

ⓘ Noncompliant with NASDAQ Standards May 17, 2019
 Noncompliant for delinquent filings

■ 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 2019
 Index member: **S&P 500, Russell 1000**
 Market Cap: **\$30.1b** as of Apr 2, 2020
 Annual revenue: **\$25b** as of Dec 28, 2019

■ 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 Apr 3, 2020 and is taken from the company's public financial and regulatory filings. Latest filing 10-K filed 02/14/2020. 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](#).

Apr 3, 2020 Jan 1, 2019 Jan 1, 2015

RECENT PERIOD HISTORICAL PERIOD

10-K filed on Feb 14, 2020 for period ending Dec 2019

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 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

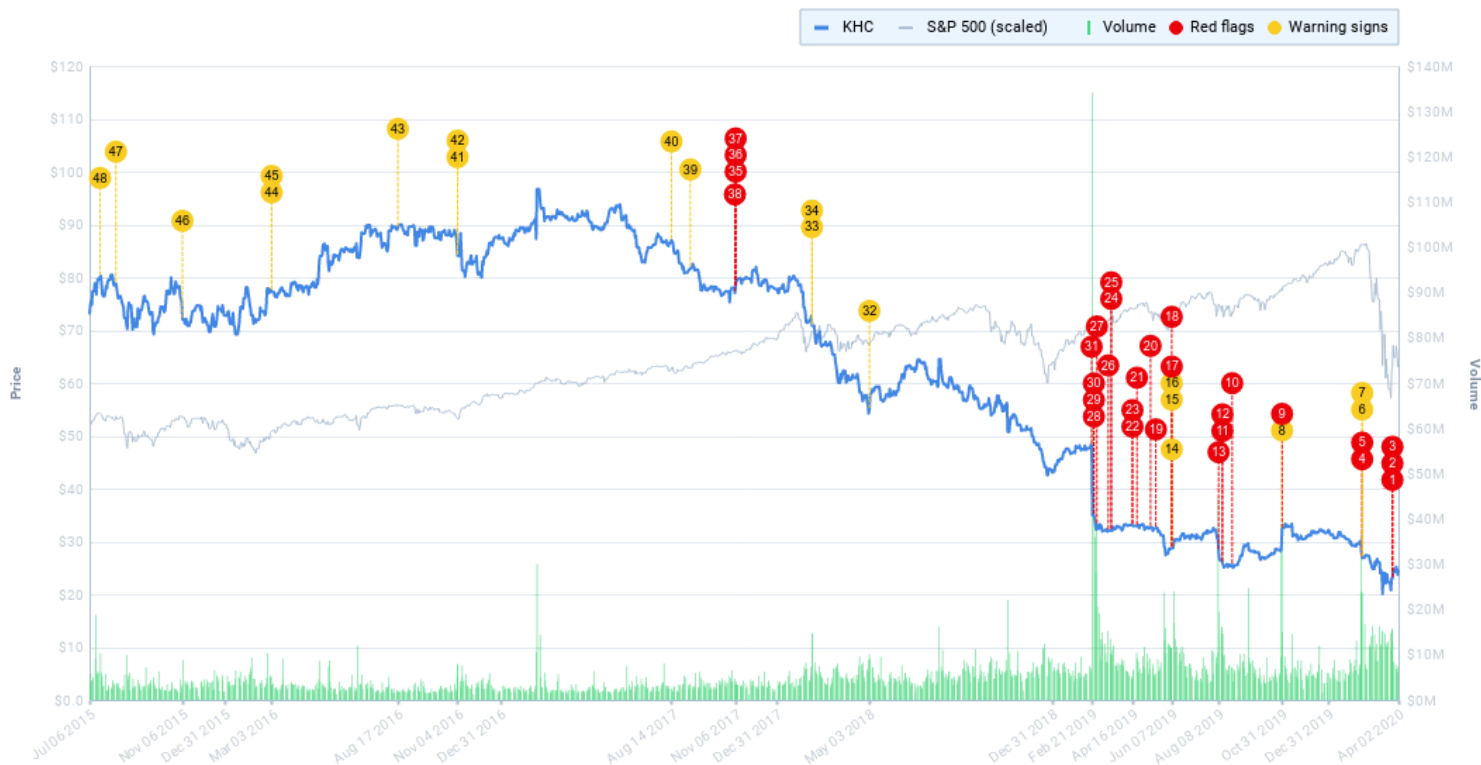
RECENT		HISTORICAL
✅	Auditor Changes	✅
✅	Auditor Experience	✅
⚠️	Auditor Tenure	⚠️
⚠️	Audit Fees	✅
⚠️	Non-Audit Fees	✅



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 Mar 25, 2020 - Lawsuit: City of Hollywood Police Officers' Retirement System v. The Kr...
- 2 Mar 25, 2020 - Class Actions Lawsuit: City of Hollywood Police Officers' Retirement Sy...
- 3 Mar 25, 2020 - Securities Law Lawsuit: City of Hollywood Police Officers' Retirement Sy...
- 4 Feb 14, 2020 - Disclosure Controls
- 5 Feb 14, 2020 - Internal Controls
- 6 Feb 14, 2020 - Critical / Key Audit Matters
- 7 Feb 14, 2020 - Critical / Key Audit Matters
- 8 Oct 31, 2019 - Out of Period Adjustments
- 9 Oct 31, 2019 - Disclosure Controls
- 10 Aug 26, 2019 - Change in CFO
- 11 Aug 13, 2019 - Disclosure Controls
- 12 Aug 13, 2019 - Disclosure Controls
- 13 Aug 8, 2019 - Late filing
- 14 Jun 7, 2019 - Out of Period Adjustments
- 15 Jun 7, 2019 - Impairment
- 16 Jun 7, 2019 - Impairment
- 17 Jun 7, 2019 - Disclosure Controls
- 18 Jun 7, 2019 - Internal Controls
- 19 **May 17, 2019 - Noncompliant with NASDAQ Standards**
- 20 May 10, 2019 - Late filing
- 21 Apr 22, 2019 - Change in CEO
- 22 Apr 16, 2019 - Lawsuit: In re Kraft Heinz Shareholder Derivative Litigation
- 23 Apr 16, 2019 - Securities Law Lawsuit: In re Kraft Heinz Shareholder Derivative Litigation
- 24 Mar 19, 2019 - Lawsuit: Osborne et al v. Employee Benefits Administration Board of Kra...
- 25 Mar 19, 2019 - Class Actions Lawsuit: Osborne et al v. Employee Benefits Administratio...
- 26 **Mar 15, 2019 - Noncompliant with NASDAQ Standards**
- 27 Feb 28, 2019 - Late filing
- 28 Feb 24, 2019 - Lawsuit: Hedick v. Kraft Heinz Company et al
- 29 Feb 24, 2019 - Class Actions Lawsuit: Hedick v. Kraft Heinz Company et al
- 30 Feb 24, 2019 - Securities Law Lawsuit: Hedick v. Kraft Heinz Company et al
- 31 Feb 21, 2019 - Financial restatement
- 32 May 3, 2018 - Revisions
- 33 Feb 16, 2018 - Impairment
- 34 Feb 16, 2018 - Disclosure Controls
- 35 Nov 7, 2017 - Disclosure Controls
- 36 Nov 7, 2017 - Disclosure Controls
- 37 Nov 7, 2017 - Disclosure Controls
- 38 Nov 6, 2017 - Financial restatement



- 39 Sep 8, 2017 - Change in CFO
- 40 Aug 14, 2017 - SEC letters to management
- 41 Nov 4, 2016 - Out of Period Adjustments
- 42 Nov 4, 2016 - Disclosure Controls
- 43 Aug 17, 2016 - SEC letters to management
- 44 Mar 3, 2016 - Impairment
- 45 Mar 3, 2016 - Change in Accounting Estimates

- 46 Nov 6, 2015 - Revisions
- 47 Aug 10, 2015 - Disclosure Controls
- 48 Jul 20, 2015 - SEC letters to management
- 49 May 18, 2015 - Out of Period Adjustments
- 50 Apr 1, 2015 - Lawsuit: US Commodity Futures Trading Commission v. Kraft Foods Grou...
- 51 Apr 1, 2015 - Securities Law Lawsuit: US Commodity Futures Trading Commission v. Kr...
- 52 Mar 24, 2015 - Mergers & Acquisitions

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 2015.

Event date	Type	Headline	Message	Source
05/17/2019	Noncompliance	Noncompliant with NASDAQ Standards	Noncompliant for delinquent filings	NASDAQ
03/15/2019	Noncompliance	Noncompliant with NASDAQ Standards	Noncompliant for delinquent filings	NASDAQ

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	\$30.1b
Campbell Soup Co. *	CPB	\$13b
Beyond Meat, Inc. *	BYND	\$3.58b
Lancaster Colony Corp. *	LANC	\$3.52b
Treehouse Foods, Inc. *	THS	\$2.49b
J&J Snack Foods Corp. *	JJSF	\$2.15b
Sensient Technologies Corp. *	SXT	\$1.69b
B&G Foods, Inc. *	BGS	\$1.14b
John B. Sanfilippo & Son Inc. *	JBSS	\$934m
Medifast Inc. *	MED	\$684m

* Suggested by Watchdog.

Companies Who Named Kraft Heinz as a Peer

Company	Ticker	Market Cap
McDonalds Corp.	MCD	\$122b
Philip Morris International Inc.	PM	\$116b
Linde PLC	LIN	\$87.5b
Charter Communications, Inc.	CHTR	\$87.2b
Starbucks Corp.	SBUX	\$76.3b
Mondelez International, Inc.	MDLZ	\$71.9b
CVS Health Corp.	CVS	\$71.6b
Altria Group, Inc.	MO	\$67.3b
Anthem, Inc.	ANTM	\$53.1b
Kraft Heinz Co.	KHC	\$30.1b



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		
Reporting Irregularities				
Financial Restatements	!	9		
Revisions	!	8	1	
Out of Period Adjustments	!	8	1	
Impairments	!	3	6	
Changes in Accounting Estimates	!	7	2	
Disclosure Controls	!	2	7	
Internal Controls	!	9		
Critical / Key Audit Matters	!		6	1
Anomalies in the Numbers				
Benford's Law	✓	7		2
Beneish M-Score	✓	6	1	
Accounting Disclosure Complexity	!	8	1	
Securities & Exchange Commission Concerns				
SEC Letters to Management	!	5	4	
Revenue Recognition	✓	9		
Non-GAAP Measures	✓	9		

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

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The company is headquartered in Naples, 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 Naples, 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 also currently attends Ave Maria University School of Law where his research has been selected for publication in the Law Review. He currently lives in the Naples area with his wife and two children.



Watchdog Research, Inc.

780 5th Ave S
Suite #200
Naples, FL 34102

info@watchdogresearch.com

(855) 820-6272

www.watchdogresearch.com

