



SECOND QUARTER 2022 EARNINGS

August 17, 2022

# DISCLOSURES

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## **Cautionary Note Regarding Forward-Looking Statements**

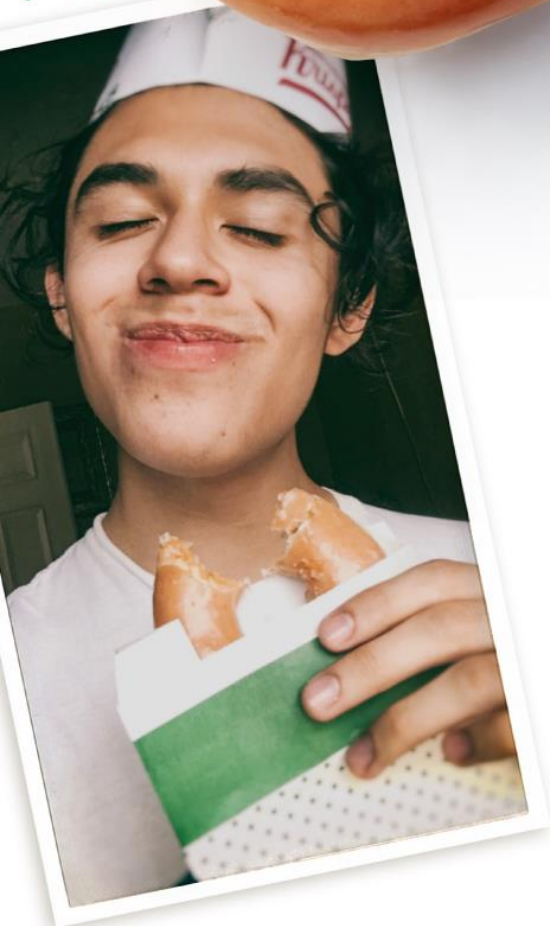
*This presentation contains forward-looking statements that involve risks and uncertainties. The words “believe,” “may,” “could,” “will,” “should,” “anticipate,” “estimate,” “expect,” “outlook,” “guidance,” “working towards” or similar words, or the negative of these words, identify forward-looking statements. Such forward-looking statements are based on certain assumptions and estimates that we consider reasonable but are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial conditions, business, prospects, growth strategy and liquidity. Accordingly, there are, or will be, important factors that could cause our actual results to differ materially from those indicated in these statements. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. Our actual results could differ materially from the forward-looking statements included herein. Factors that could cause actual results to differ from those expressed in forward-looking statements include, without limitation, the risks and uncertainties described under the headings “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” in our Annual Report on Form 10-K for the year ended January 2, 2022, filed by us with the Securities and Exchange Commission (“SEC”) and described in the other filings we make from time to time with the SEC. We believe that these factors include, but are not limited to, the impact of pandemics, changes in consumer preferences, the impact of inflation, and our ability to execute on our omni-channel business strategy. These forward-looking statements are made only as of the date of this document, and we do not undertake any obligation, other than as may be required by applicable law, to update or revise any forward-looking or cautionary statement to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.*

## **Non-GAAP Measures**

This presentation includes includes certain non-GAAP financial measures including organic revenue growth, Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted EPS, Fresh Revenue from Hubs with Spokes and Sales per Hub, which differ from results using U.S. Generally Accepted Accounting Principles (“GAAP”). These non-GAAP financial measures are not universally consistent calculations, limiting their usefulness as comparative measures. Other companies may calculate similarly titled financial measures differently than we do or may not calculate them at all. Additionally, these non-GAAP financial measures are not measurements of financial performance under GAAP. In order to facilitate a clear understanding of our consolidated historical operating results, you should examine our non-GAAP financial measures in conjunction with our historical consolidated financial statements and notes thereto filed with the SEC.

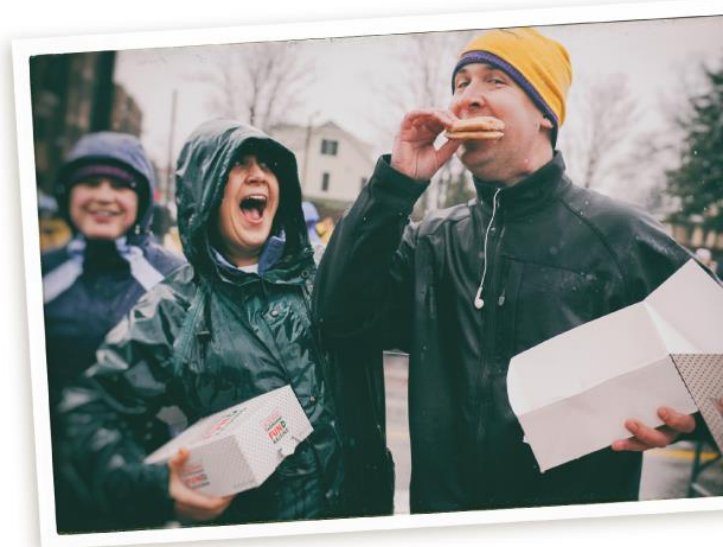
To the extent that the Company provides guidance, it does so only on a forward-looking basis. The Company does not provide reconciliations of such forward-looking non-GAAP measures to GAAP due to the inability to predict the amount and timing of impacts outside of the Company’s control on certain items, such as net income and other charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.





our purpose is...  
**TO TOUCH & ENHANCE LIVES**  
THROUGH THE *joy* THAT IS KRISPY KREME

we aspire to be...  
**THE MOST *loved* SWEET TREAT**  
**BRAND IN THE WORLD**





- Signed development agreements in 2022 to open in 4 new countries - Switzerland, Chile, Costa Rica, Jordan
- Recently signed a new development deal in Turkey for more than 140 shops and 500 POA over 5 years
- Strong pipeline for additional new markets

## Q2 2022 EARNINGS HIGHLIGHTS



We are very well-positioned for growth over the next few years driven by the expansion of our omni-channel model as we significantly expand our points of access primarily through low capital DFD Doors and continue our transformation to the more profitable and capital efficient Hub and Spoke model in the U.S. Additionally, we have strong interest from global partners to bring Krispy Kreme to new geographies."

**Mike Tattersfield, President and CEO**

### KEY PERFORMANCE METRICS

Total Company Revenue

**7.5% y/y ▲**  
to \$375M

Organic Revenue Growth

**6% ▲**  
U.S./CAN

**13% ▲**  
INTL.

**19% ▲**  
MARKET  
DEVELOPMENT

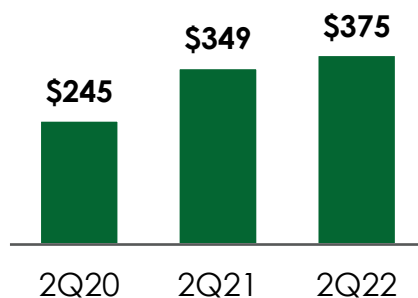
Adjusted EBITDA

**\$47.4 M**

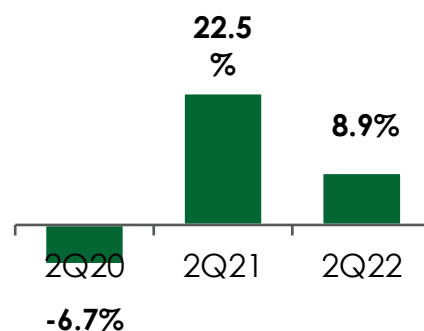
Points of Access globally

**11,409**  
▲ 19% y/y

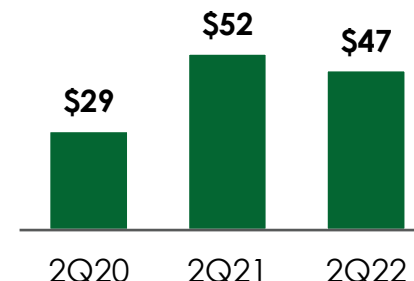
Net Revenue (\$M)



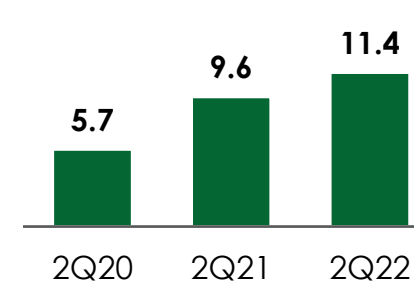
Organic Revenue Growth



Adjusted EBITDA (\$M)

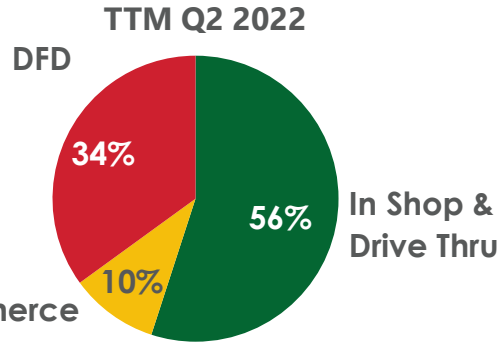


Fresh Points of Access (in 1000s)



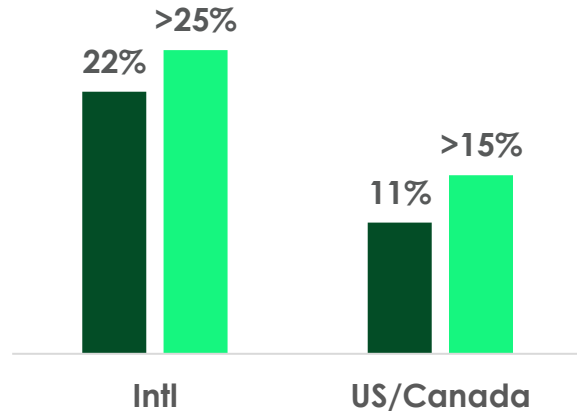
# SALES PER HUB GROWTH DRIVEN BY LOW-CAPITAL DFD DOORS

## International Segment

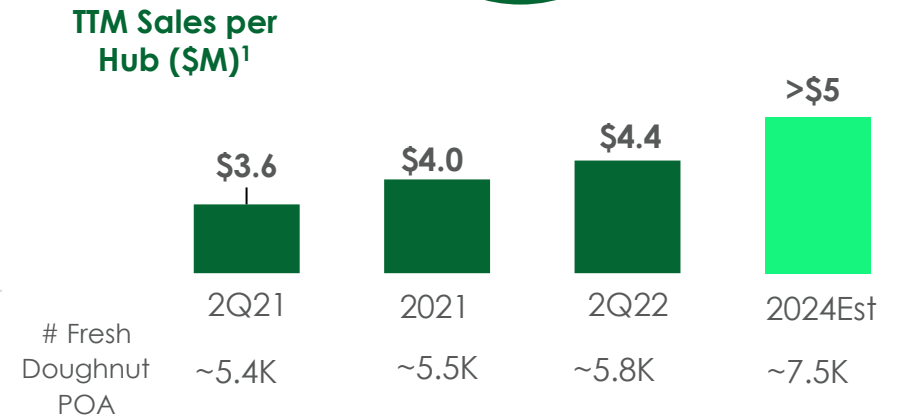
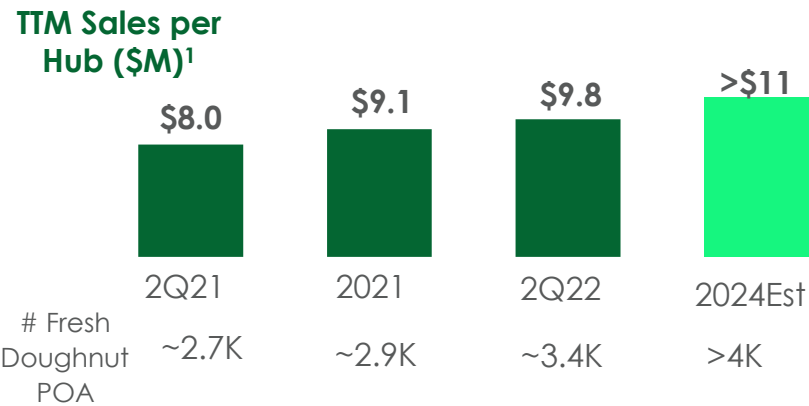
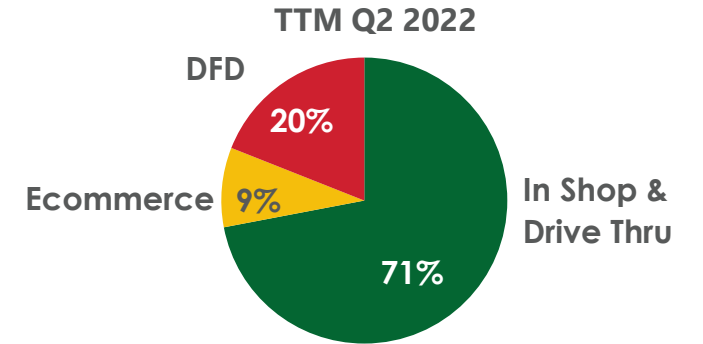


## Adjusted EBITDA Margins

■ TTM Q2 '22 ■ 2024



## U.S. & Canada Fresh Business



More Points of Access



Higher Sales per Hub



Higher EBITDA Margin



<sup>1</sup>Fresh revenue includes sales of fresh doughnuts produced at Hubs and excludes revenue from our legacy wholesale business.

# UPDATED OUTLOOK



## Financial Outlook<sup>1</sup>

✓ **\$1,490 million to \$1,520 million**

**Net Revenue** (growth of 8% to 10%, or 10% to 12% in constant currency)

**Organic growth of 10% to 12%**

✓ **\$49 million - \$54 million**

**Adjusted Net Income Diluted<sup>2</sup>**

✓ **\$189 million to \$195 million**

**Adjusted EBITDA** (growth of 1% to 4%, or 6% to 10% in constant currency)

✓ **\$0.29 to \$0.32**

**Adjusted Diluted EPS**

## Other Metrics

- **Open in at least 4 new countries, expand in others**  
(Signed deals in Switzerland, Chile, Costa Rica & Jordan, new development agreement in Turkey)
- Net Leverage 3.6x by end of year (3.8x as of Q2 2022), including the short-term impact of a franchisee acquisition in 3Q 2022 and FX headwinds
- Weighted Average Shares (Diluted) of approximately 170 million
- Capital Expenditures \$105 to \$110 million (~7% of revenue), down \$10 million from our prior expectations due to shift to lower capital POA mix and favorable foreign currency translation
- Adjusted Tax Rate of 23% - 25%



<sup>1</sup>Guidance as of August 17, 2022



# APPENDIX



# 2Q 2022 BUZZWORTHY HOLIDAY AND LTO'S HELPED DRIVE GLOBAL ORGANIC GROWTH



Australia – Mother's Day



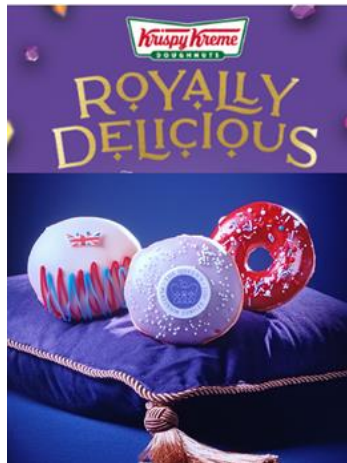
Japan – Oreo, Hershey, and M&M's



Mexico – Chocomania



South Africa – National Doughnut Day



UK Platinum Jubilee



USA – Cinnamon Toast Crunch



USA – July 4th



Middle East – Chocolate Iced Halawa & Pistachio Cream Filled





# UPDATED GUIDANCE COMPARISON



Metric	Updated FY 2022 Guidance	Previous FY 2022 Guidance
<b>Net Revenue</b>	\$1.49 billion to \$1.52 billion Including an approximately (\$30) million impact from foreign currency translation	\$1.53 billion to \$1.56 billion
<b>Organic Revenue</b>	+10% to 12%	+10% to 12%
<b>Adjusted EBITDA</b>	\$189 million to \$195 million Including a (\$10-12) million impact from US Dollar strength	\$210 million to \$218 million
<b>Adjusted Net Income to Krispy Kreme shareholders (diluted)</b>	\$49 million to \$54 million (including \$8 million impact from US Dollar strength at midpoint)	\$65 million to \$69 million
<b>Adjusted Diluted EPS</b>	\$0.29 to \$0.32 Including a (\$0.05) EPS impact for US Dollar strength	\$0.38 to \$0.41
<b>Weighted Average Shares Outstanding (diluted)</b>	170 million	170 million
<b>Adjusted Income Tax Rate</b>	23% to 25%	23% to 25%
<b>Capital Expenditures</b>	\$105 million to \$110 million (approximately 7% of revenue)	\$115 million to \$120 million (approximately 7.6% of revenue)
<b>Net Leverage</b>	Approximately 3.6x, including the short-term impact from the U.S. Midwest franchise acquisition and FX headwinds	Under 3.0x

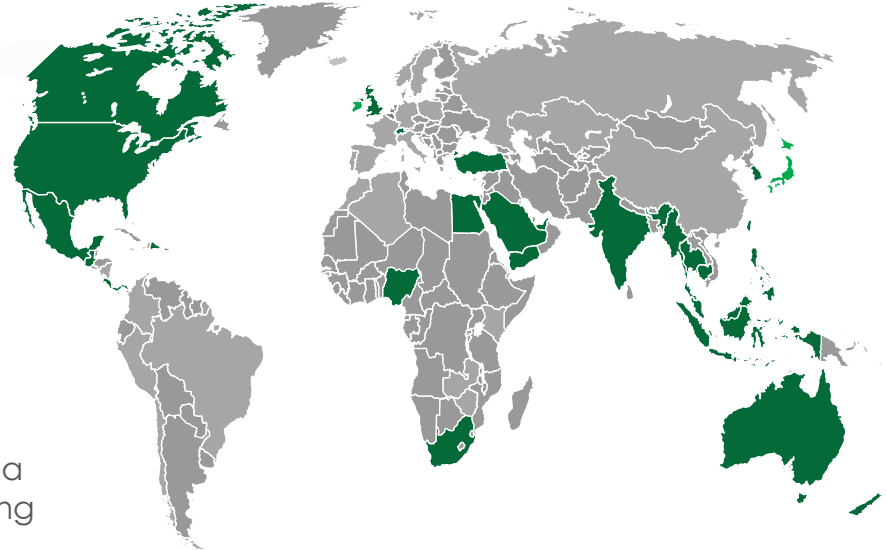


# GLOBALLY LOVED BRAND WITH SIGNIFICANT GROWTH OPPORTUNITIES

#1 Most Loved Sweet Treat Brand in US, UK, Australia, Thailand & Turkey<sup>1</sup>



- 31** Countries served
- 94%** Global brand awareness<sup>2</sup>
- ~50%** System-wide sales generated Internationally<sup>3</sup>
- >1.5B** Doughnuts sold in 2021
- >40B** Media impressions in 2021
- <5%** Less than 5% of the world is a customer today, representing significant growth potential



<sup>1</sup>Source: Krispy Kreme's Annual Global Brand Tracking Survey conducted by SMG (Service Management Group) based on over 17,000 consumer responses with KK achieving the highest % of consumers indicating they "10-absolutely love the brand for Sweet Treats" on a 10 point scale in the countries referenced above.

<sup>2</sup>Aided brand awareness in tracked markets.

<sup>3</sup>2021 system-wide sales including franchisee