

Mondelēz International Reports

Q2 2021 Results

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| Source: [Mondelez International, Inc.](#)

Second Quarter Highlights

- Net revenues increased +12.4% driven by Organic Net Revenue¹ growth of +6.2%, favorable currency and acquisitions
- Diluted EPS was \$0.76, up +100.0%; Adjusted EPS¹ was \$0.66, up +1.6% on a constant-currency basis
- Returned \$2.4 billion of capital to shareholders in the first half
- Announced agreement to acquire Chipita, a leading cakes and pastries company in Europe
- Announcing +11% increase to quarterly dividend
- Year-to-date cash provided by operating activities was \$1.8 billion, an increase of +\$0.2 billion versus prior year; year-to-date Free Cash Flow¹ was \$1.4 billion, an increase of +\$0.3 billion
- Raising Organic Net Revenue growth outlook for full year to 4%+

CHICAGO, July 27, 2021 (GLOBE NEWSWIRE) -- Mondelēz

International, Inc. (Nasdaq: MDLZ) today reported its second quarter 2021 results.

"We delivered another strong quarter of performance across all key metrics, including top-line, profitability and cash generation," said Dirk Van de Put, Chairman and Chief Executive Officer. "We continue to see strength across the vast majority of our geographies, categories and brands as we remain intensely focused on consistent execution and reinvestment to further strengthen our position. We are confident that our strategy, long runway of clear growth drivers and advantaged enablers will continue to drive consistent and attractive growth and value generation over the long term."

Net Revenue

\$ in millions	Reported Net Revenues		Organic Net Revenue Growth		
	Q2 2021	% Chg vs PY	Q2 2021	Vol/Mix	Pri
Quarter 2					
Latin America	\$ 669	30.9%	33.7%	18.8 pp	
Asia, Middle East & Africa	1,452	17.4%	7.0%	5.1 pp	
Europe	2,474	15.7%	5.4%	4.2 pp	
North America	2,047	1.1%	(0.3)	(0.5)pp	
Mondelēz International	\$ 6,642	12.4%	6.2%	4.0 pp	
Emerging Markets	\$ 2,293	19.6%	16.5%	10.6 pp	
Developed Markets	\$ 4,349	8.9%	1.3%	0.9 pp	
YTD 2021					
June Year-to-Date	YTD 2021		YTD 2021		
Latin America	\$ 1,338	8.2%	18.1%	6.0 pp	
Asia, Middle East & Africa	3,197	16.7%	9.1%	6.7 pp	
Europe	5,321	12.7%	4.3%	3.2 pp	
North America	4,024	2.7%	(1.3)	(1.7)pp	
Mondelēz International	\$ 13,880	10.0%	5.0%	2.8 pp	
Emerging Markets	\$ 4,856	12.0%	12.8%	7.3 pp	
Developed Markets	\$ 9,024	8.9%	0.8%	0.3 pp	

Operating Income and Diluted EPS

\$ in millions, except per share data	Reported		Adjusted	
	Q2 2021	vs PY (Rpt Fx)	Q2 2021	vs PY (Rpt Fx) (
Quarter 2				
Gross Profit	\$ 2,631	12.9%	\$ 2,649	12.9%
Gross Profit Margin	39.6%	0.2 pp	39.9%	0.2 pp
Operating Income	\$ 872	22.3%	\$ 1,077	14.3%
Operating Income Margin	13.1%	1.0 pp	16.2%	0.3 pp
Net Earnings ²	\$ 1,078	98.2%	\$ 940	6.7%
Diluted EPS	\$ 0.76	100.0%	\$ 0.66	8.2%
YTD 2021				
June Year-to-Date	YTD 2021		YTD 2021	
Gross Profit	\$ 5,597	17.0%	\$ 5,515	10.2%
Gross Profit Margin	40.3%	2.4 pp	39.7%	0.1 pp
Operating Income	\$ 2,155	37.3%	\$ 2,369	15.7%
Operating Income Margin	15.5%	3.1 pp	17.1%	0.9 pp

Net Earnings ²	\$ 2,039	59.3%	\$ 2,077	12.9%
Diluted EPS	\$ 1.44	61.8%	\$ 1.46	14.1%

Second Quarter Commentary

- **Net revenues** increased 12.4 percent driven by Organic Net Revenue growth of 6.2 percent, favorable currency, and incremental sales from the company's acquisitions of Hu, Grenade and Gourmet Food. Volume and pricing drove Organic Net Revenue growth, partially offset by unfavorable mix.
- **Gross profit** increased \$300 million, while gross profit margin increased 20 basis points to 39.6 percent primarily driven by the increase in Adjusted Gross Profit¹ margin. Adjusted Gross Profit increased \$168 million at constant currency, while Adjusted Gross Profit margin increased 20 basis points to 39.9 percent due to pricing and manufacturing productivity, partially offset by higher raw material costs and unfavorable product mix.
- **Operating income** increased \$159 million and operating income margin was 13.1 percent, up 100 basis points primarily due to lower intangible asset impairment charges, lapping prior-year costs associated with the JDE Peet's transaction and higher Adjusted Operating Income¹ margin, partially offset by higher restructuring costs and the impact of pension participation changes. Adjusted Operating Income increased \$68 million at constant currency, and Adjusted Operating Income margin increased 30 basis points to 16.2 percent primarily driven by lower manufacturing costs, pricing and overhead leverage, partially offset by higher raw material costs, unfavorable product mix and higher advertising and consumer promotion spend.
- **Diluted EPS** was \$0.76, up 100.0 percent, primarily due to lapping prior-year costs associated with the JDE Peet's transaction, a higher gain this quarter on equity method investment transactions, an increase in Adjusted EPS, lower intangible asset impairment charges and favorable year-over-year mark-to-market impacts from currency and commodity derivatives. These factors were partially offset by the unfavorable impact from enacted tax law changes, higher restructuring costs and the negative impact from pension participation changes.
- **Adjusted EPS** was \$0.66, up 1.6 percent on a constant-currency basis driven by operating gains and fewer shares outstanding, partially offset by higher taxes primarily due to a lower net benefit from non-recurring discrete tax items.
- **Capital Return:** The company returned approximately \$900 million to shareholders in cash dividends and share repurchases in the quarter. Today, the company's Board of Directors declared a quarterly cash dividend of \$0.35 per share of Class A common stock, an increase of 11 percent. This dividend is payable on October 14, 2021, to shareholders recorded as of September 30, 2021.

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	4%+
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 percent³ with a positive \$0.09 impact to Adjusted EPS³. 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. 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 2020 net revenues of approximately \$27 billion, MDLZ is leading the future of snacking with iconic global and local brands such as *Oreo*, *belVita* and *LU* biscuits; *Cadbury Dairy Milk*, *Milka* and *Toblerone* chocolate; *Sour Patch Kids* candy and *Trident* gum. Mondelēz International is a proud member of the Standard and Poor's 500, Nasdaq 100 and Dow Jones Sustainability Index. Visit www.mondelezinternational.com or follow the company on Twitter at 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 Mondelēz International.
3. Currency estimate is based on published rates from XE.com on July 20, 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; growth and value generation over the long term; strategic transactions; 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; 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. Mondelez 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.