UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2026
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE TRANSITION PERIOD FROM TO
Commission file number 001-33829



Keurig Dr Pepper Inc.
(Exact name of registrant as specified in its charter)

Delaware	**98-0517725**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. employer identification number)*

6425 Hall of Fame Lane, Frisco, Texas 75034
(Address of principal executive offices)

800 527-7096
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock	KDP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

As of November 5, 2026, there were 1,360,948,350 shares of the registrant's common stock, par value $0.01 per share, outstanding.

KEURIG DR PEPPER INC.
FORM 10-Q
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Term	Definition
2025 Revolving Credit Agreement	KDP's revolving credit agreement, which was executed in March 2025 and amended in September 2025
Annual Report	Annual Report on Form 10-K for the year ended December 31, 2025
AOCI	Accumulated other comprehensive income or loss
Apollo Investor	AP Pour Holdings, L.P., together with its affiliates, who are party to the Preferred Investment Agreement
Athletic Brewing	Athletic Brewing Holding Company, LLC, an equity method investment of KDP
Board	The Board of Directors of KDP
bps	basis points
Bridge Credit Agreement	The bridge credit agreement entered into on August 24, 2025, amended on December 18, 2025 and terminated on March 30, 2026
CEO	Chief Executive Officer
Certificate of Designations	Certificate of Designations, Preferences and Rights of Series A Convertible Perpetual Preferred Stock
Chobani	FHU US Holdings LLC, a former equity method investment of KDP
CODM	Chief Operating Decision Maker
Coffee Production Assets	Certain assets located in the United States that are used for the production, roasting, and grinding of single serve un-brewed beverage products (including K-Cup pods and K-Rounds)
Convertible Preferred Stock	KDP's Series A Convertible Perpetual Preferred Stock
Delayed Draw Term Loan	Borrowing under the Delayed Draw Term Loan Agreement
Delayed Draw Term Loan Agreement	The delayed draw term loan agreement entered into by KDP on December 18, 2025 and amended on March 6, 2026
DPS	Dr Pepper Snapple Group, Inc.
DPS Merger	The combination of the business operations of Keurig and DPS as of July 9, 2018
EPS	Earnings per share
EURIBOR	Euro Interbank Offered Rate
Exchange Act	Securities Exchange Act of 1934, as amended
FX	Foreign exchange
GHOST	GHOST Lifestyle LLC
IEPS	Mexico’s Special Tax on Production and Services related to sugar-sweetened beverages and noncaloric sweetened drinks
JDE Peet's	JDE Peet's N.V., which became JDEP Coffee B.V. on May 1, 2026
JDE Peet's Acquisition	The acquisition of JDE Peet's on April 1, 2026
JDE Peet's Acquisition Agreement	The merger protocol between KDP and JDE Peet's, whereby KDP agreed to commence a tender offer to acquire all of the issued ordinary shares, excluding ordinary shares held in treasury, of JDE Peet's
JDE Peet's Notes	Collectively, the notes issued by JDE Peet's
JV Committee	The committee managing the business of the Pod Manufacturing JV
JV Investment	The minority investment made by the JV Investor Partner into the Pod Manufacturing JV
JV Investor Partner	The holding company through which the JV Investors contributed cash to the Pod Manufacturing JV
JV Investors	Certain funds or accounts managed, advised, or sub-advised by each of Apollo Capital Management, Inc., KKR & Co. Inc., and Goldman Sachs Asset Management L.P.
JV LP Agreement	The Amended and Restated Limited Partnership Agreement of the Pod Manufacturing JV, by and among the Pod Manufacturing JV, KDP, and the JV Investor Partner, dated March 30, 2026, as amended from time to time
KDP	Keurig Dr Pepper Inc.
KDP Notes	Collectively, the senior unsecured notes issued by KDP (excluding the JDE Peet's Notes and the Maple Notes)
Keurig	Keurig Green Mountain, Inc., a wholly-owned subsidiary of KDP, and the brand of our brewers

Term	Definition
KKR Investor	Pour Purchaser L.P., together with its affiliates, who are party to the Preferred Investment Agreement
LRB	Liquid refreshment beverages
Maple	Maple Parent Holdings Corp., a wholly-owned subsidiary of KDP
Maple Notes	Collectively, the senior unsecured notes issued by Maple
Notes	Collectively, the JDE Peet's Notes, the KDP Notes, and the Maple Notes
Nutrabolt	Woodbolt Holdings LLC, d/b/a Nutrabolt, an equity method investment of KDP
Pod Manufacturing JV	Keurig JV, LP
Preferred Investment	The issuance and sale of KDP's Convertible Preferred Stock under the Preferred Investment Agreement
Preferred Investment Agreement	The investment agreement, dated as of October 27, 2025, by and among KDP, the KKR Investor, the Apollo Investor, and certain other investors party thereto
Preferred Investors	Holders of our Convertible Preferred Stock
PSU	Performance share unit
RSU	Restricted share unit
RVG	Residual value guarantee
S&P	Standard & Poor's
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Separation	The intended separation of KDP's beverage and coffee portfolios into two independent, publicly traded companies, as announced on August 25, 2025
SG&A	Selling, general, and administrative
SOFR	Secured Overnight Financing Rate
Tractor	Tractor Beverages, Inc., an equity method investment of KDP
U.S. GAAP	Accounting principles generally accepted in the U.S.
VIE	Variable interest entity

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

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

(in millions, except per share data)	Third Quarter		First Nine Months	
	2026	2025	2026	2025
Net sales	**$ 7,344**	$ 4,306	**$ 18,629**	$ 12,104
Cost of sales	**3,819**	1,966	**9,940**	5,524
Gross profit	**3,525**	2,340	**8,689**	6,580
Selling, general, and administrative expenses	**2,137**	1,344	**5,876**	3,892
Other operating expense (income), net	**55**	1	**96**	(6)
Income from operations	**1,333**	995	**2,717**	2,694
Interest expense, net	**474**	188	**1,091**	516
Gain on sale of equity method investment	**(400)**	—	**(400)**	—
Other expense (income), net	**47**	(45)	**152**	(52)
Income before provision for income taxes	**1,212**	852	**1,874**	2,230
Provision for income taxes	**260**	190	**442**	504
Net income	**952**	662	**1,432**	1,726
Less: Net income attributable to non-controlling interests	**70**	—	**138**	—
Net income attributable to KDP	**$ 882**	$ 662	**$ 1,294**	$ 1,726
Earnings per common share:				
Basic	**$ 0.60**	$ 0.49	**$ 0.85**	$ 1.27
Diluted	**0.59**	0.49	**0.85**	1.27
Weighted average common shares outstanding:				
Basic	**1,360.8**	1,358.5	**1,360.2**	1,358.0
Diluted	**1,366.1**	1,362.9	**1,364.9**	1,362.7

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

KEURIG DR PEPPER INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(in millions)	Third Quarter		First Nine Months	
	2026	2025	2026	2025
Net income	**$ 952**	$ 662	**$ 1,432**	$ 1,726
Other comprehensive (loss) income:				
Foreign currency translation adjustments	**(173)**	(30)	**(415)**	302
Net change in pension and post-retirement liability, net of tax of $—, $—, $2 and $—, respectively	**1**	1	**—**	1
Net change in cash flow hedges, net of tax of $3, $(1), $(20), and $5, respectively	**22**	(5)	**44**	(51)
Total other comprehensive (loss) income	**(150)**	(34)	**(371)**	252
Comprehensive income	**802**	628	**1,061**	1,978
Less: Comprehensive income attributable to non-controlling interests	**73**	—	**138**	—
Comprehensive income attributable to KDP	**$ 729**	$ 628	**$ 923**	$ 1,978

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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

(in millions, except share and per share data)	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,290**	$ 1,026
Restricted cash and restricted cash equivalents	**16**	18
Trade accounts receivable, net	**2,523**	1,671
Inventories	**3,767**	1,733
Prepaid expenses and other current assets	**2,018**	818
Total current assets	**9,614**	5,266
Property, plant, and equipment, net	**6,094**	3,230
Equity method investments	**1,358**	1,660
Goodwill	**29,780**	20,247
Intangible assets, net	**37,888**	23,725
Deferred tax assets	**214**	36
Other non-current assets	**1,924**	1,295
Total assets	**$ 86,872**	$ 55,459
Liabilities, convertible preferred stock, and equity		
Current liabilities:		
Accounts payable	**$ 6,223**	$ 2,996
Accrued expenses	**2,636**	1,379
Structured payables	**982**	25
Short-term borrowings and current portion of long-term obligations	**7,270**	3,105
Other current liabilities	**1,440**	785
Total current liabilities	**18,551**	8,290
Long-term obligations	**21,595**	13,036
Deferred tax liabilities	**8,798**	5,526
Other non-current liabilities	**3,879**	3,091
Total liabilities	**52,823**	29,943
Convertible preferred stock, $0.01 par value, 4,500,000 shares authorized, 4,500,000 and 0 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively. Liquidation preference of $4,500 million as of September 30, 2026	**4,418**	—
Stockholders' equity:		
Preferred stock, $0.01 par value, 10,500,000 shares authorized, no shares issued as of September 30, 2026 and December 31, 2025	**—**	—
Common stock, $0.01 par value, 2,000,000,000 shares authorized, 1,360,940,119 and 1,358,663,795 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	**14**	14
Additional paid-in capital	**19,839**	19,778
Retained earnings	**5,842**	5,622
Accumulated other comprehensive (loss) income	**(269)**	102
Total stockholders' equity	**25,426**	25,516
Non-controlling interests	**4,205**	—
Total equity	**29,631**	25,516
Total liabilities, convertible preferred stock, and equity	**$ 86,872**	$ 55,459

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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

(in millions)	First Nine Months 2026	2025
Operating activities:		
Net income	**$ 1,432**	$ 1,726
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	**527**	336
Amortization of intangibles	**286**	101
Amortization of inventory step-up	**361**	15
Other amortization expense	**125**	117
Provision for sales returns	**132**	42
Deferred income taxes	**(177)**	(39)
Employee stock-based compensation expense	**95**	70
Amortization of deferred financing costs	**115**	15
Gain on sale of equity method investment	**(400)**	—
Loss (gain) on disposal of property, plant, and equipment	**69**	(3)
Unrealized (gain) loss on foreign currency	**(9)**	7
Unrealized gain on derivatives	**(165)**	(127)
Settlements of interest rate contracts	**70**	—
Earnings of equity method investments	**(58)**	(62)
Earned equity from distribution arrangements	**(16)**	(21)
Other, net	**63**	(12)
Changes in assets and liabilities, excluding the effects of business acquisitions:		
Trade accounts receivable	**(131)**	(16)
Inventories	**160**	(533)
Income taxes receivable and payable, net	**119**	(27)
Other current and non-current assets	**(138)**	(183)
Accounts payable and accrued expenses	**(41)**	(140)
Other current and non-current liabilities	**(199)**	13
Net change in operating assets and liabilities	**(230)**	(886)
Net cash provided by operating activities	**2,220**	1,279
Investing activities:		
Acquisitions of businesses, net of cash acquired	**(16,633)**	(114)
Proceeds from sale of equity method investment	**400**	—
Purchases of property, plant, and equipment	**(457)**	(338)
Proceeds from sales of property, plant, and equipment	**145**	14
Purchases of intangibles	**(4)**	(16)
Other, net	**(2)**	64
Net cash used in investing activities	**$ (16,551)**	$ (390)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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

(in millions)	First Nine Months 2026	2025
Financing activities:		
Proceeds from issuance of Notes	**$ 6,108**	$ 2,000
Repayments of Notes	**(400)**	(529)
Net repayment of commercial paper	**(968)**	(225)
Proceeds from Delayed Draw Term Loan	**3,626**	—
Repayment of term loans	**(405)**	(990)
Net proceeds from issuance of convertible preferred stock	**4,395**	—
Net proceeds from sale of non-controlling interest	**3,899**	—
Proceeds from structured payables	**650**	23
Repayments of structured payables	**(696)**	(34)
Cash dividends paid to common shareholders	**(938)**	(937)
Cash dividends paid to Preferred Investors	**(107)**	—
Distributions paid to non-controlling interest holders	**(64)**	—
Repurchases of common stock, inclusive of excise tax obligation	**—**	(9)
Tax withholdings related to net share settlements	**(34)**	(29)
Payments on finance leases	**(146)**	(96)
Deferred financing charges paid	**(44)**	(103)
Other, net	**(5)**	(5)
Net cash provided by (used in) financing activities	**14,871**	(934)
Cash, cash equivalents, restricted cash, and restricted cash equivalents:		
Net change from operating, investing, and financing activities	**540**	(45)
Effect of exchange rate changes	**(278)**	6
Beginning balance	**1,044**	608
Ending balance	**$ 1,306**	$ 569
Supplemental cash flow disclosures:		
Accrued consideration to untendered shareholders in the JDE Peet's Acquisition	**$ 399**	$ —
Issuance of note receivable for sale of equity method investment	**400**	—
Capital expenditures included in accounts payable and accrued expenses	**194**	151
Dividends to common shareholders declared but not yet paid	**313**	313
Dividends to Preferred Investors declared but not yet paid	**28**	—
Cash paid for interest	**602**	377

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

KEURIG DR PEPPER INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

(in millions, except per share data)	Common Stock Issued		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
	Shares	Amount						
Balance as of December 31, 2025	1,358.7	$ 14	$ 19,778	$ 5,622	$ 102	$ 25,516	$ —	$ 25,516
Net income	—	—	—	270	—	270	—	270
Other comprehensive loss	—	—	—	—	(218)	(218)	—	(218)
Dividends declared to common shareholders, $0.23 per share	—	—	—	(312)	—	(312)	—	(312)
Shares issued under employee stock-based compensation plans and other	1.7	—	—	—	—	—	—	—
Tax withholdings related to net share settlements	—	—	(25)	—	—	(25)	—	(25)
Stock-based compensation	—	—	30	—	—	30	—	30
Sale of non-controlling interest, net of transaction costs and tax effects	—	—	—	—	—	—	3,921	3,921
Balance as of March 31, 2026	1,360.4	$ 14	$ 19,783	$ 5,580	$ (116)	$ 25,261	$ 3,921	$ 29,182
Net income	—	—	—	142	—	142	68	210
Other comprehensive loss	—	—	—	—	—	—	(3)	(3)
Dividends declared to common shareholders, $0.23 per share	—	—	—	(314)	—	(314)	—	(314)
Dividends declared to Preferred Investors	—	—	—	(82)	—	(82)	—	(82)
Shares issued under employee stock-based compensation plans and other	0.4	—	—	—	—	—	—	—
Tax withholdings related to net share settlements	—	—	(6)	—	—	(6)	—	(6)
Stock-based compensation	—	—	31	—	—	31	—	31
Non-controlling interests acquired in business combination	—	—	—	—	—	—	210	210
Balance as of June 30, 2026	1,360.8	$ 14	$ 19,808	$ 5,326	$ (116)	$ 25,032	$ 4,196	$ 29,228
Net income	—	—	—	882	—	882	70	952
Other comprehensive (loss) income	—	—	—	—	(153)	(153)	3	(150)
Dividends declared to common shareholders, $0.23 per share	—	—	—	(313)	—	(313)	—	(313)
Dividends declared to Preferred Investors	—	—	—	(53)	—	(53)	—	(53)
Distributions declared to non-controlling interest holders	—	—	—	—	—	—	(64)	(64)
Shares issued under employee stock-based compensation plans and other	0.1	—	—	—	—	—	—	—
Tax withholdings related to net share settlements	—	—	(3)	—	—	(3)	—	(3)
Stock-based compensation	—	—	34	—	—	34	—	34
Balance as of September 30, 2026	1,360.9	$ 14	$ 19,839	$ 5,842	$ (269)	$ 25,426	$ 4,205	$ 29,631

KEURIG DR PEPPER INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED, CONTINUED)

(in millions, except per share data)	Common Stock Issued		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2024	1,356.7	$ 14	$ 19,712	$ 4,793	$ (276)	$ 24,243
Net income	—	—	—	517	—	517
Other comprehensive income	—	—	—	—	1	1
Dividends declared, $0.23 per share	—	—	—	(313)	—	(313)
Shares issued under employee stock-based compensation plans and other	1.5	—	—	—	—	—
Tax withholdings related to net share settlements	—	—	(23)	—	—	(23)
Stock-based compensation	—	—	22	—	—	22
Balance as of March 31, 2025	1,358.2	$ 14	$ 19,711	$ 4,997	$ (275)	$ 24,447
Net income	—	—	—	547	—	547
Other comprehensive income	—	—	—	—	285	285
Dividends declared, $0.23 per share	—	—	—	(312)	—	(312)
Shares issued under employee stock-based compensation plans and other	0.2	—	—	—	—	—
Tax withholdings related to net share settlements	—	—	(5)	—	—	(5)
Stock-based compensation	—	—	23	—	—	23
Balance as of June 30, 2025	1,358.4	$ 14	$ 19,729	$ 5,232	$ 10	$ 24,985
Net income	—	—	—	662	—	662
Other comprehensive loss	—	—	—	—	(34)	(34)
Dividends declared, $0.23 per share	—	—	—	(313)	—	(313)
Shares issued under employee stock-based compensation plans and other	0.2	—	—	—	—	—
Tax withholdings related to net share settlements	—	—	(1)	—	—	(1)
Stock-based compensation and stock options exercised	—	—	25	—	—	25
Balance as of September 30, 2025	1,358.6	$ 14	$ 19,753	$ 5,581	$ (24)	$ 25,324

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

KEURIG DR PEPPER INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. General

ORGANIZATION

References in this Quarterly Report on Form 10-Q to "KDP", "we", "us", and "our", refer to Keurig Dr Pepper Inc. and all wholly-owned subsidiaries included in the unaudited condensed consolidated financial statements. Definitions of terms used in this Quarterly Report on Form 10-Q are included within the Master Glossary.

This Quarterly Report on Form 10-Q refers to some of our owned or licensed trademarks, trade names, and service marks, which are referred to as our brands. All of the product names included herein are either KDP registered trademarks or those of our licensors.

BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements include the results of operations of JDE Peet's beginning April 1, 2026. Refer to Note 2 for information about the JDE Peet's Acquisition.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements. In the opinion of management, all adjustments, consisting principally of normal recurring adjustments, considered necessary for a fair presentation have been included. These unaudited condensed consolidated financial statements should be read in conjunction with our consolidated financial statements and accompanying notes included in our Annual Report.

References to the "third quarter" indicate the quarterly periods ended September 30, 2026 and 2025.

USE OF ESTIMATES

The process of preparing our unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and judgments that affect reported amounts. These estimates and judgments are based on historical experience, future expectations, and other factors and assumptions we believe to be reasonable under the circumstances. These estimates and judgments are reviewed on an ongoing basis and are revised when necessary. Changes in estimates are recorded in the period of change. Actual amounts may differ from these estimates.

RECLASSIFICATIONS

We have reclassified certain prior period amounts within the unaudited Condensed Consolidated Statements of Cash Flows to conform to the current period presentation. These reclassifications had no impact on total cash, cash equivalents, restricted cash, and restricted cash equivalents.

2. JDE Peet's Acquisition

OVERVIEW AND TOTAL CONSIDERATION EXCHANGED

JDE Peet's is a global coffee and tea company, serving more than 100 markets, with a portfolio of leading brands including Jacobs, L'OR, and Peet's, alongside a collection of local icons. On January 15, 2026, we commenced a tender offer to acquire all of the issued and outstanding ordinary shares of JDE Peet's for a cash offer price of €31.85 per share, without interest.

On March 27, 2026, the offer period for the issued and outstanding ordinary shares of JDE Peet's expired, and on April 1, 2026, we acquired substantially all, or 96.22%, of the issued and outstanding ordinary shares of JDE Peet's. The post-closing acceptance period expired on April 13, 2026, and we acquired additional shares on April 15, 2026. Altogether, the total shares acquired represent 97.75% of the issued and outstanding ordinary shares of JDE Peet's. The aggregate cash paid for the tendered shares was approximately €15.1 billion ($17.4 billion).

We intend to combine KDP's existing coffee business and the business of JDE Peet's and its subsidiaries to form one of the two independent, U.S.-listed publicly traded companies resulting from the Separation.

Under the acquisition method of accounting, total consideration as of September 30, 2026 was as follows:

(in millions)	Amount
Net cash consideration paid	$ 17,433
Liability to untendered shareholders[1]	399
Consideration related to stock-based compensation awards[2]	104
Settlement of preexisting relationships[3]	(6)
Total consideration	$ 17,930

(1) Represents the estimated deferred consideration we expect to pay to acquire the remaining outstanding ordinary shares of JDE Peet's not yet acquired as of September 30, 2026. The estimated deferred consideration has been recorded in Other current liabilities as the remaining shares are expected to be acquired through statutory buy-out proceedings, which grant us the legal right to compel the remaining shareholders to sell their existing shares. These buy-out proceedings have commenced and were completed in October 2026.

(2) All unvested JDE Peet's stock-based compensation awards under JDE Peet's employee incentive plans that were granted prior to the signing of the JDE Peet's Acquisition Agreement were accelerated and vested on or prior to the closing of the JDE Peet's Acquisition. The portion of fair value of these accelerated awards that relates to pre-combination service is included in consideration transferred; the remainder is accounted for as post-combination expense. Additionally, between September 2025 and March 2026, JDE Peet's granted a total of 879,750 stock-based compensation awards in the form of RSUs and PSUs. Pursuant to the JDE Peet's Acquisition Agreement, these awards were replaced by KDP RSUs with the same vesting period as the original awards in accordance with applicable “roll-over” provisions in the relevant JDE Peet's employee incentive plans. A portion of the fair value of these awards represents consideration transferred.

(3) Represents the carrying value of preexisting balances between KDP and JDE Peet's, which are deemed to approximate fair value.

During the first nine months of 2026, we completed a series of transactions in order to obtain funding for the consideration of the JDE Peet's Acquisition:

- Delayed Draw Term Loan of $3.6 billion. Refer to Note 3 for additional information.
- Maple Notes of approximately $6 billion. Refer to Note 3 for additional information.
- JV Investment of $4 billion. Refer to Note 4 for additional information.
- Issuance of Convertible Preferred Stock of $4.5 billion. Refer to Note 5 for additional information.

ALLOCATION OF CONSIDERATION EXCHANGED

Our preliminary allocation of consideration exchanged to the assets acquired, liabilities assumed, and non-controlling interests, in the JDE Peet's Acquisition is based on estimated fair values as of the acquisition date and is subject to change as additional information is obtained within the measurement period.

The following is a summary of the preliminary allocation of consideration exchanged in the JDE Peet's Acquisition and measurement period adjustments related to conditions that existed as of the acquisition date recognized through September 30, 2026:

(in millions)	Initial Allocation of Consideration	Measurement Period Adjustments	September 30, 2026
Cash, cash equivalents, restricted cash, and restricted cash equivalents	$ 913	$ —	$ 913
Trade accounts receivable	885	1	886
Inventories[1]	2,574	—	2,574
Prepaid expenses and other current assets	593	—	593
Property, plant, and equipment[2]	3,122	(5)	3,117
Intangible assets[3]	14,760	—	14,760
Deferred tax assets	181	3	184
Other non-current assets	911	8	919
Accounts payable	(3,875)	—	(3,875)
Accrued expenses	(1,065)	(8)	(1,073)
Structured payables	(1,008)	—	(1,008)
Short-term borrowings and current portion of long-term obligations[4]	(732)	1	(731)
Other current liabilities	(435)	(9)	(444)
Long-term obligations, non-current portion[4]	(4,239)	(5)	(4,244)
Deferred tax liabilities[5]	(3,565)	(21)	(3,586)
Other non-current liabilities	(540)	(29)	(569)
Net assets acquired	8,480	(64)	8,416
Goodwill	9,660	64	9,724
Less: non-controlling interests[6]	(210)	—	(210)
Total consideration	$ 17,930	$ —	$ 17,930

(1) We preliminarily valued work-in-process and finished goods inventory using a comparative sales method approach, resulting in a step-up of $361 million, all of which was recognized in cost of sales in the first nine months of 2026 as the related inventory was sold during the period. Raw materials were carried at net book value.

(2) We preliminarily valued personal property using the cost approach, which is based upon current replacement cost of the asset as newly adjusted for any depreciation attributable to physical, functional and economic factors. We preliminarily assigned personal property a useful life ranging from 4 to 20 years. We preliminarily valued real property using the cost approach and land using the sales comparison approach. We preliminarily assigned real property a useful life between 6 and 52 years.

(3) See tabular disclosure of intangible assets other than goodwill below for discussion of preliminary valuation methodologies.

(4) For long-term obligations (both current and non-current portions) with observable market trading activity, we preliminarily valued the debt instruments using quoted prices on active markets. For long-term obligations without such markets, we preliminarily valued the debt instruments using a discounted cash flow methodology. Discount rates were generally determined using market yields for instruments with a BBB credit rating, adjusted for estimated company-specific risk.

(5) Net deferred tax liabilities represented the expected future tax consequences of temporary differences between the fair values of the assets acquired and liabilities assumed and their tax bases. We used a preliminary consolidated tax rate to determine the net deferred tax liabilities and will record measurement period adjustments as we apply the appropriate tax rate for each jurisdiction within the acquired business.

(6) Non-controlling interests were measured using a combination of approaches, including the income approach and the market approach.

The JDE Peet's Acquisition preliminarily resulted in $9,724 million of goodwill. The preliminary goodwill recognized is attributable to expected synergies from combining our coffee operations with JDE Peet's' global coffee and tea platform, including revenue synergies driven by complementary brand portfolios having exposure to both in-home and away-from-home consumption channels, manufacturing and supply chain optimization, and operational and general and administrative cost synergies. The goodwill also reflects the value of JDE Peet's' assembled workforce, which does not qualify for separate recognition. Management is currently assessing the deductibility of the goodwill created in the JDE Peet's Acquisition for tax purposes.

The preliminary allocation of consideration exchanged to intangible assets other than goodwill acquired is as follows:

(in millions)	Weighted Average Estimated Useful Life (in years)	Fair Value
Brands with indefinite lives[1]	Indefinite	**$ 9,790**
Brands with definite lives[1]	15	**3,050**
Customer relationships[2]	18	**1,520**
Acquired technology[3]	9	**400**
Total intangible assets other than goodwill		**$ 14,760**

(1) We preliminarily valued these assets utilizing the multi-period excess earnings method, a form of the income approach.
(2) We preliminarily valued these assets using the distributor method, a form of the income approach.
(3) We preliminarily valued these assets utilizing a combination of the income approach and the cost approach.

The non-recurring fair value measurements associated with the purchase price allocation include significant unobservable inputs, such as discount rates, projected revenue growth rates, customer attrition rates, and useful life assumptions. Changes in these assumptions could result in changes to our fair value measurements.

TRANSACTION EXPENSES

In connection with the JDE Peet's Acquisition, we incurred acquisition-related costs of $126 million, consisting primarily of legal, advisory, financing, and other transaction costs. These costs were accounted for separately from the business combination and recognized as incurred, with $120 million recognized prior to the acquisition date and $6 million recognized subsequent to the acquisition date, within SG&A expenses.

PRO FORMA INFORMATION

Assuming JDE Peet's had been acquired as of December 31, 2024 and the results of JDE Peet's had been included in KDP's results of operations beginning on January 1, 2025, the following table provides estimated unaudited pro forma results of operations for the third quarter and first nine months of 2026 and 2025 under U.S. GAAP:

	Third Quarter		First Nine Months	
(unaudited, in millions)	2026	2025	2026	2025
Net sales	**$ 7,344**	$ 6,896	**$ 21,473**	$ 20,177
Net income	**916**	963	**1,651**	1,600

The pro forma amounts above include non-recurring adjustments for the amortization of the inventory step-up, as well as the impacts of transaction costs and post-combination stock-based compensation expenses, and the associated tax effects.

Estimated unaudited pro forma information is not necessarily indicative of the results that actually would have occurred had the JDE Peet's Acquisition been completed on the date indicated, or of future operating results.

For net sales and earnings of JDE Peet's since the acquisition date, refer to the JDE Peet's segment in Note 10.

3. Long-Term Obligations and Borrowing Arrangements

The following table summarizes our long-term obligations:

(in millions)	September 30, 2026	December 31, 2025
Notes	**$ 24,435**	$ 13,931
Less: current portion of long-term obligations	**(2,840)**	(895)
Long-term obligations	**$ 21,595**	$ 13,036

The following table summarizes our short-term borrowings and current portion of long-term obligations:

(in millions)	September 30, 2026	December 31, 2025
Commercial paper notes	**$ 1,242**	$ 2,210
Delayed Draw Term Loan	**3,188**	—
Current portion of long-term obligations:		
Notes	**2,840**	895
Short-term borrowings and current portion of long-term obligations	**$ 7,270**	$ 3,105

KEURIG DR PEPPER INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED, CONTINUED)

SENIOR UNSECURED NOTES

(in millions, except %)	Maturity Date	Rate	September 30, 2026	December 31, 2025
USD Notes				
2026 Notes	September 15, 2026	2.550%	$ —	$ 400
2026-B Notes	November 15, 2026	Floating[1]	**500**	500
2027 JDE Peet's Notes[2]	January 15, 2027	1.375%	**750**	—
2027-B Notes	March 15, 2027	Floating[1]	**350**	350
2027-C Notes	March 15, 2027	5.100%	**750**	750
2027 Notes	June 15, 2027	3.430%	**500**	500
2028 Notes	May 15, 2028	4.350%	**500**	500
2028 DPS Merger Notes	May 25, 2028	4.597%	**1,112**	1,112
2029-B Notes	March 15, 2029	5.050%	**750**	750
2029 Maple Notes[3]	March 26, 2029	4.750%	**550**	—
2029 Notes	April 15, 2029	3.950%	**1,000**	1,000
2030 Notes	May 1, 2030	3.200%	**750**	750
2030-B Notes	May 15, 2030	4.600%	**500**	500
2031 Notes	March 15, 2031	2.250%	**500**	500
2031-B Notes	March 15, 2031	5.200%	**500**	500
2031 Maple Notes[3]	March 26, 2031	5.050%	**600**	—
2031 JDE Peet's Notes[2]	September 24, 2031	2.250%	**500**	—
2032 Notes	April 15, 2032	4.050%	**850**	850
2034 Notes	March 15, 2034	5.300%	**650**	650
2035 Notes	May 15, 2035	5.150%	**500**	500
2036 Maple Notes[3]	March 26, 2036	5.700%	**700**	—
2038 DPS Merger Notes	May 25, 2038	4.985%	**211**	211
2045 Notes	November 15, 2045	4.500%	**550**	550
2046 Notes	December 15, 2046	4.420%	**400**	400
2048 DPS Merger Notes	May 25, 2048	5.085%	**391**	391
2050 Notes	May 1, 2050	3.800%	**750**	750
2051 Notes	March 15, 2051	3.350%	**500**	500
2052 Notes	April 15, 2052	4.500%	**1,150**	1,150
2056 Maple Notes[3]	March 26, 2056	6.625%	**700**	—

KEURIG DR PEPPER INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED, CONTINUED)

(in millions, except %)	Maturity Date	Rate	September 30, 2026	December 31, 2025
EUR Notes				
2027 Euro JDE Peet's Notes (€600 million)[2]	December 11, 2027	Floating[1]	**$ 682**	$ —
2028 Euro JDE Peet's Notes (€600 million)[2]	February 9, 2028	0.625%	**682**	—
2028 Euro Maple Notes (€600 million)[3]	March 26, 2028	3.495%	**684**	—
2029 Euro JDE Peet's Notes (€750 million)[2]	January 16, 2029	0.500%	**853**	—
2030 Euro JDE Peet's Notes (€500 million)[2]	January 23, 2030	4.125%	**569**	—
2030 Euro Maple Notes (€800 million)[3]	March 26, 2030	3.881%	**911**	—
2032 Euro Maple Notes (€800 million)[3]	March 26, 2032	4.224%	**911**	—
2033 Euro JDE Peet's Notes (€500 million)[2]	June 16, 2033	1.125%	**569**	—
2034 Euro JDE Peet's Notes (€500 million)[2]	January 23, 2034	4.500%	**569**	—
2035 Euro Maple Notes (€800 million)[3]	March 26, 2035	4.728%	**911**	—
Total				
Principal amount			**24,805**	14,064
Adjustment from principal amount to carrying amount[4]			**(370)**	(133)
Carrying amount			**$ 24,435**	$ 13,931

(1) Our USD floating rate notes bear interest at a rate equal to Compounded SOFR (as defined in the respective supplemental indenture) plus a spread of 0.580% and 0.880% for the 2026-B Notes and the 2027-B Notes, respectively. Our EUR floating rate note bears interest at a rate equal to the EURIBOR 3-month rate plus a spread of 0.700%.

(2) These notes (together, the JDE Peet's Notes) were issued by JDE Peet's, assumed as part of the JDE Peet's Acquisition, and are guaranteed by Maple, Keurig Dr Pepper Inc., and certain of our subsidiaries that guarantee our other senior indebtedness. The guarantees from Keurig Dr Pepper Inc. and our subsidiaries (other than Maple) will terminate upon the Separation.

(3) These notes (together, the Maple Notes) were issued by Maple and are guaranteed by JDE Peet's, Keurig Dr Pepper Inc., and certain of our subsidiaries that guarantee our other senior indebtedness. The guarantees from Keurig Dr Pepper Inc. and our subsidiaries (other than JDE Peet's) will terminate upon the Separation.

(4) The carrying amount includes unamortized discounts, debt issuance costs, and fair value adjustments related to the DPS Merger and the JDE Peet's Acquisition.

On March 26, 2026, Maple completed the issuance of the 2029 Maple Notes, 2031 Maple Notes, 2036 Maple Notes, and 2056 Maple Notes, with an aggregate principal amount of $2.55 billion. The discount associated with the notes was approximately $3 million, and we incurred $18 million in debt issuance costs. In addition, Maple completed the issuance of the 2028 Euro Maple Notes, 2030 Euro Maple Notes, 2032 Euro Maple Notes, and 2035 Euro Maple Notes with an aggregate principal amount of €3 billion, and we incurred $20 million in debt issuance costs. The proceeds from the issuance of the Maple Notes were used to partially fund the JDE Peet's Acquisition and to pay related fees and expenses in connection with the JDE Peet's Acquisition and related transactions.

On May 21, 2026, JDE Peet's agreed to fully and unconditionally guarantee, on a joint and several basis with Keurig Dr Pepper Inc. and certain of our other subsidiaries that guarantee our other senior indebtedness, the obligations of Maple in respect of the Maple Notes and the Delayed Draw Term Loan Agreement, and to fully and unconditionally guarantee, on a joint and several basis with Maple and certain of our subsidiaries that guarantee our other senior indebtedness, KDP's obligations in respect of the KDP Notes and the revolving credit facility, with JDE Peet's' guarantees of the KDP Notes and the revolving credit facility automatically terminating upon the Separation.

The 2026 Notes were repaid at maturity using proceeds from commercial paper.

VARIABLE-RATE BORROWING ARRANGEMENTS

Delayed Draw Term Loan Agreement

The Delayed Draw Term Loan Agreement provides for a 364-day senior unsecured term loan facility in an aggregate amount not to exceed €10.35 billion, the proceeds of which may be used to fund the JDE Peet's Acquisition, as well as related fees and expenses.

Borrowings under the Delayed Draw Term Loan Agreement bear interest at a rate per annum equal to EURIBOR plus a margin of 0.750% to 1.750% depending on the rating of certain of our index debt. The undrawn commitments under the facility are subject to a commitment fee which commenced on December 23, 2025, at a per annum rate of 0.060% to 0.200% depending on the rating of certain of our index debt.

On March 6, 2026, we entered into an amendment to the Delayed Draw Term Loan Agreement with Maple, the guarantors party thereto, the lenders party thereto and Morgan Stanley Senior Funding, Inc. as administrative agent. Maple joined and became a party to the Delayed Draw Term Loan Agreement as a borrower, and agreed to be jointly and severally liable, together with KDP, for all obligations of KDP and Maple under the Delayed Draw Term Loan Agreement. In addition, the amendment extends the maturity of €2.60 billion of the facility to the date that is 15 months from the date of initial funding under the Delayed Draw Term Loan Agreement. The maturity of the remaining €7.75 billion of the facility was not modified. Upon the completion of the Separation, KDP shall be automatically released from the Delayed Draw Term Loan Agreement and all of its obligations and liabilities thereunder will automatically terminate. Following the Separation, Maple will be the sole borrower under the Delayed Draw Term Loan Agreement.

During the first nine months of 2026, the Delayed Draw Term Loan Agreement facility was reduced in accordance with contractual mandatory and voluntary commitment reductions. On March 30, 2026, we borrowed €3.15 billion under the facility. During the second quarter of 2026, we repaid €349 million of the Delayed Draw Term Loan. As of September 30, 2026, we had €2.8 billion outstanding under the facility, and €621 million remained available and undrawn. The weighted average interest rates on these borrowings were 3.581% and 3.486% for the third quarter and first nine months of 2026, respectively.

As of September 30, 2026, we were in compliance with all covenants with respect to the Delayed Draw Term Loan Agreement.

Bridge Credit Agreement

The Bridge Credit Agreement provided for a 364-day senior unsecured bridge loan facility in an aggregate amount not to exceed €5.85 billion. On March 30, 2026, we terminated the Bridge Credit Agreement. We had no outstanding loan balances as of the termination date.

Revolving Credit Agreement

The following table summarizes information about the 2025 Revolving Credit Agreement:

			Amounts Outstanding	
(in millions)	**Maturity Date**	**Capacity**	**September 30, 2026**	**December 31, 2025**
2025 Revolving Credit Agreement[(1)]	March 31, 2030	**$ 4,300**	**$ —**	$ —

(1) The 2025 Revolving Credit Agreement has a $200 million letter of credit limit, with none utilized as of September 30, 2026.

As of September 30, 2026, we were in compliance with all covenants with respect to the 2025 Revolving Credit Agreement.

Commercial Paper Program

	Third Quarter		First Nine Months	
(in millions, except %)	**2026**	**2025**	**2026**	**2025**
Weighted average commercial paper borrowings	**$ 2,162**	$ 1,898	**$ 2,379**	$ 2,296
Weighted average borrowing rates	**4.39 %**	4.57 %	**4.26 %**	4.63 %

Other Facilities

In addition to the portion of the 2025 Revolving Credit Agreement reserved for issuance of letters of credit, we have an incremental uncommitted letter of credit facility. As of September 30, 2026, $150 million was available for the issuance of letters of credit under this facility, $69 million of which was utilized. We also have a variety of other uncommitted liquidity facilities available to us as of September 30, 2026.

FAIR VALUE DISCLOSURES

The fair values of our commercial paper and Delayed Draw Term Loan approximate the carrying values and are considered Level 2 within the fair value hierarchy.

The fair values of our Notes are based on current market rates available to us and are considered Level 2 within the fair value hierarchy. The difference between the fair value and the carrying value represents the theoretical net premium or discount that would be paid or received to retire all of the Notes and related unamortized costs to be incurred at such date. The fair value of our Notes was $22,782 million and $13,196 million as of September 30, 2026 and December 31, 2025, respectively.

4. Pod Manufacturing JV

On March 30, 2026, we completed the JV Investment. We contributed the Coffee Production Assets, as well as certain of our related coffee assets (including sales and distribution) in Canada to the Pod Manufacturing JV, and the JV Investors contributed $4 billion in cash through the JV Investor Partner, in exchange for a 49% interest in the Pod Manufacturing JV. The remaining 51% ownership interest remains under our ownership. We incurred $101 million in transaction costs associated with the JV Investment.

GOVERNANCE

The JV LP Agreement sets forth each partner's rights and responsibilities with respect to the Pod Manufacturing JV, including with respect to the JV Committee (a majority of which will be appointed by us); certain unanimous approval rights in favor of the JV Investor Partner; mechanisms for capital contributions to be made to the Pod Manufacturing JV; limitations on transfers by the partners; a call right exercisable by us during the period from approximately 8 to 15 years following the closing, as well as an early call right exercisable prior to such period, subject to certain conditions; a conversion right exercisable by the JV Investor Partner approximately 15 years following the closing whereby the JV Investor Partner may elect to convert its interest in the Pod Manufacturing JV into shares of KDP, subject to certain conditions being met as described in the JV LP Agreement, or following the Separation, the separated coffee business; and certain redemption obligations of Pod Manufacturing JV in the event of a change of control transaction.

DISTRIBUTIONS

The JV LP Agreement also sets forth distribution mechanics pursuant to which the Pod Manufacturing JV will make quarterly distributions of available cash to its partners subject to certain limitations, including for operating costs and reserves. KDP has full and sole discretion to declare distributions. Distributions to the JV Investor Partner are in proportion to its ownership interest; however, during the first five years following the closing, the distributions to the JV Investor Partner will be targeted so that the JV Investor Partner receives an internal rate of return of 6.375% on its invested capital, with any remaining available cash distributed to the other partners or all partners, at the discretion of the JV Committee. The first distribution was declared and paid during the third quarter of 2026, $64 million of which was paid to the JV Investor Partner.

PRESENTATION

The JV Investment was accounted for as a sale of interest in a subsidiary without a loss of control. We recorded a $4 billion increase in Non-controlling interests on our unaudited Condensed Consolidated Balance Sheets and a subsequent $101 million decrease in the non-controlling interest related to transaction costs incurred. The non-controlling interest is presented net of tax effects of $22 million.

The Pod Manufacturing JV is a VIE which we are required to consolidate as we are the primary beneficiary. Net earnings attributable to the JV Investors were $64 million and $128 million for the third quarter and first nine months of 2026, respectively, and are included in Net income attributable to non-controlling interests in the unaudited Condensed Consolidated Statements of Income.

5. Convertible Preferred Stock

On March 30, 2026, we completed the Preferred Investment. We issued and sold 4.5 million shares of our Convertible Preferred Stock, with a par value of $0.01 per share, to the Preferred Investors for a purchase price of $1,000 per share, or an aggregate of $4,500 million. We incurred issuance costs associated with the Preferred Investment of $105 million.

VOTING RIGHTS

The holders of the Convertible Preferred Stock are entitled to vote on an as-converted equivalent basis along with holders of our common stock.

DIVIDENDS AND DISTRIBUTIONS

The Convertible Preferred Stock ranks senior to our common stock with respect to dividend and distribution on liquidation rights. The Convertible Preferred Stock has a liquidation preference of $1,000 per share. The holders of the Convertible Preferred Stock are entitled to preferred dividends at a rate of 4.75% per annum, subject to increase in certain cases, and to participate in dividends paid to holders of our common stock on an as-converted basis, provided that any such dividends received on an as-converted basis will reduce, on a dollar-for-dollar basis, the next dividend that holders are entitled to receive on the Convertible Preferred Stock. Dividends on the Convertible Preferred Stock will be paid in cash. We may choose to defer payment of all or part of any dividends due on the Convertible Preferred Stock; however, we will accrue additional dividends until paid in cash and we will not be able to declare or pay any dividends on or make repurchases of our common stock, subject to certain conditions.

We declared and paid preferred dividends of $25 million and $79 million during the third quarter and first nine months of 2026, respectively. We also declared $28 million and $56 million of common dividends to the Preferred Investors during the third quarter and first nine months of 2026, respectively, $28 million of which were accrued but not yet paid as of September 30, 2026 and will be used to reduce the preferred dividend in the next quarter. Refer to Note 6 for the impacts of the Convertible Preferred Stock on EPS.

CONVERSION

The Convertible Preferred Stock, plus the value of any unpaid dividends, is convertible into shares of our common stock, at our election or, in certain specified circumstances, the election of the Preferred Investors, at an initial conversion price of $37.25 (which will be subject to anti-dilution adjustments, as well as an adjustment in the event that we complete the Separation). Holders may convert up to, in the aggregate, 50% of the Convertible Preferred Stock allocated among such holders and their permitted transferees pro rata at any time, and may convert the remainder following the earliest of the closing of the Separation, the 18-month anniversary of the issuance of the Convertible Preferred Stock, upon foreclosure by a lender under a bona fide loan or other financing arrangement or the 12-month anniversary of any initial public offering of the remaining beverage business if the Separation has not yet occurred. At any time after March 30, 2029, we may require the Convertible Preferred Stock to be converted if the closing price per share of our common stock exceeds 150% of the conversion price then in effect for at least twenty trading days in any period of thirty consecutive trading days.

REDEMPTION

We will have the right, but not the obligation, to redeem the Convertible Preferred Stock anytime on or after March 30, 2033, in cash, at the optional redemption price as defined in the Certificate of Designations. The Convertible Preferred Stock is classified as mezzanine equity in our Condensed Consolidated Balance Sheets as the Convertible Preferred Stock may be redeemable at the option of the shareholders in the event of certain fundamental changes which are not solely within our control. We are not required to adjust the carrying value of the Convertible Preferred Stock to the current redemption value, as such fundamental changes were not probable as of September 30, 2026.

6. Earnings Per Share

We compute net income per common share using a two-class method when shares are issued that meet the definition of participating securities. We began using the two-class method in the second quarter of 2026 due to the issuance of our Convertible Preferred Stock. The Preferred Investors are entitled to participate in dividends declared on the common shares on an as-converted basis, and the Preferred Investors do not participate in losses.

Basic EPS reflects net income attributable to common shareholders after consideration of participating securities. Diluted EPS reflects net income attributable to common shareholders divided by the weighted average number of common shares and potentially dilutive securities outstanding during the period using the treasury stock method (for stock-based awards) or the "if-converted" method (for participating securities). The weighted average number of common shares is computed independently for each quarter-to-date and year-to-date period.

The following table presents our basic and diluted EPS and shares outstanding per common share:

	Third Quarter		First Nine Months	
(in millions, except per share data)	**2026**	**2025**	**2026**	**2025**
Net income attributable to KDP	**$ 882**	$ 662	**$ 1,294**	$ 1,726
Less: Net income allocated to Preferred Investors[1]	**72**	—	**135**	—
Net income attributable to common shareholders	**$ 810**	$ 662	**$ 1,159**	$ 1,726
Weighted average common shares outstanding	**1,360.8**	1,358.5	**1,360.2**	1,358.0
Dilutive effect of stock-based awards	**5.3**	4.4	**4.7**	4.7
Weighted average common shares outstanding and common stock equivalents	**1,366.1**	1,362.9	**1,364.9**	1,362.7
Basic EPS	**$ 0.60**	$ 0.49	**$ 0.85**	$ 1.27
Diluted EPS	**0.59**	0.49	**0.85**	1.27
Anti-dilutive shares excluded from the diluted weighted average shares outstanding calculation	**0.4**	1.3	**1.6**	0.4

(1) The net income allocated to Preferred Investors in a given period, computed independently for each quarter-to-date and year-to-date period, is the greater of i) dividends declared to the Preferred Investors, or ii) the net income attributable to the Preferred Investors as a participating security. For the third quarter of 2026, the allocation of net income to the Preferred Investors as a participating security were greater. For the first nine months of 2026, dividends declared to the Preferred Investors were greater.

7. Goodwill and Intangible Assets

GOODWILL

Changes in the carrying amount of goodwill by reportable segment are as follows:

(in millions)	U.S. Refreshment Beverages	U.S. Coffee	KDP International	JDE Peet's	Total
Balance as of December 31, 2025	$ 8,870	$ 8,622	$ 2,755	$ —	$ 20,247
Acquisition[1]	**—**	**—**	**—**	**9,724**	**9,724**
Foreign currency translation	**—**	**—**	**(78)**	**(113)**	**(191)**
Balance as of September 30, 2026	**$ 8,870**	**$ 8,622**	**$ 2,677**	**$ 9,611**	**$ 29,780**

(1) Amount represents the preliminary goodwill recorded as a result of the JDE Peet's Acquisition. Refer to Note 2 for additional information.

INTANGIBLE ASSETS OTHER THAN GOODWILL

The net carrying amounts of intangible assets other than goodwill are as follows:

	September 30, 2026			December 31, 2025		
(in millions)	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Intangible assets with definite lives:						
Brands[1]	**$ 3,081**	**$ (149)**	**$ 2,932**	$ 76	$ (40)	$ 36
Customer relationships[1]	**2,173**	**(371)**	**1,802**	683	(301)	382
Acquired technology[1]	**1,539**	**(772)**	**767**	1,146	(694)	452
Distribution rights	**162**	**(52)**	**110**	162	(35)	127
Contractual arrangements	**146**	**(37)**	**109**	146	(30)	116
Trade names	**126**	**(126)**	**—**	126	(126)	—
Other	**25**	**(3)**	**22**	25	(3)	22
Total intangible assets with definite lives	**$ 7,252**	**$ (1,510)**	**$ 5,742**	$ 2,364	$ (1,229)	$ 1,135
Intangible assets with indefinite lives:						
Brands[1]			**$ 29,547**			$ 19,993
Trade names			**2,478**			2,478
Distribution rights			**121**			119
Total intangible assets with indefinite lives			**32,146**			22,590
Total intangible assets, net			**$ 37,888**			$ 23,725

(1) We recorded additional preliminary intangible assets other than goodwill as a result of the JDE Peet's Acquisition. Refer to Note 2 for additional information on the amounts recorded by asset class.

Amortization expense for intangible assets with definite lives was as follows:

	Third Quarter		First Nine Months	
(in millions)	2026	2025	2026	2025
Amortization expense	**$ 124**	$ 33	**$ 286**	$ 101

8. Risk Management and Financial Instruments

We are exposed to market risks arising from adverse changes in interest rates, FX rates, and commodity prices. We manage these risks through a variety of strategies, including the use of interest rate contracts, cross-currency contracts, FX forward contracts, commodity forward, future, swap, and option contracts, supplier pricing agreements, and other non-derivative financial instruments. We do not hold or issue derivative financial instruments for trading or speculative purposes.

All derivative instruments are recorded on a gross basis, including those subject to master netting arrangements.

We formally designate and account for certain interest rate contracts and FX forward contracts that meet established accounting criteria under U.S. GAAP as cash flow hedges. For such contracts, the effective portion of the gain or loss on the derivative instruments is recorded, net of applicable taxes, in AOCI. When net income is affected by the variability of the underlying transaction, the applicable offsetting amount of the gain or loss from the derivative instrument deferred in AOCI is reclassified to net income. Cash flows from derivative instruments designated in a qualifying hedging relationship are classified in the same category as the cash flows from the hedged items.

We also formally designate certain of our foreign-denominated debt instruments that meet the established accounting criteria under U.S. GAAP as net investment hedges. For such designated instruments, the effective portion of the FX translation gains or losses on the designated hedging instruments is recorded in foreign currency translation adjustments in AOCI, and will remain in AOCI until the net investment in the foreign operation is sold or otherwise disposed of. Any ineffective portion of the hedge is recognized in earnings in the period in which it arises. We use the spot method to assess the effectiveness of our net investment hedges.

If a cash flow hedge or net investment hedge were to cease to qualify for hedge accounting, or were terminated, the derivatives would continue to be carried on the balance sheet at fair value until settled, and hedge accounting would be discontinued prospectively. If the underlying hedged transaction ceases to exist, any associated amounts reported in AOCI would be reclassified to earnings at that time.

For derivatives that are not designated or for which the designated hedging relationship is discontinued, the gain or loss on the instrument is recognized in earnings in the period of change. Cash flows, and their related gains and losses, for non-designated derivatives are classified as operating activities in the unaudited Condensed Consolidated Statements of Cash Flows.

We have exposure to credit losses from derivative instruments in an asset position in the event of nonperformance by the counterparties to the agreements. Historically, we have not experienced material credit losses as a result of counterparty nonperformance. We select and periodically review counterparties based on credit ratings, limit our exposure to a single counterparty under defined guidelines, and monitor the market position of the programs upon execution of a hedging transaction and at least on a quarterly basis.

INTEREST RATE RISK

Economic Hedges

We are exposed to interest rate risk related to our borrowing arrangements and obligations. We enter into interest rate contracts to provide predictability in our overall cost structure and to manage the balance of fixed-rate and variable-rate debt. We primarily enter into receive-fixed, pay-variable and receive-variable, pay-fixed swaps, and swaption contracts. A natural hedging relationship exists in which changes in the fair value of the instruments act as an economic offset to changes in the fair value of the underlying items. Changes in the fair value of these instruments are recorded in earnings throughout the term of the derivative instrument and are generally reported in Interest expense, net in the unaudited Condensed Consolidated Statements of Income. As of September 30, 2026, economic interest rate derivative instruments have maturities ranging from September 2031 to November 2046.

Cash Flow Hedges

From time to time, we designate certain interest rate contracts as cash flow hedges in order to manage the exposures resulting from changes in interest rates as described above. In the fourth quarter of 2025 and the first quarter of 2026, we entered into forward starting swaps with an aggregate notional of approximately $3.5 billion and designated them as cash flow hedges. In March 2026, we terminated these contracts and issued the related Maple Notes, as described in Note 3. Upon termination, we received approximately $70 million to settle the contracts with the counterparties, which was recorded to AOCI and will be amortized to interest expense over the respective terms of the Maple Notes. We had no designated interest rate contracts outstanding as of September 30, 2026.

FOREIGN EXCHANGE RISK

We are exposed to FX risk in our foreign subsidiaries and with certain counterparties in foreign jurisdictions, which may transact in currencies that are different from the functional currencies of our legal entities. Additionally, the balance sheets of these subsidiaries are subject to exposure from movements in exchange rates.

Economic Hedges

We hold FX forward contracts and cross-currency contracts to economically manage the balance sheet exposures resulting from changes in the FX rates described above. The intent of these contracts is to minimize the impact of FX risk associated with balance sheet positions not in local currency. In these cases, a hedging relationship exists in which changes in the fair value of the instruments act as an economic offset to changes in the fair value of the underlying items.

Changes in the fair value of these instruments are recorded in earnings throughout the term of the derivative instrument and are reported in Other expense (income) in the unaudited Condensed Consolidated Statements of Income as the associated risk. As of September 30, 2026, these contracts have maturities ranging from October 2026 to September 2035.

Additionally, in order to complete the JDE Peet's Acquisition on April 1, 2026, we had significant Euro-denominated cash outflows, as described in Note 2. We entered into FX forward contracts in 2025 and 2026 to reduce our exposure to exchange rate fluctuations associated with the acquisition consideration and related financing. As of September 30, 2026, all of these contracts were settled.

Cash Flow Hedges

We designate certain FX forward contracts as cash flow hedges in order to manage the exposures resulting from changes in the FX rates described above. These designated FX forward contracts relate to forecasted inventory purchases in U.S. dollars of our foreign subsidiaries. The intent of these FX contracts is to provide predictability in our overall cost structure. As of September 30, 2026, these FX contracts have maturities ranging from October 2026 to January 2028.

Net Investment Hedges

We designate certain of our Euro-denominated debt instruments as net investment hedges in order to manage the exposure of our investments in certain of our subsidiaries resulting from changes in the FX rates described above. The intent of these hedges is to offset the impact of changes in the FX rate on our consolidated financial statements. During the second quarter of 2026, we designated certain of our Euro-denominated Maple Notes, which have maturities from 2028 to 2035, as well as borrowings under our Delayed Draw Term Loan Agreement, as net investment hedges of our investment in a Euro functional currency subsidiary.

As of September 30, 2026, the notional amount of our Euro-denominated debt designated as net investment hedges was $6,605 million. We recognized $4 million and $65 million of gains in other comprehensive income related to our net investment hedges during the third quarter and first nine months of 2026, respectively. We did not reclassify any gains or losses related to net investment hedges from AOCI into the unaudited Condensed Consolidated Statements of Income or record any ineffectiveness during the periods presented.

COMMODITY PRICE RISK

Economic Hedges

We centrally manage the exposure to volatility in the prices of certain commodities used in our production process and transportation through various derivative contracts. We generally hold some combination of future, swap, and option contracts that economically hedge certain risks. In these cases, a hedging relationship exists in which changes in the fair value of the instruments act as an economic offset to changes in the fair value of the underlying items or as an offset to certain costs of production. Changes in the fair value of these instruments are recorded in earnings throughout the term of the derivative instrument and are reported in the same line item of the unaudited Condensed Consolidated Statements of Income as the hedged transaction. Unrealized gains and losses are recognized as a component of unallocated corporate costs until our reportable segments are affected by the completion of the underlying transaction, at which time the gain or loss is reflected as a component of the respective segment's income from operations. As of September 30, 2026, these commodity contracts have maturities ranging from October 2026 to July 2028.

NOTIONAL AMOUNTS OF DERIVATIVE INSTRUMENTS

The following table presents the notional amounts of our outstanding derivative instruments by type:

(in millions)	September 30, 2026	December 31, 2025
Interest rate contracts		
Pay-variable interest rate swaps, not designated as hedging instruments	**$ 2,014**	$ —
Forward starting swaps, not designated as hedging instruments	**—**	2,300
Forward starting swaps, designated as cash flow hedges	**—**	1,500
FX contracts		
Forward contracts, not designated as hedging instruments	**4,766**	12,436
Forward contracts, designated as cash flow hedges	**1,294**	597
Cross-currency contracts, not designated as hedging instruments	**978**	—
Commodity contracts, not designated as hedging instruments[1]	**884**	595

(1) Notional value for commodity contracts is calculated as the expected volume times strike price per unit on a gross basis.

FAIR VALUE OF DERIVATIVE INSTRUMENTS

The fair values of interest rate contracts, FX forward contracts, cross-currency contracts, and commodity contracts are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. The fair values of commodity contracts are valued using the market approach based on observable market transactions, primarily underlying commodities futures or physical index prices, at the reporting date. Interest rate contracts are valued using models based primarily on readily observable market parameters, such as SOFR and EURIBOR forward rates, for all substantial terms of our contracts and credit risk of the counterparties. FX forward contracts are valued using quoted FX forward rates at the reporting date. Therefore, we have categorized these contracts as Level 2.

Not Designated as Hedging Instruments

The following table summarizes the location of the fair value of our derivative instruments which are not designated as hedging instruments within the unaudited Condensed Consolidated Balance Sheets. All such instruments are considered Level 2 within the fair value hierarchy.

(in millions)	Balance Sheet Location	September 30, 2026	December 31, 2025
Assets:			
FX contracts	Prepaid expenses and other current assets	**$ 18**	$ 5
Cross-currency contracts	Prepaid expenses and other current assets	**11**	—
Commodity contracts	Prepaid expenses and other current assets	**141**	47
Commodity contracts	Other non-current assets	**20**	3
Liabilities:			
Interest rate contracts	Other current liabilities	**37**	16
FX contracts	Other current liabilities	**8**	38
Commodity contracts	Other current liabilities	**35**	9
Interest rate contracts	Other non-current liabilities	**503**	381
Cross-currency contracts	Other non-current liabilities	**66**	—
Commodity contracts	Other non-current liabilities	**1**	23

Designated as Hedging Instruments

The following table summarizes the location of the fair value of our derivative instruments which are designated as hedging instruments within the unaudited Condensed Consolidated Balance Sheets. All such instruments are considered Level 2 within the fair value hierarchy.

(in millions)	Balance Sheet Location	September 30, 2026	December 31, 2025
Assets:			
FX contracts	Prepaid expenses and other current assets	**$ 101**	$ 2
FX contracts	Other non-current assets	**5**	1
Interest rate contracts	Other non-current assets	**—**	37
Liabilities:			
FX contracts	Other current liabilities	**27**	16
Interest rate contracts	Other current liabilities	**—**	2

IMPACT OF DERIVATIVE INSTRUMENTS NOT DESIGNATED AS HEDGING INSTRUMENTS

The following table presents the amount of losses (gains), net, recognized in the unaudited Condensed Consolidated Statements of Income related to derivative instruments not designated as hedging instruments under U.S. GAAP during the periods presented. Amounts include both realized and unrealized gains and losses.

		Third Quarter		First Nine Months	
(in millions)	Income Statement Location	2026	2025	2026	2025
Interest rate contracts	Interest expense, net	**$ 147**	$ (1)	**$ 143**	$ (35)
FX contracts	Cost of sales	**—**	(3)	**—**	(6)
FX contracts	Other expense (income), net	**(45)**	(35)	**41**	(21)
Cross-currency contracts	Other expense (income), net	**35**	—	**26**	—
Commodity contracts	Cost of sales	**(60)**	(50)	**(133)**	(77)
Commodity contracts	SG&A expenses	**(77)**	(11)	**(135)**	(11)

IMPACT OF CASH FLOW HEDGES

The following table presents the amount of net (gains) losses reclassified from AOCI into the unaudited Condensed Consolidated Statements of Income related to derivative instruments designated as cash flow hedging instruments:

		Third Quarter		First Nine Months	
(in millions)	Income Statement Location	2026	2025	2026	2025
Interest rate contracts	Interest expense, net	**$ (5)**	$ (3)	**$ (14)**	$ (10)
FX contracts	Cost of sales	**(12)**	(4)	**(3)**	(17)

We expect to reclassify approximately $22 million and $36 million of pre-tax net gains from AOCI into net income during the next twelve months related to interest rate contracts and FX contracts, respectively.

9. Leases

LESSEE

The following table presents the components of lease cost:

	Third Quarter		First Nine Months	
(in millions)	**2026**	**2025**	**2026**	**2025**
Operating lease cost	**$ 65**	$ 46	**$ 182**	$ 136
Finance lease cost				
Amortization of right-of-use assets	**33**	28	**96**	84
Interest on lease liabilities	**14**	10	**38**	28
Variable lease cost[1]	**18**	9	**40**	27
Short-term lease cost	**4**	—	**8**	—
Total lease cost	**$ 134**	$ 93	**$ 364**	$ 275

(1) Variable lease cost primarily consists of common area maintenance costs, property taxes, and adjustments for inflation.

The following tables present supplemental information about our leases:

(in millions)	**Balance Sheet Location**	**September 30, 2026**	**December 31, 2025**
Assets:			
Operating lease right-of-use assets	Other non-current assets	**$ 988**	$ 845
Finance lease right-of-use assets[1]	Property, plant, and equipment, net	**963**	919
Liabilities:			
Operating lease liability	Other current liabilities	**203**	127
Finance lease liability	Other current liabilities	**151**	179
Operating lease liability	Other non-current liabilities	**828**	764
Finance lease liability	Other non-current liabilities	**837**	745

(1) Amounts are presented net of accumulated amortization of $481 million and $426 million as of September 30, 2026 and December 31, 2025, respectively.

	First Nine Months	
(in millions)	**2026**	**2025**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**$ 180**	$ 130
Operating cash flows from finance leases	**38**	27
Financing cash flows from finance leases	**146**	96
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases[1]	**136**	52
Finance leases	**172**	157

(1) Includes impacts from operating lease modifications of $26 million through the first nine months of 2026.

The following table presents information about our weighted average discount rate and remaining lease term:

	September 30, 2026	December 31, 2025
Weighted average discount rate		
Operating leases	**5.9 %**	5.3 %
Finance leases	**5.1 %**	4.8 %
Weighted average remaining lease term		
Operating leases	**7 years**	8 years
Finance leases	**9 years**	9 years

Schedule of Future Minimum Lease Payments

Future minimum lease payments for non-cancelable leases that have commenced and are reflected in the unaudited Condensed Consolidated Balance Sheets as of September 30, 2026 were as follows:

(in millions)	Operating Leases	Finance Leases
Remainder of 2026	**$ 52**	**$ 63**
2027	**242**	**174**
2028	**192**	**163**
2029	**164**	**154**
2030	**142**	**141**
2031	**117**	**106**
Thereafter	**355**	**409**
Total future minimum lease payments	**1,264**	**1,210**
Less: imputed interest	**(233)**	**(222)**
Present value of minimum lease payments	**$ 1,031**	**$ 988**

Significant Leases that Have Not Yet Commenced

As of September 30, 2026, we have entered into leases that have not yet commenced with estimated aggregated future lease payments of approximately $187 million. These leases will commence through 2027, with initial lease terms ranging from 1 year to 15 years.

LESSOR

We lease coffee machines to customers under contractual arrangements that are primarily recognized as operating lease arrangements. Sales-type leases are immaterial. Lease revenue represented less than 1% of our consolidated net sales for all periods presented.

10. Segments

Our four operating and reportable segments are described below. The U.S. Refreshment Beverages, U.S. Coffee, and KDP International operating and reportable segments remain unchanged as a result of the JDE Peet's Acquisition. The JDE Peet's segment reflects the operations of JDE Peet's, which was acquired on April 1, 2026.

- The U.S. Refreshment Beverages segment reflects sales in the U.S. from the manufacture and distribution of branded concentrates, syrups, finished beverages, and other consumables, including the sales of our own brands and third-party brands, to third-party bottlers, distributors, and retailers.
- The U.S. Coffee segment reflects sales in the U.S. from the manufacture and distribution of finished goods relating to our K-Cup pods, single serve brewers and accessories, and other coffee products, to partners, retailers, and directly to consumers through the Keurig.com website.
- The KDP International segment reflects sales in international markets, including the following:
    - Sales in Canada, Mexico, the Caribbean, and other international markets from the manufacture and distribution of branded concentrates, syrups, and finished beverages, including sales of our own brands and third-party brands, to third-party bottlers, distributors, and retailers.
    - Sales in Canada from the manufacture and distribution of finished goods relating to our single serve brewers, K-Cup pods, and other coffee products.
- The JDE Peet's segment reflects sales from the manufacture and distribution of coffee, tea, and other products globally, including the following:
    - Sales from the manufacture and distribution of single serve, ground, instant, and whole bean coffee, as well as related products, including tea and cocoa, from owned brands, partner brands, and private label owners.
    - Sales of whole bean coffee, beverages, tea, and related products through retail, e-commerce, and licensed stores.
    - Sales from away-from-home activities, providing hot beverage solutions and related services to businesses and institutions.

Segment results are based on management reports provided to Tim Cofer, our CEO and CODM. Net sales and income from operations are the significant financial measures used to assess the operating performance of our operating segments. The CODM periodically monitors our actual results and remaining forecast versus our annual budget for these financial measures, and this information is used to assess performance of the reportable segments, determine the payout of short-term incentive plan compensation, and to establish management's base salaries.

Intersegment sales are recorded at cost and are eliminated in the unaudited Condensed Consolidated Statements of Income. We have not provided disclosures of intersegment sales or total assets for each reportable segment, as our CODM does not review and is not provided with this information. "Other segment expense (income)" includes Other operating expense (income), net, as well as other financial statement captions for infrequent charges, such as impairment of goodwill or intangible assets, used to arrive at "Income from operations - reportable segments". "Unallocated corporate costs" are excluded from our measurement of segment performance and include unrealized commodity derivative gains and losses and certain general corporate expenses. JDE Peet's segment results contain certain corporate costs directly attributable to the JDE Peet's segment in SG&A expenses and Other segment expense (income).

KEURIG DR PEPPER INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED, CONTINUED)

Information about our operations and significant expenses by reportable segment is as follows:

(in millions)	U.S. Refreshment Beverages	U.S. Coffee	KDP International	JDE Peet's[1]	Total
Third Quarter of 2026					
Net sales	**$ 3,033**	**$ 1,018**	**$ 644**	**$ 2,649**	**$ 7,344**
Cost of sales	**1,272**	**531**	**322**	**1,694**	
SG&A expenses	**890**	**159**	**164**	**671**	
Other segment expense (income)	**51**	**9**	**—**	**(5)**	
Income from operations - reportable segments	**$ 820**	**$ 319**	**$ 158**	**$ 289**	**$ 1,586**
Unallocated corporate costs					**(253)**
Income from operations					**1,333**
Interest expense, net					**474**
Gain on sale of equity method investment					**(400)**
Other expense, net					**47**
Income before provision for income taxes					**$ 1,212**
Third Quarter of 2025					
Net sales	$ 2,735	$ 991	$ 580	$ —	$ 4,306
Cost of sales	1,120	586	287	—	
SG&A expenses	813	166	140	—	
Other segment expense	—	2	—	—	
Income from operations - reportable segments	$ 802	$ 237	$ 153	$ —	$ 1,192
Unallocated corporate costs					(197)
Income from operations					995
Interest expense, net					188
Other income, net					(45)
Income before provision for income taxes					$ 852

(1) The JDE Peet's segment was acquired on April 1, 2026. As such, amounts presented above only include activity subsequent to the date of acquisition. For selected pro forma information, refer to Note 2.

KEURIG DR PEPPER INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED, CONTINUED)

(in millions)	U.S. Refreshment Beverages	U.S. Coffee	KDP International	JDE Peet's[1]	Total
First Nine Months of 2026					
Net sales	**$ 8,557**	**$ 2,793**	**$ 1,828**	**$ 5,451**	**$ 18,629**
Cost of sales	**3,563**	**1,634**	**954**	**3,778**	
SG&A expenses	**2,545**	**476**	**479**	**1,456**	
Other segment expense (income)	**51**	**55**	**—**	**(10)**	
Income from operations - reportable segments	**$ 2,398**	**$ 628**	**$ 395**	**$ 227**	**$ 3,648**
Unallocated corporate costs					**(931)**
Income from operations					**2,717**
Interest expense, net					**1,091**
Gain on sale of equity method investment					**(400)**
Other expense, net					**152**
Income before provision for income taxes					**$ 1,874**
First Nine Months of 2025					
Net sales	$ 7,718	$ 2,816	$ 1,570	$ —	$ 12,104
Cost of sales	3,156	1,660	775	—	
SG&A expenses	2,361	480	411	—	
Other segment (income) expense	(1)	4	(2)	—	
Income from operations - reportable segments	$ 2,202	$ 672	$ 386	$ —	$ 3,260
Unallocated corporate costs					(566)
Income from operations					2,694
Interest expense, net					516
Other income, net					(52)
Income before provision for income taxes					$ 2,230

(1) The JDE Peet's segment was acquired on April 1, 2026. As such, amounts presented above only include activity subsequent to the date of acquisition. For selected pro forma information, refer to Note 2.

11. Net Sales

The following table disaggregates our net sales by product portfolio and by reportable segment. As a result of the JDE Peet's Acquisition, we have revised our product portfolio for the periods presented, as follows:

- LRB represents net sales of owned and partner brands within our portfolio and includes branded concentrates, syrup, and finished beverages, including contract manufacturing of KDP branded products for our bottlers and distributors.
- Coffee and related products represents net sales of single serve, ground, instant, and whole bean coffee, as well as related products, including tea and cocoa, from owned brands, partner brands, and private label owners. Net sales for partner brands and private label owners are contractual and long-term in nature.

(in millions)	U.S. Refreshment Beverages	U.S. Coffee	KDP International	JDE Peet's[1]	Total
Third Quarter of 2026					
LRB	**$ 2,975**	**$ 28**	**$ 454**	**$ —**	**$ 3,457**
Coffee and related products	**—**	**820**	**165**	**2,423**	**3,408**
Appliances	**—**	**170**	**15**	**4**	**189**
Other	**58**	**—**	**10**	**222**	**290**
Net sales	**$ 3,033**	**$ 1,018**	**$ 644**	**$ 2,649**	**$ 7,344**
Third Quarter of 2025					
LRB	$ 2,652	$ 21	$ 371	$ —	$ 3,044
Coffee and related products	—	802	184	—	986
Appliances	—	167	16	—	183
Other	83	1	9	—	93
Net sales	$ 2,735	$ 991	$ 580	$ —	$ 4,306
First Nine Months of 2026					
LRB	**$ 8,357**	**$ 70**	**$ 1,258**	**$ —**	**$ 9,685**
Coffee and related products	**—**	**2,317**	**501**	**5,011**	**7,829**
Appliances	**—**	**406**	**39**	**8**	**453**
Other	**200**	**—**	**30**	**432**	**662**
Net sales	**$ 8,557**	**$ 2,793**	**$ 1,828**	**$ 5,451**	**$ 18,629**
First Nine Months of 2025					
LRB	$ 7,504	$ 49	$ 1,022	$ —	$ 8,575
Coffee and related products	—	2,349	481	—	2,830
Appliances	—	405	36	—	441
Other	214	13	31	—	258
Net sales	$ 7,718	$ 2,816	$ 1,570	$ —	$ 12,104

(1) The JDE Peet's segment was acquired on April 1, 2026. As such, amounts presented above only include activity subsequent to the date of acquisition. For selected pro forma information, refer to Note 2.

12. Stock-Based Compensation

The components of stock-based compensation expense are presented below:

(in millions)	Third Quarter		First Nine Months	
	2026	2025	2026	2025
Total stock-based compensation expense[1]	**$ 33**	$ 25	**$ 240**	$ 70
Income tax benefit	**(7)**	(5)	**(18)**	(13)
Stock-based compensation expense, net of tax	**$ 26**	$ 20	**$ 222**	$ 57

(1) For the first nine months of 2026, stock-based compensation expense includes $134 million related to the portion of the fair value of JDE Peet's stock-based compensation awards which were accelerated and which does not relate to pre-combination service.

RESTRICTED SHARE UNITS

The table below summarizes RSU activity:

	RSUs	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2025	13,120,837	$ 29.62	1.8	$ 368
Granted[1]	**6,480,088**	**27.81**		
Vested and released	**(3,404,940)**	**30.98**		**100**
Forfeited	**(1,711,028)**	**28.79**		
Outstanding as of September 30, 2026	**14,484,957**	**$ 28.59**	**1.7**	**$ 439**

(1) Includes certain legacy stock-based awards of JDE Peet's which were converted into KDP awards as a result of the JDE Peet's Acquisition. Refer to Note 2 for additional information.

As of September 30, 2026, there was $227 million of unrecognized compensation cost related to unvested RSUs that is expected to be recognized over a weighted average period of 2.6 years.

PERFORMANCE SHARE UNITS

The table below summarizes PSU activity:

	PSUs	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Balance as of December 31, 2025	446,818	$ 30.60	2.2	$ 13
Granted	**539,219**	**28.42**		
Vested and released	**(2,154)**	**30.27**		**—**
Forfeited or expired	**(130,536)**	**29.64**		
Balance as of September 30, 2026	**853,347**	**$ 29.37**	**2.0**	**$ 26**

As of September 30, 2026, there was $16 million of unrecognized compensation cost related to unvested PSUs that is expected to be recognized over a weighted average period of 2.1 years.

13. Chobani Transactions

During the third quarter of 2026, we completed a series of transactions with Chobani, including the sale of our equity interests in Chobani, as well as the sale of certain facilities, including our leasehold interests, to Chobani. The pre-tax impacts of these transactions on the unaudited Condensed Consolidated Statements of Income during the third quarter of 2026 were as follows:

(in millions)	Income Statement Location	Total
Sale of equity interests		
Gain on sale of equity interests	Gain on sale of equity method investment	**$ (400)**
Sale of Allentown facilities		
Loss on sale of owned assets	Other operating expense (income), net	**65**
Gain on termination of leases upon assignment	Other operating expense (income), net	**(14)**
Lease guarantees		
Impact of guarantee of assigned leases	Other expense (income), net	**9**
Impact of expected credit loss liability	Other expense (income), net	**10**
Total		**$ (330)**

SALE OF EQUITY INTERESTS

During the third quarter of 2026, we sold our equity interests in Chobani for aggregate consideration of $800 million, consisting of $400 million in cash received during the third quarter of 2026 and a $400 million promissory note, which matures on December 26, 2026. This sale resulted in a gain of $400 million during the period.

SALE OF ALLENTOWN FACILITIES

During the third quarter of 2026, we also sold our manufacturing facility and warehouse in Allentown, Pennsylvania, including the leasehold interests and equipment, to Chobani for proceeds of $125 million. We recognized a loss of $65 million on the sale of owned assets and a gain of $14 million on the termination of leases upon their assignment to Chobani.

LEASE GUARANTEES

In connection with the assignment of our manufacturing facility and warehouse leases to Chobani as discussed above, we remain a guarantor of certain lease obligations under the assigned lease agreements. The leases have varying terms through 2040, with renewal options through 2060. We would be required to make payments under the guarantees only in the event of nonpayment or nonperformance by Chobani. As part of the Allentown asset purchase agreement, Chobani is required to indemnify and hold us harmless from losses, liabilities, claims, demands for payment, fees, and expenses incurred in connection with the lease guarantee or Chobani's failure to perform its obligations under the lease.

As of September 30, 2026, the maximum potential future undiscounted payments we could be required to make under these guarantees was approximately $213 million.

We monitor the payment and performance risk associated with these guarantees through periodic evaluation of Chobani's financial condition and other relevant indicators. Based on the information available as of September 30, 2026, we believe the likelihood of having to make payments under the guarantees is remote. The liabilities recorded for these lease guarantees as of September 30, 2026 and the corresponding impact on the unaudited Condensed Consolidated Statements of Income during the third quarter of 2026 were insignificant. Refer to the table above for further details.

14. Equity Method Investments

The following table summarizes our equity method investments:

(in millions)	September 30, 2026	December 31, 2025
Nutrabolt	**$ 1,211**	$ 1,168
Tractor	**58**	52
Athletic Brewing	**53**	53
Other	**36**	28
Chobani[1]	**—**	359
Total equity method investments	**$ 1,358**	$ 1,660

(1) During the third quarter of 2026, we sold our equity interests in Chobani. Refer to Note 13 for additional information.

15. Income Taxes

Our effective tax rates were as follows:

	Third Quarter		First Nine Months	
	2026	2025	2026	2025
Effective tax rate	**21.5 %**	22.3 %	**23.6 %**	22.6 %

For the third quarter of 2026, the change in our effective tax rate was driven by a favorable shift in the mix of income from higher tax jurisdictions to lower tax jurisdictions, partially offset by an unfavorable comparison to the impact of non-recurring purchased tax credits in the third quarter of 2025.

For the first nine months of 2026, the change in our effective tax rate was driven by a non-cash revaluation of state deferred tax liabilities as a result of the JDE Peet's Acquisition and an unfavorable comparison to the impact of non-recurring purchased tax credits in the first nine months of 2025, partially offset by discrete tax impacts associated with the completion of the JV Investment and the creation of the Pod Manufacturing JV.

CASH PAID FOR INCOME TAXES

We paid $518 million and $322 million in cash for income taxes, net of refunds received, during the first nine months of 2026 and 2025, respectively.

16. Accumulated Other Comprehensive (Loss) Income

The following table provides a summary of changes in AOCI attributable to KDP, net of taxes:

(in millions)	Foreign Currency Translation Adjustments	Pension and Post-Retirement Benefit Liabilities	Cash Flow Hedges	Total
Third Quarter of 2026				
Beginning balance	**$ (248)**	**$ (17)**	**$ 149**	**$ (116)**
Other comprehensive (loss) income	**(176)**	**—**	**40**	**(136)**
Amounts reclassified from AOCI	**—**	**1**	**(18)**	**(17)**
Total other comprehensive (loss) income	**(176)**	**1**	**22**	**(153)**
Balance as of September 30, 2026	**$ (424)**	**$ (16)**	**$ 171**	**$ (269)**
Third Quarter of 2025				
Beginning balance	$ (78)	$ (14)	$ 102	$ 10
Other comprehensive (loss) income	(30)	—	1	(29)
Amounts reclassified from AOCI	—	1	(6)	(5)
Total other comprehensive (loss) income	(30)	1	(5)	(34)
Balance as of September 30, 2025	$ (108)	$ (13)	$ 97	$ (24)
First Nine Months of 2026				
Beginning balance	**$ (9)**	**$ (16)**	**$ 127**	**$ 102**
Other comprehensive (loss) income	**(415)**	**(1)**	**62**	**(354)**
Amounts reclassified from AOCI	**—**	**1**	**(18)**	**(17)**
Total other comprehensive (loss) income	**(415)**	**—**	**44**	**(371)**
Balance as of September 30, 2026	**$ (424)**	**$ (16)**	**$ 171**	**$ (269)**
First Nine Months of 2025				
Beginning balance	$ (410)	$ (14)	$ 148	$ (276)
Other comprehensive income (loss)	302	—	(31)	271
Amounts reclassified from AOCI	—	1	(20)	(19)
Total other comprehensive income (loss)	302	1	(51)	252
Balance as of September 30, 2025	$ (108)	$ (13)	$ 97	$ (24)

The following table presents the amount of losses (gains) reclassified from AOCI attributable to KDP into the unaudited Condensed Consolidated Statements of Income:

(in millions)	Income Statement Caption	Third Quarter 2026	Third Quarter 2025	First Nine Months 2026	First Nine Months 2025
Pension and PRMB liabilities	SG&A expenses	**$ 1**	$ 1	**$ 1**	$ 1
Income tax benefit		**—**	—	**—**	—
Total, net of tax		**$ 1**	$ 1	**$ 1**	$ 1
Cash Flow Hedges					
Interest rate contracts	Interest expense, net	**$ (5)**	$ (3)	**$ (14)**	$ (10)
FX contracts	Cost of sales	**(12)**	(4)	**(3)**	(17)
Total		**(17)**	(7)	**(17)**	(27)
Income tax expense		**(1)**	1	**(1)**	7
Total, net of tax		**$ (18)**	$ (6)	**$ (18)**	$ (20)

17. Other Financial Information

SELECTED BALANCE SHEET INFORMATION

(in millions)	September 30, 2026	December 31, 2025
Raw materials	**$ 1,450**	$ 706
Work-in-process	**226**	8
Finished goods	**2,091**	1,019
Total inventories	**$ 3,767**	$ 1,733
Prepaid expenses	**$ 681**	$ 334
Note receivable from Chobani[1]	**400**	—
Other current assets	**937**	484
Total prepaid expenses and other current assets	**$ 2,018**	$ 818

(1) Refer to Note 13 for additional information regarding the note receivable due from Chobani.

Supplier Financing Arrangements

The following table summarizes the location of our outstanding obligations under supplier financing arrangements, which are confirmed as valid, within the unaudited Condensed Consolidated Balance Sheets:

(in millions)	September 30, 2026	December 31, 2025
Accounts payable	**$ 1,767**	$ 1,378
Structured payables[1]	**275**	—
Total outstanding obligations under supplier financing arrangements	**$ 2,042**	$ 1,378

(1) As a result of the JDE Peet's Acquisition, we have certain commercial arrangements with suppliers that include explicitly stated interest rates, which are more representative of financing transactions and are therefore classified as structured payables. Some of these suppliers participate in supplier financing arrangements, which are reflected in this table. The remainder of structured payables relate to suppliers not participating in supplier financing arrangements, or amounts owed to a virtual credit card sponsor.

Mandatory Redemption Liability

The fair value of our mandatory redemption liability associated with GHOST was $912 million and $880 million as of September 30, 2026 and December 31, 2025, respectively, and is included within Other non-current liabilities within the unaudited Condensed Consolidated Balance Sheets.

18. Commitments and Contingencies

LITIGATION

We are occasionally subject to litigation or other legal proceedings. We accrue for specific legal proceedings when we determine that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated, and such accruals were not material in the periods presented. We have also identified certain other legal matters where we believe an unfavorable outcome is reasonably possible and/or for which no estimate of possible losses can be made. We do not believe that the outcome of these, or any other, pending legal matters, individually or collectively, will have a material adverse effect on our results of operations, financial condition, or liquidity.

Antitrust Litigation

In February 2014, TreeHouse Foods, Inc. and certain affiliated entities filed suit against our wholly-owned subsidiary, Keurig (formerly known as Green Mountain Coffee Roasters, Inc.), in the U.S. District Court for the Southern District of New York ("SDNY") (TreeHouse Foods, Inc. et al. v. Green Mountain Coffee Roasters, Inc. et al.). The TreeHouse complaint asserted claims under the federal antitrust laws and various state laws, contending that Keurig had monopolized alleged markets for single serve coffee brewers and single serve coffee pods. The TreeHouse complaint sought treble monetary damages, declaratory relief, injunctive relief and attorneys' fees. In the months that followed, a number of additional actions, including claims from another coffee manufacturer (JBR, Inc.), as well as putative class actions on behalf of direct and indirect purchasers of Keurig's products, were filed in various federal district courts, asserting claims and seeking relief substantially similar to the claims asserted and relief sought in the TreeHouse complaint. Additional similar actions were filed by individual direct purchasers (including McLane Company, Inc., BJ's Wholesale Club, Inc., Winn-Dixie Stores Inc., and Bi-Lo Holding LLC) in 2019 and in 2021. Following the court's denial of class certification in 2025 for the direct purchaser class described below, similar actions were filed in 2026 by additional individual direct purchasers (including Target Corp., Performance Food Group, Inc. and certain of its affiliates, The Golub Corporation, Fareway Stores, Inc., Marc Glassman, Inc., Brookshire Grocery Company, Alex Lee, Inc., and entities owning the claims of former retailers Great Atlantic & Pacific Tea Company, Shopko, The Bon-Ton Stores, Sears, Kmart, and Bed Bath & Beyond, Inc.). All of these actions were transferred to the SDNY for coordinated pre-trial proceedings (In re: Keurig Green Mountain Single-Serve Coffee Antitrust Litigation) (the "Multidistrict Antitrust Litigation").

In July 2020, Keurig reached an agreement with one of the plaintiff groups in the Multidistrict Antitrust Litigation, the putative indirect purchaser class, to settle the claims asserted for $31 million. The settlement class consisted of individuals and entities in the United States that purchased, from persons other than Keurig and not for purposes of resale, Keurig manufactured or licensed single serve beverage portion packs during the applicable class period (beginning in September 2010 for most states). The settlement was approved and paid, and the indirect purchasers' claims have been dismissed.

In October 2025, the SDNY court denied the direct purchasers plaintiffs' motion for class certification. While the court's order does not preclude individual purchasers from pursuing their own direct claims, the court found that the plaintiffs did not meet the federal requirements to pursue their case on a classwide basis. The direct purchaser plaintiffs filed a petition with the United States Court of Appeals for the Second Circuit, seeking to appeal the SDNY court's decision; their petition was subsequently denied. The direct purchaser plaintiffs have also requested an opportunity from the SDNY court to seek certification of a narrower class. We cannot predict when the SDNY court will rule on that motion.

In September and October 2026, the SDNY court issued rulings on various summary judgment motions, including Keurig's motions as to the TreeHouse, JBR, McLane, BJ's and Winn-Dixie plaintiffs. The court granted, in part, and denied, in part, Keurig's motions. The court denied in all material respects these plaintiffs' motions for summary judgment. As a result, the SDNY court dismissed certain material aspects of these plaintiffs' antitrust and false advertising claims. Prior to the summary judgment rulings, these plaintiffs (which no longer include the purported direct purchaser class) collectively claimed more than $1.5 billion of monetary damages. Keurig filed a motion in October 2026 challenging these damages calculations in light of the court's summary judgment rulings. We cannot predict when the SDNY court will rule on that motion, or when these plaintiffs' remaining claims will be set for trial. The individual direct purchaser actions filed in 2026 will proceed on a separate procedural timeline.

Keurig intends to continue vigorously defending the remaining lawsuits. At this time, we are unable to predict the outcome of these lawsuits, the potential loss or range of loss, if any, associated with the resolution of these lawsuits or any potential effect they may have on us or our results of operations. Accordingly, we have not accrued for a loss contingency. Additionally, as the timelines in these cases may be beyond our control, we can provide no assurance as to whether or when there will be material developments in these matters.

TARIFFS

In February 2026, the U.S. Supreme Court invalidated certain tariffs previously imposed under the International Emergency Economic Powers Act. We have identified potential eligible refunds for tariffs paid in prior periods. We have begun to file claims with U.S. Customs and Border Protection for the recovery of tariffs previously paid, plus applicable interest. We account for these potential recoveries through the gain contingencies model, under which a gain is not recognized until it is realized or realizable. Because the administrative process for review, validation, and disbursement by the Department of Treasury involves inherent uncertainty regarding the final approved amount and timing, we have not recorded receivables for claims which were pending as of September 30, 2026. For the quarter ended September 30, 2026, we recorded approximately $99 million of tariff refunds received as a benefit to gross profit.

19. Restructuring

RESTRUCTURING PROGRAMS

Integration of JDE Peet's

As part of the JDE Peet's Acquisition, we developed a program to integrate JDE Peet's and to facilitate the planned separation of our coffee portfolio into an independent, U.S.-listed publicly traded company. This program includes one-time, non-recurring expenses such as system integration, severance, retention, professional services, and other matters. This restructuring program is expected to incur cumulative pre-tax restructuring charges in a range of approximately $325 million to $400 million through the first quarter of 2029.

Legacy JDE Peet's Transformation Activities and Corporate Actions

JDE Peet's has a transformational program known as Reignite the Amazing, which was announced in 2025 and was inherited as part of the JDE Peet's Acquisition. This brand-led strategy is designed to accelerate profitable growth and includes activities and corporate actions designed to integrate the U.S. capsules business, optimize the European operating model, and transition the Peet's U.S. commercial distribution model, among others. From time to time, this program includes certain restructuring activities, such as the closure of certain facilities as part of optimization efforts.

Network Optimization

In March 2024, we announced a restructuring program designed to more effectively and efficiently meet the needs of consumers and customers. Our restructuring program includes the closure of certain facilities and other costs intended to optimize our manufacturing and distribution footprint throughout our operations.

This restructuring program is expected to incur cumulative pre-tax restructuring charges of approximately $175 million through the end of 2026, primarily comprised of asset related costs.

RESTRUCTURING CHARGES

Restructuring and integration expenses for the defined programs were as follows:

	Third Quarter		First Nine Months	
(in millions)	**2026**	**2025**	**2026**	**2025**
Integration of JDE Peet's[1]	**$ 117**	$ —	**$ 257**	$ —
Legacy JDE Peet's Transformation Activities and Corporate Actions[1]	**19**	—	**38**	—
Network Optimization	**2**	26	**32**	38

(1) Amounts represent expenses incurred subsequent to the JDE Peet's Acquisition.

RESTRUCTURING LIABILITIES

Restructuring liabilities that qualify as exit and disposal costs under U.S. GAAP are included in accounts payable and accrued expenses in the unaudited condensed consolidated financial statements. Restructuring liabilities, primarily consisting of workforce reduction costs, were as follows:

(in millions)	Restructuring Liabilities
Balance as of December 31, 2025	$ 8
Charges to expense and other adjustments	**31**
Restructuring liabilities assumed in the JDE Peet's Acquisition	**74**
Cash payments	**(52)**
Balance as of September 30, 2026	**$ 61**

20. Transactions with Variable Interest Entities

TRANSACTIONS WITH VIES

We have a number of leasing arrangements and one licensing arrangement with special purpose entities for which we are not the primary beneficiary, as we have limited power based on the contractual agreements to direct the activities that most significantly impact the VIEs' performance.

Leasing Arrangements

As of September 30, 2026, we have entered into seventeen lease transactions with VIEs. Each lease has an RVG based on a percentage of VIEs' purchase price; however, we concluded it was not probable that we will owe an amount at the end of each individual lease term, as the fair values of the properties are not expected to fall below the RVGs at the end of each individual lease term. As such, we recorded each lease obligation excluding the associated RVG. The aggregate maximum undiscounted RVG associated with the leasing arrangements was $733 million and $653 million as of September 30, 2026 and December 31, 2025, respectively. This aggregate maximum value assumes that the fair value of each property at the end of either the original lease term or renewal term is equal to zero, which we have concluded is not probable.

The following table provides the carrying amounts of the right-of-use assets and lease obligations recorded in the unaudited Condensed Consolidated Balance Sheets associated with these leasing arrangements related to the VIEs:

(in millions)	September 30, 2026	December 31, 2025
Non-current assets	**$ 386**	$ 361
Current liabilities	**30**	26
Non-current liabilities	**376**	351

The leasing agreements included as of December 31, 2025 include nine manufacturing sites, five warehouse and distribution centers, one multipurpose property, and our Frisco, Texas headquarters. The leasing agreements included as of September 30, 2026 also included one additional warehouse and distribution center.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our audited consolidated financial statements and notes thereto in our Annual Report.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act, including, in particular, statements about the impact of future events, future financial performance, plans, strategies, business combinations, expectations, prospects, competitive environment, regulation, labor matters, supply chain issues, tariffs or trade wars and related uncertainty, inflation, and availability of raw materials. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as "outlook," "guidance," "anticipate," "enable," "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 in this Quarterly Report on Form 10-Q. We have based these forward-looking statements on our current views with respect to future events and financial performance.

Our actual financial performance could differ materially from those projected in the forward-looking statements due to a variety of factors, including the inherent uncertainty of estimates, forecasts, and projections; global economic uncertainty or economic downturns; tariffs or the imposition of new tariffs, trade wars, barriers, or restrictions, sanctions, geopolitical disturbances and conflicts, or threats of such actions and related uncertainty; the risk that our financial performance may be better or worse than anticipated; risks related to the completion of the Separation in the anticipated timeframe, or at all; our incurrence of significant debt or our entry into other funding alternatives, in each case, in connection with the JDE Peet's Acquisition, which may result in dilution to our stockholders or introduce complexity to our capital structure; additional risks associated with the JDE Peet's Acquisition and those geographies, countries, and associated governments where JDE Peet's currently operates; our ability to successfully integrate JDE Peet's into our business, or that such integration may be more difficult, time-consuming, or costly than expected; constraints on management's attention to operating and growing our business during the execution of the integration of JDE Peet's and the Separation; the potential downgrade of our credit ratings as a result of debt incurred and/or assumed in connection with the JDE Peet's Acquisition; the possibility of negative impacts on business relationships in connection with the JDE Peet's Acquisition and the Separation; the risk that the Separation incurs significant additional costs; the risk of potential litigation and regulatory actions; negative effects of the JDE Peet's Acquisition and pendency of the Separation on our share price; and the ability to achieve the anticipated strategic and financial benefits from the Separation. Given these uncertainties, you should not put undue reliance on any forward-looking statements. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under "Risk Factors" in Part I, Item 1A of our Annual Report, as updated by Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, as well as our subsequent filings with the SEC. Forward-looking statements represent our estimates and assumptions only as of the date that they were made. We do not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, after the date of this Quarterly Report on Form 10-Q, except to the extent required by applicable securities laws.

This Quarterly Report on Form 10-Q contains the names of some of our owned or licensed trademarks, trade names, and service marks, which we refer to as our brands. All of the product names included in this Quarterly Report on Form 10-Q are either our registered trademarks or those of our licensors.

OVERVIEW

KDP is a leading beverage company with more than 150 owned, licensed, and partner brands, that meet a wide range of needs and occasions. Our North American refreshment beverage business holds leadership positions across carbonated soft drinks, water, juice, and mixers, with a portfolio of iconic brands, such as Dr Pepper, Canada Dry, Mott's, A&W, Peñafiel, GHOST, 7UP, Snapple, Clamato, and Core Hydration. Our global coffee business spans more than 100 markets and includes the leading Keurig single-serve brewing system in the U.S. and Canada, along with powerhouse brands such as Peet's, L'OR, and Jacobs, and other regional coffee leaders. On April 1, 2026, we acquired JDE Peet's, which contributed to our results beginning in the second quarter of 2026.

Our four operating and reportable segments are U.S. Refreshment Beverages, U.S. Coffee, KDP International, and JDE Peet's.

VOLUME

In evaluating our performance, we use different volume measures for LRB, coffee and related products, and appliances.

For LRB, we measure our sales volume in 288 fluid ounce equivalent cases.

- For beverage concentrates, we measure our sales volume as concentrate case sales for concentrates sold by us to our bottlers and distributors. A concentrate case is the amount of concentrate needed to make one case of 288 fluid ounces of finished beverage, the equivalent of 24 twelve-ounce servings. It does not include any other component of the finished beverage other than concentrate.
- For packaged beverages, we measure volume as case sales to customers. A case sale represents a unit of measurement equal to 288 fluid ounces of packaged beverage sold by us. Case sales include both our owned brands and certain brands licensed to and/or distributed by us.

For coffee and related products, which includes single serve, ground, instant, and whole bean coffee, as well as related products, including tea and cocoa, we measure our sales volume in metric tons.

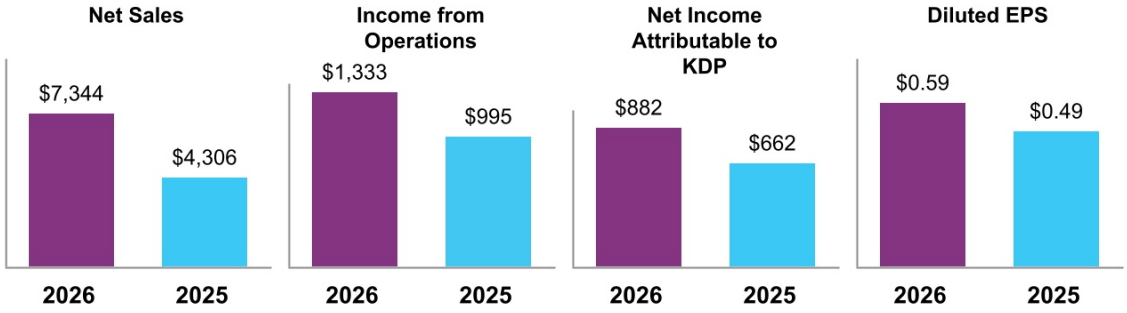
For appliances, we measure sales volume in individual units.

EXECUTIVE SUMMARY

Results of Operations

Third Quarter of 2026 as compared to Third Quarter of 2025

(in millions, except Diluted EPS)



JDE PEET'S ACQUISITION

On January 15, 2026, we commenced a tender offer to acquire all of the issued and outstanding ordinary shares of JDE Peet's for a cash offer price of €31.85 per share, without interest. We substantially completed the tender offer on April 1, 2026. The aggregate cash paid for tendered shares was approximately €15.1 billion, or $17.4 billion.

During the first nine months of 2026, we completed a series of transactions in order to obtain funding for the consideration of the JDE Peet's Acquisition:

- Delayed Draw Term Loan of $3.6 billion
- Maple Notes of approximately $6 billion
- JV Investment of $4 billion
- Issuance of Convertible Preferred Stock of $4.5 billion

Refer to Notes 2, 3, 4, and 5 of the Notes to our unaudited Condensed Consolidated Financial Statements for further information about these transactions and the closing of the JDE Peet's Acquisition.

We have incurred acquisition, integration, and financing costs associated with the acquisition of JDE Peet's and planned Separation, which include costs to obtain proceeds to close the JDE Peet's acquisition and costs to manage the FX risk associated with the purchase price. These costs were primarily recorded to Selling, general, and administrative expenses, Interest expense, net, and Other expense (income), net, and aggregated to a pre-tax impact of approximately $756 million during the first nine months of 2026.

As of September 30, 2026, we had commenced the proceedings to acquire the remaining outstanding ordinary shares of JDE Peet's not yet acquired. Effective October 26, 2026, these proceedings were completed, and we own 100% of the ordinary shares of JDE Peet’s.

CHOBANI TRANSACTIONS

During the third quarter of 2026, we completed a series of transactions with Chobani, including the sale of our equity interests in Chobani, as well as the sale of certain facilities, including our leasehold interests, to Chobani. These transactions aggregated to a net pre-tax gain of approximately $330 million in the third quarter of 2026. Refer to Note 13 of the Notes to our unaudited Condensed Consolidated Financial Statements for further information about these transactions.

References in the financial tables to percentage changes that are not meaningful are denoted by "NM".

We acquired JDE Peet's on April 1, 2026, which contributed to our results beginning in the second quarter of 2026. Percentage changes for consolidated results disclosed below include the impact of the acquisition.

Third Quarter of 2026 Compared to Third Quarter of 2025

Consolidated Operations

($ in millions, except per share amounts)	Third Quarter 2026	Third Quarter 2025	Percentage Change
Net sales	**$ 7,344**	$ 4,306	70.6 %
Cost of sales	**3,819**	1,966	94.3
Gross profit	**3,525**	2,340	50.6
Selling, general, and administrative expenses	**2,137**	1,344	59.0
Other operating expense, net	**55**	1	NM
Income from operations	**1,333**	995	34.0
Interest expense, net	**474**	188	152.1
Gain on sale of equity method investment	**(400)**	—	NM
Other expense (income), net	**47**	(45)	NM
Income before provision for income taxes	**1,212**	852	42.3
Provision for income taxes	**260**	190	36.8
Net income	**952**	662	43.8
Less: Net income attributable to non-controlling interests	**70**	—	100.0
Net income attributable to KDP	**$ 882**	$ 662	33.2
Earnings per common share:			
Basic	**$ 0.60**	$ 0.49	22.4 %
Diluted	**0.59**	0.49	20.4
Gross margin	**48.0 %**	54.3 %	(630) bps
Operating margin	**18.2**	23.1	(490) bps
Effective tax rate	**21.5**	22.3	(80) bps

Sales Volumes

	Percentage Change
LRB	3.1 %
Coffee and related products	366.4
Appliances	8.1

Net Sales Drivers

	Percentage Change
Volume / mix[(1)]	68.0 %
Net price realization	2.1
FX	0.5
Total	70.6 %

(1) The JDE Peet's Acquisition contributed 61.5 percentage points of the volume / mix growth in the quarter.

Gross profit increased 50.6% to $3,525 million for the third quarter of 2026, as compared to $2,340 million for the third quarter of 2025, driven by the benefits to gross profit of the JDE Peet's Acquisition (43 percentage points) and legacy KDP net sales growth (8 percentage points).

SG&A expenses increased 59.0% to $2,137 million for the third quarter of 2026, as compared to $1,344 million for the third quarter of 2025, primarily driven by the inclusion of JDE Peet’s SG&A expenses (51 percentage points) and transaction and integration costs associated with the JDE Peet's Acquisition and the Separation (5 percentage points).

Other operating expense, net was $55 million for the third quarter of 2026, as compared to $1 million for the third quarter of 2025, primarily reflecting a net unfavorable impact of the Chobani transactions. Refer to Note 13 of the Notes to our Unaudited Condensed Consolidated Financial Statements for further information about the Chobani transactions.

Income from operations increased 34.0% to $1,333 million for the third quarter of 2026, as compared to $995 million for the third quarter of 2025, as increased gross profit more than offset increased SG&A and other operating expenses.

Interest expense, net increased 152.1% to $474 million for the third quarter of 2026, as compared to $188 million for the third quarter of 2025, driven by increased debt and higher financing costs, including debt acquired in the JDE Peet's Acquisition (91 percentage points) and unfavorable unrealized mark-to-market activity compared to the prior year quarter (63 percentage points).

The effective tax rate decreased 80 bps to 21.5% for the third quarter of 2026, compared to 22.3% for the third quarter of 2025, driven by a favorable shift in the mix of income from higher tax jurisdictions to lower tax jurisdictions (190 bps), partially offset by an unfavorable comparison to the impact of purchased tax credits in the third quarter of 2025 (140 bps).

Gain on sale of equity method investment reflected the gain on the sale of our equity method investment in Chobani in September 2026.

Other expense (income), net reflected expense of $47 million for the third quarter of 2026 as compared to income of $45 million for the third quarter of 2025. This resulted from unfavorable FX impacts and a net unfavorable impact of the Chobani transactions. Refer to Note 13 of the Notes to our Unaudited Condensed Consolidated Financial Statements for further information about the Chobani transactions.

Net income was $952 million for the third quarter of 2026, as compared to $662 million for the third quarter of 2025, driven by the gain on the sale of our investment in Chobani, increased income from operations, and a lower effective tax rate, partially offset by increased interest expense. Net income attributable to KDP was $882 million for the third quarter of 2026, including the dilutive impact of $70 million of net income attributable to non-controlling interests in the current quarter, primarily the Pod Manufacturing JV.

Diluted EPS was $0.59 per diluted share for the third quarter of 2026 as compared to $0.49 in the third quarter of 2025, driven by increased net income attributable to KDP, partially offset by net income allocated to Preferred Investors. Refer to Note 6 of the Notes to our Unaudited Condensed Consolidated Financial Statements for the computation of diluted EPS.

Results of Operations by Segment

The following tables provide certain results of operations for our reportable segments for the third quarter of 2026 and 2025.

(in millions)	Third Quarter 2026	2025	Percentage Change
Net sales			
U.S. Refreshment Beverages	**$ 3,033**	$ 2,735	10.9 %
U.S. Coffee	**1,018**	991	2.7
KDP International	**644**	580	11.0
JDE Peet's[(1)]	**2,649**	—	100.0
Total net sales	**$ 7,344**	$ 4,306	70.6
Income from operations			
U.S. Refreshment Beverages	**$ 820**	$ 802	2.2 %
U.S. Coffee	**319**	237	34.6
KDP International	**158**	153	3.3
JDE Peet's[(1)]	**289**	—	100.0
Unallocated corporate costs	**(253)**	(197)	28.4
Income from operations	**$ 1,333**	$ 995	34.0
Operating margin			
U.S. Refreshment Beverages	**27.0 %**	29.3 %	(230) bps
U.S. Coffee	**31.3**	23.9	740 bps
KDP International	**24.5**	26.4	(190) bps
JDE Peet's[(1)]	**10.9**	—	NM

(1) As we acquired JDE Peet's on April 1, 2026, comparative information is not applicable for the third quarter of 2025.

Sales Volumes

	LRB	Coffee and related products	Appliances
U.S. Refreshment Beverages	3.2 %	— %	— %
U.S. Coffee	NM	(0.5)	16.7
KDP International	2.6	(12.9)	(17.0)
JDE Peet's	—	100.0	100.0

Net Sales Drivers

	Volume / Mix	Net Price Realization	FX	Total
U.S. Refreshment Beverages	7.2 %	3.7 %	— %	10.9 %
U.S. Coffee	6.9	(4.2)	—	2.7
KDP International	1.9	5.7	3.4	11.0
JDE Peet's	100.0	—	—	100.0

U.S. Refreshment Beverages

Sales volume increased 3.2% in the third quarter of 2026, led by growth in energy, sports hydration drinks, and carbonated soft drinks, partially offset by declines in our still portfolio.

Net sales increased 10.9% to $3,033 million for the third quarter of 2026, driven by volume / mix growth and higher net price realization.

Income from operations increased 2.2% to $820 million for the third quarter of 2026. This performance was led by the benefit to gross profit of net sales growth (19 percentage points), partially offset by a net unfavorable impact of the Chobani transactions (6 percentage points) and increased transportation and warehousing costs (4 percentage points), labor costs associated with SG&A activities (3 percentage points), and manufacturing costs (2 percentage points).

U.S. Coffee

Appliance volume increased 16.7%, primarily reflecting a favorable comparison to retailer inventory management practices in the prior year period. Coffee and related products volume decreased 0.5%.

Net sales increased 2.7% to $1,018 million for the third quarter of 2026, driven by favorable volume / mix, which was partially offset by unfavorable net price realization.

Income from operations increased 34.6% to $319 million for the third quarter of 2026, driven by a net favorable change in ingredients, materials, and productivity, inclusive of tariffs and tariff refunds (33 percentage points), the benefit to gross profit of favorable volume / mix (9 percentage points), and reduced manufacturing costs (5 percentage points), which was partially offset by the gross profit impact of unfavorable net price realization (18 percentage points) and costs associated with the integration of JDE Peet’s and the Separation (5 percentage points).

KDP International

LRB sales volume increased 2.6%. Appliance volumes decreased 17.0%. Coffee and related products volume decreased 12.9%.

Net sales increased 11.0% to $644 million in the third quarter of 2026, reflecting higher net price realization, favorable FX translation, and volume / mix growth.

Income from operations increased 3.3%, to $158 million for the third quarter of 2026, as the benefit from the gross profit impact of the higher net price realization was partially offset by increased IEPS taxes in Mexico and increased marketing investments.

JDE Peet's

JDE Peet’s sales volumes, net sales, and income from operations were wholly incremental to KDP as a result of the JDE Peet’s Acquisition.

First Nine Months of 2026 Compared to First Nine Months of 2025

Consolidated Operations

($ in millions, except per share amounts)	First Nine Months 2026	2025	Percentage Change
Net sales	**$ 18,629**	$ 12,104	53.9 %
Cost of sales	**9,940**	5,524	79.9
Gross profit	**8,689**	6,580	32.1
Selling, general, and administrative expenses	**5,876**	3,892	51.0
Other operating expense (income), net	**96**	(6)	NM
Income from operations	**2,717**	2,694	0.9
Interest expense, net	**1,091**	516	111.4
Gain on sale of equity method investment	**(400)**	—	NM
Other expense (income), net	**152**	(52)	NM
Income before provision for income taxes	**1,874**	2,230	(16.0)
Provision for income taxes	**442**	504	(12.3)
Net income	**1,432**	1,726	(17.0)
Less: Net income attributable to non-controlling interests	**138**	—	NM
Net income attributable to KDP	**$ 1,294**	$ 1,726	(25.0)
Earnings per common share:			
Basic	**$ 0.85**	$ 1.27	(33.1)%
Diluted	**0.85**	1.27	(33.1)
Gross margin	**46.6 %**	54.4 %	(780) bps
Operating margin	**14.6**	22.3	(770) bps
Effective tax rate	**23.6**	22.6	100 bps

Sales Volumes

	Percentage Change
LRB	1.7 %
Coffee and related products	264.4
Appliances	3.8

Net Sales Drivers

	Percentage Change
Volume / mix[(1)]	49.1 %
Net price realization	3.9
FX	0.9
Total	53.9 %

(1) The JDE Peet's Acquisition contributed 45.0 percentage points of the volume / mix growth in the first nine months of 2026.

Gross profit increased 32.1% to $8,689 million for the first nine months of 2026. The benefits to gross profit of the JDE Peet's Acquisition (31 percentage points) and legacy KDP net sales growth (10 percentage points) were partially offset by the impact of the JDE Peet's inventory step-up recognized in cost of sales in the first nine months of 2026 (5 percentage points) and a net unfavorable impact from changes in ingredients, materials, and productivity, inclusive of tariffs and tariff refunds (2 percentage points).

SG&A expenses increased 51.0% to $5,876 million for the first nine months of 2026, driven by the inclusion of JDE Peet's SG&A expenses (36 percentage points) and transaction and integration costs associated with the JDE Peet's Acquisition and the Separation (11 percentage points).

Other operating expense (income), net was expense of $96 million for the first nine months of 2026, as compared to income of $6 million for the first nine months of 2025, primarily reflecting non-cash write-offs of certain intellectual property assets and a net unfavorable impact of the Chobani transactions in the current year-to-date period. Refer to Note 13 of the Notes to our Unaudited Condensed Consolidated Financial Statements for further information about the Chobani transactions.

Income from operations increased 0.9% to $2,717 million for the first nine months of 2026, as increased gross profit was mostly offset by higher SG&A and other operating expenses.

Interest expense, net increased 111.4% to $1,091 million for the first nine months of 2026, driven by increased debt and higher financing costs, including debt acquired in the JDE Peet's Acquisition (83 percentage points) and unfavorable unrealized mark-to-market activity compared to the prior year period (27 percentage points).

Gain on sale of equity method investment reflected the gain on the sale of our equity method investment in Chobani in September 2026.

Other expense (income), net reflected expense of $152 million for the first nine months of 2026, as compared to income of $52 million in the first nine months of 2025, primarily driven by unfavorable FX impacts.

The effective tax rate increased 100 bps to 23.6% for the first nine months of 2026, compared to 22.6% in the first nine months of 2025, primarily driven by a non-cash revaluation of state deferred tax liabilities as a result of the JDE Peet's Acquisition (150 bps) and an unfavorable comparison to the impact of purchased tax credits in the first nine months of 2025 (90 bps), partially offset by discrete tax impacts associated with the completion of the JV Investment and the creation of the Pod Manufacturing JV (110 bps).

Net income decreased 17.0% to $1,432 million for the first nine months of 2026, driven by increased interest expense and increased other expense, which was partially offset by the gain on the sale of our investment in Chobani. Net income attributable to KDP was $1,294 million for the first nine months of 2026, including the dilutive impact of $138 million of net income attributable to non-controlling interests, primarily the Pod Manufacturing JV.

Diluted EPS decreased 33.1% to $0.85 per diluted share for the first nine months of 2026 as compared to $1.27 in the first nine months of 2025, driven by reduced net income attributable to KDP and net income allocated to Preferred Investors. Refer to Note 6 of the Notes to our Unaudited Condensed Consolidated Financial Statements for the computation of diluted EPS.

Results of Operations by Segment

The following tables provide certain results of operations for our reportable segments for the first nine months of 2026 and 2025.

(in millions)	First Nine Months 2026	2025	Percentage Change
Net sales			
U.S. Refreshment Beverages	**$ 8,557**	$ 7,718	10.9 %
U.S. Coffee	**2,793**	2,816	(0.8)
KDP International	**1,828**	1,570	16.4
JDE Peet's[(1)]	**5,451**	—	100.0
Total net sales	**$ 18,629**	$ 12,104	53.9
Income from operations			
U.S. Refreshment Beverages	**$ 2,398**	$ 2,202	8.9 %
U.S. Coffee	**628**	672	(6.5)
KDP International	**395**	386	2.3
JDE Peet's[(1)]	**227**	—	100.0
Unallocated corporate costs	**(931)**	(566)	64.5
Total income from operations	**$ 2,717**	$ 2,694	0.9
Operating margin			
U.S. Refreshment Beverages	**28.0 %**	28.5 %	(50) bps
U.S. Coffee	**22.5**	23.9	(140) bps
KDP International	**21.6**	24.6	(300) bps
JDE Peet's[(1)]	**4.2**	—	NM

(1) As we acquired JDE Peet's on April 1, 2026, comparative information is not applicable for the first nine months of 2025.

Sales Volumes

	LRB	Coffee and related products	Appliances
U.S. Refreshment Beverages	1.7 %	— %	— %
U.S. Coffee	NM	(6.7)	5.4
KDP International	1.5	(5.9)	(6.5)
JDE Peet's	—	100.0	100.0

Net Sales Drivers

	Volume / Mix	Net Price Realization	FX	Total
U.S. Refreshment Beverages	7.0 %	3.9 %	— %	10.9 %
U.S. Coffee	(2.8)	2.0	—	(0.8)
KDP International	2.8	6.8	6.8	16.4
JDE Peet's	100.0	—	—	100.0

U.S. Refreshment Beverages

Sales volume increased 1.7%, led by growth in energy and sports hydration drinks, partially offset by declines in the balance of our portfolio.

Net sales increased 10.9% to $8,557 million for the first nine months of 2026, driven by volume / mix growth and higher net price realization.

Income from operations increased 8.9% to $2,398 million for the first nine months of 2026. This performance was driven by the gross profit impact of net sales growth (22 percentage points), which was partially offset by a net unfavorable impact from changes in ingredients, materials, and productivity, inclusive of tariffs and tariff refunds (4 percentage points), increased transportation and warehousing expenses (3 percentage points), higher labor costs (3 percentage points), and the net unfavorable impact to income from operations of the Chobani transactions (2 percentage points).

U.S. Coffee

Appliance volume increased 5.4%, primarily reflecting a favorable comparison to retailer inventory management practices in the prior year. Coffee and related products volume decreased 6.7%, reflecting price elasticity impacts and single serve category softness.

Net sales decreased 0.8% to $2,793 million for the first nine months of 2026, as higher net price realization was more than offset by unfavorable volume / mix.

Income from operations decreased 6.5% to $628 million for the first nine months of 2026, driven by costs associated with the integration of JDE Peet's and the Separation (9 percentage points), the gross profit impact of the decline in net sales (4 percentage points), and a net unfavorable impact from changes in ingredients, materials, and productivity, inclusive of tariffs and tariff refunds (3 percentage points), partially offset by reduced manufacturing costs (3 percentage points) and the benefit to cost of sales of earned equity (2 percentage points).

KDP International

LRB sales volume increased 1.5%. Appliance volumes decreased 6.5%. Coffee and related products volume decreased 5.9%.

Net sales increased 16.4% to $1,828 million in the first nine months of 2026, reflecting favorable FX translation, higher net price realization, and favorable volume / mix.

Income from operations increased 2.3% to $395 million for the first nine months of 2026, as the benefit from higher net price realization was partially offset by increased IEPS taxes in Mexico, a net unfavorable impact from changes in ingredients, materials, and productivity, and increased marketing investments.

JDE Peet's

JDE Peet's sales volumes, net sales, and income from operations were wholly incremental to KDP as a result of the JDE Peet's Acquisition.

Income from operations in the first nine months of 2026 included the impact of a $361 million increase in cost of sales due to the impact of the inventory step-up to fair value in connection with the JDE Peet's Acquisition and the subsequent sale of that inventory.

CRITICAL ACCOUNTING ESTIMATES

The process of preparing our consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenue, and expenses. Critical accounting estimates are both fundamental to the portrayal of a company's financial condition and results and require difficult, subjective, or complex estimates and assessments. These estimates and judgments are based on historical experience, future expectations, and other factors and assumptions we believe to be reasonable under the circumstances. The most significant estimates and judgments are reviewed on an ongoing basis and revised when necessary. These critical accounting estimates are discussed in greater detail in Part II, Item 7 of our Annual Report.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We believe our financial condition and liquidity remain strong. We manage all aspects of our business, including monitoring the financial health of our customers, suppliers, and other third-party relationships, implementing gross margin enhancement strategies through our productivity initiatives, and developing new opportunities for growth, such as innovation and agreements with partners to distribute brands that are accretive to our portfolio.

Cash generated by our foreign operations is generally repatriated to the U.S. periodically. We do not expect restrictions or taxes on repatriation of cash held outside the U.S. to have a material effect on our overall business, liquidity, financial condition, or results of operations for the foreseeable future.

	First Nine Months	
(in millions)	**2026**	**2025**
Net cash provided by operating activities	**$ 2,220**	$ 1,279
Net cash used in investing activities	**(16,551)**	(390)
Net cash provided by (used in) financing activities	**14,871**	(934)

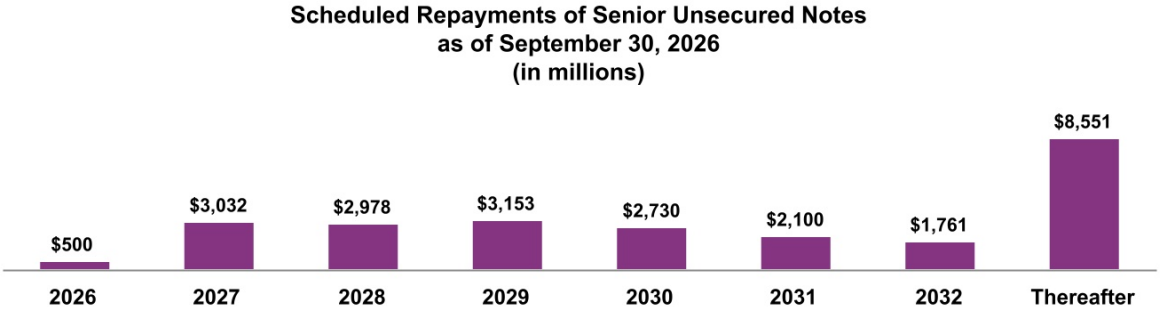
Principal Sources of Capital Resources

Our principal sources of liquidity are our existing cash and cash equivalents, cash generated from our operations, and borrowing capacity currently available under our 2025 Revolving Credit Agreement. Additionally, we have an uncommitted commercial paper program where we can issue unsecured commercial paper notes on a private placement basis. Based on our current and anticipated level of operations, we believe that our operating cash flows will be sufficient to meet our anticipated obligations related to our normal course of business for the next twelve months and thereafter for the foreseeable future. To the extent that our operating cash flows are not sufficient to meet our liquidity needs, we may utilize cash on hand or amounts available under our financing arrangements. From time to time, we may seek additional deleveraging, refinancing, or liquidity enhancing transactions, including entering into transactions to repurchase or redeem outstanding indebtedness or otherwise seek transactions to reduce interest expense, extend debt maturities, and improve our capital and liquidity structure.

Sources of Liquidity - Operations

Net cash provided by operating activities increased $941 million for the first nine months of 2026, as compared to the first nine months of 2025, driven by the favorable comparison in working capital as compared to the prior period.

Sources of Liquidity - Financing



Refer to Note 3 of the Notes to our Unaudited Condensed Consolidated Financial Statements for management's discussion of our financing arrangements.

As of September 30, 2026, we were in compliance with all debt covenants and we have no reason to believe that we will be unable to satisfy these covenants.

We also have an active shelf registration statement, filed with the SEC on August 15, 2025, which allows us to issue an indeterminate number or amount of common stock, preferred stock, debt securities, and warrants from time to time in one or more offerings at the direction of our Board.

Credit Ratings

Our credit ratings are as follows:

Rating Agency	Long-Term Debt Rating	Commercial Paper Rating	Outlook	Date of Last Change
Moody's	Baa3	P-3	Stable	March 10, 2026
S&P	BBB-	A-3	Stable	March 10, 2026

Following the announcement of the JDE Peet's Acquisition and the corresponding financing arrangements entered into for the transaction, our credit ratings were downgraded by Moody's and S&P but remain investment grade. The downgrade of both our long-term debt and commercial paper ratings may have adverse effects on our borrowing costs, access to capital markets, liquidity, flexibility in responding to changing market conditions, and, as a result, our financial performance.

JDE Peet's Acquisition

We entered into various transactions in order to finance the JDE Peet's Acquisition. Refer to Note 2 of the Notes to our Unaudited Condensed Consolidated Financial Statements for additional information.

Principal Uses of Capital Resources

Our capital allocation priorities are investing to grow our business both organically and inorganically, strengthening our balance sheet, and returning cash to shareholders through regular quarterly dividends. We dynamically adjust our cash deployment plans based on the specific opportunities available in a given period, but over time we allocate capital to balance each of these priorities.

Dividends

We have declared total dividends to common shareholders of $0.69 per share in both the first nine months of 2026 and 2025. Additionally, we have paid total dividends of $107 million to the holders of our Convertible Preferred Stock in the first nine months of 2026.

Acquisitions of Businesses and Purchases of Intangible Assets

From time to time, we acquire brand ownership companies to expand our portfolio. We also invest in the expansion of our direct store delivery network through transactions with strategic independent bottlers or third-party brand ownership companies to enhance competitive distribution scale. These transactions could be accounted for either as an acquisition of a business or, if the majority of the transaction price represents the acquisition of a single intangible asset, as an asset acquisition. In the second quarter of 2026, we completed the JDE Peet's Acquisition, which was the primary driver for the change in Net cash used in investing activities as compared to the prior period. Refer to Note 2 of the Notes to our Unaudited Condensed Consolidated Financial Statements for additional information. Other purchases of intangible assets were $4 million and $16 million for the first nine months of 2026 and 2025, respectively.

Capital Expenditures

Purchases of property, plant, and equipment were $457 million and $338 million for the first nine months of 2026 and 2025, respectively. Capital expenditures included in accounts payable and accrued expenses were $194 million and $151 million for the first nine months of 2026 and 2025, respectively.

Capital expenditures, which includes both purchases of property, plant, and equipment and amounts included in accounts payable and accrued expenses, primarily related to investments in manufacturing capabilities, both in the U.S. and internationally, for the first nine months of 2026 and 2025.

Equity Method Investments

From time to time, we invest in beverage startup companies or in brand ownership companies to grow our presence in certain product categories, or enter into various licensing and distribution agreements to expand our product portfolio. Our investments may involve acquiring a minority interest in equity securities of a company, in certain cases with a protected path to ownership at our future option.

Uncertainties and Trends Affecting Liquidity

Disruptions in financial and credit markets, including those caused by inflation; global economic uncertainty; international conflicts; economic downturns; fluctuations in interest rates; the imposition of new tariffs or changes to existing tariffs; trade wars, barriers, or restrictions, or threats of such actions, and related uncertainty, may impact our ability to manage normal commercial relationships with our customers, suppliers, and creditors, and may also impact our ability to access liquidity through financial markets in a timely and cost-effective manner. These disruptions could have a negative impact on the ability of our customers to timely pay their obligations to us, thus reducing our cash flow, or the ability of our vendors to timely supply materials.

Customer and consumer demand for our products may also be impacted by the risk factors discussed herein, as well as subsequent filings with the SEC, that could have a material effect on production, delivery, and consumption of our products, which could result in a reduction in our sales volume.

SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION

The KDP Notes are fully and unconditionally guaranteed by certain of our direct and indirect subsidiaries (the "Guarantors"), as defined in the indentures governing the KDP Notes. The Guarantors, other than JDE Peet's, are 100% owned either directly or indirectly by us and jointly and severally guarantee, subject to the release provisions described below, our obligations under the KDP Notes. We have acquired 97.75% of the issued and outstanding ordinary shares of JDE Peet's, and completed the acquisition of the remaining shares through statutory buy-out proceedings, which were finalized in October 2026.

On May 21, 2026, JDE Peet's agreed to fully and unconditionally guarantee, on a joint and several basis with KDP and the other Guarantors, the obligations of Maple in respect of the Maple Notes and the Delayed Draw Term Loan facility, and to fully and unconditionally guarantee, on a joint and several basis with Maple and the other Guarantors, the obligations of KDP in respect of its existing outstanding senior notes and revolving credit facility. JDE Peet's guarantees of KDP’s obligations provide that, in addition to the events specified in the applicable indentures and credit agreements governing such indebtedness, such guarantees shall automatically terminate upon the Separation.

In addition, on May 21, 2026, Maple, KDP and the other Guarantors agreed to fully and unconditionally guarantee, on a joint and several basis with each other, the obligations of JDE Peet's in respect of the JDE Peet's Notes. KDP’s and the other Guarantors’ guarantees (excluding the guarantees of Maple) of the JDE Peet's Notes provide that, in addition to the events specified in the applicable agreements governing such indebtedness, such guarantees shall automatically terminate upon the Separation.

None of our subsidiaries organized outside of the U.S., any of the subsidiaries held by Maple prior to the DPS Merger, or any of the subsidiaries acquired after the DPS Merger (collectively, the "Non-Guarantors") guarantee the KDP Notes, with the exception of Maple, which became a Guarantor effective March 6, 2026, and JDE Peet's, which became a Guarantor on May 21, 2026, as described above. The subsidiary guarantees with respect to the KDP Notes are subject to release upon the occurrence of certain events, including the sale of all or substantially all of a subsidiary's assets, the release of the subsidiary's guarantee of our other indebtedness, our exercise of the legal defeasance option with respect to the KDP Notes, and the discharge of our obligations under the applicable indenture.

The following schedules present the summarized financial information for Keurig Dr Pepper Inc. (the "Parent") and the Guarantors on a combined basis after intercompany eliminations; the Parent and the Guarantors' amounts due from and amounts due to Non-Guarantors are disclosed separately. The consolidating schedules are provided in accordance with the reporting requirements of Rule 13-01 under SEC Regulation S-X for the issuer and guarantor subsidiaries. The following schedules include Maple as a Guarantor effective March 6, 2026 and JDE Peet's as a Guarantor effective May 21, 2026.

Summarized financial information for the Parent and Guarantors is as follows:

(in millions)	First Nine Months of 2026
Net sales	$ 8,734
Gross profit	4,079
Income from operations	903
Net loss	(22)

(in millions)	September 30, 2026
Current assets	$ 3,538
Non-current assets	27,351
Total assets[1]	$ 30,889
Current liabilities	$ 11,188
Non-current liabilities	31,037
Total liabilities[2]	$ 42,225

(1) Includes $9 million of intercompany receivables due to the Parent and Guarantors from the Non-Guarantors as of September 30, 2026.

(2) Includes $3,759 million of intercompany payables due to the Non-Guarantors from the Parent and Guarantors as of September 30, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In addition to the risks disclosed in our Annual Report, our market risk exposure has changed as a result of the JDE Peet's Acquisition. See below for a discussion of the incremental risks to our business, which should be considered in addition to the items discussed in Part II, Item 7A of our Annual Report.

FOREIGN EXCHANGE RISK

Due to the expanded geographic diversity of our operations as a result of the JDE Peet's Acquisition, we have increased exposure with respect to FX rate fluctuations. The primary exposures of JDE Peet's to FX rates are the Euro versus U.S. dollar and various other currencies. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains or losses in earnings as incurred.

JDE Peet's uses foreign currency derivative instruments such as FX forward contracts and cross-currency interest rate contracts to manage a portion of our exposure to changes in FX rates. As of September 30, 2026, JDE Peet's had foreign currency derivative contracts outstanding with notional values of $6,077 million, which mature at various dates through February 2034. The impact of a 10% weakening in the Euro is estimated to decrease the fair value of instruments of such instruments by approximately $62 million. Any increase or decrease in the value of these foreign currency derivatives would have an approximately offsetting change in the underlying hedged risk.

INTEREST RATE RISK

We manage our debt portfolio through the use of interest rate contracts and monitor our mix of fixed-rate and variable-rate debt. As of September 30, 2026, the face value of our fixed-rate and variable-rate JDE Peet's Notes were $4,492 million and $682 million, respectively. From time to time, JDE Peet's also enters into interest rate contracts that effectively result in variable-rate interest payments or receipts. These derivative instruments are generally based on SOFR or EURIBOR, plus a credit spread. There is a limited impact of fluctuations in interest rates on our interest expense associated with variable rate interest payments on JDE Peet’s Notes.

COMMODITY RISK

We are subject to market risks with respect to commodities because our ability to recover increased costs through higher pricing may be limited by the competitive environment in which we operate. Our principal commodities risks for JDE Peet's relate to our purchases of coffee beans.

We utilize commodities derivative instruments and supplier pricing agreements to hedge the risk of movements in commodity prices for limited time periods for certain commodities. As of September 30, 2026, JDE Peet's had derivative contracts outstanding with a notional value of $192 million maturing at various dates through December 2027. The fair market value of these contracts as of September 30, 2026 was a net asset of $22 million. As of September 30, 2026, a 10% change (up or down) in commodity prices is estimated to increase or decrease the fair value of these derivative instruments by approximately $20 million. Any change in the value of the commodities derivatives instruments would have an approximately offsetting change in the underlying hedged risk.

Item 4. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Based on evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that, as of September 30, 2026, our disclosure controls and procedures are effective to (i) provide reasonable assurance that information required to be disclosed in the Exchange Act filings is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and (ii) ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act are accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The JDE Peet's Acquisition, which was completed on April 1, 2026, had a material impact on our financial position, results of operations, and cash flows from the date of acquisition through September 30, 2026. The JDE Peet's Acquisition also resulted in material changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act). We are in the process of designing and integrating policies, processes, operations, technology, and other components of internal controls over financial reporting of JDE Peet's. Management will monitor the implementation of new controls and test the operating effectiveness when instances are available in future periods.

Under guidelines established by the SEC, companies are allowed to exclude an acquired business from management's report on internal control over financial reporting for the first year subsequent to the acquisition while integrating the acquired operations. Accordingly, management will exclude JDE Peet's from its annual report on internal control over financial reporting as of December 31, 2026.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are occasionally subject to litigation or other legal proceedings relating to our business. See Note 18 of the Notes to our Unaudited Condensed Consolidated Financial Statements for more information related to commitments and contingencies, which is incorporated herein by reference.

Item 1A. Risk Factors

In addition to other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risks and uncertainties discussed in Part II, Item 1A in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 and in Part I, Item 1A in our Annual Report. There have been no material changes from the risk factors set forth in our Annual Report, as updated by Part II, Item 1A in that Quarterly Report.

Item 5. Other Information

During the third quarter of 2026, no directors or executive officers of KDP adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of KDP securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

No.	Exhibit Description	Incorporated by Reference			Footnote
		Form	Date of Filing	Exhibit Number	
2.1	Merger Protocol, dated as of August 24, 2025, among Keurig Dr Pepper Inc. and JDE Peet's N.V.	8-K	8/25/2025	2.1	‡
2.2	Form of Irrevocable Undertaking, dated as of August 24, 2025	8-K	8/25/2025	2.2	
3.1	Amended and Restated Certificate of Incorporation of Dr Pepper Snapple Group, Inc.	8-K	5/12/2008	3.1	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Dr Pepper Snapple Group, Inc. effective as of May 17, 2012	10-Q	7/26/2012	3.2	
3.3	Certificate of Second Amendment to Amended and Restated Certificate of Incorporation of Dr Pepper Snapple Group, Inc. effective as of May 19, 2016	8-K	5/20/2016	3.1	
3.4	Certificate of Third Amendment to the Amended and Restated Certificate of Incorporation of Dr Pepper Snapple Group, Inc. effective as of July 9, 2018	8-K	7/9/2018	3.1	
3.5	Amended and Restated By-Laws of Keurig Dr Pepper Inc. effective as of February 20, 2025	10-K	2/25/2025	3.5	
3.6	Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock of Keurig Dr Pepper Inc., effective as of March 30, 2026	8-K	4/1/2026	3.1	
22.1	List of Guarantor Subsidiaries	—	—	—	*
31.1	Certification of Chief Executive Officer of Keurig Dr Pepper Inc. pursuant to Rule 13a-14(a) or 15d-14(a) promulgated under the Exchange Act	—	—	—	*
31.2	Certification of Chief Financial Officer of Keurig Dr Pepper Inc. pursuant to Rule 13a-14(a) or 15d-14(a) promulgated under the Exchange Act	—	—	—	*
32.1	Certification of Chief Executive Officer of Keurig Dr Pepper Inc. pursuant to Rule 13a-14(b) or 15d-14(b) promulgated under the Exchange Act, and Section 1350 of Chapter 63 of Title 18 of the United States Code	—	—	—	**
32.2	Certification of Chief Financial Officer of Keurig Dr Pepper Inc. pursuant to Rule 13a-14(b) or 15d-14(b) promulgated under the Exchange Act, and Section 1350 of Chapter 63 of Title 18 of the United States Code	—	—	—	**
101	The following financial information from Keurig Dr Pepper Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Income, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statement of Changes in Equity, and (vi) the Notes to Condensed Consolidated Financial Statements. The Instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	—	—	—	*
104	The cover page from this Quarterly Report on Form 10-Q, formatted as Inline XBRL	—	—	—	*

* Filed herewith.

** Furnished herewith.

‡ Certain portions of this exhibit have been omitted from this filing pursuant to Item 601 of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Keurig Dr Pepper Inc.

By: /s/ Anthony DiSilvestro

Name: Anthony DiSilvestro

Title: Chief Financial Officer
(Principal Financial Officer)

Date: November 9, 2026

Guarantor Subsidiaries of Keurig Dr Pepper Inc.

As of September 30, 2026

The following subsidiaries of Keurig Dr Pepper Inc. (the "Company") were guarantors of the Company's senior unsecured notes as of September 30, 2026:

	Name of Guarantor Subsidiary	Jurisdiction of Formation
1	234DP Aviation, LLC	Delaware
2	A&W Concentrate Company	Delaware
3	Bai Brands LLC	New Jersey
4	Beverages Delaware Inc.	Delaware
5	DP Beverages Inc.	Delaware
6	DPS Americas Beverages, LLC	Delaware
7	DPS Beverages, Inc.	Delaware
8	DPS Holdings Inc.	Delaware
9	Dr Pepper/Seven Up Beverage Sales Company	Texas
10	Dr Pepper/Seven Up Manufacturing Company	Delaware
11	Dr Pepper/Seven Up, Inc.	Delaware
12	Maple Parent Holdings Corp.	Delaware
13	Mott's Delaware LLC	Delaware
14	Mott's LLP	Delaware
15	Nantucket Allserve, LLC	Delaware
16	Snapple Beverage Corp.	Delaware
17	Splash Transport, Inc.	Delaware
18	The American Bottling Company	Delaware
19	JDEP Coffee B.V.	Netherlands

Principal Executive Officer's Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Timothy Cofer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Keurig Dr Pepper Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2026

/s/ Timothy Cofer
Timothy Cofer
Chief Executive Officer

Principal Financial Officer's Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Anthony DiSilvestro, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Keurig Dr Pepper Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2026

/s/ Anthony DiSilvestro
Anthony DiSilvestro
Chief Financial Officer

Exhibit 32.1

Certification Pursuant To 18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

I, Timothy Cofer, Chief Executive Officer of Keurig Dr Pepper Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the third quarterly period ended September 30, 2026, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2026

/s/ Timothy Cofer
Timothy Cofer
Chief Executive Officer

Certification Pursuant To 18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

I, Anthony DiSilvestro, Chief Financial Officer of Keurig Dr Pepper Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the third quarterly period ended September 30, 2026, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2026

/s/ Anthony DiSilvestro
Anthony DiSilvestro
Chief Financial Officer