



Q3 2020
EARNINGS CALL

OCTOBER 29
2020

A NEW MODEL
FOR GROWTH

Kraft Heinz

This presentation contains a number of forward-looking statements. Words such as “plan,” “believe,” “anticipate,” “reflect,” “invest,” “make,” “expect,” “drive,” “improve,” “intend,” “assess,” “evaluate,” “establish,” “focus,” “build,” “turn,” “expand,” “leverage,” “grow,” “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, costs and cost savings, legal matters, taxes, impairments, dividends, expectations, investments, innovations, opportunities, capabilities, execution, initiatives, pipeline, and growth. These forward-looking statements 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 impact of COVID-19; 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, suppliers and 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, increase its market share, or add products that are in faster-growing and more profitable categories; product recalls or product liability claims; unanticipated business disruptions; 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 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 ability to successfully execute its strategic initiatives; the impacts of the Company's international operations; economic and political conditions in the United States and in various other nations where the Company does business; 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; impacts of natural events in the locations in which we or the Company's customers, suppliers, distributors, or regulators operate; the Company's ownership structure; the Company's indebtedness and ability to pay such indebtedness, as well as the Company's ability to comply with covenants under its debt instruments; the Company's liquidity, capital resources and capital expenditures, as well as its ability to raise capital; 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; increased pension, labor and people-related expenses; compliance with laws, regulations, and related interpretations and related legal claims or other regulatory enforcement actions, including additional risks and uncertainties related to any potential actions resulting from the Securities and Exchange Commission's ("SEC") ongoing investigation, as well as potential additional subpoenas, litigation, and regulatory proceedings; potential future material weaknesses in the Company's internal control over financial reporting or other deficiencies or the Company's failure to maintain an effective system of internal controls; the Company's failure to prepare and timely file its periodic reports; the Company's ability to protect intellectual property rights; tax law changes or interpretations; the impact of future sales of the Company's common stock in the public markets; the Company's ability to continue to pay a regular dividend and the amounts of any such dividends; volatility of capital markets and other macroeconomic factors; a downgrade in the Company's credit rating; 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 SEC. 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.

01

**BUSINESS
UPDATE**

Miguel Patricio
Chief Executive Officer

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**US ZONE
REVIEW**

Carlos Abrams-Rivera
US Zone President

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**FINANCIAL
PERFORMANCE &
OUTLOOK**

Paulo Basilio
Chief Financial Officer

04

Q&A

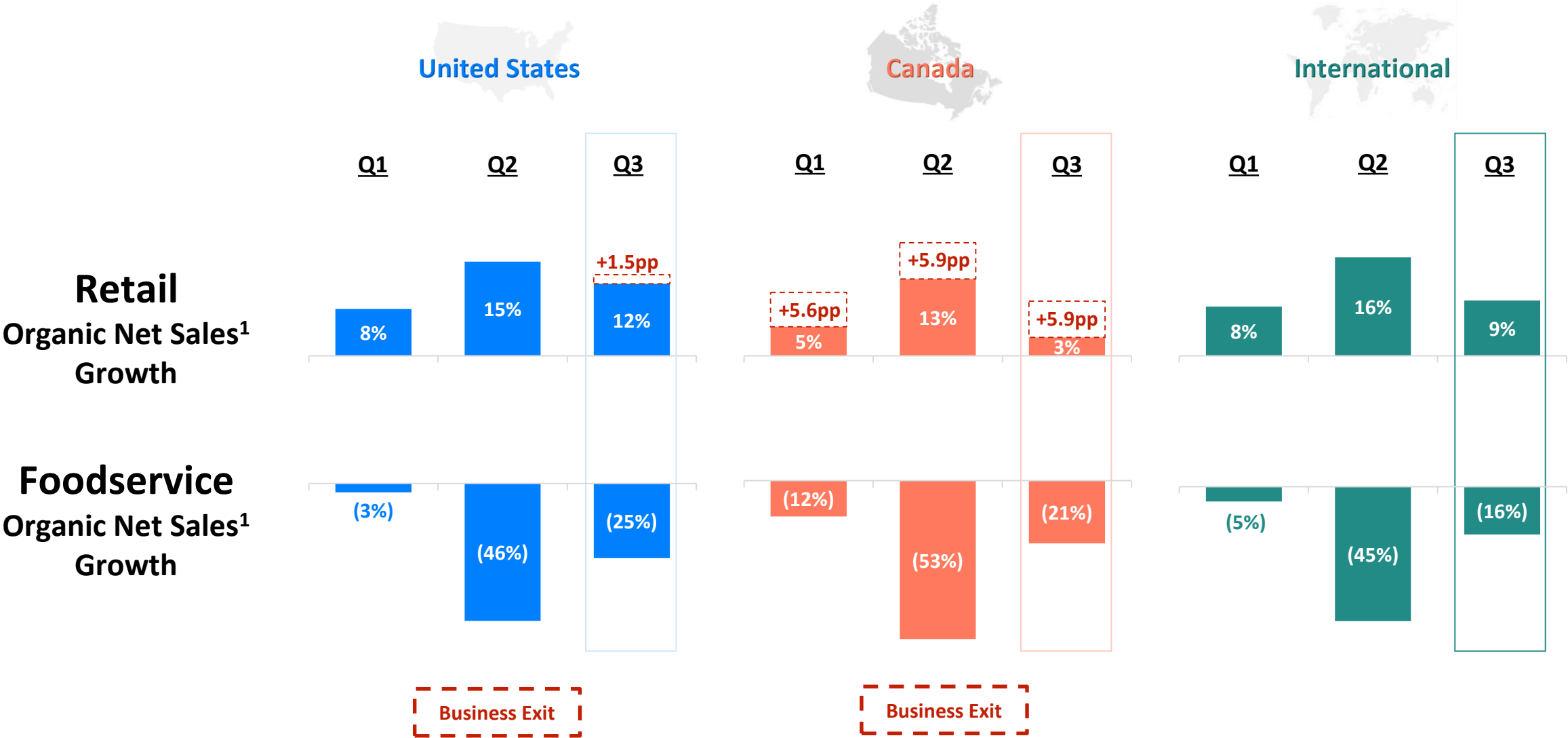
MIGUEL PATRICIO

CHIEF EXECUTIVE OFFICER



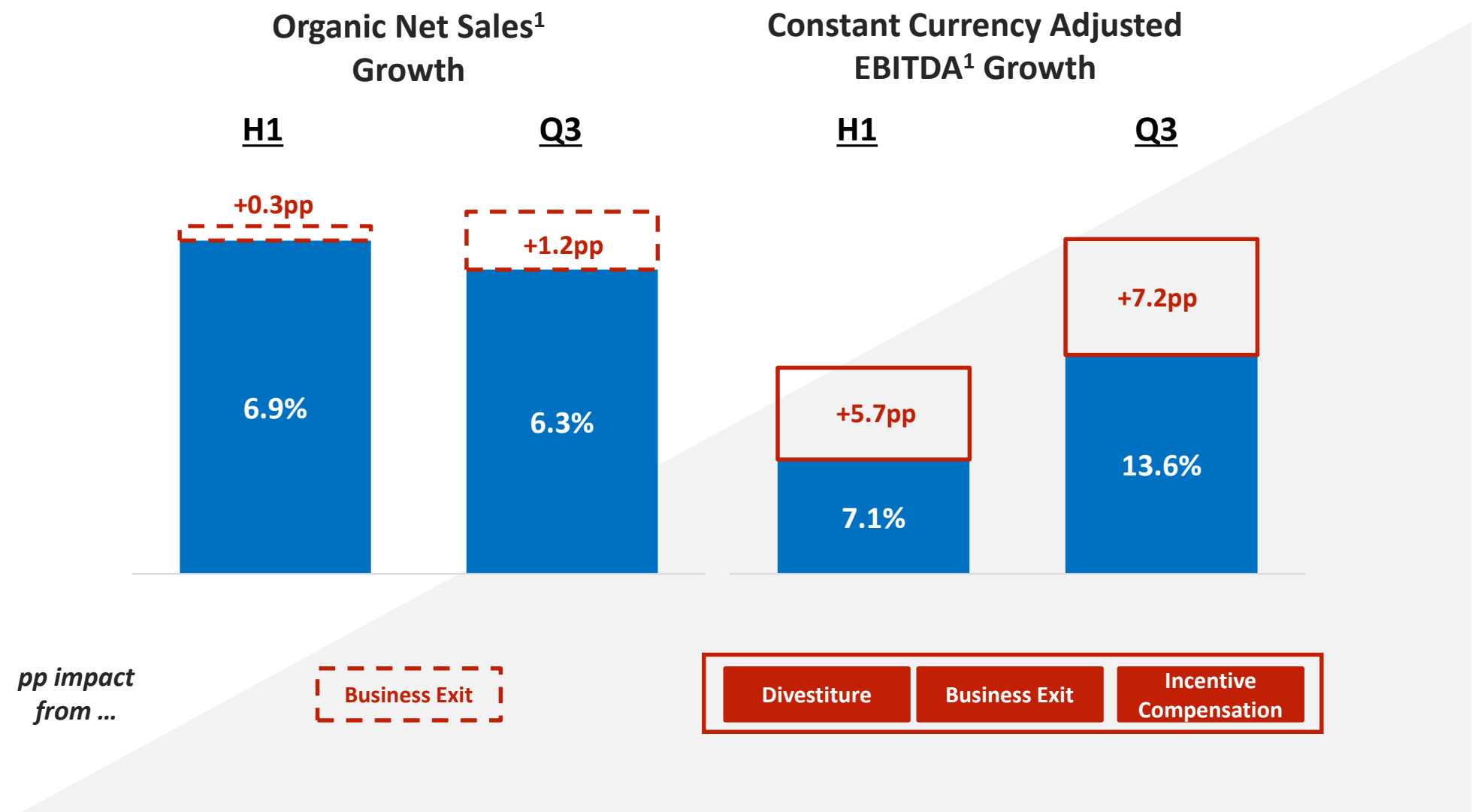
**PERFORMANCE TO
DATE IS MAKING US
CONFIDENTLY
OPTIMISTIC**

- **Results reflect greater agility**
- **Consumer priorities remain favorable**
- **Strategy from planning to action**
- **2020, 2021 ahead of Strategic Plan**



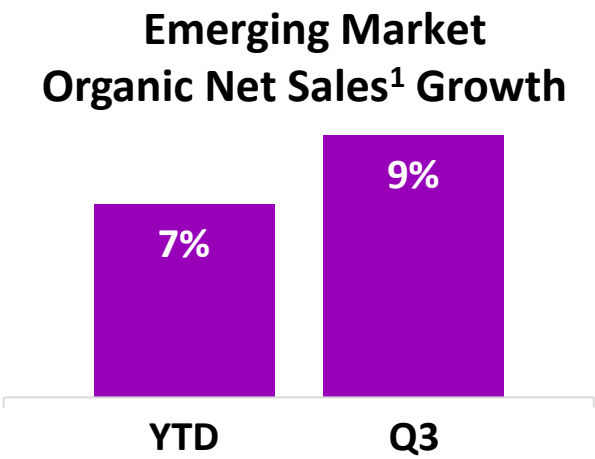
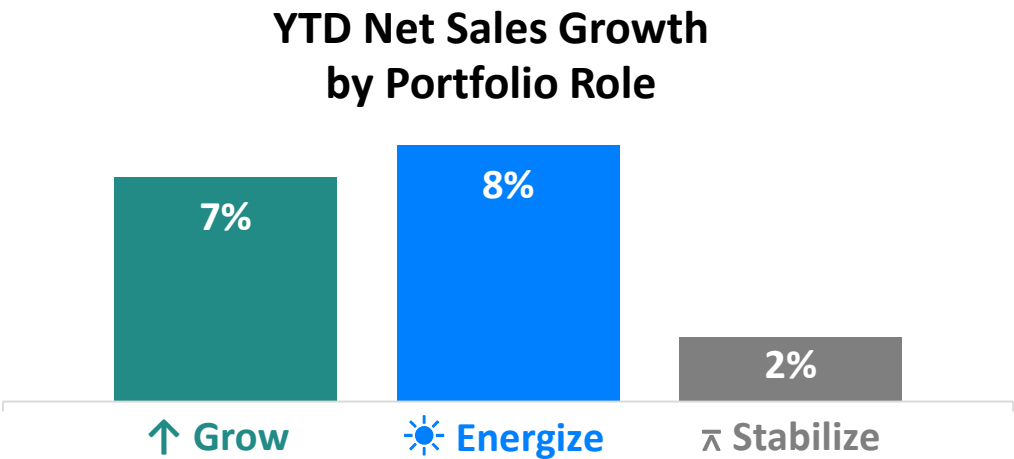
1 | Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

Improved agility is sustaining momentum as we reset our base



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

Growth is tracking with our strategy



Platform	Role	% of 2020 Net Sales	Net Sales Growth	
			Q3 vs. PY	YTD vs PY
Taste Elevation	↑	28%	+6%	+5%
Taste Elevation (ex-foodservice)		22%	+20%	+19%
Easy Meals Made Better	↑ / ☀	19%	+10%	+17%
Real Food Snacking	↑	9%	+4%	+3%

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

Evolving consumer preferences indicate elevated demand will remain

In-Home Occasions and Commerce



- (Re)discovering cooking at home
- Redefining meal experiences
- Reassessing the shopping trip, baskets and bundles

Affordability



- Value for money
- Pack-size
- Good-Better-Best trading up/down

Availability and Velocity



- Reassessing “assortment”
- (Re)focus on big brands

Purpose as a Source of Change



- Brand embodiment of values, causes
- Community, local sourcing

Actions to
date position
Kraft Heinz to
sustain gains

**PEOPLE WITH
PURPOSE**

New training &
development

Flexible working
arrangements

**CONSUMER
PLATFORMS**

Adapting
innovation
pipeline

Prioritization,
flexible budgets

**OPS
CENTER**

Simplifying
portfolio & SKU
range

Eliminating
waste & driving
productivity

**PARTNER
PROGRAM**

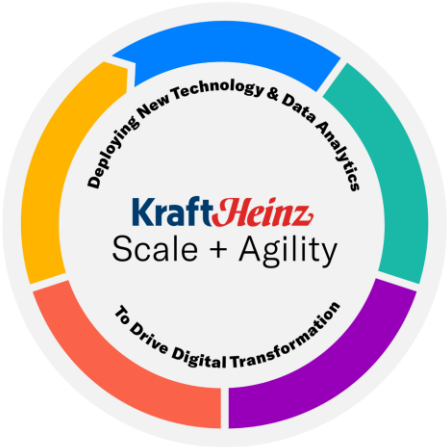
Flexible
merchandising

Joint Business
Planning

**FUEL OUR
GROWTH**

Reinvesting in
brands, capacity,
& e-commerce

Applying Agile
Portfolio
Management



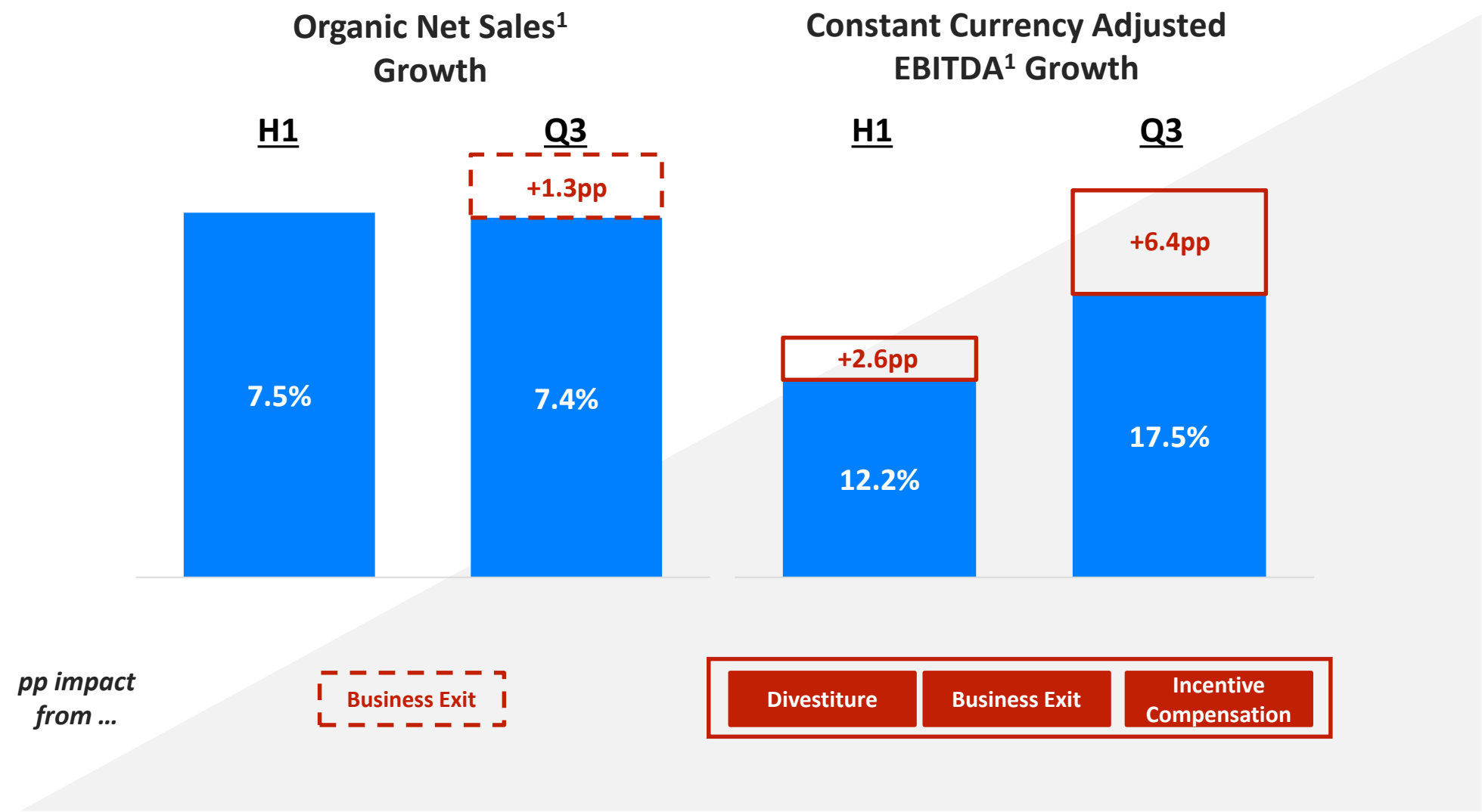
**We remain excited for the future of
Kraft Heinz**

CARLOS ABRAMS- RIVERA

US ZONE PRESIDENT

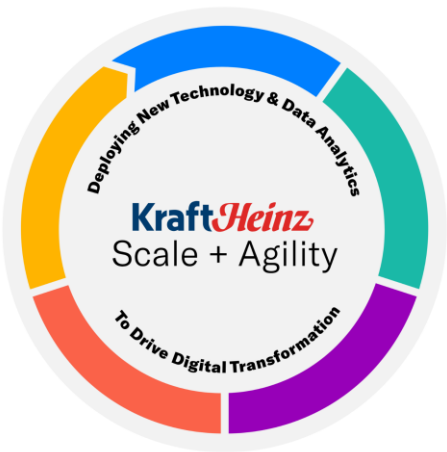


Agility is driving sustained momentum



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

We are turning the corner from restructuring to execution



PEOPLE WITH PURPOSE

New structure fully operational, fully staffed

Leveraging digital as an enabler

CONSUMER PLATFORMS

Focus through platform lens

Distorting resources by portfolio role

OPS CENTER

Delivering COGS efficiency

Supply constraints easing

PARTNER PROGRAM

Accelerated planning, strategic agenda

Innovation, creativity driving Foodservice

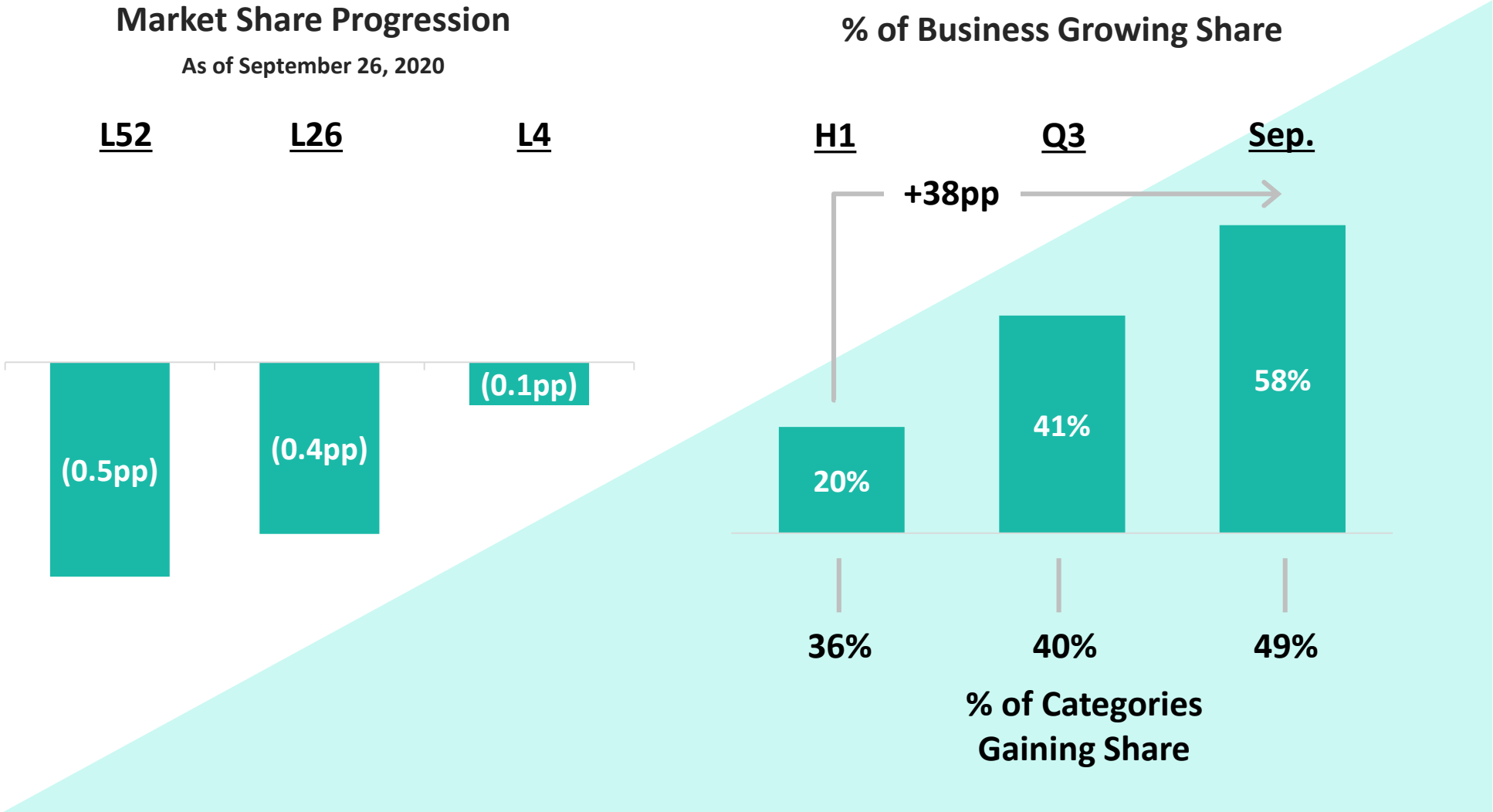
FUEL OUR GROWTH

Reinvesting in brands

Ramping up capacity investment

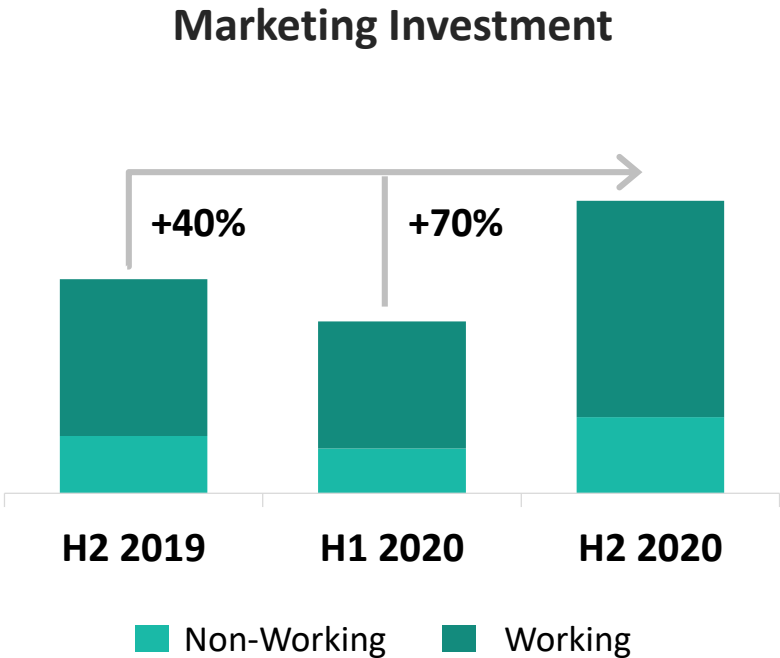
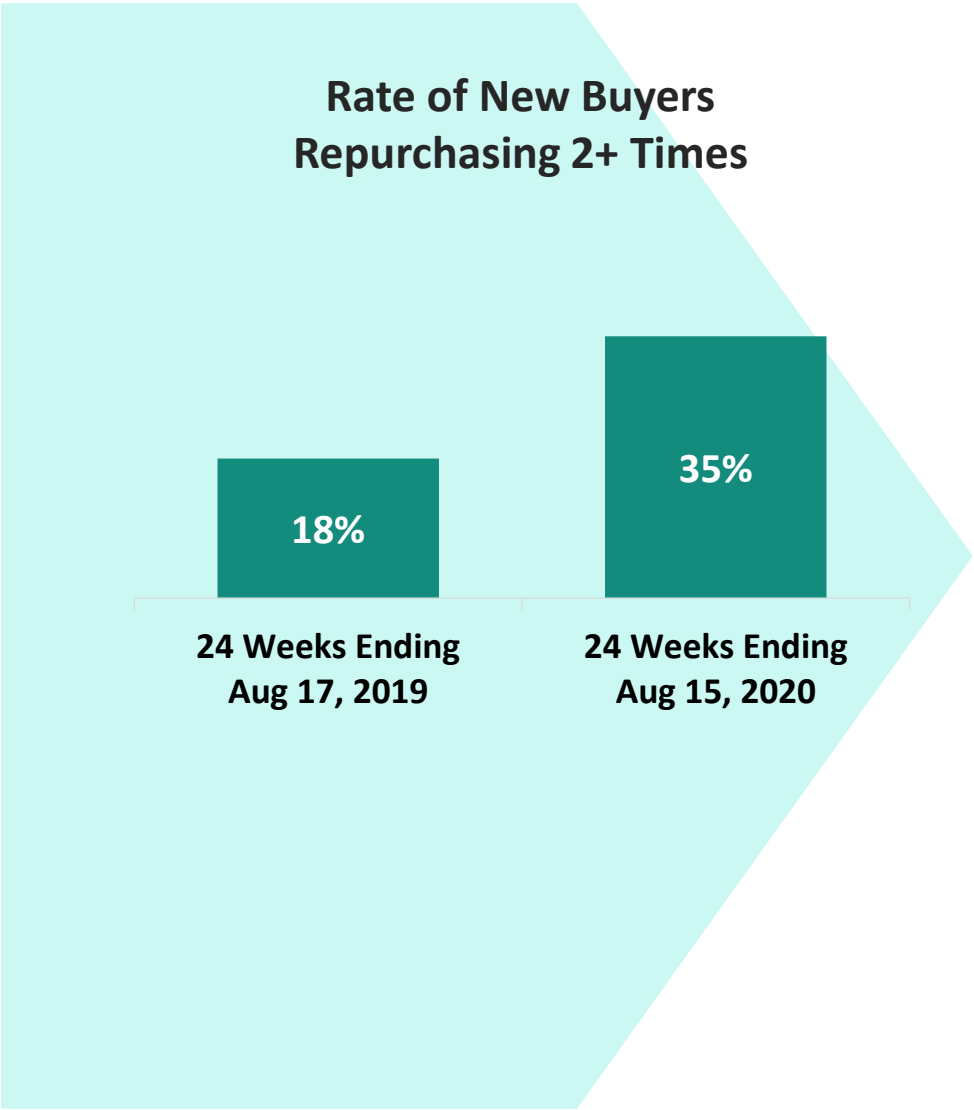
Unlocking agility to leverage our scale

We have market share momentum to build upon



Source: Nielsen xAOC Data for U.S. Zone

We are now ramping up brand support to retain and inspire new consumers



Source: Nielsen xAOC Data for U.S. Zone

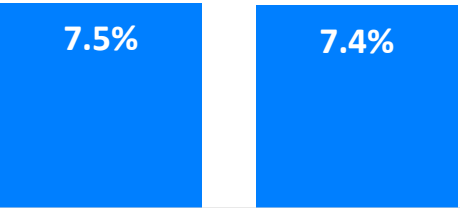
PAULO BASILIO

CHIEF FINANCIAL OFFICER



Organic Net Sales¹

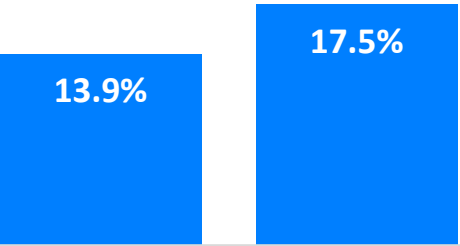
Price: 2.9pp Price: 4.0pp
Vol/Mix: 4.6pp Vol/Mix: 3.4pp



YTD 2020

Q3 2020

Adjusted EBITDA¹



YTD 2020

Q3 2020

HIGHLIGHTS

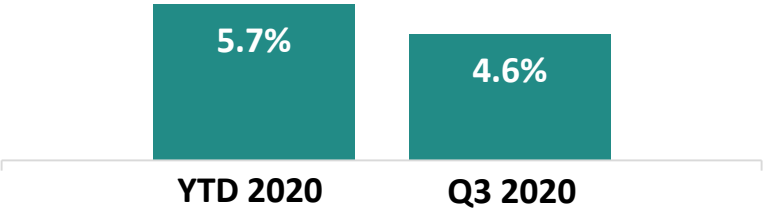
- Volume/mix benefited from strong growth across retail, e-commerce, and club channels
- Higher price reflects reduction in certain promotional activities to safeguard customer service, select planned pricing actions, and commodity-driven pricing, particularly in dairy
- Adjusted EBITDA growth continued to reflect strong combination of pricing, volume, mix, and procurement savings
 - Gains more than offset incentive compensation normalization, key commodity² inflation, stepped up marketing, and incremental COVID-19-related costs

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

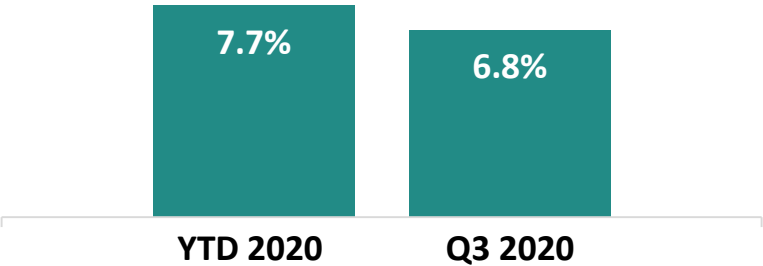
2| The Company's key commodities in the United States and Canada are dairy, meat, coffee and nuts.

Organic Net Sales¹

Price: 2.2pp Price: 2.1pp
Vol/Mix: 3.5pp Vol/Mix: 2.5pp



Constant Currency
Adjusted EBITDA¹



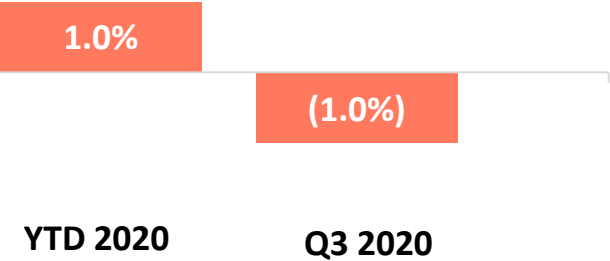
HIGHLIGHTS

- Balanced growth continued, led by Taste Elevation
 - Developed Markets: +1.6% Q3, +5.0% YTD
 - Emerging Markets: +9.1% Q3, +6.7% YTD
- Constant Currency Adjusted EBITDA gains continue to reflect Organic Net Sales growth more than offsetting higher operational costs, including COVID-19-related expenses, and normalized incentive compensation expense

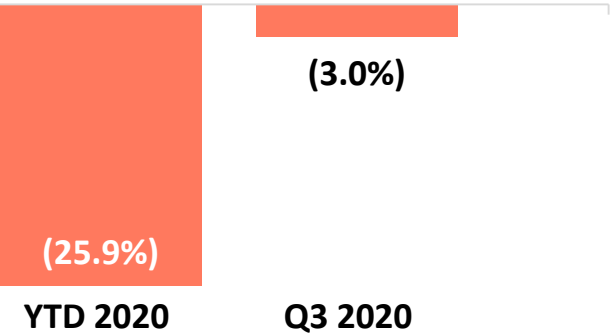
1 | Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

Organic Net Sales¹

Price: 0.1pp Price: 4.6pp
Vol/Mix: 0.9pp Vol/Mix: (5.6)pp



Constant Currency
Adjusted EBITDA¹

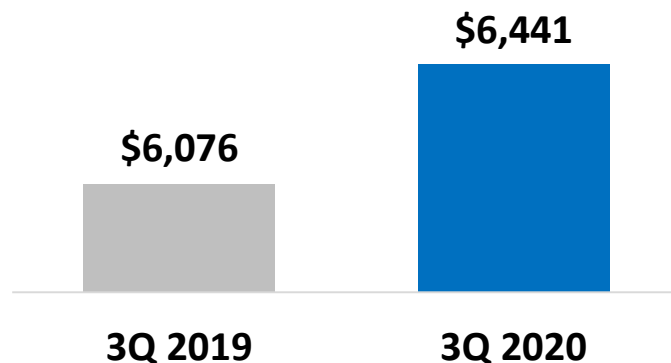


HIGHLIGHTS

- Strong retail growth in Easy Meals Made Better and Taste Elevation more than offset by the impact of *McCafé* exit and lower foodservice sales
- Pricing gains driven by a combination of higher list price in select categories and reduced promotional intensity versus the comparable prior year period
- Constant Currency Adjusted EBITDA performance improving but still negatively impacted by supply chain cost inflation, the *McCafé* exit, and higher incentive compensation versus the year-ago period

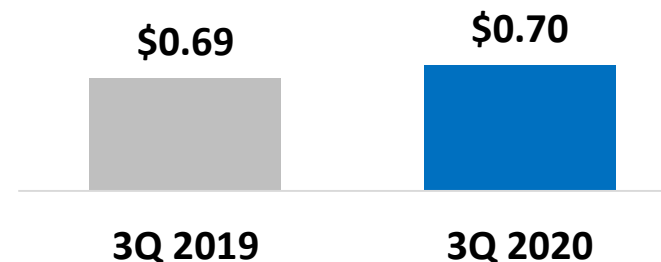
1 | Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

Net Sales



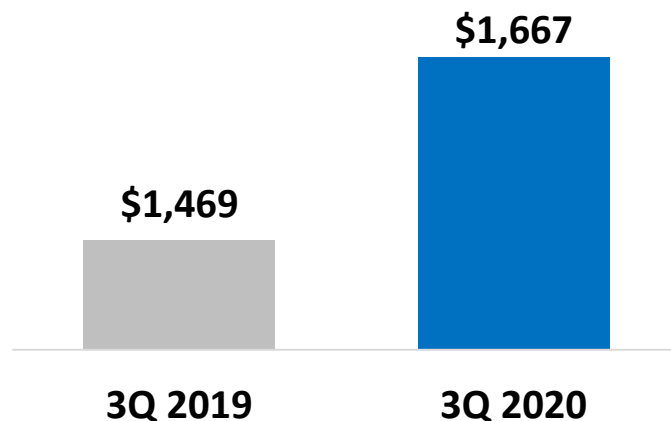
- Strong vol/mix and favorable pricing offset business exit
- Pricing tailwind to fade from Q4

Adjusted EPS¹



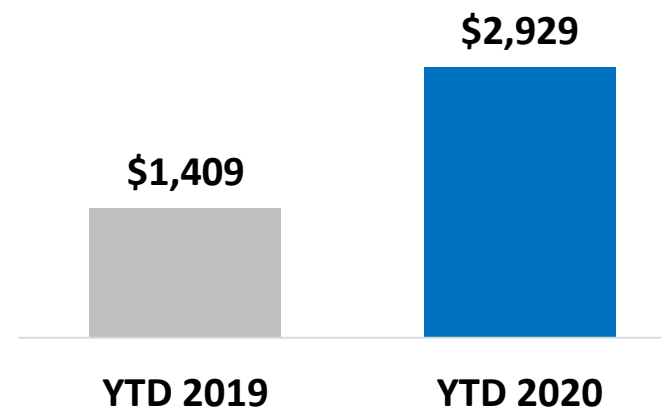
- Q3 2020 included \$(0.12) impact below EBITDA
- Continue to expect ~\$(0.38) impact below Adjusted EBITDA in 2020

Adjusted EBITDA¹



- Organic growth, COGS containment offsetting business exit and normalizing incentive compensation

Free Cash Flow¹



- Strong FCF conversion aided by working capital and capex timing
- Expect working capital rebuild, accelerating capex to hold back Q4 FCF

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

RAISING 2020 OUTLOOK

Organic Net Sales¹

Q4 2020
mid-single-digit growth
FY 2020
mid-single-digit growth

Adjusted EBITDA¹

Q4 2020 high-single-digit
Constant Currency growth
FY 2020 high-single-digit
Constant Currency growth

Free Cash Flow¹

Expect ~100% Free Cash
Flow conversion
~4x net leverage
by year-end

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

2021 OBJECTIVES


Organic Net Sales¹



Retain DM Household Gains
& Accelerate EM Growth

Improve Trajectory from
Agile Portfolio Management

Adjusted EBITDA¹



Accelerate Growth
Investments

Deliver Adjusted EBITDA¹
above Strategic Plan

Free Cash Flow¹



Maintain Strong Return of
Cash to Shareholders

Continue to Reduce Gross
Debt Outstanding

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

Q&A

Q3 2020 EARNINGS CALL

Kraft*Heinz*

MIGUEL PATRICIO
CHIEF EXECUTIVE OFFICER

PAULO BASILIO
CHIEF FINANCIAL OFFICER

CARLOS ABRAMS-RIVERA
US ZONE PRESIDENT

APPENDIX



Non-GAAP Financial Measures

The non-GAAP financial measures provided 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") that are presented in this press release.

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, 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 integration and restructuring expenses); in addition to these adjustments, the Company excludes, when they occur, the impacts of integration and restructuring expenses, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, and equity award compensation expense (excluding integration and restructuring expenses). 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 EPS is defined as diluted earnings per share excluding, when they occur, the impacts of integration and restructuring expenses, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, 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 U.S. Tax Reform discrete income tax expense/(benefit), 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.

Fourth quarter and 2020 full year guidance for Organic Net Sales, Adjusted EBITDA, Constant Currency Adjusted EBITDA, Adjusted EPS, and Free Cash Flow are 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, integration and restructuring expenses, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, equity award compensation expense, cash flows from operating activities, and capital expenditures, 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.

Platform	Zone	Role	% of 2020 Net Sales ¹	Net Sales Growth	
				Q3 vs. PY	YTD vs PY
Taste Elevation			28%	+6%	+5%
<i>Taste Elevation (ex-foodservice)</i>			22%	+20%	+19%
Easy Meals Made Better		 / 	19%	+10%	+17%
Real Food Snacking	 / 		9%	+4%	+3%
Fast Fresh Meals	 / 		24%	+8%	+8%
Easy Indulgent Desserts	 / 		4%	+11%	+12%
Flavorful Hydration	 / 		7%	+10%	+8%
All Other			10%	(7)%	(6)%

Key
 Growth  Energize  Stabilize

¹ | May not foot due to rounding

Schedule 1

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 26, 2020	September 28, 2019	September 26, 2020	September 28, 2019
Net sales	\$ 6,441	\$ 6,076	\$ 19,246	\$ 18,441
Cost of products sold	4,097	4,129	12,592	12,401
Gross profit	2,344	1,947	6,654	6,040
Selling, general and administrative expenses, excluding impairment losses	897	762	2,677	2,341
Goodwill impairment losses	300	—	2,343	744
Intangible asset impairment losses	—	5	1,056	479
Selling, general and administrative expenses	1,197	767	6,076	3,564
Operating income/(loss)	1,147	1,180	578	2,476
Interest expense	314	398	1,066	1,035
Other expense/(income)	(73)	(380)	(232)	(893)
Income/(loss) before income taxes	906	1,162	(256)	2,334
Provision for/(benefit from) income taxes	308	264	417	584
Net income/(loss)	598	898	(673)	1,750
Net income/(loss) attributable to noncontrolling interest	1	(1)	3	(3)
Net income/(loss) attributable to common shareholders	\$ 597	\$ 899	\$ (676)	\$ 1,753
Basic shares outstanding	1,223	1,221	1,222	1,220
Diluted shares outstanding	1,229	1,223	1,222	1,223
Per share data applicable to common shareholders:				
Basic earnings/(loss) per share	\$ 0.49	\$ 0.74	\$ (0.55)	\$ 1.44
Diluted earnings/(loss) per share	0.49	0.74	(0.55)	1.43

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
September 26, 2020						
United States	\$ 4,710	\$ —	\$ —	\$ 4,710		
International	1,325	(4)	—	1,329		
Canada	406	(4)	—	410		
	<u>\$ 6,441</u>	<u>\$ (8)</u>	<u>\$ —</u>	<u>\$ 6,449</u>		
September 28, 2019						
United States	\$ 4,385	\$ —	\$ —	\$ 4,385		
International	1,276	6	—	1,270		
Canada	415	—	1	414		
	<u>\$ 6,076</u>	<u>\$ 6</u>	<u>\$ 1</u>	<u>\$ 6,069</u>		
Year-over-year growth rates						
United States	7.4 %	0.0 pp	0.0 pp	7.4 %	4.0 pp	3.4 pp
International	3.9 %	(0.7) pp	0.0 pp	4.6 %	2.1 pp	2.5 pp
Canada	(2.2)%	(1.0) pp	(0.2) pp	(1.0)%	4.6 pp	(5.6) pp
Kraft Heinz	6.0 %	(0.3) pp	0.0 pp	6.3 %	3.7 pp	2.6 pp

Schedule 3

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
September 26, 2020						
United States	\$ 14,122	\$ —	\$ —	\$ 14,122		
International	3,931	(128)	—	4,059		
Canada	1,193	(25)	—	1,218		
	<u>\$ 19,246</u>	<u>\$ (153)</u>	<u>\$ —</u>	<u>\$ 19,399</u>		
September 28, 2019						
United States	\$ 13,142	\$ —	\$ —	\$ 13,142		
International	3,874	20	13	3,841		
Canada	1,425	—	219	1,206		
	<u>\$ 18,441</u>	<u>\$ 20</u>	<u>\$ 232</u>	<u>\$ 18,189</u>		
Year-over-year growth rates						
United States	7.5 %	0.0 pp	0.0 pp	7.5 %	2.9 pp	4.6 pp
International	1.5 %	(3.8) pp	(0.4) pp	5.7 %	2.2 pp	3.5 pp
Canada	(16.3)%	(1.8) pp	(15.5) pp	1.0 %	0.1 pp	0.9 pp
Kraft Heinz	4.4 %	(0.9) pp	(1.4) pp	6.7 %	2.6 pp	4.1 pp

Schedule 4

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

	For the Three Months Ended		For the Nine Months Ended	
	September 26, 2020	September 28, 2019	September 26, 2020	September 28, 2019
Net income/(loss)	\$ 598	\$ 898	\$ (673)	\$ 1,750
Interest expense	314	398	1,066	1,035
Other expense/(income)	(73)	(380)	(232)	(893)
Provision for/(benefit from) income taxes	308	264	417	584
Operating income/(loss)	1,147	1,180	578	2,476
Depreciation and amortization (excluding integration and restructuring expenses)	232	243	722	730
Integration and restructuring expenses	8	15	12	56
Deal costs	9	6	9	19
Unrealized losses/(gains) on commodity hedges	(70)	9	47	(30)
Impairment losses	300	5	3,399	1,223
Equity award compensation expense (excluding integration and restructuring expenses)	41	11	114	26
Adjusted EBITDA	<u>\$ 1,667</u>	<u>\$ 1,469</u>	<u>\$ 4,881</u>	<u>\$ 4,500</u>
Segment Adjusted EBITDA:				
United States	\$ 1,363	\$ 1,160	\$ 4,050	\$ 3,556
International	277	260	797	765
Canada	103	107	268	371
General corporate expenses	(76)	(58)	(234)	(192)
Adjusted EBITDA	<u>\$ 1,667</u>	<u>\$ 1,469</u>	<u>\$ 4,881</u>	<u>\$ 4,500</u>

Schedule 5

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
September 26, 2020			
United States	\$ 1,363	\$ —	\$ 1,363
International	277	3	274
Canada	103	(2)	105
General corporate expenses	(76)	—	(76)
	<u>\$ 1,667</u>	<u>\$ 1</u>	<u>\$ 1,666</u>
September 28, 2019			
United States	\$ 1,160	\$ —	\$ 1,160
International	260	2	258
Canada	107	—	107
General corporate expenses	(58)	—	(58)
	<u>\$ 1,469</u>	<u>\$ 2</u>	<u>\$ 1,467</u>
Year-over-year growth rates			
United States	17.5 %	0.0 pp	17.5 %
International	6.6 %	(0.2) pp	6.8 %
Canada	(3.9)%	(0.9) pp	(3.0)%
General corporate expenses	31.6 %	0.9 pp	30.7 %
Kraft Heinz	13.5 %	(0.1) pp	13.6 %

Schedule 6

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

	Adjusted EBITDA	Currency	Constant Currency Adjusted EBITDA
September 26, 2020			
United States	\$ 4,050	\$ —	\$ 4,050
International	797	(17)	814
Canada	268	(7)	275
General corporate expenses	(234)	1	(235)
	<u>\$ 4,881</u>	<u>\$ (23)</u>	<u>\$ 4,904</u>
September 28, 2019			
United States	\$ 3,556	\$ —	\$ 3,556
International	765	9	756
Canada	371	—	371
General corporate expenses	(192)	—	(192)
	<u>\$ 4,500</u>	<u>\$ 9</u>	<u>\$ 4,491</u>
Year-over-year growth rates			
United States	13.9 %	0.0 pp	13.9 %
International	4.1 %	(3.6) pp	7.7 %
Canada	(27.7)%	(1.8) pp	(25.9)%
General corporate expenses	22.0 %	(0.2) pp	22.2 %
Kraft Heinz	8.5 %	(0.7) pp	9.2 %

Schedule 7

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

	For the Three Months Ended		For the Nine Months Ended	
	September 26, 2020	September 28, 2019	September 26, 2020	September 28, 2019
Diluted EPS	\$ 0.49	\$ 0.74	\$ (0.55)	\$ 1.43
Integration and restructuring expenses ^(a)	0.01	0.01	0.01	0.04
Deal costs ^(b)	—	0.01	—	0.01
Unrealized losses/(gains) on commodity hedges ^(c)	(0.04)	0.01	0.03	(0.02)
Impairment losses ^(d)	0.24	—	2.60	0.90
Losses/(gains) on sale of business ^(e)	—	(0.13)	—	(0.29)
Nonmonetary currency devaluation ^(f)	—	—	—	0.01
Debt prepayment and extinguishment costs ^(g)	—	0.05	0.07	0.05
U.S. Tax Reform discrete income tax expense/(benefit) ^(h)	—	—	(0.07)	—
Adjusted EPS	\$ 0.70	\$ 0.69	\$ 2.09	\$ 2.13

(a) Gross expenses included in integration and restructuring expenses were \$9 million (\$7 million after-tax) for the three months and \$13 million (\$10 million after-tax) for the nine months ended September 26, 2020 and \$15 million (\$15 million after-tax) for the three months and \$56 million (\$44 million after-tax) for the nine months ended September 28, 2019 and were recorded in the following income statement line items:

- Cost of products sold included income of \$3 million for the three months and \$4 million for the nine months ended September 26, 2020 and expenses of \$12 million for the three months and \$27 million for the nine months ended September 28, 2019;
- SG&A included expenses of \$11 million for three months and \$16 million for the nine months ended September 26, 2020 and \$3 million for the three months and \$29 million for the nine months ended September 28, 2019; and
- Other expense/(income) included expenses of \$1 million for the three and nine months ended September 26, 2020.

(b) Gross expenses included in deal costs were \$9 million (\$7 million after-tax) for the three and nine months ended September 26, 2020 and \$6 million (\$7 million after-tax) for the three months and \$19 million (\$18 million after-tax) for the nine months ended September 28, 2019 and were recorded in SG&A.

(c) Gross expenses/(income) included in unrealized losses/(gains) on commodity hedges were income of \$70 million (\$54 million after-tax) for the three months and expenses of \$47 million (\$35 million after-tax) for the nine months ended September 26, 2020 and expenses of \$9 million (\$7 million after-tax) for the three months and income of \$30 million (\$22 million after-tax) for the nine months ended September 28, 2019 and were recorded in cost of products sold.

(d) Gross impairment losses, which were recorded in SG&A, included the following:

- Goodwill impairment losses of \$300 million (\$300 million after-tax) for the three months and \$2.3 billion (\$2.3 billion after-tax) for the nine months ended September 26, 2020 and \$744 million (\$717 million after-tax) for the nine months ended September 28, 2019; and
- Intangible asset impairment losses of \$1.1 billion (\$829 million after-tax) for the nine months ended September 26, 2020 and \$5 million (\$7 million after-tax) for the three months and \$479 million (\$381 million after-tax) for the nine months ended September 28, 2019.

(e) Gross expenses/(income) included in losses/(gains) on sale of business were expenses of \$2 million (\$2 million after-tax) for the nine months ended September 26, 2020 and income of \$244 million (\$158 million after-tax) for the three months and \$490 million (\$348 million after-tax) for the nine months ended September 28, 2019 and were recorded in other expense/(income).

(f) Gross expenses included in nonmonetary currency devaluation were \$2 million (\$2 million after-tax) for the three months and \$6 million (\$6 million after-tax) for the nine months ended September 26, 2020 and \$4 million (\$4 million after-tax) for the three months and \$10 million (\$10 million after-tax) for the nine months ended September 28, 2019 and were recorded in other expense/(income).

(g) Gross expenses included in debt prepayment and extinguishment costs were \$109 million (\$82 million after-tax) for the nine months ended September 26, 2020 and \$88 million (\$62 million after-tax) for the three and nine months ended September 28, 2019 and were recorded in interest expense.

(h) U.S. Tax Reform discrete income tax expense/(benefit) was a benefit of \$81 million for the nine months ended September 26, 2020. The benefit primarily relates to the revaluation of our deferred tax balances due to changes in state tax laws following U.S. Tax Reform and subsequent clarification or interpretation of state tax laws.

Schedule 8

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

	September 26, 2020	December 28, 2019
ASSETS		
Cash and cash equivalents	\$ 2,720	\$ 2,279
Trade receivables, net	1,979	1,973
Inventories	2,661	2,721
Prepaid expenses	382	384
Other current assets	401	618
Assets held for sale	1,922	122
Total current assets	10,065	8,097
Property, plant and equipment, net	6,558	7,055
Goodwill	32,861	35,546
Intangible assets, net	46,418	48,652
Other non-current assets	2,220	2,100
TOTAL ASSETS	\$ 98,122	\$ 101,450
LIABILITIES AND EQUITY		
Commercial paper and other short-term debt	\$ 6	\$ 6
Current portion of long-term debt	529	1,022
Trade payables	4,052	4,003
Accrued marketing	1,001	647
Interest payable	333	384
Other current liabilities	1,755	1,804
Liabilities held for sale	18	9
Total current liabilities	7,694	7,875
Long-term debt	27,882	28,216
Deferred income taxes	11,461	11,878
Accrued postemployment costs	250	273
Other non-current liabilities	1,496	1,459
TOTAL LIABILITIES	48,783	49,701
Redeemable noncontrolling interest	(2)	—
Equity:		
Common stock, \$0.01 par value	12	12
Additional paid-in capital	55,544	56,828
Retained earnings/(deficit)	(3,739)	(3,060)
Accumulated other comprehensive income/(losses)	(2,258)	(1,886)
Treasury stock, at cost	(341)	(271)
Total shareholders' equity	49,218	51,623
Noncontrolling interest	123	126
TOTAL EQUITY	49,341	51,749
TOTAL LIABILITIES AND EQUITY	\$ 98,122	\$ 101,450

Schedule 9

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

	For the Nine Months Ended	
	September 26, 2020	September 28, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	\$ (673)	\$ 1,750
Adjustments to reconcile net income/(loss) to operating cash flows:		
Depreciation and amortization	722	737
Amortization of postretirement benefit plans prior service costs/(credits)	(92)	(229)
Equity award compensation expense	114	26
Deferred income tax provision/(benefit)	(343)	(140)
Postemployment benefit plan contributions	(20)	(23)
Goodwill and intangible asset impairment losses	3,399	1,223
Nonmonetary currency devaluation	6	10
Loss/(gain) on sale of business	2	(490)
Other items, net	143	(34)
Changes in current assets and liabilities:		
Trade receivables	(6)	138
Inventories	(455)	(637)
Accounts payable	62	113
Other current assets	(15)	(73)
Other current liabilities	482	(381)
Net cash provided by/(used for) operating activities	3,326	1,990
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(397)	(581)
Payments to acquire business, net of cash acquired	—	(199)
Proceeds from sale of business, net of cash disposed	—	1,875
Other investing activities, net	35	16
Net cash provided by/(used for) investing activities	(362)	1,111
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of long-term debt	(4,395)	(3,272)
Proceeds from issuance of long-term debt	3,500	2,967
Debt prepayment and extinguishment costs	(101)	(91)
Proceeds from revolving credit facility	4,000	—
Repayments of revolving credit facility	(4,000)	—
Proceeds from issuance of commercial paper	—	377
Repayments of commercial paper	—	(377)
Dividends paid	(1,467)	(1,464)
Other financing activities, net	(46)	(21)
Net cash provided by/(used for) financing activities	(2,509)	(1,881)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(14)	(40)
Cash, cash equivalents, and restricted cash		
Net increase/(decrease)	441	1,180
Balance at beginning of period	2,280	1,136
Balance at end of period	\$ 2,721	\$ 2,316

Schedule 10

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 26, 2020	September 28, 2019
Net cash provided by/(used for) operating activities	\$ 3,326	\$ 1,990
Capital expenditures	(397)	(581)
Free Cash Flow	<u>\$ 2,929</u>	<u>\$ 1,409</u>