

PepsiCo Inc, Cost of Capital

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PepsiCo's Future in a Changing Market
 - Increasing demand for healthier beverages
 - Health-conscious consumers
 - Market saturation in traditional markets
 - Global expansion opportunities

Key Challenges
 - Intense competition from established brands
 - Fluctuating commodity prices (sugar, oil)
 - Regulatory changes (sugar taxes, labeling)
 - Environmental concerns (water usage, packaging waste)

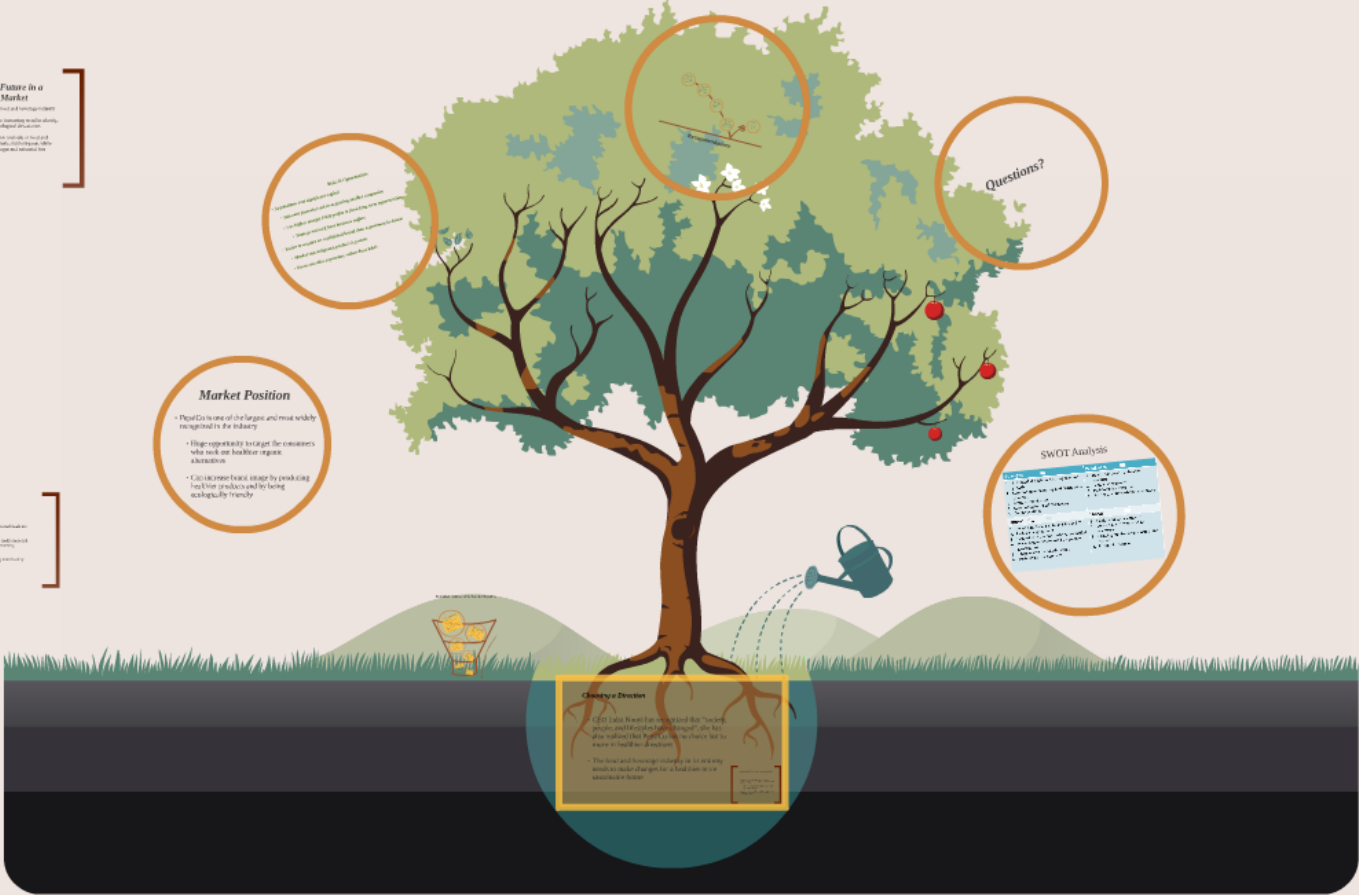
Questions?

Market Position
 - PepsiCo is one of the largest and most widely recognized in the industry
 - High operational leverage for consumers who seek the healthier organic alternatives
 - Continuous brand image by providing healthy products and by being socially responsible

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> Global presence Strong brand portfolio Operational efficiency 	<ul style="list-style-type: none"> High debt levels Commodity price volatility Regulatory risks
Opportunities	Threats
<ul style="list-style-type: none"> Emerging markets Health and wellness trends 	<ul style="list-style-type: none"> Intense competition Changing consumer preferences

Consumer Awareness
 - Increasing awareness of healthier options
 - Demand for natural and organic ingredients
 - Growing concern for environmental sustainability



Company Structure
 - PepsiCo is a publicly traded company with a market capitalization of approximately \$200 billion.
 - The company is organized into several divisions, including Frito-Lay, Quaker, and Pepsi Beverages Company.

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PepsiCo's Future in a Changing Market

- Growing concerns about the food and beverage industry
- Potentially vulnerable for the remaining credit as a result of rising oil and increased energy costs
- Market focus on the production and sale of food and beverage that are high value, sustainable, with low carbon footprint, low sugar and artificial sweeteners

SWOT Analysis

- Strengths:
 - High brand awareness
 - Strong financial performance
 - Diversified product portfolio
 - Strong distribution network
 - Strong R&D capabilities
- Weaknesses:
 - High debt levels
 - High sugar content in products
 - High carbon footprint
 - High energy costs
 - High labor costs
- Opportunities:
 - Growing demand for healthy and sustainable products
 - Growing demand for plant-based products
 - Growing demand for low-sugar products
 - Growing demand for low-carbon products
 - Growing demand for low-labor products
- Threats:
 - Increasing competition
 - Increasing regulation
 - Increasing energy costs
 - Increasing labor costs
 - Increasing carbon footprint

Questions?

Market Position

- PepsiCo is one of the largest and most widely recognized in the industry
- Huge opportunity to target the consumers who seek out healthier organic alternatives
- Can increase brand image by producing healthier products and by being ecologically friendly

Consumer Awareness

- Increasing number of consumers who are looking for healthier and more sustainable products
- This is a challenge for the industry as a whole as consumers are becoming more health conscious and are looking for products that are healthier and more sustainable
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Company's Direction

- CEO Indra Nooyi has recognized that "society, people, and investors by 'highly engaged' do not show interest that PepsiCo has to change for to move in healthier direction.
- The food and beverage industry is in existence needs to make changes for a healthier more sustainable future.

PepsiCo's Future in a Changing Market

- Growing criticism toward the food and beverage industry
 - Partially responsible for the increasing trend in obesity, disease and widespread ecological devastation
 - Mainly due to the production and sale of food and beverages that are high-calorie, nutrient-poor, while containing high levels of sugar and saturated fats

Consumer Awareness

- An increasing number of scientific studies are confirming that many processed foods are unhealthy to consume
 - Due to today's widespread internet access as well as the use of social media more and more consumers are becoming aware of the associated risks with consuming convenient processed foods
 - The market is seeing a shift as more and more consumers are seeking more healthy organic choices

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