



PepsiCo Reports First-Quarter 2026 Results¹

- Net revenue increased 8.5% and organic revenue² increased 2.6%
- Earnings per share (EPS) increased 27%
- Core² EPS increased 9%
- Core constant currency² EPS increased 5%
- Company affirms fiscal 2026 financial guidance²

PURCHASE, N.Y. - April 16, 2026 - PepsiCo, Inc. (NASDAQ: PEP) today reported results for first-quarter 2026.

“We are pleased with our first-quarter results, which featured an acceleration in both net revenue and organic revenue growth – with a notable improvement in convenient foods organic volume. An extensive commercial agenda, which includes the restaging of large global brands, innovation activity and certain affordability initiatives, is being executed well and business performance improved,” said Chairman and CEO, Ramon Laguarta.

Laguarta continued, “We are encouraged with the resilience of the International business while North America continued to make progress in the first quarter. As we look ahead, we aim to successfully execute our commercial plans and tightly manage costs to help fund investments to accelerate growth. Therefore, we are affirming fiscal 2026 financial guidance and expected cash returns to shareholders – including the previously announced 4 percent increase in the annualized dividend per share beginning with the June 2026 payment, which will represent our 54th consecutive annual increase.”

First-Quarter Results Discussion

(\$ in millions, except EPS)	Q1 2026	Q1 2025	Change
Net revenue	\$19,443	\$17,919	8.5%
Organic revenue performance			2.6%
Operating profit	\$3,213	\$2,583	24%
Operating margin	16.5%	14.4%	210 bps
Core operating profit	\$3,050	\$2,789	9%
Core operating margin	15.7%	15.6%	10 bps
EPS	\$1.70	\$1.33	27%
Core EPS	\$1.61	\$1.48	9%
Core constant currency EPS			5%

¹ Versus the prior year.

² Please refer to the reconciliation of generally accepted accounting principles (GAAP) and non-GAAP information in the attached exhibits and to the Glossary for the definitions of non-GAAP financial measures, including “Organic revenue performance,” “Core” and “Constant currency,” and to “Guidance and Outlook” for additional information regarding PepsiCo’s full-year 2026 financial guidance. 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 Quarterly Report on Form 10-Q for the 12 weeks ended March 21, 2026 (Q1 2026 Form 10-Q) filed with the Securities and Exchange Commission (SEC) for additional information regarding PepsiCo’s financial results.

- Net revenue increased 8.5% due to a 3.4-percentage-point benefit from foreign exchange translation, 2.6% organic revenue growth, and a 2.5-percentage-point net benefit from acquisitions and divestitures. Organic revenue growth reflects the benefits associated with effective net pricing and a slight contribution from organic volume growth.
 - In North America, PepsiCo Foods and PepsiCo Beverages delivered a sequential acceleration in reported net revenue and organic revenue growth. PepsiCo Foods delivered volume growth as innovation and affordability initiatives began to take hold. PepsiCo Beverages volume trends also improved sequentially and versus the prior year.
 - The international businesses performed well with each segment delivering a sequential acceleration in net revenue growth. Organic revenue growth was aided by good performance in Asia Pacific Foods; Europe, Middle East and Africa; and International Beverages Franchise while Latin America Foods remained resilient.
- Operating profit increased 24% and operating margin expanded 210 basis points. This reflects a core operating profit increase of 9%, with core operating margin expansion of 10 basis points, a favorable impact of net mark-to-market gains on commodity derivatives and a favorable net impact of acquisition and divestiture-related charges/credits. Core operating profit performance was primarily driven by productivity savings, net revenue growth and a 4-percentage-point benefit from foreign exchange translation, partially offset by certain operating cost increases.
- EPS increased 27% and core EPS increased 9%, primarily driven by the operating profit growth.

Summary First-Quarter 2026 Performance

	Revenue				Volume ^(a)	
	GAAP Reported % Change	Percentage Point Impact		Organic % Change	% Change	
		Foreign Exchange Translation	Acquisitions and Divestitures		Convenient Foods	Beverages
PepsiCo Foods North America (PFNA)	2	—	(1)	1	2	
PepsiCo Beverages North America (PBNA)	9	—	(7)	2		(2.5)
International Beverages Franchise (IB Franchise)	9	(4)	—	5		0.5
Europe, Middle East and Africa (EMEA)	18	(12)	—	7	9	2
Latin America Foods (LatAm Foods)	16	(13)	—	3	(2)	
Asia Pacific Foods	11	(4)	—	7	9	
Total	9	(3)	(2.5)	3	4	—

	Operating Profit and EPS			
	GAAP Reported % Change	Percentage Point Impact		Core Constant Currency % Change
		Items Affecting Comparability	Foreign Exchange Translation	
PFNA	(7)	2.5	—	(5)
PBNA	60	(53)	—	7
IB Franchise	16	2	(4)	14
EMEA	27	3	(12)	17
LatAm Foods	24	(1)	(16)	7
Asia Pacific Foods	36	(1)	(6)	30
Corporate unallocated expenses	(53)	45	—	(8)
Total	24	(15)	(4)	5
EPS	27	(18)	(4)	5

(a) Excludes the impact of acquisitions and divestitures. In certain instances, the volume change shown here differs from the impact of organic volume change on net revenue performance disclosed in the Organic Revenue Performance table on page A-7, due to the impacts of product mix, nonconsolidated joint venture volume, and, for our franchise beverage businesses, temporary timing differences between bottler case sales (BCS) and concentrate shipments and equivalents (CSE). We report net revenue from our franchise beverage businesses based on CSE. The volume sold by our nonconsolidated joint ventures has no direct impact on our net revenue.

Note: Amounts may not sum due to rounding.

Organic revenue 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 revenue performance,” “Core” and “Constant currency.”

Fiscal 2026 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 2026, the Company continues to expect:

- Organic revenue to increase between 2 and 4 percent;
- Core constant currency EPS to increase between 4 and 6 percent;
- A core annual effective tax rate of approximately 22 percent;
- Capital spending to be below 5 percent of net revenue;
- A free cash flow conversion ratio of at least 80 percent; and
- Total cash returns to shareholders of approximately \$8.9 billion, comprised of dividends of \$7.9 billion and share repurchases of \$1.0 billion.

The Company also continues to expect a foreign exchange translation tailwind of approximately 1 percentage point to benefit reported net revenue and core EPS growth, based on current foreign exchange rates. In addition, acquisitions, net of divestitures, that occurred in 2025 are expected to contribute 1 percentage point to reported net revenue growth in 2026.

The assumptions and the guidance above imply net revenue growth within a range of 4 to 6 percent and core EPS growth of approximately 5 to 7 percent in fiscal 2026, which includes the anticipated impact of global minimum tax regulations.

Prepared Management Remarks and Live Question and Answer Webcast

At approximately 6:00 a.m. (Eastern time) on April 16, 2026, the Company will post prepared management remarks (in pdf format) regarding its first quarter results and business update, including its outlook for 2026, at <https://www.pepsico.com/investors>. At 8:15 a.m. (Eastern time) on April 16, 2026, 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 <https://www.pepsico.com/investors>.

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PepsiCo, Inc. and Subsidiaries
Condensed Consolidated Statement of Income
(in millions, except per share amounts, unaudited)

	12 Weeks Ended	
	3/21/2026	3/22/2025
Net Revenue	\$ 19,443	\$ 17,919
Cost of sales	8,712	7,926
Gross profit	10,731	9,993
Selling, general and administrative expenses	7,518	7,410
Operating Profit	3,213	2,583
Other pension and retiree medical benefits income	58	23
Net interest expense and other	(301)	(264)
Income before income taxes	2,970	2,342
Provision for income taxes	632	499
Net income	2,338	1,843
Less: Net income attributable to noncontrolling interests	11	9
Net Income Attributable to PepsiCo	<u>\$ 2,327</u>	<u>\$ 1,834</u>
Diluted		
Net income attributable to PepsiCo per common share	\$ 1.70	\$ 1.33
Weighted-average common shares outstanding	1,371	1,376

PepsiCo, Inc. and Subsidiaries
Condensed Consolidated Statement of Cash Flows
(in millions, unaudited)

	12 Weeks Ended	
	3/21/2026	3/22/2025
Operating Activities		
Net income	\$ 2,338	\$ 1,843
Depreciation and amortization	742	684
Operating lease right-of-use asset amortization	162	145
Share-based compensation expense	93	77
Restructuring and impairment charges	133	213
Cash payments for restructuring charges	(145)	(232)
Acquisition and divestiture-related charges/credits	(113)	25
Cash payments for acquisition and divestiture-related charges	(14)	(13)
Pension and retiree medical plan expenses	13	48
Pension and retiree medical plan contributions	(270)	(317)
Deferred income taxes and other tax charges and credits	226	111
Change in assets and liabilities:		
Accounts and notes receivable	(530)	(318)
Inventories	(315)	(238)
Prepaid expenses and other current assets	(406)	(307)
Accounts payable and other current liabilities	(1,847)	(2,671)
Income taxes payable	131	223
Other, net	(157)	(246)
Net Cash Provided by/(Used for) Operating Activities	41	(973)
Investing Activities		
Capital spending	(447)	(603)
Sales of property, plant and equipment	13	132
Acquisitions, net of cash acquired, investments in noncontrolled affiliates and purchases of intangible and other assets	(67)	(1,200)
Short-term investments, by original maturity:		
More than three months - maturities	—	425
More than three months - sales	14	—
Three months or less, net	(9)	16
Other investing, net	19	(2)
Net Cash Used for Investing Activities	(477)	(1,232)

(Continued on following page)

PepsiCo, Inc. and Subsidiaries
Condensed Consolidated Statement of Cash Flows (continued)
(in millions, unaudited)

	12 Weeks Ended	
	3/21/2026	3/22/2025
Financing Activities		
Proceeds from issuances of long-term debt	\$ 2,964	\$ 3,505
Payments of long-term debt	(1,629)	(1,541)
Short-term borrowings, by original maturity:		
More than three months - proceeds	1,937	3,656
More than three months - payments	(676)	(2,119)
Three months or less, net	1,198	373
Cash dividends paid	(1,966)	(1,882)
Share repurchases	(182)	(183)
Proceeds from exercises of stock options	93	50
Withholding tax payments on restricted stock units and performance stock units converted	(76)	(89)
Other financing	(1)	(2)
Net Cash Provided by Financing Activities	1,662	1,768
Effect of exchange rate changes on cash and cash equivalents and restricted cash	121	203
Net Increase/(Decrease) in Cash and Cash Equivalents and Restricted Cash	1,347	(234)
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	9,204	8,553
Cash and Cash Equivalents and Restricted Cash, End of Period	\$ 10,551	\$ 8,319
Supplemental Non-Cash Activity		
Right-of-use assets obtained in exchange for lease obligations	\$ 114	\$ 166

PepsiCo, Inc. and Subsidiaries
Condensed Consolidated Balance Sheet
(in millions, except per share amounts)

(unaudited)
3/21/2026 12/27/2025

ASSETS		
Current Assets		
Cash and cash equivalents	\$ 10,475	\$ 9,159
Short-term investments	353	371
Accounts and notes receivable, net	12,171	11,506
Inventories:		
Raw materials and packaging	2,714	2,581
Work-in-process	133	143
Finished goods	3,364	3,121
	<u>6,211</u>	<u>5,845</u>
Prepaid expenses and other current assets	1,706	1,068
Total Current Assets	<u>30,916</u>	<u>27,949</u>
Property, Plant and Equipment, net	29,807	29,905
Amortizable Intangible Assets, net	1,209	1,219
Goodwill	19,021	18,916
Other Indefinite-Lived Intangible Assets	13,934	13,847
Investments in Noncontrolled Affiliates	2,135	2,038
Deferred Income Taxes	4,560	4,541
Other Assets	9,064	8,984
Total Assets	<u>\$ 110,646</u>	<u>\$ 107,399</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt obligations	\$ 10,151	\$ 6,861
Accounts payable and other current liabilities	24,326	25,903
Total Current Liabilities	<u>34,477</u>	<u>32,764</u>
Long-Term Debt Obligations	42,577	42,321
Deferred Income Taxes	4,048	3,802
Other Liabilities	8,008	7,965
Total Liabilities	<u>89,110</u>	<u>86,852</u>
Commitments and contingencies		
PepsiCo Common Shareholders' Equity		
Common stock, par value 1 ² / ₃ ¢ per share (authorized 3,600 shares; issued, net of repurchased common stock at par value: 1,368 and 1,367 shares, respectively)	23	23
Capital in excess of par value	4,401	4,451
Retained earnings	73,165	72,788
Accumulated other comprehensive loss	(14,342)	(15,024)
Repurchased common stock, in excess of par value (499 and 500 shares, respectively)	(41,864)	(41,832)
Total PepsiCo Common Shareholders' Equity	<u>21,383</u>	<u>20,406</u>
Noncontrolling interests	153	141
Total Equity	<u>21,536</u>	<u>20,547</u>
Total Liabilities and Equity	<u>\$ 110,646</u>	<u>\$ 107,399</u>

Non-GAAP Measures

In discussing financial results and guidance, the Company refers to the following measures which are not in accordance with U.S. Generally Accepted Accounting Principles (GAAP): organic revenue performance, core results, core constant currency results, free cash flow and free cash flow conversion. We use 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; charges and credits associated with acquisitions and divestitures; gains associated with divestitures; asset impairment charges (non-cash); product recall-related impact; pension and retiree medical-related amounts, including all settlement and curtailment gains and losses; charges or adjustments related to the enactment of new laws, rules or regulations, such as tax law changes; amounts related to the resolution of tax positions; tax benefits related to reorganizations of our operations; and debt redemptions, cash tender or exchange offers. See below for a description of adjustments to our GAAP financial measures included herein.

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 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.

Glossary

We use the following definitions when referring to our non-GAAP financial measures:

Acquisitions and divestitures: mergers and acquisitions activity, as well as divestitures and other structural changes, including changes in ownership or control in consolidated subsidiaries and nonconsolidated equity investees.

Bottler case sales (BCS): Measure of physical beverage volume shipped to retailers and independent distributors from both PepsiCo and our independent bottlers.

Concentrate shipments and equivalents (CSE): Measure of our physical beverage volume shipments to independent bottlers.

Constant currency: Financial results assuming constant foreign currency exchange rates used for translation based on the rates in effect for the comparable prior-year period. In order to compute our constant currency results, we multiply or divide, as appropriate, our current-year U.S. dollar results by the current-year average foreign exchange rates and then multiply or divide, as appropriate, those amounts by the prior-year average foreign exchange rates. We also apply the constant currency calculation for our subsidiaries operating in highly inflationary economies.

Core: Core results are non-GAAP financial measures which exclude certain items from our financial results. For further information regarding these excluded items, refer to “Items Affecting Comparability” in “Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Q1 2026 Form 10-Q and in “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K for the fiscal year ended December 27, 2025. For the periods presented, core results exclude the following items:

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 segment results when the segments 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, which was expanded and extended through the end of 2030 to take advantage of additional opportunities within the initiatives of the plan.

Acquisition and divestiture-related charges/credits

Acquisition and divestiture-related charges/credits include merger and integration charges, transaction expenses, such as consulting, advisory and other professional fees, as well as fair value adjustments to contingent consideration. Merger and integration charges include employee-related costs, closing costs and other integration costs.

Effective net pricing: Reflects the year-over-year impact of discrete pricing actions, sales incentive activities and mix resulting from selling varying products in different package sizes and in different countries.

Free cash flow: Net cash from operating activities less capital spending, plus sales of property, plant and equipment. Since net capital spending (capital spending less cash proceeds from sales of property, plant and equipment) is essential to our product innovation initiatives and maintaining our operational capabilities, we believe that it is a recurring and necessary use of cash. As such, we believe investors should also consider net capital spending when evaluating our cash from operating activities. Free cash flow is used by us primarily for acquisitions and financing activities, including debt repayments, dividends and share repurchases. Free cash flow is not a measure of cash available for discretionary expenditures since we have certain non-discretionary obligations such as debt service that are not deducted from the measure.

Free cash flow conversion: Free cash flow divided by core net income attributable to PepsiCo.

Organic revenue performance: A measure that adjusts for the impacts of foreign exchange translation (on a constant currency basis, as defined above), acquisitions and divestitures, and every five or six years, the impact of an additional week of results. We also apply the constant currency calculation for our subsidiaries operating in highly inflationary economies. We believe organic revenue performance provides useful information in evaluating the results of our business because it adjusts for items that we believe are not indicative of ongoing performance or that we believe impact comparability with the prior year.

2026 guidance

Our 2026 organic revenue performance guidance adjusts for the impacts of foreign exchange translation (on a constant currency basis, as defined above) and acquisitions and divestitures. Our 2026 core effective tax rate guidance, our 2026 core constant currency EPS growth guidance and our projected 2026 core net income attributable to PepsiCo (a component of free cash flow conversion ratio) exclude the mark-to-market net impact included in corporate unallocated expenses, restructuring and impairment charges and other items noted above. Our 2026 core constant currency EPS growth guidance also excludes the impact of foreign exchange translation. We are unable to reconcile our full year projected 2026 organic revenue growth to our full year projected 2026 reported net revenue growth because we are unable to predict the 2026 impact of foreign exchange due to the unpredictability of future changes in foreign exchange rates and because we are unable to predict the occurrence or impact of any acquisitions and divestitures. We are also not able to reconcile our full year projected 2026 core effective tax rate to our full year projected 2026 reported effective tax rate, our full year projected 2026 core constant currency EPS growth to our full year projected 2026 reported EPS growth and our full year projected 2026 core net income attributable to PepsiCo (a component of free cash flow conversion ratio) to our full year projected 2026 reported net income, because we are unable to predict the 2026 impact of foreign exchange or the mark-to-market net impact on commodity derivatives due to the unpredictability of future changes in foreign exchange rates and commodity prices. Therefore, we are unable to provide a reconciliation of these measures, without unreasonable effort.

PepsiCo, Inc. and Subsidiaries
Reconciliation of GAAP and Non-GAAP Information
Organic Revenue Performance
12 Weeks Ended March 21, 2026
(dollars in millions, unaudited)

	12 Weeks Ended 3/21/2026						
	PFNA	PBNA	IB Franchise	EMEA	LatAm Foods	Asia Pacific Foods	Total
Reported Net Revenue, GAAP measure	\$ 6,332	\$ 6,391	\$ 824	\$ 2,823	\$ 1,934	\$ 1,139	\$ 19,443
Impact of foreign exchange translation ^(a)	(19)	(18)	(28)	(279)	(221)	(43)	(608)
Impact of acquisitions and structural changes	(54)	(405)	—	—	—	—	(459)
Organic Revenue, non-GAAP measure ^(b)	<u>\$ 6,259</u>	<u>\$ 5,968</u>	<u>\$ 796</u>	<u>\$ 2,544</u>	<u>\$ 1,713</u>	<u>\$ 1,096</u>	<u>\$ 18,376</u>
Prior Year Reported Net Revenue, GAAP measure	\$ 6,213	\$ 5,876	\$ 759	\$ 2,388	\$ 1,661	\$ 1,022	\$ 17,919
Impact of divestitures	—	(11)	—	—	—	—	(11)
Prior Year Organic Revenue, non-GAAP measure ^(b)	<u>\$ 6,213</u>	<u>\$ 5,865</u>	<u>\$ 759</u>	<u>\$ 2,388</u>	<u>\$ 1,661</u>	<u>\$ 1,022</u>	<u>\$ 17,908</u>
Reported Net Revenue % Change, GAAP measure	2	9	9	18	16	11	9
Impact of foreign exchange translation	—	—	(4)	(12)	(13)	(4)	(3)
Impact of acquisitions and divestitures	(1)	(7)	—	—	—	—	(2.5)
Organic Revenue % Change, non-GAAP measure ^(c)	<u>1</u>	<u>2</u>	<u>5</u>	<u>7</u>	<u>3</u>	<u>7</u>	<u>3</u>
Impact on % Change of:							
Organic volume change ^(d)	2	(4)	(3)	6	(2)	10	—
Effective net pricing	(1)	6	8	—	5.5	(2)	2

(a) Represents the adjustment needed to reflect translation of revenue using prior-year period foreign currency exchange rates.

(b) Represents underlying amount, not in accordance with GAAP, used in the calculation of Organic Revenue Performance, which is a financial measure that is not in accordance with GAAP. See pages A-5 through A-6 for further discussion.

(c) A financial measure that is not in accordance with GAAP. See pages A-5 through A-6 for further discussion.

(d) Excludes the impact of acquisitions and divestitures. In certain instances, the impact of organic volume change on net revenue performance differs from the unit volume change disclosed in the Summary First-Quarter 2026 Performance table on page 3 due to the impacts of product mix, nonconsolidated joint venture volume, and, for our franchise beverage businesses, temporary timing differences between BCS and CSE. We report net revenue from our franchise beverage businesses based on CSE. The volume sold by our nonconsolidated joint ventures has no direct impact on our net revenue.

Note – Amounts may not sum due to rounding.

PepsiCo, Inc. and Subsidiaries
Reconciliation of GAAP and Non-GAAP Information (continued)
Certain Line Items by Segment
12 Weeks Ended March 21, 2026
(dollars in millions, unaudited)

	PFNA	PBNA	IB Franchise	EMEA	LatAm Foods	Asia Pacific Foods	Corporate Unallocated Expenses	Total	
Reported Cost of Sales, GAAP measure	\$ 2,404	\$ 2,991	\$ 234	\$ 1,681	\$ 780	\$ 657	\$ (35)	\$ 8,712	
Mark-to-market net impact	—	—	—	—	—	—	35	35	
Restructuring and impairment charges	(12)	1	—	(8)	—	—	—	(19)	
Core Cost of Sales, non-GAAP measure ^(a)	<u>\$ 2,392</u>	<u>\$ 2,992</u>	<u>\$ 234</u>	<u>\$ 1,673</u>	<u>\$ 780</u>	<u>\$ 657</u>	<u>\$ —</u>	<u>\$ 8,728</u>	
									Gross Margin
Reported Gross Profit, GAAP measure	\$ 3,928	\$ 3,400	\$ 590	\$ 1,142	\$ 1,154	\$ 482	\$ 35	\$ 10,731	55.2 %
Mark-to-market net impact	—	—	—	—	—	—	(35)	(35)	(0.2)
Restructuring and impairment charges	12	(1)	—	8	—	—	—	19	0.1
Core Gross Profit, non-GAAP measure ^(a)	<u>\$ 3,940</u>	<u>\$ 3,399</u>	<u>\$ 590</u>	<u>\$ 1,150</u>	<u>\$ 1,154</u>	<u>\$ 482</u>	<u>\$ —</u>	<u>\$ 10,715</u>	<u>55.1 %</u>
Reported Selling, General and Administrative Expenses, GAAP measure	\$ 2,499	\$ 2,664	\$ 269	\$ 864	\$ 726	\$ 265	\$ 231	\$ 7,518	
Mark-to-market net impact	—	—	—	—	—	—	147	147	
Restructuring and impairment charges	(63)	(18)	(7)	(15)	(3)	(1)	(6)	(113)	
Acquisition and divestiture-related charges/ credits	(1)	114	—	—	—	—	—	113	
Core Selling, General and Administrative Expenses, non-GAAP measure ^(a)	<u>\$ 2,435</u>	<u>\$ 2,760</u>	<u>\$ 262</u>	<u>\$ 849</u>	<u>\$ 723</u>	<u>\$ 264</u>	<u>\$ 372</u>	<u>\$ 7,665</u>	
									Operating Margin
Reported Operating Profit, GAAP measure	\$ 1,429	\$ 736	\$ 321	\$ 278	\$ 428	\$ 217	\$ (196)	\$ 3,213	16.5 %
Mark-to-market net impact	—	—	—	—	—	—	(182)	(182)	(0.9)
Restructuring and impairment charges	75	17	7	23	3	1	6	132	0.7
Acquisition and divestiture-related charges/ credits	1	(114)	—	—	—	—	—	(113)	(0.6)
Core Operating Profit, non-GAAP measure ^(a)	<u>1,505</u>	<u>639</u>	<u>328</u>	<u>301</u>	<u>431</u>	<u>218</u>	<u>(372)</u>	<u>3,050</u>	<u>15.7 %</u>
Impact of foreign exchange translation ^(b)	(4)	(3)	(11)	(29)	(56)	(9)	—	(112)	
Core Constant Currency Operating Profit, non-GAAP measure ^(a)	<u>\$ 1,501</u>	<u>\$ 636</u>	<u>\$ 317</u>	<u>\$ 272</u>	<u>\$ 375</u>	<u>\$ 209</u>	<u>\$ (372)</u>	<u>\$ 2,938</u>	
Reported Operating Profit % Change, GAAP measure	(7)	60	16	27	24	36	(53)	24	
Core Operating Profit % Change, non-GAAP measure ^(a)	(4)	7	18	29	23	35	(8)	9	
Core Constant Currency Operating Profit % Change, non-GAAP measure ^(a)	(5)	7	14	17	7	30	(8)	5	

(a) A financial measure that is not in accordance with GAAP. See pages A-5 through A-6 for further discussion.

(b) Represents the adjustment needed to reflect translation of operating profit using prior-year period foreign currency exchange rates.

Note – Amounts may not sum due to rounding.

PepsiCo, Inc. and Subsidiaries
Reconciliation of GAAP and Non-GAAP Information (continued)
Certain Line Items by Segment (continued)
12 Weeks Ended March 22, 2025
(dollars in millions, unaudited)

	PFNA	PBNA	IB Franchise	EMEA	LatAm Foods	Asia Pacific Foods	Corporate Unallocated Expenses	Total	
Reported Cost of Sales, GAAP measure	\$ 2,348	\$ 2,659	\$ 212	\$ 1,408	\$ 698	\$ 612	\$ (11)	\$ 7,926	
Mark-to-market net impact	—	—	—	—	—	—	11	11	
Restructuring and impairment charges	—	—	—	(1)	—	—	—	(1)	
Core Cost of Sales, non-GAAP measure ^(a)	<u>\$ 2,348</u>	<u>\$ 2,659</u>	<u>\$ 212</u>	<u>\$ 1,407</u>	<u>\$ 698</u>	<u>\$ 612</u>	<u>\$ —</u>	<u>\$ 7,936</u>	
									Gross Margin
Reported Gross Profit, GAAP measure	\$ 3,865	\$ 3,217	\$ 547	\$ 980	\$ 963	\$ 410	\$ 11	\$ 9,993	55.8 %
Mark-to-market net impact	—	—	—	—	—	—	(11)	(11)	(0.1)
Restructuring and impairment charges	—	—	—	1	—	—	—	1	—
Core Gross Profit, non-GAAP measure ^(a)	<u>\$ 3,865</u>	<u>\$ 3,217</u>	<u>\$ 547</u>	<u>\$ 981</u>	<u>\$ 963</u>	<u>\$ 410</u>	<u>\$ —</u>	<u>\$ 9,983</u>	<u>55.7 %</u>
Reported Selling, General and Administrative Expenses, GAAP measure	\$ 2,329	\$ 2,757	\$ 270	\$ 760	\$ 619	\$ 250	\$ 425	\$ 7,410	
Mark-to-market net impact	—	—	—	—	—	—	5	5	
Restructuring and impairment charges	(24)	(125)	(2)	(12)	(7)	(1)	(25)	(196)	
Acquisition and divestiture-related charges/ credits	(15)	(10)	—	—	—	—	—	(25)	
Core Selling, General and Administrative Expenses, non-GAAP measure ^(a)	<u>\$ 2,290</u>	<u>\$ 2,622</u>	<u>\$ 268</u>	<u>\$ 748</u>	<u>\$ 612</u>	<u>\$ 249</u>	<u>\$ 405</u>	<u>\$ 7,194</u>	
									Operating Margin
Reported Operating Profit, GAAP measure	\$ 1,536	\$ 460	\$ 277	\$ 220	\$ 344	\$ 160	\$ (414)	\$ 2,583	14.4 %
Mark-to-market net impact	—	—	—	—	—	—	(16)	(16)	(0.1)
Restructuring and impairment charges	24	125	2	13	7	1	25	197	1.1
Acquisition and divestiture-related charges/ credits	15	10	—	—	—	—	—	25	0.1
Core Operating Profit, non-GAAP measure ^(a)	<u>\$ 1,575</u>	<u>\$ 595</u>	<u>\$ 279</u>	<u>\$ 233</u>	<u>\$ 351</u>	<u>\$ 161</u>	<u>\$ (405)</u>	<u>\$ 2,789</u>	<u>15.6 %</u>

(a) A financial measure that is not in accordance with GAAP. See pages A-5 through A-6 for further discussion.

Note – Amounts may not sum due to rounding.

PepsiCo, Inc. and Subsidiaries
Reconciliation of GAAP and Non-GAAP Information (continued)
Certain Line Items
12 Weeks Ended March 21, 2026 and March 22, 2025
(dollars in millions, except per share amounts, unaudited)

	12 Weeks Ended 3/21/2026				
	Other pension and retiree medical benefits income	Provision for income taxes ^(a)	Net income attributable to PepsiCo	Net income attributable to PepsiCo per common share - diluted	Effective tax rate ^(b)
Reported, GAAP measure	\$ 58	\$ 632	\$ 2,327	\$ 1.70	21.3 %
Items Affecting Comparability					
Mark-to-market net impact	—	(43)	(139)	(0.10)	(0.2)
Restructuring and impairment charges	1	31	102	0.07	0.1
Acquisition and divestiture-related charges/credits	—	(27)	(86)	(0.06)	(0.1)
Core, non-GAAP measure ^(c)	\$ 59	\$ 593	\$ 2,204	\$ 1.61	21.1 %

	12 Weeks Ended 3/22/2025				
	Other pension and retiree medical benefits income	Provision for income taxes ^(a)	Net income attributable to PepsiCo	Net income attributable to PepsiCo per common share - diluted	Effective tax rate ^(b)
Reported, GAAP measure	\$ 23	\$ 499	\$ 1,834	\$ 1.33	21.3 %
Items Affecting Comparability					
Mark-to-market net impact	—	(3)	(13)	(0.01)	—
Restructuring and impairment charges	16	22	191	0.14	(0.9)
Acquisition and divestiture-related charges/credits	—	6	19	0.01	—
Core, non-GAAP measure ^(c)	\$ 39	\$ 524	\$ 2,031	\$ 1.48	20.4 %

(a) Provision for income taxes is the expected tax charge/benefit on the underlying item based on the tax laws and income tax rates applicable to the underlying item in its corresponding tax jurisdiction.

(b) The impact of items affecting comparability on our effective tax rate represents the difference in the effective tax rate resulting from a higher or lower tax rate as applicable to the items affecting comparability.

(c) A financial measure that is not in accordance with GAAP. See pages A-5 through A-6 for further discussion.

Note – Amounts may not sum due to rounding.

Cautionary Statement

Statements in this communication that are “forward-looking statements,” including our 2026 guidance and outlook are based on currently available information, operating plans and projections about future events and trends. Terminology such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “expressed confidence,” “forecast,” “future,” “goal,” “guidance,” “intend,” “may,” “objective,” “outlook,” “plan,” “position,” “potential,” “project,” “seek,” “should,” “strategy,” “target,” “will” or similar statements or variations of such words and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such terms. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such forward-looking statements. Such risks and uncertainties include, but are not limited to: future demand for PepsiCo’s products; damage to PepsiCo’s reputation or brand image; product recalls or other issues or concerns with respect to product quality and safety; PepsiCo’s ability to compete effectively; PepsiCo’s ability to attract, develop and maintain a highly skilled workforce or effectively manage changes in our workforce; water scarcity; changes in the retail landscape or in sales to any key customer; disruption of PepsiCo’s manufacturing operations or supply chain, including increased commodity, packaging, transportation, labor and other input costs; political, social or geopolitical conditions in the markets where PepsiCo’s products are made, manufactured, distributed or sold; PepsiCo’s ability to grow its business in developing and emerging markets; changes in economic conditions in the countries in which PepsiCo operates; changes in tariffs and global trade relations; future cyber incidents and other disruptions to our information systems; failure to successfully complete or manage strategic transactions; PepsiCo’s reliance on third-party service providers and enterprise-wide systems; climate change or measures to address climate change and other sustainability matters; strikes or work stoppages; failure to realize benefits from PepsiCo’s productivity initiatives or organizational restructurings; deterioration in estimates and underlying assumptions regarding future performance of our business or investments that can result in impairment charges; fluctuations or other changes in exchange rates; any downgrade or potential downgrade of PepsiCo’s credit ratings; imposition or proposed imposition of new or increased taxes aimed at PepsiCo’s products; imposition of limitations on the marketing or sale of PepsiCo’s products; changes in laws and regulations related to the use or disposal of plastics or other packaging materials; failure to comply with personal data protection and privacy laws; increase in income tax rates, changes in income tax laws or disagreements with tax authorities; failure to adequately protect PepsiCo’s intellectual property rights or infringement on intellectual property rights of others; failure to comply with applicable laws and regulations; and potential liabilities and costs from litigation, claims, legal or regulatory proceedings, inquiries or investigations.

For additional information on these and other factors that could cause PepsiCo’s actual results to materially differ from those set forth herein, please see PepsiCo’s filings with the SEC, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.