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Kraft Heinz to split into two independent public companies

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The Kraft Heinz Company announced that its Board of Directors has unanimously approved a plan to separate the Company into two independent, publicly traded companies through a tax-free spin-off. The separation is designed to maximise Kraft Heinzâ??s capabilities and brands while reducing complexity, allowing both new companies to more effectively deploy resources toward their distinct strategic priorities. This focus will enable stronger performance while preserving the scale to compete and win in todayâ??s environment.

The two resulting companies, whose names will be determined at a later date, will be:

â??Global Taste Elevation Co.â?• â?? a global leader in Taste Elevation and shelf-stable meals with approximately $15.4 billion in 2024 net sales (1) and approximately $4.0 billion in 2024 Adjusted EBITDA (1). This company will feature a roster of iconic brands and local jewels, including three billion-dollar brands â?? Heinz, Philadelphia, and Kraft Mac & Cheese â?? with approximately 75 per cent of net sales coming from sauces, spreads, and seasonings. Approximately 20 per cent of 2024 net sales are in Emerging Markets and approximately 20 per cent are in Away From Home. This company will be well-positioned to drive industry-leading growth across attractive categories and geographies, leveraging a proven go-to-market model and

the Brand Growth System to deliver scale and performance.

â??North American Grocery Co.â?• â?? a scaled portfolio of North American staples with approximately $10.4 billion in 2024 net sales (1) and approximately $2.3 billion in 2024 Adjusted EBITDA (1). This company, led by Carlos Abrams-Rivera, will include a portfolio of beloved brands, including three billion-dollar brands: Oscar Mayer, Kraft Singles, and Lunchables. Approximately 75 per cent of net sales come from brands that are #1 or #2 in their respective categories. This company is expected to generate reliable free cash flow through operational efficiency across stable growth categories and through the pursuit of growth opportunities for its brands in existing categories, adjacencies and Away From Home.

â??Kraft Heinzâ??s brands are iconic and beloved, but the complexity of our current structure makes it challenging to allocate capital effectively, prioritise initiatives and drive scale in our most promising areas,â?• said Miguel Patricio, Executive Chair of the Board for Kraft Heinz. â??By separating into two companies, we can allocate the right level of attention and resources to unlock the potential of each brand to drive better performance and the creation of long-term shareholder value. I look forward to working closely with Carlos and the Kraft Heinz team in the months ahead to prepare the organisation for the separation.â?•