

# Mondelēz International Reports Q1 2021 Results

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## First Quarter Highlights

- Net revenues increased 7.9% driven by Organic Net Revenue<sup>1</sup> growth of 3.8%, favorable currency and acquisitions
- Diluted EPS was \$0.68, up 33.3%; Adjusted EPS<sup>1</sup> was \$0.77, up 10.6% on a constant-currency basis
- Cash provided by operating activities was \$915 million; Free Cash Flow<sup>1</sup> was \$699 million
- Return of capital to shareholders was \$1.5 billion

CHICAGO, April 27, 2021 (GLOBE NEWSWIRE) -- Mondelēz International, Inc. (Nasdaq: MDLZ) today reported its first quarter 2021 results.

"Our first quarter results demonstrate that we are emerging from the COVID-19 pandemic stronger, as we continue to build upon our track record of robust growth, profitability and cash generation," said Dirk Van de Put, Chairman and Chief Executive Officer. "We saw continued improvement across emerging markets, healthy demand in developed markets and another quarter of strong share performance. We remain squarely focused on accelerating growth by further strengthening our core brand and expanding our presence in high-growth channels, categories and adjacencies. Our strategy is working, and our business is better positioned than ever before."

## Net Revenue

\$ in millions	Reported Net Revenues		Organic Net Revenue Growth		
	Q1 2021	% Chg vs PY	Q1 2021	Vol/Mix	Pricing
<b>Quarter 1</b>					
Latin America	\$ 669	(7.9)%	7.2%	(2.9) pp	10.1 pp
Asia, Middle East & Africa	1,745	16.2	10.8	7.9 pp	2.9
Europe	2,847	10.2	3.3	2.4 pp	0.9
North America	1,977	4.3	(2.3)	(2.8) pp	0.5
<b>Mondelēz International</b>	<b>\$ 7,238</b>	<b>7.9%</b>	<b>3.8%</b>	<b>1.5 pp</b>	<b>2.3 pp</b>
Emerging Markets	\$ 2,563	6.0%	9.9%	4.7 pp	5.2 pp
Developed Markets	\$ 4,675	9.0%	0.4%	(0.2) pp	0.6 pp

## Operating Income and Diluted EPS

\$ in millions, except per share data	Reported		Adjusted		
	Q1 2021	vs PY (Rpt Fx)	Q1 2021	vs PY (Rpt Fx)	vs PY (Cst Fx)
<b>Quarter 1</b>					
Gross Profit	\$ 2,966	21.0%	\$ 2,866	7.9%	5.0%
Gross Profit Margin	41.0%	4.5pp	39.6%	—pp	
Operating Income	\$ 1,283	49.9%	\$ 1,292	16.8%	12.8%

Operating Income Margin	17.7%	4.9pp	17.9%	1.4pp	
Net Earnings <sup>2</sup>	\$ 961	30.6%	\$ 1,090	15.0%	10.0%
Diluted EPS	\$ 0.68	33.3%	\$ 0.77	16.7%	10.6%

### First Quarter Commentary

- **Net revenues** increased 7.9 percent driven by Organic Net Revenue growth of 3.8 percent, favorable currency, and incremental sales from the company's acquisitions of Give & Go and Hu. Volume and pricing drove Organic Net Revenue growth, partially offset by unfavorable mix.
- **Gross profit** increased \$515 million, while gross profit margin increased 450 basis points to 41.0 percent, primarily driven by favorable year-over-year change in mark-to-market gains/losses from currency and commodity derivatives. Adjusted Gross Profit<sup>1</sup> increased \$134 million at constant currency, while Adjusted Gross Profit margin remained flat at 39.6 percent due to higher raw material costs and unfavorable product mix, offset by higher pricing and manufacturing productivity.
- **Operating income** increased \$427 million and operating income margin was 17.7 percent, up 490 basis points primarily due to favorable year-over-year change in mark-to-market gains/losses from currency and commodity derivatives and higher Adjusted Operating Income<sup>1</sup>, partially offset by higher restructuring expenses. Adjusted Operating Income increased \$142 million at constant currency, and Adjusted Operating Income margin increased 140 basis points to 17.9 percent primarily driven by lower overhead costs, partially offset by increased advertising and consumer promotions spend.
- **Diluted EPS** was \$0.68, up 33.3 percent, primarily due to mark-to-market gains from derivatives versus losses in the prior year, lapping the prior-year loss on interest rate swaps and an increase in Adjusted EPS, partially offset by a loss on debt extinguishment, higher Simplify to Grow program costs and lapping the prior-year gain on equity method investment transactions.
- **Adjusted EPS** was \$0.77, up 10.6 percent on a constant-currency basis driven by operating gains and share repurchases, partially offset by lower equity method investment earnings and higher taxes primarily due to changes in the company's mix of earnings.
- **Capital Return:** The company returned \$1.5 billion to shareholders in cash dividends and share repurchases.

### 2021 Outlook

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

Metric	FY 2021 Outlook
Organic Net Revenue Growth	3%+
Adjusted EPS Growth (at cst FX)	High single-digit
Free Cash Flow	\$3B+

The company estimates currency translation would increase 2021 net revenue growth by approximately 2 percent<sup>3</sup> with a positive \$0.10 impact to Adjusted EPS<sup>3</sup>. Outlook is provided in the context of greater than usual volatility as a result of COVID-19. The company strategy and long-term algorithm remain unchanged.

### 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](http://www.mondelezinternational.com). An archive of the webcast will be available on the company's web site. The company will be live tweeting the event at [www.twitter.com/MDLZ](http://www.twitter.com/MDLZ).

### About Mondelēz International

Mondelēz International, Inc. (Nasdaq: MDLZ) empowers people to snack right in over 150 countries around the world. With 2020 net revenues of approximately \$27 billion, MDLZ is leading the future of snacking with iconic global and local brands such as *Oreo*, *beVita* and *LU* biscuits; *Cadbury Dairy*

*Milk, Milka and Toblerone* chocolate; *Sour Patch Kids* candy and *Trident* gum. Mondelez International is a proud member of the Standard and Poor's 500, Nasdaq 100 and Dow Jones Sustainability Index. Visit [www.mondelezinternational.com](http://www.mondelezinternational.com) or follow the company on Twitter at [www.twitter.com/MDLZ](https://www.twitter.com/MDLZ).

## End Notes

1. Organic Net Revenue, Adjusted Gross Profit (and Adjusted Gross Profit margin), Adjusted Operating Income (and Adjusted Operating Income margin), Adjusted EPS, 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 Mondelez International.
3. Currency estimate is based on published rates from XE.com on April 21, 2021.

## 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, Turkey, 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 a number of forward-looking statements. Words, and variations of words, such as "will," "expect," "may," "would," "could," "estimate," "outlook" and similar expressions are intended to identify the company's forward-looking statements, including, but not limited to, statements about: the impact of and volatility resulting from the COVID-19 pandemic; the company's strategy and the prospects for the business; the company's future performance, including its future revenue growth, earnings per share and cash flow; currency and the effect of currency translation on the company's results of operations; the company's long-term algorithm; and the company's outlook, including 2021 Organic Net Revenue growth, Adjusted EPS growth and Free Cash Flow. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the company's control, and many of these risks and uncertainties are currently amplified by and may continue to be amplified by the COVID-19 pandemic. Important factors that could cause the company's actual results to differ materially from those indicated in the company's forward-looking statements include, but are not limited to, uncertainty about the magnitude, duration, geographic reach, impact on the global economy and related current and potential travel restrictions of the COVID-19 pandemic; the current, and uncertain future, impact of the COVID-19 pandemic on the company's business, growth, reputation, prospects, financial condition, operating results (including components of the company's financial results), cash flows and liquidity; risks from operating globally including in emerging markets; changes in currency exchange rates, controls and restrictions; volatility of commodity and other input costs; weakness in economic conditions; weakness in consumer spending; pricing actions; tax matters including changes in tax laws and rates, disagreements with taxing authorities and imposition of new taxes; use of information technology and third party service providers; unanticipated disruptions to the company's business, such as the malware incident, cyberattacks or other security breaches; global or regional health pandemics or epidemics, including COVID-19; competition; protection of the company's reputation and brand image; changes in consumer preferences and demand and the

company's ability to innovate and differentiate its products; the restructuring program and the company's other transformation initiatives not yielding the anticipated benefits; changes in the assumptions on which the restructuring program is based; management of the company's workforce; consolidation of retail customers and competition with retailer and other economy brands; changes in the company's relationships with customers, suppliers or distributors; legal, regulatory, tax or benefit law changes, claims or actions; the impact of climate change on the company's supply chain and operations; strategic transactions; significant changes in valuation factors that may adversely affect the company's impairment testing of goodwill and intangible assets; perceived or actual product quality issues or product recalls; failure to maintain effective internal control over financial reporting; volatility of and access to capital or other markets and the company's liquidity; pension costs; the expected discontinuance of London Interbank Offered Rates and transition to any other interest rate benchmark; and the company's ability to protect its intellectual property and intangible assets. Please also see the company's risk factors, as they may be amended from time to time, set forth in its filings with the SEC, including the company's most recently filed Annual Report on Form 10-K. Mondelēz International disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release, except as required by applicable law or regulation.