

Keurig Dr Pepper Strengthens National Direct-Store-Delivery Operations with Acquisition of Strategic Assets from Kalil Bottling Company

Acquisition creates first Company-owned manufacturing, sales and distribution operations in Arizona

BURLINGTON, Mass. and FRISCO, Texas, May 31, 2024 /PRNewswire/ -- Keurig Dr Pepper (NASDAQ: KDP) today announced an agreement to acquire all production, sales and distribution assets of independent bottler Kalil Bottling Co. (Kalil). With the agreement, KDP's Company-owned direct-store-delivery (DSD) operations will gain new bottling and distribution rights in Arizona to key KDP brands including Canada Dry, 7UP, A&W, Snapple and Core Hydration, servicing 7.4 million consumers and approximately 4,500 retail outlets.

After the close of the transaction, KDP will operate a production facility in Tucson and sales and distribution centers in Tucson and Tempe. KDP expects to add approximately 425 employees in support of these new state-wide operations and will be working with Kalil to actively recruit from its existing talent base.

"This exciting acquisition strengthens our unique national DSD capabilities and creates opportunities for enhanced scale and brand building in a fast-growing region for beverages," said Tim Cofer, Chief Executive Officer at KDP. "Amplifying our route to market advantage is a key investment priority for KDP, and this strategic move will extend our system's reach while providing us more direct insight into the local consumer base and stronger retail collaboration."

Commenting on the announcement, John Kalil, President, Kalil Bottling Co. stated: "The Kalil family has been in Arizona since before statehood, and Kalil Bottling Co. has been around for seventy-six of those years. We thank Arizona for allowing us to serve you. We are transferring Kalil Bottling Co.'s business to Keurig Dr Pepper. When you pair the Kalil's Family legacy with KDP's national footprint, the future looks bright."

"Kalil has been an amazing independent bottling partner to KDP for decades, and we look forward to continuing Kalil's commitment to service excellence for our Arizona customers and consumers," said Andrew Archambault, President, U.S. Refreshment Beverages at KDP. "As we continue to optimize the best possible route to market throughout the U.S. for our portfolio of leading brands, we are thrilled about adding the first KDP-owned manufacturing, sales and distribution operation in the state."

The acquisition is expected to close in the third quarter of 2024. Terms of the agreement have not been disclosed.

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 approximately \$15 billion, we hold leadership positions in beverage categories including 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®, Snapple®, Peñafiel®, 7UP®, Green Mountain Coffee Roasters®, Clamato®, Core Hydration® and The Original Donut Shop®. Driven by a purpose to Drink Well. Do Good., our 28,000 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 on [LinkedIn](https://www.linkedin.com/company/keurig-dr-pepper/).

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," "expect," "believe," "could," "estimate," "feel," "forecast," "intend," "may," "plan," "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. We are under no obligation to update, modify or withdraw any forward-looking statements, except as required by applicable law.

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