



# INVESTOR UPDATE

MARCH 19, 2024

WELCOME

# JANE GELFAND

VP, INVESTOR RELATIONS & STRATEGIC INITIATIVES

# Forward-Looking Statements

Certain statements contained herein are “forward-looking statements” within the meaning of applicable securities laws and regulations. These forward-looking statements include, but are not limited to, words such as “outlook,” “guidance,” “anticipate,” “expect,” “believe,” “could,” “estimate,” “forecast,” “intend,” “may,” “plan,” “potential,” “project,” “should,” “target,” “will,” “would,” and similar words or phrases. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements regarding the estimated or anticipated future results of Keurig Dr Pepper Inc. (the “Company”) and other statements that are not historical facts. These statements are based on the current expectations of our management and are not predictions of actual performance.

Forward-looking statements are subject to a number of risks and uncertainties and actual results may differ materially. These risks and uncertainties include, but are not limited to, disruption of our manufacturing and distribution operations or supply chain; our operating in intensely competitive categories; our ability to effectively respond to changing consumer preferences and shopping behavior; concerns about the safety, quality or health effects of our products; damage to our reputation or brand image; our ability to successfully manage our acquisitions and investments in new businesses or brands; our ability to realize benefits or successfully manage the potential negative consequences of our productivity initiatives; requirements for substantial investment and upgrading of our facilities and operations; increases in our cost of employee benefits; our dependence on key information systems, and our exposure to business disruptions due to our use of information technology; substantial disruption at our manufacturing and distribution facilities; infringement of intellectual property rights, and adverse events regarding licensed intellectual property; our ability to attract, retain, develop and motivate a highly skilled and diverse workforce, and our ability to effectively manage changes in our workforce; our ability to renew collective bargaining agreements on satisfactory terms, or union activity; reductions in our payment terms with our suppliers; the consummation of our share repurchase program or the effectiveness of such program to enhance long-term stockholder value; significant impairments of the value of our goodwill and other indefinite-lived intangible assets; our dependence on third-party bottling and distribution companies for a significant portion of our business; changes in the retail landscape or in sales to any key customer; our ability to maintain strategic relationships with brand owners and private label brands; management of our equity method investments by parties who may have different interests than we do; exposure to business disruptions or other negative impacts from the use of information technology by our third-party commercial partners and service providers; our reliance on the performance of a limited number of suppliers and manufacturers for our brewers, and a limited number of order fulfillment companies for our brewers, beverage concentrates and syrups; recession, financial and credit market disruptions and other political, social or economic conditions; impacts of U.S. and international laws and regulations; exposure to significant liabilities and damage to our reputation resulting from litigation or legal proceedings; increased concerns related to the use or disposal of plastics or other packaging materials; significant additional labeling or warning requirements or limitations on the marketing or sale of our products; our exposure to cybersecurity breaches and other business disruptions due to our use of information technology and third party service providers; our ability to comply with personal data protection and privacy laws; climate change or related legislation; water scarcity and quality; and fluctuations in our effective tax rate. These risks and uncertainties, as well as others, are more fully discussed in the Company’s filings with the SEC, including our Annual Report on Form 10-K filed with the SEC on February 22, 2024. While the lists of risk factors presented here and in our public filings are considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Any forward-looking statement made herein speaks only as of the date of this document. We are under no obligation to, and expressly disclaim any obligation to, update, revise or withdraw any forward-looking statements, whether as a result of new information, subsequent events or otherwise, except as required by applicable laws or regulations.

## NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures, including Adjusted diluted EPS, free cash flow and management leverage ratio, which differ from results using U.S. Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures should be considered as supplements to the GAAP reported measures, should not be considered replacements for, or superior to, the GAAP measures and may not be comparable to similarly named measures used by other companies. Non-GAAP financial measures typically exclude certain charges, including one-time costs that are not expected to occur routinely in future periods. The Company uses non-GAAP financial measures internally to focus management on performance excluding these special charges to gauge our business operating performance. Management believes this information is helpful to investors because it increases transparency and assists investors in understanding the underlying performance of the Company and in the analysis of ongoing operating trends. Additionally, management believes that non-GAAP financial measures are frequently used by analysts and investors in their evaluation of companies, and its continued inclusion provides consistency in financial reporting and enables analysts and investors to perform meaningful comparisons of past, present and future operating results. The most directly comparable GAAP financial measures and reconciliations to non-GAAP financial measures are set forth in the Appendix to this presentation and included in the Company’s filings with the SEC which are available at [www.keurigdrpepper.com](http://www.keurigdrpepper.com).

# Agenda

## Presentation

### Welcome

Jane Gelfand, *VP Investor Relations & Strategic Initiatives*

### Introduction

Bob Gamgort, *Chairman & Chief Executive Officer*

### Strategic Vision

Tim Cofer, *Chief Operating Officer*

### Financial Outlook

Sudhanshu Priyadarshi, *Chief Financial Officer & President, International*

### Closing

Bob Gamgort, *Chairman & Chief Executive Officer*

## Short Break

Please **enjoy**  
our Cold beverages

and **discover**  
our At-Home brewers  
& future Keurig vision

## Executive Q&A Session

**Bob Gamgort,**  
*Chairman & Chief  
Executive Officer*

**Tim Cofer,**  
*Chief Operating  
Officer*

**Sudhanshu  
Priyadarshi,**  
*Chief Financial  
Officer & President,  
International*

BOB GAMGORT

CHAIRMAN & CEO

# Perspective

## PROVEN MODEL



KDP's portfolio and business model have performed well, under extraordinary pressure, over the past 5 years

## OWNERSHIP STABILITY



KDP's current ownership structure enables stability following a journey from private, to closely held, to widely held

## EVOLVED STRATEGY




Evolved strategy activates the KDP platform to deliver an attractive shareholder algorithm

## ENERGIZED TEAM



A talented and energized leadership team is now in place, fueled by a unique challenger culture

# KDP's portfolio and business model have performed well, under extraordinary pressure, over the past 5 years

2018-2023	 KDP	Beverage Peers	S&P Consumer Staples
<b>Net Sales</b> CAGR	6%	7%	—
<b>EPS</b> CAGR	11%	4%	—
<b>TSR</b> Cumulative	64%	36%	50%
<b>P/E</b> Current; N12M basis	15x	21x	20x

As used in this presentation, EPS represents Adjusted diluted EPS, a non-GAAP measure.

Net sales and EPS include impact of currency.

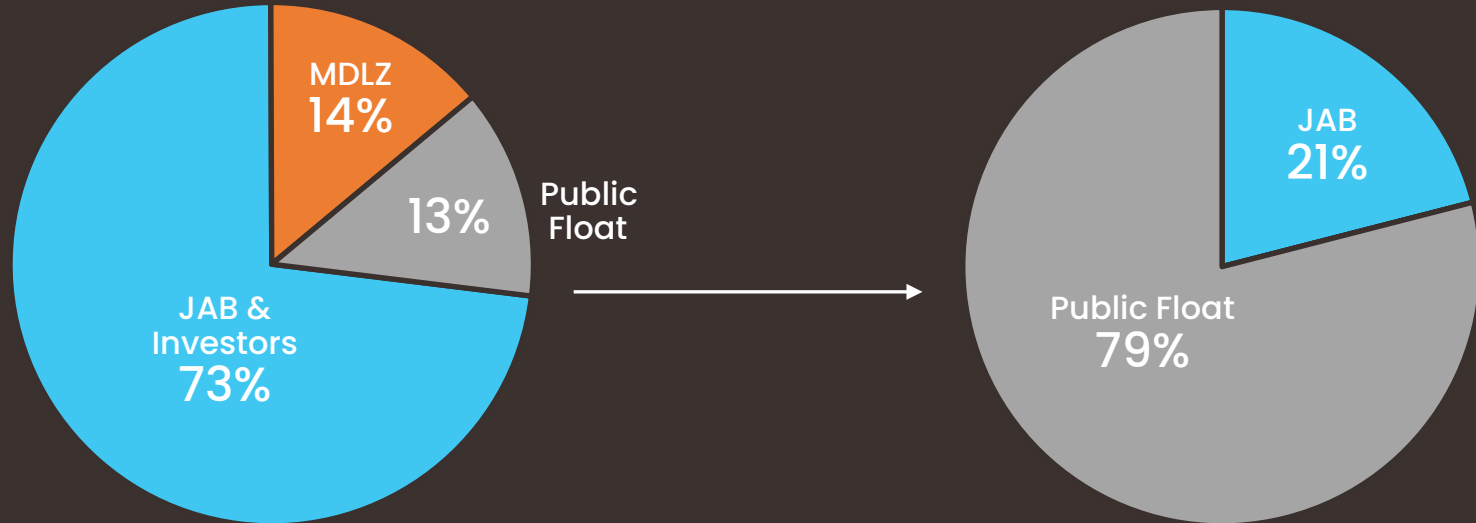
Source: FactSet. TSR calculated from 7/9/18 through 3/15/24.

Beverage Peers include BUD, KO, MNST, PEP, SAM, STZ, TAP; peer results presented as an arithmetic mean. S&P Composite 1500 Consumer Staples used as benchmark index.

# KDP's current ownership structure enables stability following a journey from private, to closely held, to widely held

At Merger

Current



**~900 Million Shares Transitioned from Private to Public Float**



# Evolved strategy activates the KDP platform to deliver an attractive long-term shareholder algorithm

## Compelling Strategy



## Attractive Algorithm



# A talented and energized leadership team is now in place, fueled by a unique Challenger culture



**Andrew Archambault**

President, U.S. Refreshment Beverages

Joined KDP: 2017  
Consumer Experience: 28



**Tim Cofer**

Chief Operating Officer; CEO transition planned in Q2'24

Joined KDP: 2023  
Consumer Experience: 32



**Mary Beth DeNooyer**

Chief Human Resources Officer

Joined KDP: 2019  
Consumer Experience: 30



**Roger Johnson**

Chief Supply Chain Officer

Joined KDP: 2016  
Consumer Experience: 11



**Patrick Minogue**

President, Coffee

Joined KDP: 2015  
Consumer Experience: 19



**Sudhanshu Priyadarshi**

Chief Financial Officer & President, International

Joined KDP: 2022  
Consumer Experience: 20



**Dr. Karin Rotem-Wildeman**

Chief Research & Development Officer

Joined KDP: 2023  
Consumer Experience: 26



**Monique Oxender**

Chief Corporate Affairs Officer

Joined KDP: 2012  
Consumer Experience: 12



**Anthony Shoemaker**

Chief Legal Officer & General Counsel

Joined KDP: 2020  
Consumer Experience: 4



**Justin Whitmore**

Chief Strategy Officer

Joined KDP: 2021  
Consumer Experience: 13

## Selected Previous CPG Experience



TIM COFER

CHIEF OPERATING OFFICER

# Confident in the future of KDP

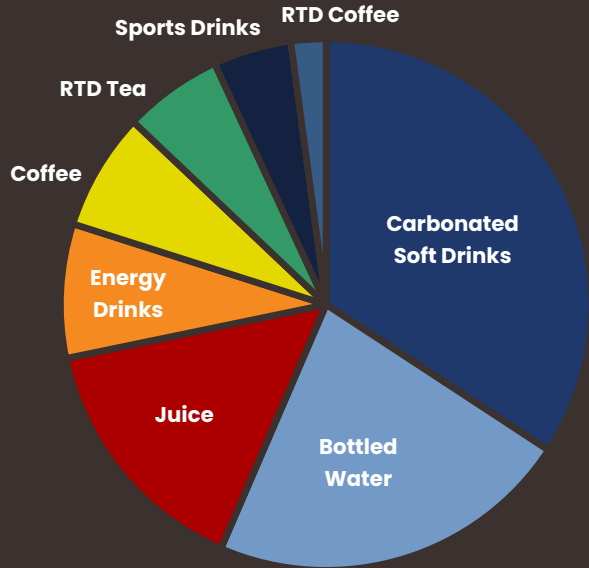
- Beverage industry is large, dynamic and attractive
- KDP is an advantaged platform with a proven track record
- Clear strategic framework to drive the next chapter of growth
- Committed to compelling outcomes to support continued shareholder delivery
- Confident in consistent delivery of long-term algorithm
- Unique challenger culture as our force multiplier



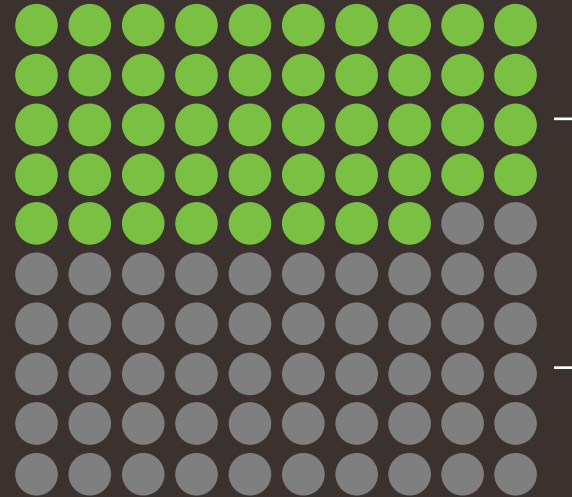
# The Beverage industry is a dynamic and still-fragmented space

Multiple emerging segments  
in \$300B North America at-home market

Significant scope to build share



**5% growth**  
2016-2023 CAGR



Top 3 Players

**48%**

All Others

**52%**

# U.S. At-Home Coffee is a large category with significant runway for single serve & ready-to-drink

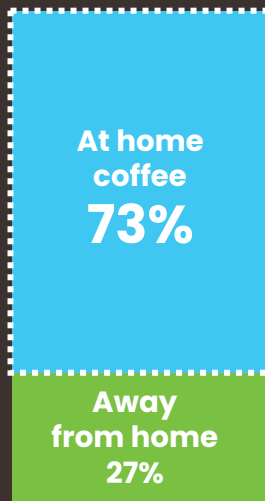
**63%** daily consumption

#1 of all beverages (excl. water)

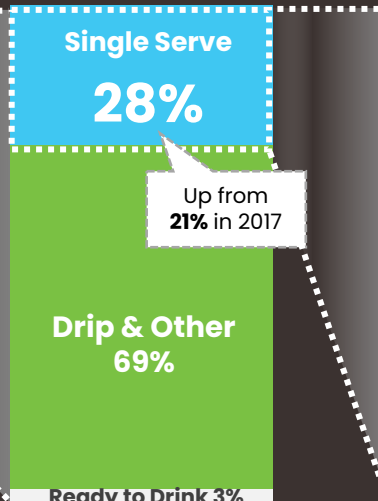
**78%** of Gen-Zennials

drank a coffee in the past week

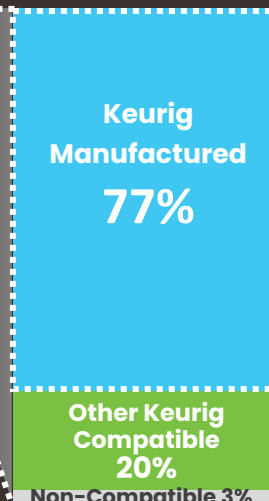
## Total Coffee Volume



## At-Home Volume



## Single Serve Volume



**42B At-Home coffee occasions**

**+4% Single Serve volume CAGR L5Y**

**Single serve consumption drivers:**

Conversion from drip

- 95M U.S. households drink coffee at home
- 40M active Keurig households in the U.S.

Capturing out-of-home occasions

# KDP is a Challenger with significant scale



~\$**15B**

net sales in 2023

~\$**4B**

Adjusted operating  
income in 2023



**HQs:**

Burlington, Massachusetts  
Frisco, Texas  
Montreal, Quebec  
Mexico City, Mexico



**150+**

principal warehouses /  
distribution centers



**125+**

owned, licensed  
& partner beverage  
brands

**Fortune 500**  
**S&P 500**  
**Nasdaq 100**



approximately

**28K**

employees



**30**

Manufacturing  
locations

# A North American leader with strong category positions

## U.S. Refreshment Beverages

**~\$9B**  
Net sales

**~29%**  
Adjusted  
OI margin



**#1** Flavored  
CSDs



**#2** Premium  
water



**#1** Mixers



**#2** Shelf-stable  
premium  
RTD tea



**#1** Apple  
juice



**Emerging**  
Sports  
Hydration



**Emerging**  
Energy

**2023  
NET SALES**

## U.S. Coffee

**~\$4B**  
Net sales

**~33%**  
Adj. OI margin



**#1** Single-serve  
coffee system



**Emerging**  
RTD coffee

## International

**~\$2B**  
Net sales

**~26%**  
Adj. OI margin



**#1** Flavored  
CSDs



**#1** Single-serve  
coffee  
system



**#1** Mineral  
Water



**#1** Tomato  
seafood  
juice



**#1** Low alcohol  
cocktail



**#2** Flavored  
CSDs



# Iconic brands beloved by consumers

\$1B+



\$500M+



\$100M+



Our broad beverage portfolio includes 125+ owned, licensed and partner brands

# Evolved strategy to guide the next chapter of KDP value creation

## OUR PURPOSE

**Drink Well. Do Good.**

## OUR VISION

**A beverage for every need,  
anytime, anywhere**

## OUR STRATEGIES

Champion  
consumer-obsessed  
brand building

Amplify our  
route to market  
advantage

Shape our  
now and next  
beverage portfolio

Generate  
fuel for growth

Dynamically  
allocate capital

## OUR CULTURE

**Top beverage talent with a challenger mindset**

Team First // Deliver Big // Think Bold // Be Fearless and Fair

 **Drink In The Possibilities**

# Our Purpose and Vision as a company are clear and intentional

## Purpose

Drink Well.  
Do Good.

Drink Well to enhance the experience of every occasion.

Do Good to make a positive impact for our people, communities and planet.



## Vision

A beverage  
for every need,  
anytime, anywhere



We have a  
clear and  
compelling  
strategy

## Strategy

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Champion Consumer-Obsessed  
Brand Building



Amplify our Route to Market  
Advantage



Shape our Now and Next  
Beverage Portfolio



Generate Fuel for Growth



Dynamically Allocate Capital



## Strategy

We have a clear and compelling strategy

Champion Consumer-Obsessed Brand Building	<ul style="list-style-type: none"><li>▪ Lead with the consumer</li><li>▪ Invest in our iconic brands</li><li>▪ Innovate and disrupt</li></ul>
Amplify our Route to Market Advantage	<ul style="list-style-type: none"><li>▪ Extend multi-channel leadership</li><li>▪ Strengthen Direct Store Delivery (DSD)</li><li>▪ Broaden digital capabilities</li></ul>
Shape our Now and Next Beverage Portfolio	<ul style="list-style-type: none"><li>▪ Lean into growth categories</li><li>▪ Create win-win partnerships</li><li>▪ Accelerate international</li></ul>
Generate Fuel for Growth	<ul style="list-style-type: none"><li>▪ Drive continuous net productivity</li><li>▪ Optimize network</li><li>▪ Maintain lean overheads</li></ul>
Dynamically Allocate Capital	<ul style="list-style-type: none"><li>▪ Enhance returns through smart investments</li><li>▪ Ensure efficient capital structure</li><li>▪ Return cash to shareholders</li></ul>



Activating  
our strategy  
will catalyze  
positive  
outcomes  
across our  
business

## Outcomes

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**Strong base momentum leveraging leading capabilities**



**Expansion into high growth categories**



**Meaningful International contribution**



**Robust productivity to reinvest and expand margins**



**Enhanced value creation through disciplined capital deployment**



These outcomes underpin our attractive long-term financial algorithm

## Algorithm

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**Net Sales  
Growth**

**Mid  
Single Digit**

**EPS  
Growth**

**High  
Single Digit**

**Cash  
Flow**

**+ Optionality**

*Algorithm is stated on a constant currency basis.*

Drink in the  
possibilities



# **STRONG BASE MOMENTUM**

leveraging leading capabilities



# Strong base momentum driven by enhanced capabilities and execution

*Since Merger*

**U.S. Refreshment  
Beverages**

**+7%**

Net Sales CAGR

**U.S. Coffee**

**+2%**

Net Sales CAGR

**International**

**+9%\***

Net Sales CAGR

\*+9% const FX,  
+10% reported CAGR

**Consolidated**

**+6%**

**Net Sales CAGR**

# Brand Building, Commercial, and Route-to-Market capabilities propel our base momentum

## Consumer-Obsessed Brand Building

Consumer Insights

Brand Portfolio  
*KDP & Partners*

Content & Media



## Advantaged Commercial Engine



## Unique Multi-Channel Route-to-Market



# Our brand-building begins with a unique understanding of the consumer

## Proprietary Demand Space Framework

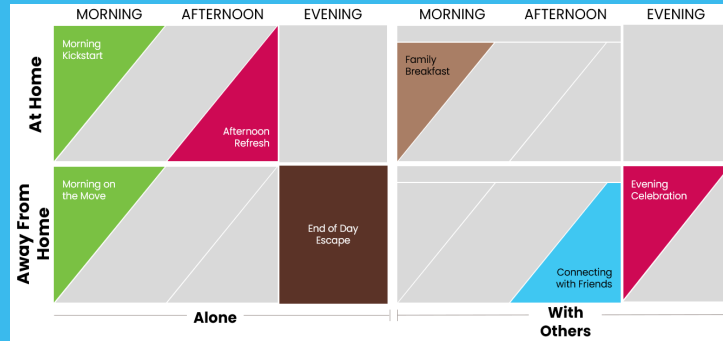
Informed by 25,000+ interviews

Intersection of occasions, needs, and consumers

Maps beverage usage

- From Dawn to Dusk
- At Home and Out-and-About
- Alone and With Others

Uncovers both functional and emotional needs



## Application

### Positioning

Sharpens brand distinctiveness

### Communications

Improves messaging resonance

### Innovation & Renovation

Highlights underserved & unmet needs

### Activation

Refines strategy by shopper, channel & pack

# Demand Space understanding drives sharper brand execution

## Canada Dry

#1 CSD brand equity in Relax need state

DEMAND SPACE  
Unwinding in the Evening



INNOVATION  
Canada Dry Fruit Splash



POSITIONING  
Be Relaxed



COMMUNICATION  
Sip Into Your Comfort Zone



## Original Donut Shop

Gen-Zennial share growth  
**3x**  
the category since 2019

DEMAND SPACE  
Casual Get Together



INNOVATION  
Donut Shop and Twix



POSITIONING  
Everyday Treat



COMMUNICATION  
Treat Yourself First



# FANSVILLE activation supports Dr Pepper's standout momentum

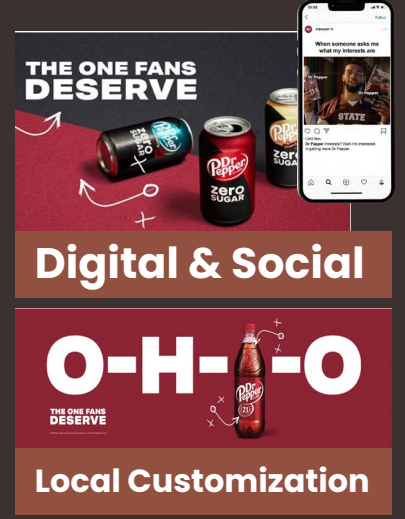


DEMAND SPACE  
**Connecting With Friends**

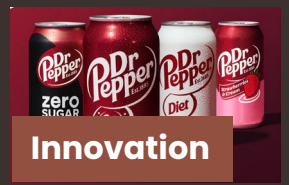
POSITIONING  
**One of a Kind Treat**

INNOVATION  
**Strawberries & Cream**

COMMUNICATION  
**The One You Deserve**



**#1 CSD innovation**  
3<sup>rd</sup> straight year



**+1.8 pts**  
CSD market share since merger

**Packaging**



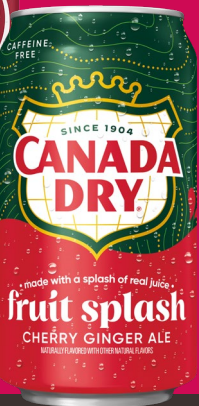
# 2024 Cold Beverages innovation designed to extend LRB share gains

## CSDs

Limited Edition Creamy Coconut



Fruit Splash



fruit splash  
CHERRY GINGER ALE



Premium Glass Bottle

## Water

USA Gymnastics Partnership



Penafiel U.S. Expansion



Polar Fan Favorite

Bai Relaunch & Sydney Innovation



## Tea, Juice & Sauce

Snapple Flavors



Mott's Variety Packs, Seasonal Line and Hydration



## Energy

C4 Energy



## Sports Hydration



Electrolit

## Price & Package



New Consumer Preferred Pack Types



Drink in the possibilities | **KDP**

# Robust U.S. Coffee beverage innovation slate spans segments and brands

## Iced



## Super-Premium & RTD



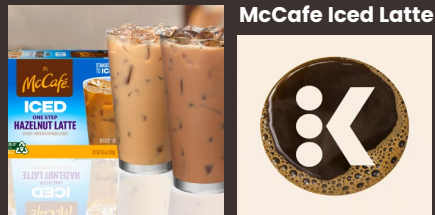
## Green Mountain



## Specialty



## Cinnamon Toast Crunch Latte



## McCafe Iced Latte



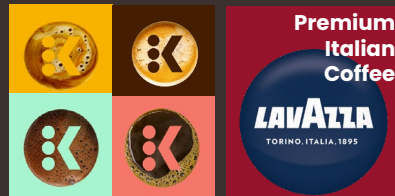
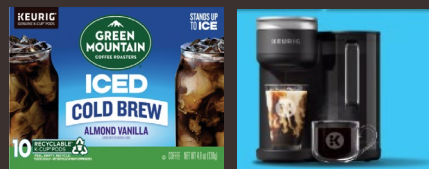
## La Colombe RTD & K-Cup Pods

## Green Mountain Kevin Costner Partnership



## Spring Seasonals

## Café Quality Cold Brew



## McCafe Blueberry Muffin



# Consumer-led brewer innovation captures total coffee-drinking occasions

CONSUMER-INFORMED PRIORITIES

## Taste & Quality

## Coffee Shop Experiences

- Hot specialty coffee
- Iced coffee
- Refreshers

## Variety & Value

## K·Brew+Chill™



- Fast, fresh, cold coffee
- Same great hot features
- Works with any K-cup pod

## Chic & Affordable Options



- Smallest-ever Keurig brewer
- Opening price point
- Colorful personality

We are shifting consumption from **drip-coffee** & **away-from-home** occasions



To meet consumer needs, Keurig is ready to disrupt the status quo



single serve coffee  
reimagined

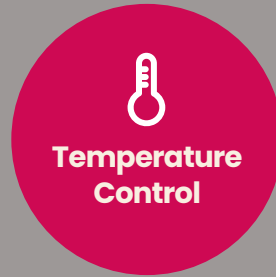
# The Next Gen System will be “everything you love about Keurig”, plus more



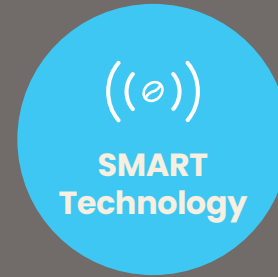
Espresso, specialty,  
drip style coffee



Responsibly  
sourced coffee in a  
plastic and  
aluminum-free pod



Hot and cold  
coffee



Tailored  
brew settings &  
personalized  
convenience



Protected by a  
significant IP portfolio  
and technological  
advancements

# Introducing K-Rounds™ plastic and aluminum free pods



## Variety

multiple sizes to deliver authentic shots of espresso, rich cups of coffee and refreshingly cold coffees



## Quality

expertly roasted, premium coffee beans ground and pressed together

## Exceptional Value

coffeehouse drinks without the coffeehouse prices



## Sustainability

Plastic and aluminum free pods can be disposed like any coffee grounds and expected to be certified compostable\*

\* Certification in process

Drink in the possibilities



NEW

**KEURIG**  
**alta**<sup>TM</sup>  
SINGLE SERVE SYSTEM

exclusively  
designed  
to brew with

**ROUNDS**<sup>TM</sup>  
PLASTIC-FREE PODS



# Brand Building, Commercial, and Route-to-Market capabilities propel our base momentum

## Consumer-Obsessed Brand Building

Consumer Insights

Brand Portfolio  
*KDP & Partners*

Content & Media



## Advantaged Commercial Engine



## Unique Multi-Channel Route-to-Market



# Our Commercial model is geared to create value for our customers



**Omni  
Channel  
Marketing**

**Digital Shelf Excellence**  
**Impactful Shopper Conversion**  
**Media Effectiveness Measurement**



**Channel  
Strategy &  
Category  
Mgmt.**

**Picture of Success**  
**Assortment Recommendations**  
**Portfolio Solutions**



**Revenue  
Growth  
Mgmt.**

**Price Management**  
**Promotional Optimization**  
**Packaging / Mix Evolution**



**National  
Retail  
Sales**

**Dedicated Customer Teams**  
**Tailored Portfolio Solutions**  
**Digitized Toolboxes**

In 2023, KDP was a Top 3 growth driver for our customers  
among Food & Beverage manufacturers

# Brand Building, Commercial, and Route-to-Market capabilities propel our base momentum

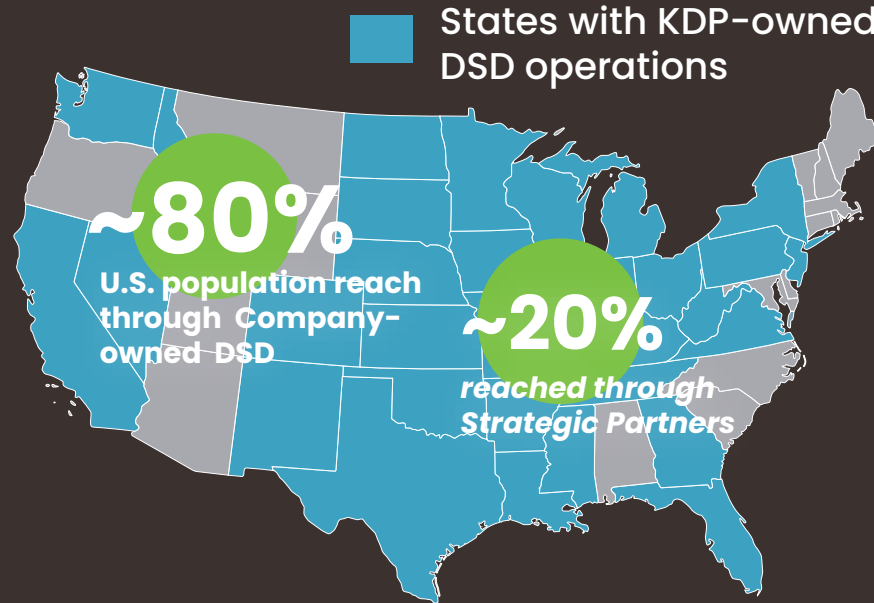


# Direct Store Delivery (DSD) is a scarce asset and a key investment priority

## DSD Operational Footprint

### Channel Reach

- Grocery
- Club
- Dollar
- Convenience
- Foodservice
- At Work
- Military



**180,000+**

Retail outlets serviced

**12,000+**

DSD Employees

**6 Million+**

Customer sales visits in 2023

**150,000+**

Cold drink equipment

**~30** Distributor acquisitions since merger



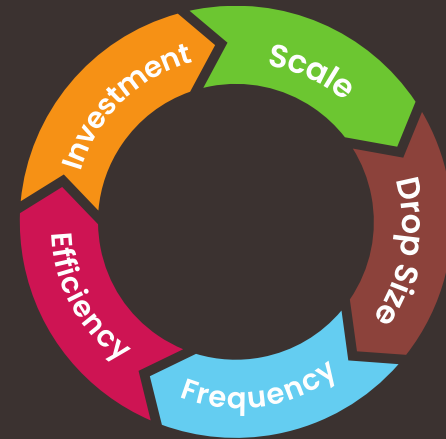
# DSD creates advantages that drive sustained outperformance

## Greater effectiveness in store

- Demand responsiveness
- Enhanced in-store feature & display
- Lower out-of-stocks
- Cold merchandising
- Deeper customer relationships
- Enhances Preferred Partner status

**Over 75%**  
of LRB portfolio gained share  
in 18 of the past 20 quarters

## Greater efficiency from increasing KDP & partner scale



**~50%** increase in scale  
chain convenience stores  
with recent partner additions

# Away from Home is a sizeable future growth opportunity

We have established a strong foundation with Dr Pepper

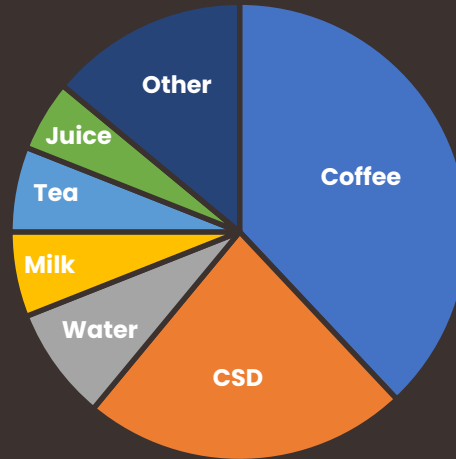
Significant future opportunity to gain share across more occasions in more channels



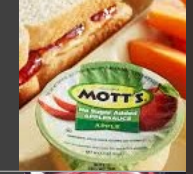



#1 most available fountain beverage

Our Fountain business reaches **250K+** unique locations

**\$200B+**  
U.S. Foodservice market



Quick Serve	
Restaurant/ Bars	
Education	
Convenience	

# Our eCommerce channel exposure is already large, with strong momentum

12%

eCommerce as a % of KDP's 2023 total retail sales

Double digit

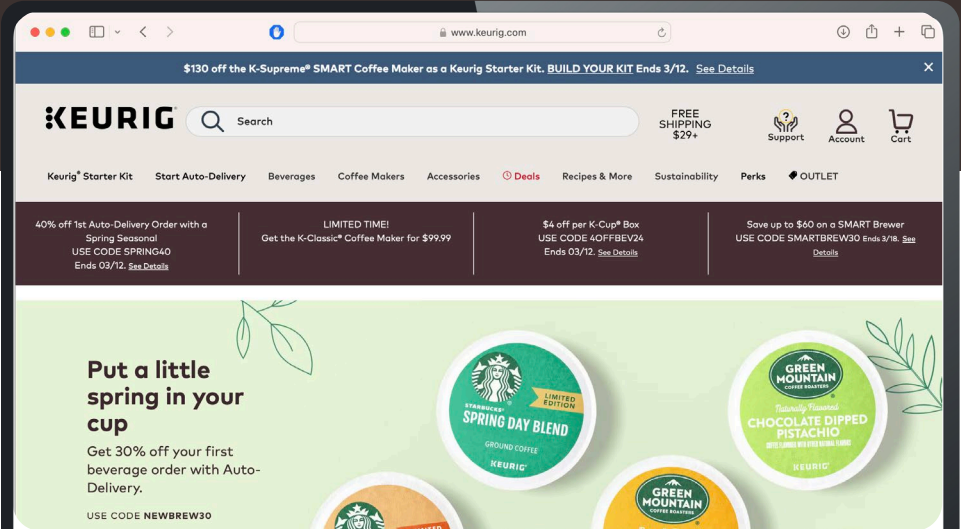
eCommerce CAGR Last 2 years

2x

growth in KDP Cold Business eCommerce penetration since 2020

Top 3

Keurig.com among top online retailers driving KDP momentum



# Brand Building, Commercial, and Route-to-Market capabilities propel our base momentum



# A holistic digital transformation is underway across KDP

## Digital consumer connections



- Dynamic consumer engagement
- Differentiated 1P + 2P insights
- Tech-driven product innovation

## Digital value chain



- Omni-channel excellence
- Optimized DSD capabilities
- Predictive & transparent supply chain

## Digitized enterprise



- Intelligent automation & productivity
- Enhanced business processes
- Advanced & gamified operations

## Digital Foundations

Cloud-first

Data-driven

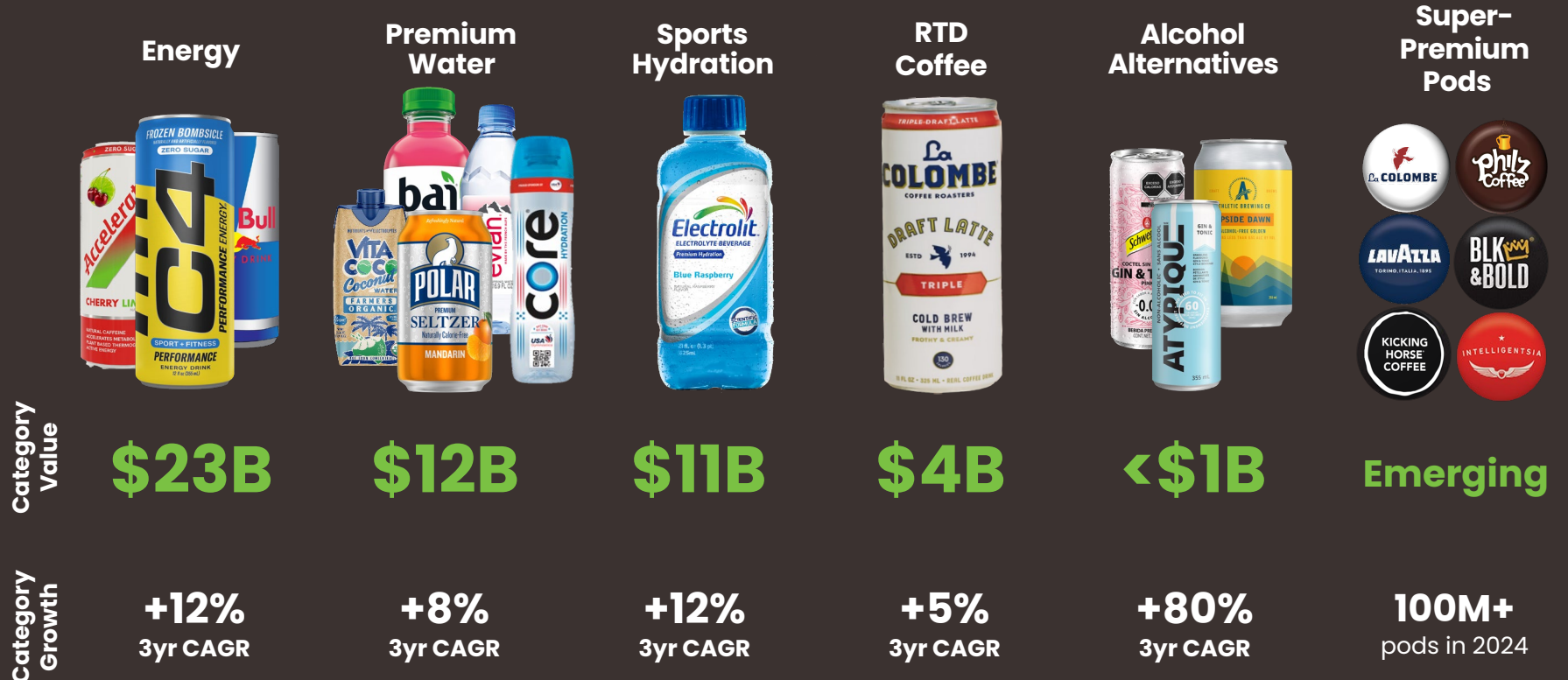
Agile

ROI-focused

Expansion into

# HIGH GROWTH CATEGORIES

# Multiple emerging growth platforms in large and expanding categories



# KDP is the preferred partner to build win-win beverage partnerships

## Benefits to Partners



**Sales and  
distribution**



**Business  
Stewardship**



**Resourcing**



**Data and  
Insights**



**Innovation**



**Exclusive  
Channels**

## Benefits to Both



**Accelerated  
Growth**



**Aligned  
Incentives**



**Attractive  
Economics**

## Benefits to KDP



**White Space  
Entries**



**Equity  
Upside**



**Capital  
Efficiency**



**Founder  
Network**



**Additional  
Scale**



**Optionality**



# We attract like-minded entrepreneurs, founders and their brands



**Bill Shufelt**



**Doss Cunningham**



**Hamdi Ulukaya**



**Ralph Crowley**



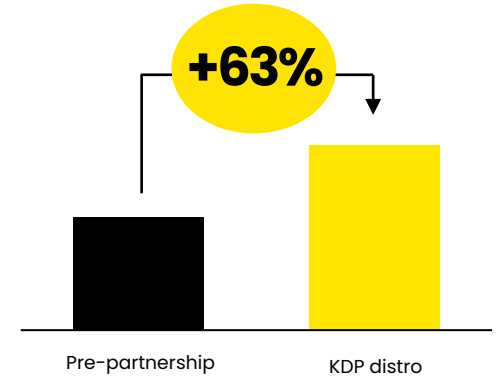
**Michael Kirban**

# In Energy, C4 has tremendous upside potential



- #2 share position in functional energy
- 3% dollar share in total energy
- 34% equity stake in Nutrabort
- Attractive economics

## Strong retail sales growth in Year 1 of partnership



## Performance reflects KDP's commercial strength:

**+0.8pts**

Share gained in energy category

**+58%**

Total points of distribution

**+68%**

Grocery display inventory

**C4 PERFORMANCE ENERGY.**



## KDP to power Electrolit from fast-growing regional brand to national leader

**TOP 5**

**POSITION IN  
\$11B U.S. SPORTS  
DRINK CATEGORY**

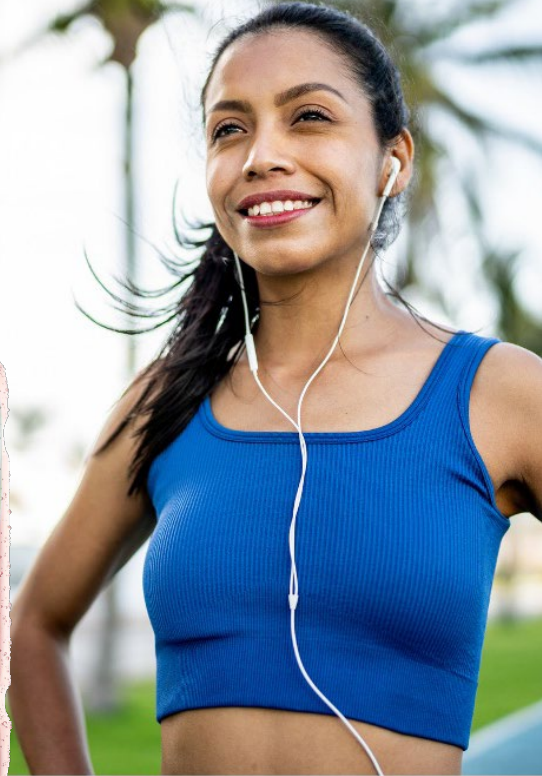
**LEADER**

**IN SPORTS  
HYDRATION  
IN MEXICO**

**5**

**YEARS OF  
DOUBLE-DIGIT  
GROWTH**

- Strategic partnership with Grupo PISA
- Established rapid hydration sub-segment
- Broad and multicultural consumer appeal



# La COLOMBE<sup>®</sup>

COFFEE ROASTERS

## La Colombe enhances our super-premium and ready-to-drink coffee platforms

- Strategic partnership with Chobani
- Café credibility
- Vertical integration with leading dairy capabilities
- Super-premium pods introduced in Q4 2023
- Reformulated ingredients & upgraded packaging in 2024



**\$4B**  
shelf-stable  
ready-to-drink  
category

**~5%**  
Equity stake in  
Chobani



# Significant opportunity to scale RTD alcohol and alternatives

KDP Category retail sales exceed \$500M

## Leading RTDs



Owned & licensed brands

## #1 Non-Alcoholic Beer



Equity investment

## #1 Mixers & Ingredients



#1 Still Mixer



#1 Ingredient



#1 Carb Mixer Manufacturer



#1 Michelada Mixer



Owned brands

## Alcohol Alternatives

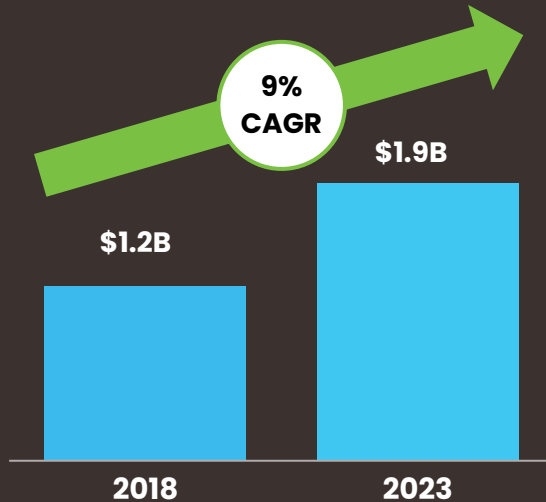


Owned brands

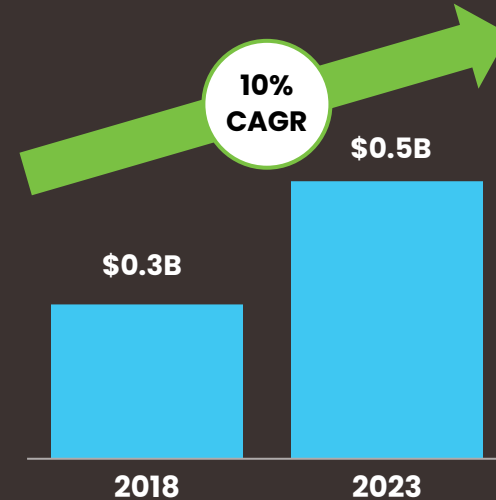
Meaningful  
**INTERNATIONAL** Contribution

# Our International segment is becoming an increasingly significant growth driver

## Net Sales



## Adjusted Operating Income



**International now accounts for 13% of KDP net sales**  
**Significant future opportunity to drive top-line and margins**

# Macro and demographics support healthy beverage category growth

## Macro Overview

## Beverage Industry

Population

GDP global rank

Retail Sales

5yr CAGR



**MEXICO**

**128M**

*Growing modestly faster than the U.S.*

**14th**

*Room for expansion in GDP per capita (<1/3 U.S. level)*

**\$46B**

**+6%**



**CANADA**

**39M**

*Growing +1% per annum (positive net migration)*

**9th**

*Consistent GDP growth*

**\$23B**

**+6%**



# International is anchored by leading businesses in Latin America and Canada



**Latin America**

~\$1B Net Sales



**Canada**

~\$1B Net Sales

**Mexico > 90% of LatAm net sales**

Additional 55 countries reached via export



#1 Mineral Water



#1 Tomato seafood juice



#1 Grapefruit CSD



The highest growth in CSDs

**TOP 3 BEVERAGE PLAYER**  
across markets

**620 K**

Customers reached via company-owned DSD + other routes to market

**65+**

owned, licensed and partner brands

**KEURIG**

#1 Single-Serve Brewer



#1 Ale Brand in CSD

**CLAMATO**

#1 Tomato Seafood Juice



#1 Flavored CSD

**ATYPIQUE**

#1 Low-Alc RTD Cocktail

**TOP**








Coffee Foodservice provider

**~80%**

\$ Pod share KDP-manufactured

**Deep local industry expertise across long-tenured leadership teams**

# Momentum is underpinned by share gains & category growth

<b>Category Name</b> Market presence	<b>Category CAGR</b> 2020-2023	<b>KDP Share</b> change
<b>CSDs</b> Canada & Latin America	HSD (CA) & DD (MX)	
<b>Mineral Water</b> Latin America	Double digit	
<b>Single Serve Coffee</b> Canada	Low single digit	
<b>Low-/No- Alcohol</b> Canada & Latin America	Double digit (CA)	
<b>Tomato Seafood Juice</b> Latin America	Double digit	
<b>RTD Alcohol</b> Canada	High single digit	
<b>Energy</b> Canada & Latin America	Double digit	 Emerging

# Multiple vectors of innovation in International



## MEXICO



Squirt  
Sugar-  
Free

Dr Pepper Zero  
and  
Strawberries &  
Cream



Schweppes  
Mocktails

Soft  
Seltzer



## CANADA

### RTD Alcohol & Alternatives



### CSD Innovation Driven By Zero Platform And Flavors



### Strong Pipeline In Coffee



# As in the U.S., we buy, build and partner to create Int'l growth platforms

## Energy



Highest growth in Mexico's traditional trade in 2023

1.3x distribution vs. 2022



## RTD Alcohol



92% \$ Share of Caesar Segment

Expansion into Malt in select channels



## Alcohol Alternatives

Canada

Leading category shares in non-alcoholic beer & low-alcohol cocktails

Mexico

Schweppes Mocktails innovation in 2024



## Premium Coffee

Canada

Bringing premium coffee to our consumers within the Keurig system



# ROBUST PRODUCTIVITY

to reinvest and expand margins

# Now entering next wave of productivity savings

## Integration

---



**\$600M**  
Cost Synergies  
Achieved

## Supply Chain Transformation & Surety of Supply

---



Next-gen  
manufacturing  
investments



Customer  
service as top  
priority

## Continuous Net Productivity

---



Top-tier productivity  
to offset inflation,  
expand margins &  
unlock fuel for growth

# Significant investments to modernize core processes yielding results

## Next Generation Aseptic Manufacturing

ALLENTOWN, PA



**Significant increase** in annual still beverages capacity

Cutting edge **aseptic technology**

**200% increase in labor productivity** via automation

## Strategic Concentrate Facility

NEWBRIDGE, IRELAND



Second source of concentrate supply to **mitigate risk**

**50% lower processing time** vs. legacy network

**Nearly doubled capacity** vs. initial scope

## Next Generation K-Cup Pod Manufacturing

SPARTANBURG, SC

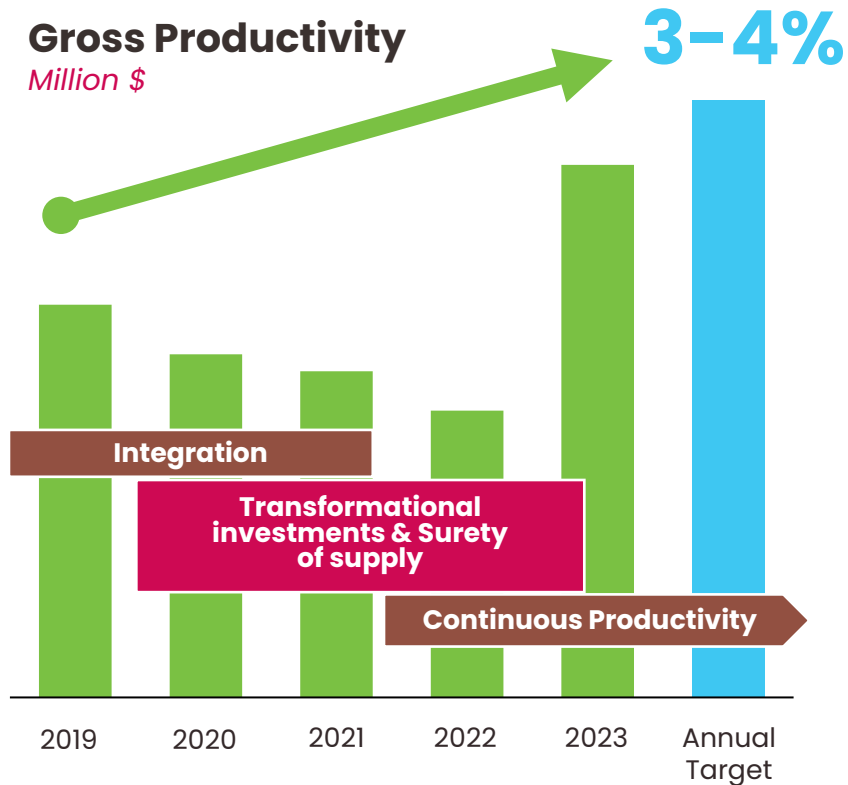


Producing **K-cup pods at the highest rate** in KDP history

**Lowest cost** K-cup pod facility when fully scaled

All manufacturing lines to be **completed by 2025**

# Starting in 2023, our focus shifted to driving a step-change in productivity



## Focus Areas

War on Waste

Design-to-Value

Network Optimization

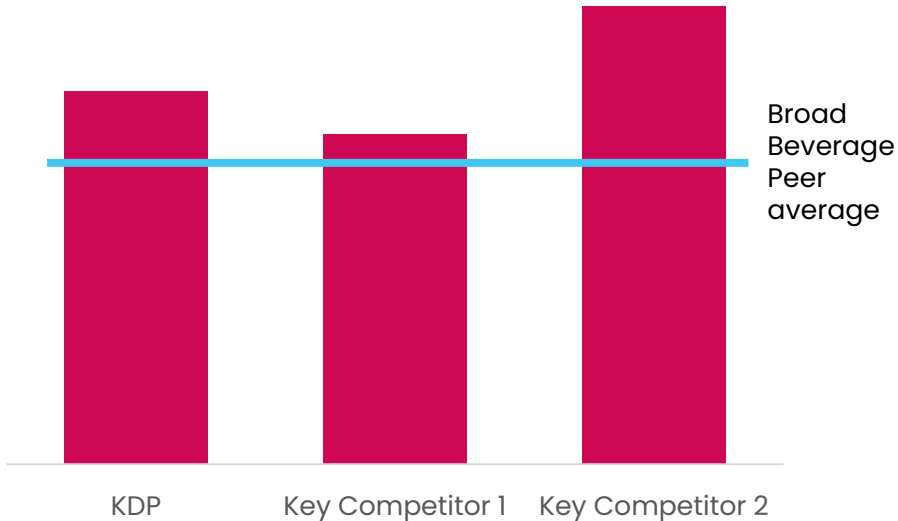
Harvest benefits from next-generation investments



# Committed to driving a lean overhead structure

## Goal to maintain top-tier Beverage overheads

% of sales



## Focus Areas

### Operating Model

- Business unit as primary organizational vector
- Lean corporate center
- Aggressive indirect cost management

### Enablers

- Digitalization
- Automation
- Shared services

### Target

- Expense growth  $\leq$  Sales growth

Enhanced value creation through  
**DISCIPLINED CAPITAL DEPLOYMENT**

# Disciplined capital allocation has been a hallmark of KDP value-creation



## Growth investments

Brand-building, commercial and route-to-market **capabilities**  
**Next-gen manufacturing** facilities



## M&A and partnerships

Multiple, high-growth category platforms added with **<\$2.5B spent**



## Balance Sheet

Post-merger deleveraging from **~6x to ~3x**  
Proactive reduction in supply chain financing program



## Cash to Shareholders

Growing dividend: **+11% CAGR** over the last 3 years  
**\$2.2 billion** in opportunistic shares repurchases



## Strong returns

**+64%** TSR since merger  
**+180 bps** ROIC improvement since merger

# Future deployment will be similarly dynamic, with investing in KDP's growth our top priority



# Our secret ingredients are our culture and our people

## OUR PURPOSE

**Drink Well. Do Good.**

## OUR VISION

**A beverage for every need,  
anytime, anywhere**

## OUR STRATEGIES

Champion  
consumer-obsessed  
brand building

Amplify our  
route to market  
advantage

Shape our  
now and next  
beverage portfolio

Generate  
fuel for growth

Dynamically  
allocate capital

## OUR CULTURE

**Top beverage talent with a challenger mindset**

Team First // Deliver Big // Think Bold // Be Fearless and Fair



Drink In The Possibilities

# We are Challengers and disrupters

**Top beverage talent  
with a  
challenger mindset**

"We are  
creators,  
collaborators  
and achievers."

## **Team First**

*Win together.  
Be the kind of  
person you want  
on your team.*

## **Think Bold**

*Challenge the  
usual. Dare to try  
something new.*



## **Deliver Big**

*Achieve our  
commitments.  
Then push beyond  
the expected.*

## **Be Fearless and Fair**

*Tell the truth with  
courage. Listen and  
act with respect.*

# Our Strategy is designed to power a sustainable cycle of growth

## Strategy



## Outcomes



## Algorithm



SUDHANSHU  
PRIYADARSHI

CHIEF FINANCIAL OFFICER & PRESIDENT, INTERNATIONAL



# Our Strategy is designed to power a sustainable cycle of growth

## Strategy



## Outcomes

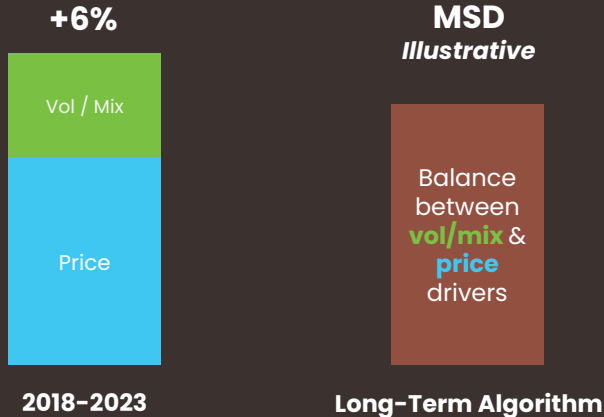


## Algorithm



# Attractive growth and margin opportunity across the enterprise

## Revenue drivers to rebalance in 2024+



- **Volume / mix** driven by base momentum, emerging platforms, higher price/oz growth
- **Opportunistic and market-driven pricing**

## Multiple levers to drive operating margins

### Tailwinds

- **Operating leverage**
- **Continuous productivity**
- **Lean overheads**

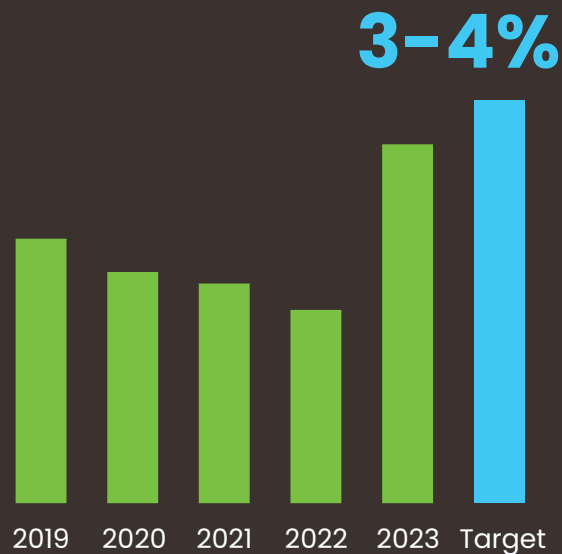
### Offsets

- **Inflation**
- **Brand and capability investments**

# Productivity to unlock fuel for growth and incremental investment

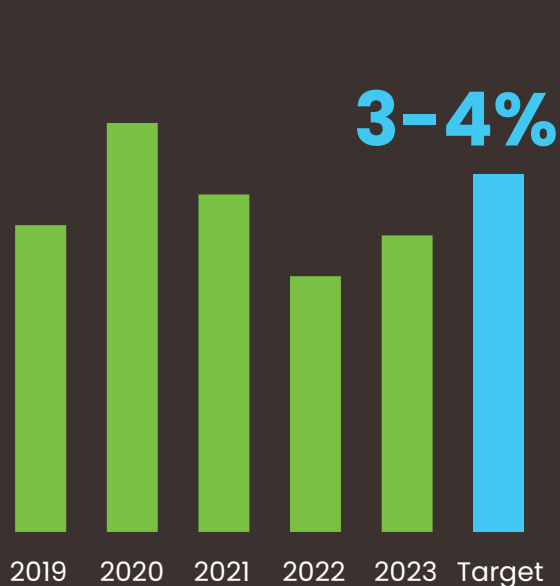
## Gross Productivity

Millions \$



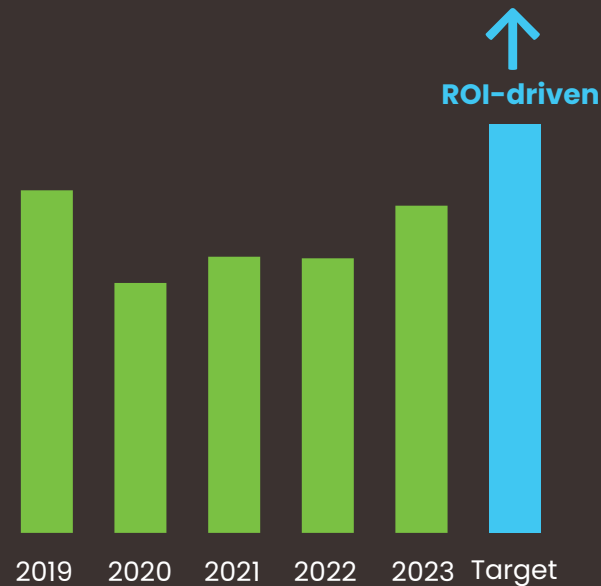
## Capital Expenditures

% of Net Sales



## Marketing Investment

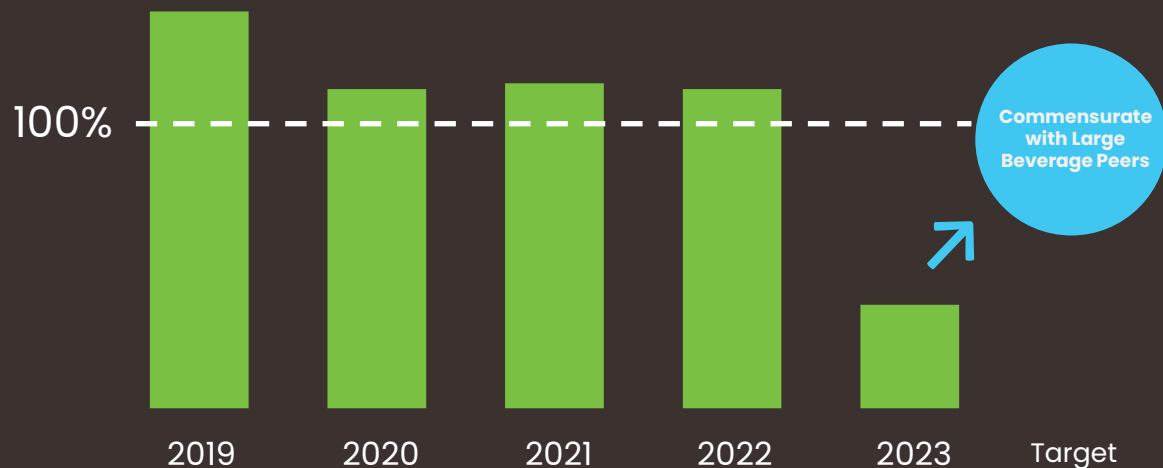
Millions \$



# Robust cash flow generation brings more optionality and flexibility

## Free Cash Flow Conversion

*% of Adjusted Net Income*



Strong free cash flow conversion since merger

2023 was the peak year of discretionary supply chain financing reduction

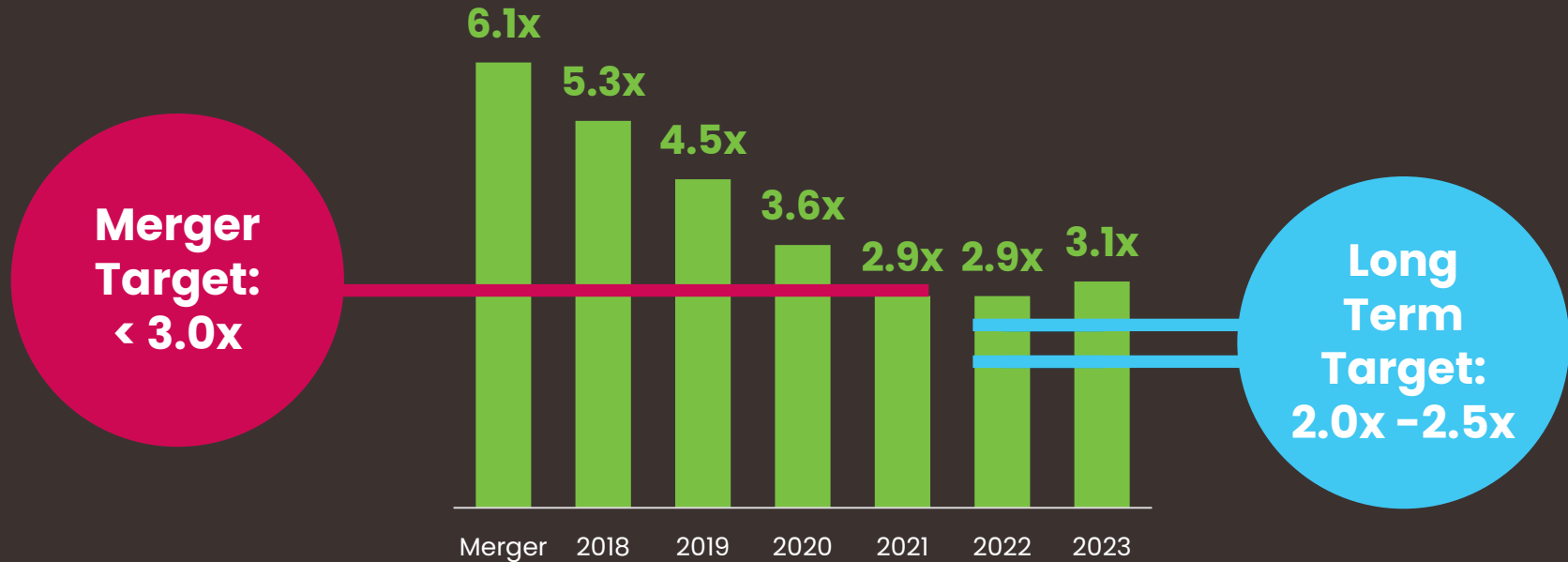
Free cash flow conversion to sequentially improve towards competitive long-term target

# Dynamic capital allocation approach with investing in KDP's growth as our top priority



# Ongoing commitment to a strong and optimized balance sheet

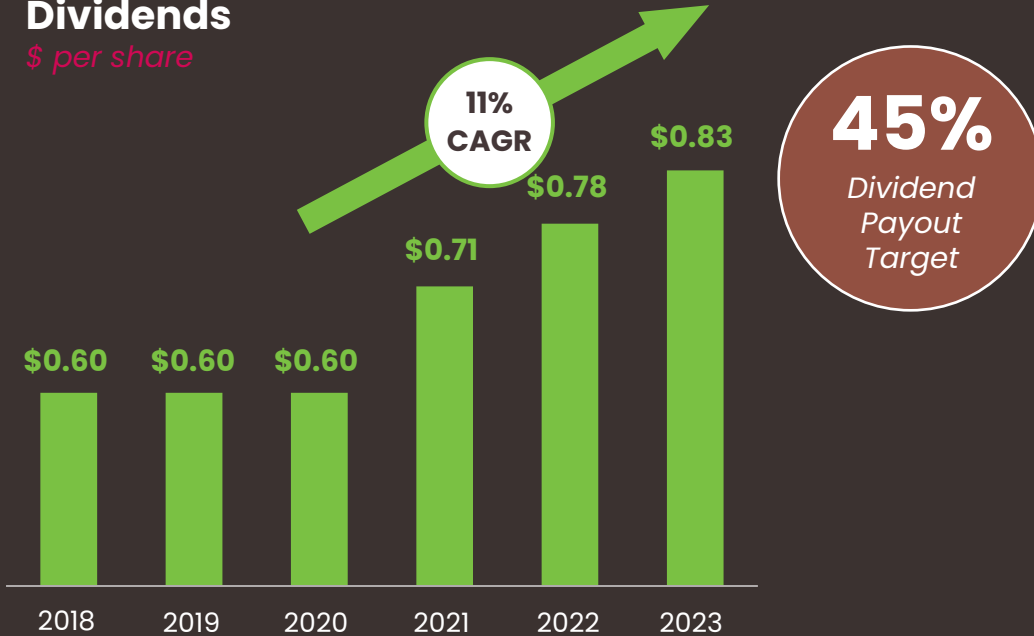
## Management Leverage Ratio



# TSR enhanced through a growing dividend and opportunistic buybacks

## Dividends

\$ per share



## Buybacks

2018-2021

**Integration Period**  
Focus on deleveraging

2022

~11M shares

2023

~22M shares

2024 to date

~38M shares

**\$1.8B**

Remaining Authorization

# \$7B+ returned since merger

2024  
guidance  
reflects  
growth at  
long-term  
algorithm

## Reaffirming 2024 outlook

---

Net  
Sales  
Growth

Mid  
Single Digit

EPS  
Growth

High  
Single Digit

*Guidance is stated on a constant currency basis. As guided on 2/22/24, net sales and adjusted EPS outlook excludes an expected 0.5pt currency headwind.*

Drink in the  
possibilities





# Set to build on an already formidable financial track record

	Results Since Merger	Long-Term Ambition
<b>Net Sales</b>	<b>+6%</b> <i>CAGR</i>	Mid Single Digit
<b>EPS</b>	<b>+11%</b> <i>CAGR</i>	High Single Digit
<b>Free Cash Flow</b>	<b>\$11B</b> <i>Cumulative</i>	<b>+</b> Optionality
<b>TSR</b>	<b>+64%</b> <i>Cumulative</i>	Top-Tier

BOB GAMGORT

CHAIRMAN & CEO

**Ready for the next chapter**

**ADVANTAGED PLATFORM WITH STRATEGY  
TO DELIVER COMPELLING OUTCOMES**

---

Strong base momentum leveraging leading capabilities

Expansion into high growth categories

Meaningful International contribution

Robust productivity to reinvest and expand margins

Enhanced value creation through disciplined capital deployment

---

**UNIQUE CHALLENGER CULTURE AND  
ENERGIZED LEADERS READY TO DELIVER**



Drink in the  
possibilities



# APPENDIX

## Reconciliation of Adjusted Diluted EPS

(Unaudited, in millions except per share data)

	Pro Forma Twelve Months Ended December 31, 2018		Twelve Months Ended December 31, 2019		Twelve Months Ended December 31, 2020		Twelve Months Ended December 31, 2021		Twelve Months Ended December 31, 2022		Twelve Months Ended December 31, 2023	
	Net Income	Diluted Earnings per Share	Net Income Attributable to KDP	Diluted Earnings per Share	Net Income Attributable to KDP	Diluted Earnings per Share	Net Income Attributable to KDP	Diluted Earnings per Share	Net Income Attributable to KDP	Diluted Earnings per Share	Net Income Attributable to KDP	Diluted Earnings per Share
Reported	\$ 1,099	\$ 0.78	\$ 1,254	\$ 0.88	\$ 1,325	\$ 0.93	\$ 2,146	\$ 1.50	\$ 1,436	\$ 1.01	\$ 2,181	\$ 1.55
Items Affecting Comparability:												
Mark to market	56	0.04	3	-	-	-	(44)	(0.03)	302	0.21	4	-
Amortization of intangibles	90	0.06	92	0.06	98	0.07	103	0.07	103	0.07	103	0.07
Amortization of deferred financing costs	6	-	9	0.01	8	0.01	5	-	2	-	1	-
Amortization of fair value debt adjustment	16	0.01	20	0.01	18	0.01	14	0.01	15	0.01	14	0.01
Stock compensation	17	0.01	18	0.01	22	0.02	3	-	6	-	11	0.01
Restructuring and integration costs - DPS Merger	127	0.09	186	0.13	150	0.11	155	0.11	131	0.09	-	-
Restructuring - 2023 CEO Succession and Associated Realignment	-	-	-	-	-	-	-	-	-	-	26	0.02
Productivity	21	0.01	73	0.05	95	0.07	123	0.09	174	0.12	196	0.14
Impairment of intangible assets	-	-	-	-	52	0.04	-	-	351	0.25	2	-
Impairment on investment	-	-	-	-	77	0.05	62	0.04	9	0.01	-	-
Transaction costs	5	-	18	0.01	-	-	2	-	1	-	2	-
Inventory step-up	2	-	2	-	-	-	-	-	-	-	-	-
Loss on early extinguishment of debt	10	0.01	9	0.01	3	-	81	0.06	166	0.12	-	-
Non-routine legal matters	16	0.01	37	0.02	43	0.03	23	0.02	10	0.01	4	-
COVID-19	-	-	-	-	97	0.07	28	0.02	10	0.01	-	-
Gain on sale of equity method investment	-	-	-	-	-	-	(400)	(0.28)	(38)	(0.03)	-	-
Gain on litigation	-	-	-	-	-	-	-	-	(203)	(0.14)	-	-
Malware Incident	-	-	6	-	-	-	(2)	-	-	-	-	-
Foundational projects	-	-	-	-	-	-	-	-	3	-	-	-
Tax reform	(7)	-	-	-	-	-	-	-	-	-	-	-
Change in deferred tax liabilities related to goodwill and other intangible assets	-	-	-	-	-	-	(19)	(0.01)	(80)	(0.06)	(26)	(0.02)
Adjusted	\$ 1,458	\$ 1.04	\$ 1,727	\$ 1.22	\$ 1,988	\$ 1.40	\$ 2,280	\$ 1.60	\$ 2,398	\$ 1.68	\$ 2,518	\$ 1.79

Diluted earnings per common share may not foot due to rounding.

## Reconciliation of Free Cash Flow (Unaudited, in millions)

	Free Cash Flow					Total
	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2022	Twelve Months Ended December 31, 2023	
Net cash provided by operating activities	\$ 2,474	\$ 2,456	\$ 2,874	\$ 2,837	\$ 1,329	
Purchases of property, plant and equipment	(330)	(461)	(423)	(353)	(425)	
Proceeds from sales of property, plant and equipment	247	203	122	168	9	
Free Cash Flow	<u>\$ 2,391</u>	<u>\$ 2,198</u>	<u>\$ 2,573</u>	<u>\$ 2,652</u>	<u>\$ 913</u>	<u>\$ 10,727</u>

## Reconciliation of Adjusted EBITDA and Management Leverage Ratio (Unaudited, in millions, except for ratio)

	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2022	Twelve Months Ended December 31, 2023
Net income attributable to KDP	\$ 1,108	\$ 1,254	\$ 1,325	\$ 2,146	\$ 1,436	\$ 2,181
Interest expense, net	671	654	604	500	693	496
Provision for income taxes	398	440	428	653	284	576
Depreciation expense	326	358	362	410	399	402
Other amortization	-	-	158	164	172	181
Amortization of intangibles	121	126	133	134	138	137
EBITDA	\$ 2,624	\$ 2,832	\$ 3,010	\$ 4,007	\$ 3,122	\$ 3,973
Items affecting comparability:						
Impairment of intangible assets	-	-	67	-	477	2
Restructuring - 2023 CEO Succession and Associated Realignment	-	-	-	-	-	35
Restructuring and integration costs - DPS Merger	170	234	199	202	169	-
Gain on sale of equity-method investment	-	-	-	(524)	(50)	-
Gain on litigation	-	-	-	-	(271)	-
Loss on early extinguishment of debt	13	11	4	105	217	-
Impairment of investments and note receivable	-	-	102	17	12	-
Productivity	32	80	108	138	201	218
Non-routine legal matters	22	48	57	30	13	5
Stock compensation	21	24	27	18	5	17
COVID-19	-	-	128	37	14	-
Transaction costs	4	9	-	2	1	2
Foundational projects	-	-	-	-	4	-
Malware incident	-	8	-	(2)	-	-
Mark to market	72	(45)	(28)	(57)	150	(8)
Inventory step-up	2	3	-	-	-	-
Adjusted EBITDA	\$ 2,960	\$ 3,204	\$ 3,674	\$ 3,973	\$ 4,064	\$ 4,244
	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020	As of December 31, 2021	As of December 31, 2022	As of December 31, 2023
Principal amounts of:						
Commercial paper notes	\$ 1,079	\$ 1,246	\$ -	\$ 149	\$ 399	\$ 2,096
Term loan	2,583	1,380	425	-	-	-
Senior unsecured notes	12,225	11,975	13,225	11,875	11,743	11,243
Total principal amounts	\$ 15,887	\$ 14,601	\$ 13,650	\$ 12,024	\$ 12,142	\$ 13,339
Less: Cash and cash equivalents	83	75	240	567	535	267
Total principal amounts less cash and cash equivalents	\$ 15,804	\$ 14,526	\$ 13,410	\$ 11,457	\$ 11,607	\$ 13,072
December 31, 2023 Management Leverage Ratio	5.3	4.5	3.6	2.9	2.9	3.1



## Reconciliation of Adjusted EBITDA and Management Leverage Ratio (Unaudited, in millions, except for ratio)

	Pro Forma					
	Three Months Ended				Twelve Months Ended	
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q2 2018	
Net income attributable to KDP	\$ 253	\$ 1,074	\$ 211	\$ 323	\$ 1,861	
Interest expense, net	165	154	145	170	634	
Provision for income taxes	120	(654)	93	95	(346)	
Depreciation expense	88	86	78	80	332	
Amortization of intangibles	26	31	28	31	116	
EBITDA	\$ 652	\$ 691	\$ 555	\$ 699	\$ 2,597	
Items affecting comparability:						
Restructuring and integration expenses	15	25	6	33	79	
Loss on early extinguishment of debt	15	5	2	-	22	
Productivity	16	3	22	(5)	36	
Non-routine legal matters	1	(3)	2	2	2	
Stock compensation	9	11	6	6	32	
Transaction costs	1	-	-	-	1	
Mark to market	(25)	(12)	14	(7)	(30)	
Adjusted EBITDA	\$ 684	\$ 720	\$ 607	\$ 728	\$ 2,739	

The above table excludes the eight days from July 1, 2018 through July 9, 2018

### Principal amounts of:

	As of July 8, 2018
Commercial paper notes	\$ 1,900
Term loan	2,700
Senior unsecured notes	12,225
Total principal amounts	\$ 16,825
Less: Cash and cash equivalents	-
Total principal amounts less cash and cash equivalents	\$ 16,825

July 8, 2018 Management Leverage Ratio

6.1

## Reconciliation of Adjusted Income from Operations and Adjusted Operating Margin (Unaudited, in millions, except for ratios)

	U.S. Refreshment Beverages Twelve Months Ended December 31, 2023			U.S. Coffee Twelve Months Ended December 31, 2023			International Twelve Months Ended December 31, 2023			Consolidated Twelve Months Ended December 31, 2023		
	Net Sales	Income from Operations	Operating Margin	Net Sales	Income from Operations	Operating Margin	Net Sales	Income from Operations	Operating Margin	Net Sales	Income from Operations	Operating Margin
Reported	\$ 8,821	\$ 2,483	28.1%	\$ 4,071	\$ 1,158	28.4%	\$ 1,922	\$ 475	24.7%	\$ 14,814	\$ 3,192	21.5%
Items Affecting Comparability:												
Mark to market	-	-		-	-		-	6		-	8	
Amortization of intangibles	-	20		-	101		-	16		-	137	
Stock compensation	-	-		-	-		-	-		-	17	
Restructuring - 2023 CEO succession and associated realignment	-	-		-	-		-	-		-	35	
Productivity	-	57		-	74		-	-		-	259	
Impairment of intangible assets	-	2		-	-		-	-		-	2	
Transaction costs	-	-		-	-		-	-		-	2	
Non-routine legal matters	-	-		-	-		-	-		-	5	
Adjusted	<u>\$ 8,821</u>	<u>\$ 2,562</u>	29.0%	<u>\$ 4,071</u>	<u>\$ 1,333</u>	32.7%	<u>\$ 1,922</u>	<u>\$ 497</u>	25.9%	<u>\$ 14,814</u>	<u>\$ 3,657</u>	24.7%

Drink in the  
possibilities

