# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

# FORM 8-K

# **CURRENT REPORT**

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 5, 2021

# PepsiCo, Inc.

(Exact name of registrant as specified in its charter)

North Carolina (State or other jurisdiction of incorporation) 1-1183 (Commission File Number) 13-1584302 (IRS Employer Identification No.)

700 Anderson Hill Road, Purchase, New York 10577 (Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: (914) 253-2000

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, par value 1-2/3 cents per share	PEP	The Nasdaq Stock Market LLC
2.500% Senior Notes Due 2022	PEP22a	The Nasdaq Stock Market LLC
0.250% Senior Notes Due 2024	PEP24	The Nasdaq Stock Market LLC
2.625% Senior Notes Due 2026	PEP26	The Nasdaq Stock Market LLC
0.750% Senior Notes Due 2027	PEP27	The Nasdaq Stock Market LLC
0.875% Senior Notes Due 2028	PEP28	The Nasdaq Stock Market LLC
0.500% Senior Notes Due 2028	PEP28a	The Nasdaq Stock Market LLC
1.125% Senior Notes Due 2031	PEP31	The Nasdaq Stock Market LLC
0.400% Senior Notes Due 2032	PEP32	The Nasdaq Stock Market LLC
0.875% Senior Notes Due 2039	PEP39	The Nasdaq Stock Market LLC
1.050% Senior Notes Due 2050	PEP50	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company  $\Box$ 

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

#### Item 2.02. Results of Operations and Financial Condition.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or otherwise subject to the liabilities of that Section and shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise expressly stated in such filing.

Attached as Exhibit 99.1 and incorporated by reference into this Item 2.02 is a copy of the press release issued by PepsiCo, Inc. ("PepsiCo"), dated October 5, 2021, reporting PepsiCo's financial results for the 12 and 36 weeks ended September 4, 2021.

#### Item 9.01. Financial Statements and Exhibits.

#### (d) Exhibits

Exhibit No.	Description
<u>99.1</u>	Press Release issued by PepsiCo, Inc., dated October 5, 2021.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

# SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

# PEPSICO, INC.

Date: October 4, 2021

By:/s/ David FlavellName:David FlavellTitle:Executive Vice President, General Counsel and Corporate Secretary



# PepsiCo Reports Third-Quarter 2021 Results; Raises Full-Year Guidance

# Reported (GAAP) Third-Quarter and Year-to-Date 2021 Results

	Third-Quarter	Year-to-Date
Net revenue growth	11.6%	13.2%
Foreign exchange impact on net revenue	2%	2%
Earnings per share (EPS)	\$1.60	\$4.54
EPS change	(3)%	20%
Foreign exchange impact on EPS	2%	2%

# Organic/Core (non-GAAP)<sup>1</sup> Third-Quarter and Year-to-Date 2021 Results

	Third-Quarter	Year-to-Date
Organic revenue growth	9.0%	8.4%
Core EPS	\$1.79	\$4.73
Core constant currency EPS change	5.5%	15%

PURCHASE, N.Y. - October 5, 2021 - PepsiCo, Inc. (NASDAQ: PEP) today reported results for the third quarter 2021.

"We are pleased with our results for the third quarter as we delivered very strong net revenue growth while carefully navigating a dynamic and volatile supply chain and cost environment. Given our year-to-date performance, we now expect our full-year organic revenue to increase approximately 8 percent and core constant currency earnings per share to increase at least 11 percent," said Chairman and CEO Ramon Laguarta.

Laguarta continued, "Our strong year-to-date results demonstrate that the investments we have made towards becoming a Faster, Stronger, and Better company are working. To further complement and enhance our strategic framework, we recently introduced PepsiCo Positive (pep+), a fundamental end-to-end transformation of what we do and how we do it to create growth and shared value with sustainability and human capital at the center. We are extremely pleased with the progress we are making on our strategic agenda, and remain committed to the investments in our people, supply chain, plants, go-to-market systems, and digitization initiatives to build competitive advantages and win in the marketplace."

<sup>&</sup>lt;sup>1</sup>Please refer to the Glossary for the definitions of non-GAAP financial measures, including "Organic," "Core" and "Constant Currency," and to "Guidance and Outlook" for additional information regarding PepsiCo's full-year 2021 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 and 36 weeks ended September 4, 2021 (Q3 2021 Form 10-Q) filed with the SEC for additional information regarding PepsiCo's financial results.

# Summary Third-Quarter 2021 Performance

		Re	Volu	me <sup>(a)</sup>			
		Percentag	e Point Impact		% Ch	ange	
	GAAP Reported % Change	Foreign Exchange Translation	Acquisitions, Divestitures, and Other Structural Changes	Organic % Change	Food/Snack	Beverage	
Frito-Lay North America	6	(0.5)	—	5	1		
Quaker Foods North America	2	(1)	—	1	(4)		
PepsiCo Beverages North America	7	(0.5)	—	7		3	
Latin America	27	(8)	—	19	5	9	
Europe	9	_	—	8	5	7	
Africa, Middle East and South Asia	33	(8)	(5)	20	5	18	
Asia Pacific, Australia and New Zealand and China Region	27	(7)	(5)	15	11	9	
Total	12	(2)	(1)	9	4	8	

# **Operating Profit and EPS**

		Percentage Point Impact							
	GAAP Reported % Change	Items Affecting Comparability	Foreign Exchange Translation	Core Constant Currency % Change					
Frito-Lay North America	—	—	—	_					
Quaker Foods North America	(27)	_	—	(27)					
PepsiCo Beverages North America	11	(6)	(1)	4					
Latin America	57	3	(13)	47					
Europe	(8)	2	—	(7)					
Africa, Middle East and South Asia	63	(7)	(3.5)	52					
Asia Pacific, Australia and New Zealand and China Region	23	(4)	(3)	16					
Corporate unallocated expenses	57	(37)	—	20					
Total	5	2	(2)	5					
EPS	(3)	10	(2)	5.5					

(a) Excludes the impact of acquisitions and divestitures. In certain instances, the impact of organic volume growth on net revenue growth differs from the unit volume change due to product mix, nonconsolidated joint venture volume, and, for our beverage businesses, temporary timing differences between bottler case sales and concentrate shipments and equivalents (CSE). Our net revenue excludes nonconsolidated joint venture volume, and, for our franchise-owned beverage businesses, is based on CSE.

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," "Core" and "Constant Currency."

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### Summary Year-to-Date 2021 Performance

		Re	Volu	me <sup>(a)</sup>			
		Percentag	e Point Impact		% Ch	ange	
	GAAP Reported % Change	Foreign Exchange Translation	Acquisitions, Divestitures, and Other Structural Changes	Organic % Change	Food/Snack	Beverage	
Frito-Lay North America	5.5	(1)	—	5	1		
Quaker Foods North America	(3.5)	(1)	_	(4)	(10)		
PepsiCo Beverages North America	12	(1)	(2)	10		5	
Latin America	17	(4)	—	13	3	7	
Europe	10	(1)	_	9	5	11	
Africa, Middle East and South Asia	45	(7)	(24)	14	3	20	
Asia Pacific, Australia and New Zealand and China Region	43	(8)	(22)	13	7	15	
Total	13	(2)	(3)	8	2	11	

# **Operating Profit and EPS**

		Percentage							
	GAAP Reported % Change	Items Affecting Comparability	Foreign Exchange Translation	Core Constant Currency % Change					
Frito-Lay North America	4	—	(0.5)	3					
Quaker Foods North America	(22)	—	—	(22)					
PepsiCo Beverages North America	40	(8)	(1)	31					
Latin America	38	—	(7)	32					
Europe	_	2	(2)	_					
Africa, Middle East and South Asia	83	(55)	(2)	26					
Asia Pacific, Australia and New Zealand and China Region	22	(1)	(5)	16					
Corporate unallocated expenses	(6)	12	_	7					
Total	19	(6)	(2)	11					
EPS	20	(3)	(2)	15					

(a) Excludes the impact of acquisitions and divestitures, including the impact, in the 36 weeks ended September 4, 2021, of an extra month of volume for our acquisitions of Pioneer Foods in our AMESA division and Be & Cheery in our APAC division as we aligned the reporting calendars of these acquisitions with those of our divisions. In certain instances, the impact of organic volume growth on net revenue growth differs from the unit volume change due to product mix, nonconsolidated joint venture volume, and, for our beverage businesses, temporary timing differences between bottler case sales and CSE. Our net revenue excludes nonconsolidated joint venture volume, and, for our franchise-owned beverage businesses, is based on CSE.

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," "Core" and "Constant Currency."

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# **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 fiscal year 2021, the Company now expects to deliver approximately 8 percent organic revenue growth (versus our previous guidance of 6 percent), at least 11 percent core constant currency EPS growth (versus our previous guidance of 11 percent), and at least 12 percent core EPS growth (versus our previous guidance of 12 percent).

Consistent with its previous guidance for 2021, the Company continues to expect:

- A core annual effective tax rate of approximately 21 percent; and
- Total cash returns to shareholders of approximately \$5.9 billion, comprised of dividends of approximately \$5.8 billion and share repurchases of \$106 million. We completed our share repurchase activity and do not expect to repurchase any additional shares for the balance of 2021.

In addition, the Company continues to expect a 1-percentage-point foreign exchange translation tailwind to benefit reported net revenue and core EPS growth based on current market consensus rates.

This assumption and the guidance above imply 2021 core EPS of at least \$6.20, compared to 2020 core EPS of \$5.52.

## Prepared Management Remarks and Live Question and Answer Webcast

At approximately 6:30 a.m. (Eastern time) on October 5, 2021, the Company will post prepared management remarks (in pdf format) of its third quarter 2021 results and business update, including its outlook for 2021, at <u>www.pepsico.com/investors</u>. At 8:15 a.m. (Eastern time) on October 5, 2021, 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 <u>www.pepsico.com/investors</u>.

Contacts: Investor Relations investor@pepsico.com Communications pepsicomediarelations@pepsico.com

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

	12 Weeks Ended				36 Week	ded	
		9/4/2021	9/5/2020	)	9/4/2021		9/5/2020
Net Revenue	\$	20,189	\$ 18,091	\$	54,226	\$	47,917
Cost of sales		9,394	8,156		24,945		21,371
Gross profit		10,795	9,935		29,281		26,546
Selling, general and administrative expenses <sup>(a)</sup>		7,636	6,924		20,681		19,292
Operating Profit		3,159	3,011		8,600		7,254
Other pension and retiree medical benefits income		118	86		364		247
Net interest expense and other		(232)	(264)		(731)		(789)
Income before income taxes		3,045	2,833		8,233		6,712
Provision for income taxes		802	526		1,895		1,396
Net income		2,243	2,307		6,338		5,316
Less: Net income attributable to noncontrolling interests		19	16		42		41
Net Income Attributable to PepsiCo	\$	2,224	\$ 2,291	\$	6,296	\$	5,275
Diluted							
Net income attributable to PepsiCo per common share	\$	1.60	\$ 1.65	\$	4.54	\$	3.79
Weighted-average common shares outstanding		1,389	1,390		1,388		1,393

(a) The increase in selling, general and administrative expenses for the 12 and 36 weeks ended September 4, 2021, as compared to the 12 and 36 weeks ended September 5, 2020, primarily reflects higher selling and distribution costs, as well as higher advertising and marketing costs.

#### PepsiCo, Inc. and Subsidiaries Supplemental Financial Information (in millions and unaudited)

		12 Weel	ks En	ıded		36 Weel	ks E	nded
		9/4/2021		9/5/2020		9/4/2021		9/5/2020
Net Revenue								
Frito-Lay North America	\$	4,653	\$	4,399	\$	13,441	\$	12,746
Quaker Foods North America		618		608		1,839		1,906
PepsiCo Beverages North America		6,402		5,958		17,632		15,766
Latin America		2,100		1,654		5,309		4,531
Europe		3,612		3,323		8,693		7,887
Africa, Middle East and South Asia		1,665		1,252		4,150		2,866
Asia Pacific, Australia and New Zealand and China Region		1,139		897		3,162		2,215
Total	\$	20,189	\$	18,091	\$	54,226	\$	47,917
	-		-		-		_	
Operating Profit								
Frito-Lay North America	\$	1,357	\$	1,353	\$	3,979	\$	3,833
Quaker Foods North America		106		145		384		491
PepsiCo Beverages North America		773		697		1,948		1,391
Latin America		393		250		967		700
Europe		439		480		975		977
Africa, Middle East and South Asia		312		193		706		386
Asia Pacific, Australia and New Zealand and China Region		201		163		601		494
Corporate unallocated expenses		(422)		(270)		(960)		(1,018)
Total	\$	3,159	\$	3,011	\$	8,600	\$	7,254

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

94/001     94/001     95/000       Periodical Activities     94/0021     95/2000       Periodical anametization     \$     6.33     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     5.316     \$     \$     5.316     \$     5.316     \$     5.316     \$     \$     5.316     \$     \$     \$     \$     \$     5.316     \$     \$     \$     \$     5.316     \$     \$     \$     \$     \$     \$     \$     \$     \$     \$     \$     \$     \$     \$<		36 We	eks Ended	1
Operating Activities     Image: Section and anontization     Sections     Sections       Depresentation and anontization     1.863     5.316       Depresentation and anontization     1.863     1.731       Beentation and Amontization     1.863     1.731       Depresentation and Amontization     1.135     1.136       Restructuring and Impairment charges     1.12     2.166       Activity Sections and Alteres interventing charges     1.12     2.166       Activity Sections and Alteres interventing charges     1.12     2.166       Activity Sections and Alteres interventing charges     1.13     1.131       Defended income taxes and alter fact charges and order is an order fact charges and order is an other fact charges and order is an order fact charges     1.131     1.131       Charge in spectrum related to the TLC LA ct     (300)     -(301)     -(301)       Increase is and alter interventing independent current indefilities     1.33     4     1.331       Increase is any adule     6.51     6.123     1.231     -       Prepaid expensions and other current indefilities     1.33     4     4       Increantion space of long reem deb1				
Depresion and amonitation     1.863     1.781       Depresion and amonitation (barges)     215     186       Restructing and impainment (barges)     129     124       Accit payments for expresses     125     186       Restructing and impainment (barges)     125     286       Col payments for expresses     615     101       Persion and retirere medical plan expresses     61     121       Deferred income taxes and other tax charges and credius     861     961       Tax expresse reflect and looks Act (TCI Act)     139        Tax express reflect and looks Act (TCI Act)     139        Tax express reflect and looks Act (TCI Act)     149     140       Income taxes and anoter accest and labilities     163     163       Tax express reflect and looks Act (TCI Act)     149     140       Income taxes payable     663     164     162       Accounts payable and other current babilities     663     161     161       Income taxes payable     663     162     161     123       Accounts payable and other current babilities     209     66	Operating Activities		-	0,0,2020
Share-based compension engense215186Schructuring duringer129124Cach payments for restructuring charges(165)(166)Cach payments for acquisition and divestiture-related charges(23)(97)Persion and retiree medical pine represes(23)(97)Pension and retiree medical pine represes(23)(97)Deferred income taxes and other tax charges and credits(26)(30)Deferred income taxes and other tax Charges and credits(30)(70)Deferred income taxes and other tax Charges and credits(30)(70)Eage prese related to the TAX Cuts and Jobs Act (TCJ Act)(30)(70)Targe in assets and industiture:(14)(1430)Invertories(14)(1430)Invertories(46)(202)Prepaid expenses and nores needvable(46)(202)Invertories(46)(202)Invertories(46)(202)Income taxes payable(46)(202)Income taxes payable(46)(202)Sales of property, plant and equipment(40)(26)Sales of investing schrödites(15)(21)Sales of investing schrödites(40)(40)Sales of investing schrödites(40)(40)Sales of investing schrödites(40)(40)Sal	Net income	\$ 6,338	\$	5,316
Share-based compension engense215186Schructuring duringer129124Cach payments for restructuring charges(165)(166)Cach payments for acquisition and divestiture-related charges(23)(97)Persion and retiree medical pine represes(23)(97)Pension and retiree medical pine represes(23)(97)Deferred income taxes and other tax charges and credits(26)(30)Deferred income taxes and other tax Charges and credits(30)(70)Deferred income taxes and other tax Charges and credits(30)(70)Eage prese related to the TAX Cuts and Jobs Act (TCJ Act)(30)(70)Targe in assets and industiture:(14)(1430)Invertories(14)(1430)Invertories(46)(202)Prepaid expenses and nores needvable(46)(202)Invertories(46)(202)Invertories(46)(202)Income taxes payable(46)(202)Income taxes payable(46)(202)Sales of property, plant and equipment(40)(26)Sales of investing schrödites(15)(21)Sales of investing schrödites(40)(40)Sales of investing schrödites(40)(40)Sales of investing schrödites(40)(40)Sal	Depreciation and amortization	1,863	5	1,731
Restructuring and impainment charges     129     124       Cach payments for ventructuring charges     125     206       Cach payments for ventructuring charges     125     (75)       Cach payments for ventructuring charges     121     206       Cach payments for ventructuring charges     121     126       Persion and retires medica plan contributions     121     126       Other diances as and other fact charges and credits     281     980		215	; ;	186
Acquisition and divestime-related charges     12     286       Cach payments for acquisition and divestime-related charges     (25)     (97)       Persion and retires medical plan concentibutions     (715)     (501)       Deferred income taxes and other tax charges and credits     261     960       has expense related to the TaX charges and credits     261     960       has expense related to the TaX charges and credits     (309)     (718)       Accounts and notes receivable     (1,416)     (1,430)       Invertories     (779)     (549)       Prepaid expenses and other current liabilities     99     289       Income taxes payable     6634     6123       Other, net     6634     6123       Net Cash Provided by Operating Activities     6634     6123       Income taxes payable     6634     6123       Discles or property, plant and equipment     40     266       Acquisitions, net of cash acquired, and investmens in noncontrolled affiliates     (66)     233       Direstimes and size in origentem tax     (1,103)     (1,600)       More than three montis - mautitits     1,135     - <td>Restructuring and impairment charges</td> <td>129</td> <td>)</td> <td>124</td>	Restructuring and impairment charges	129	)	124
Cach payments for acquisition and divestiture-related charges(2)(97)Persion and retiree medical plan expenses81121Pension and retiree medical plan expenses715(501)Deferred income taxes and other tax charges and credits261992Tax expense related to the TaX Cars and Jobs Act (TGI Act)199Tax payments related to the TaX Cars and Jobs Act (TGI Act)(146)(1.143)Tay payments related to the TaX Cars and Jobs Act (TGI Act)(579)(6.49)Prepaid expenses and other current assets(679)(6.62)Accourts payble and other current labilities99289Income taxes payable66.636.634Net Cash Provided by Operating Activities6.6346.6123Investories(2.276)(2.074)Stels of property, plant and equipment4026Acquisitas payable on other current labilities1584Viersitures and sale of investments in anocontrolled affiliates(28)(6.573)Divestures and sale of investments in anocontrolled affiliates(28)(38)Ubersitures and sale of investments in anocontrolled affiliates(18)Ubersitures and sale of investments in anocontrolled affiliates(28)(38)Dotter investments, by original maturity:(400)Three months original maturity:(400)Cachadred payed4068Other investing, not curves in anocontrolled affiliates(37)(38)Dotter investing, not curves in activities<	Cash payments for restructuring charges	(165	)	(166)
Pension and reture medical plan coupones81121Pension and reture medical plan coupones(715)(501)Deferred income taxes and other tax charges and credits26696Dax expasse related to the Tax Cass and Jobs Act (TCJ Act)190Dax expasse related to the Tax Cass and Jobs Act (TCJ Act)(309)(78)Change in assets and labilities:(1416)(1430)Inventories(461)(202)Prepried expenses and other current labilities99289Income taxes payable66346632Other, net66346632Net Cash Provided by Operating Activities66346632Case of provided by Operating Activities209(2074)Sales of proventy, plant and equipment40206Acquisitions, net of cash acquired, and investments in noncontrolled affiliates1135Oriestitures and sales of investments in noncontrolled affiliates1135Three months - maturities1,135Three months - maturities1,135Three months - maturities4(00)More than three months - maturities4(00)During in the months - proceeds4(00)More than three months - proceedsThree months or less, net	Acquisition and divestiture-related charges	12	1	286
Person and retire medical plan contributions     (715)     (501)       Dere end income taxes and obte tax charges and credits     261     960       Dax payments related to the TCJ Aer.     (300)     (780)       Charge in asses and liabilities:     (1416)     (14416)     (14416)       Inventories     (573)     (549)     (549)       Prepaid expenses and tother current tabilities     99     289       Income taxes payable and other current liabilities     99     289       Income taxes payable and other current liabilities     645     553       Other, net     663     6.133       Income taxes payable and other current liabilities     663     6.123       Income taxes payable and other current liabilities     66     763       Other, net     6.633     6.123       Income taxes payable and other current liabilities     150     4       Note tand three months - purchase     -     (400)       Start of property, plant and equipment     760     72.074       Nore than three months - purchases     -     (400)       Nore than three months - purchases     -     (400) </td <td>Cash payments for acquisition and divestiture-related charges</td> <td>(25</td> <td>)</td> <td>(97)</td>	Cash payments for acquisition and divestiture-related charges	(25	)	(97)
Deferred income taxes and other tax charges and credits   261   96     Decergence role to the Tax Cast and Jobs Act (TCJ Act)   190   —     Dax payments related to the Tax Cast and Jobs Act (TCJ Act)   (309)   (78)     Change in assets and liabilities:   (1416)   (1430)     Accounts and notes receivable   (1416)   (1430)     Investing Activities   (97)   (464)     Prepaid expenses and other current liabilities   99   289     Income taxes payable   645   583     Other, net   55   414     Net Cash Provided by Operating Activities   (2,276)   (2,074)     Sales of property, plant and equipment   40   26     Acquisitions, net of cash acquired, and investments in noncontrolled affiliates   158   4     Short-term investments, by original maturity:   (653)   23     More than three months - parchases   —   (400)   (26,73)     Other investing Activities   (1,130)   (8,73)   —     More than three months - parchases   —   (400)   (2,675)   23     Other investing Activities   …   …   (400)   (3,676) <t< td=""><td>Pension and retiree medical plan expenses</td><td>81</td><td></td><td>121</td></t<>	Pension and retiree medical plan expenses	81		121
Tax expanse related to the TCI Act     190     —       Tax payment related to the TCI Act     (309)     (78)       Change in assess and liabilities:     (1,416)     (1,410)       Inventories     (57)     (549)       Prepaid expenses and tother current assets     (57)     (549)       Accounts payhole and other current liabilities     99     289       Income taxes payhole     665     563       Other, net     665     6123       Investing Activities     667     6123       Caputal geneding     (2,76)     (2,074)       Scies of property, plant and equipment     40     26       Acquisitions, net of cash acquired, and investments in noncontrolled affiliates     158     44       Store term investments, by original maturity:     —     —     (06)       More than three months - purchaase     —     —     (06)       Diversitues and activities     11,33     —     —       Three months - purchaase     …     …     (08)       Diversitues and term onthe - purchase     …     …     …       Other monthree months	Pension and retiree medical plan contributions	(715	)	(501)
Tax payments related to the TCI Act   (309)   (78)     Change in assets and liabilities:   (1,416)   (1,430)     Inventations   (57)   (649)     Prepaid expenses and other current assets   (66)   (202)     Accounts payable and other current assets   (66)   (202)     Accounts payable and other current assets   (66)   (61)     Income taxes payable   665   (61)     Inserving Activities   (2,276)   (2,074)     Capital spending   (2,276)   (2,074)     Sales of property, plant and equipment   (40)   26     Accustitions, net cash acquired, and investments in noncontrolled affiliates   (20)   (2,673)     Divestitizers and sales of investments in noncontrolled affiliates   (20)   (2,673)     Accustitizers and sales of investments in noncontrolled affiliates   (20)   (2,673)     Divestitizers and sales of investments in noncontrolled affiliates   (20)   (2,673)     Other meonths - payable and exploreed   (50)   23     Other than three months - naturities   (11,03)   (10,05)   (23)     Other than three months - payments   (11,03)   (11,03)   (11,03)   <	Deferred income taxes and other tax charges and credits	261		96
Change in assets and liabilities:	Tax expense related to the Tax Cuts and Jobs Act (TCJ Act)	190	)	—
Accounts and notes necevisable   (1.416)   (1.416)     Inventories   (579)   (549)     Prepraid expenses and other current labilities   99   289     Income taxes payable   665   583     Other, net   56   414     Net Cash Provided by Operating Activities   663   6,623     Capital spending   (2,276)   (2,074)     Sales of property, plant and equipment   400   266     Acquisitions, net end on clash acquired, and investments in noncontrolled affiliates   (28)   (6,637)     Direstitures and sales of investments in noncontrolled affiliates   138   4     Short-term investments, by original maturity:	Tax payments related to the TCJ Act	(309	)	(78)
Inventories     (579)     (549)       Prepaid expenses and other current labilities     460     (202)       Accounts payable and other current liabilities     99     289       Dicen net     56     414       Net Cash Provided by Operating Activities     6,634     6,123       Investing Activities     6,634     6,123       Investing Activities     (2,276)     (2,074)       Sales of property, plant and equipment     40     26       Acquisitions, net of cash acquired, and investments in noncontrolled affiliates     (28)     (6,373)       Divestitures and sales of investments in noncontrolled affiliates     158     4       Short-term investments, by original maturity:     —     (400)       More than three months - surchases     —     (400)       Other investing Activities     (1,33)     —       Financing Activities     (1,33)     —       Proceeds from issuances of long-term debt     —     40,063       More than three months - spreeds     —     40,063       More than three months - spreeds     —     40,063       More than three months - spreeds	Change in assets and liabilities:			
Prepaid expenses and other current assets     (46)     (202)       Accounts payable and other current liabilities     99     289       Income taxes payable     645     563       Other, net     56     414       Net Cash Provided by Operating Activities     6,634     6,123       Investing Activities     (2,276)     (2,074)       Sales of property, plant and equipment     40     26       Acquisitions, net of cash acquined, and investments in noncontrolled affiliates     (28)     (6,573)       Divestitures and sales of investments in noncontrolled affiliates     1135        More than three months - purchases	Accounts and notes receivable	(1,416	)	(1,430)
Accounts payable and other current liabilities     99     289       Income taxes payable     645     583       Other, net     6.634     6.123       Incresting Activities     6.634     6.123       Incresting Activities     6.634     6.123       Capital spending     (2.276)     (2.074)       Sales of property, plant and equipment     40     268       Acquisitions, net of cash acquired, and investments in noncontrolled affiliates     (2.33)     (2.673)       Divestitures and sales of investments in noncontrolled affiliates     1.133     -       More than three months - nutrehise     1.133     -       Three months or less, net     (1.030)     (8.761)       Other investing Activities     (1.030)     (8.761)       Financing Activities     (1.030)     (8.761)       Cash dived for Investing Activities     (1.051)     (1.051) <td>Inventories</td> <td>(579</td> <td>)</td> <td>(549)</td>	Inventories	(579	)	(549)
Income taxes payable     645     583       Other, net	Prepaid expenses and other current assets	(46	)	(202)
Other, net     56     444       Net Cash Provided by Operating Activities     6,634     6,123       Investing Activities      6,634     6,123       Investing Activities     (2,276)     (2,074)       Sales of property, plant and equipment     40     26       Acquisitions, net of cash acquired, and investments in noncontrolled affiliates     (23)     (6,373)       Divestitures and sales of investments in noncontrolled affiliates     (13)     4       Short-em investments, by original maturity:     (400)     (400)       More than three months - nuturities     1,135     -       Three months or less, net     (6)     33     0       Other investing, Activities     (1,030)     (8,761)       Financing Activities     (2,454)     (814)       Short-em bortowings, by original maturity:     -     4,069       More than three months - paceeds     -     4,069       More than three months - pagements     (37)     (1,801)       Three months or less, net     (37)     (1,801)       Cash dividends paid     (4)     (4)       More than three months -	Accounts payable and other current liabilities	99	)	289
Net Cash Provided by Operating Activities     6,634     6,123       Investing Activities     Capital spending     (2,276)     (2,074)       Sales of property, plant and equipment     40     26     (3,373)       Acquisitions, net of cash acquired, and investments in noncontrolled affiliates     (28)     (6,373)       Divestitures and sales of investments, in noncontrolled affiliates     (28)     (6,373)       Divestitures and sales of investments, by original maturity:	Income taxes payable	645	;	583
Investing Activities(2,276)(2,074)Capital spending(2,276)(2,074)Sales of property, plant and equipment4026Acquisitions, net of cash acquired, and investments in noncontrolled affiliates(28)(6,373)Divestitures and sales of investments in noncontrolled affiliates1584Short-term investments, by original maturity:-(400)More than three months - purchases-(400)More than three months - naturities1,135-Three months or less, net(65)23Other investing, net6333Net Cash Used for Investing Activities(1,030)(8,761)Financing Activities-10,564Proceeds from issuances of long-term debt-4069More than three months - purchases-4069More than three months - proceeds-4069More than three months - proceeds-4069Short-term boryonings, by original maturity:-4069More than three months - proceeds-4069Short-term boryonings of solid in aturity:-4069More than three months - payments(197)(1,801)Three months of loss, net19(11)Cash dividends paid(4,328)(4,994)Short-t	Other, net	56	j	414
Capital spending(2,276)(2,074)Sales of property, plant and equipment4026Acquisitions, net of cash acquired, and investments in noncontrolled affiliates15841Divestitures and sales of investments in noncontrolled affiliates15841Short-erm investments, by original maturity:-(600)More than three monts - maturities1,135Three months or less, net(65)233Other investing Activities(1,030)(8,761)Enancing Activities(1,030)(8,761)Financing Activities-10,564Proceeds from issuances of long-term debt-4,069More than three months - proceeds-4,069More than three months - proceeds-4,069Short-erm Dorivers, by original maturity:More than three months - proceedsMore than three months - payments(161)1,513Three months or less, net(161)1,513More than three months - payments(161)1,513Short-erm Dorivers' of stock options(164)1,513Short-erm Dorivers' of stock options(164)1,513 <tr< td=""><td>Net Cash Provided by Operating Activities</td><td>6,634</td><td>ļ</td><td>6,123</td></tr<>	Net Cash Provided by Operating Activities	6,634	ļ	6,123
Sales of property, plant and equipment   40   26     Acquisitions, net of cash acquired, and investments in noncontrolled affiliates   (28)   (6,373)     Divestitures and sales of investments in noncontrolled affiliates   158   4     Short-term investments, by original maturity:   —   (400)     More than three months - maturities   1,135   —     Three months - naturities   (65)   23     Other investing, net   6   33     Net Cash Used for Investing Activities   (1,030)   (8,761)     Financing Activities   —   10,564     Proceeds from issuances of long-term debt   2—   4069     More than three months - payments   (397)   (1,801)     Three months or less, net   (397)   (1,801)     Three months or less, net   (100)   (1,543)     Proceeds from exercises of stock options   (146)   145     Withholding tax payments on restricted stock units and performance stock units converted   (82)   (86)     Other financing   (19)   (18)   (164)   145     Withholding tax payments on restricted stock units and restricted cash   (30)   (164)   145 <t< td=""><td>Investing Activities</td><td></td><td></td><td></td></t<>	Investing Activities			
Acquisitions, net of cash acquired, and investments in noncontrolled affiliates   (28)   (6,373)     Divestitures and sales of investments in noncontrolled affiliates   158   4     Short-term investments, by original maturity:   -   (400)     More than three months - purchases   -   (400)     More than three months - naturities   1,135   -     Three months or less, net   (65)   23     Other investing Activities   (1,030)   (8,761)     Financing Activities   (1,030)   (8,761)     Financing Activities   -   10,564     Proceeds from issuances of long-term debt   -   4,069     More than three months - proceeds   -   4,069     More than three months - proceeds   -   4,069     More than three months - payments   (397)   (1,801)     Three months or less, net   19   (11)     Three months or less, net   19   (11)     Cash dividends paid   (4,328)   (4,094)     Share repurchases - common   (106)   (1,543)     Proceeds from exercises of stock options   146   145     Other financing   (19) </td <td>Capital spending</td> <td>(2,276</td> <td>)</td> <td>(2,074)</td>	Capital spending	(2,276	)	(2,074)
Divestitures and sales of investments in noncontrolled affiliates   158   4     Short-erm investments, by original maturity:   -   (400)     More than three months - maturities   1,135   -     Three months or less, net   (65)   23     Other investing, net   6   33     Net Cash Used for Investing Activities   (1,030)   (8,761)     Financing Activities   -   10,564     Proceeds from issuances of long-term debt   -   4,069     Short-erm borrowings, by original maturity:   -   4,069     More than three months - payments   (397)   (1,801)     Three months or less, net   19   (11)     Short-erm borrowings, by original maturity:   -   4,069     More than three months - payments   (397)   (1,801)     Three months or less, net   19   (11)     Cash dividends paid   (43,22)   (4,094)     Share repurchases - common   (106)   (1,543)     Proceeds from exercices of stock options   146   145     Withholding tax payments on restricted tock units and performance stock units converted   (82)   (86)     Other f	Sales of property, plant and equipment	40	)	26
Short-term investments, by original maturity:   — (400)     More than three months - purchases   — (400)     More than three months - naturities   1,135   —     Three months or less, net   (65)   23     Other investing, net   6   33     Net Cash Used for Investing Activities   (1,030)   (8,761)     Financing Activities   —   10,654     Proceeds from issuances of long-term debt   —   10,564     Payments of long-term debt   —   40,69     More than three months - payments   (2,454)   (814)     Short-term borrowings, by original maturity:   —   40,69     More than three months - payments   (397)   (1,801)     Three months or less, net   19   (11)     Cash dividends paid   (4,328)   (4,094)     Shart empurchase - common   (106)   (1,543)     Proceeds from exercises of stock options   146   145     Withholding tax payments on restricted stock units and performance stock units converted   (82)   (80)     Other financing   (19)   (118)   (114)     Net Cash Used for) Provided by Financing Activities <td< td=""><td>Acquisitions, net of cash acquired, and investments in noncontrolled affiliates</td><td>(28</td><td>)</td><td>(6,373)</td></td<>	Acquisitions, net of cash acquired, and investments in noncontrolled affiliates	(28	)	(6,373)
More than three months - purchases     —     (400)       More than three months - maturities     1,135     —       Three months or less, net     (65)     23       Other investing, net     6     33       Net Cash Used for Investing Activities     (1,030)     (8,761)       Financing Activities     —     10,564       Proceeds from issuances of long-term debt     2—     10,564       Payments of long-term debt     (2,454)     (814)       Short-term borrowings, by original maturity:     —     4,069       More than three months - payments     (397)     (1,801)       Three months - payments     (397)     (1,801)       Three months - payments     (4,328)     (4,094)       Share repurchases - common     (106)     (1,543)       Proceeds from exercises of stock options     146     145       Withholding tax payments on restricted stock units and performance stock units converted     (82)     (86)       Other financing     (19)     (118)     (18)       Net Cash (Used for)/Provided by Financing Activities     (397)     (18)       Net Cash (Used for)/Provide	Divestitures and sales of investments in noncontrolled affiliates	158	\$	4
More than three months - inaturities1,135-Three months or less, net(65)23Other investing, net633Net Cash Used for Investing Activities(1,030)(8,761)Financing Activities-10,564Proceeds from issuances of long-term debt-10,564Payments of long-term debt(2,454)(814)Short eram obrowings, by original maturity:-4,069More than three months - proceeds-4,069More than three months - payments(397)(1,801)Three months or less, net19(11)Cash dividends paid(4,328)(4,094)Share erapurchases - common(106)(1,543)Proceeds for inscience of stock options1461445Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)(184)Net Cash (Used for)/Provided by Financing Activities(19)(18)Net Cash (Used for)/Provided by Financing Activities and restricted cash(30)(184)Net Occrease/Increase in Cash and cash equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, Led of Period§6,607§Supplemental Non-Cash ActivitySize5,5703,5159	Short-term investments, by original maturity:			
Three months or less, net(65)23Other investing, net633Net Cash Used for Investing Activities(1,030)(8,761)Financing Activities10,564Proceeds from issuances of long-term debt(2,454)(814)Payments of long-term debt(2,454)(814)Payments of long-term debt(2,454)(814)Short-term borrowings, by original maturity:4,069More than three months - proceeds4,069More than three months - payments(397)(1,801)Three months or less, net19(11)Cash dividends paid(4,328)(4,094)Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(184)(184)Net Cash (Used for)/Provided by Financing Activities(30)(184)Ket Cash (Used for)/Provided by Financing Activities and restricted cash(30)(184)Net Decrease/Increase in Cash and Cash Equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash§6,607§Supplemental Non-Cash Activity\$9,159	More than three months - purchases	_	-	(400)
Other investing, net     6     33       Net Cash Used for Investing Activities     (1,030)     (8,761)       Financing Activities     -     10,564       Proceeds from issuances of long-term debt     -     10,564       Payments of long-term debt     (2,454)     (814)       Short-term borrowings, by original maturity:     -     4069       More than three months - proceeds     -     4069       More than three months - payments     (397)     (1,801)       Three months or less, net     19     (11)       Cash dividends paid     (4,328)     (4,094)       Share repurchases - common     (106)     (1,543)       Proceeds from exercises of stock options     146     145       Withholding tax payments on restricted stock units and performance stock units converted     (82)     (66)       Other financing     (19)     (18)       Net Cash (Used for)/Provided by Financing Activities     (7,221)     6411       Effect of exchange rate changes on cash and cash equivalents and restricted cash     (300)     (184)       Net Cash (Used for)/Provided by Financing Activities     (7,221)     6411	More than three months - maturities	1,135	; ;	—
Net Cash Used for Investing Activities(1,030)(8,761)Financing Activities-10,564Proceeds from issuances of long-term debt(2,454)(814)Payments of long-term debt(2,454)(814)Short-term borrowings, by original maturity:-4,069More than three months - proceeds-4,069More than three months - proceeds-4,069More than three months - proceeds-4,069More than three months - proceeds19(11)Cash dividends paid(4,328)(4,094)Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted Cash(30)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash, Engining of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, Engining of Year8,2545,570Supplemental Non-Cash Activity\$6,6007\$9,159	Three months or less, net	(65	)	23
Financing ActivitiesProceeds from issuances of long-term debt—10,564Payments of long-term debt(2,454)(814)Stort-term borrowings, by original maturity:(2,454)(814)More than three months - proceeds—4,069More than three months - payments(397)(1,801)Three months or less, net19(11)Cash dividends paid(4,328)(4,094)Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted cash(300)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash(300)(184)Net (Decrease)/Increase in Cash and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$6,607\$Supplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash Activity	Other investing, net		j	33
Proceeds from issuances of long-term debt—10,564Payments of long-term debt(2,454)(814)Short-term borrowings, by original maturity:—4,069More than three months - proceeds—4,069More than three months - payments(397)(1,801)Three months or less, net19(11)Cash dividends paid(4,328)(4,034)Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(118)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$6,607\$Supplemental Non-Cash Activity\$9,159\$	Net Cash Used for Investing Activities	(1,030	)	(8,761)
Payments of long-term debt(2,454)(814)Short-term borrowings, by original maturity:-4,069More than three months - proceeds-4,069More than three months - payments(397)(1,801)Three months or less, net19(11)Cash dividends paid(4,328)(4,094)Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted cash(30)(184)Net Cash Equivalents and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$6,607Supplemental Non-Cash Activity\$9,159	Financing Activities			
Short-term borrowings, by original maturity:	Proceeds from issuances of long-term debt		-	10,564
More than three months - proceeds—4,069More than three months - payments(397)(1,801)Three months or less, net19(11)Cash dividends paid(4,328)(4,094)Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash, End of Period\$6,607\$Supplemental Non-Cash ActivityS9,1599,159	Payments of long-term debt	(2,454	.)	(814)
More than three months - payments(397)(1,801)Three months or less, net19(11)Cash dividends paid(4,328)(4,094)Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted Cash(30)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash, End of Period\$ 6,607\$ 9,159Supplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash Activity	Short-term borrowings, by original maturity:			
Three months or less, net19(11)Cash dividends paid(4,328)(4,094)Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted cash(30)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash8,2545,570Cash and Cash Equivalents and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$ 0,1599,159Supplemental Non-Cash Activity	More than three months - proceeds	<u> </u>	-	4,069
Cash dividends paid(4,328)(4,094)Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted cash(30)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$6,607\$Supplemental Non-Cash Activity9,159	More than three months - payments	(397	)	(1,801)
Share repurchases - common(106)(1,543)Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted cash(30)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$6,607\$Supplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash Activity	Three months or less, net	19	)	(11)
Proceeds from exercises of stock options146145Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted cash(30)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash8,2545,570Cash and Cash Equivalents and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$ 6,607\$ 9,159Supplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash Activity	Cash dividends paid	(4,328	)	(4,094)
Withholding tax payments on restricted stock units and performance stock units converted(82)(86)Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted cash(30)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$ 6,607\$ 9,159Supplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash Activity	Share repurchases - common	(106	.)	(1,543)
Other financing(19)(18)Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted cash(30)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$ 6,607\$ 9,159Supplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash Activity	Proceeds from exercises of stock options	146	;	145
Net Cash (Used for)/Provided by Financing Activities(7,221)6,411Effect of exchange rate changes on cash and cash equivalents and restricted cash(30)(184)Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash(1,647)3,589Cash and Cash Equivalents and Restricted Cash, Beginning of Year8,2545,570Cash and Cash Equivalents and Restricted Cash, End of Period\$ 6,607\$ 9,159Supplemental Non-Cash ActivitySupplemental Non-Cash ActivitySupplemental Non-Cash Activity	Withholding tax payments on restricted stock units and performance stock units converted	(82	.)	(86)
Effect of exchange rate changes on cash and cash equivalents and restricted cash   (30)   (184)     Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash   (1,647)   3,589     Cash and Cash Equivalents and Restricted Cash, Beginning of Year   8,254   5,570     Cash and Cash Equivalents and Restricted Cash, End of Period   \$ 6,607   \$ 9,159     Supplemental Non-Cash Activity   Supplemental Non-Cash Activity   Supplemental Non-Cash Activity	Other financing	(19	)	(18)
Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash   (1,647)   3,589     Cash and Cash Equivalents and Restricted Cash, Beginning of Year   8,254   5,570     Cash and Cash Equivalents and Restricted Cash, End of Period   \$ 6,607   \$ 9,159     Supplemental Non-Cash Activity	Net Cash (Used for)/Provided by Financing Activities	(7,221	)	6,411
Cash and Cash Equivalents and Restricted Cash, Beginning of Year   8,254   5,570     Cash and Cash Equivalents and Restricted Cash, End of Period   \$ 6,607   9,159     Supplemental Non-Cash Activity   Supplemental Non-Cash Activity   Supplemental Non-Cash Activity	Effect of exchange rate changes on cash and cash equivalents and restricted cash	(30	)	(184)
Cash and Cash Equivalents and Restricted Cash, End of Period   \$ 6,607   \$ 9,159     Supplemental Non-Cash Activity   \$ 9,159	Net (Decrease)/Increase in Cash and Cash Equivalents and Restricted Cash	(1,647	)	3,589
Supplemental Non-Cash Activity	Cash and Cash Equivalents and Restricted Cash, Beginning of Year	8,254	<u> </u>	5,570
	Cash and Cash Equivalents and Restricted Cash, End of Period	\$ 6,607	\$	9,159
Right-of-use assets obtained in exchange for lease obligations\$494\$431	Supplemental Non-Cash Activity			
	Right-of-use assets obtained in exchange for lease obligations	\$ 494	\$	431

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

		(unaudited) 9/4/2021		12/26/2020
ASSETS				
Current Assets				
Cash and cash equivalents	\$	6,506	\$	8,185
Short-term investments		344		1,366
Accounts and notes receivable, net		9,545		8,404
Inventories:				
Raw materials and packaging		1,926		1,720
Work-in-process		178		205
Finished goods		2,260		2,247
		4,364		4,172
Prepaid expenses and other current assets		1,058		874
Assets held for sale		1,893		_
Total Current Assets		23,710		23,001
Property, Plant and Equipment, net		21,257		21,369
Amortizable Intangible Assets, net		1,584		1,703
Goodwill		18,531		18,757
Other Indefinite-Lived Intangible Assets		17,291		17,612
Investments in Noncontrolled Affiliates		2,791		2,792
Deferred Income Taxes		4,357		4,372
Other Assets		3,733		3,312
Total Assets	\$	93,254	\$	92,918
LIABILITIES AND EQUITY				
Current Liabilities				
Short-term debt obligations	\$	4,234	\$	3,780
Accounts payable and other current liabilities		20,060		19,592
Liabilities held for sale		783		_
Total Current Liabilities		25,077		23,372
Long-Term Debt Obligations		37,023		40,370
Deferred Income Taxes		4,529		4,284
Other Liabilities		10,635		11,340
Total Liabilities		77,264		79,366
Commitments and contingencies		,		
PepsiCo Common Shareholders' Equity				
Common stock, par value $1^2/_3^{\circ}$ per share (authorized 3,600 shares; issued, net of repurchased common stock at par value: 1,383 and 1,380 shares, respectively)		23		23
Capital in excess of par value		3,924		3,910
Retained earnings		65,336		63,443
Accumulated other comprehensive loss		(15,125)		(15,476)
Repurchased common stock, in excess of par value (484 and 487 shares, respectively)		(38,286)		(38,446)
Total PepsiCo Common Shareholders' Equity		15,872		13,454
Noncontrolling interests		13,072		98
Total Equity		15,990		13,552
Total Liabilities and Equity	\$	93,254	\$	92,918
Total Entomates and Equity	φ	95,254	ψ	92,910

#### **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 growth, core results and core constant currency results. We use these 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; costs associated with mergers, acquisitions, divestitures and other structural changes; pension and retiree medical related items; charges or adjustments related to the enactment of new laws, rules or regulations, such as significant tax law changes; amounts related to the resolution of tax positions; tax benefits related to reorganizations of our operations; debt redemptions, cash tender or exchange offers; asset impairments (non-cash); and remeasurements of net monetary assets. See below for a description of adjustments to our U.S. 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 U.S. 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, which may not be the same as or comparable to similar measures presented by other companies:

Beverage volume: Volume shipped to retailers and independent distributors from both PepsiCo and our independent bottlers.

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.

Core: Core results are non-GAAP financial measures which exclude certain items from our historical results. For further information regarding these excluded items for the 12 and 36 weeks ended September 4, 2021 and September 5, 2020, refer to "Items Affecting Comparability" in "Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Q3 2021 Form 10-Q. 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 division results when the divisions 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 2026 to take advantage of additional opportunities within the initiatives of the plan.

#### Acquisition and divestiture-related charges

Acquisition and divestiture-related charges primarily include fair value adjustments to the acquired inventory included in the acquisition-date balance sheets, merger and integration charges and costs associated with divestitures. Merger and integration charges include liabilities to support socioeconomic programs in South Africa, closing costs, employee-related costs, changes in the fair value of contingent consideration, contract termination costs and other integration costs.

#### Pension-related settlement charge

In the year ended December 26, 2020, we recorded a pension settlement charge related to lump sum distributions exceeding the total of annual service and interest cost.

#### Tax expense related to the TCJ Act

Tax expense related to the TCJ Act reflects adjustments to the mandatory transition tax liability under the TCJ Act.

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.

Organic revenue growth: A measure that adjusts for the impacts of foreign exchange translation, acquisitions and divestitures, and where applicable, the impact of the 53rd reporting week. Adjusting for acquisitions and divestitures reflects all mergers and acquisitions activity, including the impact, in the 36 weeks ended September 4, 2021, of an extra month of net revenue for our acquisitions of Pioneer Foods in our AMESA division and Be & Cheery in our APAC division as we aligned the reporting calendars of these acquisitions with those of our divisions, divestitures and other structural changes, including changes in ownership or control in consolidated subsidiaries and nonconsolidated equity investees. We believe organic revenue growth provides useful information in evaluating the results of our business because it excludes items that we believe are not indicative of ongoing performance or that we believe impact comparability with the prior year.

#### 2021 guidance

Our 2021 organic revenue growth guidance excludes the impact of acquisitions, divestitures and other structural changes and foreign exchange translation. Our 2021 core effective tax rate guidance and 2021 core constant currency EPS guidance exclude the mark-to-market net impact included in corporate unallocated expenses and restructuring and impairment charges. Our 2021 core constant currency EPS growth guidance also excludes the impact of foreign exchange translation. We are unable to reconcile our full year projected 2021 organic revenue growth to our full year projected 2021 reported net revenue growth because we are unable to predict the 2021 impact of foreign exchange due to the unpredictability of future changes. We are also not able to reconcile our full year projected 2021 reported effective tax rate and our full year projected 2021 core constant currency EPS growth to our full year projected 2021 core constant currency EPS growth to our full year projected 2021 core constant currency EPS growth to our full year projected 2021 reported net revenue full year projected 2021 core effective tax rate to our full year projected 2021 reported effective tax rate and our full year projected 2021 core constant currency EPS growth to our full year projected 2021 reported EPS because we are unable to predict the 2021 core constant currency EPS growth to our full year projected 2021 reported EPS because we are unable to predict the 2021 impact of foreign exchange or the mark-to-market net impact on commodity derivatives due to the unpredictability of future changes in foreign exchange or the mark-to-market net impact of solution of these measures.

#### PepsiCo, Inc. and Subsidiaries **Reconciliation of GAAP and Non-GAAP Information Organic Revenue Growth Rates** 12 and 36 Weeks Ended September 4, 2021 (unaudited)

			12 Weeks Ended	19/4/2021		
		Imp	oact of		Imp	act of
Net Revenue Year over Year % Change	Reported % Change, GAAP Measure	Foreign exchange translation	Acquisitions and divestitures <sup>(a)</sup>	Organic % Change, Non-GAAP Measure <sup>(b)</sup>	Organic volume <sup>(c)</sup>	Effective net pricing
Frito-Lay North America	6 %	(0.5)		5 %	1	4
Quaker Foods North America	2 %	(1)	—	1 %	(4)	4.5
PepsiCo Beverages North America	7 %	(0.5)	—	7 %	3	4
Latin America	27 %	(8)	—	19 %	6	13
Europe	9 %	—	—	8 %	6	2.5
Africa, the Middle East and South Asia	33 %	(8)	(5)	20 %	12	8
Asia Pacific, Australia and New Zealand and China Region	27 %	(7)	(5)	15 %	12	3
Total	12 %	(2)	(1)	9 %	4	5

			36 Weeks Ended	9/4/2021			
		Imp	act of		Imp	pact of	
Net Revenue Year over Year % Change	Reported % Change, GAAP Measure	Foreign exchange translation	Acquisitions and divestitures <sup>(a)</sup>	Organic % Change, Non-GAAP Measure <sup>(b)</sup>	Organic volume <sup>(c)</sup>	Effective net pricing	
Frito-Lay North America	5.5 %	(1)	_	5 %	1	4	
Quaker Foods North America	(3.5)%	(1)	—	(4)%	(10)	5	
PepsiCo Beverages North America	12 %	(1)	(2)	10 %	5	5	
Latin America	17 %	(4)	—	13 %	4	10	
Europe	10 %	(1)	—	9 %	6	2.5	
Africa, Middle East and South Asia	45 %	(7)	(24)	14 %	8	5.5	
Asia Pacific, Australia and New Zealand and China Region	43 %	(8)	(22)	13 %	10	3	
Total	13 %	(2)	(3)	8 %	4	5	

(a) Adjustments primarily reflect Rockstar (PBNA), Pioneer Foods (AMESA), and Be & Cheery (APAC). The contribution from the acquisition of Rockstar reflects the incremental consolidated net revenue reported for Rockstar in excess of the net revenue we reported under our previous distribution arrangement. (b) Organic revenue growth is a financial measure that is not in accordance with GAAP. See A-5 through A-6 further discussion.

(c) Excludes the impact of acquisitions and divestitures, including the impact, in the 36 weeks ended September 4, 2021, of an extra month of volume for our acquisitions of Pioneer Foods in our AMESA division and Be & Cheery in our APAC division as we aligned the reporting calendars of these acquisitions with those of our divisions. In certain instances, the impact of organic volume growth on net revenue growth differs from the unit volume change disclosed in the Summary Third-Quarter 2021 Performance and Summary Year-to-Date 2021 Performance tables on pages 2 and 3, respectively, due to product mix, nonconsolidated joint venture volume, and, for our beverage businesses, temporary timing differences between bottler case sales and CSE. Our net revenue excludes nonconsolidated joint venture volume, and, for our franchise-owned beverage businesses, is based on CSE.

Note - Amounts may not sum due to rounding.

#### PepsiCo, Inc. and Subsidiaries Reconciliation of GAAP and Non-GAAP Information (continued) Year over Year Growth Rates 12 and 36 Weeks Ended September 4, 2021 (unaudited)

	12 Weeks Ended 9/4/2021													
		Imj	oact of Items Affe	ecting Comparabi	lity		Impact of							
Year over Year % Change	Reported % Change, GAAP Measure	Mark-to- market net impact	Restructuring and impairment charges	Acquisition and divestiture- related charges	Tax expense related to the TCJ Act	Core % Change, Non-GAAP Measure <sup>(a)</sup>	Foreign exchange translation	Core Constant Currency % Change, Non-GAAP Measure <sup>(a)</sup>						
Frito-Lay North America	%		_			— %		— %						
Quaker Foods North America	(27)%	—	—	—	—	(27)%	_	(27)%						
PepsiCo Beverages North America	11 %	—	(4)	(2.5)	—	4 %	(1)	4 %						
Latin America	57 %	—	3	_	_	60 %	(13)	47 %						
Europe	(8)%	—	2	—	—	(7)%	_	(7)%						
Africa, Middle East and South Asia	63 %	—	3	(10)	—	56 %	(3.5)	52 %						
Asia Pacific, Australia and New Zealand and China Region	23 %	—	—	(4)	—	20 %	(3)	16 %						
Corporate unallocated expenses	57 %	(44)	1	6	—	20 %	—	20 %						
Total Operating Profit	5 %	3		(1.5)		6 %	(2)	5 %						
Net Income Attributable to PepsiCo	(3)%	3.5	—	(1)	8	7 %	(2)	5.5 %						
Net Income Attributable to PepsiCo per common share – diluted	(3)%	3.5	—	(1)	8	8 %	(2)	5.5 %						

				36 Weeks Ende	ed 9/4/2021			
		Im	pact of Items Af	fecting Comparab	ility		Impact of	
Year over Year % Change	Reported % Change, GAAP Measure	Mark-to- market net impact	Restructuring and impairment charges	Acquisition and divestiture- related charges	Tax expense related to the TCJ Act	Core % Change, Non-GAAP Measure <sup>(a)</sup>	Foreign exchange translation	Core Constant Currency % Change, Non-GAAP Measure <sup>(a)</sup>
Frito-Lay North America	4 %	—	_	(1)	_	3 %	(0.5)	3 %
Quaker Foods North America	(22)%	—	_	—	_	(22)%	_	(22)%
PepsiCo Beverages North America	40 %	—	(2)	(6)	_	32 %	(1)	31 %
Latin America	38 %	—	_	—	_	39 %	(7)	32 %
Europe	— %	—	2	—	—	2 %	(2)	— %
Africa, Middle East and South Asia	83 %	—	—	(55)	—	28 %	(2)	26 %
Asia Pacific, Australia and New Zealand and China Region	22 %	—	(1)	(1)	—	20 %	(5)	16 %
Corporate unallocated expenses	(6)%	9	_	3	_	7 %	_	7 %
Total Operating Profit	19 %	(1)		(4)		13 %	(2)	11 %
Net Income Attributable to PepsiCo	19 %	(2)	—	(7)	6	16 %	(2)	14 %
Net Income Attributable to PepsiCo per common share – diluted	20 %	(2)	_	(7)	6	17 %	(2)	15 %

) Core results and core constant currency results are financial measures that are not in accordance with GAAP and exclude the impact of the above items affecting comparability. See A-5 through A-6 further discussion.

- 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 September 4, 2021 and September 5, 2020 (in millions except per share amounts, unaudited)

		12 Weeks Ended 9/4/2021													
	Cost of sales	Gro	ss profit	Selling, general and administrative expenses		Operating profit		ner pension and retiree medical benefits income	F	Provision for income taxes <sup>(b)</sup>	att	t income ributable PepsiCo	at to	et income tributable ) PepsiCo per common share - diluted	Effective tax rate <sup>(c)</sup>
Reported, GAAP Measure	\$ 9,394	\$	10,795	\$ 7,636	\$	3,159	\$	118	\$	802	\$	2,224	\$	1.60	26.3 %
Items Affecting Comparability															
Mark-to-market net impact	(15)		15	(19)		34		—		8		26		0.02	—
Restructuring and impairment charges	(9)		9	(42)		51		1		7		45		0.03	(0.1)
Acquisition and divestiture-related charges	_		_	3		(3)		_		(1)		(2)		_	_
Tax expense related to the TCJ Act	_		—			_		_		(190)		190		0.14	(6.2)
Core, Non-GAAP Measure <sup>(a)</sup>	\$ 9,370	\$	10,819	\$ 7,578	\$	3,241	\$	119	\$	626	\$	2,483	\$	1.79	20.0 %

		12 Weeks Ended 9/5/2020												
	Cost of sales	Gross profit	Selling, general and administrative expenses	Operating profit	Other pension and retiree medical benefits income	Provision for income taxes <sup>(b)</sup>	Net income attributable to PepsiCo	Net income attributable to PepsiCo per common share - diluted	Effective tax rate <sup>(c)</sup>					
Reported, GAAP Measure	\$ 8,156	\$ 9,935	\$ 6,924	\$ 3,011	\$ 86	\$ 526	\$ 2,291	\$ 1.65	18.6 %					
Items Affecting Comparability														
Mark-to-market net impact	38	(38)	33	(71)	_	(16)	(55)	(0.04)	(0.1)					
Restructuring and impairment charges	(1)	1	(59)	60	1	13	48	0.03	_					
Acquisition and divestiture-related charges	(11)	11	(32)	43	_	16	27	0.02	0.3					
Core, Non-GAAP Measure <sup>(a)</sup>	\$ 8,182	\$ 9,909	\$ 6,866	\$ 3,043	\$ 87	\$ 539	\$ 2,311	\$ 1.66	18.8 %					

(a) Core results are financial measures that are not in accordance with GAAP and exclude the above items affecting comparability. See A-5 through A-6 for a discussion of each of these *adjustments.* (b) 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. (c) 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 applicable to the items affecting comparability.

Note – Amounts may not sum due to rounding.

#### PepsiCo, Inc. and Subsidiaries Reconciliation of GAAP and Non-GAAP Information (continued) Certain Line Items 36 Weeks Ended September 4, 2021 and September 5, 2020 (in millions except per share amounts, unaudited)

		36 Weeks Ended 9/4/2021													
	Cost of sales	Gro	ss profit	Selling general a administra expense	nd tive	Operating profit		er pension and retiree medical benefits income	Pr	ovision for income taxes <sup>(b)</sup>	atti	t income ributable PepsiCo	ati to per	et income ributable PepsiCo common share - diluted	Effective tax rate <sup>(c)</sup>
Reported, GAAP Measure	\$ 24,945	\$	29,281	\$ 20,0	581 3	\$ 8,600	\$	364	\$	1,895	\$	6,296	\$	4.54	23.0 %
Items Affecting Comparability															
Mark-to-market net impact	21		(21)		40	(61)				(13)		(48)		(0.03)	—
Restructuring and impairment charges	(13)		13	(1	110)	123		6		20		109		0.08	(0.1)
Acquisition and divestiture-related charges	(1)		1		(11)	12		_		_		12		0.01	_
Tax expense related to the TCJ Act	_				_	_		_		(190)		190		0.14	(2.3)
Core, Non-GAAP Measure <sup>(a)</sup>	\$ 24,952	\$	29,274	\$ 20,0	500	\$ 8,674	\$	370	\$	1,712	\$	6,559	\$	4.73	20.6 %

				36 W	eeks Ended 9/5/	2020			
	Cost of sales	Gross profit	Selling, general and administrative expenses	Operating profit	Other pension and retiree medical benefits income	Provision for income taxes <sup>(b)</sup>	Net income attributable to PepsiCo	Net income attributable to PepsiCo per common share - diluted	Effective tax rate <sup>(c)</sup>
Reported, GAAP Measure	\$ 21,371	\$ 26,546	\$ 19,292	\$ 7,254	\$ 247	\$ 1,396	\$ 5,275	\$ 3.79	20.8 %
Items Affecting Comparability									
Mark-to-market net impact	14	(14)	(40)	26		8	18	0.01	
Restructuring and impairment charges	(4)	4	(112)	116	8	23	101	0.07	_
Acquisition and divestiture-related charges	(30)	30	(256)	286	_	32	254	0.18	(0.4)
Core, Non-GAAP Measure <sup>(a)</sup>	\$ 21,351	\$ 26,566	\$ 18,884	\$ 7,682	\$ 255	\$ 1,459	\$ 5,648	\$ 4.05	20.4 %

(a) Core results are financial measures that are not in accordance with GAAP and exclude the impact of the above items affecting comparability. See A-5 through A-6 for further discussion. (b) 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

(c) 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 applicable to the items affecting comparability.

Note - Certain amounts may not sum due to rounding.

#### PepsiCo, Inc. and Subsidiaries Reconciliation of GAAP and Non-GAAP Information (continued) Operating Profit by Division 12 Weeks Ended September 4, 2021 and September 5, 2020 (in millions, unaudited)

	12 Weeks Ended 9/4/2021											
				Items	Affecting Compa	rability						
Operating Profit	(	eported, GAAP leasure	Mar mark imp	et net	Restructuring and impairment charges	Acquisition and divestiture- related charges	Core, Non-GAAP Measure <sup>(a)</sup>					
Frito-Lay North America	\$	1,357	\$		\$ 2	\$ —	\$ 1,359					
Quaker Foods North America		106			1	—	107					
PepsiCo Beverages North America		773			3	—	776					
Latin America		393			14	—	407					
Europe		439			20	—	459					
Africa, Middle East and South Asia		312			5	1	318					
Asia Pacific, Australia and New Zealand and China Region		201			1	—	202					
Corporate unallocated expenses		(422)		34	5	(4)	(387)					
Total	\$	3,159	\$	34	\$ 51	\$ (3)	\$ 3,241					

			2020				
			 Items	Affecting Compa	rability		
Operating Profit	(	eported, GAAP Ieasure	Mark-to- market net impact	Restructuring and impairment charges	Acquisition and divestiture- related charges	Noi	Core, n-GAAP easure <sup>(a)</sup>
Frito-Lay North America	\$	1,353	\$ _	\$ 2	\$ 1	\$	1,356
Quaker Foods North America		145	_				145
PepsiCo Beverages North America		697		29	17		743
Latin America		250	_	5			255
Europe		480	—	13	—		493
Africa, Middle East and South Asia		193		2	10		205
Asia Pacific, Australia and New Zealand and China Region		163		1	5		169
Corporate unallocated expenses		(270)	(71)	8	10		(323)
Total	\$	3,011	\$ (71)	\$ 60	\$ 43	\$	3,043

(a) Core results are financial measures that are not in accordance with GAAP and exclude the above items affecting comparability. See A-5 through A-6 for a discussion of each of these adjustments.

#### PepsiCo, Inc. and Subsidiaries Reconciliation of GAAP and Non-GAAP Information (continued) Operating Profit by Division 36 Weeks Ended September 4, 2021 and September 5, 2020 (in millions, unaudited)

	36 Weeks Ended 9/4/2021									
				Items .	Affecting Con	пра	rability			
Operating Profit	(	eported, GAAP Ieasure		Mark-to- market net impact	Restructuring and impairment charges		Acquisition and divestiture- related charges	Nor	Core, n-GAAP easure <sup>(a)</sup>	
Frito-Lay North America	\$	3,979	\$	—	\$ 2	20	\$ 2	\$	4,001	
Quaker Foods North America		384		_		1			385	
PepsiCo Beverages North America		1,948		—		8	2		1,958	
Latin America		967			-	22	_		989	
Europe		975			4	16	—		1,021	
Africa, Middle East and South Asia		706				9	8		723	
Asia Pacific, Australia and New Zealand and China Region		601				2	3		606	
Corporate unallocated expenses		(960)		(61)	1	5	(3)		(1,009)	
Total	\$	8,600	\$	(61)	\$ 12	23	\$ 12	\$	8,674	

		2020						
			Items	Affecti	ng Compa	rability		
Operating Profit	Report GAA Measi	P	Mark-to- market net impact	Restructurin and impairmen charges		Acquisition and divestiture- related charges	ture- Non-	
Frito-Lay North America	\$ 3,	833	\$ _	\$	9	\$ 26	\$	3,868
Quaker Foods North America		491			1			492
PepsiCo Beverages North America	1,	391	_		32	60		1,483
Latin America		700			14			714
Europe		977			29			1,006
Africa, Middle East and South Asia		386	_		9	169		564
Asia Pacific, Australia and New Zealand and China Region		494	_		4	5		503
Corporate unallocated expenses	(1,	018)	26		18	26		(948)
Total	<b>\$</b> 7,	254	\$ 26	\$	116	\$ 286	\$	7,682

(a) Core results are financial measures that are not in accordance with GAAP and exclude the impact of the above items affecting comparability. See A-5 through A-6 for further discussion.

#### PepsiCo, Inc. and Subsidiaries Reconciliation of GAAP and Non-GAAP Information (continued) (unaudited)

#### **Gross Margin Performance Reconciliation**

	12 Weeks Ended 9/4/2021	36 Weeks Ended 9/4/2021
Reported gross margin performance, GAAP measure	(145) bps	(140) bps
Mark-to-market net impact	29	(1)
Restructuring and impairment charges	4	2
Acquisition and divestiture-related charges	(6)	(6)
Core gross margin performance, non-GAAP measure (a)	(118) bps	(146) bps

#### **Operating Margin Performance Reconciliation**

	12 Weeks Ended 9/4/2021	36 Weeks Ended 9/4/2021
Reported operating margin performance, GAAP measure	(100) bps	72 bps
Mark-to-market net impact	56	(17)
Restructuring and impairment charges	(8)	(2)
Acquisition and divestiture-related charges	(26)	(58)
Core operating margin performance, non-GAAP measure (a)	(77) bps	(4) bps

#### Fiscal 2020 Diluted EPS Reconciliation

	Year Ended	
		12/26/2020
Reported diluted EPS, GAAP measure	\$	5.12
Mark-to-market net impact		(0.04)
Restructuring and impairment charges		0.17
Acquisition and divestiture-related charges		0.17
Pension-related settlement charge		0.11
Core diluted EPS, non-GAAP measure <sup>(a)</sup>	\$	5.52

(a) Core results are financial measures that are not in accordance with GAAP and exclude the above items affecting comparability. See pages A-5 through A-6 for further discussion.

Note – Certain amounts may not sum due to rounding.

#### **Cautionary Statement**

Statements in this communication that are "forward-looking statements," including our 2021 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: the impact of COVID-19; future demand for PepsiCo's products; damage to PepsiCo's reputation or brand image; 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 and diverse workforce; water scarcity; changes in the retail landscape or in sales to any key customer; disruption of PepsiCo's supply chain, including cost inflation in raw materials, packaging and commodities; political or social 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; future cyber incidents and other disruptions; failure to successfully complete or manage strategic transactions; PepsiCo's reliance on third-party service providers; climate change or measures to address climate change; strikes or work stoppages; failure to realize benefits from PepsiCo's productivity initiatives; deterioration in estimates and underlying assumptions regarding future performance that can result in an impairment charge; 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 of PepsiCo's products; 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 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. We undertake no obligation to update any forward looking statement, whether as a result of new information, future events or otherwise.