

Kraft*Heinz*



Q2 2023
BUSINESS
UPDATE

AUGUST 2, 2023

FORWARD-LOOKING STATEMENTS



August 2, 2023

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

NON-GAAP FINANCIAL MEASURES

This presentation contains certain non-GAAP financial measures, including Organic Net Sales, Adjusted EBITDA, Constant Currency Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, Adjusted Gross Profit Margin, Net Leverage, and Free Cash Flow Conversion. 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.

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 view this presentation together with our associated earnings release, Annual Report on Form 10-K, and the accompanying non-GAAP information, which includes a discussion of non-GAAP financial measures and reconciliations of non-GAAP financial measures to the comparable GAAP financial measures, available on our website at ir.kraftheinzcompany.com under News & Events > Events & Webcasts, or directly at ir.kraftheinzcompany.com/events-and-webcasts.



Q2 2023
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Miguel Patricio

Chief Executive Officer
and Chair of the Board

Q2

Key Takeaways

Accelerated profitable growth, with topline fueled by our 3 pillars.

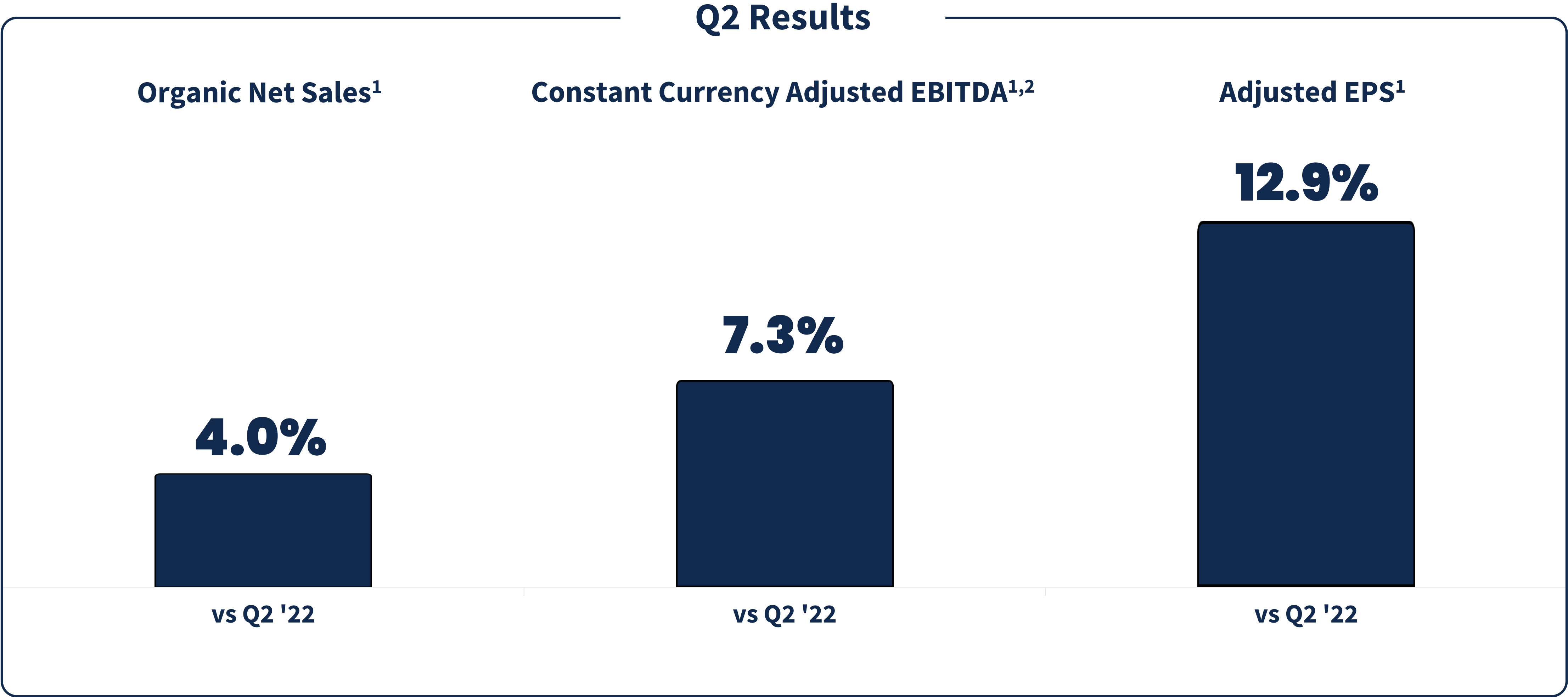
Mitigated expected headwinds and built momentum into the second half of 2023.

Taking a disciplined approach to protect our profit dollars and drive variable cost efficiencies.

With margin gains, we are investing in marketing, R&D, and technology to drive future growth.

Reaffirming full year guidance.

Grew Topline, Profits, and Profitability



¹ Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts.
² Includes a negative (0.3pp) net impact of divestitures and acquisitions.

All Three Pillars of Growth Fueling Organic Net Sales¹

Foodservice

Global



~+15%

Organic Net Sales¹
vs Q2 2022

Emerging Markets

International Zone



+11%

Organic Net Sales^{1,2}
vs Q2 2022

GROW Platforms in U.S. Retail

North America Zone

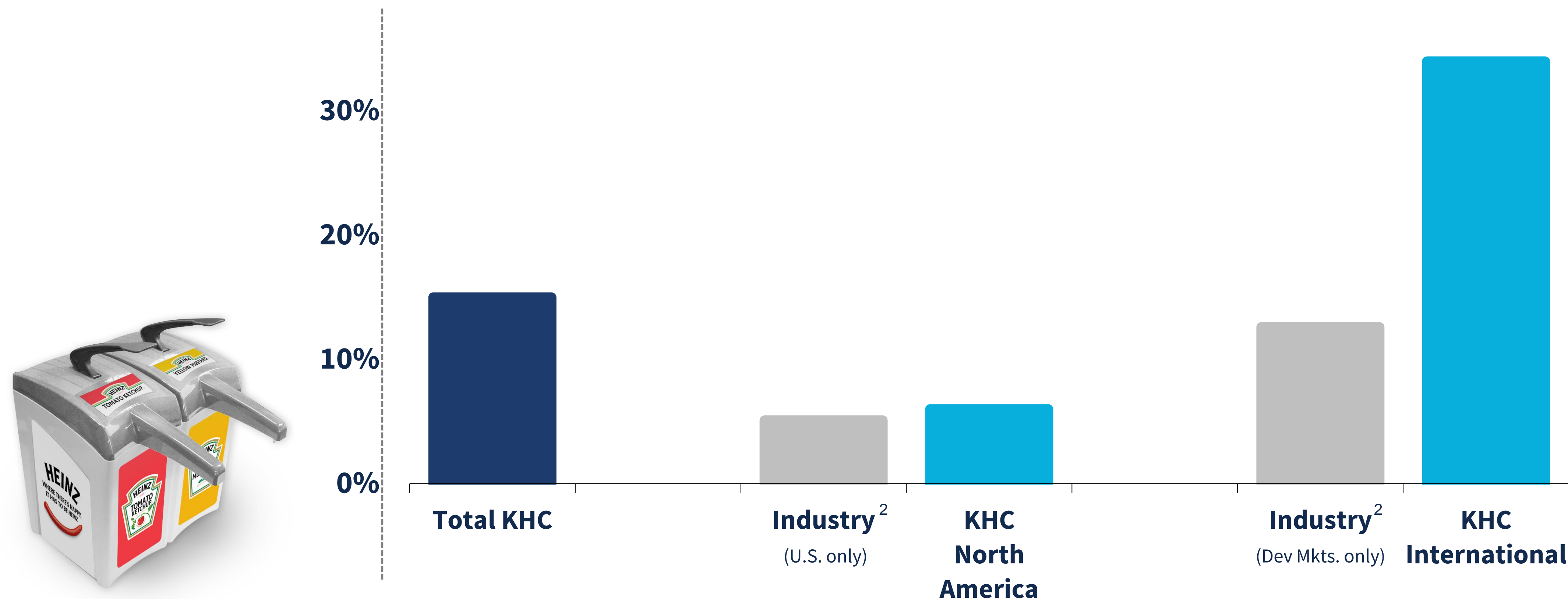


+1%

Organic Net Sales¹
vs Q2 2022

1| Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts.
2| Includes Foodservice business within Emerging Markets.

Foodservice Q2 2023 Growth¹ vs PY



1| Based on internal sales data, which holds the impact of currency constant and excludes the impact of divestitures and acquisitions.
2| For North America, Industry represents U.S. only. U.S. industry growth based on NPD SupplyTrack (Broadline Foodservice Industry Data through June 2023). For International, Industry represents Developed Markets only. International industry growth based on NPD Crest data through May 2023.

Foodservice Growth Strategy Driving Strong Results

Chef-Led Model

Co-creating menu concepts with customers to meet specific needs



Attractive Channels

Competing in more attractive, higher margin spaces

Mom & Pop



Hospitality & Schools



Innovation

Leveraging connected equipment and testing/scaling to drive innovation



All Three Pillars of Growth Fueling Organic Net Sales¹

Foodservice

Global



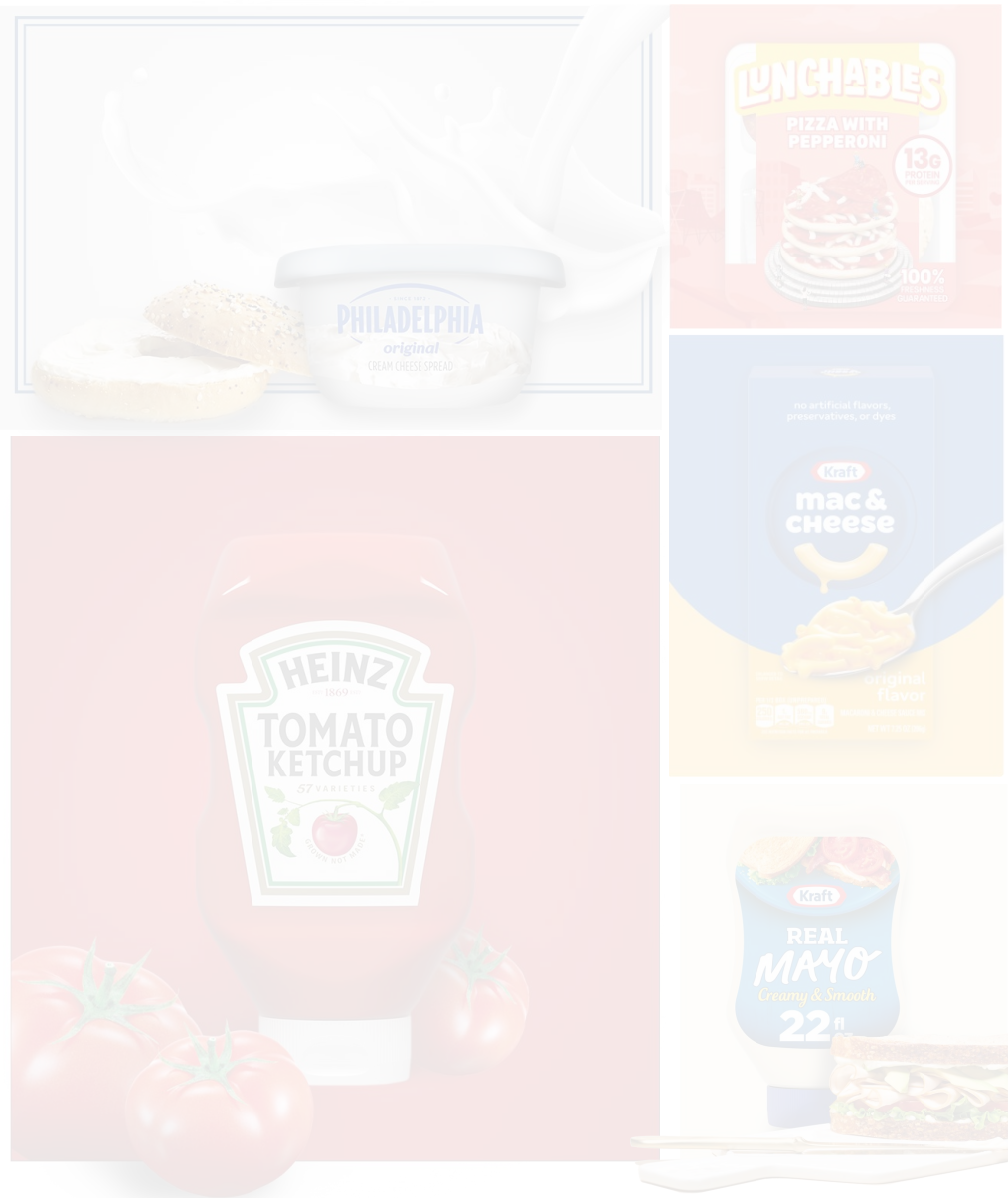
Emerging Markets

International Zone



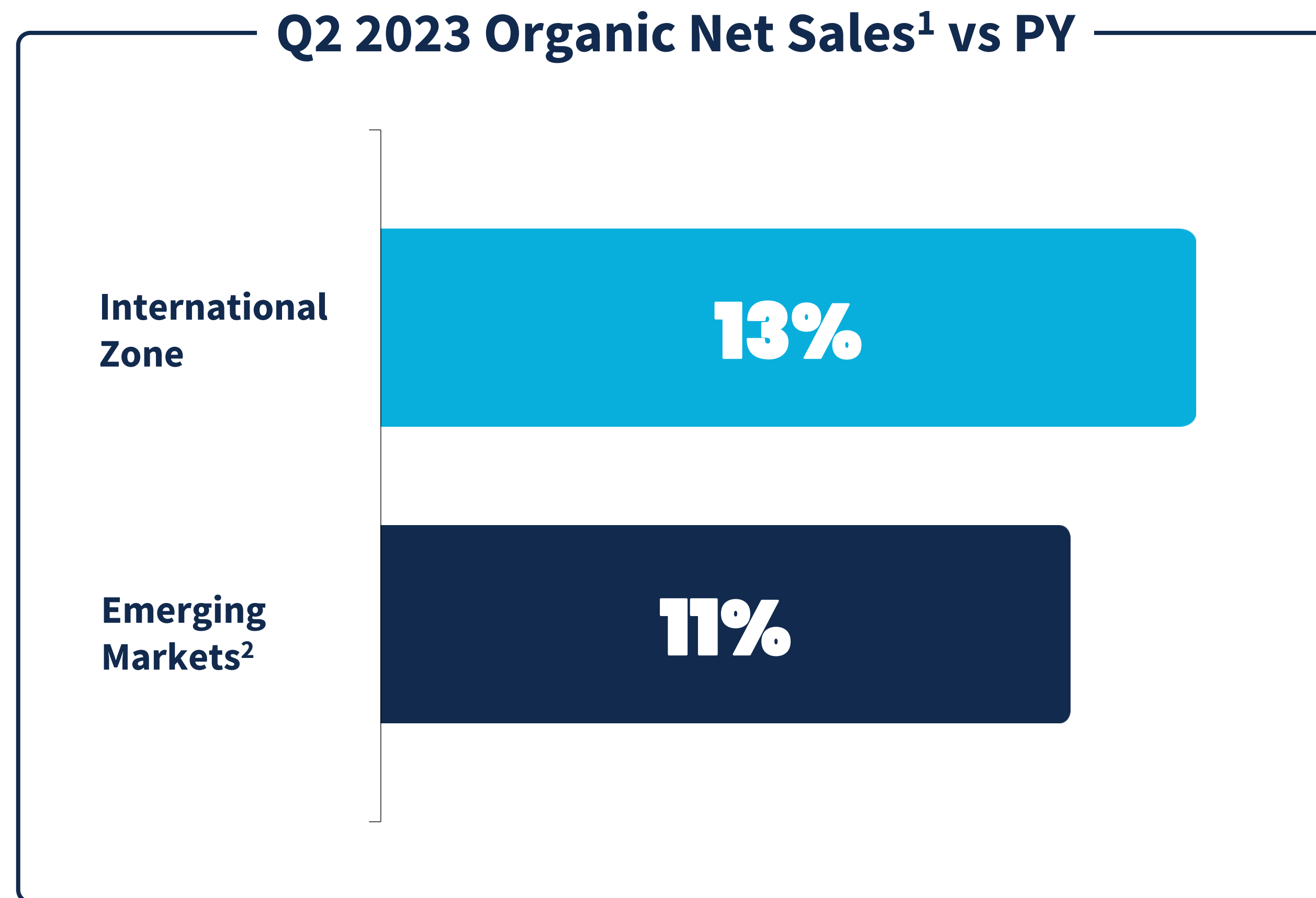
GROW Platforms in U.S. Retail

North America Zone



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Emerging Markets Growing Double Digits

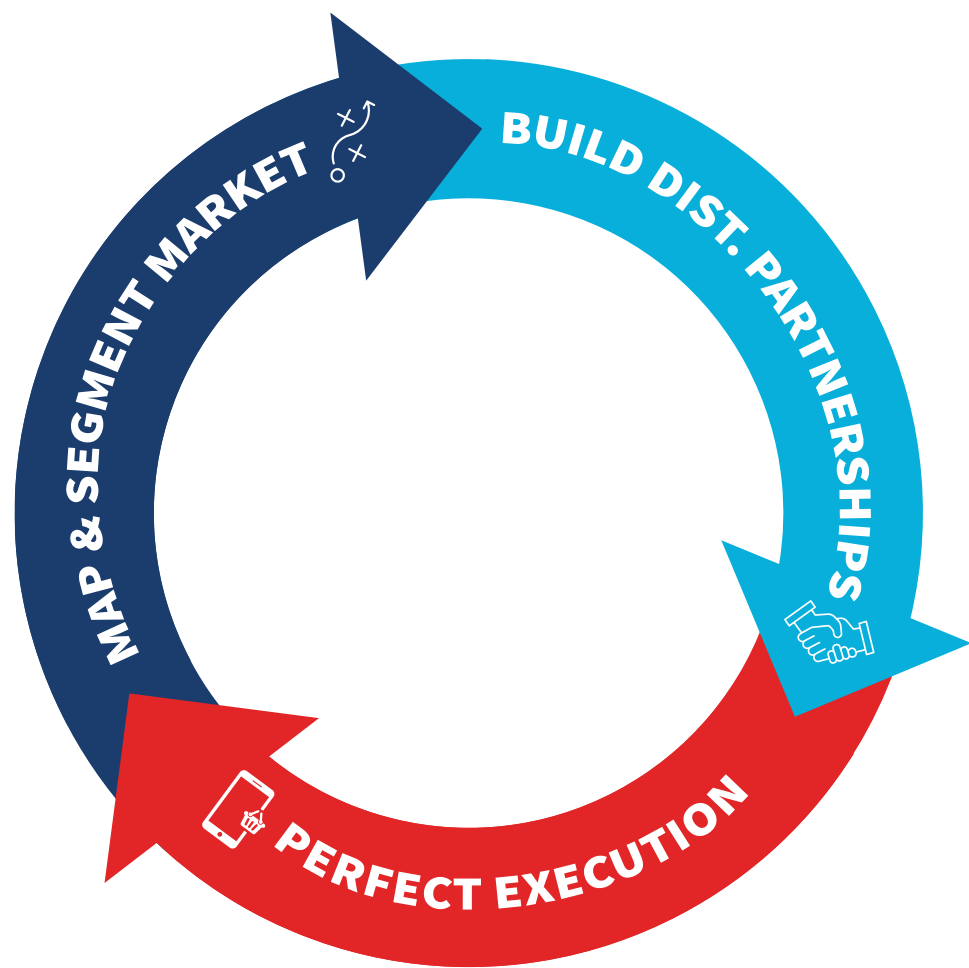


- Expect H2 growth in line with Q1
- Q2 was impacted by one-time items totaling approximately 7pp, driven primarily by delivery timing in Brazil

Three Consistent Levers Backing our Emerging Markets Growth

Go To Market

Scalable, Repeatable Model



Brand Equity

Led by the **Power of Heinz**,
well beyond Ketchup;
Supported by Local Jewels



Foodservice

Attacking Underpenetrated
Foodservice Channel



All Three Pillars of Growth Fueling Organic Net Sales¹

Foodservice

Global



Emerging Markets

International Zone



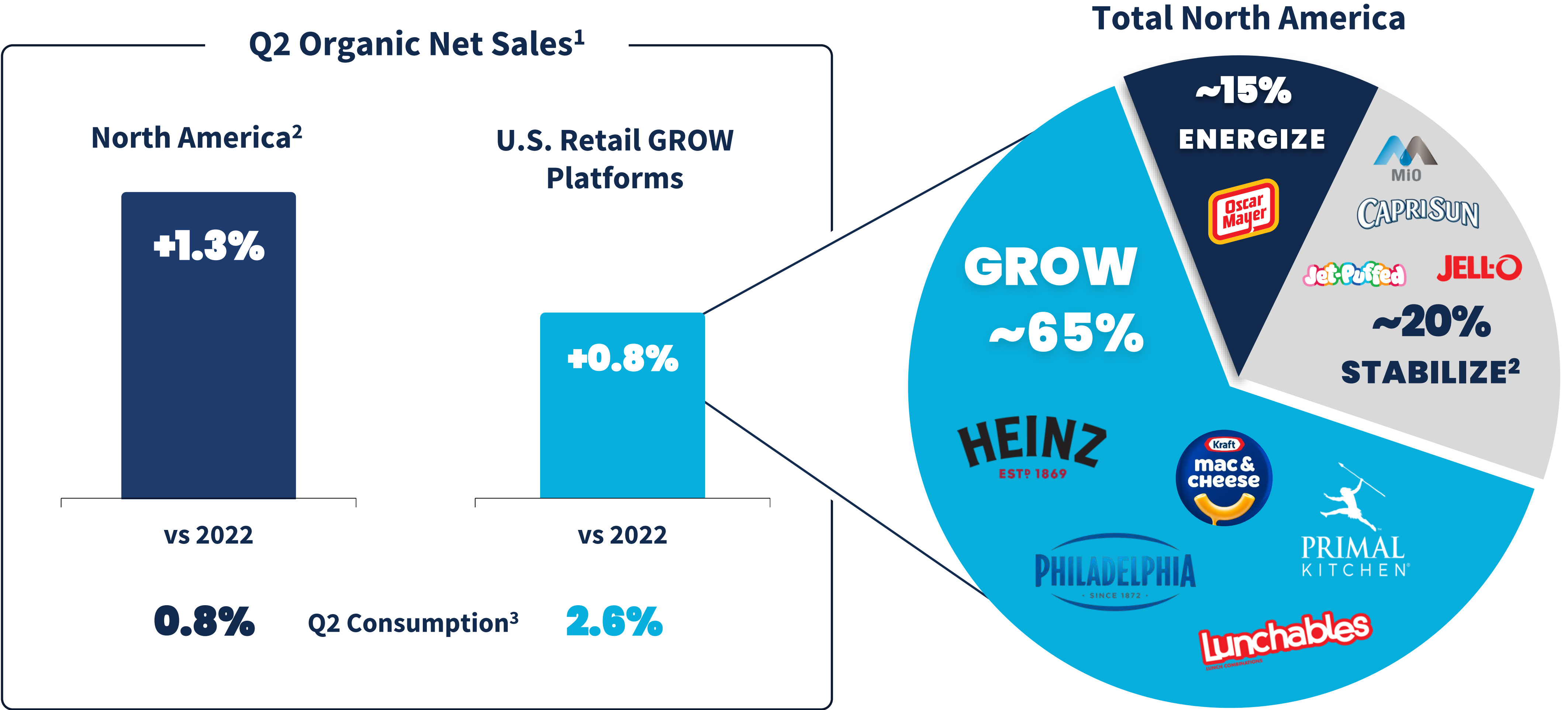
GROW Platforms in U.S. Retail

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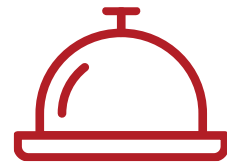
1| Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts..

Consumption Growth in GROW Platforms



1| Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts..
2| Stabilize calculations also include Organic Net Sales that are not otherwise categorized into another platform role presented.
3| Based on IRI data 13 weeks ending July 2, 2023.
Brands shown by platform role are illustrative and do not reflect all brands within each platform role.

Within GROW Platforms, Taste Elevation and Easy Meals Led Growth



Taste Elevation



Easy Meals



6%

U.S. Retail Organic Net Sales¹

1%

8%

Consumption Growth²
vs Q2 2022

6%

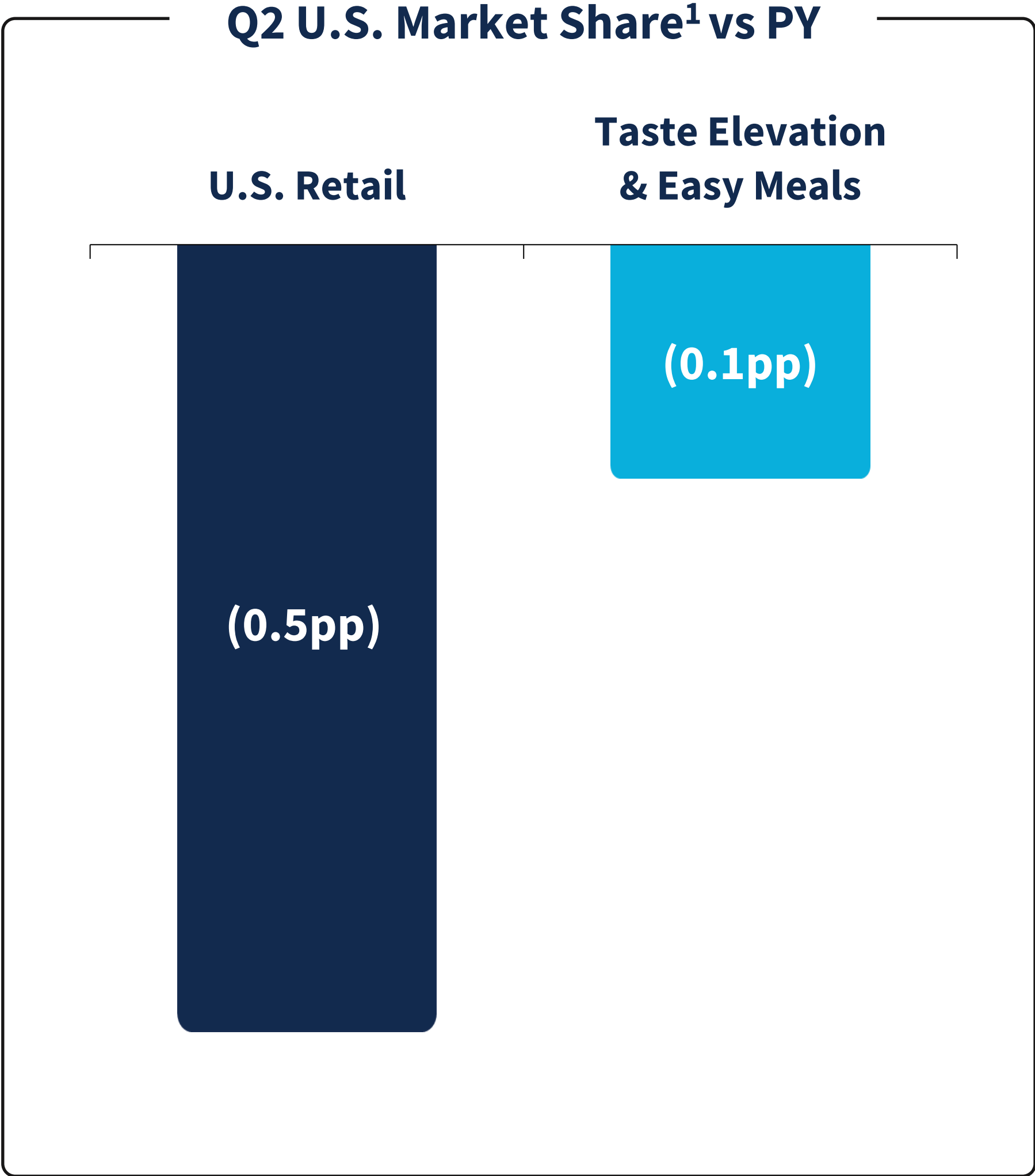
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Action Plans in Place to Capture Additional Share

Teams are Implementing Action Plans Shared Last Quarter



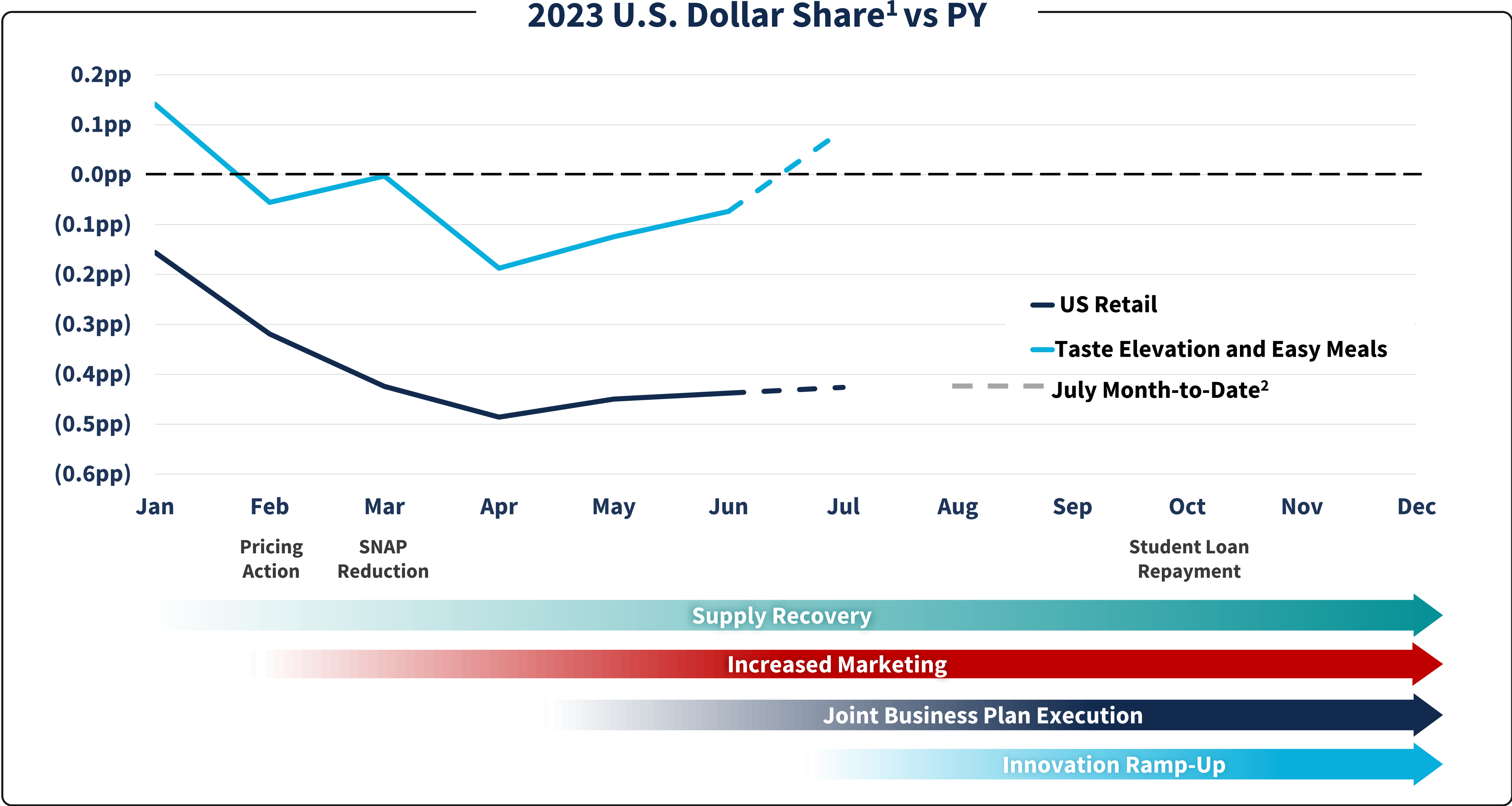
Taste Elevation and Easy Meals Outperforming U.S. Retail



- Share loss remains concentrated in Cold Cuts, Cream Cheese, and Kids Single Serve Beverages
- Taste Elevation and Easy Meals outperforming U.S. Retail

1| Mix-adjusted market share based on IRI data 13 weeks ending July 2, 2023. Total North America Zone not provided due to unavailability of IRI data for Canada.

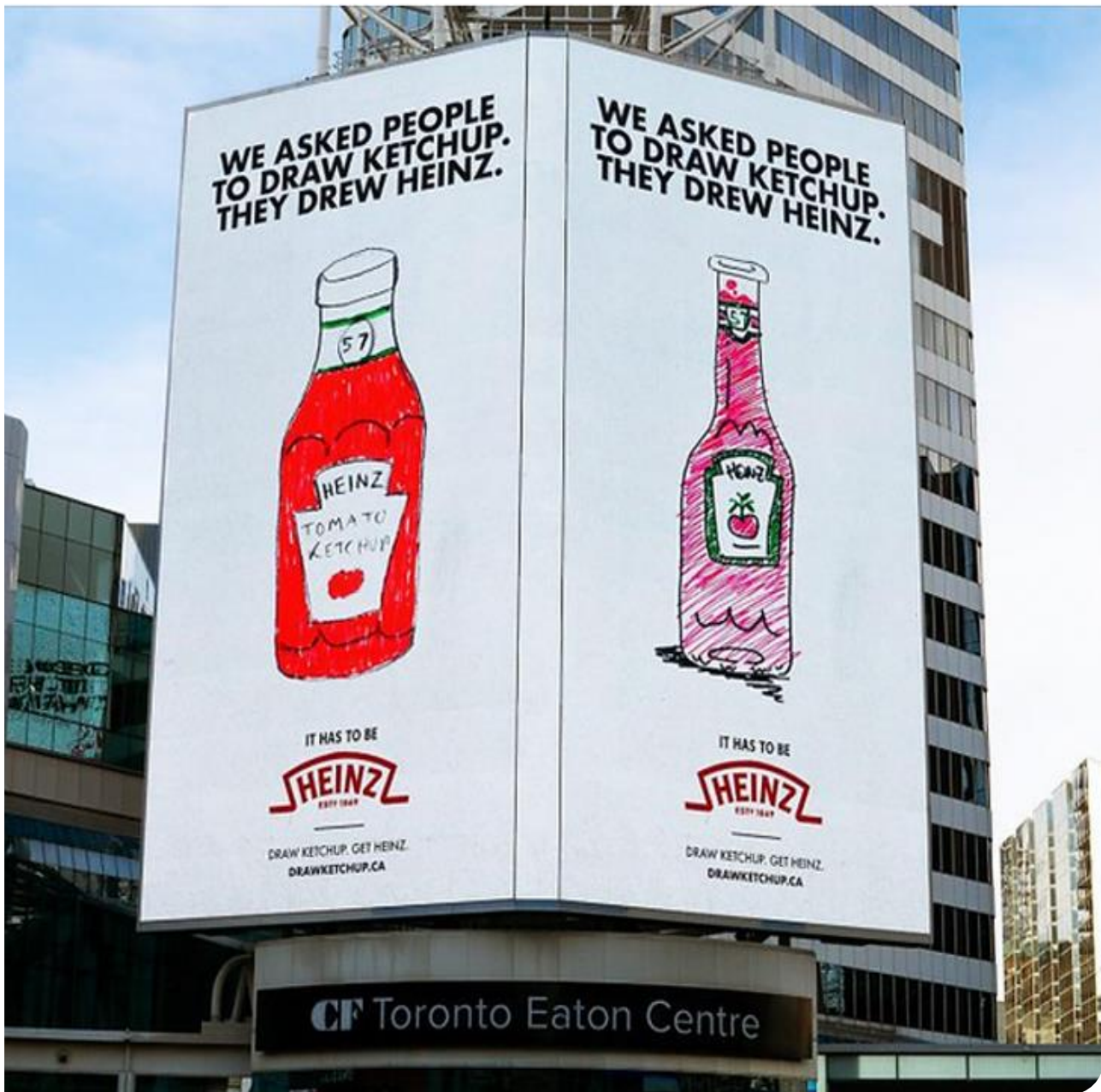
Share Trend Improving as Action Plans Implemented



¹ Mix-adjusted market share based on IRI data 13 weeks ending July 2, 2023. Total North America Zone not provided due to unavailability of IRI data for Canada.
² Mix-adjusted market share based on IRI data 3 weeks ending July 23, 2023.

Investing in Marketing, R&D and Technology to Drive Future Growth

Marketing



R&D



Technology



Investing in **Marketing**, R&D and Technology to Drive Future Growth

- 23% increase in Marketing spend in Q2 vs PY
- First ever global marketing campaign for *Heinz* – based on actual consumer stories
- KHC awarded most 2023 Cannes Lions of any food company in the world!



Investment in R&D¹: +10%

National Launches



Expansion into New Aisles



Disruptive Innovation in Foodservice



Agile Innovation Engine Driving Innovation Pipeline Across Retail and Foodservice

1| Q2 2023 vs Q2 2022.

Investing in Marketing, R&D and Technology to Drive Future Growth

Unleashing Power of *Heinz* beyond Ketchup, launching Culinary Tomatoes Line



Tingly Ted's: Top 25th Percentile Velocities in UK¹, Launching Around the Globe



1| Based on IRI data 4 weeks ending July 8, 2023.

Investments in Technology



Driving Transformation In:

- Innovation
- Revenue Management
- Sales
- Marketing
- **Supply Chain**

State of the Art Distribution Center Expected 2025



- **Leverage** Advanced Automation
- **Drive** 2X Volume
- **Reduce** Environmental Footprint

Q2 2023

FINANCIAL PERFORMANCE AND OUTLOOK

Andre Maciel

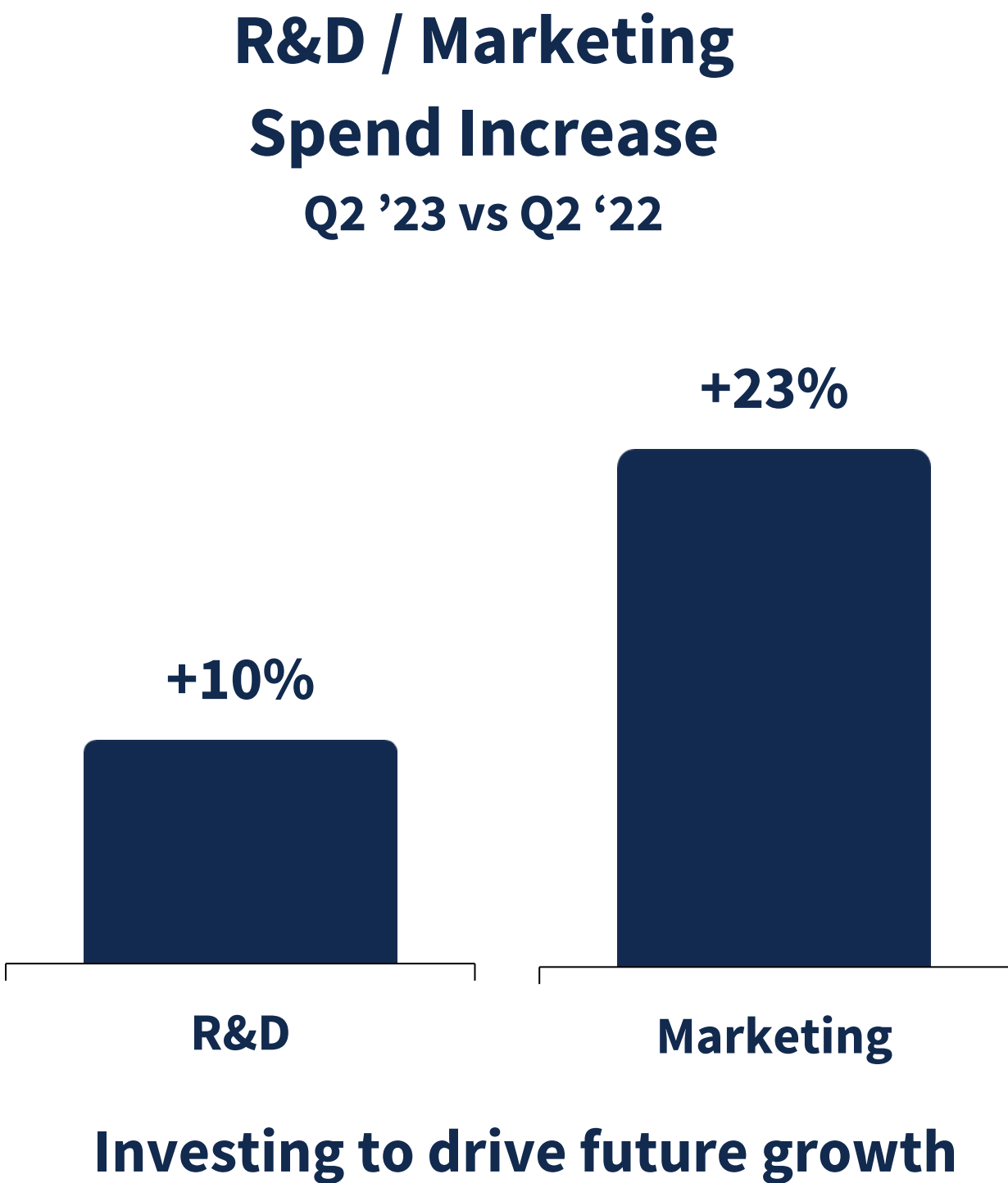
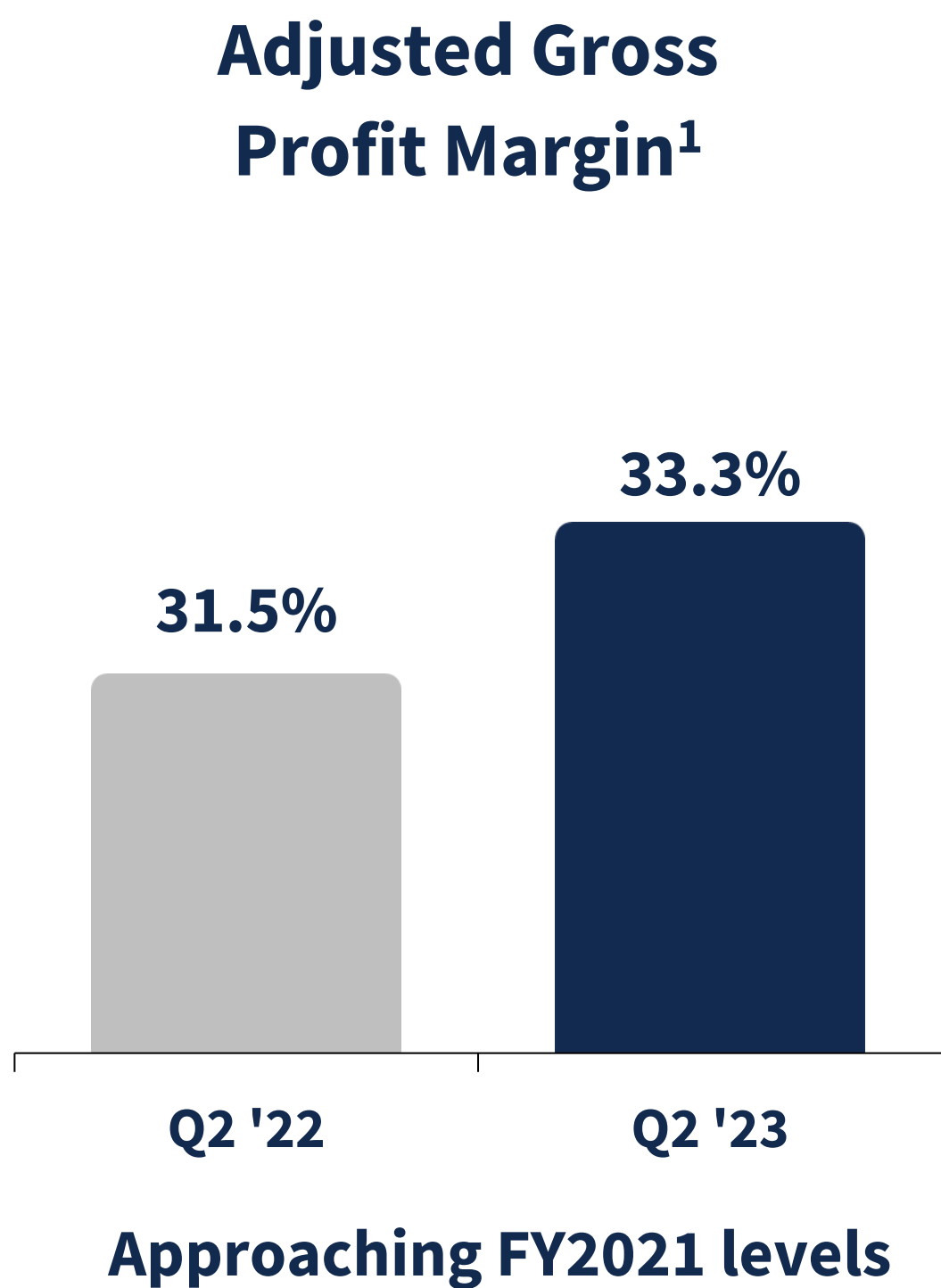
Global CFO



Grew Topline, Profits and Profitability

	Kraft Heinz Q2 vs '22	North America Q2 vs '22	International Q2 vs '22
Organic Net Sales¹	+4.0%	+1.3%	+13.2%
Price	11.0pp	9.4pp	16.5pp
Vol/Mix	(7.0pp)	(8.1pp)	(3.3pp)
Adjusted EBITDA¹	+6.0%	+2.7%	+16.9%
Currency	(1.3pp)	(0.4pp)	(5.6pp)
Constant Currency Adjusted EBITDA¹	+7.3%	+3.1%	+22.5%
Adjusted EBITDA Margin¹	24.0%	27.3%	17.7%
vs PY	+0.8pp	+0.5pp	+1.3pp

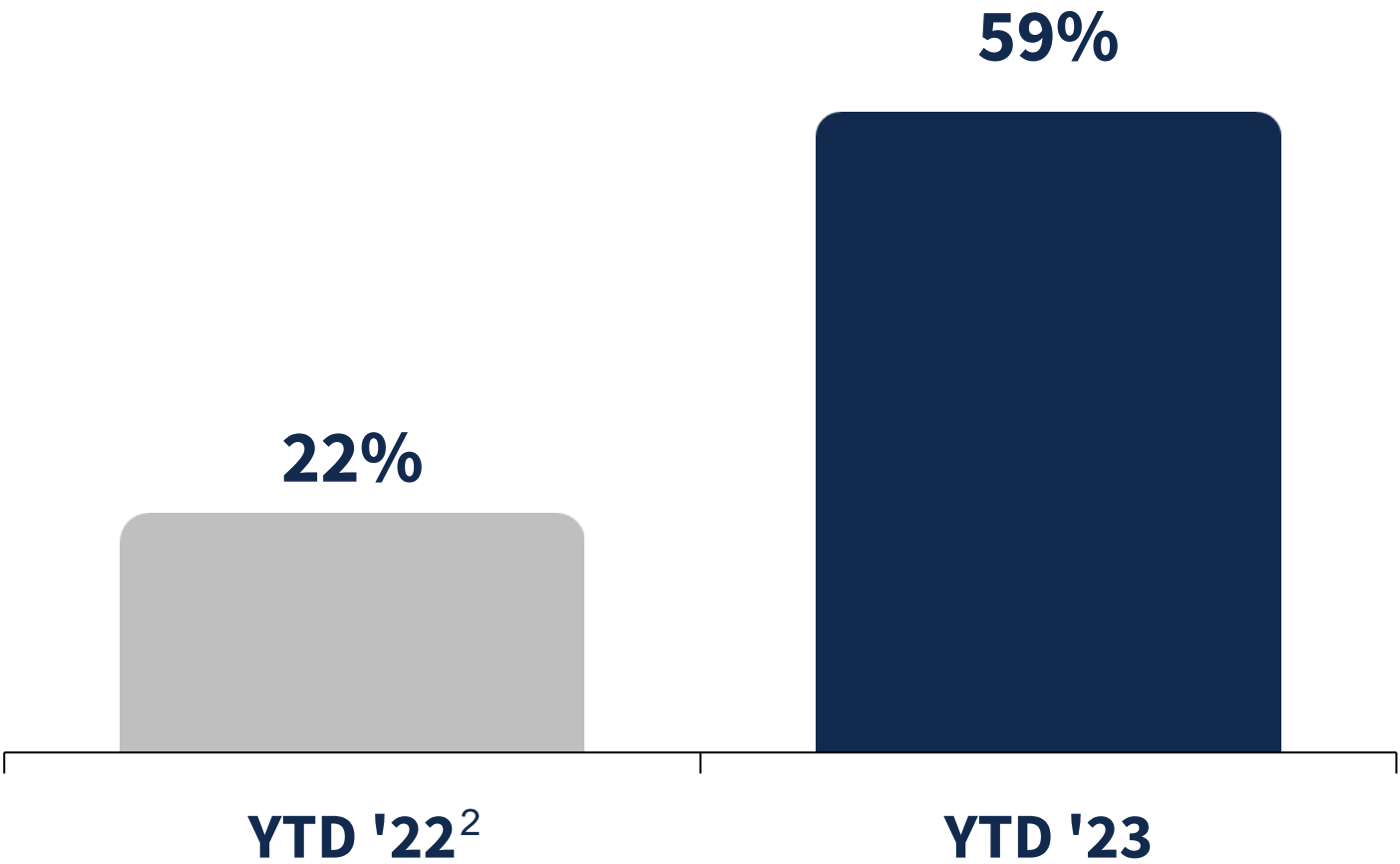
Expanding Margins Enabling Growth Investments



1| Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts.

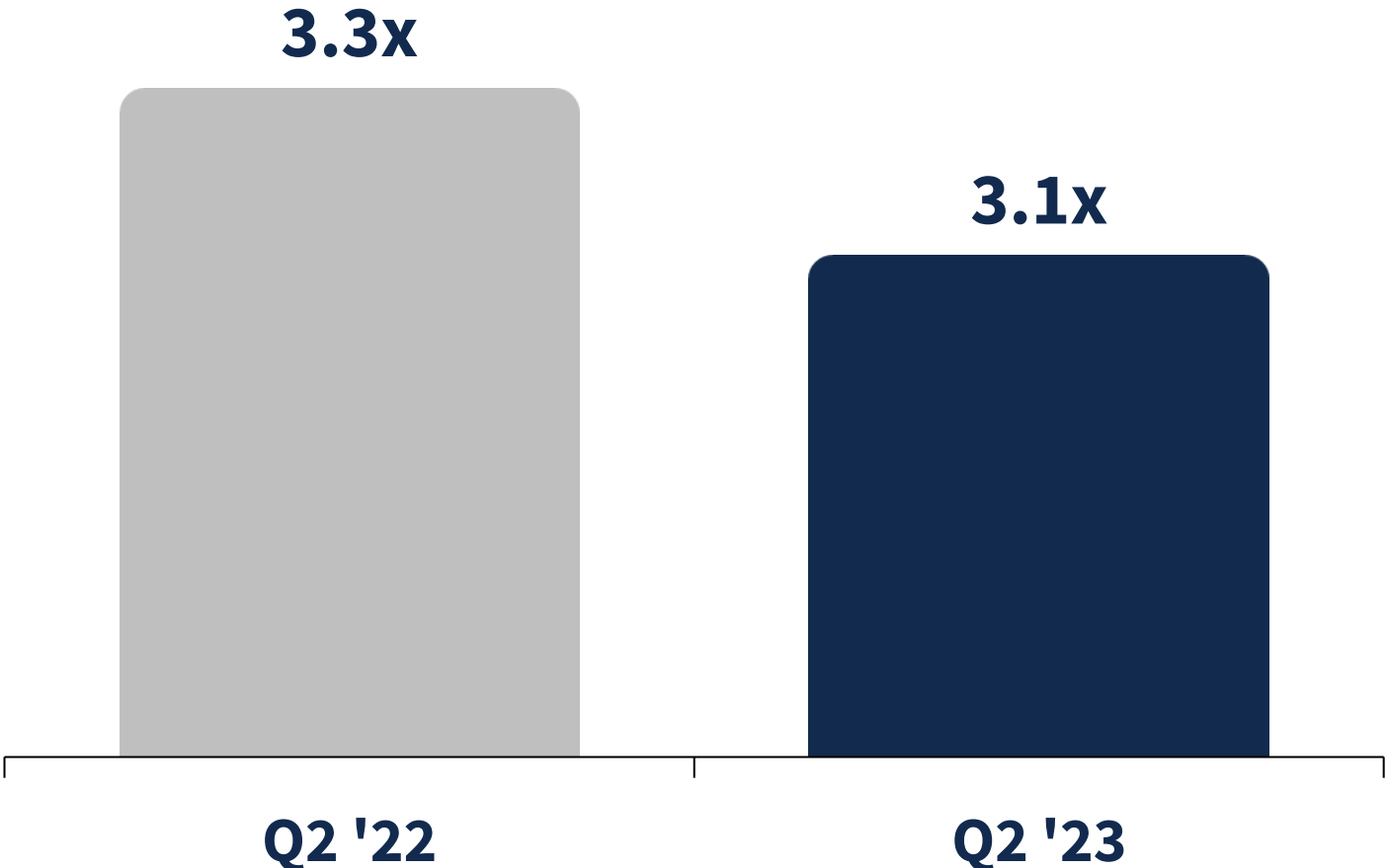
Strengthening Balance Sheet

Free Cash Flow Conversion¹



Inventory improving sequentially from Q1

Net Leverage¹



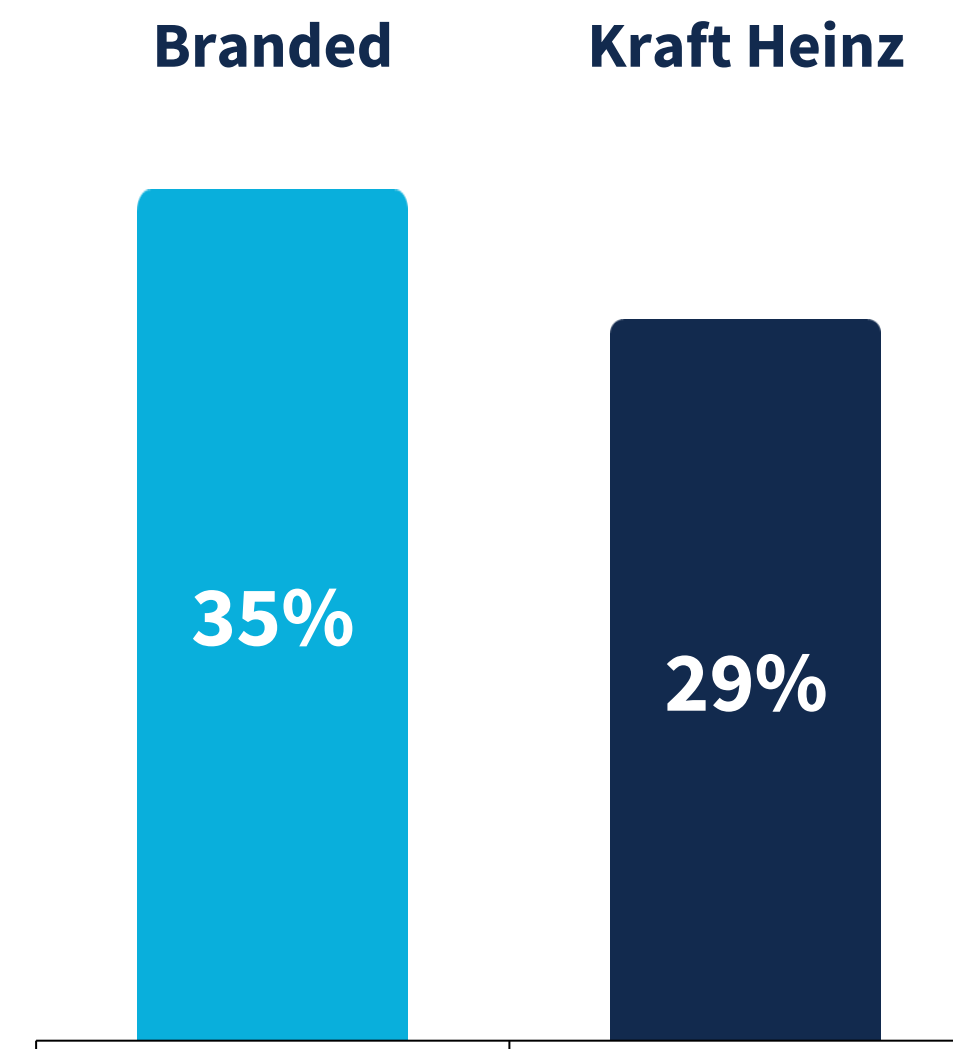
Approaching targeted leverage of ~3.0x

¹ Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts.
² 2022 includes tax payment of approximately \$620M on divestiture proceeds.

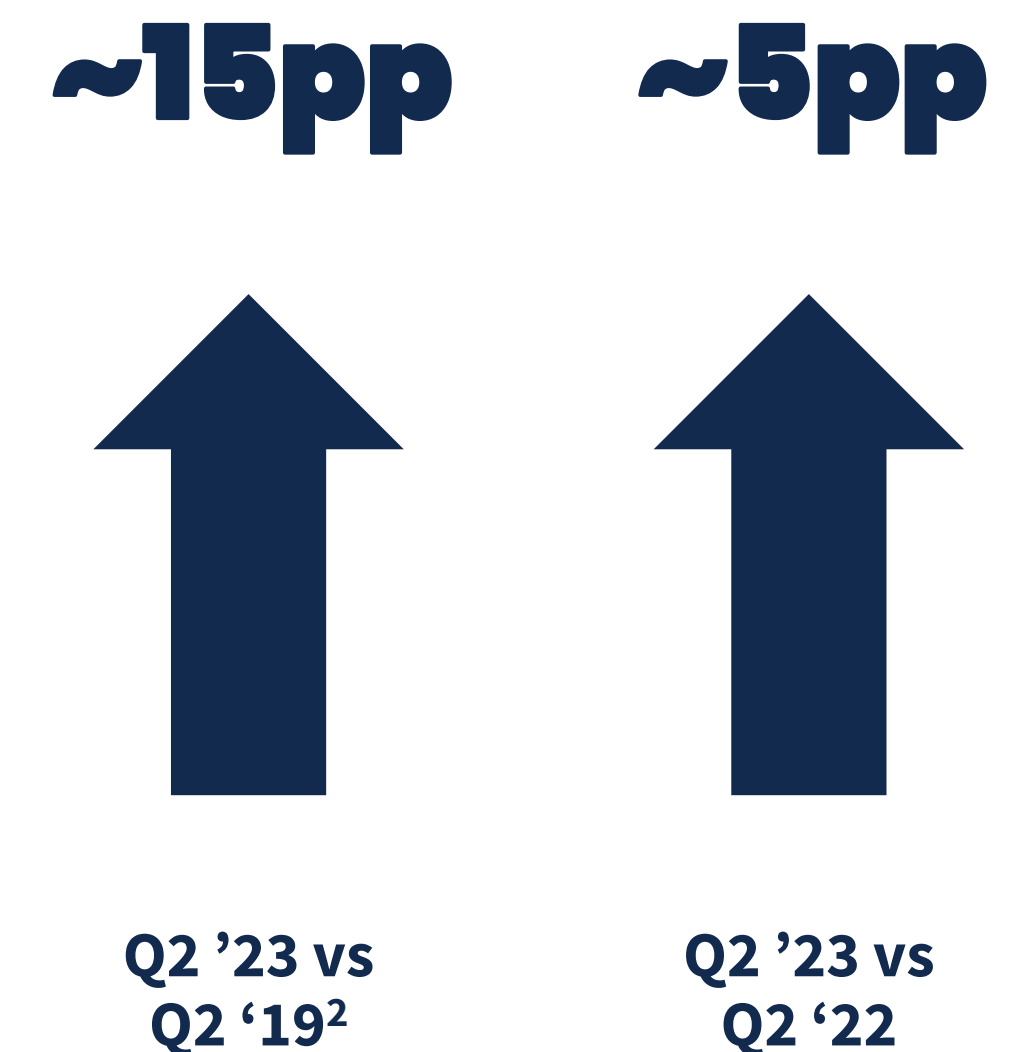
Pricing in Place with Disciplined Approach to Promotions

- Pricing for the year has been announced
- Price gaps expanded relative to private label and branded
- Branded selling more on promotion
- Promotional ROI continuing to improve

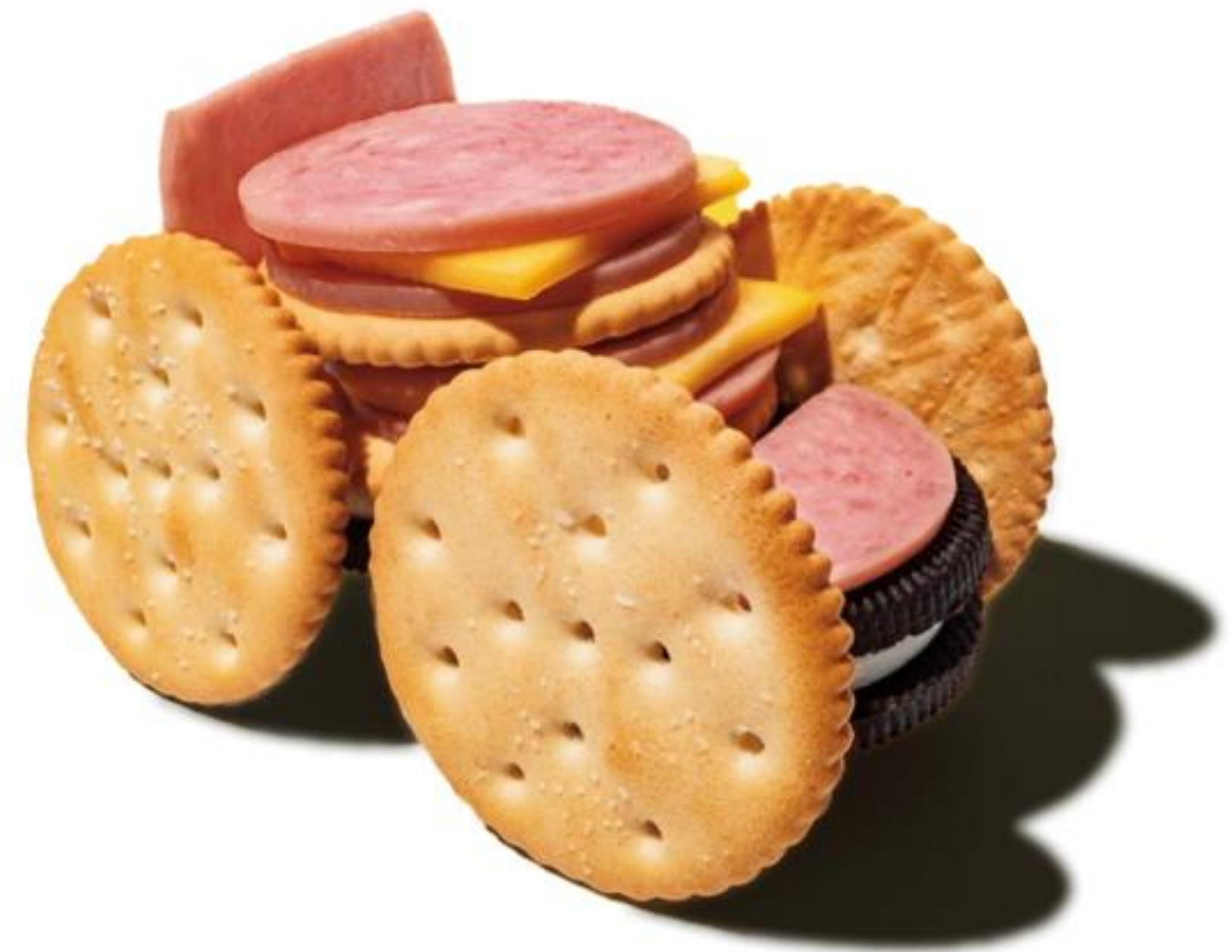
% U.S. Q2 Consumption Volume Sold on Promotion¹



U.S. ROI Improvement



- **Volume declines expected to moderate as a result of:**
 - Lapping prior year pricing
 - Action plans in U.S. Retail
 - Continued share gains in Foodservice
 - Re-acceleration of Emerging Markets
- **Expect volume to turn positive in 2024**



Generating Higher Efficiencies to Reinvest in the Business, as Inflation Moderates

Supply Chain Efficiencies

Gross Efficiency Plan on Track



Inflation

Improvement in Cost

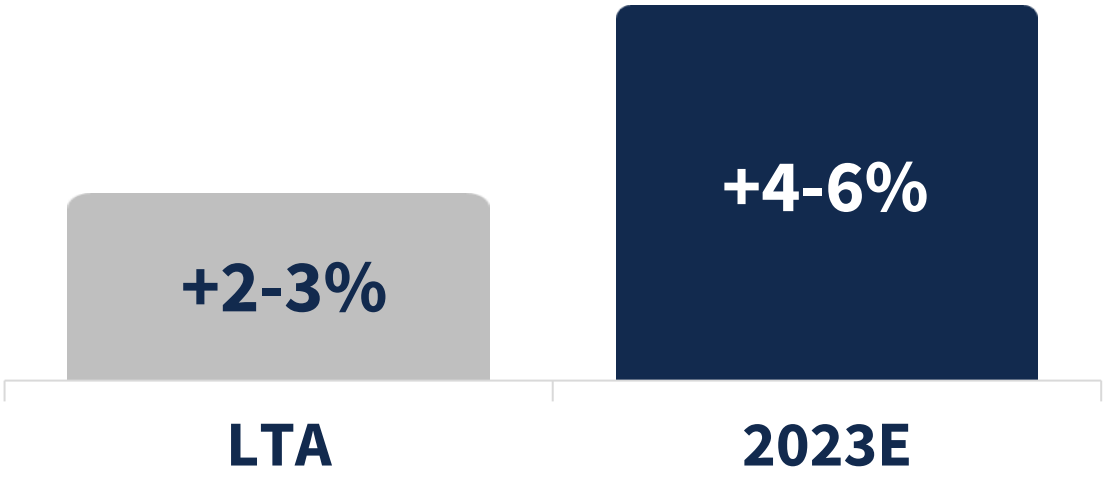
- Inflation moderating
- Timing impacted by hedges / contracts



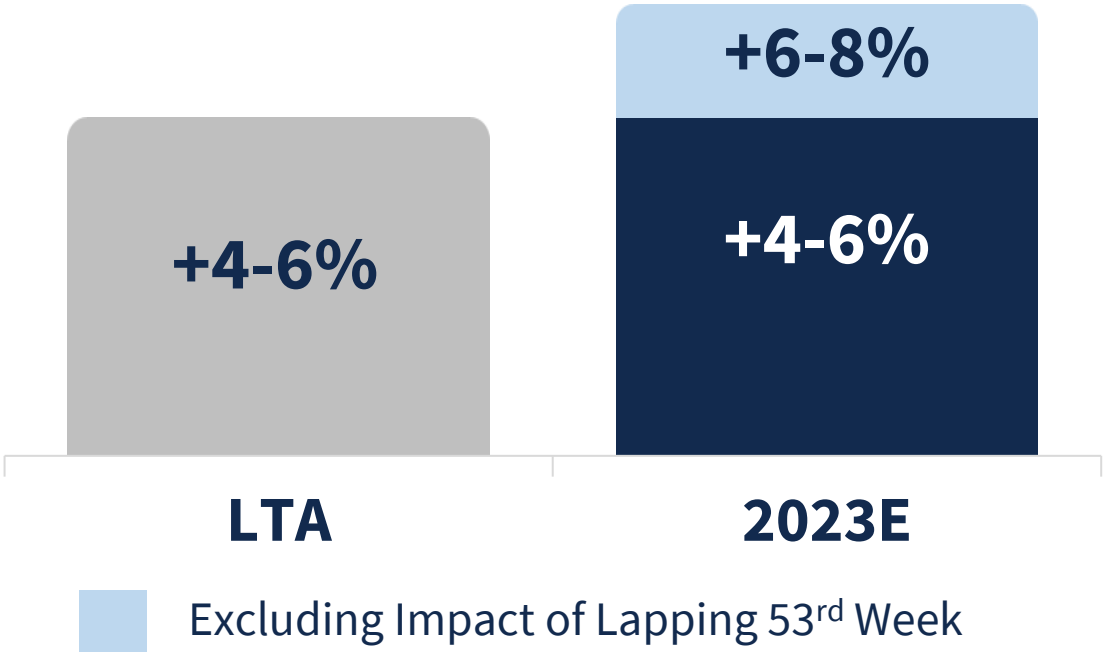
Outlook Reflects Above Algorithm Organic Net Sales¹ & Constant Currency Adjusted EBITDA¹ Growth

2023 Outlook

Organic Net Sales¹



Constant Currency Adjusted EBITDA¹



Adjusted EPS¹

2023E
\$2.83 to \$2.91
+2-5%

2023 Considerations

Above Long-term Algorithm Growth

- Returning to historical elasticity levels
- Driven by Foodservice, Emerging Markets, U.S. Retail GROW Platforms

Constant Currency Adjusted EBITDA¹ +6-8% excluding the impact of 53rd week in 2022

- FY23 Inflation +MSD-HSD%, with H2 +LSD-MSD%
- Adjusted Gross Profit Margin¹ +150-200bps, funding double-digit growth in SG&A with emphasis on Marketing, R&D and Technology
- Impact from lapping 53rd week in 2022: ~(2%)
- Impact from currency at current FX rates: ~(0.5%)

Adjusted EPS¹ Headwinds from Pension and Tax Rate

- Adjusted EPS¹ guidance is impacted by the following items:
 - Impact from currency at current FX rates: ~(\$0.02), or ~(0.5%)
 - Non-cash pension and post-retirement benefits: ~(\$0.04), or ~(1%)
 - Impact from lapping 53rd week in 2022: ~(\$0.06), or ~(2%)
- Effective tax rate on Adjusted EPS¹: 19%-21%

CLOSING COMMENTARY

Miguel Patricio

**Chief Executive Officer
and Chair of the Board**



Q2 **Key Takeaways**

Accelerated profitable growth, with topline fueled by our 3 pillars.

Mitigated expected headwinds and built momentum into the second half of 2023.

Taking a disciplined approach to protect our profit dollars and drive variable cost efficiencies.

With margin gains, we are investing in marketing, R&D, and technology to drive future growth.

Reaffirming full year guidance.