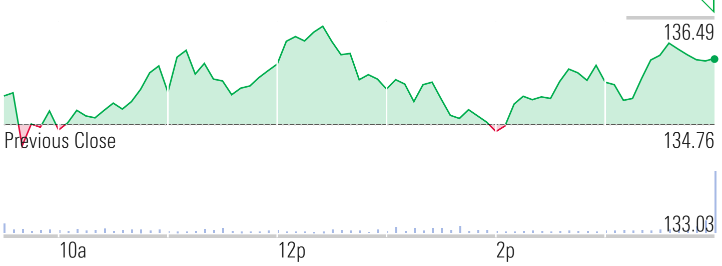
PepsiCo Inc PEP ★★★ Sep 10, 2020

Show Full Chart

After Hours: $135.75 0.06 | 0.04%

$135.81 **1.05 | 0.78%**



USD | NASDAQ | Last close prices updated as of Sep 11, 2020, 4:15 PM EST |
After hours prices updated as of Sep 11, 2020, 5:06 PM EST | BATS BZX Real-Time Price

Quote | Key Ratios | Short Interest | News

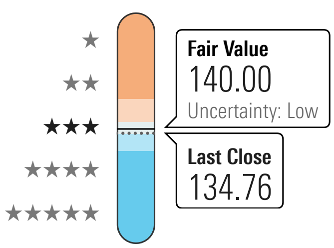
Bid/Size	Ask/Size	Day Range	Volume / Avg
135.57×7	135.70×1	134.23 – 136.38	3.4 Mil / —
Year Range	**Forward Div Yield**	**Market Cap**	**Investment Style**
101.42 – 147.20	3.04%	187.7701 Bil	Large Value
Price/Sales	**Beta (5-Year)**	**Consensus Forward P/E**	**Price/Book**
2.79	0.56	22.03	14.94

Morningstar's Analysis

Summary | Competitors | Bulls Say/Bears Say

Valuation Feb 15, 2020 Currency in USD

PEP is trading within a range we consider fairly valued.



1-Star Price
> 175.00

Economic Moat
Wide
Trend: Stable

5-Star Price
< 112.00

Stewardship
Exemplary

Pepsi Continuing to Execute Against Strategic Priorities Amid COVID-19 Uncertainty

Nicholas Johnson
Equity Analyst

Business Strategy and Outlook | by Nicholas Johnson Updated Jul 15, 2020

For many consumers, the Pepsi trademark elicits images of cola containers and curated ads extolling the brand's taste superiority versus Coke. While PepsiCo is still a beverage behemoth, its exploits now extend beyond this industry, with Frito-Lay and Quaker products accounting for over half of sales and over 65% of profits, by our estimate. A diversified portfolio across snacks and beverages is the crux of many of the company's competitive advantages, in our view. Though management missteps have stymied performance in the past, we believe the confluence of better execution and benefits inherent to its integrated business model has Pepsi poised to reaccelerate profitable growth.

After years of sluggish sales growth and underinvestment, Pepsi has committed to reinvigorating its top line. To that end, significant investments have been made in manufacturing capacity (for example, production lines to meet demand for reformulated packaging), system capacity (route optimization and sales technology), and productivity (harmonization and automation). We view these investments as prudent and believe they will allow the company to strengthen key trademarks such as Mountain Dew and Gatorade while also yielding enough cost savings to reinvest and widen profits. Recent strategic pivots within the ε
underpin growth and margins.

Pepsi's growth trajectory is not without risk, as the company fa
normative shifts in consumer behavior. Additionally, shifting gc
online commerce that encourages real-time price comparisons
retail distribution advantage, allow for more nimble and aggre
that structural dynamics emanating from Pepsi's scale, the cac
of its portfolio, which support its wide moat, should enable the
augment its competitive positioning.

Economic Moat | by Nicholas Johnson Updated Jul 15, 2020

We believe several structural dynamics, centered on cost advantages and intangible assets, have solidified PepsiCo's competitive positioning and secured it a wide economic moat. At a high level, we see characteristics of the snack and beverage categories where Pepsi competes, and its positioning within these categories, that should allow the company to continue to glean economic profits. While the firm's integrated business models across food and beverages have pros and cons, we think the combination of diversity, synergy, and flexibility that they facilitate will allow Pepsi to maintain its standing even as its core categories face secular headwinds.

Scale is usually the epicenter of the cost advantage moat source when it appears in the snack food and beverage spaces, and we believe both industries are conducive to scale efficiencies. The primary beverage and snack categories where Pepsi competes, carbonated soft drinks and salty snacks, are highly consolidated, with the top three players controlling anywhere from 40%-70% of global volume, according to GlobalData. Concurrently, the taste sensitivity of each player's core consumer is belied by the relative similarity across ingredient formulations. This means that even as market share vacillates at the margin, category leaders can typically maintain volume within a range that is suitable for cost leverage.

Pepsi enjoys leading production volume in many of its categories, which allows for favorable unit economics in manufacturing processes. The efficiency of the firm's beverage business is less pronounced relative to snacks, given the higher capital intensity; beverages have more-involved production lines because of the various infrastructure requirements, such as piping, tubing, and filters, in addition to less streamlined packaging. Still, we believe the cost structures of the company's two core operations compare favorably with those of most peers, due to Pepsi's ability to better leverage fixed costs and reduce variable costs through procurement advantages. In beverages, we see Pepsi's unit cases per manufacturing facility and cost of goods sold per unit case as evidence of the firm's top-tier capacity utilization and procurement, respectively. The firm materially trails Coca-Cola in these two metrics (by factors of 3 in both respects), owing to the latter's structurally lower-cost position in the supply chain (focusing primarily on beverage concentrates in lieu of finished drink manufacturing) as well as its more streamlined raw material procurement. Still, Pepsi is superior in these regards to established peers like Keurig Dr Pepper and other competitors. While a dearth of available data inhibits us from explicitly estimating similar metrics to elucidate Pepsi's relative positioning on the cost curve in the snack industry, we believe the firm is far better positioned than peers. With Pepsi's leading unit share, combined with the relative similarity across basic ingredient composition and manufacturing processes, we would be shocked if any snack competitor were able to achieve better productivity or procurement leverage than Pepsi.

The breadth of the firm's portfolio, spanning a variety of snacks and beverages, also begets synergies in distribution that support its cost advantage, in our view. Unlike Coca-Cola, Pepsi owns a large portion of its distribution apparatus, whether it be bottling plants and warehouses or delivery trucks. While the value/volume profile of certain snacks can make distribution less economically desirable, Pepsi is able to increase its distribution route density by filling trucks with both beverage and snack stock-keeping units, leading to economies of scope as the firm spreads distribution costs across a greater number of products. In some cases where large customers are ordering products that span the gamut of Pepsi's portfolio, the firm leverages third-party distributors to streamline this delivery, in light of the greater SKU complexity and dispersion of its various manufacturing facilities. We believe this also yields superior economics for Pepsi, and while the utilization of third-party distributors is replicable, our view is that the company's ability to do this comes from the breadth of its product portfolio and the accompanying volume, which make it worthwhile for these distributors to service Pepsi's customers on terms that are economically palatable to both sides. These are structural characteristics, and it would be difficult for upstarts to replicate similar pecuniary benefits, in our view.

Brand resonance is the most salient avenue through which the intangible assets moat source manifests itself in the consumer packaged goods space, and we believe Pepsi's categories boast characteristics that are conducive to brand development. These include relatively conspicuous consumption in various on-trade contexts and heightened taste sensitivity among a large cohort of consumers. Additionally, private-label penetration in many beverage and snack categories is relatively low--between low single digits and low double digits on a volume basis. These numbers are even lower on a value basis, given the price disparities of these SKUs vis-a-vis branded products.

Against this backdrop, we see Pepsi's stable of trademarks as among the most iconic and enduring in the world. The firm consistently appears in surveys highlighting the most favored brands among fast-moving CPG wares (with a strong CSD brand in Pepsi and a number-one sports drink in Gatorade, for example), and we believe the company's leadership across its categories evinces this sentiment. In beverages, the firm's global nonalcoholic ready-to-drink volume share of roughly 7% is only one third of Coke's, but is still almost double that of the next closest competitor (Nestle, due to its water portfolio), according to GlobalData. In global CSDs, Pepsi's market share of close to 20% is again less than half of Coca-Cola's, but close to 5 times that of the next-largest player (Keurig Dr Pepper). In snacks, Frito-Lay products boast pre-eminent status in corn/tortilla chips and other extruded snack categories, as well as potato chips, with volume share in the mid-30s and mid-40s respectively, according to GlobalData. The firm is number one in these snack categories by an even larger margin in the U.S.

While we view Pepsi's sustained elevated market share across industries as a core tenet supporting its intangible assets, we also believe the firm's pricing history represents demonstrably strong evidence. The dynamic and channel-specific nature of retail pricing, particularly exacerbated by the prevalence of behavioral algorithms in online commerce and the ability of consumers to compare prices in real time, makes general statements about relative pricing difficult. Still, we believe the firm has been a price leader in many of its categories. Pepsi has historically garnered outsize top-line gains from the combination of discrete pricing actions and mix shifts, in the mid- to high-single-digit range in some of its most penetrated markets in the Americas, which we find impressive. Even in beverages, where the firm's relative positioning is much weaker, there are a few markets--in Latin America, for example--where Pepsi boasts material price premiums (as high as 40%) above Coca-Cola.

A natural corollary of brand appeal is the supply chain entrenchment and relationships with retailers that it facilitates. The categories in which Pepsi competes constitute approximately a mid-30s proportion of total food and grocery sales in the U.S., based on GlobalData's retail tracking. Owing to its category leadership across snacks and beverages, Pepsi is often viewed as a strategic partner by retailers, helping to incubate strategies to increase overall category value. Pepsi and its retail customers also share data centered on consumer insights. We think that in an era where competitive differentiation is increasingly driven by technology-enabled analytics and algorithms, the data feedback loop that these retail relationships engender will serve to perpetuate Pepsi's advantage.

We view Pepsi's distribution apparatus as another core pillar supporting the firm's intangible asset moat source, whether it is company-controlled direct store delivery or customer warehouse systems (depending on the nature of the product and its responsiveness to in-store merchandising), or even its ability to deploy third-party distributors in an economically viable way. The firm's distribution reach encompasses over 200 countries, and this apparatus has been refined over decades, making the company more equipped to strategically and tactically deploy the appropriate go-to-market approach that will extract the best possible economics from its businesses. Unlike the alcoholic beverage industry, there are no laws mandating distribution to customers through an intermediary, which makes the nonalcoholic industry more susceptible to secular shifts in distribution and fulfilment. In general, and particularly for snack consumption situations where immediacy of need is low, digitization and the concomitant growth in the e-commerce channel have disrupted shopping paradigms, both in the ways CPG firms deliver their wares and the ways consumers make purchasing decisions. However, we see various normative trends that will ensure distribution prowess and retail relationships remain pertinent to competitive dynamics in both the snack and beverage spaces. Chief among these is consumers' penchant for social consumption, which makes on-premise food and beverage consumption a staple in many public communal settings. This type of social behavior is much less likely to be disrupted by e-commerce, in our view. Also, we believe there will be a plethora of scenarios, where purchases are impromptu and the immediacy of the need is high, that will continue to be conducive to physical purchases. We think the resiliency of convenience store and supermarket share of grocery purchases supports our views in this regard.

There are mutually reinforcing dynamics at play in the firm's intangible assets, in our view. The breadth of its distribution network (which we believe is tied to the broad appeal of its brands) makes Pepsi a choice partner of smaller beverage and snack companies. In the realm of product development, the prospect of being able to scale distribution of the final product quickly and broadly makes other companies willing to embark on joint ventures with Pepsi. Such codevelopment and distribution initiatives can be seen in Pepsi's partnership with Starbucks for ready-to-drink coffee and its Lipton partnership with Unilever. Partnerships like this further diversify Pepsi's brand portfolio and increase the avenues through which the company can monetize its innovation. In addition to the synergistic relationship among intangible assets, these partnerships improve Pepsi's capacity utilization and distribution density, thus bolstering its cost advantage.

We believe intangible assets represent Pepsi's primary moat source, with cost advantages secondary, which is the converse of our view of wide-moat Coca-Cola. Though geographic and portfolio-related idiosyncrasies make generalities difficult to make for the two behemoths, we believe that, in the aggregate, the confluence of brand strength and retailer relationships is more important to Pepsi's economic rent generation. The premise for this argument lies in the two firms' relative marketing spending, with Pepsi spending appreciably less as a percentage of revenue (midsingle digits) than Coca-Cola (low double digits). Some may argue that Coke's more robust market share in beverages is evidence of a stronger intangible asset. However, we think a brand-predicated moat is not best reflected in popularity (for which market share is the best proxy), but in the ability to parlay popularity into profitability and excess returns on capital. We think Coke's relatively higher marketing spending reflects the firm's choice to leverage superior margins emanating from its scale efficiencies to reinforce its brands and maintain market share. While the absolute spending levels by the firms are similar, we believe Pepsi has been able to leverage the breadth of its portfolio across both snacks and beverages, and the inherent promotional synergies that accompany this breadth, to achieve a similar level of brand recognition and channel entrenchment as Coca-Cola, but to do so in a much more efficient way in terms of relative advertising dollars. Moreover, we see no demonstrable evidence that Coke's higher relative spending has been more productive. In our view, these realities lend credence to our contention that Pepsi's intangible assets have been a stronger contributor to its competitive advantage.

We believe the characteristics we have outlined are self-perpetuating and mutually reinforcing. These structural dynamics, in our view, are highly unlikely to be replicated by a new entrant in a way that fundamentally alters Pepsi's competitive positioning, and we believe the firm's edge is more likely than not to persist over the next 20 years. In conjunction with returns on invested capital (averaging in the high teens historically and over the course of our explicit forecast) well in excess of the firm's cost of capital, we believe these support a wide moat rating.

Fair Value and Profit Drivers | by Nicholas Johnson Updated Jul 15, 2020

Our $140 fair value estimate for PepsiCo did not change following second-quarter results. The firm's snack portfolio is allowing it to navigate COVID-19 better than peers, but it will still see near-term weakness in on-premises sales (impacting the beverage business disproportionately) as well as heightened supply chain costs necessary to meet off-premises demand. Longer-term, we think the firm's growth will be predicated on innovative price/pack frameworks as well as investments in system capacity (particularly for on-trend categories) and efficiency.

We envision snack foods, roughly 55% of revenue, growing faster than beverages and increasing as a proportion of the total mix. We see particularly auspicious results for the firm's potato chip portfolio, as there is ample international runway for growth of Frito-Lay brands, which have greater international brand equity than signature Pepsi beverages, with the latter afflicted by huge share disparities in most international markets relative to Coke. We also expect stellar growth from "better-for-you" snack brands like Bare and Smartfood.

From a division perspective, we forecast price/mix contributing the preponderance of revenue growth except in Asia and Africa, where we expect more unit growth as underpenetrated Asian markets where the firm is investing spur volume contributions. Latin America, a predominantly food and snack business where the firm boasts dominant share and per capita consumption of its products is high, should be particularly conducive to price/mix growth (close to 6% on average in our projection). All in, we model a just under 4% top-line CAGR from 2021-24.

We model gross and operating margins widening to 55.9% and 17.7%, respectively, in 2024, versus 55.1% and 15.3% in 2019. Margins were hit in 2019 as Pepsi booked charges for severance and system implementation associated with its productivity initiatives, in addition to incremental strategic investments. We expect yet another nadir in 2020 due to coronavirus-induced costs. Still, we believe harmonization of systems and optimization of the supply chain and manufacturing apparatus will allow for margin expansion while reinvesting appropriately for growth. The margin improvements will be buttressed by continued growth in the U.S. ready-to-drink coffee market, which the firm is exposed to through equity income from its joint venture with Starbucks (via Nestle), as well as growing exploits in the high-margin energy category.

Risk and Uncertainty | by Nicholas Johnson Updated Jul 15, 2020

Various secular dynamics introduce risk to Pepsi's competitive positioning. One of the most salient, from our vantage point, is consumers' increasing penchant for more natural food and drinks. As much as Pepsi has pivoted its portfolio and its messaging, it still has to battle the stigma that accompanies processed food and drink companies. There are structural impediments to these dynamics in developing and emerging countries, but Pepsi is disproportionately exposed to markets like the U.S. where these sentiments seem unabated.

More stringent environmental regulation also represents a risk. For example, some states in the U.S. have bottle deposit return systems in place, which charge consumers deposits that are refundable, as an incentive mechanism to reduce waste. Many legislatures are seeking to place more of the financial burden for these types of policies on producers like Pepsi. To the extent that more cumbersome laws and proposals come to fruition, there could be a nontrivial impact on the firm's business model.

Finally, the increasingly viral nature of the media, along with the democratization of information and amplification of opinions that this begets, create a secular risk in the form of potential brand degradation that is quite acute for most corporations, in our view. We believe these risks become near existential for the most consumer-oriented firms that rely on brand resonance most heavily. Anything that is not consistent with the political or social zeitgeist, which can manifest in anything from a marketing campaign to supply chain governance, gives rise to the possibility that a company's business model will be disrupted. While the diversity of Pepsi's portfolio and the vast resources at its disposal should help the firm navigate these risks, we do not think any entity is completely immune to them.

Stewardship | by Nicholas Johnson Updated Jul 15, 2020

We rate the stewardship of shareholder capital at PepsiCo as Exemplary. The company's stewardship is not beyond reproach; particularly over the past few years, there have been instances of mismanagement and injudicious capital allocation, in our view. However, we don't believe these hiccups supplant a multidecade history of stellar portfolio expansion and shareholder returns, and we see recent strategic initiatives as particularly supportive of an Exemplary rating.

Since merging with Frito-Lay in 1965, PepsiCo has demonstrated a proclivity for expanding its portfolio in ways that allow it to ride various secular tailwinds, illustrated by its purchases of Tropicana and Naked Juice, for example. Even its Quaker Foods acquisition, whose significance has waned as the business has been beleaguered by category headwinds in cereals and robust competition, allowed the company to attain control of Gatorade. Despite recent struggles, Gatorade remains the number-one sports drink globally and competes in a favorable category.

Former CEO Indra Nooyi was well regarded--appropriately so, in our opinion--for her ability to read the consumer ethos and pivot the company's portfolio accordingly. However, there were a series of execution missteps and underinvestment, particularly in the beverage business, that stymied momentum, in our view. Nooyi stepped down after 12 years at the helm in October 2018 and was replaced by Ramon Laguarta. A Pepsi veteran, having been with the company for over two decades, Laguarta has been key to a number of strategic initiatives particularly in the European business. For example, he was instrumental in the acquisition of Russian dairy and juice company Wimm-Bill-Dann. This strategic move significantly augmented the company's financial position in Russia, which has grown to become Pepsi's third most important market behind the U.S. and Mexico.

We believe Laguarta and his team have thus far been prudent in their approach to portfolio expansion, paying premiums for businesses with torrid growth prospects and secular tailwinds, such as SodaStream, while picking up bargains that allow for footprint expansion in areas where the company is underpenetrated, such as Pioneer Foods. We have a particularly favorable view of SodaStream, a maker and distributor of sparkling water machines. It dovetails well with the consumer zeitgeist, in our opinion, as consumers look for consumption mechanisms with reduced packaging footprints, as well as more choice and customizability. In 2020, the firm has reinvigorated its strategy for energy drinks, a high-growth and inherently profitable category that skews to favorable channels like convenience. Specifically, it consummated its acquisition of Rockstar Energy, a longtime partner brand that was distributed through Pepsi's system, and also entered into an exclusive distribution agreement with Bang, a disruptive energy player that has been rapidly gaining market share. These two deals, in conjunction with more leeway to parlay Mountain Dew into the energy category (the previous Rockstar agreement was more restrictive on this front), should allow Pepsi to migrate from the energy periphery and compete more aggressively.

Pepsi has also been robust on the capital return front, with over a decade of dividend increases and share buybacks of $2 billion-$5 billion over the past five years. We expect dividend increases to continue to the tune of 6% on average over the course of our explicit forecast and envision the firm buying back $2 billion-$3 billion worth of stock annually, which should be particularly accretive when executed at prices below our estimates of intrinsic value. Finally, we do not foresee any egregious issues on the governance front. The company has a robust corporate governance apparatus, with a slew of committees dedicated to all salient operational and stewardship-related matters.

Close Full Analysis

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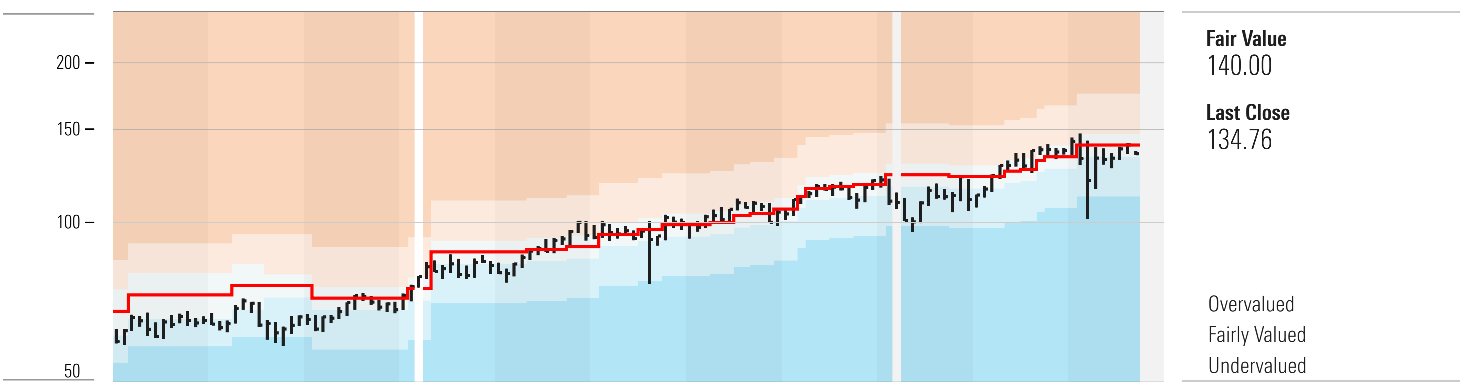
Price vs. Fair Value

Advanced | Basic   Logarithmic | Linear

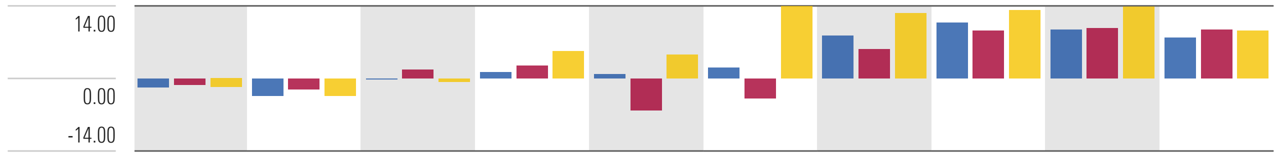


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD
Price/Fair Value	0.89	0.87	0.95	0.94	1.05	1.01	0.99	1.02	0.91	1.03	0.96
Total Return %	10.56	4.66	6.34	24.48	17.06	8.59	7.68	17.64	-4.88	27.14	0.80
+/- Index	-6.24	3.08	-9.93	-8.66	4.21	7.90	-4.76	-3.83	0.17	-4.09	-3.83

USD | As of Sep 10, 2020 | Index: Morningstar US Market TR USD

Trailing Returns

Daily | Monthly | Quarterly



Total Return %	1-Day	1-Week	1-Month	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	15-Year
PEP	-1.71	-3.31	-0.15	1.23	0.80	2.10	8.25	10.79	9.42	7.83
Beverages - Non-Alcoholic	-1.25	-2.09	1.67	2.49	-6.11	-3.81	5.66	9.23	9.68	9.36
Morningstar US Market TR USD	-1.66	-3.37	-0.63	5.23	4.63	13.94	12.55	13.17	13.88	9.18
+/-Beverages - Non-Alcoholic	-0.46	-1.22	-1.82	-1.25	6.91	5.91	2.59	1.56	-0.26	-1.53
+/-Morningstar US Market TR USD	-0.05	0.06	0.48	-4.00	-3.83	-11.84	-4.30	-2.38	-4.45	-1.35

As of Sep 10, 2020 | Sector: Beverages - Non-Alcoholic | Index: Morningstar US Market TR USD

Financials

Valuation

Price/Book	Price/Cash Flow	Price/Sales	Price/Earnings
14.95	19.38	2.79	27.47

As of Sep 09, 2020

Growth (3-Year Annualized)

Revenue %	Operating Income %	Net Income %	Diluted EPS %
2.26	1.63	4.94	6.05

As of Dec 30, 2019

Financial Health

Quick Ratio	Current Ratio	Interest Coverage	Debt/Equity
0.75	0.97	8.10	3.60

As of Jun 29, 2020

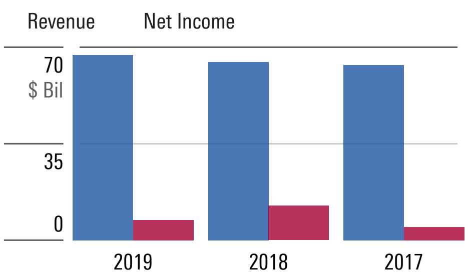
Profitability

Return on Assets %	Return on Equity %	Return on Invested Capital %	Net Margin %
8.32	51.81	15.25	10.13

As of Jun 29, 2020

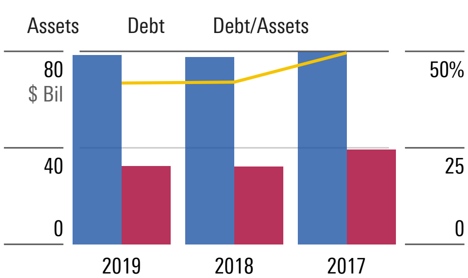
Annual | Quarterly   As Originally Reported | Restated

Income Statement



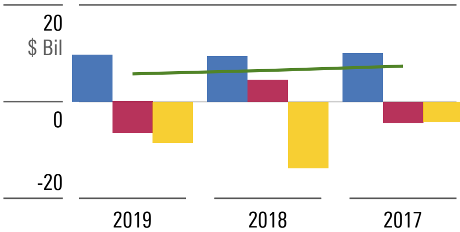
	TTM	2019	2018	2017	3-Yr Trend
Revenue (Bil)	67.65	67.16	64.66	63.53	
Operating Income (Bil)	9.80	10.29	10.11	10.51	
Net Income (Bil)	6.85	7.31	12.51	4.85	
Diluted EPS	4.90	5.20	8.78	3.38	
Normalized Diluted EPS	4.90	5.20	8.78	3.38	

Balance Sheet



	Q2 2020	2019	2018	2017	3-Yr Trend
Total Assets (Bil)	89.53	78.55	77.65	79.80	
Total Liabilities (Bil)	76.94	63.68	63.05	68.82	
Total Debt (Bil)	44.98	32.51	32.32	39.28	
Total Equity (Bil)	12.59	14.87	14.60	10.98	
Cash, Cash Equivalents and Short Term Investments (Bil)	9.12	5.74	8.99	19.51	

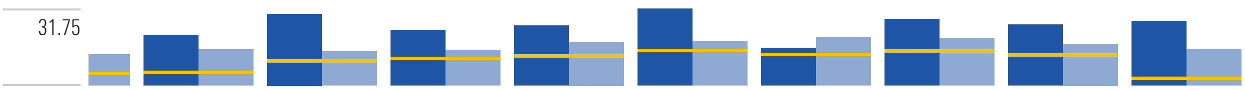
Cash Flow



	TTM	2019	2018	2017	3-Yr Trend
Operating (Bil)	9.72	9.65	9.42	9.99	
Investing (Bil)	-9.93	-6.44	4.56	-4.40	
Financing (Bil)	5.92	-8.49	-13.77	-4.19	
Free Cash Flow (Bil)	5.47	5.42	6.13	7.03	

Fiscal year ends in Dec 31 | USD in Bil except per share data

Valuation



Calendar	2013	2014	2015	2016	2017	2018	2019	Current	5-Yr	Index
Price/Sales	1.96	2.17	2.32	2.47	2.72	2.44	2.92	2.79	2.59	2.50
Price/Earnings	19.47	20.92	29.65	22.95	24.78	31.75	15.62	27.50	25.13	26.64
Price/Cash Flow	12.93	14.94	14.13	14.67	17.91	18.27	19.79	19.39	17.08	15.10
Price/Book	5.70	6.11	10.78	11.89	12.85	15.13	13.46	14.94	13.22	3.55

USD | As of Sep 10, 2020 | Index: Morningstar US Market TR USD

More Valuation Data

Operating Performance

Fiscal	2013	2014	2015	2016	2017	2018	2019	TTM	5-Yr	Index
Return on Assets %	8.85	8.79	7.77	8.79	6.31	15.89	9.37	8.32	9.56	8.09
Return on Equity %	28.96	31.24	37.20	55.14	44.32	98.66	49.92	51.81	57.32	24.11
Return on Invested Capital %	14.07	14.22	13.38	15.55	11.00	27.64	17.11	15.25	16.59	13.13

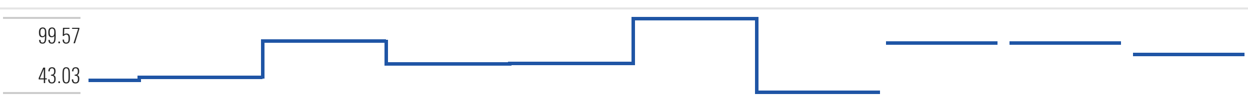
USD | Index: Morningstar US Market TR USD

More Operating Performance Data

Dividends & Splits

Dividends | Splits

Calendar	2013	2014	2015	2016	2017	2018	2019	Current	TTM	5-Yr Avg
Dividend Per Share	2.24	2.53	2.76	2.96	3.17	3.59	3.79	4.09	4.09	3.29
Trailing Dividend Yield %	2.70	2.68	2.76	2.83	2.64	3.25	2.77	2.93	2.93	2.84
Buyback Yield %	2.31	2.96	3.46	2.59	1.40	1.27	1.49	1.29	1.29	1.89
Total Yield %	5.01	5.64	6.22	5.42	4.04	4.52	4.26	4.22	4.22	4.74



	2013	2014	2015	2016	2017	2018	2019	Current	TTM	5-Yr Avg
Payout Ratio %	51.88	54.09	80.56	63.82	64.36	99.57	43.03	79.34	79.34	70.84

Ex-Dividend Date	Record Date	Payable Date	Dividend Type	Amount
Upcoming Dividends				
Sep 03, 2020	Sep 04, 2020	Sep 30, 2020*	Cash Dividend	1.0225
▼ 2020				
Jun 04, 2020	Jun 05, 2020	Jun 30, 2020	Cash Dividend	1.0225
Mar 05, 2020	Mar 06, 2020	Mar 31, 2020	Cash Dividend	0.9550
▶ 2019				
▶ 2018				
▶ 2017				
▶ 2016				

Dividend Yield (TTM)
2.93%

Div Reinvestment Plan
Yes

USD | As of Sep 10, 2020 | *Indicates upcoming reported dividend information

Ownership

Major | Concentrated | Buying | Selling | Funds | Institutions

Name	Morningstar Rating	% Total Shares Held	% Total Assets	Total Ownership: Trend Prev. 8 Qtrs	▼ Current Shares	Change Amount
Vanguard Total Stock Mkt Idx Inv	★★★★	2.82	0.59		39,460,323	89,305
Vanguard 500 Index Investor	★★★★	2.05	0.71		28,613,597	173,274
Invesco QQQ Trust	★★★★★	1.14	1.58		15,900,098	58,310
SPDR® S&P 500 ETF Trust	★★★★	1.05	0.67		14,618,205	87,780
Fidelity® 500 Index	★★★★★	0.88	0.70		12,359,115	13,376
Total (for Top 5)		7.94			110,951,338	305,425

More Ownership Data

Executive Team

Key Executives | Board of Directors | Committees | Transaction History

Name	Title	Age	Compensation USD 2015	2016	2017	
▶ Ramon L. Laguarta	Chairman of the Board, President and Chief Executive Officer	56	5,655,039	6,113,574	10,157,245	10,8
▶ Kirk Tanner	Chief Executive Officer, PepsiCo Beverages North America	51	—	—	—	
▶ Silviu Popovici	Chief Executive Officer, Europe	52	—	—	—	6,1
▶ Steven C Williams	Chief Executive Officer, PepsiCo Foods North America	54	—	—	—	
▶ Paula Santilli	Chief Executive Officer, Latin America	55	—	—	—	
▶ Compensation for all Key Executives			14,215,884	16,420,409	21,873,497	26,1

More Executive Team Data

Company Profile

Business Description **Contact** **Sector** **Industry**

PepsiCo is one of the largest food and beverage companies globally. It makes, markets, and sells a slew of brands across the beverage and snack categories, including Pepsi, Mountain Dew, Gatorade, Doritos, Lays, and Ruffles. The firm uses a largely integrated go-to-market model, though it does leverage third-party bottlers, contract manufacturers, and distributors in certain markets. In addition to company-owned trademarks, Pepsi manufactures and distributes other brands through partnerships and joint ventures with companies such as Starbucks. The firm segments its operations into four primary geographies, with North America (comprising Frito-Lay North America, Quaker Foods North America, and North America beverages) constituting over 60% of consolidated revenue.

700 Anderson Hill Road, Purchase, NY 10577
T +1 914 253-2000
investor@pepsico.com
www.pepsico.com

Consumer Defensive

Beverages - Non-Alcoholic

Most Recent Earnings
Jun 30, 2020

Fiscal Year End
Dec 29, 2020

Stock Type
High Yield

Employees
267,000.00
As of Dec 27, 2019