



PEPSICO

2025 CAGNY Presentation



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Chairman & CEO



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EVP & CFO

CAGNY

February 19, 2025



Safe Harbor Statement & Non-GAAP Information

Safe Harbor Statement

Statements in this communication that are “forward-looking statements,” including our long-term targets, are based on currently available information, operating plans and projections about future events and trends. Terminology such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “expressed confidence,” “forecast,” “future,” “goal,” “guidance,” “intend,” “may,” “objective,” “outlook,” “plan,” “position,” “potential,” “project,” “seek,” “should,” “strategy,” “target,” “will” or similar statements or variations of such words and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such terms. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such forward-looking statements. Such risks and uncertainties include, but are not limited to: future demand for PepsiCo’s products; damage to PepsiCo’s reputation or brand image; product recalls or other issues or concerns with respect to product quality and safety; PepsiCo’s ability to compete effectively; PepsiCo’s ability to attract, develop and maintain a highly skilled workforce or effectively manage changes in our workforce; water scarcity; changes in the retail landscape or in sales to any key customer; disruption of PepsiCo’s manufacturing operations or supply chain, including increased commodity, packaging, transportation, labor and other input costs; political, social or geopolitical conditions in the markets where PepsiCo’s products are made, manufactured, distributed or sold; PepsiCo’s ability to grow its

business in developing and emerging markets; changes in economic conditions in the countries in which PepsiCo operates; future cyber incidents and other disruptions to our information systems; failure to successfully complete or manage strategic transactions; PepsiCo’s reliance on third-party service providers and enterprise-wide systems; climate change or measures to address climate change and other sustainability matters; strikes or work stoppages; failure to realize benefits from PepsiCo’s productivity initiatives or organizational restructurings; deterioration in estimates and underlying assumptions regarding future performance of our business or investments that can result in impairment charges; fluctuations or other changes in exchange rates; any downgrade or potential downgrade of PepsiCo’s credit ratings; imposition or proposed imposition of new or increased taxes aimed at PepsiCo’s products; imposition of limitations on the marketing or sale of PepsiCo’s products; changes in laws and regulations related to the use or disposal of plastics or other packaging materials; failure to comply with personal data protection and privacy laws; increase in income tax rates, changes in income tax laws or disagreements with tax authorities; failure to adequately protect PepsiCo’s intellectual property rights or infringement on intellectual property rights of others; failure to comply with applicable laws and regulations; and potential liabilities and costs from litigation, claims, legal or regulatory proceedings, inquiries or investigations.

For additional information on these and other factors that could cause PepsiCo’s actual results to materially differ from those set forth herein, please see PepsiCo’s filings with the

Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. PepsiCo undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Information

Please refer to PepsiCo’s website at www.pepsico.com in the “Investors” section under “Financial Information – Events and Presentations,” and PepsiCo’s filings with the Securities and Exchange Commission, to find disclosure and a reconciliation of any non-GAAP financial measures contained herein. PepsiCo provides guidance on a non-GAAP basis as the Company cannot predict certain elements which are included in reported GAAP results, including the impact of foreign exchange and mark-to-market adjustments.

PepsiCo

Overview

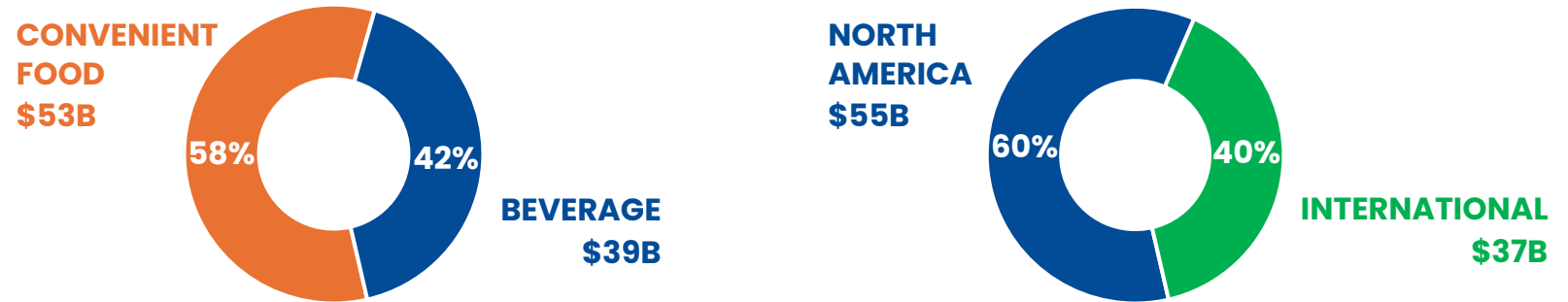


We Are A Large And Diverse Global Beverage & Convenient Food Company

NET REVENUE

Nearly
\$92 Billion
in 2024

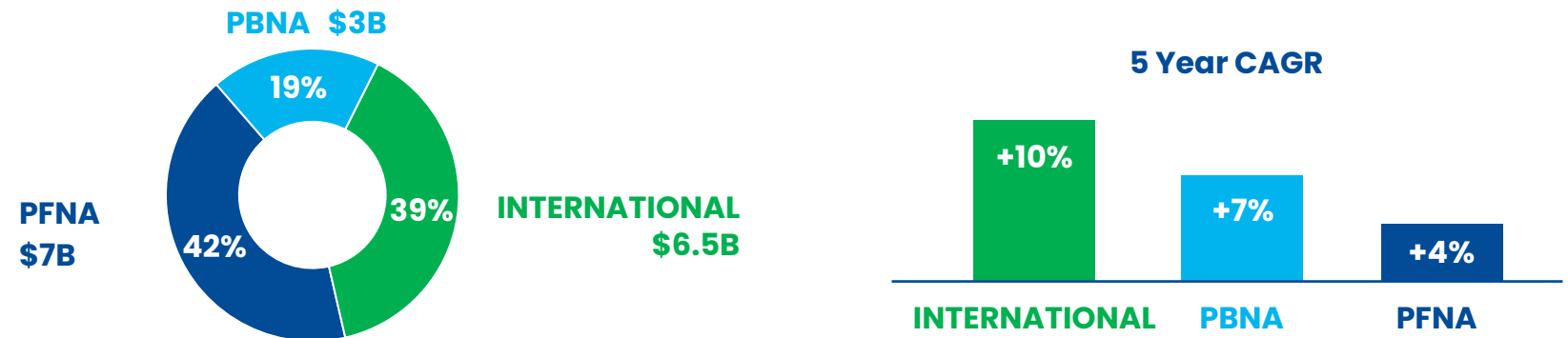
NET REVENUE MIX



CORE OPERATING PROFIT

Nearly
\$15 Billion
in 2024

CORE DIVISION OPERATING PROFIT MIX (BEFORE CORPORATE EXPENSES)



PepsiCo 2024 reported net revenue was \$91.9B and reported operating profit was \$12.9B. Core operating profit and core division operating profit are non-GAAP financial measures that exclude certain items. 5-year CAGR timeframe is 2020 to 2024. The 2024 reported division operating profit for PFNA, PBNA and International was \$6.6B (45% mix), \$2.3B (15% mix) and \$5.9B (40% mix), respectively. The 5-year reported division operating profit CAGR for PFNA, PBNA and International was 3%, 1% and 10%, respectively. PFNA comprises of FLNA and QFNA.

With Many Iconic Brands That Are Well Positioned In Large And Attractive Categories

Convenient Food

- Leader in savory snacks
- Strong position in refrigerated spreads and dips and hot cereals
- Expanding into other convenient food occasions



Beverage

- Strong position in LRB categories
- Expanding across beverage occasions



SOLD IN OVER 200 COUNTRIES & TERRITORIES



Strategy


Delivering Results

Strategy And Culture Emphasize The PepsiCo Way

Mission

Create more smiles with every sip and every bite

Vision

Be the global leader in beverage and convenient food by winning with 

The PepsiCo Way

FASTER

Winning in the marketplace, being more consumer-centric and accelerating investment for topline growth

STRONGER

Transforming our capabilities, cost and culture by operating as one PepsiCo, leveraging technology, winning locally and globally enabled

BETTER

Creating growth and value by operating within planetary boundaries and inspiring positive change for the planet and people



BE CONSUMER CENTRIC



ACT AS OWNERS



FOCUS & GET THINGS DONE FAST



VOICE OPINIONS FEARLESSLY



RAISE THE BAR ON TALENT & DIVERSITY



CELEBRATE SUCCESS

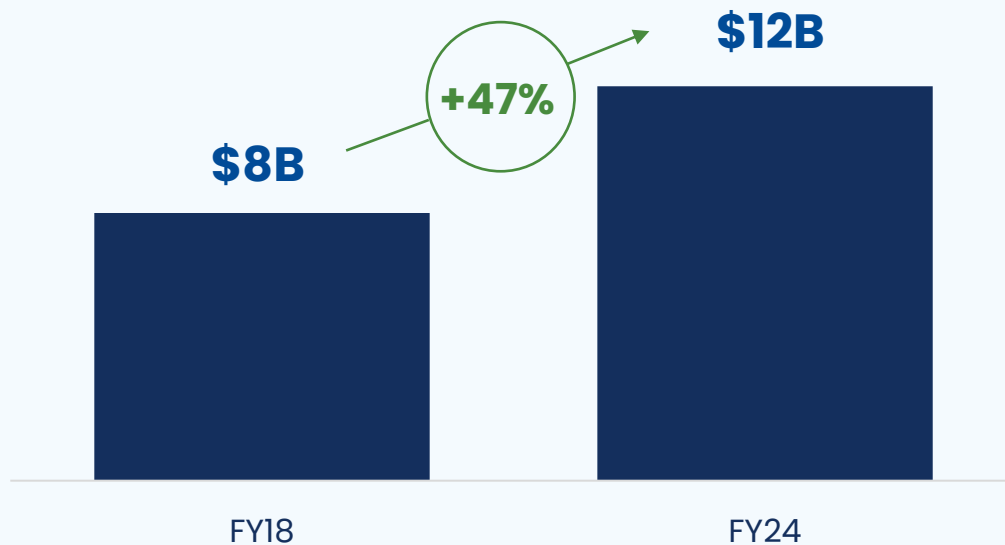


ACT WITH INTEGRITY

We Have Prioritized Investing In Our Business To Strengthen Capabilities And Accelerate Growth

Significant Investments In The Business

Capex | A&M | R&D



Developed Advantaged Capabilities



Strengthened Brands, Portfolio & Innovation



Expanded Manufacturing Capacity



Bolstered Go to Market Systems



Established Digital & Data Foundation



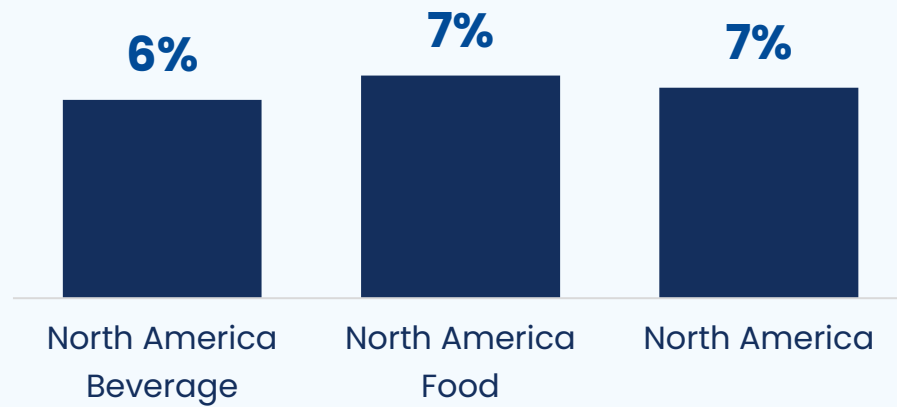
Developed Global Capability Centers



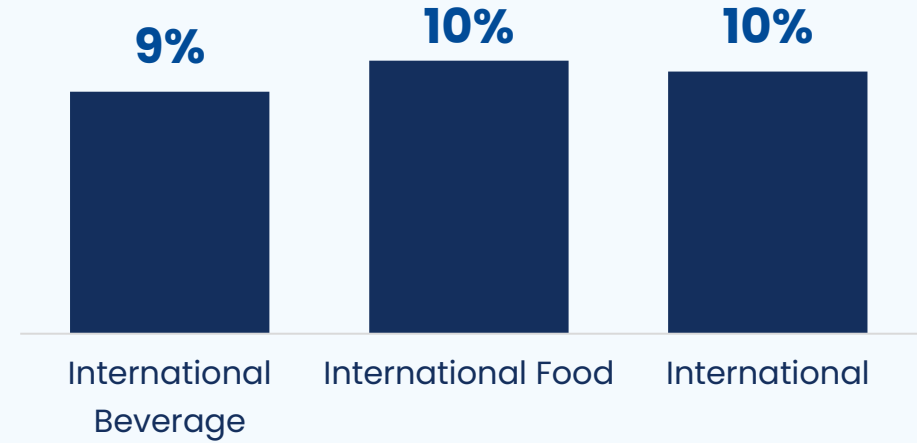
Embedded Sustainability & pep+

And Delivered Strong Growth Across Our Businesses

North America Organic Growth 5 Year CAGR



International Organic Growth 5 Year CAGR



Global Net Revenue
5 Year CAGR



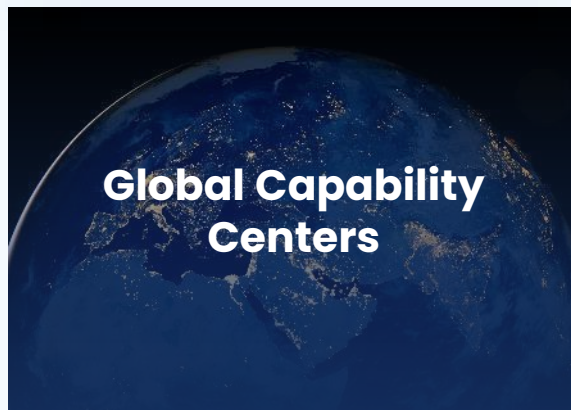
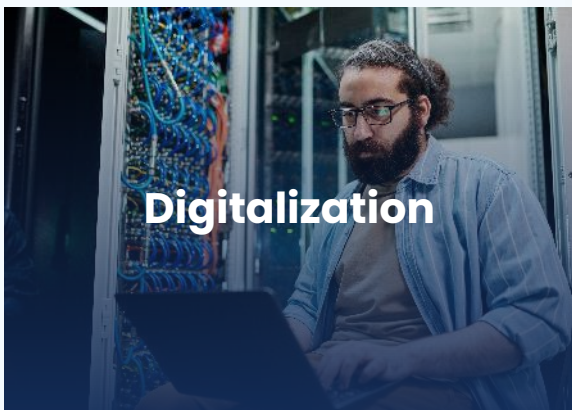
Global Organic Revenue
5 Year CAGR



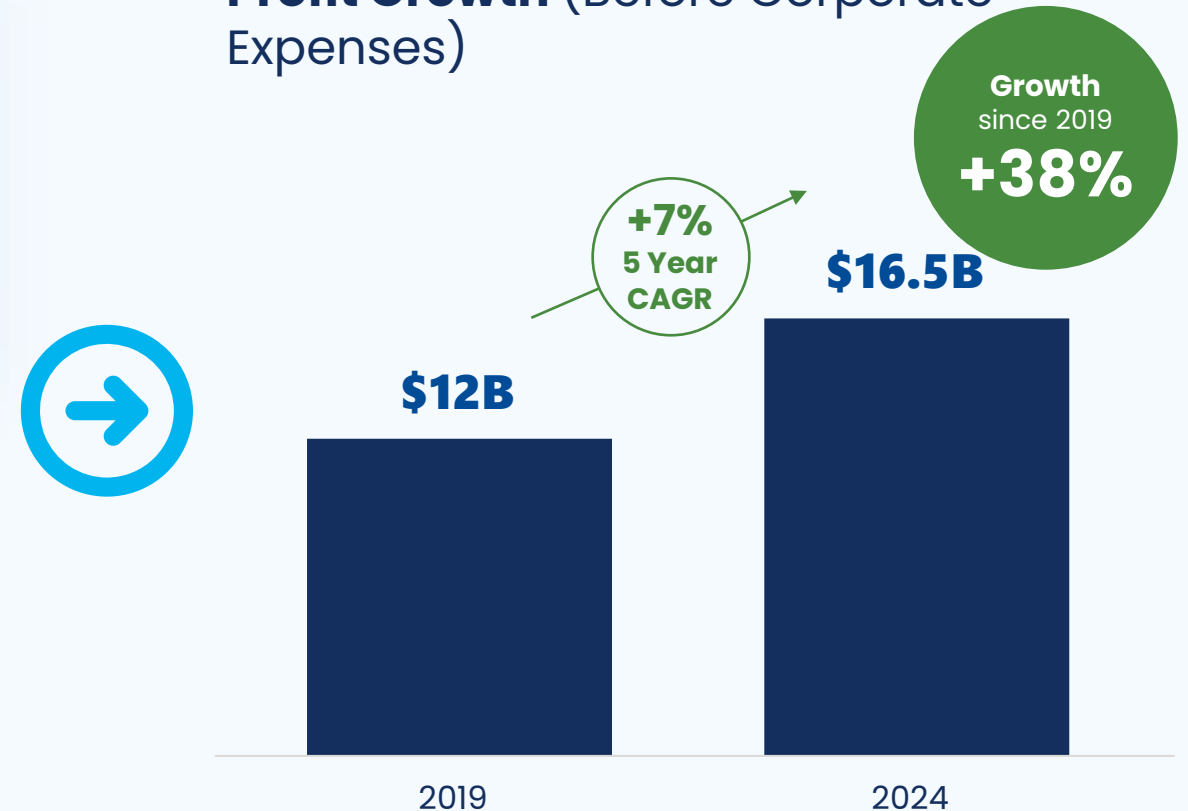
Organic revenue growth and constant currency net revenue are non-GAAP financial measures that exclude certain items. Global brand net revenue CAGR based on constant currency net revenue data from 25 key markets. 5-year CAGR timeframe is 2020 to 2024. The 5-year reported net revenue CAGR for North America Beverage was 5%, for North America Food was 7% and for North America was 6% and for International Beverage was 3%, for International Food was 9% and for International was 7%. The 5-year reported Brand net revenue CAGR for Doritos was +DD%, for Lay's, Cheetos and Gatorade was +HSD%, and for Pepsi and Mountain Dew was +MSD%. The 5-year reported net revenue CAGR for Mexico and China was +DD% and for Brazil, India and United Kingdom was +MSD%.

While Raising The Bar On Productivity To Fund Investments And Deliver Profitable Growth

Key Productivity Initiatives



Core Division Operating Profit Growth (Before Corporate Expenses)



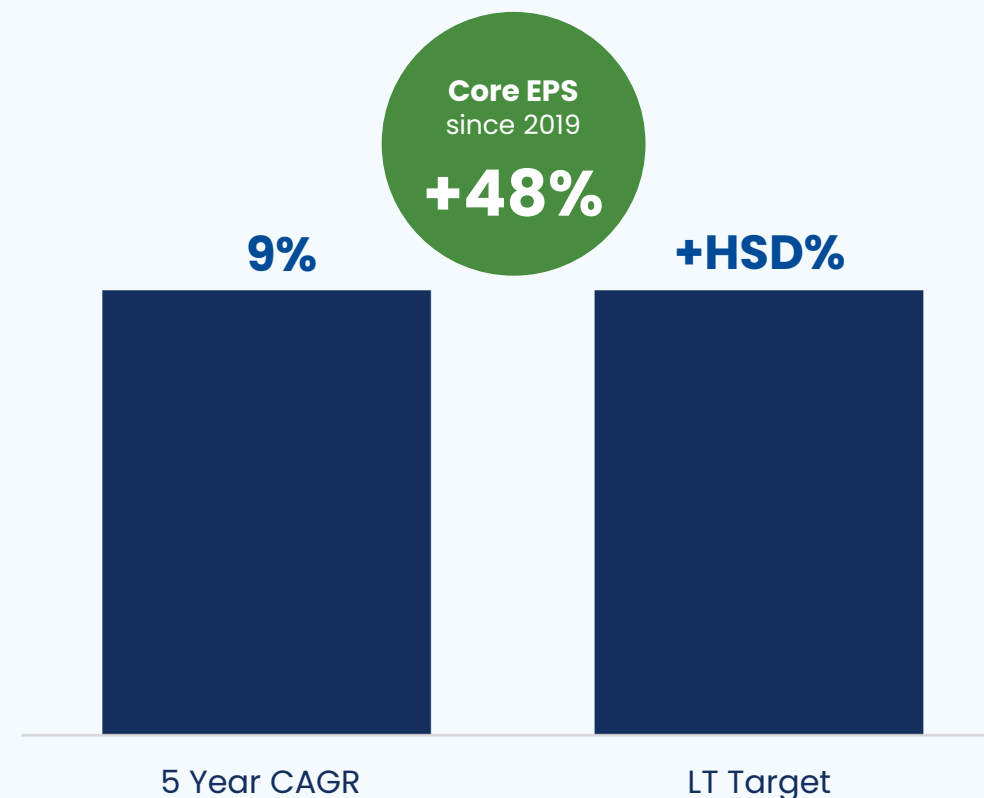
Figures for profit are division core operating profit which is a non-GAAP financial measure that excludes certain items. Division reported operating profit in 2019 and 2024 was \$11.6B and \$14.8B, respectively and grew 28% over that time. The division reported operating profit 5-year CAGR was 5%. Timeframe for 5-year CAGR is 2020 to 2024.

Resulting In Strong Organic Revenue And Core Constant Currency EPS Growth

Organic Revenue Growth



Core Constant Currency EPS Growth



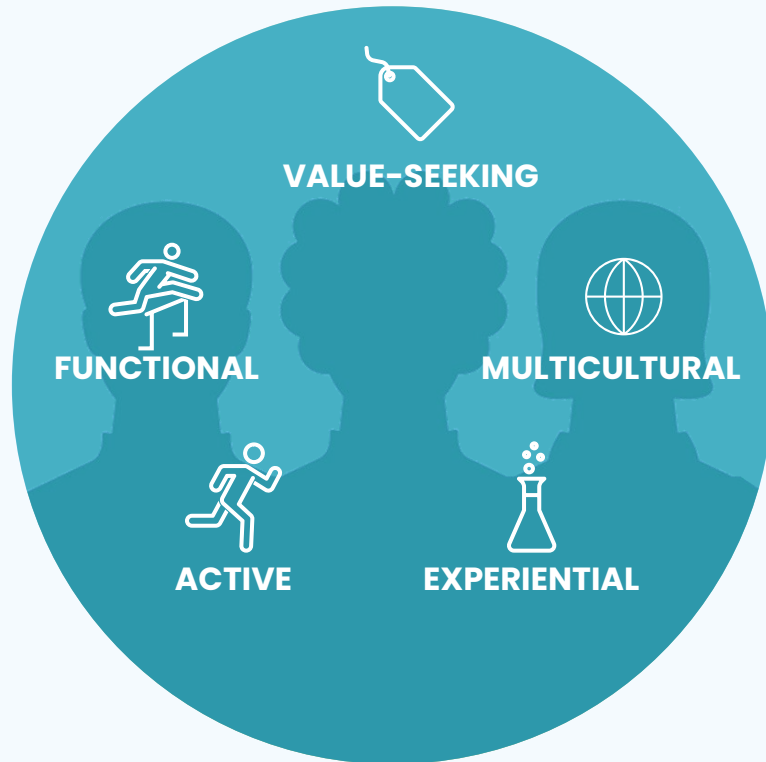
Organic revenue, core constant currency EPS and core EPS are non-GAAP financial measures. Timeframe for 5-year CAGR is 2020 to 2024. Reported net revenue in 2024 and 2019 was \$91.9B and \$67.2B, respectively with a 5-year CAGR 6%. Reported EPS in 2024 and 2019 was \$6.95 and \$5.20, respectively with a 5-year CAGR 6% and cumulative growth of 34%.



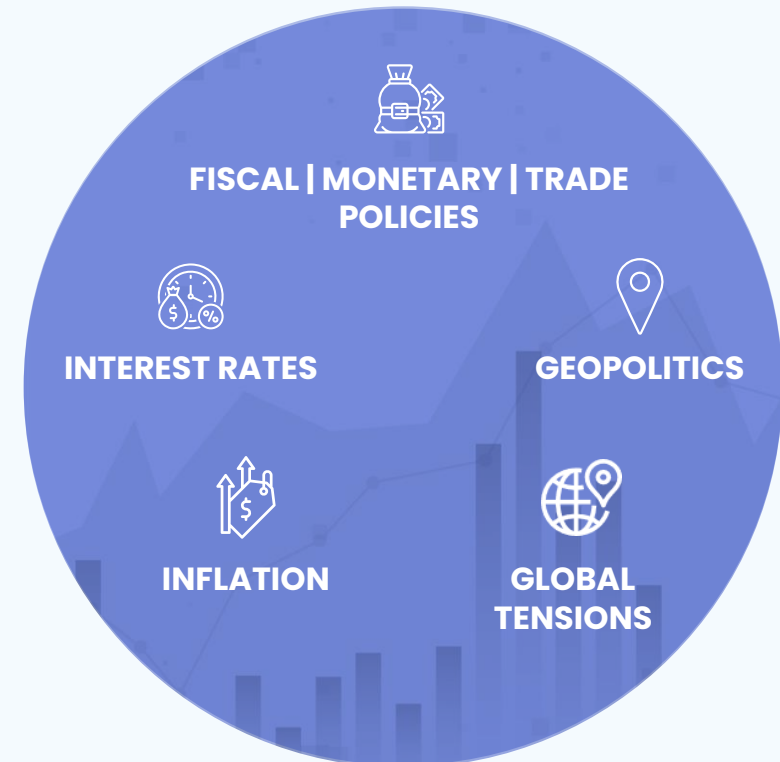
Strategic Priorities & Outlook

Consumer Habits And Preferences Are Evolving While The Macroeconomic Environment Remains Volatile

Shifting Consumer Habits And Preferences



Volatile Macroeconomic Landscape



Our Categories Remain Attractive, Profitable And Provide Us With Many Opportunities For Growth

Global Beverage and Convenient Food Opportunity



>\$1.3 Trillion
Opportunity

+MSD%
Estimated Long-Term
Growth

HSD% PEP Share
of Global Beverage &
Convenient Food

With An Expansive International Growth Runway

North America

International

Global Population Mix

5%

Global Population Mix

95%

PepsiCo Net Revenue Mix

60%

PepsiCo Net Revenue Mix

40%

Organic Revenue 5 Year CAGR

+7%

Organic Revenue 5 Year CAGR

+10%

Population data sourced from Central Intelligence Agency "The World Factbook". Timeframe for 5-year net revenue CAGR is 2020 to 2024. Reported net revenue in 2024 and 2019 for North America was \$55.2B and \$41.3B, respectively with a 5-year CAGR 6% and for international was \$36.7B and \$25.9B, respectively with a 5-year CAGR of 7%.

Priorities Aligned Towards Capturing *More Opportunities To Win In The Marketplace*

Always Win With The Consumer

Offer consumers diverse, broad portfolio to meet their evolving needs and preferences throughout the day

 **PORTFOLIO**

Reach Consumers ***Everywhere***

Continue to grow our scale and extend our brands into new channels and geographic areas of growth

 **PRESENCE**

Modernize To ***Fuel Growth***

Modernize & transform our costs in a sustainable way with structural initiatives that help support our investments

 **PRODUCTIVITY**



Strategic end-to-end business transformation designed to drive long-term business performance and value

 **pep+**

Refreshing Our Iconic Offerings

Real Food, Real Joy, Real Connections

- Reduction in sodium & saturated fat in top global markets
- Advancing new aspirations for removal of artificial colors



Rooted in Real.



Sodium Reduction



Saturated Fat Reduction



Removal of Artificial Colors



Advancing Options That Meet Evolving Consumer Preferences

Advance Positive Choices

- Permissible
- Diverse ingredients
- Nutrient-dense



Pepsi
Low / Zero Sugar
>\$10B
RSV

5 Year
CAGR
Volume +MSD%
Value +HSD%

Broadening Within Attractive, Consumer-Preferred Segments

Functional Offerings

- Hydration
- Energy
- Protein
- Fiber



Gatorade
Propel
>\$12B
RSV

5 Year
CAGR
Volume +LSD%
Value +HSD%



Energy
~\$7B
RSV

5 Year
CAGR
Volume +DD%
Value +DD%



Expanding To Capture Diverse Set Of Cohorts

Expand Cohorts

- Multicultural
- Premiumization



Offering Portion Control Solutions

Portion Control

- Multipack and Variety packs
- Canisters
- Minis

Multipack
~\$4.5B
RSV



Bringing Consumers Convenience And Value Optionality

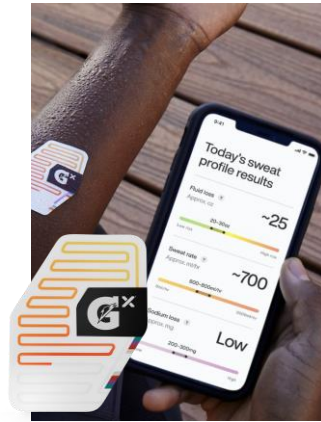
Value And Affordability

- Price pack architecture
- Value Line
- Bonus bags



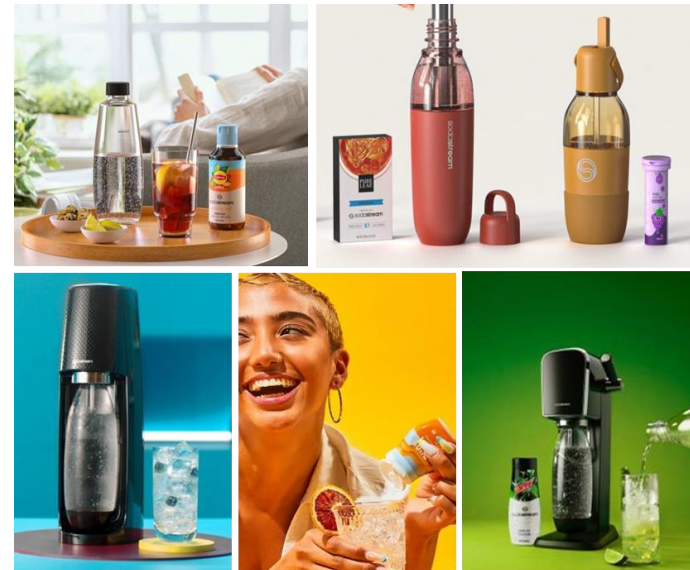
Innovating To Provide Consumers With Customized Options That Go Beyond The Bottle

Personalization



> \$1B RSV
Gatorade /
Propel Powders

Customization



> \$1.5B RSV
SodaStream

Meet Specific Consumer Needs

We Have Opportunities Everywhere To Capture New Occasions



Extending The Presence Of Our Large Brands Into Meals

Culinary And Meal Occasions



Leveraging Our Brands In Away From Home Segments

Experiential



N.A.
AFH
3 Year CAGR
+12%

N.A.
AFH
Net Revenue
~\$7B

Timeframe for 3-year net revenue CAGR is 2022 to 2024. Net revenue size is 2024.

We Continue To Elevate And Accelerate Our Multi-Year Productivity Initiatives

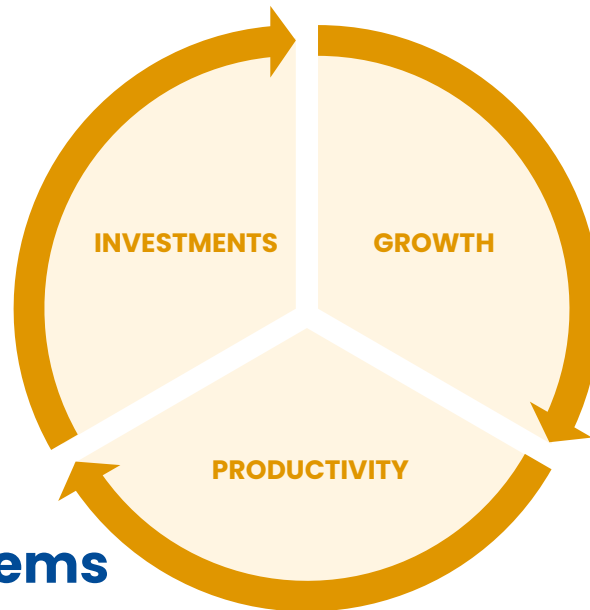
Key Initiatives



Global Capability Centers & Organizational Efficiency



Simplify & Harmonize IT Systems









Digital Transformation



Automation & Supply Chain Optimization

With A Focus On Utilizing Digital Capabilities To Modernize Our Value Chain And Ways Of Working

Key Technologies To Fuel Growth And Efficiency

Digital Capabilities	Desired Outcomes
AI & Machine Learning	 Consumer Engagement: More tailored and focused innovation and communication
Analytics & Insights	 Sales Capabilities: Digital tools that aid precise assortment and efficient execution at the store level
Automation	 Manufacturing: Predictive maintenance to limit unexpected outages and downtime
Sustainable Technology	 Supply Chain: Increasing robotic automation
Integrated Planning	 Sustainability: Digitally monitoring resource usage patterns and limiting waste
Integrated Planning	 End-to-End Planning: AI generated forecasts and integrated demand-supply systems



Delivering Results Against Our pep+ Agenda

2023 Results highlights



Positive Agriculture

1.8MM+
acres farmed with regenerative farming practices toward goal of 7 million by 2030¹

22%
improvement in water-use efficiency in high water-risk watersheds where we directly source our crops, exceeding our goal of 15% by 2025 two years early²



13%

reduction in Scope 1 and 2 emissions and reduced total Scope 1, 2 and 3 emissions by 5% year over year³

4%

reduction in virgin plastic derived from non-renewable sources year over year⁴



Positive Value Chain

25%

improvement in water-use efficiency at our high water-risk company-owned locations (vs. a 2015 baseline), meeting our 2025 goal of 25% two years early

12B+

liters of water replenished into local watersheds in 2023



Positive Choice

75B

portions of our global convenient foods portfolio delivered more diverse ingredients such as legumes, whole grains, plant-based proteins, fruits and vegetables, and nuts and seeds⁵

Sugar reduction:

62% of beverage portfolio volume <=100 calories from added sugars per 12 oz. serving⁶

Sodium reduction:

72% of convenient foods portfolio volume <=1.3mg of sodium per calorie⁶

Saturated fat reduction:

77% of convenient foods portfolio volume <=1.1g of saturated fat per 100 calories⁶

¹ PepsiCo considers an acre as delivering regenerative impact when the adoption of regenerative agriculture practices results in quantified improvements across at least two of the environmental outcome areas, with a strong preference for removing or reducing GHG emissions to be one impact area. Refer to PepsiCo's Regenerative Agriculture Practice Bank for a comprehensive listing of practices directly or indirectly linked to the five impact areas. Regenerative acres reported represent the annual count in each year presented based on actions undertaken since 2021.

² Measured versus a 2015 baseline. This metric tracks the improvement of the water-use efficiency of PepsiCo's direct agricultural supply chain. To focus efforts on implementing sustainable practices, we currently collect and publish agricultural water-use efficiency data at least once every three years. World Resource Institute's Aqueduct water stress assessment tool is used to reconfirm high water-risk areas every three years. Results reflect assessments performed in 2023, 2020 and 2018.

³ Reduced Scope 1 and 2 emissions by 33% and total Scope 1, 2 and 3 emissions by 4% measured versus a 2015 baseline. In 2023, approximately 80% of the Company's direct global electricity needs were met with renewable electricity mechanisms, including on-site solar, off-site power purchase agreements and renewable energy credits.

⁴ Absolute tonnage of virgin plastic derived from non-renewable sources increased by 6% measured versus a 2020 baseline.

⁵ As of 2023, our Top 23 convenient foods markets represented 84% of our global convenient foods portfolio volume. Results reflect the exclusion of Be & Cheery portfolio and the exclusion of dairy and baby food categories in Russia and Ukraine.

⁶ As of 2023, our Top 26 beverage markets represented 78% of our global beverages portfolio volume and our Top 23 convenient foods markets represented 86% of our global convenient foods portfolio volume. Results reflect the exclusion of Be & Cheery portfolio.



Capital Allocation & Long-Term Algorithm

We Will Remain Disciplined With Our Capital Allocation Priorities

We are committed to a strong financial foundation, maintaining an appropriate capital structure, and improving our free cash flow

1 Invest in our business

- Fund initiatives that drive growth and productivity through effective and efficient use of capital
- Advance our capabilities and reinforce sustainable business

2 Pay and grow our dividends

- Increased dividend for 53 consecutive years

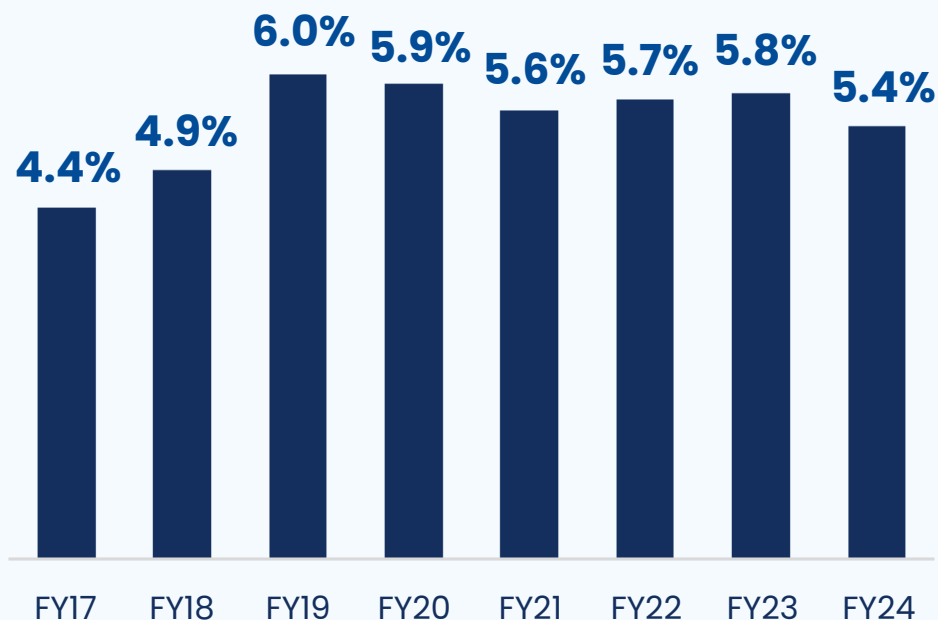
3 Selectively consider acquisitions, partnerships & divestitures

- That meet strict strategic and financial criteria

4 Share repurchases

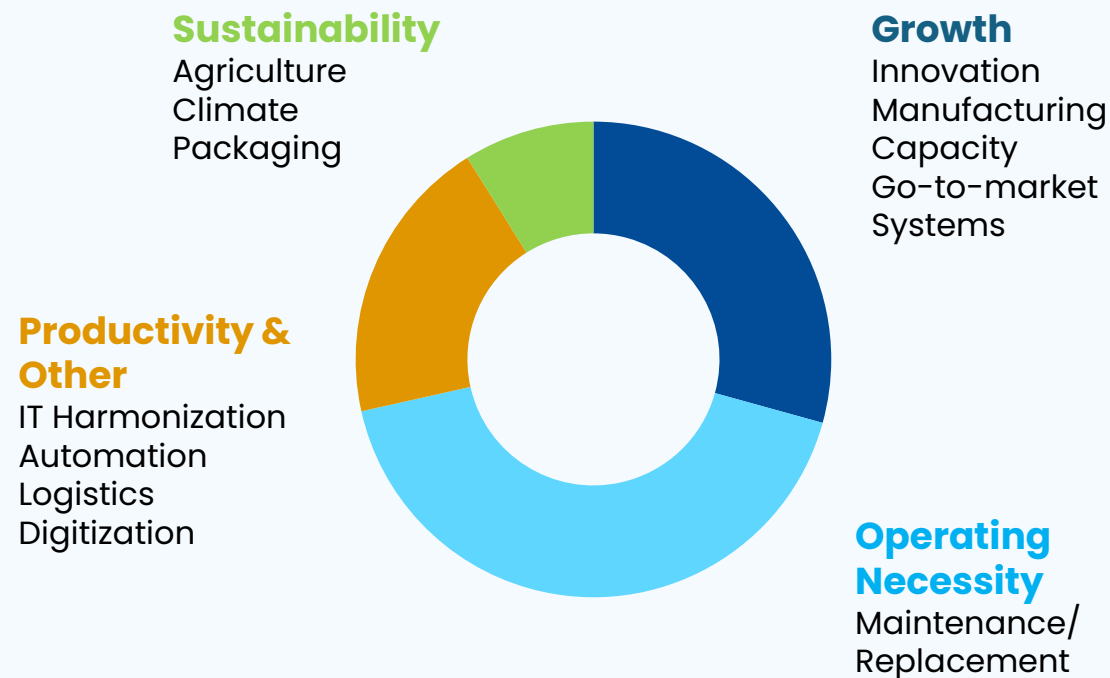
Our Investments Focus On Growth And Elevating Our Productivity Agenda

Net Capital Spending (% Net Revenue)



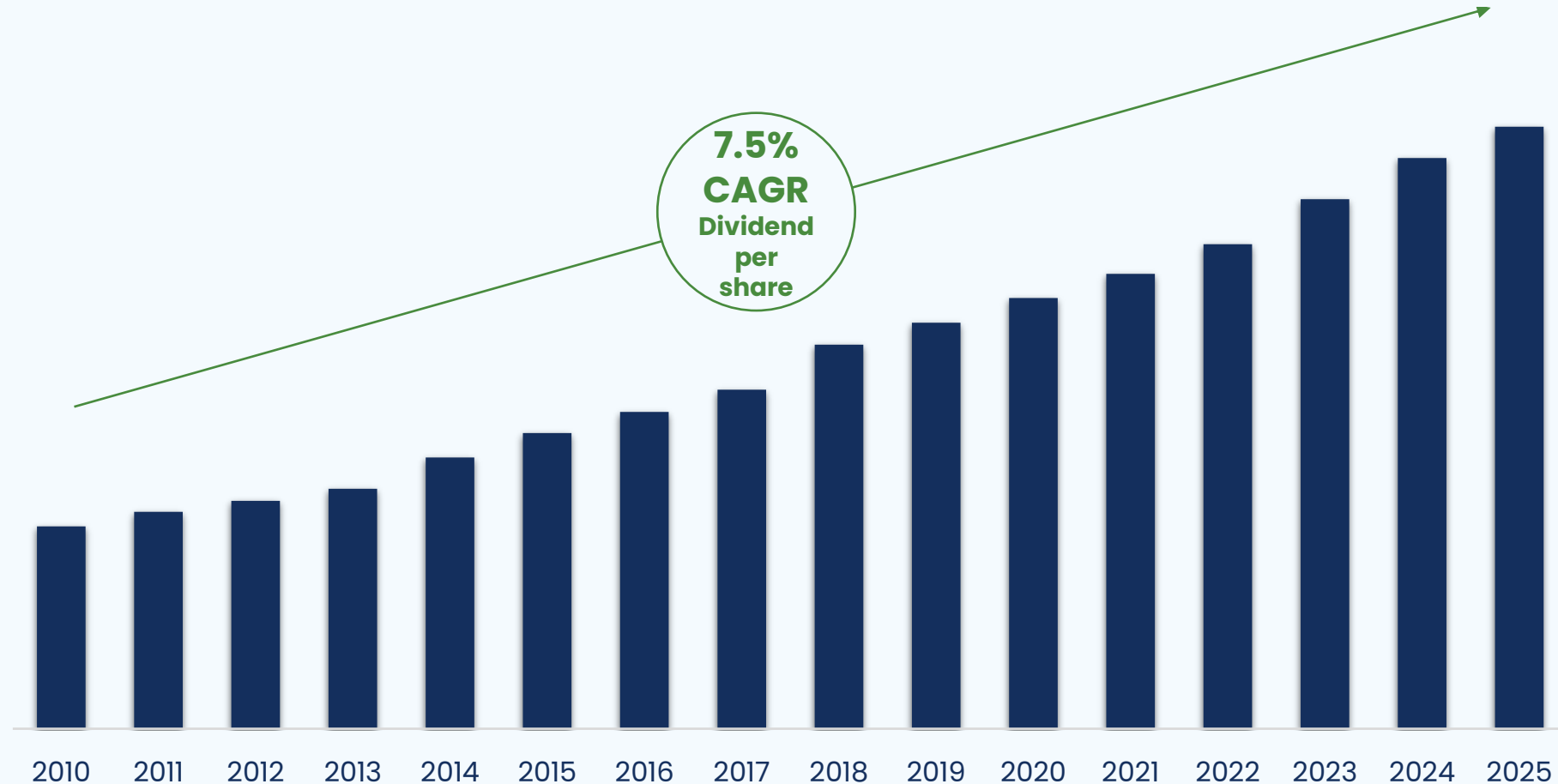
Net Capex	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
	\$2.8B	\$3.1B	\$4.1B	\$4.2B	\$4.5B	\$5.0B	\$5.3B	\$5.0B

2024 Capital Spending Breakdown



Net capex is capital spending less cash proceeds from sale of property, plant and equipment which is a non-GAAP financial measure.

Returning Significant Cash To Our Shareholders



53

Consecutive years of dividend increases

Dividend Yield

~3.8%

Dividend per share

\$1.89	\$2.03	\$2.13	\$2.24	\$2.53	\$2.76	\$2.96	\$3.17	\$3.59	\$3.79	\$4.02	\$4.25	\$4.53	\$4.95	\$5.33	\$5.62
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2025 dividend increase effective with the dividend expected to be paid in June 2025. We expect to repurchase \$1.0 billion worth of shares in 2025.

Judiciously Refreshing Our Portfolio

Acquisitions



Partnerships / Investments



Divestitures



And Aiming To Deliver Our Long-Term Financial Targets

Capture new occasions and expand presence

- Omnichannel
- Away from home



Investments in portfolio, reach and execution

- Innovation
- International Expansion
- Digital / AI

Annual productivity

- Automation
- Optimization
- Modernization
- Transformation

Long-Term Targets

+4-6%

Organic Revenue Growth

+20-30 bps

Core Operating Margin Expansion

+HSD%

Core Constant Currency EPS Growth

Organic revenue growth, core operating margin and core constant currency EPS growth are non-GAAP financial measures.