Second Quarter 2024 Earnings Pre-Recorded Management Discussion
July 31, 2024

Please view the following prepared management remarks together with our Quarterly Report on Form 10-Q, presentation slides, earnings release, and non-GAAP information that accompany these remarks, which includes a discussion of non-GAAP financial measures and reconciliations of non-GAAP financial measures to the comparable GAAP financial measures. The accompanying presentation slides, earnings release, and non-GAAP information are available on our website at ir.kraftheinzcompany.com under News & Events > Events & Webcasts, or directly at ir.kraftheinzcompany.com/events-and-webcasts.

We also invite you to listen to our live question-and-answer webcast with Kraft Heinz management, which will begin today at 9:00 a.m. Eastern Time and will be available on our website at ir.kraftheinzcompany.com under News & Events > Events & Webcasts, or directly at ir.kraftheinzcompany.com/events-and-webcasts.

Forward-Looking Statements

The following remarks include 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,” “commit,” “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 related 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

These remarks contain non-GAAP financial measures, including Organic Net Sales, Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Operating Income, Constant Currency Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EPS, Free Cash Flow Conversion, and Net Leverage. 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 these remarks.

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.

Q2 2024 Earnings Pre-Recorded Management Discussion

ANNE-MARIE MEGELA, HEAD OF GLOBAL INVESTOR RELATIONS

Slide 1

Hello. This is Anne-Marie Megela, Head of Global Investor Relations at The Kraft Heinz Company. I'd like to welcome you to our second quarter 2024 business update.

Slide 2

During the following remarks, we will make forward-looking statements regarding our expectations for the future, including related to our business plans and expectations, strategy, efforts and investments, and related timing and expected impacts. These statements are based on how we see things today, and actual results may differ materially due to risks and uncertainties. Please see the cautionary statements and risk factors contained in today's earnings release, which accompanies these remarks, as well as our most recent 10-K, 10-Q, and 8-K filings for more information regarding these risks and uncertainties.

Additionally, we will refer to non-GAAP financial measures, which exclude certain items from our financial results reported in accordance with GAAP. Please refer to today's earnings release and the non-GAAP information that accompany these remarks, which are available on our website at ir.kraftheinzcompany.com, under News & Events, for a discussion of our non-GAAP financial measures and reconciliations to the comparable GAAP financial measures.

Slide 3

Today, our Chief Executive Officer, Carlos Abrams-Rivera, will provide an update on our overall business performance. And Andre Maciel, our Global Chief Financial Officer, will provide a financial review of the second quarter, and will discuss our 2024 outlook.

We have also scheduled a separate, live question-and-answer session with analysts.

You can access our question-and-answer session at ir.kraftheinzcompany.com. A replay will also be available following the event through the same website.

With that, I will turn it over to Carlos.

CARLOS ABRAMS-RIVERA, CHIEF EXECUTIVE OFFICER

Thank you, Anne-Marie.

And thank you all for joining us today.

Slide 4

As many of you are aware, the consumer environment remains challenged and was worse than we anticipated in the second quarter. Slowing income growth, dwindling savings, and inflation concerns continue to weigh on consumer sentiment and increase value-seeking behavior. These dynamics are now expected to continue for longer, which has led to a delayed recovery for growth across the industry. As a result, we are now expecting a more gradual top-line improvement from the second quarter into the back half of the year.

I am encouraged that we continue to unlock efficiencies and are well on our way to generating the highest levels of productivity since we reset our strategy. These productivity gains are being realized today – and are a key reason for continued margin improvement. At the same time, we are generating increased profits and strong cash flow, as we protect the bottom line while actively responding to top-line headwinds.

With these gains, and aligned with our strategy, we are continuing to make accretive investments in our leading iconic brands to drive top-line growth in 2025 and beyond.

And importantly, we are confident in this strategy and the attractive categories in which we compete and have the right to win. We are committed to managing our business in a disciplined manner that preserves our ability to drive sustainable, long-term growth. In other words, we will not buy short-term wins at the expense of long-term success.

Slide 5

Moving to our second quarter results. Organic Net Sales declined by 2.4% versus the prior year. This was lower than our original expectation and is primarily a function of the continued consumer pressure and cautious sentiment, as well as the unexpected impact from Lunchables sales.

Our teams are continuing to unlock efficiencies at a greater pace than inflation, contributing to Adjusted Gross Profit Margin expansion of 210 basis points versus the second quarter of last year. As we reinvest in the business – through marketing, R&D, and technology – we generated Adjusted Operating Income growth of 2.0% in the quarter.

Meanwhile, as previously noted, Adjusted EPS declined versus the prior year, driven by the lapping of a one-time tax benefit in 2023.

Slide 6

While top-line growth is slower to recover, we firmly believe in our path forward to deliver consistent profitable growth. We are committed to:

- Our strategic pillars as the drivers of future growth,
- Continuing to unlock gross efficiencies to drive margin expansion,
- Investing in the areas that make sense for the long-term growth of the business,
- And powering brand superiority through innovation and renovation.

Slide 7

Let's take a look at our performance across our three strategic pillars. We believe that recovery, while slower, begins in the third quarter.

In our ACCELERATE platforms in North America Retail, Organic Net Sales declined 2.4%. This top-line decline was primarily a result of the current U.S. consumer environment, lower sales in Lunchables, and the planned exit of our unprofitable bulk vinegar business. We have already taken steps to mitigate the situation for Lunchables as kids return to school. Andre and I will talk a bit more about that later.

At the same time, the ACCELERATE platforms continue to be attractive spaces. They generate margins substantially higher than the total company. With attractive historical industry growth rates and projected 4% annual compounded growth over the next 10 years, we are well positioned with our powerful iconic brands to drive profitable growth.

We are pleased with the momentum we are seeing so far in the third quarter, particularly across our *Heinz*, *Ore-Ida*, and *Philadelphia* brands. We expect this improvement to continue into the second half, fueled by a ramp up in innovation as well as selective investments in trade.

Turning to Global Away From Home, we knew going into the quarter that lower U.S. traffic – particularly in QSRs, the temporary plant closure we highlighted during our last earnings call, and the two planned exits from margin-dilutive businesses were going to lead to a year-over-year decline. I am happy to report that the plant is back up and running, and the top-line impact came in at the lower end of our expectations. Plus, our

Away From Home team continues to add new business and expand penetration across the non-commercial channels that are driving industry growth. We do expect performance improvement in the second half as we increase distribution globally, led by our go-to-market strategy.

Finally, in Emerging Markets, we had originally anticipated year-over-year growth to accelerate from the first quarter to the second quarter – with growth closer to mid to high single digits. We continue to capture share and grow Organic Net Sales through both price and volume. However, consumer pressure in China and Brazil limited our ability to deliver on our expectations. We are anticipating gradual improvement in the back half of the year, as consumption continues to come in at healthy levels. On a positive note, we exited the quarter with top-line growth in the high single digits.

Slide 8

Moving to volume. The impacts from the temporary plant closure and Lunchables contributed approximately 0.9 percentage points of volume decline in the quarter. Aside from these events, we have seen sequential improvement in our underlying business since reaching a low in the second quarter of 2023.

Slide 9

Looking to our share performance, we are gaining or recovering share across our International Developed and Emerging Markets compared to the first quarter.

We are seeing a meaningful recovery in International Developed Markets, with a 70 basis point improvement from Q1, and we are gaining share in Continental Europe.

In the second quarter, we gained 60 basis points of share in Emerging Markets, as we continue to capture white space through distribution gains.

In U.S. Away From Home, we lost 10 basis points of share, primarily driven by the temporary plant closure impacting our ability to service.

In North America Retail, we lost 50 basis points driven by the continued value-seeking behavior we are seeing from consumers.

Slide 10

We are continuing to invest to support improvement across North America Retail.

First, for Capri Sun, we are re-engaging consumers through a recent product renovation. We have also invested two times the media support and are investing in trade to incentivize trial.

Turning to Lunchables, this is an iconic leading brand with the right to win in a very attractive category. Lunchables is a brand that I know well, as it was the first brand I worked for when I joined Kraft Foods.

Starting at the beginning of the quarter, we saw a decline in sales, but we feel good about the recent improved trajectory. To build on that momentum, we are deploying a comprehensive strategy across marketing, renovation, and innovation. We're investing in R&D and doubling our marketing spend while optimizing our media mix, targeting strategies, and increasing our value equation. For example, in September, we are teaming up with the Transformers movie for the brand's first-ever on-pack partnership. And partnering with movies is something we know how to do well.

And we see a lot of opportunity for long-term sustained growth in Lunchables from further penetration into existing channels and expansion into new channels and occasions.

Beyond these two core brands, we also are increasing investments in marketing and innovation across our portfolio to reinforce our product differentiation to compete with private label. At the same time, we are promoting to preserve intended price gaps versus branded competitors. This spend is more than offset by productivity gains expected in the year, which we believe will offer incremental value that the consumer is seeking.

Slide 11

Now, taking a closer look at these productivity gains. Our new ways of working through Agile@Scale and our approach to strategic partnerships are key ingredients in our success.

In the first half of the year, unlocked efficiencies contributed to a 190 basis point increase in Adjusted Gross Profit Margin. This includes increased investments in trade as we are mindful of the consumer situation and are being selective in our investments.

Year-to-date, with the gross margin dollar gains, we increased investments in SG&A by approximately $100 million, or 6% versus the prior year, driven by investments in marketing, technology, and R&D. We also are increasing our CapEx spend by $35 million, or 7%, as we focus our investments on generating growth, as well as digital advancements.

Slide 12

We know that value is top of mind right now for the consumer. And slide 12 highlights how our innovation continues to resonate and provide them value in their everyday lives. Whether it's through our high-quality, convenient solutions like our 360CRISP™ platform, or our Taco Bell Craving Kits, which make it easier for Taco Bell fans to re-create their favorite menu items right in their own kitchens.

We are also satisfying changing consumer desires by evolving our core offerings to stay relevant to consumer trends. For example, our Pickle Ketchup is the latest *Heinz* innovation designed to deliver on fans' hunger for unique and elevated flavor experiences. It also marks the first *Heinz* innovation to launch globally following the brand's unification under one global creative platform.

With Pure J.L. KRAFT, we have created a line of dressings and marinades that use simple ingredients and provide the homemade taste that consumers are looking for. They offer bold, globally inspired flavors often found in restaurants, now in the convenience of the grocery aisle.

Expanding options and functionality is more important today than ever as consumers want choices that provide unique benefits, such as dairy-free, plant-based, and immunity support. Our partnership with NotCo has allowed us to expand such options while using AI technology to deliver delicious taste and texture. Additionally, earlier this year, Crystal Light introduced its first innovation in over a decade with the launch of its Mixology, Immunity, and Energy product lines.

And finally, we continue offering accessible solutions for every budget by unlocking new formats and usage occasions like we did with Velveeta's first-ever jarred queso. We also expanded our offerings in club channels with the launch of Capri Sun Multi-Serve. As well as provided more entry-level price points and offerings in dollar channels, including doubling our store count on Oscar Mayer SKUs in Dollar General.

Slide 13

I am proud of what our teams have accomplished in such a short amount of time. Our innovation pipeline is gaining momentum, and as expected, increasing as a percentage of Organic Net Sales to a pace of 2.4% year-to-date.

As part of our Mexican food strategy, we've expanded our Taco Bell partnership, delivering an at-home restaurant experience for our consumers. We are extremely pleased with the initial results of our Taco Bell Craving Kits and Dips that together have exceeded our expectations on distribution by over 30%. And I am looking forward to the launch of our new 360CRISP™ Delimex Quesadillas, hitting stores in August!

And as I just mentioned, we have had great success growing in the dollar channel. For example, our year-to-date sales in Dollar General increased 47% versus the prior year across Oscar Mayer Cold Cuts, Hot Dogs, and Lunchables.

And finally, also from Oscar Mayer, we recently introduced its latest innovation, Stuffed Dogs. They started rolling out in retailers nationwide in May, and already have garnered the highest distribution for any Oscar Mayer innovation in the last five years.

Slide 14

I am very pleased to see our innovation pipeline building momentum, which gives me confidence for what is coming, particularly as we head into the second half. As I previously mentioned, our Capri Sun renovation is shipping now, with two times the marketing spend to support trial and summer initiatives. And our Capri Sun multi-serve bottles highlight another example of shifting our product offerings to meet the needs of our consumers today and in the future.

We also are ensuring that we are bringing new and relevant items to our consumers to keep them excited. In the second half, we are launching new shapes, variety packs, and flavors across Mac & Cheese. Our new Super Mario Shapes are rolling out now in major retailers nationwide, and we have new exciting flavors coming soon.

And finally, I'm looking forward to what is coming for Lunchables, where we are gearing up for the back-to-school season. Not only are we teaming up with Transformers as I mentioned earlier, we also have a lot of exciting innovation, including new combinations, that are expected to hit shelves this fall. They will expand Lunchables into snack spaces that consumers have never seen before.

Slide 15

Our investments across marketing and technology are paying off. On the creative front, our Global *Heinz* Brand strategy has been amazing, resulting in several creative ideas that have generated sustained business impact.

Ultimately, our collection of campaigns within this strategy helped generate double-digit Organic Net Sales growth in 2023 across the global *Heinz* brand, and also achieved Kantar's coveted "iconic status." In recognition of this strategy's impact, our team was awarded the Grand Prix for Creative Effectiveness in Sustained Success at the Cannes Lions International Festival of Creativity this year.

With recent investments in technology, our Agile teams have built a digital platform that enables us to rapidly create media campaigns and content for all of our brands across web, social, and mobile apps.

This new platform was built with our agile ways of working, and has achieved a 28% increase in customer satisfaction, a 30% increase in engagement, and an impressive 78% increase in conversion rate.

Importantly, it provides us with the capabilities to create digital campaigns faster and at a lower cost. And was honored by MACH Alliance with its Grand Prix award for Best Digital Experience.

Slide 16

So, you can see, while this quarter has been challenging for the industry, we are actively responding to drive our own recovery. We are managing the business in a disciplined manner to protect profitability and investing for growth.

Today, we are creating solutions for our consumers and selectively investing in trade to drive volume recovery.

We are not losing sight of our long-term strategy – to drive profitable growth, generate strong cash flow, and return capital to our stockholders.

Our teams have the highest employee engagement scores to date, and we are leveraging the power of our competitive advantages, including Agile@Scale, our Ownership-Centric Culture, and our unique approach to strategic partnerships.

And with an eye towards fueling growth, we are accelerating innovation and renovation across our iconic brands. We are deploying our Brand Growth System to drive brand superiority and marketing excellence. By leveraging our Brand Growth System, we can prioritize our largest opportunities and optimize our returns in marketing and other investments.

With that, let me hand it over to Andre to provide more details on our second quarter financial results and to discuss our 2024 outlook.

ANDRE MACIEL, EVP AND GLOBAL CHIEF FINANCIAL OFFICER

Slide 17

Thank you, Carlos.

Slide 18

In the second quarter, Organic Net Sales declined 2.4% for total Kraft Heinz with price up 1.0 percentage point and volume/mix down by 3.4 percentage points. As Carlos noted, we continue to manage our business in a disciplined manner that preserves our ability to drive sustainable, long-term growth.

In North America, Organic Net Sales declined 2.9%. The volume declines were primarily driven by increased value-seeking behavior across U.S. Retail and Away From Home channels. And as a reminder, lower Lunchables sales and a plant closure further impacted the top line.

In our International Developed Markets, Organic Net Sales declined 3.9%. Price was down primarily as a result of increased trade in the U.K. to selectively lower our price gaps. Volumes declined in part as we work through a customer negotiation.

In Emerging Markets, Organic Net Sales was up 3.4% in the quarter, with growth coming from both price and volume/mix. Our China business had a negative impact on Emerging Markets top line due to worsening consumer sentiment. To a lesser degree, Brazil had challenges with both the consumer environment – resulting in negative price from value-seeking behavior in commodity categories – and the customer environment, where retailers reduced their inventory levels. In the third quarter, we do expect to lap the inventory buildup by retailers that occurred in the prior year, which will result in further expected top line pressure.

Slide 19

Turning to the next slide, total Kraft Heinz Adjusted Operating Income grew 2.0% and our Adjusted Operating Income Margin increased 120 basis points, as the expansion in Adjusted Gross Profit Margin more than offset increased investments in SG&A.

In North America, Adjusted Operating Income grew 7.5% versus the prior year, with growth primarily driven by productivity gains.

In International Developed Markets, Adjusted Operating Income declined 10.0%. As we discussed on the last earnings call, the second quarter included an approximate $8 million headwind, or 5.7 percentage points. This was due to fixed COGS absorption benefits in the prior year as a result of Cyclone Gabrielle. As anticipated, year-to-date Adjusted Operating Income for International Developed Markets is in line with expectations, increasing 6.4% compared to last year.

In Emerging Markets, Adjusted Operating Income declined due to lower than anticipated Organic Net Sales growth while we ramped up our investments across people, logistics, and product development in the first half of the year to support our Go-To-Market strategy. In the second half of the year, we expect the top line to gradually improve and we should expect to see bottom line growth in the fourth quarter, as we fully lap these elevated investments.

Slide 20

Being mindful of the consumer environment, we are funding increased trade with supply chain efficiencies to preserve our price gaps versus branded competitors. As you can see, our promotion levels have increased compared to 2023, while remaining below 2019 levels.

At the same time, we are being selective in these investments and working alongside our retail partners to come up with solutions that work for both parties. We are not using tactics that undermine long-term profitability.

We leverage different strategies beyond promotions to compete against private label, such as innovation, renovation, and marketing.

Slide 21

Moving down the P&L, we are expanding gross margins through continued supply chain efficiencies. This allows us to invest more in the business and drive long-term growth. Year-to-date, Adjusted Gross Profit Margin expanded 190 basis points versus last year, primarily driven by approximately $375 million in gross efficiencies.

This gave us the flexibility to increase year-to-date investments in marketing by 9%, R&D by 13%, and technology by 17% versus 2023.

Slide 22

Turning to cash flow and profitability. We generated year-to-date Free Cash Flow Conversion of 65%, a six-percentage point increase versus the prior year, primarily driven by working capital improvement. This year, we realigned our company incentive structure to reward working capital performance, and we are starting to see this pay off in our results. Keep in mind that our Free Cash Flow Conversion tends to be higher in the second half of the year due to seasonality.

At the same time, we have been increasing investments for growth, with CapEx spend increasing by $35 million, or 7% versus the prior year.

In terms of Adjusted EPS, we declined 1.3%. This was driven by lapping a one-time tax benefit in the prior year, partially offset by a positive impact from results of operations, share repurchases, and other income.

Slide 23

We continue to strengthen our balance sheet while returning capital to stockholders.

In the first half of the year, we returned approximately $1.3 billion while maintaining our target Net Leverage ratio of approximately three times. Of this, $969 million was through our competitive dividend and $350 million was through share repurchases under our announced program. This leaves about $2.4 billion remaining of our $3.0 billion authorization. As a reminder, our share repurchase program is non-programmatic and a function of excess cash.

Slide 24

As we look ahead to the remainder of the year, we are lowering our Organic Net Sales outlook from flat to 2% growth to a range of down 2% to flat. This change contemplates a slower recovery than originally anticipated in the U.S. and Emerging Markets.

Adjusted Operating Income growth is now expected to be in the range of 1 to 3% as compared to the previous expectation of 2 to 4%.

For Adjusted Gross Profit Margin, we are increasing the expected year-over-year expansion to a range of 75 to 125 basis points, from a prior range of 50 to 100 basis points. This revised expectation is driven primarily by gross efficiencies coming in higher than anticipated more than offsetting incremental investments in trade.

We are reiterating our Adjusted EPS outlook of 1 to 3% growth. The guide down in Adjusted Operating Income is offset by year-to-date share repurchases and lower interest expense as we refinanced debt at a lower rate than originally anticipated. As a reminder, our outlook does not include any potential additional share repurchases in the second half of the year.

Slide 25

Now, let me go into more detail regarding our sales outlook for 2024.

There are many drivers giving us optimism for improved trends in the second half. However, given the uncertain consumer environment, the ultimate impact of these drivers can be quite broad. As these drivers take hold and build upon one another, we believe that there is potential for the top line to improve sequentially throughout the second half of the year.

We are anticipating a continued ramp up of innovation and renovation to help improve the top line, particularly in North America Retail.

We are increasing our marketing spend above what we originally planned to continue to drive brand superiority across our portfolio.

In Away From Home, we are not assuming any industry growth given the current pressure, particularly in U.S. restaurant traffic. In the U.S., we do however continue to win new business, particularly outside of Ketchup and in non-commercial channels. We will begin servicing these contracts starting in the third quarter.

In Emerging Markets, our Away From Home improvement will be primarily driven by increasing distribution through our go-to-market strategy and global activations, such as our Heinz Selection program.

And finally, understanding that the consumer is looking for value and propensity to trade down is high, we are also increasing selective investments in trade above our original expectations as we head into the back half of the year. At the same time, we remain committed to our disciplined approach to drive sustainable, long-term profitable growth.

With that, I will pass it back to Carlos for some closing comments.

CARLOS ABRAMS-RIVERA, CHIEF EXECUTIVE OFFICER

Slide 26

Thank you, Andre.

Slide 27

You can see that like many companies, we continue to navigate through short-term turbulence. Despite this evolving environment, Kraft Heinz is well-positioned to address these challenges, and we remain confident in our ability to execute on our strategic agenda.

We have a portfolio of leading iconic brands that provide value across multiple price points and channels.

Our brands sit in attractive categories that play in consumer spaces where we have the right to win.

And our investments in Agile@Scale help us to continue to unlock end-to-end efficiencies, mitigating volatility and unpredictable changes.

We also have a disruptive innovation engine that is gaining momentum and driving incrementality.

And our effective marketing continues to engage consumers at the speed of culture. We have had great success in marketing, and now we are institutionalizing our philosophy of building superior brands, on a global basis through our Brand Growth System.

Finally, our enhanced structure enables us to move globally, and with agility.

This is why I am confident in and excited about the future of Kraft Heinz!

Thank you for your time and interest.