



# Q3 2021 MARGIN ANALYSIS

October 27, 2021

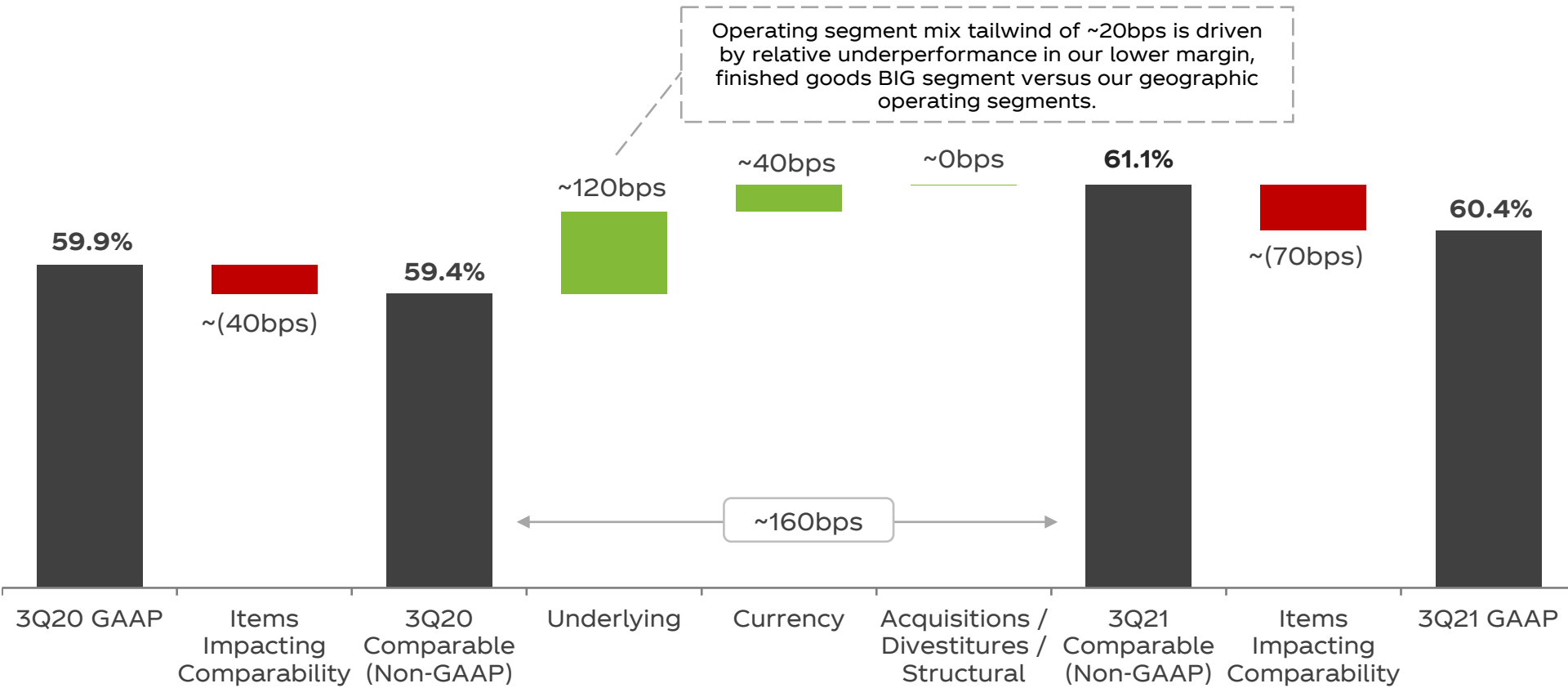
## RECONCILIATION TO U.S. GAAP FINANCIAL INFORMATION

The following presentation includes 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 is attached as an appendix hereto.



# Q3 2021 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



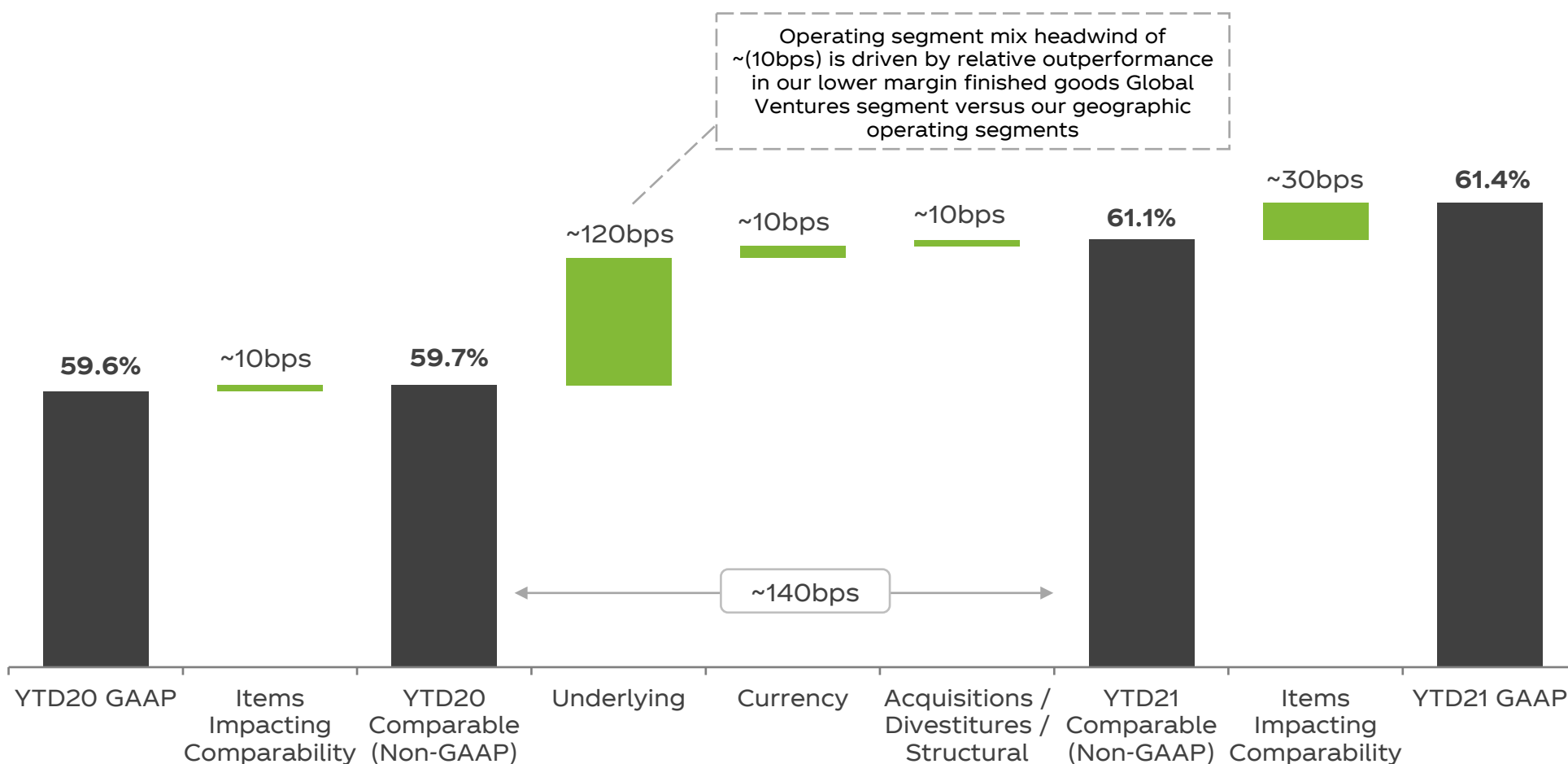
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~120 bps driven by pricing initiatives, favorable channel and package mix where coronavirus-related uncertainty is abating, and timing of shipments.



# YTD 2021 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



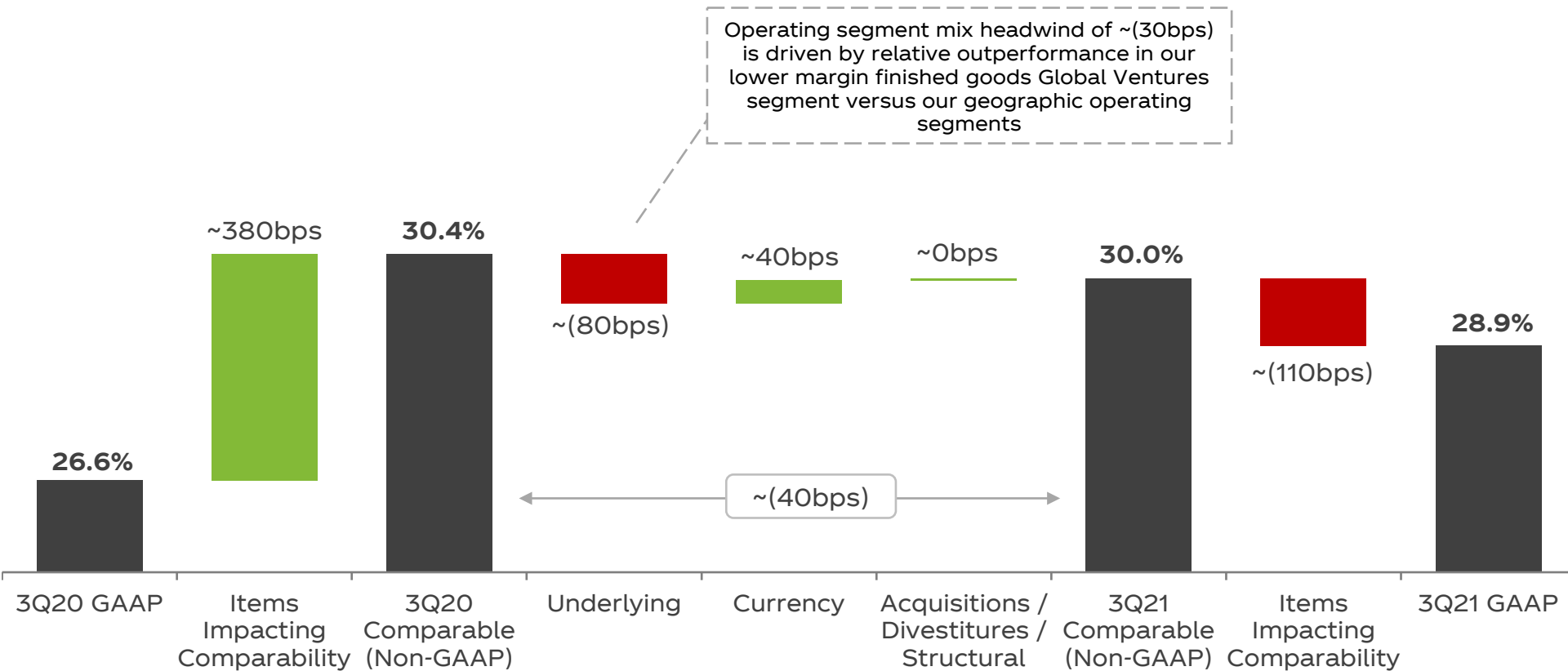
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~120 bps driven by favorable channel and package mix where coronavirus-related uncertainty is abating, timing of shipments, and pricing initiatives.
- The divestiture benefit to gross margin was due to the discontinuation of the finished goods business of Odwalla.



# Q3 2021 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



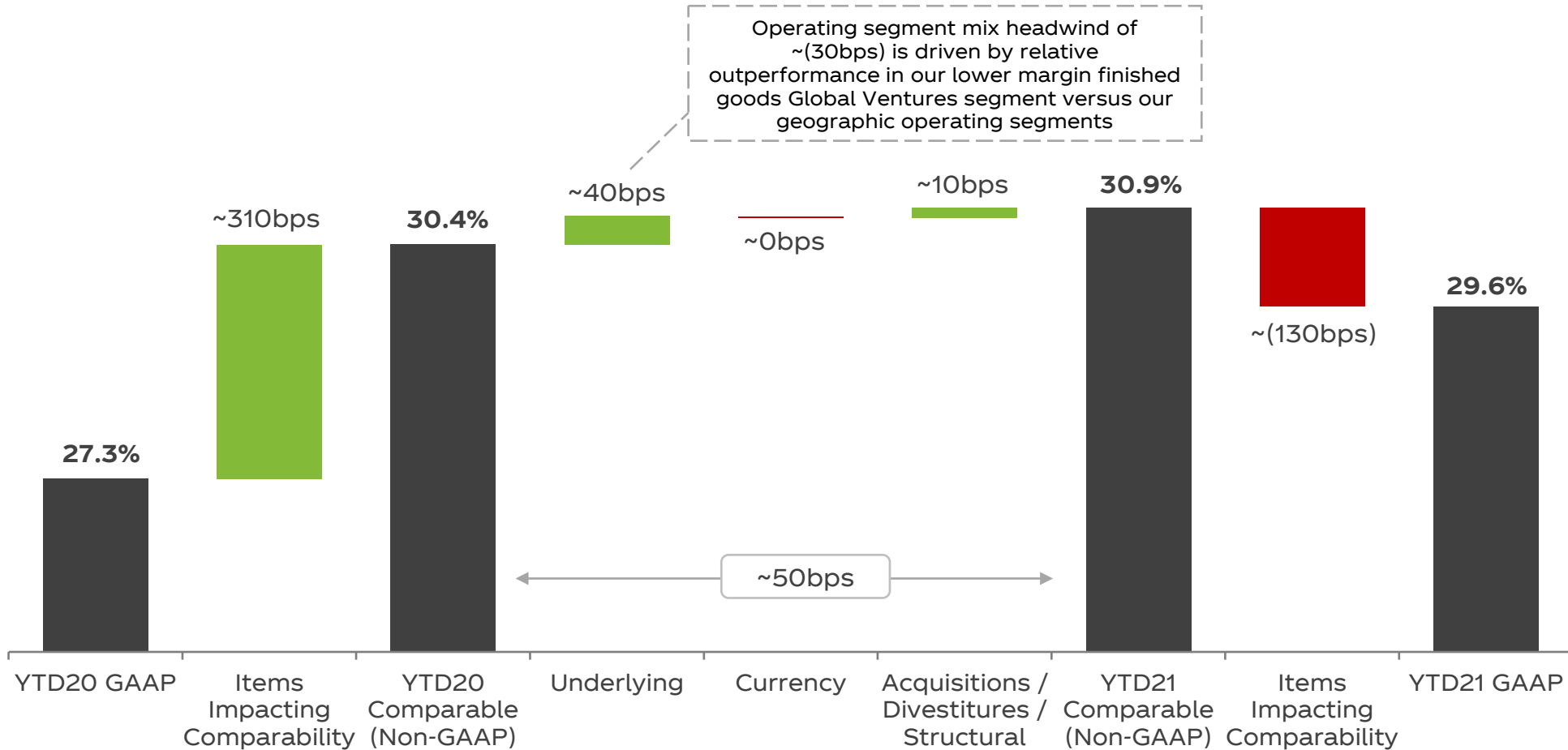
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to productivity & reinvestment initiatives, transaction gains & losses, and strategic realignment.
- Underlying operating margin compression of ~80 bps was primarily driven by a significant increase in marketing investments versus the prior year, partially offset by strong topline growth.



# YTD 2021 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



## KEY TAKEAWAYS

- Items impacting comparability primarily relate to productivity & reinvestment initiatives, transaction gains & losses, and strategic realignment.
- Underlying operating margin expanded by ~40 bps driven by favorable channel and package mix where coronavirus-related uncertainty is abating, partially offset by a significant increase in marketing investments versus the prior year.
- The divestiture benefit to operating margin was due to the discontinuation of the finished goods business of Odwalla.



# APPENDIX

RECONCILIATIONS OF GAAP AND NON-GAAP FINANCIAL MEASURES

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

**Gross Margin:**

	<b>Three Months Ended October 1, 2021</b>	<b>Three Months Ended September 25, 2020</b>	<b>Basis Point Growth</b>
<b>Reported Gross Margin (GAAP)</b>	<b>60.39%</b>	<b>59.88%</b>	<b>51</b>
Items Impacting Comparability (Non-GAAP)	(0.70%)	0.44%	
Comparable Gross Margin (Non-GAAP)	61.09%	59.44%	165
Comparable Currency Impact (Non-GAAP)	0.40%	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	60.69%	59.44%	125
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.00%	(0.01%)	
Underlying Gross Margin (Non-GAAP)	60.69%	59.45%	124

	<b>Nine Months Ended October 1, 2021</b>	<b>Nine Months Ended September 25, 2020</b>	<b>Basis Point Growth</b>
<b>Reported Gross Margin (GAAP)</b>	<b>61.39%</b>	<b>59.61%</b>	<b>178</b>
Items Impacting Comparability (Non-GAAP)	0.34%	(0.07%)	
Comparable Gross Margin (Non-GAAP)	61.05%	59.68%	137
Comparable Currency Impact (Non-GAAP)	0.11%	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	60.94%	59.68%	126
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.00%	(0.06%)	
Underlying Gross Margin (Non-GAAP)	60.94%	59.74%	120

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

**Operating Margin:**

**Reported Operating Margin (GAAP)**

Items Impacting Comparability (Non-GAAP)	(1.15%)	(3.85%)	
Comparable Operating Margin (Non-GAAP)	30.00%	30.41%	(41)
Comparable Currency Impact (Non-GAAP)	0.40%	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	29.60%	30.41%	(81)
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	0.00%	(0.04%)	
Underlying Operating Margin (Non-GAAP)	29.60%	30.45%	(85)

	Three Months Ended October 1, 2021	Three Months Ended September 25, 2020	Basis Point Growth (Decline)
	28.85%	26.56%	229
	(1.15%)	(3.85%)	
	30.00%	30.41%	(41)
	0.40%	0.00%	
	29.60%	30.41%	(81)
	0.00%	(0.04%)	
	29.60%	30.45%	(85)

**Reported Operating Margin (GAAP)**

Items Impacting Comparability (Non-GAAP)	(1.31%)	(3.11%)	
Comparable Operating Margin (Non-GAAP)	30.89%	30.40%	49
Comparable Currency Impact (Non-GAAP)	(0.03%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	30.92%	30.40%	52
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	0.00%	(0.13%)	
Underlying Operating Margin (Non-GAAP)	30.92%	30.53%	39

	Nine Months Ended October 1, 2021	Nine Months Ended September 25, 2020	Basis Point Growth
	29.58%	27.29%	229
	(1.31%)	(3.11%)	
	30.89%	30.40%	49
	(0.03%)	0.00%	
	30.92%	30.40%	52
	0.00%	(0.13%)	
	30.92%	30.53%	39