First Quarter 2023

Prepared Management Remarks

April 25, 2023

Please view these remarks in conjunction with our Q1 2023 earnings release, Q1 2023 Form 10-Q and GAAP/non-GAAP reconciliations that can be found on our website at www.pepsico.com under the Investors section, or via the following link: https://www.pepsico.com/investors/financial-information/quarterly-earnings

We also invite you to listen to our live question and answer webcast with Ramon Laguarta (Chairman and Chief Executive Officer) and Hugh Johnston (Vice Chairman and Chief Financial Officer), which will begin today at 8:15 a.m. Eastern Time and will also be available on www.pepsico.com.

Cautionary Statement

These prepared remarks contain forward-looking statements, including about our business plans and updated 2023 guidance. Forward-looking statements inherently involve risks and uncertainties and only reflect our view as of today, April 25, 2023, and we are under no obligation to update. When discussing our results, we refer to non-GAAP measures, which exclude certain items from reported results.

Please refer to our Q1 2023 earnings release and Q1 2023 Form 10-Q, available on pepsico.com, for definitions and reconciliations of non-GAAP measures and additional information regarding our results, including a discussion of factors that could cause actual results to materially differ from forward-looking statements.

As a reminder, our financial results in the United States and Canada (North America) are reported on a 12-week basis while our international operations report on a monthly calendar basis for which the entire months of January and February are reflected in our results for the 12 weeks ended March 25, 2023.

Chairman and CEO and Vice Chairman and CFO Commentary

We are very pleased with our performance for the first quarter as our business delivered 14.3 percent organic revenue growth and 18 percent core constant currency earnings per share growth.

Given the strength of our business performance, we now expect our full-year 2023 organic revenue to increase 8 percent (previously 6 percent) and our core constant currency earnings per share to increase 9 percent (previously 8 percent).

Our results are indicative of the strength and resilience of our diversified portfolio, modernized supply chain, strong digital capabilities, flexible go-to-market distribution systems, and highly experienced set of global business leaders who have the local expertise and execution capabilities to make rapid, decentralized decisions to meet the needs of their local consumers.

Our performance also gives us added confidence that our strategy to invest in becoming an even Faster, even Stronger, and even Better company is working as our growth and momentum remains robust across our categories and geographies.

We also continued to advance our initiatives around pep+ (PepsiCo Positive), our strategic end-to-end transformation designed to drive long-term sustainable performance and value throughout our organization by:

- Announcing a $216 million multi-year investment in long-term, strategic partnership agreements with three of the most well-respected farmer-facing organizations intended to drive adoption of regenerative agriculture practices across the United States;
- Opening a new industry-leading Greenhouse Learning Center that aims to help achieve PepsiCo's packaging goal to design 100 percent of packaging to be recyclable, compostable, biodegradable or reusable by 2025;

- Funding water replenishment projects across North America designed to advance our effort to become Net Water Positive by 2030;
- Investing in new sustainable food packaging innovation for our Walkers brand that is expected to remove 250 million metric tons of virgin plastic across the brand's supply chain annually; and
- Announcing the launch of the PepsiCo Greenhouse Accelerator Program in APAC, which seeks to collaborate and support entrepreneurs who are developing innovative solutions that promote the circular economy for packaging and mitigate the impacts of climate change.

Before we discuss our financial results and outlook in more detail, we would like to thank our highly experienced local teams and front-line employees who continue to drive superior marketplace execution. We thank and appreciate each and every one of you for your efforts.

First Quarter PepsiCo Financial Review

Organic revenue increased 14.3 percent and represents our sixth consecutive quarter of double-digit organic revenue growth.

Our top-line performance was broad-based across geographies as our North America and International businesses delivered 14 percent and 15 percent organic revenue growth, respectively.

Our performance also highlights the strength of our diversified portfolio and the resilience of our categories and consumer demand trends as our global beverages and convenient foods businesses delivered 12 percent and 16 percent organic revenue growth, respectively.

Core gross profit increased 11 percent and core gross margin expanded 50 basis points while core operating profit increased 17 percent and core operating margin expanded 95 basis points.

Our margin performance was aided by ongoing productivity initiatives and reflects a double-digit increase in our advertising and marketing spend.

Core constant currency EPS increased 18 percent, while reported EPS declined as the first quarter in 2022 included a $3.3 billion gain associated with the divestiture of certain juice brands in North America and Europe.

First Quarter North America Divisions Review

Our North America business delivered 14 percent organic revenue growth in the first quarter, with each division delivering double-digit organic revenue growth.

Frito-Lay North America's organic revenue increased 16 percent during the first quarter and represents its sixth consecutive quarter of double-digit organic revenue growth.

Frito-Lay's strong results were fueled by market share gains in the macro and savory snack categories, and double-digit net revenue growth across many of our key brands, including Lay's, Doritos, Cheetos, and Ruffles and high-single-digit net revenue growth in Tostitos.

Smaller, emerging brands geared towards more positive choices such as PopCorners, Smartfood, and SunChips also each delivered double-digit net revenue growth for the first quarter.

From a channel perspective, our business delivered strong net revenue growth across all channels, including large format, foodservice, and convenience and gas.

Investments we have made in our brands, technology, manufacturing, go-to-market execution, and advertising and marketing also helped drive strong growth across the portfolio.

Beyond these capabilities, we have also directed investments towards consumer-centric innovation to generate more excitement in the snack category and offer more packages, flavors, and textures to delight our consumers. For example, we:

- Launched Frito-Lay Minis - bite-size versions of our classic Doritos, Cheetos and Sun Chips snacks packaged in easy-to-pour canisters;
- Partnered with Jack Link's and announced the debut of Doritos-inspired beef jerky and meat sticks in two flavors: Spicy Sweet Chili and Flamin' Hot;
- Expanded the flavor profile of our large brands with the launch of Cheetos Crunchy Flamin' Hot Tangy Chili Fusion, Doritos Sizzlin' Hot, and Tostitos Mexican Style Three Cheese;
- Re-launched Lay's Cheesy Garlic Bread Chips, a flavor-packed consumer favorite that first appeared on shelves nearly ten years ago; and
- Introduced new texture profiles with Doritos dips, a twist on the classic Doritos Nacho Cheese flavor, delivered in a delicious dip that packs a spicy punch.

Frito-Lay's core operating profit increased 24 percent and core operating margin expanded 190 basis points and reflects a strong double-digit increase in advertising and marketing spend and planned business investments.

Quaker Foods North America delivered 10 percent organic revenue growth in the first quarter with double-digit net revenue growth in the oatmeal, lite snacks, snack bars, grits and cookie categories, and mid-single-digit net revenue growth in the ready-to-eat cereal and pancake mixes and syrup categories.

Our business also gained share in the pancake mix, pancake syrup, grits, rice and pasta and lite snacks categories as it continues to capitalize on the elevated demand for great tasting products that deliver value and variety.

Quaker's results also reflect strong consumer-centric innovation focused on positive choices such as Quaker On-The-Go Snack Multipack, Quaker Puffed Granola, and Quaker Oat Flour as well as refreshing or expanding its broader lineup of products with Quaker Rice Thins, Cap'n Crunch Birthday Crunch, Pearl Milling Company Apple Cinnamon and Pearl Milling Company Protein pancake mixes and continued investments behind Cheetos Mac ’N Cheese.

Quaker’s core operating profit increased 18 percent and core operating margin increased 190 basis points and reflects a strong double-digit increase in advertising and marketing spend.

PepsiCo Beverages North America’s organic revenue increased 12 percent in the first quarter, its third consecutive quarter of double-digit organic revenue growth.

Many brands performed exceptionally well during the first quarter with Pepsi delivering double-digit net revenue growth, Gatorade, Rockstar, Aquafina and LIFEWTR each delivering high-single-digit net revenue growth, and Mountain Dew, bubly, and Starbucks each delivering mid-single-digit net revenue growth.

From a channel perspective, the large format, small format, and foodservice channels each delivered strong net revenue growth.

Moving forward, our key strategic pillars will remain focused on delivering consumer-centric innovation and profitable growth as we broaden and evolve our portfolio. For example:

- We recently expanded our presence in the carbonated soft drink category with the recent launch of STARRY, a great-tasting lemon-lime soda;
- We enhanced our positive product choices portfolio by launching our new and improved Pepsi Zero Sugar, which delivers a more refreshing and bolder taste profile that meets the ever-evolving needs of our consumers;
- We re-launched MTN DEW Pitch Black with a Zero Sugar option and a Pitch Black-flavored energy drink under the MTN DEW Energy line;
- We extended our Energy portfolio with the launches of Rockstar Recovery Strawberry Lemonade and Rockstar Punched Strawberry Peach and Pure Zero;
- We continued to broaden our presence in the sports nutrition category by going beyond the bottle with

Gatorade tablets, powders, pods, reusable bottles, equipment, and gummies;

- We advanced our distribution of Hard Mtn Dew, a product of the Boston Beer Company, to 12 states with plans to add additional states as the year progresses;
- We launched distribution of Lipton-branded hard iced tea, a product of FIFCO USA; and
- We introduced new flavors and packaging varieties of Starbucks-branded ready-to-drink coffee beverages such as Starbucks Doubleshot Energy Caramel, Starbucks Espresso Americano, and Frappuccino Mini chilled coffee drink.

Core operating profit increased 9 percent for the first quarter and reflects an increase in advertising and marketing spend. We remain very committed to improving PepsiCo Beverages North America's core operating margin over time by sharpening our revenue management capabilities and accelerating our holistic cost management initiatives which include:

- Removing inefficiencies to make, move and sell our products;

- Optimizing our advertising and marketing spend;
- Modernizing and digitizing our supply chain to become more agile and efficient across all channels; and
- Accelerating automation within our plants and distribution centers.

First Quarter International Business Review

As a reminder, our first quarter only incorporates the months of January and February for our International business.

Our International business delivered 15 percent organic revenue growth, its eighth consecutive quarter of double-digit organic revenue growth.

Our organic revenue growth was broad-based across our portfolio as our International convenient foods business delivered 18 percent organic revenue growth, while our International beverages business delivered 10 percent organic revenue growth.

Our strong International performance reflects the benefits of our capacity and capability investments, which are focused on driving per capita consumption in our developing and emerging markets as we continue to extend our brands into additional consumer occasions.

In addition, our investments to expand the presence of positive product choices such as Pepsi Zero Sugar, which is now available in 110 international markets, as well as nutritious convenient foods, have also enabled our ability to deliver durable organic revenue growth.

Each of our international divisions reported strong organic revenue growth, led by AMESA, which delivered double-digit organic revenue growth in both beverages and convenient foods during the quarter with India, Egypt, Saudi Arabia and Pakistan each delivering double-digit organic revenue growth and South Africa delivering high-single-digit organic revenue growth.

Outside of AMESA, many of our other developing and emerging markets also delivered strong results, including Mexico, Brazil, Poland, the Philippines and Vietnam, each of which delivered double-digit organic revenue growth.

International developed markets also performed well with the U.K., Spain and France delivering double-digit organic revenue growth and Australia delivering mid-single-digit organic revenue growth.

Our organic revenue growth translated into marketplace gains across our savory and beverage markets. Year-to-date, we gained savory snack share in many of our international markets, including China, Saudi Arabia, Turkey, the Netherlands, South Africa, Belgium, and Puerto Rico, and for beverages, we gained market share in Mexico, Brazil, Egypt, Turkey, and Nigeria.

In summary, we are very pleased with the performance of our International business, which delivered nearly 40 percent of our total net revenue in 2022 or approximately $34 billion, and remain encouraged by the long runway for growth in many markets and categories.

2023 Outlook and Guidance

To date, our businesses have remained resilient and continue to perform well aided by our large, trusted brands that can deliver convenience, variety, and a strong value proposition to consumers. Looking ahead, we expect:

- Our North America beverage and convenient foods businesses to remain resilient;
- Our international markets to perform well despite continued geopolitical and economic volatility and uncertainty; and
- A strong emphasis on accelerating our holistic cost management initiatives in which we treat all costs like an investment and emphasize that all employees act like

owners. For example:

- We are expanding the scope of our global business services model to deliver labor productivity, unlock efficiencies, and boost effectiveness in key processes;
- We are simplifying and harmonizing our technology systems to connect and integrate various components of our global business in order for our teams to have relevant, real-time analysis and information at their fingertips to make agile, fact-based, business decisions as the marketplace evolves;
- We are automating and digitizing our plants and manufacturing to help reduce bottlenecks and enable greater agility and speed to market for breakthrough innovation;
- And we continue to redesign and optimize routes by leveraging analytics and data-driven capabilities to improve execution and drive efficiencies for our frontline workers.

Taking these factors into consideration, for fiscal 2023, we now expect:

- 8 percent organic revenue growth (previously 6 percent);
- 9 percent core constant currency EPS growth (previously 8 percent).

We continue to expect:

- A core annual effective tax rate of 20 percent; and
- Total cash returns to shareholders of approximately $7.7 billion comprised of both $6.7 billion in dividends and $1.0 billion in share repurchases.

Based on current market consensus rates, we continue to expect foreign exchange translation to negatively affect our reported net revenue and core earnings per share performance by approximately 2 percentage points.

This assumption and the guidance above imply 2023 core earnings per share of $7.27, a 7 percent increase compared to 2022 core earnings per share of $6.79.

With respect to capital allocation, we remain committed to investing appropriately in our business, paying, and growing our annual dividend, selectively considering acquisitions, partnerships and divestitures that meet very strict strategic and financial criteria, and repurchasing shares.

To conclude, we believe we have the right people, strategies, and advantaged capabilities to drive an even Faster, even Stronger, and even Better organization by Winning with pep+.

We would like to thank you for the confidence you've placed in us with your investment.

Ramon Laguarta, Chairman and CEO
Hugh Johnston, Vice Chairman and CFO