



PepsiCo: Frito-Lay North America

Presentation to Consumer Analyst Group of New York
February 21, 2018

Safe Harbor Statement & Non-GAAP Information



This presentation should be viewed in conjunction with PepsiCo's webcast presentation at the Consumer Analyst Group of New York Conference on February 21, 2018.

Safe Harbor Statement

Statements in this presentation that are "forward-looking statements," 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 terms 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: changes in demand for PepsiCo's products, as a result of changes in consumer preferences or otherwise; changes, or failure to comply with, applicable laws and regulations; imposition or proposed imposition of new or increased taxes aimed at PepsiCo's products; imposition of labeling or warning requirements on PepsiCo's products; changes in laws related to packaging and disposal of PepsiCo's products; PepsiCo's ability to compete effectively; political conditions, civil unrest or other developments and risks 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; uncertain or unfavorable economic conditions in the countries in which PepsiCo operates; the ability to protect information systems against, or effectively respond to, a cybersecurity incident or other disruption; increased costs, disruption of supply or shortages of raw materials and other supplies; business disruptions; product contamination or tampering or issues or concerns with respect to product quality, safety and integrity; damage to PepsiCo's reputation or brand image; failure to successfully complete or integrate acquisitions and joint ventures into PepsiCo's existing operations or to complete or manage divestitures or refranchisings; changes in estimates and underlying assumptions regarding future performance that could result in an impairment charge; increase in income tax rates, changes in income tax laws or disagreements with tax authorities; failure to realize anticipated benefits from PepsiCo's productivity initiatives or global operating model; PepsiCo's ability to recruit, hire or retain key employees or a highly skilled and diverse workforce; loss of any key customer or disruption to the retail landscape, including rapid growth in hard discounters and the e-commerce channel; any downgrade or potential downgrade of PepsiCo's credit ratings; PepsiCo's ability to implement shared services or utilize information technology systems and networks effectively; fluctuations or other changes in exchange rates; climate change or water scarcity, or legal, regulatory or market measures to address climate change or water scarcity; failure to successfully negotiate collective bargaining agreements, or strikes or work stoppages; infringement of intellectual property rights; potential liabilities and costs from litigation, claims, legal or regulatory proceedings, inquiries or investigations; and other factors that may adversely affect the price of PepsiCo's publicly traded securities and financial performance.

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 Securities and Exchange Commission, 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. PepsiCo undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Information

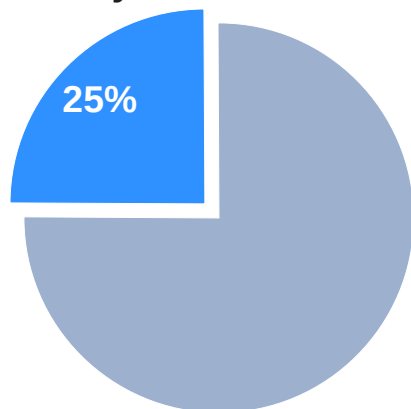
Please refer to the "Investors" section of PepsiCo's web site at www.pepsico.com under the heading "Events and Presentations" to find disclosure and a reconciliation of any non-GAAP financial measures.

PepsiCo 2017 financial highlights



Net Revenues

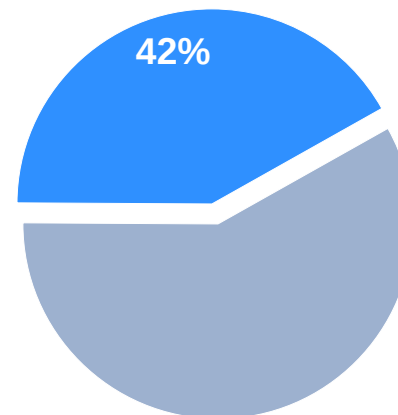
Frito-Lay North America



All Other Sectors

Division Operating Profit

Frito-Lay North America



All Other Sectors

FLNA has delivered industry-leading growth



3%

*Average 3-year
net revenue
growth*

6%

*Average 3-year
operating profit
growth*

#1

*Contributor to
3- year total F&B
dollar growth*

Source: IRI, MULOC L52W ending 2015-2017 for F&B growth

We are retail customers' most preferred supplier



Kantar Rankings ⁽¹⁾



PEPSICO

#1

- ✓ **Named top manufacturer for second year in a row**
- ✓ **Earned top marks in every category**
 - **Clearest Company Strategy**
 - **Most Important Brands**
 - **Best Combination of Growth & Profitability**
 - **Best Sales Force / Customer Teams**
 - **Most Innovative Marketing Approach**
 - **Best Consumer Shopper Insights**
 - **Best Supply Chain Management**
 - **Best Shopper Marketing Programs**
 - **Best Use of Digital Platforms**

Source: Kantar Retail, 2017

⁽¹⁾ Identifies the retailers and manufacturers currently setting the highest standards of performance, as viewed by their trading partners

Our momentum is strong



Strong performance...

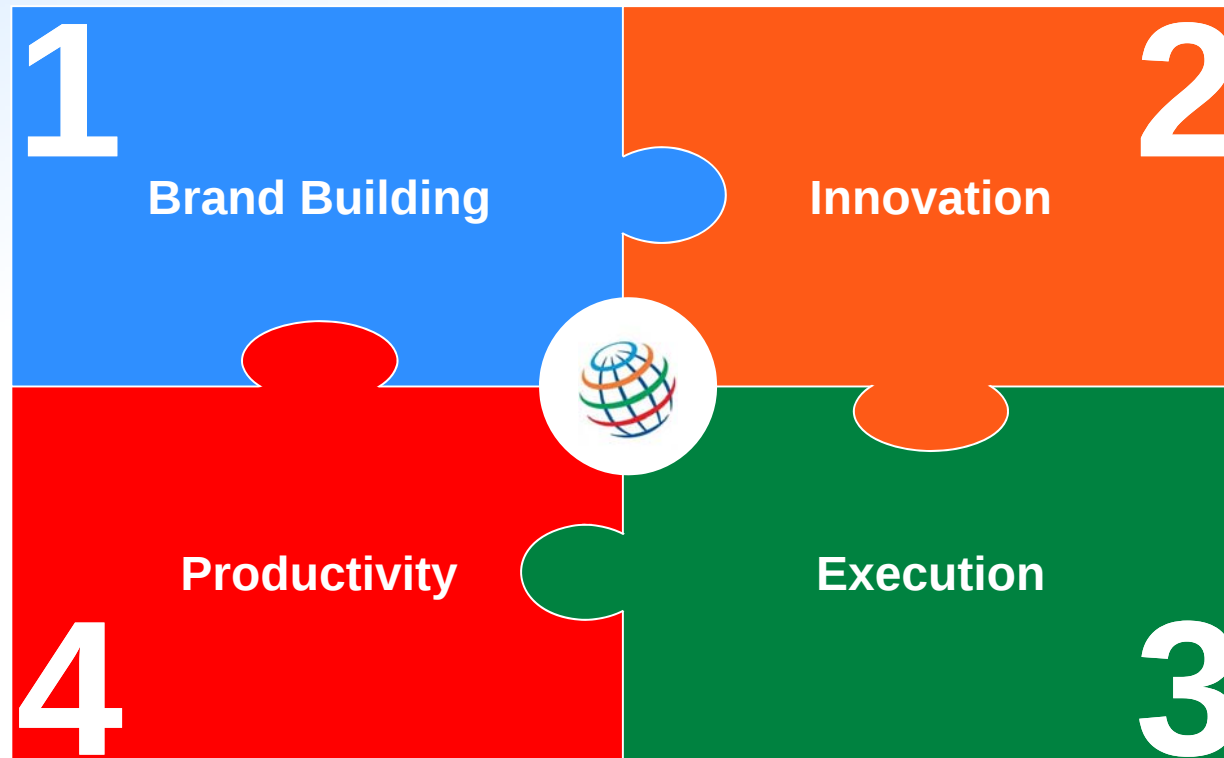


+48 bps
3-year Salty snack share gain

...fueled by innovation and
portfolio breadth



Agenda focused on four levers



Priority #1: Brand Building



Strong brands

Top 7

brands in Salty Snacks

~90%

of retail sales from brands
with #1 or #2 sub-category
share position

Iconic campaigns



A&M behind global brands



Priority #2: Innovation in the Core



2017



2018



Priority #2: Innovation in BFY



Growth in BFY Categories



Portfolio Transformation

2025 PepsiCo Goals



Reducing Sodium

At least 75% of our global foods portfolio volume will not exceed 1.3 mg per calorie



Reducing Saturated Fat

At least 75% of our global foods portfolio volume will not exceed 1.1 g per 100 calories



Increasing Positive Nutrition

Rate of sales growth of Everyday Nutrition will outpace sales growth of remaining portfolio

Priority #3: Execution – Precision DSD



Scale and Reach

~500,000

service calls/week

~300,000

retail stores served weekly

Differentiated Capabilities



- Computer Aided Ordering
- Merchandising with precision
- Advanced technology
- Labor efficiency

Priority #3: Execution – eCommerce



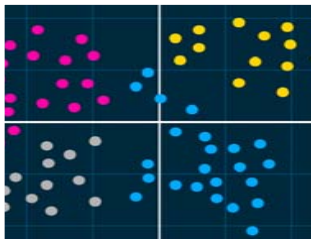
Investments in Capabilities, Talent, and Culture



Marketing



Supply Chain



Data Analytics



Team/Values

Brand Building



New Occasions



Portfolio breadth



Delivering Growth

Priority #4: Productivity

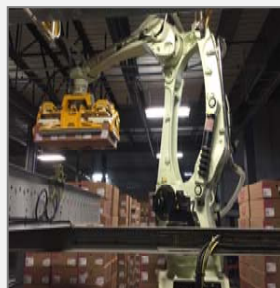


GES



Enabling greater
**efficiency and
portfolio breadth**

Automation



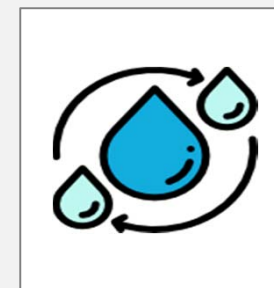
Unlocking
**zero-touch
supply chain**

Digital Capabilities



Streamlining via
**office automation,
machine learning**

Sustainability



Generating
additional
cost savings

Our Business Agenda is Delivering

