KraftHeinz

THE KRAFT HEINZ COMPANY

Q3 2017 Update

November 1, 2017

Safe Harbor Statement

This webcast presentation contains a number of forward-looking statements. Words such as “build,” “gain,” “drive,” “invest,” “grow,” “execute,” “enable,” “continue,” “expect,” “opportunity,” “deliver,” “strengthen,” “leverage,” “will,” and variations of such words and similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding Kraft Heinz’s plans, integration, savings, investments, execution, growth, leverage, innovation, credit rating, brands and efficiencies. 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 Kraft Heinz’s control. Important factors that affect Kraft Heinz’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, increased competition; Kraft Heinz’s ability to maintain, extend and expand its reputation and brand image; Kraft Heinz’s ability to differentiate its products from other brands; the consolidation of retail customers; Kraft Heinz’s ability to predict, identify and interpret changes in consumer preferences and demand; Kraft Heinz’s ability to drive revenue growth in its key product categories, increase its market share, or add products; an impairment of the carrying value of goodwill or other indefinite-lived intangible assets; volatility in commodity, energy and other input costs; changes in Kraft Heinz’s management team or other key personnel; Kraft Heinz’s inability to realize the anticipated benefits from its cost savings initiatives; changes in relationships with significant customers and suppliers; execution of Kraft Heinz’s international expansion strategy; changes in laws and regulations; legal claims or other regulatory enforcement actions; product recalls or product liability claims; unanticipated business disruptions; failure to successfully integrate the business and operations of Kraft Heinz in the expected time frame; Kraft Heinz’s ability to complete or realize the benefits from potential and completed acquisitions, alliances, divestitures or joint ventures; economic and political conditions in the nations in which Kraft Heinz operates; the volatility of capital markets; increased pension, labor and people-related expenses; volatility in the market value of all or a portion of the derivatives Kraft Heinz uses; exchange rate fluctuations; risks associated with information technology and systems, including service interruptions, misappropriation of data or breaches of security; Kraft Heinz’s inability to protect intellectual property rights; impacts of natural events in the locations in which Kraft Heinz or its customers, suppliers or regulators operate; Kraft Heinz’s indebtedness and ability to pay such indebtedness; tax law changes or interpretations; and other factors. For additional information on these and other factors that could affect Kraft Heinz’s forward-looking statements, see Kraft Heinz’s risk factors, as they may be amended from time to time, set forth in its filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K. Kraft Heinz disclaims and does not undertake any obligation to update or revise any forward-looking statement in this presentation, except as required by applicable law or regulation.

Non-GAAP Measures

This webcast presentation also includes non-GAAP financial measures, including Organic Net Sales, Adjusted EBITDA and Adjusted EPS. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix to this presentation.

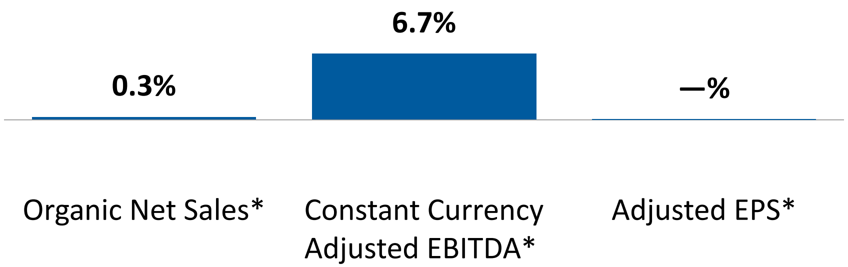
Q3 and YTD Update

- **Delivered Q3 results consistent with expectations**
  - Sequential improvement ... top- and bottom-line ... in all segments
  - Big Bets, whitespace initiatives and sales investments driving consumption gains and solid market share trends in key markets
- **Improving against industry-leading margin status**
  - Cumulative, net Integration Program savings reached $1.58B in Q3
  - Focus on cost containment paying off elsewhere
- **Taking actions to maintain momentum and sustainable, profitable growth**
  - Building in-house capabilities in marketing, innovation/renovation, category management and go-to-market
  - Aligning organization for focus against biggest opportunities

Q3 and YTD Financial Summary

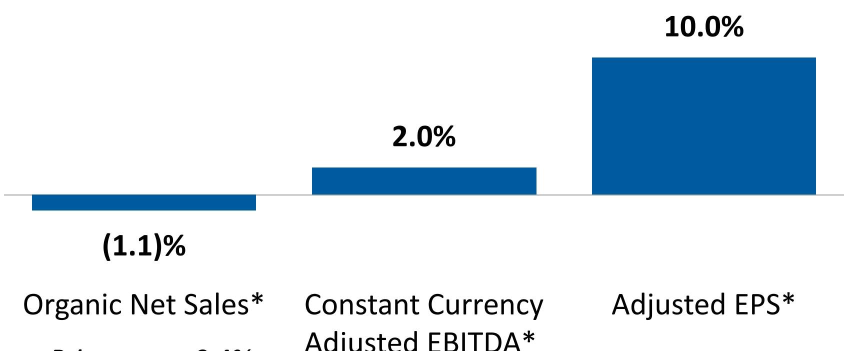
KraftHeinz

Q3 2017 vs. Q3 2016 Growth



Price: 0.5%
Vol/mix: (0.2)%

YTD 2017 vs. YTD 2016 Growth



Price: 0.4%
Vol/mix: (1.5)%

- Improving vol/mix trend driven by investments in growth engines
- Solid price realization in Rest of World and U.S., mainly to offset higher input costs
- Constant Currency Adjusted EBITDA growth primarily driven by cost savings initiatives(1), lower overhead costs and favorable net pricing
  - Gains partially offset by higher input costs in a number of key markets
- Q3 Adjusted EPS in line with prior year as Adjusted EBITDA gains offset by higher effective tax rate

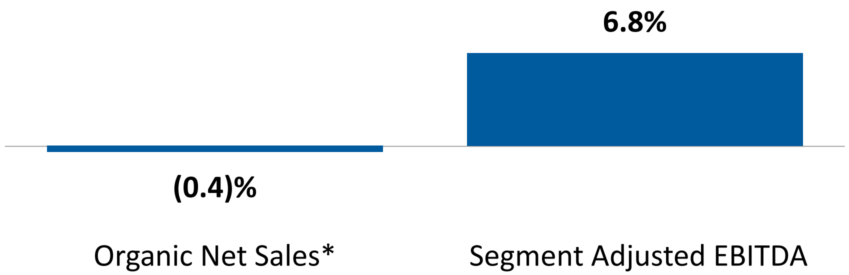
(1) Cost savings initiatives include the Company's integration, restructuring and ongoing productivity efforts.
** Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to Non-GAAP reconciliations*

U.S. Update

- **Business continues to move in right direction**
  - Better leveraging Kraft Heinz scale at retail
  - Consumption gains driven by innovation and renovation
  - Growing faster-than-market in foodservice and e-commerce channels
- **Headwinds remain isolated, fixable**
  - Primarily in Cold Cuts, Natural Cheese, Dressings
- **Path forward is clear**
  - Execute strong pipeline of innovation, renovation, communication
  - Leverage investments in go-to-market capabilities, including e-commerce and foodservice
  - Complete manufacturing footprint initiatives

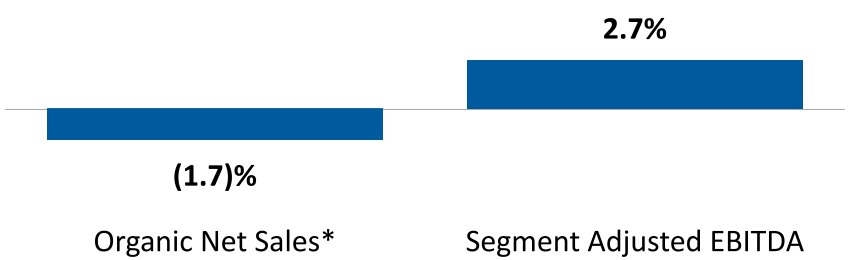
United States: Q3 and YTD Results

Q3 2017 vs. Q3 2016 Growth



Price: 0.4%
Vol/mix: (0.8)%

YTD 2017 vs. YTD 2016 Growth



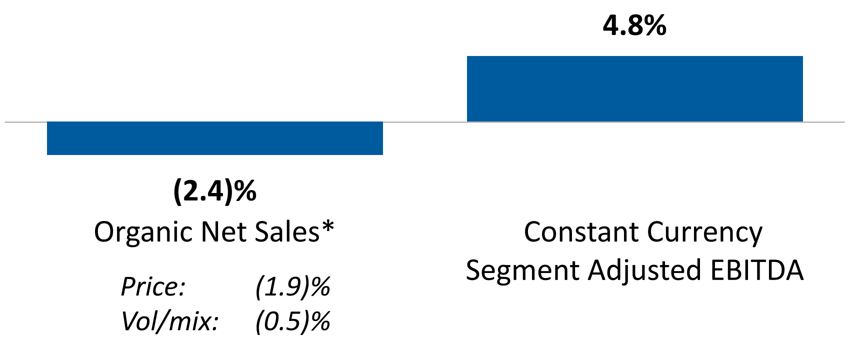
Price: 0.2%
Vol/mix: (1.9)%

- Q3 vol/mix reflected innovation and foodservice gains, offset by select distribution losses and lower meat and coffee shipments
  - Hurricane-related pantry loading added ~30bps to Q3 consumption
- Solid price realization in cheese, desserts partially offset by timing of promotional activity in other categories
- Adjusted EBITDA growth and margin expansion driven by cost savings initiatives, lower overhead costs and favorable net pricing
  - Gains partially offset by persistent key commodity[1] inflation, particularly in meats and cheese

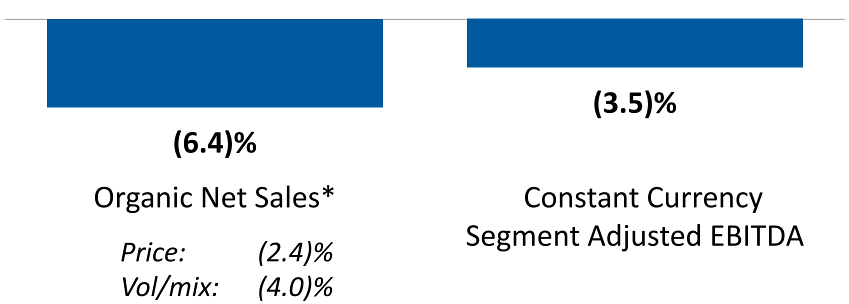
(1) The Company's key commodities in the United States and Canada are dairy, meat, coffee and nuts.
** Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to Non-GAAP reconciliations.*

Canada: Q3 and YTD Results

Q3 2017 vs. Q3 2016 Growth



YTD 2017 vs. YTD 2016 Growth

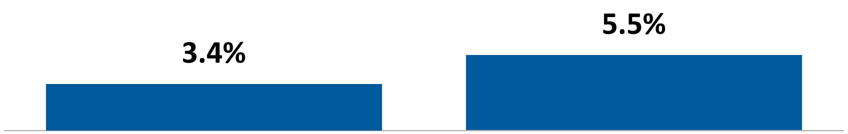


- Q3 vol/mix reflected growth in condiments & sauces offset by lower shipments of mac & cheese versus the prior year
- Pricing improved sequentially despite headwind from timing of promotional activity versus prior year
- Q3 Adjusted EBITDA growth and margin expansion driven by cost savings initiatives, lower overhead costs and improved product mix
  - Gains partially offset by lower pricing from increased promotional activity versus Q3 last year

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

Europe: Q3 and YTD Results

Q3 2017 vs. Q3 2016 Growth

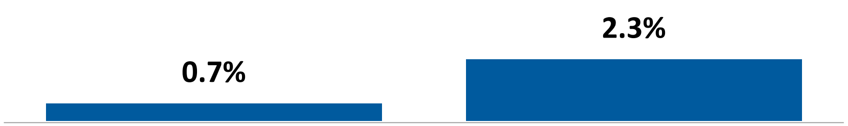


Organic Net Sales*

Price: (0.7)%
Vol/mix: 4.1%

Constant Currency Segment Adjusted EBITDA

YTD 2017 vs. YTD 2016 Growth



Organic Net Sales*

Price: (1.0)%
Vol/mix: 1.7%

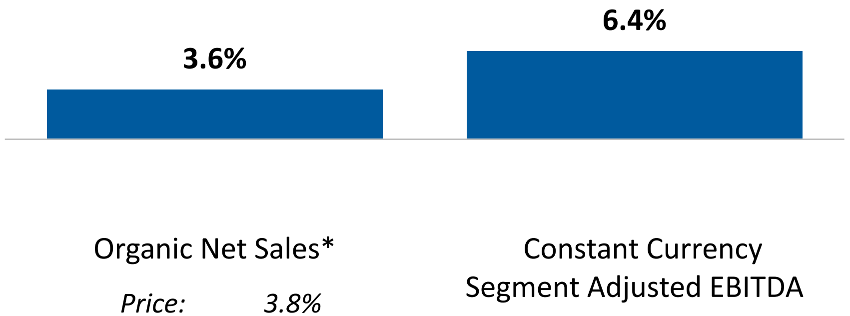
Constant Currency Segment Adjusted EBITDA

- Q3 vol/mix driven by condiments & sauces growth across the region, as well as growth in foodservice
  - Shipment timing versus prior year enhanced Q3 growth
- Pricing improved sequentially but held back overall due to investments in Italian infant nutrition business
- Adjusted EBITDA growth driven by cost savings and vol/mix growth
  - Higher input costs in local currency, primarily related to the UK, partially offset gains

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

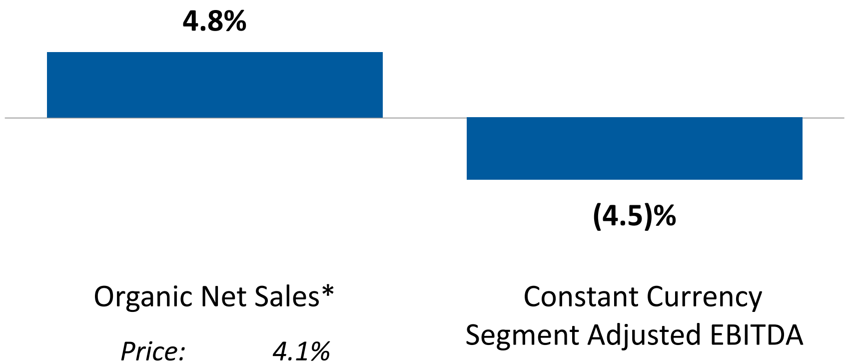
Rest of World: Q3 and YTD Results

Q3 2017 vs. Q3 2016 Growth



Price: *3.8%*
Vol/mix: *(0.2)%*

YTD 2017 vs. YTD 2016 Growth



Price: *4.1%*
Vol/mix: *0.7%*

- Q3 vol/mix held back by several factors including distributor network realignment, Brazil slowdown, GST-related impacts in India, and Caribbean hurricanes
  - More than offset strong, double-digit growth in Indonesia, China, Middle East
- Favorable pricing reflected input cost-related price increases across several markets
- Adjusted EBITDA growth driven by favorable pricing and cost savings, partially offset by higher input costs in local currency

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

Outlook

- **Seeding and growing underlying sales momentum**
  - U.S. executing strong pipeline of Big Bets and go-to-market initiatives
  - Canada retail recovery and innovation to continue
  - Europe improving market share performance and capturing whitespace
  - Rest of World markets to return to investment-driven, run rate growth
- **Continuing to build profit momentum**
  - Targeting $1.7 - $1.8bn cumulative, net Integration Program savings by end of 2017
  - Leveraging business investments
  - Achieving better balance between pricing and input costs
- **Managing below-the-line costs**
  - Now expect full year 2017 effective tax rate of ~29%

Appendix

KraftHeinz

Non-GAAP Financial Measures

To supplement the financial information, the Company has presented Organic Net Sales, Adjusted EBITDA, and Adjusted EPS, which are considered 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. 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 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 acquisitions, currency, 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 Venezuela following the Company's June 28, 2015 currency devaluation, 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), net, provision for/(benefit from) income taxes; in addition to these adjustments, the Company excludes, when they occur, the impacts of depreciation and amortization (excluding integration and restructuring expenses) (including amortization of postretirement benefit plans prior service credits), integration and restructuring expenses, merger costs, unrealized losses/(gains) on commodity hedges, impairment losses, losses/(gains) on the sale of a business, nonmonetary currency devaluation (e.g., remeasurement gains and 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 Venezuela following the Company's June 28, 2015 devaluation of the Venezuelan bolivar and remeasurement of assets and liabilities of its Venezuelan subsidiary, for which it calculates the previous year's results using the current year's exchange rate. 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 integration and restructuring expenses, merger costs, unrealized losses/(gains) on commodity hedges, impairment losses, losses/(gains) on the sale of a business, and nonmonetary currency devaluation (e.g., remeasurement gains and losses), 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.

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

Schedule 1

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2017	October 2, 2016	September 30, 2017	October 2, 2016
Net sales	$ 6,314	$ 6,267	$ 19,355	$ 19,630
Cost of products sold[(a)]	4,000	4,049	12,059	12,503
Gross profit	2,314	2,218	7,296	7,127
Selling, general and administrative expenses[(b)]	653	805	2,163	2,565
Operating income	1,661	1,413	5,133	4,562
Interest expense	306	311	926	824
Other expense/(income), net	(4)	(3)	8	(5)
Income/(loss) before income taxes	1,359	1,105	4,199	3,743
Provision for/(benefit from) income taxes	416	262	1,205	1,045
Net income/(loss)	943	843	2,994	2,698
Net income/(loss) attributable to noncontrolling interest	(1)	1	(2)	10
Net income/(loss) attributable to Kraft Heinz	944	842	2,996	2,688
Preferred dividends[(c)]	—	—	—	180
Net income/(loss) attributable to common shareholders	$ 944	$ 842	$ 2,996	$ 2,508
Basic shares outstanding	1,218	1,218	1,218	1,216
Diluted shares outstanding	1,228	1,228	1,229	1,226
Per share data applicable to common shareholders:				
Basic earnings/(loss) per share	$ 0.78	$ 0.69	$ 2.46	$ 2.06
Diluted earnings/(loss) per share	0.77	0.69	2.44	2.05

(a) Integration and restructuring expenses recorded in cost of products sold were $80 million for the three months ended September 30, 2017 ($59 million after-tax), $152 million for the three months ended October 2, 2016 ($102 million after-tax), $124 million for the nine months ended September 30, 2017 ($93 million after-tax), and $532 million for the nine months ended October 2, 2016 ($361 million after-tax).

(b) Integration and restructuring expenses recorded in selling, general and administrative expenses were $15 million in the three months ended September 30, 2017 ($12 million after-tax), $85 million in the three months ended October 2, 2016 ($57 million after-tax), $113 million in the nine months ended September 30, 2017 ($77 million after-tax), and $249 million in the nine months ended October 2, 2016 ($169 million after-tax).

(c) On June 7, 2016, we redeemed all outstanding shares of our Series A Preferred Stock, therefore we no longer pay any associated dividends. Prior to the redemption, we made cash distributions of $180 million in the nine months ended October 2, 2016 related to the Series A Preferred Stock dividend. There were no cash distributions related to our Series A Preferred Stock for the three months ended April 3, 2016 because, concurrent with the declaration of our common stock dividend on December 8, 2015, we also declared and paid the Series A Preferred Stock dividend that would otherwise have been payable on March 7, 2016.

Appendix

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	Impact of Currency	Organic Net Sales	Price	Volume/Mix
September 30, 2017					
United States	$ 4,380	$ —	$ 4,380		
Canada	559	22	537		
Europe	599	22	577		
Rest of World	776	(2)	778		
	$ 6,314	$ 42	$ 6,272		
October 2, 2016					
United States	$ 4,395	$ —	$ 4,395		
Canada	550	—	550		
Europe[a]	558	—	558		
Rest of World[a]	764	12	752		
	$ 6,267	$ 12	$ 6,255		
Year-over-year growth rates					
United States	(0.4)%	0.0 pp	(0.4)%	0.4 pp	(0.8) pp
Canada	1.6 %	4.0 pp	(2.4)%	(1.9) pp	(0.5) pp
Europe[a]	7.3 %	3.9 pp	3.4 %	(0.7) pp	4.1 pp
Rest of World[a]	1.6 %	(2.0) pp	3.6 %	3.8 pp	(0.2) pp
Kraft Heinz	0.7 %	0.4 pp	0.3 %	0.5 pp	(0.2) pp

[a] In the fourth quarter of 2016, the Company moved the Russia business from Rest of World to the Europe segment. This change resulted in reclassification of net sales from Rest of World to the Europe segment of $45 million for the three months ended October 2, 2016.

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	Impact of Currency	Organic Net Sales	Price	Volume/Mix
September 30, 2017					
United States	$ 13,566	$ —	$ 13,566		
Canada	1,599	15	1,584		
Europe	1,737	(42)	1,779		
Rest of World	2,453	5	2,448		
	$ 19,355	$ (22)	$ 19,377		
October 2, 2016					
United States	$ 13,802	$ —	$ 13,802		
Canada	1,692	—	1,692		
Europe[a]	1,766	—	1,766		
Rest of World[a]	2,370	34	2,336		
	$ 19,630	$ 34	$ 19,596		
Year-over-year growth rates					
United States	(1.7)%	0.0 pp	(1.7)%	0.2 pp	(1.9) pp
Canada	(5.5)%	0.9 pp	(6.4)%	(2.4) pp	(4.0) pp
Europe[a]	(1.6)%	(2.3) pp	0.7 %	(1.0) pp	1.7 pp
Rest of World[a]	3.5 %	(1.3) pp	4.8 %	4.1 pp	0.7 pp
Kraft Heinz	(1.4)%	(0.3) pp	(1.1)%	0.4 pp	(1.5) pp

[a] In the fourth quarter of 2016, the Company moved the Russia business from Rest of World to the Europe segment. This change resulted in reclassification of net sales from Rest of World to the Europe segment of $122 million for the nine months ended October 2, 2016.

Appendix

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 30, 2017	October 2, 2016	September 30, 2017	October 2, 2016
Net income/(loss)	$ 943	$ 843	$ 2,994	$ 2,698
Interest expense	306	311	926	824
Other expense/(income), net	(4)	(3)	8	(5)
Provision for/(benefit from) income taxes	416	262	1,205	1,045
Operating income	1,661	1,413	5,133	4,562
Depreciation and amortization (excluding integration and restructuring expenses)	165	116	434	401
Integration and restructuring expenses	95	237	237	781
Merger costs	—	4	—	33
Unrealized losses/(gains) on commodity hedges	(5)	22	24	(23)
Impairment losses	1	—	49	53
Nonmonetary currency devaluation	—	1	—	4
Equity award compensation expense (excluding integration and restructuring expenses)	12	10	38	30
Adjusted EBITDA	$ 1,929	$ 1,803	$ 5,915	$ 5,841
Segment Adjusted EBITDA:				
United States	$ 1,440	$ 1,349	$ 4,478	$ 4,360
Canada	162	148	477	491
Europe[a][b]	206	191	578	592
Rest of World[a]	149	145	475	513
General corporate expenses[b]	(28)	(30)	(93)	(115)
Adjusted EBITDA	$ 1,929	$ 1,803	$ 5,915	$ 5,841

[a] In the fourth quarter of 2016, the Company moved the Russia business from Rest of World to the Europe segment. This change resulted in the reclassification of Segment Adjusted EBITDA from Rest of World to the Europe segment of $5 million for the three months and $12 million for the nine months ended October 2, 2016.

[b] In the fourth quarter of 2016, management of our GPO moved from one of our European subsidiaries to our global headquarters. This change resulted in the reclassification of Segment Adjusted EBITDA from the Europe segment to general corporate expenses of $3 million for the three months and $8 million for the nine months ended October 2, 2016.

Appendix

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	Impact of Currency	Constant Currency Adjusted EBITDA
September 30, 2017			
United States	$ 1,440	$ —	$ 1,440
Canada	162	7	155
Europe	206	5	201
Rest of World	149	(2)	151
General corporate expenses	(28)	(1)	(27)
	$ 1,929	$ 9	$ 1,920
October 2, 2016			
United States	$ 1,349	$ —	$ 1,349
Canada	148	—	148
Europe[(a)(b)]	191	—	191
Rest of World[(a)]	145	4	141
General corporate expenses[(b)]	(30)	—	(30)
	$ 1,803	$ 4	$ 1,799
Year-over-year growth rates			
United States	6.8 %	0.0 pp	6.8 %
Canada	9.0 %	4.2 pp	4.8 %
Europe[(a)(b)]	7.9 %	2.4 pp	5.5 %
Rest of World[(a)]	2.7 %	(3.7) pp	6.4 %
General corporate expenses[(b)]	(7.0)%	1.5 pp	(8.5)%
Kraft Heinz	7.0 %	0.3 pp	6.7 %

[(a)] In the fourth quarter of 2016, the Company moved the Russia business from Rest of World to the Europe segment. This change resulted in the reclassification of Segment Adjusted EBITDA from Rest of World to the Europe segment of $5 million for the three months ended October 2, 2016.

[(b)] In the fourth quarter of 2016, management of our GPO moved from one of our European subsidiaries to our global headquarters. This change resulted in the reclassification of Segment Adjusted EBITDA from the Europe segment to general corporate expenses of $3 million for the three months ended October 2, 2016.

Appendix

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	Impact of Currency	Constant Currency Adjusted EBITDA
September 30, 2017			
United States	$ 4,478	$ —	$ 4,478
Canada	477	3	474
Europe	578	(27)	605
Rest of World	475	(1)	476
General corporate expenses	(93)	—	(93)
	$ 5,915	$ (25)	$ 5,940
October 2, 2016			
United States	$ 4,360	$ —	$ 4,360
Canada	491	—	491
Europe[a][b]	592	—	592
Rest of World[a]	513	16	497
General corporate expenses[b]	(115)	—	(115)
	$ 5,841	$ 16	$ 5,825
Year-over-year growth rates			
United States	2.7 %	0.0 pp	2.7 %
Canada	(2.9)%	0.6 pp	(3.5)%
Europe[a][b]	(2.4)%	(4.7) pp	2.3 %
Rest of World[a]	(7.6)%	(3.1) pp	(4.5)%
General corporate expenses[b]	(19.2)%	0.0 pp	(19.2)%
Kraft Heinz	1.3 %	(0.7) pp	2.0 %

[a] In the fourth quarter of 2016, the Company moved the Russia business from Rest of World to the Europe segment. This change resulted in the reclassification of Segment Adjusted EBITDA from Rest of World to the Europe segment of $12 million for the nine months ended October 2, 2016.

[b] In the fourth quarter of 2016, management of our GPO moved from one of our European subsidiaries to our global headquarters. This change resulted in the reclassification of Segment Adjusted EBITDA from the Europe segment to general corporate expenses of $8 million for the nine months ended October 2, 2016.

Kraft Heinz

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 30, 2017		October 2, 2016		September 30, 2017		October 2, 2016	
Diluted EPS	$	0.77	$	0.69	$	2.44	$	2.05
Integration and restructuring expenses[a][c]		0.06		0.13		0.14		0.43
Merger costs[a][b]		—		—		—		0.02
Unrealized losses/(gains) on commodity hedges[a][b]		—		0.01		0.01		(0.02)
Impairment losses[a][b]		—		—		0.03		0.03
Nonmonetary currency devaluation[a][d]		—		—		0.03		—
Preferred dividend adjustment[e]		—		—		—		(0.10)
Adjusted EPS	$	0.83	$	0.83	$	2.65	$	2.41

(a) Income tax expense associated with these items is based on applicable jurisdictional tax rates and deductibility assessments of individual items.

(b) Refer to the reconciliation of net income/(loss) to Adjusted EBITDA for the related gross expenses.

(c) Integration and restructuring expenses include the following gross expenses:

Expenses recorded in cost of products sold of $80 million for the three months and $124 million for the nine months ended September 30, 2017 and $152 million for the three months and $532 million for the nine months ended October 2, 2016;

Expenses recorded in selling, general and administrative expenses of $15 million for the three months and $113 million for the nine months ended September 30, 2017 and $85 million for the three months and $249 million for the nine months ended October 2, 2016; and

Expenses recorded in other expense/(income), net, of $2 million for the three months and nine months ended October 2, 2016 (there were no such expenses for the three and nine months ended September 30, 2017).

(d) Nonmonetary currency devaluation includes the following gross expenses/(income):

Expenses recorded in cost of products sold of $1 million for the three months and $4 million for the nine months ended October 2, 2016 (there were no such expenses for the three and nine months ended September 30, 2017); and

Expenses/(income) recorded in other expense/(income), net, including expenses of $3 million for the three months and $36 million for the nine months ended September 30, 2017 and income of $6 million for the three months and expense of $1 million for the nine months ended October 2, 2016.

(e) For Adjusted EPS, we present the impact of the Series A Preferred Stock dividend payments on an accrual basis. Accordingly, we included an adjustment to EPS to include $180 million of Series A Preferred Stock dividends in the first quarter of 2016 (to reflect the March 7, 2016 Series A Preferred Stock dividend that was paid in December 2015), and to exclude $51 million of Series A Preferred Stock dividends from the second quarter of 2016 (to reflect that it was redeemed on June 7, 2016).

Appendix

Schedule 8

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

	September 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	$ 1,441	$ 4,204
Trade receivables, net	883	769
Sold receivables	482	129
Inventories	3,188	2,684
Other current assets	1,234	967
Total current assets	7,228	8,753
Property, plant and equipment, net	6,934	6,688
Goodwill	44,858	44,125
Intangible assets, net	59,500	59,297
Other assets	1,531	1,617
TOTAL ASSETS	$ 120,051	$ 120,480
LIABILITIES AND EQUITY		
Commercial paper and other short-term debt	$ 455	$ 645
Current portion of long-term debt	2,755	2,046
Trade payables	3,947	3,996
Accrued marketing	493	749
Accrued postemployment costs	158	157
Income taxes payable	169	255
Interest payable	295	415
Other current liabilities	1,115	1,238
Total current liabilities	9,387	9,501
Long-term debt	28,299	29,713
Deferred income taxes	20,898	20,848
Accrued postemployment costs	1,808	2,038
Other liabilities	688	806
TOTAL LIABILITIES	61,080	62,906
Equity:		
Common stock, $0.01 par value	12	12
Additional paid-in capital	58,695	58,593
Retained earnings/(deficit)	1,360	588
Accumulated other comprehensive income/(losses)	(1,085)	(1,628)
Treasury stock, at cost	(223)	(207)
Total shareholders' equity	58,759	57,358
Noncontrolling interest	212	216
TOTAL EQUITY	58,971	57,574
TOTAL LIABILITIES AND EQUITY	$ 120,051	$ 120,480