

THE PEPSICO WAY



winning with 

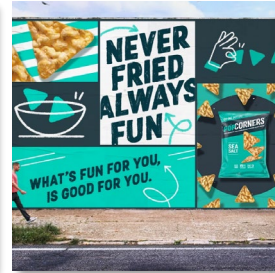
CAGNY 2023



RAMON LAGUARTA
CHAIRMAN & CEO



HUGH JOHNSTON
VICE CHAIRMAN & CFO



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: the risks associated with the deadly conflict in Ukraine; 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 and diverse 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 continued increased commodity, packaging, transportation, labor and other input costs; political or social 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; strikes or work stoppages; failure to realize benefits from PepsiCo’s productivity initiatives; deterioration in estimates and underlying assumptions regarding future performance that can result in an impairment charge; 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.

..... ● WHO WE ARE

..... ● PERFORMING WHILE TRANSFORMING

..... ● PRIORITIES AND VALUE CREATION



WE ARE A GLOBAL BEVERAGE AND CONVENIENT FOOD COMPANY WITH LARGE, TRUSTED BRANDS



NET REVENUE

More than
\$86 billion
in 2022

WINNING WITH



CORE OPERATING PROFIT

More than
\$12 billion
in 2022



2022 reported operating profit was \$11.5 billion. Core operating profit is a non-GAAP financial measure that excludes certain items.

WHICH ARE SCALED AND WELL-POSITIONED IN LARGE, FAST-GROWING CATEGORIES

Strong Positions In Fast-Growing Categories

- Leading position in savory snacks
- Opportunities to target other macrosnacks occasions

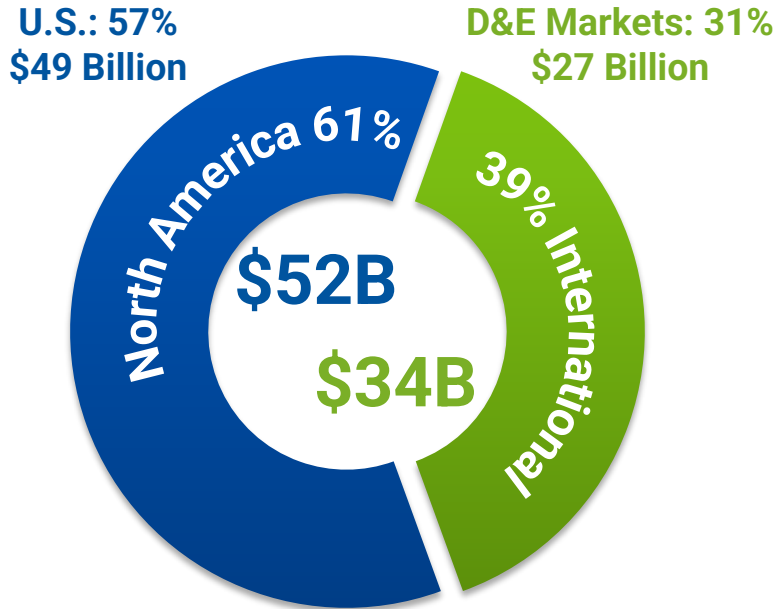


- Competitive #2 position globally
- Strong positions in all LRB categories
- Opportunities to expand in other consumer occasions

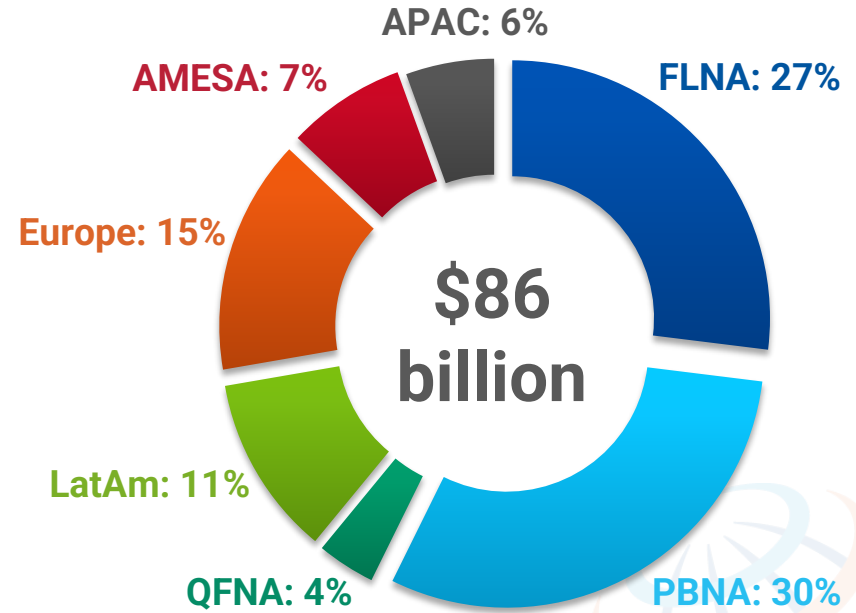


WITH A DIVERSE GEOGRAPHIC PRESENCE

Balanced Geographic Revenue Mix



Net Revenue By Division



..... ● WHO WE ARE

..... ● PERFORMING WHILE TRANSFORMING

..... ● PRIORITIES AND VALUE CREATION



IN 2019 WE SET AN AGENDA TO ACCELERATE GROWTH AND DELIVER SUSTAINABLE RESULTS



Long-Term Targets

+4-6%

Organic Revenue Growth

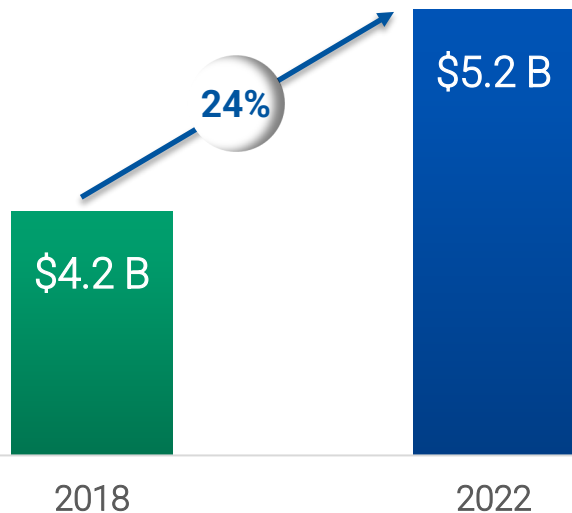
+HSD%

Core Constant Currency EPS Growth

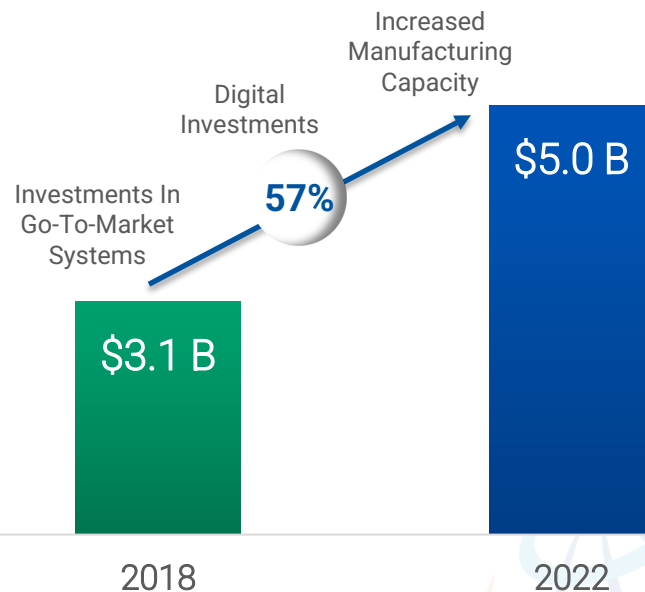
WE INCREASED CRITICAL INVESTMENTS TO FORTIFY OUR BRANDS AND BUSINESSES



Advertising and Marketing Spend

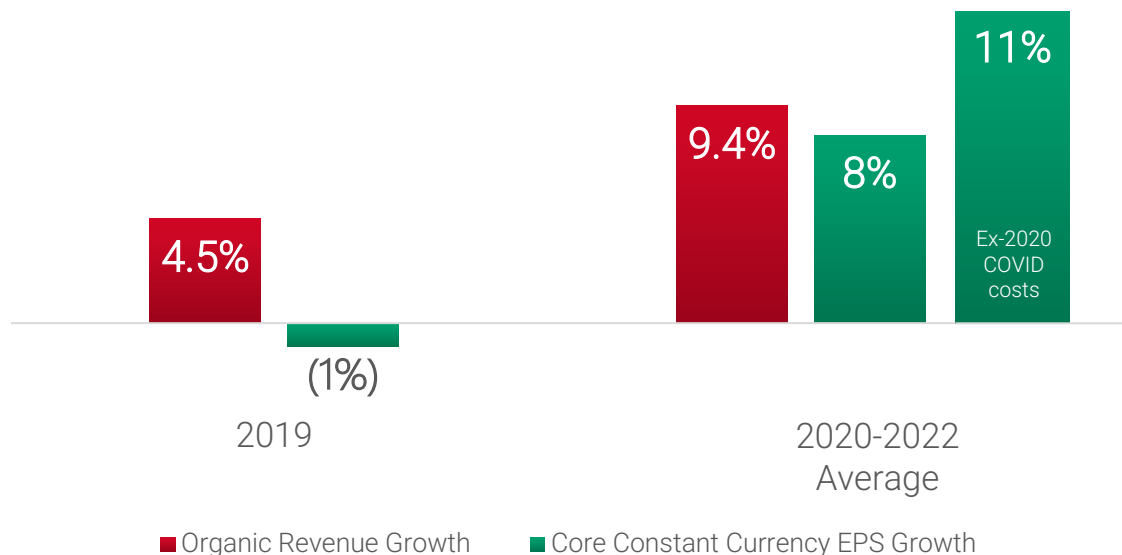


Net Capital Spending



AND HAVE DELIVERED ON OUR AGENDA WITH STRONG RESULTS

Organic Revenue Growth & Core Constant Currency EPS Growth



Long-Term Targets

+4-6%

Organic Revenue Growth

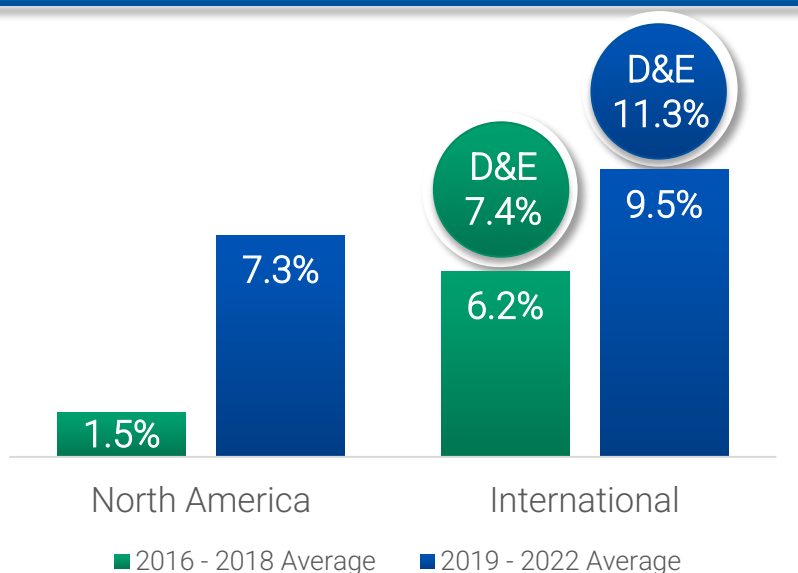
+HSD%

Core Constant Currency EPS Growth

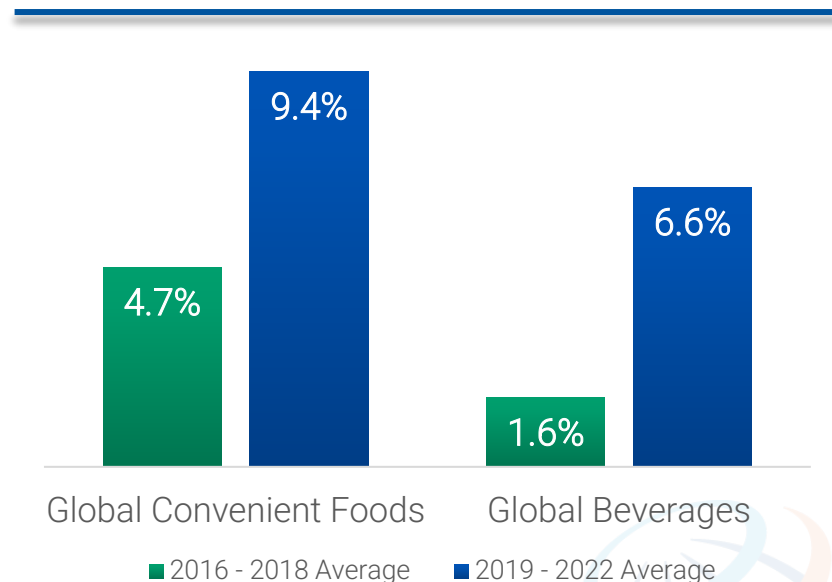
WITH BROAD-BASED GROWTH ACROSS OUR GEOGRAPHIES AND CATEGORIES



North America & International Organic Revenue Growth



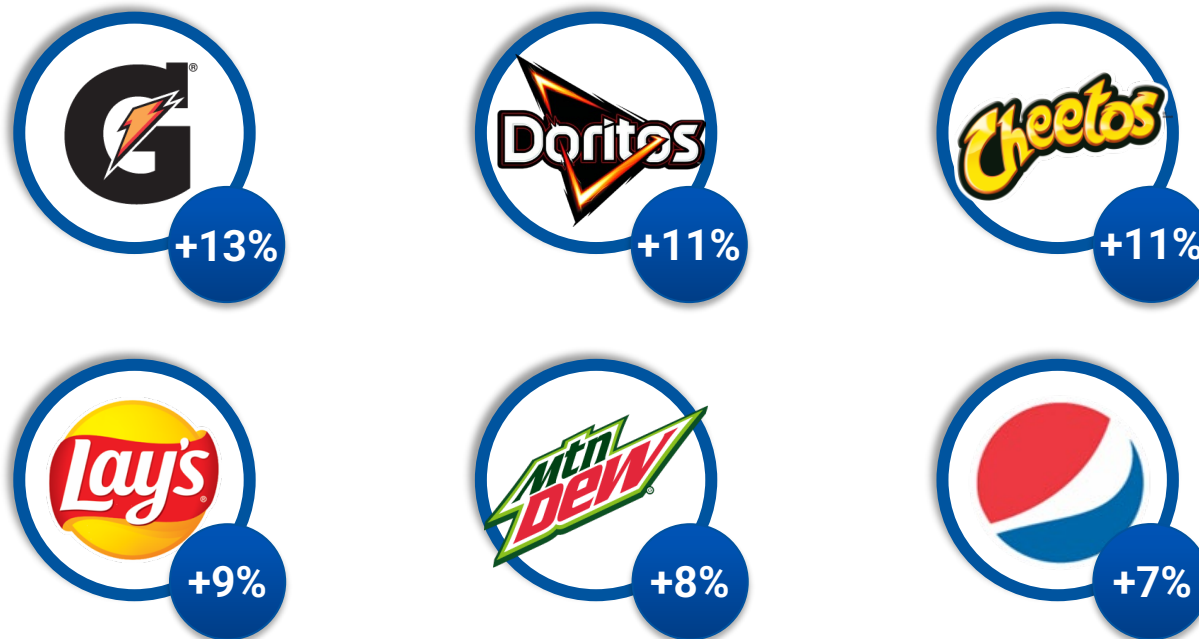
Global Categories Organic Revenue Growth



2016 – 2018 average reported net revenue grew 1.7% for North America, 1.6% for Global Convenient Foods, and 0.1% for Global Beverages and declined 0.3% for International and 0.8% for Developing and Emerging Markets. 2019-2022 average reported net revenue growth was 7.2% for North America, 8.2% for International, 9.7% for Developing and Emerging Markets, 9.4% for Global Convenient Foods and 5.3% for Global Beverages. Organic revenue growth is a non-GAAP financial measure that excludes certain items.

AIDED BY STRONG MARKETPLACE EXECUTION AND BRAND PERFORMANCE

Global Brand Net Revenue Growth 2020 – 2022 CAGR



AND ENABLED BY THE BREADTH AND DEPTH OF OUR CONSUMER-CENTRIC INNOVATION



Positive Choices

Refresh & Extend

Packaging Variety



Beverages



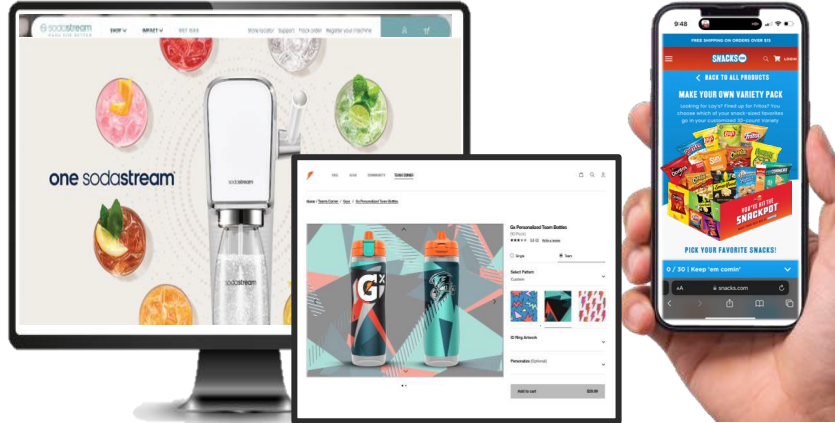
Convenient Foods



WITH AN EXPANDED OMNICHANNEL PRESENCE AND ENHANCED DIGITAL CAPABILITIES



E-Commerce



Away-From-Home



**Each Delivered Strong
+DD% Net Revenue Growth in FY'22**

FY'22 e-commerce growth based on net revenue growth of top 5 markets. FY'22 away-from-home growth based on net revenue growth of Frito-Lay North America and PepsiCo Beverages North America.

WE ALSO BROADENED THE SCOPE OF OUR HOLISTIC COST MANAGEMENT AGENDA



**Optimize Labor Through
Global Business Solutions**



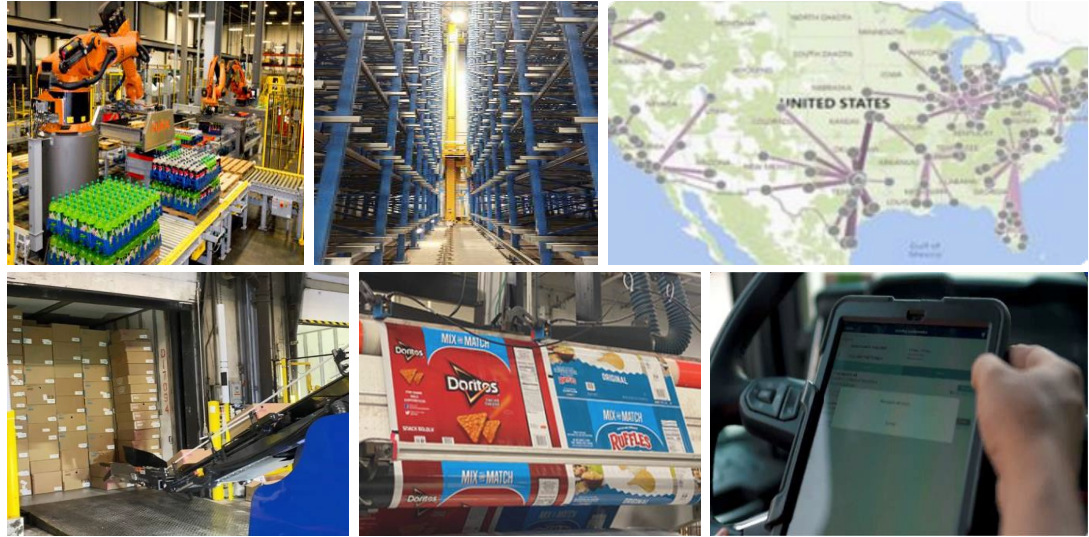
**Simplify & Harmonize
Technology Systems**



**Automate Plants &
Manufacturing**



**Redesign & Optimize
Route Efficiencies**



Delivered at least

\$1 billion

in annual productivity savings since 2019

AND HAVE ADDED DIGITAL CAPABILITIES TO MAKE THE BUSINESS MORE AGILE, PRECISE AND LEANER



Digital Capabilities



AI & Machine Learning



Sustainability Technology



Analytics & Insights



Internet of Things



Automation



Omnichannel E-commerce



Outcomes

- **Front line sales capabilities:** Improving retail execution and assortment precision at the store level
- **Driving sustainability:** Analyzing and monitoring resource usage patterns and modifying our processes to reduce waste
- **Optimizing packaging lines:** Increase throughput efficiency with digital monitoring and auto-enabled adjustments
- **Scaling omni-channel commerce:** Leveraging platform reusability to deliver B2B and D2C solutions
- **Supply Chain efficiency:** Increasing robotic automation of picking operations as part of Digital Operations

WHILE ALSO INVESTING IN OUR PEOPLE AND CULTURE TO FOCUS ON AGILITY AND INTEGRITY



Elevate Our Talent



Reorganized with more empowered local structures



Delayed to enable connectivity and speed-to-market



Elevated diversity



Evolve Our Culture



BE CONSUMER CENTRIC



RAISE THE BAR ON TALENT & DIVERSITY



VOICE OPINIONS FEARLESSLY

**THE
PEPSICO
WAY**



ACT WITH INTEGRITY



FOCUS & GET THINGS DONE FAST



CELEBRATE SUCCESS



ACT AS OWNERS

AND FORTIFYING OUR BUSINESS FOR THE LONG TERM WITH OUR



POSITIVE AGRICULTURE

345K + acres adopted regenerative practices¹



Launched strategic partnership with **ADM** to jointly scale regenerative agriculture on up to 2MM acres of farmland

POSITIVE VALUE CHAIN

100% of sectors with beverage portfolio launched 100% rPET CSDs



44% of women in managerial roles

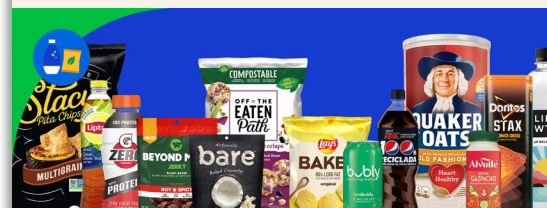
18% water-use efficiency improvement^{2,3}



25% scope 1 & 2 emissions reduced²



POSITIVE CHOICES



53% of beverage portfolio met **sugar reduction** target⁴

66% of convenient foods portfolio met **sodium reduction** target^{3,5}

75% of convenient foods portfolio met **sat fat reduction** target^{3,5}

(1) Regenerative acres reported for 2021 include U.S. and Canada only; (2) Progress as of 2021 vs. 2015 baseline; (3) Excludes Be & Cheery portfolio; (4) Based on our Top 26 beverage markets, which represent 79% of our global beverages volume as of 2021; (5) Based on our Top 23 convenient foods markets, which represent 86% of our global convenient foods volume as of 2021.

..... ● WHO WE ARE

..... ● PERFORMING WHILE TRANSFORMING

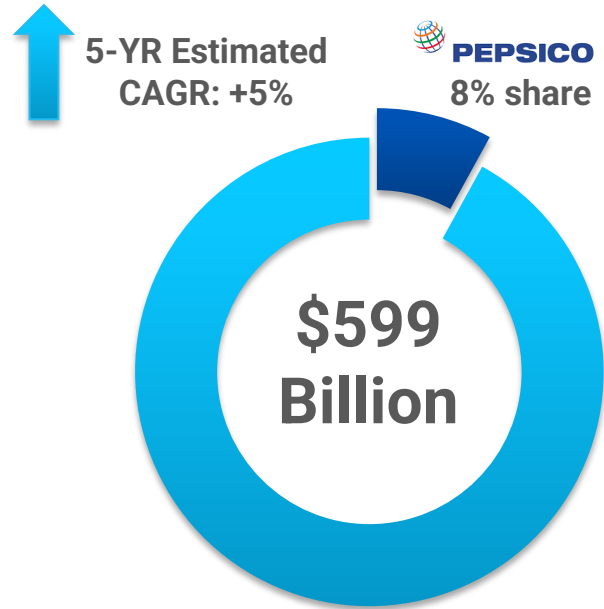
..... ● **PRIORITIES AND VALUE CREATION**



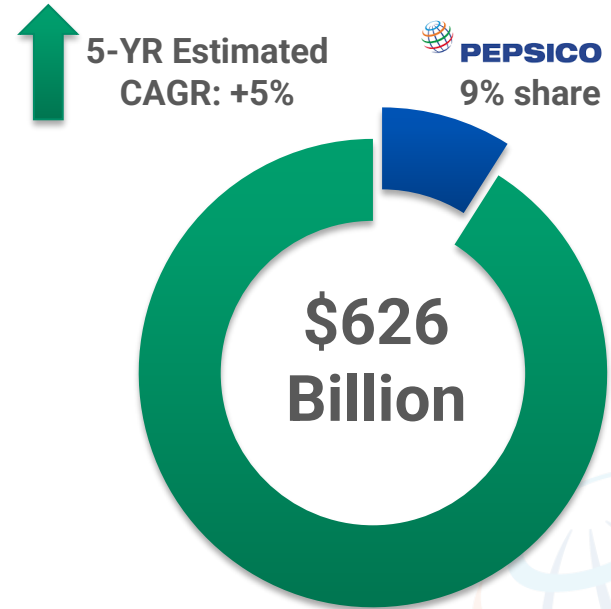
WE BELIEVE THAT A LONG RUNWAY FOR GROWTH REMAINS IN OUR LARGE AND GLOBAL CATEGORIES



Global Convenient Foods Opportunity



Global Beverages Opportunity



PepsiCo defined convenient foods includes savory, sweet, grains and dairy foods categories. PepsiCo defined beverages includes liquid refreshment beverages and dairy categories. Figures exclude foodservice. Market size (2021) and 5-year category CAGR (2021-2026) based on retail sales value of top 80 PepsiCo countries from PepsiCo Portfolio Growth Model. Share is based on 2021 retail value share from Euromonitor.

AND REMAIN FOCUSED ON EXECUTING AGAINST OUR STRATEGIC FRAMEWORK



MISSION

Create more smiles with every sip and every bite

VISION

Be the global leader in beverages and convenient foods 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

THAT INCLUDES CLEAR PRIORITIES ACROSS OUR BUSINESSES TO CAPTURE ADDITIONAL GROWTH

 **FASTER**

 **STRONGER**

 **BETTER**

PepsiCo Foods North America

- **Broaden** the portfolio to capture more consumer occasions
- **Accelerate** Positive Choices by reducing sodium and adding positive benefit choices
- **Digitize, automate and fortify** the supply chain to deliver expanded product variety with greater speed, service and efficiency



PepsiCo Beverages North America

- **Win** in the marketplace
- **Address** changing needs of consumers by evolving our product and package mix
- **Modernize** our go-to-market systems
- **Improve** profitability



International

- **Increase** per capita consumption and build scale in convenient foods
- **Drive** scale in select high growth LRB categories
- **Invest** strategically in beverage markets to be strong, profitable #1 or #2 player



AND A CONSUMER-CENTRIC MINDSET TO FURTHER BROADEN AND EXPAND OUR PORTFOLIO



Broaden Positive Choices

Expand Into Different Occasions

Accelerate Packaging Optionality



Beverages



Convenient Foods



WITH TO REMAIN AT THE CENTER OF OUR STRATEGY TO FORTIFY OUR BUSINESS

PARTNERS



COMMUNITIES



EMPLOYEES



CUSTOMERS



CONSUMERS

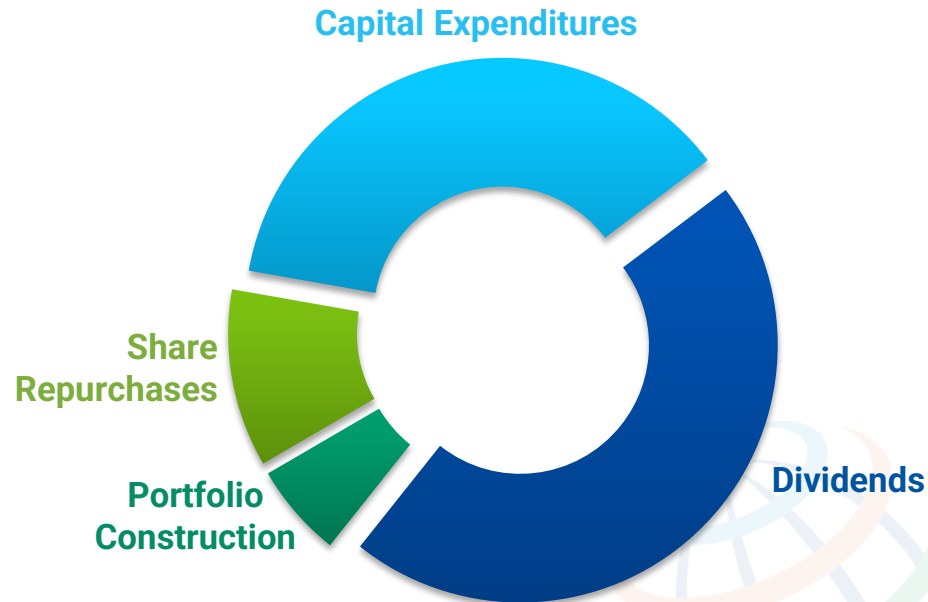


WHILE REMAINING HIGHLY DISCIPLINED IN HOW WE ALLOCATE CAPITAL

Capital Allocation Approach

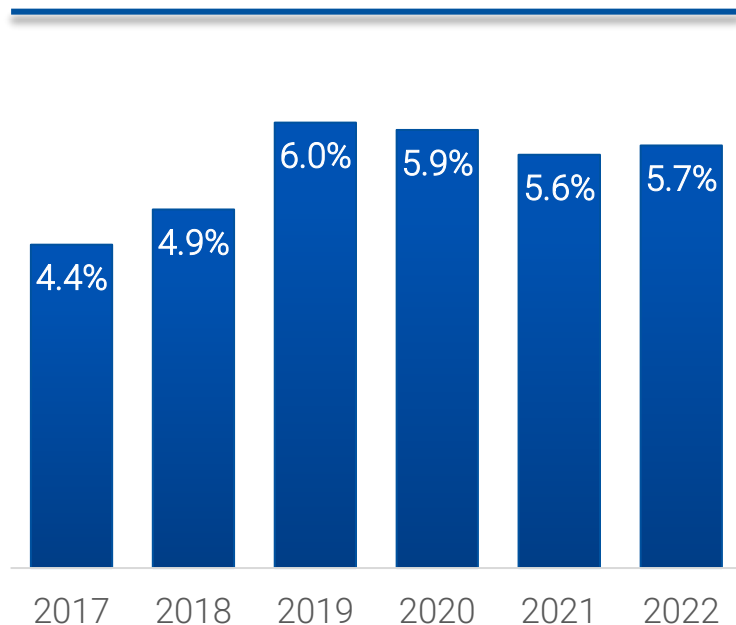
- 1 Invest appropriately in our business**
Capital spending to drive growth and productivity agenda
- 2 Pay and grow our dividend**
Increased dividend for 51 consecutive years
- 3 Optimize portfolio construction**
Selectively consider acquisitions, divestitures, and partnerships
- 4 Share repurchases**
While maintaining access to debt capital markets at attractive rates

2022 Capital Allocation Breakdown

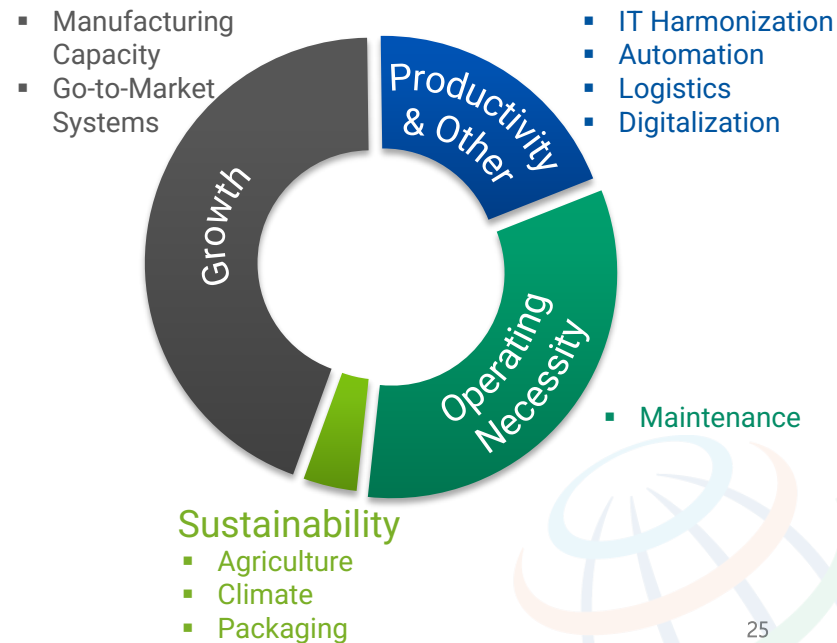


WITH AN EMPHASIS ON INVESTING IN OUR BUSINESSES

Net Capital Spending As A % Of Net Revenue



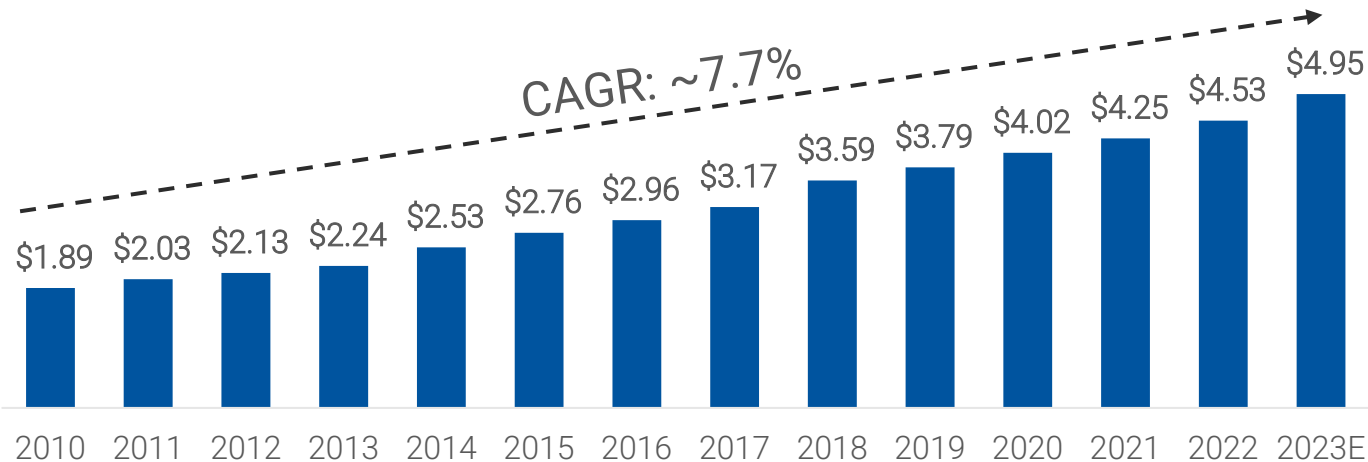
2022 Net Capital Spending Breakdown



AND PROVIDING AMPLE CASH RETURNS TO OUR SHAREHOLDERS WITH DIVIDENDS AND BUYBACKS



Cash Dividends Paid Per Share



51

Consecutive years of dividend hikes

Share Repurchases (\$ in billions)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E
\$5.0	\$2.5	\$3.2	\$3.0	\$5.0	\$5.0	\$3.0	\$2.0	\$2.0	\$3.0	\$2.0	\$0.1	\$1.5	\$1.0

2023 dividend increase effective with the dividend expected to be paid in June 2023. We expect to repurchase \$1.0 billion worth of shares in 2023.

AS WE AIM TO DELIVER SUSTAINABLE GROWTH AND LONG-TERM VALUE CREATION

Long-Term Targets

Organic Revenue Growth
+4 – 6%

Core Operating Margin Expansion
+20-30 bps annually

Core Constant Currency EPS Growth
+HSD%



Income

Current Dividend Yield
2.5%



Value Creation