

# LeaderBoard

## DEAL TOY

### Soda Pep

In 2010 Pepsi reacquired two of its independent bottling divisions, hoping for fizzier profits.

#### SPIN (OFF) THE BOTTLE

In the late 1990s Pepsi streamlined, spinning off fast-food operations (Taco Bell, KFC and Pizza Hut, now collectively known as Yum Brands) and its North American bottling businesses. A decade later, though, CEO Indra Nooyi, at the helm since 2006, decided that more control over production and distribution would caffeinate the bottom line.

#### CUP RUNNETH OVER

By agreeing to acquire Pepsi Bottling and PepsiAmericas in August 2009, Pepsi consolidated 80% of its North American beverage manufacturing, sales and distribution under its own roof, boasting at the time of \$400 million in expected annual savings.

#### RUSSIAN RECONNAISSANCE

Investment banker Blair Effron, cofounder of boutique Centerview Partners, had a hand in most big consumer-products deals of the past decade. After Pepsi reacquired its bottling operations, Effron helped Nooyi chase global growth with its 2010 acquisition of Russian dairy-and-juice company Wimm-Bill-Dann.



#### LOOSE CHANGE

Pepsi's dealmaking hasn't delivered tastier profits. Net income, \$5.5 billion in 2015, is down 14% from five years earlier; the stock price has been as flat as a week-old 2-liter. It has kept pace with eternal rival Coke, though, and Nooyi beat back a challenge from activist investor Nelson Peltz, who had a \$1.8 billion stake and called for a split of Pepsi's beverage business and its Frito-Lay snack empire.

#### THE PEPSI CHALLENGE

As Pepsi reunited with its bottlers, investors gulped down shares of Coke bottler Coca-Cola Enterprises. Just before Pepsi's transaction closed, Coke CEO Muhtar Kent agreed to his own deal, swapping foreign bottling assets for CCE's North American portfolio and causing CCE's stock to shoot up 33% in a day.