



Q1 2025 Results

April 24, 2025



Forward looking statements

Certain statements contained herein are “forward-looking statements” within the meaning of applicable securities laws and regulations. These forward-looking statements can generally be identified by the use of words such as “outlook,” “guidance,” “anticipate,” “enable,” “expect,” “believe,” “could,” “estimate,” “feel,” “forecast,” “intend,” “may,” “on track,” “plan,” “positioned,” “potential,” “project,” “should,” “target,” “will,” “would,” and similar words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These statements are based on the current expectations of our management, are not predictions of actual performance, and actual results may differ materially.

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, global economic uncertainty or economic downturns, tariffs or the imposition of new tariffs, trade wars, barriers or restrictions, or threats of such actions; the possibility that we are unable to successfully integrate GHOST Lifestyle LLC into our business; 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; 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; increases in our cost of employee benefits; 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 25, 2025. 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 operating margin, Adjusted diluted EPS and financial metrics presented on a constant currency basis, 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 A5-A12 of the earnings release.

Agenda

1. Business Update
2. Results & Outlook
3. Q&A



Conference call participants



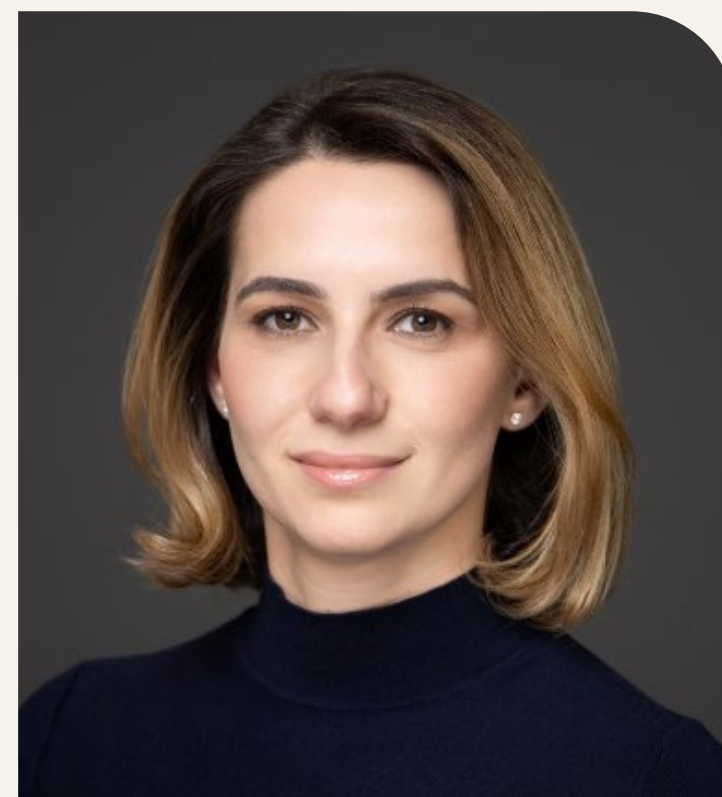
Tim Cofer

Chief Executive Officer



Sudhanshu Priyadarshi

Chief Financial Officer &
President, International



Jane Gelfand

SVP, Finance – IR & International

Business Update

Tim Cofer

Chief Executive Officer

Good start to the year in Q1



Strong Q1 2025
driven by
refreshment beverages



Well-positioned
in current
environment



On track
to achieve
full-year outlook

Q1 2025 highlights

- **Strong financial results,**
with 6%+ net sales growth and 10%+ EPS growth
- **Share gains across key LRB brands,**
including Dr Pepper, Canada Dry, C4 and Electrolit
- **Executional excellence and operating discipline**
drove accelerating price realization and overhead efficiency
- **Smooth start to GHOST integration & distribution,**
fortifying scaled and powerful energy platform



U.S. Refreshment Beverages

Q1 SEGMENT HIGHLIGHTS



Strong portfolio growth, led by CSDs



Building energy momentum, with significant future runway



Accelerating market share gains in sports hydration



U.S. Coffee

Q1 SEGMENT HIGHLIGHTS



**Executed pricing actions
to mitigate green coffee inflation**



**Volume/mix adjustment period
as category pricing layers in**



**Advancing premium, cold, and
next-generation platforms**



International

Q1 SEGMENT HIGHLIGHTS



Strong relative trends across Mexico and Canada



LRB momentum, driven by Penafiel and CSD portfolio

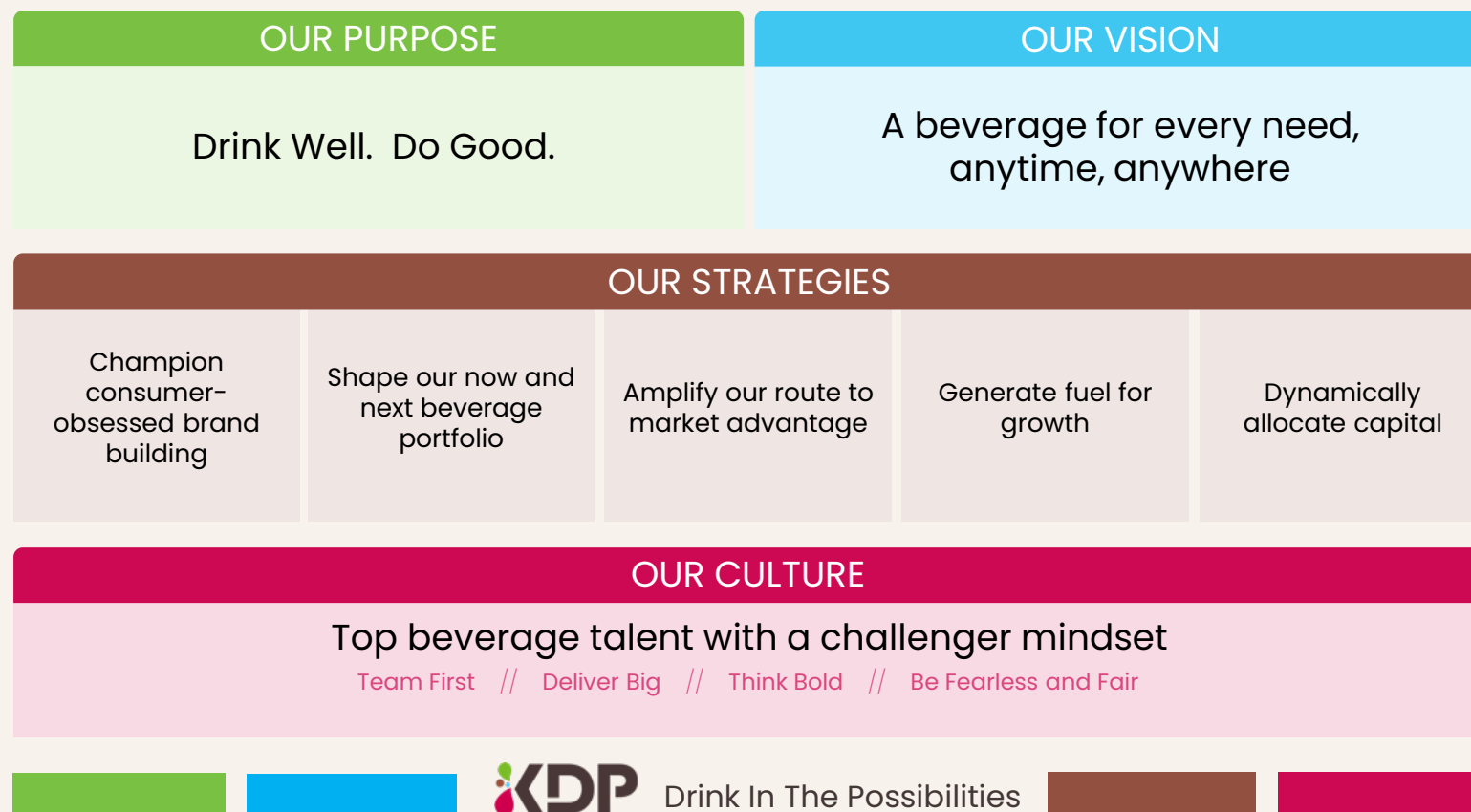


Net price realization to build over balance of year after Q1 implementation



Delivering on 2025 commitments while advancing our strategy

STRATEGY



LONG-TERM ALGORITHM



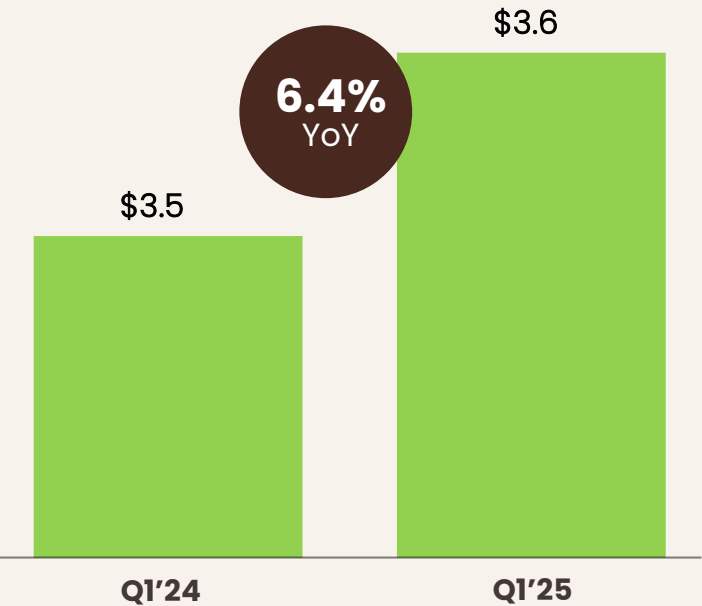
Results & Outlook

Sudhanshu Priyadarshi

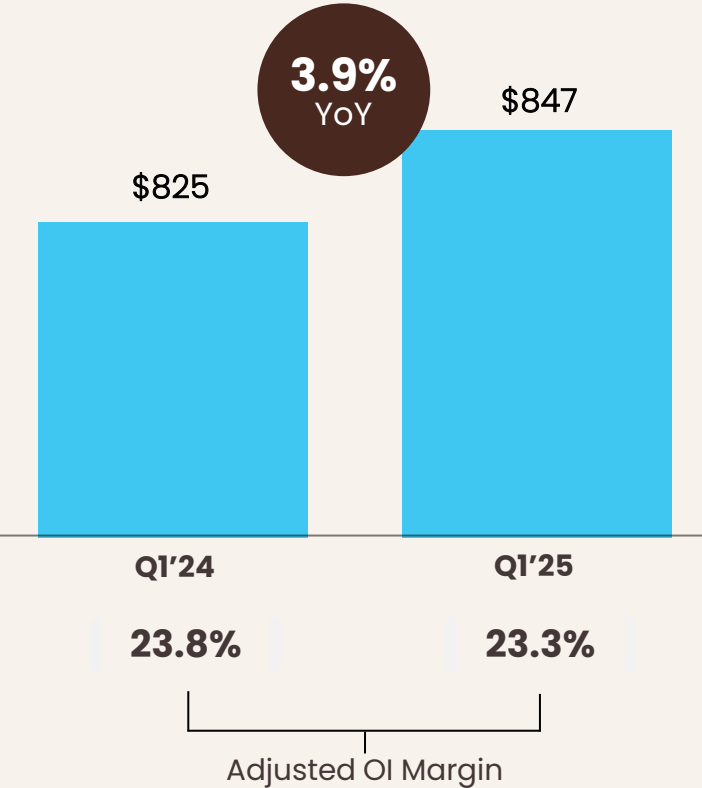
Chief Financial Officer & President, International

Q1 2025 consolidated results

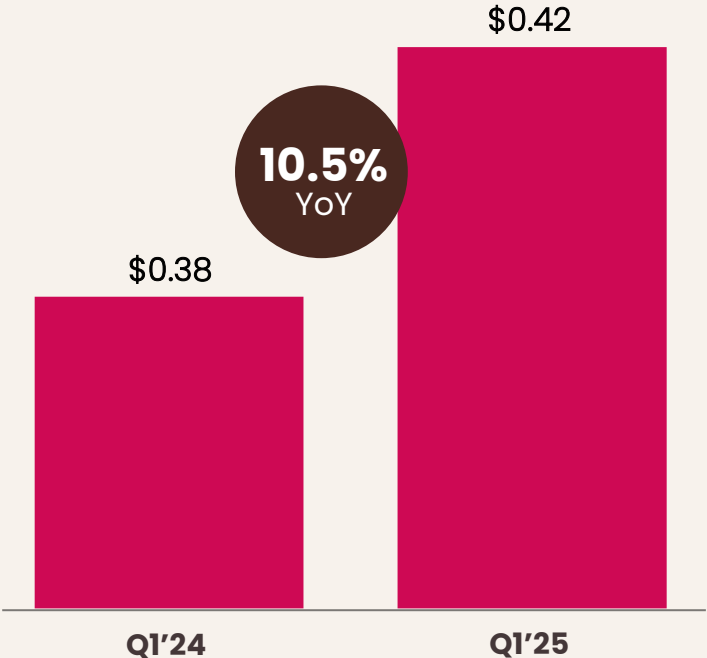
NET SALES (\$B)



ADJ. OPERATING INCOME (\$M)



ADJUSTED EPS (\$ PER SHARE)



13 Financial metrics presented on an adjusted basis. Growth rates presented on an adjusted basis and in constant currency. Including the impact of currency, net sales grew 4.8%, adjusted operating income grew 2.7%, and adjusted EPS grew 10.5%.



U.S. Refreshment Beverages

	Q1 2025	Change
Net Sales	\$2.3B	11.0%
Adjusted Operating Income	\$676M	8.7%
Adjusted Operating Margin	29.1%	(0.6pts)

- Net sales increased 11.0%, with volume/mix growth of 8.0% and favorable net price realization of 3.0%
- Volume/mix reflected base business momentum, led by CSDs, and the initial contribution from the GHOST acquisition
- Operating income growth was driven by net sales gains and productivity savings



U.S. Coffee

	Q1 2025	Change
Net Sales	\$877M	(3.7%)
Adjusted Operating Income	\$253M	(12.5%)
Adjusted Operating Margin	28.8%	(2.9pts)

- Net sales decreased (3.7%), with favorable net price realization of 1.5% offset by a volume/mix decline of (5.2%)
- Short-term volume and mix impacts from industry pricing layering in at different rates across the single serve category
- Operating income pressure reflected net price realization and productivity savings only partly offsetting inflation and volume/mix pressure



International

	Q1 2025	Change
Net Sales	\$435M	5.4%
Adjusted Operating Income	\$93M	(4.6%)
Adjusted Operating Margin	21.4%	(2.2pts)

- Net sales increased 5.4%, with favorable net price realization of 4.1% and volume/mix growth of 1.3%
- Segment sales growth reflected strength in LRBs across both Canada and Mexico
- Operating income growth expected to accelerate, with Q1 pressure primarily reflecting a timing mismatch between pricing implementation and inflation



FCF acceleration and balanced capital deployment

Capital Allocation Priorities



Q1'25 Highlights

Continued acceleration in free cash flow

- Strong Q1 result, despite a discrete GHOST distribution payment

Monetized multi-year Vita Coco stake

- Transaction highlights mutual value creation inherent in our partnership model

Strong Balance Sheet with Long-Term Leverage <2.5x

Reaffirmed 2025 outlook

Net Sales Growth (Constant FX)



Mid-single-digit

Adjusted EPS Growth (Constant FX)



High-single-digit



~1 pt FX headwind

Other Items



\$680–\$700M

Interest Expense

22–23%

Tax Rate

~1.37B

Diluted Shares Outstanding

Outlook incorporates initial anticipated impact of tariffs and related mitigations



Closing Remarks

Tim Cofer
Chief Executive Officer





Questions & Answers

Appendix

Reconciliation of certain Non-GAAP information

<i>(in millions, except %)</i>	Gross profit	Gross margin	Income from operations	Operating margin
For the First Quarter of 2025				
Reported	\$ 1,985	54.6 %	\$ 801	22.0 %
Items Affecting Comparability:				
Productivity	25		32	
Mark to market	(39)		(43)	
Amortization of intangibles	—		34	
Stock compensation	—		2	
Non-routine legal matters	—		3	
Transaction costs	—		(1)	
Restructuring - 2023 CEO Succession and Associated Realignment	—		(1)	
Restructuring - 2024 Network Optimization	1		2	
GHOST integration	—		3	
Inventory step-up	15		15	
Adjusted	<u>\$ 1,987</u>	<u>54.7 %</u>	<u>\$ 847</u>	<u>23.3 %</u>
Impact of foreign currency		(0.1)%		(0.1)%
Constant currency adjusted		<u>54.6 %</u>		<u>23.2 %</u>
For the First Quarter of 2024				
Reported	\$ 1,940	55.9 %	\$ 765	22.1 %
Items Affecting Comparability:				
Productivity	14		36	
Mark to market	(3)		(19)	
Amortization of intangibles	—		33	
Stock compensation	—		4	
Non-routine legal matters	—		1	
Transaction costs	—		1	
Restructuring - 2023 CEO Succession and Associated Realignment	—		2	
Restructuring - 2024 Network Optimization	—		2	
Adjusted	<u>\$ 1,951</u>	<u>56.3 %</u>	<u>\$ 825</u>	<u>23.8 %</u>

(in millions, except % and per share data)

	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 2025						
Reported	\$ 148	\$ 660	\$ 143	21.7 %	\$ 517	\$ 0.38
Items Affecting Comparability:						
Productivity	—	32	6		26	0.02
Mark to market	23	(34)	(1)		(33)	(0.02)
Amortization of intangibles	—	34	6		28	0.02
Stock compensation	—	2	—		2	—
Amortization of fair value debt adjustment	(4)	4	1		3	—
Non-routine legal matters	—	3	—		3	—
Transaction costs	—	(1)	—		(1)	—
Restructuring - 2023 CEO Succession and Associated Realignment	—	(1)	—		(1)	—
Restructuring - 2024 Network Optimization	—	2	—		2	—
GHOST integration	—	3	1		2	—
Other GHOST adjustments	—	11	2		9	0.01
Inventory step-up	—	15	2		13	0.01
Change in deferred tax liabilities related to goodwill and other intangible assets	—	—	2		(2)	—
Adjusted	<u>\$ 167</u>	<u>\$ 730</u>	<u>\$ 162</u>	22.2 %	<u>\$ 568</u>	<u>\$ 0.42</u>
Impact of foreign currency				— %		
Constant currency adjusted				22.2 %		
For the First Quarter of 2024						
Reported	\$ 178	\$ 594	\$ 140	23.6 %	\$ 454	\$ 0.33
Items Affecting Comparability:						
Productivity	—	36	10		26	0.02
Mark to market	(35)	18	2		16	0.01
Amortization of intangibles	—	33	9		24	0.02
Stock compensation	—	4	1		3	—
Amortization of fair value of debt adjustment	(4)	4	1		3	—
Non-routine legal matters	—	1	—		1	—
Transaction costs	—	1	—		1	—
Restructuring - 2023 CEO Succession and Associated Realignment	—	2	1		1	—
Restructuring - 2024 Network Optimization	—	2	1		1	—
Adjusted	<u>\$ 139</u>	<u>\$ 695</u>	<u>\$ 165</u>	23.7 %	<u>\$ 530</u>	<u>\$ 0.38</u>
Change - adjusted	20.1 %				7.2 %	10.5 %
Impact of foreign currency	— %				1.3 %	— %
Change - Constant currency adjusted	20.1 %				8.5 %	10.5 %

<i>(in millions, except %)</i>	U.S. Refreshment Beverages	U.S. Coffee	International	Unallocated corporate costs	Total
For the First Quarter of 2025					
Reported - Income from Operations	\$ 654	\$ 202	\$ 90	\$ (145)	\$ 801
Items Affecting Comparability:					
Productivity	—	25	—	7	32
Mark to market	—	—	—	(43)	(43)
Amortization of intangibles	7	24	3	—	34
Stock compensation	—	—	—	2	2
Non-routine legal matters	—	—	—	3	3
Transaction costs	—	—	—	(1)	(1)
Restructuring - 2023 CEO Succession and Associated Realignment	—	—	—	(1)	(1)
Restructuring - 2024 Network Optimization	—	2	—	—	2
GHOST integration	—	—	—	3	3
Inventory step-up	15	—	—	—	15
Adjusted - Income from Operations	<u>\$ 676</u>	<u>\$ 253</u>	<u>\$ 93</u>	<u>\$ (175)</u>	<u>\$ 847</u>
Change - adjusted	8.7 %	(12.5)%	(14.7)%	(10.3)%	2.7 %
Impact of foreign currency	— %	— %	10.1 %	0.6 %	1.2 %
Change - constant currency adjusted	<u>8.7 %</u>	<u>(12.5)%</u>	<u>(4.6)%</u>	<u>(9.7)%</u>	<u>3.9 %</u>
For the First Quarter of 2024					
Reported - Income from Operations	\$ 615	\$ 248	\$ 112	\$ (210)	\$ 765
Items Affecting Comparability:					
Productivity	2	14	—	20	36
Mark to market	—	—	(6)	(13)	(19)
Amortization of intangibles	5	25	3	—	33
Stock compensation	—	—	—	4	4
Non-routine legal matters	—	—	—	1	1
Transaction costs	—	—	—	1	1
Restructuring - 2023 CEO Succession and Associated Realignment	—	—	—	2	2
Restructuring - 2024 Network Optimization	—	2	—	—	2
Adjusted - Income from Operations	<u>\$ 622</u>	<u>\$ 289</u>	<u>\$ 109</u>	<u>\$ (195)</u>	<u>\$ 825</u>

	Reported	Impact of Foreign Currency	Constant Currency
For the first quarter of 2025:			
Change in net sales			
U.S. Refreshment Beverages	11.0 %	— %	11.0 %
U.S. Coffee	(3.7)	—	(3.7)
International	(6.3)	11.7	5.4
Total change in net sales	4.8	1.6	6.4

	Reported	Items Affecting Comparability	Adjusted	Impact of Foreign Currency	Constant Currency Adjusted
For the first quarter of 2025:					
Operating margin					
U.S. Refreshment Beverages	28.2 %	0.9 %	29.1 %	— %	29.1 %
U.S. Coffee	23.0	5.8	28.8	—	28.8
International	20.7	0.7	21.4	(0.1)	21.3
Total operating margin	22.0	1.3	23.3	(0.1)	23.2

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