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Mondelēz International Reports Q1 2025 Results

Net Revenues +0.2%, Organic Net Revenues¹ +3.1%, Volume/Mix -3.5%

Diluted EPS declined -70.2% to \$0.31

Adjusted EPS¹ was \$0.74 which declined -18.3% on a constant currency basis

Cash provided by operating activities was \$1.1 billion

Free Cash Flow¹ was \$0.8 billion

Return of capital to shareholders was \$2.1 billion

CHICAGO, Ill. – April 29, 2025 – Mondelēz International, Inc. (Nasdaq: MDLZ) today reported its first quarter 2025 results.

“We delivered solid Q1 2025 results in line with our expectations, driven by strong execution of our growth strategy while navigating unprecedented cocoa cost inflation,” said Dirk Van de Put, Chair and Chief Executive Officer. “Our Q1 pricing and share performance, along with the global strength of our categories, provide us with continued confidence in our full-year outlook. We remain committed to delivering against our strategic agenda and staying agile in this volatile operating environment to drive sustainable shareholder value.”

Net Revenue

\$ in millions	Reported Net Revenues		Organic Net Revenue Growth		
	Q1 2025	% Chg vs PY	Q1 2025	Vol/Mix	Pricing
Quarter 1					
Latin America	\$ 1,203	(8.8) %	3.9 %	(2.5) pp	6.4 pp
Asia, Middle East & Africa	2,016	3.4	1.8	(3.0)	4.8
Europe	3,550	5.4	8.9	(4.5)	13.4
North America	2,544	(4.1)	(3.6)	(3.1)	(0.5)
Mondelēz International	\$ 9,313	0.2 %	3.1 %	(3.5) pp	6.6 pp
Emerging Markets	\$ 3,723	(0.3) %	3.9 %	(3.7) pp	7.6 pp
Developed Markets	\$ 5,590	0.6 %	2.6 %	(3.3) pp	5.9 pp

Operating Income and Diluted EPS

\$ in millions, except per share data	Reported		Adjusted		
	Q1 2025	vs PY (Rpt Fx)	Q1 2025	vs PY (Rpt Fx)	vs PY (Cst Fx)
Quarter 1					
Gross Profit	\$ 2,430	(48.8) %	\$ 3,110	(14.3) %	(12.0) %
Gross Profit Margin	26.1 %	(25.0) pp	33.4 %	(5.8) pp	
Operating Income	\$ 680	(75.1) %	\$ 1,375	(19.6) %	(18.0) %
Operating Income Margin	7.3 %	(22.1) pp	14.8 %	(3.7) pp	
Net Earnings ²	\$ 402	(71.5) %	\$ 963	(23.4) %	(21.5) %
Diluted EPS	\$ 0.31	(70.2) %	\$ 0.74	(20.4) %	(18.3) %

First Quarter Commentary

- **Net revenues** increased 0.2 percent as Organic Net Revenue growth of 3.1 percent and incremental net revenue from our acquisition of Evirth was partially offset by unfavorable currency-related items and lapping prior-year sales from a short-term distributor agreement related to the developed market gum business divested in 2023. Organic Net Revenue growth was driven by higher net pricing, partially offset by unfavorable volume/mix.
- **Gross profit** decreased \$2,320 million, and gross profit margin decreased 2,500 basis points to 26.1 percent primarily driven by unfavorable year-over-year change in mark-to-market impacts from commodity and currency derivatives and a decrease in Adjusted Gross Profit¹ margin. Adjusted Gross Profit decreased \$437 million at constant currency, and Adjusted Gross Profit margin decreased 580 basis points to 33.4 percent due primarily to higher raw material and transportation costs and unfavorable product mix, partially offset by higher pricing and lower manufacturing costs driven by productivity.
- **Operating income** decreased \$2,047 million, and operating income margin was 7.3 percent, down 2,210 basis points primarily due to unfavorable year-over-year change in mark-to-market impacts from commodity and currency derivatives, lower Adjusted Operating Income margin and costs incurred for the ERP System Implementation program, partially offset by lower acquisition integration costs and contingent consideration adjustments and lapping prior-year costs for the completed Simplify to Grow Program. Adjusted Operating Income decreased \$308 million at constant currency while Adjusted Operating Income margin decreased 370 basis points to 14.8 percent, driven primarily by higher input cost inflation and unfavorable product mix, partially offset by higher net pricing, lower advertising and consumer promotion costs, lower manufacturing costs driven by productivity and lower overhead costs.
- **Diluted EPS** was \$0.31, down 70.2 percent, primarily due to unfavorable year-over-year change in mark-to-market impacts from commodity and currency derivatives, a decrease in Adjusted EPS and costs incurred for the ERP System Implementation program. These unfavorable items were partially offset by lapping prior-year equity method investment impairment, lapping prior-year costs for the completed Simplify to Grow Program, lower acquisition integration costs and contingent consideration adjustments and lower losses on remeasurement of net monetary position in highly inflationary countries.
- **Adjusted EPS** was \$0.74, down 18.3 percent on a constant currency basis driven by operating declines, higher interest and other expense, partially offset by fewer shares outstanding, lower taxes and the impact from an acquisition.

- **Capital Return:** The company returned \$2.1 billion to shareholders in cash dividends and share repurchases in the first quarter of 2025.

2025 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 future changes in foreign currency rates. Refer to the Outlook section in the discussion of non-GAAP financial measures below for more details.

For 2025, the company reaffirms Organic Net Revenue growth to be approximately 5 percent and Adjusted EPS to decline approximately 10% on a constant currency basis due to unprecedented cocoa cost inflation. The company also expects 2025 Free Cash Flow of \$3+ billion. The company currently estimates currency translation would not impact 2025 net revenue growth³ nor Adjusted EPS³.

Outlook is provided in the context of greater than usual volatility, including due to geopolitical, trade and regulatory uncertainty and commodity prices. This outlook does not reflect any potential tariff changes to United States-Mexico-Canada Agreement (USMCA) compliant trade.

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 2024 net revenues of approximately \$36.4 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 Dow Jones Best-in-Class North America and World Indices, formerly Dow Jones Sustainability Indices. Visit www.mondelezinternational.com or follow the company on X at x.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, 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 April 24, 2025.

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 and are amplified by current and potential trade and tariff actions affecting the countries where we operate. 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;
- risks from operating globally including geopolitical, trade, tariff and regulatory uncertainties affecting developed and emerging markets;
- volatility of cocoa and other commodity input costs, our ability to effectively hedge such costs and the availability of commodities;
- 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;
- 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, manage and realize the full extent of the benefits, cost savings, efficiencies and/or synergies presented by strategic acquisitions and other transactions as well as other strategic initiatives, such as our ERP System Implementation program;
- our investments and our ownership interests in those investments;
- 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, 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 March 31,	
	2025	2024
Net revenues	\$ 9,313	\$ 9,290
Cost of sales	(6,883)	(4,540)
Gross profit	2,430	4,750
Gross profit margin	26.1 %	51.1 %
Selling, general and administrative expenses	(1,711)	(1,938)
Asset impairments and exit costs	(2)	(47)
Amortization of intangible assets	(37)	(38)
Operating income	680	2,727
Operating income margin	7.3 %	29.4 %
Benefit plan non-service income	18	23
Interest and other expense, net	(153)	(68)
Earnings before income taxes	545	2,682
Income tax provision	(154)	(632)
Effective tax rate	28.3 %	23.6 %
Loss on equity method investment transactions	—	(665)
Equity method investment net earnings	16	31
Net earnings	407	1,416
less: Noncontrolling interest earnings	(5)	(4)
Net earnings attributable to Mondelēz International	\$ 402	\$ 1,412
Per share data:		
Basic earnings per share attributable to Mondelēz International	\$ 0.31	\$ 1.05
Diluted earnings per share attributable to Mondelēz International	\$ 0.31	\$ 1.04
Average shares outstanding:		
Basic	1,301	1,348
Diluted	1,305	1,355

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

	March 31, 2025	December 31, 2024	
ASSETS			
Cash and cash equivalents	\$ 1,561	\$ 1,351	
Trade receivables	4,318	3,874	
Other receivables	941	937	
Inventories, net	4,255	3,827	
Other current assets	1,655	3,253	
Total current assets	12,730	13,242	
Property, plant and equipment, net	9,767	9,481	
Operating lease right-of-use assets	761	767	
Goodwill	23,439	23,017	
Intangible assets, net	19,130	18,848	
Prepaid pension assets	993	987	
Deferred income taxes	400	333	
Equity method investments	610	635	
Other assets	1,097	1,187	
TOTAL ASSETS	\$ 68,927	\$ 68,497	
LIABILITIES			
Short-term borrowings	\$ 1,914	\$ 71	
Current portion of long-term debt	1,828	2,014	
Accounts payable	9,921	9,433	
Accrued marketing	2,697	2,558	
Accrued employment costs	774	928	
Other current liabilities	3,869	4,545	
Total current liabilities	21,003	19,549	
Long-term debt	15,796	15,664	
Long-term operating lease liabilities	617	623	
Deferred income taxes	3,429	3,425	
Accrued pension costs	366	391	
Accrued postretirement health care costs	95	98	
Other liabilities	1,798	1,789	
TOTAL LIABILITIES	43,104	41,539	
EQUITY			
Common Stock	—	—	
Additional paid-in capital	32,233	32,276	
Retained earnings	36,263	36,476	
Accumulated other comprehensive losses	(11,979)	(12,471)	
Treasury stock	(30,732)	(29,349)	
Total Mondelēz International Shareholders' Equity	25,785	26,932	
Noncontrolling interest	38	26	
TOTAL EQUITY	25,823	26,958	
TOTAL LIABILITIES AND EQUITY	\$ 68,927	\$ 68,497	
	March 31, 2025	December 31, 2024	Incr/(Decr)
Short-term borrowings	\$ 1,914	\$ 71	\$ 1,843
Current portion of long-term debt	1,828	2,014	(186)
Long-term debt	15,796	15,664	132
Total Debt	19,538	17,749	1,789
Cash and cash equivalents	1,561	1,351	210
Net Debt ⁽¹⁾	\$ 17,977	\$ 16,398	\$ 1,579

⁽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 Three Months Ended March 31,	
	2025	2024
CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		
Net earnings	\$ 407	\$ 1,416
Adjustments to reconcile net earnings to operating cash flows:		
Depreciation and amortization	324	319
Stock-based compensation expense	18	31
Deferred income tax (benefit)/provision	(96)	270
Asset impairments and accelerated depreciation	4	6
Loss on equity method investment transactions	—	665
Equity method investment net earnings	(16)	(31)
Distributions from equity method investments	44	81
Unrealized loss/(gain) on derivative contracts	689	(1,134)
Contingent consideration adjustments	(12)	22
Other non-cash items, net	56	25
Change in assets and liabilities, net of acquisitions and divestitures:		
Receivables, net	(379)	(395)
Inventories, net	(300)	(16)
Accounts payable	222	419
Other current assets	196	(330)
Other current liabilities	(58)	36
Change in pension and postretirement assets and liabilities, net	(7)	(60)
Net cash provided by operating activities	<u>1,092</u>	<u>1,324</u>
CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		
Capital expenditures	(277)	(299)
Acquisitions, net of cash received	(15)	—
Proceeds from divestitures	4	4
Proceeds from derivative settlements	14	71
Payments for derivative settlements	—	(32)
Proceeds from/(contributions to) investments	22	(192)
Proceeds from sale of property, plant and equipment and other	1	2
Net cash used in investing activities	<u>(251)</u>	<u>(446)</u>
CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		
Net issuance/(repayment) of short-term borrowings	1,841	(166)
Long-term debt proceeds	—	547
Long-term debt repayments	(453)	(534)
Repurchases of Common Stock	(1,522)	(568)
Dividends paid	(623)	(578)
Other	53	76
Net cash used in financing activities	<u>(704)</u>	<u>(1,223)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>88</u>	<u>(77)</u>
Cash, Cash Equivalents and Restricted Cash		
Increase/(decrease)	225	(422)
Balance at beginning of period	1,400	1,884
Balance at end of period	<u>\$ 1,625</u>	<u>\$ 1,462</u>

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

NON-GAAP FINANCIAL MEASURES

In discussing its financial results and guidance, the company presents the following financial measures that are not in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”): Organic Net Revenue growth, Adjusted Gross Profit, Adjusted Operating Income, Adjusted Segment Operating Income, Adjusted Earnings Per Share (“EPS”) and Free Cash Flow. The company also presents financial information, including certain of these non-GAAP financial measures, on a constant currency basis.

Management uses non-GAAP financial measures internally to make operating and strategic decisions, including the preparation of our annual operating plan, evaluation of business performance and as a factor in determining incentive compensation. The company believes that non-GAAP financial measures, when used in connection with results reported in accordance with U.S. GAAP, provide additional information to facilitate comparisons of our historical operating results and to enable a more comprehensive understanding of trends in our underlying operating results. The company also believes that presenting these measures allows investors to view our performance using the same measures that management and our Board of Directors use in evaluating the company’s business performance and trends. However, non-GAAP financial measures should be considered in addition to, and not as substitutes for, 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 primary non-GAAP financial measures and corresponding metrics, listed below, 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.

“Organic Net Revenue” is defined as net revenues (the most comparable U.S. GAAP financial measure) excluding, when they occur, the impacts of acquisitions, divestitures, short-term distributor agreements related to the sale of a business and currency-related items. Organic Net Revenue growth is presented on a consolidated and segment basis and for the company’s emerging markets and developed markets.

“Adjusted Gross Profit” is defined as gross profit (the most comparable U.S. GAAP financial measure) excluding, when they occur, the impacts of the Simplify to Grow Program; certain acquisition-related items; certain divestiture-related items; operating results from short-term distributor agreements related to the sale of a business; mark-to-market impacts from commodity and foreign currency derivative contracts economically hedging forecasted transactions; certain acquisition-related items; 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 or segment operating income (the most comparable U.S. GAAP financial measures) excluding, when they occur, 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; acquisition-related items, divestiture-related items; remeasurement of net monetary position of highly inflationary countries; impacts from resolution of indirect 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, when they occur, the impacts of the items listed in the

Adjusted Operating Income definition, as well as gains or 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; gains or losses on marketable securities transactions; initial impacts from enacted tax law changes; and gains or losses on equity method investment transactions. The tax impacts of the items excluded from the company's U.S GAAP results were 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.

"Free Cash Flow" is defined as net cash provided by operating activities (the most comparable U.S. GAAP financial measure) less capital expenditures. 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 months ended March 31, 2025 and March 31, 2024. 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. The company does not present the items above by segment because they are excluded from the segment profitability measure that management reviews.

ITEMS IMPACTING COMPARABILITY OF OPERATING RESULTS FOR THE CURRENT PERIODS

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 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. The below items are adjusted for in the company's non-GAAP financial measures because they are highly variable or unusual and of a size that may substantially impact its reported operations for a period. In addition, the company discloses the impact of currency-related items on the company's financial results to reflect results on a constant currency basis. See below for a description of adjustments to the company's U.S. GAAP financial measures included herein.

Divestiture-related items – includes operating results from 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. Divestiture-related costs include costs incurred in relation to the preparation and completion of our divestitures (including one-time costs such as severance related to elimination of stranded costs) as well as costs incurred associated with our publicly announced processes to sell businesses. For 2024, operating results from divestitures include the operating results from the company's JDE Peet's equity method earnings investment which was sold in the fourth quarter of 2024.

Operating results from short-term distributor agreements – the company excludes the operating results from short-term distributor agreements that have been executed in conjunction with the sale of a business. The company's agreement with the buyer of its developed market gum business to distribute gum products in certain European markets ended in the first quarter of 2024.

Acquisition-related items – includes acquisition-related costs, acquisition integration costs and contingent consideration adjustments, inventory step-ups and gains from acquisitions. Acquisition-related costs include third-party advisor, investment banking and legal fees, 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 contingent compensation liabilities for earn-outs related to acquisitions that do not relate to recurring employee compensation expense. Other acquisition-related items include incremental costs from inventory step-ups associated with acquired companies related to the fair market valuation of the acquired inventory and acquisition gains, when they occur, from the remeasurement of an existing noncontrolling investment to fair value when the company acquires the remaining equity shares of the investee.

Simplify to Grow Program – reflects restructuring charges incurred under the company's Simplify to Grow Program to reduce both its supply chain and overhead costs. It comprises charges, such as severance, asset write-downs, and other costs of implementing that program, partially offset by gains on sales of assets disposed of in connection with the program. The company completed its Simplify to Grow Program in the fourth quarter of 2024. Following the completion of the program any adjustments to the liability of previously recorded charges will be reflected here.

Mark-to-market impacts from commodity and currency derivative contracts – the company excludes unrealized gains and losses (mark-to-market impacts) from commodity and foreign currency derivative contracts economically hedging forecasted transactions from its non-GAAP earnings measures. The mark-to-market impacts of those derivatives are excluded until the related gains or losses are realized. Since the company purchases commodity and foreign currency derivative 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.

Remeasurement of net monetary position of highly inflationary countries– the company excludes remeasurement gains and losses of the monetary assets and liabilities of its subsidiaries in highly inflationary economies and the realized gains and losses from derivatives that mitigate the foreign currency volatility related to the remeasurement of the respective net monetary assets or liabilities from its non-GAAP earnings measures. The company's operations in Argentina, Türkiye, Egypt and Nigeria are currently accounted for as highly inflationary.

Impact from pension participation changes – consists of the charges incurred, primarily gains or losses from pension curtailments or settlements as well as other costs incurred when employee groups are withdrawn from multiemployer pension plans.

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. Incremental costs incurred by the company related to the ongoing war in Ukraine include asset write-downs, net of recoveries.

ERP System Implementation costs – comprised of operating expenses associated with the company's ERP System Implementation, which 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 ERP System Implementation program will be implemented in several phases over the next four years, with expected completion by year-end 2028.

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 transition taxes from tax reforms.

Gains and losses on equity method investment transactions – includes gains and losses from partial or full sales of equity method investments as well as impairments of those investments. In addition, the company excludes from our non-GAAP financial measures any gains or losses realized on economic hedges of sales proceeds from our equity method investment transactions.

Currency-related items – Management evaluates the operating performance of the company and its international subsidiaries on a constant currency basis. The company's non-GAAP measures presented on a constant currency basis exclude the effects of currency translation rate changes and extreme pricing increases 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 increases in excess of 26% year-over-year ("extreme pricing") in Argentina, from these measures beginning in the first quarter of 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.

OUTLOOK

The company's outlook for 2025 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, intangible asset impairments, 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 2025 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 2025 because the company is unable to predict during this period mark-to-market impacts from derivative contracts, impacts of any impairment charges that may arise in a future period, 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 2025 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 March 31, 2025					
Reported (GAAP)	\$ 1,203	\$ 2,016	\$ 3,550	\$ 2,544	\$ 9,313
Acquisitions	—	(99)	—	—	(99)
Currency-related items	168	68	92	14	342
Organic (Non-GAAP)	\$ 1,371	\$ 1,985	\$ 3,642	\$ 2,558	\$ 9,556
For the Three Months Ended March 31, 2024					
Reported (GAAP)	\$ 1,319	\$ 1,950	\$ 3,368	\$ 2,653	\$ 9,290
Short-term distributor agreements	—	—	(25)	—	(25)
Organic (Non-GAAP)	\$ 1,319	\$ 1,950	\$ 3,343	\$ 2,653	\$ 9,265
\$ Change - Reported (GAAP)	\$ (116)	\$ 66	\$ 182	\$ (109)	\$ 23
\$ Change - Organic (Non-GAAP)	52	35	299	(95)	291
% Change - Reported (GAAP)	(8.8) %	3.4 %	5.4 %	(4.1) %	0.2 %
Short-term distributor agreements	— pp	— pp	0.8 pp	— pp	0.3 pp
Acquisitions	—	(5.1)	—	—	(1.1)
Currency-related items	12.7	3.5	2.7	0.5	3.7
% Change - Organic (Non-GAAP)	3.9 %	1.8 %	8.9 %	(3.6) %	3.1 %
Vol/Mix	(2.5) pp	(3.0) pp	(4.5) pp	(3.1) pp	(3.5) pp
Pricing	6.4	4.8	13.4	(0.5)	6.6

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

	<u>Emerging Markets</u>	<u>Developed Markets</u>	<u>Mondelēz International</u>
For the Three Months Ended March 31, 2025			
Reported (GAAP)	\$ 3,723	\$ 5,590	\$ 9,313
Acquisitions	(99)	—	(99)
Currency-related items	252	90	342
Organic (Non-GAAP)	\$ 3,876	\$ 5,680	\$ 9,556
For the Three Months Ended March 31, 2024			
Reported (GAAP)	\$ 3,733	\$ 5,557	\$ 9,290
Short-term distributor agreements	(3)	(22)	(25)
Organic (Non-GAAP)	\$ 3,730	\$ 5,535	\$ 9,265
\$ Change - Reported (GAAP)	\$ (10)	\$ 33	\$ 23
\$ Change - Organic (Non-GAAP)	146	145	291
% Change - Reported (GAAP)	(0.3) %	0.6 %	0.2 %
Short-term distributor agreements	0.1 pp	0.4 pp	0.3 pp
Acquisitions	(2.7)	—	(1.1)
Currency-related items	6.8	1.6	3.7
% Change - Organic (Non-GAAP)	3.9 %	2.6 %	3.1 %
Vol/Mix	(3.7) pp	(3.3) pp	(3.5) pp
Pricing	7.6	5.9	6.6

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Gross Profit / Operating Income
(in millions of U.S. dollars)
(Unaudited)

	For the Three Months Ended March 31, 2025				
	Net Revenues	Gross Profit	Gross Profit Margin	Operating Income	Operating Income Margin
Reported (GAAP)	\$ 9,313	\$ 2,430	26.1 %	\$ 680	7.3 %
Simplify to Grow Program	—	—		(2)	
Mark-to-market (gains)/losses from derivatives	—	673		669	
Acquisition-related items	—	(1)		(8)	
Divestiture-related items	—	—		(4)	
ERP System Implementation costs	—	8		33	
Remeasurement of net monetary position	—	—		7	
Adjusted (Non-GAAP)	\$ 9,313	\$ 3,110	33.4 %	\$ 1,375	14.8 %
Currency-related items		82		27	
Adjusted @ Constant FX (Non-GAAP)		\$ 3,192		\$ 1,402	
	For the Three Months Ended March 31, 2024				
	Net Revenues	Gross Profit	Gross Profit Margin	Operating Income	Operating Income Margin
Reported (GAAP)	\$ 9,290	\$ 4,750	51.1 %	\$ 2,727	29.4 %
Simplify to Grow Program	—	—		53	
Mark-to-market (gains)/losses from derivatives	—	(1,126)		(1,124)	
Acquisition-related items	—	7		43	
Divestiture-related items	—	—		4	
Operating results from short-term distributor agreements	(25)	(3)		(2)	
Incremental costs due to war in Ukraine	—	1		1	
Remeasurement of net monetary position	—	—		8	
Adjusted (Non-GAAP)	\$ 9,265	\$ 3,629	39.2 %	\$ 1,710	18.5 %
		Gross Profit		Operating Income	
\$ Change - Reported (GAAP)		\$ (2,320)		\$ (2,047)	
\$ Change - Adjusted (Non-GAAP)		(519)		(335)	
\$ Change - Adjusted @ Constant FX (Non-GAAP)		(437)		(308)	
% Change - Reported (GAAP)		(48.8) %		(75.1) %	
% Change - Adjusted (Non-GAAP)		(14.3) %		(19.6) %	
% Change - Adjusted @ Constant FX (Non-GAAP)		(12.0) %		(18.0) %	

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 March 31, 2025

	Operating Income	Benefit plan non-service expense / (income)	Interest and other expense, net	Earnings before income taxes	Income taxes ⁽¹⁾	Effective tax rate	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)	\$ 680	\$ (18)	\$ 153	\$ 545	\$ 154	28.3 %	\$ —	\$ (16)	\$ 5	\$ 402	\$ 0.31
Simplify to Grow Program	(2)	—	—	(2)	—		—	—	—	(2)	—
Mark-to-market (gains)/losses from derivatives	669	—	(4)	673	136		—	—	—	537	0.41
Acquisition-related items	(8)	—	—	(8)	(5)		—	—	—	(3)	—
Divestiture-related items	(4)	—	—	(4)	(1)		—	—	—	(3)	—
ERP System Implementation costs	33	—	—	33	8		—	—	—	25	0.02
Remeasurement of net monetary position	7	—	—	7	—		—	—	—	7	—
Impact from pension participation changes	—	—	(2)	2	—		—	—	—	2	—
Initial impacts from enacted tax law changes	—	—	—	—	2		—	—	—	(2)	—
Adjusted (Non-GAAP)	\$ 1,375	\$ (18)	\$ 147	\$ 1,246	\$ 294	23.6 %	\$ —	\$ (16)	\$ 5	\$ 963	\$ 0.74
Currency-related items										24	0.02
Adjusted @ Constant FX (Non-GAAP)										\$ 987	\$ 0.76
Diluted Average Shares Outstanding											1,305

For the Three Months Ended March 31, 2024

	Operating Income	Benefit plan non-service expense / (income)	Interest and other expense, net	Earnings before income taxes	Income taxes ⁽¹⁾	Effective tax rate	Loss 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)	\$ 2,727	\$ (23)	\$ 68	\$ 2,682	\$ 632	23.6 %	\$ 665	\$ (31)	\$ 4	\$ 1,412	\$ 1.04
Simplify to Grow Program	53	—	—	53	11		—	—	—	42	0.03
Mark-to-market (gains)/losses from derivatives	(1,124)	—	—	(1,124)	(227)		—	—	—	(897)	(0.66)
Acquisition-related items	43	—	—	43	10		—	—	—	33	0.02
Divestiture-related items	4	—	—	4	1		—	9	—	(6)	—
Operating results from short-term distributor agreements	(2)	—	—	(2)	(1)		—	—	—	(1)	—
Incremental costs due to war in Ukraine	1	—	—	1	—		—	—	—	1	—
Remeasurement of net monetary position	8	—	—	8	—		—	—	—	8	0.01
Impact from pension participation changes	—	—	(2)	2	—		—	—	—	2	—
Initial impacts from enacted tax law changes	—	—	—	—	2		—	—	—	(2)	—
Loss on equity method investment transactions	—	—	—	—	—		(665)	—	—	665	0.49
Adjusted (Non-GAAP)	\$ 1,710	\$ (23)	\$ 66	\$ 1,667	\$ 428	25.7 %	\$ —	\$ (22)	\$ 4	\$ 1,257	\$ 0.93
Diluted Average Shares Outstanding											1,355

(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 March 31,		\$ Change	% Change
	2025	2024		
Diluted EPS attributable to Mondelēz International (GAAP)	\$ 0.31	\$ 1.04	\$ (0.73)	(70.2) %
Simplify to Grow Program	—	0.03	(0.03)	
Mark-to-market (gains)/losses from derivatives	0.41	(0.66)	1.07	
Acquisition-related items	—	0.02	(0.02)	
ERP System Implementation costs	0.02	—	0.02	
Remeasurement of net monetary position	—	0.01	(0.01)	
Loss on equity method investment transactions	—	0.49	(0.49)	
Adjusted EPS (Non-GAAP)	\$ 0.74	\$ 0.93	\$ (0.19)	(20.4) %
Currency-related items	0.02	—	0.02	
Adjusted EPS @ Constant FX (Non-GAAP)	\$ 0.76	\$ 0.93	\$ (0.17)	(18.3) %
<u>Adjusted EPS @ Constant FX - Key Drivers</u>				
Decrease in operations			\$ (0.17)	
Impact from acquisitions			0.01	
Change in interest and other expense, net			(0.04)	
Change in income taxes			0.01	
Change in shares outstanding			0.02	
			\$ (0.17)	

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 March 31, 2025

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Mondelēz International
Net Revenue								
Reported (GAAP)	\$ 1,203	\$ 2,016	\$ 3,550	\$ 2,544	\$ —	\$ —	\$ —	\$ 9,313
No adjusting items	—	—	—	—	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 1,203</u>	<u>\$ 2,016</u>	<u>\$ 3,550</u>	<u>\$ 2,544</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,313</u>
Operating Income								
Reported (GAAP)	\$ 139	\$ 343	\$ 462	\$ 485	\$ (669)	\$ (43)	\$ (37)	\$ 680
Simplify to Grow Program	(1)	—	(1)	—	—	—	—	(2)
Mark-to-market (gains)/losses from derivatives	—	—	—	—	669	—	—	669
Acquisition-related items	3	14	—	(24)	—	(1)	—	(8)
Divestiture-related items	—	—	(3)	—	—	(1)	—	(4)
ERP System Implementation costs	8	5	10	12	—	(2)	—	33
Remeasurement of net monetary position	—	1	6	—	—	—	—	7
Adjusted (Non-GAAP)	<u>\$ 149</u>	<u>\$ 363</u>	<u>\$ 474</u>	<u>\$ 473</u>	<u>\$ —</u>	<u>\$ (47)</u>	<u>\$ (37)</u>	<u>\$ 1,375</u>
Currency-related items	7	15	3	2	—	1	(1)	27
Adjusted @ Constant FX (Non-GAAP)	<u>\$ 156</u>	<u>\$ 378</u>	<u>\$ 477</u>	<u>\$ 475</u>	<u>\$ —</u>	<u>\$ (46)</u>	<u>\$ (38)</u>	<u>\$ 1,402</u>
\$ Change - Reported (GAAP)	\$ (18)	\$ (68)	\$ (129)	\$ (64)	n/m	\$ 24	\$ 1	\$ (2,047)
\$ Change - Adjusted (Non-GAAP)	(29)	(49)	(167)	(106)	n/m	15	1	(335)
\$ Change - Adjusted @ Constant FX (Non-GAAP)	(22)	(34)	(164)	(104)	n/m	16	—	(308)
% Change - Reported (GAAP)	(11.5) %	(16.5) %	(21.8) %	(11.7) %	n/m	35.8 %	2.6 %	(75.1) %
% Change - Adjusted (Non-GAAP)	(16.3) %	(11.9) %	(26.1) %	(18.3) %	n/m	24.2 %	2.6 %	(19.6) %
% Change - Adjusted @ Constant FX (Non-GAAP)	(12.4) %	(8.3) %	(25.6) %	(18.0) %	n/m	25.8 %	— %	(18.0) %
Operating Income Margin								
Reported %	11.6 %	17.0 %	13.0 %	19.1 %				7.3 %
Reported pp change	(0.3) pp	(4.1) pp	(4.5) pp	(1.6) pp				(22.1) pp
Adjusted %	12.4 %	18.0 %	13.4 %	18.6 %				14.8 %
Adjusted pp change	(1.1) pp	(3.1) pp	(5.8) pp	(3.2) pp				(3.7) pp

For the Three Months Ended March 31, 2024

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Mondelēz International
Net Revenue								
Reported (GAAP)	\$ 1,319	\$ 1,950	\$ 3,368	\$ 2,653	\$ —	\$ —	\$ —	\$ 9,290
Short-term distributor agreements	—	—	(25)	—	—	—	—	(25)
Adjusted (Non-GAAP)	\$ 1,319	\$ 1,950	\$ 3,343	\$ 2,653	\$ —	\$ —	\$ —	\$ 9,265
Operating Income								
Reported (GAAP)	\$ 157	\$ 411	\$ 591	\$ 549	\$ 1,124	\$ (67)	\$ (38)	\$ 2,727
Simplify to Grow Program	2	1	41	4	—	5	—	53
Mark-to-market (gains)/losses from derivatives	—	—	—	—	(1,124)	—	—	(1,124)
Acquisition-related items	17	—	1	26	—	(1)	—	43
Divestiture-related items	—	—	3	—	—	1	—	4
Operating results from short-term distributor agreements	—	—	(2)	—	—	—	—	(2)
Incremental costs due to war in Ukraine	—	—	1	—	—	—	—	1
Remeasurement of net monetary position	2	—	6	—	—	—	—	8
Adjusted (Non-GAAP)	\$ 178	\$ 412	\$ 641	\$ 579	\$ —	\$ (62)	\$ (38)	\$ 1,710
Operating Income Margin								
Reported %	11.9 %	21.1 %	17.5 %	20.7 %				29.4 %
Adjusted %	13.5 %	21.1 %	19.2 %	21.8 %				18.5 %

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 Three Months Ended March 31,		\$ Change
	2025	2024	
Net Cash Provided by Operating Activities (GAAP)	\$ 1,092	\$ 1,324	\$ (232)
Capital Expenditures	(277)	(299)	22
Free Cash Flow (Non-GAAP)	\$ 815	\$ 1,025	\$ (210)