The Coca-Cola Company Comments on Tax Court Decision

ATLANTA--(BUSINESS WIRE)-- On Nov. 8, the U.S. Tax Court issued a supplemental opinion in The Coca-Cola Company & Subsidiaries v. Commissioner of Internal Revenue. The Coca-Cola Company disagrees with the actions of the IRS and the latest decision by the U.S. Tax Court.

While we disagree with the court’s interpretation of the facts and law in this case, we are pleased to move closer to a final resolution of the Tax Court case so that we can pursue an appeal, where we can assert our claims and vigorously defend the company’s position.

This includes our belief that it is unconstitutional to face retroactive tax liability based on the IRS’ use of a calculation methodology that was different from what was long agreed upon and approved in audits for more than a decade.

We do not expect the results in this recent supplemental decision to change the methodologies we have used to calculate the tax reserve we have taken or the potential aggregate incremental tax and interest liability we have disclosed related to the dispute with the IRS or our effective tax rate.

About The Coca-Cola Company

The Coca-Cola Company (NYSE: KO) is a total beverage company with products sold in more than 200 countries and territories. Our company’s purpose is to refresh the world and make a difference. We sell multiple billion-dollar brands across several beverage categories worldwide. Our portfolio of sparkling soft drink brands includes Coca-Cola, Sprite and Fanta. Our water, sports, coffee and tea brands include Dasani, smartwater, vitaminwater, Topo Chico, BODYARMOR, Powerade, Costa, Georgia, Gold Peak and Ayataka. Our juice, value-added dairy and plant-based beverage brands include Minute Maid, Simply, innocent, Del Valle, fairlife and AdeS. We’re constantly transforming our portfolio, from reducing sugar in our drinks to bringing innovative new products to market. We seek to positively impact people’s lives, communities and the planet through water replenishment, packaging recycling, sustainable sourcing practices and carbon emissions reductions across our value chain. Together with our bottling partners, we employ more than 700,000 people, helping bring economic opportunity to local communities worldwide. Learn more at www.coca-colacompany.com and follow us on Instagram, Facebook and LinkedIn.

Forward-Looking Statements

This press release may contain statements, estimates or projections that constitute “forward-looking statements” as defined under U.S. federal securities laws. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will” and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause The Coca-
Cola Company’s actual results to differ materially from its historical experience and our present expectations or projections. These risks include, but are not limited to, increases in income tax rates, changes in income tax laws or the unfavorable resolution of tax matters, including the outcome of our ongoing tax dispute or any related disputes with the U.S. Internal Revenue Service (“IRS”); the possibility that the assumptions used to calculate our estimated aggregate incremental tax and interest liability related to the potential unfavorable outcome of the ongoing tax dispute with the IRS could significantly change; increased or new indirect taxes; and other risks discussed in our filings with the Securities and Exchange Commission (“SEC”), including our Annual Report on Form 10-K for the year ended December 31, 2022, and our subsequently filed Quarterly Reports on Form 10-Q, which filings are available from the SEC. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements.

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Source: The Coca-Cola Company