



**PepsiCo Reports Fourth Quarter and Full-Year 2021 Results;  
Provides 2022 Financial Outlook; Announces Annual Dividend  
Increase and New Share Repurchase Program**

**Reported (GAAP) Fourth Quarter and Full-Year 2021 Results**

	<b>Fourth Quarter</b>	<b>Full-Year</b>
Net revenue growth	12.4%	12.9%
Foreign exchange impact on net revenue	—%	1%
Earnings per share (EPS)	\$0.95	\$5.49
EPS change	(28)%	7%
Foreign exchange impact on EPS	—%	1.5%

**Organic/Core (non-GAAP)<sup>1</sup> Fourth Quarter and Full-Year 2021 Results**

	<b>Fourth Quarter</b>	<b>Full-Year</b>
Organic revenue growth	11.9%	9.5%
Core EPS	\$1.53	\$6.26
Core constant currency EPS change	4%	12%

**PURCHASE, N.Y. - February 10, 2022** - PepsiCo, Inc. (NASDAQ: PEP) today reported results for the fourth quarter and full-year 2021.

“Our full year net revenue growth meaningfully accelerated in 2021 versus the previous year and this gives us added confidence that the investments we’ve made in our people, brands, innovation, supply chain, go-to-market systems and digitization initiatives are working,” said Chairman and CEO Ramon Laguarta.

Laguarta continued, “Moving forward, we remain committed to building advantaged capabilities that can help us win in the marketplace and become an even faster, even stronger and even better organization. Importantly, this includes putting sustainability and human capital at the center of everything we do with the recent implementation of PepsiCo Positive (pep+), a fundamental end-to-end transformation of what we do and how we do it to create growth and shared value.

For 2022, we expect to deliver 6 percent organic revenue growth, which is at the high-end of our long-term target range and implies a strong acceleration in our organic revenue growth on a two-year basis. Additionally, we expect to deliver 8 percent core constant currency earnings per share growth, which reflects the impact of inflationary pressures across our value chain and

planned investments in our business. We also announced a 7 percent increase in our annualized dividend, starting with our June 2022 payment which represents our 50th consecutive annual increase, and our Board has authorized the repurchase of up to \$10 billion of PepsiCo common stock through February 2026.”

<sup>1</sup> Refer to the Glossary for the definitions of non-GAAP financial measures including “organic,” “core” and “constant currency,” and to “Guidance and Outlook” for additional information regarding PepsiCo’s full-year 2022 financial outlook. PepsiCo provides guidance on a non-GAAP basis as we cannot predict certain elements which are included in reported GAAP results, including the impact of foreign exchange and commodity mark-to-market net impacts. Please refer to PepsiCo’s Annual Report on Form 10-K for the year ended December 25, 2021 (2021 Form 10-K) filed with the SEC for additional information regarding PepsiCo’s financial results.

## Summary Fourth-Quarter 2021 Performance

	Revenue				Volume <sup>(a)</sup>	
	GAAP Reported % Change	Percentage Point Impact		Organic % Change	% Change	
		Foreign Exchange Translation	Acquisitions, Divestitures, and Other Structural Changes		Convenient Food	Beverage
Frito-Lay North America	13	—	—	13	4	
Quaker Foods North America	9	—	—	9	(2)	
PepsiCo Beverages North America	13	—	—	12		7
Latin America	16	1	—	17	6	9
Europe	8	1	—	9	1	2
Africa, Middle East and South Asia	13	(1)	(4)	8	3.5	12
Asia Pacific, Australia and New Zealand and China Region	18	(2)	(3)	13	16	7
<b>Total</b>	<b>12</b>	<b>—</b>	<b>(0.5)</b>	<b>12</b>	<b>4</b>	<b>7</b>

	Operating Profit and EPS			
	GAAP Reported % Change	Percentage Point Impact		Core Constant Currency % Change
		Items Affecting Comparability	Foreign Exchange Translation	
Frito-Lay North America	10	(5)	—	5
Quaker Foods North America	8	(2)	—	6
PepsiCo Beverages North America	(10)	—	—	(9)
Latin America	21	(1)	—	20
Europe	(16)	7	(1)	(10)
Africa, Middle East and South Asia	(29)	—	(2)	(31)
Asia Pacific, Australia and New Zealand and China Region	(25)	4	4	(17)
Corporate unallocated expenses	70	(53)	—	17
<b>Total</b>	<b>(9)</b>	<b>6</b>	<b>—</b>	<b>(4)</b>
<b>EPS</b>	<b>(28)</b>	<b>33</b>	<b>—</b>	<b>4</b>

(a) Excludes the impact of acquisitions and divestitures. In certain instances, the impact of organic volume growth on net revenue growth differs from the unit volume change due to product mix, nonconsolidated joint venture volume, and, for our beverage businesses, temporary timing differences between bottler case sales (BCS) and concentrate shipments and equivalents (CSE). Our net revenue excludes nonconsolidated joint venture volume, and, for our franchise-owned beverage businesses, is based on CSE.

Note: Amounts may not sum due to rounding.

Organic revenue growth and core constant currency results are non-GAAP financial measures. Please refer to the reconciliation of GAAP and non-GAAP information in the attached exhibits and to the Glossary for definitions of “organic,” “core” and “constant currency.”

## **Discussion of Fourth-Quarter 2021 Reported Division Results:**

In addition to the reported net revenue performance as set out in the tables on pages 3 and A-7, reported operating results were driven by the following:

### **Frito-Lay North America**

Operating profit increased 10%, primarily reflecting net revenue growth and productivity savings. These impacts were partially offset by certain operating cost increases, including strategic initiatives and incremental transportation costs, an 8-percentage-point impact of higher commodity costs, primarily cooking oil and packaging material, and higher advertising and marketing expenses. Additionally, lower restructuring and impairment charges contributed 5 percentage points to operating profit growth.

### **Quaker Foods North America**

Operating profit grew 8%, primarily reflecting effective net pricing and productivity savings, partially offset by certain operating cost increases, including incremental transportation costs, a 14-percentage-point impact of higher commodity costs and higher advertising and marketing expenses.

### **PepsiCo Beverages North America**

Operating profit decreased 10%, primarily reflecting certain operating cost increases, including incremental transportation costs, a 37-percentage-point impact of higher commodity costs and higher advertising and marketing expenses. These impacts were partially offset by net revenue growth and productivity savings.

### **Latin America**

Operating profit increased 21%, primarily reflecting net revenue growth, productivity savings and a 6-percentage-point impact of lower charges taken as a result of the COVID-19 pandemic. These impacts were partially offset by certain operating cost increases, a 34-percentage-point impact of higher commodity costs, higher advertising and marketing expenses and a 10-percentage-point impact of certain tax charges.

### **Europe**

Operating profit decreased 16%, primarily reflecting certain operating cost increases, a 41-percentage-point impact of higher commodity costs, higher advertising and marketing expenses and a 5-percentage-point impact of higher restructuring and impairment charges. These impacts were partially offset by net revenue growth and productivity savings. Additionally, lower impact of certain tax charges and lower charges taken as a result of the COVID-19 pandemic each positively contributed 5 percentage points to operating profit performance.

During the fourth quarter of 2021, the implementation of an Enterprise Resource Planning (ERP) system in the United Kingdom caused a temporary disruption to our United Kingdom operations which had a negative impact on net revenue, unit volume and operating profit performance. These issues were largely resolved within the quarter and the business operations had resumed by year end.

### **Africa, Middle East and South Asia**

Operating profit decreased 29%, primarily reflecting certain operating cost increases, a 23-percentage-point impact of higher commodity costs and higher advertising and marketing expenses. These impacts were partially offset by volume growth, productivity savings and a 3-percentage-point impact of lower charges taken as a result of COVID-19 pandemic.

## **Asia Pacific, Australia and New Zealand and China Region**

Operating profit decreased 25%, primarily reflecting certain operating cost increases, higher advertising and marketing expenses and an 11-percentage-point impact of higher commodity costs, partially offset by net revenue growth and productivity savings. Additionally, higher restructuring and impairment charges, unfavorable foreign exchange and higher charges taken as a result of COVID-19 pandemic negatively impacted operating profit performance by 6 percentage points, 4 percentage points and 3 percentage points, respectively.

## Summary Full-Year 2021 Performance

	Revenue				Volume <sup>(a)</sup>	
	GAAP Reported % Change	Percentage Point Impact		Organic % Change	% Change	
		Foreign Exchange Translation	Acquisitions, Divestitures, and Other Structural Changes		Convenient Food	Beverage
Frito-Lay North America	8	(0.5)	—	7	2	
Quaker Foods North America	—	(1)	—	—	(7)	
PepsiCo Beverages North America	12	(0.5)	(1)	10		5
Latin America	17	(2)	—	15	4	8
Europe	9	(0.5)	—	9	4	8
Africa, Middle East and South Asia	33	(4.5)	(17)	12	3	17
Asia Pacific, Australia and New Zealand and China Region	34	(6)	(15)	13	11	13
<b>Total</b>	<b>13</b>	<b>(1)</b>	<b>(2)</b>	<b>10</b>	<b>2.5</b>	<b>10</b>

## Operating Profit and EPS

	GAAP Reported % Change	Percentage Point Impact		Core Constant Currency % Change
		Items Affecting Comparability	Foreign Exchange Translation	
Frito-Lay North America	5.5	(2)	—	3
Quaker Foods North America	(14)	(0.5)	—	(14)
PepsiCo Beverages North America	26	(5)	(1)	20
Latin America	33	—	(4.5)	28
Europe	(4.5)	3	(1.5)	(3)
Africa, Middle East and South Asia	43	(31)	(2)	10
Asia Pacific, Australia and New Zealand and China Region	14	(0.5)	(3)	10
Corporate unallocated expenses	17	(6)	—	10
<b>Total</b>	<b>11</b>	<b>(2)</b>	<b>(1)</b>	<b>7</b>
<b>EPS</b>	<b>7</b>	<b>6</b>	<b>(1.5)</b>	<b>12</b>

(a) Excludes the impact of acquisitions and divestitures, including the impact of an extra month of volume for our acquisitions of Pioneer Food Group Ltd. (Pioneer Foods) in our Africa, Middle East and South Asia division and Hangzhou Haomusi Food Co., Ltd. (Be & Cheery) in our Asia Pacific, Australia and New Zealand and China Region division as we aligned the reporting calendars of these acquisitions with those of our divisions. In certain instances, the impact of organic volume growth on net revenue growth differs from the unit volume change due to product mix, nonconsolidated joint venture volume, and, for our beverage businesses, temporary timing differences between BCS and CSE. Our net revenue excludes nonconsolidated joint venture volume, and, for our franchise-owned beverage businesses, is based on CSE.

Note: Amounts may not sum due to rounding.

Organic revenue growth and core constant currency results are non-GAAP financial measures. Please refer to the reconciliation of GAAP and non-GAAP information in the attached exhibits and to the Glossary for definitions of “organic,” “core” and “constant currency.”

## **Discussion of Full-Year 2021 Reported Division Results:**

In addition to the reported net revenue performance as set out in the tables on pages 6 and A-7, reported operating results were driven by the following:

### **Frito-Lay North America**

Operating profit increased 5.5%, primarily reflecting the net revenue growth, productivity savings and a 3-percentage-point impact of lower charges taken as a result of the COVID-19 pandemic. These impacts were partially offset by certain operating cost increases, including strategic initiatives and incremental transportation costs, and a 4-percentage-point impact of higher commodity costs, primarily packaging material and cooking oil.

### **Quaker Foods North America**

Operating profit declined 14%, primarily reflecting certain operating cost increases, including incremental transportation costs, and an 8-percentage-point impact of higher commodity costs, partially offset by productivity savings.

### **PepsiCo Beverages North America**

Operating profit increased 26%, primarily reflecting the net revenue growth, a 15-percentage-point impact of lower charges taken as a result of the COVID-19 pandemic and productivity savings. These impacts were partially offset by certain operating cost increases, including incremental transportation costs, an 18-percentage-point impact of higher commodity costs and higher advertising and marketing expenses. Higher prior-year acquisition and divestiture-related charges contributed 4 percentage points to operating profit growth.

### **Latin America**

Operating profit increased 33%, primarily reflecting the net revenue growth, productivity savings and a 4.5-percentage-point impact of favorable foreign exchange. These impacts were partially offset by certain operating cost increases, a 30-percentage-point impact of higher commodity costs and higher advertising and marketing expenses. A current-year recognition of certain indirect tax credits in Brazil and lower charges taken as a result of the COVID-19 pandemic contributed 6 percentage points and 4 percentage points, respectively, to operating profit growth.

### **Europe**

Operating profit decreased 4.5%, primarily reflecting certain operating cost increases, a 28-percentage-point impact of higher commodity costs and a 2.5-percentage-point impact each from higher restructuring and impairment charges and a gain on an asset sale in the prior year. These impacts were partially offset by the net revenue growth and productivity savings. Additionally, lower charges taken as a result of the COVID-19 pandemic and favorable settlements of promotional spending accruals compared to the prior year positively contributed 5 percentage points and 3 percentage points, respectively, to operating profit performance.

During the fourth quarter of 2021, the implementation of an ERP system in the United Kingdom caused a temporary disruption to our United Kingdom operations which had a negative impact on net revenue, unit volume and operating profit performance. These issues were largely resolved within the quarter and the business operations had resumed by year end.

### **Africa, Middle East and South Asia**

Operating profit increased 43%, primarily reflecting the net revenue growth, a 31-percentage-point impact of the prior-year acquisition and divestiture-related charges associated with our Pioneer Foods acquisition and productivity savings. These impacts were partially offset by certain operating cost

increases, a 13-percentage-point impact of higher commodity costs and higher advertising and marketing expenses. Additionally, lower charges taken as a result of the COVID-19 pandemic and our Pioneer Foods acquisition contributed 3 percentage points and 2 percentage points, respectively, to operating profit growth.

### **Asia Pacific, Australia and New Zealand and China Region**

Operating profit increased 14%, primarily reflecting the net revenue growth, productivity savings and a 2-percentage-point contribution from our Be & Cheery acquisition, partially offset by certain operating cost increases and higher advertising and marketing expenses. Additionally, impairment charges associated with an equity method investment reduced operating profit growth by 3 percentage points. Favorable foreign exchange contributed 3 percentage points to operating profit growth.



## Juice Transaction

In the first quarter of 2022, we completed the previously announced divestiture of Tropicana, Naked and other select juice brands to PAI Partners for approximately \$3.5 billion in cash (pre-tax) and a 39% noncontrolling interest in a newly formed joint venture that will operate across North America and Europe. These juice businesses delivered approximately \$3 billion in net revenue in 2021. In the U.S., PepsiCo acts as the exclusive distributor for the new joint venture's portfolio of brands for small-format and foodservice customers with chilled direct-store-delivery. We expect to record a non-core pre-tax gain of approximately \$3 billion in the first quarter of 2022 as a result of this transaction.

## Guidance and Outlook

The Company provides guidance on a non-GAAP basis as we cannot predict certain elements which are included in reported GAAP results, including the impact of foreign exchange translation and commodity mark-to-market net impacts.

For 2022, the Company expects:

- A 6 percent increase in organic revenue;
- An 8 percent increase in core constant currency EPS;
- A core annual effective tax rate of 20 percent; and
- Total cash returns to shareholders of approximately \$7.7 billion, comprised of dividends of \$6.2 billion and share repurchases of \$1.5 billion.

In addition, the Company expects a 1.5-percentage-point foreign exchange translation headwind to impact reported net revenue and core EPS growth based on current market consensus rates.

This assumption and the guidance above imply 2022 core earnings per share of \$6.67, a 6.5 percent increase compared to 2021 core earnings per share of \$6.26.

## Dividend Increase and New Share Repurchase Program

The Company today announced a 7 percent increase in its annualized dividend to \$4.60 per share from \$4.30 per share, effective with the dividend expected to be paid in June 2022. This represents the Company's 50<sup>th</sup> consecutive annual dividend per share increase.

The Company also announced a new share repurchase program providing for the repurchase of up to \$10 billion of PepsiCo common stock through February 28, 2026.

## Prepared Management Remarks and Live Question and Answer Webcast

At approximately 6:30 a.m. (Eastern time) on February 10, 2022, the Company will post prepared management remarks (in pdf format) regarding its fourth quarter and full-year 2021 results, including its outlook for 2022, at [www.pepsico.com/investors](http://www.pepsico.com/investors). At 8:15 a.m. (Eastern time) on February 10, 2022, the Company will host a live question and answer session with investors and financial analysts. Further details will be accessible on the Company's website at [www.pepsico.com/investors](http://www.pepsico.com/investors).

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