

Keurig Dr Pepper Reports Q4 and Full Year 2024 Results and Provides 2025 Outlook

Company Delivers 2024 Results Consistent with Guidance and Long-Term Algorithm

Performance Driven by Strong Momentum in U.S. Refreshment Beverages and International

KDP Targets 2025 Mid-Single-Digit Net Sales and High-Single-Digit Adjusted EPS Growth in Constant Currency

BURLINGTON, Mass. and FRISCO, Texas, Feb. 25, 2025 /PRNewswire/ -- Keurig Dr Pepper Inc. (NASDAQ: KDP) today reported results for the fourth quarter and full year ended December 31, 2024. The Company also provided guidance for 2025.

| | Reported GAAP Basis | | Adjusted Basis ¹ | |
|-----------------|---------------------|------------|-----------------------------|------------|
| | Q4 | FY 2024 | Q4 | FY 2024 |
| Net Sales | \$4.07 bn | \$15.35 bn | \$4.07 bn | \$15.35 bn |
| % vs prior year | 5.2 % | 3.6 % | 6.2 % | 3.9 % |
| Diluted EPS | \$(0.11) | \$1.05 | \$0.58 | \$1.92 |
| % vs prior year | (122.4) % | (32.3) % | 5.5 % | 7.8 % |

Full year 2024 highlights:

- Constant currency net sales growth of 4%, led by U.S. Refreshment Beverages and International segments
- Adjusted diluted EPS growth of 8%, marking a second consecutive year of sequential acceleration
- Strong operating cash flow growth of 67% to \$2.2 billion and free cash flow growth of 82% to \$1.7 billion, supporting balanced capital allocation

Commenting on the results, CEO Tim Cofer stated, "In 2024, we delivered strong financial performance consistent with our long-term algorithm and advanced our strategy to lay the groundwork for KDP's next phase of growth. We gained market share through exciting innovation, marketing, and activation across our CSD and coffee brands, drove win-win outcomes with partner brands such as Electrolit and C4, and took bold action to extend our portfolio and route to market with the acquisition of GHOST and select territory expansions."

Cofer continued, "We achieved these results while delivering record productivity to support reinvestment and bottom-line growth, with accelerated free cash flow generation enabling both value-enhancing investments and direct shareholder returns. Though the operating backdrop is demanding, we are confident that our strategic progress and business momentum will translate into yet another set of compelling, on-algorithm results in 2025."

2024 Full Year Consolidated Results

Net sales for the full year increased 3.6% to \$15.4 billion. On a constant currency basis, net sales advanced 3.9%, driven by volume/mix growth of 2.7% and favorable net price realization of 1.2%.

GAAP operating income decreased 18.8% to \$2.6 billion. The decrease primarily reflected the unfavorable year-over-year impact of items affecting comparability, including \$718 million in goodwill and other intangible impairments² and an accrual for \$225 million in upcoming distribution termination payments related to GHOST. Adjusted operating income increased 9.0% to \$4.0 billion and totaled 25.9% of net sales. Adjusted operating income growth reflected productivity savings and net sales growth, partially offset by the impact of inflationary pressures and higher SG&A costs, including increased marketing investment.

GAAP net income decreased 33.9% to \$1.4 billion, or \$1.05 per diluted share, primarily reflecting the decrease in GAAP operating income and the unfavorable year-over-year impact of non-operating items affecting comparability. Adjusted net income increased 4.7% to \$2.6 billion and Adjusted diluted EPS increased 7.8% to \$1.92. Adjusted diluted EPS growth was driven by the Adjusted operating income growth and a lower share count.

Operating cash flow for the full year increased 67.0% to \$2.2 billion and free cash flow increased 81.8% to \$1.7 billion.

2024 Full Year Segment Results

U.S. Refreshment Beverages

Net sales for the full year increased 5.8% to \$9.3 billion, led by favorable net price realization of 3.1% and volume/mix growth of 2.7%. This performance reflected healthy base business momentum, led by CSDs, as well as the contribution from Electrolit.

GAAP operating income decreased 24.4% to \$1.9 billion. This decrease primarily reflected the unfavorable year-over-year impact of items affecting comparability, including \$718 million in goodwill and other intangible impairments² and an accrual for \$225 million in upcoming distribution termination payments related to GHOST. Adjusted operating income increased 11.7% to \$2.9 billion and totaled 30.7% of net sales. Adjusted operating income growth was driven by net sales growth, productivity savings, and earned C4 performance incentives, partially offset by the impact of inflationary pressures.

U.S. Coffee

Net sales for the full year decreased 2.6% to \$4.0 billion, with volume/mix growth of 1.0% more than offset by unfavorable net price realization of 3.6%.

K-Cup® pod shipments were flat, driven by solid performance in a gradually improving at-home coffee category.

Brewer shipments totaled 10.4 million for the twelve months ended December 31, 2024, increasing 7.3% year-over-year, supported by stabilizing coffeemaker category trends and Keurig market share momentum.

GAAP operating income decreased 6.8% to \$1.1 billion. Adjusted operating income decreased 3.2% to \$1.3 billion and totaled 32.5% of net sales. GAAP and Adjusted operating income reflected the net sales decline and the impact of inflationary pressures, which more than offset productivity savings and SG&A efficiencies.

International

Net sales for the full year increased 6.8% to \$2.1 billion. On a constant currency basis, net sales advanced 9.2%, led by volume/mix growth of 6.2% and favorable net price realization of 3.0%.

GAAP operating income increased 14.7% to \$545 million. Adjusted operating income increased 13.5% to \$552 million and totaled 26.9% of net sales. GAAP and Adjusted operating income growth were driven by net sales growth and productivity savings, partially offset by the impact of inflationary pressures and higher SG&A costs, including increased marketing investment.

Fourth Quarter Consolidated Results

Net sales for the fourth quarter increased 5.2% to \$4.1 billion. On a constant currency basis, net sales advanced 6.2%, driven by volume/mix growth of 5.3% and favorable net price realization of 0.9%.

GAAP operating income decreased 93.3% to \$63 million, primarily reflecting an unfavorable year-over-year impact of items affecting comparability, including \$718 million in goodwill and other intangible impairments² and an accrual for \$225 million in upcoming distribution termination payments related to GHOST. Adjusted operating income increased 3.4% to \$1,129 million and totaled 27.7% of net sales. Adjusted operating income growth primarily reflected net sales growth and productivity savings, partially offset by the impact of inflationary pressures and higher SG&A costs, including increased marketing investment.

GAAP net income decreased 120.8% to \$(144) million, or \$(0.11) per diluted share, reflecting the decrease in GAAP operating income and the unfavorable year-over-year impact of non-operating items affecting comparability. Adjusted net income increased 3.2% to \$790 million and Adjusted diluted EPS increased 5.5% to \$0.58. Adjusted diluted EPS growth was driven by the Adjusted operating income growth and a lower share count.

Operating cash flow for the fourth quarter increased 185.9% to \$849 million and free cash flow increased 380.4% to \$687 million.

Fourth Quarter Segment Results

U.S. Refreshment Beverages

Net sales for the fourth quarter increased 10.3% to \$2.4 billion, driven by volume/mix growth of 7.5% and favorable net price realization of 2.8%. The volume/mix performance reflected strong base business momentum, primarily led by CSDs, as well as the contribution from Electrolit.

GAAP operating income decreased 125.6% to \$(176) million, which included an unfavorable year-over-year impact of items affecting comparability, including \$718 million in goodwill and other intangible impairments² and an accrual for \$225 million in upcoming distribution termination payments related to GHOST. Adjusted operating income increased 8.6% to \$774 million and totaled 31.7% of net sales. Adjusted operating income growth was driven by net sales growth and productivity savings, partially offset by the impact of inflationary pressures and lapping a larger earned C4 performance incentive in the year-ago period.

U.S. Coffee

Net sales for the fourth quarter decreased 2.4% to \$1.1 billion. Volume/mix grew 0.7%, including a 1.1% increase in K-Cup® pod shipments, which was more than offset by unfavorable net price realization of 3.1%.

GAAP operating income decreased 8.9% to \$349 million. Adjusted operating income decreased 5.7% to \$399 million and totaled 35.3% of net sales. GAAP and Adjusted operating income reflected the net sales decline and the impact of inflationary pressures, which more than offset productivity savings.

International

Net sales for the fourth quarter increased 0.8% to \$0.5 billion. On a constant currency basis, net sales advanced 8.5%, driven by volume/mix growth of 6.5% and favorable net price realization of 2.0%.

GAAP operating income decreased 12.5% to \$126 million, including an unfavorable impact from foreign exchange translation. Adjusted operating income decreased 8.6% to \$130 million and totaled 26.1% of net sales. GAAP and Adjusted operating income reflected the impact of inflationary pressures and higher SG&A costs, including increased marketing investment, which more than offset net sales growth and productivity savings.

2025 Guidance

The 2025 guidance provided below is presented on a constant currency, non-GAAP basis. The Company does not provide reconciliations of such forward-looking non-GAAP measures to GAAP measures, due to the inability to predict the amount and timing of impacts outside of the Company's control on certain items, such as non-cash gains or losses resulting from mark-to-market adjustments of derivative instruments, among others, which could be material. Reconciling such items would require unreasonable efforts.

KDP expects net sales growth in a mid-single-digit range and Adjusted diluted EPS growth in a high-single-digit range for 2025 on a constant currency basis, including the anticipated contribution from the recent GHOST acquisition. At current rates, foreign currency translation is forecasted to approximate a one to two percentage point headwind to full year top- and bottom-line growth.

¹ Adjusted financial metrics presented in this release are non-GAAP, excluding items affecting comparability and with growth rates presented on a constant currency basis. See reconciliations of GAAP results to Adjusted results on a constant currency basis in the accompanying tables.

² In Q4 2024, the Company recognized \$718 million of non-cash impairments related to intangible brand assets, primarily driven by Snapple, and goodwill within the U.S. Warehouse Direct reporting unit.

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ABOUT KEURIG DR PEPPER

Keurig Dr Pepper (Nasdaq: KDP) is a leading beverage company in North America, with a portfolio of more than 125 owned, licensed and partner brands and powerful distribution capabilities to provide a beverage for every need, anytime, anywhere. With annual revenue of more than \$15 billion, we hold leadership positions in beverage categories including carbonated soft drinks, coffee, tea, water, juice and mixers, and have the #1 single serve coffee brewing system in the U.S. and Canada. Our innovative partnership model builds emerging growth platforms in categories such as premium coffee, energy, sports hydration and ready-to-drink coffee. Our brands include Keurig®, Dr Pepper®, Canada Dry®, Mott's®, A&W®, Peñafiel®, Snapple®, 7UP®, Green Mountain Coffee Roasters®, GHOST®, Clamato®, Core Hydration® and The Original Donut Shop®. Driven by a purpose to Drink Well. Do Good., our 29,000 employees aim to enhance the experience of every beverage occasion and to make a positive impact for people, communities and the planet. For more information, visit www.KeurigDrPepper.com and follow us @KeurigDrPepper on LinkedIn and Instagram.

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, including the factors disclosed in our Annual Report on Form 10-K and subsequent filings with the SEC. Our actual financial performance could differ materially from those projected in the forward-looking statements due to a variety of factors, including the inherent uncertainty of estimates, forecasts and projections and the possibility that we are unable to successfully integrate GHOST Lifestyle LLC ("GHOST") into our business, and our financial performance may be better or worse than anticipated. We are under no obligation to update, modify or withdraw any forward-looking statements, except as required by applicable law.

NON-GAAP FINANCIAL MEASURES

This release includes certain non-GAAP financial measures, which differ from results using U.S. Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures should be considered as supplements to and should not be considered replacements for, or superior to, the GAAP measures. These measures may differ from similarly titled non-GAAP financial measures presented by other companies, and other companies may not define the non-GAAP financial measure in the same way. Non-GAAP financial measures typically exclude certain charges, including one-time costs that are not expected to occur routinely in future periods, described by the Company as "items affecting comparability". Refer to page A-5 for the Company's description of items affecting comparability for each period presented. The Company uses non-GAAP financial measures to evaluate our operating and financial performance and to compare such performance to that of prior periods and to the performance of our competitors. Additionally, we use non-GAAP financial measures in making operational and financial decisions and in our budgeting and planning process. We believe that providing non-GAAP financial measures to investors helps investors evaluate our operating performance, profitability and business trends in a way that is consistent with how management evaluates such performance.

Adjusted gross profit. Adjusted gross profit is defined as Net sales less Cost of sales, as adjusted for items affecting comparability as described on page A-5. Management believes that Adjusted gross profit is useful for investors in evaluating the Company's operating results and understanding the Company's operating trends by adjusting certain items that can vary significantly depending on specific underlying transactions or events, thereby affecting comparability.

Adjusted operating income. Adjusted operating income is defined as Income from operations, as adjusted for items affecting comparability as described on page A-5. Management believes that Adjusted operating income is useful for investors in evaluating the Company's operating results and understanding the Company's operating trends by adjusting certain items that can vary significantly depending on specific underlying transactions or events, thereby affecting comparability.

Adjusted net income. Adjusted net income is defined as Net income, as adjusted for items affecting comparability as described on page A-5. Management believes that Adjusted net income is useful for investors in evaluating the Company's operating results and understanding the Company's operating trends by adjusting certain items that can vary significantly depending on specific underlying transactions or events, thereby affecting comparability.

Adjusted diluted EPS. Adjusted diluted EPS is defined as Diluted EPS, as adjusted for items affecting comparability as described on page A-5. Management believes that Adjusted diluted EPS is useful for investors in providing period-to-period comparisons of the results of our operations since it adjusts for certain items affecting overall comparability.

Adjusted gross margin. Adjusted gross margin is defined as Adjusted gross profit divided by Net sales. Management believes that Adjusted gross margin is useful for investors as supplemental measures to evaluate our operating performance and ability to manage ongoing costs.

Adjusted operating margin. Adjusted operating margin is defined as Adjusted Income from operations divided by Net sales. Management believes that Adjusted operating margin is useful for investors as supplemental measures to evaluate our operating performance and ability to manage ongoing costs.

Adjusted interest expense. Adjusted interest expense is defined as Interest expense, net, as adjusted for items affecting comparability as described on page A-5. Management believes that Adjusted interest expense is useful for investors in evaluating our performance and establishing expectations for the impacts of interest expenses.

Adjusted EBITDA. Adjusted EBITDA is defined as EBITDA, as adjusted for items affecting comparability as described on page A-5. EBITDA is defined as Net income as adjusted for interest expense, net; provision for income taxes; depreciation expense; amortization of intangibles; and other amortization. Management believes that Adjusted EBITDA is useful for investors in evaluating the Company's operating results and understanding the Company's operating trends by adjusting certain items that can vary significantly depending on specific underlying transactions or events, thereby affecting comparability.

Management leverage ratio. Management leverage ratio is defined as KDP's total principal amounts of debt less cash and cash equivalents, divided by Adjusted EBITDA. Management believes that the Management leverage ratio is useful for investors in evaluating the Company's liquidity and assessing the Company's ability to meet its financial obligations.

Free cash flow. Free cash flow is defined as net cash provided by operating activities adjusted for purchases of property, plant and equipment, proceeds from sales of property, plant and equipment, and certain items excluded for comparison to prior year periods. Management uses this measure to evaluate the company's performance and make resource allocation decisions.

Financial measures presented on a constant currency basis. Defined as certain financial statement captions and metrics adjusted for certain items affecting comparability, calculated on a constant currency basis by converting our current period local currency financial results using the prior period foreign currency exchange rates. Because our reporting currency is the U.S. Dollar, the value of financial measures presented in U.S. Dollar will be affected by changes in currency exchange rates. Therefore, we present certain financial measures on a constant currency basis for greater comparability.

**KEURIG DR PEPPER INC.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)**

| | Fourth Quarter | | Year Ended December 31, | |
|--|------------------|-----------------|-------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>(in millions, except per share data)</i> | | | | |
| Net sales | \$ 4,070 | \$ 3,867 | \$ 15,351 | \$ 14,814 |
| Cost of sales | 1,793 | 1,683 | 6,822 | 6,734 |
| Gross profit | 2,277 | 2,184 | 8,529 | 8,080 |
| Selling, general, and administrative expenses | 1,297 | 1,258 | 5,013 | 4,912 |
| Impairment of goodwill | 306 | — | 306 | — |
| Impairment of other intangible assets | 412 | — | 412 | 2 |
| Other operating expense (income), net | 199 | (17) | 207 | (26) |
| Income from operations | 63 | 943 | 2,591 | 3,192 |
| Interest expense, net | 247 | 64 | 735 | 496 |
| Impairment of investments and note receivable | 2 | — | 2 | — |
| Other income, net | (32) | (20) | (60) | (61) |
| (Loss) income before provision for income taxes | (154) | 899 | 1,914 | 2,757 |
| (Benefit) provision for income taxes | (10) | 206 | 473 | 576 |
| Net (loss) income | \$ (144) | \$ 693 | \$ 1,441 | \$ 2,181 |
| (Loss) earnings per common share: | | | | |
| Basic | \$ (0.11) | \$ 0.50 | \$ 1.06 | \$ 1.56 |
| Diluted | (0.11) | 0.49 | 1.05 | 1.55 |
| Weighted average common shares outstanding: | | | | |
| Basic | 1,356.5 | 1,393.6 | 1,362.2 | 1,399.3 |
| Diluted | 1,362.0 | 1,401.3 | 1,368.3 | 1,408.4 |

**KEURIG DR PEPPER INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

| | December 31, | |
|--|------------------|------------------|
| | 2024 | 2023 |
| <i>(in millions, except share and per share data)</i> | | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 510 | \$ 267 |
| Restricted cash and restricted cash equivalents | 80 | — |
| Trade accounts receivable, net | 1,502 | 1,368 |
| Inventories | 1,299 | 1,142 |
| Prepaid expenses and other current assets | 606 | 598 |
| Total current assets | 3,997 | 3,375 |
| Property, plant and equipment, net | 2,964 | 2,699 |
| Investments in unconsolidated affiliates | 1,543 | 1,387 |
| Goodwill | 20,053 | 20,202 |
| Other intangible assets, net | 23,634 | 23,287 |
| Other non-current assets | 1,200 | 1,149 |
| Deferred tax assets | 39 | 31 |
| Total assets | \$ 53,430 | \$ 52,130 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 2,985 | \$ 3,597 |
| Accrued expenses | 1,584 | 1,242 |
| Structured payables | 41 | 117 |
| Short-term borrowings and current portion of long-term obligations | 2,642 | 3,246 |
| Other current liabilities | 835 | 714 |
| Total current liabilities | 8,087 | 8,916 |
| Long-term obligations | 12,912 | 9,945 |

| | | |
|---|------------------|------------------|
| Deferred tax liabilities | 5,435 | 5,760 |
| Other non-current liabilities | 2,753 | 1,833 |
| Total liabilities | 29,187 | 26,454 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$0.01 par value, 15,000,000 shares authorized, no shares issued | — | — |
| Common stock, \$0.01 par value, 2,000,000,000 shares authorized, 1,356,664,609 and 1,390,446,043 shares issued and outstanding as of December 31, 2024 and 2023, respectively | 14 | 14 |
| Additional paid-in capital | 19,712 | 20,788 |
| Retained earnings | 4,793 | 4,559 |
| Accumulated other comprehensive (loss) income | (276) | 315 |
| Total stockholders' equity | 24,243 | 25,676 |
| Total liabilities and stockholders' equity | \$ 53,430 | \$ 52,130 |

KEURIG DR PEPPER INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

| <i>(in millions)</i> | Year Ended December 31, | |
|--|-------------------------|----------|
| | 2024 | 2023 |
| Operating activities: | | |
| Net income | \$ 1,441 | \$ 2,181 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation expense | 422 | 402 |
| Amortization of intangibles | 133 | 137 |
| Other amortization expense | 178 | 181 |
| Provision for sales returns | 70 | 61 |
| Deferred income taxes | (254) | (4) |
| Employee stock-based compensation expense | 98 | 116 |
| Loss (gain) on disposal of property, plant, and equipment | 16 | (1) |
| Unrealized loss (gain) on foreign currency | 33 | (13) |
| Unrealized loss on derivatives | 91 | 31 |
| Settlements of interest rate contracts | — | 54 |
| Equity in earnings of unconsolidated affiliates | (42) | (33) |
| Earned equity from distribution arrangements | (94) | (44) |
| Impairment of goodwill | 306 | — |
| Impairment of intangible assets | 412 | 2 |
| Impairment of investments and note receivable of unconsolidated affiliate | 2 | — |
| Other, net | (2) | 6 |
| Changes in assets and liabilities, excluding the effects of business acquisitions: | | |
| Trade accounts receivable | (209) | 70 |
| Inventories | (92) | 182 |
| Income taxes receivable and payables, net | 133 | (199) |
| Other current and non-current assets | (227) | (192) |
| Accounts payable and accrued expenses | (196) | (1,618) |
| Other current and non-current liabilities | — | 10 |
| Net change in operating assets and liabilities | (591) | (1,747) |
| Net cash provided by operating activities | 2,219 | 1,329 |
| Investing activities: | | |
| Acquisitions of businesses | (1,000) | — |
| Purchases of property, plant, and equipment | (563) | (425) |
| Proceeds from sales of property, plant, and equipment | 4 | 9 |
| Purchases of intangibles | (59) | (56) |
| Investments in unconsolidated affiliates | (7) | (316) |
| Other, net | 11 | 4 |
| Net cash used in investing activities | (1,614) | (784) |
| Financing activities: | | |
| Proceeds from issuance of Notes | 3,000 | — |
| Repayments of Notes | (1,150) | (500) |
| Net (repayment) issuance of commercial paper | (480) | 1,697 |
| Proceeds from term loan | 990 | — |
| Proceeds from structured payables | 49 | 130 |
| Repayments of structured payables | (129) | (148) |
| Cash dividends paid | (1,194) | (1,142) |
| Repurchases of common stock | (1,110) | (706) |
| Tax withholdings related to net share settlements | (61) | (62) |
| Payments on finance leases | (115) | (95) |
| Other, net | (23) | (6) |
| Net cash used in financing activities | (223) | (832) |
| Cash, cash equivalents, restricted cash, and restricted cash equivalents: | | |
| Net change from operating, investing and financing activities | 382 | (287) |
| Effect of exchange rate changes | (41) | 19 |
| Beginning balance | 267 | 535 |
| Ending balance | \$ 608 | \$ 267 |

KEURIG DR PEPPER INC.
RECONCILIATION OF SEGMENT INFORMATION
(UNAUDITED)

| (in millions) | Fourth Quarter | | Year Ended December 31, | |
|-------------------------------------|-----------------|-----------------|-------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net Sales | | | | |
| U.S. Refreshment Beverages | \$ 2,441 | \$ 2,214 | \$ 9,331 | \$ 8,821 |
| U.S. Coffee | 1,130 | 1,158 | 3,967 | 4,071 |
| International | 499 | 495 | 2,053 | 1,922 |
| Total net sales | \$ 4,070 | \$ 3,867 | \$ 15,351 | \$ 14,814 |
| Income from Operations | | | | |
| U.S. Refreshment Beverages | \$ (176) | \$ 688 | \$ 1,878 | \$ 2,483 |
| U.S. Coffee | 349 | 383 | 1,079 | 1,158 |
| International | 126 | 144 | 545 | 475 |
| Unallocated corporate costs | (236) | (272) | (911) | (924) |
| Total income from operations | \$ 63 | \$ 943 | \$ 2,591 | \$ 3,192 |

KEURIG DR PEPPER INC.
RECONCILIATION OF CERTAIN NON-GAAP INFORMATION
(UNAUDITED)

The Company reports its financial results in accordance with U.S. GAAP. However, management believes that certain non-GAAP financial measures that reflect the way management evaluates the business may provide investors with additional information regarding the Company's results, trends and ongoing performance on a comparable basis.

Specifically, investors should consider the following with respect to our financial results:

Adjusted: Defined as certain financial statement captions and metrics adjusted for certain items affecting comparability.

Items affecting comparability: Defined as certain items that are excluded for comparison to prior year periods, adjusted for the tax impact as applicable. Tax impact is determined based upon an approximate rate for each item. For each period, management adjusts for (i) the unrealized mark-to-market impact of derivative instruments not designated as hedges in accordance with U.S. GAAP that do not have an offsetting risk reflected within the financial results, as well as the unrealized mark-to-market impact of our Vita Coco investment; (ii) the amortization associated with definite-lived intangible assets; (iii) the amortization of the deferred financing costs associated with the DPS Merger; (iv) the amortization of the fair value adjustment of the senior unsecured notes obtained as a result of the DPS Merger; (v) stock compensation expense and the associated windfall tax benefit attributable to the matching awards made to employees who made an initial investment in KDP; (vi) transaction costs for significant business combinations (completed or abandoned); (vii) non-cash changes in deferred tax liabilities related to goodwill and other intangible assets as a result of tax rate or apportionment changes; and (viii) other certain items that are excluded for comparison purposes to prior year periods.

For the fourth quarter and full year ended December 31, 2024, the other certain items excluded for comparison purposes include (i) productivity expenses; (ii) restructuring expenses associated with the 2023 CEO Succession and Associated Realignment; (iii) costs related to significant non-routine legal matters, including the antitrust litigation; (iv) restructuring expenses associated with the 2024 Network Optimization; (v) the impact of the step-up of acquired inventory associated with the Kalil acquisition; (vi) impairment recognized on certain intangible assets and goodwill; (vii) integration expenses associated with the GHOST transactions; and (viii) other adjustments related to the GHOST transactions. Other adjustments related to the GHOST transactions solely include the termination payments for the distribution rights.

For the fourth quarter and full year ended December 31, 2023, the other certain items excluded for comparison purposes include (i) productivity expenses; (ii) restructuring expenses associated with the 2023 CEO Succession and Associated Realignment; (iii) impairment recognized on certain intangible assets; and (iv) costs related to significant non-routine legal matters, including the antitrust litigation.

Constant currency adjusted: Defined as certain financial statement captions and metrics adjusted for certain items affecting comparability, calculated on a constant currency basis by converting our current period local currency financial results using the prior period foreign currency exchange rates.

For the years ended December 31, 2024 and 2023, the supplemental financial data set forth below includes reconciliations of adjusted and constant currency adjusted financial measures to the applicable financial measure presented in the unaudited condensed consolidated financial statements for the same period.

KEURIG DR PEPPER INC.
RECONCILIATION OF CERTAIN NON-GAAP INFORMATION
(UNAUDITED)

| (in millions, except %) | Gross profit | Gross margin | Income from operations | Operating margin |
|--|-----------------|---------------|------------------------|------------------|
| For the Fourth Quarter of 2024 | | | | |
| Reported | \$ 2,277 | 55.9 % | \$ 63 | 1.5 % |
| Items Affecting Comparability: | | | | |
| Mark to market | (5) | | (10) | |
| Amortization of intangibles | — | | 33 | |
| Stock compensation | — | | 3 | |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | | 24 | |
| Productivity | 20 | | 36 | |
| Impairment of goodwill and other intangible assets | — | | 718 | |
| Non-routine legal matters | — | | 5 | |
| GHOST integration | — | | 1 | |
| Other GHOST adjustments | — | | 225 | |
| Transaction costs | — | | 25 | |
| Restructuring - 2024 Network Optimization | — | | 6 | |
| Adjusted | <u>\$ 2,292</u> | <u>56.3 %</u> | <u>\$ 1,129</u> | <u>27.7 %</u> |
| Impact of foreign currency | — | — % | — | — % |
| Constant currency adjusted | | <u>56.3 %</u> | | <u>27.7 %</u> |
| For the Fourth Quarter of 2023 | | | | |
| Reported | \$ 2,184 | 56.5 % | \$ 943 | 24.4 % |
| Items Affecting Comparability: | | | | |
| Mark to market | 13 | | 40 | |
| Amortization of intangibles | — | | 34 | |
| Stock compensation | — | | 4 | |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | | 8 | |
| Productivity | 26 | | 71 | |
| Transaction costs | — | | 1 | |
| Adjusted | <u>\$ 2,223</u> | <u>57.5 %</u> | <u>\$ 1,101</u> | <u>28.5 %</u> |

Refer to pages A-8 and A-9 for reconciliations of reported net sales to constant currency net sales and adjusted income from operations to constant currency adjusted income from operations.

KEURIG DR PEPPER INC.
RECONCILIATION OF CERTAIN NON-GAAP INFORMATION
(UNAUDITED)

| <i>(in millions, except % and per share data)</i> | Interest expense, net | (Loss) income before provision for income taxes | (Benefit) provision for income taxes | Effective tax rate | Net (loss) income | Diluted (loss) earnings per share |
|--|-----------------------------|---|--|-----------------------|----------------------|---|
| For the Fourth Quarter of 2024 | | | | | | |
| Reported | \$ 247 | \$ (154) | \$ (10) | 6.5 % | \$ (144) | \$ (0.11) |
| Items Affecting Comparability: | | | | | | |
| Mark to market | (88) | 65 | 13 | | 52 | 0.04 |
| Amortization of intangibles | — | 33 | 9 | | 24 | 0.02 |
| Amortization of fair value debt adjustment | (4) | 4 | 2 | | 2 | — |
| Stock compensation | — | 3 | 1 | | 2 | — |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | 24 | 5 | | 19 | 0.01 |
| Productivity | — | 36 | 10 | | 26 | 0.02 |
| Impairment of goodwill and other intangible assets | — | 718 | 111 | | 607 | 0.45 |
| Impairment of investment | — | 2 | (10) | | 12 | 0.01 |
| Non-routine legal matters | — | 5 | 2 | | 3 | — |
| GHOST integration | — | 1 | — | | 1 | — |
| Other GHOST adjustments | — | 225 | 58 | | 167 | 0.12 |
| Transaction costs | — | 25 | 7 | | 18 | 0.01 |
| Restructuring - 2024 Network Optimization | — | 6 | 2 | | 4 | — |
| Change in deferred tax liabilities related to goodwill and other intangible assets | — | — | 3 | | (3) | — |
| Adjusted | <u>\$ 155</u> | <u>\$ 993</u> | <u>\$ 203</u> | 20.4 % | <u>\$ 790</u> | <u>\$ 0.58</u> |
| Impact of foreign currency | | | | 0.3 % | | |
| Constant currency adjusted | | | | 20.7 % | | |
| For the Fourth Quarter of 2023 | | | | | | |
| Reported | \$ 64 | \$ 899 | \$ 206 | 22.9 % | \$ 693 | \$ 0.49 |
| Items Affecting Comparability: | | | | | | |
| Mark to market | 60 | (20) | (4) | | (16) | (0.01) |
| Amortization of intangibles | — | 34 | 9 | | 25 | 0.02 |
| Amortization of fair value of debt adjustment | (5) | 5 | 2 | | 3 | — |
| Stock compensation | — | 4 | — | | 4 | — |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | 8 | 3 | | 5 | — |
| Productivity | — | 71 | 18 | | 53 | 0.04 |
| Transaction costs | — | 1 | — | | 1 | — |
| Change in deferred tax liabilities related to goodwill and other intangible assets | — | — | (2) | | 2 | — |
| Adjusted | <u>\$ 119</u> | <u>\$ 1,002</u> | <u>\$ 232</u> | 23.2 % | <u>\$ 770</u> | <u>\$ 0.55</u> |
| Change - adjusted | 30.3 % (0.9) % | | | | 2.6 % | 5.5 % |
| Impact of foreign currency | | | | | 0.6 % | — % |
| Change - constant currency adjusted | 29.4 % | | | | 3.2 % | 5.5 % |

Diluted earnings per common share may not foot due to rounding.

KEURIG DR PEPPER INC.
RECONCILIATION OF CERTAIN FINANCIAL MEASURES BY SEGMENT TO CONSTANT CURRENCY
ADJUSTED FINANCIAL MEASURES BY SEGMENT
(UNAUDITED)

| <i>(in millions, except %)</i> | U.S. Refreshment Beverages | U.S. Coffee | International | Unallocated corporate costs | Total |
|--|----------------------------------|---------------|---------------|--------------------------------|-----------------|
| For the Fourth Quarter of 2024 | | | | | |
| Reported - Income from Operations | \$ (176) | \$ 349 | \$ 126 | \$ (236) | \$ 63 |
| Items Affecting Comparability: | | | | | |
| Mark to market | — | — | — | (10) | (10) |
| Amortization of intangibles | 4 | 25 | 4 | — | 33 |
| Stock compensation | — | — | — | 3 | 3 |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | — | — | 24 | 24 |
| Productivity | — | 21 | — | 15 | 36 |
| Impairment of goodwill and other intangible assets | 718 | — | — | — | 718 |
| Non-routine legal matters | — | — | — | 5 | 5 |
| GHOST integration | — | — | — | 1 | 1 |
| Other GHOST adjustments | 225 | — | — | — | 225 |
| Transaction costs | 2 | — | — | 23 | 25 |
| Restructuring - 2024 Network Optimization | 1 | 4 | — | 1 | 6 |
| Adjusted - Income from Operations | <u>\$ 774</u> | <u>\$ 399</u> | <u>\$ 130</u> | <u>\$ (174)</u> | <u>\$ 1,129</u> |
| Change - adjusted | 8.6 % | (5.7) % | (14.5) % | (7.0) % | 2.5 % |
| Impact of foreign currency | — % | — % | 5.9 % | — % | 0.9 % |

| Change - constant currency adjusted | 8.6 % | (5.7) % | (8.6) % | (7.0) % | 3.4 % |
|--|--------|---------|---------|----------|----------|
| For the Fourth Quarter of 2023 | | | | | |
| Reported - Income from Operations | \$ 688 | \$ 383 | \$ 144 | \$ (272) | \$ 943 |
| Items Affecting Comparability: | | | | | |
| Mark to market | — | — | 6 | 34 | 40 |
| Amortization of intangibles | 6 | 26 | 2 | — | 34 |
| Stock compensation | — | — | — | 4 | 4 |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | — | — | 8 | 8 |
| Productivity | 19 | 14 | — | 38 | 71 |
| Transaction costs | — | — | — | 1 | 1 |
| Adjusted - Income from Operations | \$ 713 | \$ 423 | \$ 152 | \$ (187) | \$ 1,101 |

KEURIG DR PEPPER INC.
RECONCILIATION OF CERTAIN FINANCIAL MEASURES BY SEGMENT TO CONSTANT CURRENCY
ADJUSTED FINANCIAL MEASURES BY SEGMENT
(UNAUDITED)

| | Reported | Impact of Foreign Currency | Constant Currency |
|---------------------------------------|----------|-------------------------------|-------------------|
| For the fourth quarter of 2024 | | | |
| Change in net sales | | | |
| U.S. Refreshment Beverages | 10.3 % | — % | 10.3 % |
| U.S. Coffee | (2.4) | — | (2.4) |
| International | 0.8 | 7.7 | 8.5 |
| Total change in net sales | 5.2 | 1.0 | 6.2 |

| | Reported | Items Affecting Comparability | Adjusted | Impact of Foreign Currency | Constant Currency Adjusted |
|---------------------------------------|----------|----------------------------------|----------|----------------------------------|----------------------------------|
| For the fourth quarter of 2024 | | | | | |
| Operating margin | | | | | |
| U.S. Refreshment Beverages | (7.2) % | 38.9 % | 31.7 % | — % | 31.7 % |
| U.S. Coffee | 30.9 | 4.4 | 35.3 | — | 35.3 |
| International | 25.3 | 0.8 | 26.1 | (0.2) | 25.9 |
| Total operating margin | 1.5 | 26.2 | 27.7 | — | 27.7 |

| | Reported | Items Affecting Comparability | Adjusted |
|---------------------------------------|----------|----------------------------------|----------|
| For the fourth quarter of 2023 | | | |
| Operating margin | | | |
| U.S. Refreshment Beverages | 31.1 % | 1.1 % | 32.2 % |
| U.S. Coffee | 33.1 | 3.4 | 36.5 |
| International | 29.1 | 1.6 | 30.7 |
| Total operating margin | 24.4 | 4.1 | 28.5 |

KEURIG DR PEPPER INC.
RECONCILIATION OF CERTAIN NON-GAAP INFORMATION
(UNAUDITED)

(in millions, except %)

For the Year Ended December 31, 2024

| | Gross profit | Gross margin | Income from operations | Operating margin |
|--|--------------|-----------------|---------------------------|---------------------|
| Reported | \$ 8,529 | 55.6 % | \$ 2,591 | 16.9 % |
| Items Affecting Comparability: | | | | |
| Amortization of intangibles | — | | 133 | |
| Stock compensation | — | | 14 | |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | | 40 | |
| Productivity | 73 | | 147 | |
| Impairment of goodwill and other intangible assets | — | | 718 | |
| Non-routine legal matters | — | | 10 | |
| GHOST integration | — | | 1 | |
| Other GHOST adjustments | — | | 225 | |
| Inventory step-up | 4 | | 4 | |
| Transaction costs | — | | 40 | |
| Restructuring - 2024 Network Optimization | 15 | | 51 | |
| Adjusted | \$ 8,621 | 56.2 % | \$ 3,974 | 25.9 % |
| Impact of foreign currency | | — % | | — % |
| Constant currency adjusted | | 56.2 % | | 25.9 % |

For the Year Ended December 31, 2023

| | | | | |
|--|----------|--------|----------|--------|
| Reported | \$ 8,080 | 54.5 % | \$ 3,192 | 21.5 % |
| Items Affecting Comparability: | | | | |
| Mark to market | (5) | | 8 | |
| Amortization of intangibles | — | | 137 | |
| Stock compensation | — | | 17 | |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | | 35 | |
| Productivity | 115 | | 259 | |
| Impairment of intangible assets | — | | 2 | |
| Non-routine legal matters | — | | 5 | |
| Transaction costs | — | | 2 | |

| | | | | |
|----------|----|-------|--------|-----------------|
| Adjusted | | | | |
| | \$ | 8,190 | 55.3 % | \$ 3,657 24.7 % |

Refer to pages A-13 and A-14 for reconciliations of reported net sales to constant currency net sales and adjusted income from operations to constant currency adjusted income from operations.

KEURIG DR PEPPER INC.
RECONCILIATION OF CERTAIN NON-GAAP INFORMATION
(UNAUDITED)

| <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 |
|--|--------------------------|--|-------------------------------|-----------------------|-----------------|----------------------------------|
| For the Year Ended December 31, 2024 | | | | | | |
| Reported | \$ 735 | \$ 1,914 | \$ 473 | 24.7 % | \$ 1,441 | \$ 1.05 |
| Items Affecting Comparability: | | | | | | |
| Mark to market | (101) | 84 | 12 | | 72 | 0.05 |
| Amortization of intangibles | — | 133 | 34 | | 99 | 0.07 |
| Amortization of deferred financing costs | (1) | 1 | — | | 1 | — |
| Amortization of fair value debt adjustment | (15) | 15 | 4 | | 11 | 0.01 |
| Stock compensation | — | 14 | 3 | | 11 | 0.01 |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | 40 | 9 | | 31 | 0.02 |
| Productivity | — | 147 | 37 | | 110 | 0.08 |
| Impairment of goodwill and other intangible assets | — | 718 | 111 | | 607 | 0.44 |
| Impairment of investment | — | 2 | (10) | | 12 | 0.01 |
| Non-routine legal matters | — | 10 | 3 | | 7 | 0.01 |
| GHOST integration | — | 1 | — | | 1 | — |
| Other GHOST adjustments | — | 225 | 58 | | 167 | 0.12 |
| Inventory step-up | — | 4 | 1 | | 3 | — |
| Transaction costs | — | 40 | 10 | | 30 | 0.02 |
| Restructuring - 2024 Network Optimization | — | 51 | 13 | | 38 | 0.03 |
| Change in deferred tax liabilities related to goodwill and other intangible assets | — | — | 9 | | (9) | (0.01) |
| Adjusted | <u>\$ 618</u> | <u>\$ 3,399</u> | <u>\$ 767</u> | 22.6 % | <u>\$ 2,632</u> | <u>\$ 1.92</u> |
| Impact of foreign currency | | | | 0.1 % | | |
| Constant currency adjusted | | | | 22.7 % | | |

| <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 |
|--|--------------------------|--|-------------------------------|-----------------------|-----------------|----------------------------------|
| For the Year Ended December 31, 2023 | | | | | | |
| Reported | \$ 496 | \$ 2,757 | \$ 576 | 20.9 % | \$ 2,181 | \$ 1.55 |
| Items Affecting Comparability: | | | | | | |
| Mark to market | (14) | 6 | 2 | | 4 | — |
| Amortization of intangibles | — | 137 | 34 | | 103 | 0.07 |
| Amortization of deferred financing costs | (1) | 1 | — | | 1 | — |
| Amortization of fair value of debt adjustment | (19) | 19 | 5 | | 14 | 0.01 |
| Stock compensation | — | 17 | 6 | | 11 | 0.01 |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | 35 | 9 | | 26 | 0.02 |
| Productivity | — | 259 | 63 | | 196 | 0.14 |
| Impairment of intangible assets | — | 2 | — | | 2 | — |
| Non-routine legal matters | — | 5 | 1 | | 4 | — |
| Transaction costs | — | 2 | — | | 2 | — |
| Change in deferred tax liabilities related to goodwill and other intangible assets | — | — | 26 | | (26) | (0.02) |
| Adjusted | <u>\$ 462</u> | <u>\$ 3,240</u> | <u>\$ 722</u> | 22.3 % | <u>\$ 2,518</u> | <u>\$ 1.79</u> |
| Change - adjusted | 33.8 % | | | | 4.5 % | 7.3 % |
| Impact of foreign currency | (0.3) % | | | | 0.2 % | 0.5 % |
| Change - Constant currency adjusted | 33.5 % | | | | 4.7 % | 7.8 % |

Diluted earnings per common share may not foot due to rounding.

KEURIG DR PEPPER INC.
RECONCILIATION OF CERTAIN FINANCIAL MEASURES BY SEGMENT TO CONSTANT CURRENCY
ADJUSTED FINANCIAL MEASURES BY SEGMENT
(UNAUDITED)

| <i>(in millions, except %)</i> | U.S. Refreshment Beverages | U.S. Coffee | International | Unallocated corporate costs | Total |
|--|----------------------------------|-------------|---------------|--------------------------------|----------|
| For the Year Ended December 31, 2024 | | | | | |
| Reported - Income from Operations | \$ 1,878 | \$ 1,079 | \$ 545 | \$ (911) | \$ 2,591 |
| Items Affecting Comparability: | | | | | |
| Mark to market | — | — | (7) | 7 | — |
| Amortization of intangibles | 19 | 100 | 14 | — | 133 |
| Stock compensation | — | — | — | 14 | 14 |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | — | — | 40 | 40 |
| Productivity | 3 | 74 | — | 70 | 147 |
| Impairment of goodwill and other intangible assets | 718 | — | — | — | 718 |

| | | | | | |
|---|-----------------|-----------------|---------------|-----------------|-----------------|
| Non-routine legal matters | — | — | — | 10 | 10 |
| GHOST integration | — | — | — | 1 | 1 |
| Other GHOST adjustments | 225 | — | — | — | 225 |
| Inventory step-up | 4 | — | — | — | 4 |
| Transaction costs | 2 | — | — | 38 | 40 |
| Restructuring - 2024 Network Optimization | 12 | 37 | — | 2 | 51 |
| Adjusted - Income from Operations | <u>\$ 2,861</u> | <u>\$ 1,290</u> | <u>\$ 552</u> | <u>\$ (729)</u> | <u>\$ 3,974</u> |

| | | | | | |
|-------------------------------------|---------------|----------------|---------------|----------------|--------------|
| Change - adjusted | 11.7 % | (3.2) % | 11.1 % | (0.8) % | 8.7 % |
| Impact of foreign currency | — % | — % | 2.4 % | — % | 0.3 % |
| Change - constant currency adjusted | <u>11.7 %</u> | <u>(3.2) %</u> | <u>13.5 %</u> | <u>(0.8) %</u> | <u>9.0 %</u> |

For the Year Ended December 31, 2023

| | | | | | |
|--|-----------------|-----------------|---------------|-----------------|-----------------|
| Reported - Income from Operations | \$ 2,483 | \$ 1,158 | \$ 475 | \$ (924) | \$ 3,192 |
| Items Affecting Comparability: | | | | | |
| Mark to market | — | — | 6 | 2 | 8 |
| Amortization of intangibles | 20 | 101 | 16 | — | 137 |
| Stock compensation | — | — | — | 17 | 17 |
| Restructuring - 2023 CEO Succession and Associated Realignment | — | — | — | 35 | 35 |
| Productivity | 57 | 74 | — | 128 | 259 |
| Impairment of intangible assets | 2 | — | — | — | 2 |
| Non-routine legal matters | — | — | — | 5 | 5 |
| Transaction costs | — | — | — | 2 | 2 |
| Adjusted - Income from Operations | <u>\$ 2,562</u> | <u>\$ 1,333</u> | <u>\$ 497</u> | <u>\$ (735)</u> | <u>\$ 3,657</u> |

KEURIG DR PEPPER INC.
RECONCILIATION OF CERTAIN FINANCIAL MEASURES BY SEGMENT TO CONSTANT CURRENCY
ADJUSTED FINANCIAL MEASURES BY SEGMENT
(UNAUDITED)

| | Reported | Impact of Foreign Currency | Constant Currency |
|---|------------|-------------------------------|-------------------|
| For the year ended December 31, 2024 | | | |
| Change in net sales | | | |
| U.S. Refreshment Beverages | 5.8 % | — % | 5.8 % |
| U.S. Coffee | (2.6) | — | (2.6) |
| International | 6.8 | 2.4 | 9.2 |
| Total change in net sales | 3.6 | 0.3 | 3.9 |

| | Reported | Items Affecting Comparability | Adjusted | Impact of Foreign Currency | Constant Currency Adjusted |
|---|-------------|-------------------------------------|-------------|----------------------------------|----------------------------------|
| For the year ended December 31, 2024 | | | | | |
| Operating margin | | | | | |
| U.S. Refreshment Beverages | 20.1 % | 10.6 % | 30.7 % | — % | 30.7 % |
| U.S. Coffee | 27.2 | 5.3 | 32.5 | — | 32.5 |
| International | 26.5 | 0.4 | 26.9 | — | 26.9 |
| Total operating margin | 16.9 | 9.0 | 25.9 | — | 25.9 |

| | Reported | Items Affecting Comparability | Adjusted |
|---|-------------|----------------------------------|-------------|
| For the year ended December 31, 2023 | | | |
| Operating margin | | | |
| U.S. Refreshment Beverages | 28.1 % | 0.9 % | 29.0 % |
| U.S. Coffee | 28.4 | 4.3 | 32.7 |
| International | 24.7 | 1.2 | 25.9 |
| Total operating margin | 21.5 | 3.2 | 24.7 |

KEURIG DR PEPPER INC.
RECONCILIATION OF ADJUSTED EBITDA AND MANAGEMENT LEVERAGE RATIO
(UNAUDITED)

(in millions, except for ratio)

ADJUSTED EBITDA RECONCILIATION - LAST TWELVE MONTHS

| | |
|--|-----------------|
| Net income | \$ 1,441 |
| Interest expense, net | 735 |
| Provision for income taxes | 473 |
| Depreciation expense | 422 |
| Other amortization | 178 |
| Amortization of intangibles | 133 |
| EBITDA | \$ 3,382 |
| Items affecting comparability: | |
| Mark to market | \$ (17) |
| Stock compensation | 14 |
| Restructuring - 2023 CEO Succession and Associated Realignment | 40 |
| Productivity | 114 |
| Impairment of goodwill and other intangible assets | 718 |
| Impairment of investments and note receivable | 2 |
| Non-routine legal matters | 10 |
| GHOST integration | 1 |

| | |
|---|-----------------|
| Other GHOST adjustments | 225 |
| Inventory step-up | 4 |
| Transaction costs | 40 |
| Restructuring - 2024 Network Optimization | 51 |
| Adjusted EBITDA | \$ 4,584 |

**December 31,
2024**

Principal amounts of:

| | |
|---|------------------|
| Commercial paper notes | \$ 1,616 |
| Senior unsecured notes | 13,093 |
| Term loan | 990 |
| Total principal amounts | 15,699 |
| Less: Cash and cash equivalents | 510 |
| Total principal amounts less cash and cash equivalents | \$ 15,189 |

December 31, 2024 Management Leverage Ratio **3.3**

**KEURIG DR PEPPER INC.
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW
(UNAUDITED)**

Free cash flow is defined as net cash provided by operating activities adjusted for purchases of property, plant and equipment, proceeds from sales of property, plant and equipment, and certain items excluded for comparison to prior year periods. For the years ended December 31, 2024 and 2023, there were no certain items excluded for comparison to prior year periods.

| <i>(in millions)</i> | Year Ended December 31, | |
|--|--------------------------------|-----------------|
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 2,219 | \$ 1,329 |
| Purchases of property, plant, and equipment | (563) | (425) |
| Proceeds from sales of property, plant and equipment | 4 | 9 |
| Free Cash Flow | \$ 1,660 | \$ 913 |

SOURCE Keurig Dr Pepper Inc.

https://stage.mediaroom.com/keurig_drpepper/2025-02-25-Keurig-Dr-Pepper-Reports-Q4-and-Full-Year-2024-Results-and-Provides-2025-Outlook