



■ **Key Facts**

Business address: **Pittsburgh, Pennsylvania, United States**

Industry: **Mayonnaise, Dressing, and Other Prepared Sauce Manufacturing** (NAICS 311941)

SEC filer status: **Large Accelerated Filer** as of Dec 2020

Index member: **S&P 500, Russell 1000**

Market Cap: **\$45.6b** as of Feb 25, 2021

Annual revenue: **\$26.2b** as of Dec 26, 2020

■ **Corporate Governance**

CEO: **Bernardo Hees**

CFO: **Paulo Basilio** since 2019

1st level

Board Chairman: **Alexandre Behring** since 2015

Audit Committee Chair: **John C. Pope**

2nd level

Auditor: **PricewaterhouseCoopers LLP** since 1979

Outside Counsel (most recent): **Paul Weiss Rifkind Wharton & Garrison LLP**

**Jenner & Block LLP**

3rd level

SEC Reviewer: **H Roger Schwall**

4th level

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Information in this report is effective Feb 26, 2021 and is taken from the company's public financial and regulatory filings. Latest filing 10-K filed 02/17/2021. Over 75 accounting and data analysts scrutinize and review crucial information, footnotes, disclosures, etc., from these filings. Material facts are captured and processed using our proprietary methods which identify key risk factors our readers need to know. Each Watchdog Report represents 30 or more hours of analysis and processing.

Accounting and financial disclosure data from [Audit Analytics](#).

Executive compensation data from [Shore Group and Intrinio](#).

Data from [Sharadar](#).

[Data from Barchart via Quandl](#).

[Data from Exchange Data International via Quandl](#).

Feb 26, 2021 Jan 1, 2020 Jan 1, 2016

RECENT PERIOD HISTORICAL PERIOD

10-K filed on Feb 17, 2021 for period ending Dec 2020

**Reporting Irregularities**

RECENT		HISTORICAL
✓	Financial Restatements	!
✓	Revisions	!
✓	Out of Period Adjustments	!
✓	Late Filings	!
!	Impairments	!
✓	Changes in Accounting Estimates	!
!	Disclosure Controls	!
!	Internal Controls	!
!	Critical / Key Audit Matters	✓

**Anomalies in the Numbers**

RECENT		HISTORICAL
✓	Benford's Law	✓
✓	Beneish M-Score	✓
✓	Accounting Disclosure Complexity	!

**Securities & Exchange Commission Concerns**

RECENT		HISTORICAL
✓	SEC Oversight	✓
!	SEC Letters to Management	!
✓	Revenue Recognition	✓
✓	Non-GAAP Measures	✓

**Litigation & External Pressures**

RECENT		HISTORICAL
!	Significant Litigation	!
!	Class Actions	!
!	Securities Law	!
✓	Shareholder Activism	✓
✓	Cybersecurity	✓

**Management Review**

RECENT		HISTORICAL
✓	CEO Changes	!
✓	CFO Changes	!
✓	Insider Sales	✓
✓	Mergers & Acquisitions	✓
✓	Sales of Assets	✓

**Auditor Assessment**

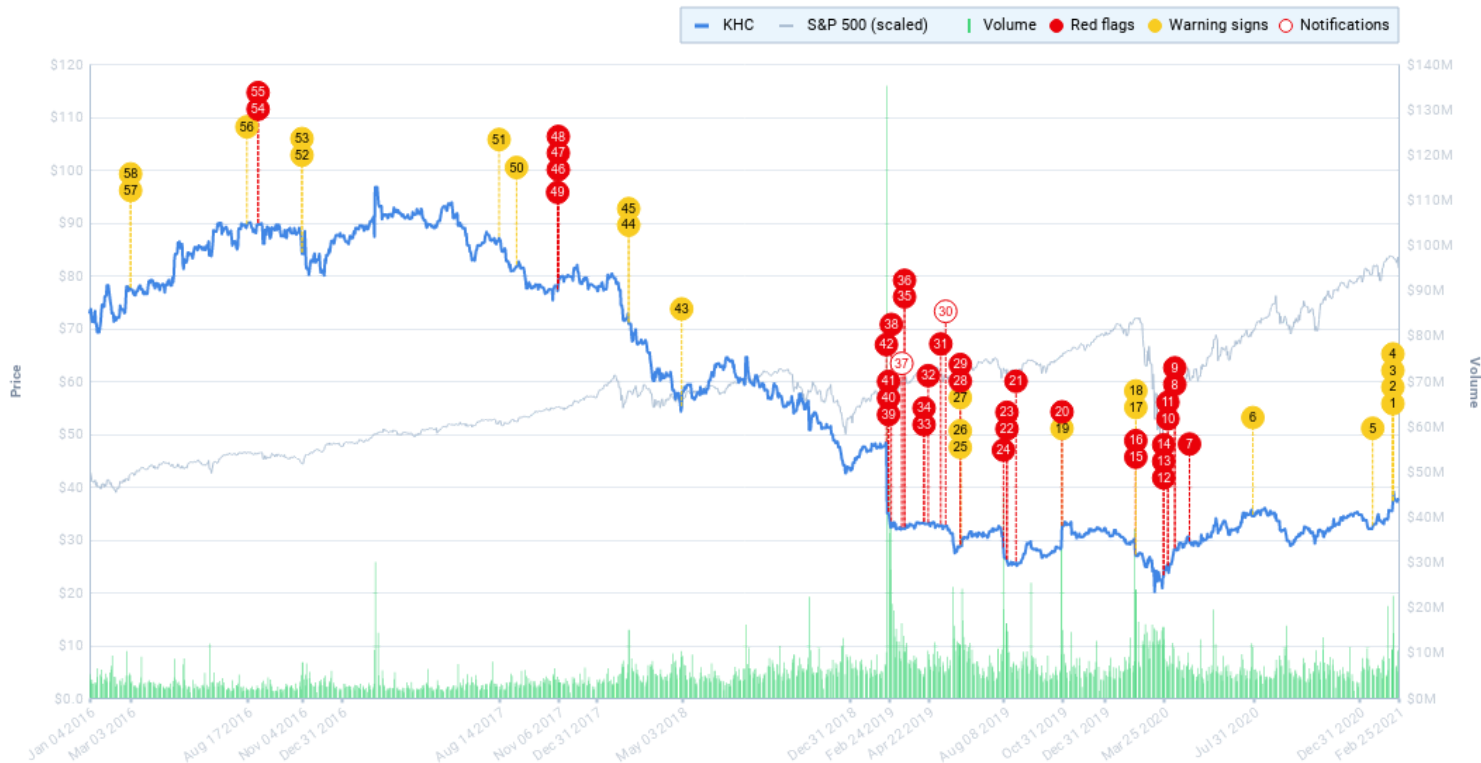
RECENT		HISTORICAL
✓	Auditor Changes	✓
✓	Auditor Experience	✓
!	Auditor Tenure	!
✓	Audit Fees	✓
✓	Non-Audit Fees	✓



## Overview

### Price and Volume History

This graph shows the price and trading history for Kraft Heinz. Warning signs and red flags are marked on the graph according to their disclosure dates.



- |   |   |
|---|---|
| 1 Feb 17, 2021 - Impairment   | 20 Oct 31, 2019 - Disclosure Controls   |
| 2 Feb 17, 2021 - Impairment   | 21 Aug 26, 2019 - Change in CFO   |
| 3 Feb 17, 2021 - Critical / Key Audit Matters   | 22 Aug 13, 2019 - Disclosure Controls   |
| 4 Feb 17, 2021 - Critical / Key Audit Matters   | 23 Aug 13, 2019 - Disclosure Controls   |
| 5 Jan 19, 2021 - SEC letters to management  | 24 Aug 8, 2019 - Late filing  |
| 6 Jul 31, 2020 - Disclosure Controls  | 25 Jun 7, 2019 - Out of Period Adjustments  |
| 7 May 1, 2020 - Disclosure Controls   | 26 Jun 7, 2019 - Impairment   |
| 8 Apr 10, 2020 - Lawsuit: Osborne et al v. Employee Benefits Administration Board of Kra...   | 27 Jun 7, 2019 - Impairment   |
| 9 Apr 10, 2020 - Class Actions Lawsuit: Osborne et al v. Employee Benefits Administratio...   | 28 Jun 7, 2019 - Disclosure Controls  |
| 10 Mar 31, 2020 - Lawsuit: Waters v. Behring et al  | 29 Jun 7, 2019 - Internal Controls  |
| 11 Mar 31, 2020 - Securities Law Lawsuit: Waters v. Behring et al                             | 30 May 17, 2019 - Noncompliant with NASDAQ Standards  |
| 12 Mar 25, 2020 - Lawsuit: City of Hollywood Police Officers' Retirement System v. The Kr...  | 31 May 10, 2019 - Late filing   |
| 13 Mar 25, 2020 - Class Actions Lawsuit: City of Hollywood Police Officers' Retirement Sy...  | 32 Apr 22, 2019 - Change in CEO   |
| 14 Mar 25, 2020 - Securities Law Lawsuit: City of Hollywood Police Officers' Retirement Sy... | 33 Apr 16, 2019 - Lawsuit: In re Kraft Heinz Shareholder Derivative Litigation                |
| 15 Feb 14, 2020 - Disclosure Controls   | 34 Apr 16, 2019 - Securities Law Lawsuit: In re Kraft Heinz Shareholder Derivative Litigation |
| 16 Feb 14, 2020 - Internal Controls   | 35 Mar 19, 2019 - Lawsuit: Osborne et al v. Employee Benefits Administration Board of Kra...  |
| 17 Feb 14, 2020 - Critical / Key Audit Matters  | 36 Mar 19, 2019 - Class Actions Lawsuit: Osborne et al v. Employee Benefits Administratio...  |
| 18 Feb 14, 2020 - Critical / Key Audit Matters  | 37 Mar 15, 2019 - Noncompliant with NASDAQ Standards  |
| 19 Oct 31, 2019 - Out of Period Adjustments   | 38 Feb 28, 2019 - Late filing   |



- 39 Feb 24, 2019 - Lawsuit: Hedick v. Kraft Heinz Company et al
- 40 Feb 24, 2019 - Class Actions Lawsuit: Hedick v. Kraft Heinz Company et al
- 41 Feb 24, 2019 - Securities Law Lawsuit: Hedick v. Kraft Heinz Company et al
- 42 Feb 21, 2019 - Financial restatement
- 43 May 3, 2018 - Revisions
- 44 Feb 16, 2018 - Impairment
- 45 Feb 16, 2018 - Disclosure Controls
- 46 Nov 7, 2017 - Disclosure Controls
- 47 Nov 7, 2017 - Disclosure Controls
- 48 Nov 7, 2017 - Disclosure Controls

- 49 Nov 6, 2017 - Financial restatement
- 50 Sep 8, 2017 - Change in CFO
- 51 Aug 14, 2017 - SEC letters to management
- 52 Nov 4, 2016 - Out of Period Adjustments
- 53 Nov 4, 2016 - Disclosure Controls
- 54 Sep 2, 2016 - Lawsuit: In re Broiler Chicken Antitrust Litigation
- 55 Sep 2, 2016 - Class Actions Lawsuit: In re Broiler Chicken Antitrust Litigation
- 56 Aug 17, 2016 - SEC letters to management
- 57 Mar 3, 2016 - Impairment
- 58 Mar 3, 2016 - Change in Accounting Estimates

## Notifications

Important notifications related to the company are listed here. Notifications may come from the SEC, exchanges such as the NYSE or NASDAQ, or Watchdog Research. Examples of notifications include announcements of bankruptcy proceedings, company name changes, and noncompliance with SEC regulations or exchange rules.

**Kraft Heinz has 2 notifications since 2016.**

Event date	Type	Headline	Message	Source
05/17/2019	Noncompliance	Noncompliant with NASDAQ Standards	Noncompliant for delinquent filings	<a href="#">NASDAQ</a>
03/15/2019	Noncompliance	Noncompliant with NASDAQ Standards	Noncompliant for delinquent filings	<a href="#">NASDAQ</a>



## Peer Group

Peer groups are used by companies to benchmark executive compensation and performance. Each company identifies its own peer group. Peer groups vary from company to company.

### Peer Group

Company	Ticker	Market Cap
Kraft Heinz Co.	KHC	\$45.6b
Campbell Soup Co. *	CPB	\$14.1b
Beyond Meat, Inc. *	BYND	\$9.01b
Lancaster Colony Corp. *	LANC	\$4.88b
Sensient Technologies Corp. *	SXT	\$3.32b
J&J Snack Foods Corp. *	JJSF	\$3.02b
Medifast Inc. *	MED	\$3b
Treehouse Foods, Inc. *	THS	\$2.87b
B&G Foods, Inc. *	BGS	\$2.14b
John B. Sanfilippo & Son Inc. *	JBSS	\$1b

\* Suggested by Watchdog.

### Companies Who Named Kraft Heinz as a Peer

Company	Ticker	Market Cap
McDonalds Corp.	MCD	\$157b
Philip Morris International Inc.	PM	\$135b
Linde PLC	LIN	\$130b
Starbucks Corp.	SBUX	\$122b
Charter Communications, Inc.	CHTR	\$117b
CVS Health Corp.	CVS	\$95.7b
Mondelez International, Inc.	MDLZ	\$76.3b
Anthem, Inc.	ANTM	\$73.5b
Fedex Corp.	FDX	\$67.4b
Kraft Heinz Co.	KHC	\$45.6b



## Peer Flag Comparison

The return to a company's stock is not the only measure of executive performance. Ethics matter, and growth can quickly reverse and gains evaporate if a company's accounting and financial reporting processes are not fundamentally sound and trustworthy. How does Kraft Heinz's accounting quality compare to its peer group?

	KHC	PEERGROUP FLAGS		
<b>Reporting Irregularities</b>				
Financial Restatements	!	9		
Revisions	!	9		
Out of Period Adjustments	!	8	1	
Impairments	!	2	7	
Changes in Accounting Estimates	!	7	2	
Disclosure Controls	!	3	6	
Internal Controls	!	9		
Critical / Key Audit Matters	!		7	1
<b>Anomalies in the Numbers</b>				
Benford's Law	✓	7		2
Beneish M-Score	✓	6		
Accounting Disclosure Complexity	!	8	1	
<b>Securities &amp; Exchange Commission Concerns</b>				
SEC Oversight	✓	9		
SEC Letters to Management	!	5	3	1
Revenue Recognition	✓	9		
Non-GAAP Measures	✓	9		

	KHC	PEERGROUP FLAGS		
<b>Litigation &amp; External Pressures</b>				
Significant Litigation	!	3	2	4
Class Actions	!	5		4
Securities Law	!	6		3
Shareholder Activism	✓	6	2	1
Cybersecurity	✓	8	1	
<b>Management Review</b>				
CEO Changes	!	4	3	2
CFO Changes	!	3	3	3
Insider Sales	✓		7	2
Mergers & Acquisitions	✓	7	1	1
Sales of Assets	✓	9		
<b>Auditor Assessment</b>				
Auditor Changes	✓	9		
Auditor Experience	✓	9		
Auditor Tenure	!	5	4	
Audit Fees	✓	2	7	
Non-Audit Fees	✓	3	6	



## About Watchdog Research, Inc.

Watchdog Research, Inc. is an independent research provider and publisher of Watchdog Reports. Watchdog Reports identify red flags, issues, and other anomalies in financial reporting. Our reports contain warning signs, red flags, material disclosures, and peer analysis for use in valuation, risk analysis, due diligence research, and idea generation.

Watchdog Reports are designed to assist investment professionals fulfill their fiduciary or suitability obligations and to help investors, executives, board members, regulators and educators learn what they need to know about publicly traded companies.

The company is headquartered in Ave Maria, FL. Watchdog Research, Inc. utilizes over 75 specialists and analysts to provide accurate and timely information to our readers.

### Our management team is:

**CEO:** Brian Lawe. Brian has been part of the corporate staff at The New York Times Company and IBM. He has created and operated several technology companies including MyStoreCredit, OnPage Ideas and HelloCampus. He holds an MBA from Harvard Business School and a BBA from Texas Christian University. He and his wife have four children and live in the Naples, FL area.

**CTO:** Radu Cugut. Radu has led the award-winning technology team that developed the Watchdog Report and services. He, his wife and son split their time between his home in Ave Maria, FL and his home in Timisoara, Romania where he oversees five talented development professionals. Radu has a bachelors in Computer Science and a masters in Banking and Financial Information Systems, both from the West University of Timisoara.

**Chief Content Officer:** Joseph Burke, Ph.D. is responsible for the content development, analysis, and quality control for the Watchdog Report. Joseph worked previously as a professor of economics at Ave Maria University. He received his Ph.D. from the University of Wisconsin-Madison and resides with his family in the Naples area.

**Director of Research:** John Cheffers. John is responsible for writing our blogs and for our press relationships. He received his bachelors from Washington University in St. Louis, and has worked for Audit Analytics and Ave Maria University. He graduated Ave Maria University School of Law where his research was selected for publication in the Law Review. He currently lives in Pennsylvania with his wife and two children.



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