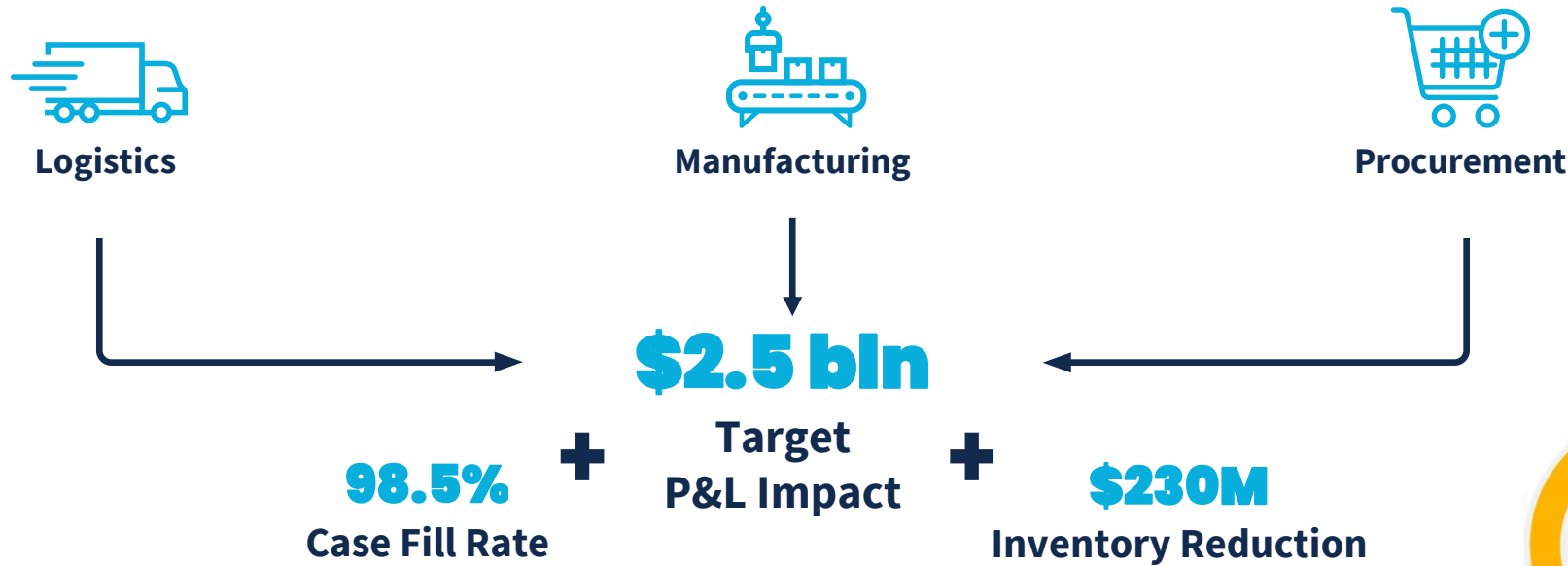KraftHeinz

2023 Analyst Day

Supply Chain Transformation Journey

Forward-Looking Statements

This presentation contains a number of forward-looking statements as defined under U.S. federal securities laws, including, but not limited to, statements, estimates, and projections relating to our business and long-term strategy; our ambitions, goals, targets, and commitments; our activities, efforts, initiatives, plans, and programs, and our investments in such activities, efforts, initiatives, plans, and programs; and projected or expected timing, results, achievement, and impacts. Words such as "aim," "anticipate," "aspire," "believe," "could," "estimate," "expect," "guidance," "intend," "may," "might," "outlook," "plan," "predict," "project," "seek," "will," "would," and variations of such words and similar future or conditional expressions are intended to identify forward[1]looking statements. These statements are based on management's beliefs, expectations, estimates, and projections at the time they are made and are not guarantees of future performance. Such statements are subject to a number of risks and uncertainties, many of which are difficult to predict and beyond our control, which could cause actual results to differ materially from those indicated in the forward-looking statements. For additional, important information regarding such risks and uncertainties, please see the risk factors set forth in Kraft Heinz's filings with the U.S. Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. We disclaim and do not undertake any obligation to update, revise, or withdraw any forward-looking statement in this presentation, except as required by applicable law or regulation.

We are obsessed with unlocking efficiencies to re-invest in the business to drive growth

Logistics   **Manufacturing**   **Procurement**

$2.5 bln
Target
P&L Impact

98.5%
Case Fill Rate

+

+

$230M
Inventory Reduction

Structural

- Network Design / Automation
- SKU Rationalization

Process

- Management Systems
- Champions / Supplier Collaboration

Digital

- Touchless Demand Forecasting
- Advanced Supply & Materials Planning / Dynamic Inventories
- End to End Command Center
- Factory of the Future

Kraft Heinz Agile@Scale

OPERATIONS TRANSFORMATION

KraftHeinz

Implementing Best in Class planning systems to improve forecasts and optimize operations with an orchestration layer to proactively identify and mitigate disruptions

	Step 1	Step 2	Step 3	Output
Demand Planning	⬆ Accuracy	⬇ Volatility	⬇ Safety Stocks ⬆ Network Balance	⬇ Inventory ⬆ Case Fill Rate ⬇ Waste
Supply Planning	⬆ Integration	⬆ Supply & Materials Plans	⬆ Factory Schedules ⬆ Materials Contracts	⬇ Inventory ⬆ Case Fill Rate ⬆ Efficiency (OEE) ⬇ Waste
Control Tower	⬆ Predict-ability	⬆ Reaction Time	⬇ Disruptions	⬆ Case Fill Rate ⬇ Waste ⬆ Efficiency (Log)

Tech Partner

o9

OMP.

Microsoft

KraftHeinz

Using AI to learn from the actions, the machine is beginning to suggest truly unlocking the autonomous supply chain

Action Taking, Logging and Machine Training

Digital Intelligence
(Identify Disruptions)

Area Alerts
(E2E Exception Management)

Actions Taken
(Exception Management E2E SC)

Actions Assigned

**Machine Learning Training
Solver / Score tuning**

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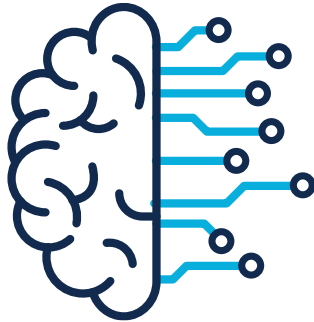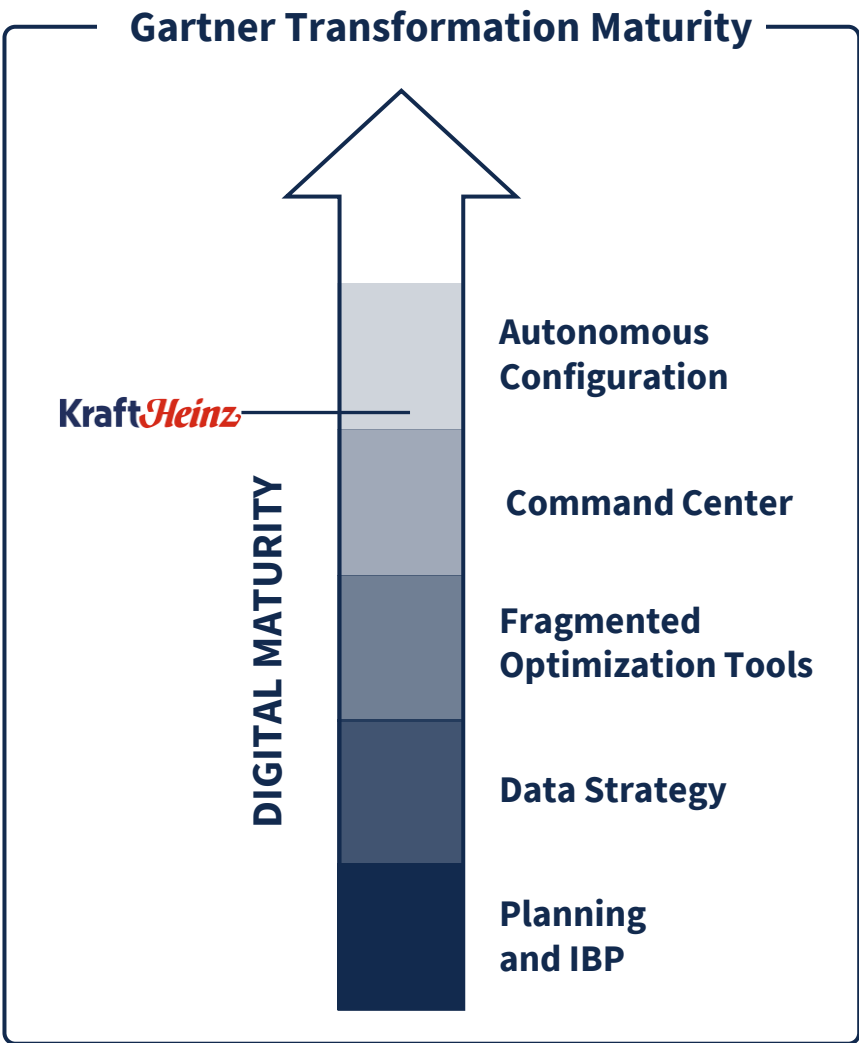
Based on feedback from customers and industry experts, Kraft Heinz is leading the way with our digital transformation

Gartner Transformation Maturity

DIGITAL MATURITY

KraftHeinz

- Autonomous Configuration
- Command Center
- Fragmented Optimization Tools
- Data Strategy
- Planning and IBP

Albertsons

No supplier is as advanced as KHC in its digital efforts – you are asking questions and delivering like no other vendor

Gartner

An E2E exception management control tower is a hot topic right now but no one has figured it out, KHC is ahead in this space

unfi united natural foods

What you're doing is really transformational in CPG and we want to partner with you on this
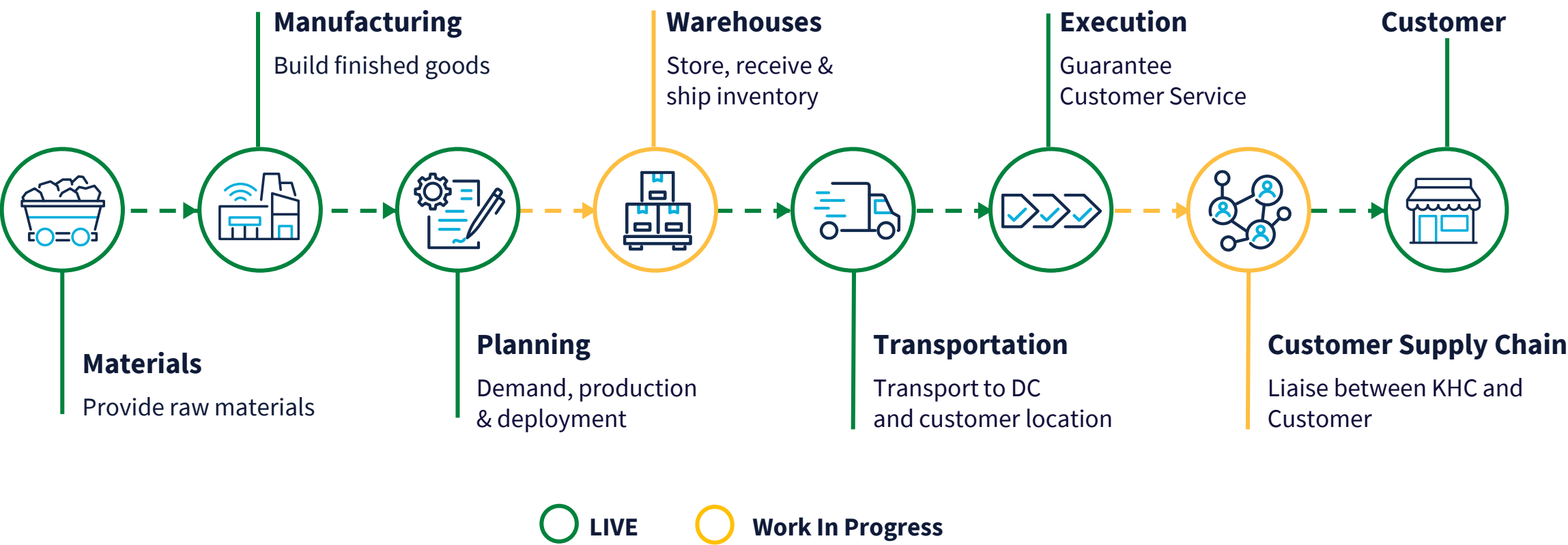
McKinsey & Company

Your digital journey in SC has been remarkable and the maturity of your digital products is above peers

EY

We would love to partner with KHC in the control tower space – we see this as the future and we want to invest on this partnership to build expertise

Control Tower Demo

Digital Manufacturing Will Increase Our Labor Productivity And Reduce Our Losses On The Production Lines

OEE

DEFINITION

Overall Equipment Effectiveness:
- Increase Output per Hour
- Less Downtime

IMPACT

Impacts labor productivity and cost of goods sold (COGS) enabling workers to spend less time at the machine/line

PACKAGING

KraftHeinz
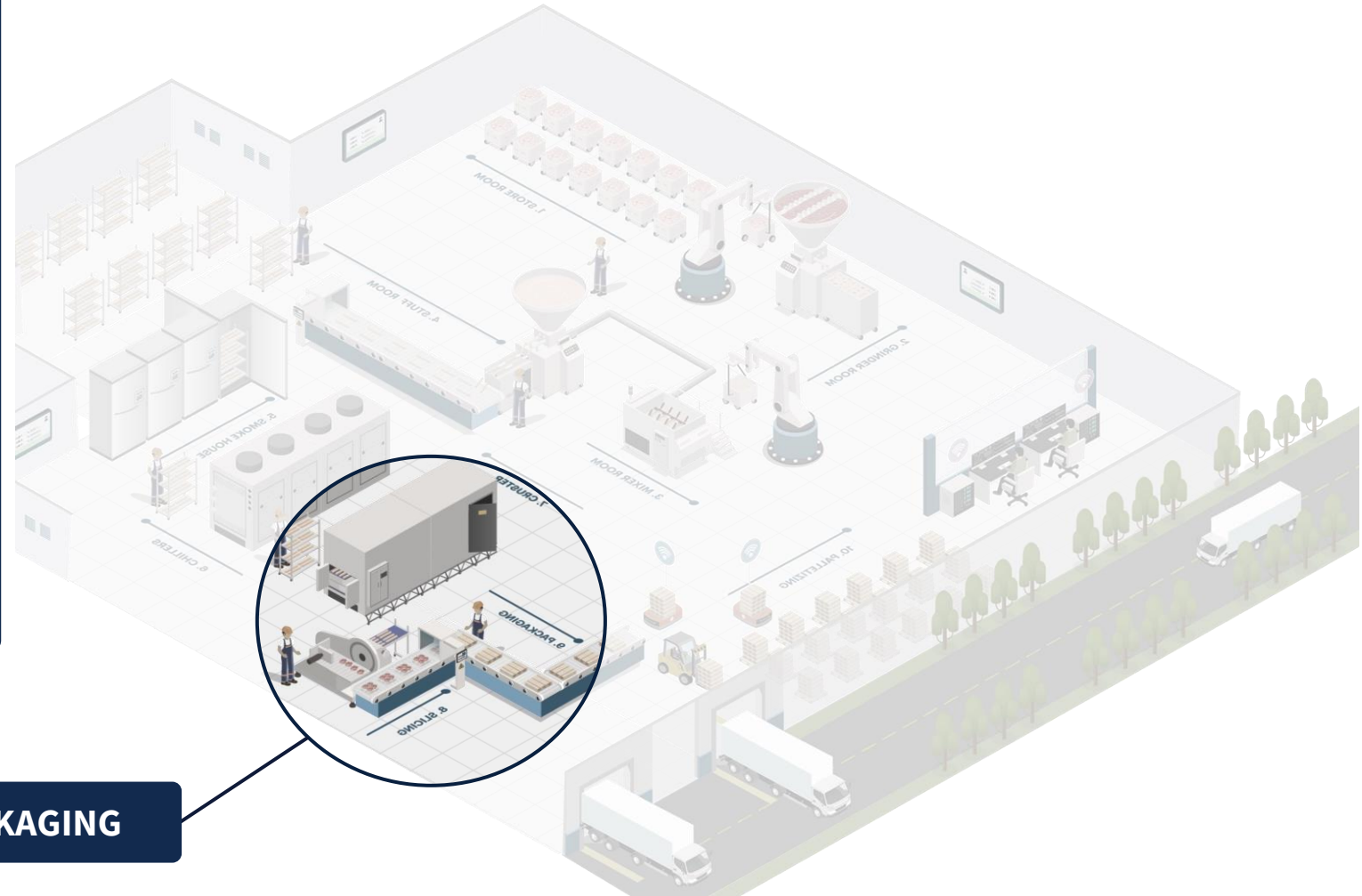
Factory of the Future will increase our labor productivity and amount of usable product

PROCESSING
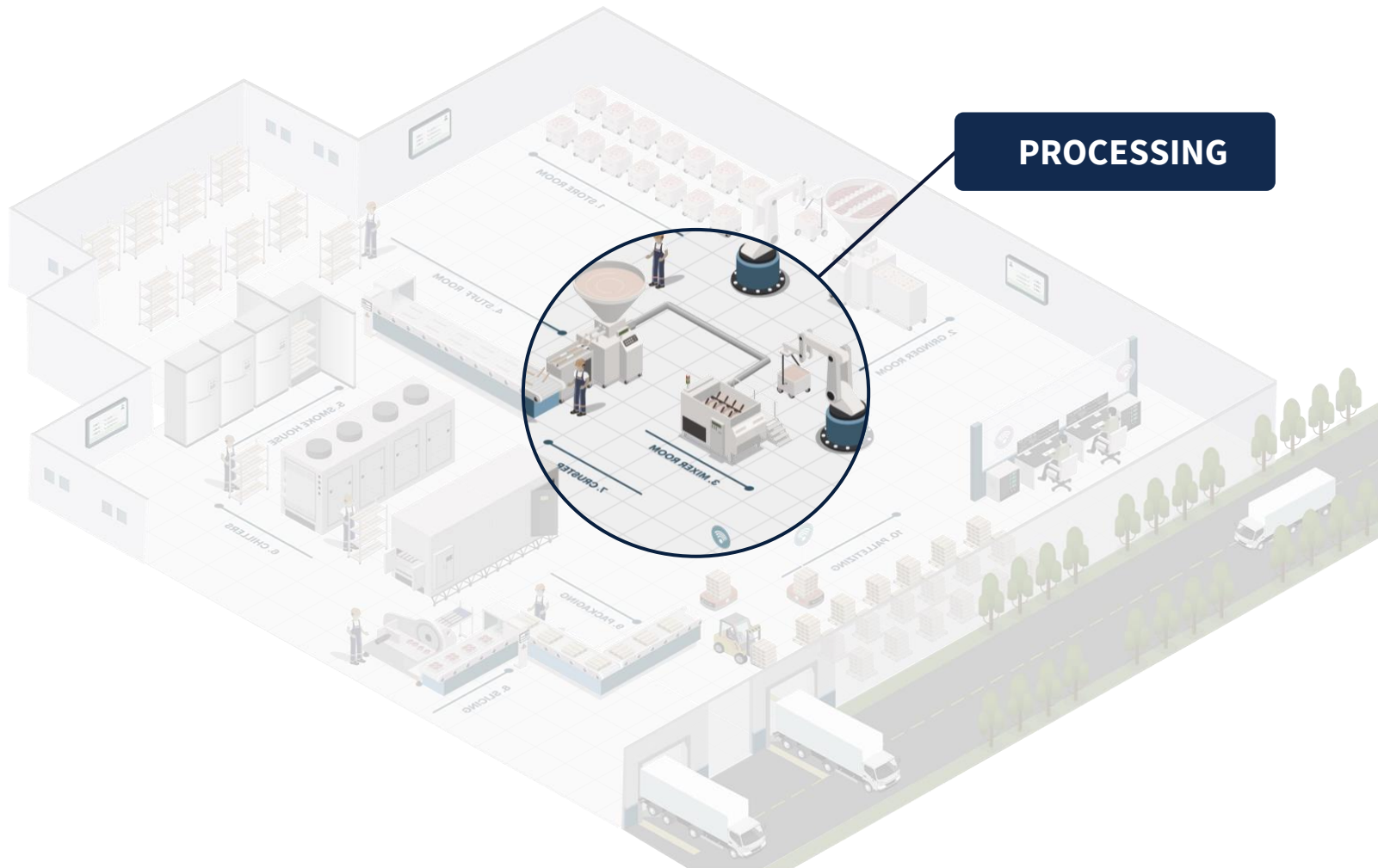
YIELD

DEFINITION

Yield in food manufacturing:
- Less Waste
- Efficiently uses all the Raw, Pack Materials and Ingredients

IMPACT

Increasing overall efficiency and profitability

Digital Manufacturing Will Enable Kraft Heinz Operations To Gain More Productivity And Efficiency

How digital is improving manufacturing performance

A. Faster and better decisions with relevant real-time data with **MFG Control Tower**

B. Process stability with **Connected Worker**

C. Deeper and unknown insights with **Advanced Analytics**

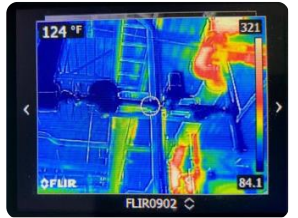**Digital Shopfloor Operations**

IMPROVE

1. OEE

2. Yield

3. Utilities consumption

OEE Overall Equipment Effectiveness

ELIMINATE

4. Manual Data Gathering

5. Troubleshooting

6. Bureaucracy

NORTH AMERICA OPERATIONS TRANSFORMATION
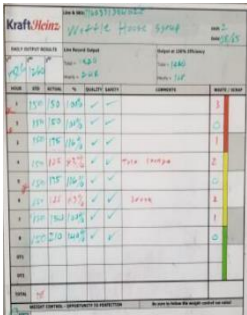
We Are Planning To Equip 14 Sites With Foundational And Advanced Digital Capabilities In 2023

Champaign

Value Realization

OEE YTD	Yield YTD
2022: **67%**	2022: **2.5%**
2023: **74%**	2023: **2.0%**

Lowville

Value Realization

OEE YTD	Yield YTD
2022: **46%**	2022: **3.15%**
2023: **62%**	2023: **1.32%**

H2 2023E:

14 Plants

Q4 2024E:

32 Plants
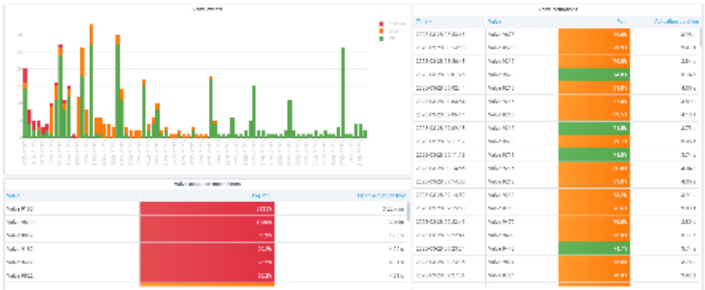
Volume Coverage NA:	**16%**	**55%**	**100%**
Volume Coverage INTL:	6%	30%	65%

SO WHAT'S NEXT?

1. Expand Command Center / Lighthouse across end-to-end supply chain

2. Fine tune Machine Learning recommendations to empower automated action taking & optimization in processes across Logistics & Plants

3. Leverage generative AI technology to improve insights & enhance productivity

4. Expand Factory of the Future across full manufacturing network

5. This is a never-ending journey and we continue to learn and add to our pipeline