



**Kraft***Heinz*

BARCLAYS  
STIFEL NICOLAUS  
CHICAGO FOOD  
FIELD TRIP

MAY 13, 2022



This presentation contains a number of forward-looking statements. Words such as "accelerate," "advance," "build," “capture,” “create,” “deliver,” “develop,” “enable,” “engineer,” “execute,” “focus,” “gain,” “generate,” “grow,” “hold,” “implement,” “improve,” “increase,” “integrate,” “invent,” “invigorate,” “leverage,” “maintain,” “make,” “modernize,” “navigate,” “open,” “partner,” “position,” “provide,” “reduce,” “shorten,” “strengthen,” “transform,” “uncover,” “unlock,” “upgrade,” “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 at the end of this presentation and the reconciliations at [ir.kraftheinzcompany.com/events-and-webcasts](https://www.kraftheinzcompany.com/events-and-webcasts) for more information.



The image features a diagonal split background. The left side is a solid light gray, while the right side shows a close-up of a ketchup production line with several glass jars filled with red ketchup, each with a white cap and a label, moving along a metal conveyor belt. The Kraft Heinz logo is positioned on the left side of the image.

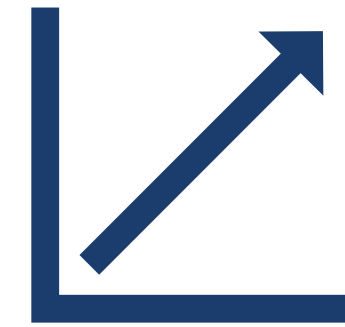
# Kraft *Heinz*

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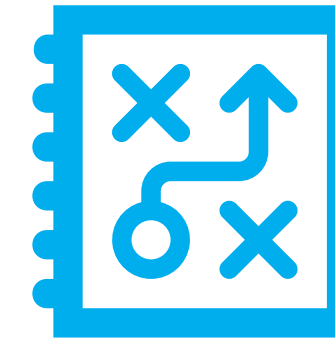
**Miguel Patricio**

Chairman and Chief Executive Officer

The next stage of  
our  
**transformation**  
is gaining  
momentum



Delivering  
**strong  
results**



While  
navigating  
**short-term  
turbulence**



And advancing  
**long-term  
strategy**

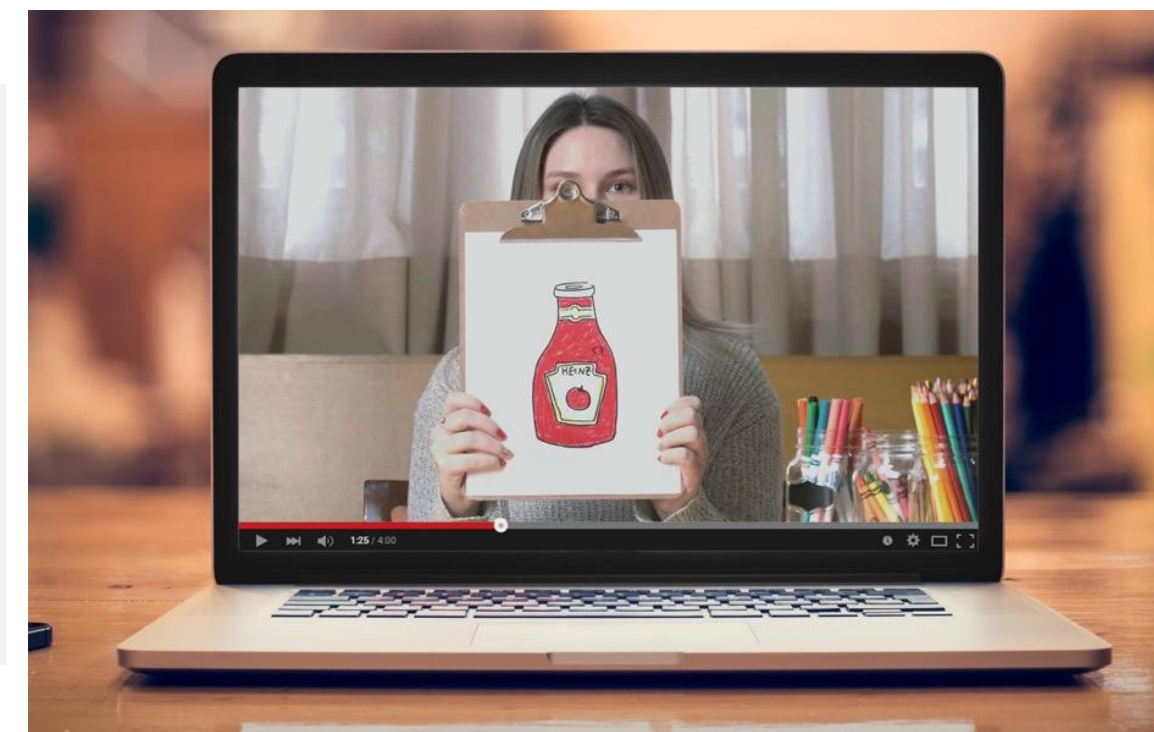


Making rapid advancements to **drive results today** and set us up for **future growth**

## Reinvigorated Product **PORTFOLIO**



## Disruptive **MARKETING**



## New Ways of **WORKING**







**Kraft***Heinz*

**Product Portfolio**



Kraft Heinz is a \$26B global food and beverage company

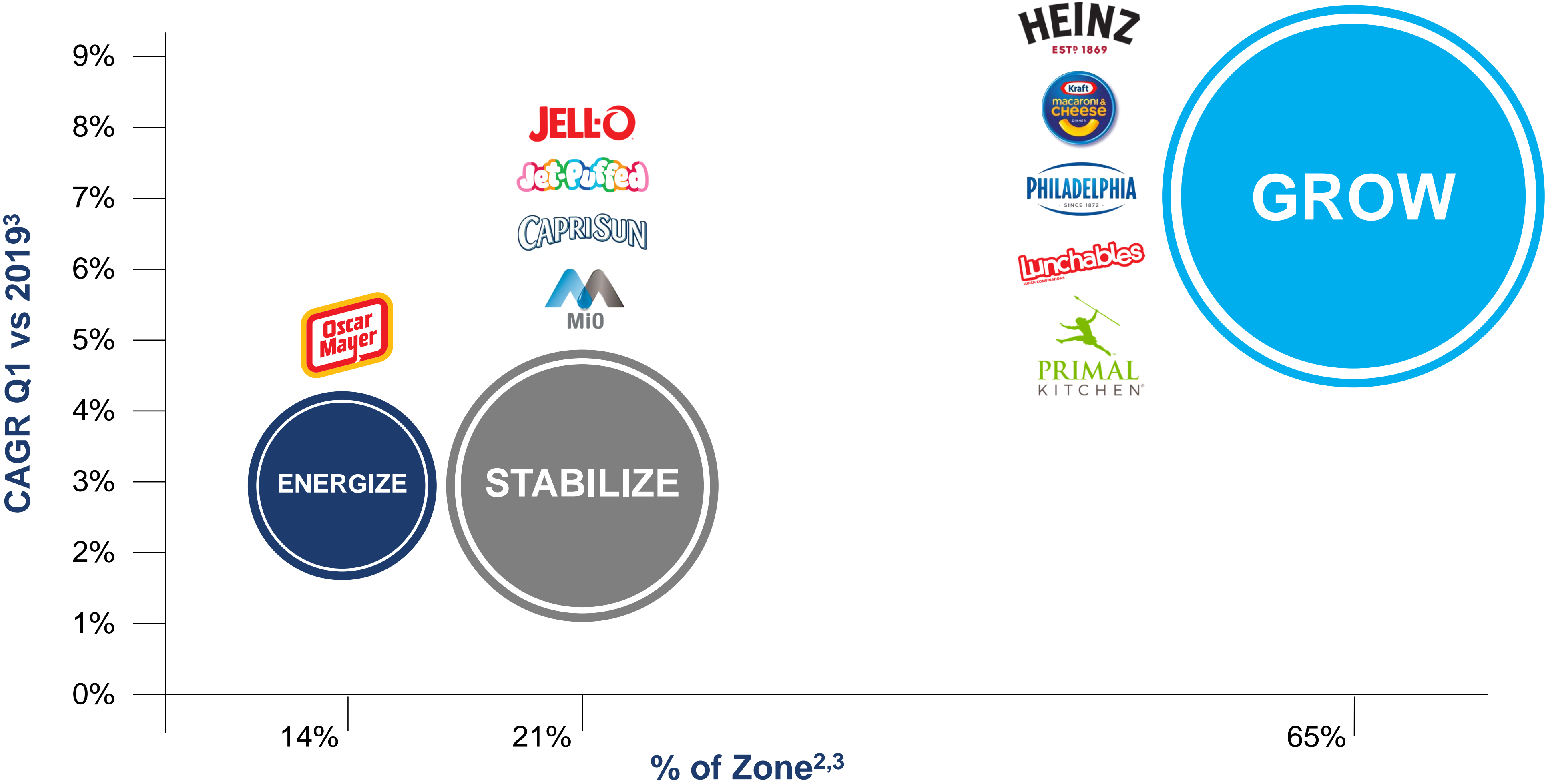
8 Brands represent approximately 50% of our business<sup>1</sup>



1| Financials reflect 2021 net sales by brand globally for the ongoing business

**Resilient growth** across our consumer platforms

US Zone Organic Net Sales<sup>1</sup> heavily weighted to attractive GROW platforms



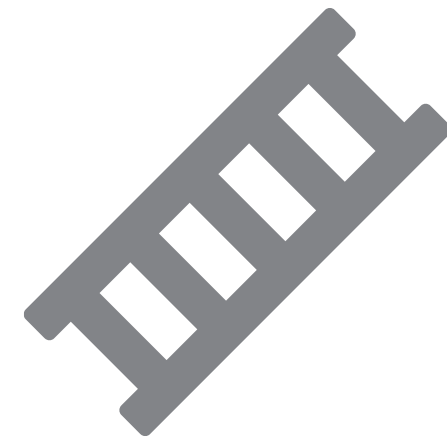
1| Non-GAAP financial measure. See [ir.kraftheinzcompany.com/events-and-webcasts](https://ir.kraftheinzcompany.com/events-and-webcasts) for more information, including GAAP to non-GAAP reconciliations.  
2| Results for Q1 2022  
3| Excludes Kraft Heinz Ingredients business.



**Actively  
managing**  
short-term  
challenges  
while providing  
great value  
long-term



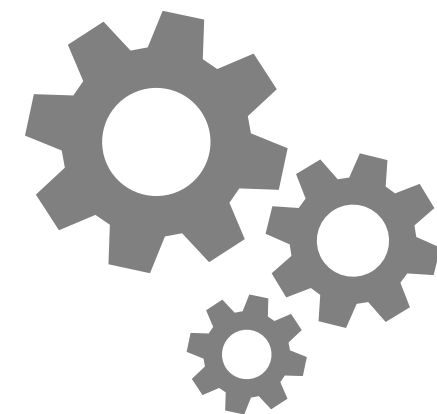
**Reduced private label exposure** with an improved position relative to peers



Offering consumer choices across rungs of **price ladder**



**Tailoring Value Beyond Price** to address consumer needs

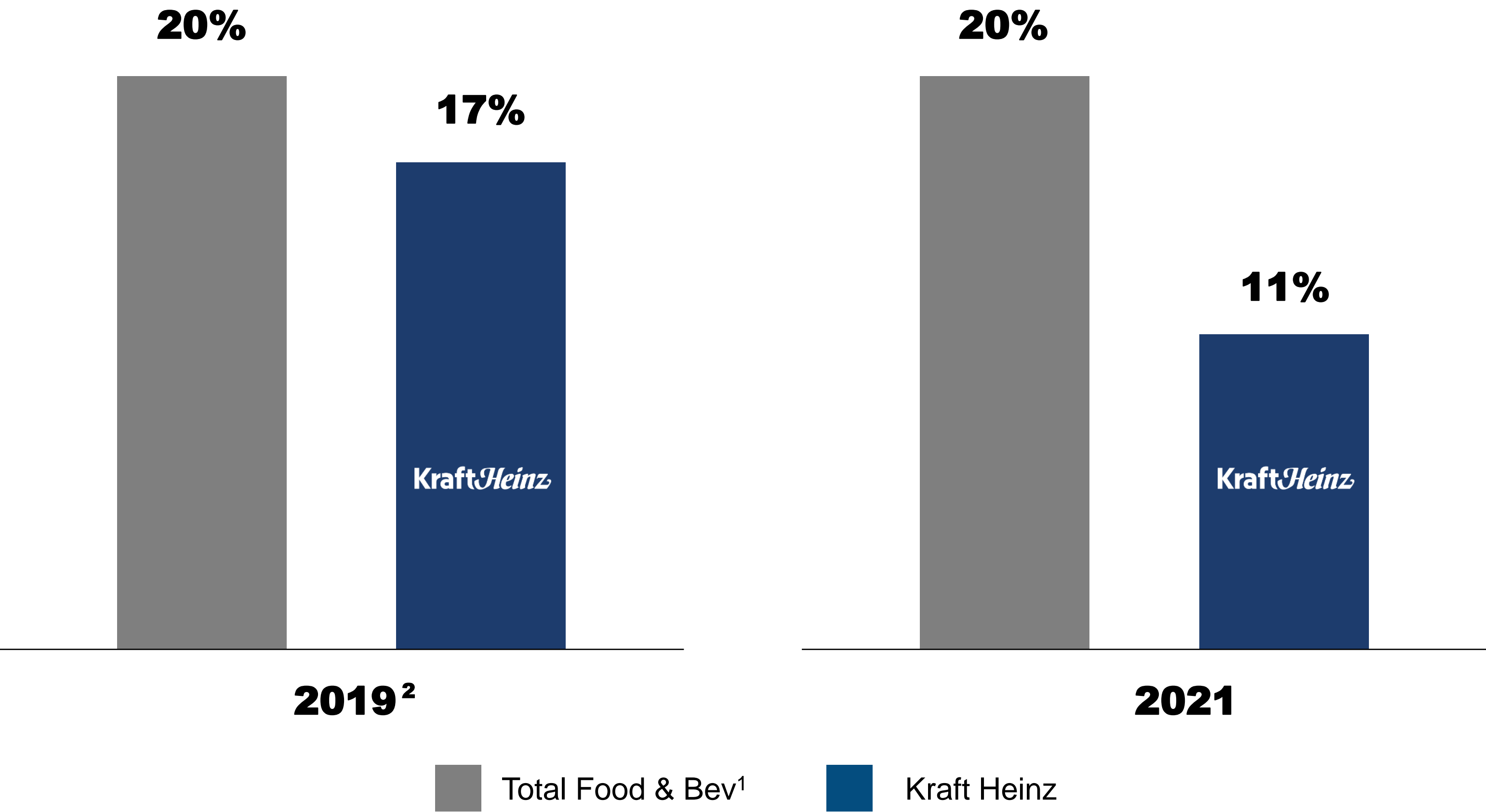


**Renovating products** to improve flexibility, cost, and value proposition



**Reduced  
Exposure** to  
Private Label

Private Label Exposure



1| IRI, Multi Outlet (excluding Convenience). 2019 = 52 Weeks ending 12/29/2019, 2021 = 52 Weeks ending 12/26/2021. Total edible universe excludes categories with <\$1M in consumption; KHC figures presented on basis of categories where the Company competes.  
2| The Company views comparison to the 2019 period to be more meaningful than the comparable 2020 period given the exceptional, COVID-19-related consumer demand changes experienced in the 2020 period.



Differentiation  
across pricing  
ladder throughout  
portfolio



Lower \$ per Serving



Higher \$ per Serving



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

Value Beyond Price

*Leveraging unique breadth of portfolio and occasion-based insights*

*Tailoring approach to consumers by demand moment / shopping preferences*







**Kraft***Heinz*

**Robert Scott**

President of Research and Development,  
North America



Driving value through  
**reinvigorating brands**

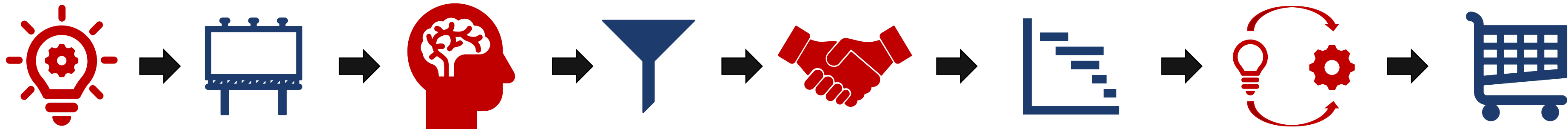
Brand Design to Value Process

Insights Generation

Ideation Workshop

Decision Meeting

Implementation



Opportunity Boards

Rapid Sizing & Idea Validation

Brand Roadmap

Go-to-market



Agile & Design Thinking Methodology



Driving value  
through  
**reinvigorating  
brands**

Brand Design to Value

 Versatility	<b>Pleasure Point:</b> Delicious Goopy Melt is most important to me when it comes to American Cheese
	<b>Pain Point:</b> I only use American Cheese on Grilled Cheese and Burgers
	<b>Pain Point:</b> American Cheese is too mild when I want a kick of flavor
 Quality	<b>Pleasure Point:</b> Healthy eating and functional nutrition is important to me
	<b>Pain Point:</b> Sometimes my Kraft Singles are discolored and hard
 Convenience	<b>Pain Point:</b> As soon as I open a package the slices go everywhere, making a messy refrigerator



Resealable  
Cost+



Optimizing Protein  
Source Cost-



ESG Focused  
Pack Cost+



The background of the slide is a collage of numerous small, white rectangular cards. Each card features a hand-drawn sketch of a ketchup bottle in various styles, colors (mostly red and pink), and orientations. Some bottles are labeled with 'KETCHUP' or 'HEINZ'. The cards are arranged in a dense, overlapping pattern, creating a textured, artistic backdrop. A diagonal white line runs from the top left towards the bottom right, separating the lighter left side from the darker right side.

# Kraft*Heinz*

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## Disruptive Marketing





**Kraft***Heinz*

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**Sanjiv Gajiwala**

Chief Growth Officer,  
North America

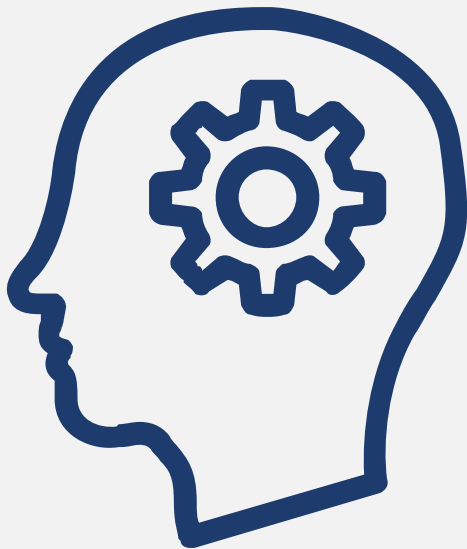




**Transforming  
Marketing** to Be  
More Impactful  
and Efficient

KRAFTOMATIC

1



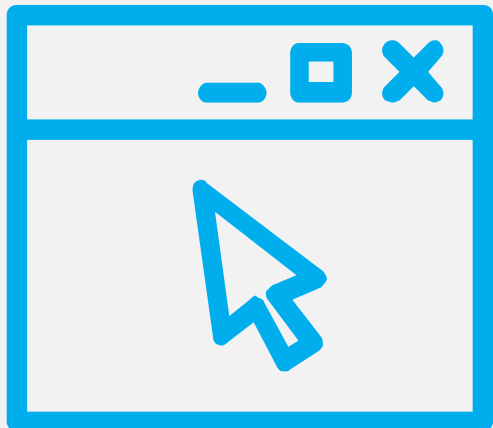
Granular  
Consumer  
Intimacy

2



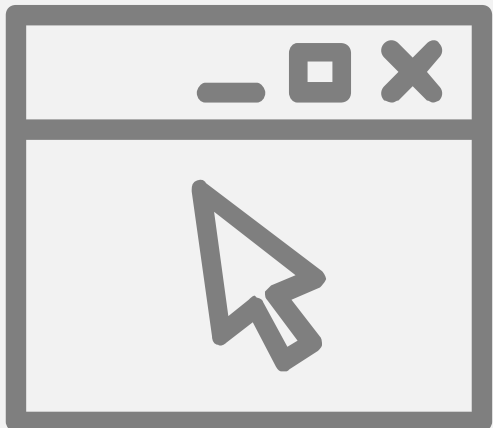
Meaningful  
Growth  
Opportunities

3



Brand+  
Performance  
Media  
Approach

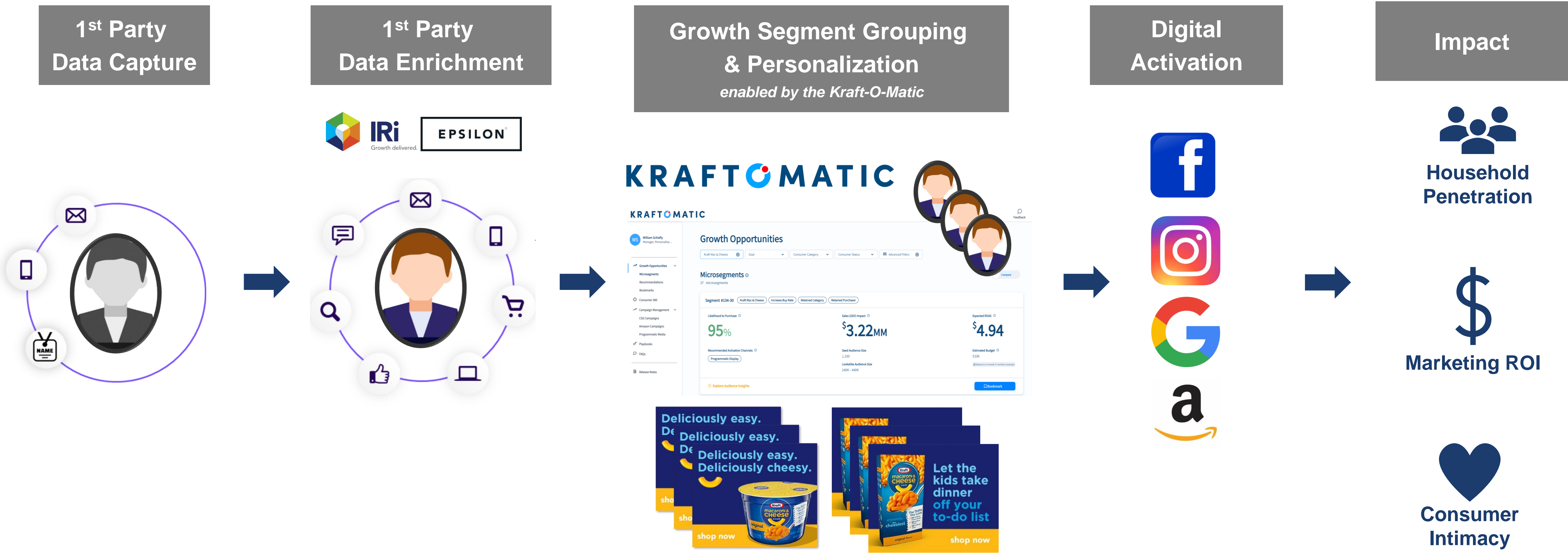
4



More  
Effective  
Creative

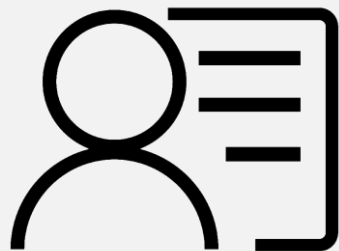


We are Re-Imagining how we do Media and Activation





**Deeper**  
Customer  
Understanding



Leveraging powerful brands and CRM assets to acquire and enrich more First Party Data  
  
(33M IDs across 400 attributes)



Strengthening strategic data partnerships to enable stronger insights



Developed proprietary data science and AI models to identify growth opportunities based on our platforms



User Interface  
enables **high  
value insight  
& business  
decisions** with  
speed

KRAFTMATIC

Growth Opportunities

Microsegments

Recommendations

Bookmarks

Consumer 360

Campaign Management

CSG Campaigns

Amazon Campaigns

Programmatic Media

Playbooks

FAQs

Release Notes

Growth Opportunities

Goal

Consumer Category

Consumer Status

Advanced Filters

Microsegments ⓘ

37 microsegments

Compare

Segment #134-30 Kraft Mac & Cheese Increase Buy Rate Retained Category Retained Purchaser

Likelihood to Purchase ⓘ  
95%

Sales (GSV) Impact ⓘ  
\$3.22MM

Expected ROAS ⓘ  
\$4.94

Recommended Activation Channels ⓘ  
Programmatic Display

Seed Audience Size  
1,330

Lookalike Audience Size  
240K - 440K

Estimated Budget ⓘ  
\$33K  
Based on a 6 week in-market campaign

Explore Audience Insights


Bookmark



Transforming Marketing to Be More Impactful and Efficient

Retail Media Examples: Amazon

Control Creative



Kraft Original Flavor Macaroni and Chees...

★★★★★ 276

\$13.40 ☐ prime

Subscribe & Save

Shop now

Consumer need: Managing the Household



Keep Mac on hand to feed the fam

Kraft Original Flavor Macaroni and Chees...

★★★★★ 276

\$13.40 ☐ prime

Subscribe & Save

Shop now

Consumer need: Family Time



Make memories over Mac

Kraft Original Flavor Macaroni and Chees...

★★★★★ 276

\$13.40 ☐ prime

Subscribe & Save

Shop now

Consumer need: Customization



We like to get dressed up too

Kraft Original Flavor Macaroni and Chees...

★★★★★ 276

\$13.40 ☐ prime

Subscribe & Save

Shop now

Consumer need: Anytime Meals

Dinner

Lunch

Breakfast

For the meals and the meals between meals



Kraft Original Flavor Macaroni and Chees...

★★★★★ 276

\$13.40 ☐ prime

Subscribe & Save

Shop now

Consumer need: Comfort & Cravings



Cheesy, kid pleasey perfection

Kraft Original Flavor Macaroni and Chees...

★★★★★ 276

\$13.40 ☐ prime

Subscribe & Save

Shop now



**Transforming Marketing** to Be More Impactful and Efficient

Media Examples: Personalized Programmatic Display

**Audience: Blue Box Buyers w/ Kids A12-18**  
**Test:** What consumer need-based messaging drives higher sales lift for HH w/kids A12-18?

Control



Consumer need: Expression



Consumer need: Independence



Consumer need: Connection





Journey  
to date

Test phase launched 50+ agile marketing campaigns with a 15% ROAS gain while AI-built microsegments delivered 40%+ ROAS gains

Where we started

Agency-led activations  
Limited capability for scale



Where are we today

Refactored models with 3<sup>rd</sup> Party data  
Expanded channels and brands  
Achieved proof of value

KRAFTOMATIC



Going forward

Rollout end-to-end integration across all software

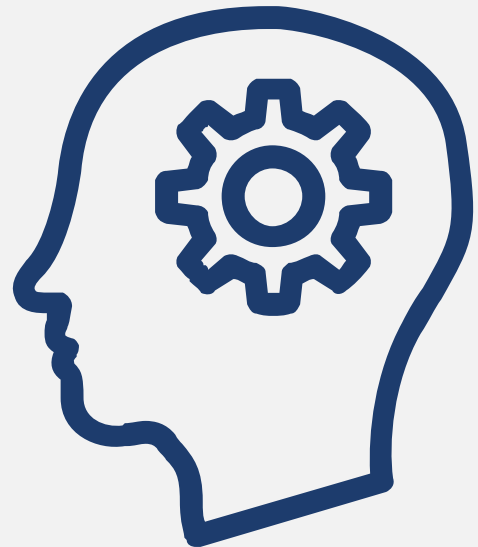
Build models for 20+ brands

Scale activations to 60%+ of business



**Transforming  
Marketing** to Be  
More Impactful  
and Efficient

1



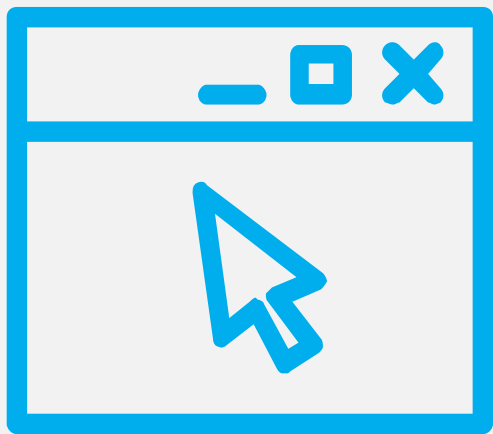
Granular  
Consumer  
Intimacy

2



Meaningful  
Growth  
Opportunities

3



Brand+  
Performance  
Media  
Approach

4



More  
Effective  
Creative



## The Kitchen – Creating at the Speed of Culture

### Real Scale

- Full Portfolio
- 98 Creators Strong
- Social Listening
- Creation
- Production

### More Efficient

- Reduced Agency Fees
- Lower Production Cost
- Faster Speed to Market

### Winning Externally



THE 30 BEST ADS OF 2021





# THE Kitchen



VOTE FOR MARCH'S MOST DUNKABLE SNACK.



Color of the Bowl 2022

MACTONE

Very Cheesi

130 C

 NOODLEVERSE 852388







# Kraft*Heinz*

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**Carlos Abrams-Rivera**

EVP and President,  
North America



**Reengineering  
Kraft Heinz** to  
create the  
structure required  
to **implement  
agility**  
throughout the  
organization



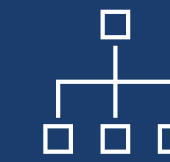


Prioritizing the most critical initiatives will **unlock end-to-end efficiencies** across the entire value chain



### Cross-Functional Agile Pods

- Embed solutions back to business
- 1,300+ team members trained by 2022



### Organization Re-Structure

- Reduced organizational layers
- Increased managers' span of control



### Company-Wide Capabilities

- Developed fit-to-compete and fit-to-win capabilities
- Integrate agile mindset and principles



### Digital Factory

- Hired 100 tech talents
- Tech ecosystem creating new to world, proprietary solutions



We've  
launched  
**25 pods** in  
**3 critical**  
**areas** to  
deliver  
our **strategic**  
**priorities**

Consumer  
Intimacy  
and  
Innovation

Advantaged  
Relationships  
with our  
Customers

Resilient  
and  
Agile Supply  
Chain



We've launched **25 pods** in **3 critical areas** to deliver our **strategic priorities**

Critical Area	# of Pods	Ambition	Transformational KPI
Marketing	2	Engage with consumers to increase brand conversion	ROAS Lift
Disruptive Innovation	6	Build innovation engine to deliver portfolio of the future	Pilots to Scale
Brand Design to Value	3	Optimize existing brands to meet consumer needs	Brand Margin Improvement
Revenue Management	1	Optimize promotions to drive sales growth	Promo Optimization Targets
Sales	1	Extract insights to build customer growth plan	Net Sales sold-in with Customer
Logistics	8	Fulfill customer orders OTIF	CFR Improvement
Manufacturing	2	Identify root causes to troubleshoot lines in plants	Planned loss productivity gain
Procurement	1	Provide insights to identify productivity & saving opportunities	Savings committed into contract
Supply Security	1	Address material and packaging risks to meet growth ambitions	NSV Risk Avoidance



Increasing  
**consumer  
intimacy** and  
accelerating the  
pace of  
**innovation**  
will lead to an  
**advantaged  
portfolio**  
equipped to  
drive growth

Consumer  
Intimacy  
and  
Innovation



## Consumer Intimacy

- Granular, real-time consumer data
- Customized messaging at scale
- Drive brand relevancy



## Innovation

- Shorten innovation time to market
- Develop sustainable innovation
- Accelerate innovation via partnerships

KRAFTOMATIC

Google



Simplot

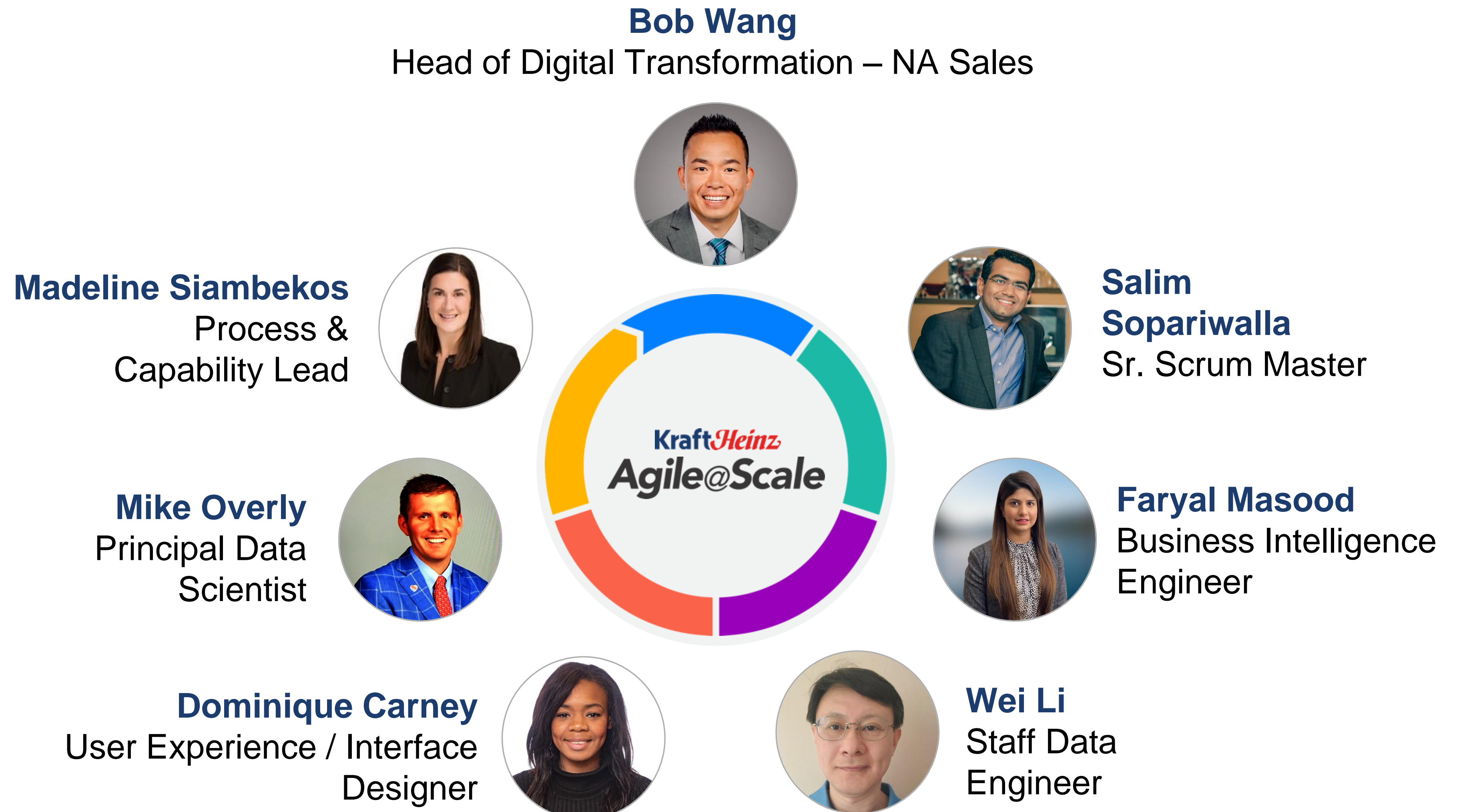
JUST  
SPICES



**Advantaged Portfolio**



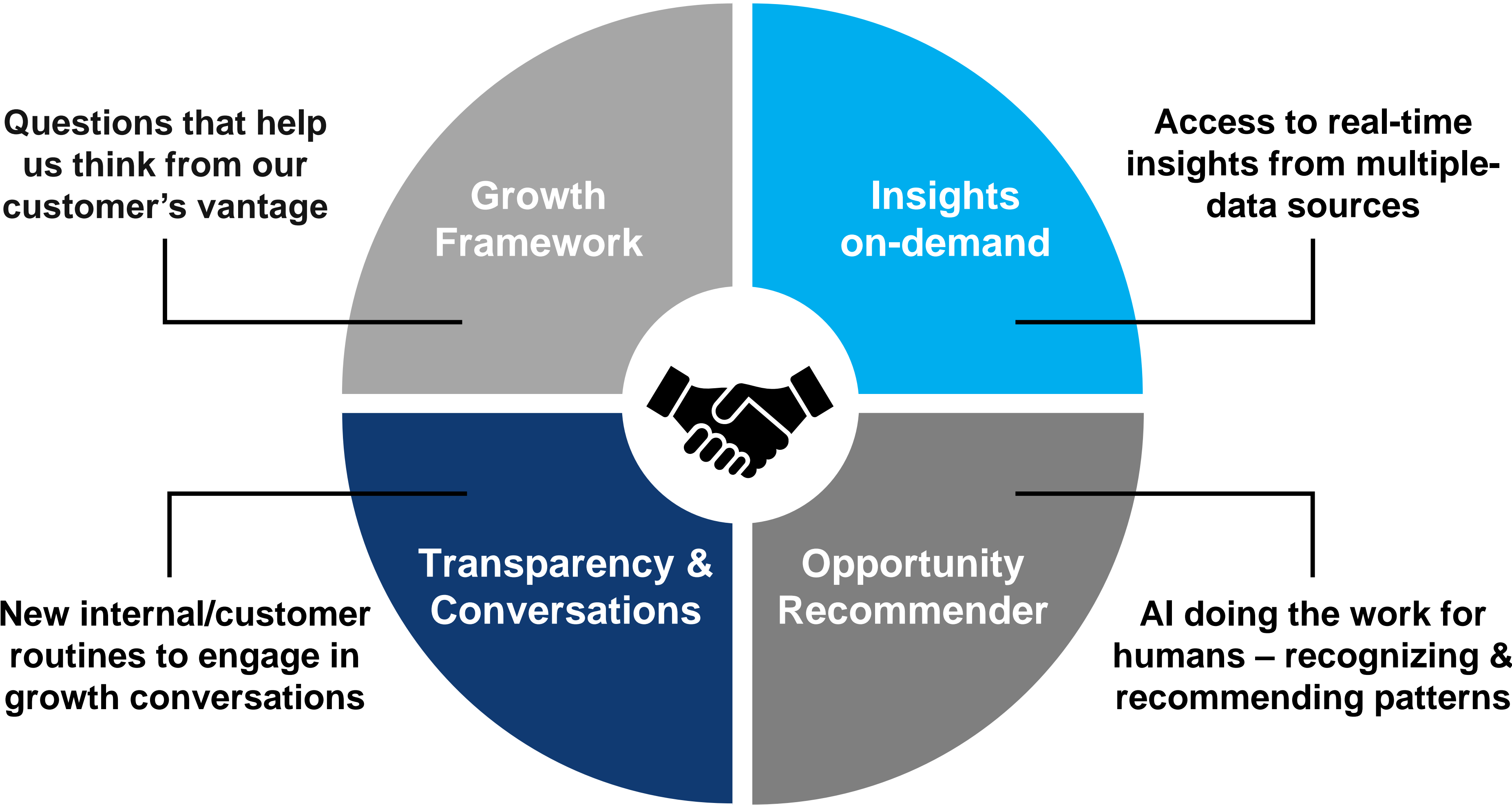
**Strengthening  
partnerships**  
with our  
customers using  
**data-driven  
insights** to drive  
the business





**Strengthening partnerships**

with our customers using **data-driven insights** to drive the business



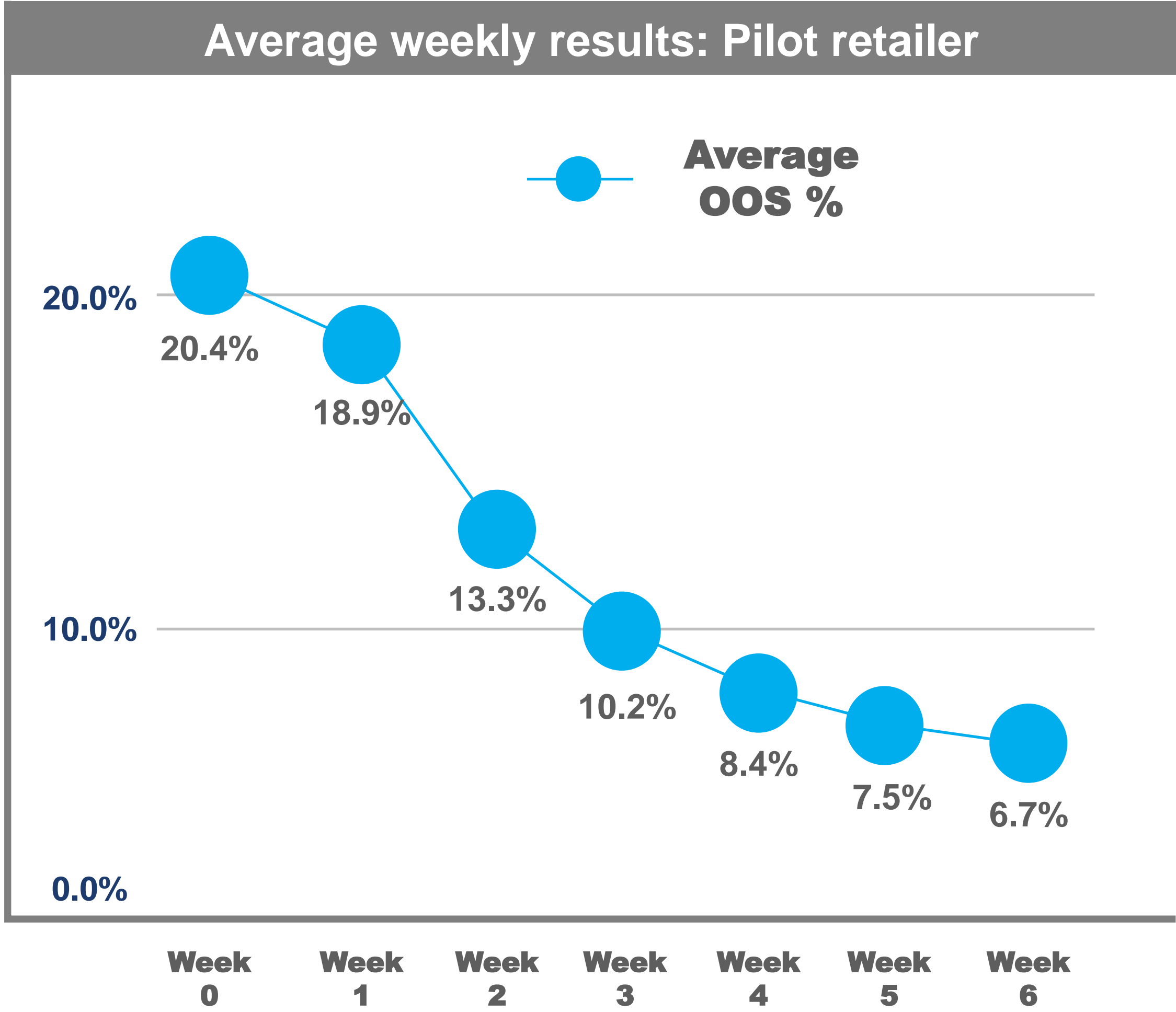


Enabling **increased product availability** with our customers by sharing insights

Bi-directional data exchange with the retailer to drive transparency

Led to the right product, in the right place, at the right time

Out of stock improved within 4 weeks






Our **Microsoft partnership** will accelerate scaling while also **uncovering other transformational enablers**



**HORIZON 1:  
THE BASICS**  
Modernize  
IT Foundation



Upgraded outdated  
systems

All 5 data centers  
in Azure Cloud

**HORIZON 2:  
ACCELERATE  
AGILITY**  
Tech Ecosystem  
in critical areas



Sales JVP Acceleration

Supply Chain  
Control Tower

Manufacturing

**HORIZON 3:  
DRIVE INNOVATION**  
Transform  
the Business



Joint Innovation Lab  
to drive  
new-to-the-world  
Products/Categories



Leveraging  
Agile@Scale to  
**run the  
business** and  
**transform the  
business**



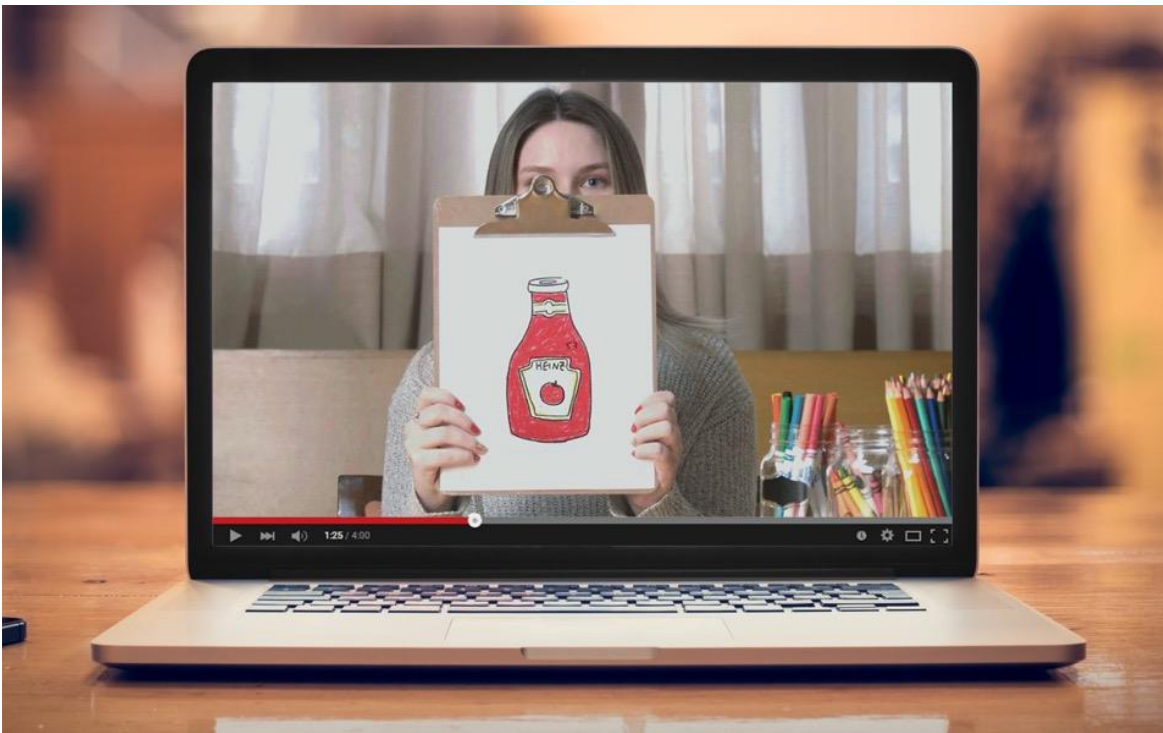


Making rapid advancements to **drive results today** and set us up for **future growth**

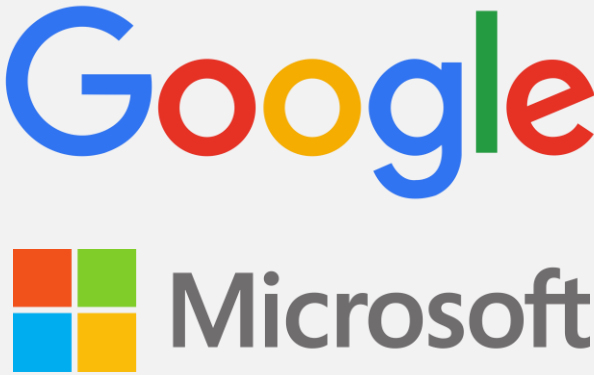
Reinvigorated Product **PORTFOLIO**



Disruptive **MARKETING**



New Ways of **WORKING**





**Financial Strength  
and Flexibility**

**Kraft***Heinz*

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**Andre Maciel**

EVP and Global Chief Financial Officer





**Long-term algorithm**  
builds on the  
results of our  
transformation



Open New **Growth Opportunities**  
Unlock Greater **Efficiencies**  
Generate Meaningful **Free Cash Flow**<sup>1</sup>

**Long-term algorithm:**

Organic Net Sales <sup>1</sup> growth .....	1%-2% <sup>2</sup>	➡	<b>2%-3%<sup>3</sup></b>
Adjusted EBITDA <sup>1</sup> growth .....	2%-3% <sup>2</sup>	➡	<b>4%-6%<sup>3</sup></b>
Adjusted EPS <sup>1</sup> growth .....	4%-6% <sup>2</sup>	➡	<b>6%-8%<sup>3</sup></b>
Free Cash Flow <sup>1</sup> conversion .....	≥ 100% <sup>2</sup>	➡	<b>≥ 100%<sup>3</sup></b>

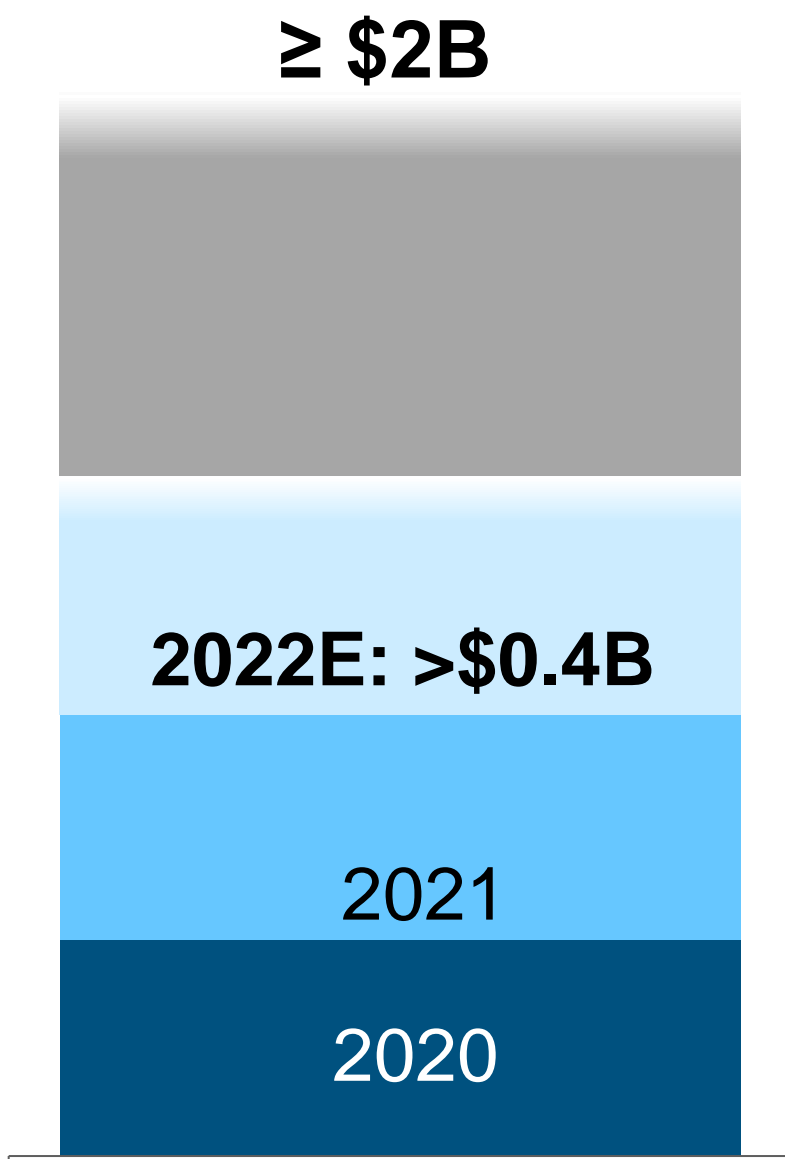
1| Non-GAAP financial measure. See [ir.kraftheinzcompany.com/events-and-webcasts](https://ir.kraftheinzcompany.com/events-and-webcasts) for more information, including GAAP to non-GAAP reconciliations.  
2| As disclosed at Kraft Heinz Investor Day in September 2020.  
3| The targets provided here are as of February 22, 2022 and are not intended to update, amend, or reaffirm the targets provided as of such date.

And drives strong **top-line** and **bottom-line** growth

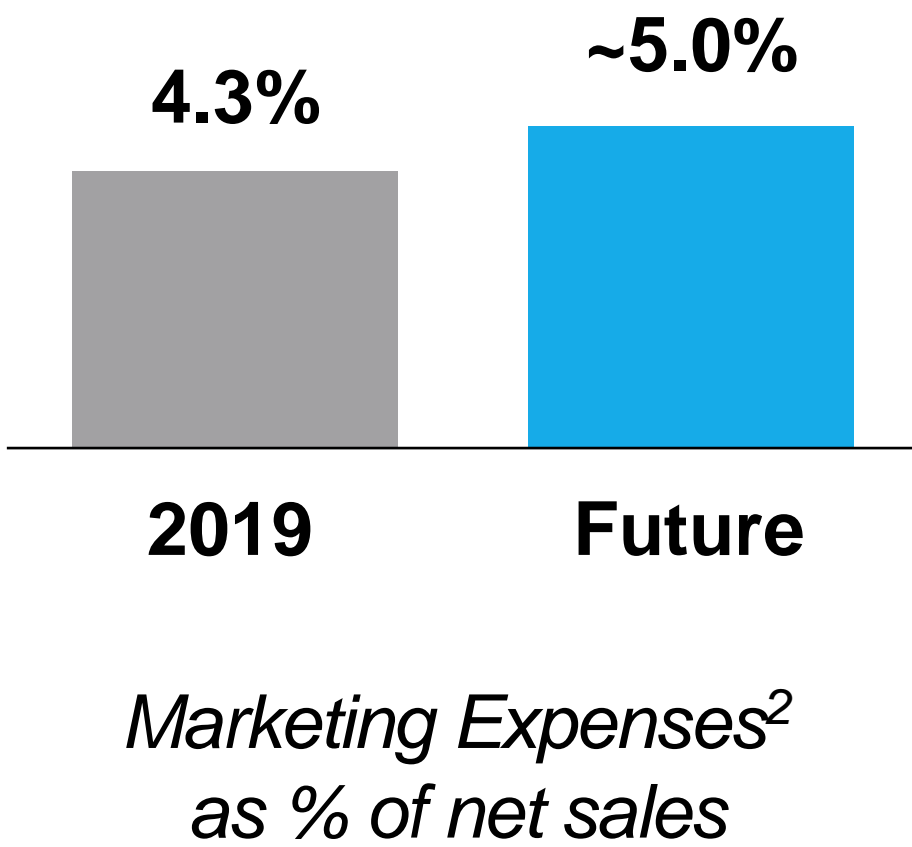
Higher Organic Net Sales<sup>1</sup>, with Improved Mix

- GROW platforms in Developed Markets
- Foodservice worldwide
- Emerging Markets
- Portfolio transformation

Gross Efficiencies of at least \$2B



Increasing Marketing Investments



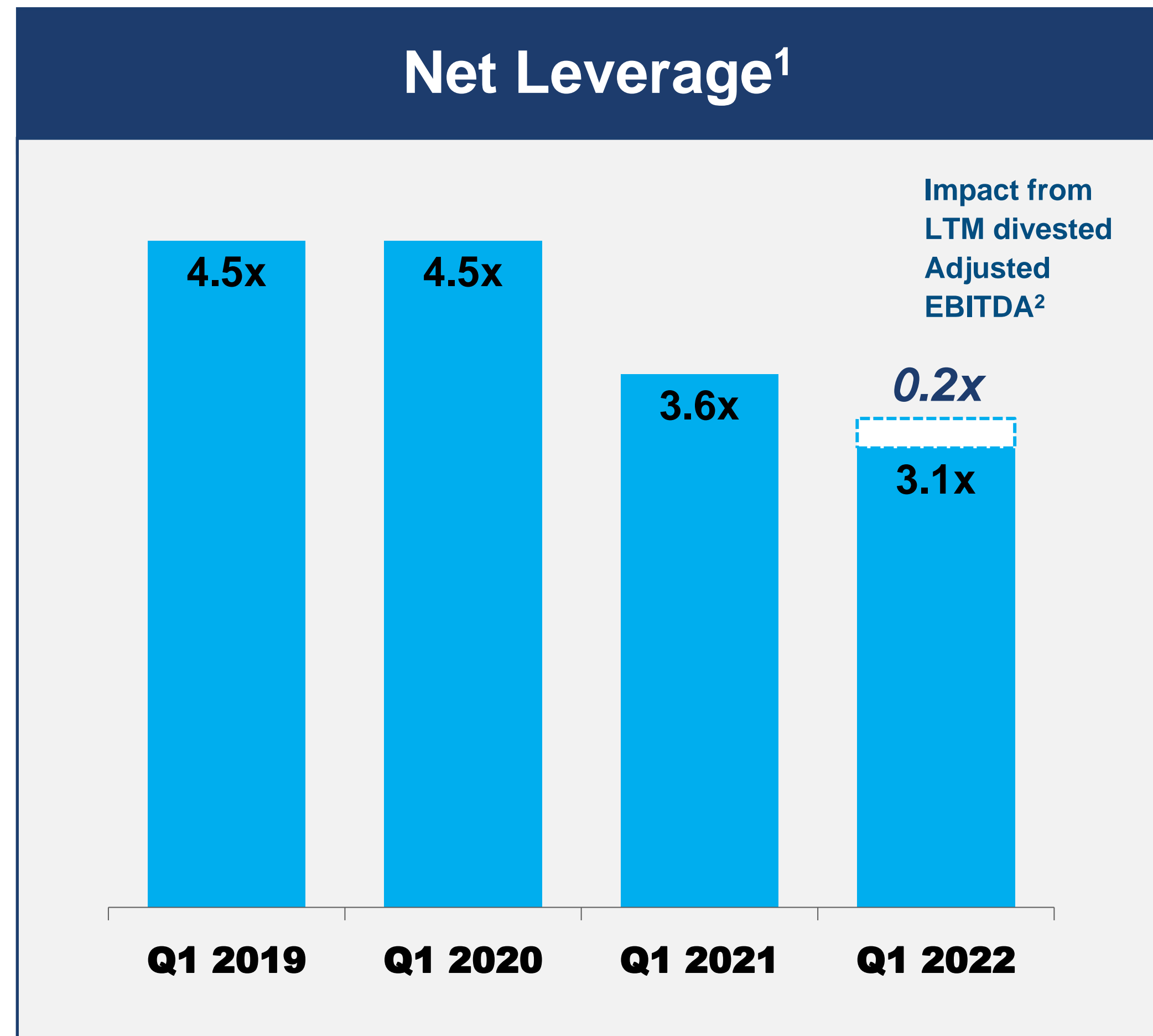
Holding Overhead Flat



1| Non-GAAP financial measure. See [jr.kraftheinzcompany.com/events-and-webcasts](https://www.kraftheinzcompany.com/events-and-webcasts) for more information, including GAAP to non-GAAP reconciliations.  
2| Marketing expenses include advertising expenses plus market research costs. In 2019, advertising expenses as a percentage of net sales were 3.9%.



**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 [ir.kraftheinzcompany.com/events-and-webcasts](https://ir.kraftheinzcompany.com/events-and-webcasts) 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 [ir.kraftheinzcompany.com/events-and-webcasts](https://ir.kraftheinzcompany.com/events-and-webcasts) for more information, including GAAP to non-GAAP reconciliations.



Generate  
Meaningful **Free  
Cash Flow<sup>1</sup>**  
and maintain  
**Financial  
Flexibility**



### 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



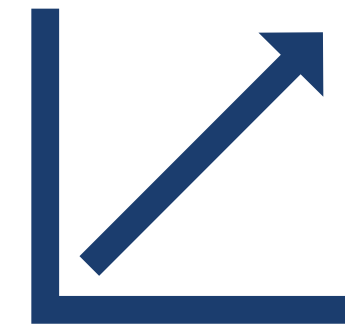
### Agile Portfolio Management

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

1| Non-GAAP financial measure. See [ir.kraftheinzcompany.com/events-and-webcasts](https://ir.kraftheinzcompany.com/events-and-webcasts) for more information, including GAAP to non-GAAP reconciliations.



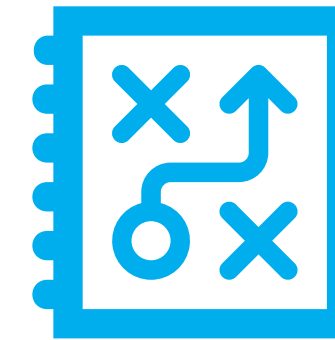
The next stage of  
our  
**transformation**  
is gaining  
momentum



Delivering  
**strong  
results**

Consecutive Solid Quarterly  
Results

**Q1 CAGR vs 2019:**  
**+5.3% Organic Net Sales<sup>1</sup>**  
**+ 2.4% Adj. EBITDA<sup>1</sup>**  
**(Ongoing Business<sup>2</sup>)**



While  
navigating  
**short-term  
turbulence**

Pricing to protect Margin \$

Value Beyond Price

Wide Price Ladder



And advancing  
**long-term  
strategy**

Reinvigorated Product Portfolio

Disruptive Marketing

New Ways of Working

Financial Flexibility

<sup>1</sup> Non-GAAP financial measure. See [ir.kraftheinzcompany.com/events-and-webcasts](https://ir.kraftheinzcompany.com/events-and-webcasts) for more information, including GAAP to non-GAAP reconciliations.

<sup>2</sup> 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.





**Kraft***Heinz*

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**Q&A**



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, Adjusted EPS and Free Cash Flow on a non-GAAP basis only because certain information necessary to calculate the most comparable GAAP measure is unavailable due to the uncertainty and inherent difficulty of predicting the occurrence and the future financial statement impact of such items impacting comparability, including, but not limited to, the impact of currency, acquisitions and divestitures, divestiture-related license income, restructuring activities, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, certain non-ordinary course legal and regulatory matters, equity award compensation expense, 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), 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 schedules at [ir.kraftheinzcompany.com/events-and-webcasts](http://ir.kraftheinzcompany.com/events-and-webcasts) 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.