



PEPSICO

FULL YEAR PERFORMANCE



2016



AND 2017 OUTLOOK

“

WE MET OR EXCEEDED EVERY FINANCIAL GOAL WE SET FOR 2016, WHILE DELIVERING A GOOD BALANCE BETWEEN REVENUE PERFORMANCE AND PRODUCTIVITY.

”

-INDRA NOOYI, CHAIRMAN & CEO

MET OR EXCEEDED 2016 FINANCIAL TARGETS¹

ORGANIC
REVENUE
GROWTH²

RESULT
3.7%

CORE
EPS³

RESULT
\$4.85

PRODUCTIVITY
SAVINGS

RESULT
MORE THAN
\$1 BILLION

CORE CONSTANT
CURRENCY
EPS GROWTH⁴

RESULT
9%

STRONG CASH GENERATION LEADING TO — ATTRACTIVE SHAREHOLDER RETURNS —

\$7.8 BILLION
FREE CASH FLOW⁵
(EXCLUDING CERTAIN ITEMS)

MEETING

MORE THAN
\$7 BILLION TARGET

\$7.2 BILLION
CASH RETURNS TO
SHAREHOLDERS

MEETING

APPROX.
\$7 BILLION TARGET

ANNOUNCED **45TH** CONSECUTIVE
ANNUALIZED **DIVIDEND INCREASE** IN 2017.⁶

DRIVING GROWTH THROUGH HEALTHIER INNOVATIONS

LAUNCHED **J7 APPLE JUICE** IN
RUSSIA WITH THE FIBER OF A
SINGLE APPLE IN EVERY GLASS

ACQUIRED **KEVITA**,
FERMENTED PROBIOTIC AND
KOMBUCHA BEVERAGES

LAUNCHED **NAKED COLD
PRESSED JUICES**

LAUNCHED **TROPICANA
ESSENTIALS PROBIOTICS**

MIRINDA & 7UP
WITH REDUCED SUGAR
ROLLING OUT
IN OVER 80 MARKETS

EXPANDING **QUAKER
BREAKFAST FLATS**
(<200 CAL PER SERVING)
TO +12 COUNTRIES

STRONG PERFORMANCE FROM NORTH AMERICA

FOR THE THIRD STRAIGHT YEAR, PEPSICO WAS THE SINGLE **LARGEST CONTRIBUTOR** TO U.S. RETAIL FOOD AND BEVERAGE GROWTH IN 2016, GENERATING **MORE RETAIL SALES** GROWTH THAN **ALL OTHER \$5 BILLION-PLUS** FOOD AND BEVERAGE MANUFACTURERS **COMBINED**.⁷

2017 FULL YEAR GUIDANCE¹

ORGANIC
REVENUE
GROWTH

AT LEAST
3%

CORE
EPS

\$5.09

CORE CONSTANT
CURRENCY
EPS GROWTH

8%

¹PepsiCo provides guidance on a non-GAAP basis as the Company cannot predict certain elements, which are included in reported GAAP results, including the impact of foreign exchange and commodity market-to-market adjustments. Based on current market consensus rates, forex is expected to negatively impact 2017 reported revenue by 3% and the 53rd week in 2016 is expected to negatively impact 2017 reported revenue by 1%. 2016 Core EPS was \$4.85. Based on current market consensus rates, forex is expected to negatively impact 2017 core EPS by 3%.

²Reported net revenue declined 0.4%. Organic revenue is a non-GAAP measure.

³Reported EPS was \$4.36 for fiscal year 2016. Core EPS is a non-GAAP measure.

⁴Reported EPS increased 19% from the prior year. Core constant currency EPS growth is a non-GAAP measure.

⁵Cash flow provided by operations was \$10.4 billion. Free cash flow (excluding certain items) is a non-GAAP measure.

⁶Expected to begin with our June 2017 payment.

⁷Source: IRI Total Store Advantage ILD; POS data ending 12/25/16. IRI Consulting analysis.

Forward-looking statements, including 2017 full year guidance, involve risk and uncertainties that could cause actual results to differ materially from those predicted. These risks/uncertainties include, but are not limited to: changes in demand for PepsiCo's products; changes in or failure to comply with, applicable laws and regulations; imposition of new or increased taxes; PepsiCo's ability to compete effectively; damage to PepsiCo's reputation or brand image; the ability to protect information systems against or effectively respond to a cyber attacks or other cyber incidents; and other factors discussed in PepsiCo's most recent filings with the SEC on Form 10-K, 10-Q and 8-K.