UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 29, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______________ to ______________

Commission file number 1-4171

Kellanova

State of Incorporation— Delaware

IRS Employer Identification No. 38-0710690

412 N. Wells Street, Chicago , IL 60654

Registrant’s telephone number: 269-961-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $.25 par value per share	K	New York Stock Exchange
0.500% Senior Notes due 2029	K 29	New York Stock Exchange
3.750% Senior Notes due 2034	K 34	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer”, “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Common Stock outstanding as of March 29, 2025 — 346,939,074 shares

KELLANOVA

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Part I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Kellanova and Subsidiaries
CONSOLIDATED BALANCE SHEET
(in millions of U.S. dollars, except per share data)
(Unaudited)

	March 29, 2025	December 28, 2024
Current assets		
Cash and cash equivalents	**$ 330**	$ 694
Accounts receivable, net	**1,572**	1,522
Inventories	**1,223**	1,165
Other current assets	**349**	373
Total current assets	**3,474**	3,754
Property, net	**3,345**	3,234
Operating lease right-of-use assets	**606**	601
Goodwill	**5,020**	5,003
Other intangibles, net	**1,774**	1,760
Investments in unconsolidated entities	**103**	99
Other assets	**1,152**	1,177
Total assets	**$ 15,474**	$ 15,628
Current liabilities		
Current maturities of long-term debt	**$ 4**	$ 632
Notes payable	**586**	113
Accounts payable	**2,129**	2,236
Current operating lease liabilities	**141**	134
Accrued advertising and promotion	**572**	611
Accrued salaries and wages	**185**	259
Other current liabilities	**724**	675
Total current liabilities	**4,341**	4,660
Long-term debt	**5,027**	4,998
Operating lease liabilities	**462**	465
Deferred income taxes	**579**	541
Pension liability	**580**	599
Other liabilities	**460**	483
Commitments and contingencies		
Equity		
Common stock, $.25 par value	**105**	105
Capital in excess of par value	**1,005**	1,121
Retained earnings	**9,497**	9,358
Treasury stock, at cost	**(4,425)**	(4,533)
Accumulated other comprehensive income (loss)	**(2,267)**	(2,276)
Total Kellanova equity	**3,915**	3,775
Noncontrolling interests	**110**	107
Total equity	**4,025**	3,882
Total liabilities and equity	**$ 15,474**	$ 15,628

See accompanying Notes to Consolidated Financial Statements.

Kellanova and Subsidiaries
CONSOLIDATED STATEMENT OF INCOME
(in millions of U.S. dollars, except per share data)
(Unaudited)

	Quarter ended	
	March 29, 2025	March 30, 2024
Net sales	**$ 3,083**	$ 3,200
Cost of goods sold	**2,024**	2,169
Selling, general and administrative expense	**629**	638
Operating profit	**430**	393
Interest expense	**63**	83
Other income (expense), net	**11**	43
Income before income taxes	**378**	353
Income taxes	**73**	82
Earnings (loss) from unconsolidated entities	**3**	—
Net income (loss)	**308**	271
Net income (loss) attributable to noncontrolling interests	**4**	4
Net income attributable to Kellanova	**$ 304**	$ 267
Per share amounts:		
Basic earnings	**$ 0.88**	$ 0.78
Diluted earnings	**$ 0.87**	$ 0.78
Average shares outstanding:		
Basic	**346**	341
Diluted	**349**	344
Actual shares outstanding at period end	**347**	342

See accompanying Notes to Consolidated Financial Statements.

Kellanova and Subsidiaries
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions of U.S. dollars) (Unaudited)

	Quarter ended March 29, 2025		
	Pre-tax amount	**Tax (expense) benefit**	**After-tax amount**
Net income			**$ 308**
Other comprehensive income (loss):			
Foreign currency translation adjustments:			
Foreign currency translation adjustments during period	**$ 81**	**$ —**	**81**
Net investment hedges:			
Net investment hedges gain (loss)	**(97)**	**24**	**(73)**
Cash flow hedges:			
Reclassification to net income	**(1)**	**—**	**(1)**
Postretirement and postemployment benefits:			
Reclassification to net income:			
Prior service cost	**1**	**—**	**1**
Other comprehensive income (loss)	**$ (16)**	**$ 24**	**$ 8**
Comprehensive income			**$ 316**
Net Income attributable to noncontrolling interests			**4**
Other comprehensive income (loss) attributable to noncontrolling interests			**(1)**
Comprehensive income attributable to Kellanova			**$ 313**

	Quarter ended March 30, 2024		
	Pre-tax amount	Tax (expense) benefit	After-tax amount
Net income			$ 271
Other comprehensive income (loss):			
Foreign currency translation adjustments:			
Foreign currency translation adjustments during period	$ (272)	$ —	(272)
Net investment hedges:			
Net investment hedges gain (loss)	71	(18)	53
Cash flow hedges:			
Net deferred gain (loss) on cash flow hedges	22	(6)	16
Reclassification to net income	2	—	2
Postretirement and postemployment benefits:			
Reclassification to net income:			
Prior service cost	1	—	1
Other comprehensive income (loss)	$ (176)	$ (24)	$ (200)
Comprehensive income			$ 71
Net Income attributable to noncontrolling interests			4
Other comprehensive income (loss) attributable to noncontrolling interests			(70)
Comprehensive income attributable to Kellanova			$ 137

See accompanying Notes to Consolidated Financial Statements.

Kellanova and Subsidiaries
CONSOLIDATED STATEMENT OF EQUITY
(in millions of U.S. dollars, except per share data)
(Unaudited)

	Quarter ended March 29, 2025									
	Common stock		Capital in excess of par value	Retained earnings	Treasury stock		Accumulated other comprehensive income (loss)	Total Kellanova equity	Non-controlling interests	Total equity
	shares	amount			shares	amount				
Balance, December 28, 2024	**421**	**$ 105**	**$ 1,121**	**$ 9,358**	**76**	**$ (4,533)**	**$ (2,276)**	**$ 3,775**	**$ 107**	**$ 3,882**
Net income				**304**				**304**	**4**	**308**
Dividends declared ($0.57 per share)				**(197)**				**(197)**		**(197)**
Other comprehensive income (loss)							**9**	**9**	**(1)**	**8**
Stock compensation			**22**					**22**		**22**
Stock options exercised, issuance of other stock awards and other			**(138)**	**32**	**(1)**	**108**		**2**		**2**
Balance, March 29, 2025	**421**	**$ 105**	**$ 1,005**	**$ 9,497**	**75**	**$ (4,425)**	**$ (2,267)**	**$ 3,915**	**$ 110**	**$ 4,025**

	Quarter ended March 30, 2024									
	Common stock		Capital in excess of par value	Retained earnings	Treasury stock		Accumulated other comprehensive income (loss)	Total Kellanova equity	Non-controlling interests	Total equity
	shares	amount			shares	amount				
Balance, December 30, 2023	421	$ 105	$ 1,101	$ 8,804	81	$ (4,794)	$ (2,041)	$ 3,175	$ 194	$ 3,369
Net income				267				267	4	271
Dividends declared ($0.56 per share)				(191)				(191)		(191)
Distributions to noncontrolling interest								—	(2)	(2)
Other comprehensive income (loss)							(130)	(130)	(70)	(200)
Stock compensation			21					21		21
Stock options exercised, issuance of other stock awards and other			(59)	(2)	(1)	71		10		10
Balance, March 30, 2024	421	$ 105	$ 1,063	$ 8,878	80	$ (4,723)	$ (2,171)	$ 3,152	$ 126	$ 3,278

See accompanying Notes to Consolidated Financial Statements.

Kellanova and Subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions of U.S. dollars)
(Unaudited)

	Quarter ended March 29, 2025	Quarter ended March 30, 2024
Operating activities		
Net income	**$ 308**	$ 271
Adjustments to reconcile net income to operating cash flows:		
Depreciation and amortization	**92**	86
Impairment of property	**—**	60
Postretirement benefit plan expense (benefit)	**(6)**	(18)
Deferred income taxes	**68**	29
Stock compensation	**22**	21
Other	**(23)**	36
Postretirement benefit plan distributions	**—**	175
Postretirement benefit plan contributions	**(12)**	(22)
Changes in operating assets and liabilities, net of acquisitions and divestitures:		
Trade receivables	**16**	(173)
Inventories	**(46)**	(4)
Accounts payable	**(106)**	(14)
All other current assets and liabilities	**(197)**	(83)
Net cash provided by (used in) operating activities	**116**	364
Investing activities		
Additions to properties	**(176)**	(155)
Purchases of marketable securities	**(72)**	(175)
Sales of marketable securities	**84**	—
Settlement of net investment hedges	**—**	(7)
Other	**12**	4
Net cash provided by (used in) investing activities	**(152)**	(333)
Financing activities		
Net issuances (reductions) of notes payable	**474**	115
Reductions of long-term debt	**(631)**	(2)
Net issuances of common stock	**42**	23
Cash dividends	**(197)**	(191)
Other	**(1)**	(3)
Net cash provided by (used in) financing activities	**(313)**	(58)
Effect of exchange rate changes on cash and cash equivalents	**(15)**	(5)
Increase (decrease) in cash and cash equivalents	**(364)**	(32)
Cash and cash equivalents at beginning of period	**694**	274
Cash and cash equivalents at end of period	**$ 330**	$ 242
Supplemental cash flow disclosures of non-cash investing activities:		
Additions to properties included in accounts payable	**$ 116**	$ 88

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the quarter ended March 29, 2025 (unaudited)

NOTE 1 ACCOUNTING POLICIES

Basis of presentation
The unaudited interim financial information of Kellanova (the Company), included in this report reflects all adjustments, all of which are of a normal and recurring nature, that management believes are necessary for a fair statement of the results of operations, comprehensive income, financial position, equity and cash flows for the periods presented. This interim information should be read in conjunction with the financial statements and accompanying footnotes within the Company's 2024 Annual Report on Form 10-K.

The balance sheet information at December 28, 2024 was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States. The results of operations for the quarter ended March 29, 2025 are not necessarily indicative of the results to be expected for other interim periods or the full year.

Certain prior period amounts have been reclassified to conform with current period presentation.

Proposed Merger

On August 13, 2024, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Acquiror 10VB8, LLC, a Delaware limited liability company ("Acquiror"), Merger Sub 10VB8, LLC, a Delaware limited liability company and a wholly owned subsidiary of Acquiror ("Merger Sub"), and, solely for the limited purposes specified in the Merger Agreement, Mars, Incorporated, a Delaware corporation ("Mars").

The Merger Agreement provides that, subject to the terms and conditions set forth therein, at the effective time of the Merger (the "Effective Time"), (1) Merger Sub will be merged with and into the Company (the "Merger"), with the Company continuing as the surviving corporation and a wholly owned subsidiary of Acquiror, and (2) each share of public common stock, par value $0.25 per share, of the Company issued and outstanding immediately prior to Effective Time (other than shares owned by (i) the Company or its subsidiaries or Mars or its subsidiaries (including Acquiror and its subsidiaries) or (ii) shareowners who have properly exercised and perfected appraisal rights under Delaware law) will be automatically cancelled and converted into the right to receive $83.50 per share in cash, without interest. Completion of the Merger is subject to customary closing conditions, including the receipt of required regulatory approvals.

The Merger Agreement contains certain termination rights, including the right of either the Company or Acquiror to terminate the Merger Agreement if the Merger is not consummated by August 13, 2025 (subject to two extensions for up to an additional six months each if all of the conditions to the closing, other than the conditions related to obtaining regulatory approvals, have been satisfied). The Merger Agreement also provides for certain termination rights for each of the Company and Acquiror, and provides that, upon termination of the Merger Agreement under certain specified circumstances related to the failure to obtain regulatory approvals, Acquiror would be required to pay a termination fee of $1.25 billion to the Company, and under other specified circumstances, including if the Company terminates the Merger Agreement to enter into a superior proposal or Acquiror terminates the Merger Agreement due to a change of recommendation by the Board, the Company would be required to pay to Acquiror a termination fee of $800 million.

Accounts payable - Supplier Finance Programs
The Company establishes competitive market-based terms with our suppliers, regardless of whether they participate in supplier finance programs, which generally range from 0 to 150 days dependent on their respective industry and geography.

The Company has agreements with third parties to provide accounts payable tracking systems which facilitate participating suppliers' ability to monitor and, if elected, sell payment obligations from the Company to designated third-party financial institutions. Participating suppliers may, at their sole discretion, make offers to sell one or more payment obligations of the Company prior to their scheduled due dates at a discounted price to participating financial institutions. The Company has no economic interest in the sale of these suppliers' receivables and no direct financial relationship with the financial institutions concerning these services. The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to sell amounts under the arrangements. However, the Company's right to offset balances due from suppliers against payment obligations is restricted by the agreements for those payment obligations that have been sold by suppliers.

The payment of these obligations by the Company is included in cash used in operating activities in the Consolidated Statement of Cash Flows. As of March 29, 2025, $758 million of the Company's outstanding payment obligations had been placed in the accounts payable tracking system. As of December 28, 2024, $855 million of the Company's outstanding payment obligations had been placed in the accounts payable tracking system.

Accounting standards to be adopted in future periods

Income Taxes: Improvements to Income Tax Disclosures. In December 2023, the FASB issued ASU 2023-09 to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. It will take effect for public entities fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently assessing the impact of any incremental disclosures required by this ASU and will adopt for year-end 2025.

Disaggregation of Income Statement Expenses: In November 2024, the FASB issued ASU 2024-03 to expand the disclosure requirements to include additional disaggregated information about income statement expenses that are commonly presented within existing expense captions. It will take effect for public entities fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is currently assessing the impact of any incremental disclosures required by this ASU and the planned timing of adoption.

NOTE 2 SEPARATION TRANSACTION

During the fourth quarter of 2023, the Company completed the separation of its North America cereal business resulting in two independent companies, Kellanova and WK Kellogg Co ("WKKC").

In connection with the separation, WKKC entered into several agreements with Kellanova that govern the relationship of the parties following the spin-off including a Separation and Distribution Agreement, a Manufacturing and Supply Agreement ("Supply Agreement"), a Tax Matters Agreement, Employee Matters Agreement, Transition Services Agreement ("TSA"), and various lease agreements.

Pursuant to the TSA, both Kellanova and WKKC agreed to provide certain services to each other, on an interim, transitional basis from and after the separation and the distribution for up to 2 years following the spin-off. The TSA covers various services such as supply chain, IT, commercial, sales, Finance, HR, R&D and other Corporate. The remuneration to be paid for such services is generally intended to allow the company providing the services to recover all of its costs and expenses of providing such services. Kellanova recorded approximately $14 million of cost reimbursements related to the TSA for the quarter ended March 29, 2025, of which $6 million is recognized in cost of goods sold (COGS) and $8 million in selling, general, and administrative expense (SGA) in the Consolidated Statement of Income. For the quarter ended March 30, 2024, cost reimbursements related to the TSA were $47 million, of which $33 million is recognized in COGS and $14 million in SGA in the Consolidated Statement of Income. These reimbursements are a direct offset within the Consolidated Statement of Income to the costs incurred related to providing services under the TSA.

Pursuant to the Supply Agreement, Kellanova will continue to supply certain inventory to WKKC for a period of up to 3 years following the spin-off. During the quarter ended March 29, 2025, the Company recognized net sales to WKKC and related cost of sales of $8 million and $7 million, respectively. Net sales to WKKC of $15 million and related cost of sales of $13 million were recognized during the quarter ended March 30, 2024.

NOTE 3 SALE OF ACCOUNTS RECEIVABLE

The Company has a program in which a discrete group of customers are allowed to extend their payment terms in exchange for the elimination of early payment discounts (Extended Terms Program).

The Company has two Receivable Sales Agreements (Monetization Programs) described below, which are intended to directly offset the impact the Extended Terms Program would have on the days-sales-outstanding (DSO) metric that is critical to the effective management of the Company's accounts receivable balance and overall working capital. The Monetization Programs sell, on a revolving basis, certain trade accounts receivable invoices to third party financial institutions. Transfers under these agreements are accounted for as sales of receivables resulting in the receivables being de-recognized from the Consolidated Balance Sheet. The Monetization Programs provide for the continuing sale of certain receivables on a revolving basis until terminated by either party; however, the maximum receivables that may be sold at any time is approximately $975 million.

The Company has no retained interest in the receivables sold, however the Company does have collection and administrative responsibilities for the sold receivables. The Company has not recorded any servicing assets or liabilities as of March 29, 2025 and December 28, 2024 for these agreements as the fair value of these servicing arrangements as well as the fees earned were not material to the financial statements.

Accounts receivable sold of $729 million and $653 million remained outstanding under these arrangements as of March 29, 2025 and December 28, 2024, respectively. The proceeds from these sales of receivables are included in cash from operating activities in the Consolidated Statement of Cash Flows in the period of sale. The recorded net loss on sale of receivables was $10 million and $11 million for the quarters ended March 29, 2025 and March 30, 2024. The recorded loss is included in Other income and expense (OIE).

Other programs

Additionally, from time to time certain of the Company's foreign subsidiaries will transfer, without recourse, accounts receivable invoices of certain customers to financial institutions. These transactions are accounted for as sales of the receivables resulting in the receivables being de-recognized from the Consolidated Balance Sheet. Accounts receivable sold of $5 million and $15 million remained outstanding under these programs as of March 29, 2025 and December 28, 2024, respectively. The proceeds from these sales of receivables are included in cash from operating activities in the Consolidated Statement of Cash Flows in the period of sale. The recorded net loss on the sale of these receivables is included in OIE and is not material.

NOTE 4 RESTRUCTURING

The Company views its restructuring programs as part of its operating principles to provide greater visibility in achieving its long-term profit growth and margin targets. Initiatives undertaken are generally expected to recover cash implementation costs within a 1 to 5-year period subsequent to completion. Completion (or as each major stage is completed in the case of multi-year programs) is when the project begins to deliver cash savings and/or reduced depreciation.

In the first quarter of 2024, the Company announced a reconfiguration of the North America frozen supply chain network, designed to drive increased productivity. The project is substantially complete as of the quarter ended March 29, 2025. The overall project is expected to result in cumulative pretax charges of approximately $70 million, which include employee-related costs of $10 million, other cash costs of $10 million, and non-cash costs, primarily consisting of asset impairment, accelerated depreciation, and asset disposals of $50 million. Charges incurred related to this restructuring program were less than $1 million during the quarter ended March 29, 2025 and $31 million during the quarter ended March 30, 2024. These charges primarily related to severance costs and asset impairment and were recorded in COGS.

In the first quarter of 2024, the Company proposed a reconfiguration of the European cereal supply chain network and completed collective bargaining obligations and consultation with impacted employees during the quarter ended June 29, 2024. The project, designed to drive efficiencies, is expected to be substantially completed by late 2026, with resulting efficiencies expected to begin contributing to gross margin improvements in late 2026. The overall project is expected to result in cumulative pretax charges of approximately $120 million, which include employee-related costs of $50 million, other cash costs of $30 million, and non-cash costs, primarily consisting of asset impairment, accelerated depreciation, and asset disposals of $40 million. Charges incurred related to this restructuring program were $6 million and $70 million during the quarters ended March 29, 2025 and March 30, 2024, respectively. These charges primarily related to severance costs and asset impairment and were recorded in COGS.

The tables below provide the details for charges incurred during the quarters ended March 29, 2025 and March 30, 2024.

(millions)	Quarter ended March 29, 2025	Quarter ended March 30, 2024	Program costs to date March 29, 2025
Employee related costs	$ 3	$ 37	$ 48
Asset related costs	—	4	23
Asset impairment	—	60	60
Other costs	3	—	18
Total	$ 6	$ 101	$ 149

(millions)	Quarter ended March 29, 2025	Quarter ended March 30, 2024	Program costs to date March 29, 2025
North America	$ —	$ 31	$ 65
Europe	6	70	84
Total	$ 6	101	$ 149

All other restructuring projects were immaterial within the periods presented.

At March 29, 2025, total project reserves were $42 million for the European reorganization and immaterial for the North American reorganization. The reserves are related to severance payments and other costs of which a substantial portion will not be paid during the current year. The following table provides details for exit cost reserves related to the European reorganization described above.

	Employee Related Costs	Asset Impairment	Asset Related Costs	Other Costs	Total
Liability as of December 30, 2024	$ 37	$ —	$ —	$ —	$ 37
2025 restructuring charges	3	—	—	3	6
Cash payments	—	—	—	(3)	(3)
Non-cash charges and other	2	—	—	—	2
Liability as of March 29, 2025	**$ 42**	**$ —**	**$ —**	**$ —**	**$ 42**

NOTE 5 EQUITY

Earnings per share

Basic earnings per share is determined by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is similarly determined, except that the denominator is increased to include the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued. Dilutive potential common shares consist principally of employee stock options issued by the Company, restricted stock units, and certain contingently issuable performance shares. There were no anti-dilutive potential common shares excluded from the calculation for the quarter ended March 29, 2025 and approximately 6 million excluded for the quarter ended March 30, 2024, respectively. Please refer to the Consolidated Statement of Income for basic and diluted earnings per share for the quarters ended March 29, 2025 and March 30, 2024.

Share repurchases

In December 2022, the Board of Directors approved an authorization to repurchase up to $1.5 billion of our common stock through December 2025. During the quarters ended March 29, 2025 and March 30, 2024, the Company did not repurchase any shares of common stock.

Comprehensive income

Comprehensive income includes net income and all other changes in equity during a period except those resulting from investments by or distributions to shareholders. Other comprehensive income consists of foreign currency translation adjustments, fair value adjustments associated with cash flow hedges, which are recorded in interest expense within the statement of income, upon reclassification from Accumulated Other Comprehensive Income (AOCI), adjustments for net experience gains (losses), prior service credit (costs) related to employee benefit plans and adjustments for unrealized (gains) losses on available-for-sale securities, which are recorded in other income (expense) within the statement of income, upon reclassification from AOCI. The related tax effects of these items are recorded in income tax expense within the Consolidated Statement of Income, upon reclassification from AOCI.

Accumulated other comprehensive income (loss), net of tax, as of March 29, 2025 and December 28, 2024 consisted of the following:

(millions)	**March 29, 2025**	December 28, 2024
Foreign currency translation adjustments	**$ (2,639)**	$ (2,721)
Net investment hedges gain (loss)	**245**	318
Cash flow hedges — net deferred gain (loss)	**173**	174
Postretirement and postemployment benefits:		
Net experience gain (loss)	**(4)**	(4)
Prior service credit (cost)	**(42)**	(43)
Total accumulated other comprehensive income (loss)	**$ (2,267)**	$ (2,276)

NOTE 6 NOTES PAYABLE AND LONG-TERM DEBT

The following table presents the components of Notes payable at March 29, 2025 and December 28, 2024:

	March 29, 2025		December 28, 2024	
(millions)	**Principal amount**	**Effective interest rate**	Principal amount	Effective interest rate
U.S. commercial paper	**$ 459**	**4.62 %**	$ —	— %
Bank borrowings	**127**		113	
Total	**$ 586**		$ 113	

In March 2025, the Company repaid its €600 million ten-year 1.250% Euro Notes due 2025 with U.S. commercial paper and cash flow from operations.

NOTE 7 EMPLOYEE BENEFITS

The Company sponsors a number of U.S. and foreign pension plans as well as other nonpension postretirement and postemployment plans to provide various benefits for its employees. These plans are described within the footnotes to the Consolidated Financial Statements included in the Company's 2024 Annual Report on Form 10-K. Components of Company benefit plan (income) expense for the periods presented are included in the tables below. Excluding the service cost component, these amounts are included within Other income (expense) in the Consolidated Statement of Income.

Pension

(millions)	Quarter ended March 29, 2025	March 30, 2024
Service cost	**$ 4**	$ 4
Interest cost	**35**	35
Expected return on plan assets	**(40)**	(41)
Amortization of unrecognized prior service cost	**2**	2
Total pension (income) expense	**$ 1**	**$ —**

Other nonpension postretirement

(millions)	Quarter ended March 29, 2025	March 30, 2024
Service cost	**$ —**	$ 1
Interest cost	**3**	4
Expected return on plan assets	**(9)**	(9)
Amortization of unrecognized prior service cost	**(1)**	(1)
Recognized net (gain) loss	**—**	(13)
Total postretirement benefit (income) expense	**$ (7)**	$ (18)

The Company contributes to voluntary employee benefit association (VEBA) trusts to fund certain U.S. retiree health and welfare benefit obligations. During the first quarter of 2024, the Company amended the plan to create a sub-trust to permit the payment of certain benefits for active union employees using a surplus totaling $175 million from the retiree plan, which represents a portion of the plan's total surplus. This amount was converted to cash and treated as a one-time transfer to a sub-trust that was then invested in marketable securities and will be used to pay for these active union employee benefits. As a result of its designation for this purpose, the transferred amount is no longer considered an asset of the retiree plan and the Company's investment in marketable securities is included in Other current assets and Other assets dependent on the expected holding period on the Consolidated Balance Sheet as of March 29, 2025. The one-time transfer of cash from the VEBA trust to the sub-trust was treated as a distribution from the plan in operating activities on the Consolidated Statement of Cash Flows and the investment in marketable securities to fund the active union employee benefits was treated as an investing activity in the Consolidated Statement of Cash Flows.

For the quarter ended March 30, 2024, the Company recognized a gain of $13 million related to the remeasurement of other postretirement benefit plans. These remeasurements were the result of the transfer of assets noted above. The remeasurements recognized were due primarily to the increase in discount rates versus the prior year-end and higher than expected return on plan assets.

Postemployment benefit plan expense for the quarters ended March 29, 2025 and March 30, 2024 were not material.

Exclusive of the negative contribution discussed above, Company contributions to employee benefit plans are summarized as follows:

(millions)	Pension	Nonpension postretirement	Total
Quarter ended:			
March 29, 2025	**$ 12**	**$ —**	**$ 12**
March 30, 2024	$ 19	$ 3	$ 22
Full year:			
Fiscal year 2025 (projected)	**$ 183**	**$ 4**	**$ 187**
Fiscal year 2024 (actual)	$ 51	$ 3	$ 54

Plan funding strategies may be modified in response to management's evaluation of tax deductibility, market conditions, and competing investment alternatives.

NOTE 8 INCOME TAXES

The consolidated effective tax rate for the quarters ended March 29, 2025 and March 30, 2024 was 19% and 23%, respectively. The decrease in the consolidated effective tax rate from the prior year quarter is due primarily to higher windfall benefit related to vesting of stock-based compensation versus the prior year quarter.

The Company’s total gross unrecognized tax benefits as of March 29, 2025 was $33 million. Of this balance, $29 million represents the amount that, if recognized, would affect the Company’s effective income tax rate in future periods.

NOTE 9 DERIVATIVE INSTRUMENTS AND FAIR VALUE

The Company is exposed to certain market risks such as changes in interest rates, foreign currency exchange rates, and commodity prices, which exist as a part of its ongoing business operations. Management uses derivative and nonderivative financial and commodity instruments, including futures, options, and swaps, where appropriate, to manage these risks. Instruments used as hedges must be effective at reducing the risk associated with the exposure being hedged.

The Company designates derivatives and nonderivative hedging instruments as cash flow hedges, fair value hedges, net investment hedges, and uses other contracts to reduce volatility in interest rates, foreign currency and commodities. As a matter of policy, the Company does not engage in trading or speculative hedging transactions.

Derivative instruments are classified on the Consolidated Balance Sheet based on the contractual maturity of the instrument or the timing of the underlying cash flows of the instrument for derivatives with contractual maturities beyond one year. Any collateral associated with derivative instruments is classified as other assets or other current liabilities on the Consolidated Balance Sheet depending on whether the counterparty collateral is in an asset or liability position. Margin deposits related to exchange-traded commodities are recorded in accounts receivable, net on the Consolidated Balance Sheet. On the Consolidated Statement of Cash Flows, cash flows associated with derivative instruments are classified according to the nature of the underlying hedged item. Cash flows associated with collateral and margin deposits on exchange-traded commodities are classified as investing cash flows when the collateral account is in an asset position and as financing cash flows when the collateral account is in a liability position.

Total notional amounts of the Company’s derivative instruments as of March 29, 2025 and December 28, 2024 were as follows:

(millions)		March 29, 2025		December 28, 2024
Foreign currency exchange contracts	**$**	**3,569**	$	3,243
Cross-currency contracts		**2,030**		2,030
Interest rate contracts		**1,050**		1,050
Commodity contracts		**196**		285
Total	**$**	**6,845**	$	6,608

Following is a description of each category in the fair value hierarchy and the financial assets and liabilities of the Company that were included in each category at March 29, 2025 and December 28, 2024, measured on a recurring basis.

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market. For the Company, Level 1 financial assets and liabilities consist primarily of commodity derivative contracts.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. For the Company, Level 2 financial assets and liabilities consist of interest rate swaps, cross-currency swaps and over-the-counter commodity and currency contracts.

The Company’s calculation of the fair value of interest rate swaps is derived from a discounted cash flow analysis based on the terms of the contract and the interest rate curve. Foreign currency contracts are valued using an income approach based on forward rates less the contract rate multiplied by the notional amount. Cross-currency contracts are valued based on changes in the spot rate at the time of valuation compared to the spot rate at the time of execution, as well as the change in the interest differential between the two currencies. The Company’s calculation of the fair value of level 2 financial assets and liabilities takes into consideration the risk of nonperformance, including counterparty credit risk.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability. The Company did not have any Level 3 financial assets or liabilities as of March 29, 2025 or December 28, 2024.

The following table presents assets and liabilities that were measured at fair value in the Consolidated Balance Sheet on a recurring basis as of March 29, 2025 and December 28, 2024:

Derivatives designated as hedging instruments

	March 29, 2025			December 28, 2024		
(millions)	**Level 1**	**Level 2**	**Total**	Level 1	Level 2	Total
Assets:						
Cross-currency contracts:						
Other current assets	**$ —**	**$ 14**	**$ 14**	$ —	$ 47	$ 47
Other assets	**—**	**15**	**15**	—	51	51
Total assets	**$ —**	**$ 29**	**$ 29**	$ —	$ 98	$ 98
Liabilities:						
Cross-currency contracts:						
Other current liabilities	**$ —**	**$ (13)**	**$ (13)**	$ —	$ (2)	$ (2)
Other liabilities	**—**	**(2)**	**(2)**	—	(9)	(9)
Interest rate contracts(a):						
Other current liabilities	**—**	**—**	**—**	—	—	—
Other liabilities	**—**	**(32)**	**(32)**	—	(41)	(41)
Total liabilities	**$ —**	**$ (47)**	**$ (47)**	$ —	$ (52)	$ (52)

(a) The fair value of the related hedged portion of the Company's long-term debt, a Level 2 liability, was $0.4 billion as of March 29, 2025 and December 28, 2024.

Derivatives not designated as hedging instruments

(millions)	March 29, 2025 Level 1	March 29, 2025 Level 2	March 29, 2025 Total	December 28, 2024 Level 1	December 28, 2024 Level 2	December 28, 2024 Total
Assets:						
Foreign currency exchange contracts:						
Other current assets	$ —	$ 54	$ 54	$ —	$ 65	$ 65
Other assets	—	4	4	—	2	2
Interest rate contracts:						
Other current assets	—	6	6	—	6	6
Other assets	—	—	—	—	1	1
Commodity contracts:						
Other current assets	7	—	7	4	—	4
Total assets	$ 7	$ 64	$ 71	$ 4	$ 74	$ 78
Liabilities:						
Foreign currency exchange contracts:						
Other current liabilities	$ —	$ (24)	$ (24)	$ —	$ (33)	$ (33)
Other liabilities	—	(3)	(3)	—	(1)	(1)
Interest rate contracts:						
Other current liabilities	—	(8)	(8)	—	(8)	(8)
Other liabilities	—	—	—	—	(1)	(1)
Commodity contracts:						
Other current liabilities	(1)	—	(1)	(7)	—	(7)
Total liabilities	$ (1)	$ (35)	$ (36)	$ (7)	$ (43)	$ (50)

The Company has designated its outstanding foreign currency denominated debt as a net investment hedge of a portion of the Company's investment in its subsidiaries' foreign currency denominated net assets. The carrying value of this debt, including current and long-term, was approximately $0.6 billion and $1.2 billion as of March 29, 2025 and December 28, 2024, respectively.

The following amounts were recorded on the Consolidated Balance Sheet related to cumulative basis adjustments for existing fair value hedges as of March 29, 2025 and December 28, 2024.

(millions)	Line Item in the Consolidated Balance Sheet in which the hedged item is included	Carrying amount of the hedged liabilities		Cumulative amount of fair value hedging adjustment included in the carrying amount of the hedged liabilities (a)	
		March 29, 2025	December 28, 2024	March 29, 2025	December 28, 2024
Interest rate contracts	Current maturities of long-term debt	$ —	$ 627	$ —	$ 1
Interest rate contracts	Long-term debt	$ 1,014	$ 1,005	$ (34)	$ (43)

(a) The fair value adjustment related to current maturities of long-term debt includes $1 million from discontinued hedging relationships as of December 28, 2024. The fair value adjustment related to long-term debt includes $(1) million from discontinued hedging relationships as of March 29, 2025 and December 28, 2024, respectively.

The Company has elected to not offset the fair values of derivative assets and liabilities executed with the same counterparty that are generally subject to enforceable netting agreements. However, if the Company were to offset and record the asset and liability balances of derivatives on a net basis, the amounts presented in the Consolidated Balance Sheet as of March 29, 2025 and December 28, 2024 would be adjusted as detailed in the following table:

As of March 29, 2025:		**Gross Amounts Not Offset in the Consolidated Balance Sheet**		
	Amounts Presented in the Consolidated Balance Sheet	**Financial Instruments**	**Cash Collateral Received/ Posted**	**Net Amount**
Total asset derivatives	**$ 100**	**$ (61)**	**$ 39**	**$ 78**
Total liability derivatives	**$ (83)**	**$ 61**	**$ 22**	**$ —**

As of December 28, 2024:		Gross Amounts Not Offset in the Consolidated Balance Sheet		
	Amounts Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received/ Posted	Net Amount
Total asset derivatives	$ 176	$ (88)	$ 61	$ 149
Total liability derivatives	$ (102)	$ 88	$ 14	$ —

During the quarter ended March 30, 2024, the Company settled certain cross currency swaps resulting in a net realized loss of approximately $7 million. These cross currency swaps were accounted for as net investment hedges and the related net gain (loss) was recorded in accumulated other comprehensive income.

The effect of derivative instruments on the Consolidated Statements of Income and Comprehensive Income for the quarters ended March 29, 2025 and March 30, 2024 was as follows:

Derivatives and non-derivatives in net investment hedging relationships

(millions)	Gain (loss) recognized in AOCI		Gain (loss) excluded from assessment of hedge effectiveness		Location of gain (loss) in income of excluded component
	March 29, 2025	March 30, 2024	**March 29, 2025**	March 30, 2024	
Foreign currency denominated long-term debt	**$ (24)**	$ 37	**$ —**	$ —	
Cross-currency contracts	**(73)**	34	**11**	8	Interest expense
Total	**$ (97)**	$ 71	**$ 11**	$ 8	

Derivatives not designated as hedging instruments

(millions)	Location of gain (loss) recognized in income	Gain (loss) recognized in income	
		March 29, 2025	March 30, 2024
Foreign currency exchange contracts	COGS	**$ (17)**	$ (1)
Foreign currency exchange contracts	Other income (expense), net	**6**	4
Foreign currency exchange contracts	SG&A	**13**	9
Interest rate contracts	Interest expense	**1**	—
Commodity contracts	COGS	**14**	(17)
Total		**$ 17**	$ (5)

The effect of fair value and cash flow hedge accounting on the Consolidated Income Statement for the quarters ended March 29, 2025 and March 30, 2024:

	March 29, 2025	March 30, 2024
(millions)	Interest Expense	Interest Expense
Total amounts of income and expense line items presented in the Consolidated Income Statement in which the effects of fair value or cash flow hedges are recorded	**$ 63**	$ 83
Gain (loss) on fair value hedging relationships:		
Interest contracts:		
Hedged items	**(8)**	1
Derivatives designated as hedging instruments	**8**	1
Gain (loss) on cash flow hedging relationships:		
Interest contracts:		
Amount of gain (loss) reclassified from AOCI into income	**1**	(2)

During the next 12 months, the Company expects $8 million of net deferred gains reported in AOCI at March 29, 2025 to be reclassified to income, assuming market rates remain constant through contract maturities.

Certain of the Company’s derivative instruments contain provisions requiring the Company to post collateral on those derivative instruments that are in a liability position when the value exceeds certain thresholds with each counterparty. In addition, certain derivative instruments contain provisions that would be triggered in the event the Company defaults on its debt agreements. The collateral posting requirements as of March 29, 2025, triggered by threshold contingent features was not material.

Other fair value measurements

Fair value measurements on a nonrecurring basis

During the quarter ended March 30, 2024, the Company announced the reconfiguration of the North America frozen supply chain network and the reconfiguration of the European cereal supply chain network. The North America frozen supply chain actions have since been fully implemented, while the European cereal supply chain program remains in process. As part of these programs, the Company is consolidating the usage of and disposing certain long-lived assets, including manufacturing facilities. See Note 4 for more information regarding these restructuring programs.

During the quarter ended March 30, 2024, long-lived assets of $62 million related to a frozen foods manufacturing facility in the Company's North America reportable segment, were written down to an estimated fair value of approximately $41 million resulting in an impairment charge of $21 million recorded in COGS.

During the quarter ended March 30, 2024, long-lived assets of $99 million related to a cereal manufacturing facility in the Company's Europe reportable segment, were written down to an estimated fair value of $60 million resulting in an impairment charge of $39 million recorded in COGS.

The Company's calculation of the fair value of these long-lived assets is based on Level 3 inputs, including market comparables, market trends and the condition of the assets.

Marketable securities

During the first quarter of 2024, the Company amended the U.S. retiree health and welfare plan to create a sub-trust to permit the payment of certain benefits for active union employees using a surplus totaling $175 million from the retiree plan. During the quarter ended March 30, 2024, the Company invested the $175 million in a short-term investment fund that primarily holds short-term debt instruments. The marketable securities portfolio is designated to be used to pay for active union employee benefits.

During the quarter ended March 29, 2025, the Company recorded gross sales of marketable securities of approximately $84 million and gross purchases of marketable securities of approximately $72 million. The portfolio's fair value was approximately $129 million as of March 29, 2025. The classification of these marketable securities as current or noncurrent depends on our intended holding period and the securities are measured at Level 1 quoted market prices.

Equity investments
We hold equity investments in certain companies that we do not have the ability to exercise significant influence. Equity investments without a readily determinable fair value are recorded at original cost. Investments with a readily determinable fair value, which are Level 2 investments, are measured at fair value based on observable market price changes, with gains and losses recorded through net earnings. Equity investments were approximately $40 million as of March 29, 2025 and December 28, 2024. Additionally, these investments were recorded within Other assets on the Consolidated Balance Sheet.

Financial instruments
The carrying values of the Company’s short-term items, including cash, cash equivalents, accounts receivable, accounts payable, notes payable and current maturities of long-term debt approximate fair value. The fair value of the Company’s long-term debt, which are Level 2 liabilities, is calculated based on broker quotes. The fair value and carrying value of the Company's long-term debt was $5.0 billion as of March 29, 2025. The fair value and carrying value of the Company's long-term debt was $4.9 billion and $5.0 billion, respectively, as of December 28, 2024.

Counterparty credit risk concentration and collateral requirements
The Company is exposed to credit loss in the event of nonperformance by counterparties on derivative financial and commodity contracts. Management believes a concentration of credit risk with respect to derivative counterparties is limited due to the credit ratings and use of master netting and reciprocal collateralization agreements with the counterparties and the use of exchange-traded commodity contracts.

Master netting agreements apply in situations where the Company executes multiple contracts with the same counterparty. Certain counterparties represent a concentration of credit risk to the Company. If those counterparties fail to perform according to the terms of derivative contracts, this would result in a loss to the Company, net of collateral already received from those counterparties. As of March 29, 2025, the concentration of credit risk to the Company was immaterial.

For certain derivative contracts, reciprocal collateralization agreements with counterparties call for the posting of collateral in the form of cash, treasury securities or letters of credit if a fair value loss position to the Company or its counterparties exceeds a certain amount. In addition, the Company is required to maintain cash margin accounts in connection with its open positions for exchange-traded commodity derivative instruments executed with the counterparty that are subject to enforceable netting agreements. As of March 29, 2025, the Company posted $57 million related to reciprocal collateralization agreements. As of March 29, 2025, the Company posted $4 million in margin deposits for exchange-traded commodity derivative instruments, which was reflected as an increase in accounts receivable, net on the Consolidated Balance Sheet.

Management believes concentrations of credit risk with respect to accounts receivable is limited due to the generally high credit quality of the Company’s major customers, as well as the large number and geographic dispersion of smaller customers.

NOTE 10 REPORTABLE SEGMENTS

Kellanova is the world's second largest producer of crackers and a leading producer of cereal, savory snacks, and frozen foods. Additional product offerings include toaster pastries, cereal bars, veggie foods and noodles. Kellanova products are manufactured and marketed globally. Principal markets for these products include the United States, United Kingdom, France, Nigeria, Canada, Mexico, and Australia.

The Company manages its operations through four operating segments that are based on geographic location – North America which includes U.S. businesses and Canada; Europe which consists of European countries; Latin America which consists of Central and South America and includes Mexico; and AMEA (Asia Middle East Africa) which consists of Africa, Middle East, Australia and other Asian and Pacific markets. These operating segments also represent our reportable segments. Each reportable segment derives its revenues primarily from the production and distribution of a mix of food products including snacks, cereal, frozen foods, noodles and other foods. Corporate includes corporate administration and initiatives as well as share-based compensation.

The Chairman and Chief Executive Officer is the Chief Operating Decision Maker (CODM) of the Company. The CODM uses operating profit as the reportable segment profitability measure to assess performance and allocate resources. This measure is utilized during our budgeting and forecasting process to assess profitability and enable decision making regarding strategic initiatives and capital investments across all reportable segments. Reportable segment operating profit is consistent with the presentation of operating profit in the Consolidated Statement of Income. The accounting policies of each reportable segment are consistent with those described in the summary of significant accounting policies in Note 1 included in the Company's 2024 Annual Report on Form 10-K. Inter-segment sales are not included in the segment profitability measure used by the CODM to assess performance of the reportable segments.

Reportable segment results including details of the significant expense categories provided to the CODM for the quarters ended March 29, 2025 and March 30, 2024 were as follows:

Quarter ended March 29, 2025	Reportable segments					
(millions)	**North America**	**Europe**	**Latin America**	**AMEA**	**Corporate**	**Consolidated**
Net sales	**$ 1,619**	**$ 579**	**$ 266**	**$ 620**	**$ (1)**	**$ 3,083**
Cost of goods sold	**1,006**	**380**	**185**	**452**	**1**	**2,024**
Selling, general, and administrative expense	**308**	**109**	**62**	**94**	**56**	**629**
Operating profit	**$ 305**	**$ 90**	**$ 19**	**$ 74**	**$ (58)**	**$ 430**

Quarter ended March 30, 2024	Reportable segments					
(millions)	**North America**	**Europe**	**Latin America**	**AMEA**	**Corporate**	**Consolidated**
Net sales	$ 1,688	$ 599	$ 314	$ 600	$ (1)	$ 3,200
Cost of goods sold	1,055	460	217	427	10	2,169
Selling, general, and administrative expense	298	111	70	98	61	638
Operating profit	$ 335	$ 28	$ 27	$ 75	$ (72)	$ 393

Certain items such as interest expense and income taxes, while not included in the measure of reportable segment operating results, are regularly reviewed by the chief operating decision maker (CODM) for the Company's internationally based reportable segments as shown below.

	Quarter ended	
(millions)	**March 29, 2025**	March 30, 2024
Depreciation and amortization		
North America (a)	**$ 41**	$ 63
Europe (a)	**22**	60
Latin America	**13**	8
AMEA	**14**	13
Total Reportable Segments	**90**	144
Corporate	**2**	2
Consolidated	**$ 92**	$ 146
Interest expense		
North America	**$ —**	$ 2
Europe	**9**	17
Latin America	**1**	1
AMEA	**5**	6
Corporate	**48**	57
Consolidated	**$ 63**	$ 83
Income taxes		
Europe	**$ 11**	$ 4
Latin America	**5**	7
AMEA	**13**	14
Corporate & North America	**44**	57
Consolidated	**$ 73**	$ 82

(a) Quarter ended March 30, 2024, includes asset impairment charges as discussed in Note 10.

Assets are reviewed by the CODM on a consolidated basis and therefore are not presented by reportable segment. The CODM does review additions to property by reportable segment.

	Quarter ended	
(millions)	**March 29, 2025**	March 30, 2024
Additions to property		
North America	**$ 51**	$ 68
Europe	**51**	41
Latin America	**33**	24
AMEA	**36**	19
Corporate	**5**	3
Consolidated	**$ 176**	$ 155

Supplemental product information is provided below for net sales to external customers:

	Quarter ended	
(millions)	**March 29, 2025**	March 30, 2024
Snacks	**$ 1,897**	$ 2,015
Cereal	**645**	687
Frozen	**290**	290
Noodles and other	**251**	208
Consolidated	**$ 3,083**	$ 3,200

NOTE 11 SUPPLEMENTAL FINANCIAL STATEMENT DATA

Consolidated Balance Sheet

(millions)	**March 29, 2025**	December 28, 2024
Trade receivables	**$ 1,269**	$ 1,268
Allowance for credit losses	**(14)**	(17)
Refundable income taxes	**63**	58
Other receivables	**254**	213
Accounts receivable, net	**$ 1,572**	$ 1,522
Raw materials and supplies	**$ 311**	$ 303
Finished goods and materials in process	**912**	862
Inventories	**$ 1,223**	$ 1,165
Intangible assets not subject to amortization	**$ 1,658**	$ 1,651
Intangible assets subject to amortization, net	**116**	109
Other intangibles, net	**$ 1,774**	$ 1,760

KELLANOVA
PART I—FINANCIAL INFORMATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Business overview

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to help the reader understand Kellanova, our operations and our present business environment. MD&A is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and the accompanying notes thereto contained in Item 1 of this report. Our MD&A references consumption and net sales in discussing our sales trends for certain categories and brands. We record net sales upon delivery of shipments to our customers. Consumption and share data noted within is based on Nielsen x-AOC or other comparable source, for the applicable period. Consumption refers to consumer purchases of our products from our customers. Unless otherwise noted, consumption and shipment trends are materially consistent.

Consumers count on Kellanova for great-tasting, high-quality and nutritious foods. Currently, these foods include snacks, such as crackers, savory snacks, toaster pastries, cereal bars and bites; and convenience foods, such as, ready-to-eat cereals, frozen waffles, veggie foods and noodles. Kellanova products are manufactured and marketed globally.

Proposed merger

On August 13, 2024, the Company entered into the Merger Agreement, pursuant to which (and subject to the terms and conditions in the Merger Agreement) the Merger Sub will be merged with and into the Company, with the Company continuing as the surviving corporation. Each share of public common stock, par value $0.25 per share, of the Company issued and outstanding immediately prior to the Effective Time (other than shares owned by (i) the Company or its subsidiaries or Parent or its subsidiaries (including Acquiror and its subsidiaries) or (ii) stockholders who have properly exercised and perfected appraisal rights under Delaware law) will be automatically cancelled and converted into the right to receive $83.50 per share in cash, without interest.

Completion of the Merger is subject to customary closing conditions, including the receipt of required regulatory approvals. At a special meeting of shareowners held on November 1, 2024, the Company's shareowners approved the Merger Agreement. The Company expects the Merger to close in the first half of 2025; however, the exact timing of the completion of the Merger, if at all, cannot be predicted with any certainty.

For further discussion about the Merger, see Note 1 Accounting Policies – Proposed Merger, our Current Report on Form 8-K filed with the SEC on August 14, 2024, and our definitive proxy statement on Schedule 14A filed with the SEC on September 26, 2024. See the section titled, "Risk Factors" included under Part II, Item 1A of this Report for more information regarding risks associated with the Merger.

Segments

We manage our operations through four operating segments that are based primarily on geographic location – North America which includes the U.S. businesses and Canada; Europe which consists principally of European countries; Latin America which consists of Central and South America and includes Mexico; and AMEA (Asia Middle East Africa) which consists of Africa, Middle East, Australia and other Asian and Pacific markets. These operating segments also represent our reportable segments.

Non-GAAP financial measures

This filing includes non-GAAP financial measures that we provide to management and investors that exclude certain items that we do not consider part of on-going operations. Items excluded from our non-GAAP financial measures are discussed in the "Significant items impacting comparability" section of this filing. Our management team consistently utilizes a combination of GAAP and non-GAAP financial measures to evaluate business results, to make decisions regarding the future direction of our business, and for resource allocation decisions, including incentive compensation. As a result, we believe the presentation of both GAAP and non-GAAP financial measures provides investors with increased transparency into financial measures used by our management team and improves investors' understanding of our underlying operating performance and in their analysis of ongoing operating trends. All historic non-GAAP financial measures have been reconciled with the most directly comparable GAAP financial measures.

Non-GAAP financial measures used for evaluation of performance include currency-neutral and organic net sales, adjusted and currency-neutral adjusted operating profit, adjusted and currency-neutral adjusted diluted earnings per share (EPS), currency-neutral adjusted gross profit, currency neutral adjusted gross margin, adjusted effective tax rate, net debt, and free cash flow. We determine currency-neutral results by dividing or multiplying, as appropriate, the current-period local currency operating results by the currency exchange rates used to translate our financial statements in the comparable prior-year period to determine what the current period U.S. dollar operating results would have been if the currency exchange rate had not changed from the comparable prior-year period. These non-GAAP financial measures may not be comparable to similar measures used by other companies.

- Currency-neutral net sales and organic net sales: We adjust the GAAP financial measure to exclude the impact of foreign currency, resulting in currency-neutral net sales. In addition, we exclude the impact of acquisitions, divestitures, and foreign currency, resulting in organic net sales. We excluded the items which we believe may obscure trends in our underlying net sales performance. By providing these non-GAAP net sales measures, management intends to provide investors with a meaningful, consistent comparison of net sales performance for the Company and each of our reportable segments for the periods presented. Management uses these non-GAAP measures to evaluate the effectiveness of initiatives behind net sales growth, pricing realization, and the impact of mix on our business results. These non-GAAP measures are also used to make decisions regarding the future direction of our business, and for resource allocation decisions.

- Adjusted: gross profit, gross margin, operating profit, operating margin, and diluted EPS: We adjust the GAAP financial measures to exclude the effect of restructuring programs, costs of the separation transaction, mark-to-market adjustments for pension plans (service cost, interest cost, expected return on plan assets, and other net periodic pension costs are not excluded), commodity contracts, certain equity investments and certain foreign currency contracts, and other costs impacting comparability resulting in adjusted. We excluded the items which we believe may obscure trends in our underlying profitability. 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 within each of our segments.

- Currency-neutral adjusted: gross profit, gross margin, operating profit, operating margin, and diluted EPS: We adjust the GAAP financial measures to exclude the effect of restructuring programs, costs of the separation transaction, mark-to-market adjustments for pension plans (service cost, interest cost, expected return on plan assets, and other net periodic pension costs are not excluded), commodity contracts, certain equity investments and certain foreign currency contracts, other costs impacting comparability, and foreign currency, resulting in currency-neutral adjusted. We excluded the items which we believe may obscure trends in our underlying profitability. 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 within each of our segments.

- Adjusted effective income tax rate: We adjust the GAAP financial measures to exclude the effect of restructuring programs, costs of the separation transaction, mark-to-market adjustments for pension plans (service cost, interest cost, expected return on plan assets, and other net periodic pension costs are not excluded), commodity contracts, certain equity investments and certain foreign currency contracts, and other costs impacting comparability. We excluded the items which we believe may obscure trends in our pre-tax income and the related tax effect of those items on our adjusted effective income tax rate, and other impacts to tax expense. By providing this non-GAAP measure, management intends to provide investors with a meaningful, consistent comparison of the Company's effective tax rate, excluding the pre-tax income and tax effect of the items noted above, for the periods presented. Management uses this non-GAAP measure to monitor the effectiveness of initiatives in place to optimize our global tax rate.

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

- Free cash flow: Defined as net cash provided by operating activities reduced by expenditures for property additions. Free cash flow does not represent the residual cash flow available for discretionary expenditures. We use this non-GAAP financial measure of cash flow to focus management and investors on the amount of cash available for debt repayment, dividend distributions, acquisition opportunities, and share repurchases once all of the Company’s business needs and obligations are met. Additionally, certain performance-based compensation includes a component of this non-GAAP measure.

These measures have not been calculated in accordance with GAAP and should not be viewed as a substitute for GAAP reporting measures.

Significant items impacting comparability

Mark-to-market
We recognize 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. Mark-to-market gains/losses for certain equity investments are recorded based on observable price changes. 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. We recorded a pre-tax mark-to-market gain of $4 million and $12 million for the quarters ended March 29, 2025 and March 30, 2024, respectively.

Separation costs
The Company successfully completed the separation transaction on October 2, 2023. We incurred pre-tax charges related to the separation of $5 million and $12 million for the quarters ended March 29, 2025 and March 30, 2024, respectively.

Network optimization
Costs related to reorganizations to increase the productivity and efficiency of the Company's supply chain. As a result, we incurred pre-tax charges, primarily related to severance and asset impairment of $6 million and $101 million for the quarters ended March 29, 2025 and March 28, 2024, respectively.

Proposed merger costs
In August 2024, the Company entered into the Merger Agreement under which Mars has agreed to acquire Kellanova, subject to customary closing conditions, including the receipt of required regulatory approvals. In conjunction with the agreement, we incurred pre-tax charges, primarily related to legal and consulting costs, of $6 million for the quarter ended March 29, 2025.

Foreign currency translation
We evaluate the operating results of our business on a currency-neutral basis. We determine currency-neutral operating results by dividing or multiplying, as appropriate, the current-period local currency operating results by the currency exchange rates used to translate our financial statements in the comparable prior-year period to determine what the current period U.S. dollar operating results would have been if the currency exchange rate had not changed from the comparable prior-year period.

Financial results

For the quarter ended March 29, 2025, our reported net sales were down 4% versus the prior year as unfavorable foreign currency more than offset the net impact of increased price/mix and lower volume. Organic net sales increased 1% from the prior year excluding foreign currency.

First quarter reported operating profit increased 9% year on year, due primarily to the lapping of last year's network optimization costs, which more than offset unfavorable foreign currency translation and profit margin impacts of higher costs and adverse mix. Currency-neutral adjusted operating profit decreased 11%, after excluding the impact of mark-to-market, costs of the proposed merger, network optimization costs, separation costs, and foreign currency.

Reported diluted EPS of $0.87 for the quarter increased 12% compared to the prior year quarter of $0.78 due primarily to higher operating profit and a lower effective tax rate, partially offset by increased average shares outstanding. Currency-neutral adjusted diluted EPS of $0.93 for the quarter decreased 7.9% from the prior year quarter after excluding mark-to-market, costs of the proposed merger, network optimization costs, separation costs, and foreign currency.

Reconciliation of certain non-GAAP Financial Measures

Consolidated results (dollars in millions, except per share data)	Quarter ended **March 29, 2025**	March 30, 2024
Reported net income	**$ 304**	$ 267
Mark-to-market (pre-tax)	**4**	12
Separation costs (pre-tax)	**(5)**	(12)
Network optimization (pre-tax)	**(6)**	(101)
Proposed merger costs (pre-tax)	**(6)**	—
Income tax impact applicable to adjustments, net*	**2**	21
Adjusted net income	**$ 316**	$ 347
Foreign currency impact	**(9)**	—
Currency-neutral adjusted net income	**$ 325**	$ 347
Reported diluted EPS	**$ 0.87**	$ 0.78
Mark-to-market (pre-tax)	**0.01**	0.03
Separation costs (pre-tax)	**(0.02)**	(0.04)
Network optimization (pre-tax)	**(0.02)**	(0.28)
Proposed merger costs (pre-tax)	**(0.02)**	—
Income tax impact applicable to adjustments, net*	**0.01**	0.06
Adjusted diluted EPS	**$ 0.90**	$ 1.01
Foreign currency impact	**(0.03)**	—
Currency-neutral adjusted diluted EPS	**$ 0.93**	$ 1.01
Currency-neutral adjusted diluted EPS growth	**(7.9)%**	

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.
*Represents the estimated income tax effect on the reconciling items, using weighted-average statutory tax rates, depending upon the applicable jurisdiction.

Net sales and operating profit

The following tables provide an analysis of net sales and operating profit performance for the first quarter of 2025 versus 2024:

Quarter ended March 29, 2025 (millions)	**North America**	**Europe**	**Latin America**	**AMEA**	**Corporate**	**Kellanova Consolidated**
Reported net sales	**$ 1,619**	**$ 579**	**$ 266**	**$ 620**	**$ —**	**$ 3,083**
Foreign currency impact	**(5)**	**(9)**	**(43)**	**(81)**	**—**	**(138)**
Organic net sales	**$ 1,623**	**$ 589**	**$ 309**	**$ 701**	**$ —**	**$ 3,222**
Quarter ended March 30, 2024 (millions)						
Reported net sales	$ 1,688	$ 599	$ 314	$ 600	$ (1)	$ 3,200
Divestiture	—	—	—	—	—	—
Organic net sales	$ 1,688	$ 599	$ 314	$ 600	$ (1)	$ 3,200
% change - 2025 vs. 2024:						
Reported growth	**(4.1)%**	**(3.4)%**	**(15.2)%**	**3.3 %**	**n/m**	**(3.6)%**
Foreign currency impact	(0.3)%	(1.6)%	(13.7)%	(13.6)%	n/m	(4.3)%
Currency-neutral growth	**(3.8)%**	**(1.8)%**	**(1.5)%**	**16.9 %**	**n/m**	**0.7 %**
Divestiture	— %	— %	— %	— %	n/m	— %
Organic growth	**(3.8)%**	**(1.8)%**	**(1.5)%**	**16.9 %**	**n/m**	**0.7 %**
Volume (tonnage)	(2.9)%	(3.5)%	(6.2)%	(0.3)%	n/m	(2.5)%
Pricing/mix	(0.9)%	1.7 %	4.7 %	17.2 %	n/m	3.2 %

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.

Quarter ended March 29, 2025 (millions)	**North America**	**Europe**	**Latin America**	**AMEA**	**Corporate**	**Kellanova Consolidated**
Reported operating profit	**$ 305**	**$ 90**	**$ 19**	**$ 74**	**$ (58)**	**$ 430**
Mark-to-market	**—**	**—**	**(4)**	**—**	**11**	**7**
Separation costs	**(4)**	**—**	**—**	**—**	**(1)**	**(5)**
Network optimization	**—**	**(6)**	**—**	**—**	**—**	**(6)**
Proposed merger costs	**—**	**—**	**—**	**—**	**(6)**	**(6)**
Adjusted operating profit	**$ 310**	**$ 97**	**$ 23**	**$ 74**	**$ (62)**	**$ 441**
Foreign currency impact	**—**	**(1)**	**(4)**	**(8)**	**1**	**(13)**
Currency-neutral adjusted operating profit	**$ 310**	**$ 98**	**$ 27**	**$ 82**	**$ (63)**	**$ 454**

Quarter ended March 30, 2024 (millions)						
Reported operating profit	$ 335	$ 28	$ 27	$ 75	$ (72)	$ 393
Mark-to-market	—	—	2	—	(3)	(1)
Separation costs	(10)	—	—	—	(2)	(12)
Network optimization	(31)	(70)	—	—	—	(101)
Adjusted operating profit	$ 376	$ 98	$ 25	$ 75	$ (66)	$ 508

% change - 2025 vs. 2024:						
Reported growth	**(9.0)%**	**227 %**	**(31.5)%**	**(1.7)%**	**19.3 %**	**9.3 %**
Mark-to-market	— %	— %	(21.5)%	— %	19.6 %	2.0 %
Separation costs	1.4 %	— %	(0.7)%	— %	1.9 %	2.0 %
Network optimization	7.3 %	228 %	— %	— %	— %	19.6 %
Proposed merger costs	— %	— %	— %	(0.1)%	(8.3)%	(1.1)%
Business and portfolio realignment	— %	— %	0.1 %	— %	(0.7)%	(0.1)%
Adjusted growth	**(17.7)%**	**(1.0)%**	**(9.4)%**	**(1.6)%**	**6.8 %**	**(13.1)%**
Foreign currency impact	(0.1)%	(1.0)%	(16.7)%	(11.2)%	1.2 %	(2.6)%
Currency-neutral adjusted growth	**(17.6)%**	**— %**	**7.3 %**	**9.6 %**	**5.6 %**	**(10.5)%**

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.

North America

Net sales for the first quarter decreased 4% from the prior year, both on a reported and organic basis, as volume declined amidst further softening of its snacking and frozen categories.

North America operating profit decreased 9% reflecting primarily the net sales decline and related negative operating leverage, partially offset by lapping network optimization and separation costs from the prior year quarter. Currency-neutral adjusted operating profit decreased 18%, after excluding the impact of network optimization costs, and separation costs.

Net sales % change - first quarter 2025 vs. 2024:

North America	Reported net sales	Foreign currency	Currency-neutral net sales	Divestiture	Organic net sales
Snacks	**(5.0)%**	(0.2)%	**(4.8)%**	— %	**(4.8)%**
Frozen	**0.3 %**	(0.4)%	**0.7 %**	— %	**0.7 %**

North America snacks net sales declined 5% for the quarter reflecting softness in snacking categories.

North America frozen net sales were up slightly, and *Eggo* and *MorningStar Farms* both gained share in their respective categories.

Europe

Reported net sales decreased 3% in the first quarter due to unfavorable foreign currency and a volume decline amidst soft category demand, partially offset by positive price/mix due to revenue growth management actions. Organic net sales decreased 2% after excluding the impact of foreign currency.

Reported operating profit increased 227% year on year, reflecting the lapping of network optimization costs in the prior year quarter, with productivity and savings otherwise offsetting the impact of lower net sales and increased brand investment. Currency-neutral adjusted operating profit was flat after excluding the impact of network optimization costs and foreign currency.

Net sales % change - first quarter 2025 vs. 2024:

Europe	Reported net sales	Foreign currency	Currency-neutral net sales	Divestiture	Organic net sales
Snacks	**(6.4)%**	(1.6)%	**(4.8)%**	— %	**(4.8)%**
Cereal	**0.2 %**	(1.5)%	**1.7 %**	— %	**1.7 %**

Snacks net sales decreased on soft category demand and negative foreign currency.

Cereal net sales increased despite unfavorable foreign currency.

Latin America

Reported net sales decreased 15% year on year as significantly unfavorable foreign currency and lower volume related to softened categories, including cookies and powdered drinks in Brazil and cereal in Mexico, partially offset by increased price/mix. Organic net sales decreased 2%, after excluding the impact of foreign currency.

Reported operating profit decreased 32% reflecting significantly unfavorable foreign currency, unfavorable mark-to-market impacts and increased brand investment more than offset the positive impact of productivity and price realization. Currency-neutral adjusted operating profit increased 7% after excluding the impact of mark-to-market, and foreign currency.

Net sales % change - first quarter 2025 vs. 2024:

Latin America	Reported net sales	Foreign currency	Currency-neutral net sales	Divestiture	Organic net sales
Snacks	**(8.9)%**	(12.5)%	**3.6 %**	— %	**3.6 %**
Cereal	**(18.6)%**	(14.7)%	**(3.9)%**	— %	**(3.9)%**

Snacks net sales decreased due to unfavorable foreign currency and lower volume, notably powdered drinks and cookies in Brazil.

Cereal net sales decreased due to unfavorable foreign currency and lower volume, notably in Mexico.

AMEA

Reported net sales increased 3% year on year, as volume growth and currency-influenced price realization in Nigeria more than offset the impacts of significantly adverse foreign currency translation, principally related to the Nigerian Naira, and a decline in snacks volume in Asia and Australia, related to slowing categories. Organic net sales increased 17% after excluding the impact of foreign currency.

Reported operating profit decreased 2% year on year, as significantly adverse foreign currency more than offset the impact of strong local currency net sales growth. Currency-neutral adjusted operating profit increased 10%, after excluding the impact of foreign currency.

Net sales % change - first quarter 2025 vs. 2024:

AMEA	Reported net sales	Foreign currency	Currency-neutral net sales	Divestiture	Organic net sales
Snacks	**(10.1)%**	(3.2)%	**(6.9)%**	— %	**(6.9)%**
Cereal	**(2.1)%**	(4.4)%	**2.3 %**	— %	**2.3 %**
Noodles and other	**20.4 %**	(31.8)%	**52.2 %**	— %	**52.2 %**

Snacks net sales decreased due to unfavorable foreign currency and slowing categories in Australia and certain Asian markets despite overall share growth.

Cereal net sales decreased due to unfavorable foreign currency, which more than offset broad-based growth across most of the region, most notably India.

Noodles and other net sales increased due to volume growth and price realization that more than offset unfavorable foreign currency.

Corporate

Reported operating profit increased $14 million versus the comparable prior year quarter due primarily to favorable mark-to-market impacts partially offset by costs of the proposed merger. Currency-neutral adjusted operating profit increased $3 million from the prior year after excluding costs of the proposed merger and mark-to-market.

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Margin performance

Our currency-neutral adjusted gross profit and gross profit margin performance for the quarter ended March 29, 2025 and March 30, 2024 are reconciled to the directly comparable GAAP measures as follows:

Quarter ended	**March 29, 2025**		March 30, 2024		GM change vs. prior year (pts.)
(dollars in millions)	**Gross Profit (a)**	**Gross Margin (b)**	Gross Profit (a)	Gross Margin (b)	
Reported	**$ 1,059**	**34.3 %**	$ 1,030	32.2 %	**2.1**
Mark-to-market	**(9)**	**(0.3)%**	(10)	(0.3)%	**—**
Separation costs	**(2)**	**(0.1)%**	(2)	(0.1)%	**—**
Network optimization	**(6)**	**(0.2)%**	(101)	(3.1)%	**2.9**
Adjusted	**1,076**	**34.9 %**	1,143	35.7 %	**(0.8)**
Foreign currency impact	**(35)**	**0.4 %**	—	— %	**0.4**
Currency-neutral adjusted	**$ 1,111**	**34.5 %**	$ 1,143	35.7 %	**(1.2)**

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.
(a) Gross profit is equal to net sales less cost of goods sold.
(b) Gross profit as a percentage of net sales.

Reported gross margin for the quarter increased 210 basis points versus the prior year due primarily to the lapping of network optimization costs in the prior year quarter. Currency-neutral adjusted gross margin decreased 120 basis points compared to the first quarter of 2024 after eliminating the impact of mark-to-market, network optimization costs, separation costs, and foreign currency.

Restructuring Programs

We view our restructuring programs as part of our operating principles to provide greater visibility in achieving our long-term profit growth and margin targets. Initiatives undertaken are generally expected to recover cash implementation costs within a 1 to 5-year period subsequent to completion. Completion (or as each major stage is completed in the case of multi-year programs) is when the project begins to deliver cash savings and/or reduced depreciation.

In the first quarter of 2024, the Company announced a reconfiguration of the North America frozen supply chain network, designed to drive increased productivity. The project is substantially complete as of the quarter ended March 29, 2025. The overall project is expected to result in cumulative pretax charges of approximately $70 million, which include employee-related costs of $10 million, other cash costs of $10 million, and non-cash costs, primarily consisting of asset impairment, accelerated depreciation, and asset disposals of $50 million. Charges incurred related to this restructuring program were less than $1 million and $31 million during the quarters ended March 29, 2025 and March 30, 2024, respectively. These charges primarily related to severance costs and asset impairment and were recorded in COGS.

In the first quarter of 2024, the Company proposed a reconfiguration of the European cereal supply chain network and completed collective bargaining obligations and consultation with impacted employees during the quarter ended June 29, 2024. The project, designed to drive efficiencies, is expected to be substantially completed by late 2026, with resulting efficiencies expected to begin contributing to gross margin improvements in late 2026. The overall project is expected to result in cumulative pretax charges of approximately $120 million, which include employee-related costs of $50 million, other cash costs of $30 million, and non-cash costs, primarily consisting of asset impairment, accelerated depreciation, and asset disposals of $40 million. Charges incurred related to this restructuring program were $6 million and $70 million during the quarters ended March 29, 2025 and March 30, 2024, respectively. These charges primarily related to severance costs and asset impairment and were recorded in COGS.

All other restructuring projects were immaterial during the periods presented.

Foreign currency translation

The reporting currency for our financial statements is the U.S. dollar. Certain of our assets, liabilities, expenses and revenues are denominated in currencies other than the U.S. dollar, primarily in the euro, British pound, Australian dollar, Canadian dollar, Mexican peso, Brazilian real, Nigerian naira, Polish zloty, and Egyptian pound. To prepare our consolidated financial statements, we must translate those assets, liabilities, expenses and revenues into U.S. dollars at the applicable exchange rates. As a result, increases and decreases in the value of the U.S. dollar against these other currencies will affect the amount of these items in our consolidated financial statements, even if their value has not changed in their original currency. This could have significant impact on our results if such increase or decrease in the value of the U.S. dollar is substantial.

Interest expense

For the quarters ended March 29, 2025 and March 30, 2024, interest expense was $63 million and $83 million, respectively. The decrease from the prior year quarter is due primarily to lower average debt outstanding and lower interest rates on commercial paper and floating rate debt versus the prior year.

Income Taxes

Our reported effective tax rate for the quarters ended March 29, 2025 and March 30, 2024 was 19% and 23%, respectively. The decrease in the consolidated effective tax rate from the prior year quarter is due primarily to higher windfall benefit related to vesting of stock-based compensation versus the prior year quarter.

Our adjusted effective tax rate for the quarters ended March 29, 2025 and March 30, 2024 was 19% and 23%, respectively.

Fluctuations in foreign currency exchange rates could impact the expected effective income tax rate as it is dependent upon U.S. dollar earnings of foreign subsidiaries doing business in various countries with differing statutory rates. Additionally, the rate could be impacted by tax legislation and if pending uncertain tax matters, including tax positions that could be affected by planning initiatives, are resolved more or less favorably than we currently expect.

	Quarter ended	
Consolidated results (dollars in millions)	**March 29, 2025**	March 30, 2024
Reported income taxes	**$ 73**	$ 82
Mark-to-market	**1**	3
Separation costs	**—**	(2)
Network Optimization	**(2)**	(21)
Proposed merger costs	**(1)**	—
Adjusted income taxes	**$ 74**	$ 103
Reported effective income tax rate	**19.2 %**	23.2 %
Mark-to-market	**0.1 %**	0.1 %
Separation costs	**0.3 %**	0.1 %
Network optimization	**(0.1)%**	0.4 %
Proposed merger costs	**(0.1)%**	— %
Adjusted effective income tax rate	**19.0 %**	22.6 %

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.

Liquidity and capital resources

We anticipate current cash and marketable security balances, operating cash flows, together with our credit facilities and other financing sources including commercial paper, credit and bond markets, will be adequate to meet our operating, investing and financing needs. We currently have $2.5 billion of ongoing unused revolving credit agreements, including $1.5 billion effective through 2026 and $1.0 billion effective through December 2025, as well as continued access to the commercial paper markets. We are currently in compliance with all debt covenants and do not have material uncertainty about our ability to maintain compliance in future periods.

Our principal source of liquidity is operating cash flows supplemented by borrowings for major acquisitions and other significant transactions. Our cash-generating capability is one of our fundamental strengths and provides us with substantial financial flexibility in meeting operating and investing needs. Our liquidity and operating cash flows may also be impacted by the timing and closing of the Merger, including as a result of the payment of any termination fee if the Merger Agreement is terminated by the Company under certain circumstances permitted thereby.

We have historically reported negative working capital primarily as the result of our focus to improve core working capital by reducing our levels of trade receivables and inventory while optimizing the timing of payment of our trade payables. The impacts of the extended customer terms program and the monetization programs on core working capital are largely offsetting.

We periodically monitor our supplier payment terms to assess whether our terms are competitive and in line with local market terms. To the extent that such assessment indicates that our supplier payment terms are not aligned with local market terms, we may seek to adjust our terms, including extending or shortening our payment due dates as appropriate. Supplier payment term modifications did not have a material impact on our cash flows during 2024, and are not expected to have a material impact in 2025.

We have a substantial amount of indebtedness which results in current maturities of long-term debt and notes payable which can have a significant impact on working capital as a result of the timing of these required payments. These factors, coupled with the use of our ongoing cash flows from operations to service our debt obligations, pay dividends, fund acquisition opportunities, and repurchase our common stock, reduce our working capital amounts. We had negative working capital of $0.9 billion as of March 29, 2025 and December 28, 2024.

The following table reflects net debt amounts:

(millions)		**March 29, 2025**		December 28, 2024
Notes payable	**$**	**586**	$	113
Current maturities of long-term debt		**4**		632
Long-term debt		**5,027**		4,998
Total debt liabilities	**$**	**5,617**	$	5,743
Less:				
Cash and cash equivalents		**330**		694
Net debt	**$**	**5,287**	$	5,049

The following table sets forth a summary of our cash flows:

		Quarter ended		
(millions)		**March 29, 2025**		March 30, 2024
Net cash provided by (used in):				
Operating activities		**116**	$	364
Investing activities		**(152)**		(333)
Financing activities		**(313)**		(58)
Effect of exchange rates on cash and cash equivalents		**(15)**		(5)
Net increase (decrease) in cash and cash equivalents	**$**	**(364)**	$	(32)

Operating activities

The principal source of our operating cash flow is net earnings, meaning cash receipts from the sale of our products, net of costs to manufacture, distribute, and market our products.

Net cash provided by our operating activities for the quarter ended March 29, 2025, totaled $116 million compared to $364 million in the prior year period. The decrease is due primarily to lapping the distribution from the Company's postretirement benefit plan of $175 million during the first quarter of 2024.

We measure free cash flow as net cash provided by operating activities reduced by expenditures for property additions. We use this non-GAAP financial measure of cash flow to focus management and investors on the amount of cash available for debt repayment, dividend distributions, acquisition opportunities, and share repurchases. Our free cash flow metric is reconciled to the most comparable GAAP measure, as follows:

	Quarter ended	
(millions)	**March 29, 2025**	March 30, 2024
Net cash provided by operating activities	**$ 116**	$ 364
Additions to properties	**(176)**	(155)
Free cash flow	**$ (60)**	$ 209

Our non-GAAP measure for free cash flow decreased to $(60) million in the quarter ended March 29, 2025, from $209 million in the prior year. The decrease is due primarily to the lapping of the distribution from the Company's postretirement benefit plan of $175 million during the first quarter of 2024 and by higher capital expenditures.

Investing activities

Our net cash used in investing activities totaled $152 million for the quarter ended March 29, 2025 compared to $333 million in the comparable prior year period due primarily to the purchase of marketable securities in conjunction with the distribution from the postretirement healthcare plan in the prior year quarter partially offset by higher capital expenditures.

Financing activities

Our net cash used in financing activities for the quarter ended March 29, 2025 totaled $313 million compared to cash used of $58 million during the comparable prior year quarter. The year-over-year variance was driven by the repayment of long-term debt partially offset by issuance of commercial paper. In March 2025, the Company repaid its €600 million ten-year 1.250% Euro Notes due 2025 with U.S. commercial paper.

In December 2022, the Board of Directors approved an authorization to repurchase up to $1.5 billion of the Company's common stock through December 2025. This authorization is intended to allow the Company to repurchase shares for general corporate purposes and to offset issuances for employee benefit programs. As of March 29, 2025, $1.3 billion remains available under the authorization.

The Company did not repurchase shares during the quarters ended March 29, 2025 and March 30, 2024.

We paid cash dividends of $197 million during the quarter ended March 29, 2025, compared to $191 million during the comparable prior year period. the Board of Directors declared a dividend of $.57 per common share, payable on June 13, 2025 to shareholders of record at the close of business on June 2, 2025.

We continue to maintain both a Five-Year and a 364-Day Credit Agreement, which had no outstanding borrowings as of March 29, 2025, and contain customary covenants and warranties, including specified restrictions on indebtedness, liens and a specified interest expense coverage ratio. If an event of default occurs, then, to the extent permitted, the administrative agents may terminate the commitments under the credit facilities, accelerate any outstanding loans under the agreements, and demand the deposit of cash collateral equal to the lender's letter of credit exposure plus interest.

Our Notes contain customary covenants that limit the ability of the Company and its restricted subsidiaries (as defined) to incur certain liens or enter into certain sale and lease-back transactions and also contain a change of control provision. There are no significant restrictions on the payment of dividends. We were in compliance with all covenants as of March 29, 2025.

The Notes do not contain acceleration of maturity clauses that are dependent on credit ratings. A change in our credit ratings could limit our access to the U.S. short-term debt market and/or increase the cost of refinancing long-term debt in the future. However, even under these circumstances, we would continue to have access to our 364-Day Credit Facility, which expires in December 2025, as well as our Five-Year Credit Agreement, which expires in December 2026. This source of liquidity is unused and available on an unsecured basis, although we do not currently plan to use it.

Monetization and Supplier Finance Programs

We have a program in which customers could extend their payment terms in exchange for the elimination of early payment discounts (Extended Terms Program). In order to mitigate the net working capital impact of the Extended Terms Program for discrete customers, we entered into agreements to sell, on a revolving basis, certain trade accounts receivable balances to third party financial institutions (Monetization Programs). Transfers under the Monetization Programs are accounted for as sales of receivables resulting in the receivables being de-recognized from our Consolidated Balance Sheet. The Monetization Programs provide for the continuing sale of certain receivables on a revolving basis until terminated by either party; however the maximum funding from receivables that may be sold at any time is currently approximately $975 million, but may be increased or decreased as customers move in or out of the Extended Terms Program and as additional financial institutions move in or out of the Monetization Programs. Accounts receivable sold of $729 million and $653 million remained outstanding under this arrangement as of March 29, 2025 and December 28, 2024, respectively.

The Monetization Programs are designed to directly offset the impact the Extended Terms Program would have on the days-sales-outstanding (DSO) metric that is critical to the effective management of the Company's accounts receivable balance and overall working capital. Current DSO levels within North America are consistent with DSO levels prior to the execution of the Extended Term Program and Monetization Programs.

Refer to Note 3 within Notes to Consolidated Financial Statements for further information related to the sale of accounts receivable.

We periodically monitor our supplier payment terms to assess whether our terms are competitive and in line with local market terms. To the extent that such assessment indicates that our supplier payment terms are not aligned with local market terms, we may seek to adjust our terms, including extending or shortening our payment due dates as appropriate, however, we do not expect supplier payment term modifications to have a material impact on our cash flows during 2025.

The Company establishes competitive market-based terms with our suppliers, regardless of whether they participate in supplier finance programs, which generally range from 0 to 150 days dependent on their respective industry and geography. We have agreements with third parties (Supplier Finance Programs) to provide accounts payable tracking systems which facilitate participating suppliers' ability to monitor and, if elected, sell our payment obligations to designated third-party financial institutions. Participating suppliers may, at their sole discretion, make offers to sell one or more of our payment obligations prior to their scheduled due dates at a discounted price to participating financial institutions. We have no economic interest in the sale of these suppliers' receivables and no direct financial relationship with the financial institutions concerning these services. Our obligations to our suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to sell amounts under the arrangements. However, our right to offset balances due from suppliers against payment obligations is restricted by the agreements for those payment obligations that have been sold by suppliers.

Refer to Note 1 within Notes to Consolidated Financial Statements for further information related to accounts payable.

If financial institutions were to terminate their participation in the Monetization Programs and we are not able to modify related customer payment terms, working capital could be negatively impacted. Additionally, working capital could be negatively impacted if we shorten our supplier payment terms as a result of supplier negotiations. For suppliers participating in the Supplier Finance Programs, financial institutions may terminate their participation or we could experience a downgrade in our credit rating that could result in higher costs to suppliers. If working capital is negatively impacted as a result of these events and we were unable to secure alternative programs, we may have to utilize our various financing arrangements for short-term liquidity or increase our long-term borrowings.

Critical accounting estimates

Goodwill and other intangible assets

We review our operating segment and reporting unit structure annually or as significant changes in the organization occur and assess goodwill impairment risk throughout the year by performing a qualitative review of entity-specific, industry, market and general economic factors affecting our reporting units with goodwill. Similarly, we assess indefinite-life intangible assets impairment risk throughout the year by performing a qualitative review and assessing events and circumstances that could affect the fair value or carrying value of these intangible assets. No interim triggering events requiring further impairment assessments of goodwill or indefinite-life intangibles have been noted during 2025. Annually during the fourth quarter, in conjunction with our annual budgeting process, we perform qualitative or quantitative testing, depending on factors such as prior-year test results, current year developments, current risk evaluations and other practical considerations. Refer to our Critical Accounting Estimates in our 2024 Form 10-K for further details on the methodologies used for evaluating goodwill and intangible assets.

Forward-looking statements

This Report contains “forward-looking statements” with projections and expectations concerning, among other things, the Company’s restructuring programs; the timing, completion and other effects of the Merger; the integration of acquired businesses; our strategy, financial principles, and plans; initiatives, improvements and growth; sales, margins, advertising, promotion, merchandising, brand building, operating profit, and earnings per share; innovation; investments; capital expenditures; asset write-offs and expenditures and costs related to productivity or efficiency initiatives; the impact of accounting changes and significant accounting estimates; our ability to meet interest and debt principal repayment obligations; minimum contractual obligations; future common stock repurchases or debt reduction; effective income tax rate; cash flow and core working capital improvements; interest expense; commodity and energy prices; ESG performance; and employee benefit plan costs and funding. Forward-looking statements include predictions of future results or activities and may contain the words “expect,” “believe,” “will,” “can,” “anticipate,” “estimate,” “project,” “should,” or words or phrases of similar meaning. For example, forward-looking statements are found in this Item 1 and in several sections of Management’s Discussion and Analysis. Our actual results or activities may differ materially from these predictions.

Our future results could be affected by a variety of other factors, including the risk that the Merger may not be completed at all or the occurrence of any event, change, or other circumstances that could give rise to the termination of the Merger Agreement, including circumstances requiring a party to pay the other party a termination fee pursuant to the Merger Agreement; the risk that the conditions to closing of the Merger may not be satisfied or waived; the risk that a governmental or regulatory approval that may be required for the Merger is not obtained or is obtained subject to conditions that are not anticipated; potential litigation relating to, or other unexpected costs resulting from, the Merger; legislative, regulatory, and economic developments; risks that the proposed Merger disrupts the Company's current plans and operations; the risk that certain restrictions during the pendency of the Merger may impact the Company's ability to pursue certain business opportunities or strategic transactions; the diversion of management's time on transaction-related issues; continued availability of capital and financing and rating agency actions; the risk that any announcements relating to the Merger could have adverse effects on the market price of the Company's common stock, credit ratings or operating results; the impact of macroeconomic conditions; business disruptions; consumers' and other stakeholders' perceptions of our brands; the ability to implement restructurings as planned, whether the expected amount of costs associated with restructurings will differ from forecasts, whether the Company will be able to realize the anticipated benefits from restructurings in the amounts and times expected; the ability to realize the anticipated benefits and synergies from business acquisitions in the amounts and at the times expected; the impact of competitive conditions; the ability to realize the intended benefits of the separation of WK Kellogg Co (the "separation"); the possibility of disruption from the separation, including changes to existing business relationships, disputes, litigation or unanticipated costs; uncertainty of the expected financial performance of the Company following completion of the separation; the effectiveness of pricing, advertising, and promotional programs; the success of innovation, renovation and new product introductions; the success of our Better Days and sustainability programs; the recoverability of the carrying value of goodwill and other intangibles; the success of productivity improvements and business transitions; commodity and energy prices, transportation costs, labor costs, disruptions or inefficiencies in supply chain; the availability of and interest rates on short-term and long-term financing; actual market performance of benefit plan trust investments; the levels of spending on systems initiatives, properties, business opportunities; integration of acquired businesses; other general and administrative costs; changes in consumer behavior and preferences; the effect of U.S. and foreign economic conditions on items such as interest rates; statutory tax rates; currency conversion and availability; legal and regulatory factors including changes in food safety, advertising and labeling laws and regulations, the ultimate impact of product recalls; business disruption or other losses from war, terrorist acts or political unrest; and the risks and uncertainties described in Item 1A below. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our Company is exposed to certain market risks, which exist as a part of our ongoing business operations. We use derivative financial and commodity instruments, where appropriate, to manage these risks. Refer to Note 9 within Notes to Consolidated Financial Statements for further information on our derivative financial and commodity instruments.

Refer to disclosures contained within Item 7A of our 2024 Annual Report on Form 10-K. Other than changes noted here, there have been no material changes in the Company's market risk as of March 29, 2025.

Volatile market conditions arising from geopolitical events may result in significant changes in foreign exchange rates, and in particular a weakening of foreign currencies relative to the U.S. dollar may negatively affect the translation of foreign currency denominated earnings to U.S. dollars. Additionally the Company operates in certain emerging markets that may be subject to hyperinflationary economic conditions. Primary currency exposures include the U.S. dollar versus the euro, British pound, Australian dollar, Canadian dollar, Mexican peso, Brazilian real, Nigerian naira, Polish zloty and Egyptian pound, and in the case of inter-subsidiary transactions, the British pound versus the euro.

The impact of possible currency devaluations in countries experiencing high inflation rates or significant exchange fluctuations, including Nigeria and Egypt, can impact our results. Effective the fourth quarter of 2024, we have accounted for Nigeria and Egypt as highly inflationary economies, as the three-year cumulative inflation rate exceeded 100%. Accordingly, our Nigeria and Egypt subsidiaries will use the U.S. dollar as their functional currency. Highly inflationary accounting requires monetary assets and liabilities, such as cash, receivables and payables, to be remeasured in U.S. dollars at the current exchange rate at the end of each period with the impact of any changes in exchange rates being recorded in income. Our Nigerian subsidiaries had a net monetary liability balance of approximately $122 million as of March 29, 2025. Net monetary assets denominated in Egyptian pound are not material as of March 29, 2025. Non-monetary assets and liabilities, such as inventory, property, plant and equipment and intangible assets are carried forward at their historical dollar cost, which is calculated using the exchange rate at the date which hyperinflationary accounting is implemented. The impact of highly inflationary accounting in 2024 and in the first quarter of 2025 was not material to the Company financials.

In addition to our consolidated Nigerian business, the Company also has an investment in an unconsolidated entity, Tolaram Africa Foods PTE LTD (TAF), that holds an investment in a Nigerian food manufacturer. This investment is accounted for under the equity method of accounting and is evaluated for indicators of other than temporary impairment.

We have interest rate contracts with notional amounts totaling $1.1 billion representing a net settlement obligation of $34 million as of March 29, 2025. We had interest rate contracts with notional amounts totaling $1.1 billion representing a net settlement obligation of $43 million as of December 28, 2024.

We have cross currency swaps with notional amounts totaling $2.0 billion outstanding as of March 29, 2025 representing a net settlement receivable of $14 million. The total notional amount of cross currency swaps outstanding as of December 28, 2024 was $2.0 billion representing a net settlement receivable of $87 million.

Our Company is exposed to price fluctuations primarily as a result of anticipated purchases of raw and packaging materials, fuel, and energy. Primary exposures include corn, wheat, potato flakes, soybean oil, sugar, cocoa, cartonboard, natural gas, and diesel fuel. We have historically used the combination of long-term contracts with suppliers, and exchange-traded futures and option contracts to reduce price fluctuations in a desired percentage of forecasted raw material purchases over a duration of generally less than 18 months.

Geopolitical instability, including wars and conflicts (including conflicts in Ukraine and the Middle East), actual and potential shifts in U.S. and foreign, trade, economic and other policies as well as other global events, have resulted in certain impacts to the global economy, including market disruptions, supply chain challenges, and inflationary pressures. During the quarter ended March 29, 2025, we experienced moderate supply chain cost inflation, including procurement and manufacturing costs, which we intend to offset with productivity initiatives and, in certain markets with greater inflation and currency devaluation, such as Nigeria, revenue growth management actions. Our full-year 2025 outlook for modest input-cost inflation in 2025 may be pressured higher by U.S. and retaliatory tariffs enacted subsequent to the quarter, and we plan to mitigate any resultant acceleration in inflation through building inventory in advance, identifying alternative sources, and implementing revenue growth management strategies.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer as appropriate, to allow timely decisions regarding required disclosure under Rules 13a-15(e) and 15d-15(e). Disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, rather than absolute, assurance of achieving the desired control objectives.

As of March 29, 2025, we carried out an evaluation under the supervision and with the participation of our chief executive officer and our chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures.

Based on the foregoing, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

There were no changes during the quarter ended March 29, 2025, that materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Kellanova

PART II — OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended December 28, 2024. The risk factors disclosed under those Reports in addition to the other information set forth in this Report, could materially affect our business, financial condition, or results. Additional risks and uncertainties not currently known to us or that we deem to be immaterial could also materially adversely affect our business, financial condition, or results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In December 2022, the Board of Directors approved an authorization to repurchase up to $1.5 billion of the Company's common stock through December 2025. This authorization is intended to allow the Company to repurchase shares for general corporate purposes and to offset issuances for employee benefit programs.

The following table provides information with respect to purchases of common shares under programs authorized by our Board of Directors during the quarter ended March 29, 2025.

(c) Issuer Purchases of Equity Securities

(millions, except per share data)

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
Month #1:				
12/29/2024 - 1/25/2025	—	$ —	—	$ 1,330
Month #2:				
1/26/2025 - 2/22/2025	—	$ —	—	$ 1,330
Month #3:				
2/23/2025 - 3/29/2025	—	$ —	—	$ 1,330
Total	—		—	

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits:

4.1	Supplemental Indenture No. 2, dated March 11, 2025, by and among Kellanova, Mars, Incorporated and The Bank of New York Mellon Trust Company, N.A., incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed March 12, 2025, Commission file number 1-4171.
4.2	Supplemental Indenture No. 1, dated March 11, 2025, by and among Kellanova, Mars, Incorporated and The Bank of New York Mellon Trust Company, N.A., incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K filed March 12, 2025, Commission file number 1-4171.
4.3	Supplemental Indenture No. 1, dated March 11, 2025, by and among Kellanova, Mars, Incorporated and U.S. Bank Trust Company, National Association, incorporated by reference to Exhibit 4.3 of our Current Report on Form 8-K filed March 12, 2025, Commission file number 1-4171.
10.1	Form of Restricted Stock Unit Terms and Conditions, incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed February 27, 2025, Commission file number 1-4171.*
31.1	Rule 13a-14(e)/15d-14(a) Certification from Steven A. Cahillane
31.2	Rule 13a-14(e)/15d-14(a) Certification from Amit Banati
32.1	Section 1350 Certification from Steven A. Cahillane
32.2	Section 1350 Certification from Amit Banati
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* A management contract or compensatory plan required to be filed with this Report.

† Certain exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted exhibits upon request by the SEC.

KELLANOVA

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KELLANOVA

/s/ Amit Banati

Amit Banati
Principal Financial Officer;
Vice Chairman and Chief Financial Officer

/s/ Kurt Forche

Kurt Forche
Principal Accounting Officer;
Vice President and Corporate Controller

Date: May 1, 2025

Kellanova

EXHIBIT INDEX

Exhibit No.	Description	Electronic (E) Paper (P) Incorp. By Ref. (IBRF)
4.1	Supplemental Indenture No. 2, dated March 11, 2025, by and among Kellanova, Mars, Incorporated and The Bank of New York Mellon Trust Company, N.A., incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed March 12, 2025, Commission file number 1-4171.	IBRF
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32.2	Section 1350 Certification from Amit Banati	E
101.INS	XBRL Instance Document	E
101.SCH	XBRL Taxonomy Extension Schema Document	E
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	E
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	E
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	E
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	E

*A management contract or compensatory plan required to be filed with this Report.

† Certain exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted exhibits upon request by the SEC.

Exhibit 31.1

CERTIFICATION

I, Steven A. Cahillane, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kellanova;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Steven A. Cahillane
Chairman and Chief Executive Officer

Date: May 1, 2025

Exhibit 31.2

CERTIFICATION

I, Amit Banati, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kellanova;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Amit Banati

Vice Chairman and Chief Financial Officer

Date: May 1, 2025

Exhibit 32.1

SECTION 1350 CERTIFICATION

I, Steven A. Cahillane, hereby certify, on the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

(1) the Quarterly Report on Form 10-Q of Kellanova for the quarter ended March 29, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Kellanova.

/s/ Steven A. Cahillane

Name:	Steven A. Cahillane
Title:	Chairman and Chief Executive Officer

A signed copy of this original statement required by Section 906 has been provided to Kellanova and will be retained by Kellanova and furnished to the Securities and Exchange Commission or its staff on request.

Date: May 1, 2025

Exhibit 32.2

SECTION 1350 CERTIFICATION

I, Amit Banati, hereby certify, on the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

(1) the Quarterly Report on Form 10-Q of Kellanova for the quarter ended March 29, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Kellanova.

/s/ Amit Banati

Name:	Amit Banati
Title:	Vice Chairman and Chief Financial Officer

A signed copy of this original statement required by Section 906 has been provided to Kellanova and will be retained by Kellanova and furnished to the Securities and Exchange Commission or its staff on request.

Date: May 1, 2025