# Krispy Kreme, Inc.

**SECOND QUARTER 2025 EARNINGS PRESENTATION**
**AUGUST 7, 2025**

## 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 the use of forward-looking terminology, including terms such as “plan,” “believe,” “may,” “continue,” “guidance,” “could,” “will,” “should,” “would,” “anticipate,” “estimate,” “expect,” “intend,” “aim,” “outlook,” “objective,” “goal,” “seek,” “strive,” “target,” “working towards,” “look forward” or, in each case, the negatives of these words, comparable terminology, or similar 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 our 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 our 2024 cybersecurity incident or any other 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; 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; 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 execute on our omni-channel business strategy; our significant indebtedness and our ability to meet the financial and other covenants under our credit facilities; regulatory investigations, enforcement actions, or material litigation; and other risks and uncertainties described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 29, 2024, filed by us with the Securities and Exchange Commission (the “SEC”) and in other filings we make 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

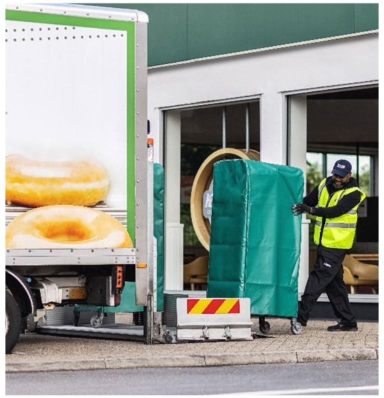
This presentation includes certain financial information that is not presented in conformity with accounting principles generally accepted in the U.S. (“GAAP”). These non-GAAP financial measures include organic revenue growth/(decline) and Adjusted EBITDA. These non-GAAP financial measures are not standardized, 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 June 29, 2025, unless stated otherwise.

*our purpose*

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

Krispy Kreme DOUGHNUTS®

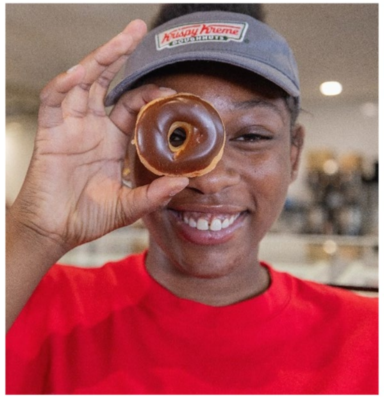

**Drive Consumer Relevance**



**Expand Availability**


**Increase Hub & Spoke Efficiency**

**Improve Capital Efficiency**



**Inspire Engagement**

# Second Quarter Highlights (vs Q2 2024)

- Net revenue of $379.8 million
- Organic revenue[1] declined 0.8%
- GAAP net loss of $441.1 million, including non-cash goodwill and other asset impairment charges totaling $406.9 million
- Adjusted EBITDA[1] of $20.1 million
- Cash used for operating activities of $32.5 million
- Global Points of Access ("POA") increased 2,260, or 14.3%, to 18,113[2]

**"Our results for the second quarter primarily reflect the impact of unsustainable operating costs relative to unit demand in the McDonald's USA partnership, which ended July 2, 2025. We are quickly removing our costs related to the McDonald's partnership and growing fresh delivery through profitable, high-volume doors with major customers. We expect to begin recouping profitability in the third quarter.**

**Looking ahead, we have implemented a comprehensive turnaround plan aimed at unlocking our two biggest opportunities: profitable U.S. expansion and capital-light international franchise growth. This plan is designed to reduce leverage and deliver sustainable, profitable growth through refranchising, improving returns on capital, expanding margins, and driving sustainable, profitable U.S. growth."**

**Josh Charlesworth, Krispy Kreme CEO**

1) Non-GAAP figures. See the appendix to this presentation for more information and a reconciliation to the most directly comparable GAAP measure.
2) Includes approximately 2,400 McDonald's doors which were exited in the third quarter of fiscal 2025 due to the termination of the Business Relationship Agreement with McDonald's.

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

## Refranchise

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

## Drive ROIC

Reduce capital intensity by using existing assets and focusing on franchisee 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

# H2 Actions to Deleverage the Balance Sheet and Drive Sustainable, Profitable Growth

1. Target 1-2 international refranchising deals
2. Restructure JV in the Western U.S.
3. Remove costs from now-ended McDonald's partnership
4. Outsource majority of U.S. logistics
5. Expand with high return, national U.S. DFD customers
6. Drive positive cash flow in the second half

These actions are management targets as of Q2 2025


A HIGH SCORE in every bite!
PAC-MAN
EVERY DAY IS A dozen kind of day
Krispy Kreme DOUGHNUTS
HOT NOW
Krispy Kreme ORIGINAL GLAZED

# Appendix

| (in thousands) | Quarter Ended June 29, 2025 | Quarter Ended June 30, 2024 | Two Quarters Ended June 29, 2025 | Two Quarters Ended June 30, 2024 |
|---|---|---|---|---|
| **Net loss** | **$ (441,118)** | **$ (4,931)** | **$ (474,523)** | **$ (11,594)** |
| Interest expense, net | 16,696 | 14,452 | 32,892 | 28,188 |
| Income tax (benefit)/expense | (20,453) | (3,611) | (23,120) | 651 |
| Share-based compensation | 4,634 | 7,648 | 7,237 | 14,634 |
| Employer payroll taxes related to share-based compensation | 91 | 207 | 257 | 250 |
| Loss on divestiture of Insomnia Cookies | 11,501 | — | 11,501 | — |
| Goodwill impairment | 355,958 | — | 355,958 | — |
| Other non-operating (income)/expense, net (1) | (1,177) | 949 | (1,570) | 1,522 |
| Strategic initiatives (2) | 22,867 | 4,187 | 25,220 | 9,008 |
| Acquisition and integration expenses (3) | (182) | 851 | (111) | 1,099 |
| New market penetration expenses (4) | 245 | 572 | 320 | 1,038 |
| Shop closure expenses, net (5) | 35,723 | 628 | 35,995 | 767 |
| Restructuring and severance expenses (6) | 4,839 | 132 | 4,947 | 138 |
| Gain on sale-leaseback | (6,749) | — | (6,749) | — |
| Other (7) | 1,454 | (958) | 6,154 | (973) |
| Amortization of acquisition related intangibles (8) | 7,830 | 7,397 | 15,491 | 14,817 |
| **Adjusted EBIT** | **$ (7,841)** | **$ 27,523** | **$ (10,101)** | **$ 59,545** |
| Depreciation expense and amortization of right of use assets | 27,952 | 27,203 | 54,192 | 53,369 |
| **Adjusted EBITDA** | **$ 20,111** | **$ 54,726** | **$ 44,091** | **$ 112,914** |

| (in thousands) | Quarter Ended June 29, 2025 | Quarter Ended June 30, 2024 | Two Quarters Ended June 29, 2025 | Two Quarters Ended June 30, 2024 |
|---|---|---|---|---|
| ***Segment Adjusted EBITDA:*** | | | | |
| U.S. | $ 9,930 | $ 32,668 | $ 25,841 | $ 75,284 |
| International | 18,221 | 21,655 | 33,118 | 42,191 |
| Market Development | 8,948 | 12,875 | 19,995 | 24,775 |
| Corporate | (16,988) | (12,472) | (34,863) | (29,336) |
| **Total Adjusted EBITDA** | **$ 20,111** | **$ 54,726** | **$ 44,091** | **$ 112,914** |

(1) Primarily foreign translation gains and losses in each period. The quarter ended June 29, 2025 also consists of equity method income from Insomnia Cookies following the divestiture of a controlling interest in Insomnia Cookies during fiscal 2024.

(2) The quarter and two quarters ended June 29, 2025 consist primarily of costs associated with the U.S. national expansion, including exit costs associated with termination of the Agreement with McDonald's, and the evaluation of potential opportunities to refranchise certain equity markets. The quarter and two quarters ended June 30, 2024 consist primarily of costs associated with global transformation, exploring strategic alternatives for the Insomnia Cookies business, and preparing for the U.S. national expansion (including McDonald's).

(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 for which the Company's brands have not previously operated, including Brazil and Spain.

(5) Includes lease termination costs, impairment charges, and loss on disposal of property, plant and equipment.

(6) The quarter and two quarters ended June 29, 2025 consist primarily of costs associated with restructuring of the U.S. and U.K. businesses.

(7) The quarter and two quarters ended June 29, 2025 consist primarily of $0.9 million and $5.3 million, respectively, in costs related to remediation of the 2024 Cybersecurity Incident, including fees for cybersecurity experts and other advisors. The quarter and two quarters ended June 30, 2024 consist primarily of a gain from insurance proceeds received related to a shop in the U.S. that was destroyed and subsequently rebuilt.

(8) Consists of amortization related to acquired intangible assets as reflected within depreciation and amortization in the Condensed Consolidated Statements of Operations.

(9) Tax impact of adjustments calculated applying the applicable statutory rates. The quarters ended June 29, 2025 and June 30, 2024 also include the impact of disallowed executive compensation expense.

(10) The quarter and two quarters ended June 30, 2024 consist of the recognition of previously unrecognized tax benefits unrelated to ongoing operations, a discrete tax benefit unrelated to ongoing operations, and the effect of various tax law changes on existing temporary differences.

| ***Q2 2025 Organic Revenue - QTD*** *(in thousands, except percentages)* | U.S. | International | Market Development | Total Company |
|---|---|---|---|---|
| Total net revenues in second quarter of fiscal 2025 | $ 230,099 | $ 132,755 | $ 16,913 | $ 379,767 |
| Total net revenues in second quarter of fiscal 2024 | 289,304 | 125,269 | 24,236 | 438,809 |
| **Total Net Revenues (Decline)/Growth** | **(59,205)** | **7,486** | **(7,323)** | **(59,042)** |
| **Total Net Revenues (Decline)/Growth %** | **-20.5 %** | **6.0 %** | **-30.2 %** | **-13.5 %** |
| Less: Impact of Insomnia Cookies divestiture | (64,166) | — | — | (64,166) |
| Adjusted net revenues in second quarter of fiscal 2024 | 225,138 | 125,269 | 24,236 | 374,643 |
| **Adjusted net revenue growth/(decline)** | **4,961** | **7,486** | **(7,323)** | **5,124** |
| Impact of acquisitions | (11,877) | (1,503) | 3,880 | (9,500) |
| Impact of foreign currency translation | — | 1,441 | — | 1,441 |
| **Organic Revenue (Decline)/Growth** | **$ (6,916)** | **$ 7,424** | **$ (3,443)** | **$ (2,935)** |
| **Organic Revenue (Decline)/Growth %** | **-3.1 %** | **5.9 %** | **-14.2 %** | **-0.8 %** |

| ***Q2 2025 Organic Revenue - YTD*** *(in thousands, except percentages)* | U.S. | International | Market Development | Total Company |
|---|---|---|---|---|
| Total net revenues in first two quarters of fiscal 2025 | $ 466,643 | $ 252,390 | $ 35,918 | $ 754,951 |
| Total net revenues in first two quarters of fiscal 2024 | 585,239 | 250,019 | 46,249 | 881,507 |
| **Total Net Revenues (Decline)/Growth** | **(118,596)** | **2,371** | **(10,331)** | **(126,556)** |
| **Total Net Revenues (Decline)/Growth %** | **-20.3%** | **0.9%** | **-22.3%** | **-14.4%** |
| Less: Impact of Insomnia Cookies divestiture | (128,485) | — | — | (128,485) |
| Adjusted net revenues in first two quarters of fiscal 2024 | 456,754 | 250,019 | 46,249 | 753,022 |
| **Adjusted net revenue growth/(decline)** | **9,889** | **2,371** | **(10,331)** | **1,929** |
| Impact of acquisitions | (22,920) | (2,868) | 7,478 | (18,310) |
| Impact of foreign currency translation | — | 9,800 | — | 9,800 |
| **Organic Revenue (Decline)/Growth** | **$ (13,031)** | **$ 9,303** | **$ (2,853)** | **$ (6,581)** |
| **Organic Revenue (Decline)/Growth %** | **-2.9%** | **3.7%** | **-6.2%** | **-0.9%** |

## Organic Revenue Growth

Organic revenue growth measures our revenue growth trends excluding the impact of acquisitions, divestitures, and foreign currency, and we believe it is useful for investors to understand the expansion of our global footprint through internal efforts. We define "organic revenue growth" as the growth in revenues, excluding (i) acquired shops owned by us for less than 12 months following their acquisition, (ii) the impact of foreign currency exchange rate changes, (iii) the impact of shop closures related to restructuring programs, (iv) the impact of the divestiture of Insomnia Cookies, and (v) revenues generated during the 53rd week for those fiscal years that have a 53rd week based on our fiscal calendar.