

BUY: Mondelez International, Inc

Consumer Staples Sector

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Supporting Analysts: Ryan Faude, Jack Margolius, Michael Rau

Agenda



Industry Overview

Company Overview

Investment Thesis

Valuation

Risks and Mitigants

Industry Overview



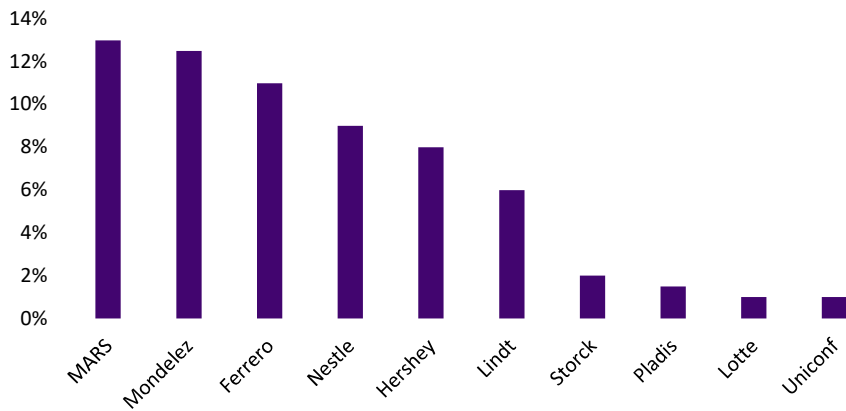
Overview

Manufacture and produce chips, popcorn, pretzels, peanut butter, etc.

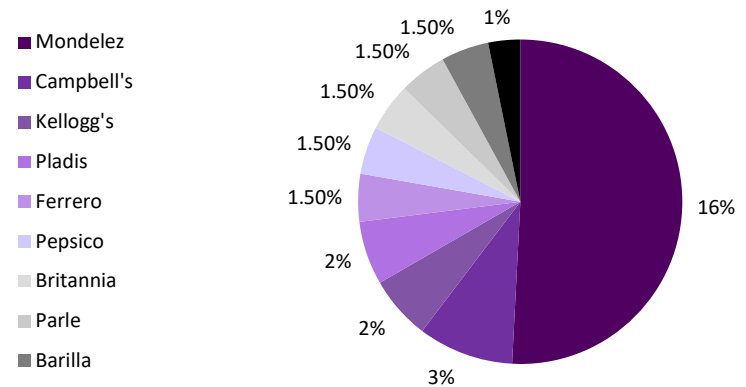
Increase in the snacking lifestyle post COVID-19 pandemic, becoming a habit

On average, U.S. adults eat **2.7** snacks per day, with younger adults consuming **5 or more** snacks per day

Global Chocolate Manufacturers Market Share



Global Biscuit Manufacturer Market Share



Industry Leaders



Company Overview



Overview

Mondelēz International is a confectionery, food, and beverage company based in Chicago, IL

Third largest confectionery company based on market share

Products are sold in **150 countries**, 80 of which have an operational headquarters.

Current CEO: **Dirk Van De Put**

Popular Brands

#1 in **Biscuits**

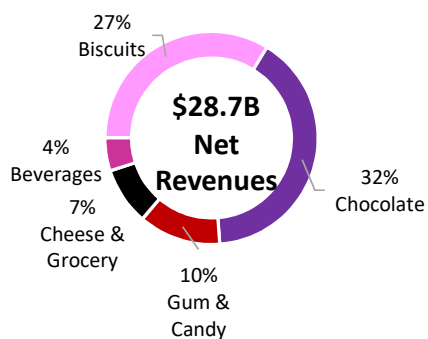


#2 in **Chocolate**

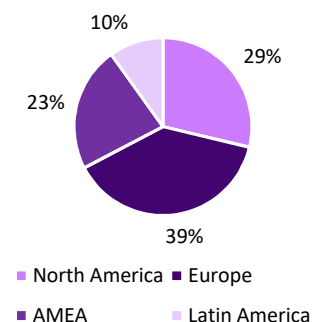


Revenue Distributions

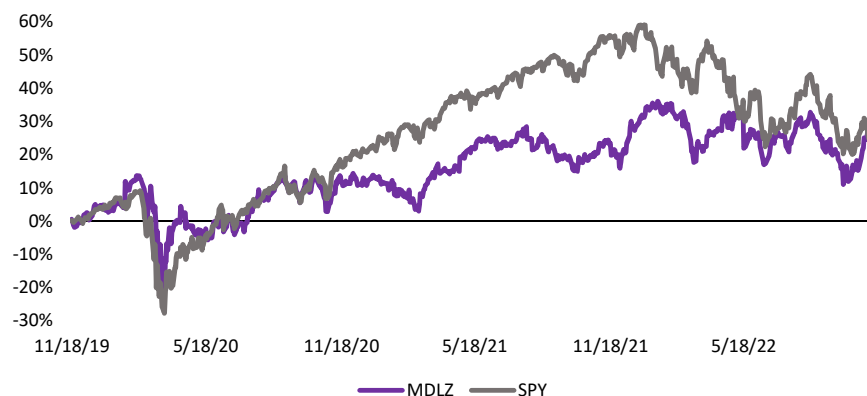
Net Revenues By Category



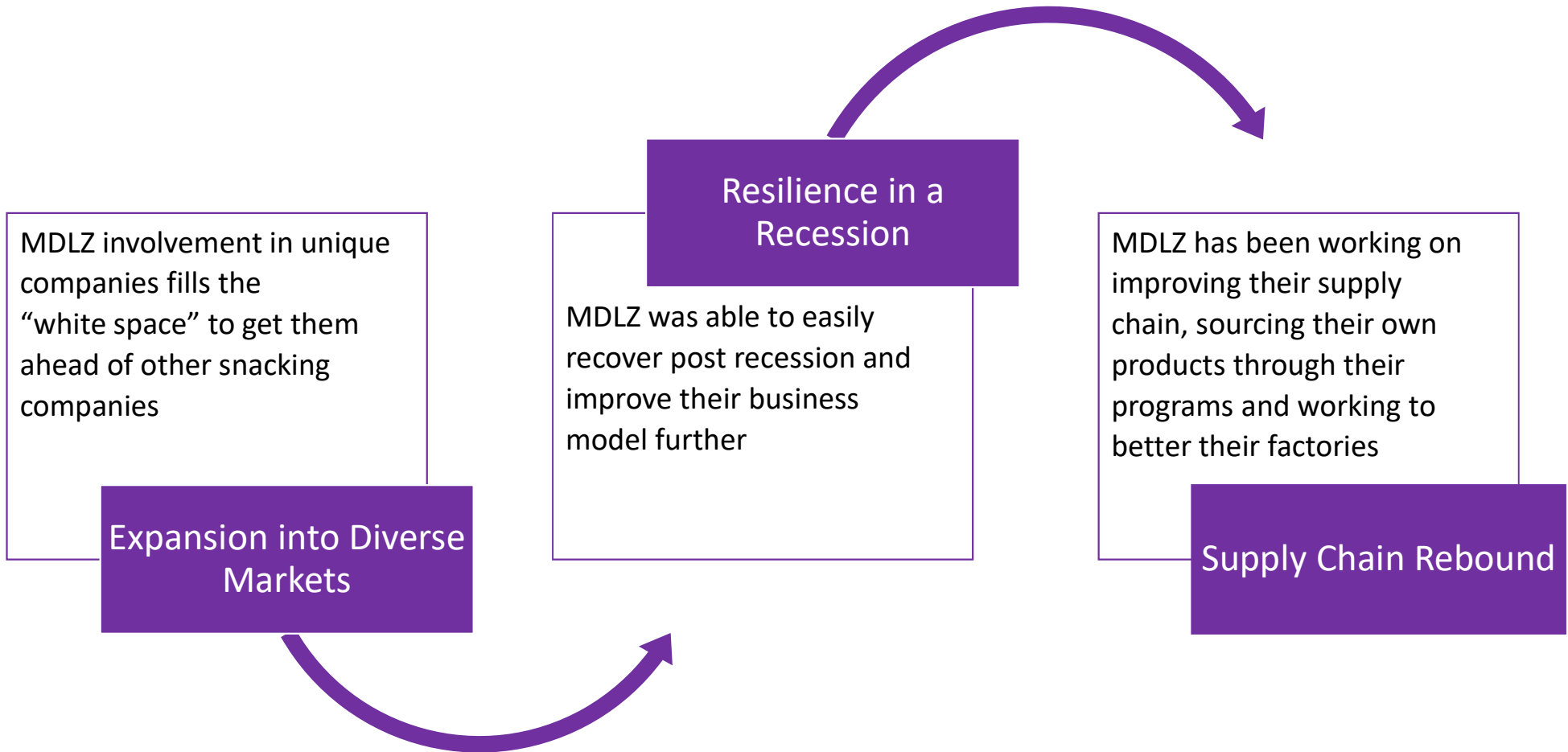
Net Revenues by Region



Historical Stock Performance



Investment Thesis

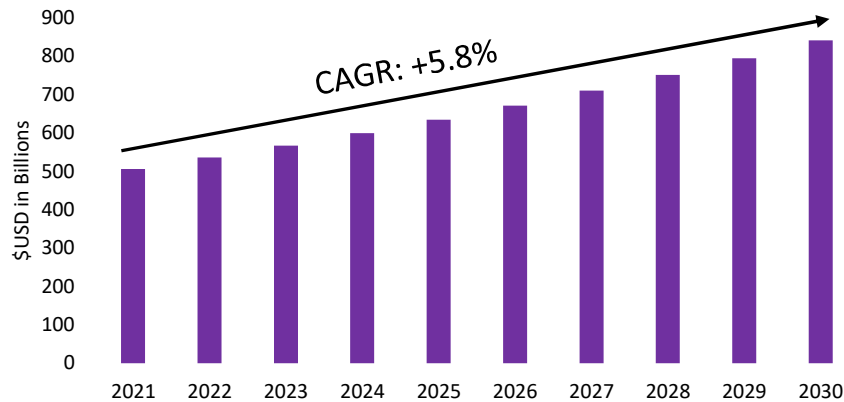


BUIF: Consumer Staples

Emergence into Varied Markets



Snacking Market Growth



Expansion into Healthy Options

- 1 **Reduced sodium by 2%** in Oreos and 1.4% across its snack portfolio and **decreased saturated fat by 2%** in Ritz crackers
- 2 **Sugar total reduced 5%** in Green & Black's chocolates and 1% in BelVita
- 3 Out of the past 9 acquisitions since 2018, 5 have had **well-being** as a strategic growth driver

eCommerce Plan

Digital commerce currently makes up 6% of sales, \$28.7 billion in fiscal 2021

eCommerce is already 20% in China, and is continuing to expand to other countries

Investing \$1 billion to expand its reach in the digital commerce industry

Durable Brand Acquisitions

Acquisition	Strategic Growth Driver			Category
	Well-being	Core Space	Category	
Q3 22	✓			Nutrition / Energy Bars
Q2 22		✓		Mex Choc & Candy
Q1 22	✓			
Q1 21	✓			Nutrition / Energy Bars
Q2 20	✓		✓	US Chocolate

Recession Resilience



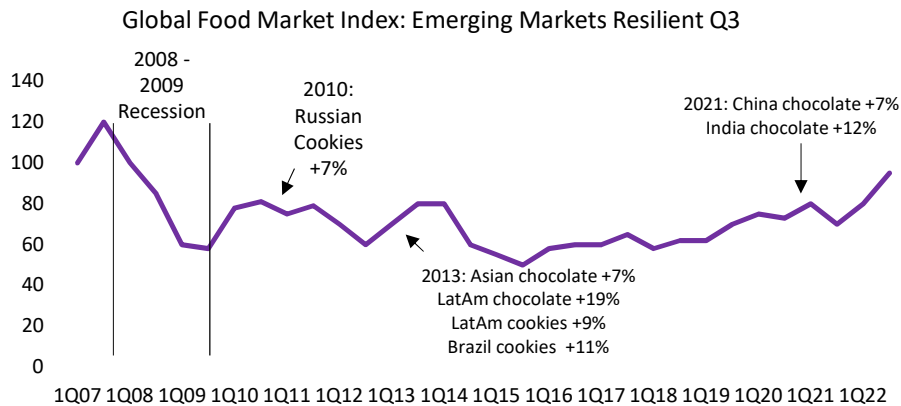
Post Recession Recovery

As consumers trade down, they look at snacks as a **necessity** during a recession, eating them in place of a typical meal

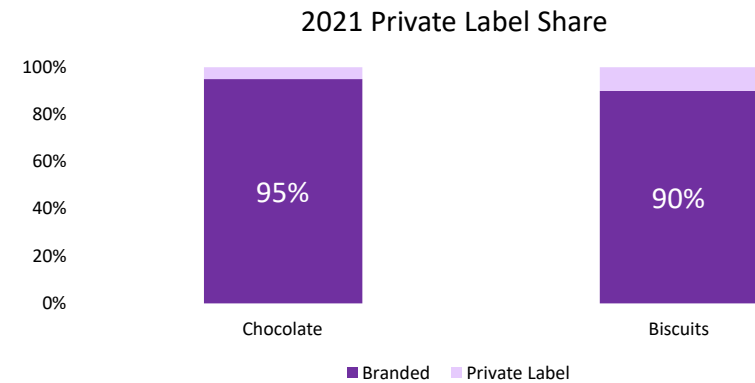
Post 2008 Recession, packaged snacks reached **\$64 billion** in 2010, up with a CAGR of 3%

During the 2020 recession, profits continued to **increase** in Mondelez and the snacking industry, as the products were considered a “necessity”

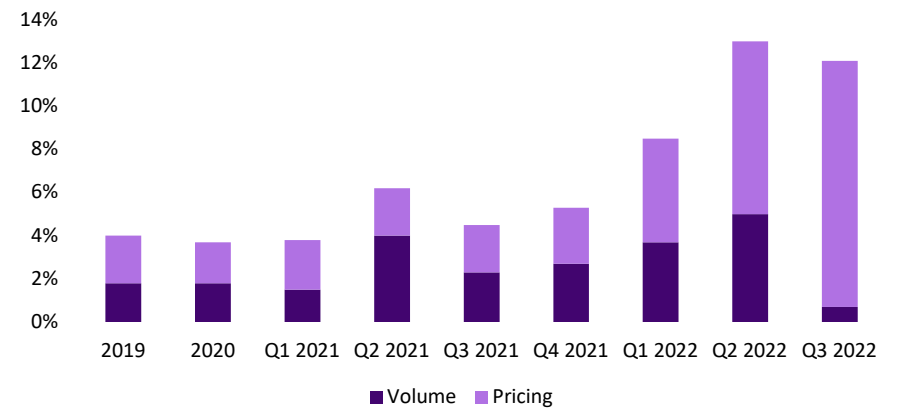
Food Market Rebound



Preference for Branded Snacks



Organic Revenue Growth



Supply Chain Rebound



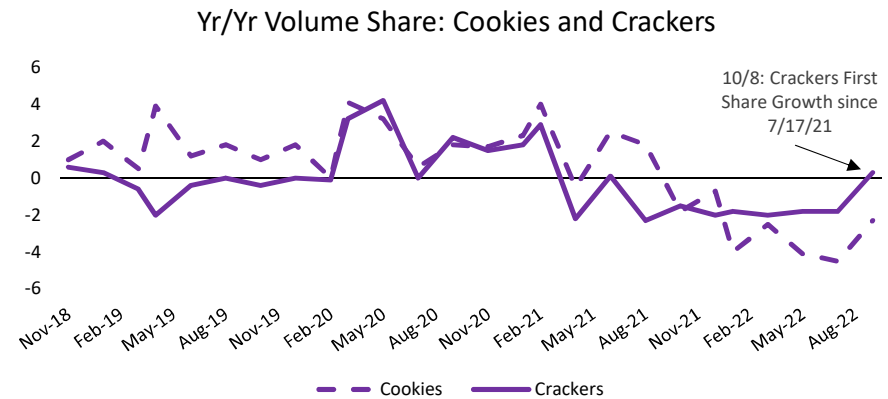
Internal Sourcing

- 1 **Cocoa Life**
Mondelēz has committed to secure 100% of cocoa volume for its chocolate brands through Cocoa Life in 2025
- 2 **Harmony Charter**
91% wheat volume needed for European biscuits are grown under Harmony charter

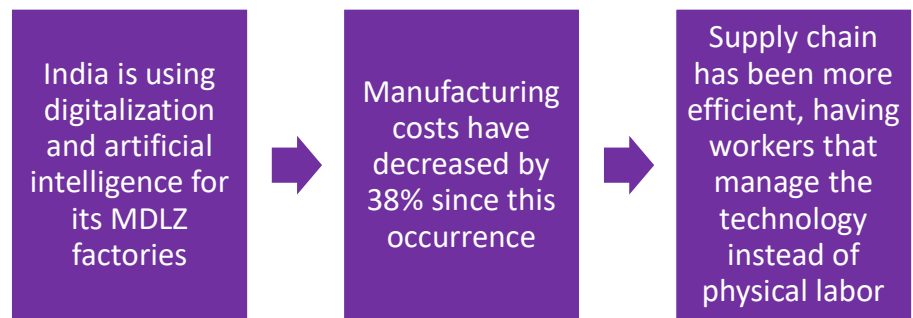
Transitory Setbacks

- Volatility and elevated costs for products in European global markets due to the war in Ukraine
- Rising raw material, transportation, labor and energy costs due to activity abroad
- Increasing efficiency of factories outside of Ukraine to compensate for issues related to the Ukraine conflict

Supply Chain Recovery



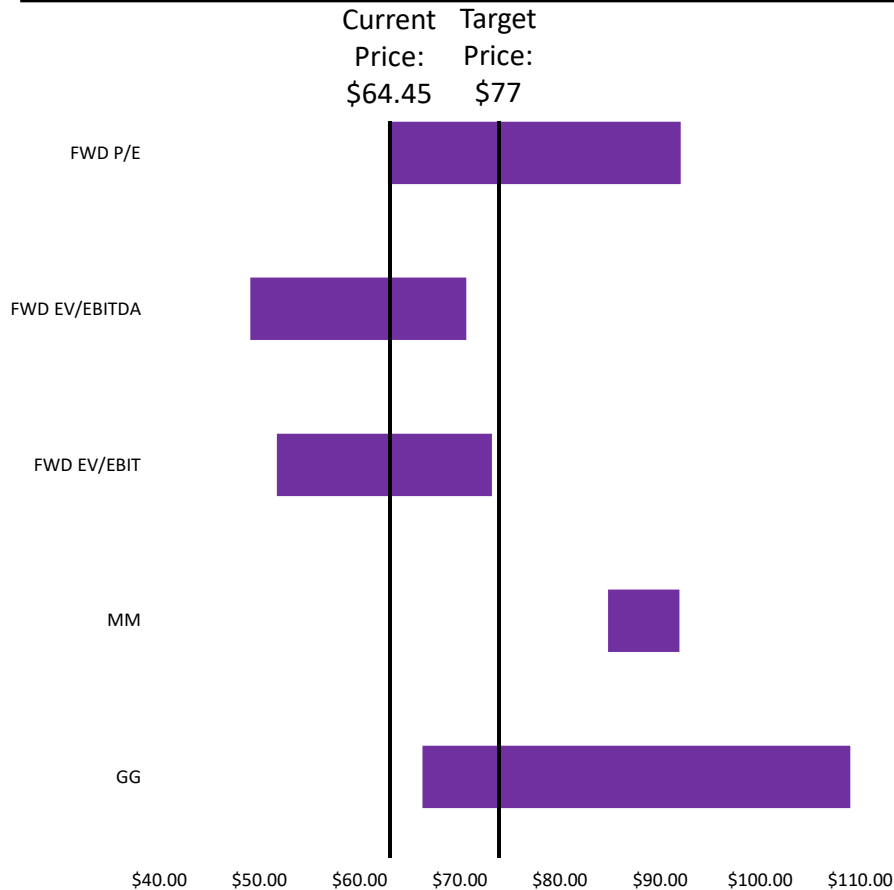
Factory Automation -- Efficiency in India



Valuation



Football Field Analysis



Valuation Weighting

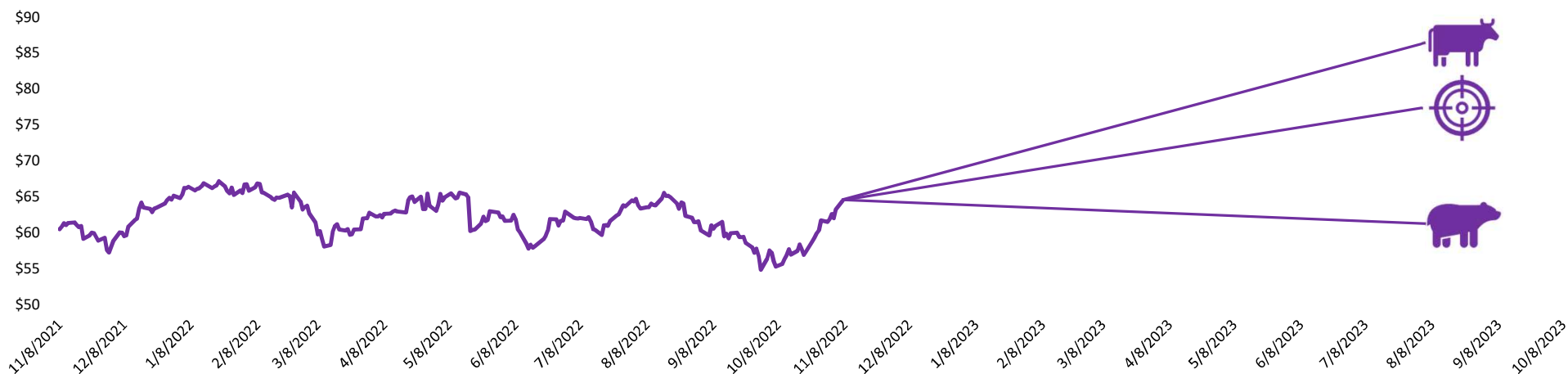
Weighted Share Price		
Method	Share Price	Weight
GG	\$ 83.05	35%
MM	\$ 88.39	35%
FWD EV/EBIT	\$ 62.79	10%
FWD EV/EBITDA	\$ 55.34	5%
FWD P/E	\$ 77.33	10%
Share Price	\$ 76.78	

Sensitivity Tables

		Terminal Growth Rate				
		1.50%	2.00%	2.50%	3%	3.50%
WACC	4.94%	86.28	101.09	122.01	153.60	207.20
	5.44%	73.57	84.40	98.94	119.36	150.36
	5.94%	63.72	71.94	83.05	96.77	116.82
	6.44%	55.86	62.29	70.37	80.75	94.69
	6.94%	49.46	54.60	60.91	68.80	79.00

		Terminal Multiple				
		17.75	18.25	18.75	19.25	19.75
WACC	4.94%	88.17	90.67	93.18	95.68	98.19
	5.44%	85.83	88.27	90.71	93.16	95.60
	5.94%	83.55	85.94	88.39	90.70	93.09
	6.44%	81.34	83.67	85.99	88.32	90.65
	6.94%	79.20	81.47	83.74	86.00	88.27

Investment Risks



Upside/Downside Analysis

BUIF: Consumer Staples

Bear Case

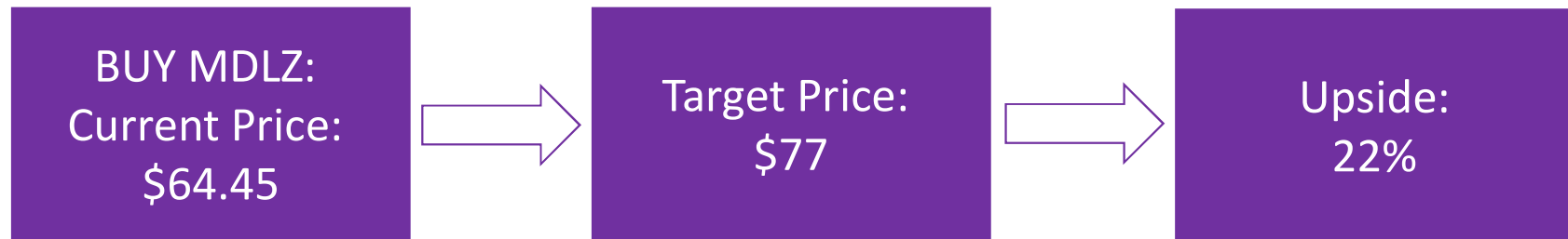
- Mondelez fails in their new acquisitions and emergence into unique markets
- Supply chain issues remain despite Mondelez efforts
- Recession hurts Mondelez, resulting in sale and margin decline

Base Case

- Mondelez continues its success in new market growth
- Mondelez remains resilient through the recession, with a strong recovery
- Upgrading factory and sourcing raw materials internally results in better supply and cost controls

Bull Case

- Mondelez emerges into additional unique, high growth markets that outperform expectations
- Better than expected resilience during the recession
- Accelerated resolution of supply chain issues



Thank You!

Questions?

Appendix A: Income Statement



Mondelēz International, Inc (NASDAQ: MDLZ) Income Statement (in millions of US dollars, except per share data)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022E	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Net revenues	\$ 25,923	\$ 25,896	\$ 25,938	\$ 25,868	\$ 26,581	\$ 28,720	\$ 30,739	\$ 33,473	\$ 36,484	\$ 39,766	\$ 43,321	\$ 47,163
% growth YOY		-0.1%	0.2%	-0.3%	2.8%	8.0%	7.0%	8.9%	9.0%	9.0%	8.9%	8.9%
Cost of sales	15,795	15,831	15,586	15,531	16,135	17,466	18,444	20,084	21,890	23,860	25,993	28,298
% of Revenue	60.9%	61.1%	60.1%	60.0%	60.7%	60.8%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Gross profit	10,128	10,065	10,352	10,337	10,446	11,254	12,296	13,389	14,594	15,906	17,329	18,865
Selling, general, and administrative expenses	6,540	5,911	6,475	6,136	6,098	6,263	6,763	7,364	8,027	8,748	9,531	10,376
% of Revenue	25%	23%	25%	24%	23%	22%	22%	22%	22%	22%	22%	22%
Asset impairment and exit costs	852	656	389	228	301	212	327	356	388	423	460	501
% of Revenue	3.3%	2.5%	1.5%	0.9%	1.1%	0.7%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Net gain on acquisition and divestitures	(9)	(186)	-	(44)	-	(8)	-	-	-	-	-	-
Amortization of intangible assets	176	178	176	174	194	134	184	201	219	239	260	283
% Revenue	0.7%	0.7%	0.7%	0.7%	0.7%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Operating income	2,569	3,506	3,312	3,843	3,853	4,653	5,022	5,468	5,960	6,497	7,077	7,705
Benefit plan non-service income	-	-	(50)	(60)	(138)	(163)	(135)	(147)	(160)	(175)	(190)	(207)
% Revenue	0.0%	0.0%	-0.2%	-0.2%	-0.5%	-0.6%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%
Interest and other expense, net	1,115	382	520	456	608	447	574	626	682	743	810	881
% of Revenue	4.3%	1.5%	2.0%	1.8%	2.3%	1.6%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
Earnings before income taxes	1,454	3,124	2,842	3,447	3,383	4,369	4,583	4,990	5,439	5,928	6,458	7,031
Income tax provision	(129)	(688)	(773)	(2)	(1,224)	(1,190)	(1,345)	(1,339)	(1,459)	(1,591)	(1,733)	(1,887)
% of Revenue	-0.5%	-2.7%	-3.0%	0.0%	-4.6%	-4.1%	-4.4%	-4.0%	-4.0%	-4.0%	-4.0%	-4.0%
Tax Rate	8.9%	22.0%	27.2%	0.1%	36.2%	27.2%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%
Gain/(loss) on equity method investment transaction	43	40	778	(2)	989	742	(27)	669	730	795	866	943
% of Revenue	0.2%	0.2%	3.0%	0.0%	3.7%	2.6%	-0.1%	2.0%	2.0%	2.0%	2.0%	2.0%
Equity method investment net earnings	301	460	548	442	421	393	461	502	547	596	650	707
% of Revenue	1.2%	1.8%	2.1%	1.7%	1.6%	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Net earnings	1,669	2,936	3,395	3,885	3,569	4,314	3,672	4,823	5,257	5,729	6,242	6,795
Noncontrolling interest earnings	(10)	(14)	(14)	(15)	(14)	(14)						
Net earnings attributable to Mondelez International	\$ 1,659	\$ 2,922	\$ 3,381	\$ 3,870	\$ 3,555	\$ 4,300	\$ 3,672	\$ 4,823	\$ 5,257	\$ 5,729	\$ 6,242	\$ 6,795
Per share data:												
Basic earnings per share attributable to Mondelez International	\$ 1.09	\$ 1.96	\$ 2.33	\$ 2.70	\$ 2.50	\$ 3.09	\$ 2.69	\$ 3.53	\$ 3.84	\$ 4.19	\$ 4.56	\$ 4.97
Diluted earnings per share attributable to Mondelez International	\$ 1.04	\$ 1.93	\$ 2.30	\$ 2.66	\$ 2.47	\$ 3.06	\$ 2.66	\$ 3.50	\$ 3.81	\$ 4.15	\$ 4.53	\$ 4.93
Basic Shares Outstanding	1,528.4	1,488.1	1,451.0	1,435.0	1,419.2	1,391.6	1,367.4	1,367.4	1,367.4	1,367.4	1,367.4	1,367.4
Diluted Shares Outstanding	1,599.0	1,513.0	1,470.0	1,453.0	1,439.0	1,405.0	1,379.0	1,379.0	1,379.0	1,379.0	1,379.0	1,379.0
Basic Average Weighted Shares	1,540.0	1,497.0	1,457.0	1,441.0	1,429.0	1,396.0	1,372.0	1,372.0	1,372.0	1,372.0	1,372.0	1,372.0

Appendix B: Balance Sheet -- Hide



Mondelēz International, Inc. (NASDAQ: MDLZ)									
Balance Sheet									
<i>(in millions of US dollars, except per share data)</i>									
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Q1 2022	Q2 2022	Q3 2022
Assets									
Cash and Cash Equivalents	\$ 1,741	\$ 761	\$ 1,100	\$ 1,291	\$ 3,619	\$ 3,546	\$ 1,946	\$ 1,924	\$ 2,177
Trade receivables (net of allowances of \$37 at December 31, 2021 and \$42 at December 31, 2020)	2,611	2,691	2,262	2,212	2,297	2,337	2,943	2,467	2,819
Other receivables (net of allowances of \$49 at December 31, 2021 and \$42 at December 31, 2020)	859	835	744	715	657	851	749	715	684
Inventories, net	2,469	2,557	2,592	2,546	2,647	2,708	2,838	3,038	3,393
Other current assets	800	676	906	866	759	900	1,143	1,066	837
Total current assets	8,480	7,520	7,604	7,630	9,979	10,342	9,619	9,210	9,910
Property, plant and equipment, net	8,229	8,677	8,482	8,733	9,026	8,658	9,015	8,753	8,632
Operating lease right of use assets				568	638	613	653	626	668
Goodwill	20,276	21,085	20,725	20,848	21,895	21,978	22,618	22,103	22,387
Intangible assets, net	18,101	18,639	18,002	17,957	18,482	18,291	18,829	18,339	19,313
Prepaid pension assets	159	158	132	516	672	1,009	1,046	1,141	1,078
Deferred income taxes	358	319	255	726	790	541	561	551	482
Equity method investments	5,585	6,345	7,123	7,212	6,036	5,289	5,255	4,655	4,498
Other assets	350	366	406	359	292	371	398	636	1,068
TOTAL ASSETS	\$ 61,538	\$ 63,109	\$ 62,729	\$ 64,549	\$ 67,810	\$ 67,092	\$ 67,994	\$ 66,014	\$ 68,036
LIABILITIES									
Short-term borrowings	\$ 2,531	\$ 3,517	\$ 3,192	2,638	29	216	606	605	1,753
Current portion of long-term debt	1,451	1,163	2,648	1,581	2,741	1,746	754	746	100
Accounts payable	5,318	5,705	5,794	5,853	6,209	6,730	7,241	6,787	6,726
Accrued marketing	1,745	1,728	1,756	1,836	2,130	2,097	2,272	2,151	2,258
Accrued employment costs	736	721	701	769	834	822	721	729	829
Other current liabilities	2,636	2,959	2,646	2,645	3,216	2,397	2,509	2,560	2,655
Total current liabilities	14,417	15,793	16,737	15,322	15,159	14,008	14,103	13,578	14,321
Long-term debt	13,217	12,972	12,532	14,207	17,276	17,550	18,344	17,861	19,811
Long-term operating lease liabilities	-	-	-	403	470	459	508	489	523
Deferred income taxes	4,721	3,376	3,552	3,338	3,346	3,444	3,521	3,580	3,401
Accrued pension costs	2,014	1,669	1,221	1,190	1,257	681	645	591	537
Accrued postretirement health care costs	382	419	351	387	346	301	304	299	291
Other liabilities	1,572	2,689	2,623	2,351	2,302	2,326	2,353	2,063	2,482
TOTAL LIABILITIES	36,323	36,918	37,016	37,198	40,156	38,769	39,778	38,461	41,366
EQUITY									
Common Stock, no par value (5,000,000,000 shares authorized and 1,996,537,778 shares issued at December 31, 2021 and December 31, 2020)	-	-	-	-	-	-	-	-	-
Additional paid-in capital	31,847	31,915	31,961	32,019	32,070	32,097	32,053	32,086	32,116
Retained earnings	21,149	22,749	24,491	26,653	28,402	30,806	31,163	31,431	31,437
Accumulated other comprehensive losses	(11,122)	(9,998)	(10,630)	(10,258)	(10,690)	(10,624)	(10,425)	(10,638)	(11,231)
Treasury stock, at cost (604,907,239 shares at December 31, 2021 and 577,363,557 shares at December 31, 2020)	(16,713)	(18,555)	(20,185)	(21,139)	(22,204)	(24,010)	(24,630)	(25,368)	(25,681)
Total Mondelēz International Shareholders' Equity	25,161	26,111	25,637	27,275	27,578	28,269	28,161	27,511	26,641
Noncontrolling interest	54	80	76	76	76	54	55	42	29
TOTAL EQUITY	25,215	26,191	25,713	27,351	27,654	28,323	28,216	27,553	26,670
TOTAL LIABILITIES AND EQUITY	\$ 61,538	\$ 63,109	\$ 62,729	\$ 64,549	\$ 67,810	\$ 67,092	\$ 67,994	\$ 66,014	\$ 68,036

Appendix C: Cash Flow Statement



Mondelēz International, Inc. (NASDAQ: MDLZ)						
Consolidated Statements of Cash Flows						
<i>(In millions of US dollars, except per share data)</i>						
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Cash Provided By/(Used In) Operating Activities						
Net Earnings	\$ 1,669	\$ 2,936	\$ 3,395	\$ 3,885	\$ 3,569	\$ 4,314
Adjustments to reconcile net earnings to operating cash flows						
Depreciation and Amortization	823	816	811	1,047	1,116	1,113
<i>as a % of CapEx</i>						
Stock-based compensation expense	140	137	128	135	126	121
U.S. tax reform transition tax/(benefit)	-	1,317	(38)	5	-	-
Deferred income tax provision/(benefit)	(141)	(1,206)	233	(631)	(70)	205
Asset impairments and accelerated depreciation	446	334	141	109	136	128
Loss on early extinguishment of debt	428	11	140	-	185	110
Net gain on acquisition and divestitures	(9)	(186)	-	(44)	-	(8)
Net (gain)/loss on equity method investment transactions	(43)	(40)	(778)	2	(989)	(742)
Equity method investment net earnings	(301)	(460)	(548)	(442)	(421)	(393)
Distributions from equity method investments	75	152	180	250	246	172
Other non-cash items, net	(43)	(225)	381	97	243	(230)
Change in assets and liabilities, net of acquisitions and divestitures:						
Receivables, net	31	(24)	257	124	59	(197)
Inventories, net	62	(18)	(204)	31	(24)	(170)
Accounts payable	409	5	236	4	436	702
Other current assets	(176)	14	(25)	(77)	(207)	(169)
Other current liabilities	60	(637)	(136)	(362)	(208)	(502)
Change in pension and postretirement assets and liabilities, net	(592)	(333)	(225)	(168)	(233)	(313)
Net cash provided by operating activities	2,838	2,593	3,948	3,965	3,964	4,141
Cash Provided By/(Used In) Investing Activities						
Capital expenditures	(1,224)	(1,014)	(1,095)	(925)	(863)	(965)
<i>as a % of revenue</i>						
Acquisitions, net of cash received	(246)	-	(528)	(284)	(1,136)	(833)
Proceeds from divestitures including equity method investments	303	604	1	167	2,489	1,539
Proceeds from sale of property, plant, and equipment and other	138	109	398	82	10	233
Net cash (used in)/provided by investing activities	(1,029)	(301)	(1,224)	(960)	500	(26)
Cash Provided by/(Used In) Financing Activities						
Issuance of commercial paper, maturities greater than 90 days	1,540	1,808	3,981	1,306	677	-
Repayments of commercial paper, maturities greater than 90 days	(1,031)	(1,911)	(2,856)	(2,367)	(1,174)	-
Net issuances/(repayments) of other short term borrowings	1,741	1,027	(1,413)	524	(2,116)	194
Long term debt proceeds	5,640	350	2,948	3,136	7,213	5,921
Long term debt repayments	(6,186)	(1,470)	(1,821)	(2,677)	(3,878)	(6,247)
Repurchases of Common Stock	(2,601)	(2,174)	(2,020)	(1,480)	(1,390)	(2,110)
Dividends paid	(1,094)	(1,198)	(1,359)	(1,542)	(1,678)	(1,826)
Other	129	207	211	313	131	(1)
Net cash used in financing activities	(1,862)	(3,361)	(2,329)	(2,787)	(2,215)	(4,069)
Effect of exchange rates on cash, cash equivalents, and restricted cash	(76)	89	(56)	10	73	(143)
Cash, cash equivalents, and restricted cash						
(Decrease)/increase	(129)	(980)	339	228	2,322	(97)
Balance at beginning of period	1,870	1,741	761	1,100	1,328	3,650
Balance at end of period	\$ 1,741	\$ 761	\$ 1,100	\$ 1,328	\$ 3,650	\$ 3,553
Cash paid:						
Interest	\$ 630	\$ 398	\$ 491	\$ 486	\$ 413	\$ 426
Income taxes	\$ 527	\$ 848	\$ 864	\$ 981	\$ 1,264	\$ 1,556

Appendix D: NWC Projections



NWC Projections	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	2022E	2023E	2024E	2025E	2026E	2027E
Current Assets												
Net Sales	\$ 25,923	\$ 25,896	\$ 25,938	\$ 25,868	\$ 26,581	\$ 28,720	\$ 30,739	\$ 33,473	\$ 36,484	\$ 39,766	\$ 43,321	\$ 47,163
Accounts Receivable	3,470	3,526	3,006	2,927	2,954	3,188	3,454	3,807	4,200	4,632	5,106	5,623
AR Days	48.86	49.70	42.30	41.30	40.56	40.52	41.02	41.52	42.02	42.52	43.02	43.52
COGS	15,795	15,831	15,586	15,531	16,135	17,466	18,444	20,084	21,890	23,860	25,993	28,298
Inventory	2,469	2,557	2,592	2,546	2,647	2,708	2,885	3,169	3,484	3,830	4,208	4,620
Inventory Days	57.06	58.95	60.70	59.83	59.88	56.59	57.09	57.59	58.09	58.59	59.09	59.59
Other Current Assets	800	676	906	866	759	900	666	1,039	930	906	906	841
as a % of Revenue	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Total Current Assets	6,739	6,759	6,504	6,339	6,360	6,796	7,005	8,015	8,614	9,368	10,220	11,084
Current Liabilities												
COGS	15,795	15,831	15,586	15,531	16,135	17,466	18,444	20,084	21,890	23,860	25,993	28,298
Accounts payable	5,318	5,705	5,794	5,853	6,209	6,730	7,132	7,794	8,525	9,324	10,194	11,136
AP Days	122.89	131.53	135.69	137.55	140.46	140.64	141.14	141.64	142.14	142.64	143.14	143.64
Other accrued liabilities	2,481	2,449	2,457	2,605	2,964	2,919	2,874	3,129	3,411	3,718	4,050	4,409
as a % of SG&A	38%	41%	38%	42%	49%	47%	42%	42%	42%	42%	42%	42%
Total Current Liabilities	7,799	8,154	8,251	8,458	9,173	9,649	10,006	10,923	11,936	13,042	14,244	15,546
NWC	(1,060)	(1,395)	(1,747)	(2,119)	(2,813)	(2,853)	(3,001)	(2,908)	(3,322)	(3,674)	(4,024)	(4,462)
Change in NWC		(335)	(352)	(372)	(694)	(40)	(148)	93	(414)	(352)	(350)	(438)

Appendix E: Cash Flow Projections



Cash Flow Projection	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	2022E	2023E	2024E	2025E	2026E	2027E
Sales	\$ 25,923	\$ 25,896	\$ 25,938	\$ 25,868	\$ 26,581	\$ 28,720	\$ 30,739	\$ 33,473	\$ 36,484	\$ 39,766	\$ 43,321	\$ 47,163
CapEx	1,224	1,014	1,095	925	863	965	1,180	1,285	1,401	1,527	1,664	1,811
<i>as a % of Sales</i>	4.7%	3.9%	4.2%	3.6%	3.2%	3.4%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
D&A	823	816	811	1,047	1,116	1,113	1,216	1,195	1,163	1,115	1,048	960
<i>as a % of CapEx</i>	67.2%	80.5%	74.1%	113.2%	129.3%	115.3%	103.0%	93.0%	83.0%	73.0%	63.0%	53.0%

BUIF: Consumer Staples

Appendix G: WACC and Beta



Mondelez International, Inc (NASDAQ: MDLZ)	
WACC	
Cost of Equity	
Shares Outstanding	1,367
Share Price	\$ 63.91
Market Cap	\$ 87,365
Risk Free Rate	4.14%
Risk Premium	3.28%
Beta	0.533752503
Cost of Equity	5.89%
Cost of Debt	
MV of Debt	\$ 20,334
Cost of Debt	6.14%
Tax Rate	28.84%
After Tax Cost of Debt	4.37%
Equity Rate	81.12%
Debt Rate	18.88%
WACC	5.94%
Credit Spread	2.00%

Covariance	0.00011482
Variance	0.00021511
Beta	0.5337525

Appendix H: DCF



Mondelēz International, Inc (NASDAQ: MDLZ)												
DCF												
<i>\$USD in Millions</i>	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$ 25,923	\$ 25,896	\$ 25,938	\$ 25,868	\$ 26,581	\$ 28,720	\$ 30,739	\$ 33,473	\$ 36,484	\$ 39,766	\$ 43,321	\$ 47,163
% growth YOY		-0.10%	0.16%	-0.27%	2.76%	8.05%	7.03%	8.89%	9.00%	9.00%	8.94%	8.87%
EBIT	\$ 2,569	\$ 3,506	\$ 3,312	\$ 3,843	\$ 3,853	\$ 4,653	\$ 5,022	\$ 5,468	\$ 5,960	\$ 6,497	\$ 7,077	\$ 7,705
EBIT margin	9.91%	13.54%	12.77%	14.86%	14.50%	16.20%	16.34%	16.34%	16.34%	16.34%	16.34%	16.34%
NOPAT	\$ 2,341	\$ 2,734	\$ 2,411	\$ 3,841	\$ 2,459	\$ 3,386	\$ 3,574	\$ 3,891	\$ 4,241	\$ 4,623	\$ 5,036	\$ 5,483
Implied Tax Rate	8.87%	22.02%	27.20%	0.06%	36.18%	27.24%	28.84%	28.84%	28.84%	28.84%	28.84%	28.84%
Plus: D&A	823	816	811	1,047	1,116	1,113	1,216	1,195	1,163	1,115	1,048	960
Less: Capex	1,224	1,014	1,095	925	863	965	1,180	1,285	1,401	1,527	1,664	1,811
Less: Change in NWC	-	(335)	(352)	(372)	(694)	(40)	(148)	93	(414)	(352)	(350)	(438)
FCFF	\$ 1,940	\$ 2,871	\$ 2,479	\$ 4,335	\$ 3,406	\$ 3,574	\$ 3,757	\$ 3,709	\$ 4,417	\$ 4,563	\$ 4,771	\$ 5,069
Discount Factor							0.25	1.25	2.25	3.25	4.25	5.25
Terminal Value (growth)												151,142
Terminal Value (multiple)												166,861
Cash Flows (growth)							\$ 3,757	\$ 3,709	\$ 4,417	\$ 4,563	\$ 4,771	\$ 156,211
Cash Flows (multiple)							\$ 3,757	\$ 3,709	\$ 4,417	\$ 4,563	\$ 4,771	\$ 166,861
PV of CF (growth)							3,703	3,451	3,880	3,783	3,734	115,397
PV of CF (multiple)							3,703	3,451	3,880	3,783	3,734	123,265

Gordon Growth	
Enterprise Value	133,947
Less: Debt	22,190
Plus: Cash	2,177
Less: Minority Interest	10
Equity Value	113,924
Diluted Shares Outstanding	1,379
Price Per Share	\$ 82.61

Terminal Multiple	
Enterprise Value	\$ 141,814
Less: Debt	22,190
Plus: Cash	2,177
Less: Minority Interest	10
Equity Value	\$ 121,791
Diluted Shares Outstanding	1,379
Price Per Share	\$ 88.32

Terminal Growth Rate	2.50%
Terminal Multiple (EV/EBITDA)	18.75
WACC	5.94%

Weighted Share Price		
Method	Share Price	Weight
GG	\$ 82.61	35%
MM	\$ 88.32	35%
FWD EV/EBIT	\$ 62.79	10%
FWD EV/EBITDA	\$ 55.34	5%
FWD P/E	\$ 77.33	10%
Share Price	\$ 76.61	

Appendix I: Comps



Mondelēz International, Inc (NASDAQ: MDLZ)																			
DCF																			
SUSD in Millions																			
Company	Ticker	Price	Shares Outstanding	Market Cap	Cash	Debt	Minority Interest	EV	EPS	EV/Revenue	EV/EBIT	EV/EBITDA	P/E	FWD EPS	FWD EV/Revenue	FWD EV/EBIT	FWD EV/EBITDA	FWD P/E	
Mondelēz International, Inc	MDLZ	\$63.91	1367	\$87,364.97	2,177	22,190	10	107,388	3.06	3.74	23.08	18.62	20.88	3.50	3.21	19.64	16.11	18.27	
Hershey Company	HSY	\$231.07	205.07	\$47,385.52	327.74	5213.9	0	52,272	8.18	5.18	23.83	20.08	28.25	8.90	4.79	20.96	18.03	25.96	
Hostess Brands Inc	TWPK	\$28.74	134.57	\$3,867.54	232.7	1126.2	0	4,761	1.17	3.60	21.78	16.8	24.56	1.11	3.32	19.08	14.66	25.89	
General Mills Inc	GIS	\$79.56	594.3	\$47,282.51	594.4	11561.9	250.8	58,501	4.06	3.05	15.72	13.67	19.60	4.34	2.93	16.94	14.42	18.33	
Kellogg Co	K	\$71.42	341	\$24,354.22	373	7276	455	31,712	3.70	2.13	19.48	15.1	19.30	4.2	2.07	15.53	12.76	17.00	
McCormick	MKC	\$80.70	268.2	\$21,643.74	343	5361.8	17.4	26,680	2.72	4.19	30.55	24.97	29.67	2.95	4.07	24.95	20.9	27.36	
Minimum									1.17	2.13	15.72	13.67	19.30	1.11	2.07	15.53	12.76	17.00	
Quartile 1									2.33	2.82	18.54	14.74	19.52	2.49	2.72	16.59	14.01	17.96	
Median									3.38	3.67	22.43	17.71	22.72	3.85	3.26	19.36	15.39	22.11	
Quartile 3									5.09	4.44	25.51	21.30	28.60	5.48	4.25	21.96	18.75	26.31	
Maximum									8.18	5.18	30.55	24.97	29.67	8.90	4.79	24.95	20.90	27.36	
Average									3.82	3.65	22.41	18.21	23.71	4.17	3.40	19.52	16.15	22.14	
Average (excl MNST)									3.97	3.63	22.27	18.12	24.28	4.30	3.44	19.49	16.15	22.91	

Comps Output	EV	Debt	Cash	Minority	Equity	Shares	Per Share
FWD EBIT	5,468						
Min	15.53	84,925	22,190	2,177	10	64,902	1,367 \$ 47.48
Q1	16.59	90,708	22,190	2,177	10	70,685	1,367 \$ 51.71
Med	19.36	105,863	22,190	2,177	10	85,840	1,367 \$ 62.79
Q3	21.96	120,073	22,190	2,177	10	100,050	1,367 \$ 73.19
Max	24.95	136,437	22,190	2,177	10	116,414	1,367 \$ 85.16
FWD EBITDA	6,217						
Min	12.76	79,334	22,190	2,177	10	59,311	1,367 \$ 43.39
Q1	14.01	87,074	22,190	2,177	10	67,051	1,367 \$ 49.05
Med	15.39	95,670	22,190	2,177	10	75,647	1,367 \$ 55.34
Q3	18.75	116,560	22,190	2,177	10	96,537	1,367 \$ 70.62
Max	20.90	129,943	22,190	2,177	10	109,920	1,367 \$ 80.41
FWD Revenue	33,473						
Min	2.07	69,288	22,190	2,177	10	49,265	1,367 \$ 36.04
Q1	2.72	90,878	22,190	2,177	10	70,855	1,367 \$ 51.83
Med	3.26	109,258	22,190	2,177	10	89,235	1,367 \$ 65.28
Q3	4.25	142,258	22,190	2,177	10	122,235	1,367 \$ 89.42
Max	4.79	160,333	22,190	2,177	10	140,310	1,367 \$ 102.64

Comps Output	EPS	Per Share
FWD P/E		
Min	17.00 \$	3.50 \$ 59.47
Q1	17.96 \$	3.50 \$ 62.80
Med	22.11 \$	3.50 \$ 77.33
Q3	26.31 \$	3.50 \$ 92.02
Max	27.36 \$	3.50 \$ 95.67

BUIF: Consumer Staples

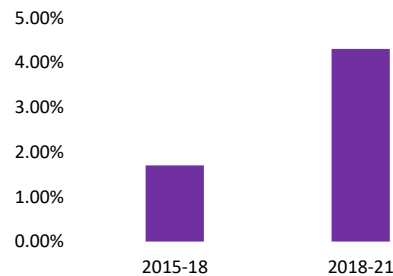
Appendix K: Strategic Business Growth



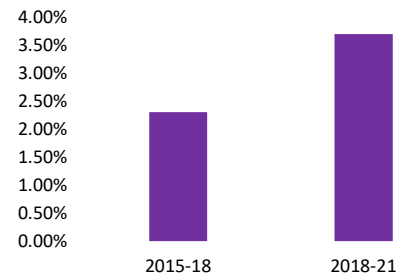
SUCCESSFUL REPOSITIONING OF THE BUSINESS HAS DRIVEN GROWTH

	FROM	TO
Financial Focus	Cost reduction, percentage margins	Volume-driven profitable growth funding reinvestment
Brands & Portfolio	Power Brands across choc, biscuits, gum, candy, cheese	Chocolate & biscuits focus, leveraging M&A
Commercial Org.	Centralized to control cost, opaque geo/category matrix	Local-first approach, consumer focused, clear accountability
Key Capabilities	Transformation management, cost control	Marketing & sales excellence, growth mindset
Incentives	Regional level, limited focus on growth metrics	BU level, growth-focused metrics aligned to strategy

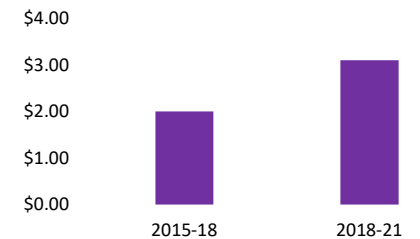
Organic Net Revenue Growth



Adjusted Gross Profit Growth



Free Cash Flow (USD \$ in billions)



Appendix L: High-Growth Footprint

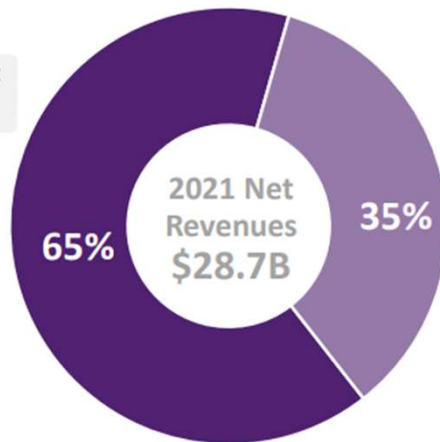


~1/3 revenues from emerging markets, have grown high-single digits

All regions have grown at or above top-line algorithm

Developed Markets

L3Y Rev. CAGR: +2.7%

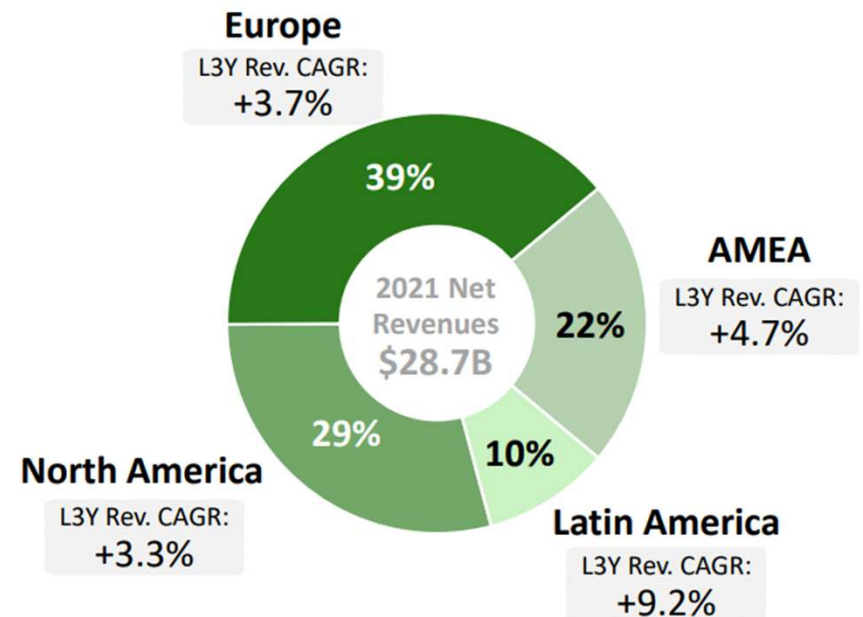


Emerging Markets

L3Y Rev. CAGR: +7.3%

Europe

L3Y Rev. CAGR: +3.7%



North America

L3Y Rev. CAGR: +3.3%

Latin America

L3Y Rev. CAGR: +9.2%

AMEA

L3Y Rev. CAGR: +4.7%

2021 Net Revenues \$28.7B

39%

22%

29%

10%

65%

35%

Appendix M: Strong Brands and Pricing



Market leading brands across core categories of chocolate & biscuits provide everyday fuel & affordable treats

Chocolate



#1 in UK, India, Australia, Ireland



#1 in Brazil



#1 in Sweden



#1 in Austria



#1 in Norway



#1 in Travel Retail



#1 in Belgium

Biscuits



#1 cookie in the world



#1 cookie in France



#1 breakfast biscuit in the world

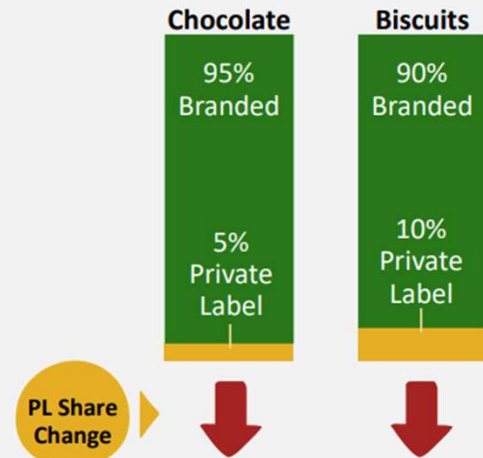


#1 savory cracker manufacturer globally

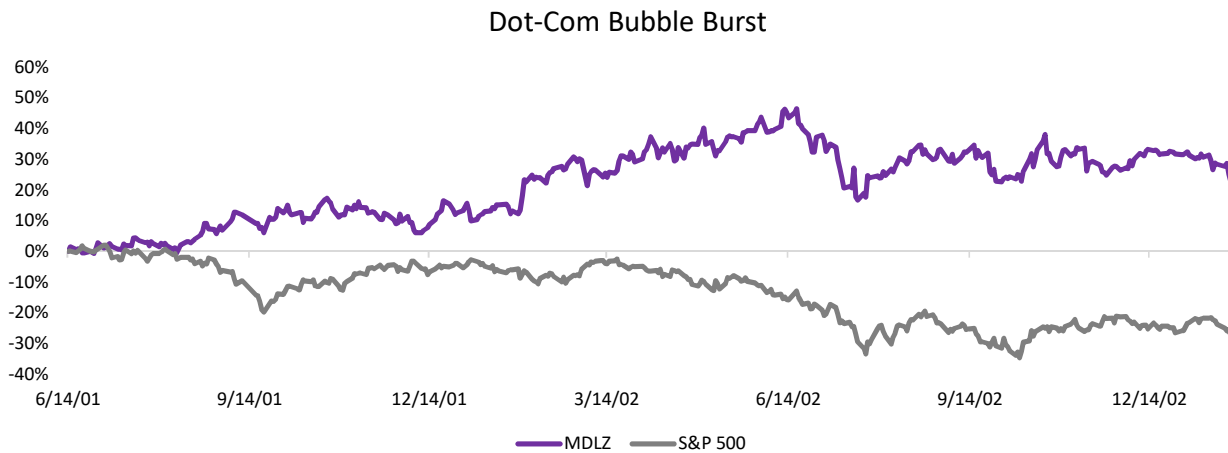


Clear preference for branded snacks; Private Label small & losing share

2021 Private Label Share¹



Appendix N: Recovery Post Recession



BUIF: Consumer Staples