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Mondelēz International Reports Q3 2024 Results

Net Revenues increased +1.9%
Organic Net Revenue¹ grew +5.4%

Volume/Mix grew +0.3%

Diluted EPS declined -12.5% to \$0.63
Adjusted EPS¹ on a constant currency basis up +28.6% to \$0.99

YTD cash from operating activities \$3.5 billion
YTD Free Cash Flow¹ \$2.5 billion

Agreed to acquire a majority stake in Evirth

CHICAGO, Ill. – October 29, 2024 – Mondelēz International, Inc. (Nasdaq: MDLZ) today reported its third quarter 2024 results.

“We posted robust results for Q3, with accelerated top-line growth, strong earnings and attractive cash flow generation. These results were driven by our commitment to executing with excellence across our categories, markets and brands,” said Dirk Van de Put, Chair and Chief Executive Officer. “We remain focused on reinvesting behind our brands, driving distribution, expanding our capabilities and maintaining cost discipline. We continue working to accelerate our core business while strategically reshaping our portfolio – for example, through our expanded partnership with Evirth, a leading manufacturer of cakes and pastries in China. We are excited about the opportunity to further leverage our iconic brands and distribution to create more premium offerings in the fast-growing cakes and pastries space.”

Net Revenue

\$ in millions	Reported Net Revenues		Organic Net Revenue Growth		
	Q3 2024	% Chg vs PY	Q3 2024	Vol/Mix	Pricing
Quarter 3					
Latin America	\$ 1,204	(7.7) %	2.0 %	(3.9) pp	5.9 pp
Asia, Middle East & Africa	1,851	3.4	5.8	0.7	5.1
Europe	3,323	7.7	8.1	0.5	7.6
North America	2,826	(0.7)	3.7	1.7	2.0
Mondelēz International	\$ 9,204	1.9 %	5.4 %	0.3 pp	5.1 pp
Emerging Markets	\$ 3,530	0.1 %	4.9 %	(1.0) pp	5.9 pp
Developed Markets	\$ 5,674	3.1 %	5.6 %	1.0 pp	4.6 pp
September Year-to-Date					
	YTD 2024		YTD 2024		
Latin America	\$ 3,755	0.3 %	4.5 %	(2.7) pp	7.2 pp
Asia, Middle East & Africa	5,388	0.9	5.4	(0.4)	5.8
Europe	9,565	2.6	5.1	(2.1)	7.2
North America	8,129	(2.1)	1.8	(0.5)	2.3
Mondelēz International	\$ 26,837	0.5 %	4.0 %	(1.4) pp	5.4 pp
Emerging Markets	\$ 10,523	0.9 %	6.0 %	(1.0) pp	7.0 pp
Developed Markets	\$ 16,314	0.3 %	2.8 %	(1.6) pp	4.4 pp

Operating Income and Diluted EPS

\$ in millions, except per share data	Reported		Adjusted		
	Q3 2024	vs PY (Rpt Fx)	Q3 2024	vs PY (Rpt Fx)	vs PY (Cst Fx)
Quarter 3					
Gross Profit	\$ 2,999	(14.2) %	\$ 3,729	10.3 %	11.2 %
Gross Profit Margin	32.6 %	(6.1) pp	40.5 %	2.3 pp	
Operating Income	\$ 1,153	(16.4) %	\$ 1,738	20.9 %	22.0 %
Operating Income Margin	12.5 %	(2.8) pp	18.9 %	2.7 pp	
Net Earnings ²	\$ 853	(13.3) %	\$ 1,326	25.0 %	25.8 %
Diluted EPS	\$ 0.63	(12.5) %	\$ 0.99	28.6 %	28.6 %
September Year-to-Date					
	YTD 2024		YTD 2024		
Gross Profit	\$ 10,546	2.4 %	\$ 10,741	9.6 %	11.4 %
Gross Profit Margin	39.3 %	0.7 pp	40.1 %	2.7 pp	
Operating Income	\$ 4,734	9.9 %	\$ 4,940	16.8 %	20.1 %
Operating Income Margin	17.6 %	1.5 pp	18.4 %	2.3 pp	
Net Earnings	\$ 2,866	(28.5) %	\$ 3,782	17.4 %	20.8 %
Diluted EPS	\$ 2.12	(27.4) %	\$ 2.80	19.1 %	23.0 %

Third Quarter Commentary

- **Net revenues** increased 1.9 percent as Organic Net Revenue growth of 5.4 percent was partially offset by the impact of our 2023 divestiture of the developed market gum business and unfavorable currency-related items. Organic Net Revenue growth was driven by higher net pricing and favorable volume/mix.
- **Gross profit** decreased \$495 million, and gross profit margin decreased 610 basis points to 32.6 percent primarily driven by unfavorable year-over-year change in mark-to-market impacts from derivatives and the impact of our 2023 divestiture of the developed market gum business, partially offset by an increase in Adjusted Gross Profit¹ margin. Adjusted Gross Profit increased \$378 million at constant currency, and Adjusted Gross Profit margin increased 230 basis points to 40.5 percent due primarily to higher pricing and lower manufacturing costs driven by productivity, partially offset by higher raw material and transportation costs.
- **Operating income** decreased \$226 million, and operating income margin was 12.5 percent, down 280 basis points primarily due to unfavorable year-over-year change in mark-to-market gains/(losses) from currency and commodity hedging activities, higher intangible asset impairment charges, the impact of our 2023 divestiture of the developed market gum business and costs incurred for the ERP Systems Implementation program. These unfavorable items were partially offset by favorable year-over-year change in acquisition integration costs and contingent consideration adjustments, higher Adjusted Operating Income margin, lower divestiture-related costs, lower remeasurement loss of net monetary position and lower costs incurred for the Simplify to Grow program. Adjusted Operating Income increased \$316 million at constant currency while Adjusted Operating Income margin increased 270 basis points to 18.9 percent, driven primarily by higher net pricing, lower manufacturing costs driven by productivity and overhead leverage, partially offset by higher input cost inflation.
- **Diluted EPS** was \$0.63, down 12.5 percent, primarily due to an unfavorable year-over-year change in mark-to-market impacts from currency and commodity derivatives, higher intangible asset impairment charges, lapping prior-year operating results from the developed market gum business divested in 2023, cost incurred for the ERP Systems Implementation program and lapping prior-year gain on marketable securities. These unfavorable items were partially offset by an increase in Adjusted EPS, favorable year-over-year change in acquisition integration costs and contingent consideration adjustments, lower equity method investee items, favorable year-over-year change in initial impacts from enacted tax law changes and lower remeasurement loss of net monetary position.

- **Adjusted EPS** was \$0.99, up 28.6 percent on a constant currency basis driven by strong operating gains, fewer shares outstanding, lower interest expense and lower taxes.
- **Capital Return:** The company returned \$2.9 billion to shareholders in cash dividends and share repurchases in the first nine months of 2024.

2024 Outlook

Mondelēz International provides its outlook on a non-GAAP basis, as the company cannot predict some elements that are included in reported GAAP results, including the impact of foreign exchange. Refer to the Outlook section in the discussion of non-GAAP financial measures below for more details.

For 2024, the company reaffirms Organic Net Revenue growth to be at the upper end of 3 to 5 percent and high single-digit Adjusted EPS growth on a constant currency basis based on 2023 Adjusted EPS incl. developed market gum¹. The company expects 2024 Free Cash Flow of \$3.5+ billion. The company estimates currency translation would decrease 2024 net revenue growth by approximately 1.5 percent³ with a negative \$0.11 impact to Adjusted EPS³.

Outlook is provided in the context of greater than usual volatility, including due to geopolitical uncertainty and commodity prices.

Conference Call

Mondelēz International will host a conference call for investors with accompanying slides to review its results at 5 p.m. ET today. A listen-only webcast will be provided at www.mondelezinternational.com. An archive of the webcast will be available on the company's web site.

About Mondelēz International

Mondelēz International, Inc. (Nasdaq: MDLZ) empowers people to snack right in over 150 countries around the world. With 2023 net revenues of approximately \$36 billion, MDLZ is leading the future of snacking with iconic global and local brands such as *Oreo*, *Ritz*, *LU*, *Clif Bar* and *Tate's Bake Shop* biscuits and baked snacks, as well as *Cadbury Dairy Milk*, *Milka* and *Toblerone* chocolate. Mondelēz International is a proud member of the Standard and Poor's 500, Nasdaq 100 and Dow Jones Sustainability Index. Visit www.mondelezinternational.com or follow the company on Twitter at www.twitter.com/MDLZ.

End Notes

1. Organic Net Revenue, Adjusted Gross Profit (and Adjusted Gross Profit margin), Adjusted Operating Income (and Adjusted Operating Income margin), Adjusted EPS, Adjusted EPS incl. developed market gum, Free Cash Flow and presentation of amounts in constant currency are non-GAAP financial measures. Please see discussion of non-GAAP financial measures at the end of this press release for more information.

2. Earnings attributable to Mondelēz International.
3. Currency estimate is based on published rates from XE.com on October 22, 2024.

Additional Definitions

Emerging markets consist of the Latin America region in its entirety; the Asia, Middle East and Africa region excluding Australia, New Zealand and Japan; and the following countries from the Europe region: Russia, Ukraine, Türkiye, Kazakhstan, Georgia, Poland, Czech Republic, Slovak Republic, Hungary, Bulgaria, Romania, the Baltics and the East Adriatic countries.

Developed markets include the entire North America region, the Europe region excluding the countries included in the emerging markets definition, and Australia, New Zealand and Japan from the Asia, Middle East and Africa region.

Forward-Looking Statements

This press release contains contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management, including for future operations, capital expenditures or share repurchases; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; any statements of belief or expectation; and any statements of assumptions underlying any of the foregoing or other future events. Forward-looking statements may include, among others, the words, and variations of words, “will,” “may,” “expect,” “would,” “could,” “might,” “intend,” “plan,” “believe,” “likely,” “estimate,” “anticipate,” “objective,” “predict,” “project,” “drive,” “seek,” “aim,” “target,” “potential,” “commitment,” “outlook,” “continue” or any other similar words.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results or outcomes could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, many of which are beyond our control. Important factors that could cause our actual results or performance to differ materially from those contained in or implied by our forward-looking statements include, but are not limited to, the following:

- weakness in macroeconomic conditions in our markets, including as a result of inflation (and related monetary policy actions by governments in response to inflation) and the instability of certain financial institutions;
- volatility of commodity and other input costs and availability of commodities, including but not limited to cocoa;

- geopolitical uncertainty, including the impact of ongoing or new developments in Ukraine and the Middle East, related current and future sanctions imposed by governments and other authorities and related impacts, including on our business operations, employees, reputation, brands, financial condition and results of operations;
- competition and our response to channel shifts and pricing and other competitive pressures;
- pricing actions and customer and consumer responses to such actions;
- promotion and protection of our reputation and brand image;
- weakness in consumer spending and/or changes in consumer preferences and demand and our ability to predict, identify, interpret and meet these changes;
- risks from operating globally, including in emerging markets, such as political, economic and regulatory risks;
- the outcome and effects on us of legal and tax proceedings and government investigations;
- use of information technology and third party service providers;
- unanticipated disruptions to our business, such as malware incidents, cyberattacks or other security breaches, and supply, commodity, labor and transportation constraints;
- our ability to identify, complete, implement, manage and realize the full extent of the benefits, cost savings, efficiencies and/or synergies presented by strategic transactions and initiatives, such as our ERP System Implementation program;
- our investments and our ownership interests in those investments, including JDE Peet's;
- the restructuring program and our other transformation initiatives not yielding the anticipated benefits;
- changes in the assumptions on which the restructuring program is based;
- the impact of climate change on our supply chain and operations;
- global or regional health pandemics or epidemics;
- consolidation of retail customers and competition with retailer and other economy brands;
- changes in our relationships with customers, suppliers or distributors;
- management of our workforce and shifts in labor availability or labor costs;
- compliance with legal, regulatory, tax and benefit laws and related changes, claims or actions;
- perceived or actual product quality issues or product recalls;
- failure to maintain effective internal control over financial reporting or disclosure controls and procedures;
- our ability to protect our intellectual property and intangible assets;
- tax matters including changes in tax laws and rates, disagreements with taxing authorities and imposition of new taxes;
- changes in currency exchange rates, controls and restrictions;
- volatility of and access to capital or other markets, rising interest rates, the effectiveness of our cash management programs and our liquidity;
- pension costs;
- significant changes in valuation factors that may adversely affect our impairment testing of goodwill and intangible assets; and

- the risks and uncertainties, as they may be amended from time to time, set forth in our filings with the U.S. Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q.

There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statements we make. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this press release except as required by applicable law or regulation. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

Mondelēz International, Inc. and Subsidiaries
Condensed Consolidated Statements of Earnings
(in millions of U.S. dollars and shares, except per share data)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net revenues	\$ 9,204	\$ 9,029	\$ 26,837	\$ 26,702
Cost of sales	(6,205)	(5,535)	(16,291)	(16,408)
Gross profit	2,999	3,494	10,546	10,294
Gross profit margin	32.6 %	38.7 %	39.3 %	38.6 %
Selling, general and administrative expenses	(1,630)	(2,019)	(5,459)	(5,743)
Asset impairment and exit costs	(176)	(58)	(238)	(128)
Amortization of intangible assets	(40)	(38)	(115)	(114)
Operating income	1,153	1,379	4,734	4,309
Operating income margin	12.5 %	15.3 %	17.6 %	16.1 %
Benefit plan non-service income	25	19	76	60
Interest and other expense, net	(46)	(66)	(146)	(258)
(Loss)/gain on marketable securities	—	(1)	—	606
Earnings before income taxes	1,132	1,331	4,664	4,717
Income tax provision	(326)	(354)	(1,253)	(1,280)
Effective tax rate	28.8 %	26.6 %	26.9 %	27.1 %
(Loss)/gain on equity method investment transactions including impairments	(4)	1	(669)	465
Equity method investment net earnings	54	10	133	116
Net earnings	856	988	2,875	4,018
less: Noncontrolling interest earnings	(3)	(4)	(9)	(9)
Net earnings attributable to Mondelēz International	\$ 853	\$ 984	\$ 2,866	\$ 4,009
Per share data:				
Basic earnings per share attributable to Mondelēz International	\$ 0.64	\$ 0.72	\$ 2.13	\$ 2.94
Diluted earnings per share attributable to Mondelēz International	\$ 0.63	\$ 0.72	\$ 2.12	\$ 2.92
Average shares outstanding:				
Basic	1,339	1,363	1,343	1,364
Diluted	1,344	1,370	1,349	1,372

Mondelēz International, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in millions of U.S. dollars)
(Unaudited)

	September 30, 2024	December 31, 2023	
ASSETS			
Cash and cash equivalents	\$ 1,517	\$ 1,810	
Trade receivables	3,800	3,634	
Other receivables	891	878	
Inventories, net	4,270	3,615	
Other current assets	2,723	1,766	
Total current assets	13,201	11,703	
Property, plant and equipment, net	9,696	9,694	
Operating lease right-of-use assets	774	683	
Goodwill	23,773	23,896	
Intangible assets, net	19,459	19,836	
Prepaid pension assets	1,146	1,043	
Deferred income taxes	372	408	
Equity method investments	2,576	3,242	
Other assets	1,194	886	
TOTAL ASSETS	\$ 72,191	\$ 71,391	
LIABILITIES			
Short-term borrowings	\$ 1,484	\$ 420	
Current portion of long-term debt	1,821	2,101	
Accounts payable	9,110	8,321	
Accrued marketing	2,721	2,683	
Accrued employment costs	905	1,158	
Other current liabilities	5,032	4,330	
Total current liabilities	21,073	19,013	
Long-term debt	16,499	16,887	
Long-term operating lease liabilities	621	537	
Deferred income taxes	3,423	3,292	
Accrued pension costs	368	437	
Accrued postretirement health care costs	125	124	
Other liabilities	2,191	2,735	
TOTAL LIABILITIES	44,300	43,025	
EQUITY			
Common Stock	—	—	
Additional paid-in capital	32,244	32,216	
Retained earnings	35,331	34,236	
Accumulated other comprehensive losses	(11,579)	(10,946)	
Treasury stock	(28,142)	(27,174)	
Total Mondelēz International Shareholders' Equity	27,854	28,332	
Noncontrolling interest	37	34	
TOTAL EQUITY	27,891	28,366	
TOTAL LIABILITIES AND EQUITY	\$ 72,191	\$ 71,391	
	September 30, 2024	December 31, 2023	Incr/(Decr)
Short-term borrowings	\$ 1,484	\$ 420	\$ 1,064
Current portion of long-term debt	1,821	2,101	(280)
Long-term debt	16,499	16,887	(388)
Total Debt	19,804	19,408	396
Cash and cash equivalents	1,517	1,810	(293)
Net Debt ⁽¹⁾	\$ 18,287	\$ 17,598	\$ 689

⁽¹⁾ Net debt is defined as total debt, which includes short-term borrowings, current portion of long-term debt and long-term debt, less cash and cash equivalents.

Mondelēz International, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in millions of U.S. dollars)
(Unaudited)

	For the Nine Months Ended September 30,	
	2024	2023
CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		
Net earnings	\$ 2,875	\$ 4,018
Adjustments to reconcile net earnings to operating cash flows:		
Depreciation and amortization	971	902
Stock-based compensation expense	112	109
Deferred income tax provision	167	9
Asset impairments and accelerated depreciation	210	95
Loss/(gain) on equity method investment transactions including impairments	669	(465)
Equity method investment net earnings	(140)	(116)
Distributions from equity method investments	115	136
Unrealized loss/(gain) on derivative contracts	104	(259)
Gain on marketable securities	—	(593)
Contingent consideration adjustments	(311)	54
Other non-cash items, net	93	4
Change in assets and liabilities, net of acquisitions and divestitures:		
Receivables, net	(270)	(687)
Inventories, net	(710)	(484)
Accounts payable	951	18
Other current assets	(287)	(108)
Other current liabilities	(992)	637
Change in pension and postretirement assets and liabilities, net	(106)	(120)
Net cash provided by operating activities	<u>3,451</u>	<u>3,150</u>
CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		
Capital expenditures	(982)	(780)
Acquisitions, net of cash received	—	19
Proceeds from divestitures including equity method and marketable security investments	4	2,727
Proceeds from derivative settlements	191	165
Payments for derivative settlements	(150)	(27)
Contributions to investments	(249)	(338)
Proceeds from sale of property, plant and equipment and other	16	20
Net cash (used in)/provided by investing activities	<u>(1,170)</u>	<u>1,786</u>
CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		
Issuance of commercial paper, maturities greater than 90 days	—	67
Repayments of commercial paper, maturities greater than 90 days	—	(67)
Net issuances/(repayments) of short-term borrowings	1,065	(1,070)
Long-term debt proceeds	1,671	189
Long-term debt repayments	(2,517)	(2,087)
Repurchases of Common Stock	(1,187)	(659)
Dividends paid	(1,722)	(1,581)
Other	132	134
Net cash used in financing activities	<u>(2,558)</u>	<u>(5,074)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(34)</u>	<u>(133)</u>
Cash, Cash Equivalents and Restricted Cash		
Decrease	(311)	(271)
Balance at beginning of period	1,884	1,948
Balance at end of period	<u>\$ 1,573</u>	<u>\$ 1,677</u>

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP and Non-GAAP Financial Measures
(Unaudited)

The company reports its financial results in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). However, management believes that also presenting certain non-GAAP financial measures provides additional information to facilitate the comparison of the company's historical operating results and trends in its underlying operating results, and provides additional transparency on how the company evaluates its business. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the company's performance. The company also believes that presenting these measures allows investors to view its performance using the same measures that the company uses in evaluating its financial and business performance and trends.

The company considers quantitative and qualitative factors in assessing whether to adjust for the impact of items that may be significant or that could affect an understanding of its ongoing financial and business performance and trends. The adjustments generally fall within the following categories: acquisition & divestiture activities, gains and losses on intangible asset sales and non-cash impairments, major program restructuring activities, constant currency and related adjustments, major program financing and hedging activities and other major items affecting comparability of operating results. See below for a description of adjustments to the company's U.S. GAAP financial measures included herein.

Non-GAAP information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with U.S. GAAP. In addition, the company's non-GAAP financial measures may not be the same as or comparable to similar non-GAAP measures presented by other companies.

DEFINITIONS OF THE COMPANY'S NON-GAAP FINANCIAL MEASURES

The company's non-GAAP financial measures and corresponding metrics reflect how the company evaluates its operating results currently and provide improved comparability of operating results. As new events or circumstances arise, these definitions could change. When these definitions change, the company provides the updated definitions and presents the related non-GAAP historical results on a comparable basis. When items no longer impact the company's current or future presentation of non-GAAP operating results, the company removes these items from its non-GAAP definitions. Beginning in Q1 2024, due to a significant devaluation of the Argentinean peso that occurred in December 2023 and the resulting distortion it would cause on our non-GAAP constant currency growth rate measures, the company now excludes the impact of pricing in excess of 26% year-over-year ("extreme pricing") in Argentina. The benchmark of 26% represents the minimum annual inflation rate for each year over a 3-year period which would result in a cumulative inflation rate in excess of 100%, the level at which an economy is considered hyperinflationary under U.S. GAAP. The company has excluded the impact of extreme pricing in Argentina from its calculation of Organic Net Revenue, Organic Net Revenue growth and other non-GAAP financial constant currency growth measures with a corresponding adjustment to changes in currency exchange rates. The company made this change on a prospective basis due to the distorting effect expected in the current period and future periods following the Argentinian peso devaluation that occurred in December 2023 and did not revise its historical non-GAAP constant currency growth measures. Beginning in Q2 2024, the company added to its non-GAAP definitions the exclusion of operating expenses associated with its ERP System Implementation program as they represent incremental transformational costs above the normal ongoing level of spending on information technology to support operations. These operating expenses will be excluded from the company's non-GAAP financial measures as they are nonrecurring and excluding those costs will better facilitate comparisons of the company's underlying operating performance across periods.

- **"Organic Net Revenue"** is defined as net revenues (the most comparable U.S. GAAP financial measure) excluding the impacts of acquisitions, divestitures, short-term distributor agreements related to the sale of a business and currency rate fluctuations. The company also evaluates Organic Net Revenue growth from emerging markets and developed markets.
- **"Adjusted Gross Profit"** is defined as gross profit (the most comparable U.S. GAAP financial measure) excluding the impacts of the Simplify to Grow Program; acquisition integration costs; the operating results of divestitures; operating results from short-term distributor agreements related to the sale of a business; mark-to-market impacts from commodity, forecasted currency and equity method investment transaction derivative contracts; inventory step-up charges; 2017 malware incident net recoveries; and incremental costs due to the war in Ukraine. The company also presents "Adjusted Gross Profit margin," which is

subject to the same adjustments as Adjusted Gross Profit. The company also evaluates growth in the company's Adjusted Gross Profit on a constant currency basis.

- **“Adjusted Operating Income”** and **“Adjusted Segment Operating Income”** are defined as operating income (the most comparable U.S. GAAP financial measures) or segment operating income excluding the impacts of the items listed in the Adjusted Gross Profit definition as well as gains or losses (including non-cash impairment charges) on goodwill and intangible assets; divestiture or acquisition gains or losses, divestiture-related costs, acquisition-related costs, and acquisition integration costs and contingent consideration adjustments; remeasurement of net monetary position; impacts from resolution of tax matters; the European commission legal matter; impact from pension participation changes; and operating costs from the ERP System Implementation program. The company also presents “Adjusted Operating Income margin” and “Adjusted Segment Operating Income margin,” which are subject to the same adjustments as Adjusted Operating Income and Adjusted Segment Operating Income. The company also evaluates growth in the company's Adjusted Operating Income and Adjusted Segment Operating Income on a constant currency basis.
- **“Adjusted EPS”** is defined as diluted EPS attributable to Mondelēz International from continuing operations (the most comparable U.S. GAAP financial measure) excluding the impacts of the items listed in the Adjusted Operating Income definition, as well as losses on debt extinguishment and related expenses; gains or losses on interest rate swaps no longer designated as accounting cash flow hedges due to changed financing and hedging plans; mark-to-market unrealized gains or losses and realized gains or losses from marketable securities; initial impacts from enacted tax law changes; and gains or losses on equity method investment transactions. Similarly, within Adjusted EPS, the company's equity method investment net earnings exclude its proportionate share of its investee's significant operating and non-operating items. The tax impact of each of the items excluded from the company's U.S GAAP results was computed based on the facts and tax assumptions associated with each item, and such impacts have also been excluded from Adjusted EPS. The company also evaluates growth in the company's Adjusted EPS on a constant currency basis.
- **“Adjusted EPS including the developed market gum business”** is defined as the sum of (1) Adjusted EPS as described above within the non-GAAP financial measures definitions, and (2) the net earnings contribution from the developed market gum business divested on October 1, 2023, that has been removed from Adjusted EPS results for the periods prior to completion of this divestiture. Please see the 8-K issued on January 30, 2024 for additional details. As the developed market gum business was divested towards the end of 2023, the company determined to include its net earnings for the partial year through October 1, 2023 in this additional non-GAAP EPS financial measure to facilitate comparison to the company's 2024 outlook, as this financial measure was the basis for the 2024 outlook.
- **“Free Cash Flow”** is defined as net cash provided by operating activities less capital expenditures (the most comparable U.S. GAAP financial measure). Free Cash Flow is the company's primary measure used to monitor its cash flow performance.

See the attached schedules for supplemental financial data and corresponding reconciliations of the non-GAAP financial measures referred to above to the most comparable U.S. GAAP financial measures for the three and nine months ended September 30, 2024 and September 30, 2023. See *Items Impacting Comparability of Operating Results* below for more information about the items referenced in these definitions that specifically impacted the company's results.

SEGMENT OPERATING INCOME

The company uses segment operating income to evaluate segment performance and allocate resources. The company believes it is appropriate to disclose this measure to help investors analyze segment performance and trends. Segment operating income excludes unrealized gains and losses on hedging activities (which are a component of cost of sales), general corporate expenses (which are a component of selling, general and administrative expenses), amortization of intangibles, gains and losses on divestitures and acquisition-related costs (which are a component of selling, general and administrative expenses) in all periods presented. The company excludes these items from segment operating income in order to provide better transparency of its segment operating results. Furthermore, the company centrally manages benefit plan non-service income and interest and other expense, net. Accordingly, the company does not present these items by segment because they are excluded from the segment profitability measure that management reviews.

ITEMS IMPACTING COMPARABILITY OF OPERATING RESULTS

The following information is provided to give qualitative and quantitative information related to items impacting comparability of operating results. The company identifies these based on how management views the company's business; makes financial, operating and planning decisions; and evaluates the company's ongoing performance. In addition, the company discloses the impact of changes in currency exchange rates on the company's financial results in order to reflect results on a constant currency basis.

Divestitures, Divestiture-related costs and Gains/(losses) on divestitures

Divestitures include completed sales of businesses, exits of major product lines upon completion of a sale or licensing agreement, the partial or full sale of an equity method investment and changes from equity method investment accounting to accounting for marketable securities. As the company records its share of JDE Peet's ongoing earnings on a one-quarter lag basis, any JDE Peet's ownership reductions are reflected as divestitures within the company's non-GAAP results the following quarter. Divestiture-related costs, which includes costs incurred in relation to the preparation and completion (including one-time costs such as severance related to elimination of stranded costs) for the company's divestitures as defined above, also includes costs incurred associated with the company's publicly announced processes to sell businesses.

- On October 1, 2023, the company completed the sale of its developed market gum business in the United States, Canada, and Europe to Perfetti Van Melle Group, excluding the Portugal business which the company sold on October 23, 2023 after obtaining regulatory approval. The company received cash proceeds of \$1.4 billion and recorded a pre-tax gain of \$108 million on the sale. The divestiture of this business resulted in a year-over-year reduction in net revenues of \$179 million in the three months and \$483 million in the nine months ended September 30, 2024. The company reversed previously recorded divestiture-related costs no longer required of \$2 million in the three months and incurred divestiture-related costs of \$2 million in the nine months ended September 30, 2024 and \$14 million in the three months and \$66 million in the nine months ended September 30, 2023.
- The company's 2023 divestitures, impacting its historical results, also included the company's sales of JDE Peet's shares during the three months ended September 30, 2023, the April 3, 2023 sale of JDE Peet's shares and the March 2, 2023 sale of KDP shares and the change from equity method investment accounting to accounting for marketable securities for the company's remaining equity interest in KDP. See the section on gains/losses on equity method investment transactions and marketable securities below for more information.

Operating results from short-term distributor agreements

In the fourth quarter of 2023, the company began to exclude the operating results from short-term distributor agreements that have been executed in conjunction with the sale of a business. The company excludes this item to better facilitate comparisons of underlying performance across periods.

As part of the sale of the company's developed market gum business on October 1, 2023, the company entered into a short-term distribution agreement with the buyer, Perfetti Van Melle Group, to distribute gum products in certain European markets for up to six months. The company recorded net revenues of \$25 million and operating income of \$2 million in the first quarter of 2024.

Acquisitions, Acquisition-related costs and Acquisition integration costs and contingent consideration adjustments

Acquisition-related costs, which includes transaction costs such as third party advisor, investment banking and legal fees, also includes one-time compensation expense related to the buyout of non-vested employee stock ownership plan shares and realized gains or losses from hedging activities associated with acquisition funds. Acquisition integration costs and contingent consideration adjustments include one-time costs related to the integration of acquisitions as well as any adjustments made to the fair market value of contingent compensation liabilities that have been previously booked for earn-outs related to acquisitions that do not relate to employee compensation expense. The company excludes these items to better facilitate comparisons of its underlying operating performance across periods.

On September 20, 2024, the company announced that it had signed an agreement to acquire a majority of Evirth (Shanghai) Industrial Co., Ltd ("Evirth"), a leading manufacturer of cakes and pastries in China. The transaction is subject to customary closing conditions, including regulatory approval, and is expected to close in the fourth quarter of 2024. The company incurred acquisition-related costs of \$2 million in the three months ended September 30, 2024.

On November 1, 2022, the company acquired 100% of the equity of Grupo Bimbo's confectionery business, Ricolino, located primarily in Mexico. The acquisition of Ricolino builds on our continued prioritization of fast-growing snacking segments in key geographies. The company incurred acquisition integration costs of \$2 million in the three months and \$28 million in the nine months ended September 30, 2024 and \$14 million in the three months and \$30 million in the nine months ended September 30, 2023.

On August 1, 2022, the company acquired 100% of the equity of Clif Bar & Company ("Clif Bar"), a leading U.S. maker of nutritious energy bars with organic ingredients. The acquisition expands our global snacks bar business and complements our refrigerated snacking and performance nutrition bar portfolios. The company incurred acquisition integration costs and contingent consideration adjustments resulting in income of \$342 million in the three months and \$306 million in the nine months ended September 30, 2024 and expense of \$37 million in the three months and \$92 million in the nine months ended September 30, 2023. During the three months ended September 30, 2024, the expected forecast for 2025 and 2026 has been updated to reflect recent trends in business performance and market outlook which resulted in a reduction of \$350 million in the fair value of the contingent consideration.

On January 3, 2022, the company acquired 100% of the equity of Chipita Global S.A. ("Chipita"), a leading croissants and baked snacks company in the Central and Eastern European markets. The acquisition of Chipita offers a strategic complement to the company's existing portfolio and advances its strategy to become the global leader in broader snacking. The company incurred acquisition integration costs of \$10 million in the three months and \$11 million in the nine months ended September 30, 2024, and \$5 million in the three months and \$15 million in the nine months ended September 30, 2023.

On April 1, 2020, the company acquired a majority interest in Give & Go, a North American leader in fully-finished sweet baked goods and owner of the famous *two-bite*[®] brand of brownies and the *Create-A-Treat*[®] brand, known for cookie and gingerbread house decorating kits. The acquisition of Give & Go provides access to the in-store bakery channel and expands the company's position in broader snacking. The company incurred acquisition integration costs and contingent consideration adjustments of \$2 million in the three months and \$17 million in the nine months ended September 30, 2024, which primarily includes an increase to the contingent consideration liability due to changes to underlying assumptions, and \$10 million in the three months and \$11 million in the nine months ended September 30, 2023.

Simplify to Grow Program

The primary objective of the Simplify to Grow Program is to reduce the company's operating cost structure in both its supply chain and overhead costs. The program covers severance as well as asset disposals and other manufacturing and procurement-related one-time costs.

Restructuring costs

The company reversed restructuring charges of \$5 million in the three months and incurred restructuring charges of \$40 million in the nine months ended September 30, 2024, and \$16 million in the three months and \$48 million in the nine months ended September 30, 2023. This activity was recorded within asset impairment and exit costs and benefit plan non-service income. These charges were for severance and related costs, non-cash asset write-downs (including accelerated depreciation and asset impairments) and other adjustments, including any gains on sale of restructuring program assets.

Implementation costs

Implementation costs primarily relate to reorganizing the company's operations and facilities in connection with its supply chain reinvention program and other identified productivity and cost saving initiatives. The costs include incremental expenses related to the closure of facilities, costs to terminate certain contracts and the simplification of the company's information systems. The company recorded implementation costs of \$17 million in the three months and \$40 million in the nine months ended September 30, 2024, and \$4 million in the three months and \$13 million in the nine months ended September 30, 2023.

Intangible asset impairment charges

During the company's 2024 annual testing of indefinite-life intangible assets, the company recorded intangible asset impairment charges of \$153 million in the third quarter of 2024 related to two biscuit brands in the Europe segment, one biscuit brand in the AMEA segment and one candy and one biscuit brand in the Latin America segment. The impairments were driven by changes in projections, resulting primarily from the impact of customer price negotiation disruptions and continued commodity cost pressures in the third quarter of 2024, which are expected to result in a slower recovery than previously expected. The impairment charges were calculated as the excess of the carrying value over the estimated fair value of the intangible assets on a global basis and were recorded within asset impairment and exit costs.

During the company's 2023 annual testing of indefinite-life intangible assets, the company recorded intangible asset impairment charges of \$26 million in the third quarter of 2023 related to one chocolate brand in the North America segment and one biscuit brand in the Europe segment. The impairments were driven by changes in projections as a result of current and expected operating environment.

Mark-to-market impacts from commodity and currency derivative contracts

The company excludes unrealized gains and losses (mark-to-market impacts) from outstanding commodity and forecasted currency and equity method investment transaction derivative contracts from its non-GAAP earnings measures. The mark-to-market impacts of commodity and forecasted currency transaction derivatives are excluded until such time that the related exposures impact the company's operating results. Since the company purchases commodity and forecasted currency transaction contracts to mitigate price volatility primarily for inventory requirements in future periods, the company makes this adjustment to remove the volatility of these future inventory purchases on current operating results to facilitate comparisons of its underlying operating performance across periods. The company excludes equity method investment derivative contract settlements as they represent protection of value for future divestitures. The company recorded commodity, forecasted currency and equity method transaction derivatives net unrealized losses of \$707 million in the three months and \$156 million in the nine months ended September 30, 2024, and gains of \$20 million in the three months and \$236 million in the nine months ended September 30, 2023.

Remeasurement of net monetary position

The company translates the results of operations of its subsidiaries from multiple currencies using average exchange rates during each period and translate balance sheet accounts using exchange rates at the end of each period. The company records currency translation adjustments as a component of equity (except for highly inflationary currencies) and realized exchange gains and losses on transactions in earnings.

Highly inflationary accounting is triggered when a country's three-year cumulative inflation rate exceeds 100%. It requires the remeasurement of financial statements of subsidiaries in the country, from the functional currency of the subsidiary to our U.S. dollar reporting currency, with currency remeasurement gains or losses recorded in earnings. At this time, within the company's consolidated entities, Argentina and Türkiye are accounted for as highly inflationary economies. For Argentina, the company recorded a remeasurement loss of \$4 million in the three months and \$14 million in the nine months ended September 30, 2024, and \$20 million in the three months and \$41 million in the nine months ended September 30, 2023 related to the revaluation of the Argentinean peso denominated net monetary position over these periods. For Türkiye, the company recorded a remeasurement loss of \$5 million in the three months and \$12 million in the nine months ended September 30, 2024, and \$2 million in the three months and \$19 million in the nine months ended September 30, 2023 related to the revaluation of the Turkish lira denominated net monetary position over these periods. The company recorded these charges for Argentina and Türkiye within selling, general and administrative expenses.

Impact from pension participation changes

The impact from pension participation changes represent the charges incurred when employee groups are withdrawn from multiemployer pension plans and other changes in employee group pension plan participation. The company excludes these charges from its non-GAAP results because those amounts do not reflect the company's ongoing pension obligations.

On July 11, 2019, the company received an undiscounted withdrawal liability assessment related to the company's complete withdrawal from the Bakery and Confectionery Union and Industry International Pension Fund totaling \$491 million requiring pro-rata monthly payments over 20 years. The company began making monthly payments during the third quarter of 2019. In connection with the discounted long-term liability, the company recorded accreted interest of \$2 million in the three months and \$7 million in the nine months ended September 30, 2024 and \$3 million in the three months and \$8 million in the nine months ended September 30, 2023 within interest and other expense, net. As of September 30, 2024, the remaining discounted withdrawal liability was \$316 million, with \$16 million recorded in other current liabilities and \$300 million recorded in long-term other liabilities.

Incremental costs due to the war in Ukraine

In February 2022, Russia began a military invasion of Ukraine and the company closed its operations and facilities in Ukraine. In March 2022, the company's two Ukrainian manufacturing facilities in Trostyanets and Vyshhorod were significantly damaged. In the second quarter of 2024, the company fully resumed production at both facilities after completing targeted repairs. The company continues to consolidate both its Ukrainian and Russian subsidiaries and continues to evaluate its ability to control its operating activities and businesses on an ongoing basis. The company continues to evaluate the uncertainty of the ongoing effects of the war in Ukraine and its impact on the global economic environment, and the company cannot predict if it will have a significant impact in the future. The company incurred costs of \$2 million in the nine months ended September 30, 2024. The company reversed \$2 million during the first nine months of 2023 of previously recorded charges primarily as a result of higher than expected collection of trade receivables and inventory recoveries.

ERP System Implementation

In July 2024, the company's Board of Directors approved funding of \$1.2 billion for a multi-year systems transformation program to upgrade its global ERP and supply chain systems (the "ERP System Implementation"). The ERP System Implementation spending comprises both capital expenditures and operating expenses, of which a majority is expected to relate to operating expenses. The ERP System Implementation program will be implemented by region in several phases with spending occurring over the next five years, with expected completion by year-end 2028. The operating expenses associated with the ERP System Implementation represent incremental transformational costs above the normal ongoing level of spending on information technology to support operations. These expenses include third-party consulting fees, direct labor costs associated with the program, accelerated depreciation of the company's existing SAP financial systems and various other expenses, all associated with the implementation of the company's information technology upgrades. The company excludes these expenses from its non-GAAP results as they are nonrecurring and will better facilitate comparisons of the company's underlying operating performance across periods.

The company recorded operating expenses of \$29 million in the three months and \$38 million in the nine months ended September 30, 2024.

Initial impacts from enacted tax law changes

The company excludes initial impacts from enacted tax law changes from its non-GAAP financial measures as they do not reflect its ongoing tax obligations under the enacted tax law changes. Initial impacts include items such as the remeasurement of deferred tax balances and the transition tax from the 2017 U.S. tax reform.

The company recorded a net tax benefit from the decrease of its deferred tax liabilities resulting from enacted tax legislation of \$11 million in the three months and a net tax expense from the increase of its deferred tax liabilities resulting from enacted tax legislation of \$12 million in the nine months ended September 30, 2024, and recorded a net tax expense from the increase of its deferred tax liabilities resulting from enacted tax legislation of \$13 million in the three months and \$15 million in the nine months ended September 30, 2023.

Gains and losses on marketable securities and equity method investment transactions (including impairment charges)

Keurig Dr Pepper

During the first quarter of 2023, the company's reduction in ownership in Keurig Dr Pepper Inc. (NASDAQ: "KDP") fell to below 5% of the outstanding shares, resulting in a change of accounting for its KDP investment, from equity method investment accounting to accounting for equity interests with readily determinable fair values ("marketable securities") as the company no longer had significant influence over KDP. Marketable securities are measured at fair value based on quoted prices in active markets for identical assets (Level 1).

On July 13, 2023, the company sold 23 million shares, the remainder of its shares of KDP. The company received proceeds of approximately \$704 million.

On June 8, 2023, the company sold 23 million shares of KDP, which reduced its ownership by 1.6 percentage points, from 3.2% to 1.6% of the total outstanding shares. The company received proceeds of approximately \$708 million.

On March 2, 2023, the company sold 30 million shares of KDP, which reduced its ownership interest by 2.1 percentage points, from 5.3% to 3.2% of the total outstanding shares. The company received proceeds of approximately \$1.0 billion and prior to the change of accounting for its KDP investment, recorded a pre-tax gain on equity method transactions of \$493 million (\$368 million after-tax) during the first quarter of 2023.

Pre-tax (losses)/gains for marketable securities for the three and nine ended September 30, 2023 are summarized below:

	<u>Three Months Ended September 30, 2023</u>	<u>Nine Months Ended September 30, 2023</u>
	(in millions)	
Gain on marketable securities sold during the period	\$ —	\$ 593
Dividend income and other	(1)	13
Total (loss)/gain on marketable securities	<u>\$ (1)</u>	<u>\$ 606</u>

Due to the change in accounting for the company's KDP investment, from equity method investment accounting to accounting as marketable securities, the company has treated the historical equity method earnings from KDP as a divestiture under the definitions of our non-GAAP financial measures. Therefore, the company has removed the equity method investment net earnings for KDP from its non-GAAP financial results for all historical periods presented to facilitate comparison of results.

JDEP

During the three months ended March 31, 2024, the company determined there was an other-than-temporary impairment of its investment in JDEP, resulting in an impairment charge of €612 million (\$665 million). This charge was included within *(Loss)/gain on equity method investment transactions including impairments* in the condensed consolidated statement of earnings. There was no other than temporary impairment identified in the three and nine months ended September 30, 2023.

On March 30, 2023, the company issued options to sell shares of JDEP in tranches equivalent to approximately 7.7 million shares, exercisable at maturity during the third quarter of 2023. During the three months ended September 30, 2023, options were exercised on 2.2 million shares, which reduced the company's ownership by 0.4%, from 18.1% to 17.7% of the total outstanding shares. The company recorded a loss of €3 million (\$4 million) for these sales during the three months ended September 30, 2023.

On April 3, 2023, the company sold approximately 7.7 million shares of JDEP, which reduced the company's ownership by 1.6 percentage points, from 19.7% to 18.1% of the total outstanding shares. The company recorded a loss of €18 million (\$19 million) on this sale during the three months ended June 30, 2023.

The company considered the above ownership reductions as partial divestitures of its equity method investment in JDEP. Therefore, the company has removed the equity method investment net earnings related to the divested portion from its non-GAAP financial results for Adjusted EPS for all historical periods presented to facilitate comparison of results. The company's U.S. GAAP results, which include its equity method investment net earnings from JDEP, did not change from what was previously reported.

Equity method investee items

Within Adjusted EPS, the company's equity method investment net earnings exclude its proportionate share of its equity method investee's significant operating and non-operating items, such as acquisition and divestiture-related costs, restructuring program costs and initial impacts from enacted tax law changes.

Currency-related items

Management evaluates the operating performance of the company and its international subsidiaries on a constant currency basis. The company determines its currency-related items by evaluating currency translation rate changes with a corresponding adjustment due to the exclusion of the impact of extreme pricing in Argentina.

Currency translation rate changes

The company determines its constant currency operating results by dividing or multiplying, as appropriate, the current period local currency operating results by the currency exchange rates used to translate the company's financial statements in the comparable prior-year period to determine what the current-period U.S. dollar operating results would have been if the currency exchange rate had not changed from the comparable prior-year period. Therefore, currency translation rate changes are equal to current period local currency operating results multiplied by the change in average foreign currency exchange rates between the current fiscal period and the corresponding period of the prior fiscal year.

Extreme Pricing

During December 2023, the Argentinean peso significantly devalued. The peso's devaluation and potential resulting distortion on the company's non-GAAP Organic Net Revenue, Organic Net Revenue growth and other constant currency growth rate measures resulted in the company's decision to exclude the impact of pricing in excess of 26% year-over-year ("extreme pricing") in Argentina, from these measures beginning in Q1 2024. The benchmark of 26% represents the minimum annual inflation rate for each year over a 3-year period which would result in a cumulative inflation rate in excess of 100%, the level at which an economy is considered hyperinflationary under U.S. GAAP.

Currency-related items impacted the company's non-GAAP financial measures for the three months ended September 30, 2024, as follows:

- Organic Net Revenue: In total, unfavorable currency-related items of \$120 million (1.4 pp) were driven by unfavorable currency translation rate changes of \$393 million (4.4 pp), partially offset by the adjustment for extreme pricing of \$273 million (3.0 pp). In Emerging Markets, unfavorable currency-related items of \$170 million (4.8 pp) were driven by unfavorable currency translation rate changes of \$443 million (12.6 pp), partially offset by the adjustment for extreme pricing of \$273 million (7.8 pp). In Developed Markets, favorable currency-related items of \$50 million (1.0 pp) were driven by favorable currency translation rate changes.
- Adjusted Operating Income: Unfavorable currency-related items of \$16 million were driven by unfavorable currency translation rate changes of \$64 million, partially offset by the adjustment for extreme pricing of \$48 million.
- Adjusted EPS: Unfavorable currency-related items were flat as unfavorable currency translation rate changes of \$0.04, partially offset by the adjustment for extreme pricing of \$0.04.

Currency-related items impacted the company's non-GAAP financial measures for the nine months ended September 30, 2024, as follows:

- Organic Net Revenue: In total, unfavorable currency-related items of \$468 million (1.7 pp) were driven by unfavorable currency translation rate changes of \$1,450 million (5.5 pp), partially offset by the adjustment for extreme pricing of \$982 million (3.8 pp). In Emerging Markets, unfavorable currency-related items of \$529 million (5.1 pp) were driven by unfavorable currency translation rate changes of \$1,511 million (14.5 pp), partially offset by the adjustment for extreme pricing of \$982 million (9.4 pp). In Developed Markets, favorable currency-related items of \$61 million (0.4 pp) were driven by favorable currency translation rate changes.
- Adjusted Operating Income: Unfavorable currency-related items of \$143 million were driven by unfavorable currency translation rate changes of \$373 million, partially offset by the adjustment for extreme pricing of \$230 million.
- Adjusted EPS: Unfavorable currency-related items of \$0.09 were driven by unfavorable currency translation rate changes of \$0.26, partially offset by the adjustment for extreme pricing of \$0.17.

OUTLOOK

The company's outlook for 2024 Organic Net Revenue growth, Adjusted EPS growth on a constant currency basis and Free Cash Flow are non-GAAP financial measures that exclude or otherwise adjust for items impacting comparability of financial results such as the impact of changes in currency exchange rates, restructuring activities, acquisitions and divestitures. The company is not able to reconcile its projected Organic Net Revenue growth to its projected reported net revenue growth for the full-year 2024 because the company is unable to predict during this period the impact from potential acquisitions or divestitures, as well as the impact of currency translation due to the unpredictability of future changes in currency exchange rates, which could be material as a significant portion of the company's operations are outside the U.S. The company is not able to reconcile its projected Adjusted EPS growth on a constant currency basis to its projected reported diluted EPS growth for the full-year 2024 because the company is unable to predict during this period the timing of its restructuring program costs, mark-to-market impacts from commodity and forecasted currency transaction derivative contracts and impacts from potential acquisitions or divestitures as well as the impact of currency translation due to the unpredictability of future changes in currency exchange rates, which could be material as a significant portion of the company's operations are outside the U.S. The company is not able to reconcile its projected Free Cash Flow to its projected net cash from operating activities for the full-year 2024 because the company is unable to predict during this period the timing and amount of capital expenditures impacting cash flow. Therefore, because of the uncertainty and variability of the nature and amount of future adjustments, which could be significant, the company is unable to provide a reconciliation of these measures without unreasonable effort.

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Net Revenues
(in millions of U.S. dollars)
(Unaudited)

	Latin America	AMEA	Europe	North America	Mondelēz International
For the Three Months Ended September 30, 2024					
Reported (GAAP)	\$ 1,204	\$ 1,851	\$ 3,323	\$ 2,826	\$ 9,204
Currency-related items	127	43	(53)	3	120
Organic (Non-GAAP)	\$ 1,331	\$ 1,894	\$ 3,270	\$ 2,829	\$ 9,324
For the Three Months Ended September 30, 2023					
Reported (GAAP)	\$ 1,305	\$ 1,791	\$ 3,086	\$ 2,847	\$ 9,029
Divestitures	—	—	(60)	(119)	(179)
Organic (Non-GAAP)	\$ 1,305	\$ 1,791	\$ 3,026	\$ 2,728	\$ 8,850
\$ Change - Reported (GAAP)	\$ (101)	\$ 60	\$ 237	\$ (21)	\$ 175
\$ Change - Organic (Non-GAAP)	26	103	244	101	474
% Change - Reported (GAAP)	(7.7) %	3.4 %	7.7 %	(0.7) %	1.9 %
Divestitures	— pp	— pp	2.1 pp	4.3 pp	2.1 pp
Currency-related items	9.7	2.4	(1.7)	0.1	1.4
% Change - Organic (Non-GAAP)	2.0 %	5.8 %	8.1 %	3.7 %	5.4 %
Vol/Mix	(3.9) pp	0.7 pp	0.5 pp	1.7 pp	0.3 pp
Pricing	5.9	5.1	7.6	2.0	5.1

	Latin America	AMEA	Europe	North America	Mondelēz International
For the Nine Months Ended September 30, 2024					
Reported (GAAP)	\$ 3,755	\$ 5,388	\$ 9,565	\$ 8,129	\$ 26,837
Short-term distributor agreements	—	—	(25)	—	(25)
Currency-related items	156	237	68	7	468
Organic (Non-GAAP)	\$ 3,911	\$ 5,625	\$ 9,608	\$ 8,136	\$ 27,280
For the Nine Months Ended September 30, 2023					
Reported (GAAP)	\$ 3,744	\$ 5,339	\$ 9,319	\$ 8,300	\$ 26,702
Divestitures	—	—	(174)	(309)	(483)
Organic (Non-GAAP)	\$ 3,744	\$ 5,339	\$ 9,145	\$ 7,991	\$ 26,219
\$ Change - Reported (GAAP)	\$ 11	\$ 49	\$ 246	\$ (171)	\$ 135
\$ Change - Organic (Non-GAAP)	167	286	463	145	1,061
% Change - Reported (GAAP)	0.3 %	0.9 %	2.6 %	(2.1) %	0.5 %
Divestitures	— pp	— pp	2.0 pp	3.8 pp	1.9 pp
Short-term distributor agreements	—	—	(0.3)	—	(0.1)
Currency-related items	4.2	4.5	0.8	0.1	1.7
% Change - Organic (Non-GAAP)	4.5 %	5.4 %	5.1 %	1.8 %	4.0 %
Vol/Mix	(2.7) pp	(0.4) pp	(2.1) pp	(0.5) pp	(1.4) pp
Pricing	7.2	5.8	7.2	2.3	5.4

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Net Revenues — Markets
(in millions of U.S. dollars)
(Unaudited)

	Emerging Markets	Developed Markets	Mondelēz International
For the Three Months Ended September 30, 2024			
Reported (GAAP)	\$ 3,530	\$ 5,674	\$ 9,204
Currency-related items	170	(50)	120
Organic (Non-GAAP)	\$ 3,700	\$ 5,624	\$ 9,324
For the Three Months Ended September 30, 2023			
Reported (GAAP)	\$ 3,527	\$ 5,502	\$ 9,029
Divestitures	(1)	(178)	(179)
Organic (Non-GAAP)	\$ 3,526	\$ 5,324	\$ 8,850
\$ Change - Reported (GAAP)	\$ 3	\$ 172	\$ 175
\$ Change - Organic (Non-GAAP)	174	300	474
% Change - Reported (GAAP)	0.1 %	3.1 %	1.9 %
Divestitures	— pp	3.5 pp	2.1 pp
Currency-related items	4.8	(1.0)	1.4
% Change - Organic (Non-GAAP)	4.9 %	5.6 %	5.4 %
Vol/Mix	(1.0) pp	1.0 pp	0.3 pp
Pricing	5.9	4.6	5.1

	Emerging Markets	Developed Markets	Mondelēz International
For the Nine Months Ended September 30, 2024			
Reported (GAAP)	\$ 10,523	\$ 16,314	\$ 26,837
Short-term distributor agreements	(3)	(22)	(25)
Currency-related items	529	(61)	468
Organic (Non-GAAP)	\$ 11,049	\$ 16,231	\$ 27,280
For the Nine Months Ended September 30, 2023			
Reported (GAAP)	\$ 10,431	\$ 16,271	\$ 26,702
Divestitures	(4)	(479)	(483)
Organic (Non-GAAP)	\$ 10,427	\$ 15,792	\$ 26,219
\$ Change - Reported (GAAP)	\$ 92	\$ 43	\$ 135
\$ Change - Organic (Non-GAAP)	622	439	1,061
% Change - Reported (GAAP)	0.9 %	0.3 %	0.5 %
Divestitures	— pp	3.0 pp	1.9 pp
Short-term distributor agreements	—	(0.1)	(0.1)
Currency-related items	5.1	(0.4)	1.7
% Change - Organic (Non-GAAP)	6.0 %	2.8 %	4.0 %
Vol/Mix	(1.0) pp	(1.6) pp	(1.4) pp
Pricing	7.0	4.4	5.4

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Net Earnings and Tax Rate
(in millions of U.S. dollars and shares, except per share data) (Unaudited)

For the Three Months Ended September 30, 2024

	Operating Income	Benefit plan non-service expense / (income)	Interest and other expense, net	Marketable securities (gains)/losses	Earnings before income taxes	Income taxes ⁽¹⁾	Effective tax rate	Loss on equity method investment transactions including impairments	Equity method investment net losses / (earnings)	Non-controlling interest earnings	Net Earnings attributable to Mondelēz International	Diluted EPS attributable to Mondelēz International
Reported (GAAP)	\$ 1,153	\$ (25)	\$ 46	\$ —	\$ 1,132	\$ 326	28.8 %	\$ 4	\$ (54)	\$ 3	\$ 853	\$ 0.63
Simplify to Grow Program	12	—	—	—	12	2		—	—	—	10	0.01
Intangible asset impairment charges	153	—	—	—	153	40		—	—	—	113	0.08
Mark-to-market (gains)/losses from derivatives	710	—	3	—	707	144		—	—	—	563	0.42
Acquisition integration costs and contingent consideration adjustments	(328)	—	—	—	(328)	(84)		—	—	—	(244)	(0.18)
Acquisition-related costs	2	—	—	—	2	—		—	—	—	2	—
Divestiture-related costs	(2)	—	—	—	(2)	(1)		—	—	—	(1)	—
European Commission legal matter	—	—	—	—	—	1		—	—	—	(1)	—
ERP System Implementation costs	29	—	—	—	29	6		—	—	—	23	0.02
Remeasurement of net monetary position	9	—	—	—	9	—		—	—	—	9	0.01
Impact from pension participation changes	—	—	(2)	—	2	1		—	—	—	1	—
Initial impacts from enacted tax law changes	—	—	—	—	—	11		—	—	—	(11)	(0.01)
Loss on equity method investment transactions including impairments	—	—	—	—	—	—		(4)	—	—	4	—
Equity method investee items	—	—	—	—	—	—		—	(5)	—	5	0.01
Adjusted (Non-GAAP)	\$ 1,738	\$ (25)	\$ 47	\$ —	\$ 1,716	\$ 446	26.0 %	\$ —	\$ (59)	\$ 3	\$ 1,326	\$ 0.99
Currency-related items											9	—
Adjusted @ Constant FX (Non-GAAP)											\$ 1,335	\$ 0.99
Diluted Average Shares Outstanding												1,344

For the Three Months Ended September 30, 2023

	Operating Income	Benefit plan non-service expense / (income)	Interest and other expense, net	Marketable securities (gains)/losses	Earnings before income taxes	Income taxes ⁽¹⁾	Effective tax rate	Gain on equity method investment transactions	Equity method investment net losses / (earnings)	Non-controlling interest earnings	Net Earnings attributable to Mondelēz International	Diluted EPS attributable to Mondelēz International
Reported (GAAP)	\$ 1,379	\$ (19)	\$ 66	\$ 1	\$ 1,331	\$ 354	26.6 %	\$ (1)	\$ (10)	\$ 4	\$ 984	\$ 0.72
Simplify to Grow Program	20	—	—	—	20	2		—	—	—	18	0.01
Intangible asset impairment charges	26	—	—	—	26	6		—	—	—	20	0.02
Mark-to-market (gains)/losses from derivatives	(19)	—	—	—	(19)	(9)		1	—	—	(11)	(0.01)
Acquisition integration costs and contingent consideration adjustments	68	—	—	—	68	17		—	—	—	51	0.04
Divestiture-related costs	14	—	—	—	14	14		—	—	—	—	—
Operating results from divestitures	(73)	—	—	—	(73)	(17)		—	—	—	(56)	(0.05)
Incremental costs due to war in Ukraine	1	—	—	—	1	—		—	—	—	1	—
Remeasurement of net monetary position	22	—	—	—	22	—		—	—	—	22	0.02
Impact from pension participation changes	—	—	(3)	—	3	1		—	—	—	2	—
Initial impacts from enacted tax law changes	—	—	—	—	—	(13)		—	—	—	13	0.01
Gain on marketable securities	—	—	—	—	—	21		—	—	—	(21)	(0.02)
Equity method investee items	—	—	—	—	—	—		—	(38)	—	38	0.03
Adjusted (Non-GAAP)	\$ 1,438	\$ (19)	\$ 63	\$ 1	\$ 1,393	\$ 376	27.0 %	\$ —	\$ (48)	\$ 4	\$ 1,061	\$ 0.77
Diluted Average Shares Outstanding												1,370

(1) Taxes were computed for each of the items excluded from the company's GAAP results based on the facts and tax assumptions associated with each item.

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Net Earnings and Tax Rate
(in millions of U.S. dollars and shares, except per share data) (Unaudited)

For the Nine Months Ended September 30, 2024

	Operating Income	Benefit plan non-service expense / (income)	Interest and other expense, net	Marketable securities (gains)/losses	Earnings before income taxes	Income taxes (1)	Effective tax rate	Loss on equity method investment transactions including impairments	Equity method investment net losses / (earnings)	Non-controlling interest earnings	Net Earnings attributable to Mondelēz International	Diluted EPS attributable to Mondelēz International
Reported (GAAP)	\$ 4,734	\$ (76)	\$ 146	\$ —	\$ 4,664	\$ 1,253	26.9 %	\$ 669	\$ (133)	\$ 9	\$ 2,866	\$ 2.12
Simplify to Grow Program	80	—	—	—	80	19		—	—	—	61	0.05
Intangible asset impairment charges	153	—	—	—	153	40		—	—	—	113	0.08
Mark-to-market (gains)/losses from derivatives	157	—	1	—	156	28		—	—	—	128	0.09
Acquisition integration costs and contingent consideration adjustments	(249)	—	—	—	(249)	(67)		—	—	—	(182)	(0.13)
Acquisition-related costs	2	—	—	—	2	—		—	—	—	2	—
Divestiture-related costs	2	—	—	—	2	—		—	—	—	2	—
Operating results from short-term distributor agreements	(2)	—	—	—	(2)	(1)		—	—	—	(1)	—
European Commission legal matter	(3)	—	—	—	(3)	—		—	—	—	(3)	—
Incremental costs due to war in Ukraine	2	—	—	—	2	—		—	—	—	2	—
ERP System Implementation costs	38	—	—	—	38	8		—	—	—	30	0.02
Remeasurement of net monetary position	26	—	—	—	26	—		—	—	—	26	0.02
Impact from pension participation changes	—	—	(7)	—	7	2		—	—	—	5	—
Initial impacts from enacted tax law changes	—	—	—	—	—	(12)		—	—	—	12	0.01
Loss on equity method investment transactions including impairments	—	—	—	—	—	—		(669)	—	—	669	0.50
Equity method investee items	—	—	—	—	—	—		—	(52)	—	52	0.04
Adjusted (Non-GAAP)	\$ 4,940	\$ (76)	\$ 140	\$ —	\$ 4,876	\$ 1,270	26.0 %	\$ —	\$ (185)	\$ 9	\$ 3,782	\$ 2.80
Currency-related items											110	0.09
Adjusted @ Constant FX (Non-GAAP)											\$ 3,892	\$ 2.89

Diluted Average Shares Outstanding

1,349

For the Nine Months Ended September 30, 2023

	Operating Income	Benefit plan non-service expense / (income)	Interest and other expense, net	Marketable securities (gains)/losses	Earnings before income taxes	Income taxes (1)	Effective tax rate	Gain on equity method investment transactions	Equity method investment net losses / (earnings)	Non-controlling interest earnings	Net Earnings attributable to Mondelēz International	Diluted EPS attributable to Mondelēz International
Reported (GAAP)	\$ 4,309	\$ (60)	\$ 258	\$ (606)	\$ 4,717	\$ 1,280	27.1 %	\$ (465)	\$ (116)	\$ 9	\$ 4,009	\$ 2.92
Simplify to Grow Program	61	—	—	—	61	9		—	—	—	52	0.04
Intangible asset impairment charges	26	—	—	—	26	6		—	—	—	20	0.02
Mark-to-market (gains)/losses from derivatives	(239)	—	(6)	—	(233)	(38)		3	—	—	(198)	(0.14)
Acquisition integration costs and contingent consideration adjustments	143	—	—	—	143	39		—	—	—	104	0.08
Divestiture-related costs	66	—	—	—	66	22		—	—	—	44	0.03
Operating results from divestitures	(193)	—	—	—	(193)	(45)		—	28	—	(176)	(0.13)
Incremental costs due to war in Ukraine	(2)	—	—	—	(2)	—		—	—	—	(2)	—
Remeasurement of net monetary position	60	—	—	—	60	—		—	—	—	60	0.04
Impact from pension participation changes	—	—	(8)	—	8	2		—	—	—	6	—
Loss on debt extinguishment and related expenses	—	—	(1)	—	1	—		—	—	—	1	—
Initial impacts from enacted tax law changes	—	—	—	—	—	(15)		—	—	—	15	0.01
Gain on marketable securities	—	—	—	593	(593)	(135)		—	—	—	(458)	(0.33)
Gain on equity method investment transactions	—	—	—	—	—	(124)		462	—	—	(338)	(0.25)
Equity method investee items	—	—	—	—	—	—		—	(82)	—	82	0.06
Adjusted (Non-GAAP)	\$ 4,231	\$ (60)	\$ 243	\$ (13)	\$ 4,061	\$ 1,001	24.6 %	\$ —	\$ (170)	\$ 9	\$ 3,221	\$ 2.35

Diluted Average Shares Outstanding

1,372

(1) Taxes were computed for each of the items excluded from the company's GAAP results based on the facts and tax assumptions associated with each item.

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Diluted EPS
(Unaudited)

	For the Three Months Ended September 30,		\$ Change	% Change
	2024	2023		
Diluted EPS attributable to Mondelēz International (GAAP)	\$ 0.63	\$ 0.72	\$ (0.09)	(12.5) %
Simplify to Grow Program	0.01	0.01	—	
Intangible asset impairment charges	0.08	0.02	0.06	
Mark-to-market (gains)/losses from derivatives	0.42	(0.01)	0.43	
Acquisition integration costs and contingent consideration adjustments	(0.18)	0.04	(0.22)	
Operating results from divestitures	—	(0.05)	0.05	
ERP System Implementation costs	0.02	—	0.02	
Remeasurement of net monetary position	0.01	0.02	(0.01)	
Initial impacts from enacted tax law changes	(0.01)	0.01	(0.02)	
Gain on marketable securities	—	(0.02)	0.02	
Equity method investee items	0.01	0.03	(0.02)	
Adjusted EPS (Non-GAAP)	\$ 0.99	\$ 0.77	\$ 0.22	28.6 %
Currency-related items	—	—	—	
Adjusted EPS @ Constant FX (Non-GAAP)	\$ 0.99	\$ 0.77	\$ 0.22	28.6 %
<u>Adjusted EPS @ Constant FX - Key Drivers</u>				
Increase in operations			\$ 0.17	
Change in benefit plan non-service income			—	
Change in interest and other expense, net			0.01	
Change in equity method investment net earnings			0.01	
Change in income taxes			0.01	
Change in shares outstanding			0.02	
			\$ 0.22	

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Diluted EPS
(Unaudited)

	For the Nine Months Ended September 30,		\$ Change	% Change
	2024	2023		
Diluted EPS attributable to Mondelēz International (GAAP)	\$ 2.12	\$ 2.92	\$ (0.80)	(27.4) %
Simplify to Grow Program	0.05	0.04	0.01	
Intangible asset impairment charges	0.08	0.02	0.06	
Mark-to-market (gains)/losses from derivatives	0.09	(0.14)	0.23	
Acquisition integration costs and contingent consideration adjustments	(0.13)	0.08	(0.21)	
Divestiture-related costs	—	0.03	(0.03)	
Operating results from divestitures	—	(0.13)	0.13	
ERP System Implementation costs	0.02	—	0.02	
Remeasurement of net monetary position	0.02	0.04	(0.02)	
Initial impacts from enacted tax law changes	0.01	0.01	—	
Gain on marketable securities	—	(0.33)	0.33	
(Loss)/gain on equity method investment transactions including impairments	0.50	(0.25)	0.75	
Equity method investee items	0.04	0.06	(0.02)	
Adjusted EPS (Non-GAAP)	\$ 2.80	\$ 2.35	\$ 0.45	19.1 %
Currency-related items	0.09	—	0.09	
Adjusted EPS @ Constant FX (Non-GAAP)	\$ 2.89	\$ 2.35	\$ 0.54	23.0 %
<u>Adjusted EPS @ Constant FX - Key Drivers</u>				
Increase in operations			\$ 0.47	
Change in benefit plan non-service income			0.01	
Change in interest and other expense, net			0.04	
Dividend income from marketable securities			(0.01)	
Change in equity method investment net earnings			0.01	
Change in income taxes			(0.03)	
Change in shares outstanding			0.05	
			\$ 0.54	

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Segment Data
(in millions of U.S. dollars) (Unaudited)

For the Three Months Ended September 30, 2024

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Other Items	Mondelēz International
Net Revenue									
Reported (GAAP)	\$ 1,204	\$ 1,851	\$ 3,323	\$ 2,826	\$ —	\$ —	\$ —	\$ —	\$ 9,204
Short-term distributor agreements	—	—	—	—	—	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 1,204</u>	<u>\$ 1,851</u>	<u>\$ 3,323</u>	<u>\$ 2,826</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,204</u>
Operating Income									
Reported (GAAP)	\$ 125	\$ 335	\$ 605	\$ 918	\$ (710)	\$ (78)	\$ (40)	\$ (2)	\$ 1,153
Simplify to Grow Program	1	4	(7)	11	—	3	—	—	12
Intangible asset impairment charges	5	5	143	—	—	—	—	—	153
Mark-to-market (gains)/losses from derivatives	—	—	—	—	710	—	—	—	710
Acquisition integration costs and contingent consideration adjustments	2	—	9	(341)	—	2	—	—	(328)
Acquisition-related costs	—	—	—	—	—	—	—	2	2
Divestiture-related costs	—	—	(2)	—	—	—	—	—	(2)
ERP System Implementation costs	5	4	8	5	—	7	—	—	29
Remeasurement of net monetary position	4	—	5	—	—	—	—	—	9
Adjusted (Non-GAAP)	<u>\$ 142</u>	<u>\$ 348</u>	<u>\$ 761</u>	<u>\$ 593</u>	<u>\$ —</u>	<u>\$ (66)</u>	<u>\$ (40)</u>	<u>\$ —</u>	<u>\$ 1,738</u>
Currency-related items	38	6	(24)	1	—	(6)	1	—	16
Adjusted @ Constant FX (Non-GAAP)	<u>\$ 180</u>	<u>\$ 354</u>	<u>\$ 737</u>	<u>\$ 594</u>	<u>\$ —</u>	<u>\$ (72)</u>	<u>\$ (39)</u>	<u>\$ —</u>	<u>\$ 1,754</u>
\$ Change - Reported (GAAP)	\$ (31)	\$ 33	\$ 111	\$ 386	n/m	\$ 8	\$ (2)	n/m	\$ (226)
\$ Change - Adjusted (Non-GAAP)	(47)	42	259	35	n/m	13	(2)	n/m	300
\$ Change - Adjusted @ Constant FX (Non-GAAP)	(9)	48	235	36	n/m	7	(1)	n/m	316
% Change - Reported (GAAP)	(19.9) %	10.9 %	22.5 %	72.6 %	n/m	9.3 %	(5.3)%	n/m	(16.4) %
% Change - Adjusted (Non-GAAP)	(24.9) %	13.7 %	51.6 %	6.3 %	n/m	16.5 %	(5.3)%	n/m	20.9 %
% Change - Adjusted @ Constant FX (Non-GAAP)	(4.8) %	15.7 %	46.8 %	6.5 %	n/m	8.9 %	(2.6)%	n/m	22.0 %
Operating Income Margin									
Reported %	10.4 %	18.1 %	18.2 %	32.5 %					12.5 %
Reported pp change	(1.6)pp	1.2 pp	2.2 pp	13.8 pp					(2.8)pp
Adjusted %	11.8 %	18.8 %	22.9 %	21.0 %					18.9 %
Adjusted pp change	(2.7)pp	1.7 pp	6.3 pp	0.5 pp					2.7 pp

For the Three Months Ended September 30, 2023

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Other Items	Mondelēz International
Net Revenue									
Reported (GAAP)	\$ 1,305	\$ 1,791	\$ 3,086	\$ 2,847	\$ —	\$ —	\$ —	\$ —	\$ 9,029
Divestitures	—	—	(60)	(119)	—	—	—	—	(179)
Adjusted (Non-GAAP)	\$ 1,305	\$ 1,791	\$ 3,026	\$ 2,728	\$ —	\$ —	\$ —	\$ —	\$ 8,850
Operating Income									
Reported (GAAP)	\$ 156	\$ 302	\$ 494	\$ 532	\$ 19	\$ (86)	\$ (38)	\$ —	\$ 1,379
Simplify to Grow Program	—	4	1	12	—	3	—	—	20
Intangible asset impairment charges	—	—	6	20	—	—	—	—	26
Mark-to-market (gains)/losses from derivatives	—	—	—	—	(19)	—	—	—	(19)
Acquisition integration costs and contingent consideration adjustments	13	—	6	46	—	3	—	—	68
Divestiture-related costs	—	—	12	1	—	1	—	—	14
Operating results from divestitures	—	—	(20)	(53)	—	—	—	—	(73)
Incremental costs due to war in Ukraine	—	—	1	—	—	—	—	—	1
Remeasurement of net monetary position	20	—	2	—	—	—	—	—	22
Adjusted (Non-GAAP)	\$ 189	\$ 306	\$ 502	\$ 558	\$ —	\$ (79)	\$ (38)	\$ —	\$ 1,438
Operating Income Margin									
Reported %	12.0 %	16.9 %	16.0 %	18.7 %					15.3 %
Adjusted %	14.5 %	17.1 %	16.6 %	20.5 %					16.2 %

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Segment Data
(in millions of U.S. dollars) (Unaudited)

For the Nine Months Ended September 30, 2024

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Other Items	Mondelēz International
Net Revenue									
Reported (GAAP)	\$ 3,755	\$ 5,388	\$ 9,565	\$ 8,129	\$ —	\$ —	\$ —	\$ —	\$ 26,837
Short-term distributor agreements	—	—	(25)	—	—	—	—	—	(25)
Adjusted (Non-GAAP)	\$ 3,755	\$ 5,388	\$ 9,540	\$ 8,129	\$ —	\$ —	\$ —	\$ —	\$ 26,812
Operating Income									
Reported (GAAP)	\$ 426	\$ 1,036	\$ 1,746	\$ 2,012	\$ (157)	\$ (212)	\$ (115)	\$ (2)	\$ 4,734
Simplify to Grow Program	5	5	41	21	—	8	—	—	80
Intangible asset impairment charges	5	5	143	—	—	—	—	—	153
Mark-to-market (gains)/losses from derivatives	—	—	—	—	157	—	—	—	157
Acquisition integration costs and contingent consideration adjustments	28	1	11	(290)	—	1	—	—	(249)
Acquisition-related costs	—	—	—	—	—	—	—	2	2
Divestiture-related costs	—	—	1	1	—	—	—	—	2
Operating results from short-term distributor agreements	—	—	(2)	—	—	—	—	—	(2)
European Commission legal matter	—	—	(3)	—	—	—	—	—	(3)
Incremental costs due to war in Ukraine	—	—	2	—	—	—	—	—	2
ERP System Implementation costs	6	5	9	7	—	11	—	—	38
Remeasurement of net monetary position	14	—	12	—	—	—	—	—	26
Adjusted (Non-GAAP)	\$ 484	\$ 1,052	\$ 1,960	\$ 1,751	\$ —	\$ (192)	\$ (115)	\$ —	\$ 4,940
Currency-related items	92	44	10	1	—	(5)	1	—	143
Adjusted @ Constant FX (Non-GAAP)	\$ 576	\$ 1,096	\$ 1,970	\$ 1,752	\$ —	\$ (197)	\$ (114)	\$ —	\$ 5,083
\$ Change - Reported (GAAP)	\$ (3)	\$ 167	\$ 296	\$ 334	n/m	\$ 30	\$ (1)	n/m	\$ 425
\$ Change - Adjusted (Non-GAAP)	(13)	175	452	66	n/m	32	(3)	n/m	709
\$ Change - Adjusted @ Constant FX (Non-GAAP)	79	219	462	67	n/m	27	(2)	n/m	852
% Change - Reported (GAAP)	(0.7) %	19.2 %	20.4 %	19.9 %	n/m	12.4 %	(0.9)%	n/m	9.9 %
% Change - Adjusted (Non-GAAP)	(2.6) %	20.0 %	30.0 %	3.9 %	n/m	14.3 %	(2.7)%	n/m	16.8 %
% Change - Adjusted @ Constant FX (Non-GAAP)	15.9 %	25.0 %	30.6 %	4.0 %	n/m	12.1 %	(1.8)%	n/m	20.1 %
Operating Income Margin									
Reported %	11.3 %	19.2 %	18.3 %	24.8 %					17.6 %
Reported pp change	(0.2)pp	2.9 pp	2.7 pp	4.6 pp					1.5 pp
Adjusted %	12.9 %	19.5 %	20.5 %	21.5 %					18.4 %
Adjusted pp change	(0.4)pp	3.1 pp	4.0 pp	0.4 pp					2.3 pp

For the Nine Months Ended September 30, 2023

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Other Items	Mondelēz International
Net Revenue									
Reported (GAAP)	\$ 3,744	\$ 5,339	\$ 9,319	\$ 8,300	\$ —	\$ —	\$ —	\$ —	\$ 26,702
Divestitures	—	—	(174)	(309)	—	—	—	—	(483)
Adjusted (Non-GAAP)	\$ 3,744	\$ 5,339	\$ 9,145	\$ 7,991	\$ —	\$ —	\$ —	\$ —	\$ 26,219
Operating Income									
Reported (GAAP)	\$ 429	\$ 869	\$ 1,450	\$ 1,678	\$ 239	\$ (242)	\$ (114)	\$ —	\$ 4,309
Simplify to Grow Program	(2)	6	30	20	—	7	—	—	61
Intangible asset impairment charges	—	—	6	20	—	—	—	—	26
Mark-to-market (gains)/losses from derivatives	—	—	—	—	(239)	—	—	—	(239)
Acquisition integration costs and contingent consideration adjustments	29	2	15	93	—	4	—	—	143
Divestiture-related costs	—	—	49	10	—	7	—	—	66
Operating results from divestitures	—	—	(59)	(136)	—	—	2	—	(193)
Incremental costs due to war in Ukraine	—	—	(2)	—	—	—	—	—	(2)
Remeasurement of net monetary position	41	—	19	—	—	—	—	—	60
Adjusted (Non-GAAP)	\$ 497	\$ 877	\$ 1,508	\$ 1,685	\$ —	\$ (224)	\$ (112)	\$ —	\$ 4,231
Operating Income Margin									
Reported %	11.5 %	16.3 %	15.6 %	20.2 %					16.1 %
Adjusted %	13.3 %	16.4 %	16.5 %	21.1 %					16.1 %

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Net Cash Provided by Operating Activities to Free Cash Flow
(in millions of U.S. dollars)
(Unaudited)

	For the Nine Months Ended September 30,		\$ Change
	2024	2023	
Net Cash Provided by Operating Activities (GAAP)	\$ 3,451	\$ 3,150	\$ 301
Capital Expenditures	(982)	(780)	(202)
Free Cash Flow (Non-GAAP)	\$ 2,469	\$ 2,370	\$ 99