Q4 2020
BUSINESS UPDATE

February 11
2021

A NEW MODEL FOR GROWTH

This presentation contains a number of forward-looking statements. Words such as “plan,” "believe," "anticipate," "reflect," "invest," "see," "make," "expect," "deliver," "drive," “improve,” “intend,” "assess," "remain," "evaluate," “establish,” “focus,” “build,” “turn,” “expand,” “leverage,” "grow," "will," and variations of such words and similar future or conditional expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding the Company's plans, impacts of accounting standards and guidance, growth, legal matters, taxes, costs and cost savings, impairments, dividends, expectations, investments, innovations, opportunities, capabilities, execution, initiatives, and pipeline. These forward-looking statements reflect management's current expectations and are not guarantees of future performance and are subject to a number of risks and uncertainties, many of which are difficult to predict and beyond the Company's control.

Important factors that may affect the Company's business and operations and that may cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, the impacts of the novel coronavirus COVID-19 pandemic and government and consumer responses; operating in a highly competitive industry; the Company’s ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation; changes in the retail landscape or the loss of key retail customers; changes in the Company's relationships with significant customers or suppliers, or in other business relationships; the Company’s ability to maintain, extend, and expand its reputation and brand image; the Company’s ability to leverage its brand value to compete against private label products; the Company’s ability to drive revenue growth in its key product categories or platforms, increase its market share, or add products that are in faster-growing and more profitable categories; product recalls or other product liability claims; the Company’s ability to identify, complete, or realize the benefits from strategic acquisitions, alliances, divestitures, joint ventures or other investments; the Company's ability to successfully execute its strategic initiatives; the impacts of the Company's international operations; the Company's ability to protect intellectual property rights; the Company's ownership structure; the Company’s ability to realize the anticipated benefits from prior or future streamlining actions to reduce fixed costs, simplify or improve processes, and improve its competitiveness; the Company's level of indebtedness, as well as our ability to comply with covenants under our debt instruments; additional impairments of the carrying amounts of goodwill or other indefinite-lived intangible assets; foreign exchange rate fluctuations; volatility in commodity, energy, and other input costs; volatility in the market value of all or a portion of the commodity derivatives we use; compliance with laws, regulations, and related interpretations and related legal claims or other regulatory enforcement actions, including additional risks and uncertainties related to any potential actions resulting from the Securities and Exchange Commission’s (“SEC”) ongoing investigation, as well as potential additional subpoenas, litigation, and regulatory proceedings; failure to maintain an effective system of internal controls; a downgrade in the Company's credit rating; the impact of future sales of the Company's common stock in the public market; the Company’s ability to continue to pay a regular dividend and the amounts of any such dividends; unanticipated business disruptions and natural events in the locations in which the Company or the Company's customers, suppliers, distributors, or regulators operate; economic and political conditions in the United States and in various other nations where the Company does business; changes in the Company's management team or other key personnel and the Company's ability to hire or retain key personnel or a highly skilled and diverse global workforce; risks associated with information technology and systems, including service interruptions, misappropriation of data, or breaches of security; increased pension, labor, and people-related expenses; changes in tax laws and interpretations; volatility of capital markets and other macroeconomic factors; and other factors. For additional information on these and other factors that could affect the Company's forward-looking statements, see the Company's risk factors, as they may be amended from time to time, set forth in its filings with the SEC. The Company disclaims and does not undertake any obligation to update, revise, or withdraw any forward-looking statement in this presentation except as required by applicable law or regulation.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures, including Organic Net Sales, Adjusted EBITDA, Constant Currency Adjusted EBITDA, Adjusted EPS, and Free Cash Flow. 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 this presentation.

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 see discussion of non-GAAP financial measures and the reconciliations at the end of this presentation for more information.

FEBRUARY 11
2021

KraftHeinz

Q4 2020
BUSINESS UPDATE

2020 PERFORMANCE REFLECTS THE POWER AND POTENTIAL OF **SCALE + AGILITY**

→ **Rapid progress in first year of transformation**

→ **Stronger-than-anticipated results continued in Q4**

→ **Broad-based brand and business momentum heading into 2021**

→ **Strong liquidity and agile portfolio management further fuel our growth**

We set **specific goals** in each aspect of our **new operating model** for the first year of our **multi-year transformation**

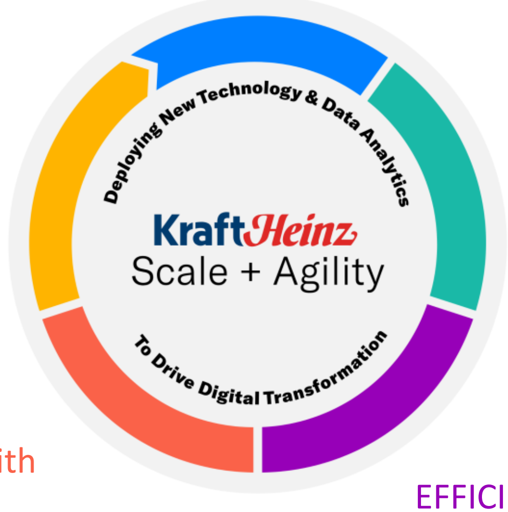
- **2020** — **Reset Foundation**
- **2021** — **Fully Deploy New Operating Model**
- **2022** — **Transition to Growth**
- **2023** — **Accelerate Growth**

PEOPLE WITH PURPOSE

REJUVENATE talent, expertise and ESG initiatives as competitive advantages

FUEL OUR GROWTH

REINVEST efficiency gains to grow brands, talent and capabilities to create a positive VIRTUOUS CYCLE



CONSUMER PLATFORMS

SIMPLIFY our business and EXPAND our opportunities to win

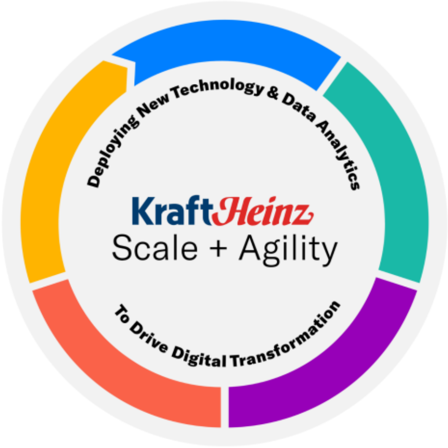
PARTNER PROGRAM

TRANSFORM how we work with customers to drive growth

OPS CENTER

IMPROVE our EFFICIENCY and EXECUTION

We **rediscovered agility** in 2020, making strides in key areas as we responded to the pandemic

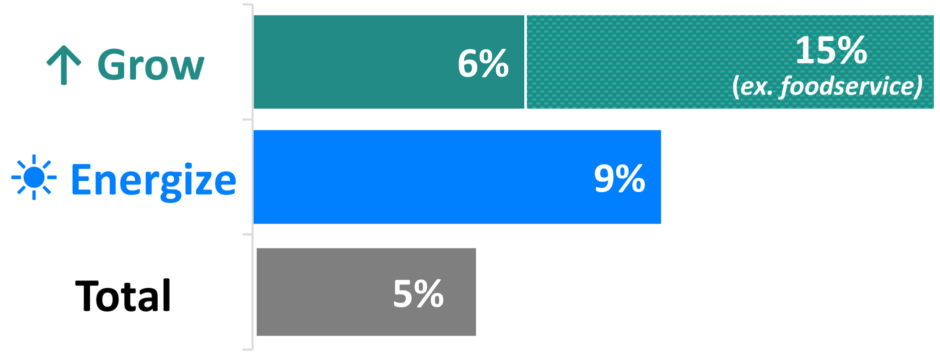


PEOPLE WITH PURPOSE	**Top Quartile**	Forbes World's Best Employers 2020 (unranked in 2018, 2019)
	5pp	Improvement in employee turnover[1]
	MSD%	Reduction in waste, water, and energy use per ton
CONSUMER PLATFORMS	**15%**	Net sales growth for Retail in Grow Portfolio
	Accelerated	Emerging Markets growth
OPS CENTER	**2pp**	Improvement in Overall Equipment Effectiveness
	$400M	Gross productivity efficiencies
PARTNER PROGRAM	**+100%**	E-commerce net sales growth, reaching >5% of global net sales
	Aligned	Resources, processes with partner priorities, opportunities
FUEL OUR GROWTH	**$100M**	Increase in marketing investment
	3.7x	Net leverage

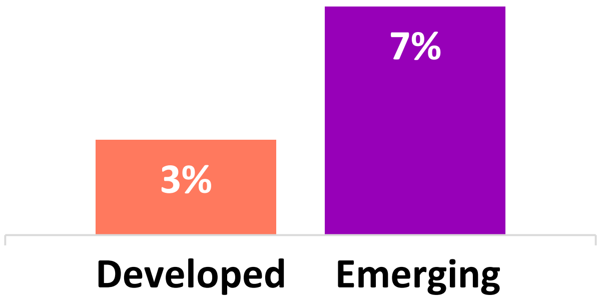
*MSD = mid-single-digit
1| *Voluntary, White Collar.*

Priority consumer platforms and **priority geographies** led our growth

2020 Net Sales Growth by Portfolio Role



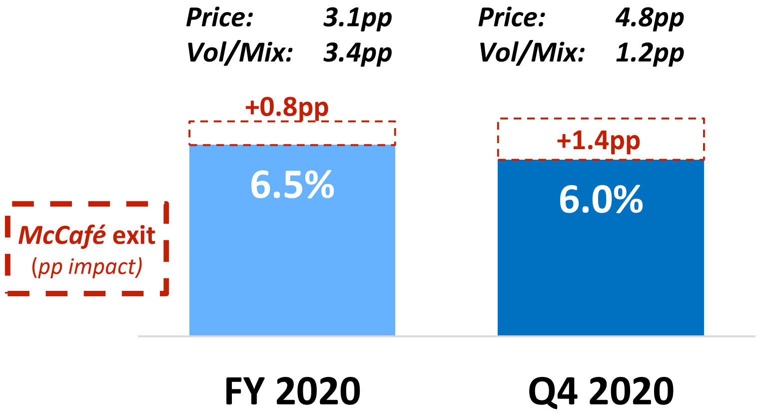
2020 International Segment Organic Net Sales[1] Growth



Platform	Role	% of 2020 Net Sales	Net Sales Growth Q4 vs. PY	Net Sales Growth FY vs PY
Taste Elevation	↑	*27%*	*+3%*	*+3%*
Taste Elevation (ex. foodservice)	↑	*21%*	*+14%*	*+16%*
Easy Meals Made Better	↑ / ☀	*19%*	*+10%*	*+14%*
Real Food Snacking	↑	*9%*	*+10%*	*+4%*
Fast Fresh Meals	☀	*25%*	*+13%*	*+9%*

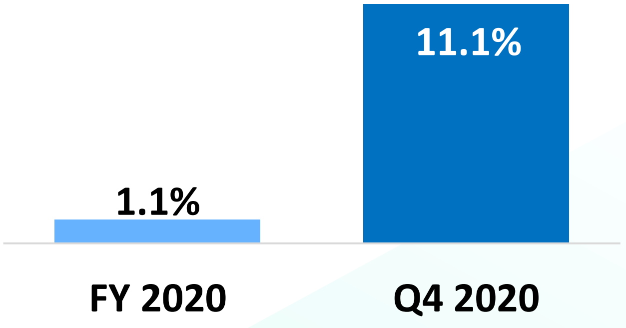
1| *Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.*

Organic Net Sales[1]



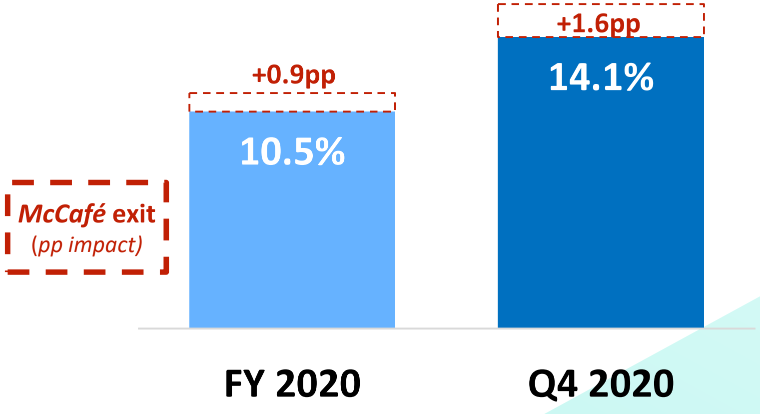
→ Strong retail sales growth, partially offset by foodservice declines and *McCafé* exit

Adjusted EPS[1]



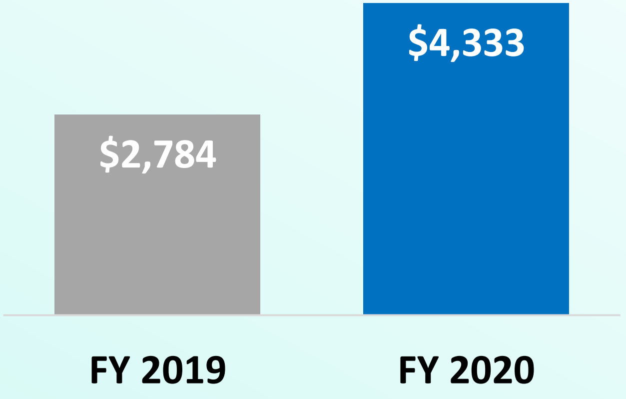
→ Growth was held back by a ~$(0.37) impact below Adjusted EBITDA in 2020, including ~$(0.06) in Q4 2020

Constant Currency Adjusted EBITDA[1]



→ Pricing gains, productivity, favorable mix, and volume growth were partly offset by input cost inflation, incentive compensation, and strategic investments

Free Cash Flow[1]

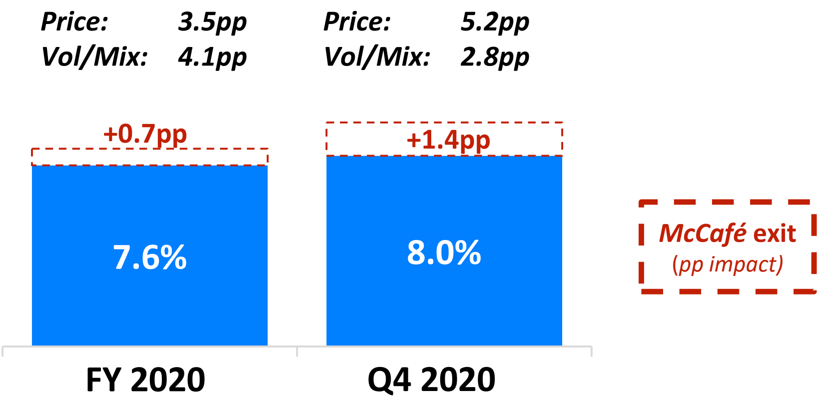


→ Reflects Adjusted EBITDA growth, favorable working capital, and lower capex versus prior year

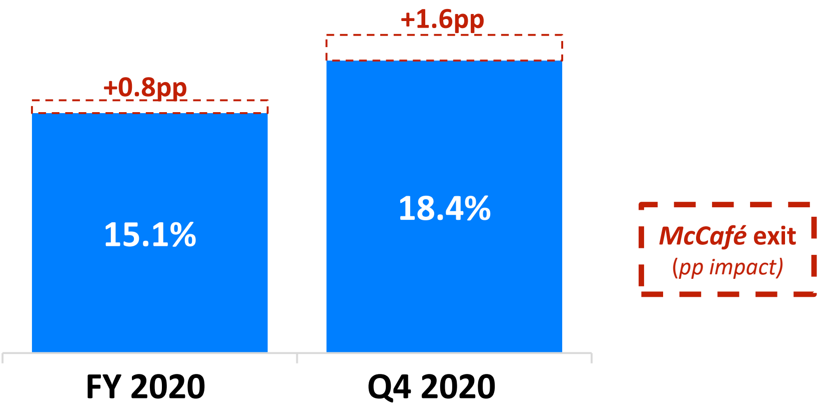
1| *Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.*

BUSINESS SEGMENT PERFORMANCE

Organic Net Sales[1]



Adjusted EBITDA[1]



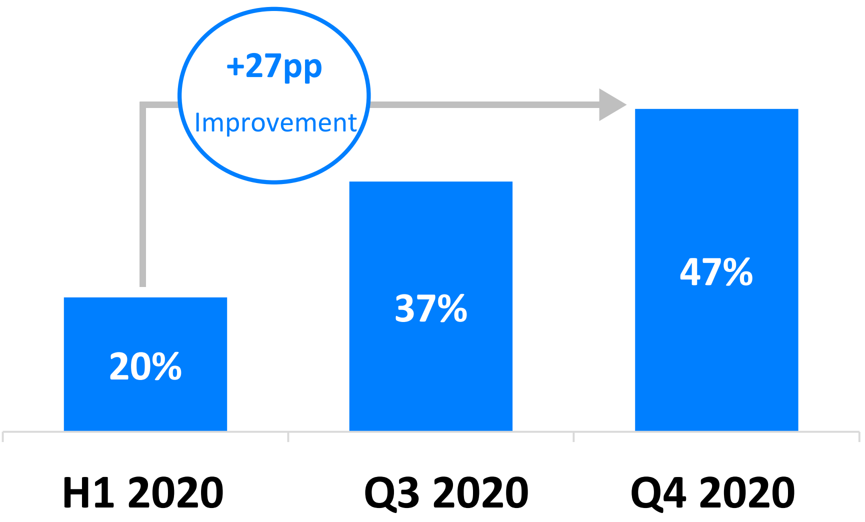
HIGHLIGHTS

- Q4 volume/mix performance reflected continued at-home consumption growth across all consumer platforms that was partially offset by the negative impacts of foodservice declines, the *McCafé* exit, and lower retail inventory levels versus the year-ago period
- Pricing sustained in Q4 reflecting favorable trade expense timing versus prior year, reduced promotions to protect service in select capacity-constrained products, and a lower proportion of promotion-driven sales during holiday event periods in comparison to strong year-ago holiday periods
- Adjusted EBITDA momentum continued in Q4 reflecting pricing gains, productivity efficiency, volume growth, and favorable mix that were partly offset by higher incentive compensation, higher supply chain costs, and accelerating marketing investments

1| *Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.*

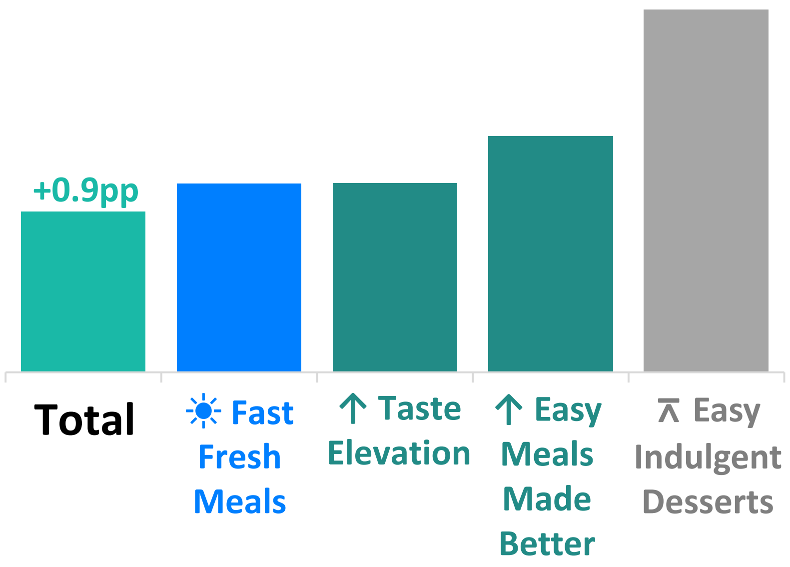
We are **rebuilding brand strength**, with **market share improving** and solid **household gains** across priority consumer platforms

% of Net Sales Growing Market Share[1]



→ Q4 share improved in roughly half of categories with most significant gains in *Ketchup, Lunchables,* and *Ore-Ida* frozen potatoes

L52 Household Penetration Growth[1] by Platform

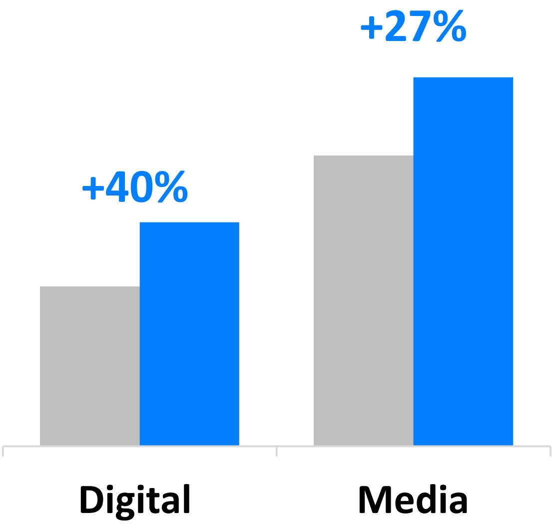


→ HHP penetration, an inherent portfolio strength, increased across all portfolio roles in 2020

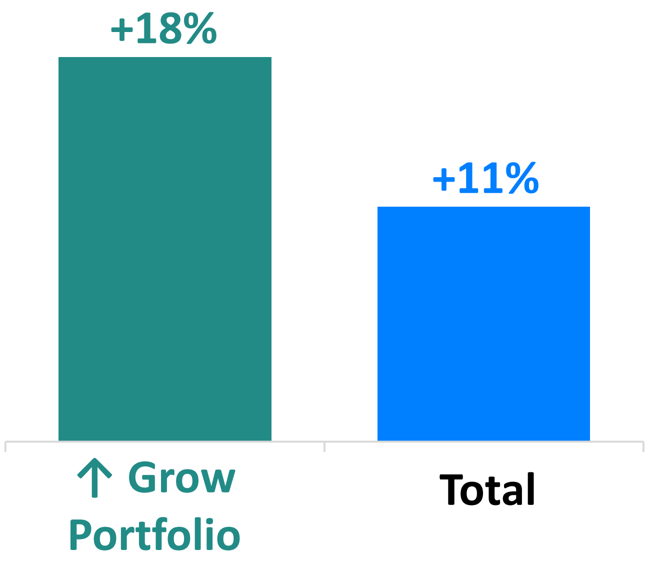
1| *IRI Data - MULO + C (Includes Convenience).*

We are **fueling our growth** through **greater, more efficient marketing** spend and **reallocation of brand investments** consistent with portfolio roles

Media Investment
2019 vs 2020



Marketing Investment
2019 vs 2020



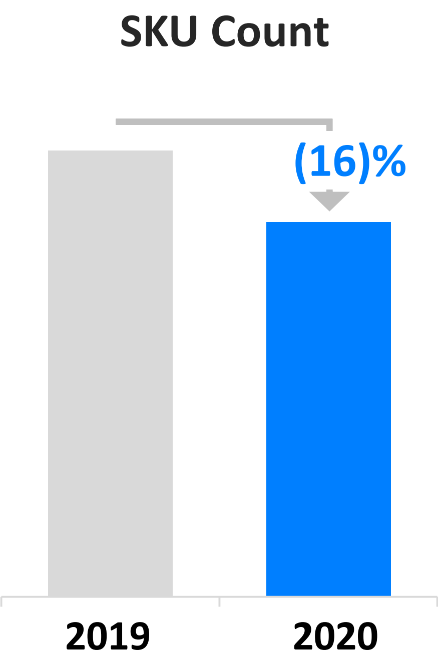
→ Working investment increased 14% with media up 27% in 2020

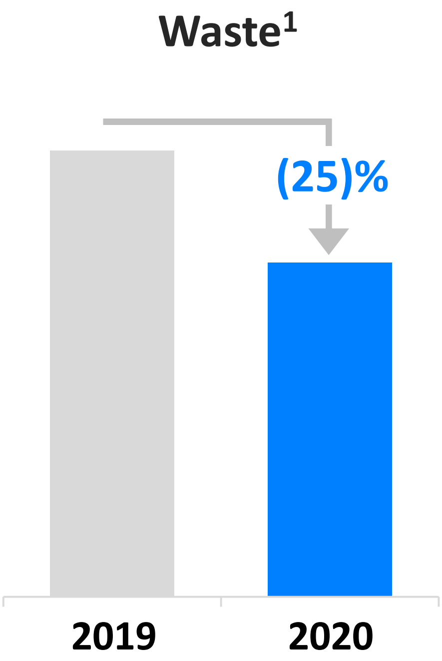
→ Greater emphasis on channels capable of attracting and retaining new households

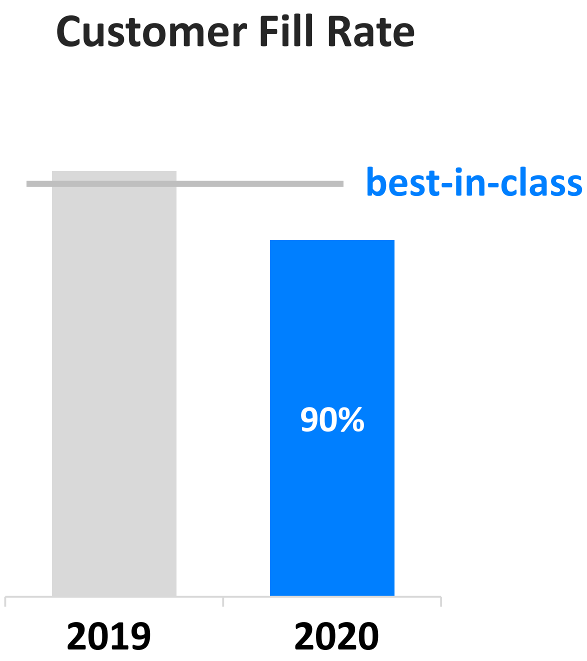
→ Starting to direct outsized working media spend to portfolio roles with greatest growth potential

→ Further prioritization efforts are under way

We are **driving efficiency** through **simplification** and **waste reduction**, but improving **service** levels **remains an opportunity**







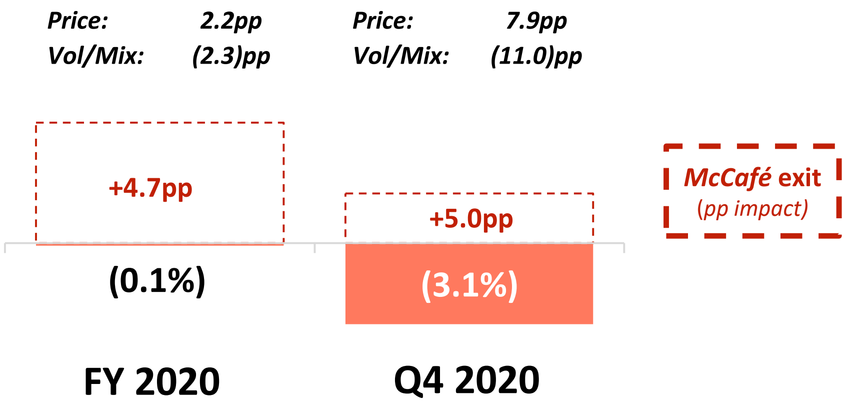
→ Moving to simplify assortment has improved throughput, efficiency, and profitability

→ Minimizing end-to-end supply chain waste is a byproduct of embracing continuous improvement

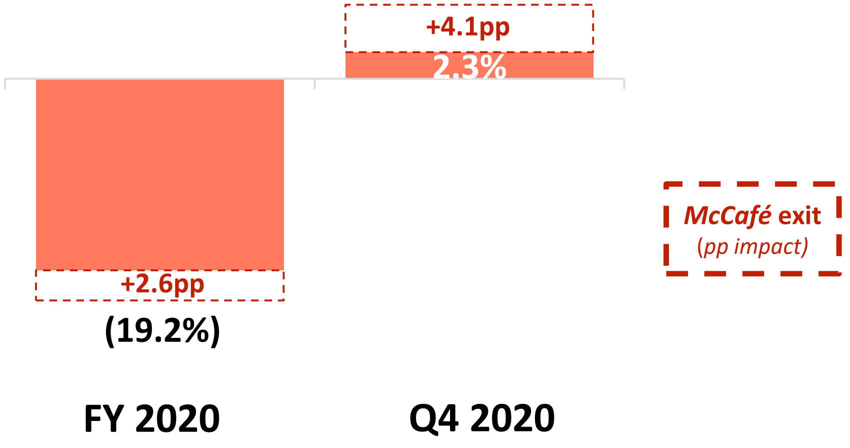
→ Restoring service and availability to pre-pandemic levels remains an opportunity

1| *Combination of Supply Chain Losses and Liquidations, which are characterized as sales to non-traditional outlets at substandard profitability.*

Organic Net Sales[1]



Constant Currency Adjusted EBITDA[1]



HIGHLIGHTS

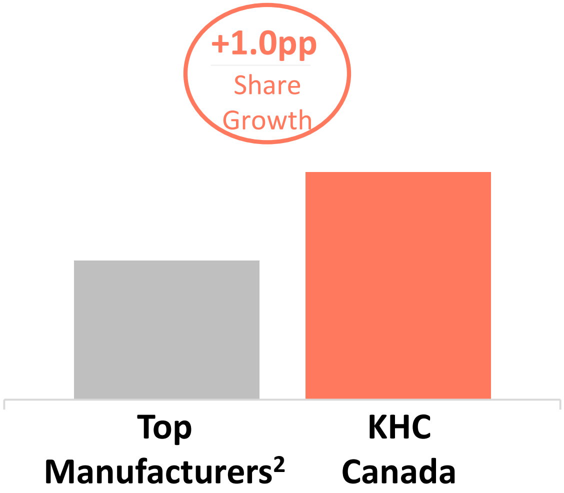
- Excluding the negative impact of the *McCafé* business exit, Organic Net Sales growth was driven by positive pricing and retail gains in Grow platforms
- Q4 volume/mix reflected consumption growth in priority platforms that was more than offset by lower shipments in coffee, including the impact from the *McCafé* exit, and foodservice declines
- Q4 pricing reflected favorable trade timing versus the year-ago period, as well as reduced promotional activity and gains from revenue management initiatives
- Q4 Constant Currency Adjusted EBITDA turned positive driven by pricing gains that more than offset the impacts of supply chain inflation and the *McCafé* exit

1| *Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.*

We are **turning around** Canada through platform-based **prioritization,** more **marketing,** and targeted **innovation**

Grow Portfolio

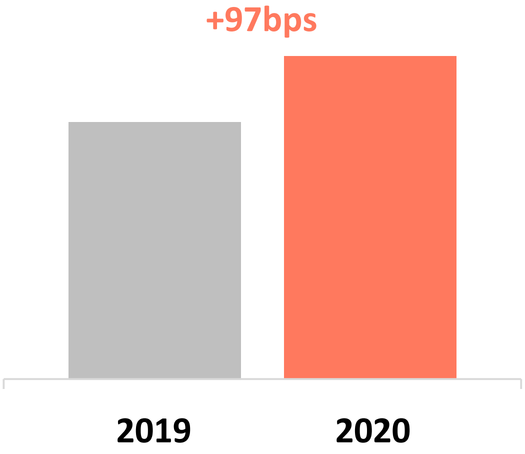
2020 Consumption Growth[1]



→ 70% of categories gained share in 2020 led by strong growth in Easy Meals Made Better

Marketing + Selling

% of Net Sales



→ Stepped-up investments, particularly behind working media, are helping to connect with new and returning consumers

Innovation

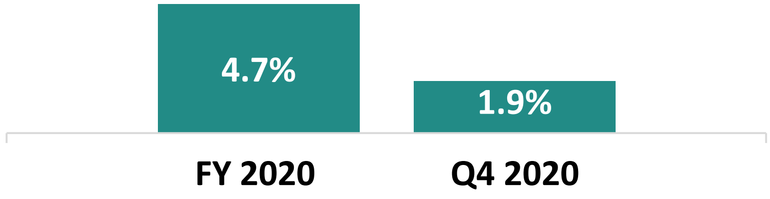
Hazelnut Spread Market Share[1]

→ Targeted, consumer-driven innovations in right to win areas contributing to profitable growth

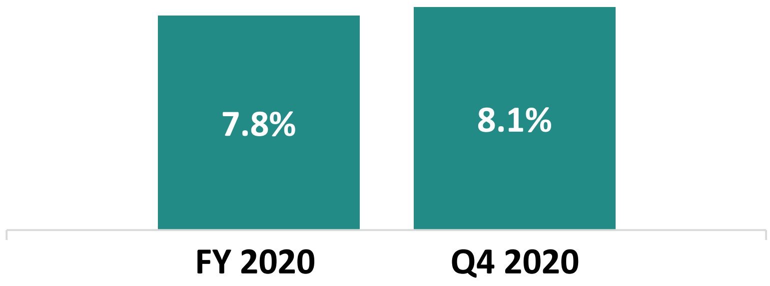
1| Nielsen x-AOC, period ending 12/19/2020.
2| Weighted Avg. Growth for top four Easy Meals Made Better manufacturers, top seven Taste Elevation manufacturers.

Organic Net Sales[1]

Price:	*2.1pp*	*Price:*	*2.0pp*
Vol/Mix:	*2.6pp*	*Vol/Mix:*	*(0.1)pp*



Constant Currency Adjusted EBITDA[1]



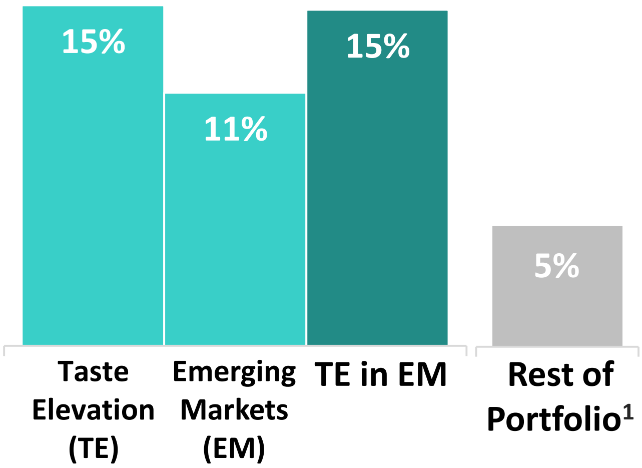
HIGHLIGHTS

- Q4 Organic Net Sales growth despite deceleration in developed markets, as emerging markets sustained strong momentum
- Q4 volume/mix driven by Taste Elevation platform gains that were offset by foodservice declines, infant nutrition weakness, and unfavorable changes in retail inventories
- Positive pricing in Q4 reflected pricing actions to offset input cost inflation and protect customer service, particularly in Latin America, as well as revenue management initiatives in select markets
- Constant Currency Adjusted EBITDA grew behind pricing gains, favorable mix, and the favorable impact of nonrecurring prior year costs that more than offset higher current-year incentive compensation

1| Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

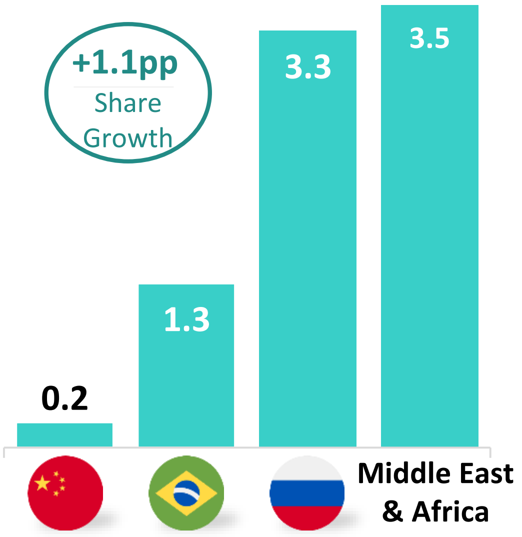
We are **building momentum** by **accelerating** key markets, **extending** advantage in Taste Elevation, and **reallocating** investment to our highest growth opportunities

Accelerated Retail Net Sales Growth in Strategic Areas



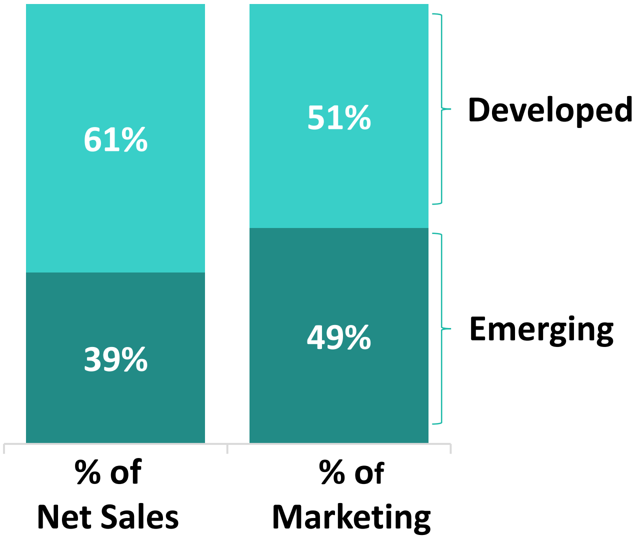
→ Strategic growth areas are growing roughly 3x faster than the remaining portfolio

Taste Elevation Share Growth[2] in Focus Markets



→ Accelerated growth in focus markets leading to more than a point of Taste Elevation share growth in emerging markets

Disproportionately Investing



→ Outsized investments in emerging markets, seeding future growth

1 | *'Rest of Portfolio' excluding Taste Elevation and Emerging Markets.*
2 | *Nielsen L52 weeks ending approximately 11/30/20 in participating Taste Elevation categories; Middle East & Africa is weighted average of UAE, Turkey, and Egypt.*

FINANCIAL OUTLOOK

2020 | **Reset Foundation**

2021 | **Fully Deploy New Operating Model**

Stronger-than-Plan Performance + At-Home Benefit

$6.7B
Adjusted EBITDA

Stronger-than-Plan Performance
+
At-Home Benefit

Strategic Plan

Q1 2021 | ***Expect flat-to-positive Organic Net Sales[1] growth and low-single-digit Constant Currency Adjusted EBITDA[1] growth***

→ Q1 2020 included ~6–7pp Organic Net Sales, ~9–10pp Adjusted EBITDA contribution from COVID-19-related consumer demand

→ *McCafé* business exit to impact U.S. net sales and Adjusted EBITDA by ~$(65)M and $(15)M, respectively

2021 | ***Expect financial performance ahead of strategic plan***

→ *McCafé* business exit to impact H1 U.S. net sales and Adjusted EBITDA by ~$(140)M and $(35)M, respectively

→ Adjusted effective tax rate expected to be at the top end of 20–22% long-term run rate

1| Non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.

We are **on track** to **consistently maintain** net leverage **below 4.0x** prior to <u>any</u> divestiture proceeds

Key Stats

3.7x

Q4 2020 net leverage

14 years

Weighted average maturity

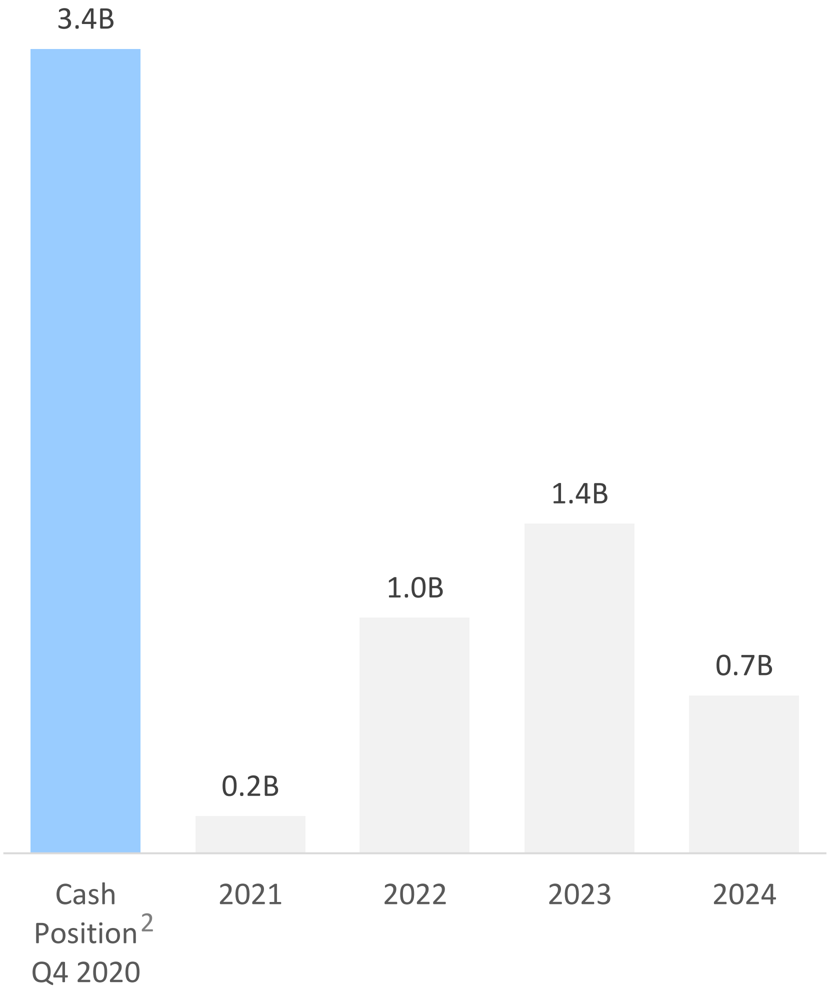
4.3%

Weighted annual interest cost

95%+

Fixed interest rate debt

Maturity Profile[1]



1| *Represents aggregate principal maturities of our long-term debt excluding finance leases.*

2| *Balance of cash and cash equivalents as of December 26, 2020.*

AGILE PORTFOLIO MANAGEMENT

Divesting our nuts business will be another **momentous step** in our rapid **transformation**

Key Stats

~$3.35B

Anticipated pre-tax proceeds

~$1.1B

Fiscal 2020 net sales of businesses sold

~15x

2020 standalone Adjusted EBITDA[1] multiple

~17x

2019 standalone Adjusted EBITDA[1,2] multiple

H1 2021

Expected closing of transaction[3]

Brands Involved

PLANTERS

CORN NUTS

Strategic Benefits

↓	Private Label Exposure
↓	Commodity Cost Volatility
↑	Optionality & Flexibility

1 | *Includes allocated expenses for the standalone business.*

2 | *Represents estimated Adjusted EBITDA run rate in an environment not impacted by COVID-19.*

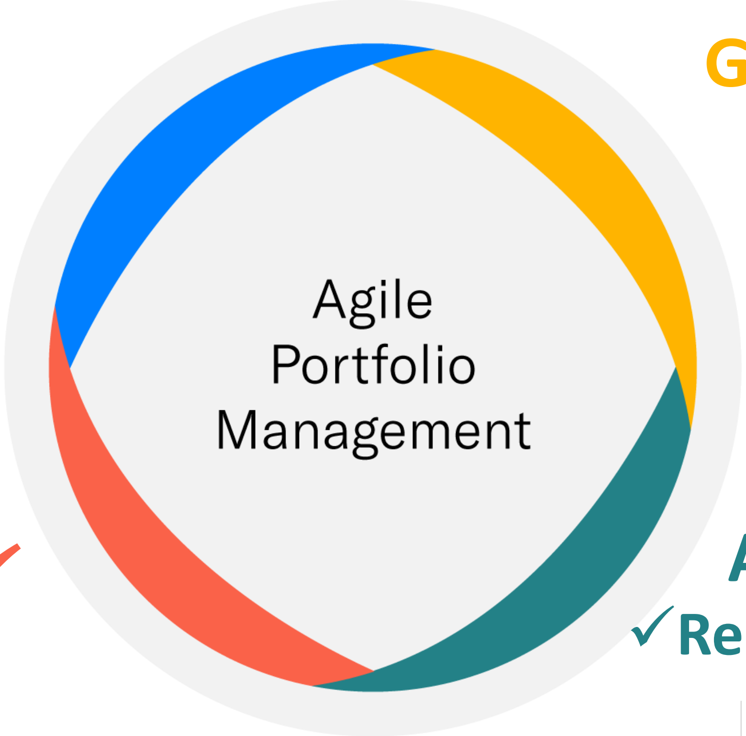
3 | *Subject to regulatory approvals.*

Natural Cheese and Nuts divestitures will **strengthen** our **portfolio** and our **prospects**

Accelerates Strategy

✓ **+40bp** uplift to historical Organic Net Sales[1] growth

Proactive Evaluation

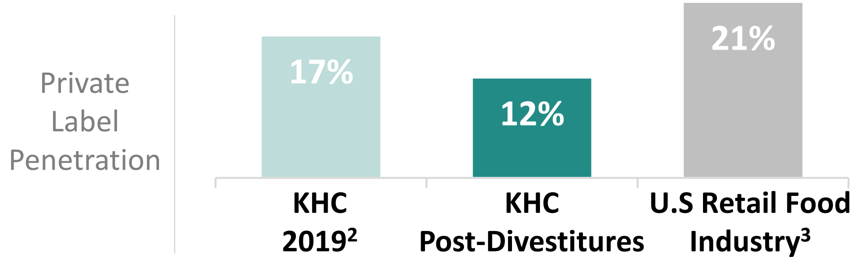


Enhances Geographic Profile

✓ **98%** of divested businesses in developed markets

Sharpens Focus on Areas of Advantage

✓ **Reduces** exposure to private label



1 | *Divestures would result in a +40bps increase to 2017 - 2019 Organic Net Sales CAGR. Organic Net Sales is a non-GAAP financial measure. See Appendix to this presentation for more information, including GAAP to non-GAAP reconciliations.*
2 | IRI Data - MULO + C (Includes Convenience) for KHC Universe, calendar year 2019 ending 12/29/2019
3 | IRI Data - MULO + C (Includes Convenience) for Total U.S. EDIBLES, calendar year 2019 ending 12/29/2019

Divestiture proceeds will enable us to accelerate our transformation through **accretive investments** and **additional leverage reduction**

Invest for growth	Maintain industry-leading capital return	Reduce net leverage to increase flexibility, optionality	Agile portfolio management
→ Focused investments to accelerate growth and enhance long-term market position → Capture efficiencies without sacrificing growth	→ Ongoing commitment to current dividend → Strong payout	→ Focus on natural cadence of leverage reduction → Maintain net leverage below 4x	→ Proactively accelerate strategy, enhance geographic profile and sharpen focus on areas of advantage → Maintain price discipline

2020 PERFORMANCE REFLECTS THE POWER AND POTENTIAL OF **SCALE + AGILITY**

→ **Rapid progress in first year of transformation**

→ **Stronger-than-anticipated results continued in Q4**

→ **Broad-based brand and business momentum heading into 2021**

→ **Strong liquidity and agile portfolio management further fuel our growth**

APPENDIX

Platform	Zone	Role	% of 2020 Net Sales	Net Sales Growth: Q4 vs. PY	Net Sales Growth: FY vs PY
Taste Elevation		↑	*27%*	*+3%*	*+3%*
Taste Elevation (ex. foodservice)			*21%*	*+14%*	*+16%*
Easy Meals Made Better		↑ / ☀	*19%*	*+10%*	*+14%*
Real Food Snacking	/ 	↑	*9%*	*+10%*	*+4%*
Fast Fresh Meals	/ 	☀	*25%*	*+13%*	*+9%*
Flavorful Hydration	/ 	⊼	*6%*	*+20%*	*+10%*
Easy Indulgent Desserts	/ 	⊼	*4%*	*+1%*	*+9%*
All Other			*10%*	*(12)%*	*(13)%*

Key

↑ **Grow** ☀ **Energize** ⊼ **Stabilize**

The non-GAAP financial measures provided should be viewed in addition to, and not as an alternative for, results prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) that are presented in this press release.

To supplement the financial information provided, the Company has presented Organic Net Sales, Adjusted EBITDA, Constant Currency Adjusted EBITDA, Adjusted EPS, and Free Cash Flow which are considered non-GAAP financial measures. The non-GAAP financial measures presented may differ from similarly titled non-GAAP financial measures presented by other companies, and other companies may not define these non-GAAP financial measures in the same way. These measures are not substitutes for their comparable GAAP financial measures, such as net sales, net income/(loss), diluted earnings per share, or other measures prescribed by GAAP, and there are limitations to using non-GAAP financial measures.

Management uses these non-GAAP financial measures to assist 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. Management believes that presenting the Company's non-GAAP financial measures (i.e., Organic Net Sales, Adjusted EBITDA, Constant Currency Adjusted EBITDA, Adjusted EPS, and Free Cash Flow) is useful to investors because it (i) provides investors with meaningful supplemental information regarding financial performance by excluding certain items, (ii) permits investors to view performance using the same tools that management uses to budget, make operating and strategic decisions, and evaluate historical performance, and (iii) otherwise provides supplemental information that may be useful to investors in evaluating the Company's results. The Company believes that the presentation of these non-GAAP financial measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provides investors with additional understanding of the factors and trends affecting the Company's business than could be obtained absent these disclosures.

Organic Net Sales is defined as net sales excluding, when they occur, the impact of currency, acquisitions and divestitures, and a 53rd week of shipments. The Company calculates the impact of currency on net sales by holding exchange rates constant at the previous year's exchange rate, with the exception of highly inflationary subsidiaries, for which the Company calculates the previous year's results using the current year's exchange rate. Organic Net Sales is a tool that can assist management and investors in comparing the Company's performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect the Company's underlying operations.

Adjusted EBITDA is defined as net income/(loss) from continuing operations before interest expense, other expense/(income), provision for/(benefit from) income taxes, and depreciation and amortization (excluding integration and restructuring expenses); in addition to these adjustments, the Company excludes, when they occur, the impacts of integration and restructuring expenses, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, and equity award compensation expense (excluding integration and restructuring expenses). The Company also presents Adjusted EBITDA on a constant currency basis. The Company calculates the impact of currency on Adjusted EBITDA by holding exchange rates constant at the previous year's exchange rate, with the exception of highly inflationary subsidiaries, for which it calculates the previous year's results using the current year's exchange rate. Adjusted EBITDA and Constant Currency Adjusted EBITDA are tools that can assist management and investors in comparing the Company's performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect the Company's underlying operations.

Adjusted EPS is defined as diluted earnings per share excluding, when they occur, the impacts of integration and restructuring expenses, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, losses/(gains) on the sale of a business, other losses/(gains) related to acquisitions and divestitures (e.g., tax and hedging impacts), nonmonetary currency devaluation (e.g., remeasurement gains and losses), debt prepayment and extinguishment costs, and U.S. Tax Reform discrete income tax expense/(benefit), and including when they occur, adjustments to reflect preferred stock dividend payments on an accrual basis. The Company believes Adjusted EPS provides important comparability of underlying operating results, allowing investors and management to assess operating performance on a consistent basis.

Free Cash Flow is defined as net cash provided by/(used for) operating activities less capital expenditures. The Company believes Free Cash Flow provides a measure of the Company's core operating performance, the cash-generating capabilities of the Company's business operations, and is one factor used in determining the amount of cash available for debt repayments, dividends, acquisitions, share repurchases, and other corporate purposes. The use of this non-GAAP measure does not imply or represent the residual cash flow for discretionary expenditures since the Company has certain non-discretionary obligations such as debt service that are not deducted from the measure.

First quarter, first half, and full year 2021 guidance for Organic Net Sales, Adjusted EBITDA, Constant Currency Adjusted EBITDA, and Adjusted EPS are provided on a non-GAAP basis only because certain information necessary to calculate the most comparable GAAP measure is unavailable due to the uncertainty and inherent difficulty of predicting the occurrence and the future financial statement impact of such items impacting comparability, including, but not limited to, the impact of currency, acquisitions and divestitures, integration and restructuring expenses, deal costs, unrealized losses/(gains) on commodity hedges, impairment losses, and equity award compensation expense, among other items. Therefore, as a result of the uncertainty and variability of the nature and amount of future adjustments, which could be significant, Kraft Heinz is unable to provide a reconciliation of these measures without unreasonable effort.

See the attached schedules for supplemental financial data, which includes the financial information, the non-GAAP financial measures and corresponding reconciliations to the comparable GAAP financial measures for the relevant periods.

Schedule 1

The Kraft Heinz Company
Consolidated Statements of Income
(in millions, except per share data)
(Unaudited)

	For the Three Months Ended		For the Year Ended	
	December 26, 2020	December 28, 2019	December 26, 2020	December 28, 2019
Net sales	$ 6,939	$ 6,536	$ 26,185	$ 24,977
Cost of products sold	4,416	4,429	17,008	16,830
Gross profit	2,523	2,107	9,177	8,147
Selling, general and administrative expenses, excluding impairment losses	973	837	3,650	3,178
Goodwill impairment losses	—	453	2,343	1,197
Intangible asset impairment losses	—	223	1,056	702
Selling, general and administrative expenses	973	1,513	7,049	5,077
Operating income/(loss)	1,550	594	2,128	3,070
Interest expense	328	326	1,394	1,361
Other expense/(income)	(64)	(59)	(296)	(952)
Income/(loss) before income taxes	1,286	327	1,030	2,661
Provision for/(benefit from) income taxes	252	144	669	728
Net income/(loss)	1,034	183	361	1,933
Net income/(loss) attributable to noncontrolling interest	2	1	5	(2)
Net income/(loss) attributable to common shareholders	$ 1,032	$ 182	$ 356	$ 1,935
Basic shares outstanding	1,223	1,221	1,223	1,221
Diluted shares outstanding	1,230	1,225	1,228	1,224
Per share data applicable to common shareholders:				
Basic earnings/(loss) per share	$ 0.84	$ 0.15	$ 0.29	$ 1.59
Diluted earnings/(loss) per share	0.84	0.15	0.29	1.58

Schedule 2

The Kraft Heinz Company
Reconciliation of Net Sales to Organic Net Sales
For the Three Months Ended
(dollars in millions)
(Unaudited)

	Net Sales	Currency	Acquisitions and Divestitures	Organic Net Sales	Price	Volume/Mix
December 26, 2020						
United States	$ 5,082	$ —	$ —	$ 5,082		
International	1,410	14	—	1,396		
Canada	447	4	—	443		
Kraft Heinz	$ 6,939	$ 18	$ —	$ 6,921		
December 28, 2019						
United States	$ 4,702	$ —	$ —	$ 4,702		
International	1,377	7	—	1,370		
Canada	457	—	—	457		
Kraft Heinz	$ 6,536	$ 7	$ —	$ 6,529		
Year-over-year growth rates						
United States	8.0 %	0.0 pp	0.0 pp	8.0 %	5.2 pp	2.8 pp
International	2.4 %	0.5 pp	0.0 pp	1.9 %	2.0 pp	(0.1) pp
Canada	(2.0)%	1.1 pp	0.0 pp	(3.1)%	7.9 pp	(11.0) pp
Kraft Heinz	6.2 %	0.2 pp	0.0 pp	6.0 %	4.8 pp	1.2 pp

Schedule 3

The Kraft Heinz Company
Reconciliation of Net Sales to Organic Net Sales
For the Year Ended
(dollars in millions)
(Unaudited)

	Net Sales	Currency	Acquisitions and Divestitures	Organic Net Sales	Price	Volume/Mix
December 26, 2020						
United States	$ 19,204	$ —	$ —	$ 19,204		
International	5,341	(114)	—	5,455		
Canada	1,640	(21)	—	1,661		
Kraft Heinz	$ 26,185	$ (135)	$ —	$ 26,320		
December 28, 2019						
United States	$ 17,844	$ —	$ —	$ 17,844		
International	5,251	27	13	5,211		
Canada	1,882	—	219	1,663		
Kraft Heinz	$ 24,977	$ 27	$ 232	$ 24,718		
Year-over-year growth rates						
United States	7.6 %	0.0 pp	0.0 pp	7.6 %	3.5 pp	4.1 pp
International	1.7 %	(2.7) pp	(0.3) pp	4.7 %	2.1 pp	2.6 pp
Canada	(12.8)%	(1.1) pp	(11.6) pp	(0.1)%	2.2 pp	(2.3) pp
Kraft Heinz	4.8 %	(0.7) pp	(1.0) pp	6.5 %	3.1 pp	3.4 pp

Schedule 4

The Kraft Heinz Company
Reconciliation of Net Income/(Loss) to Adjusted EBITDA
(dollars in millions)
(Unaudited)

	For the Three Months Ended		For the Year Ended	
	December 26, 2020	December 28, 2019	December 26, 2020	December 28, 2019
Net income/(loss)	$ 1,034	$ 183	$ 361	$ 1,933
Interest expense	328	326	1,394	1,361
Other expense/(income)	(64)	(59)	(296)	(952)
Provision for/(benefit from) income taxes	252	144	669	728
Operating income/(loss)	1,550	594	2,128	3,070
Depreciation and amortization (excluding integration and restructuring expenses)	233	255	955	985
Integration and restructuring expenses	3	46	15	102
Deal costs	(1)	—	8	19
Unrealized losses/(gains) on commodity hedges	(53)	(27)	(6)	(57)
Impairment losses	14	676	3,413	1,899
Equity award compensation expense (excluding integration and restructuring expenses)	42	20	156	46
Adjusted EBITDA	$ 1,788	$ 1,564	$ 6,669	$ 6,064
Segment Adjusted EBITDA:				
United States	$ 1,507	$ 1,273	$ 5,557	$ 4,829
International	261	239	1,058	1,004
Canada	121	116	389	487
General corporate expenses	(101)	(64)	(335)	(256)
Adjusted EBITDA	$ 1,788	$ 1,564	$ 6,669	$ 6,064

Schedule 5

The Kraft Heinz Company
Reconciliation of Adjusted EBITDA to Constant Currency Adjusted EBITDA
For the Three Months Ended
(dollars in millions)
(Unaudited)

	Adjusted EBITDA	Currency	Constant Currency Adjusted EBITDA
December 26, 2020			
United States	$ 1,507	$ —	$ 1,507
International	261	7	254
Canada	121	2	119
General corporate expenses	(101)	(2)	(99)
Kraft Heinz	$ 1,788	$ 7	$ 1,781
December 28, 2019			
United States	$ 1,273	$ —	$ 1,273
International	239	4	235
Canada	116	—	116
General corporate expenses	(64)	—	(64)
Kraft Heinz	$ 1,564	$ 4	$ 1,560
Year-over-year growth rates			
United States	18.4 %	0.0 pp	18.4 %
International	9.7 %	1.6 pp	8.1 %
Canada	3.5 %	1.2 pp	2.3 %
General corporate expenses	58.3 %	1.6 pp	56.7 %
Kraft Heinz	14.3 %	0.2 pp	14.1 %

Schedule 6

The Kraft Heinz Company
Reconciliation of Adjusted EBITDA to Constant Currency Adjusted EBITDA
For the Year Ended
(dollars in millions)
(Unaudited)

	Adjusted EBITDA	Currency	Constant Currency Adjusted EBITDA
December 26, 2020			
United States	$ 5,557	$ —	$ 5,557
International	1,058	(10)	1,068
Canada	389	(5)	394
General corporate expenses	(335)	(1)	(334)
Kraft Heinz	$ 6,669	$ (16)	$ 6,685
December 28, 2019			
United States	$ 4,829	$ —	$ 4,829
International	1,004	13	991
Canada	487	—	487
General corporate expenses	(256)	—	(256)
Kraft Heinz	$ 6,064	$ 13	$ 6,051
Year-over-year growth rates			
United States	15.1 %	0.0 pp	15.1 %
International	5.4 %	(2.4) pp	7.8 %
Canada	(20.2)%	(1.0) pp	(19.2)%
General corporate expenses	31.0 %	0.2 pp	30.8 %
Kraft Heinz	10.0 %	(0.5) pp	10.5 %

Schedule 7

The Kraft Heinz Company
Reconciliation of Diluted EPS to Adjusted EPS
(Unaudited)

	For the Three Months Ended	
	December 26, 2020	December 28, 2019
Diluted EPS	$ 0.84	$ 0.15
Integration and restructuring expenses[(a)]	(0.01)	0.03
Unrealized losses/(gains) on commodity hedges[(b)]	(0.03)	(0.02)
Impairment losses[(c)]	—	0.49
Losses/(gains) on sale of business[(d)]	(0.01)	0.06
Debt prepayment and extinguishment costs[(e)]	0.01	0.01
Adjusted EPS	$ 0.80	$ 0.72

(a) Gross expenses/(income) included in integration and restructuring expenses were income of $15 million ($13 million after-tax) for the three months ended December 26, 2020 and expenses of $52 million ($39 million after-tax) for the three months ended December 28, 2019 and were recorded in the following income statement line items:

- Cost of products sold included income of $16 million for the three months ended December 26, 2020 and expenses of $21 million for the three months ended December 28, 2019;
- SG&A included expenses of $19 million for the three months ended December 26, 2020 and $25 million for the three months ended December 28, 2019; and
- Other expense/(income) included income of $18 million for the three months ended December 26, 2020 and expenses of $6 million for the three months ended December 28, 2019.

(b) Gross expenses/(income) included in unrealized losses/(gains) on commodity hedges were income of $53 million ($39 million after-tax) for the three months ended December 26, 2020 and income of $27 million ($21 million after-tax) for the three months ended December 28, 2019 and were recorded in cost of products sold.

(c) Gross impairment losses included the following:

- Goodwill impairment losses of $453 million ($439 million after-tax) for the three months ended December 28, 2019, which were recorded in SG&A;
- Intangible asset impairment losses of $223 million ($156 million after-tax) for the three months ended December 28, 2019, which were recorded in SG&A; and
- Property, plant and equipment asset impairment losses of $14 million ($1 million after-tax) for the three months ended December 26, 2020, which were recorded in cost of products sold.

(d) Gross expenses/(income) included in losses/(gains) on sale of business were expenses of less than $1 million (income of $8 million after-tax) for the three months ended December 26, 2020 and expenses of $70 million ($73 million after-tax) for the three months ended December 28, 2019 and were included in other expense/(income).

(e) Gross expenses included in debt prepayment and extinguishment costs were $15 million ($11 million after-tax) for the three months ended December 26, 2020 and $10 million ($11 million after-tax) for the three months ended December 28, 2019 and were recorded in interest expense.

Schedule 8

The Kraft Heinz Company
Reconciliation of Diluted EPS to Adjusted EPS
(Unaudited)

	For the Year Ended December 26, 2020	For the Year Ended December 28, 2019
Diluted EPS	$ 0.29	$ 1.58
Integration and restructuring expenses[a]	—	0.07
Deal costs[b]	—	0.02
Unrealized losses/(gains) on commodity hedges[c]	—	(0.04)
Impairment losses[d]	2.59	1.38
Losses/(gains) on sale of business[e]	(0.01)	(0.23)
Nonmonetary currency devaluation[f]	—	0.01
Debt prepayment and extinguishment costs[g]	0.08	0.06
U.S. Tax Reform discrete income tax expense/(benefit)[h]	(0.07)	—
Adjusted EPS	$ 2.88	$ 2.85

(a) Gross expenses/(income) included in integration and restructuring expenses were income of $2 million ($3 million after-tax) in 2020 and expenses of $108 million ($83 million after-tax) in 2019 and were recorded in the following income statement line items:

- Cost of products sold included income of $20 million in 2020 and expenses of $48 million in 2019;
- SG&A included expenses of $35 million in 2020 and $54 million in 2019; and
- Other expense/(income) included income of $17 million in 2020 and expenses of $6 million in 2019.

(b) Gross expenses included in deal costs were $8 million ($6 million after-tax) in 2020 and $19 million ($18 million after-tax) in 2019 and were recorded in SG&A.

(c) Gross expenses/(income) included in unrealized losses/(gains) on commodity hedges were income of $6 million ($4 million after-tax) in 2020 and income of $57 million ($43 million after-tax) in 2019 and were recorded in cost of products sold.

(d) Gross impairment losses included the following:

- Goodwill impairment losses of $2.3 billion ($2.3 billion after-tax) in 2020 and $1.2 billion ($1.2 billion after-tax) in 2019, which were recorded in SG&A;
- Intangible asset impairment losses of $1.1 billion ($829 million after-tax) in 2020 and $702 million ($537 million after-tax) in 2019, which were recorded in SG&A; and
- Property, plant and equipment asset impairment losses of $14 million ($1 million after-tax) in 2020, which were recorded in cost of products sold.

(e) Gross expenses/(income) included in losses/(gains) on sale of business were expenses of $2 million (income of $6 million after-tax) in 2020 and income of $420 million ($275 million after-tax) in 2019 and were recorded in other expense/(income).

(f) Gross expenses included in nonmonetary currency devaluation were $6 million ($6 million after-tax) in 2020 and $10 million ($10 million after-tax) in 2019 and were recorded in other expense/(income).

(g) Gross expenses included in debt prepayment and extinguishment costs were $124 million ($93 million after-tax) in 2020 and $98 million ($73 million after-tax) in 2019 and were recorded in interest expense.

(h) U.S. Tax Reform discrete income tax expense/(benefit) included a benefit of $81 million in 2020. The benefit primarily relates to the revaluation of our deferred tax balances due to changes in state tax laws following U.S. Tax Reform and subsequent clarification or interpretation of state tax laws.

Schedule 9

The Kraft Heinz Company
Key Drivers of Change in Adjusted EPS
(Unaudited)

	For the Three Months Ended		
	December 26, 2020	December 28, 2019	$ Change
Key drivers of change in Adjusted EPS:			
Results of operations[a]	$ 0.98	$ 0.84	$ 0.14
Interest expense	(0.20)	(0.21)	0.01
Other expense/(income)[b]	0.03	0.09	(0.06)
Effective tax rate	(0.01)	—	(0.01)
Adjusted EPS	$ 0.80	$ 0.72	0.08

(a) Includes non-cash amortization of definite-lived intangible assets, which accounted for a negative impact to Adjusted EPS from results of operations of $0.04 for the three months ended December 26, 2020 and $0.05 for the three months ended December 28, 2019.

(b) Includes non-cash amortization of prior service credits, which accounted for a benefit to Adjusted EPS from other expense/(income) of $0.02 for the three months ended December 26, 2020 and $0.05 for the three months ended December 28, 2019.

Schedule 10

The Kraft Heinz Company
Key Drivers of Change in Adjusted EPS
(Unaudited)

	For the Year Ended		
	December 26, 2020	December 28, 2019	$ Change
Key drivers of change in Adjusted EPS:			
Results of operations[a]	$ 3.67	$ 3.28	$ 0.39
Results of divested operations	—	0.04	(0.04)
Interest expense	(0.84)	(0.83)	(0.01)
Other expense/(income)[b]	0.19	0.36	(0.17)
Effective tax rate and other	(0.14)	—	(0.14)
Adjusted EPS	$ 2.88	$ 2.85	0.03

(a) Includes non-cash amortization of definite-lived intangible assets, which accounted for a negative impact to Adjusted EPS from results of operations of $0.17 in 2020 and $0.19 in 2019.

(b) Includes non-cash amortization of prior service credits, which accounted for a benefit to Adjusted EPS from other expense/(income) of $0.08 in 2020 and $0.20 in 2019.

Schedule 11

The Kraft Heinz Company
Consolidated Balance Sheets
(in millions, except per share data)
(Unaudited)

	December 26, 2020	December 28, 2019
ASSETS		
Cash and cash equivalents	$ 3,417	$ 2,279
Trade receivables, net	2,063	1,973
Inventories	2,554	2,721
Prepaid expenses	351	384
Other current assets	574	618
Assets held for sale	1,863	122
Total current assets	10,822	8,097
Property, plant and equipment, net	6,876	7,055
Goodwill	33,089	35,546
Intangible assets, net	46,667	48,652
Other non-current assets	2,376	2,100
TOTAL ASSETS	$ 99,830	$ 101,450
LIABILITIES AND EQUITY		
Commercial paper and other short-term debt	$ 6	$ 6
Current portion of long-term debt	230	1,022
Trade payables	4,304	4,003
Accrued marketing	946	647
Interest payable	358	384
Other current liabilities	2,200	1,804
Liabilities held for sale	17	9
Total current liabilities	8,061	7,875
Long-term debt	28,070	28,216
Deferred income taxes	11,462	11,878
Accrued postemployment costs	243	273
Other non-current liabilities	1,751	1,459
TOTAL LIABILITIES	49,587	49,701
Redeemable noncontrolling interest	—	—
Equity:		
Common stock, $0.01 par value	12	12
Additional paid-in capital	55,096	56,828
Retained earnings/(deficit)	(2,694)	(3,060)
Accumulated other comprehensive income/(losses)	(1,967)	(1,886)
Treasury stock, at cost	(344)	(271)
Total shareholders' equity	50,103	51,623
Noncontrolling interest	140	126
TOTAL EQUITY	50,243	51,749
TOTAL LIABILITIES AND EQUITY	$ 99,830	$ 101,450

Schedule 12

The Kraft Heinz Company
Consolidated Statement of Cash Flows
(in millions)
(Unaudited)

	For the Year Ended	
	December 26, 2020	December 28, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	$ 361	$ 1,933
Adjustments to reconcile net income/(loss) to operating cash flows:		
Depreciation and amortization	969	994
Amortization of postretirement benefit plans prior service costs/(credits)	(122)	(306)
Equity award compensation expense	156	46
Deferred income tax provision/(benefit)	(343)	(293)
Postemployment benefit plan contributions	(27)	(32)
Goodwill and intangible asset impairment losses	3,399	1,899
Nonmonetary currency devaluation	6	10
Loss/(gain) on sale of business	2	(420)
Other items, net	81	(46)
Changes in current assets and liabilities:		
Trade receivables	(26)	140
Inventories	(266)	(277)
Accounts payable	207	(58)
Other current assets	46	52
Other current liabilities	486	(90)
Net cash provided by/(used for) operating activities	4,929	3,552
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(596)	(768)
Payments to acquire business, net of cash acquired	—	(199)
Proceeds from net investment hedges	25	590
Proceeds from sale of business, net of cash disposed	—	1,875
Other investing activities, net	49	13
Net cash provided by/(used for) investing activities	(522)	1,511
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of long-term debt	(4,697)	(4,795)
Proceeds from issuance of long-term debt	3,500	2,967
Debt prepayment and extinguishment costs	(116)	(99)
Proceeds from revolving credit facility	4,000	—
Repayments of revolving credit facility	(4,000)	—
Proceeds from issuance of commercial paper	—	557
Repayments of commercial paper	—	(557)
Dividends paid	(1,958)	(1,953)
Other financing activities, net	(60)	(33)
Net cash provided by/(used for) financing activities	(3,331)	(3,913)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	62	(6)
Cash, cash equivalents, and restricted cash		
Net increase/(decrease)	1,138	1,144
Balance at beginning of period	2,280	1,136
Balance at end of period	$ 3,418	$ 2,280

Schedule 13

The Kraft Heinz Company
Reconciliation of Net Cash Provided By/(Used for) Operating Activities to Free Cash Flow
(in millions)
(Unaudited)

	For the Year Ended	
	December 26, 2020	December 28, 2019
Net cash provided by/(used for) operating activities	$ 4,929	$ 3,552
Capital expenditures	(596)	(768)
Free Cash Flow	$ 4,333	$ 2,784