

**PepsiCo, Inc. 2020 Annual Meeting of Shareholders**  
**Reconciliation of GAAP and Non-GAAP Information (unaudited)**<sup>1</sup>

In discussing financial results, the Company refers to the following measures which are not in accordance with U.S. Generally Accepted Accounting Principles (GAAP): core results, core constant currency results, free cash flow and organic revenue and adjusted organic revenue growth. We use these non-GAAP financial measures internally to make operating and strategic decisions, including the preparation of our annual operating plan, evaluation of our overall business performance and as a factor in determining compensation for certain employees. We believe presenting non-GAAP financial measures provides additional information to facilitate comparison of our historical operating results and trends in our underlying operating results, and provides additional transparency on how we evaluate our business. We also believe presenting these measures allows investors to view our performance using the same measures that we use in evaluating our financial and business performance and trends.

We consider quantitative and qualitative factors in assessing whether to adjust for the impact of items that may be significant or that could affect an understanding of our ongoing financial and business performance or trends. Examples of items for which we may make adjustments include: amounts related to mark-to-market gains or losses (non-cash); charges related to restructuring plans; amounts associated with mergers, acquisitions, divestitures and other structural changes; estimated amounts related to COVID-19; pension and retiree medical related items; charges or adjustments related to the enactment of new laws, rules or regulations, such as significant tax law changes; amounts related to the resolution of tax positions; tax benefits related to reorganizations of our operations; debt redemptions, cash tender or exchange offers; asset impairments (non-cash); and remeasurements of net monetary assets.

Non-GAAP information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with U.S. GAAP. In addition, our non-GAAP financial measures may not be the same as or comparable to similar non-GAAP measures presented by other companies.

*Mark-to-market net impact*

Mark-to-market net gains and losses on commodity derivatives in corporate unallocated expenses. These gains and losses are subsequently reflected in division results when the divisions recognize the cost of the underlying commodity in operating profit.

*Restructuring and impairment charges*

Expenses related to the multi-year productivity plan publicly announced in 2019.

*Inventory fair value adjustments and merger and integration charges*

In the 12 weeks ended March 21, 2020, charges related to our acquisition of BFY Brands, Inc. and Pioneer Food Group Ltd.

*Net tax related to the Tax Cuts and Jobs Act*

During the fourth quarter of 2017, the TCJ Act was enacted in the United States. In periods subsequent to the enactment of the TCJ Act, we recognized certain tax benefits and/or expenses associated therewith.

*Organic revenue and adjusted organic revenue growth*

Organic revenue growth adjusts reported net revenue growth for the impact of acquisitions, divestitures and other structural changes, foreign exchange translation and, when applicable, the impact of the 53rd reporting week. In the 12 weeks ended March 21, 2020, adjusted organic revenue growth further adjusts organic revenue growth for our estimate of the impact of changes in consumer consumption patterns arising from the COVID-19 pandemic. This estimate is based on our internal analysis of expected revenue performance as reflected in our internal records before and after when we believe, based on information currently available to us, the primary markets in each segment appear to have experienced changes in consumer patterns in response to the spread of COVID-19.

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<sup>1</sup> For a full discussion of our first quarter 2020 financial results, including definitions we use in discussing our financial results, please refer to our press release issued April 28, 2020 and our quarterly report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on April 28, 2020. For a full discussion of our full year 2019 financial results, including definitions we use in discussing our financial results, please refer to our press release issued February 13, 2020 and our Annual Report on Form 10-K for the fiscal year ended December 28, 2019 filed with the SEC on February 13, 2020.

**PepsiCo, Inc. and Subsidiaries**  
**Reconciliation of GAAP and Non-GAAP Information**  
**(unaudited)**

Net Revenue Growth Reconciliation	Year Ended 12/28/2019			
	Reported % Change, GAAP Measure	Impact of		Organic % Change, Non-GAAP Measure
		Foreign exchange translation	Acquisitions and divestitures	
<b>PepsiCo</b>	4%	2	(1)	4.5%
Developing and Emerging Markets	LSD%	MSD%	LSD%	HSD%

Net Revenue Growth Reconciliation	12 Weeks Ended 3/21/2020			
	Reported % Change, GAAP Measure	Impact of		Organic % Change, Non-GAAP Measure
		Foreign exchange translation	Acquisitions and divestitures	
<b>PepsiCo</b>	8%	—	—	8%

Net Revenue Growth Reconciliation	Quarter Ended	Second Half Ended
	3/21/2020	12/28/2019
	Reported net revenue growth	8 %
Impact of:		
Foreign exchange translation	—	1
Acquisitions and divestitures	—	(1)
Organic revenue growth	8 %	4 %
Estimated impact of COVID-19	2	
Adjusted organic revenue growth	5.5 %	

Diluted EPS Reconciliation	12 Weeks Ended
	3/21/2020
Reported diluted EPS performance	(4) %
Impact of:	
Mark-to-market net impact	11
Restructuring and impairment charges	1
Inventory fair value adjustments and merger and integration charges	1
Net tax related to the TCJ Act	2
Core diluted EPS growth	10
Impact of foreign exchange translation	—
Core constant currency diluted EPS growth	10 %

Note – Certain amounts above may not sum due to rounding.