

Consolidated Statement of Income

PepsiCo, Inc. and Subsidiaries

Fiscal years ended December 29, 2018, December 30, 2017 and December 31, 2016

(in millions except per share amounts)

	2018	2017	2016
Net Revenue	\$ 64,661	\$ 63,525	\$ 62,799
Cost of sales	29,381	28,796	28,222
Gross profit	35,280	34,729	34,577
Selling, general and administrative expenses	25,170	24,453	24,773
Operating Profit	10,110	10,276	9,804
Other pension and retiree medical benefits income/(expense)	298	233	(19)
Interest expense	(1,525)	(1,151)	(1,342)
Interest income and other	306	244	110
Income before income taxes	9,189	9,602	8,553
(Benefit from)/provision for income taxes (See Note 5)	(3,370)	4,694	2,174
Net income	12,559	4,908	6,379
Less: Net income attributable to noncontrolling interests	44	51	50
Net Income Attributable to PepsiCo	\$ 12,515	\$ 4,857	\$ 6,329
Net Income Attributable to PepsiCo per Common Share			
Basic	\$ 8.84	\$ 3.40	\$ 4.39
Diluted	\$ 8.78	\$ 3.38	\$ 4.36
Weighted-average common shares outstanding			
Basic	1,415	1,425	1,439
Diluted	1,425	1,438	1,452

See accompanying notes to the consolidated financial statements.

[Table of Contents](#)

Consolidated Statement of Cash Flows

PepsiCo, Inc. and Subsidiaries

Fiscal years ended December 29, 2018, December 30, 2017 and December 31, 2016

(in millions)

	2018	2017	2016
Operating Activities			
Net income	\$ 12,559	\$ 4,908	\$ 6,379
Depreciation and amortization	2,399	2,369	2,368
Share-based compensation expense	256	292	284
Restructuring and impairment charges	308	295	160
Cash payments for restructuring charges	(255)	(113)	(125)
Charge related to the transaction with Tingyi	—	—	373
Pension and retiree medical plan expenses	221	221	501
Pension and retiree medical plan contributions	(1,708)	(220)	(695)
Deferred income taxes and other tax charges and credits	(531)	619	452
Other net tax benefits related to international reorganizations	(4,347)	—	—
Net tax (benefit)/expense related to the TCJ Act	(28)	2,451	—
Change in assets and liabilities:			
Accounts and notes receivable	(253)	(202)	(349)
Inventories	(174)	(168)	(75)
Prepaid expenses and other current assets	9	20	10
Accounts payable and other current liabilities	882	201	981
Income taxes payable	333	(338)	329
Other, net	(256)	(305)	70
Net Cash Provided by Operating Activities	9,415	10,030	10,663
Investing Activities			
Capital spending	(3,282)	(2,969)	(3,040)
Sales of property, plant and equipment	134	180	99
Acquisition of SodaStream, net of cash and cash equivalents acquired	(1,197)	—	—
Other acquisitions and investments in noncontrolled affiliates	(299)	(61)	(212)
Divestitures	505	267	85
Short-term investments, by original maturity:			
More than three months - purchases	(5,637)	(18,385)	(12,504)
More than three months - maturities	12,824	15,744	8,399
More than three months - sales	1,498	790	—
Three months or less, net	16	2	16
Other investing, net	2	29	7
Net Cash Provided by/(Used for) Investing Activities	4,564	(4,403)	(7,150)
Financing Activities			
Proceeds from issuances of long-term debt	—	7,509	7,818
Payments of long-term debt	(4,007)	(4,406)	(3,105)
Cash tender and exchange offers/debt redemptions	(1,589)	—	(2,504)
Short-term borrowings, by original maturity:			
More than three months - proceeds	3	91	59
More than three months - payments	(17)	(128)	(27)
Three months or less, net	(1,352)	(1,016)	1,505
Cash dividends paid	(4,930)	(4,472)	(4,227)
Share repurchases - common	(2,000)	(2,000)	(3,000)
Share repurchases - preferred	(2)	(5)	(7)
Proceeds from exercises of stock options	281	462	465
Withholding tax payments on RSUs, PSUs and PEPunits converted	(103)	(145)	(130)
Other financing	(53)	(76)	(58)
Net Cash Used for Financing Activities	(13,769)	(4,186)	(3,211)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(98)	47	(252)
Net Increase in Cash and Cash Equivalents and Restricted Cash	112	1,488	50

Consolidated Balance Sheet

PepsiCo, Inc. and Subsidiaries

December 29, 2018 and December 30, 2017

(in millions except per share amounts)

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,721	\$ 10,610
Short-term investments	272	8,900
Restricted cash	1,997	—
Accounts and notes receivable, net	7,142	7,024
Inventories	3,128	2,947
Prepaid expenses and other current assets	633	1,546
Total Current Assets	21,893	31,027
Property, Plant and Equipment, net	17,589	17,240
Amortizable Intangible Assets, net	1,644	1,268
Goodwill	14,808	14,744
Other indefinite-lived intangible assets	14,181	12,570
Indefinite-Lived Intangible Assets	28,989	27,314
Investments in Noncontrolled Affiliates	2,409	2,042
Deferred Income Taxes	4,364	—
Other Assets	760	913
Total Assets	\$ 77,648	\$ 79,804
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt obligations	\$ 4,026	\$ 5,485
Accounts payable and other current liabilities	18,112	15,017
Total Current Liabilities	22,138	20,502
Long-Term Debt Obligations	28,295	33,796
Deferred Income Taxes	3,499	3,242
Other Liabilities	9,114	11,283
Total Liabilities	63,046	68,823
Commitments and contingencies		
Preferred Stock, no par value	—	41
Repurchased Preferred Stock	—	(197)
PepsiCo Common Shareholders' Equity		
Common stock, par value 1 ² / ₃ ¢ per share (authorized 3,600 shares; issued, net of repurchased common stock at par value: 1,409 and 1,420 shares, respectively)	23	24
Capital in excess of par value	3,953	3,996
Retained earnings	59,947	52,839
Accumulated other comprehensive loss	(15,119)	(13,057)
Repurchased common stock, in excess of par value (458 and 446 shares, respectively)	(34,286)	(32,757)
Total PepsiCo Common Shareholders' Equity	14,518	11,045
Noncontrolling interests	84	92
Total Equity	14,602	10,981
Total Liabilities and Equity	\$ 77,648	\$ 79,804

See accompanying notes to the consolidated financial statements.