



Kraft*Heinz*

Q1 2022

**BUSINESS
UPDATE**

APRIL 27, 2022

This presentation contains a number of forward-looking statements. Words such as "accelerate," "advance," "anticipate," "believe," "build," "deliver," "drive," "expand," "expect," "focus," "gain," "give," "grow," "improve," "intend," "invest," "leverage," "maintain," "manage," "mitigate," "plan," "recover," "reflect," "remain," "transform," "will," 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, the impacts of COVID-19 and government and consumer responses; 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, alliances, divestitures, joint ventures, or other 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 ownership structure; 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 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 future sales of the Company's common stock in the public market; the Company's ability to continue to pay a regular dividend and the amounts of any such dividends; 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 the Russia and Ukraine conflict and its regional and global ramifications); 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; risks associated with 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; 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. The Company disclaims and does not undertake any obligation to update, revise, or withdraw any forward-looking statement in this presentation, except as required by applicable law or regulation.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures, including Organic Net Sales, Adjusted EBITDA, Constant Currency Adjusted EBITDA, Adjusted EPS, and Free Cash Flow. These non-GAAP financial measures may differ from similarly titled non-GAAP financial measures presented by other companies. These measures are not substitutes for their comparable financial measures prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and should be viewed in addition to, and not as an alternative for, the GAAP results in this presentation.

These non-GAAP financial measures assist management 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.

Please see discussion of non-GAAP financial measures and the reconciliations at the end of this presentation for more information.



Kraft*Heinz*

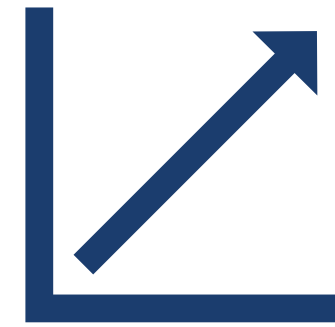
Q1 2022

**BUSINESS
UPDATE**

Miguel Patricio

Chief Executive Officer

Our
transformation
is gaining
momentum



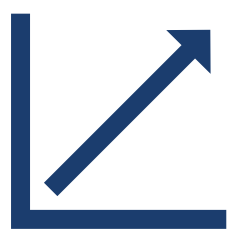
Delivered an
**excellent
start**
to the year



While
navigating
**short-term
turbulence**



And
**advancing
long-term
strategy**



Delivered strong Q1 performance

Organic Net Sales¹

+6.8%
vs Q1 2021

+5.3%
CAGR vs
Q1 2019

Price realization increasing
sequentially

Retail demand remains
resilient, Foodservice
growth outpacing industry

Resolving production
constraints

Adjusted EBITDA¹

\$1.3B
Q1 2022

+2.4%
CAGR vs Q1 2019
on Ongoing Business²

Pricing and efficiencies
starting to close inflation
gap

Free Cash Flow¹

\$0.3B
Q1 2022

36%
Free Cash Flow¹
Conversion

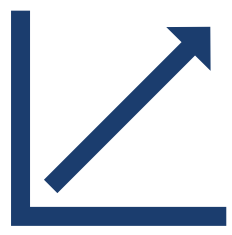
Rebuilding inventories

Other drivers in-line with
historical levels



¹ Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

² Constant Currency Adjusted EBITDA CAGR calculation presented reflects the remaining business following the divestiture of the Nuts and Natural Cheese businesses in 2021. Adjusted EBITDA CAGR vs 2019 is (2.1%), with (4.5%) negative impact from divested businesses. Adjusted EBITDA and Constant Currency Adjusted EBITDA are non-GAAP financial measures. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.



Three pillars of growth fuel top-line momentum



Consumer Platforms

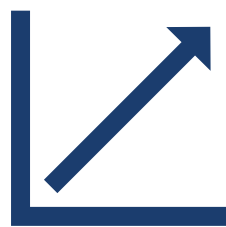


Foodservice



Emerging Markets



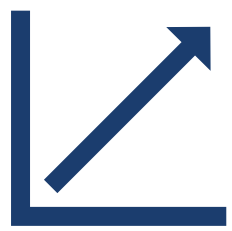


Resilient growth across our consumer platforms

US Zone Platform Growth

Role	Platform	Products	Organic Net Sales ¹	
			% of Zone ^{2,3}	CAGR Q1 vs. 2019 ³
GROW	Taste Elevation	Heinz Sauces, Dressings, Condiments	65%	7%
	Easy Meals Made Better	Kraft Mac & Cheese, Ore-Ida, Pasta Sauce		
	Real Food Snacking	Lunchables, P3		
	Fast Fresh Meals - Cheese	Philadelphia, Singles		
ENERGIZE	Fast Fresh Meals - Meats	Oscar Mayer	14%	3%
STABILIZE	Easy Indulgent Desserts	Jell-O, Cool Whip, Jet Puffed, Bakers	21%	3%
	Flavorful Hydration	Capri Sun, Kool-Aid, MiO, Crystal Light		
	All Other	Coffee		

1| Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.
2| Results for Q1 2022.
3| Excludes Kraft Heinz Ingredients business.



Foodservice
growing and
gaining
market share

Foodservice Q1 2022 Growth¹

United States

+17%

vs 2021

+2pp

vs industry²

Expanding QSR partnerships



U.S. Jack in the Box Partnership

International

+30%

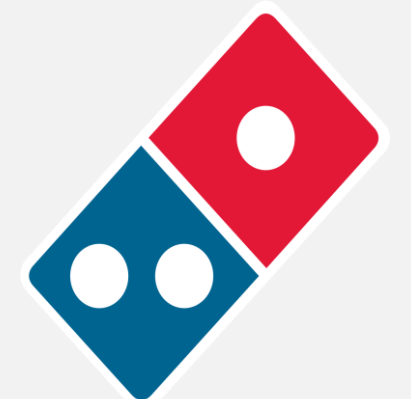
vs 2021

+2pp

vs industry²

Driving the *Heinz* brand in
Emerging Markets

**PAPA
JOHNS**



Emerging Markets QSR Partnerships

1| Based on internal sales data, which hold the impact of currency constant and exclude the impact of divestitures.

2| US industry growth based on Technomic data: actuals through February 2022, March estimated based on latest forecast. International industry growth based on NPD Crest data through February 2022.



Emerging Markets
growing through sustainable and repeatable Go-to-Market Model

Growing

EM Organic Net Sales¹: 10%
Q1 vs 2021

EM Business Currently Covered by GTM Model
30%

Organic Net Sales¹
Q1'22 vs Q1'21 growth: **31%**
CAGR Q1'22 vs Q1'19: **18%**

+



ASSANFOODS

Sustainable



37%
Organic Net Sales¹
Q1 vs 2021

>200%
Distribution Growth
(# Stores) vs 2018

Repeatable



China



Turkey



Egypt



Indonesia



Poland

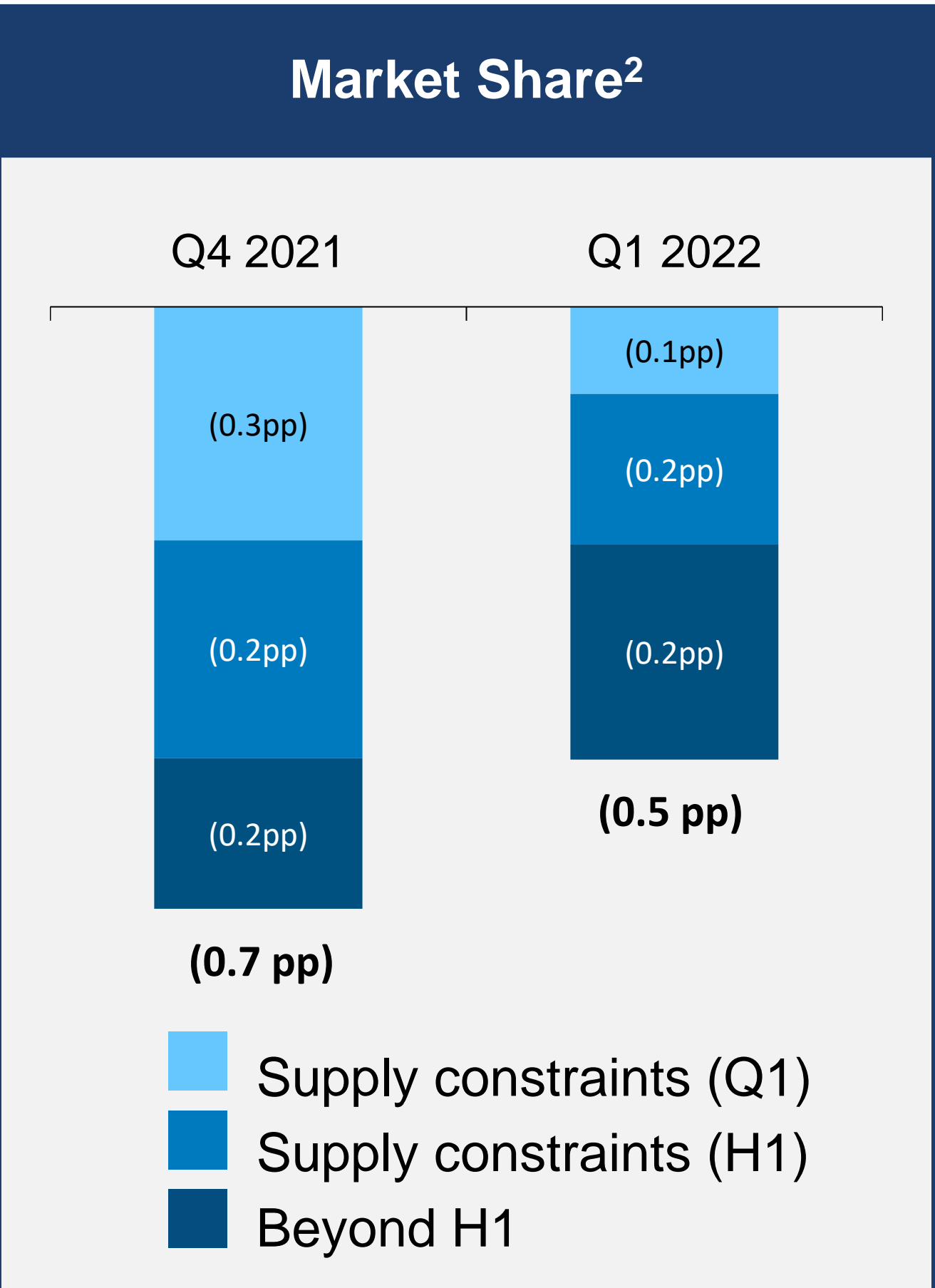
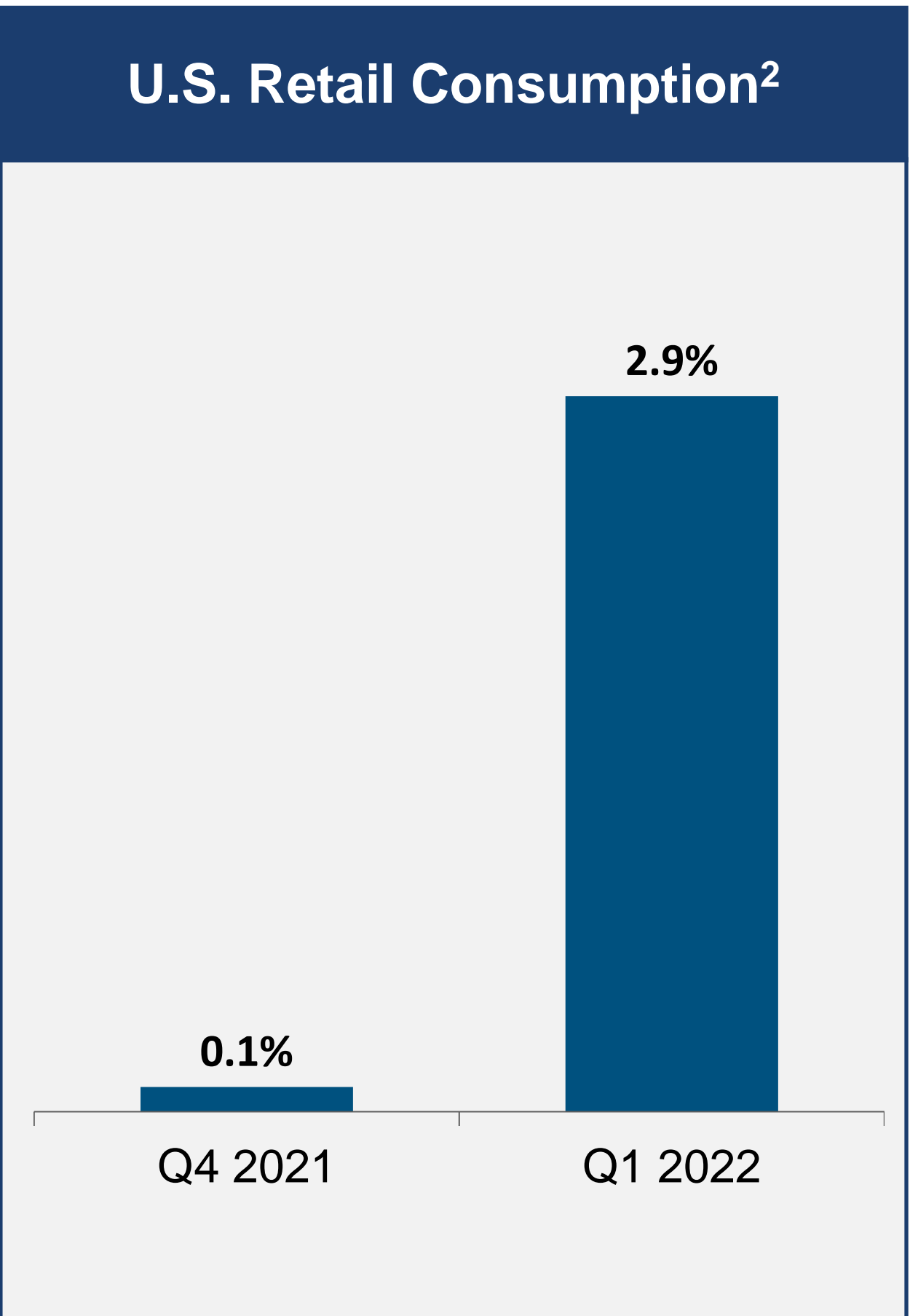
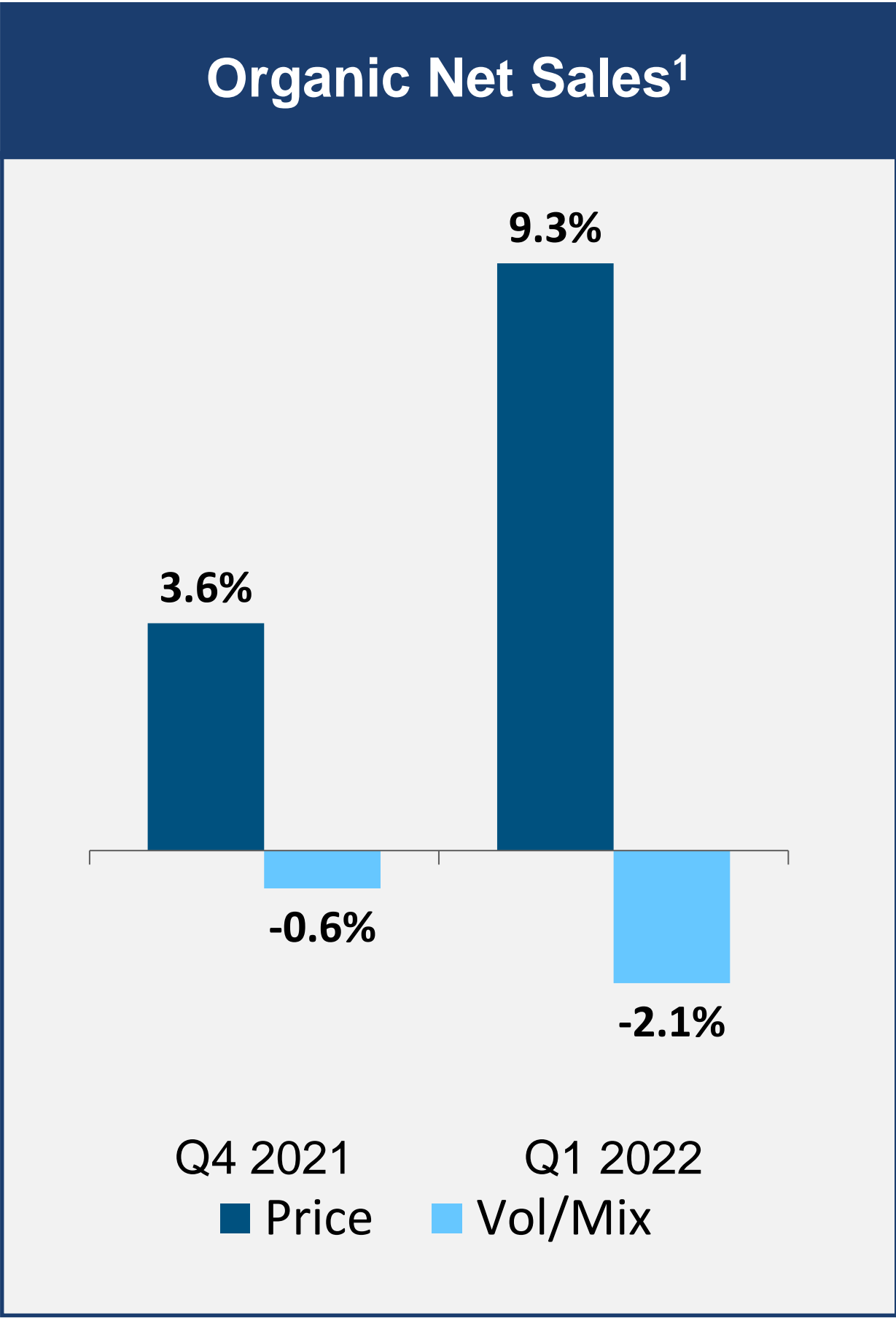
EM Business to be covered by end of 2022:
75%

1| Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.



Advancing
consumption
and share
recovery in
the U.S.

U.S. Organic Net Sales¹ Growth: **7%**
Q1 vs 2021



1 | Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.
2 | Consumption and market share based on IRI data through 3/27/2022.

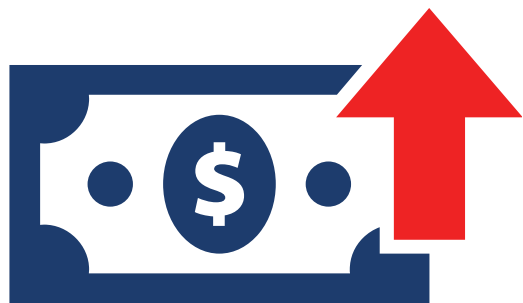


**Actively
managing**
short-term
challenges

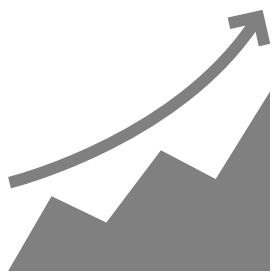
Supply Chain Challenges



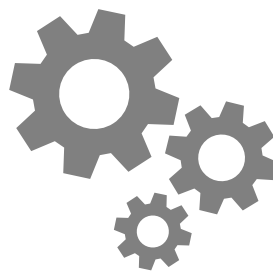
Risk to availability



**Further
inflationary
pressures**



Leveraging scale to ensure
supply continuity



Renovating products to improve
flexibility, cost, and value proposition



Unlocking efficiencies to continue
investing in the business, mitigating inflation



Pricing to protect
margin dollars



Tailoring Value Beyond Price to
address consumer needs



Uniquely positioned to provide consumers **additional value** as inflation persists

Value Beyond Price

Anticipating consumer needs by elevating the importance of affordability

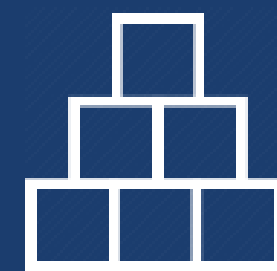
Leveraging unique breadth of portfolio and occasion-based insights



Tailoring approach to consumers by demand moment / shopping preferences



Product Innovation



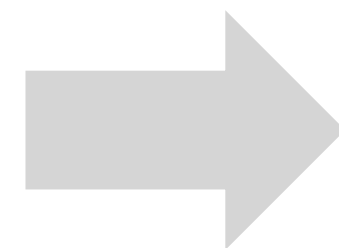
Assortment & Promotions



Channel Mix Optimization



Omni-Channel Communication



Q1 2022 BUSINESS UPDATE

Kraft*Heinz*

ADVANCING LONG-TERM STRATEGY





Building new capabilities
through
partnerships
to transform the
business



Reimagining Food Production



Leverage **machine learning** and **advanced analytics** to accelerate **innovation** and **efficiencies** across manufacturing, logistics, revenue management and R&D



Set a new standard for **plant-based innovation**



Grow *Ore-Ida* through world-class **innovation** and **technology**, while ensuring supply continuity

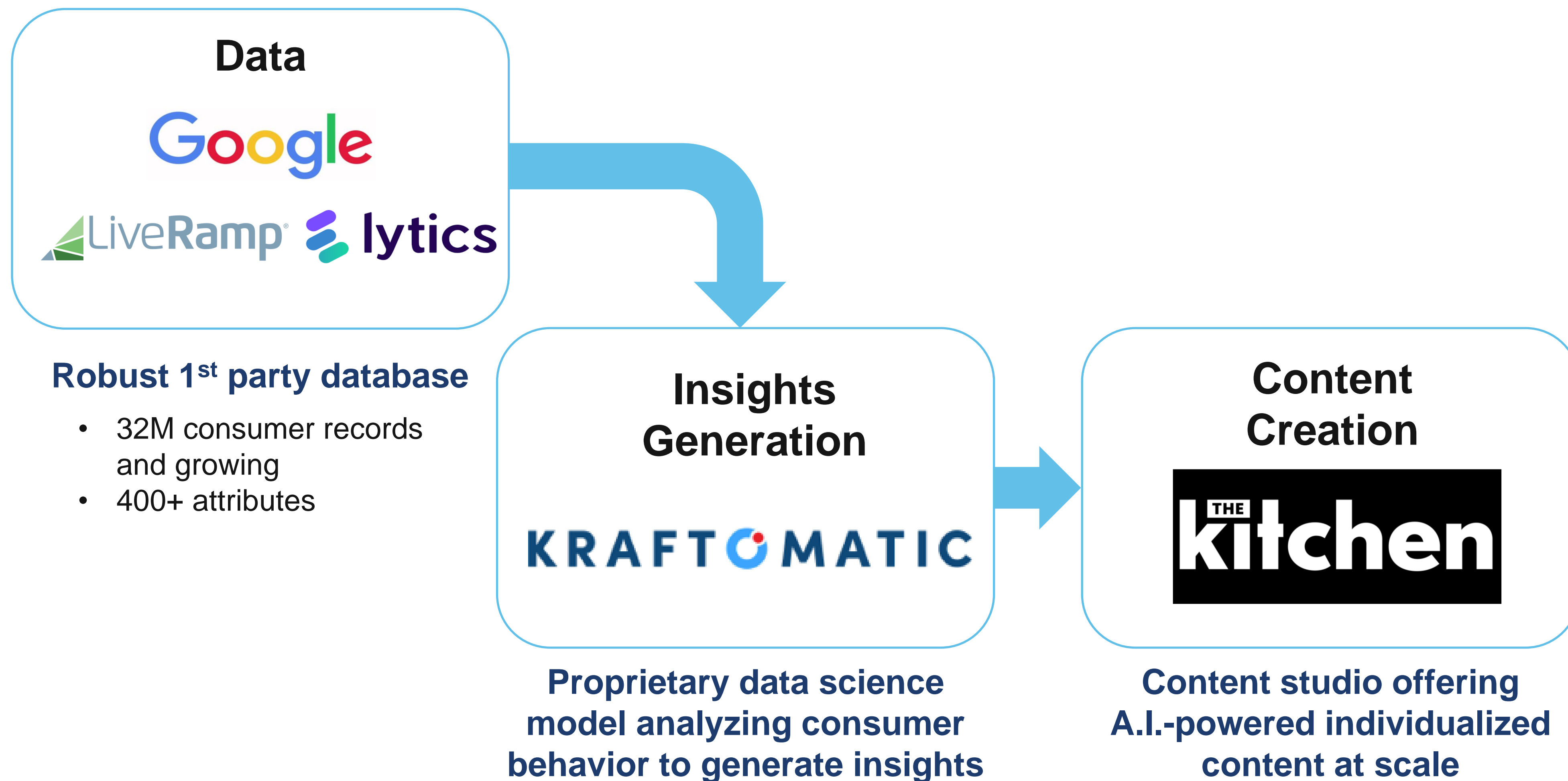


Building new capabilities

through
partnerships
to transform the
business



Reinventing our Approach to Marketing





Reinventing
our approach to
marketing
with increased
focus on
earned media



Earned Media at the Speed of Culture

Velveeta Golden Cube

Executed within 24-hours

100% positive/neutral sentiment

209M earned media impressions

The New York Times



James Barron/The New York Times

Then there was a big rectangular box of plywood. It had red writing spelling out the brand name substance that, depending on your color sense or yellower than school bus yellow. It was con after a team from Velveeta saw the cube last v spokeswoman from a Manhattan marketing a company who answered emails to Kraft Heinz that makes Velveeta.



Kraft Mac & Cheese x Netflix

2x more organic Twitter engagement

100% positive/neutral sentiment

78M earned media impressions

People

Ryan Reynolds Teams with Kraft Macaroni & Cheese for Hilarious New Spot — Watch

Seems that playing a younger version of Ryan Reynolds' character in *The Adam Project* has rubbed off on Walker Scobell

By Dave Karger | March 07, 2022 09:12 AM



FAST COMPANY
Ryan Reynolds turns his 'younger self' into a questionable pitchman for Kraft Mac & Cheese

"The partnership between Kraft Mac & Cheese and Netflix's *The Adam Project* is a continuation of the Kraft Heinz company's revamp to explore new ways of marketing the legacy products."

AdAge



Q1 2022

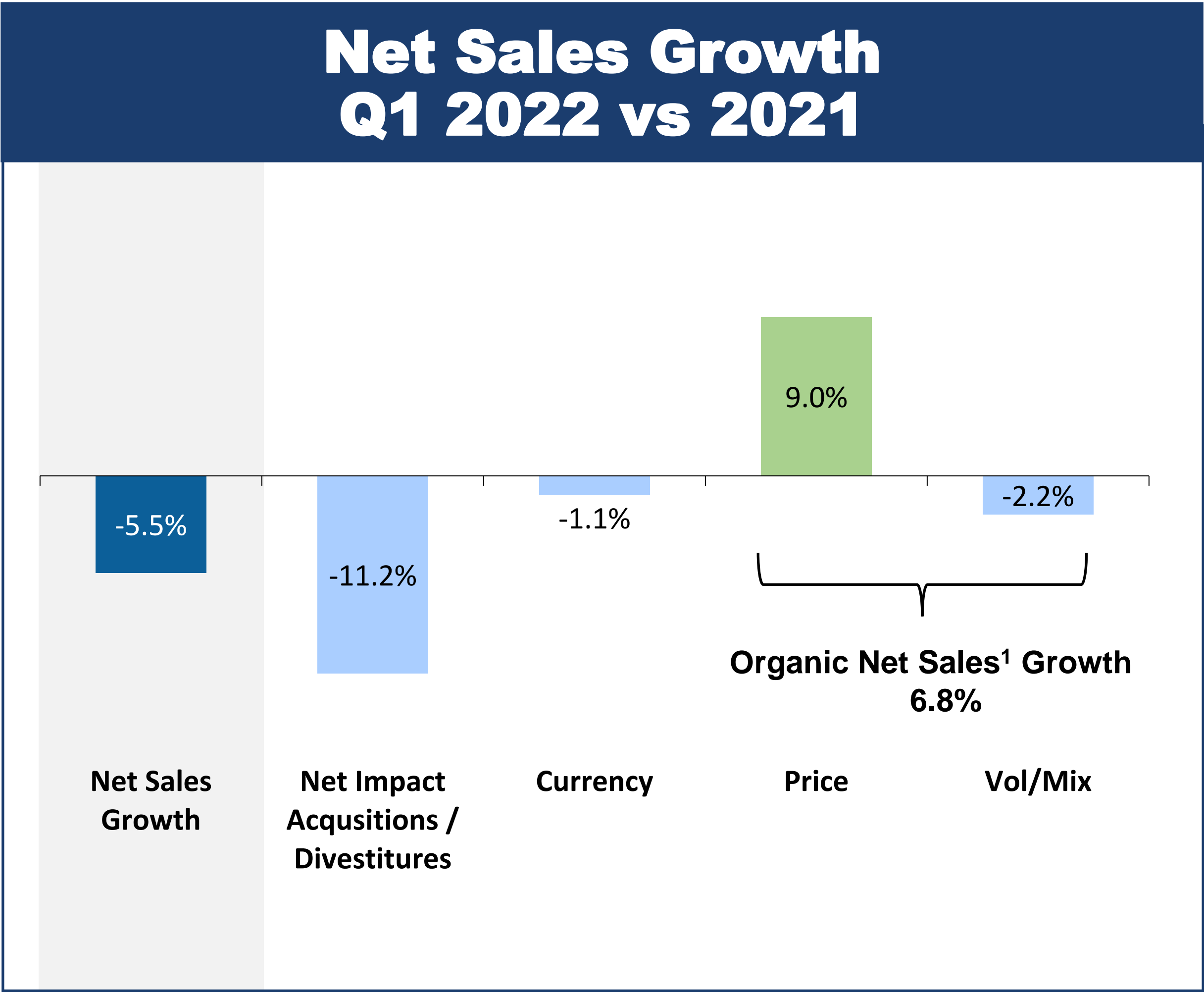
FINANCIAL PERFORMANCE AND OUTLOOK

Andre Maciel

Global CFO



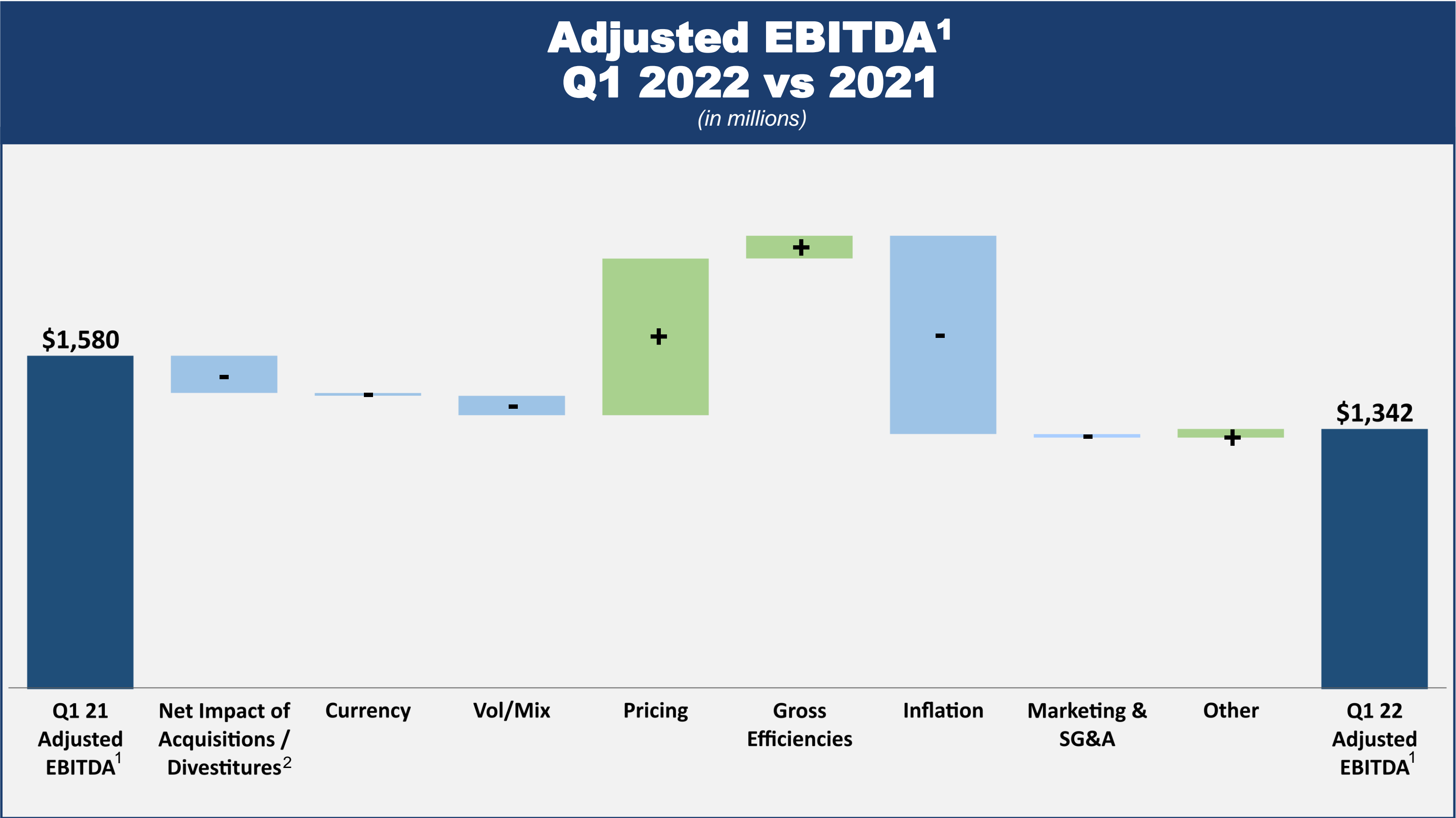
All three pillars of growth driving **Organic Net Sales¹**



- Organic Net Sales¹ growth across all consumer platforms
- Foodservice recovery across all markets
- Emerging markets growing double-digits
- Accelerating pricing gains with minimal elasticity

1| Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

**Pricing
power and
strong
efficiency
gains**
mitigating
inflationary
pressure



1| Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.
2| Year over year net impact of acquisitions / divestitures is approximately (\$120)M.

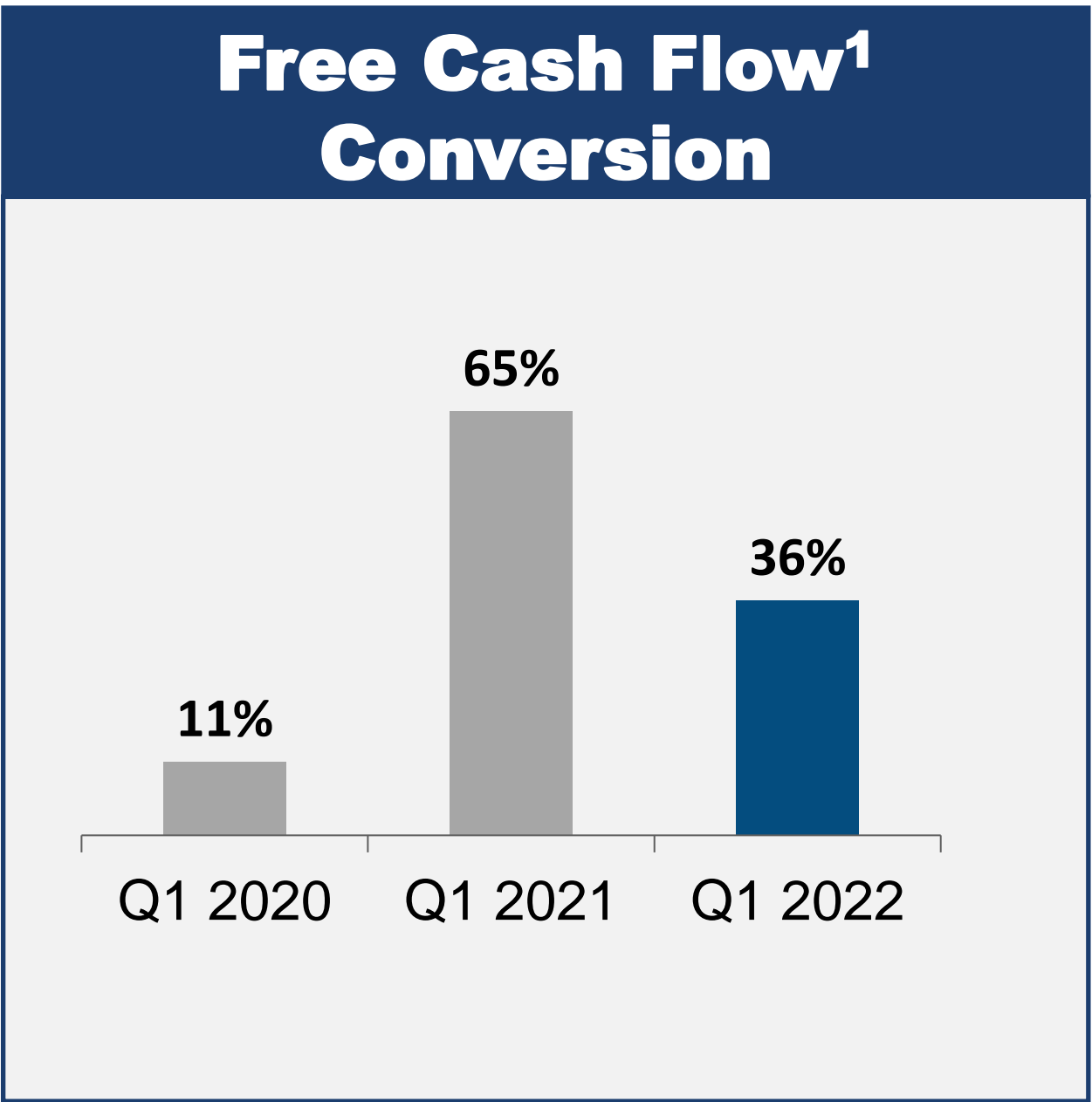
Price realization
taking hold,
expected to
increase
throughout
the year



vs Q1 2021
Dilutive Impact of Pricing: (~3pp)



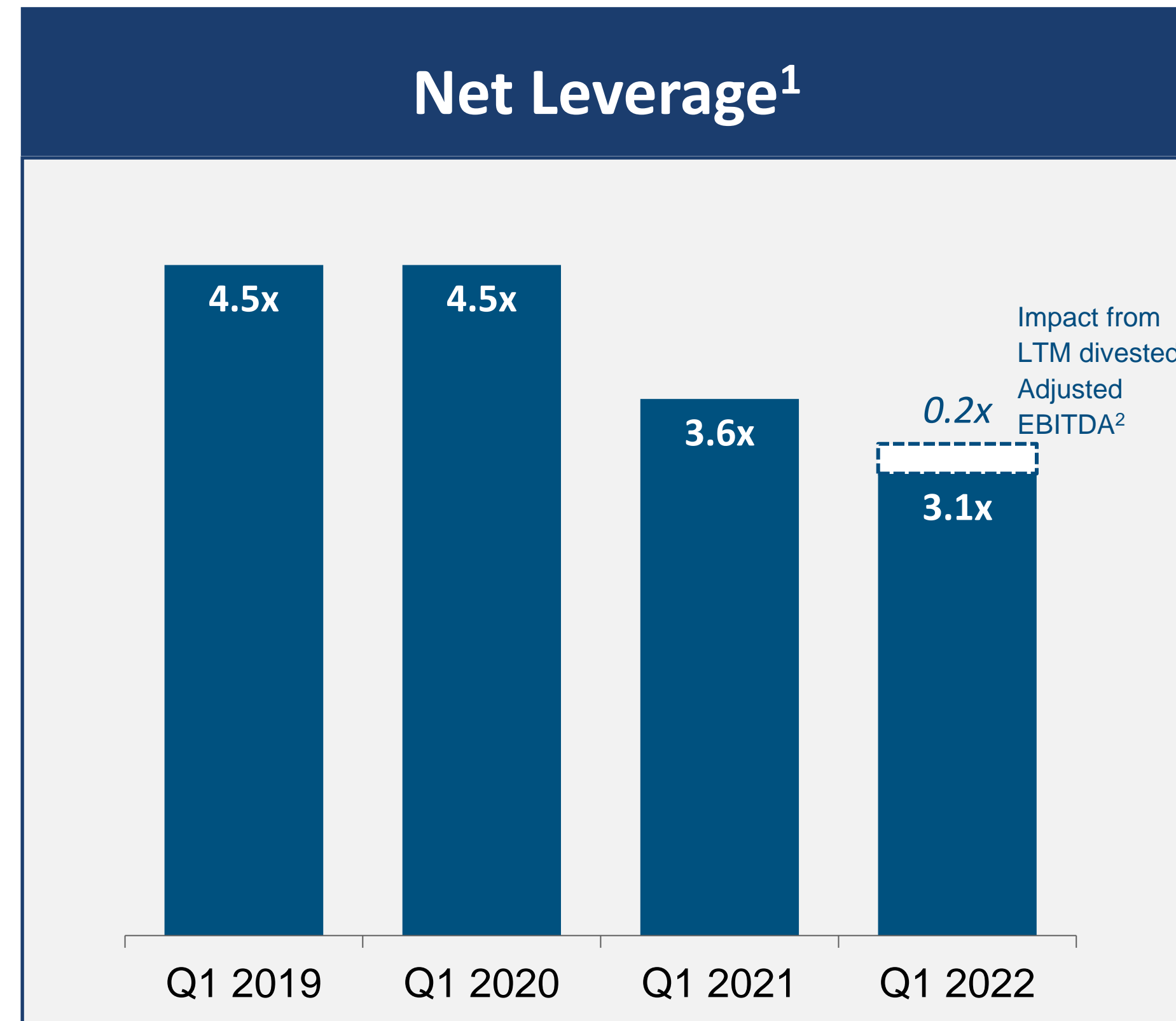
vs Q1 2021
Divested Businesses: (\$0.08)
Operations and Other: (\$0.05)
Effective Tax Rate: (\$0.03)
Interest Expense: \$0.04



Q1 '22 Inventory Rebuild on FCF¹: (38pp)

1| Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

**Financial
flexibility**
continues to
improve



Patience and financial discipline
drove return to investment grade

Record timing, positive outlook
(S&P)

Strong balance sheet gives Kraft
Heinz strategic optionality



¹ Net leverage ratios reflect total debt less cash, divided by last twelve months Adjusted EBITDA. Adjusted EBITDA is a non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations

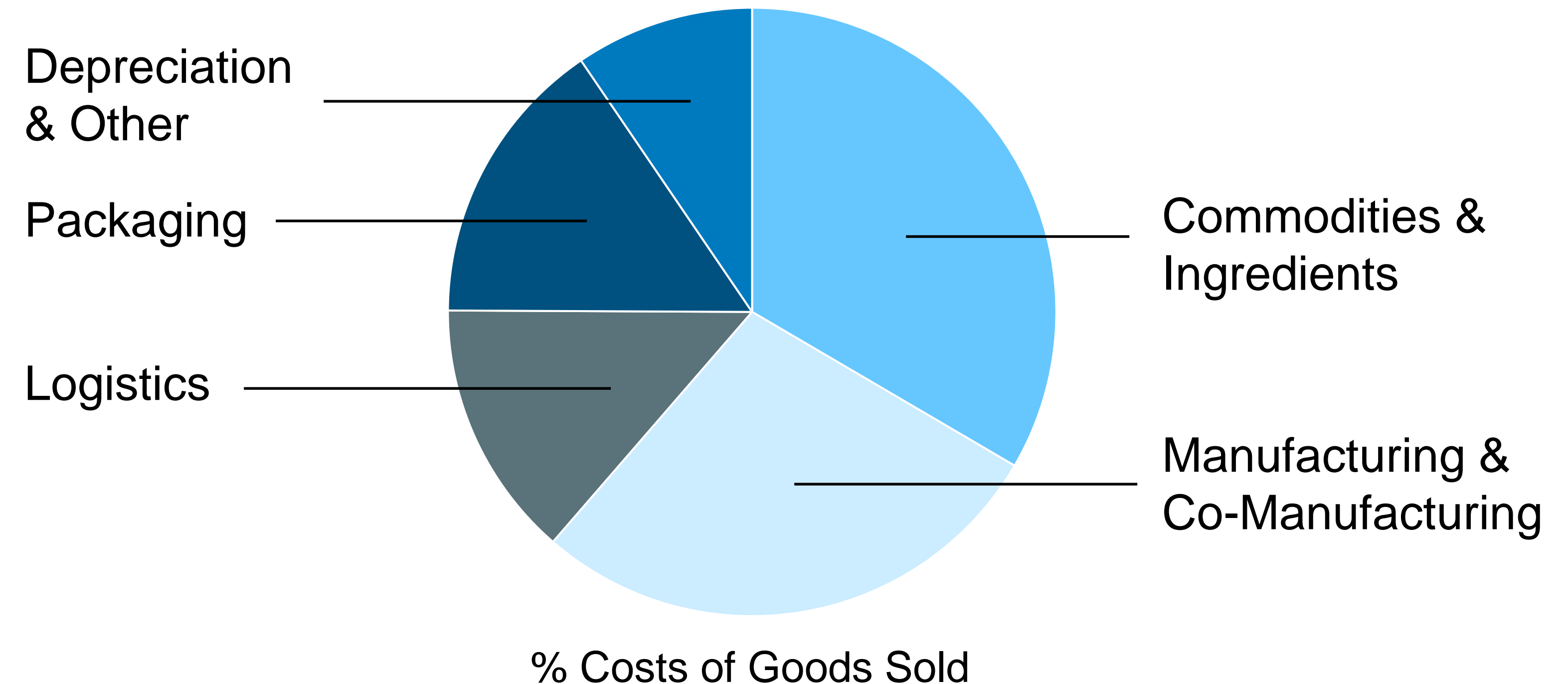
² To provide additional context to this figure, we have calculated net leverage considering (a) the impact from the Nuts and Cheese divestitures on the last twelve months of Adjusted EBITDA through March 2022 and (b) the projected cash tax payments on the Cheese divestiture in the second quarter of 2022. When considering the impact of these items on the net leverage calculation, net leverage would have been ~3.3x for Q1 2022. Adjusted EBITDA is a non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

**Managing our
cost basket
to reduce risk**

2022 FY Inflation Outlook from Low Teens → Mid Teens

Lowering exposure to more volatile commodities in our portfolio...

FY 2021 Ongoing Business



...while remaining committed to our disciplined hedging strategy

Mitigating Short-term challenges

Pricing to Protect Adjusted EBITDA¹ Dollars

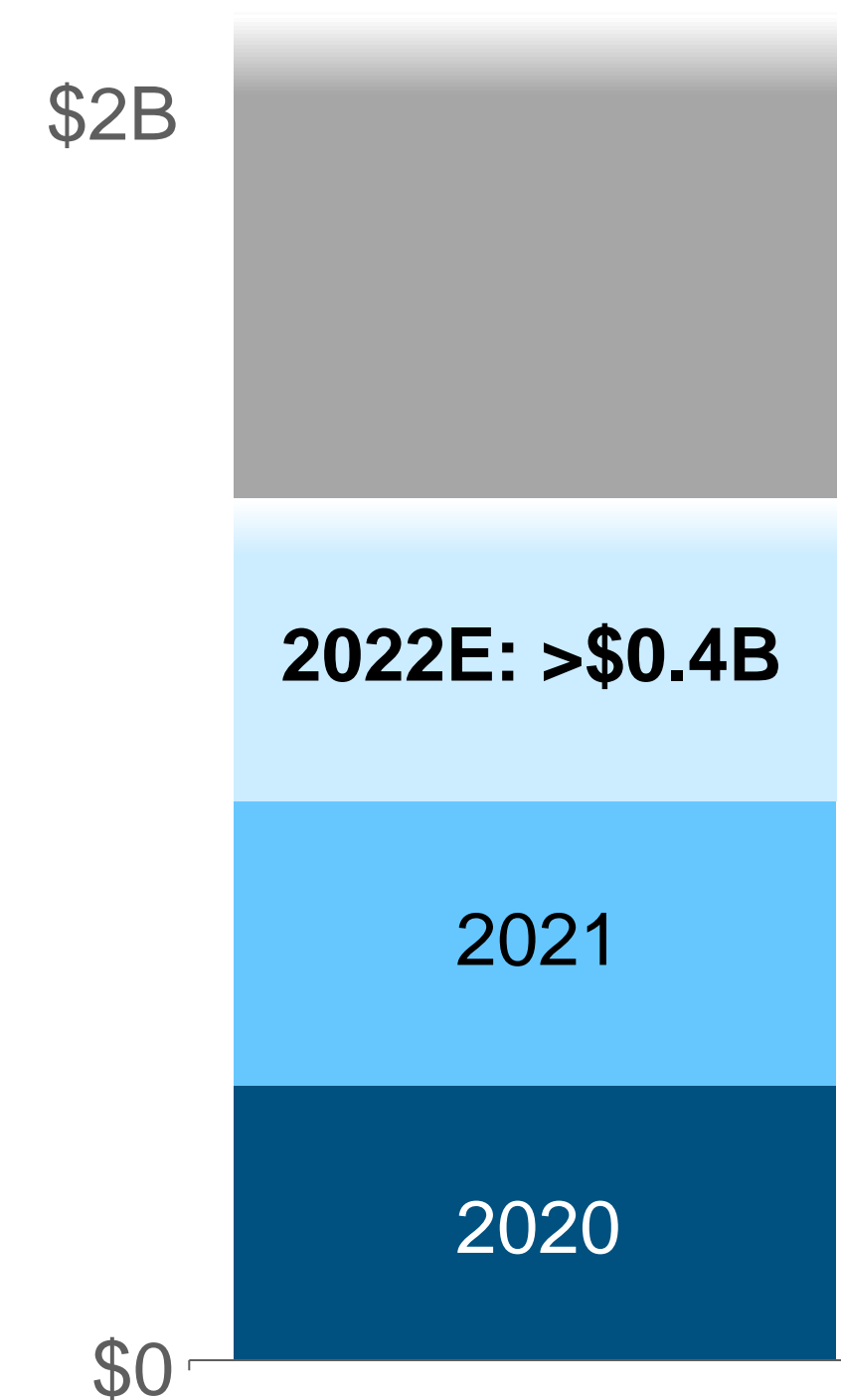
Q1 Price Realization
(in Organic Net Sales¹)

+9%

Additional Price
Announced in Q1

55% of Portfolio with an average increase of +HSD²

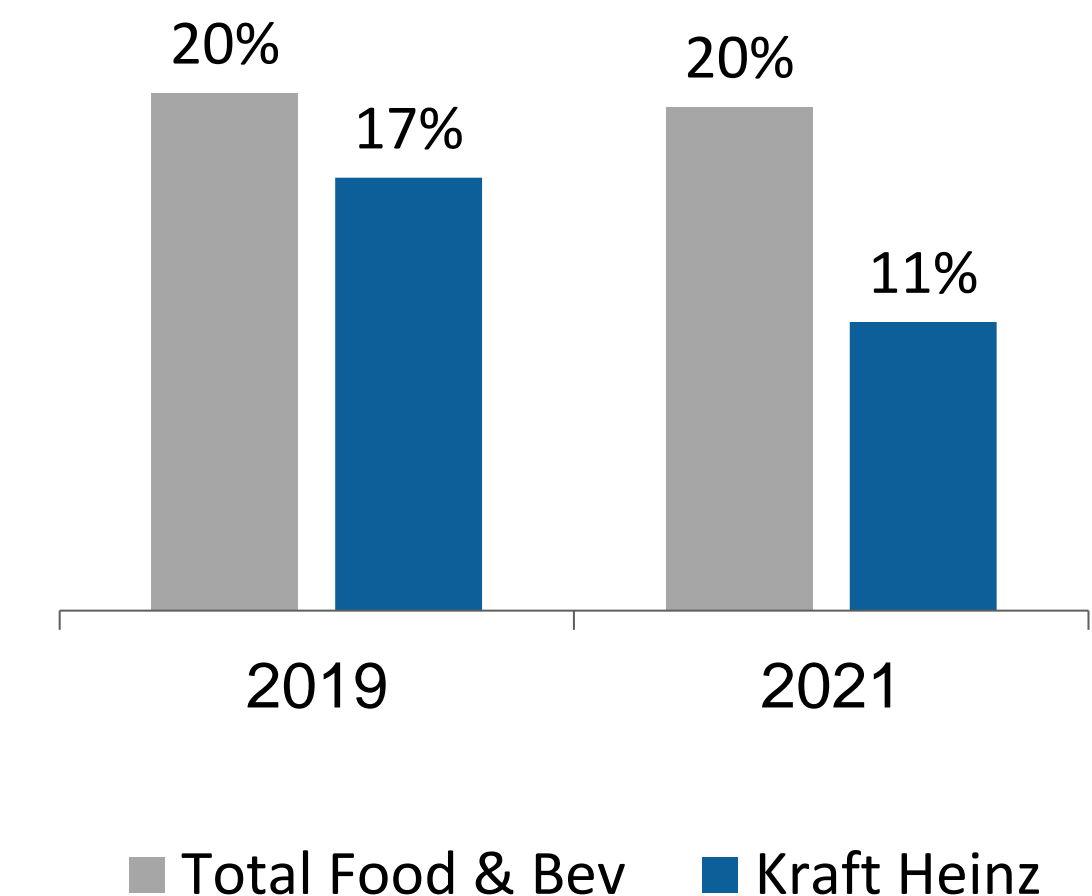
Unlocking Efficiencies



Gross Efficiency Plan

Stronger Portfolio

Lower Private Label Exposure



¹ Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

² Includes the following Businesses: US Zone; Canada Zone; Northern Europe BU; Continental Europe BU; and East BU, excluding Middle East, Africa and Russia.

2022 Outlook
reflects
improved
Organic Net
Sales¹ growth
offsetting higher
inflation

Net Sales

- **Mid single-digit Organic Net Sales¹ growth**
 - Foodservice channel share gains
 - Emerging Market expansion
 - Increasing price elasticity impact on volume/mix
 - H1 supply chain constraints
- **53rd Week benefit 1-1.5% versus 2021**
- **Divestiture impact \$(2.0)B versus 2021**

Adjusted EBITDA¹

- **Between \$5.8B to \$6.0B, including 53rd week**
 - Inflation expected in mid-teens
 - Protect margin dollars from inflation
 - Continue business investments in strategic plan
 - 53rd week benefit 1-1.5% versus 2021
 - Divestiture impact \$(0.4)B versus 2021
 - 48/52 H1/H2 split

Adjusted EPS¹

- **Effective tax rate on Adjusted EPS: 20–22%**

1| Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.



No change to capital allocation priorities, including **commitment to dividend**



Invest for Growth

- Focused investments to accelerate growth and enhance long-term market position
- Capture efficiencies without sacrificing growth



Maintain Industry-Leading Capital Return

- Ongoing commitment to current dividend
- Strong payout



Maintain Net Leverage to Increase Flexibility, Optionality

- Maintain net leverage below 4x
- Strategic priority to maintain Investment Grade rating



Agile Portfolio Management

- Proactively accelerate strategy and sharpen focus on areas of advantage
- Maintain price discipline



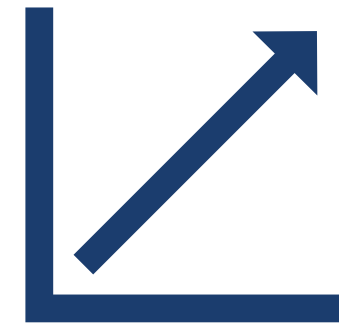
CLOSING COMMENTARY

Miguel Patricio

Chief Executive Officer



Our
transformation
is gaining
momentum



Delivered a
**strong
start**
to the year



While
navigating
**short-term
turbulence**



And
**advancing
long-term
strategy**



The non-GAAP financial measures provided in this presentation 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 EBITDA, Constant Currency Adjusted EBITDA, Adjusted EPS, and Free Cash Flow, 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), 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. Management believes that presenting the Company's non-GAAP financial measures (i.e., Organic Net Sales, Adjusted EBITDA, Constant Currency Adjusted EBITDA, Adjusted EPS, and Free Cash Flow) 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.

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. Organic Net Sales is a tool that can assist management and investors in comparing the Company's performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect the Company's underlying operations.

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 (e.g., income related to the sale of licenses in connection with the Cheese Transaction), 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). The Company also presents Adjusted EBITDA on a constant currency basis. The Company calculates the impact of currency on Adjusted EBITDA 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 EBITDA and Constant Currency Adjusted EBITDA are tools that can assist management and investors in comparing the Company's performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect the Company's underlying operations. Adjusted EBITDA is a tool that can assist management and investors in comparing the Company's performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect the Company's underlying operations.

Adjusted EPS is defined as diluted earnings per share 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 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. The Company believes Adjusted EPS provides important comparability of underlying operating results, allowing investors and management to assess operating performance on a consistent basis.

Free Cash Flow is defined as net cash provided by/(used for) operating activities less capital expenditures. The Company believes Free Cash Flow provides a measure of the Company's core operating performance, the cash-generating capabilities of the Company's business operations, and is one factor used in determining the amount of cash available for debt repayments, dividends, acquisitions, share repurchases, and other corporate purposes. 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.

We provide guidance for Organic Net Sales, Adjusted EBITDA, and Adjusted EPS 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, and equity award compensation expense, 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.

See the attached schedules for supplemental financial data, which includes the financial information, the non-GAAP financial measures and corresponding reconciliations to the comparable GAAP financial measures for the relevant periods.

Schedule 1

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

	For the Three Months Ended	
	March 26, 2022	March 27, 2021
Net sales	\$ 6,045	\$ 6,394
Cost of products sold	4,114	4,193
Gross profit	1,931	2,201
Selling, general and administrative expenses, excluding impairment losses	827	882
Goodwill impairment losses	(11)	230
Selling, general and administrative expenses	816	1,112
Operating income/(loss)	1,115	1,089
Interest expense	242	415
Other expense/(income)	(98)	(30)
Income/(loss) before income taxes	971	704
Provision for/(benefit from) income taxes	190	136
Net income/(loss)	781	568
Net income/(loss) attributable to noncontrolling interest	5	5
Net income/(loss) attributable to common shareholders	\$ 776	\$ 563
Basic shares outstanding	1,225	1,223
Diluted shares outstanding	1,234	1,232
Per share data applicable to common shareholders:		
Basic earnings/(loss) per share	\$ 0.63	\$ 0.46
Diluted earnings/(loss) per share	0.63	0.46

Schedule 2

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
March 26, 2022						
United States	\$ 4,214	\$ —	\$ —	\$ 4,214		
International	1,444	(65)	30	1,479		
Canada	387	(1)	—	388		
Kraft Heinz	<u>\$ 6,045</u>	<u>\$ (66)</u>	<u>\$ 30</u>	<u>\$ 6,081</u>		
March 27, 2021						
United States	\$ 4,608	\$ —	\$ 678	\$ 3,930		
International	1,394	3	5	1,386		
Canada	392	—	14	378		
Kraft Heinz	<u>\$ 6,394</u>	<u>\$ 3</u>	<u>\$ 697</u>	<u>\$ 5,694</u>		
Year-over-year growth rates						
United States	(8.5)%	0.0 pp	(15.7) pp	7.2 %	9.3 pp	(2.1) pp
International	3.6 %	(4.9) pp	1.8 pp	6.7 %	8.2 pp	(1.5) pp
Canada	(1.5)%	(0.2) pp	(3.8) pp	2.5 %	8.0 pp	(5.5) pp
Kraft Heinz	(5.5)%	(1.1) pp	(11.2) pp	6.8 %	9.0 pp	(2.2) pp

Schedule 3

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

	For the Three Months Ended	
	March 26, 2022	March 27, 2021
Net income/(loss)	\$ 781	\$ 568
Interest expense	242	415
Other expense/(income)	(98)	(30)
Provision for/(benefit from) income taxes	190	136
Operating income/(loss)	1,115	1,089
Depreciation and amortization (excluding restructuring activities)	217	222
Divestiture-related license income	(14)	—
Restructuring activities	19	18
Deal costs	8	7
Unrealized losses/(gains) on commodity hedges	(92)	(37)
Impairment losses	55	230
Equity award compensation expense (excluding restructuring activities)	34	51
Adjusted EBITDA	<u>\$ 1,342</u>	<u>\$ 1,580</u>
Segment Adjusted EBITDA:		
United States	\$ 1,091	\$ 1,280
International	242	283
Canada	82	87
General corporate expenses	(73)	(70)
Adjusted EBITDA	<u>\$ 1,342</u>	<u>\$ 1,580</u>

Schedule 4

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

	Adjusted EBITDA	Currency	Constant Currency Adjusted EBITDA
March 26, 2022			
United States	\$ 1,091	\$ —	\$ 1,091
International	242	(9)	251
Canada	82	—	82
General corporate expenses	(73)	1	(74)
Kraft Heinz	<u>\$ 1,342</u>	<u>\$ (8)</u>	<u>\$ 1,350</u>
March 27, 2021			
United States	\$ 1,280	\$ —	\$ 1,280
International	283	1	282
Canada	87	—	87
General corporate expenses	(70)	—	(70)
Kraft Heinz	<u>\$ 1,580</u>	<u>\$ 1</u>	<u>\$ 1,579</u>
Year-over-year growth rates			
United States	(14.8)%	0.0 pp	(14.8)%
International	(14.4)%	(3.6) pp	(10.8)%
Canada	(5.8)%	(0.2) pp	(5.6)%
General corporate expenses	4.5 %	(1.9) pp	6.4 %
Kraft Heinz	(15.1)%	(0.6) pp	(14.5)%

Schedule 5

The Kraft Heinz Company
Reconciliation of Diluted EPS to Adjusted EPS
(Unaudited)

	For the Three Months Ended	
	March 26, 2022	March 27, 2021
Diluted EPS	\$ 0.63	\$ 0.46
Restructuring activities ^(a)	0.01	0.01
Unrealized losses/(gains) on commodity hedges ^(b)	(0.05)	(0.02)
Impairment losses ^(c)	0.03	0.19
Losses/(gains) on sale of business ^(d)	—	0.02
Other losses/(gains) related to acquisitions and divestitures ^(e)	(0.02)	—
Debt prepayment and extinguishment costs ^(f)	—	0.06
Adjusted EPS	\$ 0.60	\$ 0.72

(a) Gross expenses included in restructuring activities were \$19 million (\$14 million after-tax) for the three months ended March 26, 2022 and \$18 million (\$13 million after tax) for the three months ended March 27, 2021 and were recorded in the following income statement line items:

- Cost of products sold included expenses of \$4 million for the three months ended March 26, 2022 and \$3 million for the three months ended March 27, 2021; and
- SG&A included expenses of \$15 million for the three months ended March 26, 2022 and \$15 million for the three months ended March 27, 2021.

(b) Gross expenses/(income) included in unrealized losses/(gains) on commodity hedges were income of \$92 million (\$69 million after-tax) for the three months ended March 26, 2022 and \$37 million (\$27 million after-tax) for the three months ended March 27, 2021 and were recorded in cost of products sold.

(c) Gross impairment losses included the following:

- Income related to goodwill impairment of \$11 million (\$11 million after-tax) for the three months ended March 26, 2022 and goodwill impairment losses of \$230 million (\$230 million after-tax) for the three months ended March 27, 2021 and were recorded in SG&A.
- Property, plant and equipment asset impairment losses of \$66 million (\$50 million after-tax) for the three months ended March 26, 2022, which were recorded in cost of products sold.

(d) Gross expenses/(income) included in losses/(gains) on sale of business were expenses of \$1 million (\$1 million after-tax) for the three months ended March 26, 2022 and \$19 million (\$19 million after-tax) for the three months ended March 27, 2021 and were recorded in other expense/(income).

(e) Gross expenses/(income) included in other losses/(gains) related to acquisitions and divestitures were income of \$38 million (\$29 million after-tax) for the three months ended March 26, 2022 and were recorded in other expense/(income).

(f) Gross expenses included in debt prepayment and extinguishment costs were \$106 million (\$80 million after-tax) for the three months ended March 27, 2021 and were recorded in interest expense.

Schedule 6

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

	For the Three Months Ended		\$ Change
	March 26, 2022	March 27, 2021	
Key drivers of change in Adjusted EPS:			
Results of operations ^{(a)(b)}	\$ 0.76	\$ 0.82	\$ (0.06)
Results of divested operations	—	0.08	(0.08)
Interest expense	(0.17)	(0.21)	0.04
Other expense/(income)	0.04	0.03	0.01
Effective tax rate	(0.03)	—	(0.03)
Adjusted EPS	<u>\$ 0.60</u>	<u>\$ 0.72</u>	<u>\$ (0.12)</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 \$0.04 for the three months ended March 26, 2022 and March 27, 2021.

(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 March 26, 2022.

Schedule 7

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

	March 26, 2022	December 25, 2021
ASSETS		
Cash and cash equivalents	\$ 2,978	\$ 3,445
Trade receivables, net	2,067	1,957
Inventories	3,093	2,729
Prepaid expenses	179	136
Other current assets	869	716
Assets held for sale	89	11
Total current assets	9,275	8,994
Property, plant and equipment, net	6,602	6,806
Goodwill	31,440	31,296
Intangible assets, net	43,640	43,542
Other non-current assets	2,907	2,756
TOTAL ASSETS	\$ 93,864	\$ 93,394
LIABILITIES AND EQUITY		
Commercial paper and other short-term debt	\$ 50	\$ 14
Current portion of long-term debt	730	740
Trade payables	4,610	4,753
Accrued marketing	874	804
Interest payable	315	268
Other current liabilities	2,485	2,485
Total current liabilities	9,064	9,064
Long-term debt	20,970	21,061
Deferred income taxes	10,609	10,536
Accrued postemployment costs	209	205
Long-term deferred income	1,525	1,534
Other non-current liabilities	1,643	1,542
TOTAL LIABILITIES	44,020	43,942
Redeemable noncontrolling interest	47	4
Equity:		
Common stock, \$0.01 par value	12	12
Additional paid-in capital	52,954	53,379
Retained earnings/(deficit)	(905)	(1,682)
Accumulated other comprehensive income/(losses)	(1,812)	(1,824)
Treasury stock, at cost	(605)	(587)
Total shareholders' equity	49,644	49,298
Noncontrolling interest	153	150
TOTAL EQUITY	49,797	49,448
TOTAL LIABILITIES AND EQUITY	\$ 93,864	\$ 93,394

Schedule 8

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

	For the Three Months Ended	
	March 26, 2022	March 27, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	\$ 781	\$ 568
Adjustments to reconcile net income/(loss) to operating cash flows:		
Depreciation and amortization	220	222
Amortization of postemployment benefit plans prior service costs/(credits)	(4)	(2)
Divestiture-related license income	(14)	—
Equity award compensation expense	34	51
Deferred income tax provision/(benefit)	23	127
Postemployment benefit plan contributions	(7)	(9)
Goodwill and intangible asset impairment losses	(11)	230
Nonmonetary currency devaluation	4	4
Loss/(gain) on sale of business	1	19
Other items, net	(69)	30
Changes in current assets and liabilities:		
Trade receivables	(123)	(34)
Inventories	(382)	(101)
Accounts payable	6	(11)
Other current assets	(91)	(54)
Other current liabilities	118	(230)
Net cash provided by/(used for) operating activities	486	810
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(214)	(227)
Payments to acquire business, net of cash acquired	(241)	—
Proceeds from sale of business, net of cash disposed and working capital adjustments	(20)	—
Other investing activities, net	6	11
Net cash provided by/(used for) investing activities	(469)	(216)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of long-term debt	(9)	(1,014)
Debt prepayment and extinguishment costs	—	(103)
Dividends paid	(490)	(489)
Other financing activities, net	14	(37)
Net cash provided by/(used for) financing activities	(485)	(1,643)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	2	(8)
Cash, cash equivalents, and restricted cash		
Net increase/(decrease)	(466)	(1,057)
Balance at beginning of period	3,446	3,418
Balance at end of period	\$ 2,980	\$ 2,361

Schedule 9

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

	For the Three Months Ended	
	March 26, 2022	March 27, 2021
Net cash provided by/(used for) operating activities	\$ 486	\$ 810
Capital expenditures	(214)	(227)
Free Cash Flow	<u>\$ 272</u>	<u>\$ 583</u>