



First Quarter 2025 Earnings Pre-Recorded Management Discussion

April 29, 2025

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/news-events/events.

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/news-events/events.

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, 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.

Q1 2025 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 first quarter 2025 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 accompany 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.

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Today, our Chief Executive Officer, Carlos Abrams-Rivera, will provide an update on our overall business performance. And Andre Maciel, our Chief Global Financial Officer, will provide a financial review of the first quarter results, and will discuss our 2025 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

Slide 3

Thank you, Anne-Marie. And thank you all for joining us.

Slide 4

At Kraft Heinz, we know we play a vital role in families' lives and are proud to be a trusted partner in kitchens everywhere. We know that in moments of uncertainty, our products provide comfort and connections from the kitchen table to the soccer fields to the family-owned-main street restaurants. We source high-quality ingredients from local communities, like California tomatoes, Ohio cucumbers, and Idaho potatoes. And our commitment to quality and community is reflected in the craftsmanship and care that goes into every Kraft Heinz product.

In these unpredictable times, Kraft Heinz remains committed to controlling the controllables and making the necessary investments to deliver quality, taste, and value to our consumers through our beloved brands. We are leveraging our unique insights gained from our Brand Growth System and are executing quickly through our agile ways of working. We believe everyone deserves access to delicious and nutritious food, which is why we are dedicated to making our products superior, affordable, and accessible to all. This is especially important now, as consumer sentiment has reached its second lowest point in the last 70 years.

Despite growing market pressures in the first quarter, we delivered results in line with our expectations. We also delivered strong cash flow performance, with an increase in Free Cash Flow Conversion of nine percentage points year-over-year. At the same time, we maintained our targeted leverage ratio of approximately three times, ensuring a healthy balance sheet, as we returned nearly \$900 million to our stockholders.

We are encouraged by these results and will build on the progress we have made to drive consistent long-term growth and profitability. At the same time, we are also closely monitoring implications from market tensions such as tariffs, inflation, and the consequences to consumer behavior – and we have reflected these factors in our updated guidance.

While we do still expect to see progress on recovery throughout the year, we have lowered our expected Organic Net Sales range and widened our Constant Currency Adjusted Operating Income guidance range. Our revised outlook contemplates incremental costs from inflation – including the impact of tariffs and new regulations – as well as the impact on elasticities. Andre will provide more color in his remarks.

Slide 5

Looking at the quarter more closely, Organic Net Sales declined 4.7 percent versus the prior year and were in line with our expectations of down mid-single-digits. This performance was driven

by continued growth in Emerging Markets and International Away From Home, more than offset by a decline in US Retail, and to a lesser extent, softness in the US Away from Home industry.

We generated nearly \$150 million dollars in gross efficiencies in the quarter, offsetting some of the pressure primarily from commodity inflation. This resulted in a 10-basis point margin contraction in year-over-year Adjusted Gross Profit Margin.

Constant Currency Adjusted Operating Income decreased by 4.4 percent as a result of the topline and margin dynamics. Adjusted EPS came in at \$0.62, including a five-cent impact from a higher tax rate.

As we continue to control the controllables in this environment, our ability to deliver strong cash flow is a consistent bright spot. We generated \$482 million in Free Cash Flow for the quarter, slightly above last year's performance.

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Our 2025 priorities are aligned with our long-term strategy to drive growth and value creation. We will do this by continuing to unlock efficiencies and reinvest in the business. This will power brand and product superiority and ultimately accelerate profitable growth.

Slide 7

And while we have further to go on our journey, we have made meaningful progress.

For example, we are making considerable strides in productivity. In 2023, we set a goal to unlock \$2.5 billion dollars in gross efficiencies by 2027, and we have already unlocked \$1.5 billion. As a reminder, we are not just looking to cut costs. But rather a commitment to continuous improvement – building this mindset into our culture so it becomes a natural part of our DNA. This commitment has paid off, with a meaningful improvement in Overall Equipment Effectiveness, reaching an all-time high of 70% this quarter, and up five percentage points from 2023.

We recognize that consumers are increasingly seeking value, and we are committed to delivering products that meet their needs at prices they can afford. In addition to marketing and innovation, we are stepping up our investments in value-driving initiatives which is reflected, in part, in our declining price gaps relative to private label in the first quarter.

At the same time, we are creating a strong foundation to grow our brands. To drive brand superiority, we are harnessing the power of our Brand Growth System. This framework is helping us pinpoint areas for growth acceleration, as well as inform smart investments and prioritize future initiatives. We are expanding the system's reach, aiming to cover 40 percent of our sales by year-end, up from our pilots in 2024, which covered approximately 10 percent.

And finally, we are seeing progress in driving omnichannel execution across US Retail. In the first quarter, we increased share of shelf in approximately 25 percent of our portfolio.

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Now moving into our results by strategic pillar... In our North American Retail ACCELERATE platforms, Organic Net Sales declined 8.1 percent. This was primarily driven by a decline in *Lunchables*, lapping competitor out of stocks in *Philadelphia* and *Ore-Ida* in the previous year, and the Easter shift, which drove 110 basis points of the decline. This was partially offset by strong performance in Canada, where ACCELERATE platforms grew 5 percent versus the prior year.

We expect a material improvement in the second quarter, due in part to the timing of Easter. We are also stepping up price investments, optimizing media spend, and launching innovation for the remainder of the year which is expected to improve performance. I will provide more details on that later.

Global Away From Home Organic Net Sales declined 0.8 percent. We continue to see growth in International Away From Home – and have for 16 quarters in a row now. At the same time, the US Away From Home industry faced pressure due to slowing traffic, which led to a decline in our total US Away From Home business.

Turning to Emerging Markets, we grew 3.9 percent versus the prior year, primarily driven by recovery in Brazil, as we expected. We anticipate continued improvement throughout 2025 in each quarter and we plan to exit the year at an on-algorithm pace.

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Now, let's go deeper into our North America Retail business. Following the success of our *Philadelphia* and *Heinz* U.K. pilots, we are scaling our Brand Growth System to reach 40 percent sales coverage by year-end, up from only 10 percent in 2024. At CAGNY, you may recall that we were expecting 30 percent coverage by year end. Our revised expectations are grounded in our experience to date and the success we are seeing in combining the Brand Growth System with our agile ways of working.

Our Brand Growth System is a critical component of our creative ecosystem, providing a systematic and repeatable framework that complements our disruptive marketing and innovation efforts to drive brand superiority.

We have prioritized resources to drive improvement across four brands that are experiencing more significant top-line pressure – *Lunchables*, *Capri Sun*, *Kraft Mac & Cheese*, and *Kraft Mayonnaise*. Let me walk you through each brand, sharing the specific actions we are taking, and the encouraging traction we are already seeing as we invest to drive superiority. You will

then see why we are confident in the expected improvement contemplated in our 2025 guidance.

Slide 10

Starting with *Lunchables*, we remain committed to our number one market share. We are bringing bold innovation, delicious renovation and executing an integrated omnichannel approach as part of our largest *Lunchables* Fall Season campaign ever.

We recently launched our Spicy Nachos, which has already delivered over 30% incremental growth to the category. And be sure to stay tuned for a game-changing new launch in Q2!

We are geared up for a successful Fall season like never before, starting with an elevated *Lunchables* experience. Our iconic brand now features a superior-tasting cookie embossed with the *Lunchables* logo, sure to excite everyone. Better cracker options are also on the menu, offering a delightful upgrade in our product. Plus, *Lunchables* is highlighting the fact that it's a great source of protein, giving parents confidence that they are providing nutritious and filling meals and snacks.

To amplify this message, we have built a targeted marketing campaign to drive trial and sampling. This effort ensures that the value and quality of *Lunchables* resonates with the people who matter most – consumers who love our brand.

Our strategic focus on omnichannel execution across *Lunchables* is already paying dividends – with key customer partnerships yielding a meaningful increase in distribution.

And to support a winning fall season for our consumers, we are doubling down on our marketing commitment and investing twice the national media spend, ensuring that this iconic brand is top-of-mind.

Slide 11

Let's now look at *Capri Sun*. It is truly amazing the progress we are seeing in this turnaround story. First, we are driving product superiority with our newly renovated *Capri Sun*, generating an eight-percentage-point improvement in year-over-year sales in Q1 from where we ended 2024.

We are also expanding accessibility in new channels and driving new occasions with our single serve bottles. The early success is very encouraging, with initial sales coming in five times greater than we expected. Plus, we have entered the front of the store for the first time at check out, where our on-the-go *Capri Sun* bottle is generating velocities at four times the rate of a key competitor.

And let's not forget all the new brand love we are bringing by showing up in culturally relevant moments. We launched *Capri Sun* Moon Punch, featuring our first-ever glow-in-the-dark pouch with eight collectible designs inspired by the different moon phases.

This limited time offer was a huge success, with sales exceeding two times the rate of our core product, leading to increased distribution with several top customers. Not only is it clear that kids and parents alike were over the moon for *Capri Sun* Moon Punch, but that we are successfully executing on these relevant moments. And importantly, we have several more limited time offers on the way and are heavily investing in brand media over the summer hydration season.

Slide 12

At Kraft Heinz, we are committed to revamping our iconic Mac and Cheese brand to meet the evolving needs and tastes of our consumers.

Our approach to driving top line growth is three-fold.

First, we are focused on driving incrementality to the category. Our Mario shapes are driving total shape sales to the highest level we have seen in the last five years. We are also expanding our flavor portfolio, targeting younger consumers who are craving bold, adventurous flavors within the comfort of familiar, trusted brands. Flavored Mac and Cheese has seen remarkable growth, outpacing the total category by seven times over the last five years.

Second, we are optimizing our packaging graphics to ensure consumers know that our *Kraft* Mac and Cheese has been proudly made with no artificial flavors, no preservatives, and no dyes since 2016. We are also showcasing our cheesiness and taste, because let's be honest, who does not love more cheese.

We know these attributes are important to our consumers. And to further showcase our superiority, we have a new product-focused creative rolling out into the market in the coming months with a large media investment behind it.

And third, building on our commitment to delivering value, we are excited to introduce new value offerings that cater to evolving consumer needs and preferences. We recently launched our 11-ounce box, which provides 50% more at a price point that is 20% less per ounce. This larger size is unbeatable value, feeding a family of five for less than two dollars.

To serve across multiple meal occasions, we are rolling out larger Mac and Cheese cups to capture the accelerating trend of mini-meals. Our big cups are twice the size of the original and are perfectly suited to satisfy that larger-than-a-snack hunger.

Slide 13

Now, let's look at *Kraft* Mayonnaise – to build on its great taste, our initial focus is on investing in packaging and price. We are also executing a regional media strategy at key moments and leveraging the success we have had in Mayonnaise in other parts of the world.

We are refreshing our packaging with new graphics, highlighting key attributes that are important to our consumers. We are also encouraging trial and driving confidence in our superior quality through a money back guarantee.

Through our Brand Growth System, we learned that for Mayonnaise, regionality matters. So to optimize our media spend, we are now using a targeted media approach, focusing on three regions where 75% of our business is concentrated. We are connecting with our target audience during key seasons like Easter and Summer Grilling.

Inspired by our global successes, which includes reaching a 50 percent market share in Chile from 30 percent in 2020, we have what it takes to win. In fact, we are taking the *Heinz Mayo* line that has been extremely successful globally and launching it now in Canada.

I am very excited about the plans we have in store for these important brands. They are rooted in robust insights from our Brand Growth System and are being brought to life by our proven agile ways of working. This powerful combination of what we are doing and how we are doing it – is what gives me confidence in our ability to successfully execute our expected top-line recovery in US Retail this year.

Slide 14

At the same time, we are making great strides across other ACCELERATE categories including Pasta Sauce, with a five percent increase in Q1 Organic Net sales. And our delicious *CRAVE* frozen meals in Canada increased 7 percent through innovation launches and more effective promotions. A focus on driving awareness and conversion contributed to 10 percent growth in *Primal Kitchen*. And finally, building on the growing Mexican Cuisine trend, we grew Mexican food and sauces by 15 percent – the second year of double-digit growth in this category.

Slide 15

Our next strategic pillar is Global Away From Home. In the US, the Away From Home market is experiencing a downturn as consumers tighten their belts and navigate economic uncertainty. However, despite this challenging environment, we are seeing progress across each aspect of our strategy. We are expanding our footprint in higher-margin channels, growing beyond ketchup, and excelling in our go-to-market approach.

In the US, we achieved four percent sales growth in higher-margin, non-commercial channels, including notable wins in the entertainment and travel sectors. Our recent partnership with the

Chicago Cubs, which made *Heinz* the official condiment of Wrigley Field, has yielded incremental distribution of our ketchup, mustard, relish, and other products. We also signed a new global contract earlier this year with Hilton hotels. It designates Kraft Heinz as their preferred sauce and condiment vendor.

Furthermore, we are making strides in diversifying our portfolio beyond ketchup. Our *Philadelphia* cream cheese brand, for instance, has seen substantial growth in the US Away From Home channel, up double-digits in the quarter, driven in part by partnerships with Crumbl and Dunkin' Donuts.

Finally, we are leveraging our proven go-to-market model to expand our distribution network in the Emerging Markets Away From Home segment. In the first quarter, we successfully added 16,000 new distribution points.

While we are pleased with initial improvement in the first quarter relative to the fourth quarter of last year, the US Away From Home industry continues to face challenging times with traffic declining across the sector. As a result, our go-forward expectation of industry growth is appropriately adjusted. Andre will discuss the implications on our outlook in his guidance discussion.

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Looking at Emerging Markets, as we expected, we grew Organic Net Sales at an accelerated pace year-over-year in the first quarter of 2025 as compared to the fourth quarter of 2024.

Our growth drivers in Emerging Markets are twofold – leveraging the strong brand equity of our *Heinz* brand and expanding distribution through our Go To Market model. We grew *Heinz* Organic Net Sales in Emerging Markets approximately 11 percent. *Heinz* is our largest brand globally. Today it represents over \$1 billion dollars in sales in Emerging Markets, but accounts for only 40 percent of total sales in the zone, reflecting meaningful room for growth.

We also continue to expand distribution through our Go To Market model, adding approximately 21,000 distribution points compared to the first quarter of 2024.

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Shifting now to two key enablers of growth – innovation and marketing. Let's begin with innovation. We are creating products that truly delight consumers. Whether it is through bold new flavors and cuisines, making our brands more accessible and relevant to a wider audience, or delivering benefits that make a real difference in people's lives. We have spent the last few years building a solid pipeline with over 75 percent of innovation sales in 2025 expected to come from proven innovation already launched.

For example, as part of our Mexican food strategy, we have expanded our Taco Bell partnership, providing our consumers with restaurant quality experiences at home. Building on the momentum from 2024, we grew dollar sales 12 percent in the first quarter of 2025. And we are now launching this great tasting experience in Canada.

We are also expanding into new channels, occasions, and host foods. After 150 years, leveraging our extensive agriculture heritage and tomato expertise, we launched the first *Heinz* pasta sauce in the U.K. a couple of years ago. Now, we continue to introduce new formats, disrupting and driving excitement in the pasta sauce category, and are expanding into new countries. It's working. Generating dollar sales growth of 26 percent in the first quarter.

And in Indonesia, we introduced our *ABC* Multi-purpose Peanut Sauce, marking our entrance into the \$200-million-dollar Peanut Sauce market. This ready-to-use sauce takes meals to the next level. With the rich, nutty flavor of peanuts, it elevates dishes in an instant – and it's super convenient – just open, pour, and enjoy!

Introducing *mio* Unwind, our latest innovation in the health and wellness space. This on-the-go hydration solution helps consumers discover their Zen, and it is made with zero sugar, zero artificial dyes, and zero calories. Plus, it is a good source of magnesium and B vitamins. This is a great example of how we are tapping into the increasing demand for wellness-focused products. The six-billion-dollar global magnesium market, projected to grow at 5 percent annually, presents a significant opportunity for us to capitalize on this exciting trend.

Slide 18

Turning to our marketing engine. This year, we are all about leveling up our game and driving ROI, obsessed with making every marketing dollar count as we power our brands.

Fueled by insights from the Brand Growth System, we are ensuring that creative excellence is a likely outcome, not a lucky one. We are marketing at the speed of culture and igniting relevance of great ideas by aligning them to key moments in culture.

Helping to bring this to life is our internal agency, *The Kitchen*. Here, the best internal talent is collaborating with external partners to create marketing that matters. In Q1, we secured over 11 billion earned impressions for our North American brands, which is the highest in Kraft Heinz history.

We are not just reacting to trends, we are activating with agility to capitalize on real-time consumer insights. For example, when egg prices soared, our team swooped in with a genius solution: a *Jet-Puffed* Dip & Decorate Marshmallow kit for only \$1.99. It was a total hit, and

retailers are already asking for a repeat performance in 2026. Who knows, we might just have started a new Easter tradition.

Just a week before March Madness, a news story dropped that BYU's star player, Richie Saunders, was the great-grandson of the tater tot inventor and *Ore-Ida* founder. We knew we had to act fast, but as a non-NCAA partner, breaking through the noise was a challenge. Undeterred, we signed Richie to an NIL deal, captured a photoshoot, and launched the "tot clock" national giveaway in under a week. The campaign went viral, driving three billion earned media impressions and a 9 percent regional sales lift. We had more engagements than all March Madness sponsors combined – with less than 5 basis points of the spend.

As you can see, we are elevating our marketing and making a lasting impact. By combining data-driven insights with creative excellence, we are building brand relevance and sparking new consumer connections, all at the speed of culture.

With that, let me hand it over to Andre to provide more details on our first quarter financial results and to discuss our 2025 outlook.

ANDRE MACIEL, EVP AND GLOBAL CHIEF FINANCIAL OFFICER

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Thank you, Carlos.

Slide 20

In the first quarter, Organic Net Sales declined 4.7 percent for total Kraft Heinz with price up 0.9 percentage points and volume/mix down 5.6 percentage points.

In North America, Organic Net Sales declined 6.5 percent, with growth in our Canada business offset by lower sales in both US Retail and Away From Home. This includes an impact of 120 basis points driven by the timing of Easter.

In our International Developed Markets, Organic Net Sales declined 1.7 percent. This was primarily driven by industry slowdown in the U.K. from weakening consumer sentiment. Keep in mind that this is an improvement from the fourth quarter year-over-year decline of 4 percent.

In Emerging Markets, Organic Net Sales were up 3.9 percent, an improvement from 2.2 percent year-over-year growth in the fourth quarter of 2024. Results were driven by pricing in line with inflation, with volumes impacted by the timing of Ramadan. We are pleased with the progress in Emerging Markets, and we expect to see this continue, reaching double-digit growth by the fourth quarter of 2025.

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Turning to the next slide, total Kraft Heinz Adjusted Operating Income declined 5.2 percent while our Adjusted Operating Income Margin increased 30 basis points, a result of strong performance in Emerging Markets.

In North America, Adjusted Operating Income declined 9.4 percent versus the prior year. Productivity gains and lower incentive compensation were more than offset by declines in sales and commodity inflation, particularly in coffee, eggs, and meat.

In International Developed Markets, Adjusted Operating Income decreased 7.0 percent, mainly due to the lag between pricing and inflation, as well as softer sales.

In Emerging Markets, Adjusted Operating Income increased 20.3 percent and Adjusted Operating Income Margin expanded by 300 basis points. This growth and margin expansion was driven by revenue management initiatives in Brazil and operational efficiencies across the zone. As a result of these initiatives, we expect to be able to maintain these profitability levels throughout the year.

Slide 22

As we navigate the current consumer landscape and macroeconomic conditions, our focus remains on delivering value to our consumers. By unlocking efficiencies and optimizing our marketing spend, we are able to invest in price and support our brands.

Building on our previous commitment, we are increasing our investments in price in 2025, starting with re-establishing optimal price gaps in key categories. Additionally, we're leveraging trade spend to support our product renovations and boost trial and drive awareness of superior product attributes. We are also leveraging our *Heinz Verified* loyalty program to accelerate distribution gains in Away From Home. And finally, we are investing in strategic areas, including our brands across Canada, and *Philadelphia* and *Ore-Ida*, to keep the momentum and drive further growth.

In addition to increasing our investments in price, we are working diligently to improve marketing efficiency and drive better returns. We expect marketing as a percentage of sales to be up versus the prior year, with a media spend increase of at least 15 percent. We are also targeting a double-digit increase in returns on that spend by optimizing our media mix and brand allocation.

Ultimately, our goal is to drive improvement in top-line trends, and we believe these efforts will help us achieve that.

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I am extremely proud of the team's ability to unlock end-to-end efficiencies, which enables us to make the investments I just discussed.

In Q1, we generated 3.7 percent of gross efficiencies as a percentage of cost of goods sold. This exceeds the 3.5 percent goal we have for the year, and we are well on our way to achieving our goal of \$2.5 billion dollars in efficiencies by 2027. With \$1.5 billion dollars unlocked to date, we have significant runway ahead.

These efficiencies helped mitigate commodity pressure and limited the decrease in year-over-year Adjusted Gross Profit Margin to 10 basis points in the first quarter.

Slide 24

Turning to cash flow, we generated Free Cash Flow Conversion of 65 percent, a 9-percentage point increase versus the prior year. This was primarily driven by lower cash outflows from variable compensation partially offset by inventory phasing.

In terms of Adjusted EPS, we declined 10.1 percent, or seven cents, versus the first quarter of 2024. This was driven by favorable impacts from share repurchases and other expense/(income), more than offset by negative impacts from a higher effective tax rate and results of operations.

Last quarter, we spoke about the expected 500-basis point step up in our P&L tax rate starting in the first quarter. As a reminder, this step up is related to the transfer of certain business operations that was completed in the fourth quarter of 2024. The transfer was part of our planning for the changes in the international tax environment. It also allowed us to achieve greater operational synergies.

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A healthy balance sheet and strong cash flow generation provide a foundation for financial stability and flexibility. We have been able to provide consistent cash generation as well as significantly reduce our net leverage ratio, positioning ourselves to better navigate this uncertain environment.

As part of our ongoing efforts to optimize our capital structure, we issued bonds to rebalance our debt towers. The net effect on our P&L is minimal, and we're able to reinvest the funds raised.

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We continue to be excellent stewards of capital. By taking a disciplined approach to financial management, we have created optionality for capital allocation. Our priorities remain the same.

To continue to invest in our organic growth, actively manage our portfolio, and return incremental capital to our stockholders.

Slide 27

We have maintained a strong balance sheet, returning nearly \$900 million dollars in capital to stockholders year-to-date, and maintained our Net Leverage target of approximately 3.0 times.

Of the \$900 million dollars returned to stockholders, nearly \$500 million was through our competitive dividend – with a yield that exceeds 5 percent – and \$400 million through our share repurchase program. This demonstrates our confidence in the improved trajectory of the company. Currently, we have about \$1.5 billion remaining against our \$3 billion authorization. As a reminder, our share repurchase program is non-programmatic, a function of excess cash, and takes into consideration the macro-economic environment.

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Now, turning to our full year 2025 outlook. We are lowering our Organic Net Sales expectations and are widening our guidance range for Constant Currency Adjusted Operating Income as a result of the growing macro-economic challenges including potential tariffs and the regulatory environment.

We are now expecting Organic Net Sales in the range of down 1.5 percent to down 3.5 percent compared to our previous outlook of flat to down 2.5%. This guidance contemplates growth in Emerging Markets, which is expected to reach a double-digit pace by year end. It also reflects a relatively flat top line performance in Global Away From Home relative to last year, and an elongated recovery in US Retail-challenged categories. Relative to our previous expectations, the change in Organic Net Sales is primarily driven by worsening consumer sentiment and changes in volume elasticity.

For full year Constant Currency Adjusted Operating Income, we are now anticipating a decline of 5 to 10 percent, compared to our previous expectation to decline 1 to 4 percent. Our lower expectations contemplate increased costs of doing business, including elevated inflation and tariffs. The wider range reflects a larger degree of uncertainty given the underlying volatility and unpredictability of macro-economic dynamics as well as a changing policy landscape. It also provides us with the necessary flexibility to dial in on investments as deemed appropriate.

Our Constant Currency Adjusted Operating Income expectations include the impact of lapping lower variable compensation in 2024, which is an approximate 150 basis point headwind. It also contemplates an Adjusted Gross Profit Margin that is down 25 to 75 basis points year-over-year, driven by our gross efficiencies, tariff mitigation efforts, and additional pricing that are expected to be more than offset by inflation and incremental investments in price and product.

We expect Adjusted EPS to be in the range of \$2.51 to \$2.67 as compared to our previous expectation of \$2.63 to \$2.74. The change in guidance reflects the revised Organic Net Sales and Constant Currency Adjusted Operating Income estimates, partially offset by the impact of year-to-date share repurchases.

Our Adjusted EPS expectation also contemplates an effective tax rate of approximately 26 percent, which is a \$0.23 headwind on Adjusted EPS year-over-year.

From a Free Cash Flow perspective, we expect 2025 to be flat versus prior year, with Free Cash Flow Conversion of approximately 95 percent. This is driven by working capital efficiencies and lower cash outflows for variable compensation, partially offset by the net cash impact of a higher tax rate.

Our outlook does not reflect any impact from future potential share repurchases. And as a reminder, we have \$1.5 billion remaining on our \$3 billion share repurchase plan.

Looking at Q2, we expect year-over-year Organic Net Sales to come in better relative to the first quarter of 2025. This is driven primarily by an approximate 100 basis points benefit due to the Easter shift, but also from improvements in Cream Cheese and *Ore-Ida* as we lap headwinds in Q1 that were driven by competitor out of stocks in the prior year, and continued sequential improvement in Emerging Markets.

We expect Adjusted Gross Profit Margin to be down approximately 200 basis points in the second quarter. The pressure is primarily driven by continued inflation in coffee and the timing of commodity hedges.

As a result of the pressure on Adjusted Gross Profit Margin, we expect Adjusted Operating Income to be down double-digits vs the prior year.

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

CARLOS ABRAMS-RIVERA, CHIEF EXECUTIVE OFFICER

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Thank you, Andre.

Let me wrap up by saying we are acutely aware of the building pressures across Food – from incremental inflation to tariff implications, and the concern our consumers have regarding a potential recession.

We are actively working on solutions. I sincerely believe that our proven ability to unlock efficiencies and generate cash, along with our value-adding innovation and renovation, plus the

strategic investments we are making across marketing and our brands, provide us with a robust toolkit to navigate and adapt to the ever-changing environment.

And by doing so, we will continue to serve our consumers delicious food, from trusted brands, and at prices they can afford, all while returning value to our stockholders.

Thank you for joining us and for your interest in Kraft Heinz.

