

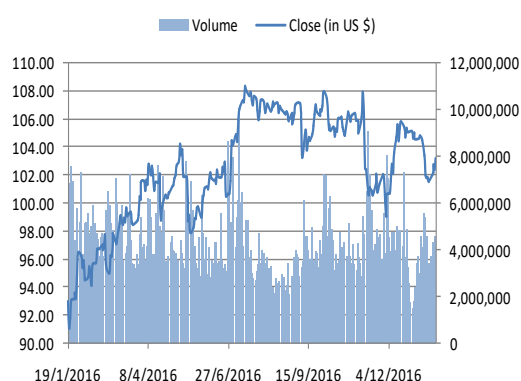
Valuation & Research Specialists (VRS)
Equity Research Team
info@valueinvest.gr

Share Price (20/01/2017) NYSE, \$	103.24
# of Shares (mn)	1,434.18
Market Cap (in \$ mn)	148,064.74
A.D. Volume (p)	4,434,023
Beta Co-efficient	0.61
Statistical Data	
Max 52 week, \$	108.39
Min 52 week, \$	91.09
1-M Rtn	-2.48%
6-M Rtn	-2.55%
12-M Rtn	10.88%

Source: VRS Calculations, Reuters.

Stock Price Performance & Transaction Volume

(1 year, in \$ and in number of shares)



Note: Share price performance based on share price closes on Stock Exchange.
Period as day/month/year.

PEPSICO INC.

Listed on NYSE, U.S.A., [Bloomberg Ticker: PEP:US] [Reuters Ticker: PEP.N]

Business Sector / Industry: Consumer Staples / Food & Beverage

Corporate & Investment Highlights

- PepsiCo, Inc., incorporated on November 13, 1986, is a food and beverage company. The Company and the Group of companies, through its operations, bottlers, contract manufacturers and other third parties, is engaged in making, marketing, distributing and selling a range of beverages, foods and snacks, serving in over 200 countries and territories.

9-Month 2016 & Financial Results (\$ millions)

(in \$ mn)	9M 2016	%	9M 2015
Sales	43,284	-2.67%	44,471
Gross Profit	24,019	-0.86%	24,227
Operating Income	7,404	21.12%	6,113
EBT	6,722	22.42%	5,491
EATAM	4,928	31.98%	3,734

Source: Company

Annual Financial Results (2015 versus 2014, \$ millions)

(in \$ mn)	2015	%	2014
Sales	63,056	-5.44%	66,683
Gross Profit	34,672	-3.15%	35,799
Operating Income	8,353	-12.82%	9,581
EBT	7,442	-15.02%	8,757
EATAM	5,452	-16.29%	6,513

Source: Company

Important Note:

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BASIC FINANCIAL INDICATORS

in \$ million	Sales	Operating Profit	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT/EQUITY (x)	ROE %
2010	57,838	8,332	8,232	6,320	23.4	7.0	19.6	1.02	30%
2011	66,504	9,633	8,834	6,443	23.0	7.2	17.1	1.12	31%
2012	65,492	9,112	8,304	6,178	24.0	6.6	18.5	1.18	28%
2013	66,415	9,705	8,891	6,740	22.0	6.1	17.0	1.09	28%
2014	66,683	9,581	8,757	6,513	22.7	8.4	17.7	1.59	37%
2015	63,056	8,353	7,442	5,452	27.2	12.3	20.5	2.68	45%
2016 E	63,900	10,224	9,905	6,780	21.8	11.6	17.0	2.79	53%
2017 E	65,100	10,416	10,091	7,350	20.1	9.9	16.7	2.47	49%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price.
Source: Official Consolidated Financial Statements, VRS Estimates & Calculations.
n/c stands for non calculable.

Working Capital Ratios

in \$ million	2012	2013	2014	2015	2016 E	2017 E
Revenues	65,492	66,415	66,683	63,056	63,900	65,100
Cost (net of depreciation)	31,291	31,243	30,884	28,384	28,755	29,295
Gross Profit Margin	% 52.22%	52.96%	53.69%	54.99%	55.00%	55.00%
Net Income / Profit	6,178	6,740	6,513	5,452	6,780	7,350
Net Profit Margin	% 9.4%	10.1%	9.8%	8.6%	10.6%	11.3%
Cash & Cash Equivalents	6,297	9,375	6,134	9,096	10,000	11,000

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Stock Days

Days	42	40	37	35	42	49
Stock Inventory	3,581	3,409	3,143	2,720	3,300	3,900
Debtors Days	39	38	36	37	45	50
Debtors - Receivables	7,041	6,954	6,651	6,437	7,800	9,000
Creditors Days	139	146	154	174	182	187
Creditors - Suppliers	11,903	12,533	13,016	13,507	14,300	15,000
Operating Cycle (Days)	81	78	74	72	86	99
Cash Cycle (Days)	-58	-68	-80	-101	-95	-88

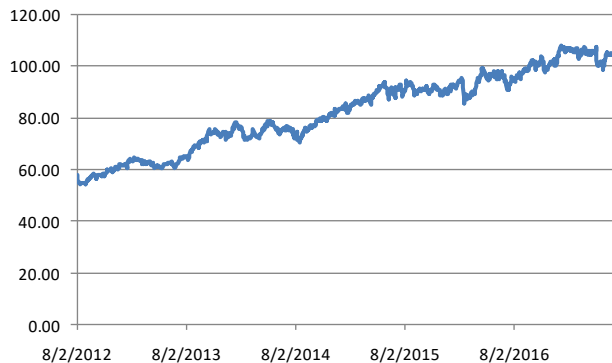
Source: Official Consolidated Financial Statements, VRS Estimates & Calculations.
Gross profit is calculated by deducting cost of sales (net of depreciation, wherever applicable) from revenues.

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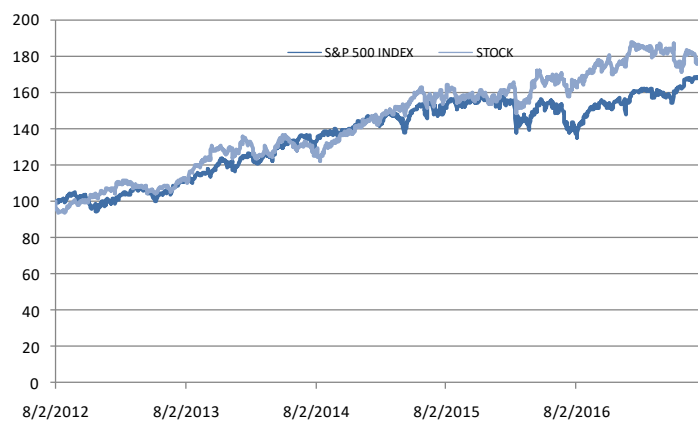
Business Sector / Industry: Consumer Staples / Food & Beverage

Stock Price Performance (Last 5 years or since listing, in \$)



Source: Historical Data, Yahoo! Finance. Note: Share price performance based on price closes on Stock Exchange. Period as day/month/year.

Stock Versus S&P 500 Index (Last 5 Years or since listing, Base = 100)



Source: Historical Data, Yahoo! Finance. Note: Share price performance based on price closes on Stock Exchange. Period as day/month/year.

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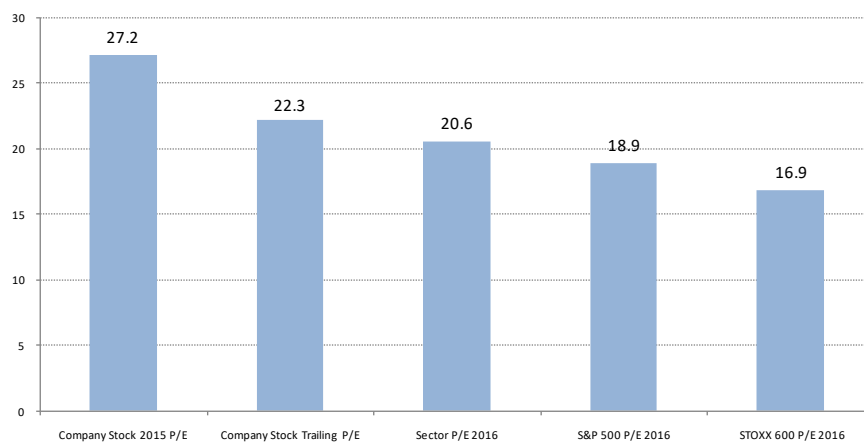
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Company Historic P/E Multiple versus Market P/E Multiples (x)



Source: VRS calculations based on consolidated accounts, FACTSET.

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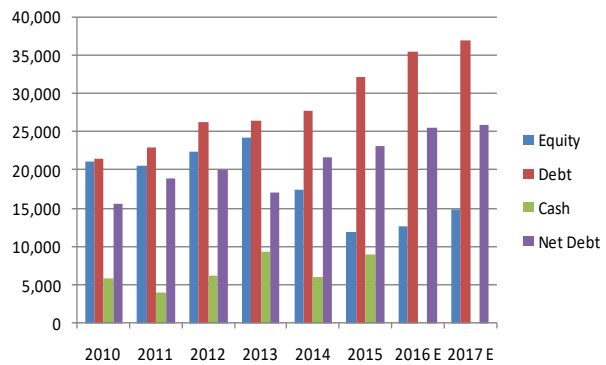
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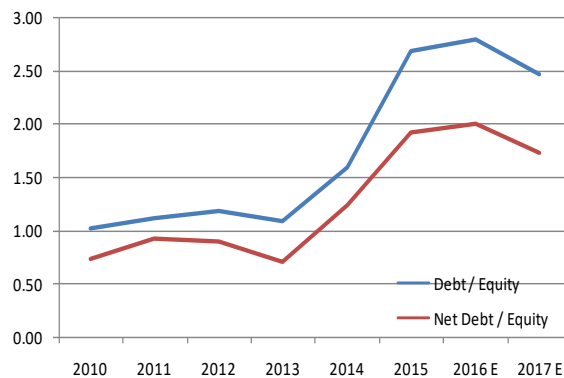
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Equity, Debt, Cash & Net Debt
(in \$ millions)



Source: Company, VRS estimates

"Debt/Equity" & "Net Debt/Equity" Ratios
(times)



Source: Company, VRS estimates

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Business Sector / Industry: Consumer Staples / Food & Beverage

Consolidated Breakdown for Q3 2016 and Q3 2015 *(In \$ millions)*

	12 Week Ended Sept. 3, 2016	12 Week Ended Sept. 5, 2015
Net Revenue		
Frito-Lay North America	3,676	3,555
Quaker Foods North America	571	583
North America Beverages	5,518	5,360
Latin America	1,762	2,283
Europe Sub-Saharan Africa	2,864	2,918
Asia, Middle East and North Africa	1,636	1,632
Total Net Revenue	16,027	16,331
Operating Profit / (Loss)		
Frito-Lay North America	1,148	1,085
Quaker Foods North America	144	150
North America Beverages	904	860
Latin America	247	-994
Europe Sub-Saharan Africa	388	398
Asia, Middle East and North Africa	264	199
Other	-274	-282
Total Operating Profit	2,821	1,416

Source: Company

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Consolidated Breakdown for 9M 2016 and 9M 2015 (In \$ millions)

	36 Week Ended Sept. 3, 2016	36 Week Ended Sept. 5, 2015
Net Revenue		
Frito-Lay North America	10,658	10,326
Quaker Foods North America	1,749	1,768
North America Beverages	15,024	14,771
Latin America	4,521	5,921
Europe Sub-Saharan Africa	6,883	7,227
Asia, Middle East and North Africa	4,449	4,458
Total Net Revenue	43,284	44,471
Operating Profit / (Loss)		
Frito-Lay North America	3,249	3,012
Quaker Foods North America	456	381
North America Beverages	2,270	2,146
Latin America	664	-420
Europe Sub-Saharan Africa	792	860
Asia, Middle East and North Africa	499	802
Other	-526	-668
Total Operating Profit	7,404	6,113

Source: Company

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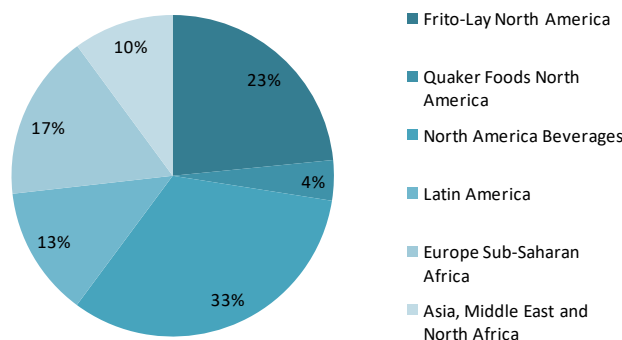
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Consolidated Revenue Breakdown for Fiscal Year 2015 *(In \$ millions)*

Net Revenue, FY 2015		\$ mil.
Frito-Lay North America	23%	14,782
Quaker Foods North America	4%	2,543
North America Beverages	33%	20,618
Latin America	13%	8,228
Europe Sub-Saharan Africa	17%	10,510
Asia, Middle East and North Africa	10%	6,375
Total Net Revenue	100%	63,056



Source: Company

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DISCLOSURE CHECKLIST

Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
PEPSICO INC.	PEP:US	PEP.N	\$ 103.24	January 20, 2017	----

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
6. VRS produces research reports for this company on demand basis.
7. VRS has produced a research report for this company within the past 12 months.

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