Zacks Report Date: December 31, 2025

Kraft Heinz (KHC)

$24.43 (Stock Price as of 12/30/2025)

Price Target (6-12 Months): **$21.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 11/13/25) Prior Recommendation: Neutral	**Underperform**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**4-Sell**
	Zacks Style Scores:	VGM: B
	Value: A | Growth: C	Momentum: F

Summary

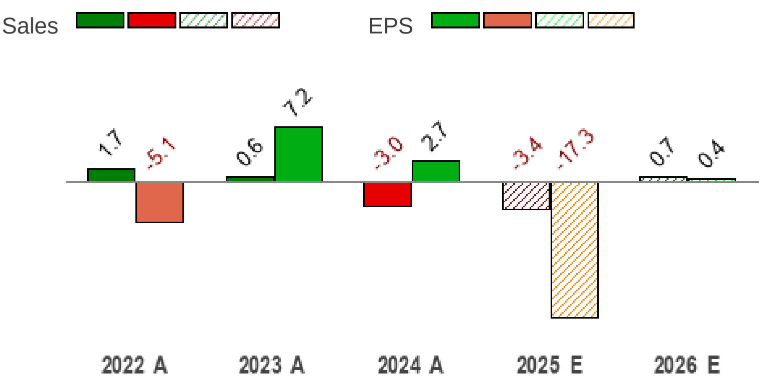
Kraft Heinz continues to face pressure as volume softness persists across key categories, with weaker trends in North America and Developed Markets reflecting cautious consumer spending. We expect volume to decrease 4.3% in 2025. Management's updated outlook signals a tougher year, citing demand headwinds, inflation and challenges in Indonesia that have weighed on performance and created added uncertainty. Margins remain strained as cost inflation and unfavorable mix outpace efficiency gains, while rising investment further limits profitability. Competitive intensity and increased private-label adoption add risk to growth and pricing power. Although the company is making progress on productivity and brand initiatives, these positives are overshadowed by ongoing operational and macroeconomic challenges.

Price, Consensus & Surprise(1)

Data Overview

52 Week High-Low	**$33.35 - $23.60**
20 Day Average Volume (sh)	**12,063,334**
Market Cap	**$28.9 B**
YTD Price Change	**-20.5%**
Beta	**0.09**
Dividend / Div Yld	**$1.60 / 6.5%**
Industry	**Food - Miscellaneous**
Zacks Industry Rank	**Bottom 14% (208 out of 243)**
Last EPS Surprise	**7.0%**
Last Sales Surprise	**-0.2%**
EPS F1 Est- 4 week change	**0.0%**
Expected Report Date	**02/11/2026**
Earnings ESP	**-2.2%**
P/E TTM	**8.9**
P/E F1	**9.7**
PEG F1	**-1.1**
P/S TTM	**1.2**

Sales and EPS Growth Rates (Y/Y %)(2)



Sales Estimates (millions of $)(2)

	Q1	Q2	Q3	Q4	Annual*
2026	6,078 E	6,356 E	6,253 E	6,448 E	25,134 E
2025	5,999 A	6,352 A	6,237 A	6,383 E	24,971 E
2024	6,411 A	6,476 A	6,383 A	6,576 A	25,846 A

EPS Estimates(2)

	Q1	Q2	Q3	Q4	Annual*
2026	0.62 E	0.68 E	0.61 E	0.63 E	2.54 E
2025	0.62 A	0.69 A	0.61 A	0.61 E	2.53 E
2024	0.69 A	0.78 A	0.75 A	0.84 A	3.06 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/30/2025.
(2) The report's text, the analyst-provided estimates, and the price target are as of 12/05/2025.

Overview

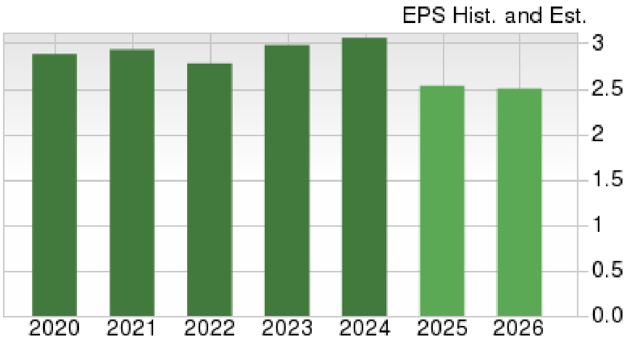
Headquartered in Pittsburgh, PA, The Kraft Heinz Company (KHC) is one of the largest consumer packaged food and beverage companies in North America. It manufactures and markets food and beverage products like condiments and sauces, cheese as well as dairy, meals, meats, refreshment beverages, coffee, and other grocery products.

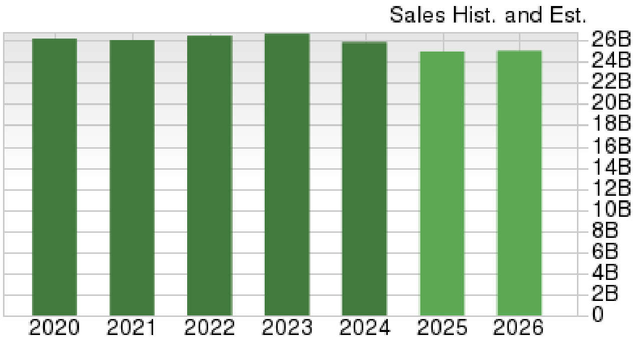
Its popular brands include Heinz, Kraft, Oscar Mayer, Philadelphia, Velveeta, Lunchables, Maxwell House, Capri Sun, and Ore-Ida. Notably, the company generates sales across roughly 190 countries and territories.

Well, the merger of Kraft Foods Group, Inc. ("Kraft") with and into a wholly-owned subsidiary of H.J. Heinz Holding Corporation ("Heinz") was concluded in July 2015. Upon the merger, Heinz was rechristened as The Kraft Heinz Company and H.J. Heinz Holding Corporation was renamed to Kraft Heinz Foods Company. Kraft and Heinz were both pioneers in the food space for more than 100 years.

Starting in the first quarter of 2024, Kraft Heinz has revised its segment reporting structure to include financial disclosures for North America (75.6% of 2024 net sales), International Developed Markets (13.7%), and Emerging Markets (10.7%).

Emerging Markets represents the aggregation of West and East Emerging Markets (WEEM) and Asia Emerging Markets (AEM) operating segments.





As of 12/05/2025

On Jan 30, 2019, Kraft Heinz announces the completion of sales of Indian brands namely Glucon-D, Nycil, Complan and Sampriti to Zydus Wellness Limited.

As of 12/30/2025

Reasons To Sell:

Kraft Heinz faces ongoing volume weakness, margin pressure, lowered 2025 guidance and significant Indonesia-related disruptions, intensifying concerns over growth and earnings stability.

- **Dynamic Consumer Landscape & Soft Volumes:** Kraft Heinz has been experiencing weak volume performance over the past few quarters, with the trend continuing into the third quarter of 2025. During this period, the company's volume/mix dropped 3.5 percentage points from the prior-year levels. The decline was caused primarily by softer performance in coffee, cold cuts, frozen snacks, powdered beverages, selected condiments and the continued operational and consumer-driven disruptions in Indonesia. North America and International Developed Markets remained the biggest contributors to this weakness, mirroring a broader slowdown in consumer spending and reduced category engagement. In North America and International Developed Markets, the metric dropped 4.2 and 2.4 percentage points, respectively. North America organic net sales fell 3.8%, pressured by weaker U.S. Retail trends and continued softness in the Away-From-Home channel. International Developed Markets also fell 1.4%, weighed down by muted consumer sentiment and pronounced category-level declines. The persistence of such trends remains a threat to Kraft Heinz's performance. We expect volume and organic sales to decrease 4.3% and 3.3%, respectively, for 2025.

- **Road Ahead Looks Challenging:** Kraft Heinz's updated 2025 guidance highlights a difficult operating outlook shaped by persistently soft demand, inflationary pressures and meaningful emerging-market headwinds. For 2025, the company now expects organic net sales to decline 3% to 3.5%, a downward shift from the earlier expectation of a 1.5% to 3.5% decline. Management attributes the lower trajectory primarily to the sharp downturn in Indonesia and continued macro pressure in the U.S. market. On profitability, constant-currency adjusted operating income is projected to decline 10% to 12% compared with the prior projection of a 5% to 10% decline. The company expects adjusted gross margin to decline 100 basis points for the full year. Adjusted EPS is expected between $2.50 and $2.57, down from the previous expected range of $2.51 to $2.67. Overall, the revised guidance reflects ongoing operational challenges, with consumer and macroeconomic pressures expected to weigh on performance through the remainder of the year.

- **Cost & Margin Concerns:** Kraft Heinz is facing margin pressure, as witnessed in the third quarter of 2025, wherein the adjusted gross profit of $2.02 billion decreased 7.9% from the year-ago quarter. The adjusted gross margin contracted 200 bps to 32.3%. The adjusted operating income dropped 16.9% to $1.1 billion, primarily due to inflationary pressures in commodity and manufacturing costs, which outpaced the company's efficiency initiatives. In addition, margins were weighed down by unfavorable volume/mix and higher selling, general and administrative expenses, largely reflecting increased advertising investment. These continued cost and margin headwinds highlight the challenges facing the company in the current operating environment. Our model predicts the adjusted operating margin to decrease 170 bps for the year.

- **Indonesia-Related Disruptions:** Kraft Heinz faces a significant incremental challenge in 2025 stemming from the sharp deterioration within Emerging Markets, caused predominantly by Indonesia, which management flagged as a major headwind. The region experienced substantial volume declines, exacerbated by distributor issues, pricing and execution misalignment, and a notable drop in consumer sentiment. According to the third quarter of 2025 earnings call, Indonesia alone represented roughly a 460 bps drag on Emerging Markets organic sales, overshadowing areas of strength in markets such as China and Latin America. This prolonged disruption reduces near-term contribution from the region and adds uncertainty to the predictability of overall performance going forward.

- **Intense Competition:** Kraft Heinz operates in a mature and highly competitive industry where consumer preferences are shifting toward fresh, organic and minimally processed foods. The company's legacy brands face increasing competition from smaller, agile brands that resonate more with younger consumers, potentially limiting long-term growth prospects. Another critical shift in consumer behavior is the rise of private-label brands, particularly in the aftermath of economic pressures and inflationary periods. Consumers are increasingly trading down to store brands that offer comparable quality at lower prices. Kraft Heinz faces stiff competition from retailers that are aggressively expanding private-label offerings in categories such as condiments, frozen meals and dairy-based products. The ongoing volatility in exchange rates continues to be a significant concern for the company's financial performance.

Risks[2] (to the Underperform recommendation)

- **Strategic Pricing:** Kraft Heinz has been implementing effective pricing strategies to enhance its performance amid low volumes and inflationary pressures. In the third quarter of 2025, the company's pricing increased 1 percentage point, with increases in each reportable segment that were largely driven by higher pricing that was taken in certain categories to mitigate higher input costs, primarily in coffee. During the reported quarter, pricing rose 0.4 percentage points in North America, 1 percentage points in International Developed Markets and a strong 4 percentage points in Emerging Markets. The strength and consistency of these pricing gains demonstrate Kraft Heinz's solid execution and its capacity to offset inflationary pressures while supporting overall margin stability. We expect pricing to increase 0.9% for 2025.

- **Driving Operational Excellence:** Kraft Heinz continues to demonstrate industry-leading progress toward its 2027 productivity ambition. In the third quarter of 2025, the company delivered strong, best-in-class productivity gains that helped offset inflationary pressures and higher input costs, particularly in Meats and Coffee. The quarter results also benefited from advancements in AI-enabled tools and supply-chain modernization, including Plant Chat, which enhances real-time factory decision-making, and The Cookbook, which leverages Heinz's heritage to improve operational consistency and quality. In addition, improvements in demand planning and logistics optimization reduced waste and strengthened execution across the network. Collectively, these productivity initiatives contributed to stronger operating performance in the quarter and provided added flexibility to support elevated brand, R&D and commercial investments while maintaining disciplined financial execution.

- **Growth Pillars Solid:** Kraft Heinz is strategically increasing its investments in value-driving initiatives as part of a broader commitment to delivering exceptional consumer value and strengthening long-term brand growth. Central to this strategy is the company's Brand Growth System, a structured framework designed to identify high-potential opportunities, inform data-driven investments and prioritize future initiatives. The company gained share across 70% of its U.S. Taste Elevation portfolio in September, reflecting improved execution and stronger brand fundamentals. Priority North America brands also showed momentum, with Lunchables and Capri Sun returning to positive consumption growth following renovation and increased media support. Internationally, Emerging Markets grew 4.7%, led by double-digit gains in LATAM and the Middle East/Africa, while the Heinz brand rose 14% and expanded to nearly 900,000 distribution points. These results highlight solid progress across key categories and regions.

- **Innovation Driving Growth:** Kraft Heinz's innovation strategy continues to deliver value to consumers by offering high-quality, convenient solutions that meet their evolving needs. The company is focused on providing delicious, family-friendly meals that can be prepared in minutes, supported by accelerated renovation, increased R&D investment and expanding omnichannel capabilities. In the third quarter of 2025, innovation was fueled by the Brand Growth System, which has elevated product quality and relevance across major brands. Notable highlights included strong momentum from Heinz Mayo-Style Sauces in Canada, top-quartile performance from Capri Sun single-serve bottles and continued international success of Heinz TK Zero, now in 10 countries and gaining share. Kraft Heinz also advanced its AI-driven development capabilities: Leonardo, an AI product model, enabled significant nutritional improvements in Heinz ketchup without compromising taste, while TasteMaker accelerated marketing content creation. Together, these initiatives reflect a more agile, insight-led innovation model that is strengthening brand equity and supporting sustained growth.

- **Driving Strategic Transformation:** Kraft Heinz is actively transforming its business to unlock its full potential and boost shareholder value. The company continues to modernize its operating model with a focus on speed, efficiency and innovation, supported by advanced technologies and data-driven capabilities that enhance cross-functional collaboration and improve decision-making. These efforts are complemented by ongoing initiatives that strengthen supply-chain efficiency and accelerate product development, helping the company better respond to evolving consumer needs. A major component of this transformation is the planned separation into Global Taste Elevation Co. and North America Grocery Co., which remains on track for the second half of 2026. Management reiterated that this separation is designed to reduce organizational complexity, sharpen strategic focus and enhance resource allocation across two more agile and purpose-built companies. Together, these transformation efforts underscore Kraft Heinz's commitment to building a stronger, faster and more consumer-responsive organization positioned to drive sustainable growth.

Last Earnings Report

Kraft Heinz Q3 Earnings Beat, '25 View Narrowed on Soft Volumes

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 29, 2025
Sales Surprise	-0.16%
EPS Surprise	7.02%
Quarterly EPS	0.61
Annual EPS (TTM)	2.76

Kraft Heinz posted third-quarter 2025 results, wherein the top and bottom lines declined year over year, primarily due to weaker volumes in key categories. However, management emphasized steady progress in productivity initiatives, brand investments and preparation for its planned separation into two standalone public companies.

The company continues to focus on delivering affordable and high-quality products through its Brand Growth System. Ongoing investments in marketing, R&D, and manufacturing are designed to enhance consumer connection and portfolio strength. These efforts, along with its cost-efficiency initiatives and robust cash generation, remain central to Kraft Heinz's long-term value creation strategy.

Kraft Heinz remains committed to maintaining financial discipline, optimizing its capital structure and returning value to shareholders while executing its separation into "Global Taste Elevation Co." and "North American Grocery Co." in the second half of 2026.

Kraft Heinz's Quarterly Performance: Key Insights

Kraft Heinz posted adjusted earnings of 61 cents per share, beating the Zacks Consensus Estimate of 57 cents. However, quarterly earnings fell 18.7% year over year, mainly due to lower adjusted operating income, increased taxes on adjusted earnings and higher interest costs.

The company generated net sales of $6,237 million, down 2.3% year over year. The metric fell short of the Zacks Consensus Estimate of $6,247 million. Net sales included a slight 0.2 percentage point or pp benefit from favorable foreign currency exchange rates. Organic net sales were down 2.5% year over year.

Pricing rose by 1 pp across all reportable segments, primarily due to strategic price increases in certain categories — most notably coffee — to negate higher input costs. However, this was outweighed by a 3.5 pp decline in volume/mix, driven mainly by lower volumes in North America and International Developed Markets. These declines were partially offset by volume/mix gains in Emerging Markets. The adverse volume/mix was mainly attributed to declines in cold cuts, coffee, certain condiments, frozen snacks and Indonesia.

The adjusted gross profit of $2,015 million decreased from the $2,189 million reported in the year-ago quarter. The adjusted gross margin contracted 200 bps to 32.3%.

Adjusted operating income fell 16.9% year over year to $1,106 million, primarily due to commodity and manufacturing cost inflation, which outweighed gains from efficiency initiatives. Adverse volume/mix, and higher selling, general and administrative expenses (mainly due to reduced advertising) also led to the decline, partly compensated by greater pricing and a modest 0.1 pp benefit from foreign currency movements.

Decoding Kraft Heinz's Segment-Wise Results

North America: Net sales of $4,641 million declined 3.8% year over year. Organic sales also fell 3.8%. During the quarter, pricing moved up 0.4 pp, but the volume/mix fell 4.2 pp.

International Developed Markets: Net sales of $895 million were up 1.6% year over year. Organic sales declined 1.4%, with pricing moving up 1 pp and volume/mix dipping 2.4 pp.

Emerging Markets: Net sales of $701 million increased 3.8% year over year. Also, organic sales grew 4.7%. Pricing went up 4 pp, and volume/mix increased 0.7 pp.

Kraft Heinz: Other Financial Aspects

Kraft Heinz ended the quarter with cash and cash equivalents of $2,114 million, long-term debt of $19,287 billion and total shareholders' equity (excluding noncontrolling interest) of $41,450 million. Net cash provided by operating activities was $3,086 million for the nine months ended Sept. 27, 2025, and free cash flow was $2,490 million.

During the year-to-date period, Kraft Heinz paid cash dividends worth $1.4 billion and made share buybacks worth $435 million. As of Sept. 27, 2025, the company had shares worth $1.5 billion remaining under its buyback plan.

What to Expect From Kraft Heinz in 2025?

The company updated its full-year 2025 outlook to reflect near-term market softness. Management now expects organic net sales to decline 3% to 3.5% compared with the previous range of down 1.5% to 3.5%. This reflects expectations of softer growth in Emerging Markets, stemming from ongoing weakness in Indonesia and continued pressure within U.S. retail channels.

Constant-currency adjusted operating income is expected to fall 10% to 12% compared with the earlier 5% to 10% decline. The company now forecasts an adjusted gross profit margin decline of approximately 100 basis points for the year.

Adjusted EPS is projected in the range of $2.50-$2.57 compared with the previous outlook of $2.51 to $2.67. Management continues to expect an effective tax rate of about 26% and interest expenses of nearly $950 million.

Recent News

The Kraft Heinz Company Declares Regular Quarterly Dividend

The Kraft Heinz Company on October 29th, declared a regular quarterly dividend of $0.40 per share of common stock payable on Dec. 26, 2025, to stockholders of record as of Nov. 28, 2025.

Valuation

Kraft Heinz's shares are down 8% in the past six-month period and nearly 20.2% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 11.5% and Zacks Consumer Staples sector are down 6.7%, respectively, in the past six-month period. Over the past year, the Zacks sub-industry and the sector are down 18.1% and 4.6%, respectively.

The S&P 500 index is up 17.1% in the past six-month period and 15.2% in the past year.

The stock is currently trading at 9.78X forward 12-month earnings, which compares to 14.51X for the Zacks sub-industry, 16.35X for the Zacks sector and 23.53X for the S&P 500 index.

Over the past five years, the stock has traded as high as 16.80X and as low as 9.33X, with a 5-year median of 12.56X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our $21 price target reflects 8.31X forward 12-month earnings.

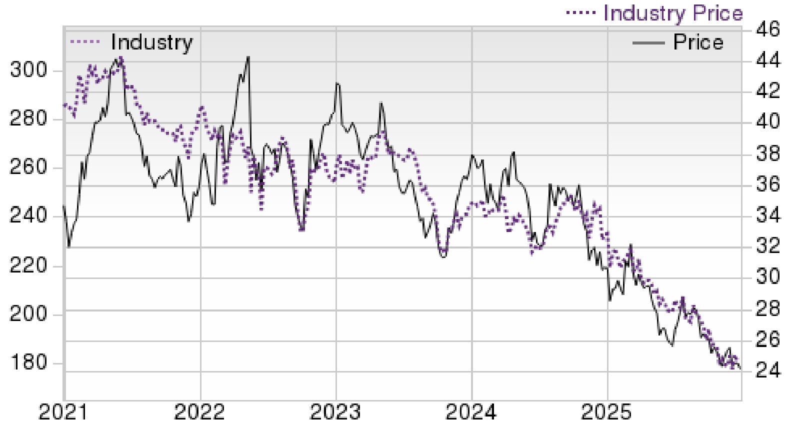
The table below shows summary valuation data for KHC

Valuation Multiples - KHC

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	9.78	14.51	16.35	23.53
	5-Year High	16.80	20.73	20.29	23.82
	5-Year Low	9.33	14.51	16.15	15.73
	5-Year Median	12.56	17.64	18.08	21.19
P/S F12M	Current	1.16	1.06	7.85	5.33
	5-Year High	2.19	1.99	10.80	5.50
	5-Year Low	1.12	1.06	6.51	3.83
	5-Year Median	1.67	1.53	8.69	5.04
EV/EBITDA TTM	Current	3.89	8.15	34.12	18.66
	5-Year High	18.91	15.16	44.89	22.41
	5-Year Low	3.80	8.10	33.20	13.87
	5-Year Median	10.43	13.15	39.70	17.96

As of 12/04/2025 *Source: Zacks Investment Research*

Industry Analysis[1] Zacks Industry Rank: Bottom 14% (208 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
United Natural Foods...(UNFI)	Outperform	1
Bunzl PLC (BZLFY)	Neutral	3
Conagra Brands (CAG)	Neutral	4
Danone (DANOY)	Neutral	4
General Mills, Inc. (GIS)	Neutral	3
US Foods Holding Cor...(USFD)	Neutral	3
Associated British F...(ASBFY)	Underperform	5
Mondelez Internation...(MDLZ)	Underperform	4

Industry Comparison[1] Industry: Food - Miscellaneous

Industry Peers

	KHC	X Industry	S&P 500	ASBFY	DANOY	UNFI
Zacks Recommendation (Long Term)	Underperform	-	-	Underperform	Neutral	Outperform
Zacks Rank (Short Term)	4	-	-	5	4	1
VGM Score	B	-	-	B	B	A
Market Cap	28.92 B	1.74 B	39.66 B	20.59 B	61.77 B	2.04 B
# of Analysts	8	3	22	1	2	1
Dividend Yield	6.55%	0.00%	1.41%	3.34%	1.90%	0.00%
Value Score	A	-	-	B	C	A
Cash/Price	0.11	0.06	0.04	0.07	0.11	0.02
EV/EBITDA	16.59	9.10	14.77	7.04	NA	12.56
PEG Ratio	-1.09	1.96	2.23	NA	4.82	NA
Price/Book (P/B)	0.70	2.01	3.35	1.41	3.42	1.32
Price/Cash Flow (P/CF)	6.33	9.09	15.41	7.01	16.20	5.56
P/E (F1)	9.66	13.92	20.04	13.92	20.72	16.43
Price/Sales (P/S)	1.15	0.78	3.13	NA	NA	0.06
Earnings Yield	10.36%	6.65%	4.96%	7.19%	4.85%	6.09%
Debt/Equity	0.46	0.42	0.57	0.28	0.66	1.25
Cash Flow ($/share)	3.86	2.02	8.98	4.11	1.12	6.03
Growth Score	C	-	-	B	B	B
Hist. EPS Growth (3-5 yrs)	0.28%	7.15%	8.21%	NA	NA	-43.98%
Proj. EPS Growth (F1/F0)	-17.32%	4.01%	8.58%	-9.21%	11.39%	187.32%
Curr. Cash Flow Growth	0.52%	2.43%	7.00%	-5.88%	NA	11.28%
Hist. Cash Flow Growth (3-5 yrs)	2.23%	4.81%	7.48%	8.06%	-2.75%	-15.61%
Current Ratio	1.13	1.54	1.18	1.54	0.95	1.38
Debt/Capital	31.70%	34.55%	38.15%	21.89%	39.91%	55.47%
Net Margin	-17.35%	2.29%	12.77%	NA	NA	-0.32%
Return on Equity	7.26%	9.71%	17.03%	NA	NA	4.35%
Sales/Assets	0.29	0.92	0.53	NA	NA	4.16
Proj. Sales Growth (F1/F0)	-3.40%	0.00%	5.85%	2.20%	7.60%	1.00%
Momentum Score	F	-	-	C	C	B
Daily Price Chg	0.74%	-0.17%	-0.35%	0.63%	0.33%	-0.62%
1 Week Price Chg	-1.55%	0.00%	0.40%	1.27%	-0.50%	-0.54%
4 Week Price Chg	-2.12%	-0.23%	1.37%	2.71%	1.63%	-6.79%
12 Week Price Chg	-3.89%	-7.10%	2.45%	-0.52%	7.66%	-20.39%
52 Week Price Chg	-20.45%	-14.39%	16.91%	12.89%	35.40%	22.70%
20 Day Average Volume	12,063,334	179,279	2,722,877	70,085	252,760	977,702
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.05%	0.00%	0.00%	0.00%	0.00%	7.37%
(F1) EPS Est 12 week change	-1.67%	-1.53%	0.68%	-18.34%	1.35%	7.37%
(Q1) EPS Est Mthly Chg	-0.20%	0.00%	0.00%	NA	NA	17.78%

Analyst Earnings Model[2]

The Kraft Heinz Company (KHC)

In $MM, except per share data

	2022A	2023A	2024A			2025E					2026E			2027E
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	29-Mar-25	28-Jun-25	27-Sep-25	27-Dec-25	Dec-25	28-Mar-26	27-Jun-26	26-Sep-26	26-Dec-26	Dec-26	Jan-28
Income Statement														
Total Sales	**$26,485.0**	**$26,640.0**	**$25,846.0**	**$5,999.0**	**$6,352.0**	**$6,237.0**	**$6,382.7**	**$24,970.7**	**$6,078.2**	**$6,355.8**	**$6,252.7**	**$6,447.7**	**$25,134.4**	**$25,236.4**
Volume	(3.4%)	(5.5%)	(3.5%)	(5.6%)	(2.7%)	(3.5%)	(5.2%)	(4.3%)	(1.1%)	(0.9%)	(0.3%)	0.5%	(0.4%)	0.2%
Pricing	13.2%	8.9%	1.4%	0.9%	0.7%	1.0%	1.1%	0.9%	0.7%	0.6%	0.6%	0.6%	0.6%	0.2%
Organic	9.8%	3.4%	(2.1%)	(4.7%)	(2.0%)	(2.5%)	(4.1%)	(3.3%)	(0.4%)	(0.3%)	0.3%	1.0%	0.1%	0.4%
Acquisitions and Divestitures	(8.0%)	(0.1%)	(0.2%)	(0.1%)	0.0%	0.0%	0.0%	(0.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Currency	(2.0%)	(0.9%)	(0.7%)	(1.6%)	0.1%	0.2%	1.2%	(0.0%)	1.7%	0.4%	0.0%	0.0%	0.5%	0.0%
Extra Week Impact	1.9%	(1.8%)	0.0%	(0.0%)	(0.0%)	0.0%	0.0%	(0.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of Sales, Adjusted	$18,187.0	$17,656.0	$16,889.0	$3,938.0	$4,184.0	$4,222.0	$4,220.6	$16,564.6	$4,010.8	$4,176.2	$4,176.8	$4,259.6	$16,623.4	$16,657.5
Cost of Sales, GAAP	$18,363.0	$17,714.0	$16,878.0	$3,935.0	$4,169.0	$4,247.0	$4,279.1	$16,630.1	$3,993.6	$4,169.7	$4,190.8	$4,297.5	$16,651.6	$16,730.8
Gross Profit, Adjusted	**$8,298.0**	**$8,984.0**	**$8,957.0**	**$2,061.0**	**$2,168.0**	**$2,015.0**	**$2,162.1**	**$8,406.1**	**$2,067.4**	**$2,179.6**	**$2,075.9**	**$2,188.1**	**$8,511.1**	**$8,578.9**
Gross Profit, GAAP	**$8,122.0**	**$8,926.0**	**$8,968.0**	**$2,064.0**	**$2,183.0**	**$1,990.0**	**$2,103.6**	**$8,340.6**	**$2,084.6**	**$2,186.1**	**$2,061.9**	**$2,150.2**	**$8,482.8**	**$8,505.6**
Selling, General and Administrative Expenses, Adjusted	$3,309.0	$3,687.0	$3,597.0	$862.0	$892.0	$909.0	$984.2	$3,647.2	$878.6	$908.5	$913.9	$985.1	$3,686.1	$3,661.7
Selling, General and Administrative Expenses, Excluding Impairment Losses	$3,575.0	$3,692.0	$3,616.0	$868.0	$891.0	$930.0	$960.0	$3,649.0	$879.7	$909.0	$893.2	$950.9	$3,632.8	$3,705.3
Goodwill Impairment Losses	$444.0	$510.0	$1,638.0	$0.0	$6,694.0	$35.0	$0.0	$6,729.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Intangible Asset Impairment Losses	$469.0	$152.0	$2,031.0	$0.0	$2,572.0	$0.0	$0.0	$2,572.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Selling, General and Administrative Expenses, GAAP	$4,488.0	$4,354.0	$7,285.0	$868.0	$10,157.0	$965.0	$960.0	$12,950.0	$879.7	$909.0	$893.2	$950.9	$3,632.8	$3,705.3
Adjusted EBITDA	**$6,003.0**	**$6,307.0**	**$6,363.0**	**$1,444.0**	**$1,530.0**	**$1,355.0**	**$1,392.3**	**$5,721.3**	**$1,450.4**	**$1,533.7**	**$1,432.3**	**$1,448.9**	**$5,865.3**	**$5,826.6**
Depreciation & Amortization	$922.0	$923.0	$948.0	$231.0	$241.0	$245.0	$226.6	$943.6	$226.1	$237.4	$243.3	$229.2	$935.9	$946.6
Operating Income, Adjusted	**$4,989.0**	**$5,297.0**	**$5,360.0**	**$1,199.0**	**$1,276.0**	**$1,106.0**	**$1,177.9**	**$4,758.9**	**$1,188.9**	**$1,271.1**	**$1,162.1**	**$1,203.0**	**$4,825.0**	**$4,917.2**
Operating Income, GAAP	**$3,634.0**	**$4,572.0**	**$1,683.0**	**$1,196.0**	**($7,974.0)**	**$1,025.0**	**$1,143.6**	**($4,609.4)**	**$1,204.9**	**$1,277.1**	**$1,168.8**	**$1,199.3**	**$4,850.1**	**$4,800.3**
Interest Expense, Adjusted	$959.0	$912.0	$912.0	$229.0	$240.0	$240.0	$241.0	$950.0	$229.2	$238.8	$233.0	$239.4	$940.4	$937.0
Interest Expense, GAAP	$921.0	$912.0	$912.0	$229.0	$240.0	$240.0	$241.0	$950.0	$229.2	$238.8	$233.0	$239.4	$940.4	$937.0
Other Expense/(Income), Adjusted	($207.0)	($162.0)	($175.0)	($65.0)	($64.0)	($69.0)	($51.5)	($249.5)	($34.8)	($42.6)	($40.5)	($30.5)	($148.4)	($137.4)
Other Expense/(Income), GAAP	($253.0)	$27.0	($85.0)	($51.0)	($47.0)	($22.0)	$28.8	($91.2)	$11.6	($34.6)	($18.9)	$16.5	($25.4)	$4.3
Pre-Tax Income, Adjusted	**$4,237.0**	**$4,547.0**	**$4,623.0**	**$1,035.0**	**$1,100.0**	**$935.0**	**$988.4**	**$4,058.4**	**$994.4**	**$1,074.9**	**$969.6**	**$994.0**	**$4,033.0**	**$4,117.6**
Pre-Tax Income, GAAP	**$2,966.0**	**$3,633.0**	**$856.0**	**$1,018.0**	**($8,167.0)**	**$807.0**	**$873.8**	**($5,468.2)**	**$964.0**	**$1,072.9**	**$954.7**	**$943.4**	**$3,935.1**	**$3,859.0**
Income Tax, Adjusted	$796.0	$871.0	$901.0	$292.0	$278.0	$214.0	$271.8	$1,055.8	$258.6	$279.5	$252.1	$258.5	$1,048.6	$1,070.6
Income Tax, GAAP	$598.0	$787.0	($1,890.0)	$304.0	($344.0)	$194.0	$209.7	$363.7	$231.4	$257.5	$229.1	$226.4	$944.4	$926.2
Tax Rate, Adjusted	18.8%	19.2%	19.5%	28.2%	25.3%	22.9%	27.5%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Tax Rate, GAAP	20.2%	21.7%	(220.8%)	29.9%	4.2%	24.0%	24.0%	(6.7%)	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Net Income, Adjusted	**$3,441.0**	**$3,676.0**	**$3,722.0**	**$743.0**	**$822.0**	**$721.0**	**$716.6**	**$3,002.6**	**$735.9**	**$795.4**	**$717.5**	**$735.6**	**$2,984.4**	**$3,047.0**
Net Income, GAAP	**$2,368.0**	**$2,846.0**	**$2,746.0**	**$714.0**	**($7,823.0)**	**$613.0**	**$664.1**	**($5,831.9)**	**$732.6**	**$815.4**	**$725.6**	**$717.0**	**$2,990.7**	**$2,932.8**
Non-Controlling Interest	$5.0	($9.0)	$2.0	$2.0	$1.0	($2.0)	($2.0)	($1.0)	($2.0)	($2.0)	($2.0)	($2.0)	($8.0)	($8.0)
Net Income, Adjusted Attributable to Common Shareholders	**$3,434.0**	**$3,679.0**	**$3,720.0**	**$741.0**	**$821.0**	**$723.0**	**$718.6**	**$3,003.6**	**$737.9**	**$797.4**	**$719.5**	**$737.6**	**$2,992.4**	**$3,055.0**
Net Income, GAAP Attributable to Common Shareholders	**$2,363.0**	**$2,855.0**	**$2,744.0**	**$712.0**	**($7,824.0)**	**$615.0**	**$666.1**	**($5,830.9)**	**$734.6**	**$817.4**	**$727.6**	**$719.0**	**$2,998.7**	**$2,940.8**
Basic Shares Outstanding	1,226.0	1,227.0	1,210.0	1,194.0	1,185.0	1,184.0	1,182.0	1,186.3	1,180.0	1,178.0	1,176.0	1,174.0	1,177.0	1,169.0
Diluted Shares Outstanding	1,235.0	1,235.0	1,215.0	1,198.0	1,185.0	1,186.0	1,184.0	1,188.3	1,182.0	1,180.0	1,178.0	1,176.0	1,179.0	1,171.0
Basic EPS	**$1.93**	**$2.33**	**$2.27**	**$0.60**	**($6.60)**	**$0.52**	**$0.56**	**($4.92)**	**$0.62**	**$0.69**	**$0.62**	**$0.61**	**$2.55**	**$2.52**
Diluted EPS, Adjusted	**$2.78**	**$2.98**	**$3.06**	**$0.62**	**$0.69**	**$0.61**	**$0.61**	**$2.53**	**$0.62**	**$0.68**	**$0.61**	**$0.63**	**$2.54**	**$2.61**
Diluted EPS, GAAP	**$1.91**	**$2.31**	**$2.26**	**$0.59**	**($6.60)**	**$0.52**	**$0.56**	**($4.93)**	**$0.62**	**$0.69**	**$0.62**	**$0.61**	**$2.54**	**$2.51**
Dividend per Share	$1.60	$1.60	$1.60	$0.40	$0.40	$0.40	$0.40	$1.60	$0.40	$0.40	$0.40	$0.40	$1.60	$1.60

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Value Score	A
Growth Score	C
Momentum Score	D
VGM Score	B

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