



PepsiCo Announces Portfolio Optimization Actions For Juice Businesses In North America and Europe

PURCHASE, N.Y., August 3, 2021 – PepsiCo, Inc. (NASDAQ: PEP) today announced that it has entered into an agreement with PAI Partners (PAI) to sell Tropicana, Naked and other select juice brands across North America, and an irrevocable option to sell certain juice businesses in Europe, which will result in combined pre-tax cash proceeds of approximately \$3.3 billion while retaining a 39% non-controlling interest in a newly formed joint venture. PAI, a leading private equity firm with strong experience in the food and beverage space, will be the majority shareholder of the transferred business, with PepsiCo retaining exclusive U.S. distribution rights to the portfolio of brands in its best-in-class, chilled Direct Store Delivery for small-format and foodservice channels.

“This joint venture with PAI enables us to realize significant upfront value, whilst providing the focus and resources necessary to drive additional long-term growth for these beloved brands,” said PepsiCo Chairman and CEO Ramon Laguarta. “In addition, it will free us to concentrate on our current portfolio of diverse offerings, including growing our portfolio of healthier snacks, zero-calorie beverages, and products like SodaStream which are focused on being better for people and the planet.”

“We are delighted to bring these storied beverage brands into the PAI portfolio through another partnership with a leading global food and beverage company. We believe there is great growth potential to be realized through investments in product innovation, expansion into adjacent categories, and enhanced scale in branded juice drinks and other chilled categories,” said Frédéric Stévenin, a Managing Partner at PAI. “We are also thrilled that PepsiCo will remain involved as our partner in the joint venture as we execute our plans to drive the future success of these brands.”

These juice businesses delivered approximately \$3 billion in net revenue in 2020 with operating profit margins that were below PepsiCo’s overall operating margin in 2020. PepsiCo expects to use the proceeds from the sale of these assets primarily to strengthen its balance sheet and to make organic investments in the business. The transaction is expected to close in late 2021 or early 2022, subject to customary conditions, including works council consultations and regulatory approvals.

Centerview Partners LLC is acting as financial advisor to PepsiCo. Gibson, Dunn & Crutcher LLP is acting as lead counsel to PepsiCo, and Davis Polk & Wardwell LLP as U.S. tax and antitrust counsel. J.P. Morgan Securities LLC is acting as financial advisor to PAI. Willkie Farr & Gallagher LLP is serving as legal counsel to PAI, and Latham & Watkins LLP is acting as financing counsel.

About PAI Partners

PAI Partners is a pre-eminent private equity firm, investing in market-leading companies across the globe. It has significant experience in the food and beverage space and is currently invested, for example, in Froneri, the world's #2 ice cream manufacturer, and Ecotone, a leader in healthy and sustainable food. It manages around €15 billion of dedicated buyout funds and, since 1994, has completed 85 investments in 11 countries, representing over €65 billion in transaction value. PAI has built an outstanding track record through partnering with ambitious management teams where its unique perspective, unrivalled sector experience and long-term vision enable companies to pursue their full potential - and push beyond. Learn more about the PAI story, the team and their approach at: www.paipartners.com.

About PepsiCo

PepsiCo products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$70 billion in net revenue in 2020, driven by a complementary food and beverage portfolio that includes Frito-Lay, Gatorade, Pepsi-Cola, Quaker, Tropicana and SodaStream. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including 23 brands that generate more than \$1 billion each in estimated annual retail sales.

Guiding PepsiCo is our vision to Be the Global Leader in Convenient Foods and Beverages by Winning with Purpose. "Winning with Purpose" reflects our ambition to win sustainably in the marketplace and embed purpose into all aspects of our business strategy and brands. For more information, visit www.pepsico.com.

Cautionary Statement

This release contains statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "goal," "intend," "may," "plan," "project," "strategy," "target" and "will" or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements, including 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; 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. PepsiCo undertakes no obligation to update any forward looking statement, whether as a result of new information, future events or otherwise.

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