



Q4 AND FULL YEAR 2020 MARGIN ANALYSIS

February 10, 2021

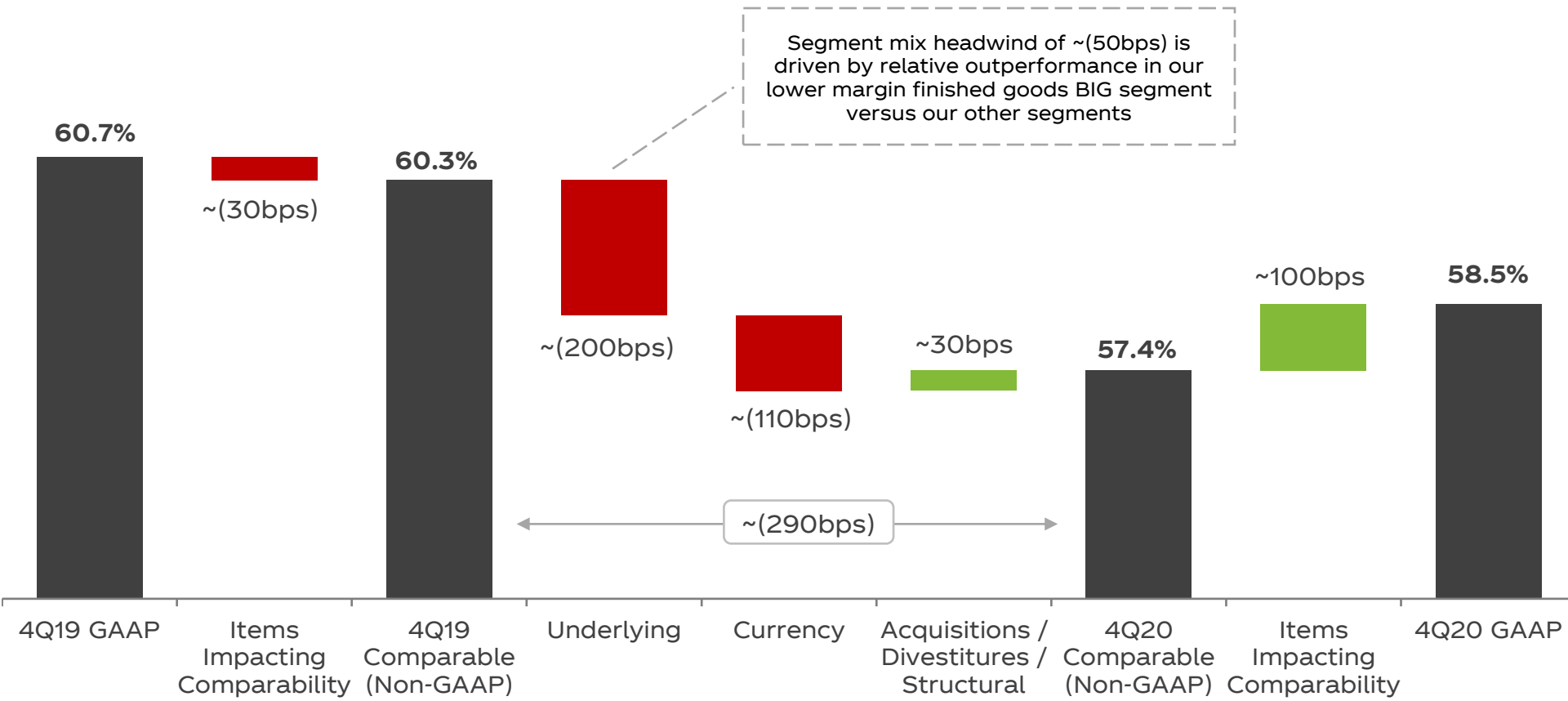
RECONCILIATION TO U.S. GAAP FINANCIAL INFORMATION

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.



Q4 2020 MARGIN ANALYSIS

CONSOLIDATED GROSS MARGIN



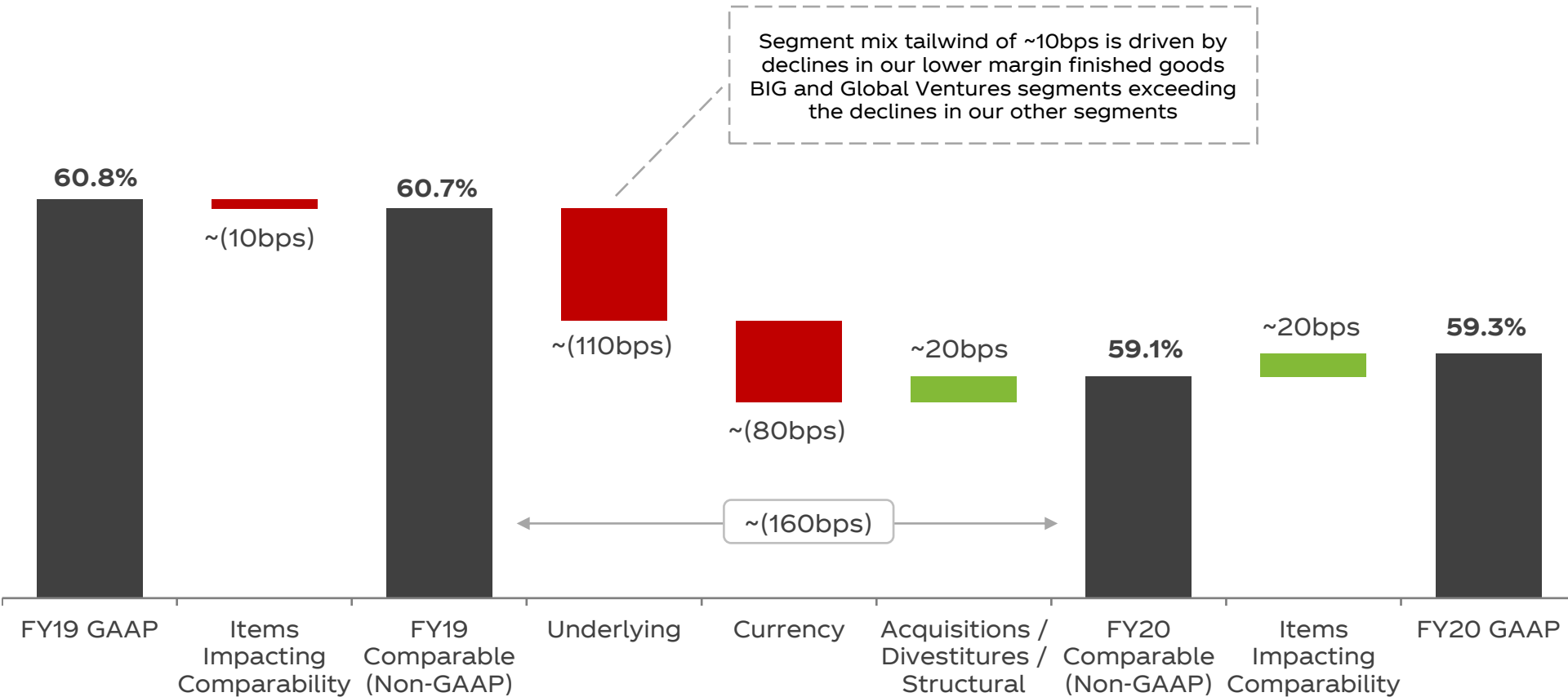
KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin contracted by ~200 bps) driven by topline pressure due to the coronavirus pandemic along with negative channel and package mix.
- The structural benefit to gross margin was primarily due to the refranchising of certain bottling operations in India and the acquisition of bottlers within Africa. The acquisition of finished goods business of fairlife and the discontinuation of finished goods business of Odwalla also benefited gross margin.



FY 2020 MARGIN ANALYSIS

CONSOLIDATED GROSS MARGIN



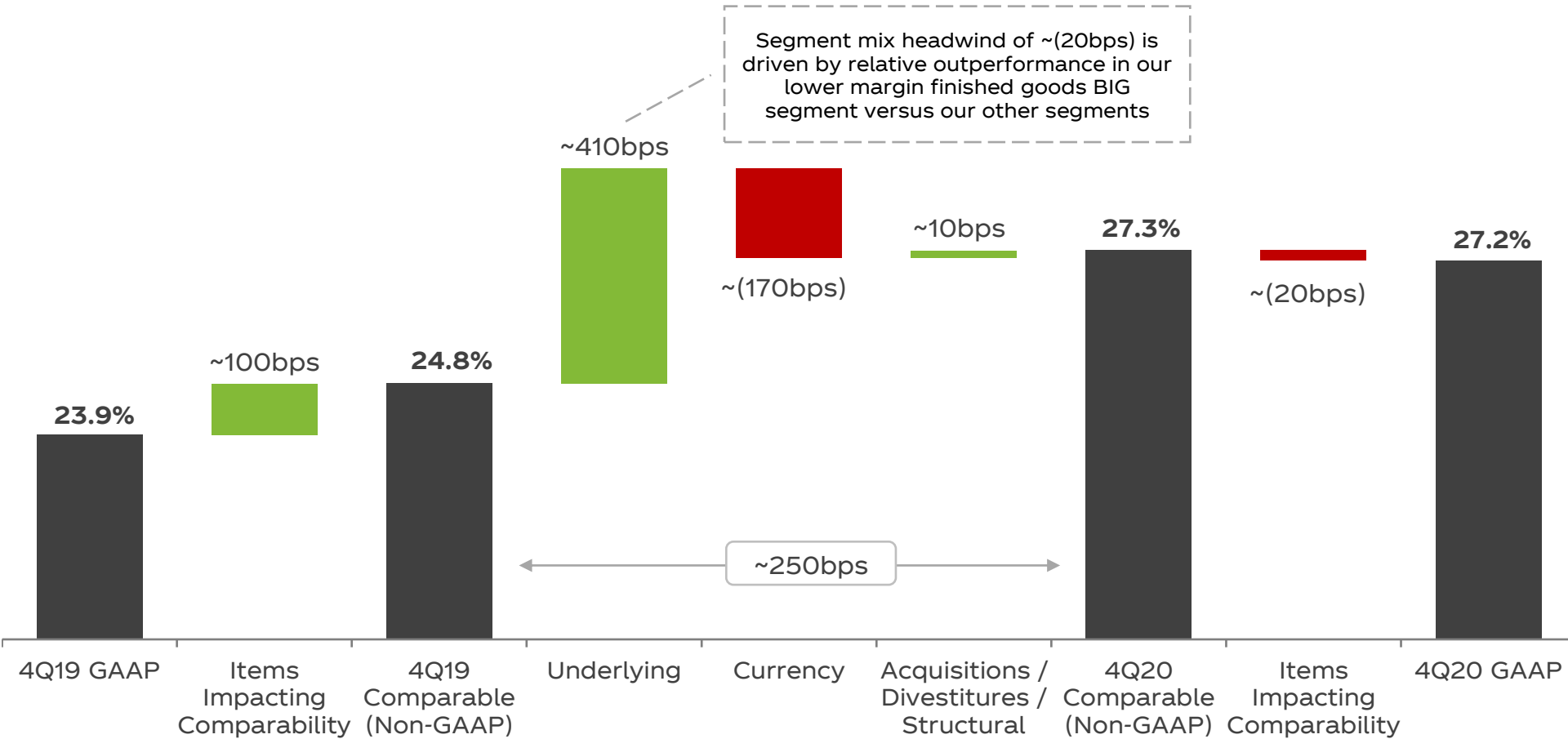
KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities and previously unrecognized depreciation and amortization for Coca-Cola Beverages Africa (CCBA).
- Underlying gross margin contraction of ~110 bps was driven by topline pressure due to the coronavirus pandemic along with negative channel and package mix.
- The structural benefit to gross margin was primarily due to the refranchising of certain bottling operations in India. The acquisition of finished goods businesses of fairlife and CHI, and the discontinuation of finished goods business of Odwalla also impacted gross margin.



Q4 2020 MARGIN ANALYSIS

CONSOLIDATED OPERATING MARGIN



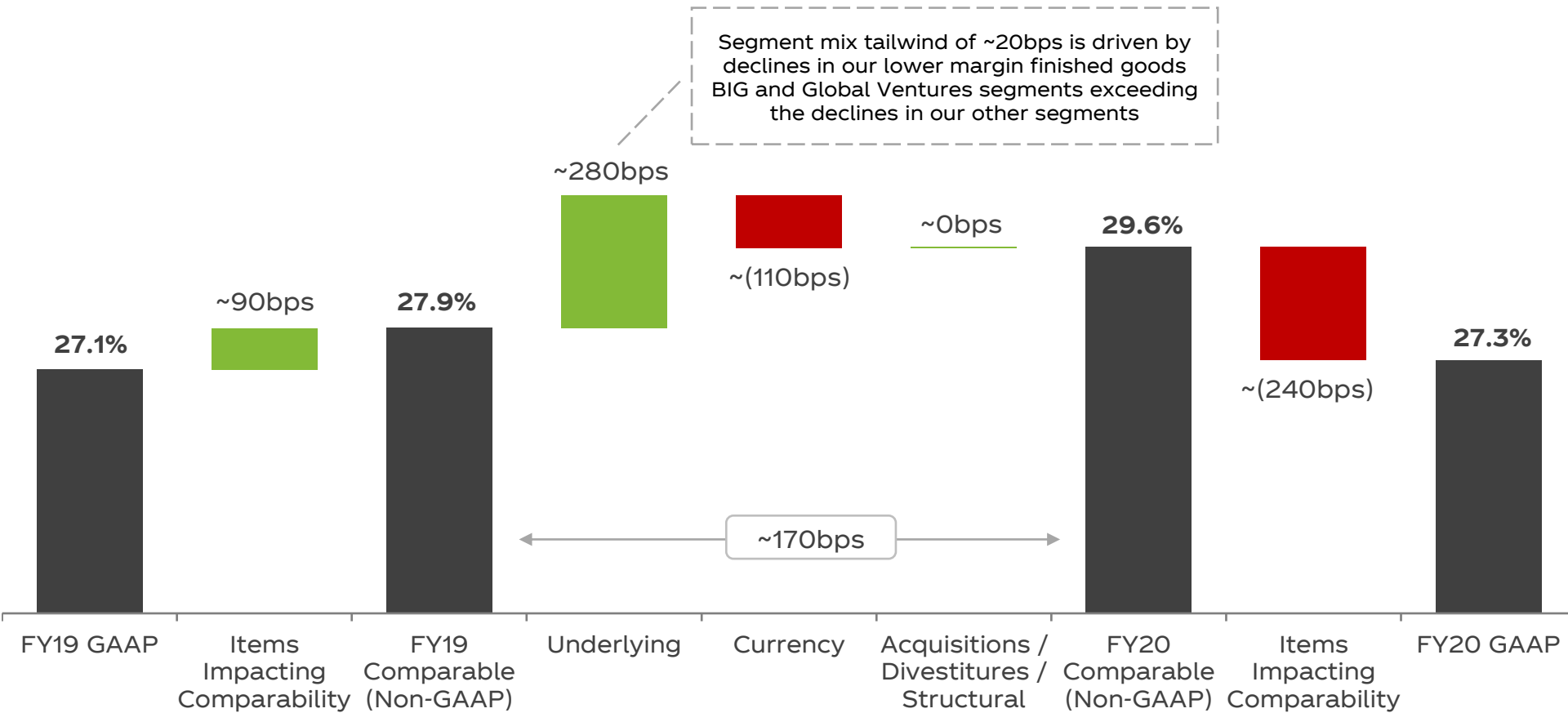
KEY TAKEAWAYS

- Items impacting comparability primarily relate to productivity & reinvestment initiatives, transaction gains & losses, and strategic realignment.
- Underlying operating margin expanded by ~410 bps driven by effective cost management across operating groups partially offset by pressure on the topline due to the coronavirus pandemic.
- The structural benefit to operating margin was primarily due to the refranchising of certain bottling operations in India and the acquisition of bottlers within Africa. The acquisition of finished goods business of fairlife and the discontinuation of finished goods business of Odwalla also impacted operating margin.



FY 2020 MARGIN ANALYSIS

CONSOLIDATED OPERATING MARGIN



KEY TAKEAWAYS

- Items impacting comparability primarily relate to productivity & reinvestment initiatives, transaction gains & losses, asset impairments, previously unrecognized depreciation and amortization for CCBA and strategic realignment.
- Underlying operating margin expanded by ~280 bps driven by effective cost management across operating groups partially offset by pressure on the topline due to the coronavirus pandemic.



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:

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Basis Point Growth (Decline)
Reported Gross Margin (GAAP)	58.45%	60.67%	(222)
Items Impacting Comparability	1.01%	0.35%	
Comparable Gross Margin (Non-GAAP)	57.44%	60.32%	(288)
Comparable Currency Impact (Non-GAAP)	(1.15%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	58.59%	60.32%	(173)
Impact of Acquisitions and Structural Items on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.08%	(0.23%)	
Underlying Gross Margin (Non-GAAP)	58.51%	60.55%	(204)

	Year Ended December 31, 2020	Year Ended December 31, 2019	Basis Point Growth (Decline)
Reported Gross Margin (GAAP)	59.31%	60.77%	(146)
Items Impacting Comparability (Non-GAAP)	0.22%	0.09%	
Comparable Gross Margin (Non-GAAP)	59.09%	60.68%	(159)
Comparable Currency Impact (Non-GAAP)	(0.77%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	59.86%	60.68%	(82)
Impact of Acquisitions and Structural Items on Comparable Currency Neutral Gross Margin (Non-GAAP)	(0.03%)	(0.27%)	
Underlying Gross Margin (Non-GAAP)	59.89%	60.95%	(106)

THE COCA-COLA COMPANY AND SUBSIDIARIES

Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

Operating Margin:

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Basis Point Growth
Reported Operating Margin (GAAP)	27.15%	23.87%	328
Items Impacting Comparability	(0.20%)	(0.96%)	
Comparable Operating Margin (Non-GAAP)	27.35%	24.83%	252
Comparable Currency Impact (Non-GAAP)	(1.68%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	29.03%	24.83%	420
Impact of Acquisitions and Structural Items on Comparable Currency Neutral Operating Margin (Non-GAAP)	(0.12%)	(0.26%)	
Underlying Operating Margin (Non-GAAP)	29.15%	25.09%	406

	Year Ended December 31, 2020	Year Ended December 31, 2019	Basis Point Growth
Reported Operating Margin (GAAP)	27.25%	27.07%	18
Items Impacting Comparability (Non-GAAP)	(2.36%)	(0.85%)	
Comparable Operating Margin (Non-GAAP)	29.61%	27.92%	169
Comparable Currency Impact (Non-GAAP)	(1.10%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	30.71%	27.92%	279
Impact of Acquisitions and Structural Items on Comparable Currency Neutral Operating Margin (Non-GAAP)	(0.20%)	(0.23%)	
Underlying Operating Margin (Non-GAAP)	30.91%	28.15%	276