



Q4 2024

# BUSINESS UPDATE

TO ACCOMPANY MANAGEMENT COMMENTARY



# FORWARD-LOOKING STATEMENTS

FEBRUARY 12, 2025

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,” “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 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 Gross Profit, Adjusted Gross Profit Margin, Adjusted Operating Income, Constant Currency Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EPS, 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 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](https://ir.kraftheinzcompany.com) under News & Events > Events or directly at [ir.kraftheinzcompany.com/news-events/events](https://ir.kraftheinzcompany.com/news-events/events).

**Q4 2024**

# **Business & Strategy Update**



**Chief Executive Officer**  
**CARLOS ABRAMS-RIVERA**




# Key Takeaways

- **While 2024 was a challenging year, we are focused on building and investing for the future**, while also increasing cash flow in a sustainable way.
- **We continue providing capital to our stockholders**, returning \$2.7B through a highly attractive dividend and strategic share buybacks.
- **We remain confident in our strategy**, and we anticipate a steady improvement in top-line performance throughout 2025, while preserving profitability.

Total Kraft Heinz	Organic Net Sales <sup>1</sup>	Adjusted Gross Profit Margin <sup>1</sup>	Adjusted Operating Income <sup>1</sup>	Adjusted EPS <sup>1</sup>	Free Cash Flow <sup>1</sup>
FY '24	\$25.9B	34.7%	\$5.4B	\$3.06	\$3.2B
vs PY	(2.1%)	+100bps	+1.2%	2.7%	+6.6%





Strategic Pillars		Organic Net Sales <sup>1</sup>		
		Q4 '24 vs PY	FY '24 vs PY	FY 2024 <i>Commentary</i>
	N.A. Retail ACCELERATE Platforms	(5.2%)	(2.9%)	Decline driven by Lunchables, Mac & Cheese, Kraft Mayonnaise, and the exit of our bulk vinegar business. This is overshadowing strong performance across Ore-Ida, Taco Bell, Philadelphia, and Heinz .
	Global Away From Home <sup>2</sup>	(2.0%)	(0.6%)	Top line growth in International Away From Home more than offset by a decline in North America driven by two planned exits from margin dilutive businesses, a temporary plant closure, and softer traffic in U.S.
	Emerging Markets <sup>3,4</sup>	+2.2%	+4.0%	Pressure driven by Brazil and China. The remaining countries in Emerging Markets grew double digits.

KraftHeinz

1| Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at [ir.kraftheinzcompany.com/news-events/events](https://ir.kraftheinzcompany.com/news-events/events).

2| Global Away from Home Organic Net Sales based on internal sales data, which holds the impact of currency constant and excludes the impact of divestitures and acquisitions.


3| Includes Retail and Away From Home businesses within Emerging Markets.

4| Emerging Markets represents the aggregation of our West and East Emerging Markets (“WEEM”) and Asia Emerging Markets (“AEM”) operating segments.

Leverage Brand *Growth* System + Execute with *Agility*

LUNCHABLES

Strengthening the core and expanding occasions.




+17%

Spicy Nacho Incremental to the category


Kraft MAYO

Strengthening value proposition to re-engage with lapsed users.



Kraft mac & cheese

Connecting and engaging with families and younger consumers.



+1pp improvement

in Dollar Sales<sup>1</sup> vs PY from Q3-YTD to Q4

CAPRISUN

Optimizing portfolio to better serve consumers across more occasions and channels.



+5pp improvement

in Dollar Sales<sup>1</sup> vs PY from Q3-YTD to Q4





+2%

FY Dollar Sales<sup>1</sup> vs PY



Fluffy,  
Dippable, and  
Delicious

Optimized media investments;  
increased distribution in club



+2%

FY Dollar Sales<sup>1</sup> vs PY

IT HAS TO BE



Increased marketing; Expanded  
distribution on innovation



+8%

FY Dollar Sales<sup>1</sup> vs PY



Increased marketing;  
improved supply with Simplot  
partnership



+24%

FY Dollar Sales<sup>1</sup> vs PY



Expanded distribution on both  
existing products and  
innovation



Higher-Margin Channels

Gaining share in non-commercial channels



U.S. Non-Commercial Channel Share Gains<sup>1</sup>

**+70bps**

FY '24 vs FY '23

Sales Growth<sup>2</sup>

**+MSD%**

FY '24 vs FY '23

Beyond Ketchups

Increasing penetration across brands & categories



Philadelphia U.S. Away From Home Sales Growth<sup>2</sup>

**+HSD%**

FY '24 vs FY '23

Go To Market Excellence

Expanding distribution in Emerging Markets

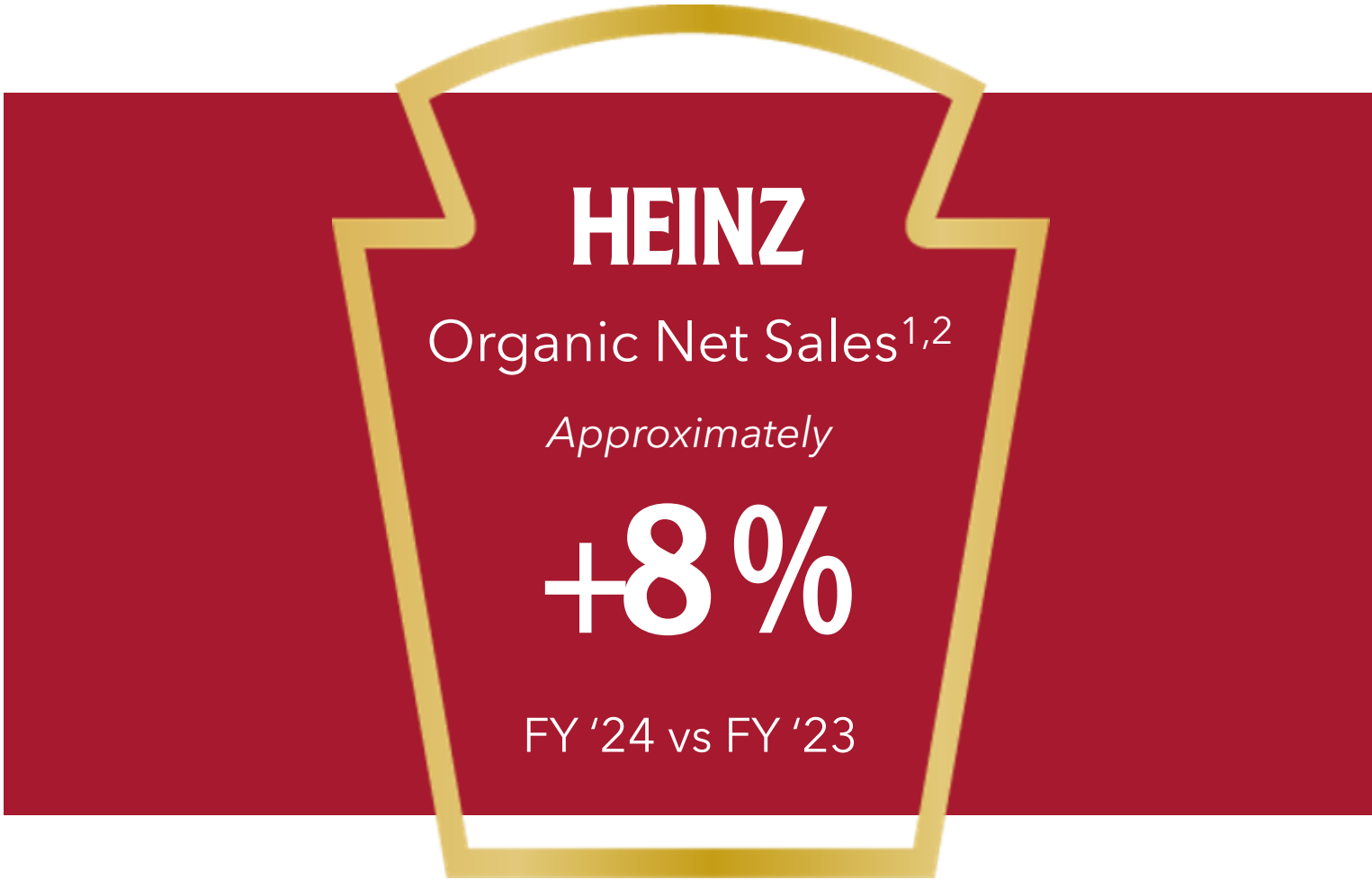


Emerging Markets Total Distribution Points<sup>3</sup>

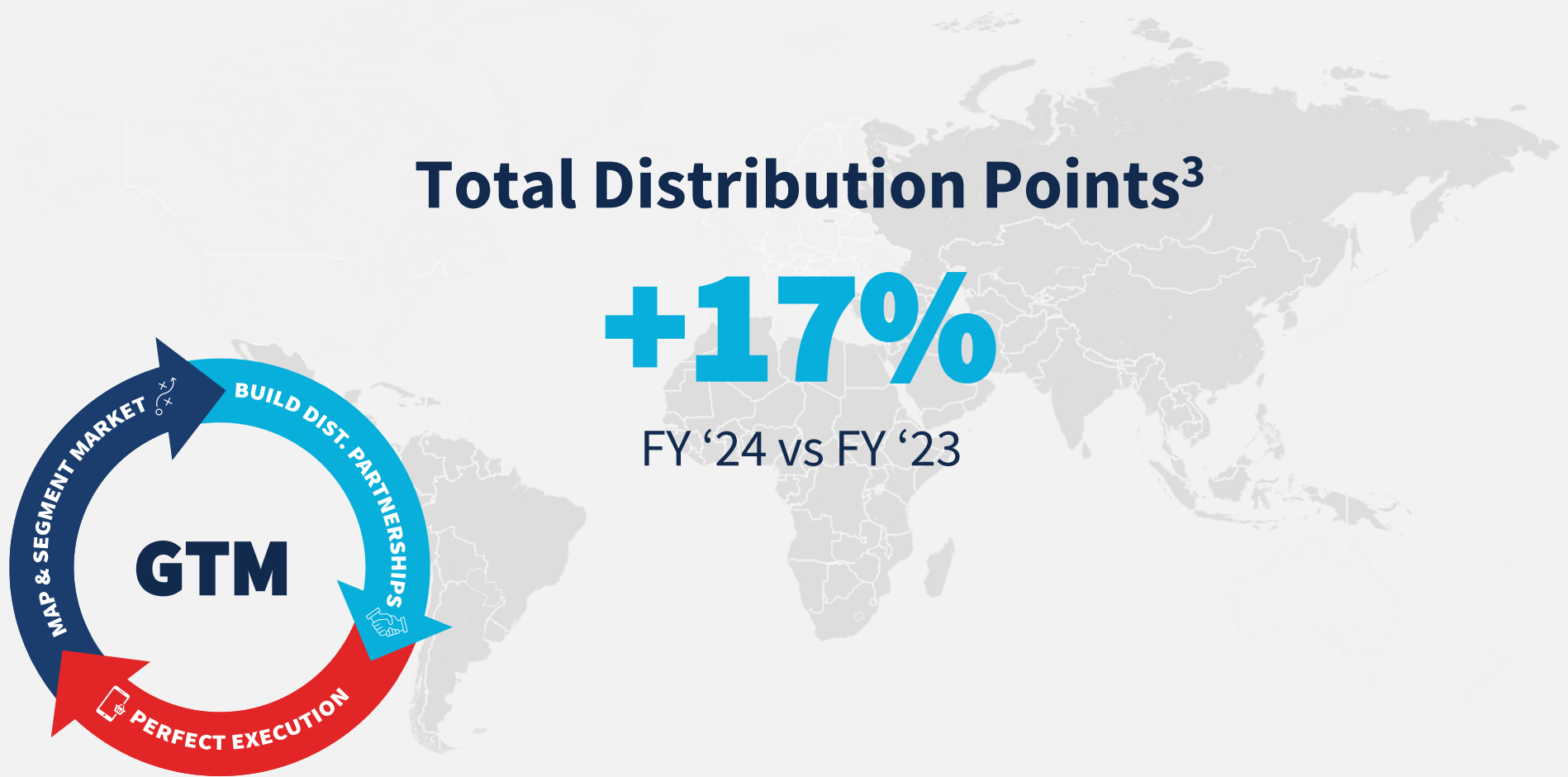
**+21%**

FY '24 vs FY '23

*Leveraging*  
the Power of *Heinz*



*Expanding*  
Distribution through Go To Market Model



1| Non-GAAP financial measure. See the accompanying Non-GAAP Information and Reconciliations at [ir.kraftheinzcompany.com/news-events/events](https://ir.kraftheinzcompany.com/news-events/events)  
2| Heinz Organic Net Sales based on internal sales data, which holds the impact of currency constant and excludes the impact of divestitures and acquisitions.  
3| Total Distribution points for Emerging Markets in both Retail and Away From Home Channels for the markets that have implemented Go To Market Model and have Automated Data Sell Out Exchange.



Unleashing Creativity  
@ the Speed of Culture



THE Kitchen

Completed Piloting of  
Brand Growth System



brand growth system **bgs**

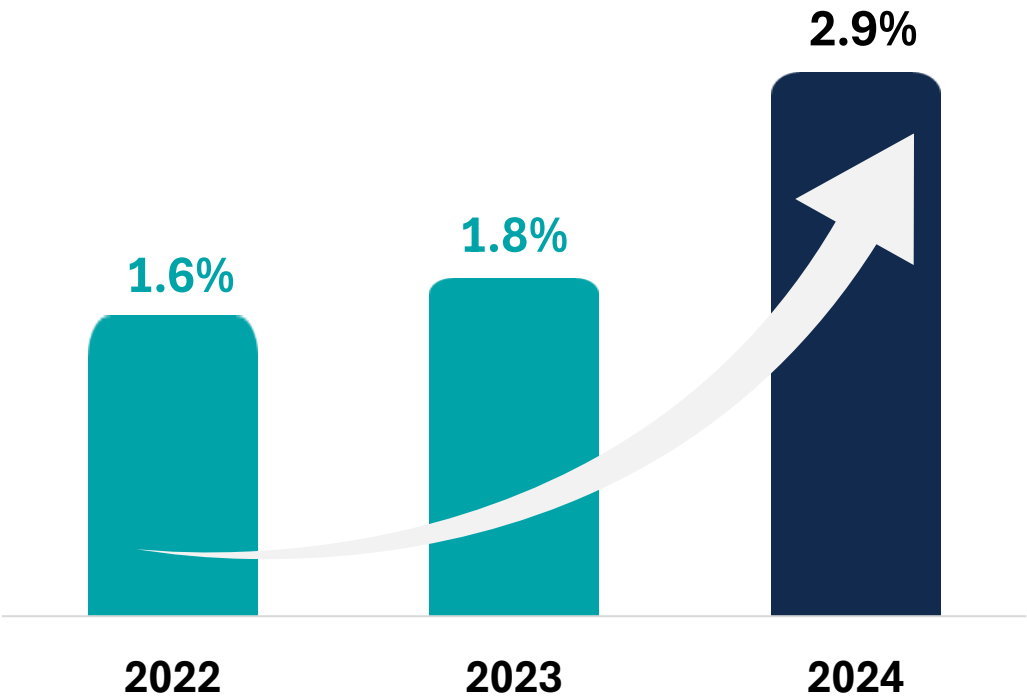
Philadelphia Dollar Sales<sup>1</sup>  
**+2%** Total  
**+13%** Club

1| U.S. Retail dollar sales based on IRI custom hierarchy MULO+ data for latest 52 weeks ending December 29, 2024 compared to the previous year.



Innovation as a % of  
Organic Net Sales<sup>1</sup>

(Does not include renovation)



Continuing to increase our innovation as  
a percentage of total company sales.

Highlights

Mexican  
Taco Bell



**+24%**

Dollar Sales<sup>2</sup>  
FY24 vs PY

Flavor Expansion  
Mac & Cheese



Sold out  
online in  
**1 day**

Expanding Heinz  
Pasta Sauce



**+45%**

Dollar Sales<sup>2</sup>  
FY24 vs PY

Convenience  
360CRISP™



Now available in  
over 20k stores  
**+20k**



**Q4 2024**

# **Business & Strategy Update**



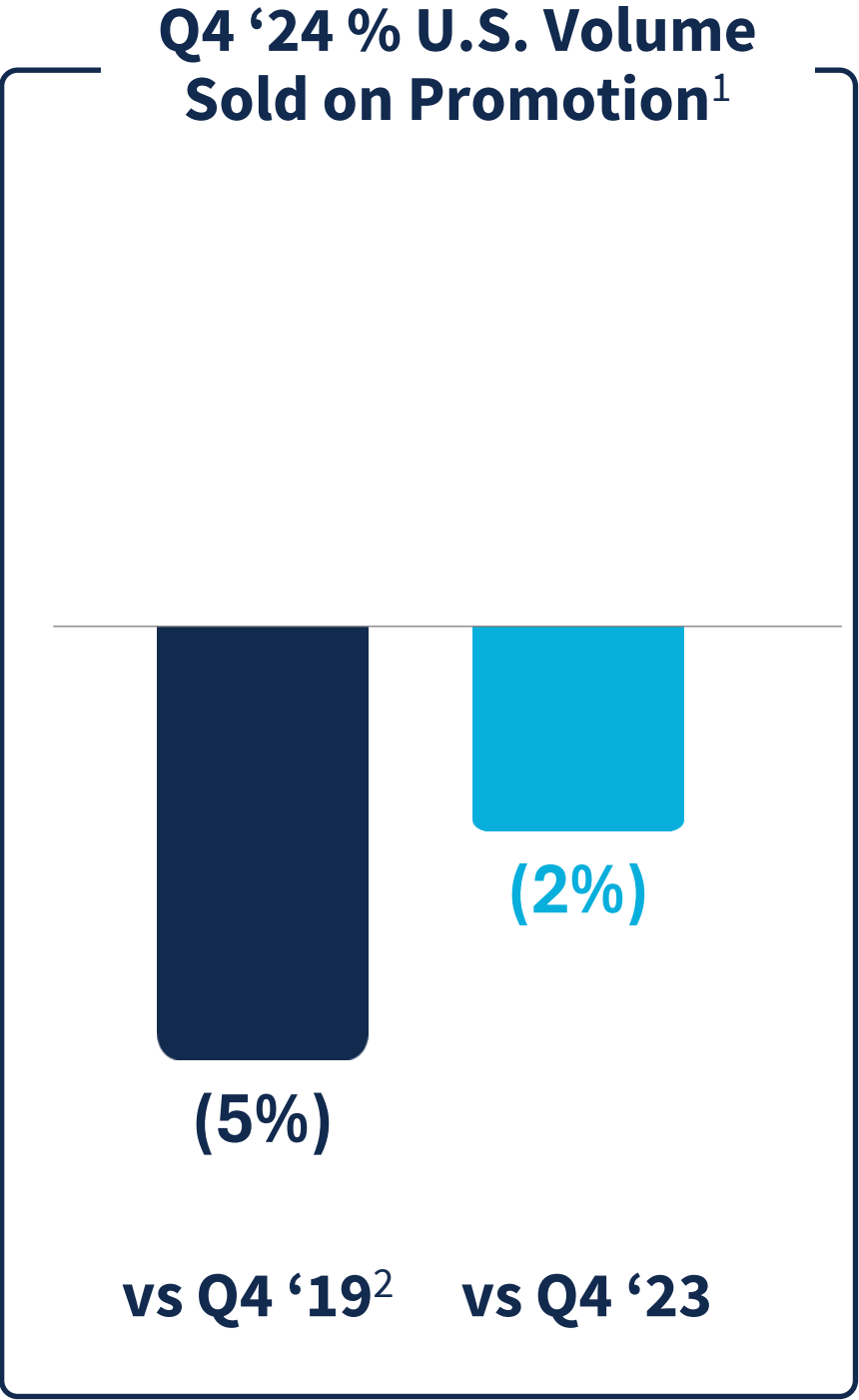
**Global Chief Financial Officer**  
**ANDRE MACIEL**

Q4 24 vs Q4 23	Organic Net Sales <sup>1</sup>	Price	Volume / Mix	
Total Kraft Heinz	(3.1%)	1.0pp	(4.1pp)	
North America	(3.6%)	0.9pp	(4.5pp)	Growth in Canada offset by lower sales in U.S. Retail and Away From Home business.
International Developed Markets	(4.0%)	0.0pp	(4.0pp)	Volume pressure driven by customer negotiation and non-core category declines.
Emerging Markets	2.2%	4.2pp	(2.0pp)	Volumes impacted by continued softness in Brazil and China. The rest of Emerging Markets is growing double-digits.



Q4 24 vs Q4 23	Adjusted Operating Income <sup>1</sup>	Currency	Constant Currency Adj. Operating Income <sup>1</sup>	Adjusted Operating Income Margin <sup>1</sup>	
<b>Total Kraft Heinz</b>	<b>(0.3%)</b>	<b>(0.2pp)</b>	<b>(0.1%)</b>	<b>21.1%</b> <b>+0.8pp</b> vs PY	<b>Adjusted Operating Income decline driven by lower volumes, partially offset by lower variable compensation expense.</b>
North America	(2.3%)	(0.2pp)	(2.1%)	26.5% <b>+0.4pp</b> vs PY	Primarily driven by the sales decline, partially offset by productivity gains.
International Developed Markets	(3.8%)	1.8pp	(5.6%)	15.3% <b>(0.1pp)</b> vs PY	Primarily driven by the sales decline as well as incremental inflation, partially offset by operations efficiencies.
Emerging Markets	(0.8%)	(4.3pp)	3.5%	12.8% <b>+0.7pp</b> vs PY	Growth and margin expansion driven by lapping step-up in Go To Market investments made to support top-line growth, primarily in LATAM.

Disciplined on *Promotions* in 2024

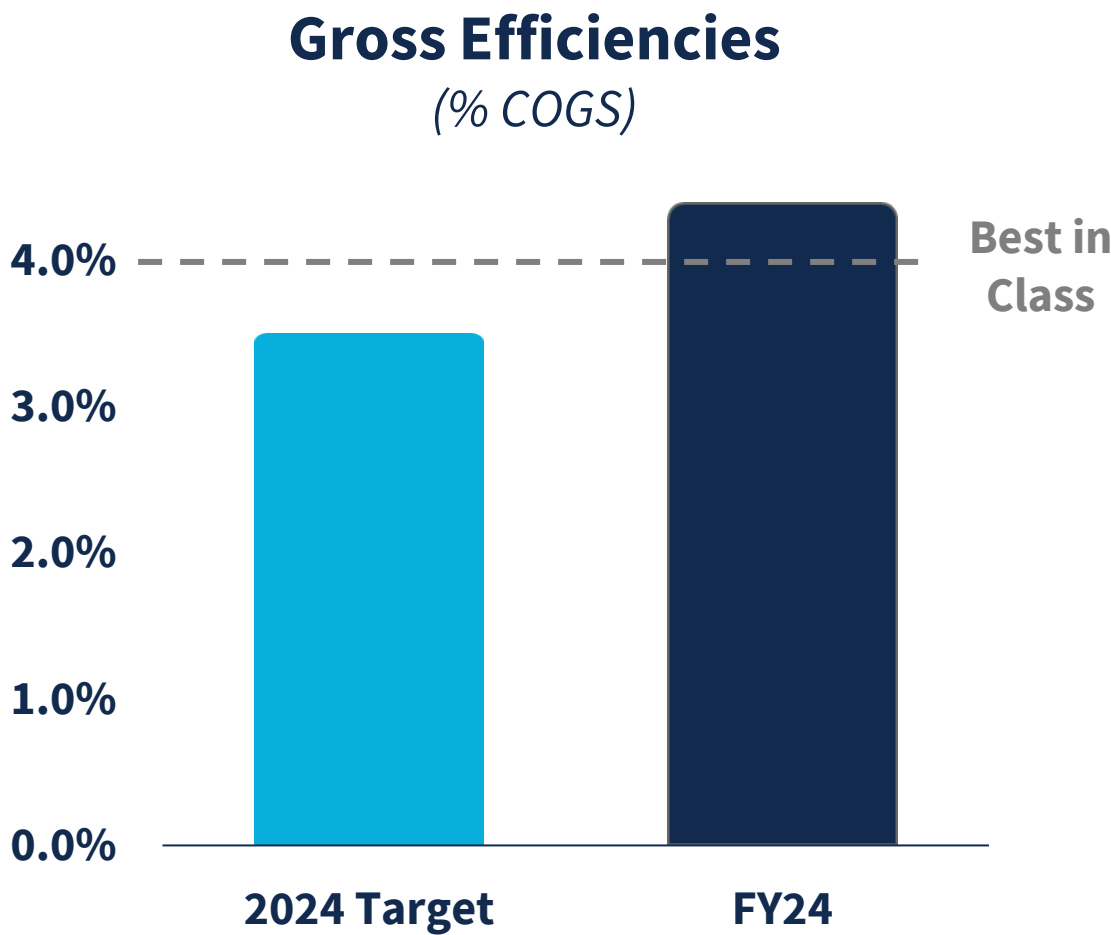


Increasing Investments in *Price* in 2025

- 1 Prioritizing growth to come from core, base volumes
- 2 Remaining mindful of the consumer situation
- 3 Funding increased investments in price across select categories to manage price gaps
- 4 Increased investments focused on profitable growth

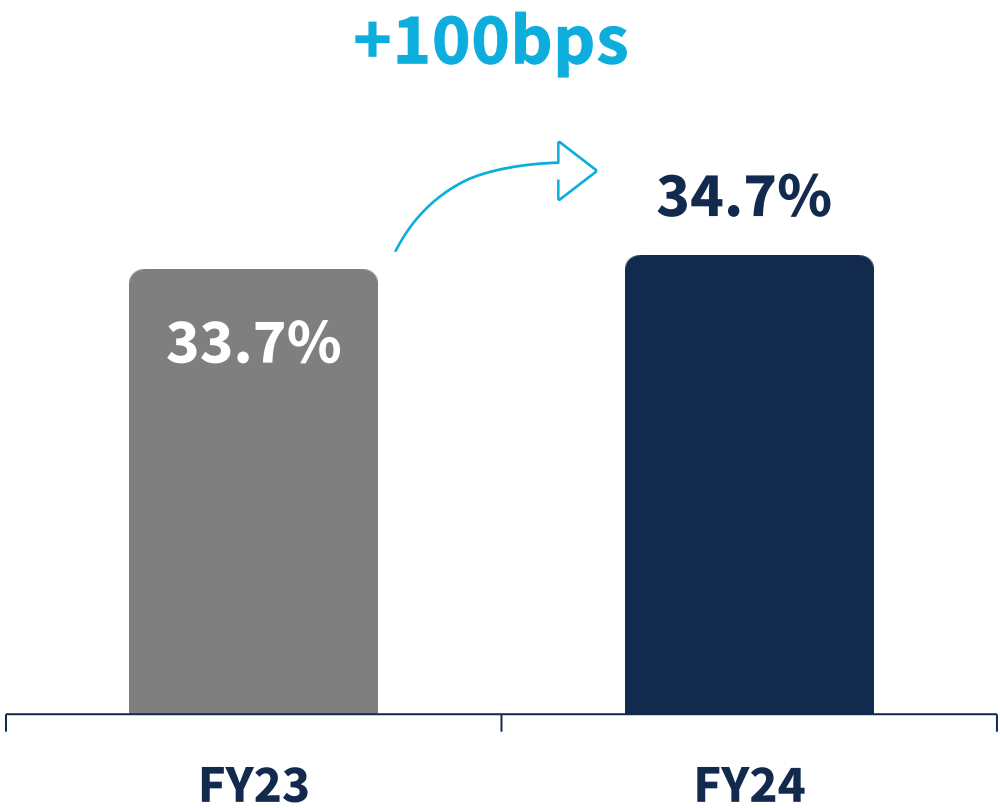


## Supply Chain Efficiencies



FY gross efficiencies ~\$750M vs PY

## Adjusted Gross Profit Margin<sup>1</sup>



Expansion driven by gross efficiencies, partially offset by commodity inflation

## Investments in the Business

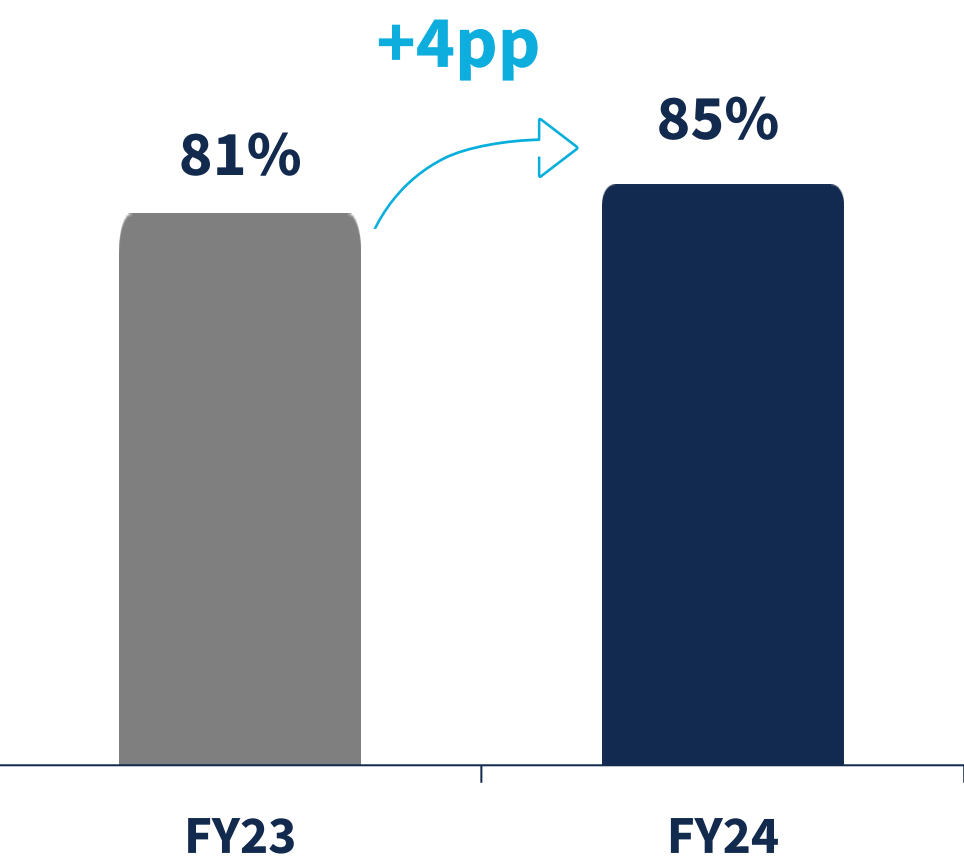
### FY24 Spend

**Marketing<sup>2</sup>**  
4.5%  
% of Net Sales

**R&D**  
0.6%  
% of Net Sales

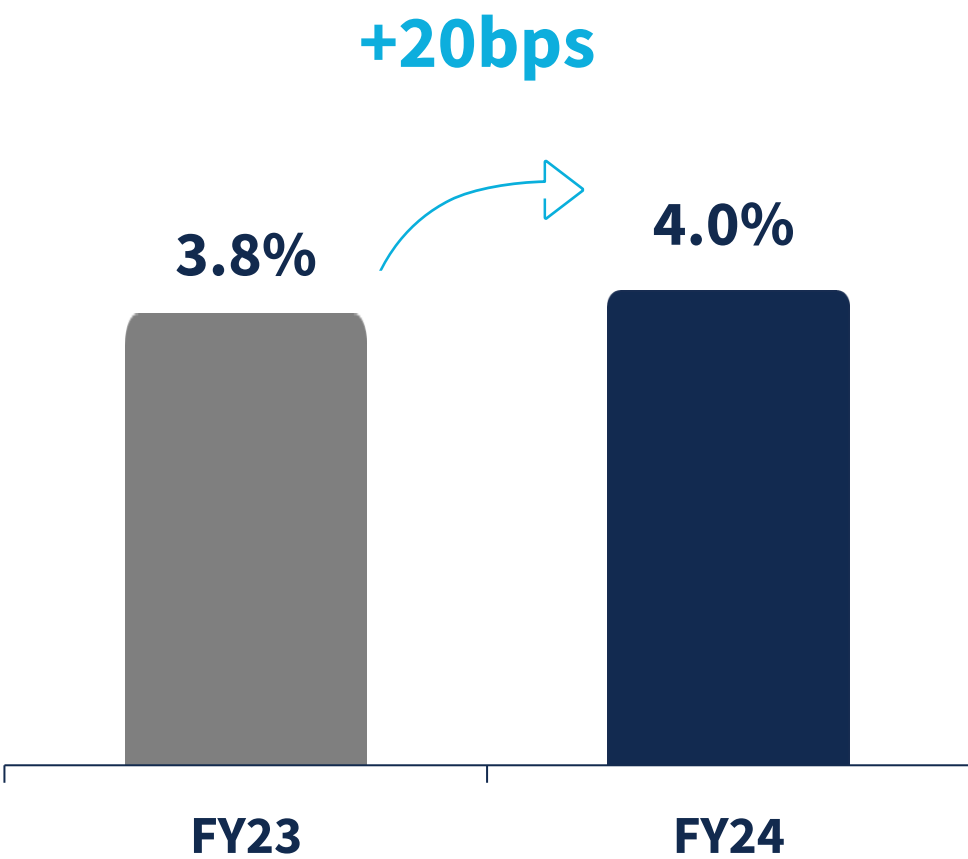
**Technology<sup>3</sup>**  
+15%  
% vs FY23

Free Cash Flow Conversion<sup>1</sup>



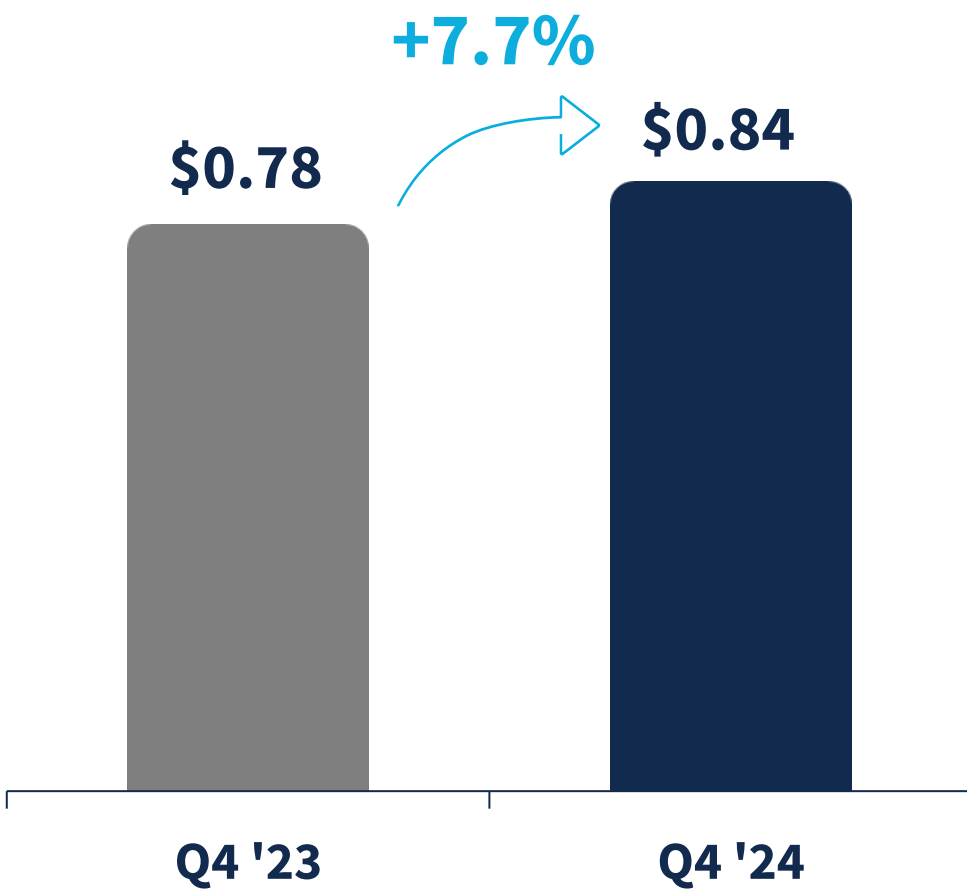
Primarily driven by a conversion of surplus postretirement plan assets to cash, and improved working capital.

Capital Expenditures  
(% of Net Sales)



Increased investments in CapEx by +20bps as a % of net sales

Adjusted EPS<sup>1</sup>



vs Q4 2023

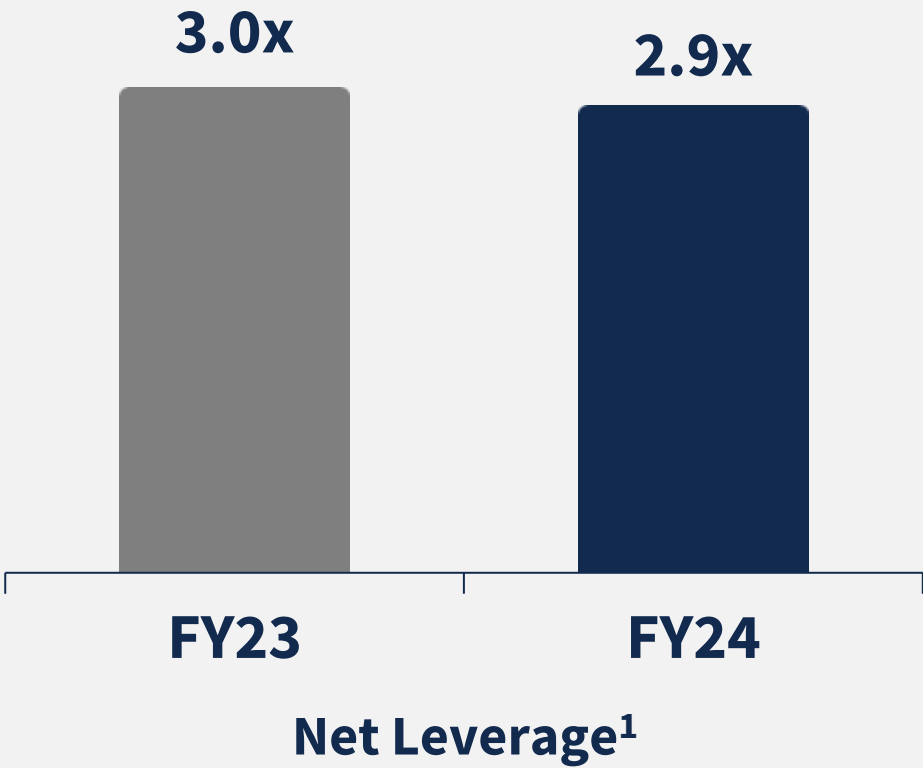
Effective Tax Rate:	\$0.04
Share Repurchases:	\$0.02



Capital Allocation *Strategy* in Place



Maintained Net Leverage<sup>1</sup>  
Target of ~3.0x



Returning Incremental Capital  
to Stockholders

FY24 Dividends

**\$1.9B**  
**>5% Yield<sup>3</sup>**

FY24 Share Repurchases

**\$0.8B<sup>2</sup>**

- Non-programmatic
- Function of excess cash
- Macro-economic considerations

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2| This represents the total dollar value of shares repurchased against our buyback program through December 2024. It does not include shares repurchased to offset the dilutive effect of equity-based compensation, which was an additional \$188M through December 2024.  
3| As of December 29, 2024.

2025 FY Outlook

2025 FY Considerations

Organic Net Sales<sup>1</sup>

Flat to (2.5%)

- FY25 impact from currency at current FX rates: ~(230bps)
- Sequential quarterly Organic Net Sales improvement beginning in Q2
- Timing of Easter expected to impact Q1-25 by ~(100bps)
- Flat to slightly positive contribution from price throughout FY25

Constant Currency  
Adjusted Operating  
Income<sup>1</sup>

(1%) to (4%)

*Includes (210bps) impact from  
variable compensation*

- Adjusted Gross Profit Margin<sup>1</sup> flat to slightly positive YoY
- Marketing: Flat to slightly increasing as a % of net sales vs prior year
- Inflation: ~3%

Adjusted EPS<sup>1</sup>

\$2.63 to \$2.74

- Effective tax rate on Adjusted EPS: ~26% (~\$0.23 YoY headwind)
- Impact from lower variable compensation in FY24 on Adjusted EPS: ~(\$0.07)
- Interest Expense: ~\$900M
- Other Expense/(Income): ~(\$140M)
- Does not reflect any impact from potential future share repurchases

Free Cash Flow<sup>1</sup>

Flat vs PY

- Free Cash Flow Conversion: ~95%



**Q4 2024**

# **Business & Strategy Update**



**Chief Executive Officer**  
**CARLOS ABRAMS-RIVERA**

# 2025 Reasons to *Believe*

*Proven*  
**Track Record  
of Efficiencies**

*Building*  
**Momentum in  
Strategic Pillars**

*Investing*  
**for the Now,  
Near and Next**



2025 Reasons to *Believe*

Proven Track Record  
of Efficiencies

Building Momentum  
in Strategic Pillars

Investing for the  
Now, Near, and Next

*Proven*  
Track Record  
of Efficiencies

\$1.3B

Unlocked  
Efficiencies

\$1.2B

Efficiency  
Runway Identified

Free Cash Flow Conversion<sup>1</sup>

81%

2023



85%

2024



~95%

2025 Expected

2025 Reasons to *Believe*

Proven Track Record  
of Efficiencies

**Building Momentum  
in Strategic Pillars**

Investing for the  
Now, Near, and Next

*Building*  
**Momentum in  
Strategic Pillars**

~75%

of estimated 2025 innovation  
sales coming from innovation  
with proven results in 2024

~75%

of estimated Away From  
Home 2025 new customer  
wins locked in

17%

Increase in Emerging Markets  
distribution points in 2024





2025 Reasons to *Believe*

Proven Track Record  
of Efficiencies

Building Momentum  
in Strategic Pillars

Investing for the  
Now, Near, and Next

*Investing*  
for the Now,  
Near and Next



Invest

in our products, marketing,  
and selective pricing while  
preserving margins.

Strengthen

Sales capabilities across  
markets to improve  
distribution and execution