
THE COCA-COLA COMPANY
beverages for life


# Deutsche Bank Global Consumer Conference

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The fairlife® brand is owned by fairlife, LLC, our joint venture with Select Milk Producers, Inc., and fairlife's products are distributed by our Company and certain of our bottling partners.

# FORWARD-LOOKING STATEMENTS

This presentation 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 actual results to differ materially from The Coca-Cola Company’s historical experience and our present expectations or projections. These risks include, but are not limited to, obesity and other health-related concerns; water scarcity and poor quality; evolving consumer preferences; increased competition; product safety and quality concerns; perceived negative health consequences of certain ingredients, such as non-nutritive sweeteners and biotechnology-derived substances, and of other substances present in our beverage products or packaging materials; an inability to be successful in our innovation activities; increased demand for food products and decreased agricultural productivity; an inability to protect our information systems against service interruption, misappropriation of data or breaches of security; changes in the retail landscape or the loss of key retail or foodservice customers; an inability to expand operations in emerging and developing markets; fluctuations in foreign currency exchange rates; interest rate increases; an inability to maintain good relationships with our bottling partners; a deterioration in our bottling partners' financial condition; increases in income tax rates, changes in income tax laws or unfavorable resolution of tax matters; increased or new indirect taxes in the United States and throughout the world; failure to realize the economic benefits from or an inability to successfully manage the possible negative consequences of our productivity initiatives; inability to attract or retain a highly skilled and diverse workforce; increased cost, disruption of supply or shortage of energy or fuels; increased cost, disruption of supply or shortage of ingredients, other raw materials, packaging materials, aluminum cans and other containers; changes in laws and regulations relating to beverage containers and packaging; significant additional labeling or warning requirements or limitations on the marketing or sale of our products; unfavorable general economic conditions in the United States; unfavorable economic and political conditions in international markets; litigation or legal proceedings; failure to adequately protect, or disputes relating to, trademarks, formulae and other intellectual property rights; adverse weather conditions; climate change; damage to our brand image or corporate reputation from negative publicity, even if unwarranted, related to product safety or quality, human and workplace rights, obesity or other issues; changes in, or failure to comply with, the laws and regulations applicable to our products or our business operations; changes in accounting standards; an inability to achieve our overall long-term growth objectives; deterioration of global credit market conditions; default by or failure of one or more of our counterparty financial institutions; an inability to renew collective bargaining agreements on satisfactory terms, or we or our bottling partners experience strikes, work stoppages or labor unrest; future impairment charges; multi-employer pension plan withdrawal liabilities in the future; an inability to successfully integrate and manage our Company-owned or -controlled bottling operations or other acquired businesses or brands; an inability to successfully manage our refranchising activities; failure to realize a significant portion of the anticipated benefits of our strategic relationship with Monster; global or regional catastrophic events; and other risks discussed in our Company’s filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the year ended December 31, 2017 and our subsequently filed Quarterly Report 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. The Coca-Cola Company undertakes no obligation to publicly update or revise any forward-looking statements.

# RECONCILIATION TO U.S. GAAP FINANCIAL INFORMATION

The following presentation may include certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934. A schedule which reconciles our results as reported under Generally Accepted Accounting Principles and the non-GAAP financial measures included in the following presentation can be found **here** or on the Company's website at www.coca-colacompany.com (in the “Investors” section).

The 2018 outlook information provided in this presentation includes forward-looking non-GAAP financial measures, which management uses in measuring performance. The Company is not able to reconcile full year 2018 projected organic revenues (non-GAAP) to full year 2018 projected reported net revenues, full year 2018 projected comparable currency neutral operating income (adjusted for structural items and accounting changes) (non-GAAP) to full year 2018 projected reported operating income, or full year 2018 projected comparable EPS from continuing operations (non-GAAP) to full year 2018 projected reported EPS from continuing operations without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact of changes in foreign currency exchange rates; the exact timing and amount of acquisitions, divestitures and/or structural changes; the exact timing and amount of comparability items throughout 2018; and the actual impact of accounting changes.

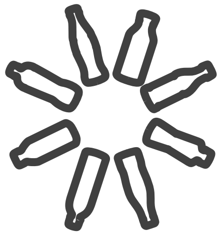
# WE HAVE A CLEAR DESTINATION


- **Total Beverage Company**
- **Accountable, Performance-Driven Growth Culture**
- **Brand-Focused Organization**
- **Asset-Light, High-Margin and High-Return Business**

# SINCE 2015, THE COMPANY HAS UNDERGONE SIGNIFICANT CHANGE

## CONSUMER-CENTRIC PORTFOLIO APPROACH

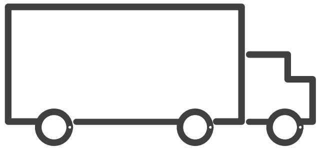
- Shifted focus on value versus volume
- Evolved our approach to added sugar
- Moved to a category cluster model
- Adopted a “test and learn” approach to the portfolio



## STRENGTHENED THE SYSTEM TO DRIVE PERFORMANCE

Refranchising the majority of our company-owned bottling operations to strong partners with…

- Belief in the collaborative franchise model
- Vision for long-term value creation
- Passion for people and execution



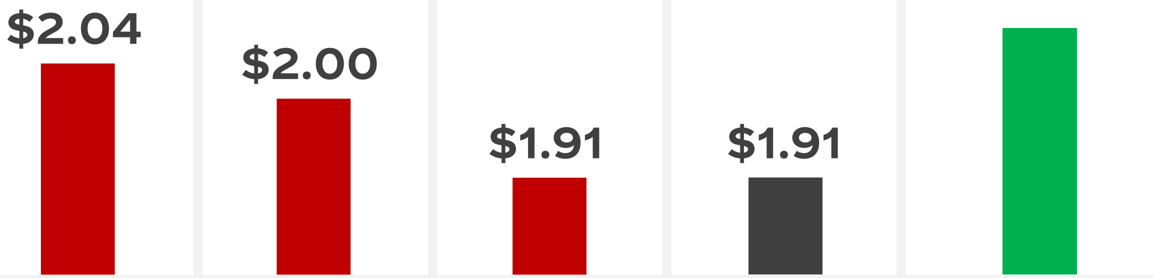
## MANAGEMENT TRANSITION & CULTURE OVERHAUL

- New Chief Executive Officer
- Appointed Chief Growth Officer
- New Group Presidents
- Lean Enterprise Initiative
- Updated incentive structure

# 2018 WILL BE THE INFLECTION YEAR

## CURRENCY AND STRUCTURAL HEADWINDS MODERATING

| | 2014 | 2015 | 2016 | 2017 | 2018E | |
|---|---|---|---|---|---|---|
| **Operating Income*** | **6%** | **7%** | **10%** | **8%** | **8 to 9%** | ➡ Focus on what we can control |
| • *FX Impact*** | *(6)%* | *(11)%* | *(7)%* | *(2)%* | *(3) to (2)%* | ➡ FX moderating |
| • *Structural Impact*** | *(3)%* | *(1)%* | *(6)%* | *(9)%* | *(2)%* | ➡ Refranchising largely complete |
| **Comparable EPS** | **(2)%** | **(2)%** | **(4)%** | **0%** | **8 to 10%** | |

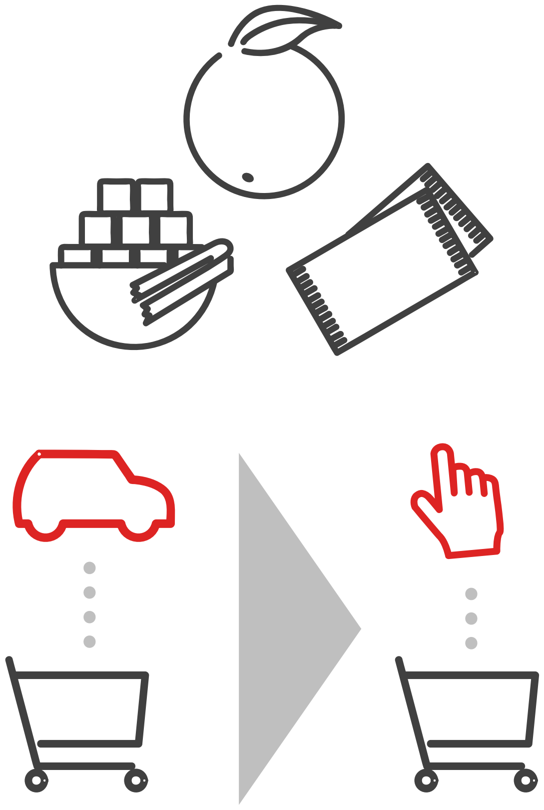
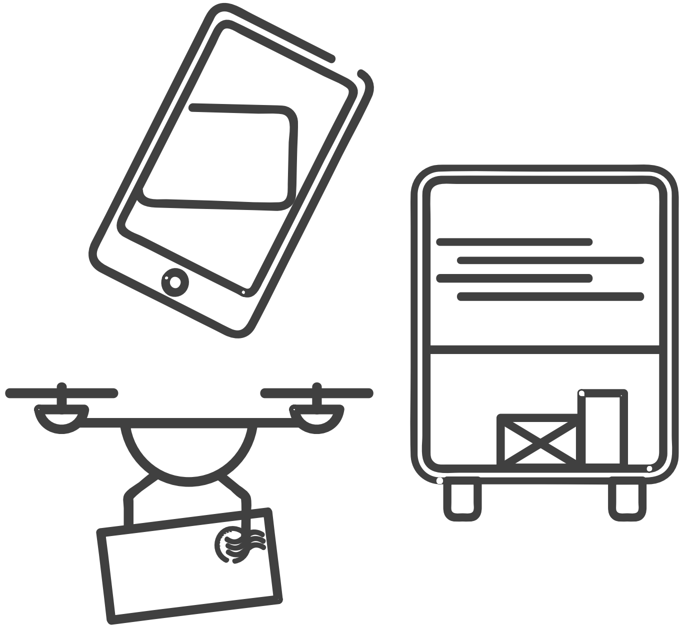
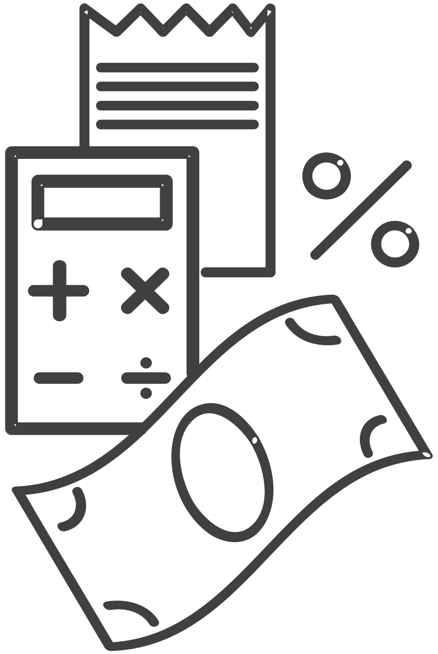



Note: Comparable EPS is an non-GAAP measure. For 2014 - 2017, comparable EPS growth included a 1 point benefit from net share repurchases. For 2017 and 2018E, comparable EPS growth is for continuing operations.

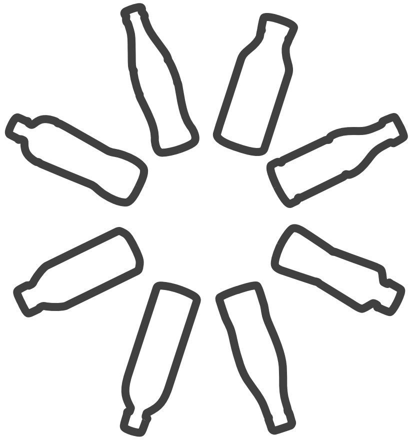
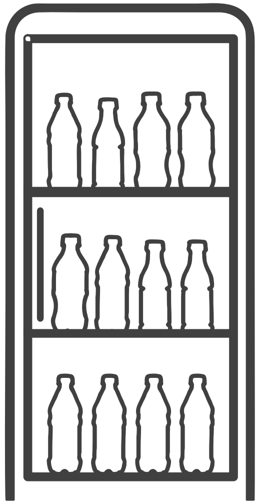
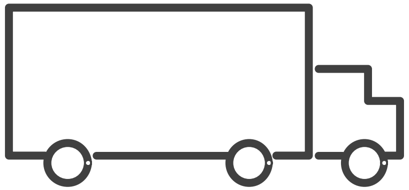
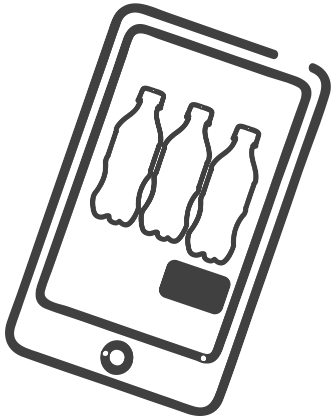
* Comparable currency neutral operating income (structurally adjusted) (non-GAAP) for 2014 – 2017. The growth rate for 2017 has been revised to reflect the adoption of Accounting Standards Update 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. Comparable currency neutral operating income (adjusted for structural items and accounting changes) (non-GAAP) for 2018E.

** Impact to comparable operating income (non-GAAP).

# THE INDUSTRY LANDSCAPE IS UNDERGOING FUNDAMENTAL CHANGES

| Consumer Preferences | Digital Evolution | Regulation / Taxes |
| --- | --- | --- |
|  |  |  |

# WE HAVE THE RIGHT PRIORITIES FOR SUCCESS IN THIS CHANGING LANDSCAPE

| Accelerate Growth of Leading **Consumer-Centric** Brand Portfolio | Drive Revenue **Growth** Algorithm | Strengthen Our System's **Value-Creation Advantage** | **Digitize** the System – 'Click's Reach of Desire' | Unlock the Power of Our **People** |
|---|---|---|---|---|
|  |  |  |  |  |

Making the **Right Choices** and **Investing** for Growth

# WE ARE AN ATTRACTIVE LONG-TERM INVESTMENT

| Strengths | Long-Term Targets | | | |
|---|---|---|---|---|
| **Global leader** in growth industry<br>Strong **foundation**<br>Clear **destination**<br>**New culture** aligning for growth<br>Accelerating **returns** | **4 to 6%**<br>Organic Revenue Growth* | **6 to 8%**<br>Operating Income Growth** | **7 to 9%**<br>EPS Growth** | **90 to 95%**<br>Adjusted Free Cash Flow Conversion Ratio* |

* Non-GAAP
** Comparable currency neutral (non-GAAP)

# WE HAVE BALANCED CAPITAL ALLOCATION PRIORITIES

| Consistent & Disciplined Capital Priorities | Capital Structure Framework |
|---|---|

## Consistent & Disciplined Capital Priorities

1. **Reinvest**
   Investments within marketing, innovation, productivity, and capital expenditures
2. **Grow Dividend**
   Continue to grow dividend as a function of free cash flow, with 75% payout ratio over time
3. **M&A**
   Clear performance accountability & lookback
4. **Net Share Repurchases**
   At least offset dilution

## Capital Structure Framework

**Current**
2.3x Net Debt Leverage*

**Target**
2 to 2.5x Net Debt Leverage*

*Non-GAAP

**Balancing Financial Flexibility & Efficient Capital Structure**

# DRIVING VALUE THROUGH BOLT-ON M&A

## JUGOS DEL VALLE: THE POWER OF QUALITY LEADERSHIP

| | VALUE | EBITDA | MARGIN |
|---|---|---|---|
| Del Valle | 5x<br>Since Acquisition | 17%<br>10-year CAGR* | +750bps<br>(2007 – 2017) |

One brand…

Juice

…a catalyst for growth outside of sparkling

Dairy

Plant

Tea

Prem. Juice

Leadership Ratio Greater Than

**1.5x**

Present in Mexico & Brazil → Present in all major markets in LatAm

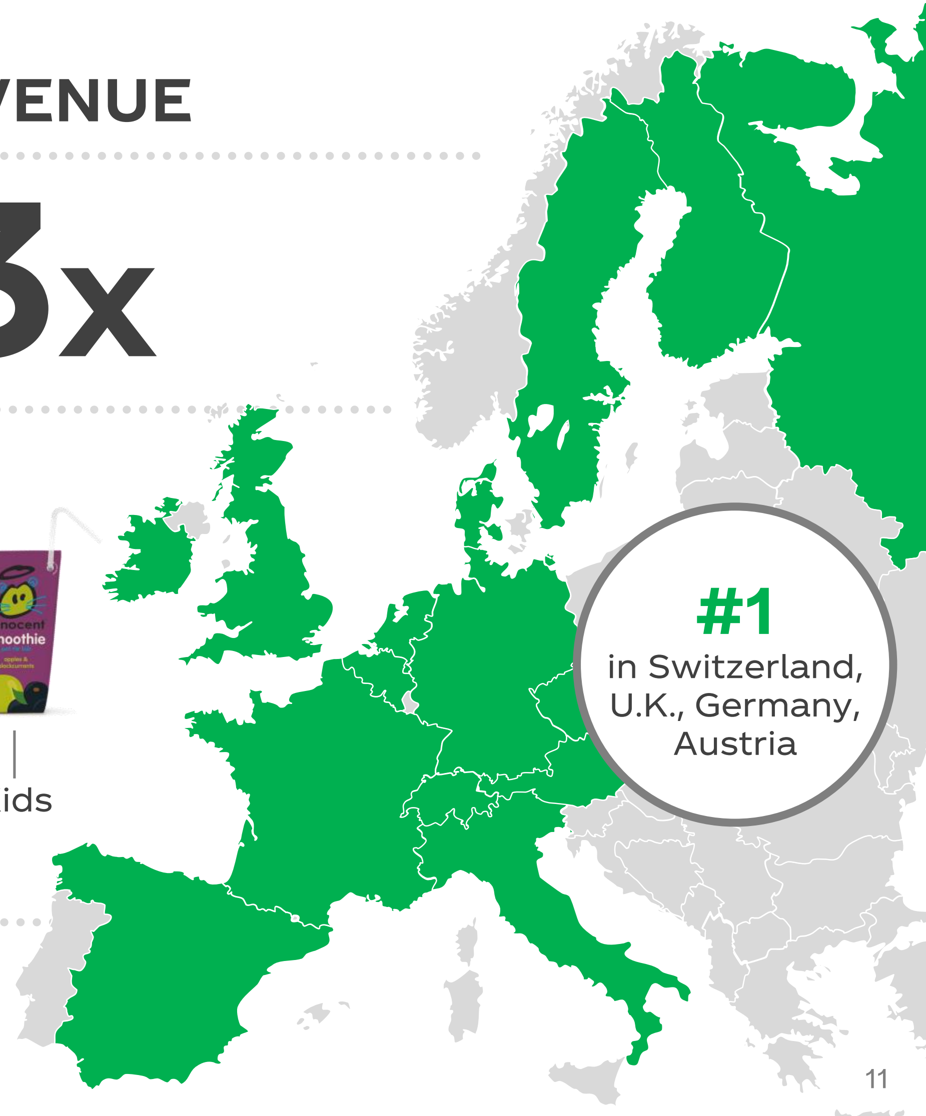
Note: Value multiple, EBITDA growth, and EBITDA margin expansion include brands acquired and/or launched under Jugos del Valle S.A. de C.V.
* CAGR for 10-year period ending 2017

# REPEATING THE PLAY WITH INNOCENT
## ON THE JOURNEY FROM CHALLENGER TO LEADER

| 2009 | TODAY | REVENUE |
|---|---|---|
| **#1** Smoothie brand in U.K. | **#1** Chilled juice brand in Europe | **3x** |

Super Smoothies
Smoothies
Super Juice
Protein
Juice
Coconut Water
Bubbles
Kids

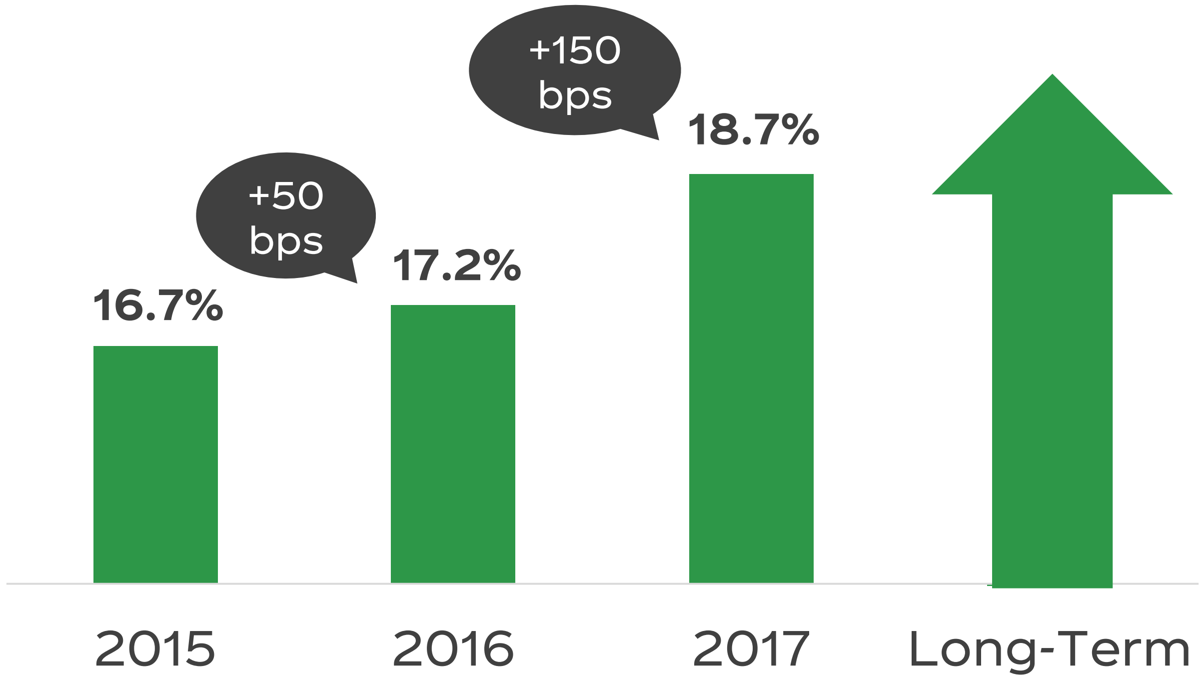
**Entrepreneurial** → **Entrepreneurial**



# WE ARE ACCELERATING OUR RETURNS

## WITH CLEAR DRIVERS GOING FORWARD

### Return On Invested Capital*




* ROIC = NOPAT divided by two-year average of invested capital; ROIC is a non-GAAP measure

Note: 2015 and 2016 invested capital is calculated as follows: Total debt plus total equity minus total cash, cash equivalents and short-term investments minus marketable securities. 2017 invested capital is calculated as follows: Total debt plus total equity minus total cash, cash equivalents and short-term investments minus marketable securities minus net assets held for sale – discontinued operations

### Drivers

- Focus on **disciplined growth**
  - Smart portfolio choices
  - Scale long-term
- Drive **margin expansion**
  - Profitability in sparkling
  - Productivity mindset
- Leverage our **strengths**
  - Re-energized system
  - Focus on our core

# WE ARE CONFIDENT IN OUR 2018 GUIDANCE

| Metric | 2017 | 2018E |
|---|---|---|
| Organic Revenue* | 3% | 4% |
| Comparable EPS** | 0% | 8 to 10% |
| Cash from Operations | $7.0B | At Least $8.5B |

* Non-GAAP
** Comparable EPS from continuing operations (non-GAAP)

**Accelerating performance and strong EPS** growth**

# CONSISTENTLY DRIVING THE DISCIPLINE OF GROWTH

## THE COCA-COLA COMPANY
beverages for life

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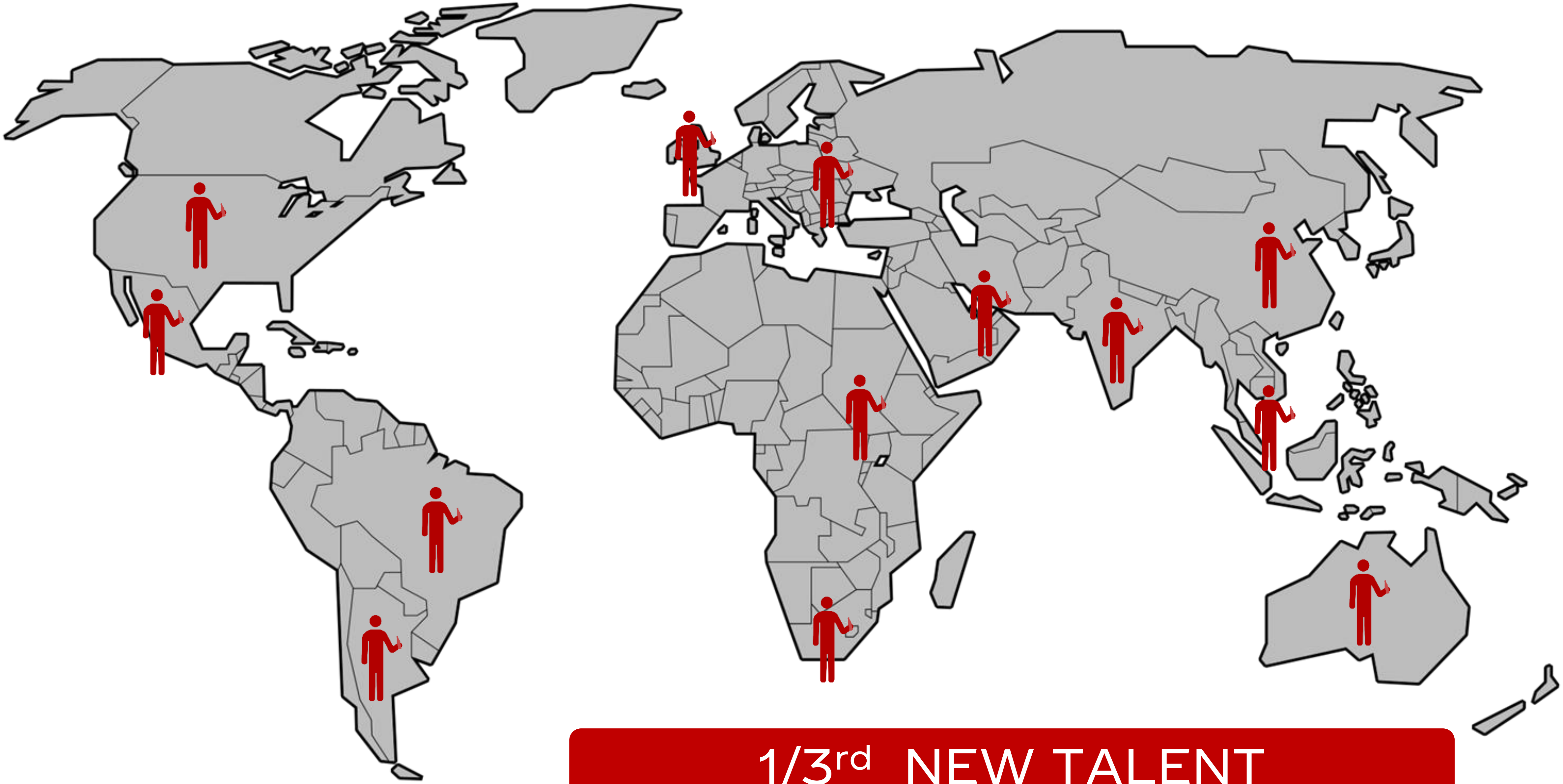
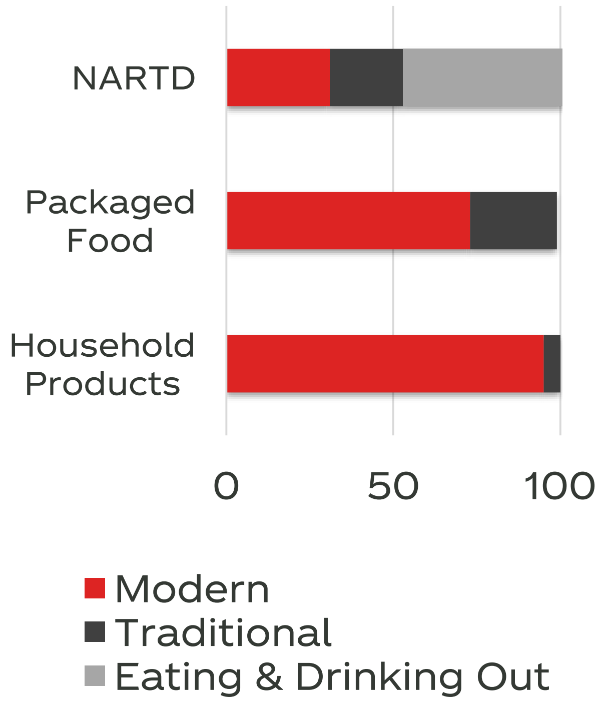
# CHANGE IS IN THE AIR



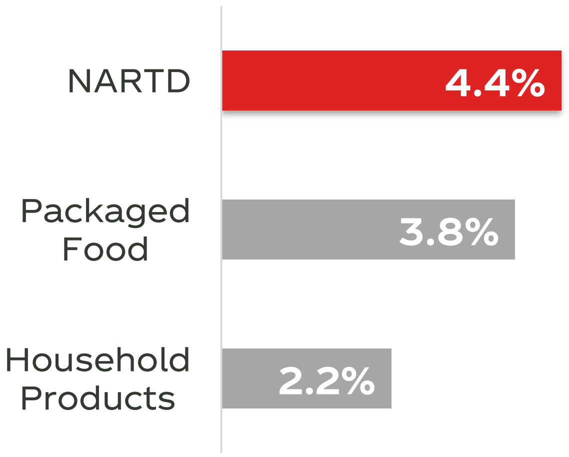
1/3rd NEW TALENT

# A HEALTHY INDUSTRY TO “PLAY” IN

## Highly Diversified
% Sales by Channel



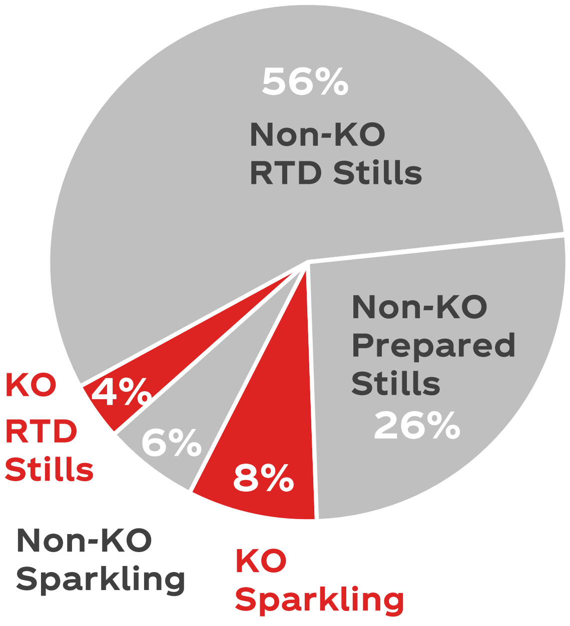

## Strong Relative Growth
Industry Retail Value Growth
2013-2016 CAGR




## Solid Growth Prospects
Industry Retail Value Growth
2017-2020

**+$150B**
4% CAGR

## Still at the 1st Sip
KO has small share of nonalcoholic commercial beverage liquid intake

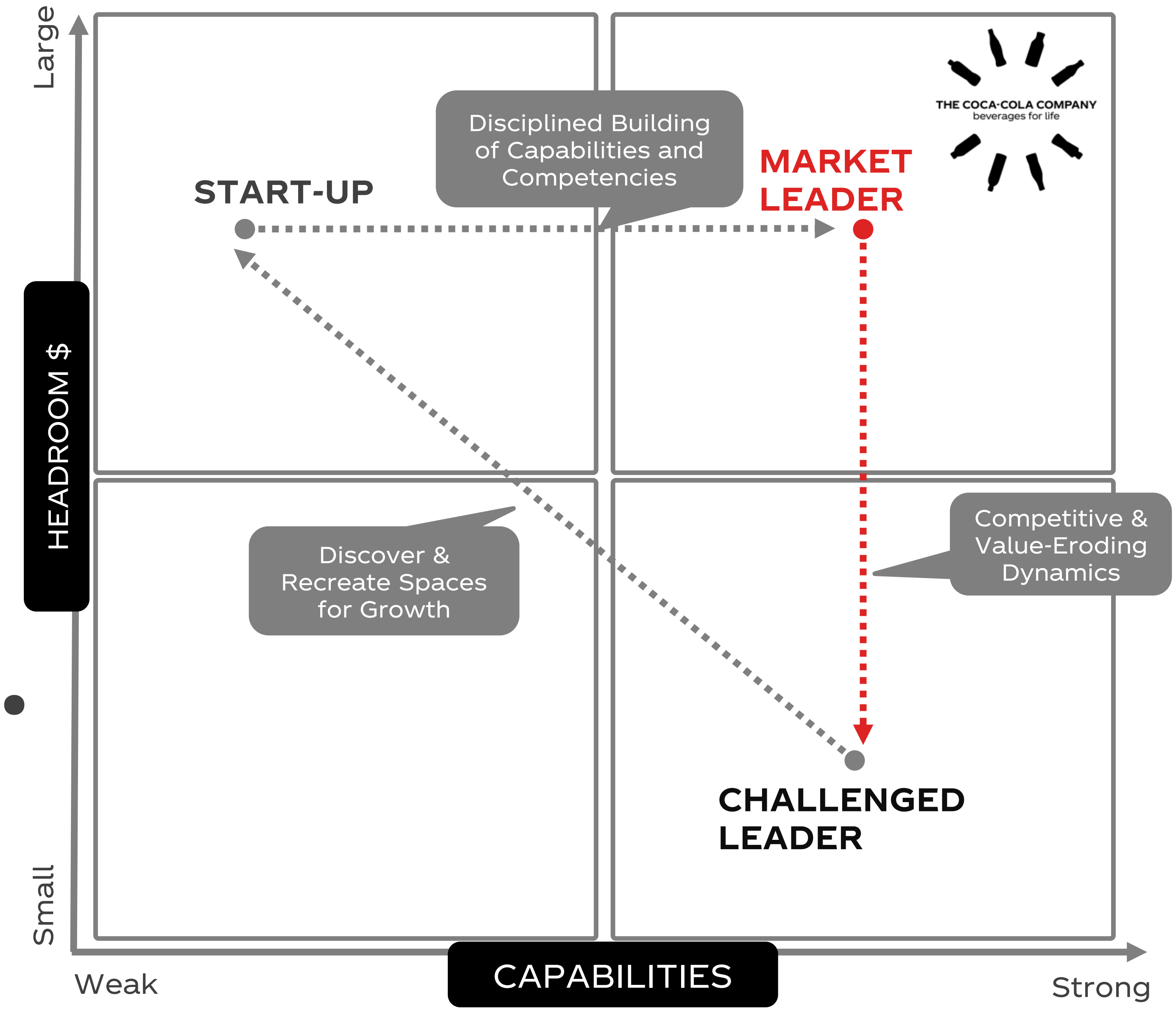



Source: Internal Estimates

Source: GlobalData for channel data. GlobalData and Euromonitor for historical industry retail value growth. Internal Estimates for future retail value growth.
Note: Industry growth for nonalcoholic ready-to-drink excludes white milk and bulk water.

# GROWTH IS A CHALLENGE OF CAPABILITY.

## DEVELOPING CAPABILITIES NEEDS DISCIPLINE.



# A FRESH VIEW ON Coca-Cola HEADROOM

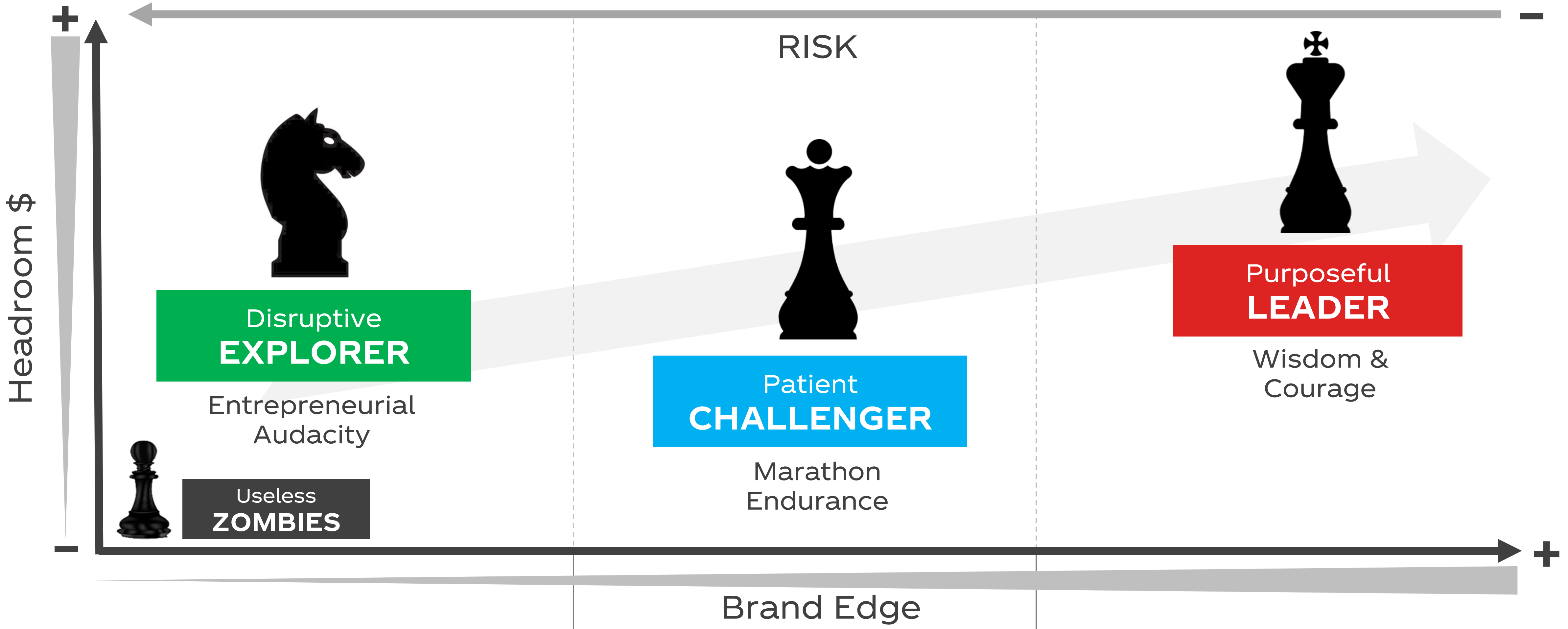
# 600 MILLION

NEW
CONSUMER
OPPORTUNITY

# BUILDING QUALITY LEADERSHIP ACROSS OUR PORTFOLIO

We Have Portfolio Width. We Are Shaping Our Portfolio for Depth.

## DISCIPLINED PORTFOLIO MANAGEMENT

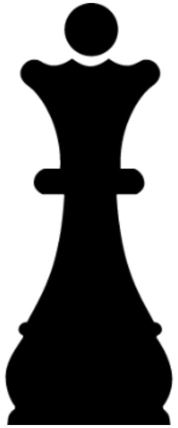



- Disrupt existing habits
- Scale / kill
- Learn as build

- Exploit the edge
- Obsessive segmentation
- Persistent investment

- Expand headroom for growth
- Capture value
- Nurture the edge

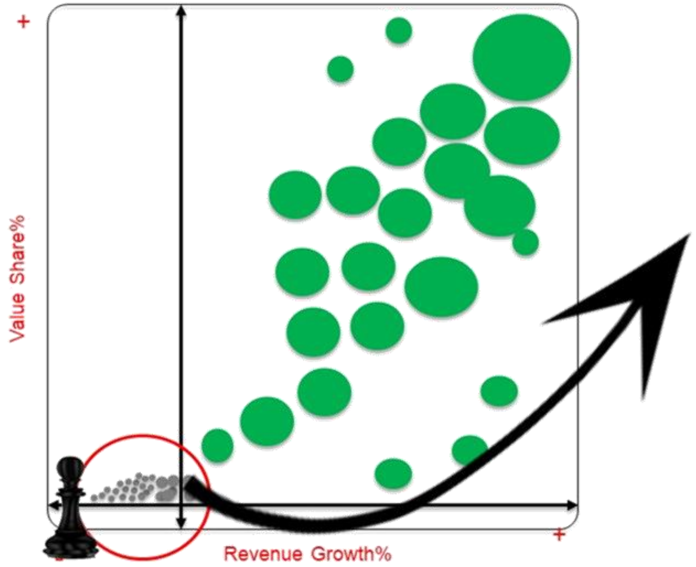
# WE ARE IMPROVING OUR SUCCESS RATE



| | Disruptive **EXPLORER** | Patient **CHALLENGER** | Purposeful **LEADER** |
|---|---|---|---|
| 1Q 2018 Performance | **1/3rd** OF COMBOS HAD DOUBLE-DIGIT VOLUME GROWTH | **51%** OF COMBOS GREW VALUE SHARE | **+4.0%** TRANSACTION GROWTH |
| % of Business | 5% | 16% | 79% |

# WE ARE ACTIVELY HUNTING FOR ZOMBIES TO MAKE SPACE FOR DISCIPLINED EXPERIMENTATION

KILLING ZOMBIES




ZOMBIE GUIDANCE ISSUED WORLDWIDE

QUARTERLY ZOMBIE IDENTIFICATION LIST

MORE EXPERIMENTATION

# OF EXPERIMENTS

**+38%***

**(575)****

VOLUME FROM EXPERIMENTS

**+32%***

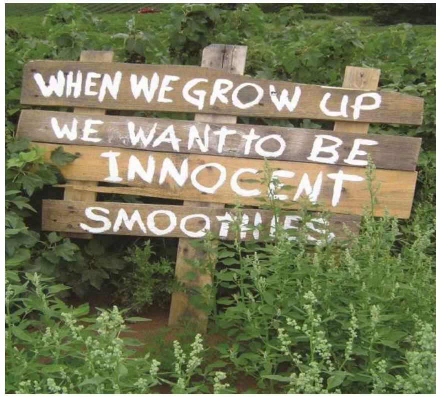

* Two-year CAGR (Q1 2018 versus Q1 2016)
** As of Q1 2018

# BRANDS WITH EDGE ARE BECOMING LEADERS

The **innocent philosophy**: Make it easy for people to do themselves some good (the what) – by creating a business we can be proud of (the how).

## Purpose


Integrated end-to-end business:
from grove to glass




## Vision



## Edge

- 100% natural, tasty & healthy product
- Playful personality
- Sustainable packaging & sourcing; 10% profits to charity
- Culture; living the values


## Growth

**3x**

**Revenue**


NOTE: Since acquisition in 2009.

## Leadership

**#1**

**Chilled Juice Brand in Europe**

# HOW COKE DEEPENS ITS BOND WITH CHINESE CONSUMERS WITH CHINESE NEW YEAR RITUALS

## DISRUPTING RITUALS…

**Recent Past**

- Big Family
- Big Coca-Cola Pack
- Family Celebration
- Traditional Red Packet

**Today**


- Diverse Family
- Diverse Packs for Home
- Family Connection
- New Mobile Red Packet


## …CREATES GROWTH

**375MM**
Direct Scans

**194MM**
Coca-Cola Red Packets Redeemed

**+24%**
Coca-Cola Volume Growth During CNY'18

SOURCE: Direct scans and redemption data provided by Alipay

# RECIPES ALLOWING US TO LIFT-SHIFT-SCALE WITH SPEED AND EFFICIENCY


## 37 EUROPEAN MARKETS

SAME DAY LAUNCH IN JANUARY 2018



## 19 EUROPEAN MARKETS

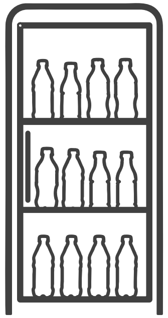
LAUNCHING IN 2018

# NINE CAPABILITIES FOR GROWTH

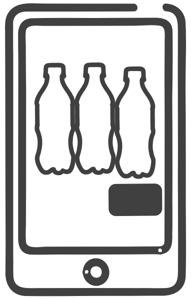
**REVENUE GROWTH MANAGEMENT**


**ROUTE-TO-MARKET**

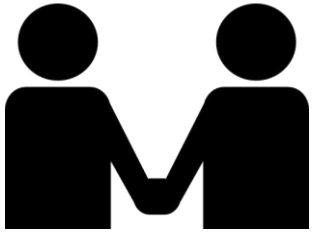
**RIGHT EXECUTION DAILY**



**DIGITAL**

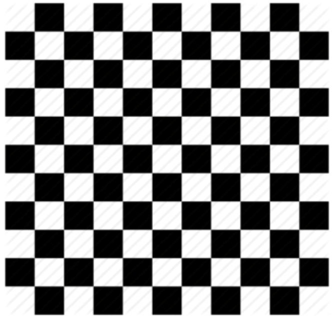


**PARTNERS**



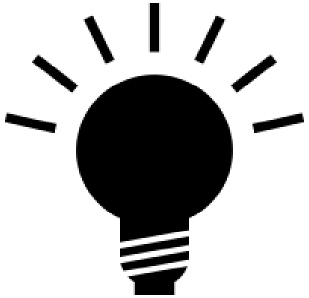
**STORYTELLING**

**SEGMENTATION**



**DESIGN**

**INNOVATION**



# MULTIPLE CAPABILITIES WORKING TOGETHER TO DELIVER THE BEST FIFA WORLD CUP 2018 ACTIVATION

## DESIGN

## DIGITAL

## PARTNERS


## INNOVATION


## SEGMENTATION

Home Stadium Managers

Box Seat Enthusiasts

Match-Up Partners

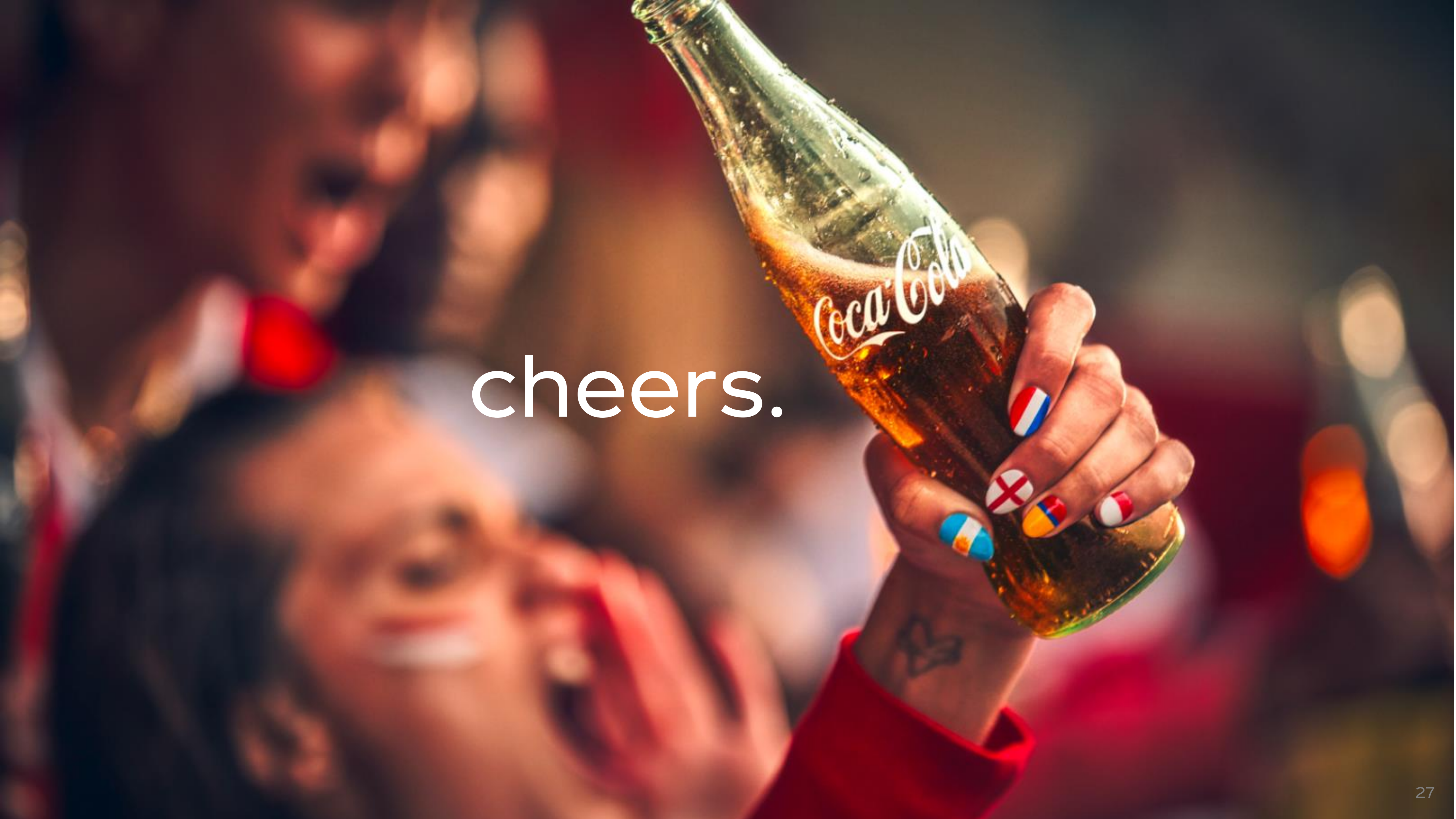
Bar Arena Finders

## STORYTELLING


UNPRECEDENTED **SCALE UP**

**170+** ACTIVATING MARKETS

**~50%** REDUCTION IN DEVELOPMENT COST VS 2014 WORLD CUP




cheers.