PepsiCo Foodservice Insights

COVID-19 INSIGHTS

JUNE 5, 2020
We continue to look at the impact COVID-19 across 4 stages:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Estimated Timeframe</th>
<th>Feeling</th>
<th>Doing</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Feb-Mar</td>
<td>ANXIOUS, FEARFUL, NEED FOR COMFORT, REASSURANCE &amp; SENSE OF CONTROL</td>
<td>Stockpiling Pantry Items, Cancelling Plans</td>
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<td>Increase in Large Format, Club &amp; Ecom, fewer trips to C&amp;G, Foodservice</td>
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<td>Increase in TV consumption (News)</td>
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<td>1</td>
<td>Mar-Jun (est)</td>
<td>CONTINUED NEED FOR COMFORT, &amp; REASSURANCE, AND BOREDOM RELIEF</td>
<td>Shift to Working/Learning from Home</td>
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<td>Growth of Ecom &amp; Delivery, most On-Premise closed</td>
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<td>Shifts to Streaming &amp; Gaming Decrease in podcasts</td>
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<td>2</td>
<td>Jun-Dec (est)</td>
<td>TENTATIVE, CAUTIOUS OPTIMISM, CONFUSION ABOUT RULES</td>
<td>Partial Return, Testing Out Situations, Adapting to new Protocols</td>
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<td>Continued Use of Ecom, Likely a short spike in Foodservice, incl. Entertainment &amp; Travel</td>
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<td>Financial State Impacts Streaming Services</td>
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<td>3</td>
<td>2021+</td>
<td>RELIEVED, DESIRE TO MAKE UP FOR LOST TIME BUT REMAIN WARY</td>
<td>Adapting to Permanent Changes (i.e. post-9/11)</td>
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<td>Ecom &amp; Delivery become Permanent Behaviors</td>
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<td>Likely a Return to Usual Media, with more streaming</td>
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</table>

Most states are currently in this stage.
Industry Update

US SALES HIT BOTTOM IN MARCH

RESTAURANT SAFETY MEASURES

- 53% taking employee temperature
- 61% removing some tables
- 76% requiring gloves for all staff
- 63% using plexi-glass shields
- 89% requiring masks for all staff
- 97% have hand sanitizer throughout
Industry Update

While concerns are easing, some consumers are still expressing reservations about the safety of dining out...

...But nearly three quarters of consumers are optimistic that dining out is already safe, or will be in the near term.

Source: Datassential – Reopening Tracker as of 6-2-2020, Datassential – Traffic Briefing 14 as of 6-2-2020

Pent-Up Demand is Real

% wanting to get back to restaurants

Source: NRN/BBI
Operators Around The Globe Are Finding Creative Ways To Adhere To Social Distancing

With safety still a concern, some operators are having fun with social distancing, turning it into more of an experience than an intimidating chore...

**NEW ZEALAND**

Cyclista Espresso Bar in New Zealand is delivering coffee via a custom fashioned delivery train, creating a socially distant, contactless experience.

**MARYLAND, USA**

Fish Tales Bar & Grill in Maryland created bumper tables which allow guests to enjoy a drink while remaining in their own socially distanced space.

**GERMANY**

Select Burger Kings in Germany recently debuted these social distancing crowns, encouraging guests to keep their distance while enjoying their Whoppers.
We’ve Been Tracking the Macro Consumer Shifts and Signals

CONTACT YOUR PEPSICO REPRESENTATIVE TO LEARN MORE
PepsiCo Foodservice Insights

We are in a time of unprecedented change and disruption as a result of the COVID-19 pandemic. While there are more questions than answers right now, we are committed to delivering best-in-class insights and perspectives that will provide a more informed approach as we jointly build plans that can succeed on the other side of this challenge.

Due to the dynamic nature of the situation, this document will evolve as new information refines our hypotheses.

Special thanks for this edition go to Karen King, Ashley Dodge, Kimberly Sugden and Amy Edler.