

THE COCA-COLA COMPANY AND SUBSIDIARIES

Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

The company reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP” or referred to herein as “reported”). To supplement our consolidated financial statements reported on a GAAP basis, we provide the following non-GAAP financial measures: “comparable net revenues,” “comparable currency neutral net revenues,” “organic revenues,” “comparable cost of goods sold,” “comparable operating margin,” “underlying operating margin,” “comparable operating income,” “comparable currency neutral operating income,” “comparable EPS,” “comparable currency neutral EPS,” “underlying effective tax rate” and “free cash flow,” each of which is defined below. Management believes these non-GAAP financial measures provide investors with additional meaningful financial information that should be considered when assessing our underlying business performance and trends. Further, management believes these non-GAAP financial measures also enhance investors’ ability to compare period-to-period financial results. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the company’s reported results prepared in accordance with GAAP. Our non-GAAP financial measures do not represent a comprehensive basis of accounting. Therefore, our non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. Reconciliations of each of these non-GAAP financial measures to GAAP information are also included below. Management uses these non-GAAP financial measures in making financial, operating, compensation and planning decisions and in evaluating the company’s performance. Disclosing these non-GAAP financial measures allows investors and management to view our operating results excluding the impact of items that are not reflective of the underlying operating performance.

DEFINITIONS

- “Currency neutral operating results” are determined by dividing or multiplying, as appropriate, our current period actual U.S. dollar operating results, by the current period actual exchange rates (that include the impact of current period currency hedging activities), to derive our current period local currency operating results. We then multiply or divide, as appropriate, the derived current period local currency operating results by the foreign currency exchange rates (that also include the impact of the comparable prior period currency hedging activities) used to translate the company’s financial statements in the comparable prior year period to determine what the current period U.S. dollar operating results would have been if the foreign currency exchange rates had not changed from the comparable prior year period.
- “Structural changes” generally refer to acquisitions and divestitures of bottling operations, including the impact of intercompany transactions between our operating segments.
- “Comparable net revenues” is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below). “Comparable currency neutral net revenues” is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below) as well as the impact of changes in foreign currency exchange rates. Management believes the comparable net revenues (non-GAAP) growth measure and the comparable currency neutral net revenues (non-GAAP) growth measure provide investors with useful supplemental information to enhance their understanding of the company’s revenue performance and trends by improving their ability to compare our period-to-period results. “Organic revenues” is a non-GAAP financial measure that excludes or has otherwise been adjusted for the impact of acquisitions, divestitures and structural changes, as applicable, and the impact of changes in foreign currency exchange rates. Management believes the organic revenue (non-GAAP) growth measure provides users with useful supplemental information regarding the company’s ongoing revenue performance and trends by presenting revenue growth excluding the impact of foreign exchange as well as the impact of acquisitions, divestitures and structural changes. In 2021, the company acquired the remaining ownership interest in BODYARMOR. The impact of acquiring BODYARMOR has been included in acquisitions, divestitures and structural changes in our analysis of net operating revenues on a consolidated basis as well as for the North America operating segment for the three months and year ended December 31, 2021. In 2020, the company discontinued our Odwalla juice business. The impact of discontinuing our Odwalla juice business has been included in acquisitions, divestitures and structural changes in our analysis of net operating revenues on a consolidated basis as well as for the North America operating segment for the year ended December 31, 2021.
- “Comparable cost of goods sold” is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below). Management believes comparable cost of goods sold

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(non-GAAP) provides users with useful supplemental information regarding the company's ongoing cost of goods sold by improving their ability to compare our period-to-period results.

- “Comparable operating income” is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below). “Comparable currency neutral operating income” is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below) and the impact of changes in foreign currency exchange rates. “Comparable operating margin” is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below). “Underlying operating margin” is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below), the impact of changes in foreign currency exchange rates, and the impact of acquisitions, divestitures and structural changes, as applicable. Management uses these non-GAAP financial measures to evaluate the company's performance and make resource allocation decisions. Further, management believes the comparable operating income (non-GAAP) growth measure, comparable currency neutral operating income (non-GAAP) growth measure, comparable operating margin (non-GAAP) measure and underlying operating margin (non-GAAP) measure enhance its ability to communicate the underlying operating results and provide investors with useful supplemental information to enhance their understanding of the company's underlying business performance and trends by improving their ability to compare our period-to-period financial results.
- “Comparable EPS” and “comparable currency neutral EPS” are non-GAAP financial measures that exclude or have otherwise been adjusted for items impacting comparability (discussed further below). Comparable currency neutral EPS (non-GAAP) has also been adjusted for the impact of changes in foreign currency exchange rates. Management uses these non-GAAP financial measures to evaluate the company's performance and make resource allocation decisions. Further, management believes the comparable EPS (non-GAAP) and comparable currency neutral EPS (non-GAAP) growth measures enhance its ability to communicate the underlying operating results and provide investors with useful supplemental information to enhance their understanding of the company's underlying business performance and trends by improving their ability to compare our period-to-period financial results.
- “Underlying effective tax rate” is a non-GAAP financial measure that represents the estimated annual effective income tax rate on income before income taxes, which excludes or has otherwise been adjusted for items impacting comparability (discussed further below).
- “Free cash flow” is a non-GAAP financial measure that represents net cash provided by operating activities less purchases of property, plant and equipment. Management uses this non-GAAP financial measure to evaluate the company's performance and make resource allocation decisions.

ITEMS IMPACTING COMPARABILITY

The following information is provided to give qualitative and quantitative information related to items impacting comparability. Items impacting comparability are not defined terms within GAAP. Therefore, our non-GAAP financial information may not be comparable to similarly titled measures reported by other companies. We determine which items to consider as “items impacting comparability” based on how management views our business; makes financial, operating, compensation and planning decisions; and evaluates the company's ongoing performance. Items such as charges, gains and accounting changes which are viewed by management as impacting only the current period or the comparable period, but not both, or as pertaining to different and unrelated underlying activities or events across comparable periods, are generally considered “items impacting comparability.” Items impacting comparability include, but are not limited to, asset impairments, charges related to our strategic realignment initiatives, charges related to our productivity and reinvestment initiatives, and transaction gains/losses including associated costs, in each case when exceeding a U.S. dollar threshold. Also included are our proportionate share of similar items incurred by our equity method investees, timing differences related to our economic (non-designated) hedging activities, and timing differences related to unrealized mark-to-market adjustments of equity securities and trading debt securities, regardless of size. In addition, we provide the impact that changes in foreign currency exchange rates had on our financial results (“currency neutral operating results” defined above).

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Asset Impairments

During the three months and year ended December 31, 2021, the company recorded an impairment charge of \$78 million related to a trademark in Europe, which was driven by a change in our intent to renew the license agreement for a certain brand.

During the three months and year ended December 31, 2020, the company recorded an other-than-temporary impairment charge of \$252 million related to Coca-Cola Bottlers Japan Holdings Inc. (“CCBJHI”), an equity method investee. Based on the length of time and the extent to which the market value of our investment in CCBJHI was less than our carrying value and the financial condition and near-term prospects of the issuer, management determined that the decline in fair value was other than temporary in nature.

During the year ended December 31, 2020, the company recorded impairment charges of \$160 million related to discontinuing our Odwalla juice business, and recorded an impairment charge of \$55 million related to a trademark in North America, which was driven by the impact of the COVID-19 pandemic, revised projections of future operating results and a change in brand focus in the company’s portfolio. The company also recorded an other-than-temporary impairment charge of \$38 million related to one of our equity method investees in Latin America and an impairment charge of \$26 million associated with an investment in an equity security without a readily determinable fair value. These impairment charges were primarily driven by revised projections of future operating results. In addition, the company recorded a charge of \$13 million for the impairment of goodwill in our bottling operations in the Middle East, which was primarily driven by a change in sugar tax laws, and recorded impairment charges totaling \$10 million related to several trademarks in Latin America, which were primarily driven by the impact of the COVID-19 pandemic and management’s view of the timing and extent of recovery.

Strategic Realignment

In August 2020, the company announced strategic steps to transform our organizational structure in an effort to better enable us to capture growth in the fast-changing marketplace. The company is building a networked global organization comprised of operating units, category leads, platform services and the center. The operating units are highly interconnected with more consistency in the structure and a focus on eliminating duplication of resources and scaling new products more quickly. The global marketing category leadership teams primarily focus on innovation, marketing efficiency and effectiveness. The center provides strategy, governance and scale for global initiatives. The operating units, global marketing category leadership teams, and the center are supported by platform services, which focuses on providing efficient and scaled global services and capabilities including, but not limited to, governance, transactional work, data management, consumer analytics, digital commerce and social/digital hubs. During the three months and year ended December 31, 2021, the company recorded charges of \$33 million and \$263 million, respectively, which were primarily related to severance costs and pension settlement charges associated with our strategic realignment initiatives. During the three months and year ended December 31, 2020, the company recorded charges of \$84 million and \$427 million, respectively, primarily related to severance costs associated with our strategic realignment initiatives.

Productivity and Reinvestment

During the three months and year ended December 31, 2021, the company recorded charges of \$44 million and \$115 million, respectively. During the three months and year ended December 31, 2020, the company recorded charges of \$28 million and \$99 million, respectively. The costs incurred were primarily related to certain remaining initiatives designed to further simplify and standardize our organization.

Equity Investees

During the three months and year ended December 31, 2021, the company recorded net charges of \$8 million and \$13 million, respectively. During the three months and year ended December 31, 2020, the company recorded net charges of \$88 million and \$216 million, respectively. These amounts represent the company’s proportionate share of significant operating and nonoperating items recorded by certain of our equity method investees.

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Transaction Gains/Losses

During the three months and year ended December 31, 2021, the company recognized a gain of \$834 million in conjunction with our acquisition of the remaining ownership interest in BODYARMOR, which resulted from the remeasurement of our previously held equity interest in BODYARMOR to fair value. The company also recorded charges of \$119 million, which includes various transition and transaction costs, distributor termination fees, employee retention costs and the amortization of noncompete agreements related to the BODYARMOR acquisition. Additionally, during the three months and year ended December 31, 2021, the company recognized gains totaling \$57 million and \$133 million, respectively, related to the sale of a portion of our ownership interests in certain unconsolidated bottling operations. During the three months and year ended December 31, 2021, the company also recorded charges of \$106 million and \$369 million, respectively, related to the remeasurement of our contingent consideration liability to fair value in conjunction with the fairlife, LLC (“fairlife”) acquisition.

During the year ended December 31, 2021, the company recorded a net gain, including transaction costs, of \$694 million related to the sale of our ownership interest in Coca-Cola Amatil Limited, an equity method investee.

During the three months and year ended December 31, 2020, the company recorded charges of \$4 million and \$51 million, respectively, related to the remeasurement of our contingent consideration liability to fair value in conjunction with the fairlife acquisition. The company also recognized a gain of \$17 million related to the sale of an equity method investment in North America.

During the year ended December 31, 2020, the company recognized a gain of \$902 million in conjunction with our acquisition of the remaining ownership interest in fairlife, which resulted from the remeasurement of our previously held equity interest in fairlife to fair value. The company also recognized gains totaling \$23 million related to the sale of a portion of our ownership interests in certain unconsolidated bottling operations and a gain of \$2 million related to the 2017 refranchising of our China bottling operations, resulting from post-closing adjustments as contemplated by the related agreements.

Other Items

Economic (Non-Designated) Hedges

The company uses derivatives as economic hedges primarily to mitigate the foreign exchange risk for certain currencies, certain interest rate risk, and the price risk associated with the purchase of materials used in our manufacturing processes as well as the purchase of vehicle fuel. Although these derivatives were not designated and/or did not qualify for hedge accounting, they are effective economic hedges. The changes in fair values of these economic hedges are immediately recognized in earnings.

The company excludes the net impact of mark-to-market adjustments for outstanding hedges and realized gains/losses for settled hedges from our non-GAAP financial information until the period in which the underlying exposure being hedged impacts our condensed consolidated statement of income. Management believes this adjustment provides meaningful information related to the impact of our economic hedging activities. During the three months and year ended December 31, 2021, the net impact of the company’s adjustment related to our economic hedging activities resulted in increases of \$37 million and \$85 million, respectively, to our non-GAAP income before income taxes.

During the three months and year ended December 31, 2020, the net impact of the company’s adjustment related to our economic hedging activities resulted in decreases of \$108 million and \$126 million, respectively, to our non-GAAP income before income taxes.

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Unrealized Gains and Losses on Equity and Trading Debt Securities

The company excludes the net impact of unrealized gains and losses resulting from mark-to-market adjustments on our equity and trading debt securities from our non-GAAP financial information until the period in which the underlying securities are sold and the associated gains or losses are realized. Management believes this adjustment provides meaningful information related to the impact of our investments in equity and trading debt securities. During the three months and year ended December 31, 2021, the net impact of the company's adjustment related to unrealized gains and losses on our equity and trading debt securities resulted in decreases of \$85 million and \$362 million, respectively, to our non-GAAP income before income taxes.

During the three months and year ended December 31, 2020, the net impact of the company's adjustment related to unrealized gains and losses on our equity and trading debt securities resulted in decreases of \$257 million and \$132 million, respectively, to our non-GAAP income before income taxes.

Extinguishment of Long-Term Debt

During the year ended December 31, 2021, the company recorded charges of \$650 million related to the extinguishment of long-term debt. During the three months and year ended December 31, 2020, the company recorded charges of \$79 million and \$484 million, respectively, related to the extinguishment of long-term debt.

Other

During the three months and year ended December 31, 2021, the company recorded net charges of \$10 million and \$318 million, respectively, related to restructuring our manufacturing operations in the United States. During the three months and year ended December 31, 2021, the company also recorded charges of \$1 million and \$15 million, respectively, related to tax litigation.

During the three months and year ended December 31, 2020, the company recorded net charges of \$15 million and \$84 million, respectively, related to restructuring our manufacturing operations in the United States. During the three months and year ended December 31, 2020, the company also recorded a net gain of \$4 million and net charges of \$33 million, respectively, related to discontinuing our Odwalla juice business. Additionally, during the three months and year ended December 31, 2020, the company recorded charges of \$3 million related to tax litigation.

Certain Tax Matters

During the three months and year ended December 31, 2021, the company recorded \$20 million and \$62 million, respectively, of excess tax benefits associated with the company's stock-based compensation arrangements. Additionally, during the three months and year ended December 31, 2021, the company recorded net tax expense of \$13 million and \$134 million, respectively, for changes to our uncertain tax positions, including interest and penalties, as well as for various discrete tax items, including the tax impact of agreed-upon audit issues, and recorded tax expense of \$88 million and \$111 million, respectively, associated with return to provision adjustments. Additionally, during the three months and year ended December 31, 2021, the company recorded net tax expense of \$78 million and \$255 million, respectively, related to changes in tax laws in the U.S. and certain foreign jurisdictions.

During the year ended December 31, 2021, the company recorded a tax benefit of \$28 million related to the reversal of a valuation allowance on an equity method investment.

During the three months and year ended December 31, 2020, the company recorded \$16 million and \$77 million, respectively, of excess tax benefits associated with the company's stock-based compensation arrangements. During the three months and year ended December 31, 2020, the company recorded net tax benefits of \$32 million and \$95 million, respectively, primarily associated with return to provision adjustments. During the three months and year ended December 31, 2020, the company also recorded net tax expense of \$488 million and \$458 million, respectively, for changes to our uncertain tax positions, including interest and penalties, as well as for various discrete tax items. During the three months and year ended December 31, 2020, the company recorded \$12 million and \$28 million, respectively, of net tax expense related to changes in tax laws in certain foreign jurisdictions. During the three months and year ended December 31, 2020, the company recorded a tax benefit of \$107 million related to the reversal of valuation allowances on certain equity investments.

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(In millions except per share data)

Three Months Ended December 31, 2021								
	Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
Reported (GAAP)	\$ 9,464	\$ 4,088	\$ 5,376	56.8%	\$ 3,336	\$ 368	\$ 1,672	17.7%
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	(78)	78	
Strategic Realignment	—	—	—		—	(20)	20	
Productivity and Reinvestment	—	—	—		—	(44)	44	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(225)	225	
Other Items	6	(46)	52		—	(1)	53	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	\$ 9,470	\$ 4,042	\$ 5,428	57.3%	\$ 3,336	\$ —	\$ 2,092	22.1%

Three Months Ended December 31, 2020								
	Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
Reported (GAAP)	\$ 8,611	\$ 3,578	\$ 5,033	58.5%	\$ 2,589	\$ 106	\$ 2,338	27.2%
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	—	—	
Strategic Realignment	—	—	—		—	(81)	81	
Productivity and Reinvestment	—	—	—		—	(28)	28	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(4)	4	
Other Items	(8)	83	(91)		—	7	(98)	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	\$ 8,603	\$ 3,661	\$ 4,942	57.4%	\$ 2,589	\$ —	\$ 2,353	27.3%

	Net operating revenues	Cost of goods sold	Gross profit	Selling, general and administrative expenses	Other operating charges	Operating income
% Change — Reported (GAAP)	10	14	7	29	249	(28)
% Currency Impact	(1)	(1)	0	(1)	—	2
% Change — Currency Neutral (Non-GAAP)	10	15	7	30	—	(31)
% Change — Comparable (Non-GAAP)	10	10	10	29	—	(11)
% Comparable Currency Impact (Non-GAAP)	0	(1)	0	(1)	—	1
% Change — Comparable Currency Neutral (Non-GAAP)	10	12	10	30	—	(12)

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

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Three Months Ended December 31, 2021								
	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes ¹	Effective tax rate	Net income ³	Diluted net income per share
Reported (GAAP)	\$ 165	\$ 302	\$ 1,080	\$ 2,960	\$ 510	17.3%	\$ 2,414	\$ 0.56
Items Impacting Comparability:								
Asset Impairments	—	—	—	78	16		62	0.01
Strategic Realignment	—	—	13	33	10		23	0.01
Productivity and Reinvestment	—	—	—	44	10		34	0.01
Equity Investees	—	8	—	8	—		8	—
Transaction Gains/Losses	—	—	(891)	(666)	47		(713)	(0.16)
Other Items	6	—	(84)	(37)	13		(50)	(0.01)
Certain Tax Matters	—	—	—	—	(159)		159	0.04
Comparable (Non-GAAP)	\$ 171	\$ 310	\$ 118	\$ 2,420	\$ 447	18.4%²	\$ 1,937	\$ 0.45

Three Months Ended December 31, 2020								
	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes ¹	Effective tax rate	Net income ³	Diluted net income per share
Reported (GAAP)	\$ 310	\$ 204	\$ 53	\$ 2,361	\$ 887	37.6%	\$ 1,456	\$ 0.34
Items Impacting Comparability:								
Asset Impairments	—	—	252	252	—		252	0.06
Strategic Realignment	—	—	3	84	11		73	0.02
Productivity and Reinvestment	—	—	—	28	6		22	0.01
Equity Investees	—	88	—	88	(4)		92	0.02
Transaction Gains/Losses	—	—	(17)	(13)	(4)		(9)	—
Other Items	(79)	—	(253)	(272)	(63)		(209)	(0.05)
Certain Tax Matters	—	—	—	—	(345)		345	0.08
Comparable (Non-GAAP)	\$ 231	\$ 292	\$ 38	\$ 2,528	\$ 488	19.3%	\$ 2,022	\$ 0.47

	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes ¹	Net income ³	Diluted net income per share
% Change — Reported (GAAP)	(47)	48	1,930	25	(42)	66	65
% Change — Comparable (Non-GAAP)	(26)	6	202	(4)	(9)	(4)	(5)

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¹ The income tax adjustments are the calculated income tax benefits (charges) at the applicable tax rate for each of the items impacting comparability with the exception of certain tax matters previously discussed.

² This does not include the impact of the ongoing tax litigation with the U.S. Internal Revenue Service, if the company were not to prevail.

³ This represents net income attributable to shareowners of The Coca-Cola Company.

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Year Ended December 31, 2021								
	Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
Reported (GAAP)	\$ 38,655	\$ 15,357	\$ 23,298	60.3%	\$ 12,144	\$ 846	\$ 10,308	26.7%
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	(78)	78	
Strategic Realignment	—	—	—		—	(146)	146	
Productivity and Reinvestment	—	—	—		—	(115)	115	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		(5)	(488)	493	
Other Items	3	53	(50)		—	(19)	(31)	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	\$ 38,658	\$ 15,410	\$ 23,248	60.1%	\$ 12,139	\$ —	\$ 11,109	28.7%

Year Ended December 31, 2020								
	Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
Reported (GAAP)	\$ 33,014	\$ 13,433	\$ 19,581	59.3%	\$ 9,731	\$ 853	\$ 8,997	27.3%
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	(238)	238	
Strategic Realignment	—	—	—		—	(413)	413	
Productivity and Reinvestment	—	—	—		—	(99)	99	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(51)	51	
Other Items	(15)	65	(80)		—	(52)	(28)	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	\$ 32,999	\$ 13,498	\$ 19,501	59.1%	\$ 9,731	\$ —	\$ 9,770	29.6%

	Net operating revenues	Cost of goods sold	Gross profit	Selling, general and administrative expenses	Other operating charges	Operating income
% Change — Reported (GAAP)	17	14	19	25	(1)	15
% Currency Impact	1	1	2	2	—	2
% Change — Currency Neutral (Non-GAAP)	16	14	17	23	—	13
% Change — Comparable (Non-GAAP)	17	14	19	25	—	14
% Comparable Currency Impact (Non-GAAP)	1	1	2	2	—	2
% Change — Comparable Currency Neutral (Non-GAAP)	16	13	18	23	—	12

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Year Ended December 31, 2021								
	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes ¹	Effective tax rate	Net income ³	Diluted net income per share
Reported (GAAP)	\$ 1,597	\$ 1,438	\$ 2,000	\$ 12,425	\$ 2,621	21.1%	\$ 9,771	\$ 2.25
Items Impacting Comparability:								
Asset Impairments	—	—	—	78	16		62	0.01
Strategic Realignment	—	—	117	263	60		203	0.05
Productivity and Reinvestment	—	—	—	115	29		86	0.02
Equity Investees	—	13	—	13	(10)		23	0.01
Transaction Gains/Losses	—	—	(1,666)	(1,173)	(138)		(1,035)	(0.24)
Other Items	(821)	—	(84)	706	140		566	0.13
Certain Tax Matters	—	—	—	—	(410)		410	0.09
Comparable (Non-GAAP)	\$ 776	\$ 1,451	\$ 367	\$ 12,427	\$ 2,308	18.6%²	\$ 10,086	\$ 2.32

Year Ended December 31, 2020								
	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes ¹	Effective tax rate	Net income ³	Diluted net income per share
Reported (GAAP)	\$ 1,437	\$ 978	\$ 841	\$ 9,749	\$ 1,981	20.3%	\$ 7,747	\$ 1.79
Items Impacting Comparability:								
Asset Impairments	—	—	316	554	61		493	0.11
Strategic Realignment	—	—	14	427	93		334	0.08
Productivity and Reinvestment	—	—	—	99	22		77	0.02
Equity Investees	—	216	—	216	—		216	0.05
Transaction Gains/Losses	—	—	(944)	(893)	40		(933)	(0.22)
Other Items	(484)	—	(110)	346	52		294	0.07
Certain Tax Matters	—	—	—	—	(207)		207	0.05
Comparable (Non-GAAP)	\$ 953	\$ 1,194	\$ 117	\$ 10,498	\$ 2,042	19.5%	\$ 8,435	\$ 1.95

	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes ¹	Net income ³	Diluted net income per share
% Change — Reported (GAAP)	11	47	138	27	32	26	26
% Change — Comparable (Non-GAAP)	(19)	22	212	18	13	20	19

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

¹ The income tax adjustments are the calculated income tax benefits (charges) at the applicable tax rate for each of the items impacting comparability with the exception of certain tax matters previously discussed.

² This does not include the impact of the ongoing tax litigation with the U.S. Internal Revenue Service, if the company were not to prevail.

³ This represents net income attributable to shareowners of The Coca-Cola Company.

THE COCA-COLA COMPANY AND SUBSIDIARIES
Reconciliation of GAAP and Non-GAAP Financial Measures
(UNAUDITED)

Diluted Net Income Per Share:

Three Months Ended December 31, 2021
65
4
62

% Change — Reported (GAAP)

% Currency Impact

% Change — Currency Neutral (Non-GAAP)

% Impact of Items Impacting Comparability (Non-GAAP)

% Change — Comparable (Non-GAAP)

% Comparable Currency Impact (Non-GAAP)

% Change — Comparable Currency Neutral (Non-GAAP)

70
(5)
2
(6)

Year Ended December 31, 2021
26
2
23

% Change — Reported (GAAP)

% Currency Impact

% Change — Currency Neutral (Non-GAAP)

% Impact of Items Impacting Comparability (Non-GAAP)

% Change — Comparable (Non-GAAP)

% Comparable Currency Impact (Non-GAAP)

% Change — Comparable Currency Neutral (Non-GAAP)

7
19
2
17

Note: Certain columns may not add due to rounding.

THE COCA-COLA COMPANY AND SUBSIDIARIES
Reconciliation of GAAP and Non-GAAP Financial Measures
(UNAUDITED)
(In millions)

Net Operating Revenues by Operating Segment and Corporate:

		Three Months Ended December 31, 2021								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
Reported (GAAP)		\$ 1,638	\$ 1,030	\$ 3,393	\$ 1,012	\$ 775	\$ 1,904	\$ 26	\$ (314)	\$ 9,464
Items Impacting Comparability:										
Other Items		6	1	—	(1)	—	—	—	—	6
Comparable (Non-GAAP)		\$ 1,644	\$ 1,031	\$ 3,393	\$ 1,011	\$ 775	\$ 1,904	\$ 26	\$ (314)	\$ 9,470

		Three Months Ended December 31, 2020								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
Reported (GAAP)		\$ 1,429	\$ 1,005	\$ 2,891	\$ 1,077	\$ 610	\$ 1,869	\$ 21	\$ (291)	\$ 8,611
Items Impacting Comparability:										
Other Items		(4)	(3)	(1)	—	—	—	—	—	(8)
Comparable (Non-GAAP)		\$ 1,425	\$ 1,002	\$ 2,890	\$ 1,077	\$ 610	\$ 1,869	\$ 21	\$ (291)	\$ 8,603

		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
% Change — Reported (GAAP)		15	2	17	(6)	27	2	24	(8)	10
% Currency Impact		(2)	1	0	(3)	2	(1)	(1)	—	(1)
% Change — Currency Neutral (Non-GAAP)		17	2	17	(3)	25	3	25	—	10
% Acquisitions, Divestitures and Structural Changes		0	0	3	0	0	0	0	—	1
% Change — Organic Revenues (Non-GAAP)		17	2	14	(3)	25	3	25	—	9
% Change — Comparable (Non-GAAP)		15	3	17	(6)	27	2	24	—	10
% Comparable Currency Impact (Non-GAAP)		(1)	1	0	(3)	2	(1)	(1)	—	0
% Change — Comparable Currency Neutral (Non-GAAP)		17	2	17	(3)	25	3	25	—	10

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

THE COCA-COLA COMPANY AND SUBSIDIARIES
Reconciliation of GAAP and Non-GAAP Financial Measures
(UNAUDITED)
(In millions)

Net Operating Revenues by Operating Segment and Corporate:

		Year Ended December 31, 2021								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
Reported (GAAP)		\$ 7,193	\$ 4,143	\$ 13,190	\$ 5,291	\$ 2,805	\$ 7,203	\$ 85	\$ (1,255)	\$ 38,655
Items Impacting Comparability:										
Other Items		6	—	—	(3)	—	—	—	—	3
Comparable (Non-GAAP)		\$ 7,199	\$ 4,143	\$ 13,190	\$ 5,288	\$ 2,805	\$ 7,203	\$ 85	\$ (1,255)	\$ 38,658

		Year Ended December 31, 2020								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
Reported (GAAP)		\$ 6,057	\$ 3,499	\$ 11,477	\$ 4,722	\$ 1,991	\$ 6,265	\$ 46	\$ (1,043)	\$ 33,014
Items Impacting Comparability:										
Other Items		(9)	1	1	1	—	—	(9)	—	(15)
Comparable (Non-GAAP)		\$ 6,048	\$ 3,500	\$ 11,478	\$ 4,723	\$ 1,991	\$ 6,265	\$ 37	\$ (1,043)	\$ 32,999

		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
% Change — Reported (GAAP)		19	18	15	12	41	15	84	(20)	17
% Currency Impact		1	0	0	3	7	2	(17)	—	1
% Change — Currency Neutral (Non-GAAP)		18	19	15	9	34	13	101	—	16
% Acquisitions, Divestitures and Structural Changes		0	0	0	0	0	0	0	—	0
% Change — Organic Revenues (Non-GAAP)		18	19	14	9	34	13	101	—	16
% Change — Comparable (Non-GAAP)		19	18	15	12	41	15	124	—	17
% Comparable Currency Impact (Non-GAAP)		1	0	0	3	7	2	1	—	1
% Change — Comparable Currency Neutral (Non-GAAP)		18	19	15	9	34	13	124	—	16

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

THE COCA-COLA COMPANY AND SUBSIDIARIES
Reconciliation of GAAP and Non-GAAP Financial Measures
(UNAUDITED)
(In millions)

Operating Income (Loss) by Operating Segment and Corporate:

Three Months Ended December 31, 2021								
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
Reported (GAAP)	\$ 745	\$ 592	\$ 721	\$ 279	\$ 78	\$ 159	\$ (902)	\$ 1,672
Items Impacting Comparability:								
Asset Impairments	78	—	—	—	—	—	—	78
Strategic Realignment	—	—	—	(1)	—	—	21	20
Productivity and Reinvestment	—	—	—	—	—	—	44	44
Transaction Gains/Losses	—	—	21	—	—	—	204	225
Other Items	6	1	32	(1)	1	13	1	53
Comparable (Non-GAAP)	\$ 829	\$ 593	\$ 774	\$ 277	\$ 79	\$ 172	\$ (632)	\$ 2,092

Three Months Ended December 31, 2020								
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
Reported (GAAP)	\$ 735	\$ 590	\$ 868	\$ 406	\$ (9)	\$ 178	\$ (430)	\$ 2,338
Items Impacting Comparability:								
Asset Impairments	—	—	—	—	—	—	—	—
Strategic Realignment	37	(3)	(6)	(1)	4	21	29	81
Productivity and Reinvestment	(2)	—	—	—	—	—	30	28
Transaction Gains/Losses	—	—	—	—	—	—	4	4
Other Items	(4)	(3)	(80)	—	1	(15)	3	(98)
Comparable (Non-GAAP)	\$ 766	\$ 584	\$ 782	\$ 405	\$ (4)	\$ 184	\$ (364)	\$ 2,353

	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
% Change — Reported (GAAP)	1	0	(17)	(31)	—	(11)	(110)	(28)
% Currency Impact	4	3	0	(2)	—	5	0	2
% Change — Currency Neutral (Non-GAAP)	(3)	(3)	(17)	(29)	—	(16)	(110)	(31)
% Impact of Items Impacting Comparability (Non-GAAP)	(7)	(1)	(16)	0	—	(4)	(37)	(17)
% Change — Comparable (Non-GAAP)	8	1	(1)	(31)	—	(7)	(73)	(11)
% Comparable Currency Impact (Non-GAAP)	0	4	0	(3)	—	5	0	1
% Change — Comparable Currency Neutral (Non-GAAP)	8	(3)	(1)	(29)	—	(12)	(73)	(12)

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

THE COCA-COLA COMPANY AND SUBSIDIARIES
Reconciliation of GAAP and Non-GAAP Financial Measures
(UNAUDITED)
(In millions)

Operating Income (Loss) by Operating Segment and Corporate:

		Year Ended December 31, 2021							
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
Reported (GAAP)		\$ 3,735	\$ 2,534	\$ 3,331	\$ 2,325	\$ 293	\$ 473	\$ (2,383)	\$ 10,308
Items Impacting Comparability:									
Asset Impairments		78	—	—	—	—	—	—	78
Strategic Realignment		63	11	14	12	—	—	46	146
Productivity and Reinvestment		—	—	—	—	—	—	115	115
Transaction Gains/Losses		—	—	21	—	—	—	472	493
Other Items		6	—	(35)	(3)	(3)	(11)	15	(31)
Comparable (Non-GAAP)		\$ 3,882	\$ 2,545	\$ 3,331	\$ 2,334	\$ 290	\$ 462	\$ (1,735)	\$ 11,109

		Year Ended December 31, 2020							
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
Reported (GAAP)		\$ 3,313	\$ 2,116	\$ 2,471	\$ 2,133	\$ (123)	\$ 308	\$ (1,221)	\$ 8,997
Items Impacting Comparability:									
Asset Impairments		—	10	215	—	—	13	—	238
Strategic Realignment		78	19	115	31	4	21	145	413
Productivity and Reinvestment		(5)	—	—	—	—	—	104	99
Transaction Gains/Losses		—	—	—	—	—	—	51	51
Other Items		(9)	1	1	1	6	(17)	(11)	(28)
Comparable (Non-GAAP)		\$ 3,377	\$ 2,146	\$ 2,802	\$ 2,165	\$ (113)	\$ 325	\$ (932)	\$ 9,770

		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
% Change — Reported (GAAP)		13	20	35	9	—	53	(95)	15
% Currency Impact		2	1	0	4	—	(1)	(1)	2
% Change — Currency Neutral (Non-GAAP)		11	19	35	5	—	55	(94)	13
%									
% Impact of Items Impacting Comparability (Non-GAAP)		(2)	1	16	1	—	11	(9)	1
% Change — Comparable (Non-GAAP)		15	19	19	8	—	42	(86)	14
% Comparable Currency Impact (Non-GAAP)		1	1	0	4	—	(2)	0	2
% Change — Comparable Currency Neutral (Non-GAAP)		13	18	19	4	—	43	(86)	12

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

THE COCA-COLA COMPANY AND SUBSIDIARIES

Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)
(In millions unless noted)

Operating Margin:

Reported Operating Margin (GAAP)

Items Impacting Comparability (Non-GAAP)	(4.43)%	(0.20)%	
Comparable Operating Margin (Non-GAAP)	22.10 %	27.35 %	(525)
Comparable Currency Impact (Non-GAAP)	0.37 %	0.00 %	
Comparable Currency Neutral Operating Margin (Non-GAAP)	21.73 %	27.35 %	(562)
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	(0.72)%	0.03 %	
Underlying Operating Margin (Non-GAAP)	22.45 %	27.32 %	(487)

Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Basis Point Growth (Decline)
17.67 %	27.15 %	(948)
(4.43)%	(0.20)%	
22.10 %	27.35 %	(525)
0.37 %	0.00 %	
21.73 %	27.35 %	(562)
(0.72)%	0.03 %	
22.45 %	27.32 %	(487)

Reported Operating Margin (GAAP)

Items Impacting Comparability (Non-GAAP)	(2.07)%	(2.36)%	
Comparable Operating Margin (Non-GAAP)	28.74 %	29.61 %	(87)
Comparable Currency Impact (Non-GAAP)	0.11 %	0.00 %	
Comparable Currency Neutral Operating Margin (Non-GAAP)	28.63 %	29.61 %	(98)
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	(0.20)%	(0.09)%	
Underlying Operating Margin (Non-GAAP)	28.83 %	29.70 %	(87)

Year Ended December 31, 2021	Year Ended December 31, 2020	Basis Point Growth (Decline)
26.67 %	27.25 %	(58)
(2.07)%	(2.36)%	
28.74 %	29.61 %	(87)
0.11 %	0.00 %	
28.63 %	29.61 %	(98)
(0.20)%	(0.09)%	
28.83 %	29.70 %	(87)

Free Cash Flow:

Net Cash Provided by Operating Activities (GAAP)	\$ 12,625	\$ 9,844	\$ 2,781
Purchases of Property, Plant and Equipment (GAAP)	(1,367)	(1,177)	(190)
Free Cash Flow (Non-GAAP)	11,258	8,667	2,591

Year Ended December 31, 2021	Year Ended December 31, 2020	\$ Change
\$ 12,625	\$ 9,844	\$ 2,781
(1,367)	(1,177)	(190)
11,258	8,667	2,591

Projected 2022 Free Cash Flow (In billions):

Net Cash Provided by Operating Activities (GAAP)¹	\$ 12.0
Purchases of Property, Plant and Equipment (GAAP)	(1.5)
Projected Free Cash Flow (Non-GAAP)	10.5

Year Ending December 31, 2022	
\$	12.0
	(1.5)
\$	10.5

¹ This does not include the impact of the ongoing tax litigation with the U.S. Internal Revenue Service, if the company were not to prevail.