

Kraft *Heinz*



Q1 2023 BUSINESS UPDATE

MAY 3, 2023

FORWARD-LOOKING STATEMENTS

KraftHeinz

May 3, 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 EPS, Adjusted Gross Profit Margin, Net Leverage, Free Cash Flow, 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.

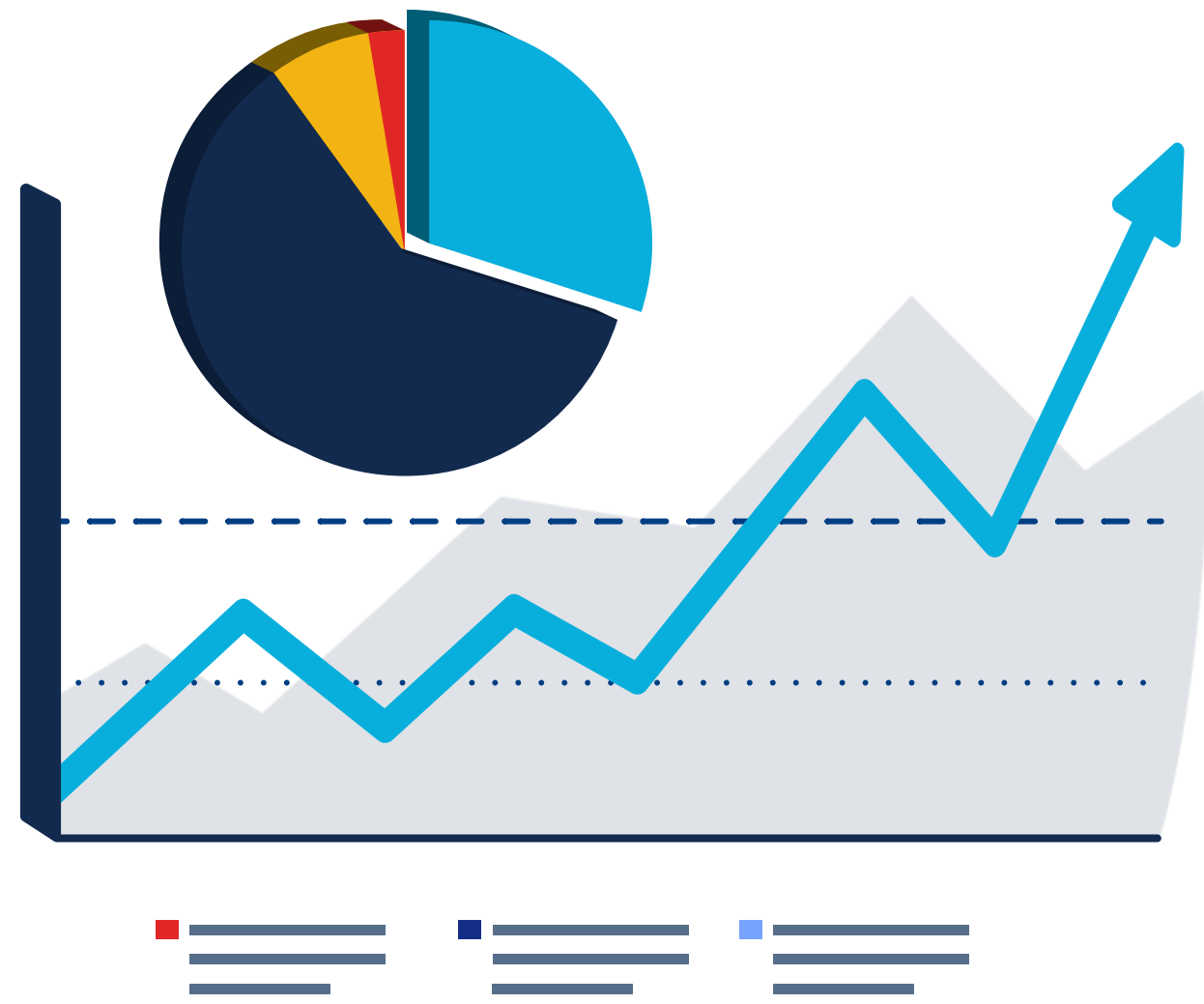
Please view this presentation together with our associated earnings release, Annual Report on Form 10-K, and the accompanying non-GAAP information, which includes a discussion of non-GAAP financial measures and reconciliations of non-GAAP financial measures to the comparable GAAP financial measures,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



**Q1 2023
BUSINESS
UPDATE**

Miguel Patricio

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



**Delivered
Strong Results**

Foodservice

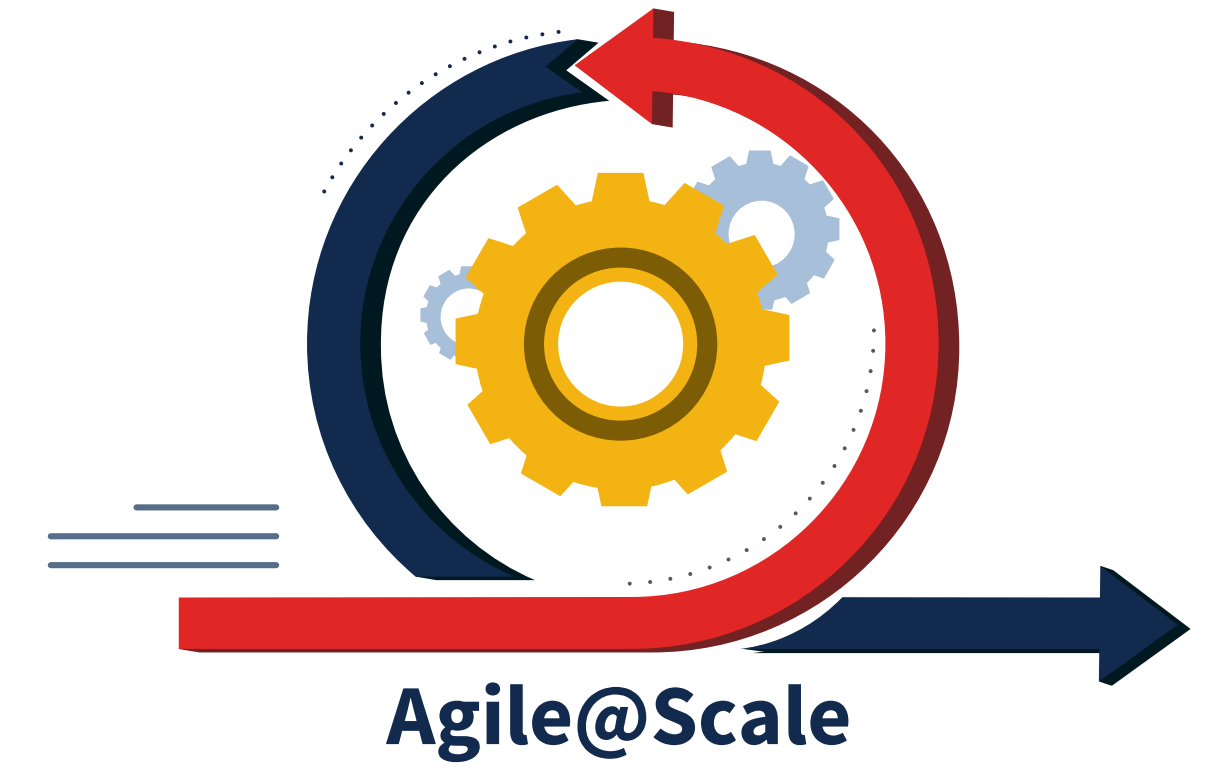


**GROW Platforms
in U.S. Retail**



Emerging Markets

**Driving
Growth Across
All Pillars**



**Advancing
Business
Transformation**

Generating Strong Results across the Entire P&L

Delivered Strong Results

Q1 Results

Organic Net Sales¹

Strong Growth across North America and International Zones

9.4%

vs Q1 '22

Constant Currency Adjusted EBITDA^{1,2}

Organic Net Sales¹ Growth and Adjusted Gross Profit Margin¹ Expansion, partially offset by Reinvestment in the Business

11.9%

vs Q1 '22

Adjusted EPS¹

Primarily Driven by strong Adjusted EBITDA¹

13.3%

vs Q1 '22

¹ Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts.
² includes a negative (0.4pp) net impact of divestitures and acquisitions.

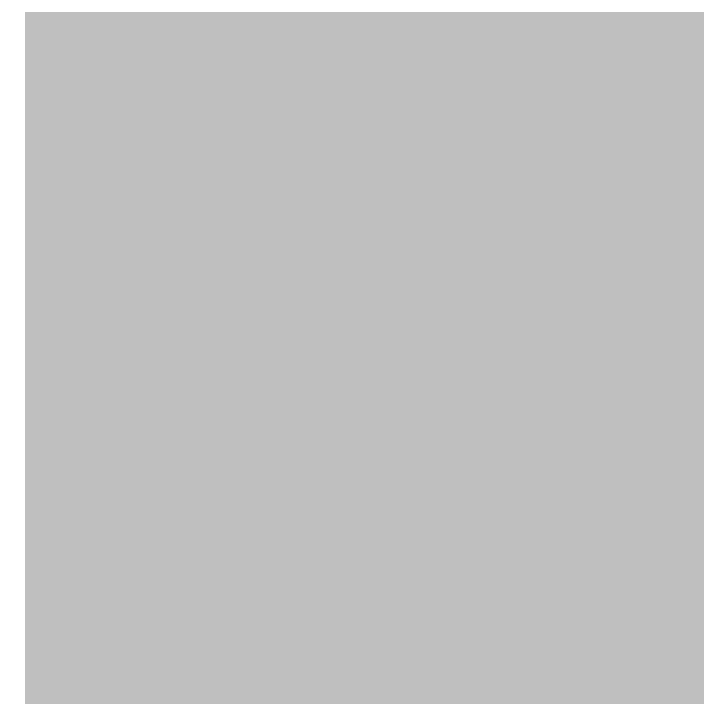
Margin Expanded Sequentially and Year over Year

Delivered Strong Results

Adjusted Gross Profit Margin¹

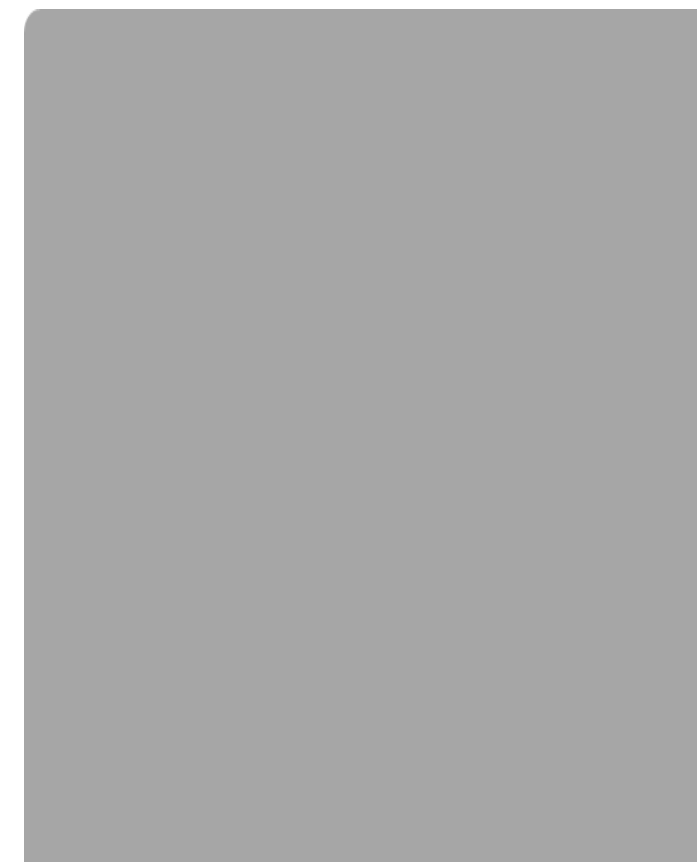
Expansion from Pricing Flow-through and Unlocked Efficiencies, with Moderating Cost Inflation

31.6%



Q1 '22

32.2%

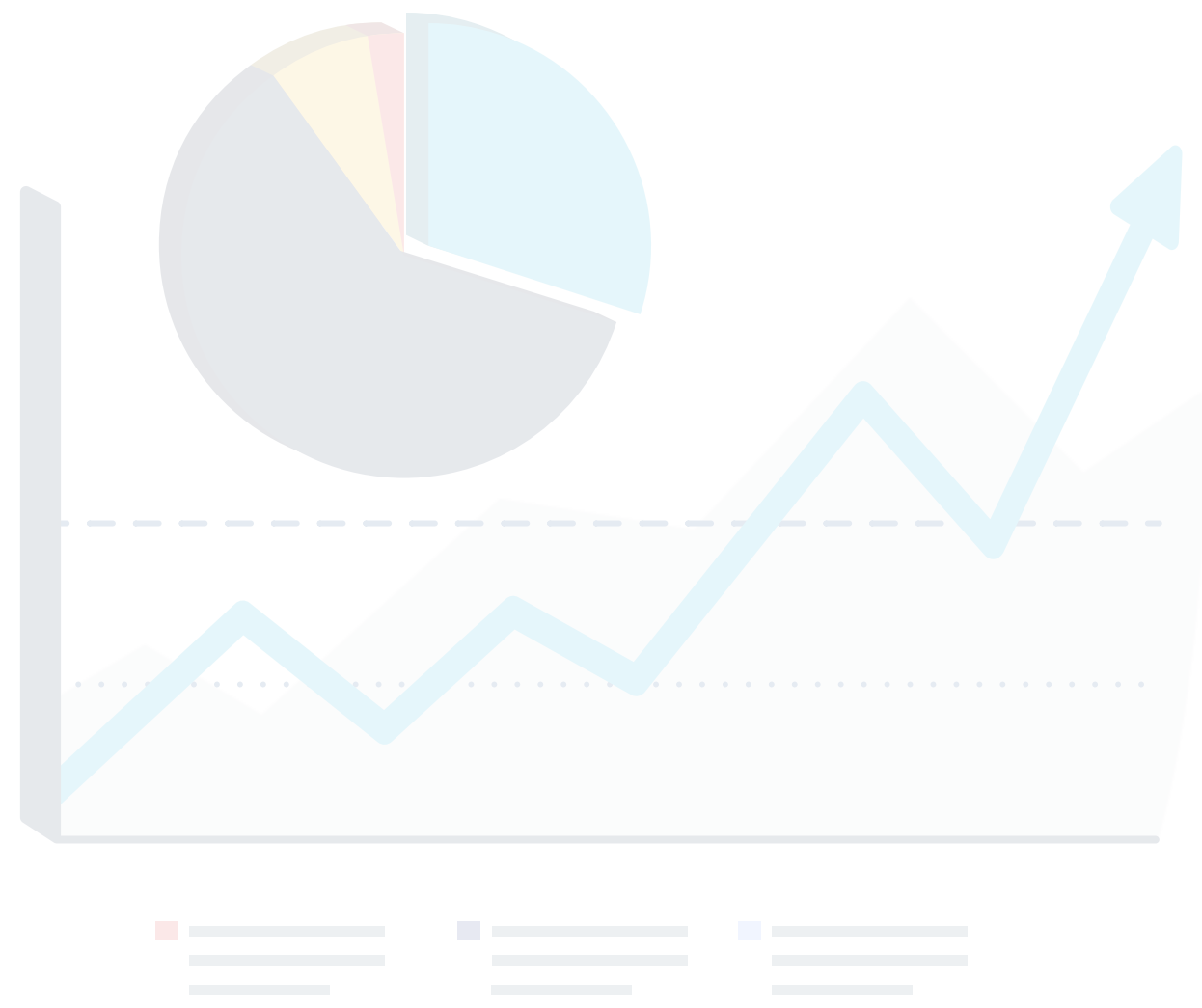


Q4 '22

32.8%



Q1 '23



**Delivered
Strong Results**

Foodservice

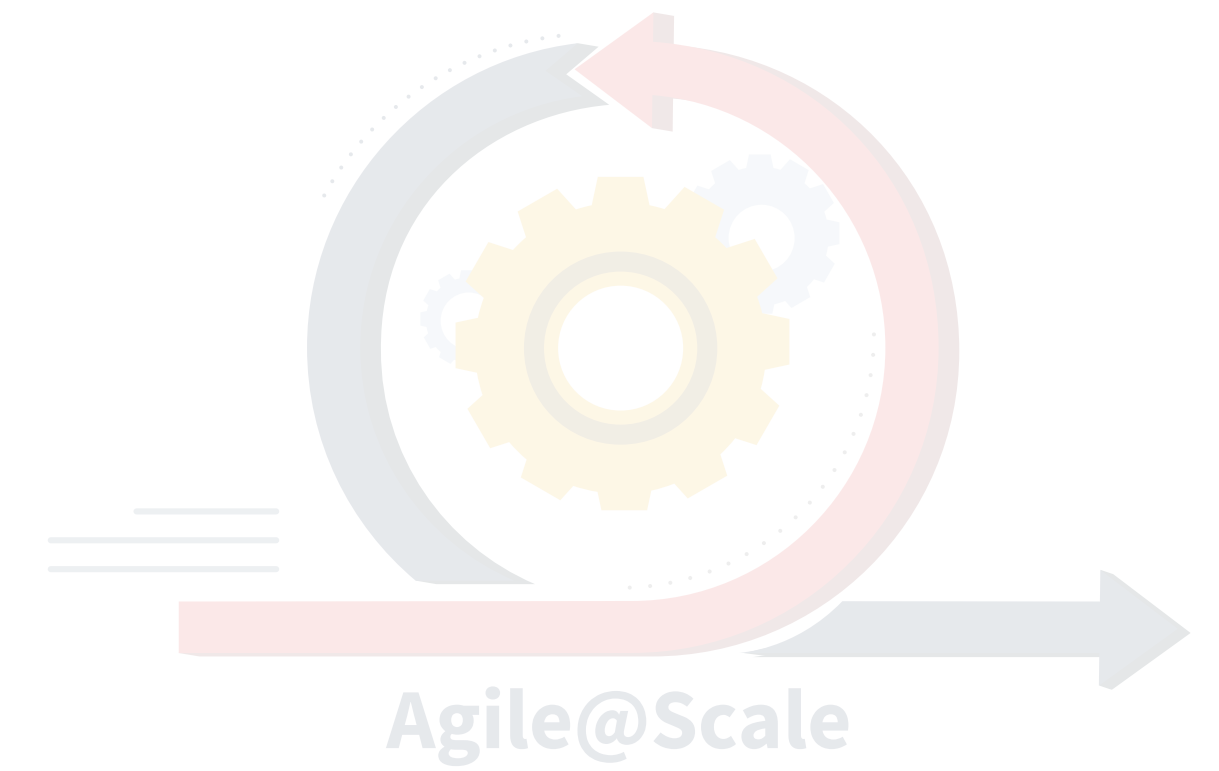


**GROW Platforms
in U.S. Retail**



Emerging Markets

**Driving
Growth Across
All Pillars**



**Advancing
Business
Transformation**

All Three Pillars of Growth Fueling Organic Net Sales¹

Driving Growth Across All Pillars

Foodservice

Global



~30%

Organic Net Sales¹
vs Q1 2022

Emerging Markets

International Zone



23%

Organic Net Sales^{1,2}
vs Q1 2022

GROW Platforms in U.S. Retail

North America Zone



8%

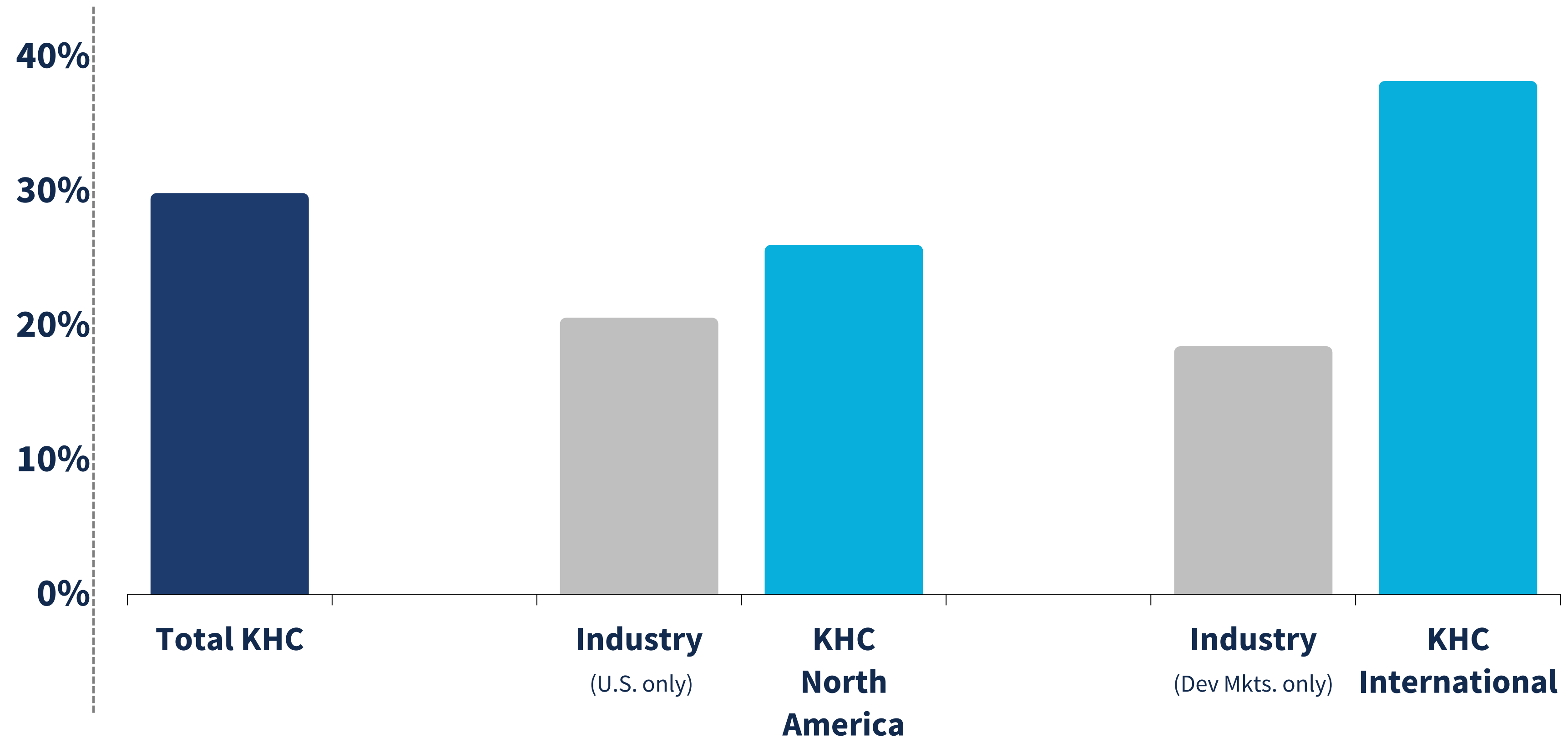
Organic Net Sales¹
vs Q1 2022

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.

Growing and Gaining Market Share, Contributing to Organic Net Sales¹ Growth

Driving Growth Across All Pillars

Foodservice Q1 2023 Growth² vs PY



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

2| Based on internal sales data, which holds the impact of currency constant and excludes the impact of divestitures and acquisitions.

3| For North America, Industry represents U.S. only. U.S. industry growth based on NPD SupplyTrack (Broadline Foodservice Industry Data through March, 2023). For International, Industry represents Developed Markets only. International industry growth based on NPD Crest data through February 2023.

International Foodservice: Growth Strategy Driving Strong Results

Driving Growth Across All Pillars

Chef-Led Model Driving QSR Growth



~45%

QSR Growth
Q1 '23 vs PY¹

Local Solutions Scaled to Multiple Markets



~30%

Additional Markets
Q1 '23 vs Q4 '22

1| Based on internal sales data.

North America Foodservice: Growth Strategy Driving Strong Results

Driving Growth Across All Pillars

Volume Growth with Core Brands



+20%

Core SKU Cases Shipped
Q1 vs PY¹

Unlock Distribution through Joint Business Plans

Introduce Additional Formats



Innovation



Expand Penetration of Adjacent Categories



+4%

Total Distribution Points
Q1 vs PY²

1| Q1 cases shipped on core SKUs.
2| Total Distribution Points gained with our distributor customers.

North America Foodservice: Growth Strategy Driving Strong Results

Driving Growth Across All Pillars

Entering New Channels that are Untapped



Market Size:
~\$25B



Market Size:
~\$30B



KH DIRECT

B2B eCommerce Platform

All Three Pillars of Growth Fueling Organic Net Sales¹

Driving Growth Across All Pillars

Foodservice

Global



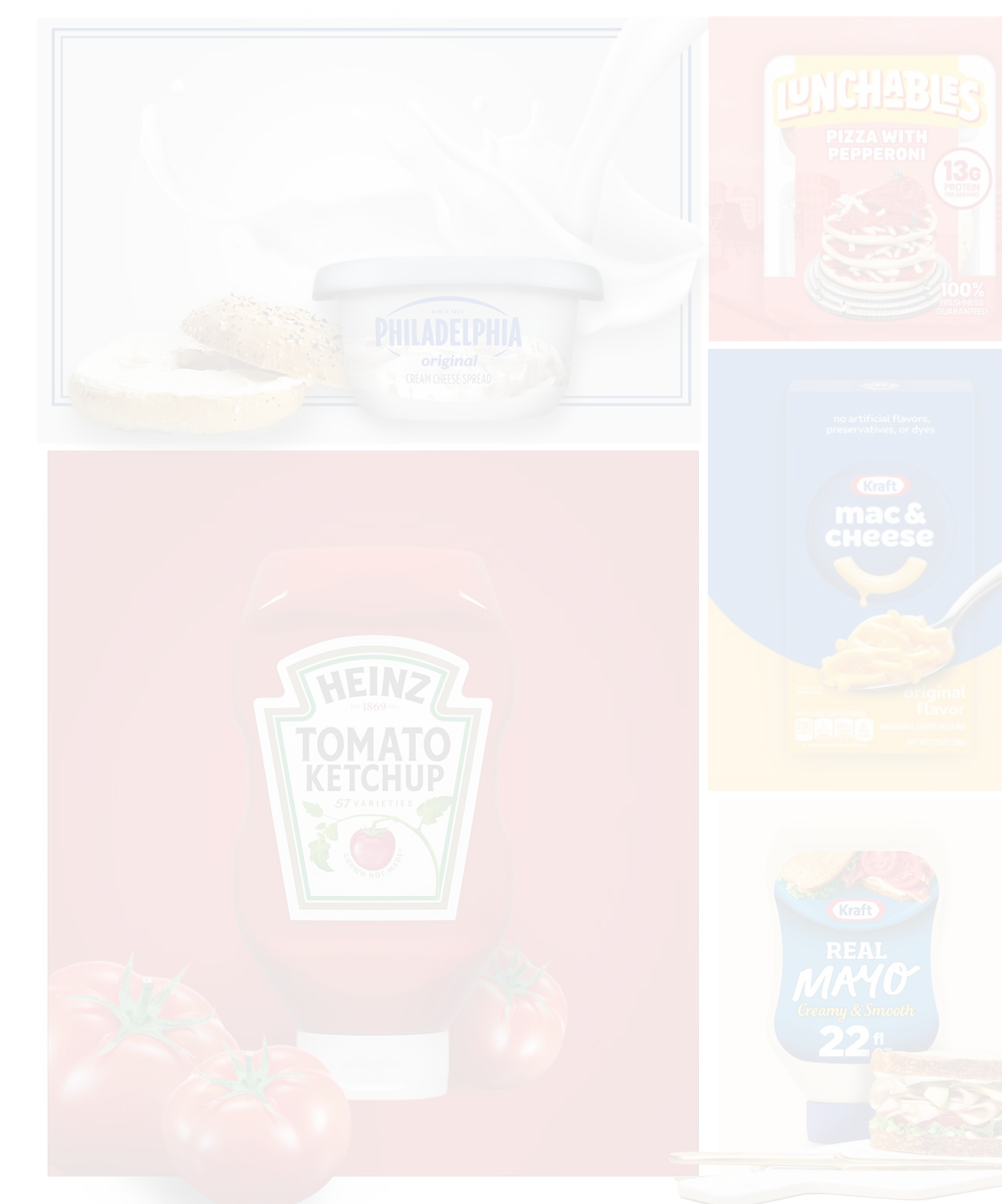
Emerging Markets

International Zone



GROW Platforms in U.S. Retail

North America Zone



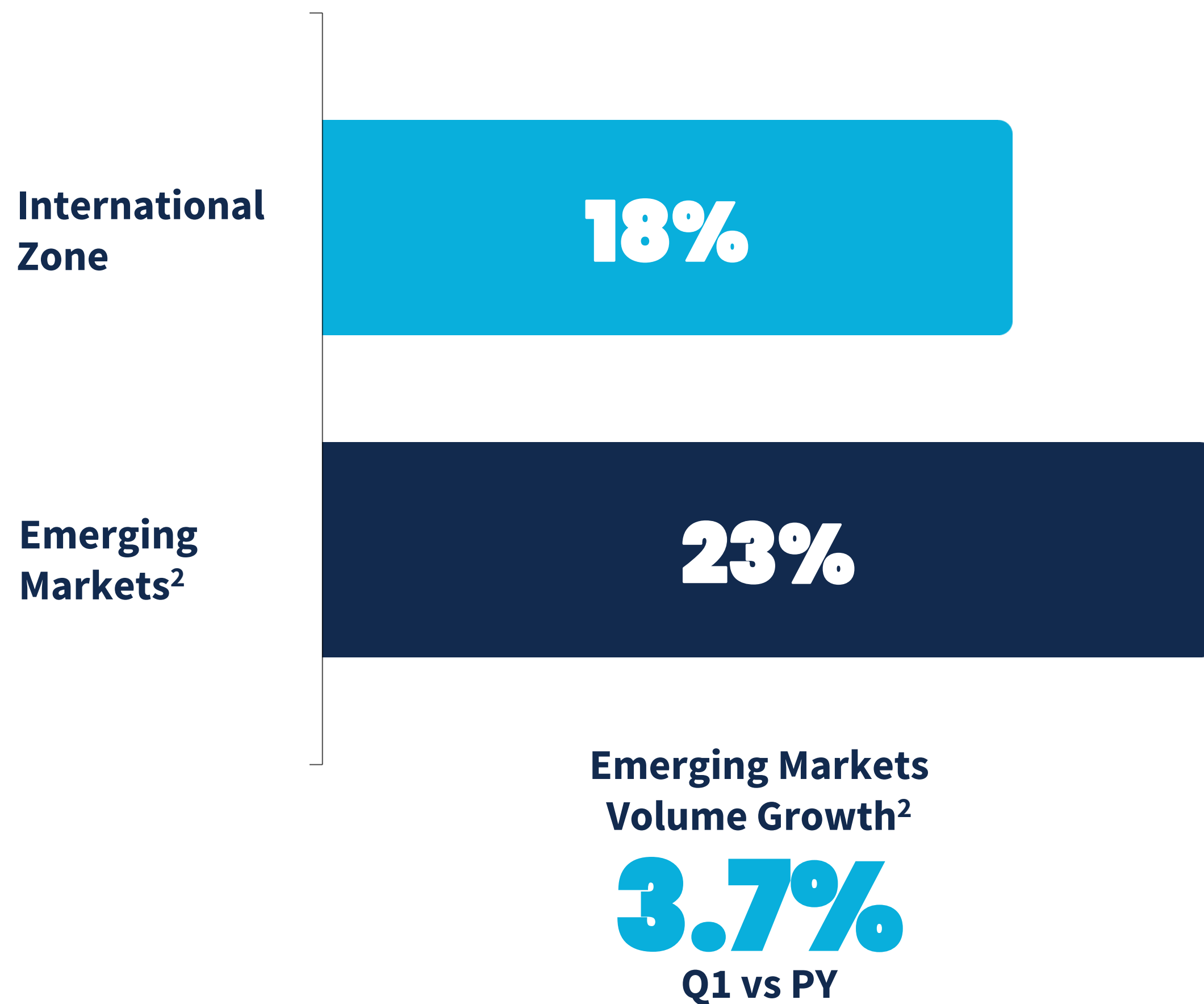
¹ Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts.

² Includes Foodservice business within Emerging Markets.

Growing Through Sustainable and Repeatable Go-to-Market Model

Driving Growth Across All Pillars

Q1 2023 Organic Net Sales¹ vs PY



Go-to-Market Model

90%

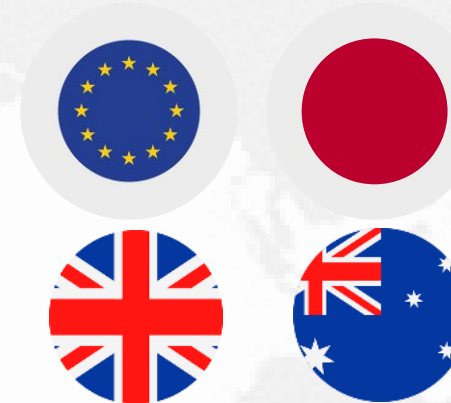
of Emerging Markets Business
by Year-End



Emerging Markets

44%

of IZ Organic Net Sales¹



Developed Markets

56%

of IZ Organic Net Sales¹

¹ Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts.
² Emerging Markets represents ~11.2% of consolidated Q1 2023 total Company Organic Net Sales.
³ Q1 '23 pounds vs PY based on internal data.

Driving Sustainable Growth in Emerging Markets

Driving Growth Across All Pillars

Innovation



Marketing

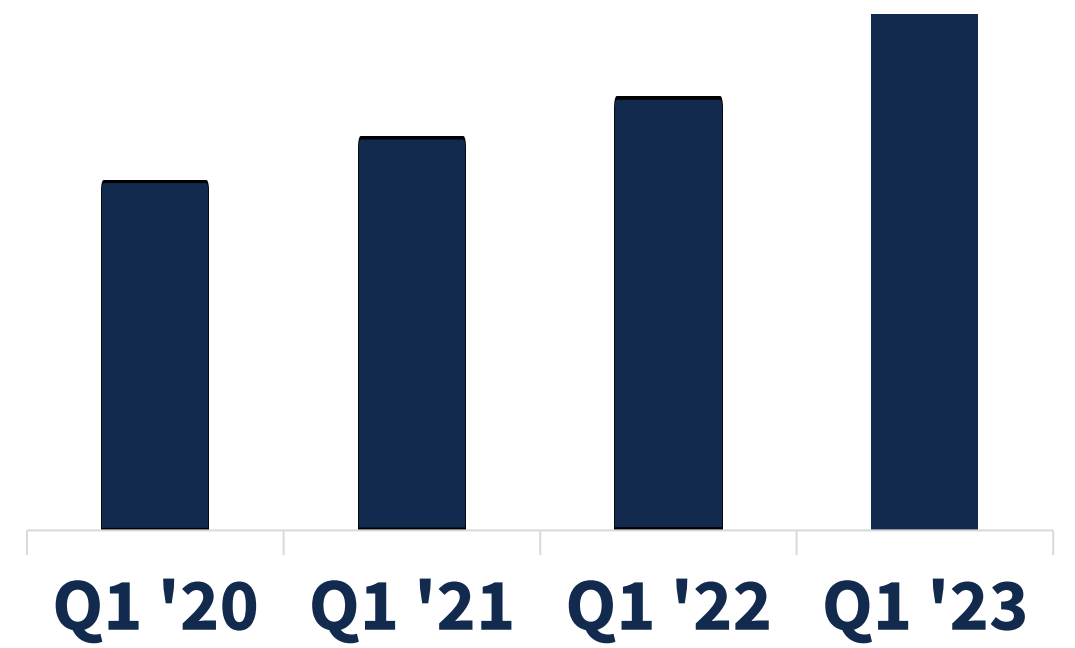
Does Ketchup Belong on Pizza???

YES!!!



Sustainable, Profitable Growth

Net Sales



Q1 2023 Adjusted EBITDA Margin^{1,2}

160bps

Vs Q1 2022

¹ Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts.
² Adjusted EBITDA Margin is calculated using Adjusted EBITDA divided by net sales.

All Three Pillars of Growth Fueling Organic Net Sales¹

Driving Growth Across All Pillars

Foodservice

Global



Emerging Markets

International Zone



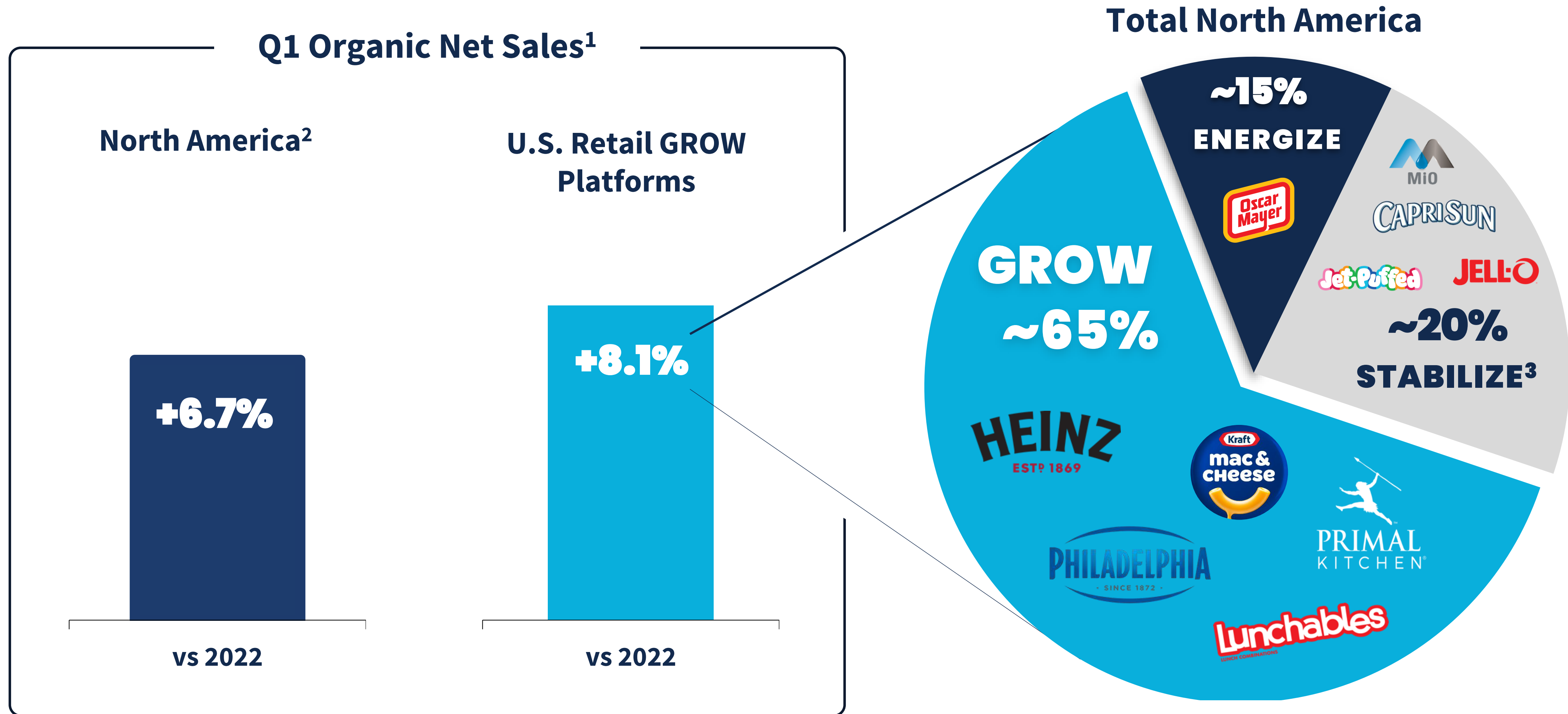
GROW Platforms in U.S. Retail

North America Zone



Strongest Growth in GROW Platforms, Consistent with Strategy

Driving Growth Across All Pillars



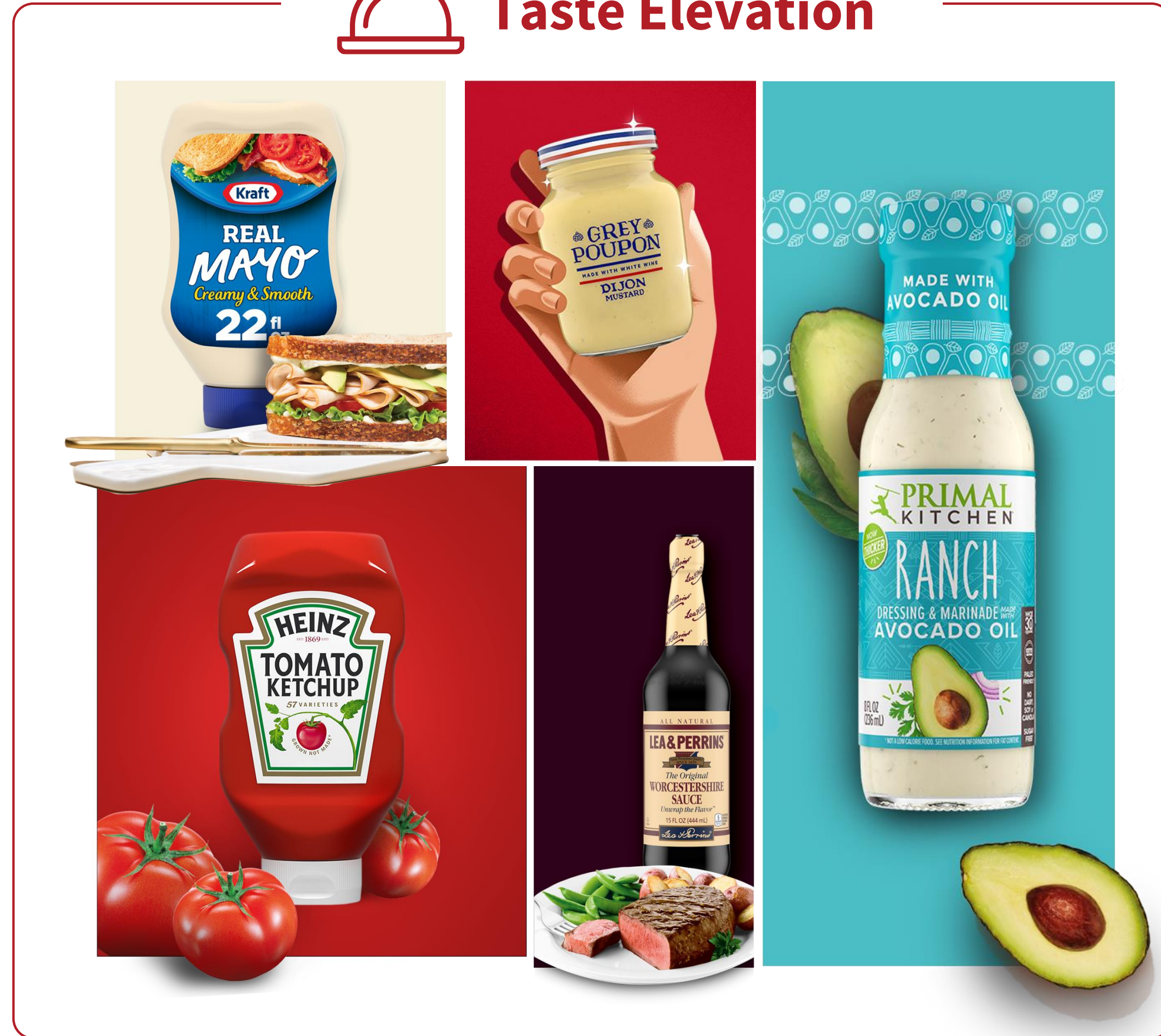
1| Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts.
2| Organic Net Sales for North America includes the impact of the 0.3pp reduction on the sale of the powdered cheese business.
3| Stabilize calculations also include Organic Net Sales that are not otherwise categorized into another platform role presented. 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

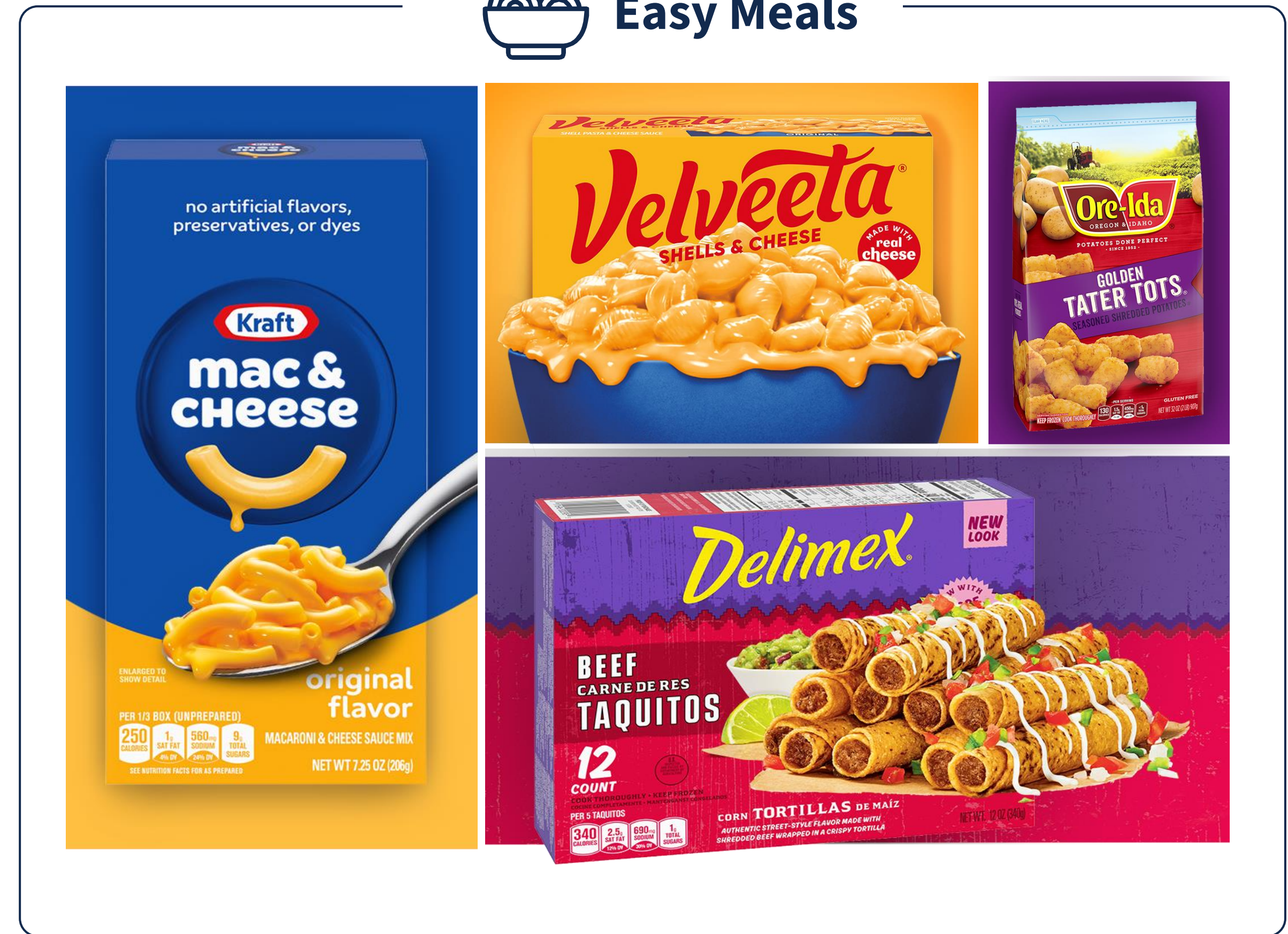
Driving Growth Across All Pillars



Taste Elevation



Easy Meals



15%
vs Q1 2022

U.S. Retail Organic Net Sales¹

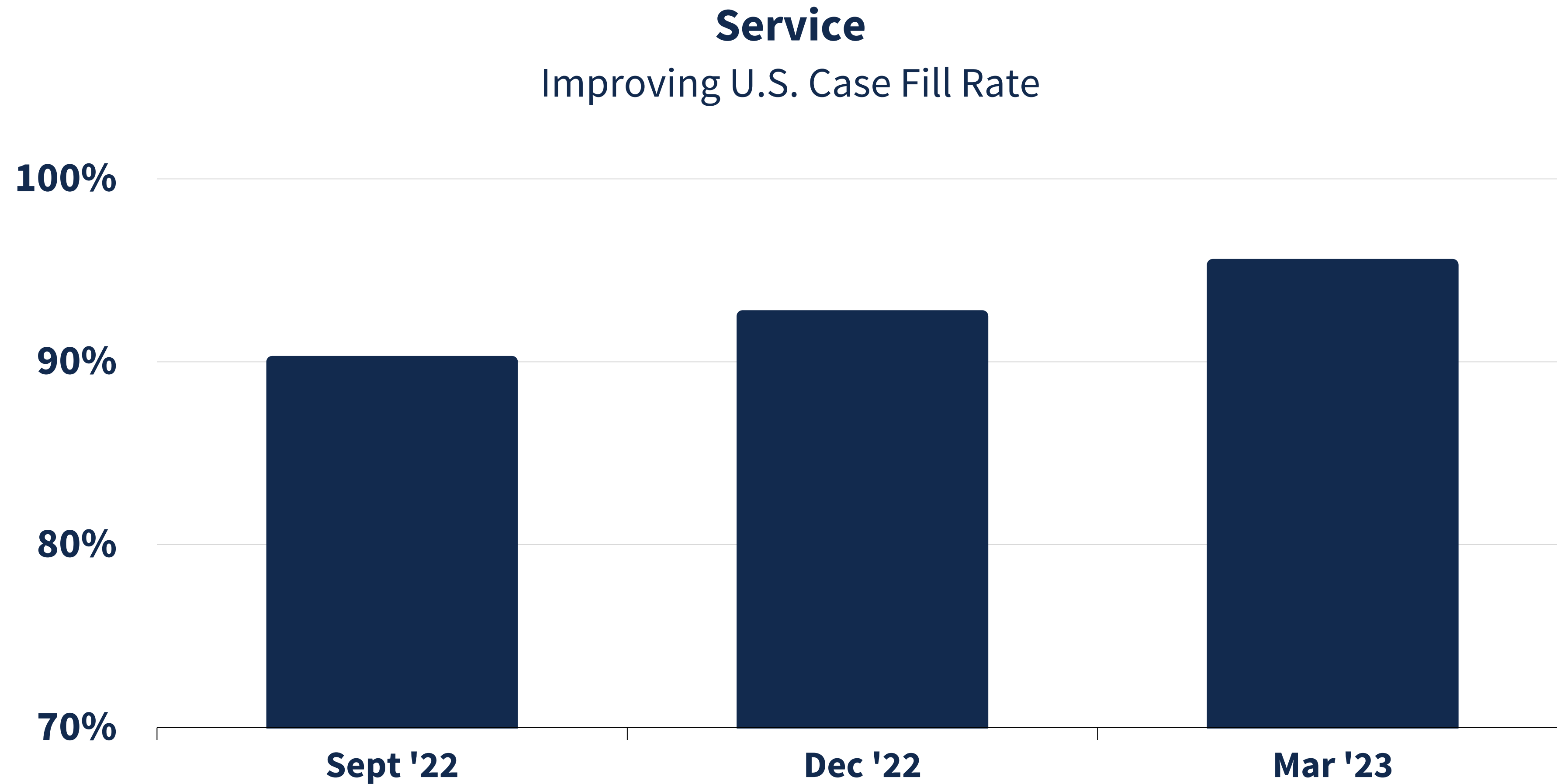
13%
vs Q1 2022

Q1 2023
Business Update
KraftHeinz

¹ Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at ir.kraftheinzcompany.com/events-and-webcasts. Brands shown by platform role are illustrative and do not reflect all brands within each platform.

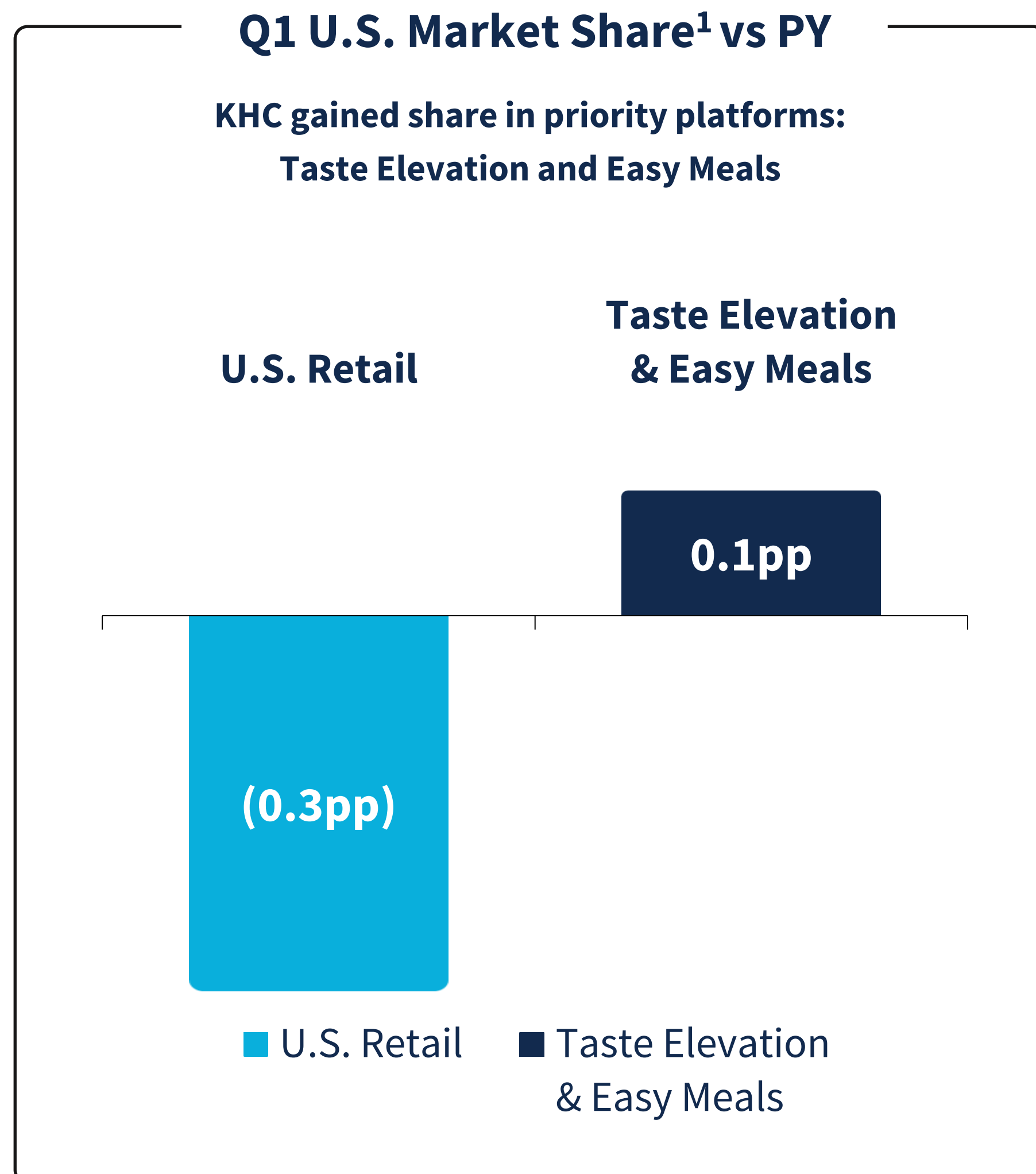
Service Levels Improving Sequentially

Driving Growth Across All Pillars



Gaining Share in Priority Platforms

Driving Growth Across All Pillars



- Favorable share momentum in priority platforms: Taste Elevation and Easy Meals
- Share loss concentrated in few categories: Cold Cuts, Cream Cheese, and Kids Single Serve Beverages
- We expect gradual year-to-go improvement coming from sustainable, profitable commercial strategies
- GROW platforms will continue to accelerate

Action Plan in Place to Capture Additional Share

Driving Growth Across All Pillars

Our Teams Have Kickstarted A Series Of Action Plans To Capture Additional Share

1 Joint Business Plan Execution

Agreements in place to improve Shelf Space and Merchandising

2 Increasing Marketing Investment

Increasing Double-Digits YOY

3 Innovation

Innovation continuing to ramp up throughout 2023

4 Supply Recovery

Solve remaining supply constraints

Driving Share through Joint Business Plans

Driving Growth Across All Pillars

1 Joint Business Plan Execution

Gain Fair Share of Shelf Space



Earn Quality Merchandising in Premium Occasions



Expand Distribution of Formats that Create Expandable Consumption



Driving Share through Increased Marketing Investment

Driving Growth Across All Pillars

2 Increasing Marketing Investment + Double Digit %



Deploying Incremental M&C Liquids Media for H2

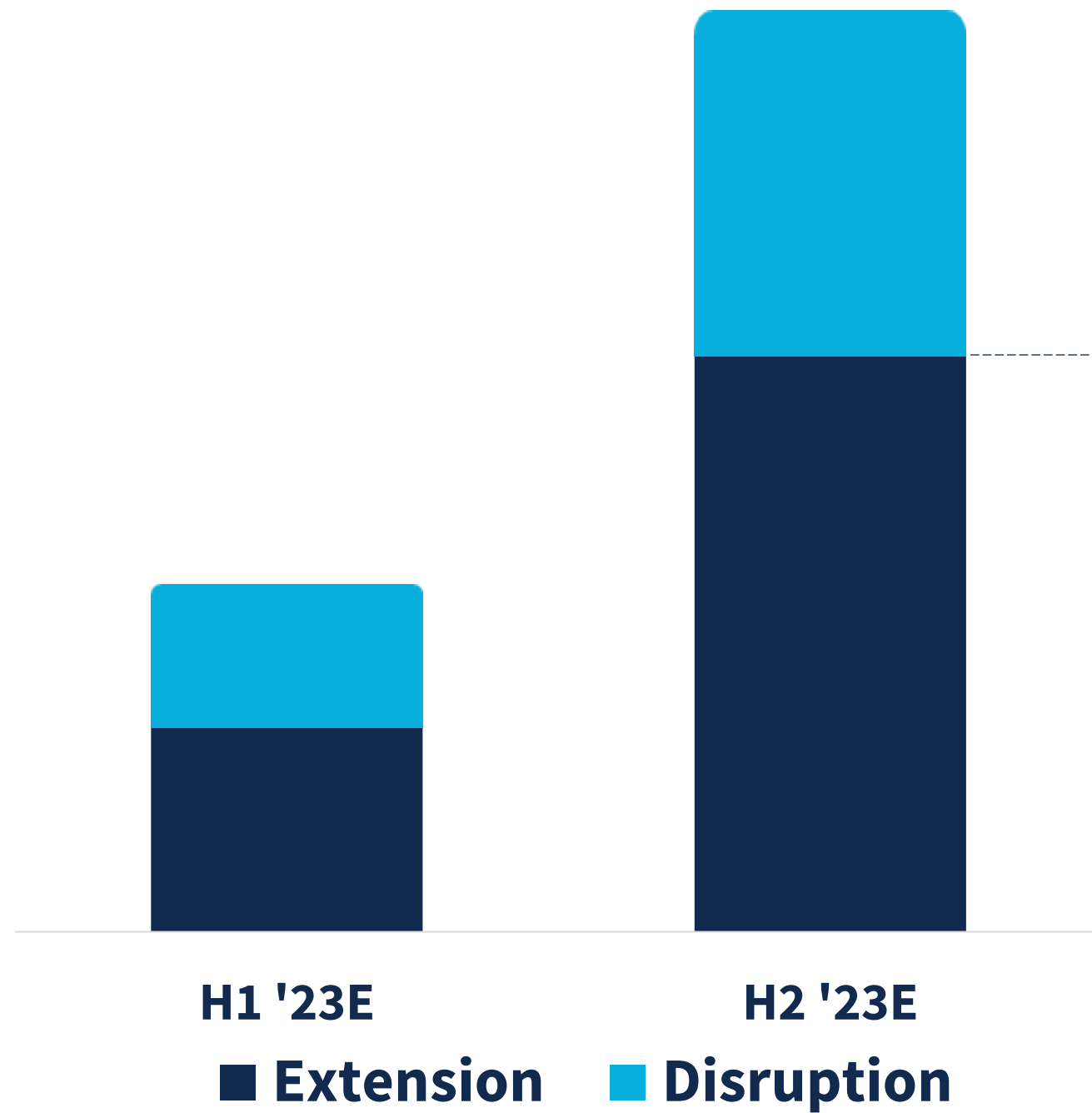


Driving Share through Innovation Ramp-up

Driving Growth Across All Pillars

3 Innovation

2023 Incremental Organic Net Sales¹



Disruption



Extension



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

Driving Share through Supply Recovery

Driving Growth Across All Pillars

4 Supply Recovery

Cold Cuts

Labor challenges solved, rebuilding inventory



Frozen Potatoes

Making capital improvements at Ontario factory, will ramp up production in H2



Action Plan in Place to Capture Additional Share

Driving Growth Across All Pillars

Our Teams Have Kickstarted A Series Of Action Plans To Capture Additional Share

1 Joint Business Plan Execution

Agreements in place to improve Shelf Space and Merchandising

2 Increasing Marketing Investment

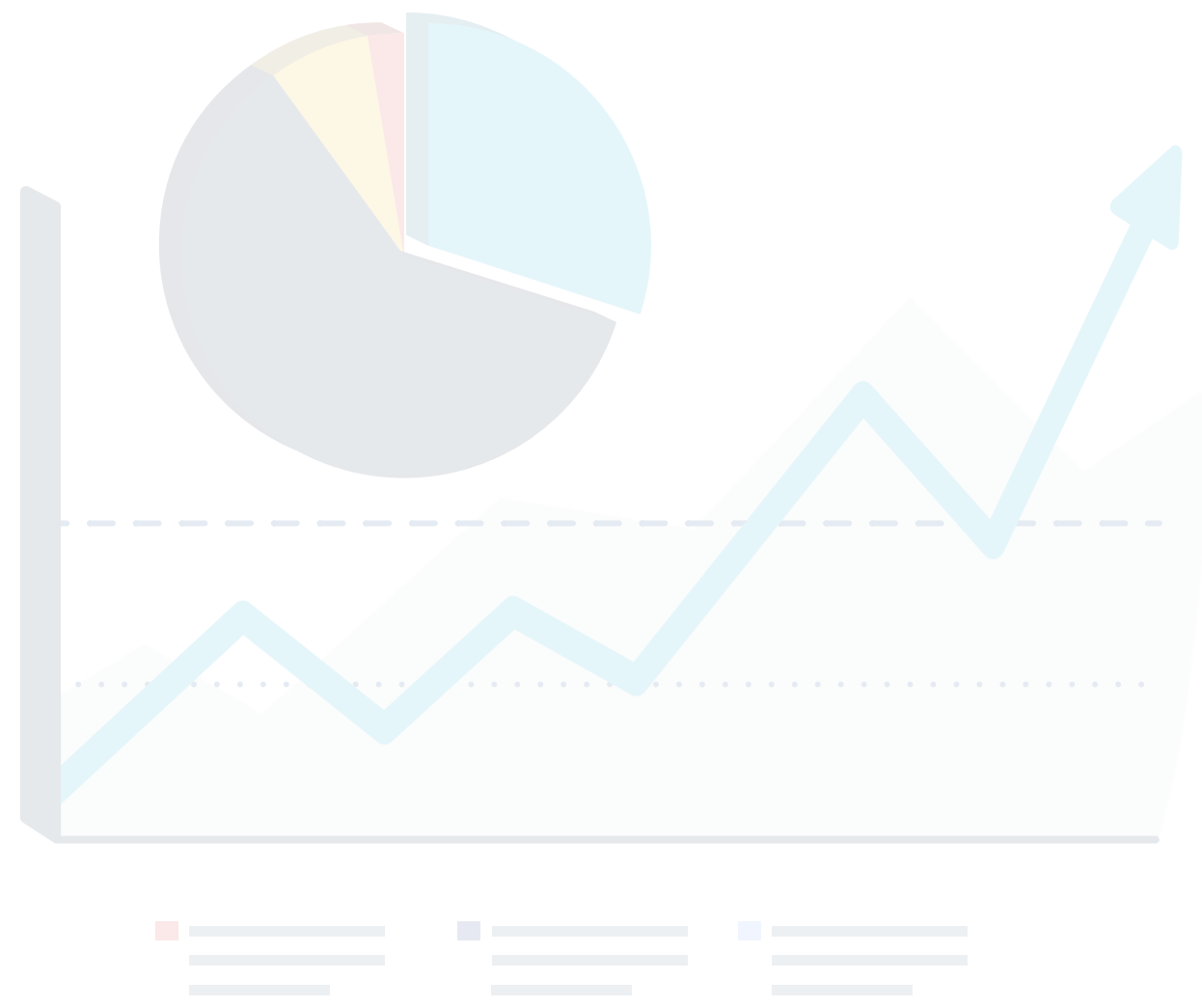
Increasing Double-Digits YOY

3 Innovation

Innovation continuing to ramp up throughout 2023

4 Supply Recovery

Solve remaining supply constraints



**Delivered
Strong Results**

Foodservice

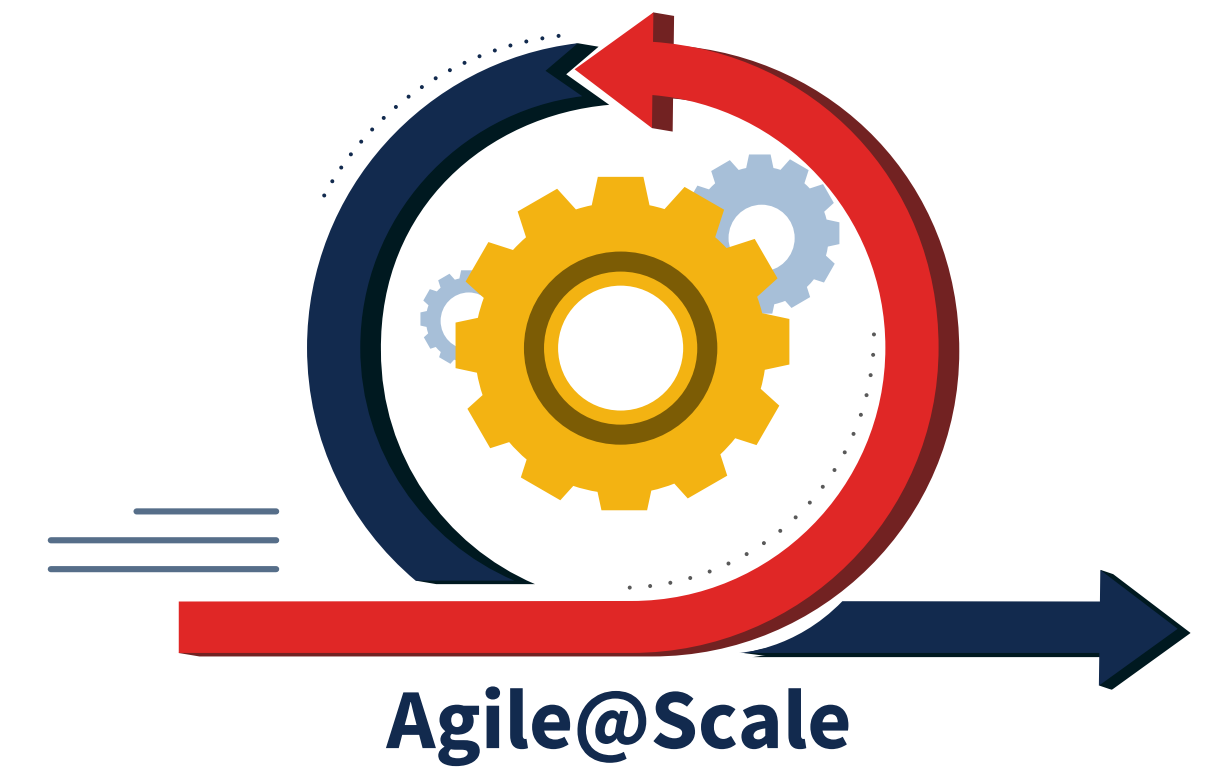


GROW Platforms
in U.S. Retail



Emerging Markets

**Driving
Growth Across
All Pillars**



**Advancing
Business
Transformation**

Driving Growth Across Pillars through Enablers

Advancing Business Transformation

Growth Pillars



Foodservice

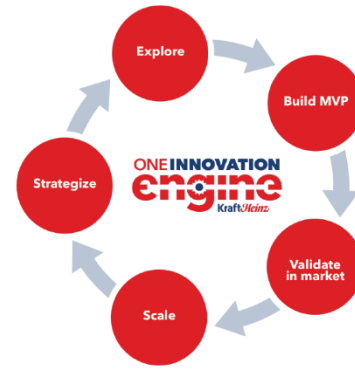


Emerging Markets



U.S. Retail
GROW Platforms

Enablers for Growth



Innovation
Engine

THE
kitchen

Disruptive
Marketing



Sales Excellence
& Go-to-Market

Sources of Funding



Revenue
Management



Supply Chain
Efficiencies



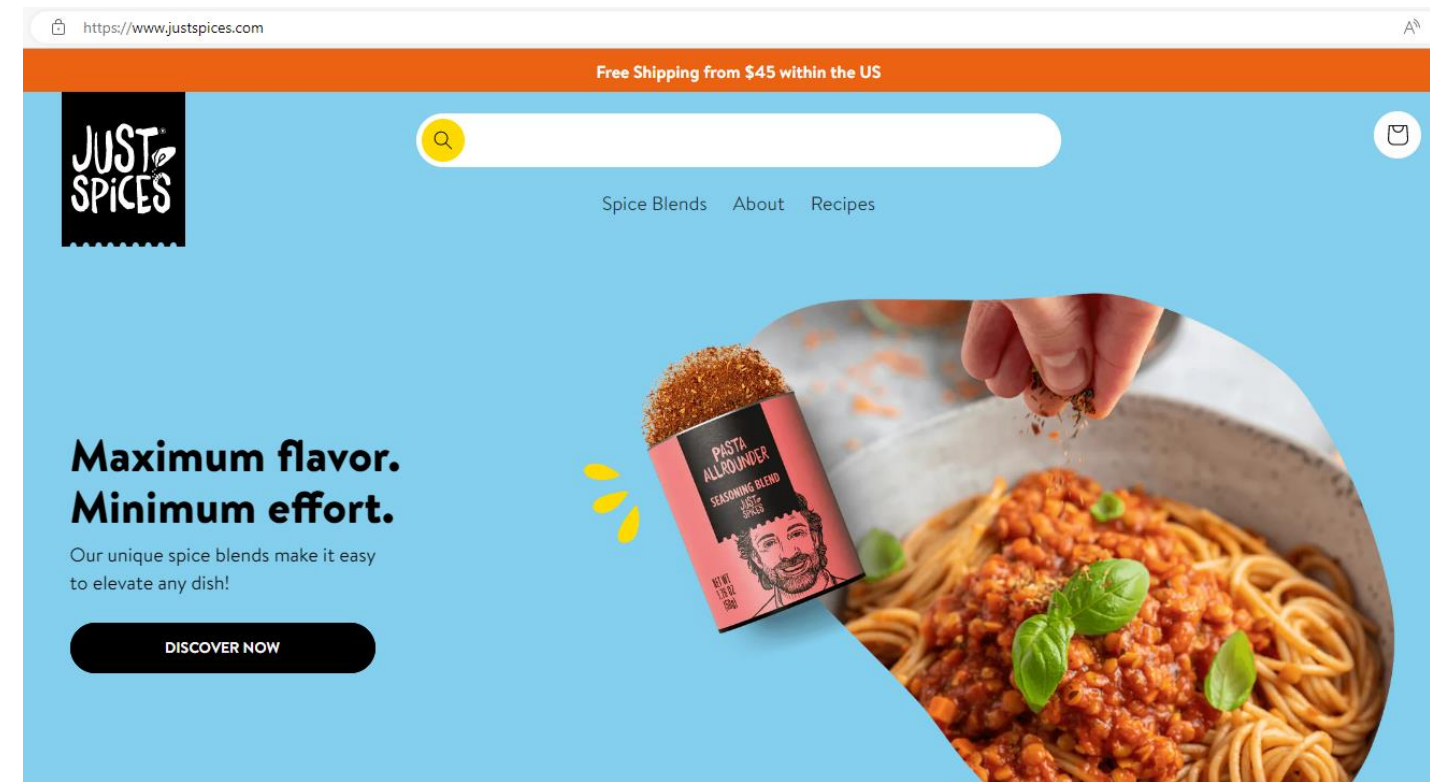
Working Capital
Efficiencies



Developing Better Products, Faster and Entering New Categories

Advancing Business Transformation

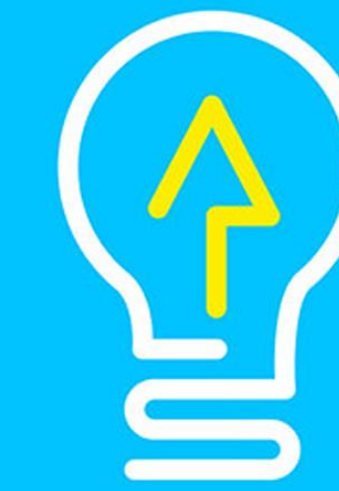
Just Spices in US: Direct to Consumer Launch



Innovation Through Partnerships



FAST COMPANY



Most Innovative Companies 2023¹



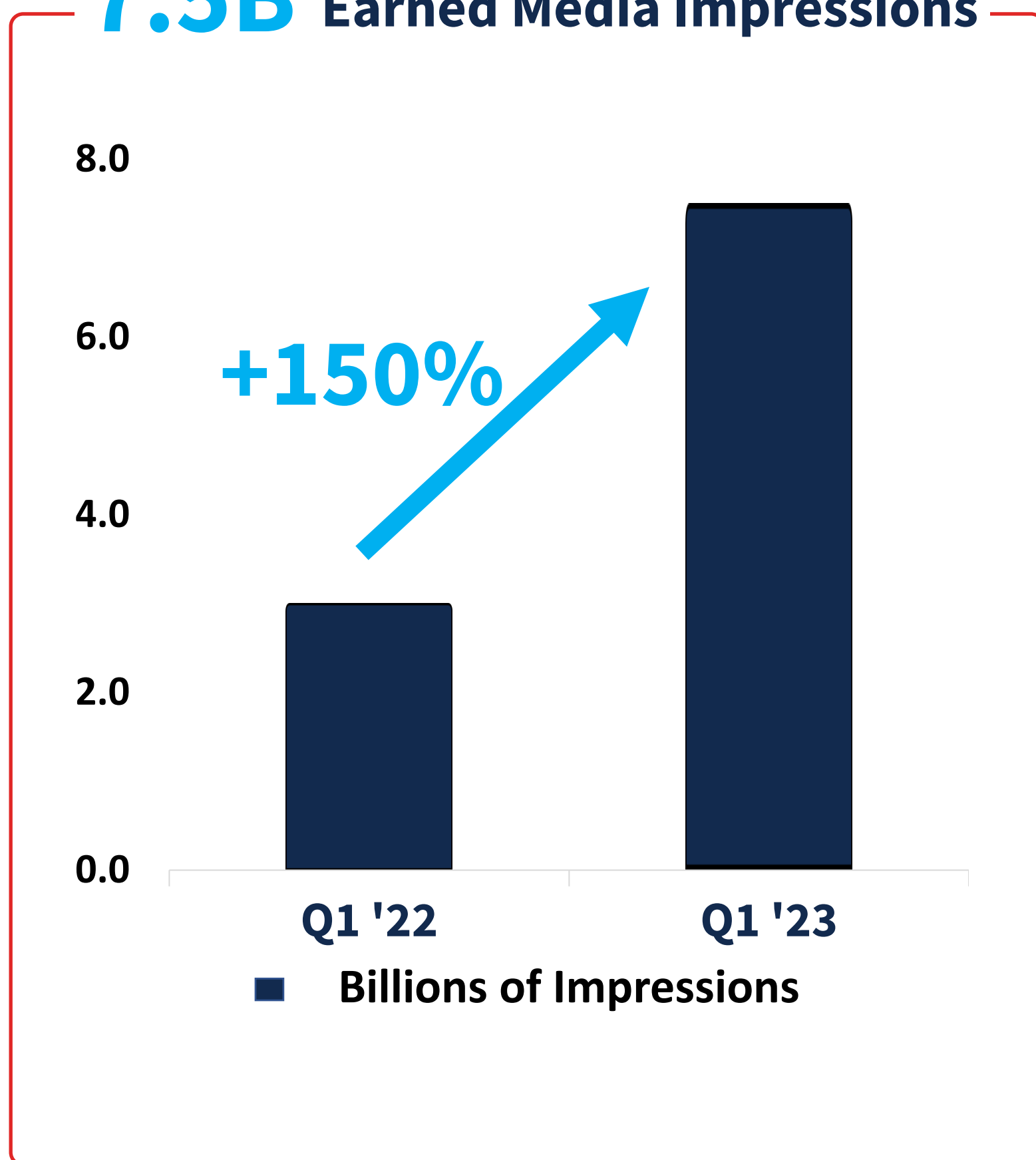
Democratizing Plant-Based Food

¹ Fast Company's 2023 list of Most Innovative Companies in Consumer Goods.

Disruptive Marketing Driving Substantial Earned Media Growth

Advancing Business Transformation

7.5B Earned Media Impressions

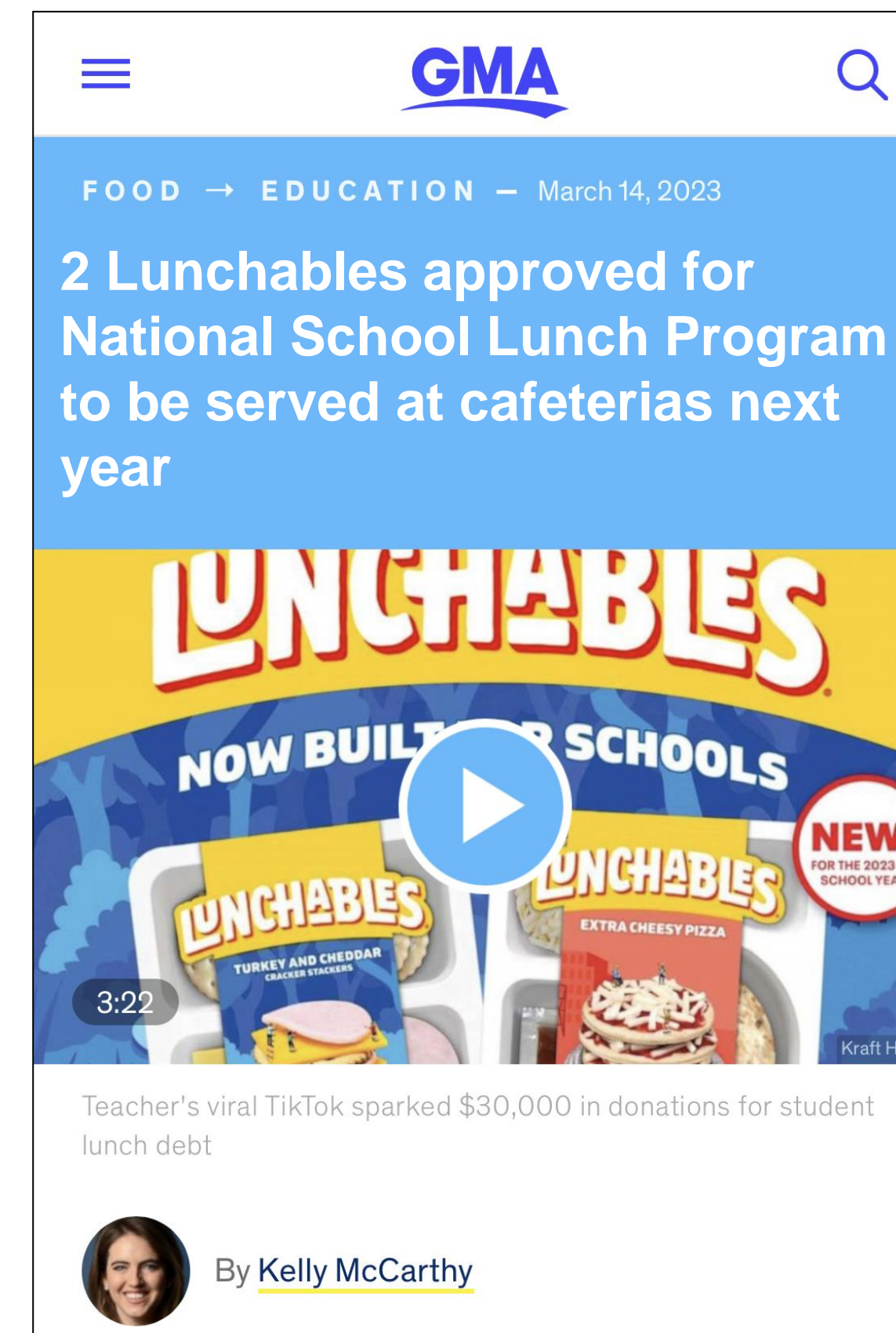


+24% total consumer content engagement vs PY



#FindtheKetchupBoatGuy

Created by The Kitchen (internal agency) with \$10k media spend



Lunchables Go to School

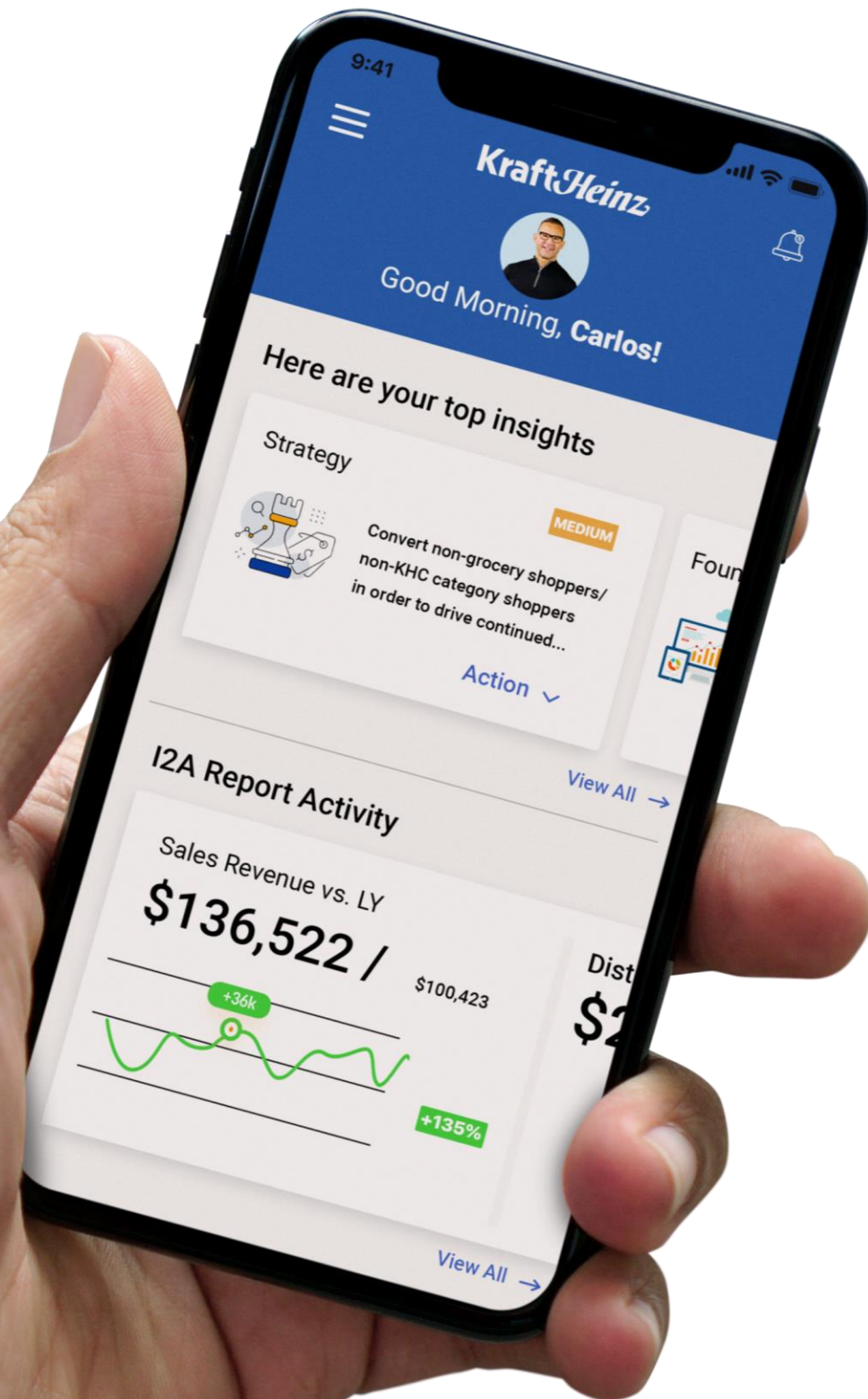
99% positive/neutral sentiment and nearly \$0 cost to execute by The Kitchen

Artificial Intelligence Leading Transformation across Sales and Supply Chain

Advancing Business Transformation

A.I. Enabled Sales Insights

- ✓ Harmonizes Category, Shopper and Supply Chain Data
- ✓ Uncovers “Live” Insights for Joint KHC/ Customer Wins



A.I. Enabled End-to-End Supply Chain Visibility

- ✓ Automated Service Risk Identification
- ✓ A.I. Driven Prioritization
- ✓ Automated Operator Alerts



+\$30M
Current Pace for
Yearly Incremental
Net Sales

42%
Reduction in
Operator Alerts

Q1 **Key Takeaways**

Delivered Strong Financial Results across all 3 Pillars of Growth

Future Growth will be driven equally by Foodservice, Emerging Markets and U.S. Retail GROW

Reinvesting in the Business across Marketing, R&D and Technology

Q1 2023

**FINANCIAL
PERFORMANCE
AND OUTLOOK**

Andre Maciel

Global CFO



Solid Results Across North America and International

Financial Performance: Segment Results

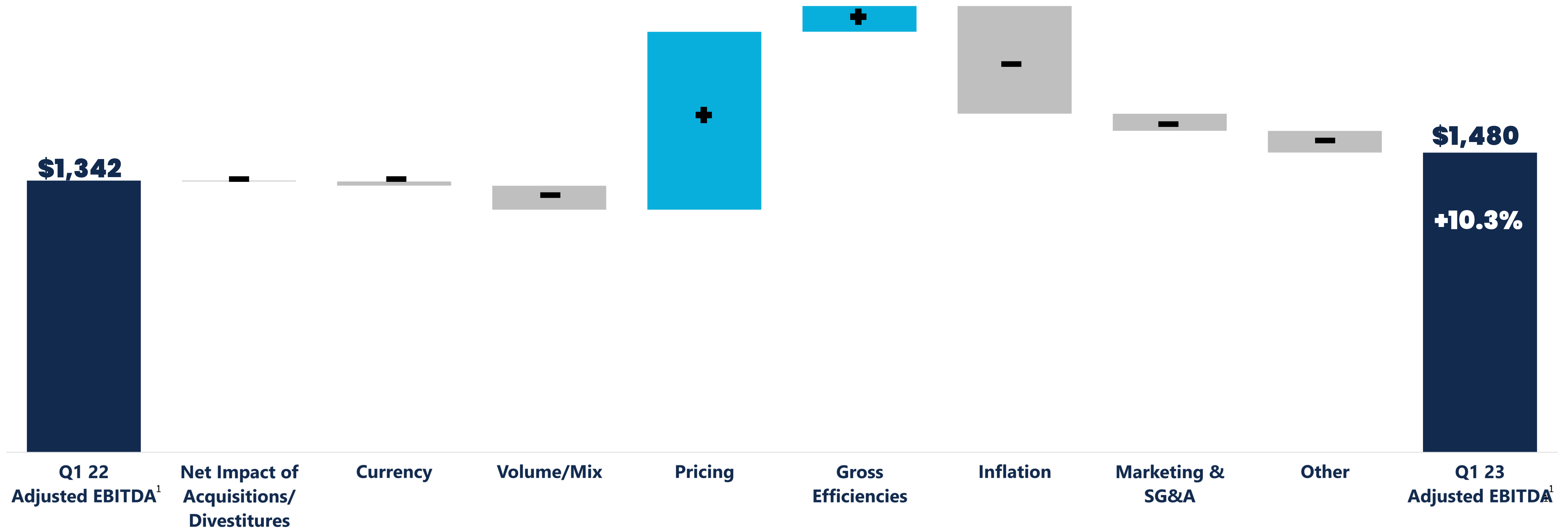
	Kraft Heinz Q1 vs '22	North America Q1 vs '22	International Q1 vs '22
Organic Net Sales¹	9.4%	6.7%²	18.1%
Price	14.7pp	13.2pp	19.3pp
Vol/Mix	(5.3pp)	(6.5pp)	(1.2pp)
Adjusted EBITDA¹	10.3%	13.7%	5.3%
Currency	(1.6pp)	(0.4pp)	(7.4pp)
Constant Currency Adjusted EBITDA¹	11.9%	14.1%	12.7%

Growth driven by Price and Efficiencies Offsetting Inflation; Reinvesting in Business

Financial Performance: Adjusted EBITDA¹

Adjusted EBITDA¹ Q1 2023 vs Q1 2022

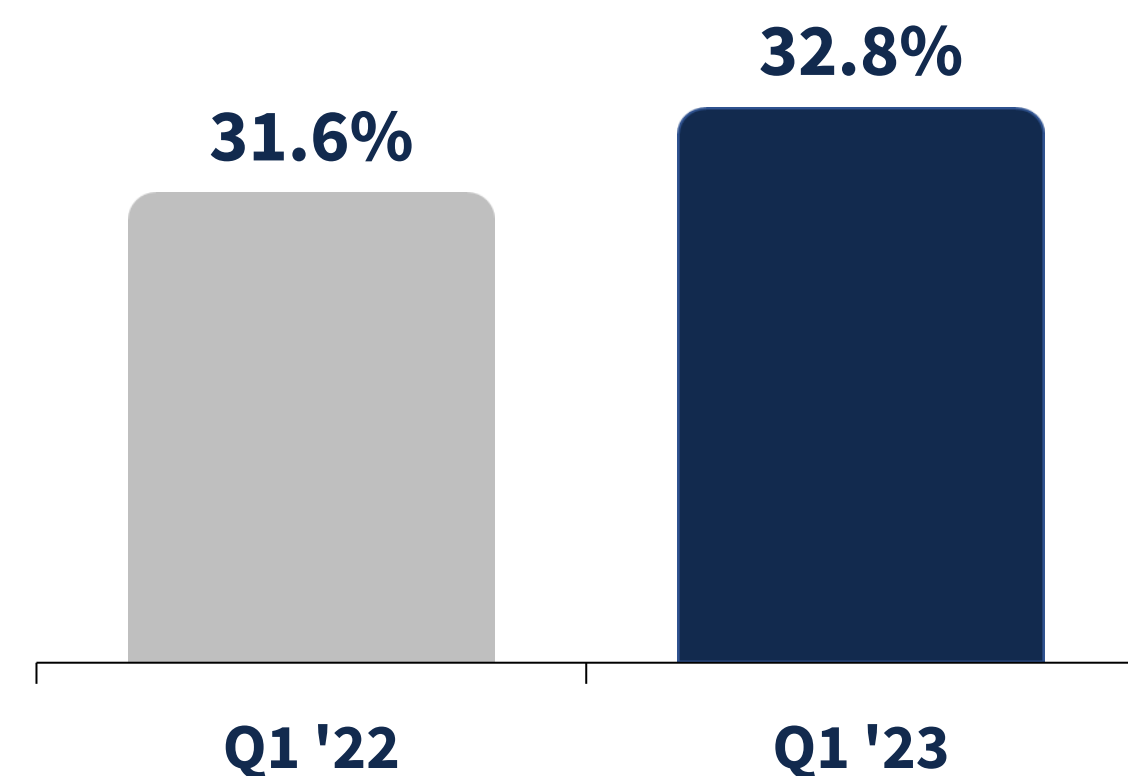
(in millions)



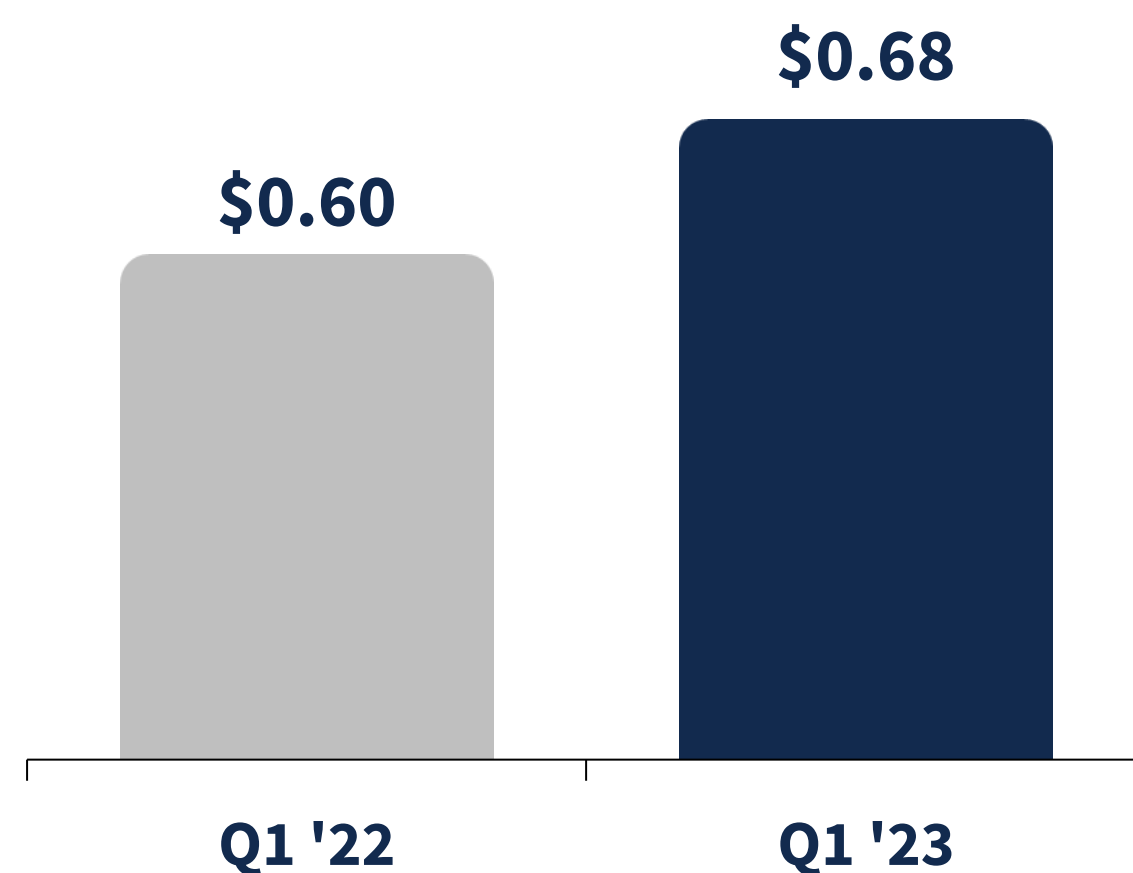
Pricing and Efficiencies Protecting Margins; Inventory Levels Impacting Free Cash Flow

Financial Performance: Key Metrics

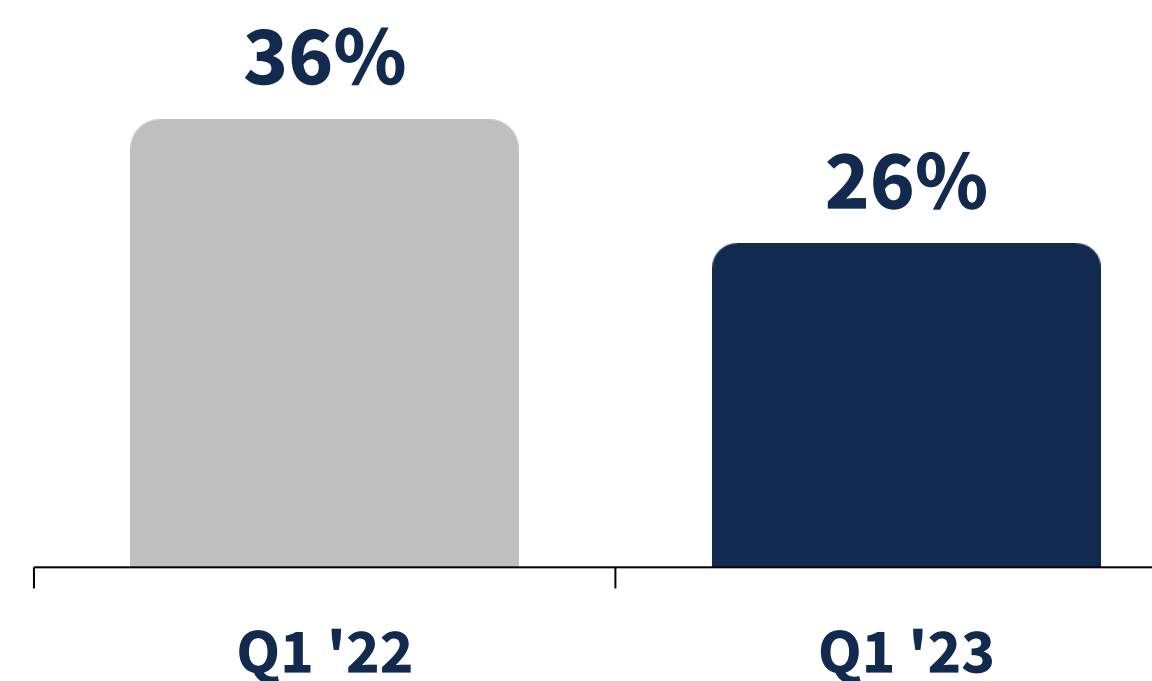
Adjusted Gross Profit Margin¹



Adjusted EPS¹



Free Cash Flow Conversion¹



vs Q1 2022

Results of Operations:	\$0.09
Interest Expense:	\$0.01
Effective Tax Rate:	(\$0.01)
Pension & Post Retirement Medical:	(\$0.01)

Generating Efficiencies to Expand Margins and Reinvest in the Business

Growth Pillars



Foodservice

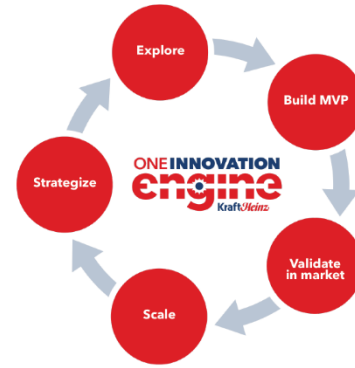


Emerging Markets



U.S. Retail
GROW Platforms

Enablers for Growth



Innovation Engine



Disruptive Marketing



Sales Excellence & Go-to-Market

Sources of Funding



Revenue Management



Supply Chain Efficiencies



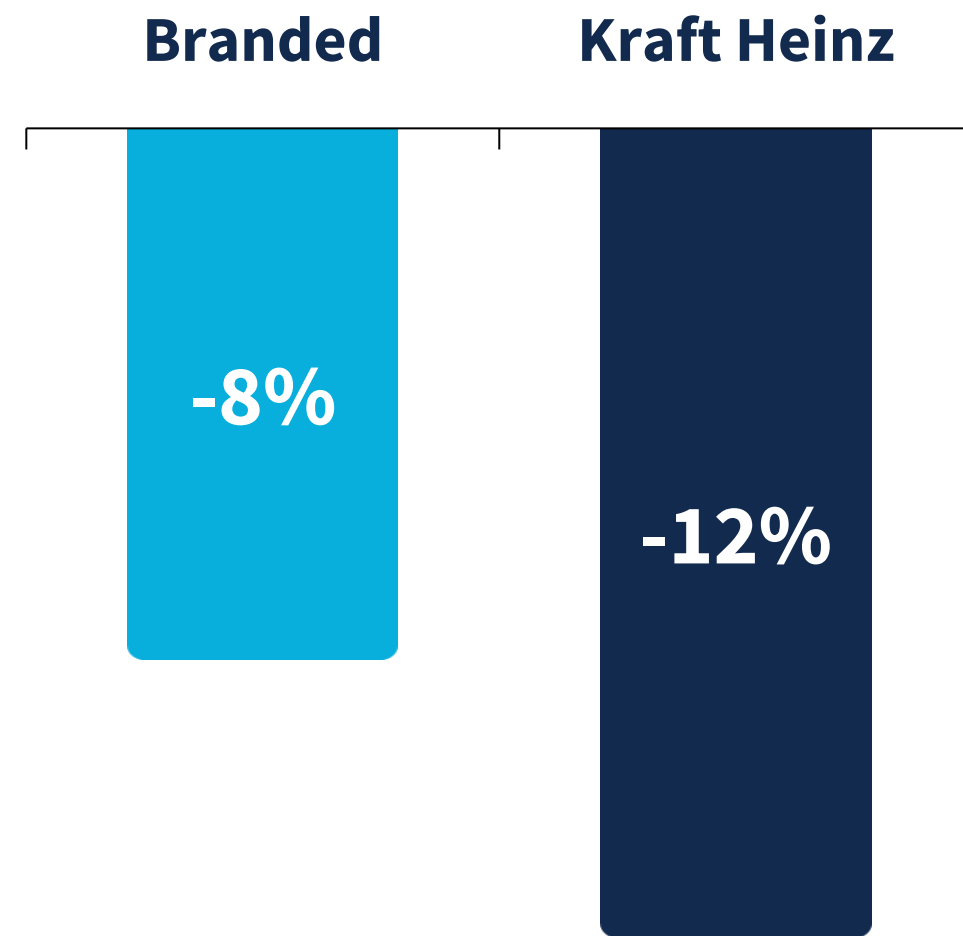
Working Capital Efficiencies

Promotional ROI Significantly Improving while Base Volumes Remain Strong

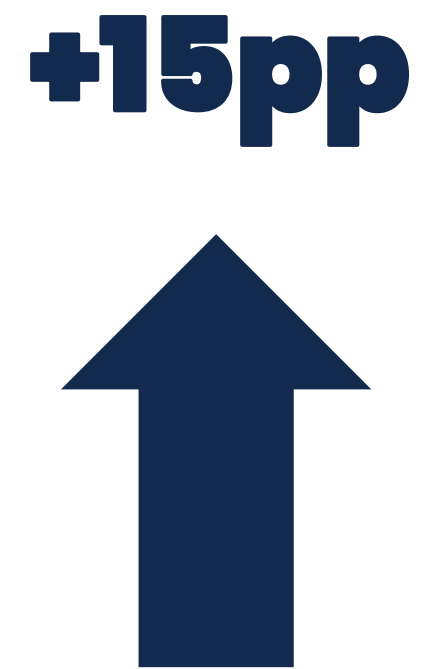
Financial Performance: Revenue Management

Fewer Promotions. Better ROIs.

% U.S. Consumption Volume Sold
on Promotion¹
Q1 '23 vs Q1 '19^{3,4}

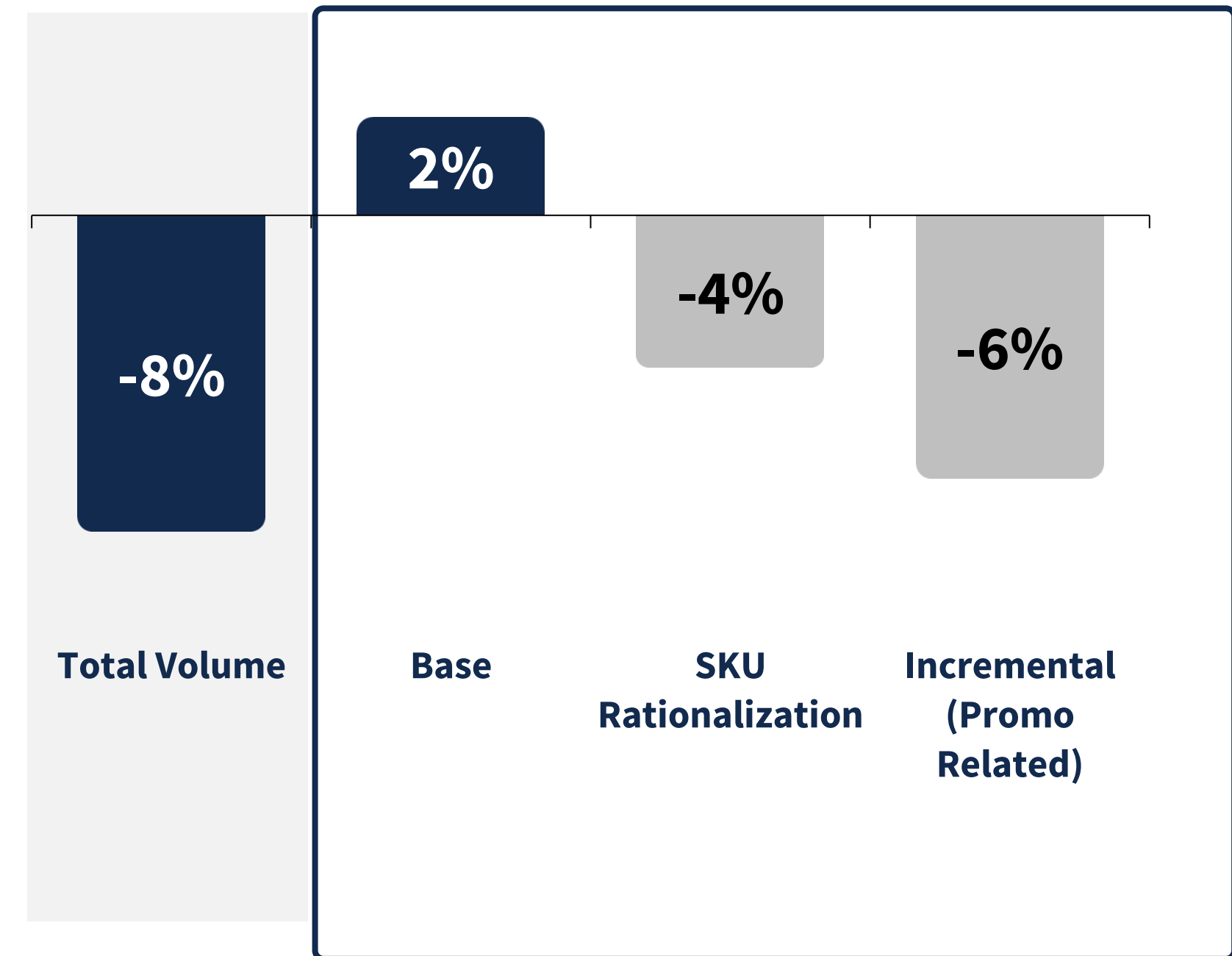


ROI Improvement
Q1 '23 vs Q1 '19³



Base Volumes Increasing Year over Year

Kraft Heinz U.S. Consumption Volume²
Q1 '23 vs Q1 '19^{3,4}



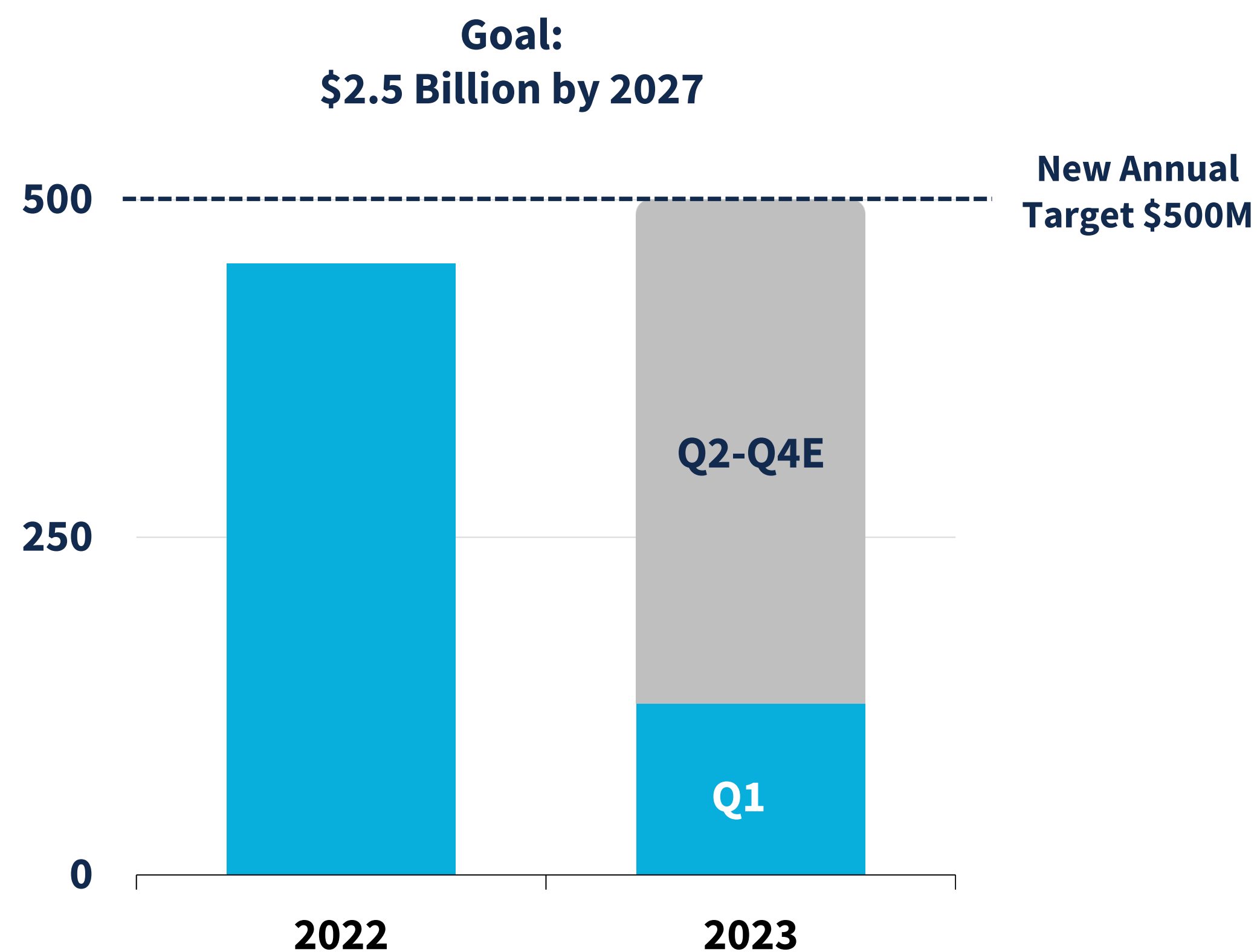
¹ Based on IRI custom hierarchy MULO data using volume sales from 13 Weeks Ending April 2, 2023 and 13 Weeks Ending April 7, 2019
² Based on IRI custom hierarchy MULO data using EQ volume from 13 Weeks April 2, 2023 and 13 Weeks Ending April 7, 2019; SKU Rationalization based on Kraft Heinz estimates.
³ The Company views comparison to 2019 to be meaningful as it was the base year for the Company's strategic plan announced at the Company's September 2020 Investor Day.
⁴ 2019 figures exclude divested Nuts and Natural Cheese businesses.

Generating Higher Gross Savings as Inflation Begins to Moderate

Financial Performance: Supply Chain Efficiencies

Supply Chain Efficiencies

Gross Efficiency Plan on Track



Inflation

Improvement in Cost

- Input costs beginning to come down
- Expect Inflation to be modestly lower on the full year, primary impacting H2
- Timing a function of hedges / contracts

H1 Inflation

+LDD

H2 Inflation

+MSD

Working Capital Improvement Plan in Place

Financial Performance: Working Capital Efficiencies

- Increased inventory as we prioritized accelerating service level recovery
- Expect to see a reduction in inventory throughout the year
 1. Rebalance the network
 2. Reduce buffers in line with inventory policy
 3. Continue to improve demand forecast accuracy, leveraging our digital solutions



KH Hive

Proprietary Digital Demand Planning Solution

Demand Forecast Accuracy

+10pp

vs Q1 2022

+5pp

vs Q4 2022

Production Forecast Accuracy

+6pp

vs Q1 2022

+4pp

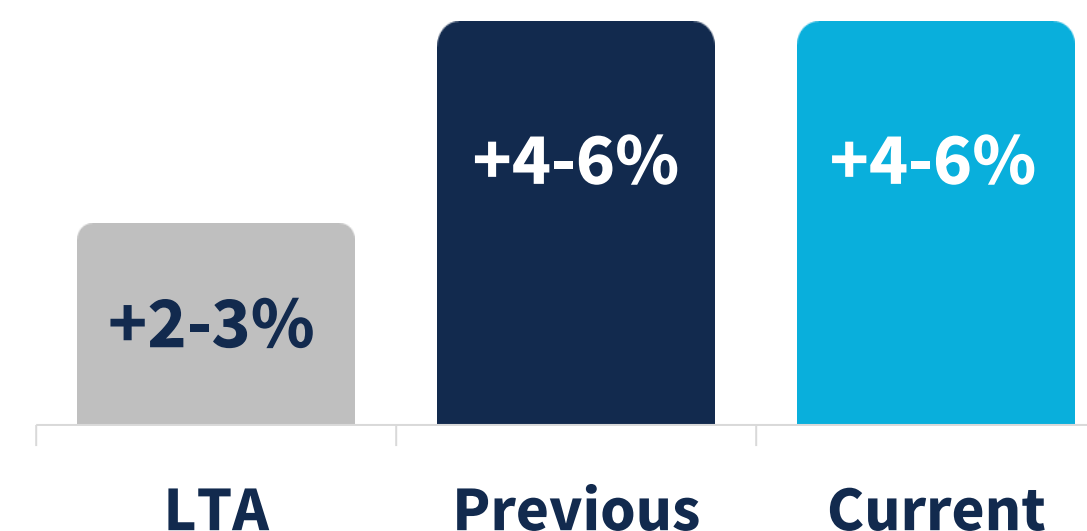
vs Q4 2022

Outlook Reflects Organic Net Sales¹ & Constant Currency Adjusted EBITDA¹ Growth

2023 Outlook

2023 Considerations

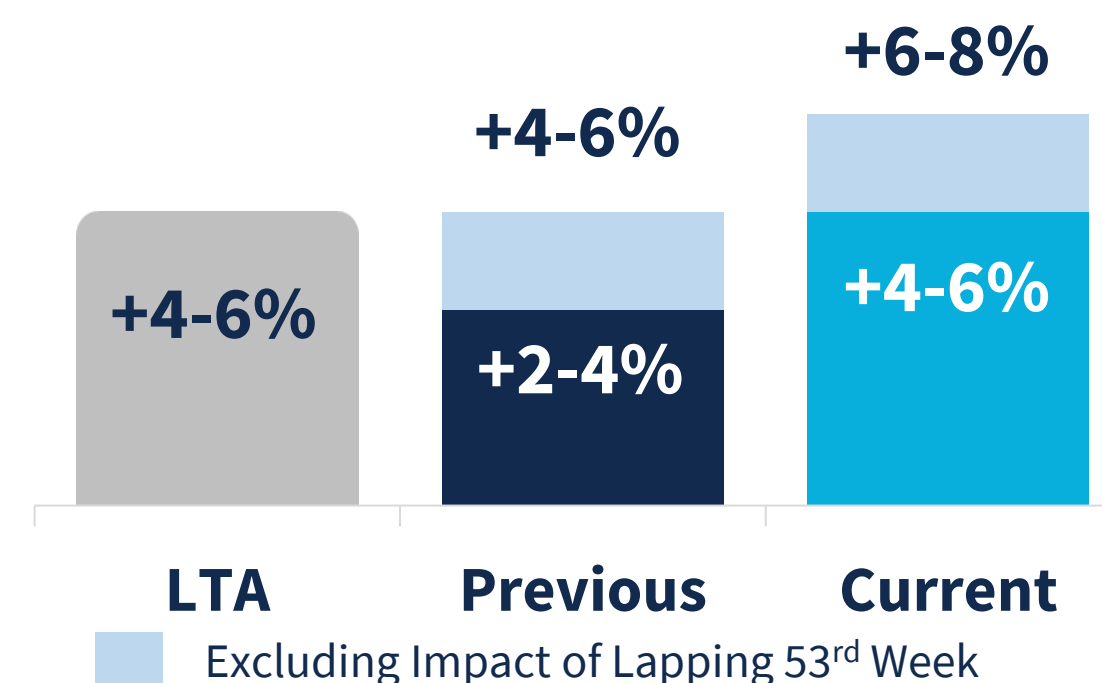
Organic Net Sales¹



Above Long-term Algorithm Growth

- Returning to historical elasticity levels (no change from prior call)
- 98% of 2023 pricing is accepted, of which 95% is implemented
- Driven by Foodservice, Emerging Markets, U.S. Retail GROW Platforms

Constant Currency Adjusted EBITDA¹



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

- FY23 Inflation +HSD%, with H1 +LDD% and H2 +MSD%
- Adjusted Gross Profit Margin¹ +125-175bps, 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

	Previous	Current
Adjusted EPS ¹	\$2.67 to \$2.75	\$2.83 to \$2.91
	-4% to -1%	+2 to +5%

Adjusted EPS¹ Headwinds from Pension and Tax Rate

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

Financial Highlights

Organic Net Sales¹, Adjusted EBITDA¹, and Adjusted EPS¹ grew above Long-Term Algorithm

Adjusted Gross Profit Margin¹ expanded sequentially and versus PY, funding Investment in Marketing, R&D, and Technology

Guidance Raised for Constant Currency Adjusted EBITDA¹ and Adjusted EPS¹

CLOSING COMMENTARY

Miguel Patricio

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



APPENDIX

Private Label Reconciliation: Scanner Data¹

Kraft Heinz PL exposure, including Nat Cheese (syndicated view)	17.8%
Remove natural cheese	(1.6pp)
Kraft Heinz PL exposure, excluding Nat Cheese (syndicated view)	16.1%
Negligible business ² (<\$1M FY dollars)	(2.0pp)
KHC custom hierarchy (example: remove cooking oil)	(0.8pp)
Remove categories where KHC does not play (bottled water)	(1.6pp)
Kraft Heinz PL exposure (custom hierarchy)	11.7%