# Fourth Quarter 2024 Earnings Pre-Recorded Management Discussion

February 12, 2025

Please view the following prepared management remarks together with our Annual Report on Form 10-K, 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.

**Q4 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 fourth quarter and full year 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 fourth quarter, 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**

Thank you, Anne-Marie.

And thank you all for joining us today.

## Slide 4

I would like to start with a big thank you to the Kraft Heinz team for working tirelessly in what proved to be a challenging year – for us, and for the industry.

Together, we maintained our focus on building and investing for the future. We have demonstrated our ability to be efficient cash generators, delivering both industry-leading gross margins and strong Free Cash Flow. We've delivered efficiencies to fuel investments that are driving meaningful product renovation and innovation and enhancing our marketing capabilities – all of which are helping us build brand superiority.

And despite a weaker macro-economic backdrop, we returned meaningful capital to our stockholders in 2024, with $2.7 billion returned through our dividend – which offers the highest yield in Food – and share buybacks.

As we look ahead to 2025, we remain confident in our strategy. By building upon the advancements made in 2024 and executing with excellence, we anticipate improvement each quarter in our top-line performance. This will be driven by growth in Emerging Markets and Global Away From Home, with U.S. Retail benefitting from actions we are taking to further implement our Brand Growth System. And we will do this while preserving profitability – something we have proven we know how to do well.

With that, let's turn to our 2024 full year results.

## Slide 5

Organic Net Sales declined 2.1 percent versus the prior year. Through the lens of our strategic pillars, this was driven by growth in Emerging Markets, which was more than offset by declines in North America Retail and Away From Home in the U.S.

Despite the top line pressure, we generated 100 basis points of Adjusted Gross Profit Margin expansion versus 2023. This was due in large part to the capabilities we have built over the years, including investments in technology that are driving efficiencies across areas like revenue management, manufacturing, and logistics. These efforts enabled us to deliver nearly $750 million in gross efficiencies, a portion of which was reinvested in our brands. We remain committed to a disciplined approach to investing, ensuring that our resources are driving sustainable, long-term volume growth.

Our gross margin expansion, in addition to a benefit from lower variable incentive compensation for the year, contributed to Adjusted Operating Income growth of 1.2 percent. The reduction in variable incentive compensation reflects our culture of meritocracy, where performance is closely tied to rewards. This demonstrates the effectiveness of our compensation model in aligning pay with results.

Our Adjusted Operating Income growth along with share repurchases, led to Adjusted EPS growth of 2.7 percent.

Finally, Free Cash Flow came in at approximately $3.2 billion, an increase of 6.6 percent versus the prior year.

## Slide 6

Moving to the details of our performance across the three strategic pillars.

In our ACCELERATE platforms in North America Retail, Organic Net Sales declined 2.9 percent. This was primarily driven by weakening trends in three specific brands and the planned exit of our unprofitable bulk vinegar business. This overshadowed strong performance across our *Ore-Ida*, Taco Bell, *Philadelphia,* and *Heinz* brands, which together make up about 40 percent of sales in U.S Retail ACCELERATE.

In Global Away From Home, Organic Net Sales declined 0.6 percent. Growth in International Away From Home was more than offset by a decline in the U.S. This decline was driven primarily by two planned business exits from margin dilutive businesses, a temporary plant closure in the second quarter, and softer traffic trends relative to 2023.

In the fourth quarter, Global Away From Home came in below our expectations. To improve our performance in 2025, we are committed to providing additional value to our customers. We will be increasing our investments in trade, alongside our marketing initiatives. And through our premium loyalty program, *Heinz* Verified, we will provide customers with access to bundles, traffic-driving promotions, and our state of-the-art culinary portfolio and equipment.

Turning to Emerging Markets, we grew 4 percent versus full year 2023, driven by both price and volume/mix. Excluding pressure experienced in Brazil and China, the rest of Emerging Markets grew double digits – in line with our long-term algorithm.

In the fourth quarter, Emerging Markets Organic Net Sales came in below our expectations, driven primarily by performance in China, where consumer confidence continues to remain soft. As a result, we saw more than anticipated inventory deloading as retail customers and distributors are reducing working capital and costs.

## Slide 7

Now, going a bit deeper into our North America Retail business. Last quarter we discussed a couple of core categories that are driving year-over-year topline pressure – including *Lunchables*, *Kraft* Mayonnaise, *Kraft* Mac & Cheese, and *Capri Sun*.

Across each of these brands, we have kicked off the Brand Growth System – running deep, forensic-like assessments that will uncover the most meaningful opportunities to drive brand superiority. We are confident that the Brand Growth system will make a meaningful difference because we have already seen its success in action. In 2024, we ran pilots on *Philadelphia* cream cheese and *Heinz* in the U.K. On *Philadelphia*, we captured white space in growing channels, with 13 percent growth in club. And on *Heinz* Ketchup in the U.K., we grew volume share by 2.3 percentage points, a category we haven't grown share in 5 years.

We are now scaling this approach across these four brands, with dedicated agile pods already in place for each. And importantly, we are committed to making the necessary investments in the products and marketing to close the gaps.

In parallel to starting the Brand Growth System, the initial actions we have taken are showing early signs of traction as we are investing in the products to drive superiority.

On *Lunchables*, we are strengthening the core and expanding the occasions. Take, for example, our recent launch of Spicy Nacho, which is 17 percent incremental to the meal combos category – driven by increases in both buy rate and consumption. We also continue to renovate as part of our ongoing commitment to delivering exceptional quality, including upgrades to our cookies and crackers to meet evolving tastes.

In our Mayonnaise business, we are strengthening our value proposition to re-engage with lapsed users and to attract new ones. We are bringing new flavors, including Pickle mayo, which had a successful rollout in the U.S. And we are taking this flavor expansion strategy globally, launching new flavors in countries including Canada, Australia, the U.K, and the Middle East. In addition to our flavor strategy, we are delighting consumers with better-for-you options through our *Primal Kitchen* brand.

For *Kraft* Mac & Cheese, we are connecting and engaging with families, and younger consumers. We are doing this through new, bold flavors like ranch and jalapeño, better-for-you options, new pack sizes, and on-pack partnerships. And we are seeing momentum here, with a 1 percentage point improvement in the year-over-year sales trends.

And finally, on *Capri Sun*, I am very excited that we have generated a 5-percentage point improvement in the year-over-year sales. We invested in the product renovation to win on taste, and now we are bringing value to consumers through innovation, including our new 64-ounce multi-serve and our single serve bottles.

## Slide 8

Our ACCELERATE platforms represent the most attractive spaces within our portfolio where we have the highest right to win, and in turn where we have been prioritizing our investments. This prioritization has contributed to growth across several of our iconic brands – including *Philadelphia*, *Heinz* ketchup, *Ore-Ida*, and Taco Bell.

As I mentioned earlier*, Philadelphia* is one of the brands we piloted our Brand Growth System on in 2024. We uncovered opportunities to attract under-indexed audiences, to expand distribution in white space channels, and to highlight the versatility of cream cheese across new usage occasions. Our initial learnings and actions are yielding results with 2 percent dollar sales growth despite lapping private label out of stocks in 2023.

And *Heinz* ketchup grew dollar sales 2 percent versus 2023. This was driven by impactful marketing campaigns and by increasing distribution from innovation. We've innovated across formats and flavors to deliver on consumer desires, including the successful launch of our Pickle ketchup, which has been 50 percent incremental to the flavored ketchup category, and we're now expanding it to four continents.

On *Ore-Ida*, we've been able to meet the strong consumer demand for our products, which in turn enabled us to increase investments in marketing and promotions. This contributed to dollar sales growth of 8 percent in 2024.

Lastly, Taco Bell had a great year, growing 24 percent versus 2023. This was driven by expanded distribution and share gains on both existing products and innovation, as we double down on the fast-growing Mexican cuisine category – growing at a pace of 4.5 percent.

## Slide 9

Turning to our next strategic pillar, Global Away From Home. Despite the decline in our topline growth, we are seeing wins across each key area of our strategy – growing in higher margin channels, increasing penetration beyond ketchup, and Go To Market excellence.

In the U.S., we gained 70 basis points of share and grew sales mid-single digits for the full year across higher-margin, non-commercial channels. This includes wins in entertainment and travel. Earlier this year, we announced a new multiyear partnership with the Chicago Cubs, where *Heinz* has been named the official condiment of Wrigley Field. This included incremental distribution on *Heinz* ketchup, mustard, relish and more.

I am also excited to share that we have signed a new contract with Hilton hotels, making Kraft Heinz the preferred vendor for sauces and condiments, globally. This presents a large opportunity for us, and we are excited for the doors it unlocks – partnering with Hilton to leverage their worldwide presence in over 130 countries to drive growth.

We also continue to expand beyond Ketchup. I just mentioned our partnership with the Chicago Cubs. This is one example, where fans can also enjoy *Kraft* Mac & Cheese, *Philadelphia*, and *Primal Kitchen* throughout the ballpark. And more recently, we further increased our penetration of *Philadelphia* cream cheese in Away From Home with Dunkin Donuts. In U.S. Away From Home, we grew *Philadelphia* cream cheese high-single-digits in 2024.

And we are focused on Go To Market excellence, leveraging our proven model to not only gain distribution in retail within Emerging Markets – where we have solid coverage – but also expanding the model into the Away From Home channel. In 2024, we grew total distribution points in Emerging Markets Away From Home by 21 percent.

As you can see, our Away From Home team has been busy this year and I am happy to report that for 2025, we have already locked in 75 percent of the expected sales from new-client wins.

## Slide 10

Looking at Emerging Markets, we grew Organic Net Sales both in the fourth quarter and the full year. While this growth was lower than we originally anticipated due to pressures in Brazil and China, the rest of Emerging Markets grew double digits, a testament that our strategy is working.

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 8 percent in 2024. *Heinz* is our largest brand globally, and it represents over $1 billion in sales in Emerging Markets, accounting for roughly 40 percent of total sales in the zone.

We also continue to expand distribution through our Go To Market model. We increased total distribution points by 17 percent in 2024, and plan to further increase by an additional 40,000 points of distribution in 2025. This sets us up well for accelerated growth.

## Slide 11

As we look to 2025, marketing and innovation will be key enablers of our growth. Let's dive into both.

First, on the marketing front, we continue to make meaningful advancements in talent, tools, and capabilities by building an ecosystem that fuels brand relevance and creative excellence. A key driver of this success is our in-house agency, The Kitchen, which we launched four years ago to unlock creativity and deliver breakthrough ideas at the speed of culture. Since its launch, The Kitchen has garnered external recognition, earning numerous awards for In-House Agency of the Year.

I am thrilled to share that our marketing team has been pushing the boundaries of innovation and creativity in the partnerships space. We're not just talking about any partnerships – we're talking about game-changing, culture-shifting collaborations that are redefining the marketing landscape.

For example, we FINALLY got Mustard on the beat… with our electrifying collaboration with the award-winning producer Mustard, which dropped during the biggest night in music, the Grammys.

And if that wasn't enough, we also brought our beloved brands to life in Instacart's first-ever Super Bowl campaign, featuring the iconic *Heinz* Wiener Dogs, the *Kool-Aid* Man, and the *Oscar Mayer* Wienermobile. It was a moment that will go down in marketing history.

These partnerships aren't just about generating buzz, they're about creating unforgettable experiences that leave a lasting impact on our consumers. And I couldn't be prouder of our team for their dedication to truly creating marketing that excites.

Our Brand Growth System is another critical component of our creative ecosystem, providing a systematic and repeatable framework that complements our disruptive marketing and innovation efforts to drive brand superiority. You've heard about the early success we have had with *Heinz* Ketchup in the U.K. and *Philadelphia* cream cheese in the U.S. Now, with these pilots complete, we are ready to scale – more on that as we get into CAGNY next week.

### Slide 12

Turning to innovation, our strategy is working. We have significantly increased innovation as a percentage of our Organic Net Sales, from 1.6 percent in 2022, to 2.9 percent in 2024.

We are focused on creating and providing consumers with products that are worth paying for – whether that be through cuisine and flavor exploration, high quality convenient solutions, or expanding options and functionality through unique benefits.

As part of our Mexican food strategy, we have expanded our Taco Bell partnership, providing our consumers with restaurant quality experiences at home. In 2024, this led to dollar sales growth of 24 percent, and we increased market share by nearly a point.

As consumers are looking for bolder, more exciting flavors, we are leveraging a flavor-focused expansion strategy in Mac & Cheese. Based on market and social media trends, we are creating buzzworthy moments by launching limited time offerings to drive excitement and deliver unexpected new flavors to market in record time. This includes our most recent Everything Bagel *Kraft* Mac & Cheese launch, which sold out in just ONE day online at one of our largest retailers.

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 recipes, disrupting and driving excitement in the pasta sauce category – making superior quality ingredients and the latest food trends accessible to all pasta lovers. And it's working, with dollar sales growth of 45 percent in 2024. And by leveraging our Global Heinz team that was established last year, we are quickly scaling what works, expanding *Heinz* Pasta Sauce into other countries, including Brazil, Chile, and across Europe.

And we are delivering deliciousness and convenience through our 360CRISP™ platform, pushing the boundaries of what frozen food can deliver. This patented technology provides convenience and quality, creating crispy products like those on the stove in a matter of minutes in the microwave. *Delimex* quesadillas mark our first launch on the brand in over five years and they are now available in over 20,000 stores as we continue to expand distribution.

We entered 2025 with strong momentum on the innovation front, and we will continue to double down on the innovation that worked well in 2024. In fact, over 75 percent of innovation sales in 2025 are expected to come from proven innovation already launched. Plus, we have an exciting array of launches ready for 2025, focused on our core brands.

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

**ANDRE MACIEL, EVP AND GLOBAL CHIEF FINANCIAL OFFICER**

### Slide 13

Thank you, Carlos.

### Slide 14

In the fourth quarter, Organic Net Sales declined 3.1 percent for total Kraft Heinz with price up 1.0 percentage point and volume/mix down 4.1 percentage points.

In North America, Organic Net Sales declined 3.6 percent, with growth in our Canada business offset by lower sales in both U.S. Retail and Away From Home.

In our International Developed Markets, Organic Net Sales declined 4.0 percent. This was driven by volume pressures due to customer negotiations in Europe and declines in non-core categories.

In Emerging Markets, Organic Net Sales was up 2.2 percent. Results were impacted by Brazil, driven primarily by volume elasticity linked to price taken in commodity categories, and China, where we continue to experience industry softness. The rest of Emerging

Markets grew the top line double digits in the fourth quarter – with particularly strong growth in the Middle East and Turkey.

## Slide 15

Turning to the next slide, total Kraft Heinz Adjusted Operating Income declined 0.3 percent, driven by declines in each of our zones primarily due to lower sales. Our Adjusted Operating Income Margin increased 80 basis points, a result of lower variable compensation and unlocked efficiencies. Lower variable compensation was a benefit to Adjusted Operating Income across each of our zones.

In North America, Adjusted Operating Income declined 2.3 percent versus the prior year, with declines in sales more than offsetting productivity gains.

In International Developed Markets, Adjusted Operating Income decreased 3.8 percent, primarily driven by the decline in sales and incremental inflation, partially offset by operational efficiencies.

In Emerging Markets, while Adjusted Operating Income declined 0.8 percent, on a constant currency basis we grew 3.5 percent, and Adjusted Operating Income Margin expanded by 70 basis points. This growth and margin expansion was driven by lapping elevated investments in Go To Market, primarily in LATAM.

## Slide 16

As we think about improving overall competitiveness in the market, we are leveraging a combination of strategies. We are focused on growing our base volumes in a sustainable way. This includes through consumer-driven innovation, portfolio renovation, marketing that matters, as well as selectively investing in price.

In the fourth quarter, our percent of volume sold on promotion was down 2 percent versus the prior year. This was primarily driven by lapping dynamics. In the fourth quarter of 2023, we were investing more in promotions on *Ore-Ida* as we were coming back from service issues and in *Philadelphia* we are lapping private label out of stocks.

As we continue to balance long-term profitability, our volume sold on promotion was 5 percent below levels that of 2019.

Looking to 2025, we are planning an increased level of investment in price. Remaining mindful of the consumer situation, we plan to make investments to adjust price gaps in select categories – primarily across the four key brands Carlos discussed and in U.S. Away From Home.

While we will be investing more, we are also taking actions to ensure we generate positive returns. We have additional opportunities identified for 2025 to remove non-effective events that were not driving top or bottom line in 2024. And we know that promotions without product improvement and marketing will not get us to where we need to be.

## Slide 17

Moving down the P&L, we continue to generate margin expansion through end-to-end efficiencies. This helps us to not only offset inflation, but it also enables us to invest in the business to support long-term growth.

In 2024, we generated nearly 4.5 percent of gross efficiencies as a percentage of cost of goods sold. This exceeds the target we had for the year, and we are well on our way to achieving our goal of $2.5 billion in efficiencies by 2027. With $1.3 billion unlocked to date, we have significant runway ahead to capture at least $1.2 billion more.

Through Agile@Scale, we have plans for further advancements including but not limited to automation and network optimization in our supply chain, sourcing excellence within procurement, and maintaining a disciplined execution and continuous improvement mindset.

These efficiencies helped generate 100 basis points of Adjusted Gross Profit Margin expansion in 2024 and provided us with the flexibility to increase investments.

We exited 2024 with marketing as a percent of net sales at 4.5 percent and R&D as a percent of net sales at 0.6 percent. On the marketing front, we are approaching optimal levels and are shifting more focus in 2025 on unlocking additional value from our marketing spend through data-driven improvements to ROIs. We have plans in place that will optimize marketing mix across brands and media types to ensure our dollars are working hard for our brands. On R&D, we expect to further increase our investments to support future innovation and are targeting levels closer to 1 percent of net sales.

## Slide 18

Turning to cash flow, we generated full year Free Cash Flow Conversion of 85 percent, a 4-percentage point increase versus the prior year. This was primarily driven by the conversion of certain surplus plan assets related to the U.S. post-retirement medical plan to cash, as well as improved working capital.

At the same time, we continue to increase investments for growth, with full year CapEx increasing to 4 percent of net sales, up 20 basis points from the prior year.

In terms of Adjusted EPS, we grew 7.7 percent, or six cents, versus the fourth quarter of 2023. This was driven by positive impacts from a lower effective tax rate and share repurchases.

Keep in mind, our Adjusted EPS does exclude an impairment charge of $1.4 billion that was recognized in the quarter, which was more than offset by a $2.4 billion-dollar tax benefit.

This tax benefit 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, and also allowed us to achieve greater operational synergies.

In accordance with GAAP, the P&L benefit from the transfer of certain business operations, had to be recorded in Q4 2024 when the transfer was completed. On a cash tax basis, however, the benefit is recognized annually, starting in 2025 and going forward for the next twenty years.

As a result, we expect a 500-basis point step up in our P&L tax rate starting in 2025. However, we expect only a 200 to 300 basis point step up in our cash tax rate.

## Slide 19

And we continue to maintain a strong balance sheet, while returning capital to stockholders.

In 2024, we maintained our Net Leverage target of 3.0 times, ending the year at 2.9 times. We believe this is a good level that provides us with optionality.

We also returned approximately $2.7 billion to stockholders. $1.9 billion through our competitive dividend – with a yield that exceeds 5 percent – and $800 million through our share repurchase program. This leaves about $1.9 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.

## Slide 20

Now, turning to our full year 2025 outlook.

We are expecting Organic Net Sales in the range of down 2.5 percent to flat. This includes full year growth in our Emerging Markets and Global Away From Home pillars, with an elongated recovery expected in U.S. Retail-challenged categories.

We expect Organic Net Sales in Q1 to come in lower relative to the fourth quarter of 2024. This is driven primarily by an approximate 100 basis point headwind for total Kraft Heinz due to an Easter shift. As a result, we expect to see lighter sales in the first quarter, with an offset in the second quarter. The second quarter should also benefit from lapping pressure on *Lunchables* performance and the temporary plant closure in the second quarter of 2024, as well as increased investments in price and product. We then expect the second half to gradually improve from Q2.

Constant Currency Adjusted Operating Income is expected to be down 4 percent to down 1 percent. This includes the impact of lapping lower variable compensation in 2024, which is an approximate 210 basis point headwind at the midpoint of our guidance. This also contemplates an Adjusted Gross Profit Margin that is flat to slightly positive year-over-year, driven by our gross efficiencies that are mostly offset by incremental investments in price and product.

We expect Adjusted EPS to be in the range of $2.63 to $2.74. This reflects a $0.07 headwind versus the prior year from lower variable incentive compensation in 2024.

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. The step up in our effective P&L tax rate is primarily related to the dynamics I noted earlier.

As a reminder, this outlook does not reflect any impact from future potential share repurchases.

From a Free Cash Flow perspective, we expect 2025 to be flat versus prior year, with Free Cash Flow Conversion of approximately 95%. 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.

We also want to acknowledge that the macro-economic landscape remains uncertain – particularly as it relates to potential tariffs, food regulations, changes to SNAP, and foreign exchange headwinds. Our current outlook does not contemplate significant worsening of these macro-economic pressures.

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

**CARLOS ABRAMS-RIVERA, CHIEF EXECUTIVE OFFICER**

### Slide 21

Thank you, Andre.

### Slide 22

At Kraft Heinz, we are acting with urgency – building upon our proven ability to unlock efficiencies, benefiting from 2024 foundational accomplishments in our strategic pillars, and investing for the now and the near, to support the next.

### Slide 23

We have established our ability to be an efficient operator. Through the capabilities we have developed, due in large part to our agile ways of working, we are generating best-in-class efficiencies with $1.3 billion captured to date, with line of sight to an additional $1.2 billion.

These efficiencies along with working capital improvements have led to an increase in Free Cash Flow Conversion from 81 percent in 2023 to 85 percent in 2024, with expectations to increase to approximately 95 percent in 2025.

### Slide 24

Last year, our teams were busy laying a solid foundation for 2025. Our top line improvement in the year will be driven by building upon the momentum of strategic growth drivers – leveraging initiatives already set in motion.

Earlier, I talked about a couple of our successful innovation launches across *Heinz*, Mac & Cheese and our Mexican strategy. As we think about 2025, over 75 percent of the forecasted sales from innovation will come from launches already proved out.

In Away From Home, I am excited to enter the year with 75 percent of expected sales from new customer wins already locked in – and a strong line of sight to additional customer wins as we progress throughout the year.

In Emerging Markets, we will continue to execute against our Go To Market model in both Retail and Away From Home, building upon continued distribution gains. With significant white space and a proven plan in Emerging Markets, we have meaningful opportunity to continue to grow.

And what really excites me, is we completed two successful pilots of our Brand Growth System. Although it's still early, we are seeing promising initial results across *Philadelphia* and *Heinz* in the U.K.

### Slide 25

And in 2025, we will be investing for the now and near, to support the next.

We are scaling our Brand Growth System, utilizing Agile@Scale ways of working to grow our core, must win brands. This deep, forensic-like assessment of our brands uncovers meaningful opportunities to invest in the product – ensuring that we are driving superiority on all fronts, delivering on consumer desires, and creating marketing that resonates with consumers. And importantly, we are dedicated to making these investments while protecting profits.

We are also honing in on our sales capabilities, ensuring our products are available and visible wherever, whenever and however a consumer wants. This includes strengthening our capabilities across our Go To Market model and Joint Business Planning to drive further distribution and reach.

All of this combined, along with our highest employee engagement yet – being named A Great Place to Work in 22 countries, including in the U.S. for the first time – gives me excitement headed into 2025.

I know we've got some work ahead of us to really drive growth. But I've got to tell you, I'm feeling pretty optimistic about the momentum we've built. We're making strides, and that's something to be excited about.

As we look to the year ahead, I'm confident that we've got the right strategy in place. We'll keep innovating, we'll stay focused, and we'll keep driving towards our goals. Together, I'm excited to see what we can achieve.

Thank you for your time and interest in Kraft Heinz.