

PepsiCo Inc PEP ★★★★★

PepsiCo manufactures and distributes nonalcoholic beverages, grain-based foods, and a variety of snacks. Its key brands include Pepsi, Gatorade, Mountain Dew, Tropicana, Quaker, Lay's, Doritos, and Cheetos. The firm receives a slight majority of revenue from food, with Frito-Lay North America (around one fourth of sales) contributing above 40% of operating profit. It distributes its products through direct-store-delivery and customer warehouse systems, as well as third-party networks. Pepsi generates 58% of its revenue in the United States.

Growth Rates (Compound Annual)

Grade: C	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	1.2	-1.6	-0.6	4.9
Operating Income %	7.4	3.1	2.9	3.9
Earnings/Share %	-22.5	-7.5	-2.9	-0.1
Dividends %	7.0	7.7	8.3	8.3
Book Value/Share %	-1.3	-13.2	-11.9	-3.3
Stock Total Return	-4.4	6.6	8.1	9.7
+/- Industry	-7.4	-1.7	-0.2	-2.7
+/- Market	-0.1	-6.2	-1.2	-3.9

Profitability Analysis

Grade: A	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	42.0	39.4	17.1	23.8
Return on Assets %	6.5	8.1	4.3	8.3
Revenue/Employee \$K	245.9	241.5	—	941.3
Fixed Asset Turns	-3.9	3.7	3.8	7.0
Inventory Turns	9.2	9.8*	7.9	10.9
Gross Margin %	54.4	54.1	53.2	42.6
Operating Margin %	16.2	15.3	17.2	19.3
Net Margin %	7.7	9.2	7.4	15.9
Free Cash Flow/Rev %	8.6	11.6	60.8	18.7
R&D/Rev %	—	—	0.0	—

Financial Position (USD)

Grade: A	12-17 \$Mil	09-18 \$Mil
Cash	10610	11991
Inventories	2947	3142
Receivables	7024	7975
Current Assets	31027	25842
Fixed Assets	17240	16541
Intangibles	28582	27798
Total Assets	79804	73632
Payables	7888	15230
Short-Term Debt	5485	4474
Current Liabilities	20502	19704
Long-Term Debt	33796	30643
Total Liabilities	68823	63243
Total Equity	10889	10286

Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	31.1	25.5	44.5	17.2
Forward P/E	18.1	—	—	19.4
Price/Cash Flow	17.9	15.4	22.3	11.7
Price/Free Cash Flow	27.8	21.9	5.7	35.0
Dividend Yield %	3.3	2.8	3.2	2.2
Price/Book	14.8	11.0	7.6	2.9
Price/Sales	2.4	2.4	3.3	4.0
PEG Ratio	2.5	—	—	2.2

*3Yr Avg data is displayed in place of 5 Yr Avg

Fair Value	Uncertainty		Economic Moat		Sector		Style		Market Cap (Mil)		Sales (Mil)	Last Close	
\$122.00	Low		Wide		Consumer Def		Large Value		152,675		64,663	108.16	
High	64.48	68.11	71.89	73.66	87.06	100.70	103.44	110.94	120.57	122.51	110.87	10 Yr Range (High/Low) 122.51-43.78	
Low	43.78	58.75	58.50	62.15	68.43	77.01	76.48	93.25	101.06	95.94	107.36		
400.0													52 Wk Range (High/Low) 122.51-95.94
147.0													
53.0													Price Volatility ■ Monthly High/Low — Rel Strength to S&P 500 ▽ Split
19.0													
6.0													

10 Yr Range(High/Low)
122.51-43.78

52 Wk Range(High/Low)
122.51-95.94

Price Volatility

Monthly High/Low
Rel Strength to S&P 500
Split

Trading Volume (Million)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Stock Performance
14.3	10.6	4.7	6.3	24.5	17.1	8.6	7.7	17.6	-4.9	-2.1	Total Return %
-12.2	-4.5	2.5	-9.7	-7.9	3.4	7.2	-4.3	-4.2	-0.5	-5.7	+/- Market
-12.9	-8.4	-4.3	-4.6	7.8	7.5	-0.3	6.1	-0.8	-6.1	-3.1	+/- Industry
2.9	2.9	3.1	3.1	2.7	2.7	2.8	2.8	2.6	3.3	3.3	Dividend Yield %
95152	103287	103732	105656	126815	140705	144684	150059	170543	155950	152675	Market Cap \$Mil

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TTM	Financials (USD)
43251	43232	57838	66504	65492	66415	66683	63056	62799	63525	64663	Revenue \$Mil
53.0	53.5	54.1	52.5	52.2	53.0	53.2	54.4	55.1	54.7	54.4	Gross Margin %
6959	8044	8332	9633	9112	9705	9581	9712	9785	10509	10482	Oper Income \$Mil
16.1	18.6	14.4	14.5	13.9	14.6	14.4	15.4	15.6	16.5	16.2	Operating Margin %
5142	5946	6320	6443	6178	6740	6513	5452	6329	4857	4951	Net Income \$Mil
3.21	3.77	3.91	4.03	3.92	4.32	4.27	3.67	4.36	3.38	3.48	Earnings Per Share \$
1.65	1.78	1.89	2.03	2.13	2.24	2.53	2.76	2.96	3.17	3.47	Dividends \$
1602	1577	1614	1597	1575	1560	1527	1485	1452	1438	1428	Shares Mil
7.77	10.71	13.36	15.05	14.41	14.55	15.48	9.27	8.80	9.33	7.29	Book Value Per Share \$
6999	6796	8448	8944	8479	9688	10506	10864	10673	9994	8639	Oper Cash Flow \$Mil
-2446	-2128	-3253	-3339	-2714	-2795	-2859	-2758	-3040	-2969	-3073	Cap Spending \$Mil
4553	4668	5195	5605	5765	6893	7647	8106	7633	7025	5566	Free Cash Flow \$Mil

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TTM	Profitability
14.5	15.7	11.7	9.1	8.4	8.9	8.8	7.8	8.8	6.3	6.5	Return on Assets %
35.1	41.2	33.3	30.9	28.8	29.0	31.2	37.2	55.1	44.3	42.0	Return on Equity %
1.22	1.14	1.07	0.94	0.89	0.87	0.90	0.90	0.88	0.83	0.85	Asset Turnover
11.9	13.7	10.9	9.7	9.4	10.1	9.8	8.6	10.1	7.6	7.7	Net Margin %
3.0	2.4	3.2	3.5	3.4	3.2	4.1	5.9	6.6	7.4	7.2	Financial Leverage

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	09-18	Financial Health (USD)
7858	7400	19999	20568	23544	24333	23821	29213	30053	33796	30643	Long-Term Debt \$Mil
12106	16804	21164	20588	22294	24279	17438	11923	11095	10889	10286	Total Equity \$Mil
0.65	0.44	0.95	1.00	1.06	1.00	1.37	2.46	2.72	3.12	2.98	Debt/Equity
2019	3815	1677	-713	1631	4364	2571	5453	5315	10525	6138	Working Capital \$Mil

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TTM	Valuation
16.1	16.7	16.6	17.5	19.5	20.9	29.7	22.9	24.8	31.7	31.1	Price/Earnings
0.0	0.0	—	0.0	0.0	0.0	0.0	—	—	0.0	1.8	P/E vs. Market
2.2	1.8	1.6	1.6	2.0	2.2	2.3	2.5	2.7	2.4	2.4	Price/Sales
5.7	4.9	4.4	4.7	5.7	6.1	10.8	11.9	12.9	15.2	14.8	Price/Book
14.1	12.5	12.5	12.7	12.9	14.9	14.1	14.7	17.9	18.3	17.9	Price/Cash Flow

Quarterly Results (USD)

Revenue \$	Dec	Mar	Jun	Sep
Most Recent	19526.0	12562.0	16090.0	16485.0
Previous	19515.0	12049.0	15710.0	16240.0
Rev Growth %	Dec	Mar	Jun	Sep
Most Recent	0.1	4.3	2.4	1.5
Previous	5.0	1.6	2.1	1.3
Earnings Per Share \$	Dec	Mar	Jun	Sep
Most Recent	-0.50	0.94	1.28	1.75
Previous	0.97	0.91	1.46	1.49

Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
Nestle SA ADR	254842	91104	31.3	13.9
Coca-Cola Co	201503	32310	64.8	13.9

Major Fund Holders

	% of shares
Vanguard Total Stock Mkt Idx Inv	2.68
Vanguard 500 Index Investor	1.95
Vanguard US Total Market Shares ETF	0.00

Contact

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