

PepsiCo CEO's Pay Increased by 5 Percent

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NEW YORK (AP) — [PepsiCo](#) [1] CEO Indra Nooyi got a pay package worth \$13.2 million last year, representing a 5 percent increase from the previous year.

The pay bump for the Indian-born Nooyi was the result of a higher performance-based bonus, reflecting the company's improved financial results after coming out of a "transitional year" in which it slashed costs and stepped up investments in flagship brands.

In addition to its namesake soda, PepsiCo makes Gatorade, Mountain Dew, Quaker oats and Frito-Lay snacks such as Doritos and Cheetos.

PepsiCo Inc., based in Purchase, New York, had been under pressure to improve its results when Nooyi announced a "reset" in 2012 to strengthen its brands. The company made a point of investing more heavily in marketing for its Pepsi soda, which had lost market share to Coca-Cola Co. over the years.

Even as it worked to deliver stronger results in 2013, however, the company was working to beat back calls from Trian Fund Management's Nelson Peltz to spin off its underperforming beverage unit. The activist investor wanted PepsiCo to then merge with Oreo cookie maker Mondelez to create a global snack food giant.

Peltz has since backed down from the calls for a marriage between the two companies, but continues to press his case for PepsiCo to split up its snacks and drinks businesses. PepsiCo executives have stressed their intention of moving forward as a combined company, saying the two units complement each other.

Its results in 2013 were better, with net income and earnings per share increasing. Drinks continued to lag in North America, with soda in particular seeing declines. But executives say having a diversity of products helps PepsiCo weather a variety of challenges. It also notes it's positioned to benefit from the strength of its non-carbonated drinks like Gatorade as people continue to move away from soda.

For 2013, Nooyi's pay included a base salary of \$1.6 million, stock awards of \$7.5 million and a performance-based bonus of \$4 million. In 2012, her performance-based bonus was \$3.3 million.

Other pay last year included \$102,772 for use of the company aircraft and \$30,463 for ground transportation.

Nooyi, 58, has been chief executive since 2006 and board chair since 2007.

The Associated Press formula for executive compensation includes salary, bonuses, perks, above-market interest the company pays on deferred compensation and the

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estimated value of stock and stock options awarded during the year. It does not count changes in the present value of pension benefits, which makes the AP total slightly different in most cases from the total reported by companies to the Securities and Exchange Commission.

The value that a company assigned to an executive's stock and option awards was the present value of what the company expected the awards to be worth over time. The number is just an estimate and what an executive ultimately receives will depend on the performance of the company's stock.

Also see: [PepsiCo Focusing on 'Performance with a Purpose'](#) [2]

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[2] <http://www.foodmanufacturing.com/videos/2014/01/pepsico-focusing-performance-purpose>