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Kraft Heinz grows sales by 0.7%

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In the US by far the largest market, accounting for close to 70% of overall sales. Its US business turned over $4.38 billion – down 0.4% on last year, despite growth in its Lunchables and P3 brands as well as gains in foodservice.

Kraft Heinz's European operation only accounted for $599 million's worth of group sales this quarter.

Bernardo Hees, CEO said, "The results underscore the challenges faced by many companies, as well as Kraft Heinz's attempts to overcome them. We continued to build top- and bottom-line momentum from operations during the third quarter, and expect to see the same in the fourth quarter. There's no question that the retail environment, particularly in the United States, will remain both dynamic and challenging. However, the investments we've been making in our brands, our innovation pipeline, our people and our capabilities make us well-positioned to continue delivering sustainable, profitable growth in both the near and long term."

Organic sales increased 3.6% and pricing increased 3.8%, primarily driven by actions to offset higher input costs in local currency. Volume/mix was 0.2% lower, as strong growth in condiments and sauces was more than offset by the unfavourable impact of distributor network realignment in several markets, and lower shipments in Brazil.

In terms of pre-tax earnings, it was a similar story across the board: all regions recorded growth in EBITDA, including Kraft Heinz on the whole, as efforts continue to drive value for shareholders despite falling volumes in packaged food.

Canada recorded the highest rate of profit growth at 9%, increasing from $148 million to $162 million. Next was Europe on 7.8%, which took regional EBITDA from $191 million in the third quarter of last year to $206 million this quarter.