# FIRST QUARTER 2023 EARNINGS

**May 11, 2023**

# DISCLOSURES

***Cautionary Note Regarding Forward-Looking Statements***

*This presentation contains forward-looking statements that involve risks and uncertainties. The words "believe," "may," "could," "will," "should," "anticipate," "estimate," "expect," "outlook," "guidance," "working towards" or similar words, or the negative of these words, identify forward-looking statements. Such forward-looking statements are based on certain assumptions and estimates that we consider reasonable but are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial conditions, business, prospects, growth strategy and liquidity. Accordingly, there are, or will be, important factors that could cause our actual results to differ materially from those indicated in these statements. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. Our actual results could differ materially from the forward-looking statements included herein. Factors that could cause actual results to differ from those expressed in forward-looking statements include, without limitation, the risks and uncertainties described under the headings "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in our Annual Report on Form 10-K for the year ended January 1, 2023, filed by us with the Securities and Exchange Commission ("SEC") and described in the other filings we make from time to time with the SEC. We believe that these factors include, but are not limited to, the impact of pandemics, changes in consumer preferences, the impact of inflation, and our ability to execute on our omni-channel business strategy. These forward-looking statements are made only as of the date of this document, and we do not undertake any obligation, other than as may be required by applicable law, to update or revise any forward-looking or cautionary statement to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.*

**Non-GAAP Measures**

This presentation includes includes certain non-GAAP financial measures including organic revenue growth, Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted EPS, Fresh Revenue from Hubs with Spokes and Sales per Hub, which differ from results using U.S. Generally Accepted Accounting Principles ("GAAP"). These non-GAAP financial measures are not universally consistent calculations, limiting their usefulness as comparative measures. Other companies may calculate similarly titled financial measures differently than we do or may not calculate them at all. Additionally, these non-GAAP financial measures are not measurements of financial performance under GAAP. In order to facilitate a clear understanding of our consolidated historical operating results, you should examine our non-GAAP financial measures in conjunction with our historical consolidated financial statements and notes thereto filed with the SEC.

The Company does not provide reconciliations of forward-looking non-GAAP measures to GAAP due to the inability to predict the amount and timing of impacts outside of the Company's control on certain items, such as net income and other charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

our purpose is...

**TO TOUCH & ENHANCE LIVES THROUGH THE *joy* THAT IS KRISPY KREME**

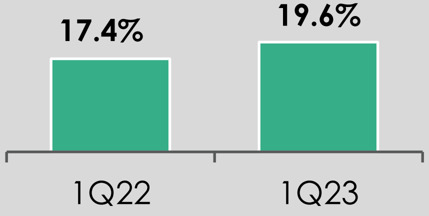
we aspire to be...

**THE MOST *loved* SWEET TREAT BRAND IN THE WORLD**

# Q1 2023 EARNINGS HIGHLIGHTS


## Ecommerce Revenue
**23%▲**

**As a % of Retail Sales**




> I'm proud of our performance in the first quarter that continued to demonstrate the strength of our omni-channel model, which allow us to meet consumer demand with premium, fresh doughnuts in a capital efficient manner. Our global Valentine's Day and St. Patrick's Day campaigns and specialty offerings such as Biscoff® Doughnuts resonated with consumers, showcasing the opportunities for premiumization as well as the gifting and sharing power of the brand. Krispy Kreme continues to be well-positioned to deliver another year of strong growth driven by our capital efficient DFD model and our global expansion plans."
>
> **Mike Tattersfield, President and CEO**

## KEY PERFORMANCE METRICS

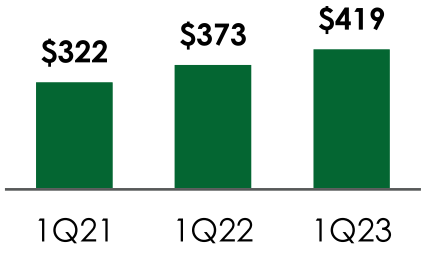
**Total Company Revenue**
**12.5% y/y▲**
to $419M

**Organic Revenue Growth**
**14%▲** U.S.
**7%▲** INTL.
**36%▲** MARKET DEVELOPMENT

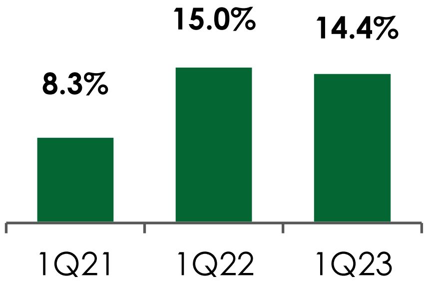
**Adjusted EBITDA**
**$54.9 M**
▲ 12% y/y
▲ 16% y/y in constant currency

**Points of Access Globally**
**12,410**
▲ 13% y/y

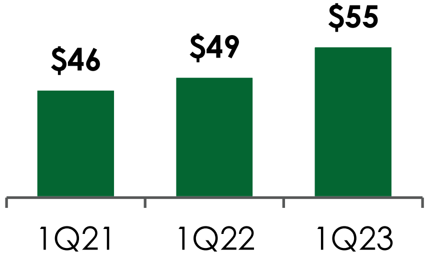
### Net Revenue ($M)



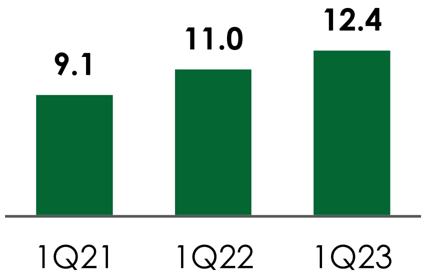

### Organic Revenue Growth




### Adjusted EBITDA ($M)

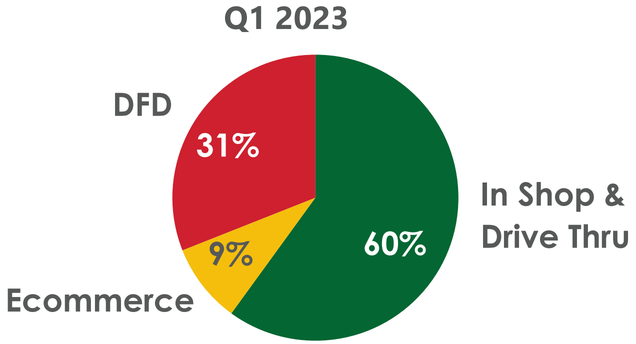


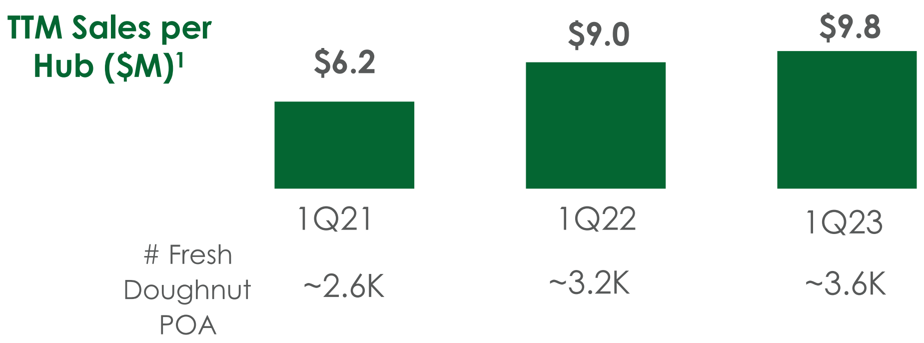

### Fresh Points of Access (in 1000s)



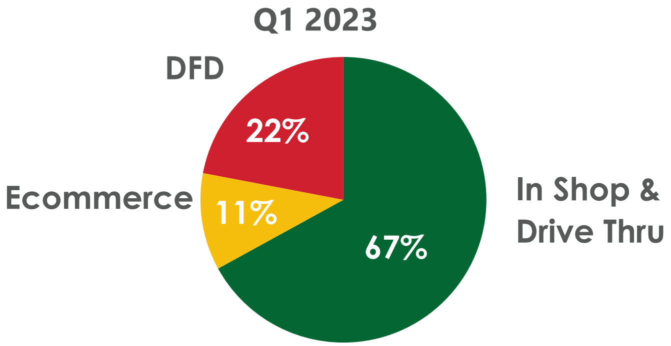
# SALES PER HUB GROWTH DRIVEN BY LOW-CAPITAL DFD DOORS

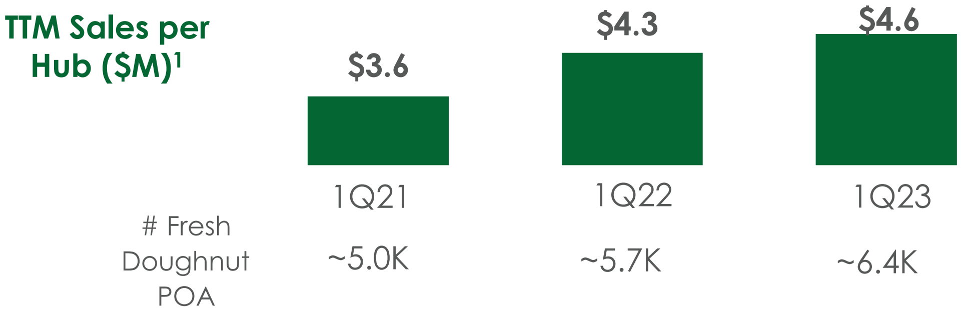
## International Segment




## U.S. Fresh Doughnut Business




**More Points of Access** → **Higher Sales per Hub** → **Higher EBITDA Margin**

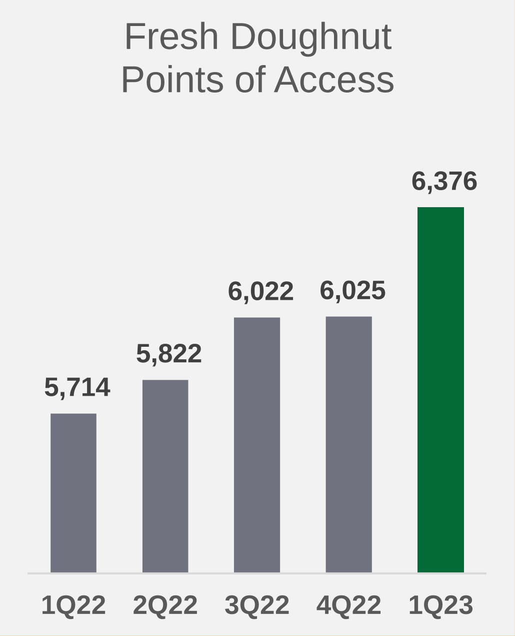
[1].Fresh revenue includes sales of fresh doughnuts produced at Hubs

# SIGNIFICANT PROGRESS ON US KRISPY KREME BUSINESS SINCE INVESTOR DAY

## Expand Availability

## Increased Purchase Frequency

## Accelerate DFD Expansion

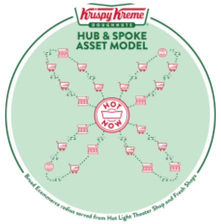



## Improve Customer & Krispy Kremer Experience

- *Hot light sampling*
- *Enhanced Drive-Thru Experience*
- *Improve Digital Experience*
- *New training programs & better employee onboarding*
- *Reduced equipment downtime with new program*
- *New Incentive program for Salary & Hourly*

**Guest satisfaction scores increased 330 bps vs 1Q22 and employee retention is improving well**

# SIGNIFICANT PROGRESS ON US KRISPY KREME BUSINESS CONTINUED




## Drive Hub & Spoke Productivity

### Improve Margins

*Adding higher volume cabinets to Grocery*

*Premiumization & Pricing through Specialty Doughnuts*

*Enhanced Labor & Material Efficiency*




## Improve Capital Efficiency

### Reset The Network

*Closed 16 shops; 6 planned*

*Converted 13shops; 3 planned*

**Progress in US Krispy Kreme business led to over 15% margins in the US Krispy Kreme business in Q1**

# 2023 OUTLOOK RE-AFFIRMED

## Financial Outlook[1]

**$1,650 million to $1,680 million**

**Net Revenue** (growth of 8% to 10%, or 9% to 11% in constant currency)

**Organic Revenue** (growth of 9% to 11%)

**$205 million to $215 million**

**Adjusted EBITDA** (growth of 8% to 13%, or 10% to 14% in constant currency)

**$52 million - $58 million**

**Adjusted Net Income Diluted** (growth of 5% to 17%, or 9% to 21% in constant currency)

**$0.31 to $0.34**

**Adjusted Diluted EPS** (growth of 7% to 17%, or 10% to 21% in constant currency)

## Other Metrics

- +10-15% Points of Access increase; +30-40 new Insomnia Cookie Shops
- Signed contracts for 3-5 new international countries
- Open in 5-7 new countries
- Capital Expenditures of $105 to $115 million (~6.6% of revenue)
- Adjusted Tax Rate of 24.5% to 26.0%
- Net Interest expense of $39 to $43 million

[1] Outlook as of May 11, 2023

# APPENDIX

# 1Q 2023 BUZZWORTHY HOLIDAY AND LTO'S DROVE STRONG GLOBAL ORGANIC GROWTH

**Japan** – Lotus Biscoff

**US, Various** Hershey Valentine's Day

**Thailand –** Chinese New Year

**US** St Patrick's Day

**Mexico –** Super Bowl

**UK** – Spring Doughnuts

**US** Reese's

**Guatamala –** Nutella filled Original Glaze

Krispy Kreme DOUGHNUTS

# PRO-FORMA 2022 US & MARKET DEVELOPMENT SEGMENTS TO ADJUSTED FOR CANADA MOVING TO MARKET DEVELOPMENT IN 2023

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| | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Annual 2022 |
|---|---|---|---|---|---|
| KK Canada revenue | 5,208 | 5,795 | 5,779 | 6,093 | **22,875** |
| KK Canada adjusted EBITDA | 1,201 | 1,862 | 1,444 | 1,693 | **6,200** |
| | | | | | |
| US | 247,919 | 244,665 | 246,830 | 270,836 | **1,010,250** |
| International | 87,201 | 93,853 | 91,934 | 92,928 | **365,916** |
| Market Development | 37,412 | 36,727 | 38,758 | 40,835 | **153,732** |
| **Net Revenues** | **372,532** | **375,245** | **377,522** | **404,599** | **1,529,898** |
| | - | - | - | - | - |
| US | 32,407 | 24,155 | 20,452 | 35,269 | 112,283 |
| International | 17,244 | 19,535 | 18,254 | 20,479 | 75,512 |
| Market Development | 12,488 | 12,357 | 11,797 | 13,979 | 50,621 |
| Corporate | (13,232) | (8,686) | (11,961) | (13,808) | (47,687) |
| **Adjusted EBITDA** | **48,907** | **47,361** | **38,542** | **55,919** | **190,729** |

Refer to our Fourth Quarter 2022 Press Release for Net Income to Adjusted EBITDA reconciliation

# GLOBALLY LOVED BRAND WITH SIGNIFICANT GROWTH OPPORTUNITIES

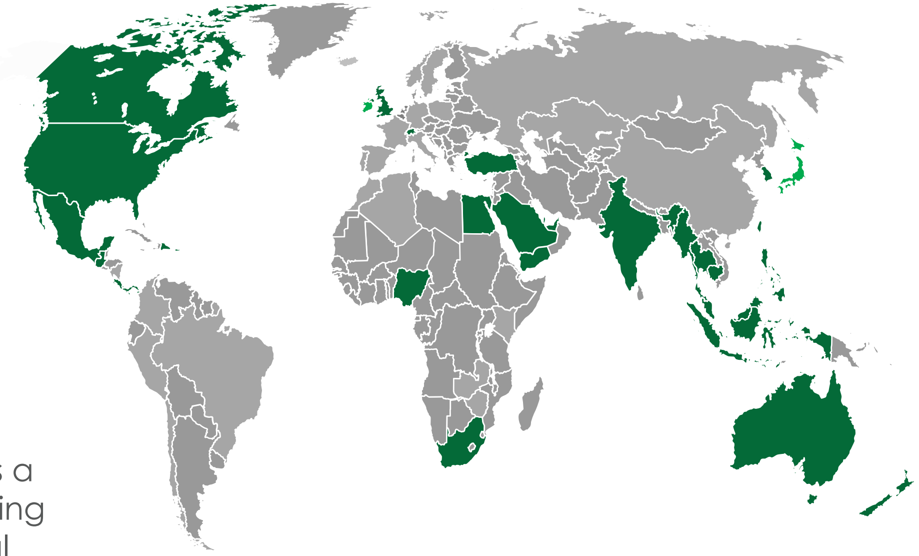
## #1 Most Loved Sweet Treat Brand in US, UK, Australia, Thailand & Turkey[1]


Canada

New York City


Mexico

| | |
|---|---|
| 32 | Countries served |
| 99% | Global brand awareness[2] |
| ~50% | System-wide sales generated Internationally[3] |
| >1.6B | Doughnuts sold in 2022 |
| >35B | Media impressions in 2022 |
| <5% | Less than 5% of the world is a customer today, representing significant growth potential |




Singapore

Japan


Guatemala


Qatar

South Africa


Saudi Arabia


Australia

[1]Source: Krispy Kreme's Annual Global Brand Tracking Survey conducted by SMG (Service Management Group) based on over 17,000 consumer responses with KK achieving the highest % of consumers indicating they "10-absolutely love the brand for Sweet Treats" on a 10 point scale in the countries referenced above.
[2]Aided brand awareness in tracked markets.
[3]2022 system-wide sales including franchisee