

A close-up photograph of a tray filled with several golden-brown, glazed donuts. The donuts are arranged in rows, and the lighting creates bright highlights on their glossy surfaces. The background is a soft, out-of-focus white.

# Krispy Kreme, Inc.

**FOURTH QUARTER AND FULL YEAR 2025 EARNINGS PRESENTATION  
FEBRUARY 26, 2026**

*Krispy Kreme*

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

Certain statements made in this presentation and on the conference call that this presentation accompanies are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by use of forward-looking terminology, including terms such as “plan,” “believe,” “may,” “continue,” “guidance,” “outlook,” “could,” “will,” “should,” “would,” “anticipate,” “estimate,” “expect,” “intend,” “aim,” “objective,” “goal,” “seek,” “pursue,” “strive,” “target,” “working towards,” “look forward” or the negatives of these words, comparable terminology, or other references to future periods; however, statements may be forward-looking whether or not these terms or their negatives are used. Forward-looking statements are not 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. We consider the assumptions and estimates on which forward-looking statements are based to be reasonable, but they are subject to various risks and uncertainties relating to our operations, financial results, financial conditions, business, prospects, future plans and strategies, projections, liquidity, the economy, and other future conditions. Therefore, you should not place undue reliance on any of these forward-looking statements. Important factors could cause our actual results to differ materially from those contained in forward-looking statements including, without limitation: food safety issues, including risks of food-borne illnesses, tampering, contamination, and cross-contamination; impacts from any material failure, inadequacy, or interruption of our information technology systems, including breaches or failures of such systems or other cybersecurity or data security-related incidents; our ability to execute our business strategy, including our turnaround plan and growth through international development with strategic partners and profitable expansion of our fresh delivery and digital channels; our ability to realize the anticipated benefits from past or potential future strategic transactions (including refranchising); failure by our franchisees, subfranchisees, or third-party service providers to operate effectively and in compliance with our standards and applicable law; any harm to our reputation or brand image; negative impacts on our business due to changes in consumer spending habits, consumer preferences, or demographic trends; our ability to open new and maintain existing shops and points of access both domestically and internationally; disruptions to our and our franchisees’ supply chain, including the loss of or failure to perform by single-source or limited suppliers, vendors, distributors, or manufacturers; our significant indebtedness and our ability to meet the financial and other covenants under our credit facilities; changes in the cost of raw materials and other commodities, including due to import and export requirements (including tariffs), inflation, or foreign exchange rates; our ability to recruit and retain key personnel; adverse regulatory actions or publicity concerning food or occupational safety, food quality, health, and other issues or regulatory investigations, enforcement actions, or material litigation; and other risks and uncertainties described under the heading “Risk Factors” and elsewhere in our Annual Report on Form 10-K filed by the Company with the Securities and Exchange Commission (the “SEC”) and in other filings the Company makes from time to time with the SEC. These forward-looking statements are made only as of the date of this document, and we undertake no obligation to publicly update or revise any forward-looking statement whether as a result of new information, future events, or otherwise, except as may be required by law.

### **Non-GAAP Measures**

This presentation includes certain financial information that is not presented in conformity with accounting principles generally accepted in the U.S. (“GAAP”). These non-GAAP financial measures include Adjusted EBITDA, Adjusted EBITDA margin, free cash flow and net debt. These non-GAAP financial measures are not standardized, and it may not be possible to compare these financial measures with other companies’ non-GAAP financial measures having the same or similar names, 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 or a substitute for results reported under GAAP. In order to facilitate a clear understanding of our consolidated historical operating results, we urge you to review our non-GAAP financial measures in conjunction with our historical consolidated financial statements and notes thereto filed with the SEC and not to rely on any single financial measure. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measure and additional information regarding these measures, see the appendix to this presentation. All metrics are as of December 28, 2025, unless stated otherwise.

# Our Turnaround Plan: Deleverage the Balance Sheet and Drive Sustainable, Profitable Growth

## Refranchise



Improve financial flexibility through refranchising international markets and restructuring the joint venture in the Western U.S.

## Drive ROIC



Reduce capital intensity by using existing assets and focusing on franchise development

## Expand Margins



Expand margins through greater operational efficiency, including outsourcing U.S. logistics

## Quality Growth



Pursue U.S. growth based upon sustainable and profitable revenue streams

# Fourth Quarter Highlights

## (vs Q4 2024)

“During the fourth quarter, we demonstrated meaningful progress on our turnaround, unlocking strong consumer demand for Krispy Kreme’s iconic, fresh doughnuts through our two biggest opportunities: profitable U.S. expansion and capital-light international franchise growth. Although our decision to exit underperforming U.S. doors resulted in a modest decline in net revenue, we expanded adjusted EBITDA margin 280 basis points year-over-year. In addition, we reduced our financial leverage quarter-over-quarter, delivered positive free cash flow, and secured a strategic refranchising agreement for our operations in Japan.

We are pleased to have ended 2025 with positive momentum, driven by quality growth in the U.S. with key strategic partners, higher digital sales, and international expansion. In 2026, we look forward to building on this momentum through systemwide sales growth, additional refranchising activity, disciplined capital expenditures, lower net leverage, and positive free cash flow generation.”

Krispy Kreme CEO Josh Charlesworth

**NET REVENUE:**  
**\$392.4 MILLION**

**ADJUSTED EBITDA<sup>1</sup>:**  
**\$55.6 MILLION**

**ADJUSTED EBITDA<sup>1</sup> GROWTH:**  
**21%**

**FREE CASH FLOW<sup>1</sup>:**  
**\$27.9 MILLION**

**NET LEVERAGE RATIO<sup>1</sup>:**  
**6.7x**

1) Non-GAAP figures. See the appendix to this presentation for more information and a reconciliation to the most directly comparable GAAP measure.

# 2025 Actions to Deleverage the Balance Sheet and Drive Sustainable, Profitable Growth

**Announced  
Q2 2025**

**Update  
Q4 2025**

TARGET 1-2 INTERNATIONAL REFRANCHISING DEALS

SIGNED STRATEGIC REFRANCHISING AGREEMENT FOR JAPAN

RESTRUCTURE JV IN THE WESTERN U.S.

IN ACTIVE DISCUSSIONS TOWARD A MINORITY STAKE

REMOVE COSTS FROM NOW-ENDED MCDONALD'S PARTNERSHIP

REMOVED OPERATING EXPENSES AND SG&A COSTS

OUTSOURCE MAJORITY OF U.S. LOGISTICS

OUTSOURCED 57% OF U.S. LOGISTICS

EXPAND WITH HIGH RETURN, NATIONAL U.S. CUSTOMERS

ADDED APPROXIMATELY 1,100 PROFITABLE DOORS

DRIVE POSITIVE CASH FLOW IN THE SECOND HALF

GENERATED \$43.5M OF FREE CASH FLOW IN THE SECOND HALF



# 2026 Actions to Deleverage the Balance Sheet and Drive Sustainable, Profitable Growth

- 1 TARGET 2-3 INTERNATIONAL REFRANCHISING DEALS**
- 2 COMPLETE REFRANCHISING OF JOINT VENTURE IN THE WESTERN U.S.**
- 3 EXPAND INTERNATIONAL FRANCHISE, OPEN 3-4 NEW MARKETS**
- 4 OPTIMIZE U.S. OPERATIONS AND COMPLETE OUTSOURCING OF U.S. LOGISTICS**

These actions are management targets as of Q4 2025.

# 2026 Outlook

**+2-4%**

SYSTEMWIDE SALES,  
\$1.96B IN 2025

**~50%**

SYSTEMWIDE SALES  
FROM FRANCHISEES,  
~25% IN 2025

**100+**

SHOPS OPENED  
GLOBALLY,  
2,125 SHOPS IN 2025

**\$50-\$60M**

CAPITAL  
EXPENDITURES

**Positive**

FREE CASH FLOW

NET LEVERAGE RATIO  
AT OR BELOW

**5.5x**





São Paulo, Brazil



# Appendix

(in thousands)	Quarter Ended		Fiscal Years Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
<b>Net (loss)/income</b>	<b>\$ (29,125)</b>	<b>\$ (22,163)</b>	<b>\$ (523,779)</b>	<b>\$ 3,815</b>
Interest expense, net	16,545	15,598	65,795	60,066
Income tax expense/(benefit)	5,116	(2,376)	(20,820)	15,954
Share-based compensation	4,854	10,546	12,865	35,149
Employer payroll taxes related to share-based compensation	24	59	307	358
(Gain)/loss on divestiture of Insomnia Cookies	—	(3,327)	11,501	(90,455)
Goodwill impairment	—	—	355,958	—
Other non-operating expense/(income), net <sup>(1)</sup>	194	770	(1,967)	1,885
Strategic initiatives <sup>(2)</sup>	2,769	(441)	39,847	19,993
Acquisition and integration expenses <sup>(3)</sup>	—	245	(111)	3,282
New market penetration expenses <sup>(4)</sup>	32	213	560	1,407
Shop closure expenses, net <sup>(5)</sup>	19,897	4,073	56,394	4,861
Restructuring and severance expenses <sup>(6)</sup>	927	6,792	6,396	7,561
Gain on remeasurement of equity method investment <sup>(7)</sup>	—	—	—	(5,579)
Gain on refranchising <sup>(8)</sup>	(295)	—	(1,358)	—
Gain on sale-leaseback	—	(1,569)	(6,749)	(1,569)
Other <sup>(9)</sup>	682	3,460	8,340	3,203
Amortization of acquisition related intangibles <sup>(10)</sup>	7,887	7,700	31,279	30,297
<b>Consolidated Adjusted EBIT</b>	<b>\$ 29,507</b>	<b>\$ 19,580</b>	<b>\$ 34,458</b>	<b>\$ 90,228</b>
Depreciation expense and amortization of right of use assets	26,058	26,335	105,795	103,300
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 55,565</b>	<b>\$ 45,915</b>	<b>\$ 140,253</b>	<b>\$ 193,528</b>

## ADJUSTED EBITDA AND ADJUSTED EBIT

We define “Adjusted EBITDA” as earnings before interest expense, net, income tax expense, and depreciation and amortization, with further adjustments for share-based compensation, certain strategic initiatives, acquisition and integration expenses, and certain other non-recurring, infrequent or non-core income and expense items. Adjusted EBITDA, both on a consolidated and at the segment level, is a principal metric that management uses to monitor and evaluate operating performance and provides a consistent benchmark for comparison across reporting periods. “Adjusted EBITDA margin” reflects Adjusted EBITDA as a percentage of net revenues.

We define “Adjusted EBIT” as earnings before interest expense, net and income tax expense, with further adjustments for share-based compensation, certain strategic initiatives, acquisition and integration expenses, amortization of acquisition-related intangibles, and certain other non-recurring, infrequent or non-core income and expense items. Adjusted EBIT is a metric complementary to Adjusted EBITDA that takes into account depreciation expense and amortization of right of use assets, allowing management to have a view of performance when including amortized costs from capital investments and lease obligations.

- (1) Primarily foreign translation gains and losses in each period, as well as equity method income from Insomnia Cookies following the divestiture of a controlling interest during fiscal 2024 until the sale of our remaining interest in the second quarter of fiscal 2025.
- (2) Fiscal 2025 consists primarily of \$33.6 million in costs associated with the U.S. national expansion (including McDonald’s USA), including exit costs associated with the termination of the Business Relationship Agreement with McDonald’s USA, and \$2.8 million in costs for the evaluation of potential opportunities to refranchise certain equity markets. Fiscal 2024 consists primarily of \$8.2 million in costs associated with the divestiture of the Insomnia Cookies business, \$7.3 million in costs preparing for the U.S. national expansion (including McDonald’s USA), and \$4.0 million in costs associated with global transformation. Fiscal 2023 consists primarily of costs associated with global transformation of \$5.9 million and U.S. initiatives such as the decision to exit the Branded Sweet Treats business, including property, plant and equipment impairments, inventory write-offs, employee severance, and other related costs of \$17.8 million.
- (3) Consists of acquisition and integration-related costs in connection with the Company’s business and franchise acquisitions, including legal, due diligence, and advisory fees incurred in connection with acquisition and integration-related activities for the applicable period.
- (4) Consists of start-up costs associated with entry into new countries in which the Company has not previously operated, including Brazil and Spain.
- (5) Includes lease termination costs, impairment charges, and loss on disposal of property, plant and equipment.
- (6) Fiscal 2025 consists primarily of costs associated with restructuring of the U.S. and U.K. businesses. Fiscal 2024 consists primarily of costs associated with the restructuring of the U.S. and U.K. executive teams. Fiscal 2023 consists primarily of costs associated with restructuring of the global executive team.
- (7) Consists of a gain related to the remeasurement of the equity method investments in KremeWorks USA, LLC and KremeWorks Canada, L.P. to fair value immediately prior to the acquisition of the shops.
- (8) Includes gains and losses on the deconsolidation of assets and liabilities associated with the refranchising of certain Krispy Kreme shops.
- (9) Fiscal 2025 and fiscal 2024 consist primarily of \$7.4 million and \$3.1 million, respectively, related to remediation of the 2024 Cybersecurity Incident, including fees for cybersecurity experts and other advisors, net of \$2.4 million of insurance proceeds received in fiscal 2025 relating to these costs. Fiscal 2023 consists primarily of legal and other regulatory expenses incurred outside the ordinary course of business.
- (10) Consists of amortization related to acquired intangible assets as reflected within depreciation and amortization in the Consolidated Statements of Operations.

**Krispy Kreme, Inc.**  
**Consolidated Statements of Cash Flows**  
*(in thousands)*

	Quarter Ended		
	December 28, 2025 (13 weeks)	December 29, 2024 (13 weeks)	December 31, 2023 (13 weeks)
	<i>(unaudited)</i>		
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>			
Net (loss)/income	\$ (29,125)	\$ (22,163)	\$ 1,883
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:			
Depreciation and amortization expense	33,945	34,035	36,752
Deferred and other income taxes	1,844	3,089	(31,120)
Long-lived asset impairment and lease termination charges	20,523	4,096	17,198
Loss on disposal of property and equipment	177	780	278
Gain on divestiture of Insomnia Cookies	—	(3,327)	—
Gain on refranchising	(295)	—	—
Gain on sale-leaseback	—	(1,569)	—
Share-based compensation	4,854	10,546	6,375
Change in accounts and notes receivable allowances	363	213	150
Inventory write-off	(90)	1,052	726
Amortization related to settlement of interest rate swap derivatives	—	—	(2,955)
Other	1,747	(882)	1,589
Change in operating assets and liabilities, excluding business acquisitions and divestitures, and foreign currency translation adjustments:			
Accounts, notes, and taxes receivable	997	(4,786)	(6,124)
Inventories	880	1,770	(37)
Assets held for sale	(16,523)	—	—
Other current and noncurrent assets	6,682	2,285	2,055
Operating lease assets and liabilities	288	(1,044)	(2,121)
Accounts payable and accrued liabilities	23,426	3,710	(24,690)
Other long-term obligations and deferred credits	(4,674)	(760)	1,553
<b>Net cash provided by operating activities</b>	<b>45,019</b>	<b>27,045</b>	<b>1,512</b>
<b>CASH FLOWS USED FOR INVESTING ACTIVITIES:</b>			
Purchase of property and equipment	(17,085)	(33,915)	(32,822)
Proceeds from disposals of assets	2,900	3	16
Proceeds from sale-leaseback	—	6,308	—
Acquisition of shops and franchise rights from franchisees, net of cash acquired	—	(5,326)	—
Purchase of equity method investment	—	—	(1,424)
Net proceeds from divestiture of Insomnia Cookies	—	6,480	—
Principal payments received from loans to franchisees	—	985	—
Disbursement for loan receivable	(1,379)	—	—
<b>Net cash used for investing activities</b>	<b>(15,564)</b>	<b>(25,465)</b>	<b>(34,230)</b>

	Quarter Ended		
	December 28, 2025 (13 weeks)	December 29, 2024 (13 weeks)	December 31, 2023 (13 weeks)
	<i>(unaudited)</i>		
<b>CASH FLOWS (USED FOR)/PROVIDED BY FINANCING ACTIVITIES:</b>			
Proceeds from the issuance of debt	117,512	186,250	131,000
Repayment of long-term debt and lease obligations	(122,021)	(167,086)	(119,140)
Payment of financing costs	—	—	(175)
Proceeds from structured payables	48,678	77,638	96,049
Payments on structured payables	(64,158)	(80,981)	(55,003)
Capital contribution from shareholders, net of loans issued	—	—	133
Proceeds from sale of noncontrolling interest in subsidiary	—	1,198	292
Distribution to shareholders	—	(5,949)	(5,901)
Payments for repurchase and retirement of common stock	(166)	(1,123)	(271)
Distribution to noncontrolling interest	—	(6,548)	(2,655)
<b>Net cash (used for)/provided by financing activities</b>	<b>(20,155)</b>	<b>3,399</b>	<b>44,329</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2,439	(1,548)	862
Net increase in cash, cash equivalents and restricted cash	11,739	3,431	12,473
Cash, cash equivalents and restricted cash at beginning of the fiscal year	31,152	25,884	26,141
<b>Cash, cash equivalents and restricted cash at end of the fiscal year</b>	<b>\$ 42,891</b>	<b>\$ 29,315</b>	<b>\$ 38,614</b>
Net cash provided by operating activities			
	\$ 45,019	\$ 27,045	\$ 1,512
Less: Purchase of property and equipment			
	(17,085)	(33,915)	(32,822)
<b>Free cash flow</b>	<b>\$ 27,934</b>	<b>\$ (6,870)</b>	<b>\$ (31,310)</b>

**FREE CASH FLOW**

We define “Free Cash Flow” as cash provided by operating activities less purchases of property and equipment.

**Krispy Kreme, Inc.**  
**Net Debt and Leverage**  
*(in thousands, except leverage ratio)*

	As of	
	December 29, 2025	December 31, 2024
	<i>(unaudited)</i>	
Current portion of long-term debt .....	\$ 65,977	\$ 56,356
Long-term debt, less current portion .....	911,852	844,547
<b>Total long-term debt, including debt issuance costs .....</b>	<b>977,829</b>	<b>900,903</b>
Add back: Debt issuance costs .....	2,904	3,322
<b>Total long-term debt, excluding debt issuance costs .....</b>	<b>980,733</b>	<b>904,225</b>
Less: Cash and cash equivalents .....	(42,390)	(28,962)
<b>Net debt .....</b>	<b>\$ 938,343</b>	<b>\$ 875,263</b>
Adjusted EBITDA - trailing four quarters .....	140,253	193,528
<b>Net leverage ratio .....</b>	<b>6.7 x</b>	<b>4.5 x</b>