Keurig Dr Pepper Reports Q3 2025 Results, Raises Full Year Net Sales Outlook and Reaffirms EPS Guidance for 2025

Q3 Results Driven by Strong Top-Line Growth

Continued Momentum in U.S. Refreshment Beverages and Improving U.S. Coffee Trends

Company Raises 2025 Constant Currency Net Sales Outlook and Reaffirms Adjusted EPS Guidance

BURLINGTON, Mass. and FRISCO, Texas, Oct. 27, 2025 /PRNewswire/ -- Keurig Dr Pepper Inc. (NASDAQ: KDP) today reported results for the third quarter of 2025, raised its full year constant currency net sales growth outlook, and reaffirmed its full year adjusted EPS guidance.

| | Reported | GAAP Basis | Adjusted Basis ¹ | | | | |
|-----------------|-----------|------------|-----------------------------|------------|--|--|--|
| | Q3 | YTD | Q3 | YTD | | | |
| Net Sales | \$4.31 bn | \$12.10 bn | \$4.31 bn | \$12.10 bn | | | |
| % vs prior year | 10.7 % | 7.3 % | 10.6 % | 8.1 % | | | |
| Diluted EPS | \$0.49 | \$1.27 | \$0.54 | \$1.45 | | | |
| % vs prior year | 8.9 % | 9.5 % | 5.9 % | 9.7 % | | | |

Commenting on the quarter, CEO Tim Cofer stated, "We are pleased with our third quarter results, which demonstrated robust growth in U.S. Refreshment Beverages and encouraging sequential progress in U.S. Coffee. Strong innovation and in-market execution drove market share gains across key categories, with sales momentum, along with disciplined actions to offset inflationary pressures, contributing to solid earnings and free cash flow growth. We are focused on sustaining our base business strength while also thoughtfully preparing for the transformation ahead as we first acquire and integrate JDE Peet's and subsequently separate into two, advantaged pure-play companies."

Third Quarter Consolidated Results

Net sales for the third quarter increased 10.7% to \$4.3 billion. On a constant currency basis, net sales advanced 10.6%, driven by volume/mix growth of 6.4% and favorable net price realization of 4.2%. The acquisition of GHOST contributed 4.4 percentage points to volume/mix growth.

GAAP operating income increased 10.3% to \$995 million, including a favorable year-over-year impact of items affecting comparability. Adjusted operating income increased 3.8% to \$1,091 million and totaled 25.3% 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.

GAAP net income increased 7.5% to \$662 million, or \$0.49 per diluted share, including a favorable year-over-year impact of items affecting comparability. Adjusted net income increased 6.5% to \$738 million and Adjusted diluted EPS increased 5.9% to \$0.54, driven by the Adjusted operating income growth and benefits from minority investments.

Operating cash flow for the third quarter was \$639 million and free cash flow totaled \$528 million

Third Quarter Segment Results

U.S. Refreshment Beverages

Net sales for the third quarter increased 14.4% to \$2.7 billion, driven by volume/mix growth of 11.2% and favorable net price realization of 3.2%. Segment growth reflected market share gains in carbonated soft drinks, energy, and sports hydration. The acquisition of GHOST contributed 7.2 percentage points to volume/mix growth.

GAAP operating income increased 11.1% to \$802 million, including a favorable year-over-year impact of items affecting comparability. Adjusted operating income increased 10.0% to \$816 million and totaled 29.8% 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.

U.S. Coffee

Net sales for the third quarter increased 1.5% to \$991 million. Favorable net price realization of 5.5% was offset by a volume/mix decline of 4.0%. Net sales growth reflected K-Cup pricing actions taken to combat inflation, partially offset by pod and brewer shipment declines.

GAAP operating income decreased 6.7% to \$237 million, including an unfavorable year-over-year impact of items affecting comparability. Adjusted operating income increased 2.6% to \$317 million and totaled 32.0% of net sales. Adjusted operating income growth was driven by net price realization and cost efficiency measures, partially offset by the impact of inflationary pressures.

International

Net sales for the third quarter increased 10.5% to \$580 million. On a constant currency basis, net sales increased 10.1%, driven by favorable net price realization of 6.1% and volume/mix growth of 4.0%. Performance was led by healthy growth in key categories such as mineral water in Mexico and single serve coffee in Canada.

GAAP operating income decreased 2.5% to \$153 million, including a favorable year-over-year impact of items affecting comparability. Adjusted operating income decreased 4.3% to \$155 million and totaled 26.7% of net sales. The Adjusted operating income decline primarily reflected inflationary pressure, which more than offset the impact of 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, 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 now expects fiscal 2025 constant currency net sales growth in a high-single-digit range, revised from a mid-single-digit growth outlook previously. The Company's outlook for Adjusted diluted EPS growth in a high-single-digit range is unchanged. At current rates, foreign currency translation is forecasted to approximate a one half of one percentage point headwind to full year top- and bottom-line growth.

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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.

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

FORWARD LOOKING STATEMENTS

Certain statements contained herein are "forward-looking statements" within the meaning of applicable securities laws and regulations. These forward-looking statements include those preceded by, followed by or that include the words such as "outlook," "guidance," "anticipate," "expect," "believe," "could," "confident," "estimate," "feel," "continue," "ongoing," "forecast," "intend," "may," "on track," "plan," "positioned," "potential," "project," "should," "target," "will," "would" and similar words, phrases, or expressions and variations or negatives of these 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 the projections in the forward-looking statements due to a variety of factors, including, but not limited to, (i) the inherent uncertainty of estimates, forecasts and projections, (ii) global economic uncertainty or economic downturns, (iii) tariffs or the imposition of new tariffs, trade wars, barriers or restrictions, or threats of such actions and related uncertainty, (iv) the risk that our financial performance may be better or worse than anticipated, (v) the possibility that we are unable to successfully integrate GHOST Lifestyle LLC ("GHOST") into our business, (vi) risks relating to the completion of the acquisition of JDE Peet's and the subsequent separation of our beverage and coffee portfolios in the anticipated timeframe or at all, (vii) risks relating to the receipt of regulatory approvals without unexpected delays or conditions and possibility of regulatory action, (viii) additional risks associated with the acquisition of JDE Peet's and those geographies where JDE Peet's sund by successfully integrate JDE Peet's into our business, or that such integration may be more difficult, time-consuming or costly than expected, (x) constraints on management's attention to operating and growing our business during the execution of the acquisition of JDE Peet's and the separation, (xii) the potential downgrade of our credit ratings as a result of debt incurred and/or assumed in connection with the acquisition of JDE Peet's and the separation on JDE Peet's and the separation may incur significant additional costs, (xiii) the risk of potential litigation, (xiv) negative effects of the announcement and pendency of the acquisition of JDE Peet's and the separation on our share price, and (xv) the ability to achieve the anticipated strategic and financial benefits from the sep

RESTRICTIONS

This release does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in JDE Peet's. Any offer will be made only by means of an offer memorandum approved by the Dutch Authority for the Financial Markets. This press release is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, in any jurisdiction in which such release, publication or distribution would be unlawful.

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 may not define the non-GAAP financial measures 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-6 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-6. 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-6. 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-6. 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-6. 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-6. 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-6. 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. CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| | Third (| Quart | ter | First Nine Months | | | | |
|---|-------------|---------|-------|-------------------|--------|------|--------|--|
| (in millions, except per share data) | 2025 | 25 2024 | | | 2025 | 2024 | | |
| Net sales | \$ 4,306 | \$ | 3,891 | \$ | 12,104 | \$ | 11,281 | |
| Cost of sales | 1,966 | | 1,751 | | 5,524 | | 5,029 | |
| Gross profit | 2,340 | | 2,140 | | 6,580 | | 6,252 | |
| Selling, general, and administrative expenses | 1,344 | | 1,245 | | 3,892 | | 3,716 | |
| Other operating expense (income), net | 1 | | (7) | | (6) | | 8 | |
| Income from operations | 995 | | 902 | | 2,694 | | 2,528 | |
| Interest expense, net | 188 | | 106 | | 516 | | 488 | |
| Other income, net | (45) | | (6) | | (52) | | (28) | |
| Income before provision for income taxes | 852 | - | 802 | | 2,230 | | 2,068 | |
| Provision for income taxes | 190 | | 186 | | 504 | | 483 | |
| Net income | \$ 662 | \$ | 616 | \$ | 1,726 | \$ | 1,585 | |
| Earnings per common share: | | | | | | | | |
| Basic | \$ 0.49 | \$ | 0.45 | \$ | 1.27 | \$ | 1.16 | |
| Diluted | 0.49 | | 0.45 | | 1.27 | | 1.16 | |

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

| (in millions, except share and per share data) Assets | Sep | otember 30, 2025 | De | cember 31, 2024 |
|--|-----|---------------------|----|--------------------|
| Current assets: | | | | |
| Cash and cash equivalents | \$ | 516 | \$ | 510 |
| Restricted cash and restricted cash equivalents | • | 53 | • | 80 |
| Trade accounts receivable, net | | 1,497 | | 1,502 |
| Inventories | | 1,840 | | 1,299 |
| Prepaid expenses and other current assets | | 795 | | 606 |
| Total current assets | | 4,701 | | 3.997 |
| Property, plant, and equipment, net | | 3,039 | | 2.964 |
| Investments in unconsolidated affiliates | | 1,617 | | 1.543 |
| Goodwill | | 20,198 | | 20,053 |
| Intangible assets, net | | 23,786 | | 23,634 |
| Other non-current assets | | 1,228 | | 1,200 |
| Deferred tax assets | | 36 | | 39 |
| Total assets | | | | |
| | \$ | 54,605 | \$ | 53,430 |
| Liabilities and Stockholders' Equity | | | | |
| Current liabilities: | _ | | | |
| Accounts payable | \$ | 2,993 | \$ | 2,985 |
| Accrued expenses | | 1,396 | | 1,584 |
| Structured payables | | 30 | | 41 |
| Short-term borrowings and current portion of long-term obligations | | 2,285 | | 2,642 |
| Other current liabilities | | 823 | | 835 |
| Total current liabilities | | 7,527 | | 8,087 |
| Long-term obligations | | 13,531 | | 12,912 |
| Deferred tax liabilities | | 5,433 | | 5,435 |
| Other non-current liabilities | | 2,790 | | 2,753 |
| Total liabilities | | 29,281 | | 29,187 |
| 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 | _ | | _ |
| 1,358,556,914 and 1,356,664,609 shares issued and outstanding as of | | | | |
| September 30, 2025 and December 31, 2024, respectively | | 14 | | 14 |
| Additional paid-in capital | | 19,753 | | 19,712 |
| Retained earnings | | 5,581 | | 4,793 |
| Accumulated other comprehensive loss | | (24) | | (276) |
| Total stockholders' equity | | 25,324 | | 24,243 |
| Total liabilities and stockholders' equity | \$ | 54,605 | \$ | 53,430 |
| | _ | | _ | |

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

| | First Nine Months | | | | | |
|--|-------------------|------|-------|--|--|--|
| (in millions) | 2025 | 2024 | | | | |
| Operating activities: | | | | | | |
| Net income | \$ 1,726 | \$ | 1,585 | | | |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | | |
| Depreciation expense | 336 | | 310 | | | |
| Amortization of intangibles | 101 | | 100 | | | |
| Other amortization expense | 117 | | 140 | | | |
| Provision for sales returns | 42 | | 50 | | | |
| Deferred income taxes | (39) | | 21 | | | |
| Employee stock-based compensation expense | 70 | | 76 | | | |
| (Gain) loss on disposal of property, plant, and equipment | (3) | | 19 | | | |
| Unrealized loss on foreign currency | 7 | | 14 | | | |
| Unrealized (gain) loss on derivatives | (127) | | 23 | | | |
| Equity in earnings of unconsolidated affiliates | (62) | | (22) | | | |
| Earned equity from distribution arrangements | (21) | | (64) | | | |
| Other, net | 3 | | 9 | | | |
| Changes in assets and liabilities, excluding the effects of business acquisitions: | | | | | | |
| Trade accounts receivable | (16) | | (148) | | | |
| Inventories | (518) | | (220) | | | |
| Income taxes receivable and payable, net | (27) | | (7) | | | |
| Other current and non-current assets | (183) | | (204) | | | |
| Accounts payable and accrued expenses | (140) | | (275) | | | |
| Other current and non-current liabilities | 13 | | (37) | | | |
| Net change in operating assets and liabilities | (871) | | (891) | | | |
| Net cash provided by operating activities | 1,279 | | 1,370 | | | |
| Investing activities: | | | | | | |
| Acquisitions of businesses, net of cash acquired | (114) | | (85) | | | |
| Purchases of property, plant, and equipment | (338) | | (398) | | | |
| Proceeds from sales of property, plant, and equipment | 14 | | 1 | | | |

| Purchases of intangibles | (16) | (49) |
|--|-------------|-------------|
| Investments in unconsolidated affiliates | (1) | (7) |
| Other, net | 65 | _ |
| Net cash used in investing activities | \$ (390) | \$ (538) |

| | First Nine Months | | | | | | | |
|--|-------------------|-------|----|---------|--|--|--|--|
| (in millions) | | 2025 | | 2024 | | | | |
| Financing activities: | | | | | | | | |
| Proceeds from issuance of Notes | \$ | 2,000 | \$ | 3,000 | | | | |
| Repayments of Notes | | (529) | | (1,150) | | | | |
| Net repayment of commercial paper | | (225) | | (153) | | | | |
| Repayment of term loan | | (990) | | _ | | | | |
| Proceeds from structured payables | | 23 | | 39 | | | | |
| Repayments of structured payables | | (34) | | (89) | | | | |
| Cash dividends paid | | (937) | | (883) | | | | |
| Repurchases of common stock, inclusive of excise tax obligation | | (9) | | (1,105) | | | | |
| Tax withholdings related to net share settlements | | (29) | | (58) | | | | |
| Payments on finance leases | | (96) | | (83) | | | | |
| Deferred financing charges paid | | (103) | | (16) | | | | |
| Other, net | | (5) | | (6) | | | | |
| Net cash used in financing activities | | (934) | | (504) | | | | |
| Cash, cash equivalents, restricted cash, and restricted cash equivalents | : | | | | | | | |
| Net change from operating, investing, and financing activities | | (45) | | 328 | | | | |
| Effect of exchange rate changes | | 6 | | (35) | | | | |
| Beginning balance | | 608 | | 267 | | | | |
| Ending balance | \$ | 569 | \$ | 560 | | | | |

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

| | Third Quarter | | | | | First Nine Months | | | | |
|------------------------------|---------------|-------|----|-------|----|-------------------|----|--------|--|--|
| (in millions) | | 2025 | | 2024 | | 2025 | | 2024 | | |
| Net Sales | | | | | | | | | | |
| U.S. Refreshment Beverages | \$ | 2,735 | \$ | 2,390 | \$ | 7,718 | \$ | 6,890 | | |
| U.S. Coffee | | 991 | | 976 | | 2,816 | | 2,837 | | |
| International | | 580 | | 525 | | 1,570 | | 1,554 | | |
| Total net sales | \$ | 4,306 | \$ | 3,891 | \$ | 12,104 | \$ | 11,281 | | |
| | | | | | | | | | | |
| Income from Operations | | | | | | | | | | |
| U.S. Refreshment Beverages | \$ | 802 | \$ | 722 | \$ | 2,202 | \$ | 2,054 | | |
| U.S. Coffee | | 237 | | 254 | | 672 | | 730 | | |
| International | | 153 | | 157 | | 386 | | 419 | | |
| Unallocated corporate costs | | (197) | | (231) | | (566) | | (675) | | |
| Total income from operations | \$ | 995 | \$ | 902 | \$ | 2,694 | \$ | 2,528 | | |

KEURIG DR PEPPER INC. RECONCILIATION OF GAAP TO NON-GAAP INFORMATION CERTAIN LINE ITEMS - CONSOLIDATED (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 prior to its sale in the first quarter of 2025; (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), excluding costs related to the JDE Peet's acquisition; and (vii) other certain items that are excluded for comparison purposes to prior year periods.

For the first nine months of 2025, the other certain items excluded for comparison purposes include (i) productivity expenses; (ii) restructuring adjustments 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 Network Optimization program; (v) the impact of the step-up of acquired inventory associated with the GHOST and Dyla acquisitions; (vii) integration expenses associated with the GHOST and Dyla acquisitions; (viii) the change in our mandatory redemption liability for GHOST; (viii) acquisition, integration, and financing costs associated with the anticipated acquisition of JDE Peet's and subsequent spin of Global Coffee Co.; and (ix) non-cash changes in deferred tax liabilities related to goodwill and other intangible assets as a result of tax rate or apportionment changes.

The acquisition, integration, and financing costs associated with the anticipated acquisition of JDE Peet's and subsequent spin of Global Coffee Co. includes costs to obtain proceeds to close the JDE Peet's acquisition and costs to manage the FX risk associated with the purchase price. Concurrent with the announcement of the anticipated acquisition of JDE Peet's, we entered into a bridge loan agreement and incurred deferred financing costs, of which \$5 million was amortized into interest expense during the third quarter of 2025. Further, we executed €10 billion FX forward contracts during the third quarter of 2025 to protect against negative foreign exchange movement against the Euro-denominated purchase price prior to the close of the acquisition of JDE Peet's. During the third quarter of 2025, we recognized an unrealized mark-to-market gain of \$28 million on these instruments, which was recorded to other income, net.

For the first nine months of 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 Network Optimization program; and (v) the impact of the step-up of acquired inventory associated with the Kalil acquisition.

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 third quarter and first nine months of 2025 and 2024, 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 GAAP TO NON-GAAP INFORMATION CERTAIN LINE ITEMS - CONSOLIDATED (UNAUDITED)

| (in millions, except %) | Gro | ss profit | Gross margin | | ne from ations | Operating margin |
|---|-----|-----------|-----------------|------|-------------------|------------------|
| Third Quarter of 2025 | GIU | iss pront | margin | Open | ations | margin |
| Reported | \$ | 2,340 | 54.3 % | \$ | 995 | 23.1 % |
| Items Affecting Comparability: | • | _,0.0 | 0 1.0 70 | * | | 2011 /0 |
| Productivity | | 35 | | | 47 | |
| Mark-to-market | | (27) | | | (40) | |
| Amortization of intangibles | | `_ | | | 33 | |
| Stock compensation | | _ | | | 4 | |
| Non-routine legal matters | | _ | | | 9 | |
| Restructuring - Network Optimization | | 1 | | | 26 | |
| Acquisition, integration, and financing costs - Acquisition of JDE Peet's and Spin of Global Coffee Co. | | _ | | | 13 | |
| Integration of acquisitions, excluding JDE Peet's | | _ | | | 4 | |
| Adjusted | \$ | 2,349 | 54.6 % | \$ | 1,091 | 25.3 % |
| Impact of foreign currency | | | — % | | | — % |
| Constant currency adjusted | | | 54.6 % | | | 25.3 % |
| Third Quarter of 2024 | | | | | | |
| Reported | \$ | 2,140 | 55.0 % | \$ | 902 | 23.2 % |
| Items Affecting Comparability: | | | | | | |
| Productivity | | 19 | | | 30 | |
| Mark-to-market | | 2 | | | 34 | |
| Amortization of intangibles | | _ | | | 33 | |
| Stock compensation | | _ | | | 4 | |
| Non-routine legal matters | | _ | | | 3 | |
| Inventory step-up | | 4 | | | 4 | |
| Transaction costs | | _ | | | 13 | |
| Restructuring - 2023 CEO Succession and Associated Realignment | | _ | | | 3 | |
| Restructuring - Network Optimization | | 13 | | | 24 | |
| Adjusted | \$ | 2,178 | 56.0 % | \$ | 1,050 | 27.0 % |

Refer to pages A-9 and A-10 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 GAAP TO NON-GAAP INFORMATION CERTAIN LINE ITEMS - CONSOLIDATED (UNAUDITED)

| (in millions, except % and per share data) | exp | terest pense, net | р | come before rovision for ncome taxes | | ision for ne taxes | Effective tax rate | | Net come | earı | oiluted nings per share |
|--|-----|-------------------------|----------|--|----------|-----------------------|--------------------|----|-------------|----------|-------------------------------|
| Third Quarter of 2025 | _ | | _ | | | | | _ | | | |
| Reported | \$ | 188 | \$ | 852 | \$ | 190 | 22.3 % | \$ | 662 | \$ | 0.49 |
| Items Affecting Comparability: | | | | | | | | | | | |
| Productivity | | _ | | 47 | | 14 | | | 33 | | 0.02 |
| Mark-to-market | | (7) | | (33) | | (5) | | | (28) | | (0.02) |
| Amortization of intangibles | | _ | | 33 | | 10 | | | 23 | | 0.02 |
| Stock compensation | | - | | 4 | | 1 | | | 3 | | _ |
| Amortization of fair value debt adjustment | | (3) | | 3 | | 1 | | | 2 | | _ |
| Non-routine legal matters | | _ | | 9 | | 2 | | | 7 | | _ |
| Restructuring - Network Optimization | | _ | | 26 | | 7 | | | 19 | | 0.01 |
| Acquisition, integration, and financing costs - Acquisition of JDE Peet's and Spin | | (E) | | (40) | | (0) | | | (0) | | (0.04) |
| of Global Coffee Co. | | (5) | | (10) | | (2) | | | (8) | | (0.01) |
| Integration of acquisitions, excluding JDE Peet's | | _ | | 4 | | (3) | | | 7 | | 0.01 |
| Change in mandatory redemption liability for GHOST | | _ | | 20 | | 5 | | | 15 | | 0.01 |
| Inventory step-up | | | | | | (3) | | | 3 | | |
| Adjusted | \$ | 173 | \$ | 955 | \$ | 217 | 22.7 % | \$ | 738 | \$ | 0.54 |
| Impact of foreign currency | | | | | | | (0.2) % | | | | |
| Constant currency adjusted | | | | | | | 22.5 % | | | | |
| Third Quarter of 2024 | | | | | | | | | | | |
| Reported | \$ | 106 | \$ | 802 | \$ | 186 | 23.2 % | \$ | 616 | \$ | 0.45 |
| Items Affecting Comparability: | | | | | | | | | | | |
| Productivity | | _ | | 30 | | 7 | | | 23 | | 0.02 |
| Mark-to-market | | 54 | | (21) | | (7) | | | (14) | | (0.01) |
| Amortization of intangibles | | _ | | 33 | | 8 | | | 25 | | 0.02 |
| Stock compensation | | _ | | 4 | | _ | | | 4 | | _ |
| Amortization of fair value of debt adjustment | | (4) | | 4 | | 1 | | | 3 | | _ |
| Non-routine legal matters | | _ | | 3 | | _ | | | 3 | | _ |
| Inventory step-up | | _ | | 4 | | 1 | | | 3 | | _ |
| Transaction costs | | _ | | 13 | | 2 | | | 11 | | 0.01 |
| Restructuring - 2023 CEO Succession and Associated Realignment | | _ | | 3 | | 1 | | | 2 | | _ |
| Restructuring - Network Optimization | | _ | | 24 | | 6 | | | 18 | | 0.01 |
| Adjusted | \$ | 156 | \$ | 899 | \$ | 205 | 22.8 % | \$ | 694 | \$ | 0.51 |
| Adjusted | _ | 100 | <u> </u> | | <u> </u> | | 22.0 % | Ψ | | <u> </u> | 0.01 |
| Change - adjusted | | 10.9 % | | | | | | | 6.3 % | | 5.9 % |
| Impact of foreign currency | | — % | | | | | | | 0.2 % | | — % |
| Change - constant currency adjusted | | 10.9 % | | | | | | | 6.5 % | | 5.9 % |
| Diluted earnings per common share may not foot due to | - | | | | | | | L | | | |
| rounding. | | | | | | | | | | | |

KEURIG DR PEPPER INC. RECONCILIATION OF GAAP TO NON-GAAP INFORMATION INCOME FROM OPERATIONS - CONSOLIDATED AND SEGMENTS (UNAUDITED)

| (in millions, except %) | U.S. freshment everages | 111: | S. Coffee | Inte | ernational | | allocated orate costs | | Total |
|--|-----------------------------------|------|-----------|------|------------|--------|-----------------------|----|---------|
| Third Quarter of 2025 | cverages | | 0. 001100 | | mational | - 00.р | orate costs | - | |
| Reported - Income from Operations | \$ 802 | \$ | 237 | \$ | 153 | \$ | (197) | \$ | 995 |
| Items Affecting Comparability: | | • | | | | | ` , | | |
| Productivity | _ | | 35 | | _ | | 12 | | 47 |
| Mark-to-market | _ | | _ | | _ | | (40) | | (40) |
| Amortization of intangibles | 9 | | 22 | | 2 | | ` <u> </u> | | 33 |
| Stock compensation | _ | | _ | | _ | | 4 | | 4 |
| Non-routine legal matters | _ | | 1 | | _ | | 8 | | 9 |
| Transaction costs, excluding JDE Peet's | _ | | _ | | _ | | _ | | _ |
| Restructuring - Network Optimization | 3 | | 22 | | _ | | 1 | | 26 |
| Acquisition, integration, and financing costs - Acquisition of JDE Peet's and Spin | | | | | | | | | |
| of Global Coffee Co. | _ | | _ | | _ | | 13 | | 13 |
| Integration of acquisitions, excluding JDE Peet's | 2 | | | | | | 2 | | 4 |
| Adjusted - Income from Operations | \$ 816 | \$ | 317 | \$ | 155 | \$ | (197) | \$ | 1,091 |
| Third Quarter of 2024 | | | | | | | | | |
| Reported - Income from Operations | \$ 722 | \$ | 254 | \$ | 157 | \$ | (231) | \$ | 902 |
| Items Affecting Comparability: | | | | | | | | | |
| Productivity | _ | | 19 | | _ | | 11 | | 30 |
| Mark-to-market | _ | | _ | | _ | | 34 | | 34 |
| Amortization of intangibles | 5 | | 24 | | 4 | | _ | | 33 |
| Stock compensation | _ | | _ | | _ | | 4 | | 4 |
| Non-routine legal matters | _ | | _ | | _ | | 3 | | 3 |
| Transaction costs | _ | | _ | | _ | | 13 | | 13 |
| Restructuring - 2023 CEO Succession and Associated Realignment | _ | | _ | | _ | | 3 | | 3 |
| Restructuring - Network Optimization | 11 | | 12 | | _ | | 1 | | 24 |
| Inventory step-up | 4 | | _ | | _ | | _ | | 4 |
| Adjusted - Income from Operations | \$ 742 | \$ | 309 | \$ | 161 | \$ | (162) | \$ | 1,050 |
| Change - adjusted | 10.0 % | | 2.6 % | | (3.7) % | | 21.6 % | | 3.9 % |
| Impact of foreign currency | —% | | — % | | (0.6) % | | —% | | (0.1) % |
| Change - constant currency adjusted | 10.0 % | | 2.6 % | | (4.3) % | | 21.6 % | | 3.8 % |

KEURIG DR PEPPER INC. RECONCILIATION OF GAAP TO NON-GAAP INFORMATION CHANGE IN NET SALES AND OPERATING MARGIN - CONSOLIDATED AND SEGMENTS (UNAUDITED)

| | Reported | Impact of Foreign Currency | Constant Currency |
|----------------------------|----------|-------------------------------|-------------------|
| Third Quarter of 2025 | - | · | |
| Change in net sales | | | |
| U.S. Refreshment Beverages | 14.4 % | - % | 14.4 % |
| U.S. Coffee | 1.5 | _ | 1.5 |
| International | 10.5 | (0.4) | 10.1 |
| Total change in net sales | 10.7 | (0.1) | 10.6 |

| | Reported | Items Affecting Comparability | Adjusted | Impact of Foreign Currency | Constant Currency Adjusted |
|----------------------------|----------|----------------------------------|----------|----------------------------------|----------------------------------|
| Third Quarter of 2025 | | | | | |
| Operating margin | | | | | |
| U.S. Refreshment Beverages | 29.3 % | 0.5 % | 29.8 % | - % | 29.8 % |
| U.S. Coffee | 23.9 | 8.1 | 32.0 | _ | 32.0 |
| International | 26.4 | 0.3 | 26.7 | (0.1) | 26.6 |
| Total operating margin | 23.1 | 2.2 | 25.3 | _ | 25.3 |

| | Reported | Items Affecting Comparability | Adjusted |
|----------------------------|----------|----------------------------------|----------|
| Third Quarter of 2024 | | | |
| Operating margin | | | |
| U.S. Refreshment Beverages | 30.2 % | 0.8 % | 31.0 % |
| U.S. Coffee | 26.0 | 5.7 | 31.7 |
| International | 29.9 | 0.8 | 30.7 |
| Total operating margin | 23.2 | 3.8 | 27.0 |

KEURIG DR PEPPER INC. RECONCILIATION OF GAAP TO NON-GAAP INFORMATION CERTAIN LINE ITEMS - CONSOLIDATED (UNAUDITED)

| | | Gross | Income from | Operating |
|---------------------------|--------------|--------|-------------|-----------|
| (in millions, except %) | Gross profit | margin | operations | margin |
| First Nine Months of 2025 | · | | | |

| Reported | \$ 6,580 | 54.4 % | \$ 2,694 | 22.3 % |
|--|-------------|--------|-------------|--------|
| Items Affecting Comparability: Productivity | 95 | | 126 | |
| Mark-to-market | (70) | | (89) | |
| Amortization of intangibles | (70) | | 101 | |
| Stock compensation | _ | | 10 | |
| Non-routine legal matters | _ | | 17 | |
| Transaction costs, excluding JDE Peet's | _ | | 4 | |
| Restructuring - Network Optimization | 2 | | 38 | |
| Acquisition, integration, and financing costs - Acquisition of JDE Peet's and Spin | | | | |
| of Global Coffee Co. | _ | | 13 | |
| Integration of acquisitions, excluding JDE Peet's | 1 | | 35 | |
| Inventory step-up | 17 | | 17 | |
| Adjusted | \$ 6,625 | 54.7 % | \$ 2,966 | 24.5 % |
| Impact of foreign currency | | — % | | — % |
| Constant currency adjusted | | 54.7 % | | 24.5 % |
| First Nine Months of 2024 | | | | |
| Reported | \$ 6,252 | 55.4 % | \$ 2,528 | 22.4 % |
| Items Affecting Comparability: | | | | |
| Productivity | 53 | | 111 | |
| Mark-to-market | 5 | | 10 | |
| Amortization of intangibles | _ | | 100 | |
| Stock compensation | _ | | 11 | |
| Non-routine legal matters | _ | | 5 | |
| Transaction costs | _ | | 15 | |
| Restructuring - 2023 CEO Succession and Associated Realignment | _ | | 16 | |
| Restructuring - Network Optimization | 15 | | 45 | |
| Inventory step-up | 4 | | 4 | |
| Adjusted | \$ 6,329 | 56.1 % | \$ 2,845 | 25.2 % |

Refer to pages A-14 and A-15 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 GAAP TO NON-GAAP INFORMATION CERTAIN LINE ITEMS - CONSOLIDATED (UNAUDITED)

| (in millions, except % and per share data) | exp | erest ense, net | prov | ne before vision for me taxes | vision for ome taxes | Effective tax rate | Net income | ear | oiluted nings per share |
|---|-----|-----------------------|------|-------------------------------------|-------------------------|--------------------|---------------|-----|-------------------------------|
| First Nine Months of 2025 | | | | | | | | | |
| Reported | \$ | 516 | \$ | 2,230 | \$ 504 | 22.6 % | \$ 1,726 | \$ | 1.27 |
| Items Affecting Comparability: | | | | | | | | | |
| Productivity | | _ | | 126 | 32 | | 94 | | 0.07 |
| Mark-to-market | | 14 | | (71) | (9) | | (62) | | (0.05) |
| Amortization of intangibles | | _ | | 101 | 26 | | 75 | | 0.06 |
| Stock compensation | | _ | | 10 | 3 | | 7 | | _ |
| Amortization of fair value debt adjustment | | (11) | | 11 | 3 | | 8 | | 0.01 |
| Amortization of deferred financing costs | | (1) | | 1 | _ | | 1 | | _ |
| Non-routine legal matters | | _ | | 17 | 4 | | 13 | | 0.01 |
| Transaction costs, excluding JDE Peet's | | _ | | 4 | 1 | | 3 | | _ |
| Restructuring - Network Optimization | | _ | | 38 | 10 | | 28 | | 0.02 |
| Acquisition, integration, and financing costs - Acquisition of JDE Peet's and Spin of Global Coffee (| Co. | (5) | | (10) | (2) | | (8) | | (0.01) |
| Integration of acquisitions, excluding JDE Peet's | | _ | | 35 | 4 | | 31 | | 0.02 |
| Change in mandatory redemption liability for GHOST | | _ | | 60 | 15 | | 45 | | 0.03 |
| Inventory step-up | | _ | | 17 | 1 | | 16 | | 0.01 |
| Change in deferred tax liabilities related to goodwill and other intangible assets | | _ | | _ | (2) | | 2 | | _ |
| Adjusted | \$ | 513 | \$ | 2,569 | \$ 590 | 23.0 % | \$ 1,979 | \$ | 1.45 |
| Impact of foreign currency | | | | | | (0.2) % | | - | |
| Constant currency adjusted | | | | | | 22.8 % | | | |
| Diluted earnings per common share may not foot due to | | | | | | | | | |

KEURIG DR PEPPER INC. RECONCILIATION OF GAAP TO NON-GAAP INFORMATION CERTAIN LINE ITEMS - CONSOLIDATED (UNAUDITED)

rounding.

| (in millions, except % and per share data) | Interest expense, net | provis | e before sion for ne taxes | | ision for ne taxes | Effective tax rate | Net income | earnir | uted ngs per nare |
|---|-----------------------|--------|----------------------------------|----|-----------------------|--------------------|---------------|--------|-------------------------|
| First Nine Months of 2024 | * 400 | • | 0.000 | • | 400 | 00.40/ | A 4 505 | • | 4.40 |
| Reported | \$ 488 | \$ | 2,068 | \$ | 483 | 23.4 % | \$ 1,585 | \$ | 1.16 |
| Items Affecting Comparability: | | | | | | | | | |
| Productivity | _ | | 111 | | 27 | | 84 | | 0.06 |
| Mark-to-market | (13) | | 19 | | (1) | | 20 | | 0.01 |
| Amortization of intangibles | _ | | 100 | | 25 | | 75 | | 0.05 |
| Stock compensation | _ | | 11 | | 2 | | 9 | | 0.01 |
| Amortization of fair value of debt adjustment | (11) | | 11 | | 2 | | 9 | | 0.01 |
| Amortization of deferred financing costs | (1) | | 1 | | _ | | 1 | | _ |
| Non-routine legal matters | _ | | 5 | | 1 | | 4 | | _ |
| Inventory step-up | _ | | 4 | | 1 | | 3 | | _ |

| Transaction costs | _ | 15 | 3 | | 12 | 0.01 |
|--|---------|----------|--------|--------|----------|---------|
| Restructuring - 2023 CEO Succession and Associated Realignment | _ | 16 | 4 | | 12 | 0.01 |
| Restructuring - Network Optimization | _ | 45 | 11 | | 34 | 0.02 |
| Change in deferred tax liabilities related to goodwill and other intangible assets | _ | _ | 6 | | (6) | _ |
| Adjusted | \$ 463 | \$ 2,406 | \$ 564 | 23.4 % | \$ 1,842 | \$ 1.34 |
| | | | | , | | |
| Change - adjusted | 10.8 % | | | | 7.4 % | 8.2 % |
| Impact of foreign currency | (0.2) % | | | | 1.0 % | 1.5 % |
| Change - Constant currency adjusted | 10.6 % | | | | 8.4 % | 9.7 % |

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

KEURIG DR PEPPER INC. RECONCILIATION OF GAAP TO NON-GAAP INFORMATION INCOME FROM OPERATIONS - CONSOLIDATED AND SEGMENTS (UNAUDITED)

| | | U.S. reshment | | | | | | allocated | |
|---|----|------------------|-----|-----------|------|------------|-------|-------------|-------------|
| (in millions, except %) | В | everages | U.S | S. Coffee | Inte | ernational | corpo | orate costs | Total |
| First Nine Months of 2025 | | | | | | | | | |
| Reported - Income from Operations | \$ | 2,202 | \$ | 672 | \$ | 386 | \$ | (566) | \$ 2,694 |
| Items Affecting Comparability: | | | | | | | | | |
| Productivity | | _ | | 95 | | _ | | 31 | 126 |
| Mark-to-market | | _ | | _ | | _ | | (89) | (89) |
| Amortization of intangibles | | 25 | | 69 | | 7 | | _ | 101 |
| Stock compensation | | _ | | _ | | _ | | 10 | 10 |
| Non-routine legal matters | | _ | | 1 | | _ | | 16 | 17 |
| Transaction costs, excluding JDE Peet's | | _ | | _ | | _ | | 4 | 4 |
| Restructuring - Network Optimization | | 4 | | 32 | | _ | | 2 | 38 |
| Acquisition, integration, and financing costs - Acquisition of JDE Peet's and Spin of Global Coffee Co. | | _ | | _ | | _ | | 13 | 13 |
| Integration of acquisitions, excluding JDE Peet's | | 25 | | _ | | _ | | 10 | 35 |
| Inventory step-up | | 17 | | _ | | _ | | _ | 17 |
| Adjusted - Income from Operations | \$ | 2,273 | \$ | 869 | \$ | 393 | \$ | (569) | \$ 2,966 |
| First Nine Months of 2024 | | | | | | | | | |
| Reported - Income from Operations | \$ | 2,054 | \$ | 730 | \$ | 419 | \$ | (675) | \$ 2,528 |
| Items Affecting Comparability: | | | | | | | | | |
| Productivity | | 3 | | 53 | | _ | | 55 | 111 |
| Mark-to-market | | _ | | _ | | (7) | | 17 | 10 |
| Amortization of intangibles | | 15 | | 75 | | 10 | | _ | 100 |
| Stock compensation | | _ | | _ | | _ | | 11 | 11 |
| Non-routine legal matters | | _ | | _ | | _ | | 5 | 5 |
| Transaction costs | | _ | | _ | | _ | | 15 | 15 |
| Restructuring - 2023 CEO Succession and Associated Realignment | | _ | | _ | | _ | | 16 | 16 |
| Restructuring - Network Optimization | | 11 | | 33 | | _ | | 1 | 45 |
| Inventory step-up | | 4 | | _ | | _ | | _ | 4 |
| Adjusted - Income from Operations | \$ | 2,087 | \$ | 891 | \$ | 422 | \$ | (555) | \$ 2,845 |
| Change - adjusted | | 8.9 % | | (2.5) % | | (6.9) % | | 2.5 % | 4.3 % |
| Impact of foreign currency | | —% | | -% | | 5.0 % | | 0.4 % | 0.6 % |
| Change - constant currency adjusted | | 8.9 % | | (2.5) % | | (1.9) % | | 2.9 % | 4.9 % |

KEURIG DR PEPPER INC. RECONCILIATION OF GAAP TO NON-GAAP INFORMATION CHANGE IN NET SALES AND OPERATING MARGIN - CONSOLIDATED AND SEGMENTS (UNAUDITED)

| | Reported | Impact of Foreign Currency | Constant Currency |
|----------------------------|----------|-------------------------------|-------------------|
| First Nine Months of 2025 | | | |
| Change in net sales | | | |
| U.S. Refreshment Beverages | 12.0 % | -% | 12.0 % |
| U.S. Coffee | (0.7) | _ | (0.7) |
| International | 1.0 | 6.1 | 7.1 |
| Total change in net sales | 7.3 | 0.8 | 8.1 |

| | Reported | Items Affecting Comparability | Adjusted | Impact of Foreign Currency | Constant Currency Adjusted |
|----------------------------|----------|-------------------------------------|----------|----------------------------------|----------------------------------|
| First Nine Months of 2025 | | | | | |
| Operating margin | | | | | |
| U.S. Refreshment Beverages | 28.5 % | 1.0 % | 29.5 % | -% | 29.5 % |
| U.S. Coffee | 23.9 | 7.0 | 30.9 | _ | 30.9 |
| International | 24.6 | 0.4 | 25.0 | (0.1) | 24.9 |
| Total operating margin | 22.3 | 2.2 | 24.5 | _ | 24.5 |

Items
Affecting
Reported Comparability Adjusted

 Operating margin

 U.S. Refreshment Beverages
 29.8 %
 0.5 %
 30.3 %

 U.S. Coffee
 25.7
 5.7
 31.4

 International
 27.0
 0.2
 27.2

 Total operating margin
 22.4
 2.8
 25.2

KEURIG DR PEPPER INC. RECONCILIATION OF GAAP TO NON-GAAP INFORMATION ADJUSTED EBITDA AND MANAGEMENT LEVERAGE RATIO (UNAUDITED)

| (in millions, except for ratio) | t Twelve Ionths |
|--|------------------------|
| Net income | \$ 1,582 |
| Interest expense, net | 763 |
| Provision for income taxes | 494 |
| Depreciation expense | 448 |
| Other amortization | 155 |
| Amortization of intangibles | 134 |
| EBITDA | \$ 3,576 |
| Items affecting comparability: | |
| Productivity | \$ 122 |
| Mark-to-market | (80) |
| Stock compensation | 13 |
| Non-routine legal matters | 22 |
| Transaction costs, excluding JDE Peet's | 29 |
| Restructuring - 2023 CEO Succession and Associated Realignment | 24 |
| Restructuring - Network Optimization | 44 |
| Acquisition, integration, and financing costs - Acquisition of JDE Peet's and Spin | |
| of Global Coffee Co. | (15) |
| Integration of acquisitions, excluding JDE Peet's | `36 |
| Change in mandatory redemption liability for GHOST | 60 |
| Termination fees for distribution rights related to GHOST | 225 |
| Inventory step-up | 17 |
| Impairment of goodwill and other intangible assets | 718 |
| Impairment of investments and note receivable | 2 |
| Adjusted EBITDA | \$ 4,793 |
| | ember 30, 2025 |
| Principal amounts of: | |
| Commercial paper notes | \$ 1,391 |
| Senior unsecured notes | 14,564 |
| Total principal amounts | 15,955 |
| Less: Cash and cash equivalents | 516 |
| Total principal amounts less cash and cash equivalents | \$ 15,439 |
| September 30, 2025 Management Leverage Ratio | 3.2 |

KEURIG DR PEPPER INC. RECONCILIATION OF GAAP TO NON-GAAP INFORMATION ADJUSTED EBITDA - LAST TWELVE MONTHS (UNAUDITED)

| (in millions) | Fourth tuarter of 2024 | - | irst Nine lonths of 2025 | st Twelve Months |
|--|------------------------------|----|--------------------------------|---------------------|
| Net income (loss) | \$ (144) | \$ | 1,726 | \$ 1,582 |
| Interest expense, net | 247 | | 516 | 763 |
| Provision (benefit) for income taxes | (10) | | 504 | 494 |
| Depreciation expense | 112 | | 336 | 448 |
| Other amortization | 38 | | 117 | 155 |
| Amortization of intangibles | 33 | | 101 | 134 |
| EBITDA | \$ 276 | \$ | 3,300 | \$ 3,576 |
| Items affecting comparability: | | | | |
| Productivity | \$ 26 | \$ | 96 | \$ 122 |
| Mark-to-market | (23) | | (57) | (80) |
| Stock compensation | 3 | | 10 | 13 |
| Non-routine legal matters | 5 | | 17 | 22 |
| Transaction costs, excluding JDE Peet's | 25 | | 4 | 29 |
| Restructuring - 2023 CEO Succession and Associated Realignment | 24 | | _ | 24 |
| Restructuring - Network Optimization | 6 | | 38 | 44 |
| Acquisition, integration, and financing costs - Acquisition of JDE Peet's and Spin | | | | |
| of Global Coffee Co. | _ | | (15) | (15) |
| Integration of acquisitions, excluding JDE Peet's | 1 | | 35 | 36 |
| Change in mandatory redemption liability for GHOST | _ | | 60 | 60 |
| Termination fees for distribution rights related to GHOST | 225 | | _ | 225 |
| Inventory step-up | _ | | 17 | 17 |
| Impairment of goodwill and other intangible assets | 718 | | _ | 718 |
| Impairment of investments and note receivable | 2 | | _ | 2 |
| Adjusted EBITDA | \$ 1,288 | \$ | 3,505 | \$ 4,793 |

(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 first nine months of 2025 and 2024, there were no certain items excluded for comparison to prior year periods.

| | First Nine Months | | | | | | | | |
|---|-------------------|-------|----|-------|--|--|--|--|--|
| (in millions) | | 2025 | | 2024 | | | | | |
| Net cash provided by operating activities | \$ | 1,279 | \$ | 1,370 | | | | | |
| Purchases of property, plant, and equipment | | (338) | | (398) | | | | | |
| Proceeds from sales of property, plant, and equipment | | 14 | | 1 | | | | | |
| Free Cash Flow | \$ | 955 | \$ | 973 | | | | | |

SOURCE Keurig Dr Pepper

https://news.keurigdrpepper.com/2025-10-27-Keurig-Dr-Pepper-Reports-Q3-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results,-Raises-Full-Year-Net-Sales-Outlook-and-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-EPS-Guidance-for-2025-Results-Reaffirms-For-2025-Results-Reaffirms-For-2025-Results-Reaffirms-For-20