,089
Adjustments to reconcile net income/(loss) to operating cash flows:		
Depreciation and amortization	714	710
Amortization of postemployment benefit plans prior service costs/(credits)	(6)	(10)
Divestiture-related license income	(41)	(41)
Equity award compensation expense	83	110
Deferred income tax provision/(benefit)	(277)	(15)
Postemployment benefit plan contributions	16	(18)
Goodwill and intangible asset impairment losses	2,282	662
Nonmonetary currency devaluation	7	27
Loss/(gain) on sale of business	78	2
Other items, net	(39)	(44)
Changes in current assets and liabilities:		
Trade receivables	(83)	(16)
Inventories	(392)	(277)
Accounts payable	48	(221)
Other current assets	(129)	139
Other current liabilities	(79)	(477)
Net cash provided by/(used for) operating activities	<u>2,796</u>	<u>2,620</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(777)	(779)
Proceeds from sale of business, net of cash disposed and working capital adjustments	5	—
Payments to acquire intangible assets	(140)	—
Other investing activities, net	63	41
Net cash provided by/(used for) investing activities	<u>(849)</u>	<u>(738)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments of long-term debt	(607)	(823)
Proceeds from issuance of long-term debt	594	657
Dividends paid	(1,452)	(1,474)
Repurchases of common stock	(538)	(150)
Other financing activities, net	(43)	(26)
Net cash provided by/(used for) financing activities	<u>(2,046)</u>	<u>(1,816)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(17)	(53)
Cash, cash equivalents, and restricted cash		
Net increase/(decrease)	(116)	13
Balance at beginning of period	1,404	1,041
Balance at end of period	<u>\$ 1,288</u>	<u>\$ 1,054</u>



The Kraft Heinz Company  
Reconciliation of Net Cash Provided By/(Used For) Operating Activities to Free Cash Flow  
(in millions)  
(Unaudited)

	For the Nine Months Ended	
	September 28, 2024	September 30, 2023
Net cash provided by/(used for) operating activities	\$ 2,796	\$ 2,620
Capital expenditures	(777)	(779)
Free Cash Flow	<u>\$ 2,019</u>	<u>\$ 1,841</u>
Adjusted Net Income/(Loss)	\$ 2,703	\$ 2,711
Free Cash Flow Conversion	75 %	68 %