



Q2 2025 Results

July 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,” “confident,” “estimate,” “feel,” “forecast,” “intend,” “designed,” “may,” “on path,” “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 and related uncertainty; 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, Adjusted gross margin, free cash flow 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 their 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-A17 of the earnings release.

Agenda

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



Conference call participants



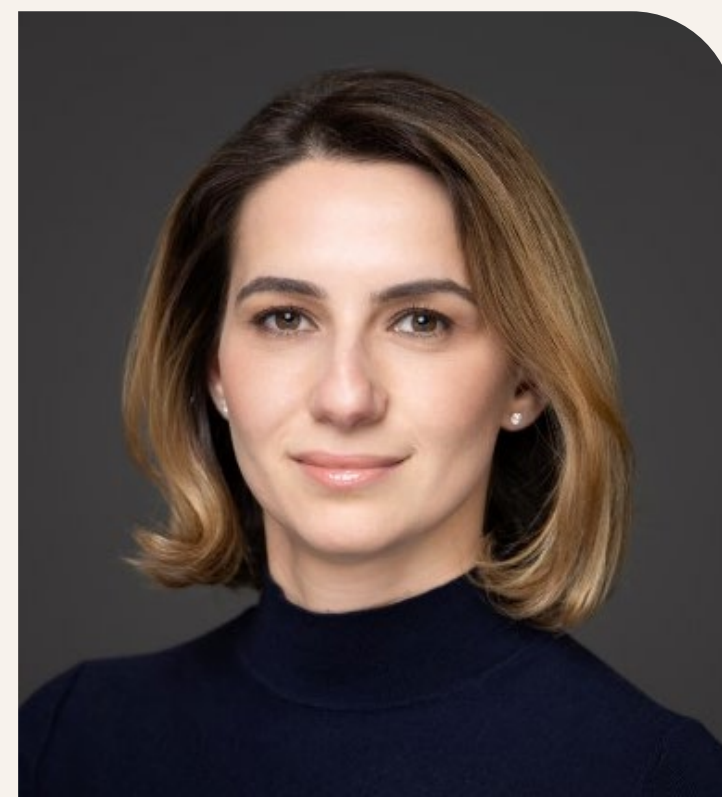
Tim Cofer

Chief Executive Officer



Sudhanshu Priyadarshi

Chief Financial Officer &
President, International



Jane Gelfand

SVP, Finance – IR & International

Business Update

Tim Cofer

Chief Executive Officer

Ongoing progress against our strategic roadmap



**Champion
Consumer-
Obsessed
Brand Building**

Inaugural
**State of
Beverages
Report** &
good
**'25 innovation
traction**



**Shape our
Now and Next
Beverage
Portfolio**

Expanding into
**prebiotic CSDs
& drink mixes;**
outsized gains
in **sports
hydration**



**Amplify our
Route to Market
Advantage**

**Growing direct
distribution
footprint for
Dr Pepper** in
parts of CA, NV,
and Midwest



**Generate
Fuel for Growth**

On track to
achieve
productivity
savings at
**high-end of
3-4% target**



**Dynamically
Allocate
Capital**

**Strong FCF
generation**
and successful
debt refi to
**fortify
balance sheet**

Strong Q2 in a dynamic macro

- 7% net sales growth and 11% Adjusted EPS growth
- Robust performance in cold beverages
- Sequential improvement in coffee trends
- Disciplined expense management to protect margins



U.S. Refreshment Beverages

Q2 SEGMENT HIGHLIGHTS



Double-digit sales growth, driven by both core and white space expansion



Continued CSD momentum, led by Dr Pepper, 7UP, and Canada Dry



Growing contribution from energy and sports hydration



Energy becoming increasingly important growth driver

\$1B+

net sales
annual run-rate



- **\$26B** category
- One of **fastest-growing** LRB categories
- Winning **complementary portfolio**
- Execution-driven **share gains: ~1pt YTD**

KDP Category \$ Share

<1%



2022

7%



Q2 2025

10%+



Goal

U.S. Coffee

Q2 SEGMENT HIGHLIGHTS



Accelerating top-line, with stronger net price and moderating vol/mix declines



Pod trends reflect manageable elasticity in response to inflation-driven pricing



Brewers impacted by shipment timing despite stable point-of-sale demand



Multiple initiatives to drive long-term Coffee growth

Pods & Beverages



Brewers

K-Mini Mate



K-Crema



Next-Generation

Keurig Alta



International

Q2 SEGMENT HIGHLIGHTS



Solid performance despite challenging macro conditions in Mexico



Strong relative trends, with share gains in CSDs, mineral water, K-Cup pods



H2 expected to benefit from strong base plans and Nestea launch in Canada

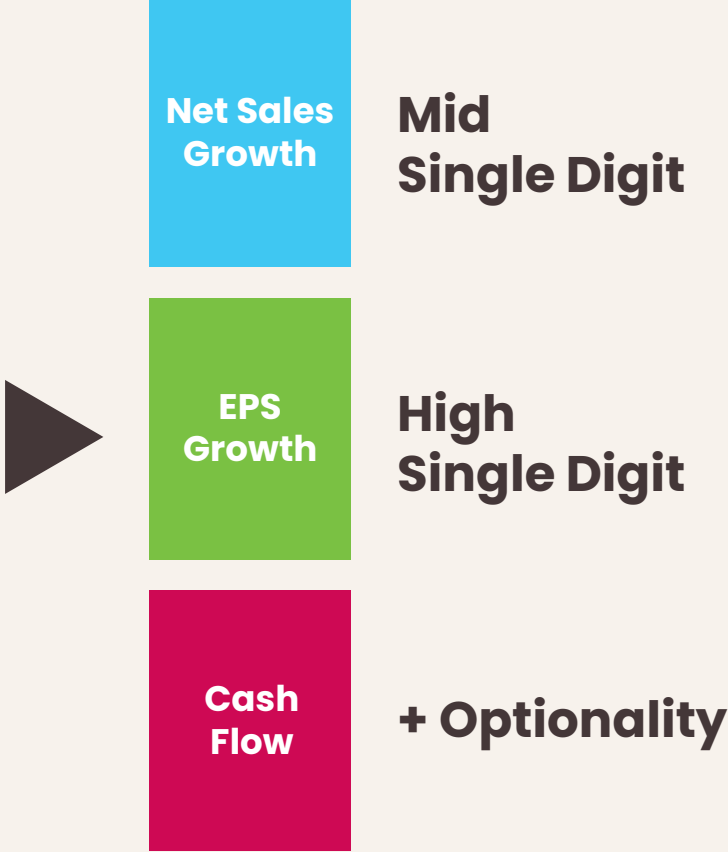


On track to deliver 2025 outlook while advancing our strategy

STRATEGY



LONG-TERM ALGORITHM



Results & Outlook

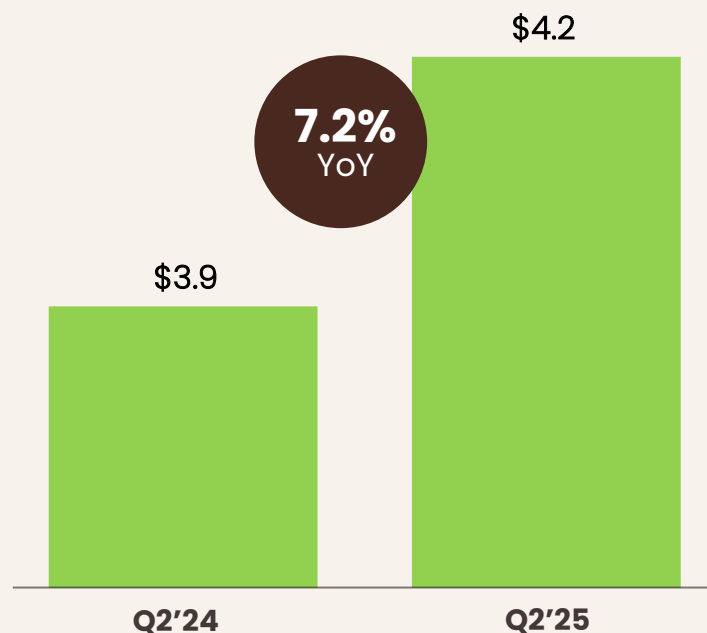
Sudhanshu Priyadarshi

Chief Financial Officer & President, International

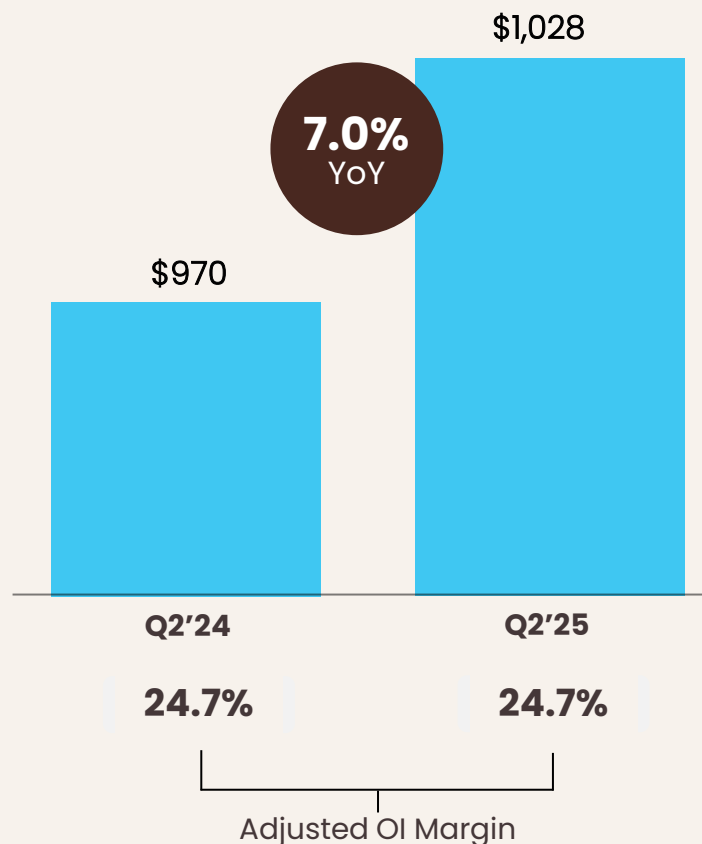
Q2 2025 consolidated results

Constant currency

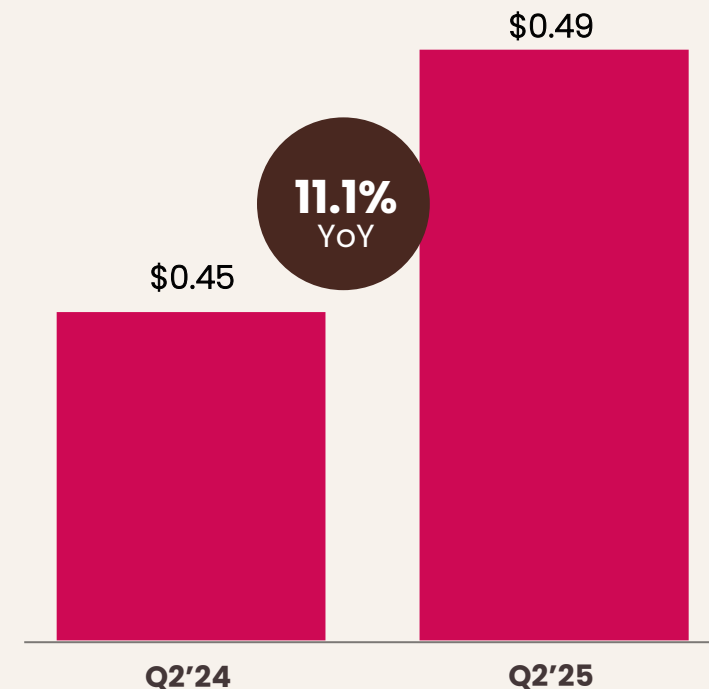
NET SALES (\$B)



ADJ. OPERATING INCOME (\$M)



ADJUSTED EPS (\$ PER SHARE)



U.S. Refreshment Beverages

	Q2 2025	Change
Net Sales	\$2.7B	10.5%
Adjusted Operating Income	\$781M	8.0%
Adjusted Operating Margin	29.4%	(0.6pts)

- Net sales increased 10.5%, with volume/mix growth of 9.5% and favorable net price realization of 1.0%
- Volume/mix reflected growth in CSDs, energy, and sports hydration, as well as the contribution from the GHOST deal
- Operating income growth was driven by net sales gains and productivity savings



U.S. Coffee

	Q2 2025	Change
Net Sales	\$948M	(0.2%)
Adjusted Operating Income	\$299M	2.0%
Adjusted Operating Margin	31.5%	0.7pts

- Net sales flattish, with favorable net price realization of 3.6% offset by a volume/mix decline of (3.8%)
- Sequential top-line improvement reflected building contribution from pricing actions and manageable elasticity
- Operating income growth driven by pricing and cost efficiency measures, partially offset by inflation



International

	Q2 2025	Change
Net Sales	\$555M	5.7%
Adjusted Operating Income	\$145M	2.6%
Adjusted Operating Margin	26.1%	(0.8pts)

- Net sales increased 5.7%, with favorable net price realization of 5.3% and volume/mix growth of 0.4%
- Segment sales growth reflected inflation-driven pricing and market share momentum in key categories & regions
- Operating income growth due to an improving relationship between pricing, productivity, and higher costs



FCF acceleration and balanced capital deployment

Capital Allocation Priorities



Q2'25 Highlights

Continued acceleration in free cash flow

- Strong Q2 result, bringing YTD free cash generation to \$427 million
- H2 acceleration expected

Strengthening balance sheet flexibility

- Executed debt refinancing to extend and optimize maturity profile

Reaffirmed 2025 outlook

Net Sales Growth (Constant FX)



Mid-single-digit

Adjusted EPS Growth (Constant FX)



High-single-digit



~0.5pt FX headwind

Other Items



~\$700M

Interest Expense

~23%

Tax Rate

~1.36B

Diluted Shares Outstanding



Closing Remarks

Tim Cofer
Chief Executive Officer





Questions & Answers

Appendix

Reconciliations of GAAP to non-GAAP information

<i>(in millions, except %)</i>				
	Gross profit	Gross margin	Income from operations	Operating margin
Second Quarter of 2025				
Reported	\$ 2,255	54.2 %	\$ 898	21.6 %
Items Affecting Comparability:				
Productivity	35		47	
Mark to market	(4)		(6)	
Amortization of intangibles	—		34	
Stock compensation	—		4	
Non-routine legal matters	—		5	
Transaction costs	—		5	
Restructuring - 2023 CEO Succession and Associated Realignment	—		1	
Restructuring - Network Optimization	—		10	
Integration of acquisitions	1		28	
Inventory step-up	2		2	
Adjusted	<u>\$ 2,289</u>	<u>55.0 %</u>	<u>\$ 1,028</u>	<u>24.7 %</u>
Impact of foreign currency		— %		— %
Constant currency adjusted		<u>55.0 %</u>		<u>24.7 %</u>
Second Quarter of 2024				
Reported	\$ 2,172	55.4 %	\$ 861	22.0 %
Items Affecting Comparability:				
Productivity	20		45	
Mark to market	6		(5)	
Amortization of intangibles	—		34	
Stock compensation	—		3	
Non-routine legal matters	—		1	
Transaction costs	—		1	
Restructuring - 2023 CEO Succession and Associated Realignment	—		11	
Restructuring - Network Optimization	2		19	
Adjusted	<u>\$ 2,200</u>	<u>56.1 %</u>	<u>\$ 970</u>	<u>24.7 %</u>

Reconciliations of GAAP to non-GAAP information

<i>(in millions, except % and per share data)</i>	Interest expense, net	Income before provision for income taxes	Provision for income taxes	Effective tax rate	Net income	Diluted earnings per share
Second Quarter of 2025						
Reported	\$ 180	\$ 718	\$ 171	23.8 %	\$ 547	\$ 0.40
Items Affecting Comparability:						
Productivity	—	47	12		35	0.03
Mark to market	(2)	(4)	(3)		(1)	—
Amortization of intangibles	—	34	10		24	0.02
Stock compensation	—	4	2		2	—
Amortization of fair value debt adjustment	(4)	4	1		3	—
Amortization of deferred financing costs	(1)	1	—		1	—
Non-routine legal matters	—	5	2		3	—
Transaction costs	—	5	1		4	—
Restructuring - 2023 CEO Succession and Associated Realignment	—	1	—		1	—
Restructuring - Network Optimization	—	10	3		7	0.01
Integration of acquisitions	—	28	6		22	0.02
Change in mandatory redemption liability for GHOST	—	29	8		21	0.02
Inventory step-up	—	2	2		—	—
Change in deferred tax liabilities related to goodwill and other intangible assets	—	—	(4)		4	—
Adjusted	\$ 173	\$ 884	\$ 211	23.9 %	\$ 673	\$ 0.49
Impact of foreign currency				(0.2) %		
Constant currency adjusted				23.7 %		
Second Quarter of 2024						
Reported	\$ 204	\$ 672	\$ 157	23.4 %	\$ 515	\$ 0.38
Items Affecting Comparability:						
Productivity	—	45	10		35	0.03
Mark to market	(32)	22	4		18	0.01
Amortization of intangibles	—	34	8		26	0.02
Stock compensation	—	3	1		2	—
Amortization of fair value of debt adjustment	(3)	3	—		3	—
Amortization of deferred financing costs	(1)	1	—		1	—
Non-routine legal matters	—	1	1		—	—
Transaction costs	—	1	1		—	—
Restructuring - 2023 CEO Succession and Associated Realignment	—	11	2		9	0.01
Restructuring - Network Optimization	—	19	4		15	0.01
Change in deferred tax liabilities related to goodwill and other intangible assets	—	—	6		(6)	—
Adjusted	\$ 168	\$ 812	\$ 194	23.9 %	\$ 618	\$ 0.45
Change - adjusted	3.0 %				8.9 %	8.9 %
Impact of foreign currency	(0.6) %				1.6 %	2.2 %
Change - constant currency adjusted	2.4 %				10.5 %	11.1 %

Reconciliations of GAAP to non-GAAP information

<i>(in millions, except %)</i>	U.S. Refreshment Beverages	U.S. Coffee	International	Unallocated corporate costs	Total
Second Quarter of 2025					
Reported - Income from Operations	\$ 746	\$ 233	\$ 143	\$ (224)	\$ 898
Items Affecting Comparability:					
Productivity	—	35	—	12	47
Mark to market	—	—	—	(6)	(6)
Amortization of intangibles	9	23	2	—	34
Stock compensation	—	—	—	4	4
Non-routine legal matters	—	—	—	5	5
Transaction costs	—	—	—	5	5
Restructuring - 2023 CEO Succession and Associated Realignment	—	—	—	1	1
Restructuring - Network Optimization	1	8	—	1	10
Integration of acquisitions	23	—	—	5	28
Inventory step-up	2	—	—	—	2
Adjusted - Income from Operations	<u>\$ 781</u>	<u>\$ 299</u>	<u>\$ 145</u>	<u>\$ (197)</u>	<u>\$ 1,028</u>
Second Quarter of 2024					
Reported - Income from Operations	\$ 717	\$ 228	\$ 150	\$ (234)	\$ 861
Items Affecting Comparability:					
Productivity	1	20	—	24	45
Mark to market	—	—	(1)	(4)	(5)
Amortization of intangibles	5	26	3	—	34
Stock compensation	—	—	—	3	3
Non-routine legal matters	—	—	—	1	1
Transaction costs	—	—	—	1	1
Restructuring - 2023 CEO Succession and Associated Realignment	—	—	—	11	11
Restructuring - Network Optimization	—	19	—	—	19
Adjusted - Income from Operations	<u>\$ 723</u>	<u>\$ 293</u>	<u>\$ 152</u>	<u>\$ (198)</u>	<u>\$ 970</u>
Change - adjusted	8.0 %	2.0 %	(4.6)%	(0.5)%	6.0 %
Impact of foreign currency	— %	— %	7.2 %	0.5 %	1.0 %
Change - constant currency adjusted	<u>8.0 %</u>	<u>2.0 %</u>	<u>2.6 %</u>	<u>— %</u>	<u>7.0 %</u>

Reconciliations of GAAP to non-GAAP information

	Reported	Impact of Foreign Currency	Constant Currency
Second Quarter of 2025			
Change in net sales			
U.S. Refreshment Beverages	10.5 %	— %	10.5 %
U.S. Coffee	(0.2)	—	(0.2)
International	(1.8)	7.5	5.7
Total change in net sales	6.1	1.1	7.2

	Reported	Items Affecting Comparability	Adjusted	Impact of Foreign Currency	Constant Currency Adjusted
Second Quarter of 2025					
Operating margin					
U.S. Refreshment Beverages	28.0 %	1.4 %	29.4 %	— %	29.4 %
U.S. Coffee	24.6	6.9	31.5	—	31.5
International	25.8	0.3	26.1	—	26.1
Total operating margin	21.6	3.1	24.7	—	24.7

	Reported	Items Affecting Comparability	Adjusted
Second Quarter of 2024			
Operating margin			
U.S. Refreshment Beverages	29.8 %	0.2 %	30.0 %
U.S. Coffee	24.0	6.8	30.8
International	26.5	0.4	26.9
Total operating margin	22.0	2.7	24.7

Reconciliations of GAAP to non-GAAP information

<i>(in millions, except for ratio)</i>	Last Twelve Months
Net income	\$ 1,536
Interest expense, net	681
Provision for income taxes	490
Depreciation expense	432
Other amortization	140
Amortization of intangibles	134
EBITDA	\$ 3,413
Items affecting comparability:	
Productivity	\$ 114
Mark to market	(7)
Stock compensation	13
Non-routine legal matters	16
Transaction costs	42
Restructuring - 2023 CEO Succession and Associated Realignment	27
Restructuring - Network Optimization	42
Integration of acquisitions	32
Change in mandatory redemption liability for GHOST	40
Termination fees for distribution rights related to GHOST	225
Inventory step-up	21
Impairment of goodwill and other intangible assets	718
Impairment of investments and note receivable	2
Adjusted EBITDA	<u>\$ 4,698</u>
	June 30, 2025
Principal amounts of:	
Commercial paper notes	\$ 1,477
Senior unsecured notes	14,564
Total principal amounts	16,041
Less: Cash and cash equivalents	509
Total principal amounts less cash and cash equivalents	<u>\$ 15,532</u>
June 30, 2025 Management Leverage Ratio	3.3

Reconciliations of GAAP to non-GAAP information

<i>(in millions)</i>	First Six Months	
	2025	2024
Net cash provided by operating activities	\$ 640	\$ 742
Purchases of property, plant, and equipment	(226)	(273)
Proceeds from sales of property, plant, and equipment	13	1
Free Cash Flow	<u>\$ 427</u>	<u>\$ 470</u>