Fourth Quarter/Full Year 2022

Prepared Management Remarks

February 9, 2023

Please view these remarks in conjunction with our Q4 2022 earnings release, 2022 Form 10-K 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://investors.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 2023 guidance. Forward-looking statements inherently involve risks and uncertainties and only reflect our view as of today, February 9, 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 Q4 2022 earnings release and 2022 Form 10-K, 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 fiscal year ends on the last Saturday of each December, resulting in a 53rd reporting week every five or six years, including in our 2022 financial results.

As a result, our fourth quarter 2022 financial results in the United States and Canada (North America) reflect 17 weeks ended December 31, 2022. All of our international operations report on a monthly calendar basis for which the entire months of September, October, November, and December are included.

Chairman and CEO and Vice Chairman and CFO Commentary

We are proud to report that in a year filled with elevated geopolitical tensions, high inflation, and significant macroeconomic volatility, PepsiCo delivered more than 14 percent organic revenue growth and 11 percent core constant currency earnings per share growth in 2022.

Our strong results give us confidence that our unwavering commitment to becoming an 'Even Faster, Even Stronger, and Even Better' organization is working as our investments are fortifying our businesses for the long term.

Our organic revenue growth meaningfully accelerated in 2022, reflecting the geographical and category diversity of our portfolio with both our global beverage and convenient foods businesses performing well.

We continued to win in the marketplace as we held or gained share across many of our key markets, including the U.S., Mexico, Brazil, the U.K., China, Saudi Arabia and India.

And for the seventh consecutive year, PepsiCo received the #1 manufacturer ranking in the latest Kantar PoweRanking survey which reflects our customers' view of PepsiCo as a valued partner and demonstrates the benefits of investing alongside our customers to help them drive growth.

We were also able to navigate through a complex and challenging inflationary environment while continuously investing in our business. Our core gross profit increased 9 percent, while our core operating profit increased 8 percent for the full year.

We also took decisive actions and made numerous investments to fortify our businesses, portfolio, organization, and value chain. For example:

- We continued to invest in modernizing and harmonizing our

IT systems across certain businesses and countries and expanded the size and scope of our Global Business Services initiative to help us deliver more than $1 billion in productivity savings in 2022.

- We advanced our automation and digitization initiatives to fortify our supply chain, and leveraged analytics and insights at a more granular level to optimize and sharpen our consumer-centric innovation and revenue management capabilities.
- We actively managed parts of our business portfolio to shift towards fast growing, highly profitable areas. This included closing the divestiture of Tropicana, Naked and other select juice brands, entering into a new distribution agreement with Celsius Holdings, Inc., and expanding our distribution of low-alcohol products in the U.S. to 11 states.
- We continued to anchor and elevate pep+ (PepsiCo Positive), our strategic end-to-end business transformation designed to drive long-term sustainable performance and value throughout our organization by:

- Announcing a global packaging goal intended to double the percentage of all beverage servings sold through reusable models from 10 to 20 percent by 2030;
- Continuously evolving our portfolio towards positive choices such as portion-control packages, zero sugar beverages, and nutritious convenient foods with lower sodium and low-or-no saturated fat content;
- Entering into a commercial partnership with Archer Daniels Midland Company (ADM) in an effort to significantly expand regenerative agriculture practices across our shared North American supply chains;
- Achieving zero freshwater consumption in certain facilities in Latin America and advancing towards our target of improving operational water-use efficiency by 25 percent in high water-risk areas by 2025;
- Announcing a long-term supply arrangement with Eastman Chemical for PET made using Eastman's molecular recycling technologies which supports our

goals to reduce the use of virgin plastic and increase recycled content in our products;

- Advancing our people agenda by taking steps to support gender parity, advance pay equity and increase diverse representation at the managerial level. You can learn more about these initiatives within our latest Global Diversity, Equity, and Inclusion Report;
- Advancing towards completion of the first Frito-Lay North America manufacturing facility to implement site-wide alternative fuel vehicles, on-site renewable energy generation, energy storage equipment and employee electric vehicle charging stations in California; and,
- Issuing a $1.25 billion Green Bond in July 2022 with a ten-year maturity that will focus on investments in virgin plastic waste reduction, decarbonization, water-use efficiency and regenerative agriculture. This was our second Green Bond offering since 2019.

Our investments and results support our belief that we have the right people, advantaged capabilities, and effective strategies to win in the marketplace and make PepsiCo an even Faster, even Stronger, and even Better organization.

As we look ahead to 2023, we believe our businesses can build on the momentum and strength delivered in 2022 as our brands, products, and package combinations deliver convenience, variety, and a great value proposition to the consumer.

We also expect inflationary pressures to persist. We plan to mitigate the impact of these pressures by accelerating our productivity initiatives and sharpening our revenue management capabilities. We will also continue to make investments in our people, brands, supply chain, and go-to-market systems.

As a result, we expect to deliver 6 percent organic revenue growth and 8 percent core constant currency earnings per share growth in 2023.

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. Our performance would not have been possible without your dedication.

Fourth Quarter PepsiCo Financial Review

Organic revenue increased 14.6 percent and represents our fifth 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 16 percent organic revenue growth, respectively.

Our performance also highlights our diversified portfolio and the resilience of our categories and consumer demand trends as our global beverages and convenient foods businesses delivered 10 percent and 18 percent organic revenue growth, respectively.

Our core gross profit increased 11 percent and core gross margin expanded 30 basis points despite the impact of ongoing inflationary pressures.

Our core operating profit increased 7 percent and core operating margin declined 40 basis points and reflects a strong double-digit increase in our advertising and marketing spend as well as additional investments to build digital capabilities and integrate purpose throughout our organization.

Core constant currency EPS increased 10 percent, while reported EPS declined and reflects the impact of impairments associated with certain brands and assets.

North America Divisions Review

Our North America businesses delivered 14 percent organic revenue growth in 2022, with each division delivering strong double-digit organic revenue growth.

Frito-Lay North America delivered 18 percent organic revenue growth during the fourth quarter and 17 percent organic revenue growth for the full year. Frito-Lay gained share in the macro and savory snack categories for the full year.

Frito-Lay's strong top-line momentum is indicative of its diversified portfolio, marketplace execution, and strong net revenue management capabilities, with volume trends remaining resilient throughout the year.

The business continues to benefit from strong category trends as consumers navigate towards popular, trusted brands that offer value, convenience, and variety. Many of our large brands delivered double-digit net revenue growth for the fourth quarter and full year including Doritos, Cheetos, Lay's, Ruffles, Tostitos, and Fritos.

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

The breadth of Frito-Lay's growth was also aided by our investments in consumer-centric innovation around package offerings, bold flavor combinations and new texture profiles. For example, we:

- Recently debuted Frito-Lay Minis - bite-size versions of our classic Doritos, Cheetos and Sun Chips snacks packaged in easy-to-pour canisters;
- Expanded the flavor profile of our Doritos brand with Doritos Sweet & Tangy BBQ, Doritos Flamin' Hot Cool

Ranch, Doritos Tangy Tamarind, Doritos Ketchup, and Doritos Spicy Mustard and extended the brand into the non-refrigerated dips category with its popular Nacho Cheese and Cool Ranch flavor offerings;

- Launched Lay's Kettle Cooked Fritos Chili Cheese, Lay's Cheetos, Lay's Doritos Cool Ranch, and Lay's Wavy Funyuns Onion as part of the Lay's Flavor Swap lineup;
- Introduced Cheetos Bolitas, a powerful bite-sized ball with a uniquely soft, crunchy texture to the United States and shifted popular flavor profiles across our brands with Ruffles Spicy Dill Pickle and Smartfood Doritos Nacho Cheese; and
- Extended flavors to offer more positive product choices to the consumer with SunChips Black Bean Spicy Jalapeno and Southwestern Queso and PopCorners Cinnamon Crunch.

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

Frito-Lay's core operating profit increased 16 percent for the fourth quarter and 11 percent for the full year which reflects the ongoing impact of inflationary pressures and a double-digit increase in advertising and marketing spend.

Quaker Foods North America delivered 10 percent organic revenue growth in the fourth quarter and 13 percent organic revenue growth for the full year with market share gains in the snack bars, lite snacks, rice and pasta, and ready-to-eat cereal categories for the full year.

Quaker's performance highlighted the breadth of the product portfolio as our business delivered double-digit net revenue growth for the full year in the snack bars, lite snacks, cookies, oatmeal, ready-to-eat cereal, and rice and pasta categories.

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 Birthday Crunch, Pearl Milling Apple Cinnamon and Protein pancake mix and continued investments behind Cheetos Mac ’N Cheese.

Quaker Foods core operating profit increased 6 percent for the full year and was even for the fourth quarter, which reflects a strong double-digit increase in advertising and marketing spend, the ongoing impact of inflationary pressures, and supply chain investments to help reduce capacity constraints.

PepsiCo Beverages North America’s organic revenue increased 11 percent in 2022, its second consecutive year of double-digit organic revenue growth. Organic revenue increased 10 percent for the fourth quarter as category growth and consumer demand remained resilient.

Core operating profit increased 23 percent for the fourth quarter and includes a strong double-digit increase in advertising and marketing spend. Core operating margin expanded by 110 basis points in the fourth quarter and 40 basis points for the full year.

Many key brands performed well with Gatorade, Pepsi, Mountain Dew, and Aquafina each delivering double-digit net revenue growth for the fourth quarter and the full year. Rockstar and LifeWTR also delivered strong net revenue growth for both the fourth quarter and full year.

We also continued to direct investments towards faster growing, highly profitable categories as we look to improve this division's profitability. Some examples include:

- Evolving our presence in the energy category by:
    - Announcing our long-term strategic distribution arrangement with Celsius Holdings, Inc., including a $550 million cash investment in exchange for convertible preferred stock with a 5% annual dividend. The transition to our system has been completed and

we are pleased with how the business has performed;

   - Relaunching Mountain Dew Energy Baja Blast, Mountain Dew Energy Code Red, and new Rockstar Recovery variants which include coconut water, collagen, and Vitamin C;

- Expanding our distribution presence in the low-alcohol category in the U.S. by:
   - Extending our distribution of Hard Mtn Dew, a product of the Boston Beer Company, to 11 states, with plans to add additional states this year; and
   - Having entered an agreement to distribute Lipton-branded hard iced tea in the near future, a product of FIFCO USA;
- Advancing our zero sugar offerings across our iconic brands such as Pepsi, Mountain Dew and Gatorade, while refreshing our lineup of ready-to-drink teas, sparkling and enhanced waters and energy drinks to offer more positive product choices to the consumer; and
- Broadening our presence in the sports nutrition category

with Gatorade Zero, Propel, Gatorlyte and GFit. Gatorade also recently introduced Fast Twitch, a multifaceted energy and sports drink formulated specifically for athletes. Fast Twitch is non-carbonated, contains zero sugar, has no artificial colors, or flavors, and contains 200 milligrams of caffeine.

We are very encouraged with Gatorade's market share performance and remain optimistic about the future and potential of this brand within the sports nutrition category.

In addition to managing the evolution of our product portfolio, we remain committed to further improving PepsiCo Beverages North America's core operating margin over time by:

- Sharpening our revenue management capabilities;
- Accelerating our holistic cost management initiatives through our global business services model;
- Optimizing our advertising and marketing spend; and

- Modernizing and digitizing our supply chain.

International Business Review

Our International business delivered 16 percent organic revenue growth for the full year and in the fourth quarter, its seventh consecutive quarter of double-digit organic revenue growth.

Our investment decisions over the past few years to increase manufacturing capacity, enhance our consumer centric innovation with flavors that better suit local taste preferences, expand the presence and availability of positive product choices such as zero sugar beverages and nutritious convenient foods, and sharpen our price pack architectures to offer optionality and good value have enabled us to deliver durable organic revenue growth across many of our key markets.

During the fourth quarter and full year, our International convenient foods business delivered 19 percent organic revenue growth. Our International beverages business delivered 8 percent and 9 percent organic revenue growth in the fourth quarter and full year, respectively.

Each of our international divisions reported strong organic revenue growth, led by Latin America and AMESA. Both divisions delivered more than 20 percent organic revenue growth for the full year with Mexico, Brazil, Colombia, Chile, Saudi Arabia, India, Egypt, South Africa, and Pakistan all delivering double-digit organic revenue growth.

Other developing and emerging markets also remained resilient, including Turkey, Poland, and China, each of which delivered double-digit organic revenue growth for the full year.

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

In addition, we continue to focus on executing and winning in the marketplace. For the full year, we gained savory snack share in Brazil, China, the U.K., India, Pakistan, Saudi Arabia, Spain, Turkey, Netherlands, Australia, and Chile, and gained beverage share in Mexico, Brazil, Australia, China, India, Egypt, Pakistan, Saudi Arabia, Vietnam and Nigeria.

As we move forward, we will continue to focus on growing our core categories in our largest markets where we have strong positions, and strategically expanding our portfolio offerings and positive choices to capture growth in attractive categories, channels, and occasions.

2023 Outlook and Guidance

For full year 2023, we assume that our categories will perform well, aided by our large, trusted brands that can deliver convenience, variety, and a strong value proposition to consumers.

And while consumers remain resilient, we are diligently monitoring spending patterns and behaviors in this dynamic and volatile macroeconomic environment and expect:

- Our North America beverage and convenient foods businesses to remain resilient; and
- Our international markets to perform well despite greater foreign exchange volatility in many markets.

And we remain focused on delivering at least $1 billion in productivity savings with our holistic cost management program in which all costs are treated like an investment and employees are encouraged to act like owners.

Specifically, for fiscal 2023, we expect:

- 6 percent organic revenue growth;
- 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 $6.7 billion in dividends and $1.0 billion in share repurchases.

Based on current market consensus rates, we 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 $7.20, a 6 percent increase compared to 2022 core earnings per share of $6.79.

As it relates to our 2023 capital allocation priorities, we will continue to prioritize the operating and growth needs of our business, including:

- Investments in our plants and manufacturing capacity, warehouses, and go-to-market systems across our entire business. This includes investments in our transportation fleet and additional capacity for our variety pack offerings;

- Investments in digitization and the simplification of our technology systems to drive productivity and help enhance our trade promotional management, forecast accuracy, and financial planning; and
- Investments in pep+, our roadmap for becoming the global leader in beverages and convenient foods and a leading actor in the transformation of the global food system.

Beyond making the necessary investments across our business, we also plan on returning significant cash to our shareholders by paying and growing our dividend.

We announced a 10 percent increase in our annualized dividend, effective with the dividend expected to be paid in June 2023. This will represent PepsiCo's 51st consecutive annualized dividend per share increase.

And for 2023, we expect our share repurchases to approximate $1.0 billion as we continue to prioritize capital investments to fortify our supply chain, technology infrastructure and go-to-market systems and strong, consistent dividend growth.

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.

To conclude, we believe we have the right people, strategies, and advantaged capabilities to win in the marketplace and make PepsiCo an even faster, even stronger, and even better organization in the future.

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