First Quarter 2022

Prepared Management Remarks

April 26, 2022

Please view these remarks in conjunction with our Q1 2022 earnings release, Q1 2022 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, updated 2022 organic revenue guidance, and the potential impacts of both the COVID-19 pandemic and the deadly conflict in Ukraine on our business. Forward-looking statements inherently involve risks and uncertainties and only reflect our view as of today, April 26, 2022, 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 2022 earnings release and Q1 2022 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 months of January and February are reflected in our results for the 12 weeks ended March 19, 2022.

Chairman and CEO, and Vice Chairman and CFO Commentary

We are pleased with our results for the first quarter as our business delivered 13.7 percent organic revenue growth versus the previous year. The growth was broad based across our categories and geographies.

Our results are indicative of the strength and resilience of our diversified portfolio, agile supply chain with strong local sourcing networks, flexible go-to-market distribution system, and highly experienced set of global business leaders who have the empowerment and agility to make rapid, decentralized decisions to meet the needs of their local businesses.

Our performance also gives us added confidence that our investments to become an even Faster, even Stronger, and even Better company are working. During the first quarter:

- Our organic revenue growth featured both volume growth and price mix realization;

- We held or gained share across many of our key global convenient foods and beverage markets with strong gains across our U.S. convenient foods business; and
- Our core constancy currency EPS increased 7 percent as we mitigated the impact of inflationary pressures by sharpening our focus on holistic cost management initiatives and revenue management capabilities.

During the first quarter, we also continued to implement pep+, our end-to-end strategic transformation with sustainability and human capital at the center of how we will create growth and value across our organization.

pep+ is our roadmap for becoming a leader in the transformation of the global food system, which requires rethinking and reengineering our approach across the value chain to better serve our people and the planet. Some recent examples include:

- Setting new goals to eliminate virgin fossil-based plastic in all European crisp and chip bags by 2030. This ambition will apply to brands including Walkers, Doritos, and Lay’s and will be delivered by using 100 percent recycled or renewable plastic in its packets;

- Innovating and extending our brands to offer more positive product choices such as our Walkers brand in the U.K., where we now target half of the brand’s sales to come from products that do not classify as high in fat, salt or sugar or from products sold in portions of 100 calories or less by 2025;
- Launching more than a dozen new water projects as we make progress towards our ambition to be Net Water Positive by 2030; and
- Announcing pep+ REnew, a collaborative program launched to accelerate the adoption of renewable electricity among PepsiCo’s value chain partners to help us achieve net-zero emissions across our value chain by 2040.

In addition, we continue to scale new business models that require little or no single-use packaging, such as SodaStream, which is taking on an effort to help consumers avoid more than

200 billion plastic bottles by 2030.

As we look ahead, we believe that we are well-positioned to adapt and execute in a challenging operating environment as we hold strong positions in growing, global categories. Our large, trusted brands also deliver variety, convenience, and a great value proposition to consumers.

Taking these factors into consideration, and given the resiliency of our businesses to date, we now expect to deliver 8 percent organic revenue growth (previously 6 percent) and continue to expect to deliver 8 percent core constant currency EPS growth in 2022.

Our updated full-year guidance reflects the strength and resilience of our categories and consumer demand trends, as well as the expected impact of higher than expected input cost inflation for the balance of 2022.

As we navigate through this more complex and volatile environment, we remain focused on controlling what we can, including:

- Actively monitoring mobility, channel mix and demand elasticity trends so that we can adjust to meet the evolving needs of customers and consumers;
- Continuously refreshing our lineup of beloved, global brands with locally relevant flavors and textures, while also expanding our positive product choices with more nutritious convenient foods and zero-sugar beverages;
- Stepping up our focus on holistic cost management by tightly managing our discretionary expenses while judiciously investing for the long-term health and success of our business; and
- Sharpening our revenue management capabilities across brands and packages while keeping a close eye on the consumer value proposition.

Before we discuss our financial results and outlook in more detail, I am very proud of how our people and business have performed while operating in a dynamic and complex environment due to the ongoing deadly conflict in Ukraine. The humanitarian impact is especially tragic and beyond what words can describe.

Our priority continues to be the safety, well-being, and security of our Ukrainian associates. We suspended the majority of our operations in Ukraine to enable our associates to seek safety for themselves and their families, and are providing financial assistance where necessary.

We are also continuing to provide aid on the ground to assist Ukrainian refugees in neighboring countries. Our business has donated food, milk, and refrigerators to relief organizations, and we have made financial donations to the World Food Program, World Central Kitchen, Save the Children, the Red Cross in Poland, and World Vision in Romania.

In addition, we previously announced that we are suspending the sale of Pepsi-Cola and certain of our other global beverage brands in Russia, including 7Up and Mirinda. We also are suspending discretionary capital investments and all advertising and promotional activities in Russia.

Our hearts go out to the Ukrainian people who are caught in the middle of this deadly conflict, and we join all those praying for peace.

First Quarter PepsiCo Financial Review

We delivered 13.7 percent organic revenue growth, which featured both volume growth and price mix realization.

Our organic revenue in North America increased 13 percent as our business continued to benefit from strong category growth, while our organic revenue for our International business increased 15 percent.

Our performance highlights the strength of our diversified portfolio as our global convenient foods business delivered 14 percent organic revenue growth, while our global beverage business delivered 13 percent organic revenue growth.

Our core gross profit increased 9 percent and our core gross margin increased 5 basis points despite the impact of ongoing inflationary pressures.

Our core operating profit increased 6 percent and reflects the lapping of a mark-to-market gain on an equity investment recorded in the previous year, as well as the impact of ongoing inflationary pressures and planned business investments.

Core constant currency EPS increased 7 percent, while reported EPS more than doubled versus the prior year.

Reported EPS reflects the benefit of a $3.3 billion gain associated with the recent divestiture of certain juice brands in North America and Europe as well as the unfavorable impact of $482 million in impairment charges related to certain juice and dairy brands in Russia and charges related to the Russia-Ukraine conflict.

First Quarter North America Divisions Review

Each of our North America divisions delivered strong, double-digit organic revenue growth in the first quarter.

Frito-Lay North America delivered 14 percent organic revenue growth, reflecting both volume growth and price mix realization. Frito-Lay gained market share in both the macro-snack and savory snack categories.

Frito-Lay's results were propelled by a successful Super Bowl, which featured superior marketplace execution and best-in-class advertising with some of our large, trusted brands.

Many of these large, trusted brands drove strong growth for the first quarter with Doritos, Lay's, Ruffles, and Cheetos each delivering double-digit net revenue growth and Tostitos delivering high-single-digit net revenue growth.

Smaller, emerging brands geared towards more nutritious snacking such as PopCorners, Bare, Smartfood, and SunChips each delivered double-digit net revenue growth for the quarter.

Variety pack offerings continued to grow net revenue at a strong double-digit rate as consumer demand for portion control, variety and convenience remains strong.

Frito-Lay also continued to extend its large, trusted brands while delivering consumer-centric flavor and texture innovation with Doritos Flamin' Hot Cool Ranch and Lay's Layers. Together with Beyond Meat, we also announced the debut of Beyond Meat Jerky, a delicious and convenient plant-based jerky and the first product launched from our joint business venture with Beyond Meat.

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

Frito-Lay's core operating profit increased 3 percent and reflects the impacts of higher commodity costs, incremental transportation costs, planned business investments, and a double-digit increase in advertising and marketing spend.

Quaker Foods North America delivered 11 percent organic revenue growth in the first quarter with strong double-digit net revenue growth in the rice and pasta, lite snacks, cookies, and snack bars categories, high-single-digit net revenue growth in the ready-to-eat cereal category and mid-single-digit net revenue growth in oatmeal.

Our business also gained market share in the rice and pasta, lite snacks, ready-to-eat cereal, and snack bars categories as it continues to capitalize on the elevated demand for great tasting products that deliver convenience and value.

Quaker's core operating profit increased 6 percent and reflects the impacts of higher commodity costs, incremental transportation costs, and a double-digit increase in advertising and marketing spend.

PepsiCo Beverages North America had a very strong quarter as organic revenue increased 13 percent and core operating profit increased 21 percent.

The business continues to benefit from investments in innovation, pricing and execution as many key brands performed exceptionally well during the quarter with Pepsi, Mountain Dew, Gatorade, Rockstar, LIFEWTR, and Aquafina each delivering double-digit net revenue growth.

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

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 by targeting new occasions and offering positive choices. For example:

- We recently launched Nitro Pepsi, the first-ever nitrogen-infused cola, to create a smooth, creamy texture made possible by a unique widget placed at the bottom of every can;
- We continued to invest in our Zero Sugar offerings, including Pepsi, Mountain Dew, Gatorade, and Rockstar to offer more positive product choices to the consumer;
- We expanded our offerings in the fast growing and highly profitable energy category with the introduction of Rockstar Unplugged and Mountain Dew Energy Cherry Lime; and
- We began distributing Hard Mtn Dew, a low alcohol beverage product of the Boston Beer Company.

PBNA's core operating profit increased 21 percent and core operating profit margin increased 108 basis points. We continue to target more profitable growth at PBNA by innovating and extending our brands and remain committed to improving this division's core operating margin.

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 with each of our international divisions reporting strong organic revenue growth.

Our developing and emerging markets remained resilient and delivered 18 percent organic revenue growth in the quarter, including double-digit organic revenue growth in Mexico, Brazil, Egypt, India, and Turkey, and mid-single-digit growth in South Africa and China.

Our performance highlights the continued strength across both convenient foods and beverages, which delivered 15 percent and 13 percent organic revenue growth, respectively.

And with respect to our market share performance, year-to-date we gained savory snack share in many of our international markets, including Mexico, the U.K., Brazil, Saudi Arabia, and Turkey, and for beverages, we gained market share in Mexico, Brazil, China, and Vietnam.

To summarize, we are pleased with our International results for the quarter, especially considering the significant macroeconomic volatility being experienced in many markets.

2022 Outlook and Guidance

To date, our business has remained resilient and continues to perform well. Looking ahead, we expect:

- Our North American convenient foods and beverage businesses to remain resilient with some variability within channel mix dynamics as consumers adapt to ongoing inflationary pressures;

- Most of our International markets to perform well despite greater geopolitical and economic volatility and uncertainty, currency devaluations and COVID-related disruptions in certain regions; and
- A deeper focus on broadening our holistic cost management initiatives and sharpening our revenue management capabilities by utilizing mix and assortment solutions to mitigate the impact of higher-than-expected commodity, transportation, and supply chain costs.

As a result, for fiscal 2022, we now expect:

- 8 percent organic revenue growth (previously 6 percent).

And we continue to expect:

- 8 percent core constant currency EPS growth;
- A core annual effective tax rate of 20 percent; and
- Total cash returns to shareholders of approximately $7.7

billion comprised of both $6.2 billion in dividends and $1.5 billion in share repurchases.

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

This assumption and the guidance above now imply 2022 core earnings per share of $6.63, a 6 percent increase compared to 2021 core earnings per share of $6.26.

As previously noted in February, we will also have a 53rd week in 2022 for our North American business that reports on a weekly calendar basis. Our organic revenue growth outlook excludes the impact of this extra week.

We continue to expect the profit associated with the 53rd week to mitigate the dilution associated with the divestiture of certain juice brands in North America and Europe.

With respect to capital allocation, we will prioritize capital expenditures to meet the critical growth and investment needs of our business and prioritize returning cash to our shareholders by paying and growing our dividend and repurchasing shares.

With respect to our portfolio, we remain very pleased with the composition of our businesses and will primarily focus on maximizing growth and returns from previous acquisitions.

We would like to thank you for the confidence you've placed in us with your investment as we strive to become an even Faster, even Stronger, and even Better company.

Ramon Laguarta, Chairman and CEO

Hugh Johnston, Vice Chairman and CFO