WK Kellogg Co

CAGNY 2025

Forward-Looking Statements

This presentation contains a number of forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include predictions of future results or activities and may contain the words “expect,” “believe,” “will,” “can,” “anticipate,” “estimate,” “project,” “should,” “would,” or words or phrases of similar meaning. You are cautioned not to rely on these forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, and are subject to risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved.

Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, a decline in demand for ready-to-eat cereals; the timing, magnitude and duration of new or increased tariffs on imports from and exports to Canada and Mexico; supply chain disruptions, increases in costs and/or shortages of raw materials, labor, fuels and utilities as a result of geopolitical, economic, trade policies and regulations, and market conditions; consumers’ perception of our brands or company; business disruptions; our ability to drive our growth targets to increase revenue and profit; our failure to achieve our targeted cost savings and efficiencies from the restructuring plan associated with our supply chain modernization initiatives and other cost reduction initiatives; strategic acquisitions, alliances, divestitures or joint ventures or organic growth opportunities we may pursue in the future; material disruptions at one of our facilities; our ability to attract, develop and retain the highly skilled people we need to support our business; a shortage of labor, our failure to successfully negotiate collectively bargained agreements, or other general inflationary pressures or changes in applicable laws and regulations that could increase labor costs; an increase in our post-retirement benefit-related costs and funding requirements caused by, among other things, volatility in the financial markets, changes in interest rates and actuarial assumptions; our inability to obtain sufficient capital to grow our business and to increase our revenues; an impairment of the carrying value of goodwill or other acquired intangibles; increases in the price of raw materials, including agricultural commodities, packaging, fuel and labor; increases in transportation costs and reduced availability of, or increases in, the price of oil or other fuels; competition, including with respect to retail and shelf space; the changing retail environment and the growing presence of alternative retail channels; the successful development of new products and processes; adverse changes in the global climate or extreme weather conditions; and other risk factors as detailed from time to time in WK Kellogg’s reports filed with the U.S. Securities and Exchange Commission (the “SEC”), including its Registration Statement on Form 10, Quarterly Reports on Form 10-Q, Annual Report on Form 10-K, Current Reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exhaustive.

Forward-looking statements made in this presentation speak only as of the date of this presentation. WK Kellogg Co does not undertake to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures. Please refer to the Appendix provided herein for definitions and a reconciliation of these non-GAAP financial measures to the most directly comparable U.S. Generally Accepted Accounting Principles (“GAAP”) financial measures. Management believes that the use of such non-GAAP measures assists investors in understanding the underlying operating performance of WK Kellogg Co. However, these non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as an alternative to GAAP measures.

WK Kellogg Co

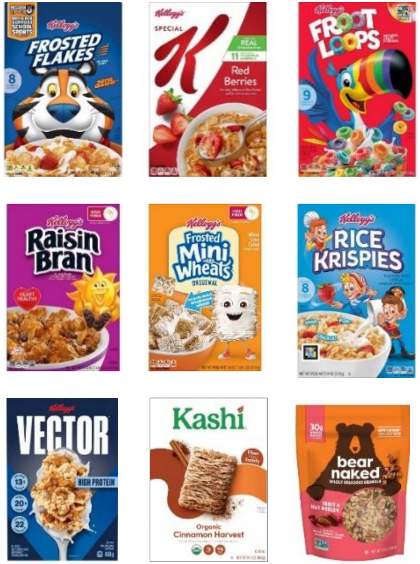
Gary Pilnick

Chairman & Chief Executive Officer

CAGNY 2025

Iconic Brands and A Leading Market Position

Iconic Brands | **Leading Market Positions** | **Scaled Business**

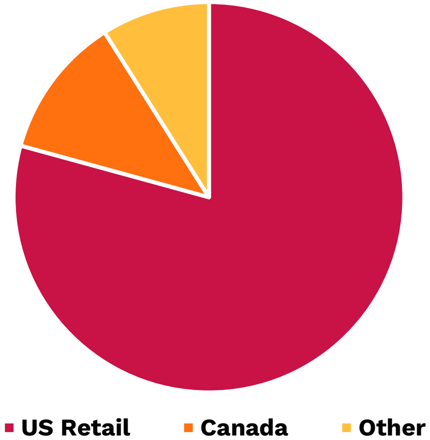


#2 Market share

#1 Market share

#1 Market share

Adjusted Net Sales*
(2024: ~$2.7 billion)



*See Appendix for definitions of each non-GAAP financial measure and reconciliations to the most directly comparable GAAP measure

We Are On Our Path

Focused Strategy

Our Priorities

1
Driving an integrated commercial plan to win

2
Modernizing our supply chain

3
Unleashing an energized and winning culture

Stable topline

Outsized margin growth

Attractive dividend

Focus

on winning in cereal

Integrate

end-to-end to drive better execution

Invest

in capabilities, technology and infrastructure

Winning the WK Way

Our Beliefs & Behaviors

Bring Out the Best in Each Other	Show Up as One Company	Create and Act Boldly	Have a 'Make It Better' Mindset	Win with Purpose

What You’ll Hear Today is How We Are

Delivering

TODAY

+

Building

FOR TOMORROW

Our Path to Value Creation

Value Creation

Optimizing Cereal:
Near-Term

Focus, integrate, and invest in supply chain

- Stable topline
- Outsized margin growth
- Attractive dividend

Cereal & Beyond:
Mid-Term

Sustain profitable growth momentum, expand the portfolio

- Topline growth
- Continued margin expansion
- Higher cash flow
- Increasing returns to shareowners

Time Horizon

Our Progress

Delivering

TODAY ☑

Delivering Financial Goals

Standing Up Dedicated Salesforce

Modernizing Our Supply Chain

Investing in Scalable Infrastructure

Delivering Today - 2024 Financial Results

FY ‘24 Adjusted Net Sales Growth	FY ‘24 Adjusted Gross Margin	FY ‘24 Adjusted EBITDA Margin
(1.1%)* vs. PY	+90 bps* vs. PY	6.6%* vs. PY

* Growth rates are calculated using standalone adjusted results as the base comparable measure
See Appendix for definitions of each non-GAAP financial measure and reconciliations to the most directly comparable GAAP measure

Delivering Today - Our Dedicated Salesforce

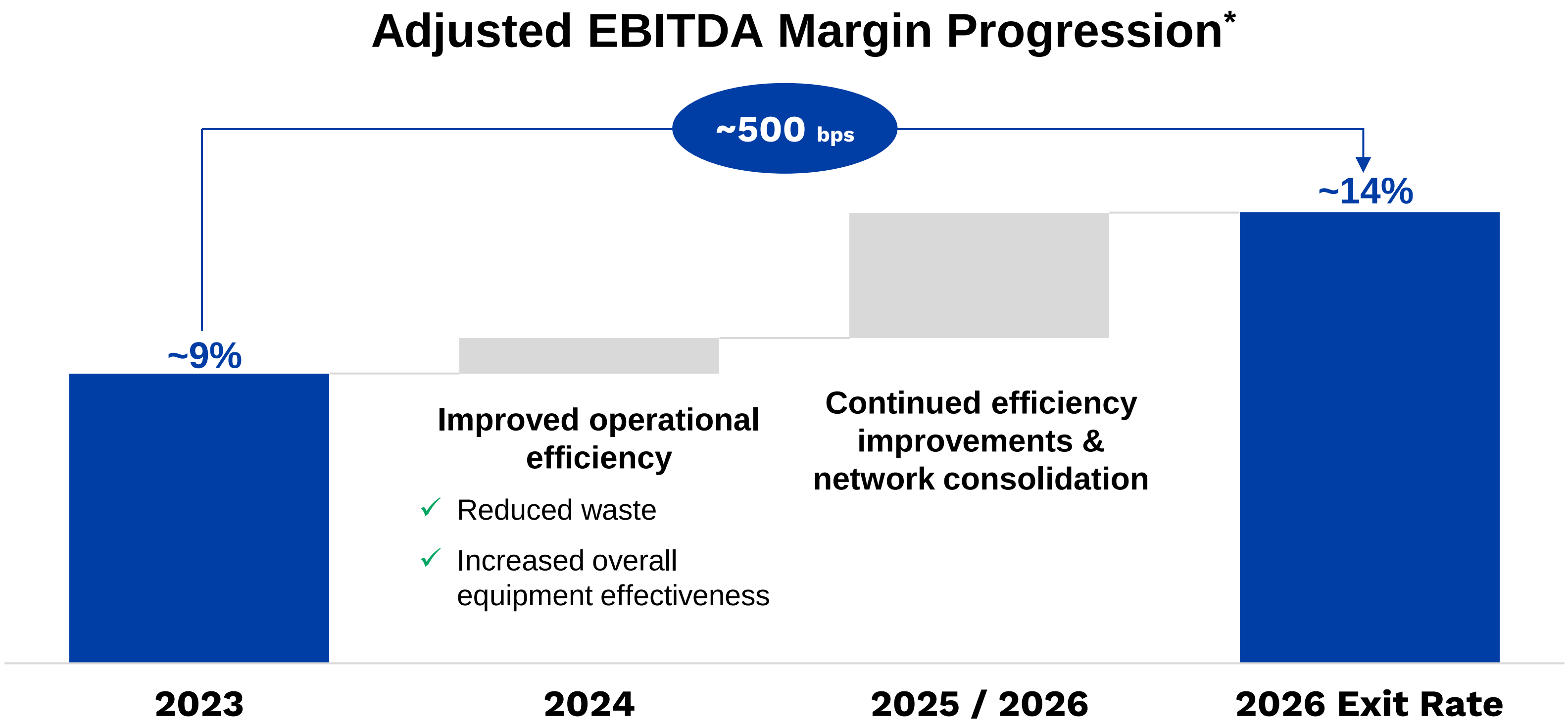
Year 1

- Building Customer Relationships
- Building Capabilities

Year 2

- Established Relationships
- Maturing Capabilities
- Demonstrated Supply Reliability

Delivering Today – Modernizing Our Supply Chain



* Growth rates are calculated using standalone adjusted results as the base comparable measure

Delivering Today – Investing in Scalable Infrastructure

IT

- Enhanced Data & Analytics
- More Effective Marketing Technology
- New Sales Planning Program

Dedicated ERP System

Distribution

Horizon Two

Value Creation

Optimizing Cereal:
Near-Term

Focus, integrate, and invest in supply chain

- Stable topline
- Outsized margin growth
- Attractive dividend

Cereal & Beyond:
Mid-Term

Sustain profitable growth momentum, expand the portfolio

- Topline growth
- Continued margin expansion
- Higher cash flow
- Increasing returns to shareowners

Time Horizon

Building for Tomorrow

Cereal → Cereal & Beyond

Platform for Growth

Iconic Brands	Scalable Infrastructure	Expandable Capabilities

Building for Tomorrow – Cereal Growth Framework

Investing to grow in growing channels

Driving the core

Growing health & well-being segments

2025 plan balanced across taste and wellness

Building for Tomorrow – Platform for Growth

Iconic Brands

Scalable Infrastructure

- Sales
- Distribution
- IT

Expandable Capabilities

- R&D
- Marketing
- Sales

Beyond Cereal

Our Path to Value Creation Evolves

	Horizon 1	Horizon 2
Infrastructure	Investment	**Generating Returns**
Topline	Stable	**Accelerating**
Margin	Outsized growth	**Continued Growth**
Cash	Funding Investment	**Improved Generation & Allocation Flexibility**

Cereal and Beyond

Disciplined Criteria

- ✓ Leverages Infrastructure & Capabilities
- ✓ Strengthens the Portfolio
- ✓ Accelerates Growth
- ✓ Maintains Balance Sheet Strength

Potential Growth Structures

Licensing	M&A
Distribution	Joint Venture

A Compelling Opportunity

POSITIONED FOR TOPLINE ACCELERATION

Iconic brands
Scalable infrastructure
Expandable capabilities

OUTSIZED MARGIN GROWTH

Supply chain modernization
Improved supply reliability
Disciplined investment approach

SIGNIFICANT CASH FLOW GENERATION

Focused investment
Adjusted EBITDA growth
Attractive returns to shareowners

Doug VanDeVelde

Chief Growth Officer

Driving an Integrated Commercial Plan to Win

CAGNY 2025

Cereal is a Large and Durable Category

>$10 billion category in North America*

#1 breakfast food eaten by kids**

#2 breakfast food eaten by adults**

#3 center of the store food category***

* Source: Circana; ** Source: NPD Group; At-Home Consumption; *** Source: Numerator Panel Data

Cereal Credentials

SPOONS

S — more **Simple** than you think

Many with four ingredients, plus vitamins and minerals

P — as much **Protein** as an egg in a bowl with milk

Up to 20g with high-protein cereals like Kashi

O — number **One** source of fiber for kids

A nutrient more people need, 90% don't get enough

O — brings **Other** foods along

Top food fruit is added to; 90% consumed with milk

N — more key **Nutrients** than those that don't eat cereal

More nutrients like Iron, Fiber, Calcium, Vit D; less sodium and sat fat

S — no more added **Sugar** than those that don't eat cereal

Less than 5% of the added sugar in U.S. diets

Source: NHANES 2015-2018; 2020 PBH State of the Plate

Strong Portfolio of Iconic Brands

CORE 6

NEXT CORE

N&O

Integrated Commercial Plan to Win

Delivering TODAY

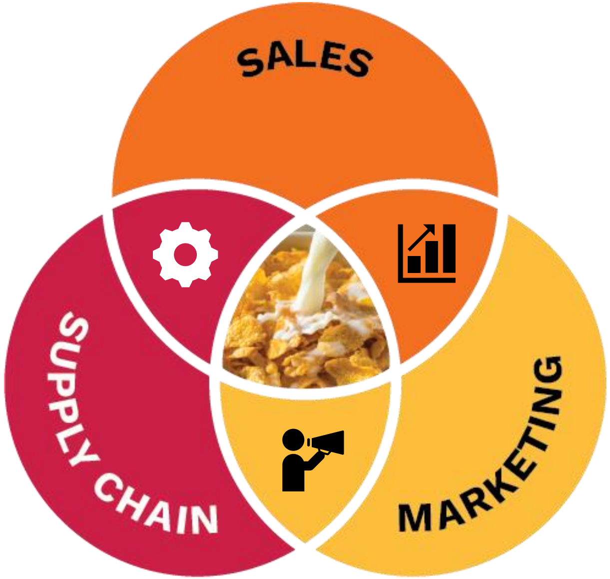
- Integrated five businesses into one
- Stood up dedicated salesforce & new marketing model
- Executing 2025 plan

Building FOR TOMORROW

- Enhancing R&D capabilities and facilities
- Maturing sales and marketing capabilities
- Cereal growth framework

Our Operating Framework

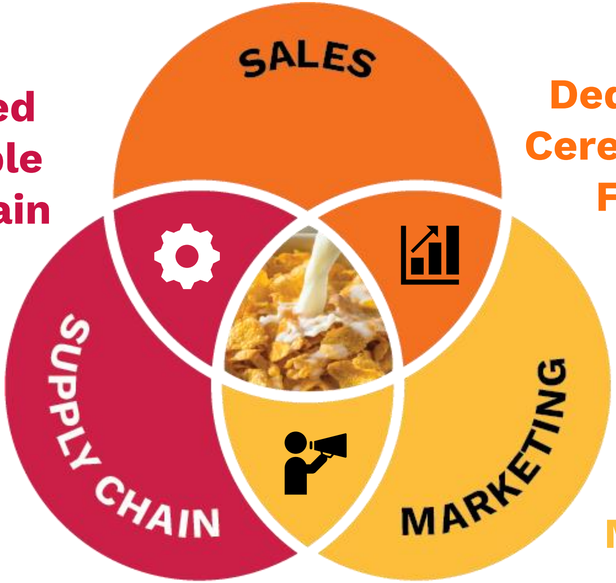
Integrated Capabilities



Cereal Growth Framework

Integrated Capabilities

Integrated Capabilities



Modernized and Reliable Supply Chain

Dedicated Cereal Sales Force

New Marketing Model

Better planning, agility, speed and execution

Direct and Dedicated Sales Force

Direct Sales Force

Dedicated only to cereal

Maturing capabilities

Year 2 of new routes, new stores & new managers

Unique for a Company Our Size

New Marketing Model

Scale up Multi-Brand	Bold, Cultural Ideas	In-house Social Team	Omni Conversion
			
Better ROI's	Strong Brand Relevance	Agility, Effectiveness & Efficiency	Better Enabling Commerce

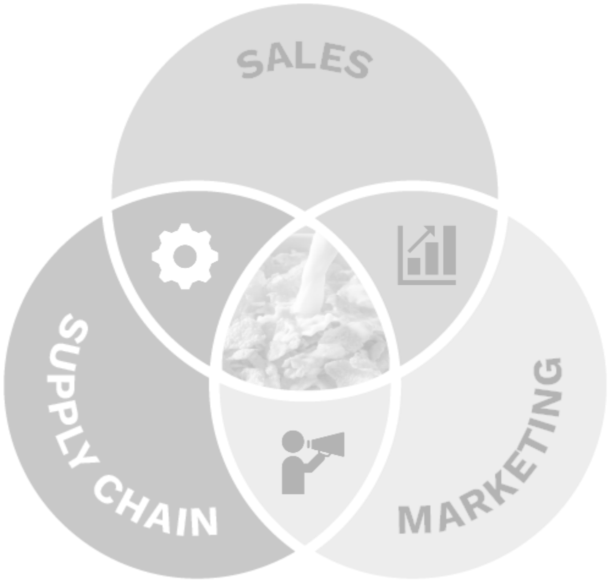
Investing in Research and Development

Continuing to invest in people, capabilities and infrastructure

- New state of the art food development lab
- Improving speed to market
- Enabling food of the future

Cereal Growth Framework

Integrated Capabilities



Cereal Growth Framework

Cereal Growth Framework

Investing to grow in growing channels

Driving the core

Growing health & well-being segments

2025 plan balanced across taste and wellness

Reappraising Cereal - Increasing Brand Relevance

Addressing Barriers and Highlighting Benefits

- Reigniting nostalgia
- "Joy and connection"
- SPOONS

2025 First Half Innovation Highlights

Food Platforms

Brand Platforms

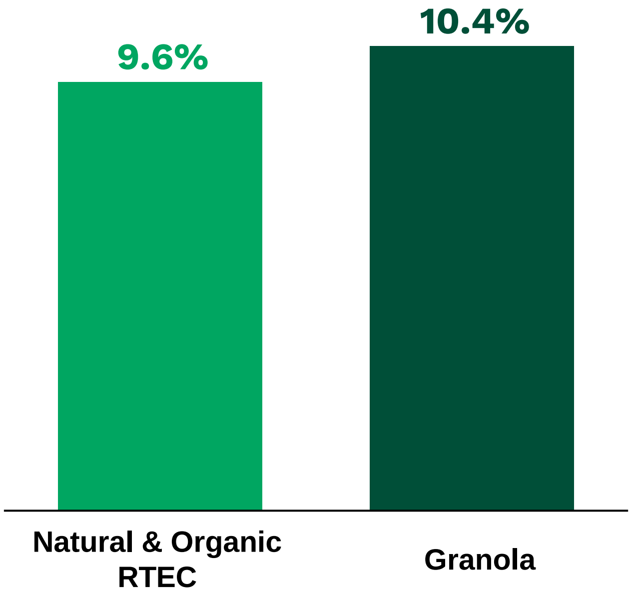
Format Platforms

Segment Platform – Granola

Segment Platform – Nutritional

Growth Opportunities in Health & Well-Being Segments

Category $ Growth
(2022-2024 CAGR)



Source: Circana

Strong brands to capture our fair share

Opportunity to elevate health credentials

Expanding in Channels & Formats

Strong Market Attractiveness and Right to Win

Channel expansion

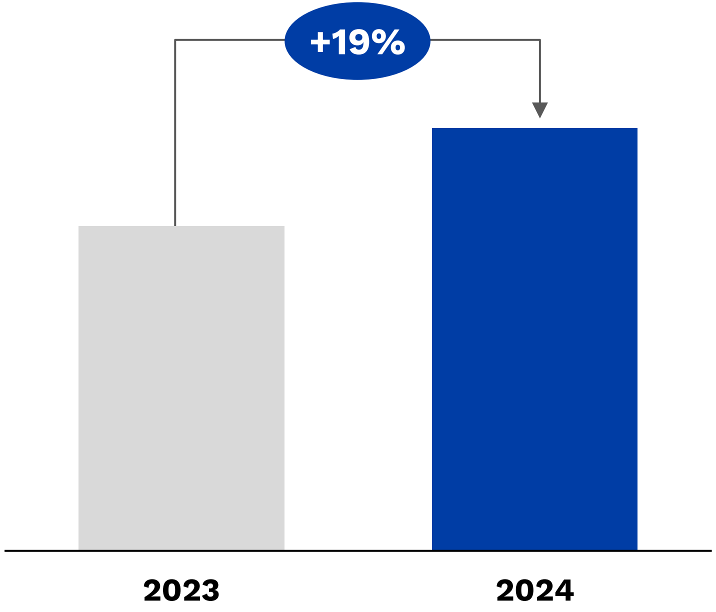
Closing the Gap
Underdeveloped in select channels

New Formats

Changes in consumer behaviors
More frequently eating on-the-go and increasing out of breakfast occasions

New formats – Cereal in a cup

In-Market $ Sales



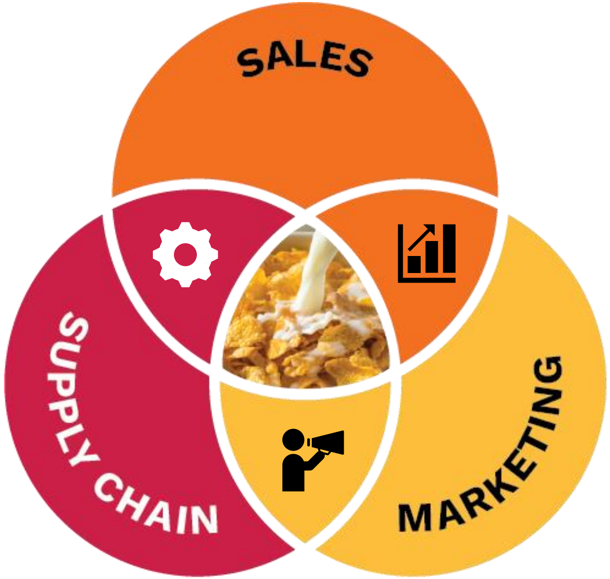
Source: Nielsen xAOC YTD period ended December 28, 2024

Attractive growth attributes

- ✓ Highly incremental
- ✓ Good economics
- ✓ Bringing new or lapsed users to the category

Key Initiatives to Drive a Robust 2025 Plan and Beyond

Integrated Capabilities



Strong Topline Initiatives

Growing Cereal One Spoonful at a Time

S — more **Simple** than you think

P — as much **Protein** as an egg in a bowl with milk

O — number **One** source of fiber for kids

O — brings **Other** foods along

N — more key **Nutrients** than those that don't eat cereal

S — no more added **Sugar** than those that don't eat cereal

Source: NHANES 2015-2018; 2020 PBH State of the Plate

W.K. Kellogg Co

Sherry Brice

Chief Supply Chain Officer

Modernizing our Supply Chain

CAGNY 2025

Advancing our Supply Chain Priorities

Investing Capital

Building Capabilities

Consolidating

Reliability & Efficiency

Enhanced Margin

Increased Engagement

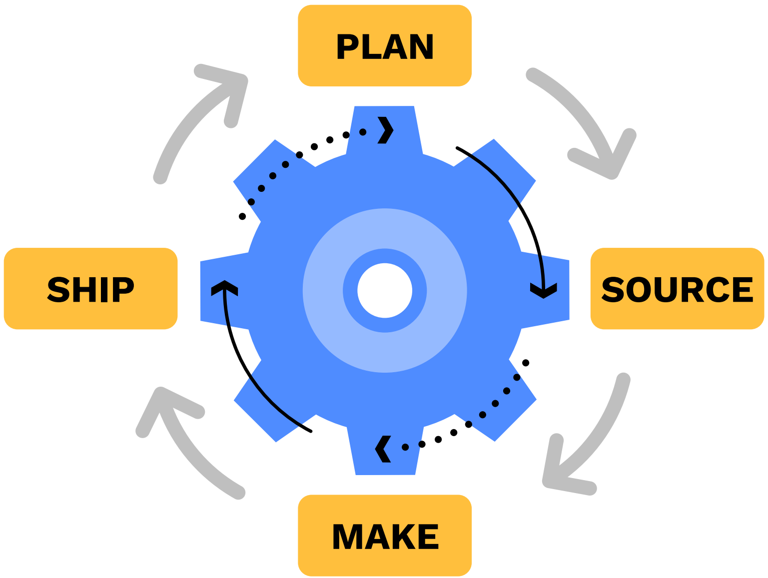
Driving End-to-End Efficiencies Across Supply Chain

Delivering TODAY

Improved Execution

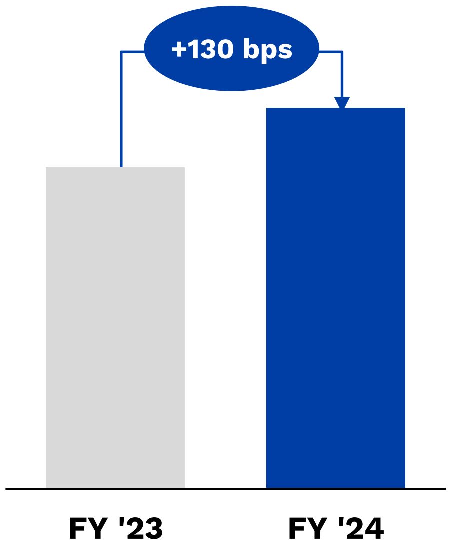
Better Customer Service

Enhanced Margins

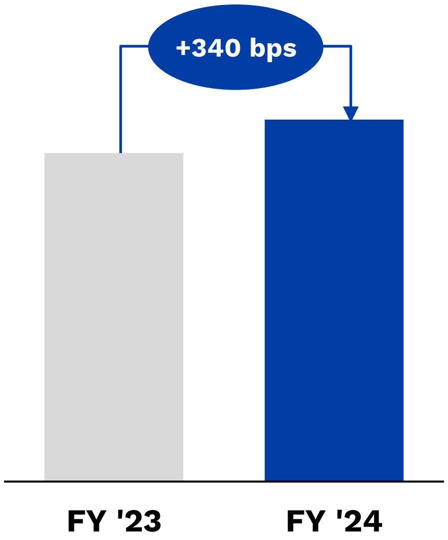


Improving Execution, Delivering results

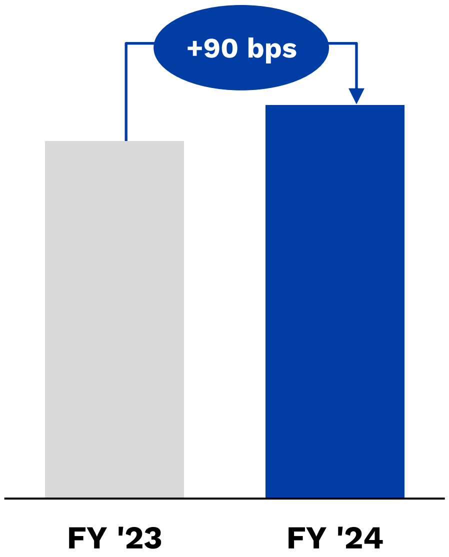
OEE*



Customer Service**



Adjusted Gross Margin***



* Overall equipment effectiveness
**Case fill: Number of cases delivered to customer divided by cases ordered by customer
*** Growth rates are calculated using standalone adjusted results as the base comparable measure
See Appendix for definitions of each non-GAAP financial measure and reconciliations to the most directly comparable GAAP measure

Modernizing our Supply Chain

Building FOR TOMORROW

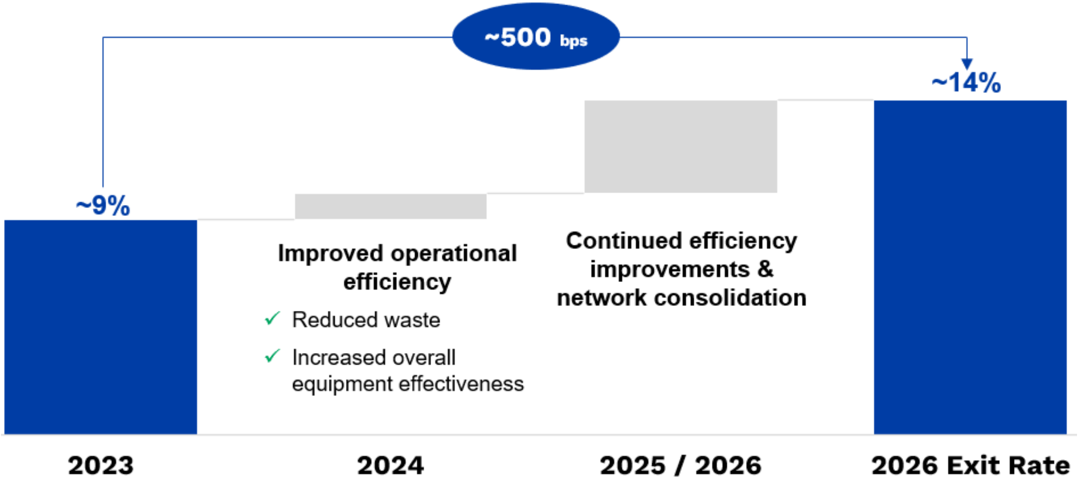
- More Efficient Manufacturing Network
- Independent Warehouse Network
- Enhanced Capabilities
- Enhanced Data & Analytics

Investing to Drive Outsized Margin Growth

Investment Overview

	$ Millions
Capital Expenditures	Up to 390
Cash One-Time Costs	~110
Total Cash Outlay	**Up to 500**
Non-Cash One-Time Costs	Up to 190

Adjusted EBITDA Margin Expansion*



* Growth rates are calculated using standalone adjusted results as the base comparable measure

How we are Modernizing

1

Infrastructure

- Expanding our lower-cost facilities
- New production and packing lines
- Increased efficiency on existing lines

2

Capabilities

- Tools and process improvements
- Education and training programs
- More predictive analytics

3

Engagement

- Equipment and process ownership
- Better connections at all levels
- ‘Make it Better’ sessions

What our Modernization Achieves

1
Increases Reliability & Agility

- Simplified network
- Less downtime
- Increased automation

2
Delivers Margin Enhancement

- Reduces network footprint
- More efficient maintenance and energy usage
- More modernized and standard equipment

3
Enables topline growth

- Agile innovation
- Faster speed to market
- New packaging capabilities

Execution is on Track

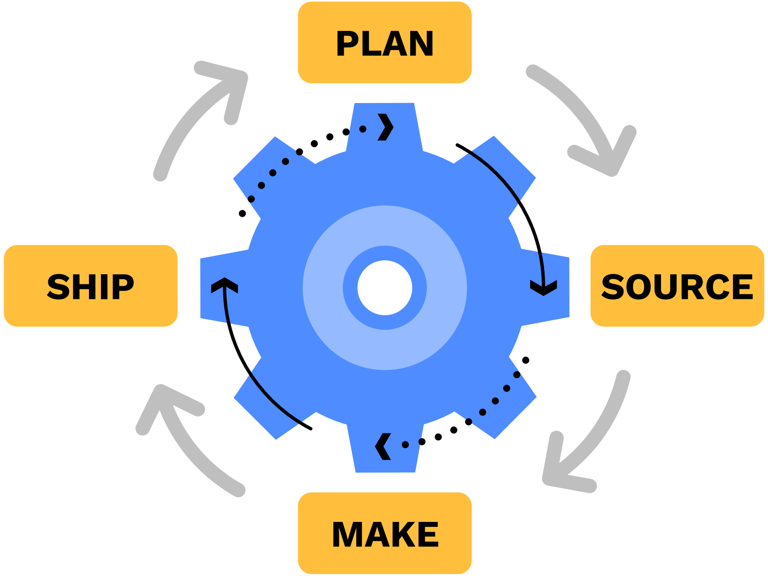
Project Management

- Dedicated Multi-Functional Team
- Detailed Budgeting
- Daily/Weekly Progress Monitoring
- Start Up Planning

Focus, Discipline, Rigor, Governance

Driving End-to-End Efficiencies

Holistic Approach



Driving Top & Bottom Line

- Improved Execution
- Better Customer Service
- Enhanced Margins

WK Kellogg Co

Dave McKinstray

Chief Financial Officer

WK Financial Profile

CAGNY 2025

The WK Kellogg Co Financial Model

Stable topline

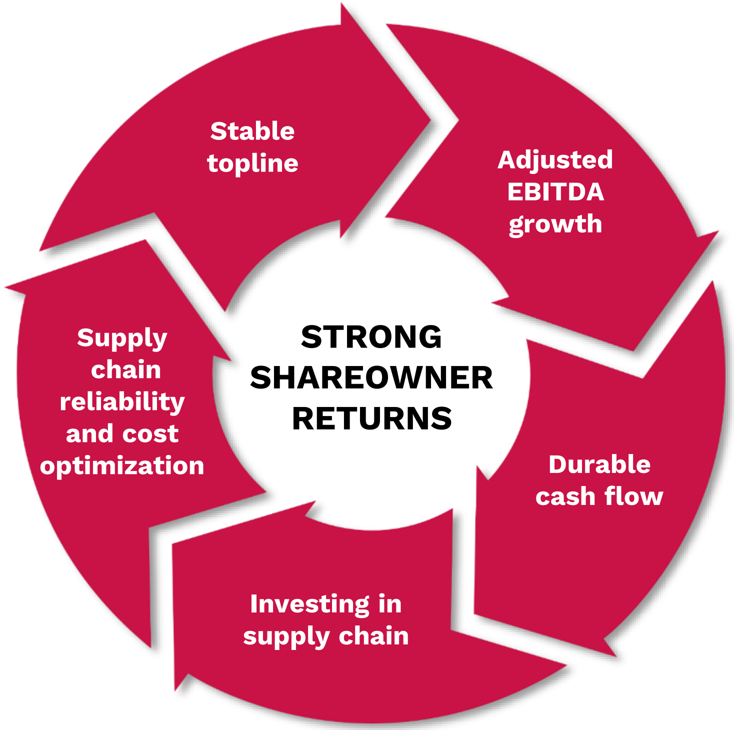
- Large & stable market
- Category-leading position
- Focused sales team
- Improved supply reliability

Improving operating efficiency & reliability

- Consolidated supply chain network
- Improving supply reliability
- New marketing model

Improving cash flow & financial flexibility

- Funding investment
- Increasing cash flow generation with margin expansion
- Attractive dividend



Our Evolving Financial Model

	Horizon 1	Horizon 2
Infrastructure	Investment	**Generating Returns**
Topline	Stable	**Accelerating**
Margin	Outsized growth	**Continued Growth**
Cash	Funding Investment	**Improved Generation & Allocation Flexibility**

Delivering on Our Financial Commitments

Delivering
TODAY

Stable Topline

Improving ROI

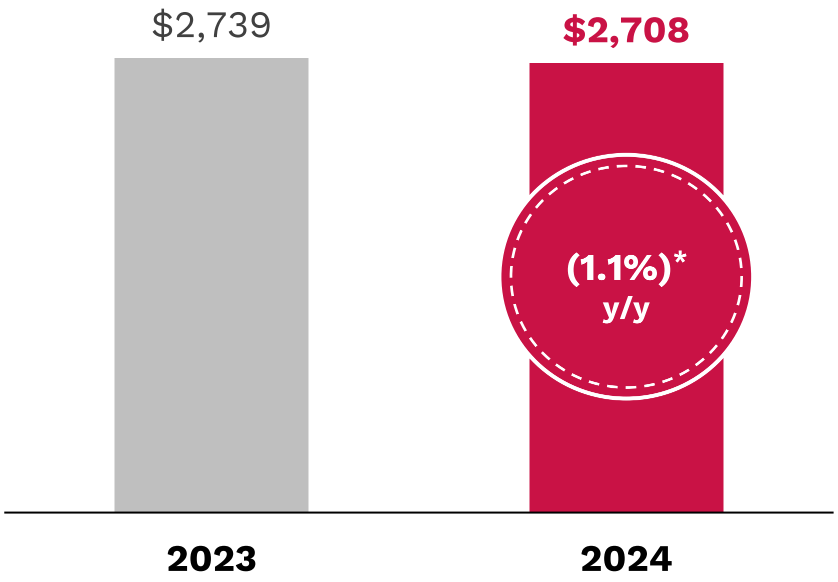
Enhancing Margins

Growing Adjusted EBITDA

Stable Topline

Adjusted Net Sales

($ millions)



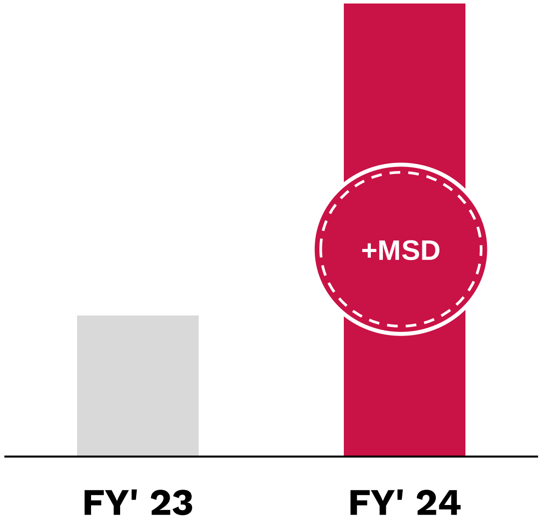
The category is providing the stable backdrop for WK to execute its financial algorithm

(1.3%)
2024 vs 2023 U.S. cereal category sales**

* Growth rates are calculated using standalone adjusted results as the base comparable measure
** Source: Nielsen xAOC 52-week period ended December 28, 2024
See Appendix for definitions of each non-GAAP financial measure and reconciliations to the most directly comparable GAAP measure

Improving Return on Investment

Trade ROI*



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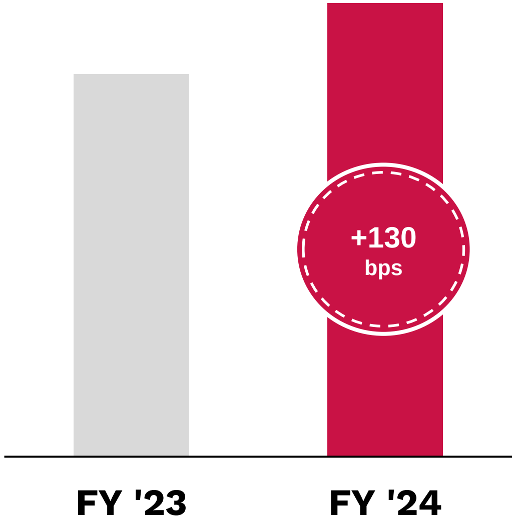


*Source: Nielsen US Food 52-week period ended December 28, 2024

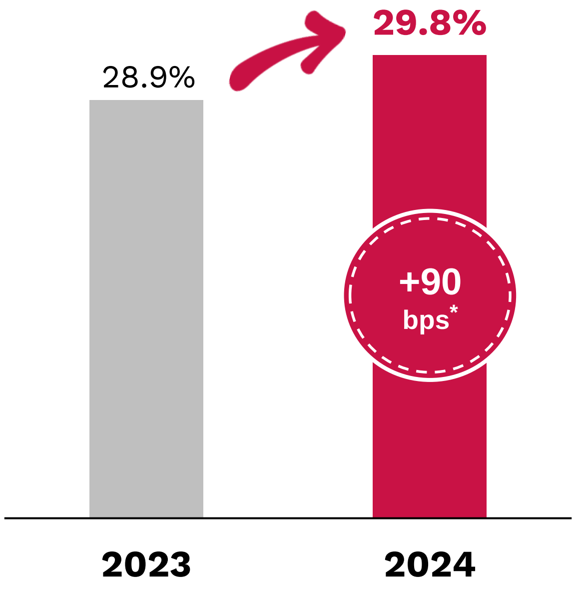
Maximizing ROI

Balanced approach to driving topline and maximizing return on investment

Mid-single-digits increase in ROI
2024 vs 2023

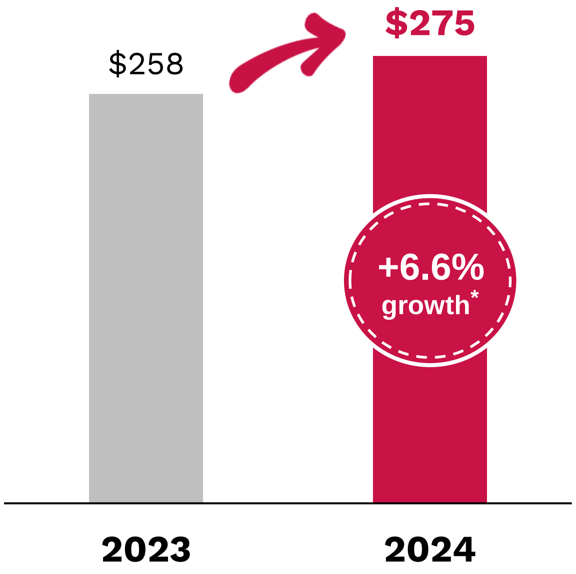
Enhancing Margin and Growing EBITDA

Adjusted Gross Margin



Adjusted EBITDA

($ millions)



90 bps*
2024 vs 2023
Adjusted Gross Margin improvement

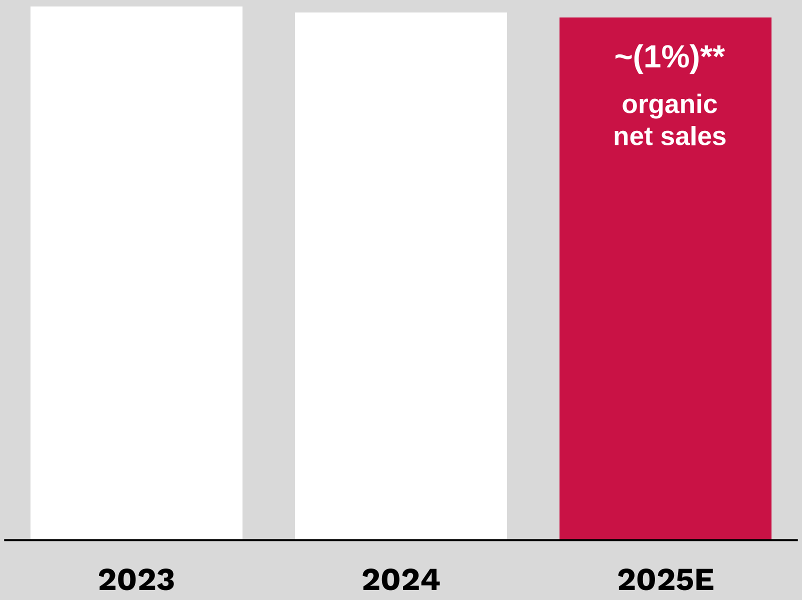
6.6% growth*
2024 vs 2023
Adjusted EBITDA

* Growth rates are calculated using standalone adjusted results as the base comparable measure
See Appendix for definitions of each non-GAAP financial measure and reconciliations to the most directly comparable GAAP measure

Another Step on Our Path

Stable topline

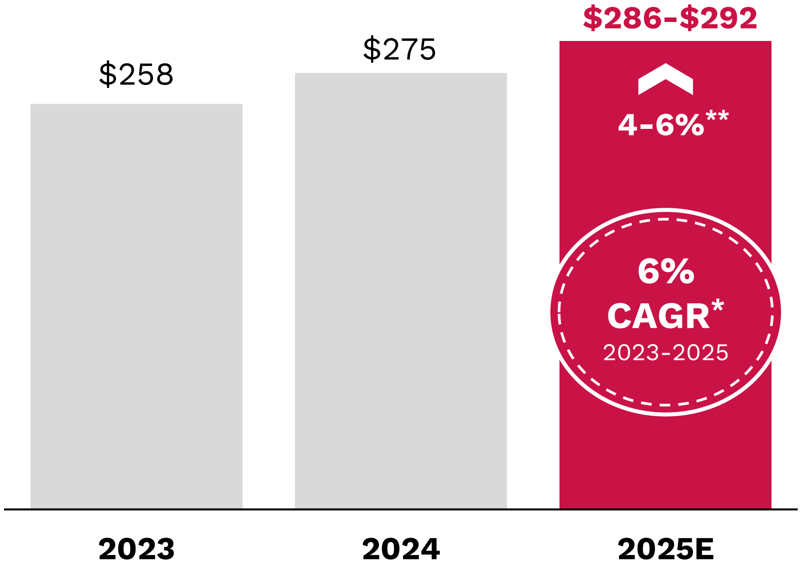
Adjusted Net Sales



Continued EBITDA growth

Adjusted EBITDA

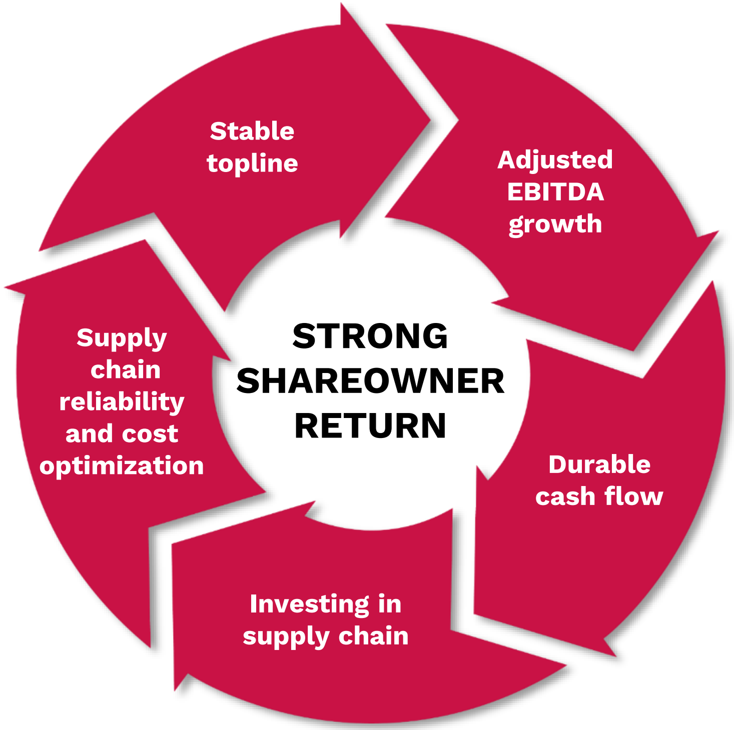
($ millions)



* Growth rates are calculated using standalone adjusted results as the base comparable measure
** Based on 2025 financial guidance provided in 2/11/2025 earnings releases. Does not include any impact from potential tariffs with Mexico and Canada
See Appendix for definitions of each non-GAAP financial measure and reconciliations to the most directly comparable GAAP measure

Delivering our Financial Model

Stable topline	✓
Improving operating efficiency & reliability	✓
Improving cash flow & financial flexibility	✓



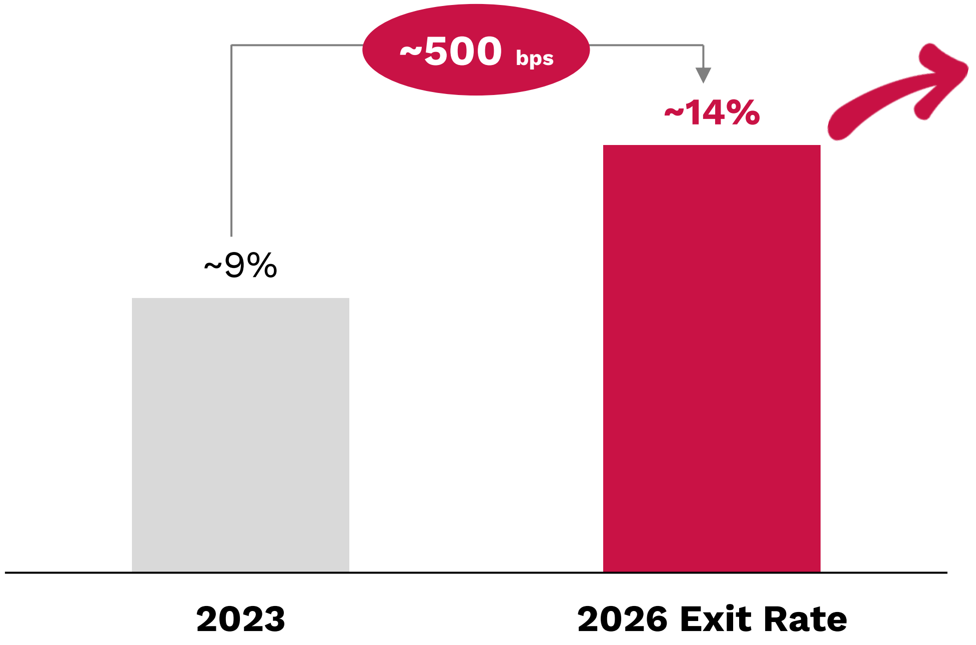
Building for Tomorrow

Building
FOR TOMORROW

Accelerating Topline	Continued Margin Expansion	Increased Financial Flexibility	Improved Cash Flows

Continued Margin Expansion

Adjusted EBITDA Margin Expansion

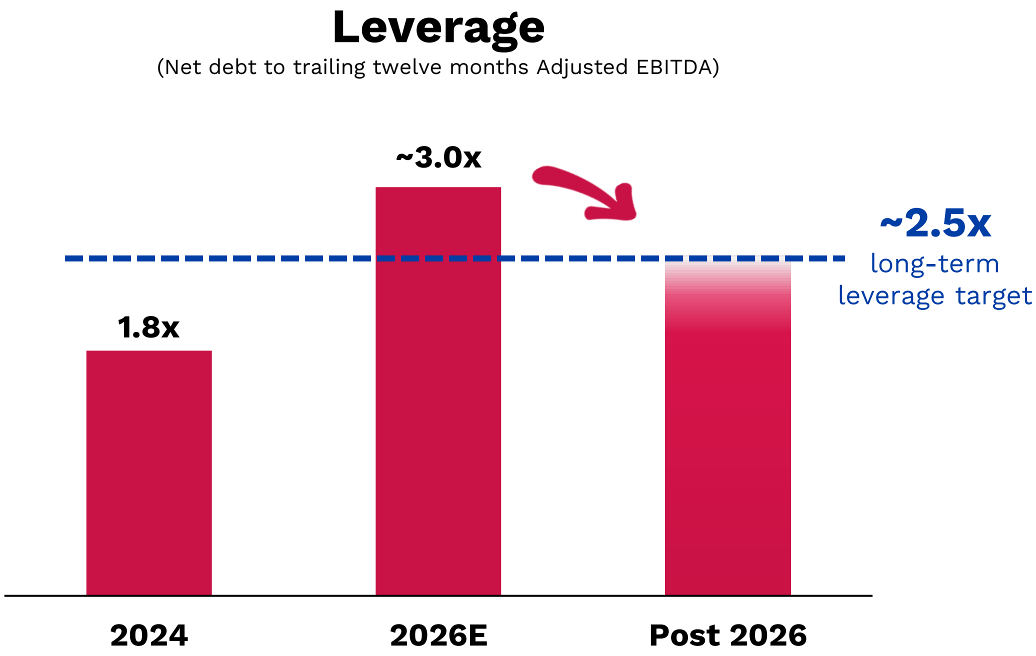


Outsized margin expansion

+500 bps of Adjusted EBITDA margin growth…

…with more opportunity ahead

Increased Financial Flexibility



See Appendix for definition of Net Debt and reconciliation to the most directly comparable GAAP measure.

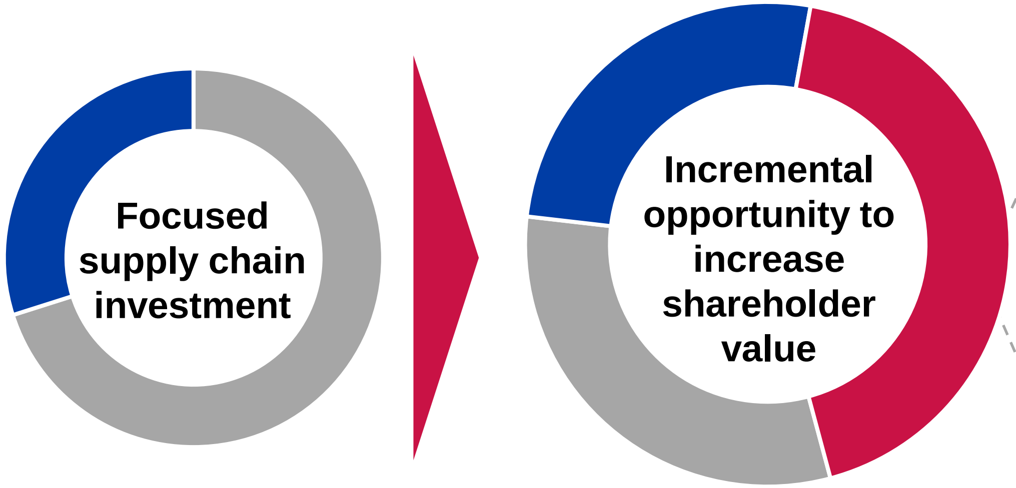
Committed to the strength of our balance sheet

Increased financial flexibility post 2026

Capital Allocation Evolves Over Time

2024 Capital Allocation

Potential Future Capital Allocation



Capex | Dividends* | Discretionary capital

Returns-based approach to capital allocation options

- Organic / Inorganic growth
- Share repurchase
- Dividend
- Debt repayment

* Timing and amount of future dividends, if any, is subject to declaration by the Board of Directors in its sole discretion

WK Kellogg Co

Gary Pilnick

Chairman & Chief Executive Officer

Closing

CAGNY 2025

A Compelling Opportunity

POSITIONED FOR TOPLINE ACCELERATION

Iconic brands
Scalable infrastructure
Expandable capabilities

OUTSIZED MARGIN GROWTH

Supply chain modernization
Improved supply reliability
Disciplined investment approach

SIGNIFICANT CASH FLOW GENERATION

Focused investment
Adjusted EBITDA growth
Attractive returns to shareowners

Appendix

Reconciliation of Non-GAAP Amounts

Reported Net Sales to Standalone Adjusted Net Sales

	Year ended			
(millions)		December 28, 2024		December 30, 2023
Reported net sales	**$**	**2,708**	$	2,763
Adjusted net sales	**$**	**2,708**	$	2,763
Impact of prior intercompany sales agreements		—	$	(24)
Standalone adjusted net sales	**$**	**2,708**	$	2,739

Adjusted net sales: WK Kellogg Co adjusts the GAAP financial measure to exclude the impact of acquisitions, divestitures and 53rd week transactions. We exclude the items which we believe may obscure trends in our underlying net sales performance. Management uses this non-GAAP measure to evaluate the effectiveness of initiatives behind net sales growth, pricing realization, and the impact of mix on our business results.

Standalone adjusted net sales: WK Kellogg Co adjusts the GAAP financial measure to exclude the impact of prior year (pre-Spin-off) intercompany sales arrangements with Kellanova that ceased upon the Spin-off. Management believes that this non-GAAP financial measure provides investors a clearer basis to assess results over time by providing transparency to factors relevant to the pre-Spin-off period that are helpful in assessing baseline comparable information. Standalone metrics apply to periods prior to the Spin-off. Adjusted net sales growth rates are calculated using standalone adjusted net sales as the base year comparable metric.

Organic net sales: WK Kellogg Co adjusts the GAAP financial measure to exclude the impact of currency, acquisitions, divestitures, and 53rd week transactions. The company calculates the impact of currency on net sales by holding exchange rates constant at the previous year's exchange rate. We exclude the items which we believe may obscure trends in our underlying net sale performance. Management uses this non-GAAP measure to evaluate the effectiveness of the initiatives behind net sale growth, pricing realization, and the impact of mix on our business results.

Reconciliation of Non-GAAP Amounts

Reported Gross Margin to Standalone Adjusted Gross Margin

	Year ended	
	December, 28 2024	December, 30 2023
Reported gross margin	**29.3%**	27.3%
(Gain) loss on mark-to-market on foreign exchange and commodity hedges	**-0.1%**	0.1%
Separation costs	**0.3%**	0.8%
Business portfolio realignment and restructuring costs	**0.3%**	0.1%
Adjusted gross margin	**29.8%**	28.3%
Impact of prior intercompany and sales and royalty agreements	**—%**	0.6%
Standalone adjusted gross margin	**29.8%**	28.9%

Note: Tables may not foot due to rounding.
For more information on the reconciling items in the table above, please refer to the Significant items impacting comparability section

Adjusted gross profit and adjusted gross margin: We adjust GAAP gross profit and gross margin to exclude the effect of business, portfolio realignment and restructuring costs, separation costs related to the Spin Off and mark-to-market impacts from commodity and foreign currency contracts. By providing these non-GAAP profitability measures, management intends to provide investors with a meaningful, consistent comparison of the Company's profitability measures for the periods presented. Management uses these non-GAAP financial measures to evaluate the effectiveness of initiatives intended to improve profitability, as well as to evaluate the impacts of inflationary pressures and decisions to invest in new initiatives.

Standalone adjusted gross profit and standalone adjusted gross margin: WK Kellogg Co adjusts the GAAP financial measures to exclude the effect of business, portfolio realignment and restructuring costs, separation costs related to the Spin-off and mark-to-market impacts from commodity and foreign currency contracts resulting in adjusted. Additionally, the Company excludes the impact of prior year (pre-Spin-off) intercompany sales and royalty arrangements with Kellanova that ceased upon the Spin-off. By providing these non-GAAP profitability measures, management intends to provide investors with a meaningful, consistent comparison of the Company's profitability measures for the periods presented and believes that these measures provide investors a clearer basis to assess results over time by providing transparency to factors relevant to the pre-Spin-off period that are helpful in assessing baseline comparable information. Management uses these non-GAAP financial measures to evaluate the effectiveness of initiatives intended to improve profitability, as well as to evaluate the impacts of inflationary pressures and decisions to invest in new initiatives. Standalone metrics apply to periods prior to Spin-off. Adjusted gross profit and adjusted gross margin are calculated using standalone adjusted gross profit and gross margin as the base year comparable metric.

Reconciliation of Non-GAAP Amounts

Reported Net Income to Standalone Adjusted EBITDA

(millions)		Year Ended December 28, 2024		December 30, 2023
Reported net income (loss)	**$**	**72**	$	110
Interest expense		**30**		10
Income tax expense (benefit)		**13**		35
Depreciation and amortization expense		**78**		66
EBITDA	**$**	**193**	$	221
(Gain) loss on mark-to-market on foreign exchange and commodity hedges		**(1)**		3
Other (income) expense [b]		**(5)**		(63)
Separation costs		**29**		102
Business portfolio realignment and restructuring costs [a]		**60**		4
Adjusted EBITDA	**$**	**275**	$	267
Historical intercompany sales and royalty agreements		**—**		8
Estimated standalone costs		**—**		(17)
Standalone Adjusted EBITDA	**$**	**275**	$	258
Reported Net Income Margin		**2.6%**		4.0%
Adjusted EBITDA Margin		**10.1%**		9.7%
Standalone Adjusted EBITDA Margin		**10.1%**		9.4%

Note: Tables may not foot due to rounding.

(a) Business, portfolio realignment and restructuring costs include approximately $53 million of restructuring costs for year ended December 29, 2024

(b) Other (income) expense includes a $3 million pension curtailment loss driven by restructuring activities within the year ended December 29, 2024

For more information on the reconciling items in the table above, please refer to the Significant items impacting comparability

Adjusted EBITDA / Standalone Adjusted EBITDA

Adjusted EBITDA: WK Kellogg Co adjusts the GAAP financial measure to exclude interest expense, income tax expense (benefit), depreciation and amortization expense, mark-to-market impacts from commodity and foreign currency contracts, other income (expense), net, separation costs related to the Spin-off and business, portfolio realignment and restructuring costs. Management believes that this non-GAAP financial measure provides a measure of operating profitability that assists in understanding baseline historical information in the pre-Spin periods and provides investors an additional basis to assess over time. Adjusted EBITDA growth rates are calculated using standalone adjusted EBITDA as the base year comparable metric
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Standalone adjusted EBITDA: WK Kellogg Co adjusts the GAAP financial measure to exclude interest expense, income tax expense (benefit), depreciation and amortization expense, mark-to-market impacts from commodity and foreign currency contracts, other income/expenses, separation costs related to the Spin-off and business, portfolio realignment and restructuring costs. Additionally, the Company excludes the impact of prior year (pre-Spin-off) intercompany sales and royalty arrangements with Kellanova that ceased upon the spin-off and for the impact of estimated incremental recurring costs to operate as a standalone company, net of estimated incremental depreciation. Management believes that this non-GAAP financial measure provides a measure of operating profitability that assists in understanding baseline historical information in the pre-Spin-off period and provides investors an additional basis to assess results over time. Standalone metrics apply to periods prior to Spin-off. Adjusted EBITDA growth rates are calculated using standalone adjusted EBITDA as the base year comparable metric.

Adjusted EBITDA margin: WK Kellogg Co has defined adjusted EBITDA margin as adjusted EBITDA divided by adjusted net sales. Management believes that this non-GAAP measure provides a measure of operating profitability that assists in understanding baseline historical information in the pre-Spin-off periods. Adjusted EBITDA margin growth rates are calculated using standalone adjusted EBITDA as the base year comparable metric.

Standalone adjusted EBITDA margin: WK Kellogg Co has defined standalone adjusted EBITDA margin as standalone adjusted EBITDA divided by standalone adjusted net sales. Management believes that this non-GAAP measure provides a measure of operating profitability that assists in understanding baseline historical information in the pre-Spin-off periods. Note: Standalone metrics apply to periods prior to the Spin-Off. Adjusted EBITDA margin growth rates are calculated using standalone adjusted EBITDA as the base year comparable metric.

Reconciliation of Non-GAAP Amounts

Net Debt

(millions, unaudited)	December 28, 2024	December 30, 2023
Notes payable	$ 51	$ 4
Current maturities of long-term debt	24	8
Long-term debt	460	487
Total debt liabilities	535	499
Less:		
Cash and cash equivalents	(40)	(89)
Net debt	$ 495	$ 410

Net debt: Defined as the sum of long-term debt, current maturities of long-term debt and notes payable, less cash and cash equivalents, and marketable securities. Cash and cash equivalents, and marketable securities are subtracted from the GAAP measure, total debt liabilities, because they could be used to reduce the Company's debt obligations. Management uses this non-GAAP measure to evaluate changes to the Company's capital structure and credit quality assessment.

Reconciliation of Non-GAAP Amounts

Leverage Ratio

(millions)		Year ended December 28, 2024
Reported net income (loss)	$	72
Interest expense		30
Income tax expense (benefit)		13
Depreciation and amortization expense		78
EBITDA	$	193
(Gain) loss on mark-to-market on foreign exchange and commodity hedges		(1)
Other (income) expense		(5)
Separation costs		29
Business and portfolio realignment costs		60
Adjusted EBITDA	$	275
Historical intercompany sales and royalty agreements		-
Estimated standalone costs		-
Standalone Adjusted EBITDA	$	275
Net Debt	$	495
Standalone Adjusted EBITDA	$	275
Leverage Ratio		1.8x

Note: Tables may not foot due to rounding.

Leverage ratio is a non-GAAP financial metric that compares net debt to trailing twelve-month standalone Adjusted EBITDA

Significant Items Impacting Comparability

Mark-to-market on foreign exchange, commodity hedges and pension

The Company recognizes mark-to-market adjustments for pension and postretirement benefit plans, commodity contracts, and certain foreign currency contracts as incurred. Actuarial gains/losses for pension plans are recognized in the year they occur. Changes between contract and market prices for commodity contracts and certain foreign currency contracts result in gains/losses that are recognized in the quarter they occur. The Company recorded a pre-tax mark-to-market gain on commodity and foreign currency contracts of $1 million for the year ended December 28, 2024. Additionally, the Company recorded a pre-tax mark-to-market loss of $3 million for the year ended December 30, 2023. The Company recorded a loss of $11 million on mark-to-market related to pension plans for the year ended December 28, 2024. The Company recorded a gain of $33 million on mark-to-market related to pension plans for the year ended December 30, 2023.

Separation costs

The Company incurred pre-tax charges related to the Spin-Off, primarily related to transition and spin-related employee costs under the Transition Services Agreement of $29 million for the year ended December 28, 2024. Additionally, the Company recorded separation costs, primarily related to legal and consulting costs, of $102 million for the year ended December 30, 2023. Prior to the Spin-Off, the Company received an allocation of separation costs from Kellanova of $89 million during 2023, which are included in the aforementioned amounts.

Business and portfolio realignment and restructuring

The Company incurred restructuring and non-restructuring costs related to a reconfiguration of our supply chain network designed to drive increased productivity, resulting in pre-tax costs of $63 million for the year ended December 28, 2024, including $3 million of curtailment expense included in other income (expense), net. The Company incurred pre-tax costs in connection with its business and portfolio realignment of $4 million for the year ended December 30, 2023, respectively.

Other income (expense)

The Company excludes the impact of all non-operating items from their Adjusted EBITDA calculation, which primarily includes pension related income (expense), net, and financing fees. As a result, income of $5 million were excluded for the year ended December 28, 2024. Additionally, other income of $63 million were excluded for the year ended December 30, 2023.

Historical intercompany sales and royalty agreements

The Company recognizes certain pre-existing intercompany royalty and sales arrangements with Kellanova that ceased to exist upon spin. The net sales impact of these agreements was $24 million for the year ended December 30, 2023. The gross profit impact of these agreements was $8 million for the year ended December 30, 2023.

Estimated standalone costs

The Company estimated expense of incremental and recurring costs required to operate as a separate public company, shown net of estimated related incremental depreciation costs. Estimated standalone costs year ended December 30, 2023 were $17 million.