



Q1 '24 QUARTERLY RESULTS

APRIL 25, 2024

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 operating income, 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.

For reconciliations of reported to adjusted basis and constant currency adjusted basis in the presentation, refer to pages A6-A9 of the earnings release.

Agenda

1. Introduction

2. Business Update & Strategy Review

3. Financial Results & Outlook



Conference call participants



Bob Gamgort

Chairman &
Chief Executive Officer



Tim Cofer

Incoming CEO &
Chief Operating Officer



**Sudhanshu
Priyadarshi**

Chief Financial Officer &
President, International



Jane Gelfand

VP, Investor Relations &
Strategic Initiatives

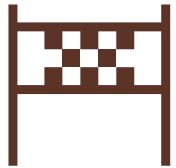
INTRODUCTION

Bob Gamgort

Chairman & Chief Executive Officer

In Q1, multiple initiatives to extend KDP's track record of success

STRONG START TO 2024



Q1 net sales at top end and EPS above outlook, with progress across multiple strategic dimensions

MULTI-YEAR SINGLE SERVE VISION



Unveiled **reimagined single serve system** with plastic- and aluminum-free consumable

\$1B+ BUYBACK



Repurchased **38M** shares in Q1 – the **largest quarterly buyback in KDP history**

STRONG FOUNDATION FOR NEXT CHAPTER



Evolved strategy, portfolio, and leadership team to extend track record of value creation

Successful CEO transition



Smooth and deliberate transition
period began in Fall 2023

Tim Cofer appointed CEO and to join
the Board of Directors effective April 26

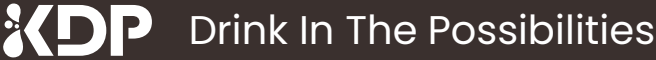
Bob Gamgort to serve as KDP's
Executive Chairman

BUSINESS UPDATE & STRATEGY REVIEW

Tim Cofer

Incoming CEO & Chief Operating Officer

Evolved strategy to guide the next chapter of KDP



Q1 2024 highlights

- **Q1 constant-currency net sales growth accelerated** sequentially to ~3% year-over-year
- Continued strong **momentum in U.S. Refreshment Beverages and International**
- **Meaningful progress in U.S. Coffee**, with improving volume and continued margin recovery
- **Significant gross margin expansion** enabled reinvestment and double-digit bottom-line growth
- **\$1.4 billion returned to shareholders** via the quarterly dividend and opportunistic buybacks



Q1 activity across each strategic pillar

Champion Consumer-Obsessed Brand Building

Shape our Now and Next Beverage Portfolio

Amplify our Route to Market Advantage

Generate Fuel for Growth

Dynamically Allocate Capital

- **Early success in Canada Dry Fruit Splash launch**, with strong incrementality
- **Developing Mexico non-alcohol category** through Schweppes ready-to-drink mocktails
- **Distribution rollouts of Electrolit and La Colombe** commenced smoothly
- **Achieved C4 performance milestones** in Q1, thanks to strong DSD execution
- **Accelerating U.S. Coffee owned & licensed momentum**, supported by distribution gains and commercial activity
- **Enhanced productivity focus** helping to fund reinvestment and expand margins

U.S. Refreshment Beverages



Segment highlights



Healthy mid-single-digit net sales growth

led by pricing, with innovation to ramp in Q2



Performance led by resilient CSD trends

and expansion in energy and sports hydration



Strong innovation slate to fully benefit 2H'24

- Canada Dry Fruit Splash
- Dr Pepper Creamy Coconut
- Bai WonderWater restage
- Core U.S.A. Gymnastics partnership at the 2024 Olympics
- + Continued strong C4 momentum & new Electrolit distribution

U.S. Coffee

Segment highlights



Meaningful sequential improvement in net sales, down low-single-digits with roughly flat volume/mix



Pod shipment declines moderated to (1%), with modest improvement in at-home coffee category and building Keurig-specific momentum



Market share trends accelerated for owned & licensed brands and remained strong for Keurig brewers



Productivity and network optimization enabling reinvestment and margin expansion



Compelling partnership value proposition, with multiple new brand additions to Keurig ecosystem



Keurig ecosystem continues to attract new partners



Veteran-founded, mission-driven premium coffee company



New York's best-loved local roasting company



"Shark Tank"-funded, Black and woman-owned premium coffee brand



Leader in Canadian organic coffee



Vertically integrated, super premium ready-to-drink coffee brand



Global brand rooted in Italian heritage and expertise

International



Segment highlights



Continued strong net sales momentum, with high-single-digit constant currency growth



Broad-based momentum across categories & markets, led by cold beverages in Latin America and owned & licensed brands in Canada



Multi-year partnership with the Toronto Blue Jays, for on-premise pour rights for multiple KDP brands



Drink in the
possibilities



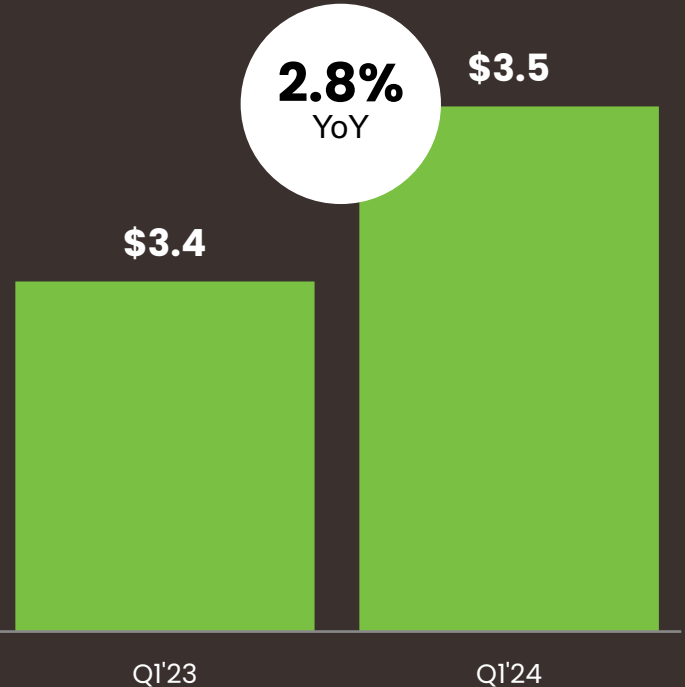
FINANCIAL RESULTS & OUTLOOK

Sudhanshu Priyadarshi

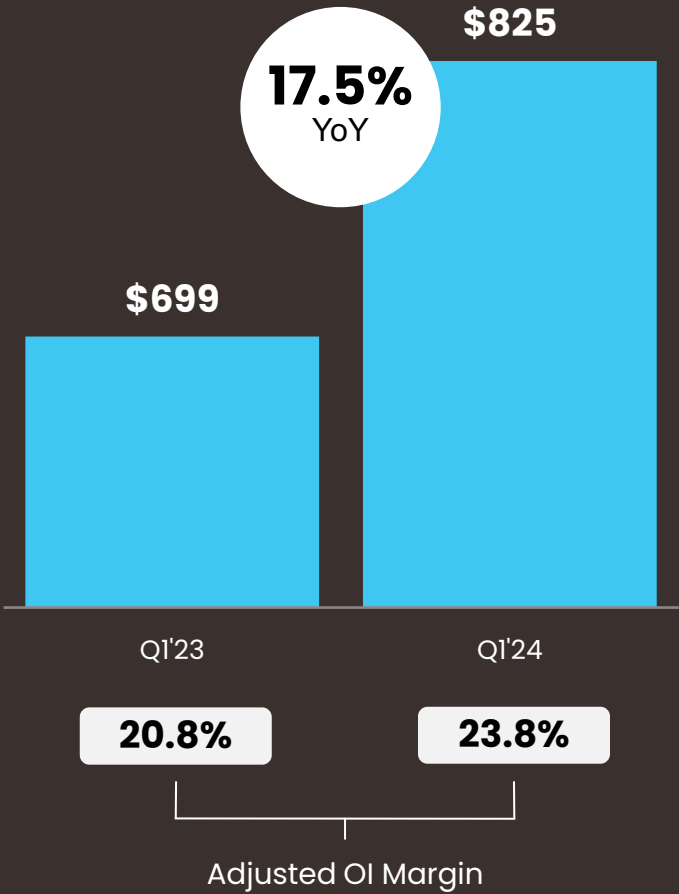
Chief Financial Officer & President, International

Consolidated results

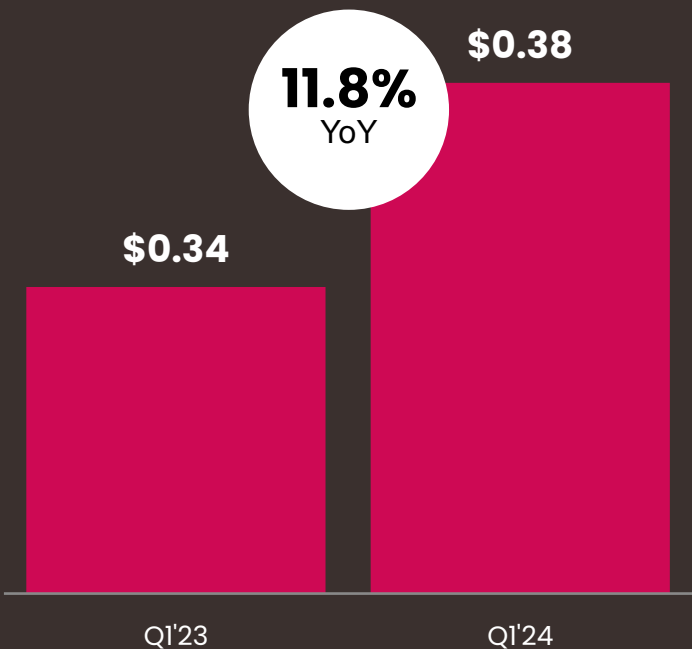
Net Sales (\$ Billions)



Adj. Operating Income (\$ Millions)



Adjusted EPS (\$ per share)



Financial metrics presented on an adjusted basis, with growth rates in constant currency. Including the impact of currency, net sales grew 3.4%, adjusted operating income grew 18.0%, and adjusted EPS grew 11.8%.

U.S. Refreshment Beverages

	Q1 2024	Change
Net Sales	\$2.1B	4.3%
Adjusted Operating Income	\$622M	22.4%
Adjusted Operating Margin	29.7%	4.4pts

- Net sales grew **4.3%**, led by **5.6%** net price realization, partly offset by **(1.3%)** volume/mix
- Q1 reflected later innovation timing in 2024 vs. 2023
- Operating income growth and margin expansion driven by:
 - Benefits from higher net price realization, net productivity, and a C4 earned performance incentive
 - Partial offset from increased marketing investment and lower volume/mix



U.S. Coffee

	Q1 2024	Change
Net Sales	\$911M	(2.1%)
Adjusted Operating Income	\$289M	1.4%
Adjusted Operating Margin	31.7%	1.1pts

- Net sales declined **(2.1%)**, driven by lower net pricing of **(1.8%)** and volume/mix of **(0.3%)**
- Steady recovery in owned & licensed trends throughout Q1, with strong growth in brewer shipments
- Operating income growth and margin expansion driven by:
 - Benefits from net productivity
 - Partial offset from targeted price reductions and increased marketing investment



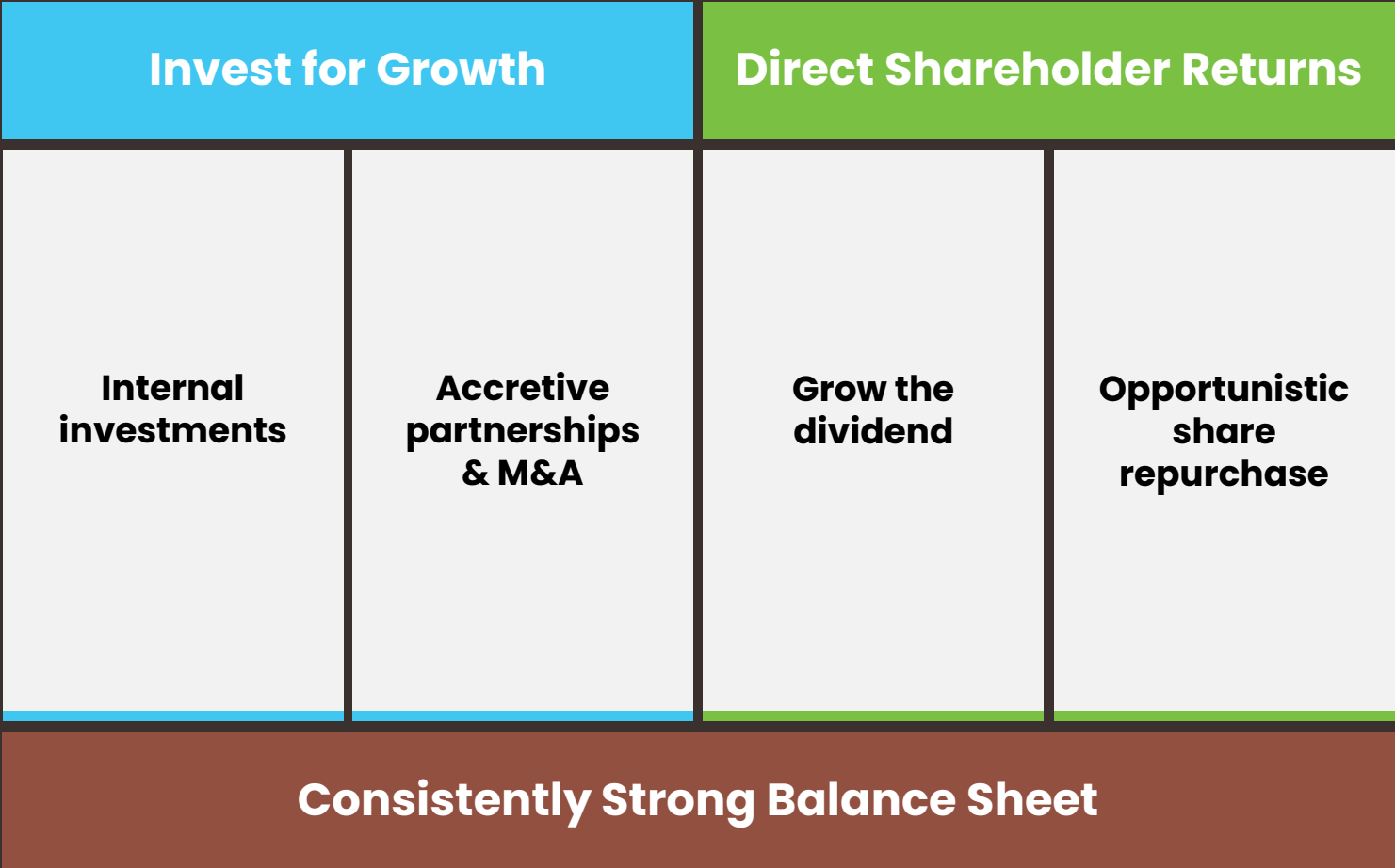
International

	Q1 2024	Change
Net Sales	\$464M	7.0%
Adjusted Operating Income	\$109M	25.0%
Adjusted Operating Margin	23.5%	3.4pts

- Net sales grew **7.0%**, driven by strong volume/mix of **4.8%** and net price realization of **2.2%**
- Healthy momentum across markets and categories
- Operating income growth and margin expansion driven by:
 - Benefits from operating leverage, higher net price realization, and net productivity
 - Partial offset from increased marketing investment



Capital allocation priorities and year-to-date activity



Direct shareholder returns of ~\$1.4 billion

- Regular **quarterly dividend of \$0.215** per share, up 7.5% year-over-year
- Opportunistic repurchase of **~38 million shares**

Q1 FCF reflected discretionary reduction of supplier financing and front-loaded capital spending

Remain committed to **long-term leverage target of 2.0–2.5x**

Fiscal 2024 Outlook

Net Sales growth

Mid-single-digit

EPS growth

High-single-digit

Other Items

Interest Expense

\$625-\$645M

Tax Rate

22-23%

Share Count

~1.37B



Drink in the
possibilities





THANK YOU

KEURIG DR PEPPER



APPENDIX

KEDIP

Reconciliation of certain Non-GAAP information

	Gross profit	Gross margin	Income from operations	Operating margin
For the First Quarter of 2024				
Reported	\$ 1,940	55.9 %	\$ 765	22.1 %
Items Affecting Comparability:				
Mark to market	(3)		(19)	
Amortization of intangibles	—		33	
Stock compensation	—		4	
Restructuring - 2023 CEO Succession and Associated Realignment	—		2	
Productivity	14		36	
Non-routine legal matters	—		1	
Transaction costs	—		1	
Restructuring - 2024 Network Optimization	—		2	
Adjusted	\$ 1,951	56.3 %	\$ 825	23.8 %
Impact of foreign currency		(0.1) %		— %
Constant currency adjusted		56.2 %		23.8 %
For the First Quarter of 2023				
Reported	\$ 1,744	52.0 %	\$ 584	17.4 %
Items Affecting Comparability:				
Mark to market	(14)		(2)	
Amortization of intangibles	—		34	
Stock compensation	—		5	
Productivity	38		78	
Adjusted	\$ 1,768	52.7 %	\$ 699	20.8 %

	Interest expense, net	Income before provision for income taxes	Provision for income taxes	Effective tax rate	Net income	Diluted earnings per share
For the First Quarter of 2024						
Reported	\$ 178	\$ 594	\$ 140	23.6 %	\$ 454	\$ 0.33
Items Affecting Comparability:						
Mark to market	(35)	18	2		16	0.01
Amortization of intangibles	—	33	9		24	0.02
Amortization of fair value debt adjustment	(4)	4	1		3	—
Stock compensation	—	4	1		3	—
Restructuring - 2023 CEO Succession and Associated Realignment	—	2	1		1	—
Productivity	—	36	10		26	0.02
Non-routine legal matters	—	1	—		1	—
Transaction costs	—	1	—		1	—
Restructuring - 2024 Network Optimization	—	2	1		1	—
Adjusted	\$ 139	\$ 695	\$ 165	23.7 %	\$ 530	\$ 0.38
Impact of foreign currency				— %		
Constant currency adjusted				23.7 %		
For the First Quarter of 2023						
Reported	\$ 23	\$ 581	\$ 114	19.6 %	\$ 467	\$ 0.33
Items Affecting Comparability:						
Mark to market	93	(104)	(29)		(75)	(0.05)
Amortization of intangibles	—	34	10		24	0.02
Amortization of fair value of debt adjustment	(4)	4	1		3	—
Stock compensation	—	5	2		3	—
Productivity	—	78	21		57	0.04
Adjusted	\$ 112	\$ 598	\$ 119	19.9 %	\$ 479	\$ 0.34
Change - adjusted	24.1 %				10.6 %	11.8 %
Impact of foreign currency	— %				(0.6) %	— %
Change - Constant currency adjusted	24.1 %				10.0 %	11.8 %

	U.S. Refreshment Beverages	U.S. Coffee	International	Unallocated corporate costs	Total
For the First Quarter of 2024					
Reported - Income from Operations	\$ 615	\$ 248	\$ 112	\$ (210)	\$ 765
Items Affecting Comparability:					
Mark to market	—	—	(6)	(13)	(19)
Amortization of intangibles	5	25	3	—	33
Stock compensation	—	—	—	4	4
Restructuring - 2023 CEO Succession and Associated Realignment	—	—	—	2	2
Productivity	2	14	—	20	36
Non-routine legal matters	—	—	—	1	1
Transaction costs	—	—	—	1	1
Restructuring - 2024 Network Optimization	—	2	—	—	2
Adjusted - Income from Operations	\$ 622	\$ 289	\$ 109	\$ (195)	\$ 825
Change - adjusted	22.4 %	1.4 %	29.8 %	9.6 %	18.0 %
Impact of foreign currency	— %	— %	(4.8) %	— %	(0.5) %
Change - constant currency adjusted	22.4 %	1.4 %	25.0 %	9.6 %	17.5 %
For the First Quarter of 2023					
Reported - Income from Operations	\$ 490	\$ 232	\$ 80	\$ (218)	\$ 584
Items Affecting Comparability:					
Mark to market	—	—	—	(2)	(2)
Amortization of intangibles	4	26	4	—	34
Stock compensation	—	—	—	5	5
Productivity	14	27	—	37	78
Adjusted - Income from Operations	\$ 508	\$ 285	\$ 84	\$ (178)	\$ 699

	Reported	Impact of Foreign Currency	Constant Currency
For the first quarter of 2024:			
Net sales			
U.S. Refreshment Beverages	4.3 %	— %	4.3 %
U.S. Coffee	(2.1)	—	(2.1)
International	11.8	(4.8)	7.0
Total net sales	3.4	(0.6)	2.8

	Reported	Items Affecting Comparability	Adjusted	Impact of Foreign Currency	Constant Currency Adjusted
For the first quarter of 2024:					
Operating margin					
U.S. Refreshment Beverages	29.4 %	0.3 %	29.7 %	— %	29.7 %
U.S. Coffee	27.2	4.5	31.7	—	31.7
International	24.1	(0.6)	23.5	0.1	23.6
Total operating margin	22.1	1.7	23.8	—	23.8

	Reported	Items Affecting Comparability	Adjusted
For the first quarter of 2023:			
Operating margin			
U.S. Refreshment Beverages	24.4 %	0.9 %	25.3 %
U.S. Coffee	24.9	5.7	30.6
International	19.3	0.9	20.2
Total operating margin	17.4	3.4	20.8