Third Quarter 2021 Prepared Management Remarks

October 5, 2021

Please view these remarks in conjunction with our Q3 2021 earnings release, Q3 2021 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://investor.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 2021 guidance, and the potential impact of the COVID-19 pandemic on our business. Forward-looking statements inherently involve risks and uncertainties and only reflect our view as of today, October 5, 2021, 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 Q3 2021 earnings release and Q3 2021 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 substantially all our international operations report on a monthly calendar basis for which the months of June, July and August are reflected in our results for the 12 weeks ended September 4, 2021.

Chairman and CEO and Vice Chairman and CFO Commentary

We are pleased with our results for the third quarter as our business delivered 9.0 percent organic revenue growth versus the previous year.

On a two-year basis, our organic revenue growth accelerated to 13.3 percent, the fastest pace we have delivered since we began implementing our Faster, Stronger, and Better strategic framework in 2019.

Given our strong performance to date, we now expect:

- Our full year 2021 organic revenue to increase approximately 8 percent;
- Our core constant currency earnings per share to increase at least 11 percent; and
- Our core USD earnings per share to increase at least 12 percent.

We believe that our commitment to becoming a 'Faster, Stronger, and Better' organization is reflected in our strong results as we continued to invest in our people, brands, go-to-market systems, supply chain, manufacturing capacity and digital capabilities to build competitive advantages.

For example:

- Our organic revenue growth was broad-based across our key categories and geographies;
- We exhibited strong marketplace performance with market share improvements in key categories such as salty snacks, savory snacks, and carbonated soft drinks in North America, and sustained strong business momentum in key international markets; and
- We announced that we entered into an agreement to sell Tropicana, Naked and other select juice brands across North America and an irrevocable option to sell certain juice businesses in Europe for pre-cash tax proceeds of

approximately $3.3 billion while retaining a 39 percent non-controlling interest in a newly formed joint venture with PAI partners. The transaction is expected to close in late 2021 or early 2022, subject to customary conditions, including works council consultations and regulatory approvals.

In addition, to further complement and enhance our strategic framework, we introduced PepsiCo Positive (pep+), a strategic end-to-end transformation agenda with sustainability and human capital at the center of how we will create growth and shared value over the long-term.

pep+ will link the future of our business with the future of our planet from how we source ingredients to how we make and sell our products. The three pillars of pep+ include:

- Positive Agriculture, which aims to spread regenerative practices to restore the earth across land equal to the company's entire agricultural footprint, approximately 7 million acres by 2030;

- Positive Value Chain, which includes our goals of becoming net water positive by 2030, achieving net-zero emissions by 2040, and introducing more sustainable packaging into the value chain; and
- Positive Choices, which includes evolving our portfolio into spaces that are better for the planet and people, including plant-based proteins, nuts and seeds, and whole grains, and continuing to scale new business models that require little or no single-use packaging, such as our global SodaStream business.

As societal and consumer preferences continue to evolve, we remain focused on offering positive product choices to meet varying needs and build competitive advantages in the marketplace. Some examples include:

- Oven baked and our Simply varieties for some of our largest brands such as Lay’s and Cheetos;
- Multigrain and wholegrain snack varieties in big brands such as Tostitos and SunChips;

- Numerous nutritious options within our Quaker portfolio for different parts of the day, such as oatmeal, rice crisps and rice cakes;
- Off The Eaten Path veggie crisps made with peas, chickpeas or black beans are now offered in a commercially compostable bag;
- Bare snacks, which are made from simply baked whole fruits;
- An expansive portfolio of offerings in the zero-sugar space with Pepsi Zero Sugar, Mountain Dew Zero Sugar, Gatorade Zero and bubly;
- Beverages with proteins, dairy alternatives, and functional ingredients, such as Evolve, Muscle Milk, Gatorade protein drinks and powders; and
- A variety of choices that can be used with our environmentally friendly SodaStream platform, such as bubly drops, Lipton, and Pepsi Zero Sugar.

To conclude, we believe our global business momentum remains strong. Our North American business trends remain resilient, while our international business is performing well despite an uneven recovery across geographies.

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 focus on driving superior marketplace execution to serve our customers and communities. We are very proud of their dedication and resiliency throughout the pandemic, which has presented both opportunities and challenges for our business.

Third Quarter PepsiCo Financial Review

We delivered 9.0 percent organic revenue growth, which was comprised of 4 percentage points of volume growth and a 5-percentage-point contribution from price and mix.

Geographically, our organic revenue in North America increased 6 percent as our business continued to benefit from strong category growth, while our International business's organic revenue grew 14 percent.

Our performance highlights the strength of our diversified portfolio as our global snacks and food business accelerated and delivered 8 percent organic revenue growth, while our global beverage business delivered 10 percent organic revenue growth.

Our core gross profit increased 9 percent, while our core operating profit increased 6 percent and reflected the impacts of supply chain disruptions, as well as the adverse effects of inflationary pressures within the labor, transportation, and commodity markets.

Third Quarter North America Division Review

Both Frito-Lay North America and PepsiCo Beverages North America displayed resiliency in the quarter despite ongoing supply chain disruptions and inflationary pressures, while Quaker Foods North America delivered solid organic revenue growth on a two-year basis.

Frito-Lay North America delivered 5 percent organic revenue growth for the quarter and 12 percent organic revenue growth on a 2-year basis. Our business gained market share in the salty and savory categories during the quarter.

Frito-Lay's consistently strong top-line performance is indicative of the resilience of its portfolio and go-to-market systems despite facing numerous obstacles and complexities throughout the pandemic.

During the quarter, our large, beloved brands such as Ruffles delivered double-digit net revenue growth, Doritos delivered mid-single-digit net revenue growth and Cheetos delivered low-single-digit net revenue growth. Smaller, emerging brands geared towards more nutritious snacking such as PopCorners and Bare delivered strong double-digit net revenue growth.

In addition, Frito-Lay continues to focus on offering more choices to meet the changing needs and preferences of consumers, including:

- An expanded set of variety pack offerings which continue to deliver strong net revenue growth;
- Continuous flavor and brand innovation such as the limited-edition Lays Flavor Swap lineup, Doritos 3D Crunch, Cheetos Crunch Pop Mix, a strong lineup of Flamin' Hot varieties; and
- More nutritious snacking alternatives such as our Simply, Baked and lightly salted offerings.

From a channel perspective, our business delivered solid growth across many channels, including strong net revenue growth in the foodservice and convenience and gas channels.

Frito-Lay's core operating profit performance in the quarter was adversely impacted by a temporary plant disruption, ongoing supply chain pressures and increased commodity, transportation, and labor costs.

However, we do expect Frito-Lay’s core operating profit performance to improve in the fourth quarter as certain supply chain pressures ease and we implement revenue management actions to mitigate the impact of higher commodity, transportation, and other supply chain costs.

Quaker Foods North America delivered 1 percent organic revenue growth during the quarter and 7 percent organic revenue growth on a 2-year basis.

Our business gained market share in meals and instant oatmeal as it continued to build on the success of innovation launches including Cheetos Mac ‘n Cheese, and products that provide a functional benefit such as Quaker Protein Instant Oatmeal.

However, Quaker’s core operating profit declined in the quarter driven by inflationary pressures related to commodity, transportation, and labor costs as well as supply chain challenges.

PepsiCo Beverages North America sustained its strong business momentum and delivered 7 percent organic revenue growth in the third quarter and 10 percent organic revenue growth on a two-year basis.

Our business gained market share in the carbonated soft drink category driven by trademark Mountain Dew. We also gained share in the ready-to-drink tea and water categories.

The business continues to benefit from investments in innovation, pricing, and execution as many key brands performed exceptionally well during the quarter, including double-digit net revenue growth in Mountain Dew, LifeWtr, bubly, and Aquafina, high-single-digit net revenue growth in Pepsi, and mid-single-digit net revenue growth in Starbucks.

From a channel perspective, we posted solid growth across all channels, led by strong double-digit net revenue growth in foodservice.

Additionally, innovation continues to play a strong role in our portfolio as we remain focused on responding to the changing tastes of consumers and delivering profitable growth. For example, we:

- Continued to invest in our Zero Sugar products and other functional beverages within the carbonated and noncarbonated categories to offer more choices to the consumer;
- Invested to improve our performance in the fast growing and highly profitable energy category with the recent introduction of Mtn Dew Rise Energy, continuous innovation for the Starbucks ready-to-drink coffee products, the repositioning and relaunching of the Rockstar brand, and a focus on strong marketplace execution for our Bang partnership;

- Announced our collaboration with Boston Beer Company to produce HARD MTN DEW alcoholic beverage; and
- Announced our first-ever beverage combining the flavors of Mountain Dew and Frito-Lay's Flamin' Hot Cheetos with Mtn Dew Flamin' Hot.

Overall, we remain pleased with PBNA as we continue to manage the business for strong performance today and invest properly for sustainable performance in the future.

Third Quarter International Business Review

Our international business delivered organic revenue growth of 14 percent for the third quarter and approximately 18 percent growth on a 2-year basis.

Each of our international divisions delivered strong organic revenue growth in the third quarter, an extension of the strength we experienced during the first half of the year.

Our international growth was broad-based with double-digit organic revenue growth in both snacks and beverages, benefiting from our investments in higher advertising and marketing and increased manufacturing and selling capacity.

Our third quarter international growth also featured double-digit organic revenue growth in Mexico, Brazil, Russia, India, Egypt, and China, high-single-digit growth in South Africa, Australia, and Spain, and mid-single-digit growth in the UK.

Year to date we have gained savory snack market share in many of our largest international markets, including Mexico, Brazil, the UK, Russia, China, Australia, and South Africa. For beverages, we have gained market share in Egypt, Mexico, China, Poland, and Russia.

We remain optimistic about the long-term potential of our international business and have a very clear playbook on how to develop and build strong market positions within our snacks business by replicating the models we already have in many key markets such as the U.S., Mexico, and Russia.

We will also continue to invest in our international beverage business, but tailor our approach by market, depending on our competitive position and scale.

2021 Outlook and Guidance Update

In summary, our business is performing well and benefiting from the investments made and strategic actions taken towards becoming a Faster, Stronger, and Better company.

Looking ahead to the balance of this year, we expect:

- Our North America snacks and beverage businesses to remain resilient, and our international markets to perform well despite an uneven recovery across geographies;
- A greater focus on implementing targeted net revenue management tools by utilizing rate, mix and assortment solutions to mitigate the impact of higher commodity,

transportation, and supply chain costs; and

- Continued capability investments in our people, supply chain, plants, go-to-market systems, and digitization initiatives to fortify our businesses and build competitive advantages for the long-term.

Taking these factors into consideration, for fiscal year 2021, we now expect:

- Our organic revenue to increase approximately 8 percent (previously 6 percent);
- Our core constant currency earnings per share to increase at least 11 percent (previously 11 percent);
- Core USD earnings per share to increase at least 12 percent (previously 12 percent); and
- Core USD earnings per share of at least $6.20 (compared to 2020 core earnings per share of $5.52).

We continue to expect:

- A core annual effective tax rate of approximately 21 percent; and
- Total cash returns to shareholders of approximately $5.9 billion, comprised of dividends of approximately $5.8 billion and share repurchases of $106 million. We completed our share repurchase activity and do not expect to repurchase any additional shares for the balance of 2021.

Based on current market consensus rates, we continue to expect foreign exchange translation to benefit our reported net revenue and core earnings per share performance by 1 percentage point.

As it relates to our 2021 capital allocation priorities, we remain focused on increasing our capital spending to meet the critical growth and investment needs of our business and returning cash to our shareholders, primarily through cash dividends.

Lastly, as we look to 2022 and beyond, we will focus on continuing to deliver durable and sustainable results as we sharpen and enhance our Faster, Stronger, and Better strategic framework.

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

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